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PEGORARO: YACYRETA BEST SOLUTION TO ARGENTINA'S ENERGY DEMANDS

Buenos Aires CONVICCION in Spanish 16 Nov 80 p 8

[Interview with Jorge Alberto Pegoraro, executive director of the Yacyreta Binational Institution; date and place not given]

[Text] "The Yacyreta hydroelectric project is experiencing a crucial period, especially when one considers the size of this feat of engineering. Bids are being studied for turbines, generators, gates and locks, and the lowest price quoted for civil engineering jobs exceeds $1.5 billion. Although this is a binational undertaking, the bidding appears to be the most extensive in history. It is the result of an all-important commitment." The foregoing statement was made during an interview with the executive director of the Yacyreta Binational Institution, engineer Jorge Alberto Pegoraro, who was also emphatic in declaring: "By 1986, when the first machine in the powerplant starts operating, the dam will have proven to be the best solution for supplying electric power to the Argentine market." Following is the complete text of the interview:

[Question] What are the features of the institution that you represent?

[Answer] The Binational Institution is an entity comprised by an equal number of representatives from Argentina and Paraguay. It has an Administrative Council and an Executive Committee established in the same proportion. Therefore, the decision-making power is shared. This feature makes it quite unique, with a few differences, despite the fact that it is of the Salto Grande type and resembles the Itaipu design which, as we know, is being constructed by Paraguay and Brazil.

[Question] Generally speaking, the bids made in the various biddings indicated prices that were lower than anticipated. What comments would you make in this regard?

[Answer] When there is a great deal of competition and low prices in bidding, we can consider it successful. Such is the case with all of the bidding that we have opened during recent months. There were several reasons causing this to occur. Among them we should stress the worldwide recession, which has faced manufacturers with the need to continue producing and to sell at marginal prices. The Yacyreta project, for its part, enjoys a good reputation on the international level. Another reason is Argentina's financial prestige in the world, which has evoked confidence among international financial institutions, insuring the proper payment of the remittances.

[Question] How are the criteria for making the awards established?

[Answer] The technical aspects are considered and assessed from the standpoint of reliability and performance of the machinery. These factors raise or reduce the prices quoted. There are also, of course the prices themselves and the financing terms. The decision is in the hands of the Yacyreta Binational Institution, with advice from specialized consulting firms. We are striving to shorten the deadlines, and I think that, within the next 2 or 3 months, we shall be able to obtain replies for nearly all the bids.

[Question] What mechanisms have been used for financing this project?

[Answer] The Binational Institution is like a third entity, the property of two partners (Argentina and Paraguay) which is actually the one that contracts for the loans,assumes the responsibilities and becomes indebted. Meanwhile, Argentina provides the backing for the external requirements. The Yacyreta Binational Institution has prepared its financial plan for the entire construction period, which will end in 1990 when the last of the 20 turbines goes into operation.

Among the loans, we could mention one from the Argentine Government, through the electrical funds, which is helping to finance what is known as local expenses. I should explain that it is a loan, and hence the Yacyreta Binational Institution will return it. Of those made in foreign currency, those of the World Bank and the Inter-American Development Bank are particularly noteworthy. For the first time, both institutions are operating by mutual accord, granting loans of preeminent significance. And there are those which we term export credits, which are promotional in nature, arranged on very advantageous terms by the industrialized countries to finance potential exports of their products.

[Question] What is the status of the projects being executed in the area of the site? What will they be used for when the dam is completed?

[Answer] This year, work has intensified on the housing plan, both in Ayolas, on the Paraguayan side, and Ituzaingo, on the Argentine side, where there are already several hundred housing units occupied by engineers, technicians and administrative personnel who are directing the project. We have planned to complete a total of 5,000 dwellings on both sides, of which number about 2,000 are currently under construction.

[Question] Part of Posadas will be affected by the flooding that the lake of the dam will cause. What measures have been adopted to surmount the obstacles?

[Answer] The problem of flooding that will be caused by the large lake that is to be formed (170,000 hectares) affects the towns of Encarnacion and Posadas in particular. In the latter, for example, it will be necessary to relocate about 20,000 persons.

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BRAZIL'S ITAIPU DRAWS WARNING FROM ARGENTINE LOCAL PAPER

Buenos Aires LA PRENSA in Spanish 22 Nov 80 p 10

[Text] Posadas, Misiones (NA)--The newspaper EL TERRITORIO reported: "Brazil has already located three dams on the Iguazu River," giving notice that, with the operation of Foz de Areia, the major hydroelectric powerplant on Brazilian territory, "it has a master key for controlling the water in accordance with its interests."

With a large display of photographs and text, the newspaper published a note from special correspondents asking: "What will happen in 1982, when the Itaipu dam is filled?"

The article indicates that Foz de Areia, located in the Brazilian state of Parana, will be able to generate 2.5 million kilowatts when its six turbines are in operation, each having a power of 418,500 kilowatts.

According to the newspaper, the filling of the reservoir began in April and ended in July, with the result that a section of the Iguazu River 13 kilometers long was made competely dry.

EL TERRITORIO states: "The volume of flow of the watercourse downstream resembles a jointly owned property with Argentina, with the level partly maintained through the contribution from tributaries and the opening of gates of other Brazilian dams, such as Salto Osorio and Santiago."

The construction of Foz de Areia entailed the erection of a dam 160 meters high, and the water falls through six open conduits in the middle of the rock, as far as the engine room, where six turbines are installed. The first of these went into operation last October, and it is anticipated that the second will go into service this December.

The Brazilian energy plan calls for the procurement of 12 million kilowatts in the drainage area, and most of the projects have been executed by the Parana Electricity Company (COPEL), a subsidiary of the state company, ELETROBRAS [Brazilian Electric Power Companies, Inc].

The Foz de Areia reservoir impounds 6 billion cubic meters, and regulates the entire River Iguazu system, with an effect on the watercourse jointly owned with Argentina, extending about 300 kilometers, and on the feeding from the Iguazu falls.

EL TERRITORIO observes that this situation of power and control upstream means that Brazil "has a master key for controlling the water in accordance with its interests and based on the demand on its domestic market."

The article gives a reminder that, for the Argentine hydroelectric projects, the Parana River must have a volume of flow of 5,000 cubic meters per second at Posadas; and in order to allow for this to occur, Brazil must release its reserves in the dams located on the Iguazu River.

EL TERRITORIO states in conclusion that, in Puerto Iguazu, "the river undergoes strange variations which have shocked the boatmen and the local residents;" claiming that "the large projects are changing its regimen, and hence the issue should be cause for reflection and analysis."

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GAS PIPELINE FUNDING APPROVED BY IDB

Buenos Aires CLARIN in Spanish 7 Nov 80 p 14

[Text] Yesterday, the Inter-American Development Bank (IDB) announced the approval of a loan of $48.8 million to be used to finance the first phase of the program for the extension of the northern gas pipeline between Rosario and Buenos Aires.

A communique from IDB states that the loan, granted to the State Gas enterprise, covers 30 percent of the total cost of the project, which has been estimated at $161.3 million. The rest will be provided by local sources. The credit assistance comes from the bank's regular capital funds, and has been granted on terms of 20 years at an interest rate of 8.25 percent per year. The payment called for is at half-year intervals, with the stipulation that the first 6 months' payment is to be made after the date of the last disbursement, while the Argentine Government is providing the guarantee.

The Project

The project consists of the construction and installation of 310 kilometers of pipework 30 inches in diameter, from the San Jeronimo turbocompressor plant (in Rosario) to the General Pacheco terminal, in Buenos Aires Province. The gas pipeline will have 13 valves, 30 inches in diameter, and three valves with a diameter of 24 inches.

The plan also calls for the construction and installation of 110 kilometers of pipework for branches of varying diameters, which will carry gas to the settlements of San Nicolas, Ramallo, San Pedro, Campana and Zarate, all of which are adjacent to the area where the main gas pipeline will be extended.

Capacity

The IDB report indicates that the new gas pipeline will make it possible to more than double the gas transportation capacity of the Rosario-Buenos Aires system (carrying from 6 to 12.5 million cubic meters per day).

The IDB notes that, "The project will help Argentina to attain a major goal in the energy sector, namely, that of reducing the country's dependence on imported oil." It subsequently remarks that nearly a third of the national gas production has to be discarded because of the limited transportation capacity of the existing gas pipelines.

The gas pipeline that is to be built with IDB assistance will afford a doubling of the transportation capacity of the Rosario-Buenos Aires system. Next week, the international bidding on the pipe that will be required for the project is planned.

Route

The purpose of the gas pipeline to be partially financed by IDB is to increase the capacity of the northern gas pipeline through piping that will run parallel from San Jeronimo (a locality situated 15 kilometers north of San Lorenzo, in Santa Fe Province) to Campana, in Buenos Aires territory. In this way, there will be a channeling of the larger volumes to be supplied when the west central gas pipeline that also terminates in San Jeronimo is completed.

Then, because this is a high-pressure gas pipeline, highly urbanized areas are being avoided by means of a bypass in the direction of General Rodriguez, where it connects with the General Cerri gas pipeline. The fluid will subsequently be moved toward General Pacheco, where it will again join the northern gas pipeline heading toward the federal capital. In other words, a gas pipeline triangle will thereby be formed between Campana, General Rodriguez and General Pacheco (see map).

According to sources consulted by CLARIN, next week the international bidding will be held for the pipe that the project will require, wherein a local company will compete with those of the other countries affiliated with IDB, as the regulations of the latter institution requires. About March of next year, moreover, the international bidding on the line installation will take place.

The new parallel gas pipeline, with its intake in San Jeronimo, will increase the transportation capacity of the Rosario-Buenos Aires system from 6 to 12.5 million cubic meters per day.

The map shows the route of the gas pipeline with intake in San Jeronimo (Santa Fe).

Key:

1. Gas pipeline to be constructed
2. Existing gas pipeline
3. Santa Fe
4. General Pacheco
5. General Rodriguez
6. Federal Capital

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NEWS OF OIL FIND IN BEAGLE REGION BRINGS ON DENIALS

Buenos Aires CONVICCION in Spanish 8 Nov 80 p 13

[Text] Yesterday, the specialized weekly publication EL ECONOMISTA announced the discovery of oil in the area of the Beagle Channel by the Interocean II platform that has been operating there since last September, a fact which would afford the country its own supply within a short time (with all the political and geopolitical implications). The announcement prompted subsequent denials from the secretary of energy himself, and from various oil businessmen.

The weekly noted: "The matter has extraordinary economic connotations, since it would afford the opportunity for the country's own oil supply within a short time. Obviously, there are also geopolitical implications, because the discovery is very close to the area of dispute with Chile."

It should be recalled that the presence of the exploration platform at the eastern mouth of the Magallanes Canal caused a ban some time ago, resulting from the intervention of a Chilean warship.

EL ECONOMISTA went on to say: "Business circles are electrified by the accounts that have been virtually confirmed, to the effect that oil has been discovered in the southern sea. The success is attributed to the Interocean II platform, which is operating in the concession zone granted opposite the Beagle Canal."

It added: "Some reports state that the certainty that appreciable sources of oil exist in the area has prompted certain boards of directors of business firms to travel abroad in order to purchase a second platform, so as to hasten the development process."

It then remarks that, "The news will undoubtedly have consequences which transcend the traditional economic context."

It continues: "In fact, few people are as yet aware that one of the firms associated with the aforementioned exploratory work is Alpargatas, which is operating through a subsidiary named Petrolar." EL ECONOMISTA concludes: "It is likely that when the news reaches the stock market, there will be one of the classic periods of euphoria among the operators which have marked other similar reports in recent years."

The repercussions on the stock market are not yet known, but there was an immediate reaction from private businessmen and the secretary of energy of the nation himself, who flatly denied the rumor.

In response to the extensive coverage of the story by yesterday's evening newspapers and the audiovisual media, engineer Daniel Brunella said that the news accounts were "totally inaccurate and unfounded."

He stated that the Interocean II platform is operating opposite the Strait of Magallanes, and not in the area of the Beagle Canal. He also remarked that this was not a concession zone, but rather an area adjudicated through the risk contract system. He added that, according to information released at 1600 hours yesterday, the drilling was completed at a depth of 1,785 meters, and gas-bearing areas which were rather narrow and had a low degree of permeability had been detected.

The official added that tests would be continued, which is the reason for the placement of a Packer (shutoff valve) at a depth of 1,500 meters.

After reiterating the fact that the stories about the oil discovery were unfounded, Brunella said that there is still optimism, and finally promised to report immediately any new information on the subject.

The Interocean II platform was contracted for by Shell to carry out exploration over a maritime area of 4,736 square kilometers assigned by Government Oil Deposits. It arrived in the country from Europe on 5 September of last year and, only 48 hours later, experienced the publicized incident with a Chilean vessel.

As a result, the Argentine foreign ministry has insured the international oil company, with headquarters in The Hague, in the Netherlands, all guarantees of liberty and security in the drilling operations, which were the source of the contradictory stories yesterday.

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IMPORTANT HYDROELECTRIC PROJECTS PLANNED IN VAST DESERT AREAS

Buenos Aires LA OPINION in Spanish 20 Nov 80 p 9

[Text] Although they are not included in the extensive hydroelectric plans projected by the Argentine authorities for the period from 1980 to 2000, the projects involving the El Chihuido dam in northern Patagonia (more specifically, in Neuquen Province) and the Zanja del Tigre dam in Salta are called for in more or less immediate plans, owing to the importance that their construction will hold in promoting the development of two vital areas, as proven by the exhaustive studies that have been made by experts.

Because of their location in areas related, respectively, to the two major desert regions that the country needs to incorporate into its productive structure without further delay, they are essential projects. The final conquest of those deserts, which was a task for soldiers a century ago, now entails the efforts of the state and of private enterprise to undertake their economic development, beginning with that of their infrastructure, particularly with regard to communications, transportation and, of course water supplies for human use, livestock raising, agriculture and industry.

The El Chihuido development project is located on the Nuequen River, in the Comahue area, about 70 kilometers north of the locality of Zapala, between the Agrio and Covunco Rivers, near the site known as Bajada del Agrio.

The planned electric powerplant to be build at the foot of the dam will use a 130-meter fall and, according to the stipulations in the technical feasibility studies, the installed power in that powerplant will be 1,26 million kilowatts. Insofar as the average annual production is concerned, it is estimated that the development of El Chihuido will be able to supply 3 billion kilowatt-hours to the national system, completing the development of the Rio Negro Basin, which now has the El Chocon-Cerros Colorados complex and where the execution of the work has begun on the Alicura project on the other great tributary of the aforementioned river, the Limay.

Alicura is one of the three developments comprising the Alicopa project, including the Collon Cura and Piedra del Aguila which, when combined, will have an installed power of 3.8 million kilowatts and an estimated production capacity of about 9.5 billion kilowatt-hours.

Added to those three developments are two more on the Middle Limay: Pichi Picum Leufu and Michiguao, which together will have an installed power of over 1 million

kilowatts and an estimated production in excess of 4 billion kilowatt-hours. Finally, to be added to these projects, which are associated with the state enterprise HIDRONOR [North Patagonia Hydroelectric Company[, is the Segunda Angostura project of the Water and Electric Power company, which is also state-owned, to be constructed at the headwaters of the Limay, in Lago Nahuel Huapi, which will have an installed power of 120,000 kilowatts and an average production of over 500 million kilowatt hours.

As for the hydroelectric development project located in the far northern part of Argentina which was mentioned at the beginning, namely, Zanja del Tigre, it is situated in the upper basin of the Bermejo River, north of the Salta town of Oran.

The Zanja del Tigre dam could feed a powerplant with installed power of approximately 500,000 kilowatts, with an annual production capacity estimated at about 1 billion kilowatt-hours. Despite the significance of this project from an energy standpoint, it should be stressed that its importance (like that of the Iruya River, a tributary of the foregoing) stems mainly from the fact that it is part of an ambitious plan to complete development of the Bermejo River, as was called for over 2 decades ago in the Portillo Plan.

That plan includes the construction of two wide canals using the waters of the Bermejo, which will make it possible to establish regular shipping between the northwest and the Parana, while being used simultaneously to generate power and supply water for all uses, along the entire length of their respective routes.

Morever, the construction of the dams in the upper basin of the Bermejo (and its tributary, the Iruya) will make it possible to substantially reduce the mass of sediment emptied into the Parana and Plate Rivers in a percentage estimated at over 80 percent, which must now be eliminated by means of expensive dredging.

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BRIEFS

OIL EXPLORATION--The under secretary of fuel, engineer Osvaldo Calcagno, announced that, at the end of the year, three additional oil exploration platforms will be included in the same maritime area in which the Interocean one is currently operating, that is, near the eastern mouth of the Strait of Magallanes. They are platforms of the Esso, Toper and Shell companies. He also said that the increase in oil and natural gas production will fluctuate around 4 percent in both 1980 and 1981, and this will result in a slight reduction in imports of hydrocarbons and their byproducts. About 1985, it may be possible to achieve our own supply of oil. Discrediting the rumors about an alleged discovery of a large oil deposit where the Interocean platform is operating, he remarked that "only in San Jorge has a discovery been made," but he described the current price of oil as uneconomical. He estimated that, in 1981, the national oil production would amount to 29.2 million cubic meters, and imports of oil and byproducts would decrease to 2.5 or 2.7 million cubic meters. A little more natural gas will be imported, in accordance with the purchase contract with Bolivia, but liquid gas imports will decline from 200,000 to 50,000 tons, owing to the fact that the General Cerri plant, near Bahia Blanca, will begin producing, with a production of 300,000 tons per year. [Text] [Buenos Aires LA PRENSA in Spanish 18 Nov 80 Sec 2 p 7] 2909

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EAST EUROPEANS OFFER EQUIPMENT FOR ENERGY PROJECTS

Romanian, Czech Visitors

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 11 Nov 80 p 28

[Text] Brasilia--Ms Doina Ardare, Romanian vice minister of foreign trade, had three working meetings in Brasilia yesterday: the first, with Mines and Energy Minister Cesar Cals, at which developments related to the protocol signed in Bucharest during his visit in July last year and a plan of cooperation with the Carajas Project were discussed; the second, with Foreign Affairs Minister Saraiva Guerreiro; and the third with the Coordinating Group for Trade With the Socialist Countries of Eastern Europe (COLESTE) to analyze the agreements signed during the last meeting of the Brazil-Romania Joint Commission early this year.

The most important conversations were held at the Mines and Energy Ministry, where the Romaniam vice minister analyzed the situation for importing Brazilian iron ore by her country. Romania has imported 3 million tons this year and 4 million tons are forecast for 1981. Counterbalancing that, furnishing Brazilian oil rigs to Romania by PETROBRAS [Brazilian Petroleum Corporation] will be discussed in Rio de Janeiro with that company's president, Shigeaki Ueke.

At the COLESTE meeting, aspects of the agreement signed with Agriculture Minister Amaury Stabile during the Joint Commission meeting, for furnishing Brazilian soybean meal in exchange for Romanian fertilizer, were discussed.

The Romanian envoys were to reply today, or tomorrow at the latest, to the Brazilian inquiry about supplies and prices of cement from their country. According to Itamaraty [Brazilian Foreign Affairs Ministry], Brazil intends to import about 1 million tons of cement next year.

Czechoslovakia

Also arranged in Brasilia yesterday was the arrival 24 November of the Czechoslovak minister of foreign trade, Andre Barcak, to settle two important matters relating to bilateral trade with that country: Czech participation in constructing four coal-fired thermoelectric power plants and construction with Brazilian companies of cement plants using Czech know-how.

In regard to the thermoelectric power plants, immediate and future Czech cooperation in expanding the recently-inaugurated Jose Lacerda plant in Santa Catarina

by 4 more units was arranged, on the basis of furnishing 40 percent of the material and know-how.

Capital Goods Imports Feared

Rio de Janeiro JORNAL DO BRASIL in Portuguese 15 Nov 80 p 15

[Text] Sao Paulo--The nation's three leading industrial associations, ABINEE [Brazilian Electro-Electronic Industry Association], ABIMAQ [Brazilian Association of Machine Industries] and ABDIB [Brazilian Association for the Development of Basic Industries] (of the electro-electronic industry, the machinery industry and for development of basic industries), are alert to the possibility of new attempts by East European countries to introduce specially-ordered capital goods in Brazil.

The businessmen have reports that Poland, East Germany and Romania intend to sell us industrial equipment, alleging that they have trade deficits with Brazil. Einar Kok, president of ABIMAQ, is opposed to imports that might substitute for domestic products, but is agreeable to collaboration in reestablishing trade balances, as long as there is participation by domestic industry.

Recollection

Kok recalled that, in importing a thermoelectric plant from Czechoslovakia for Candiota (Rio Grande do Sul), purchase of a complete plant was a foregone conclusion. But, due to the position taken by Brazilian businessmen through their associations, the project eventually had 60 percent Brazilian components.

"Now we have imports of three cement plants for the Joao Santos group, also from Czechoslovakia. They will take place only if in the nation's interest, if they help with the trade balance between Brazil and Czechoslovakia," he asserted.

At the last meeting of the ABDIB, on Thursday, the main subject of discussion was attempts by Eastern European countries to introduce equipment already made here. The Joao Santos proposal was discussed, but a final word from the industry association will not be given until after further meetings with ABINEE and ABIMAQ.

Waldir Gianetti, president of the ABDIB, declared that the entity has a firm position against imports of equipment from East Europe without clear evidence of benefit for the nation. "In the case of ALBRAS [Brazilian Aluminum Corporation, Inc]," he added, "the recently-signed agreement between Brazil and Japan assures a large share for domestic industry, and that is the way we are going to keep it."

Fears

At the moment, producers of made-to-order capital goods fear imports of port equipment from East Germany; coalmining equipment from Poland and Romania; and cement plants from Czechoslovakia. There had been a possibility that the nation would import two thermoelectric plants, spending over $1 billion, but through discussion the order was reduced to one plant.

The Xingo power plant which the Soviet Union wants to negotiate with Brazil through financings, including equipment, is also being analyzed by the basic industries association, but they lack specific information needed to reach a conclusion. The industry contends that, having allotted a domestic component of 85 percent to the Itaipu hydroelectric plant, that rate cannot be reduced.

Another concern is that for this same Xingo project the government 2 years ago refused a $2 billion loan, the equipment being produced entirely in Brazil, by Brown Boveri. Now it is alleged that this would be included in the context of seeking balanced trade with the Soviet Union.

Einar Kok, ABIMAQ president, goes further in his comments and says that "it would now be necessary to form an industry commission to monitor COLESTE, as every day new proposals emerge that are prejudicial to domestic industry because they include imports of equipment already produced and developed here."

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PROJECTS FOR MINING, HANDLING COAL ANNOUNCED

Mining Projects Nearing Goal

Rio de Janeiro GAZETA MERCANTIL in Portuguese 14 Nov 80 p 9

[Text] The Brazilian Electric Power Enterprises Support Company (CAEEB) is already receiving the new projects from state and private enterprises that guarantee production of 26 million tons of coal for 1985, the company's president, Ney Webster, informed this paper yesterday.

According to CAEEB's new plans, coal production estimates are as follows: 5,358,000 tons in 1981; 7,295,000 tons in 1982; 11,268,000 tons in 1983; 17,335,000 tons in 1984; and 23,721,000 tons in 1985. These amounts, added to the 2,500,000 tons of metallurgical coal to be produced this year, will total 26,000,000 tons. Ney Webster said CAEEB hopes to receive additional projects from the private sector in order to meet the government goal of 27,000,000 tons to be produced in 1985.

In Rio Grande do Sul, COPELMI, the national cement association and the Buzzatto construction company; and in Parana, the COPEL state enterprise submitted eight new projects for coal mining that will begin to be analyzed before the end of this year and will be implemented starting in 1981.

In the state of Santa Catarina, Prospela, Criciuma, Treviso, S. Geraldo Mining, Palermo Mining, Ararangua Company and Barro Branco have submitted 23 new projects to CAEEB that are also being analyzed, as is also the case of the Cambui mining expansion in Parana.

Present Situation

According to CAEEB's president, it has received 6 projects for producing 12 million tons of coal annually (Irue, Leao II, Cardilo, Recreio, Triunfo and Faxinal mines) worth $325 million in Rio Grande do Sul and that will enter production step by step beginning in 1981.

In Santa Catarina, CAEEB has approved 3 projects (Ararangua, Criciuma and Urussanga) worth $66 million that are producing 2.4 million tons of pre-washed coal.

Ney Webster reported that 3,236,000 tons of coal were sold from January through November of this year. There were 1,666,000 tons of steam coal delivered to

thermoelectric power plants, 934,975 tons to the cement industry and 635,413 tons to other industries.

Edilson Queiros, CAEEB director, announced that the company's mission which visited the USSR recently is submitting to [Mines and Energy] Minister Cesar Cals a report recommending use of Soviet technology for "on-site" coal gasification.

Coal Terminal Needs Cited

Rio de Janeiro JORNAL DO BRASIL in Portuguese 14 Nov 80 p 15

[Text] Brazil is investing about 30 billion cruzeiros just to set up terminals for coastwise coal shipping and, in the opinion of Liberato Paulo Gomide Sigaud, vice president of PLANAVE Technical Planning Consultants, Inc, it is now time to design ships suited to domestic merchandise and carriers.

He feels that the 2d Ship Construction Program benefited construction of standardized mass-produced ships and shipyards lost interest in special vessels, notably those for shipping chemical products. This attitude is now causing ships to be imported that could have been built in Brazil.

"Introduction of each and every new means of maritime shipping, with its equipment, must be preceded by careful studies, including those necessary to verify their adaptation to Brazilian characteristics regarding ports terminals and operationality of the ship itself. But, of course, we must be open to new techniques and our shipyards must adapt to building special ships," Mr Sigaud asserts.

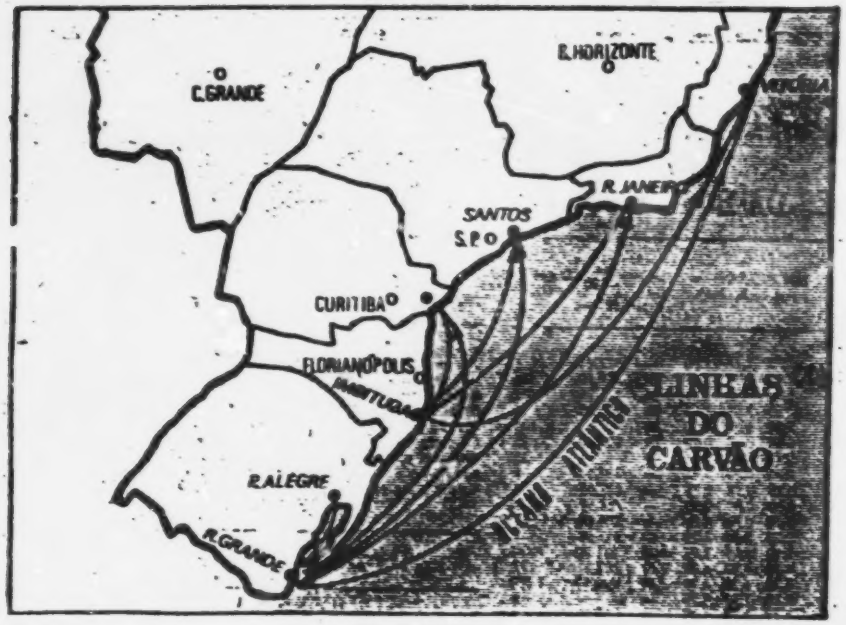
His consulting company concluded that Brazil must invest about 30 billion cruzeiros in ports alone to meet the government goal of transporting 25 million tons of coal via coastwise shipping from the South to the Southeast and Northeast in 1985. Today the principal coastwise cargo is petroleum and its derivatives, followed by iron ore, coal, salt, wheat (including much traffic with Buenos Aires), vegetable oils, iron and steel products and, to a lesser extent, so-called general cargo.

PLANAVE is participating in the Charqueada Coal Terminal in Rio Grande do Sul, from which coal-carrying vessels will sail for the Rio Grande do Sul Coal Terminal. It is also working on the Santos Coal Terminal, supervising construction of the Sepetiba Coal Terminal (in Rio de Janeiro) and concluding equipment installation in the Tubarao Coal Terminal in Vitoria.

Wheat and salt will continue to be important cargoes in coastwise shipping, although the goods carried from the Northeast to the Central South do not alone compensate for the trips carrying wheat to the North.

Mr Liberato Paulo Gomide Sigaud believes that all the changes taking place in ocean shipping, through increased volume of some cargoes and through new equipment (barge carriers, roll-on-roll-off, and sailing vessels) require the shipowner to have greater knowledge of his line to better choose the ship that is suited to it.

"The II PCN [expansion unknown] induced the Brazilian shipowner to accept a ship off the shelf, as if it were a Volkswagen. But a ship is a unit that must be designed with a given purpose in mind," the PLANAVE vice president concluded.



By 1985, coal lines must transport 25 million tons

Key: 1. Coal lines

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PETROBRAS GETS GREEN LIGHT TO INITIATE GAS PLAN STUDIES

Rio de Janeiro GAZETA MERCANTIL in Portuguese 14 Nov 80 pp 1, 7

[Text] PETROBRAS [Brazilian Petroleum Corporation] yesterday got the green light to begin studies preparing plans for what is to be called the Master Plan for Gas Distribution, consisting of a network of gas pipelines and coal gasification plants to meet demand in the industrial centers of the South and Rio de Janeiro. A highly-placed source asserts investments are $2.7 billion. The plan also provides for using gas from the Campos Basin and imports from Bolivia and Argentina.

Just yesterday, however, negotiations to buy Argentina gas hit a snag. PETROBRAS reservations are due to the fact that Argentina cannot guarantee constant supply throughout the entire year.

A delegation from Gas del Estado, Argentine state enterprise that has a monopoly on marketing and distributing natural gas, visited PETROBRAS yesterday, but negotiations made no progres whatever. The Brazilian position is to prefer Bolivian gas, which, after all, is the same gas that would be sold by Argentina to Brazil (Argentina buys 6.3 million cubic meters of gas daily from Bolivia and would sell 5 million cubic meters to Brazil during the winter and 10 million cubic meters during the summer). Other than a possibly lower price, the preference is due to the reliability of the Bolivian supply.

That is the unofficial position. Officially, the Master Plan for Gas Distribution prepared by PETROBRAS and submitted to the Ministry of Mines and Energy considers both possibilities. This plan is the basis for a deeper study to be made jointly by PETROBRAS and CAEEB [Brazilian Electric Power Enterprises Support Company] intended to systematize fuel gas supplies for the states of Rio Grande do Sul, Santa Catarina, Parana, Sao Paulo and Rio de Janeiro during the 1980 decade.

The first part of the plan is a survey of the potential market for fuel gas. The conclusion is that the market is "more than sufficient" to absorb all production expected from coal gas as well as from natural gas. And this does not take into account the residential market, now supplied through LPG [liquid petroleum gas], a step to be covered by the detailed phase. The study also opens the possibility of including the Belo Horizonte region, where consumption is heavy.

According to the study, the gas supply will be based upon gasification plants to be installed in Sao Jeronimo (Rio Grande do Sul), Tubarao and Sao Francisco (Santa

Catarina), which will produce a gas of average heating power (2,830 kcal [kilocalories] per cubic meter) obtained by the Koppers-Totzeh process, the technology for which has been acquired by PETROBRAS. For the other units, "market characteristics suggest producing a gas with heating power between 4,300 and 4,500 kcal per cubic meter, which will permit supplying clients in Rio de Janeiro and Sao Paulo with the same type of gas as used now," the study says. There is also provision for technological evolution to the point of permitting production of SNG (substitute natural gas), which will permit interconnection of gas pipeline networks from plants of Sao Francisco, lower Santos and Rio de Janeiro with the natural gas networks, "with the advantage of more reliable supply and ability to reach more distant regions."

The location of the gasification plants and the respective gas pipelines is already suggested in the master plan. The first plant is that of Sao Jeronimo in Rio Grande do Sul, which will use coal from the Leao mine, with options for that of Irui, Charqueadas, Arroio dos Ratos and Recreio. The gas pipeline will lead to the Greater Porto Alegre region. A second unit will operate in Tubarao, in Santa Catarina. It will use washed steam coal to arrive at a 30 or 35 percent ash content, which will depend upon what specific techniques are adopted. The gas pipelines will head south toward Criciuma and Icara and may supply Imbituba in the future.

In Sao Francisco, also in Santa Catarina, a third plant is to be located to serve the Joinville regions and, to the north, Curitiba and Araucaria, in successive steps of expansion. "A future gasification center would be established in central Parana," the study says, "depending upon appearance and identification of new coal reserves."

The Lower Santos region, from the market point of view, "is the best possible location for a large gasification complex that would serve the whole coastal area and could supply part of the market of the city of Sao Paulo and environs. It must also be borne in mind, however, that the state of Sao Paulo should receive natural gas from Bolivia and Argentina."

Rio de Janeiro would be the area recommended by the master plan for the fifth plant, to be located in Itaguai and intended to supply the regional market. "Here, one idea would be to locate the pipeline for natural gas coming from northern Rio de Janeiro State (Campos Basin) to Resende." With that, the existing naphtha gas plant that supplies Rio de Janeiro would be "hibernated," being replaced by coal gas.

Each plant will have a growing number of gasification units which, in the end, will be distributed as follows: Sao Jeronimo, 8 units; Tubarao, 4 units; Sao Francisco, 10 units; Lower Santos, 12 units; and Itaguai, 6 units. The 40 units, each producing energy equivalent to 250 tons of petroleum, will represent a total replacement of 68,000 barrels a day of fuel oil. The total cost of the investment is 2.7 billion cruzeiros, to be made during the next 10 years.

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ITAIPU, GOIAS HYDROELECTRIC POWER PLANTS ARE FUNDED

Itaipu Allocated $1.5 Billion

Rio de Janeiro O GLOBO in Portuguese 18 Nov 80 p 16

[Text] Foz do Iguacu--General Costa Cavalcanti, director general of the Itaipu Binational project, said yesterday that the funds needed to pursue construction of the hydroelectric plant in 1981--$1.5 billion--are already asured. The financial timetable of the Itaipu hydroelectric plant indicates that 1981 will be the year of heaviest disbursements over the entire construction period, from its inception until its conclusion. Itaipu is budgeted for $10.3 billion.

He reported, moreover, that this guarantee results from the government's policy consensus arrived at last weekend, according to which priority in the power-generating sector was given to Itaipu, Tucurui (in Para) and Angra dos Reis (atomic energy). Costa Cavalcanti, director of the binational company and president of ELETROBRAS [Brazilian Electric Power Companies, Inc], met in Brasilia last weekend with Mines and Energy Minister Cesar Cals, at which time the priorities were established.

Of the $1.5 billion planned for 1981, Itaipu will obtain $450 million abroad and $1.05 billion in the domestic market. Of the latter portion, the National Economic Development Bank (BNDE) has promised to provide directly (not taking FINAME [Fund for the Financing of Machinery and Equipment] funds into consideration) $70 million next year and $230 million more by the end of 1988.

In regard to foreign funds, the binational is concluding a loan--to be signed in the next few days--of $200 million with a consortium of banks (including Hanover, Tokyo, City Bank and Bank of Montreal). Another fact that encourages Itaipu management was the visit that banker David Rockefeller made to the hydroelectric construction site last week. Impressed with the size of the undertaking, Rockefeller commented to General Costa Cavalcanti that the Chase Manhattan Bank will support Itaipu more strongly. So far, Chase has financed only 0.1 percent of the foreign funds contracted by the binational. Itaipu management is convinced it will raise the foreign funds needed for next year.

Ahead of Schedule

According to General Costa Cavalcanti, Itaipu construction is 2 months ahead of schedule. He believes this lead will be kept as long as funds are available.

The Itaipu hydroelectric plant, begun in 1975 and to begin operating with 3 turbines in 1983, will be finished in 1988, when its 18 turbines will be functioning. It will have installed capacity of 12,600 kilowatts, compared to the present capacity of 28,400 kilowatts for supplying the Central-South region.

The project is budgeted to cost $10.3 billion (at prices of January 1080). Of this amount, $6.6 billion will be direct investments and $3.7 billion will be interest on loans contracted. Of the total, $6.6 billion is already assured, according to Costa Cavalcanti. The domestic market provided $4.6 billion and $1.9 billion was obtained abroad. Hence, Itaipu must still obtain $3.8 billion.

By the end of this October, Itaipu had made direct investments of $3.6 billion and amortized $600 million of its debt. Although in 1980 construction is costing $1 billion, in 1981 direct investments of $1.4 billion will be needed.

Federal Funds for Goias

Brasilia CORREIO BRAZILIENSE in Portuguese 18 Nov 80 p 5

[Text] Mines and Energy Minister Cesar Cals and Governor Ari Ribeiro Valadao of Goias at noon yesterday held the signature ceremony for an agreement between the General Secretariat of the Mines and Energy Ministry [MME] and the Goias Electric Power Plants [CELG], through which 312 million cruzeiros will be appropriated by the Energy Mobilization Program for building the Balsas Mineiro hydroelectric plant in north-central Goias.

The ceremony, held in the office of Minister Cesar Cals, was also attended by the Goias secretary of mines and energy, Wolney Siqueira; special secretary Mucio Teixeira; the president of CELG, Aderval Nunes Montalvao; the MME secretary general, Arnaldo Barbalho; the director of the National Department of Water and Electric Power, Oswaldo Baugmgarten; federal deputies Guido Arantes, Siqueira Campos and Anisio de Souza; and other authorities.

Hydroelectric Plant

After the agreement was signed, Governor Ari Valadao thanked Minister Cesar Cals for his efforts to assure funds for the hydroelectric plant, which is being built by the Goias government, mentioning that it has special significance for development of northeastern Goias, considered the state's "most needy, troubled and poverty-stricken region."

"The Balsas Mineiro power station, combined with the access roads we are installing in north-central Goias, will permit emergence of a new wave of progress for that entire region, which we had defined, while still a federal deputy, as being a veritable corridor of misery," asserted Governor Ari Valadao, stressing that the hydroelectric plant is also part of President Joao Figueiredo's plan to reduce Brazilian dependency on imported petroleum.

Support

Minister Cesar Cals, replying to Governor Ari Valadao, said his ministry's General Secretariat had to redistribute funds earmarked for other agreements in order to

assure the 312 million cruzeiros allocated to the Goias Electric Power Plants. "The decision to support construction of the Balsas Mineiro plant was the fruit of our personal observation in Goias, where we could verify the state governor's efforts to build works that, besides fitting in with the nation's energy strategy, also represent an improvement in the people's living standards," Cesar Cals stated.

In his opinion, the plant's importance does not lie in its size--which is relatively modest, as it will generate 16,000 kilowatts--but in the part it should play in developing northeastern Goias, also benefiting neighboring regions of Bahia, Piaui and Maranhao.

Addressing himself to CELG President Aderval Nunes Montalvao, the mines and energy minister explained that supporting state enterprises "is a sure way of strengthening the federation, as it is they who grapple most directly with the problem of each region and are thus in the best position to promote economic and social development in an integrated manner."

Agreement

According to the agreement signed yesterday, the Mines and Energy Ministry is committed to relend CELG a total of 312 million cruzeiros. The first parcel of 112 million cruzeiros is to be released within 15 days after publication of the agreement's extract in the DIARIO OFICIAL. The remaining 200 million cruzeiros will be released in later parcels as the work progresses.

The agreement is for a period of 12 months beginning yesterday. It can be extended for an additional period, depending upon the desires of the Mines and Energy Ministry and the Goias Electric Power Plants. The funds earmarked for building the Balsas Mineiro power plant are from the Program for Energy Mobilization and Alternative Energy Sources, within its investment plan for 1980.

Requiring a total investment of 1.8 billion cruzeiros, the Balsas Mineiro plant is the second undertaking of the Ari Valadao government and is intended to solve the problem of electricity shortage in important Goias cities such as Pedro Afonso, Porto Nacional, Paraiso do Norte, Miracema, Tocantinia, Guarai, Miranorte, Pium, Tupirama and Cristalandia. CELG is also studying the future possibility of supplying energy from Balsas Mineiro to other cities such as Monte do Carmo, Natividade, Pindorama, Alma, Dianopolis and Ponte Alta do Norte.

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WILLY BRANDT COMMENTS ON NICARAGUA, EL SALVADOR, REAGAN

Managua BARRICADA in Spanish 19 Nov 80 pp 1, 2

[Interview with Socialist International president, Willy Brandt, in Madrid, on 15 November 1980]

[Excerpts] His real name is Herbert Frahm, but the whole world knows him by the pseudonym that he used during the underground battle against Hitler's fascist regime. He has been a journalist, author, mayor of Berlin and chancellor of the Federal Republic of Germany. He is Willy Brandt.

Brandt, an imposing German who does not look his age of 67 (he was born on 18 November 1913 in the city of Luebeck), is the president of the Socialist International, and promoter and member of the International Committee for the Defense of the Nicaraguan Revolution.

During the 15-minute interview that he granted us in a drawing room of the Melia-Castilla Hotel during the 15th Postwar Congress of the Socialist International which has justed ended in Madrid, Brandt discussed Nicaragua, El Salvador and the American threats.

The interview took place in English. In a clear, resonant voice, with perfect diction, the former German chancellor explained his determination to create a Committee for the Defense of the Nicaraguan Revolution, an international CDS [Sandinist Defense Committee] comprised of 15 of the most distinguished political personages from Western Europe.

Madrid, 15 November 1980.

The Committee for Defense of the Nicaraguan Revolution

B.: We know that the formation of this Committee for Defense of the Nicaraguan Revolution, which was announced during the congress, was due to a motion of yours. We would like to know what prompted you, Mr Brandt, to propose that resolution to the congress?

W.B.: Yes, it was the result of a decision of mine after a frank, serious conversation that I had with the commander of the revolution, Bayardo Arce, who was here at the congress. It was due to my impression that there might be reactionary

forces in the neighboring countries that could have been misinformed about what actually might happen in Washington, and could believe that they were acting in conjunction with Washington if they began or continued to act with a policy of aggression. So, I proposed the committee (of which I am a member), suggesting that Felipe Gonzalez (secretary of the Spanish Socialist Workers Party [PSOE])be appointed its chairman. It was our intention, thereby, to emphasize our solidarity with Nicaragua and, at the same time, to show a "red flag" to people who might have bad intentions.

FSLN and the Socialist International

B.: What is the significance to the Socialist International of the presence of the Sandinist National Liberation Front at the congress?

W.B.: Well it is not the first time that we have met. I recall the spring of last year, when Ernesto Cardenal explained the Sandinists' position at the meeting which we held in Luxembourg, and we have been in contact several times since then. I myself was at the conference in Santo Domingo during the spring of this year. But it is, indeed, the first time that the Front has been present at a congress. I think that this has been appreciated by Europeans and, of course, by representatives from other parts of the world, but especially by those of us in Europe; because its presence shows us a degree of confidence, and also affords us an opportunity to participate in the experience of a movement, with the specific experiences that you have noted in the battle for liberty and individual identity.

The Nicaraguan Revolution

B.: What is the significance of the Nicaraguan revolution to the Socialist International?

W.B.: I don't really know whether there is a general interpretation of it. I shall not speak on behalf of everyone, but I think that what all of us have in common is that we view it as an individual identification of the aspirations of its people, and desires for the future. So, for the rest of us it is not a matter of making our own decision; but rather that, well, this is what it is, and we respect it.

The IS' Positions

B.: Mr Brandt, the solidarity demonstrated by this organization during the past 2 years has always been rather evident to us, but we would like to know whether this attitude toward Nicaragua is a special event in Latin America, to make common cause with the revolutionary movement in the battle against fascism and imperialism?

W.B.: Well, I, too, during my youth, was involved in the battle against a fascist regime, and this holds true for the Austrian Chancellor (Kreisky) and a certain number of us; but no one should have the impression that we intend to exert force on others. We do not wish to export our specific goals; we do not wish to replace the influence of others with our own. We only offer association, and we have the impression that in your country, as in others, or at least in a certain number of Central American countries and those beyond, it would not matter to them if the external relations were diversified, provided the diversification is based on the strict principle of association on an equal footing, and not on the superiority of anyone over another.

Reagan and the Possibilities of Intervention

B.: Mr Brandt, we have learned about the Republican platform and the statements made by Reagan in connection with Latin America, especially the Central American region. And it has been claimed many times that there is a great possibility of military intervention in El Salvador. Do your party and the Socialist organization have any preventive measures to help maintain the Salvadoran people's right to self-determination?

W.B.: Let me say, first of all, that there are various parts of the president-elect's platform which, from any standpoint, raise very serious questions, and in areas in which we in this part of the world are involved as well. But it is my experience that politicians sometimes become a little wiser than their platforms, and this possibility still exists. But I believe that we are living in a dangerous period, a period of transition wherein the reactionary forces, including those within your country and outside of it, might now put their own interpretation on what a new American administration could do or tolerate. On the issue of El Salvador, I harbor the strong hope that no one will succumb to the temptation to intervene militarily. We, and when I say we I mean not only the Socialist International but also the parties which have government responsibilities, we shall not be in a position to do anything ourselves from a military standpoint, because that is impossible. But, in any event, we must do something through political means to convince, or make it clear to the Americans that this is something that we cannot accept.

The Salvadoran Revolution

B.: What is the significance of the revolution in El Salvador to you, Mr Brandt, to your party and to the Socialist International? Do you think that any option other than the revolution exists in that country?

W.B.: Look, we have followed the advice of Comrade Ungo, who is a member of our organization, and we accept his decision to leave the Junta, as did Hector Oqueli, who was minister of foreign affairs and who left together with Ungo. But we would never say that there could be no other expedients as time elapses. For example, I think that there is still a possibility that the revolutionary forces might at some point join with part of the military, that they might join with some of the Christian Democrats who have left the Junta. What I mean to point out is that if they themselves feel that something could be accomplished with an even broader base, of course this would be met with sympathy and understanding.

The Common Struggle for Peace and Democracy

B.: I don't want to take any more of your time, Mr Brandt; one last question.... Is there any room between the lines of the Socialist International that would allow for a tactical alliance with other forces, such as the national liberation movements, or the communist movement, for the sake of certain objectives, such as peace or democracy?

W.B.: Yes. In the matter of relations with the communist movement, we have let each party decide on a given situation in its own country. We, as the Socialist International, are not interfering with that. Take my own area, for example:

Whereas, in my country, this problem does not exist, because the Communist Party is very small, in France, our friends had a relationship that was working very well but, unfortunately (they consider it unfortunate) it is no longer working well, as a result of events in that country and elsewhere. But the Socialist International does not give a uniform answer to the question of working with other forces. In the case of the liberation movements, we have accepted them as partners, even though they may have their own ideological representation that differs from ours.

We have now questioned the Patriotic Front about the different elements included in it. We have helped them, and we have been on good terms with Robert Mugabe since he took over the government. We are in close contact with SWAPO [South-West African People's Organization] in Namibia and ANC [African National Congress] insofar as South Africa is concerned; and then there is a third dimension, namely, the Movement of Nonalined Countries, now headed by the president of Cuba...from whom I have just received a cordial wire today, because we had asked him whether he would sen someone representing the movement, and he sent his best wishes, saying that the nonalined nations had decided not to take part in a meeting of various political groups, because they themselves are, rather, a mixed political community. But what I certainly want to make quite clear is the fact that we, in 1980, are people without prejudices. We have our own experience and our own convictions, and we accept external partners; however, the partners for local politics must be chosen under certain conditions within each country, individually.

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BRIEFS

HONDURAS FREES NICARAGUAN PRISONERS--The Honduran ambassador to Nicaragua, Attorney Roberto Suazo Tome, has reported that Honduran authorities have already given orders for the release of three Nicaraguans who were captured in this country. The Nicaraguan citizens had been in prison in Honduras for 1 month and they were freed in consonance with the relations existing between the two countries. Ambassador Suazo Tome also reported that the equipment carried by Honduran military men who were imprisoned in Nicaragua and have already returned to Honduras has been sent back and turned over to Honduran military authorities. This equipment had been seized from two members of the Engineer Battalion and from a plantation guard who had been captured by the Nicaraguans while navigating on the Coco or Segovia River about 2 months ago. [Text[[Tegucigalpa EL CRONISTA in Spanish 12 Oct 80 p 3] 9204

VENEZUELAN FIRMS TO AID EL SALVADOR--Some prestigious Venezuelan firms are going to help to implement several public works projects of economic interest in El Salvador, it was announced yesterday by officials of the Venezuelan Pavilion at the Ninth International Fair, who said a few days after the start of the event that the trade transactions have been successful. Pavilion director Rafael Valera said that there has been success not only in sales, but also in the technical, economic and industrial cooperation ties which have been cemented between El Salvador and Venezuela. He added that Venezuela will contribute through high-level talks with representatives of the Salvadoran Government to economic and social development through what the government of Venezuela has called "International Social Justice." Valera indicated that conversations are also taking place regarding the establishment, through the Venezuelan Finance and Export Fund, of a line of credit which will be channeled through the Central Reserve Bank and will favor both the public and the private sector in El Salvador. That credit line, it was explained, will afford the opportunity to import finished and semifinished products and raw materials from Venezuela under favorable conditions. Asked about the maximum possible aid from the Venezuelan Government to that of El Salvador, Valera stated that the more economic resources the Venezuelan Government has, the greater its obligations to countries with fewer resources. [Text] [San Salvador EL MUNDO in Spanish 17 Nov 80 p 23] 8735

CSO: 3010

MARTINEZ DE HOZ ADDRESSES CONCERNS OF FARM SECTOR

Buenos Aires LA PRENSA in Spanish 22 Nov 80 Sec 2 p 4

[Text] Santa Fe--"The Economy Ministry is studying a refinancing mechanism for farm and industrial sectors with financial problems, as long as we are sure that the beneficiaries will make efforts to overcome their problems with time and work."

This was the major statement in the speech that the nation's economy minister, Dr Jose Alfredo Martinez de Hoz, delivered before 500 businessmen from this city and the central and northern sections of the province.

The minister had traveled to this city from Rosario on an invitation from the Industrial Union of Santa Fe, whose president, Mr Angel Lombardi, welcomed him and stressed the importance of Dr Martinez de Hoz' first visit to the provincial capital.

He had previously attended a meeting at the Government House with the head of the Executive Branch, retired Vice Adm Jorge Anibal Desimondi, and all of the ministers and under secretaries.

Leaders of the Industrial Union, the Trade Center, the Confederation of Central and Western Littoral Rural Associations (CARCLO), the Stock Exchange and the Rural Association of Santa Fe voiced their problems and concerns at the meeting, which was held at the Provincial Cultural Center, and the minister gave wide-ranging responses to the businessmen, analyzing everything that the nation's Economy Ministry has done from April 1976 to date.

He emphasized the ways credit is used by state agencies, pointing out that private companies normally operate with 30 percent of their own capital and 70 percent debts, whereas state enterprises today operate on a half and half basis.

He pointed out the significance of returning many agencies that the Federal Government used to run to private hands, stressed the possibility of making public service agencies, such as the Buenos Aires subway, private too, and mentioned that a private company might run the metropolitan railways.

He underscored the importance of having contained the inflationary spiral, noting that inflation is a sort of extremely unfair tax, the worst tax that everyone has to pay for government inefficiency.

Lastly, he mentioned the elimination of tariff protection, which was a privilege paid for by consumers, and stressed that the industrial structure that we achieve in our country must not be imposed as a result of protection and privileges; rather, it must be the result of efficiency and economic viability in an industry with lower costs so that the people can raise their living standards.

Remarks in Rosario

Rosario, Santa Fe--Economy Minister Dr Jose Alfredo Martinez de Hoz conceded that "it is possible that we might have to temporarily use several instruments that might not seem consistent with our principles of decontrol" in exchange policy; he was referring to the criticisms leveled at economic leaders to the effect that the dollar is "undervalued."

Martinez de Hoz spoke about the economy during the luncheon commemorating the 96th anniversary of the Rosario Stock Exchange.

The minister noted that the "moral support of institutions like the Rosario Stock Exchange encourages us and enables the Armed Forces, which are in charge of this process and will continue in the new cycle beginning in late March 1981, to feel that they are always accompanied by the citizenry."

"The final solution in this instance, as in so many others," he continued, "is for us to conquer inflation," which is "the great corruptor" of society because "it leads to a disruption of the social order and finally to a totalitarian state."

He added that "the root of the problem is truly political," and in mentioning the options for overcoming inflation, he stressed that "there can be no political freedom without economic freedom.

"Nationalizations, control of economic activity or the excessive intervention of the state ultimately lead to political totalitarianism, which is inseparable from economic totalitarianism."

In Martinez de Hoz' judgment, "it has been proven that what was done over 30 years cannot be undone in 5, but we are certain that in this regard the fact that the Armed Forces are convinced of this and uphold this principle assures us that government efforts will continue in this direction with increasing vigor and with our path increasingly clear of obstructions because of what has already been done."

After the luncheon, Martinez de Hoz spoke with newsmen and reaffirmed the remarks he made in his speech.

No Moratorium

When questioned as to economist Aldo Ferrer's recent statements in this city about an imminent financial collapse, the minister replied that "I think that

people are exaggerating a great deal in all this. Rumors spread quickly, and things take on dimensions that they really do not have. I am no friend of spreading such rumors."

He noted that mechanisms are under study for refinancing and consolidating the debts of farm and industrial sector enterprises, but he cautioned in conclusion that "under no circumstances will there be a general moratorium."

8743
CSO: 3010

EXTENSION OF EMERGENCY MEASURES URGED FOR FLOODED FARMLAND

Buenos Aires CONVICCION in Spanish 16 Oct 80 p 8

[Editorial: "The Lands Still Flooded"]

[Text] According to official evaluations dated as recently as a month ago, in the areas of Buenos Aires Province affected by the May floods, almost 4 million hectares are still under water. We must add to this report that other lands which are now free of water are undergoing a slow process of recovery that should last many months. In both cases, there still is soil degradation, loss of animals and crops, and destruction of installations, fencing and other elements necessary to a reasonable and adequate exploitation.

Logically, not only are these large areas of what can be considered the most important source of agricultural and livestock resources in the country paralyzed in their production goals, but also those who exploit them are bankrupt. Aware of these unfortunate circumstances, their representatives requested that these areas be declared to be in a state of emergency and exempted from taxation. Now, since in some cases these situations have become worse because of new rains and in others the waters have not retreated within the expected time, it has been requested of the Ministry of Economy that the state of emergency be extended until 31 December 1980.

We do not hesitate to recommend that this reasonable request be granted. We are also convinced that the national government must participate much more actively, not only by providing timely help to the producers, as in this case, but also by searching for an integral solution to this problem of floods in the so-called "Cuenca del Salado" [Salado River Basin] and other areas that could be affected by the periodicity of these weather phenomena whose repetition can be described as historical.

It must be stressed that in this emergency the government of Buenos Aires Province has acted with commendable efficiency and marked responsibility, up to the limit of the province's possibilities. But we insist that this flood problem in the production areas of Buenos Aires is also, and we believe foremost, a national concern: Their products are of great benefit to the nation's economy.

9341
CSO: 3010

ZORREGUIETA POINTS TO DEFICIENCIES AFFECTING FARMERS

Buenos Aires LA PRENSA in Spanish 22 Nov 80 Sec 2 p 4

[Text] Ushuaia, National Territory of Tierra del Fuego--
The secretary of agriculture and livestock, Mr Jorge Zorreguieta, has voiced his dissatisfaction that the prices of major inputs for farmers and ranchers, such as cars or tractors, are not yet close to international levels, "as the state continues to monopolize services that could be furnished by private enterprise."

The secretary made these remarks in opening the Ninth Meeting of the Federal Agriculture and Livestock Council, in the presence of all the agriculture ministers and secretaries from around the country. The meeting will last until 1300 hours today, when the resolutions from the plenary session of delegation heads will be made known.

The delegation heads held a preparatory meeting yesterday, after which the provincial government gave a reception for the national authorities.

Zorreguieta Speech

In his address Zorreguieta stated that in order for us to grow and become what we want to be, we must realize that only an in-depth modification of our inherited structures can create the conditions so that energies that have been dormant for so long can once again be definitively released.

In assessing his performance, he indicated that the job was not easy, "but what we cannot overlook is that we made a serious effort to change an economic pattern and a lifestyle that have been with the country for almost 40 years and that were the reason why Argentina lost its importance on the international scene.

"I think," he continued, "that I am not mistaken in saying that there are things that have changed substantially and that our country has regained much of the ground that it lost." In this connection, he expressed his satisfaction with his department's accomplishments in decontrolling the marketing of farm and livestock products; in liberalizing grain and meat laws; in eliminating export duties and in sharply cutting import tariffs.

He then pointed out that above and beyond the current difficulties faced by industrial and production sectors, which "demand our constant attention, we must not cease to visualize future growth that will be a sure thing as long as we persevere in the general path we have taken."

The Council

As far as meetings of the Federal Agriculture and Livestock Council are concerned, Zorreguieta said that over 4½ years of work they have shown their appropriateness and effectiveness in clarifying various issues.

Thus, he concluded, this final meeting with the current administration must formulate clear-cut recommendations for the future activities of this institution, which will constitute a valuable legacy for the future administration.

8743
CSO: 3010

UNFAVORABLE CLIMATIC CONDITIONS IN BAHIA BLANCA

Reduced Plantings

Buenos Aires LA PRENSA in Spanish 20 Nov 80 Sec 2 p 2

[Text] Bahia Blanca (Buenos Aires)--A report from the Zonal Headquarters of the Roca Railway Line discusses the current conditions of fields in this section of southern Buenos Aires.

The report says that last week's weather conditions were very unfavorable for farming and livestock activities throughout the region, in particular because the winds reduced moisture levels in the cultivated fields, in grazing areas and in fields being plowed.

The report also notes that there has been a reduction in planting and plowing compared to the pace of recent weeks, indicating that when soil conditions improve, the planting of summer forrage crops, sorghum, corn, sunflower and other seeds can be intensified. The wheat, barley and oat crops are at an acceptable level of development, but "widespread heavy rainfall must come without delay in order to consolidate them and ultimately achieve a fine grain harvest with good yields."

With regard to the grazing lands, the report points out that they are recovering, showing higher levels of receptivity and providing natural nourishment for livestock; however, they unquestionably need rainfall to retain such conditions. In connection with the livestock, the report notes that they are in good condition, both in terms of their weight and health, inasmuch as no epidemic outbreaks have been detected.

Yellow Flower

The Pest Control Commission set up in this city announced that "in a second call for public bids we proceeded to commission the aerial spraying of roads and railways in the Bahia Blanca district. Thus, all national, provincial and community routes and roads were sprayed, covering a total of 3,000 hectares, as part of the program to control the yellow flower."

The checks being conducted in the various areas that have been reached indicate that the results have been highly positive, inasmuch as the young plants are dry, and the adults are gradually drying out.

Harvest Estimates

Buenos Aires LA NACION in Spanish 20 Nov 80 p 13

[Text] Bahia Blanca--The new harvest has begun on several farms in the Coronel de Marina Leonardo Rosales district, where wheat customarily reaches maturity 1 month before the rest of the region.

According to initial estimates, the wheat yield is between 23 and 27 sacks per hectare, with a hectoliter weight of 77 kilograms.

Private Estimates

Bahia Blanca--According to a study by the Cargill Company that was made public in this city, the nationwide wheat harvest will total 7,234,000 tons, including durum wheat. The yield of bread wheat has been estimated at 7,028,000 tons, and that of wheat for noodles at 206,000 tons.

Output in the province of Buenos Aires will be 4,431,000 tons, with a yield of 1,721 kilograms per hectare, the average yield for bread wheat put at 1,618 kilograms. Of a total bread wheat acreage of 5,450,000 hectares, the harvest will cover 4,343,000, a reduction of 1,107,000 hectares.

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CSO: 3010

ZORREGUIETA: WHEAT HARVEST DOWN BY 2, 3 MILLION TONS

Buenos Aires CLARIN in Spanish 16 Oct 80 p 16

[Text] The Secretary of Agriculture and Livestock, Jorge Zorreguieta, and the National Grain Board [JNG], through a report, have simultaneously estimated the losses caused to the wheat harvest by the drought.

Zorreguieta believes that the wheat production, initially estimated at "close to 10 million tons," will be reduced "by 2 or 3 million tons," depending on future weather patterns.

Contracts

Concerning the influence that this situation would have on existing wheat export contracts, he pointed out that for the moment, "we cannot say" that we will fail to meet these agreements, though he explained that such agreements have clauses providing for cases beyond our control which prevent "producing enough to export."

In its report, the JNG estimates the size of the affected area and the effects of the problem on production.

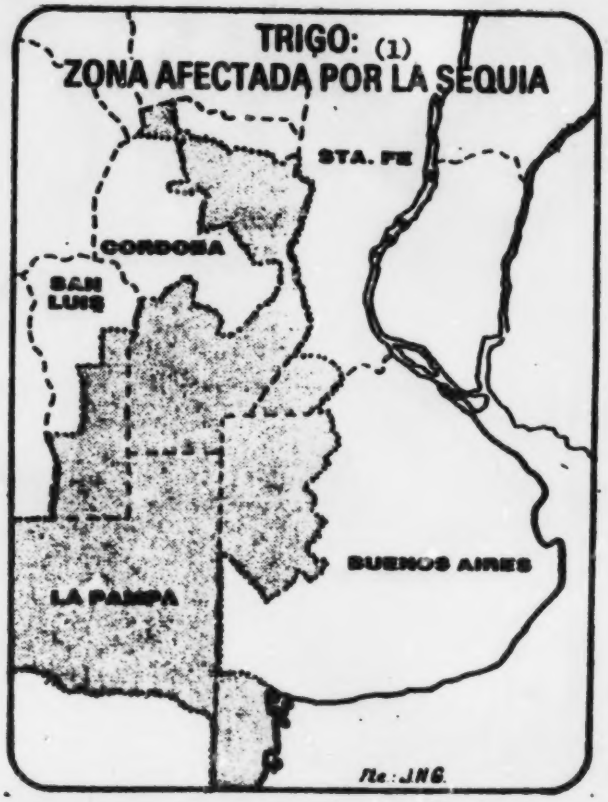
It says that there are between 2.3 and 2.7 million hectares "seriously affected, with significant losses," an area which equals between 40 and 45 percent of the area cultivated in the country (6 million hectares) according to the organization's projections of expected crops.

Of the remainder, only between 1.6 and 2.2 million hectares would be normal, since between 1.2 and 1.5 million will have problems with their unit yields.

Estimates

On the basis of these considerations, the JNG forecasts that "if the overall area to be cultivated were 6 million hectares," wheat production could fluctuate between a maximum of 8.4 million tons and a minimum of 6.7 million, so "we would expect" some 7.6 million tons.

This figure is obtained by assuming that the harvest-to-sowing ratio will fall between 79 and 87 percent and the average crop yield will fluctuate between 14 and 16 quintals per hectare.



Key

1. Wheat: zone affected by the drought

9341
CSO: 3010

SIX NEW PARTIES REGISTER FOR 1982 ELECTIONS

Sao Paulo FOLHA DE SAO PAULO in Portuguese 9 Nov 80 pp 8, 9

[Text] All bureaucratic steps have already been taken by the six new parties for their registration and consolidation to replace the extinct MDB [Brazilian Democratic Party] and ARENA [National Renewal Alliance]. The six groups sent their petitions for provisional registration to the Superior Electoral Court and now enter into the phase of holding municipal, regional and national conventions. The heirs of the two parties, the Brazilian Democratic Movement Party [PMDB] (formerly MDB) and the Social Democratic Party (formerly ARENA), are the ones who are further ahead in the process since they already had a machine in place, while the other four, the Popular Party [PP], Democratic Workers Party [PDT], Brazilian Workers Party [PTB] and the Workers Party [PT] are moving more slowly because they are being formed from dissident groups and from new political groupings.

Their de facto and legal existences, however, will only be decided by the 1982 elections, when each of them will have to receive at least five percent of the votes cast for federal deputies and a minimum of three percent in nine states.

The party which does not reach those figures will have to wait until another election four years later for a new test at the polls. It is for the testing in 1982 that the new groups are preparing, with the exception of the PMDB and the PDS, whose ranks are sufficiently strong to erase the danger of not reaching those figures. The majority of observers believe the PP should also pass that test with ease.

In the last general election, nearly 34 million voters cast valid votes, the MDB obtaining 16 million and ARENA 15 million. In case the present criteria of the electoral legislation were to be valid by that time, each new party would have to obtain at least 1.7 million votes for the Chamber of Deputies in order to participate in the Legislative Branch.

According to political observers, admitting that the PDS, PMDB and the PP manage to obtain that minimum of votes with relative ease, the remaining valid votes will have to be fought over by the three lesser parties (PT, PTB and PDT), it being possible that one of them could fail to register.

The survey of the present party situation in the country was made by the correspondents, agencies and local services and coordinated by newsman Marco Antonio Moraes.

Advantages Are Greater For The PDS

The heir to the estate of the extinct ARENA and with the solid support of the state administrative machines, the PDS is the party which has been obtaining the most positive results in the process of establishing party regulations. It was based on this reality that the secretary general of the party, Deputy Prisco Viana, said in Brasilia after the municipal and district conventions held in 3,044 of the 3,992 Brazilian municipalities, that "The PDS will ask the Superior Electoral Court for final registration this year."

As has always happened, it is in the states of the north and northeast that the government party is in the best situation. In the southeastern and southern regions, the organization was also efficient but in them the party faces a better structured, more determined opposition with greater prestige in public opinion.

Sao Paulo Example

Such is the case of Sao Paulo, for example, where the PDS grew by comparison with the old ARENA but has not yet managed to obtain its alleged majority in the Assembly.

The state leadership asserts that the party has 39 deputies (against 39 from the opposition and one independent, incidentally a former member of ARENA, Nabi Abi Chedid), although not all of them have signed their membership cards and some, although supposedly of the PDS, have already voted against decisions by that party.

At any rate, control of the party by the group supporting Governor Paulo Maluf appears almost certain. Maluf obtained an important victory when he caused the defeat of the so-called "municipal slate," which intended to contest the state leadership and minimize the influence which Former Governor Laudo Natel has in the interior of the state.

In Rio, a traditional opposition bastion, things are not going very well for the government party. It had no problems in the creation of committees in the 63 municipalities and 25 zones of the capital. It has the traditional members of the old PSD, who are loyal to the bionic senator, Amaral Peixoto (formerly of the MDB), and who are important in the interior of the state but it is facing divisions being caused by the "coordinator" of the party, a position not stipulated in the statutes, Dr Guilherme Romano, a personal friend of General Golberi for more than 20 years. It is declared in Rio that Romano wants to be governor of the state. He neither wants to see his son-in-law, the present prefect of Niteroi, Wellington Moreira Franco, as the official candidate to the governorship.

Dispute in Minas

In Minas, it is the belief of Secretary General Emilio Gallo that the party will obtain nearly 300 directorates. The provisional regional committee is already registered with the Regional Electoral Court. The presence of Deputy Abi Ackel in

the Figueiredo Cabinet strengthened the party but created a new area of controversy: Now there are three factions, that of Governor Francelino Pereira (formerly of the PSD), that of the vice president of the republic, Aureliano Chaves (formerly of the UDN [National Democratic Union] and that of Minister Abi Ackel, also formerly of the PSD.

In Rio Grande do Sul, the choice of the majority is split up among the PDT, the PMDB and the PDS. The leader of the government bloc in the Assembly, Rubi Dihel, says that all the Rio Grande do Sul municipalities already have their directorates installed or in the process of installation and he guarantees that such work was easier than in the times of the extinct ARENA.

It is around the Assembly that the party picture in the state may be determined. The PDT of Brizola will not relinguish its intentions of fighting for the presidency of the Chamber, which in the past legislatures was always in the hands of the MDB and is now held by the PMDB. And the PDS is thinking of supporting the Brizola faction in that matter as a way of dividing the opposition.

In Parana, the party has its strength in Governor Ney Braga and also in former Governor Paulo Pimentel. It created committees in all 302 municipalities and already has a single slate for the state directorate. In Santa Catarina, the PDS forces are calm for the time being. With the help of the state government machinery, it installed directorates in all 197 of the Santa Catarina municipalities.

Rebellion in Goias

In Goias, the struggle for party control is being reflected in the Chamber by the rebellion of Deputy Siqueira Campos, who voted against the government in the case of the tabled amendment on prerogatives. The party has directorates in 180 of the 223 municipalities and it inherited all the differences which existed in the extinct state ARENA.

In Mato Grosso do Sul and Mato Grosso do Norte, the status of the government party was one of relaxation. The reason for this was that while the situation of the party in the north was solid, such was not the case in Mato Grosso do Sul because of the dismissal (imposed by the government) of Governor Marcelo Miranda and the appointment to the post of Senator Pedro Pedrossian, causing some losses.

The governor believes that Pedrossian may be able to regroup the PDS forces because of his prestige among the voters, however, the episode aroused much criticism in Campo Grande.

In Pernambuco, the strength of the party is in the interior of the state, although Governor Marco Maciel has concentrated projects in Recife and acted in a broad promotional plan with the disadvantaged.

The government party has already created committees or directorates in almost all the municipalities and zonal districts of the capital.

In Bahia, the position of the party continues to be very solid, with control of almost 300 prefectures, an ample majority in the Legislative Assembly and the Chamber of Deputies under the command of Governor Antonio Carlos Magalhaes. The break between former Governor Roberto Santos (now in the PP) and Magalhaes did not harm the PDS organization greatly.

Differences in Para

The differences between the groups led by Governor Alacid Nunes and Senator Jarbas Passarinho in Para apparently do not harm the standing of the party in that state but they caused concern at the national level, which desires to give prestige to Passarinho. In an attempt to compromise, the party postponed its regional convention until January.

In Ceara, Maranhao, Piaui, Rio Grande do Norte and Paraiba, the PDS lead is practically absolute despite intense internal disputes.

PMDB Shows Optimism In Preparations

"We are larger than the MDB," this statement by an important PMDB leader in Sao Paulo shows the optimism of the party national provisional committee with respect to the municipal conventions held last 12 October. The PMDB elected directorates in more than 2,000 municipalities in 10 states. According to national party president Ulisses Guimaraes, the party created more directorates than those had by the extinct MDB.

This optimism has its reasons. After all, when those figures were presented, in terms of party internal differences, Amazonas had not yet managed to have its conventions--it will have extraordinary conventions--nor had Mato Grosso even sent in its results on the provisional national committee.

In Sao Paulo, apparently overcoming the conflicting interests of Senators Orestes Quercia and Franco Montoro, the PMDB managed at least 400 directorates, an endeavor being credited to the state party chairman, former deputy (cassated) Mario Covas.

Montoro is being viewed as the PMDB leader who insured the control of the greatest number of Sao Paulo directorates, a fact which will be extremely useful to him in the contest within the party for appointment as candidate to the governorship of the state in the 1982 elections. Quercia, however, holds a large part of his electoral strongpoints. However, the conventions revealed a new force, although still in formation, that of State Deputy Franco Baruselli, who won an important number of directorates in the upper northeast region where he has influence.

Negotiations are underway and the PMDB will emerge, it is true, with a single slate for its state directorate with Mario Covas remaining as chairman. To support that process is the praiseworthy action of the 30 party deputies in the Assembly, where up to now the defections of yesteryear have not been seen. Also, as is stated by Covas, the "party emerged stronger from the purging of the new followers."

Rumors in Rio

In Rio, where the old MDB always irritated the government by insuring a majority in the Assembly and electoral colleges, the party created at least 18 directorates in the capital (there are 25 district zones) and in 49 of the 63 zones in the interior. State leaders are Senators Roberto Saturnino and Nelson Carneiro and also the former deputy governor (of Carlos Lacerda), Rafael de Almeida Magalhaes, with economist Maria Conceicao Tavares appearing as a new contender. All those leaders, however, unanimously deny one of the rumors circulating after the municipal conventions, saying that the MR-8, an organization which took part in armed struggle at the beginning of the 70's, would have a large number of directorates guaranteed in that state.

In Minas, the PMDB faces the strength of the PDS and the PP. Senator Itamar Franco, state party chairman, claims that the PDS inherited what there was of the old ARENA and the PP received what there was of the old MDB, there being nothing left for the present PMDB. However, the party held municipal conventions in at least 168 cities and this month it still intends to create another 32 directorates.

In Parana, Senator Jose Richa and former Deputy (cassated) Alencar Furtado are the two great strengths of the party. The PMDB has directorates in nearly 250 of the 302 municipalities of the state and work is continuing.

Arraes Is A Contender

Jarbas Vasconcelos, the state chairman; Senator Marcos Freire and former Governor Miguel Arraes split up the leadership of the party in Pernambuco among them. The party has directorates in the nine districts of Recife and in 112 municipalities of the interior. The PMDB is the great opposition force in the state and is in a position to compete for the governorship.

In Bahia, the PMDB faces the strong leadership of former Governor Roberto Santos, today of the PP, in addition to the natural opposition of the PDS, which has been strengthened by the political maneuvers of Governor Antonio Carlos Magalhaes. The party has around 100 directorates.

In Rio Grande do Sul, the party already has committees installed in almost all the state and intends to keep the Assembly leadership, now in its power. It has the leadership of Senators Pedro Simon and Paulo Brossard.

In Alagoas, leaders of the Senator Tetonio Vilela force seek to win over two forces which are precious electorally: former Governor Lamenha Filho and Federal Deputy Geraldo Bulhoes, who controls a voter stronghold in the Alagoas back country which can be a decisive force in the 1982 elections. In the other states of the north and northeast, the PMDB appears as the second-place party force after the PDS.

The PTB Has The Initials But Not The Voters

The PTB of Ivete Vargas has already won a great victory this year in the Superior Electoral Court: It assured for itself the initials which it contested with former Governor Leonel Brizola, initials considered by the now deceased Minister Petronio Portela as "the best vehicle for communications with the voters." However, it turns out that the initials PTB were closely linked to the so-called "authentic" worker party members and now, without the prestige of Brizola's name, they lost part of their voter appeal.

An example of that is a recent survey made by the Gallup Institute which gave the PTB nearly 20 percent of the vote in March before it was decided who would be awarded the initials. The percentage fell to five percent in August and September (the decision on the initials was made in August) when the voters saw that the PTB was no longer tied to the Brizola group.

In the Federal Chamber, the party has only two deputies: Jorge Coury (RJ) and Vilela de Magalhaes (PR). It has no representative in the Senate. However, Ivete Vargas expects a victory soon that will strengthen support for her party so that they can have their municipal and state conventions (December and next March) and face the electoral test of 1982: The support of Janio Quadros, with whom the party is "in love." After a long trip abroad, the former president arrived in Brazil yesterday and will be able to say whether that hope is justified.

In Sao Paulo, such prospect has contributed effectively to the reversal of expectations in the Legislative Assembly. For the time being, the PTB has only one state deputy, Osmar Ribeiro Fonseca. Last week, however, Deputy Vicente Bota, formerly linked to the PDS block, said that his membership in the PTB "is an irreversible fact." According to comments, there are strong possibilities that Bota will be followed by other members of the PDS such as Deputies Ivan Spindola de Avila and Jose Silveira Sampaio.

In addition to the strength of Janio, Ivete Vargas is confident of the competition her group is putting up in Rio Grande do Sul and of the charisma of former Governor Gilberto Mestrinho from Amazonas, who heads the PTB in that state and has a chance to contest the governorship.

The situation of the PTB in Rio de Janeiro is also encouraging to its supporters. The son of the labor leader and governor of the old state of Rio, Roberto Silveira, Deputy Jorge Roberto da Silveira is confident: "I attend to the needs of legislation in the municipalities where I am politically active, by myself."

PDT Believes It Will Obtain Registration

The matter of the controversy over the PTB initials with the group led by former Deputy Ivete Vargas, as was confirmed by recent polls and surveys of public opinion, destroyed the great potential of the party name when associated with the name of former governor Leonel Brizola. The decision by the Superior Electoral Court, granting the traditional labor initials to Ivete Vargas, apparently did not frighten the group of deputies linked to Brizola, who make up an important bloc in the Federal Chamber, not in number but in political participation.

Those deputies declare that the PDT has broad possibilities of achieving its registration because they believe that in Rio Grande do Sul, Rio de Janeiro, Amazonas and Parana alone, "Brizolismo" should be the second or third electoral force, it not being difficult, therefore, to obtain at least the minimum votes in some other states.

That reasoning grants special importance to the work being done in Rio Grande do Sul and Rio de Janeiro, where the "authentic labor forces" expect the best results. In Rio Grande do Sul, with a force of 13 deputies, against 18 for the PMDB and 25 for the PDS, there is the danger that the PDT will seek some help to fight for the presidency of the Rio Grande do Sul Assembly, a fact denounced as one more "Golbery" ploy. However, there are many Brizola supporters who see the best regional prospects for the PDT in an agreement with the PMDB of Pedro Simon and Paulo Brossard.

In Rio, the party has already formally created its 23 municipal and 25 zone committees in the capital. As leaders Carmen Cinira Leite de Castro and Jose Castro Brandao acknowledge, just to comply with the minimum requirements of the law, as soon as the Superior Electoral Court confirms the provisional registration of the PDT in Rio, it will begin an intensive membership drive. They believe that the extension of the terms of prefects and councilmen, with the subsequent elimination of the elections scheduled for this year, is leading to the return of many political leaders from the interior of the state to the ranks of "Brizolismo." According to them, those politicians will opt exclusively for the PTB because it would already be registered and it would allow them to become candidates from that party for the elections scheduled for this month and postponed by government decision.

This is at the very least a dubious reasoning. The electoral efficiency of those politicians, who still believed that municipal elections for this year could still be held, is debatable. However, that theory is also used in Parana and Amazonas to guarantee that the Brizola PDT will be in a position to wrest politicians from the PTB of Ivete Vargas to guarantee it the votes needed to exceed the requirements of the new electoral legislation. Moreover, the PDT maintains some regional support in states of less importance in terms of votes. And it is counting on that to obtain final registration and guarantee its presence in Congress.

PP Initiates Attempts To Win Third Place

The PP--Popular Party--is emerging as the third political force of the country, expanding its already solid electoral bases, efficiently using the regional divisions in the PDS and--although that apparently was already taken into account in government plans for party reformulation--winning an electoral influence capable of giving the party the comfortable position of being the decisive weight in political decisions in Congress.

Up to now, however, the party has acted within the framework of its opposition status, siding with the PMDB in the majority of cases.

Its most solid voter support in declining order comes from Rio de Janeiro, where it already has the machinery of the state—State Governor Chagas Freitas is of the PP--Minas, Gerais, Sao Paulo and, now, Rio Grande do Sul.

In Minas, the PP emerges as the most important party on the basis of the alliance of the old UDN and PSD factions of Deputy Magalhaes Pinto and Senator Tancredo Neves, and also of the internal disputes in the PDS among Governor Francelino Pereia, the vice president of the republic, Aureliano Chaves, and Minister of Justice Abi Ackel.

Because of the adherence of former Governor Paulo Egidio, former Prefect Olavo Setubal and Deputies Herbert Levy and Caio Pompeu, the PP has a significant influence in Sao Paulo, although that is not reflected by the number of state deputies of which it has only one: Valdemar Chubaci.

The PP shook the structure of the PDS in Rio Grande do Sul, winning the support of former Governor Sinval Guazzelli, winning over Senator Evilasio Vieira of Santa Catarina, and in Parana, winning the support of former Governor Jaime Canet Junior to face the PDS of Nei Braga and Paulo Pimentel.

In the north and northeast, the PP is strongest in Bahia, where it has the support of the archenemy of present Governor Antonio Carlos Magalhaes, former Governor Roberto Santos. Despite this situation in the aforementioned states, the PP needs to obtain the minimum votes required in two more states of the federation.

Strategy

Political observers believe the PP has the best prospects, after the PDS and the PMDB, for meeting the requirements of the law to become established. Moreover, that appears to have been the strategy traced by politicians of experience such as Tancredo Neves and Magalhaes Pinto. To win with more than three percent of the votes in nine states in 1982, as is required by legislation, is to guarantee compliance with other requirements (five percent of the total of the votes for the Chamber of Deputies) through the collection of votes from small and sparsely populated regions.

In Maranhao, Piaui and Pernambuco, for example, the party has already complied with several phases of the legislation. In the latter state it has the forces of Tales Ramalho, secretary general of the group, and in Paraiba it threatens to make up a coalition with the PMDB simed at winning the governorship of the state in the 1982 elections.

Difficulties Faced By The PT

Against the scepticism of many politicians who did not believe in its feasibility the PD--Workers Party--formed by Luis Inacio da Silva, "Lula," and other union leaders, has been overcoming the phase for its legalization. On 23 October it presented its request for provisional registration to the Superior Electoral Court (it should be issued at the end of this month), accompanied by documents relative to the organization of regional committees in 18 states and municipal committees in 647 municipalities of those 13 states.

The PT was the last of the parties undergoing organization which asked the Superior Electoral Court for provisional registration. It managed to organize regional directive committees in the states of Acre, Rio Grande do Norte, Rio Grande do Sul, Rio de Janeiro, Ceara, Minas Gerais, Santa Catarina, Mato Grosso do Sul, Maranhao, Piaui, Espirito Santo, Sao Paulo and Goias. It also did the same in Sergipe, Amazonas, Bahia, Parana and Paraiba, but in these last five states it did not meet requirements with respect to municipal committees (legislation requires at least 20 percent of the municipalities of the state).

The PT is complying, with some difficulties it is true, with the same ritual that the other parties are fulfilling for obtaining final registration, which will be accomplished after the 1982 elections when each party in order to have legislative representation must have at least five percent of the votes for the Chamber of Deputies.

LSN [National Security Law] Threatens

Among the natural difficulties the party has been facing in making itself feasible however, is the fact that its founder, Lula, and other union officials, are being indicted by Military Justice under the National Security Law. A possible conviction would make the former president of the Sao Bernardo Metalworkers Union ineligible, perhaps destroying the chance of a significant vote that would benefit the party. The same thing could happen with respect to Federal Deputy Joao Cunha, who is being tried by the STF [Federal Supreme Court].

The PT does not depend solely on the leadership of Lula but it is in Sao Paulo that the largest force of the party is located. The bloc in the Chamber already consists of six deputies (Airton Soares, Joao Cunha and Benedito Marcillo of Sao Paulo, and Antonio Carlos (MS), Freitas Diniz Neto of Maranhao and Luis Antonio Chenicel of Santa Catarina). It also has the deputies in the Sao Paulo Legislative Assembly.

Behind the force of the union leaders who support the party, the PT appears with influence in Minas and Rio Grande do Sul through union leaders Joao Paulo Pires Vasconcelos and Olivio Dutra. In Pernambuco, Manoel da Conceicao is doing important work but faces the cohesion of a strong PMDB. In Goias, the departure of the Santillo brothers weakened the position of the party in the state, where it has only one representative in the Assembly; and in Mato Grosso do Sul, Federal Deputy Antonio Carlos guarantees that the PT will have a great influence.

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ELECTION RESULTS WILL BE HONORED IN 1982, SAYS GENERAL

Rio de Janeiro O GLOBO in Portuguese 23 Nov 80 p 3

[Interview with Second Army Commander Gen Milton Tavares de Souza by several news media organs 22 November in Rio de Janeiro]

[Text] "The elections we hold in 1982 will not be a joke," declared the commander of the Second Army, Gen Milton Tavares de Sousa yesterday in Rio after the mass on the 43d anniversary of the formation of his class in the old Realengo Military School, a mass also attended by President Joao Figueiredo.

"The governors shall be elected by direct vote because the government considers the country to be in a climate of order. We shall not attract international attention and then later go through the embarrassment of not allowing those elected to take office. The elections are a great step toward democratization," added the general.

Interview

Following is the interview granted by the commander of the Second Army:

O GLOBO: How do you feel about the reestablishment of direct elections for governors?

[Answer] Once more direct elections are compliance with the promise made by the then candidate Figueiredo. They reveal that the government believes the country to be in a climate of order despite everything. It is a great step toward democratization. If it were not the proper time, the government would not have made that decision.

RADIO JORNAL DO BRASIL: Would there be some problem in taking office for the governors elected by opposition parties?

[Answer] No problem whatever. The elections we hold in 1982 will not be a joke. If we are going to hold elections, which will have international repercussions, we cannot go through the embarrassment of not swearing in those who are elected unless something arises with respect to some candidate which would prevent it. However, it would be a specific case and not casuistic.

O ESTADO DE SAO PAULO: Is there one of those specific, not casuistic cases in Sao Paulo?

[Answer] No, there is not. There is going to be an election in Sao Paulo and there is already a mountain of candidates for candidates to the governorship. After all, the process is going to be whittled down and the final candidates will emerge. The person elected will be sworn in, there is no problem.

O GLOBO: What do you think of the investigation of the attacks on the OAB [Brazilian Bar Association] and the Rio Municipal Chamber?

[Answer] It is being conducted in the best way possible. It is not easy to find a lunatic citizen who threw a bomb at a certain corner. He lost himself in the midst of 110 million Brazilians. Any terrorist of the right or the left is a social misfit and does not have the conditions for coexisting democratically. Instead of differing within normal patterns, he acts with violence. Observe that the victims of terrorism are always innocent persons.

JORNAL DO BRASIL: Yes, when terrorism of the left was practiced in Brazil it was isolated. If it was overcome it was because it did not have the support of public opinion. The Brazilian people do not accept terrorism.

TV BANDEIRANTES: Was the attack on the OAB performed by terrorists of the right?

[Answer] I cannot say whether it was of the right, the center, left center or the left. Those definitions remind one of a soccer game. Regardless of where it comes from it is terrorism. We are moving toward a regime where the law is sovereign. We must make the law respected, regardless of who it hurts, regardless of who it affects, regardless of which class it bothers.

JORNAL DO BRASIL: Do you believe it was a group which committed the attack or was it only the suspect captured by the Federal Police?

[Answer] I do not know if he represents a group. The investigation is not within the purview of the army and it is in that of the Federal Police.

RADIO JORNAL DO BRASIL: Are you pleased with the progress of the investigations?

[Answer] The progress of the investigations is that which is possible. It is difficult, I repeat, to find the criminal. Perhaps now with the capture of the first suspects the attack may be cleared up.

TV BANDEIRANTES: Could the army participate in the repression of terrorism?

[Answer] It is unlikely. Thought could only be given to that if the process were to reach proportions similar to that of the era of leftist terrorism.

Decisive Step

The reestablishment of direct elections for governors was yesterday considered "a decisive step" toward the political opening by Minister of the Navy Adm Maximiano da Fonseca: "That shows once more the determination and sincerity of President Joao Figueiredo in the development of his democratic plan."

The minister of the navy added: "The return of direct elections through the proposal presented by the government is a very important step. It also demonstrates the trust that can be placed on the determination of the government with respect to the political opening.

Opposition

The minister declared that pursuit of the policy of opening should not cause surprise "because the president has already demonstrated his commitment to democracy many times.

"Democracy in the country is a reality, it is there. We are living under a regime of freedom. It is up to everyone of us to assume the responsibilities inherent in a democratic regime also," he emphasized.

About the opposition, he said: "Its existence, as I said already, is indispensable to the democratic system itself. The existence of opposition is what characterizes this type of system."

The minister also stated that "it is important for the existence of a democracy that there be the free and democratic alternation of power if it is considered necessary."

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ARMY MINISTER SPEAKS ON TIMELY SUBJECTS IN INTERVIEW

Brasilia CORREIO BRAZILIENSE in Portuguese 22 Nov 80 p 7

[Interview with Acting Minister of the Army Gen Ernani Ayrosa; time and place not given]

[Text] A draft bill resulting from the studies now being made by the three military ministers and the armed forces staff will soon be presented to the president of the republic. It is aimed at making changes in the military pension law, it was reported by the acting minister of the army, Gen Ernani Ayrosa.

General Ayrosa also dealt with Brazilian-U.S. agreements, the development of IMBEL [Ordnance Industry], participation by women in the army--pointing out that the experience of the navy "will be of great value"--, activities of the Army Library--now in a new and intensive phase--and the search by the land force for new energy sources.

The complete interview with General Ayrosa follows:

[Question] What is the status of programs for placing the recently-approved Army Housing Fund into operation? When will the first housing be built?

[Answer] The law creating the Army Housing Fund was approved last 17 November. A commission headed by the director general of economy and finances is preparing the regulations for the recently created agency. The construction of housing depends, obviously, on the completion of the commission's work and the creation of an infrastructure compatible with the size of the undertaking.

[Question] Have the surveys of the land owned by the land forces, which will be sold or rented, been completed? Which are they and how much are they worth?

[Answer] The Department of Engineering and Communications, in cooperation with the Army Staff, prepared the multiyear plan for the sale or exchange of real estate under the jurisdiction of the Ministry of the Army. The survey of the values of approximately 100 pieces of real estate scattered throughout almost all the national territory is being done by the military regions.

[Question] Has the army been carrying out research seeking alternate energy sources?

[Answer] The army research agencies have been cooperating with civilian organizations devoted to the search for alternate energy sources. The Center for Technical Control of Alcohol Fueled Motors created in the Military Engineering Institute as the result of an agreement made with the Secretariat of Industrial Technology of the Ministry of Industry and Commerce deserves mention.

[Question] What is the status of activities by the army in the Amazon Region through construction battalions or ACISO [Social-Civic Action]?

[Answer] The Second Construction Engineering Group with headquarters in Manaus through its six battalions distributed throughout the Amazon Region performs security and construction missions, the latter through agreements made with the Ministry of Transportation and the local governments.

The presence of the army in all that area, even the regions of most difficult access, I believe confer upon ACISO in the Amazon Region some characteristics of its very own, the permanence of those actions being outstanding.

The scope and diversity of problems led the military command of the Amazon Region to propose the creation of a section in its staff, a section now engaged specifically in giving support to the civilian personnel in the area, and it has obtained excellent results in the fields of health, education, housing, transportation, food and professional training.

[Question] What new weapons and military projects are being developed by IMBEL?

[Answer] The projects for the development of new weapons continue to be realized within the framework of the Army Technological Center through research, field tests and tests of various types and not within the framework of IMBEL, whose activity is accomplished more specifically in the production of munitions, pyrotechnical devices, explosives, light weapons and communications material.

[Question] Apparently the army intends to export weapons to the entire world through IMBEL, is there any type of restriction with respect to possible foreign buyers?

[Answer] The export of war materiel is regulated by PNEMEM [National Policy on Exports of Materials For Military Use] and because of political implications and national security, it obviously depends on the authorization of the president of the republic.

In addition to producing a significant part of the war materiel needed by the armed forces, IMBEL is also active in the foreign market.

[Question] There has already been much criticism of military pensions and finances, is there some intention to change it?

[Answer] In view of the new Statute for the Military recently approved by the National Congress, the three branches began to study a proposal for a change in the Pension Law.

The studies within the framework of this ministry are being made by the army staff and when concluded will be evaluated together with those of the navy and air force by the armed forces staff. A draft bill will come from that study, which at the proper time will be submitted for the evaluation of the president of the republic.

[Question] Do you believe in the possibility of the reestablishment of Brazil-United States military agreements as was suggested recently during the visit by Gen Vernon Walters to our country? If reestablished, would these agreements have a new strategic and military objective, strictly speaking?

[Answer] The relationships between the land forces of Brazil and the United States is normal and friendly and consists basically of the holding of training courses, the sending of military publications and the exchange of information of an obvious nature. Recent understandings, pertaining to the interests of the two countries, promise an intensification of the existing exchange.

[Question] Are there studies for the admission of women into the army?

[Answer] The army has used the work of women, as is attested by the existence of nearly 7,000 office workers in the ministry.

Obviously the adoption of feminine contingents within the framework of the army would be conditioned by specific needs in that aspect, particularly with reference to nurses, social workers and similar categories.

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RETIREMENTS LEAD TO NEW HIGH COMMAND APPOINTMENTS

Rio de Janeiro MANCHETE in Portuguese 6 Dec 80 pp 154B-154C

[Article by Murilo Melo Filho: "The Renewal of the High Command"]

[Text] In March next year Gens Antonio Carlos de Andrada Serpa, Walter Pires and Ernane Ayrosa da Silva are due for compulsory retirement; Gens Jose Ferraz da Rocha, Ruy de Paula Couto, Florimar Campello and Gentil Marcondes Filho will go home; Gens Benedicto Pinto de Almeida, Geraldo de Alvarenga Navarro and Milton Tavares de Souza will leave active service. Of the present members of the High Command, only Gen Antonio Ferreira Marques will survive. It will mean the complete replacement of the military summit, beginning this week with the compulsory retirement of Gen Antonio Bandeira, who will be replaced by Gen Alacir Frederico Werner, and by the swearing in as acting minister of the army of Gen Ernane Ayrosa da Silva.

Col Rubem Carlo Ludwig

He was the press secretary of the Geisel Administration and was retained at Planalto Palace by President Figueiredo as National Security Council secretary. His departure for the Superior War School, where he was enrolled, did not take place. An artilleryman, that Rio Grande do Sul man began his military career in the same class as Colonel Paiva Chaves. He was an instructor at the Agulhas Negras Military Academy and the Army Command and Staff School. In 1969 he served as aide to the deputy army commander of the Military Household, whose chief was Gen Joao Figueiredo, the president of the republic. Later he spent 2 years at the French Military Academy. On his return to Brazil he was appointed commander of the 18th Motorized Infantry Battalion of Porto Alegre, where he established excellent relations with local newsmen when he paraded the troops in honor of Press Day. He had already been appointed to command the cadet corps of AMAN [Agulhas Negras Military Academy] when he found himself invited to replace Col Toledo Camargo as chief of the press and public relations office of the Presidency of the Republic, where up to now he has performed in a manner praised by reporters and journalists accredited to Planalto Palace.

Gen Rubens Mario Brum Negreiro

He was commander of the Engineer Group in Paraiba and secretary for security of the Rio de Janeiro Administration during the term of Admiral Faria Lima. Up to this time he has been the first deputy chief of staff of the army and number one on the army seniority list of brigadier generals to be promoted to major general. When he left the command of the Paraiba Engineer Group, he declared that the 31 March Revolution did not belong to the military but to everyone, civilian and military. He is from Rio Grande do Sul and was born in Dom Pedrito. When he left the Secretariat of Security of Rio de Janeiro, he declared that crime had been contained and that the result was made possible because of the expenditures made and by the interaction among the various branches. "We have no doubt when we say that security is better today than yesterday and that crime has been contained."

He was promoted to general on 31 March 1975 after having served in the Fernando de Noronha Detachment, the Second Railway Battalion, the Agulhas Negras Military Academy, the ESAO [officer training school], the ECEME [Army Command and Staff School], the office of the minister of the army, military attache in France and chief of the office of the Secretariat of the National Security Council. He is the brother of allergist Doctor Brum Negreiros.

Gen Octavio Aguiar de Medeiros

As a colonel he was military attache to the government of Israel in Tel Aviv. He was in Tel Aviv when the Yom Kippur war broke out. He went to Israel after having been assistant to Gen Joao Figueiredo who was chief of President Medici's Military Household. Before that they had been together as instructors at the Army Command and Staff School. When he returned from Israel, he was promoted to general and Figueiredo, then chief of the National Intelligence Service, appointed him director of the National Intelligence School. He remained there until he was invited to replace Figueiredo himself as chief of the SNI. He must mandatorily be part of President Figueiredo's party during his trips through Brazil and abroad. He is also one of the "household ministers" who meet every day with the president of the republic. He comes from a traditional military family. His father was Fleet Admiral Flavio Medeiros. His paternal and maternal grandfathers were also military men: Marshal Luis Antonio de Medeiros and Gen Feliciano de Souza Aguiar. He gives the impression of being a cantankerous man but privately he is affectionate and happy and likes to play volleyball and swim. He is one of the men who most figures in the forthcoming succession to the presidency, on the eve of which he should be promoted to army general.

Gen Alacir Frederico Werner

With his promotion to the last assignment of his career, he passed over Gen Herman Bercqvist, who was first on the promotion list and who had temporarily been occupying the position of chief of the General Department of Personnel since the removal of Gen Andrada Serpa.

General Werner served in the FEB [Brazilian Expeditionary Force] as assistant to Marshal Mascarenhas de Morais. He participated in the 1964 conspiracy when he was an office aide to Gen Humberto Castelo Branco, then chief of staff of the army. He was later secretary general of the Ministry of the Army and commander of the 7th and 10th Military Regions with headquarters in Recife and Fortaleza. He has been serving as deputy chief of the Army Staff. He was a member of the same 1937 class of cadets as Gen Joao Figueiredo at the Realengo Military School. The only difference is that he is an artilleryman and the president is a cavalryman. He is regarded as one of the intellectuals of the army with great knowledge of the civilian and political area. He is a personal friend of Gen Golbery do Couto e Silva. When he left the Secretariat General of the Ministry of the Army, which he occupied during the term of General Belfrot Bethlem, he said that the armed forces were permanently engaged in complying with their constitutional mandate and concerned with the best interests of the nation, watching over the security of the people, maintaining their social integration and safeguarding their progress in a sovereign, free and democratic land.

Acting Minister of the Army Gen Ernane Ayrosa da Silva

He is 65 years-of-age and belongs to the class of 1937, the same one to which President Joao Figueiredo belongs. He is an infantryman and one of the veterans of the Brazilian Expeditionary Force. A Colonel in 1964, he was promoted to brigadier general on 25 March 1969 and in March of next year he will leave active service because of having completed 12 years as a general. He is considered a liberal and a strict adherent to the law, defender of the rule of the law and a man who does not circumvent the law. He likes to talk. He was the best Brazilian captain in World War II and the most decorated officer in it. He commanded the Planalto Military Garrison for 21 months, the Second Armored Infantry Battalion; he was chief of staff for the Second Army during the so-called Operation Bandeirante, he headed the Directorate for Armaments and Munition, headed Training and Improvement and commanded the Amazon Region Military Garrison and the 11th Military Region. He was also head of the Education and Research Department and the Army Staff. He is from Rio de Janeiro and was the Brazilian target shooting champion. He is a fan of the Botafogo soccer team, likes music, theater, television, opera, the dance and literature. He is single and has shown himself to be an extremely human militaryman with his entire life dedicated to the army. He makes no decisions without first hearing his advisers.

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GENERAL OFFICERS PROMOTED, BIOGRAPHIC DATA PUBLISHED

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 25 Nov 80 p 6

[Excerpts] Although dissemination was not expected until today, as in all the last regular December promotions of past years, Planalto Palace yesterday revealed the names contained in promotion decrees of 18 army, navy, and air force officers signed by President Joao Figueiredo, all with today's date. Promotions in the army and navy take two officers to the highest ranking position in the military branches: Maj Gen Alacyr Frederico Werner was promoted to army general and Vice Adm Domingos de Mattos Cortez was promoted to fleet admiral in the marine corps.

Promoted in addition to General Werner in the army were: to major general, Brig Gens Rubens Mario Brum Negreiros, Moacyr Pereira and Octavio Aguiar de Medeiros (now chief of the National Intelligence Service (SNI) and to brigadier general, Cols Brummel Couto (infantry), Waltencir dos Santos Costa (cavalry), Almerio Jose Ferreira Diniz (artillery) and Rubem Carlos Ludwig (infantry).

In the navy, in addition to Admiral Cortez, the following were promoted: to vice admiral, Rear Adm Luiz Edmundo Brigido Bittencourt; to rear admiral, Capt Coaraciara Bricio Godinho; in the Corps of Engineers and Naval Technicians, to vice admiral, Rear Adm Aloysio Ferreira dos Santos, and to rear admiral, Capt Paulo Geraldo de Almeida Barbo; in the naval health service, in the medical corps, to rear admiral, Capt Mario Serrat Rodrigues.

In the air force, in the flying officer corps, to brigadier general, Cols Lair da Silva Andrade and Dilson Lyra Castello Branco Vercosa.

Alacyr Werner, No Surprise

Professional competence, political skill, loyalty to the system and influential friendships in and out of Planalto Palace, beginning with President Figueiredo himself, made of Gen Alacyr Frederico Werner an unbeatable candidate for the only army general vacancy in this promotion period. At no time was there any doubt in army circles that Werner was an officer on the way up.

A native of Juiz de Fora, Minas Gerais, Alacyr Frederico Werner, 64, was a cadet on 22 November 1937 at Realengo together with Gen Joao Figueiredo and became a colonel on 25 April 1964, when he took an active part in the March revolutionary movement, becoming a trusted officer of General Castello Branco. He attained the rank of brigadier general on 25 March 1971 and major general on 25 November 1976, shortly thereafter assuming the post of secretary general of the Ministry of the Army after the replacement of Minister Sylvio Frota by Gen Fernando Betlhem. Later on he assumed command of the 10th Military Region in Fortaleza and a few months ago was transferred to become the deputy chief of staff of the army. He has completed seven courses and has already been awarded 14 medals. As an army general he could possibly become the chief of the General Department of Personnel.

Major Generals

Up until the meeting of the High Command on 17 November, promotions for filling the two major general vacancies presented only one unknown factor: the name of Gen Gustavo Moraes Rego, former chief of the Military Household under President Geisel. After all, the decision to promote generals is a presidential prerogative. When the High Command sent the list of names to President Figueiredo pursuant to the sequence of the Army Seniority List, it was clear that those promoted would be Generals Brum Negreiros, Moacyr Pereira and Octavio Medeiros.

General Brum Negreiros, at this time the first deputy army staff chief, became a cadet on 10 March 1943 and became a brigadier general on 31 March 1975. He has completed four courses and has already received 12 medals. At 58 years-of-age, as a major general, he may remain in the Army Staff.

General Moacyr Pereira is 59 and a personal friend of President Figueiredo, who appointed him to command the 5th Armored Cavalry Brigade in Rio, considered the most powerful cavalry unit in the army. He was a cadet on 10 March 1943, became a brigadier general on 31 July 1975. As a major general he could become chief of the Military Service Directorate. He has completed five courses and has eight medals.

Gen Octavio Aguiar de Medeiros is 58, and is at present the chief of the National Intelligence Service, where he should remain in the status of "adviser." His promotion was uncontested, not only because of the post he holds but also because of his acknowledged professional qualities. He became a cadet on 10 March 1943 and became a brigadier general in July 1975, a rank he held as Brazilian military attache in Israel. He has completed four courses and has nine medals. Before the end of the Figueiredo Administration, he should have no difficulties in attaining the rank of army general, according to military sources.

Brigadier Generals

General Brummel Couto, 54, became a cadet on 24 December 1947, becoming a colonel in August 1972. He is an infantryman and he has been assigned to the Motor-Mechanization Directorate of the War Materiel Department. He has completed five courses and has five medals. He should now go on to command the First Border Group in Santos Angelo (RS).

Gen Americo Ferreira Dinis, 55, became a cadet on 24 December 1947, becoming a colonel in August 1973. He was chief of the Public Relations Advisory Office of the office of Minister Walter Pires, where he now occupies the post of deputy chief. In addition to being a specialist on energy policy, he is the representative of the Ministry of the Army to the National Petroleum Council. He has completed six courses and has eight medals. He should command First Army Division Artillery in Rio. He is an artilleryman.

Gen Waltencir dos Santos Costa, 54, is a cavalryman. He became a cadet on 24 December 1947 and became a colonel in April 1973. He has been assistant to the chief of staff of the army and should be appointed to command the Third Mechanized Cavalry Brigade in Bage. He has completed six courses and has five medals.

The promotion of Gen Rubem Ludwig was "foreseen" since March of this year when his name was considered as certain for December because of the changes being prepared on the promotion law for armed forces officers. The main change, later approved, has to do with the creation of a block of unranked colonels, consisting of colonels who do not have the prerequisites for becoming general, and with the provision that after being passed over for promotion twice, they would be transferred to the reserves. These changes had the objective of speeding up the flow of promotions. Obviously they did not have the purpose of favoring any officer, however, it allowed the well-known name of Colonel Ludwig to be entered immediately on the list of candidates for general officers.

Ludwig always had an excellent reputation in the army, becoming known and respected from the time he served in the Press Office of the Presidency of the Republic. "He did more than Farhat is doing now," commented a high-ranking military man once.

The Navy Follows in Order

The filling of the eight navy vacancies by the president of the republic did not cause any surprises with respect to the names selected, all of them expected. The rank of fleet admiral (highest rank in the navy, equivalent to army general) went to Vice Adm Domingos de Mattos Cortez. He will probably command the Marine Corps, where he now holds the same post since the position calls for a three-star admiral.

However, Congress recently approved a law which establishes that the rank of the commander be raised to fleet admiral.

Rear Adm Carlos de Albuquerque was promoted to vice admiral. He was the senior officer on the list. Another officer who was also a senior officer on the list was Capt Coaraciara Bricio Godinho, who was promoted to rear admiral. His last promotion was in April 1972.

Little Information

An officer of the office of the minister of the navy reported yesterday that there was not too much information on the promoted admirals and explained that their biographical information would only be revealed today. According to that officer, the information is ready but was not revealed yesterday because the Navy Public Relations Center operates out of Rio.

Two Air Force Brigadiers

The two new air force brigadier generals promoted by order of President Joao Figueiredo were the first two on the list by order of seniority.

Brig Gen Lair da Silva Andrade is a native of Rio de Janeiro and reached 50 years-of-age on 25 October. Enlisted in April 1948, he became a flying cadet in December 1951, becoming a second lieutenant the following year and a first lieutenant on July 1954. He became a captain in January 1959 and because of outstanding performance was promoted to major in January 1968. Also because of outstanding performance he was promoted to lieutenant colonel and finally to colonel in 1975.

Brig Gen Dilson Lyra Castelo Branco Vercosa is also a native of Rio. He is the present commander of the Fortaleza Air Base. He was a cadet in the same class as his colleague promoted yesterday: Lair Silva Andrade. He also attained the other promotions of his military career on the same dates. He completed the flying officer training course and others mandatory for his career. He was awarded the Silver Medal for time in Service, the Santos Dumont Order of Merit and the Distinguished Flying Medal. He now has more than 7,000 hours flying time, specializing in fighter aircraft.

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SEVEN EXTREME RIGHTIST PRISONERS PRESENTED TO PRESS

Rio de Janeiro O GLOBO in Portuguese 4 Dec 80 p 6

[Text] Fortaleza (O GLOBO)--Federal Police Commissioner Antonio Carlos Monteiro of Joao Pessoa, described the seven young persons--six men and one woman--aged between 21 and 25 years, presented yesterday afternoon to the press in the Federal Police Department of this capital as "extremists of the right, opportunists, and with no ties to any political groups of the left or right." They are responisble for five acts of terrorism in Fortaleza and could be sentenced to from 2 to 12 years in prison.

The group consists of Carlos Henrique dos Santos Ferreira, 22, an agronomy student at the Federal University of Ceara; Valerio Lenin Lelis Nogueira, 25; Germana de Oliveira Moraes, 22, a law student; Jose Feltosa Dantas, 25, a federal revenue official and the sweetheart of Germana; Claudio Feltosa Dantas, 23; Francisco Marcelo Macedo Leitao, 21, a geology student at the Federal University of Ceara, and Francisco Jorge Feitosa, 23, fishing engineering student at the same university.

Escalation

First there were the painted slogans ("MAC--Anticommunist Movement" and "Down with the Communist Priests"), which appeared on many walls in Fortaleza. Later came the attacks. The first took place on 8 August, when Claudio Feitosa Dantas, Francisco Marcelo Leitao, Carlos Henrique dos Santos Ferreira and Francisco Jorge Feitosa Caneca hurled a Molotov cocktail at a magazine stand at Parquelandia Square.

On that same day, Claudio and Carlos Henrique hurled another bomb against the bank of Parangaba Square. On subsequent days, there were no more bombs but the painted slogans continued. On 10 September, however, Valerio Lenin Lelis Nogueira, Germana Moraes and Jose Dantas threw a bomb against the door of the Nossa Senhora de Nazare Church in the Montese district.

On 5 October, Valerio, Germana and Jose, put together a metal bomb at DN's Motel at Praia do Futuro in which they put two different kinds of powder. At 2030 the bomb exploded at the parking lot of the Central Student Directorate which was on the eve of elections. According to Commissioner Antonio Carlos Monteiro, Valerio threw the bomb but Jose Dantas wanted it to be thrown into a room where the students were gathered. The two had an argument over that.

Finally, on 5 November, Jose Feitosa Dantas and Germana de Oliveira Moraes plus Fernando Januario Barbos and Luis Clovis Lunica, who were not presented to the press yesterday, exploded a stick of dynamite of high destructive power at Ferreira Square near a newstand.

Investigations

Investigations began 15 November when Valerio Carlos Henrique and Luis Clovis were captured in Joao Pessoa when they tried to steal a Volkswagen. The police thought they were dealing with ordinary car thieves but in their house was found a Taurus revolver, a machinegun, grenades and sticks of dynamite. Interrogated, the prisoners revealed the other members of the group.

Valerio Lenin Lelis Nogueira and Jose Feitosa Dantas are being pointed out by the Federal Police as being the leaders of the group, which may even be receiving money from someone.

They were charged under Article 26 of the National Security Law which says: "To devastate, loot, hold up, steal, kidnap, sent on fire, plunder, commit personal attacks, sabotage or terrorism to the prejudice of national security shall be punishable by imprisonment of from 2 to 12 years. Only Paragraph: If as a result of such attack there is serious bodily harm or death, the penalty shall be imprisonment of from 8 to 30 years."

Lawyer

The families of Valerio and Jose hired the same lawyer: Padua Barroso. He said the group "has no ideological commitments."

He said: "I believe that they have no ideological training and acted naively. The explosions were only acts of anarchy, since they did not wish to harm anyone directly."

Padua Barroso has been a lawyer for 22 years and 15 years ago he defended extreme leftist terrorists. According to him, his commitment "is only to man."

After the contact with the press, the prisoners were visited by their parents. Antonio Carlos, brother of Francisco Marcelo Macedo Leitao declared:

"Up to a certain point I can guarantee that there are no political connotations in the actions of the group."

He brought his brother some books by Manoel Bandeira and Carlos Drummond de Andrade, "poets he likes very much."

No Objective

Valerio Lenin Lelis Nogueira acted as spokesman for the group. Semibald, mustachiod, short, arrogant and visibly nervous, he began by saying that he entered the Federal University of Ceara physics course in 1975 but transferred while still in the basic part to Joao Pessoa. Later he came to Fortaleza once more.

He and Carlos Henrique were plotting the kidnaping of the daughter of Pernambuco industrialist Meira Lins. The plan was thwarted because the girl was always accompanied. They were going to try for a ransom of two million cruzeiros.

[Question] What were the political objectives of the group?

[Answer] There was no political objective. What was done in the matter of placing bombs was to take care that no one was hurt.

[Question] But the bombs you threw could have killed someone.

[Answer] If we were to argue that now it would be a very big argument and it is not worth the trouble.

[Question] And the machineguns?

[Answer] Those machineguns found are the property of people other than the people who are here.

[Question] What was your objective if it was not political?

[Answer] There is no objective.

[Question] Are you of the right?

[Answer] My son it seems that your recorder is not recording (placing his mouth near the recorder). There was no political objective.

[Question] It was just a game then?

[Answer] I am not going to discuss whether it was a game or not.

[Question] What is your political position?

[Answer] I am in favor of "roller democracy," a democracy where roller skating is allowed.

[Question] Is that why you tried to attack the skating club of Recife?

[Answer] Those are things which go through people's heads.

In turn, Germana de Oliveira Moraes said that she is involved in the case because she is in love with Jose Dantas.

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GUERRILLA REORGANIZATION ANALYZED, HISTORICAL REVIEW MADE

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 20 Nov 80 p 13

[Text] Many of the leftist organizations which devoted themselves to rural and urban guerrilla activity in the country in the first years of the decade of the 70's such as the MR-8 [8 October Revolutionary Movement] and the Communist Party of Brazil, the PC do B, have been trying to reorganize since the last liberalizations and amnesty, which made possible the return of the principal "cadres" and leaders.

They returned, however, with a new and prudent view of reality. They believe, for example, that short or medium-term conditions for armed struggle do not exist, although some accept popular insurrection in some still-uncertain future. That is why they have preferred to concentrate their efforts on the "awakening" of the masses.

In their last analyses, intelligence services included reports saying that minority groups consider the country "ripe" for insurrection as early as next year, but the more influential leaders have concerned themselves with curbing the "impatience" of the more impassioned, fearing a repression that could be fatal for all.

For that very reason--for having replaced the theory of the guerrilla center of operations [foco guerrilheiro]--there was surprise at the report published by the NEW YORK TIMES MAGAZINE that 12 guerrillas of the Popular Revolutionary Vanguard, VPR, received training from the PLO last year.

The report surprised not only the former members of the organization, which was the largest armed extreme leftist group of the 70's, but also the intelligence services whose reports make no specific reference to the VPR because it was considered extinct in 1973.

Former VPR members recall on the subject that the organization itself decided to disband in August 1971, long before, therefore, the death of the last members who remained in Brazil, but without any armed activity due to the lack of foreign and domestic logistical support and the condition of defeat in which all the armed organizations of the time found themselves without exception.

The militarist faction of the left, as is concluded by some intelligence service officers in Brasilia, can be considered extinct in the country because of the setbacks suffered by the present position of Cuba with respect to the guerrilla operations center theory for armed struggle, the almost exclusive support of the USSR for the Brazilian Communist Party, PCB, which is of peaceful and orthodox orientation, and because of the changes in the system of power in China, which also ceased to support some of the most bellicose groups.

Recent analyses made by security and intelligence agencies conclude, finally, that in the short and medium term no organization of the left--violent or not--has the possibility of operating successfully in the country, although in the medium term they could present some danger to the security of the present system of power, however, only if they unite, something considered improbable because of the bitter differences among themselves.

The VPR and the Guerrilla Operations Center Theory

The VPR was born in Sao Paulo in 1968 from the merger of a group of sergeants who were former supporters of Brizola and the dissidents of the organization Worker Policy, POLOP, which existed since before 1964. It was one of the first militarist organizations to appear in the country together with the National Liberating Action, ALN, commanded by Carlos Marighella, the 8 October Revolutionary Movement, MR-8, and the Brazilian Revolutionary Communist Party, PCBR.

Of all of them, however, the VPR was the largest and most warlike, perhaps because from the beginning it contained a veteran group of military personnel--among them Carlos Lamarca--as opposed, for example, to the MR-8, which had groups of very young students as a majority among its cadres, students who could barely handle a weapon and which in order to carry out its major actions generally had to ally itself with other groups.

The VPR, whose first great action was the killing of U.S. Army Captain Charles Chandler in Sao Paulo in 1968, adopted the Cuban concept of armed struggle: the doctrine of the guerrilla operations center or "foquismo," and believed that the masses would join them in their struggle in the cities. That doctrine always prevailed, although some dissident groups believed that the VPR should follow a line of masses for the long-term creation of a popular liberation army. Others believed that the militarist option was correct--this prevailed--and that is why the VPR never ceased in its attempts to consolidate the guerrilla operations center.

The theory of the guerrilla operations center is based on the principle that armed struggle should be sparked by a small nucleus, preferably rural, which would grow and multiply until the creation of a people's army, with the leadership of the movement exercised by an organization of militarized structure which precedes and prevails over the political structure. Attracted by the actions of that center, the masses would be "worked" progressively to insure support for it, primarily in the cities. Therefore, the party would only be consolidated after the victory of the revolution as a support for the new government.

It is obvious that such a theory--and those defeated acknowledge it today--could not be applied to the sociopolitical situation of recent years in Brazil. However, the leaders of the armed groups, which appeared after 1968 and whose very tragic history ended in 1973 with the complete destruction of the VPR and the defeat of the PC do B in Araguaia (Amazon Region) in 1975, incorrectly evaluated the correlation of forces and the Brazilian situation of the times and that is the reason for their failure.

Thus, none of the groups, with rare exceptions and in few cases without social or military significance, managed to obtain popular support among the workers or in the rural areas. Moreover, the majority of the members and leaders of the armed organizations came from the middle class and not always managed to communicate with their probable future followers. Thus isolated, it was easy for the security forces to destroy all of them, which resulted in many deaths in the fighting as well as by torture, a method which was undoubtedly used for obtaining vital information.

The VPR, specifically, had three phases in its development. In the first, it was greatly influenced by members with good military experience and little political training as in the case of former soldier Darci Rodriguez (today in Bauru in the interior of Sao Paulo), Onofre Pinto (disappeared), Pedro Lobo de Oliveira (abroad) and Carlos Lamarca (dead), and it adopted the Guevara concepts of armed struggle.

In its second phase, around the middle of 1969 when it merged with the Colina Commando of National Liberation, it took the name of the Palmares Revolutionary Armed Vanguard, the VAR-P. The union lasted very little because soon its leaders disagreed on the best way to wage armed struggle.

The split was made official in September 1969 during the VAR-P National Congress in Teresopolis. The division was fatal for what was left of the VAR-P: Around the middle of 1973, with the death of James Allen Luz in Rio Grande do Sul, it was considered totally dismantled. Those who remained of the old VPR were killed in the northeast that year also.

The VPR members who returned to the country do not number 50, the majority of them taken out of prison and sent abroad in 1970 and 1971 in exchange for the release of kidnapped diplomats. Many of them have already completely abandoned political activity or made a change in their thinking, preferring to act openly to advocate their ideas, always without recourse to force.

Indeed, the VPR believed itself finished around 1971, when with the majority of its members dead, imprisoned or exiled, it no longer was in a position to offer safety, not even to Carlos Lamarca, its most legendary "cadre."

In an internal document of the organization, one of its leaders acknowledged defeat in the most bitter terms: "We are defeated because we do not have the slightest political significance," and he concluded: "I lose hope of making revolution."

New Tendency After Self-Criticism

Many of the leftist organizations existing in the country in the early years of the decade of the 70's have been trying to reorganize after the latest liberalizations and the amnesty which made it possible for the principal "cadres" or leaders to return. The failure of the previous armed experience and the guerrilla operations center theories, however, led practically all of them to self-criticism and to the strengthening of the theory of masses.

That same conclusion is shared by intelligence services officers to whom such behavior was also to be expected since they always followed the movements of those "cadres" abroad. That is why they have faced "the gradual return of the political work of indoctrination, propaganda, regimentation and agitation with the use of the old techniques of front organizations, student and worker mobilization infiltration of class entities, the press and so forth," without surprise.

An intelligence service officer observes that it would also be logical to expect a union among the remainders of the old groups into a sort of monolithic bloc after the amnesty and the return of those banished and exiled, since experience revealed the defeat of the old organizations "separately," one at a time, and due to the weakness of each one. This should theoretically lead to the creation of a broad mass-oriented front of the left.

This, however, did not take place, primarily, according to analyses by these observers, because "each group or subgroup is the owner of its own truth and lacks any of the basic ideas of rank and discipline. Moreover, hates produced by internal strife are hard to overcome." Actually, even the monolithic and peaceful Brazilian Communist Party recently divided itself into two blocs, one led by Giocondo Dias and Armenio Guedes and the other by the old secretary general, Luis Carlos Prestes, who at least has the support of the state committees of Sergipe and Paraiba.

The Prestes faction also receives the support of the MR-8, which managed its reorganization with relative ease since it did not suffer too many casualties when it advocated armed struggle and its rank and file is primarily located in Rio. The MR-8 has been regrouping since 1974 in Rio and Sao Paulo. It held its first congress around the middle of 1978 and the second one in October 1979. As a reflection of the picture of liberalization of the country, it published the resolutions of the last congress in a book easily found in many bookstores. Its general guidelines at the moment stipulate the development of mass activities with a complete abandonment of armed adventures.

Of the old organizations, one has deserved special attention from the military observers: the Communist Party of Brazil, the PC do B. They believe that the PC do B is today appearing "as a truly strong structure, even well established among the students, press and the clergy, which translates into a substantial increase of its mobilization capability and the expansion of its sphere of influence."

Although recently one of its leaders, Jose Renato Rabelo, said openly in a manifesto that the party does not exclude the hypothesis of armed struggle, he made it very clear that it would only take place in a very appropriate historical situation, which does not appear likely in either the short or medium term.

The party is attempting to strengthen itself despite the serious casualties suffered at Araguaia and in the period between December 1976 and January 1977. In December the Second Army discovered a meeting of the PC do B Central Committee in Lapa, Sao Paulo. Three members of the Central Committee were killed and another four party members were taken prisoners in that operation.

Despite the casualties, which continued until January 1977, the regional leaderships were not affected, allowing the recuperation of the party. Although at that time the documents seized had provided the information that the PC do B had connections with the Communist Party of Argentina, Albania and China, it was discovered subsequently, after the seizure of new internal documents, that it concluded by breaking relations with China. Today the PC do B has close relationships exclusively with the tiny Albania.

The main watchword of the party: A single and broad opposition front, has not yet been attained because of the constant differences among the organizations of the left, and on the party and legislative plane, because of the reformulation of parties planned and executed pursuant to a strategy of Gen Golbery do Couto e Silva, as he himself revealed in a talk recently at the Superior War School [ESG].

The PC do B, incidentally, always depended on foreign support, a support, however, which was always unreliable and which from now on will be "insignificant," according to the observers in Brasilia, who believe that the tiny and far-off Albania is not in a condition to finance foreign adventures. Support, therefore, will always be verbal at the level of ideas. Therefore, concludes one official, "The PC do B, its present position being maintained, should not grow in importance in the near future." On the other hand, since 1973 the militarist organizations throughout the world ceased to receive help from Cuba, which realined itself with the Soviet Union. With respect to Brazil, it is more than well-known, that the USSR only supports the pacifist line of the PCB.

At any rate, moreover, not even the usually radical and young Trotskyite organizations even discuss the hypothesis of undertaking armed struggle in the short term. That is why the report, which few believe, that 12 members of the old VPR had been trained in an Al Fatah camp last year, caused surprise even among them.

"The militarist faction," concludes one of those analyses, "can be considered extinct because of the losses suffered and because of the present Cuban position with respect to the theory of the guerrilla operations center. By itself, in the short term, no organization, militarist or Trotskyite, has the possibility of operating successfully in Brazil."

And even though the years 1979 and 1980 were those in which the liberalization policy carried out by the government reached its highest points, with even some freedom for the reorganization and action of several leftist groups, security agencies do not believe there will be a serious confrontation soon even though, paradoxically, some leftist circles say that Brazil "is ripe for insurrection" in coming years and that the main problem now is to curb the inpatient.

Along this same line of reasoning, observers in Brasilia believe that the Brazilian left, always on the defensive since 1973 and without strategic balance from 1964 to 1978, is now mounting a counteroffensive, benefitting from the policy of "opening" but without becoming radicalized to prevent a "closing," which would be fatal to it. And, although divided into three factions; one orthodox Marxist-Leninist, another Trotskyite and another "revolutionary," they have a very common strategy: to work for the institution of a "liberal state" where democratic freedoms may be exercised to the maximum, and only as of that time move toward socialism.

In the latest report on the activities of those organizations there is a very clarifying confirmation: In recent years "No terrorist acts of any type have been committed by the left. All organizations are engaged in the mass front struggle." It is also a matter of a struggle practically in the open. The main groups even have their own newspapers: The PC do B expresses itself through TRIBUNA DA LUTA OPERARIA, the Giocondo Dias wing of the PCB through VOZ OPERARIA, the MR-8 through HORA DO POVO, the Trotskyites through CONVERGENCIA SOCIALISTA and through EM TEMPO.

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LIBYAN PEOPLE'S BUREAU REPLACES EMBASSY

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 15 Nov 80 p 6

[Text] The representation of the Libyan Government in Brazil is perfectly defined. That country has been officially represented by the People's Bureau of Libya since its members presented themselves at Itamaraty and received accreditation from Ambassador Joao Fragoso, chief of protocol, after meeting with Middle East Division Chief Luciano Osorio Rosa.

Any misunderstanding between the new and old members of the Libyan embassy are of no interest to Itamaraty nor can they have any influence in the representation of the country in Brazil. All the process necessary to make its new representation official in Brasilia was taken at its own risk by the Libyan Government. Through the Brazilian embassy in Tripoli, the Libyan Government informed the Figueiredo Government that the methods of diplomatic representation would be changed. It explained that it was a decision of a general nature which only affected the Tripoli government and that similar provisions were being adopted toward other nations. It also requested credentials for its new representatives.

In view of that official request, Itamaraty immediately granted the entry visas requested by the Libyan Government to the five members of the People's Bureau operating in Brasilia. In a talk with Ambassador Fragoso, the Libyan representatives said that an executive secretary, Abdulatif Boker, would now speak formally in his name and in the name of his country. The Brazilian Government then accepted the representation at the level of charge d'affaires, keeping in mind that if the figure of the embassy no longer existed, automatically the figure of the ambassador ceased to exist.

The function of charge d'affaires was also adopted in that case, more because it is the closest thing existing, although in theory, at least, only embassies understood formally as such have the position of a diplomat, who not being an official ambassador of a certain country, provisionally performs those functions.

Since the members of the People's Bureau of Libya talked officially with Itamaraty in recent days, normal diplomatic channels with Brazil were established. While a closer contact between the new Libyan representation and the other Arab embassies in Brasilia does not exist, according to diplomatic circles that is due to the fact that the decision by the Libyan Government is recent. The lack of closer relations, according to the same sectors, should not be understood to be an attitude of hostility or distrust for the Bureau.

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POPULATION FORECASTS AFFECTED BY FERTILITY DECLINE

Rio de Janeiro O GLOBO in Portuguese 19 Nov 80 p 6

[Text] The president of the Brazilian Institute of Geography and Statistics (IBGE), Jesse Montello, said yesterday that the decline in fertility in the last decade--from 25 to 30 percent--was the factor that most contributed to the fact that Brazil did not reach the 120 million inhabitants forecast. After declaring that the country should have nearly 116 million inhabitants, he observed that generally, migration caused an exodus from the southern region and an increase in the population of the northern region.

The collection of figures--first phase of the populational census--ended throughout Brazil, with the exception of Sao Paulo. In many states the numbers are still being reviewed and studied and will subsequently be sent to the IBGE computers in Rio. Official figures on the new population of Brazil will be revealed on 31 December. Up to now the results are preliminary, subject to revisions and minor modifications.

The following are provisional results:

Amazonas--1.4 million inhabitants. In 1970 there were 960,000; Manaus has 736,000.

Para--3.4 million, 1.1 million more than 10 years ago. Belem has 939,000 inhabitants.

Rondonia--The 116,000 inhabitants of 1970, grew to 500,000, the greatest demographic growth in the country. Porto Velho has 136,000 inhabitants.

Roraima--73,300 inhabitants compared to 41,600 in 1970. Boa Vista has 63,600 people.

Amapa--179,300 inhabitants. In 1970 there were 116,400. Macapa has 140,600 people.

Acre--306,500 inhabitants. In 1970 there were 218,000. Rio Branco has 120,300 people.

Maranhao--Four million, one million more than in 1970. Sao Luis has 447,700 people.

Piaui--Ten years ago it had a population of 1.7 million people, today it has 2.1 million. Teresina has 377,900 people.

Ceara--5.3 million inhabitants, 1.1 million more than in 1970. The population of Fortaleza is 1.3 million.

Rio Grande do Norte--1.9 million persons. In 1970 it had 1.6 million. Natal has 956,000 people.

Paraiba--The 2.4 million inhabitants of 10 years ago increased to 2.7 million. Joao Pessoa has a population of 337,700 people.

Pernambuco--It has 6.1 million inhabitants, 900,000 more than in 1970. Recife has a population of 1.2 million.

Alagoas--A population of 1.9 million. In 1970 it was 1.6 million. Maceio has 397,600 inhabitants.

Fernando de Noronha--The population of this federal territory grew the least: from 1,311 persons it increased to 1,342.

Sergipe--It has 1.1 million people compared to 911,200 in 1970. The population of Aracaju is 294,300 persons.

Bahia--The count was 9.3 million persons. Ten years ago there were 7.5 million. Salvador has 1.4 million inhabitants.

Minas Gerais--From 11.6 million in 1970 to 13.4 million now, of whom 1.7 million live in Belo Horizonte.

Rio de Janeiro--11.3 million. In 1970 it had 9.1 million. There were 5.1 million people in Rio de Janeiro.

Sao Paulo--The collection of figures will end after tomorrow since the figures for six municipalities are still lacking. Up to now the state has 23.4 million people. In 1970 it had 17.9 million. The capital has 8.2 million people.

Parana--7.5 million people compared to 6.9 million 10 years ago. The population of Curitiba exceeded a million inhabitants.

Santa Catarina--The 2.9 million inhabitants in 1970 increased to 3.6 million. There are 193,000 people in Florianopolis.

Rio Grande do Sul--7.8 million people were counted. In 1970 there were 6.7 million. Porto Alegre has 1.1 million.

Mato Grosso do Sul--1.3 million inhabitants compared to one million in 1970. There are 281,300 people in Campo Grande.

Goias--3.9 million inhabitants compared to 2.9 million in 1970. There are 737,400 people in Goiania.

Federal District--1.1 million people of whom 420,200 live in Brasilia. In 1970 the Federal District had 546,000 inhabitants.

Little Interest

In the state of Rio de Janeiro, a few more than 100 persons made contact with the IBGE agencies to be counted after the organization issued a public appeal that those not counted come to, or telephone the regional headquarters.

According to the IBGE press office, the number of calls was very large, however, 95 percent of those calls were made by persons included in questionnaires already filled out by other members of the family.

In Rio, a retaking of the census--a second visit to homes where the census taker found no one the first time--will continue until the end of the month when figures will begin to be fed into the computers. The number of the overall population of the country, the total population by states, by municipality and by sex, will be revealed on 31 December.

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ANDREAZZA SPEAKS ON PLANS TO HELP NORTHEAST REGION

Rio de Janeiro MANCHETE in Portuguese 29 Nov 80 pp 78-79

[Interview with Interior Minister Mario Andreazza by Marlene Anna Galeazzi of MANCHETE; date and place not given]

> [Text] In several regions of the northeast it has not rained for 2 years and it is forecast that the drought could last another three. According to the SUDENE [Superintendency for Development of the Northeast], 720 cities and 800,000 square kilometers are at the height of that critical phase, with damage of 30 billion cruzeiros, in addition to the serious problem of the victims. Seeking to resolve that problem in a more in-depth manner, the federal government announced that it will soon initiate a great program for keeping rivers flowing permanently by using surplus water from the Sao Francisco River, thus permitting the irrigation of the semi-arid regions of the northeast. MANCHETE heard Minister of Interior Mario Andreazza speak on this ambitious project.

MANCHETE: What is the project of keeping the rivers of the northeast flowing perennially?

Andreazza: It is a proposal we presented to the president of the republic for making a technical and economic feasibility study on rerouting water from the Sao Francisco River for irrigation of the area in the semi-arid region of the northeast, using part of the surplus water during floods, which could benefit semi-arid regions in the states of Piaui, Ceara, Pernambuco, Paraiba and Rio Grande do Norte. This initiative is based on preliminary studies made by the National Reclamation Projects Department (DNOS). It is an idea which has been under consideration in the region for a long time by experts in the problem of the semi-arid northeast and whose feasibility has not yet been examined in the necessary depth.

MANCHETE: By how many will the number of drought victims be decreased by this project?

Andreazzi: Preliminary studies do not yet contain information on the estimates of the population to benefit from the project, whose feasibility study, I repeat, has still to be prepared. It is pointed out, however, that the basin of the Sao Francisco River and its tributaries occupies an area of 641,000 square kilometers, it being the only large-volume water course crossing the semi-arid region of the northeast, receiving and bringing water from rainy areas more to the south of the country.

MANCHETE: Which area will cease to be arid and become fertile?

Andreazza: This is another aspect of the problem which depends on the preparation of the plan to be evaluated. What is known for certain is that annual flooding of the Sao Francisco River results in the loss of a considerable volume of water which drains off through the relief canals of the various dams built across that river, heading it toward the ocean without being used by the hydroelectric powerplants of the CHESF [Sao Francisco Hydroelectric Company], the irrigation projects run by CODEVASF [Sao Francisco Valley Development Company] or those of other types. That surplus runoff from the flooding of the Sao Francisco River, which is wasted every year, is estimated at 14 billion cubic meters and cannot be stored in the existing reservoirs along that river, such runoff deriving from rainfall which take place during the short period of four months, approximately between December and March. Meanwhile, particularly in the areas located in the zones of the semi-arid regions and therefore more distant from the Sao Francisco Valley, they suffer the difficulties of a scarcity of water for drinking and for the production of food as a result of periodic droughts. First reports from the studies prepared and already concluded by the DNOS indicate the possibility of impounding that water, using the Sobradinho Dam and by building a system of canals which would allow the transfer of that surplus to make those rivers, which flow only periodically, into permanently flowing rivers or to be stored in reservoirs to be built in the aforementioned states. As of that time there will be the possibility of irrigating a region whose surface area is around 780,000 hectares, which would mean an increase of nearly 440 percent in irrigable land for growing food. An extensive area would thus be incorporated into the regional productive system.

MANCHETE: What is the social scope of the project?

Andreazza: The amount of social benefits from that initiative will only be revealed at the time the preparation of the plan is accomplished. Because of the general characteristics of the proposal, however, the wide-ranging scope of its social effects can be foreseen and among the group of priorities they will be the first objectives to be reached.

MANCHETE: What benefits will that initiative bring to the dwellers of the regions it will cover?

Andreazza: The dwellers of the semi-arid region of the northeast suffer, in the first place, from the effects of a scarcity of water for drinking and the production of food. The first benefit of a proposal such as this will be the amelioration, or even the elimination, of those problems through the support of

irrigation projects and the possibility that the farmer will be able to remain on his land free from the worry of having to join the legions of migrants who leave the region during the periods of prolonged drought.

MANCHETE: What is the estimated agricultural production of the areas covered by the project?

Andreazza: For the same reasons explained previously, it is impractical at this time to make an estimate of agricultural production of the areas which could be helped in the future.

MANCHETE: How long will it take for the increase in agricultural production to pay for the accomplishment of the project?

Andreazza: The answer also depends on the plan. The proposal, as was emphasized, is a first step in the preparation of the plan which when finished will then go into details, which will be the proper time for the economic feasibility studies of the project, analysis of cost and so forth.

MANCHETE: With the surplus runoff of the Sao Francisco River being used, are the possibilities for flooding that river's valley eliminated?

Andreazza: Everything indicates that the possibilities of floods in the Sao Francisco Valley will at least be reduced through the implementation of that project. That is the result of the basic guidelines of the proposal which suggest the development of the project in two phases:

1. Construction of a system of canals and their respective reservoirs in the eastern part of the northeast so as to attend to the needs of the states of Pernambuco, Paraiba, Rio Grande do Norte and Ceara. To supply that system, water at Sobradinho will be pumped to a higher level of from 60 to 20 meters depending on the site chosen for taking the water. From there it will be distributed to all the states (Tributaries of the Sao Francisco River in Pernambuco, the Jaquaribe and Salgado Rivers in Ceara and the Piranhas River in Paraiba and Rio Grande do Norte).

2. Construction of a similar system involving small canals and reservoirs in the western part of the northeast, aimed at benefitting the southern part of the state of Piaui through the tributaries of the right bank of the Parnaiba River.

There will be no need for pumping water at Sobradinho to supply this system.

MANCHETE: How soon will the project make its effects noted and how much is the cost of its operation? What benefits will it bring to the agricultural infrastructure?

Andreazza: It can be said in advance that in case it is considered feasible, a number of agricultural infrastructure and social works will be determined. However, their discussion and justification will only be possible if the project is put into effect. The same applies to the time of completion of the project and

the cost of its operation. Indeed, even if the study to be prepared determines its technical, economic and financial feasibility and the social benefits deriving from it, the project should only be accomplished in the long term and it could or could not be initiated by the present government. At this time the intention is only to make an examination of its practicality and contribution, offering possible solutions to the problems of the semi-arid region of the northeast. Moreover, the execution of the project--or the sharing of it--should be parceled out during a period of time. It is worth mentioning on the subject that the government of the state of Pernambuco is already making studies which when completed will be joined to those which should be prepared by the Federal Government. Once their feasibility is confirmed, they could cause the definition of the first phase of the future project. In that aspect, the Ministry of Interior should give continuity in 1981 to its already-approved programing for the semi-arid region of the northeast aimed at increasing its capability for resisting droughts. And that is based on the execution of projects such as those of POLONORDESTE [Program for the Development of Integrated Areas of the Northeast], Project Sertanejo [Hinterlands Project], the Water Resources Program, as well as the irrigation projects operated by the DNOCS [National Drought Control Department] and CODEVASF, always with the concern of attending primarily to the small and medium rural producers.

Indeed, the studies to be done on rerouting the water of the Sao Francisco River, if the feasibility and social significance of the project are confirmed, could contribute to expanding the total number of the projects and viable alternatives to be considered by future governments in the establishment of their regional development programing.

8908
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PORT SYSTEM EXPECTED TO MEET ALL EXPORT NEEDS IN 1981

Port Conditions Reviewed

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 14 Nov 80 p 18

[Text] The National port system will generally meet the export shipping needs of the country next year. In the opinion of Minister of Transportation Eliseu Resende it will not be for lack of port facilities that Brazil will fail to export its products. However, his ministry's plans to specialize some ports for certain types of cargo is causing much discussion.

The businessmen who produce manufactured goods in the south, north and northeast are dissatisfied. Those of the south because the principal port of the region, that of Rio Grande is, and will be increasingly so, specializing in basic products. Those of the northeast, specifically those of Recife, complain about the very poor conditions of the port of the capital of Pernambuco and of the interminable work at Suape, the future alternative.

However, there are ports such as those of Paranagua in Parana, where everything is going very well, and where like Santos and Rio de Janeiro, the expansion and modernization of equipment allowed an increase in ship movement without any decline in the quality of service.

The Ministry of Transportation, together with other ministries, has been studying a way of responding to an old complaint of Brazilian exporters: bureaucracy. It may exist to a greater or lesser degree in each port. However, it always makes the life of exporters difficult.

Despite Everything, Santos Continues to Break Records

Despite 85 days of rain up to now, the 5 days when it was completely paralyzed because of a strike by 12,500 employees, the various strikes by truck drivers, the limitations of the highway and railway systems, in addition to its chronic problem, bureaucracy, the port of Santos continues to break records.

In the first three quarters of this year exports reached 5.1 million tons, compared to 3.5 million tons in the same period in 1979. Exports were even higher than the general movement of 1979, a record at that time of five million tons of exports.

From January to September, from the docks of the then port concessionaire, Companhia Docas de Santos, today CODESP [Sao Paulo Development Company], 4.8 million tons were exported, producing foreign exchange revenues of 213 billion cruzeiros, with more than half of those receipts being for manufactured goods (122 billion). In the same period, exports of around 300,000 tons were recorded from the privately owned terminals of COSIPA [Sao Paulo Iron and Steel Company], Ultrafertil and Dow Chemical, with an unknown amount of foreign exchange revenues.

General cargo, with 2.8 million tons (58 percent) leads exports at the old concessionaire of the port, followed by bulk liquids with 1.1 million tons (23 percent) and bulk solids with 900,000 tons (19 percent).

Among export products, sugar is the leader with 650,000 tons, sent almost exclusively to India. Following is palletized citrus pulp with 374,000 tons and soybeans with 336,000 tons. Only after these does coffee appear with 310,000 tons, citrus juices with 278,000 tons and diesel oil with 250,000 tons.

Although foreseeable since last year when the government had already established its economic policy, the increase in exports caused unexpected changes in the general month-to-month movement of the port of Santos. For years this port maintained a tendency: decline in movement between November and February and an increase between March and October, with July and August competing for records. This year, however, 1.7 million tons were moved in January, a mark only exceeded in April when 2 million tons were moved. The following months showed increases and decreases totally different than all expectations.

Despite so many negative factors, the port of Santos was able to receive the 2,700 ships arriving there up to September and it expects to service satisfactorily the 950 ships which should dock up to the end of the year for a total of 3,650 ships, an exact average of 10 per day. Former officials of the port believe that this average can only be reached because of the improvements made on the port at the beginning of the decade of the 70's.

An example is the substantial increase in the volume of merchandise exported in containers. This year alone it reached a ratio of 11 percent of general exports, which was equal to 328,000 tons. All this took place before the terminal for containers, built on the left bank of the estuary, was inaugurated. Prominent with almost the same volume, were the operations of the "Lash" barges, which belong to the ship itself and are left at the dock for loading or unloading and later recovered, and operations using the roll-on-roll-off system, with ships equipped with mobile ramps for the traffic or loading of vehicles.

"One of the goals of the Ministry of Transportation will be to specialize the port of Santos for general cargoes of quality processed products, in addition to coffee and sugar. After the inauguration of the largest container terminal in South America (still without a scheduled date) the port will be ready to perform its functions more adequately," said Minister Eliseu Resende.

In contrast with modern technology, the port of Santos operates with equipment from the beginning of the century. The cranes date back to 1911 and 1917 and can only be operated by old crane operators, men who learned all the secrets and idiosyncracies of the old machines after many years of work.

However, it is not for that reason that private enterpirse directly linked to the port of Santos is complaining. The greatest complaint is about bureaucracy, an inheritance left by the old concessionaire, Companhia Docas, to CODESP. Agencies, shipping clerks, customs offices, shipping companies and exporting firms hope that one of the first measures adopted by CODESP will be the reorganization of the inherited bureaucratic system in an effort to speed up the processing of paperwork.

The Rodrimar office, for example, recalls that shipping permits accompanying a shipment of merchandise destined for export can take as much as two days to be issued. That delay many times can be fatal because the shipment may miss the ship which would carry it.

Shipping companies such as Deicmar, also complain about the delays by the Federal Revenue Office in Santos in releasing the final approval for the shipping permits for merchandise. This approval, they say, takes between 30 and 40 days, which makes banking operations difficult.

The most dissatisfied, however, are the coffee exporters. They believe that conditions in Santos are the best but they wind up exporting through Paranagua because of financial advantages.

Paranagua, the Only One Causing No Concern

If there is one port in Brazil, which does not worry the government and almost completely satisfied its users, that port is that of Paranagua. To have a clearer understanding of this statement, the exporters active over there have only two complaints to make: disorganization of the Paraguayan companies and a certain "protectionism" in the distribution of railway cars which depart from Curitiba during the harvest season. Outside of that the users are unanimous in saying that the Paranagua is the best.

In the opinion of the majority of exporters, the port "is the cheapest, safest and calmest in the country." For the large companies, these qualities derive from the ease they find for installing their own terminals. Companies such as Sanbra and Cargill operate their own terminals for the exports of cereals with high degrees of productivity, and in addition to a low rent, they receive a 50-percent discount in user fees.

However, it is not only the large companies which are satisfied with the movement, safety and, particularly, prices. Those who depend on the installations of the port or the services of third parties also say that conditions are the best.

"For us the only way to reduce the costs of services is to operate our own terminal, which can be done without great difficulties by the port, which shows it is very interested in private investments in its area," say the leaders of the Parana Agricultural-Livestock Central Cooperative.

With all these advantages, it is natural that the movement of the port increase. In the first three quarters of this year alone, more than two million tons of the most varied products were moved through Paranagua. In a like period last year, the total reached 1.5 million tons and the administration of the port and the users say that this increase in the movement of cargo did not affect the efficiency of the port.

"Paranagua is the most important Brazilian port for the movement of cereals and byproducts," declares Engineer Luiz Amatuzzi, the port superintendent.

Indeed, in the last 2 years, Paranagua became the greatest exporter of cereals, particularly soybeans, soybean meal and oil. Of the 5.1 million tons of soybean meal exported by Brazil last year, 2.5 million tons were shipped from Paranagua. Similarly, the Parana port was outstanding in the exports of oils--40 percent of Brazilian exports--and more outstanding still in the exports of grains, reaching the mark of 70 percent of the total exported.

In part, port technicians explain the increase in exports via Paranagua because of the easy access to the port, which handles the production of Parana, a significant part of the soybeans of Mato Grosso, part of those from Sao Paulo and the northern part of Santa Catarina and the ever-increasing flow of products from Paraguay.

But there are also internal reasons to justify the greater use of the port services of Paranagua. Well equipped, the port today has seven large loading gantry cranes on a 4,500 meter-long docking platform, nine loading conveyor belts with a total capacity of 5,400 tons per hour, 11 warehouses in the external area with an area of 32,000 square meters, and 21 warehouses in the internal area with an area of 63,360 square meters.

In addition, it has five large silos with a capacity of 200,000 tons, which are easily able to handle the demands of exporters, facilitating the removal of crops from the harvest area. That is why cases of fines for delay in shipping are rare, even during harvest peak times. On the contrary, what usually happens is that the port pays premiums for quick shipment to practically all its users.

"With its installations recently expanded (the construction of a 100,000-ton silo and a terminal for the parking of trucks with controls for loading and unloading) the port of Paranagua is functioning satisfactorily," comments Minister of Transportation Eliseu Resende. It operated normally in the movement of all the Parana harvest of this year without any problems.

"The refurbishing of the port will allow the export of combined cargos," continues the minister, "this means the loading of part of the ship with agricultural products and then complementing the cargo with some other product, for example, iron ore at Vitoria. This type of cargo is basically destined for the Far East. On their return, the ships could bring coal from Australia or petroleum from China. The operation was already tested this year in Paranagua itself and it was fully successful.

Rio Grande, Only Basic Products

The two main problems faced by Rio Grande do Sul exporters in the area of maritime transportation are the low frequency of calls by general cargo ships at the port of Rio Grande and the price of freight, particularly with Chile and Argentina, markets which are expanding. The port of Rio Grande, which this year should move nearly 10 million tons of export and import cargoes, devotes less than 10 percent of that movement to general cargo.

There is a reason for this. The economy of Rio Grande do Sul, devoted to a system of exporting basic products--meat, wheat, soybeans and tobacco--turned the port of Rio Grande (a city approximately 300 kilometers from Porto Alegre) into a maritime terminal specializing in the shipment of these products, with little attention being paid to the others, mainly manufactured articles.

"For the shipment of soybeans and their byproducts, meat, tobacco and grains in general, the port is so well equipped that to speak of a port problem for exports would be a lie," declares Clovis Farina, director of COTRIEXPORT [Wheat Export Cooperative], official in charge of the wheat and soybean terminal of COTRIJUI [Ijui Wheatgrowers Cooperative].

Last year, 4,702,300 tons were exported, of which 1,880,247 were soybean meal. This year, of the 3,499,046 tons handled up to August, no fewer than 1,375,491 tons were soybean meal. General cargo, however, following the trends of previous years, showed a movement of only 674,412 tons. This, according to Rio Grande do Sul exporters, explains the shortage of general cargo ships.

"As long as the exporters do not wake up and form a pool for exporting their manufactured merchandise, it is unlikely that this aspect will be modified. If that were to happen, it would also resolve the problem of containers, which many times have been insufficient. There is one reason for that: The ships carry the containers with merchandise but later they return empty. Now we all know that no shipowner wants to see his ships loaded with empty containers," comment Farina.

It appears that the federal government is not responsive to the complaints of the Rio Grande do Sul exporters of manufactured goods. The main goal, according to Eliseu Resende, the minister of transportation, is to specialize the maritime port system of Rio Grande do Sul more and more in the movement of grains and meals.

"The largest terminal for handling wheat and soybeans in all of Latin America will be in operation in Rio Grande in April of next year. That terminal is located beside the installation of COTRIJUI, through which all the soybean production of Rio Grande do Sul already passes. The transportation of the Rio Grande do Sul crop to the port next year may be done by waterway, railway or highway, all of them being integrated with the activities of the port of Rio Grande," said the minister.

As long as the problem of general cargo is not resolved, some Rio Grande do Sul exporters are sending their merchandise to the port of Santos to be shipped out. But that necessarily makes the product more expensive and prices many times cease to be competitive on the international markets. However, if the goal is exports to Latin America, the solution is transportation by highway regardless of the price of petroleum.

Sepetiba To Be Ready in 1981

The minister of transportation wants to see a complete port system in the state of Rio de Janeiro by the end of the second half of next year. That will truly be possible when the Sepetiba terminal to be used for the export of iron ore and the import of coal is inaugurated.

"When Sepetiba is functioning," declares Minister Eliseu Resende, "the port of Rio de Janeiro will be freed for the movement of bulk cargo and specialization in general cargoes of high-quality products in containers."

The delay in the docking of ships at the port of Rio was eliminated a long time ago. Congestions no longer exist there and if a ship remains anchored offshore, it is purely for the convenience of the shipping companies. Pedro Batouli, president of the Docas do Rio de Janeiro Company [CDRJ] is responsible for insuring this.

Last year the port of Rio shared 55 percent of the total cargo handled by the ports administered by the CDRJ, a total of 27.34 million tons. Those figures represent an increase of 17 percent by comparison with 1978 and the preponderance of cargo movement was in long-distance exports, which totalled 15.52 million tons, an increase of 5.1 percent with respect to the previous year.

Movement of ships recorded in 1979 was 3,077 ships arriving, compared to 3,041 ships in 1978, which represents an increase of 1.2 percent. However, according to the president of the CDRJ, Rio de Janeiro is capable of handling as many ships as wish to dock there.

Its equipment is modern and sophisticated, allowing the handling of any type of cargo. Soon--requests for bids have already been made--the work for handling roll-on-roll-off ships will begin. This system consists of the shipment of cargo loaded on motorized vehicles, using ramps which are part of the cargo ship, obviating the need for using port equipment and installations of any type.

Another problem, about which exporters generally complain, is bureaucracy, which was partially resolved. That, also, according to Pedro Batouli:

"To facilitate the work of the port users, there are in operation along 8,000 meters of docks, booths of the second and fifth inspecting offices as a promotion of CDRJ/Banerj [Rio de Janeiro Export Bank]. Any difficulty the businessman may encounter in the transportation of his products is merely a matter of documents. Among them may be the requirements of the pertinent agencies responsible for the shipment of oil abroad [presumably soybean oil]. Here at the port all he has to do is to present his export permit authenticated by Federal Revenue and make the payment of tariffs stipulated in specific legislation, which are known to all users.

The main products exported through the port of Rio are iron and steel items, iron ore, frozen chickens, horsemeat, quartz, granite, coffee, agricultural products, automobiles and others.

Last year participation by ships (nationally-owned or not) flying the Brazilian flag of the total was 28.5 percent in long-distance shipping (2,177) and 66.1 percent in coastal shipping (960).

Suape, a Solution After 60 Years

Every evening after 1700, a group of old shipping clerks gathers at Bar 28 on Alfredo Lisboa Avenue, which runs parallel to the docks of the port of Recife, to reminisce about the good times of the anchorage. They tell stories which are hard to believe today, always with a note of yearning. The situation was very different.

"Listen, things are so bad that when a ship blows its whistle announcing its arrival in Recife, the people shoot off fireworks to celebrate," says one of them.

The port of Recife, in operation for 60 years, is an example of poor maintenance. Its 36 cranes are in poor condition; the action of the sea is destroying the line of docks and the warehouses are caving in; numbers three, four, five and six may collapse. An example is number three, which poses a serious danger to the workers and should be condemned.

"When it comes to improving the port of Recife, we only count time by tens of years. We work by decades," speaks out Francisco Claudino, president of the Business Association of Recife, after enumerating a number of messages sent to the federal government asking for steps to expand, restore and modernize the port. In Brasilia, Minister of Transportation Eliseu Resende promises to take the steps requested. However, this will not be done in the short term because he belives that the schedule is compatible with port growth. Eliseu Resende, like many other persons of influence in the state, believes that the solution for Pernambuco maritime exporting lies in the terminal of Suape, 25 kilometers from Recife.

Suape, an industrial port complex, is located on a broad estuary formed by five small rivers and protected by natural reefs. At a cost of almost two billion cruzeiros, the government of Pernambuco has already built a part of the South Jetty, which reaches 2,500 meters into the sea, and the trunkroad; is preparing the land for a tank farm, has built three breakwaters, installed the administrative center and established the areas for the installation of the first 25 industries.

All this without counting the branch railroad, which should be in operation in February. The secretariat of Suape, which indirectly administers Suape, today has 100 officials, mainly technicians. In addition, it has another 3,000 unskilled workers responsible for the construction of the roads, breakwaters, pier, jetty and branch railroad, hired to work for contracting companies.

As long as Suape is not completed and the port of Recife does not receive the promised improvements, businessmen present solutions for the old port of the capital: coastal vessels which on predetermined days would make stops at national ports and transport merchandise to the ports which are centers for exports.

Other businessmen, tired of waiting, export their merchandise by highway. There are cases of candy factories sending their products by truck all the way to Santos so that they may be taken to Buenos Aires even though they know the cost of highway transportation between Recife and Santos is twice as much as the cost by sea between Recife and Buenos Aires.

Ports Handle Large Tonnage

Rio de Janeiro O GLOBO in Portuguese 13 Nov 80 p 25

[Text] National ports should end 1980 by handling approximately 240 million tons and if present trends continue, the volume of merchandise for export will be greater than imports, according to statistical technicians of PORTOBRAS [Brazilian Ports Enterprise].

This forecast is contained in a report sent by the president of PORTOBRAS, Arno Markus, to Minister of Transportation Eliseu Resende, according to which from January to September 181 million tons were handled by the main Brazilian ports. This represents an increase of 13 percent by comparison with a like period last year.

Figures indicate an increase of 14 percent in the movement of exports (101 million tons in 1980 compared to 89 million in 1979) and 11 percent in imports (79 million in 1980 compared to 71 million in 1979). However, it is on coastal shipping that PORTOBRAS is concentrating its major efforts to encourage its use through the adoption of practical measures such as the extension of exemptions on the taxes on port improvements (TMP), which expires next December, and the reservation of special warehouse areas at the ports.

The percentage of increase in coastal shipping was 17 percent, going from 32 million tons in the January-September period of last year to 37.5 million tons in the same period in 1980, with the ports of Sao Sebastiao, Santos, Rio de Janeiro and Angra dos Reis being outstanding in this area.

In addition to the increase in the share of interior shipping by the river and lake network of the ports which serve Belem, Porto Alegre, Manaus, Rio Grande and Pelotas, another item of the report sent to Minister Eliseu Resende refers to the

increase in the movement of containers: 704,000 tons in 1979 compared to 987,000 tons in 1980, an increase of 39 percent. Santos and Rio de Janeiro are responsible for nearly 80 percent of that movement. According to PORTOBRAS technicians, with the inauguration of the container terminal in Santos scheduled for the beginning of next year, there will be a centralization of operations at that Sao Paulo port. Thus, containers for imports and exports coming from other ports will have in Santos a center capable of handling the movement of that type of cargo efficiently.

8908
CSO: 3001

BASIC PROPOSITIONS OF 10-YEAR MINING PLAN OUTLINED

Rio de Janeiro GAZETA MERCANTIL in Portuguese 15-17 Nov 80 p 9

[Article by Sergio Danilo do Rio: "The Basic Propositions of the New 10-Year Plan"]

[Text] To promote and support participation by national private enterprise in the activities of the mineral sector, creating new incentives to make this activity more attractive; to expand state activity in the preinvestment phase of the sector; to reach self-sufficiency in the production of various mineral raw materials in short supply today during the decade (nonferrous and energy materials); and to institute a mineral policy in which the power of decision on exploration and use of mineral resources will belong to Brazilians, those are the basic recommendations of the Second 10-Year Master Plan on the Use of Brazilian Mineral Resources which should be approved this Monday in Brasilia at a meeting of the Superior Mining Council chaired by Minister Cesar Cals.

The document (21 pages distributed previously to the council members for reading and editing) recommends reduction of imports of mineral goods and suggests that minerals which do not exist in national subsoil should be acquired abroad, preferably through barter. Direct purchases shall only be allowed when the resources obtained through international barter have been exhausted.

Foreign Market

It also suggests that Brazilian companies expand their participation in the international minerals market, even participating in the mining and prospecting of minerals abroad. "Foreign investment must go beyond the contribution of capital," and should offer "possibilities of the transfer of mineral technologies, jobs, knowledge of new management methods, promote the training of national technical personnel and promote the program of development of mineral exports."

It also recommends that "The pure and simple purchase by foreign companies of developed deposits or projects in operation in the country should be discouraged unless it is in the interest of national private or state companies." In this case, the "ideal thing would be to have a share of up to 49 percent of foreign capital in the project, or the adoption of the method of 'thirds' today used by the petrochemical industry (one-third national capital, one-third foreign capital and one-third state capital)."

Another novelty related to the sale of deposits between foreign groups without the prior knowledge of the government is the suggestion that it "become mandatory that prior authorization by the government be granted for any sale or transfer of a mineral undertaking."

Reduction of Imports

The Second 10-Year Plan foresees that considering the mineral investments already known in organization and installation, during this decade the country will be self-sufficient in gold, copper, fertilizers, potassium, phosphate, bauxite, zinc, nickel, titanium and kaolin, and will also become the greatest world exporter of iron, niobium, manganese, tin, gems and precious stones. At this time Brazil occupies that position in the export of niobium and second place in the export of iron, fourth place in manganese, fifth in tin and has a small share in the official trade in gems and precious stones.

To private and state companies, the document recommends priority in the discovery and production of the following minerals: asbestos, bauxite, bentonite, coal, lead, copper, chromite, tin, iron flourite, phosphate, gems, lignite, manganese, nickel, niobium, gold, potassium, tantalite, titanium, tungsten, peat, uranium, slate and zinc.

Production

Brazilian mineral production, according to the plan, did not reach levels which could be described as a "mineral boom" during the past decade. With a low share in the PIB [Gross Domestic Product] in 1970, the growth per capita was six times greater in 1980. The document acknowledges, however, that such growth is not enough to take care of the consumption development of national industry. In 1971 Brazilian mineral production provided 53 percent of the needs of the domestic market. In 1979 that rate decline to 49 percent.

In an analysis of the percentage share of mineral goods in 1979, excluding petroleum and gas, the document of the Second 10-Year Mining Plan points out; 1) the group of nonmetallic minerals had a share of around 55 percent, considerably larger than that of the two previous years; 2) the group of metallic minerals had a share of 38 percent, less than in 1978; 3) the group of energy-producing minerals, in this case only coal, had a share of 5.9 percent, more than in 1978; 4) the group of gems and precious stones had only a 1.1-percent share of Brazilian mineral production.

In another study it is admitted that the Brazilian mineral sector "at no time" had enough financial resources available for the execution of its programs and for that reason "46 years after the creation of the National Mineral Production Department, the country still does not know its mineral potential."

The plan emphasizes that because of the lack of financial resources of national companies, more experienced foreign capital finds safe investment factors in the Brazilian mining sector. Under those conditions, it replaced the national businessmen. That is why there is the recommendation for increasing incentives for the strengthening of national business groups and for the creation of a new

system for financing the mining companies on the basis of a suggestion by the Mineral Resources Prospecting Company (CPRM), that "mining money" be created, which means the repayment of financing with mineral products themselves.

The great question which should attract the attention of the plenary session of the Superior Mining Council should be, however, the discussion on the origins of the financial resources to make the plan viable. There is no reference to budgetary appropriations for the execution of the ambitious plan in the document presented by Minister Cesar Cals to the members of the council.

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BRIEFS

KOREAN HOWITZERS PURCHASED--The army is purchasing 28 Model 155, self-propelled howitzers from South Korea by means of a contract signed this week between Brazil and the firm International Trade Group Limited. The howitzers will be brought by sea to Brazil this month and will go to several artillery units. This is the first purchase of war materiel made by Brazil from South Korea and, since last October, an army materiel inspecting committee, headed by Maj Gen Engineer Mauricio de Freitas Moraes, has been in Seoul to comply with clauses in the contract for the purchase and sale of artillery materiel signed between Brazil and the International Trade Group Limited. [Text] [Sao Paulo O ESTADO DE SAO PAULO in Portuguese 29 Nov 80 p 6] 8908

CSO: 3001

REAGAN VICTORY SEEN AS TRIUMPH OF REALISM OVER IDEALISM

San Jose LA NACION in Spanish 6 Nov 80 p 14 A

[Editorial: "The Meaning of Reagan's Election"]

[Text] Many persons in the United States and outside it had accepted the probability of a victory for Ronald Reagan, but certainly very few thought the victory would be as overwhelming as it was. The American people seem to have tired of a preaching, philosophizing president whose tendency was more to evangelize with his human rights doctrine than to safeguard the security of the world and of his empire. When time came round for a decision, they preferred the figure of a leader, of a pragmatic politician, who would be more realistic, more conservative and more energetic.

The decline of the United States's power and of its dominant authority, which had for some time been being read into by eminent American and European political analysts, finally came home dramatically to the American public during this last year of the Carter administration.

A chain of concessions, of weak responses, of indecisions and compromises that for some rightist commentators began with the Panama Canal treaty, in which the United States relinquished control of that important strategic waterway, and which was followed shortly by the issue of the American Embassy hostages in Tehran, the Soviet Union's invasion of Afghanistan, the lack of decisive support by the Atlantic Pact countries, the Soviet advance throughout the Caribbean area, and that culminated in the spectacular and demoralizing failure of the bunglingly conceived and undertaken rescue attempt by President Carter's military team, which inflicted on the United States the greatest humiliation in its history, had permeated deeply into the consciousness of the voters.

In our opinion, the theme of war and peace was not decisive in this election, above all if we consider that in the television confrontation of the two candidates the differences in their positions in this respect narrowed considerably, thus relieving the people's minds of the fear that a change in leadership would mean an about face with regard to relations with the Soviet Union.

That which weighed most heavily with the voters was compelling desire of the American people to bring to the White House a leader capable of reinstating United States prestige and authority in the world, of restoring the imperial, yet nonimperialist, standing of that great nation as an effective means of preserving peace.

Confronted by a great aggressive power whose ideological gospel is its prime weapon for breaking the human spirit and whose plans to rule the world are on display and become more ominous every day, Carter's human rights doctrine, conceived and implemented obliviously of the geopolitical, historical and human peculiarities of each region, could not but contribute to the aims of the enemy, who in turn had no scruples about establishing trade, technical and military cooperative relations with rightist dictatorships. For, while human rights is a noble and beautiful doctrine, the fact is that it is also the doctrine on which terrorism has drawn to justify its horrendous depredations.

Notwithstanding that Carter's humanistic message has been a victory for the civilized world and will go down in history as a step forward in the liberation of mankind, it could never replace the essential and primary ingredient of any true policy, namely, the exercise of authority, the firm and realistic leadership of a people, and the consolidation of the power that fate has entrusted to a nation as great, as powerful and as democratic as is the United States.

The American people do not want war. What they want is the vigorous and persuasive presence of the United States as guardian and leader of the free peoples of the Western world. Reagan's image is for the Americans the one that most fulfills this historic desideratum.

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DECLINE OF INDIVIDUAL LIBERTIES IN NICARAGUA DEPLORED

San Jose LA NACION in Spanish 10 Nov 80 p 14 A

[Editorial: "Beginning of the End of Liberties in Nicaragua"]

[Text] The banning of the political rally the MDN [Nicaraguan Democratic Movement] had planned to hold in Nandaime, by the Sandinist government, under the flimsy pretext that it could mean a deviation from the priority national reconstruction effort, has more ominous significance as a premonitory symptom of the beginning of the end of individual liberties in Nicaragua than as a violation of the legality that still holds sway, at least formally, under the new regime.

Those in command who are of Marxist-Leninist leanings, who are currently the real bosses in Nicaragua, fear their power will gradually erode and are for this reason reacting sensitively and suspiciously with respect to any free movement on the part of any legally constituted political party or group they do not control. This fear is rooted in the conviction, which may or may not be sincere but which is in any case sectarian and dogmatic, that only they, with their Marxist-Leninist party and apparatus, can lead the reconstruction and development process toward a just and free society because they are the sole expression of the interests of the people.

The ideology they profess, not always well digested, and the vague notion that their revolution forms part of a more vast process of worldwide dimensions, in which they are but one of the necessarily subordinate pawns, ends up imbuing that conviction with a Messianic force that is blind, of course, but that compels them to hold on to political power by whatever means necessary.

The symbolic ambivalence the Nicaraguan daily LA PRENSA is still allowed to point to as one of the regime's strange contadictions and falacies, by virtue of which Sandino is pictured as supporting Lenin, has a very clear intent. Sandino is playing the same role as did Marti in the Cuban revolution. In both cases, the ploy responds to the need to falsify history, an art of which the Soviets are past masters, to create in the popular mind the mythology that will ensure their perpetuation in power.

Once again, the deceptive formula of a dictatorship of the proletariat, camouflaged for the time being, which is nothing other than dictatorship by a necessarily minority party managed by a monolithic committee of supreme leaders, is taking over in an underdeveloped, economically agrarian country that has never really known either the democracy or the freedoms for which it spilled so much blood.

We do not know what Arturo Cruz, the Catholic who attends mass daily, is still doing there. What we do know is that very soon--as soon in fact as the hegemonic process has matured--he will be one of the many traveling companions to be purged without any second thoughts whatever.

If the embryonic dictatorship of the Sandinists does not truly guarantee the legal recourses for the full and free exercise of the political rights of all the parties and sectors of Nicaraguan society, and the enjoyment of the freedoms they promised, during the armed struggle, to institute and respect, they will have their way and mire Nicaragua in the same morass in which Castro's Cuba has flailed for over 20 years.

9238
CSO 3010

FORMER PROMINENT CUBAN REVOLUTIONARY INTERVIEWED

Rio de Janeiro O GLOBO in Portuguese 30 Nov 80 p 38

[Interview with Carlos Franqui by Albino Castro Filho of O GLOBO in Italy; date not given]

[Text] "I can very sadly assure you that there are more political prisoners in Cuba today than during the Batista dictatorship," declared writer Carlos Franqui to GLOBO. He was a comrade of Fidel Castro during all the fighting in the Sierra Maestra and has been in exile for 12 years in the Italian city of Montecattini in the region of Tuscany.

Still describing himself today as a socialist, Franqui, perhaps the most intellectually gifted of the group which carried out the Cuban revolution, finally fell into disgrace when he protested against the Soviet invasion of Czechoslovakia in 1968 which destroyed the "Prague Spring."

At 59, Franqui today lives from the books he writes and from frequent articles for the press. He has written several books during these years in exile on history, plastic arts and poetry, among which are "Cuba, the Book of 12," "Diary of the Cuban Revolution," "The Painting of Miro" and "The Circle of Stone."

A newspaperman, in 1952 he joined the group of Fidel Castro, publishing the newspaper LIBERACION. From 1955 to 1959 he performed outstandingly in the guerrillas, at the same time making contacts abroad to obtain weapons for the Sierra Maestra and publishing another newspaper, REVOLUCION.

After the overthrow of the Batista dictatorship, he was called upon to be the minister of culture. He did not accept. He chose to lead the "Movement for the Popular Encouragement of Culture" and to continue publishing—legally now—the newspaper REVOLUCION. A friend of Che Guevara, he began to fall from grace when disagreed with the alliance made by Fidel Castro with the Soviet Union. Before being imprisoned and later expelled from Cuba, he organized the Museum of the Revolution in Cuba.

The Interview

[Question] Why are you, who spent years in the Sierra Maestra waging guerrilla warfare at the side of Fidel Castro, now a Cuban dissident?

[Answer] After the revolution triumphed, I began to disagree. I was a radical, like all those bearded ones, but a humanist. I dreamed of a democratic Cuban socialism, which would not in any way fall into the sphere of influence of the Soviet Union. I was against, for example, the communist party having any function in that revolution and in which, as is known, it did not participate.

On the contrary, the Cuban Communist Party preferred on many occasions to support the Fulgencio Batista dictatorship than to support the bearded ones of the Sierra Maestra. The Cuban Communist Party joined the revolution after our victory and it joined because of opportunism.

[Question] Well, and then?

[Answer] I began to disagree, as I said, since Raul Castro was a communist and pro-Soviet. I believed that in order to really win in the humanist sense, the revolution should turn to the cultural roots of Cuba and develop unionism, that is, new forms of sharing by the workers in the means of production.

That was my battle. I managed to keep up my battle from January 1959 when the revolution triumphed, until 1968. As Fidel Castro delivered himself completely to Moscow, the revolution came to an end.

[Question] What kind of socialism did you envision?

[Answer] Above all, socialism had to be imposed in the Cuban spirit. It should be happy, a festival in keeping with the tradition of our people, and not austere and authoritarian as it is now. It would have to be based on the values of Cuban culture and particularly on its black roots. However, instead of our Afro-Latin American culture, Soviet bureaucracy was imposed.

The whites in Cuba, even the ones who carried out the revolution, always had much difficulty in accepting our black culture. The Cuban revolution could have headed along an original and humanist path, unlike others, since it had nothing to do with the communist party nor with Stalinist ideology.

[Question] But do you believe that from the economic point of view the revolution has also failed?

[Answer] Obviously it has. I agree that the revolution should be very radical from the economic and social point of view, abolishing large estates, foreign exploitation, in short, capitalism as such. But it should always be based on the principles of freedom. Because that freedom did not exist and the economic system was imposed from the top to the bottom via Moscow, we did not diversify the economy and 20 years after the revolution, the country is still living from sugarcane.

That means that as long as a single-crop system persists, Cuba will continue to be a slave. We were conquered by the Spaniards first, then by the United States and now by the Soviet Union. All the changes after 1959 were made by decisions at the top. The people had no say in them. The Cuban bourgeoisie were replaced by a bureaucracy "made in the USSR."

Large estate owners no longer exist that is true, however, the workers continue to live exactly as before without even the right to a union. And a bureaucrat now lives in the home of the large estate owner. That, also, is not only a problem of Cuba, but that of all the countries of the so-called "real socialism."

[Question] And was Che Guevara against that dependence on Moscow?

[Answer] Not at first, but later when he saw the first disasters of that alliance, he became disgusted and began to have a very critical position toward the Soviets.

[Question] For years Cuba symbolized a sort of "paradise of revolution" to the Latin American left. Do you believe that image remains?

[Answer] I do not believe so because there has been much political change in those past years. The idea that Cuba is the only liberated country in Latin America is completely mistaken. Cuba emerged from the control of the United States and it fell under Soviet control. Meanwhile, due to the extreme right regimes which cover Latin America, some persons sometimes fall into the temptation of believing that the antidote to fascism is "real socialism," but it is not.

Cuba is living one of the most difficult moments of its economy. Fidel Castro himself had to admit last year that 200,000 persons were unemployed. The three myths of the Cuban revolution have fallen by the wayside: There is much unemployment, education does not work (unless it is for the privileged children of the bureaucracy) and the balky public administration is undermined by corruption. Obviously those things are kept a secret under a lock with seven keys.

[Question] What do you think about Cuban military meddling in other countries?

[Answer] The Soviet Union is using Cuba, in exchange for an apparent economic help, to meddle everywhere in the world, even in Afghanistan, giving the appearance of a progressive force, exploiting the image it still has in many places of being the same young idealists of the Sierra Maestra.

But nothing about them is progressive. It is purely and simply a matter of a force which is acting at the instance of Soviet imperialism. Cuba is acting in the Third World as the Warsaw Pact does in East Europe. It is an occupation force.

[Question] Do you believe that Maj Hubert Matos, released after spending 20 years in Cuban prisons, can successfully oppose the regime of Fidel Castro?

[Answer] Hubert Matos is a very important moral reserve. He spent 20 years in Cuban jails for having said one thing: that he wanted a communist revolution [as published]. Exactly that. A year later, in 1960, Fidel Castrol made that same choice but Hubert Matos remained in prison. Historically he is a figure of great importance.

Our concern is that there be a distinction between the opposition we carry out and that which the CIA incites. We want a humanist socialism and not the return of the bosses. This means that we want to nationalize the state. The workers do not revolt in a factory as happened in Poland because they want the return of the bosses but because they want to directly control production. They want to make decisions and do not accept the bureaucrats who, moreover, are incompetent.

[Question] Two bombs exploded this year in the Soviet area: first, the invasion of Afghanistan and later the strikes in Poland. How do you view those facts?

[Answer] Afghanistan is a new Vietnam, with only one difference: The western newspapers generally attribute less importance to the genocide committed by the Soviets than that of the Americans in the last decade. From Afghanistan comes the lesson that when people want to resist a foreign invasion, it is possible to do so. Resistance by the Afgans is extraordinary. On the other hand, what is happening in Poland is likewise extraordinary.

I identify completely with the Polish workers who rise against bureaucracy and fight for their hegemony in the socialist state. However, honestly, I have a great fear that the Soviets will conclude by destroying the socialist gains of a people once more.

[Question] And how would you describe yourself politically?

[Answer] Above all, I am a man capable of freely saying "no" to any tyranny in any part of the world. I say "no" to Pinochet and Fidel Castro. I am in favor of democracy based on the rank and file, that is why I believe a union organization is more important than a communist party.

What interests me is a permanent struggle against tyranny, social injustice and lack of freedom. I believe that the only way of changing the world is to change man. Fidel Castro is different. He loves war. His orgasm is war.

[Question] Do you know how many political prisoners there are in Cuba today?

[Answer] I can very sadly assure you that there are more political prisoners in Cuba today than there were during the Batista dictatorship. There are at least 1,000 political prisoners who have been in prison for more than 10 years. This is not to speak of the "new" ones (with eight, five, three and two years). There are also the many "rehabilitation camps," which are true "lagers" (a German word meaning concentration camp). The homosexual camps on the Isle of Pines, for example, are full.

Humiliated and deprived of their rights and freedom, they are forced to work in quarries. I wanted to say one more thing: The problem is not that there are more prisoners now than during the Batista tyranny--which is very serious--but of having to admit that we are imprisoned by those same bearded ones of the Sierra Maestra of whom we were comrades. Batista, after all, was our natural enemy, but the present regime was born of our struggle for a socialism with freedom.

8908
CSO: 3001

REPORTAGE ON BENIN FOREIGN MINISTER'S VISIT

Havana GRANMA in Spanish 27 Oct 80 p 3

[Excerpt] Cooperation Agreement Signed

Havana (AIN)--A cooperation agreement between the ministries of foreign relations of the Republic of Cuba and the People's Republic of Benin was signed Saturday in this capital.

Foreign Minister Isidoro Malmierca, member of our Communist Party Central Committee, and Foreign Minister Simon Ogouma Ifede, member of Benin's People's Revolution Party, signed the document.

First Vice Minister of Foreign Relations Rene Anillo and vice ministers Pelegrin Torras and Jose Fernandez de Cossio attended the event which was held at the Cuban Foreign Ministry.

Also participating were Ignace Adjo Bocco, member of the Politburo of Benin's People's Revolution Party and president of that country's National Revolutionary Assembly, and Pierre Edon, charge d'affaires of that friendly nation in Cuba.

Guy Landry Hozoume, minister counselor at the Benin Embassy in Paris, was also present.

Meeting With Rafael Rodriguez

Havana (AIN)--Saturday morning, Vice President of Councils of State and of Ministers Carlos Rafael Rodriguez met with Simon Ogouma Ifede who was accompanied by Pierre Edon and ministry advisor Alfred Guy.

During the meeting they discussed aspects of the international situation and bilateral relations, highlighting the close bonds of friendship and cooperation between Benin and Cuba.

Present at the meeting were Isidoro Malmierca, vice-presidential advisor Carlos Martinez Salsamendi and Oscar Oramas, MINREX [Ministry of Foreign Relations] director of Sub-Saharan Africa.

Benin Embassy Reception

Havana (AIN)--Isidoro Malmierca attended a reception given by the Benin Embassy in this capital in honor of Simon Ogouma Ifede's visit.

The celebration was also in honor of the eighth anniversary of the proclamation of the Benin people's revolution; Ignace Adjo Bocco also attended.

Also present were Guy Landry, Pierre Edon and Pelegrin Torras.

Visit to Valles de Picadura

Madruga (AIN)--Simon Ogouma Ifede visited the Valles de Picadura livestock district, devoted to the development of animals with high genetic potential for vaccine reproduction.

He also toured the communities of Pena del Leon and Victoria de Viet Nam, accompanied by district International Relations official Silvia Fernandez, who showed him the modern residences of the area's farmers, who were disadvantaged before the triumph of the revolution.

11937
CSO: 3010

SUPREME COURT RULING ON CASES INVOLVING THOSE LEAVING CUBA

Havana TRABAJADORES in Spanish 6 Nov 80 p 3

[Summary of People's Supreme Court ruling, by C. Lafita]

[Text] The National Assembly of the People's Government, by means of Resolution No 36, adopted during its first regular 1980 session, voted to confirm and give full legal effect to the policy followed by the government regarding antisocial elements, former criminals and certain categories of criminals who entered the Peruvian Embassy or expressed a desire to leave the country.

To regulate the disposition of criminal cases remaining before the courts involving those people either as accused or convicted parties, the Governing Board of the People's Supreme Court has issued Ruling No 95. Its first section states: "Cases before the courts in which the sentence has not been pronounced or has not been confirmed will be entered in the record, and the proceeding will be provisionally halted, if it is established, through information furnished by the National Revolutionary Police or another organ of the Ministry of the Interior, or known to the court itself, that all the accused have left the country."

"For resolution of this matter, a writ will be issued that provides for filing of the case on these grounds, and the following will be ordered:

Forfeiture of the bond posted by the accused to remain at liberty.

To continue gathering evidence, in conformity with the provisions of Article 271 of the Criminal Procedure Law."

The second section states that for cases in which some of the accused have left the country and others have not, the courts will provisionally suspend the proceeding for those who have left the country and will continue it for the others.

If the proceeding is terminated for one or more of the accused involved, the measures referred to in the previous section will be taken, when appropriate, also.

If the oral proceeding has begun, it will continue, statements concerning the absent accused parties being included with the verdict ending the process.

The third section states that when the sentence in a case has been pronounced and confirmed, all the procedures concerning it will be carried out, where appropriate, and a record will be made of the proceeding.

The fifth section provides that in the foregoing cases, when an appellant has left the country, the appropriate division of the People's Supreme Court will consider his appeal withdrawn and will uphold the sentence, returning the case to the court where it was first tried for implementation of the provisions of Section Three of this ruling. If that case involves other appellants who have not left the country, the process will take its normal course.

The procedure described in the preceding section, adapted to the circumstances, will be followed for cases in which an appeal has been entered under the provisions of Article 380 of the Criminal Procedure Law, according to Section Six of Ruling No 95.

9085
CSO: 3010

COLOME IBARRA PRESIDES AT SOVIET ANNIVERSARY FETE

Havana VERDE OLIVO in Spanish 16 Nov 80 p 55

[Article by Mario Rodriguez: "18th Anniversary of the Great October"]

[Text] With Maj Gen Abelardo Colome Ibarra, a member of the Central Committee of the party and first alternate to the Minister of the FAR [Revolutionary Armed Forces], presiding, the main ceremony held by our Revolutionary Armed Forces in connection with the 18th anniversary of the triumph of the Great October Socialist Revolution was held recently.

The solemn ceremony, which took place in the Universal Hall of the MINFAR [Ministry of the Revolutionary Armed Forces], was also attended by Vitali Vorotnikov, the ambassador of the Union of Soviet Socialist Republics to Cuba, Lt Gen Sergey Krivopliazov, in charge of the Soviet military experts working in our country, and FAR generals, commanders and other officers.

During his address, Col Francisco Cruz Bourzac, speaking on behalf of the Minister of the FAR, noted how the example of the Great October, the most important historic event in the 20th century, has expanded with tremendous force to all continents, and he said that the historical development of this event represents a date commanding commemoration by all of progressive mankind.

After noting the development the Soviet people have achieved on all levels, guided by the teachings of the first socialist revolution in the world and the wise leadership of the glorious Communist Party of the Soviet Union, the speaker stressed:

"The October Socialist Revolution made the advance of the international communist and workers movement and the national liberation movement possible. The military power of the USSR serves as a brake on the militaristic plans of the imperialists.

"For all Cubans, and for our soldiers in particular, this anniversary is a source of great happiness."

Finally, Colonel Cruz Bourzac stressed the indestructible friendship, solidarity and collaboration existing between the parties, governments, peoples and armed forces of Cuba and the Soviet Union, while at the same time conveying warm greetings to the Soviet military experts working in our country, extending them to all the combatants in the Soviet armed forces.

Maj Gen Ziebzov Lobanov spoke on behalf of the military experts. He began his address by reviewing the main triumphs of socialism in the USSR, which have made it possible for the country to be transformed into a powerful socialist state.

Major General Ziebzov then went on to speak of the importance of the most recent session of the Supreme Soviet, at which the increase in the economic and military potential of the USSR, as well as the increase in farm production and the general well-being of the entire Soviet people, were made manifest.

"The Great October Socialist Revolution," he said, "is of extraordinary importance from the international point of view, because it paved the way toward the future."

Then, after speaking of the collaboration which exists between the USSR and all of the other member countries of the socialist community in the military, economic, political and ideological fields, the speaker said that Soviet-Cuban friendship continues to strengthen with every passing day. As an example of this he cited the joint space mission carried out by the crew including astronauts Romanenko and Tamayo. And in conclusion he said:

"Comrades in arms, we will spare no effort, knowledge or skills in rendering you aid in the strengthening of the Revolutionary Armed Forces of socialist Cuba."

5157
CSO: 3010

NEW UJC ID'S PRESENTED TO FAR CIVILIAN WORKERS

Havana VERDE OLIVO in Spanish 16 Nov 80 p 56

[Article by Jorge Luis Blanco]

[Text] New Union of Young Communists (UJC) ID's were issued to a group of members of the FAR (Revolutionary Armed Forces) Construction and Housing Board Planning Center in a solemn ceremony held on the esplanade opposite the Museum of the Revolution.

During the ceremony, presided over by Brig Gen Filiberto Olivera Moya, a member of the party's Central Committee, Engineer Humberto Perez, secretary general of the UJC Planning Center Committee, took the floor and reported on all the work that was done during the process of changing ID's in the young people's political organization.

Lt Vicente Alegria Perez, political instructor for the UJC from the FAR Construction and Housing Board, was charged with delivering the concluding statements.

"The process of changing UJC ID's," he said, "which began last year with general preparation, represents one of the main directions of the organization's work for the period included between January 1979 and April 1982 and will enable it to raise the efficiency, application and quality of the political record to higher levels as well as improving the system of control over members.

"But in addition to the importance of this process in terms of the organizational system," he emphasized, "implicit in it are the profound political objectives that are materializing through individual encounters, among the objectives of which is the pursuit of even closer ties between the UJC's administrative agencies and rank and file organizations, between the members of these and their executive staff."

In his talk, he also mentioned the support that was on every occasion extended by the party, the board and the union in the development of the process.

"Just a few minutes ago," he concluded, "new UJC ID's were issued. Your are the first members of the FAR Construction and Housing Board to receive them. This ID carries with it a serious obligation: to guard it with heroism, dignity, self-denial, sacrifice and integrity."

Lt Col David Publio Morales, the replacement for the head of the FAR Construction and Housing Board's political task, and other board leaders and officers also attended the ceremony.

11,466
CSO: 3010

LIFE AT MACEO INTERSERVICE SCHOOL DESCRIBED

Havana VERDE OLIVO in Spanish 16 Nov 80 pp 33-37

[Article by Mario Rodriguez: "To Become an Officer and Engineer: an Opportunity for Our Young People"]

> [Text] "What I can say of this school is that, even without having gone through the war, its cadets can be rated as veteran officers."
>
> Fidel

This day acquires special significance for students of the FAR [Revolutionary Armed Forces] General Antonio Maceo Interservice School.

It will be hard for each of them to forget the details of this beautiful day on which they will swear boundless loyalty to the working people and its vanguard party.

Multicolored banners are waving everywhere on the broad esplanade where the different factions are in great martial array.

Everyone is eagerly awaiting the commencement of the ceremony that will not be long in starting, with the bugle call "All Present."

The detachment of standard-bearers is already moving into its position on the right flank of the formation. The troop commander renders homage to the director of the Military Training Center.

Then the troops pass in review, after which the head of the unit, Colonel Palacio Suarez, addresses the new cadets:

"Comrades," the director of the FAR Interservice School said, "this military vow signifies your loyalty and readiness to defend our fatherland, cost what it may, and serve the international proletarian movement wherever the party and government feel it necessary." And then he added:

"Worth remembering are the provisions of Articles 64 and 65 of the Cuban National Constitution in which it is proposed: "Defense of the socialist fatherland is every Cuban's greatest point of honor and supreme duty. Betrayal of the fatherland

is the gravest crime and those who do so are subject to the most severe penalty."

After that, there was the vow, which moved all those present, the symbolic delivery into their hands of their rifles, an eloquent demonstration of their military duty and, finally, the confirmation of the document that commits them to serving with honor and loyalty.

All of them will certainly remember that moment for the rest of their days because, as Colonel Diez Garcia of the Administration of Military Training Centers and Outside Preparation of Troops said in concluding the ceremony:

"You have committed yourselves to being loyal and firm defenders of the interests of the working people and of the teachings of our commander-in-chief."

Almost Two Decades of Efforts

In its 17 years of existence, the FAR General Antonio Maceo Interservice School has come a long and meritorious way in the important task of preparing highly qualified military cadres for our FAR.

The time spent and the experience accumulated have made of this center for the training of advanced officers a prestigious institution capable of offering its graduates superior mastery of military science.

From that 7 February 1963 when the first students arrived at the school, the center has made a real jump in quality in all areas.

Since then, its installations and teaching staff have been constantly improved until this important center for advanced military training has become what it is today.

This is completely suited to the development our FAR have gone through, provided as they are with a combat weapons and technical complex which require officers with advanced military and professional training.

At the present time, various specialties are taught at the center, all backed by the system of advanced training.

Of particular interest among them are the specialized study courses in mechanized infantry tactical command with the rating of engineer in the use of armored techniques, tactical command of engineer division troops with the rating of engineer in the use of the appropriate machines, etc. All of these are 4-year programs.

Along with these specialized programs, the center prepares professionals in 5-year programs. These are the specialists in tanks and transport with an advanced military engineer-mechanic's rating and the specialty of engineer in the field of engineering equipment with a similar rating.

But the FAR General Antonio Maceo Interservice School not only trains future engineer officers in the appropriate knowledge of military subjects.

Taking into account the fact that a modern army requires an officer cadre prepared for everything, the teaching process is structured in terms of various programs that complement the training of the future officer.

Thus, for example, the basic sciences, constituting obligatory subjects, include among others subjects as important as higher mathematics, physics, organic and inorganic chemistry, calculus, probability theory, unitary operations, etc.

At the same time, engineer training inculcates advanced understanding of technical and mechanical design, hydraulics, thermodynamics, theoretical mechanics, resistance of materials and others.

For the successful development of the entire teaching program, the school is provided with laboratories, all kinds of proving grounds, different study centers, firing ranges, special lecture halls, study rooms and areas designed for the systematic exercise of all kinds of sports.

To be added to the 15 graduations the center has already held is the next one, in 1982, at which time the school will for the first time send a contingent of officers with advanced training behind them to the universities.

This will no doubt be reflected in the future efforts of the different agencies and will constitute the best reward this group has received in its almost two decades of efforts.

Two Cadets, Two Eras

Lt Col Javier Tarrago Fernandez, at present head of the Instruction Section at the Military Training Center, is a graduate of the first study programs taught at the school.

Tarrago still remembers the first days of his admission to the school and the whole selective process which one then had to go through to be admitted as a student.

In the course of the interview, the officer relived those months of training in the Sierra Maestra including the climbing of Mount Turquino which completed that stage of his training.

So, in that way the young soldier gradually overcame every obstacle that blocked his decision to become an officer in our FAR.

The fervent desire to carry out the proposed mission at any cost led him to successfully complete his studies and realize an old dream.

His selection for the specialized mechanized infantry program brought us to the first question in what was to be a lively discussion.

"From the very first moment," he told us, "mechanized infantry was the special field that most nterested us. This was due to the fact that we were aware that it constituted one of the special fields with the greatest prospects in addition to representing the backbone of the entire military organization.

"What would any unit which included various kinds of special weapons and troops be without the centralized leadership of the head of the general mass of troops?

"That was why I realized that my decision was the right one."

We asked him: "What difference do you note between those early years of the school and the reality of today?"

"Just think, the difference is tremendous. Remember that at that time there were none of the laboratories or proving grounds we have today and which you have had an opportunity to see.

"Most of the instructors had no real experience but, furthermore, there were limitations in all areas, also as regards teaching materials, which often had to be prepared by the instructor himself the day before class.

"That is why I tell you that, when we see the progress we have made, we can do no less than marvel at this group and the effort it has made.

"We have seen the birth, growth and evolution of this school into what it is today, a magnificent center in which young cadets are trained in accordance with the latest requirements in the fields of teaching and modern military science."

Speaking about the possibilities the FAR offer our young people, Colonel Tarrago emphasized:

"I must admit that for me the FAR represents a real school. Who could have told me that in just a few years time I would find myself preparing for my candidacy. Then, that seemed to be an illusion.

"On the other hand, all this was possible thanks to the victory of our revolution and the unlimited prospects that the military profession offers."

Cadet Armando Yera Godoy is at present in his second year of study in the special field of mechanized infantry, having entered the center after graduating from the Andres Gonzalez Lines Advanced School for Fishing as a naval machinist.

For Armando the school represents an opportunity to realize an old aspiration. This was obvious from every word he uttered to us during our conversation in his home, just a few hours after receiving the pass granted him each weekend.

He feels the Military Training Center to be much to his liking, where, as he put it, "I have learned to develop an iron self-discipline as well as real study habits."

"The military profession," Armando noted, "is generally considered to be a rigorous one and that is true, but it also affords us the opportunity to acquire a broad range of useful knowledge as well as the privilege of finding ourselves in the front line of defense of the fatherland.

"That is why, when the opportunity arose, I did not hesitate to enter the FAR Interservice School. Here we have all the facilities for study and the opportunity

to graduate as engineers in the different special skills so badly needed for the defense of the country.

"Furthermore, for teaching activities we rely on modern teaching materials which help us a great deal in the acquisition of these skills.

"As regards the instructors, they all have well-rounded experience in addition to the necessary teaching and scientific qualifications and are thus capable of offering us a solid education."

In addition to the help he gets from instructors, the ever-present encouragement of his parents, who realize that the option chosen by their son deserves all their attention and enthusiasm, has played a primary role in Armando's activities.

When asked about his plans for the future, he did not hesitate to reply:

"I want to graduate as soon as possible as an engineer trained in the use of automotive techniques and begin to serve in units in which our presence is so badly needed."

The need for training cadres qualified in terms of the necessary political and ideological conditions, skilled in military science, disciplined and admirers of the military profession is the job the FAR General Antonio Maceo Interservice School has been doing with complete success all these years.

This constitutes an opportunity not to be sniffed at for our young people who are eager to learn and be useful.

11,466
CSO: 3010

ALDO SANTAMARIA CLOSES MGR EMULATION REVIEW

Havana VERDE OLIVO in Spanish 9 Nov 80 p 56

[Article by Pablo Noa: "Plenary Session for Emulation Review"]

[Text] Vice Adm Aldo Santamaria Cuadrado, member of the CC [Central Committee] of the PCC [Communist Party of Cuba], substitute for the minister of the FAR [Revolutionary Armed Forces] and chief of the MGR [Revolutionary Navy], closed the plenary session to review socialist emulation for 1979-80 in that branch.

Oilda Serrano Perez, secretary general of the Sectorial Committee of the SNTCFAR [National Union of FAR Civilian Workers] in the MGR, read the report summarizing the work done by the union sections and their affiliates in the centers and units.

The concrete achievements and the deficient aspects which, it was said, must be confronted with all the resources available in order to completely eliminate them were presented.

This session was an enjoyable meeting in which the effort of the workers was stimulated. Ten centers for different specialties received the "20th Anniversary Award" given by the national CTC [Central Organization of Cuban Trade Unions].

In the MGR, the following were proclaimed the best centers of the year: the Naval Academy, the Camilo Cienfuegos Vocational Military School in Cienfuegos, the Central Naval District, the CEPEM [Training Center for Junior Specialists] and the UM [Military Unit] 5208. These units also became candidates for socialist emulation promotional centers in the MGR.

On the individual level, the following received recognition as the best workers: Jose Valentin, Carlos Martinez, Jeronimo Molina, Estanislao Rodriguez, Douglas Rodriguez, Zeida Perez, Angela Govin, Mariano Isla, Nuris Gonzalez, Pedro Groveran and Erel Gonzalez.

The ceremony was a suitable occasion for the secretaries general of the different units to give the chief of the MGR emulation commitments for the present year.

The workers of the Granma Military Industrial Enterprise where the plenary session was held greeted the participants and exhorted them to increase demand and quality in everything in order to maintain the indices achieved.

The meeting was presided over by: the chief of the MGR; Julio Machado, secretary general of SNTCFAR; Ship Capt Joel Chaveco; and Ship Capt Jose L. Cuza.

In his closing, Vice Adm Aldo Santamaria pointed out the role played by emulation which, he said, "became a suitable vehicle to guarantee the fulfillment of our units' missions."

He pointed out the importance of the work of the civilian workers in the tasks that strengthen the process of organization and development of emulation.

He listed the weak points that are still evident and recalled Fidel's statements on the correct use of stimulus for comrades who are outstanding in their daily work.

He also emphasized the responsibility acquired by the MGR union movement in the emulation commitments that were presented since this is the year when the Second Party Congress will be held. Because of its importance, all necessary effort and attention should be devoted to giving a just and worthy salute to the congress.

7717
CSO: 3010

NEW ARTILLERY CADETS INDUCTED AT FAR SCHOOL

Havana VERDE OLIVO in Spanish 16 Nov 80 p 54

[Article by Pablo Noa: "Military Oath Ceremony"]

[Text] As in the past, thousands of workers, students, women and children, mixing with members of the FAR [Revolutionary Armed Forces] and MININT [Ministry of the Interior], met in the plaza in the center of Habana del Este which has a monument to Camilo Cienfuegos. They met to give homage to the hero of Yaguajay on the anniversary of his death.

This ceremony officially closed Ideological Day devoted to Camilo and Che in this town; it has been celebrated since 8 October throughout the country.

For the inhabitants of Habana del Este, this commemoration has already become a tradition. For some years, new cadets have been inducted in military life on this date. On this day, the youths who enter the Artillery Cadet School of the FAR which bears the glorious name of the invincible guerrilla chief of the sierra and the invasion take the oath in honor of Camilo Cienfuegos.

The Ceremony

The call to attention filled the plaza. Then came the color guard carrying the national flag of combat and unity.

Detachments of cadets and militiamen laid their wreaths next to Camilo's monument. Pioneers, students and cadets participated in guards of honor while the national anthem filled the plaza.

After the official review, Col Adan Hernandez Gutierrez, director of the Artillery Cadet School, addressed the people there.

He pointed out the importance for the revolutionary youths to serve the fatherland and the revolution loyally; this should be a source of rightful pride.

Then Cadet Morales Nunez read the military oath.

Almost simultaneously a squad symbolically presented arms to the new cadets. Minutes later, the students signed the military oath.

Pedro Sotomayor Sanchez, member of the municipal bureau of the party and president of the People's Government Assembly in Habana del Este, summarized the mass ceremony.

He stated: "Like every year, a group of youths who have begun their lives in one of the most important combat trenches against the imperialist enemy and for the defense of socialism are with us today."

He added: "We are referring to the youths who make up the ranks of men who bravely and firmly guard our sky by day and by night. In the study of military technology and science and with their consistent position in each mission entrusted to them, they will carry the banners that guide us high and will know how to fulfill the sacred mandate that the people have entrusted to them."

Then he indicated:

"We congratulate these youths. We exhort them to continue forward, to continue with their lives the example of those who provided the opportunity to live in a happy country, those who, through their productive and blameless lives, made themselves a place in our history and in our hearts. They should continue the example of Commander Camilo Cienfuegos and Commander Ernesto Che Guevara."

Those who presided over the ceremony included: Oscar Fernandez Mell, member of the Central Committee of the party and president of the Provincial People's Government Assembly in Havana; Orlando Jimenez Ferrer, first secretary of the municipal bureau of the party in Habana del Este; and party and state chiefs, officers and leaders.

At the end of the ceremony, the troops passed in review. Then the people made an impressive pilgrimage to the shore to throw thousands of flowers on the sea as part of the traditional homage that all Cuba gives to Camilo Cienfuegos each year.

7717
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CENTRAL ARMY ARTILLERY WINS ARTILLERY EMULATION

Havana VERDE OLIVO in Spanish 16 Nov 80 p 56

[Article by Jesus Casal: "Recognition of Land Artillery"]

[Text] Div Gen Raul Menendez Tomassevich gave the artillery chief of the Central Army the banner for winning the First National Artillery Competition of the FAR [Revolutionary Armed Forces] which ended recently.

This ceremony with an artillery brigade of the Central Army served also to give homage to the artillerymen who have died in the past 20 years while fulfilling the combat missions entrusted to them by the party and the state.

The ceremony started with the call to attention. The military band of this command played for the entrance of the army chief. An artillery salvo was heard along with the notes of the national anthem.

Col Eduardo Gonzalez Herrero read the address of the minister of the FAR for Land Artillery Day. Then certificates of recognition were presented to the artillerymen who have served for 20 years.

Later the results of the First National Artillery Competition were announced. The performance of the Central Army artillerymen was magnificent.

Div Gen Raul Menendez Tomassevich, chief of the Central Army, stated that, during the ceremony, he had witnessed the enthusiasm and joy of the veteran and new artillerymen when they received the awards for the work done.

He said: "We are convinced that the artillerymen are proud of their profession. The results that will be obtained in the coming years will make them worthy of the confidence of our working people. They will continue to deserve the homage that we offer their comrades in arms."

He emphasized that, from now on, we must be better prepared, more vigilant and more convinced ideologically in the fight against our enemies. "In spite of our achievements, the international situation forces us to increase these levels of preparation and mastery of technology and armaments even more."

7717
CSO: 3010

IMPORTANCE OF DEVELOPING PATRIOTISM IN CHILDREN

Havana JUVENTUD REBELDE in Spanish 17 Nov 80 p 2

[Article from "Minisiquis" column: "Love the Fatherland from Childhood"]

[Text] Today's child, tomorrow's adult, should above all be an individual who loves his country. The sentiment of patriotism should be thoroughly inculcated in socialist society.

The earlier these ideals are awakened in him, the better will be the moral forces manifested in his personality. First the home, and then the school must play this role.

The little one's home life, his family, the patio where he plays, the street where he lives, his school, the place where he goes for walks--in sum, everything that first gives him contact with life, gives him an idea of what his surroundings are like and provides him with an opportunity to realize that he belongs to this immense and marvelous world.

Where should we begin to stimulate those patriotic feelings? With an awareness of the nature of his country, so he can appreciate its greatness; the heroism of the nation's past; his people's ancient traditions; pride in his history and respect for the self-sacrificing work of building this new socity.

Parents must teach their children as soon as they begin to understand conversations, to admire the beauty of the countryside and the native mountains, the immenseness of the sea; to listen to the singing of the birds; to appreciate the usefulness of the trees, the beauty of the flowers and the diversity of aromas and colors.

Stories about participation in historic events provide his conscience with values and attitudes worthy of imitation, so that if he has a relative, teacher or friend who has fought or been involved in the struggle for emancipation, that person should be brought into the family nucleus to tell anecdotes, to take the child to the school the person went to or to visit some monument or museum built in the name of the person's comrades. This will help the child understand better and more thoroughly the heroism and patriotism of this country.

Parents and educators should select events that serve to expand and confirm children's ideas about their country, with clear and easily understood examples. They can explain to the children how the Party and the Government are concerned about all citizens, and the meaning of those who are represented by the symbols of the fatherland.

In this manner, they can be prepared to spontaneously pay the well-deserved tribute of respect and admiration to those who are the exponents of national sovereignty.

When the family takes care to develop these ethical values in children, it is preparing them for life, for their integration into society; but none of this can be forcefully imposed, because that could lead to rejection. Nor should we ever overwhelm the child with these things. This patriotic education should be administered gradually and systematically.

There are many ways to motivate young people: our very environment, historic dates, ideological celebrations, monuments and artifacts, etc., all provide us with an opportunity to talk about our history and to learn about and appreciate our heritage.

This political-ideological training ensures the development of a solid awareness in the obligatory fulfillment of our duties to the defense of the fatherland and the sacred duty of internationalism.

(By the Department of Extracurricular Education of the Ministry of Education)

8926
CSO: 3010

LIFE AT SCHOOL IN COUNTRYSIDE DESCRIBED

Havana JUVENTUD REBELDE in Spanish 20 Nov 80 p 2

[Article by Ramon Brizuela Roque]

[Text] "If you had a child in the Pinar del Rio Rural School, what would you want to know?" we asked a colleague. He replied, "To learn how to get there, to see how they live, what they eat, what work they do. . ."

And we have begun our report with just that, because the objective is to present an overview of how more than 6,000 basic secondary students of the municipality of Diez de Octobre, Havana City, live and work shoulder to shoulder with the residents of Pinar del Rio, and how they are undertaking what promises to be the largest harvest of recent times.

There are several alternate ways to get from the capital to the Rural School. For those who do not have their own transportation, one way could be the railroad, which has improved considerably recently; another is the bus.

Reservations can be made at the Ferry Terminal across from the Zoo, to take the bus. Buses leave Havana every Sunday for the places where the students can be found. Parents like this method, and it would be magnificent if it were maintained during all the rest of the stages.

Public service has also experienced a qualitative and quantitative leap with the replacement of the common service cars known as "direct" cars. Now one can travel between the two provinces in comfortable Hino buses, which replace the direct service to Marianao and run to the National Bus Terminal for 2.44 pesos. Buses leave every 2 hours daily. Advance reservations can be made at travel agencies.

Once in Pinar del Rio, travelers can use the intercity bus service or taxis.

Las Maravillas

Las Maravillas is the name of one of the thirty-odd camps where students stay in the tobacco regions. It is at the Empresa Hermanos Saiz in San Juan y Martinez. We went there with a view to finding out what goes on at a youth encampment.

As can be expected, upon arriving there one is overwhelmed by the enthusiasm of the 158 eighth graders and the group of seventh graders who share a common life there.

Early in the morning they leave for the nurseries where they weed tobacco seed plots, dig paths in the fields or simply plant, the latter activity becoming more and more visible throughout the province.

Mercedes Reyes, director of the camp, provided us with extensive information. She indicated that the lack of training, little familiarity with the countryside, and the short period of mobilization were factors that conspired against productivity. But that problem has been solved over time.

Miriam Garcia, a comrade from the camp's Board of Directors, also talked with us. She mentioned that the menu is very good; among the dishes served different days of the week are fish, chicken, pork sausage, ham, eggs, chicken giblets, Spam, tronchos, rice, black beans, yuca, malanga and sweet potatoes, varying with the skill of the cooks.

One noteworthy item--she asked us to mention it especially--is that this is the first time a Rural School has offered fresh milk in her experience. We saw this in other camps that we visited, but at Maravillas, at present, milk is provided at breakfast, lunch and dinner. Of course, this is an exception, because normally it is given twice a day.

Health conditions are good, and in the dining rooms the most rigorous discipline is observed. Several people confirmed this to us.

As part of the environmental conditions, there is regular artistic programming by the Culture Sector, and there is a television.

As far as medical care is concerned, there is a doctor. In general, the 30 camps have health care available, and there is also a mobile hospital set up near the city of Pinar del Rio. It can accomodate the students who need hospitalization.

We did not want to finish our visit to the camp without first learning the opinion of a Mother Fighting for Education. For that purpose we consulted Dagoberta Morales, who has been working at the Rural School for 5 consecutive years. In a few words, she sums up:

"The conditions are good; I was in Pilotos in 1974 and it was O.K., but now you can see the improvement."

At the Ministry of Agriculture we were able to see the results of all the research in the fields, because Manuel Montialo of the Office of Human Resources confirmed to us what we had already seen. He explained that this year there have been no problems with the camps, and that deficiencies were found and resolved before the mobilization. In addition, there is constant concern at the Party Office, the Peoples Government and the tobacco enterprise and the Palacios vegetable enterprise, which also takes in Havana youths.

Institutes to Arrive Soon

These are the basic conditions in all the camps, although of course some have more rustic accomodations than others, or the ships are larger. But those problems do not impede progress at the Rural Schools.

Some parents are concerned about one thing, which is understandable but impossible to change: the distance between the camps and Pinar del Rio. That distance, added to the kilometers between Havana and Pinar del Rio, means that the journey lasts 4 hours. But the tobacco must be taken to the land, because it is a very temperamental plant.

This year the pioneers were basic secondary students, who paved the way for pre-university and education students. They will take on the harvest at its peak, and together with the Pinar del Rio residents, they will fulfill the promise to break historic production records.

In order to surpass the levels of earlier years, the province must plant 3,000 caballerias of tobacco. This goal will certainly be met, because at stake is the prestige of Pinar del Rio, and we are used to such success there.

8926
CSO: 3010

PRINCIPLE OF STUDENTS IN WORK PROGRAMS NOTED

Havana GRANMA in Spanish 12 Nov 80 p 2

[Article by Max Figueroa Araujo]

[Text] Work as a natural activity and a social need of man essential to his transformation as a factor of human development is a basic thesis of Marxism-Leninism that pervades life in the socialist society being built by the working people of Cuba. There is no room in this society for loafers or social parasites.

It is an achievement by our country that the training given the new generations in the national education system is based on the Marxist and Marti principle of combining study with productive or socially useful work. Moreover, as in the other socialist countries, among salaried professional workers it is customary to contribute free labor to the common fund. In our case, one of its leading advocates was the heroic guerrilla fighter Major Ernesto "Che" Guevara. Thus Cuban children and adolescents have followed--and are following--the example of the adults, and these, in turn, have followed that of our principal leaders. As in any social education process, that is a decisive factor in the revolutionary transformation of our people's consciousness: the example furnished by the Revolution's leaders, with our commander in chief, Comrade Fidel Castro, at the forefront.

The conclusion one reaches is that people learn primarily by example. This is as valid for education by the family and society as for education in school. In the latter, the example provided by the director, the instructor or teacher is the primary one for the student, and, in turn, the example provided by the representative of the political and mass organizations and by education officials is the primary one for the instructors and teachers.

In the case of the productive farm work performed by our students, a factor that continues to be essential is the presence and participation of the instructor or teacher in this educational activity and the attention, encouragement and supervision provided by the leaders and officials of the political and mass organizations involved. At this point, however, it is necessary to recognize and distinguish among other pedagogical principles coming into play in this productive activity.

In the application of the general principle of the combination of study with work, two principles inhere that are not mutually independent but rather form a dialectical unity: the principle of participation by the instructor/teacher or director, beside the students, in his necessary function as guide along with the project's

technicians and workers. For the students, they represent those directing the work. The other principle is that of self-direction by the students themselves. This means the tact and discretion exercised by the instructor or teacher in respecting the organizational structures adopted by the students for performance of the productive work (participation of the FEEM [Federation of Intermediate Level Students], the formation of the different types of brigades with their leadership structures, and so forth).

The proper interconnection of these two principles in the application of the general principle of the combination of study with work is essential to attainment of the educational and productive results sought for the activity.

However, if regular, punctual attendance at and participation in the productive activity by students is decisive for fulfillment of the productive or economic objective, the presence and participation of instructors and teachers is essential to achievement of the educational objectives. It is the educator who has the mission of watching over the direction of growth with respect to acquisition of the personal qualities it is hoped the students will develop so that these qualities will become a part of their daily social conduct. These qualities related to the development of abilities, knowledge, attitudes, beliefs, habits and skills are closely linked to the level of political, ideological, moral, intellectual, scientific and technical consciousness reached by the student as a future worker. Hence the importance of the attention and supervision, requiring the guaranteed participation of the teacher in the vast productive work projects developed in the schools or training centers operated by the Department of General, Polytechnic and Labor Education in the form of the orchards and productive plots and the projects run by the schools in the country and the schools visiting the country.

Both insuring the participation of students, instructors and teachers and fulfillment of the three basic indicators established by the Ministry of Education for the students' productive work (the standard, the full day, and presence in the fields) require, in addition to the attention and supervision that should be exercised by the leaders and officials of the municipal education departments (directors, assistant directors, methodologists, inspectors), the direct participation of two organs from the school itself: the staff council and the school council. For the projects involving the schools in the country and the schools visiting the country, also required is the participation of a newly established institution: the productivity committee. The resolute, enthusiastic and responsible support contributed by these bodies in the students' productive work to the instructor's or teacher's mission is essential, for it is aid needed in the performance of the high function undertaken by the latter, serving as educators of the new generation in the socialist fatherland.

9085
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WAGES, QUALIFICATIONS FOR PUBLIC ADMINISTRATORS NOTED

Havana TRABAJADORES in Spanish 6 Nov 80 p 3

[Text] Requirements refer to qualifications and years of experience.

Included are directors, department chiefs and section chiefs of the agencies of the government's central administration, as well as territorial delegations, enterprises, establishments and the provincial and municipal agencies of the Peoples Government.

Two wage levels will be instituted, a maximum and a minimum, depending on whether the manager meets the requirements for knowledge and years of service.

Whereas: The Proposition and Resolution on the Policy of the Training, Selection, Placement, Promotion and Improvement of Cadres, approved by the First Congress of the Cuban Communist Party, establish that increasing guarantees should be provided that the cadres meet the requirements of political reliability, professional knowledge and leadership capacity which are necessary in each case and at every moment, determining for that purpose, among other elements, the degree of mastery and knowledge they have of the activity they are to direct; and

Whereas: As a consequence of the above, the General Wage Reform program is designed to establish differentiated wages for the same management post, depending on whether the requirements for knowledge and years of experience are met; and

Whereas: Based on studies made for this purpose (still unfinished), and given the need to enforce the General Wage Reform program, it is deemed appropriate to establish the requirements for qualifications and years of experience which, at present, are to be demanded of workers who hold management positions, in order for them to have a right to earn the maximum wage set for those positions;

Therefore: Exercising the faculties granted me, I hereby

RESOLVE:

First: To establish for management positions, whose requirements are regulated in this Resolution, two wage levels: a maximum level, for those who meet all the requisites referring to knowledge and years of experience; and a minimum level for those who do not fulfill these requirements.

Second: The requirements for earning the maximum wages established for the positions of director, department chief and section chief in the central offices of the government's central administration agencies, are as follows:

Director: To be a graduate of the superior level and have not less than 8 years' experience in management posts in the activity to be administered.

Department chief: To be a graduate of the superior level and have not less than 6 years' experience in management positions, or 7 years as a technician, or a total of more than 6 years' experience in both, all in the activity to be administered.

Section chief: To be a graduate of the superior level or the intermediate superior level and have not less than 5 years' experience in management posts, or 6 years as a technician, or a total of more than 5 years' experience in both, all in the activity to be administered.

Third: The requirements for earning the maximum wages established for the posts of department chief and section chief in the territorial delegations of the government's central administration agencies, are as follows:

Department chief: To be a graduate of the superior level and have not less than 5 years' experience in management positions, or 6 years as a technician, or a total of more than 5 years' experience in both, all in the activity to be administered.

Section chief: To be a graduate of the intermediate superior level and have not less than 4 years' experience in management positions, or 5 years as a technician, or a total of more than 4 years' experience in both, all in the activity to be administered.

Fourth: The requirements for earning the maximum wages established for the positions of department chief and section chief in the enterprises classified within Categories I through IV, inclusive, are the following:

Department chief: To be a graduate of the superior level and have no less than 4 years' experience in management positions, or 5 years as a technician, or a total of more than 4 years' experience in both, all in the activity to be administered.

Section chief: To be a graduate of the intermediate superior level and have not less than 3 years' experience in management posts, or 4 years as a technician, or a total of more than 3 years' experience in both, all in the activity to be administered.

Fifth: The requirements for earning the maximum wages established for the posts of department chief and section chief of the enterprises classified within Categories V through VIII, inclusive, are as follows:

Department chief: To be a graduate of the intermediate superior level and have no less than 3 years' experience in management positions, or 4 years as a technician, or a total of more than 3 years' experience in both, all in the activity to be administered.

Section chief: To be a graduate of the intermediate superior level and have no less than 2 years' experience in management positions, or 3 years as a technician, or a total of more than 2 years' experience in both, all in the activity to be administered.

Sixth: The requirements for earning the maximum wages established for the posts of department chief and section chief in the establishments classified within Categories I and II are the following:

Department chief: To be a graduate of the intermediate superior level or a technological school, and have no less than 3 years' experience in management positions, or 4 years as a technician or skilled worker, or a total of more than 3 years' experience in management posts and in either of the other two situations, all in the activity to be administered.

Section chief: To be a graduate of the basic secondary level or a technological school and have no less than 2 years' experience in management positions, or 3 years as a technician or skilled worker, or a total of more than 2 years' experience in any other situation, all in the activity to be administered.

Seventh: The requirements for earning the maximum wages established for the post of section chief in the establishments classified within Categories III through V, inclusive, are as follows:

Section chief: To have an approved level of education, having completed between the sixth and the ninth grade, inclusive, of the Regular Education System, and to have no less than 1 year's experience in management positions, or 2 years as a skilled worker, or a total of more than 1 year's experience in both, all in the activity to be administered.

Eighth: The requirements for earning the maximum wages established for the posts of director, department chief and section chief of the provincial agencies of the Peoples Government are as follows:

Havana City Province

Director: To be a graduate of the superior level and have no less than 8 years' experience in management posts in the activity to be administered.

Department chief: To be a graduate of the superior level and have no less than 6 years' experience in management positions, or 7 years as a technician, or a total of more than 6 years' experience in both, all in the activity to be administered.

Section chief: To be a graduate of the superior level or the intermediate superior level and have no less than 5 years' experience in management posts, or 6 years as a technician, or a total of more than 5 years' experience in both, all in the activity to be administered.

Other Provinces

Director: To be a graduate of the superior level and have no less than 6 years' experience in management positions in the activity to be administered.

Department chief: To be a graduate of the superior level and have no less than 5 years' experience in management positions or 6 years as a technician, or a total of more than 5 years' experience in both, all in the activity to be administered.

Section chief: To be a graduate of the intermediate superior level and have no less than 4 years' experience in management positions, or 5 years as a technician, or a total of more than 4 years' experience in both, all in the activity to be administered.

Ninth: The requirements for earning the maximum wages established for the posts of director, department chief and section chief in the municipal agencies of the Peoples Government are as follows:

Director: To be a graduate of the superior level or the intermediate superior level and have no less than 6 years' experience in management positions in the activity to be administered.

Department chief in municipalities I and II: To be a graduate of the intermediate superior level and have no less than 4 years' experience in management posts, or 5 years as a technician, or a total of more than 4 years' experience in both, all in the activity to be administered.

Department chief of municipalities III and IV: To be a graduate of the intermediate superior level and have no less than 3 years' experience in management positions, or 4 years as a technician, or a total of more than 3 years' experience in both, all in the activity to be administered.

Section chief in municipality I: To be a graduate of the intermediate superior level and have no less than 3 years' experience in management posts, or 4 years as a technician, or a total of more than 3 years' experience in both, all in the activity to be administered.

Section chief of municipalities II and III: To be a graduate of the intermediate superior level and have no less than 2 years' experience in management positions, or 3 years as a technician, or a total of more than 2 years' experience in both, all in the activity to be administered.

Tenth: For the positions in which two alternate levels of education are established, the government's central administration agencies and, where applicable, the agencies of the Peoples Government, shall determine the appropriate level, based on the qualification requirements specified for the positions subordinate to the position in question.

Eleventh: This Resolution shall be effective upon publication in the Official Gazette of the Republic.

Given in the City of Havana on 24 October 1980.

Joaquin Benavides Rodriguez, Minister-Chairman
State Committee on Labor and Social Security

8926
CSO: 3010

NATIONAL ARBITRATION HEAD NOTES PROGRESS IN FIELD

Havana JUVENTUD REBELDE in Spanish 13 Nov 80 p 3

[Interview with Dr Miguel Reyes Salia, chief arbiter; passages enclosed in slantlines printed in boldface]

[Text] (His responsibility inspires respect, his simplicity inspires confidence and his career inspires admiration. Dr Miguel Reyes Salia, chief arbiter of the National State Arbitration Organ, granted an interview to JUVENTUD REBELDE a few days before those organs begin operating throughout the country.)

[Question] There are questions that Decree No. 23 of the Council of Ministers can answer and others he can answer. Why, for example, is there a delay in the functioning of the National State Arbitration System?

/Article 2. The State Arbitration System has the following objectives:/

[Answer] The factors that have helped cause the delay are, first, the process of preparing the legal instruments, a difficult task. The only experience in our country was the arbitration committees that functioned from 1962 to 1967 but which were very different from state arbitration.

This made it necessary for us to obtain legal literature from the socialist countries and exchange experiences with the leaders of that activity, especially in the USSR. We also had to make studies and, keeping in mind our own conditions, elaborate those legal tools.

/a) To strengthen the legal system that governs relations between legal persons and natural persons which are the subjects of economic contracts;/

Another factor was the selection of the arbiters. Revolutionary integration and reliability as a revolutionary cadre were considered first. Professional qualifications came second. They must be jurists, economists or economic control graduates. That is, they must be jurists with a knowledge of economics or economists with legal knowledge; this is not easy to find in this country.

It was necessary to look for comrades with those conditions in each one of the 14 provinces. We had been directed to find trainable cadres; this led us to develop a plan for technical training in legal and economic matters.

Arbiters Are Trained

We began the seminar in January 1980. Those proposed by the provinces and by the organizations of the Central State Administration participated. Later we undertook a series of meetings in which the national arbiters taught their comrades in the territories and the organizations.

Another factor that delayed the beginning of arbitration was the almost total absence of legislation for economic contracts, especially regulation of general and special contracting conditions.

/b) To increase the administrative efficiency and discipline that the state organizations, subjects of economic contracts, should achieve in the execution and fulfillment of their respective plans as a guarantee of the realization of the Single Plan for Economic and Social Development;/

[Question] (A professor at the Law School of the University of Havana, he has also worked as a jurist closely tied to production and services.) By the way, Reyes, does everything begin with contracting?

Raw Material for Arbitration

[Answer] The raw material for arbitration is the economic contract because arbitration settles conflicts that are caused by their lack of fulfillment.

We were worried because JUCEPLAN [Central Planning Board] fixed the dates of the contracts but it is not its job to supervise them. There is no general organization devoted to this.

Since the 1980 contracts, we had the task of initiating this work in a rudimentary form in the provinces, obtaining information from the people's government planning offices.

The arbiters sent letters to the directors of enterprises that had not signed contracts stating that this was a violation of socialist legality which hurt the economy and the plan. In the immense majority of cases, the letter had results and the number of signed contracts increased considerably.

/c) To defend the social interest and,at the same time, to guarantee the interests and rights of the socialist economic entities and other parties in their contractual relations;/

Pending cases were summoned in order to analyze the causes and motives with the parties. All this was unofficial since it was not obligatory. State arbitration was not functioning yet.

It was a matter of reconciling interests. In many cases, this could not be done due to problems of quality, for example, caused by technological equipment. The contracts of many enterprises were reviewed and this gave us more elements; we saw how bad contracting was in the country.

Its absence before 1979 demonstrated to us that there were no contracting customs or they had been lost. The contract was seen as merely a formality. There were

problems with legal representatives (who were comrades without authority) and with blank clauses that were filled in after signing with no value for the products, no specifications of quality, no specific assortment, no conditions for packaging the products, no guarantee clauses, etc.

Resistance to Signing

Meetings were held with all the comrades of the enterprises that participate in contracts in the provinces. The arbiters explained these problems to them and how to write contracts. There is an interesting phenomenon.

In the 1981 contracts, there has been more resistance to signing the contracts since the people sit down to discuss them and work on the problems more. Qualitatively they have improved but quantitatively the situation is delicate....There is greater concern that the contract be written well.

Whose Jurisdiction

[Question] What would happen, Reyes, if an arbiter were wrong?

[Answer] Let me explain the overall process first. All the organs of the system have to function at the same time. Under the assumption that some provincial arbitration organ does not meet all the conditions in order to begin..., another province would hear the cases.

If there were a conflict between enterprises under an organization that did not have an arbitration organ, the plaintiff would have to appeal to the territorial or national organ depending on the amount or nature of the matter. When it involves differences between enterprises of different organizations, the dispute goes to the national or territorial arbitration organ depending on the amount involved.

If there are conflicts at the stage of writing the contracts or if the value of the contract is greater than 250,000 pesos, the national organ hears the case. If the amount is lower, the territorial organ hears the case. The territory of the residence of the appealing enterprise establishes the jurisdiction.

If there is an appeal during the stage of carrying out the contracts, it goes to the national organ if the claim is for more than 25,000 pesos and, if it is less, it goes to the appropriate territorial organ.

(From 1959 until 1966, he was legal chief of the organizations that govern the sugar industry and he was also a university professor—after 1961—in administrative law and labor law. His students do not forget him because of the clarity of his explanations and the depth of his opinions. They recognize that it will now be more difficult for him to decide conflicts than to grade their examinations.)

Except

There are exceptions that fall to national arbitration at any stage of the contract: conflicts in which one of the parties carries out foreign trade or scientific-technical collaboration abroad; when it involves a priority project of the Executive Committee of the Council of Ministers or JUCEPLAN; and when one of the parties is a

branch of the FAR [Revolutionary Armed Forces] or MININT [Ministry of the Interior].

If Arbiter Is Wrong

Based on the above, I will answer your question. /The arbiter is independent in the execution of his jurisdictional duty. He is only subordinate to the law. When he decides a case, it is the only, unappealable decision. It does not function like an arbitration panel; his decision is binding./

Now if the arbiter is wrong, the national organ can suspend execution of the decision when it feels that the decision might hurt the economy. The affected party has ways to request a review by the national organ.

Exceptions

1. When it is felt that there are new elements that were not properly considered in the development of the process and that can change the decision.

2. When the affected party feels that he was not heard or the evidence that he presented was not considered.

3. When the decision is not adapted to objective reality or the law was applied incorrectly.

This review process is an exception. It can be used even against the decision of a national arbiter. My decisions can be reviewed; I would be obliged to appoint three arbiters who would function as a panel.

Arbitration Is Not Voluntary

It should be stated that arbitration is obligatory for all subjects of the economic contract. It is not a voluntary process. The reasons are obvious. The economic plan which is stipulated in the contractual relations is involved.

/The subject of the contract who feels he is hurt is obliged to resort to arbitration./ If an enterprise acts negligently and does not appeal to the appropriate organ, the system will have inspection mechanisms. At the same time, when it hears from the political and mass organizations that this has occurred, it can order that the process be initiated and force the enterprise to present the claim.

/d) To contribute to the improvement of the SDPE [Economic Management and Planning System] and the strengthening of the method of economic calculation on which the management of the enterprises and their unions is based;/

[Question] Miguel, you mentioned the lack of national precedent to initiate arbitration. From what countries have we borrowed experience?

[Answer] Mainly from the USSR, the GDR, Bulgaria and, in general, all the member countries of CEMA. Every year there have been conferences of state arbitration chiefs. Cuba has participated as an observer since 1975 and as a member since 1978. Technical advice is being discussed with the USSR at this time.

Already Constituted

[Question] In short, you say that the National State Arbitration System will officially begin functioning. In what state will the organs begin work?

[Answer] The preparatory phase--organization--is already finished. The National State Arbitration Organ made up of a chief arbiter, deputy chief arbiter, five state arbiters and a secretary was established along with the offices of support for finance and planning, cadres and training and scientific-technical development. The inspection offices will also have an independent department of international relations.

Except in Granma

There is one organ in each province. They are already constituted except in Granma where the cadres have not been completed. It will be a smaller staff, 18 people, including a chief arbiter, two arbiters and the support personnel.

The city of Havana will have 25 workers on the payroll. It will also take care of the Isle of Youth.

The territorial systems will be subordinate to the national organ. The organizations have double subordination: administratively to the chief of the organization; and methodologically, legally, technically and functionally to the National State Arbitration Organ.

There are arbitration organs in 15 organizations of the Central State Administration where their subordinate enterprises have contractual relations among themselves. Even when some regulations of general and special contracting conditions have not been approved, state arbitration will begin soon facing the urgent need. We will begin to hear conflicts between the different subjects of the economic contracts.

/e) To help constantly increase quality in production and services and strengthen discipline in the socialist enterprises and other state enterprises in the fulfillment of norms and other standards in the quality management system and its materialization in the corresponding contractual stipulations;/

[Question] He was the legal director of the Ministry of Labor from 1966 to 1968 and president of the labor justice review council. Since this past year, he has been tied totally to the University of Havana although he collaborates with some organizations. Dr Reyes Salia, in order to understand better, could you give an example of how an enterprise should proceed to establish a claim?

[Answer] An enterprise is considered hurt, for example, by failure to deliver a product in a supply contract. First, it should carry out the appropriate negotiations for the delivery of that article by the other enterprise, using the autonomy that the SDPE grants it and the regulations of the state enterprise.

After these negotiations are exhausted without any positive results, the enterprise presents its claim to the appropriate arbitration organ. Let us say that the claim is for 280,000 pesos; it presents it to the National Arbitration Organ. It is assumed that the legal representative (the director) or a person he authorizes will present the claim.

Claim Presented

He has to send a copy to the defendant. The arbitration organ grants the defendant a certain number of days to respond. Once he has the claim and the response, the acting arbiter analyzes the case and accepts the evidence that he feels is appropriate so that he can evaluate the matter. This does not mean that he will reach a final decision.

He can request support from one or more advisers, technicians or specialists who will assist him in his duties. After this procedure is completed, the arbiter summons the parties for the reconciliation stage of the process. Each one of the parties explains his opinions and reasons and they attempt to reach an agreement, always within the law. If it is reached, the case is over.

Continue to Disagree

If this does not happen, it immediately goes to the arbitration stage. At this time, the arbiter would have to hear a new plea from the parties, hear other evidence and make a decision.

He dictates the final resolution, the finding. The parties are notified within a certain number of days of the binding decision. If it feels it has been hurt by lack of fulfillment, the enterprise that is the plaintiff has to quantitatively establish the damage caused. It has to prove the amount of the indemnization.

/f) To contribute to the strengthening of socialist legality;/

(A member of the Foreign Trade Arbitration Court since its establishment in 1965 until a few days ago--he could not be both a state and international arbiter--the Executive Committee of the Council of Ministers appointed him chief arbiter in its agreement No. 481 of 20 March 1979.)

We can see that arbitration is a fundamental link in the application of the SDPE. It can help the contracts have better quality and reflect and be a concrete expression of part of the Single Plan for Economic and Social Development. It will defend the legitimate interests of the enterprises in conjunction with the interest of society.

It will help strengthen the economic awareness of leaders, officials and workers so that the enterprise will develop its own management and frees work that intermediate levels of leadership frequently impose.

Not a Magic Wand

[Question] And finally?

[Answer] /Arbitration is not a magic wand that will solve all the economic problems of the country,/ of course. We are going to fight for it to be as efficient as possible. However, we know that because of our little experience and the concrete conditions of the country, state arbitration will have successes but will also make mistakes.

Note: The paragraphs in boldface correspond to Article 2 on the objectives of the State Arbitration System in Decree No. 23 of the Council of Ministers of 3 July 1978.

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TESTING FOR AFRICAN SWINE FEVER IN GUANTANAMO

Havana GRANMA in Spanish 17 Nov 80 p 1

[Article by Orlando Gomez]

[Text] Biological tests performed thus far in Guantanamo Province among hundreds of "follow-up test" hogs kept where there were outbreaks of African swine fever have uncovered no signs whatever of the deadly virus.

Once these tests have been satisfactorily completed, in December, all these animals--called "follow-up test subjects" by the veterinary technicians because by being present at previously infected sites they indicate whether or not the virus remained--will be sacrificed. They will then be examined again macroscopically in Guantanamo before being sent to the National Swine Fever Laboratory in Havana, where they will be examined microscopically.

If the final results of these very exhaustive tests demonstrate that no "follow-up test" hog was affected by the virus, the CENSA [National Animal Health Center] will propose to the government that hog-raising be resumed in Guantanamo Province, beginning naturally with the state units where the strictest protective and hygienic measures will be observed.

While this has been taking place, in anticipation of authorization to resume hog-raising there, the province has been preparing to raise, during the next few years, an impressive number of hogs of high-quality stock that will guarantee a supply of a part of the animal protein needed by inhabitants of Guantanamo and will provide meat for the rest of the people of Cuba.

An example of those preparations is the modern feeding facility with a capacity of 10,000 hogs under construction on the outskirts of the city of Guantanamo. It has all the technical elements and provisions for animal and human safety required of an installation of this sort in our country.

The project will be completely finished and turned over by the builders, Architectural Enterprise No 23, Brigade 81-42, to its sponsor, the Guantanamo Hog Enterprise, during the first quarter of 1981.

This hog-feeding facility--whose various elements are already, on the average, 80 percent complete--will automatically supply the 10,000 animals feed based on food garbage from the nearby city, which will be converted to liquid feed in the

facility's processing plant. The feed will be piped directly to each compartment or pen housing hogs.

The facility also has a complicated plant for the treatment of liquid and solid waste. This will insure processing that precludes any pollution of the water table and the transmission of disease to human beings. The resultant sediments will be removed dry and will serve as organic fertilizer used in agriculture.

One of the chief characteristics of this project, which provides a high degree of health protection for the animals, is that it is divided into two well-separated sections: one that is completely sterile and one that is not. Also worthy of mention are all the rigorous anti-epizootic measures taken, not only there but throughout the country, for the raising of this valuable animal species.

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DORTICOS DISCUSSES ROLE OF STATE ARBITRATION

Havana GRANMA in Spanish 25 Nov 80 p 2

[Speech given by Dr Osvaldo Dorticos, member of Political Bureau of CC of PCC, vice president of Council of Ministers and minister of justice, on 17 Nov 80, Year of the Second Party Congress, at the Palacio de las Convenciones when State Arbitration Organs System initiated its jurisdictional work: "At First, State Arbitration Must Play Very Important Role in Precontractual Phase"]

[Text] Comrades of the presidency:

Beloved comrades:

This ceremony, in spite of its simplicity, has a certain solemnity explained by the official beginning of the jurisdictional work of the organs of the State Arbitration System. This completes one more link in the SDPE [Economic Management and Planning System] in accord with the resolution adopted at the First Party Congress.

In our brief speech, we want to again emphasize the special importance of the initiation of arbitration activities for the difficult and complex purposes of progressive implementation of the SDPE. It is basically related to planning and contractual discipline. In reality, as has been explained on previous occasions to the economic organizations, the enterprises and the entities that participate in daily economic activities, the obligatory nature of their duties arises not only from the plan but also from contracts. The latter complete the legal nature of these obligations. Since arbitration is directly involved in contractual discipline, it participates in the process of making contracts and settles disputes that arise during their execution. It is obvious that these organs must play a very important role in the objectives that contribute to that discipline. In reality, the obligation of a production, service or supply enterprise--in other words, the economic entities that participate in the socialist economy--does not end with the economic administrative provision implied in the plan but with its contractual complement. This leads to the obligatoriness of contracts and the concept that emerged in socialist law about the so-called planned economic contract. To fulfill the plan means to fulfill an obligation of the state economic administrative law. By itself, it does not mean to fulfill all the obligations of the economic entity that emerge from the plan because the plan, in the last instance, is materialized or made concrete in terms of assortment, specifications of quality and delivery conditions. This means the concrete economic contracts that the entities must make in the exercise of monetary-trade relations in the socialist economy. It is good to recall that this has

a lot to do with a doctrine that is widely debated in the socialist legal field about the nature of these legal obligations of socialist enterprises and organizations. We are not going to try to figure out that question; we have formed an opinion in the legal system of our country and we will abide by that opinion. It is the old question about the autonomous existence of economic law independent from civil law. I call attention to this because only one socialist country--Czechoslovakia--supports the thesis of the independence of economic law through the promulgation of an economic code. The other countries subscribe to civil law which covers economic contracts; our country follows this thesis in its past and new laws. It is the civil law nature of these obligations to which we are alluding. From the economic administrative law which is the plan comes the civil law obligation for the enterprises, first, to make the planned economic contracts. This is concretely translated into the practice to which we want to refer. If that legal obligation is not fulfilled, it endangers the plan itself since the economic contract is what makes the obligations emerging from the plan concrete with the details which we mentioned before. Without the contract, the plan can be totally fulfilled but, nevertheless, not satisfy the requirements of the national economy. Therefore, in our opinion, arbitration at the beginning, in its debut or inauguration, will have to play a very important role in the precontractual phase--that is, the stage of making the contracts. It is curious to examine, although superficially, recent contractual experience in our country. Based on a report on contracting by the National Arbitration Organ in collaboration with the State Committee for Statistics and with the cooperation of the organizations involved, our report on contractual experiences--I am referring to the 1980 economic contracts and the beginning of contracting for the 1981 plan--cannot be very optimistic. In the first place, if we observe some characteristics, we can note immediately, since this practice started in our planning discipline, to what extent the problem of contracts is to many a mere formality and not an important problem. In the first place, nonagreement or failure to sign contracts for reasons that show a certain lack of understanding about the practical requirements of the contract and about the conduct that the enterprises must follow in that respect arises with relative frequency in the sample examined. The following representative or important causes for failure to agree on these contracts have been detected: supply contracts that have no guarantees to receive what it should offer on time and in the correct form so they do not reach agreement or they try to make their obligations conditional; transportation enterprises that do not guarantee the transportation of merchandise to certain parts of the country or purchasing enterprises that disagree about paying for transportation supplied to them; discrepancies about parameters of quality or failure to establish these parameters by superior organizations; disagreement with clauses that one of the parties proposes; lack of presentation or possession of the figure assigned by the buyer; general lack of a complete procedure that sets forth the steps, communications, guidelines and other mechanisms that make relations between enterprises in different territories feasible; and lack of approval of the appropriate form for contracts for complete plants. In many contracts, a common circumstance is failure to express value--that is, the price--which is indispensable for the consummation of the contract. This is due, on occasion, to presentation of supply in general terms, not listing a value. Offices for transportation fees do not list fees for some port cargo. The majority of the reporting enterprises, nevertheless, did not report on the value of their contracts and did not explain the reasons for this absence of prices.

In other cases, according to reports we were given at a recent meeting with territorial arbiters who have been collaborating unofficially in reconciliation procedures

in the stage of making the contracts, we find that these contracts are even signed while blank. That is,a model is signed and the blank spaces corresponding to the basic clauses of the contract are not filled in. On other occasions, the buyers--that is, the consumers--do not demand from the suppliers specifications of quality in the products to be supplied; there is not even a reference to the existing norms. Essential elements of the contract are missing. This is what, a moment ago, we referred to concerning a merely formalistic concept of the contract, forgetting the role that it plays in the economic dynamics of the country. Therefore, as the jurisdictional work of arbitration begins, the arbiters, with the little experience from the work they have done unofficially in these previous months, have a serious responsibility and an important commitment: to create awareness about the obligatoriness of contracts and about the essence itself of contracts; to use patient educational persuasion with the enterprises and economic entities involved in precontractual conflicts in order to increase their awareness and stimulate mutual understanding; and, finally, to make decisions through the corresponding findings, establishing the basic stipulations of the contracts and insuring and guaranteeing their fulfillment.

Arbitration Starts With Certain Problems

Arbitration starts with certain problems. We want to allude to them because they are going to be daily events in the solution of conflicts and disputes submitted to their jurisdiction. In the first place, there are problems in the task, this institution, which is beginning for the first time in our country. In the second place, there are legislative deficiencies. First, we do not have a socialist civil code. As is known, socialist civil codes contain broadly developed basic norms--one on basic economic contracts--in their provisions concerning the theory or law on obligations and contracts. We do not have this. We are working on elaborating this code but the day when a reliable bill can be the object of our consideration is still distant. We are also beginning arbitration under conditions that, technically, mean we cannot begin it--that is, without having approved the majority of the regulations for the general and special conditions of economic contracts, even those that have special significance to our economy--the contracts concerning foreign trade activities. This must cause a technical problem for the arbiters who must supply them based on already conceived guidelines and doctrine and the specific stipulations of each contract. I think that the beginning of the jurisdictional work of arbitration will stimulate effort in everyone to shape legislation as quickly as possible concerning regulations for general and special conditions of economic contracts.

The comrades who have worked on the arbitration organs have developed certain activities aimed at learning directly, almost physically, the economic affairs of our country at the level of the enterprises. They have undertaken training to attain minimal technical training in addition to their previous professional training that permits them to assume this responsibility today. Since the national organ was constituted, it has developed its budgetary, financial, statistical, planning and personnel supervision activities. The 14 territorial organs develop these activities as administrative branches of the national organ. There has been rigorous selection of cadres and workers in the national organ as well as in the territorial organs. Referring to material conditions, all the provincial organs and the national organ, after serious efforts, have their offices and the minimum conditions required to begin their activities.

The 15 Central State Administration organisms that have arbitration organs are organisms with a lot of subordinate enterprises that have contractual relations among themselves, sources of possible arbitration conflicts.

Training as a basic part of the jurisdictional work of the organs of the system has been undertaken. Once the cadres to be trained have been selected and placed, there have been different activities aimed at that objective. This task was undertaken initially in January with the first national state arbitration seminar; 95 comrades proposed as arbiters or secretaries in the provinces and organisms participated. The basic legal instruments in the State Arbitration System and economic contracting were covered and there were talks on the different categories of the SDPE.

This seminar was considered a starting point for legal and economic training of the arbiters and secretaries. In March 1980, there were new courses on economic legislation taught through meetings by the national arbiters to the arbiters and secretaries of the provincial organs and organisms. Through coordination with the Office of the National Economic Management School, the arbiters and secretaries of the provinces have participated and are participating in short courses and seminars in the provincial schools.

They have increased their knowledge of provincial economic activities.

Concerning economic contracting and the 1980 plan, the territorial arbitration organs in the provinces, in coordination with the planning offices of the local and provincial people's government organs, did work concerning making economic contracts in order to achieve agreement between the parties, through unofficial reconciliation, when they disagreed while making the planned economic contracts corresponding to the 1980 plan. The experience acquired in this work reflected serious problems in the process of discussion and elaboration of contracts to which we have already referred. Therefore, the National Arbitration Organ held meetings in the provinces with comrades from the delegations of the economic entities, agricultural cooperatives and the provincial offices of the National Association of Small Farmers. Here the comrades from the territorial state arbitration organs in the provinces insisted on the need for planned economic contracts; they are not merely a formality but the materialization of the plan of the entity. They indicated the problems noted in the 1980 agreement with guidelines related to contracting for the 1981 plan.

A system of complementary statistical information has been created and has been operating before the jurisdictional work of the organs begins. There has been a broad publicity and popularization campaign.

The national state arbiters have given talks in the provinces and in the organisms with the participation of institutional, political and union leaders. In collaboration with the DOR [Revolutionary Orientation Department] of the CC [Central Committee], a system of talks was set up within the party by speakers of the party.

Concrete Aspects That Arbitration Must Immediately Cover

There are some concrete aspects that arbitration must immediately cover with great energy and interest. One aspect that we want to mention concerns the problem of quality in production and services. It is one of the aspects on which the

arbitration system will have to work hardest and where it can make the most useful contributions.

The practice and evaluation of this practice and this experience of unofficial reconciliation in the 1980 economic contracts yield one truth: the absence of essential and deep concern for the problem of quality, not only by the supply enterprises but also by the consuming enterprises. On many occasions, they do not even demand verification of these specifications of quality or mention of the norm or reference to samples that guarantee the production of a minimum quality.

Apart from the work of the State Committee for Standardization, the progressive implementation of the Standardization, Metrology and Quality Control System, the efforts of party organizations and the orientation of the party leadership, it is through disputes over the economic contracts that, concretely, immediately and very palpably, this phenomenon must be noted. It is the responsibility of the arbiters to fight a hard fight during the phase of making the contracts based on the principle that there cannot be an economic contract for supply of products, for example, without specifications of quality or reference to the corresponding norm in the contract. If this is not considered, at the time of arbitration to settle conflicts in the process of execution of the contracts, the action of the arbitration organ should not be based only on what the parties request but on its responsibilities. Quality constitutes one of the most serious problems and one of the blemishes in our economic activity, inconceivable in a country that, in addition to fighting for the wellbeing of its people and their standard of living, has a great economic dependence on foreign trade under conditions of a highly demanding contemporary market. It is necessary to train awareness, practice, habit and discipline.

The arbiters have to have the opportunity, while resolving the disputes, to discuss with the parties involved in the process of making the contracts the reasons for lack of fulfillment of the plan and management conduct in a very concrete, very detailed manner establishing the causal relationships in each situation. If this is carried out with real meaning, seriousness and responsibility, it will no longer be an anecdote or the mere reflection of a quantitative statistical idea of management conduct. Instead, there will be the concrete, explicit and well explained determination--I repeat, with establishment of causal relationships between the effects of lack of fulfillment and the reasons for them--which the arbiter is obliged to preestablish in order to settle a conflict. He not only has to do the jurisdictional work and come up with just, efficient and useful findings for our economy but carry out preventive activities that, according to legislation, fall to the arbitration organs. That means he must discover measures to implement and mechanisms to perfect and make his contribution, as the wisdom and experience of the arbiters grow with the fulfillment of their duties, to the improvement of the national economy and the improvement of the SDPE. The importance, therefore, of the creation of a statistical and qualitative information system within the context of the integral system of the arbitration organs which can be achieved and shaped with active, daily and organized relations and constant communication between the different organs will help reach conclusions full of analyses, experiences and serious evaluation to permit the management of the national economy to improve its methods and planning. This is one of the contributions that, in the course of its work, the arbitration organs can make along with others of great effectiveness for the national economy.

There is a problem that we want to cover because it has appeared in the practice of contracting. It is the attempt by some enterprises to condition the obligatoriness of the contracts to certain circumstances. This is dangerous. It is related to the problem of the doctrine of blame as a subjective element in the punishable lack of fulfillment of economic contracts; that is the problem we want to present. It is true that Decree Law No. 15 on basic norms of economic contracts establishes blame as an indispensable condition in the declaration of lack of fulfillment of a contractual obligation. The problem is based on the question of burden of proof with which the one who alleges that he has not fulfilled the contract for reasons beyond his control has to exonerate himself. It is necessary to be very strict or arbitration would, from the beginning, face a situation of failure if each lack of fulfillment is legitimized on the basis of lack of fulfillment by a third party. Under these circumstances, the entity or enterprise that has not complied and is punished can, in turn, complain about the other entity that has not complied with it. We cannot use the doctrine of blame as an excuse for lack of fulfillment. Since this has come up already in the phase of making contracts, we want to warn strongly about this. Comrades, we want to begin with a spirit of fraternal relations, educational work, helpful work and advice to the enterprises. It is a matter of constructing contractual relations but it is also a matter of beginning the jurisdictional work of the arbiters with the minimum severity required. We appeal to them. On a night like this when we inaugurate their respective responsibilities, we trust that, by fulfilling that duty, they will contribute to the national economy what the people, the government and the party expect from them. Thank you very much.

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SOVIET AGRICULTURE ADVISER NOTES CUBAN DEVELOPMENT

Havana ANAP in Spanish Oct 80 pp 4-5

[Interview with Fedor Timokhin, Soviet agriculture adviser, by Manuel Buendia: "Neither Economic Blockade or Aggressive Tricks of Yankee Imperialism Can Slow Down Advance of Cuban Development"]

[Text] "We can say with satisfaction that neither the economic blockade or the aggressive tricks of Yankee imperialism can slow down the advance of socialist development in Cuba since it has faithful and staunch friends."

Fedor Timokhin, Soviet adviser to the Cuban Ministry of Agriculture, stated this when we interviewed him for the 20th anniversary of the reestablishment of diplomatic relations between the peoples of Cuba and the Soviet Union.

He added: "In the past two decades since the triumph of the Cuban revolution, our relations have acquired a deep and multifaceted nature. The friendship and solidarity between the USSR and Cuba are an example of new relations between states based on the principles of Marxism-Leninism and socialist internationalism."

He recalled that during the hard years of the economic blockade imposed on Cuba by imperialism, the countries of the socialist community, especially the USSR, offered the Cuban people disinterested help in defending their revolutionary conquests. "That aid not only let Cuba confront the imperialist tricks but defeat the mercenary intervention at the Bay of Pigs in April 1961, resolve the 1962 Caribbean Crisis peacefully and attain considerable achievements in the development and radical change of the entire structure of the Cuban economy."

After indicating that the CPSU and the PCC [Communist Party of Cuba] headed by comrades L. I. Brezhnev and Fidel Castro play an important role in the strengthening and deepening of the unbreakable Cuban-Soviet relations, Timokhin referred to the fruitful exchange of visits by top statesmen from both countries.

Brezhnev's Visit to Cuba

"The visit to Cuba by the secretary general of the CC [Central Committee] of the CPSU in January-February 1974 made a great contribution to the development of Cuban-Soviet relations and the consolidation of Cuban international prestige. As Fidel Castro indicated on that occasion, it was the most important visit that had ever taken place in the history of Cuba."

When L. I. Brezhnev spoke at the meeting held in Havana in honor of his visit, he said: "Millions of persons are promoters today of Soviet-Cuban friendship."

Timokhin recalled that, on that occasion, Brezhnev and Fidel Castro signed a joint Cuban-Soviet statement. Its concrete materialization was the long-term trade agreement and the agreement for economic and technical cooperation for 1976-1980 signed at the beginning of 1976.

[Question] Can you cite some concrete aspects of these 20 years of cooperation between the two countries?

[Answer] About 200 industrial objectives have been constructed in the past 20 years with technical assistance from the Soviet Union to the government of this island of freedom. the amount of economic cooperation during this 5-year period considerably surpasses the total volume in the years before cooperation.

After some moments of silence to collect his thoughts, the top Soviet official provided figures concerning that collaboration.

He said: "The trade exchange between our countries has increased 27 times, reaching more than 4 billion rubles. The Soviet Union supplied Cuba with more than 23,000 tractors, 96,000 automobiles, more than 130 million tons of oil....

"In exchange, the USSR bought 46 million tons of raw sugar, 345,000 tons of nickel concentrate, citrus and other important products from Cuba."

Training of Cuban Technicians

In answer to another question concerning education, the Soviet adviser to the Cuban Ministry of Agriculture reported that, during the years of cooperation between the two countries, more than 3,000 highly-skilled Cuban specialists were trained in the USSR. At this time, there are about 6,000 Cuban students and postgraduate students studying more than 100 specialties in Lenin's country.

He added that there is also broad development in cultural and scientific relations which contributes to the mutual enrichment of both peoples. One example is the Intercosmos program.

Timokhin feels that the fraternal friendship between the peoples of the USSR and Cuba develops and becomes stronger from year to year. Contacts among mass organizations, ministries and enterprises grow each year. "The Soviet Union does everything possible so that Soviet-Cuban relations will be solider and more effective."

Aid to Agriculture

He then cited the words of Fidel Castro in his speech to the 25th CPSU Congress: "Our people are proud of the relations with your great country. They are an example of the practice of internationalism, mutual understanding, respect and confidence.... Only socialism makes such relations between peoples possible."

Since agriculture is Timokhin's field, we asked him about Soviet aid to Cuba.

"Our country gives multifaceted aid to the fraternal people of Cuba for the development of this important sector. Investments in the agricultural sector increase from year to year, production increases and the supply of agricultural products to the people as well as tractors, combines, machine tools to make parts, chemical products for plant health, agricultural equipment, etc., has improved."

He announced that Soviet and Cuban specialists are working on the problems of mechanization, use of chemicals in agricultural production, construction and exploitation of irrigation systems, development and selection of rice, consolidation of veterinarian and plant health services, conservation and exploitation of land, development of livestock, scientific research and other tasks.

Then he referred to the transformation in the rural sector due to the increase in hospitals, schools and agricultural installations, increased mechanization of agricultural tasks, formation of cooperatives and the creation of peasant free markets. All of this notably improves the standard of living of the peasantry and the supply of agricultural products to the people.

Last, Timokhin recalled that this is the year of the 110th anniversary of Lenin's birth, the 35th anniversary of the victory over fascism, the 27th anniversary of 26 July and the year of the Second Party Congress. "Remembering the glorious revolutionary path of the Cuban people, we can say with satisfaction that neither the economic blockade or the aggressive tricks of Yankee imperialism can slow down the advance of socialist development in Cuba since it has faithful and staunch friends."

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AREAS OF RAISED BEDS SUGARCANE PLANTINGS INCREASED

Havana TRABAJADORES in Spanish 6 Nov 80 p 3

[Article by E. Barrero: "Raised Beds Sugarcane Plantings to Be Extended to Several Provinces With Black Soil and Poor Drainage"]

[Text] Villa Clara experiment, noted by Fidel at Sugar Growers Congress, to be exploited.

Raised beds sugarcane plantings are to be extended to provinces such as Granma, Sancti Spiritus, Ciego de Avila, the southern coast of La Habana and other regions where there is black soil with poor drainage which produces losses of up to from 20 to 30 percent of the plant population.

Engineers Sixto Hernandez and Pedro Pablo Acosta of the Ministry of the Sugar Industry explained the work that is to be done in connection with this at the Second Sugarcane Harvest Information Seminar for newspapermen who cover this sector which is in progress at the ministry's vocational school.

They said that the Villa Clara experiment, noted by Fidel at the Sugar Growers Congress, will be exploited by other provinces in which the population and plantation yields are still being considerably affected.

Raised bed or bank — as it is also called — planting consists of digging two furrows, one shallower curving up in the form of a ridge or raised strip of ground and the other deeper to promote drainage.

The [project] heads from the Ministry of the Sugar Industry explained that Jaronu 60-5, which works well for the whole crop, together with Cuba 8751 will be the basic varieties that will be developed in the next few years, along with seven or eight others, which will make up what they describe as a good combination, better than that of previous years.

They asserted that more important than the varieties themselves is the use that is made of them and called on growers to use each of them effectively, both in planting and in cutting according to their characteristics of germination and maturity.

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NEW MECHANIZED VEGETABLE PLANTER UNVEILED

Havana GRANMA in Spanish 11 Nov 80 p 4

[Article: "Agustin Hernandez Tells Us About the Stanhay Machine and the Area Where Vegetables Are Being Introduced"]

[Text] Agustin Hernandez, in charge of enterprise vegetables, is the comrade on whom the Stanhay S-870 machines project, which our commander-in-chief referred to in his closing speech at the 16th Sugar Growers Congress, to a large extent depends.

Cuquito, as this efficient technician is known to everyone, spoke for GRANMA:

"The Stanhay is a very complete and sophisticated piece of equipment which in the planting of vegetables offers us an opportunity to get what we want, whether it be in terms of the distance between plants or groups of plants. It also represents a great saving in terms of our labor force, a saving in seeds of between 40 and 50 percent and, of course, because of its precise operation, it assures us of high yields at the end of the harvest.

"It is undeniable," he added, "that the technical complexity of the equipment requires that the operator and all of us who have anything to do with it be trained, but in this aspect of the matter we have not run into any problems since our operators are versatile and, furthermore, have been very much on the ball and ready to accept guidance from the experts and make use of the equipment in the proper way. In our enterprise we at present have three comrades from Granma Province who are being trained for the introduction of this equipment in their province at some future time.

"Another important feature of the Stanhay is that a larger number of plants can be successfully grown. The number that could be planted in a [square] meter before can now be doubled which, of course, means more productive ares. Concerning the 4 caballerias [1 caballeria = about 33.5 acres] on which vegetables are being introduced, which we are taking care of in our enterprise, I can tell you that we started on them on 7 January of this year under the guidance of our commander-in-chief who, with his repeated visits, offers us great encouragement in our work and is concerned with each little detail on each of the varieties and species we are planting."

And Hernandez went on:

"Here in the experimental area, we have varieties that can be called unknown or of low consumption to date, high vitamin-content varieties that will enable us to increase our population's consumption of vegetables. Among them, we may list: kohlrabi, cauliflower, leek, Brussels sprouts, parsley, saltwort, eggplant, hot chili pepper, broccoli, mustard, dill, chive, chicory, squash and others for a total of 64.

Finally, in his extensive explanation he emphasized the great advantage of having equipment like the Stanhay with which through computations planting is programmed and holes are punched in the belts, according to the type of seed and the type of planting, by the man in charge of vegetables and the man in charge of mechanization. Furthermore, test raised beds are planted first to avoid any errors in the regular planting.

11,466
CSO: 3010

MEETING DISCUSSES NEW TYPES OF SUGARCANE TO BE USED

Havana JUVENTUD REBELDE in Spanish 13 Nov 80 p 1

[Article by M.A.P.]

[Text] During the 1981 and 1982 plantings, the Barbados 4362 and 42231 varieties (affected by rust and coal respectively) will be completely replaced in the country's canefields.

This was announced by MINAZ [Ministry of the Sugar Industry] First Vice Minister Raul Trujillo at the inauguration of the Fourth National Conference on Sugarcane Varieties and Seeds which will be in session until tomorrow at the Ministry of the Sugar Industry Training Center.

During his talk, Trujillo made a detailed analysis of the work that has been done on the varietal program since the first specialized conference was held in 1965.

He explained that this Fourth National Conference was being held following a thorough rank-and-file (districts, enterprises and provinces) effort in which 12,500 researchers, professionals, farm workers and farmers studied and analyzed the points to be discussed at the conference that is being inaugurated today.

"The appearance of rust," Trujillo said, "suddenly upset the country's cane cultivation insecticide situation. This disease attacked the Barbados 4362 variety which had been planted on some 30 percent of the country's canefields and the plantations suffered harvest losses of more than 50-60 percent at some mills and in some provinces."

To counter this disease, in the past year a group of 12 varieties that could replace the Barbados was rapidly developed. During the last 2 years of the 5-year period shortly to come to a close, 114,000 hectares were planted with these.

Thirty-four centers for registered seed, coinciding with the same number of agro-industrial sugar-cultivation areas the country is divided into, were set up and a gigantic effort was made to transfer and plant the outstanding varieties so that they could be propagated during the second half of 1979 and this year.

Trujillo emphasized the work that is being accomplished in the geographical shaping of sugarcane cultivation, which has made possible greater utilization of available land, concentration in some areas or recovery of fallow land, [improvement, elimination, etc. of] poorly located or overly wide canefield paths that merely serve

to harbor weeds which work counter to technical farming plans and mechanization.

Proper organization of the land enables us to carry out the definitive irrigation and drainage projects that are so necessary for the development of [high] sugarcane yields.

The productivity of the manual and mechanized labor involved also benefits from the organization of the cane-growing areas into compact blocks of from 75 to 100 hectares (for planting as well as for harvesting) while at the same time the control over and management of farm activities are facilitated.

In connection with this the MINAZ has outlined a plan extending until 1985 which contemplates the organization and concentration of over a half a million small fields into some 20,000 blocks containing similar stocks and varieties and on which the same mechanized farming techniques are used, permitting the increased productivity of both labor force and sugarcane.

Trujillo stressed the research effort in the field of sugar production that has evolved these past few years and encouraged experts and specialists to continue the path they have been following as concerns the agronomic improvement of sugarcane varieties.

Tomorrow morning the 1976-1980 varieties program will be discussed and after that the delegates will meet for different working sessions.

Diocles Torralbas, a member of the party's Central Committee and minister of the sugar industry, Luis Martell Rosa, secretary general of the Sugarworkers Union, and a delegation from the people of our sister republic, Nicaragua, which is developing its activities in the domain of sugar production, presided over the inaugural ceremony.

11,466
CSO: 3010

CORDE ENTERPRISES SEEN FACING BANKRUPTCY

Santo Domingo EL CARIBE in Spanish 7 Oct 80 p 1 C

[Article by Minerva Isa and Tulio Navarrete]

[Text] The deficit enterprises of the Dominican Corporation of State Enterprises (CORDE) will go bankrupt if they do not improve their financial condition, in the opinion of economist Bernardo Vega.

Vega believes that if that situation persists, the only suitable alternative will be to sell those enterprises.

These opinions are contained in the book, "Evaluacion de la Adminstracion de las Empresas de CORDE 1962-1977" [An Evaluation of the Administration of the CORDE Enterprises, 1962-1977], in which Vega analyzes the condition of those enterprises during that period. It was placed in circulation yesterday at La Atarazana Restaurant.

In his conclusions, Vega indicates that the analysis demonstrates "how costly it has been for the nation to subsidize part of the state economic patrimony.

"With the coolness of perception gained from the 19 long years which have passed since the historic events of 1961 and supported by an objective analysis of the figures, we believe that the mystique of the nontransferability of state enterprises must give way to an attitude of withholding investment from nonpriority areas and to a rigorous participation in strategic areas more suited to state activity," he says.

He concludes that "if the deficit enterprises do not improve their situation or their sales, it might well be that they will meet the fate of the eight CORDE enterprises which have already closed their doors, in which case their sale at this time is obviously a more suitable choice."

Vega points out that those enterprises have not contributed to the process of accumulating public capital, nor have they been a motive force in development.

He says that CORDE, acting as a holding company, has made no transfers since 1970 to the national treasury from its net profits as owner of the stocks of 33 public enterprises.

He says the profits it receives from productive enterprises and from its stocks in retail enterprises are used, rather, to subsidize those which are failing, through

loans which are of "doubtful repayment" possibilities. "The 33 enterprises themselves have contributed to the treasury, but at a slower rate than the contributions from the rest of the economy. In addition, a single enterprise--the Tobacco Enterprise--pays 79 percent of all the taxes paid by CORDE enterprises, and the tax rate on cigarettes was increased in 1974," he indicates.

At the same time, if it were not for this, the fiscal income of the CORDE enterprises would not have increased.

Vega says that the number of employees in the 33 enterprises, as well as in the CORDE offices, is excessive with relation to their production and sales. He maintains that sales have increased since 1962 "much less than the national economy, and those enterprises have not demonstrated an agressive sales policy."

The economist, who presents a series of statistical tables in his book, notes that the net profits, before income taxes, in 1962 of all 33 enterprises together were 4 million dollars.

Fifteen years later, in 1977, they had increased to barely 5.2 million, and in 1978 they did not even show any joint profits.

"During those 15 years, 19 enterprises had losses and only 16 accumulated profits. The joint profitmaking potential of those 33 enterprises in 1977 represented barely 8.9 percent on the investment, a rate equal to what is received on term deposits in this country," he indicates. He points out that in no case have the CORDE enterprises stimulated national agricultural production, and he cites Virginia tobacco, cotton, oleaginous products and sisal.

He indicates that in those 15 years, only five enterprises significantly increased their production capacity to cope with increased demand.

The economist maintains that "their contribution to the balance of payments decreased because their exports dropped compared to the volume of exports before 1962 (salt, gypsum, marble), and they were unable to replace imports with local products.

"In addition, their deficits and working capital requirements were financed in part with foreign loans at commercial rates and terms. In 1978, CORDE and its enterprises owed 75.6 million dollars--6 percent of our foreign debt," he says.

Vega says that CORDE and its enterprises established, during those 15 years, "a whole infrastructure of created interests linked to the enterprises."

He adds that "this includes surplus workers and employees who resist being laid off; the interests of political parties in managing those enterprises, so that they can place more party members in them and obtain funds; a network of suppliers of goods and services for them, etc.

"This entire infrastructure would resist the transfer of these enterprises to the private sector."

Vega also concludes that few of the CORDE enterprises have the characteristics usually applicable to the "state enterprise, which typically has come about at the initiative of the state--and not as a political accident--in the Third World."

Vega referred to one of the recommendations contained in his book concerning the sale, in some cases entire and in others partial, of the stocks which CORDE owns.

He said that the book differs from previous studies published by the Economic Commission of the Academy of Sciences of the Dominican Republic, because it is the work of a single author, and the specific subject is the evaluation of the administration of the CORDE enterprises during the 16 years from 1962 to 1977.

Vega was the main speaker at the ceremony introducing his fifth book on economics. The economist has published three works on archaeology. The ceremony was attended by the vice president of the republic, Jacobo Majluta; the director of CORDE, Dr Mario Fernandez; Pedor Troncoso Sanchez, president of the Academy of Sciences of the Dominican Republic; Jose del Castillo, president of the Manuel Garcia Arevalo Foundation; and Jose Niguel Bonetti, president of the Dominican Industrial Society, among others.

8735
CSO: 3010

JUNTA MEMBERS DISCUSS ELECTIONS, REFORMS IN COJUTEPEQUE

San Salvador EL MUNDO in Spanish 3 Oct 80 p 3

[Text] The members of the Revolutionary Government Junta reemphasized in Cojutepeque "that the present regime is a temporary one and that among its priority actions are elections in which the citizenry, formed into political parties, can select its future government."

The junta visited Cojutepeque, the departamental seat of Cuscatlan, yesterday, in another of its trips into the interior of the country to maintain personal contact with the inhabitants and get to know their problems and most urgent needs, according to official sources.

Of the five members of the junta, the only one absent was Col Jaime Abdul Gutierrez who, according to an official bulletin, was not able to go due to an urgent engagement in the capital, but he sent cordial greetings to the people.

In addition to the members of the junta, several ministers and subsecretaries were present, and the authorities of all of the municipalities of the Department of Cuscatlan, as well as the local inhabitants, listened to the visiting officials.

The four members of the junta spoke of the breadth of the political, economic and social reforms which every day are becoming more secure. The official bulletin indicates that the government leaders were in agreement in assuring that the revolutionary process based on the Proclamation of the Armed Forces of 15 October 1979, "is irreversible" and they stressed that "the basis of success is and will continue to be the participation of all elements in the country, always with the goal of favoring all the people, especially the most needy majority classes: the peasants, workers and underprivileged."

At this event, which took place in the Cojutepeque City Hall, the officials said, "everything is changed in comparison with the situation that existed in the country before 15 October" and that "the oligarchy has disappeared and riches have stopped being a spectacle since now, thanks to the agrarian reform, the nationalization of the bank and of foreign trade, social justice has begun to be meted out, and the land belongs to those who work it, the peasants."

It is reported that at the request of several citizens, a minute of silence was observed in honor of Dr Mario Zamora Rivas, who was from Cojutepeque and was assassinated this year.

9204
CSO: 3010

MILITARY GRADUATES ARE NATION'S FUTURE

San Salvador EL MUNDO in Spanish 8 Nov 80 p 14

[Speech by Col Roberto de Jesus Monterrosa, director of the Armed Forces Studies Center [CEFA], at the Center's graduation ceremonies on 7 November 1980; place not given]

[Excerpt] "The armed forces are, by our criterion, essentially democratic and the defender of the people's rights," said Col Roberto de Jesus Monterrosa, director of the Armed Forces Studies Center, in a speech given yesterday at graduation ceremonies for several army officers and addressed specifically to them. Colonel Monterrosa's remarks were essentially as follows:

"In the case of military solidarity and esprit de corps, this is quite obvious (referring to solidarity with the victories of others). We feel that it is in you--as it was in ourselves and in earlier generations, and as it will be in those to come--that the army triumphs and advances. For that reason, as a first thought, let me tell you that in each of you I see the entire army of the republic. And from this thought, as simple as it is important, springs logically, in a flash, a contemplation of the immediate as well as the distant future. In other words, the second thought is this: Each one of you is the future of the country, and we are not thinking of a future which is too distant, or at all distant. Remember that time, which used to be measured in centuries, is now measured in decades, 5-year periods, years, months and even hours. You know only too well how the winds change and how people pass from the scene. But here we are entering the maelstrom of extremely grave danger. Does this mean we must permit ourselves to be carried away by the whirlpool and that there are no longer any permanent values to defend? Here, gentlemen, is the third thought, which seems to contradict the others! Listen carefully: We, in the midst of the whirlpool, in the midst of the fire, like the petrified sentry of Pompeii, must keep ourselves secure. Are we speaking, perhaps of hanging on to fleeting schemes, to outdated ways of thinking, to established interests, to irremediable vices, to traditions which do not make sense? We ask you, as gentlemen, to hear us with good will! Because this is the most timely moment, the most dramatic circumstance, in which we, the military, must validate, in all its enormous significance, the position of firmness which defines and characterizes us. And there is one great truth which is so simple and solid that many reject it indifferently: Only he can remain firm who knows where he is standing, on what foot he is standing, and, better yet, who knows he is standing on both feet.

"May we expand these ideas a little? Because we carry them very deep within us, and that is why we want to express them. It is because we believe that these ideas are a part of military honor, of the ethics and mystique of the men who bear arms. We believe that human life, like the entire universe, which is the work of God, is ruled by certain standards. Each people in particular, and in this case our Salvadoran people, is the expression of his power. And we, called to a sublime and special vocation in the defense of this portion of the divine inheritance, know from the first that we must respect that people and those who follow.

"For this reason we venture to say that, while it is true that there are armies in the totalitarian countries--and it has even been said that the army is, in itself, a neutral institution, capable of functioning in democracies as well as in absolutist regimes—the truth is that armies, where they serve totalitarian regimes, are forging their own vocation and presenting the grotesque spectacle of an historic contradiction. Let history itself be witness to this statement. The armed forces are, by our criterion, essentially democratic and the defender of the rights of the people."

Referring to the concept of war and peace, Monterrosa said, "While it is true that under special and temporary circumstances, war is like an iron band encircling peace, under normal conditions it must be a true and solid peace from which the specter of war keeps its distance." And he explained "that our peace must be so great, so solid, so enjoyable and brotherly that it will in itself be the best assurance against any war."

8735
CSO: 3010

REAGAN INFLUENCE ON U.S. PRESS VIEWS TOWARD REGION NOTED

Guatemala City DIARIO DE CENTRO AMERICA in Spanish 21 Nov 80 p 2

[Editorial: "American Newspapers Change Their Outlook on Guatemala and the Social Situation in Central America"]

[Text] The foreign investment in Central American was reduced by over half a billion dollars as a result of the implementation of the human rights policy promoted by President Carter's administration. The violation of the aforementioned rights increased, and the dissociation from the United States grew.

In the case of Guatemala, the government was criticized for violating human rights, the U.S. military aid was halted and, simultaneously, the political violence increased and the capital went abroad. This statement was made by THE MIAMI HERALD, in an article signed by Alfonso Chardy, published in the financial supplement on Monday, 17 November.

It is interesting to analyze the way in which the American newspapers are changing their outlook on the Central American situation since Mr Ronald Reagan won the elections in the United States.

THE MIAMI HERALD quotes the statements made by President-elect Reagan in Los Angeles at the first press conference that he held after the election, declaring that he was opposed to the line pursued by the United States keeping that country aloof from nations which are basically friendly, as a result of disagreements stemming from some aspect of human rights, with the subsequent discovery that the result has been the loss of all human rights in that nation.

According to THE MIAMI HERALD, it is the opinion of American businessmen that the human rights policy destabilized governments friendly to the United States, to the detriment of United States economic interests.

The president of Chase Manhattan Bank, Mr David Rockefeller, remarked in Rio de Janeiro after visiting five South American countries: "I believe that the Reagan administration will take a more pragmatic view of Latin American problems."

The aforementioned newspaper points out that the projection of the human rights policy has been connected with United States military and financial aid, affecting governments which are anticommunist and in favor of business.

Reagan's election has been giving increased indications that the businessmen are resuming an attitude marked by confidence, in contrast to the attitude that was evinced upon observing the flight of capital from a Central America in a state of upheaval.

2909
CSO: 3010

LIBERAL CANDIDATE SUAZO CORDOVA PRAISES CONSTITUTION, PARTY

San Pedro Sula LA PRENSA in Spanish 13 Oct 80 p 80

[Text] Tegucigalpa--Dr Roberto Suazo Cordova was named the presidential candidate for the Rodista National Movement at the convention which took place yesterday at Danli, El Paraiso.

The official presentation of the liberal candidate marked the beginning of his electoral campaign in that city, a campaign which will continue at the national level until next year's elections.

The president of the National Consituent Assembly stated in his speech that his government will work with the most honest and capable men to further the development of Honduras.

He categorically stated that on election day they will get the votes of all the liberals although there are campaigns in progress which tend to hinder the unity which should prevail in the red-white-red party.

Threesome for Peace

Suazo Cordova, the political heir of the "lion of liberalism," Modesto Rodas Alvarado, said that workers, peasants and private enterprise form a threesome for peace, a key support for the social tranquillity we are now experiencing.

In this context it has been demonstrated, in his opinion, that we Hondurans are sufficiently capable of solving our own problems without needing to resort to the importation of exotic theories.

Democratic Constitution

The Rodista leader, applauded by hundreds of fellow party members from various parts of the country, stressed that the new constitution of the republic will express "the longing of the people for recovery and peace.

"In it, we are not going to trample on the workers and peasants; we will try to consolidate their gains, but we will never be against private enterprise or fail to respect it," Suazo Cordova emphasized.

In another connection, he explained that the National Constituent Assembly is practicing true administrative austerity and hence no action will be taken which is contrary to the economic interests of the people.

He asserted that the liberal officials of the present acting government are working under instructions to that effect, realizing that public administration must not be treated as a personal domain but should be exercised for the benefit of the people.

Call for Registration

The Liberal Party (PL) presidential candidate called upon his followers to get their documents in order and register if they have not already done so, so that they will be able to vote in future elections.

With faith in God and in the spirit of Rodas Alvarado, Suazo Cordova ended his speech by asserting that he will win in the 1981 elections and promised to form a government of unity.

9204
CSO: 3010

CST LEADER REAFFIRMS WORKER UNITY AT FSLN RALLY

Managua BARRICADA in Spanish 21 Nov 80 p 7

[Speech by Ivan Garcia, secretary general of the Sandinist Workers Federation (CST); date and place not given]

[Text] Speech by Comrade Ivan Garcia, secretary general of the CST, on behalf of the mass organizations in our country and the Union Coordinating Association of Nicaragua:

The united people will never be defeated!

The armed people will never be crushed!

Comrade members of the National Directorate of the FSLN [Sandinist National Liberation Front]; comrades on the National Reconstruction Government Junta; comrades on the Council of State; my brothers in mass and union organizations; my worker brothers in general:

I felt that I should make several remarks today, as the people of Managua reaffirm once again their solidarity with and unqualified support for the National Reconstruction Government and the vanguard of this revolutionary process, the Sandinist National Liberation Front.

Since the very day of the revolutionary triumph, 19 July, we workers have been giving an example, but even more than that, pursuing a policy consistent with the national reconstruction process.

We have seen how despite our major limitations and the degree of poverty in which we still live, the workers have been exerting intense efforts, as I pointed out previously, to get this country's economy moving again and to rebuild Sandino's homeland. And if we have not, take a look at the attitude of the workers in factories, take a look at the attitude of the workers in the fields, devoting themselves day after day, hour after after, minute after minute to boosting production, convinced that to the extent to which we workers boost output, we will be moving forward in consolidating and developing the Sandinist People's Revolution. This is also a good time to point out that while our workers and our people are exerting these efforts, a number of hesitant, reactionary sectors are joining the counterrevolution instead of becoming part of the national reconstruction process.

During this entire year we workers have given evidence of our unity; we have progressed in our unity, convinced that worker unity is fundamental for developing and preserving the Sandinist People's Revolution.

The union organizations in this country recently took a big step forward along this path and set up the Union Coordinating Association of Nicaragua. On the same occasion we denounced the opposition to national unity voiced by several parties such as the Nicaraguan Democratic Movement, the Democratic Conservative Party and others. We workers can see how instead of joining in the call for national unity so fervently voiced by the FSLN and our people, they are engaged in efforts contrary to national unity and the national reconstruction process.

The union organizations belonging to the Union Coordinating Association of Nicaragua, and the mass organizations of the FSLN reaffirm their desire for unity. We appeal to patriotic sectors to join us in the tasks of national reconstruction and we point out once again that the workers and the people in general will know how to respond to the maneuvers of the reactionaries and the imperialists.

Long live the Council of State!

Long live the National Reconstruction Government Junta!

Long live the Sandinist National Liberation Front!

8743
CSO: 3010

PARTIES, COSEP SCORED FOR CREATING 'ARTIFICIAL CRISIS'

Managua BARRICADA in Spanish 17 Nov 80 p 3

[Text] The political game being played directly by the minority rightwing political parties has been completely exposed. They sent up the trial balloon of the "artificial crisis," which was burst by our people's revolutionary energy, thus relegating them to total political isolation.

These tiny groups, the MDN [Nicaraguan Democratic Movement], PCD [Democratic Conservative Party], PSC and PSD, which call themselves parties, employed the "scissors tactic." On one side they essayed their principal attacks against Sandinism and staged "the withdrawal" from the Council of State and, after their failure, they are now presenting their other apparently good-natured side of wanting to help "resolve" the situation. A vain endeavor, because with their nationwide rally the masses have put things in their place.

These parties have been meeting and making joint pronouncements to prepare for their political maneuver. They intensified their activities in recent weeks:

1) On page 9 of the 5 November issue of LA PRENSA, these groups published a joint, proimperialist pronouncement supporting IAPA [Inter-American Press Association]. The declaration was signed, in fact, by PCD, PSD, MDN and several reactionary representatives of economic and trade union organizations. The operation was without doubt directed by these political groups.

2) On 6 November LA PRENSA published a news item in which the MDN extended an invitation to other "political parties" and "worker federations" (page 9).

3) On 9 November LA PRENSA reported on a meeting of these parties to make common cause with the MDN. Once again these groups announced that they would be meeting with representatives of economic and trade union organizations.

4) In addition, these groups, the PSD, PCD, MDN and PSC to be exact, have been advertising their radio programs on Saturday and Sunday (see LA PRENSA, 8 November, page 12).

5) To create an atmosphere of suspense, the day before the assembly of the Council of State they spread the rumor that they would probably withdraw from the council meeting. A radio station broadcast the item, in fact, and what is more, a cable agency publicized the account internationally.

6) Early this week the most reactionary leaders of COSEP [Higher Council of Private Enterprise] published a full-page communique in LA PRENSA containing their main attacks against the revolutionary process in the political, economic and social spheres.

It is easy to demonstrate that these political and social attacks are the same ones that the minority rightwing groups had previously been leveling at Sandinism. In other words, it is plain to see that these parties had indicated how the pronouncement should read.

7) The COSEP statement contains the same basic attacks on Sandinism as the minority groups themselves had previously launched. To be more exact, these political arguments had already been published on page 5 of the 4 November issue of LA PRENSA under the amusing title of "Resolutions of the Great Conservative Convention."

These are the same attacks that the MDN has spread around overseas by means of a "canned" interview with Robelo on a Peruvian TV channel.

The Mobilization of the People Will Expose the Minority

The energetic mobilization of our people in defense of the Council of State, in defense of the people, in defense of national unity has exposed these tiny political groups. Seeing themselves exposed, they tried the other blade of the scissors...The first blade was like a "tragedy" with the note of suspense that they created in spreading the rumor of their withdrawal from the council... but now their tactics, once exposed, are like a comedy.

The PCD is now publishing a pronouncement claiming that it "is worried about the dangers confronting the revolution" and, like midnight virgins, proposing "eight points for freedom," thus endeavoring to fool its own members. They portray themselves as negotiators and as "doctors" of the revolution when they themselves are the disease, when they themselves have staged the "artificial crisis."

If we analyze their "points for freedom," we see that they are nothing new. They are contained in the COSEP pronouncement of early last week and are also listed on page 5 of the Tuesday 4 November issue of LA PRENSA, where they outline their electioneering platform and even call for the "organization of nationwide campaigns."

The above shows that the farce has been exposed. With their latest communique they have again unmasked themselves. Their so-called "points for freedom" do not contain a single point that would benefit the people.

There is not a single proposal, suggestion or idea that would be of benefit to the people. They are only trying to gain more political space, because the masses have narrowed it so much with their nationwide mobilizations.

The people are mobilizing and calling for unity with the honest, not the charlatans. They are calling for national unity against imperialism and to rebuild the homeland. Meanwhile, these tiny groups are against unity and for imperialism.

They have been cutting themselves up with their "scissors tactics." The energetic masses continue to take to the streets to forge national unity against imperialism and the reactionaries and for the homeland and the revolution.

8743
CSO: 3010

PCD URGES EVALUATION, REVISION OF REVOLUTION

Managua LA PRENSA in Spanish 15 Nov 80 pp 1, 9

[Text] The Democratic Conservative Party of Nicaragua, conscious of and concerned about the dangers confronting the Nicaraguan Revolution, both because of the internal shortcomings and diversions of its usufructuaries and on account of their repercussions and consequences in other countries, mainly in neighboring nations and those without whose support and aid it would not have been able to achieve its triumph of 19 July 1979, echoes the timely call for national unity voiced by Mrs Violeta Barrios de Chamorro in her message of 7 November to the Government Junta and to all Nicaraguans. Moreover, in the wake of political development in recent days, the National Reconstruction Government Junta has come out insistently for national unity and political pluralism.

The Conservative Party feels that the current situation can and must urgently be assessed by the political forces in our country that made up the complex front of combat unity without which victory would not have come over the Somoza dictatorship, both in the armed struggle and in the no less difficult field of international politics.

Unfortunately, this national unity front, originally based on a clear-cut and open political pluralism, was not structured with the legal and political solidity that the historic juncture and democratic realities required. Thus, amid the interplay of partisan and personal ambitions and ideological preponderances, it has gradually deteriorated and has practically been displaced by mounting mistrust of government plans and by confrontations between ever broader segments of the Nicaraguan people with the single party system that they seek to establish in Nicaragua.

This trend, which runs counter to democratic pluralism, and the Marxist direction and orientation of the government party have to a degree placed the Nicaraguan Revolution outside our country's historical context and hemispheric realities in geographic and geopolitical terms. Recent political changes via elections in countries in the Americas have more sharply outlined this context, leaving little room for more or less confusing moves towards orbits and systems outside the continent. Under these circumstances, it is all the more obvious that our Nicaraguan Revolution will be able to develop as revolutionarily as it wants only in accordance with the democratic parameters of the West and, more specifically, of the American continent. In fact, it was based on such an agreement and under the auspices of the Organization of American States that the Nicaraguan people

carried out their revolution. This ideological position was clearly embodied in the government program promulgated on 18 June 1979 by the National Reconstruction Government Junta.

In light of the dangers threatening our revolution and in light of the serious economic situation that in the months to come could reach catastrophic levels and cause painful developments for our long-suffering people, a supreme effort is required to consolidate a national unity capable of staving off these tremendous evils.

The revolutionary process must be immediately reassessed and made to square with original projects, with the government program of 18 June 1979, which contained the revolution's commitment to the Nicaraguan people and to the democratic governments of the continent that lent it their most resolute support.

The Democratic Conservative Party feels that the assessment we have called for must be begun as soon as possible. The following would be the main points to this end:

I. Pluralist organization of the National Reconstruction Government Junta.

II. Restructuring the Council of State with a balanced representation of political forces and eliminating the military presence on it.

III. Establishment of authentically national Armed Forces and police, without the partisan designation and nature that they currently have, as set forth in Point 1.12 of the Political Area of the 18 June 1979 Government Program and Article 24 of the Fundamental Statute.

IV. Full guarantees of freedom of the press and of information, as called for in Point 1.4 of the Political Area of the 18 June 1979 Government Program, and revoking Decrees 511 and 512, which encroach on this freedom.

V. Compliance with Point 1.1 of the Political Area of the government program in connection with the legislation needed for the organization and unfettered operations of political parties without ideological discrimination and on an equal footing.

VI. Establishment of a multiparty commission to draw up an electoral bill that the Government Junta would have to submit to the Council of State under Article 18 (as amended) of the Fundamental Statute, as well as a Law of Municipalities.

VII. Setting specific dates for municipal elections and the election of members of the Constitutional Assembly, and specifying the nature of these elections according to the provisions of Article 28 of the Fundamental Statute.

VIII. Setting a date for the restructured Council of State to draw up the draft political constitution called for in the Fundamental Statute.

IX. Revision of the laws permitting unjust confiscations and attachments of private property; the elimination, in practice, of arbitrary and illegal measures against owners, and review of cases of obvious and proven injustice.

X. Compliance with the recommendations of the International Commission of Jurists and the OAS Human Rights Commission, mainly in connection with the autonomy of and respect for the judiciary and the improper functioning of the special tribunals.

XI. Publication of the general budget of the nation, and informing the public as to the use and handling of budget items, as well as of the confiscated assets that the state is administering.

XII. Revision of study programs and educational policy, based on the right of parents to choose what kind of education their children ought to receive, a right enshrined in Article 26 of the Universal Declaration of Human Rights, which the Revolutionary Government promised to respect.

XIII. Based on the temporary nature of the current government, an agreement on the quickest and most appropriate process enabling our people to decide the definitive course of their revolution through free and honest elections.

Immediate consideration of these points and others that might emerge by all of the country's political forces would strengthen the revolution and avert the danger of confrontations and violence among Nicaraguans, because we would be resolving our problems and differences in the civilized and democratic way that befits a people who struggled for their self-determination and freedom in opposition to any sort of outside control and oppression.

Managua, 12 November 1980
Democratic Conservative Party of Nicaragua
God, Order, Justice
National Executive Council
Clemente Guido, National Coordinator
Adolfo Calero Portocarrero, Political Secretary

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EDUCATION VICE MINISTER DISCUSSES WORK-STUDY PROGRAM

Managua LA PRENSA in Spanish 17 Nov 80 p 9

[Interview with the vice minister of public education, Dr Miguel de Castilla, by Adriano Guillen; date and place not given]

[Text] The vice minister of public education, Dr Miguel de Castilla, has granted LA PRENSA an interview on the work-study program, an issue of major interest to Nicaraguans.

Dr Castilla began by saying: "I understand LA PRENSA's interest in posing direct questions to me regarding the charge leveled at the work-study program in connection with its Marxist-Leninist theoretical roots. I understand this in the sense that even before 19 July the enemies of our revolution have accused our leaders and accused our revolution to the effect that we were going to be a second Cuba or that all of our economic and cultural programs were going to be brought in from communist countries. In light of this charge against our revolution, and due to the very fact that it calls itself a revolution (because it is, and one of the best, even before 19 July, when Ernesto Cardenal said that we were going to be a new Nicaragua, not a new Cuba), it is to be expected that our people with very low levels of political instruction and the enemies of the revolution, the traitorous bourgeoisie and the imperialists would try to tie this in with and to find in every Education Ministry project the characteristics of an ideology that is strange to them.

"I am asserting," he continued, "that the work-study program stems basically from national needs and has a national background, not from the precise moment of the revolution but from 10, 12, 20 years of ongoing education, such as the rural teachers school in Esteli, which was developed under Point 4 of the American program, whereby the students grew their own food.

"This is a Nicaraguan project, and we are proud of it," the vice minister stressed. "It is a project by Nicaraguans, and

what bothers us is not that they think it is a program with influences from outside our society and our own brains, but that the comrades who so criticize the program think that our people do not have the ability and are offending the intelligence of our people and of the intellectuals allied with our people, this country's progressive and revolutionary intellectuals.

"It bothers us that they think that we needed, that our guerrilla leaders, for example, needed Cuba or other revolutions to wage war in this country.

"It bothers us that they think that in order to formulate our health care and economic programs we have to turn to other brains to pursue the programs that our people and progressive intellectuals are carrying out in this country. That is what bothers us, because they underestimate us. In this regard, I want to assert definitively, once and for all, the following (it's a shame that as late as today I still have the opportunity to say this, because if they don't believe us, it's their problem): the work-study program that will be conducted from 1 to 20 December is a program born of production needs, since the schools will be open when the four commodities are being harvested. Students have traditionally dropped out of school during this period because a lot of them join the harvest and don't go back to school because they have lost a lot of days. We have to lend continuity to the most Nicaraguan teaching development in our country, the CNA, since the schools were founded in 1875 during the era of the conservatives. The closest forerunner of this project is the National Literacy Campaign."

Common Ground in Capitalism and Socialism

Castilla mentioned that the common ground between the capitalist and socialist theories of education is the result of historical experience. "To us these are historical needs for our educational system in its ongoing search for new educational methods to break with Somizist education and create a new kind of man who will lend continuity to the revolution. I would like to make it absolutely clear that the work-study program was formulated in the Education Ministry, with ANDEN, in other words, with this country's teachers, with student organizations and with parents," the vice minister said emphatically.

"It is our specific educational and production needs that force us to propose and pursue projects such as this one," he added.

Philosophical Foundations

Question: With regard to your argument about the national origin of the work-study program, I would like to remind you that the material that LA PRENSA had in its possession...

Answer: No, the minister quickly said. The material that you had in your possession, the pamphlet "Philosophical and Psychological Foundations of the Work-Study Principle," which is from Cuba, 10 pamphlets that were distributed in the occupational guidance and professional training workshop of my ministry, is different from the work-study project. The work-study project is being worked out in the educational programming division of the Planning Vice Ministry. The other thing was a very specific seminar by the school counselors.

Question: But that material will be used by the school counselors nationwide. And the only one of the 10 documents that deals with the philosophical principle of work-study is the Cuban Marxist-Leninist document, which talks about the training of young people through work-study to develop themselves as young communists to establish a socialist society that will eventually become communist. And it is a publication of the Cuban Education Ministry.

Answer: To respond to your concerns in this regard, I will tell you first that it was not the Occupational Guidance and Professional Training Section that drew up the work-study program. These are two different things. The seminar was for the theoretical, conceptual and technical training of our school counselors throughout the country, basically for their everyday work in intermediate schooling institutes. But the entire student community, even the school janitors, are involved in the work-study program. It is the Educational Policy Division of the Education Ministry Planning Department that is formulating the work-study program, which has been printed in pamphlets that are going to be distributed nationwide, he emphasized while presenting me a copy.

Question: But isn't the material that they studied at the workshop going to be applied by the counselors in performing their functions?

Answer: Of course, the vice minister answered, adding:

The Right to Culture

[Answer continued] But what is the story with this document? As of 19 July 1979 our country won the right to universal culture, when it fought behind the vanguard of the FSLN [Sandinist National Liberation Front]. An extraordinary list of forbidden books was found at customshouses. In August 1979 we wondered who might have the three volumes of Karl Marx' "Das Kapital" and we looked for the people who might have hidden them away. In Costa Rica this literature is right next to Reader's Digest books, and it was banned here, my interviewee reminded me.

To continue, it was my job to study education over the last 100 years in our country and to demonstrate the degree of "Pentagonization" of education in our

country since 1952, since Truman's Point 4. The program was supervised directly from Washginton, and the ODECAROCART books were part of an imperialist plan in Central America. The 1974 educational plan was worked out by American experts with a small counterpart group of three Nicaraguan experts in Somoza's Education Ministry. There was no chance for progressive UNESCO thought at the time.

But the former teachers and experts at the Education Ministry have now won the right to inform themselves, and each Friday we instruct them by means of a Nicaraguan lecturer and by combatting previous practices.

We believe that the method of historic and dialectical materialism has been verified as a scientific method of grasping reality.

We think we can predict developments so that we can plan them perfectly, so that social developments do not take place on their own. Somozism and the bourgeoisie were interested in concealing reality, but we cannot refuse to learn these methods and apply them along with others such as American pragmatism. So then, the big commotion over a Marxist-Leninist document is countered by the right that our people won, and it is the people who are making use of this right at the state level. We are not bashful revolutionaries, as in the past, when we had to hide "Che" Guevara's books from which we learned socialist planning.

Question: Nevertheless, a number of books have currently been taken out of circulation in Nicaragua; works by Sweezy, Betelheim that were part of an INRA [National Institute for Agrarian Reform] were not distributed.

Answer: No, that cannot be, de Castilla replied.

Question: I would like to get back to the work-study program. You said that the ministry is interested in meeting current production needs through the program. But hasn't it taken into account the level of unemployment among laborers and peasant farmers? Isn't the ministry's proposal a bit unrealistic in this sense?

Answer: We have proposed three ways of pursuing the project. One, work at schools, whereby the state is going to save a lot of cordobas having students fix school furniture. Two, work in the communities, where we are going to save enormous amounts of cordobas putting up blocks of houses, cleaning ponds, ditches, forests. And three, coffee production work.

Who do we think are going to be involved? The people who have always been involved. We are simply declaring an official vacation break so that they do not drop out, so that, instead, they get the school's permission to work in the coffee harvest. It is not true, then, that we are going to bring 5,000 new workers into the coffee, cotton and sugarcane harvests. We hope that most of the students remain in the communities, concluded Miguel de Castilla Y Urbina, the vice minister of education who is responsible for educational planning in Nicaragua.

Question: Getting back to a previous point, when you quite correctly noted a historical development as the "Pentagonization" of education, I would like to convey to you through this question a concern that parents have expressed in the pages of LA PRENSA. Isn't our school system becoming "Cubanized"? Since the topic is so important, however, I would like to ask you for another interview right now.

Answer: Bring the necessary documentation in this regard, because this is a delicate and very serious matter that I am, of course, willing to take up publicly in any conspicuous forum. Of course I will grant you the interview that you are asking for, Vice Minister de Castilla concluded politely.

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CUS PROTESTS INCREASING DECLINE OF LABOR FREEDOM

San Jose LA NACION in Spanish 6 Nov 80 p 10-A

[Excerpt] The Nicaraguan Committee for Labor Unity (CUS) has accused the present Nicaraguan Government of committing a number of abuses, from union persecution to persecution of public employees in that nation.

CUS made the accusation during the 12th regional congress of the Confederation of Central American Workers (CTCA-ORIT [Inter-American Regional Organization of Workers]) held in San Jose at the end of October and the beginning of November.

The participating delegations also brought up aspects of employment and under-employment, worker education and social and economic problems in Central America.

Nicaragua

The Nicaraguan representative to CUS, Jose Espinoza Navas, said that a special phenomenon is taking place in his country, since in that nation the "democratic revolutionary forces which created the revolution are only used as traveling companions for delegations going to other countries, and that they have no right to express their opinions, since that is an exclusive right of the direct representatives or leaders of Sandinism."

He said that in Nicaragua there is no right to strike, nor can collective conventions be held, and anyone who does so is arrested.

He also said that in that nation "we find ourselves in a Sandinist revolution which has created a powerful, total mechanism which enters all national levels, from the school to the army, and promotes the idea that there is no room for any other tendency, and that the objectives they fought for are daily becoming further and further away from the true goals of that people."

In another part of his accusation, Mr Espinoza said that Sandinist Maj Tomas Borge has accused the CUS of instigating the problems at Bluefields, where, according to reports, there were popular uprisings last month because of displeasure with the Sandinist government.

He added that a similar situation occurred in Esteli, "where the Sandinist militia destroyed the CUS offices and took away all the furniture."

Finally, he said that the present situation of the free and democratic trade unions and the public employees is extremely difficult, since the government of that country has vowed it will destroy the CUS because it is antirevolutionary.

He said the struggle against dictatorship in Nicaragua has become something worse, and that it is believed much will have to be done in the nation to achieve total liberation.

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BRIEFS

AMBASSADOR DENIES GOVERNMENT CRISIS—The Nicaraguan ambassador in our country, Javier Chamorro, says that that country is not in crisis, as it has been made to appear in international news items published here, and that there is an orchestrated attempt to make that country seem to be in crisis. Mr Chamorro referred to well-known events such as those at Nandaime, where the political party led by Alfonso Robelo was prevented from carrying out a proselytizing demonstration, and he said that that was due to a current law which prohibits political activity and also because at that time, security measures were being taken in view of events which were expected in the northern zone. He also said that the reason for the withdrawal of several groups from the Council of State was to make it appear that there is an internal crisis in the country, but this is not so, the ambassador said. In addition, concerning the news items about incursions into Honduras, he said this is also an orchestration to try to pretend that a state of crisis exists in Nicaragua. "All these maneuvers are part of a premeditated plan of groups and sectors which, along with the Nicaraguan right, are trying to destabilize the revolutionary process," he emphasized. Ambassador Javier Chamorro said the Government Junta has complete popular support and that Nicaragua is moving toward reconstruction and consolidation of the revolutionary process. In addition, he said that the government's plan will continue with its characteristics of freedom, a mixed economy and political pluralism. [Text] [San Jose LA REPUBLICA in Spanish 15 Nov 80 p 2] 8735

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COMMENTARY URGES STRONGER POLICY INITIATIVES ON CARIBBEAN

Caracas RESUMEN in Spanish 23 Nov 80 pp 4-6

[Commentary by Jorge Olavarria: "Venezuela's Role on the Criticial Caribbean Scene"]

[Text] Mr Reagan's election as president of the United States will certainly not be "blameworthy" for the imminent and almost inevitable development of certain critical trouble spots in the area next to Venezuela, which could (everything is potentially explosive in the world in which we live) have complex consequences both inside Venezuela and internationally, in the broadest sense of the word.

But "blameworthy" or not, the Reagan affair could be one of those self-motivating prejudices that of their own strength force men to behave as people think they are supposed to behave, even though they do not intend or want to do so. In any case, the preexistence of intensely critical trouble spots that could be damaging to Venezuela's interests and security in the short or medium r t is a fact that with Reagan, without Reagan, for Reagan or against Reagan (or what he is thought to represent) we will have to confront and grapple with.

Outlined in its most elementary terms, the scenario is one of a widespread "collapsible" situation in a group of tiny countries in the Caribbean area that have no economic or political weight on a world level but that carry considerable weight in terms of their strategic position. The small island of Grenada is the most eloquent illustration of this point, but it is not the only one. On the continent itself, Guyana and Suriname are states that could be "kidnaped" by powerplays (almost police powerplays) that would suddenly place them in the orbit of the superpower outside the continent, so that they could thus serve as permanent bases for subverting Brazil's socially most sensitive region, the northeast, or Venezuela's economically most vulnerable region, which is virtually within hand's reach of Guyana. Skipping the always potentially critical scenarios in the dozen or so minicountries in the Antilles chain that stretches from Puerto Rico to Trinidad, and without analyzing the internal situation in the Bahamas archipelago right off the Florida coast, and above and beyond Cuba, we must focus on the traditionally explosive trouble spot of the island of Hispaniola, with Haiti, the continent's poorest and most backward country, and the Dominican Republic, which is apparently splashing about with difficulty in the midst of seeming democratic stability. Jamaica has just surprised a great many people and is a sort of "consolation prize" amid a generally adverse panorama. This panorama's main trouble spot, marked by the most brutal and bloodthirsty violence, in which Venezuela is inevitably involved, is the tiny country of El Salvador.

El Salvador

Its statistics should not fool us. Twenty-one thousand square kilometers and a population of 5 million, half of whom live in cities, give a population density of 238 inhabitants per square kilometer.El Salvador has one-fifth the territory of its neighbors Honduras and Guatemala, but double Honduras' population and almost half Guatemala's, whose population density is just 64 inhabitants per square kilometer. Such statistics are not, of course, unwarranted. El Salvador has fertile lands, a good climate and the highest degree of industrial development in Central America. Politically, however, El Salvador has had to endure an oligarchical structure that is stubborn, pigheaded and blind to everything that signifies social progress. The complexities of its internal political schemings are irrelevant to the fact that for a long time now, and without anyone bothering to notice it, El Salvador had been in a classic prerevolutionary situation, to which an institutional solution was not found; on the contrary, it became worse and worse until what we are seeing today was unleashed. If the matter had been left alone, perhaps it would have had the same outcome, but confined within this small country. Today, however, it is impossible for any revolutionary movement to give out on its own; rather, it immediately becomes part of the polarization involving the "antis" that are automatically triggered by their opposite, the "pros." Salvadorans are being killed today with arms and ammunition and political or strategic support from overseas. Oddly enough, it is an open secret that the final outbreak of the daily and macabre spectacle of assassins and more or less clandestine, waylaying assassinations waited until after the U.S. elections. An open confrontation in Central America would obviously have had an impact both on the American election itself and on the United States' actual behavior towards the conflict. Now, with the cards on the table for the new hand that will have to play them, with the load of prejudices he shoulders and the no less heavy burden of promises and threats, the El Salvador issue poses a dilemma without simple answers or quick solutions. On the one hand, American military aid to the Salvadoran Junta is obvious and open, just as Venezuelan economic aid is undeniable, and just as Mr Napoleon Duarte's affinities with the ruling party in Venezuela are undeniable. On the other, it is true that at least some opposition sectors, which have an irreversible tendency to cluster around the group connected with the Castro-Sandinist faction, are receiving economic and military aid from these two centers. With the lines thus drawn, we do not yet know how long the conflict can last as it presently being waged. This would punish the masses senseless, slowly but surely erode the prestige of a government that is showing itself incapable of controlling this anarchy and linger until the occasion presented itself for a change in the wake of a power vacuum (as happened in Cuba) or a collapse and flight (as happened in Nicaragua). We do not know whether this is or is not the strategy that has been planned. But what we do know is that as a result of those strange and at times unpredictable paths of politics, Venezuela and the United States are de facto allies and supporters of the Government Junta of El Salvador. Developments over the next few months will prompt numerous and complex conflicts, but the final confrontation...or its outcome, is a terrifying dilemma. If El Salvador falls within the Soviet orbit, we will have a small country of 5 million inhabitants concentrated in an area of 20,000 square kilometers, with a Pacific coastline and bordering on Honduras, Guatemala and Nicaragua, acting as a pincer, along with Nicaragua, for the

immediate destabilization of the governments and the zone and their potential fall within the other orbit of power. If, on the other hand, Mr Reagan, the Republican, does what he is expected to do, he will do what Mr Johnson, the Democract, did when he sent 40,000 Marines into the Dominican Republic, based only on the word of an ambassador with an active imagination, never on a situation like the one that El Salvador is unquestionably in today. Remember that the Dominican Republic is a country with 5 million inhabitants (the same as El Salvador) and an area of some 50,000 square kilometers (double El Salvador's). If Mr Reagan the Republican acts in this instance in proportion to what Mr Johnson the Democrat did, he could send twice as many troops to El Salvador as Johnson ordered to the Dominican Republic. And in that case, what would the Venezuelan Government do? How would such a move be viewed in internal Venezuelan politics? What would we write in RESUMEN? Would we applaud it as "salvaging" democracy? Or would we remember that the Marines were the ones who installed Machado in Cuba, Trujillo in the Dominican Republic and Somoza in Nicaragua and that under the shadow of the guns on American vessels Gen Juan Vicente Gomez staged the 1908 coup d'etat that brought him to power?

Furthermore, would it be possible to explore the possibility of having several countries on the continent (Mexico, Venezuela, Colombia, the United States) send a humanitarian police force to effectively halt, with the consent of the Salvadoran Government, the cruel, inhuman and daily carnage there and guarantee a gradual return to some sort of democratic institutional framework? Would this be an acceptable or a dangerous precedent? Are there any better alternatives than these? Can we wait idly by for the announcement that the Marines have landed or that Castro-Sandinism has taken power in El Salvador?

Last week, Mr William Rogers, the under secretary of state for Latin American affairs under the Nixon administration and when Henry Kissinger was secretary of state, was in Caracas. I do not know whether he talked about these matters with Venezuelan officials or not, but it is not difficult to assume that at least the issues were addressed in their broadest respects. It was officially announced at the same time as this visit that a Venezuelan mission of the highest level, consisting of the secretary of the presidency of the republic, Gonzalo Garcia Bustillos, and our former ambassador in Washington, Julio Sosa Rodriguez, would be traveling to California to meet with President-Elect Ronald Reagan.

As always, such moves prompt diverse reactions in the countries taking them. There are already posters and graffiti in some Caracas streets, and in particular at the Central University, calling for COPEI's [Social Christian Party] withdrawal from El Salvador. In the past several verbal skirmishes between AD [Democratic Action] and COPEI highlighted, on the one hand, the irresponsible, cruel and unconstitutional shipment of Venezuelan arms and ammunition by C.A. Perez' administration to Nicaragua, which are today stored in Costa Rica and have wound up in the hands of the Salvadoran left or in the bodies of the people slain by them, and on the other hand, the economic aid and political support of the COPEI government for their Salvadoran companions-at-arms. Without engaging in an analysis of the main point of the matter, its moral, political or strategic justification, these are the facts. What we have to ask ourselves now is whether this is a response (correct or not, depending on the standpoint from which it is

viewed) to the dilemma of erring because of action taken or because of omission. The dilemma is identical for a small country like Venezuela and for a superpower like the United States. It is a matter of potential and magnitudes. But now we have to ask ourselves: Is this the dilemma? Are these the only two ways? Isn't there a third or fourth solution, rather than going in with fire and sword or standing idly by and watching someone else do so? This is the area to be looked into. Total inaction and open intervention with military or police forces must be the last resorts when every other one has been exhausted. Such resorts are not, of course, prohibited for Venezuela, whose only limitation would be the potential of its forces to take action, which could lead to inaction. Mediation, collective action and pressure on the combatants' supply centers are just three of many options. But if these have been exhausted or if we are faced with the critical scenario of an imminent offensive, what are we to do?

Each case has its own parameters. For example, the last two countries that have fallen into the Cuban-Soviet orbit in the area, Nicaragua and Grenada, undeniably presented a morally untenable option on the other side: Somoza, a troublesome and anachronistic continuation of a dynasty established in the 1930's by the U.S. Marines, and Eric Gairy, one of the most corrupt little figures of the Caribbean island-states. But looking back today, the situation is quite clear: the "guarantors" of democratic hopes for the movement that overthrew Somoza, Mrs Chamorro and Mr Robelo, are out of the government. There can be few doubts about the ultimate destiny of the Nicaraguan Junta, which has already begun to play the card of prejudice surrounding Mr Reagan. For its part, Grenada, through its mouthpiece Mr Bishop, is not hiding its support for Cuba and the USSR. Closer to Margarita or Puerto Ordaz than the latter are to Caracas, Grenada virtually dominates the entrance to the Orinoco, the door to the north and northeast navigation zone of the South American continent and the entire eastern part of Venezuela, in addition to the islands of Trinidad and Tobago, both of which areas are rich in oil. Its strategic importance is beyond any doubt. Mr Bishop has made this the point of support for his de facto government, which has shattered the admirable tradition of democratic government changes carried on by the English-speaking island states in the Caribbean. It is no longer a secret that an airport capable of handling heavy planes is under construction on Grenada, and there are persistent, unconfirmed rumors that a naval base capable of harboring submarines is also being built. Can Venezuela remain idle in light of such developments? What should it do? For the time being, it would seem imperative to revitalize and reoutfit the air and naval forces that Venezuela has available, aside from whether thought is or is not given to their use. Perhaps some thought has already been given to bringing them in line with these new geopolitical realities, but it is obvious that Venezuela must have at its disposal a properly trained force, either amphibious or capable of being airlifted, if it does not want to look on powerlessly, as in the past, as others perform in its area of interest and influence the policing or preventive tasks that events call on them to carry out. There are precedents. Trinidad and Curacao once asked Venezuela for help to control potentially uncontrollable situations that might have been taken advantage of by other countries in the area with the ability to take action with the quickness and effectiveness that such emergencies require, after which the force of faits accomplis transforms the situation in the direction of unpleasant surprises. Hypnotized as we are in a

nitpicking discussion of delimiting ocean areas with Colombia, have we perhaps not realized the potential danger posed to Venezuela by the island of Grenada and, above all, by a repetition of what happened there in Aruba, Curacao, Bonaire, Tobago or Trinidad, Guyana or Surinam? It is not a question of letting ourselves be carried away by our imaginations in an exaggerated show of fear; rather, it is a question of anticipating predictable critical scenarios and reassessing our diplomatic, political, economic or military capabilities to deal with them with the celerity that they might require.

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FUEL PRODUCTION STATISTICS FULFILL EXPECTATIONS

Buenos Aires LA NACION in Spanish 26 Nov 80 p 7

[Text] In commenting on the fuel production statistics, the under secretary for that area, engineer Osvaldo Calcagno, told LA NACION that, this year, the estimate originally made for local production of 28.4 million cubic meters of oil will be fulfilled.

The Report

The usual report from the Energy Secretariat on fuel and electricity production states that, during the first 10 months of this year, 23.7 million cubic meters were produced, a figure 4.5 percent higher than that for the same period last year. The extraction for October of the previous year was 2.5 percent higher than that for the same month in 1980.

As for oil imports, during the first 10 months they totaled 2.1 million cubic meters (23.9 percent more than in 1979), and caused an outlay of $443.6 million, an amount 52.9 percent higher than that required during the same interval in 1979.

The official report also notes that the total fuel imports (oil, byproducts, natural gas, liquid gas and coal) thus far in 1980 cost $902.4 million, which represented a reduction of 4.8 percent in the amount that was necessary during the same period in 1979 ($948.3 million). It also indicated that the most significant reduction occurred in the gas oil category, with a 98.2 percent decline in purchases.

For their part, fuel exports (petroleum byproducts and residual coal) thus far this year totaled $204 million, a figure 570.4 percent higher than that recorded for the same interval last year, which was $30.4 million.

Gas and Coal

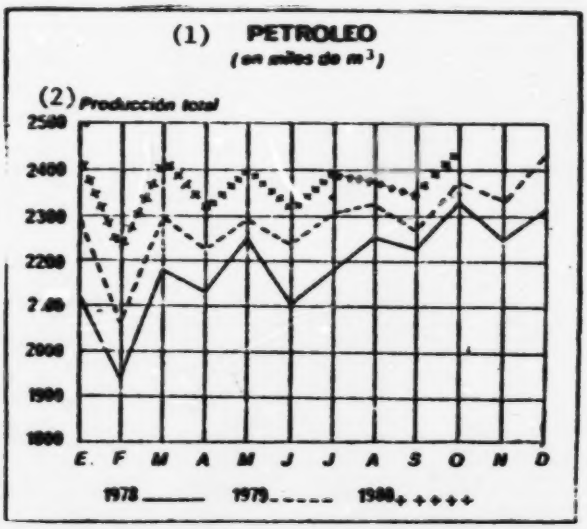
During the first 10 months, the injection of natural gas in the intake of the gas pipelines amounted to 8.3292 billion cubic meters, a figure 8 percent higher than that for the same period last year. Last month, 852.1 million cubic meters were injected; in other words, 4.9 percent more than in the same month of 1979.

Marketable coal production for the first 10 months (256,200 tons) was 42.5 percent under the figure for the same period last year. In October 63,200 tons were produced, that is, 45.9 percent less than for the same month last year.

Electricity

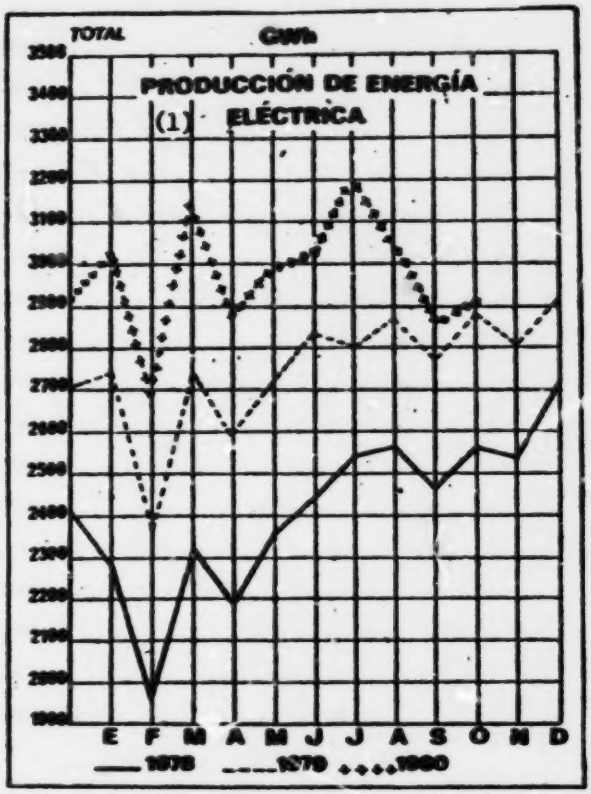
Finally, the report from the Energy Secretariat states that, during the first 11 months of this year, 29.8 million MWh were generated, an amount 8.8 percent larger than that for the same period in 1979. In October, 2.9 million MWh were generated, exceeding the figure for the same period last year by 1 percent.

More energy was produced this year (10 months) than during 1979 by Water and Power (1.7 percent); EPEC [Cordoba Provincial Power Company] (8.7 percent); HIDRONOR [North Patagonia Hydroelectric Company] (55.0 percent); and other lesser entities (5.4 percent). On the other hand, less was produced by: SEGBA [Greater Buenos Aires Electrical Services] (17.7 percent), the former CIAE [Italo-Argentine Electric Power Company] (10.4 percent); DEBA [Buenos Aires Power Administration] (16.9 percent) and CNEA [National Atomic Energy Commission] (17.2 percent). Added this year was the contribution from Salto Grande, which produced 2.4 million MWs. Apart from the official information, it should be noted that the water supplies in the area of the Chocon-Cerros Colorados system have made it possible to use a larger amount of energy of hydric origin, affording lesser use of the fuel consumed by the thermal powerplants.



Key:

1. Petroleum (in thousands of cubic meters)
2. Total production



Key:

1. Electric Power Production

2909
CSO: 3010

FORMER YPF OFFICIAL SCORES ENERGY POLICY

Buenos Aires CLARIN in Spanish 24 Nov 80 p 14

[Text] The lag in the oil production plans and the delay in the other areas of energy were underscored by Arturo Sabato, former presidential representative in YPF [Government Oil Deposits] during the administration of Dr Arturo Frondizi, in a lecture given at the National Studies Center.

Sabato remarked that the progress made since 1976 has proven insufficient, and questioned the operation of the state companies in the energy field.

YPF

In discussing Government Oil Deposits, Sabato stressed that "it has a debt of $3.7 billion," and that "the service on the debt is equivalent to $2.7 million per day; but, since YPF charges $76 per cubic meter of oil, and it costs $136, the losses total $6 million per day."

He also claimed that, "the Water and Electric Power deficit is almost the same as that of YPF," and that, "8 million cubic meters of gas are being burned, the equivalent of about $2 million worth of oil, owing to the lack of adequate infrastructure."

Coal

After citing the importance of coal production, and noting that our country has sufficient coal reserves for 100 years, he said: "If the government continues its present energy policy, Government Coal Deposits [YCF] will go bankrupt."

He emphasized that in 1979 YCF produced 750,000 tons, and that in 1980 it only yielded 410,000 tons. He stressed that the drop in production "is not the fault of the company," but rather due "to the lack of adequate infrastructure for transporting it from Rio Turbio to the consumption centers."

Private Capital and State's Role

He remarked: "Our position concerning the role of private capital is well known." And he insisted that, "if attractive terms are offered to the investor, which are compatible with the nation's interest, there will be on the part of private capital;" and then stressed that this cooperation should be sought in all areas of energy production. He added that "the state should program, guide and control the productive activity, but the state should not be the entrepreneur."
2909
CSO: 3010

ENERGY UNDER SECRETARY VOICES SATISFACTION WITH PROGRAM

Buenos Aires LA PRENSA in Spanish 23 Nov 80 p 1

[Text] The under secretary of electric energy of the nation, Bernardo Bronstein, acknowledged the fact that the electric rates in Greater Buenos Aires will maintain a rate of increase exceeding that of inflation, stating that, "in 2 or 3 months," they would "reach the pertinent economic levels," after "lagging again" to comply with government guidelines in this area.

He also said that the rates used by the Water and Electric Power Company "are low" and that a new program is being studied that "will indicate the appropriate rate" to eliminate that situation.

Bronstein made statements today at the Ezeiza International Airport, shortly before departing for Bogota to participate in the 10th Regional Meeting on Electrical Integration, heading a delegation that also includes the head of the Water and Electric Power Company, Anibal Blanco.

The Plan Until the Year 2000

On this occasion, Bronstein reiterated that the electrical development plan devised by the government until the year 2000 "is being carried out reasonably well" insofar as construction is concerned, and that the exploitation " is being conducted satisfactorily, with reasonable reserve that befits the circumstances."

He also said that there has been a "great expansion" in the interconnected system, which will produce 5,900 Mw up until 1985, and for which "all the machinery has been purchased and the contracts signed."

Hence, he remarked, the electric power reserves in the interconnected system at present amount to 27-30 percent, "a reasonable figure," despite the fact that, "on certain occasions we have had critical situations owing to the accumulation of unfavorable circumstances that have occurred too close to one another."

He said that this all fits in with Salto Grande, "where a turbine goes into operation every 2 or 3 months," and with Alicura, Yacyreta, Piedra de Aguila, Parana Medio and the nuclear plan.

2909
CSO: 3010

MALVINAS WILLING TO UNDERTAKE JOINT OIL EXPLORATION ACTIVITIES

Buenos Aires LA NACION in Spanish 29 Nov 80 p 11

[Text] Puerto Stanley—There is a colorful folklore in the Malvinas regarding the question of whether or not oil exists in the islands or in the sea surrounding them.

The silence that the government of occupation has maintained on the matter made certain local political observers at the time think that it was concealing the presence of oil to prevent the Argentine claim from becoming stronger and more serious. The issue of oil was taboo for the Malvinas natives and the British residing here; for when it was mentioned, even in passing, that sufficed to evoke their claim of total ignorance regarding the matter.

Formal Treatment

But since last Tuesday, when Nicholas Ridley formally put the matter of oil exploitation up for discussion by the Malvinas natives, the latter and foreign residents here have recalled in an instant everything about it; and, what it even more surprising, in any conversation we are told, "We must search for the oil with you Argentines, so as to prevent the Soviets, Poles and even North Americans from doing so." They add: "Let it not be they who find and extract it."

The other day, in the Town Hall, Ridley directly backed their proposal for the establishment of a "back-lash" in the Malvinas archipelago, telling the inhabitants that, in this way, "they could freely exploit the existing oil deposits and fishing resources in their jurisdictional waters."

This was how the issue of oil which has ceased to be taboo cropped up here, like the other one, that of fishing, which provides the local government with about 30,000 pounds per day for port permits, not exploitation. Many Malvinas inhabitants, who are not so enthusiastic but more realistic and practical, tell us: "The Malvinas have abundant oil, but to date there have only been studies."

2909
CSO: 3010

OIL PLATFORM REPORTED DISPATCHED TO TIERRA DEL FUEGO UNIT

Buenos Aires LA PRENSA in Spanish 27 Nov 80 Sec 2 p 7

[Text] The group comprised of ESSO Argentine Exploration and Production, ASTRA Perez Company and CADIPSA announced that the platform assigned to exploration work in the areas awarded to it at the appropriate time has been transferred to the II-East Tierra del Fuego unit, wherein it has begun the drilling of a first well.

The map accompanying this article indicates the location of the well. It should be emphasized that the depth of the water on the job site is 150 meters, and the program established for the drilling is for approximately 3,100 meters under sea level.

Key:

1. Atlantic Ocean
2. ESSO
3. ASTRA
4. Perez Company
5. CADIPSA

2909
CSO: 3010

ULLUM DAM BEGINS OPERATIONS, POTENTIAL NOTED

Buenos Aires LA PRENSA in Spanish 2 Dec 80 p 12

[Excerpts] San Juan--At 1000 hours tomorrow, the Quebrada de Ullum storage dam, considered to be the most important hydroelectric works project executed in the province to date, will be opened for operation.

The Dam

The Ullum storage dam (designed mainly to insure a volume of flow for agricultural irrigation during the production cycle and to regulate its distribution in a rational manner, impounding reserves) resulted from the need to improve the systems for utilizing the water resources.

The background information and studies carried out on the San Juan River since 1862 determinted the site of the facility, because in that location the density of the alluvial deposit in the gorge does not exceed 10 meters; and this facilitated the direct foundation on the rocky bottom.

The dam's heavy wall is about 300 meters long at its top and 52 meters high from the level of the riverbed.

The spillway was designed to attain a discharge capacity of 2,560 cubic meters per second. The volume of flow from the river's flood that exceeds the dam's capacity will empty onto the top of the spillway, running off for 72 meters, and falling into a collector that will reduce the turbulence.

The middle of the conduit for irrigation is divided in two, to supply water for the future hydroelectric powerplant at the foot of the dam. Each outlet has two valves.

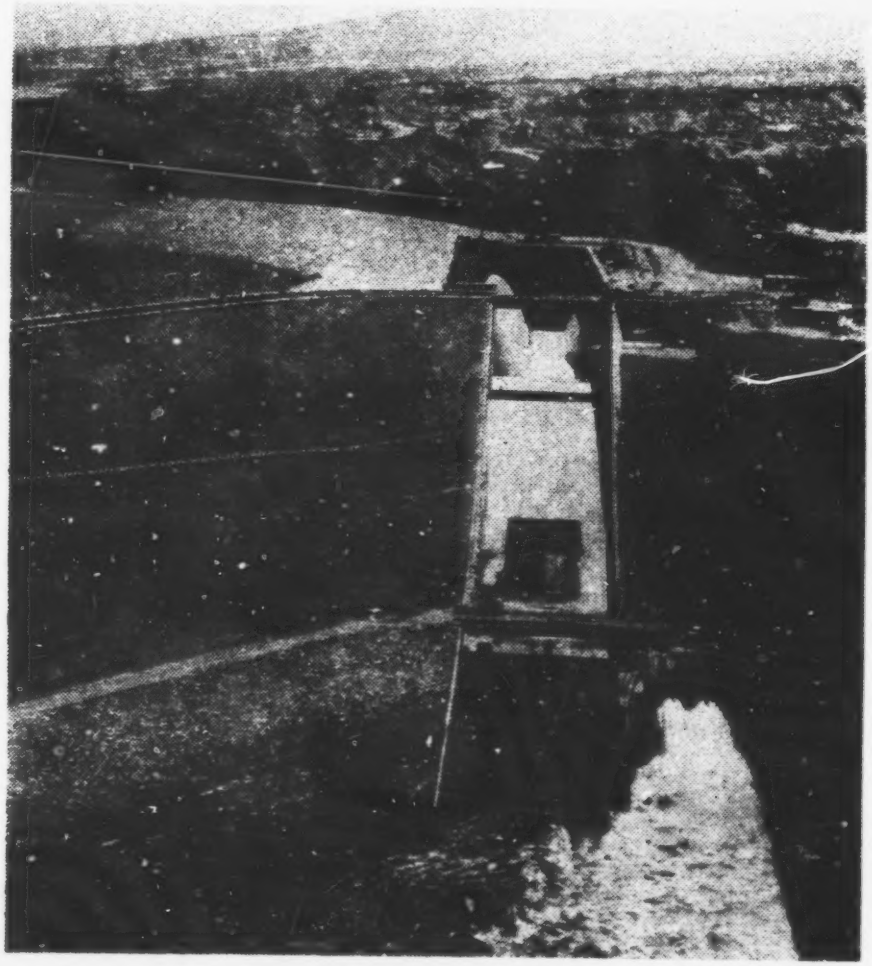
The Ullum dam will impound 440 million cubic meters of water, covering an area of 3,000 hectares.

A few hectares are currently being irrigated with the water from the San Juan River, and that number will now be increased to 66,000 hectares. But, since the Ullum dam will also allow for the constant replenishment of the underground water deposits, and the use of the reused water for irrigation, the total area to be irrigated with these water resources could amount to approximately 110,000 hectares.

Supplementary Projects

By way of a supplement to the present dam, other projects will be executed which will help to consolidate and increase the benefits that the regulation of volumes of flow will bring for the economy of San Juan and the entire region. Hence these projects have obtained the financial backing of the National Regional Development Fund.

Noteworthy among those projects are the construction of the saddle dam, on the divide between Ullum and Zonda; the expansion of the Soldano dam at the very mouth of the Zonda gorge; the canalization, waterproofing and piping of the Zonda swamp; the creation of parking facilities and forestation in the areas surrounding the dam, which is part of a tourism and recreational complex; the construction of the 134-unit Ullum Dam district; the relocation and paving of provincial route No 14; and the construction of the hydroelectric powerplant and of a fishing station in the reservoir area.



General view of the projects, with the spillway in the foreground and the two discharge valves through which the water from the reservoir will be poured in the direction of the watercourse of the San Juan River.

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CSO: 3010

BRIEFS

FOREIGN INVESTMENTS--The Italian Government has approved the affiliation of a state company of that country with an Argentine oil company to form an association, with investments totaling some $250 million, will engage in drilling oil wells, both in this country and in the rest of South America, according to a disclosure made by the Ministry of Economy. It was said that the Italian Ministry of State Participations notified the heads of the Italian Government company, SAIPEM and the Argentine oil company, Bridas, through the National Hydrocarbons Institution (ENI), that approval had been given for their affiliation to form a new company which will operate under the name of Rio Colorado. It was noted that the brand-new company would acquire 70 drilling rigs, with a total outlay of about $250 million, and that, when it is in full operation, there is a possibility of its creating about 3,500 jobs, mainly in Patagonia. [Text] [Buenos Aires LA NACION in Spanish 29 Nov 80 p 10] 2909

CSO: 3010

NEW FIRM TO SUPPLY ELECTRICITY; FRENCH COMPANY INADEQUATE

Paris LE MONDE in French 2 Dec 80 p 42

[Article by B.D.: "The EDF's Difficult Winters in Guadeloupe"]

[Text] A group with an electrical generating capacity of 20 megawatts will soon go into production in Guadeloupe. It is time for it. According to AUDEG [expansion unknown], a consumer association created in June of this year, faced with the shortage in electrical generating capacity in this overseas department--"The EDF [French Electric (Power) Company] stopped guaranteeing the continuity of public service more than two years ago (...), in certain areas the outages have lasted more than 10 hours and during the darkest periods the outages lasted several days and in fact several weeks." At EDF they confirm that they have had a long series of major breakdowns (broken motors and a lightning bolt striking a transformer) which in fact forced them to effect many "outages" in August and in September. The scant means of local production, added to the natural isolation of the island (it is not possible, as it is in mainland France, to call another generating plant, even a foreign one in case of difficulties) and the long periods of downtime (when it is necessary to order materials or technicians from Paris) are at the bottom of this situation.

However, they also insist at EDF on the great increase in consumption since the nationalization carried out in 1975, resulting from the relative decline in prices (a fall of 50 percent--in constant francs--in 3 years). While the marginal production (necessary for the maintenance of the diesels and also in case of a breakdown) amounted to 60 percent at that time, it has fallen to less than 50 percent. However, they report, with the entry into production of this 20-megawatt group, that margin will reach 80 percent and it will be 120 percent in the fall of 1981 after the installation of a second 20-megawatt group. They should then be "almost" in the same position as metropolitan France in the spring while they wait for construction of a new thermal plant in a new site. However, in view of the peculiarities of overseas island departments, shouldn't the productive capacity be relatively greater than in mainland France?

This is what AUDEC is asking, as it estimates at 30 megawatts the supplementary generating capacity necessary to pass the winter of 1981-1982. Before dashing into combat for the indemnization of people who suffered losses through EDF's fault. This is something entirely different, in view of the ministerial decree which authorizes outages in case of difficulties in the electrical network.

CONSUMPTION OF GASOLINE, REFINED PRODUCTS IN 1981 FORECAST

Caracas RESUMEN in Spanish 23 Nov 80 p 39

[Text] It has been predicted that tax revenues from the consumption of refined products will amount to 669.9 million bolivars. This estimate has been made for the 1981 Draft Budget that is being considered in the National Congress. Of those revenues, 635.5 million bolivars will come from the tax on gasoline consumption, and 34.4 million will come from taxes on other refined goods.

"This estimated amount has been calculated based on the behavior of domestic demand, maintaining high participation: the consumption of gasoline, specifically medium- and high-octane fuels, which are subject to taxes," it is stated. "The estimated revenues from gasoline are based on a taxable consumption level of 10.629 billion liters, which represents an increase of 10 percent over estimated consumption for 1980. Of the sectors which make up this demand," it is added, "the industrial and domestic use sector determines market changes, accounting for approximately 84 percent of the growth in total demand. In that sector, motor gasolines account for about 55 percent, while in terms of taxation they represent 94.8 percent of the total for refined products, although it is felt that their tax yield is low considering current sales prices, which are well below the cost of production."

Domestic Demand for Refined Products in the Country:
Industrial and Domestic Use Sector (3)
(Thousands of Cubic Meters)

Use	1978	1979	Rate 1979-1974	1980(1)	1981 (2)
Industry	2,142	2,244	11.3	2,497	2,779
Agriculture	8	8	21.7	9	12
Commerce	68	59	0.7	59	60
Electricity	1,005	1,691	20.4	2,036	2,451
Transportation	10,517	11,694	10.4	12,910	14,253
Others	472	470	2.7	457	445
Totals	14,212	16,166	10.7	17,868	20,000

(1) Revised
(2) Draft Budget
(3) Excludes consumption of oil industry and deliveries to ships

Consumption of Taxable Automobile Gasoline
(Millions of Liters)

Category	1978	1979	1980 (1)	1981 (2)
74-84 Octane	5,400	5,843	6,175	6,792
More than 85 Octane	2,286	2,903	3,488	3,837
Totals	7,686	8,746	9,663	10,629

(1) Revised
(2) Draft Budget

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CSO: 3010

CONCERN OVER HIGH COST OF ORINOCO DEVELOPMENT

Caracas EL DIARIO DE CARACAS in Spanish 25 Nov 80 p 20

[Text] The bottleneck that will characterize the coming years in terms of large-scale processing plant projects will have an as yet undetermined effect in Venezuela. If it is assumed that, internationally, a $1 billion project is a "superproject," what can be said of an $8 billion project such as the Development of Southern Monagas and Anzoategui (DSMA) project which LAGOVEN has put up for bidding in the Orinoco Belt? Moreover, the DSMA project will last until 1988; that is, it will take place during the biggest crisis in world plant construction. Finally, the LAGOVEN bidding contains an inflationary escalation clause which means that in real terms--monetary values after subtracting the inflation rate--the cost will rise year after year. Various studies point out that in the construction of oil and petrochemical projects, the real increase in costs could amount to more than 10 percent a year.

However, in addition to DSMA, there are other projects of that type or similar types. There are the different changes in the refineries (change in pattern) as well as the projects of the other operators to develop the Orinoco Belt. Investments of this decade in the oil area alone could reach more than 40 billion bolivars, at current prices.

Same Enterprises

As can be seen in the central report, the enterprises that are facing an "avalanche" of construction orders are the large organizations that are also operating, or hope to operate, in Venezuela: Fluor, Foster Wheeler, Bechtel, Technip and others. They are the same companies that won the bidding on the change in pattern of refineries in Amual, Cardon and Puerto La Cruz. They are the ones that participated in the mysterious bidding that LAGOVEN held for the largest megaproject in the world: DSMA.

Now that the general framework has been established, it is easy to see that with these powerful construction companies, we will be competing with the most select group in the world oil and petrochemical sector, including the United States. The obvious question is: Can we compete on an equal footing?

The scarce equipment that does exist on the market will be sent to Venezuela or the United States by those companies. Venezuela depends on foreign countries for 40 percent of its oil industry equipment. It is possible that the dependency will increase for those large projects, considering recent statements by local metallurgical industry spokesmen.

Necessary Reflection

The Venezuelan megaprojects are coming at a difficult time. Given the internal conditions and those of the world construction equipment and engineering market, it is necessary to fine tune our decisions in order to minimize the negative impact on the country. The experience of the final stage of Guri, which began with a cost of 5.5 billion and ended up at about 17 billion, cannot be repeated, especially in the Orinoco Oil Belt, which in addition to being a great hydrocarbon reservoir, covers a geographic zone with very special economic and social characteristics.

The internal and external conditions are clear in the sense that they point to the advisability of a less "megaproject" orientation.

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CSO: 3010

CIV PRESIDENT AGAINST FOREIGN FIRMS DEVELOPING ORINOCO

Caracas EL DIARIO DE CARACAS in Spanish 28 Nov 80 p 11

[Interview with Jose Luis Garcia Gonzales, president of the Venezuelan Engineers Association (CIV); date and place not given]

[Text] "Neither foreign firms nor technicians of other nationalities should be allowed to participate on the management or decisionmaking level of the development of the Orinoco Oil Belt."

This was stated by the president of the Venezuelan Engineers Association (CIV), Jose Luis Garcia Gonzales, in an interview with EL DIARIO DE CARACAS.

The Association feels that "it would be a threat to the security of the state and the future of the nation if the decisionmaking process in the development of the belt and the management of that plan were in the hands of foreign professionals and companies."

The CIV president asserts that the Association is not opposed to learning the technological advances of other regions of the world. Quite the contrary. It just wants to stress the idea of Venezuelan participation.

"We have had contact with Venezuelan Petroleum, Inc. (PDVSA) and its subsidiaries. They already know our position on national participation in oil enterprises, on the part of our engineers, architects and other related technicians," said Garcia Gonzales.

"In the 22-year history of our Association," stated the CIV president, "we have made great achievements in those enterprises. Proof of that is that when the nationalization law was signed, a great number of its directors were holding strategic positions in the subsidiaries."

Enforce Participation Law

[Question] How would the Association go about achieving its aspirations as a guild of Venezuelan professionals?

[Answer] We are going to enforce the Participation Law, and it is within our power to do so. This is very clear. If these enterprises do not comply with the law, we will prosecute them, in accordance with Articles 26, 27, 29, 31 and 35, within a prudent period of time and depending on circumstances.

Garcia Gonzalez also announced to EL DIARIO DE CARACAS that on Tuesday, 2 December Minister of Energy and Mines Humberto Calderon Berti will meet with them to express his concern about the development of the Orinoco Oil Belt.

For this reason, a commission has been formed of members of the Association, including former presidents of the Venezuelan Engineers Association. Members are: Edgard Pardo, Federico Baptista, Jose Martorano Batisti, Domingo Casanova, Fernando Travieso, Eswin Arrieta, Juan Carlos Iedra, Eduardo Roche and Joaquin Silva Diaz.

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CSO: 3010

BRIEFS

INTEVEP LAB IN ORINOCO--The Venezuelan Institute of Petroleum Technology (INTEVEP) Center for Petroleum Development and Research will install its first field laboratory in San Tome, El Tigrito, very near the geographic center of the Orinoco Oil Belt. This laboratory will undertake research projects and pilot tests to streamline the development of the largest deposit of heavy crude in Venezuela. The laboratory is expected to cost 5.8 million bolivars, and will be coordinated by INTEVEP. The latter has a large infrastructure in Los Teques, and is responsible for research in the oil belt. Services will be rendered and projects will be carried out in the lab that would otherwise fall outside the purview of the operators. [Text] [Caracas EL DIARIO DE CARACAS in Spanish 28 Nov 80 p 31] 8926

ORINOCO OIL PRODUCTION PROJECT--MENEVEN will invest nearly 10 billion bolivars in three large programs that will be carried out between 1980 and 1988, according to industry sources. The coordination of the basic program will be in the hands of the Venezuelan Petroleum, Inc. (PETROVEN) operator and Geoman, a company in the Gulf Group. According to reliable sources, a list of international enterprises was drawn up, and they have been invited to submit bids. Depending on the responses, a more restricted list will be made of the firms interested in the projects. For each project there will be a main contractor who will be responsible for all activities and will subcontract portions of the work. In the first stage of development of the projects, a study will be made of resources, feasibility and optimization. In the second stage, they will be implemented, and there will be more studies, services and classification of enterprises. The following stage will consist of detail engineering, process engineering, construction and operations. It is estimated that up to 50 percent of the materials to be used may be obtained in Venezuela, using criteria of delivery time, quality and prices. The main project is Guaripa 100 Mas, which is aimed at developing a potential production of 100,000 barrels a day in the Orinoco Belt in order to increase the production capacity of that enterprise to 166,000 barrels in that area by 1988. The cost of the project, which is sure to yield many benefits, is 5.61 billion bolivars, without considering unforeseen events and inflationary pressures. The second-most important project is the modernization of the MENEVEN (MBM) refinery in order to increase its refining capacity to a production level of 41,000 barrels of gasoline per day, 7,000 barrels of diesel jet fuel and 17,000 barrels of heavy fuels. The refinery will be adapted to process Merey type crude. [Text] [Caracas EL DIARIO DE CARACAS in Spanish 2 Dec 80 p 8] 8926

CSO: 3010

NAVY COMMANDER ON NAVAL AIMS, ACCOMPLISHMENTS

Stuttgard MARINE RUNDSCHAU in English 11 Nov 80 pp 643, 645

[Interview with Armando Lambruschini, admiral, commander in chief of Argentine navy, date and place not given]

[Text]

Sch.: What have been your objectives as head of the Argentine Navy?

La.: My goal as commander-in-chief of the Argentine Navy is the attainment of its consistent and permanent working toward the achievement of the national objectives. From an eminently operative point of view, my goal is to develop and maintain a naval power integrated by combat means, personnel and infrastructure, necessary and sufficient for the achievement of the tasks which might be imposed upon the navy.

Sch.: What is the most important problem which confronts the navy today? Do you see a solution to it?

La.: The rapid technological advance and the sophistication in the use of the combat means presents the navy with a continuous challenge to maintain itself in optimum operational condition. We must take into account the present state of those means and the difficult economic situation of the country, which does not allow for rapid and complete renovation, but only for a judicious dimensioning of the means to be obtained, compatible with the desired capabilities to be achieved, both in the long and middle runs. Likewise, the technical training of personnel in every phase parallels what I said previously as the most important problems to be resolved. In effect, a plan for the renovation of the means and for the technical-professional schooling, which will solve the above, have been developed and are being executed.

Sch.: What sacrifices has the navy made in the fight against terrorism?

La.: The navy has not made a sacrifice in fighting against subversive terrorist aggression, having employed its maximum operative strength and its most suitable means to anull those elements which tried to destroy the nation, because that was a national objective. In spite of this, permanent readiness for the strictly professional duties was not neglected. It stands clear that the navy's contribution to dismantle the subversive terrorists' military apparatus was appreciable, as well in personnel as in the means it employed.

Sch.: What do you think of »Unitas«? Does it have military worth for Argentina? Political worth?

La.: Operation »Unitas« has a great military value given that it allows our navy to cooperate with the American navy, a country who leads the world with the continuous development of its means and its operational tactics. Moreover, it makes possible to conduct joint operations with other South Atlantic navies which brings about a better knowledge of men and nations, and thence its true political worth.

Sch.: For more than three decades an »Organization of the South Atlantic Treaty« which might conceivably consist of Argentina, Brazil, and the Republic of South Africa has been talked about. What future possibilities do you see for this?

La.: With respect to the organization which you mention, there are no indications at this time other than those which can be obtained from the press. That is, there is no official position on our country's behalf, nor of the countries which hypothetically might be able to take part in it. This does not prevent the nations of this area or those with interests in it, especially in maritime communication lines, if the opportunity came, of seeing themselves in the need of adopting coordinated defensive measures in the face of a common threat. Personally I think that it is premature to speak of a defense organization of the South Atlantic, although, as a personal opinion, if it became a reality, it ought to be established on a regional basis, with no hindrance to the maintaining of working relations with other similar defense organizations.

Sch.: What is the immediate future of the *25 de Mayo*? Will it be equipped with new planes? What kind?

La.: The Argentine navy, through its spezialiced naval repair shops, whose capability and fitness for everything which refers to maintenance and repair of naval units have been put to the test on numerous occasions, will prolong the useful life of this important unit further than what is normal for a ship of its age. Thus, it is foreseen that she will remain in active service during the entire decade of the eighties. In conjunction with this maintenance program, another modernization plan is being elaborated which includes the acquisition of new sensors. In reference to the Naval Air Group, a squadron of attack planes, type »Super Etendard« of French construction, will be acquired.

Sch.: What is the long-term future of naval aviation in the Argentine navy? Will the *25 de Mayo* be replaced by an aircraft carrier?

La.: Naval aviation conforms to be one of the components of naval power and its very existence and »raison d'être« is intimately linked with the surface units and with the marines. Every modern navy includes a naval air component; wars at sea, since a long time, are always conceived with the active participation of naval aviation, ship-based as well as land-based. In the short term the replacement of the aircraft carrier ARA *25 de Mayo* by another carrier of naval aircraft will be studied. In this aspect, the major navies are undergoing a process which is in full evolution; therefore, when the time has

come, we will carefully analyze the best solution for our own needs.

Sch.: Weapons coming from Western Europe are each time more costly. Russia has offered weapons at a very good price to many countries. Has Argentina received any offer in this regard?

La.: Weapons coming from every part of the world are more expensive each time since the technology placed at its service becomes daily more perfected. In other words, each time they have a greater added value. I personally am unaware of the existence of offers on the part of the USSR for the sale of arms to the navy.

Sch.: Argentina recently has purchased modern warships from England, France, and Germany. Will this present problems in standardization?

La.: The European market complements itself within its own limits. A ship built in the German Federal Republic will be assembled with French, English, Dutch, American, and Italian equipment, weapons, and systems. In some aspects, one particular firm imposes itself in the world market, and the maritime industry orients itself toward it to provide its equipment for their ships; be it some kind of radar, sonar, computer or missile system. The dockyards are the terminals where ships are assembled, receiving the international deliveries in free competition within the limits of the so-called western world.

Sch.: Argentina built 2 *Type 209* submarines and *Type 42* destroyers each by means of binational agreements. What are the benefits and the problems with these programs?

La.: The benefits of these programs may be seen in the fact that, with the contribution of national workmanship, as a resultant the formation of capable personnel is attained. The experience gained up to now will be used advantageosly for the next constructions. Likewise, I ought to point out the contribution of national industry, which has been important in many aspects of these programs.

Sch.: Could you tell me some details about the new frigates which will be built in Germany? How many, where, when, the characteristics?

La.: The frigates which will be built in the Federal Republic of Germany have been designed to comply with the real needs of the Argentinian navy. The ships will be very versatile – surface-to-surface, surface-to-air, air-to-surface. The latter will be provided by two helicopters which will be permanently carried on board these units. These helicopters will also serve to project antisubmarine action by means of torpedo attacks on enemy submarines detected by a very modern and efficient sonar. Its guns will allow the ship to participate in naval gunfire support actions for marine units during landing operations and at the same time will constitute a tight antiaircraft and antimissile defense. They will be equipped, besides, with a complete electronic warfare system which will increase its efficiency as a combat unit in an environment saturated with electromagnetic emissions. Its sensors and integrated command and control systems will permit the operation of the ship from a sophisticated operations room. Owing to the modern containerized system of construction, the navy will have these units within a relatively short time.

Sch.: What would you say with regard to new submarines?
La.: They will be conventional ships, that is, with diesel-electric propulsion, equipped with the most significant advances achieved up to now for this type of unit. They will have great range and maneuvering capability and will possess a very modern weapons and fire control system. As for the first series of units ordered, the first two will be built in the Federal Republic of Germany at the Thyssen Nordseewerke dockyard in Emden and the remainder at the submarine works which is being constructed in the vicinity of the TANDANOR yard, southern section.
Sch.: Besides the frigate and submarine programs, will any ship be built in your country for the ARA in the near future?
La.: Recently construction has been completed on three transport ships of the class »Costa Sur«, (Southern Coast): an oceanographic ship and a hydrographic ship, whose names, respectively, are *Puerto Deseado* and *Comodoro Rivadavia*. Moreover, the Astilleros y Fábricas Navales del Estado (AFNE) yard, in collaboration with the Blohm + Voss dockyards in the Federal Republic of Germany, will shortly begin construction of modern corvettes, equipped with surface-to-surface missiles, and is completing construction of the destroyer ARA *Santísima Trinidad*, the twin of *Hércules*.
Sch.: A short while ago Argentina bought two French *Type 69* ships. Do you foresee any similar acquisitions in the near future?
La.: At the end of this year, the third corvette of this series, which will bear the name of a distinguished figure in our naval history – *Granville* – will be delivered to the Navy.
Sch.: Has the recent increase in the price of oil affected the level of preparedness in the ARA?
La.: The increase in the international price of oil has not affected the operations of the navy, given an almost self-sufficiency in fuel through national production.

CSO: 3020

MODERNIZATION OF NAVY, SOUTH ATLANTIC LINKS SURVEYED

Stuttgard MARINE RUNDSCHAU in English 11 Nov 80 pp 702-703

[Text]

Strategic Importance of the South Atlantic

The maritime area of the Southern Hemisphere extending from the African to the South American continent and from the »Atlantic Canyon« to the Glacial Antarctic Ocean constitutes an area of ever increasing strategic importance. On the African water front the majority of the countries has agricultural exportable balances and forestry provides plenty of timber for exportation. Mining constitutes a prevailing branch of the economy of these countries with important exploitations of chromium, nickel, gold, diamonds, uranium, platinum, manganese etc. The access from the Indian Ocean to the South Atlantic has its predominant point in the Cape of Good Hope constituting one of the main passages of the oil route from the Middle East to Western Europe and North America. There is no regional naval power on this front of the South Atlantic, this absence being in part compensated by the Republic of South Africa with her modern communication centres, her capabilities of exercising naval control of shipping, and her port facilities. It should also be pointed out that the Soviet Union has some coastal bases in Angola, Guinea, and on the Cape Verde Islands providing her with a capability of projecting both naval and air power to the African continent, thus offering a threat to the sea routes of the West. On the American front the three countries, Brazil, Uruguay, and Argentina, also have exportable agricultural balances and they have undergone a considerable economic evolution in the last two years, particularly as far as Argentina is concerned. In regard to the mining activities of these countries Brazil is the first world exporter of iron-ore, manganese, and nickel while Argentina is self-sufficient in uranium and will soon become an exporter of both manganese and copper. The Passage of Drake located between the Cape Horn Islands and the peninsula projected by the Antarctic continent towards the American continent may be of great strategic importance, once the Panama Canal cannot be used due to a nuclear attack or guerrilla actions. On the Atlantic front the Antarctic continent gives rise to speculations on the existence of an off-shore oil sedimentary basin in the eastern part of the Antarctic Peninsula. Argentina maintains permanent bases of scientific research and controls the only place on the Antarctic continent where larger airplanes with conventional landing gear can operate round the year.

The unpredictable rises in oil prices by the oil-producing countries making any budget estimates in the industrialized countries impossible transformed a critical material shortage into a political problem. Those countries that may quicker solve their energy problems will be better equipped to cope with their technological development and maintain an adequate security level. After a period of almost two decades of establishing alliances against each other the USA and the Soviet Union embarked on a policy of »détente« by which the USSR increased her military power challenging the USA on all oceans of the world. With the oil crisis beginning in 1973 the end of »détente« could be foreseen and new tensions arose. The combined Soviet-Cuban strategy has recently made it possible for the USSR to intervene in regional conflicts without directly compromising itself as has, in particular, been shown on the African continent. This strategy aims at denying African resources to the West and at controlling the rear of Western Europe in the Southern Hemisphere. In Central and South America Marxist guerrilla movements serve the same purpose of strengthening the Soviet Union's position. In his conclusions the author states that the South Atlantic is the natural maritime link between the North Atlantic Nations and those of South America, Africa, and Asia; that the resources existing in the shelf areas are of great economic and geopolitical importance; the favourable posi-

tion of South Africa, Brazil, and Argentina constitutes a strategic asset to the vital interests of the Western world and that Argentina in itself offers a great reserve of hydroelectric energy in full development with important fields of natural gas, petroleum, uranium, copper, and coal while the cultural level of its population renders it possible to furnish skilled labour.

Fighting Ships For the Argentine Navy

Like so many other navies the Argentine Navy could not help following the general trend of replacing its relatively unsophisticated fighting ships of the prewar period by a comparatively smaller number of units carrying more and more sophisticated weapon systems, sensors, and equipment. As their firepower and capabilities increased their procurement costs, construction times etc. rose to an unexpected height. This – and the requirements for technically skilled personnel – is about to set limits to the defence expenditures a country can afford.

After having enumerated the pre-World War II purchases of the Argentine Navy the author states that the Navy abandoned its policy of exclusively buying ships from foreign nations for the mere reason that, on the one hand, ships could no longer be bought from Europe and, on the other hand, only obsolescent ships could be purchased in the USA, which was, of course, a temptation in the light of the low prices demanded. This led to the procurement of two cruisers, nine destroyers, five frigates and corvettes resp., four submarines, and other smaller units. In the 1950s the first ice-breaker of the southern hemisphere built in Germany was commissioned. In order to replace the obsolescent battleships by aircraft carriers playing now the role of capital ships the Argentine Navy was fortunate enough to buy a Dutch carrier which was subsequently modified and modernized and received the name *Veinticinco de Mayo*. She now constitutes the only carrier attack unit of South America operating with A-4 »Skyhawk« aircraft. At the same time the Navy placed orders for the construction of warships with national shipyards to an ever increasing extent. Thus minesweepers, patrol ships, frigates, and a sailing ship for training purposes were built in national yards.

The 1970s, particularly the second half of that decade, brought about a turn of the tide. The USA were no longer the favorite contractor due to a ship embargo to Latin America. But Argentina's industry and economy had recovered and Europe was back on the market. When Britain placed orders for the construction of her guided-missile destroyers *Type 42* the Argentine Navy ordered its destroyer *Hercules* as second unit of this series while orders for another destroyer were placed with AFNE. With their long-range anti-air capabilities these ships will considerably increase the carrier's employment potentalities, since the three ships are interconnected by modern data-link systems. Orders for two FPBs were placed with Lürssen, Germany, and bids were asked for the construction of two submarines. Aside from other projects, the Navy is going to make full use of the containerized ship, electronics, and weapon systems as realized by Blohm + Voss. Four *Meko-360* frigates will be built in Hamburg and six *Meko-140* corvettes by AFNE. All in all, the following ships have been commissioned during the last eight years or are under construction awaiting completion: 2 guided-missile destroyers, 4 frigates, 8 submarines, 9 corvettes, 2 FPBs, 4 patrol ships, 3 transports, 1 landing craft, 1 ice-breaker, 2 surveying ships, and 2 tugs. As a result, the combat effectiveness of the Argentine Navy will enormously be increased. Since the Soviet Fleet has no »syndrome of the tropic« NATO's Naval Staff might once be glad to have a powerful pro-Western navy ally in the South Atlantic to counter the world-wide threat by the Red Fleet even though leftist movements all over the world have so far agitated for their marxist brethren because of the Argentine government using Draconic laws against terror organizations.

Is the Argentine Navy for Real?

Wartime performance is the only valid yardstick for the combat effectiveness of a navy, all other gauges being inconclusive. Before lightly dismissing the recent wartime experience of the Argentine Navy as non-existent we should note that the Argentine armed forces have been fighting an ongoing war against terrorists since 1974. Fighting an enemy which sabotages ships in drydock, assassinates family members, and fires rockets into schools the Navy does not forget traditional naval weapons such as task forces at sea, nor does this fight provide the type of training associated with conventional combat. But this environment does produce an *esprit de corps*. The Second post-World War II combat experience of the Argentine Navy was the removal of Juan Perón in September 1955, the Navy being the interpreter of the Constitution. The successful attempt by the Navy to remove Perón began on September 16, 1955 with seizing key shore and sea commands a day earlier. On the 18th two naval aircraft bombed an oil storage area near the submarine base at Mar del Plata which the Navy had been forced to evacuate earlier. Positioned 5 miles off the coast, cruiser 9 *de Julio* and 2 destroyers bombarded this area at 7 a. m. and continued slow intermittent fire for four hours. Following the bombardment three frigates landed a force of about 350 marines and naval personnel. This landing party captured Mar del Plata, meeting only light resistance. The three major warships shifted fire to the anti-aircraft school which surrendered and joined the revolt after only a few rounds were

fired. This act was repeated against various ground force units which either surrendered or retreated.

True, most tactical lessons learned in the 1955 conflict have lost their timeliness; however, two operational applications were proven and they form cornerstones in the Argentine Navy's wartime history. First, naval aviation would be the *coup de grâce* of the fleet and, second, the Marine Corps would be essential to the Navy's success. A training exercise conducted by carrier *Independencia* reflects the primary role assigned to sea-based aviation by the Argentine Navy, illustrating also the classic carrier versus carrier role of the Argentine Navy's commitment to an attack carrier capability.

The *25 de Mayo*'s three negatives – small, slow, old – are compensated by a single positive – peerless. She is the only carrier in the South Atlantic carrying attack aircraft, and carries U.S. built A-4Q Skyhawks, S-2A Trackers, and helicopters. Approximately 20 airplanes can be accomodated, depending upon the mix carried. In 1981–82 the French Super Etendards will replace the Skyhawks. The second lesson from the 1955 action was the added strength given to the Navy by an »amphibious« Marine Corps. Working hard to develop an amphibious capacity the Argentine Marine Corps was jugded to be »well on the way to becoming the best trained and most efficient landing force in Latin America« by a U.S. intelligence publication in 1950. The Corps is approximately 7,000 strong and concentrated in three locations. Today the Argentine Navy has 1 LSD, 15 LCVPs, 20 LVTPs, and 15 LARC-5s, all U.S. built, plus 1 LST and 4 LCMs built in Argentina. Amphibious tracked vehicles have traditionally been acquired from the United States.

The most significant peacetime challenge to the Navy is protecting the 200-mile limit, there being the constant danger of poachers. Judging the hardware, the Navy has a bright future when measured by the quality and quantity of warships recently acquired and those under contract. It obtains vessels from four sources: binational agreements, indigenous construction, foreign yards, and purchase of »used« ships, the binational agreements being the hope of the future. They are construction agreements with developed European shipbuilders which specify that part or all of the combatants are to be constructed or assembled in Argentina. If successful, they should ultimately lead to independence in indigenous construction, repair, and overhaul.

By 1985 the entire Argentine combatant fleet will be composed of modern warships, the sole exception being the carrier. Is the Argentine Navy for real? Judging by experience, peacetime operations and hardware the answer must be yes.

Naval Headquarters — New Possibilities of Operational Control

Due to the unfavorable geographic conditions and the numerical superiority of the potential enemy the German Naval Staff must have adequate means to make use of the principles of mass and economy of forces in countering any threat by timely and effectively committing the naval forces available. The Commander of the Fleet charged with this task will from now on be able to accomplish his mission of exercising operational control over all units through computerized CCISs, i. e. over all national and attached surface ships, submarines, and naval aircraft. At the same time he is part of the NATO command structure in his capacity as Flag Officer Germany. As both Commander of the Fleet and Flag Officer Germany (FOG) he takes part in a close and comprehensive exchange of information with both the Commander-in-Chief of the Federal German Navy and the Ministry of Defence as well as with all other NATO and national commanding officers in order to coordinate naval operations in the narrow geographical area available.

All items of information gathered at his naval headquarters are evaluated and converted into an up-to-date and comprehensive picture of the situation. All data collected are processed, stored, transferred, disseminated, and displayed by about 100 different working centres comprising those for guiding all kinds of signal communications, transmitting, receiving, and processing messages, decyphering and decrypting, displaying the actual situation, and data processing.

The functional structure of the naval headquarters may be subdivided into functions of transferring and disseminating messages and such functions concerning operational control. The naval headquarters is, therefore, organized into a communications centre and an operations centre, the former collecting all items of information and disseminating them to all personnel concerned in the operations centre or transmitting them from the operations centre to their counterparts. As a matter of course, all terminals are computerized, the exchange of data being automatical. All messages received are automatically analysed, documented, and disseminated. At the operations centre they are also automatically stored and can be displayed, if necessary. The operations officers working at the operations centre evaluate and assess all target data, update the combat situation and use the data received for their planning tasks. All this must be done without delay in order to rapidly display the actual combat situation for decision-making and issuing operational orders. Technically the system concept allows for the organizational division of the equipment into the following four components: central computer, situation display screen, radio equipment, and wire communications. The central computer constitutes the

core of the whole system, storing, processing, and disseminating all messages and data for display. The display component consists mainly of a large-scale display screen newly developed by Fa. IBM making full use of the most modern laser technology. All components of the communications centre working automatically are now directly connected with the central computer even as far as the wire communications are concerned. Storing, filing, decyphering and decrypting as well as disseminating are done automatically. Another new invention in the field of technology constitutes a modern security concept for the whole system designed in cooperation with Fa. ADV/ORGA F. A. Meyer GmbH.

The first development phase comprising all functions of conventional message and situation processing will by operational in October 1980. By 1983 all measures for duplex traffic will be taken. Thus the Commander of the Fleet will have an operational command and control system helping him in processing all items of information, converting them into an up-to-date picture of the combat situation, decision making, and rapidly issuing operational orders.

CSO: 3020

OFFICIAL EXPLAINS INDUSTRY'S DEPRESSED SITUATION

Buenos Aires CLARIN in Spanish 24 Nov 80 p 13

[Text] The undersecretary of industrial development blamed the failure of manufacturing concerns on obsolescence, expressed the view that the productive apparatus is being updated and remarked that bankruptcies are giving way to the attainment of greater efficiency.

Yesterday, the undersecretary of industrial development, Horacio Tédin, commented that, "Many of the industries that are failing and shutting down had an extremely antiquated and obsolete production structure." He made statements before leaving for Salvador de Bahia, where he is to attend the Latin American Petrochemical Congress.

Among other things, the official cited the opening of the economy: "In making a gradual opening of the economy, through import tariffs, what we want is to promote the stimulation of competition through the external sector." Tedin added: "We have achieved this and the private industrial sector has responded to this message in an extremely efficient manner."

Shutdowns

With regard to the shutdowns that have been noted in various industries, Tedin expressed the opinion that they are due to different factors. Among the latter he mentioned "the change in the financial policy that has prevailed for 30 years in the country, through subsidized credit."

In the case of the business firms whose failure was affected by the opening of imports, Tedin thought that, "It is simply a matter of updating the productive apparatus, and it is inevitable that some firms must suffer the damage stemming from a joint effort by the country and the government to update this productive apparatus and put it in a competitive position."

Unemployment

The undersecretary denied that these changes have social implications: as for unemployment, it is "a problem which, fortunately, does not exist in Argentina," and he backed the claim with "the extremely low indexes of unemployment." Thus, he observed, the shutdown of certain types of industries which cannot compete, whether for reasons of capital depletion or obsolescence of their production equipment, "simply results in a transfer of income to sectors which can produce on a larger scale and with greater efficiency."

2909
CSO: 3010

CHURCH GRAVELY CONCERNED WITH WORKERS' ECONOMIC PROBLEMS

Buenos Aires LA PRENSA in Spanish 23 Nov 80 p 7

[Text] The archbishop of Santa Fe, Msgr Vicente Zaspe, departed for Santiago, Chile, heading a delegation comprised of seven bishops, to whom three more will be added during the function.

Traveling with Zaspe were the archbishop of Parana, Adolfo Tortolo; the archbishop of Salta, Carlos Perez; and the bishop of Catamarca, Juan Torres Farias; of Gualeguaychu, Pedro Boxler; of La Rioja, Bernardino Whitte; and of Viedma, Miguel Hesayne; as well as the auxiliary bishop of Cordoba, Estanislao Karlic.

In the afternoon, Bishop Justo Laguna, of Moron, Bishop Jorge Casaretto, of Rafaela, and Emilio Bianchi de Carcano, the auxiliary bishop of Azul, departed.

Finally, in Mendoza, the head of the diocese of that province, Candido Rubiolo, joined the delegation.

Statements

Shortly before leaving Ezeiza, Zaspe said that the Church "views the socioeconomic situation in Argentina with grave concern," and "will do everything in its power to seek ways of surmounting it."

He also described the fact that an Argentine bishops' mission is going to Chile to participate in the final ceremonies of the Eucharistic Congress in that country as an "affirmation of brotherhood."

On this occasion, Zaspe added: "Every religious event in Latin America has repercussions which transcend the exclusively ecclesiastical realm and reach other areas of human life." He cited in this connection the National Marian Congress, which "not only represented a tribute to Mary, but also an affirmation of Argentine-Chilean brotherhood."

He noted: "The same spirit of unity that is of course being applied to the Eucharistic Congress will have repercussions on the Eucharistic Congress; because it is the desire of two peoples who want to solve their problems peacefully."

The Workers

He was then asked whether the Church was concerned over the status of workers who are currently experiencing problems because of the economic crisis that has forced the closing of establishments in which they were rendering services; whereupon he replied: "The Argentine bishops have an entity to deal with this situation, called the Social Pastoral Bishops Team."

He said that this group "is receiving not only labor leaders, but also memoranda describing the serious situation and the many grave conditions that many business firms, and hence our Argentine workers, are experiencing."

Zaspe added that the Church views "this situation with profound concern, and will do everything in its power to seek ways of surmounting it."

Then he denied having received a trade union petition which union leaders claimed to have sent; but he expressed the view that it might arrive within the next few days.

"As of yesterday, the document had not reached the Bishops Secretariat nor my hands. I personally asked the bishops present at the final meeting whether any of them had received it, and they answered negatively. This is why we learned about it in the newspapers, but I have no doubt that it will reach us soon, and we shall analyze it as we have any document that reaches the bishops' office."

On the other hand, he confirmed the fact that a group of leaders from the Justicialist women's branch had appeared at San Miguel seeking the Church's mediation in obtaining the release of Maria Estela Martinez de Peron.

He said: "Yes, the leaders visited me, and I notified the bishops' office of that request."

Finally, he denied the existence of any type of connection between the fact that the document approved by the bishops' office will be published next May and the fact that the new president, Roberto Viola, will take office at the end of March.

He remarked: "No, we are doing this in May precisely so that they would be no connection;" and he noted that the document to be published next year "will illuminate the entire national situation, from the Church's standpoint."

2909
CSO: 3010

WHEAT, CORN RECORD PLANTINGS REPORTED

Buenos Aires CLARIN in Spanish 21 Nov 80 p 18

[Text] According to estimates made by the Secretariat of Agriculture and Livestock, the area planted with corn and sorghum during the current agricultural campaign has increased 8.8 and 27.4 percent respectively.

The planting of corn has been estimated at 3.6 million hectares, a figure representing an increase of 290,000 hectares in comparison with the 3.31 million hectares planed with that grain during the previous campaign.

As for sorghum, the cultivated area anticipated by the state agency amounts to 2.4 million hectares, or 516,000 hectares more than during the 1979-80 campaign, when it totaled 1.884 million hectares.

Comparative Data

Despite the greater percentage of increase estimated for sorghum, its inclusion in the areas planted during the past 10 years reveals that the intentions for planting anticipated for this campaign represent only a recovery of the losses recorded in 1979-80. However, it is a lower figure than that in the data for all the previous years.

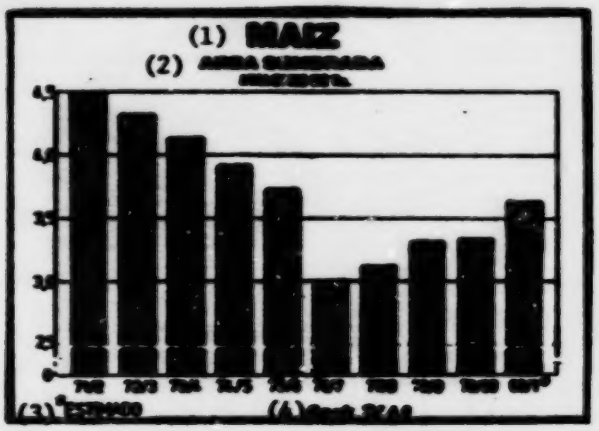
The situation is different with respect to corn, because the 3.6 million hectares estimated for the current coarse grain crops is the highest figure for the past 5 years. The current estimate is only surpassed by the areas cultivated during the first 5 years of the last decade, with areas exceeding 4 million hectares in all instances.

According to Province

The official report also states that the planting expectations exceed the figures for last year in all provinces for both crops, with the sole exception of corn in La Pampa Province.

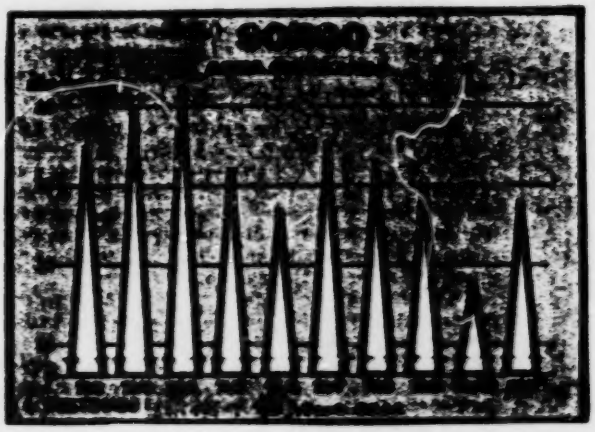
In the case of corn, the relative variation between this campaign and the last one is 10.3 percent in Buenos Aires Province, 11.4 percent in Cordoba, 8.3 percent in Santa Fe, 13.7 percent in San Luis and 54.8 percent in Entre Rios.

As for sorghum, the percentage of increase is estimated at 12.3 percent in Buenos Aires Province, 6.6 percent in Santa Fe, 17.5 percent in Cordoba, 120.7 percent in Chaco, 43.9 percent in La Pampa and 87.1 percent in Entre Rios.



Key:

1. Corn
2. Planted area (millions of tons)
3. Estimated
4. Source: SEAG [Secretariat of Agriculture and Livestock]



Key:

1. Sorghum
2. Planted area
3. Millions of tons
4. Estimated
5. Source: SEAG

2909
CSO: 3010

FIDE REPORT SHOWS DOWNWARD TREND OF INDUSTRIAL SECTOR

Buenos Aires CLARIN in Spanish 24 Nov 80 p 12

[Text] During the third quarter of the year, the industrial added value reportedly experienced a reduction of over 5 percent, and the rate for the agricultural-livestock sector was negative as well. This disclosure was made in the No 27 edition of the specialized publication, "FIDE-Current Situation and Development" (put out by the Research and Development Foundation [FIDE]), noting that the "meager results" of productive activities would be offset once again, thanks to the increment in the categories providing services. The report estimates that, therefore, the total gross domestic product for the third quarter would remain on a level similar to that attained during the same period last year.

As a forecast for the last quarter, FIDE remarks that no significant changes in trend are expected, and hence it may be predicted that manufacturing activity "will continue to be curtailed," although it anticipates that the "slightly dynamic" effects that the marketing of the harvest will acquire should be in evidence.

For the entire current year, the hypothesis for economic growth amounted to 0 percent, but within the total, there is a marked participation of tertiary activities and imports.

Exchange Policy

The FIDE report stresses the uncertainty surrounding the expectations for exchange, considering the decisive role that the exchange policy assumes in the financial area.

In this connection, the publication cites as an example the fact that, if a million dollars had entered the country in June 1977 and had been converted into pesos, and deposited on fixed terms, repeating the operation every 30 days, by October 1980 the holder would have a volume of pesos equivalent to $2.76 million, with a 176 percent gross profit in current dollars, when all the operational costs had been deducted.

This is why it describes the interest that can be accrued in Argentina for speculative capital from abroad as the highest in the world.

However, FIDE observes, the entry of short term financial resources contributed to the increase in the foreign debt, which, according to various sources, now totals between $24 and $27 billion. It is here that the factor of uncertainty regarding exchange

comes in because (the report points out), "Despite the large gain that the operators receive from the entry of external financing funds, the potential risk of taking new loans or renewing those already in existence increases as the lag in exchange is maintained or increased." In this regard, it reveals that, during recent weeks, certain foreign companies, although they formalized the renewal of their debt abroad with the BCRA [Central Bank of the Argentine Republic], concurrently assumed a position in dollars, purchasing them in money-exchange offices.

Discouragement for Investment

Elsewhere in its analysis, FIDE cited the lack of encouragement for investment in reproductive capital, which has been displaced by the attractive features of short-term loans. As a cause of that distortion, it blames the high internal cost of capital. It cites as an example the fact that, during the past 12 months, the real active interest rate for top-ranking firms has been about 35 percent per year, whereas in the United States it was nothing. Then the report states: "This is in addition to the recessive conditions that prevail on the domestic market, which not only necessitates the postponement or abandonment of plans, but also has led a large number of business firms to a very high level of indebtedness, giving rise to the formation of bank clubs, whose positions have, in turn, become vulnerable."

However, it gives a reminder that it is not the intention of the economic authorities to "save" the affected business firms, by resorting to special rediscount lines.

Key:

1. Financial Investment From Abroad (assuming its cumulative renewal every 30 days)
2. Earnings in current U.S. $
3. Source: FIDE based on data from BCRA and INDEC [National Statistics and Census Institute].

2909
CSO: 3010

NEED FOR DEEPWATER PORT REMAINS CRUCIAL ISSUE

Buenos Aires CONVICCION in Spanish 22 Nov 80 p 15

[Text] An agro-exporting country which prides itself on being such (although that is not its only productive activity) should have a deepwater port through which to convey its shipments, and even more so if the predominant type of agro-exports is grain or oleaginous products. In both instance, the shipments are made in bulk; hence the greater relative importance of having ports with sufficient depth to allow for larger cargo, at lower cost and under the best conditions.

At the present time, Argentina does not have any deepwater port; and this is only another one of the lags in the country's infrastructure.

Traditionally, the nation's exports of grain and oleaginous products have been made from the ports of Rosario and Buenos Aires and, primarily, Bahia Blanca.

Rosario has a depth of only 22 feet, Buenos Aires has 32 feet and Bahia Blanca, with constant dredging, occasionally reaches a depth of 38 or 39 feet. Nowadays, a large bulk carrier leaves port completely loaded with a draft of about 50 feet.

As one can observe, times have changed; and, as in everything else, what was good in 1930 has little relationship to what is needed for 1980.

In short, there is no alternative other than to build a port capable of dispatching "full" bulk carriers. It should be noted that a ship which does not leave port filled represents increased operating costs, resulting in a more expensive freight charge that eventually deprives the product transported of competitive status, even if that product should be grain.

It is even more serious when one considers the loading operations in several of the nation's ports, which are carried out consecutively so as to allow a bulk carrier to depart as full as possible. For example, a ship would dock in Rosario, load up to 22 feet, then dock in Buenos Aires, filling another 10 feet, and finally sail to Bahia Blanca, where it would take on between 5 and 8 feet of cargo volume. After all this troublesome work, it would be better not even to mention costs.

In brief, the savings that would result from the port's construction would be between $40 and $200 million per year, depending on the size of the harvest.

As for the site, nature indicates that it should be located in the San Antonio Oeste area, in Rio Negro Province, because the necessary conditions are there: ideal access and depth. However, the preport infrastructure is almost nonexistent. Roads, railroads, communications and distance from the production centers (Northern Buenos Aires and La Pampa, because the production from the south leaves through Bahia Blanca, Santa Fe, Entre Rios and Cordoba) conspire against that site.

Therefore, although at a higher cost for the construction per se, the location selected is Punta Medanos, in Buenos Aires Province, between the seaside resort areas of Pinamar and Mar de Ajo.

The cost of the project will not amount to $1.4 billion (at current prices), and the depth will be 50 feet. It should be noted that the complete amortization period for the undertaking may be estimated at no longer than 10 or 12 years. Of the total amount, the state would have to supply about $600 million, while the rest would be provided by international agencies.

It now remains for the government to make a policy decision to agree on the initiation of the project. If it does so immediately, it will have begun by early 1982, and the port might be able to operate partially by 1987. If it does not do so immediately, the lag will have to continue.

2909
CSO: 3010

BRIEFS

PLANT SHUTDOWN--Last night, company sources stated that the La Cantabrica metallurgical company will close its doors before the end of the year, as its board members notified the military auditors in the Metalworkers Union. The closing of the plant, located in the manufacturing zone of Haedo, will affect a total of 1,200 workers, and it was attributed by those same sources to the serious financial problems that the business owner group has been experiencing for months. In a note sent yesterday to Capt Fermin Barriouuevo, auditor in the Metalworkers Union, the board members also mentioned the possibility that 1,500 workers may be laid off from the Bragado Steel, Bragado Steelworks and Bragado Trafilacion, belonging to the same group. The note sent to Barrionuevo stated that the decision would be implemented "to insure the funds to cover the payment of compensation for the layoff of personnel from La Cantabrica, the closing of which will take place before the end of this year." As a preliminary step before the shutdown of the Haedo establishment, the company will lay off 550 of its workers as of 1 December. In view of the difficult situation confronting the personnel, the factory's liaison and mobilization committee released a communique during the afternoon declaring itself in "a state of alert." [Text] [Buenos Aires CLARIN in Spanish 19 Nov 80 p 9] 2909

CSO: 3010

U.S. HUMAN RIGHTS POLICY FOR AREA DISCUSSED

Effect of Reagan's Win

Santo Domingo EL NACIONAL in Spanish 21 Nov 80 p 10

[Article by Dr Jose Abigail Cruz Infante: "Ronald Reagan and Latin America"]

[Text] The American election campaign that has just ended, leading to the victory of the Republican candidate, Ronald Reagan, has been one of the most interesting election campaigns in the United States. It held the attention of all the active sectors on the continent's upper echelons, as if the chances of continuing the struggle or not depended on it. In the Dominican Republic, many forecasters were proven wrong. Newsmen, analysts, politicians and molders of opinion suddenly discovered that, where elections are concerned, there is a considerable difference between what is desired and what happens; because the vast majority of Dominicans who ventured an opinion before the final count considered President Carter to be the winner, because he seemed to them to be the "lesser of two evils." But very few, or none of the forecasters made an analysis of the electoral behavior of the American people and the nation's attitude toward the Carter administration.

We Dominicans, who are used to simplistic judgments lacking in the analytical element, wherein the commonplace and value judgments are most often reiterated, had very little information with which to be able to understand the electoral phenomenon that brought Reagan to the presidency. The polls and reports from the respective election headquarters are not sufficient to provide a realistic view of what might happen in a situation such as the one being discussed.

In these American elections, it must be realized that the average citizen voted in the most conscious and rational manner when he voted for James Carter against Gerald Ford, which was a rather emotional and symbolic vote. It was a vote against the specter of Watergate; it was a vote for the search for a new image, an ethical stand and a standard of conduct, in which the decisive factor was the personage of the candidate who said that he "would not lie to the nation."

The reasons that the American people chose Reagan over Carter are varied and extensive, and deserve to be commented on in more detail. Here, we shall only state that the pragmatic sentiment of the American voters guided them against continuing to uphold myths or symbols. What the people want is effective political action that will solve concrete, everyday problems, not abstract or academic formulas that say nothing to the average man, the man on the street.

The image that many individuals had formed of Ronald Reagan gave the impression that this kind of man could not attain the presidency of the United States; but if a careful analysis and observation were made, only this kind of man could do so. The American people are a simple people from a political standpoint; they do not like complications, nor intellectual or philosophical riddles; they prefer direct action. This is why their politicians, in their campaigns, place so much emphasis on the programs of action, on what they will do, and how they will do it. President Carter could never display real accomplishments by his administration; he could not deal successfully with the energy problem, the unemployment problem, inflation, the high cost of living and increasing taxation; so, the ordinary citizen felt that Carter was a good and honest man, but that he could do nothing to solve the everyday problems of every American, and that carried great weight.

The foreign policy problems are secondary. The crisis in Iran, the Salt II Treaty and the human rights policy were not decisive factors in the electoral process; because those events did not affect the daily lives of the voters. They are aspects of the nation's foreign policy, on which the vast majority of citizens are informed by TV. They are matters for academic discussion, but not issues on the street.

We in the Dominican Republic have a government very similar to the Carter administration, in outward respects of course. Therefore, two reactions were observed after Reagan's victory: one which attempts to predict what will happen in the country, electorally speaking, in 1982, pointing out that the PRD [Dominican Revolutionary party] and its government will be in the same situation as the Carter administration; and the other which attempts to show that the Reagan victory was based on the same intelligence that those in power used in their desire to remain at the head of the country's government. Reagan now has allies and "friends" in the government of the Dominican Republic, as we have learned since 4 November; previously, the friend and protector was James Carter, the man for human rights, etc. Now, the man is Ronald Reagan, the pragmatic, realistic, etc., man.

A clearcut lesson remains:Carter and his humanistic human rights policy were an effort to lend an ethical content to an outworn, discredited foreign policy; but they were not formulas capable of coping with difficulties in the socioeconomic realm; and hence his electoral weakness.

Now, a new episode is starting: let us see what will appear on the scene. Meanwhile, we Dominicans are making calculations, observing the problems that we have, and how they are being treated, to see the results. We are all observing.

Lopez Portillo, Guzman Stand

Santo Domingo EL CARIBE in Spanish 27 Nov 80 p 14

[Editorial: "Satisfactory"]

[Text] The concern over the respect that should be shown for human rights, expressed by the presidents of Mexico and the Dominican Republic during the vist that the latter paid to Cancun the day before yesterday and yesterday, is very timely and of vital importance.

This should not be considered surprising, because the constitutions of both countries guarantee the full benefit of civil, political and social rights for human beings. The two nations are also signatories of international agreements intended to confer universal force on those rights. However, the fact that, in meeting on Mexican soil, Antonio Guzman and Jose Lopez Portillo have concerned themselves with this vital issue makes it clear that the foreign policies of the governments that they head recognize that, at this point in time, there are no frontiers for human rights, that tney have supranational application and scope, and that they are binding alike on all nations and all regimes obligated to uphold them.

No one could fail to notice the occasion of the Dominican-Mexican reaffirmation of the respect that must be given to the constitutional guarantees protecting the individual. The violation of human rights is an everyday occurrence in the world. It happens in all latitudes, and has resulted in reprehensible dictatorships of both the right and the left; in developed countries, as well as in underdeveloped countries and, what is even worse, in regimes which, owing to their democratic, or pseudodemocratic nature, are dutybound to have a more respectful attitude toward their people.

In many countries of the communist orbit, dissidents are confined in lunatic asylums, or exiled to desolate places or where it is presumed that they will unable to speak out; in other countries, emergency laws, martial law and other similar expedients are used to legitimize the repression of individuals and groups. In still other places, the government terrorism as well as that of the opposition groups thwarts all efforts to maintain a state of law. In many Third World nations, the leaders are more concerned about their own prestige or image than about the protection of individual liberties.

This means that the problem of human rights can be summarized (although it may be a simplification) in the battle between the rights of the individual and those of the state. Hence it is highly satisfactory that two Latin American heads of state have paid particular heed to this critical issue.

It is also encouraging that the Dominican and Mexican presidents have not subscribed to the theory,which is so much in vogue among the Third World political leaders, that political freedom and human rights are a luxury that the poor and developing nations cannot afford. We all know (and this belief has obviously been reinforced in Cancun) that, although political democracy is incomplete without economic and social development, the latter cannot be fully achieved without the former.

Human rights should be the concern of everyone alike, of those who govern as well as of those who are governed. Hence the satisfaction that the heads of two American governments have expressed their faith in this noble ideal. This assumes importance because at the present time many governments are using the international agencies, with increasing brutality, to sponsor or back proposals aimed at curtailing civil and political liberties.

Violations in Haiti

Santo Domingo EL CARIBE in Spanish 1 Dec 80 p 12

[Editorial: "The Policy of Violence"]

[Text] The Duvalier family has removed its mask again and the ferocious countenance of its brutal repression has reappeared. Last weekend, the agents of the repressive

services made a roundup of members of the opposition, including journalists and heads of civic and political organizations.

That was to be expected; there is no halfway democracy. And, as might have been expected, the highly publicized liberalization of the Duvalier regime has proven to be an infamous farce. With the option of democratically sharing power, listening to public opinion and allowing opposition, or subjugating its opponents with more brutality than ever, the Duvaliers have chosen the second option. Faced with a dilemma, the "lifetime" president, Jean Claude ("Baby Doc") Duvalier has realized that the political system left him by his father is incapable of withstanding the free action of ideas and political forces which insure the enforcement of democratic principles.

That is, pure and simple, the reality of the situation in Haiti. The Duvaliers cannot allow opposition, because no tyrannical regime can afford that luxury. The Duvaliers cannot go along with democracy, because democracy is not a game; it is, on the contrary, something very serious, very living and very real, which requires something that they are incapable of accepting: the fact that rulers must answer to the people for each and every one of their actions.

Hence, there is no reason to continue the pretense of liberalization in Haiti. And what remains for the Haitian people, and for all those in the world who yearn for human rights to be respected, is a constant struggle for the establishment of a democratic society in which there is no room for either the Duvaliers or any of those who are now cooperating in the repression that they have resumed intensively.

All those who think otherwise are deceiving themselves, and are doing tremendous harm to the cause of freedom.

El Salvador and its people are undergoing another tragic episode in their agitated history.

However, what is happening there is quite different from what is occurring in Haiti. El Salvador has a government which is not a result of free elections either, but which, insofar as it is possible under the difficult circumstances at present, has obviously attempted to seek a solution to the serious social, political and economic problems of the Salvadoran society.

Thus far, it has been impossible for that government to find a formula that would fulfill the sectarian ambitions of the different groups contesting for political and ideological supremacy in the Central American nation. The right and the left are becoming exhausted in a bloody, brutal and apparently irreconcilable confrontation. And the government, which is not based on an established political persuasion, is obviously operating in a no-man's land. It is exposed, almost powerless, to the crossfire of the various movements that are attempting to prevail. The Salvadoran Junta, incapable of disciplining some of its own members, and obviously unable to bring order to a society that is in a virtual state of civil war, is drifting.

It may be claimed that a government incapable of imposing order should not remain in power. But, to whom should the command be turned over? To the reactionary right, or the extreme leftist guerrillas?

Let no one tell us that there are other possibilities. Anyone who examines the situation objectively and dispassionately (something that is not easy, because the political divisions do not appear to stop at the borders of El Salvador) must necessarily reach the conclusion that the polarization of forces at present does not leave any room for moderation. The assassinations that are committed daily are not the work of a single sector. Thus far, the victims have been leftists, centrists and rightists. And, if those who are killing and committing depredation are not situated in just one place in the political spectrum, then to whom should assistance be given?

To determine guilt from this vantage point is, in any event, something obviously quite difficult at present. And it is most likely that any effort made in this respect, rather than clearing up the situation, would evoke sectarian disputes as unreconcilable as those taking place on Salvadoran soil. However, it does seem that, if anyone with a little influence on the conflicting sides were to wield it in an effort to achieve moderation and propose solutions that could lead to an open popular consultation, there would still be hope of cooling this conflict, and also of restraining the destructive course of violence.

But that may be as easy as asking for the impossible.

2909
CSO: 3010

PROTESTS AGAINST UNEMPLOYMENT, REPRESSION REPORTED

Port-au-Prince LE PETIT SAMEDI SOIR in French 8-14 Nov 80 pp 11, 13

[Article by Jean Caleb: "Cap Haitien--Against Unemployment and Police Repression"]

[Text] This Friday, 31 October, the atmosphere was heavy in Cap Haitien. The funeral of Jean Rene Dervil, 18 years of age, a high school student who died several days earlier following the bloody drama which occurred at the city port, was being held. The story is a heart-rending one. The people of La Fosette accompanied the deceased to his last resting place. His parents were inconsolable. As the cortege proceeded, people dissolved in tears. Mothers could not contain their emotions. Consternation and anguish--these were the feelings which prevailed on this particularly sad occasion preceding the burial of this young man whose only crime was going forth in search of life and wanting to escape unemployment.

Thus the people wept and continued to do so for a considerable time. Than they began to sing softly. The volume increased. It was as if their nerves received an electrical charge. They began to chant after the fashion of our sublime barefoot beggars in the days of the heroic struggles for freedom and independence--the battle chant the words to which are most evocative: "Grenadiers, attack. Ca ki mouri zafe a yo." At this stage, it was already a demonstration with demonstrators. The emotion of the people of La Fosette changed to anger. Mass rebellion was a certainty. Then they began to march toward the prison. A hail of stones rained upon the building. There was panic in the barracks. Police agencies, entirely confused and caught by surprise, drew their revolvers and fired in the air to disperse the crowd. The crowd stood firm, holding its ground and demanding the liberation of all the illegal travelers who had been arrested and thrown in prison. And so the matter ended, without anyone's really knowing what had been achieved. What is certain is that peace was soon reestablished. The people hastened back to their respective homes after having once again challenged the forces of law and order, putting their lives at peril.

But how was this point reached?

This story is no less tragic. Tortured by the poverty and the unemployment which never ceased to prevail in the country, dozens of northerners decided to become boat people. Everything was ready. They moved toward the vessel awaiting them not far from the port of the city of Cap Haitien. The police had got wind of the project, and they burst forth at the site. Suddenly shots rang out. Then a great panic developed in the course of which masses of people threw themselves into the sea.

The next day, the bank already stank of flesh and blood. Bodies, four of them, were recovered. Among them was that of Dervil, a young man full of ideals and confidence, and very serious-minded, but ill-favored by fate and suddenly brought face to face with himself in the whirlwind of life. It was, then, this fine example of youth which the people of Cap Haitien saw again last Friday. And it was this limp body just yesterday bubbling with life and hope, stretched out in a wooden box and en route to that world from which one never comes back--yes, it was this son, this comrade, this tireless combatant for whom they wept. And they said to themselves that this must never happen again in the heroic north. A second reason which doubtless led them to demonstrate against a system on which they have placed all the responsibility for this bloody drama, so tragic and moving too.

Despite everything, it will be noted that such incidents are no novelty here. They develop, are hushed, and leap up again unceasingly. Naturally, they take different forms, depending on the circumstances and the nature of things. But they inevitably put the regime and the people of the north at loggerheads. Put in another way, this is the traditional image of the ever present, paternalistic state and the subjected, alienated and brutalized people it is grinding down. These are the people governed who, in the midst of the apathy and the passivity of the rest of the citizens of Haiti, are demanding to play a more active role in the management of public affairs. They want to be citizens in full. This is vaguely proclaimed in official speeches, with no real wish for it. But the people themselves hear it and take our leaders at their word and try to shape the clay of reality to make it fact.

These desires are far from being subjective, not to say "subversive," as one might be tempted to conclude in haste. The facts are there to prove it. One has only to follow the film of developing events to see the evidence of it. Cap Haitien has on numerous occasions risen in protest against the central regime and has demonstrated. In the one case it is a question of defending a right, and in the other, of exercising one. It may also be that it is a question of a reaction against a situation of chronic misery (unemployment and inflation), or against the police repression which has in recent years become a way of life and an institution.

Demonstration Against Unemployment and Inflation

Let us go back a bit. About 2 years ago, during the 1978 legislative elections, Cap Haitien put the candidate Gabriel A. Lerouge in power. He was the only independent in the electoral campaign. Today, despite his hesitation, he has separated and distinguished himself from the 52 other "pourrassistes." We see here the work of the descendants of Henri Christophe, on whom the deploying of force and intimidation has never worked. All of the maneuvers of the regime to halt Lerouge have been pitiful failures. The people did not vote for Lerouge as a person seen as such, but for his program. And what did it include? A campaign against inflation, unemployment and high living costs. In other words the people had had enough of their chronic poverty and above all had become aware of it. Thus if last Friday they went so far as to throw stones at the building housing the prison in which the clandestine travelers were incarcerated, it was less a demonstration of their desire to challenge than a reaction against the system the failure of which led the distinguished sons of the north to take to the sea like the others, to become the prey of the sharks eager for human flesh. If Dervil had not been driven into unemployment, he would never have found himself in this situation which led him to die in the flower of his youth under the dramatic circumstances known to all. Thus this was above all a demonstration against unemployment, inflation and poverty.

Demonstration Against Police Brutality

The people of Cap Haitien do not tolerate injustice, arbitrary action and unjustified torture well. They evidence a singular temeprament and an attitude of challenge.

Their courage is exemplary. In their eyes all sacrifices are possible when it comes to defending justice and freedom. Last June, they proved this in the affair involving Capt Michel Cesaire. In fact, the latter, as will be well remembered, had savagely and unjustly beaten the lawyer Harry Sanchez and the technician Miguel Casseus. The tale they themselves told of their calvary in the court in Cap Haitien moved and repelled the population, who took to the streets demanding the head of the torturer. He took to his heels in flight. That day, bayonet and machine gun were defied. The affair was highly publicized. Captain Cesaire was taken to general headquarters for questioning. He was to appear for sentencing last Tuesday but the trial was postponed until the next day. Wednesday there was another postponement until a later date.

And the most recent demonstration was that which took place last Friday in connection with the funeral of the young Rene Derville. It was meant to be both the response of the population to their regrettable conditions of life and a protest against the men with a ready trigger finger.

One does not know now what tomorrow will bring. But one thing remains certain, and it is discussed, moreover, everywhere--that is that the people of the north have decided to wage a new battle like that in 1804, that of Haitian democracy. And like their valiant forefathers Dessalines, Christophe, Capois La Mort, Antenor Firmin, Demesvar Delorme, and Jean Price Mars, they have embarked resolutely on the "upward and rocky path" of freedom. To defy the forces of the regime and their whole arsenal in defense of freedom and human rights--this is the noble and perilous undertaking to which the sons of the north, to the exclusion of the rest of the citizens of Haiti, have dedicated themselves. This is a worrisome venture and its developments should be followed.

5157
CSO: 3100

BIOGRAPHIC INFORMATION ON PRIME MINISTER SEAGA PUBLISHED

Tegucigalpa EL CRONISTA in Spanish 3 Dec 80 p 5

[Article by Lew Wheaton: "Leading Man in the Jamaican Drama"]

[Text] The new Jamaican prime minister, Edward Phillip George Seaga, is a former U.S. citizen and Harvard graduate, who studied sociology and religion before entering politics and acquiring a reputation as a solid economist and financial wizard.

He was born in Boston, Massachusetts in 1930 to Jamaican parents of Scotch and Lebanese origin. He gave up his American citizenship in the fifties.

Seaga's pensive and sometimes timid manner makes his appear cold in public, but his supporters go mad to touch him at political rallies. They rub his arms, grab him around the neck or lift him and pass him from one person to another toward the speakers platform.

Seaga enrolled at Harvard with intentions of studying physics but changed to sociology and graduated with that major in 1952.

He returned to Jamaica and devoted himself to the study of religious cults, spending long periods of time in the interior of the island nation. Those experiences and his studies in sociology gave rise to two books and to his deep interest since then in the African and Caribbean roots of the Jamaican people.

Seaga was responsible for returning to Jamaica the remains of Marcus Garvey, a black man born on the island who advocated the international black movement "Return to Africa" and who was established as one of the first national heroes of the country.

Seaga ran for the lower chamber of parliament as a representative of one of Kingston's poorest neighborhoods. He was later named minister of development and welfare in independent Jamaica's first cabinet.

After the 1967 elections he became finance and planning minister. He conceived and founded several of the Jamaican government's financial institutions and introduced fiscal reforms which led to the development of local industry and to the decreased need to seek money from foreign countries.

All his programs were largely dependent--as is the economic growth model that he is now advocating--on voluminous private investment to create jobs and industry.

Nevertheless, he has never forgotten his poor Kingston neighborhood and has converted the notorious run-down area into an elegant complex with playgrounds, classrooms for pre-schoolers, sports facilities, etc.

In 1965 Seaga married Mitsy Constantine, who was crowned "Miss Jamaica" the preceding year. They now have three children.

In addition to his government responsibilities Seaga has been an official in the World Bank, the IMF, the Inter-American Development Bank and the Caribbean Development Bank.

From the beginning Seaga launched his electoral campaign accusing Micheal Manley's government of administrative errors. In taking over the reins of state Seaga finds himself with an economy in such poor condition that it is doubtful whether the country can continue until the end of the year importing food and fuel while servicing a costly foreign debt.

Seaga has estimated the deficit which needs immediate attention at some 220 million dollars. In order to meet this deficit he has reportedly gathered loan commitments from international entities, private corporations and foreign governments.

Seaga states that he has also organized the financing of a major part of the country's needs in order to return Jamaica to the road to prosperity, although he admits that the entire foreign debt will have to be renegotiated.

CSO: 3010

ACCUSATIONS AGAINST JORGE SALAZAR DEPLORED

Managua LA PRENSA in Spanish 22 Nov 80 p 2

[Article by Humberto Belli: "Jorge Salazar"]

[Text] Jorge Salazar was a good man. He was not ordinary or common. He was something special. And I do not extol him because he is dead, as is often done with those who pass on. I say it with sincerity and conviction: Jorge was special. Those of us who had the good fortune to know him know that with his death, we were diminished. Because with his momentary but painful passing, our world was impoverished. It is as if today there were fewer trees in the landscape and fewer smiles about us. For Jorge was one of those individuals with whom only a superficial contact revived one's spirit, one of those persons who inspire great confidence and calm, one of those whom one realizes, at a distance, are tremendously honest.

I do not know how they killed him nor why. They say he was involved in a conspiracy.

For those familiar with his character and the conciliatory attitude he had been adopting, even on the day before they killed him in Matagalpa, it is difficult to believe that Jorge could have been working in favor of a violent alternative. Let us suppose, however, that Jorge was conspiring. The question would be, then, for what? For if he was engaged in conspiracy, I can conclude that he was wrong, but I would have to recognize that he was honestly wrong and honestly doing what he believed just. And this should give us all cause for thought. For Jorge was not a braggart or one to sell out his country. Jorge Salazar, all things considered and with some of the defects we all share because we are men to a greater or lesser extent, was a patriot. He was an upright man, profoundly identified with the problems of his country and his people, prepared to lose everything, including his life, to achieve a better society. And those of us who knew him can attest to that--from the combatants in the FSLN [Sandinist National Labor Front], with whom he planned the Fuente-Pura-Santamaria de Ostuma ambush during the war, to the peasants hidden in the valleys of Matagalpa and Jinotega, with whom he worked so hard, organizing and serving them. Why then would a man like Jorge Salazar, a worker, opposed to Somoza, a fighter and a patriot, have been involved in a plot?

Why couldn't the FSLN keep the friendship of a man who at a given time in his life had given it his full support and confidence, even at risk to himself? What alienated Jorge Salazar from the regime, to the point of embarking on a conspiracy against it, as the government reports claim?

The answers from the little Marxist handbook are easy and simple: "Salazar moved away from the FSLN because he saw his class interests or the hegemony of his class threatened." But no one who knew Jorge could have said this to his face. Because it was not concern with his class and its privileges which underlay his conduct, but the desire to see a better, a free, a just Nicaragua.

For this reason he was ready in his actions to sacrifice convenience, property and life. Because his motivations were nobler.

If the enmity of the evil is something which should please us, the enmity of the good is something which should worry us. If those who head the FSLN today had known Jorge Salazar, they would be concerned now because they would have realized that he was a good man. For in Jorge, many of the virtues most highly valued in men, many of the most precious characteristics of patriots, came together, and when good men and patriots begin to turn their backs on us, something is going on.

Something is happening which should cease to happen. For it is very painful that death should have to continue to occur in Nicaragua. It is very painful that the human lack of understanding which plagues this country has reached the extreme of claiming yet another life of such value.

The death of Jorge should lead us to question, to reflect. It should lead us as those who govern and those who are governed to ask what is happening. For the likes of Jorge Salazar, Felipe Estrada, or the ordinary fellows throughout our land should not continue to die.

Those of us who had the immense good fortune of knowing Jorge will always have him with us. And the memory of him will be an encouragement, an encouragement for the defense of life, for the preservation of the lives of men as precious treasures. An encouragement to fight for a Nicaragua in which these treasures are valued, respected and loved, for a Nicaragua in which no one opens fire, either with a rifle or the tongue or the heart, on these treasures.

5157
CSO: 3010

CONAPRO WITHDRAWAL FROM STATE COUNCIL EXPLAINED

Managua LA PRENSA in Spanish 21 Nov 80 p 9

[Text] We have received the following communique dated 17 November 1980 in Managua.

Communique

The assembly of delegates to the Confederation of Professional Associations in Nicaragua (CONAPRO), meeting on 17 November in extraordinary session, deems it desirable to set forth the following clarifications for the information of all professional workers in the country and the people in general:

1. The CONAPRO, on making its decision to withdraw from the Council of State, did so on the basis of the great responsibility it bears within the legislative body, not only to all professional workers, but to the entire Nicaraguan people.

Within this framework, the repressive steps taken against another organization represented in the council must necessarily earn our repudiation, because they have seriously damaged the pluralistic spirit of our revolutionary process. These now familiar actions:

a. Show a lack of culture and ignoble feelings contrary to the special nature of our people.

b. They discredit the government and the people who tolerate them.

c. They hinder the free development of any civic activity.

d. They represent a return to a past which we do not even want to remember.

It should also be made clear that the decision adopted by our president was confirmed by the assembly of delegates in its session on 12 November 1980, with a unanimous vote of confidence.

2. In compliance with the general mandate dated 28 August 1980, the board of directors of the CONAPRO prepared a draft law regulating the exercise of professional activities which was published on 4 November of this year in LA PRENSA. This draft law was widely discussed with a delegation appointed by the FSLN for the purpose, and as of this date no agreement has been reached.

The attitude of the CONAPRO is governed by the fact that the draft law submitted to all of the citizenry and the FSLN for consideration reflects the desires of the professional workers and the national interests.

5157
CSO: 3010

SANDINIST NATIONAL LIBERATION FRONT-ARMY RELATIONSHIP CRITICIZED

Managua LA PRENSA in Spanish 20 Nov 80 p 2

[Article by Haroldo Lacayo R.: "Party-Army Hindrance to Democracy"]

[Text] It is extremely utopian to think that the existence of democracy is possible when an "armed" party is in power. Because of the fact that it is armed, the foundations of the support of the regime and its "eternal" nature are evident.

Nicaragua has been characterized throughout its history by the existence of political parties with their own armies. Some in power, others demonstrating it. This had led to a number of contradictions: we have never had democratic elections and each change of government has been brought about by the force of arms. Thus each party which has come to power has had the intention of governing the country indefinitely.

The General of Free Men, Augusto C. Sandino, was the first citizen to oppose the private, partisan, sold-out and thus antinationalist nature which was sought for the recently created national army, whose mission, seemingly, should be to serve the country, the whole of the people without distinctions of political and ideological creed. For this reason General Sandino was assassinated.

Since then, the national army has practically been a part of a political party. The results are only too well known. Once this government "model" was legalized, with an armed party in power, democracy lost its opportunity. The alternation of parties in power became impossible and pluralism was reduced to a mere political game.

The Martyr of Public Freedom, Dr Pedro J. Chamorro C., when he said that "there is no one to vote for," summarized the rejection of the existing system of government by the people, clearly indicating their impotence against the powerful party-army. Like General Sandino, Dr Chamorro Cardenal was the victim of a vile assassination.

Some things in history repeat, since we currently find ourselves in a somewhat similar situation: the party-army structure as a regime prevails. We have an armed party in power.

However, now the people have in fact learned a lesson of history. It is not possible to have a democracy when prior to the elections, a political party has established control of an army with vested interests. The people, truly aware, understand that "there will be no one to vote for" so long as this special situation prevails.

An armed party in power is the primary support base for any totalitarian regime. Otherwise, why would such parties insist that the "apolitical" army represents the will of the people, while at the same time imposing certain characteristics and names upon it which prove the contrary?

With the triumph of the revolution, it was hoped that many things would change to the benefit of the people. Without a doubt, some things have improved. But what good can the improvements do if the basic structures which violate the basic freedoms of the people are maintained--the party-army, the state-army, the state-party?

It is obvious that there is no separation of powers within the state itself, since it is a party (the front) which controls all the branches, and it can be presumed that it will control the whole of the process for any elections held in 1985.

Our people have battled to eliminate for good the "models" of government which stand in the way of true democracy. The government junta, which supposedly represents the interests of the people, has a program which says "the legislation necessary for the organization of a regime of effective democracy will be promulgated." Therefore, if the government junta truly represents the real interests of the people and not a political party (as it has revealed), it has the duty and a historic commitment (for which Sandino and Pedro Joaquin died) to carry out a complex of political and monetary reforms so that there will be no insuperable obstacles to the achievement of true democracy.

Basically, the FSLN [Sandinist National Liberation Front] could offer the people two alternatives: making itself a political party "officially," leaving the military duties to an army called Nicaraguan. In this way it could carry out a true "civic" struggle to govern with "arguments," so that it would be the people who decide on their own fate.

The second alternative would be to abandon the political aspect and take up the functions of a true army. In this way, it would be possible to realize the "true" concepts of General Sandino, which have nothing to do with the exotic doctrines to which some groups try to relate them and which are unrelated to the national reality.

If basic structural changes are not effected, we will not see democracy in this country, however much the people may desire it. Those who state that democracy is possible with an armed party participating in the electoral dispute are entirely demagogic. Those who believe these demagogues are entirely naive.

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CSO: 3010

YOUTH MINISTER REVIEWS HERRERA'S ADMINISTRATIVE PROBLEMS

Caracas EL DIARIO DE CARACAS in Spanish 22 Nov 80 pp 16-17

[Text] The following is a report submitted on Tuesday at the First Interdisciplinary Seminar of Master Classes, by Allan Brewer Carias [minister of youth]. It has been published by EL DIARIO DE CARACAS and contains an analysis of the proposals in the Maracaibo Charter and Luis Herrera Campins' Government Program, on the subject of public administration.

It is quite customary to criticize public administration, but it is not so customary to propose methods for resolving its problems. Therefore, the efforts to improve it should be hailed. Our administration has actually been diagnosed sufficiently; and we should not continue making diagnoses. We know what the problems are, and a list of these problems is contained in President Herrera's Government Program and in the Maracaibo Charter prepared by FEDECAMARAS [Association of the Chambers of Commerce and Industry] in 1980.

We need not continue to seek new problems; to solve those which have been posed is perhaps what we need, so that public administration may cease to be that "reign of arbitrariness," which is sometimes a "reign of difficulty;" that "reign of fear," which public officials often experience in making decisions; that "reign of negotiators," which is produced by complicated procedures; and that "reign of irresponsibility," which so often exists.

With respect to administrative corruption, for example, it is quite commonly thought that this is confined to thefts of sums of money directly from the state. However, the major administrative corruption is really poor administration, caused by the shortcomings in public administration and its irresponsibility. For example, it is in waste that the corruption has existed throughout recent years.

In any event, all these administrative problems require an organization to assume them, direct them and guide them, and to prompt the state to improve its administration. If not, unfortunately, we shall observe the Government Program elapse without a proper implementation in this area of administrative reform.

What is needed is the policy decision to deal with and resolve these problems, which have been diagnosed, and brought up, even with methods for solving them; a policy decision that is not only national,but state and municipal, because the problem has cropped up with all its individual features on all levels of administration.

The Misfortune of the Maracaibo Charter

The Maracaibo Charter, basically, contains an analysis of the organization of the administration, and the proposals that it makes are for the structural reform of the latter. However, in this respect, relating to public administration, that document is really not helpful.

In fact, it brings up organizational problems that have already been resolved to a considerable extent; it somewhat ignores what has been done in Venezuela by way of structural reform; and it is also a confused document, which copies organizational systems that would be difficult to apply in Venezuela. The Maracaibo Charter criticizes the organization of the executive branch, and also makes some proposals for reform.

The Proliferation of Ministries

Insofar as the criticism of the executive branch organization is concerned, this document mentions "mixed and parallel responsibilities," claiming that there are "internal contradictions," and this, it says, "precludes an orderly delegation" from the president to the ministers; and, on the other hand, it says, this binds the president to deciding on certain matters that he could have delegated, and hence could have used that time for other activities.

Moreover, it cites the "proliferation of ministries," stating that, as a result, there is a "contradiction in the formulation of policy" and an inefficient, excessive process of "interministerial adjustment."

The problem of public administration is not the number of ministers or ministries; the problem is, rather, the sectorial organization of the ministers. Up until 1976, it could be said that there was no organization of this type; but, since the reform of that year, none of those diagnostic assessments are really valid or relevant at present.

The Maracaibo Proposals Are an Imitation

Unfortunately, if one makes a detailed analysis of the document, he realizes that it does nothing but offer a poor imitation of the proposed reform of the United States Government of 1971, which President Nixon submitted to Congress and which the latter did not accept. In fact, it proposes the demarcation of "top-ranking ministries," and uses the expression in the sense of head ministries over other ministries, which should only administer the production process.

The idea that it attempts to express with the "top-ranking ministries" taking precedence over other ministries is actually contained in the reform of the Council of Ministers included in the Organic Law of 1976, which, in May 1979, gave rise to the establishment of five sectorial offices for the areas of defense, security and policy; economic management; social management; cultural management, and physical development and regulation of the territory.

However, whether or not these sectorial offices are in operation is no longer a problem of organization, but rather of functioning of the administration, of government but not of organization. Therefore, what the document proposes with regard to public administration has no validity nor value.

LHC's Program

It is the proper time to revise President Luis Herrera's 1979-84 Government Program, and it is worthwhile recalling it, to see if it is being implemented and executed. It devotes two chapters to public administration. In one, it mentions the changes that should be made in the state to make a a promotional state; and, in the other, it brings up the problems involving the functioning of public administration in particular.

Presidential Power and Promotional State

Among the changes to be made in the state, in order to enable it to act as a promotional state from the standpoint of administration, it called for the "decentralization of the presidential power." After an imperial presidency such as the one we had during the term of the last government, it became necessary for the ministers to be able to acquire a rank that they had lost.

The ministers have received greater power, and more delegation of authority, and there has been a more ministerial government, as the program states; but I, personally, think that this has occurred as a great mistake: namely, that, instead of one government, we have created 17 governments, because each minister governs, but the government's overall consistency has been lost.

The Secretariat of the Presidency Is Not Functioning

Concurrently, there is a lack of an institutional mechanism that would lend the government administrative consistency, which is called for in the Organic Law on the Central Administration. It is none other than the Ministry of the Secretariat of the Presidency, created as part of the reform bill of 1972.

I think that we are running the risk of dismantling the government and (I insist) heading toward 17 governments; because the Ministry of the Secretariat has not functioned thus far, as a ministry integrating the government's administrative action.

There Must Still Be a Rearrangement

The second point cited in the program regarding administration is the "rearrangement of the decentralized administration." Now then, this rearrangement has not been carried out to any great extent; because there is a lack of a fundamental legal instrument, namely, the Organic Law on the Decentralized Administration, the draft of which was submitted to Congress, also on the occasion of the Administrative Reform Plan of 1972.

Among other aspects, it cites the need for setting up autonomous assets without corporate status, to prevent the proliferation of decentralized entities. Therefore, the rearrangement still remains to be made.

The National Authority to the Regions

The third point cited in the program relates to the decentralization and deconcentration of the national authority to the regions, an essential feature of our administration.

There is not the slightest doubt that our state and administration have been devised as centralized entities. Centralism is stifling this country, and if anyone can sense this best it is those who live in the provinces. It is essential to undertake reform of the local, state and municipal entities, as well as the regionalization process.

Unfortunately, the national authority has had very little interest in the reforms that are being made in the states. The national authority had no interest in the two experiments in the state of Yaracuy and the state of Aragua. I think that only if the states themselves start to reaffirm themselves and demand powers, it might prompt the national authority to at least be concerned about what its legislative assemblies and government entities are doing in the states.

The Best Example of Political Scheming

The other aspect of the decentralization and deconcentration of the national authority relates to the local area of the municipality. I have had occasion to observe the municipal problem from many angles, and I think that we would agree that the municipal administration is the most clearcut example of inefficiency, political scheming and arbitrariness in Venezuelan administration.

It is imperative that everything be changed. However, which legislative assembly and which state government has been concerned about municipal reform? Where are the studies on territorial arrangement, to indicate which will be the municipalities that remain and which will be the districts to assume the status of a municipality, or not?

It would appear that the Ministry of Interior, the authorized entity for territorial political division, is concerned only with centralizing, instead of decentralizing. In any event, President Herrera's Government Program has yet to be implemented in these respects.

The State's Actual Responsibility

Another point in the program is the state's actual responsibility. In fact, we have traditionally had an irresponsible state. Here, the administration does not answer, and has never answered for anything. To be sure, it does not answer for the payment of interest when it is owed for months and years to contractors; but if the latter oweincome tax, they are indeed charged interest. Nor does it answer for the damage and harm that it causes the citizens every day.

And, while we do not have a responsible state, it may be said that we do not have a state of law either. I have always thought that legality is not the only principle of a state of law; neither legality nor juridical status, but rather the institution of justice, in other words, the possibility for judges to really oversee the state and require responsibility of it.

The Requirement System

Another major point in the Program is that on regulating the administrative procedures and limiting the discretionary powers of public officials. We have been

progressively invaded by the widest variety of administrative requirements, by the requirement system, one of the administrative ills of Venezuela.

Administrative complications have thereby become a common procedure: the more complicated the administration is, the more agents there will be; the latter solve the problems and have the government official share in their profits. In any event, their proliferation would be reduced by simplifying procedures and insuring free access and information to the citizen concerning the administration. But we have not done any of this: the Law on Administrative Procedures is still a bill that Congress has not discussed seriously.

And the executive branch, instead of solving problems, complicates them; for example, by regulating the agents. In the Ministry of Transport and Communications, a regulation on agents was issued, establishing a new permit: the agent's permit.

Corruption Has Reached Alarming Levels

Finally, President Herrera's Government Program discussed overseeing efficiency in government action and the battle against corruption. Unfortunately, it has not improved the efficiency of the government, and the corruption in certain areas has reached really alarming levels, particularly on the lowest echelons of administration, often because of the complicated nature of administrative processes.

The vast majority of the changes that President Herrera proposed to form a promotional state are, unquestionably, yet to be made, and it is important to demand that they be made.

Functioning of Public Administration

The other chapter in the program directly poses the problem involving the functioning of public administration. In the first place, it cites the need to reinforce the agencies backing the president of the republic; in other words, the nonsectorial ones, the central offices. This has been accomplished gradually, but the Central Office of Budget has not been properly organized, and it is still subordinate to the Finance Ministry.

Holding Companies Based on Sectors

An administrative reform would be incomplete if it did not include a reform of the decentralized administration. The program mentioned the assignment of these entities to, and their overseeing by the ministries, but the lack of a law on decentralized administration has limited the actual overseeing.

The program also cited the need to combine the state enterprises into holding companies based on sectors, with the ministers responsible for overseeing the management. None of this has been achieved. The bill for an electric holding company has been thwarted by the government's inconsistency, stemming from the varied positions of the ministers.

The Red Tape

The final point mentioned in the Government Program relates to the use of modern management techniques in running public administration, so as to reduce the red tape, save space, cut costs, improve public services and achieve savings. All these

vitally important aspects directly affect the standards, procedures and work methods in the administration.

However, so long as there is no national agency responsible for directing this process of improving the management, unfortunately, the latter cannot be achieved either. It will be necessary to revitalize the Commission on Public Administration, which engaged in such activities for 20 years.

Whether We Like It or Not

During recent decades, public administration has been undergoing a process of considerable expansion, and this has caused the administrative institutions and the state's action to physically penetrate all areas of economic and social life. Whether we like it or not,, everything that is done in the country is done under the aegis of the state and its administration.

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IMPLICATIONS OF GUAYANA SOCIAL, ECONOMIC PROBLEMS REVIEWED

Caracas EL DIARIO DE CARACAS in Spanish 20 Nov 80 p 32

[Text] When one thinks of Guayana, one disregards how closely its problems affect us. To many, the names ALCASA [Caroni Aluminum Company], VENALUM [Aluminum Company of Venezuela], INTERALUMINA and SIDOR [Orinoco Iron and Steel Works] do not signify anything but aluminum foil or the government propaganda about the nationalization of the iron industry. Puerto Ordaz is too far away, as is the Orinoco. But what exists there is not merely an economic, management, political or strategic problem.

For a long time, there have been disclosures about the enormous losses of the companies in the aluminum complex. There has been a greater awareness of the matter since the famous speech by Leopoldo Diaz Bruzual, when he showed the incalculable losses of the companies financed by the Investment Fund that he headed, in August 1979.

But it would not appear that the problem is simply one of disclosing that there are losses of half a million a day in FERROMINERA, or that there has been an administrative and planning disaster in SIDOR. Is it actually in the country's interest to stop financing iron and aluminum, or to ignore the fact that the Orinoco Oil Belt requires development?

The Guayana technicians, with their perpetual "remember, it is a very personal opinion," all say the same thing. The political interests of Venezuela in the hemisphere which include making us autonomous in the management of the market and production of aluminum, demand that use be made of the electric power produced by the Orinoco River, the oil in the Belt, the bauxite in Los Jiguaos, which is very close to the Colombian border, and the companies which already exist for development. The human potential also exists in Guayana, and the urban structure of Puerto Orgaz makes it unnecessary to add to the plans to spend millions on the development of Bechtel in the Belt the construction of a town, when there is a supply of 6,500 apartments in the depressed urban zone of Puerto Ordaz and San Felix.

For 3 days, a congressional mission headed by Valmore Acevedo Amaya, and including Pompeyo Marquez, Pablo Herrera Campins and Simon Antonio Pavan, toured Guayana, seeking solutions and listening to the comments from management and unions concerning the exploitation of the Oil Belt, the losses of the CVG [Venezuelan Corporation of Guayana] companies and the problems involved in the transfer of technology. But the problem is far more deep-seated. It is not merely a matter of having to decide on the development of Puerto Ordaz, nor on national growth in comparison with Colombia and Brazil. Now, it is a matter of Venezuela's survival without oil.

In Guayana, the Venezuelans running the state companies are agreed on what their main problems are.

Poor debt-capital ratio. In ALCASA, it is 5.32 to 1. During fiscal 1979-80, that company paid 166 million in interest; its capital totals 1.9 billion, and the debt is 1.6 billion bolivares. In SIDOR, the accumulated debt is 1 billion bolivares. In VENALUM, there has been a debt of 250 million since its founding in 1978.

Contracts unfavorable to Venezuela. In VENALUM, which is a mixed capital company with 80 percent native capital (CVG-FIV [Venezuelan Investment Fund]) and 20 percent from six Japanese industries, the country has a contract for the procurement of alumina powder, which is extracted from bauxite and is the raw material for aluminum, whereby a posted price has been maintained for the price of aluminum that is between 13 and 16 percent negotiable.

As a result of an amendment that was made in February 1980 in the contract, all of a sudden Japan imposed the highest price on Venezuela. If the alumina were negotiated on the international market, 50 million bolivares could be saved in the 2 remaining years of the contract. But the jurisdiction of the contract is located in Geneva, and the Japanese want to litigate there.

The technology contracts have not been successful either. The "Venezuelization of development" has been difficult, and the Venezuelan plant managers demand active participation in the companies' decisions. At the present time, they are little more than assistants to the foreign managers.

The major problem is reducing the cost of raw materials. Pertinent in this regard is the problem of the disadvantageous contract for producing alumina with the Japanese companies, and the development of Los Pijiguaos, a mountain area with proven bauxite reserves amounting to 500 million tons, located 40 kilometers from the Orinoco and 500 kilometers southwest of Ciudad Guayana; which would make us self-sufficient in aluminum production.

The indifference toward the problems of Guayana has resulted in hearing about it only when there are strikes in the iron producing area. The exacerbation of the labor problems has added to the prediction of losses a series of delays, caused by an inept labor policy.

Managerial problems. Venezuela's inability to control the companies technologically, to purchase raw material on fitting terms and to dominate the sales market has hampered the level of efficiency considerably. The Venezuelan managers do not control either the aluminum nor the iron business. They claim to be "pushed around" by the Americans and the Japanese.

Puerto Ordaz is a city planned by men. What was a lost town on the banks of the Orinoco has become a very large modern city; but one with thousands of problems.

At a meeting held in VENALUM, Pompeyo Marquez commented: "This was a city planned over a period of time, and chosen. The problems of Ciudad Guayana need not be the same as those of Valencia, Maracay and Caracas."

"But," replied the president of VENALUM," not enough was invested in infrastructure; Congress did not appropriate funds for it...."

"All of us," remarked Sucre Figarella.

"No, all of us is too many people!" interrupted Marquez.

Sucre Figarella continued: "Until 1968, there was structure, housing and services in this city. Since then, and up until the present, I have no answer; but that is the truth."

The conversation dissolved into further interruptions and shouting. But the problem continues. There are waves of holdups in Ciudad Guayana; there is social unrest. San Felix remains on the sidelines, lacking in the most fundamental things. And the human capital of the CVG companies is located in that city.

The reasons for stimulating the development of the aluminum and iron companies are their "assets".

The aluminum companies are the second-ranking source of hard currency for the country, after oil. In 1980, the combined sales of VENALUM and ALCASA amounted to 3.5 billion bolivares, with 500 million on the domestic market alone.

It is currently being proposed that the contract with the Japanese companies participating in VENALUM be renegotiated.

The exploitation of Los Pijiguaos would allow for autonomy in aluminum production. The bauxite would be exploited in Los Pijiguaos, the alumina would be produced by INTERALUMINA and the aluminum would be processed by ALCASA and VENALUM, using the energy from the area.

It is proposed that the CVG companies' debt be refinanced from short to long term. In this way, the debt-capital ratio would become more tolerable.

The development of the Orinoco Oil Belt would contribute to the independence of aluminum exploitation. The production of petroleum coke, which is a source of refinancing, would allow for the production of aluminum, reducing costs. Petroleum coke is used to produce anodes in the process of separating the aluminum from the alumina.

The development of the Belt would also allow for the development of Puerto Ordaz and San Felix, which are now economically depressed areas. The Bechtel plan to build a town around the Belt's exploitation area to accommodate 36,000 inhabitants has been rejected by the people in Puerto Ordaz, who have seen a repetition in Guayana of the same experience involving the decline of the oil towns. In Ciudad Guayana, instead of building a town, it is proposed to construct a bridge that would connect the exploitation camps with the urban area of Guayana, and would make it possible to build up Guayana's industry from construction (there are 6,500 vacant apartments in the area) and to give an impetus to the region.

From a geopolitical standpoint, Venezuela needs total control of the aluminum industry and a stimulation of the iron industry. Brazil has an aluminum industry, and

no other country has the combination of an investment capacity, hydroelectric power and sources of raw materials that Venezuela possesses. In addition, it is an alternative source of national support, which could support the country independently of oil. If the plan for the exploitation of bauxite and the production of petroleum coke in the Belt is carried forward, 95 percent of the input would be native. Aluminum is not used only to make foil and pots and pans; it is used in the space, automobile and aviation industries.

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BRAZILIAN-URUGUAYAN ENERGY TECHNOLOGY TO BE EXCHANGED

Brazilian Technology for Uruguay

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 26 Nov 80 p 25

[Text] Porto Alegre--Mines and Energy Minister Cesar Cals announced yesterday in Porto Alegre that Brazil will furnish energy technology to Uruguay in the areas of oil, coal, wood, vegetable oils and wind generators. Cals met in Livramento with Uruguayan Industry and Energy Minister Francisco Tourreilles to discuss this matter. At the end of the meeting a document was signed in which the two ministers agreed to establish joint study groups to select various projects in implementation of the accord. The two groups have 60 days in which to complete their studies.

In addition to the transfer of technology, interest was expressed by the governments of the two countries in integrating their electric power systems. There are currently four lines supplying Brazilian electric power to Uruguay: the circuits are Livramento-Rivera, Quarai-Artigas, Chui-Chui and Jaguarao-Rio Branco. At present, thses systems are limited to supplying certain Uruguayan cities. Coverage on a national scale will now be studied, using hightension lines. It is also necessary to determine how to make the cycles compatible--the Brazilian system being 60 cycle and the Uruguayan 50. The study groups are to present suggestions in this regard.

In other energy areas Cals said that a joint plan for seismic research will be drawn up for oil prospecting within the ocean and territorial limits of the two countries. Once the prospecting is completed, each country will exploit its reserves independently. The minister indicated that the situation might be different with coal, saying that exploitation of coal deposits on the Uruguayan side could be carried out through joint ventures.

Other aspects of the agreement are Brazilian technical cooperation in the supply of wood and vegetable oils as alternate sources of energy. Brazil will also share its technology in wind generators.

Uruguay: Areas of Cooperation

Rio de Janeiro GAZETA MERCANTIL in Portuguese 26 Nov 80 p 9

[Article by Delmar Marques de Rivera]

[Text] Brazilian Mines and Energy Minister Cesar Cals' meeting with his Uruguayan colleague, Francisco Tourreilles, in the border city of Rivera in Uruguay, which ended yesterday, could open the way toward negotiations on technology, equipment and even Brazilian coal. The Uruguayan minister expressed interest in Brazil's efforts to restore equilibrium in its trade balance and plans to analyze everything which is being done--from experiments in the use of windpower to a mixture of vegetable oils with diesel fuel, to the possibility of gasification of coal to replace fuel oil burned in its thermoelectric power plants.

The status of Uruguay's energy balance is rather delicate and, a few days after a meeting was held in Bogota, Colombia, devoted to the energy problems of countries which belong to the Latin American Integration Association (ALADI), the minister of this sector acknowledged that his country has very little to offer as a contribution toward reducing its dependence on foreign energy sources. Only now is Uruguay beginning to concern itself with this problem despite its allocating 50 percent of the oil it imports to the fueling of thermoelectric plants.

Oil Account

Uruguay's oil account--$400 million annually--represents about 60 percent of this country's exports. National Energy Director Alfredo Behrens estimates his country's peak consumption of electric power to be 600 MW. Thermoelectricity contributes half of that peak demand. Hydroelectricity supplies the rest; but the most important project in this sector, being carried out in conjunction with Argentina in Salto Grande, will not reach its total potential until 1990 when it will have 12 turbines in operation.

Behrens explained that, in the meantime, his country does not have funds to invest in the undertaking, estimated at $1.5 billion, and must therefore pay the Argentines in power. For this reason and despite the fact that Salto Grande already has six turbines, only one is supplying Uruguay power (each has a capacity of 135 MW).. Argentina consuming the rest as payment for the investment. Rincon del Borrete and Baygorria, the other Uruguayan hydroelectric power plants, belong to the same water system--the Salto Grande--and dry periods in that area, at least one every 3 years, jeopardize the entire supply.

It is now hoped to combine the energy networks of Uruguay and Rio Grande do Sul via Candiota, in Bage, as a way to guarantee power supply during critical periods. This hookup would offset occasional shortages until the completion of Salto Grande. Minister Tourreilles also expressed his willingness to invest in the prospecting of coal deposits existing in his country. He will also seek foreign investments for this purpose. Andrade Ramos, president of Mineral Resources Prospecting Company (CPRM), believes that the Rio Grande do Sul deposits might extend to Uruguay; at least, a geological survey points to this conclusion. He said that his firm would undertake the necessary research.

Export

Flavio Brinckamann, president of Rio Grande Minerals Company, hopes that the prospecting will bring results: "In that case we shall be able to contribute with projects having to do with exploration and the supply of equipment, for we already have internationally recognized experience," he said. He does not discount the possibility of exporting gasified coal to Uruguay in the near future. The offer has been made and the Uruguayan authorities have expressed interest in that project as well as in the technology of the Rio Grande Science and Technology Foundation in the gasification of coal in fluid state. According to Director Behrens, it would be impossible to adapt thermoelectric power plants to fuel oil through the direct burning of coal, but it is quite feasible to use coal producer gas in the same boiler after minor changes.

Regionalization

In Cals' opinion, collaboration begun with Uruguay should be extended to all Latin America. In the Bogota meeting Brazil is to present a joint proposal with Mexico, Venezuela, Ecuador and Colombia aimed at energy integration of the entire continent: "Maintaining the current commitments every time a country's demands increase should imply giving preference to Latin American suppliers. In like manner, when their current contracts expire, Latin Americans should have priority. Producer countries are endorsing that proposal, manifesting "interest in contributing to restoring the energy balance of all ALADI countries," the Brazilian minister said.

Through the hastily arranged meeting held at the frontier precisely for the purpose of avoiding the delays which occur when official visits are sought through diplomatic channels, Minister Tourreilles is trying to take advance measures to guarantee the supply of surpluses from the neighboring country. The initial result of that meeting will be the installation in Uruguay—for experimental purposes—of a 10 kw winddriven generator of Brazilian manufacture. Even the possibility of dealing in oil or its derivatives was discussed. This subject will be studied more carefully. A study group composed of experts from both countries will be established to assure continuity in the negotiations begun at the Rivera meetings.

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NEW PETROCHEMICAL COMPLEX INAUGURATED BY FORMER PRESIDENT

Rio de Janeiro MANCHETE in Portuguese 6 Dec 80 pp 130-134

[Article by Ib Teixeira: "Petrochemistry, A Revolution In The National Economy"]

[Text] How can we insure a renewable energy source while increasing the number of automotive vehicles in Brazil at the same time? How can we increase the supply of food while reducing the imports of agricultural products at the same time? How can we extend the borders of our national economy, decreasing the overall dependence of the country on petroleum imports? There is only one answer to all these questions: petrochemistry.

"We are facing a new industrial revolution," said former President Ernesto Geisel at the inauguration of the petrochemical complex of Camacari in Bahia. In fact, only on the basis of the implantation of a strong basic chemical industry can the country break the dependence on foreign supplies in the area of vital raw materials, insure fuel for agriculture, and, finally, free itself from the exclusive use of hydrocarbons by using alternate petrochemical sources such as alcohol, oil shale and coal.

Petrochemistry itself means a higher quality treatment of an energy source on the way to becoming extinct. According to an estimate by the Industrial Association of Japan, whoever saves 100 liters of gasoline per week is allowing the production of 160 meters of plastic pipe for civil construction; 21 polyester shirts; one automobile tire, 3.5 inner tubes, 21 sweaters and 500 nylon socks.

Alcohol and coal are already taking the place of petroleum in Brazilian petrochemical production. In Alagaos, near Maceio, dichloroethane is already being produced from alcohol. In the south, a PETROBRAS [Brazilian Petroleum Corporation] company, PETROFERTIL, initiated a genuine coal chemistry revolution by converting a terrible low-density pollutant from coal into an extremely valuable raw material. In Sao Paulo, the polystyrene and polyethylene industry, because of the shortage of ethane from the Cubatao refinery, very successfully resorted to the dehydration of alcohol. Thus, a common sugar byproduct, always disdained on the international raw material market, overnight became an essential item for the manufacture of packaging, electrical appliances, throw-away items and even toys.

According to technicians of the Brazilian Petroleum Institute, ethyl alcohol is already earmarked as a partial substitute for hydrocarbons.

Chemistry is capable of other miracles also, however. National coal was always considered to be of low quality. With the petrochemical revolution, things have turned around. The country, which was extremely dependent on sulfur imports, now has in Santa Catarina a strategic source of sulfur, a basic ingredient of vast applications in several industrial sectors.

Now, in the coal-bearing basin of Santa Catarina, nothing is lost, everything is converted. Coal became thermal electricity. The high polluting wastes are now used in the form of gypsum, avoiding damage to the environment. Finally, another raw material up to then not utilized, pyritic wastes, is increasing the domestic supply of sulfur in the form of sulfuric acid or phosphoric acid, in other words, in the form of fertilizers.

In terms of the continuous cycle of the use of Santa Catarina coal, an important industrical complex was born in Imbituba. A sulfuric acid plant can produce nearly 900 tons daily. Previously, in order for such plants to be practical, the country needed to import 100,000 tons of sulfur costing $15 million.

Agricultural-Livestock Production Will Be Superdeveloped

Now petrochemistry allows the use of pyritic wastes, encourages coal production and the industrial complex has a 10,700-kilowatt thermoelectric powerplant. It is from there that the electricity comes for supplying Imbituba. Moreover, the residues of byproducts are also used. Just with the gypsum wastes resulting from phosphoric acid, it was possible to install a cement plant with an annual capacity of 400,000 tons. The processing of that waste will provide a quantity of sulfur sufficient for a second sulfuric acid unit. With the iron oxide wastes, it will be possible to supply paint, varnish and ceramics factories. The chemical gypsum available will also allow the installation of a precast panel plant, panels which will be used for building prefabricated walls with a subsequent reduction in the cost of civil construction.

President Joao Figueiredo said recently: "It is in agricultural-livestock production that the Brazilian people are going to find the way to better days." Actually, the last two agricultural harvests and exportable surpluses obtained indicate an exceptional behavior by that sector when compared to that of other countries which are traditional producers of agricultural products.

Soil Nutrients May Expand the Agricultural Frontiers

How can that agricultural miracle be explained? "The secret resides in the petrochemical revolution," says an engineer in agronomy. Actually, thanks to the basic chemical industry, the country can raise its average per capita consumption of fertilizers from 6.95 kilograms per inhabitant (1965) to 17.15 kilograms (1975), and is actually approaching 40 kilograms per inhabitant. Today the Brazilian consumption of soil nutrients is among the highest in the world, as can be seen in the chart below:

	Fertilizers in kg per inhabitant
Israel	145.2
United States	81.3
USSR	44.9
China	39.6
Brazil	36.1
Canada	19.8

Source: Brazilian Petroleum Institute

The expansion of the agricultural frontier is going to make Brazilian petrochemistry even more strategic. Despite our increasing consumption of fertilizers, national demand greatly exceeds domestic supplies. In the case of nitrogenous fertilizers, for example, compared to a domestic production of nearly 300,000 tons in 1979, domestic consumption rose to 750,000 tons. The national production of only 40 percent of its needs forced the country to import nearly 450,000 tons of nitrogen fertilizers.

At this time, due to the National Fertilizer Program [PROFERTIL], PETROBRAS is supplying national industry with the basic raw materials for the production of nitrogen fertilizers, ammonia and urea, through its subsidiary PETROFERTIL [PETROBRAS Fertilizer Company]. In addition to the factories existing in Bahia (Camacari), Sao Paulo (Piacaguera) and Santa Catarina (Imbituba), PETROFERTIL is building the Araucaria factory.

On the outskirts of Curitiba, this factory is going to provide nearly 1,500 tons of urea, 330 tons of ammonia and 58 tons of elementary sulfur to the fertilizer mixers and distributors per day. However, the domestic needs for nutrients are going to require an even more substantial effort from Brazilian petrochemistry.

In fact, the fate of the Brazilian chemical industry has been determined: grow or perish. Some obstacles must be overcome. Among them is the price control policy. Says Michel Harveld, director of the Brazilian Chemical Industries Association: "Three or four months from now what happened with cement could happen with petrochemistry." In other words, a country which has all the resources of capital goods and raw materials for producing all the cement that it needs is spending foreign credit to import it. Only a policy of real prices for petrochemistry can insure the profitability required for a complete program of expansion.

The basic chemical industry of Brazil was born at the beginning of the decade of the 30's when a partnership of Brazilian, Argentine and Urugusyan capital began the Rio Grande Company located at Uruguaiana. Operating with petroleum imported from Ecuador via Buenos Aires and Paso de Los Libres, the Rio Grande Company was throttled in 1936 when the Argentine Government decided to prevent passage of Ecuadorean petroleum through its territory. The company then reappeared at the port of Rio Grande—importing the fuel directly—with a daily capacity of 1,500 barrels. This refinery at Ipiranga had the first production of solvents for the nascent Brazilian tire industry.

In 1954, Brazil entered definitively into the era of petrochemistry with the construction of an ammonia and fertilizer plant by PETROBRAS. Shortly thereafter there appeared the Union Carbide polyethylene plant, the CBE styrene plant, the isopropanol and acetone plant of Rhodia, and so forth. At the beginning of the 60's, PETROBRAS inaugurated its synthetic rubber plant, using imported butadiene as a raw material. A unit for producing the butadiene was inaugurated in 1967. That which began timidly with the production of the first thermoplastic resins, became a great industrial complex capable of producing a range of basic products such as ethylene, propylene, butylene, xylene, and so forth, and primary products such as ethylene oxides, benzene, acetylene and ethane, plus intermediary products such as styrene, ammonia, nitric acid and many other articles.

Said in another way, Brazil as of 1967 began to depend on its petrochemical industry for supplies of PVC pipe, connections, records, threads, cables, shoes, artificial fibers, films, goods for the automobile industry, electrical appliances, and so forth, plus thousands of other finished products. Sailboats, automobiles, furniture, and products for civil construction complete that list of industrial possibilities, which fantastically increases the use of the main thermoplastic resins. In 1976 the country consumed 566,000 tons of those resins; four years later, consumption is almost a million tons.

Petrochemistry Paces the Development of a Country

Within two years the country will be requiring 1,548,000 tons.

One of the basic chemistry articles by itself, synthetic rubber, is playing a predominant role in the economic life of the country: Nearly 85.8 percent of the total amount of rubber used by heavy industry is domestically produced. Why synthetic rubber and not natural rubber from the Hevea Brasiliensis? "Unfortunately, the supply of natural rubber is hard to come by because domestic rubber growing depends on native rubber tree plantations lacking modern technology and frequently subject to disease and failures in production," replies a manufacturer. At this time the economic development of a country can be measured by the progress of its petrochemistry. Since the appearance of that industry in the United States in 1920, when isopropenyl and glycol were manufactured by the Standard Oil Company and Union Carbide, that North American country has maintained world leadership. However, beginning with 1970, the rapid growth of Japanese petrochemistry placed Japan immediately below the United States.

In Brazil, the beginning of operations of the Northeast Petrochemical Zone, with the majority of the enterprises in Camacari, Bahia, represented the complete replacement of petrochemical product imports in 1979.

The "Sao Paulo Zone" is the Leader of the Western World

In terms of the balance of payments, this fact means a saving of $800 million to the country. The Northeast Petrochemical Zone also allows a more harmonious development because it overcomes the traditional regional imbalances.

The Sao Paulo Petrochemical Zone, born at the beginning of the 60's, today includes nearly 40 companies, in 21 of which majority stock control is exercised by domestic stockholders and 19 are foreign-controlled. "It is a matter of the specific employment of the tripartite method, which includes PETROBRAS, domestic private capital and foreign industry," said an official of the state industry. According to him, the tripartite method allows the Sao Paulo Zone to become one of the most promising petrochemical centers of the western world.

The Third Petrochemical Zone is being born in Rio Grande do Sul. According to a decision by the Economic Development Council (CDE), the Zone should develop primarily around basic petrochemical projects and encourage participation by private enterprise in the other projects not within the area of PETROBRAS. The harmonious operation of those industrial complexes on the basis of raw materials such as alcohol, petroleum, oil shale and coal insures Brazilian participation in the second industrial revolution: the petrochemical revolution.

8908
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PRIVATE INDUSTRY RELUCTANT TO INVEST IN NEWLY FOUND COAL

CPRM Confirms New Discoveries

Rio de Janeiro GAZETA MERCANTIL in Portuguese 27 Nov 80 p 9

[Article by Sergio Danilo do Rio: "CPRM Confirms Discovery of Deposit"]

[Text] The Prospecting and Mineral Resources Company [CPRM] confirmed the discovery last week in Sapopema, in the interior of Parana, of a new and promising coal deposit. First estimates at one of the prospecting sites indicate the existence of a potential of 20 million tons, although it could be larger, since only 11 test bores have been made, it was reported by the state company sources.

CPRM Director Eliseu Visconti told this newspaper yesterday that the contract transferring the Irui I and Irui II coal mines, which were put up for auction by the company and purchased by the Parana State Electric Company (COPEL), will be signed 12 December.

The reserves of Irui I and Irui II in Rio Grande do Sul are estimated at 190 million tons and their sale value is estimated at 36 million cruzeiros. The CPRM should receive part of the payment in money and another part in shares since a mining company to exploit those coal reserves is going to be created, said Visconti.

Leao Norte

The Leao Norte I coal reserves (208 million tons), also in Rio Grande do Sul, should be transferred to the Rio Grandense de Mineracao Company (CRM) during the latter half of December also. This mine, according to Visconti, will be worked by the Rio Grande do Sul company, which should initiate the working plan in 1981. The total price of that mine was established by the auctioning commission of the CPRM at 40 million cruzeiros and the payment schedule will be eight 6-month installments.

Transfer of Seven Deposits

With the transfer of those mines in December, the auctioning of seven coal mines to private enterprise and state energy and mining companies will have been accomplished. The last mine to be offered to national industrialists in January will be the Morro dos Conventos in Santa Catarina.

Altogether, seven mineral deposits have been transferred or are in the process of negotiations: Arroio da Silva (SC); Irui I, Irui II, Leao Norte, Seival I, Hulha Negra (RS), and Morro dos Conventos (SC). They total an overall reserve of 843.3 million tons.

State Companies Dominate Bidding

Rio de Janeiro GAZETA MERCANTIL in Portuguese 29 Nov-1 Dec 80 p 9

[Article by Delmar Marques: "State Companies Dominate Bidding For Mines in Rio Grande do Sul"]

[Text] There remains only one coalmine, that of Ararangua--besides the two that are under litigation, claimed by the Metropolitan Coal Company of Crisciuma--which the CPRM needs to dispose of before being completely divested of all discovered deposits and it can begin new test drillings. With two mines purchased by the National Union of Cement Industries, two by COPEL, one by the CRM, one by Prospera Mineracao and another by the Bussato Construction Company, all coal deposits found in recent years was placed at the disposal of mining intersts.

The coal mining companies, however, are far from keeping up with the progress of prospecting. Since they have to make large investments in the consolidation of the area prospected and on mining projects, without a guarantee of consumption all plans will remain simply intentions. The president of the CRM, Flavio Brinckmann, certainly controls an enormous potential. The new mine he has just received, the Leao Norte I, has more than 217 million tons, enough to guarantee its actual rate of production for more than 100 years.

In measured reserves alone, without counting those simply estimated, the CRM already has 407 million tons in Candiota, 580 million tons in Leao, 176 million tons in Irui and 72 million tons in Santa Rita. These are measured reserves and are ready for extraction plans for going into production. Thus, all by itself the CRM is in a position to sustain all the production desired for the country in 1985--27 million tons per year--for more than 50 years.

Brinckmann explains that it will take at least three more years to measure the deposit received in Leao Norte I and to prepare a plan for the annual extraction of 2.4 million tons, an investment of around $90 million at today's prices, similar to the one being made at Leao I. The other companies, which received reserves from the CPRM, will not require any less time, he believes. He says that the mines of Irui Norte I and Irui Norte II received by COPEL represent considerable geological problems to mining, such as layers of coal surrounded by very weak strata, which will require even more time for research and engineering plans, so much so that the CRM did not even bid in those areas.

Such a slow rate, caused by technical circumstances and in a like ratio by a lack of decision in the official and private enterprise area, worries Rio Grande do Sul business leaders. Of the seven mines distributed by the CPRM, four went into the hands of state companies (CRM, Prospera, which is a subsidiary of the National Iron and Steel Company, and two went to COPEL), precisely because of the fear by businessmen in making new investments without a clear definition of the

sources of financing and potential consumers. The entire coal program is moving very slowly in the understanding of the president of the Brazilian Iron and Steel Institute (IBS), Jorge Gerdau Johannpeter. He says that he will take the problem to President Joao Figueiredo at the meeting the iron and steel companies will hold with the chief executive on 5 December. "The resolution of the energy problem is vital for the country," he said.

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BRIEFS

COAL MINING IN MOZAMBIQUE--Brazil may participate in the exploitation of coal in Mozambique and import part of the volume mined. In the next 60 days a Brazilian delegation from the Ministry of Industry and Commerce will go to that country to begin negotiations for that purpose. The subject was presented yesterday in a meeting between the governor of the Bank of Mozambique, Sergio Viera, and Minister of Industry and Commerce Camilo Penna. Sergio Viera explained the programs to be carried out by the government of his country, in which Brazil could participate, to the minister. The main one of them is the program for enlarging the Cabora Bassa Hydroelectric Powerplant, which will go on to generate four million kilowatts. Moreover, the Mozambican Government intends to install an industrial complex to make use of the power produced by the hydroelectric plant, a program in which Brazil could participate, particularly in the installation of an aluminum plant and other projects in the metallurgical field. Negotiations also include cooperation in agroindustry and transportation programs. [Text] [Rio de Janeiro O GLOBO in Portuguese 3 Dec 80 p 21] 8908

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GOVERNMENT DELEGATION TO MEET WITH IMF STAFF; COMMENT

Delegation to Explain Policy

Rio de Janeiro O GLOBO in Portuguese 7 Dec 80 p 44

[Text] Brasilia (O GLOBO)--Five ranking government technicians will go to the United States this week to explain the new economic policy to be practiced by the Brazilian Government beginning January to the staff of the directorate of the IMF.

The trip by the technicians is being kept under wraps in an attempt to avoid controversy, since any news of the presence of Brazilian Government representatives in Washington to justify and announce economic changes for 1981 (new policies on wage, money and credit, exemptions for part of bank interests, exemptions in the exchange rate reduction of part of subsidies and changes in rural credit) would have great repercussions.

The trip by those technicians is closely linked to the needs for foreign resources forecast for 1981, which are estimated at $21 billion. According to Central Bank figures, 11.5 percent of the Brazilian Foreign debt is due next year. Still according to the Central Bank Balance of Payments Division, the country will spend nearly $17.5 billion in 1981 to service the debt ($8 billion for amortizations and $9.5 billion for interest).

According to government technicians, forecasts are that there will be a trade balance, with expenditures for petroleum totalling $9 billion, if Brazil manages to maintain a daily consumption of 750,000 barrels per day at an average price of $33 per barrel within the framework of future PETROBRAS [Brazilian Petroleum Corporation] purchases.

The Brazilian delegation of technicians consists of Akihiro Ikeda, chief of the Ministry of Planning Economic Assembly; Mailson Ferreira da Nobrega, chief of the Finance Ministry Economic Advisory Office; Antonio Caetano Filho, special consultant of the Central Bank; Jose Augusto Arantes Savasini, superintendent of the Planning Institute, IPLAN; and Luis Paulo Rosembergo, minister of planning.

That team will also make an explanation to the staff of the IMF directorate of the measures taken, and to be taken, against inflation, for balancing the balance of payments, the maintenance and creation of mechanisms which insure or increase the level of exports, and of the results which Brazilian authorities expect from those measures.

That contact reveals a willingness by Brazil to formally schedule a meeting for an IMF loan, according to statements by the technicians of the government. The decision to send those technicians was made when Alexandre Kafka, the IMF executive director for Brazil, was in Brazil two weeks ago for meetings with Ministers of Planning Delfim Netto; of Finance Ernane Galveas, of Industry and Commerce Camilo Pena and Central Bank President Carlos Langoni. Kafko came to learn the details of the economic policy set for next year and also to bring a list of requests for information of interest to the IMF.

Brazilian Government strategy is to disclose its intentions and its expectations with respect to results. If they are accepted by the IMF, the country will be eligible to make a request for a loan. In the understanding of some authorities, the country would emerge politically strengthened domestically and abroad in the degree that its economic policy were to be approved by the IMF, without the need of having to subject itself to its impositions.

In the days preceding the departure by those five technicians for Washington, careful surveys have been made on the status of the balance of payments this year and the prospects for 1981. This work was based on figures from the Central Bank, PETROBRAS and other agencies whose activities are linked to the foreign area. Government technicians believe that the proposal to limit imports to 750,000 barrels of petroleum per day, which would mean a decline in physical consumption of around 25 percent, must be faced as a most important factor, including for the credibility of the country before the international financial community.

According to PETROBRAS estimates, the average price per barrel of petroleum should be around $33, keeping in mind exports of Brazilian gasoline and light petroleum (without that the real price of petroleum would rise to $40 per barrel).

Petroleum is the great unknown in official calculations and estimates for next year. It is a variable which depends on the behavior of the foreign market and PETROBRAS admits that supplies for next year are uncertain and their prices are alien to any logical practice. This is so true that in the explanation the Brazilian technicians will make to the staff of the IMF directorate, the item of energy will be the most critical due to the uncertainties observed in the area.

The heavy burdens being placed on the balance of payments because of the successive increases in the price of petroleum have made it difficult to control the deficit in the balance of payments. Hopes now reside on the agricultural sector, since foreign sales of manufactured goods, according to forecasts by businessmen and experts linked to international trade, reveal that next year will be one of difficulties, particularly for developing countries such as Brazil.

Drawing Rights Explained

Rio de Janeiro O GLOBO in Portuguese 8 Dec 80 p 15

[Text] Brasilia (O GLOBO)--If it were interested, as of 1 January Brazil could take loans from the IMF up to $7.5 billion. All it would have to do would be to receive support from the directors of the fund for the economic policy being practiced in the country. That position is being expressed with some frequency by technicians of the Ministry of Finance and the Central Bank.

"Those $7.5 billion, which the IMF could lend to Brazil, are the result of the increased capacity for loans of the fund itself where Brazil has special drawing rights [SDR] of $1.28 billion as of 1 January. The fund established that as of now Brazil can draw 600 percent of the SDR in 3 years and in special cases more than 600 percent in a single year.

The choice of going to the IMF as well as to learn the amount of the loan Brazil needs to resolve its balance of payment problems is a question which is beginning to be discussed by government technicians.

Contrary to the opinion of international bankers, Central Bank President Carlos Langoni believes that the capacity for making loans by those banks--the best alternative for the country--is far from being exhausted. Primarily because it is a domestic decision, Langoni believes "We are not going to make an economic policy on the basis of the opinion of international bankers."

According to Langoni, "The fundamental question for Brazil as to whether or not it can be financed in the market 'is to know' whether it is going to ask the market for more than the market can offer under reasonable conditions." If the authorities are programming an increase in the net loan of not more than 10 percent, reasons Carlos Langoni, "that figure is well below the average growth rate of the capital of international private banks, which is around 15 percent."

In keeping with this reasoning, if they did not lend to Brazil and other developinc countries, the bankers are going to have difficulties in placing available surplus funds.

Langoni believes that next year Brazil should intensively exploit new foreign sources of money supplies in the same way it did with exports this year, diversifying markets and products (ways of obtaining financing from different sources, primarily financing Brazilian imports and exports from abroad).

The Arabs also appear as potential lenders, since with the new institutions they themselves created "they possess a tremendous leverage in resources." Therefore, "The world becomes much greater than the IMF," according to Langoni.

However, the prospect of going to the IMF is being planned with another hypothesis in mind also. The economic potential it represents in the medium and long term places Brazil in a very different position than the other countries which made loans to Brazil in past years.

Even countries in a more comfortable position than Brazil in terms of indebtedness do not have the potential of future development that the great international investors need for continuing to lend.

This means that with an economy directed toward exports, an energy program which is considered advanced, mineral reserves and raw material sources of the scope Brazil has--which is not unknown to traditional investors of the IMF--Brazil already has the necessary collatoral required by international bankers, reasons the technician.

The main disadvantage of the Brazilian decision to go to the IMF, according to the Central Bank technicians, is the result of the war between Iraq and Iran, with its negative effects of an increase in petroleum prices.

Even considering the capabilities of importing countries in adopting rationalization and rationing measures in the consumption of petroleum-based fuels, a new increase in prices is going to cause an accelerated search for foreign resources of such magnitude that the market will cease to show the slackness that the Central Bank president sees at this time.

In addition to being hard to find, the $21 billion Brazil is going to need in 1981 to balance its balance of payments are going to be very expensive, advisers to Langoni predict.

No IMF Borrowing Envisioned

Brasilia CORREIO BRAZILIENSE in Portuguese 4 Dec 80 p 2

[Text] Central Bank President Carlos Geraldo Langoni yesterday discounted any possibilities that Brazil will resort to the IMF next year, making it clear that foreign banks have every right to express their opinions in favor of the use of that international agency "in the same way that the Brazilian Government has the right not to pay any attention to those opinions."

Denying rumors on the preparation of an imminent trip to the IMF, Carlos Langoni revealed that Brazil is going to attract foreign resources in 1981 in the same way it has been doing with exports: diversification of the form of foreign financing and the finding of new lenders, primarily among the Arab countries. "Many people seek to paint a picture as if only the IMF existed in the world, fortunately, however, the world is much greater than the IMF," he declared.

Pressures

On the use of the press by international bankers who have been persistently expressing themselves on the need of some sort of "endorsement" of Brazil by the IMF, the Central Bank president reminded us that we live in a free society in which everyone has the right to say what he believes "and it is even very good that they express their opinions publicly and not in secret only to the government."

He declared: "However, no one is going to make an economic policy on the basis of the opinion of international bankers," explaining that despite all the discussion on the subject, Brazil is going to wind up the year with a goal for obtaining foreign resources completely attained "and even more than attained because we are possibly going to reach $13 billion, while the forecast was for $12 billion."

As for the inability of the country to continuing to obtain the same amount of resources next year, the Central Bank president called attention to the fact that our needs for resources grow at the same rate as the availability of funds grows for foreign banks. "If we are planning an increase of the net foreign debt not

to exceed 10 percent for 1981, and if the average rate of the increase in capital of international banks is around 15 percent, there is no reason for any fear," he asserted.

Frequent rumors of having to turn to the IMF, in his opinion, derive from the open relationships the press maintains with foreign banks. "What is happening is that when the international financial community analyses our economy, the question always arises as to whether Brazil is willing to resort to the IMF. For ourselves, we have also said several times that it is an exclusively domestic decision at the government level and no new answers are appropriate," he declared.

New Channels

The new strategy already being employed by the Brazilian Government for next year is to "intensively" exploit new sources of supply of foreign resources, paying particular attention to financial relationships with the Arab countries, keeping in mind that there is a great availability of petrodollars at this time and that the IMF itself will not be able to act decisively in recycling that money.

"In obtaining funds, we are going to do what we did with exports, where we diversified products and markets. We are going to offer new "products," new ways of financing which are more attractive to the market, primarily using the enormous potential we have for obtaining financing for our imports abroad," revealed the president of the Central Bank, adding that the national financial system should be involved in that struggle at the same time that new international methods are sought for the financing of our exports.

The high point of this strategy for obtaining funds next year, guaranteeing the $13 billion which the government expects will be needed to finance the deficit in the balance of payments, will be the use of bargaining power with Arab countries. In Langoni's opinion, "The thing that makes that strategy practical is that the Arab countries now have new financial institutions where the problem of Brazil as a risk does not even appear and it is a country which does not yet figure in the portfolios of those banks."

The first loans from those Arab banks are already being negotiated, according to the Central Bank president, and Brazil has the additional advantage that petrodollars are allowing the creation of financial institutions with great potential in funds ready to be used.

In addition to the search for new sources of funds, the monetary budget for next year should also guarantee an increase in the share of the private sector in obtaining foreign funds, in Carlos Langoni's opinion. "We are not going to adopt any measure which may be an obstacle to the obtaining of foreign funds by the private sector; on the contrary, the intention is to broaden that channel more and more," he asserted, adding that in the meeting of the National Monetary Council next 17 December, it is going to approve measures which will facilitate access by companies to foreign financing.

Bankers

Also yesterday, Teophilo de Azeredo Santos, president of the National Bank Federation, declared that the decision to resort to the IMF "is more a political than a technical problem." He explained also that he has not formed an opinion on the timeliness of resorting to the funds of that international financial agency, but that a dialog of the type underway now, where it is possible to research the pros and cons of a decision of this magnitude, is always valid.

"Although there is nothing specific on the access by Brazil to FMI funds, it is worth recalling that the present economic policy adopted by the Brazilian Government is very close to that recommended by that international agency in that which has to do with the liberalization of interest rates and a reduction in the state's intervention in price controls," he said.

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CSO: 3001

GOVERNMENT RISKS DEFEAT IN 1982 ELECTIONS WARNS ARCHBISHOP

Rio de Janeiro JORNAL DO BRASIL in Portuguese 4 Dec 80 p 7

[Text] Fortaleza--Cardinal Archbishop of Fortaleza Dom Aloisio Lorscheider yesterday warned the government of the need to make a reexamination of its conduct, positions and policies, without which it is possible that it will continue to lose elections in municipalities where the Rank and File Ecclesiastic Communities are active. The warning was made during a TV VERDES MARES interview.

Almost simultaneously, the Archdiocese press office was distributing a 45-line article signed by Dom Aloisio in which he said textually: "Dialog is always possible (with the government) but a "yes" by the Church to the sociopolitical economic system prevailing among us shall never be possible because the Church cannot in all conscience consider evangelical that which is structurally contrary to God's plans."

Awakening

In the television interview, Dom Aloisio repeated what he has been saying for some time, that the rank and file ecclesiastic communities are important movements which should be completely supported by the Church because they encourage the people to discuss their problems, seeking proper solutions for the community, which becomes aware of its problems.

"In the municipalities in which the Rank and File Ecclesiastic Communities are active, the government party always loses," commented the reporter.

The Church has not concerned itself with whether the government party or the opposition party wins in the elections. The Church concerns itself with the poor. It gives them preferential attention. If the government loses the election in the municipalities where the Rank and File Ecclesiastic Communities are active, the government should then review its position, its conduct and its policies, replied the cardinal of Fortaleza.

Church Versus The State

The article signed by Dom Aloisio follows:

We shall recall what Vatican II tells us in "Gaudium et Spes" so that we may then analyze what is happening among us in our country.

1. The Church cannot be confused with the political community nor is it linked to any political system. It is the sign of protection of the transcendental nature of the human being.

The political community and the Church are independent and autonomous with respect to each other. Both however, although for different purposes, are at the service of the personal and social inclinations of the same men. The Church and the state will perform these services more effectively for the good of all when they better cultivate a healthy cooperation between them, considering the circumstances of the times and places.

2. We are having differences and tensions in Brazil. Where are those differences and tensions between the government and the Church? The reply resides in the socioeconomic-political view of the Church, on one hand, and that of the government on the other.

The view of the Church, among its leaders, since Medellin (1968) and reaffirmed in Puebla (1979), is that the socioeconomic-political system adopted among us is sinful and unevangelic, requiring a profound transformation which means a structural change of the system; it means the institution of a new international order in which the equitable distribution of goods, respect for the basic rights of the human being and the free and effective political participation by all citizens are a reality.

The view of our government leaders, of its authorities, is that it is a socioeconomic-political underdeveloped society en route to development. It is the developmental or functional view of society. On the day that we all perform our own function in society well, we shall have a developed country. It is a view which may be found very generalized in developed countries. It is heard there that we have to be patient because a century ago they were where we are now. It is not possible, according to them, to skip phases. It is necessary to go through the various phases they did.

In keeping with this type of view, our underdevelopment would be a temporary thing. In the view of the Church, our underdevelopment is not an accidental phase but a phenomenon, which because of its nature is permanent because it is the result of certain economic, social and political situations and structures (Puebla 30). According to one or the other view, the preferred choice of the poor will receive one or the other functional, reformist or developmentist interpretation. In the view of the Church, it will be an interpretation of personal and structural conversion.

3. Is a dialog between the Church and State possible?

A dialog is always possible but a "yes" by the Church to the sociopolitical-economic system prevailing among us will never be possible because the Church cannot in all conscience consider evangelical that which is structurally contrary to God's plans."

8908
CSO: 3001

DATE FOR COMMUNIST PARTY CONGRESS NOT YET ESTABLISHED

Rio de Janeiro O GLOBO in Portuguese 3 Dec 80 p 3

[Text] Sao Paulo (O GLOBO)--Secretary General of the Brazilian Communist Party Giocondo Dias declared yesterday that the Seventh Brazilian Communist Party [PCB] Congress has not yet been scheduled and that its realization "will depend on the political situation of the country." He added that he does not wish to "meddle" in the documents being prepared on the economic, political and international situation since 1967 when the last PCB congress was held.

Giocondo Dias said only that the removal of Luis Carlos Prestes as secretary general, the actions of the church and national businessmen will be particularly discussed.

"The preparation of those subjects," he said, "does not violate legal norms, although the party is still illegal. What we are trying to do is to explain what the political prospects are and what the tactical and strategic problems are that we are facing."

The communist leader added that not much time will be devoted to the status of Luis Carlos Prestes because the objective is that he discuss all the subjects with everyone and subordinate himself to the decision of the majority.

Church

Referring to the church, Giocondo Dias said that it will also be studied because it is one of the most important institutions in the development of society and not merely a Brazilian, but universal question after the holding of Vatican II.

He added that the fact that religious institutions defend the oppressed does not signify an alliance between the church and the Brazilian Communist Party.

"We are going to examine the role of the main institutions of society despite the fact that they want to make us incompatible with the church by saying that it is our ally. Our interests are the same as long as they defend the interests of the people, the rights of the human being, the expulsion of landowners and the rights of the Indians. However, it is not necessary to be a communist for that.

Constituent Assembly

The PCB secretary general believes that the government will try to accomplish a casuistic electoral reform because Senator Jarbas Passarinho "was clear and explicit about the game being played with marked cards."

8908
CSO: 3001

PMDB SENATOR ORESTES QUERCIA ANALYZES SAO PAULO POLITICS

Rio de Janeiro MANCHETE in Portuguese 13 Dec 80 pp 126, 127

[Interview with PMDB [Brazilian Democratic Mobilization Party] Senator Orestes Quercia, Sao Paulo, by Haroldo Hollanda: "Orestes Quercia: 'The PMDB Must Propose Solutions and Not Just Find Fault'"; date and place of interview not given]

[Text] Elected senator in 1974 with about 5 million votes, Mr Orestes Quercia was one of the big surprises in the torrent of votes the opposition received at that time. From being mayor of Campinas he went to the federal Senate almost as an unknown on the national scene. But his impressive landslide was not enough to make him as active and involved a senator as he had hoped. Today he admits he lacked experience.

Currently, Orestes Quercia is challenging Franco Montoro--the favorite--for the PMDB nomination to run for governor of Sao Paulo. He is going to the convention with confidence. If chosen, he will enter the campaign confidently. He respects but is not afraid of running against Janio Quadros, despite the latter's charisma. Nor does he underestimate Governor Paulo Maluf. He will make an all-out effort in the campaign and contends that this time--unlike 1974, when all the opposition had to do was to point out the government's errors--the PMDB must offer the people specific solutions for their problems.

[Question] Are you a candidate for governor of Sao Paulo in the direct elections of 1982?

[Answer] Yes. At this point, of course, I am a candidate for the nomination. As a member of the PMDB, I will accept the decision of my party. I will be a candidate at the convention and I expect majority support at the convention to be nominated as its candidate in the 1982 gubernatorial elections.

[Question] The prevailing opinion is that the natural PMDB candidate for governor of Sao Paulo would be Senator Franco Montoro. Is it possible to defeat him at the convention?

[Answer] It is not a matter of defeating Senator Montoro. I contend the will of the PMDB majority must be respected. There will be no defeat of one or the other.

We must have the best understanding so that the victor is supported by the other competitor. It is, in fact, common to read in the press that my colleague in the Senate, Franco Montoro, will be the PMDB candidate for governor of Sao Paulo. As I see it, it is merely an opinion with which I do not agree, although I have the greatest respect for Senator Montoro. This matter of public-opinion research, of popularity, has only relative value, especially in regard to election results. Just recall, for instance, that in June 1974 a Gallup poll in Sao Paulo showed that I had 5 percent of the voter preference. The ARENA [National Renewal Alliance] candidate, Professor Carvalho Pinto, had 75 percent. The result was the reverse of those figures. I received nearly 80 percent of the votes. Only after the campaign begins is it possible to measure the chances of each candidate.

[Question] In 1974, Senator Orestes Quercia, you had about 5 million votes. Do you think that as candidate for governor in 1982 you will be able to repeat the election victory of 1974? Or is the situation today different?

[Answer] The electoral situation today is quite different from that of 1974. To begin with, just recall that at that time we had only two parties, the ARENA and the MDB [Brazilian Democratic Movement]. In 1974, the election was like a plebiscite. One voted for or against the government.

[Question] Why wasn't the opposition able to take proper advantage of the 1974 election episode?

[Answer] It was, above all, an extraordinary victory. The people voted overwhelmingly against the government. Responsible sectors of the opposition party which won the election acknowledged that it was a victory for President Geisel because he made a free election possible, and so forth. This is just one example of how we managed to downgrade the victory of 1974. What is happening today is different. The government acted shrewdly. We are aware of General Golbery's speech at the ESG [War College], confirming all the charges we had made previously that with party reform the government intended only to break up the opposition. We now have more opposition--or so-called opposition--parties. Hence, we are likely to have more than two candidates seeking the voters' preference. I don't think the PMDB can continue to expect the government will lose the election. The PMDB must win it. Everything will depend upon the positions we take during the campaign. Whether or not the 1974 phenomenon is repeated will depend upon the political skill we use in convincing the voters. It is necessary to bear in mind that public opinion is molded by circumstances.

It Is Hard to Analyze an Election in Advance

[Question] Can present circumstances favor the candidacy of former President Janio Quadros for governor of Sao Paulo?

[Answer] They can. That is why I say it is very difficult to analyze future elections so far in advance. I also contend that it is not yet time to establish candidacies for state governors. I, for example, was forced to declare myself a candidate because my colleague Franco Montoro had already declared himself. Otherwise he would have been the party's only candidate. But it is still very early. I do not consider this early, extemporaneous declaration of candidacy good for the PMDB.

We should first study the nature of the message we intend to take to the voters. We must offer the voters a feasible and valid solution, show the people that in the government we are in a position to solve their problems. The Brazilian situation is serious. We can no longer simply diagnose the problems, as we did in 1974, for example, We must offer specific solutions.

[Question] What is the Janio Quadros phenomenon in Sao Paulo?

[Answer] It is too early to tell. So far he has done well. His words have great impact on the press and television. This helps a lot, but does not mean he has already won. At the proper moment the electorate will decide, analyzing the candidates. And, clearly, I have great expectations for such an hour. Due to my lack of experience I was not a brilliant senator at the beginning of my term, which could be considered an extraordinary statement to make publicly. But I was a good administrator as mayor of Campinas.

[Question] Is there, in Sao Paulo, a possibility of an agreement with Janio Quadros for the 1982 elections?

[Answer] I have no reservation of a personal nature regarding Mr Janio Quadros. I am saying this because much is said about agreements among the opposition. I am not sure, in view of the statements made against the PTB [Brazilian Labor Party], whether the PTB will be considered a true opposition party. I am in favor of agreements with the other opposition parties, although I think they are hard to make. The other day, for instance, I was talking with Benedito Marcilio of the PT [Workers Party]. He told me that his party must make Lula its candidate for governor. It is a way of consolidating the PT. I think they are right. Any of the parties will become established only if they have candidates for governor. If it is intended to form an opposition front, that is another story. But the party that does not have a candidate for governor will greatly weaken its slate of candidates for deputy.

[Question] How do you view the upsurge of the PT in Sao Paulo? Do you think the PT (and especially Lula) is a passing political phenomenon or is it destined to remain on our political landscape?

[Answer] To tell the truth, Lula came to prominence more as a labor leader. But he has not been tested as a politician. As a result of the government's violence, he is no longer a labor leader. He now has a perfect right to be a party politician. Everything he is doing now as a political leader is based upon his experience as a labor leader. I don't know what will happen to him.

[Question] What role may be played in Sao Paulo by the PP [Popular Party], depending upon the leadership of former Mayor Olavo Setubal?

[Answer] Mr Olavo Setubal is a well-respected man; he was a good mayor of Sao Paulo. If we bear in mind that the PDS [Social Democratic Party] is dominated by Governor Paulo Maluf, clearly a man such as Setubal would go to another party. But since Setubal has not been an opponent of the regime, he remains in the in-between position of the PP. I believe he will have great influence in Sao Paulo.

[Question] The Popular Party?

[Answer] Setubal in particular.

[Question] What role will Governor Paulo Maluf play in the Sao Paulo gubernatorial election of 1982?

[Answer] One cannot underestimate Paulo Maluf because, as governor, with the administrative machine under his control, he is doing everything to reach his objectives. We could say that this has always been done. I suppose that is so, but the way he is going about it is an innovation within the revolutionary movement of 1964. He uses the administrative machine with incredible ruthlessness, without any ethics, seeking only partisan political objectives. In small towns, especially, the people are very susceptible to government pressure. And, according to reports I have received, Maluf has been concentrating his work mainly in these small towns.

[Question] Will Dom Paulo Evaristo Arns, and the Sao Paulo church in general, play an influential role in the 1982 elections?

[Answer] Yes, he will play a role. But I contend that his influence will never be channeled to benefit a political party. There are many people who think the PT will be the beneficiary of such political influence. I don't think so. From what is known of what Dom Paulo says and writes, the influence exerted by the church is unlikely to be directed in favor of a political party.

Quercia, As Do Most, Says He Is Center-Left

[Question] If there were a more flexible party reform than what has been promoted, what type of party would you be associated with?

[Answer] This answer is difficult because it is very common--everyone says the same thing. Clearly, it would be a party of the center-left. In general, persons define themselves as center-left because the center is anticommunist, a conservative posture acceptable to the Brazilian middle class. At the same time the left is more appealing to the wage-earner, the employee, the poorer classes.

[Question] Do you think the majority of the Brazilian electorate is of the center-left?

[Answer] I think so. Of course, in large metropolitan centers there is more of a tendency to the left. In smaller towns, the tendency is reversed in favor of the center, of conservatism. What the people really want is to solve their problems. The new economic measures, which included decontrol of interest rates and monetary correction, indicate that the government is not master of the situation. That is why I again return to the idea that the PMDB must do more than diagnose the crisis, but must offer positive solutions.

[Question] If the opposition elects several governors in 1982, do you believe direct presidential elections will be reestablished in 1984?

[Answer] It is possible, and this would be very good.

[Question] In your opinion, who could be the opposition candidate for president of the republic?

[Answer] There are many names. We of the opposition usually mention Ulysses Guimaraes, national president of the PMDB, a man of proven competence. But there are others.

8834
CSO: 3001

SARNEY SAYS NATION WILL SUFFER IF PDS LOSES MAJORITY

Rio de Janeiro JORNAL DO BRASIL in Portuguese 30 Nov 80 p 3

[Interview in Brasilia with Senator Jose Sarney, national president of the PDS [Social Democratic Party]: "Sarney Warns Nation Will Suffer If PDS Loses Majority"; name of interviewer and date not given]

[Text] Brasilia--Senator Jose Sarney said that if the PDS were to lose its congressional majority "it would be bad for the PDS, but worse for the nation...because Brazil does not yet have the political institutions to survive a system in which the government has a congressional minority." The national president of the PDS empahsized that "we are still emerging from an area of turbulence."

Coming from the erstwhile UDN [National Democratic Union], former governor of Maranhao, elected senator in 1974, Jose Sarney was the last president of the defunct ARENA [National Renewal Alliance]. He believes the PDS is being converted into the instrument for supporting the government politically and stresses that existence of strong political parties "guarantees the nation will have strong and democratic institutions."

In denying that he has interrupted the dialog with the leaders of opposition parties, Senator Jose Sarney revealed that he took the initiative of approaching them because "we had a really difficult phase, in which some sectors within Congress gave the impression of charging the military area for its participation in the 1964 Revolution." He added that channels of communication with the opposition continue to be "open to consultation."

The Interview

[Question] You always said the PDS will be a party in the government. Now that it is ready to formalize this final act of organization, do you think it will reach the goal of integrating the PDS in the government?

[Answer] We cannot compare the ARENA with the PDS. The ARENA was created by decree, considered by law to be an organization that must perform the functions of a

political party. The two-party system that was imposed restricted political activity, hibernating it and reducing its operating potential.

In the case of the PDS, we are creating a party. Not with an aspiration to be a party of today, but a party for the future.

It is organized from the bottom up, thus going through the whole process from grassroots membership to choosing national leadership.

The desire is that the party will have increasing participation in decisions of the government. Clearly, this could not have happened before, because we had a party in formation that was not yet a party, without a structure capable of making decisions democratically.

We had a provisional commission of 11 members responsible exclusively for organization. Now, with the party's membership established, its organs must provide guidelines of political action that will be defined by the party platform. As it is the party of the government, the government should support it and its platform.

[Question] Would that include having cabinet positions?

[Answer] Being in the government means that everyone who is in the government supports the party, has common responsibilities and reciprocal loyalties. Thus, in a normally-functioning party system, such a dichotomy between party and government does not exist. We cannot deny that we are still in a transitional stage, we are emerging from a period of arbitrary rule, seeking a period of democratic normalcy, and the parties are just beginning. And, on our part, we have made an expression of belief in the party system. We could have put off for a year formalizing the party, but we instead organized it, creating its structures so they could function, because without parties--I have said this repeatedly--there is no salvation. There is only one way that modern democracies exist with civil rights, public freedoms, in short, the democracy that exists in the Western World--and that is by exercising the party system. There is no other system. The party has the function of representing the interests of the people, recruiting voters and presenting candidates and filtering popular aspirations, transforming them into government decisions.

[Question] Senator, in the Brazilian tradition the parties are collegial and electoral bodies entirely separated from the people. As a result of this, as well as of other factors, certain social followings called pressure groups, such as the church, the bar association, students, workers, have to some extent taken over the position that the party should occupy. Do you think the PDS is capable of retaking this position?

[Answer] I believe the guarantee that the nation will have strong and democratic institutions is directly linked to existence of strong political parties entirely different from those existing in the past. The Brazilian tradition is of weak parties. When they existed in an organized way they were limited to declaring candidates at election time and gravitating toward Congress. They were political factions--they never became parties. The political party in the modern world is as important in society as anything that is part of our life today. A political party cannot be compared at all with what it was a few years ago. The concept and the

action are different. We believe in party reform and the party we created is built on that base. Our platform was written consistently and is the best of all; it is the equal of any party platform in the democratic world. The structure we want to set up is new, belonging to a modern party, with functioning permanent organs, departments capable of generating policies, analyzing policies, having data banks, storing and retrieving information.

To exercise power we must create a party structure capable of generating power. This is the great goal of party reform. It is the major objective to be achieved. Today it may seem utopian, but even this should not prevent us from pursuing it. And as for the PDS, I can say that it is being created with this intention. And I believe the other parties will follow the same path.

As long as we do not have parties so organized, we will remain in a period of institutional instability. Due precisely to the phenomenon you just mentioned, because when parties do not exist political activity begins to be exercised by pressure groups, which is a distortion. The essence of democratic society is the action of pressure groups within their limits. In fact, the most clear and objective definition of a political party is that which says it is a pressure group that differs from other pressure groups because it does not have the objective of influencing power but of exercising power.

The pressure groups that exist in society are legitimate. The task of the democratic government is to harmonize them.

As the parties are not organized, this function has not been performed. And pressure groups have commitments to their interests and not to the general interest. Their aspirations cannot be transformed into government decisions because we would run the risk of accepting undue and heavy pressures--and that type of pressure can be a cause of rupturing society itself.

[Question] Aren't you afraid that the PDS will lose its majority in the Chamber [of Deputies] and the Senate?

[Answer] We must do everything to prevent this from happening. And I believe that it will not happen. But if it were to happen, it would be bad for the PDS, but worse for the nation, because Brazil does not yet have the political institutions--we are emerging from an area of turbulence--to live under a system in which the government has a minority in Congress. It would be a factor of instability for the nation that will not occur, nor would it be desirable for it to occur.

[Question] Senator, there is in Congress today--and you, as all other congressmen, can perceive it well--a general state of perplexity, especially among the PDS delegation, accustomed to saying "yes" or "no," without having a greater participation by the party, mainly due to the restrictions on the legislative branch, such as duration of terms, and so forth.

[Answer] From the legal point of view, the system of arbitrary rule has come to an end but, obviously, some behavioral patterns persist, which will be eliminated with the passage of time.

As political activity was limited, it is not yet being exercised with the potential that can and should be exercised. it is only a matter of time. I think we have already had extraordinary progress. Within 1 year in Brazil we had progress that other countries in the same situation have not had.

In Spain, which began this process much earlier than Brazil, they say political liberalization has become a dull party. This did not happen in Brazil. We passed the amnesty law, we managed to abolish AI-5 [Institutional Act No 5], we established the national dialog, a liberalization in terms of debate in Congress itself, in the press and in all sectors of society, which became unrestricted. We have a climate of completely democratic discussion throughout the land.

Within Congress, in the political area, due to its long period of hibernation, there was a certain atrophy in the exercise of political activity. The new generation in Congress and those remaining from the time when political activity was a predominating factor need some time to readapt to the process. I don't think there is discouragement. There is a transition phase in which we are subject to crises of euphoria or of frustration.

[Question] Senator, there is an economic crisis in the nation, there is a political crisis, and some serious problems in the social area. Do you think this will have a negative impact on the 1982 elections?

[Answer] I agree we have a serious economic crisis, which is worldwide. In Brazil we are witnessing the phenomenon of superimposition, with the political problem superimposed upon the economic one. If I were asked whether this generates institutional risks and I said it does not, I would be insincere. What we must do is evaluate the type of risk. Whether it is large or small. I would say that it is minimal, but it always exists, not only in Brazil but in every country that goes through the same process we are going through.

[Question] When the government makes mistakes it creates considerable dissatisfaction, which loses votes for the PDS. So the party will pay for this, without having participated in the government, or it will immediately demand changes in government economic and social policy. In other words, it will want to participate in the government so that if it has the name it also has the game.

[Answer] I think we are going to have a crisis of adjustment. The decision-making system in a closed regime is quite different from that in an open one, as in the latter everyone wants to take part in decisions, in order to benefit from the results. This participation has to be created. We must be prepared to cope with this phase of adjustment. It is not easy--in fact, it is difficult--but this "meeting of the waters" is one of the important points of the project of political liberalization.

[Question] You firmly believe that, from now on, the PDS will be integrated...

[Answer] I believe this is a necessity. There must be reciprocal loyalty because without participation we will always have the dichotomy, where everyone thinks the government is one thing and the party is another. The sooner this integration comes about, the better it will be for all of us. Not just for the party, not

just for the government, but for the nation, because it generates at the same time stability and solidarity, broadening the area of consensus.

[Question] Could the government take other measures, such as that of Mato Grosso do Sul, without asking the party?

[Answer] The party, I repeat, does not yet exist formally. We are in the process of organizaing and it is not yet known what methods we will use to gage internal opinion. The first thing a democratic party must do is practice internal democracy. What is the meaning of internal democracy? It means that, internally, everyone is entitled to an opinion, to help make the will of the party the expression of its majority. This can only be promoted through the party organization. The PDS will organize itself structurally. The great challenge to all us politicians is to make the various organs of the party structure function.

To the extent that they function effectively and efficiently, they will have much greater participation in government policies than today. Today we have isolated opinions of members of the party, but we do not yet have the opinion of the party. For that reason immediate organization of the parties is necessary.

[Question] The PDS convention will appoint a committee to prepare a broad program of constitutional reform and also preliminary bills for revising legislation. What will this committee do?

[Answer] We believe the process of politica. liberalization, from the legal point of view, will be complete with a broad and profound constitutional reform that can adapt the existing constitutional text to the nation's new political reality.

As a political party, we cannot avoid this debate. The opposition believes this is possible only through the constituent assembly. We believe it is possible through a constitutional revision. The main problem is not really how to do it, but what we must do.

We are grappling with the question. The party, through its organs, after being organized, must cope with this problem, analyze it and be prepared to discuss it, to influence and participate in it.

We must mobilize our party, so it can have an impact on constitutional reform, examining the points we must adapt to present circumstances. Clearly, we have a great number of contributions that we must begin to systematize.

This is the object. The issue is before us, and the party has the desire to confront it.

[Question] When will this reform take place, Senator?

[Answer] I think the planning for constitutional reform should be done next year, when we will work on the matter. It should culminate the other reforms, as it is the high point, the ultimate, the completion of the process. We still have a number of laws that we must adapt to the new political reality: party legislation, part of the Organic Law of Parties. The law we passed must be revised in some

respects, as indicated by its experience and execution. This is a common task of all the parties. This is a subject of interest not only to the PDS but to all parties.

[Question] What about voting by districts?

[Answer] We are not ready to make a decision on this subject. I believe all these matters will be discussed at length. I have had a position for more than 20 years and I submitted a bill on the subject. But, as president of the party, I cannot express myself, as it is a very controversial subject. And since the time I accepted the presidency of the party I must submit to the position of the party, which does not have a firm position on the issue.

[Question] Senator, when the PDS manifesto was made public, that document presented some ideas which at the time were considered advanced. Now the convention must approve the manifesto, the platform and the statutes. The amendments that were suggested for this document are such as to make the party's philosophy more conservative. Or will it remain as is?

[Answer] I think we shall retain the original text. This is the tendency. The vast majority of the party, expressed in the state conventions, approved the platform, the statutes and the manifesto. So I believe we will retain the text of the manifesto and of the program, which I consider excellent. But we must realize that a platform is not to be accomplished in the short run, but is rather a number of aspirations in future terms.

I consider very important, whenever our platform is challenged, that we are the only party that is committed to a platform. This is certainly a great political advance for the nation. We prepared a platform that can be read, discussed and challenged. And that challenge must be made and the more that it is, the more we must adjust the ideas contained in that platform. I consider this a positive note.

[Question] Is this position that is taken in regard to the PDS and its platform really based on that solidarity? It is not between the party and the government?

[Answer] Of course not. We are creating an ambitions party, in terms of the future. We do not want the party to be suitable merely to the period of the present government, but that it establish solid permanent bases. I believe the PDS now has the solid structure and base of a modern party.

Furthermore, as the democratic system necessarily implies assuming that other parties may come to power, we must realize that we are forming a party that is not necessarily a government party. In future terms, it must cast its lot with that of Brazilian democracy.

If we were to organize a party thinking of it only as a government party, it would indicate that we do not believe in the possibility of another party being in power, which is not to believe in democracy. This would be absurd.

[Question] The opposition says it does not believe there will be direct elections. And yet it is presenting candidates in all states. The PDS, which does believe there will be direct elections, does not have candidates. Why is this?

[Answer] We have candidates. Aspirations of candidates for state office are latent and legitimate and exist within our party. Of course, the opposition, as it does not have major governing commitments, can transform such aspirations immediately and formalize them as candidacies. But that does not mean that the identical process is not going on within our party. Furthermore, I am sure there are potential candidates among the opposition who haven't been so bold as those who have already declared their candidacy.

[Question] But no governor has a candidate to succeed him.

[Answer] It is very early. With 3 years to go until the election, it does not seem appropriate for governors to be proposing candidates to succeed them. It would cripple the political process by jeopardizing the aspirations that might arise within the party. Nor is it democratic to be identified as "the governor's candidate." One should be the party's candidate.

The choice must be made through party organs. These organs are being formed. The highest nominating body is the convention. But the problem is not to be nominated, but to be elected.

[Question] Senator, as president of the PDS, what type of proposal can you make to the convention?

[Answer] We are taking on a big responsibility in founding a national majority party which must be capable of creating cadres who can generate and manage power. This is a great responsibility. To the extent that we are able to exercise this function we shall have a place in the political history of Brazil. If we cannot cope with this difficult transition period we will be penalized for not having been able to play the role that the nation requires and expects at a time of great difficulty.

[Question] What does the PDS, as it is about to be registered definitively, expect specifically of President Figueiredo?

[Answer] The president has provided great incentive to party organization. He is the honorary president of the party and without his aid it would have been impossible for us to form a party and put it in working order in so short a time. We hope that this relationship between the party and the government becomes so close that it can generate complete solidarity of the party with the government and the government with the party. Not an imposed, formal solidarity, but a voluntary solidarity that results from common ideals and common responsibilities.

[Question] What does the PDS expect of the opposition?

[Answer] We expect what we think the opposition must also do immediately: organize their parties and take their places. Unquestionably this action will hasten or consolidate the nation's process of democratic revival. This responsibility is not ours alone. When I say history will judge us, it will not judge only the PDS. If we fail in this period of political transition, if the political class is not capable of traversing this transition period, we shall all be penalized. And, perhaps, the opposition even more than we.

[Question] Why did you break off your dialog with the opposition?

[Answer] I did not break off the dialog with the opposition. It is permanent. These channels are open to consultation. Today I have the best relationship with party leaders who are in Congress. We have broken down, to some extent, that separation as though we were enemies when, in reality, we are adversaries. There is a ground of common interest that we can and should discuss, especially the most difficult problems, the most trying hours. At the time I had those contacts, we were having a specific problem and it was a very difficult period, when some congressional groups gave the impression of charging the military area for its paticipation in the 1964 Revolution. This could have forced us into a difficult situation. In reality, we must be aware that the Revolution occurred, it is a historical fact--and we cannot defy history. It existed and, with so much work to be done in the future, we could not let Congress become limited to unjustly questioning the military action. We overcame this phase and the voices who tried to follow this path were unanimously condemned by the parties. It would be impossible for us to be in this process of political liberalization if the armed forces were not aware of and in favor of this liberalization. We must respect and support them so they can fulfill their mission and not let them be defied, instigating them to participate in a different way from that desired. This is an important point that we cannot fail to take into account. At the moment we form political parties we must acknowledge that the Brazilian armed forces do not have an autocratic tradition. They always interfere in the process motivated by their historic mission of preserving order and freedoms in case of impending danger through anarchy or attempts to establish ideological dictatorship.

The new system we seek as the basis of new parties, organized and functioning, respected and honored by public opinion, must have what modern democracies have: respected and well-trained armed forces as guardians of democratic and free institutions.

Political liberalization is feasible, inviolable and secure because it has the support and solidarity of the armed forces under the command of their supreme leader, the president of the republic.

We have no doubt about the democratic and patriotic feelings of our soldiers. And this is why, inside or outside Congress, the isolated voices that try to denigrate them should be strongly condemned by all parties.

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STATEMENTS BY CLERGY, LABOR PARTY CLAIMS RELIGIOUS SUPPORT

Cardinal Salles Speaks

Rio de Janeiro O GLOBO in Portuguese 8 Dec 80 p 4

[Text] Returning yesterday morning from Rome, carrying a copy in Portuguese of the encyclical "Dives in Misericordia" presented to him by Pope John Paul II under his arm, the cardinal archbishop of Rio de Janeiro, Dom Eugenio Salles, expressed his concern at "the infiltration of ideologies contrary to Christianity in the Rank and File Ecclesiastic Communities."

Dom Eugenio explained: "There are persons who try to distort the truth of those communities." He also spoke of the current "state of sin" in Rio of the government as well as the Church.

Dom Eugenio, who made the trip to the annual meeting of the Sacred Congregation for the evangelization of the people—whose work he considered "very satisfactory" —also said that the pope "does not forget the Brazilian faithful who received him so well when he was here." He was received by auxiliary Bishop Dom Karl Josef Romer and later he granted a collective interview in the administrative meeting room of the airport.

The cardinal was enthusiastic about the "infinite beauty of the form" of the second encyclical by Pope John Paul II: "Dives in Misericordia."

He said: "Redemptor Hominis, the first encyclical, was about man in the present context. In this one, John Paul II spoke more about God in a continuation of what he said in the prior encyclical. Now more than ever, he speaks about the role on injustice and criticizes materialism."

Showing a yellow-covered booklet to the reporters, the cardinal said: "I have in my hands what is perhaps the first official copy of the encyclical published in Portuguese, the "Dives in Misericordia," a true religious masterpiece." They are words which all Catholics should read and remember."

Rank and File Communities

Dom Eugenio did not wish to comment on recent statements by Archbishop of Fortaleza Dom Aloisio Lorscheider.

"I learned by telephone that the Cardinal really said something about the Rank and File Ecclesiastic Communities but I do not know what he said because it was not possible for me to read the published text. I will comment only when properly informed."

Further on he said emphatically:

"I speak only on what refers to my diocese. And to tell the truth, the existing state of the government is one of sin here in Rio de Janeiro, as is also the case of the church I lead. I will explain: if it were not that way, we, the cardinal, bishops, priests, brothers and laypersons would be more faithful to the Gospel. And that is because they do not do what they should do. I place myself within that situation as a bishop and that is what I think. Rio de Janeiro would be better if we were all to struggle together. That is why the government should act, correcting faults, which are not up to me to point out because I would not accept its leaders saying something about my faults."

Dom Eugenio then spoke about his "greatest concern," the infiltration of ideologies contrary to Christianity, and of political factions into the Rio de Janeiro Rank and File Communities.

He said: "I have fought against that with practically all my available time, and I believe with success. The line advocated by the diocese is one of complete elimination of tensions in politics, including with the help of some associations because the slogan of the communities is "Respect for persons."

He continued: "But I have felt that various ideological groups have found an extraordinary, truly appetizing dish in them, where it is easy to find the people gathered, wisely discussing and debating their day-to-day problems. I respect politicians very much but I cannot deliver the communities to specific groups, who would manipulate them, or to persons with ideologies contrary to Christianity, such as the communists, for example."

Annual Meeting

This year's meeting of the Sacred Congregation for the Evangelization of People had the help of the Misereor Institute, a German group for helping the Third World, which provided 10 of the 30 experts. The other 20 were provided by Urbaniana University. Papers presented were collected in a symposium which had as its title "Development of Emerging Culture" with three variants: "Development and Society," "Human Advancement," and "Functions and Dysfunctions of Development." The primate of Brazil, dom Avelar Brandao Vilela, archbishop of Salvador, participated in the analysis as vice president of the General Council of the Pontifical Committee for Latin America.

Bishop Advocates Social Justice

The bishop of Santo Angelo [Rio Grande do Sul], 459 kilometers from the capital, Dom Stanislaw Kruetz, said yesterday that "the Church received as normal," the speech made days ago by the PDS [Social Democratic Party] leader in the Senate,

Jarbas Passarinho, "because he is an intelligent man and understands the situation." He continued: "It happens that the ideology of the government is not compatible with the structures and message of the pope. The Church makes it a point to place itself in the area of truth and social justice. Since Jarbas Passarinho understood that, that is, he understood the reasons for the differences, it is logical that he react."

Primate Minimizes Problems With Government

The primate of Brazil, the cardinal and archbishop of Salvador, dom Avelar Brandao Vilela, in an analysis in his Sunday talk on Church-State relations, said that "instead of diagnosing the phenomenon as normal between independent entities in a transition phase," many tried to "provoke and incite possible confrontations of an unavoidable nature."

In the opinion of dom Avelar, the incidents which occurred "gave room to the emergence of fantastic ideas, extravagant opinions and flights of fancy worthy of the best fiction novels."

The Complete Text

The latest incidents between the Brazilian Church and State led to some clashes and collisions in the religious and political sectors of the country and gave room for the emergence of fantastic ideas, extravagant opinions and flights of fancy worthy of the best fiction novels.

Instead of diagnosing the phenomenon as normal in the relationships of independent entities undergoing a climate of transition and consequently of unavoidable changes, many tried to provoke and incite possible confrontations of an unavoidable nature. It is on the basis of that universe of concepts and expectations that a disagreeable episode goes on to assume gigantic proportions and the attitudes of groups or persons are pictured as a living and final expression of all official institutions.

Thus, the singular becomes general and that which is relative acquires the category of the absolute. And there appear words in the form of challenge and the watchwords begin to circulate, depending on the desires of the manipulators of public opinion.

What is happening to the Church, the mother church of Brazil, that church which instilled in it the first hopes in that wild place of discovery?

What is happening to Brazil, which today represents millions of human beings desirious of happiness and worried about their future, but which undeniably owes the Church inestimable services in all sectors of life?

Was it the Church that changed or was it Brazil that changed its philosophy?

Both have the same interlinked destiny, although at this time they are undergoing the ostensible effects of ideas and the moral and social behavior which affects the climate of the times.

Brazil is distinguished from the regimes, which temporarily directed the course of its history, just as the Church cannot be totally confused with occasional representatives of its social action. The institutions are greater than isolated persons and events.

A question to be pondered: Should the Church hierarchy treat those who today do not participate directly in its specific movements, but who proclaim they are its children, as if they were unbelievers and completely incapable of conversion or of being helped by religion?

Are those who do not accept a certain pastoral line of the Church truly heathen?

What was the behavior of the early Church toward the heathen? What was the attitude of early Christianity toward the ill-intentioned Pharisees and Saduccees?

In Brazil, it is obvious, we have a scale which runs from 10 to zero in whether or not the guidng principles of Christian conscience exist. Does that fact give us the right to systematically reject and condemn those who are weaker in faith and less enlightened in the performance of duty?

In the sociopolitical field, does the acknowledgement that Medellin made of the state of sin existing because of the uncertain living conditions of most of the Latin American people, authorize us to apply to those responsible for a certain moment in history, the harsh accusation that they are also in a state of an unpardonable sin?

Are there no attenuating factors such as being unaware of the dangers; the inability to perceive a complete reality; the presumption that the way embarked upon will bear fruit in the long run?

All these reflections lead us to understand that the mission of the Church is not so much that of condemning as it is one of educating, opening roads to a better life, forgiving and being charitable, until it is verified that good will and good intentions exist.

Lord, guide our footsteps, enlighten our minds and strengthen our faith.

Lula Claims Community Support

Rio de Janeiro JORNAL DO BRASIL in Portuguese 4 Dec 80 p 7

[Text] Sao Paulo--After describing the new minister of education, Gen Rubim Ludwig, as a man of "good sense" because he talked with strike leaders, the president of the Workers Party [PT], Luis Inacio da Silva, said yesterday that the Church "does not support our party nor does it support any other party," but admitted that members of the Rank and File Ecclesiastic Communities "are sympathetic toward the PT."

Lula received the support of some student leaders and revealed that the PT will hold its municipal conventions on 28 July. Regional conventions will be held on 16 August and the national convention was scheduled for 6 September. Signing up for membership in the PT was the former president of the UNE [National Student Union] Rui Cesar; the former vice president of the same organization, Alon Feuerwerker; Marcos Galvao Caloi, formerly of the State Students Union [UEE] and Maria Francisca, also of the extinct directorate of the UNE.

Candidates

The PT president asserted that his party is readying candidates for 1982 at all levels and admitted the possibility of coalitions. "In the PT the workers are organizing to arrive at power," he declared. In his understanding, the sympathy that the church rank and file communities revealed for the PT "can only help the party."

He recalled that during the last metalworkers strike at the ABC [the industrial sections of Santo Andre, Sao Bernardo do Campo and Sao Caetano do Sul], the Rank and File Ecclesiastic Communities "gave support to our strike fund and helped in the distribution of food." Lula said that the ABC metalworkers continue to believe that the old union leadership (deposed during the strike) "did not vanish" after the intervention. He said that "there is a wage campaign and the workers accept the old leadership as class representatives." He criticized Minister Murilo Macedo when he declared that Minister Ludwig has "good sense," because talking with strikers who make demands is an obligation not a favor.

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CSO: 3001

NATIONAL VANGUARD WORKERS HONORED BY FAR

Havana VERDE OLIVO in Spanish 23 Nov 80 p 54

[Article by Mario Rodriguez: "Homage to Vanguard Workers"]

[Text] Recently a ceremony in which our Revolutionary Armed Forces (FAR) honored the 34 most outstanding workers of 1979 in socialist emulation, selected from among the national trade union vanguards, was observed at the Central FAR House.

This group of workers, to whom the Jesus Menendez medal was awarded, were accompanied by 32 leaders of the best cane cutting brigades in the past harvest and other outstanding workers in various sugar production tasks, who were also recipients of the high award conferred by the Council of State.

During the ceremony, which was attended by many officers, soldiers, sergeants and vanguard civilian workers in the FAR in the 1979-1980 training period, Capt Lazaro Alonso Nodarse, a vanguard officer in the DAAFAR [Antiaircraft Defense and Revolutionary Air Force] gave an address. Welcoming those present, Captain Alonso spoke of the great honor accorded the participants by the presence of this group of comrades who have done such outstanding work in the fulfillment of the various tasks entrusted daily to the workers' class in all sectors of our economy. He went on to say:

"You comrades, both men and women, represent the self-sacrificing effort and creative enthusiasm of our workers' class. You continue as you have to date to give the best of your lives to the development of our revolution and our entire society."

Expressing thanks for the simple but moving honor, Comrade Clara Cabrera, National Vanguard Worker of the Villa Clara Education Union, said:

"We want to pledge to the representatives of our Revolutionary Armed Forces, who defend our skies, our seas and territory so courageously, our continued effort with the same determination and responsibility, and our intention to salute the second congress of the glorious Communist Party of Cuba with more efficiency and the fulfillment of our daily tasks."

5157
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MILITARY RECIPIENTS OF VANGUARD AWARD INTERVIEWED

Havana VERDE OLIVO in Spanish 23 Nov 1980 pp 52-53

[Article by Juan Valdes Figueroa: "The Third Important Moment in His Life"]

[Text] "What has been the most moving moment in your life?"

Guards Captain Normando Eloy Brito Quintero could not answer us immediately. He fell to thinking.

"There have been so many!" he told us. "But in any case I can mention three peak moments: when I was accepted into the party ranks, when I was named an FAR vanguard officer for the first time, and now, when I was elected a direct delegate to the second congress of our glorious Communist Party of Cuba."

On Tuesday, 26 August, Normando was participating in the ceremonies held to honor the FAR vanguard personnel, the third time he had done so. That day the meeting to elect the direct delegates to the second congress of the PCC [Communist Party of Cuba] was held at his unit in his absence. The meeting voted to include him on the slate as one of the candidates. In the 45 minutes this important selection process lasted, what is now a reality was proposed, discussed and approved: Normando Eloy is the direct delegate of his unit to the second congress of the PCC.

On Thursday, 28 August, Brito returned from the ceremonies to honor the vanguard personnel. When he opened the door to his home, his wife, who works in the same unit, whispered to him, full of emotion, "congratulations, Normando." And without giving him time to ask her why she was congratulating him, she said aloud, "you are the direct delegate to the second congress!" There was no answer. Both his eyes and hers filled with happy tears as they stood quietly, gazing at each other. This was the third peak moment in his life.

We have at hand his biography, and the following lines immediately leap to the eye:

"Joined the FAR in 1963." "Pursued studies in the Soviet Union." "Joined the UJC [Union of Young Communists] in 1967." "Joined the PCC on 12 October 1971." "Awarded the title 'Of the Guards' for outstanding work in combat and political training in 1976, the 'Granma Year 20' award in 1977, and was named FAR Vanguard Officer in 1976, 1977, and 1980."

"We believe that the direct delegate to the second congress is a most worthy representative of our military, because of his merit, his attitude toward work and study, and his excellent fulfillment of his social duties," Guards Major Antonio Garcia told us.

Together with Esperanza Perez, his wife and working comrade, Normando has established a family, in which a girl and a boy are growing up and being educated. "He is a man concerned about the education of his children and the advancement of his wife," Guards Captain Ramon Cordove told us, adding: "The CDR [Committee for the Defense of the Revolution] has awarded him the title 'Exemplary Father'!"

His wife told us: "He is a faithful adherent to the family code, and what he usually tells me is this: 'At work I am the chief, at home I am your subordinate.'"

Normando serves as an officer of the CDR, and is a "front line combatant" in that organization.

Guards Captain Jose A. Perez talked to us about Brito. "He is zealous in carrying out his work, modest and very generous." He, like the other comrades, agrees that Normando is an extraordinary man." He has mastered various specialties related to his work in addition to his own. In 1979 he succeeded in reaching the highest category: he is a master technician. They regard him as extraordinary because in addition to all of this he took third-year courses at the university in the electrical engineering specialty and passed his subjects with outstanding marks. He was capable of doing all the above without failing to fulfill the tasks of combat and political training of the personnel.

"I studied with him in the USSR. He was then a little more than 17 years old. He had the soul of a child, but the character of a man." Guards Captain Ramon Cordove told us something more about Normando's life. "After some years, we met again in this unit." He stopped and recalled: "Once I persuaded him that we should continue our advancement at the university. This was rather difficult at that time. The preliminary check of the combat firing was being made in the units. It was almost impossible to study. I could not, but Brito found the strength to study in the early morning hours. He was already in the third year of his course. His iron will as a communist is a worthy example for the comrades in the military unit to imitate."

Norman was a delegate from his unit to the party conferences in 1975, 1977 and 1980. He was secretary general of the PCC cell in his unit in 1978 and education secretary from 1974 to 1978 and in 1979.

We sought out Brito to say goodby. As always, his eyes revealed a man who acts with the modesty and simplicity of the communist. And that brief talk I had with Major Juan Mendoza, who was a delegate to the first congress of the PCC, came to mind. When he returned to the unit after the conclusion of that historic forum in 1975, Brito asked him jokingly:

"Mendoza! What do you have to do to attend a congress?"

"Work!" Mendoza answered him.

And here now, after five years, Guards Captain Normando Eloy Brito Quintero has been elected as a direct delegate to the second congress of the Communist Party of Cuba by his comrades.

PCC WORK ON COMBAT READINESS IN DAAFAR UNIT DESCRIBED

Havana GRANMA in Spanish 22 Nov 80 p 2

[Article by Enrique Sanz Fals: "Party Work in A DAAFAR Antiaircraft Artillery Unit in Support of the Task of Increasing Combat and Mobilization Readiness"]

[Text] Our glorious Revolutionary Armed Forces (FAR) have played a decisive role throughout these years in safeguarding the conquests of our people in the building of a socialist society. They have been the faithful guardians of the fatherland and have successfully carried out the missions entrusted to them by our Communist Party and by Commander in Chief Fidel Castro.

As the program platform says, "the Revolutionary Armed Forces represent the armed and certain bulwark for the defense of the fatherland against any possible aggression, direct or disguised, by the imperialists."

The combatants in our FAR have been educated by the party in the principles of Marxism-Leninism, proletarian internationalism and the love of patriotic values. They set an example of discipline, modesty, simplicity and self-sacrifice.

Our people feel justly proud of their glorious armed forces.

Throughout all these years the party has devoted priority attention to the development and perfecting of the FAR, which, as a result, have considerably strengthened the defense capacity of the country and have substantially increased the combat and mobilization readiness, as well as the political-ideological training of the combatants.

Together with these important tasks, the party has worked zealously in the FAR for the proper functioning of its base organizations, which have developed increased strength and cohesion.

Concerning this aspect, Comrade Fidel Castro, in his main report to the first congress, said that "the work of the party within the armed forces has made it possible for its organizations to achieve a high level of maturity and development, through systematic study, from their beginnings, of Marxist-Leninist theory, the strengthening of their internal life and constant and qualitative growth of their ranks.

Subsequently the first secretary of the party said that "in the development and perfecting of the Revolutionary Armed Forces, an outstanding role has been played

by the commanders, officers, political workers, and party bodies and organizations which, throughout these years, have trained the combatants in the field of modern combat technology and consistent mastery of modern military art, and they have been able to march at the head of their troops to repel the armed attacks of the enemy."

How the Party Functions in the Military Unit

In order to understand the details of the functioning of the party in a base organization of the FAR, we recently visited an DAAFAR [Antiaircraft Defense and Revolutionary Air Force] antiaircraft artillery unit. There we were told in this connection by Capt Juan Bonet Vinas, party organizer (replacing the head of the political section of the unit) that "the party functions in the FAR on the basis of the Leninist principles of organization, being governed by the program platform, the party bylaws, and its own regulations and special instructions, which are ratified by the central committee. Its structure is based on the principle of territoriality, bearing in mind the inherent characteristics of military units."

"It is necessary to stress," he went on, "that all the decisions of the higher party leadership organs are necessarily binding on the base organizations, both in civilian life and in the FAR."

"In the cell meetings," he said, "there is democratic centralism. All of the militants have the same rights and duties and therefore all of us can criticize and be criticized; all of us are required to carry out the tasks the party assigns to us."

The FAR cells also meet periodically, draft their labor plans, organize study circles, submit reports to the higher bodies and work toward growth.

"The main directions of party work in the unit," Captain Bonet said, "are oriented toward increasing combat readiness, maintaining, utilizing and safeguarding technical equipment and weaponry, consolidating the political, moral and disciplinary status of the personnel, as well as the fulfillment of the tasks of internal life."

"The party," he added, "has worked hard to insure fulfillment of the agreements of the first congress pertaining to combat preparation in the military unit. As a result of this work, we have won satisfactory marks in the tasks carried out both internally and by the higher command in the last three years."

Lt Col Hector Castellanos Naranjo, the unit commander, for his part, said that "the majority of the officer personnel are party members, and this has made itself felt in the results achieved in recent years. We have had notable achievements in the daily work of the unit, and this has been due in great part to the support and influence of the party work. There is great unity between the party and the command in our unit. We feel satisfied with the work and the fulfillment of the task."

The tasks of internal life have been carried out in the unit, we were told, consistent with the agreements of the first congress, and in similar fashion, the plans for growth have been achieved, and the militants who had not reached the eighth grade level at the time of the first congress have since done so.

"Internal life in the cells of the unit is developing normally," Captain Bonet said, adding: "Basically, the tasks are carried out properly during maneuvers and exercises by all of the militants. Whenever there are important activities, the party holds meetings and adopts resolutions and measures in support of their fulfillment. When we set out to fulfill these missions, each militant knows perfectly well what tasks are assigned to him by his cell. Then the cell meets again and analyzes the work done and drafts conclusions."

The party leader said in conclusion that "there is great unity, interrelationship, comradeship, knowledge of the problems and enthusiasm here."

"Our armed forces, as Comrade Fidel Castro said in his main report to the first congress, has been a great school for conscientious, responsible and disciplined cadres for the revolution."

Within the FAR, the main task of which is the defense of the conquests of the working people, the party constantly maintains its influence with a view to the achievement of the goals set forth for combat and mobilization readiness, operational, combat and political training, the maintenance of technical equipment and weaponry and military discipline.

Similarly, the base organizations of the party devote constant concern to strengthening the single command, which is one of the basic principles of the military structure. The communists are the basic support, the force promoting and directing all the activities of the troops toward the fulfillment of the missions assigned.

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CSO: 3010

NEED FOR GUIDANCE INTO HIGHER EDUCATION NOTED

Havana GRANMA in Spanish 28 Nov 80 p 3

[Article by Georgina Jimenez: "Concern for and Direction of Young People Toward Higher Education Needed"]

It is somewhat shocking to find that on occasion our 12th grade students face the problem (so important in their lives) of selecting a profession or deciding whether or not to accept a scholarship abroad without the proper guidance at their study center, without any evidence of interest in seeking them out and helping them to make the decision.

Just recently a list of more than 100 specialties (traditionally known as university courses) which can be pursued in the USSR and the other socialist countries, and the general requirements for choosing among them, has been posted on the bulletin boards in pre-university establishments. There are centers where access to these bulletin boards is such that it is left spontaneously to chance whether or not the students will come upon them, which they may not, for sometimes the placement of this information has not been in the best places, but in remote corners.

But this is not all. The notices placed on the bulletin board are limited to just a list of the names of the specialties, and in general the young people do not know what each involves. This is inconceivable, if we take into account that in all the pre-university establishments there is at least one copy (we believe there should be more than one) containing an occupational profile of a graduate in each of these specialties, and in many educational centers the students do not know about this. We have seen this to be the case. They do not even know that such a copy exists.

This goes beyond a lack of efficiency and organization. It seems to us that insensitivity is involved. How can we remain unconcerned by matters so basic to our students? Professional guidance is the duty of the state to young people, so that they can reconcile their individual interests with the needs of the country. And the most direct tool for the state in working with the student is the director of the pre-university establishment (which is the reason he is designated president of the enrollment commission at the institution).

Therefore it is indispensible that, with a view to the next period for the allocation of higher educational opportunities on the national level, directors and teachers (mainly counselors) be well informed about the mechanism of the enrollment system and make use of all the possible means of information and publicity. How much timely

guidance can contribute to the peace of mind of a young person and his parents, and to avoiding errors or misdirections which may months later affect the work of those on other levels responsible for selection and the allocation of opportunities to thousands of young people!

In this connection, there are joint agreements between the ministry of education and the ministry of higher education for coordinated work, and since the last school year there has been a MINED [Ministry of Education] resolution (Nos 100 and 101) to this end. But the guidance must be carried out at the base in order to be effective, for independent of the understanding which may exist on other levels, it is here, at the school, where the success or lack of it in the task undertaken is first determined.

The party cells, the organizations of the UJC [Union of Young Communists] and the FEEM [Federation of Middle School Students] have an obligation to promote and channel these basic questions (and that is what they are) of interest to the student body, and this is a policy of the leadership of the revolution. But as we have said, we cannot view this coldly as a duty directed and spelled out in resolutions. There are things which must be undertaken efficiently, motivated by the conviction that they are important and necessary for our students, who depend so much on us at times like these. These things include their access to higher studies.

Feeling this to be true is one of the reasons for the existence of each educator, whose duty it is to be always involved in the interests and the future of his students.

5157
CSO: 3010

REPORTAGE ON CUBAN STUDENTS, ACTIVITIES IN GDR

Havana JUVENTUD REBELDE in Spanish 20, 21, 24, 25, 27, 28 Nov 80

[Article by Marcos Alfonso: "Cuban Youths in the GDR"]

[20 Nov 80, p 2]

[Text] "I will tell you something else....I miss my land....No one will ever know how much I love it!"

There was nothing except occasionally some road or sign that revealed the presence of man. Only the trees and birds found shelter in this land on my island.

The names and faces of these sweaty youths who passed in front of me might never appear in the stories of any writer.

Now they have gone beyond the Atlantic to another land that welcomes them as its sons. They work hard, learning the secret to good work in another language. They are better preparing themselves for their future in the land where they were born.

On 4 May 1978, an agreement was signed between the Cuban State Committee for Labor and Social Security and the State Secretariat for Labor and Wages of the GDR. It summarized the talks and visits by intergovernmental delegations of the two countries concerning the temporary use of young Cuban workers who would work and be trained in production in the GDR.

The first ones arrived at Karl Marx Stadt Province 2 months later. Today there are 5,053 youths working in the provinces of Halle, Leipzig, Magdeburg, Dresden, Cottbus, Erfurt, Gera, Suhl, Berlin, Potsdam, Schwerin and Naubrandeburg.

The youths are trained in 64 specialties: 68 percent, mechanical; 15 percent, chemical; 8 percent, electronic; 6 percent, construction; 2 percent, textile; and 1 percent, metallurgical.

The new workers are grouped in 68 collectives in the GDR. By the end of 1980, there should be about 7,000 youths working and receiving "on-the-job" training there.

Not Just "Guten Morgen"

Unquestionably, one of the most difficult barriers for the inexperienced workers to overcome is the language barrier. It is not enough to learn to say "guten morgen"

(good morning). They need to learn the technical vocabulary of their specialty and enough vocabulary to get along in the country.

In addition to the 200 hours set aside in the agreement for learning the language (not enough, in our opinion), they continue learning by practice and effort. It is not unusual to find German teachers now who mumble a little "Cubanish" (as they jokingly call it).

The Cuban youths must be between 18 and 25 years old and have at least an eighth grade education. However, flexibility in the selection at times causes problems. A youth with less education cannot learn the language, much less the technical material that is taught.

Remember, they will remain in the GDR for 4 years. Their main duty will be to work in the enterprises to which they are assigned and, at the same time, be trained.

During the first 15 to 24 months, they receive 42 days of vacation which must be taken at one time in Cuba.

Other Side of the Coin

Like any undertaking, this is not without problems. They exist and, as the Cuban economic office in the GDR stated, they are varied. The main problems are as follows:

1) The selection at times is not as strict as it should be and, occasionally, youths without the required educational or political level arrive in the GDR. They eventually must be returned to Cuba.

2) There are discrepancies, already being worked on in the GDR, between the job descriptions that are assigned to these youths in Cuba and the German enterprises' concept of the same job.

3) There is no training period prior to departure to educate the youths about their working and living conditions for the next 4 years. This is indispensable.

It should be stated that the necessary measures to correct these problems have already been adopted and the program progresses as planned, according to the law.

Keep in mind that many of these youths do not have (or did not have) work experience. They arrive in a country like the GDR where the working class, in addition to its proletarian and fighting traditions, possesses admirable strictness and discipline. This demonstrates the need to prepare them properly before their departure.

Out of the salary which they receive (since they are considered regular workers at the factories or enterprises where they work), they are given 350 marks (the national currency of the GDR). Sixty percent is withheld and sent to Cuba to be deposited in the bank in national currency. They also receive 4 marks a day as a separation allowance.

With this money, the youths pay for housing (they generally live together in apartment buildings), food, transportation, clothing and, obviously, recreation. They

also pay the UJC [Union of Young Communists], party or union. (They are affiliated with the Free German Unions and, thus, enjoy similar rights and have the same duties as the native workers.)

Adaptation

The oldest ones (that is, the pioneers in this work) report that there are various problems to overcome in adaptation: the language, the climate (this year, for example, there is an early winter), the labor discipline, the cultural customs and, to a lesser degree, the food.

It should be recognized that the GDR is a nation with highly cultured people. They are also an example of labor and social discipline.

The group living generates problems when there is no previous experience or adequate preparation although they are not acute problems.

Then there is the use of free time.

The enterprises and the committees of the FDJ [Free German Youth] play an important role in this; they organize many activities with the UJC.

Most of the collectives already have baseball, volleyball and soccer equipment, table games and a library. Some have formed cultural groups.

There are already some Germans who, on more than one occasion, have grabbed a glove and participated in a "pick-up" game.

The most important part of this experience is that many of these youths (let us say, the majority) are important to the enterprises in which they work, most of which produce exports.

In spite of the language barrier and other organizational problems, it works.

They need only smooth the road a little and continue advancing since the inexperienced workers from my island not only work in the GDR now but they are also in Bulgaria and Czechoslovakia.

Although their names and faces do not appear in the stories of any writer, they are there, beyond the Atlantic, preparing themselves to build the future on the red earth where they were born.

[21 Nov 80, p 2]

[Text] Hector Munagorri never was a good ballplayer.

This Cuban over 6 feet tall is not a good athlete either, but it is not unusual to see him outside Alfred Kowalke in Berlin with a glove on his hand.

People shout to him: "Munagorri, catch one for your mother!"

Let us change scenes and go to the EAW [Elektro Apparate Werke] (electrical equipment enterprise) in Berlin. The opposite will be heard there.

Munagorri! That Cuban is great at work!

Even Gunter Ludwig, foster father for this group of Cuban youths being trained at the Berlin enterprise, recognizes Munagorri as an example of the Cuban younger generation.

It was almost a year ago when the inexperienced workers from the Caribbean arrived at the EAW. Since then, they have specialized in milling, lathe and press. It is a mixed group with men and women, or boys and girls--whatever you want to call them.

The majority came from Cuban agricultural regions and the first 15 days were tense, especially because of the language.

In a modest and attractive--especially warm--office of the EAW, JUVENTUD REBELDE interviewed three Cuban youths who work there: Maria Garcia, Munagorri and Ramon Santana. It also interviewed Irina Kreysh, second secretary of the FDJ in that enterprise, and Papa Gunter who has the Order of Gold, the highest award that the German state gives for service to the fatherland.

Maria at Bat!

Maria has eyes like grasshoppers that do not know where to land and a broad smile.

She has worked for 10 years but it is different in the GDR. Everything depends on one's ability to adapt, especially for the women.

She said: "There are 20 girls here and the biggest problem we have had has been illness because of the climate which causes abrupt physiological changes."

The reader should know that this is a continuous production enterprise. When you have the morning shift, you must get up at 0430 hours and catch the streetcar or subway in order to arrive at 0600 hours. Let us add that it is 2 or 3 degrees below zero. Imagine!

"Parties? Of course, like in Cuba....When we are paid, we always find "occasions" in this building. We fill our free time although we also study the language daily. It is necessary to wash, iron, cook and all those things....Although there are no married couples, people in the group have paired off."

Munagorri, the Best

Munagorri reported: "Here one must work, perform and listen to learn what they teach us. That is our mission and we must carry it out completely.

"We must not neglect discipline and learning the language. That causes the most complaints since, at times, there is someone who thinks that because he knows four words, he does not need to learn more. Then come problems with the technical terminology.

"We have recreation. I myself am bad at baseball but I play it. There are places to go: dances, museums, movies, etc. We have girlfriends....It should also be stated that our German professors and work colleagues are very concerned with our group.

"We have worked to form a musical group and the factory bought us instruments.

"We live four to a room in the building and we have a refrigerator and radio. Any maintenance problem is taken care of immediately. Our hosts, as we call them, are very conscientious."

Ramon and the UJC

Then Ramon Santana spoke:

"There are already 107 youths in the EAW, many of us without work experience.

"The work is aimed at specialized training and, especially, learning the language.

"At the very beginning, the FDJ established contact with the UJC--we have 51 members--and we have developed many joint activities (cultural, sports and recreational ones).

"The group balances work with language study because there are three 8-hour shifts daily in the enterprise."

Irina, Gunter Express Opinions

Irina: "After the first contacts with our UJC colleagues, we signed a cooperation agreement in which we set forth the work principles for the Cuban workers in our youth brigades. (There is a collective named Intercosmos.) We have worked together.

"Not only do we emphasize the economic results but we also work on the social aspect: cultural activities, sports and meetings to exchange experiences. The cooperation has been magnificent until now and is increasing.

"The FDJ has also supported the Cubans in volunteer work which they have done as a salute to the Second PCC [Communist Party of Cuba] Congress with the objective of collecting funds for that important meeting."

Gunter: "I must begin by saying that the EAW has some 10,000 workers. Its main products are electronic equipment for ships, thermoelectric equipment, industrial refrigeration, transistors and measuring equipment.

"When the youths arrived at the enterprise, they did not have any training. Today they are already important in some jobs. Many Cubans try to learn fast; Munagorri is one example. Others are a little lazy but all, to a greater or lesser degree, have advanced.

"We have regular contacts with the collective and we have joint activities. We are happy with the results."

Housing

The meeting did not end at the enterprise. After the interview, we went to Alfred Kowalke 24, the building where they live. We saw the clean and neat housing.

Some girls were cooking; others performed different domestic activities. The athletes played baseball and football. When they saw Munagorri come, they hid the gloves. However, they all came over to him and Papa Gunter to be included in the photographs for this report.

There is no question. There have been problems but there has also been progress. The road should be smoother. In spite of the distance, they are happy and that is what is important.

[24 Nov 80, p 2]

[Text] It seems easy to make traveling or portal cranes.

However, when you enter the confusing world of iron and laminates, solders and gigantic lathes, your image of the giants with steel arms that carry everything completely changes.

Eberwalde is a town some 60 kilometers from Berlin. The little town is picturesque because of its varied architecture where houses with red tile, double-sloping roofs with their ever-present dormers and chimneys predominate.

Hans Joachim Elseberg, teacher for some Cubans, told me that Jorge Callejas would learn much more quickly if it weren't for his hair.

This joke by the milling section chief about a Santiago 18-year-old who works very hard at the crane factory led to a spirited dialog.

"What do the Cubans do here?"

"They are trained as machinists, shavers and lathe and plane operators."

"The best?"

"The machinists and lathe operators. The shavers do well, too. They are already important to production."

"Disciplined?"

"Yes, they maintain very good discipline and are very clean in their work."

"Problems?"

"The language. Although it should be said that the machinists work without direct instruction after the first 6 months."

"Considering the time that they have spent in the industry, how do you evaluate their learning?"

"Very good. Their development has been very positive."

Callejas from Santiago

"What has your training here meant to you?"

"It has meant a lot. I was not a worker; I was a preuniversity student. In the year I have spent here, I have pretty well learned the specialty for which I am being trained."

"And the long hair? Is it because of the cold?"

"It is the style, you know; it is not because of the cold. Actually, I have neglected myself but I assure you that I am going to cut it soon...a little. I am young and here, you know, long hair is not all that bad."

"It is your decision, of course?"

"Of course, of course."

Andres: First Anniversary

When I saw Andres Estrada, a 24-year-old from San Luis, seated in a little car that moved back and forth, I thought that he was playing or something. (My mechanical ignorance will be the death of me.)

Andres is the operator of a horizontal lathe with many cutters. In the little car, he was adjusting the sweep of the cutters on the metal. The sheets of steel or iron that will form part of the cranes are prepared here.

Estrada can say that he is a lathe operator.

"What can you tell me about this year in the GDR?"

"I have used it well with my teacher." (Andres turned his head, looking for the German technician who has trained him; he sat smiling.)

"And what does the teacher think?"

"Andres works very well. He fulfilled his quota like the rest of the workers. He is punctual and also participates in all the tasks of the enterprise. He can already work alone with the machine. He has learned the language and can converse in German."

Inside Eberwalde

At present, 43 Cubans are working in the Eberwalde crane factory. A high percentage of the collective learns the material well and completes their work although, at the beginning, there were some cases of low education.

The factory has 3,500 workers. It manufactures assembly, portal (for ports) and freight cranes.

The cranes are exported to 24 countries on four continents although the main buyer is the Soviet Union. (The enterprise has already produced 1,700 cranes for the USSR.)

The factory produces 12 cranes a month which are shipped in parts and assembled in the purchasing countries.

This year the enterprise allocated 10,000 marks for recreational activities for the Cubans (cultural activities, sports, excursions and visits to historic sites). This fund will total 16,000 marks in 1981.

Nevertheless, according to Klaus Dieter Wichmann, first secretary of the FDJ in the factory, joint activities with the UJC should still increase. They are working in that direction.

They are now working on the integration of Cuban youths to the FDJ youth brigades in order to carry out many bilateral tasks.

In Eberwalde, in spite of the good workers, there is still work to be done.

One can ask: "Isn't it hard to spend 4 years training in a foreign country with different customs and a different way of life?"

I gave Andres Estrada a firm handshake when leaving. He looked at me smiling, shrugged his shoulders and told me:

"It is not easy. However, we come here and we will be here to fulfill the assigned goal. We cannot think of ourselves but do this as Cubans."

"And the separation from your family?"

"That passes, comrade. The thing is to work and train ourselves since Cuba needs us. We are not tricked; we clearly know the magnitude of this enterprise."

[25 Nov 80, p 2]

[Text] Leuna is an area with great worker traditions.

The old German imperialism founded its basic industries there.

One of them, the chemical complex, was founded in 1916 to produce ammonium. A year after opening, it had 7,000 workers.

Leuna was always a region of proletarian struggle. In 1927, Ernest Thaelmann inaugurated a monument commemorating 54 workers who had been shot by reactionaries.

After World War II, civilian production resumed at the complex with the aid of the Soviet Union. Previously, it was used for the war industry.

It was in Leuna-Werke where a gun was presented to Commander in Chief Fidel Castro during the visit he made to the GDR some years ago. It symbolized the beautiful fighting traditions of the working class.

Now it is one of the largest industrial complexes in the GDR. More than 400 basic products are manufactured in this factory of factories, especially caprolactam (basic raw material for synthetic fibers) and adhesives.

The oil to run the complex that now employs 30,000 workers, of whom 7,500 belong to the FDJ, comes through the Druzhba (friendship) pipeline.

The plan for this year is 45 million marks. As of October, this strong working class surpassed that figure by 13 million.

Cuban youths came to Leuna-Werke more than a year ago to work and to study.

Klaus Dieter Steinecke is the first secretary of the FDJ at the complex. He is satisfied with the good contacts with the Cubans, particularly with his Cuban counterpart, the UJC.

The joint work has included the formation of youth brigades, participation in different activities, meetings and exchanges.

Now the brigades are fighting to win the right to name each collective after a Cuban martyr.

The Cubans are trained in four specialties: electricity, instrumentation, mechanics (pumps, tubing and compressors) and evaporation.

German work teachers sponsor the Cuban youths who work there. They are satisfied with their learning although the age-old problem always crops up: the language.

A Very Cheerful Man

In spite of being an older man, engineer Gehard Zeidler is very cheerful.

He has taught a group of workers from the Greater Antilles for 15 months. He trained others years before who today are specialists in pipe installations in the Karl Marx cement factory in Cienfuegos.

He already had experience in working with workers from other countries, a so-called Latin-German symbiosis.

Jose Acosta and Alberto Mollinedo who, Gehard said, /are very good workers/ [in boldface] are one example.

During a ceremony held in the complex last 26 July, both Cubans were honored for their outstanding work.

We can apply the popular saying here: /as the teacher goes, so goes the student/ [in boldface].

Mollinedo: "We did not even think about this award since we thought many other youths deserved that distinction....It was unforgettable to receive that award in a joint ceremony in front of our Cuban and German brothers."

Acosta: "I did not have work experience. I finished the SMG [General Military Service] and came to carry out this task....Imagine my deep pride in receiving the award that was presented to me. As Mollinedo noted, other colleagues in our collective deserved it, too."

In Spite of Cold

Don't think that these youths do not participate in emulations. The cold and the early rising are not obstacles.

During the last emulation, the collective at Leuna-Werke took second place.

Everyone is involved in his contribution to the Second PCC Congress with volunteer days in the factory or in agriculture, wherever!

They also fight to maintain good discipline and personal appearance, learn the language and participate in joint activities with the FDJ.

They hold political and professional conferences where Germans or Cubans participate, depending on the situation.

They have a plan for professional training and sports and cultural activities. (In Leuna there is a folkloric dance group that has already toured most of the country.)

In spite of the fact that, at the beginning, there were various small problems, the truth is that the collective progresses well today.

At the end of the afternoon, we left the factory and went to their residence where we had coffee "a lo cubano" and we sipped vodka to warm our bones.

We saw the order and cleanliness of these Cubans in their residence, a modern building on the outskirts of Leuna.

In spite of the distance, the climate, the language and the customs, the youths have managed to overcome those problems and fulfill the roles that were given to them.

This means 4 years of hard work but in Leuna-Werke worker traditions date back almost a century and the German teachers also fight to graduate good students!

[27 Nov 80, p 2]

[Text] In Berlin it was 2 degrees below zero.

The people walked quickly through the streets to their warm homes. It was after 1700 hours and the sky was almost totally dark.

The city came alive with the neon lights on the main avenues and the lights of hotels and businesses.

In a room at the Cuban Embassy in the GDR, there was a meeting of the party committee. The topic was Second PCC Congress emulation.

We were invited to this meeting. Vicente Pineda, secretary of the party committee at the Cuban mission in the GDR, knew about the reports that JUVENTUD REBELDE had done on the youths from our country who work here. He conceived the idea that the press attend the debates on the selection of the best collective this time.

The emulation project evaluates: work and education commitments, discipline, social conduct (personal aspect and relations in general) and promotion of activities that make better use of free time by the Cuban youths in the GDR.

Also volunteer work, conference plans and other political tasks (acts of solidarity, friendship meetings, etc.) are evaluated.

Although the party is still not completely satisfied, the emulation has yielded results.

These figures for the July, August and September quarter demonstrate this:

Attendance at classrooms, 92 percent; attendance at volunteer work, 45 percent (116,015 marks were collected; the youths cannot always do volunteer work at their enterprises due to the high degree of productivity); political activities, 99.7 percent; and sports, cultural and recreational activities, all more than 50 percent attendance.

The effort of the outstanding collectives is recognized in public ceremonies where the best workers and provinces (there are Cuban youths in 14 provinces of the GDR) are rewarded.

The Debate Began

The Berlin cold was forgotten in the heat of the discussion.

Many opinions were given. There were reports that sometimes did not arrive on time due to the distance.

For example, the cell in the Rostock region made a laudable effort to take care of all the collectives that work in that territory (practically one-third of the GDR). It must be added that this task is performed using available public transportation (bus, train and, least of all, cars).

As in Cuba, volunteer work aims at forming communist awareness in the youths. In the GDR, it has also been proposed to make a contribution to help pay for the expenses of the Second PCC Congress.

However, the high efficiency of many German enterprises means they do not need volunteer work. The youths do not stop at factories. At times, agriculture in the region where they work or live needs manpower and there are the Cubans, making their contribution!

It was also agreed that disciplinary problems be included in the emulation. A policy had to be established with proper application of dialectics.

A certain collective might have had disciplinary problems but the positive reaction of its members raised the group's level of work and study. Should it be rewarded or not?

Things are not as bad as some undisciplined people who have been returned to Cuba have pretended!

When 92 percent of the youths work, study, produce and perform, things are not so bad!

Adding the fact that in many places they are crucial in the fulfillment of the production plans of the enterprises, the image changes completely.

1981: Baton Passes to the UJC

In the coming year, the UJC in the GDR will direct and check emulation for the many inexperienced workers on the other side of the Atlantic. (The ages for selection range from 18 to 25 years.)

There is the background of the Second PCC Congress emulation. It now falls to the youths to create more dynamic methods and contribute experience; that is, to inject it with that dynamic nature that the younger generation possesses.

Santiago, Guerra, Mario, Carlos, Ileana and other members of the UJC bureau are already forming ideas and shaping experiences. (The first three are professional cadres of the UJC there which, in our opinion, is insufficient for the size of the undertaking; they not only attend to workers but also to students on scholarships.)

Emulation will not slow down; on the contrary, it will increase. It is necessary to extend it to Rostock or Magdeburg or any place in the GDR where there are Cuban youths.

With the problems of anything new, this car will start, this time driven by the UJC.

It will unquestionably yield results. The experience of the year about to end demonstrates this.

As pineda told us at the end of the party meeting, the youths in the GDR are the same as those in Cuba—those who cut cane or go to Moa to do difficult tasks, those who have responsibility for important tasks for the development of the country. We cannot deceive ourselves. Although this task is new and not without problems, we will fulfill it and do it well as the occasion demands!

[28 Nov 80, p 2]

[Text] "I would put the words in your hands as if they were the land itself with its valleys."

It was a Sunday in November. The early cold continued to afflict Berlin.

Hundreds of Cubans met at the EAW auditorium. I was in this factory about a month before and I interviewed several Cubans and Germans.

Therefore, some happy faces that I saw now were already familiar to me: Munagorri (winner of the individual emulation); Papa Gunter who saw me and ran to give me a hug; and Nicasio, the patient collective chief whom I knew in his native Perico, Matanzas. There were greetings and handshakes.

The heating in the building was not working well that day. It forced more than one of us to go find our coats to heat our numb bodies.

Little by little, the atmosphere warmed up in the applause for the most distinguished: Serrano Vaillant, Tomas Garay, Huga Pacheco and Hector Munagorri. They epitomized the motto in white letters on a red cloth: the best homage is daily fulfillment of duty.

The pioneers, seed from which new generations will emerge, made their voices heard at the assembly.

The banner was presented to the best province, Berlin, where more than 400 youths now work.

The principal tasks done by the collectives in the capital during the July-September quarter included: training, labor discipline, productivity, participation in activities (political, sports and cultural) and volunteer work.

Machinists, assembly mechanics, metalworkers, maintenance mechanics and skilled workers in the production of rubber derivatives and in electronics are being trained in Berlin.

The Germans feel the Cuban youths have a promising future because of their work, interest in training, discipline and the development of joint activities for the use of free time.

Those in Berlin did not have "a special secret" to win the emulation; not at all!

They simply held meetings with all the political and mass factors in the different collectives of the province. They held spontaneous meetings and developed many tasks with the UJC.

Each meeting, each contact, served as a framework to critically analyze problems and deficiencies and to adopt plans to counteract any negative situation. The results could not have been better. After 3 months of hard work, they won the prize.

There were several speakers and many emotional embraces. The effort of the best was rewarded.

Memories: A Parenthesis

While the ceremony was taking place and I observed the happy faces of the youths in the Berlin EAW auditorium, recent memories came to mind.

The day before, I had participated in a meeting in Brandeburg with Santiago Morales, UJC representative in the GDR, and Ileana Martin-Carrera, member of its bureau.

It was a regular contact of the local committee in an enterprise where several aspects would be analyzed: emulation, discipline and internal life. Things were not so happy there.

There were organizational problems related to the placement of youths to be sent to the GDR and other internal and personal problems. Everything was not as it should have been.

The meeting lasted several hours and served to present the problems and begin to solve them as much as possible.

The contrast between this meeting and the ceremony Sunday at the Berlin enterprise was noticeable.

It helped us evaluate the magnitude of the difficult task of the UJC cadres in the GDR and to learn more about the problems.

Nevertheless, the collectives in Berlin went through similar situations.

The political work was reinforced, it was discussed in depth with the people and positive results began to appear.

We do not have any doubt that the same thing will happen in Brandeburg. The youths will learn to respond energetically and firmly in spite of the problems. The task entrusted to them will progress.

The cold on this Sunday in November continued to penetrate. The faint sun that bathed the streets was not enough to warm the body.

Tomorrow afternoon I would be flying back to Havana. In the airplane I began to shape these ideas for the report. The names of the distinguished youths and the UJC cadres in charge of organizing and encouraging the political-ideological work with the thousands of Cubans in the GDR came to mind.

I thought that the names of the distinguished would be repeated throughout the GDR and the problems of Brandeburg would be solved. Sooner rather than later, the task would be carried out in its full magnitude.

The most significant thing is that it already yields results. Vaillant, Garay, Munagorri and the others are on the job, winning honor for the fatherland. Their example will be multiplied by thousands because they are the prolog to this history.

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MAJANO LEAVES EL SALVADOR ON UNDISCLOSED MISSION,, INTERVIEWED

Rio de Janeiro JORNAL DO BRASIL in Portuguese 29 Nov 80 p 15

[Published excerpts of interview with Col Adolfo Majano, member of the Salvadoran Junta, by Silio Boccanera; date and place not given]

[Excerpts] San Salvador—Amid indications of change in the makeup of the criticized Salvadoran Government, Col Adolfo Majano, the main target in the government of the forces of the right, left the country very quietly on Thursday, a fact which became known here yesterday.

Spokesmen of the civilian-military government junta did not explain yesterday to which country the colonel went nor why he left El Salvador at such a critical moment, critical because of the murder of the five key opposition members. Foreign diplomats who requested explanations on the trip were told that Majano will return "in two days."

Portions of the Interview

[Question] What main difficulties do you see at this time for your government plan?

[Answer] The 15 October movement (the military movement which seized power at that time last year) sought a political understanding among the various forces in the country, at the same time that it proposed economic reforms. That harmed some interests, which immediately reacted and placed obstacles in the path of our plan. That was the right. As far as the left is concerned, armed groups also showed their opposition to our plan and they fight to create obstacles.

[Question] Why do the groups of the right point you out as the main obstacle?

[Answer] My idea is that a reform be accomplished in this country, that the old imbalance in society be corrected; that the solution seek to reach the real causes of the problem, eliminating poverty. It is necessary to provide the deprived people with a decent existence. And that is not a pretext for attacking the left but rather an attempt to raise the standard of living of the people. Conservative groups have always managed to manipulate previous attempts at reform in this country and now you will find that they will do the same. However, I would rather leave the government than abandon my ideas of reform.

[Question] What impact did the election of Ronald Reagan as president of the United States have on El Salvador?

[Answer] It had immediate repercussions, primarily among the conservative sectors to which I referred. They believed they saw in that election a hope of recovering power. However, personally, I have the impression that these people are mistaken. There are two important aspects: First, the nature and the feelings of the American people will cause them to support us morally and the president-elect will have to respect that; second, the process in this country is not the result of our personal initiatives but of the hopes of our people. Whoever tries to block the path to the satisfaction of those hopes will be pitting himself against a very great power, the power of the people. Those who would try to reverse this process would be making a mistake.

[Question] Does a conspiracy to block reforms exist?

[Answer] It is difficult to determine the existence of a conspiracy, which can manifest itself in various ways. In previous months there was a period of marking time but recently the effort by the right to recover power has increased. It resorts to attacks, lies and other activities to discredit the government and some of its members. That began again this month.

[Question] Could it be the results of the U.S. elections?

[Answer] Possibly. I do not want to establish a direct link but it is possible that the right had been waiting hopefully for the results of the elections. However, there is a rebirth of conspiratorial activities. There are more attacks.

[Question] Do you believe there is a chance the conspiracy will be successful?

[Answer] I cannot grant them the possibility of success. They may eliminate or drive away some members of government, including myself, but they will not be able to reverse or halt reforms.

[Question] But as far as the most immediate objective of removing you from government, you do not consider it so difficult?

[Answer] We are going to try to prevent it, but it is conceivable.

[Question] Could the present makeup of the Junta survive, let us say, two months?

[Answer] It is difficult to set dates. The situation developed day by day. Time is valuable. It is necessary to seek a political solution. An effort at a peaceful solution must be made.

[Question] What do you think of the proposal by the Church to arrange a meeting between the government and the opposition in the Revolutionary Democratic Front [FDR]? (Note: The interview took place before the murder of the five FDR key members).

[Answer] The 15 October Movement presupposed a political pluralism. That is understood to mean talking with all sectors of the country. I have an enormous respect for the voice of the Church, a very important factor in seeking justice in our society. It has much credibility. I do not discount any type of political and social faction. All of them can be talked to.

[Question] Many say that a rightist coup in this country would consist simply of removing you from power. What do you think?

[Answer] My position here is only one of work to satisfy the needs of the people. I would not be able to say if a rightist coup would mean only removing me (from government). I can say for sure that the right increased its firepower to shoot me out of the government.

[Question] Do you feel any pressure?

[Answer] Your question is very direct and I shall give you a direct answer: Yes, I do.

[Question] Do you feel isolated in the Junta?

[Answer] I cannot deny that my positions in the Junta today have less support than at first. That can mean a loss of influence, of decision-making power. However, I tried to remain loyal to my convictions.

[Question] What strength do the conspirators have?

[Answer] They have enough strength to destabilize the country in general and also to remove some of the members of the Junta.

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END

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Latin America Report

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ENERGY COMMISSION CHIEF DISCUSSES OIL, ENERGY OPTIONS

Santiago LA TERCERA DE LA HORA in Spanish 30 Nov 80 p 5

[Article by Gabriel Gonzalez Segovia]

[Text] Antofagasta--There are definite possibilities that there is oil offshore from Valparaiso to the southern region of our country.

This announcement was made by Lt Gen Herman Brady Roche (retired), head of the National Energy Commission, during his closing speech at the Interregional Development Days held in this city and attended by experts from many different sectors of national life related to the topic.

The series of talks was organized by the Office of Vice Rector of Communications of the University of the North and sponsored by the Council of Rectors of Chilean univerities, ODEPLAN [National Planning Office], and the regional intendancies of regions I and II.

The closing session was held in one of the halls of the Automobile Club. Attending, along with Minister Brady, were Jorge Alberto Alarcon Johnson, rector of the University of the North, Hector Insulza, inspector general of Carabineros, Washington A. Aris Torrealba, vice rector of communications and extension, Sabino Poblete Alay, rector of the Antofagasta campus, members of the academic community and the public, who filled the hall.

For the first time since the creation of the National Energy Commission, a report was given on what has been done, plans for the present and future projects.

In great detail, Lt Gen Herman Brady drew up a balance sheet of studies done of energy resources which our country has, beginning in 1970.

He said that due to the seriousness of world energy problems and the gloomy outlook ahead, our country must reduce its foreign dependency and carry out projects aimed at partially relieving the effects of this crisis, which appears to be very serious.

Private Sector

He revealed that "it will be necessary to emphasize the development of hydroelectric resources" and specified that in 1995, approximately $5 billion will be needed for the construction and operation of hydroelectric complexes.

The head of the National Energy Commission said that because of the high cost of investments in this area, it will be necessary to have the participation of the private sector, which could take responsibility for projects and the operation of small power plants, using the flow of rivers or dams.

He announced that a study is ready to bring regions I and II into the system of electric interconnections, which should result in lower costs to users.

El Tatio

During his talk, Minister Brady also mentioned geothermic sources of energy. The main deposits include El Tatio, 280 kilometers inland from Antofagasta and Puchuldiza, in region I.

He said that the original estimates concerning the size of the sources were in error. An Italian firm was hired to conduct research and determined that in the case of El Tatio, the capacity is only 15 megawatts instead of 150, as is often stated.

The president of the republic is being urged to approve a call for bids for the operation of El Tatio, Minister Brady said.

He observed that this is justified because of the high cost involved in prospecting. By way of example, drilling an exploratory well costs at least $1 million.

Minister Brady announced that the president of the republic, Gen Augusto Pincohet, has provided for sectorization of the ocean floor from Valparaiso south.

This measure was taken in view of evidence that this vast offshore region contains signs of the existence of hydrocarbons or oil, to be more specific.

Some projects will be carried out by the National Oil Enterprise while others will be the subject of bidding.

"The chief of state has resolved that prospecting for oil should be intensified," the high government official said.

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MINES MINISTER ANNOUNCES OFFSHORE OIL SEARCH, COPPER

Santiago EL MERCURIO in Spanish 24 Nov 80 p C-3

[Text] In early February, the National Petroleum Enterprise, ENAP, will begin drilling 12 oil wells along the country's central coastline, in the area between San Antonio and the mouth of the Biobio River, in Concepcion.

This announcement was made yesterday by the minister of mines, RAdm Carlos Quinones Lopez, in his opening address before the 50th Congress of the Mining Engineers Institute, held in the capital's Municipal Theater.

The minister said that the contract has already been signed with the American firm Diamond M, which will use a semi-submersible platform for underwater drilling.

According to preliminary studies, it is possible that oil may be discovered but even more likely that natural gas will be found.

In his address, Minister Quinones reviewed the situation of the country's main mining activities, including copper, molybdenum, coal, iron, gold, potassium nitrate, sodium sulfate, iodine and oil. He said that the latter "is undoubtedly the most important mining sector after copper."

According to the minister, total oil production in 1979 (including both offshore and inland wells) amounted to 20.3 percent of the country's total consumption. Thanks to the production of new deposits, it is hoped that national production this year will represent 35.6 percent of all consumption, rising to 43.3 percent in 1981.

Copper

Speaking before Quinones, the chairman of the organizing committee, Hans Goepfert, stated that the congress will receive the aid of specialists from the United States, Canada, Great Britain, Brazil and Bolivia and that over 50 projects will be carried out by Chilean professionals.

The president of the Mining Engineers Institute, Andres Zauschquevich, said that Chile has a geological structure pointing toward "veritable determinism" with regard to our mining economy's future dependency on copper.

"A recent study made in the country of the future potential of some 18 mining elements led to the conclusion that around the year 2000, copper and molybdenum will still represent 81 percent of the total."

He also emphasized that during the coming decade, new copper deposits will go into production, meaning that in every region of Chile, from the first to the sixth, in addition to the metropolitan area, "there will be at least one large-scale copper mining operation with its own infrastructure and personnel."

Foreign Investment

In his speech, Minister Quinones emphasized that by 31 August of this year, the Foreign Investment Committee had authorized investments totaling $3.7 billion for mining projects. Of these, $373 million worth (10 percent) have been made.

Concerning national investment, he emphasized the recent private investment of $70 million in the Lo Aguirre copper complex, the allocation of $350 million for investments in CODELCO [Copper Corporation] in 1981 and $5 million annually for ENAMI [National Mining Enterprise].

Mining Patents

Finally, the minister mentioned government participation in new deposits, repeating that "the government will not invest in the development of new deposits in order to operate them in its own behalf and at its own risk."

In the case of joint ventures with private capital, the government will limit its contribution to the value of the deposit, without allocating capital resources for its operation, he said.

Regarding the policy of collecting high mining patents in order to stimulate the working of such holdings, the minister said that during the first year that the measure was applied, 1978, private parties returned 1,321,000 hectares, a figure representing 39.9 percent of the total area backed. "This decline continued in 1979, when the percentage figure was 30.6," he said.

These mining holdings are now freely available and anyone interested in working them may obtain a concession for their production.

Congress

The congress that was officially opened yesterday will continue throughout the week at the Central Headquarters of the University of Chile and in the Diego Portales Building. Works to be presented include those on offshore mining, reducing energy consumption in mining, taxation, a financial analysis of the profitability of mines, technological improvements in refining processes, and others.

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BRIEFS

COAL RESERVES REPORTED--Antofagasta--According to the chairman of the National Energy Commission, Lt Gen Herman Brady Roche (retired), there are 5 billion tons of coal in Chile in Arauco and the 12th Region. Speaking about this energy resource at the closing session of the interregional development days, Brady said: "Coal has been somewhat neglected with respect to exploration, mining and even consumption." He added that in 1960, 27 percent was consumed, while the figure for last year was only 12 percent. This drop in consumption was justified by the extremely high cost of coal mining. Reviewing coal resources, Brady said that in Magallanes, or more specifically, in Pecket, there are at least 80 million tons of the mineral. That mine is now up for bids. In addition, he admitted that as early as 1984, commercial mining will begin at Pecket on the Brunswich Peninsula. Prospecting studies were made by the French firm SOFREMINE. Five tons of coal were even taken to France for laboratory studies. Concerning the possible use of solar energy resources, Brady totally rejected the idea: "I can say this emphatically: In Chile, we are not concerned with seeking other national energy sources. The National Energy Commission has no such projects, nor does it have funds to carry out any similar projects." However, Brady did say that research will be promoted using funds allocated to the universities. The duplication of efforts must be avoided. "I shall speak about this issue with the rectors of the universities." [Text] [Santiago LA TERCERA DE LA HORA in Spanish 30 Nov 80 p 5] 11,464

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DOMESTIC FUEL SITUATION IN COUNTRY ANALYZED

Havana GRANMA in Spanish 14 Nov 80 p 4

[Article by Joaquin Oramas: "Domestic Fuels: What Is Their Situation?"]

[Text] Improving the supply of domestic fuels in our country is a major concern for thousands of workers involved in the production, distribution and consumption of such products.

The fight to overcome difficulties, some of which stem from production facilities and transport equipment and others from inadequate storage capacities of wholesale and retail suppliers, is now guided by a policy governing all present and future steps associated with the production, storage, distribution, supply and use of kerosene, liquefied gas and manufactured gas. These are the main types of domestic fuel used in Cuba.

Studies are now being made in order to channel development in the coming years. Such studies stipulate improvements in the quality and utilization of kerosene, increased production of liquefied gas by the Nico Lopez Refinery in Havana City and the Hermanos Diaz Refinery in Santiago de Cuba, increased production of manufactured gas ("street" gas) by the Mario Fortuny and Evelio Rodriguez Curbelo plants in Havana City, and the establishment of the infrastructure for the assimilation of domestic fuel produced as the result of these improvements. During the period from 1986 to 1990, the Cienfuegos Oil Refinery will go into operation. Improvements will also be made in the motorized vehicle pool for the transport of domestic fuel and storage capacities will be increased.

The latter include not only wholesale storage facilities, but in addition, those of establishments where users purchase fuel. Studies also propose gradually switching — as possibilities permit — to use of the double cylinder for liquefied gas consumers and the manufacture of more efficient kerosene stoves. This would be accompanied by the creation of adequate conditions at stove repair shops and a sufficient supply of spare parts for the maintenance of both kerosene and liquefied and natural gas stoves.

Execution of such a project would make it possible to provide a supply of kerosene during the 1981-1985 period and increase the number of domestic consumers of liquefied gas by 20 percent and of manufactured gas by 30 percent.

This overall program means the completion of projects planned in recent years in order to overcome or at least alleviate difficulties in this service and in connection with which the different workers collectives involved fulfilled goals resulting in higher levels of production and the maintenance of facilities in the best possible conditions.

But this has not been enough because difficulties persist in the production and distribution of liquefied gas, the supply of kerosene and alcohol and in the capital, consumers frequently have problems obtaining gasoline for their motor vehicles. It is therefore necessary to continue work on the definition of a vigorous policy aimed at solving the problems mentioned.

It is also necessary for consumers to be aware of problems existing with respect to domestic fuel, what the actual situation is and how far the search for solutions can go. This will lead to a better understanding of problems.

Growth in Production and Structure of Consumption

In the current structure of supplies which meet the needs for the different domestic fuels, one can observe that of these, kerosene is the most easily available for the people and everything would indicate that the trend will continue in the coming years.

Kerosene is used (brilliant light) by nearly three-fourths of the country's families, while nearly 20 percent use gaseous fuels and the rest cook with electricity, boal, wood or alcohol.

Although with some differences in proportions, this was the order of consumers according to products in 1958. In other words, most people used kerosene, followed by those who cooked with liquefied gas, manufactured gas and electricity. There were more families that used coal or wood and alcohol stoves.

From the time of the triumph of the revolution to date, there have been noteworthy increases in the consumption of domestic fuel and the number of consumers, a logical situation due to the increase in the population and the impact of the benefits which the revolutionary process has brought Cuban families directly and more generally, to the country's social and economic life.

Production of liquefied gas has more than quadrupled, kerosene production has nearly tripled and the increase in production of manufactured gas is 80 percent.

There are also noteworthy increases in the number of consumers of kerosene and gaseous fuels. The figure has doubled for manufactured gas alone. Furthermore, the number of consumers who cook with less efficient fuels -- that is, coal, wood and alcohol -- has dropped substantially.

As the standard of living of our people improves, the demand for domestic fuels grows. At the present time, the need for liquefied and manufactured gas is much greater than the capacity of the plants, despite work done at the plants to increase production. Most increases have gone to satisfy the needs of domestic consumers.

If a poll were conducted among Cuba's families, it would be nearly certain that nearly all of them would express their preference for gaseous fuels. But there is

one fact that we cannot forget: Our country is not in a position to immediately absorb the explosion of liquefied gas or gasoline consumption which meeting the need would imply. This would mean the investment of tens of millions of dollars in new plants, distribution systems, vehicles, and so on.

However, this does not mean that work is not being done along these lines. In addition to the reconstruction and expansion of existing oil refineries, plans for the period from 1981 to 1985 include startup of construction work on an oil refinery in Cienfuegos to increase our fuel refining capacity, including liquefied gas as one of those fuels. But this large investment will basically mean an improvement in the situation because the country's development is accompanied by greater demand for domestic fuels.

The investments will be accompanied by organizational and technological measures making it possible to make better use of facilities in operation and result in better operation of distribution systems. In this way, production will be increased and better-quality products will be produced, eliminating certain problems now noted by domestic users.

In the case of liquefied gas, for example, work is being done to guarantee a stable supply to current consumers and to provide increased new services throughout the 5-year period, especially in the later years.

With respect to kerosene, the production of a better quality stove and an improvement in the product itself will practically eliminate the disagreeable odor given off by the fuel when burned.

Problems With Kerosene and Alcohol

One of the biggest problems relating to the supply of kerosene and alcohol has to do with distribution. Fortunately, there is enough kerosene to meet the demand of all the country's families which use it.

Although national production of kerosene is still insufficient to meet the demand, imports from the USSR make enough of the product available. It should also be pointed out that the quality of the fuel has improved as a result of investments in plants.

Special thought is being devoted to the problem of distribution and the storage capacities of retail centers where it is sold. There are proposals for the establishment of tanks and an increase in the number of transport vehicles, which would make it possible to improve the supply to the people.

At the same time, the steel industry is working to improve the quality of kerosene stoves with new models. In the months to come, it will complete the setting up of a kerosene stove plant at INPUD [National Industries for Domestic Products and Utensils] in Santa Clara.

It should be recalled that at the Estrella Roja plant in Havana City, Pike stoves have been being manufactured for years. Work is being done to create new models that would overcome some of the deficiencies in these articles. In addition, kerosene stoves have been imported in recent years. Stoves for liquefied gas are also

being imported. Stoves for liquefied and manufactured gas manufactured by INPUD are stable and of acceptable quality.

From 1965 to 1979, according to information from the Ministry of Domestic Trade, 692,000 kerosene stoves with oven were distributed to the people and approximately 1.45 million with two ovens were supplied. There were four different models. For this year, nearly 150,000 are available, a still insufficient figure.

Studies are being made to set up workshops and improve those already existing. An adequate stock of spare parts must be ensured for the repair and maintenance of kerosene stoves and those using liquefied and manufactured gas.

Difficulties transporting and storing alcohol are similar to those with kerosene, with at the wholesale and retail level. The solutions proposed are also like those proposed for kerosene.

Kerosene is produced at the oil refineries in Havana City, Cabaiguan and Santiago de Cuba, whence it is shipped throughout the country. Alcohol, mainly used to preheat kerosene stoves, is produced at distilleries of the sugar industry, which do not have adequate wholesale storage capacities. This causes difficulties in supplying the population since the distilleries only work part of the year.

Independently of the fact that alcohol is obtained from syrups which constitute a source of foreign exchange, national production guarantees the required levels of consumption.

In order to adopt measures relieving the problems faced with the distribution of kerosene and alcohol, a study has been done in all municipalities in order to decide upon the future installation of storage facilities at centers of consumption. This would ensure better distribution of the products in question.

Liquefied Gas

In a country fighting to overcome underdevelopment, the potential consumption of liquefied gas increases because it is a very clear and convenient type of domestic fuel, only out-performed by electricity. The latter is practically discarded as a domestic fuel for many years because the country must earmark it for other uses of prime importance for our development.

Returning to liquefied gas (LNG, as it is technically known), it is obvious that the technicians, specialists, engineers and other workers who operate production plants have done important work making it possible to raise levels of production and yet, despite these results, there is a gap between the demand for LNG and the production capacity, in addition to storage problems.

From 1959 to date, investments have been made at the Nico Lopez and Hermanos Diaz refineries for domestic fuel production. Their purpose has been to overcome limitations so as to make maximum use of the installed capacities of basic equipment and improve the quality of products.

At the Nico Lopez Refinery, the new gas turbocompressor was installed and equipment was replaced so as to install a greater capacity and permit the use of more active

catalysts for the production of gases. At the Hermanos Diaz Refinery, changes were made in the crude oil and gas towers and equipment with greater capacity was installed.

Future plans include certain modifications in the catalytic cracking unit (technological process in which liquefied gas is produced) in order to increase production of the Nico Lopez plant. At the same time, storage capacities will be increased at the refineries in Havana City, Santiago de Cuba and different provinces so as to create the necessary cover for cases in which the industrial centers in question shut down operations for maintenance or when mishaps affecting production occur.

This increase in storage capacities will also eliminate the disagreeable situation that occurs when, because of a lack of tanks to store liquefied gas, the Nico Lopez plant has to burn the fuel because the production of gasoline, of which LNG is a co-product, cannot be halted.

Tanks to store liquefied gas have been installed at the port of Pastelillo, in Nuevitas, Matanzas, Pinar del Rio, on the Isle of Youth, and at other locations. These are the beginning of a system aimed at providing the necessary storage level.

A study has also been made for the installation of double cylinders for users, which actually becomes a reserve. Although progress would be slower here, it is necessary to step up production of the bottles or cylinders in the country. In addition, it would be necessary to improve maintenance and other liquefied gas facilities.

In 1975, the policy of installing double cylinders for consumers was reinitiated in certain areas and the results were that nearly 20 percent now enjoy this advantage. In Cienfuegos, Camaguey, Ciego de Avila provinces and the special Isle of Youth municipality, they were distributed to all users.

Old Gas Problem

The problem of manufactured or "street" gas, a service offered only in Havana City, is as old as the Melones plant, now known as Evelio Rodriguez Curbelo, one of the two plants supplying the fuel to the capital.

The other, located in Puentes Grandes, is Mario Fortuny, which began operations about 10 years ago with more modern technology.

The Melones plant, with equipment installed a number of years ago, produces the so-called carbonated water gas based on a technology using coke fuel. The plant does not have all the necessary equipment for purification, as a result of which the gas has impurities that accumulate in the distribution networks, in condensate siphons and on occasion, even in the facilities of users.

In the 1960's and 1970's, investments were made in the Evelio Rodriguez Curbelo plant making it possible to improve production. However, impurities still exist, which will be rectified with the installation of purifiers, as planned for the 1981-1985 period.

For its part, the Mario Fortuny plant has a more modern technology based on steam reformation of the gas in the presence of a catalyst, as a result of which the gas obtained does not have the problems of its Melones counterpart.

There is another factor affecting the manufactured gasoline service in Havana City, namely, the obstruction in the system which distributes the fuel and the existence of pipes in poor condition. The manufactured gas distribution system extends throughout various municipalities in Havana City and the total length is 653 kilometers. Stated more graphically, if these iron pipes were laid in a strait line, they would run past the city of Camaguey, starting from the country's capital. Providing optimum maintenance for such a large underground system is difficult and very costly.

There are plans to improve the service by stabilizing pressure in the Havana system, which extends throughout several municipalities in the capital. Consequently, by providing gas with adequate pressure, which reduces consumption, it will be possible to maintain the service in areas where major difficulties have been experienced, especially in Diez de Octubre and Cerro.

Along with the elimination of impurities in gas and the stabilization of pressure through the installation of new equipment, there are plans to make investments to increase the production capacity of the two plants and to provide more resources for the maintenance and construction of distribution systems. All this would permit an increase in the number of domestic users once investments in the plants and in the systems have been made during the 1981-1985 period. Pipes in the Havana system that are in poor condition will be replaced and greater attention will be given to problems of users.

The length of this report makes it impossible to go into detail about the efficient work of those who operate the two plants which produce manufactured gas and workers who handle their maintenance and the distribution systems, but it is only fitting to recognize them because their systematic and self-sacrificing work has prevented the difficulties mentioned from being major, especially with regard to attention to the Melones plant, whose technology is antiquated, and to the systems, some of whose pipes have with time become partially obstructed with tar, carbon and other impurities.

With their spirit of abnegation, the workers in charge of production, distribution and other areas relating to the different types of domestic fuel continue to do their utmost to improve this important service.

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ALEMANN COMMENTS ON HIGH COST OF NATIONAL DEFENSE, OTHER ISSUES

Buenos Aires LA PRENSA in Spanish 20 Nov 80 p 8

[Text] The nation's finance secretary, Mr Juan Alemann, stated yesterday that "Argentina is not at an excessive public spending level" and attributed high national defense costs to the high prices of modern war materiel, such as fighter planes that cost $20 million each or missile-carrying frigates that cost $500 million. He asserted that Argentina has an exploding social security system, because whereas the active population is increasing at an annual rate of 1.7 percent, the nonworking population is increasing at 5 percent a year. He furnished in-depth information on the federal budget and public investment in a speech of about 80 minutes at the General San Martin Theater that dealt with the topic: "The Size and Efficiency of the State."

Make-Believe Attitude

He began by saying that "people have a somewhat make-believe and immature attitude about the state, which is always being blamed for everything. Even though it might be to blame at times, I do not think that it is as often as people charge. Moreover, because people are unfamiliar with what the state is, they also do not have a clear notion as to whether it can do what they are asking."

After clarifying that the category of public spending includes the central government, the centralized and decentralized agencies, the provinces and municipalities and the state-owned enterprises, as well as its contributions to social benefits, its expenditures and subsidies, he began his address, from which the following excerpts are taken:

Gaging Public Spending

"Public spending is often said to account for 40 percent of the gross domestic product; there has even been talk of 45 percent, and on occasion it has been put at 50 percent of the GDP, which is all wrong, because this latter figure would apply in a country with a collectivist economy, Yugoslavia perhaps, but not Argentina."

Thirty-Two Percent of GDP

"We have done calculations using methods in keeping with national accounts and we got a figure of slightly more than 32 percent of the GDP, which is not excessive in international comparisons. European countries and the United States are higher, going as high as 40 percent." He clarified that this 32 percent includes state agencies, social security and the value added of enterprises. "Thus, Argentina is not at an excessive public spending level. What we do have is a public sector efficiency level that is lower than in those other countries, and this is the really important point. If the public sector were acceptably efficient, it would less irritating to the public than it is now. Basically, people get irritated because the telephone system does not work as it does in Europe or because the state in general does not function as it does in those countries, and then they confuse the efficiency issue with the level of expenditures."

The Deficit

"A public sector deficit is not equivalent to a company bankruptcy. The public sector's total expenditures are broken down into current and investment outlays. It covers part of these outlays with its current funds and part with debt, and this debt, with the Central Bank or third parties, is called a deficit.

"Our deficit has also reached an internationally acceptable level. In 1975, it was more than 15 percent, which brought us close to a breakdown in the nation's economy, because maintaining that level would have meant the start of hyperinflation and the total breakdown of the monetary system and, therefore, of the economic system.

"Over the last few years our deficits have been at four or five percent of the GDP, which are relatively good levels internationally today. There are few countries with lower ones. Even countries with stable currencies, like Germany, have gotten to an eight percent deficit. Our problem is that we have a poorly developed capital market, whereas those countries can easily cover their outlays with current borrowing because they have well-developed and extensive savings; in other words, the people place their money in savings accounts to cover the deficit."

Investment Financing

"I want to stress that the investments of the public sector as a whole this year amount to around nine percent of the GDP. The deficit, in contrast, is slightly more than four percent of the GDP, which means that we are financing more than half of our public investment with current funds and a smaller proportion with borrowing. Many private firms resort more to borrowing to finance their investments."

Personnel Expenditures

"We have cut the number of government personnel by a bit more than 200,000, out of a total of 1.8 million, which is not an exact figure because we do not know about the municipalities, which employ a good many people. But parallel to this, the real wages of government workers were sharply boosted. Personnel expenditures represented 16.5 percent of the GDP in 1975, dropping to 10.2 percent in 1976 and to 9.5 percent in 1977, because real wages were kept low and there was a quantitative decrease. But then, in 1978, we began to pursue a policy of shoring up wages, which took the percentage to 11.6 in 1978 and 12.4 in 1979, while this year we will be at around 13 percent of the GDP. The average for the 12 years before 1973 was 12 percent. The increase in real wages has been necessary because the public sector has to play by the same rules as the private sector; otherwise, all of the good people leave, and the public sector drops in quality, thus losing any chance to be efficient. We think that there are still too many government workers and that cuts have to be made, but it is getting increasingly difficult.

"For example, the theoretical capacity of our hospitals is not being utilized because insufficient care is being given to the people who stay in the hospitals the longest. Thus, because we want to save on personnel, we wind up building new hospitals, which is much more expensive than using the ones we have better."

Tax Bureau

"The Tax Bureau is another case in which the shortage of personnel is irrational. We had 8,000 people, and according to studies of what it is like in countries like France and Germany, we would have to have 40,000 agents. We would then be able to collect taxes as in those countries. We have had to settle for fewer and we have proposed an increase to 15,000 employees. Each agent easily earns his wages on a workday. On other days he yields higher tax receipts for the state."

Public Investment

"Argentina's public investment traditionally stood between six and eight percent of the the GDP, generally closer to six than to eight. For 3 years, 1976, 1977 and 1978, we were at 11.5 percent public investment, and for the last 2 years we have been at 9 percent. In round numbers, we are investing 50 percent more than in previous periods. In 1976 we found ourselves with many contracts and commitments taken on by the government that we had to comply with. That was a correct decision, because thanks to it, to having kept the government's word, we are currently contracting under optimum conditions and getting the world's best public works companies to take part in our competitive biddings and to quote really low prices. Furthermore, however, there are deeper, structural reasons, like the energy problem. The emphasis we have placed on hydroelectric and atomic energy requires very sizable investment. This costs us a lot of money. For this reason alone we feel that it is impossible to think about going back to investment levels of previous years.

"Secondly, we have made the political decision to put our communications system, or telephones in other words, in order. You cannot talk about a modern country with a telephone system that does not work."

Housing and Maintenance

"Thirdly, we have boosted investment in low-cost housing, through FONAVI [National Housing Fund], which is also figured in as public spending. We hear criticism that it is not enough, but be that as it may, it is still much higher than in any other time in Argentina's history.

"Moreover, we have a different sort of public investment problem: we found a country that was falling apart badly because of insufficient maintenance. We have had to build schools and hospitals and we will have to do a lot more. We have problems in the Sanitation Department: the pipes in the city of Buenos Aires are in an alarming state of decay."

Defense Spending

"Defense spending is relatively high throughout the modern world. This is a result of the latent danger of war all over the world. We cannot conceive of a modern country without sufficient defense capability. Taking public spending as a whole, the Federal Government, plus its agencies, plus the provinces and municipalities, but excluding enterprises, defense spending accounts for 9.3 percent of the total, while education accounts for 16 percent.

"The serious structural problem is the high cost of modern weaponry, which is becoming increasingly sophisticated. Each fighter plane costs more than $20 million. If we are thinking about missile-carrying vessels, we are talking about more than $500 million. In order to have a defense system that is more or less in keeping with today's world, Argentina has to spend a great deal of money and be very careful about how it does so, which is not always the case."

Limiting Government Spending

"Limiting government spending depends first of all on a high-level political decision. The issue must be addressed by the nation's president or in the present case, the Military Junta. Thus, a very broad understanding of the entire issue is needed, as well as a very good analysis, to make these high-level decisions. We have made enormous progress in this regard. We have a very well-developed method of assessing the budget in constant terms and as a percentage of the GDP. This enables us to know what we are talking about, to evaluate the various magnitudes and to provide the highest level of government with information so that it can make rational decisions. We also make our investments very efficiently, with emphasis on priorities, profitability, an overview in programming and a timetable for execution."

Decentralization

"Decentralization has led to much greater efficiency. We can see it in the schools that have been transferred and in the Sanitation Department, where we have the case of a province in which it was showing high losses and in less than a year it began showing a profit, simply because the governor took charge since the federal administrator was far away in Buenos Aires and had only a vague idea of what was going on there."

Sale of Properties and Enterprises

"Until 1976, the government sold off practically no properties. The administration of Government Properties, a branch of the Finance Secretariat, just began doing so this year and has so far sold off some 1,000 properties, some small and others relatively large. Oddly enough, by the way, the properties are selling at a very high price, whereas the state-owned enterprises have to be sold at a very low price, dirt-cheap at times, which gives an idea of the country's idiosyncrasies."

Contracting Projects and Services

"Contracting out a public project is a way of making it private. What the government used to do is handed over to a private firm, which does the job and charges for it. More than two-thirds of road maintenance work is done under contract. The Municipality of Buenos Aires is making trash collection a private service and is also returning street-lighting to private hands. A study was conducted on lamp expenditures, the conclusion of which was that the city ought to be lit up like daylight but was instead poorly illuminated. An investigation discovered that personnel would remove the used bulb and put it somewhere else. They would receive the new bulbs and resell them, and thus the city was always poorly lit. This service is now being contracted out to the private sector."

Education

"It is advantageous for the government to subsidize private education. Each student in a private school costs the state one-seventh of what a student costs in a public school. If we cut subsidies, the result is that private education becomes more expensive and exclusive, and we have to cope with more students in public schools."

Making Supervisory Work Private

"An agronomist signing a forestry plan acts practically as a state inspector, because he is directly responsible. In the event that he fails to comply, he could be suspended from the professional registry for up to 5 years. We want to apply this same system to professionals who sign insurance company balance sheets. The signature of a professional must mean something."

Zero-Based Budgeting

"Zero-based budgeting initially requires very intensive consulting and therefore must be started up with small sectors and later extended. We plan to encompass the entire government under a program of no fewer than 5 years."

Pensions

"Pensions are an important public spending item that I want to take up in conclusion. Argentina has an exploding social security system. Our population is growing at 1.75 percent a year, while the nonworking population is increasing at around 5 percent a year. Under the previous government it even increased by 10 percent 1 year. In other words, the proportion of nonworking to working people is increasing all the time. Moreover, we are further broadening the very expensive special arrangements under which people can retire earlier with higher benefits. If this problem is not eventually attacked at its core, it will sooner or later lead to an explosive situation, and this is one of the items on the public spending agenda."

Effort and Perseverance

After some other remarks he said in conclusion: "The course has been charted, and we must persevere in it. We cannot perform miracles. Anyone who promises to cut public spending by 30 percent with some little plan is lying, does not know what he is talking about, is daydreaming or is simply trying to astonish those who do not understand the issue. In this area, I repeat, a great deal of effort and perseverance is needed to achieve small results every day."

Today's Lectures

The deliberations of the First Conference on Industrial Modernization will continue today. Three lectures will be delivered in the morning.

The vice president of the Central Bank, Mr Alejandro Reynal, will speak on "Interest Rates and Credit Risk."

The secretary of communications, Brig Gen Eduardo O. Corrado, will lecture on "Communications as an Industrial Need."

Finally, "Industry and Infrastructure Planning" will be the topic addressed by the secretary of planning of the presidency, Brigadier Jose Miret.

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MARTINEZ DE HOZ CRITICIZES DETRACTORS OF ECONOMIC POLICIES

Buenos Aires LA OPINION in Spanish 20 Nov 80 p 11

[Text] Economy Minister Jose Martinez de Hoz yesterday described the liquidation of the Sidesa Bank as one of the positive developments of his tenure. He said that it came about because the bank's directors were guilty of "inappropriate" and "irresponsible" management that "had to be punished in that way."

Martinez de Hoz discussed this issue in a telephone interview in which he also complained about the "obvious desire to distort the facts, since we can see a very well organized and orchestrated campaign in this respect through various opinion media."

The minister also commented on the statements by the president of Fiat of Italy, Giovanni Agnelli, to the effect that the Argentine affiliate is immersed in a "recessionary crisis" that will lead to a "shutdown of production so that it can devote itself to marketing activities." He contended that the Fiat president, who recently said exactly the opposite in Buenos Aires, has to clarify his remarks, which "not only confuse public opinion but do harm as well."

Speaking on radio El Mundo's "Senoras y Senores" program, Martinez de Hoz contended that the liquidation of the Sidesa Bank "obviously represents the application of the law to a bank that has exceeded the allowed limits in its operations and that has gotten into a situation, through inappropriate and one might even say, irresponsible management, in which it had to be punished in that way.

"We have already said," he added, "that as far as the money market is concerned, we have granted freedom that must be exercised responsibly, and the Central Bank has to be in a position to assure normal operations in this important sector."

Martinez de Hoz then maintained that these things are "portrayed as negative when, in fact, they are not. They are positive because in any adjustment process the good things sift through and the bad things stay behind, and right now we are putting the economy through a sieve; there are very positive things too."

Among these positive developments the minister cited the "record imports of machinery and equipment over the first 6 months of the year," stressing in this regard that these imports accounted for 26 percent of all Argentine purchases overseas, compared to just 15 percent in 1975.

Martinez de Hoz also cited the statistics that showed that the automotive industry "has kept up its pace of activities over the first 9 months of the year, because a record was achieved during the period even though this was the first year in which imports have been brought in" in appreciable amounts.

He then referred to Agnelli's remarks and recalled that the Fiat president had mentioned that there was a recession in the automotive sector in Argentina. The minister then asked: "What recessionary crisis can he be talking about in the Argentine automotive industry when we have just broken the all-time record for automotive output and sales in Argentina?"

After noting that Agnelli's remarks appeared in "a newspaper supplement" along with the story that other multinational automotive companies would also halt production in the country, Martinez de Hoz asked: "How can they be talking about decisions to halt production by the other multinationals when it is public knowledge that Ford, Renault and Volkswagen are pursuing investment programs and we are nearing $1 billion in investment in the sector for the application of modern technology, which would not have come about without the reform of the automotive industry regulations?"

Martinez de Hoz also asked: "How can we believe that Agnelli would say that his company (Fiat) is going to engage in marketing, when two high-level Fiat and Peugeot officials have asked to meet with me next week to tell me that the two companies have merged to continue producing motor vehicles in Argentina, with major investments?"

The minister voiced the view that "either some opinion media are systematically distorting the facts or a company's people are talking one language in Italy and another when they come to Argentina. It would be a good idea to clear this up, if only because the Argentine Government would like to know with whom it is talking and what language the people who are pursuing economic activities in the country are talking.

"In one way or another," he added, "statements like these not only confuse public opinion but do harm and must be clarified as well.

"We must realize," the minister continued, "that episodes such as these occur in an economic adjustment process that entails the transformation of the structures themselves; on the one hand, we have very positive news and, on the other, developments that could be construed in a negative or positive context depending on the standpoint from which they are viewed.

"In this regard," he continued, "I think that we can see that several sectors are distorting the facts."

In this connection, the nation's economy minister observed that "we can see a very well organized and orchestrated campaign in this respect through various opinion media, which are portraying everything in a way that does not square with the facts.

"In other words," Jose Alfredo Martinez de Hoz pointed out further on, "when you dig up the real facts on this it is one thing, and when you see how they are presented, it is a different thing."

Lastly, the economy minister said in the radio interview that "all discussions to clarify and elucidate are valid."

But "what I think is not so constructive is when there are clear-cut political intentions and the facts are distorted to try and influence what people might say about future developments in Argentina."

In speaking out against this "campaign," Martinez de Hoz said that the intention of the sectors furthering it is "to bring back situations that we consider surmounted once and for all."

As we will recall, last week the head of the Turin automotive firm said that "we have decided on a drastic overhaul of our industrial presence in Argentina, and as of 1981 we will be carrying on only marketing activities."

Elsewhere in his statement, which was reported by an international news agency, Agnelli contended that "similar decisions have been made by the main multinationals doing business in that country (Argentina)." The Italian business leader's remarks were made during a Fiat stockholders meeting.

A look at the Italian manufacturer's share in Argentina's automotive sector shows that it has lost ground to the rest of the companies on the market. In 1975 Fiat was number one among the automotive firms; in 1979 it was in third place, behind Ford and Renault.

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TRADE BALANCE, RESERVES FIGURES SHOW INCREASED DEFICIT

Buenos Aires CLARIN in Spanish 16 Nov 80 pp 4-5

[Text] The foreign trade balance for the first 8 months of the year closed an estimated $1.024 billion in the red, according to the calculations of the National Statistics and Census Institute and the Central Bank. Information from interior customshouses and air transport operations has yet to be compiled.

These figures confirm the trend noted since the last third of 1979 and run counter to official forecasts (at least in line with recent comments by members of the economic cabinet) that that would be the deficit for the whole of 1980. The explanations voiced at various seminars and to foreign newsmen point to the dropoff in farm supplies prompted by weather conditions, which cut national output by between 6.2 and 6.5 million tons, as the cause of the deficit. They also attach importance to the steep rise in imports, which the aforementioned sectors describe as a generally healthy process to curb inflation, assigning it "a role of some significance" in the nation's new trade context.

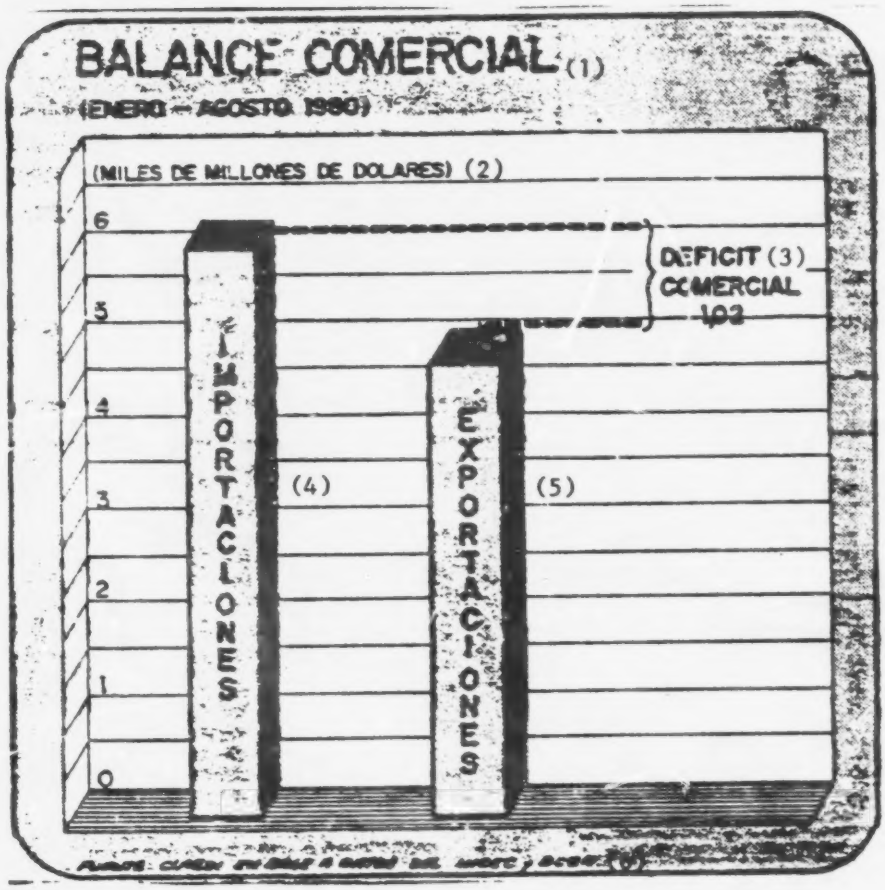
The authorities have advanced another argument to downplay the rise in imports. In talks with foreign correspondents, they have alleged that more than 75 percent of the funds have been earmarked for the purchase of capital and intermediate goods (around 30 and 47 percent, respectively), while describing as unfounded the observation that expenditures for consumer goods are excessive, since they have accounted for only 11.5 percent of total imports.

Worrisome Signs

Above and beyond any value judgments concerning these figures, however, the fact of the matter is that a storm front is on the horizon for the external sector.

The various available assessments indicate that the country's external sector has seemingly been marked by the following developments:

--Foreign trade: From January to August of 1980, the provisional figure for imports was $6.109 billion, while exports stood at $5.085 billion. Overseas purchases of fuel accounted for 11.5 percent of total imports, according to information supplied by the Energy Secretariat. Oil imports rose by 22.1 percent in volume and 58.8 percent in value.



Key:

1. Trade balance (January-August 1980)
2. Billions of dollars
3. Trade deficit
4. Imports
5. Exports
6. Source: CLARIN, based on data from the National Statistics and Census Institute and the Central Bank of the Argentine Republic

--International reserves: At the close of the first week of November they reportedly stood at some $7.85 billion. At the end of last September they amounted to $9.7 billion.

--Foreign debt: without figuring in interest, it is estimated at between $23 and $25 billion.

--Capital outflows: Gross outflows for the January-September 1980 period have reportedly amounted to some $3.8 billion.

--Tourism and interest: Over the first 9 months of the year there has been an estimated net outflow of around $2 billion.

If we figure in just these statistics and if the trend in the balance of payments cannot be reversed, we are hard-pressed to agree with the World Bank's forecasts that the overall external sector deficit for this year would hit only $2.5 billion.

(1) COMERCIO EXTERIOR ARGENTINO
(En millones de u$s)

(2) Año	(3) Exportaciones	Importaciones (4)	Saldo (5)
1976	3.914,0	3.000,0	+ 913,0
1977	5.651,8	4.161,5	+ 1.490,3
1978	6.399,6	3.833,6	- 2.566,0
1979	7.810,8	6.683,2	+ 1.127,6
1980 (6)	5.085,0	6.109,0	- 1.024,0

(6) Enero-agosto, cifras provisionales.
Fuente: INDEC, B.C.R.A. y Clarín. (7)

Key:

1. Argentine foreign trade (in millions of dollars)
2. Year
3. Exports
4. Imports
5. Balance
6. January-August, provisional figures
7. Source: National Statistics and Census Institute, Central Bank of the Argentine Republic and CLARIN.

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STUDY DETAILS SLOW GROWTH IN AGRICULTURAL SECTOR

Santiago EL MERCURIO in Spanish 2 Dec 80 pp 1, C-6

[Text] The growth rate of the agriculture sector amounted to only 1.7 percent a year between 1978 and the present, according to a study done by Catholic University. The figure falls well below that of the rest of the economy for the same period.

Despite the situation of recent years, average growth in the national agriculture sector amounted to 5.8 percent a year between 1974 and 1978, which is more than twice the percentage recorded for the 1961-1970 period (2.2 percent).

This average was heavily influenced by the high rates registered in 1974 and 1977, 16 and 15 percent, respectively.

Reasons for Stagnation

Why this apparent stagnation in the development of the Chilean agriculture sector after an initial period of growth, and after the implementation of the nation's new economic policy?

The magazine PANORAMA ECONOMICO DE LA AGRICULTURA, published by the Department of Agrarian Economics of the School of Agronomy of the Pontifical Catholic University of Chile, discusses the principal elements of this situation in its November issue this year, and states that the causes are varied, and many of them are inevitably controversial.

Size of Enterprises, Structure of Land Ownership

According to those who are studying the present situation of our national agriculture, an important factor which to a great extent predetermines the sector's reaction to the current economic policy, is the structure of agricultural land ownership.

In 1964, when agrarian reform had not yet begun in our country, businesses with more than 500 hectares (a total of about 6,500) controlled more than 70 percent of agricultural land in this country.

In 1979 enterprises owning more than 500 hectares, although increased in number to 7,761, controlled only 55 percent of the nation's agricultural potential. That is, medium and large holdings, supposedly the most receptive to changes in economic incentives, control only about half of the nation's agricultural land. Two limitations

can be discerned from this situation: one, that small companies do not have the resources to make an about-face from a traditional agriculture to more intensive cultivation in crops such as fruits, exportable vegetables, and beef and dairy cattle, etc.; and two, that the typical size of medium and large holdings seems to be insufficient to take advantage of the economies of scale inherent in the traditional, extensive methods of cultivation.

Relative Importance of Subsectors

Here is the percentage distribution of the value of agricultural production in the different categories, whose development conditions the overall development of the sector:

Categories	76-77	77-78	78-79
Crops	69.0	61.6	63.9
Traditional crops	37.9	26.1	27.4
Vegetables	20.2	22.5	22.4
Fruits	7.1	9.0	8.4
Vineyards	3.8	4.0	5.7
Livestock	31.0	38.4	36.1
Cattle:			
Beef	13.2	16.5	14.8
Dairy	7.6	9.0	8.5
Sheep:			
Meat	1.1	1.5	1.4
Wool	1.2	1.4	1.7
Pigs	2.1	3.1	2.9
Poultry:			
Meat	2.5	3.4	3.8
Eggs	3.3	3.5	3.0

Source: Agriculture Planning Office (ODEPA), Agricultural Reports

According to these figures, even though large amounts of resources have been reassigned to the sector, the traditional categories still account for by far the bulk of national production.

Livestock (meat, milk, eggs and wool) accounts for approximately 40 percent of national production; traditional crops, 25 percent; vegetables, mostly on the domestic market, 20 percent; and fruits and vineyards, 15 percent. Thus, livestock and traditional crop operations have the greatest impact on the development of the sector.

Summary and Conclusions

In the above-mentioned study by the School of Agronomy of Catholic University, the following conclusions about the national agriculture situation are presented:

--The rapid growth of the sector up to 1977 has diminished for the third consecutive year; the average growth rate of the last 3 years is only 1.7 percent;

--Despite the increasing liberalization of the economy in general and agriculture in particular, the sector still depends on the domestic market for 80 percent of its sales;

--Agricultural land ownership is excessively subdivided as a result of agrarian reform;

--Traditional crops and livestock holdings continue to play a key role in the sector's growth rate;

--The profitability of these crops and holdings has generally slackened as a result of a combination of factors such as the trends in international prices, the exchange policy, real increases in energy and labor costs, low competitiveness in the inputs and products markets, and the growing tax burden resulting from higher assessments of agricultural land.

The summary also points out that the profitability of the livestock sector has been helped by the surge in beef prices, a situation which has become more closely related to the current cost of capital. It also says that the profitability of the fruit subsector (which has a great potential for expansion) will continue to be attractive given present price and tax conditions.

Aside from emphasizing the possibility of nationally produced vegetables gaining access to export markets, the conclusions stress the importance of these products for reactivating and then developing the national agriculture sector. This sector must have access to credit with terms and costs compatible with its profits. Its main attractiveness stems from its potential as a source of foreign exchange.

As a complement to the above, the conclusions advocate long-term government regulation of agricultural taxation, and stress the role the state should play in the development of certain technology and technical-economic information.

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BUDGET EXPENDITURES FOR 1981 OUTLINED

Santiago EL MERCURIO in Spanish 2 Dec 80 pp 1, C-6

[Text] The 1981 budget for the public sector, approved on 28 November by the Government Junta, allots 533.291 billion pesos for expenditures in national currency, and $2.49 billion to cover expenditures in foreign currency. Expressed in dollar amounts, both figures total $16.164 billion (about $1,539 per capita per year, the equivalent of 60,000 pesos). In order to calculate the budget, the price of copper was estimated at US $0.90 per pound.

This was announced yesterday by the National Budget Director, Juan Carlos Mendez. He released the main provisions of the 1981 National Budget Act, which will be published in the Official Gazette this week.

The public sector mentioned in the act includes the treasury, decentralized institutions (municipalities), the social services sector and public enterprises.

Excluded are state enterprises that are privately regulated, such as National Electric Power, Inc. (ENDESA), the Pacific Steel Company (CAP), the Chilean Electric Company, Ltd. (CHILECTRA), the Chilean Workers Federation (CTCH), the National Sugar Industry (IANSA), the subsidiary corporations of the Production Development Corporation (CORFO), and large sectorial enterprises such as the Copper Corporation (CODELCO) and the State Bank.

"The above," said Mendez, "reflects the economic authorities' decision to place the majority of state enterprises in an autonomous budgetary situation, subject to market forces. In the next few days it will probably be necessary to announce the policies that will govern these enterprises in 1981, especially with regard to what they charge for their services."

Surplus, More Public Spending

The budget director also revealed the following information:

In 1979 and 1980 the national budget has yielded increasing surpluses.

The budget act for next year has accented the exclusion of important state-owned enterprises as a source of income and expenditures. In this manner, there will be greater rationalization and destatization of public activity, and a savings in the national budget. The act identifies public enterprises as the largest sector, and the one which presents the most obstacles to national growth.

In the other sectors included in the national budget, it is felt that a good deal of rationalization has been achieved: the treasury itself does not require more resources; it is under control. The decentralized institutions such as the Agricultural Commerce Enterprise (ECA) have cut down their activities; others, such as the Public Debt Compensation Fund, have ceased to exist. In this sector, only the municipalities (because of their new functions) will require greater expenditures. Finally, the social services sector will require increased spending by the state due to recent reforms, but only for a limited time.

By excluding the large enterprises from the national budget, the government hopes to bolster spending in those areas where the subsidiary principle is fully applicable: new municipal services, the National Minors Service, educational subsidies, social services reform, family allotments, etc.

Social Spending

As of March 1981 the payment of family allotments will be the exclusive domain of the treasury. It is estimated that these payments will amount to 12.5 billion pesos. This measure is designed to phase out over a period of 7 years a tax on wages and salaries amounting to up to 33 percent. From now on, these payments will be financed by general revenues.

Having eliminated this tax, in 1981 the government will devote more than 52 percent of total spending to social expenditures (justice, education, health, etc.). This year that figure was 50.5 percent.

Some items scheduled for increased social spending are:

--Aid to minors in irregular situations will increase by 120 percent over 1980.

--Subsidies to private schools will increase by 90 percent over last year.

--Municipalities which run schools will receive 6.1 billion pesos.

Investment in Roads

The Ministry of Public Works budget will be equal to that of 1980, but it will be allowed to use $150 million in external credit for the purpose of improving the highway network. It is estimated that $183 million will be invested in highways, which means a 68 percent growth over the 1980 figure.

Wage and Pension Adjustments

The act envisions just one adjustment in 1981 for public services subject to the Single Remuneration Scale, which will come into effect next August. The adjustment will equal the change in the CPI between October 1980 and July 1981. In the event of a change of more than 16 percent in the CPI before 1 August, the adjustment will be moved up by a month.

Pensioners and public assistance recipients will receive an adjustment pursuant to Decree Laws 2448, 2547 and 3500. This means that if the CPI variations between October and 30 May are 15 percent or less, an adjustment will be made on 1 June 1981. If the change amounts to more than 15 percent before 1 June 1981, the adjustment will be moved up by a month.

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EDITORIAL COUNTERS BISHOPS' CALL FOR RETURN OF EXILES

Santiago EL MERCURIO in Spanish 30 Nov 80 p A-3

[Editorial: "Episcopacy and Exile"]

[Text] The Episcopal Conference of Chile, after the Eucharistic Congress, released a document which deals with different episcopal matters. It contains some suggestions which the conference feels would promote the reconciliation of the Chilean people; one of those suggestions is the return of the exiles.

The paragraph in the document referring to that issue does not go into detail, although it specifies some groups that should receive priority. This is not the first time that the episcopal sector has made such a proposal, aside from the testimonials about contacts some bishops had in Europe with groups of exiles in the recent past. Now we are returning to a problem which has been the subject of a constant political campaign by the Marxist left and other cooperating sectors.

We must distinguish between the humanitarian, juridical and political aspects of the exile issue. Of course a certain number of families are in the unhappy situation of being split up as a result of one or more of their members having gone abroad seeking asylum, or pursuant to a judicial order of banishment, or of their own free will. However, in any organized society there are some benefits and rights which take precedence over others. The common good comes before individual needs. It is important for families to be reunited, but when this can harm public order and the security of our citizens, we must conclude that the latter needs are more important than the simple desires of a family.

The government has been cautious in readmitting exiles to national territory. It has looked carefully at their activities prior to and subsequent to the 1973 change of government. Not a few people have already been authorized to return to Chile, although not everyone who wants to return may do so. The Ministry of the Interior applies clear legal regulations to these cases; it is looking out for the peace of mind of the vast majority of the population. Some people think we should forget about the past actions of many exiles, while the leaders of Popular Unity exhort them to return to the country in order to overthrow the government by force.

In addition to the humanitarian or sentimental approach to the exile issue, we must consider the political aspect. Those who lost power 7 years ago want to win it back. Statements by communist and socialist leaders to this effect abound. But the formulation of broad strategies with improvised democratic features is preceded by terrorist activities by exiles who have managed to come back into Chile secretly. The same crimes have reportedly been committed by others with serious criminal records who have even submitted applications at foreign consulates to be admitted here.

Among those who "are not resigned to living outside their homeland" are also those who are inspired by hatred and revenge, the antithesis of the reconciliation sought by the Episcopal Conference. Nor is it proper to revise "sentences or decisions made during moments of crisis," because in addition to the fact that this would counter a judicial fait accompli, an amnesty law has already allowed many exiles to return. The government authorities should continue to act prudently on this matter. The applications of those who deserve to return should be accepted, and the return of those who make no secret of their opposition to national peace and unity should be delayed.

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BRIEFS

NAVY WARSHIPS--Over a period of 10 years the Chilean shipping industry will have to renovate the majority of the National Navy's units, which are gradually becoming unserviceable. This means that our country will become self-sufficient in warships, because the infrastructure and technology for doing so already exist. This announcement was made at a press conference in this city by the commander of the cruiser "O'Higgins," Capt Franklin Gonzalez Rodriguez. The officer is chief of the Squadron Task Force which is now in Corral. It is made up of the cruiser "O'Higgins" and destroyers "Williams" and "Cochrane." The officer pointed out that "the renovation does not necessarily include all of our units. There is a plan covering approximately 10 years in which the economic and institutional forces will renovate the units that become obsolete. But this does not mean all the units; it will be done in a partial and gradual manner. The purpose of this study and of the naval renovation policy, which is almost completed, is to modernize our equipment, to make our functions more efficient. Asked what are the limitations of our industry in this regard, he replied that "there are some factors, such as the armament systems and some engine parts, for example. The groundwork is being laid," he added, "to build the infrastructure here that will be able to meet the demand. This will be done at Naval Docks and Yards (ASMAR), or perhaps at private shipyards that are interested in the project. We have the capacity here. The technical capacity exists; that is generally accepted. What we need is to implement the material measures necessary to put the plan into effect." [Text] [Santiago EL MERCURIO in Spanish 24 Nov 80 p C-11] 8926

COPPER PROCESSING TECHNOLOGY--The rector of the University of Concepcion, Guillermo Clericus Etchegoyen, at a ceremony to take place Tuesday in Concepcion, will deliver to the Copper Corporation the automation project devised by the university for the Chuquicamata division. The project, called "Automation of Section 3 Wet Grinding of Concentration Superintendency," was formulated between 1978 and 1980 by a group of specialists in different engineering disciplines, dedicated to the task of providing technical assistance to the productive sector. The group is under the Vice-Rectory of Research of the University of Concepcion. The implementation of the new system will mean an increase of between 7 and 11 percent in the production of red copper. According to information given by the university, the system is part of the third phase in a series of four aimed at the automation of the entire grinding plant of the division's concentration plant. The two first phases consisted of a basic study of research and development of the system, and the corresponding technical-economic feasibility study. The automation project involves modern control systems that are being widely adopted in the industry in the processing of minerals. The general acceptance of these systems is the result of a series of technical and economic factors. However, this is the first time a digital computer will be used in

Chile to automatically control the operation of a complex industrial process. To date, this system has been used only by companies in industrial countries, where remarkable results have been obtained. All these considerations prompted the Chuquicamata division to study the feasibility of incorporating the new technology in the wet grinding of copper ore, and eventually, in a second phase, automating the entire plant. The benefit of the system lies in the fact that in large-capacity concentration plants any increase in recovery or mineral treatment capacity means increases, however small, in economic revenues as well as better utilization of energy by the equipment and the different inputs. [Text] [Santiago EL MERCURIO in Spanish 23 Nov 80 p C-7] 8926

FOREIGN INTEREST IN COPPER DEPOSIT--Several international mining firms have expressed their interest in participating in bidding soon to be opened by the Chilean Government for the development of the Andacollo deposit, reported Mining Minister Carlos Quinones yesterday. In a brief conversation with journalists, the secretary of state said that he has already received messages from different enterprises interested in the mineral deposit. Since 1977, a corporation consisting of the Chilean Government, through the National Mining Enterprise (ENAMI), and the Canadian firm Noranda Mines, have been undertaking explorations and technical-economic studies in the area, and have concluded that the deposit could be developed profitably. "Because Noranda is unable to finance the development, the Chilean Government has decided to call off negotiations and continue freely with the project," explained Minister Quinones. In response to a question about the reason for deciding to call off talks with Noranda instead of looking together for new financial sources, the minister stated that "the Chilean Government has the right to decide what best meets the country's interests." Finally, the minister indicated that the amount which the Chilean Government must reimburse to Noranda as compensation for the expenses that company incurred in prospecting and exploring, is being reviewed. For that reason, no specific figures can be given. In addition, Noranda executives in Chile stressed that the end of negotiations concerning Andacollo does not mean that company will pull out of the country altogether. "We have other, smaller projects in other areas. We will continue to explore new polymetallic mineral deposits," they stated. The largest project Noranda now has in Chile is a deposit of gold and other metals in an area near Andacollo, in the Fourth Region. To date it has invested $1 million in the exploration phase. It also plans to begin exploratory boring in the southern zone and in another area of the northern region, but the specific sites were not revealed for "strategic reasons," it was explained. [Text] [Santiago EL MERCURIO in Spanish 22 Nov 80 p C-1] 8926

TERRORISTS' RETURN PROHIBITED--The Supreme Court upheld the measure prohibiting the return to Chile of Elsa Erika Arbulu Aguilera and her husband, Guillermo Sotomayor Santander. The couple was accused by authorities of being "activists promoting doctrines that advocate the destruction or violent change of the country's social order and system of government." They were identified as "unconditional elements of the former Popular Unity." Elsa Arbulu and Guillermo Sotomayor submitted applications to return to Chile in Belgium, where they now live. According to information supplied to the high court, the couple participated in terrorist acts in the past. A report submitted to the Supreme Court states that Elsa Erika Arbulu and her husband Guillermo Sotomayor, both 29, were arrested in Valparaiso in May 1974. They were accused of engaging in clandestine activities in the so-called Revolutionary Armed Forces and of being involved in planting bombs in different parts of Valparaiso, Vina and Quilpue. These events allegedly took place in early May 1974. They were convicted of the violation of the State Internal Security Law and the Arms and Explosives Control Law.

Elsa Arbulu received 15 years in jail for these crimes, and 60 days in prison for being an accessory to the crime of falsification, Article 194 of the Penal Code. Guillermo Sotomayor was sentenced to 15 years in jail. The couple took advantage of the provisions of Decree Law 504 in March 1977, and was granted a commutation of the remainder of their sentences by means of banishment. Later they left the country. When the amnesty decree law was signed (number 2191), Elsa Arbulu and Guillermo Sotomayor went to the Chilean Consulate in Antwerp, Belgium, and requested permission to return to the country. The petition was denied because they were considered a security risk. Through a lawyer, the couple appealed for relief in Chilean courts. Their appeal was denied by the Court of Appeals, and the decision was recently upheld by the Supreme Court. [Text] [Santiago EL MERCURIO in Spanish 29 Nov 80 p C-6] 8926

CSO: 3010

PROBLEMS WITH INDUSTRIAL EMULATION RESULTS NOTED

Havana JUVENTUD REBELDE in Spanish 25 Nov 80 p 1

[Article by Pedro Rodriguez Gutierrez]

[Text] Before the third review of special emulation in industrial work recedes too far behind us, we would like to state the following concern, which is not only ours but that of the delegates:

Although there were many fewer this time, various enterprises, brigades and projects in the country still persist in not reporting the results of their work to the National Construction Union. They have not detracted from the success of the brotherly competition, but they are disgracing and demeaning those who hold responsible positions in them.

Why have the civil construction brigades in Las Tunas and Moa not reported? As well as those doing installation work in Villa Clara, Las Tunas and Moa? And those in earth-moving in Havana, Villa Clara and Moa? And the 10th of October thermal power group in Camaguey?

And those at the cold-storage plants in Pinar del Rio, Marianao and East Havana? And those working on the steelworking projects in Villa Clara and Moa? And those at the toilet paper factory in Matanzas? And at the Camaguey meat-processing combine? And at the bagasse-board factory in Ciego de Avila?

As one can see, important industrial work groups are withholding themselves from socialist emulation by not telling what they are doing and how they are doing it. Among those attending the reviews there are those who propose that measures be taken against them and be factors in the next evaluations. For the time being, it was agreed to send them a letter from the union and from the ministry concerning the matter.

It is of great concern, for example, that we are not hearing from the many young people of Moa, one of the regions with the most vigorous industrial growth. There is no word of the work and strenuous effort put forth by so many construction workers.

The extent, difficulties and conditions of their work probably are much more demanding than other subjects of emulation. However, they remain silent.

It is possible, we think, that the financial results for the nickel plant were not good; but why hide them? Perhaps things are not going well in the mechanical combine; will concealing that improve them?

If everything is going better than it was, it is not a good idea to make a secret of men's labors.

Sweat has run from construction workers. Can you imagine the heroic labor performed in Moa? Well, they did not send the National Construction Union the names and biographical data for their most outstanding workers during the third quarter of the year, as they are supposed to. They have kept them anonymous, unfortunately and contrarily.

Of course, the union's emulation office has to make demands; and the workers, with the young people leading the way in this emulative process, must call for an accounting.

Naturally, they have not diminished the joy of beautiful Maria Cristina Carbonell or of other nationally noted workers and brigades, whom we will continue to talk about in our next column, following this critical aside.

9085
CSO: 3010

PREREQUISITES FOR HIGHER EDUCATION

Havana GRANMA in Spanish 18 Nov 80 p 2

[Encapsulated interview with Raisa Harambouru, secretary of the Havana Entrance Committee, by J. D.]

[Text] The prerequisites for pre-university graduates wishing to enter the higher education level for the 1981-82 school year have been announced by Raisa Harambouru, secretary of the Havana Entrance Committee.

The following questions and answers are a summary of reporters' exchange with Harambouru.

[Question] How many academic majors are being offered to the students?

[Answer] The program providing scholarships abroad offers over 100 majors, as does the program involving our domestic higher education centers. There are some majors that are offered to students both in Cuba and abroad.

[Question] Why, then, do they say there are 10 choices?

[Answer] There are two basic processes. The first is for those having a grade average exceeding 92 points. They are offered the complete range of majors, and the student chooses 10 in accordance with his desires.

The second process is for those with fewer than 92 points. It is also for those who made no choice in the first process. In this one, there is a smaller range of majors; but 10 choices are available.

[Question] What average should a student have to request a scholarship abroad?

[Answer] 85 points.

[Question] How is this average determined?

[Answer] It is the arithmetical average of grades obtained in the 10th and 11th grades.

[Question] Are there other requirements?

[Answer] A good socio-political record and not having repeated a grade. They can request a maximum of three majors.

[Question] Can they apply for a scholarship abroad and also to study at a center of higher education?

[Answer] They can apply for only one them, for they're mutually exclusive.

[Question] Which centers of higher education have additional requirements?

[Answer] The majors offered are studied in this country and not abroad. They are offered, requested and granted at the same stage as the foreign scholarships. For example, the military education centers, the National Fishing Institute, the Higher Institute of Art. Concerning prerequisites, they are the same as those for scholarships abroad.

[Question] What is the effect of entry into these programs on desires to enter the national program?

[Answer] Students entering one of these programs naturally no longer have a reason to request entry into another one.

[Question] How are scholarships awarded for study abroad and at the centers of higher education?

[Answer] A list is drawn up for the province, and the scholarships are awarded in accordance with the students' grade averages, political records and, if the particular major calls for it, their aptitudes, as happens in the case of the Higher Institute of Art.

[Question] If a student fails to find a place in one of these programs after having sought one, where does he stand?

[Answer] He will request entry into the national program, suffering no restriction because of his previous attempt.

[Question] Who has the right to take part in the first process for entry into higher education?

[Answer] Any student who has a grade average of 92 or higher for the 10th and 11th grades and the first semester of the 12th grade.

[Question] Is it essential that students make 10 choices?

[Answer] Taking all the choices offered in the first process is to the students' advantage, for they have a better chance of getting something they want.

If the student lists few alternatives, it's possible that he won't be placed in a major he requested, and then he has to go through the second process to request one that is open.

[Question] What about students with a grade average below 92?

[Answer] They will take part in the second process with those who failed to find a major in the first one.

[Question] Are the same majors offered to all the pre-university schools?

[Answer] The national program for majors is the same for all the schools in the city and province of Havana.

[Question] However, they say that there are majors that are granted only to certain pre-university schools.

[Answer] The granting of scholarships is determined by grade average and by socio-political conduct. If a school obtains most of the places in a particular major, it's because its students are higher on the scale than students in other schools.

[Question] Who can request majors in education?

[Answer] The students belonging to the education detachment, if they have a grade average of 80 or higher.

[Question] Are all courses taken in secondary school considered?

[Answer] Yes; and we should make it clear that astronomy will be included in the determination of the grade average.

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CSO: 3010

BRIEFS

SIERRA LEONE'S APC OFFICER--Yesterday morning, E. T. Kamara, assistant secretary general of Sierra Leone's All-People's Congress (APC) party, left our country after visiting it at the invitation of our Communist Party's Central Committee. While in our country, the Sierra Leone leader held official talks with Jesus Montane, member of the party Central Committee and chief of its General Department of Foreign Relations. They exchanged views regarding the work done by the two parties and concerning cooperation between the Communist Party and the APC as well as between Sierra Leone and Cuba. Kamara was seen off by Montane and Aramis Fuente [as published] section chief in the General Department of Foreign Relations, Alimany Yamba Komeh, Sierra Leone ambassador to our country, and other party and government officials. [Text] [Havana GRANMA in Spanish 18 Nov 80 p 3] 9085

SPANISH PARLIAMENTARIANS AT ICAP--Rene Rodriguez, president of the Cuban Institute for Friendship With Peoples, greeted the delegation of members of the Spanish Parliament. Led by Jose Luis Nizdero Aparicio, chairman of the Spanish legislature's committee on emigration, the group also included deputies Jose Vazquez Souz, Nona Ines Vilarino, Antonio Palomares Vinueza and Martin Rodriguez Contreras. The meeting, which dealt with the Spanish colony living in our country, took place in a cordial, friendly atmosphere. The delegation is being accompanied while here by Mr Manuel Ortiz, the Spanish ambassador to Cuba. [Text] [Havana GRANMA in Spanish 24 Nov 80 p 3] 9085

CSO: 3010

NEW ADMINISTRATION PUBLISHES POLICIES, CABINET MEMBERS

New Government Policies

Kingston SUNDAY GLEANER in English 2 Nov 80, Election Feature p III

[Text] The new government by its historical background, by the manifesto of the Jamaica Labour Party, and by pronouncements since election may be described as being committed to a system of free enterprise in a market system of economics, but with the government maintaining control in areas such as public utilities, playing a regulating role in the public and consumer interest and a dynamic role in initiatives towards solving the countries immediate economic problems of shortage of finance, inadequate production and high unemployment.

In terms of solving the country's immediate foreign exchange gap, estimated at approximately U.S.$1800 million over the next three years (US$600-million per annum), the party manifesto stated that it is satisfied that it can command the necessary foreign exchange resources to close the gap on terms and conditions beneficial to Jamaica as follows:

- *Additional earnings from non-traditional exports
- *Refinancing/rescheduling of debt
- *Oil support facilities
- *Structural adjustment and balance of payments loans
- * Export development loans
- *Project loans (balance-of-payments portion)
- *Donor countries

Measures to close the local resource gaps in government expenditure will include rigid implementation of cash budgets for Ministries and enterprises to eliminate waste.
In general terms, eight objectives and to be given priority viz.

- *Restoration of employment and economic growth
- *Restoration and expansion of public services
- *Development of the youth and child
- *Development of the rural environment
- * Restoration of security, stability, human rights and confidence in the future of the Nation
- *Development of cultural heritage
- *Balanced foreign policy

The new government will promote export development as a primary thrust of the economy. It will welcome joint venture enterprises between foreign and local entrepreneurs and also plans to establish a Capital Development Bank which will attract investment from major public and private banks locally and overseas for large-scale investments.

Overall, the strategy will be to use the motivational force of incentives combined with a moderate political stance. Thus, while most programmes in the area of trade (particularly exports) and investment should continue and where appropriate be accelerated and expanded, the most evident differences are likely to be in the enhanced climate of entrepreneurial confidence and, hopefully, the achievement of greater practical results.

Fifteen Member Cabinet

Kingston SUNDAY GLEANER in English 2 Nov 80 Election Feature p III

[Text] A 15-MEMBER CABINET appointed by the Prime Minister, the Hon. Edward Seaga, was sworn in at King's House by the Governor-General, the Most. Hon. Florizel Glasspole.

In the new cabinet, Mr. Seaga said he had sought to keep together the "small band" which had operated in Parliament as the Opposition prior to the October 30 general election.

Members of the Cabinet are Mr. Seaga, Prime Minister, Minister of Finance and Planning and Mining and Energy; the the Rt. Hon. Hugh Lawson Shearer Deputy Prime Minister and Minister of Foreign Affairs and Foreign Trade; Mr. Douglas Vaz Minister of Industry and Commerce; Dr. Percival Broderick, Minister of Agriculture; Dr. Mavis Gilmore Minister of Education; Dr. Kenneth Baugh, Minister of Health; Senator Bruce Golding, Minister of Construction; Mr. Winston Spaulding, Attorney General and Minister of National Security and Justice; Mr. Errol Anderson, Minister of Youth and Community Development; Mr. Pearnel Charles, Minister of Local Government, Mr. J.A. G. Smith, Minister of Labour and the Public Service, Mr. Alva Ross, Minister of Public Utilities and Transport; Mr. Neville Lewis, Minister of Social Security; Mr. Eric Anthony Abrahams, Minister of Tourism; Dr. Ronald Irvine, Minister without Portfolio.

Four Ministers of State (who are not members of the Cabinet) were also sworn in. They are: Miss Enid Bennett, who will be attached to the Ministry of Local Government; Dr. Neville Gallimore, who will be attached to the Ministry of Foreign Affairs; Mr. Leonard Kirby, who will be assigned to the Ministry of Social Security; and Mr. E.K. Powell who will be attached to the Ministry of Public Utilities.

Dr. Irvine and Mr. Golding, Chairman and General Secretary respectively of the governing Jamaica Labour Party, will resume membership of the Senate. All other members of the Cabinet and the Ministers of State were victorious as candidates for the House of Representatives in the General Election.

The new Cabinet Ministers first took the Oath of Allegiance, then the Oath of Office, after which they were handed the Instruments of Authority.

In an address after the swearing in ceremony had been completed, Mr. Glasspole wished them success and said that he prayed that their hard work, sweat and toil would be rewarded and that they would see the results of their labour steadily rising before the eyes of the nations.

"If you succeed in this great task that lies ahead of you, our country will be everlastingly grateful and history will call you blessed," the Governor General said.

THE NEW CABINET after being sworn in. In front row (from left) are: Dr. Ronald Irvine, Mr. Pearnel Charles, Dr. Percy Broderick, Prime Minister Edward Seaga, the Rt. Hon. Hugh Shearer, Dr. Mavis Gilmour and Mr. Anthony Abrahams. Middle row (from left): Mr. Neville Lewis, Mr. Winston Spaulding, Mr. Douglas Vaz, Mr. Alva Ross and Dr. Kenneth Baugh. Back row (from left): Mr. J. A. G. Smith, Mr. Errol Anderson and Mr. Bruce Golding.

FOREIGN CAPITAL WELCOMED, INVESTMENT OPPORTUNITIES OUTLINED

Bermuda ROYAL GAZETTE 4 Dec 80 Special Supplement pp 6, 15

[Article from Special Supplement entitled: "Jamaica Exports"]

[Text] WITH ITS STRATEGIC geographical location at the hub of the Caribbean, Jamaica is ideally suited for investment by overseas capital, particularly for ventures aimed at export markets of the United States, Central and South America, as well as in the countries of the European Economic Community.

Foreign investment, mainly from the United States of America but in lesser degree from the United Kingdom and Canada, has made a significant contribution to Jamaica's industrial and economic development since the mid-1950's and the Governments of the day continue to welcome foreign investment into the country.

This welcome has been expressed and reiterated on more than one occasion in various forums.

POLICY

An official policy statement on foreign investment sets out the present measures and guide-lines relating to private foreign investment and highlights the importance which is attached to export-oriented ventures. The main features of this policy are:

- Non-resident investors are allowed to bring machinery and equipment into Jamaica as a share of equity.
- Management skills may be provided by the overseas partner in special circumstances.
- Export-oriented investments may be 100% foreign owned and can be located in the Kingston Free Zone which adjoins the island's major local shipping and trans-shipment port.
- Joint ventures with local interests, whether in the public or private sectors, are encouraged.

• Foreign capital, which is duly registered with the Bank of Jamaica, may be repatriated.

• Approval for repatriation of dividends arising from duly-registered foreign investment will be granted upon application to the Bank of Jamaica.

Registration of foreign investment may be made by application to the Bank of Jamica with relevant details and will normally be approved provided it is in a category available for non-resident investment (see "Areas of Investment" below) and provided the non-resident investor pays for his investment with foreign exchange.

Non-resident investors are required to incorporate local subsidiaries instead of branch offices.

Application may be also be made through contact with Jamaica High Commissions and Embassies.

TAXATION

Company Profits Tax is payable by bodies corporate except insofar as waivers or holidays are granted as indicated below. Normal rates range from 25% to 35% according to the nature of the business and share-structure, agricultural companies being the lowest and private companies being higher.

There is also an additional COMPANY PROFITS TAX of 15% on all income except dividends received from Jamaican companies liable to profit tax. These dividends are subject to income tax at 37½%.

Approved non-resident investments can remit profits and dividends as long as audited accounts are presented along with certification of the payment of WITHHOLDING TAX. Withholding Tax amounts to 37½% in the case of dividends (except for reliefs granted).

Interest to non-residents, royalties and annuities are also payable, provided Withholding Tax of 12½%, has been certified as duly paid. Payments for industrial or commercial advice, management or technical services and hire of plant and equipment attract rates ranging from 12½% to 25%.

Income tax is payable on a graduated scale from 30% on the first $7,000 of chargeable income up to a minimum of 57.5% on chargeable income in excess of $14,000 as from January 1980.

There are various tax-credits available (equivalent to deduction for personal allowances) for wife, children, insurance, medical expenses and so on.

INCENTIVES

A wide range of incentives is available to approved enterprises. These include.

• Full exemption from income tax, customs and consumption duty on equipment and machinery.

• Exemption of raw materials from customs duty.

In the case of companies producing for local and other markets, the above exemptions are available for periods of five, seven or nine years, depending on the level of the local value-added in the operations.

In the case of companies producing wholly for extra-regional markets, exemptions are available for periods of ten years.

Exemption is also available from income tax on dividends distributed during the tax holiday.

In addition, an enterprise which has either never been approved for these benefits or which has come to the end of any tax holiday, may be granted partial exemption from liability to pay income tax on profits earned in relation to its export performance.

The level of relief is based on a percentage of expor profits to total profits and provides for income tax relief up to a maximum of 50% of tax chargeable in relation to the quantum of export profits.

This relief is available for ten years in the first instance and is renewable for further periods.

AREAS OF INVESTMENT

Investment is especially welcome for export in areas such as garment-manufacturing, food-processing, textiles, leather and footwear products, metal fabrication and various other light industries. Further information on this is available from the Jamaica Industrial Development Corporation, an official agency of Government.

The Government provides a wide range of technical services to assist the non-resident investor. Training and technical assistance in certain areas are some of the services provided by the J.I.D.C.

Other Government agencies which serve in these areas include the Jamaica Development Bank, which assists with capital; the Jamaica National Export Corporation, which assists in overseas sales.

Jamaica already enjoys a fair amount of investment in the fields of bauxite-mining and alumina processing, the hotel industry, banking, insurance and in some of the manufacturing areas mentioned previously.

The Kingston Free Zone to which reference has been made, is an export-oriented industrial and commercial complex which offers investors an opportunity to operate a manufacturing plant, warehouse, assembly or packaging facility and re-distribution centre.

Operators within the Free Zone are beneficiaries under the Export Industry Encouragement Act (which incorporates the investment benefits listed above). In addition, they are exempt from import and export licensing and work permit fees.

INVESTMENT CLIMATE

There is a revival of interest and activity in the island's garment industry, with garment-manufacturers in the United States taking a renewed look at the island as a base for offshore operations for re-export to the mainland.

Arrangements have been made for the expansion of existing bauxite-alumina plant in Jamaica and there is a prospect of another alumina plant being built in the island, adding to those already being operated by local affiliates of Alcan, Alcoa, Kaiser and Reynolds, the North American giants of the aluminium industry.

The recent decision by the American state agency, the Overseas Private Investment Corporation, to restore its insurance coverage of U.S. investment in the island, should give new stimulus to the inflow of U.S. capital into the country.

LABOUR FORCE

Jamaica has a large English-speaking labour force which is highly-adaptable to skill-training; and labour rates are attractive. There are in place all the facilities for doing business: banking and finance, shipping and air services, legal and consultancy services, public utilities and infra-structure.

Altogether, investing in Jamaica can be a mutually rewarding exercise, with its additional advantages of operating in an environment in which the interests of all parties are respected and assured.

PUBLICATIONS

Publications which the potential foreign investor might find useful to read include —

"Foreign Investment — A Statement of Policy", published for the Ministry of Industry & Commerce by the Agency for Public Information, 58a Half-Way Tree Road, Kingston 10, Jamaica.

"Foreign Investment in Jamaica", published by the Ministry of Foreign Affairs, Marcus Garvey Building, Knutsford Boulevard, Kingston 10, Jamaica.

"Kingston Free Zone Handbook", available from the Kingston Free Zone, 27 Shannon Avenue, Kingston 11, Jamaica.

Jamaica High Commissions, Embassies and Consulates will assist in obtaining these publications.

CSO: 3020

IAPA ATTACKED BY COUNCIL OF STATE, DEFENDED BY 'LA PRENSA'

Accusations Against JGRN Condemned

Managua LA PRENSA in Spanish 29 Oct 80 p 2

[Text] We have received the following pronouncement by the Council of State against the IAPA:

Considering

I. That the Nicaraguan people have through a long struggle achieved their freedom and won the right to issue their own laws and decrees.

II. That the Sandinist Popular Revolution guarantees freedom of the press and safeguards a democratic, popular and anti-imperialist information policy.

III. That the IAPA is conducting a systematic campaign of attacks against the Sandinist Popular Revolution and its victories.

IV. That the IAPA's interpellation of the National Reconstruction Government's and Council of State's communications policy is an open intrusion based solely and exclusively on the views of one peron, lawyer Pedro Joaquin Chamorro Barrios.

V. That the IAPA defends the freedom of enterprises but not the freedom of expression.

Resolves

I. To condemn and reject energetically the interventionist and meddling intents of the IAPA.

II. To declare to be without basis the accusations disseminated to the world by the IAPA against the National Reconstruction Government.

III. To recommend to the IAPA that when it speaks of Nicaragua it do so on the basis of objective reports on our reality, such as will enable it to form its own opinion and to thus not be the spokesman for the partisan opinion of one person or of one specific organ of the mass media.

Directorate of the Council of State,

Commander of the Revolution Carlos Nunez Tellez, President of the Council of State
Comrade Luis Sanchez, Secretary
Guerrilla Commander Hugo Torres Jimenez, Secretary
Comrade Carlos Garcia C., Secretary

Chamorro Answers JGRN Pronouncement

Managua LA PRENSA in Spanish 29 Oct 80 p 2

[Commentary by Pedro Chamorro: "Reply to Council of State"]

[Text] I have read a pronouncement against the IAPA [Inter-American Press Association] issued by yourselves, labeling this institution as "interventionist" and alluding to me personally in that your pronouncement states that IAPA's interpellation is based on a report in LA PRENSA which I wrote.

To clarify things somewhat I shall comment on certain aspects of your fervid pronouncement of condemnation, trusting that appropriate corrective steps will be taken to ensure that the next report to the IAPA will be favorable to our revolutionary process.

You refer to the fact that "the Nicaraguan people have won the right to issue their own laws and decrees."

Question: Were the "Nicaraguan people" consulted as to limiting their right to be freely informed as has been done in many restrictive areas covered under Decrees 511 and 512? And if they were not consulted...under what authority did you take away their right to be freely informed, in open violation of the Basic Statute of the State, which guarantees the "unrestricted freedom of the press"?

You refer to the fact that "the IAPA is conducting a systematic campaign against the Sandinist Popular Revolution and its victories." It appears to me that this ascribes to great a capability to the IAPA an organization consisting of over 1,000 members from all parts of the continent who, at most, see each other once a year for a period of 4 days. Besides: When has the IAPA, as an organization, ever leveled the least attack against the Revolution? The only thing it has done is ask for the elimination of the decrees that restrict the freedom of the press. In your opinions, Honorable Councillors, are these decrees "the victories of the Sandinist Popular Revolution"? If they are: Could we then say that in Nicaragua "victories by decree" are being achieved?

You say "the IAPA's interpellation is based exclusively on my personal opinion." In this, sirs, you are flatly mistaken. The interpellation rests on three official documents: the Basic Statute of the State that guarantees a supposed freedom of the press, two decrees that restrict it and that were read word for word in the IAPA, and a pronouncement by the JGRN [National Reconstruction Government Junta].

There are here only two alternatives for there to be congruency "of word and deed," as the saying goes: either the decrees must be rescinded, though it seems they have already been catalogued as "a victory of the people," or the Basic Statute must be modified to guarantee a "restricted" freedom of the press in place of an "unrestricted" one. I submit to yourselves this draft wording: "Guaranteed is a 'restricted' freedom of the press within the limits established by Decrees 511 and 512 and by the JGRN pronouncement, which embodies the extensive term 'etc'."

And to further clarify "my personal views," I ask you: Was I perhaps the unfortunate inventor of Decrees 511 and 512? Is it or is it not a fact that these decrees restrict freedom of expression in many areas that are important to journalism and compel journalists to adopt a system of self-censorship, submitting their reports to "consultation" under pain of violating the laws that limit freedom of the press?

If this is not true... Why then were we explicitly forbidden to report on the events of Bluefields?

How ridiculous it is to read in your pronouncement: "To declare to be without basis the accusations disseminated to the world by the IAPA against the National Reconstruction Government."

In the first place, the accusations are in your own minds, because there are none in the IAPA's official resolutions. The only thing the IAPA did was to request the derogation of Decrees 511 and 512 in view of the contradiction with the Basic Statute of Guarantees. And it has done this because it is an organization that concerns itself with the freedom of the press throughout the continent and in every sense of the term. It is compelled to do this on principle, independently of the kind of government that rules in each country.

Finally, the Council of State's document recommends to the IAPA that "when it speaks of Nicaragua it do so on the basis of objective reports on our reality, such as will enable it to form its own opinion and to thus not be the spokesman for the partisan opinion of one person or of one specific organ of the mass media."

This calls for only two comments: You could suggest to the daily BARRICADA that it join the IAPA so as to convey to it the "objective version of our reality"; or, to avoid the appearance of an official voice and seem more like "an independent newspaper," it could be EL NUEVO DIARIO. How about it?

Lastly: What other more objective report on our reality can be furnished to the IAPA than our Basic Statute of Rights and Guarantees and Decrees 511 and 512?

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CSO: 3010

ROLE OF FINANCE SECTOR IN NATIONAL ECONOMY DEFINED

Managua BARRICADA in Spanish 24 Nov 80 p 3

[Text] Because we regard it as of the greatest interest to our readers, especially all of the state workers and those in the financial area, we urge a discussion of this important speech by Commander of the Revolution and Minister of Planning Henry Ruiz. This address was delivered by Commander Ruiz last Sunday, 16 November, to the technicians and workers at the Nicaraguan Financial Corporation (CORFIN) at the conclusion of a seminar.

To these dead, our dead, we swear that we will triumph. How can this slogan be related to the current tasks of the revolution, and how can we make it felt in the same way it was felt by the combatants in the war trenches, in the way that it beat in the hearts of these fighters? Also, how can we make it beat in the hearts of these employees of the CORFIN, how can we make them feel again the emotion in their breasts in remembering the brothers who fell throughout our struggle? How can we insure that the workers and employees of the CORFIN will feel as intensely as we did in those early days? In no way have we left the trenches, just as battle and the war continue. It is only that the tasks have changed, and do not exclude the possibility of aggression, the possibility of a counterrevolution which can take us back again to armed combat.

But this time, rather than speaking of this possibility of defending the power won thanks to the blood of the workers, we want to talk of the tasks of reconstruction. We want to avoid the possibility of destruction and stress rather the task of national reconstruction. The recent events, encouraged from abroad, in an attempt to push our country toward force again, to interrupt the effort of the revolutionary government and our people to rebuild the fatherland, wounded and destroyed by war, are well known.

What then is the role which falls to us, not from the point of view of revolutionary guidance now, but from the point of view of the state workers? What is the role which falls to us from the point of view of national planning and the role which falls to the CORFIN workers? Can we continue to conceive of ourselves as an elite within the great mass of workers, to continue to regard or view ourselves as we appear to bourgeoisie, as stiff-necked people? Can we continue to imagine that we are the wheedling working tool for dominating those who really make the effort, through their sweat, to produce the goods for our country?

The Front Lines of Labor

What then is the role of our central state workers, what is the role of you as workers at CORFIN? Can we continue to maintain the isolation, the class differences, because of the fact of having specialized training in the financial system, or must we resume the vigor of the revolution, the vitality of the workers, and take our place with them in the trenches at the combat front, attacking the first tasks of the revolution? Because of the historic sense our people have, we are perfectly aware that our role too is to occupy the labor trenches at the front. We have been holding continuous seminars and these seminars do not have the propaganda purpose of promulgating the image of the revolution, or winning points so as to say that the revolution is advancing. Instead their purpose is to incorporate all of the productive forces in the country, all of the forces which support the development of the country in the process of the revolution. The differentiation still existing between the technicians and the workers, the separation there is between the managers and the workers in the productive area, are known. The battle between the banking and financial mechanisms and the new demands posed by the national economy is known. We have created the people's ownership area (APP), and as has been explained, this is the product of the assets confiscated from the Somoza family and its acolytes, as well as the lackeys who functioned behind the scenes in the regime. But the revolutionary leadership was faced with a choice at the beginning, concerning the former Somoza assets: to leave them free, to turn them over to the private sector, or to establish an ownership sector which would allow recovery of the national economy.

Consolidation of Assets

To those who have asked us if the people's ownership area is badly managed, if we should not return these assets to private owners--to the gentlemen interested in this question, interested in obtaining a response in connection with their anticipation of hesitation in the revolutionary leadership, we must give a categorical answer. The people's ownership sector must be consolidated, must be strengthened, must be developed and expanded. But not because there are current administrative difficulties, not because we have problems in management or leadership (logical, moreover, in a period of 15 months), and it is not because there are one or two inefficient administrators that the revolution should return these assets to the private sector. It is not a problem of efficiency for its own sake, nor a problem of productivity for the sake of productivity. It is a question of efficiency and productivity with regard to our people, with regard to the working masses, and it is in this respect that the priority of consolidating the people's ownership sector appears on the agenda.

Guiding Axis of the Economy

We may have difficulties, but we are obligated to consolidate the people's ownership sector. This is the basic problem in planning--having a mixed economy but one with a planning center.

We could put it in another way. It is the problem of a multistructural economy, but not because there are different structures--private structures and social structures--which have their own logic and their own difficulties and problems--this is no reason for the revolution to have to foresee the loss of the social

sector. This complex multiple sector of mixed areas including the private and the social requires that we plan in two senses: programming, planning as such, and another type of an indicative nature. But we must also take into account the fact that one of them is subordinate to the other, and that the people's ownership sector is the guiding axis of the national economy. It cannot be otherwise. There can be no free play between the two spheres of ownership, no free play between state ownership and private ownership, no free path or liberal attitude toward the property of the people and private property. Both must be planned in accordance with different methods, but both must be planned on the basis of the interests of our people.

There was a revolution here, and our people showed their will to triumph and to alter their fate. And this legacy must not be forgotten, however scientific we want to make this allocation, and I must use this term in order to deprecate, to some extent, those who want by means of theory to show us that we should leave the path free here for arbitrary interaction between private ownership and state ownership.

Economic Planning and the Will of Man

However, these phenomena, the phenomena which occur within the private sector, just like those which occur within the state sector, are objective phenomena. They are not phenomena born exclusively of the will of men, but phenomena which develop in accordance with their own laws. Then, one must ask, where does the possibility for the revolutionary state to plan lie? Any planning which attempts to join together the resources, forces and dynamics of society in terms of a political goal must seek to establish what these levers are, and one of the basic levers of planning currently is made up of the financial system, banking and credit. Thus, if you will allow me, I can make a link with the slogan: "To these, our dead, we swear that we will triumph." We say that the financial system is one of the main levers of planning, levers for the planning of a multistructural economy, and this means that the workers at the CORFIN, in the National Financial System, play a role in this first slogan. It is not solely a problem of conception, for we may have a correct concept of the economy and a correct concept of planning, but the exercise of leadership depends on the will of men, and it is this which we wish to stress with the workers of the CORFIN. Currently you occupy one of the main trenches of the revolution. You constitute one of the main outer lines of battle, and this requires that you be keenly aware of your role. It obligates you to contemplate the past and the present properly and to foresee the future of the revolution. It makes it necessary for you to think about the course of the revolution and to show your will to our people.

It is still possible at the present level of the struggle, the present level of the class struggle, for misunderstandings between the proletariat and the technicians to occur. It is possible for negative conduct to develop among the state workers themselves, due to certain misunderstandings, certain attitudes, which must be overcome to the extent that we believe that we are the servants of the people, and that the most capable must share their knowledge. We must understand the stage through which we are passing, because it is you who are on the front lines of the battle who handle financial and bank credit, since the banking mechanisms have such vital importance in planning. One the one hand you allocate credit, on the other you follow it through.

Present Dynamics of the Financial System

What has the problem been in these first 15 months of the revolution? What has the problem within the National Financial System been? We have had a high volume of financing and little control, for financial outlays have been voluminous but repayments have not shown the dynamics we expected. There has been some effort to hinder the banking mechanisms, and some desire to manage bank credit liberally, and this has had its repercussions within the national economy. For just as other comrades have said during these seminar programs, we obtain the financial resources from our exports, foreign credit, and the savings of our people, and this gives us a financial mass which we cannot utilize liberally or foolishly, at the whim of any economic desire. There must be financial planning for this mass, because if we deal rashly with foreign financing, we fall into the trap of indebtedness, and if we are careless with domestic financing, we encounter the risks of inflation. Thus the foreign financial resources and domestic financial resources must be reconciled with the economic programs of the country.

How to capitalize the state ownership sector, then: how to insure that the social ownership sector develops, becomes productive and efficient? The revolutionaries say that when the slaves are made free, they want to be absolutely free. They say that being freed of their shackles produces euphoria in the slaves, and it is also understandable that our workers, enslaved for centuries, want to be absolutely free. It is also understandable that the limited experience in the administration of a state forces us to do a number of things which although the will is laudable, are not the most desirable at this moment for the national economy. Often there are no programs, due to lack of planning, so a request is made for foreign financing, the CORFIN is urged to provide that financing. Inventories are purchased and machinery produced, and all of this is done without any financing plan.

Single Economic Leadership

It is all done out of good will. No one is acting in bad faith, for the enterprise managers, the administrators, the directors in the productive sector--all want to do their best for the revolution, but the problem is to know how to reconcile all of these orientations. On the one hand the COIP wants to do something, the CORCOP wants to do something else, and again the INRA [National Institute for Agrarian Reform] has another plan. Transportation for its part wants to do one thing, construction for its part something else, and again the INE wants a third project. They all want to proceed in their own spheres of activity and they want to do so in a profoundly dynamic revolutionary process. It is not a question of ill will, for there are interinstitutional intersections and overlapping which multiply not only the financial budget but the current expenditures of the state. When the CORFIN falls short, the finance ministry helps; when it falls short, the central bank provides assistance. There is a financial budget axis which runs through the national economy, but neither the budget-financial area nor the productive sector nor the market and services sector can act independent of the others. Thus the concept of unity in planning is a doctrinary principle in this economy. There must be a single direction for the economy, there must be unity in planning, and just as there is central unity there is therefore a central office. It is here, then, that the role of the financial system comes in.

In the past the financial system had different credit principles from those it currently has. In the past if credit involved a financial risk for the bank, the loan was not granted. Now credit has another meaning, serving the purpose of developing the economic programs of the revolution. And developing the economic programs of the revolution means, therefore, benefiting our people. But having changed the philosophy of credit is one thing, and leaving the bank control mechanisms free is another. In the APP, which is the area we should have under firmest control, for example, there is financial confusion. But it is the confusion of the early months, and for the bourgeoisie to say that we are incapable of directing the economy is one thing, and the fact that we are aware of the course of the economy is another. The waste which often occurs is one thing, and the plunder which occurred in the past is another. These are two different factors. We are concerned about what will happen in this country, for we are administering and we want to be independent, we want to consolidate the sovereignty of this people. And for us to be told that there is financial confusion as well as administrative problems and low productivity, and that therefore they should again become the masters of these means of production is another. The men of the past want to go back along a different path, and the revolutionary state will not allow this.

One of the great levers available to the national economy, one of the great strengths it has, is the financial system. And once again, brother workers in the financial system, I ask you to contemplate your role as workers. You will be less "stiff necked," but historically, as men, you will be more fulfilled, more Nicaraguan, more sovereign masters of your fate. It is an historic cost: first of all, there is the problem of selling one's birthright for a mess of pottage, and secondly the matter of assuming risks in order to be really free, truly men. In this regard you have your own word, your own will.

The Role of the Bank in Planning

How then does the bank play its role in the state sector? It does so in that it can have financial planning adapted to the productive plan, and the production volumes have costs and profits, and if we know exactly what the cost structure is and what the profit margin is, we can truly plan financially. Through the APP this is a direct lever, financial planning is carried out and planning financially is possible.

One of the problems this year has been the allocation of credit. We have allocated credit with rapid recovery funds for long-term investments, but we will be correcting this. Possibly in the coming year, with the financial structure we have and taking this whole problem into account, it will be necessary to create an accumulations fund. We must manage long-term credit, we must manage short-term credit and its recovery. In other words, the revolution is not asleep, the revolution is aware of the problems and trying to find an answer to them. But not in the sense of those who predict that we will collapse, that the economic apocalypse will come. These are the predictions of a displaced class, this is the impotence of defeat.

Dreams of Those Out of Power

But we know that there are problems, and in this connection we are not asleep. And if the counterrevolution does not sleep, we could say that the revolution never has. Thus these problems, this broad and sizable complex of problems, will be better resolved to the extent that the state workers, the workers in the financial system, contribute to this process.

This will be true to the extent that they do not become a hindrance, but rather strengthen the positive development of the problems. This is the role of the workers in the financial system, this is the force they must put to work, for their task is no longer simple calculation, accounting or the projection of payments balances. Now it is necessary to think, to foresee, to approach the future and assess reality, and this work does not fall exclusively to the central leadership of the revolution.

This depends on the labor of the workers, the effort of the workers, the will of the workers, and it is within this framework that you have your proper place. We have said that the financial lever in the people's ownership sector is direct, but in the private sector it is indirect.

People's Interests Have Priority

It is indirect because on the basis of planning, the revolution can say what must be produced in our country. Here then there is no place for the desire to establish some industry because it is in fashion beyond our frontiers. Here there are production priorities, and there are priorities because our people are the priority for our revolution, and there are priorities because there are workers who still do not earn even a wage allowing reproduction. There are peasants who because of the level of economic development are on the frontiers of development. There are peasants who plant by hand and who have only half or two-thirds enough for their annual support, and they go out and offer their labor force freely for sale. And these peasants are Nicaraguans and they had hope. Many of them fought in the mountains with us, many of them are the martyrs of the revolution, many of them are not remembered like Carlos, but they had the same will to win, and this means priorities within the national economy. We cannot come forth with excellent programs, however beautiful they seem, if they lie outside the current order of priorities for the revolution. In capitalism there are investments even for pornography. There are investments and even forms of accumulation based on theft and plunder. There are accumulations in some countries in South America which are acquired through traffic in cocaine and marihuana. It would be profitable for us to enter into negotiations of this sort, and it might be attractive to deal on the black market, and it could be very profitable to manage the houses of prostitution which still exist in our country. In the European countries there is financing even for the production of birth control products, and probably someone would tell us that an investment of this sort would be profitable for us. But the priorities of our people are different. The priorities of this people are to eat, to clothe themselves and to be able to get an education. Social costs have increased, and therefore state investments have increased. This is the basis of the priorities, and it is for this reason that the private sector must understand this problem properly. When we shut down Central American imports, the cry went up that it would not be impossible to import here even deodorant and talcum powder any more. Other wild things were said, but they forgot that a part of these industries were shut down again at the time. They did not see the firm will of the revolution to revive them and provide them with a domestic market, the desire of the revolutionary process to find markets for the goods and products they turned out. No, they saw that communism was developing here, that the frontier was being closed, that there was Stalinist planning. An effort was made to challenge the good will of the revolution.

National Unity--A Real Need

We have said that the shoe industry is being reactivated, that we are interested in reviving and developing the textile industry, the chemical industry, those which produce the supplies necessary for agriculture. But there are those who are waiting to see if we will purchase or not, waiting to see if we will confiscate or not, and they forget that financial credit is needed. We have expanded financial credit and we have not done so only for political reasons, but for economic reasons as well, and these are the two elements which describe the development of society. There are economic needs but there are also political needs. There is a need for national unity, and this national unity has a real context, an objective goal. This objective goal is in the economy, in the social production relations, in two sectors which cannot develop social production relations different one from the other. It is here that the skill of the Nicaraguan revolution lies, in establishing the situation resulting from these two production relations in that development, in the private sector on the one hand and in the state or social sector on the other. We cannot have privileged workers on the one hand and slaves on the other. We must have a Nicaraguan and patriotic working mass which is the master of its own fate. Then production relations, the social production relations, must also be homogeneous. This is the basic contradiction, this is the basic thing to be resolved, and the National Financial System is a lever for this response. Thus, fulfilling a duty to the private sector and fulfilling a duty to the state sector, there are some, it is said, who are privileged workers in the revolution, but this privilege is that of the vanguard, a privilege earned by sacrifice, self-denial and determination.

The Pledge of the Financial Technicians

It is not enough to realize the power you have in your hands, the power which makes you a lever in the national economy. It is not enough to be important to the economy, to be aware of this, for one must also realize it is necessary to do the best for the good of all people. There is a technical process for doing so, but there is a political process of understanding. It is frequently said, and not without reason, that the workers in the financial system are highly skilled, and in truth they are. However, they are Nicaraguans, and so too are the neglected peasants in this country. The prostitutes who still sell themselves for scraps of bread to survive are also Nicaraguans, and so too are those we are incorporating into our rehabilitation programs, the children whom we have not even been able to see because they are in the most distant corners of the plateau. You then are highly competent, and you are located on a high level in the economy. And you are Nicaraguans and we are speaking of changing social structures, while many times we forget that change has to reach in depth and to all levels. Thus your importance is established, but you must see your importance within the revolution. It is not a problem of seminars, therefore, but understanding in detail the complex problems of the financial system and of the economy. It is also a problem of how to incorporate oneself as a force, as a positive vector, in the response to these problems. In other words, it is a problem of the entire awareness of Nicaraguans, of you our brothers, workers in the National Financial System.

5157
CSO: 3010

POLITICIZATION OF CHRISTMAS CELEBRATIONS SCORED

Managua LA PRENSA in Spanish 29 Nov 80 p 2

[Commentary by the Center of Religious Studies: "The Sandinist Christmas Season"]

[Text] After reading of the Sandinist Government's plans for celebrating the Christmas season this year, we have the following comments to make concerning them:

1. In the first place, it is up to the various churches to organize the celebrations of religious feasts, especially since the current government has declared itself a lay government and has proclaimed the separation of church and state. When the state invades the church's sphere in something so essential as celebrating the birth of Our Lord Jesus Christ, we cannot but examine this development on an in-depth, critical basis in the attempt to discover what motivations a lay state might have in so doing.

2. From a political standpoint, we think that this state celebration violates Article 5 of the Official Communique of the FSLN [Sandinist National Liberation Front] National Directorate on religion, which says in part: "We feel that such respect should be expressed not only by guaranteeing the conditions in which these traditions can be freely observed but also by /not utilizing them for petty political or commercial purposes/ [in boldface]. If in the future any Sandinist strays from this principle, we are giving notice right now that he does not represent the FSLN in so doing.

It also violates Principle 9 of the same communique, which reads: To the revolutionary state religion is a personal matter that is of concern to individuals, churches and private associations that organize for religious purposes. Like every modern state, the Revolutionary State is a lay state and cannot adopt any religion because it is the representative of the entire people, both believers and nonbelievers.

We think that the two above quotes clearly restrain the Revolutionary State from participating in Christmas celebrations, because in so doing it would be using them for petty political purposes (in violation of No 5) and adopting the Christian religion (in violation of No 9), because it would be preparing to celebrate the feast of the birth of the Christian God with activities that would last several days and involve thousands of persons, as the FSLN would not just be attending Mass but instead devoting much of its December activity to celebrating the Christmas season.

3. The article about the plan to celebrate the Christmas season says that it is "apolitical" and "nonpartisan." The pages of one of the newspapers mention the following organizations as part of the committee, however: Social Welfare, which coordinates the activities of Health, Education and Culture; mass organizations such as the ATC [Agricultural Workers Association], CST [Sandinist Workers Federation], CDS [Sandinist Defense Committees], AMNLAE, UPN [Union of Nicaraguan Journalists], Sandinist Youth and the Association of Sandinist Children. Another paper mentions the same organizations and adds: "Also signing up were the Gardening Club and the Federation of Girl Guides, and the Christian Rank-And-File Communities, Evangelical Churches and Christian groups are also expected to take part.

We can gather from these items in the FSLN's official mouthpiece and in another paper that is a semigovernment spokesman that the celebration will be political because it has been the political organizations of a single party that have organized and that sit on the committees and that will undertake the celebrations.

4. Our attention is drawn to the paragraph in the communique declaring the following to be the purposes of the Christmas celebrations: "The salvaging and promotion of native cultural and religious values." We feel that Christianity is not native to any land, because it is exogenous, it came from outside. It is God who became man and came to redeem us; he came from beyond the earth to become flesh on this earth to save it. Furthermore, Christianity is exogenous to Nicaragua because it came to these lands through missionaries and was kept alive in Nicaragua through a union with other churches of the world, especially the Church of Rome's Catholicism, whose head, the pope, is also the head of our church. These supernatural and universal values of Christianity should never be lost sight of.

5. The advertising sought for the celebration of the Christmas season cannot but disturb us deeply, because instead of celebrating the birth of Christ, who was a real person who lived almost 2,000 years ago and who is still alive among us (because he rose from the dead, and those of us who believe in him experience and sense his strong presence), it celebrates the birth of the new man. Here we must ask: Who is the new man? The answer comes from the meaning that the expression has in Nicaragua's present-day climate: It is the birth of the new Sandinist who is not yet born, and we do not know whether he ever will be. Thus, the real, flesh-and-blood person of Christ, the beloved, deeply felt person of Christ, the flesh-and-blood person who has a history and is alive is being replaced by something abstract, vague, nonexistent.

6. The article does not talk about midnight Mass or the participation of our bishops or our priests or about other liturgical celebrations or about anything having to do with the organization of our church.

We would ask the organizers of the celebrations whether they consulted with our bishops on the structure of the plan, the texts of the advertising, the activities, etc. We should recall that the bishops are the sole authority of our church because they are the successors of the apostles and, therefore, the link between Christ and us.

7. Positive points in the program are the revival of the Christmas carols, which we hope maintain their religious flavor and are not imbued with political overtones; the Christmas plays, which we also hope observe their tradition and are not turned into popular political stage plays; the promotion of Nicaraguan toys and items, which although they do not decommercialize Christmas, at least make it less expensive and save us foreign exchange; the securing of further donations for adult education by appealing to our sister nations and the Christmas spirit that prevails throughout the Christian world; bringing the entire population into the Christmas celebrations, including prison inmates, hospital patients, etc, and finally, giving a present in the name of Christ to each Nicaraguan child in poor neighborhoods, in the dry gullies, in the most remote spots, so that through a small gift we can all rejoice that day in the greatest of all gifts: the coming of Christ into the world.

8743
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CTN DEFENDS ITSELF AGAINST 'BARRICADA' ACCUSATIONS

Managua LA PRENSA in Spanish 30 Nov 80 p 6

[Text] The CTN [Federation of Nicaraguan Workers] hereby wishes to explain to our people and, in particular, to the working class the ongoing attacks by the nationalized and government-supporting mass media against our historic CTN. In a show of power these media are trying to confuse the workers and create a false image of our organization in the Nicaraguan people's eyes. In its Monday, 24 November issue, the paper BARRICADA printed news items about the CTN that were not in keeping with the facts, items that we are, therefore, now clarifying.

The CTN's absence from the 15 and 16 Novemebr assembly promoted by the CST [Sandinist Workers Federation] was decided on by the Boards of Directors of the unions affiliated with it, because the leaders of the CST turned a deaf ear to the proposals made by the members of the CTN Executive Committee at the meeting called by the CTN itself and held at the headquarters of the CGTI [General Confederation of Independent Workers] with the various union federations; the following proposals were made there:

a) That the assembly be rescheduled for 13 and 14 December, inasmuch as the invitation had been received just 5 days before the event;

b) That an Organizing Committee be appointed for the assembly, consisting of two members of each federation;

c) That the lands confiscated from Somozists be distributed to the peasant farmers and that the INRA [National Institute for Agrarian Reform] be turned into a technical advisory body;

d) That the event be broadcast direct on radio and television, because we felt that the assembly was of great significance for the workers in general.

At no time did the CST leaders accept the suggestions and proposals of our leaders, and hence we felt that no understanding could be reached among the representatives of the various union federations.

As to some statements in the same paper blaming the CTN for causing the shutdown in activities at the San Antonio Sugar Mill, we make this clarification:

The CTN wants to make it quite clear to the Nicaraguan people that it has had nothing to do with the strike at the San Antonio Sugar Mill, inasmuch as the union at that work center is affiliated with the CTN, which in light of the country's economic crisis has instructed member unions to boost production and productivity.

This clarification of the strike at the San Antonio Sugar Mill shows that the government supporters are responsible for the stoppage because they have been unable to guide and enlighten the workers properly and in view of their inability are resorting to deceit through the mass media that are available to them.

With regard to the divisive attitude that BARRICADA talks about, we would clarify that since 6 September 1962, when the MOSAN [Autonomous Union Movement of Nicaragua] was born, and since 6 September 1972, when MOSAN became the CTN, the movement has been and still is without divisions. It is not the CTN that is trying to divide the workers. Nor was it the CTN that divided the Socialist Party and the CGTI in 1970. Nor is it responsible for the split today between the Communist Party and the CAUS [Federation of Union Action and Unity]. It was not the CTN that divided the CGTI in 1977 at Workers House. It was not the CTN that created the three-pronged split of the FSLN [Sandinist National Liberation Front]. It was not the CTN that created the CST as if by magic to cause another split among the workers. Those who have endeavored wo subjugate our people and who are today talking about unity are the ones who have divided the workers.

Since its emergence the CTN has constantly sought unity and cultivated the magnificent idea of unity with other worker organizations to better working class conditions. It has been demonstrated that this united approach has been decisive in the workers' struggle; today, however, we feel that there can be no unity unless those who talk about unity change their attitude, there can be no unity as long as leaders are imprisoned and persecuted and union documents seized, there can be no unity as long as attempts are made to control the unions by force, mainly by the force of arms.

Since its founding the CTN has fought and will continue fighting for the autonomy and independence of the labor movement. This is our stand because we have pursued our activities within the historic context of the class struggle, which is a fact in our society.

Furthermore, we feel that all political parties, regardless of their appearance or name, in one way or another serve the national oligarchies and the imperialist powers that are battling each other for world hegemony. They endeavor to make tools of the workers and set them at odds with each other as befits their group interests (the case of CAUS and FO), which precludes true unity among the workers.

Because of its eminently classist and revolutionary makeup, the CTN views with encouragement and hope the process that began in our country with the fall of the previous regime.

We think that radical, profound changes are needed that wind up placing power in the hands of the people, that place the mass media in the hands of their workers and that lead to the construction of a pluralist, participatory democracy and a society in which human beings can completely realize themselves. As Christians, we workers support the revolution and want it to give power to the people. We are thus together with the revolution, shoulder to shoulder.

The CTN reaffirms its faith and confidence in and its total commitment to the workers of the city and countryside who are struggling against injustice, exploitation, oppression and violence. We are therefore committed to the poor and the exploited and to man's struggle for his right to achieve total self-realization. Hence, we can say without doubts that we will build a communitarian socialism.. We thus appeal to all workers of the city and countryside to join efforts and forces, because we are convinced that only the power of organized workers can make our ideals come true, that only the people can save the people.

Managua, 26 November 1980
The Executive Committee of the CTN
Enrique Velarde Ortiz, Executive Secretary

8743
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ORREGO'S ELECTION VICTORY ANALYZED

Lima LA PRENSA in Spanish 24 Nov 80 p 1

[Article by Enrique Chirinos Soto]

[Text] The Popular Action party confirmed its status as a majority party on a national scale in the municipal elections held yesterday.

However, it suffered from a decline in votes which, in the specific case of the province of Lima, was more than balanced out by the surprising turn in the fortunes of the Popular Christian Party. In this province, the most populous in the country, the two parties with government responsibility--the AP and the PPC--won about 60 percent of the votes, representing an increase over the total won by both in the general elections last 18 May.

Thus Eduardo Orrego is the new mayor of Lima. PPC candidate Ricard Amiel seems to have placed second, if indeed very closely challenged by Alfonso Barrantes Lingan, the candidate of the united left. In any case, the APRA candidate, Justo Enrique Debarbieri, ended up with only 17 percent of the votes.

The contrast with the APRA results in Lima means a decline of five or six percent in comparison to the votes won by Armando Villanueva. But the Party of the People easily retained its stronghold in Trujillo. It won overwhelmingly in Chimbote, won by a close margin in Chiclayo, where it lost by a slim margin in May, and after many years, triumphed again in Iquitos, the capital of the province of Maynas. It also won in Cajamarca and Huanuco.

The united left increased its votes over the scattered success it had in May, but it did not equal the achievement in the June 1978 elections for the constituent assembly. The UI won, among others, the mayoral posts in Arequipa, Puno, Moquegua, Huaraz, Huancavelica and Pucallpa. The situation in Arequipa is particularly serious for the Popular Action. It inclined toward Belaunde in May, but five months later had ceased to do so. In almost all the other provincial capitals--on which, we should say, neither we nor the APRA nor the Unity of the Left counted--the mayors elected fly the populist colors.

It seems that outside of Lima, the Popular Christian Party had almost no success. The regular vote was won only in the province of Ica. Throughout the country and in absolute numbers, first place was won without a doubt by the Popular Action. Some results, particularly from the distant districts, are not yet in, so that it cannot be said whether second place went to the Aprista Party or the Unity of the Left.

The political analysts are already saying that, with the results which seem generally indicated, the Popular Action is reduced to its true dimensions. For the truth is that on 18 May, Belaunde received a voting supplement provided precisely by the extreme left, as is shown by a comparison between the votes for the presidential slates and those for the senatorial slates. In May, the anti-Aprist repercussions were in favor of Belaunde, but there was no reason for this to be true on this occasion for the simple reason that nobody anticipated a triumph for the party founded by Haya de la Torre.

As to the contrast seen for the APRA in Lima, it must be attributed to the image of schism which some of its main leaders have projected, and the weak candidacy of Debarbieri, which served neither to hold the Aprista vote nor to attract independent votes, although this has nothing to do with the academic brilliance, human qualities or unchallenged civic merits of the Aprista candidate, who appeared on television to express his congratulations to Orrego and to promise to collaborate with him in governing the capital of the republic.

Obviously, everyone has reasons for joy and reasons for sorrow. The Popular Action rejoices at the triumph in Lima and the greater part of the country, but it lost Arequipa. The Aprista Party experienced a serious reversal in Lima, but it could say that the solid north is giving indications of beginning to reconsolidate. The Popular Christian Party made a good showing in Lima, but practically none in the rest of the country. The extreme left improved its support, but it is far from strong in the greater part of the country. If the votes for the parties which profess fidelity to representative democracy--Popular Action, Aprista Party and Popular Christian Party--are added together, they continue to account for the overwhelming majority of the country.

In Lima, the Popular Action won not only in the so-called residential districts such as Miraflores and San Isidro, but also in the quarters with a lower economic and social level, such as Comas, San Juan de Miraflores, Villa Maria del Triunfo, and also typical middle-class districts such as Brena, Jesus Maria, Lince, Magdalena, Pueblo Libre, and San Miguel, not to mention the Callao Constitutional Province, where the Popular Action placed first with a broad margin over the APRA, with the extreme left just showing on the indicator.

There will be time to round up the figures and make a more profound study of Sunday's election. Meanwhile, it can be said that beyond any political calculation, the entire Peruvian people have given proof of equanimity and civic feeling, and have shown that they known perfectly well how to elect their municipal authorities, and that their preferences are not monolithic as is the case in totalitarian countries, but variable and versatile as is the case in democratic countries.

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ORREGO TO ESTABLISH DIALOG WITH OTHER PARTIES

Lima CRONICA in Spanish 25 Nov 80 p 4

[Text] "My first act as mayor will be to talk with the representatives of the other political groups to establish a program of minimal agreement. We do not interpret this victory for the Popular Action in triumphal fashion, but as an indication of our increased responsibility to establish political coordinates with the other political groups to the benefit of the people," architect Eduardo Orrego stated yesterday.

It was during the press conference he held yesterday afternoon in the Popular Action headquarters in Paseo Colon that he released the unofficial figures revealing the overwhelming triumph of his party in the municipal elections on the national level.

In fact, according to these figures, 16 mayors of department capitals are members of the Popular Action, as well as more than 90 mayors out of the 152 provincial capitals.

"We have an absolute majority of the mayors in the departmental and provincial capitals. And we came out second in nine departmental capitals. We have obtained figures from more than 92 out of the 153 provincial capitals, and in the course of this week we will have full information," he stated with satisfaction.

In Lima, on the other hand, the Popular Action (AP) is reported to have won the mayors' races in 23 districts, with 4 for the UI [Unity of the Left], 7 for the independents and 1 for the PAP [Aprista Party of Peru].

In terms of percentages, the results in Lima were something like the following: 36 to 37 percent for the AP, 27 to 28 percent for the UI, 21 to 23 percent for the PPC [Popular Christian Party], and 12 to 15 percent for the PAP.

"There is no percentage report on the national level, but a majority vote in Peru in favor of the AP is evident. The national triumph of the AP confirms the confidence of the Peruvian people in this political organization and in the government headed by architect Fernando Belaunde Terry," the mayor-elect of Lima said.

Orrego admitted that the AP may have had some failures in some district elections because of a poor choice of candidates. "In Ancon, an independent candidate who was a former AP mayor won with a 40 percent vote," he commented.

He said that there were two factors in this election: the political factor and the communal factor, and that the ideal for good municipal government is a bond between the two.

Orrego announced that next year he will try to balance the municipal budget, currently showing a serious deficit, by optimizing tax collection, and he announced that there is a plan for the relocation of the ambulatory peddlers in La Colmena, Belen and Jiron de la Union, which will be supplemented of policy of people's restaurants.

He also demanded the approval of a new, organic municipalities law, since it is "evident that the old legislation is unsuited to the current times."

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'SHINING PATH' SUBVERSIVE PLAN DESTROYED BY PIP

Lima LA PRENSA in Spanish 26 Nov 80 p 5

[Text] PIP [Peruvian Investigative Police] detectives have thwarted a plan of action conceived for subversive purposes in the capital and the provinces, arresting 15 activists in the so-called "Shining Path" organization in the district of San Martin de Porres and in the locality of Huaral.

Subversive political propaganda, maps and a plan of attack for armed robbery of banks and credit institutions were seized, along with booklets with annotations on terrorist actions scheduled for perpetration soon in Lima and in the interior of the country.

All of the terrorists arrested belong to the ultraleftist (communist) organization mentioned, the central police office in Lima revealed.

At secret premises located at 313 Jr. Huancavelica in San Martin de Porres, the detectives arrested the following suspects:

Moises Simon Limache Huayascachi (alias Yogui), Oscar Enrique Valdivieso, Anibal Eulogio Mendoza, Diaz Obdulio, Adrian Gago Bustamante, Walter Enrique Gago Bustamante, Arsenio Galvez Sanchez, Abel Augurio Barcoparado, Frida Leon Rivera Donayre, Rosita Quintana Limaco Huayancachi, and Wilder Jesus Mosquera Zaval.

Later, in Huaral, the PIP also arrested, on charges of acts of terrorism against private and public property and damage to the state, secondary school teacher Rafael Cesar Tarazona Varillas, known as "Pepe" or "Fito," the gang leader. He is an active leader of the PCP--SL [Peruvian Communist Party--Shining Path]. He was also responsible for recruiting new activists, providing them with ideological indoctrination, and teaching them how to handle weapons and Molotov cocktails and the strategems for acts of terrorism to be committed in the capital and the provinces, the police said.

Encinas Espinoze (alias Lino), Nemesio Polivio, Santos Espinoza, Juan Casimiro Flores Diaz, and Maria Jose Vargas Pacheco (alias Lalo) were also arrested in Huaral.

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ULTRALEFT INVOLVED IN TERRORIST ACTS

Lima CORREO in Spanish 23 Nov 80 p 4

[Text] Three attacks upon public and private property have caused the citizens of Lima worry and unease just prior to the municipal elections.

The most serious terrorist attacks were those involving the fire in the offices of the municipality of El Agustino and the dynamiting of the Popular Action headquarters in the same district, causing damage to the iron gate, window glass and frames.

The other attacks took place in Rimac, San Martin de Porres, Jesus Maria, Pueblo Libre, San Juan de Miraflores, and the very heart of Lima.

In the attack which occurred in the fourth block of Trujillo Street (Rimac) the police found pamphlets attributed to the Workers and Peasants Armed Struggle Movement urging the people not to vote today.

The police at the Fifth Commissariat reported arresting university student Raul Garcia Guzman, 18, and a waiter at a well-known downtown hotel, identified as Sabino Vasquez Huayec, 37. Two Molotov cocktails they planned to throw in the neighborhood of the University Park were confiscated from them.

The men arrested said that some strangers had given them a thousand soles each to transport the packages which contained the bombs.

Also, at about 0200 hours, some unidentified suspects were surprised by the crew of a patrol car in the area of Tacna Avenue and Emancipacion while they were attempting to soak a newspaper kiosk with gasoline.

The patrol car team fired into the air and the arsonists took flight in an automobile. The exchange of fire caused panic among the neighborhood residents.

El Agustino

The attack in the municipality of El Agustino occurred at 0300 hours. Unidentified individuals threw a container of gasoline onto the roof of the municipal offices and tossed Molotov cocktails through the windows.

The fire spread rapidly to the offices of the works and collections department, which was destroyed by the fire. Deputy Mayor Juan Yataco Almeida estimated that the damage came to more than 2 million soles.

Municipal guard Savedro Mamani, 39, told police that his first warning of the incident was when the lights in the sector went out suddenly, and then the unknown individuals appeared and tossed the Molotov cocktails and the gasoline container at the premises. Mamani ran off in search of police and to call the fire department.

When the Victoria No 8 and Francia No 2 fire companies arrived, they found the fire smoldering and then a loud explosion occurred. Then police were called to the fourth block of Riva Aguero Avenue, where the Popular Action headquarters are located.

Three bundles of dynamite had exploded in these premises.

Ramon Rivera Sanchez, 53, owner of the premises, said that the sizable explosion completely destroyed the door and the windowpanes. When he went out into the street he saw some strangers fleeing in an automobile.

The civil guards and the state security division are pursuing the pertinent investigations to identify and capture those responsible for the various attacks which have occurred recently.

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SENATOR ON APRA'S FUTURE, TERRORISM

Lima EXPRESO in Spanish 26 Nov 80 p 2

[Text] "No leftist sector of Marxist origin will ever agree to an alliance with the APRA [American Revolutionary Popular Alliance]. It will agree to talks, but a public agreement, categorically and definitively never," Dr Luis Alberto Sanchez said in a talk with an editor of this paper.

Speaking of the anticommunism of the APRA, he said that they chose this alternative because the communists always brandished an anti-APRA flag, even before that organization was founded.

He recalled that when the Communist Party was founded, a letter from the USSR Central Committee was read stating that the greatest enemy of communism was the APRA and that it must be wiped out.

In commenting on the thesis of the "responsible left" put forth by Armando Villanueva during his electoral campaign last May, Sanchez said that "Villanueva was not mistaken, he simply failed to understand the response which would come from this leftist sector, which would be identical to that prevailing during the constituent assembly."

Convention or Congress

Later on Dr Luis Alberto Sanchez specified that there is an urgent need to convoke a congress or a convention, but without the participation of members of either of the two factions in the organization commission.

"This convention should be held before 22 February in order to put an end to the disagreements. Later it would be undesirable," he stressed.

"To make this event more democratic we must update the voting roles and establish a single vote for each APRA member instead of voting by groups. The result of this last experiment was that a professional organization had more votes than a province with many more APRA members," he said.

1985 Elections

Sanchez said, moreover, that he does not hope to be a candidate in 1985. "I am satisfied with the present clear thinking, which suffices for me."

He then went on to say that in the next five years new personalities with enough charisma to win the election may emerge. Concerning Villanueva, Townsend and the possibility that Priale might seek such candidacy, Sanchez had absolutely nothing to say.

Armed Civilians

He said subsequently that many civilians had purchased weapons under the military government. "I have heard about a Ministry of Interior report, before Morales Bermudez took office, to the effect that civilians had purchased 40,000 weapons," he asserted.

"I do not know how true all this is, but if this is the case it is obvious that there is a will like that which existed in Chile in 1972 and 1973 and that which developed in Colombia."

He then said that the terrorists in the country would first seek to create chaos in order to justify a dictatorship "which might favor communism, like that of Velasco Alvardo, and at the expense of the country itself."

He termed the groups creating terror with a mixture of anarchism and Marxism as such factions.

Danger of Terrorism

Sanchez warned that it is danger to minimize the importance of terrorism, because at one time when they were termed cattle thieves and nothing more, De la Puente Uceda and many others died and Captain Patino was dismembered.

"Terrorism is not only murder but also terrorizing and governing the people through terror," the APRA leader said in conclusion.

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MINISTER ACKNOWLEDGES LEFTIST GAINS, SEEKS COOPERATION

Lima LA PRENSA in Spanish 25 Nov 80 p 3

[Text] Dr Jose Maria de la Jara y Ureta, minister of interior, after noting that his party, the Popular Action (AP) won the municipal elections in 14 departmental capitals and 80 provincial seats, appealed yesterday to the Unity of the Left (UI), and mainly to its leader, Dr Alfonso Barrantes Lingan, to act "sensibly" following the change in its fortunes in these elections.

"It is my hope that the prudence and judgment Dr Barrantes Lingan has revealed will lead him to adopt a sensible attitude and to lend collaboration in supporting and maintaining democracy," the minister said yesterday, after his high-level accord with President Belaunde.

In answer to reporters' questions, the minister of interior became somewhat expansive in commenting on the turn in the fortunes of the UI in these elections in which, he said, it won in six departments.

"I believe that the left wing today has its gaze fixed on the future municipal elections or the 1985 general elections. Therefore it must seek to gain power through representative democracy and not through violence," he said.

"Thus," he went on to say, "I do not see the UI committing violent acts now. It would be absurd to place bombs in municipal council premises now that they are their own (Arequipa, for example) or in those it will occupy. I do not believe in such a position and I am almost sure (about the future attitude of the UI) that it will be very different, because democracy has strengthened."

De la Jara did not regard the fact that the electoral percentages for the government party dropped in relation to the electoral vote last 18 May as a sign of defeat for the Popular Action or of any blurring of the government's image.

He explained that the fact that the popular percentages in these elections were below the 45 percent won by the president last May "does not represent evidence of a decline or defeat."

De la Jara said that Mr Orrego, future mayor of Lima, is "a brilliant architect and professional but obviously he is not Belaunde. However, he (Orrego) either matched or exceeded the 36 percent (required to win the presidency of the republic). Thus the success won by Mr Orrego is an absolute one."

In general terms, according to the minister, good sense and democracy prevailed in these elections, to the point that, to give an example, according to de la Jara, "in Ayacucho, where the organization known as Shining Path has its headquarters, the Popular Action won.

"This means, then, that Ayacucho has rejected violence as a form of political action," de la Jara said.

He said further that the AP won in Ayacucho, Abancay, Cuzco, Ica, Huancayo, Puerto Maldonado, Cerro de Pasco, Piura, Moyobamba, Tacna, Tumbes, Lima, Callao and Chachapoyas. The UI won in Huaraz, Arequipa, Huancavelica, Moquegua, Puno and Pucallpa, while the APRA [American Revolutionary Popular Alliance] won in Cajamarca, Huanuco, Trujillo, Chiclayo and Iquitos, to mention only the departmental capitals in terms of the three parties.

In commenting that despite the triumph in the departmental capitals or the 80 provincial seats, the Popular Action won very different percentages this time from those obtained in the last general elections, the minister said:

"You would think that miracles occur every day. These are extraordinary events. Normally one would win 35, 36 or 37 percent. This is a triumph. The fact is that we were enraptured and we lived in the style of the triumph of 18 May."

Asked to what he as a minister attributed the turnabout in the fortunes of the left wing in these elections, he responded:

"This is a product of a series of circumstances. First, they united, and secondly they had as a leader and principal chief a man of such equanimity, calm and realism as Dr Barrantes Lingan. His statements have revealed this. Obviously he had evaluated the situation of the left wing itself, its implications and its inherent limitations," de la Jara said.

About the APRA, which suffered such a decline in these elections, the minister said that he does not believe personally that this party will cease to be of importance in the Peruvian political theater.

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MOST MONTEVIDEO RESIDENTS SEEN FAVORING CONSTITUTIONAL GUIDELINES

Montevideo EL PAIS in Spanish 25 Oct 80 p 9

[Article: "67 Percent of Montevideo Residents Favor Guidelines - Gallup Poll Finds 46 Percent Favor Bicameralism"]

> [Text] The constitutional guidelines that have governed the drafting of the new Magna Carta text have been received "favorably" by 67 percent of the residents of Montevideo, according to a Gallup poll made available late yesterday. About 4 percent responded "unfavorably" and 29 percent expressed no opinion. Other significant results indicate that about 40 percent--still referring to the capital city's residents--consider a new text necessary, whereas about 36 percent consider the previous text should not be changed. We publish below the characteristics of the sampling, followed by its results.

Characteristics

The Gallup organization conducted its sampling between 26 September and 6 October, throughout the Montevideo departmental area. Of those polled, 53 percent were females and 47 percent were males. Some 20 percent of those polled were between the ages of 15 and 24, some 38 percent between 25 and 49, and about 42 percent were over 50 years of age. About 15 percent of those polled were in the upper economic bracket, some 61 percent in the middle income bracket, and about 24 percent were in the low income bracket. About 2 percent had no schooling of any kind, 53 percent had schooling, and 45 percent had higher education. 26 percent of those polled were single, 66 percent were married and 8 percent were widowed or divorced. About 69 percent were Catholic, about 2 percent were Protestant, 3 percent were Jewish or of other religious denominations, and about 26 percent belonged to no religious denomination.

About 72 percent of those polled were registered and had voted in some previous election, about 16 percent were registered but had never voted, and about 12 percent were not registered.

These were the figures released by Gallup Uruguay S.A.

October Sampling Compared With August Results

Primary Results

[Question] In your judgement, does the country need a new Constitution? Or, could we continue with the one we now have?

	All	
	Oct percent	Aug percent
We need a new Constitution	40	42
We do not need one. The present one is good	36	43
No opinion	24	15

[Question] For what reason does it appear to you that a new Constitution is necessary?

	Oct percent	Aug percent
Previous Constitution was not effective, a change is needed	10	11
To change the forms of government, with different bases	9	17
To end politicking, slogan rule	1	2
For progress, advancement of the country, improvement of the economy	17	14
Others	2	1

[Question] With regard to the Constitution that is being prepared, I am going to read you some of its points, and you will tell me if you agree with them or you disagree:

	Agree		Disagree	
	Oct percent	Aug percent	Oct percent	Aug percent
Sovereignty has its root in the Nation and is exercised through secret and compulsory ballot	94	96	6	4
There will be freedom of worship of all religions. There will also be freedom of education	98	98	2	2
The family is recognized to be the basis of the entire societal system	98	99	2	1

	All			
	Agree		Disagree	
	Oct percent	Aug percent	Oct percent	Aug percent
All those who govern must show morality, sobriety and austerity, and may be prosecuted for not complying with ethical, moral or civic norms	99	96	1	4

	All			
	Agree		Disagree	
	Oct percent	Aug percent	Oct percent	112 percent
A Council of National Security shall be created, made up of civilian authorities and commanders in chief, to safeguard our national objectives from internal and external interferences	85	80	15	20
The party that wins the election will have the right to govern with a legislative majority. The losing party will constitute the minority on a proportional basis	93	96	7	4
If during a term of government, owing to disagreement among its members, the president loses the majority, elections will be held	93	92	7	8
A Constitutional Court shall be created that will act in case of conflict within the upper-echelon bodies of the government	90	81	10	19
In case the upper-echelon authorities fail to comply with the Constitution	88	86	12	14
In cases of political infractions of law and trials	88	84	12	16
In case of annulment of elections by the Electoral Court	85	79	15	21
This body shall have powers equivalent to those of a court and may hand down sentences in cases of conviction. Its members will not be entitled to hold political positions	83	75	17	25
The right to strike shall be regulated, with prior and obligatory forms of arbitration and conciliation	79	79	21	21
Public employees shall not have the right to strike	64	53	36	47

[Question] With reference to the new Constitution, many things have not yet been resolved. It has not been decided whether there shall be one or two Chambers. Which do you consider more adequate: that there be one Chamber or two Chambers?

	All	
	Oct percent	Aug percent
One Chamber	33	28
Two Chambers	46	60
No opinion	21	12

[Question] Whether there be one or two Chambers, the idea is that the number of deputies be the minimum possible. And that the Legislative Branch be rapid and agile. Are you in agreement? Or, do you prefer a system that is less agile, but more cautious and careful?

	All Oct percent	All Aug percent
Agile	47	49
Less agile, but more cautious	36	43
No opinion	17	8

[Question] Should the term of government be 5 years (as it is now)? Or 6 years as in other countries?

	All Oct percent	All Aug percent
5 years	75	84
6 years	14	11
No opinion	11	5

[Question] Should the new Constitution recognize all political parties? Or should it exclude certain parties?

	All Oct percent	All Aug percent
Recognize all parties	38	48
Exclude certain parties	46	42
No opinion	16	10

[Question] Should voting in elections be compulsory? Or should it be voluntary?

	All Oct percent	All Aug percent
Compulsory	57	50
Voluntary	37	47
No opinion	6	3

[Question] Although it is too early yet to judge, since the final text is still not known, considering however the above guidelines as well as what you have heard elsewhere and what you actually know, what is youu impression of the Constitution that is under preparation? A good impression? Or a bad impression?

	All Oct percent	All Aug percent
Good impression	67	61
Bad impression	4	11
No opinion	29	28

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RAPELA OPTIMISTIC REGARDING 'YES' VOTE IN UPCOMING PLEBISCITE

Montevideo EL PAIS in Spanish 26 Oct 80 p 14

[Interview with Gen Julio Cesar Rapela: "Rapela: Retired Military Can Occupy Any Position, Including Presidency," at Santa Lucia, Canelones, on 25 October 1980]

[Text] This year, we will decide whether there will be one or more candidates in the 1981 elections. We are not going to permit the return of anarchy and discord. It is my opinion that blank votes will not be counted. Upon approval of the new Constitution, the law governing the activities of political parties will be structured; the statute is considered a "high priority" by the COMASPO [Armed Forces Political Commission]. I am optimistic; I believe the citizenry is going to vote "yes." I consider that retired military personnel are entitled to occupy any position, including the presidency.--These are some of the concepts expressed to EL PAIS by Gen Julio Cesar Rapela at the inauguration of the Frigorifico Moreno y Canto S.A. plant in the suburbs of Santa Lucia, Canelones.

Following is the dialog that around noon yesterday was held with the 11th Army Division Commander, exclusively by EL PAIS, the only written press organ present for the occasion.

Constituent Assembly

[Question] General Rapela, is our country entering a decisive week as regards its institutional process?

[Answer] Yes. I consider it a very important week, because it is the week in which the text of the Constitution is to be approved, which, in my opinion, represents for us a historic advance.

[Question] Will one more session be sufficient?

[Answer] No. I feel it will take more than one session, since there are some issues on which we have not yet defined our positions. We need to exchange views and dialog together to reach a definitive solution.

[Question] But will the philosophy underlying the guidelines change...?

[Answer] No, no. The guidelines, as regards their most important, their basic aspects, are being maintained. There have been a few modifications, a few changes, but we consider them reasonable.

[Question] Might there be another meeting prior to tomorrow's Constituent Assembly?

[Answer] We are going to hold a meeting to discuss some other matters on the agenda which however are not directly connected with problem of the Constitution. At this point, we have already exchanged views with the advisers, with the ministers, with President Mendez, so that the Armed Forces now have the opinions of all sectors properly involved in the issue.

[Question] Gen Rapela, at present, one minister and the heads of several state-owned autonomous enterprises and decentralized services are military personnel. Is it your understanding that this philosophy will continue in the future?

[Answer] This will depend on the future government. It will be its responsibility to decide who will occupy such positions. Current examples abound, and it is my view that we military are as qualified to perform the functions we have carried out until now as is any civilian.

The Plebiscite

[Question] What will a "yes" mean in the forthcoming plebiscite?

[Answer] It will mean the entitlement of the political parties, the start of a new phase of our representative democratic system, which will have its culmination beginning in 1986; so that, since we have that system, I feel the citizenry will back it and support it.

[Question] And a "no"?

[Answer] It will mean that we will not have the immediate advent of political party activity. Obviously, everything that has been built into the Constitution will suffer a setback, the timetable will have to be suspended until the future steps to be taken are determined. I would like to clarify certain statements that have been made to the effect that in such a case we would return to anarchy and discord. No, the Armed Forces will not tolerate such a return. The best way for our country to move forward is to have a system in which those persons who represent the people can function. Should this not occur, should the Constitution not be approved, the present government will continue in office and a new timetable will be drawn up.

[Question] With the plebiscite a month away, is the possibility of a "no" causing concern?

[Answer] The problem of a negative vote causes me no concern at this moment. I am optimistic. I may be mistaken, but I believe the citizenry will vote "yes." It is a problem that does not disturb me.

[Question] In the recent Chilean plebiscite, blank votes were counted as affirmative. Will the same be done here?

[Answer] I believe that in our case, in the national plebiscite, blank votes will simply not be taken into account. But I cannot tell you as yet whether a determination will be made in this regard.

[Question] Immediately following the Constituent Assembly, will the COMASPO draw up the statute of political parties?

[Answer] That is one of the things that has "high priority." Therefore, as soon as the Constitution has been approved, the basic law on political party activity will be drawn up,

[Question] Various party sectors have made it known publicly that their position is to vote "yes." What do you think of this?

[Answer] I think their position is well taken, that they have understood this joint civilian and military government, and that their desire is to be able to function in the country's political and governmental life. To the extent they back us and support us, they are welcome.

Candidates

[Question] When will it be decided whether there will be one or more candidates in the 1981 elections?

[Answer] That decision is going to take place before you think it will. I believe that point will be decided this year. I repeat that a timetable exists that was drawn up by the Armed Forces on 9 August 1977, which had set up a transition period, from 1982 until 1987, during which there was to be one candidate, to be agreed upon among the political parties that would be presenting and debating candidacies. This has not yet been changed and therefore continues in effect. There will be a pronouncement, however, that will be issued shortly.

[Question] At this point in the process, is it known whether that compromise candidate will be a civilian, an active or a retired military person?

[Answer] That will be decided by the political parties. They will have their candidates and the Armed Forces will have to say whether they are viable or not. It is our view that whether there be one candidate or more than one, the candidates will have to be proposed by the political parties.

[Question] Internationally, how has this acceleration of the Uruguayan process been received?

[Answer] I think that internationally there are those who are for it, and there are those who are against it and prefer that it not continue so that they can continue distorting Uruguay's image and exacerbating its problems.

[Question] Could you tell us at this time whether the membership of the Political Control Tribunal will number as many civilians as retired military?

[Answer] Yes. For the same reason that, as I have said, the military are occupying positions today, I consider them qualified to fulfill any position of responsibility.

[Question] The presidency as well, General?

[Answer] The presidency has already been occupied by several military persons. Our history is rich in this sense, and our first president was a military man whom we all admire and venerate: Gen Fructuoso Rivera. Thus, I see no reason why a military person cannot be president of the Republic.

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END

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NATIONWIDE ENERGY SHORTAGE DESCRIBED

Bogota EL TIEMPO in Spanish 27 Nov 80 Sec B p 2

[Text] Compared with other capitals, Bogota is less affected by the rationing of electric power. Cities such as Popayan, Neiva, Pasto and Ibague are experiencing cuts of from 6 to 15 hours a day.

A special report prepared by EL TIEMPO's group of correspondents reveals an alarming situation insofar as energy is concerned. Of 23 capitals, only Cartagena and Santa Marta seem to have a nearly normal situation, while the others have rationing for at least 3 hours a day.

The cause of the problem is the water shortage, caused mainly by the ruthless felling of woods, and the lack of rainfall.

By December all public lighting will be eliminated. In Neiva, there is concern over the lighting during the national games, while in Cali and Manizales the authorities are trying to set up a rationing program that will not affect the traditional New Year's celebrations. In Pasto, the rationing has reached the point where several sections are without light for as many as 15 hours a day.

The authorities have begun a national-scale campaign to have all citizens turn off the lights when they are not using them, and not to turn on household electrical appliances that are not absolutely necessary.

If the situation continues, by January there will not only be extensive rationing of electric power, but also of water.

Meanwhile, the National Economic and Social Policy Council (CONPES) has undertaken a study of the country's energy situation relating to the energy sector, and the coordination and execution of new generating systems.

The minister of mines and energy, Humberto Avila Mora, noted that the government has continued the study of the electrical sector to adopt whatever measures are necessary.

In commenting on the rate policy for the electrical sector, he said: "The readjustments in rates are taking place normally throughout the country; what is being studied is whether or not the rates are profitable."

He remarked that the government is interested in solving the problems that have cropped up and have necessitated the rationing of power and the running of campaigns for saving electricity to prevent misuse of that resource.

President Julio Cesar Turbay Ayala said that the present energy rationing "is due more to a financial crisis than to an energy crisis."

Before the end of 1982, $3.5 billion worthof projects to generate electricity will have gone into operation, and they will have raised the installed capacity to over 6.3 million kilowatts.

Following is the report prepared by our staff of correspondents:

Pasto

Pasto, 25--Countless negative factors have caused the continued, permanent rationing of electric power.

The heads of hospitals, clinics and health centers are complaining that the stoppage is being made without consultation, and lasts over 15 hours a day.

Several districts in this capital have power available only from 2100 hours until 0530 hours in the morning.

Before the rationing went into effect, it was claimed to be the result of the long summer. Now no other explanation has been given, despite the fact that the rainfall is plentiful and almost constant.

One of the main industries hurt by the rationing is Narino Liquor, the production of which is virtually at a standstill.

Popayan

Popayan, 25--Electric Power Plants of Cauca (CEDELCA) announced that the electric power service during December in Cauca will be provided in accordance with a program that will not upset Christmas activities.

The rationing in this department will be reduced after 1 December. At present, Cauca and its capital are having rationing from 0600 to 2100 hours, twice a week, for each section affected.

The blackouts have increased the wave of insecurity in Popayan.

Pereira

Pereira, 25--The traditional Christmas lighting in the departments of Caldas, Quindio and Risaralda will not be possible this year, owing to the rationing and the national energy crisis, according to an announcement from the manager of the Caldas Hydroelectric Powerplant (CHEC), Humberto Arango Escobar.

The manager of the autonomous entity in Pereira, Javier Ignacio Ramirez Munera, made an appeal to the citizens, commerce and industry to refrain from holding Christmas functions that entail a drain on the electrical systems.

The professional commented: "Every light bulb that is lit will only worsen the troubled situation that exists."

Cali

Cali, 25--The rationing in Valle del Cauca increased from 3 to 6 hours.

The schedules are varied, because there is an attempt to avoid problems for the industrial sectors. The blackout from 1700 to 2000 hours in eastern districts has caused tieups and increased insecurity.

The rationing will also affect the Christmas holiday activities next month in Cali. It was predicted that next year it will also be necessary to ration energy, and possibly the water service.

Neiva

Neiva--Several sections of this capital have had to spend up to 10 hours a day without power.

Fredy Amaya, deputy technical manager of the Electric Power Company,announced that it is expected that the service will be normalized during the national games.

The present rationing begins at 0600 hours in the morning and lasts until noon, and resumes at 1500 hours, lasting until 2000 hours at night.

Medellin, 25--The Medellin public enterprises disclosed that, starting this Monday, the 62 residential circuits into which this capital is divided will have power rationing from 2 to 3 hours a day.

The cuts in electric power (which initially will not involve industry and commerce) will be made primarily in the afternoon.

A spokesman for the autonomy entity said: "The tendency is toward rationing after 1 December."

The official expressed the view that Medellin will be one of the cities to suffer least from the measure.

Santa Marta, 25--The technical director of the Magdalena Electrification entity, Alberto Galeano, stated that, for the time being, no rationing is scheduled in Santa Marta, and the continuity of the service is contingent on the operation of the Barranquilla thermoelectric plant. He noted that the generating capacity of the Manzanares substation has been cut, and hence the supply is limited. This restriction will preclude the installation of multicolored lights on the streets in December, and only decorative lighting will be allowed. The mayor will be requested to ban the installation of colored light bulbs, to prevent extra consumption.

Barranquilla

Barranquilla, 25--A few days ago, the city's labor unions sent a public letter to the manager of the Atlantico Electrification entity to notify him of the tragedy that is being experienced as a result of the constant blackouts; and the manager replied to them that, "there are no blackouts in Barranquilla."

Nevertheless, the nearly 2 million inhabitants of the city know that the lights go out every day at least three times.

Most of the blackouts are due to the fact that the conductor lines are deteriorated.

According to some industrial sectors, the continuous blackouts have caused millions in losses this year, and some factories are at the point of closing.

Valledupar

Valledupar, 25--The manager of the Cesar Electrification Company, Capt Miguel Salgado Hadatt, said that in both this capital and other municipalities of the department an energy rationing plan is under way, as a result of strong winds which lash the region and cause short circuits.

Villavicencio

Villavicencio--There is complete darkness in this town 2 hours daily, between 1800 and 2000 hours at night, owing to the rationing.

Criminals have increased their activities during those hours, and considerable losses in local businesses are anticipated in December.

Governor Hector Chacon Reyes was left "stymied," unable to put into effect a public lighting program that had been scheduled to start within a few days.

Sogamoso

Sogamoso, 25--Electric power rationing has been accepted patiently by the residents of Sogamoso, despite the "unruly" changes made in the schedule set by the Boyaca Electrification entity for its implementation.

The power service in this town is stopped 5 hours a day, 3 in the morning and 2 at night. The schedule set for this is between 0900 hours in the morning and noon throughout the town, and from 1800 to 1900 hours in the evening for the eastern section only, and between 2000 and 2100 hours at night for the western section.

Ibague

Ibague, 25--Governor Gregorio Rudas has issued decrees by candlelight, and both the Tolima assembly and the Ibague Town Council have passed legislation, but not without first expressing their dissatisfaction with the energy rationing which has serious features in this department.

The manager of Electrolima, German Hoyos Jaramillo, said that the water level at the Prado hydroelectric powerplant (the main source of power supply) has declined, rather than increasing.

Tunja

Tunja--Power is rationed in this town and the department of Boyaca 3 hours a day. The specifically industrial areas, such as Paz del Rio, Belencito and Metalurgicas, as well as the Boyaca cement plant, have not been included in the energy savings plan. Orlando Flechas Corredor, manager of the Boyaca Electrification entity, announced that, during December, there will be rationing for only an hour and a half, owing to the business requirements for Christmas gift sales.

Cartagena

Cartagena, 25--Whereas in the interior section of the country blackouts are starting to be popular, Cartagena and Bolivar, which have suffered them regularly, are experiencing a considerable improvement.

The Bolivar Electrification entity has managed to overcome the failures, but it cannot guarantee maximum efficiency in the walled downtown section of Cartagena, because of the poor condition of the distribution systems.

Girardot

Girardot, 25--The energy in this town is rationed 6 hours a day. During the morning, there are 3 hours of rationing in half of the urban perimeter, and, during the afternoon, there is another 3 hours of rationing for the other half.

This same schedule applies to the following settlements: Flandes, Ricaurte, Agua de Dios, Nilo, Jerusalen, Narino, Guataqui, La Vega and Tocaima.

In December, the rationing will increase here from 30 to 38 percent.

Manizales

Manizales--Starting on Monday, 24 November, the energy rationing in this capital was increased. There is currently rationing in sections of the town on schedules that fluctuate between 3 and 4 hours.

No rationing is planned for Saturdays and Sundays.

Sincelejo

Sincelejo, 25--There is no definite schedule for the blackouts and energy rationing in the department.

Sources associated with the Sucre Electrification entity noted that power may have to be rationed during the night, but thus far there is no definite schedule.

During the past few days, there have been blackouts and energy rationing in Sincelejo and the entire department.

Monteria

Monteria, 25--The electric power rationing in the department of Cordoba and in much of southern Bolivar is continuing.

A technician from the factory which built the turbine with problems arrived from Switzerland, and guaranteed that it would start operating at the beginning of December.

Technicians from General Electric are working on the installation of a 20,000 kilowatt turbine, which will be ready by mid-January.

Bucaramanga

Bucaramanga, 25--For several weeks, the Santander Electrification entity has been conducting a strict energy rationing program.

The program is in effect 12 hours a day, starting at 0600 hours in the morning, and it applies to all districts of the city without discrimination, during 2-hour intervals in each sector.

It also applies to the municipalities of Floridablanca, Piedecuesta, Los Curos, La Mesa de los Santos, Giron, Lebrija, Rionegro, San Alberto, San Gil and Barrancabermeja.

Despite the fact that the rationing lasts all day, in many instances the blackout continues until 2100 hours at night.

Armenia

Armenia, 25--Yesterday, a considerable increase in energy rationing was noticed in this capital.

The rationing in Armenia is applied by sections, in 2 and 3 hour intervals.

In the rationing intervals, the public enterprises have attempted to protect certain sectors for security reasons, as well as small areas engaged in industrial activity.

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UNDISCOVERED OIL RESOURCES SAID TO EXIST

Bogota EL SIGLO in Spanish 23 Nov 80 p 11

[Article researched by Cecilia Rodriguez Maya: "Colombia Does Have Hidden Oil"]

[Text] Long before the oil crisis that is affecting the entire world embarked on its more acute period, there was talk in Colombia about the existence of hidden wells, some of which would be exploited through underground pipes in neighboring countries and others to be turned over to North American companies for their future benefit.

That legend was passed on and discussed by people for many years; yet now, when the price of crude has risen unchecked and the shortage is causing wars that threaten to spread in the world, those hidden wells are not appearing, and Colombia is starting to suffer the effects of the crisis.

Another disturbing doubt that is circulating in the "murky" atmosphere surrounding oil exploration in the country is the question as to why, when Ecuador and Venezuela have sufficient reserves in their soil, Colombia, located between the two, has not been able to discover the same amounts.

A meeting of leading geologists and scientists of the world held in Bogota to study the quaternary period in Colombia published studies on the morphological features of the national soil, confirming the existence of oil in most sections of the country.

The Resources in the Moving Earth

The oil being extracted in the world today began its transformation period during the cretaceous era, that is 140 million years ago, and during the more recent tertiary era, that is 70 million years ago.

To locate it, there must be specific subsoil conditions which may be explained simply as: a stratum generating a reservoir, or storage site where it is located, and a watertight layer on top which will not allow it to escape.

As everyone knows, oil is a product of the decomposition of organic matter that has been deposited with the earth's movements in environments without oxygen in the subsoil.

Colombia, which offers particular facilities for studies of soil and the changes undergone by the earth during the different eras of formation, according to the scientists, has the necessary features in 14 areas.

ECOPETROL [Colombian Petroleum Enterprise] has started exploration in only two of them, without success to date; because, as has been learned in the world of petroleum, it takes an average of 20 drillings to find the mineral in one area.

Where Is the Hidden Oil?

The potential oil-bearing sections of the country are located in the Cundiboyaca plateau, the Catatumbo Basin, the Cesar Basin, the Magdalena Medio, the Cauca Valley, the Patia Basin, the Atrata Basin, the San Juan Valley Basin, Tumaco, part of Sinu, the Orinoquia area and the Putumayo Basin.

ECOPETROL is exploring in the Magdalena Medio Valley, the Catatumbo area and Sabana de Bogota, and has planned other wells in the Patia Basin.

The geological studies for oil exploration are the first step in a long series of very expensive operations in which ECOPETROL has not taken sufficient interest, and the lack of budget has been given as an explanation for this. The national enterprise has only 20 geologists.

The preliminary phase of studies to determine the morphological structure of the subsoil is carried out through air photographs and other remote sensors, such as Landsat and radar images, to make a geological cartographic survey whereby the type of rocks and strata is determined.

A Revolutionary Theory

The oil is deposited in a horizontal position on a kind of fold in the earth, known as an anticlinal fold, which originated during the formation of the first mountain ranges.

There are many theories about these processes, which are still continuing, one explaining the formation of mountains, earthquakes, and the distribution of minerals and energy all over the earth, thus allowing for more scientific and accurate exploration.

This is the tectonic plate theory, which claims that our planet is made up of plates that are constantly floating and moving, in a process of creation, destruction, arrival and departure, giving rise to the present distribution of continents.

The stratum on the surface is the lithosphere which, in turn, is divided into another series of oceanic and continental plates, floating above another more dense one located underneath, and known as the asthenosphere which, although it is not liquid, contains portions of molten rock, is flexible and acts as a lubricant.

Beneath lies the "mantle" stratum, comprised of hot rock covering the "core," or the hottest part of the earth.

The "mantle" transmits the movement caused by the heat to the other plates, and often separations occur on the upper stratum, through which the asthenosphere emerges, producing mountains, volcanoes and earthquakes.

Generally, that emergence of the interior strata to the exterior occurs at the connecting points of the different lithosphere plates. The clash between an oceanic and a continental plate also caused the egress of materials from the bottom. These sites have been called "hot points," and it is there that the break or separation of continents occurs, and the appearance of new oceans.

Northern Colombia and Central America make up what has been termed the Caribbean plate, located over a strategic "hot point."

The emergence of material from the interior strata and the movement of the plates produce sediment on the sites that are submerged, and they are marked by their quality for forming petroleum. However, they are very difficult to exploit because of their depth.

This is how the mineral and energy resources are distributed.

Finding Oil

Deposits of iron, lead, copper, manganese, nickel and zinc have been found on the sites where, according to the latest geological theory, the plates collide, since those metals are formed by processes in which there is heat.

Therefore, the existence of oil is also predicted, because it is those movements caused by collisions of the plates that give rise to the oxygen-lacking atmosphere that is necessary for the preservation and processing of organic matter.

Once the crude is formed, it leaves its original rock to seek a storage place in sufficiently compacted rocks.

The records of the temperature in a sector under analysis are very important to the contributions that the plate theory can make for exploration of the resource.

Oceanic plates are especially propitious for the formation of oil, owing to the lack of oxygen. According to the studies that have been made, from the cretaceous era until the present, the Middle East has suffered a desiccation of the water that was covering it, and had produced chains of mollusks which remained buried with a breaking apart of plates. The different changes and movements opened new spaces, producing the current deposits which have caused greed in the world and the armed struggle being waged at present, with signs of turning into a world war.

The research being done at present by the largest oil companies in the northern United States and North Africa has been located in areas that were affected in particular during that geological period.

Colombia shows signs of great changes during the tertiary era, and it is the object of sciencific interest on the part of many countries.

Key:

1. Position of the Plates Today
2. Aleutian depression
3. Gorda plate
4. North American plate
5. Euro-Asian plate
6. Turkish plate
7. Java depression
8. Philippine plate
9. Mariana depression
10. San Andres fault
11. Caribbean plate
12. African plate
13. Arabian plate
14. Pacific plate
15. Cocos plate
16. South American plate
17. Indian plate
18. Kermadec-Tonga depression
19. Nazca plate
20. Peru-Chile depression
21. Atlantic reef
22. South East Indian elevation
23. Pacific-Antarctic reef
24. Antarctic plate
25. Atlantic-Indian reef
26. Plate boundaries
27. Hot points

Key:

1. Oil-bearing areas
2. Atlantic Ocean
3. Cesar Basin
4. Catatumbo Basin
5. Part of Sinu
6. Atrato Basin
7. Magdalena Medio
8. San Juan Valley
9. Cundiboyaca Plateau
10. Orinoquia
11. Alto Magdalena
12. Cauca Valley
13. Patia Basin
14. Putumayo Basin

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NEW FINANCING PLANNED FOR ECOPETROL

Bogota EL ESPECTADOR in Spanish 12 Nov 80 Sec A pp 1, 9

[Text] According to an announcement made yesterday by the president of the Colombian Petroleum Enterprise (ECOPETROL), Jose Fernando Isaza Delgado, this year the entity will receive a "financial injection" of approximately $10 billion, through two foreign loan transactions that will enable it to schedule the investment plan for 1981.

A first foreign loan of $100 million was arranged directly by ECOPETROL with a consortium of foreign banks, headed by the Manufacturers Bank. This loan is being approved by the Council of Ministers and its signing is anticipated early in December.

A second loan will be concluded by the national government, also for the sum of $100 million, and is part of the foreign debt quota authorized for the executive branch by the National Congress. These funds will be a contribution of capital from the government to the Colombian state petroleum enterprise which will to a large extent clear up the deficit facing that entity.

The president of ECOPETROL told EL ESPECTADOR that, with these funds, the company will pay some of the foreign debts that it owes, and will finance the investment program for next year, which is currently being studied by the entity's board of directors.

In 1980, ECOPETROL will execute an investment budget of $9 billion; and it is estimated that next year the figure made available will be higher, because of the government's decision to give an impetus to the plans for exploration and development in the petroleum sector.

This year, exploration and development work has been done in 42 wells located in different sections of the country by ECOPETROL and through association contracts with the foreign companies operating in Colombia. Next year, it is estimated that the number of wells in each of the two phases will amount to 50.

The exploration work that is under way in the national territory is progressing rapidly, but there is not yet any exact information on the wells recently started. Isaza Delgado said that, in the Arauca-2, the drilling phase is at a depth of 18,000 feet. On this site it is planned to drill over 22,000 feet, which will be the greatest depth reached in Colombia.

In the case of the exploration work being done in Sabana de Bogota, specifically, near the municipality of Tenjo, the president of ECOPETROL revealed that a depth of over 2,500 feet has already been reached.

The government is confident about the positive results accrued from the various exploration and drilling projects, whereby the country may, in the not too distant future, be able to increase its rate of internal production of crude, and as a result reduce oil imports and their impact on the balance of payments.

It is estimated that the total cost of imports of oil, gasoline and ACPM this year will be about $300 million.

Refinery

The president of ECOPETROL, Jose Fernando Isaza, explained that the plan for the construction of the Eastern Plains Refinery has been deferred indefinitely, owing to cost situations. The official added that the respective bidding that had been opened was declared to be called off.

However, the program has not been scrapped, and it will be executed once the financial conditions and the production volume of crude allow for its implementation.

Delgado Isaza explained that the light crude produced in the Eastern Plains will be taken to the Barrancabermeja Refinery for processing. A total of 18,000 barrels per day of this crude will be pumped, a figure that will make it possible to attain a substantial increase in the production of byproducts, especially gasoline, and to use a larger percentage of the refinery's capacity.

This is the second time that the Colombian government has postponed the implementation of a plan of this kind. The other one was the Tumaco Refinery, in Narino, which was announced during the administration of President Misael Pastrana Borrero.

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BRIEFS

AVEX IN DOMINICAN REPUBLIC--The president of the Venezuelan Export Association (AVEX), Regulo Campo Martinez, traveled to the Dominican Republic and Puerto Rico in order to lay the groundwork for the establishment of two "commercial offices" in those countries, because both nations "represent important markets for the prospects of trade among our countries." An AVEX release announces that in January the two offices will be opened. They will not be simply information offices; "they are aimed at developing activities related to economic studies in the area, the preparation of supply and demand lists, initiatives to improve the flow of goods, reports on the balance of trade, the compilation of statistics on foreign trade with regard to volume and monetary terms, and the determination of possibilities for joint investments." Regulo Campos recalled that these initiatives are in keeping with the intention to export 5 billion bolivars in products in 1981. [Text] [Caracas EL DIARIO DE CARACAS in Spanish 3 Dec 80 p 12] 8926

CSO: 3010

SPECULATIONS ON VIOLA'S MINISTERIAL APPOINTMENTS CONTINUE

Buenos Aires LA NACION in Spanish 23 Nov 80 pp 8-9

[Article in the column "Political Week": "On Candidates and Candidacies"]

[Text] Liendo at Interior

The chief of the joint Armed Forces staff and former minister of labor, Gen Horacio T. Liendo, looks certain to be interior minister under Lieutenant General Viola, sources closest to the president-designate concede. Liendo will retain his status as an active major general.

Political circles regard this as a logical appointment. Over these years there has been evidence that General Liendo identifies with the former commander of the army, and they give the impression of having common traits in the exercise of public functions.

Liendo would thus be succeeding Gen Albano Harguindeguy, whose term will be ending after 5 difficult years as interior minister, which he has coped with without creating personal animosities at the hub of Argentine politics. In addition, not a few politicians are willing to wager that although he might not do so on 30 March, in other words, the day after leaving the Interior Ministry, Harguindeguy will certainly at some time in the near future become openly and earnestly involved in national politics. This conjecture is based on his having shown a stronger calling for politics than people would have thought when he took over the ministry in carrying out a military mission.

There are conservative and liberal sectors, such as the Conservative Democratic Party of the Capital or the Christian Democratic Union, that would be pleased about the chance to form a coalition with the interior minister. General Harguindeguy is reportedly going to retire from the military at the end of the year.

Miret Confirmed

It is taken for granted, in principle, that all of the ministries will change hands on 29 March, when Lieutenant General Viola takes up residence at the Casa Rosada. There are strong indications, however, that not all of the resignations submitted by the cabinet secretaries will be accepted. For the moment, Brigadier Jose Miret, who has headed up the Planning Secretariat since it lost its status as a ministry, is regarded as one of the officials that General Viola has decided to keep in his government.

The good relations between Brigadier Miret and the next president predate his designation as president, but their ties have strengthened for reasons that are easy to infer: a) inasmuch as the area of responsibility for direct input in the setting of political priorities for drawing up the budget has passed from the Finance Secretariat to the Planning Secretariat, Miret has become the natural liaison between this government and the next with regard to the 1981 budget; b) Miret has been acting as the virtual host in the building (the one occupied by the Planning Secretariat) in which the public offices have been installed for Lieutenant General Viola and his main collaborators until he takes over as president in March.

Labor

Reliable sources have commented that if the decision is finally made that the Labor Ministry will be headed by a superior officer of the Air Force, the position will be filled by Brigadier Julio Cesar Porcile. He would thus be returning to the ministry in which he served under General Liendo.

Brigadier Porcile chairs the Legislative Advisory Commission, from which he has a virtually complete overview of the main affairs of state at this time.

One of the major difficulties in further guesswork about the cabinet that General Viola will preside over is that the final word has not yet been voiced on amending the law of ministerial areas of responsibility.

Viola said on TV from Rosario on Thursday that even if he knew the names of his future ministers, he would not be able to disclose them right now, because out of "gentlemanliness" he first had to inform the Military Junta. This was a clever way of suggesting that the president appoints the ministers, while at the same time apparently parrying the question.

But whether due to the Military Junta or the Legislative Advisory Commission (CAL), the fact is that the president's opinion will not suffice to amend the ministries law. The opinion of the three branches of the Armed Forces will also carry some weight in this regard.

In any case, it should be mentioned that there is the growing impression that Lieutenant General Viola has come out in favor of changes in the responsibilities, jurisdiction and number of the ministries. The crux of the changes supposedly involves breaking up the present Economy Ministry into three sections.

Dr Martinez de Hoz and his team are making a last-ditch effort to make their view understood that spreading around the responsibilities currently concentrated in the Economy Ministry would be "a serious mistake."

The opposite view, outlined by Viola to friends and collaborators, is that a new law would further facilitate cabinet cohesiveness and the exercise of presidential decisionmaking power. Furthermore, circles close to Viola are saying, such a reform would be in line with the future president's working methods and his strong feelings about not having a ministry that is a "first among equals."

Viola and the Navy

Even though there has been a great deal of talk that the Social Welfare Ministry would be revamped along with the Economy Ministry, there are reasons to believe that the former is lagging behind the latter. Viola will no doubt want to resolve matters in this sphere without hurting anyone's feelings in the navy, one of whose men will be in charge of at least the main section of this jurisdiction, according to all estimates.

The interesting thing is that the only name that has been taken seriously as a candidate for social welfare minister is Rear Adm Carlos Alberto Lacoste.

Lacoste had been mentioned as one of the ministerial candidates before Fraga was appointed as Vice Adm Bardi's replacement at Social Welfare. At present he holds the post of director of naval electronics, but he has been widely known since he demonstrated exceptional organizational abilities in preparing and staging the World Soccer Championship in 1978.

It would not seem to be such a bad idea for a military regime that is still the object of serious political hostilities overseas to have a minister who is often in the journalistic limelight in Europe and other places in which soccer is like a grass roots religion. Lacoste is vice president of the International Federation of Association Football and a member of the federation's organizing committee for the 1982 world championship, to be held in Spain.

Lacoste is considered to have one of the most energetic personalities among active navy officers today. He has enough years of service for a decision to be made in coming weeks whether he will be promoted to vice admiral this year or not.

Question of Affinities

When the military government took charge of organizing the 1978 world championship, he was given an important, though not the main role in the undertaking, but in practice he wound up being the underlying pivot of a spectacle whose staging was hailed as a model of efficiency. What this spectacle cost the Treasury is another matter. This event, the sports triumph that electrified the country, left the harshest opponents of the tremendous economic efforts undertaken, Juan Alemann, Alvaro Alsogaray, without too much of a following.

If Lacoste were, in fact, to become part of the national cabinet headed by Viola, it would be interesting to observe how these two military officers, with their seemingly so different personalities, get along in everyday work, the one being remarkably enterprising and extroverted, the other cautious and phlegmatic. Like former Labor Minister Rubens San Sebastian, both are conspicuous and rabid River Plate fans, which, a Boca booster would say, just proves that no one is perfect.

Four sources close to the president-elect were asked separately this weekend about the possibility of Lacoste becoming a minister in March. Their replies were somewhat different, though they all agreed that in no way was it a

foregone conclusion. With language appropriate to one of the facets of the vice president of the International Federation of Association Football, the least reticent source, which, therefore, ventured to give his candidacy more of a chance, said that "if it's not a goal, it at least hits the goalpost."

From Rosario

Lieutenant General Viola unquestionably made a good choice, to avoid risks, when he agreed to make his first public appearance as president-to-be on privately owned Channel 3 of Rosario. All of the details of the appearance were properly taken care of, including his makeup.

Whoever failed to see, shortly into the interview, that he was witnessing a spectacle prepared for the consumption of as broad a cross section of the citizenry as possible, probably understood little of what was happening on the screen. On account of his military posts over at least the last 10 years, the ruling class--politicians, businessmen, trade union leaders--already knew Lieutenant General Viola quite well.

The salt needed for the meal of political novices contained some brief remarks about populism and elitism. The rest consisted mainly of showing a military man in whom many Argentines could see themselves: father, grandfather, in short, the common man, without grandiloquent words, with simple manners, with a cigaret and a glass of water. Whoever paid close attention to Viola's movements probably noticed the ease with which he took his place in front of the mock "estaño" that was erected as part of a well-thought-out stage setting. The word "estaño" has an implicit meaning in domestic politics, not exactly intelligence or culture but closer to experience, tantamount, among us, to "being street wise."

In this connection, the program provided a fair measure of what suited Viola, no more and no less. That is why the changes in scene settings were a success, including, in television language, several "inserts" in which excerpts from a memorable game of soccer constituted an almost subliminal way of telling the public at large about the feelings of the next president.

We could not exactly say that this was television journalism, because plain journalism, with its strict rules, grants fewer advantages that the ones on the program from Rosario. But we also feel that no attempt was made to make people believe otherwise, and therefore, the program was honest.

Association of Ideas

The only people who could feel cheated were the ones who arbitrarily determined what they could expect and sat down in front of their TV sets to hear Lieutenant General Viola talk about what he feels a proper tariff policy is nowadays or about what we can expect in exchange policy next year. The program was conceived for a different type of audience, one much less interested in details, and in this regard it achieved its objective.

Viola had praise for Pellegrini, Roca and Lisandro de la Torre. The name of Pellegrini is too much associated with the idea of a national industry to overlook the allegory implicit in his mention. Roca suggests the occupying of spaces and territorial integration. With regard to the fact that at the dinner on Thursday night in Rosario after the interview recording Dr Alberto Natale was seated to Lieutenant General Viola's right, this could lead to mistaken conclusions as to why the president-elect spoke about the founder of the Progressive Democratic Party (PDP). As we know, Natale is secretary general of the PDP in Santa Fe.

Dr Rene Balestra, the most important leader of democratic socialism in Santa Fe, was placed at Viola's left at the dinner. If we follow the same criterion, then the president-elect forgot to mention Juan B. Justo, and he forgot yet another well-known figure in 20th century Argentine politics since seated in front of him at dinner was Mr Enrique Osella Munoz, a Peronist leader.

Obviously, then, the names mentioned by Viola during the program on Channel 13 had to do with less specific considerations. Pellegrini, Roca and de la Torre suggest, in fact, an association of broader ideas, tantamount to speaking of order, progress and freedom.

In Parana

Lastly, the future president closed his activities this week with a speech at the luncheon the day before yesterday in Parana on the occasion of the congress sponsored by the Confederation of Rural Littoral Associations.

As on so many other occasions, he had stressed on Thursday that there would be continuity between his government and President Videla's, but he had also cautioned once again that the current economic policy is subject to the modifications and corrections that circumstances dictate.

In Parana he specified that such changes do not necessarily have to be substantive to get domestic production moving again. If we tie in this clarification with the spot that the speaker chose to deliver his first message as president, we would say that the MID [Integration and Development Movement] people should not be congratulating themselves. His message was delivered, in fact, in one of the traditionally most liberal jurisdictions of businessmen farmers.

In addition, Mr Jorge Aguado, identifying with the rural coastline confederation members, was also present at the luncheon in Parana. As president of Argentine Rural Confederations, Aguado is clashing with the farming circles in the MID, although he has strong critical reservations about some aspects of the current economic leadership.

As we know, the MID circles are trying hard to get the Argentine Rural Confederations to back the National Business Convocation, one of whose sponsors is the Argentine Agrarian Federation.

The Counsels of Polonius

For some time now, foreign exchange losses have been hovering around $30 to $40 million a day. These losses unquestionably do not stem solely from the expectations prompted in connection with what is going to happen after March with the dollar; they also are due to the natural characteristics of our balance of payments in second halves and, if you will, to certain harvest difficulties this year.

Be that as it may, the exchange issue and the impact that uncertainty regarding developments in it is having on interest rates and, hence, on the outlook for economic and financial activity, paint a picture that this week's public statements by the next president have certainly in no way modified. In this regard, Viola is still observing the counsels of Shakespeare's Polonius: "Give every man your ear and few men your voice."

In the meantime, that continues to be the key in what we could describe as the current transition until March and in response to which we can expect certain government steps over the next 2 weeks. Such new developments have been suggested by the president in Mendoza and heralded by the economy minister on Thursday in Rosario and by the president of the National Development Bank in a speech delivered here on Wednesday.

Basically, steps are supposedly to be taken to refinance business debts on medium- and long-term bases, to the extent possible, as explained in detail in our "Al Margen de la Semana" commentary. After all, there are sectors that want action rather than words.

8743
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MASSERA: CURRENT STAGE IN PROCESS FILLED WITH FEARS

Buenos Aires CLARIN in Spanish 22 Nov 80 p 6

[Text] The former commander in chief of the navy, retired Adm Emilio Eduardo Massera, spoke yesterday about fear, describing it as "a presence that seems to have taken hold among Argentines" and noting its inroads in the country's political, social, economic and cultural life.

Massera asserted in this regard that "the fear that we did not have of war, we have of peace, because we are moving into it with excessive wariness, full of useless precautions."

Massera delivered a speech at the headquarters of the Association of Business Employees of Bahia Blanca, a city in which an in-depth interview with the former navy commander also appeared yesterday in the local paper LA NUEVA PROVINCIA.

In his address Massera pointed out that "in Argentina today civilians are fueling small fears against the military, even though together they won the war, and the military harbors small fears of civilian public opinion."

He also underscored that "businessmen are afraid of going broke or that an overblown state will suffocate them" and that "the workers are afraid that their social gains will be undone."

Massera asserted along the same lines that "artists are afraid of censorship; censorship is afraid of ideas, and some print media are afraid of the truth."

"Those on the left," he went on to say, "are afraid that everything will get mixed up and progressives and terrorists will be put in the same category; those on the right are so afraid of the leftists that they wind up advocating a police state as in nations with Marxist regimes."

The Economic Leadership

Pursuing this tack, Massera then asserted that "the leaders of our economy are afraid of being displaced, and almost everyone is afraid that the new administration is not going to displace the economic leadership."

He then indicated that "the haughtiness exhibited by those who scorn the opinions, feelings and realities of the country seems to have been permanently taken up as an essential attitude, an attitude that carries them to the extreme of disclosing grudgingly, if not refusing to disclose, information on government activities, an attitude that strikes at the most elementary republican sentiment.

"The everyday results of this attitude," he added, "are affronts to the broadest and most diverse sectors of the country. Politicians are attacked and accused of being out-of-date and unrepresentative, and even of being subversive and corrupt, a generalization that is as unfair as it is erroneous. Businessmen who disagree with the results of an economic policy that is not just pragmatic but makeshift and pursued against the grain of Argentine realities, are opposed when they react to it."

Referring to the next government, Massera pointed out later that "its first main step must aim at getting us to lose our fear of democracy," asserting that "the new president has the full support of the citizenry to correct mistakes and deviations and to do the things that the country is calling for."

Interview

In the LA NUEVA PROVINCIA interview, Massera asserted with regard to Rockefeller's recent visit that he selected Argentina for Chase's annual meeting to back Martinez de Hoz and because his own interests required it.

Massera also reaffirmed his support for agrarian leader Humberto Volando, noting that "when I was commander in chief, I gave a speech at the Confederation of Buenos Aires and the Pampa Rural Associations in which I confirmed my defense of the right to dissent."

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CORDOBA GOVERNOR REPLIES TO MASSERA'S CRITICISMS

Buenos Aires LA NACION in Spanish 25 Nov 80 p 6

[Text] Cordoba--The governor of the province, retired Gen Adolfo Sigwald, has contested assertions by retired Adm Emilio Massera and radical leader Ricardo Balbin regarding Argentines' fears. In speaking before a neighborhood rally in the town of Berrotaran, he urged the people to continue working "without fear, the fear that has been talked about so much recently and that I do not understand.

"The people afraid? I would ask: Afraid of what? There are men and women here, youngsters and children playing. What are we afraid of? We aren't afraid of anything. Why should we Argentines be afraid?"

Continuity, Not Perpetuity

On another issue, he countered charges of a potential status quo outcome for the process. "When those of us in the National Reorganization Process talk about continuity," he explained, "we are not talking about perpetuity. We have said very clearly that the ultimate objective of the process is democracy with full-fledged constitutional institutions.

"So then, it is far from the minds of the men of the process to remain indefinitely or forever. We are undergoing the National Reorganization Process to achieve the objectives set by the Armed Forces in 1976, and when the conditions are present, the institutions of the constitution will be in full operation, whereby citizens can express their will through their votes, through the ballot box. But before we get there, we want them to be prepared civicly to vote responsibly, to put their power of reasoning and intelligence, not just their heart, in their vote."

8743
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DISCREPANCIES WITH SOCIALIST INTERNATIONAL NOTED

Buenos Aires CLARIN in Spanish 20 Nov 80 p 8

[Article by special correspondent Antonio Morere]

[Text] The Socialist International sees a conflict-ridden picture in the political faction that supports it in Argentina, at a time when the new Social Democratic strategy is to intensify its presence and impact in Latin America.

The Socialist International's obvious intention of intensifying its presence and impact in Latin America, in accordance with the Social Democratic group's new strategy, could have concrete manifestations in Argentina in a few months.

This hinges, however, on three basic factors, among others: it must reverse the weakness of its local representatives; it must not generate unyielding resistance in official circles, which could thwart its plans, and its concern with other world problems must not detract from its concern for Argentine affairs.

No New Moves

In terms of local impact, the world congress that has just met in Madrid made no new moves regarding the current situation. The Popular Socialist Party, headed by Victor Garcia Costa, is still the only Argentine group that is a full member of the Socialist International.

Separately, delegates from the Socialist Confederation, headed by Ruben Visconti, and from the Unified Socialist Party, led by Simon Alberto Lazara, were invited to attend the congress as "observers," and they did.

This was also the status accorded Diego May Zuviria, from the Intransigent Party. The group's leader, Oscar Allende, clarified yesterday here that May Zuviria was the only representative authorized by Intransigent National Committee and that his party did not accept an invitation from the secretary general of the Socialist International, Bernt Carlsson, to join as a full member.

His clarification implicitly disavows Maydee Birgin and Eduardo Andriotti Romanin, both of whom reside overseas and who collaborated with May Zuviria in Madrid.

With regard to radicalism, the congress was attended by Luis Caceres, the president of Radical Youth and a regular member of IUSY, the Socialist International's youth group.

It is not too clear how the Socialist International will be able to refurbish its local division, which has a number of particularly factious elements, and to turn it into a homogeneous force with a certain amount of political clout.

In any case, in his speech closing the congress, Spain's Felipe Gonzalez made remarks that definitely evinced common cause with the Argentine groups, independent of their vote-getting capabilities, he clarified expressly.

View on the Process

A delegation from the Socialist International will be visiting Argentina once Viola takes office as president.

The mission will have a dual purpose, having to do with the political liberalization expected and with the potential overhaul of local personnel.

Social Democrats entertain certain expectations regarding the future stage of the Argentine process, although their current stand is one of open opposition to the Argentine Government, as evidenced in the paragraph devoted to our country in the final declaration of the Madrid congress.

The paragraph reads: "We offer our solidarity to the democratic forces that are struggling against repression in Argentina. We reaffirm, from the bottom of our hearts, our solidarity with the 'May Square mothers' and we demand that the Argentine Government account for the missing persons, missing children in particular."

8743
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TURBAY, OTHERS COMMENT ON U.S. ELECTION

Bogota EL TIEMPO in Spanish 6 Nov 80 Sec A pp 1, 6

[Text] Yesterday, President Julio Cesar Turbay denied that the Latin American continent would head toward a "rightwing position" as a result of the election of the Republican, Ronald Reagan, to the presidency of the United States.

Turbay Ayala commented: "I do not believe that the effect of the North American election will be reflected in a rightwing position on the continent," noting that the circumstances which prevailed in the United States were different from the political issues which are decisionmaking factors elsewhere.

For example, he remarked that the United States felt that its image as a great power had been somewhat dimmed, and hence the people who voted for Reagan "were trying to restore that country's victorious image."

Former President Alfonso Lopez Michelsen, for his part, agreed with Turbay Ayala in the conviction that the increased inflation and unemployment had an effect on President Jimmy Carter's defeat.

Lopez Michelsen said that the Democratic Party, like all liberal parties, is without a dogma, which made it easy for the Republicans to take advantage of that tired attitude of the Americans to accrue good election results.

Yesterday, Turbay Ayala and Lopez Michelsen granted interviews to newsmen from the Caracol and RCN radio networks, expressing their views on the future of Latin America confronted with the Reagan government.

Also, in Bogota, the former Conservative president, Misael Pastrana Borrero, said that several lessons may be learned from the results of the American elections.

For example, he claimed that it was proven that the results of opinion polls do not always reflect the true electoral sentiments, and he predicted a possible different handling of the matter of the hostages in Iran.

As for the chairman of the Alvarist National Conservative Directorate, Miguel Escobar Mendez, he thought that the results were predictable, because the opinion polls had shown a desire for a change and a new course of action.

He said that the Americans showed clear-cut signs of disenchantment with President Carter's policy, noting that the Reagan victory could serve to foster a change of direction in Colombia.

Meanwhile, the chairman of the National Liberal Directorate, Victor Mosquera Chaux, remarked that his party hopes that Reagan will fulfill and uphold the commitments made by the United States to Latin America.

Turbay Comments

Turbay Ayala stated: "I want to tell you that we received the news with the surprise that you can imagine. We were not, and I don't think international opinion was, psychologically prepared for a victory the size of the one that Mr Reagan has just won."

He added: "I think that it obviously surprised the Americans themselves, and possibly the winning candidate himself, who was not expecting his victory to be of the proportions that were reached."

Turbay Ayala then remarked: "Obviously, everywhere on the globe, inflation, unemployment, the energy crisis, and social factors are affecting the determination of the destiny of nations; and, of course, they played a major role in the American determination.

"But there is another factor which, in my opinion, had a far greater influence, namely, the status of national pride. Many Americans thought that the image of a great power which had never been beaten nor humiliated was slightly dimmed; and I think that it was with a certain desire to restore the victorious image of the United States that many people turned toward the candidate Reagan."

Turbay Ayala subsequently noted: "We view Reagan's victory with hopeful surprise; there has not been a very important policy toward Latin America on the part of any president, except the late President Kennedy. So, to us, from the standpoint of a great policy's having been abandoned with the defeat of Mr Carter, this is not a matter that we could take for granted.

"On the contrary, we think that the great policy for Latin America has yet to be made, and if Mr Reagan wants to make it, he would have extensive opportunities to win the sympathy of these countries, which still view him with a great deal of curiosity, not knowing the final position regarding the fate of inter-American cooperation. As for me, I view him with the most hopeful sympathy, in the hope that what has been said and never done with regard to cooperation may now show good signs."

Turbay said: "I don't think that politics is a mere phenomenon of contagion. The parties are not like styles, and just because a party is in style in one country, this would be transferred to other countries. Insofar as politics is concerned, there are very special reasons and circumstances closely associated with the nation in which they occur. I don't think that Mr Reagan's victory, or Mrs Thatcher's victory in England, or Mr Seaga's victory in Jamaica necessarily must be reflected in all the conservative candidates in the world which, on that basis, should prepare now to assume power. It seems to me that what is necessitated is that the liberal parties and the democratic leftist parties realize that there are serious possibilities of their power being contested, and this requires that they act more conscientiously with their responsibilities, especially in the case of Colombia, where the majority of the party which brought me to the presidency of the republic has traditionally been prestigious. If that party does not split, does not become divided

and does not decide to commit suicide, I don't think that Mr Reagan's victory will have any connection with the destiny of Colombia."

Lopez Michelsen

For his part, former President Alfonso Lopez Michelsen described the American electoral event as historic.

Lopez Michelsen remarked: "Historic, in the sense that not only was the fate of the Republican Party and the Democratic Party decided, but, as many commentators have mentioned, an era in the history of the United States has ended."

He added: "An era during which there was domination by a coalition formed during the administration of President Roosevelt, comprised of the labor unions, the Catholics, the racial minorities and the southern states, which had formed a majority for the Democratic Party. That majority disintegrated in Tuesday's elections when, even among the labor unions, the Reagan forces succeeded in making highly significant inroads. Hence, it may be said that this has the scope not only of an election, but of an historic date, and a milestone in the development of the United States as a nation."

Lopez Michelsen recalled that the fate of the government parties was unlucky during times of inflation. "Rightwing governments fall just as leftwing governments do. The fact is that the United tates Government was liberal, and inflation has brought down the Democratic Party."

However, Lopez Michelsen observed: "After 2 or 3 years, I would like to find out whether the Democrats return as has already happened in the case of India, for example. So long as the problem of the high cost of living is not solved, the government will be held responsible for the high cost of living, regardless of its affiliation; because the public protest will make itself heard in the form of a vote against the government."

He declared: "The feat of keeping a party in the government has been seen in very few countries during the past 4 or 6 years."

Escobar Mendez

The chairman of the Alvarist Conservative Directorate, Miguel Escobar Mendez, said that the results in the United States were predictable, because the Americans wanted a change in view of the disenchantment that the Carter administration caused among them.

Escobar Mendez said: "I think that this means an obvious change in the United States' policy, and I hope that this change will prove favorable for Latin America, and also that public opinion in Colombia will imitate the example, and decide to promote a change in the country."

Pastrana's Opinion

Former President Misael Pastrana made the following comment to EL TIEMPO concerning the election results in the United States:

"Several lessons may be learned from the elections in the United States; first of all, that the polls do not, as claimed, reflect the true sentiments of the electorate. None of the polls, which presumably were taken with a high degree of technical expertise in the country to the north, gave Reagan the lead that he obtained. Either the polls were mistaken in the manner in which they were carried out, or there was a last-minute circumstance, which might well have been the contradictory handling of the final release of the hostages in Iran, that changed the attitude of the electorate.

"On the other hand, the high rate of abstention is still a phenomenon in the present democracies, even those with the greatest political significance, such as the United States, where there is no difficulty in the voter's having access to the polls.

"The American election also indicates that there is no such thing as unchangeable political loyalties on the part of the voter in the world of today; on the contrary, that electorate is obviously prompted by attitudes, programs, options and even individuals in the context of changing alternatives.

"In this context, it is noteworthy that the working electorate, which is traditionally democratic, was considerably displaced in yesterday's elections.

"As a final observation, I would say that the democracies clearly need a set of alternatives for the decisions relating to power, particularly for the chief executive of the state. Hence it would be fitting, on the basis of experience, to reconsider the feasibility of a political agreement in Colombia on certain conditions, that would allow the parties to appear before the electorate as clearly different options, with a lofty spirit of harmony."

Valencia Lopez

Finally, the chairman of the Ospino-Pastranist Conservative Directorate, Ignacio Valencia Lopez, claimed that the Reagan victory has strengthened the democracies of America.

Valencia Lopez remarked: "The American people's solid support for Reagan puts him in an invulnerable position, and the balance in world politics will surely again become the point of accord for maintaining peace."

Alvaro Gomez

Senator Alvaro Gomez stated:

"The Reagan victory has several meanings: an international one, representing an acquisition of awareness by the American people of their mission in the world. I think that the results are due to the dissatisfaction caused by the decline of United States leadership in the democratic world. Politically, there is no doubt that the great Anglo-Saxon democracy has assumed a conservative path. This is the most outstanding evidence of the political style that prevails in the democracies."

Gomez said: "Insofar as Latin America is concerned, we should not judge the event with the narrow view that the Americans in one party are better because they say nicer things about our hemisphere than the others. By the very fact that it occurred, Reagan's victory has prevented the Caribbean and Central America from being lost for democracy."

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CSO: 3010

FINAL TEXT OF AMNESTY DECREE PUBLISHED

Bogota EL TIEMPO in Spanish 26 Nov 80 p 6-A

[Text] The following is the final text of the draft amnesty decree approved yesterday by the First Commission of the Chamber of Representatives:

Article 1. Amnesty is granted to all Colombians who were the authors of or participants in events constituting rebellion, sedition or mutiny, and crimes connected therewith committed before the present law went into effect.

Amnesty does not cover the cases in which the crimes of rebellion, sedition or mutiny involved kidnapping, extortion, homicide committed outside of combat, arson, the poisoning of water sources or reservoirs, and in general any act of barbarism or savagery.

Article 2. The benefits to which the preceding article refers will be granted within the four (4) months following the approval of this law to those who took up arms. When that period has ended, provided the conditions set forth in Article 11 exist, applications for amnesty from those arrested or sentenced for rebellion, sedition or mutiny and related crimes will be considered, except under the circumstances described in paragraph 2 of article 1.

Article 3. Any person desiring to benefit from the amnesty should present himself to any political, judicial, military, diplomatic or consular authority within the four (4) months after this law becomes effective, surrendering the weapons, ammunition and explosives in his possession, with a specific and personal statement that he will cease participation in the punishable acts to which the preceding norm refers.

Article 4. Those who present themselves to apply for amnesty may not be deprived of their freedom nor subjected to harassment of their persons or property because of the crimes with which this law deals during the procedure provided to rule on the case. An official engaging in such acts will be charged with the crime of arbitrary arrest or abuse of authority as the case may be, will lose his post and will be subject to a fine varying from 10 to 20 thousand pesos in present currency.

Article 5. An official to whom an individual presents himself to apply for amnesty will draft a document which must contain at least the following information:

1. Given and family names of the applicant and nicknames, if any, place of residence and record of the identity papers presented.

2. Description of his role in the actions to which this law refers, dates of proceedings in progress against him, if he knows of any, and a statement of his desire to rejoin civilian life.

3. List of the weapons, ammunition and explosives surrendered.

The document will be signed by the participants and will bear the fingerprint of the applicant, who will indicate the address he has chosen as his residence. The applicant will receive a document attesting to his appearance and the initiation of the amnesty proceeding.

Article 6. Within the five (5) days after the signing of the document, it will be sent to the pertinent governor, intendant or commissioner.

Article 7. Within the ten days after this law goes into effect, the officials who are hearing trials brought for the crimes to which article 1 refers must send to the governors, intendants or commissioners a list of the persons involved in these court procedures.

On the basis of the reports received from the officials to which the preceding paragraph refers, the governor, intendant or commissioner will, within ten (10) days of receipt of the information, send the proper documentation to the pertinent authorities.

If on the basis of the reports received it is concluded that there is no basis for trial, the files will be sent to the high court of the proper judicial district.

Article 8. If there is a basis for trial, once the documentation has been received, the judge hearing the case will rule clearly on the amnesty application within the following fifteen (15) days.

Article 9. If there is no basis for trial, the high court of the pertinent judicial district will rule on the amnesty application.

Once the documentation has been received, the high court, through the criminal ruling chamber, will rule clearly on amnesty. The trial judge will have three (3) days to present a proposal and the chamber will have two (2) days to rule.

The ruling will become executory on being handed down.

Article 10. Amnesty applications presented to diplomatic or consular officials will be conveyed to the ministry of foreign affairs. That ministry will transmit them to the ministry of government, which will establish whether or not there are grounds for trial. If there are, the application will be sent to the official hearing the case. If there is no basis for trial, the application will be sent to the high court of the Bogota judicial district.

Article 11. The benefits of amnesty will be extended to Colombians who have been deprived of their freedom, tried or sentenced for the crimes of rebellion, sedition or mutiny and crimes related thereto, with the exception of the crimes listed in paragraph 2 of article 1 of this law.

Once the period of time to which article 2 refers has elapsed, presuming the proper development for the reestablishment of peace thanks to this law, the government will decree the launching of the procedure to grant amnesty to those arrested, tried and sentenced, who must make application within the following two (2) months.

Article 12. Amnesty applications to which the preceding article refers will be ruled upon by the judge hearing the case within ten (10) days of their presentation.

The document rejecting an application for amnesty will be subject to appeal, which can be filed by the individual charged, his representative, or a representative of the public prosecution. If no appeal is filed, the ruling will be reviewed.

Article 13. No application for amnesty will interrupt the continuation of trials in progress.

Article 14. A copy of the ruling on each amnesty application will be delivered to the applicant in person.

Article 15. Each ruling granting amnesty will be filed under adjudicated cases.

Article 16. Without prejudice to the criminal suits which may be filed, officials who fail to implement the terms set forth in this law will be liable for misconduct.

Article 17. This law will be effective as of the date of its approval.

Signed by your commission: Jose Ramirez Castano, Jaime Pinzon Lopez, Zamir Silva Amin, Eduardo Rosas Benavidas, Jairo Ortega Ramirez.

5157
CSO: 3010

EMBASSY ATTACKERS ALLEGEDLY BACK IN COUNTRY

Bogota EL TIEMPO in Spanish 27 Nov 80 Sec A p 6

[Text]A year since the initiation of the verbal court martial of the members of M-19 [19 April Movement] and 9 months after the seizure of the Dominican Republic's Embassy, the authorities published the background information on the heads of the organization and of the Marcos Zambrano squad, and requested the cooperation of Colombians in capturing them.

At the same time, it was learned that the physician, Carlos Toledo Plata, is ill, and therefore the movement's leadership has been assumed by former medical student Jaime Bateman Cayon. The intelligence service accepted the story of the M-19 leader who claimed that "Commander No 1" and his comrades returned to Cuba several days ago.

All those who occupied the Dominican Embassy, where 16 foreign diplomats were held as hostages, have been tried as defendants in absentia in the trial which began on 25 November of last year, and which is currently in the phase of preparing interrogations.

The authorities revealed the biographies of the members of the M-19 Higher Command for the first time, and made recent photographs available, so that the citizenry might cooperate in the search for them.

Bateman Cayon was born in Santa Marta on 23 April 1940, and is known as "Pablo Garcia" or "El Flaco". The son of Carlos and Clementina, he is married to Peggy Ann Klelland Amado, and studied medicine at the National University until the sixth semester. He is 1.86 meters tall, and has a dark complexion, hazel-colored hair and a mole on his face. His citizen's identity card is No 2,945,835, of Bogota; and he has no military passbook, judicial record or passport.

Toledo Plata was born in Zapatoca, Santander, on 13 December 1932, and is known as "Francisco," "Pacho" or "Jacinto." The son of Angel Miguel and Virginia, he is married to Celina Mercedes Maza, of Argentine origin, and is a graduate in pediatric medicine. He is 1.68 meters tall, and has a medium-dark complexion and graying hair; and he wears glasses. His identity card is No 5,558,169, of Bucaramanga, and he has military passbook No 326502, of District 23, second class. He does not have a passport. In the organization, he is head of the Oriente regional entity.

Ivan Marino Ospina was born in Roldanillo, Valle, on 16 April 1940, and is known as "Alvaro" or "Felipe Gonzalez." The son of Jorge Tulio and Ana Felix, he is married

to Fanny Gomez, who was recently arrested in Medellin. He holds a bachelor's degree in the humanities and is employed as a merchant. He is 1.71 meters tall, and has hazel-colored hair, a dark complexion and dark eyes. His citizen's identity card is No 17,004,828, of Bogota, and his judicial record is No 614825. He has no military passbook, and he is chief of the Boyaca regional entity. He also coordinates special operations, and is an expert on explosives. Last June, he escaped from the La Picota jail, where he was tried in a court martial.

Jose Elmer Marin Marin, a companion of the former individual in his escape, was born in Rioblanco, Tolima, on 5 September 1948. Known as "Mario" or "Roberto," he is married to Gladys Lopez Jimenez, and is the son of Mario and Roberta. He has a bachelor's degree. His height is 1.70 meters, and he has a dark complexion and hazel-colored hair. He holds identity card No 13,809,229, of Bucaramanga. He does not have a military passbook or a judicial passport. He is head of the Tolima and Valle regional entity, and with the foregoing individuals is a member of the organization's high command.

It was also disclosed that Grace Leovenherz Vera was recently arrested in this capital. Born in Bogota on 30 October 1951, she held the rank of senior officer in M-19. She is single, graduated with a degree in anthropology, and is 1.66 meters tall, with a fair complexion. She was tried in the court martial that is under way against over 150 members of M-19. The authorities said that they are seeking the young woman Maria de los Angeles Toledo Maza, daughter of the congressman, and Esther Moron de Arteaga, leaders of the movement.

Background on Those Who Occupied the Embassy

On 27 February, an M-19 commando group violently seized the Dominican Embassy while a cocktail party was being held to mark another anniversary of that country. Nearly 50 persons were taken hostage, and later several of them were released, remaining inside the embassy until the end of the drama. There were 16 ambassadors from various nations of the world. The intelligence service subsequently managed to establish the identity of the subversives, and yesterday supplied that information to the press, so as thereby to capture them.

Rosemberg Pabon Pabon, known as "Pacho," and identified as the "No 1" commander, was born on 11 June 1948, in Cali. His parents were Arcesio, now deceased, and Leyda. He has citizen's identity card No 14,949,873, of Cali, and is a graduate in the field of social sciences. He is married to Lucelly Ramirez, who graduated with a degree in education.

He joined M-19 in 1976, at the suggestion of Arjaid Artunduaga Rodriguez, known as "Ivan," who is a senior officer in the organization.

In May 1977, he led the construction of the "People's Jail" in the Nuevo Tequendama district of Cali. Until 4 September 1978, he was employed in the senior high school in Jumbo, Valle, and was replaced by his wife, who resigned on 31 January 1979. In February of that year, he traveled with his wife to Tambo, Cauca, and turned up again at the time of the attack on the embassy.

Wilder Cesar Silva Barreto, known as "Macaquito" or "Gervasio," is of Uruguayan origin, and has been identified as the "No 3 commander." He was a member of the Tupamaro National Liberation Movement in his country, and entered Colombia in March 1978. He had previously been in Cuba, where he received guerrilla training. In 1979, he joined M-19 under the name of Victor E. Salazar.

Jorge Ivan Rojas Sanchez, alias "Genaro," is known as the "No 5 commander." He has citizen's identity card No 10,056,739, of Pereira, and was born on 16 July 1950 in the capital of Risaralda. His parents are Luis and Rosalba, and he is a mechanic by trade. He is 1.72 meters tall, dark and has black eyes.

He was a member of the National Liberation Army, and joined M-19 in 1975, as a first officer. On 26 July 1976 he was apprehended by the police on the premises of the National University, while painting slogans referring to the organization. He had in his possession a car with license plates AH-6549, which had been stolen a few days earlier. He was released with a writ of habeas corpus. By virtue of official memorandum 166, dated 17 August 1976, he was wanted by the 56th court of criminal proceedings for the illegal carrying of arms. On 1 October 1976, through official memorandum 01, he was wanted by the 14th superior court in connection with several investigations.

He took part in the construction of the "People's Jail" in the Lucerna district of Bogota, in which the head of the CTC [Confederation of Workers of Colombia], Jose Raquel Mercado; the former Conservative minister, Hugo Ferreira Neira; and the former Colombian ambassador to France, Miguel de German Ribon, were held captive.

Miguel Angel Mojica Rincon ("Alfredo"), known as the "No 7 commander," was born on 25 March 1958, in Bogota, and has citizen's identity card No 19,434,582, of Bogota. He is single, the son of Adolfo and Evelia, and is 1.70 meters tall, with a dark complexion. He is a former employee of Chrysler Colmotores. He attended secondary school and uses the name Ernesto Martinez Pulido. He has no criminal record.

Pompilo Aragon Zamora, known as "Pilo," is single, and an engineering student at the University of Valle. He was born on 9 June 1954, and has citizen's identity card No 14,443,606, of Cali. He joined M-19 in 1978, with the rank of second officer, and is a comrade of Clemencia Sandoval Garcia, who is currently being tried in the verbal court martial of the members of that movement.

Clelia Maria Garcia Henao, born on 29 May 1948, in Caicedonia, Valle, is known as "Mariela." With citizen's identity card No 24,476,562, of Armenia, she is fair, and 1.47 meters tall. She joined M-19 in 1977, as a second officer, and was a member of the commando group which kidnapped the then Nicaraguan ambassador to Colombia, William Barquero Montiel, on 10 May 1978.

Gladys Diaz Ospino de Amortegui, known as "Carmenza," has citizen's identity card No 41,435,241, of Bogota, Born on 24 November 1948, in Mompos, Bolivar, she is married to Guillermo Arturo Amortegui Ramirez, who is currently under arrest. She is a physician by profession, and until February 1979 was working at the health station in Morales, Cauca.

In the latter part of 1977, she joined M-19, and in 1978 founded a guerrilla school in Paletara, Cauca, which was attended by Jose Antonio Navarro Wolff, Pablo Soltan Tatay Benish, known as "Liberado," and Maria Graciela Bolanos de Tatay, known as "Elvira." The school was headed by Ivan Marino Ospino, or Felipe Gonzalez, a fugitive from La Picota.

Carmenza Cardona Londono, who was known as "Norma" or "Stella," was born on 15 July 1952, in Cartago, Valle. She has citizen's identity card No 31,261,421, of Cali. She is 1.50 meters tall, and has a dark complexion, broad, heavy eyebrows, thick lips and a well developed bust. She took university courses. Her parents are Rafael Antonio and Ascenet. While employed as a teacher, she became affiliated with M-19 through Antonio Jose Navarro Wolff, and in December 1978 cooperated with him in the establishment of the guerrilla school in Paletara, Cauca. In late January 1979, she accompanied Navarro to Coconuco, Cauca, in order to meet with Marco Anibal Avirama for the purpose of locating some weapons that they had concealed in storage since the last guerrilla school. She was the "No 9 commander," and was the one assigned to negotiate with the government's emissaries, in the yellow station wagon.

Maria Clemencia Sandoval Garcia, known as "Martha," and a companion of Pompilio Aragon Zamora ("Pilo"), was born on 19 August 1956 in Bogota. She has citizen's identity card No 31,466,277, of Yumbo, Valle. The daugher of Virgilo and Cecilia, she is a graduate in civil engineering. A second officer in the organization, she led the seizure of the newspaper EL CALENO, on 17 April 1979.

Gloria Amanda Rincon Lopez, who was wounded in the occupation of the embassy, is known as "Andrea." She was born on 8 October 1957, in Florencia, Caqueta, and has citizen's identity card No 40,755,969, of that town. The daughter of Luis Alejandro and Maria Jesus, she is a student and a legal secretary. Single, she is 1.64 meters tall, and has a dark complexion. In 1978, she joined M-19 as "No 2 officer," and in January 1979, with the Monje Benavides brothers who are now in exile, she led the mobile commando group of the organization in Florencia. In February 1979, she operated with Gustavo Arias Londono ("Gerardo") in Caqueta and Huila. She was the "No 13 commander" at the Dominican Embassy.

The four remaining guerrillas were identified as follows: "No 15 commander," Roberto Prada Lopez; "No 17 commander," Rene Polanco Betancourt; Napoleon de la Fuente, a native of Antioquia; and Jorge Eliecer Cepeda Duque.

The authorities presume that they all entered the country over the Venezuelan border, and several of them intended to participate, on 19 September of this year, in the abortive "Eighth Summit Meeting of M-19," which was to have been held at the Potosi bathing resort in Tocaima, Cundinamarca.

Before leaving the country with their hostages, the members of the Marcos Zambrano Commando Group received passports in the following names: Omar Cardona Torres, Genaro Molina Ceballos, Pedro Gutierrez Ruiz, Alfredo Martinez Laspriella, Roberto Prado Lopez, Rene Polanco Betancourt, Jorge Eliecer Cepeda Duque, Napoleon de la Fuente, Natalia Mendoza Arias, the negotiator, Emilia Ramirez Gomez, Renata de la Concepcion Galindo, Estella Mambuscay Rendon, Maria Salcedo Pacora and Victoria Osorio Navas.

Jorge Iván
Rojas Sánchez,
Comandante "Cinco"

Pompilio Aragón
Zamora,
Comandante "Siete"

Carmenza Cardona
Londo,
Comandante "Nueve"

Gladys de Amórtegui
Díaz Ospina,
médica

Rosemberg Pabón
Pabón,
Comandante "Uno"

Wilder César
Silva Barreto,
Comandante "Tres"

María Clemencia
Sandoval García,
Ingeniero Civil

Clelia María
García Henao

2909
CSO: 3010

EXPORTERS CALL FOR INCREASED PESO DEVALUATION

Bogota EL TIEMPO in Spanish 23 Nov 80 Sec C p 5

[Text] The National Exporters Association (ANALDEX) has requested that the government increase the rate of devaluation, "because we have actually revalued our currency."

Alfonso Rojas Llorente, chairman of ANALDEX, said that the price of the dollar should be more than 65 pesos and not slightly over 50 pesos, which is the official exchange rate.

Rojas remarked that the devaluation has been slow, and that a more accelerated rate must be maintained, as a means of increasing the share of Colombian products on the international market.

The chairman of ANALDEX submitted the following statement:

Devaluation is a subject which evokes conflicting reactions in Colombia, with some holding the view that the government is accelerating it in a reckless manner which, they claim, has been reflected in a weakening of the economy because of the lack of a sound currency.

However, there are incontrovertible events, such as the fact that internal production costs have risen far more rapidly than the peso's devaluation; and so, while the index of devaluation during the past 10 years increased from 100 to 200, the inflation rate for the same period rose from 100 to 800. This means that the competitive status of native production in comparison with the foreign supply has been drastically curtailed, with a negative effect on the exporting process. Not only that, for on the internal market as well, every day one observes an increase in this lack of competitive status in comparison with the imported product, and it has become increasingly more attractive to import.

In previous years, the devaluation process was restrained, perhaps to prevent the likely inflationary impact, which experience has proven to be considerably less than was thought; and therefore, the dollar should now be priced about 65 pesos. This necessitates maintaining a more accelerated rate of devaluation because we have actually revalued our currency. It is not a matter of devaluating at a more accelerated pace out of a mere desire to do so, but rather because we must counter the systematic revaluation of the peso.

Rapid devaluation may possibly entail drawbacks, owing to a potential inflationary effect, of which we are not unaware, although to a lesser extent, as we said, than people think. And if there is no correction in this situation whereby there is a greater difference each day between the internal rates of inflation and devaluation, the exchange outlook is very gloomy, despite the abundant reserves; because we must not forget that their growth is due in large measure to the income in hard currency derived from illegal export operations, mainly involving drugs, while our legal trade balance has been systematically in a state of deficit recently.

If one adds to this the fact that coffee prices have been greatly reduced, while the need for imports has increased, and the demand for hard currency with which to pay for fuel has risen sharply, if no definitive measures are adopted for the devaluation process, hastening it, we may soon find ourselves facing an exchange situation that will curb and hamper the country's overall development, leading us to a crisis of incalculable seriousness, which will hurt all of us, not only the exporters.

2909
CSO: 3010

CONGRESSMAN REPORTS TO CHAMBER ON FICTITIOUS EXPORTS

Bogota EL TIEMPO in Spanish 27 Nov 80 p 12-A

[Article by Ramiro Castellanos: "Fictitious Exports Totaling 46 Million U.S. Dollars Denounced in Chamber"]

[Text] Colombia effected fictitious exports totaling $46 million--approximately 2.1 billion Colombian pesos--in one year, parliamentarian Hugo Serrano Gomez of Santander charged.

The congressman spoke out yesterday during a debate in the Eighth Commission of the Chamber of Representatives attended by the director of the INCOMEX [Colombian Foreign Trade Institute], Edgar Moncayo; the director of the PROEXPO [Export Promotion Fund], Manuel Jose Cardenas; a representative of the controller general of the republic and another representative of the Issuing Bank.

Serrano Gomez said that a study of import forms revealed that in many cases the consular tax had not been properly paid, and he said that friction had developed between controller's office officials and those of the INCOMEX, because the latter would not allow the fiscal checks for which the law provides.

He noted that in a check of 40 sample tax payment forms, carried out in cooperation with controller's office employees, 22 were found to be in error, lacking seals or having been issued to individuals and enterprises with tax debts to the national treasury administration. The 22 importers owed the state 246 million pesos.

He stated that the firms to which paid-up tax statements were delivered included Nissan Distributors, which owed more than 14 million in taxes; Central Colombian Auto-Agriculture, which owed 2 million; Colombian Polyethylene, which owed 20 million; and Icasa, which owed 9 million.

He said that some importers had expressed to him a concern, because people do not want to be involved, about the fact that INCOMEX middlemen were collecting five pesos on every dollar of import value.

Serrano Gomez appeared on a summons from parliamentarian Alegria Fonseca, who said that in the case of the false paid tax statements the responsibility should not be borne by the INCOMEX, but that the tax director instead should be held responsible.

Parliamentarian Antonio Ramirez said for his part that the INCOMEX was wasting money on travel expenses. He cited the case of an official who was sent to Cali on an expense account which totaled 187,800 pesos.

Serrano Gomez said that in connection with the fictitious exports, the national government had to pay the "exporters" 24 million pesos.

He mentioned as a curiosity the fact that supposedly a volume of carrots was exported which exceeded the total domestic production. He read a part of a report from the special customs investigation section, in which the authorities maintained that fictitious exports were effected with documents used for normal exports, but that without a doubt there had to be complicity on the part of the officials handling the licenses.

INCOMEX Director's Version

Edgar Moncayo, the director of the INCOMEX, said that that body handles 160,000 import licenses a year and that each application passes through the hands of 40 employees.

He said that if there are shortcomings it is because there are no control mechanisms.

"How can the INCOMEX know if a paid tax statement issued as valid is false?" he asked. He went on to note that it is not possible to research the legality of each of these documents because this would be a never-ending task.

He said that there is no centralized system in the tax administration to establish if an importer is in debt to the state or not.

"The director of that body himself has said that such control is impossible," he noted.

As to penalties for false certificates, he asserted that the INCOMEX has no authority to implement such measures.

He said that in the future, with the computer which has recently been purchased, it will be possible to know which of the 3,000 exporters and 5,000 importers are in some difficulty with INCOMEX, so that their transactions will be rejected.

As to controller's office checks, he commented that "INCOMEX has offered no resistance to an audit, but what happened is that no one has been sure how far the supervisory authority of the controller's office goes in the handling of import and export licenses, or where the exclusive functions of their organizations begin."

He promised that the charges made by Serrano Gomez will be investigated and those responsible penalized.

He suggested the establishment of a committee with representatives of the two institutions--the INCOMEX and the controller's office--to study the functions of each body in order to avoid friction.

Referring to the fictitious exports, he said that a number of bodies participated in the process and that in the final analysis it is the duty of the customs authorities to establish whether the goods listed in fact leave the country.

He added that it is not INCOMEX but the Bank of the Republic which is responsible for issuing tax bond certificates to exporters, and it is not easy to establish crime when several bodies are involved in the process.

He said that the INCOMEX has established controls which make export more difficult in order to prevent fraud; they insure that this problem is minimal at present. Finally, he announced that because of these controls, which are utilized by all of the state bodies, the various regional directors in the country have reported that exports are being discouraged.

The final speaker was Libardo Arriaga, representing the controller, Anibal Martinez Zuleta, who said that the irregularities found in the INCOMEX in connection with the paid tax statements are being investigated by a special commission, and that those responsible will be turned over to the ordinary courts.

5157
CSO: 3010

NEW SENIOR MILITARY ASSIGNMENTS LISTED

Thirteen Generals, Two Admirals

Bogota EL TIEMPO in Spanish 22 Nov 80 pp 1-A, 6-A

[Text] The armed forces will have a new three-star general, two major generals, ten brigadier generals and two rear admirals as of this coming 3 December, the Ministry of National Defense announced yesterday.

The insignia will be awarded to the military personnel during the closing study session at the General Jose Maria Cordoba Cadet School, with President Julio Cesar Turbay Ayala present.

Maj Gen Gustavo Matamoros D'Costa, presently second in command and chief of the army general staff, will be promoted to the rank of three-star general.

Brig Gens Rafael Obdulio Forero Moreno, commander of the Military Institute's Brigade, and Jose Maria Arbelaez Caballero, intendant general of the army, will be promoted to the rank of major general.

Army Cols Alvaro Lopez Vargas, Ernesto Lopez Ramirez, Antonio Jose Gonzalez Prado, Jaime Hernandez Lopez, Jose Alirio Alvarado Hernandez and Pedro Nel Molano Vanegas will be promoted to the rank of brigadier general.

Colonel Hernandez Lopez is the son of retired Major General Rafael Hernandez Pardo, who served as minister of national defense during the government of Dr Alberto Lleras Camargo.

Air Force Cols Alberto Guzman Molina and Alfonso Amaya Maldonado will be promoted to the rank of brigadier general, as will police colonels Jorge Arturo Pineda Osorio, presently serving as director of the General Santander Cadet School, and Luis Eduardo Castillo Amaya, commander of the Bogota police department.

Capts Miguel Rangel Santos and Manuel Fernando Avendano Galvis will be the new rear admirals.

The presentation of insignia to the brigadier generals in the police force will take place on the same date, 3 December, at the General Santander Cadet School.

High Command Changes Noted

Bogota EL TIEMPO in Spanish 30 Nov 80 p 8-A

[Text] Natural and routine changes will be made within the armed forces in the coming days as a result of the promotion of a number of officers to the rank of general.

Maj Gen Gustavo Matamoros D'Costa, who will be presented next Wednesday with the insignia of a three-star general, will be assigned to head the combined general staff of the military forces.

General Matamoros will be replaced as second in command of the army by Maj Gen Bernardo Lema Henao, who is currently serving as inspector general for that armed branch.

Brig Gen Jose Maria Arbelaez Caballero, who will be presented with a major general's insignia, and who has been serving as intendant general of the army, will be appointed director of the Higher War School, which post is now occupied by Maj Gen Jose Maria Rivas Forero. He will be assigned to Washington as the Colombian delegate to the Inter-American Defense Council.

Next Monday, moreover, transfers in the brigade command posts and the leadership of the Military Cadet School, as well as other high army posts, will be announced.

Next Wednesday, at the military school, six officers will be promoted to the rank of brigadier general and each will be assigned command of a brigade.

General Matamoros

Mayor general José María Arbeláez Caballero

Brig. Gral. Jaime Hernández López

Brig. Gral. Alberto Guzmán Molina

Brig. Gral. Jorge Arturo Pineda Osorio

Brig. Gral. Antonio José González Prado

Brig. Gral. Luis Eduardo Castillo Amaya

Brig. Gral. Alvaro López Vargas

Mayor general Rafael Obdulio Forero Moreno

Brig. Gral. Alfonso Amaya Maldonado

General Gustavo Matamoros

Contralmirante Manuel Fernando Avendaño

5157
CSO: 3010

CONSTRUCTION OF PRIVATE PORTS AUTHORIZED

Bogota EL TIEMPO in Spanish 24 Nov 80 p 16-F

[Text] The creation of private maritime ports will be authorized by the National Economic and Social Policy Council (CONPES), Decree No 3137 promulgated by the national government provides.

Private terminals will not be built in geographic areas or zones of influence where there are state port facilities equipped for trade.

The text of the decree reads as follows:

In connection with the issuance of norms on the granting of permits in the port sector,

The president of the Republic of Colombia, exercising his constitutional and legal authority, and

In view of the following facts:

That the timely use of beaches, coastal zones and other nationally owned sites for projects by private persons for their exploitation and benefit is allowed under the terms of the provisions of articles 679 and 682 of the Civil Code, requiring the special permission of the competent authorities;

That Extraordinary Decree No 2349 of 1971 established a legal system of permits to regulate the authorization and development of timely use of beaches and coastal zones for projects such as wharfs, breakwaters, jetties and other similar structures, assigning the authority in this connection to the General Maritime and Ports Office of the Ministry of National Defense;

That article 167 of the Fiscal Code defines the categories of national ports and provides that those authorized are those through which both import and export activities, or either of these, can be effected;

That Extraordinary Decree No 1174 of 1980, article 3, paragraph 6, established the authority of the government to declare port projects of a private nature as authorized ports and conferred on the Colombian Ports Enterprise the authority to regulate their operations;

That Extraordinary Decree No 627 of 1974 established the National Economic and Social Policy Council as an advisory body to the government and provided that the department of planning will participate in the assessment of domestic or foreign private investment projects requiring the intervention of the national government;

That there are important zones in the country which need port facilities for their full development and integration in national economic progress; and

That the national government has the duty to establish a port policy in accordance with the standards established by law, as well as to plan for the mechanisms for its full implementation:

Decrees: Chapter I. Privately Operated Port Facilities

Article 1. Definition. For the purposes of this decree, privately operated ports means complexes of port installations built and managed by private persons for their own use and that of third parties, after obtaining permission from the state, which themselves offer all technical and administrative facilities for the docking and anchoring of vessels of medium and deep draught and for the loading, unloading and storage of goods.

Article 2. State Functions. Privately operated ports must be provided with facilities enabling the authorities of the republic to exercise the tasks of supervision, inspection, regulation and control for which the legislation in effect calls.

Article 3. Prohibition. The establishment of privately operated ports may not be authorized when in the judgment of the National Economic and Social Policy Council this would be undesirable because of their proximity to geographic zones or spheres of influence in which there are state port installations equipped for trade.

Article 4. Desirability. Before submitting an application for the construction of the installations as such, in accordance with the provisions of Decree No 2349 of 1971, the party interested in developing a privately operated port must obtain a favorable ruling from the National Economic and Social Policy Council to the effect that the port proposal is desirable and advisable for the progress and development of the region and the general economy of the country, and is not in conflict with sectorial or regional plans or the National Plan for Economic and Social Development.

The pertinent application should be submitted through the National Planning Department and must be accompanied by the following documents:

a. Those establishing the status and legal representation of the applicant, if a juridical person is involved, as well as his economic and technical capacity and the financing means he has for the development of the project;

b. Location, boundary and area of the terrain which would be taken up by the construction and adjacent service zone;

c. Justification for the project, taking the economic activity of the region, the estimated freight volume and its relationship with the economy of the country into account;

d. General description of the project, specifying the technical details such as to make it possible to establish its volume and characteristics; and

e. Approximate budget for the project.

Single Paragraph: Applications and documentation will contain the details and specifications set forth by the National Planning Department.

Article 5. Content of the CONPES Ruling. In addition to ruling on desirability, the opinion of the National Economic and Social Policy Council will establish the sum which the applicant must pay to the national treasury annually by way of compensation for the use of public assets.

Chapter II. Construction Permit

Article 6. Application. Once the favorable ruling of the National Economic and Social Policy Council has been obtained, the applicant will submit his request for a permit to the General Maritime and Ports Office through the pertinent harbor master's office, accompanied by the documents to which article 91 of Decree No 2349 of 1971 refers.

Article 7. Processing. The General Maritime and Ports Office will process the application in accordance with the provisions of articles 92 to 96 of Decree No 2349 of 1971.

Article 8. Ruling on the Application. Once all of the procedures and studies of the documents contained in the file have been completed, the General Maritime and Ports Office will grant a permit, if the application appears economically and technically advisable, and if no viable objections have been filed.

Article 9. Granting of the Permit. The resolution granting permission will contain the following clauses.

a. Location and boundaries of the zone covered by the permit, and the maximal usable area;

b. Category of construction authorized, purposes and uses allowed for the same and the period within which the work must be carried out;

c. Duration of the permit in terms of years;

d. Warning to the effect that all of the norms in this decree and the laws in effect are included in the conditions of the permit;

e. Volume of the penalty which can be demanded of the holder of the permit in the event of nonfulfillment of obligations;

f. Extent of the guarantees which the permit holder must provide to guarantee fulfillment of his obligations and the pollution risk with which article 5 of Extraordinary Decree 1875 of 1979 deals; and

g. Extent of the compensation to which article 5 of this decree refers.

Article 10. Rights and Recourse. The decisions of the General Maritime and Ports Director must be justified. They will be communicated and will be subject to government recourse in the forms prescribed by Extraordinary Decree No 2733 of 1959.

Article 11. Letter of Commitment. Within the ten (10) days following the issuance of the resolution granting permission, the permit holder must authorize the public statement to which article 97 of Decree No 2349 of 1971 refers, in accordance with its requirements, which will be officially recorded along with a true copy of the ruling involved, with confirmation of personal notification.

Article 12. Guarantees. The holder of the permit must within the ten (10) days following granting of the permit arrange the guarantees required in the pertinent resolution. This may be a personal bond or one provided by an insurance company or a banking institution legally established in Colombia. The General Maritime and Ports Office must approve these guarantees, once established.

Article 13. Allocation of the Zone. Once the permit holder presents a recorded copy of the document to which article 11 above refers, the harbor master or the representative of the General Maritime and Ports Office, as the case may be, will proceed with the physical allocation of the zone involved by means of a procedure which will be recorded in a document.

Chapter III. Norms Governing Use of the Permit

Article 14. Supervision of Construction. The General Maritime and Ports Director or his representative, the harbor master or the experts designated by any of the above will carry out the supervision necessary to insure that the construction adheres to the conditions established in the resolution granting permission and the provisions of the General Maritime and Ports Office.

To this end, the General Maritime and Ports Office may request the technical assistance of the Colombian Ports Enterprise, at the expense of the applicants.

Article 15. Statement of Authorization. Once the construction has been completed and conformity with the plans and specifications approved has been checked by the General Maritime and Ports Office, the national government will declare the port authorized to engage in trade.

Article 16. Technical Supervision. The functioning of privately operated port services will be subject to the regulations promulgated by the Colombian Ports Enterprise, in accordance with the provisions of article 3 of Extraordinary Decree No 1174 of 1980.

In this connection, it will be the responsibility of the COLPUERTOS [Colombian Ports Enterprise], by means of a justified resolution, to approve the regulations governing operation, with the permit holders being required to submit the following documents:

a. Copy of the complete port installation project;

b. List of the human and equipment resources available to the port;

c. Copy of the resolution issued by the General Maritime and Ports Office granting permission for the construction of the private port;

d. Copy of the public record with which article 11 of this decree deals;

e. Copy of the national government document declaring the port authorized to engage in trade; and

f. Copy of the draft of the private port operations regulations.

Single Paragraph: The expenditures required for the supervision of the functioning of the privately operated port will be borne by the permit holder.

Article 17. Port Authority. At all times and under all circumstances, the port authority will be the responsibility of the respective harbor master in whose jurisdiction the respective structures have been built.

Article 18. Rates. The establishment of rates for the services of the privately operated port will be subject to the control of the national government.

It will be the duty of the Ministry of Public Works and Transportation to approve the rate regulations, as well as their amount or volume.

Article 19. Official Availability. The buildings, structures and installations to which this decree refers will be permanently available free of charge for military, health, public service and national security uses as established by the national government in accordance with the norms governing these matters.

For commercial use, the government will be subject to the same conditions established for private parties.

Article 20. Expiration. The permits to which this decree refers will expire under the conditions for which article 98 of Decree No 2349 of 1971 provides. The facts establishing expiration to which this article refers will be reported by the harbor master involved to the General Maritime and Ports Office, which will issue the pertinent resolution.

This resolution will also order payment in accordance with the penalty clause included in the permit, and compulsory collection, if necessary.

Article 21. Duration of Permits. The permits with which this decree deals may be granted for an initial period of up to to twenty (20) years, to be extended for periods of ten (10) years more, if the permit holder so requests one (1) year in advance, and the National Economic and Social Policy Council and the General Maritime and Ports Office deems this desirable.

In any case, the total duration of a permit may not exceed fifty (50) years.

Article 22. Assignment. The permit holder may assign it without the express authorization of the authority which granted it.

Article 23. Established Rights. The granting of a permit does not affect the rights enjoyed by the nation or private parties over their respective terrains, nor does it in any case limit the right of the nation to erect constructions at any site it deems desirable, outside the boundaries granted the permit holder.

Article 24. Review. Once the permit has lapsed or run out, construction, buildings and investments by the private persons to whom this decree refers will become the property of the nation.

Article 25. Special Exception. The coastal zones of the archipelago of San Andres and Providencia are excepted from the provisions of this decree.

Article 26. Effective Date. This decree will become effective as of the date of its issuance.

It is ordered that this decree be published and implemented.

Issued in Bogota, Special District, on 20 November 1980 and signed by Minister of Economic Development Andres Restrepo Londono, Minister of Public Works and Transportation Enrique Vargas Ramirez, and National Planning Department head Eduardo Wiesner Duran.

5157
CSO: 3010

TECHNICAL COOPERATION PACT SIGNED WITH YUGOSLAVIA

Bogota EL TIEMPO in Spanish 10 Nov 80 Sec F p 7

[Text] Yesterday, the governments of Colombia and Yugoslavia signed two agreements for scientific-technological and technical cooperation, which will make it possible to conduct the studies for the installation of plants to process the Colombian copper deposits and to apply technology to the processing of dairy products and the cultivation of garden produce.

The two documents were signed by Foreign Affairs Minister Diego Uribe Vargas, representing the Colombian Government, and Radoje Kontic, a member of the Federal Executive Council, representing the Yugoslav Government. They will be in effect for 2 years, and may be extended.

The parties pledge to exchange technology and to train technicians.

Excerpts From the Agreements:

Within the framework of their authority, the parties will make it possible to develop scientific-technological cooperation between their pertinent organizations on the following terms:

a. To study the various options that will allow for the design and installation of a complete semi-industrial pilot plant for producing and processing the copper and nonferrous ores existing in Colombia.

b. To make a study of the hydro-pyro and electrometallurgical processes that would be most feasible for supplementing the existing pilot concentration plans in Colombia.

c. To make the preliminary selection of technological processes and options for refining copper and other nonferrous ores.

d. To promote direct information on Yugoslavia's experience in technological development attained by that country in the area of processing and using metallic copper and the products of its exploitation.

Milk and Garden Produce

Within the framework of their authority, the two parties will facilitate the development of direct scientific and technical cooperation between the pertinent organizations

in both countries, particularly in the following manner:

a. To prepare a study on the application of technology in the area of milk processing and garden produce production, geared to the conditions for rural development of the Duitama area in the department of Boyaca, and the subtropical zone of Colombia.

b. Joint cooperation that will make it possible to adapt technology to the rural areas of the Andean region, in which there are small and medium-sized agricultural and livestock establishments that could be improved with the assistance represented by technological adjustment.

c. To conduct joint research relating to the processing of milk, its utilization and the marketing of the byproducts.

d. To make a study of the phytosanitary conditions in the Duitama area, in order to design control systems that will make it possible to obtain answers to the health problems associated with growing potatoes and other vegetables.

2909
CSO: 3010

BRIEFS

PRO-SANTOFIMIO PAPER FOLDS--According to an announcement from the correspondent in Ibague, Oscar Gutierrez, the pro-Santofimio evening paper COMBATE (formerly known as LAS NOTICIAS) began a forced vacation owing to financial losses in its operation. Also, because it was impossible to reach a successful agreement at a meeting that the stockholders held with other individuals interested in contributing to the newspaper's continuation, its manager, Dr Antonio Cifuentes Navarro, decided that the staff and the employees would go on leave starting on that date, while another option was arranged. Today, the largest stockholder, Dr Ramiro Lozano Neira, who is currently secretary of health in Tolima, was attempting to seek new associates in order to prevent the definitive closing of the only daily paper in Ibague, which has been operating for 3 consecutive years, and which was headed recently by the journalist and poet, Lola de Acosta. [Text] [Bogota EL ESPECTADOR in Spanish 19 Nov 80 Sec A p 4] 2909

CSO: 3010

RELATIONS WITH U. S., HAITI, VENEZUELA, MEXICO ASSESSED

Santo Domingo EL NACIONAL in Spanish 9 Dec 80 p 8

[Editorial: "Restrictions on Our Sovereignty"]

[Text] "Interdependency" is the inevitable normal form in which nations are linked together, on a worldwide scale, in the legal, economic and political order.

It is obvious that these bonds of mutual rapprochement also imply an inevitable decrease in national sovereignty. It is a constant law that a portion of autonomy is given up, in order to be able to enjoy the bit of sovereignty given up by the other states, large and small.

Public international law is the guarantor -- a guarantor lacking power to penalize prevaricators -- that the rules of the game will be kept in this order of relations from nation to nation.

Respect for the universally received rules should prevent, if possible, the comparison -- a comparison that refuses to die, that perpetuates itself -- in which it is pointed out that "the shark feeds on sardines," from being made.

It must be pointed out that public international law does not always agree with international policy. International policy superimposes itself on public international law, with the unquestionable vigor with which force imposes itself on reason.

What does that international policy, especially the international policy of the large to dominate over the small, use extremely frequently? In normal times, economic might. In wartime, military might.

It is now a cliche, a commonplace constantly on the lips of leftists and rightists, of revolutionaries and conservatives, that we -- the Dominican Republic -- belong to the "dependent" countries.

But this evaluation, which is correct, is accompanied by another commonplace, which is less correct and which consists in accepting as absolute truth that our sole dependency is the dependecy subjecting us to the United States. This is false.

No country in Latin America is as manacled, as tied up by so many bonds of dependency as the one called Dominican Republic.

Of course, we depend first of all on the North in the field of politics and economics. But we also depend on Haiti, which blackmails us by leaving us with no harvest, which is the same as leaving us without sugar, by not sending us field workers if we do not smile at the adipose lifetime president and if we do not overlook violations of human rights on the western part of our island.

Our sole dependency is not now on the Americans. From the Americans on down, we have others. Venezuela and Mexico hold us like a footstool with their damned oil.

The agreements based on hydrocarbons that they decide to arrange are certainly not fraternally inspired. They are not an "I give so that you may give" found in Roman Law. Those agreements belong to the type of "take it or leave it" and to "I give you what I want in exchange for your giving me what I want."

In a certain sense, American assistance is more generous than the assistance of the so-called sister countries. The operational fund that the Americans have in the IDB has been lending to us on a 40-year term with a grace period of 10 years and 3 percent interest, while when Venezuela lent us 60 million it was at 8 percent, at a 4-year term and a 2-year grace period.

On reaching this point, the honest, mandatory question is how we can slacken off the bonds that tie us, bonds that lessen our sovereignty and restrict it without reason.

Let us venture to reply. Dependency with Haiti is already under consideration. Ways are being devised -- by means of automation or by sweetening the bitter cutting of sugarcane for the Dominicans -- so that Haitians will stay in Haiti.

With Venezuela, Mexico and other countries, by rapidly increasing our export products and by exporting new products that will give us negotiating power.

Today's cases show that it is the only course open to us. Mexico needs refined sugar that we have not been able to offer it. Venezuela is constantly needing consumer goods like kidney beans, sugar, chickens.

Stated more simply: just as production and productivity will save us from the anguish of domestic hunger, they will redeem us from intolerable foreign pressure.

10,042
CSO: 3010

ECONOMIC RIGHTS, PEREZ ESQUIVEL NOBEL PRIZE NOTED

Santo Domingo EL NACIONAL in Spanish 14 Dec 80 p 8

[Editorial: "The New Human Rights"]

[Text] Every age, as if in keeping with its nature, with its special temperament and circumstances, reserves for itself a word, a slogan in which it engraves the summarized expression of what it aspires to achieve, of what it dreams and idealizes of attaining.

That "sign of the times" was, in the clear days of the Middle Ages, the establishment of "Christendom," unity of all under one same creed, harmonious solidarity of the priesthood with the imperial power; economy, also united because of the corporative system, although under the domination of the feudal system of lords and serfs.

Starting with the Renaissance -- contemporary with the discovery of America -- the struggle began for the purpose of changing the ideal to be pursued by the peoples of the world: against the divine right of kings [and for] the human rights of man.

The bourgeoisie, the producers and merchants swarming in their lucrative businesses at the foot of the castles, is what bore on its shoulders these objectives of political changes, of changes in which sovereignty will pass to the people who will transmit it to a mandatary who thus receives authority not by way of inheritance, but rather of concession of the general will.

The French Revolution consummated the victory against absolutism. The worker district of Saint Antoine, in Paris, accompanied later, in Versailles, by the market vendors in the capital of France, triumphed over the royal soldiers. The rights of man came out of there, from Versailles, to be proclaimed in the Louvre Palace.

But this is the declaration of the bourgeois man: property is still sacred and the right to property is unlimited. It is the "jus utendi et abutendi" [right to use and utilize] of ancient Roman law.

Regardless of what may be said, the French Revolution was a political revolution more than a revolution in which social leveling and economic democracy were achieved.

That social and economic revolution is the "sign of the times," of the age in which we are living. It is our struggle. Property is not sacred. It is not untouchable. When it is excessive and exclusive, a social mortgage to the benefit of those disinherited by fortune weighs down on it.

The right to life comes before the right to property. No one has the right to let another person die of hunger, if he can prevent it, because eveything that he has in excess belongs to that other person.

This new conception of human rights has had to be incorporated on the list of persons' political rights proclaimed in the eighteenth century in the capital of France.

In our times, likewise, it has been necessary to emphasize the human rights of collectivities, of peoples and of human groupings along with individual rights.

Are not the rights of underdeveloped peoples violated by the highly industrialized nations that plunder us, that sell to us dearly and buy from us cheaply?

Are not the human rights of poor societies violated by the peoples who control oil and who take our bread out of our mouths to make us pay with our very limited foreign exchange for the dishes that the opulent nations have broken?

This is the reasoning that leads us to applaud the forceful, well-grounded speech just delivered in Oslo by the Argentine winner of the 1980 Nobel Peace Prize, Adolfo Perez Esquivel.

The Argentine defender of human rights accused the powerful nations of being responsible for the injustices prevailing in the community of poor peoples.

Those nations are the United States and the Soviet Union. They are violating collective human rights by forcing the working class, all over the world, to struggle for their trade union political rights.

Adolfo Perez Esquivel concluded by stating that the great powers are making the greatest crime of our times -- the armament race -- possible by imposing the rules of the game.

EL NACIONAL presents here its most cordial congratulations to the brand new Nobel Peace Prize winner for having emphatically stressed the way in which the great powers are unscrupulously violating the new human rights, the rights of the peoples who are vegetating and barely existing under the yoke of underdevelopment.

10,042
CSO: 3010

CALVANI SPEAKS AT CHRISTIAN DEMOCRATIC INTERNATIONAL

Caracas EL DIARIO DE CARACAS in Spanish 28 Nov 80 p 4

[Text] Former Foreign Minister Aristides Calvani expressed his optimism about the political situation in Central and South America, "despite harsh and difficult symptoms." Calvani made these remarks in his speech at the Christian Democratic International Seminar which is taking place in Caracas.

Among other things, Calvani's optimism is based on the fact that he sees "that the forces of democracy are becoming aware that it is necessary to have reasons not only to live but also to die, and therefore, to fight to the death in defense of human rights and freedom in a real and effective democracy."

He stressed the important changes in the region, the installment of democratic systems in Peru and Ecuador, and the fact that "other countries with military regimes are now trying to 'normalize' their situation, recognizing that it is not normal and that they are responsible for such a situation that is often a sham and a farse."

He used the term farse to describe the plebiscite which will take place in Uruguay next 30 November, calling that country's government "harsh and violent." However, he insisted that the event proves that "the military forces of that country recognize that their situation is abnormal, and although they are resorting to a farse, they are saying clearly that they are not in the right, nor is justice or reason on their side."

With regard to the situation in Central America, he observed that there are two basic orientations. "There was a revolution that led to the downfall of the Somoza dynasty, but it threatens to become a Marxist-Leninist totalitarian dynasty. Recent events, and murders in the streets on the pretext of political problems, are showing that increasingly intransigent and implacable orientation."

The other orientation is in El Salvador, according to Calvani. There, he says, "The revolution represents a monumental effort to come to grips with two struggles: the struggle of the regressive forces and the Marxist-Leninists with irregular armies that are trying to set up a totalitarian regime."

Also speaking at the session was the president of the Christian Democratic Federation of Argentina, Francisco Eduardo Serra, who condemned the Uruguayan plebiscite, although he indicated that it was difficult to make judgments about the internal situation of other countries.

"The plebiscite is objectionable, principally because the issue is no less than the approval of a new constitution. A constitution cannot be drawn up by a partisan entity, even though that entity is the de facto government of the country."

8926
CSO: 3010

DISIP CHIEF WARNS OF NEW METHOD OF SUBVERSION

Caracas EL DIARIO DE CARACAS in Spanish 20 Nov 80 p 3

[Text] The director of the Directorate of Intelligence and Prevention Services (DISIP), Remberto Uzcategui Bruzual, took what he thought was the most timely opportunity to make a serious accusation. He was in the auditorium of the Valencia Chamber of Commerce, addressing a large group of leaders of the private sector of Carabobo, Aragua and Cojedes. The accusation: There is a new form of subversion which is based in that region and which is operating in the unions, student groups and marginal areas.

Uzcategui Bruzual added that this irregular activity has been controlled, in principle. But he clearly warned that the perpetrators and leaders will not be satisfied with mere strategies and actions. At that point he recalled recent events in the cities of Valencia and Maracay which were covered by the national press.

He stated, moreover, that this subversion is different from that of the sixties and seventies in this country, "when groups of individuals organized to commit crimes by means of armed systems and operations for the purpose of engaging in combat with the military forces, following the lines of and at least imitating the Cuban revolution."

The police official feels that the new form of subversion "does not aim to produce bloody confrontations with public forces, but it does encourage the disturbance of the peace by inciting riots, taking over churches and schools, and exploiting the discontent of the people that has resulted from unmet aspirations for basic public services. In sum, they are infiltrating the unions and using the people of the barrios." He argued that this is "one way of promoting chaos and anarchy in our society, and therefore creating the environment necessary for dangerous actions which we should condemn and prevent."

At the Chamber of Commerce meeting government officials and members of the National Armed Forces also were present.

8926
CSO: 3010

EDITORIAL CALLS ON POLITICAL PARTIES TO UNITE

Caracas EL DIARIO DE CARACAS in Spanish 21 Nov 80 p 6

/Editorial: "The New Subversion"/

[Text] Democratic Action has always considered itself the party of the people, but now it is acknowledging with deep consternation the "hullabaloo" and uproar which characterize its internal electoral process.

National leaders of the White Party openly speak of the "worst crisis since the Sierra Nevada, the breakdown of morals and party discipline which is bringing the party to the brink of collapse. . ."

To a certain extent, the government party can derive some pleasure from the situation because, according to Social Christian Party (COPEI) spokesmen, what Democratic Action (AD) is now suffering internally was stimulated on a national level during the past 15 months with strikes, work stoppages, obstructions and manipulations in all areas of public activity.

COPEI's satisfaction will probably be fleeting, however, because such a fool's paradise would not do when the two large parties are rowing in the same institutional boat. That is why authorized spokesmen for the Christian Democrats have--until now--kept silent about the AD crisis. Democratic Action and COPEI do not need any more internal problems, when those of the nation--of an economic, social or cultural nature--demand that the two political groups finally begin rowing in the same direction.

The Herrera-Caldera meeting is a good sign in the government party. Furthermore, it is a good example for the AD leadership to follow. The latter is still abroad, solving the problems of Social Democracy in the rest of the world, while uncertainty spreads at home.

The director of the Directorate of Intelligence and Prevention Services (DISIP), Remberto Uzcategui, asserted that in Venezuela there are now "new tactics of subversion" which, instead of promoting armed confrontations, try to destabilize the nation's institutions. The high official did not go into detail, perhaps implying that his audience knew what he was referring to in his speech to the businessmen of the city of Valencia, which is now in turmoil. Now the prevailing political parties must reflect on the implications of these statements and begin to put the national house in order. For that purpose, it is essential that first they put their own affairs in order. Only in this way can the political parties ask the citizenry for the mandate that recognizes them as the appropriate tools for the exercise of political power.

8926
CSO: 3010

BRIEFS

TOYOTA PLANT IN CUMANA--The Toyota jeep factory should be finished by September 1981, according to the director of transportation materials of the Development Ministry, Roberto Madero. He discussed the promising situation of the automotive industry for next year. These prospects will be characterized by, among other things, the reactivation of the construction industry and the expansion of the installed capacity of the passenger microbus companies. The latter vehicles will replace the uncomfortable pickup trucks that are now in use all over the country. At present the Toyota Company is building a new plant with a production capacity of 100 vehicles per day. The plant is located in Cumana, in a 120,000 square meter area in the industrial zone. The same automobile complex will manufacture 2,000 winches a year, and investments are calculated at 800 million bolivars. With this plant, Venezuela is taking one more step in the direction of complying with the Andean Pact's Sectorial Program for the Development of the Automobile Industry. That program assigned the country the manufacture of engines in Category C, four-wheel drive jeeps. According to the definitions of Decision 120, jeeps are four-wheel drive vehicles with a gross vehicle weight of less than 2,500 kilos with a gasoline engine, or less than 2,700 kilos with a diesel engine. Presumably, the Toyota engines will be gasoline engines, but the existing technological alternatives are still being studied. [Text] [Caracas EL DIARIO DE CARACAS in Spanish 3 Dec 80 p 12] 8926

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END

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Cals Divulges Energy Budget

Rio de Janeiro JORNAL DO BRASIL in Portuguese 6 Dec 80 p 14

[Text] Mines and Energy Minister Cesar Cals said yesterday he was prohibiting PETROBRAS [Brazilian Petroleum Corporation] from continuing to disclose monthly data on consumption, importation and production of petroleum because "the public doesn't have to know about this. All they have to know is that supplies are adequate." According to the cabinet minister, there have been many disparities in the figures furnished "because each person computed them in his own way and the differences were upsetting the public"; hence, his decision.

Cesar Cals also declared that petroleum imports would not cost more than $9 billion in 1981, with an average purchase of 750,000 barrels a day, "which will represent a saving of $2.5 billion." When reporters insisted upon knowing how it would be possible to pay an average of only $33 a barrel next year, the minister replied that "the magic is in the vest pocket." And he added: "When 1981 is over, you can come to me if petroleum imports cost more than $9 billion."

Investments

The forecast of Mr Cesar Cals for 1981 is that in January domestic petroleum production will reach 230,000 barrels a day; that of alcohol, the equivalent of 50,000 barrels; and that of coal, 20,000. By December, he said, those figures will become 280,000 barrels a day for petroleum, 80,000 for alcohol and 36,000 for coal. Regarding consumption he said "we will try to keep it at 1,100,000 barrels a day."

According to the request sent by the energy ministry to SEPLAN [Planning Secretariat], the PETROBRAS investment budget for petroleum exploration and development in 1981 will be 170 billion cruzeiros. That of the Rio Doce Valley Company will be 120 billion cruzeiros and that of NUCLEBRAS [Brazilian Nuclear Corporations], 50 billion cruzeiros. The mines and energy minister confirmed that his ministry's overall budget (investments plus operating expenses) for next year will be less than this year's, in nominal terms. But he asserted that the reduction is all in operating expenses, "since we are going to save $2.5 billion in petroleum purchases."

Regarding investments in the electric-power sector, Cesar Cals said that construction of Itaipu and its transmission line, Tucurui, nuclear power plants and the North-Northeast grid will not be cut back, as they have priority. The others will have a real increase of 5 percent.

Coal

The minister denied that there has been a shortage of funds this year for the coal program. He said that no funds were released for mining because no projects were approved, "due to problems of title registration for the mines in the National Department of Mineral Production." He said funds were released for marketing, so that "the 240,000 tons sold in January increased to 360,000 tons in November." In regard to gasification, he cited the projects for which protocols of intent have been signed--two in Santa Catarina and one by PETROBRAS in Sao Jeronimo, Rio Grande do Sul--and that of the Rio de Janeiro State Gas Company, whose protocol should be signed this month. The gasification project for COMGAS, of Sao Paulo, is being studied.

Petroleum and Foreign Debt

Rio de Janeiro O GLOBO in Portuguese 6 Dec 80 p 21

[Article by Shigeaki Ueki, president of PETROBRAS: "Petroleum and Foreign Debt"]

[Text] The abrupt and arbitrary increase in petroleum prices beginning late in 1973, from $3 to $11 a barrel, caused a profound change in the world economy, aggravating further the international economic and financial disequilibrium that had been becoming apparent since the end of the 1960 decade.

As a result, energy assumed a preponderant role in national development strategies, with special emphasis on nations in a stage of economic development and dependent upon petroleum imports due to the high growth rate of energy consumption, an identifying characteristic of their stage of development.

Adjustment of such economies to the new international situation became quite difficult, as, besides the impact from increased petroleum prices, they also suffered the effects of the recession and the policy of balance-of-payments equilibrium pursued by the industrialized countries--protectionism and passing on increased petroleum prices through the prices for their export goods.

In Brazil, due to its being a developing nation, energy consumption is difficult to restrict, bearing in mind the need for expanding its economy in keeping with its growing labor force and the national objective of reducing the distance that separates us from more advanced countries.

Thus, faced with the new conditions of the international economy, the nation found itself forced to readjust strategies and plans. In the 1974-77 period, policies for expanding and diversifying exports, import substitution and reduction of dependency on foreign energy sources, together with a certain stabilization of the real price of petroleum, contributed decisively toward Brazil's recovering equilibrium in its trade balance in 1977.

The investments required to maintain a minimum growth rate now required a greater share of foreign savings to supplement domestic capital formation.

It was thus possible for the nation to develop at an average annual rate of 7 percent (in PIB [gross domestic product]), although aided by the size of foreign

resources, which in turn were made possible by the nation's vitality and its credibility in international financial markets. As a result, the net foreign debt increased from $6.2 billion in 1973 to $24.8 billion in 1977.

It should be mentioned that during this same period, although the value of exports doubled, the net foreign debt/export ratio rose from 1 to 2.

Just when the world seemed to be returning to the previous state of eqilibrium, with almost complete disappearance of surpluses in the current account of OPEC member countries, the situation again worsened in 1979. Another hike in petroleum prices, from $12 to $32 a barrel in 1980 in a little more than 1 year, caused significant deficits in the current account of petroleum-importing countries, requiring a higher level of foreign debt, partly to meet commitments made previously, at a higher cost because of increased interest rates, which reached unprecedented heights.

It is noted that the absolute increase in the price of oil was almost $20 a barrel, without the corresponding fanfare, if compared to the $8 increase during the much-discussed petroleum crisis of 1973.

It is important to point out that the new situation cannot be stated merely in terms of foreign trade or a policy of energy substitution, which requires a reasonable period of time to be carried out. In the short and intermediate term the question is directly linked to recycling international financial resources and our capacity to attract them.

Within such a context, understanding the nature of the Brazilian foreign debt requires use of concepts other than the traditional ones to learn its real content. One of the most obvious ways would be to evaluate foreign obligations in terms of the very unit that has been creating the new international economic order: petroleum.

In 1970 the net debt was about $4.1 billion and corresponded to 2.7 billion barrels of oil at the import prices then prevailing. Our present debt, $50 billion, corresponds to 1.563 billion barrels of petroleum, implying a decrease of more than 40 percent.

Another form of analysis shows that Brazilian reserves of recoverable oil and gas at the end of 1970 (1 billion barrels) represented about 1/3 of the net debt at the time, whereas in June 1980 these reserves (1.582 billion barrels) surpassed the existing debt, calculating always in terms of barrels of petroleum.

Although, in themselves, the National Economic Patrimony and its annual flow--the world's eighth largest gross domestic product--put us in a favorable position, the current situation suggests a comparison in terms of what could be agreed upon as the most recent international monetary standard--petroleum--a comparison that, as we saw, also gives a favorable result in regard to our possibilities for continued access to the world financial system.

(1) ANOS	(2) DÍVIDA EXTERNA US$ milhões BRUTA (3)	RESERVAS (4)	LÍQUIDA (5)	(6) FOB MÉDIO DE IMPORTAÇÃO DE PETRÓLEO US$/BARRIL	(7) DÍVIDA LÍQUIDA EXPRESSA EM MILHÕES DE BARRIS DE PETRÓLEO	(8) RESERVA NACIONAL DE HIDROCARBONETOS EM MILHÕES DE BARRIS	(9) RELAÇÃO RESERVA/DÍVIDA LÍQUIDA (%)
1970	5 304	1 196	4 108	1,81	2 721	1 033	38
1971	6 622	1 723	4 899	1,88	2 606	1 031	39
1972	9 521	4 183	5 338	1,99	2 682	963	36
1973	12 362	6 416	6 106	2,79	2 210	937	42
1974	17 196	5 289	11 897	11,10	1 072	944	88
1975	21 171	4 040	17.131	10,48	1 635	946	58
1976	25 985	6 544	19 441	11,30	1 691	1 081	65
1977	32 037	7 256	24 781	12,31	2 013	1 362	68
1978	43 511	11 895	31 616	12,44	2 541	1 423	56
1979	49 504	9.689	40 215	17,11	2 350	1 546	66
1980	56 500	6 500	50 000	32,00	1 563	1.582 (*)	101

Brazil: Foreign Debt in Terms of Petroleum

Key:

1. Years
2. Foreign Debt (millions of dollars)
3. Gross
4. Reserves
5. Net
6. Average Import Price of Petroleum (dollars FOB per barrel)
7. Net Debt Expressed in Petroleum (millions of barrels)
8. Domestic Hydrocarbon Reserves (millions of barrels)
9. Ratio of Hydrocarbon Reserves/Net Debt (percentage)

Petroleum Production Up

Rio de Janeiro JORNAL DO BRASIL in Portuguese 13 Dec 80 p 17

[Text] Brazilian petroleum production increased 11 percent in the last 11 months compared to the same period last year--although onshore production fell 1.5 percent during the period--resulting in average daily production of 188,000 barrels.

Despite the accident to the processing tower of the Garoupa Provisional System in September, reducing daily production by 39,000 barrels, the Campos platform increased its production from 13,185 barrels a day to 18,416 barrels a day.

Production Trend

Onshore, Bahia was the state where production was reduced the most, falling from 27,350,215 barrels in the January-through-November period last year to 25,250,882 barrels in the corresponding period this year.

Offsetting that, petroleum production from Espirito Santo onshore basins increased 150 percent, from 629,946 barrels during January to November 1979 to 1,580,737 barrels this year. Meanwhile, in Rio Grande do Norte and Sergipe onshore production decreased in November as compared to October.

On the continental shelf, production increased 36.4 percent, comparing January through November last year with this year. The producing state with the largest increase was Rio de Janeiro, with 95 percent, followed by Rio Grande do Norte, with 36 percent. However, Sergipe, Bahia and Ceara had reduced production on the continental shelf.

Options for Managing Reserves

Rio de Janeiro GAZETA MERCANTIL in Portuguese 10 Dec 80 p 8

[Article by Mateus Kocowicz: "Options for Managing Reserves"]

[Text] Had the Brazilian government adopted the policy of preserving its petroleum reserves when petroleum was costing a little more than $1 a barrel on the international market, the nation would have had reserves of 2.9 billion barrels by the time prices began to skyrocket. Reserves of that magnitude would permit a daily production of 800,000 barrels. But, of the total of 2.9 billion barrels, 1,3 billion barrels have already been produced, so that Brazilian reserves of petroleum and gas were 1.58 billion barrels on 30 June, representing an increase of 1.8 percent over the position of December 1979, after discounting production of 189,600 barrels a day during that period.

The increase of reserves, which is the difference between recoverable petroleum identified by new discoveries during a given period and production during the same period, after clearly decreasing between 1960 and 1975, began to rise again after that.

In 1960 reserves totaled 563 million barrels. Five years later they were 791 million barrels, which represented an increase of 7.04 percent a year, compounded. At the end of the next 5 years the volume of recoverable oil and gas totaled 1.025 billion barrels, which represented an annual growth rate of 5.31 percent. Then through the end of 1975 reserves fell at the rate of 1.58 percent a year, to 946 million barrels. During the last 4 and 1/2 years the exploratory effort had the result of raising reserves to 1.582 billion barrels, which represented an annual growth rate of 12.11 percent, or 5.88 percent each 6 months, compounded. Hence, the results shown during the 6-month period ending in June 1980 were far less than the average for the period, marked especially by the substantial discoveries in the Campos Basin.

The results obtained by Esso off the southern coast of Bahia had already been expected by several PETROBRAS geologists who have some experience in the area. The state enterprise has drilled three wells near Esso's 1-BAS-62, which at first showed signs of oil and then produced fresh water. One of them, 1-BAS-19, located 6 kilometers to the north, recovered water; 1-BAS-13, which is 8 kilometers to the south, was dry; and 1-BAS-36, 18 kilometers to the south, had a noncommercial reserve of gas.

Tests at the Barreirinhas well in Maranhao continue to arouse optimism among technicians.

Prospecção Petrolífera no Brasil (em 8/dez/80)

Posição das Perfurações Terrestres (1)

(2) Sonda	(3) Poço	(4) Profund (M)	(5) Situação
SC-92	9-PZ-6-AM	1.225	operando
SM-1	1-IP-1-AM	—	DTM
SM-2	1-TU-1-RR	—	DTM
SN-8	1-BA-3-MA	4.250	avaliando
SC-35	1-RCH-1-SC	—	DTM
SC-38	7-LP-10-ES	1.498	testando (13)
SC-68	7-LP-11-ES	1.005	operando
SC-83	7-RSN-10-ES	—	DTM
SC-94	1-GMR-1-RN	930	operando
SC-91	7-RI-31-ES	—	DTM
SC-84	3-PJ-5-RN	264	operando
AG-1	7-AR-160-BA	2.785	operando
AG-2	7-AR-162-BA	309	operando
AG-3	7-AR-161-BA	1.726	operando
AG-4	7-AR-159-BA	2.324	operando
SC-34	3-SI-9-BA	1.790	operando
SC-43	7-MG-298-BA	1.005	operando
SC-38	4-CX-6-BA	488	operando
SC-66	7-RO-50-BA	684	operando
SC-72	1-SEG-1-BA	3.308	operando
SC-77	6-SI-2-BA	3.329	operando
SC-78	7-QE-11-BA	1.671	operando
SC-79	7-SA-31-BA	1.866	operando
SC-80	7-BS-9DA-BA	3.190	operando
SC-81	7-0-183A-BA	1.700	operando
SC-95	4-ROV-16-BA	759	operando
SC-36	7-SMC-20-AL	2.307	operando
SC-40	3-FU-65-AL	1.081	operando
SC-41	7-TG-6-Gr	—	DTM
SC-44	7-CP-531-SE	—	DTM
SC-56	1-SP-1-AL	3.285	operando
SC-74	7-RO-230-SE	295	operando
SC-75	7-SZ-191-SE	440	operando
SC-76	9-CP-538-SE	748	operando
SC-85	7-CP-537-SE	700	operando
SC-86	9-CP-540-SE	370	operando
SC-92	7-CP-539-SE	407	operando
SM-3	1-MD-2-AL	1.160	operando
SC-37	8-AG-302-BA	589	operando
SC-61	7-C-197D-BA	283	operando

Contratos de Risco (6)

(7) Equipamento	(8) Companhia	(3) Poço	(4) Profund (m)	(5) Situação
Key Gibraltar	Esso	1-BAS-62	808	avaliando
Middletown	Cities	1-MAS-13A	2.923	operando
IPT-1	Paulipetro	2-AA-1-SP	2.493	operando
IPT-2	Paulipetro	3-TB-1-SP	2.844	operando
Sedco-707	Marathon	1-APS-458	1.745	operando
IPT-3	Paulipetro	2-PN-1-SP	1.479	operando

Perfurações Marítimas (9)

(10) Código	(7) Equipamentos	(3) Poço	(4) Profund (M)	(5) Situação
PA-1	Petrobrás-I	1-ESS-42	2.347	operando (11)
PA-6	Penrod-62	7-BD-100-RJS	1.905	operando
PA-11	Neptune Georegra	1-ESS-37C	1.927	operando
SS-1	Zephyr-II	1-RJS-124A	3.455	operando
SS-7	Penrod-75	1-RJS-151	3.651	operando
SS-8	Penrod-71	1-RJS-132	3.834	operando
SS-9	Moorsk Pioneer	1-RJS-159	545	operando
SS-11	Zephyr-I	1-RJS-155	—	DTM
SS-13	Marlin-VII	—	—	operando
NS-2	Ocean Cyclone	1-RJS-118A	—	avaliando (12)
NS-3	Petrobrás-II	3-RJS-1400	—	DTM
NS-4	Talmaron	4-RJS-156	2.622	operando
NS-5	Inter. Discoverer	1-RJS-154-B	1.841	operando
NS-6	Discoverer-534	1-RJS-147	1.872	operando
PA-15	Orion	1-PAS-11	—	DTM
HT-5	Progress Rig-95	7-XA-4D-CES	919	operando
PA-7	Key West	1-CES-44	3.015	operando
PA-9	Petrobrás-IV	4-RNS-25	2.412	operando
PA-10	Marlin-IV	7-UB-42-RKS	—	DTM
PA-14	Key Biscayne	1-CES-90	1.500	operando
SC-87	(PUB-2)	7-UB-45D-RNS	2.364	operando
SC-88	(PUB-3)	7-UB-44D-RNS	2.700	operando
PA-18	Montreal-III	1-CES-42A	3.470	avaliando
PA-12	Damega	3-CES-47A	416	operando
PA-3	Penrod-59	1-RNS-28	2.601	operando
PA-16	Petrobrás-V	1-SES-52	4.003	operando
PA-17	Norbe-I	1-ALS-16	1.710	operando
NT-4	Delta 9	7-CM-35D-SES	2.170	DTM
PA-13	Petrobrás-III	3-BAS-61D	—	avaliando

Fonte: Petrobrás (14)

Petroleum Exploration in Brazil (on 8 December 1980)

Key:

1. Position of Onshore Drilling
2. Drilling Rig
3. Well
4. Depth (meters)
5. Situation
6. Risk Contracts
7. Equipment
8. Company
9. Offshore Drilling
10. Code
11. Operating
12. Being Evaluated
13. In Testing
14. Source: PETROBRAS

Import, Consumption Projections

Rio de Janeiro JORNAL DO BRASIL in Portuguese 10 Dec 80 p 21

[Text] Brasilia--The decision by Mines and Energy Minister Cesar Cals to set the average volume of petroleum imports in 1981 at 750,000 barrels a day is causing difficulties for PETROBRAS, which has, as of now, contracted for 841,000 barrels a day, aside from the volume it is no longer receiving from Iraq.

In October PETROBRAS was counting on a contracted volume of 850,000 barrels a day for 1981 but, with the loss of 400,000 barrels a day from Iraq, it was felt that only 450,000 barrels a day were guaranteed for next year. So the company signed alternative contracts that added another 216,000 barrels a day, valid for 90 days and beginning to expire at the beginning of January. With the renewal of Iraqi shipments in the Mediterranean amounting to 65,000 barrels a day, the shortfall became even less.

Although having agreed formally with the goal of average imports of 750,000 barrels a day in 1981, through its president, Shigeaki Ueki, PETROBRAS, in the person of its commercial director, Carlos Sant'Ana, is still reluctant to accept that figure and has tried to convince the mines and energy minister to that effect. Mr Cesar Cals, meanwhile, asserts he has already convinced President Joao Figueiredo, Planning Minister Delfim Netto and Finance Minister Ernane Galveas that the goal is feasible without risk to domestic supply and is standing his ground in relation to PETROBRAS.

Faced with the breach-of-contract problem presented by PETROBRAS, the mines and energy minister argues that the import reduction can be made in the 216,000 barrels a day of 90-day contracts that will begin to expire in January. He believes that when the time comes to renew those contracts PETROBRAS can make a selection and eliminate 91,000 of the 216,000 barrels a day. PETROBRAS contracts for 1981 are now composed of the following: 450,000 barrels a day from traditional suppliers, less Iraq and Iran; 60,000 from Venezuela; 50,000 from Mexico; 65,000 from Iraq; 216,000 from alternative contracts intended to cover part of what is no longer being received from Iraq since the war began. The total comes to 841,000 barrels a day. Of the total, however, 216,000 will expire in January and the minister hopes that only 125,000 of these will be renewed, thus arriving at 750,000 during 1981. The situation could change, however, depending upon developments in the Iran-Iraq war.

The Accounts

The Mines and Energy Ministry acknowledges that importing an average of 750,000 barrels a day during 1981 will lead to a reduction in inventory to levels that its experts do not consider dangerous. Brazil will begin the year with 85 million barrels of usable (excluding ballast) petroleum on hand, enough for 100 days of consumption. As the average consumption of imported oil will be 800,000 barrels a day, the reduction of inventories will be 50,000 barrels a day, which adds up to 18 million barrels during the year, which will end with usable supplies of 67 million barrels, enough for 89 days at the average consumption of December 1981.

Ministry analysts say the PETROBRAS forecasts are not realistic because the state enterprise "is still living 3 years in the past, when consumption was increasing 6 to 7 percent a year," and to prove this they show the forecast made by PETROBRAS at the end of 1979 for petroleum consumption in 1980. PETROBRAS felt that average consumption would be 1,198,000 barrels a day; the ministry's energy model forecast 1,093,000 barrels; and consumption was 1,090,000, a reduction of 1.5 percent compared to 1979. For 1981, Minister Cesar Cals predicts a reduction of 2 percent in consumption compared to 1980, which would be an average of 1,060,000 barrels a day.

To arrive at the 750,000 barrels a day, the ministry analysts make the following accounting: consumption of liquid fuels will be 1,170,000 barrels a day, compared

to 1,126,000 barrels in 1979 and 1,135,000 barrels in 1980. This 1,170,000 barrels a day will consist of: 18,000 barrels of coal and 22,000 barrels of charcoal (which will replace liquid fuels); 80,000 barrels a day of alcohol; 250,000 barrels a day of domestic petroleum and 750,000 barrels a day of imported petroleum; and 50,000 barrels taken from inventory.

Brazil's Sedimentary Basins

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 7 Dec 80 p 63

[Text] Rio de Janeiro--The bulk of Brazil's sedimentary area, representing 85 percent of its extent, is occupied by basins that have been shown to be poor in petroleum resources. They are the basins of Amazonas, Parnaiba and Parana, with a little over 2 million square kilometers and whose particular geological problems make use of geophysical investigation methods impossible. But "they could provide encouraging results in the future, if we recall that in various parts of the world success came only after intense exploratory effort."

These remarks about Brazil's petroleum prospects are contained in a study made by the PETROBRAS Department of Exploration showing the unequal distribution of petroleum resources in the world and in our country. The geologists who helped prepare the study contend that, even with the negative characteristics shown by the Parana and Amazonas basins, the discoveries of gas in Jurua in Upper Amazonas may represent the beginning of overcoming the problems found there.

In the study, entitled "The Geography of Petroleum," the PETROBRAS Exploration Department describes the major characteristics of the eight types of sedimentary basins in the country and their correlation with similar structures in other regions of the world. Those of the first type are "traditionally unprolific in terms of petroleum," providing less than 1 percent of world reserves. In Brazil, the Amazonas, Parnaiba and Parana paleozoic basins belong to this class. Those of the second type account for 25 percent of hydrocarbon reserves and of these 65 percent by volume correspond to gas. Their most notable manifestations are in the North Sea, part of Siberia, Texas and Oklahoma, part of the Andes and Australia. The Acre cretaceous basin belongs to this category. "On the Brazilian side, however, it does not have suitable geological association to contain petroleum," the PETROBRAS study says.

The basins of the third type contain 10 percent of the world's hydrocarbon reserves, with outstanding production areas in the Soviet Union, the North Sea, North Africa and Argentina. In Brazil, the Tucano Reconcavo basin is the only one entirely of this type and so far it is the most prolific in terms of generation and accumulation of petroleum.

The basins of the fourth type are those characterized by movements of compression and are those with the world's highest rate of production, accounting for about half of all world petroleum reserves. Their typical occurrence is in the Persian Gulf area of the Middle East. They also show substantial reserves in Venezuela (Lake Maracaibo), Mexico and Oceania. They are not present, however, on the Brazilian continental margin. Basins of the fifth type occupy the shores of the Atlantic and Indian oceans, the east coast of North and South America, the west coast of Africa and part of Australia. They comprise less than 1 percent of world reserves, producing in Australia and the southern part of West Africa.

Basins of the sixth and seventh types are "moderately prolific, containing large reserves on the coast of California, Oceania, Peru, eastern Venezuela and the Caspian Sea, with about 10 percent of total world reserves." These basins do not occur in Brazil. The large deltas correspond to basins of the eighth type and occur in any type of margin where large volumes of sediment are deposited. They comprise about 4 percent of world reserves and the most [illegible word] are those of the Mississippi, the Orinoco and the Niger. According to the PETROBRAS Exploration Department, "the mouth of the Amazon would contain partially a basin of this type, but the results thus far have not been encouraging."

Of the Brazilian sedimentary basins, only that of Acre belongs to the type-two class which is characterized worldwide by high petroleum potential, although it does not have that advantage here, as the PETROBRAS study points out. In the Brazilian part of the basin the necessary geological conditions for occurrence of hydrocarbons do not prevail. This is because in a single sedimentary basin the critical factors are not associated throughout its area and also because, even among basins of this type, the occurrence of petroleum is not uniform.

In regard to the Amazonas, Parnaiba and Parana basins, which represent 85 percent of the nation's sedimentary area, "the extensive and thick layers of intrusive rock and the diffusions of basic igneous rock cause enormous difficulties in mapping the subsurface and choosing the best place for drilling," the study points out. A beginning to the solution of the seismic problem, however, is admitted by PETROBRAS since discovery of gas reserves in the Jurua region in Upper Amazonas, with use of the latest technological improvements available.

The coastal basins have been intensively explored and about 1,100 wells have been drilled in them, with the characteristic that the major discoveries occurred soon after the initial phase of the exploratory process.

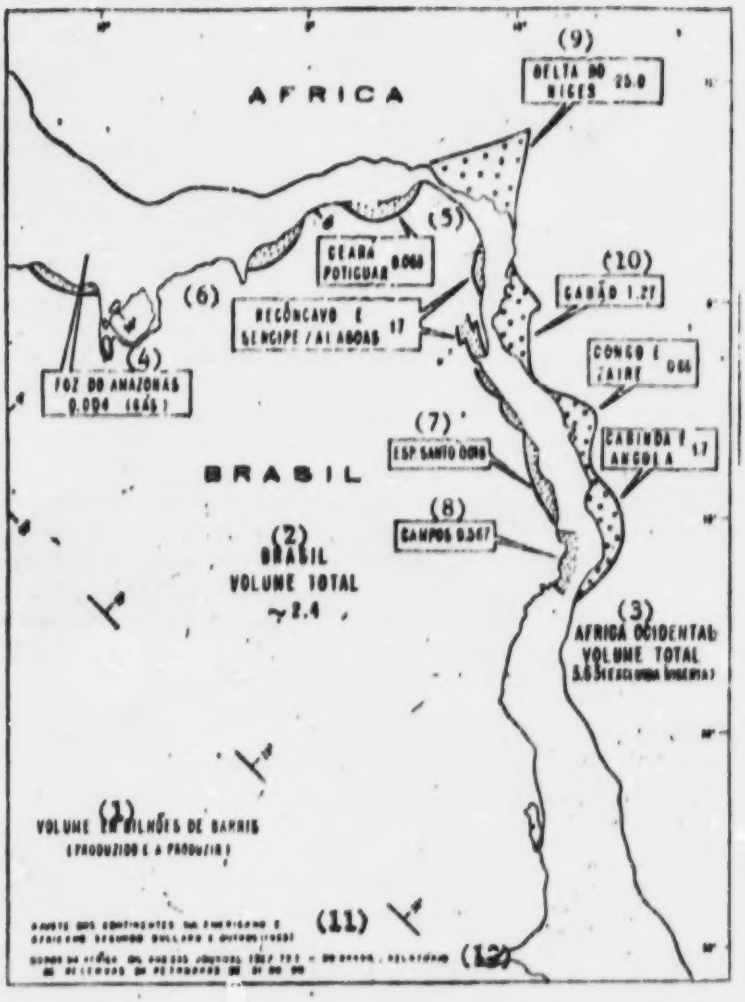
[See map on next page.]

PETROBRAS Plans Are 'Flexible'

Rio de Janeiro O GLOBO in Portuguese 15 Dec 80 p 16

[Text] The 5-year plan PETROBRAS will carry out beginning next year with the purpose of reaching a production of 500,000 barrels a day in 1985 cannot be considered a rigid document. Its major characteristic will be the flexibility its technicians will employ throughout the period. The goal is 500,000 barrels but, in the opinion of specialists that amount can be attained only through an effort never before made in Brazil in the search for petroleum.

In the talk he gave at the Naval War College last Thursday, Shigeaki Ueki, president of PETROBRAS, again said that the 500,000 barrels a day in 1985 represents a possibility, although he is sure the nation will easily be able to produce 390,000 barrels a day. This exchange of ideas, which often even causes perplexity in upper echelons of the administration is inherent in defining planning or any plan. As a matter of fact, in 1985 the nation may be producing 390,000 barrels or much more than 500,000 barrels daily. Everything depends upon the amount of deposits discovered or to be discovered and on the new technologies that will certainly emerge in coming years.



Distribution of Petroleum in the Basins of the Brazilian and African Continental Margins

Key:

1. Volume in billions of barrels (produced or to be produced)
2. Brazil: Total Volume 2.4
3. West Africa: Total volume (excluding Nigeria) 3.63
4. Mouth of the Amazon
5. Ceara and Rio Grande do Norte
6. Bahia, Sergipe and Alagoas
7. Espirito Santo
8. Campos Basin
9. Niger Delta
10. Gabon
11. South American and African continents fitted according to Bullard et al (1965)
12. Data on Africa from OIL AND GAS JOURNAL December 1979
    Data on Brazil from PETROBRAS Report on Reserves, 31 August 1980

Optimism and Realism

The 5-year plan is so flexible that, as one PETROBRAS official said with a touch of humor, it could become a 6-year plan or a 10-year plan. On the other hand, it could turn out to be a 3-year plan. Within this line of reasoning, drilling 807 offshore wells and 975 onshore simply suggests the extent of the state enterprise's effort. Much more than this may be done; many surprises will occur. In all the world's long-range plans, especially in regard to finding petroleum, discoveries have been made that the most experienced experts would not have expected. The most recent were the gigantic fields discovered in Mexico (Campeche) and in the Soviet Union (Siberia).

In the Brazilian case, according to the geologists, the die is now cast. And everything is beginning with a certain optimism. PETROBRAS personnel who previously were quite reserved about Brazilian possibilities see the problem in a new light due to research and exceptional development of technical knowledge.

One of Brazil's leading authorities on the subject, geologist Carlos Walter Marinho Campos, no longer views the possibilities of paleozoic basins, which historically produce the least oil, so pessimestically. More than half (about 3 million square kilometers) of Brazil's onshore sedimentary basins are paleozoic.

Amazon Region

During the time the National Petroleum Council (CNP) has been responsible for drilling, almost 200 wells have been drilled in the Amazon region's paleozoic basin (about 1.2 million square kilometers). Discovery of the subcommercial Nova Olinda "immature petroleum" may have been the link leading to continued PETROBRAS prospecting in the gigantic sedimentary area. Although there was commercial failure, due to the small quantity of petroleum produced by Nova Olinda, there was, on the other hand, technical success.

The famous camouflage (distortion) of seismic interpretations due to previously unknown factors is beginning to be deciphered. The geologist and the geophysicist were never so united as they are now to unravel the mystery that surrounds the geology of the Amazon region. Mapping of the subsoil has become less precarious. Computerization sheds light on other mysteries. And suddenly, when more realistic geological maps could be made, the Jurua gas deposits in Upper Amazonas were discovered. Following a similar pattern, other discoveries of gas are being made in the same region. The international companies with risk contracts (Shell, Esso, Elf-Aquitaine) are now in Middle Amazonas following almost identical steps. Hence, it is possible to find petroleum in the Amazon region, unless the large international companies there are eager to throw their money away.

On the continental shelf hopes are higher. Geologists from all over the world continue to believe the mouth of the Amazon has petroleum, while the whole Brazilian coast from Para to Rio de Janeiro forms what many are now calling a necklace of petroleum.

Statements by Ueki, Cals

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 12 Dec 80 p 27

[Text] Rio de Janeiro--PETROBRAS President Shigeaki Ueki, in a speech at the Naval War College yesterday, said the results of petroleum exploration in Brazil are quite satisfactory despite its peculiarities and complex geological conditions. Even so, he emphasized, "during the last decade reserves of about 90 million barrels were discovered annually, equivalent to a medium-sized oil field every year." To be self-sufficient in petroleum, Brazil must reach a level of production attained so far by only 16 countries, of which only 6 are not OPEC members (the United States, USSR, the United Kingdom, Canada, Mexico and China), he said.

He said investments in exploration and production--growing since creation of the state enterprise--should reach 70 billion cruzeiros this year, or 70 percent of all PETROBRAS investments. This amount of funds reflects the main objective of the PETROBRAS investment program for the 1981-85 period, which is to contribute vigorously to reducing the nation's energy dependence.

The exploration and production program for the next 5 years provides for drilling 807 wells on the continental shelf and 975 onshore, involving about 3 million meters offshore and 2 million meters onshore.

To develop production, 2,166 wells must be completed: 1,836 onshore and 330 offshore. Among such activities he emphasized development of the deposits discovered in the Campos Basin, where work is being accelerated and which should enter production gradually by the end of 1983.

Ueki asserted that current Brazilian oil production of about 200,000 barrels daily is equivalent to about $2.5 billion annually. PETROBRAS activities will result in a gradual increase of production, which will be 390,000 barrels in 1985. "That production," he said, "evaluated at $32 per barrel, will save $4.5 billion in foreign exchange per year."

According to the PETROBRAS president, on the assumption that production of 500,000 barrels a day is reached in 1985, with a contribution from new discoveries to be made in the period, the foreign-exchange savings will be about $6 billion annually. The latest projection of the national energy balance indicates that the share of hydrocarbons in the next 5 years, although still quite significant, will be reduced from 37.2 percent in 1981 to 24.4 percent in 1985. "That prospect," he declared, "shows that Brazil is one of the few countries with reliable possibilities of reducing the share of petroleum in the demand for energy, while continuing its economic development."

In regard to refining, he said the main PETROBRAS objective is to adapt refining facilities in a way that permits gradual and systematic reduction of the amount of petroleum imported. Among investments provided for this sector, he stressed plans to build new units at the Alberto Pasqualini and Paulinia refineries, as well as improvements to reduce consumption of fuel oil.

Consumption Not to Increase

Curitiba--"There are still ways to reduce wasted fuel by 5 percent," said Mines and Energy Minister Cesar Cals yesterday in Curitiba, in promising that national consumption of petroleum in 1981 will be about the same as this year, in the neighborhood of 1.1 million barrels a day, despite expectation that the gross domestic product will increase 5 percent.

The energy minister said it will be necessary to continue the current policy of realistic prices seeking substitution of petroleum as well as other measures for avoiding waste. "With higher prices and the programs being carried out, we will be able to save 5 percent," he asserted. At the same time he assures reduction of imports to 700,000 barrels a day by next December. In January, with return of the Garoupa well to production, the minister believes imports could fall from 830,000 to 800,000 barrels a day. This is how the minister explains the prediction for an average of 750,000 imported barrels a day during the coming year.

Yesterday Cesar Cals visited the Sao Mateus do Sul prototype plant for processing shale 120 kilometers from Curitiba and announced that installing the industrial-scale plant has become a priority project for the Mines and Energy Ministry, within "a broad program for scarce resources."

The plant's construction is authorized and by 1985 it should be producing the equivalent of 25,000 barrels of petroleum extracted from shale. According to the energy minister, the project for the plant will be analyzed to examine some aspects, such as construction or importation of the needed equipment and deciding what parts of construction can be cut without delaying the schedule. But he asserted the first stage of construction would be finished by 1985, as the project's economic feasibility has been established. The cost of the equivalent of a barrel of petroleum extracted from shale is now $28, "less than that of imported petroleum and without any risk."

The energy minister also revealed that next year will be devoted to developing projects in the wood sector, vegetable oils and accelerating the National Biodigester Program. In the field of electrical energy, he confirmed transformation of the 1995 Plan into the 2000 Plan, as the Mines and Energy Ministry decided that a number of programs included in the plan will be more clearly delineated during the 1990 decade. He confirmed, however, that construction of the Lower Ilha Grande hydroelectric plant on the Parana River is underway and that "the government is already buying the equipment."

Speaking further about imports, Minister Cesar Cals asserted that "PETROBRAS must buy only enough petroleum to meet consumption and avoid any speculation." He thinks stocks should be maintained at this year's levels, despite there having been a drastic reduction in imports with the war between Iran and Iraq which forced a reduction of 400,000 barrels a day. By means of a number of short-term contracts in view of the war, PETROBRAS was able to restore from 200,000 to 230,000 barrels a day of the cut; and the minister asserted that when the contracts are renewed next year there will certainly be a reduction of imports as early as January, due to production from the Garoupa well.

8834
CSO: 3001

OIL CONSUMPTION DOWN, PRODUCTION UP; DRILLING STATUS

National Consumption Drops

Rio de Janeiro GACETA MERCANTIL in Portuguese 13 Nov 80 p 9

[Text] Brasilia--Thanks mainly to the 40,000 barrels of alcohol used as fuel, Brazilian oil consumption for the first 10 months of this year was 0.9 percent lower than during the same period in 1979. According to the figures revealed yesterday by the Ministry of Mines and Energy (MME), the domestic consumption of gasoline dropped 13.2 percent; that of fuel oil, 5.1 percent; and that of asphalts, 13.8 percent. The national consumption of liquefied petroleum gas (LPG) increased 11.8 percent; of diesel, 8.9 percent; and naphtha and petrochemical gasoil, 14 percent.

According to the MME, 52,799,100 cubic meters of various derivatives were used as of October of this year. As of October 1979, 53,275,000 cubic meters had been used. On that basis, the table revealed by the MME is not very clear. There are 6.29 barrels in a cubic meter. So this year's consumption was 332,106,330 barrels and that of the first 10 months of 1979 was 335,099,750.

Whoever made the calculations in the MME to arrive at the daily consumption perhaps did not take into account the fact that 1980 was a leap-year. As of 31 October, there were 305 days, not 304. Therefore, the MME may have derived a reduction of 0.9 percent from that daily average when in reality the decrease of consumption is actually more than 1.2 percent, because it dropped from 1,102,300 to 1,088,900 barrels daily. In addition, the note does not refer to the alcohol replacing gasoline, leaving the impression that consumption fell less than it did.

The note said also that the decrease of domestic apparent consumption of oil derivatives was 0.2 percent compared to the same period last year. Of the total consumed, regular gasoline underwent a cost reduction of 2.8 percent of total consumption, and blue gasoline, 94.3 percent. The greatest increase in consumption was that of diesel oil, which increased 2.4 percent of the total, and LPG, 11.8 percent.

LPG

Eugenio Dante Gallo, the office chief of the National Petroleum Council (CNP) in Sao Paulo told journalist Paulo Ludmer that the increased domestic consumption

of LPG is due in large part to the low temperatures that have occurred in the south and southeastern regions of the country in the months of September and October, normally warmer in those areas in the spring.

Domestic Production Up

Rio de Janeiro GAZETA MERCANTIL in Portuguese 13 Nov 80 p 9

[Text] Brazilian production of oil and liquefied natural (LNG) gas for the first 10 months of the year amounted to 57.4 million barrels, an increase of 12.27 percent compared to the same period last year. The daily average was 188,200 barrels, compared to 167,800 barrels last year, according to the Brazilian Petroleum Corporation (PETROBRAS).

Production from the Brazilian continental shelf showed an increase of 42.22 percent (a daily average of 76,500 barrels). The offshore fields of Rio de Janeiro showed a significant increase of 114.1 percent despite the temporary interruption of production of the Garoupa provisional system, 9.3 million barrels being produced compared to 4.3 million during the period January-October 1979.

Despite the increase that occurred in the land basin of the state of Espirito Santo, 112 percent, the production on land showed a decline of 1.89 percent; that is, about 113,800 barrels per day were extracted from the land basins between January and October 1979, while the daily average for the same period in 1980 was 111,700 barrels.

National Production of Oil and LNG
(in thousands of barrels)

	Oct 80	Oct 79	Jan-Oct 80	Jan-Oct 79
Land	3,546	3,453	34,066	34,721.2
Rio Grande do Norte	1.6	--	12.0	--
Alagoas	98.5	98.8	991.0	895.8
Sergipe	914.3	831.5	8,740.4	8,323.7
Bahia	2,277.7	2,469.2	23,055.2	24,930.9
Espirito Santo	254.7	59.4	1,267.7	570.8
Ceara	--	--	--	--
Offshore				
Rio Grande do Norte	407.0	425.5	4,071.9	2,846.2
Sergipe	501.5	613.9	5,474.1	5,286.9
Bahia	294.2	297.3	2,915.6	2,695.9
Espirito Santo	78.0	95.4	831.2	1,251.6
Rio de Janeiro	395.6	665.9	9,272.5	4,330.2
Ceara	156.0	--	774.0	--
Total	5,379.9	5,556.9	57,405.6	51,131.9

Source: PETROBRAS

Wells Being Drilled

Rio de Janeiro GAZETA MERCANTIL 12 Nov 80 p 6

[By Mateus Kacowicz from Rio]

[Text] There are 62 wells being drilled in Brazil in the search for oil. Of that number, 29 are offshore and 33 on land. The great majority of those wells is being drilled by PETROBRAS rigs or contracted by that firm. Of the 75 drilling rigs in use in Brazil, only 6 are charged to companies operating under risk-clause contracts, being divided equally between land (charged to the IPT/CESP consortium) and offshore.

There are 8 exploratory wells being drilled on land and 22 offshore, 3 of the latter under risk-clause contracts. The great difference between the number of exploratory wells on land and offshore is due to the longer familiarity with the land deposits and the greater emphasis at the present time in developing them. One well is being evaluated on land while five are being evaluated offshore, most of them in the Campos Basin. Although the experts prefer to maintain a reserved attitude about the prospects of the tests, they are excited about wells 1-RJS-117 and 1 RJS-139 (table below).

It is observed also that of the drilling rigs involved in risk contracts, only 6 are operating; 3 belonging to Paulipetro, on land, and the others offshore. The Amadeu Amaral well (Sao Paulo) of the IPT/CESP drilling rig, which stopped for tests between 1,803 and 1,906 meters last Friday, has resumed operation, now in the Irati formation.

Posição das Perfurações Terrestres (1)				Contrato de Risco (2)				
Sonda 3	Poço 4	Profund. (m) 5	Situação 6	Companhia 7	Equipamento 8	Poço	Profund. (m)	Situação
SC-32	9-PZ-4-AM	—o—	DTM 9	Kay Gibraltar	Esso	1-BAS-62		andando do poço 12
SM-1	1-H-1-AM	—o—	avaliando 10	Middlestow	Cleo	1-MAS-13A		
SM-2	1-TU-1-RR	—o—	DTM 11	IPT-1	IPT/CESP	2-AA-1-SP	2.890	operando
SM-8	1-BA-3-MA	4.280	operando	IPT-2	IPT/CESP	2-TS-1-SP	1.850	operando
SC-35	1-PRG-1-SS	1.890	operando	Sedco-702	Marathon	1-APS-45S	2.450	operando
SC-38	7-LP-9-SS	—o—	DTM	IPT-3	IPT/CESP	2-PN-1-SP	500	operando
SC-60	3-LP-6-SS	1.369	operando				630	operando
SC-83	3-RSM-7-SS	1.153	operando					
SC-84	1-LQ-1-RN	1.236	operando					
SC-91	7-PZN-8	730	operando					
SC-84	9-MO-21-RN	1.827	operando					
AG-1	7-AR-160-BA	1.991	operando					
AG-2	7-AR-154-BA	—o—	DTM					
AG-3	7-AR-161-BA	282	operando					
AG-4	7-AR-159-BA	2.766	operando					
SC-34	4-SI-9-BA	1.987	operando					
SC-48	7-MG-297-BA	1.400	operando					
SC-58	4-AR-197-BA	—o—	DTM					
SC-66	7-RO-90-BA	1.300	operando					
SC-72	1-SBG-1-BA	2.200	operando					
SC-77	6-SI-8-BA	1.800	operando					
SC-78	7-SUS-9-BA	—o—	DTM					
SC-79	7-SA-31-BA	1.750	operando					
SC-80	7-SS-9DA-BA	2.737	operando					
SC-81	7-C-183-BA	1.486	operando					
SC-95	7-ROV-15-BA	1.812	operando					
SC-36	7-SMC-23-AL	1.230	operando					
SC-40	3-PU-64-AL	1.394	operando					
SC-41	7-TG-5-SE	882	operando					
SC-44	7-CP-531-SE	270	operando					
SC-50	1-SF-1-AL	2.372	operando					
SC-74	7-RO-227-SE	475	operando					
SC-75	7-CP-528-SE	775	operando					
SC-76	7-CP-530-SE	639	operando					
SC-85	7-CP-529-SE	736	operando					
SC-86	7-CP-525-SE	830	operando					
SC-92	7-CP-527-SE	700	operando					
SM-3	1-MD-3-AL	—o—	DTM					
SC-37	7-AG-302-BA	—o—	DTM					
SC-61	—o—	—o—	DTM					

Perfurações Marítimas 13				
Código 14	Equipamento	Poço	Profund. (m)	Situação
PA-	Petrobrás-I	1-ESS-42	3.141	operando
PA-6	Penrod-62	7-BD-18D-RJS	—o—	DTM
PA-11	Neptune Gascogne	1-ESS-378	161	operando
SS-1	Zephyr-II	1-RJS-124A	1.893	operando
SS-7	Penrod 75	1-RJS-191	2.254	operando
SS-8	Penrod-71	1-RNS-122	2.460	—
SS-9	Marsh Pioneer	1-RJS-192A	2.207	—
SS-11	Zephyr-I	1-RJS-117	—o—	avaliando
SS-12	Merlin-VII	—o—	—o—	operando
NS-2	Ocean Cyclone	1-RJS-118A	—o—	avaliando
NS-3	Petrobrás-II	1-RJS-139	—	avaliando
NS-4	Tatnoran	4-RJS-186	689	operando
NS-5	Inter Discoverer	1-RJS-154	1.964	operando
NS-6	Discoverer-534	1-RJS-146	2.295	operando
PA-15	Orin	1-APS-41	4.211	operando
NT-5	Progress Rig 95	7-XA-3D-CES	—o—	avaliando
PA-7	Kay West	1-CES-44	2.919	operando
PA-9	Petrobrás-IV	4-RNS-25	696	operando
PA-10	Merlin-IV	7-UB-29D-RNS	—	operando
PA-14	Kay Biscayne	1-CES-50	167	operando
SC 87	(PUB-2)	7-UB-45D-RNS	258	operando
SC-88	(PUB-3)	7-UB-66D-RNS	1.593	operando
PA-18	Montreal-III	1-CES-42A	3.492	operando
PA-12	Gamega	1-RNS-27	3.738	DTM
PA-3	Penrod-59	1-RNS-28	474	DTM
PA-16	Petrobrás-V	1-SES-52	4.000	operando
PA-17	Norbo-I	1-ALS-16	318	operando
NT-4	Delta-9	7-CM-39D-SES	1.764	operando
PA-3	Petrobrás-III	3-BAS-61D	—	avaliando

Source: PETROBRAS

Oil Prospecting in Brazil
(as of 10 Nov 80)

Key:

1. Position of Land Drilling
2. Risk Contract
3. Drilling Rig
4. Well
5. Depth (m)
6. Situation
7. Company
8. Equipment
9. Moving, transporting and assembling
10. Evaluating
11. Operating
12. Change of well
13. Offshore drilling
14. Code

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OIL IMPORTS TO BE DOWN IN 1981; FUEL ALCOHOL PRICE RISE

Rio de Janeiro JORNAL DO BRASIL in Portuguese 25 Nov 80 p 19

[Text] Brasilia--The ceiling for Brazilian oil imports may be set at 850,000 barrels per day, 50,000 barrels per day less than anticipated, beginning in January 1981. A proposal to that effect will be made to the National Energy Commission (CNE) by Minister of Mines and Energy Cesar Cals at the meeting of the basic group of the commission set for 3 December.

The Brazilian Petroleum Corporation (PETROBRAS) reported in Rio that PETROBRAS financial director Paulo Vieira Belotti will sign in New York today a loan for $275 million granted by a syndicate of banks headed by the Wells Fargo Bank. According to that corporation, interest will be below the Eurodollar. The loan is to finance the purchase of oil.

PETROBRAS reported also that the loan signed today is the sixth of that type of financing, called Banker's Acceptance. The first loan was made in 1975 in the amount of $250 million, which has already been completely released by the firm. The largest loan of that type was made in February of this year in the amount of $600 million.

Studies

The minister has just received a document from PETROBRAS containing new forecasts for national oil production in which the firm guarantees a production of 280,000 barrels per day by the end of 1981. The document also states that domestic production will again reach 200,000 barrels per day by the end of this year and that a production 500,000 barrels per day will be reached and may even be exceeded by 1985.

In guaranteeing the new domestic production levels, PETROBRAS took as a basis the behavior of its activities and of national production in the last 12 years and concluded that if the behavior is exactly the same in the next 5 years, there is no doubt that national production will reach 500,000 barrels per day in 1985, a target proposed by Minister Cesar Cals which was even considered impossible by PETROBRAS itself a few months ago. The important thing is that the firm is guaranteeing that production even under the improbable possibility that there are no new discoveries during that period.

On the basis of PETROBRAS' studies, the minister of mines and energy has ordered other studies from its support staff to see if the import levels set 2 months ago by the CNE at 800,000 barrels per day for 1981 could be reduced further. The studies showed that if imports are set at 750,000 barrels per day, considering the domestic production level guaranteed by PETROBRAS, the increased production of alcohol, and the objectives expected as a result of the measures for the conservation, substitution and reduction of consumption of oil derivatives, there will not be any danger of a shortage in domestic supply.

Price of Gasoline

During tomorrow's session with President Figueiredo, Planning Minister Delfim will again ask him for authorization to put into effect the new prices of oil and hydrated alcohol derivatives. Gasoline will go to 51 per liter, an increase of 13.3 percent.

In the event that the president of the republic authorizes it, the announcement will be made tomorrow evening and it will go into effect at 0000 hours on Friday. Putting the new price rate into effect on Friday was a request of the National Oil Council (CNP) itself, which will take advantage of the occasion to conduct a survey of the supply levels of resale stations during the weekend.

The last time he asked President Figueiredo to authorize a price increase for some fuels, on the 12th of this month, Minister Delfim Neto was asked to bring the matter up again "in about 10 days," the increase being held in abeyance although the CNP directive has been ready since that date.

Tomorrow, 2 weeks after the first request for authorization, the minister will bring the matter up again with the president, and in case there is any reluctance, he intends to convince President Figueiredo that we are no longer in a position to delay the readjustment. The resale margin of the stations will also be readjusted together with the new price increase, from 2.25 to 3.20 cruzeiros per liter.

Alcohol

The price of a liter of fuel alcohol will increase between 10 and 15 percent within the next 2 weeks, the secretary general of the Ministry of Industry and Commerce, Marcos Jose Marques, announced yesterday. In the first case, the price of a liter of alcohol will increase from the current 24.70 to 27.17 cruzeiros; if the increase is 15 percent, the price per liter of alcohol will go to 28.45 cruzeiros.

He explained that the new increase is not related to the development of inflation but is the result of a difference existing in the cost of distribution and resale of the product. That fact forced the government to subsidize the sale of alcohol to the consumer, paying 1 cruzeiro per liter in the Center-South and 1.50 cruzeiros in the Northeast.

He said also that the situation became aggravated with the extension of the National Alcohol Program (Proalcohol) to the state of Santa Catarina and Rio Grande do Sul. He could not say if the new prices of alcohol will be revealed at the same time as the readjustments in the price of gasoline.

However, he stated, the prices of alcohol will have to be readjusted on the basis of the development of inflation rates in order to encourage the producer to plant more and more cane. The price of alcohol today is equivalent to 53 percent of the price charged per liter of gasoline but the difference "cannot be too great because it will end up encouraging waste," he concluded.

Micro-Distilleries

The National Alcohol Executive Commission (CENAL) thus far has not received any plan for a micro-distillery that is technically and economically feasible, according to the chairman of the commission, who is the secretary general of the Ministry of Industry and Commerce, Marcos Jose Marques.

He denied that there is any reservation within CENAL regarding micro-distilleries (maximum production capacity of up to 5,000 liters of alcohol per day) but he made it clear that the government will not give financing support to a plan that is not technically and economically viable.

A CNE resolution gave CENAL the responsibility for implementing the micro-distillery program and so far two have been established: one in Araras, through the National Sugar Program (Planalcucar), and another under the coordination of the Industrial Technology Secretariat (STI) in Lorena, both in Sao Paulo.

The concrete fact is that the micro-distilleries are producing alcohol at 40 cruzeiros per liter, making them unfeasible for large-scale production. The mini-distilleries (maximum production of up to 50,000 liters per day), however, have shown concrete results and economic feasibility.

The mini-distilleries are being installed through Proalcool financing and wil produce alcohol from cassava, a maximum of 10,000 tons, or from sugarcane, 20,000 tons per day.

Cals Pledges Alcohol Supply for Nation's Cars

Porto Alegro--Minister of Mines and Energy Cesar Cals pledged in an interview that there will be no shortage of fuel alcohol to take care of the greater demand of the country's automobiles because, if necessary, the present percentage of mixture with gasoline can be reduced from 20 to 17 percent, making it possible to take care of the supply needs of the 600,000 alcohol-fuel vehicles to be produced by the automobile industry.

Commenting on the report that Iraq would reestablish its oil supplies, Cesar Cals pointed out that that would occur not by shipments through the Persian Gulf terminal but through a pipeline with a capacity reduced to 800,000 barrels per day; as a result Brazil expects to obtain a maximum of between 60,000 and 65,000 barrels a day.

Later, opening the anthracite coal meeting sponsored by the National Economic Development Bank (BNDE), which will draw about 200 participants, including experts from official agencies and businessmen in Plaza Sao Rafael, through tomorrow, Minister Cesar Cals said that the country must devote itself during the next 20 years until the turn of the century to mastering coal and nuclear technology, alternative sources to the generation of hydroelectric energy, the potential of which he predicts will be exhausted by the year 2000.

He announced to the plenary session of the anthracite coal meeting that he had already signed an agreement in his office for the construction of a 300 MW thermoelectric plant to be installed in the Santa Catarina municipality of Tubarao. He stressed that it is the first of 10 thermoelectric plants to be installed at the rate of two every 2 years, half of them with equipment supplied by East European countries and the other half by Western countries.

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PETROBRAS TO EXPLORE AMAZON GAS DEPOSIT

Rio de Janeiro O GLOBO in Portuguese 10 Nov 80 p 16

[Text] Carauari (on the banks of the Jurua River)--For the first time since oil exploration began in the Amazon region in 1950, a discovery shows prospects of being economically viable. Last Thursday, the Jaraqui well, located 40 milometers from the banks of the Jurua River, that was being drilled since April of this year was put into the production test mode.

When the valve was opened, the pressure caused a sound similar to and of the same intensity as a Boeing taking off. The gas from the escape pipe was ignited for controlled combustion. The flame rose about 30 meters high.

There was an atmosphere of intense euphoria and expectation among the team of 48 technicians who worked on the well. There was constant radio communication with the Department for the Exploration of Northern Brazil (DENOR). And in fact the results of the tests begun last Thursday are surprising. The reserve in this area of the Jurua River is being estimated at 3 billion cubic meters.

Signs of Gas

In the Jaraqui well, the drilling revealed signs of gas at four intervals; the first two have already been tested and showed a flow of 185,000 and 300,000 cubic meters, respectively. The third, the tests of which began on Thursday and which will continue for 10 days, showed a flow of 300,000 cubic meters and the fourth, which will begin to be tested as soon as the work on the second is concluded, should also produce 300,000 cubic meters. The production of the well, therefore, could exceed 1 million cubic meters per day.

DENOR superintendent Raymundo Ruy Bahia, who follows the results of the evaluation tests in Jurua daily from Belem, revealed that the Brazilian Petroleum Corporation (PETROBRAS) is already studying the exploitation of the gas. The economic feasibility studies are proceeding but, in principle, it will be transported by pipeline about 40 kilometers long to the small city of Carauari on the banks of the Jurua River.

There, a natural gasoline plant will be built or a plant for transformation of the gas into methanol will be installed. From Carauari, any of these products will be transported in small tankers down the Jurua and Amazon rivers to Manaus, where it will be distributed for consumption in the region.

The production of 1 million cubic meters from the Jaraqui well, practically already confirmed, represents 6,300 barrels of oil daily. But in the Jurua two gas-producing wells have already been discovered that will produce 500,000 cubic meters each, which means a total production of 2 million cubic meters for the area, raising the oil equivalence to 12,600 barrels daily. In regional terms, this is a substantial production. Suffice it to recall that the Manaus refinery, which takes care of the region, processes 10,000 barrels daily.

Barbecue

Roberto Pereira da Silva, in charge of all the work of the team in Jaraqui, who is familiarly called "Big Robert" by everyone and has the calm and quiet attitude of someone accustomed to drilling work for 20 years, does not contain himself when asked to comment on the test work on the well:

"I am a person who works with enthusiasm, and with each discovery I like to mark it with the personnel who worked at the site. Here in Jurua, I am going to prepare a barbecue when the tests are completed."

Big Robert is considered the best man to keep up with the drilling work by PETROBRAS, capable of handling any problem that arises efficiently and rapidly. He is also a "pe-quente" [literally: "hot-foot"]: he was present at the discovery of the Dom Joao and Queimada fields in Maranhao. He started in PETROBRAS without any academic training and received his training in the company's technical courses.

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RIO GRANDE DO SUL INCORPORATED INTO PROALCOOL PROGRAM

Sao Paulo VISAO in Portuguese 24 Nov 80 pp 94, 96

[Text] Until a short while ago, the people of Rio Grande do Sul were in a unique situation: they could not avail themselves of the 50 percent reduction in the payment of the Single Road Tax (TRU) for cars that run on alcohol because Rio Grande do Sul was the only state in the country that was not included in the Proalcool program. But now they can buy alcohol-fueled vehicles and, more importantly, supply them with fuel.

The first of a series of 89 pumps that will go into operation throughout the state by the end of the year, according to the decision of the National Oil Council, were inaugurated on Tuesday the 11th. Before that, the only alcohol supply stations were operating in Porto Alegre, for captive consumers: the owners of taxis of a cooperative formed exclusively for that purpose by the Rio Grande Telecommunications Company, the National Highway Department and Panambra, the major distributor of Volkswagens in the Rio Grande do Sul capital.

The first step toward the inclusion of Rio Grande do Sul in the Proalcool program was the construction of a pilot distillery attached to the Gaucho Sugar Corporation (Agasa) a small sugar plant in the municipality of Osorio. Agasa has a strange history: it was created in the sixties for the purpose of breaking another blockade, the production of sugar. Because since the thirties, sugar production has been reserved for the states of the Northeast and Sao Paulo. The logic of the process was to favor the northeastern region but, according to the people in Rio Grande do Sul, the state intervention ended up favoring the big Sao Paulo growers.

Proof Positive--Studies by the Secretariat of Industry and Commerce showed that Rio Grande do Sul has the capacity to produce 1.2 billion liters of alcohol without displacing any agricultural crop; much more than the 800 million needed to fulfill Proalcool's 1985 target, namely, to replace the increased consumption of the country's automobiles with alcohol. To do that, the state has 140,735 hectares in the Upper Uruguay region and 145,582 hectares on the coast, encompassing all together 50 municipalities. There are also 71 other municipalities in an area considered "tolerable."

The state government decided to install the Agasa pilot distillery to act as a sort of proof positive for the Rio Grande do Sul businessmen. Because, although the state already has a guaranteed demand--all of the dealers have alcohol-fueled cars for sale--with a system of land distribution for the cultivation of cane, the businessmen appears to be quite reluctant to invest in alcohol even though 80 percent of the funds are provided by Proalcool.

The secretary of industry and commerce, Antonio Carlos Berta, attributes the attitude of the businessmen to the fact that they have not been traditionally involved in cane-growing activity. Unfamiliarity leads them to imagine that they need to acquire large areas of land to plant cane and that is not necessary. The function of the businessmen is to install and operate the plants, exclusively.

Cane production remains in charge of the farmers in the regions delimited by agricultural zoning, carried out long before the chairman of the National Energy Commission, Aureliano Chaves, had made that demand. Berta pointed out: "The direct investment of the businessmen even contradicts the social aspect of the program, which is to increase the supply of employment for the farmers."

Particular solutions: In addition to the Agasa pilot distillery, the state government is preparing the installation of five to six micro-distilleries to prove the feasibility of that type of undertaking in large rural properties of isolated localities. That program was suspended at the national level after the Brazilian Agricultural and Livestock Company (EMBRAPA) proved its economical unfeasibility. However, in Rio Grande do Sul, the experts of the Secretariat of Industry and Commerce believe that the particular characteristics of local properties would make the projects economical because they would work in conjunction with agricultural-livestock projects.

Berta asserts that after the construction of the Osorio plant, the interest of businessmen will increase, so much so that one of them, Jose Felix Garcia, is already considering a project for a plant with a capacity of 120,000 liters per day in the municipality of Canoas. Three other projects are in the feasibility study phase being carried out by experts of the secretariat.

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CZECHOSLOVAKIA TO COOPERATE IN THERMOELECTRIC PLANT CONSTRUCTION

Brasilia CORREIO BRAZILIENSE in Portuguese 25 Nov 80 p 6

[Text] The Brazilian Minister of Mines and Energy Cesar Cals and Czechoslovak Minister of Foreign Trade Andrej Barcak yesterday signed a protocol of intent in the office of the former with a view to cooperation between the two countries in the construction of "coal-fueled thermoelectric plants," with a power of 300 MW, in cooperation with national industry. According to a document released to the press, the Brazilian Government decided that in 1981 it will begin "that phase of thermal utilization of coal from the southern region through the operation of a 300 MW unit in Jorge Lacerda in Santa Catarina under the aegis of the Southern Electric Power Plants (ELECTROSUL)."

Although there is no official information about the matter, Mines and Energy Ministry sources revealed that the price of each plant to be built will be around $300 million. Five are to be built, one every 2 years, all in the southern region, with the Czechs providing 40 percent of the technology in all cases. In exchange, the Czechs will purchase 18 million tons of iron ore over a period of 10 years, distributed as follows: between 1981 and 1985, 8 million, and thenceforth until 1990, 10 million, according to a protocol concluded between the Vale do Rio Doce Company and Kerametal.

Cement

According to the same sources, the establishment of "some cement factories" in Brazil at a cost of $50 million in association with the Joao Santos group, with the Czechs coming in with 40 percent of the investments, is still under study. The matter is being decided at the Economic Development Council (CDE) level although there are no problems on the Czech side.

The protocol of intent, signed yesterday between ELETROSUL and the group comprised of the Skoda (Czech), Amn Ansaldo (Italian) and Deutsche Babcock (German) companies with the endorsement of the Brazilian Electric Power Company (ELECTROBRAS) is the result of the negotiations held by Minister Cesar Cals in Prague during an official visit made last September. The Brazilian minister pointed out the interest of our government in intensifying its technical and commercial relations with the countries of Eastern Europe, particularly Czechoslovakia. According to him it is necessary to "intensify exports to those countries but also to encourage imports because only in that way can the reciprocal interests of our countries lead to concrete and long-term relations."

Minister Andrej Barcak pointed out that both Brazil and Czechoslovakia "are in a completely new stage in their diplomatic-commercial relations." Taking into account the industries established in the country, the visiting minister explained, Czechoslovakia "is firmly convinced that that cooperation will not fail to produce positive results."

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CESP TO COLLECT SOLAR ENERGY DATA ON SAO PAULO

Brasilia CORREIO BRAZILIENSE in Portuguese 22 Nov 80 p 6

[Text] Sao Paulo--By the beginning of 1981, the Sao Paulo Power Company (CESP) is going to establish a system for the collection of data for the purpose of obtaining solar measurement survey of Sao Paulo.

Since research activities in the area of the utilization of solar energy have been intensified in the last 10 years, it can be anticipated that that unconventional source of energy will have an important role by the turn of the century.

In that survey, CESP will utilize the network of hydrometeorological stations operated by agreement with the Department of Waters and Electric Energy (DAEE), and its operational infrastructure already developed throughout the interior of the state. It will only be necessary to install one and in some cases two solar measuring devices in the stations of that system selected for that purpose.

According to preestablished technical criteria, 16 points spread out over the whole state of Sao Paulo were selected for the collection of data. Of those points, 10 will have a pyranometer to measure overall radiation and the other six will be equipped with another pyranometer to also measure diffused radiation, in addition to the existing heliograph.

Other meteorological parameters that may indirectly influence future solar installations, such as wind direction and velocity, relative units and temperature, are already measured at those stations.

Installation of the solar measuring equipment will take place in two stages. In the first, nine stations that are already suited to receive the equipment will be put into operation. In the second, the others will be installed as the stations are put into condition.

8711
CSO: 3001

BRIEFS

ITAPARICA PLANT SPEED-UP--Paulo Afonso, Bahia--In the presence of President Joao Figueiredo during the ceremonies inaugurating the Paulo Afonso IV hydroelectric plant, Minister of Mines and Energy Cesar Cals announced the government decision beginning in 1981 to speed-up work on the Itaparica hydroelectric plant in Pernambuco and to contract for the Xingo and Pao de Acucar hydroelectric projects on the Sao Francisco River. The bed for the Itaparica project, which is 30 kilometers from Paulo Afonso IV, is now almost ready but the timetable was delayed due to lack of appropriations. The Sao Francisco Hydroelectric Company (CHESF) will allocate 13 billion cruzeiros in 1981 for the construction of Itaparica, according to the budget presented to the Brazilian Electric Power Company (ELETROBRAS), which is still being submitted for the approval of the Planning Ministry. [Rio de Janeiro O GLOBO in Portuguese 21 Nov 80 p 20] 8711

CSO: 3001

ANTIOQUIA HYDROELECTRIC POTENTIAL DISCUSSED

Bogota EL TIEMPO in Spanish 25 Nov 80 p 6-B

[Text] Medellin--The very geographic structure of the department of Antioquia and the volume of river flow in the region have rendered this department particularly suitable for the generation of electrical energy through the use of water power. This situation is reflected in the major developments carried out in this sector by Medellin Public Enterprises, which today have a generating capacity of about a million kilowatts, while plans call for doubling this figure by 1983.

The electrical network of the Medellin Public Enterprises supplies the capital and the greater part of the municipalities in Antioquia, as well as other major regions in the country, with the electrical energy they need.

The electric system of the public enterprises was interlinked in 1972 with the major systems in the country, belonging to the Bogota Electric Enterprises, the Cauca Valley Regional Corporation and the Caldas Hydroelectric Plant. To this end the Electrical Interconnection Company (ISA) was established, for the purpose of building and operating the interlinking electrical networks and the development of new generating plants to supply the volume the system will require in the future.

The board of directors of the body has launched preliminary studies to establish the potential for hydroelectric development along the Nechi, Porcen, Penderisco, San Bartolome and Samana Norte rivers.

Studies have also been commissioned for the expansion of the Guadalupe and Troneras systems and the generating potential at the La Ayura plant.

Simultaneously, the public enterprises have ordered preliminary studies on the installation of a coal-based thermoelectric power plant.

In addition, possibilities of using other alternative energy sources such as natural gas, solar energy and nuclear energy are being studied.

Within the jurisdiction of this department, there is a hydroelectric potential which can be developed economically of 6,327 megawatts, in addition to the 693 which were in operation as of the time the analysis was begun, and the 9,830 megawatts established by the ISA study on the Cauca River, plus the potential of 1,550 megawatts on the Guatape River in San Carlos, 170 from Jaguas and 240 megawatts from Playas.

New Developments

One of the most ambitious projects involves the diversion of the Nechi, Pajarito and Dolores rivers into the basin of the Guadalupe River, in the northern part of this department.

Plans call for increasing the average usable flow there to the Guadalupe and Troneras plants by about 8 cubic meters per second, the equivalent of 25 percent of the present flow.

The total cost of this project comes to 436 million pesos, which will be guaranteed by Bank of America loans.

Another medium-term project pertains to the new Guadalupe plant, which will have a generating capacity of 140 megawatts as compared to the 15 it currently has.

The project calls for the building of several structures, the addition of a second generating unit with its new penstock and intake installations. The cost of this project is 66.9 million pesos.

Plans also call for the expansion of the Troneras powerplant with a view to utilizing the greater flow of the Guadalupe River, thanks to the diversion of the Nechi, Pajarito and Dolores rivers. The investment in this project will come to 245 million pesos.

Other studies to establish the hydroelectric potential of this department carried out by the Medellin Public Enterprises pertain to the Nechi River, which has a hydrographic basin of 14,500 sq km.

According to the preliminary studies, projects with a potential ranging between 1,220 and 1,360 megawatts can be developed on the Nechi River.

The Valdivia project calls for a power plant with an installed capacity of 700 megawatts, which will discharge water, after it has been used, to the plant on the Cuca River.

Surveys have also been made at two river mouths, on the Porce River, Guadalupe 4, Riogrande 2, Tenche, Porce 2, 3 and 4, Riachon, the San Bartolome River, La Guaira, La Palmera, the Panderisco River, La Encarnacion, Cerrazon, the Samana Norte River, Tafetanes, Cocorna, Santo Domingo and Calderas, which may provide a hydroelectric potential in excess of 11,707 megawatts.

The Guatape River

The program for the integrated development of the Nare, Guatape and Samana rivers includes, in addition to the Santa Rita Dam and the Guatape power plant, the building of the San Carlos power plant, currently under construction, to have a total of 1,550 megawatts from its two stages; the diversion of the tributary channel of the Nare River by means of the San Lorenzo Dam and utilization of the flow at the Jaguas power plant; and also the building of the Jaguas Dam, where the reservoir will make possible not only regulation of the flow but also the building of the Playas power plant.

Finally, also on the Nare River, there is the possibility of building a hydroelectric powerplant at the Inmarco site, although no study has been made.

The San Carlos project will be built in two stages. The first will make use of the flow of the Guatape rivers, increased by the diversion from the Nare River, at the Guatape powerplant, with a 620 megawatt installation.

In the second stage, the water volume diverted to the Jaguas powerplant, with an additional capacity of 930 megawatts, will be utilized.

The Jaguas project is located on the Nare River, some 30 km downstream from the Santa Rita Dam, and will use the water flow taken from this section of the river.

A Francis-type turbine of 120 megawatts will be used in the underground powerhouse.

The third project included in the hydroelectric development program on the Samana River is the Jaguas project. It is located on the Guatape River, at a point between the head of the Jaguas project and the Puchina Dam of the San Carlos project. The dam will be of the compacted fill type, 66 meters high, creating a reservoir with a usable capacity of 115 million cubic meters.

5157
CSO: 3010

SECONDARY RECOVERY OF CASABE WELLS PLANNED

Bogota EL TIEMPO in Spanish 26 Nov 80 p 20-C

[Article by Raul Chacon: "Casabe Oil Deposits Being Recovered"]

[Text] Barrancabermeja--With 74 billion pesos invested in the secondary recovery project, the Condor Exploitation Company proposes to extract 63 million barrels of crude oil from the deposits in Casabe, Antioquia.

The manager of the Colombian oil enterprise, engineer Enrique Amorocho, has stated that currently there are three drilling rigs being used to clear the wells, some of which have been capped since the departure of the Dutch concession holder, Shell.

Currently daily production comes to only 15 thousand barrels, with is sold to ECOPETROL [Colombian Petroleum Enterprise] at a concession price established by government resolution, this official said.

The government has given this enterprise a grant of 40,000 hectares, on which three production fields are located. The process of secondary recovery involves injecting water into the wells to extract the maximum of crude oil. This technique, used by ECOPETROL at the El Centro deposits, has produced positive results.

5157
CSO: 3010

NATURAL GAS POTENTIAL DISCUSSED

Bogota EL ESPECTADOR in Spanish 23 Nov 80 pp 4-C, 6-C

[Article by Simon J. Martinez Emiliani: "Natural Gas--New Wealth for Colombia"]

[Text] Until just a few months ago obtaining oil on international markets was an arduous task. There was a short supply of this product making possible dealings on the spot market at prices far above those officially established by the OPEC. Today the situation is different. The dizzying spiral in the OPEC prices has come to a halt at an average of $30 per barrel, and the spot market has begun to shrink appreciably. All of this is due to the surplus of oil available to be found in the Western world.

The delicate political balance in the Middle East in the past year was one of the factors which contributed most to creating a lack of equilibrium in the international balance between supply and demand of this product, and therefore to encouraging the rapid increase in its price. Thanks to the reduction in this tension and in oil imports by the industrialized countries as a result of the goals agreed upon in Tokyo last year, and the gradual replacement of crude oil by alternate sources, it is estimated that world oil consumption will increase from one year to the next by five percent, dropping from 52.8 million barrels per day in 1979 to 50.2 in 1980.

However, this seeming situation of abundance is subject to the decisions adopted by the OPEC as to the production of oil, and to the production increase which can be achieved in the future by the Western countries which are not members of that organization, and to the political situation in the Middle East.

The War Between Iraq and Iran

The conflict which has developed between Iran and Iraq clearly shows that any political change in the Middle East immediately has an effect on the normal supply of oil to the Western or free world. However, and to the relief of the countries which import this hydrocarbon, oil has continued to be shipped through the Strait of Hormuz, without major problems, at the rate of 16 million barrels a day.

This figure represents a little more than three-fifths of the total volume of the exports made by the OPEC prior to the war between Iraq and Iran.

When the conflagration between these two countries broke out, the problem the importer countries faced had its roots in the suspension of exports of oil and its byproducts by these two countries, which came to some 4 million barrels per day, in other words a 6th of the total OPEC exports and a 12th of the consumption of the Western or free world. The interruption of exports from Iran and Iraq has been offset by an increase in the production of Saudi Arabia and the United Arab Emirates. It is possible that Venezuela, Indonesia and other OPEC member countries are also contributing through an increase in their production.

Thanks to this policy, oil prices on the spot market did not develop abnormally last October, as occurred the year before when Iran decided to suspend exports. The apparent price stability seen on the international market, despite the war between Iran and Iraq, is a result of the decline in world consumption of oil due to the economic recession and more efficient utilization of this product; the increase in the production of Saudi Arabia during the last 12 months; and the accumulation of stocks in the Western or free world.

Natural Gas

However, the lack of certainty of an adequate and timely supply of oil has led the countries with a shortage of this product to step up their programs for substituting alternative sources for crude oil. Among these alternatives, natural gas has taken on significant importance to the point that it is regarded today as one of the most valued energy substitutes in the world.

Estimated World Commercial Production
of Natural Gas and Known Reserves
(in billions of cubic meters)

1978	1978	1979	1970	1980
Canada and North America	633.65	631.94	9,264	8,015
Caribbean Area	32.31	38.19	1,255	3,243
Other South American Countries	15.14	15.94	396	804
Middle East	43.77	36.88	6,864	16,839
Africa	20.91	29.61	5,081	5,136
Western Europe	184.91	198.22	4,117	3,742
Far East	70.94	77.86	1,606	4,924
Russia and Eastern Europe	428.42	460.43	9,516	31,145
Total	1,430.05	1,489.07	38,099	73,848

World demand for gas has maintained a stable rate of growth since the beginning of the 1970s. Last year, demand increased on an average by four percent. The main consumers of this hydrocarbon are the United States, the Soviet Union, Canada, the FRG and England. Total production increased from 1.430 billion cubic meters in 1978 to 1.498 billion cubic meters in 1979, as can be seen in the table above. In terms of energy, this production was the equivalent of some 26 million barrels of oil.

OPEC production increased from 6.8 percent in 1978 to 7.2 percent in 1979, that of the United States dropped a little, while that in Eastern and Western Europe, the Far East and the small producer countries in Latin America and Africa showed a substantial increase.

New Source of Income

The gas-bearing structures which have been discovered in our country have resulted from drilling done in the search for oil. This was how the El Dificil (Magdalena), Jobo-Tablon and Chinu (Cordoba) fields were discovered, as well as those in Chuchupa and Ballena (La Guajira), in 1973, just prior to Colombia's conversion from an oil exporter to an oil importer.

If indeed little importance was assigned to natural gas as a source of energy in the past, today it must be regarded as one of the bulwarks of our economy, not only as a substitute for oil and some of its byproducts, but as a possible source of income for our balance of payments.

Thanks to the discovery and development of the Chuchupa and Ballena deposits, the country has been able satisfactorily to solve the serious problem looming over the Atlantic Coast industries using the supply of gas from Cicuco, El Dificil, Jobo-Tablon and Chinu, which did not provide sufficient production and reserves to meet their demand entirely.

Following the discoveries at Chuchupa and Ballena, a number of exploratory wells were drilled on the Atlantic Coast in the hope of finding new gas reserves. Unfortunately, the results have not been very promising, which has slowed the development of the project the national government drafted for the utilization of natural gas.

The known reserves of gas came to 4.6 billion cubic feet as of 31 December 1979. This is equivalent to some 940 million barrels of oil, of which 74 percent is located in the department of La Guajira, at the Chuchupa, Ballena and Riohacha deposits.

Currently these deposits are producing a daily volume of 130 million cubic feet, used mainly by the industries in Barranquilla, Cartagena and Santa Marta and for domestic consumption. This production can be increased in the future to 450 million cubic feet per day.

It is estimated that the reserves at the Cicuco, El Dificil, Jobo-Tablon and Chinu deposits will be exhausted in the early years of the next decade if the current production rate of 90 million cubic feet per day is maintained. Therefore, the projects for the utilization of natural gas should be based on the reserves in the La Guajira deposits and those which will be discovered in the future.

Supply and Demand

During the period between 1971 and 1978, the demand for natural gas increased at a compound annual rate of 8.4 percent. This rate of growth varied considerably due to the changes which occurred in the consumption by the electrification installations.

It is estimated that demand will increase substantially in this decade, from 255 million cubic feet in 1979 to 366 million in 1985 and 438 million in 1990, as can be seen on the following table.

Demand		1979	1980	1981	1985	1990
Barranquilla		100	122	144	148	149
Cartagena/Cordoba		81	100	126	160	175
Guajira (Palomino)		--	--	--	--	50
Santander		74	85	92	115	120
Methanol Plant		--	--	--	--	77
Total Demand		255				
	307	362	423			
Total Demand		255	307	362	423	571
Coal Substitution		--	--	-57	133	
Net Demand		255	307	362	366	438
Supply						
North Coast-Guajira		100	137	177		
Jobo-Tablon		39	33	30		
Sucre-Castor		10	18	33		
Dificil-Cicuco		32	34	30		
Santander-Provincia-Payoa		74	85	92		
Total Supply		255	307	362	366	438

This consumption will be concentrated mainly on the Atlantic Coast, where gas will be used as a fuel for generating electricity, for the production of energy for industries and as a raw material for the petrochemical industry.

In this fashion the substitution of natural gas for almost all of the fuel oil being used in this region and in the two Santanders will proceed.

Toward the middle of the present decade, a part of the natural gas used on the Atlantic Coast will be replaced by coal produced by the CARBOCOL [Colombian Coal Company, Inc] operations, mainly in the cement plants and the electrical plants in Barranquilla and Cartagena.

Projects for the Use of Natural Gas

To date the national government has drafted four projects for the use of natural gas:

1. Methanol plants.

2. Palomino petrochemical complex in La Guajira (ammonia and urea plants).

3. Western gas pipeline.

4. Export of liquified gas.

According to the feasibility studies made by experts in these matters, the above-mentioned projects will be profitable. However, their development will depend on the additional reserves of gas discovered on the northern coast, since those known

do not suffice to supply the projects completely. For the time being, the national government must establish an order of priority.

The second table shows the volume of natural gas consumption for the projected methanol plant and petrochemical complex in Palomino, estimated at 50 billion cubic feet per day and 77 billion cubic feet per day, respectively.

a. Methanol Plant

In our view, this project is of great importance. It involves the building of a plant for the production of methyl alcohol, which could be mixed with gasoline.

Thus it would be possible to reduce the volume of this product imported.

Year	Barrels	Percentage Increase	Volume of Imports
1976	2,616,760	--	36,594,310
1977	3,459,924	32.2	51,454,777
1978	7,708,645	122.8	121,206,035
1979	9,302,998	20.7	314,651,075

Galerazamba-Medellin-Santa Maria....635 km
Santa Maria-Bogota.....192
Santa Maria-Cali.....240
Total.....1,067 km

The table above shows the gasoline imports in the past four years and the increase in comparison to the immediately preceding year.

The demand for gasoline in 1979 came to 27,485,000 barrels and it is estimated that by 1985 this figure will reach 32,100,000. Methanol extracted from natural gas can replace a large part of this substantial volume.

The plans for this plant could be even greater if success is achieved in finding additional reserves of natural gas.

b. Petrochemical Complex

This involves the building of a plant to produce 450,000 tons of ammonia per year and 357,000 tons of urea per year, in order to reduce the deficit we have of these products. This would reduce imports of urea and would contribute to the production of fertilizers.

c. Western Gas Pipeline

This project involves the building of pipelines to transport gas from the north coast to the interior of the country, in order to supply the cities of Medellin, Manizales, Cali and Bogota with this hydrocarbon product, with a spur running to the refining and petrochemical complex in Barrancabermeja. This gas pipeline could be designed so as to cross the Cocorna field in Antioquia, where development has already been begun, so that the gas can be used there as fuel for the production operations using thermal methods.

The construction of this gas pipeline will provide the following benefits:

1. The quantities of fuel, ACPM, kerosene and propane used in industries and for domestic consumption will be replaced by natural gas.

2. The volume of fuel oil exports will be increased, contributing to compensating for the daily increasing value of imports of oil and oil products.

3. It will be possible to supplement the current supply of gas obtained from the Provincia and Payoa fields to the Barrancabermeja industrial complex toward the beginning of the next decade, if the exhaustion of these fields is not offset by new discoveries in the middle Magdalena region.

4. The crude oil which would be used at the Cocorna field, Antioquia, to generate electricity and steam in extracting the heavy oil concentrated there, would be replaced by natural gas.

This crude oil will be used to load the balance plant in Barrancabermeja to produce gasoline for engines.

The planned length of this gas pipeline is 1,067 km, distributed as follows:

Galerazamba-Medellin-Santa Maria, 635 km; Santa Maria-Bogota, 192 km; and Santa Maria-Cali, 240 km (source--PIN).

It is estimated that the market potential might be 150 million cubic feet initially, which could increase by 1990 to 230 million cubic feet per day, and by 1995, to 294 million cubic feet per day. The city of Bogota would probably consume 40 percent of this total.

Export of Liquified Natural Gas

The liquified natural gas project would involve the export of this product to the United States. Initially, two possibilities were considered, calling for the processing of 150 million cubic feet per day and 450 million cubic feet per day, respectively. The first of these possibilities was discarded because it was believed this proposal was not profitable. However, due to the increase which has been seen for natural gas on the international markets, it is now believed that this project might be economically feasible.

It can be concluded from the above figures that sufficient reserves of gas are not currently available to develop all of the projects we have mentioned. The national government will have to establish priority among them based on the programs being pursued by the CARBOCOL in El Cerrejon, which will make it possible to replace natural gas with coal in the cement industry and the electrical sector.

5157
CSO: 3010

DIM VIEW TAKEN OF REAGAN ADVISORS' DIVERGENT L.A. POLICIES

Caracas EL DIARIO DE CARACAS in Spanish 9 Dec 80 pp 20-21

[Article by New York correspondent Jose Ricardo Eliaschev: "President-Elect Ronald Reagan Lacks a Latin American Policy"]

[Text] The latest controversy triggered among Reagan's group of advisors on international affairs involved the Latin American countries, as had occurred previously with the new president's advisors for South Africa and Taiwan. Just as in those instances, Reagan's close circle denied any overly explicit commitments to regimes considered to be repressive; and, this week, those handling the next administration's relations with the regime in El Salvador were publicly criticized by the new president's spokesman, James Brady. A few days earlier, members of a delegation of Salvadoran businessmen stated that Reagan's Latin American advisors had promised immediate, sizable military aid to the Junta governing that country, to destroy the guerrilla forces opposed to the regime.

Documents recently released in the publication of one of the two analytical groups preparing the forthcoming Latin American strategy indicate that there are vast differences in perception and analysis among the members of the advisory team. Those groups are at the Center for Strategic and International Studies (CSIS) of Georgetown University, in Washington, D.C., and the American Enterprise Institute (AEI), which also operates in the capital.

The Main Enemy

The next government's group of "Latin American experts" includes Roger W. Fontaine, James D. Theberge, Jean J. Kirkpatrick, Pedro Sanjuan and Constantine C. Menges. Fontaine is considered by several sources as the most prominent member of the group, and the weekly publication THE GUARDIAN gave assurance in its latest issue that he might succeed William G. Bowlder as future assistant secretary of state for inter-American affairs, the top-ranking post in the United States administration dealing with Latin America.

Contrary to what is usually thought, this group is not homogeneously Republican. Dr Kirkpatrick and Sanjuan have served in Democratic administrations. The woman participated in two important internal committees at the 1976 Democratic convention; while Sanjuan served during the early months of the now moribund administration of James Carter as assistant to Hamilton Jordan, the White House chief consultant.

The present Latin American policy group of the next administration is, therefore, quite bipartisan in origin; something which insures a relative degree of universality in the plotting and implementation of its policy recommendations.

Menges is affiliated with the Hudson Institute, an academic organization located near New York and publicized by the often spectacular forecasts of its official "futurologist," Herman Kahn.

Fontaine, who is 39 years of age, has written "Brazil and the United States" and "On Negotiating With Cuba," in addition to "Latin America: Struggle for Progress," in collaboration with Theberg. Fontaine has often been described as an expert on Cuban affairs. In a recent interview granted to this correspondent in the CSIS offices, Fontaine explained why the only picture decorating the walls of his office was a print containing the photographs and names of all members of the Politbureau of the Communist Party of Cuba: "One must be aware of the main enemy at all times."

Differences Among the Advisors

A recent study by Fontaine demonstrates serious differences with respect to Sanjuan's views, with features that warrant the claim that the opinions of the former are more realistic and moderate than those of the latter, even though both share a radically anticommunist viewpoint. Fontaine's study, which was also signed by a former official of the Central Intelligence Agency (CIA), Cleto Di Giovanni, Jr, and by a "Venezuelan businessman educated in the United States,"Alexander Kruger, is significantly entitled "The Specter of Castro." Sanjuan's study is entitled "Why We Don't Have a Latin American Policy."

The first and most obvious differences are: a. Sanjuan does not believe in that Castro "specter," and strives to prove that the United States should make an effort not to overestimate the danger of what he regards as a regime in an acute state of decline, the Cuban revolution. b. Fontaine is convinced that the Latin American policy applied by the liberal sector brought to the State Department by Carter has been marked by complete, indisputable coherence; while Sanjuan thinks exactly the opposite about it.

Fontaine claims: "The Carter policy (toward our neighbors to the south) is a coherent, profound repudiation of the past (...). Unlike the policies applied by this administration elsewhere in the world, its policy in Central America and the Caribbean has been aimed at the attainment of carefully considered and well defined goals, which have remained intact; because the regional differences have not received too much damage from the publicity that would be embarrassing for the government." And he adds: "Jimmy Carter's foreign policy for Central America and the Caribbean has been devised over a long period of time by individuals who rejected traditional foreign policy concepts and who devised a policy that has provided the native leftist-oriented movements backed by Cuba with opportunities for progress that are unprecedented since World War II."

Sanjuan has a very different view when he makes an assessment of the past 4 years of United States policy toward Latin America, which he depicts as "a mixture of incompetence, arrogance and ignorance." After claiming that Carter approached international policy matters with a "rural attitude," he states that, between 1976 and 1980, the United States underwent "one of the most confused periods in the implementation

of its foreign policy. Any competent observer must have serious doubts as to whether what the United States attempted to put into practice in Latin America during the past 3 and a half years could even be called a policy."

According to observers, this sharp discrepancy in the evaluation of the immediate past could cause an extensive breach between Reagan's Latin American advisors when it is time to devise his policies for the short and medium term.

Castro Is Not a Revolutionary Hero

Fontaine, shows certain signs of accepting the reality in his view of Latin America. For example, he agrees that the present government junta formed in El Salvador by the Armed Forces and the Christian Democrats is an invention of the State Department, and, on another topic, he admits that what Cuba has with the Soviet Union is a "marriage of convenience." This hardly ideologized view of the reality clashes with the inflamed emotion displayed by the Hispanic Sanjuan, in his view.

For example, Sanjuan, who upholds the almost racist concept that "growth is an organic psychological compulsion of the Soviet state," claims that "Castro has no system to export to anyone. He is not a world leader, nor an antagonist worthy of consideration by the United States; and he is no longer a revolutionary hero in Cuba either."

Compare these heated assertions with Fontaine's opinion: "While, in recent years, the Cubans have increased their influence in the Caribbean and faroff Africa, the United States has pursued an opposite course (...). Few would claim that the Cubans have contrived the crisis in Central America on their own. On the contrary, the instability of the region originates in the historical inequalities among the social classes, which have produced political and economic frustrations among large masses of citizens. (...) We agree that the opposition to Somoza in Nicaragua was very widespread, and that the Cuban backing for the Sandinists was only one ingredient in the revolution."

Sanjuan, for his part, is convinced that, "Fidel Castro is (...) an incompetent socialist, even when he is judged on the basis of the normal failures of socialism." He is of the opinion that the Cuban leader can maintain his power only because he is oppressing his country "in an economy which he has deteriorated rather than improved, and in a nation which was once proud, and which he has reduced to the status of a subservient puppet of the Soviet Union."

The observers underscore the difference between the notion of a "marriage of convenience" between Moscow and Havana upheld by Fontaine, and the idea of a "subservient puppet"of the USSR adopted by Sanjuan.

Mensheviks and Developmentalists

Nevertheless, neither of the two expounders of the forthcoming administration displays complete coherence, even in his own statements. Whereas Fontaine, all things considered, reveals a conspiratorial concept of history, whereby the briefcase that the former foreign minister, Orlando Letelier, was carrying at the time of his assassination contained an entire code leading to a Cuban plot on a hemispheric scale, Sanjuan starts with the same anxious view of the Havana authorities, ending up with revolutionary methods of economic development for a conservative regime.

In the latter respect, Sanjuan maintains: "Latin America's orientation has traditionally been toward the development of overseas markets for selling its raw materials. The customers were always Europe and the United States. With the progress of industrialization, the competitive development of the markets should be spurred on through the entire hemisphere, across national borders, not for the raw materials that were difficult to sell in the immediate past, but for the growing volume of consumer goods now and in the future, refined fuel and by-products, as well as diversified agricultural exports. The United States should take part in this process as a full partner, and not primarily as an exporter of finished industrial products and an importer of raw materials."

Thus, the extreme ideological right would describe some of Fontaine's positions as "Menshevik," while Sanjuan's views disclose a certain "developmentalist" trend.

Fontaine distrusts respect for ideological pluralism, and is convinced that the Carter administration acted in a detrimental manner toward the hemisphere's right wing regimes, favoring, rather, what he terms "the extreme left." However, the latter is not identified, and one might infer from Fontaine's views that the alleged "extreme left" could be embodied by the Salvadoran Col Adolfo Arnaldo Majano, the Panamanian Gen Omar Torrijos Herrera and other possibilities that the State Department at one time regarded as moderates in the region.

All things considered, Fontaine's view of the hemisphere is ominous. He claims that, as a result of the Carter policy, the pro-United States Nicaraguan dictatorship was replaced by a "pro-Soviet regime," the pro-United States military government of Carlos H. Romero in El Salvador was replaced by a left-center regime "backed by the United States Embassy," the current pro-United States military government of Guatemala "is under attack from the Carter administration for human rights violations," and Jamaica, "officially nonalined, and with a tendency toward leftist oratory and action, has received generous assistance from the United States, without any apparent benefit to the donor." This was written prior to Michael Manley's defeat, when Washington was keeping all aid to the English-speaking island virtually frozen.

Although the different nuances are considerable, they do not conceal a broad ideological and political common denominator; but those differences could in the future produce opposition and controversy with respect to the critical policy of the incoming conservative United States Government toward Latin America.

2909
CSO: 3010

LATIN AMERICAN ARMED FORCES COMPARED

Mexico City EL DIA in Spanish 1 Dec 80 p 12

[Text] Paris, 30 Nov (AFP)--The three Latin American countries that stand out in terms of military might are: Brazil, which has the region's largest Armed Forces numerically; Argentina, which has the best equipped forces; and Cuba, whose forces are the most battle-toughened. These conclusions were culled from data gathered at AFP offices in Latin America and from files here.

With a population 12 times larger than Cuba's and almost 5 times larger than Argentina's, Brazil has a military force of 272,550 men (113,000 recruits), as compared to 206,000 in the Cuban Armed Forces and 139,500 (92,000 recruits) in the Argentine military.

For its part, Argentina is undertaking the largest arms buildup in Latin America, spending $2.8 billion on defense in 1979, compared to $2.09 billion in outlays by Brazil during the same year and $1.1 billion by Cuba in 1980, even though its gross national product is estimated at 4 times less than Brazil's but almost 4 times greater than Cuba's.

With 19,000 men stationed in Angola and 16,500 in Ethiopia, according to the 1980-81 military assessment by the London International Institute of Strategic Studies, however, Cuba is the Latin American military power with the most recent war experience, in the African theater, inasmuch as Brazil's last military undertaking dates back to World War II on the Italian front, while Argentina's goes back almost 100 years, to the triple alliance war against Paraguay, along with Brazil and Uruguay.

Latin America's armed forces comprise a total of 2 million men, while the region's overall defense expenditures amounted to $10 billion last year, $6 billion of which was accounted for by the three aforementioned countries.

Military Alliances

A series of pacts and treaties link Latin American countries with each other and with the United States in the event of aggressions or threats across borders established by treaties (the Chapultepec Act of 1945), to provide for the peaceful settlement of disputes between countries in the region and for group self-defense in the event of an outside attack on one of the members

(the Inter-American Reciprocal Assistance Treaty [TIAR], Rio de Janiero, 1947, and the Charter of the Organization of American States, which comprises the provisions of the TIAR).

The only country that does not take part in the inter-American system is Cuba, which was expelled in 1962. In 1975 the OAS agreed that member countries could normalize relations with Cuba.

In addition, in 1967 25 Latin American countries signed the Treaty of Tlatelolco banning nuclear weapons in Latin America.

Citing reasons of sovereignty, Cuba did not sign the treaty. Argentina signed but never ratified it, and Brazil did so but with a reservation on peaceful nuclear explosions.

For their part, the United States, the Soviet Union, Great Britain, France and China signed Protocol 2 of the Treaty of Tlatelolco, pledging not to use or threaten to use nuclear weapons against the signatory parties.

Argentina Updates Its Arsenal

The Argentine Armed Forces are in a full-fledged process of modernization.

The land army, which has 85,000 troops and around 250,000 reservists, has in addition to 100 U.S. Sherman tanks from World War II, 120 lightweight AMX-13's from France, and production is fully under way on the modern TAM [Medium Argentine Tank], 100 or so of which have already been put in service.

It recently purchased 50 Kuerassier antitank tanks from Austria and has ordered another 120.

The navy has 33,000 men. It has an aircraft carrier (a renovated former British vessel) outfitted with Skyhawk A4Q planes and recently announced that it would be buying 14 Super Etendard fighter planes from France.

The fleet also includes two modern German-built Type 209 submarines and some other U.S.-built subs from the end of the Second World War; 2 Type 42 destroyers, one of them built in Argentina, outfitted with Sea Dart missiles, plus another 8 U.S.-built destroyers; 2 guided missile frigates bought from France, and several Type 148 high-speed patrol boats. The navy also has 23 fighter planes, to be joined soon by the 14 Super Etendards.

The air force has 19,500 men and 206 fighter planes, including 9 British Canberra bombers, 60 Skyhawk A4B pursuit planes, 18 Mirage III-E purchased from France and 26 Daggers (Mirage III's modified by Israel) bought 2 years ago. It also has another eight Mirage fighter aircraft on order from France.

It also has some 40 IA-58 Pucaras, an Argentine-made twin-engine turboprop plane used for tactical support and counterinsurgency; it has another 20 on order.

The Armed Forces took power in Argentina in 1976; martial law had been in force since 1974. Executive power rests with a military president appointed by the Junta of Commanders in Chief and subordinate to it.

Military aid from overseas was cut sharply after the United States decided to suspend arms sales to Argentina based on Washington's charges of human rights violations.

Argentina and Chile have an ongoing border dispute in the south in connection with sovereignty over three islands at the mouth of the Beagle Channel.

This century-old conflict brought Argentina and Chile to the brink of war in late 1978 in the wake of the British Crown's unfavorable ruling for Argentina. The situation has been temporarily settled thanks to the intervention of a papal delegate.

Argentina engages in military cooperation mainly with neighboring nations, Uruguay, Paraguay and Bolivia, to which it generally gives materiel.

Brazil: An Arms Producer

The Brazilian Armed Forces, the largest in the region, attach priority to domestic technology and production to update their weaponry, relying on a modern industrial complex in Sao Jose Dos Santos in the state of Sao Paolo.

The land army, with a contingent of 182,750 men, has 60 medium M-4 tanks, several M-47's, 250 light M-41 tanks, 25 X-1 tanks and has 80 medium X-1A2 tanks on order.

The Brazilian Navy, with 47,000 men, consists basically of a light aircraft carrier, 8 submarines, including 3 Oberons, six frigates, 12 destroyers, 6 minesweepers. It has no fighter aircraft.

The Brazilian Air Force (42,800 men) operates with 173 fighter planes, including 14 Mirage III's, 33 U.S.-built F5E's, 5 F5B's and 70 Xavante counterinsurgency aircraft (the Brazilian version of the Italian Aeromachi).

The Brazilian Armed Forces, which took power in 1964, began a "political opening up" process in 1979. Brazil is not involved in any border disputes with its neighbors, does not receive outside military aid and has a military assistance mission in Paraguay.

Cuba Belongs to No Military Pact

Cuba has not signed any treaty entailing membership in a military bloc, but its Armed Forces use equipment common to the signatories of the Warsaw Pact, except for strategic bombers and nuclear weapons.

In the event of war, Cuba would mobilize in no more than a week a superbly outfitted force of no fewer than one million combatants, not counting auxiliary

services. The Corps of Territorial Militia Units, an institution similar to what Yugoslavia and Vietnam have, is currently being formed.

The Cuban Army, with 180,000 men, has more than 600 tanks, including 60 IS-2 heavy tanks, T-34's, T-54's, T-55's, 50 T-62 medium tanks and PT-76 light tanks.

The Cuban Navy, with 10,000 men, operates three Soviet submarines and several patrol and missile boats.

The air force, with 16,000 men, has 168 fighter planes, including 30 MIG-17's, 20 MIG-23's, 48 MIG-21F's, 30 MIG-21MF's, 40 MIG-19's and 15 MIG-15UTI's.

Constitutionally, the chief of state and head of government is the commander in chief of the Armed Forces, Raul Castro, who is first vice president of the Council of State and the Council of Ministers; he is also minister of the Armed Forces. Functions similar to those of a National Security Council are thought to be performed by the Political Bureau of the Central Committee of the Communist Party, whose first and second secretaries are Fidel and Raul Castro, respectively.

The USSR gave Cuba all of the equipment it received during the first 15 years of the revolution, but subsequent military aid is thought to have entailed economic compensation.

Soviet cooperation also extends to the training and further development of military officers. In addition, there are somewhat fewer than 5,000 Soviet military specialists in Cuba.

Venezuela: The Highest Defense Expenditures

Behind the three main military powers in Latin America, Venezuela, with an estimated GNP of $39.3 billion in 1978, is the country that approved the heaviest defense expenditures in 1980: $804 million.

As far as manpower is concerned, however, the Venezuelan Armed Forces are in eighth place, behind Mexico, Peru, Chile and Colombia as well.

The 27,000-man Venezuelan Army has 142 French AMX-30 tanks, 40 light AMX-13's and 12 U.S.-built M-8 all-terrain tanks.

The 9,000-man navy has four submarines (two German Type 209's; another two are on order), four missile-armed destroyers, five frigates, including an Italian Lupo guided-missile frigate received 3 months ago, while another five Lupo frigates are under construction and will be brought on line gradually in 1981.

The 4,500-man air force has 99 fighter aircraft, including 18 British Canberras, 9 Mirage III's, 20 F-86's and 18 CF-5's from the United States.

Venezuela is involved in a border dispute with Colombia over the delimitation of ocean and underwater areas in the Gulf of Venezuela and has a claim pending to the territory of Esequibo, some 150,000 square kilometers that represent close to 2/3 of the surface area of Guyana.

It has concluded a mutual defense pact with Costa Rica, a country that does not have an army.

Chile: The Sixth Largest Force in the Region

This country, which has the sixth largest military force in Latin America in terms of manpower (88,000 man, 21,600 of whom are recruits), spent $726 million on defense in 1979; its estimated 1978 GNP totaled $15 billion.

Its 53,000-man army (20,000 recruits) has 70 medium M-4 tanks, 10 M-3's, 60 M-41's and 47 AMX-13 light tanks.

The 24,000-man navy (1,600 draftees) has in particular 3 submarines (2 Oberons), 3 cruisers, 6 destroyers, 5 frigates and 3 corvettes, as well as 12 fighter aircraft.

Its 11,000-man air force operates 84 fighter planes, including 16 Hunter F-71's, 18 F-5E/F's, 8 T-33A's and 34 A-37B counterinsurgency planes. It also has 16 Mirage 50 fighter aircraft on order.

The Armed Forces have been in power in Chile since 1973, when they overthrew the constitutional president, Salvador Allende. In addition to its main border problem with Argentina in connection with the Beagle Channel, it is involved in another dispute with Bolivia, which is demanding an outlet to the sea.

Mexico: Second in GNP, Sixth in Military Outlays

Even though it has the second highest GNP in the region, put at $91 billion in 1978, Mexico spent $518 million on defense in 1979, the sixth highest total in the area, in back of Venezuela and Chile.

The Mexican Armed Forces, the fourth largest in Latin America in manpower with 107,000 men (it also has a 250,000-man militia made up partially of draftees), recently began a modernization process. As recently as 1977 it began replacing its cavalry with motorized units purchased from the FRG.

Thus, its army, with 83,000 regulars, has only M-3 and M-5 light tanks.

Its 20,000-man navy consists of older, American-made equipment, including 2 destroyers, 5 frigates, 37 corvettes and 13 fighter planes.

Mexico's 4,000-man air force has 70 fighter planes.

Peru Demanded Withdrawal of U.S. Military Missions

The Peruvian Armed Forces are the fifth largest in manpower (95,500, including 49,000 recruits) and the seventh in defense spending, $366 million in 1979, with an estimated GNP of $12.4 billion in 1978.

The 75,000-man army (51,000 recruits) has 250 T-54 and T-55 Soviet tanks and 110 AMX-13 light tanks from France, as well as 60 medium M-4 tanks built in the United States.

Its 10,500-man navy has in particular eight submarines (two German Type 209's), five cruisers, seven destroyers and six frigates (four are the Italian Lupo, outfitted with antisubmarine missiles and helicopters).

It has an additional four Type 209 submarines on order. Almost all of its larger vessels were built after the Second World War and modernized when Peru bought them. Two destroyers with antisubmarine equipment arrived over the last 3 months from Holland to replace older units.

The 10,000-man air force has 119 fighter planes, including 32 Canberras, 24 Mirage 5-P's and 23 Soviet-built SUJOI SU-22's. With the exception of the Canberras, this is modern materiel purchased over the last 5 years.

American military aid has been suspended since the early 1970's, as the regime of Gen Juan Velasco Alvarado demanded the withdrawal of U.S. military missions. Peru and Cuba are the only two countries in the region that own Soviet materiel.

Peru is involved in a border dispute with Ecuador relating to the delineation of the frontier in the El Condor Mountain Range in the Amazon region.

Colombia: Poorly Equipped

The Colombian Armed Forces command seventh place in the region in manpower (65,800 men) and eighth place in defense spending, $215 million in 1979 (its estimated GNP standing at $14.5 billion in 1978).

Its 33,000-man army (26,500 recruits) is very poorly equipped, having just a few M-4A3 medium tanks and M-3A1 light tanks.

The 9,000 men navy has four submarines (two Type 209's), three destroyers and five American frigates. Except for the two German submarines, the materiel is old.

The 3,800-man Colombian Air Force has 18 Mirage fighter planes.

In addition to the aforementioned border dispute with Venezuela, Colombia is involved in another with Nicaragua, which claims the islands of San Andres and Providencia and the keys of Serrana, Quitasueno and Roncador in the Atlantic.

As to the rest of the countries of South America, Ecuador has a military contingent of 38,800 men; Uruguay, 30,000; Bolivia, 23,800, and Paraguay, 16,000.

In 1979, Ecuador spent $163 million on defense; Bolivia, $118 million; Uruguay, $72 million, and Paraguay, $41 million.

Ecuador has 40 M-3 tanks, 80 AMX-13 light tanks, 2 Type 209 submarines and 50 fighter planes.

The Bolivian Armed Forces have in particular 18 Kuerassier antitank tanks and 41 fighter planes, including 18 Brazilian-made Xavante counterinsurgency aircraft.

The Uruguayan Armed Forces have 17 M-24 tanks, 18 M-3A1 light tanks, U.S.-made frigates, 2 corvettes and 20 fighter planes.

The Paraguayan Armed Forces have 13 M-4 medium tanks, 12 M-3A1 light tanks, 25 fighter planes and have 12 Xavante counterinsurgency aircraft on order from Brazil.

The United States has suspended arms shipments to Uruguay because it feels that the Uruguayan Government systematically violates human rights. The Armed Forces are in power.

Nicaragua: The Best Arms in Central America

In Central America, Costa Rica and Panama do not have armies but maintain paramilitary forces consisting of 5,000 and 11,000 men, respectively.

After the bloody war waged against the Somoza dictatorship, Nicaragua is considered to have the best equipped army in Central America, given the sum total of Sandinist weaponry and the arms captured from the National Guard. Its military manpower is estimated at some 10,000 men, backed by about 40,000 militiamen.

Starting with the war that it waged against El Salvador in July 1969, the Honduran Army entered a professional updating phase by sharply boosting the number of its troops.

They rose from 6,000 to some 11,300, while defense spending totaled $31.4 million in 1979. It has 24 fighter planes, including 12 Super Misterio B-2's. The country receives American military aid.

Honduras and El Salvador signed a peace treaty last 30 October.

El Salvador, where a virtual civil war is going on has a 7,000-man Armed Forces and spent $72 million on defense in 1979. It has 12 AMX-13 light tanks, 17 Huracan planes, 4 Super Misterios, 4 Magisters and 6 Rallye counterinsurgency aircraft. The Military-Christian Democrat Junta that governs the country receives major military assistance from the United States.

The Guatemalan Armed Forces have 14,900 men, and the country spent $76.8 million on defense this year. It has several Stuart light tanks and 10 fighter planes.

American military aid was cut off in 1978 on account of human rights violations. It cooperates militarily with Colombia, Venezuela, Uruguay and Argentina.

Guatemala, El Salvador and Honduras are on the Central American Defense Council, which was formed several years ago to coordinate the extraterritorial defense of the countries in the region.

The Dominican Republic has a 19,000-man Armed Forces; Haiti, 7,000; Jamaica, 4,000 and Guyana, 7,000.

Their defense expenditures in 1979 were, respectively, $91 million, $18.4 million, $17 million and $17 million.

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CSO: 3010

ALARM EXPRESSED OVER LACK OF DEFENSE CAPABILITY AFTER INDEPENDENCE

Belize City THE REPORTER in English 14 Dec 80 p 2

[Editorial]

[Text] The people of Belize do not have to submit to the government's time-table for independence. Even though there is a constitutional conference set for next February and the United Nations has set up parameters within the year 1981, the people of Belize, exercising their right to decide their own future, can adjust this time-table and expand these parameters.

There are compelling considerations which should make us want to change them, and the most pressing of these is that Belize is not in a position to defend herself against a hostile neighbour, and Britain, her only visible defence partner, is not willing to do so once the country becomes independent and develops its own autonomous foreign policy.

The Government of Belize has not been able to come up with anything comparable to replace the British once the troops are withdrawn in a year or two or three. Belize will not only lose an effective defence umbrella, but the spin-off effects of the $10 million a year which Britain spends to maintain it as well.

All the discussion about an international peace-keeping force has not produced a clear plan of action in case the Guatemalans decide to come across the border in force. Even if the Guatemalan army does not march in as a visible target, Guatemala can patrol our waters with its gunboats or choose to come across in platoon-size groups to take up positions in the highlands of Punta Gorda. They could stay indefinitely, sapping our human and other scarce resources and bleeding our country.

In the Belize context a peace-keeping force must necessarily be of a and quality to deter those which we know the Guatemalans have, and since the Guatemalans own fighter and bomber aircraft, the peace-keeping force must have some air cover so that our ground forces do not become sitting ducks. [sentence as published]

If Belize is to resist the Guatemalan advances, she must have these military capabilities. And we don't see any country, apart from Cuba, willing and able to provide such an expensive deterrent force. Once Belize goes to Havana for

military help however, we fling ourselves irretrievably into the Communist Camp, and even if the United States takes no restraining action, we would be committing ourselves and our country, as the people of Cuba did 25 years ago, to the bleakness of Marxist regimentation and a Marxist-Socialist economy.

There is another side to this coin however, and more and more this looks like the real thing. Belize could show token resistance to the Guatemalans, and after a "respectable" period allow them to have their way, like the lady who furiously resists being taken--then settles down to enjoy it.

Is this the real plan? Are our BDF boys being trained as cannon fodder in a secret plan to save face while giving the Guatemalans all that they want?

We don't know the answers. But there is a growing unreality about Belmopan's plan for independence. The plan is over simplistic and too slick by half. It does not take into account the realities of today's situation. It is not only an ego trip with 140,000 persons on board. It looks like an elaborate conspiracy!

Belize has maneouvered herself deftly into a corner from whence it appears we have one of two choices open to us--either we yield to Guatemalan rapaciousness, or we join the Communists and become associates of the most nefarious dictator of the New World!

But the soul is dead that slumbers, and things are not what they seem. We have a third choice. We can return to the negotiating table. We can insist on a referendum. We can spike the independence talks by returning the UDP to the City Council.

We can do all this and more. We do not have to stand like sheep and be led to the slaughter. Come on! How about it?

CSO: 3020

GUATEMALA SEEN PREPARING FOR 'PROPAGANDA OFFENSIVE'

Belize City THE REPORTER in English 7 Dec 80 p 2

[Editorial]

[Text] Last week's issue of the TOLEDO STAR, the newspaper organ of the minescule Toledo Progressive Party, reported that Belizean soldiers have been undergoing training in Cuba, Panama and Nicaragua as guerrillas.

Quoting one of those Washington lobbyist organizations which calls itself the American Security Council, the STAR reports that the Belize guerrillas are joining Guatemalan terrorists who are trying "by force to put down the government of President Romeo Lucas Garcia."

This report has the flavour of pure propaganda, and we don't think there are many persons in Belize who believe it. But the charge is a sinister one. If the report is being circulated in Guatemala, and the overwhelming odds are that it is being circulated, it probably means that Guatemala is setting up the groundwork for a propaganda offensive against Belize.

If this report has been deliberately planted by the Guatemalans, and we have a sneaking suspicion that this is exactly what has occurred, the reason for it must leap to the mind. The Guatemalans are preparing to use this rumour to drum up hostility to Belize and to recruit support for their own military build-up.

If the Guatemalans can convince themselves that Belize is making plans to move against their government, or as they put it, "trying to force to put down the government of President Romeo Lucas Garcia" through a guerrilla movement, it is only a short step for the people in the Guatemalan military to start justifying counter measures.

For if Belize can move to de-stabilize the Guatemalan government, what is there to stop Guatemala from moving to de-stabilize the Belize government?

This looks like a turn for the worse in Belize-Guatemalan relations. It will need close watching in the months ahead.

CSO: 3020

AGRICULTURAL PRODUCTION ESTIMATES IN SOUTH-CENTRAL REGION

Soybean Yields To Fall

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 11 Dec 80 p 36

[Text] Exports of soybeans and derivatives (beans, meal and oil) may reach $3.2 billion in 1981 compared to $2.6 billion this year, according to estimates by the chairman of the Production Financing Commission (CFP), Francisco Villella. This forecast, however, will be confirmed only if the production estimate of 15,102,000 to 15,797,000 tons of soybeans for the 1980-81 crop year is fulfilled, which represents an average production increase of only 3 percent in relation to the previous crop year.

But such optimism is not shared throughout the Agriculture Ministry, as estimates made officially by others in the ministry indicate that soybean products will be 14.7 million tons at the most, which corresponds to a reduction of 2 percent in the area planted and 4 percent in production, compared to the 1979-80 crop year. The same study warns that "Brazil may be missing a great opportunity to get a bigger share of the international market, which could be the result of government interference in marketing soybeans here and abroad."

Forecasts

Production estimates for the 1980-81 crop year in the South-Central region, released by the CFP yesterday, indicate an average increase of 6 percent in the planted area of rice, beans, cotton, soybeans and corn. It also reports that only peanuts will have a smaller planted area, estimated at 34 percent less. The area of corn will increase 13 percent and that of beans planted during the rainy season, 9 percent. In terms of output, beans will increase 34 percent and corn, 14 percent.

If the CFP predictions are confirmed, cotton production should be between 440,000 and 472,000 tons, compared to 450,000 tons in the previous crop year; that of peanuts, between 233,000 and 276,000 tons, compared to 385,000 last year; rice, 7,696,000 to 8,207,000 tons, compared to 7,807,000 tons in 1979-80; beans (first crop), 1,319,000 to 1,372,000 tons, compared to 1,001,000 tons in the previous crop year; corn, 21,485,000 to 22,409,000 tons, compared to 19,285,000 tons in the previous crop; and soybeans, 15,102,000 to 15,697,000 tons, compared to 14,888,000 tons in the 1979-80 crop year.

In regard to soybeans, the Agriculture Ministry study reveals serious concerns about the next crop year's results. Analysts are assuming a reduction in average yields nationally. Whereas the CFP estimates an average yield of about 1,750 kilograms per hectare, the Agriculture Ministry study assumes only 1,700 kilograms. The expected reduction is based upon less use of chemical fertilizers due to their high price in comparison to the Basic Operating Cost (VBC) and also the shortage of financing for fertilizing to correct fertility and acidity of soil and the higher prices for certified seeds, the price of which tripled in comparison to that of the grain harvested by the farmer.

Agriculture Ministry specialists demonstrate that, to correct soil acidity and fertility, the farmer would have to spend [about] 16,000 [figure unclear] cruzeiros per hectare and warns that "betting on the farmer's financial capacity to assume disbursements not covered by farm operating costs or for investments is an extremely optimistic aspiration."

Rain Delays Soybean Planting

Rio de Janeiro GAZETA MERCANTIL in Portuguese 29 Nov-1 Dec 80 p 10

[Text] Porto Alegre--The steady rain that fell on Rio Grande do Sul and Santa Catarina during November caused a slight delay in soybean planting but has not harmed the crop. As this paper was informed by the FECOTRIGO [Federation of Brazilian Wheat and Soybean Cooperatives] technical director, Joao Lena, over 60 percent of the 3.9 million hectares forecast for the 1980-81 crop year have been planted. "The rain was heavy and, besides causing delay in some regions, required some crops to be replanted."

In Santa Catarina, according to surveys by the Technical Department of the Federation of Farming and Livestock Cooperatives (FECOAGRO), planting is proceeding slowly, no more than 30 percent of the forecast area being planted. There also was a reduction in the soybean area in relation to the 1979-80 crop year, from 520,000 to 494,000 hectares. The rain, however, was beneficial for the corn and rainy-season bean crops of both states.

Corn Has Larger Area

The Santa Catarina corn crop will occupy an area of 1.2 million hectares (78,000 hectares more than in the 1979-80 crop year) and about 80 percent is already planted. The Rio Grande do Sul corn crop is also almost all planted and should be 2.2 million hectares this year. The exceptions are in the Passo Fundo and Pelotas regions, where 10 percent and 60 percent respectively of the forecast areas are not yet planted.

In the area of the Passo Fundo Wheat Cooperative (COOPASSO), with about 40,000 hectares planted, some delay in planting corn was caused by low levels of mechanization. "But the weather has been good and the rain assures supplies to water sources, which is very important," the COOPASSO technical director, Telmo Gosch, explained.

This year the Santo Angelo Wheat Cooperative (COTRISA) will have 300,000 hectares in soybeans and 40,000 hectares in corn. Half of the latter area is in early corn. "Within 15 days our corn crop will be settled and if the weather keeps up as it is now, we will be harvesting 50 to 60 sacks per hectare in January," the COTRISA superintendent, Silvio Aristeu de Souza, estimated.

The bean crop has very little economic importance in the agriculture of these two states. Rio Grande do Sul will have 176,000 hectares and most of this crop is in a stage of vegetative growth. In Santa Catarina the area of rainy-season beans will be somewhat larger, about 189,000 hectares (9,000 hectares more than planted last year). Irrigated rice is coming along quite well. Planting is well along and 80 percent of the 580,000 hectares forecast for the 1980-81 crop year have been planted. At this time last year 60 percent of the forecast area had been planted.

Rain Damages Wheat Crop

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 6 Dec 80 p 23

[Text] The reduction in Rio Grande do Sul wheat production, initially forecast at 43.4 percent, could be even greater due to the rain that fell on the state all this week. That is the report of the Rio Grande do Sul Rural Extension and Technical Assistance Enterprise (EMATER/RS). The area planted to wheat (1.3 million hectares) should produce about 1.5 million tons. But the rain, which hit the crops at the stage where the ears are maturing, lowered production to a little more than 859,000 tons. With more rain this week, that figure should drop even more.

In the Santa Maria region--where hailstones up to 10 centimeters in diameter and 400 grams in weight fell on 1 December--some greens, corn, watermelon and cassava crops were totally destroyed. Besides delaying planting of rice, soybeans and corn, the excessive moisture caused fungus diseases such as anthracnose and wheat rust. There are as yet no precise statistics about the total reduction of the crop in the region's 29 municipalities. In the 48 municipalities around Porto Alegre, damage was greater. Ten percent of the corn crop was destroyed by erosion and leaching.

Rain Also Brings Benefits

Rio de Janeiro GAZETA MERCANTIL in Portuguese 6-8 Dec 80 pp 1, 9

[Text] Brasilia--Brazil should harvest 55 million to 56 million tons of grain in 1981. The planted area will grow a little more than the 6 percent announced in October when the Agriculture Ministry made its first estimate of the 1980-81 harvest.

The heavy rains that hit several of the nation's regions in recent days--judging by information from state agriculture secretariats, regional offices of the Agriculture Ministry and reports of the Production Financing Commission (CFP)--did not harm the crops. "Other than replanting some corn in Sao Paulo and Minas Gerais, there is no indication of harm to either yield or output," Agriculture Minister Amaury Stabile told this paper Friday. And the information collected by this paper in various producing areas of Sao Paulo, Rio Grande do Sul, Parana and Minas Gerais is that the rain brought more benefit than damage for crops.

When compared with the 52 million tons of grain harvested in the 1979-80 crop year, the crop expected by the government could represent an important increase, as the point from which it takes off is high: in 1979-80 the weather was good and an increase of 8.5 percent in planted area was obtained after 2 years of failed crops and low yields. But the new estimate is less than the 60 million tons optimistically projected by the government at the end of the last harvest.

According to Stabile, the production increase of about 7.7 percent should not be--as it was this year--surpassed by the increase in consumption.

If the weather stays good, higher yields could result in a more significant production increase. The CFP is taking yields obtained in the most recent harvest as a basis for its estimate. If compared with average yields obtained in the 1973-77 period--years in which agriculture functioned relatively well--productivity increased 4.29 percent in 1980, the Agriculture Ministry calculates. During the last 30 years, the average productivity gain was only 3.8 percent.

Agriculture Minister Stabile believes the important point is that the gains in agricultural production came in a year when credit for investments in machinery and farm improvement was tight. After the middle of June the Bank of Brazil was limited to recycling repaid loans, falling short of demand for credit. In the discussion about basic policies for the 1981 monetary budget, Stabile agreed to an adjustment of interest rates and a limitation on coverage of subsidized rural credit for medium-sized and large rural business firms, but believes there is a point bwyond which restrictive policies cannot go.

In his opinion, rural credit cannot have market interest rates, as was agreed upon at a meeting between the planning and finance ministers and their top aides on Wednesday.

"There cannot be market interest rates for financing harvesters, treating such purchases the same as refrigerators," the minister says. He feels that farmers investing in machinery and cattle should have access to subsidized credit, although in a smaller volume than rural producers financing operating costs or incorporating new area for planting.

The impression of his staff is that in February or March, when loan requests for buying harvesters accumulate just before the harvest, the government will have to give in, if it does not do so now. This is due to possible disturbances in the market for agricultural implements, where a finance program is not expected to be established, as is now the case of FINAME [Fund for the Financing of Machinery and Equipment] for industrial firms.

Perhaps an even more important guarantee--which has not yet been given Minister Stabile--is in regard to the price policy that will prevail in 1981. The necessary counterpart of higher interest rates next year, the guarantee of prices free from ceilings or food imports with built-in subsidies to the consumer, is not yet certain.

Rains Benefit Crops

Porto Alegre--The heavy rain that has been falling on Rio Grande do Sul since the beginning of last week--although causing several deaths and making thousands homeless in some of the lower-lying regions--does not worry farmers.

Managers of grain cooperatives interviewed by this paper explain that the rain was not uniform, nor was it very heavy in the soybean-producing area. "It is, in fact, beneficial for planted crops, although it forces farmers to interrupt planting," said Silvio Aristeu de Souza, general manager of COTRISA, in Santo Angelo.

Minimal Damage

In Ijui, Passo Fundo and Sao Borja, according to reports from technical departments of cooperatives, the damages caused by heavy rain are insignificant compared to the benefits it brings to crops.

The same can be said for the irrigated rice crop in the southern part of the state, according to surveys made by FEARROZ. "We had some flooding of recently-planted areas, which caused the seeds to spoil. But this is no problem, because the damage is minimal," said Homero Pegas Guimaraes, FEARROZ president.

Producers are generally pleased with the way soybeans and rice are coming along and with the final stage of corn and beans, which could have a good yield this year. The "early" corn will have to have at least a little more rain this month yet to be considered ready.

Over 60 percent of the soybean area--forecast at about 3.9 million hectares--is already sown. There is a slight delay, which is unlikely to prevent planting during the most suitable period. Of the 587,000 hectares forecast for irrigated rice, 80 percent is sown; the remaining 20 percent is in scattered areas outside the southern part of the state.

Less Fertilizer

What worries COTRISA management in Santo Angelo and neighboring towns, where nearly 1 million hectares are planted, is the use of fertilizer in smaller quantities than recommended. According to surveys by COTRISA and by some Bank of Brazil branches in the region, farmers are backing away from the high prices of fertilizer and in this crop year are using about 60 percent of the amount normally applied.

"The soybeans grow well at first, but show the effects later, when maturing, reducing the yield," says Aristeu de Souza in explaining that a yield of 22 sacks per hectare could fall to 12 sacks. "That is, if the weather cooperates." According to him, citing surveys by cooperatives and bank agencies, a significant number of farmers are using only 80 kilograms per hectare instead of the 150 kilograms recommended.

Problems in Low-Lying Areas

Although the rain that was still falling in Rio Grande do Sul at the end of last week is beneficial to the major crops--soybeans, rice and corn--the same cannot be said of minor (in terms of area planted) crops, such as greens, summer fruits, onions, and rice, corn and beans located in the valleys of the large and small rivers that empty into the Guaiba estuary in Porto Alegre.

Small holdings and mixed farming predominate in low-lying land near lakes or river valleys, where they are much more vulnerable to flooding during continuous rainfall,

as is now occurring. They are mainly in the eastern part of the state, dotted by many lakes (as well as the immense Patos Lake) and several rivers, such as the Sinos, Cai, Gravatai and Jacui, all of which empty at the same point in Greater Porto Alegre.

Survey

Data about crop damage have not yet been computed and even the mayors of the municipalities affected (Torres, Osorio, Santo Antonio da Patrulha, Montenegro, Sao Sebastiao do Cai, Camaqua, Sao Leopoldo and Santa Cruz do Sul, among others) do not know their exact extent, according to what they told Rio Grande do Sul reporters.

In Torres (northern coast), where the largest number of homeless and several deaths occurred, torrential rains and flooding swept away some planted areas of corn, tobacco, bananas, tomatoes and carrots. According to Mayor Cleo Biasi, his municipality lost 80 percent of the carrots and tomatoes planted and he is worried about the fact because Torres is the state's leading producer of carrots, supplying coastal municipalities in season, which will begin in a few days.

Small Farms

In Osorio and Santo Antonio da Patrulha, 100 kilometers from Porto Alegre, and also on the coast, rice, sugar-cane, watermelon and cantaloupe crops were lost, as well as corn and beans. There are thousands of small farms surrounded by innumerable reservoirs and lakes with important production of seasonal fruit such as watermelon and cantaloupe, besides irrigated rice, corn and beans.

Montenegro, Sao Sebastiao do Cai and Sao Leopoldo have the most fruit and vegetable farms. The rising waters of the Cai and Sinos rivers threaten many crops and farms with certain loss which has not yet been estimated. These occurrences can cause some losses in the total crop of corn, bean and rice and also cause supply problems in surrounding areas during coming weeks.

Limited Supply of Seeds

Rio de Janeiro JORNAL DO BRASIL in Portuguese 15 Dec 80 p 12

[Text] Brasilia--Will the supply of farm products improve in 1981? The government assures us it will. But data do not show that. In a report Agriculture Minister Amauri Stabile received from his staff and showed to President Figueiredo, it is noted that the trend of seed production, which is essential for good agricultural production, for increasing yields and for reducing losses from pests and disease, continues growing at a very slow rate.

The production of rice seeds, the grain chosen by low-income people to eat instead of food produced from wheat flour (the prices of which are rising as subsidies are gradually being reduced), for example, increased only 2.3 percent this year, from 148,580 tons in the last crop year to 152,000 at present. Hence, in the 1980-81 crop year the rice harvest will be 9.7 million tons at most, only 0.06 percent greater than that of 1979-80. If there are any crop losses there will be a rice shortage, as consumption in Brazil is now 9,660,000 tons a year.

The Figures

Further evidence that supply is not likely to improve in the coming year is shown by the report's calculation that the production of seed corn, essential for producing animal rations, fell. It is not possible to grow corn with commercial yields without seed corn, which is hybrid and must be bought. The drop in seed production reduces the probability of corn production growing significantly.

Seed-corn production in the 1978-79 crop year was 127,970 tons and in 1979-80 was 110,000 tons. Notwithstanding, the Agriculture Ministry estimated that corn production in the 1980-81 crop year will be 24.8 million tons, 4.6 million tons more than in 1979-80. This projection is based upon an increase of 9.7 percent in the area planted to corn in the North and Northeast regions, which is unlikely to happen, given the prolonged drought plaguing the Northeast.

The increase in yield from 2,026 kilograms to 2,099 kilograms per hectare estimated by the Agriculture Ministry for the 1980-81 crop year is also threatened by the smaller supply of improved seed corn. If the yield from the 1980-81 crop is less than that of the previous crop, which has happened many times, output will be well below the forecast. This happened in the 1977-78 crop year, when the corn yield was 1,230 kilograms per hectare, less than that of the 1975-76 crop, which was 1,610 kilograms per hectare.

Comparing the two crop years, one notes the importance of yield for corn output: in the 1977-78 crop year, corn production in Brazil was 13,738,000 tons, 4 million tons less than the 1975-76 crop, when 17,844,000 tons were harvested. Another indication that corn yield is not likely to increase much--or even decrease--is contained in the report: the purchase of fertilizer fell 3 percent in Rio Grande do Sul and Santa Catarina and 14 percent in Parana--the nation's three largest producers.

The Agriculture Ministry report also estimates the arrival of the 1980-81 crop on the consuming market. According to its figures, the current corn crop will begin coming to market in January: between 825,000 and 860,000 tons from the three major producers. Production from other [states], totaling between 2,380,000 and 2,515,000 tons, will not arrive on the market until February. As these two figures add up to 15 percent of the expected crop, the corn market will not begin to receive stable supplies until March.

The tendency with rice is the same. In December the market will be receiving between 17,000 and 18,000 tons; in January, between 362,000 and 385,000 tons; in February, between 1,268,000 and 1,338,000 tons. The report also shows that there will be a decreased supply of beans starting next February. According to the Agriculture Ministry estimate, the consumer market received 166,000 to 173,000 tons in November; should be receiving 436,000 to 458,000 tons in December; 314,000 to 328,000 tons in January; 280,000 to 293,000 tons in February, by which time 90 percent of the rainy-season beans will have been shipped.

In the case of kidney beans, 24,000 tons came to market in November; 225,000 tons are expected to come to market in December; 179,000 tons in January; and only 46,000 tons in February. And that will be all the rainy-season kidney beans for this year's crop. Nor is the long-term prospect for beans very promising: according to the Agriculture Ministry 5-year plan, bean production will increase very little through the 1984-85 crop year.

The goals set by the Agriculture Ministry are the following: 2,500,000 tons in 1980-81; 2,568,000 tons in 1981-82; 2,637,000 tons in 1982-83; 2,708,000 tons in 1983-84; and 2,781,000 tons in 1984-85. This continues a trend established in recent years, when growth was also slight, causing supply problems: in 1976-77, 1977-78 and 1978-79 the crop was 2,307,000 tons, 2,395,000 tons and 2,280,000 tons respectively.

Estimates

Comparing the figures for planted area and for output per hectare contained in the Agriculture Ministry report on the current crop year, one can see clearly what is happening in agriculture and what can be expected in terms of next year's supply. The government estimated, for example, that at the most the output per hectare of rice in the 1980-81 crop year would increase 1 percent in the 11 states of the Central-South, where 90 percent of our rice is produced; it also estimated that the planted area will decrease between 3 percent and 4 percent in that region.

In regard to rice, the figures show the risk Brazil runs of again having to go to the international market to buy, facing the same problem of 1980, inasmuch as available supply is small: every large producer of rice is also a large consumer. The report's statistics show that the area planted in Rio Grande do Sul, the largest producer, remained stationary; and the planted area decreased in the only states with a production potential to stabilize supply: 5 percent in Mato Grosso and in Goias.

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ODUBER URGES DEMOCRACIES TO SUPPORT NICARAGUA

San Jose LA REPUBLICA in Spanish 26 Nov 80 p 4

[Text] What all we democrats of the world have to do is help Nicaragua consolidate a pluralist, democratic regime and not go around talking nonsense, said Daniel Oduber Quiros in commenting on the debate that has arisen in Costa Rica concerning the Socialist International's decisions to help Nicaragua.

Former President Daniel Oduber Quiros expressed regrets that two members of the Political Board of National Liberation joined in fueling a climate of international anticommunist hysteria by speaking out against the Socialist International's decisions in Madrid regarding Nicaragua.

Oduber, the president of the National Liberation Party (PLN) Board and vice president of the Socialist International, was referring to Gonzalo Facio and Elias Soley, who sharply criticized the decision allegedly made by the conference of Social Democrat parties in the Spanish capital.

Oduber said that what really happened was that the conference approved the formation of a committee chaired by Felipe Gonzalez, from the Spanish Socialist Workers Party (PSOE), and members from nine other democratic countries, to prevent world public opinion pressure from leading to an invasion of Nicaragua, as is being plotted.

According to Oduber, Commander Bayardo Arce, the chairman of the Nicaraguan Council of State, who attended the meeting as an observer, reported that armies from countries in northern Central America were bent on invading Nicaragua and on destroying the revolutionary movement. This report, he added, coincided with the occurrence of dangerous incidents on the Honduras-Nicaragua border.

Oduber said that the heated debate that the decision has triggered in Costa Rica is based on a cable that did not tell the whole truth, but mainly on Costa Rica's at times justified dread that a communist offensive might in the future be launched against it from Nicaragua.

Rightwing dictatorships throughout the world are rejoicing because they feel that Regan's victory in the United States spells the defeat of the human rights issue. But these are infantile assessments, Oduber said, because no such change will

take place, and all of these rallying cries for witch hunts are accompanied solely by brutal anticommunist violence in which we have never believed.

Oduber ruled out the possibility that any superpower was interested in turning Nicaragua into a sort of Afghanistan. He asserted that instead Nicaragua is rapidly nearing democracy and the establishment of a pluralist regime. "What we have to do is aid this process by respecting Nicaragua's political dignity and autonomy, not go around talking nonsense ahead of time," he said.

What is really happening in Costa Rica, Oduber said, is that they are putting up a smoke screen to make Costa Ricans forget the frightful economic and social condition that the country is in.

The former president ruled out the possibility that Elias Soley and Gonzalo Facio have met with non-Liberation politicians such as Mario Echandi just to consider his potential presidential bid. We are all friends of Echandi, he noted.

He pointed out later that Echandi one time mentioned to him his desire to run for president, "and on account of my respect for him, I did not say much. That is a decision that only he can make," he stressed.

With regard to Facio's and Soley's harsh comments on Nicaragua and the Socialist International, Oduber said that they are entitled to bring up their disagreements within Liberation or leave the party, if they wish.

"But I do not think," he asserted categorically, "that they are part of a scheme backing Echandi. And it is perhaps premature to think that they are going to leave the PLN," he said.

The former president then referred to the recent border problems with Nicaragua, asserting that coordination is what is needed. "When I refer to coordination," Oduber said in connection with his experience in this regard, which got him branded a traitor to his country, "I mean that we have to make the Nicaraguan Government realize that no invasion that could jeopardize the revolutionary process could be launched from our country.

"We have to coordinate border surveillance to prevent Nicaraguans and Costa Ricans from shooting at each other at every boundary stone. We must not forget how nervous Nicaragua is, because it feels that it is the victim of aggression. I will be the first one to place myself at the orders of the authorities to prevent Guanacaste from once again being the province that suffers the uncertainties of guerrilla politics in Central America, in which at all costs our country must not get involved," he concluded.

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FAR TRAINING SYSTEM REVIEWED

Ideological, Patriotic-Military Aspects

Havana VERDE OLIVO in Spanish 23 Nov 80 pp 4-7

[Article by Ruben Fonseca Cervino]

[Text] The ideological education of FAR [Revolutionary Armed Forces] personnel is carried out under the direction of our party, with the participation of political leaders, organizations and apparatus and their alternates: political work leaders, party organizations and the UJC [Union of Young Communists]. The objective of such education is to give combatants an idea of the world based on the concepts of Marxism-Leninism and to ensure their active, transforming influence upon social development.

Our commander-in-chief has said, "It is our ideology which makes us strong and invincible." The ideology of our people is based on Marxism-Leninism, the only scientific concept in the world.

The scientific concept of the world is acquired under the influence of our society's entire training: the method of production, forms of distribution, social services, political-social activities and legal standards. Also exerting an influence on personnel are the specific conditions of military service, combat and political training, camaraderie, regulation of military life and other factors.

In the shaping of personal ideological convictions, there is a method for acquisition of the system of knowledge and skills which encompasses both natural sciences and political ideas and scientific understanding of the real world; in this process, the proper mastery of specific scientific concepts is of special importance.

Mastery of scientific concepts means penetration of the essence of the phenomena they depict; determination of their basic characteristics and that of objects; understanding the dialectic of their development; the unity of the general, particular and individual concrete abstraction. V.I. Lenin said that the formation of abstract concepts and their manipulation "already contain within them the representation, conviction and awareness which one has of the objective connection with the world." ("Complete Works," Vol 29, p 160).

In the formation of scientific concepts among personnel on active military duty, the basic role belongs to the system of Marxist-Leninist training and to political classes. Specifically, we now have had the experience of the years gone by and the conditions have been established for a more profound study of the bases of Marxist-Leninist doctrine by all personnel.

"The system of Marxist-Leninist training is now more stable and its content is more profound than at any prior time; it has succeeded in adequately combining the study of the basic principles of revolutionary theory with everyday problems and in a creative way has linked Marxism-Leninism with the theoretical problems of war and the army," said Antonio Perez Herrero, member of the Secretariat of the party Central Committee at the Third Meeting for Analysis of Attainment of the Agreements and Resolutions of the First Party Congress.

One indication of success in the formation of communist concepts, in the fight against the principles and vestiges of the past in the conscience of the combatants, is the honorable completion of the various tasks and missions which the party has entrusted to the armed forces, the raising of awareness of military duty toward the fatherland by FAR personnel, the advances experienced in assuring the defensive readiness of our socialist state.

The formation of philosophic-scientific concepts must be accomplished through application of the entire extensive arsenal of means, methods and forms which are available to political leaders and workers. In this important work, a positive role is being played not only by study groups and political classes but also by individual reading of the classical writings of Marxism, the speeches of the commander-in-chief, the FAR minister and other party leaders, scientific literature and party newspapers and magazines. An important role is also being played by linkage of this activity with the ideological struggle in general and with the concrete problems of building socialism in our country.

Patriotic-military education has a principal objective of imbuing FAR personnel and the coming generations with the spirit of socialist patriotism, with complete readiness for the defense of the fatherland and with loyalty to the Communist Party of Cuba.

Among the combatant masses, patriotic education is being carried out through study groups and political classes; subject matter and artistic evening sessions; visits to museums and historical sites; and other activities in the instruction process to awaken in the combatant his love for the people's tradition of struggle and his desire to imitate such traditions.

Young workers and other popular sectors receive political-ideological training which assures development of a solid conscientiousness in the fulfillment of their duties to the fatherland and the sacred internationalist duty of aiding other brother peoples.

A principal factor in patriotic-military and internationalist education has been the example of our leaders of independence: Antonio Maceo, who said that he would not sheathe his sword until he saw Puerto Rico free; the heroic guerrilla, Che, who gave his life for the independence of America; Camilo: "...Those who are struggling, wherever they may be, are our brothers..." The leadership of our party, together with the teaching of these principles, has in practice led to the attainment of our objectives.

The spirit of sacrifice, tenacity in the completion of assigned tasks, relations among comrades, responsibility, faith in the party's correct political line, the readiness of the combatant to complete any task whatever and to maintain firmness

in any critical situation in accordance with his principles, depend upon political awareness. These qualities are firmly rooted in the Marxist-Leninist conception of the world, in the ideas and interests of the individual which are identified with the interests of all of society.

The ensuring of the qualities of a communist combatant is the responsibility of the political leaders and workers through ideological education and patriotic-military training.

"The party leaders and organizations in the FAR," according to the Programmatic Platform, "have the duty of carrying on continuing political work with the troops to bring them closer to the party; training them in the principles of proletarian internationalism; strengthening the ties between the FAR and the people; and developing firm patriotic convictions in all personnel."

The complex structure of personnel combat readiness objectively reflects the requirements imposed upon members of the FAR,and in a special way upon the command cadres and officers, who not only have to maintain high internal combat readiness but also must achieve this with their subordinates as a basic condition of the greater capability of our troops to defend the socialist fatherland.

Educational work in the creation of communist qualities in FAR personnel is the task of the entire party and its political entities, from the rank-and-file organizations to the Central Committee; it is the task of all political leaders and workers.

"Communist awareness is not an automatic product of structural transformations," our commander-in-chief emphasized in his report to the First Party Congress. "This must be forged day by day through the living experience of class struggle, through political education and through national and international information. For this purpose, we have the party, its orientation organizations and its schools, with the valuable and activist efforts of the revolutionary press and the mass communications media. With that magnificent school of patriotism and internationalism which are our glorious FAR and our Ministry of Interior; with the social organizations of journalists, writers, artists and professionals; with our editorial, cultural and scientific institutions.

"This is the immense force upon which our revolution can rely to move forward and be victorious in the battle of ideas."

After celebration of the First Party Congress, the raising of the level of education and culture of FAR personnel brought about an upsurge of new forms and means for the realization of ideological work, as required by more training of the caders in this sector of party work, and active participation by all officers.

Twenty years have elapsed since the victory of the revolution. At present, the FAR are taking in thousands of youths who were born and are being raised in the new society which is being built in our fatherland. This necessitates consideration of the qualitative changes experienced by the new generations of combatants, so that the influence of the ideological work will be more effective and more in line with our needs.

At present, as the result of the improvement of ideological education and the class struggle during the period of transition in our country, a new kind of combatant is being shaped, a patriotic, internationalist and worker combatant, the heir of the combat traditions of the Mambi army, of the heroes of Moncada, of Granma, of the rebel army, of Playa Giron, of the clandestine battles against bandits.

One of the central tasks of ideological work, during the last 5 years, consisted in educating our combatants in the communist attitude toward military service, which is part of common, necessary and useful social work.

Our political workers, by emphasizing the importance of strengthening the class character of combat readiness and better political orientation of personnel, established one of the principal directions of ideological work.

Marxist-Leninist training of officers experienced an appreciable increase after the celebration of our First Party Congress. The FAR Central Political Directorate developed and implemented new programs which envisioned the study of the documents and resolutions of the First Party Congress, the speeches of the principal party and state leaders, the Marxist-Leninist theory of war and the army, the political economy of socialism, with several topics applied to the military sector.

One achievement of ideological education was improving officer knowledge and skills evaluation, raising the requirements of semester examinations and the strictness of the rating system used during control, assistance and inspection visits.

The advances experienced in Marxist-Leninist education during the 5-year period made it possible to begin to impart the study of scientific communism to all units which, combined with extension of the conference method to the level of brigades and their equivalents, will contribute to the taking of new and positive steps forward in the teaching of Marxism-Leninism.

Similarly, an appreciable improvement was experienced in the political training of sergeants, soldiers and seamen when a new and stricter system of evaluation was implemented, which permitted the more precise measurement of knowledge and skills acquired by them.

These advances reflect the regular control which leaders, political organizations and political workers exercise over political training and their concern that there be systematic application of the standards and requirements set forth in the instructional documents of ideological work.

In this 5-year period being completed by our FAR, many tasks and missions have been successfully completed which have required of their cadres, party activists and the UJC, and of all personnel, a great investment in energy, desire and revolutionary zeal.

Among these tasks and missions, the following are cited as outstanding examples of extraordinary significance: the completion of internationalist assistance missions to the revolutionary processes of the People's Republic of Angola and Socialist Ethiopia; the assimilation of the complex and modern combat technology provided by the Soviet Union; the gradual increase in the qualifications attained by small and large units in operational, combat and political training; the development of the basic materials for beginning and advanced studies; and the achievements registered in the continuing improvement of the FAR structure.

The participation of Lt Col Arnaldo Tamayo in the first joint Soviet-Cuban space flight, pursuant to the Intercosmos program, was another of the outstanding tasks undertaken by a representative of the FAR in the name of the party, government and the people of Cuba.

Our commander-in-chief, Fidel Castro, evaluated this event during the principal ceremony on 15 October 1980 when he mentioned the first Cuban cosmonaut.

"He is a symbol of the character, decisiveness, courage, worth, intelligence and revolutionary spirit of our people; he symbolizes our heroic combatants, heroic combatants who gave their lives for the victory of the revolution, for the defense of the revolution; he symbolizes the heroic internationalist combatants of our country; he symbolizes our internationalist workers; he symbolizes the vanguards of our working class; he symbolizes the exemplary workers; he symbolizes the heroes of work, ..."

In his report to the Third Meeting for Analysis of Attainment of the Agreements and Resolutions of the First Party Congress in the FAR, Div Gen Sixto Batista Santana, chief of the FAR's Central Political Directorate, described as satisfactory the course followed during the 5-year period in the sector of ideological education.

"The completion of these missions with satisfactory results," he said, "and the advances made in practically all sectors of the activity permit a satisfactory evaluation of political and ideological work."

However, he emphasized, "It is necessary to underscore those deficiencies which are still limiting or impeding the carrying out of ideological work among the troops, so that they can be eradicated as soon as possible."

MGR Military, Political Training

Havana VERDE OLIVO in Spanish 23 Nov 80 pp 28-32

[Article by Jorge Luis Blanco]

[Text] "In the developing and improving of the FAR, a principal role has been assigned to the leaders, officials, political workers and organizations of the party who, over the last several years, have trained combatants in the mastery of modern combat technology and, consequently, have learned contempory military art and have marched at the head of their troops in the repulsion of the enemy's armed aggressions."[1]

In this surface unit of the Revolutionary Navy [MGR], the combat readiness and political training plan is being strictly implemented. The men come and go from one place to another: on deck, in the machine room, in the war room, in each of the torpedo-launching sites, part of the program developed for the present year of instruction is now being carried out.

We reporters for VERDE OLIVO came to this base to learn how the party organizations are supporting everything involving the tasks and missions given to the defenders of our waters.

"A continuing increase in the combat readiness of our units is the center of attention of the party organizations," we were told by a squadron commander.

The problems on which the party must work in the Revolutionary Navy are many and diverse to successfully complete each and every assigned task and mission. Special importance, for example, is given to the political work being done on the ships when they are on a voyage or engaging in combat guard activities. As may be supposed, this increases the demands upon the seamen. Everyone must be prepared to quickly make ready and operate technical weapons and equipment. Doubtless in order to optimally perform these duties, the combatant must possess a high degree of expertise and the proper psychological attitude. It is this point which the communists must strengthen even more, particularly as it directly relates to man.

"Formalism and vagueness are intolerable in the party's political work in the combat guard, possibly the most complex and most important aspect of our political organizations' activity in this as in no other sector. In preparing soldiers for combat guard duty, the communists and political organizations place them, in the political-moral and psychological sense, in the stress situation of actual combat, calling for the actions needed in the event of a war."[2]

We met Ship Lt Pedro Machado Santana, commander of a surface and activist unit of the party, at work in the war room of his torpedo boat. [Name published both as Machado Santana and Santana Machado.]

As is known, the success of the vessel's activities depends upon how its commander behaves in difficult situations and upon personal qualities he possesses, which are reflected in the comportment of the entire crew. He is the most competent and experienced seaman to whose authority all the men under his command are subordinated.

Therefore, it can be said that the commander of a ship has been, is and will be the center of attention in the many activities of his ship by the political workers and party organizations.

"Without the party's support," Ship Lt Pedro Santana Machado said, "it would be almost impossible to perform the tasks of instruction for which I am primarily responsible and assure the proper combat readiness of my boat in general.

"During combat guard activities, for example, the party organizations are supposed to exert an effective effort designed to make the crew understand exactly what mission they are to undertake. Before beginning any voyage, the political orienter--or any other designated activist--meets with the seamen and clarifies all aspects of the combat or instruction mission which will be undertaken."

(At this point, the dialog was interrupted: at this very moment on deck, the political instructor was meeting with the crew. The commander of the boat explained that the instructor was providing information to his personnel about the current international situation.)

"Among the aspects to which most attention is given," Machado Santana continued, referring to the combat guard, "are maintaining the correct complement of the boat and properly utilizing its combined technology and weaponry; there is also a concern that the men are stationed correctly in their respective combat positions. The

political and party work, through specific clarification of these questions, brings out the unquestioned importance of the role it is playing in the maintenance of high combat readiness."

On the Front Line

"The political organizations do not directly organize combat training or the service of troops. They exert constant party influence which guides their activities."[3]

The party is to be found on the front line of all activities in the instruction process being carried out in the unit. The party organizations are familiar with and have an active influence on the combat life of the ships. Criticism and self-criticism are basic elements in the uncovering of deficiencies in combat training and in the education of personnel in general. Additionally, they support the commanders when it is time to take steps to ensure the normal evolution of the seamen's military training.

"Periodically, our cell analyzes matters relating to the instruction process. Successes are mentioned; however, detected deficiencies are principally covered to find quick solutions."

These comments were made by guard technician Ship Lt Agustin Santiago Gomez, secretary of the party cell aboard a torpedo boat and vanguard squadron during the period 1979-1980.

"Our squadron has achieved the top results in socialist emulation," he added. "At present, it is the Initiator Unit of Socialist Emulation in its Naval District."

"To what do you attribute this honor?" we asked him.

"I feel it was the work done by the party organizations and the UJC. They are giving Marxist-Leninist instruction to all personnel as a necessary element for emulation to achieve its principal objective, namely the correct completion of the instruction process and the raising of combat readiness."

"The role of the communist vanguard in the army and navy is clearly manifested in socialist emulation, with the help of which personnel are mobilized to successfully complete the tasks assigned to the armed forces by the party. Socialist emulation is principally channeled into the struggle to improve combat work standards and to shorten the times provided for making equipment and weaponry combat ready.... Emulation helps in the better conserving of equipment and weaponry, lengthening the time between repairs and savings in material resources."[4]

Testing Combat Readiness

During maneuvers, exercises or training sessions, the combat readiness attained during the Year of Instruction is tested. In the course of these activities, the work of the party plays an important motivational role. Every activist is eager to ensure that at every stage there is high morale among the seamen, cohesion throughout the collective, its organization and discipline.

"Maneuvers, exercises and training sessions," Corvette Lt Armando Dieguez Suarez said, "can be considered the principal instruction tasks that permit testing of the state of the unit's combat readiness. For that reason, the planning of political and party work plays a role of vital importance. Account should be taken of the preparation of adequate special emulation plans, the use of propaganda and all the steps to be followed in each of the stages: before, during and after the maneuver is completed, for example.

"During execution of these activities, every activist has a specific function with a view to exerting permanent influence on those surrounding him. There is one result to putting this into practice: most personnel resolutely put up with difficulties, and every man makes an effort to complete assigned tasks."

"After a maneuver is completed, what is the principal orientation of the party's work?" we asked.

"Look, very recently one of our ships had to take a training voyage. When it returned to base, both the party and the UJC engaged in the task of analyzing each of the activities undertaken; errors were examined and ways were devised to improve training even more while personnel are at sea."

"Among the factors which play a decisively important role in the successful execution of a maneuver of this magnitude and complexity is the activity engaged in within our units by the political organizations, under whose direction a large detachment of communists is working who, above all, urge the exemplary completion of their military duties...."[5]

Maintenance of Equipment

The correct maintenance of combat equipment and weaponry is a vital element in assuring the instruction of troops. This task is not exclusively the responsibility of the commanders and technicians but is also, in a pointed way, that of the party organizations.

On this subject, Frigate Lt Ramiro Botello Ruiz of the guard said, "The party gives its support in this sector in several ways. One of these ways, by means of propaganda, is making known the importance of maintaining the equipment in perfect condition; the experience accumulated during the various inspections is generalized and is the subject of study; and, as the principal activity, the cells periodically make a minute analysis of the state of their equipment."

He added, "Of course, maintenance, conservation and the correct utilization of combat equipment is an activity completely organized by the commands at all levels. This task is carried out on the basis of orders and directives which establish the forms and periods for the specific utilization of each of the various kinds of combat equipment. The commanders, technicians and combatants have technical regulations, manuals, instruction sheets and other documents which enable them to efficiently do their jobs; however, political and party work undertaken in that direction, as in the rest of military activities, imprints upon its execution a profound political-ideological content and becomes a source of inspiration for the men doing the executing.

Direct Delegate

Perhaps no one is better equipped to discuss the work being done by the party in connection with the instruction process than guard Frig Capt Juan D. Vina Sosa, deputy chief for Political Work of the Naval District, whom these reporters visited.

"The Comrade Frigate Captain was selected direct delegate to the Second Party Congress," we were informed by the officer who escorted us to his office.

Captain Vina Sosa has a wealth of experience as a political worker in the FAR, an activity which he began in 1960, when he joined the first field artillery units established by the FAR.

We remind you that this year commemorates the 20th anniversary of the establishment of that branch of the service, of which he was one of the founders.

"Well, as a matter of fact I remained in that 122 mm battery to which I was assigned only a short time, After that I went to Escambray to fight the bandits who were operating in that region. It was there that I really began to get involved in political work. At that time, a party to help us with our work did not exist; thus, you can imagine the difficulties we had to put up with.

"In 1964, I entered the Revolutionary Navy; and from that time until now, I have been connected in one way or another with political and party work: I have held positions at the level of surface unit, squadron and, since 1967 in political sections, I have been deputy chief of that important activity.

"When it comes time to evaluate the work of party organizations in connection with the instruction process, we must keep in mind one very important factor, namely, that in the complex and nerve-wracking work to attain a high level of combat readiness, the communists have to be where the situation most requires that they be, however difficult that may be. I am referring to personal example, as communists, with their positive attitude exert a decisive influence on the successful completion of the tasks the crews of our ships have assigned to them.

"As regards the instruction process, political and party work has a vital commitment to support and seek solutions which will make it possible, for example, to shorten the time required to make the forces of the Revolutionary Navy completely combat ready, in the profound mastery and exemplary maintenance of the machinery and weaponry, improving the quality of instruction at all levels. This is achieved with the dedicated work of the political organizations, which educate personnel in the necessary political, moral and pyschological qualities. This is a duty of the party.

"If you hear it said that in a unit the process of instruction of troops is not going well, you can be assured, without fear of contradiction, that political and party work is proceeding badly. That is an irrefutable truth."

Finally, Captain Vina Sosa mentioned his pleasure at having been selected to participate in the Second Party Congress and what this represents for the continued successful march down the road to socialism.

FOOTNOTES

1. From the Central report presented by Commander-in-Chief Fidel Castro to the First Party Congress.

2. A. Epishev, "A Few Questions About the Party's Political Work in the Soviet Armed Forces."

3. Idem.

4. Idem.

5. From the speech delivered by Army Gen Raul Castro, party second secretary and minister of the FAR, in the summary of the demonstration maneuver "First Congress."

8143
CSO: 3010

FAR PARTY SCHOOLS RUN BY PROPAGANDA, AGITATION DIRECTORATE

Havana VERDE OLIVO in Spanish 30 Nov 80 pp 7-9

[Article by Jose Czanas Reyes: "The Party Education System in the FAR; Its First Results"]

[Text] The thesis and resolution of the First Communist Party of Cuba Congress on the organization and development of the party educational system has been successfully complied with by the FAR [Revolutionary Armed Forces] with the consolidation of the three levels established: basic, middle and advanced for the Party Schools.

For compliance with such agreement, a serious and sustained work was performed by the party organizations, political organisms, particularly the Central Political Directorate of the FAR, which is the one which manages the schools through the Propaganda and Agitation Directorate. In a little more than three years, the conclusions of studies in one of the three levels by more than 20 percent of the party memberships of the armed institution has been achieved.

Without a doubt, this educational system has had a great influence on the political and ideological work of party members because of the better structure of programs, the application of didactic principles in the process of apprenticeships and the most rigorous selection of students and teachers.

At this time there are more than 120 basic, medium and advanced courses with a high enrollment of nearly 3,000 comrades, among whom are chiefs, officers, sergeants, privates, sailors and civilian workers, not counting those who are studying abroad.

The First School

The FAR Main Club is the pioneer inthe work of party education in the FAR, four months after the first party congress was held, an advanced general training course was begun. Later on there were others on the basics of Marxism-Leninism and propaganda.

The classrooms of the club, suitable for teaching activities, were filled from the truly promising beginning. Months later, the party schools spread to the various armies, branches of the armed forces, divisions, regiments and similar units. By that time there already existed instructions from the chief of the FAR Central Political Directorate, containing the agreement of the council of that body, which instructed that those centers be created progressively in places where conditions existed for their successful development.

Early in 1976, the courses were begun with 61 basic schools and 14 middle-level schools with an enrollment of more than 2,300 comrades. The work was not easy because the units selected at that time had to issue the convocations for those courses and the political sections had to screen the applicants.

In keeping with the desires that this new activity proceed correctly, the Central Political Directorate held a short 3-day course in December 1976 for the school directors and for some propagandists of the armies, branches of armed forces, and leaders of the MINFAR [Ministry of the Revolutionary Armed Forces]. The course accomplished its purpose.

An important aspect of that beginning were other measures taken, prominent among which is the publishing of 15,000 copies of each of several books to insure the continuation of the courses for several years. The instructions on methods to be used with respect to subjects, course programs, study plans, curriculum, student control cards and other materials, were prepared.

Good Teachers, Diligent Students

"From its founding until today, the Advanced School of the FAR Main Club has graduated 164 comrades in four courses: two on general training, one on the Basics of Marxism-Leninism and another two on propaganda," says Lt Cmdr Nieves Milian, the directress of this school.

Nieves, who has long experience in teaching, since she has been involved in teaching directly or indirectly for 25 years, adds that the thing that attracts her attention the most is the high degree of interest shown by the party members in these courses, interest shown by the number of applications continuously reaching that center.

"Moreover," she adds, "attendance, which is in keeping with the nature of that student body, is good, and the rate of successful completion is even better. Obviously, these are adult, mature comrades with a certain background, who one night a week, from 1900 to 2300, punctually report to the classroom. It is well to emphasize that they have capable teachers, the great majority are officers who teach classes at the General Maximo Gomez Military Academy of the FAR."

On Tuesdays and Thursdays, at 1900 on the dot, it is easy to observe the student environment in a certain area of the Main Club. Tens upon tens of comrades of various ranks, grades, professions and careers, all of them party members, come there by various means with briefcases or books in hand and amid salutes and smiles talk briefly before going to class.

These schools have their own characteristics. There is no warning bell signalling the beginning or ending of classes, however, the surprising thing is that both take place punctually. Taking advantage of both circumstances, we talked with three comrades, whose summarized opinions appear as follows:

Toward a Better Vanguard

Lt Col Adalberto Avila Tortosa, chief of an FAR transportation unit: "As a student and a commander I believe that it is extremely important that party education be obtained in any of its levels. From the first class one can begin to put the knowledge acquired into practice, particularly in military psychology and teaching. As one delves more into the subjects, broad and heretofore unknown vistas are opened on the task that one performs."

Avila Tortosa continues: "Several comrades from my unit have graduated from that school. The improvement in the performance of their duties is obvious. I am taking the first year, and except for unavoidable circumstances, I have not missed a class. Although I assiduously participate in study groups and political classes, I believe that the best, because of the methods used and the quality of the teachers, is to have the opportunity to attend one of these schools. I feel pleased to be in it."

Lt Gladys Esther Boada is the substitute for the political work chief in the Grito de Baire Industrial Military Enterprise. She says: "This type of education allows us to attain a greater political and ideological development and, therefore, it trains us better for the daily struggle and the performance of our tasks. The many possibilities provided us by learning Marxist-Leninist theory are incalculable. Everything studied here can be put into practice in the daily work with man.

"I am on the third year and around the middle of 1981 I shall be finished. In our enterprise we have a basic school. It has a good enrollment and attendance ranges from 90 to 95 percent and we have a maximum of promotions. There is no doubt that this type of education is a real success."

Like many other teachers of the General Maximo Gomez Military Academy of the FAR, Maj Guillermo Odelin Chivas, instructor of Scientific Communism, systematically cooperates in teaching with the Main Club school. He says:

"I believe this form of party education to be very positive. To me, as a teacher, the most surprising thing is the interest shown by all the comrades with respect to the various subjects they are taught. These are men and women, many of the latter are mothers, who make a great effort to learn the maximum of the knowledge imparted. They achieve this because the grades in my classes are rarely low."

He adds: "In short, we can say that the resolution of the First Party Congress "On The Studies of Marxism-Leninism in Our Country," is being successfully complied with in the FAR because its cadres and party members adopt the principle issued in a part of that document which states that everyone must know Marxism-Leninism profoundly so as to be better able to play the role of vanguard accruing to us in the building of the communist society."

8908
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RESERVE ENGINEER UNIT UNDERTAKES TRAINING MISSION

Havana VERDE OLIVO in Spanish 30 Nov 80 pp 54-57

[Article by Mario Rodriguez: "The Reserve in the First Echelon"]

[Text] For the small engineer reconnaissance unit commanded by First Lieutenant Tapanes, there is no difficult mission that is not accomplished with a high degree of efficiency.

The teaching ability of the young officer has had a positive influence in this. In addition to being fully aware of the concerns and nature of his subordinates, he has known how to lead them step by step along the necessary path of apprenticeship.

This group, consisting entirely of reserve soldiers, is also outstanding because of a high degree of discipline, awareness and acceptance of training, which undoubtedly has allowed the creation of the necessary unity among its members.

For each of these soldiers military duty together with a self-sacrificing effort in factories and shops, are two missions which go hand in hand because as they themselves reaffirm with their daily actions: What would the Revolution be without a solid defense?

Quality Training

"In the next 5-year period, the FAR [Revolutionary Armed Forces] will be provided with an appreciable quantity of even more modern combat equipment, which will be characterized by a high firepower, maneuverability and greater automation of its components...These tasks will require the multilateral training of our reserves, which play a decisive part in the defense plans of the country." (Central Report of the First Party Congress).

It is exactly 1430 when the reconnaissance soldiers with all their equipment prepare to put a new subject in the study program into effect: "The Engineering Observation Post."

After the first instructions from the leader, the march begins toward the place selected for the class, a short distance from the permanent site.

Activities will take place in a terrain with special characteristics, which requires the personnel to put into play all their skill and knowledge.

As we approach the area where the subject will be developed, the uneveness, mounds and abundant vegetation leap into view. All of this, we think, poses a real challenge to the soldiers, who with precision and speed have to prepare the observation post under the direct action of the "enemy."

The movement is accomplished in a surreptitious manner, taking maximum advantage of the broken terrain.

Finally, overcoming many obstacles, the small unit arrives at the selected spot.

The site selected could not be better. The topography actually demands great expertise in effecting observations at the same time that it facilitates them.

It is as if the natural surroundings performed the function of a great material study base capable of helping effectively in the solution of a complex problem posed by the leader.

The chief of the small unit indicates a high point. "Let us take a few minutes," he says, "So that you can familiarize yourselves more with this area before we begin with the first study question."

It was the right moment for learning some of the opinions of these reserve soldiers, who are always ready for the defense of the country.

A short way from us was Raul Armas Fonseca, a worker of the Industrial Fishing Enterprise.

Raul is the same internationalist soldier, the same communist who did not hesitate in taking a determined step forward when the existence of the young Angolan state was in danger.

"I believe," says Raul, "that the training of reserves is a very important task, something for which we must always be ready and accept with real enthusiasm."

Certainly this fighting veteran of the war in Angola, in which he participated in this same unit as an engineer, will never forget all the actions in which he took part for the rest of this life. They helped to improve his knowledge in this important and at the same time, dangerous, specialty.

"At this very moment," says Armas, referring to the importance of the class in which he is participating," the leader has stressed the need for us to carry out all actions as much under cover as possible.

"For many perhaps this is just another requirement of the class, without being aware of the real need for it. However, thinking to myself now, as the saying goes, I note that it is a reality."

Raul accompanies his words with an anecdote.

He recalls how when he was on the southern front in the war in Angola, the chief of the unit gave them the mission of blowing up a bridge over which enemy forces had to cross.

Raul tells how the important mission was planned with a wealth of details, however, the enemy detected the presence of our troops and concentrated his artillery fire in that direction, making the operation much more difficult.

"At those moments," he says, "is when everyone understands that not only success but life itself depends on the proper camouflage."

The officer explains: "The objective of the class consists of having you learn exactly what the missions are that should be accomplished by each member of the engineer observation post, in addition to giving you the necessary practice for your conditioning and performance of observation of the terrain as well as of the enemy."

Moments later, the soldiers began the practical accomplishment of each of the study problems analyzed in the class.

One of the soldiers reports; "Comrade squad leader, I see a group of enemy soldiers planting mines to the southeast at Hill 101."

The squad leader carefully makes notes while the observer continues to follow the movements of the "enemy."

On our way back we witnessed training in the areas of mines and obstacles and in demolitions. The reservists enthusiastically make full use of every moment of the instruction period.

Something is obvious: For the members of this unit, maximum efficiency in the instruction process is a principle which is strictly adhered to, aware that on it will depend the degrees of combat readiness and the successful completion of one of the agreements of our First Congress.

From the Rearguard

"Socialist Vanguard" is the name of this foundry and iron products enterprise, which is engaged in exceeding its production pledges in honor of the historic Second Party Congress to be held soon.

More than once the members of the reserve have been mobilized from its shops. Each time, the comrades who remain in the center double their efforts to make up for the absence of those who go to make up military units.

For all those who remain in the "rearguard," the intensification of the work shift is more than a duty, it is an honor which they accept with legitimate pride.

That is why, at the base of one of the electropneumatic hammers, we came upon internationalist soldiers, Jorge Soler Marrero and Jesus Garcia Rodriguez, hard at work. The latter is the shift chief.

Jorge has been in the enterprise 13 and one-half years and har acquired the status of Party candiate in it.

For him and Jesus and the rest of the comrades of the center, production and defense are two tasks which go hand in hand.

"As long as they remain at the tasks of combat training," says Jorge, "they can be sure that the rest of their comrades will do everything possible to maintain optimum production levels.

"In this way we are preparing even for the case of a real aggression in which the rearguard as well as the front have to contribute everything necessary for victory."

Jorge adds: "At this time we are doing four hours of voluntary work to make up for the absence of the comrades and in order to exceed our pledges in honor of the Second Congress."

Internationalist soldier Jorge Soler Marrero, member of the special battalion that guarded the Peruvian Embassy and the U.S. Interest Office during the "March of the Fighting People," says before the end of the brief interview: "I am sure that our comrades will accomplish the new mission assigned them while we remain in this other strongpoint here in the "rearguard."

Jesus Garcia Rodriguez is an expert operator of the electropneumatic hammer in addition to being classified as a "Blacksmith-A."

At this time Communist Garcia Rodriguez is a shift chief, however, he can often be seen at the hammer or doing other work which requires his presence.

As he himself declares: "I always take a step forward wherever I am needed." Jesus declares: "I believe that mobilizations for the reserves are something the country needs so as to be always ready for defense, moreover, they are a decisive contribution to increasing the combat readiness of our units.

"This is understood by all our working class, that is why in any center you may visit you are going to find the same readiness to undertake the missions entrusted to us in production and in defense."

8908
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CENTRAL ARMY TANK BATTALION MEMBERS INTERVIEWED

Havana VERDE OLIVO in Spanish 30 Nov 80 pp 7-9

[Article by Jesus Casal Guerra: "The Men of the Tank Battalion"]

[Text] Located in a part of the vast territory under the watchful eyes of the Central Army, wrapped in the modesty characteristic of all its men, immersed in the dynamism which means compliance with the new and most complex missions, this tank battalion lives and breathes, a simple but very potent piece within the machinery necessarily required by the defense of this soil.

The conversations of the soldiers, the same ones who have criss-crossed the firing ranges under sun and rain, the same ones who have made tatters out of the targets time and again, the same ones who in the parking areas, dormitories, recreational activities, or in moments of concern when facing an alert, maintain a smile on their lips, say more than anyone may think.

They, more than anyone, are the muscles and tendons of this body which vomits fire and shrapnel so that no invader may step on what is theirs, their parents' brothers' and their own children, who know about their tanker daddy and always wait for him at the door at home. That is why we must talk to them, to learn about their past, which is the present [as published].

The Commander Speaks of His Troop

Seventeen years of maneuvers with tanks have made of this officer, with his strong physical makeup, calm look and open gestures which denote cordiality toward all those around him, a genuine tanker, devoted entirely to learning his specialty.

Extremely frugal in speaking about himself, he is not capable of speaking about his two internationalist missions, his work as a commander, or of his successes as chief of the unit. He would rather speak about his men, who in combat posts "have always done the impossible to comply with everything they have been told to do."

The conversation flows and through it, we feel the respect that this veteran tanker feels for his soldiers, the affection for those "who without considering the difficulties that may present themselves, devote themselves to complying and complying;" the confidence he feels for those who in the thunder of action insure the complete success of the unit.

But it is when he begins to talk about what his troop has done that he is tireless. And one after the other he tells "of the missions these boys have accomplished; the interior order that has been achieved despite the particular situation of the unit; their discipline, and in short, their daily life and the results of the work of the battalion, results in which I believe they themselves were the greatest inspiration."

Everything Had Its Beginning

One day in 1979, the public address system ordered a formation. And the blonde Morffa, the tank gunner, Jose A. Morffa Sarmiento, grabbed his cap and belt and thought: "I cannot fail to be there."

It was a gathering to inform them about the commitments made by the unit to honor the Second Party Congress. Although they were very great, Morffa already knew about them because they had been approved by his crew. The battalion, and with it each crew, proposed to achieve ratings of at least "good" during the training year. And that was not a matter of games.

That is why this young soldier, a technician, a graduate specializing in roads, who arrived at the unit around a year and a half ago as a loader, decided to give his all to achieve success in his individual commitments.

"I could not fail the battalion because they all considered me a good gunner. Then came individual firing and that of the entire crew. And we made scrapwood out of the targets, and my tank was ranked "good" and the crew "good" and the company even better. And lead came and went...Well, that was very great."

Morffa, who now wears the Army Vanguard Award, is always talkative, happy, ready to resolve any problem that may present itself in his fighting machine, the dormitory or in the work of beautifying the unit.

When he speaks, he does it without thinking much about what he is going to say, sure of his opinions and the possibilities they have in handling the many things expected of them.

That is why we also asked him about incentives, since everything cannot be work and more work, we thought.

"There are no problems with matters of incentives here. If you are outstanding, do your duty, help to achieve the victories of the battalion, you will surely be rewarded. I myself, without having to go very far, have been given many additional passes so that I may go see my parents more often because they are always concerned about how one is doing his duty here.

"And believe me, that is good, that raises the morale of the people after a period of hard work."

The Consolidation of the Battalion

Days after the commitment, this group became fully involved in the theoretical and practical training tasks of the training year, until the day the program scheduled individual tank firing.

They moved to the firing range and the training continued there. Then came the time to fire the cannon and with it came the first ratings of "good."

As of that moment, the people felt more confident as to their possibilities. Enthusiasm increased; conversations centered around their capabilities in mass firing and their concern for emerging successful.

On arriving at the period scheduled for the crew, the targets were destroyed once more. And Morffa, always with a smile on his lips "incited the other gunners," and the other gunners responded with more targets destroyed, and the battalion was in the clouds as if it had taken off in flight never to land again.

This was the way the first steps were taken in a movement which became more radical day by day, class by class, shot by shot and had its culminating moment in the maneuver with 100 millimeters in which the unit won an "outstanding" in firing and "good" in tactical maneuvers.

But It Was Not Only The Tankers

When one arrives at a tank unit it is logical that one thinks of successes as a problem of the tankers only, however, there are other men, who without being in the fighting machines have much to do with insuring the missions to be accomplished by their comrades. Such could be the case of the drivers, service personnel or the mechanics.

That is why Jorge Luis Rodriguez Morera, although he first expresses his admiration for the tankers, does not feel left out of the victories won by his battalion. As the driver of a ZIL-131, he has also given much to the common cause despite the fact that he has never fired from a tank.

Morera graduated as a driver from courses in that specialty taught in the basic recruit school. Before entering the recruiting process, he worked as a mechanic's helper at the Colon School Transportation sub-base.

"I graduated from the course without many ideas about its importance, however, when I arrived at the unit, when I found out about the daily life of the battalion, I understood how beneficial it had been for me.

"The first missions came and I was trained and ready to perform them. I did lack experience but that came to me through the comrades who had more years than I at the specialty."

But while a tanker has responsibilities, a driver also has responsibilities. And that has been one of the fundamental missions for Morera.

"They care for and maintain their equipment. They are responsible for attacking the objectives of the enemy. Those are their responsibilities to the group. Mine, in addition to being another participant in combat actions, also require the care of equipment the revolution has placed in my hands. And I have devoted myself entirely to that to such a point that I have committed no violations of the rules nor have I had a single traffic accident. I believe that in this way I have also made my contribution."

Everyone Speaks About Lazaro Martinez

Lazaro Martinez Martinez is an example of the fighting spirit present in this battalion. As a member of the Union of Young Communits [UJC], he was faced with the need to serve in the FAR [Revolutionary Armed Forces] for 18 months. Lazaro did not have to think twice and entered the training regiment to receive training as a tank squadron chief.

"To tell the truth, I never thought about becoming a tanker, but that is the way life is. There are times when you are faced with things which leave no room for doubt as to a need. And, of course, as a revolutionary, one volunteers. That is what happened to me."

The grades of Lazaro Martinez during his training as tank squadron commander were good. Once graduated, he arrived at the unit one day with everything required by regulations, to begin his new functions as chief of a small unit.

"Shortly afterward, the comrades at headquarters called me to tell me that it was necessary that I remain with them, that I waive the 18-month period. I did not have to be convinced. In their words one could note the evaluation they had made of my work as a young officer and I was in no position to disappoint them."

It was then that Sublieutenant Lazaro Martinez Martinez presented himself to the personnel chief of the command to request documentation so that he could remain permanently with the tank battalion.

"I had been impressed by the work with the men, with the human relations existing between commanders and soldiers, the discipline that could be felt in the unit, and above all, the results we were obtaining in performing our missions. That is why I decided to remain with the rest of my comrades for whatever time it is necessary."

That Which Cannot Be Considered The End

More than a week ago, at the place where the trophies of the battalion are kept, there is a new banner which represents the effort made by this group of men during the 1979-1980 year.

Red as the blood of the sacrifice of those who fell in the defense of our soil, like the color of the bright future, there hangs on the mast the "Grito de Yara" banner, which the MINFAR [Ministry of the Revolutionary Armed Forces] awards to the vanguard battalions of the FAR.

It is in the possession of this tank battalion, which as its members say, is prepared to continue along the path of even greater victories.

It represents the excellent results attained in combat firing, in the knowledge of tactics, the status of equipment and weapons, general training, and, particularly, that of each soldier.

The chief of the battalion has removed it from its place so that we can see it. Our admiration for this group is redoubled. In the young soldiers, who are also looking at it, can be seen the joy because of what it represents and the new commitment which is already felt.

8908
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CHIEF OF STAFF NOTES PROFESSIONALISM IN MILITARY

Santo Domingo LISTIN DIARIO in Spanish 1 Dec 80 p 8C

[Article by Disraeli Guillen]

[Excerpt] The army chief of staff has asserted that the institutionalization and the nonpartisanship achieved by President Antonio Guzman in the Armed Forces "have undeniably charted a course along which the unrepentant banners of caudillos no longer stream and the factions that ignore duty have not set up shop."

Maj Gen Ramiro Matos Gonzalez said that the malignant dregs of factionalism have been swept out of the Armed Forces, so that they can act as a single man, as a single soldier, led by commanders who in imitation of their ancestral leaders are now beginning to hoist the banners of a devotion to service above personal interests.

"Thanks to the loyalty instilled by our president, we can assert that we in the military will never allow factional caudillos and bosses to again take over our spirit of duty and to divert our efforts, which have been so worthily upheld over several centuries of history," Matos Gonzalez stated.

The ranking officer delivered his speech at the reception that the army chief of staff's office gave for President Antonio Guzman and his wife, Mrs Renee Klang de Guzman, to mark the culmination of "Army Day" celebrations. The event was staged at the Armed Forces Officers Recreation Club.

Matos Gonzalez indicated that "the arrogance and the insolent pennant of discord that mediocre minds once unfurled are dead and buried." And he added:

"Our horizon is now marked by a promising dawn of professionalism that will crown our heroic bugles, a professionalism that admits no steps backwards or stubborn faces looking to the past, recalling miseries that have been overcome. We need men who follow higher guidelines and overcome adversity by hard work, faith in their country and a devotion to the unswerving principles of duty, excellence and professional ability."

Matos Gonzalez told President Guzman of "the indomitable loyalty of the Armed Forces towards the constitutional government," stating that: "Our loyalty is far superior to other loyalties, not only because it stems from open gratitude but also because it emerges from our ranks and is an oath decreed by the inexorable voice of history, and as legitimate children of this supreme tribunal of the people, we are loyal followers of their immutable desires," the ranking officer stated.

8743
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MILITARY URGED TO REMAIN ABOVE POLITICS

Santo Domingo EL NACIONAL in Spanish 25 Nov 80 p 3

[Article by Joaquin Suero]

[Text] San Isidro, 25 Nov The director general of military training, Col Hector Valenzuela Alcantara, speaking in the presence of President Antonio Guzman, made an impassioned plea to members of the Armed Forces and National Police to "reject any harmful attempt by those seeking to revive factionalism."

The ranking officer called on the commissioned and noncommissioned officers to "ignore everything aimed at undermining the morale, unity and integrity of our institutions."

Col Valenzuela Alcantara made his plea in the speech that he delivered yesterday in the assembly room of the Directorate General of Military Training at the graduation of officers and enlisted men from various training courses.

President Antonio Guzman, who was accompanied by the secretary of state for the Armed Forces, Lt Gen Mario Ibert MacGregor, the chiefs of staff of the Armed Forces branches and the administrative secretary of the presidency, Jose Maria Hernandez, handed out the diplomas to the graduates.

In all, 52 officers and 129 enlisted men from the Armed Forces and the National Police received their certificates.

Their instruction included a command and staff course; an intermediate infantry course for officers; a basic infantry course for officers; a basic infantry course for sergeants; a basic infantry course for corporals; a course in basic health care techniques; an administration course; a course in radio communications and operations and an intelligence and counter-intelligence auxiliaries course for enlisted men.

Col Valenzuela Alcantara said in his speech that factionalism has been eliminated from the military institutions and he called on the troops "to maintain unswerving loyalty."

He added that loyalty must not just "be the spoken word expressing the sincere feelings of recognition that we have for our superiors and reaffirming our

respect for the country's constitution and laws; it is also our duty to constantly improve ourselves to serve our homeland."

The colonel went on to say that service to the country ought to be rendered with optimum efficiency and with a spirit of progress, "a course of conduct that brings us close to the level of the ideal servant that the leadership bodies of the Dominican Armed Forces aspire to."

The acknowledgement speech was delivered on behalf of the graduates by Maj Jose Ramon Garcia y Garcia, from the National Police.

In conclusion, a toast was offered in the graduates' honor.

8743
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TORTURE IN COUNTRY DISCUSSED AT CONFERENCE

Santo Domingo EL NACIONAL in Spanish 24 Nov 80 p 16

[Article by Joaquin Suero]

[Text] Reporting to the First National Seminar on Torture, which closed yesterday in the Medical Sciences Assembly Hall of the Autonomous University of Santo Domingo, a doctor, a newsman and a politician agreed that torture is still practiced in the country.

Dr Eliseo Rondon Sanchez, the president of the Dominican Medical Association, felt that the absence of medical care or poor medical care represent an indirect form of "torture that is still practiced in Dominican jails."

He clarified that this form of torture is practiced without any political motivations but that it is in keeping with the view that prisoners have no human rights, "including the right to health care."

Leftist leader Rafael (Fafa) Taveras analyzed the conditions in which workers lived under the capitalist system and, in particular under the previous regime of former President Joaquin Balaguer, concluding that "torture has not run its course in our country."

Fafa Taveras added that "the levels of exploitation that this capitalist system is imposing are, however, prompting mounting protests that wind up as growing confrontation throughout the state's political structure."

The leftist leader felt that this situation "leads me to state that as long as the people's major socioeconomic problems are not resolved, as long as capitalist exploitation is not abolished, we will be witnessing the genocide of the working class, as a result of the overexploitation it is undergoing."

He went on to say that "therefore, torture can be halted in our country only through a growing mass struggle that asserts political freedom, and the death certificate of torture can be written out only with the death of capitalism."

Journalist Jose Rafael Sosa stated that "during the 1978-1980 period, the term of office of Mr Silvestre Antonio Guzman Fernandez, torture and cruel, inhuman and degrading treatment and punishments have been practiced."

Nevertheless, Sosa said that we must acknowledge that torture has ceased to be a systematic practice applied to political prisoners.

He also felt that torture is no longer practiced "because public opinion precludes such inhuman behavior on the part of authorities, basically because these officials are certain that they would be reported."

8743
CSO: 3010

GOVERNMENT JUNTA ADDRESSES CATTLEMEN, LISTENS TO PROBLEMS

Managua LA PRENSA in Spanish 30 Nov 80 pp 1, 12

[Text] The "Facing the People" Program that took place on the evening of Friday the 28th at "La Subasta" was a straightforward and open dialog between Nicaraguan cattlemen and the Government Junta.

In an atmosphere of frank democracy, the cattlemen outlined the problems affecting them and voiced their complaints, ranging from demands for personal security to their questioning of taxes, borrowing systems, the shortages of basic products, smuggling and, finally, the Nicaraguan diet, which is known colloquially as "the cream of the crop."

The cattlemen and the government authorities agreed on many points, including a search for ways to resolve problems.

Juan Manuel Caldera, from the Managua Cattlemen's Association, voiced concerns that met with immediate responses both from Dr Arturo Cruz and Commander Daniel Ortega Saavedra.

Caldera Calls For Guarantees

Juan Manuel Caldera, a member of the Association of Brahma Cattle Farms, had this to say:

"As you have been saying, this is a quite clear demonstration of our work-related determination to overcome all our difficulties, as our commanders have said. But there are serious problems.

"These problems are:

"One: personal security. We are here; those who are going have already left.

"We are here to work, but we want guarantees for doing it. (Applause)

"We want to know that we are not going to wind up like Jorge Salazar.

"Because...we do not want to kick the government out; rather, we want to work shoulder to shoulder with you."

We Want the Facts

"We are concerned about something else," Juan Manuel Caldera went on to say, "and this is my second question. There has been talk of loans and the many things that are going to get done, as Dr Cruz mentioned, but even if they are not pleasant, what we want are the facts.

"Our export quota was not filled, gentlemen.

"It was envisaged under Plan 80, but based on the little that I know, we are giving up $13 million dollars.

"We need to stimulate production, and this can be done only on the basis of economic incentives and on the basis of the taxes that have been levied without the cattlemen's trade union having been consulted, because we have never been taken into account."

A Country of Privileges

"I repeat that we want to work. Give us the opportunity to do so, because we are capable of producing. Nicaragua is large and has everything that Central America does not.

"Nicaragua has more cattle than the entire isthmus. It is one of the few countries in the world in which 60 percent of the national territory can be turned into grazing land.

"Let us make use of this blessed homeland called Nicaragua."

All Should Get Involved

Responding to Mr Juan Manuel Caldera's comments and views was Commander Daniel Ortega, a member of the Government Junta, who made the following remarks:

"We want to take this opportunity to reaffirm the decision that the Directorate of the Sandinist National Liberation Front made unilaterally before our victory, back around 1977, when the October offensive was on the way, when the group of 'The Twelve' emerged, the decision to guarantee the involvement of businessmen, merchants, etc, not only in the struggle against the dictatorship but also in the future revolutionary undertaking.

"When the Sandinist Front called on Mr Alfonso Robelo and Mrs Violeta Barrios de Chamorro to join in setting up the National Reconstruction Government Junta, it also did so unilaterally, without any sort of pressure, without having any sort of pact with the MDN [Nicaraguan Democratic Movement] or any business group.

"The decision was made in accordance with a political analysis, and it was a patriotic decision to bring all economic, social and political sectors that

had not been seriously committed to the Somoza dictatorship into the country's future reconstruction.

"Thus, the Sandinist Front's decision, which the Government Reconstruction Junta has complied with, is something that endures.

"We think that that is the Nicaraguan Revolution's great contribution to Latin America and the world."

A Revolution That Does Not Sweep Others Away

Ortega went on to say that "this is a revolution that does not sweep away the other social and economic sectors; instead, it seeks to integrate them to benefit the historically underprivileged sectors.

"The point is to join forces, not to exclude some; not, however, to strengthen a specific group but to strengthen the entire country, to strengthen the nation, to strengthen the workers, to strengthen the Nicaraguan people.

"So then, this decision is still one of principle for the Sandinist Front. What is at stake here is its political and leadership capabilities."

Failure

He then stated: "If for 'x' or 'y' reason the revolution is ever forced to shut down and sweep away the businessmen, merchants or major cattlemen, well, simply our undertaking will have failed.

"Or if the revolution were to turn to the right, the undertaking would also be a failure.

"Thus, our challenge is to develop a process in which all social, political and economic sectors can take part."

The Salazar Affair

"Now then," Commander Ortega argued, "logically, as long as the Nicaraguans who remain in the country do not conspire against the revolutionary people's government, they have nothing to fear, but we feel that mention of Mr Salazar is out of place, because as long as he did not conspire against out revolution, as long as Mr Salazar did not engage in attacks on our revolution, he had every guarantee.

"But a person who begins conspiring simply places himself on the opposite path, drifting away from the revolution's possible proposals.

"He places himself on opposing ground to fire at the revolution, to destroy it and to try and impose his own solutions.

"In that case, the situation is different. So, there are and will continue to be guarantees here, because the Sandinist Front's ability to lead is at stake."

Guarantees for All

"We will give guarantees to all Nicaraguans who are willing to take part in the country's reconstruction, regardless of resources, be they many or few.

"But...there can be no guarantees for those Nicaraguans who conspire against the revolution, whether they are millionaires or poor, because there are also counterrevolutionaries of humble extraction, and the responsibility here is not, logically, only the Sandinist Front's.

"We are going to fight. We are trying to make this undertaking possible, because it has created expectations in Latin America, it has created expectations throughout the world, and there are those who would like to see Nicaragua's private sector disappear, who would like to see businessmen, merchants and cattlemen disappear, so that they can say, well, the Nicaraguan revolutionary undertaking is not possible. That is why we are determined to keep the undertaking going, and it will be kept going to the extent that you too help as much as you can."

Grassroots Pressure

Ortega asserted: "To the extent that we bolster production, which is a key point, we are going to lessen the social pressures on us, because there are social pressures here. We are not going to deny it.

"Although it is true that the economic situation of cattlemen and growers here is being hard hit, they do have certain resources and certain defenses.

"Imagine the situation of rural and city workers. They are in more difficult straits because they are also suffering the impact of an economy that is being battered by the domestic and world economic situation."

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CSN DOCUMENT OUTLINES ORGANIZATION'S STRUCTURE, PRINCIPLES

Managua BARRICADA in Spanish 3 Dec 80 p 4

[Text] It is with the greatest satisfaction that BARRICADA, the newspaper of the Nicaraguan people's revolutionary vanguard, offers all its readers, especially the hundreds of thousands of workers and peasants, this historic document, which reflects the loftiest achievements made to date in connection with working class unity.

This document, which explains the nature of the Labor Union Coordinator of Nicaragua [CSN], its basic principles, its battle plan and its bylaws, must henceforth become a guide for unified labor union action, aimed at intensifying the workers' class unity. We issue a fraternal appeal for its extensive dissemination by means of posted notices in all work centers, schools, state institutions and peasant districts. Let there be no Nicaraguan who is unfamiliar with this historic step to unify the driving forces of the revolution. We also await information concerning the results of the workers' discussions of this matter, and their comments; our pages are available for this purpose.

I. What the Labor Union Coordinator of Nicaragua Is

The Labor Union Coordinator of Nicaragua is the voluntary union of the following labor federations and organizations:

a. Confederation of Labor Union Action and Unity (CAUS)
b. Federation of Health Workers (FETSALUD)
c. Union of Nicaraguan Journalists (UPN)
d. Agricultural Workers Association (ATC)
e. National Association of Nicaraguan Teachers (ANDEN)
f. Confederation for Labor Unification (CUS)
g. Workers Front (FO)
h. General Labor Confederation (Independent) (CGTi)
i. Sandinist Workers Federation (CST)

The Labor Union Coordinator of Nicaragua has been established for the purpose of developing in our country united action among the labor organizations, as a process that should and must lead, step by step, to the most deep-seated revolutionary unification of our labor movement, which will make it progress toward more compact forms of unity, and which will lend it all the strength that it needs for national reconstruction and for making the conquest of its most cherished class aspirations a reality.

The labor organizations comprising the Labor Union Coordinator of Nicaragua include and organize all workers, both men and women, manual and intellectual, into a union, regardless of their race, political or religious convictions, or their varied trades occupations and special fields of endeavor, who voluntarily join its ranks through their unions or rank and file organizations.

The Labor Union Coordinator of Nicaragua respects the ideological and political concepts held by the leaders and rank and file of the unions and federations that comprise it; but, although it upholds the principle of freedom of thought and speech, it rejects for its policy all theories and positions that are incompatible with the interests of the working class and the process of revolutionary change in our country. Also, it does not tolerate ambitions for supremacy among its members, in the interests of the perpetuation of democracy and brotherhood in its ranks, and the development of unity among the organizations which comprise it.

CSN [Labor Union Coordinator of Nicaragua] coordinates, advises and backs all the labor federations and organizations affiliated with it for the general performance of their overall tasks, in accordance with the role that is incumbent on it during this phase of the country's national reconstruction.

II. Basic Principles of the Labor Union Coordinator of Nicaragua (CSN)

1. CSN will cooperate with the member federations to unite and mobilize the laborers and workers in general for performing all the tasks that we have set for ourselves under the revolutionary banners of the working class, to defeat and isolate from the masses the forces of imperialism, the native oligarchy and the bourgeois parties.

2. CSN upholds the principle of the firm unity of the working class and the poor peasants, recognizing these forces as the driving forces of the Sandinist Popular Revolution.

3. CSN will act to bring about the consolidation of the working class and the development of its supreme role in the political, economic and social changes that we are pursuing, and in the battle to intensify the Sandinist Popular Revolution.

4. CSN, in accordance with the principles of the workers' right to freely elect their leaders and to revoke their mandates when they are remiss in their duties, is promoting collective, democratic discussion of issues, and the use of criticism and self-criticism as a means of correcting the shortcomings and eliminating the mistakes, flaws and weaknesses in the discharge of their functions.

5. CSN is not part of the state apparatus; it has its own leadership as a broad organization of the workers.

6. CSN is not an organization of any political party. Affiliated with it are the labor federations and national organizations with equal rights and obligations, regardless of their political orientation.

7. CSN strives for the unity of the working class in a Single Workers Federation, which responds to the historic tasks of the labor movement.

8. CSN upholds the principle of proletarian solidarity and the cooperation of workers from all countries in their struggle for national liberation and for the social progress of their peoples.

9. The Labor Union Coordinator of Nicaragua makes note of its firm support for the National Reconstruction Government Junta, and its resolute backing for the revolutionary leadership of the Sandinist National Liberation Front.

III. CSN's Battle Plan

1. To support, fortify and defend the Sandinist Popular Revolution, the national sovereignty and the self-determination of our people from the attacks of the native and foreign reactionaries, and from the dangers of internal counterrevolution or imperialist intervention in any of the forms in which it appears.

2. To strive consistently and zealously on behalf of a constant increase in production and productivity, and the fulfillment of the goals of national reconstruction.

3. To give an impetus for greater participation by the workers in the Sandinist Popular Militias, under the leadership of the Sandinist Popular Army (EPS), so as to give the laborers and workers martial skills so that they too may militarily defend the revolution and its progress.

4. To strive for the preparation of a new wage scale based on the country's economic situation, a measure intended to benefit the workers who earn the lowest wages, and, at the same time, to adopt effective measures for curbing speculation.

5. To protect the workers' rights, and to strive to improve their living and working conditions. For these purposes, to strive to meet the social and labor requirements that will make it possible to raise their real wages.

6. To counter the inconsistent positions calling for indiscriminate wage hikes which only hurt the real interests of the working class in general, and which are obstacles to the process of the country's economic reconstruction.

7. The solution to every labor dispute or problem should first be attempted without resorting to a stoppage of work. This by no means represents a renunciation of the right to strike, but what we want is to assert that strikes should be the last resort of the workers, and that all expedients should be exhausted before resorting to them; because every work stoppage undermines production and interferes with the fulfillment of the plans and programs of the Government of National Reconstruction and the strategic design of our Sandinist Popular Revolution.

8. To work and cooperate for the revision of the Labor Code, so that it will befit the country's revolutionary status.

9. To battle against bureaucratism, abuse of authority, negligence and waste in the state enterprises.

10. To make a constructive, revolutionary contribution to the improvement of the state administration and to the greater success of its activity.

11. To strive to prevent the flight of capital and damage to production in the private business firms.

12. To strive for the fulfillment of the economic reactivation program for the people's benefit, and for the workers' active participation in the economic management of each business firm.

13. To arrive at, and fulfill the collective work contracts in all business firms, as a principal means of establishing the workers' rights and duties.

14. To strive for the fulfillment of the labor legislation and the administration's obligations toward the workers.

15. To strive for the implementation of the occupational safety and health measures, in order to preserve the health and lives of the workers.

16. To heed the complaints, criticism and suggestions of the workers, and to help them, insofar as is possible and fair, to resolve the problems cited therein.

17. To accept and encourage the workers' proposals that are useful to the development of the economy.

18. To foster and cooperate in the development of sports, recreation, leisure time activity and culture among the workers.

19. To organize volunteer work as a contribution from the workers to the economy, and as a reflection of a new revolutionary attitude toward work.

20. To continue enhancing the political and ideological education of the workers.

21. To attend to and develop the workers' technical self-improvement.

22. To constantly raise the workers' labor consciousness, most particularly through the intensification of work discipline. For this purpose, there will be promotion of:

a. Daily punctual attendance at work
b. Maximum utilization of the work day
c. Increased production with the required quality
d. Constantly increased work productivity
e. Respect and care for the people's property
f. Savings of raw and other materials, fuel, electricity and water
g. Efficient maintenance of equipment and machinery

This will be applicable to private business firms.

23. To give an impetus to the development of our economy and the social progress of our people, we shall strive to:

a. Promote the opening of the discussion aimed at promulgating an intensely democratic, antifeudal, antioligarchical and anti-imperialist agrarian reform, that will

serve as an essential foundation for the development of our productive forces, of the national economy and of the social progress of the peasants and the entire Nicaraguan people.

b. Retrieve all our natural and national resources.

c. Achieve the agricultural-livestock and industrial development of Nicaragua based on the maximum utilization of its own natural resources and its own raw materials.

IV. Bylaws of CSN

1. Concerning the CSN's decisions.

a. The decisions that are made within the Labor Union Coordinator of Nicaragua will be arrived at through consensus; in other words, resolutions will always be reached unanimously.

b. Every matter to be resolved will be discussed previously, but it will be allowed to discuss documents prepared earlier, provided they are sent to each federation 4 days beforehand.

2. The relations among the various entities affiliated with the Coordinator will be marked by mutual respect, and democratic standards will at all times prevail over any position of supremacy.

3. Public statements made on behalf of CNS:

Public statements on behalf of CSN may be made only on the basis of decisions reached by the Executive Committee. However, its members, as representatives of their respective organizations and at all times on behalf of the latter, are at liberty to make public statements regarding the work of their organization in CSN.

V. Leadership Organs of the Labor Union Coordinator of Nicaragua

1. The National Labor Union Assembly of CSN

The superior organ of CSN will be the National Labor Union Assembly, which will be comprised of the national executive committees of the labor union organizations which are its members (with a number of leaders not to exceed seven for each organization), five general secretaries of departmental committees of each organization, and general secretaries of rank and file unions, according to the notice agreed upon by the CSN Executive Committee, which will determine proportionately the number of workers affiliated with each organization. An attempt will be made to have the attending unions be the largest in the economic area that they represent, and based on the number of their members.

The National Labor Union Assembly will meet regularly every 6 months, and in special session at the decision of the CSN Executive Committee

The National Labor Union Assembly will devise the work line to be carried out by the unions in the same manner as was used by the First Assembly for Unity of the Carlos Fonseca Workers; and it will be informed of, and evaluate the work done by CSN during the period between assemblies.

2. The National Council of CSN

The National Council of CSN is the meeting of all members of the National Executive Committees of the labor union organizations which comprise it (with a number of leaders not to exceed seven for each organization).

The National Council of CSN will convene regularly every 3 months, and in special session at the decision of the National Executive Committee.

At its meetings, the National Council will analyze the fulfillment of the decisions of the National Assembly, and will recognize the measures that should be taken for the total success of the established plans.

The National Council will be the top-ranking entity of CSN leadership between one National Labor Union Assembly and another.

3. The National Executive Committee of CSN

The National Executive Committee of CSN consists of the general secretaries of the labor union organizations, or their standing delegate, plus one alternate with equal decision making authority who is a member thereof.

The members of the National Executive Committee will elect a coordinator and a deputy coordinator, who will discharge the functions of a secretary. They will be responsible for overseeing and coordinating the work of this Executive Committee for a period of 6 months, duties which will be rotated among all its members.

The National Executive Committee will meet regularly once a week, and in special session when the coordinator and deputy coordinator so stipulate, or at the request of any of its members, conveyed through the coordinator.

To back and aid the work of the National Executive Committee, the following working commissions will be created:

a. Commission for Organization and Finance
b. Commission for Labor and Social Affairs
c. Commission for Production and Volunteer Work

These commissions will consist of the members of the executive committees of the organizations comprising CSN (one for each organization) and participating in the National Council.

The Executive Committee of CSN may establish other working commissions, as it deems fitting and necessary for the performance of the tasks.

The coordinator, in agreement with the deputy coordinator, will send to each member of the Executive Committee the agenda for the meeting 48 hours in advance of the date set. All members of the Executive Committee are entitled to request a discussion of any aspect of the agenda, notifying the coordinator thereof 4 days prior to the meeting.

The coordinator and deputy coordinator are responsible for sending the minutes of the Executive Committee meeting to all its members within a period of 48 hours following the meeting.

4. Official Publication of CSN

Periodically, a CSN publication will be put out, which will be its official organ. Each issue will contain reports on the activities carried out and the work that must be done at the time. It will also print articles about the different organizations that comprise CSN which will intensify the workers' unity, within the context of the decisions that have been made.

5. CSN in the Departments

CSN Departmental Executive Committees will be formed in the departments in a manner similar to that of the organ of national leadership, to establish the mechanisms necessary for the continuity and fulfillment of the CSN's decisions.

For this purpose, each month a meeting will be held between the National Executive Committee and the general secretaries of the Departmental Committees of the organizations comprising CSN, to coordinate and pool the efforts for common action to execute the decisions emanating from the national entities and all the proposals that may arise on that level, to intensify the unity of the workers around the defense and consolidation of the Sandinist Popular Revolution.

Allan Zambrana
Confederation of Labor Union Action and Unity

Leonte Canales
Federation of Health Workers

Onofre Guevara
Union of Nicaraguan Journalists

Francisco Lopez
Agricultural Workers Association

Bruno Gallardo P.
National Association of Nicaraguan Teachers

Jose Espinoza
Confederation for Labor Unification

Isidro Tellez
Workers Front

Alejandro Solorzano
General Labor Confederation

Ivan Garcia
Sandinist Workers Federation
Managua, 1 December 1980.
2909
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VENDORS ASK 'LA PRENSA' TO HELP INVESTIGATE COMPLAINTS

Managua LA PRENSA in Spanish 29 Nov 80 pp 1, 12

[Text] On an invitation from APOCROBAMA, the association of Oriental Market vendors, journalist Pedro Joaquin Chamorro Barrios held a lively dialog with more than 200 small merchants on Thursday evening.

Speaking colloquially, the market vendors shared their concerns and problems with Chamorro in a brotherly discussion after hearing a short talk on freedom of expression that they requested of the newsman.

Chamorro Barrios mentioned the decrees issued by the Government Junta that restrict freedom of the press in Nicaragua, as well as the predominance of the partisan media alined with the Sandinist Party.

Continual Harassment

"As independent media," he pointed out, "we have been continually harassed by all of the official media in an ongoing campaign of slander and insults."

In their questions the Oriental merchants expressed their concerns over problems such as Nicaragua's international image, restrictions on freedom of the press and the withdrawal of several political parties and union representatives from the Council of State.

But the market vendors expressed their main concerns spontaneously.

"We can't put up with the CDS [Sandinist Defense Committees]," said one of the women at Oriental in speaking out against the inexplicable attitude of the coordinator of the 'Luis Alfonso Velasquez' block, who accused them of being reactionary because they did not attend the front's latest demonstration.

"You're Robelo backers," he told them. "Why don't you ask Robelo for rice and corn." He then threatened to kick them out of the market under the "laws" of the intendancy.

"What can we do about the CDS? The entire market can't stand it," she said. Chamorro Barrios told them in reply that only by protesting could they bring out these irregularities, which most of the people are against.

Another Headache

The second "big headache" of the market people is the creation of the wholesale and retail markets, of which they have heard no further news. Most of them cannot afford a new spot in the market under construction and do not want to leave their children with strangers while they are at work, which they have been told will be the case when the new facilities are opened.

"LA PRENSA, which is the people's mouthpiece," said one of the vendors, "ought to investigate what this market is going to be like." He underscored his concerns over the future of the vendors, pushcart vendors, drivers and other people who work at the market and who live "from day to day" because they have no money. "What is going to happen to these people who have neither stalls nor stores, the poorest people of them all?" he asked.

Investigative Efforts

Chamorro promised that LA PRENSA would conduct a journalistic investigation into the plans for the wholesale market, its positive as well as its negative aspects.

The problem of a Villa Venezuela CDS that wants to remove several teachers from a school was brought up by another woman vendor, who spoke out against this further example of an improper course of conduct by people who are not Education Ministry authorities.

The Masses

"We were comrades-in-arms with Pedro Joaquin Chamorro during a time when we were persecuted by eavesdroppers and the civil reservists of the Somozist guard. But they never told us because we were against them, they were going to stop us from being merchants or doing any sort of work, as is happening today with all these people who claim to be the eyes, ears and who knows what else of the government," said the merchant, who was interrupted on several occasions by outbursts of applause.

Recalling how the entire market took to the streets on several occasions to defend LA PRENSA throughout the years of the dictatorship when the paper was threatened for championing the people, the impromptu speaker said: "And today they treat us like counterrevolutionaries, as if we were big Somozists during those days.

"If we don't do what they want, these masses say that we can't work. Well, these people just don't know God or they don't know that He provides these supplies so that man can have the strength to live with his entire family...We are not counterrevolutionaries. We are with the revolution. Asking for the right to work is not being counterrevolutionary," he pointed out in conclusion as he was interrupted by applause.

Not for Loafers

"I am definitely in complete agreement with you that asking for the right to work is revolutionary and that taking the right to work away is counter-revolutionary," replied Chamorro, adding that the revolution is not for loafers; it is for hardworking people like the workers at the market, who perform an extremely important social function with the sweat of their labor.

Another vendor complained about a woman CDS coordinator who uses the market stall leasing cards to claim sugar shipments and then resells them to the vendors through a middleman at a higher price, as well as other similar problems.

In several other comments the vendors defended their right to belong to the associations that they want to join and not to join the ones that they do not want to be members of. They also complained that several CDS members carry weapons and commit many injustices in showing off their power.

In addition, on several occasions they demonstrated in support of LA PRENSA, which they called "the only paper of the people." One of the last questions was why a paper with what they regarded as "light circulation" had taken over what had always been LA PRENSA's motto, "the paper of Nicaraguans." Chamorro Barrios' answer to them was that the Nicaraguan people themselves conferred this title every day with their acceptance of LA PRENSA, which they preferred to the other papers, which can take whatever title they please because no one can deny them the right to fool themselves.

8743
CSO: 3010

EDITORIAL URGES 'HIGHER' PROFILE IN EL SALVADOR

Caracas EL DIARIO DE CARACAS in Spanish 14 Dec 80 p 6

[Editorial: "El Salvador, Washington and Caracas"]

[Text] El Salvador is on the threshold of a new period of upheaval wherein the mere fact of having appointed a civilian president (in this instance, Napoleon Duarte) is not necessarily of critical importance.

The United States and its discouraged government is belatedly applying the resources of power and a measure of economic and military assistance to establish civilian preeminence in the Government Junta. Many may now wonder about the force of the principle of non-intervention, and others may justify the United States' decision by claiming that it benefits the establishment of democracy in that country. The wisdom of Washington's decision to impose stringent conditions on its position toward the Salvadoran regime will be ascertained only as events transpire.

The latter, in turn, are subject internally to the willingness of the leftist belligerent forces to accept the new reality of cooperating with the Christian Democrat, Napoleon Duarte; and the terrorism of the right and the attitude of the Salvadoran Armed Forces in the new political scheme remain to be seen. In the final analysis, it will now depend on Napoleon Duarte to arrive at the truce that will enable the country to recover from the bloodshed and to break the cycle of violence in that nation.

The prognostications for Duarte's success tend to be skeptical. The left is preparing its "final offensive," and will announce a parallel cabinet, attempting to gain international backing and recognition, on the basis of the precedent set by the Sandinist Front in Nicaragua. In view of this prospect, Duarte will have to have very strong support, both internal and external, if the effort at pacification which now seems so difficult and far removed is to be expected of him.

For Venezuela in particular, the situation poses the dilemma of openly assisting a regime headed by Duarte. This would probably entail criticism from the opposition of the politicization of the assistance, and would create internal problems. In the event that it were to maintain the low profile that currently typifies Venezuela's presence in El Salvador, Venezuela would run the risk of losing the historic opportunity to "consolidate and uphold democracy on the continent." Jimmy Carter's government, in its final month, does not have much to lose in the Salvadoran predicament.

From Venezuela's standpoint, however, the political and social development in that country is fundamental, and its success or failure could well have an effect on the next 2 years of government of the administration of President Luis Herrera Campins. It is a decision which cannot be postponed.

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END

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FBIS FOREIGN BROADCAST INFORMATION SERVICE

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OLADE APPROVES LATIN AMERICAN ENERGY INTEGRATION

Mexico City EXCELSIOR in Spanish 29 Nov 80 Sec A pp 3, 30

[Text] Today, the 11th Session of Ministers of Mines and Energy of the 25 countries which make up the Latin American Energy Organization (OLADE) adopted a strategy and a plan for the development of their resources which will guarantee them, in addition to their independence, "the rational, optimal and fitting utilization of energy as a basis for the goals of independent, self-sustained, economic and social growth of the countries in the region."

This plan, which was adopted in view of the complexity of the worldwide economic and political plans which have cropped up in the area of energy, was devised by Mexico, Brazil, Colombia, Costa Rica, Ecuador, Nicaragua, the Dominican Republic and Venezuela "within a context of diversification and rationalization of production and consumption, based on the development of the natural resources that are available in the region."

The meeting was opened this morning by Diego Uribe Vargas, the Colombian foreign minister (President Turbay Ayala did not attend), who emphasized that the OLADE member nations must unite in the most extensive integration with respect to energy, so as to maintain their independence.

Manuel Torres, head of the Cuban delegation, complained about the impossibility of reaching agreement on "the global negotiations concerning the position of some governments of these industrialized countries, primarily the United States, whose contemporary economies have been built up on the colonial, neocolonial and imperialist system."

The Cuban delegate added that, after 15 years of negotiations, "if we take the first UNCTAD [United Nations Conference on Trade and Development] as a starting point, it is confirmed once more that they are not willing to restructure the world economy for the benefit of the entire international community, rather than that of a few nations."

The Cuban, Torres, declared: "The so-called energy crisis is part of the current problems involving international economic relations and, since this is so, the unity of the developing world, based on mutual cooperation, is important for solving them; and OLADE is an appropriate framework on the regional level for this purpose."

The Program Was Upheld

At the meeting, Humberto Calderon Berti, the Venezuelan minister of mines and energy, upheld the "Program of Energy Cooperation for Central American and Caribbean Countries," which was signed on 3 August in San Jose, Costa Rica, by the presidents of Mexico and Venezuela, Jose Lopez Portillo and Luis Herrera Campins, respectively. The document stresses that, "In order to attain their goals of economic and social progress in an atmosphere of peace and freedom, action involving unified cooperation is indispensable among the developing countries."

Mexico and Venezuela reiterated the fact that they propose to continue providing for "the domestic consumption of oil of imported origin, in the nations of the area, allocating for this purpose a total volume of up to 160,000 barrels per day, and contributing to the pertinent government financing." The countries which are the beneficiaries are Barbados, Costa Rica, El Salvador, Guatemala, Honduras, Jamaica, Nicaragua, Panama and the Dominican Republic.

The meeting of ministers of mines and energy also backed the recent position assumed by the government of Ecuador, "in the defense of its maritime rights," and condemned "the embargo ordered by the United States Government on tuna exports from Ecuador and other Latin American countries to that country's market."

Carlos Alzamora, permanent secretary of the Latin American Economic System (SELA), also emphasized, as an example of cooperation, the Mexican-Venezuelan agreement on energy assistance to the Central American and Caribbean nations. He urged Latin America to "face the challenge of regional energy cooperation on behalf of its own interests."

The Peruvian, Alzamora, added: "The region's vast energy potential must cater primarily to the political and economic interests and requirements of Latin America; and autonomy in the control and disposal of the region's energy resources can only be assured within the context of a Latin American program."

Consolidating the Autonomy

The SELA secretary also observed: "The progressive discovery of new energy resources in strategic areas of the region makes our action even more advisable within a strong national front which, combining the interests of producers and consumers in a unified, equitable fashion,will make it possible to better withstand the pressures, and to consolidate Latin America's autonomy in the field of energy as an essential requirement for its independent development structure."

The Argentine under secretary of electricity, Bernardo Bronstin, remarked that, although his country is not a member of OLADE owing to difficulties at the beginning of the prior negotiations, it is in accord with its main policies, especially with regard to the view that "it is necessary to rationalize consumption, to diversify the sources of production, to explore and control hydrocarbons and to burn the least amount of fuel to produce more electricity."

He stressed that Argentina is calmly facing its energy future, because of its vast potential; adding that 92 percent of the consumption is provided for with hydrocarbons. But his country is also developing other sources, particularly nuclear and hydroelectric power.

At the meeting, approval was given for a proposal to the effect that, in view of the current situation and the worldwide energy prospects, the aspiration of the Latin American countries which are members of OLADE in their relations with the OPEC nations should be the following:

The potential reductions in hydrocarbon production in the OPEC member nations should not affect the volumes exported to the developing countries and, in addition, there should be a guaranteed supply of hydrocarbons required for the economic and social development of those countries.

Special attention should be paid to the concluding of long-term sales contracts at official prices among the Latin American governments, eliminating from those contracts the terms that prevail on the spot markets.

2909
CSO: 3010

PEMEX TO PROSPECT ON CUBAN COASTAL SHELF

Mexico City EXCELSIOR in Spanish 4 Dec 80 Sec A p 4

[Text] Mexican technicians will explore in search of oil in Caribbean waters belonging to Cuba, and there will be an increase in sales of refined and petrochemical products to the West Indian island, in accordance with the contracts that were signed during the visit paid to that nation by engineer Jorge Diaz Serrano, general director of PEMEX [Mexican Petroleum].

Technicians from PEMEX are exploring the continental shelf of China, as well as in Nicaragua and Costa Rica, and they will soon extend that work to Cuba and Panama.

These PEMEX activities (of the leading exploring nation of the world during the 1970's) are reinforcing the initiation of the World Energy Plan proposed by President Jose Lopez Portillo to the United Nations.

As Diaz Serrano announced shortly before leaving for Cuba, an attempt is being made to begin drawing the geological map of the continent, and to foster the assurance for the nations with which contracts of this type have been signed that they will be able to support their autonomous development with the utilization of natural resources.

Following the visit paid to Cozumel, Quintana Roo, by Comdr Fidel Castro, the West Indian government requested Mexico's advice in solving serious problems that had cropped up for it in the Nico Lopez refinery in Havana.

Mexican specialists studied that situation, and resolved it.

During Diaz Serrano's visit to Cuba, the appropriate mechanisms will be sought to enable the technical advice to continue.

2909
CSO: 3010

PEMEX TO EXPORT TO HAITI, HONDURAS, PHILIPPINES

Mexico City EL SOL DE MEXICO in Spanish 6 Dec 80 Sec B p 3

[Text] Starting next year, Mexico will supply increasing volumes of crude to Honduras, Haiti and the Philippines, until they reach a total of 19,500 barrels per day.

In addition, insofar as Haiti is concerned, a special contract was signed for the provision of up to 14,800 kilograms of liquid gas per day.

The foregoing announcement was made by Mexican Petroleum, which explained that up to 6,000 barrels per day would be exported to Honduras, 3,500 to Haiti and 10,000 more barrels per day to the Philippines.

PEMEX reported that the Mexican oil supply to Honduras is related to the San Jose Agreement signed in Costa Rica by President Lopez Portillo of Mexico and President Herrera Campins of Venezuela.

As for the exports to Haiti, this document was signed with the Ministry of Mines and Energy Resources of that country.

The Philippines will receive up to 10,000 barrels per day of Mexican crude, through the Philippine Oil Company, holder of the pertinent contract.

PEMEX noted that, in accordance with the terms arrived at for each contract during the respective talks, the oil supplies to the aforementioned countries will start during the first half of 1981.

The respective contracts were concluded on 26 November of this year for Haiti, on 27 November for the Philippines and on 3 December for Honduras.

2909
CSO: 3010

PEMEX CRUDE TOO COSTLY FOR DOMINICAN REPUBLIC

Mexico City EL SOL DE MEXICO in Spanish 6 Dec 80 Sec B pp 1, 4

[Text] Santo Domingo, 5 December (AP)--Today, the technical secretary of the Dominican presidency stated that the contract to finance the Mexican oil supplied to the Dominican Republic which was established through the San Jose Agreement has met with several obstacles insofar as its implementation is concerned, including the fact that the Mexican hydrocarbon is more expensive than the Venezuelan.

Ramon Martinez Aponte, who took part in three Mexican-Dominican meetings to attempt to implement that contract, said that a barrel of Mexican oil costs the Dominican Republic about a dollar more than that supplied currently by Venezuela, which provides 96.5 percent of the oil that this nation consumes.

Martinez Aponte also remarked that the cost of transportation from Mexico is 400 percent more expensive than from Venezuela, and that the Mexican oil is a heavy crude which cannot be processed at present in the Dominican refinery.

The Dominicans use five types of fuel, processed by the state refinery established with joint capital and the Shell company, and for this purpose a reconstituted oil supplied by Venezuela is used.

Martinez Aponte said: "we have hope, but not assurance," that a solution will be found to enable the Dominican Republic to start the process of utilizing the oil financing based on the agreement signed in San Jose.

This agreement, from which the Dominicans are already benefiting on the part of Venezuela, allows the country to receive financing lines for oil purchases representing 30 percent of half of the annual bills for hydrocarbon purchases, estimated at about 14,000 barrels per day, at an annual cost of some $60 million.

The Dominican Republic estimates that, in 1980, it will spend a total of about $500 million on oil purchases.

Last week, President Antonio Guzman met with his Mexican colleague, Jose Lopez Portillo, in Cancun (Mexico), where the rulers and their ministers discussed the plan for the financing agreement and other topics directed toward an increase in the trade between the two nations.

However, Martinez Aponte stated that no solution was reached that would enable the Dominican Republic to engage immediately in importing Mexican oil. And he commented: "If we were willing to accept the higher cost, amounting to approximately a dollar more than the price of the Venezuelan oil that we are receiving, we could start importing Mexican oil into the country immediately. But we cannot embark on a financing plan when we would multiply our current costs involved in the purchase of hydrocarbons."

2909
CSO: 3010

PARANA TO ESTABLISH SHALE EXPLOITATION PROGRAM

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 23 Nov 80 p 6

[Text] Curitiba--Parana's southern region is one of the poorest in the state. Its only two resources--pine trees and mate--are disappearing, and the poor soil makes large agricultural projects impossible. But its inhabitants were the only ones in the state during World War II who did not suffer from the fuel shortage. The reason is that a huge reserve of shale exists there, in some places as an outcropping, and it is very easy to extract. It became common practice in that period to obtain fuel oil by small-scale retorting of the shale.

Now, with the new crisis, the state government intends to resume the experiment by establishing the Shale Microretorting Program as part of the Parana Energy Plan. Last week Governor Ney Braga submitted to Minister Cesar Cals a proposed agreement between the Parana Electric Energy Company (COPEL)--the organization responsible for carrying out the Parana Energy Plan--and PETROBRAS [Brazilian Petroleum Corporation]. That agreement covers reestablishment of the program's possibilities both in the area of technological cooperation and in the determination of the area that can be exploited by means of the system in question.

The potential of the Sao Mateus region is already well known. Studies by PETROBRAS show that in an area of 64.5 square kilometers with a thickness of 30 meters, exploitation of the existing shale reserve can produce 560 million barrels of oil, 3.9 million tons of liquefied gas, 19 billion cubic meters of fuel gas, and 8.7 tons of sulfur. The oil content totals 6.4 percent in the upper layer and 9.1 percent in the lowest layer. That potential is justifying construction by PETROBRAS of an industrial shale plant, which it may begin building next year at an investment of 114 billion cruzeiros.

Why, then, is the state government concerned to propose small-scale exploitation? Pedro Demeterco, COPEL's director of energy development, lines up a number of reasons to justify the proposal. Among them, he regards as important "the fact that shale exists in a poor and extremely needy region that could be directly benefited by a small-scale project." He explains that it is not a question of setting microretorting up in opposition to the large-scale exploitation being proposed by PETROBRAS. The Sao Mateus reserve includes large areas of exploitable secondary deposits, and--a very important point for Pedro Demeterco--they can be exploited by private enterprise.

Microretorting is a simple process of obtaining oil by heating the rocks containing shale. During the war, the shale was placed in tightly closed cast iron drums,

each having a small tube through which the gas could escape and then be transformed into oil. Heating with a simple flame was the only step needed to obtain it, and the oil thus obtained was placed directly into the vehicles, which could thus be used throughout the period of the fuel shortage.

Today's proposal is more sophisticated, since COPEL is intent on finding a model that will "be attractive to private enterprise." But the principle is the same: an iron retort and some kind of heating. What Demeterco has in mind is "a viable and cheap alternative using simple technology."

A prototype of the system does not yet exist, but the technological solution can easily be found with the help of PETROBRAS, and Demeterco feels that such cooperation will be possible without problems because "the know-how at PETROBRAS is national property." In his opinion, the most important thing now is acceptance of the project, which certainly "will produce shale oil for less than what we are paying now." And its quality will be equal "to the best petroleum from the Middle East, because it is light oil."

Obviously, the oil obtained by microretorting cannot be used as vehicle fuel without further processing, as it was in the past. The oil in question here is rich in all the natural elements of petroleum and will have to be refined for consumption. In its crude form, however, it can be used as fuel oil, for feeding boilers for industrial purposes, or for producing some kind of household energy.

But Pedro Demeterco is also thinking of simple alternatives for extraction, and he feels that it is possible even to set up shale mining cooperatives along the secondary deposits. He says, "Small-scale manual extraction is not going to harm large-scale mechanical exploitation." He also believes it is possible even to form cooperatives for producing oil to satisfy regional consumption requirements. All of this can be done with technology that is simple and accessible to the small producer, who will extract oil on a small scale--from 500 to 1,000 liters per day.

But, he says, this is not simply a matter of "backyard extraction, as it was during the war." With the help of PETROBRAS, it is possible to find simple and cheap ways of setting up microretorts. And he recalls constantly that participation by small producers, in whatever capacity, is important to the whole, "since even today, it is still the small brickyards around Curitiba that produce bricks for the big housing complexes belonging to the BNH [National Housing Bank]."

According to Demeterco, small-scale shale exploitation will not even cause problems in environmental pollution, because "these are not large projects, and the residues can be absorbed by the producers themselves." The state organization for this sector can itself take charge of solving the environmental problems. In addition, the possibility of extracting shale oil means that "even the worthless land in that region will increase in value, making it possible to improve the standard of living of the local inhabitants."

Dreams? Demeterco asserts that they are not. The reaction by Parana businessmen to the proposal has been very positive, and interest in the matter, says Demeterco, "is growing precisely because it is a project suited to the possibilities of Parana's businessmen." He explains that the state's intervention in the project will be limited to "studying, designing, and setting up a project that can be utilized by

private enterprise." Demeterco feels that the Shale Microretorting Program, with its small-scale exploitation, "will work out fine just as it did in the past." For that to happen, all that is needed is the decision to begin it conscientiously or else wait until the absolute lack of petroleum again makes it necessary to search rapidly for new alternatives.

11798
CSO: 3001

ANNUAL COAL DEFICIT OF SIX MILLION TONS FORESEEN BY 1985

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 30 Nov 80 p 50

[Article by Inacio Luiz Soares]

[Text] Porto Alegre--Brazil will begin 1985 with a deficit of almost 6 million tons of coal annually. And what is more, the country is not prepared to train the 11,900 skilled workers that will be needed by PROCARVAO (National Coal Program). Those conclusions were reached by the Anthracite Coal Seminar sponsored in Porto Alegre last week by the BNDE (National Economic Development Bank). Although they did not draw up a formal final document, the four groups set up during the meeting presented a series of technical recommendations that may help the government when it sets the policy for PROCARVAO.

Reginaldo Treiger, the BNDE's operations manager and a member of the working group on coal prospecting, extraction, and beneficiation, said that the combined estimates by the state governments of Rio Grande do Sul, Santa Catarina, and Parana indicate that the country will be consuming a total of 24.5 million tons of coal annually in 1985 (five times as much as today). PROCARVAO expects to open 18 new mines (10 in Santa Catarina, 6 in Rio Grande do Sul, and 2 in Parana) in the meantime, and they, together with the mines already in existence, will be producing 18.7 million tons annually in that year. That leaves a deficit of exactly 5.8 million tons.

The rough estimates of consumption by sector are as follows: 11 million tons per year for gasification, 5.5 million for the cement industry (between 45 and 50 units), 2 million for steelmaking, 4 million tons for thermoelectric powerplants, and 2 million for other purposes.

The alternative chosen by the group's members for avoiding the shortage--although only partially--is for the cement industry to begin participating in the extraction and beneficiation of the coal it uses. That proposal has already been accepted by the SNIC (National Union of the Cement Industry), which would collect from its members the funds needed to finance the investment.

But there is a problem with time. The SNIC has already been awarded the contract for two coal mines in Rio Grande do Sul (Leao Norte and Seival) that will produce 2.8 million tons annually. After prospecting, it takes from 3 to 5 years for a mine to begin operation, and Reginaldo Treiger believes that even those two deposits may not be producing by 1985.

In any case, the experts have calculated that the project for self-sufficiency in coal for the cement industry will probably require $600 million, of which 20 percent ($120 million) would consist of the industry's own funds. The remaining $480 million would be financed by the FME (Energy Mobilization Fund). In addition to a technical speed-up in opening the Leao Norte and Seival mines, urgent impetus needs to be given to moving ahead with plans for exploring for the 2.9 million tons necessary for meeting the demand from the cement industry in 1985.

Personnel and Funds

Manpower training is another aspect considered fundamental and problematical as far as implementing the program is concerned. Reginaldo Treiger's group estimates that PROCARVAO will absorb 17,000 workers over the next few years. Of that number, 70 percent (11,900) will have to be skilled manpower, but if a firm policy on manpower training is not adopted now, there will be a shortage of workers that may hamper the substitution of coal for petroleum. Honorato Antonio Tomelin, superintendent of technology and environmental protection in the Planning Office of the State of Santa Catarina and coordinator of the group that studied utilization and consumer categories, recalled that the problem becomes even more serious when it is learned that for 20 years practically no one has been studying the use of coal in Brazil.

The experts predicted that a total of $8 billion would be needed from 1981 to 1985 to implement the entire program from prospecting to putting into operation the transportation network needed to carry the coal and its byproducts to the final consumer.

In the three southern states, the phase of prospecting, extraction, and beneficiation will consume about $1.5 billion. In addition to the evaluation and opening of new mines, that project calls for financing the technology of prewashing the coal at the pithead to eliminate heavy impurities.

In the second stage of development, according to an estimate by Rene Lucio Rech, director of research at the Rio Grande do Sul Foundation for Science and Technology--who coordinated the work of the group on technology and combustion, gasification, liquefaction, and other programs--another $3.3 billion will be needed. Those funds are to finance the construction of gasification plants and the adaptation of industrial equipment to use coal instead of fuel oil. The project calls for replacing 95 percent of the oil now used by industry with coal by 1985.

Aside from that, Honorato Antonio Tomelin said his group concluded that another $2.6 billion will be needed to adapt thermoelectric powerplants and steel mills to the use of coal. In this case, $300 million will be spent on the SIDERSUL [expansion unknown] Project in Santa Catarina alone. That plant is to produce 400,000 tons of sponge iron annually.

But the main demand by everyone--chiefly the businessmen--is for the establishment of a firm policy on coal so as to insure not only a dependable and steady supply but also stable prices based on costs and a suitable transportation infrastructure.

11798
CSO: 3001

BRIEFS

SOLAR ENERGY LIMITATIONS--Last week Cesar Cals, minister of mines and energy, received the final report on the use of direct solar energy that was developed by a task force set up in August. The conclusion reached by the task force is that the consumer market is still in an embryonic stage and therefore requires incentives such as subsidized financing, a market reserve, technical demonstration projects, and other facilities. The task force, consisting of members of the MME [Ministry of Mines and Energy], PETROBRAS [Brazilian Petroleum Corporation], ELETROBRAS [Brazilian Electric Power Companies, Inc], private enterprise, and the CNPq (National Scientific and Technological Development Council), explained the reasons why Brazil's consumer market is still of an embryonic nature as regards the use of solar energy: the initial cost of installing the equipment is quite high with amortization of the long-term capital investment, and there is a great lack of technical familiarity with the subject. That is why, even considering its use for water heating, seed drying, the desalination of salty or brackish water, steam generation, refrigeration, and photovoltaic conversion (the transformation of solar energy into electric energy), national industry's current annual capacity does not exceed 108,000 square meters of solar collectors--corresponding to only 150 equivalent barrels of petroleum daily. The solution recommended by the task force consists of encouraging the consumer through government incentives on a wide scale. [Text] [Rio de Janeiro GAZETA MERCANTIL in Portuguese 26 Nov 80 p 9] 11798

CSO: 3001

CHICOASEN INVESTMENT IS NOW 21 BILLION PESOS

Mexico City EXCELSIOR in Spanish 29 Nov 80 Sec A pp 4, 28

[Text] Tuxtila Gutierrez, Chiapas, 28 November—Next Tuesday, President Jose Lopez Portillo will open the Chicoasen Hydroelectric Plant. A total of 21 billion pesos was invested in it, and it will generate 8 percent of the energy that the country requires: 5.5 billion kilowatt hours per year.

Aboard a small yacht owned by Mexican Petroleum located at the dam, the chief executive will make a tour of the reservoir of that plant (21 kilometers long), and will land in front of a monument to the producers of what is now considered the most important facility in the national electrical system, to unveil a commemorative plaque, and visit the powerhouse.

The general director of the Federal Electricity Commission, engineer Alberto Escofet, made the foregoing announcement here, and reported that five turbogenerator sets (each with a capacity of 300,000 kilowatts) would be put into operation; although the powerhouse will also contain three more turbogenerators with the same capacity, that will be installed as soon as the consumption requirements so demand.

During a brief interview that he granted last night at the hotel to technicians and workers, engineer Escofet announced that in January, and June or July of next year, two thermoelectric units (each with a capacity of 300,000 kilowatts) will be put into service in Manzanillo, Colima, in which 3.5 billion pesos were invested. He also stated that four thermoelectric units, also with a capacity of 300,000 kilowatts apiece, would be installed in Ocotlan, Jalisco.

In response to a specific question, the director of CFE [Federal Electricity Commission] said that the project of the greatest scope for the entity that he directs during this decade may be the possible construction of the Boca del Cerro hydroelectric plant in the bed of the Usumacinta River, on the Guatemalan border, and that for its execution it will be necessary to sign an international agreement with the neighboring country to the south; although, "the first feasibility studies are already being made, because that plant could produce as much as 3 million kilowatts; in other words, twice what Chicoasen will generate."

He also replied that in 1981 no new crises, or periods of blackouts such as the one recently eliminated, are anticipated.

In addition, he remarked that our country would soon have to decide which nuclear electric technology or combination thereof are advisable for it, since it will be required to generate 20 million kilowatts through that source.

Record Construction Time

He noted that, of the 100,000 large and small towns in our country, 22,000 now have electric power service; adding that, "unfortunately, however, there are another 78,000 which, owing to their dispersion in all parts of the national territory, are lacking in it."

He then reported that the power now being generated in Chicoasen is distributed to the system through several transmission lines on the Chicoasen-Juile-Temascal-Topilejo route with 400,000 volts. He added that this hydroelectric projects was built "in record time: 6 years from the time when the digging of the access roads began."

He said that during the previous 23 years, an analysis was made of the basin's pluviometric regimen, with runoffs deduced from January 1952 to May 1961, and with runoffs observed at the project's hydrometric station from June 1961 to December 1974.

He said that, at the same time, various geological studies were made of an approximate area of 1,500 square kilometers, to determine seismic risks. These investigations showed that the acceleration was minimal, and that the physical state of the earthquakes recorded in reports kept at the construction site adjoining the project, many of which date back to the 16th century, has not been affected by movements or adjustments in the subsoil. In any event, and in view of the fact that on the site there is a crevice known as the "Chicoasen fault," the geologists who participated in these studies opted for the construction of a rock-fill dam instead of the arch-dome type made of concrete.

2909
CSO: 3010

CHICOASEN TO GENERATE 1.5 BILLION WATTS

Mexico City EL DIA in Spanish 3 Dec 80 p 3

[Text] Chicoasen, Chiapas, 2 December—President Jose Lopez Portillo visited this region of Chiapas, where he opened one of the largest and most important works projects of his administration: the Chicoasen Hydroelectric Powerplant, which will henceforth bear the name of Manuel Moreno Torres.

At the ceremony, the general director of CFE [Federal Electricity Commission], Alberto Escofet, said among other things that we in Mexico have the capacity to become great if we have the desire to do so.

The Manuel Moreno Torres dam is located at the outlet of the drainpipe where, at another time, the volume of flow of the Grijalva River became treacherous, a feature which man succeeded in destroying, leaving as evidence of his domination the installations of the dam which has a capacity to generate up to 1.5 billion kilowatts of electricity, 10 percent of which is already installed, which will represent a savings of 10 million barrels of fuel oil per year.

The studies aimed at learning the potential offered by the terrain and the region itself for the dam construction actually began in 1900, although it was not until 1952 that the hydrological studies were started, and 1974, when, with Jose Lopez Portillo as director of CFE, the construction program got under way. And it was today that the president of the republic, at the foot of the monument to the CFE worker rising vigilantly at the top of the dam, opened the facility.

Labor Unity

Speaking at the ceremony was Senator Leonardo Rodriguez Alcaine, secretary general of the Mexican Electrical Workers Union (SUTERM), who, on behalf of his union, made an appeal for unity and work, and for not allowing productivity to be a rhetorical or demagogic device, but rather a responsible practice that is established on the basis of occupational self-improvement and results in the quality and quantity of the work that is produced.

He reiterated some of the conclusions from the 7th Regular General Congress that the electrical workers held recently in Puebla, such as those relating to the previous liquidation of the central light and power company to prevent duplication of technical and administrative responsibility which, he said, caused CFE economic problems. And he asked again that the legal study be started on enactment of a single work contract within the nationalized electrical sector, also requesting that

labor union integration become a reality within the Confederation of Mexican Workers [CTM].

Rodriguez Alcaine declared that the desire for improvement, legitimate protest and the citizens' criticism should stimulate progress in a democratic society such as ours, but he warned that, when the desires, criticism and protests are not backed by right and law, when they are guided by grudges and not reason, they hamper the sound development of the country, and the material and moral improvement of the working, peasant and popular classes.

The leader of SUTERM made a criticism of the "learned," stating that what they learned in the advanced schools could prove to be pedantry if it does not have a constructive, realistic application; remarking: "What the people need are ideals that will enhance their progress, and political, economic and social ideals associated with the interests of our people."

In his comments, Rodriguez Alcaine referred to all the problems of concern to his union, including in that list the attacks that it has received for having made the decision to become affiliated with the Institutional Revolutionary Party.

Tribute and Recognition

All the speakers who addressed the audience at this ceremony gave extensive praise to engineer Manuel Moreno Torres, citing his qualities as a worker dedicated to what this hydroelectric project which he directed for many years meant to him (he died a few months ago).

It was at the request of Lopez Portillo himself that the Chicoasen dam now bears the name of Moreno Torres. The president declined the offer made by the electrical workers to give this facility the name Jose Lopez Portillo, paying eternal tribute to the endeavor and the worker who expended all his efforts on it: Manuel Moreno Torres.

Great appreciation for that decision was expressed by the engineer's widow, Cristina Gonzalez de Moreno Torres, at the ceremony itself.

The union representative for the Chicoasen hydroelectric project, Esteban Acosta Heredia, who spoke on behalf of the workers participating in the construction of this facility, in turn, told the president of the republic that the Moreno Torres dam was designed to enable the people to lead their lives without moral and material privation, and renewed his commitment to finish this project satisfactorily and within the time period scheduled.

Other Activities

On this second day of the fifth year of his administration, Lopez Portillo, on a working tour of Chiapas, flew over the installations for the Tuxtla Gutierrez drinking water system. In Chiapa de Corzo, he boarded a boat which took him on a tour of the beautiful, impressive reservoir of the Chicoasen dam, following which he went to the monument honoring the CFE worker, where the ceremony that we have described here took place.

Later, he made other tours of the hydroelectric facilities in the area, and subsequently departed for Tuxtla Gutierrez, where he opened the Government Palace, visited an exhibit at which the projects executed by Governor Juan Sabines Gutierrez were explained, and officiated at the function at which the latter delivered a report in the Chiapas movie theater.

The president also opened the Chiapaneca Regional Fair, at which he was offered a meal; and, after the festivities, he returned to Mexico City.

2909
CSO: 3010

URAMEX: POSSIBLY 50 PERCENT OF NATION HAS URANIUM ORE

Mexico City EL DIA in Spanish 7 Dec 80 p 6

[Text] The experts from Mexican Uranium (URAMEX) are of the opinion that uranium deposits may possibly exist on 1.1 million square kilometers of national territory, which is tantamount to saying that we can hope to find uranium on only 56.2 percent of the area of the Mexican Republic.

The foregoing statement was made by Dr Carlos Graef Fernandez, a high-ranking [redacted] of URAMEX, an exclusive government agency for exploring, developing, processing and marketing uranium, as well as the only agent for carrying out the various phases of the nuclear fuel cycle that can be implemented in Mexico. In an article published in the latest issue of the magazine ENERGIA, Dr Graef Fernandez states that this company has set as a short-term goal an inventory of the uranium-bearing deposits on 450,000 square kilometers; which means that the inventory will cover slightly over 40 percent of the area yet to be explored.

The researcher notes that URAMEX will acquire an importance similar to that of PEMEX [Mexican Petroleum], when more nuclear electric plants are built. He said that its historic role would be that of generating the electricity which is now produced by oil.

In this regard, he said that, at the present time, it is a shame to burn the huge amounts of fuel oil required to generate electricity, when the uranium which could relieve the nation of this task is in existence.

He announced that, in order to supply the uranium needed for the nuclear electric plants, four processing plants would soon be built, as well as another for extracting uranium from phosphoric acid, which is an intermediate step in the manufacture of fertilizers from phosphoric rock. The larger plant will be built in the Pena Blanca mountain area of Chihuahua. It will be a plant equipped for doubling if need be. It will have a daily milling of 600 tons of ore, and an annual production of concentrates equivalent to 245 tons.

URAMEX purchased two mobile processing plants from Spain, which will be installed in the deposits in Sonora and Nuevo Leon-Tamaulipas.

Furthermore, in order to make use of the uranium contained in the phosphoric rock, URAMEX and FERTIMEX [Mexican Fertilizer] will cooperate on the construction of

another plant for extrating uranium from phosphoric acid in the fertilizer plant that is operating in Pajaritos, Veracruz.

Antonio Ponce, a scientist from the National Nuclear Research Institute and industrial management secretary of the Single Union of Nuclear Industry Workers (SUNTU), for his part, stresses that the need for a Mexican nuclear electric program is becoming more clearly evident each day.

"Oil, which has more rational uses and an increasing strategic value, should not continue to be burned to generate most of the electricity that we consume," he explained, while noting that hydroelectricity, which in itself is limited, entails problems such as the one which occurred recently in a serious manner: the lack of generation due partly to the absence of sufficient rainfall.

He said: "The only major short-term alternative is nuclear electricity;" and in this regard he pointed out that a kilogram of uranium as fuel produces energy equivalent to that generated by 11,800 barrels of crude oil.

He remarked that the matters being discussed at present about the nuclear electric policy are for the purpose of giving the country autonomy in the decisions concerning the operation of plants with natural uranium, or dependence and, at best, a presumable interdependence on or with countries for essential services required to operate the generators.

The scientist stressed that, underlying the discussion, there are two different concepts of national development: One proposes our own technological development, creating a national nuclear industry, and the other seeks to continue with the present experience of the electrical sector, purchasing virtually everything abroad, with designs and construction based on contracts, which in the nuclear field would necessarily involved foreign companies.

Ponce stated that, so long as these decisions are delayed, we shall have to depend to a greater extent on assistance and the purchase of services abroad.

2909
CSO: 3010

SONORA BECOMING LEADING URANIUM PRODUCER

Mexico City EL SOL DE MEXICO in Spanish 27 Nov 80 Sec B p 4

[Text] Hermosillo, Sonora, 26 November--It has been announced that Sonora will be the leading uranium producer in the country after September of next year, when the development programs begin at the Los Amoles mine, which has reserves estimated at 5,000 tons, 100 of which will be processed annually, at the rate of 2.3 million pesos each.

The foregoing information originated at the first national symposium on uranium exploration, in which over 100 native and foreign geologists are participating, having delivered reports on the gains made in the exploration and technology of that ore.

C.P. Jose Salido Rochin, a delegate from Mexican Uranium's (URAMEX) Northeast Zone, announced today to those attending the function the aforementioned program that will be carried out in 1981, and underscored the participation by several nations of the world, which have shown an interest in matters relating to the uranium deposits that are being explored in Mexico; because that energy source has also been detected in volcanic rock in the state of Chihuahua, where gratifying prospects have been offered.

Salido Rochin said that, at present URAMEX is building a processing plant for the Los Amoles ore purchased in Spain, which will go into operation in September 1981, the date when the programs to develop that energy source in Sonora will get under way.

The URAMEX representative showed the participants in that symposium, during a tour of Los Amoles, the mechanisms that the parastate entity has installed in the extensive uranium deposits, which will occupy a major position in what will be an ore complex, located in the municipality of Ravon, the only one in the country, where the various types of technology that Mexico has for the exploration of deposits of that ore were demonstrated.

2909
CSO: 3010

BRIEFS

MENEVEN DRILLING IN ORINOCO--MENEVEN has drilled 121 wells in the Orinoco petroleum strip and 90 of them revealed petroleum deposits with crude qualities of 18 degrees API, representing a highly satisfactory success percentage, as was disclosed today by that branch of Venezuelan Petroleum. According to the PDVSA [Venezuelan Petroleum, Inc] report, MENEVEN is operating the Hamaca-Pao area over a surface of 8,500 square kilometers in the Orinoco petroleum strip. Its exploratory evaluation program began in that area in July 1979 and, in a little more than a year, resulted in the drilling of 121 wells. In the 90 wells completed so far, where petroleum deposits were discovered, 57 horizons were studied and another 19 horizons are now being evaluated. The technology used in drilling and well evaluation is the same that was developed by MENEVEN throughout 46 years of experience in nearby heavy petroleum areas, where more than 600 million barrels were produced and where the Venezuelan team that now manages the operation was trained. On the basis of this experience, PDVSA assigned the Hamaco-Pao area to MENEVEN to develop the 100+ Guanipa program whose output goal involves an additional potential of 100,000 barrels of heavy petroleum per day. [Text] [Caracas EL UNIVERSAL in Spanish 16 Nov 80 Sec 2 p 7] 5058

PDVSA SALARIES INVESTIGATED--The case of pay raises at Venezuelan Petroleum amounting to as much as 50 percent and retirement pay of 30,000 bolivares per month in Viasa will be investigated by the Committee of the Comptroller of the Chamber of Deputies. Gustavo Mirabal Bustillos, committee chairman, announced yesterday that he would ask the companies mentioned to provide the pertinent documentation. The report was first released in a letter sent by Deputy Juvencio Pulgar to Mirabal Bustillos. Pulgar based his letter on a story in EL NACIONAL which mentioned these facts. The pay hikes at Venezuelan Petroleum would come to something like 80,000 or 90,000 bolivares per month in some cases. Juvencio Pulgar then said in his letter that the parliamentary delegation from Zulia, in the course of some meetings held in Lagunillas, asked Mining Minister Humberto Calderon Berti about this matter and his response was evasive. "Without any advanced judgment," Pulgar added, "on this presumed fact, I believe that the Committee of the Comptroller must gather information on this situation and the best thing will be to request the payrolls on the company's executive level." He then said in his letter that the story in EL NACIONAL reported retirement pay at Viasa, in the highway contract project, amounting to as much as 30,000 bolivares per month, which is why the committee likewise requests information from the Venezuelan airline. A special committee was also formed within the Committee of the Comptroller to investigate presumed irregularities in the construction of an urban development in the metropolitan area of Paraguana, in Coro, State of Falcon. The report was made by Ramon Antonio Goitia

Revilla and notes that the national executive branch ordered backing for the amount of 100 million bolivares for the development of this housing complex. The negotiations were handled between the Foundation for Municipal Development of the Community and the Precoven C. A. enterprise. The investigating committee will be chaired by Social Christian Party Deputy Antonio Sotillo Luna. It was also resolved to investigate irregularities in the handling of the food certificates during the Second Youth Games, to be held in Ciudad Bolivar; this investigation was requested by the office of the president of the Chamber of Deputies. Gustavo Mirabal Bustillos finally announced that the case of irregularities in the loan granted by the Swiss bank to CANTV [National Telephone Company of Venezuela], in the amount of 8 million bolivares--a report which was already approved unanimously by the committee--will next week be submitted to the Chamber of Deputies for consideration so that, after passage, it can be forwarded to the Office of the Attorney General and the Office of the Comptroller General of the Republic. [Text] [Caracas EL NACIONAL in Spanish 14 Nov 80 p D-9] 5058

OIL TOWNS RELOCATED--Energy and Mining Minister Dr Humberto Calderon Berti yesterday announced that decisions were made regarding the execution of the program for the relocation of petroleum fields and cities along the eastern shore of Lake Maracaibo for the purpose of starting the extraction of large volumes of medium and light crude discovered under the concrete of cities such as Lagunillas, Ciudad Ojeda, and Cabimas. The minister refrained from giving any figures on the volume of crude that might be there but of course everything possible will be extracted with the available technology. Nevertheless he said that "at 1978 petroleum barrel prices amounting to $14, it was roughly estimated that the available reserves would be worth something like 300,000 million bolivares." But since the price of petroleum has doubled since then, it is probable that this estimate can also be doubled. On the other, Minister Calderon Berti said that the program for the relocation and rebuilding of cities and encampments in the area mentioned will cost slightly more than 5,000 million bolivares and will naturally be carried out in various stages over several years. In any case, Minister Calderon Berti admitted, this subjacent petroleum in this zone is a part of the reserves which the country has for the future. In other words, it does not mean that this crude must be produced now or within 5 years. This is a reserve which will be kept until it has to be tapped. [Text] [Caracas EL UNIVERSAL in Spanish 8 Nov 80 Sec 1 p 14] 5058

NEW GAS STATIONS BUILT--Caracas, 12 Nov (VENPRES)--The country's petroleum industry throughout Venezuela will build 128 new service stations, according to an announcement by the domestic market director of the Ministry of Energy and Mining, Jesus Gonzalez Escobar. Gonzalez Escobar specifically indicated in the latest edition of the weekly newletter put out by that office that there are 637 gasoline pumps along Venezuelan roads and superhighways and that it is necessary to build an additional 128 gas stations. "To be able to carry out this entire ambitious construction program, the petroleum industry will invest 255,000 million bolivares in the next 5 years," he reported. The domestic market director noted that this pump construction plan will be broken down as follows: 60 million bolivares for 1981, 55 million bolivares for 1982, 30 million bolivares for 1983, 40 million bolivares for 1984, and 50 million bolivares for 1985 [as published]. The new service stations will be distributed as follows: six in the Federal Distric for the State of Anzoategui, 2 in Apure, 10 in Aragua, 2 in Barinas, 5 in Bolivar, 4 in Carabobo, 2 in Cojedes, 6 in Falcon, 4 in Guarico, 6 in Lara, 2 in Merida, 14 in Miranda, 8 in Monagas, 2 in Nueva Esparta, 7 in Portuguesa, 4 in Sucre, 6 in Tachira, 5 in Trujillo, 4 in Yaracuy, and 9 stations for Zulia.

Gonzalez Escobar pointed out that there are 1,637 service stations in Venezuela and that a study conducted by Maraven revealed that there is a shortage of 517 and 276 gasoline and gas-oil outlets, which justifies the construction of the new pumps. [Text] [Caracas EL UNIVERSAL in Spanish 13 Nov 80 Sec 1 p 23] 5058

NEW MENEVEN TECHNICIANS—The MENEVEN enterprise, an affiliate of Venezuelan Petroleum, has set itself the objective of training some 180 individuals with baccalaureate degrees in engineering over a period of 7 years in order to turn them into supervisors and operators of 17 drilling rigs of its own and 20 on contract. Those engineering graduates have come out of the INAPET (Petroleum and Petrochemical Training Institute). This information was released in Mexico City last week by Engineer Gregorio Valderrama, national drilling manager of MENEVEN during the presentation of his report to the Second Latin American Drilling Congress meeting in that capital. Valderrama said that MENEVEN is using two training drilling rigs in the State of Anzoategui. They trained 80 operators during the first year of operation. The students join the course as workers, protected by collective bargaining contracts, and, depending upon their potential and individual possibilities, they can be trained on the following levels: a drilling rig mechanic and a drilling rig worker can be trained in 6 months; a derrickman can be trained in 1 year; a driller can be trained in 2-1/2 years; and a foreman takes 3 years to train while a supervisor must train for 4 years. He also announced that MENEVEN is currently operating 9 drilling rigs of its own and 9 under contract for drilling purposes. It furthermore has 20 drilling rigs used for the reconditioning of wells in Oriente and 3 under contract in Lake Maracaibo. For the year 1982, plans call for the purchase of 2 new equipment units to train specialized personnel in well reconditioning. The graduates admitted to those courses must pass a psychological-technical examination to determine whether they can withstand the rigorous working conditions demanded by petroleum drilling. The students so far have drilled 11 development and digging wells which are semiexplanatory. They have put in 290,000 man-hours without accidents, reflecting the quality of the discipline employed in their training. [Text] [Caracas EL UNIVERSAL in Spanish 8 Nov 80 Sec 2 p 12] 5058

CSO:3010

DISSIDENT HAITIANS, DOMINICAN PAPER ON PROBLEMS IN HAITI

Paper Scores Duvalier

Santo Domingo EL CARIBE in Spanish 6 Dec 80 p 10

[Text] Human rights have never been respected to the extent they should be. That is lamentable. But even the most zealous enemies of human rights have at least paid them lip service.

Jean Claude Duvalier, Haiti's "lifetime president" by virtue of his being the son of the late "Papa Doc," the bloody tyrant, has gone beyond the limits of what is reasonable and appropriate. He has openly sneered at human rights.

This mockery deals a direct blow to the heart of a universal desire among men who in all parts of the world see in individual freedom an attribute which, as many constitutions proclaim, should be inalienable.

Duvalier has committed an inexcusable affront. He cannot and should not be forgiven the cynicism with which he has treated men and women whose only crime has been to fight passionately for the freedom the Haitian people deserve so well.

LHDL on Educational Repression

Santo Domingo LISTIN DIARIO in Spanish 6 Dec 80 p 2

[Article by Eduardo Montano]

[Text] The president of the Haitian Human Rights League (LHDH) yesterday claimed that in Haitian schools children's minds are being twisted. They are being inculcated with hatred, scorn and fear of Dominicans.

Gerard Gourge argued that "the time has come to make a serious and objective study of the situation in order to do away with the prejudices that have historically been transmitted and conditioned in us."

Speaking at the seminar on Dominican-Haitian relations, Gourge explained that "just as in Haiti, here in the Dominican Republic a false national image is being created among youths, resulting in a scornful attitude, racial discrimination, exploitation and the perpetration of crimes against our Haitian brothers."

He observed that the Dominican Republic fought its struggle for independence in a formal manner, and that "the traces left by this process were distorted by the interpretations of some Dominican historians of the thirties.

"These historians," stated the president of the LHDL, "were the apologists and ideologues of the dictatorships of Rafael Trujillo and later Francois Duvalier."

Gourge stated that "in addition to falsifying historic events, these interpretations have served to justify the inhuman treatment of thousands of Haitian agricultural workers who each year contribute to the economy to the benefit of the powerful sectors of both countries."

Moreover, Dr Ramon Quinones, executive director of Caribbean Studies and Documentation (EDOC), which organized the seminar, explained that the seminar was held in order to analyze relations between this country and Haiti from 1844 to the present.

He argued that "we are also interested in delving into and elucidating all the problems that have historically determined those relations.

"We are interested in discussing the ideological-racial factors that have influenced the attitude of mutual rejection and fear of the two countries," stated Quinones.

He pointed out that the EDOC is attempting to delineate the general features of a new relationship that will truly benefit Haiti as well as the Dominican Republic.

The director of EDOC indicated that "our concern for the problems that plague the nations of the Caribbean and our solidarity with the causes of the various nations in their struggle for rights and freedom, do not allow us to view with indifference and irresponsibility the situation that is now being suffered by our neighbors in Haiti."

At the beginning of the seminar Porfessor Virgilio Bello Rosa, dean of the School of Humanities of the Autonomous University of Santo Domingo, also made a speech on Dominican-Haitian relations since the republican era.

He explained that since 1844, when Dominican independence was proclaimed, there has been an effort to encourage hostility between our country and Haiti.

Bello Rosa stressed that "the majority of writers emphasize only the conflicts and problems we have had with our Haitian neighbors."

He stressed that "this has led to the current attitude of mistrust between the two nations, which precludes any real and effective rapprochement."

CASC on Political Repression

Santo Domingo LISTIN DIARIO in Spanish 6 Dec 80 p 4

[Text] The Autonomous Confederation of Classist Trade Unions (CASC) yesterday protested the repression that is being practiced in Haiti against political leaders who oppose the regime of Jean Claude Duvalier.

In written statements, the CASC also points to the mass dismissals in Haitian businesses where unions affiliated with the Autonomous Union of Haitian Workers (CATH) are being formed.

"The repression of the political leader Silvio Claude and his family, as well as the labor leaders affiliated with CATH, brings home the brutal manner in which the defenseless people have been treated for years," asserts the organization.

It adds, "We cherish the hope that the international human rights organizations, the International Labor Organization and the democratic nations of Latin America will take vigorous measures against the Haitian Government in order to put an end to repression in that poor country."

The CASC indicates that it has conveyed its criticism of the dismissal of union leaders to President Jean Claude Duvalier. About 100 of these labor leaders have been fired.

"We call upon the Haitian emigrants residing in this country," states the labor organization, "to come together and defend the right to organize, thus maintaining justice in neighboring Haiti."

In addition, the CASC expressed its support for the open dialog that has been initiated between labor and management reprsentatives.

In the opinion of the CASC, that dialog should be based on a respect for union freedom, the freedom of association and the right of workers to participate in the overall development of Dominican society.

"Christmas time is generally when some employers make appeals for unity and dialog. We are ready to respond to such an appeal," the organization states.

RDNP Calls for Aid

Santo Domingo EL NACIONAL in Spanish 4 Dec 80 p 4B

[Article by Manuel Perez Santana]

[Text] An organization of Haitian exiles located in Venezuela requested that Dr Jose Francisco Pena Gomez, secretary general of the Dominican Revolutionary Party (PRD), utilize "all means" at his disposal on the international level to support the struggle for democracy and respect for human rights in Haiti.

The Caracas central bureau of the Regrouping of Haitian National Progress Democrats (RDNP), in a letter to Dr Pena Gomez, requests his "urgent intervention in support of the liberation of the victims of arbitrary acts by the Duvalier dictatorship."

In the letter to the PRD leader, the Haitian politicians indicate that the Duvalier dictatorship "has unleashed a wave of repression against independent journalists and opposition leaders."

The organization denounces the imprisonment and "disappearance" in recent days of several qponents of the dictatorship.

It points out that the station Radio Haiti Inter is under military supervision.

Among the opposition leaders who have been imprisoned or are missing are Jean Dominique, director of Radio Haiti Inter; Gregoire Eugene, president of the Social Christian Party of Haiti; Pierre Clitandre, chief of the weekly LE PETIT SAMEDI SOIR; Jean-Robert Herard, columnist for LE PETIT SAMEDI SOIR; and journalists Compe Pluma and Constant Pognon.

Also named as missing or imprisoned are Joseph Lafontant, secretary general of the Human Rights League; Francoise Dominique, painter and artist; the wife of the president of the Christian Democratic Party and his daughter, Marie-France Claude.

The letter to Dr Pena Gomez is signed by Lislie F. Manigat, university professor; Jean Marie Benoit, business manager; and labor leader Georges Fortune. All are members of the RDNP Caracas central bureau.

8926
CSO: 3010

PDS, PP AGREEMENT GOOD FOR COUNTRY, SAYS BRIZOLA

Rio de Janeiro O GLOBO in Portuguese 3 Dec 80 p 4

[Text] Porto Alegre (O GLOBO)—The president of the PDT [Workers Democratic Party], former Governor Leonel Brizola, said yesterday that "the Government parliamentary front shrinks every day and it is possible that within a short time it will no longer have the strength to maintain its political hegemony."

Brizola said: "In view of such circumstances, it will have to open a broader discussion with the parties and, therefore, with the civilian population or with a specific party, which according to news reports would be the PP [Popular Party], to build a greater support base."

Brizola said that "many believe that such possibility would be favorable to the reconstruction of democracy because a man such as Senator Tancredo Neves could come to an agreement with the government, providing the system would make him great democratic concessions."

Surprise

Brizola did not wish to comment on the warning the PDS [Social Democratic Party] leader in the Senate, Jarbas Passarinho, made to Luiz Carlos Prestes and Miguel Arraes when he spoke at the PDS Convention, that they respect constituted order because the country is prepared to confront armed struggle. The former governor said that he is first going to inform himself and then he is going to make an evaluation because he does not know the complete text.

"I find it hard to believe that Senator Passarinho could have made such statements," said Brizola.

On statements by President Joao Figueiredo about the electoral system, Brizola said:

"The statements by the president will aggravate the climate of suspicion which already existed. We of the PDT are convinced that the government will not have the power to impose any type of restriction or artifice as has been announced, not only because of the shaky condition of its majority in the Congress but also because of the concern about the public opinion of the country."

8908
CSO: 3001

OPPOSITION COALITIONS SEEN NECESSARY TO COUNTER GOLBERY STRATEGY

Brasilia CORREIO BRAZILIENSE in Portuguese 5 Dec 80 p 17

[Article by Joao Bosco and Francisco Mascarenhas: "PDS, PP, PT, PDT, PTB, Who Will Be In Power After The 1982 Elections? Possibilities.]

[Text] The equation is simple and applies to practically the entire country. In the states in which the opposition parties do not rally around a single candidate, the PDS [Social Democratic Party] will elect the governor. Such a coalition, apparently simple, is indeed the greatest problem with which the candidate hopefuls are already grappling. In some states such as Rio de Janeiro, Rio Grande do Sul and Sao Paulo—strong antigovernment redoubts—it is unlikely that the opposition community will find a common denominator in the race for power.

This complex picture, incidentally, reflects the strategy of Gen Golbery do Couto e Silva, which began with the party reform that abolished the ARENA [National Renewal Alliance] and the MDB [Brazilian Democratic Movement]: Divide and conquer. Difficulties are aggravated as the voters, still confused by the spate of new party initials, tend to gravitate more toward names than toward ideas or doctrines. Added to this is the expectation, now more concrete, of the introduction of new rules of the electoral game such as, for example, complete entailment of votes (from councilman to governor), the end of the fractional party slate and the mixed district vote, to name only a few.

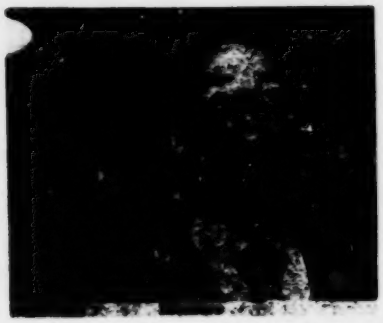
For many politicians, to foresee coalitions and diverse alliances, primarily when speaking of major party elections, is not an exercise in soothsaying lacking good sense. The leader of the PP [Popular Party], Deputy Thales Ramalho, for example, believes that those processes are so natural and inevitable for the plural party system, that even if there were legislation forbidding them, no one could prevent the nomination of the same candidate for governor by all the parties. He even believes that the opposition parties will have the chance, by uniting around a single name in several states, to lead their members to climb on the same platform and support a single candidacy.

At the side of that candid picture of solidarity painted by Thales Ramalho, however, there is another specter which constantly flits around the opposition parties, particularly the lesser parties such as the PDT [Democratic Workers Party], the PT [Workers Party] and the PTB [Brazilian Labor Party], and that is the minimum support in votes required by the Party Reform Law. This law, copied from the German model, says that the party which does not obtain the equivalent in votes of 5 percent of the voters counted in a general election for the Chamber of Deputies and which is not present in at least nine states with a minimum of 3 percent of the votes in each one of them, does not have the right to be represented in the Federal Senate, the Chamber of Deputies and the Legislative Assemblies. This new complicating element introduced in the new Political Party Organic Law, comes to join the almost unsurmountable problems of regional nature, particularly where political feuds in the majority of cases are bitter.

Therefore, the small parties will mandatorily have to nominate candidates to those offices running the risk of not obtaining the necessary votes for obtaining representation and of having their registration suspended in the Superior Electoral Court. The difficulty for them, however, will reside precisely in finding names capable of attracting the voters. Within that picture, specific alliances, which would include representatives of the dissident PDS in some states, is not a very remote possiblity.

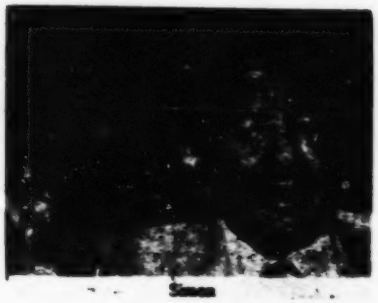
The process of succession, nevertheless, has begun. Despite the uncertainties shown by the oppositon parties about casuisms, candidacies multiply. Any forecast is premature, but speculations help to outline a picture of how the main actors on the Brazilian political scene are going to act up to 15 November 1982. If the elections were held now, the correlation of forces state by state would be the following:

Sao Paulo



The PMDB is openly the favorite of Senator Franco Montoro. However, it could be the worst state for the opposition if the present picture remains unchanged. The appearance of many candidates with undoubted voter support such as Olavo Setubal (PP), Janio Quadros (PTB) and even the possibility that the PT will nominate Lula or another, makes a more accurate prediction impossible. To aggravate the opposition division, there is also the fight by Senator Orestes Quercia to become the PMDB candidate. In this case, the PDS could emerge victorious within the Golbery strategy of dividing the opposition votes and electing a government candidate with a low percentage of the voters.

Rio Grande do Sul



Simon

A traditional opposition stronghold, here also the government could make use of the division among its adversaries in the contest for Piratini Palace. The most prestigious opposition candidates are Senator Pedro Simon and Deputy Alceu Collares, but even another could win without great difficulty if he competed only against the probable PDS candidate, the present minister of social welfare, Jair Soares. It is one of the most divided states in terms of the opposition. On one side is Pedro Simon and on the other is the strong Brizola candidate, Alceu Collares. Recently the PP became electorally viable when it received the support of former Governor Sinval Guazelli.

Rio de Janeiro

Miro

The most probable winner in the 1982 elections is PP candidate Miro Teixeira, who in the last elections in which he was involved obtained no less than half a million votes. Moreover, Rio de Janeiro presents a very special facet in the general picture: It is the only state where the opposition is in power through Governor Chagas Freitas, thought almost unbeatable because he holds the state machinery. However, there could be an even contest if there were to be a complete union of the other parties, including the PDS, against the PP. The PMDB, however, has already nominated Senator Roberto Saturnino; the PDT intends to compete with former Governor Leonel Brizola, and even the PTB has already taken the picturesque Aarao Steinbruch into the streets in a full fledged campaign. The PDS, occasionally in opposition in the state, since there is a common enemy, should run the present prefect of niteroi, Moreira Franco, or, a very remote possibility, even the electorally ineffective Dr Guilherme Romano. The last two also reflect the exact poverty in votes of the official party, which has little or no chance in the state.

Parana

Furtado

The PP has in former Governor Jaime Canet the probable successor to Ney Braga, however, if the present governor--recovering gradually from recent surgery--is successful in the difficult task of maintaining the PDS united, he may win in the election. The PMDB should soon play its two cards and choose the one which has the strongest support, either Senator Jose Richa or the formerly cassated Alencar Furtado, both with strong voter support. Those two also make up the most antagonistic groups in the state, although they are in the same party. Greater and more precise definitions, however, will depend precisely on future alliances which certainly be made.

Santa Catarina

Evelásio

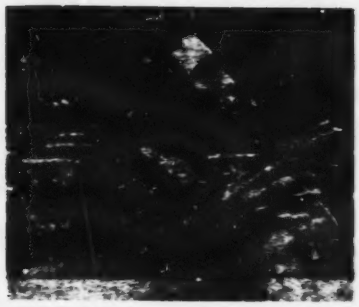
The logical candidate of the PMDB will be Senator Jaison Barreto. Within the PMDB itself, however, there are factions who prefer--and they are fighting for it--the candidacy of the former prefect of Joinville, Pedro Ivo. The PP should nominate Senator Evalasio Vieira, while the PDS awaits the possibility of finding an arrangement with one or the other, since its own chances are minimal. It will not hesitate, however, to nominate the former prefect of Florianopolis, Esperidiao Amin, if it feels it has a chance. The oppositon parties, as in the rest of the country, still has the need for unity.

Pernambuco

Freire

Perhaps the most contested of elections. The PMDB is strong with its natural candidate, Senator Marcos Freire, but still has others such as Miguel Arraes and former Deputy Jarbas Vasconcelos. The PDS is going with Nilo Coelho, senator and former governor, or with Federal Deputy Ricard Fiuza, with the remaining option of Moura Cavalcanti. The PDT has Deputy Sergio Murilo, who according to rumors, can wind up by transferring to the PP. He denies these reports vehemently. It can also nominate Francisco Juliao.

Paraiba



The picture favors the opposition parties which, however, run the same risk of breaking their unity. Antonio Mariz for the PP and Marcondes Gadelha for the PMDB are the strongest but may, if divided, help the PDS candidate, Wilson Braga. Even though in the not-too-distant past they formalized an alliance to elect Senator Humberto Lucena, Gadelha and Mariz are of traditionally rival families. Thus, Humberto Lucena could emerge as the third opposition candidate.

Rio Grande do Norte

Agnor

The recent support of the PDS by Deputy Carlos Alberto (formerly of the PMDB and PTB) turns the picture 360 degrees, which previously openly favored the opposition. If he were to remain as the natural candidate (because of the number of votes he already is) of the PDS, the government practically had its stay in Potengi Palace assured. Until that change by Carlos Alberto, the PP appeared as the obvious favorite with its candidate, former Governor Aluisio Alves, helped by the division into different factions of its principal enemies: Senator

Dinarte Mariz and Carlos Alberto. However, it concluded by bringing its two enemies together, which makes things more difficult for the PP. The PMDB, surprised by the defection of Carlos Alberto, stopped to think, but it could nominate state Deputy Roberto Furtado or even Senator Agenor Maria. Those two names, however, are mere speculations.

Piaui

Silva

Senator Alberto Silva of the PP is without a doubt the most prestigious candidate. The voter advantage in the state, however, was always on the side of the official party, which may elect Deputy Hugo Napoleo or even former Minister Reis Velloso. Alberto Silva himself has been greatly urged to return to the official party.

Bahia

Chico

Perhaps the most comfortable state for the opposition parties if they rally around one candidate. They have a veritable arsenal of electoral assets, all with a common enemy: the present governor, Antonio Carlos Magalhaes. Up to now the PMDB candidate is the formerly cassated Waldir Pires, which, however, is already dividing the party. At any rate, it also has Chico Pinto, Romulo de Almeida and Josaphat Marinho. The PP has in former Governor Roberto Santos an undeniable strength. The PMDB members who do not agree with the Waldir Pires candidacy--five members of the Federal Senate among them--believe that the most eligible is Deputy Chico Pinto followed by Romulo de Almeida and then by PP candidate Roberto Santos. After them comes Waldir Pires. Marcelo Cordeiro, the youngest federal deputy of the Bahia PMDB, will seek the prefecture of the capital. The PDS must hope that the division persist, which as everyone knows, is very unlikely.

Sergipe

Franco

The Augusto Franco empire remains impregnable and it is unlikely that it will cease to direct the decisions of the electorate. There is not the slightest chance for the opposition in this state.

Alagoas

Suruagy

If Senator Teotonio Vilela enters the race, Deputy Divaldo Suruagy, the open favorite, could have some difficulty. Teotonio, however, is inclined to try for the reelection of deputy: Jose Costa, also of the PMDB. Suruagy is held to be the strongest, however.

Para

The contest for the regional command of the PDS between Senator Passarinho and the present governor, Alacid Nunes, has already begun to help the traditionally weak opposition parties in the state. Passarinho, who does not intend to leave the Senate because his name is on the list of "presidentials" in 1985, should, even so, appoint the successor to Alacid, since he has the declared support of Figueiredo. Only Jader Barbalho of the PMDB has enough voter support to make a run for it in the opposition.

Acre

The PMDB Shows an undeniable growth in the state, this time, ironically, helped by the apparently irreversible split in the PDS. In this case the probable favorite candidate is Deputy Nabor Junior.

Amazonas

One of the few states where the PTB of Ivete Vargas has a chance. The name of former Governor Gilberto Mestrinho is sufficiently strong to threaten the other competitors. Raimundo Parente of the PDS could offer some resistance but he will certainly not be successful. On the other hand is the PMDB, also very strong, which should enter Councilman Fabio Lucena or someone from his group.

Mato Grosso

Gastao Muller of the PP will have little chance against his PDS adversary. It is not known yet whether it will be Senator Vicente Vuolo or Senator Benedito Canellas. However, if Muller were to obtain the support of the PMDB he would then have concrete possibilities.

Mato Grosso do Sul

The government created an apparent crisis when it dismissed Governor Marcelo Mirando. This, however, will not affect the picture of the control exercised by the PDS, if for no other reason than that the exchange of Miranda for Pedrossian, according to Planalto, had strictly electoral objectives, which means the decision to insure the next governorship.

Espirito Santo

The PDS should win here also. The PMDB did not even manage to put together its regional directorate, while the government party names are acknowledgedly strong at the regional level. For example, there are former Governor Elcio Alvares or Federal Deputy Teodorico Ferraco. With fewer chances, there could be Deputy Gerson Camata or Max Mauro of the PMDB.

Goias

Easy, but less apparently so, for the opposition. However, the division existing among the opposition parties is the most obvious and the picture the most confused. This climate, incidentally, has already caused the brothers Santillo to leave the party (they had gone to the PT) and return to the PMDB. However, despite this, there is at least the guarantee that unity will come. In this case, despite the growing prestige of Governor Ary Valadao, it will conclude by electing a governor. To aggravate the picture of division, there is also the recent integration of former Governor Irapuan Costa Junio, whose joining shocked the major part of the PMDB members in the Federal Chamber.

Ceara

Former Governor Adauto Bezerra is the favorite and will have the all-out support of the present governor, Virgilio Tavora. Minister of Mines and Energy Cesar Cals, in turn, is watching carefully and could be the help that Bezerra does not yet have in the PDS. Senator Mauro Benevides is the most prestigious name in the

opposition (he will run from the PMDB) but there are unfavorable comments about his chances even if he runs by himself with the complete support of the other antigovernment parties.

Maranhao

Sarney

Everything indicates that the succession will be decided by PDS Chairman Senator Jose Sarney, who if he does not run, will appoint either Alexandre Costa or Deputy Edison Lobao. However, the PDT has the electorally strong Neiva Moreira, who could upset the government's plans, particularly after the recent departure of Deputy Epitacio Cafeteira of the PMDB, who will probably go to the PT which already has Deputy Freitas Diniz. Neiva Moreira, however, is the strongest.

8908
CSO: 3001

GUERREIRO REJECTS 'OUTSIDE' DOCTRINES FOR LATIN AMERICA

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 30 Nov 80 p 14

[Article by Carlos Conde: "Guerreiro Criticizes Theories and Doctrines 'Which Come From Outside!"]

[Text] In Buenos Aires yesterday, Minister Saraiva Guerreiro rejected the idea that any doctrine for application in Latin America can be formulated outside the region. The minister of foreign affairs made this statement in an address to the Argentine Council for International Relations as part of a seminar which is discussing Brazil-Argentina relations in the decade of the 80's.

Guerreiro criticized "antiquated concepts," political doctrines and theories of government "formulated outside our region and which fail to consider our specific characteristics and interests." He also rejected expectations that the foreign conduct of Latin American nations can be molded by sometimes anachronistic "abstract models, whose ethical respectability and universal respect is far from being unquestionable."

In the opinion of the Brazilian minister, there exists today what he called "a museum of ideas," which originated and were largely formulated in a context strange to Latin America, and "whose legitimacy and utility must be subjected to a permanent criticism." He was speaking about theories which pay exclusive or exaggerated to a single factor, whether it is geography, "a strictly retrospectric history," or "blind and irresistable economic forces." He argued: "We suffer the exacerbated influence of geopolitical concepts, which while they were useful for understanding some past situation, can be of little inspiration to us in our future conduct. I also refer—among many other possible examples—to doctrines which preach simple balances of power and offer us nothing more than the consolidation of imbalances, which are exactly what we must seek to abolish." Repudiating "imported models," the minister of foreign affairs said that Latin America must "think" about its own doctrine.

Without Illusions

Saraiva Guerreiro declared that it is necessary to disdain simplistic lines of thought that reduce reality "to black and white," that divide nations into "allies and enemies" and view men as "angels or demons." He believes those systems frequently lead to narrow, unrealistic and deceitful options.

Saying that it is necessary to seek a fair and modern international order in which no hegemonies predominate, the minister traced the foreign profile of Brazil: "Our foreign actions must calmly and clearly reflect that political concept. Brazil is a peaceful country. We do not consider ourselves better than anyone, we do not try to give lessons, we do not aspire to any hegemony nor do we seek to control or guide events. We are partners ready to cooperate on the basis of equality and mutual respect."

Guerreiro declares that Brazil will not allow itself to be deceived by illusions: "We are aware of the structural and universal nature of underdevelopment. We do not assay unusual solutions, which ignore that problem or magically make it disappear.. Our recent progress is tenacious and real and we expect to continue in that direction. But it will not be superficial praise or apparently seductive categorizations such as that of "emerging power" or "newly industrialized country" that will make us forget our real status and where our genuine interests lie."

Attitude

The minister believes that Brazil perhaps does not exactly have a policy but "a simple attitude," for example, toward Latin America and Africa. Speaking more specifically about Brazil's neighbors, Guerreiro explained: "In order for the Brazilian attitude to effectively become a policy, the uninhibited and aware cooperation of all our neighbors, the Argentines in particular, would be necessary. As far as we are concerned in Brazil, we are prepared to try to understand the concerns of our neighbors and the members of our community and to work together with them." He added: "We do not feel capable, nor do we have the desire to do so, of providing prescriptions to the other Latin American countries. I believe that beneath the spirit of the countries of our region, all proud of their respective national identity, lies the awareness that we make up a family whose collective welfare is of interest to each of them."

Position

Guerreiro demonstrated Brazil's position in the West and the Third World simultaneously: "One of the erroneous options is that of whether we should consider ourselves included among the countries of the West or the Third World. The option is false--and I speak for Brazil--because we belong simultaneously to both groups. By the way in which we inject ourselves in the global economic and political structures, we are obviously part of the Third World; because of the intensity of our relations with the West because of our cultural ties, we are clearly bound to the western countries. We do not bear any blame because reality is complex and multifaceted. It is up to us and the other nations with whom we have relationships to accept that fact and to live with it and rationally and objectively exploit the opportunity it presents."

The minister of foreign affairs advocated a "rational and objective" dialog and he believes that dialog may lead to solutions of controversies and doubts among nations. "That attitude also contains the acceptance that certain conflicts of interests belong to the routine of international life, that is, that a certain

ratio of the conflicts of interests are part of the nature of things and are inevitable. However, as government officials, that which is of the most interest to us is the view the parties have of those conflicts and the way in which they deal with them."

Argentina

In two passages of his 12-page lecture, Minister Saraiva Guerreiro called the Argentines "friends" and "dear friends." In two passages he referred particularly to relations between Brazil and Argentina: "While our relations today are so positive, it is due not only to the objective coincidence of interests but also to the political nature of our diplomacy. I believe it is proper within this context to express my appreciation and admiration for the handling of Argentine foreign policy, which reveals the lucidity and consistence which naturally guide this country in its search for a happy future."

Referring to the need for "frank and open attitudes in facing foreign policy problems," Guerreiro once more mentioned bilateral dialog with Argentina: "I had the very special pleasure of undergoing that experience and the feeling of serene confidence it gave me and my interlocutor during the 15 minutes in which for the first time I had the opportunity to talk with Carlos Pastor on 16 March 1979. That mutual confidence served to stimulate the development of Argentine-Brazilian relations of friendship."

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CSO: 3001

PP CRITICIZES GOVERNMENT, REJECTS ALL AGREEMENTS

Rio de Janeiro O GLOBO in Portuguese 5 Dec 80 p 4

[Text] Brasilia (O GLOBO)—In an official note revealed yesterday, the PP [Popular Party] national directorate describes government actions as being characterized by "authoritarianism in the political field, money-oriented ruthlessness in the economy and a cold inhumanity in the social field." The document says: "As long as that deplorable situation remains, the Popular Party will not accept any agreements with the government leaders of the country because its commitments are with the people and an agreement with their torturers to maintain the existing situation would be a betrayal of those commitments with which it does not compromise or negotiate."

The Note

Following is the text of the PP document:

The national leadership of the Popular Party, meeting yesterday under the chairmanship of Senator Tancredo Neves, with the attendance of leaders Thales Ramalho and Gilvan Rocha as well as the chairmen of the provisional committees in all the states, after hearing the report of each of them on the party status in the various units of the federation, agreed to adopt all the measures necessary for strengthening it; attending, within the limits of its possibilities, to all the requests made by regional leaders. During discussions, and from the information collected, it was confirmed that a spirit of optimism and confidence is encouraging all party members throughout the country because of the wide acceptance the PP is finding in all strata of Brazilian society.

With respect to political decisions, the following were unanimously adopted:

A. To maintain the party on the line it has been following, a line of clear, firm and responsible opposition to the policies put into practice by the government, that is, authoritarianism in the political field, money-oriented ruthlessness in the economy and a cold inhumanity in the social field. The process of redemocratization of the country proceeds at a slow pace, with advances and retreats in a climate of uncertainty and insecurity. The afflicted and anguished people are seized by dispair, faced by exasperating living conditions, without being able to harbor any hope on the tomorrow that awaits them.

Either the government becomes aware of its responsibilities to the nation, insuring for it days of peace and economic security soon, or it will have to take the place in history that its ineptness will reserve for it.

As long as this deplorable condition remains, the PP will not accept any agreement with the government leaders because its commitments are with the people and an agreement with their torturers to maintain the existing situation would be a betrayal of those commitments with which it does not compromise or negotiate.

At this moment, the opposition is the most worthy strongpoint for the defense of democratic principles, the moral and material development of the country and the very honor of the nation. We shall not desert it and we shall remain in it to continue the struggle.

B. With respect to the momentous problem of filling the positions of the Chamber of Deputies Board in the next legislative session by unanimity, the national directorate of the PP deliberated ratifying the note of the deputies, which called upon all the parties for an open and fair agreement aimed at giving the Chamber of Deputies an independent, honorable and free board, alien to palace intrigue and originating, without any outside interference, from the midst of the venerable institution to guarantee its sovereignty, dignity and prestige.

On the other hand, it also decided to recommend to the deputies the adoption of an independent slate headed by the illustrious Deputy Djalma Marinho, which would also contain not only representatives of all the parties of opposition, but also of the groups which may join that patriotic movement of democratic resistance and of honor to the National Congress.

Finally, the national directorate appealed to all leaderships in the states to intensify the work of creating new provisional committees in the municipalities and also that of recruiting new members so that the next conventions may be held with a greater and more solid popular support.

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CSO: 3001

CARAZO SAYS COUNTRY WILL ALWAYS WELCOME REFUGEES, EXILES

San Jose LA REPUBLICA in Spanish 18 Nov 80 p 2

[Text] President Rodrigo Carazo yesterday stressed the importance of preserving and defending the system of law and order in Costa Rica so that no Costa Ricans will have to seek asylum or refuge in another country.

The statement by the chief executive was made in the Irazu Hotel during the opening of the Regional Seminar on Refugees and Information Media, organized by the International Commission of the University for Peace.

Mr Carazo emphasized that the people in Costa Rica must continue to fight to defend human rights and that the country must continue to be a place of asylum and refuge for political persecution victims.

He commented that the migration flow of Chinese, blacks, Italians, Americans, and other nationalities, who come to populate Costa Rica, is evident proof that, in the heart of America, there has risen a nation which has the double responsibility springing from its past and from its humanitarian condition.

He noted that, as a result of the current time, no country can escape the results of violence, the hegemonic struggle, and the domestic political problems of each of the nations that cause the migration of large numbers of people.

Mr Horst Haugust, representing the Friedrich Naumann Association, who also attended the ceremony, said that the communications media are responsible to the public because only through the media can one find out who the refugees are.

Haugust said that the newspaperman must prepare society so that it will be able to understand the problems of the refugees and so that it may realize that keeping those people as asylum seekers in their country does not necessarily imply that citizens are going to lose jobs.

In the meantime, Phillip Sargisson, the regional representative of ACNUR [UN High Commission for Refugees] stressed that the refugee rate has been rising in Central America.

Just 10 months ago, there were 10,000; 4 months later there were 20,000 and right now there are 70,000 refugees on the isthmus.

Sargisson noted that the main problem is that the refugees are being considered as fifth-rate persons whereas they should be helped and should be given means for survival.

5058

CARTER'S ELECTION DEFEAT, REAGAN'S WIN NOTED

Havana JUVENTUD REBELDE in Spanish 5 Nov 80 p 6

[Article by Lillian Lechuga: "United States: A Different Landscape"]

[Text] President Carter's resounding defeat at the hands of his adversary, Republican candidate Ronald Reagan, caused surprise in most of the international press centers. The electoral race had been so hard fought that even during the voting the experts themselves did not risk making any predictions. The only reference point was that offered by the opinion polls, which generally conceded only a small lead at the 11th hour to the former governor of California.

However, early last night President Carter had already acknowledged the victory of his Republican opponent, whom he congratualted and to whom he offered his cooperation, wishing him to find no difficulties during the transition period until 20 January, when the new occupant will take possession of the White House.

Reagan, the oldest presidential candidate in the United States to take on the responsibility of chief executive, is a figure who represents the most reactionary positions within the North American political, economic and social order.

The people of the United States, oppressed by the rate of inflation--about 13 percent at the present time--and by countless economic and social problems, seem to have voted more against the desperate situation they are experiencing, which is inherent in the system, than for Ronald Reagan.

Nevertheless, on the domestic front the election of Reagan means even greater support for big capital and offers even more impunity to act to racist and neofascist groups operating in the United States.

Regarding international relations, it is no secret that the avenger of Hollywood westerns will encourage--as he himself has said and repeated--a tougher policy against liberation movements and progressive governments all over the world.

Under these conditions, the North American people have chosen the program of the Republican Party and have inflicted a crushing defeat to the Democratic candidate, who is the first incumbent president not to be reelected since 1932.

The Republicans, for the first time in 26 years, also wrenched control of the Senate from the hands of the Democrats, removing from the public arena such recognized members of the upper house as Frank Church, Jacob Javits [as published] and George McGovern.

Regarding the final results, with 95 percent of the votes counted, Ronald Reagan had succeeded in accumulating 469 electoral votes from the states, which was much more than the 270 votes that he needed to cross the threshold of the White House. According to the latest forecasts, Reagan could get 475 of the 538 electroal votes, leaving only 63 for Carter.

With the 4 November election day in the United States concluded under these conditions, expectations were growing about the future positions that the archconservative president-elect would take in the international arena and on the domestic scene the analysts wondered what magic wand Reagan could bring into play to relieve the economic crisis that the United States is undergoing, summed up in the enormous unemployment figure.

The commentators were arguing that Reagan's economic promises sounded good, but they remembered that the landscape looks different from the White House than from the opposition.

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CSO: 3010

GREAT OCTOBER SOCIALIST REVOLUTION HAILED

Havana GRANMA in Spanish 7 Nov 80 p 1

[Editorial: "Long Live the 63rd Anniversary of the Great October Socialist Revolution"]

[Text] All of progressive humanity and the world revolutionary movement is today commemorating the 63rd anniversary of the Great October Socialist Revolution, justly considered the most important event of this century.

That 7 November 1917 (25 October according to the old calendar) was the day that marked the start of an irreversible historical process that at the same time was a qualitative and permanent leap in social development. Because the revolution that the shots from the cruiser Aurora announced to the world in the old Russia of the Czars and the resolute action of the workers, peasants and soldiers led by Lenin and the Bolshevik Party began a new era characterized by the downfall of the old exploiting world, the socialist revolutions and the successive defeats of colonialism, imperialism and reactionary opposition on a world scale.

The dreams of social justice and the scientific forecasts of Karl Marx and Frederick Engels became a reality on one-sixth of the earth. Marxism, at the same time, gained strength notably from the new conditions created by monopolist capitalism and the enormous contributions of Vladimir Ilich Lenin as the theoretician and expert of the revolution and the leader and statesman in the building of the proletarian socialist state.

The influence since then of the Great October Socialist Revolution on the destiny of all the nations and peoples on earth has been extraordinary, despite the involvements of imperialism and the international reaction to avoid it and to destroy the first worker and peasant state, involvements that have included from the most brutal means of blockade against the Soviet people, the financing and equipping of counterrevolutionary groups to stir up civil war, encouragement to Nazi territorial ambitions and the launching of the fascist hordes with all their machinery for crime and war against the territory of the USSR and atomic blackmail, to the most modern campaigns of slander and ideological diversionism with the self-deceived aims of impairing the enormous prestige of the Soviet Union.

Lenin had already warned early that confronted with the Soviet people all the enemy's maneuvers would be shattered. In April 1920 Lenin said, "The steadfastness,

perseverance, inclination, determination and capacity to try 100 times, to correct another 100 and to achieve the goals proposed at all costs--the proletariat has acquired these qualities during the 10, 15 or 20 years that preceded the October Revolution and during the 2 years elapsed afterward, by suffering deprivation, hunger, ruin and disasters never seen. These qualities of the proletariat are the guarantee that the proletariat will triumph."

And that is what happened. Nothing has been able to break the glorious example of thethe October Revolution or the one thousand times heroic effort of the Soviet people in building the first socialist state in the world, which is also an example of perseverance, self-denial, love for their homeland and unlimited loyalty to the beautiful principles of proletarian internationalism.

From a destroyed, blockaded and starving Russia in 1917, the homeland of the Great October Revolution was transformed into the powerful socialist state that is the Soviet Union of our time, a stronghold of peace and internationalist principle.

The Soviet people, forged by their glorious Communist Party, not only were capable of maintaining their independence and their freedom, but made a decisive contribution to the work of saving humanity from slavery and the barbarity of fascism.

The Soviet Union, the state founded by Lenin and the Bolsheviks, played a decisive role in beginning a period of revolutions that would give rise to the community of socialist countries, to the final collapse of the colonial system, the violent development of the national liberation movement and the gradual transformation of power relationships in the world.

The warmongering aims of imperialism have been curbed thanks to the USSR's firm stand in defense of peace. The supreme interests of the world revolution and of the safety of peoples confronted with the greed and warmongering of the imperialist powers have at all times guided the foreign policy of the Soviet Union, which is based on Leninist principles of peaceful coexistence.

The October Revolution, and beginning with it, the building of a socialist state of extraordinary technical, military, political and economic power became determining factors for the successes of the national liberation movement in Asia, Africa and Latin America.

Throughout these 63 years many peoples in the world have closely felt the timely solidarity and the generous help of Lenin's homeland. History contains many examples of this communist solidarity with the revolutionary movement, from the early years to more recent times, which are an expression of unlimited attachment to the principles of an unchanging line of conduct in international policies of the USSR. This is an unobjectionable and indisputable truth.

In our own revolutionary process this truth is rooted with expressive clarity. Thus, Comrade Fidel in his central report to the first congress of our party clearly emphasized it:

"Without the resolute, solid and generous help of the Soviet people, our nation would not have been able to survive the confrontation with imperialism. They bought our sugar when our market was brutally suppressed by the United States. They supplied us with raw material and fuel that we would not have been able to obtain any other place in the world. They sent us free arms with which we resisted the mercenaries in Giron and equipped our Revolutionary Armed Forces to exact the highest price for any direct aggression by the United States. They gave extraordinary support to our economy in the crucial years of the economic blockade. Thousands and thousands of Soviet military and technical specialists helped to train our armed forces or supported with their aid practically all the branches of our economy. The effort of the Soviet people was supported as much as possible by other socialist countries.

"The debt of gratitude contracted with the glorious party of the Soviet Union and its heroic people will never be erased from our hearts. In the solidarity offered to Cuba, a country located thousands of miles from the USSR, the internationalist dreams of Marx, Engels and Lenin were fulfilled, and the immortal October Revolution was hurled with invincible force on the destiny of this continent."

The commemoration of the 63d anniversary of the Great October Socialist Revolution by itself represents an event of world importance. In Cuba, moreover, the struggle of our people for their second and final independence is indissolubly linked to the triumphs of our socialist revolution, the tasks that occupy us at the present time and the future of our common cause.

For all these reasons, this 63rd anniversary celebration is an unparalleled opportunity to repeat the feelings of admiration, respect and affection of our people, party and government for the people, party and government of the USSR; to confirm our limitless trust in the homeland of Lenin, to assure, as Fidel has done, that "these bonds that thus are formed and develop in the principles, the history and the purest and most unselfish feelings of our peoples are indestructible and eternal."

Long live the 63d anniversary of the Great October Socialist Revolution

Eternal glory to Lenin and to the Communist Party of the Soviet Union

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CSO: 3010

BILATERAL TRADE AGREEMENT SIGNED WITH CANADA

Havana GRANMA in Spanish 17 Nov 80 p 5

[Article by Alberto Rabilotta]

[Text] Ottawa, 16 Nov (PL)--The third annual meeting of the Cuban-Canadian Intergovernmental Joint Commission for Bilateral Economic Relations concluded its work with the signing of a document that contains the progress achieved.

The commission, which met in the conference hall of the Ministry of Industry and Trade in Ottawa, studied bilateral economic relations, which in recent years have increased substantially.

The Cuban delegation was presided over by Raul Taladrid, director of nonsocialist developed countries in the State Committee for Economic Cooperation, and the Canadian delegation by J. McNeil, director general of the Western Hemisphere department of the Canadian Ministry of Trade.

Cuba is now Ottawa's fourth largest customer in Latin America and its first in the Caribbean, while Canada is one of Cuba's main nonsocialist suppliers.

McNeil told PRENSA LATINA that the work of this third annual meeting had been productive.

In 1979, trade between Cuba and Canada totaled more than $360 million, and in 1980 a considerable increase is expected.

In 1979, this exchange consisted of about 257 million Canadian dollars for Cuban purchases in Canada and about $106 million for Cuban sales to Ottawa.

McNeil described the sessions as productive and stressed Cuba's importance for the Canadian market.

Taladrid also was equally satisfied with this meeting of the joint commission and with the development of bilateral trade.

Among the specific topics that the commission included in its talks are: the interest of both countries in undersea oil drilling and exploration in Cuba and in developing a tourist base there.

9545
CSO: 3010

REGULATION ON 1981 SPECIAL SUGAR HARVEST EMULATION

Havana TRABAJADORES in Spanish 15 Nov 80 pp 4-5

[Passages enclosed in slantlines printed in boldface]

[Text] Introduction

The Special Sugar Harvest Emulation is aimed at channeling the efforts of the workers in agricultural and industrial activities to make it possible to fulfill the commitments set forth in the historic event emulation quotas drawn up by the collectives for each fiscal year.

The organization of the Special Sugar Harvest Emulation will be based on the approved guidelines for economic and social development. Its fulfillment depends on the sectors and branches involved in achieving greater efficiency in our harvests.

The special emulation will help achieve better technical and economic results in the harvest. This contributes to more solid economic development. The emulation will help improve planning, organization, execution and supervision of all activities related to the harvest. It will also encourage the workers to achieve these objectives and increase their revolutionary awareness.

The National Committee of the CTC [Central Organization of Cuban Trade Unions] has evaluated emulation experiences from our past harvests. In order to strengthen labor discipline and increase the productivity of the agricultural, industrial and transportation workers, it has resolved the following:

Section I. Objectives

Article 1. The Special Sugar Harvest Emulation is organized to stimulate, materialize and channel the initiative of all participants in harvest activities and to strengthen ties between the agricultural and industrial workers, interesting them in the results of their common work, in order to achieve more sugar with better quality at a lower cost through fulfillment of the technical economic plan.

Article 2. It should also dynamically develop the Million Arroba Movement based on the principle that all participants in cutting (manual and mechanized), loading and hauling activities must analyze the real possibilities of increasing the results from the past harvest in order to achieve greater production and productivity and strengthen labor discipline.

Article 3. Another objective is to develop the Sugar Industry Emulation to achieve greater industrial efficiency in extraction of sugar from cane, fulfillment of the grinding quota for each mill, optimum operation of equipment, savings in the use of fuel, achievement of the best quality at the lowest cost and strengthened labor discipline.

Article 4. It should improve agroindustrial evaluations by integrally analyzing the results of the special emulations for industry, agriculture and transportation so that they reflect the degree of efficiency achieved in sugar harvest activities at the enterprise, provincial and national levels, involving all the participants in producing more with better quality at a lower cost.

Section II. General Principles

Article 5. The Special Sugar Harvest Emulation is organized and directed at all levels by the leadership organs of:

The CTC; and

The National Sugar Workers Union and the National Union of Transportation Workers.

Article 6. The CTC, the National Sugar Workers Union and the National Union of Transportation Workers will coordinate the necessary work plan at each level with the Ministry of the Sugar Industry to guarantee the effective participation of the administration in the fulfillment of the Special Sugar Harvest Emulation requirements for organization, development and systematic control.

Article 7. The national unions that participate in the sugar harvest through mobilization of their members will be responsible for complying with this regulation and, depending on their position, developing specific miniemulations that stimulate the volunteers at the camp, municipal, provincial and national levels.

Article 8. The Special Sugar Harvest Emulation will be based on fulfillment of the indicators established for each activity from the lowest to the highest level. These indicators will be announced to each participating worker at the assembly held before the beginning of the harvest. Individual and collective commitments will be made then.

Article 9. Evaluations for each period will be determined by the planned dates for each activity; failure to supply information on time and in the correct form will be cause for disqualification in that period. The administration (Ministry of the Sugar Industry and Agricultural Transportation) will be responsible for contributing the necessary data and doing the corresponding evaluation. The CTC, through established controls, will evaluate the results of the integral evaluations at each level based on the summary of the special emulation for the Sugar Workers Union, the Union of Transportation Workers and volunteer cutters.

Article 10. The awards presented will be those set forth in this regulation. Others which would interrupt the necessary balance wherein all recognition corresponds to achievement cannot be established.

Article 11. Systematic propaganda will be developed so that all the workers know the progress of the harvest. There will be publication of the results of the

evaluations and comparisons with the quotas, using all means of communication: posters, bulletins, blackboards, local radio, radio and printed press and television, etc.

Section III. Organization, Supervision of Emulation

Chapter I. Indicators

Article 12. Industrial sector:

a) Fulfillment of raw or refined sugar production quota;

b) Fulfillment of recovery quota;

c) Fulfillment of work attendance quota;

d) Quality of sugar (conditioner); and

e) Costs (conditioner).

Article 13. In the agricultural sector, the following will be evaluated individually in all activities at the brigade, squad and base levels:

a) Work attendance at the percentage established; and

b) Fulfillment of the quota (planned wage-real wage).

The combine brigade and high productivity contingent will be measured by:

a) Attendance;

b) Production; and

c) Productivity.

The enterprises will be measured by:

a) Fulfillment of production quota; and

b) Quality of cane that reaches the mill.

The rest of the provincial collectives will be measured by:

a) Fulfillment of delivery quota;

b) Work productivity; and

c) Percentage of attendance at cutting according to the plan.

Chapter II. Evaluations

Article 14. Based on the organizational nature of each activity, evaluations will be made:

a) Every 10 days in industry;

b) Semimonthly in agriculture; and

c) Monthly (industry, agriculture and transportation).

Article 15. The levels at which the evaluations will be held are:

a) At the base level (manual and mechanized brigades and cane districts), semimonthly on the 17th and 2nd of each month and every 10 days to verify fulfillment of the delivery, productivity and attendance quota; at the mills, every 10 days. There can be frequenter informal evaluations—that is, daily and weekly—if work results advise this.

b) At the cane camps, semimonthly on the 19th and 4th of each month.

c) At the mills or contingents, semimonthly on the 21st and 6th of each month and, at the municipal level, on the 23rd for the results of the first half of the month.

d) Monthly from the 8th to the 12th, the following evaluations will be made:
In the cane enterprise, at the provincial and national level for agricultural workers;
At the provincial and national level for industry;
At the municipal or equivalent level, provincial and national level for volunteer cutters; and
In the agricultural transportation enterprises, at the provincial and national level for the Union of Transportation Workers.

e) National evaluation for all activities will be from the 15th to the 20th of the month after the report.

Article 16. The following will participate in each evaluation:

In industry:

a) At the area, shift and department level, the executive secretariat of the union section, the appropriate administrative official and the workers;

b) At the enterprise level, the executive secretariat of the union bureau, the administration of the enterprise, the general secretaries and secretaries of emulation of the union sections. They will evaluate work results and report to the workers at the monthly production assemblies; and

c) At the provincial level, the emulation committees of each mill and delegations of winners.

In agriculture:

a) At the brigade (manual and mechanized) and district level, all the workers;

b) At the enterprise level, the executive secretariat of the union section, the administration of the districts, manual and mechanized brigade chiefs and the best

workers. The PCC [Communist Party of Cuba] and the UJC [Union of Young Communists] will be invited in each one of the above activities.

c) At the provincial level, the executive secretariat of the union bureau and the administrative leadership of the enterprise, the best workers and representatives of the collectives in each one of the activities in the province.

Each month the union and administrative leaders in the provinces will participate at the national level to evaluate industry, agriculture and transportation.

In March, the best workers from each activity at the national level will attend in addition to the union and administrative leaders of each province. On 6 August, the final evaluation will have the same group of participants.

Volunteers

a) At the brigade level, all the cutters will participate.

b) At the camp level, the members of all the brigades will participate.

c) At the contingent or mill level, representatives of the union committees, the camp chiefs, the chiefs of the best brigades and the best cutters in each camp will participate.

d) At the municipal or equivalent level, representatives of the union leadership of the contingents, battalions and mills will participate in the meeting to analyze the first half of the month. Monthly the participants in the semimonthly meetings and delegations from the best cutters in each contingent, battalion and mill will participate.

e) At the provincial level, representatives of the union leadership of the column, contingents and battalions will participate in the meeting to analyze the first half of the month. Monthly the participants in the semimonthly meeting and delegations from the best camps and brigades and the best cutters in each column, town, contingent and battalion will participate.

f) The secretaries of volunteer work of the national unions and provincial CTC will participate in the national meeting.

Hauling by Truck (Agricultural Transportation)

a) At the brigade level, a delegation of the union section headed by the secretary of emulation, production and volunteer work and the drivers selected as the best for the month will participate with the administration, PCC and UJC invited. A member of the union bureau of the enterprise should always attend these evaluations if possible.

b) At the enterprise or provincial level, the executive secretariat of the union bureau and a delegation from the administrative leadership of the enterprise will participate in the monthly evaluations as well as a delegation from the provincial union. The union sections of the brigades and the comrades selected as the best in each brigade should also participate.

c) At the national level, a delegation from the provincial committee of the Union of Transportation Workers and the administration will participate as well as a delegation of the best workers selected by each province.

Article 17. At each evaluation, the following will be selected:

In industry:

a) At the mill level:
    Best worker in each area;
    Best brigade in each area; and
    Best area.

b) At the provincial level:
    Best mill in each group;
    Best mill in sugar production;
    Best mill in recovery; and
    Best mill in attendance.

c) At the national level:
    Best mill in all indicators (overall) in each category;
    Best province in production;
    Best province in recovery;
    Best province in quality;
    Best province in savings;
    Best province in costs; and
    Best province in attendance.

In agriculture:

a) At the district level (semimonthly and monthly):
    Best male cutter;
    Best female cutter;
    Best teamster;
    Best traditional hauling operator;
    Best mechanized hauling operator;
    Best loader operator;
    Best combine operator;
    Best loader operator and helper;
    Best regular group;
    Best regular brigade;
    Best combine brigade; and
    All individuals and collectives that fulfill their tasks.

b) At the enterprise level:

Monthly first, second and third places will be awarded in:
    Male cutters;
    Female cutters;
    Teamsters;
    Traditional hauling operator;
    Mechanized hauling operator;

Loader operator;
Best group;
Best brigade;
Best mechanized brigades; and
Best districts.

c) At the provincial level (monthly):

The same selection as at the enterprise level with the addition of:
Best cane enterprise; and
Best high productivity contingent.

d) At the national level:

The same indicated for the provincial level with the addition of:
Best province in mechanized cutting;
Best province in manual cutting;
Best province in mechanized loading;
Best province in hauling with oxen; and
Best province in hauling with tractor.

At the end of the harvest, the mills that were national winners in each category as well as for each province will be selected.

Volunteers

a) At the brigade, contingent or mill level, the following selections will be made:
Cutters and brigades that fulfill the established cutting and attendance quotas; and
Best cutters, best brigade and best camp for each contingent or mill.

b) At the municipal or battalion level, the following will be selected:
Three best cutters;
Three best brigades; and
Three best camps.

c) At the provincial level, in addition to the above, the following will be selected:
Three best towns; and
Best contingent or mill.

d) At the national level, the following selections will be made:
Three best male cutters;
Best female cutter;
Three best brigades;
Three best camps;
Three best towns; and
Fulfilling provinces.

Hauling by Truck (Agricultural Transportation)

a) Brigade

The union sections must select the following monthly:
Three best drivers in hauling conventional cane (long cane);
Three best drivers in hauling cut cane;
Three best drivers in transshipment;
If a brigade has a single hauling system, only three drivers will be selected—that is, first, second and third places.

b) Province

Through the union bureaus, the following must be selected monthly:
Three best truck drivers;
Three best truck drivers in hauling conventional cane in combines; and
Three best truck drivers in transshipment.

At this level, the best brigade in hauling cane will be selected monthly, not applying the hauling systems in this case but only the final results.

d) National

There will be the same selections as made at the provincial level plus: selection of the best province in hauling cane and the best brigade.

The provincial CTC, in coordination with the sugar harvest sector, can establish overall selections of the best town.

Selection of the best will be made from among those that achieve the largest overfulfillment of the established quotas or tasks.

Article 18. The following incentives will be awarded:

Industry

a) At the mill level:

The incentives will be pennants for the miniemulations organized by the mill emulation committee.

b) At the provincial level:
Rotating pennants to the best mills in each group; and
Rotating pennants to the best mills for each indicator.

c) At the national level:
Rotating banners to the best mill in each group; and
Rotating banners to the best province for each indicator.

d) At the end of the harvest, certificates of merit will be presented to the mills that have achieved the greatest efficiency in the fulfillment of each one of the indicators in this emulation.

Agriculture:
Rotating triangular pennant to the best individuals in the district;
Rotating pentagonal pennant to the best collectives in the district;

Certificates that indicate the rank achieved to the best individuals in the enterprise;
Rotating pentagonal pennant to the best collectives in the enterprise;
Diploma that indicates the rank achieved to the best individuals in the province;
Pentagonal pennants for group, brigade and squad in the best collectives in the province; and
Banners to the best enterprises and contingent.

Material incentives for industry and agriculture:

There will be material incentives for the best:
At the enterprise level (monthly);
At the provincial level (quarterly); and
At the national level (on 6 August).

Nationally:
Diplomas that indicate the rank achieved for individuals; and
Banners (rotating) for the best contingent and best provinces per activity.

Final evaluation:
Each province will present a trophy to its best industrial and agricultural enterprise;
Nationally a trophy will be awarded to the best agricultural and industrial enterprise;
The best individuals in the sugar harvest will receive a plaque honoring them;
After the harvest, material incentives will be presented to the best individuals at the enterprise, provincial and national levels for the level of selection and the results achieved during the harvest; and
The best collectives with recreational activities; these incentives are for industry and agriculture.

Volunteers

a) Bonuses to the cutters that fulfill the established quotas and attendance;

b) Certificates to the brigades that fulfill the established quotas and attendance;

c) At the brigade, contingent or mill level, the following incentives will be awarded:
Metal badge and certificate to the best cutter on each brigade;
Pennant and certificate to the best cutter in each brigade;
Pennant and certificate to the best cutter in the camp;
Pennant to the best brigade in each camp;
Metal machete and certificate to the best cutter in each contingent or mill; and
Pennant to the best brigade and best camp in each contingent or mill

d) At the municipal or battalion level, pennants or certificates of merit will be presented to:
Three best cutters;
Three best brigades; and
Three best camps.

e) At the provincial level, the following will be awarded:
Nickel-plated machetes and certificates of merit to the three best cutters;
Pennants to the three best camps;
Banner to the best contingent or mill; and
Pennants to the three best towns.

f) At the national level, the following will be awarded:
Diplomas of merit to the three best male cutters and the best female cutter as well as corresponding material incentives;
Pennants to the three best camps;
Banners to the three best towns; and
Banners to the fulfilling provinces.

The incentives will be presented to the winners at their places of work after the national meeting is held.

At the end of the sugar harvest, pennants will be awarded to the provinces and unions that have fulfilled the established conditions with respect to brigades with a million or more arrobas of cane cut during the sugar harvest on the basis of fulfillment of the Million Arroba Movement.

The members of the best brigades and camps selected in the final sugar harvest evaluation (emulation) will receive diplomas of merit for their work.

Hauling by Truck (Agricultural Transportation)

a) Drivers

Monthly, the union section will award a rotating pennant to the best driver for each hauling system.

Monthly, the union bureau will present a bonus to the best driver for each hauling system.

Nationally, a certificate will be awarded to the nine best drivers who have been selected in the nation each month.

b) For the brigades

Monthly, a rotating pennant will be awarded to the best brigade in the province.

Monthly, a rotating banner will be awarded to the best brigade in the country.

c) For the provinces

Nationally, a rotating banner will be awarded to the provinces that rank in the first three places based on established indicators.

The provinces that have overall selections of the best town will award a pennant of merit for this.

Article 19. The semimonthly meetings and monthly evaluations of the Sugar Harvest Emulation will be convoked by the Sugar Workers Union, the Union of Transportation Workers and the CTC at the corresponding levels on the same day and in the same place.

Article 20. The monthly emulation evaluations at the municipal and provincial levels will be held as follows:

Morning session:

Those attending the evaluation for each activity will be convoked based on the following:

Agenda

Analyses of emulation results in the different sugar harvest, industrial, regular, transportation and volunteer activities.

Each activity will be analyzed separately.

Afternoon session:

The emulation evaluation of all sugar harvest activities will be convoked by the CTC. There will be a plenary session in which the following will be discussed and approved:

a) Report of the Sugar Workers Union on monthly emulation results; presentation of corresponding incentives.

b) Report of the Union of Transportation Workers on results of hauling by truck; presentation of incentives.

c) Report of the CTC on emulation results for volunteers; presentation of corresponding incentives.

d) Conclusions

Section IV. Million Arroba Movement

This will cover all participants in manual and mechanized cutting and loading and hauling cane.

Chapter III. Manual cutting

Article 21. All cutters (volunteer and regular) and others involved in this activity can participate in this four-step emulation of the Million Arroba Movement if they meet the following requirements:

a) They must belong to brigades.

b) The brigades cannot have more than 48 cutters.

c) The days indicated on the tables for the steps as well as for the million mark must be followed; this merely means fulfilling the average quota established by the resolution and 80 percent attendance at the cutting.

d) No brigade can receive outside help in cutting.

e) During the first step (250,000 arrobas), the brigade will make the necessary adjustments and changes in cutters for best organization in order to fulfill the planned number of days for this first step.

f) After reaching the first step (250,000 arrobas), the commitment form will be filled out with the full names of the cutters who actually make up the brigade in order to continue to the million or millions that they are committed to cut. Once filled and signed, that form must be delivered within 24 hours to the next higher level.

g) The original commitment form must be sent to the national CTC. If this commitment does not reach the national CTC on time and in the correct form, the brigade will not be considered in the Million Arroba Movement.

h) The brigades cannot increase or change cutters whose names appear on the signed and delivered commitment.

i) The number of brigade days on the tables for the steps as well as for the million marks will be based on the cutters in the brigade at the beginning of each step.

j) The established steps are as follows:
First step: 250,000 arrobas;
Second step: 500,000 arrobas;
Third step: 750,000 arrobas; and
Fourth step: 1,000,000 arrobas.

k) Although the steps consist of 250,000 arrobas of cane each, these will be accumulated to analyze the next higher step, in cane as well as in days to be completed and actually used, in order to learn to what degree it is fulfilled or not fulfilled.

l) The brigades that do not follow the days established for each step on time and in the correct form will not receive the corresponding incentives although they can aspire to the next higher step, deducting their days of delay.

m) All the brigades that have made a commitment must make a report even if they have not followed the established days on the tables.

n) Information on the steps and millions reached should be reported within 24 hours of achievement.

ñ) Any brigade can be disqualified if it does not meet the mentioned requirements.

Information on the steps and millions achieved must be sent to the national CTC on the established forms and must be certified by the cane district when a million mark is reached.

Article 22. In order to achieve these objectives, the supervisory comrade must plan the evaluation of fulfillment of the days for the step and the types of cane cut when the brigades are organized. This permits control during the harvest of the work of the brigade and lack of fulfillment, fulfillment or overfulfillment of the task. It also makes it possible to learn in time when there are delays and, consequently, to determine the causes and adopt the necessary measures to make up for the lost time. This planning can be done daily or with each change of type of cane or cutting.

Article 23. Moral incentives:

a) First step

The brigades that achieve 250,000 arrobas of cut and loaded cane within the planned number of days will be designated: Brigade /with Organization/.

b) Second step

The brigades that cut and load 500,000 arrobas of cane within the planned number of days will be designated: /Effort and Productivity/ Brigade.

c) Third step

The brigades that cut and load 750,000 arrobas of cane within the planned number of days will be designated: /Road to Victory/ Brigade.

d) Fourth step

The brigades that cut and load 1 million arrobas of cane within the planned number of days will be designated: /Jesus Menendez/ Million Arroba Brigade.

e) The brigades that cut and load 2 million arrobas will be designated: /Victoria de Giron/ 2 Million Arroba Brigade.

f) The brigades that cut and load 3 million arrobas will be designated: /Bronze Giant/ 3 Million Arroba Brigade.

g) The brigades that cut and load 4 million arrobas will be designated: /May First/ 4 Million Arroba Brigade.

h) The brigades that cut and load 5 million arrobas will be designated: /Mambises of the 20th Century/ 5 Million Arroba Brigade.

i) The brigades that cut and load 6 million arrobas will be designated: /Heroic Warrior/ 6 Million Arroba Brigade.

j) The brigades that cut and load 7 million arrobas will be designated: /Followers of Che/ 7 Million Arroba Brigade.

k) The brigades that cut and load 8 million arrobas will be designated: /Anniversary of the Attack on Moncada Barracks/ 8 Million Arroba Brigade.

l) The brigades that cut and load 9 million arrobas will be designated: /Anniversary of the Triumph of the Revolution/ 9 Million Arroba Brigade.

m) The brigades that cut and load 10 million arrobas will be designated: /14th Congress/ 10 Million Arroba Brigade.

n) The manual cutting and loading brigades will receive pennants for the different steps and the Million Arroba Banner when they reach that figure.

ñ) Pennants for the steps and banners for millions of arrobas will be presented by the province when it receives the required reports. The national CTC will present pullovers to the provinces after receiving the corresponding reports.

o) Incentives for the Million Arroba Movement will be presented to the brigades according to the requirements; they will be preserved because of their value as stimuli for increased productivity.

p) At the end of the harvest, the moral incentives won by each brigade in the Million Arroba Movement must be publicized in posters at the cutters' job centers.

Article 24. Organization, development and supervision of the Million Arroba Movement as part of the sugar emulations will be evaluated at the national union and the provincial CTC levels with regard to the following aspects:

a) Increase in the percentage or number of brigades that cut a million or more arrobas of cane compared to the results of the previous harvest for each union or provincial CTC.

b) Mixed brigades are included in the province where they are located.

c) At the end of the harvest, each fulfilling union and province will receive incentive for fulfillment.

The levels of the union movement that, in one way or another, take care of the activities involved in the organization, development and supervision of the Million Arroba Movement will be responsible for:

Organizing the regular cutters based on union membership when all the conditions are present to form one or more brigades for each union, not mixed; and

Each union or level of the CTC in each area, contingent or mill that has an assigned number of workers to be mobilized must distribute the best and most conscientious cutters among all the brigades in order to pass on their experience and work spirit to a greater number of collectives, in this way increasing the number of brigades that cut a million or more arrobas of cane. This will affect the development and growth of the Million Arroba Movement during the present harvest.

Chapter IV. System of Medals and Honorary Titles of Cuba

Article 25. According to Law No. 17 of 28 June 1978 which establishes the norms for the System of Medals and Honorary Titles of Cuba and Decree Law No. 30 of 10 December 1979, the participating workers in the harvest, based on the results they achieve, can be evaluated by the secretariat of the national CTC and proposed to the Council of State based on the above laws.

The proposals will be based on the appropriate statutes or regulations for each award or honorary title.

Chapter V. Mechanized cutting, loading and hauling

Article 26. Requirements that will measure the Million Arroba Movement in mechanized cutting, loading and hauling:

a) To establish commitments for individual and collective cutting (operator and brigade) with the minimum of 1 million arrobas, 100 percent of the quota and 80 percent attendance.

b) The operators who do not follow the established number of days for each million on time and in the correct form will not receive the corresponding incentive although they can aspire to the next higher step if they deduct the days of delay; that is, reach 2 million arrobas within the time planned.

c) All the operators and brigades that have fulfilled their commitment will be reported periodically even if they do not fulfill their quota in the planned number of days on the table.

d) Any operator or brigade that does not meet the indicated requirements can be disqualified.

Article 27. The following incentives will be awarded:
A pennant to the operators who reach 1 million arrobas.

a) The operator who reaches 2 million arrobas cut or loaded will receive the /Victoria de Giron/ 2 Million Arroba Operator Pennant.

b) When he reaches 3 million arrobas cut or loaded, he will receive the /Bronze Giant/ 3 Million Arroba Operator Pennant.

c) The operators will receive a pullover for each million they cut, load or haul based on the established norms and principle.

Brigade

a) When the collective that operates a combine has cut a minimum of 1 million arrobas of cane, it will receive the /Jesus Menendez/ Million Arroba Squad Pennant.

b) The brigade that reaches an average of 2 million arrobas cut by machine will receive the /Victoria de Giron/ 2 Million Arroba Squad Pennant.

c) The brigade that reaches an average of 3 million arrobas cut or loaded by machine will receive the /Bronze Giant/ 3 Million Arroba Squad Pennant.

Section V. Individual Emulation

Chapter VI. Cutters involved in manual cutting

Individual incentive for cutters is called the /Million Vanguard/.

Article 28. The /Million Vanguard/ diploma will be established for the Youth Labor Army integrated into brigades or groups that reach the following requirements during the harvest:

a) Male cutters

For cutting for a collection center, burned or green cane, manual cutting and loading of burned and green cane: 150 percent fulfillment of the quota and 80 percent attendance.

b) Female cutters

The female cutters will receive the same award for all types of cutting listed in the above clause if they fulfill 100 percent of the quotas and 80 percent attendance.

Chapter VII. Mechanized cutting, loading and hauling

The following are established as incentives for operators, truck drivers and teamsters:

Article 29. To be awarded the /Million Vanguard/ diploma, they must meet the following requirements:

a) Fulfill 80 percent attendance during the grinding days of the mill for which they work.

b) Overfulfill the daily quotas on the following basis:

Activity	Quota
Mechanized cutting	1.0
Mechanized loading, hauling with truck Hauling operator, teamsters	1.5

Final Provision

The National Sugar Workers Union and the National Union of Transportation Workers will draw up specific methodologies based on this regulation.

The planned participation of workers and leaders in the different evaluations explained above must not interfere with the normal development of sugar production activities.

Given in the city of Havana on 26 October 1980, "Year of the Second Congress."

7717
CSO: 3010

LAY JUDGES IMPORTANT PART OF LEGAL SYSTEM

Havana JUVENTUD REBELDE in Spanish 21 Oct 80 p 2

[Article by Juana Maria V. Sol; for previous articles on this subject see JPRS 76982, 11 December 1980, No 2225 of this series, pp 92-96]

[Text] Performance of lay judges in their legal functions is indispensable.

"Among our lay judges we have simple and common men of the people: good workers and good citizens. They are, at the same time, the closest link between our people and our laws."

Gladys Elejarde, our interviewee, is concerned with anything that has to do with documenting lay judges in La Habana Vieja Municipality. When we visited her, she was immersed in the process of confirming those workers who will continue their functions in the tribunal, which takes place every 2 and 1/2 years.

"However," she explained, "this task, which the party supports completely because of its importance within the legal system, is not understood as well as it should be by the various work center administrations, which refuse to give the judges time off to carry out their duties, delay their departure or simply harrass them.

"Sometimes we have people tell us that it is impossible, for example, for them to go to the work center, since once it is known that they are lay judges, they are not accepted, not wanted; or that their offices or their immediate superiors refuse to allow them to leave during the 2 months required annually of tribunal personnel.

"We think critical and revolutionary analysis is lacking. The judge is going to carry out a social function of extraordinary importance, and his absence does not harm his place of employment, since the Ministry of Justice, through a state transaction, reimburses the employer for the judge's salary."

Bearer of Our Laws

The legal procedure, in any of its expressions--civil, criminal or labor--must be developed in accordance with established legislation, therefore, it is impossible to do the work without the lay judges.

Article 127 of the Constitution of the republic establishes rendition of services by workers elected to represent the masses in the People's Tribunals, from the municipal to the supreme court.

At the same time, Paragraph 4 of Article 77 of the Law of Organization of the Judicial System establishes that:

"Lay judges discharge their functions each year in two nonconsecutive periods of 1 month each," a measure which tries not to endanger their jobs. The process of electing this active element in our judicial system began on the initiative of the masses, who know their attitudes toward the people as a whole, as well as their human and revolutionary qualities.

This task is carried out by the party in the municipalities, and after the respective biographies have been studied, the names are given to the minister of justice, who proposes them to the organs of the People's Government. The latter may accept or reject them by direct and secret ballot.

Once the lay judge has some experience, the tribunal which has evaluated his work may propose that he be confirmed in that position. He can and should train the citizens within the community in any questions of a judicial nature or instruct them with respect to their rights and duties, which makes him, in effect, a bearer of our laws.

Violation of Article 127

What happens when the administration of a work center refuses to comply with an established law of our constitution?

First, it makes the work of the tribunals difficult: Normal matters are delayed on the administrative level, and work concerning legal procedure is paralyzed.

The presidents of the tribunals, therefore, can proceed under Article 161 of the Criminal Code, entitled "Refusal of Assistance," which reads: "Any public official who a) does not lend the required cooperation to the administration of justice or refuses public service when this is required by competent authority, incurs a penalty of 3 to 9 months' imprisonment or a fine to be paid in 100 to 200 installments, or both, and if, as a consequence of the circumstances referred to in the above paragraph, there is serious harm to the national interest or to any person, the penalty is 6 months to 3 years' imprisonment or a fine to be paid in 200 to 1,000 installments."

However, they usually resort to the normal mechanisms: first they send a written request for the worker's services, in which the above constitutional provision is quoted; if this does not bring any results, they visit the work center, and finally, if there is no other alternative, proceedings must be started, because the work center has violated the constitution.

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FAR CIVILIAN WORKERS HOLD EMULATION MEETING

Havana VERDE OLIVO in Spanish 23 Nov 80 p 55

[Article by Katia Valdes]

[Text] The MIN FAR [Ministry of the Revolutionary Armed Forces] Units and Dependencies Section of the SNTCFAR [National Union of FAR Civilian Workers] held a gala celebration on the occasion of its emulation plenary session for the 1979-1980 year of instruction in the Santa Maria del Mar Military Center installations. During this session, material awards were made to the winning units and vanguard workers of the section in the recently ended emulation period.

The best center banner was awarded to units 1122, 3088 and 9378 in the categories of scheduled production, education center and scheduled services, respectively.

The rank-and-file workers selected as vanguards of the entire section were Manuel J. Gonzalez Leyva, Jose M. Rodriquez Pendas, Margarita Torres Sanchez, Luis A. Acosta Rivero and Sergio Muguercia Sanchez.

This award was conferred upon the following worker-helpers: comrades Jose Delgado Hernandez, Jose Gomez Crespo, Maria Teresa Cabrera Sardinas, Osvaldo Rodriguez Darias, Eduardo Camacho Perez and Ivan Rodriguez Perez.

In the technical category, workers Herborto Bernal Puertas and Felix Batista Pena were selected.

The enthusiasm of civilians in units and dependencies of the MINFAR in the performance of their duties during the past year of instruction was exemplified in comments by vanguard Jose M. Rodriguez Pendas, of Military Unit 3088, who committed himself not only to keeping the banners of emulation flying high but also in the future to achieving greater and better victories on this fundamental front of our workers movement.

The ceremonies were chaired by Col Jose Garcia Trujillo, president of the sectorial superior committee for emulation; Andrès Argote, first secretary at that trade union level; Jose Gutierrez Penaranda, member of the SNTCFAR secretariat; and senior and junion officers of the various units.

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CSO: 3010

UJC IN FAR CONSTRUCTION HOLDS REVIEW MEETING

Havana VERDE OLIVO in Spanish 23 Nov 80 p 56

[Article by Raul Brizuela]

[Text] With a view to analyzing the results of the work of the youth organization during the 1979-1980 instruction year, a seminar for instructors of the UJC [Union of Young Communists] of construction and housing organizations of the FAR [Revolutionary Armed Forces] was held recently.

During the seminar, the best experiences were described and guidelines and tasks were established for the current year of instruction, 1980-1981.

The program, in addition to analysis of the central report and the reading of several special presentations, included debate of questions relating to the work of the UJC in support of production and services, as well as methodological studies on the change in documentation, development of the assembly process and of documents containing guidelines for work in agitation and propaganda.

Participants in the seminar visited units which had distinguished themselves by the work of the UJC in all offices, particularly in its support in meeting production and services plans. Particularly instructive were the visits to Brigade 1 of ECM [Mambisa Steamship Enterprise] No 6 and Brigade 2 of ECM No 10, as well as participation in two socialist emulation inspections.

When he made the concluding remarks, Lt Col Gerardo Thaureaux, chief of the political section of constructions and housing of the FAR, emphasized the quality, enthusiasm and profundity with which the seminar had been conducted.

He stressed the principal points debated and called for redoubling the role of the UJC in production and services, raising the internal standards of operation in the organization and going more deeply into political-ideological work with the youth masses.

In another part of his speech, he urged the youth leaders assembled there to develop a meeting process at the level of the Second Party Congress and reiterated the confidence the command and the party have in the UJC and in the capability of its cadres to implement the guidelines and acquired experiences in their units.

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FAR MAGAZINE 'EL OFICIAL' IN CIRCULATION

Havana VERDE OLIVO in Spanish 23 Nov 80 p 55

[Text] EL OFICIAL issues No 4 and 5, 1980, will soon be placed on sale at Military sales Centers. This magazine provides articles of great interest and utility for the most diverse military specialties. In No 4, the reader will find articles of general interest such as: "Chinese Militarism," "Zionism: Instrument of Imperialism," "The Guerrilla Movement in the Fatherland's Great War," "The Duties of an Officer," "The Method of Parallel Planning" and others.

Officers of the CEM [Military Training Center] can read articles on the basics and principles of socialist military instruction, the sociological aspects of instruction and what the EME [Study Materials Program] should be like. The magazine includes articles on artillery, topography and mass extermination weapons. Aerial reconnaissance of the capitalist countries is another of the topics dealt with in a documented article.

The "Let Us Get To Know the World" section contains a historical, political, economic and geographic panorama of the Kingdom of Morocco. This article also contains an analysis of its armed forces.

No 5 contains such interesting articles as: "Preparation for the Normandy Landing," "The Feudal Traditions of Maoist Militarism," "Desert Terrain and Its Effect on an Offensive," "CIA: Three Letters Which Spell Crime," "The Influence of the Press in Combat" and others.

The tactical section is devoted to the defense of a city by the IM Battalion and the calculation of march by intervals of time, while the section on mass extermination weapons covers the topic of complete special treatment under night conditions and the use of the light flamethrower in the offensive. Additionally, this number has articles of interest to specialists in reargauard action, military engineering and information.

The "Let Us Get to Know the World" section in this issue is devoted to the Republic of Chile.

In both issues, the usual sections are retained: "Perhaps You Did Not Know," "Foreign Military News," and the usual summaries of the most important articles.

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SEPMI ACTIVITIES, OPPORTUNITIES EXPLAINED

Havana JUVENTUD TECNICA in Spanish Aug 80 pp 70-72

[Article by Jose R. Garcia Gonzalez]

[Text] The Society for Patriotic Military Education (SEPMI) is considered a suitable means of providing vocational guidance for advanced military specialties and technologies. It has many subject-matter centers where children and juveniles can make decisions relating to their professional futures.

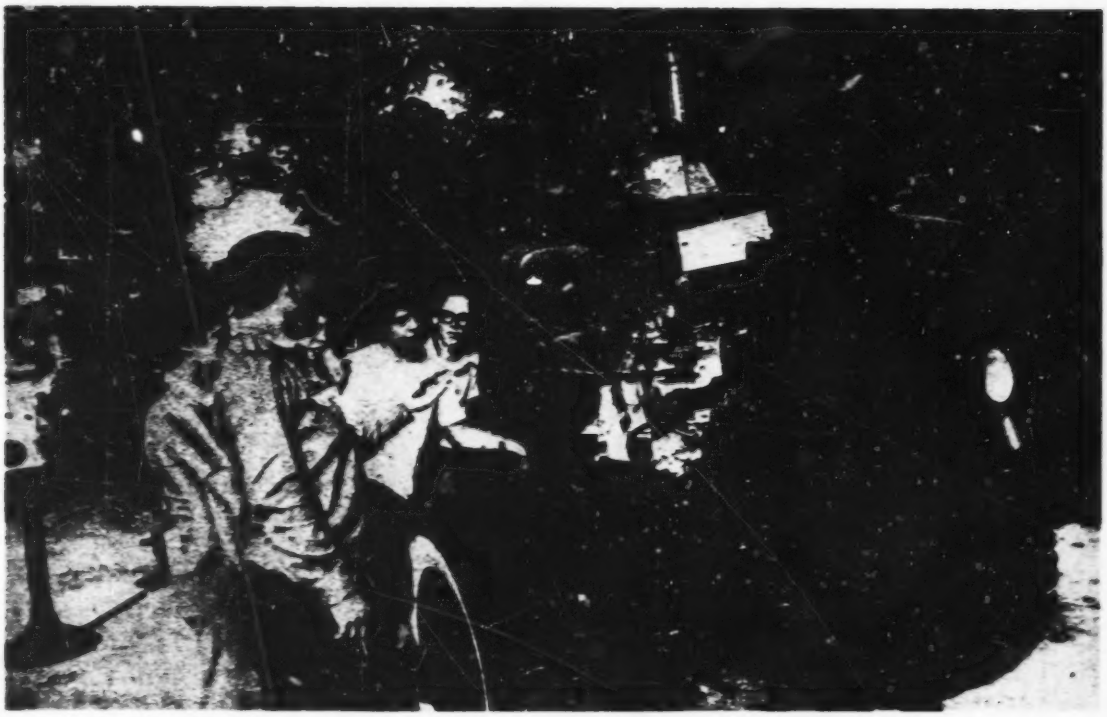
The SEPMI has the following objectives: to make known the military skill areas and the heroic traditions of the Cuban people and their Revolutionary Armed Forces; to work systematically on the early training of youths before they are called into a active military service; and to promote the development of technical-military sports in the country.

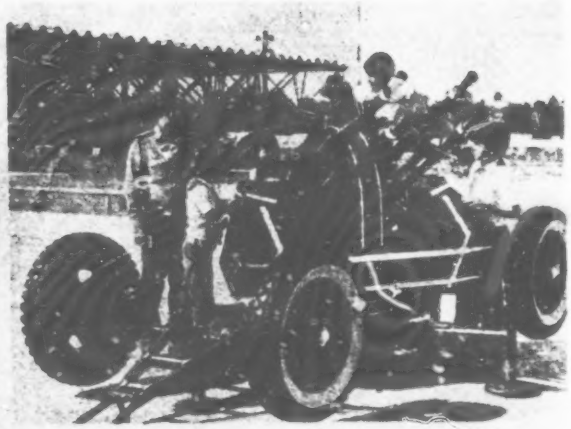
The basis of the SEPMI are the Rank-and-File Associations which can be established in any work center, cooperative or school which has a minimum of 10 interested youths.

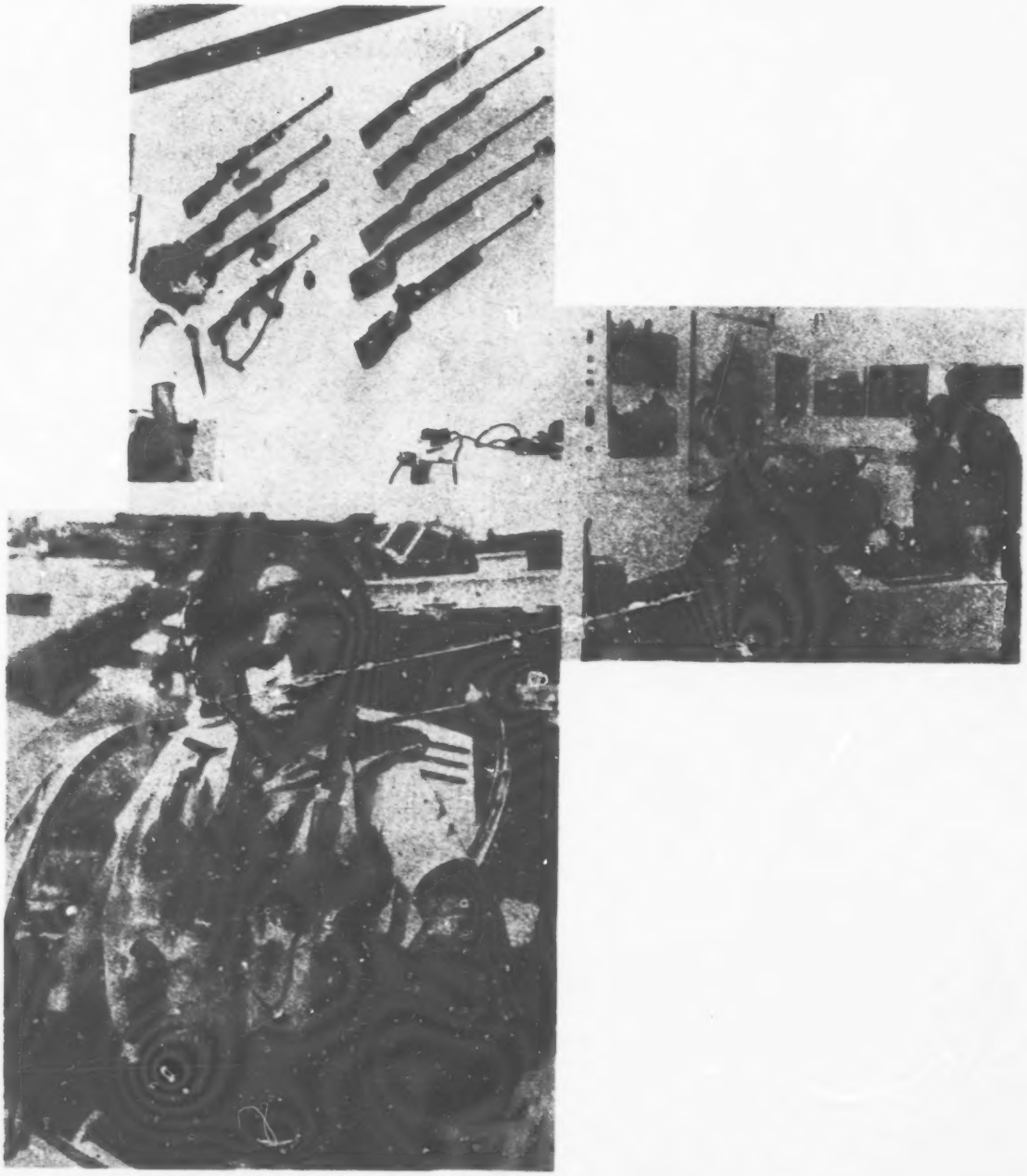
These associations have the responsibility of forming Technical-Military Sports Clubs to ensure the participation and advertisement and development of such sports among the populace and principally among 12-year-old girls and boys.

Youths or adults who are members of the SEPMI have the right to request membership in any of the clubs run by the Rank-and-File Association and, based on their particular interests, to participate in the following specialties: air sports (parachuting, airplane modeling and hang-gliding), water sports (rowing, kayak, powered navigation, skin diving, and scuba diving) and radio sports. Orientation on the terrain, motorcycling, map reading and marksmanship.

This activity, in addition to preparing our youth and people in general for the defense of the fatherland, arouses the interest of its members in the above-mentioned technical-military specialties.







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ISA CONDE DISCUSSES PCD MEMBERSHIP, LEFTIST UNITY

Membership Drive

Santo Domingo EL CARIBE in Spanish 6 Dec 80 p 4

[Article by Ruddy L. Gonzalez]

[Text] The Dominican Communist Party (PCD) last night made known its official program at a public function that took place in the headquarters of that political organization.

PCD Secretary General Narciso Isa Conde made a speech in which he advocated Dominican leftist unity in order to attain power.

Isa Conde also said that last night's ceremony also successfully concluded the first stage of the membership campaign carried out by the PCD throughout the country and stated that during that period the Communist Party obtained approximately 47,000 new members.

He said that the PCD membership campaign will be resumed on 15 January and will continue until the closing date in 1981 for PCD membership applications with the Central Electoral Board (JCE).

He pointed out that the PCD program is a full and amended version of the initial plan that was approved at the Second Congress of the Dominican Communist Party, in March 1979.

Isa Conde said that "this amended and corrected version of the initial plan contains a political plan and is the result of an investigation of our reality and and several years of theoretical effort."

He pointed out that "the compilation and discussion of various aspects, the examination and the statement of concepts, the introduction of hundreds of amendments, the updating, the synthesis of various trends that led to the attainment of this edition that we are presenting today has been the result of an intensive collective task, not free of evident delays and failures prior to the definitive publication."

Isa Conde added that "we now finally have the definitive edition of the Dominican Communist Party program, based on a Marxist interpretation of our reality. It contains an extensive and profound diagnosis of the society in which we live, specific orientations for its change, and the type of society for which we are struggling; an aggregate of theses that include formulations on religion, the military, the question of women, and of trade unionism; and the bases of our international policy."

He added that the PCD program "is a program of struggle, a program that strengthens the unity of our party, a quality program that in this regard places the PCD above all of the country's organized parties, which in the best of cases have nothing better than very deficient programs or do not go beyond general statements."

He said that the marked drop in popularity of the government and of the Dominican Revolutionary Party (PRD) and the expectations that its possible electoral defeat in the forthcoming 1982 primaries creates calls for an order of the day discussion of options for replacement, specifically on the prospects of communists and of leftists, as well as on the necessity for unity as a means to power, and its already growing political influence in the national life.

He indicated that nowhere in the PCD program is there any indication that the party will compete exclusively in only the 16 May 1982 elections and said that the PCD therefore asks communists to unite in forming a front for the purpose of winning in the primaries and of attaining power in the country.

Tens of communist militants and leaders were present at the function that celebrated the issuance of the PCD program.

Supports Unity

Santo Domingo LISTIN DIARIO in Spanish 6 Dec 80 p 12

[Article by Eduardo Montano]

[Text] The Dominican Communist Party advocated that all leftist political organizations unite in order to participate together in the general elections scheduled for 1982.

PCD Secretary General Narciso Isa Conde made a speech during the ceremony of the PCD Membership Campaign in which he explained that "we have been expressing the need for the unification of leftist organizations for about 2 years."

"In March 1979, immediately following the II Congress of the PCD, we said that it was indispensable for the left to unite and form an intensive unitary movement with clear anti-imperialist determination," the political leader pointed out.

Recently Professor Juan Bosch, chairman of the Dominican Liberation Party, called for unity of the leftist parties for the purpose of participating in the forthcoming electoral primaries.

Bosch declared that we in the leftist organizations "must unite and try to attain power because of the blunders of the government of the Dominican Revolutionary Party."

Narciso Isa Conde said that "the necessity for organizations to unite constitutes one of the basic necessities of the Dominican revolutionary process.

"Every leftist party," specified Isa Conde, "must try to develop, to gain influence, to grow organically for the purpose of attaining the decisions that are necessary to make opportune and fruitful alliances."

The PCD secretary general said that the most important task consists of drawing important sectors of the people away from the social-democratic influence of the PRD and from the control of the Reformist Party, for the purpose of creating a propensity in the masses to ask questions and to support the anti-imperialist option.

"This plan was approved," he said, "in our II Congress, and at that time it was not said that the PCD contemplates exclusively the possibility of participating only in the 1982 elections, as Professor Juan Bosch recently stated."

Isa Conde said that this position did not exclude unity with the organized revolutionary forces, only that it heightened the few possibilities for success that the political leftist organizations had at a determined moment.

He added that "for that reason we are choosing a path that will contribute to a process of redetermination and regroupment of social and political forces that could lead to a leftist convergence of greater determination, without predetermining its form or its constituents.

"In fact, during the period between our II Congress and the present, we have proceeded in accordance with that line, which has contributed considerably to changing the correlation of political forces in favor of the most advanced ideas," said the political leader.

And he emphasized that "in addition we have stimulated propensities toward unity of action and we have made a significant ideological and political contribution that by degrees is resulting in a change in the framework and in the most negative positions of the forces that declare themselves to be leftist."

Isa Conde said that the Dominican Communist Party has helped to point out "the disillusionment of the people's aspirations that is represented by the Dominican Revolutionary Party which has become the ruling organization.

"The unitary vocation of the PCD has been demonstrated in the participation and in the support that we have given to all the social struggles that have freed the dispossessed classes," said the secretary general of the Dominican Communist Party.

Present at the PCD membership ceremony were Eduardo Aguilar and Hugo Navarrete, representatives of the Farabundo Marti Front, of El Salvador, and tens of leaders and sympathizers of the organization.

Isa Conde also reported that yesterday concluded the first stage of the PCD Membership Campaign, with approximately 47,000 new members.

He said that "the revolutionary policy that we carried out won us sympathy among the masses and that constitutes a triumph for the effort displayed by a great part of our militants."

The political leader said that the effort developed by the PCD militants will be resumed this coming 15 January and will continue "until the closing of the filing of applications for our electoral rights."

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FDR LETTER PROTESTS ABUSES AGAINST PRESS FREEDOM

Managua EL NUEVO DIARIO in Spanish 4 Nov 80 p 4

[Excerpts] We have received the following from the Salvadoran FDR [Democratic Front for the Revolution]:

The hackneyed Inter-American Press Society, IAPA, a reactionary organization of the business operators who run the printed communications media, has just decided to question the full freedom of the press in Nicaragua.

On the other hand, it has nothing to say about the monstrous violation of freedom of the press in El Salvador, where more than five newsmen (both domestic and foreign) have been murdered and where the independent press suffered endless attacks which IAPA is quite aware of although it maintains suspicious silence every time. This is happening for example in the case of bombs which are constantly exploded ten or more times, destroying the facilities of the Catholic newspaper ORIENTACION. The same is happening to the daily EL INDEPENDIENTE whose managing editor, Mr Jorge Pinto, has been subjected to many attacks and whose daily was destroyed, to the point where all of the facilities were reduced to ashes. In a similar manner, they tried to finish off YSAX, which they destroyed more than six times, but it keeps rising again from its ashes like the Phoenix, with the help of all Salvadorans and the peoples of the world who defend human rights.

Now we have a new violation against freedom of the press. Yesterday, the young Vicente Ramos was captured at 1100; he is an employee of API/News; he happened to be doing his job. The arrest was carried out by national police and army soldiers on 4th Street East, south of the Salvadoran capital. At the moment of his arrest, Vicente Ramos was wearing blue trousers and a yellow-coffee-brown shirt. So far, the various organs of repression and the army have said nothing about his arrest. Young Ramos was working on the information bulletin which the enterprise puts out.

AIP S.A. de C. publishes this bulletin which is distributed in various government offices and to private employees, as well as at the embassies accredited in this country.

So far this year, API has been subjected to one investigation and many threats against its employees, culminating with the arrest of its managing editor, Mrs Vida Cuadra Hernandez, all because API is the voice of the people and honestly presents the information without selling out to unscrupulous and opportunist members of the Junta and its criminal army.

We ask all press media throughout the world, all cultural workers, all intellectuals, to send telegrams to the Junta, demanding respect for the life of the worker Vicente Ramos and that he be returned to his family and his job.

When will the IAPA send us a copy of its protest?

This year has been particularly tough on the teachers' association. More than 15 comrades were murdered by the criminal hordes of ORDEN [Nationalist Democratic Organization], the UGB, the Death Squad, and other gangs of criminals with commissions in the Defense Ministry of the Christian Democratic Military Dictatorship.

All of these are teachers and some of them are innocent victims of this damnable Christian Democratic criminal regime. Those cynics who, in the name of democracy and the people, murder many persons who have done nothing wrong and who fear nothing, shall pay before the tribunal of history for the blood they shed uselessly. Their downfall is imminent and we wait for their punishment to be carried out. Their condemnation is imminent and necessary. Let them not expect any mercy from the people who suffers from the blows with stoic and heroic attitudes.

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PAZ WARNS SOLDIERS OF OUTSIDE THREAT TO NATIONAL SECURITY

San Pedro Sula LA PRENSA in Spanish 17 Nov 80 p 2

[Text] Choluteca--President of the Republic Gen Policarpo Paz Garcia, in a speech delivered Saturday in Choluteca, on the occasion of the celebration of the 21st anniversary of the 11th Infantry Battalion, said that "today as yesterday, elements alien to the country's ideals, bad men in the service of extracontinental interests, are intentionally disturbing the climate of harmony and peaceful coexistence in which our peoples want to develop their lives and artificially seek to create an atmosphere of chaos, insecurity, and pessimism is everybody in order to weaken out nationalism, to take away the roots of our historical tradition, to divert us from the ways of liberty, from our Christian faith and from the permanent values of democracy.

"To confront this threat, which hangs over our future, we will everyday strengthen our domestic defenses and we will guarantee the conditions that are indispensable for safeguarding our international security. But it is not enough to continue to be free in terms our readiness and capacity for the armed struggle. It is indispensable for all the people of Honduras, headed by their armed forces, conscientiously to protect our civic values. We must penetrate into the minds and hearts of all citizens so that the very last of our fellow citizens will understand the high price of peace, the material and spiritual fruits deriving from liberty and the flexibilities which only the democratic system makes possible, so that we may achieve economic, political, and social changes which the people demand of us, in facing the last decades of the 20th century. We have just signed in Lima, Peru, the historic document through which we take specific steps toward the normalization of our relations with the Republic of El Salvador.

"This act, fully backed by justice, equity, mutual respect between sovereign states and international law, is being adopted by a state whose people loves peace, defends peace, and lives by permanently preparing itself to strengthen it. The definition of our borders is as important as our determination to defend them against any attempted violation or insult. For this we live as soldiers, ready to do our constitutional duties which assign us a position in the first line of sovereignty, independence, and liberty of our beloved Honduras."

Bali Castillo Speaks

The unit's commander, Col Daniel Bali Castillo, in an address which was called highly interesting, said that "we are not unfamiliar with the difficult situation

experienced by our Central American sister nations and we cannot be, in spite of the neutrality which is guaranteed by our government and our armed forces.

"We are soldiers and, although we are inspired by a fervent desire to maintain peace as a standard of coexistence, in our nation, we are not unaware that the forces of subversion are not asleep and that violence is all around us.

"Today, more than ever before, we are alert and vigilant because the enemy does not sleep and does not rest in his eagerness to undermine the democratic foundations that constitute our republican way of life.

"We are soldiers of liberty and that assertion and determination places us in a situation of combat against those who, in the service of communist imperialism, try to subvert the moral and spiritual values and the law which we inherited from our ancestors.

"We are soldiers of the West, that is to say, we are Christian soldiers; we cannot conceive any other way of living that does not give us liberty with absolute respect for independent life under the slogan of 'God, Union, and Liberty,' that continuous trilogy which inspires us as soldiers of Honduras; today, as yesterday, the enemies of democracy shall not pass because we are ready, with the highest spirit and discipline, to make right, justice, and the liberty of our people prevail, at the price which the fatherland asks us to pay.

"We are strong because we love and serve Honduras. Let no one underestimate our firm determination as soldiers to maintain the peace of the republic, the stability of democratic institutions, the dignity of the people, liberty and dialogue as standards of social coexistence and national independence against the interests of minorities that have surrendered to the subversive doctrines in the service of international forces."

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FINANCIAL EXPERTS: COUNTRY SHOULD NOT DEVALUATE PESO

Mexico City EL SOL DE MEXICO in Spanish 4 Dec 80 Sec B pp 1, 6

[Text] So long as it has oil, Mexico will not find it either necessary or advisable to devaluate its currency. This entails a risk: the country is being debilitated by the high rate of internal inflation. It is possible that, in the future, the peso may "float" independently, with respect to the other hard currencies in the world.

Furthermore, Ronald Reagan (the American president-elect) will not be able to fulfill his offer for next year to reduce inflation in the United States, a country which will begin a slow recovery, owing to the money shortage.

The privileged bank interest rates may perhaps decline considerably during the early months of the year, but it is presumed that they will remain high for a long time to come.

"The latter will obviously hurt the economies of the developing nations, particularly those supplying the American market."

This warning was given yesterday by Stuart Bass, Thomas Campfield and Dimitri Balatsos, vice-presidents in different areas of the exchange market of Manufacturers Hanover Trust Company (MHT), and Hywell Jones, director of the Henley Center for Monetary Studies in London, at the seminar on the outlook offered by the international exchange markets for 1981.

The four men submitted their predictions here yesterday to over 100 bankers, financiers and treasurers of business firms gathered in a room at the Camino Real Hotel, where they were introduced by William D. Klay, vice president and Mexican representative of MHT, which is the fourth-ranking bank in the United States.

Campfield, a consultant on short term international exchange, declared: "The considerations regarding interest rates are again the most influential factor on the foreign exchange market. The increased rates have made it attractive to invest funds to accrue good profits, particularly in view of the capital gains that occur when interest rates drop."

However, he cautioned: "When the market notices that interest rates have reached their maximum point, the dollar will begin to decline."

Campfield expressed the view that the inflation rate in the United States would be between 10 and 12 percent and, in his opinion, "for the Mexican peso, the risk of a devaluation is related to its inflation rate."

Hywell Jones, an expert forecaster for the long term exchange market and director of the Henley Center, predicted a relative improvement for the dollar, despite the fact that the deficit in the balance of payments ($30 billion) is still very large.

He revealed that the pound sterling is overvalued by at least 10 percent.

And, in connection with the Mexican peso, he remarked: "If oil were to be separated from the Mexican currency, its exchange rate would be far lower."

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21 January 1981

Latin America Report

No. 2240

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BRIEFS

OIL DRILLING CONTRACT--Rio de Janeiro--Petrobras has signed a contract with Etesco, Inc. to provide services in drilling wells in Brazilian sedimentary soil using two drilling rigs which belong to Petrobras. Petrobras explained that this is in line with its program of incentives to national industries to acquire their own technology in drilling petroleum wells. [PY021954 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 23 Sep 80 p 25]

PETROLEUM DISCOVERED OFFSHORE--Petrobras has discovered a new petroleum deposit in the Campos Basin, Rio de Janeiro State. This well has been named 4RJS-153 and its original flow has been estimated at 2,000 barrels daily. The well is located between the field of (Pampa) and (Badezo) approximately 80 km offshore and at a depth of 96 meters. [Sao Paulo Radio Bandeirantes Network in Portuguese 1000 GMT 6 Jan 81]

ALCOHOL-POWERED CARS PRODUCTION--Brasilia--According to Marcos Jose Marques, chairman of the National Executive Commission for Alcohol (CENAL), 202,000 new alcohol-powered cars had been produced by the end of November this year. He indicated that 60,000 more cars will be produced in December, thus surpassing the 250,000 target figure established for 1980. [Rio de Janeiro O GLOBO in Portuguese 20 Dec 80 p 17]

ALCOHOL FROM BAMBOO--Scientists at the Food Technology Institute [ITAL] in Campinas and at the agricultural institute of the University of Sao Paulo have discovered that bamboo has an 80-percent carbohydrate content and, consequently, the highest alcohol yield of any alcohol source in the vegetable kingdom. ITAL has set up a pilot plant to fully develop the technology to produce ethyl alcohol from bamboo. [Rio de Janeiro O GLOBO in Portuguese 26 Dec 80 p 13]

COMMERCIAL AGREEMENT WITH VENEZUELA--Brasilia--Marcos Jose Marques, secretary general of the Industry and Commerce Ministry, has reported that Brazil has agreed to sell 600,000 tons of sugar to Venezuela during the next 3 years, and to purchase petroleum at a level estimated at 40 barrels daily during the same period. [Sao Paulo O ESTADO DE SAO PAULO in Portuguese 25 Dec 80 p 18]

CSO: 3001

GOVERNMENT TAKES FUEL CONSERVATION MEASURES

PA231829 San Jose Radio Reloj in Spanish 1200 GMT 23 Dec 80

[Text] The national government yesterday took a number of fuel conservation measures. The completion of the Costa Rican Electricity Institute's hydroelectric projects will be moved up a year so that all funded projects are expected to be finished by 1988. This means there will be two new plants capable of producing 180,000 kilowatts each. One will produce 90,000 kilowatts and the other one, 40,000 kilowatts.

A program to build small hydroelectric plants has begun with nonreimbursable OPEC funds and advances have been made in geothermal energy so that in 1985 we will have 40,000 [additional] kilowatts. Coal exploitation studies in Baja Talamanca are also advanced and it is expected that the big electrically powered national railroad will be finished in 1981 between Rio Frio and Limon, a distance of 125 km.

Fuel alcohol production will total 10 million liters in 1981, which will be increased until we reach (170) million in 1984. The government has given legal clearance to private business to produce fuel alcohol and the National Production Council has solicited bids to set up privately run distilleries in Los Chiles, Guapiles and (Upala). A mechanical training program is underway with the National Training Institute to adapt gasoline engines to alcohol and pure distilled fuel [hidratados sin mezcla].

The government has set a goal to tackle the petroleum price hike. It won't import any more petroleum in 1981 than can be paid for from the 1980 coffee harvest. Measures are being taken to achieve that goal. A fuel price policy will be practiced to reduce diesel consumption because it cannot gainfully be replaced with alcohol. This will help close the price gap between gasoline and diesel.

Along with strict quality control of fuel sold to the public, the gas stations will close after hours as of 4 January 1981. In the metropolitical area they will close from 1900 to 0600 and in the rest of the country from 1700 to 0500. The idea that government and official agency vehicles will not run 1 day a week is also being supported.

Another strong fuel efficiency measure taken by the government is the ban on parking in downtown San Jose. No vehicles except bicycles and motorcycles will

be allowed to park between 11th and 12th Streets and between 4th Avenue and 5th Avenue. The Transportation Ministry has been ordered to coordinate this measure with the San Jose City Hall.

It has also been decided to install meters in the public transport vehicles as of January and to raise to the utmost consumption taxes on high-speed diesel engines. The import tariff on energy saving equipment will be studied with an eye to lowering it and the establishment and funding of the production of methane gas for energy purposes will be promoted. The study of solar-powered water heaters and modification of diesel equipment into bunker-powered equipment will be promoted.

Gas and diesel price hikes will be announced in early January, presidential sources reported. The diesel price will go up by almost 100 percent, while gasoline will go up 20 percent to close the price gap between the two fuels. A bill will also be introduced in the legislature to raise the road tax on lightweight, privately-owned diesel vehicles not used in the production of goods and services of public interest.

CSO: 3010

PAPER CRITICIZES TEXACO'S REFUSAL TO REFINE CRUDE

PA041838 Panama City LA REPUBLICA in Spanish 2 Jan 81 p 4

[Editorial, "The First Problem"]

[Text] This newspaper, on Tuesday, published an exclusive report on the threat made against oil which is to be sold to us under special conditions, in accordance with the San Jose Treaty signed by Panama, Mexico and Venezuela.

According to this report, "sources close to the Oil and Energy Commission have reported that the Panama refinery refused to refine oil from Mexico and Venezuela, claiming that the crude imported from those countries is of low quality, and that the byproducts of this crude do not meet commercial standards and would therefore result in losses."

In other words, the Panama refinery refuses to process oil that the country needs; oil obtained, as we said before, under conditions which are favorable to our economy.

We are not aware of the conditions under which the Panama refinery really operates. It has been said that the refinery is a subsidiary of the Texas Company [as published], a U.S. transnational oil company with branches throughout the world. The Texas Company is one of the powerful "seven sisters" of the worldwide oil cartel which controls oil exploitation. Oil-producing nations sell the crude to the "seven sisters," which transport it to their refineries, process it, and market it while controlling prices to consumers to obtain such astronomical profits that President Carter tried, unsuccessfully, to curb them. These oil companies, which have become an untouchable empire and whose scope of operations is unknown by the governments of the world, control the oil business on a worldwide scale.

It is said that the "Texas Company" owns the crude oil produced in Ecuador, and that its subsidiary, the Panama refinery must therefore prefer Ecuadorean crude, although this attitude seriously harms the national economy and development.

This is a serious problem for Panama. It is a repetition of the position of the U.S. transnational company that operated in our country under the name American Power Company. It is now known that this company, under the protection of the Catlin contract, which was signed in 1917, for more than 20 years succeeded in preventing the development of hydroelectric power in our country, thereby causing

enormous damage to our country and people. We believe that in this case, the government should force the refinery to abide by the implementation of the San Jose Treaty. Otherwise, if the refinery imposes its point of view, and if it is accepted without obtaining the opinion of government oil experts, we will suffer situations similar to those caused by the intransigent attitude of the "American power company."

CSO: 3010

EXPELLED BOLIVIAN LEADERS ARRIVE IN PERU

PY030030 Paris AFP in Spanish 1917 GMT 31 Dec 80

[Excerpts] Lima, 31 Dec (AFP)--Juan Pereira Fiorilo, director of the closed Bolivian newspaper PRESENCIA, arrived here at noon today, deported by the military regime of his country together with a prominent mining leader and other persons expelled for extremist activities.

The accusation of extremist activities is stamped by the Bolivian military on the documents of Pereira; Severo Torres, secretary general of the Siglo Veinte Miners Union; Gerso Justiniano, former president of the Electoral Committee of Beni Department; and students Carlos Valderrama and Roberto Heredia. All of them, however, said they did not know the true motives behind their expulsion, which they attributed to the existing lack of freedom in their country under the regime headed by Gen Luis Garcia Meza.

Pereira, former integration minister, former Bolivian representative to the Andean Pact and director of the Catholic newspaper PRESENCIA, was detained last 23 December. He said that he is apparently accused of disseminating subversive documents, which he flatly denied.

For his part, mining leader Severo Torres acknowledged that the strength of his labor union is momentarily broken, that the mines are occupied by government troops and that many miners have been detained, 13 of them in Cochabamba; while the leader Jorge Killer [as received--presumably Communist leader Jorge Kolle] is under arrest in La Paz. Torres, however, asserted that the Bolivian Labor Federation (COB), whose leaders are living in exile, is preparing itself for resistance to the armed forces regime because, he asserted, there are symptoms of discontent which make Garcia Meza not quite so secure as is apparently believed.

Torres, Justiniano and the students Valderrama and Heredia left for Stockholm this afternoon.

CSO: 3010

FORTY DEPORTED BOLIVIANS ARRIVE IN PERU

PY091620 Paris AFP in Spanish 0154 GMT 9 Jan 81

[Text] Lima, 8 Jan (AFP)--Expelled by the regime of Gen Luis Garcia Meza after a dragnet operation carried out on Wednesday in Bolivia, 40 exiles from that country arrived unexpectedly here today, with the classic seal "deported for extremist activities" stamped on each of their documents by the Bolivian Government.

Most of them are women and children, relatives of formerly deported men, and an Argentine student, who make up the largest group of persons expelled from Bolivia to Peru since the coup headed by Garcia Meza which took place 17 July 1980.

Mireya Ayala, wife of a previously deported worker, reported that she was arrested yesterday with her two minor children in the mining sector of Potosi, where there are between 200 and 300 miners arrested, and she said she is absolutely sure that 50 bodies have been hidden in that zone.

Eduardo Pita, 26 years of age, the Argentine student of journalism at the La Paz Catholic University, said that he was also detained during the same dragnet operation. He was not given any explanation of the reasons for his expulsion. He assures that he had never participated in political activities.

The unexpected arrival of these persons has changed the normal migratory control system because their flight had not been scheduled, although they were solicitously taken care of by the local officials and by the UN High Commissioner for Refugees (UNHCR), and by the Intergovernmental Committee for European Migration (ICEM). Eleven of them left for Bogota this same afternoon, while the remaining 29 refugees will leave tomorrow for Mexico, after receiving free assistance from those organizations, as revealed by Victor Torres, ICEM representative to Lima, who confirmed that with this group the number of Bolivian exiles assisted here since the military coup now totals 350.

Most of them decided not to make any remarks, arguing that they still have relatives in Bolivia, and are trying to avoid retailations. The deported persons were in a very poor condition due to the fact that they were deported so quickly and were carrying only their most indispensable personal belongings.

CSO: 3010

SEVENTY COLOMBIANS TO BE DEPORTED FROM VENEZUELA 29 DEC

PA292156 Bogota Radio Sutatenza Network in Spanish 1200 GMT 29 Dec 80

[Article by Guillermo Pena]

[Excerpts] It has been learned here from official sources that the first group of Colombians to be deported from Venezuela, a total of 70 persons, will be turned over to the authorities of the border city of Cucuta early today.

These undocumented persons were detained in Caracas on 25 and 26 December during the first searches conducted by the Venezuelan police to find those persons who had not followed the government's instructions on registration of foreigners who entered the country illegally. At the present time these undocumented persons are undergoing routine investigations to establish if they have broken any Venezuelan laws. Following this they will be taken to Cucuta and turned over to the Colombian immigration authorities.

From another quarter it was reported that the first surprise for the Venezuelan officials looking for undocumented foreigners was the discovery that the majority of persons arrested during the operation were Venezuelans who were not carrying any identification. This caused several unpleasant situations and complaints from those arrested.

It was likewise reported that all Venezuelan sectors support the search for undocumented foreigners, but that this does not mean that there is a collective anti-foreigner hysteria, as has been insinuated in some press reports.

The sources indicated that the Venezuelan technical judicial police are handling the situation calmly, so as to protect the foreigners who are duly registered and offer them the protection of the state.

In Colombia the media is awaiting the implementation of the announced deportation which, according to official Venezuelan statements, will take place in stages to avoid one mass deportation which would cause problems in the border area.

In spite of the Colombian Government's silence on the problem, several protests have been made against the Venezuelan Government's decision to deport the Colombians, who have traveled to Venezuela seeking employment or better living conditions.

One of these protests was voiced by the former president of the Chamber of Representatives' Foreign Relations Committee, former Congressman Ricardo Barrios Zuluaga, who revealed today that Venezuela is violating the border treaties signed with Colombia by deporting these Colombians. He demanded that the joint commission on immigration formed by the so-called Arauca Declaration should meet immediately to discuss the matter.

Barrios Zuluaga recently proposed a trip by congressmen to the Guajira region to reaffirm Colombian sovereignty in the area, but was persuaded by the executive to suspend it so as not to hinder the negotiations underway on the delimitation of sea boundaries.

CSO: 3010

REPRESSION IN HAITI DENOUNCED BY VARIOUS GROUPS

EDOC on Breaking Relations

Santo Domingo EL NACIONAL in Spanish 9 Dec 80 p 17

[Article by Roberto Marcalle Abreu]

[Text] The seminar on Dominican-Haitian relations sponsored by the Caribbean Studies and Documentation Institute (EDOC) concluded today with an appeal to the national government to break off relations with the government headed by Jean Claude Duvalier in Haiti.

Also at this event, the progressive groups in both countries were urged to launch joint processes of struggle and organization "which could culminate in a kind of federation of the two states."

Such a federation, it was added, "involves mutual recognition of the cultural assets of each state, which are enjoyed in relative autonomy."

The concluding document also stressed the religious problem which has in turn created conflicts between the two countries, since "the historical project of Christian evangelization in the Dominican Republic has been distorted by the participation of the dominant classes.

"This evangelization or Christianity handed down from above 'has projected an image of a Spanish and Christian Dominican character opposed to the Haitian nationality, which has been identified as African and pagan.'"

The document explains that Christianity, seen as a civilized and true religion, was imposed, with a condemnation of all the cultural characteristics of the people having their origin in religious beliefs of Spanish origin.

"In view of the great influence of the Church among the peasantry, it has been an important factor in transmitting a dominant ideology to the exploited masses, tending to strengthen the barriers separating the Haitian and Dominican peoples," the document said.

It said further that the Caribbean peoples as a whole have historically been subjected to domination by imperialist powers through the strategies of penetration

and control, "mainly colonialism and neocolonialism, economic interference by the multinational companies and the financial institutions, and ideological penetration, as manifested in the trilateral theory and the configuration of the national security state."

It added that the dominant classes in the Dominican Republic and Haiti have been the sponsors of the study, analysis and interpretation of the social sciences in both countries.

"They have distorted historical facts in order to conceal the true roots and the social, economic, political and cultural problems of the two peoples," it was stated.

In this connection, the seminar decided to stress the study of the history of events revealing the solidarity between the two peoples, denouncing the way in which the ideological apparatus nurtures an anti-Haitian attitude.

It was also decided to set aside the traditional historiographic cultural analysis claiming the existence of antagonism between Haiti and the Dominican Republic, which is not real.

PRSC Scores Violations

Santo Domingo EL NACIONAL in Spanish 10 Dec 80 p 12

[Article by Hector Garcia]

[Text] Santiago, 10 December--A municipal leader of the Christian Social Revolutionary Party (PRSC) has condemned the wave of arrests of political figures and journalists there launched by the Haitian Government.

Ramon Antonio Cruz Belliard, vice president of the municipal committee of the PRSC in this city, said that the repressive escalation being carried out by the regime of Jean Claude Duvalier against the Haitian people is a product of the decline of the tyranny.

Cruz Belliard said that the Haitian Government has always been characterized by its excessive actions against all sectors, as well as its violations of human rights.

He added that the imprisonment of one of the highest social Christian leaders in Haiti, as well as his daughter, is a sign of the rise this party has experienced on that middle island and the fear felt by Duvalier that the organization can oust him from power.

He expressed his concern at the arrests being made in this brotherly country, while stating that "the whole of public opinion should speak up against the actions of the Duvalier regime."

The social Christian politician added that the Haitian Government has not been content to limit the right to information but is also exerting pressure on journalists, threatening them with imprisonment and other arbitrary actions.

Cruz Belliard urged the international bodies concerned with respect for human rights, as well as the Organization of American States, to voice their protest against the situation to which the Haitian people are subjected.

He said that the situation existing there should be of concern to the entire world and that therefore a struggle should be waged to put a definitive end to it.

CDP on Political Prisoners

Santo Domingo EL NACIONAL in Spanish 10 Dec 80 p 30

[Text] The Dominican Peace Committee (CDP) has indicated that an intensive wave of repression has been launched in the neighboring Republic of Haiti, under the tyrannical dictatorship of the Duvalier family.

This organization, in a statement signed by its secretary general, the painter Silvano Lora, noted that the majority of those persecuted "in a sweep of a new type, represent a public opinion sector tolerated in recent times."

The statement said that this sector functioned so long as the farce of relative respect for human rights was retained, and it noted that this sector includes editors of periodicals, writers, journalists, leaders and fighters for the expansion of democratic freedom.

The statement noted that writer Jean Dominique, the director of Radio Inter, has disappeared, and that this is an individual well known in Santo Domingo in various circles.

The committee asserted that Lunice Joinville was also arrested, and that the writers Constantin Pognou, editor of the daily COQUELICOT; Marcus Garcia, director of Radio Metropoli; and Josepho Eugene, editor of FRATERNIDAD, the organ of the social Christian opposition party, were imprisoned and mistreated.

Those imprisoned also include well-known journalists such as Pierre Clitandre, who writes a column in LE PETIT SAMEDI SOIR, and who recently published a work on trafficking in Haitian manpower.

"The brothers Jean Probert Herard and Gabriel Herard are known commentators on the current Haitian situation and committed writers who denounced the abnormalities and injustices in this brotherly country," the statement by the committee noted.

In this connection, the organization asked the public to voice its solidarity with the Haitian citizens who are struggling under extremely difficult conditions for economic and political improvement, for their constitutional rights and for the release of all those arrested and imprisoned for political reasons.

5157
CSO: 3010

BRIEFS

COLOMBIA-VENEZUELA DEPORTATION PRACTICES--Bogota--Spokesmen for the Alien Affairs Section of the Administrative Department of Security [DAS] have denounced some irregularities which have been committed by Venezuelan authorities when deporting undocumented aliens. The DAS said that persons holding proper documentation and duly authorized to live in Venezuela have been arrested and it demanded compliance with the respective laws by Venezuelan authorities. It was also reported that deportations of undocumented persons will increase after Saturday, 3 January 1981. [Text] [PA311518 Bogota Radio Sutatenza Network in Spanish 1200 GMT 31 Dec 80]

PCC CHARGES STRATEGY AGAINST CUBA--Bogota, 26 Dec (AFP)--The Communist Party of Colombia (PCC) has charged there are plans "for a new strategy against Cuba" and accused the presidents of Colombia, Venezuela and Peru of promoting these plans. The weekly VOZ PROLETARIA, organ of the PCC, expanded its accusations also to include the presidents of Costa Rica, Panama, the Dominican Republic, Ecuador, El Salvador and Spain. The presidents of these countries attended the commemoration in Santa Marta, Colombia, on 17 December of the 150th anniversary of the death of liberator Simon Bolivar at a meeting described as "democratic summit." The Communist Party noted that this meeting's objective was to study a strategy to stop the advance of the "patriotic forces" in the Caribbean and South America. It added that the Santa Marta Summit was held under the most strict security measures without any apparent purpose other than to pay tribute to Simon Bolivar. VOZ PROLETARIA concluded by indicating that the summit was not democratic but a "rightwing summit," as shown by the presence of the New Salvadoran president, Jose Napoleon Duarte. The Government of Colombia so far has made no reference to the PCC comment. [Text] [PA261513 Paris AFP in Spanish 1446 GMT 26 Dec 80]

CUBA EXTRADITES M-19 MEMBERS--The Colombian Government today asked Cuba to extradite the 19 April Movement (M-19) commandoes that hijacked an Avianca plane 8 days ago and flew it to Santa Marta, Barranquilla, Panama, Mexico and then Havana. Foreign Minister Diego Uribe Vargas made this disclosure. The request has been submitted directly to President Fidel Castro. The M-19 commandoes disappeared Tuesday from the Havana airport and there has been no information on their whereabouts since then. Uribe Vargas said this as he was entering the last meeting of the Council of Ministers this year. Several months ago another M-19 commando unit traveled to Cuba in what constituted the culmination of the seizure of the Dominican Embassy. Regarding this subject, government Minister Zea Hernandez commented that, obviously, if the M-19 commandoes are still in Cuba, the Colombian Government must request the group's extradition. [Excerpt] [PA230238 Bogota Cadena Radial Super in Spanish 2330 GMT 22 Dec 80]

NO RESPONSE ON EXTRADITION--Bogota--The Cuban Embassy in this capital has not responded to the Colombian authorities' request for the extradition of the 19 April Movement [M-19] command that hijacked an Avianca plane in December. The Colombian Foreign Ministry, which made the extradition request, made this announcement. The M-19 command that hijacked the Avianca plane flew to Santa Marta first, then Barranquilla, Panama, Mexico and finally Havana, where it turned itself over to the island's authorities. In the wake of the events which were held to commemorate the 150th anniversary of liberator Simon Bolivar's death, the government proceeded to request extradition, but so far the Cuban Embassy, where steps connected with the extradition request were taken, has not responded. According to a Foreign Ministry source, Colombia will insist on its extradition request this week, as it is based on international agreements signed by the two countries. [Text] [PA042000 Bogota Cadena Radial Super in Spanish 1730 GMT 4 Jan 81]

CUBAN WORKERS TO JAMAICA--Havana, 22 Dec (EFE)--Some 34 Cuban construction workers will arrive in Jamaica in January to put the final touches on three schools donated to Jamaica. One of the schools is for physical education teacher training and the other two are high schools. The physical education school will also receive a donation of equipment. [Madrid EFE in Spanish 0330 GMT 23 Dec 80]

COSTA RICA-PANAMA ELECTRICAL CONNECTION--Costa Rica and Panama will implement a 1978 agreement under which the two countries will connect their electrical network. The program will be initiated in 1981 in Chiriqui Province, Panama, on the Costa Rican border. The program, which will be completed in 1986, will be funded entirely by the Panamanian Institute of Electrification and Hydraulic Resources and the Costa Rican Electricity Institute. [PA032115 San Jose Radio Reloj in Spanish 1730 GMT 30 Dec 80]

CSO: 3010

BRIEFS

EARTH TREMOR--An earth tremor which has been described as being (?heavy hit) Antigua today. No loss of life or damage to property has been reported. The seismologists in Trinidad and Tobago said their recording of the shock showed that it was widely felt and should cause some damage, namely in the northeast section of the island. The last (?earthquake) in Antigua on 8 October 1974, measured over 7.0 on the Richter scale. It took no lives and cost several million dollars of damage to property some of which are still being repaired. [Text] [FL100037 St George's Domestic Service in English 2330 GMT 9 Jan 81]

CSO: 3020

NEW NAVY APPOINTMENTS ANNOUNCED

PY191340 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1554 GMT 13 Dec 80

[Text] Buenos Aires, 13 Dec (NA)--According to an announcement made today by the commander in chief of the navy, Rear Adm Alberto Vigo will become commander of naval operations as of next year.

This appointment, together with other appointments, was disclosed today by the navy after being approved by Adm Armando Lambruschini, commander in chief of the navy.

The following is the list of appointments: Rear Adm Alberto Gabriel Vigo, commander of naval operations; Rear Adm Julio Delfor Arias, director general of naval materiel; Rear Adm Carlos Pablo Carpintero, chief of logistics of the navy general staff; Rear Adm Juan Jose Lombardo, naval commander [comandante naval]; Rear Adm Leopoldo Alfredo Suarez del Cerro, chief of operations of the navy general staff; Rear Adm Carlos Noe Alberto Guevara, deputy chief of the joint chiefs of staff; Rear Adm Luis Ramon Rosa Collado, director of keels, electricity and machinery; Rear Adm James MacDonald Whamond, aviation chief of the navy general staff; Rear Adm Rodolfo Antonio Remotti, director general of naval instruction; Rear Adm Eugenio Luis Bezzola, director of naval electronics; Rear Adm Gualter Oscar Allara, naval attache to Great Britain and chief of the naval commission in Europe; Rear Adm Enrique Pedro Montemayor, head of the legislative advisory commission; Rear Adm Joaquin Hipolito Leandro Gomez, commander of the marine infantry; Rear Adm Carlos Alberto Cesar Busser, secretary general of the navy general staff; Rear Adm Carlos Alfredo Garcia Boll, commander of naval aviation; Rear Adm Horacio Raul Nadale, navy supplies director; Rear Adm Samuel Osvaldo Morra, director of naval sanitation; Rear Adm Jorge Edmundo Fernandez Fortuny, director of the Buenos Aires naval hospital; Rear Adm Ernesto Manuel Ruiz, director of materiel of the fleet air arm; Rear Adm Juan Mario Zabalet, director of naval personnel armament; Rear Adm Guillermo Jose Dickson, marine infantry chief of the navy general staff; Rear Adm Guillermo Juan Arguedas, director of the naval welfare and political commission of the military junta; Rear Adm Eduardo Cesar Valotta, commander of the naval river area; Rear Adm Edgardo Aroldo Otero, deputy chief of operations of the navy general staff; Rear Adm Eduardo Morris Girling, intelligence chief of the navy general staff; Rear Adm Edmundo Juan Schaer, director of the naval war school; Rear Adm Angel Maria Rodriguez, naval operations chief of staff; Rear Adm Nicolas Juan Piccaluga, commander of the southern naval area.

Rear Adm Carlos Alberto Lacoste, Rear Adm Alberto Cesar Barbich and Rear Adm Roberto Benito Moya have been assigned to the office of the navy commander in chief.

CSO: 5300

BRIEFS

OPPOSITION SENATORS--Opposition Democratic Labor Party (DLP) leader, Errol Barrow, has asked the governor-general to revoke the appointments of its two senators in the upper house of Parliament who voted for an increase in seats in the lower chamber from 24 to 27, against the wishes of the party. This was confirmed to CANA yesterday by Barrow's deputy, Erskine Sandiford. The DLP leader said the revocations should be effective today or at the earliest opportunity. The senators' replacements are to be Neville Boxill, a minister in a previous DLP administration, and Warwich Franklyn, a former chief government land valuation officer. [FL311625 Bridgetown SUNDAY ADVOCATE-NEWS in English 21 Dec 80 p 1]

NEW SENATORS--Governor-General Sir Deighton Ward yesterday swore in Senators Warwick Franklyn and Neville Boxhill. The two belong to the opposition Democratic Labor Party (DLP) and replace Senators Dennis Hunte and John Connell, whose appointments were revoked by the governor-general on the advice of opposition leader Errol Barrow. Mr Hunte and Mr Connell had voted for an increase in seats in the lower chamber against the wishes of the DLP. [Bridgetown ADVOCATE-NEWS in English 25 Dec 80 p 1]

CSO: 3020

MANIFESTO CONDEMNING FOREIGN INTERESTS SIGNED BY GENERALS

Text of Manifesto

Rio de Janeiro JORNAL DO BRASIL in Portuguese 20 Dec 80 p 7

[Text] Sao Paulo--In a manifesto denouncing the activities of multinationals and "a number of economic and social actions directed by immediatist interests generated abroad," Gen Antonio Carlos de Andrada Serpa, businessman Antonio Ermirio de Morais, former Minister Severo Gomes, Senator Saturnino Braga, former Governor Sinval Guazzeli (Rio Grando Do Sul), the pundit Alceu de Amoroso Lima and Gen Euler Bentes Monteiro, among others, announced the creation of a group "In Defense of the Threatened Nation."

The manifesto contains two pages and was distributed to the press yesterday by former Minister of Industry and Commerce of the Geisel Administration Severo Gomes. The signers call upon "men and women of this country regardless of party positions" and explain that the document has no "other ideological connotations beyond traditional Brazilian patriotism." The manifesto asks for "a decisive action to recover the mastery of its own destiny (of the country) and for the recovery of national identity, essential for the consolidation of the political opening on which they also essentially depend."

Who Signed

The copy revealed yesterday by Severo Gomes contains a typed page with the names of the first signers of the manifesto "In Defense of the Threatened Nation." They are: Alceu de Amoroso Lima, Antonio Candido de Mello e Souza, Antonio Carlos Andrada Serpa, Antonio Didier Viana, Antonio Ermirio de Morais, Antonio Houaiss, Ariano Suassuna, Armando Pereira Peixoto, Aurelio Buarque de Holanda, Barboso Lima Sobrinho, Caio Amaral, Carlos Guilherme Mota, Cleantho de Paiva Leite, Cyro Martins, Euler Bentes Monteiro, Evandro Paranagua, Fernando Henrique Cardoso, Goffredo da Silva Telles (author of "Letter to The Brazilians"), Joao Camarao Telles Ribeiro, Jose Honorio Rodriguez, Jose Walter Bautista Vidal, Luiz Carlos Bresser Pereira, Marco Antonio Campos Martins, Paulo Duarte, Pompeu de Souza, Roberto Saturnino Braga, Rogerio Cesar de Cerqueira Leite, Romulo de Almeida, Ruy Lopes, Sergio Buarque de Holanda, Severo Gomes and Sinval Guazzeli.

Complete Text

This is the complete text of the manifesto:

After the Second Great War, the world economy was in a period of great growth, allowing Brazil, with the existence of the economic model initiated in 1965, to become--excepting in qualitative aspects--the eighth economy in the Western World. However, the persistence of that same model without the corrections that would provide for the objectives and needs of the nation, resulted in serious political, economic and social distortions in Brazilian development. That is the reason for the scattered and economically impractical structure of the industrial park, which is divided up among the principal multinational companies; the increase in technological dependence and the deterioration of the educational process; the fraudulent actions taken against the institute which builds healthy nations, the university; the acceleration of foreign indebtedness, attacks on the financial sector, the threat to ownership of national energy resources, the progressive occupation of considerable parcels of national territory by foreign companies, the profound process of alienation of our society, the inexplicable give-away of the Brazilian subsoil and international exploitation, all of which collaborate in an inexorable process of dividing the Brazilian nation.

In the past, when a nation was invaded and colonized, sooner or later there emerged a new culture and a new individual national identity which depended, not on the quality but rather on the relative cultural resistance of the peoples in conflict. The new culture, regardless of which of the two sides became dominant, became a culturally autonomous community and, therefore, had the capability of becoming an independent nation.

What is happening with Brazil, however, has no precedent in history. We are not being subjected to the action, exploiting though it may be, of another nation. We are being subjected to a number of economic and social actions directed by immediatist interests generated abroad and without any commitments to our national life.

Those actions, implemented with the indifferent neglect of Brazilians, with a flagrant indifference to national public opinion, have become more and more frequent. The disregard of national interests with which foreign companies have been carrying out their business in our country can be seen by reading the newspapers every day.

Transactions of that nature, involving significant quantities of national wealth, would not even be considered in any emancipated country. Foreign interests feel authorized to prepare proposals and plans offensive to national dignity because they became accustomed to the excessive tolerance which characterized Brazilian society, and the negligence and permissiveness with which our society has been watching over its own interests authorizes foreign capital to present proposals harmful to the Brazilian economy and offensive to national dignity.

This collection of actions has been systematically and increasingly undermining the bargaining and defensive power of national interests, already substantially weakened. The process of capitulation underway is confirmed by the beginning of the application to our country of some measures advocated by the International Monetary Fund, whose interventionist action will take away a part of our nation's sovereignty.

The objective of the Fund and what it means is that through its activities in Brazil it will acquire a new power that will allow the construction of an even more unfair international economic order than that of the last two decades of our life.

The depersonalization of our nationality demands from Brazilian society a decisive action to recover the mastery of its own destiny and the recovery of national identity, essential for the consolidation of the political opening on which they also essentially depend. Those are the necessary conditions for the realization of the major aspirations of the Brazilian people, the great victim in their misery, of those alienations.

To give form and strength to the movement for safeguarding those national interests, the creation of an entity capable of enfolding all those who are ready to offer their contribution to the analysis, the understanding, dissemination and defense of all that which is related to the preservation and strengthening of the spiritual and moral values of the cultural and material patrimony of Brazil, is already underway.

In this way, without any other ideological connotation besides traditional Brazilian patriotism, we call upon the men and women of this country, beyond all party positions and under the protection of God, to this joint effort in the defense of the rights of the nation.

Generals Disciplined

Rio de Janeiro O GLOBO in Portuguese 27 Dec 80 p 3

[Text] Brasilia (O GLOBO)--Acting Minister of the Army Gen Ernani Ayrosa da Silva, yesterday punished Gen Antonio Carlos de Andrada Serpa with 2 days of house arrest, and reserve Gen Euler Bentes Monteiro, with a reprimand for having signed the document "In Defense of the Threatened Nation."

The punishment of General Andrada Serpa was also due to the lecture he gave on 15 December at the Engineering Institute of Sao Paulo where "He expressed himself publicly on political affairs without being duly authorized."

Basis

The two military men were punished on the basis of Provisions 112 of Annex I and 2 of Article 13 of Army Disciplinary Regulations together with Article 49 of the Military Personnel Code (Law No 5774 dated 23 December 1971) and the attenuating circumstances contained in provision 2 of Article 17 of Army Disciplinary Regulations. Provision 63 of Annex I of the Army Disciplinary Regulations

was also applied in the case of General Andrada Serpa. The orders of the minister of the army are supported by Articles 15 and 49 of the military code.

The following are the provisions of the code:

Article 15-- Rank and discipline are the institutional foundation of the armed forces. Authority and responsibility increase with rank.

Article 49--Public utterances about the actions of superiors or those making demands are forbidden.

The provisions of the Army Disciplinary Regulations are the following:

Article 13--Any actions or omissions not specified in the list of violations contained in the annex quoted above or not considered crimes under Brazilian penal laws but which violate personal honor, military dignity, decorum of class, and other proscriptions established by the Military Code and laws and regulations, as well as those practices against the standards and orders of the service issued by pertinent authorities, are infractions of discipline.

Article 17-- Attenuating circumstances shall be considered as:

Item 2. Relevance of service performed.

Item 63, Annex I--An active duty military man expresses himself on political affairs without authorization.

Item 112, Annex I--Authorize, promote or take part in any collective demonstration, whether it be for making demands or whether it is one of criticism or support for an action by a superior, with the exception of private demonstrations of good, healthy camaraderie with the knowledge of the person being honored.

Punishment

The disciplinary actions signed by the minister of the army are as follows:

"Punishment of General Officer

"1. The Most Excellent Gentleman, General of the Army Antonio Carlos de Andrada Serpa, in a lecture given at the Engineering Institute of Sao Paulo on 15 December of the current year, spoke publicly on political affairs without having been duly authorized; subsequently, he signed a document of collective nature, which was published in newspapers of the country last December 20, critical of the government, which is forbidden by existing legal precepts and regulatory standards.

"Because it is a matter of a general officer of the highest rank with nearly 50 years of relevant service in the army in peace and war, I order, in the preservation of the basic principles of rank and discipline, pursuant to the provisions of Article 15 and 49 of the Military Code (Law No 5774 dated 23 December 1971) that the following disciplinary punishment be imposed on him.

"2. General of the Army Antonio Carlos de Andrada Serpa, for having spoken publicly in a lecture given at the Engineering Institute of the city of Sao Paulo on 15 December of the current year on political affairs without being duly authorized, and for signing a document of a collective nature critical of the government, published in the country's newspapers on 20 December of the current year (No 63 and 112 of Annex I and No 2 of Article 13 of the Army Disciplinary Regulations together with Article 49 of the Military Code--Law No 5774 dated 23 December 1971 with the attenuating circumstances contained in No 2 of Article 17 of the aforementioned regulations, intermediate violation) is sentenced to house arrest for two days. Brasilia, DF, 23 December 1980."

Punishment of General Officer

"1. The Most Excellent Gentleman, General of the Army, Remunerated Reserve, Euler Bentes Monteiro, signed a document of a collective nature critical of the government published in the country's newspapers on 20 December, forbidden to him under the existing legal precepts and regulatory standards.

"Because it is a matter of a general officer of the paid reserves in the highest rank with nearly 45 years of service in the army, I order, in the preservation of the basic principles of rank and discipline, pursuant to the provisions of Articles 15 and 49 of the Military Code (Law 5774 dated 23 December 1971), the imposition of the disciplinary measures which follow:

"General of the Army, Remunerated Reserves, Euler Bentes Monteiro, for having signed a document of collective nature critical of the government, published in the country's newspapers 20 December of this year (No 112 of Annex I and No 2 of Article 13 of the Army Disciplinary Regulations together with Article 49 of the Military Code, Law No 5774 dated 23 December 1971, with the attenuating circumstances contained in No 2 Article 17 of the aforementioned regulation, minor violation) is hereby reprimanded. Brasilia, D.F., 23 December 1980."

More Disciplinary Action

Brasilia (O GLOBO)--Minister of the Navy Adm Maximiano da Fonseca, yesterday delegated authority to the commander of the First Naval District, Adm Alfredo Karam, to decide on whether or not to punish Reserve Naval Capt Antonio Didier Viana, who also signed the manifesto "In Defense of the Threatened Nation," which resulted in the punishment of Gens Antonio Carlos de Andrada Serpa and Euler Bentes Monteiro.

According to the Public Relations Office of the Ministry, the affair will be decided by the commander of the First Naval District because that is the area of jurisdiction over Captain Didier Viana. Like the two army generals, he should be

punished under Article 49 of the Military Code which forbids "any collective demonstration on the actions of superiors or for making demands."

Air Force

The Public Relations Office of the Ministry of Air had no information yesterday on the possibility of punishment for Reserve Lieutenant Brigadier Gen Joao Camarao Telles Ribeiro, who also signed the manifesto and who lives in Belem. However, in view of the punishment of the military men in the Army and possibly those of the navy, Minister Delio Jardim de Mattos must make a decision on the affair early next week.

Reaction of Those Punished

Gen Euler Bentes Monteiro said yesterday that he expected the punishment, which "was the onus for having spoken freely," but he guaranteed that "nothing will change with respect to speaking my mind freely if I can be providing a service to Brazilian society."

The general considered the "classification of the punishment irrelevant" and declared that he had foreseen the possibility of the action by the minister of the army when he signed the manifesto.

"I signed the manifesto together with other illustrious Brazilians and as a citizen profoundly interested in the fate of Brazil. The manifesto is very clear and for that reason I have nothing to interpret or to add, at least at this time, and my signature means that it represents my concerns. I shall preserve my freedom as a citizen as much as I can. The disciplinary punishment is a natural consequence, the price I must pay to preserve this freedom."

Andrade Serpa

Barbacena (O GLOBO)--General Andrada Serpa will appeal to the Ministry of the Army to reconsider the disciplinary punishment imposed on him by the acting minister of the army.

The information was provided by friends and relatives of the general who have been with him at the Borda do Campo Ranch he owns 3 kilometers from Barbacena.

The same sources explained that on 21 December, two representatives of the minister of the army were at the ranch asking General Andrada Serpa to confirm that he had signed the document, as well as the subject of the lecture he gave at the Institute of Engineering in Sao Paulo. In both cases the reply by General Andrada Serpa was in the affirmative.

Even after confirming the signing of the manifesto and the subject of the lecture, General Andrada Serpa did not know for sure whether he would actually be punished by the minister of the army, according to his friends.

8908
CSO: 3001

ARMY GENERAL, OTHERS PUNISHED FOR CRITICIZING GOVERNMENT

House Arrest

PY262259 Brasilia Domestic Service in Portuguese 2200 GMT 26 Dec 80

[Text] Acting Army Minister Gen Ernani Ayrosa ordered today 2-day house arrest for Gen Antonio Carlos de Andrada Serpa for signing a document critical of the economic and financial policy of the government. By the same resolution, Gen Euler Bentes Monteiro was reprimanded for the same reason. While the latter is in the reserves, the former is a member of the army high command who is not on active service at the present and will be transferred to the reserves in March.

Reprimanded for Signing Document

PY271423 São Paulo Radio Bandeirantes Network in Portuguese 1000 GMT 27 Dec 80

[Excerpt] Sources of the navy and of the air force are certain that Navy Commander of the reserves Antonio Didier Vianna and Brig Gen Joao Camarao Ribeiro (Ret) will also be punished for signing the manifesto entitled: For the Defense of a Threatened Nation. Both officers have already been reprimanded. The note released by the army minister states that the punishments imposed on these officers are aimed at preserving the basic principles of rank and discipline.

CSO: 3001

COLONEL PUNISHED FOR CRITICIZING SAO PAULO OFFICIALS

PY061200 Sao Paulo Radio Bandeirantes Network in Portuguese 6 Jan 81

[Excerpt] A colonel who had criticized members of the Sao Paulo state administration has been punished with a 20-day jail sentence.

[Begin (Renato Lombardi) recording] Colonel (Sidney Jimenez Palacios) of the military police was punished yesterday by (Arnaldo Passos de Carvalho Braga), commander general of the military police, with a 20-day sentence, which began yesterday. His punishment is due to criticisms he made during the past few days of government officials. Yesterday afternoon, Colonel (Jimenez Palacios) was called to the military police general headquarters, and was told by his replacement, Col (Albertino Lopez de Aguiar) that he was under arrest. [End recording]

CSO: 3001

COLUMNIST SEES MILITARY AS CAUSE OF FARHAT'S FALL

PY242138 Rio de Janeiro BRAZIL HERALD in English 24-26 Dec 80 p 1

[Special to the BRAZIL HERALD by Herbert Zschech]

[Text] Rio de Janeiro--The dismissal—formally described as resignation as is usual in such cases--of Said Farhat as President Figueiredo's minister for social communication and the simultaneous closing down of the Social Communications Department, SECOM, is seen by observers of the political scene as a narrowing of the president's political bases inside his regime, where the military now wields all the influences, as happened under the previous presidents of the revolutionary regimes after 1964.

This trend toward neutralization of civilian influences in the inner circle of government became visible recently already with the appointment of a general, Rubem Ludwig, as minister of education in the place of the liberal and erudite scholar Eduardo Portella. Planalto sources tried by all means to avoid the impression that a general had been substituted for an intellectual. Gen Ludwig himself stressed that he assumed his ministerial post not as a military man but as a citizen, and hints were given to the press not to emphasize Ludwig's military rank in the context of his new government post. This, however, does not change the fact that Ludwig belongs to, and enjoys the unrestricted trust of the president's military staff while Portella was probably viewed with some distrust.

The case of Farhat is similar. Commentators with inside information had been aware for some time already that Farhat was seen as an element not fully in tune with the military, especially with Figueiredo's most intimate military collaborators--Gen Golbery do Couto e Silva, the chief of the presidential civil office and principal maker of the regime's policy, and Gen Otavio Medeiros, the chief of the secret information service.

Farhat's position had become increasingly weakened for some time, but the immediate pretext for his ouster was said to have been a passage in a speech written by him for the president. The passage said that the political opening made it possible for the military to "return to the barracks." The expression "back to the barrack" used to be employed frequently in opposition statements during the past 15 years and seemed to have a provocative impact on the military. The intelligence chief, Gen Medeiros, reading the speech before it was submitted to Figueiredo, apparently censored the passage as improper. But Figueiredo is said to have decided that no harm would be done by it, and the passage was read by him at a military ceremony.

If this version, attributed to normally well informed sources, should be true, it might seem that the military objections went also against Figueiredo for ignoring them, and Farhat might be viewed as a scapegoat. Such an interpretation is of course unverifiable and will never be officially admitted. As to several official reasons given for Farhat's ouster and the closing of his SECOM office--that it was expensive and inefficient--they have certainly solid foundations. Slogans and pieces of advice to the people on how to vary their diet, naming other no less innocuous themes, were of astonishingly poor taste, childish in style, and sometimes apt to elicit sarcastic commentaries on the part of the masses who certainly would like to vary their daily menues, if they could. If President Figueiredo really concluded that the money spent on this "social communication" was mainly wasted, many people would support him.

This, however, does not change the essential question of whether there might eventually shape up some kind of military stiffening against possible negative consequences of the political opening. Indications are seen by a few press commentators that this really was going to happen. Such information, however, may be viewed with caution because the commentators who convey such impressions are mostly skeptical on the political opening and inclined to advocate a hard line course. Still, it has been widely noticed that recent official statements and speeches by military chiefs attacked not only communism, as seems more or less natural, but also liberal politicians who are too tolerant toward subversive political currents. Remarks of this nature had been rare after the start of Figueiredo's political opening. Their being heard again now could be significant.

It might be even more significant that the air force minister, Brig Delii Jaedim de Mattos, generally considered as the most liberal of the three military ministers and a staunch supporter of democracy, deemed it proper last week in a speech given in Curitiba, to issue a warning to those who "attack" the military. He refused to explain however, on being asked by journalists, what sectors he had in mind on giving this warning, while repeating that "there are some sectors who attack us."

If the military, as it seems, is again strengthening its position possibly in view of social and political instability feared to occur in 1981 as a result of the economic crisis, this does not change a rule observed by Brazil's military all these years after the military revolution of 1964--to keep hands off the economic and financial policy. This has been a wise rule which spared Brazil many unpleasant experiences and blunders occurring in other Latin American countries where the military took full control--often with catastrophic results.

In Brazil today, Delfim Netto and Finance Minister Ernane Galveas are still firmly in the saddle despite many failures frankly admitted by themselves, and despite the undeniable lack of coherence in the pursuit of economic programs. Delfim promises that this will not happen again in 1981, but circumstances evidently may impose another course, just as last year. In the latest weeks, though, the economic policy has come under fire of strong criticism on the part of business leaders, who in some instances spoke with unusual bluntness. And Delfim is under political attack no longer only by the opposition, but by sectors of the government's PDS, mainly in the northeast. His and Galveas' immediate ouster was openly demanded last week by PDS groups.

What makes Delfim's position difficult to weaken, for the time being, is the lack of alternatives for his policy. That each business sector suggests changes that would benefit this sector is only too natural. But no one has come up so far with convincing proposals for an entirely new economic policy to overcome the present crisis which is largely a deadlock. It also centers mainly on the question of whether Brazil should have recourse to the international monetary fund, and if the foreign debts should be renegotiated immediately. As long as even Roberto Campos, the present ambassador in London, and undeniably a national reserve for giving a new orientation to the economic policy in case of a total failure of the present policy, keep silence on what should be done, the regime will doubtless prefer to rely still a while on Delfim Netto.

CSO: 3020

NEWSMAN DISCUSSES LITTLE-KNOWN FACETS OF GOLBERY PERSONALITY

Rio de Janeiro MANCHETE in Portuguese 27 Dec 80 pp 122F-122H

[Article by Alexandre Garcia: "Who Is Golbery, After All?"]

[Text] There are two Golbery's. At least that is the conclusion of a newsman who knew the first Golbery at a distance, as almost everyone else did, and later discovered the second during 20 months of government palace coexistence.

The citizen newsman, who never had personal contact with him, knew the Golbery "Mr Hyde," the myth, the mysterious, the Machiavellian, the man responsible for all the well-laid plans of the government, the success of which was hailed as "something Golbery did."

The newsman, the spokesman for the Presidency, discovered a Golbery "Dr Jekyll"--a common, simple, intelligent, refined, good-humored, accessible, ironic and kindly man--all of that in the superlative.

Then, as if one were not enough, there are two Golberys?

After all, who is that man whose personality is so wrapped in mystery, praised to the skies by some and cursed by others?

The reporter's testimoney seeks to provide an answer.

As a public man, his name began to be better known by the common citizen as of the Revolution, although Colonel Golbery had been the principal writer of the Colonels' Manifesto in 1952 and had already been the chief of the National Security Council Office of the Presidency of the Republic (a post which had been recently abandoned by Colonel Ludwig) in the administration of Janio Quadros. In 1961 he went into the reserves as a major general.

Golbery Likes Strategy and Politics

The reporter had his curiosity sharpened on this personality while abroad. He became chief of Geisel's Civilian Household, and in Buenos Aires, the Peronist Jacobites called him the ideolog and strategist of "Brazilian imperialist expansionism." However, the only source of information about that mysterious man, his book "Geopolitics of Brazil," was unattainable. There was a xerox copy of the book at the Planalto Palace library. Since not even the author managed to retain

a copy of his book, Golbery proposed a trade. He took the paperback copy published by the Jose Olympio publishing house from the library and replaced it with a carefully bound copy.

Reading "Geopolitics," one discovers that "expansionism" refers to the occupation of Brazilian territory itself. A few months ago, Golbery gave a personal example of adherence to his theory: He sold his house in Jacarepagua on the coast and resettled for good in the recently conquered interior of Brazil, purchasing a place in Lusiania, like Juscelino.

That man, decorated for bravery in the 1932 Revolution and in the Italian Campaign, wrote other classics of the type such as "Strategic Planning," reprinted last year, as well as "Geopolitics of Brazil."

It is obvious that he likes strategy and politics, but medicine and sociology are also among his favorites. He even prepared to take entrance examinations to the school of medicine. His knowledge on the subject today surprises his doctor, Dr Luciano Veloso. His interest in sociology led him to a lasting friendship with Gilberto Freyre.

He has an encyclopedic knowledge, an insatiable urge to know everything about everything. The other day he was studying the operation and construction of a biodigester. "I have to have a good knowledge of the subjects with which the government deals. Besides, I have to look ahead," he said in justification.

He rises shortly after 0500. Sometimes he is already at the Palace at 0700, which he leaves after 2000. He generally leaves his office in Planalto Palace for meetings with the president at 0900 and 1500. He acts as a "team leader;" the expression is that of Heitor Ferreira. When the decisions of the group (Medeiros, Venturini, Delfim and Heitor) are made outside the president's office, as was the case of the appointment of Minister Rubem Ludwig, Golbery is the spokesmen of the house ministers. With the exception of Delfim, he was the ranking official of them all, including Figueiredo.

Generally, the preliminary meetings of the house ministers are held at the round table in his office. The Golbery and Delfim offices are interconnected by an internal door so that they can meet whenever they wish without the knowledge of their secretaries. All of them leave by an internal elevator next to the door of Golbery's office, which runs directly to the President's office or to the garages underground. Thanks to this feature, Golbery can meet with oppositionists several times. He also talks to them outside the Palace.

The Constitution Is His Bedside Book

He usually wears grey suits, white shirts with embroidered initials, and when seen in the hallways, he carries a heavy paper or black leather portfolio crammed with papers under his left arm. His barber attends to him in his office bathroom. He is not a "Figaro" but the head barber of the Palace barbershop. His completely grey hair is cut short.

Good humored, he sometimes ends a serious subject with a witty remark, generally ironic, to ease the tension. He likes to use quotes, improvise rhymes and sometimes finishes a joke with a loud guffaw. The other day the minister of justice was telling him about a number of criticisms by the opposition and he came out with this:

"They are the parrots of Milciades..." (a quote from a story by Humberto de Campos which refers to the parrots belonging to a man named Milciades, which made only a racket within the wall around his house.)

He examines alternatives under the principles of strategy. Faced with a more complicated case, he begins with a hypothesis: "What is the worst possible case scenario?"

When he met me, many times his greeting was this: "What are the lies for today?" referring to the day's newspapers. After the interview I had with ELE ELA (which he did not read), he joked: "I found out that you are now going to become a gossip columnist..."

His most frequent saying precedes his leafing through a small blue book he keeps on the table: "Let us see what the constitutions says."

One of the things attributed to him is that he is cold and calculating. Actually, when his great friend Mario Henrique Simonsen submitted his resignation, Golbery, as soon as he saw that the incident had been consumated, put a lid on his feelings and began to work on the next phase, advising the president on filling the position.

His intimates in the Palace, refer to him (behind his back) as Doctor Go or Obi-wan (an allusion to "Star Wars"). Others call him the "Old Man." The title of "Minister" is used more than that of "General." He is "Golba" to newsmen. Since he does not usually travel with the president, he remains at the Palace playing the role of mainstay.

"He is the father, the master, one of a kind," said his son-in-law Alberto, who is married to Vera, when Golbery was a recently promoted lieutenant colonel.

He has five grandchildren, for whom he has a special way of showing affection. His grandchildren know that anything denied them by their parents they can get from their grandfather if they ask for it. If a grandchild sneezes or hurts himself playing, Golbery becomes extremely solicitous. Illness in the family is what worries him the most. When his son-in-law had a heart attack, the chief of the Civilian Household received the news at home. His first reaction was to pack his suitcase so that he could stay with the patient at the hospital. When his wife, Esmeralda, is sick, he worries every second of the day.

When it concerns him, he minimizes illness and jokes about it. When he became 67, and recently recovered from a prostate operation, he was honored at President Geisel's office. He said: "I have learned one thing, and I am more and more reminded of my old studies on strategy and maneuvers: In the cavalry many times it is necessary to trade space for time. I now see that I am trading time for

space. For each year I live, I am giving up a piece of me. I have already lost the lens and later the vitreous [as published] of one eye; now I have just lost another piece of me. I always believed that one's life should be given for the nation but I did not imagine it would be this way."

On that occasion, Reis Veloso, speaking in the name of the ministers, recalled the three phases in the life of Golbery: "The brilliant military careerist, including doctrinaire writings which even economists in and out of the country acknowledge as valuable; the important businessman and, finally, the man of government." Veloso then added a fourth phase: "Perhaps there is another facet of that very intelligent personality: The somewhat ironic philosopher who pokes fun at himself and at humanity."

Golbery accepted the challenge: "The three phases of which Minister Veloso speaks make me feel like a many-sided figure of strange and even incongruous facets. However, the last of those facets--perhaps that of an individual with a certain touch of cynicism and autocracy--could be the link among the first three."

Some years ago he purchased a 57-hectare place in the town of Lusiania, Goias, 50 kilometers from Brasilia. With difficulties he made improvements on "Friendship Place," where he practically lives today. He built a small barn for cows and pigs and he has a kennel. Dona Esmeralda raises tilapias, carp and tucunares [types of fish] in a pond, in addition to swans, ducks and geese. Golbery does not take part in raising them, although he usually walks around the place looking at things.

His weekends at Friendship Place begin at 0500 Saturday. He begins the day by reading the news after coffee. Later he reads, his favorite pastime, while listening to music. When he sold the house in Jacarepagua, he brought to the place the books that were in Rio. Now he is bringing here the library he has at the official residence of Ipe. He is going to have almost 30,000 volumes, which he files according to his own ideas so that only he can look for anything efficiently. He uses one file per subject. He saves even his books from the first grade, which he spent at the Grupo Escolar Juvenal Muller in Rio Grande, where he was born.

Tired of reading, he also takes a morning walk around the place. After a glass of whiskey, or preferably a glass of old rum, as an apertif, he likes a piece of roast lamb, fried quibe [a Syrian dish of ground meat, cracked wheat and spices], and small fried fish (caught in the pond on the place). He loves the Rio Grande do Sul mocoto [a dish made of calves feet] made by Dona Esmeralda. But those feasts are for weekends. At Planalto Palace his lunch is frugal. A waiter brings his food, prepared in the Palace restaurant, in a white formica box. He lunches with Heitor Ferreira on the conference table in his office. Afterwards, he kicks off his shoes and takes a 20-minute nap on the couch. Dona Lurdinha places the "Do Not Disturb," sign with the picture of a bulldog on it, which Heitor brought from a hotel in Ribeirao Preto, on the doorknob.

Weekend lunch is accompanied by European wine, bottles of which he stores without much thought of sharing. Despite this care, some bottles have disappeared, although he does not know it. He brings the habit of the afternoon nap with him. In the afternoon he reads again and enjoys his records.

Alone in the room, he has been surprised directing the orchestra while listening. And the one who surprised him asserts that his encyclopedic knowledge includes composition and orchestra leadership. In short, there is nothing more obvious than that Golbery is a master.

He goes to bed around 2200 and does not watch television. The color television set made available to him in the Planalto office so that he could watch the lunchtime and 2000 news programs, wound up in Heitor's room.

His passion for books, records and paintings is exceeded by his love for Dona Esmeralda and his devotion to his family. However, he will not even lend books to his disciple Heitor, neither will he borrow books because he would be prevented from marking them with notes. He also likes to dance waltzes and tangos. He is light on his feet and an excellent dancer of the tango, although the last time he danced--with Dona Esmeralda, his love--was on the birthday of his daughter Vera, 2 years ago.

Last Saturday, the 13th, he went to Maria's wedding, a girl practically raised at the Ipe farm. After the wedding, he gave the reception himself as if he were the father of the bride. His employees have been with him many years and have a family affection and relationship. The wedding was held at the chapel of Nossa Senhora de Fatima (the first church built in Brasilia). Maria calls Golbery and Dona Esmeralda "Godfather" and "Godmother."

His eyesight has been the subject of recurring rumors. Some months ago, when the rumors were renewed, a small screw fell out of the frame of his glasses on the carpet. Dona Lurdina, Dona Nancy and Juca Mamede, his aides, began to look for it, while Golbery returned to work. Impatient, he stood up and looked at the surface of the carpet. He found the screw at the first look and made fun of his helpers: "You need an eye doctor, you are going blind."

He has two sets of glasses, one for reading and one for normal usage. But he never uses them; one remains in the upper pocket of his coat with the left temple hanging over the pocket ("so it will not make a hole in the bottom of the pocket") and the other he had been wearing around his neck until he broke the chain last week. Sometimes he prefers to read small print with a magnifying glass.

Self-disciplined, he quit smoking suddenly. He had been smoking more than two packs of unfiltered Continentals per day. At Largo da Misericordia in 1973, he decided to quit, during the time Geisel prepared to take office. As of that time, Heitor Ferreira stopped carrying packs of Continentals bought at the corner.

However, Geisel--also a former smoker--saw himself cut off from the habit acquired during the Castello Branco administration at the Palace of Laranjeiras, of smoking the open packs belonging to his friend. When Golbery was operated on for cataracts, he remained rigidly in bed face up, as recommended by the doctor, without changing position for many days even when he felt muscular back pains.

At the End of the Administration He Will Have 14 Years to a Minister

Anyone who wants to see him angry can spill a drop of coffee on the cover of one of his books, leave fingerprints on the surface of one of his records or let sunlight fall on one of his paintings.

However, he is extremely cordial and prizes his friends greatly. "The greatest certainty I have is that there are friends," he said last 21 August when he became 69. However, because he never refuses to receive friends, he has his peace disturbed many times on weekends or during his lunch or nap at Planalto Palace. However, he always receives people well, without showing any irritation.

His friendship with Ivete Vargas began with Ivete's uncle Umbelino Vargas, who was his classmate at the military school. He is also a friend of show people. Norma Bengell calls him "Godfather," Jards Macale and Glauber Rocha are his fervent admirers. Some weeks ago he received Sonia Braga, Reginaldo Farias, Luiz Carlos Barreto and Nelso Pereira dos Santos. In Asuncion, where he served in the Brazilian Military Training Mission for 3 years (as did Figueiredo) he has friends to this day. One of them honored him by naming his son Colbery. The Paraguayan Golbery is a captain today.

When the term of the present administration ends, Golbery do Couto e Silva should have almost 14 years as a minister (National Intelligence Service and the Civilian Household). However, the effects of his activities will not be limited to that period in Brazilian history. Even before that takes place, Golbery--the single and multifaceted personality--will have already won his place in history.

What Golbery Thinks Today

On Democratization and the Economic Crisis

"Undoubtedly it seems a strange paradox to want to carry forward a democratic liberalization from the political field at this time when there are such negative conditions in the economic area that they insistently demand broader and more effective controls and a centrally coordinated discipline with profound effects in the entire government and social structure. Actually, we have no other choice.

"Much more favorable times were not taken advantage of before for reasons it is not proper to go into now. But that, under any circumstances, does not justify delaying that decentralizing process even more, process which has been demanded as being necessary and urgent. In addition to the fact that opposing pressures, today strong and almost unbearable, would once more accumulate quickly, placing in danger the resistance of the entire system in that enormous pressure cooker in which, as has already been said in past times, the national body changed after a decade and a half of growing pressure."

On the Participation of the People in the Process

"Moreover, among those who view the creative and dynamic 'participation' factor as being more important and critical in democracy than the full guarantee of freedoms, no matter how basic they may be, there is the strong confidence that with the passage of time--not very long--the process of democratic improvement now underway will conclude by awakening new understandings and energies that will come to help decisively in the arduous efforts now being made with difficulty for healing and recovery in the economic field."

On Discipline in the Social Democratic Party [PDS]

"Not even the fear of divisive indiscipline in the government party should frighten us, and certainly not paralyze the necessary and unpostponable decentralizing and democratizing actions."

On the Present and Democracy

"As can be seen, the time is still one of instability and many concerns, requiring matchless mastery in leadership, a good dose of tolerance and negotiating ability.

"Indeed, we all need to reeducate ourselves for democratic coexistence."

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VARIOUS SOURCES VIEW NEW FINANCIAL RULES, POLICY

Monetary Council's Opinion

PY302206 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 18 Dec 80 p 31

[Excerpts] In addition to the approval of the 1981 monetary budget and the new interest rate policy for rural credit, the National Monetary Council has decided to establish as of today a ceiling of 50,000 cruzeiros on granting new special and guaranteed checks [cheques especiais e ouro], but has maintained once again the renewal of the existing contracts at the current level, beginning with their respective due dates.

Several other measures have been adopted to strengthen national private enterprises--especially small- and medium-size companies--to substantially increase the minimum capital of all financial institutions, (except for trade banks) and to carry out operations on the "open market." This measure aims at making more difficult the formation of new institutions, improving the financial system and forcing new businessmen to run greater risks, according to Claudio Haddad, director of the Central Bank Public Debt Department.

Thus the investment banks will need to have a minimum capital of 300 million cruzeiros, instead of the current 60 million cruzeiros, if they want to continue operating. The other institutions will be guided by the following figures: financial companies (depending on the kind of financing they grant) from between 4 and 10 million cruzeiros to between 20 and 50 million cruzeiros; dealer companies [distribuidoras] (depending on their capacity) from between 100,000 and 600 million cruzeiros to between 1.7 and 10 million cruzeiros; business-lease companies [empresas de arrendamento mercantil] from 5 million cruzeiros to 50 million cruzeiros; the Sao Paulo and Rio De Janeiro stock market, from 3 million to 15 million cruzeiros; stock markets in Minas Gerais, the federal district, Espirito Santo and Rio Grande do Sul, from 1.2 million to 6 million cruzeiros; stock markets in Parana, Recife and Santos from 300,000 to 3 million cruzeiros; other institutions from 200,000 to 2 million cruzeiros.

Operations at fixed prices (open market), trade and investment banks and societies of brokers and retailers will have to increase from 50 million to 75 million cruzeiros their underwritten capital to strengthen their activities. For the real estate companies, the limit increases from 30 million to 50 million cruzeiros. These institutions have until 30 April 1982 to fulfill these demands.

The Monetary Council also established that private banks must increase the minimum limit of their resources for loans to Brazilian citizens and companies controlled by national capital from 60 percent to 70 percent. The remaining 30 percent will be divided among the foreign companies. During the first half of this year the limit was 50 percent; then the national Monetary Council authorized an increase to 60 percent.

The Monetary Council also authorized medium- and small-size banks to maintain lower compulsory deposits in the Central Bank, but in turn they will have to invest their resources more in small- and medium-size companies. The small banks from the northern and northeastern regions will deposit only 11 percent of their compulsory deposits in the Central Bank, and the medium-size banks will deposit 14 percent instead of the current 18 percent. Establishments in the central-south region will monthly deposit at the Central Bank 28 percent of their deposits if they are small banks and 31 percent if they are medium-size banks, instead of the current 35 percent they are now depositing. To have the right to this preferential treatment, these banks will have to channel more resources from their net deposits to small- and medium-size companies: 16 percent to small companies and 14 percent to medium-size companies. Right now they are investing 12 percent, according to Resolution N. 388.

Paper's Views

PY240159 Sao Paulo FOLHA DE SAO PAULO in Portuguese 21 Dec 80 p 11

[Text] The National Monetary Council last Wednesday approved the monetary budget which, while trying to present a restrictive monetary policy for 1981, still maintains broad subsidies for agriculture and exports estimated at approximately 800 billion cruzeiros. It also maintains the system of open accounts--now called "priority" accounts--to meet the needs of these two sectors of the economy, without any expenditure limitation, so it also has a tendency to accelerate the rate of inflation, according to some government circles.

As Planning Minister Delfim Netto stated while delivering his speech before the Monetary Council, in justifying the new interest rate, the government is granting 7 billion cruzeiros in subsidies to the rural sector, "and this is more than was granted in any other period, whether in absolute or in relative terms."

In fact, an interest rate of 45 percent to cover agricultural credits in 1981 represents a subsidy of 100 percent, considering that the real cost of money in the market is close to 90 percent. Since the monetary officials plan to invest 1,325 billion cruzeiros in the rural sector and 560 billion cruzeiros in the export sector, it is believed that the amount of subsidies will reach 800 billion cruzeiros, thus becoming a strong element of inflationary pressure.

Since the accounts for agricultural credits will remain open, it is probable that the 462 billion cruzeiros budgeted for the next period--although they may represent a growth of 80 percent in relation to the 31 December 1980 balance--will not be sufficient to meet demands, creating an additional source of inflation through unpredicted monetary expansion.

The government has been promising great efforts to keep monetary expansion below 50 percent, even though this target is viewed as overly optimistic even by government officials, and the Bank of Brazil is one of the best examples of those who feel this lack of confidence.

The Monetary Council established this year's expansion of the investments to be made by the banking system--including the Bank of Brazil--at 45 percent, but the most optimistic estimates of the management of the Bank of Brazil indicate that by the end of the year the expansion of Bank of Brazil investments will easily reach 65 percent.

Despite this 65-percent expansion, the Bank of Brazil has been forced to implement drastic restrictions on loans for trade and industry, which have shown a negative trend as compared to last year. Even the funds for investments in the agricultural sector soon vanished from the Bank of Brazil branches while thousands of requests from all over the country were piling up, neglected because of lack of funds.

The prospects for next year are even worse, and the Bank of Brazil will most probably be unable to keep its expansion below 50 percent. The forecast is that the expansion of its disbursements will reach between 70 and 75 percent by the end of the fiscal year despite the desire of the management to follow the guidelines of the monetary budget to the letter. This expansion, well above the preestablished limits, will affect the monetary base and is bound to increase the inflationary pressure.

Since exchange accounts can no longer be used as a mechanism for reducing monetary base because the reserves have already reached the lowest security limit ($6.3 billion, equivalent to 3 months' imports), the government will have to make use of measures which will neither increase inflation nor affect the monetary budget, in order to take care of part of the subsidies. Such will be the case of the 100 billion cruzeiros which will be disbursed by the Federal Savings Bank--in lieu of investments in excess of the 50-percent ceiling--which will go to finance exports, and the 80 billion cruzeiros which will be received by the Bank of Brazil as time deposits and will be used to augment the funds allocated to the rural sector.

In the meantime the Bank of Brazil's oil account will feel no pressure during 1981 because the government has decided to pass on to consumers every hike in the price of imported oil and domestic refining costs even though this policy will stimulate inflation, because the price hikes of oil byproducts, which already include almost 20 various taxes which go to finance development of other energy sources, will be well above the general price index for 1981, as they were this year. The oil account already carries a deficit of $140 billion [as published] but this deficit has been stabilized and it will remain at this level until the National Treasure manages to absorb it.

The reduction of wheat subsidies will also be significant. Out of the 80 billion cruzeiros allocated initially this year, only 65 billion will be actually disbursed thanks to the 240-percent price adjustment implemented for wheat grain and flour through 4 price hikes which took place during the second half of the year. These adjustments will continue throughout 1981 until the ton of wheat grain, which is currently being sold to the mills for 6,500 cruzeiros, reaches the price of 11,400 cruzeiros, which is what the government has to pay for it.

Obviously, increasing the price of wheat to a realistic level means hiking the price of bread and the other byproducts, especially noodles, all of which are foodstuffs whose cost has a significant impact on cost of living indexes, especially on the INPC [consumers price index]. This, in turn, means more inflation.

Even among the planning minister's advisers there are many who believe that by making the interest rates more "flexible" the government has substantially increased the financial cost to the enterprises, which are now trying to pass this additional cost on in prices. Since the government's objective is to keep the cost of domestic money above that of foreign, to facilitate the quest for funds necessary to normalize the balance of payments, the prolonged maintenance of high interest rates abroad--like in the current quarter during which the "prime rate" [given in English] reached 21 percent--could stimulate further growth of domestic interest rates, in order to maintain the difference, which will provide an additional inflationary pressure.

The freedom of prices implemented by the government in lieu of a better reward to the industrial sector, freedom which is being taken advantage of by various sectors for the establishment of price increases far beyond those which they had sought initially when the prices were being controlled by the CIP [Interministerial Price Council], is also helping to increase inflation, as has been acknowledged by the very experts of the Planning Ministry connected with the Supply and Prices Secretariat.

Everything is being done to keep the people from knowing which products have had their prices freed because Supplies and Prices Secretary Carlos Viacava believes that if prices are freed confidentially the psychological factor of inflation, which is always fanned by the information that prices have been released, will be reduced. In any case, it is true that by the end of the year all industrial sectors will be free from CIP control and the Planning Ministry officials charged with carrying out this policy--aimed at increasing domestic savings in the business sector--have no doubts about the high cost of this policy in inflation.

It is perhaps because of all these reasons that the ministers of the economic area, especially Delfim Netto and Ernane Galveas, show little enthusiasm when speaking about the possible reduction of the inflationary process in 1981. Delfim Netto believes that during the first quarter the inflation rate will tend to remain stable at the current level and that by the second half of the year it will begin to decline. Thanks to this decline the inflation rate for next year will be 20 percent less than this year's, that is, somewhere near 90 percent, which is still intolerable for both economy and society.

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DEPUTIES FAVOR CLOSER TIES WITH USSR

Deputies Tour Georgia

Rio de Janeiro JORNAL DO BRASIL in Portuguese 16 Dec 80 p 4

[Article by Noenio Spinola: "Soviets Invite Figueiredo"]

[Text] Tbilisi, Georgia--The secretary general of the Communist Party of Georgia, Eduard Shevardnadze, repeated the invitation to President Joao Figueiredo to visit the Soviet Union to the Brazilian legislative mission.

The delegation returned to Moscow yesterday after a heavy schedule in Georgia, which ranged from a trip through the steel pipe foundry of the Rustavi steel plant, question and answer sessions with members of the local administration, to an unusual and certainly unexpected style show.

The deputies came from Leningrad and Kishiniov in Moldavia, where similar schedules were organized to give them a broad view of the political and economic life of the country. Each reacting in his own way, depending on the various leanings of the voters they represent, the legislators remained good-humored and some were surprised with what they were encountering.

Questions were asked about the representative nature of the local chambers (soviets) wages, occupations of the members of the legislative bodies, the organizational form of the regional political life, relationships with the central government and the distribution of tax revenues.

Some became aware that Georgia is the land where Stalin was born when they visited the beautiful collection of ikons of the museum which at another time functioned as a seminary where the deceased Soviet leader studied. In Georgia there are no signs of any cult with any phase of the memory of the man, who after death of Lenin until 1954, ruled the Soviet Union with an iron hand.

Besides the economic and political aspects, the program for the Brazilians included an exuberant demonstration of all the aspects of the cultural and artistic life of Georiga. Many of the legislators expressed their admiration at the care with which the program was organized. Some, like Deputy Celio Borja (Social Democratic Party of Rio de Janeiro), took their own actions: The Carioca legislator attended an Orthodox Mass on Sunday.

USSR Wants Brazilian Ties

Rio de Janeiro JORNAL DO BRASIL in Portuguese 18 Dec 80 p 12

[Article by Noenio Spinola: "USSR Wants More Ties With Brazil"]

[Text] Moscow—The First Deputy Chairman of the Supreme Soviet, Vasiliy Kuznetsov, yesterday described the international situation as "tense and complicated," and, addressing the Brazilian legislative delegation visiting this country, proposed "an even greater cooperation" on the path of lessening tensions and disarmament.

The appeal was made against the implicit backdrop of critical points in relations between the East and West, which range from Poland to Afghanistan and the Middle East. The legislators also received a message from President Brezhnev, by means of Vasiliy Kuznetsov, with the "best wishes" of the Soviet chief of state to the Brazilian people.

Friendly Meeting

The legislative mission, made up of deputies of the most varied political trends and headed by the president of the Chamber, Flavio Marcilio, completed a broad schedule in the USSR. They traveled through three republics: Russia, Moldavia and Georgia, four large cities, they visited tourist attractions, the Moscow metro, whose cleanliness and stable prices they had admired for many decades, and they concluded their work with three meetings in the morning and afternoon yesterday at the halls of the Kremlin. That night they went to the Bolshoi Theater.

From a strictly formal point of view, besides the many speeches and toasts, their work was concluded with a joint note to the press in which the two sides declared they are "interested in the future development of bilateral relations on the bases of the strict observance of the principles of equality, rights, sovereignty, mutual respect and noninterference in the internal affairs of both countries."

Although the main points to which the visit by the Brazilian legislators could lead had already been discussed before, given the obvious political repercussions of the reopening of a dialog interrupted 17 years ago, it was the contacts made during the last two days that led to the cordial and friendly ending seen yesterday. It is possible that the Soviets were also surprised in their expectations, changing the tone of their statements and including the meeting yesterday with the First Deputy Chairman of the Supreme Soviet, something which was not included in the original agenda.

The fact that no reference was made during the entire trip to the situation in Poland and Afghanistan, two regular points on the agenda of western politicians who visit the USSR, also indicates that the legislators preferred to restrict their language to a more general rhetoric without touching open wounds or contributing to increase tensions in international relations even more.

Joint Note

The note revealed to the press avoided the label of "communique" suggested by the Soviets initially. In this way, Deputy Flavio Marcilio tried to eliminate any attempt at speculation as to the role of the Congress and the Executive Branch in the field of foreign policy by an elegant gesture in support of President Figueiredo. The following were the main points of the joint note:

1. Confirms the interest of the legislators of the two countries in "the future development of cooperation in the commercial, economic, scientific, technological and cultural fields."

2. Expresses the joint concern over the international situation and the "conviction that there is no alternative to a lessening of tensions;" it asks for "the curbing of the arms race," and condemns the "aspirations of establishing the hegemony of other countries through any types of pressure." This is the only reference that could be interpreted as a mention of interference in the foreign policy of one or the other superpowers, although the term "hegemony" indicates that the writers were also inspired by the usual jargon of the Kremlin when it wants to refer to China--in the Asian case--or to the western countries when it criticizes them for "imperialism."

3. The note attributes "great importance" to the development of the contacts by the legislators and expresses interest in "expanding and intensifying" that process. It also makes reference to the interest by both countries in developing "access to the benefits of world progress in the economic, commercial scientific and technological fields."

Kuznetsov told the Brazilians that up to now "We have not taken much advantage" of the possibilities of economic and commercial cooperation between the two countries. He recalled, however, the areas where cooperations already exists and pointed to the fact that when Brazil speaks at the United Nations, it has influence, not only in Latin America but in other continents, or at least it is listened to with attention. "In the present tense and complicated international situation," he said, "it is important that the efforts of many countries be increased."

Greater Exchange Advocated

Rio de Janeiro JORNAL DO BRASIL in Portuguese 21 Dec 80 p 8

[Article by Noenio Spinola: "Brazilian Deputies Advocate Greater Exchange With Russia"]

[Text] Moscow--Factions of the center, right and left, represented by the legislative delegation which visited this country, surprisingly agreed on one point: All favored an increase in the exchange between Brazil and the USSR beyond ideological barriers.

"It is not a matter of whether it can or cannot be done," said Deputy Erasmo Dias of the Sao Paulo PDS, "In my understanding I believe that exchange 'must' be increased as an immediate measure in the economic, scientific, commercial and technological areas."

Ideological Frontiers

Ten days spent in Moscow, Leningrad and Georgia surprised the legislators in many ways--some saw snow for the first time in their lives--including the diversity of cultures, climates and races within the same territory. Their statements were recorded by JORNAL DO BRASIL during the trip.

The deputy leader of the PMDB [Brazilian Democratic Movement Party] in the Chamber, Jackson Barreto (Sergipe), believed "the breaking down of international ideological frontiers" which prevent contacts and economic trade between nations with different systems, is important. "Our basic objective must be the well-being of the people," he said. That is why we must improve our trade and political relations with all states."

Asked about the most positive and most negative aspects he saw during his visit, he pointed out "the social gains in the basic fields." A similar opinion was forwarded by other opposition legislators such as Roque Aras and Marcelo Cordeiro, both of the Bahia PMDB. The latter said that his expectations were fulfilled in his first visit to the USSR upon seeing the homogeneous nature of the quality of life in basic areas such as housing, health, education and even clothing.

On the negative side, many legislators referred to the restricted nature of the schedule, which did not allow a deeper look into the day-to-day life or to feel how the ordinary citizen behaves. A view of the Moscow metro was their most direct experience because they were able to observe a reasonable sample of life in a large city, the appearance of the people and those things which generally indicate the degrees of health, hygiene and education of any society.

The Most Critical

The most critical up to now of all those who came here was undoubtedly Deputy Sergio Cardoso of the state of Sao Paulo, who was in Moscow 16 years ago with the then Minister of Planning Roberto Campos. He said that "The truth about Russia is a truth of absolute discipline, of management, of noninterference by the Church in political affairs of any type. In short, it is a system which makes of the country something like a military base ready for anything. That picture is of no use to the Brazilian leftists bent on destroying the little discipline which still remains in democracy."

Asked about what has changed in the last 16 years, he observed that "in the way of discipline, militarism, life with obedience without too much concern about individual human values, Russia has not changed. However, if one were to think in strictly material terms, the country has progressed greatly. In Leningrad I found a practically new city which I did not see when I was there. Many houses have been built, many things. But the country is very rich, it has everything...With discipline everything can be obtained."

Ironically, the legislator said that if the Czarist regime were in Russia now development could be greater than that of today and that "together with a well-fed people with housing, it would be possible to find something more than the treatment accorded on a farm where only the material things count."

Conflict of Theories

On the average almost all the legislators showed surprise with the balanced living pattern. Deputy Erasmo Dias, of whom his fellow voyagers expected more conservative reactions, said: "The Communist Party has in fact managed to structure the government around certain priorities, whether it was by force or by popular acceptance. I cannot measure this aspect because I could not meet the people directly. But there is a sameness of behavior, perhaps too standardized for our liking, which at any rate, within the Soviet principles, has contributed to the resolution of basic problems. If they did not attend to everything, they at least attended to basic needs. If I had to make a plan for Brazil I would follow their example of planned economy, education, health and housing, as I saw here, but would continue with free enterprise in the production of goods and consumption, mixing the two systems to give man, not only the necessary basic infrastructure for any regime, but also free enterprise seeking profit, an increase in production, which I think is indispensable."

Deputy Aluizio Bezerra (PMDB-Acre), of the camp opposing the political faction of Deputy Erasmo Dias, agreed with him, however, in that which refers to relationships between Brazil and the socialist countries: "I believe that relations must increase for our mutual benefit," he said. In his opinion, the negative side he saw in the USSR is still in the supplies of consumer goods. "Although in the essential things the regime already provides for all the classes of the population."

Leorne Belem (PDS of Ceara) considered the lessons of the trip as "very valuable" and said that he could also see that the Soviet Union is reaching its objectives in the basic areas. Claudio Filomeno, another representative of the PDS from the same state, said that the two countries should come closer as the result of the legislative meetings and that the Soviet Union being a developed country in almost all fields," Brazil cannot remain aloof from that."

Jorge Moura of the Popular Party of Rio de Janeiro, said that he is against the automatic alinement of Brazil in blocs because that "goes back to the Cold War, which belongs to the past of humanity." For him the trip has had a strong impression in various aspects, primarily with respect to the homogeneousness of the pattern of the people's lives and the development of the heavy industry sector. "More than ever, international commercial interests cease to be frontiers," adding, "and this trip shall contribute to break the taboos which surround relationships with Brazil."

Rosa Flores of Rio Grande deo Sul is another legislator who confesses being very impressed. In her own words, within 20 years the Soviet Union should have reached important goals in the economy, science and technology. The deputy, who has already been in China, said that she was not surprised at many things she saw here and cited as a good example of international cooperation the Apollo-

Soyuz Project in which Soviet Cosmonauts and American astronauts worked together in space. Mockups of the two spacecraft were at an exhibit visited in Moscow. Some, who were more reserved, like Deputy Dario Tavares of the PDS of Minas, said that they had come to "see whether we have valid options for Brazil," and said they were in favor of "international competition," that is, a play of interests in which each one defends his own. There was no obvious display of interest by the legislators on the problems of Afghanistan and Poland, although some acknowledged that the aggravation of international tensions would only contribute to make relationships between developing nations and industrialized countries difficult.

The crazy quilt which could be made with the statements by each of them would be large but their common denominator is the acceptance of a permanent political dialog between Brazil and the USSR free of the ideological characteristics of the two systems. They had much criticism at the lack of resources which places the Brazilian embassy in this city at a disadvantage in personnel and materials when compared with the other Latin American nations.

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DEPUTY WOULD COPY 'GOOD' ASPECTS OF SOVIET REGIME

PY271826 Rio De Janeiro O GLOBO in Portuguese 26 Dec 80 p 3

[Text] Sao Paulo (O GLOBO)--Deputy Erasmo Dias (PDS, Sao Paulo state) who has just returned from a trip to the Soviet Union, yesterday stated that "the objective of the Soviets is to take control of the world and, therefore, the West must prepare to resist."

Dias stated: I continue to be an inflexible anticommunist, but this does not mean that there cannot be an exchange between the two countries, trying to reach a middle way, correcting what is wrong. We cannot live thinking that our regime is good. We must think of the millions of Brazilians who do not have what I have.

The deputy said that the Soviet people have suffered very much from invasions and wars and have found in the Communist regime something that has given them a certain amount of tranquillity and security. Today they have totally free housing facilities, health care and transportation. Much attention is paid to meeting their basic needs.

According to Dias, "in countries like ours only a small minority group is in a position to fulfill all its aspirations, while no attention is paid to the basic needs of the great majority."

In the Soviet Union, he said, the regime provides the majority with the minimum conditions for survival.

He added: Here we talk about freedom, but it is a whimsical concept. If we do not have shelter, health care and education, what good is freedom? Perhaps we could adopt a planned economy in the service sector and maintain free initiative in producing consumer goods. Our regime, with the freedom and everything else, creates problems. I think that good things ought to be copied.

The deputy stressed as a positive factor "the unity and homogeneity of the Communist party and the Soviets." In political terms, he said, you have the Communist party leading the Soviet Union in gender, number and degree [genero, numero e grau]. There is a unity of doctrine. There is also ideological unity, regardless of how false it may be with regard to materialism. But all their leaders speak the same language; they try to reach the same objectives with the same methods. This leads to a unity that makes things disciplined, hierarchically arranged and orderly.

CSO: 3001

ALGERIA VIEWS PURCHASE OF ENGESA-MADE WEAPONS

PY261735 Ric De Janeiro O GLOBO in Portuguese 24 Dec 80 p 16

[Excerpt] Brasilia (O GLOBO)--Algerian ambassador to Brazil Ahmed Kherbi yesterday reported that next year Algeria will send a high-ranking military delegation to Brazil to study the possibility of purchasing material manufactured by ENGESA [Specialized Engineers, Inc]. The date of the visit has not been established yet and, according to the embassy, the delegation will be made up of generals of the armed forces joint staff.

Next year also Brazil must increase its purchases of petroleum from Algeria. Purchases will increase from 9,000 to 20,000 barrels daily. The Algerian petroleum is of the light type--$40 per barrel--and, according to Ambassador Kherbi, the 11,000 supplementary barrels that Brazil will receive will come from the reduction in sales of Algerian petroleum to the United States. According to the ambassador, although the Algerian petroleum costs approximately $8 dollars more per barrel than the price charged by OPEC, this difference will be compensated for by a lower transport cost.

In addition to the purchase of Brazilian weapons--tested and proved in fighting under adverse conditions in the desert--the Algerian Government also plans to purchase 2,000 tractors and 600 tons of cocoa, and to increase purchases of Brazilian coffee which this year will total 10,000 tons.

According to the Algerian Embassy, Algerian Finance Minister Mohammed Hadj Yala will arrive during the first half of 1981. The visit of this Algerian minister has already been postponed at least twice this year.

CSO: 3001

BRIEFS

PAKISTANI EMBASSY INVASION PROTESTED--Brasilia--The Pakistani Embassy has sent a formal note of protest to Itamaraty, demanding explanation for the invasion of the embassy on 15 December by the Brasilia police to detain the ambassador's driver, a Brazilian, accused of raping three women. Ambassador Syed Ahmad Hasan Ahsani stated that "this is a very serious event because it is characterized by violence against the embassy." He added that "a foreign chancery cannot be invaded, because it is protected by international conventions." Itamaraty spokesman Bernardo Pericas recognized that the laws of immunity and privilege have been violated. Itamaraty is studying an answer to the Pakistani note, the spokesman stated. Ambassador Ahsani said that he was awaiting the Brazilian answer. He said that he would never contradict the Brazilian penal laws, but that the police should have contacted Itamaraty, so that through the Foreign Ministry he could have been asked to send his employee who has been accused of a crime to a police station. [Excerpt] [PY301556 Rio de Janeiro JORNAL DO BRASIL in Portuguese 24 Dec 80 p 7]

SOYBEAN EXPORTS--Porto Alegre--Despite initial estimates according to which Rio Grande Do Sul State would export 4 million tons of soybeans and byproducts this year, this state has managed to export only 3.4 million tons, for which it will receive more than $1 billion. Soybean exports have fallen short of the original estimate due to what the producers believe to be badly managed government policy. [Rio de Janeiro JORNAL DO BRASIL in Portuguese 2 Jan 81 p 15]

LARGE AGRICULTURAL IMPORTS IN 1980--Francisco Vilela, executive director of the Production Financing Commission (CFP), has assessed the development of the agricultural sector in 1980 and has indicated that 2 million tons of corn were imported during the year. He said that this amount represents 10 percent of this year's overall corn production, and that $380 million was spent to purchase it. The government had authorized the import of 1.7 million tons of corn, but the Agriculture Ministry always denied that imports of corn had reached this figure. Vilela indicated that 42,000 tons of rice and 35,700 tons of black beans were also imported this year. Rice imports cost $22 million and bean imports $28 million, which means that $430 million was spent on these three commodities alone. By curious coincidence, the unprecedented import of 2 million tons of corn took place during the year in which Brazil harvested its record corn crop, 20 million tons. [Text] [PY191356 Sao Paulo Radio Bandeirantes Network in Portuguese 1000 GMT 19 Dec 80]

CONSUMER PRICE INDEX FIGURES--Rio De Janeiro--According to the Brazilian Institute of Geography and Statistics [IBGE], the consumer price index for the period July-November 1980 was 43 percent. [Porto Alegre Radio Guaiba in Portuguese 2150 GMT 23 Dec 802

SMUGGLED ARMS SEIZED--Salvador--The federal police seized 3 million cruzeiros worth of smuggled arms during an operation carried last weekend along the BR-101 highway. The lot of arms included several rifles, revolvers, mauser pistols and other items including a gold-plated revolver. [Rio De Janeiro O GLOBO in Portuguese 24 Dec 80 p 4]

CURRENCY DEVALUATION--Brasilia (BRAZIL HERALD)--Brazil devalued the cruzeiro by 2.003 percent effective Thursday, to 65.170 to the U.S. dollar. The seller's rate rose to 65.500 to the dollar. The devaluation was the 22nd this year for a total of 53.957 percent in 1980. [Text] [PY242012 Rio De Janeiro BRAZIL HERALD in English 24 Dec 80 p 1]

GROWTH RATE--Rio De Janeiro (BRAZIL HERALD)--The Brazilian economy grew at an 8.5 percent annual rate in 1980, according to preliminary data released by the Getulio Vargas Foundation, whose figures are accepted as official by the government. That rate was equal to the country's average annual growth since 1965, and an increase of 2.1 percent over the 1979 figure, the foundation reported. The agricultural sector grew at the highest rate in Brazil's history, increasing by 8.1 percent in 1980. The highest sector growth rate was in transportation and communications, which expanded by 13.5 percent this year. But the foundation warned, "this present rate of growth cannot be sustained," principally because external factors have raised interest rates and made capital formation more difficult. [Text] [PY242012 Rio De Janeiro BRAZIL HERALD in English 24 Dec 80 p 1]

TRADE DEFICIT--Brasilia--According to information yesterday released by the Finance Ministry the cumulative trade deficit by November this year amounted to $2.918 billion. Between January and November 1980 Brazil exported $18.215 billion and imported $21.133 billion. Average monthly earnings were $1.656 billion per month and expenditures $1.921 billion. [Rio De Janeiro JORNAL DO BRASIL in Portuguese 20 Dec 80 p 12]

GROWTH OF EXPORTS--Rio De Janeiro--Brazilian exports experienced a 32.67 percent growth between January and November this year, thus surpassing all official expectations. According to the Foreign Trade Department, the $20 billion target figure established for this year will be reached in December. The foreign currency received from exports so far amounts to $18.2 billion, as compared to $13.7 billion in 1979. The products which earned most for the country were: coffee, iron ore, vehicles and soybean byproducts. [Sao Paulo FOLHA DE SAO PAULO in Portuguese 24 Dec 80 p 17]

INFLATION RATE--The Getulio Vargas Foundation [GVF] has reported that the inflation rate during the month of December was between 6 and 6.5 percent. The same data revealed by the GVF indicate that the index accrued for the preceding 12 months dropped to 111 percent at the end of 1980. In November 1980 the 12-month inflation rate reached 113 percent. [Sao Paulo Radio Bandeirantes Network in Portuguese 1000 GMT 6 Jan 81]

BRAZIL-PARAGUAY RAILWAY LINK TREATY--The governments of Brazil and Paraguay today ratified the railway link treaty which was signed last April on the occasion of President Figueiredo's visit to Paraguay. The ratification ceremony was attended by Paraguayan Foreign Minister Alberto Nogues, Brazilian Foreign Minister Saraiva Guerreiro and Brazilian Transport Minister Eliseu Resende. The railway will link the Paraguayan capital, Asuncion, with the Brazilian port of Paranagua. The railroad--which will go through Guaira, Brazil, and Salto del Guaira, Paraguay--will be completed in 4 years. Foreign Minister Saraiva Guerreiro has said that the execution and implementation of international agreements of this nature are sound evidence of the high level of cooperation existing between the two nations, which are linked by a traditional fraternal friendship and mutual confidence. [Text] [PY192348 Brasilia Domestic Service in Portuguese 2200 GMT 19 Dec 80]

BUDGET FOR STATE COMPANIES--At a meeting held at Planalto Palace and presided over by President Figueiredo, the Economic Development Council has approved the new 1981 budget for banks and state companies, which amounts to 7.844 trillion cruzeiros. As of now, the state companies must consult the Planning Ministry before contracting any new debts. This year's budget is 72 percent higher than the preceding year. [Sao Paulo Radio Bandeirantes Network in Portuguese 1000 GMT 8 Jan 81]

LARGE GOLD RESERVES DISCOVERED--According to the final report of the Mineral Resources Prospecting Company (CPRM), the gold reserves of Serra Pelada deposit total approximately 4,000 tons. That means that this deposit is larger than the Mununtal in the Soviet Union. The Serra Pelada mine could produce up to 70 tons of gold per year if the current system of individual prospectors were replaced by a modern mining enterprise. Currently, 20,000 men using primitive tools are turning out 9 tons of gold per year. [Rio De Janeiro O GLOBO in Portuguese 27 Dec 80 p 1]

CSO: 3001

BRIEFS

ITALIAN CONGRESSMEN FAVOR RELATIONS--Four Italian deputies of the Christian Democratic Party have met with Foreign Minister Rene Rojas Galdames. They are members of a group of 30 Italian congressmen who advocate the reestablishment of relations at the ambassadorial level between Chile and Italy. Deputy (Antonio Falconi) explained that the strengthening of friendship between the two peoples and the possibility of normalizing relations were discussed with Minister Rojas. He said that as a Christian Democratic congressman he has a responsibility to the government of his country, which is also an EEC member. He said they are interested in strengthening friendship with all countries of the West. He said that he firmly believes that relations between his country and Chile were never broken and have always stayed open. The Italian deputy was invited to the United States by the Reagan transition committee. He said that they advocate the full normalization of bilateral relations. [Text] [PY100050 Santiago Chile Domestic Service in Spanish 2300 GMT 9 Jan 81]

FOREST PRODUCT EXPORTS--The export of forest products from January to November 1980 has reached $428,684,000. This represents an increase of $119 million over the same period in 1979. [PY070154 Santiago Chile Domestic Service in Spanish 2300 GMT 6 Jan 81]

NEW COPPER MINE--Mining Minister Carlos Quinones yesterday inaugurated the Lo Aguirre copper mine which will be exploited by the private sector. With an investment of $71 million, the new mine, which is located 30 km from Santiago, will produce 17,000 metric tons of fine copper per year. [Santiago EL MERCURIO in Spanish 16 Dec 80 p C1]

UNEMPLOYMENT RATE--The economic sciences faculty of the University of Chile has reported that the rate of unemployment in greater Santiago was 10.7 percent in December 1980. It also reported an 8.4-percent increase of the employment rate in the same area during 1980, which means that 98,000 new jobs were created. [PY090058 Santiago Chile Domestic Service in Spanish 1000 GMT 8 Jan 81]

EXPORTS TO ANDEAN COUNTRIES--Santiago, Chile, 4 Jan (AFP)--According to information supplied by the Chilean Central Bank, Chilean exports to Andean Pact countries have increased since this country withdrew from that organization in 1976. Between that year and 1979 Chilean exports to those 5 nations increased by 9 percent and it is expected that the same rate of increase will be maintained in 1980. Venezuela continues to be the main market for Chilean products such as beans, copper, wood and cellulose, but Colombia is not far behind since this year its imports from Chile increased by 65 percent against the 28-percent growth of Venezuelan imports from Chile. [PY062253 Paris AFP in Spanish 1520 GMT 4 Jan 81]

NEW UNDER SECRETARIES--Chilean President Augusto Pinochet has appointed 9 new under secretaries, has transferred 2 to other ministries and has confirmed the other 13. The new under secretaries are: Investigations, Col Mario Messen Garcia, Ret; Economy, Col Francisco Ramirez Migliassi, Ret; Education, Manuel Jose Errazuriz Rojas; Public Works, Col Fernando Hormazabal; Agriculture, Luis Simon Figueroa del Rio; Labor, Patricio Mardones Villareal; Health, Herman Buchi Buc; Mining, Capt Herve Dilhan Boisier; and National Properties, Jose Calderon Figueroa. [PY062253 Santiago Chile Diplomatic Information Service in Spanish 0016 GMT 3 Jan 81]

COST OF LIVING--The National Statistics Institute has reported that the cost of living increased 31.2 percent during 1980. This represents 7.7 percent less than last year's increase which was 38.9 percent. [PY031622 Santiago Chile Domestic Service in Spanish 1000 GMT 3 Jan 81]

ANTARCTIC AIR STRIP--Santiago, Chile, 22 Dec (AFP)--It was disclosed here today that Chile this year will start building a new air strip in the Antarctic near the Gonzalez Videla Base, the nearest base to the South Pole, located in the O'Higgins Peninsula. [PY240302 Paris AFP in Spanish 1408 GMT 22 Dec 80]

AGREEMENT WITH FRENCH COMPANY--The Chilean Telephone Company has signed a $40-million agreement with the French firm Thompson, which provides for the installation of 153,000 telephone lines in Chile. [Text] [PY240302 Santiago Chile Diplomatic Information Service in Spanish 2244 GMT 21 Dec 80]

FRG TO CONSTRUCT ANTARCTIC BASE--Punta Arenas, Chile, 2 Jan (LATIN)--Heinz Dittmann, FRG ambassador to Chile, reported today that the FRG will establish a permanent scientific antarctic base in the area of Wendell's Sea. The diplomat, who is visiting Punta Arenas, 2,500 kms south of Santiago, told the local press that the construction of the base will take approximately 6 weeks and will begin soon. He indicated that the new base will be able to accomodate approximately 350 persons and will have a research laboratory, a meteorological station and other facilities for scientific and technological research. Ambassador Dittmann indicated that only small earth satellite stations manned by three or four persons will operate at first. [Text] [PY042049 Buenos Aires LATIN in Spanish 1451 GMT 2 Jan 81]

SECURITY FORCES ON MURDER--Security services have denied that the student murdered by an extremist organization was an agent of a security organization. They indicated that this accusation is false. Roberto Rojas Alvarez, a 34 year old student, was murdered by three unidentified persons who entered his house in Villa Salvador, Building 9, apartment 301. [Excerpt] [PY301239 Santiago Chile Domestic Service in Spanish 1000 GMT 30 Dec 80]

TRADE FIGURES FOR 1980--Santiago, Chile, 26 Dec (AFP)--According to the Central Bank's foreign trade department, Chile's total foreign trade during the period November 1979-November 1980 reached $10,363,000,000, which represents an increase of 34.2 percent over the same period the previous year. It also adds that the main countries with which Chile trades are the United States, Japan and Brazil, which account for 38 percent of the total trade. During the January-November 1980 period, Chile's total foreign trade reached $9,590,000,000, which represents an increase of 33 percent compared to the same period in 1979. [PY291940 Paris AFP in Spanish 2357 GMT 26 Dec 80]

NEW NATIONAL UNIVERSITY RECTOR--Gen Alejandro Medina (Lloyd) has been appointed rector of the Chilean National University in place of Gen Enrique Morel Donoso, who resigned for health reasons. [PY291940 Santiago Chile Domestic Service in Spanish 1630 GMT 29 Dec 80]

ANTARCTIC AIRFIELD--A group of construction workers has been in the Antarctic since 15 December to extend the airfield of the (Teniente Marsh) Air Force Base from 900 meters to 1,200 meters in order to enable Hercules planes to operate there. [PY291940 Santiago Chile Domestic Service in Spanish 1000 GMT 29 Dec 80]

STUDENTS END HUNGER STRIKE--Santiago, Chile, 29 Dec (AFP)--It has been reported here that nine university students who had been on hunger strike since 10 days ago in the Metropolitan Cathedral to prevent the detention of a student leader, ended their strike today. The youngsters who began their fasting on Saturday, 20 December, in support of student leader Patricia Torras, indicated that they would maintain their position until the interior minister decides to publicly explain the charges against the student. Yesterday 12 other students entered the cathedral to begin a movement of solidarity with their colleagues. A doctor who checked them recommended them to end their strike due to their precarious conditions. The new group of youngsters indicated that they would substitute for the nine students to continue with a 48-hour hunger strike, but they decided to continue the strike until today, awaiting a possible answer to their demands by the Interior Ministry. [Excerpt] [PY301321 Paris AFP in Spanish 2352 GMT 29 Sep 80]

CSO: 3010

BRIEFS

EXPORT FINANCING FUND--The Costa Rican Central Bank approved yesterday the establishment of a fund for the promotion of exports with an initial reserve of $15 million. This fund will be made available through commercial banks to the private sector for the export of nontraditional products. Funds will also be available for market studies and promotion activities. [PA281819 San Jose L NACION in Spanish 17 Dec 80 p 1]

CSO: 3010

BRIEFS

U.S. ACCUSED OF OPENLY INTERFERING--San Salvador--The U.S. Government is openly interfering in El Salvador, where it has now requested structural changes in the government. The Yankees no longer want the junta. The U.S. Government has asked for changes in the government's structure and in the top command of the Salvadoran Armed Forces. In a position that has been described as open interference in the internal affairs of that Central American nation, the U.S. administration has conditioned the continuation of its aid to the military-Christian Democratic junta on the implementation of basic structural changes in the junta. The above is from a report to the U.S. Senate's Foreign Relations Committee by a special commission that visited El Salvador to investigate the recent assassination of four U.S. nuns. According to William Rogers, former assistant secretary for Inter-American affairs during Gerald Ford's Republican administration and a member of the investigative group, their activity is aimed at establishing a government in El Salvador that can effectively pursue the common objectives of both the United States and the junta. [Text] [PA131717 Managua Radio Sandino in Spanish 1800 GMT 13 Dec 80]

HAVANA COMMENTS ON U.S. PRESENCE--Juan Ramon Medrano, member of the Farabundo Marti Front's Unified Revolutionary Directorate, and Norma Guevara, representative of that organization here in Cuba, held a news conference here in Havana to discuss the current situation in El Salvador and the conditions that exist in that Central American country for staging a final popular insurrection. For more than 90 minutes, the two Salvadoran revolutionaries answered the questions of local and foreign newsmen who were covering the developments at the Second Congress of the Communist Party of Cuba. Commenting on the direct U.S. intervention in the Salvadoran armed conflict, the two leaders told the local and foreign newsmen that more than 200 U.S. military advisers were in El Salvador in September and that Puerto Rican mercenaries and Cuban counterrevolutionaries have also participated in the repressive operations carried out by the military. They added that the presence of Yankee military advisers in El Salvador has not been denied by the United States and they urged the international press to visit the Salvadoran refugee camps which have been established in several Latin American countries so they can hear the testimonies of widows, orphans and other people who claim to have even seen Yankee soldiers patrolling the streets of San Salvador. [Excerpts] ["Our America" commentary] [PA240232 Havana International Service in Spanish 2310 GMT 23 Dec 80]

CSO: 3010

BRIEFS

MESSAGE FROM MONGOLIA'S TSEDENBAL--Prime Minister Bishop has received a message of thanks from the president of the Mongolian People's Republic, Yumjaaggiyn Tsedenbal, for the expression of congratulations which were conveyed to him on the occasion of the 56th anniversary of the conformation of the Mongolian People's Republic. The president indicated that he shared the desire of the people's revolutionary government for the development of friendly ties between the peoples of Grenada and Mongolia. [Text] [FL090031 St George's Domestic Service in English 2330 GMT 8 Jan 81]

FRENCH AMBASSADOR VISITS--French Ambassador to Grenada Rene de Choiseul-Praslin today began a 2-day official visit to Grenada. The ambassador, based in Trinidad and Tobago, arrived early this morning and immediately held discussions with Prime Minister Brother Maurice Bishop. According to a government information service release, the discussions centered around developing technical and economic cooperation between Grenada and France. [FL060044 St George's Domestic Service in English 2330 GMT 5 Jan 81]

BISHOP SPEAKS TO POLICEMEN--Twenty Grenadian policemen studying in Cuba have graduated with Prime Minister Brother Maurice Bishop present at the graduation ceremony. Making the valedictory speech to the graduating class was acting superintendent of police Brother [name indistinct], also a student of the course. The students, he said, will transmit all the knowledge they have acquired in Cuba to the police officers who did not attend the course. Speaking to the students, Prime Minister Brother Maurice Bishop, who was in Cuba attending the Second Congress of the Cuban Communist Party, said that training was essential for the growth of the revolution. Brother Bishop said that the revolution has pledged to build a better police service and this course will [word indistinct] in fulfilling this vital task. He also stated that the people's revolution has high standards and the Grenada police must learn from them. Brother Bishop said that in 1980 [as heard] the unity between the security force, including the police service, and the people must be strengthened and they must be ready to defend the revolution to the last man. Also present at the graduating ceremony were Brother (James Clarkson), commissioner of police, and Brother (E.N. Saint Bernard), deputy commissioner. [Excerpts] [FL250007 St George's Domestic Service in English 2330 GMT 24 Dec 80]

CSO: 3020

POLITICAL PARTIES PREPARE FOR 1981 ELECTIONS

San Pedro Sula LA PRENSA in Spanish 1 Dec 80 p 5

[Article by Ramon Murillo Cantoral: "Let Us Recover Our Legal Status"]

[Text] Tegucigalpa--Approximately 1.5 million Hondurans will vote next year to elect the president and vice president of the republic and deputies to the National Congress.

The citizenry will have four political options as it marks its ballots, although one cannot rule out the possibility that some presidential hopefuls might run as independent candidates, following the pattern established by defeated White House candidate John Anderson.

But, we will not learn what the rules of the political game are going to be until the future Election Law is passed by the National Constituent Assembly; at the same time, the National Board of Elections will determine whether the 1981 primaries can also be used for electing political governors and municipal mayors.

As the decisive moment approaches, the citizens--who for various reasons had been unable to vote last April, when we elected the 71 deputies to the National Constituent Assembly--are flocking in large numbers to the election registration places located in the nation's 283 townships.

Four Outstanding Contenders

The Christian Democratic Party of Honduras, the last political group recognized legally, was the first to come out with its presidential candidate whom it presented to the mass of voters. The choice fell on Dr Hernan Corrales Padilla, former university president and a famous dermatologist, who is responsible for a good deal of the political belligerence acquired by the DC [Christian Democratic Party] in recent years.

Although his government program is not yet known, Hernan Corrales did say that, if he were to become president, this would mean a substantial improvement in the living standard of the vast majority of the poor people through the launching of the agrarian reform, the fundamental concern of the last military government, a task which is a little less than secondary for the current provisional government.

The possibility of a DC victory is very remote in view of the fact that this is the first time it is participating in a presidential election. However, it is expected that it will win enough votes to enable it to participate vigorously in the National Congress.

Innovation and Unity Party Spells Out Position

Barely a week ago, the PINU (Innovation and Unity Party) picked Dr Miguel Andonie Fernandez as its presidential candidate; he is the national delegate of that political group and a very able business operator, owner of a pharmaceutical plant and various communications facilities.

Andonie Fernandez is the founder of the PINU and has been its top leader for 11 years, when he decided to form a political grouping within the context of unity of all Hondurans, as manifested during the military conflict with the Republic of El Salvador. At that time, Mandofer was chairman of the National Civic Committee, in other words, he was in charge of civil resistance to the expansionist claims of the 14 Cuscatleca families.

Andonie Fernandez' publicity men present his as "the man of providence" who can put an end to corruption in government which has reached alarming levels in recent years. They also stress his business acumen and the probable benefit which might accrue to the nation's shaky economy as a result of that practical experience of his.

Like the DC, the PINU is not given any chance for a victory at the polls since this is likewise the first time it is participating in a presidential election, although it is believed that it will boost its delegation in the National Congress and will have a positive effect on the conduct of local community affairs.

Zuniga and His First Nomination

The traditional National Party of Honduras is thinking of this time running as its presidential candidate its own top leader, Ricardo Zuniga Augustinus, according to the desire of the majority of the convention members elected during the party's internal primaries in recent weeks.

The veteran political leader would thus have his first opportunity to estimate his popularity among the thousands of Hondurans who would go to the polls because, although he had the Blue candidacy within his reach on other occasions, he decided to yield that honor to other candidates.

Zuniga Augustinus is running the National Party with an iron hand and his decisions are taken as orders by his followers, in the style of the party dictatorship imposed by the late ruler Tiburcio Carias Andino.

The Nationalist candidate has held important posts in government during past military administrations and in his own party, to the extent that he was often identified as "the real power behind the throne," an assertion to which he responds only with a smile when anyone alludes to his "enigmatic" powers.

If we consider the popular verdict registered last 20 April, we can indeed doubt a nationalist victory during the primaries this coming year. But the party's defenders argue that they were harmed by the method used in holding the election and that this time they would win if the elections were "honest and clean."

One must also take other factors into account, such as the victory of the Republicans in the United States and the influence which such results exert on the country's calm political life; there is even talk of personal contact between Zuniga himself and Vice President-elect of the United States George Bush.

The Fourth Challenger

All political analyses and unofficial studies point to a clear victory for the liberal candidate during the coming elections, assuring us in advance that the nation's future president will be Dr Roberto Suazo Cordova, current president of the National Constituent Assembly.

Suazo Cordova is considered the political "heir" of the late liberal leader Modesto Rodas Alvarado who kept his party away from the temptations of power shared for 17 years, although one cannot say the same thing now since all Rodista leaders are enjoying the good life that comes with running the nation.

In order not to run into any obstacles in announcing his candidacy, Suazo Cordova extended the term of the current local and departmental councils of the Liberal Party to make sure that there would be enough convention delegates to pick him as the official candidate during the next convention.

Suazo Cordova thus defines himself as "a man who hates the tinsel and noise of government," noting that he would prefer to spend his spare time talking to the peasants in his home territory of La Paz whose inhabitants are given over to plotting and white magic, according to the liberal leader's opponents.

The political heir of Rodas Alvarado promised to continue the structural changes that were interrupted by the 1963 coup d'etat when the ambitious Col Oswaldo Lopez Arellano defeated the constitutional president Ramon Villeda Morales, thus blocking the almost certain election victory of Rodas Alvarado himself whom he accused of harboring communist and subversive ideas.

The policy implemented by Villeda Morales and defended by Suazo Cordova basically includes the practical implementation of the agrarian reform, diversification of exports, improvement in the economic and social conditions of the workers, and full implementation of human rights and guarantees of a social nature which are a part of the Constitution being debated in the Legislative chamber.

Other Candidates?

In practice it is believed that there will be no more contenders in the political arena although one cannot rule out the possibility that new faces might appear among the traditional parties at the very last moment, especially in the National Party, which is very much given to blending its blue color with the olive-green color of the military.

It is considered probable that other, less belligerent political sectors, such as the Honduran Revolutionary Party, the Communist Party of Honduras, the Popular Progressive Party, and other ideological forces, such as the Liberal Alliance of the People, the Liberal Unity Front, dissident sectors of the National Party, and the Honduran Patriotic Front might also try their luck on this occasion.

If that were to prove possible, it is also assumed that there would be strong candidates to run for the presidency, through independent candidacies, including attorney Carlos Roberto Reina, the businessman Edmond L. Bogran, Dr Enrique Ortez Colindres, Francisco Rodolfo Jimenez, engineer Roberto Galvez Barnes, and the socialist theoretician Mario Sosa Navarro.

5058
CSO: 3010

BRIEFS

OIL PRICE INCREASE--Oil price increases have been officially announced. Economy and Commerce Minister Ruben Mondragon has officially announced that, as of next month, there will be an oil price increase in Honduras because Mexico and Venezuela have increased their oil price by 6 lempiras per barrel. [Tegucigalpa LA VOZ DE HONDURAS in Spanish 1500 GMT 29 Dec 80]

CSO: 3010

BRIEFS

BROAD MEDIA COMMISSION--The Communist Party of Jamaica [CPJ] has told Prime Minister Edward Seaga that a proposed commission on the utilities of the media should not be joined only from the two major parties--the People's National Party and the Jamaica Labor Party. It suggested that the Media Commission (?draw) its representation from the widest cross section of the country. It advised the government that the commission with broad representation from among the people would provide an appropriate framework for the democratic regulation between the media and the public. [Excerpts] [FL270004 St George's Domestic Service in English 2330 GMT 26 Dec 80]

AMBASSADOR TO U.S.--Kingston, Jamaica, Friday, (CANA)--Jamaica's ambassador to the Federal Republic of Germany, Keith Johnson, has been appointed the country's new ambassador to the United States of America. Deputy Prime Minister and Minister of Foreign Affairs Hugh Shearer, who made the announcement, said Mr Johnson was expected to assume duties early in the new year. Government sources said they expected that Sir Edgerton Richardson would be appointed permanent representative to the United Nations, replacing Mr Don Mills, who they expected to be reassigned. [Bridgetown ADVOCATE-NEWS in English 20 Dec 80 p 3]

CSO: 3020

LOPEZ-PORTILLO DISCUSSES PRECANDIDATES, OTHER SUBJECTS

Mexico City EL DIA in Spanish 4 Dec 80 pp 6, 7

[Stenographic version of the breakfast-press conference held by President Jose Lopez-Portillo with journalists serving in the presidential press corps, in the Red Room at Los Pinos in Mexico City on 3 December 1980]

[Text] Mr Luis Javier Solana: With your permission, Mr President.

The newsmen who make up the Presidency of the Republic's press corps have unanimously agreed to undertake a group effort. The questionnaire that my colleagues Ofelia Aguirre and Roberto Vizcaino, who were chosen at random, are now going to read was drawn up by all of the members of this news service. They felt that this was the most democratic way that they could all take part in this effort. So then, I am going to ask Ofelia Aguirre and Roberto Vizcaino, she first and then he, if they would be so good, to read the questions.

Question: Mr President, the undersecretary of commerce, Hector Hernandez, agreed that there are grounds for Nobel economics prize winner Klein's statement that Mexico could lapse into the "petrolization" or "Iranization" of its economy. Some groups of economists assert that this development is linked with "dollarization." Is this true?

Answer: First of all, welcome. I am very pleased to have you here. I think that your procedure is a very clear illustration of what the science of criminal law calls premeditation, breach of trust and advantage, and what you call democratization is what I might call a tyranny of the majority. But I am at your service, and with great pleasure.

I am unfamiliar with the context in which Hector Hernandez made that assertion. It would surely be what we might call a simplistic speculation. To speculate, as you know, comes from the Latin word for mirror, "speculum," and so it means seeing reality through a mirror, a mirror of prophecies even. Such a possibility could be voiced and accepted as speculation, like many others. But foreign experts often make simplistic assertions, hasty generalizations, and in the case of Mexico and its oil, I think that this is obvious.

The cases of Iran and Mexico are completely different. Iran is an Islamic country that decided to modernize under an autocratic political regime based mainly on a military buildup, linked to the U.S. economy's desire for it to be

its policeman in the area. It was on the basis of Iran's military buildup that the modernization process began, and not only in terms of technology but also by bringing in foreign specialists, mainly Americans. Its modernization included a cultural break with its Islamic past, which created a very complex mix of tensions that eventually exploded, because ever since the seventh century A.D. the Islamic Middle Ages have demanded input in the modernization process.

Mexico's situation is completely different. Mexico has gradually entered the petroleum era, with the experience of an empire, first in the prerevolution and then in the postrevolutionary period. It staged its social revolutionary at a time when the oil problem already existed and culminated its stand on this issue with Lazaro Cardenas' expropriation, which coincided with a series of developments that diversified its economy and that do not make it dependent on oil. So then, by the time that we made our recent oil discoveries, our country already had an industry, albeit insufficient and with a great many gaps. Its modernization process is under way and, above all, it has already trained manpower. A short while ago, at a meeting of mechanical and electrical engineers meeting, I voiced this thought: Mexico has specialists that can handle the work, on account of what Lazaro Cardenas did, to be sure. Yesterday I inaugurated the Chicoasen plant, which has 100 percent Mexican engineering, etc.

Hence, the country's situation is completely different as far as its process of modernization is concerned.

Moreover, Mexico is not a country that has decided on a military buildup. We spend very little on weapons. We don't have to. The care that we have taken in setting ceilings (which are not taboos but rather the outcome of very rigorous analyses of our economic realities) tells us that we have, in fact, taken into account what happened in Iran and other oil producing countries, so that the same thing does not happen to us. The point is to bring in exactly as much foreign exchange, as many dollars, as our economy can absorb, not in a disorderly way. As you know, we use the dollars to buy things overseas. When the dollars enter the country, they have to be converted into pesos, and starting up the money-making machine is the same as converting dollars into pesos. They can, of course, be considered as reserves, but they no longer have a reserve function to guarantee the peso's parity vis-a-vis the dollar. Thus, it makes no sense to bring too much foreign exchange into the country because this congests our economy and causes inflation.

In addition, our ability to buy things overseas depends largely on the projects that we pursue. This is why we are careful about production ceilings, to coordinate the country's development through oil as a source of foreign exchange and as an input for our own industry. This explains the ceiling. I have also said that in addition we have to reconcile what we spend to extract the oil with what we earn from oil sales, because we could inflate our economy both ways, in the first case because of deficits and in the second because of too many dollars in our economy. Since we are aware of the dollar inflow, of what is involved in the so-called "Iranization," I don't think that it could happen to us. Of course, if we view reality in the mirrors of prophecies, that and anything else could happen. Atlantis could rise up in the middle of the Atlantic, and the Yucatan Peninsula could sink. It could happen, but this is speculation. Hence, I categorically assert the following: the Government of Mexico, which is

responsible for petroleum production, has established a suitable pace of development so that our economy will not be "petrolized" either by borrowing to extract the oil or by congestion from foreign exchange inflows.

Question: Mr President, the second question: The opposition and other sectors assert that economic power has handcuffed political power, which is preventing the government from carrying out structural efforts to benefit the masses. As an example, they point to the blocking of a new Commerce Law and the fruitless efforts against middlemen. Is this true?

Answer: No, not at all. It is not economic power, if by economic power we mean the power that money can give to a certain social class in society, no. The economy as an interaction of domestic production, distribution and consumption and in its international links, has its own structure as a whole, and this forces us to make certain decisions, mainly those that involve what we might call timing. So then, structural decisions in our economy have to be properly timed, and on occasion we cannot make a certain type of decision because we realize that it would have a different effect from the one we intended. There is no social class that can forcefully prevent the Mexican Government from making decisions.

As far as the blocking of a law is concerned, I don't know which one you are referring to. We are concluding an interesting study. I have just received the initial conclusions on restructuring supply in Mexico, and this includes reforms of the marketing system, including, perhaps, the Commerce Code itself. So, there is nothing preventing us from doing so, nor is there any blockage. I don't know which one you are referring to.

And as far as middlemen are concerned, this is not due to economic power; it is due to the cunning of those who take advantage of a free society and lodge themselves in the right places to operate as middlemen. It is hard for us to uncover them, and when we do, it is hard for us to prevent them from engaging in free trade, as guaranteed by our constitution.

Thus, I can categorically assert that there is no economic power preventing the political power from making its decisions. Such decisions must be responsible and in keeping with what circumstances permit. There is no such power. I assert this categorically to the opposition and other sectors.

Question: Sir, there are complaints that the budget monitoring process lacks truly effective tools for auditing expenditures. This, they assert, curbs or nullifies the battle against corruption. It has always been said that each 6-year presidential term in Mexico leaves its batch of millionaires behind. How will you prevent yours from falling into this pattern? Do you agree that the monitoring process has to be improved?

Answer: This was one of the banners that I raised in my campaign and that I have waved from the outset of my administration. I was very interested in having in-depth monitoring and I introduced procedures for all of the monitoring laws, the budget, the public debt, company monitoring, procurement (which is constantly being revised), contracts, etc. So, I am personally interested in

seeing things move forward as much as possible in monitoring procedures, because there is no reason for anything stemming from decisions by the president and his main collaborators to be concealed or to entail a misdeed that deserves to be punished. I am personally interested in having a transparent budget, and I said so ever since the first year I was in office. I have aimed for this ever since I was finance secretary. The presentation of the budget has gained in clarity. The Legislature can, pursuant to its powers, introduce any and all procedures that it deems appropriate to clarify these matters. Monitoring, then, is one of the administrative processes that we have to pay attention to, and it does, in fact, exist.

As to the stories about batches of millionaires every 6 years, well, people say so many things that it's like the case of speculation. It would be interesting to find out who and in what instances. When they have been uncovered, action has been taken, at least under this administration, and I hope that the next one does the same with those who emerge from mine. The measures that we have to take for what is popularly called the "Year of Hidalgo," which really begins in 1981, are measures aimed at greater precautions. We have the legal instruments to do this. There are auditing systems that we might call internal, which the Federal Government applies to itself, and those that we might call external, which the Legislature has to apply. Things can be controlled by combining the legal instruments that we have available, but there will always be someone who has the talent or the opportunity to circumvent them. By their very nature, laws are violable; otherwise, they would be natural laws that would never be broken.

The important thing, then, is to have systems of detection and systems of punishment. Every one that is necessary will be established. I am the person most interested in that.

Question: Mr President, how is the economy of the working classes doing now that we have had an average annual inflation of 25 percent over the last 4 years while wages rose less than 20 percent? Does this mean that the poor are poorer now?

Answer: There are several things that I would qualify here. The problem with statistics is that they lead to hasty conclusions and simplistic generalizations. The economy has not inflated at that constant rate, nor have wages. Inflation rates are conventional factors that each economy figures out in accordance with certain indicators gathered from the economy as a whole but which do not affect all sectors alike. It is rash, then, to draw from these statistics social and political conclusions such as the one implied in this question. There is inflation; that is a fact. But there is another fact: there are jobs, a lot more jobs than in past years; thus families can have more providers (and this largely is also why there is inflation), as they can lump together two and even more paychecks, because the economy makes this possible now.

I would say to you that there are shortfalls on the two extremes of the job range. As far as skilled workers are concerned, not only is the supply low but there is open piracy in the government itself as well. Some branches steal workers by offering them better pay. Many of my collaborators are constantly

complaining: "Look how so-and-so is stealing my men because he pays them more." Hence, there is a limited supply of skilled workers. And the astonishing thing is that the same thing is the case on the lower end of the scale, hard manual labor. There are problems with canecutters, there are problems with rice pickers, there are problems with tobacco planters, there are problems with cotton pickers. In short, all of the toughest, stoop-labor jobs in the field are no longer in demand, which means that people are being liberated, that they are finding jobs somewhere, or that they are underemployed, but in any case they are better paid or in better conditions than doing the tough jobs that they are beginning to leave behind. Since there are more jobs, families have more than one paycheck. But I honestly must concede (I have always done so) that this year the minimum wage is surely going to rise less than the rate of inflation.

Of course, a lot of considerations are in order here. For example, housing rentals is one of the main components in the inflation index, but this does not have much of an impact on the working classes, which have taken care of their housing problem, albeit inadequately. And there are other components of inflation like this. Schooling, for example, is one the components that is constantly reflected in the inflation index, school fees or tuition. Workers send their children to schools that do not cost a cent, public schools. We could continue analyzing each component this way and get a non-sketchy view that would not lead to hasty generalizations but that would instead indicate that one could not categorically assert that the poor are becoming poorer. We can assert, and I assert categorically, that there is inflation, that there are more jobs, that there is greater demand, that there is, therefore, higher inflation and that it would be a good idea to carefully study how these components, which are hastily put at 20, 24 or 26 percent, interact.

I would not recommend analyzing society with such elementary statistical data as these and then drawing conclusions that could be rash. In my view, such a conclusion is not in order based on this index, for the reasons that I have mentioned.

Question: Sir, what is your assessment of futurology [futurismo]? Is it harmful, beneficial or simply unimportant?

Answer: Well, here, as with many other things, the important thing is to know what futurology means. If by futurology we mean man's fortunate ability to foresee the future and make decisions accordingly, to supervise changes and achieve goals (even political ones), futorology as a human quality and condition is an inseparable part of man as a rational being, and from this standpoint I would not bother to term it desirable or undesirable. Man is perhaps one of the few creatures, along with ants and wasps, that are fortunate enough to be able to anticipate the future and take action. From this viewpoint, it is positive.

If by futurology (getting into the political sphere now) we mean intrigue, the shirking of responsibilities, subverting authorities and areas of responsibility to make political headway, shirking responsibilities to find a comfortable spot in the future, it is harmful. If a public official does it, he is abusing the trust that the people of Mexico placed in him. From this standpoint,

futurology is harmful because it means shirking duties and powers and taking advantage of them for personal gain, thus supplanting the general interest with one's own interest. From this viewpoint, it is very negative.

The question seems to be: Is it good, bad or the opposite. To get back to the first meaning of the word, I think that it is reasonable for a politically responsible people and society that is interested in political matters to analyze individuals in order to take stands or anticipate developments. It is a very good idea for people not to be indifferent. I am very pleased that the people of Mexico are interested in analyzing the leading figures who might hold the office of president of the republic. That's fine. It means that our people are responsible, that our people are informed, that our people are interested in their destiny, and I think that this is highly positive. I think that it is a very good idea to analyze prospects. I think it is a very bad idea to pervert the system to bring about perverted solutions. I think that I have answered you.

Question: Mr President, what do you think of the people who would like to succeed you? Could you tell us the names of your five closest colleagues?

Answer: All my colleagues are my five closest colleagues. I don't know the names of any presidential hopefuls. Who is running? How has the person who wants to run come out and said it? Public opinion has pointed to him. Ours is a very peculiar country that has its own political procedure, according to which (except on very few occasions, where it has caused problems) no one says: I am running. It is the party that selects the candidate after looking into him. So, I can assert that no one has come out and said that he is running. If you can tell me the name of someone who has said: I am running for president of the republic, I would be very glad to analyze him right now. Who?

Now then, as far as my closest colleagues are, I already said that all of my colleagues are my five closest colleagues.

Question: Sir, it is commonplace to say that the president of the republic appoints the governors, only now there are complaints that the criterion of friendship is not being balanced out by the needs and the will of the people in each state. People are saying that friendship is the sole criterion and that this has created an array of governors that meet only their commitment to the president, which makes the political reform and democratization nothing more than publicity. What is your opinion?

Answer: What opinion can I express when I think that this is another hasty generalization and oversimplification of our political context. The president does not appoint the governors, nor is friendship the predominant factor in a nonexistent appointment, nor does each party's system of selecting candidates influence the political reform, nor does the political reform boil down to elections, much less democratization. So, though I respect these series of assertions, I think that they are slanted because they are hasty generalizations that are not based on the facts and cannot come to pass, as some would have us believe.

The point is this: Each political party has its own system of selecting candidates. The Institutional Revolutionary Party (PRI) is in the majority in Mexico and election after election it has proved that the majority of the Mexican people agree with it, regardless of what anyone says, because the ideological, doctrinal and political content of its philosophy and of the governments that it has formed when its candidates have won, has always been victorious. So then, because of the very nature of the party, the candidate selection process is two-pronged: the party has factions that represent political interests, and then when the time comes for the general election, each eligible voter casts his own ballot for the party.

What system is used to select candidates in the PRI? Under our system, and this is one of its wise political features, the president of the republic is not only the chief of state, the head of government and the supreme commander of the Armed Forces, but also as the party's candidate, the head of the party, and therefore we would say that he has a deciding vote, as in any majority decision-making system with a deciding vote. His information capabilities comprise those of the party's factions. The president, acting not as such but as a qualified member of the party, voices his opinion, along with high-ranking party members, and the decision is made within the party. It is the party, not the president, that nominates a candidate. Once the candidate has been nominated, the party formalizes his candidacy, the election is held, and the PRI candidate normally wins.

These steps are overlooked in simplistic political analyses, which jump from the president's involvement as a party member to the election victory. The intervening political processes are ignored, generalizations are made, and you get the faulty conclusion implied in this question. The thing is that simple.

It could well be that on many occasions the party and the people will choose a friend of the president as a gubernatorial candidate, and that has happened, but to assert that this is the only criterion for the nomination is groundless. I could go on, but since very shortly you are surely going to ask me about the statement by my personal secretary, well, I'm going to leave myself something to say in reply to that question, because I can see it coming.

Question: Mr President, that is precisely our next question. Your personal secretary said that in Mexico the president designates his successor. Is this true?

Answer: I am going to say all that I have to say with due respect for my personal secretary, and I am going to explain things as they happened, and he won't let me lie.

My personal secretary, a prominent doctor of law, was invited to give a lecture. He brought me his lecture so that I could take a look at it, but I didn't want to, because as a university professor I have a profound respect for academia, academic freedom, freedom of analysis and freedom of opinion. I in no way wanted to show disrespect for my personal secretary by censoring his speech. He is as much a university professor as I was. In what capacity am I going to punish him or correct his academic opinion, with which I disagree? On the other hand, I think that what he did was unnecessary and inappropriate. It has brought

me more problems than solutions. I told him so ever since I heard him. Roberto, why did you have to get yourself mixed up in this squabble? But in any case, he did, and I respect his opinion but I do not share it, because he has simply overlooked the intermediate steps and made hasty generalizations. Eliminate the in-between steps and you jump from a premise to a conclusion, without taking into account other factors.

Moreover, people confuse elections with the candidate selection process that each party decides on as it sees fit. If the PRI gives the president of the republic a deciding vote because he is its most faithful member (and here we have what I call the theory of the party loyalist), well, it has every right to establish such a decisionmaking process.

Why do I call the president of the republic the party loyalist? The president of the republic is the party loyalist, the most loyal of the party's backers, because he no longer has any political ambitions, because he cannot be reelected and, therefore, can view the party's candidate selection process with the greatest objectivity, on the one hand.

On the other hand, within the party the president of the republic (and I again want to stress that you should not confuse my status as president with my status as a member of the PRI) is like a pointer on a balance scale: in assessing the prospects, he grasps the interests, the strengths, the opinions and the circumstances of everyone who represents a faction and, thus, makes up the process, so that he can gradually lean towards the person whom he deems the most suitable.

Technically speaking then, we see that he has a deciding vote within the party, which has chosen this decisionmaking system, as it has every right in the world to do. How do political parties select their candidates elsewhere? The party leaders get together and decide: this, that and the other fellow.

I don't know whether you saw a film entitled "Being There" which had a very interesting scene at the end about how decisions are made regarding candidates in very advanced countries. Each party has its own laws and systems for selecting its candidates. Party members can speak up and propose some change in the decisionmaking process, so that the party as a whole can decide one way or the other, but let the members of other parties choose their candidates any way they want, with procedures as complicated or as simple as they wish.

The PRI proceeds thus: the factions voice their views; the president of the republic is the loyalist because he has the deciding vote; there are discussions, analyses and agreements, and the decision is made. It's that simple.

My friend Roberto Casillas forgot about or was unfamiliar with this process because he has not been involved in any of them, and he voiced a hasty opinion.

So then, gentlement, with all due consideration for the professor, his analysis is inadequate and marked by hasty generalization. That is not the way it is. As for the rest, ask him afterwards. This is what I can tell you.

Question: It would seem, sir, that one of the characteristics of the Mexican political system is that praise is showered upon the president during the last 2 years of his administration, praise that in subsequent years turns into criticisms and grounds for attacks. What is your opinion as a man and as a politician?

Answer: Why are you limiting it to the last 2 years? (Laughs are heard). For those who have the capacity to take praise, it begins from the time that you are an aspiring candidate. "Old fellow, you're the best, you're a shoe-in, you're this and you're that, I'm with you." These people bend over backwards for you. I find this very annoying. I avoid praise, because I am very objective. I know my virtues and I am familiar with my shortcomings. I became president at a quite mature age, when I knew myself and when neither praise nor insults could sway me. I am profoundly objective and rational. I do not enjoy praise. On the contrary, it embarrasses me and makes me feel embarrassed for others. I don't know whether it often happens to you that you feel embarrassed because of what others do. They might not feel embarrassed, but I do.

So then, now that I have described those who voice praise out of convenience, I would describe the people who attack later out of cowardice in the same terms. The human condition makes possible these and other actions, which I regard as signs of inadequacy, lack of class and moral standing.

After and during my 6-year term I am prepared to accept anything that is said about me if it is done respectfully. If it is done disrespectfully, I protest, not because of what is being said, but because I am being shown disrespect. I have profound respect for others and I want to respect them as they respect me. What I am worried about, then, is a lack of respect. Aside from that, people should analyze what I say and do as broadly and as freely as they wish, just as I analyze others. I criticize my critics with the same right with which they criticize me. What are they afraid of?

Question: The now famous issue of the American magazine TOWN AND COUNTRY described a Mexico that most Mexicans are unfamiliar with and that others thought had been forgotten: Mexico under Porfirio Diaz, which obviously did not vanish with the revolution and which seems to grow stronger day after day. What are the people's prospects in this Mexico, the owner of the nation's money and the master of its fate? Will the Mexicans who do not appear in that magazine article really be able to determine their future? Why has the government, born of the revolution, permitted this insulting concentration of wealth?

Answer: An interesting question that sooner or later I would have had to face up to and answer. The question is a complex one, and so it deserves a complex and lengthy reply. Since you have posed it to me, you'll have to bear with me, because it is so interesting that I must do my best not to leave any loose ends. I have to get to the heart of the matter.

My first impression in reading the write-up in the magazine was one of displeasure, because it does, in fact, make a show of insulting wealth, and we are going to see later what is being insulted by such ostentation. Thinking it over later,

I felt that it would be very useful to have a mirror held up to us from the outside to show us our vices and shortcomings and that the scandal that it was going to trigger would enable us to continue with our decisionmaking system to move forward in our ongoing revolutionary process.

The magazine article in itself is without doubt exaggerated. It also makes hasty generalizations and draws misleading conclusions. It says that I am a king, that I was born in Guadalajara and that I was educated in Chile. I am obviously not a king; I was not born in Guadalajara, but my family is from there, and I was not educated in Chile. I took a 4-month summer course in Chile. That's surely how the whole thing must be. They would surely turn a country house into an estate.

But what we can in no way overlook (and this is the moving thing about the article) is that it underscores and illustrates with examples, faces and names the inequitable distribution of wealth and income. There is obviously an unjust distribution of income in Mexico, which this magazine has illustrated with pretentious, forced examples, examples of sublime affectation, if by affectation we mean an exaggerated attempt at elegance. When elegance is sought through exaggeration, it is affected, and the pretentious examples in that magazine are so affected that they curl your hair. This does not, however, erase the tragic fact that income is poorly distributed in Mexico and that such wealth is insulting.

What is being insulted? A code of political and moral standards based on the acknowledged principle of equality. Since I am or since I was a political science instructor, I cannot separate my status as president from my status as a practitioner and theoretician of political science in answering this question and giving my analysis.

Men are, by nature, unequal. No two people are identical, neither in looks, abilities or even needs, except basic needs. Things are unequal by nature.

At what point in history was equality posed as a problem? At one historically identifiable point the Stoics affirmed man's equality by virtue of reason, and the Christians man's equality by virtue of love, and the combination of these two traits, reason and love, posed the problem of equality to political systems, which did not used to be a problem because inequality was the rule. Previous regimes or systems were based on inequality, and therefore it stood to reason that there were slaves and that people had rights over slaves. I am analyzing just this process now. Excuse me for talking at such length, but this is my way of expressing myself.

Ever since the problem of equality vis-a-vis natural inequality has existed, political systems have been looking for ways to resolve the problem of equality. From Saint Agustine's "City of God" to the "Classless Society," people have sought a political prescription for resolving the problem of equality vis-a-vis the natural inequality of man, and no system has been successful. There are some that have gotten close and lessened the gaps, in both systems. I could mention that within the capitalist sphere at present Sweden has narrowed the gaps and made them at least less insulting. The problem of equality has been worked out

on the basis of a very interesting living standard. There are also examples, without doubt, among the socialist countries, such as Bulgaria. In Bulgaria there is basic equality and a certain living standard that makes these inequalities not insulting. But the rest of the world's countries are marked by inequality, and ours is no exception.

But this has become especially tragic in Mexico, because in its historic search for equality it found its own path, undertook its revolution, which became law and a government, and this law and this government, which denounce the insult of accumulated and poorly distributed wealth, are faced with its undeniable existence on one extreme and with extremely poor sectors on the other extreme. This compromises our government but does not detract from its validity. This is one of the things that I want to stress: this is a problem of what is and what ought to be. I am therefore constantly asserting that for the political philosophy of the Mexican people the Mexican Revolution (and I am going to explain later why we are in this situation at this moment) is a valuable tool that our history has given us and it is the best that we could have done in practical terms.

Mexico is a country of synthesis, a crossbred country in every sense. Its own constitution is a very peculiar synthesis, a synthesis in which balance is dynamic because it is dialectic. It combines or tries to combine the anarchist extremes of Flores Magon with concessions to the revolutionary reactionaries, and its content lies in the center of a satisfactory ideological process regarding our keen desire for justice to resolve the problem of equality. It had to combine the entire liberal tradition that stipulated individual rights, such as private property, free enterprise, free trade, right of way, all of the freedoms that are enshrined in our constitution, with social needs in the two spheres in which it had to apply: peasant farmers under Article 27, which affords the possibility of arranging [modalizar] private property to achieve a just distribution of the nation's wealth, and Article 123 to establish a balance among the factors of production. It is a hybrid combination of individual and social rights, in which freedom with all of its risks has to be combined with justice and all of its restrictions.

In reconciling justice with freedom we have done an imperfect but perfectible job, tied to circumstances, some internal, others external, and here I am going to begin answering the question. The Mexican Revolution took place in a rural, almost feudal Mexico that had been penetrated by an economic imperialism that had taken over the modern aspects of its economy, while nationals pursued the traditional aspects: farming and intermediate business, because foreigners were engaged in big business as well as the aspects of modernization. The Mexican Revolution salvaged them and began the process of nationalization and Mexicanization in a very pressured way, because of external circumstances and the domestic population explosion.

Due to the impact of the revolution we moved in a few decades towards a much more populated society and country. This quantitative factor posed a very peculiar qualitative need: the need to create jobs for a rapidly growing population, with all of its social and economic needs.

I cannot go into much detail, but I can assert that after the revolution, which for the purposes of this analysis I am going to situate in 1920, between 1920 and 1940 the petroleum nationalization process took place, coinciding with the Second World War and the establishment of a contextual framework for the nation, the Bretton Woods Agreement, which enabled countries (there were and are many like ours) to initiate industrialization processes, which were, however, inadequate because their aim was merely import substitution.

Under these circumstances, wealthy Mexicans had to be turned into capitalists, because previously they were wealthy individuals living off their investments, their farm lands and their houses in the cities and income from the money that they lent out for other activities.

In general, a wealthy Mexican before 1940 lived off his investments. Starting in 1940 and coinciding with Miguel Aleman's administration, rich Mexicans began turning into capitalists, in other words, owners of capital goods. They began turning their wealth into capital goods; this process has been going on for just 40 years and had to be speeded up first during an economic siege (an external restriction) that stifled our activities and then in the face of domestic inadequacies such as technological dependence and consumption-oriented habits.

This process had to take place while individual rights were respected, such as free trade, private property, the unrestricted convertibility of our currency, free enterprise, right of way and others, and social solutions had to be reconciled with mounting state involvement as the guiding force in the economy, which became especially necessary after the Second World War, when the state by law assumed powers to intervene in the economy.

All of this (and this also happened in other countries) presented us with a pattern of incipient industrial development that was dependent on other nations and very limited, and as part of it the country had to accept ("had to accept" because of need, geography and history) private property, the market economy and freedom of exchanges as unavoidable realities in our case. Any breakdown of these principles brings more problems than solutions.

Our progress, with all of its limitations, took place under these conditioned circumstances. On the one hand, the cumulative needs of the country fostered a system of rapid development that at one point was termed "the Mexican miracle," which filled many of the gaps through an import substitution system and created something very important: a permanent structure of secondary jobs in industry, and accelerated others in commerce, in tertiary activities, which made possible options that our economy did not used to have when it was dependent on the rural sector. We also saw the beginning of what we can call "urbanization," with all of the social and political problems that it brings with it.

Under this development system the country has become urbanized, the wealthy have become capitalists, a true national bourgeoisie appears, a sizable national proletariat appears and develops, and the struggle between labor and capital

begins, with labor governed by a Labor Law that has been amended over time; a system of just income distribution is established based on the labor-capital relationship in the industrial sphere; social security and other programs make their appearance, programs that currently represent justice for those who have jobs and hope for those seeking work. This is why I often say that it is essential to insure the right to work in Mexico, because the right to work is regulated and in effect.

This is why we have to be very careful when we go about modifying the country's economic structure, because everything that the country has achieved from the revolutionary process, particularly from 1938-40 to the present, is contained in a system that we might damage if we touch it, as it is the only perfectible system of true justice that we have. On the other hand, this system, which has given us balance, has enabled us to generate wealth to resolve social problems, some quantitative and other qualitative.

I could tell you here what the revolutionary effort has meant in Mexico's history, but to save time and allow you to ask other questions, I would refer you to my last Government Report. In it I do an analysis that answers these kinds of concerns.

This is what we have done from 1960 til now and from 1960 on back, though we could amplify on this analysis and draw the same conclusions. Revolutionary efforts have been gigantic. If we gage them in positive terms, we reach encouraging conclusions, but we can also gage them from another standpoint. We can gage what we have failed to do. The emergence of a social class that has accumulated wealth and that lives in luxury is shameful for the Mexican Revolution, and on the other extreme, it is just as shameful that people are living in poverty.

But what is happening to us now? This social class has emerged because of the risks of freedom. Since there is private property, since there is free enterprise, since there is the right to work, since there is free trade, since there is right of way, since there is freedom of exchange, since there are many freedoms, some people benefit from freedom and some people are hurt by it. It is up to the state to make the appropriate adjustments.

In our system of law, of individual rights combined with social rights, with respect for guarantees, the only way we have to distribute and redistribute income (I have said this many times and I am going to repeat it now because this is the path that we are following, and while this system exists, it is the one that we will follow) is through a wage policy, a pricing policy, a difficult profits policy, a fiscal policy linked to public expenditures, the agrarian reform process and the efficiency of our nationalized economy, in which the struggle among the factors of production as classes has been eliminated so that it can take place within the framework of the nationalization process.

These are the ways that we redistribute income in a country like ours, with private property, a market economy and free exchanges, in which freedom has permitted these extremes and has not fostered the other extreme.

This insulting concentration of wealth is a challenge to our revolutionary process, which in my estimation cannot be judged so simplistically on the basis of this American magazine. It has pointed out and rubbed in one of the faults that we have to moderate, and we are moving in that direction, constantly taking legislative action. To bolster the fiscal reform I have just ordered several interesting initiatives to do away with front men [prestanombres], to stop them from manipulating interest earnings overseas on us and hiding profits, etc.

And we are doing things like that all the time. How? By seeking a general harmony of things so that the system does not become unstable on us and so that the benefits are greater than the ills that we cause in making decisions. That's why the important thing is a constant political determination to move forward with the process of justice, which is what validates our revolution and its laws. And in this regard we are moving forward.

I could say a lot more, but it would be complementing or rehashing what I have just said. These are my comments to you on this interesting question.

Question: Sir, are Secretary's Garcia Paniagua's fears justified that the brutal inequalities that exist in the country could shatter the social peace at the most neglected link on the chain, the peasants?

Answer: I think that this question, which is also speculation (we are looking into the mirror of future events), was answered in a way in my above comments. This is speculation. A lot of things could happen. Atlantis might even rise up.

Question: Four years into your term, do you think that you have earned some of the forgiveness that you asked for from our underprivileged and deprived citizens, Mr President?

Answer: This is a very painful question because it makes it seem as if I am the only person responsible for the existence of underprivileged people in this country because I dared to ask for forgiveness from the people that I thought ought to be asked for it.

We are all responsible, my friend. I am not satisfied, because there are still underprivileged people. We are making all-out efforts, the ones that our political and economic circumstances have permitted us: through the general actions of public works and spending, including specific action by agencies, as well as in the specific program to help the underprivileged and deprived, COPLAMAR, with its efforts in heath care (including drinking water), communications and housing. We are making the all-out efforts that we can make at this time and we will renew and intensify them as time goes by.

It would be an unrealistic illusion to tell you that I have earned their forgiveness. I would switch the question around: Has Mexican society earned the forgiveness of the underprivileged? I have only been the spokesman of a crisis of conscience, nothing more.

Question: Sir, when you took office, you said that yours might be the last civilian administration in Mexico. What motivated you to make this statement? Has this possibility, which to many represents a dictatorship, vanished?

Answer: I do not recognize the term "civilian," which I never used. What I said was that perhaps the Mexican Revolution had its last chance under me. I do not recall having talked about civilian rule, just about the Mexican Revolution. I said this at a tight moment in the election campaign, in the midst of a crisis that fortunately has been settled, and I can assert that the Mexican Revolution has proved its flexibility and currency because it has been able to provide answers such as the ones that we have implemented and tried to implement, among which I would mention the political reform.

I talked about a chance for the Mexican Revolution, not about civilian rule.

Question: People are saying that Mexico will be the site of the North-South meeting next June. Is this true? If so, how many chiefs of state and which ones have confirmed that they will attend? What is or will be its planned agenda? If those who hold decisionmaking power do not attend, won't this speed up a world confrontation? What is the risk of a failure?

Answer: I dealt with the issue a great deal on my last trip to Europe and Canada. It is not exactly a North-South meeting; it is what we are calling a summit meeting of chiefs of state or representatives of developed and developing countries so that they can express political preferences that could provide guidelines for the United Nations so that progress can be made in relations between these two worlds.

The people who have been involved in analyzing these problems have come to the conclusion that only officials and colleagues, and never the corresponding political representatives, have been consulted in this regard and that it would be a good idea to bring together a limited number of chiefs of state to analyze a set agenda (which has not yet been set) and voice their opinions and make their comments, which could then serve as guidelines for the ideal decision-making body, the United Nations.

This is a process for investigating political preferences, not for making decisions.

The agenda is being drawn up. It has not yet been set, much less agreed upon. A decision has not yet been made as to how many and which countries will attend, and this is one of the touchiest problems.

All indications are that if it is held, it could be held in June. Since a decision has not been made as to who will attend, the agenda has yet to be drawn up. Once certain aspects are firmed up, we will be able to make decisions. But nothing now can be described as certain, except Mexico's desire, with its political commitment, to be useful in a world fraught with suspicion and disorder, like today's world.

This is what I can tell you about this matter.

Question: Sir, one short month before the change of presidents in the United States, could you tell how relations with that country stand? What are the prospects under Reagan? He has said that relations between Mexico and the United States deteriorated under Carter. Is this true?

Answer: I don't feel that way. What's happening with Reagan is what happens in schools and classes when a new kid comes along. They say to you right away: "Hey, Juan says he can beat you up. Is that right?" A new man has entered the political arena, but relations between Mexico and the United States are specific historical and geographic relations. I do not feel that they have deteriorated under Carter. On the contrary, systems were established that have been useful to us in analyzing things, and we can see this with Secretary of State Muskie's recent visit. There have been many peculiar tales going around about relations between Mr Carter and me, which in no way represent deterioration.

So I don't see anything that would justify a categorical assertion like that.

Question: Mr President, people are saying that there is undisclosed friction between Mexico and the United States over the lack of "common ground" in their policies towards Central America and the Caribbean. Is this true? Do you foresee clashes with the Reagan administration over this?

Answer: What I can assert is the following: Mexico has a very firm list of principles in international affairs. This list of principles, which I have called "defensive" in light of Mexico's political and historic conditions, consists of the principle of nonintervention, self-determination, noninvolvement in the internal affairs of others and a peaceful solution to disputes. These are the unwavering principles that we defend for ourselves and for others, because we want the same treatment for others as we want for ourselves. This is our principle.

I have asserted that because they are defensive and insufficient, they require the startup of outside processes to foster peaceful solutions for the development of all countries. This is why we have proposed a new world economic order and a strategy for achieving it, the World Energy Plan.

These are our active principles of international economics. This is our policy line, and we are asserting it vis-a-vis the Carter administration, the Reagan administration or any other government in the world. We don't think that there should be clashes because we assert these principles, because these are principles that are common to all mankind. In the event that these principles are violated, which I do not think will happen, we would make our decisions, but I do not want to portray this as a fight with the new kid in class.

Question: Sir, doesn't our sale of oil to El Salvador (at this crucial juncture for its future) and Haiti represent an inconsistency with our pronouncements in favor of self-determination and democratization in the area and of the need to have respect for human rights prevail?

Answer: A very interesting question. This is an issue of current concern, and I can tell you this: Mexico concluded this oil supply agreement, with favorable loan terms for the countries of Central America and the Caribbean, with the idea that it would be an encouraging example of the feasibility of the World Energy Plan as a strategy for bringing about a new world economic order. It has to be achieved with political good will, and the fundamental condition for this is the recognition that we live in a pluralistic, contradictory world in which the law

is both complied with and violated, but a world in which Mexico cannot set itself up as a judge of what is good or evil nor condemn other countries for their own particular processes, because in that case Mexico would be acting just like the empires when they tie their offers of aid to specific political and economic decisions.

Mexico has to give an encouraging example of a step forward. This is why we feel that we are helping peoples by making these decisions and that by helping peoples we will bolster their capacity for self-determination, which would always be brutally limited by economic crises, and basically the energy crisis.

We feel that Mexico's political good will must create the conditions, to the extent that it can and in the places in which it can be of use, for self-determination and democratization to prevail. The economic crisis is a poor counselor and heightens the internal confrontations in the countries of the region.

I repeat: Mexico cannot set itself up as a judge of what is good and what is evil because it would have to judge itself. Thus, we feel that if we are to be useful to mankind in establishing a more reasonable and just order, we have to practice what we preach and not be guilty of the imperial fault of qualifying and making aid conditional in advance. Just as we are supplying Haiti and El Salvador with oil, we are also furnishing Nicaragua with it, and also without dictating its internal political processes, precisely because we respect its capacity for self-determination deeply.

For all of these reasons and for others that I could bring up in this regard, I have made the decision to keep the agreement we reached with Venezuela in effect, because this is a way of proving that a new international ethics is possible that will enable us to move in the general direction of our goal, without lapsing into the limitations of temporary circumstances which, if we label and condemn them, could become permanent.

Mexico cannot be a judge. Mexico believes in self-determination. Mexico believes in the possibility of a new international economic order. It believes that things can get done and is demonstrating this by its example.

What is stifling the world today is the fact that at all points of the political compass the people who are strong enough to help set themselves up as judges in giving aid and condemn in advance those who do not share their interests or ideas. This process of people constantly judging each other, without being entitled to, poisons international solutions and prevents us from achieving them.

This is why we feel that it is just and appropriate to uphold this agreement so that mankind can see that progress is possible in a pluralistic world towards an order in which all positions are tolerated and that if a country is to be condemned, it should be by suitable forums, not by those who have the capacity to help. That would be my response.

Question: Could inflation and economic problems lead the country to devalue the peso once again? What is the real status of our currency? Is it true that it is gradually being devalued?

Answer: We are forgetting that our currency is floating. We are forgetting something that I mentioned at the outset of this conference. We are forgetting that because the country does not have the internal, self-limiting obligation to maintain parity, there is no reason for it to be buying expensive dollars overseas to sell them cheap here at home and thus reward speculation.

Our currency is floating. What matters is not so much what our currency is worth as how much our economy is worth. What we have to do is take care of our economy.

As far as trade relations are concerned, the important thing is not to let our inflation rate skyrocket with respect to the rate in the country with which we trade the heaviest: the United States. This is the really important thing. This is what we really have to watch out for.

At the moment, the situation is so different from 1976 that many businessmen have formally proposed that we devalue, to boost the country's competitiveness, and this is a decision that certain countries make quite often. Japan, for example, undervalues its currency whenever it can to enhance its competitiveness. But my feeling is that domestic demand is so extraordinarily heavy at the moment that Mexico does not have a great deal to sell overseas and that to stimulate exports we have other supports in our economy without having to downgrade the people's savings, which are in domestic currency.

This is why we are keeping the peso floating, with the logical fluctuations of the dollar and of our own currency that the law of supply and demand dictates in the economy. And we are slipping. Sometimes it goes up, other times it goes down.

What's going to happen with the peso? We have to take a look at the currency exchange reports, which are influenced by temporary economic pressures. The important thing now is for us to forget about the peso and its conversion into dollars as the sole criterion in our economy, as was the case for many long decades.

This is one of the defects that we have to uproot and forget about. What matters is strengthening our economy, combatting, moderating inflation, boosting output, boosting productivity, not turning away from growth, which means jobs, and continuing to spur the country on, which we can do.

Mr Roberto Vizcaino: Mr President, we want to thank you for having taken part in this conference with us and as a token of your press corps' affection, we have a present for you to mark the beginning of the fifth year of your administration.

The President of the Republic: I want to thank you for being here on this occasion and to express to you what these 4 years of constant companionship have meant to me, during which time you have worked hard and experienced both the good and the bad along with me. I want this companionship to continue over the next 2 years and in the years to come, on the same basis, with the same affection and with the same respect as so far. Thank you very much.

8743
CSO: 3010

DANIEL ORTEGA COMMENTS ON FOREIGN, DOMESTIC ISSUES

Managua LA PRENSA in Spanish 2 Dec 80 pp 1, 9, 12

[Interview with Reconstruction Government Junta members Daniel Ortega; date and place not given]

[Text] Commander Daniel Ortega, member of the Reconstruction Government Junta, answered 20 questions on the country's current and future situation on Sunday.

The 13th Month

[Question] Commander, Christmas is approaching and the government is going to have to discharge its obligation of coming out with the paycheck for the 13th month and proportional vacations. Do you now have the funds to pay out that kind of money?

[Answer] Looking at the 13th month, we know that the ceiling was raised from 1,500 to 3,000 cordobas so that this means greater benefits for something like 70 percent of the workers.

We cannot say that we have vast funds but rather that, looking at the limited resources of the nation and the Nicaraguan people, we are going to see how we can strengthen the Unemployment Fund together with all those who would voluntarily donate their bonuses and their 13th paycheck and then we would have to give that money to those who need it.

[Question] Regarding the army, do we have almost 50,000 men?

[Answer] Yes, indeed. But we are sure that the army will donate its 13th paycheck. There are no problems. They have a high level of consciousness there.

[Question] What is the reason behind the trip by Dr Sergio Ramirez Mercado and Secretary Emilio Baltodano to Venezuela last weekend?

[Answer] As we know, we have had very good relations with the government of Venezuela and with president Luis Herrera Campins ever since the victory of the revolution and we have economic cooperation which substantially benefits Nicaragua and we therefore had to talk about those topics.

For example, they extended the term of the loan covering the debt that was due by January 1981. That money was used to cover corresponding items in our balance of payments.

[Question] Is your worry concerning the problems of Central America due to Venezuela's influence in this area and especially in El Salvador?

[Answer] No. We were talking specifically about the threat to Central America from aggressive attitudes by the inconsistent sectors of the United States, fundamentally, as well as some others in the Central American region.

[Question] Commander Wheelock is in the USSR. What is the reason for his trip?

[Answer] Commander Jaime Wheelock and Commander Henry Ruiz went to that country as members of Nicaragua's delegation to expand economic cooperation for our people.

It is our policy to seek aid in all parts of the world. We have conducted negotiations in Western Europe, in the socialist camp, in the United States, in Latin America, and we are going to continue to do that.

[Question] What answers did they give to the indigenous [Indian] communities?

[Answer] There is a fundamental problem with the Indian communities and it involves land. On that score, Dr Rafael Cordova Rivas presented a briefing which we consider brilliant and which we support fully. The important thing is to find a middle way on that problem.

If we look at the land titles, we would leave many small and medium owners without land. This logically would not help us in solving the problem; it would make it worse, as a matter of fact.

We have to find a way for the Indian communities to recover a portion of their land and this is a commitment which the Sandinist Front has on its program, but within the context of Nicaragua's historical background. We cannot suddenly find ourselves facing a land title which says that all Managua belongs to a certain community; that would naturally be irrational.

El Salvador

[Question] How do you view the situation in El Salvador?

[Answer] I think that, following the latest assassination of FDR [Democratic Front of the Revolution] leaders, what we are witnessing is the tremendous crisis experienced by those who support the governing junta, those who support the current undertaking which by force sustains the establishment in that country and which is simply incapable of coming up with political solutions that would be aimed at restoring a certain tranquility.

These murders are not cowing the Salvadoran people who have a strong, humanized vanguard and we are sure that the people will find a solution to the problem they are having now.

[Question] Look, in the SEDAC, during the meeting of the bishops of Central America and Panama, there was talk that, by the end of December, they would discharge the priests who are working in the government or who are actively engaging in politics in connection with their priestly duties. Have you given any thought to that?

[Answer] Here is how I understand the situation: those priests who are working in the government have been told that they would have the permission of the bishops to continue to do so until 31 December. This means that, from that moment on, it will not be up to them to decide but that the issue will be in the hands of the Vatican.

We have sent missions to the Vatican to take up this matter. We have been met with understanding and we hope that we will continue to get this kind of understanding.

The Salazar Case

[Question] Concerning the persons who were arrested in the Salazar case, when are they going to be turned over to the courts?

[Answer] Well, as quickly as possible. You must remember that the individuals arrested were arraigned in record time, I believe, 5 days. We are going to bring in the rest of those involved and they will then also be turned over to the courts.

The Granada Case

[Question] A problem has just arisen in Granada concerning the issue of transportation taxes. I believe that they are collecting 2 cordobas for carrying a chicken, 3 cordobas for a hog, etc., 4 cordobas per linear foot in ships. What goes on here?

[Answer] That is the first news I have had no that. But I believe that we have to get money from somewhere in order to maintain this kind of transportation which is a modern means of transportation and which we have never had before on the Great Lake.

Budget

[Question] Is there anything new in the budget?

[Answer] We are thinking of starting to discuss it next week, along with the 81 Plan. We have been taking a look at it and we are going to spell it out in detail in order to disclose it this month, if possible.

[Question] Will it be larger or smaller?

[Answer] The ministers have asked us for an enormous amount which of course we cannot come up with in view of the funds available to us.

To give you an example, the Ministry of Health alone asked for more 1.5 billion cordobas for its budget, and that is not the end of it. The Education Ministry wants the same--so you have to make cuts.

We are going to come up with a limited budget.

Council of State

[Question] How are you going to solve the problem of the vacancies on the Council of State?

[Answer] The seats on the Council of State are available to those who have been making use of them.

If they join, well and good, if not, there are many organizations that are asking for representation on that council. For instance we have here the members of the Federation of Indian Communities who are demanding a seat.

[Question] Is there going to be a further hike in the price of gasoline?

[Answer] That does not depend on us. This is a world market problem as we all know.

[Question] Any new taxes?

[Answer] Taxes for the time being will remain what they are.

Final Question

[Question] Here is my final question: What does the Sandinist National Liberation Front and the Reconstruction Junta have in store for us in 1981?

[Answer] In what sense?

[Question] In every sense.

[Answer] The only thing which the Sandinist National Liberation Front and the Reconstruction Government are going to bring us first of all is an appeal for work and participation by all sectors in the revolution.

We want to stress that. We want to make sure that this revolutionary process will really be possible, a process involving the participation of manufacturers, businessmen, big cattle ranchers, etc., together with the workers and the peasants, to the benefit of the vast majority.

5058
CSO: 3010

EPS MEMBERS COMPLETE OFFICERS TRAINING COURSE

PA232127 Managua Radio Sandino in Spanish 1800 GMT 23 Dec 80

[Excerpts] Some (479) companeros of the Sandinist Peoples Army [EPS] graduated this morning from the officers training course at the Carlos Aguero Echeverria Military Academy. This graduation is part of the "victorious December" ideological drive being undertaken by the EPS to mark the heroic attack on henchman Chema Castillo staged by the Juan Jose Quezada guerrilla commando group on 27 December 1974. The new officers will immediately join the EPS reservist units throughout the nation.

Guerrilla Commander Alvaro Baltodano, responsible for the EPS combat training section, addressed the political-cultural ceremony today. Here are excerpts of his speech:

[Begin recording] On this occasion, we are trying to recover the most valuable and richest experience of the Sandinist National Liberation Front. You recall how the reactionary, turncoat, Somozist press gave labels to the companeros involved in the magnificent attack led by Eduardo Contreras, a member of our national directorate, and the unforgettable German Pomares. It called them people who had received unusual training, as if they were supermen.

However, they had something which permits average men, without much training or resources, to do great things. They had great revolutionary and Sandinist spirit and that was the important and fundamental thing in the attack. They were ready to lay down their lives for the liberation of our homeland and some of them did in fact die. [End recording]

CSO: 3010

BRIEFS

AGREEMENT WITH FRG--The FRG and Nicaraguan Governments today signed a technical cooperation agreement in the fields of topography, property registration and telecommunications. Ambassador Volker Haak signed for the FRG and Foreign Minister Miguel D'Escoto for Nicaragua. [Managua Radio Sandino in Spanish 0300 GMT 24 Dec 80]

CSO: 3010

FUSS SEEKS WORKERS' SUPPORT FOR SALVADORAN CAUSE

PA280155 Panama City MATUTINO in Spanish 27 Dec 80 pp 1A, 8A

[Article by Damarys Munoz]

[Text] The Labor Committee of El Salvador has requested that the Panamanian workers demonstrate solidarity for the Salvadoran cause, according to information obtained by MATUTINO from a representative of the Salvadoran Labor Unions Federation [FUSS] Eugenio Alvarez.

This committee is visiting our country to report on the situation affecting the Salvadoran people and workers, as well as to contact workers groups which are in solidarity with the liberation movements in that Central American country.

The committee is promoting the solidarity of the working class in various ways, including economic aid, the promotion of a continental strike (labor strike), repudiation of U.S. intervention, the holding of a world solidarity conference for El Salvador in Mexico City on 21-23 February 1981, and the repudiation of Decree 296, which eliminates the right of public and municipal employees to organize.

The demands made by this labor organization include the release of labor leaders and other political prisoners, the reopening of the university, which is presently militarized, and a halt to government repression in El Salvador, said the representative of the Revolutionary Trade Union Federation, Jose Gallegos.

The Labor Committee's demands against the Salvadoran governing junta include, among other things: respect for workers rights and freedoms and an end to the state of siege which is being used by the army and security corps to repress the Salvadoran people and their democratic and revolutionary organizations.

During its tour of various Latin American countries, such as Colombia, Mexico, Peru and Ecuador, the committee has received support because of worldwide knowledge of the systematic violation of human rights in general and the rights of workers in El Salvador. It is expected that the people of Panama will respond favorably to this just cause of the Salvadoran people.

CSO: 3010

BRIEFS

SPADAFORA NOT FORMING SALVADORAN FORCE--Guerrilla commander Dr Hugo Spadafora, who fought in Guinea Bissau and in Nicaragua's guerrilla war, will not command any armed group in El Salvador, a source close to him told CRITICA yesterday. According to reports, Spadafora has told Panamanian brigadist who participated in Anastasio Somoza's overthrow that however goes to El Salvador to fight on the side of the popular forces will do so on his own behalf. According to the source, Spadafora does not agree with the idea of forming a brigade similar to the international brigade which he commanded in Nicaragua "because fighting is more tactical now and that calls for a different strategy." Spadafora has reportedly told the brigadists, who ask him daily to form a brigade to fight in El Salvador, to calm down and that whoever wants to go will have to do so on his own behalf. [Text] [PA192119 Panama City CRITICA in Spanish 19 Dec 80 p 1]

CSO: 3010

BRIEFS

APRA EXPELS MEMBER--This is an urgent special report for Radio America's newscast. A reliable source informed one of our correspondents that Andres Townsend Escurra was expelled from the American Revolutionary Popular Alliance (APRA) as the result of the trial he was submitted to by the party which was founded by Haya de la Torre. (Fernando Leon de Vivero), APRA secretary general, confirmed that the decision to expell Andres Townsend was taken by the APRA National Executive Committee. [Excerpt] [PY091515 Lima Radio America in Spanish 1130 GMT 9 Jan 81]

ARMED FORCES NEW CHIEF--As of today Vice Adm (Juan Egustes Sabaveronia) will assume his post as chief of the Armed Forces Joint Command, replacing Gen Pedro Richter (Ret). The Armed Forces Joint Command is comprised of the commanders in chief of the army, navy and air force, who act as chief of the Joint Command by rotation. [Text] [PY021708 Lima Radio America in Spanish 1200 GMT 2 Jan 81]

MOSCOW MAYOR CONGRATULATES ORREGO--Moscow Soviet Mayor Promyslov has sent a congratulatory message to Lima's Mayor-elect Eduardo Orrego Villacorta in the name of the Moscow Executive Council, trusting that the bonds of friendship and communication between the two cities may contribute to the future development and welfare of their respective peoples. "I am certain that the bonds of friendship and communication between our capital cities will contribute to the future development and welfare of the citizens of Moscow and Lima, and of the peoples of our two countries," Promyslov's message stated. It also expresses best wishes for Orrego and the Lima residents from the Moscow residents for the year 1981. [Excerpt] [PA042323 Lima EL COMERCIO in Spanish 26 Dec 80 p 4]

BOMB NEAR HOUSE OF PRESIDENT'S BROTHER--There have been several incendiary bomb attacks in Lima, one of them a few meters away from the residence of Francisco Belaunde Terry, the president's brother. Another bomb attack was perpetrated in [words indistinct] destroyed a car. The bomb attacks, however, did not cause much damage. Observers have noted that the objective of the bomb attacks was to cause panic among the people. The Civil Guard was on the scene of the incident almost immediately and they are now investigating the case. [Text] [PY261419 Lima Radio America in Spanish 1200 GMT 26 Dec 80]

LEADER ADVOCATES DEATH PENALTY--Lima, 7 Jan (AFP)--Oscar Trelles, the president of the Peruvian Senate, has stated that he is in favor of the reestablishment of the death penalty as a means to combat terrorism. Trelles, who is the leader of the Popular Action Party [AP]--the government party--said that the death penalty should be restored to be applied against those that perpetrate attacks, destruction

and murder. Terrorist actions are becoming an increasing concern for the Belaunde administration which has described them as treason and has requested Congress to issue a severe penalty for those involved in them. This is, however, the first time that a high-ranking AP official has openly advocated the reestablishment of the death penalty, following the killing 2 days ago of a policeman on duty. [Excerpt] [PY081502 Paris AFP in Spanish 1856 GMT 7 Jan 81]

NEW OIL WELL--Lima, 27 Dec (TELAM)--Petroperu [state petroleum agency] has confirmed that the Nueva Esperanza oil well in the northern jungle is producing oil with 46.3 degrees API. The well is 3,176 meters deep. It is now producing close to 5,000 barrels daily but can go up to 10,000 barrels daily at the end of the development stage. [PY301958 Buenos Aires TELAM in Spanish 1900 GMT 27 Dec 80]

NAVY OFFICER RETIRES--Vice Adm Jose Montoya Carcelen, chief of staff of the Armed Forces Joint Command, will retire today after 35 years at the service of the Peruvian Navy. [PY301958 Lima Radio America in Spanish 1200 GMT 30 Dec 80]

CSO: 3010

BRIEFS

NEW TOBAGO MINISTER--Port of Spain, Trinidad, Friday, (CANA)--Minister of Public Information in Trinidad and Tobago, Patrick Manning has been named as minister responsible for Tobago, a government statement has said here. His duties will involve discussions with members of the newly constituted Tobago House of Assembly, before taking their decisions to corporation sole, Prime Minister Dr Eric Willians. [Excerpt] [Bridgetown ADVOCATE-NEWS in English 20 Dec 80 p 3]

ULF UNITY--Trinidad and Tobago opposition leader Basdeo Panday has called for unity in his divided United Labor Front [ULF] in preparing for general elections. The call was made during the opening session of the ULF's 2-day Congress at which Panday was reelected party leader. [St George's Domestic Service in English 2330 GMT 5 Jan 81]

AID TO CARIBBEAN COUNTRIES--The Trinidad and Tobago Government has described its new Caribbean aid facility as playing an important role in regional development. In its 1980 economic review, the government says the mechanisms serve a critical financial role in the region. The government says a number of Caribbean countries have asked for its assistance under a newly created aid facility. The exact number seeking aid and the level of assistance were not disclosed but the government said it was now processing the applications. The facility is for financing oil, fertilizer and actual trade (?which) Trinidad makes available (to Caribbean countries.) Details of the facility were given in the economic review which is being circulated by the government. [Text] [FL262347 St George's Domestic Service in English 2330 GMT 26 Dec 80]

CSO: 3020

REGISTRATION FOR ILLEGAL ALIENS ENDS, POLICE TAKE ACTION

Returning Foreigners Warned

PA262254 Caracas Radio Continente Network in Spanish 2100 GMT 26 Dec 80

[Text] The Venezuelan Government has warned that it will take drastic measures against those undocumented foreigners who try to return to Venezuela illegally.

The detention of unregistered foreigners began at the end of the registration period. According to the official figures, some 345,185 undocumented foreigners throughout the country complied with the registration requirement. However, it is believed that thousands of foreigners in similar circumstances did not register, perhaps out of fear.

The announcement that detentions have begun was made by Enrique Aristiguieta (Granja), general director at the Interior Populations Ministry [poblaciones interiores] [title as heard].

Police Arrest Aliens

PA280019 Paris AFP in Spanish 1435 GMT 27 Dec 80

[Text] Caracas, 27 Dec (AFP)--Between 200 and 300 illegal aliens were arrested on the first day of the police operation undertaken by Venezuelan authorities after the deadline for them to legally register expired.

The operation began early yesterday morning, with raids on neighborhoods, job sites, public places, pensions, hotels and inns. Those arrested were taken to the training camp in Tiuna Fort, west of here.

Efren Lopez del Corral, director of the Identification and Alien Affairs Office, said that the from 200 to 300 people had been arrested by 1800 yesterday in the metropolitan area.

Lopez del Corral said he had visited the training camp and the people are being treated well, following instructions from the president of the republic.

In turn Eduardo Loaiza Giordano, commander of the Armed Forces of Cooperation (National Guard), stated that "to avoid unfair and slanderous charges, the work will be supervised by public prosecutors, who will verify that the rights and human dignity of the aliens who failed to register are being respected."

He said that the operation began yesterday morning in Caracas, Maracay, Valencia and Barquisimeto. The operation includes personnel of the National Guard, the Identification and Alien Affairs Bureau, the Directorate of Intelligence and Prevention Services and the uniformed police in every state.

It was also learned that Cornelio Reyes, Colombian ambassador to Venezuela, left for Bogota "to brief his government and spend Christmas in his homeland," according to the morning newspaper EL NACIONAL.

The embassy was left in the hands of Minister Counsellor Mercedes de Herrera, who said that "the Colombian Government is aware of the need for registration and has voiced its satisfaction with the way it was handled."

She noted that "the Venezuelan Government has the right to have aliens register and to reject illegal aliens."

She added that "there was enough time and publicity for our fellow citizens to get legal papers and those who failed to do so will have to face the consequences."

She also denied that Julio Cesar Turbay Ayala's administration has considered closing the border with Venezuela as a result of the upcoming deportations.

She reported that the registration of illegal aliens has revealed an important fact, "that there are 300,000 undocumented Colombians and not over 1 million as was constantly claimed."

Police Round-Up

PA292252 Paris AFP in Spanish 2102 GMT 29 Dec 80

[Text] Caracas, 29 Dec (AFP)--It was reported here today that Venezuelan police have arrested 375 foreigners without identification papers in Caracas and 400 in Barquisimeto. They will be deported from Venezuela.

Police operations continued today for the 3d straight day. Deportations, however, will be ordered only after a detailed evaluation of each case of foreigners without proper documents.

Venezuela had set a 4-month deadline for the registration of foreigners without papers. Once the deadline expired, police began an operation to validate residents, foreigners as well as Venezuelan. The latter, if not properly registered, are being asked to update their identification papers.

Venezuelan authorities have not planned massed deportations, and the Caracas newspapers have said that Colombian media have made exaggerated and alarmist statements on the matter.

Third Country Nationals Held

PA030428 Caracas Radio Continente Network in Spanish 2100 GMT 2 Jan 81

[Text] The police operation to detect undocumented and unregistered foreigners is going to be intensified beginning tomorrow. This was announced by the director general of the Immigration Department, Dr Lopez del Corral.

Dr Lopez del Corral also said that reports from Cucuta claiming that third country nationals are being sent to that border city are false. He said that what occurred in Cucuta is that the Venezuelan authorities rejected a group of foreigners who were trying to enter the country at that point. He said that the group included Dominicans and Peruvians, who use Colombia as a springboard to enter Venezuela illegally.

Dr Lopez del Corral said that only Colombian citizens are being deported to Colombia. Persons of other nationalities continue under arrest in Venezuela, awaiting a decision from their respective foreign ministries.

CSO: 3010

PLAN VI INCENTIVES TO 'MOVE' CARACAS DISCUSSED

Caracas BOHEMIA in Spanish 8-14 Dec 80 pp 46-47

[Article by Jesus Seguias]

[Text] We are about to enter the year 2001. It is 31 December. A week and a half ago, people began leaving the city of Caracas to visit families in the provinces. Reservations for land and air passage had to be made a month ago. The emptying of the capital city of Venezuela for the holidays is no longer the experience it was during the beautiful, tranquil days of 1980. At that time, compared to today, everyone traveled without a hitch: There were no traffic jams on the freeways; the Caracas-La Guajira highway on Sundays was a "piece of cake." Today things are different. The Army has to be mobilized to control the avalanche of "savage neurotics" who only 20 years ago could be considered normal, common human beings. "They are the children, the models of Caracas," said Jose Ramon to his wife (the country dwellers who live in the house on the first curve of the La Asuncion to Manzanillo highway in Margarita). What prompted his remark was the sight of a "neurotic Caracas family" passing by on their way to take a 2-day rest. END.

"Caracas is unbearable." "This is a savage city." "BOHEMIA is right. . ." "Do me a favor, don't talk to me. Can't you see I'm about to be sick? These lines. . ." All this grumbling can be heard daily in Caracas, but those same people say that the rest of the country (the provinces) is nothing but mountains and snakes.

From the Past

Every democratic government in this country has been promising to move Caracas and decongest it, from Larrazabal to Luis Herrera.

--September 1958: (Decree 359, issued by the Government Junta) orders the expropriation of 6,900 hectares to the west of Santa Teresa for the construction of a new city in the Valles del Tuy.

--April 1967: The English consulting firm Llewelyn, Davies, Weeks, Forestier, Walker and Bor is hired, for a large sum of money, to advise the government on the management of the Ministry of Public Works' urban planning, to devise the basic studies that will lead to a plan of action to develop the Valle del Tuy Medio.

--June 1972: (Decree 1,010, issued by President Caldera) sets aside an area of 4,120 hectares for the construction of the new urban center.

--July 1972: (Decree 1,039) Drs Rafael Caldera, Jose Curiel and Luis Enrique Oberto baptize the new urban center "Ciudad Diego de Losada."

--September 1972: Minister Jose Curiel proceeds to designate an Administrative Committee for the new urban project.

--June 1973: The Special Agency of the Workers Bank (which no longer exists) is entrusted with the implementation of the plans for the new urban center.

--1976: The General Urban Development Plan for Ciudad Losada is concluded, with provisions for the accommodation of 600,000 residents.

--July 1980: More than 800 million bolivars have been spent on the project.

--September 1980: The government announces in the Sixth Plan of the Nation that the project will be halted.

--November 1980: The Association of the Chambers of Commerce and Industry (FEDECAMARAS) and the City Council of Santa Teresa hold a forum at which the government is called upon to explain itself.

--December 1980: Caracans will spend one more Christmas enveloped in the black smoke of a city where life is unbearable, where automobile traffic, pollution, pollution-related diseases, the housing shortage (and housing fraud), crime at all levels, etc., etc., etc. tell us that this capital, designed for 1 million people, can no longer support the nearly 4 million who live there. While official spokesmen tell us that the industrial deconcentration projects have been halted, they claim that we will be assured of a "tranquil, calm life." How lucky are those who have the means to buy houses in Miami, and take a trip every year to the Church of San Marcos in Venice, or to see the sampans of Hong Kong or the prostitutes of Amsterdam or Paris!

A Candidate Who Promises. . .

When Luis Herrera was running for president, he promised to give a final boost to the development of Ciudad Losada. Now he is at Miraflores, at the end of Avenida Urdaneta. There he repeats what he said on the campaign trail. He will orient his government's actions toward the immediate implementation of the infrastructure projects, requiring an estimated budget of some 3 billion bolivars. He made this announcement on 13 February 1980.

But. . . The Usual

However, the president is of one mind and his advisers of another. They have recommended, through the Sixth Plan of the Nation, a huge tome which everyone is talking about but no one understands (witches don't exist, but they fly, they fly. . .), on page 17 of the volume concerning Industrial Development, "that no financing or incentives be provided for the industrial sector located or to be located in areas considered to be highly concentrated or sufficiently concentrated,

particularly metropolitan Caracas and its area of immediate influence (Tuy Medio-Guarenas-Guatire) and the industrial axis of Puerto Cabello-Tejerias."

The first incentive that would motivate anyone to migrate to one place or another is economic. If there is no center of economic attraction in the provinces for the "excess" population of Caracas, the transfer of the capital city will remain a myth.

If not the Valles del Tuy or Guarenas-Guatire, what will be the site that will attract thousands of volunteers to unclog Caracas? Anacoco? El Amparo de Apure? La Piedra del Cocuy?

The removal of more than 3,000 industries from the metropolitan area, when these industries supply Caracas with important products, could never be considered feasible if they are moved very far away. That would be sheer folly. It is no coincidence that nearly all the studies made have suggested that the Valles del Tuy would be ideal.

The City Waits. . .

Meanwhile, a city with an area of 100 million square meters to accommodate more than 1 million inhabitants and more than 3,000 businesses, with an efficient system of transportation ranging from the railroad to modern freeways, with coherent urban regulations, with green areas that are easily maintained, waits in forlorn silence. Its pompous name is "Ciudad Diego de Losada."

Another city, with an area of less than 100 million square meters, far more than 3,000 industries, and a population that is approaching 4 million, without adequate highways, without green areas and with excessive urban concentration, choked with environmental pollution, awaits the solution to its problems amid the neurotic clamor. It is called "Caracas, of the red roofs, a city of exquisite aromas and dreamy tranquility."

8926
CSO: 3010

BRIEFS

SUPPORT TO SALVADORANS PROPOSED--The Venezuelan Committee of Solidarity with El Salvador has proposed the creation of a so-called anti-interventionist front to promote respect for the rights of the Salvadoran people to their self-determination. In a communique issued in Caracas, this committee stressed the need for all the progressive and revolutionary forces in the world to remain alert in order to neutralize any attempt to carry out an interventionist maneuver in El Salvador. It also condemned the political and military aid that the U.S. and Venezuelan Governments are giving to the Salvadoran regime. Meanwhile, in Paris several French Christian organizations expressed solidarity with the Salvadoran people's struggle for liberation and demanded an end to the repression being carried out by the genocidal military regime of El Salvador. [Text] [PA280230 Havana International Service in Spanish 1600 GMT 27 Dec 80]

PEACEFUL POLICY STRESSED--Gen Hector Rodriguez Ravelo, acting defense minister, belittled a statement by Colombian Defense Minister Alberto Ruiz Novoa who has said that Colombia should be militarily on a par with Venezuela. [Begin recording] [Rodriguez Ravelo] As a citizen he is absolutely entitled to express his opinion and concern. I believe his statements will not affect the relations between our two countries greatly. [Question] What implications could this call to an arms race in Colombia have on relations between our two countries? [Answer] The Colombian defense minister can express his opinions, just like I or any other Venezuelan citizen can. I do not believe that this would lead to an arms race. [Question] Is Venezuela preparing now or has it ever prepared a plan to invade Colombia? [Answer] Venezuela is well-known for its policy of nonaggression. [End recording] [Text] [PA230210 Caracas Radio Continente Network in Spanish 2100 GMT 22 Dec 80]

OIL PRODUCTION, EXPORTS DECLINE--Caracas, 21 Dec (AFP)--It was officially announced here today that Venezuela produced less oil in 1980 than in 1979. Venezuela's average oil production in 1980 was 2,158,000 barrels per day, while in 1979 it was 2,356,000 barrels a day. This represents a reduction of 8.43 percent. However, official figures reveal that while Venezuelan oil production declined by 8.43 percent in 1980 in relation to 1979, exports of crude declined by 11.91 percent. Average exports in 1980 were 1,790,000 barrels a day, while in 1979 the average was 2,032,000 barrels a day, representing a reduction of 242,000 barrels a day, the official data concluded. [Text] [PA212155 Paris AFP in Spanish 1634 GMT 21 Dec 80]

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END

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Latin America Report

No. 2351

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No. 2351

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PLANS TO DEVELOP EL CERREJON DISCUSSED

Bogota EL SIGLO in Spanish 14 Jul 81 p 12

[Article by Raul Rodriguez P.]

[Text] Very few of us Colombians are aware at this time of the real long-range socioeconomic benefits our country will derive from the largest-scale mining project to be undertaken in Guajira over the next several years, a period during which Colombia will cease being dependent upon its coffee sales and will become, if not the largest, at least one of the largest exporters of coal, a mineral that will undoubtedly play a decisive role in the future lives of human beings.

Although the contract signed by the national government with a U.S. firm for the exploitation of the mineral in the northern zone of El Cerrejon has been the object of controversies and criticisms on the part of various political and economic leaders, perhaps the direct cause of these misunderstandings lies with the government itself, which has lacked a system of reporting to communicate to the country what this contract consists of and how it is going to work.

In view of this hardly justifiable attitude of the government, the American firm INTERCOR [International Colombian Resources Corporation], the company that will provide the technology and half the costs of the project, decided to initiate a campaign of information designed to make known all aspects concerning the exploitation and marketing of this coal.

In view of this, the economics editors of Colombia's leading news media visited the United States last week, where INTERCOR is engaged in several projects similar to the one it will be undertaking in Guajira.

EL SIGLO, cognizant of the need of Colombians to become familiar with all these aspects, begins today the publication of a series of articles on this topic, based on its observations at the coal mines of Rawhide, in the state of Wyoming in the United States, and at the maritime ports of Vancouver, Canada.

Open-Pit Mining

In the first place, it must be made clear that El Cerrejon's coal will be mined by the method known as open-pit mining, which is very different from the traditional method we Colombians know, namely, underground mining.

Open-pit mining methods are used where the mineral is located in broad, shallow formations covered by a few layers of earth that must necessarily be removed; the sites, however, are subsequently converted to farming and grazing areas through the process of backfilling the terrain, which has been programed by INTERCOR.

In the El Cerrejon zone to be worked by INTERCOR together with CARBOCOL [Colombian Coal Company, Inc], coal reserves have been calculated to total 1.6 billion tons, one-fourth of which will be extracted over a period of 23 years, which is the duration of the contract, after which Colombia, using the infrastructure built for this first phase, may continue exploiting on its own the remaining reserves and reaping the profits from marketing the mineral.

In other words, once the coal is "produced," the pit that remains will be filled with earth which, using modern fertilization techniques, will be made suitable for the growing of farm crops and pastures for cattle, as we have seen done in the zones of the state of Wyoming that have already been worked.

Technology and Infrastructure

According to calculations, the production of 1 ton of coal in El Cerrejon will necessitate the removal of 11 tons of earth, a process that will require the use of heavy machinery never before seen in Colombia.

This equipment will consist basically of shovels, breakers, dump cars with a capacity of around 200 tons, storage bins, and sophisticated and and flexible mineral transfer systems, based fundamentally on transfer by railway facilities.

The important point regarding the use of this technology is that, contrary to what has been affirmed by various national technicians and politicians, it will not produce negative effects on the environment, since, thanks to the exploitation, processing and transport methods used by INTERCOR, it will be possible to control the emission of dust, which, as is well known, is highly injurious to the health of human beings.

From the explanations given to the Colombian journalists by the American technicians, it is abundantly clear that the method to be used in exploiting our coal will produce no detrimental effects to the environment and that, on the contrary, it will result in improvement of the soils involved, which as in the case of Guajira today are arid and unsuitable for the production of food.

It is impressive to see, in those regions of the United States, the present state of terrains where open-pit mining operations have been carried out and that are now hectares upon hectares of farming and grazing lands.

The Mining Railway

While the rest of the country is virtually devoid of a railway transportation system, in Guajira a wide-gauge rail network extending over 150 kilometers will be built, over which trains of more than 120 cars will haul material to the loading port that is to be located in what is now Bahia Portete.

The railway cars used in the United States have a capacity of 100 tons; this means that each train hauls more than 10,000 tons, which have been loaded in barely 1 and 1/2 hours and are unloaded in less time than that, owing to the unloading system, which in the case of El Cerrejon will be even more modern.

As of now, the type of locomotive to be used in Colombia is still the subject of a study being conducted to determine whether it will be of the electric type or of the ACPM [articulated compound propulsion Mallet] type as in the United States. What is certain is that it will be a wide-gauge bed and will be the first industrial-scale railway ever built in this country, comparable in specifications to the largest mining railways in Australia and even in the United States itself.

The Maritime Port

To learn the characteristics of the port that is to be built in Guajira, we Colombian newsmen and two top officials of INTERCOR visited the coal port facilities of the city of Vancouver, Canada.

One of these ports is capable of loading ships of over 120,000 tons in 48 hours, using modern systems for unloading rail cars, storing the coal and loading the ships. It handles 10.5 million tons annually, a total that is to be exceeded by Bahia Portete, which is to start exporting coal by 1986.

Observation of the systems used in Vancouver makes clear their speed, cleanliness and the efficiency with which ships are loaded, without contamination of the environment or the congestions to which we are accustomed in our traditional and inadequate Colombian maritime ports.

Furthermore, the area occupied by the port is small in relation to the tonnages handled, all of this thanks to the machinery in use and to the personnel, who have previously been trained for this work; something of this nature is already under way in our country, where CARBOCOL and INTERCOR are already training a goodly number of Colombian operators with the cooperation of the SENA [National Apprenticeship Service].

In the ports of Vancouver, the price of coal reaches $68 per ton, to which is added $4.50 for loading operations; in other words, a ton of coal delivered to the port costs $72.50.

On the basis that Colombia expects to export more than 10 million tons of coal annually, it is easy to calculate the enormous volume of foreign exchange the country will receive from this operation, remembering, however, that during the first 23 years of operation Colombia will be entitled to market half the production, in addition to royalties to be paid by INTERCOR.

Investment and Jobs

In the state of Wyoming, an eminently coal-rich zone, there are more than 12 mines in production, two of which are operated by Exxon through the Carter Mining Company and are located in the township known as Guillet, where the total investment in these two projects was $140 million.

In Colombia, the investment will be greater, totaling $3 billion, by virtue of the larger infrastructural facilities to be built here and because the project is on a larger scale than the Guillet one.

The cost of all these works, which are to be completed in 4 years, will be shared equally by CARBOCOL and INTERCOR, so that the export of coal can begin by early 1986.

But in addition to the works directly related to coal operations, facilities will also be built for the accommodation of the 4,000 employees and laborers who will take part in the operation, such as a small town with all needed public services, as well as two airports--one located at the mines and the other in the maritime port.

Assuming these facilities duplicate those of the Guillet mines, the workers will have the benefit of health, education and recreation centers as well as modern communications facilities.

The government's "slowness" to explain to the country the characteristics of the programs it is planning to carry out in the coming years is perhaps easy to understand. But the case of El Cerrejon is a pathetic example and it will surely serve to induce the Colombian economic and political authorities to realize the importance of a effective communications process in situations of this nature, since it begets us little to hear talk of ambitious projects and programs if all these far-reaching plans and their benefits are to be the knowledge solely of the highest management levels of government.

Over the next several days, readers of EL SIGLO will be informed of other aspects of this so-talked-of El Cerrejon project and will thus have sufficient facts in hand to define their own positions with respect to the new situations involved. And thus, the country will know what to expect from a program that has been characterized as the vastest ever undertaken in all our history.

9399
CSO: 3010/1585

COAL DEPOSIT BIGGER THAN EL CERREJON FOUND

Bogota EL TIEMPO in Spanish 10 Jul 81 pp 1-A, 6-A

[Text] Coal deposits bigger than those of El Cerrejon, in Guajira, have been found in the district of San Juan de Arama, in Llanos Orientales, according to reliable diplomatic sources.

The discovery was made by international research organizations, according to information disclosed to EL TIEMPO.

This fragmentary report states that the size of the deposits is such as to exceed that of the deposits in Guajira, where reserves are estimated to be more than 1.4 billion tons.

This promising new prospect in the mining sector coincides with a recovery in oil production, in that today, in fact, the Andalucia Sur well starts commercial production in Huila, where, for the first time, a partnership contract has been signed between Colombian investors and ECOPETROL [Colombian Petroleum Enterprise].

This well will produce 3,500 bpd [barrels per day] initially, but, thanks to the prior exploratory work done by PETROCOL [Colombian Petroleum, Inc], oil prospects in southern Huila are very favorable.

Production at El Cerrejon will begin in 1983 with an initial volume of 400,000 tons annually, from which revenues are expected to be of the order of $400 million.

The contracts and the certificate of marketability issued by the government have been the object of much controversy, especially on the part of Senator Luis Carlos Galan, who has demanded a renegotiation.

Investments totaling in excess of $3.5 billion have been planned at El Cerrejon to build practically an entire city, a 170-kilometer railway line, two airports, and a special-purpose port able to accommodate ships of up to 100,000 tons, with plans under way to enlarge it for ships up to 250,000 tons.

Once production is in full swing, the national treasury could receive some $24 billion annually from the El Cerrejon operation.

The partnership agreements for the exploitation of El Cerrejon were signed on Riohacha on 5 September 1980 by CARBOCOL [Colombian Coal Company, Inc] and INTERCOR [International Colombian Resources Corporation]. Their duration is 23 years.

The sums involved are significant if one takes into account that according to reports from the international research organizations concerned and from diplomatic sources the San Juan de Arama deposits are larger than those of El Cerrejon.

The world market today totals some 50 million tons annually, and Colombia, without the Llanos Orientales deposits, could capture as much as 10 percent of that market.

The market price of a ton of coal today can be between $40 and $60, but since coal is certain the fuel of the future, it is believed that as time goes on its price will continually rise.

According to the government, the country has enough coal, nickel, uranium and gold to overcome any possible future exchange problems, including short-term ones, offsetting the effects of the sharp drop in international coffee prices.

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CSO: 3010/1585

HYDROELECTRIC MINI-PLANTS PLANNED

Bogota EL TIEMPO in Spanish 13 Jul 81 p 6-A

[Article by Special Correspondent German Navarrete]

[Text] Popayan, 12 Jul --Colombia begins planning today, using its own designs, the construction--with national technology, money and human resources--of the first hydroelectric miniplant, which will have a capacity of 250 kilowatts. The project is expected to be a pilot for Latin America and will benefit millions of low-income inhabitants of small population centers.

The first miniplant will actually be built in Argelia, Cauca, at a cost of 20 million pesos, and will provide the basis for a "National Plan for the Exploitation of Small-Scale Hydroelectric Resources" in localities that cannot be supplied electricity from the networks because of the extremely high costs involved.

The inauguration of this national technological step forward took place on the premises of the Council of Popayan, in the presence of the vice minister of mines and energy, Carlos Zambrano Ulloa, with the signing by Ricardo Tribin Acosta, manager of the ICEL [Colombian Electrical Power Institute], of contracts with the Universities of Cauca and Valle for the design of a national prototype for the mentioned miniplant.

This act marks the first step taken by the country toward technological independence in a field that in coming years will demand investments on a larger scale than any Colombia has ever been called upon to make, to fully emerge from the energy crisis it has undergone over the past months.

This view was shared by Vice Minister Zambrano Ulloa; the manager of ICEL, Tribin Acosta; the governor of Cauca, Gerardo Bonilla Fernandez; the mayor of Popayan, Juan Manuel Caicedo; the head of the Institute's Division of Alternative Energy Sources, Eutimio Becerra Reyes and the head of the Institute's Division of Finance, Oscar Paredes Zapata; the manager of CEDELCA [Electric Power Plants of Cauca], Jorge Bolivar Munoz; the rectors of the Universities of Cauca and Valle; and some 100 government officials, members of the Council and the Congress, and civic leaders of Cauca; all of whom attended the signing of the contracts.

A Model for Latin America

Alfredo Constain, researcher with the Energy Group of the University of Cauca, German Oramas, an expert in medium-scale hydroelectric developmental projects throughout the regions of Colombia with the same university, and Antonio Vargas, of Pereira, concurred in the view that the joint government-university effort launched today in Popayan "is destined to make a profound imprint on our national scientific and technological research effort."

Martin Cuevas of ICEL, for his part, emphasized that with the Argelia project the Institute is orienting its activity toward resolving the energy shortage problems of a vast number of rural inhabitants, using the country's own technology and resources.

He said, "Through these contracts, the University of Valle will provide the designs, calculations and technical consultation for the fabrication, assembly, testing, putting into service and evaluation of the electromechanical and hydraulic equipment of the miniplant, at a cost of 4 and 1/2 million pesos, while the University of Cauca will be responsible for providing the designs, assembly, installation, putting into service and evaluation of a self-powered and automatic hydrometeorological station inside the miniplant, at a cost of 1/2 million pesos."

A Colombian Achievement

The spokesmen for the universities--Hector Monroy for that of Cauca, and Jaime Aguilar for that of Valle--agreed that the contracts signed with ICEL "eliminate the separation that has existed between the two universities, bringing them together in programs that as of now constitute a real national achievement for the generation of energy at low cost."

They pointed out that this step "greatly favors the university scientific and technological research ambit and will become a readily available model for the ideal road by way of which the professionals of the future will be better prepared by the universities, which have the responsibility of helping the nation in this respect."

Tribin Acosta explained that the Universities of Cauca and Valle were chosen for this program because they already had the necessary qualified personnel on their staffs and sufficient technical resources.

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CSO: 3010/1585

BRIEFS

OIL STRIKE IN CHARCO LARGO--Santo Domingo, 25 Jul (CANA-REUTER)--Dominican Republic President Antonio Guzman announced today that an oil strike had been made in the southern area of Charco Largo. Speaking on a television and radio broadcast the President said the quantity and quality of crude oil struck had still to be determined. He said the government had been exploring for oil in the region since the end of last year. In his broadcast Mr Guzman called on Dominicans to thank God for this promising event which foresees a better future for the republic. After his speech hundreds of people rushed into Santo Dominican streets to celebrate the announcement. The Caribbean republic imports most of its oil needs. [Text] [FL251556 Bridgetown CANA in English 1521 GMT 25 Jul 81]

CSO: 3020/129

PEMEX ANNOUNCES THREE PETROCHEMICAL PLANTS

Mexico City EL DIA in Spanish 24 Jun 81 p 7

[Text] Yesterday, the general director of PEMEX [Mexican Petroleum], Julio Rodolfo Moctezuma, announced the construction of three new "Cangrejeras" for the purpose of meeting the domestic petrochemical demand, and stated that this industry will strengthen the nation's balance of payments.

Moctezuma, who attended a breakfast attended by the highest ranking representatives of the private sector, stressed that, in the future, Mexico would give a particular impetus to its exports, because "we cannot expect the traditional products of a tropical country to be able to serve as the support for the Mexican external market."

Nevertheless, the director of PEMEX pointed out that, "Now that we have finished La Cangrejera, we realize that we shall soon be unable to supply the market with the products generated there.

"Over a period of 20 years, we shall have a population of over 100 million inhabitants and the pace that Lopez Portillo has imposed on our economy will enable us to have access to an economy that is four or five times superior to the present one.

"Therefore, Mexico has devoted its efforts, and the best of its technology, to laying the foundations for the development of the national petrochemical industry."

At the same function, engineer Carlos Mireles, head of CANACINTRA's [National Association of the Processing Industry] petrochemical sector, disclosed that Mexico ranks second in Latin America in the production of basic petrochemicals, and it is anticipated that, by 1982, our country will be the Latin American leader in this sector.

He reported that secondary petrochemical production in Mexico had increased at a rate of 8.5 percent per year, on the average, during the period 1971-80; and, not satisfied with these results, "our sector has decided to expand many of the already existing production units, and to build new industrial plants, with an estimated investment of 55 billion pesos, which will make Mexico the Latin American leader in the production of secondary petrochemicals by 1985."

Julio Rodolfo Moctezuma: "Petrochemistry could be the great solution for Mexico's future."

2909
CSO: 3010/1540

PEMEX THREATENS TO SHUT DOWN WELLS

Mexico City EL SOL DE MEXICO in Spanish 5 Jul 81 Sec A pp 1, 5

[Text] Ciudad del Carmen, Camp., 4 Jul (OEM)--There is an interval of only 15 days left in which to recover the pace of crude exports, and if the current situation continues, it will be necessary to "choke" producing wells.

For the present, it has already proven necessary to delay three wells on the Campeche Platform, which would cause the level of 2.75 million barrels per day to be reached, from going into production. This is because the storage facilities, which now have a capacity of 8.7 million barrels, are about to reach their maximum volume of accommodation.

The foregoing information was given to EL SOL DE MEXICO yesterday by technicians from Mexican Petroleum's [PEMEX] southern zone, who stated that the current production rate in the country exceeds 2.5 million barrels per day.

It was explained that the domestic consumption does not exceed 1.2 million tons, and that the rest is allocated for export. However, as a result of the decline in external purchases, the storage facilities are now saturated.

The technicians noted that new installations have recently been incorporated in Cactus, La Cangrejera and Pajaritos, for storing the oil from fields all over the country; and it is expected that, in the future, thanks to the acceleration of the work, one new storage tank will be put into service each month.

Nevertheless, it was reported that the space is not available at present, and if the lack of exports lasts another 15 days, it will inevitably be necessary to "choke" the wells, especially in Campeche Sound, which supply the largest production in the country, and from which the level of 2.75 million barrels called for by the authorities will be reached.

The Mexican Petroleum southern zone technicians remarked that, for the time being, it has been necessary to delay the operations on three wells drilled on the Campeche Platform which were due to go into operation currently.

It was claimed that the work on these projects would continue in this way until there is a change that would make it possible to evacuate the storage tanks, at least at the same rate at which the crude is being extracted in the oilfields.

According to the reports, with the wells that are about to go into production in the Gulf of Mexico, the production level of 2.75 million barrels per day will be reached. However, it will apparently not be until the market recovers that Mexican Petroleum's production will increase again.

Meanwhile, the technicians are remaining in a state of anticipation, and are of the opinion that, whatever the solution is, it cannot take more than 15 days to arrive, because the storage facilities cannot accommodate any more.

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CSO: 3010/1540

PEMEX: NO 'CRISIS' IN PRODUCTION, PRICING

Mexico C. EXCELSIOR in Spanish 27 Jun 81 Sec A pp 1, 15

[Text] Yesterday, in announcing a new, "far more dynamic and diversified" price policy, the director of PEMEX [Mexican Petroleum], Julio Rodolfo Moctezuma Cid, stated that the company has started negotiating the revaluation of Mexican crude on the international market, and expects to obtain a new price that is $2.00 higher than the present one.

During a press conference held at the conclusion of a lengthy meeting with President Lopez Portillo and the economic cabinet, the official remarked that the current upheaval on the international oil market has prevented PEMEX from selling 310,000 barrels of crude per day, representing a loss of 230 million pesos during the same interval.

The cancellations of crude export quotas are from the United States, the Philippines, Sweden and India, which, the PEMEX directed noted, want to secure preferential prices owing to the uncertainty of the market.

However, Moctezuma Cid expressed optimism and confidence. He said that PEMEX has the ability "to come out ahead, with flying colors, and even strengthened by the crisis;" and he announced that, "as of this afternoon, orders for Mexican crude have been received from about 20 customers."

He commented that the energy saving policies undertaken by various countries, simultaneously with the overproduction policies of certain Arab nations, have fostered a market situation wherein the demand has been clearly reduced worldwide. Mexico has only a marginal role in this, and hence this market crisis has inevitably affected the national programs and economy.

During the conference, which lasted over 2 hours, Moctezuma Cid said that, based upon the behavior of the international markets, PEMEX would gradually change its production and price policies.

He reiterated the fact that PEMEX is not in a state of crisis, noting: "We have merely failed to sell what we had calculated."

He claimed that the company could not be said to have a deficit, but only lesser sales.

Mexico Will Not Join OPEC

The PEMEX director also remarked that Mexico would not join the Organization of Petroleum Exporting Countries (OPEC), stating: "There is no intention of doing so." He declared that this position has been clearly explained by President Lopez Portillo and claimed that he "would have nothing to add to it."

He provided the newsmen with details on the progress of negotiations on the international market, pointing out that, despite the rumors spread by the international press agencies, neither Canada nor France has made announcements about reducing their purchases from Mexico.

He said that the governments of those countries have also expressed willingness to study substantial increments in Mexican crude, and Colombia, another requester, has also carried out good negotiations regarding prices.

He asked that doubts and misunderstandings be dispelled regarding the PEMEX export platform, commenting: "Our platform entails 1.5 million barrels as an annual daily average. But, for reasons associated with weather conditions, there are days in which it is impossible to reach the figure that has been established. We shall attain it, but it is not a reality at the present time. The exports are lower. In order for us to achieve them, there must be a prolonged effort at the end of the year, and perhaps until the beginning of 1982."

Sales Must Be Diversified Now

Julio Rodolfo Moctezuma Cid subsequently stated that PEMEX, in response to the current crisis, must diversify its marketing system, and make it far more speedy in a situation such as this.

He noted that, by the middle or end of next year, it had been planned to complete and put into operation the Salina Cruz cargo buoy for ships with a large capacity. According to the new investment program, it is expected that this buoy will be put into operation by the end of November or the beginning of December.

The new PEMEX director declined to answer a question about the reasons for the resignation of his predecessor, engineer Jorge Diaz Serrano. He confined himself to referring the query to the responses given by the secretary of patrimony and industrial development, Jose Andres Oteyza, to a group of deputies.

He also stated that the $2.00 increase in the current price of Mexican crude is not yet in effect. He remarked: "I would like to be able to give you a date, and say that it would be kept. But no one knows how long this situation is going to last. I think that the gamblers would lose at present, if we set a date. It is difficult to predict...."

He commented: "Our negotiations are having a high percentage of success. But obviously, we cannot guarantee 100 percent. We believe and hope that they will be successful; but there is a percentage of uncertainty which might mean the opposite, at the present time."
2909
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OIL PRICE CUT MEANS LARGE LOSS TO TREASURY

Mexico City EL DIA in Spanish 24 Jun 81 p 7

[Text] Yesterday, Guillermo Prieto Fortun, undersecretary of revenue in the Secretariat of Finance and Public Credit, stated that the federal government is making a greater effort each day to base Mexico's economic growth, estimated at 7.5 percent, on internal savings and not on external financing through loans.

During an interview after he opened the Third Fiscal Symposium sponsored by the National Bar Association, the finance official announced that Mexico would fail to receive 40 billion pesos (by way of taxes), owing to the drop in the price of oil.

That sum represents 4 percent of the internal financing; however, the figure will depend on the changes in hydrocarbon prices.

Prieto Fortun explained that the policies for modernizing the tax system would not lag.

During the course of the conversation, the undersecretary remarked that the present public spending is insufficient to meet the country's economic and social needs.

The interview proceeded as follows:

[Answer] The receipts for 1981 will exceed 955 million pesos, nearly a billion pesos.

[Question] How much will this amount to in terms of percentage?

[Answer] Approximately 40 percent growth over 1980.

[Question] Several economists claim that our economic growth is based on credit and loans from abroad. What is your opinion?

[Answer] They are entitled to say what they think; but I believe that the country has been making a very substantial effort to finance our public spending increasingly with sound funds from domestic savings and taxation.

[Question] When it was announced that there would be a $4.00 drop in the price of oil, it was also stated that Mexico would fail to receive $1.2 billion, in addition to this. How much will the state fail to receive in the form of taxes?

[Answer] Well, we estimate what the government will fail to receive in tax funds as a result of the drop in hydrocarbon prices and of this type of current situation at 40 billion pesos. But this could vary if there is a change in prices, as is anticipated, in the immediate future.

[Question] From the standpoint of total revenue, what percentage does this aforementioned sum represent?

[Answer] Approximately 4 percent. (And then he added) failing to receive that amount does affect the country, but efforts are being made to increase the tax funds, so as to meet the expenditure requirements. (The official stressed) any upset, however small it may be, must have an impact on us.

[Question] In the event that the decrease in oil prices is permanent, in what other way can the state accrue revenue?

[Answer] We are making very significant administrative efforts to remedy this loss of receipts. We do not think, by any means, that we can cover the total funds which will not be accrued. But everything possible is being done to expand the base of taxpayers.

The country is changing in the tax area; a group of measures to modernize the entire tax collection system is being considered.

I do not think that these policies and actions to modernize the tax administration will lag.

[Question] Could the taxpayer be hurt as a result of what we fail to receive on account of the oil?

[Answer] No, because there would be no changes in the laws, unless Congress orders or puts into effect some new amendments.

We have to operate with the current legislation, and in keeping with the laws that have been passed. So, the effort is aimed at having those who are not paying enter the tax system.

[Question] Mention has been made of a deficit in the balance between the state's revenue and outlays; and some banking institutions even claim that the government's spending amounted to 62 percent, while the revenue totaled 43 percent.

[Answer] I must say that there has been a substantial effort to curb public spending and to increase the internal revenue. Of course, the policy tends to close the gap in the deficit, so as to cover the budget to an increasing extent with our own funds.

(He also explained) that public spending is done through a program, and in relation to the country's needs. Anyway, the volume of spending is still insufficient to meet all the needs of our people. I believe that it is in this respect that we must expend a great effort.

2909
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BRIEFS

RUNAWAY GAS WELL CONTROLLED--Ciudad del Carmen, Camp., 2 Jul--The PEMEX [Mexican Petroleum] superintendent's office in this locality announced that the 7-B Xicalango well, which has to date wasted 150 million cubic feet of gas, will be under control within a maximum period of a week. Forces from the Seventh Military Naval Zone extended a safety cordon over a radius of 4 kilometers to prevent an explosion. The aviation authorities were also requested to cancel flights near the damaged well. The danger of an explosion on the Atasta Peninsula where the 7-B Xicalango well is located increased when an accumulation of gas occurred in the area. The superintendent's office announced that, tomorrow, the moving of the damaged well's derrick would begin, to facilitate the effort to control the emerging gas, an effort in which dozens of highly trained technicians under orders from engineer Felipe Espinosa Caviedes are participating. The office added that the pumps, heavy machinery and other implements will be removed from the area to facilitate access to the Atasta Peninsula. The damage caused by the gas emanation was estimated at 10 million pesos. [Text] [Mexico City EXCELSIOR in Spanish 3 Jul 81 Sec A p 32] 2909

CSO: 3010/1540

CORPOVEN INITIATES MONAGAS EXPLORATION PROGRAM

Caracas EL UNIVERSAL in Spanish 5 Jul 81 p 1-29

[Article by C. R. Chavez]

[Text] Maturin--CORPOVEN will drill a total of two [sic] development wells in the state of Monagas over the next 5 years in order to increase production in the Orocual, Onado, Tacat, Tonoro, Aguasay-Caro Norte, and Jusepin fields, announced the president of the oil firm, Dr Frank Alcock, during his very brief visit to this city to attend the 37th assembly of FEDECAMARAS [Association of the Chambers of Commerce and Industry] along with representatives from PDVSA [Venezuelan Petroleum].

Concerning plans for exploration in the state of Monagas, Alcock said that CORPOVEN has a total of 384,800 hectares allocated for which it has exploratory responsibility. This represents 14 percent of the area of this eastern state.

"The seismographic program conducted by CORPOVEN for the next 5 years in the northern area of Monagas includes the recording, processing, and interpretation of 1,300 kilometers of seismic lines, plus the drilling of eight exploratory wells," said the president of CORPOVEN, who then added that in the northern part of this state his firm is working the fields of Orocual, Manresa, Jusepin, Pirital, Punta Gorda, Mata Grande, and Tacat.

He also reported that some significant discoveries of light petroleum and gas have been made in the fields of Orocual and Tacat. "In Orocual we plan to drill four wells to verify and quantify the reserves discovered with the ORC-18 well, which was drilled this year to a depth of 14,500 feet." He added that the ORC-18 was used to evaluate in depth the Cretaceous and Oligocene levels.

Dr Alcock pointed out that the results obtained from this well and the reconditioning of the ORC-15 and ORC-17 wells, also in the

Cretaceous levels, tend to confirm the extent and total volume of the reserves of this area, thus favoring immediate development in the area.

As a result of the exploration in the Tonoro area of the Tacat field, in 1980 CORPOVEN found a large accumulation of gas with its Tonoro 3-X well. It is now drilling the Tonoro 4-X well, from which intermediate profiles were taken. Their interpretation revealed the existence of 235 feet of gas and petroleum sands. "This will help us to evaluate the potential of the area, in which we have a program for about four exploratory wells," reported the president of CORPOVEN.

As for exploratory plans for the central part of Monagas, Frank Alcock announced the surveying of 4,400 kilometers of seismic lines for the 5-year period in question (1982-1986), and said that the plans for this region include the drilling of 33 wells over the next 5 years.

In the central part of Monagas, CORPOVEN is working the fields of Onado, Aguasay-Norte, Acema, and Casma-Soledad.

Alcock said that some major discoveries of medium petroleum were found in the fields of Onado and Aguasay in 1979 and 1980. "In that area we plan to drill 13 exploratory wells to verify and quantify the reserves found earlier." He added that the plans include developing the region by drilling 33 development wells.

On CORPOVEN's production in the state of Monagas, he said that it is 80,000 barrels of medium and light petroleum a day.

He pointed out later that at present five of the firm's ten drilling rigs are operating in Monagas, and seven of its 15 repair rigs. He said that the investments in these activities have amounted to about 310 million bolivars.

He added that work is proceeding on projects to use the gas from Oritupano and on the gas injection plant at Acema, along with the development of the Onado field. All together, these projects represent expenditures close to 300 million bolivars over the next 2 years.

7679
CSO: 3010/1544

BRIEFS

NEW OIL TANKER--With the incorporation of the "Sinamaica," a modern ship for transporting oil, LAGOVEN, the operating subsidiary of Venezuelan Petroleum, now has six tankers in its fleet, with a sea transportation capacity of 294,554 cubic meters. LAGOVEN spokesmen announced that the "Sinamaica," built in Japanese shipyards, comes to replace the "Lagoven/Maracaibo," which has already completed 22 years of service and is part of a program for replacing tankers that have ended their useful life. The new ship for oil transportation began its activities in a simple ceremony attended by representatives of the regional executive board, Dr Alirio Parra, director of Venezuelan Petroleum, representatives of the Ministries of Transportation and Communications and Development, COVINCA [Venezuelan Corporation for Development of the Shipbuilding Industry], representatives of the Office of the Comptroller General of the Republic and of other agencies, in addition to local authorities. The "Sinamaica" is commanded by Sea Captain German Marin and has a 31-man crew for its crude oil transportation operations between Venezuelans and abroad. Some of its characteristics are: 213 meters long, 32 meters beam and 19 meters depth, with a maximum speed of 15 knots. The ship takes its name from the lagoon located in the northwest of the state of Zulia, from which--historians note-- is derived the name of "Little Venice," assigned by the discoverers to the area and which later was extended to the whole territory [of Venezuela]. [Text] [Caracas EL NACIONAL in Spanish 12 Jul 91 p D-9] 10042

OIL WELLS REACTIVATED--With reactivation and greater development of the old Pedernales oilfield, in the Orinoco Delta starting this month LAGOVEN, a Venezuelan Petroleum subsidiary, hopes to produce again amounts similar to what was extracted in the past. Oil operations in Pedernales started at the beginning of the decade of the 1930's and continued until 1964. Some 52 wells had been drilled there, of which 29 proved to be productive and 23 were abandoned. The specific gravity of the crude produced in Pedernales ranges between 17 and 28 degrees API [American Petroleum Institute]. At present, LAGOVEN is scheduled to tackle a program of reactiviation and greater development of this old field envisaging the drilling of 43 wells up to the end of 1983. The Pedernales field is located at the mouth of the Pedernales Channel and opposite the town of that same name, in the delta of the Orinoco, between Cotorra and Capure islands. Now, just as before, drillings will be accomplished in the smooth, swampy water of the delta. In order to perform these drilling jobs, LAGOVEN has contracted, for a 3-year period, the services of a barge specially designed for operating in this smooth, swampy water ranging in depth from 1 to 10 meters. With reactivation of the Pedernales field, expansion of LAGOVEN activities in the eastern part of the country continues, entering upon an intensive program of exploration on the continenal shelf in the Gulf of Paria and north of the Paria Peninsula. [Text] [Caracas EL DIARIO DE CARACAS in Spanish 16 Jul 81 p 11] 10042

MENEVEN ORGANIZATIONAL CHANGES--Some major changes in MENEVEN were announced yesterday by the president of this PETROVEN [Venezuelan Petroleum] subsidiary, Dr Juan Chacin Guzman. Newly established were the Major Projects Division and the Refining Supply and Planning Division. A new manager was named for the Puerto La Cruz district. The Major Projects Division, based in Caracas, will handle a variety of projects conducted by MENEVEN, including the Oriente LGN or Cryogenic Project and the modification of the Puerto La Cruz refinery, along with others which will be undertaken by the firm. Named to head the Major Projects Division was the engineer Lorenzo Monti who has worked in the petroleum industry since 1964. Since 1975 he has been district manager of Puerto La Cruz. Before that time, he had worked in supervision and management in the MENEVEN refinery in that area. Mr Monti has taken a number of specialized courses abroad, holds membership in professional organizations, and in the past taught petroleum engineering in the University of Oriente. The president of MENEVEN announced the appointment of the engineer Jose Luis Gonzalez as the new manager of the Puerto La Cruz district. Like his predecessor, he has lengthy experience in the petroleum industry, which he joined in 1966. He has taken a number of specialized courses at various institutions. In the last 4 years he has been successively service manager, engineering manager, and operations manager in this district. The president of MENEVEN, Juan Chacin Guzman, also announced the integration of the functions of manufacturing and supply. For this purpose the Refining Supply and Planning Division is being established, to be headed by the engineer Fernando J. Alezones. Mr Alezones also has broad experience resulting from his years of work in engineering, supervisory, and management positions in general at the MENEVEN refinery in Puerto La Cruz; most recently he has worked at the Supply Department in Caracas. [Text] [Caracas EL UNIVERSAL in Spanish 2 Jul 81 p 1-27] 7679

CSO: 3010/1605

'POLITICAL WEEK' COLUMN REVIEWS SINAI PARTICIPATION ISSUE

Buenos Aires LA NACION in Spanish 26 Jul 81 pp 8-9

[Article: "Should Our Troops Go to the Sinai?"]

[Text] On the distant sands of the Sinai, about 100 Argentine troops might be helping to open the doors to a new status for the country in international politics.

Diplomats and military strategists are at work here considering the profits and losses that could potentially accrue to Argentine from its agreement to form a peace-keeping force for the purpose of guaranteeing the demilitarization of the Sinai, once the Israelis evacuate the peninsula in April 1982. What is involved is something quite simple: to ascertain which, in the end, would carry more weight on the scale of the nation's enduring interests: the losses or the profits.

The Military Committee, comprised of the commanders in chief of the Army, Navy and Air Force, and the president, is still in the process of evaluating this sensitive issue which, from all appearances, could prove to have more significance in the overall shaping of Argentine foreign policy than the Beagle conflict itself. This week, Foreign Minister Oscar Camilion, after citing the advantages and disadvantages of sending Argentine troops to the Sinai, predicted to the Military Committee the adverse opinion of San Martin Palace. That position on the part of Dr Camilion came as no surprise. The development movement, of whose ranks he is a member, had already expressed a negative view.

The day before yesterday, LA NACION questioned the Casa Rosada, and the latter replied that, although it might be interpreted that Camilion had voiced opposition to the sending of troops to the Middle East, it was impossible to describe that position as final. In fact, the Casa Rosada maintains that the informational material that Argentina has accumulated on the subject is still far too uncertain to reach an irreversible conclusion as yet.

The history of the matter is as follows. By virtue of the Camp David agreements of September 1978, between Egyptian President Anwar Sadat and Israeli Prime Minister Menachem Begin, with the assistance of President Jimmy Carter, Israel was obliged to make a gradual withdrawal from the Sinai. This arid and virtually unpopulated peninsula which, however, has an area three times that of the state of Israel, was occupied militarily by the Israelis after their resounding victory in the Six-Day War of 1967.

On the map shown on this page, the reader can discern the areas and dates wherein Israel's pledged withdrawal has been taking place, as a result of Camp David. The white area indicates what remains to be implemented by April 1982.

It has been agreed that the complete abandonment of the Sinai will be accompanied by compliance with a group of guarantees, to be overseen by third parties for about 2 or 3 years. No territory the size of the Sinai, but any piece of land, has an exceptional value for Israel. In the long run, its military human resources depend on the mobilization of its reserves; and this mobilization is known as time, and there is no time, unless there is a geography which hampers the enemy's advancement toward Israel's vital targets.

'Non-Paper'

Two months ago, in Washington, the State Department's undersecretary for strategic affairs and defense, Jim Buckley, called together representatives of several countries to talk to them about the purpose of an international peace-keeping force in the Sinai. Our country was one of those invited to attend, together with Australia and Uruguay, among others.

At the conclusion of his remarks, Buckley left in the hands of those present something which has been in vogue in Washington since the time of former Secretary Cyrus Vance: in fact, he left a "non-paper," a "non-paper," literally speaking, which is less than a memorandum, but which also has an informational purpose, even though it has been prepared to avoid the slightest responsibility.

From what we know, San Martin Palace and the political leadership of the Army, Navy and Air Force are working fundamentally on the basis of a "non-paper" insofar as evaluating the United States' interest in forming a peace-keeping force is concerned.

What does that paper say? Rather than saying, it asks. It asks something like: "Well, fellows, what can we count on from you?" The paper indicates a few points: The peace-keeping force would be formed with three battalions, and there would be accommodation not only for the participation of Army members, but also that of the Navy and Air Force. As for the naval questions involved in the Israeli withdrawal from the Sinai, for the present, the major maritime base of Sharm-el-Sheik is in action. As for the airmen, those attained as a result of the Israeli abandonment of the airport at Etzion, near Eilat, should be mentioned, among many other aspects.

On Friday, 17 July, in London, Egyptians and Israelis initialed an agreement whereby they proposed to the United States that Mr Leamon R. Hunt serve as acting general director of the international peace-keeping force being formed. According to the dispatch which the Argentine ambassador in London, Ortiz de Rozas, sent to the Foreign Ministry, that force would contain 2,000 men supplied with only "personal weapons." The Americans are said to have pledged to provide 700 troops and to supply all the backup personnel that may be necessary. In his wire, Ortiz de Rozas ventured to say that it was his understanding that the Commonwealth would contribute a certain number of troops. This conjecture on the part of the ambassador in London is important, because one of the points that San Martin Palace and also some members of the military leadership have found very sensitive stems from two questions: "If we go, with whom do we go, apart from the United States?" "Do we go only with Fiji, which was the first to suggest that it would agree to be in the group?"

What Camilion Said

From what has been learned, Camilion put forth to the Military Committee some rather weighty arguments in his opposition, on principle, to Argentina's joining the peace-keeping force. Let us observe them, without an order of priorities: 1) Thus far, the composition of the countries joining that force has created a problem; in other words, we cannot go with Fiji alone; 2) the limitation set by Israel and Egypt on the joining of the force by countries which have no relations with them creates another problem, for example, with the majority of African countries; 3) consideration must be given to the self-exclusion of the NATO countries, because of their reservations relating to Camp David (in this regard, our Foreign Ministry might assess what Raymond Aron said yesterday in LA NACION about Mitterrand's receptiveness to the agreements between Sadat and Begin); and 4) it would cause enmity with the nonalined and socialist countries.

Those arguments may be debatable, but they are serious. On the other hand, what might prove to be a low blow among high-ranking echelons in the Foreign Ministry is the fact that, in private talks with the press it is being claimed that, essentially, the United States and Israel are not really interested in having Argentina in the Sinai.

If this were so, the issue would have to be considered closed. But is it really so? The queries made by LA NACION among Israeli sources in Buenos Aires indicate quite the contrary. The larger the number of countries present in the Sinai, guaranteeing the demilitarization of the region, the better for Israel. Could a country as internationally isolated as Israel perhaps by playing a different card? Might it not be interested in Argentina, where there exists one of the strongest Jewish communities in the world?

Where Egypt is concerned, no one could say anything different from what Foreign Minister Boutros Ghali said during his visit to Buenos Aires in the middle of the month. In fact, he confirmed that his government is interested in Argentine participation in a peace-keeping force. Upon visiting President Viola, Ghali delivered to him a personal letter from Sadat. We know that Viola has already answered that letter, but since Sadat said nothing in it about the sensitive matter on which we are commenting, the Argentine president avoided embarking on the subject, for his part.

Uncle Sam

Finally, it remains to be learned whether it is true that there is a kind of American indifference about our possible decision. To date, there has actually not been anything except that mere "non-paper" of the State Department. On one occasion, the American ambassador talked with Camilion about the Sinai issue, but without conveying any official position, almost as if he were transmitting a personal opinion. Ambassador Shlaudeman has traveled to the United States, and has returned, and he has said nothing new other than what was already known. Our military men unquestionably expect him to say something to explain matters, especially the military who advise the commander in chief of the Army. It is not without reason. On 5 August, Lt Gen Galtieri will be going to the United States, and it is feasible that he do so with the best information available on the subject.

It is precisely concerning what the United States may be expecting of Argentina that involves the essence of what may be, depending on the direction taken by events, a matter of extraordinary proportions for our foreign policy. Through its "non-paper" and the coolness of its politicians and diplomats, the United States may be making a poker game out of all this. Does it, perchance, want to see our cards first, before putting its own on the table?

What exactly is Uncle Sam seeking? To learn how far we are willing to follow him, spontaneously, in a matter so vital to his interests (and, obviously, those of the West) as the Middle East? Among members of the Army leadership, one hears lately a comment containing more than meets the eye: The United States pays well, and if you don't think so, consider what it paid for an expeditionary force that Brazil sent to Europe during World War II.

Today, even if it wanted to, Brazil could not send any force that would be met with adverse feelings by a considerable portion of the Arab world. It is prevented by its dependence in the area of hydrocarbons, and also by the nature of its very special relations with black Africa. That is not exactly Argentina's situation.

Would our affirmative response to the question of the Sinai be sufficient reason to prompt the United States to make a historical restatement of its relations with Argentina? Whoever has the answer to this question will have an enviable vantage point from which to find out what steps it befits Argentina to take in all this.

From PC To the Military

With the headline "Not One Argentine Soldier To the Sinai," the newspaper QUE PASA, official organ of the Argentine Communist Party [PCA], claims that going to the Sinai would mean embroiling the country "in the most aggressive, irrational and rash policy in memory during recent years." The PC, consistent with its pro-Soviet policy, lauded a declaration by leftist political leaders and entities, at the end of which one observes the noteworthy presence of the Peronists Paulino Niembro, Fernando Torres and Florencio Carranza. We say noteworthy because the declaration warns that, if Argentina becomes present in the Siani, it would break "a political tradition of neutrality." What neutrality are they talking about? Could it be the neturality upheld at all costs by the Radical president, Yrigoyen, or the Conservative president, Castillo, which was broken when Peron was vice-president and war minister; that is, when Argentina declared war on the Axis, in early 1945? In the historic photo in which that declaration was signed, Peron appears to be laughing; one does not know exactly why, but laughing. There are warning laughs.

Although the interpretation is our own entirely, after contemplating the national situation we think that we note a greater predisposition among the leadership of the Army than in the Air Force or the Navy, to stress what might be the most advantageous aspects of Argentine participation in the international peace-keeping force. We point this out despite the need to emphasize that everyone, absolutely everyone here still has the issue in the process of analysis and information gathering.

It is understood that the State Department had promised to take action to have the United Nations Security Council approve the establishment of the peace-keeping force.

But it is also understood that, a few days ago, it made a move, and perceived that the Soviet Union would be relentless in the exercise of its veto power.

A working paper prepared by the Argentine Army General Staff notes that the formation of a force such as the one planned for the Sinai at Camp David has legal backing in Articles 42 and 43 of the United Nations Charter, on action in the event of threats to peace, a break therein or acts of aggression; and essentially in Article 52. The latter states that this charter does not oppose the existence of regional accords, and that the members of the United Nations which make them "will expend all possible efforts to achieve the peaceful settlement of controversies of a local nature, by means of such accords or agencies, before submitting them to the UN Security Council."

Vulnerability

A force of 2,000 men has a political significance rather than being military in nature, especially when it must be located between two armies with the potential of those of Egypt and Israel. It is also true that the UN did not give its approval of Camp David; but the complete withdrawal of the Israelis is one aspect of those agreements, and not the most favorable one for Israel. Is there any Arab leader willing to shout his opposition to having that territory returned to Egypt?

However, it is noted in San Martin Palace that, to a considerable portion of the Arab world, such a territorial recovery would be a betrayal of the Arab cause; because it would leave the option of war definitively impaired, inasmuch as Egypt is the only one of those countries with a sufficient number of troops to confront Israel. Viewed from a different angle, is not conducting a peace-keeping mission precisely the definitive impairment of an option for war?

Argentina has its vulnerability in the international realm. The issue of the missing persons is still current. Votes that we could give away by going to the Sinai are also votes that we might lose within a few months, when Argentine diplomacy seeks the reelection of Dr Jose Maria Ruda to the International Court of Justice, and of Dr Julio Barboza, to the Commission on International Law, in Geneva. But are the enduring interests of the republic, the consistency of our position in the world and the allies that we are willing to select implicated therein?

Congratulations From Videla

If it had to make up part of three battalions, Argentina would not go merely with officers and subordinate personnel. To send recruits it would, indeed, strip a politically complex flank in the internal area, although perhaps affecting the families more than the young men. After the experiences in Tucuman and with Chile in 1978, one may be sure that a call for volunteers would be made successfully. But, even so, it is possible that, if the situation should arise, military regulations would allow for an even more feasible response, for example, through the incorporation into a special military corps of the candidates accepted in the petty officers' schools.

There is no dearth of precedents, including actual war experience. In 1962, the "Espora" and the "Rosales," under the command of Admiral Arguelles, took part in the blockade on Cuba, while the Tenth Army Brigade was enlisted here. In the soccer

war between Honduras and El Salvador in 1969, troops from the Army and Air Force participated in a cease-fire mission. Near the end of the Six-Day War, as members of a UN force, the then Majs Iriart and Franculli, and Capts Gomez Pola and Caffarena, all from the Army, Maj Flyger and Capt Anastasio, from the Air Force, and Corvette Capts Escobar and De Marco, were in the Middle East, as observers. Flyger and Espina were wounded on the banks of the Suez Canal. Our flyers also saw action in the former Belgian Congo.

Whatever Argentina's final decision is, it should be made with deliberation. There is plenty of time for it. Meanwhile, it has been over 2 years since President Videla congratulated Sadat and Begin for the Camp David embrace.

2909
CSO: 3010/1610

DAILY COMMENTS ON REAGAN LATIN AMERICAN POLICY

PY262333 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 18 Jul 81 p 3

[Text] Whenever there are elections in the United States and a new President takes office, Washington announces a new policy for Latin America. Invariably, however, all these policies present two notes in common. They begin with a total ignorance of Latin American reality and, a short while later, they fall completely into oblivion leaving things as they were before. With Ronald Reagan, however, American diplomacy has presented preceptible changes. Generally positives, but there are no indications that the American Latin American policy has departed from its eternal routine. On the contrary, the White House and the State Department are beginning their offensive in the same direction, putting the wrong foot forward.

A few days ago in this column we commented on the failure of the Bahamas meeting designed to launch a "Mini-Marshall Plan," and coordinate the policy of the countries of the region toward confronting subversion promoted by Cuba in the hemisphere and especially in Central America, Canada, Mexico and Venezuela participated in the meeting, and the only country to adopt a more realistic and more constructive position was exactly Canada, a country which is not Latin American and which is not affected by the problems of the hemisphere.

Now President Reagan seems disposed to undertake a new effort for the same purpose, promoting a meeting with the heads of state of the three countries that took part in the conference in an attempt to "salvage" what couldn't be rescued in the Bahamas. At the same time the White House Chief decided to send the new U.S. ambassador to the OAS, J. William Middendorf, to South America. Middendorf has already begun his peregrination to Peru, Chile, Argentina, Uruguay and Paraguay in the hopes of convincing the governments of those five countries to isolate Cuba even further and to pressure Fidel Castro into withdrawing his support for guerrillas. His mission should later be completed by the Under Secretary for Inter-American Affairs, Thomas Enders who, according to reports, will visit Peru, Brazil and Paraguay.

It would be enough to list the countries included in the three diplomatic initiatives to show that Brazil, undoubtedly the most important country in the hemisphere, is relegated to a modest second level. Both parties are responsible for this, meaning Washington and Brasilia.

As for the United States, it is frequently carried along by its ignorance about Latin America, as we said before, in not perceiving the differences in origin, traditions and development that make the Americas practically two worlds apart, or even three if one cares to include the United States and Canada. Limiting ourselves to Latin America, however, it seems that the United States can't perceive the difference between Haiti and Brazil, or between Barbados and Argentina.

Aside from Canada, only two countries from Latin America were invited to attend the Bahamas meeting. Two countries which find themselves in the special situation of having to take outwardly anti-American positions in order to satisfy the leftists in their home territories. Such countries, as it was seen, even dared to ask the United States to finance the failed Cuban regime and the communication of Nicaragua. Aside from choosing its interlocutors poorly, the United States wounded the susceptibilities of Colombia and Panama which protested their being excluded from the encounter.

Colombia is a country which could have served as a link for approaching Brazil, since the Colombian president will be our guest in the near future. Not only Bogota was excluded from the Bahamas meeting, but Brasilia was left off the itinerary of Middendorf. In compensation, Middendorf will visit countries which at present are the target of a large international campaign aside from having, because of their geographical position, little to do with what occurs in the Antilles.

If President Reagan is trying to show that he won't let himself be influenced by international campaigns directed in accord with purely ideological principles, his gesture is laudable. This independence has been, up until now, a characteristic of his diplomacy. Moreover, the distinction accorded to countries like Uruguay and Paraguay by the Middendorf mission is not justified by any possible result and is merely going to make Washington the target of new anti-American campaigns. The embarrassment could be spared if, without excluding Uruguay, Paraguay and Argentina from the OAS ambassador's itinerary, his journey were extended to include all the capitals of South America.

Here, however, one cannot omit pointing out that the marginalization of Brazil is also the fault of the sorry diplomacy currently put into practice by Itamaraty. Breaking in the name of an ill-defined "responsible pragmatism," with our alliances and our traditions, those currently responsible for our diplomacy merely concern themselves with forcing an unnatural inclusion of Brazil in the so-called Third World with which it has not traditions and hardly any interest in common. Instead, they distance Brazil from its natural position as the major country of the hemisphere, depriving it of the possibility of exercising a mission, if not of leadership--a word banned in Itamaraty's "index" [book on diplomatic conduct]-- at least of mediation, for which Brazil is destined because of its position and its traditions.

The result is that, at a time when the country should be occupying a prominent position, one sees it condemned to an undeserved second place.

CSO: 3001/219

EDITORIAL SCORES REAGAN POSITION AT OTTAWA SUMMIT

PY242228 Sao Paulo FOLHA DE SAO PAULO in Portuguese 23 Jul 81 p 2

[Text] As predictable, the main economic topic at the Ottawa meeting--which brought together the heads of state of the seven most developed capitalist countries--was the current U.S. monetary policy.

From the standpoint of the European countries, that policy which has a definite restrictive shade to it, is responsible for the high U.S. interest rates which cause double difficulty to the Europeans. On one hand, those interest rates lead to an overvaluation of the dollar against their currency because such high rates stimulate a strong flow of financial resources toward the United States. Such overvaluation of the dollar, in turn, raises the price of European and Japanese dollar-based imports [oil for instance] thus hiking the domestic inflation rates. On the other hand, the only expedient to curb or at least moderate that adverse evolution seems to be that of also raising interest rates in the other developed capitalist countries, an expedient which would only deepen the serious recession some of them are experiencing, as is the case in the France, Great Britain and Italy.

From the standpoint of Brazil, the current U.S. monetary policy has had quite adverse consequences which explain our special interest in the Ottawa meeting. In the first place, the U.S. policy also pushes upwards the interest rates on international loans, which follow the trends of the U.S. financial market. This way, the servicing of almost two-thirds of the foreign debts increases because they were contracted at readjustable rates. In the second place, since the devaluations of the Brazilian currency is pegged to the U.S. dollar, the cruzeiro has in fact come to be overvalued in relation to European currencies, thus hurting our exports to that area and, conversely, stimulating imports from that area. Finally, another damage to Brazilian exports is caused by the fact that the high international rates discourages the maintenance or formation of primary products stockpiles in the developed countries, thus seriously curtailing our exports of those products. Incidentally, this circumstance is partly responsible for Brazil's exports performing below expectations during the first half of this year.

As predictable as the central economic topic at the Ottawa meeting were the U.S. resistence to changing its monetary policy and Reagan's argument that soon interest rates will decline as a result of the success of his domestic economic policy. This argument, based on the conviction that the inflation will

substantially and simultaneously abate as the economy gains vigor, was sufficient to deprive Ottawa of any important economic decision because the meeting even lacked a deliberative character to ponder issues and decisions carefully. In addition, the fact that the opponents of the U.S. monetary policy do not have any effectively retaliatory economic power to prod the United States into reviewing its monetary policy must be taken into account. It could be noted as a minor but folksy detail that Reagan may have been helped by the masochistic conservatism of Mrs Thatcher who preferred not to press for changes in U.S. interest rates despite the fact that her country is the most vulnerable to the effects of such rates.

Thus, once more, as has been the tradition since the 1920's, other developed and developing countries can only hope for the promised results of the U.S. economic policy whose spirit has always been, as it is now, one of olympian disdain for the eventual adverse effects which that policy has had on the rest of the world at diverse critical periods. This is a hope fraught with uncertainties because there are justifiable doubts about the consistency of Reagan's economic program due to the fact, among others, that the U.S. annual inflation rate, contrary to the monetarist tenets the Washington government adheres to.

CSO: 3001/219

DAILY QUESTIONS DELAY IN VOTE ON FOREIGNER'S LAW

PY310322 Rio De Janeiro BRAZIL HERALD in English 30 Jul 81 p 2

[Text] After the recent publication of the proposed amendments to the foreigner's statute, the impression prevails that the interested parties are not actually playing a comedy of errors but are affected by strange inhibitions. It is not quite clear why a long series of debates and negotiations between the minister of justice and various groups concerned with the problem of the immigration issue now seems to have reached a stage of immobility.

The text of the new statute seems to take into account nearly all the relevant objections raised in the congress and by the church against the statute enacted last year. Does there exist other points calling for a revision, in addition to those already mentioned?

This is likely because no law is ever sufficiently perfect to not require more and more adjustments to varying social and economic circumstances, but it is undeniable that the most controversial items in last year's statute have been corrected in the new project.

At the moment it is not clear why the opposition parties are now reluctant to approve the project, after even the church hierarchy has asked for "benevolence" in discussing the definitive statute.

The project eliminates the most controversial item in the present statute which permitted the expulsion of aliens even though they have Brazilian spouses and children economically depending on them. The project makes only one restriction--they must have been married for more than five years, to prevent fake marriages. The five-year term is liable to criticism for being too long, but in principle, the issue has been solved in accordance with Brazilian tradition.

The new project eliminates the bureaucratic rule that aliens seeking naturalization have to undergo medical tests. Safeguards against extradition of aliens have been extended and the functioning of foreign religious organizations has been facilitated. The same guarantees are foreseen for scientific, social, benevolent and other associations of foreigners. The entrance visa for foreign missionaries is to be granted for longer terms with the possibility of becoming definitive. What are now the reasons which cause opposition groups to delay the procedures for the enactment of the new statute--an attitude which has already

caused a statement of concern by the Nuncio? The deadlock looks irrational because it has not been explained so far. If the opposition wants to obstruct the issue, it will incur the disapproval of those for whose interests it pretends to fight. What are the reasons for the delay in sending the new project to the congress where some items still could be corrected.

CSO: 3001/219F

EDITORIALIST ON 'FAILURE' OF OTTAWA SUMMIT

PY240234 Sao Paulo FOLHA DE SAO PAULO in Portuguese 23 Jul 81 P 2

[Text] The meeting of the leaders of the seven richest nations has ended without even an inkling of agreement. They did not even manage to open lines for understandings and this is bad for everyone--industrialized and developing countries, mainly for the latter.

The immediate consequence of Ottawa is to make unnecessary the North-South conference scheduled for October in Cancun, Mexico. If the leading nations of the capitalist world do not have a common position on the economic problems they are facing, they will hardly act as a bloc when making concessions to alleviate the hardships of the developing countries.

How will they discuss interest rates for third countries if the question continues unsolved among the seven? It is obvious that there will be no result at all of this. Therefore, the failure at Cancun will be inevitable unless the Third World representatives--16 presidents, including President Figueiredo--go there united and intent on obtaining advantages at any price.

The failure will be inevitable and foreboding. Worried over their own misfortune, the rich nations seem to have forgotten that a leadership position presupposes the existance of nations to be led. If the developing countries are led into bankruptcy, the entire Western system will sink with them, and we are not too far from disaster.

To see that this is so, it will be sufficient to look at the repercussions of the Ottawa failure on Brazil's situation. The other big partners could not persuade Reagan to change his domestic economic policy which is geared to fighting inflation with high interest rates. On paper this is nothing but a divergence among the rich, but for Brazil that small divergence means an expenditure of something like $15 billion to service its foreign debt over the next 12 months.

Even with continuously rising exports, Brazil will not earn sufficient foreign exchange to pay interests and buy the oil consumed. The country will have to resort to foreign loans for its common imports, remittance of profits, foreign debt amortizations, and to meet all the other external obligations it cannot perform any magic.

And that is only one of the implications of the disagreement among the industrialized countries. Since they will continue with their recessive policies, the price of primary products will remain low due to reduced demand. Moreover, capital which might be interested in coming to Brazil will demand extra advantages because it can earn 25 percent per year while staying home.

In sum, the prospects for Brazil and for scores of countries in a similar situation are not bright at all. The rich countries are killing the hens which lay the golden eggs.

CSO: 3001/219

GOVERNMENT ISSUES REMINDER ON POLITICAL RECESS

PY302154 Santiago Chile Domestic Service in Spanish 1730 GMT 30 Jul 81

[Text] Today all the Chilean intendants, governors and mayors were given instructions on the implementation of the law, currently in force, regarding the political party recession in case any person, entity group or movement tries to violate it.

In this regard, Jorge Fernandez, director of the government communications agency (DINACOS) after noon today disclosed the Interior Ministry's position by pointing out that the government will prevent any action which may serve as an excuse to alter the institutional process underway, since violating the political party recession goes against the government and citizens joint desire which was voiced with the approval and ratification of the current constitution.

At the same time the government will not hesitate in strongly preventing the citizenry's participation, currently carried out through the organization for voluntary workers (Voluntariado) and neighborhood organizations, from being orchestrated by persons or groups thus distorting the appeal made by his excellency the president of the republic on 11 September. In this appeal he asked all the citizens to join their respective counties in order to strengthen the participation of those organizations.

Therefore, the communique released by DINACOS points out that any political party activity aimed at reviving or forming political parties or movements--should they be in favor or against the current regime--will be considered a violation of the political party recession.

All the intendants, governors and mayors of the country were given special instructions in this regard today.

CSO: 3010/1621

GOVERNMENT BANS FORMER CONGRESSMEN'S MEETING

PY292033 Paris AFP in Spanish 0233 GMT 29 Jul 81

[Text] Santiago, Chile, 28 Jul (APP)--The Chilean Government today refused to authorize a so-called circle of former congressmen to hold a meeting on next 1 August to commemorate the 170th anniversary of the establishment of the National Congress. Interior Minister Sergio Fernandez said in a communique that a group of former parliamentarians have characteristics which lend themselves to presume that there is an intention to carry out, under this disquise, activities which contravene the norms in force regarding the recess of party politics, since the national congress was dissolved on 24 September 1973.

Two weeks ago the circle of former congressmen, in the process of organization, asked the Santiago military command for permission to hold a meeting at a downtown hotel in this capital in order to study the role played by the national congress in Chilean history, as stated by the organizers of the event. The petition then went to the Interior Ministry which forbade the meeting today, saying that it would be against the recess of party politics in force in Chile since 11 September 1973, when a military uprising toppled the government of the late socialist President Salvador Allende.

The communique added: This ministry has never believed it to be suitable to authorize meetings of institutions which are only in the stage of organization but has always waited to make a decision on the subject until the bodies are organized and it becomes possible to verify that their aims and structures are compatible with the juridical order in force.

The communique said that the study which prominent historians and analysts may make regarding the national congress is of the greatest interest. "Since it will become possible to appraise, within the framework of respect it deserves as a republican institution its merits and contributions to our civic development, as well as the defects which, unfortunately, prevailed during some stages of its functioning with all the consequent damage to the country."

The circle of former congressmen would be made up of former parliamentarians of the most diverse leanings, such as conservatives, Christian Democrats, radicals and socialists, under the presidency of former conservative Senator Hugo Zepeda.

CSO: 3010/1621

ISSUE OF SOVEREIGNTY IN ANTARCTIC DISCUSSED

Santiago EL MERCURIO in Spanish 12 Jul 81 p A3

[Editorial: "Antarctic Rights"]

[Text] On occasion of the holding of the eleventh consultative meeting of the parties to the Antarctic Treaty, the discussion on exercise of national sovereignties on that continent came up again.

Preservation of our Antarctic sovereignty has two main policy aspects that must be taken into account: one, international in nature and the other, domestic in nature. The first aspect pertains to the possibilities that Chile's sovereignty, like the sovereignty of the other claiming nations, may actually be safeguarded within the framework of the negotiations in progress and of the future prospects for cooperation under the 1959 treaty. These columns have pointed out several times that it will be indispensable, in this field, to reconcile those national claims with an international system, without having either of these aspects entirely ruling out the other one.

Actually, in view of the fact that the Antarctic system has active participation both by nations claiming sovereignty and by others that do not recognize territorial claims, it is imperative for the solutions that may be achieved to have a high international component, as has been true of the treaty itself and of the convention on conservation of living resources. Nevertheless, in order for there to be an agreement, it is also necessary for those international regimes to take adequate account of the rights of those who are exercising their sovereignty in the region. Up to now, this has always occurred satisfactorily.

The chairman of our country's delegation to the above-mentioned meeting, Ambassador Fernando Zegers, has stressed the importance of carrying out, together with Argentina, a policy of joint defense of the respective Antarctic rights. Undoubtedly this is a desirable, positive measure, because both countries recognize each other's claims mutually and have pledged their Antarctic cooperation.

In addition, strengthening of our Antarctic rights has a domestic dimension, consisting in the national policies that will make Chile's continued presence on that continent and its development possible. In some fields, these policies have been successful and are contributing constructively to this objective. The permanent activity of the bases maintained there by our country and improvement of the sea

and air links between the mainland and the Antarctic are some outstanding examples in this connection. In other fields, however, serious deficiencies cannot fail to be observed.

The scientific research being carried out by Chile depends on the unselfish dedication of university scholars, without the existence of any significant support whatsoever as part of a development policy, except with regard to the necessary logistic facilities. The administrative structures participating in this field are characterized by their slowness and scanty flexibility. This has led to a questioning of their present effectiveness.

It would, perhaps, be advisable for this domestic dimension of the problem to be subjected to very careful study by the government authorities, because, if the Antarctic national policy measures are not consistent, in some cases, with the dynamism observed abroad and with the tendencies of Antarctic cooperation, our own rights could turn out to be affected.

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CSO: 3010/1605

CARDINAL CONDEMNS RESURGENCE OF VIOLENCE

PY241844 Paris AFP in Spanish 0153 GMT 20 Jul 81

[Text] Santiago, Chile, 19 Jul (AFP)--During mass held in this capital today Chilean Cardinal Raul Silva Henriquez made a fervent appeal to preserve dialogue and peace as well as the respect of all human rights in Chile and the world.

In a mass closing the 42nd International Eucharistic Congress held at the Lourdes Basilica, the Cardinal strongly referred to the resurgence of violence registered in the country the past few days.

At present our country is facing serious problems. We are faced with acts of terrorism and violence which we strongly condemn wherever they should come from or whoever they may be carried out by. He added that we cannot accept violence.

He said that the church has stated this by every means and at all times. The cardinal added: "We have been preaching this for 10 years now but nobody has listened to us. The church's protest hasn't been listened to.

Political violence in Santiago has resulted in four victims during the past 2 weeks. The last victim was Maj Ingrid Olderock of the Carabineros militarized police forces who was shot in the skull by a commando of the underground Popular Resistance militias.

The wave of violence started when a government agent of the National Intelligence Agency (CNI) was machinegunned by presumably leftist elements, followed by the murder of two members of the Movement of the Revolutionary Left (MIR), who were acting underground.

In this regard Cardinal Silva Henriquez stated: "We are really sorry about the climate of difficulties and so much violence we are experiencing at present. Our fatherland is entering a tremendously conflictive and difficult situation."

At the church which was crowded with believers, the head of the Chilean church recalled that a great fatherland can only be created through dialogue, respecting everyones rights.

He added that it is necessary to pray for all the men of good will of this world, which are the great majority, for all those who love Chile and those who love their fellowmen to follow the path of dialogue justice and peace.

Cardinal Silva Henriquez ended stating that we will pray that violence will end to make room for dialogue, justice, tranquility, peace and order which stem, precisely, from justice.

CSO: 3010/1621

DEATH THREATS MADE AGAINST CNS LEADER

PY251353 Paris AFP in Spanish 2028 GMT Jul 81

[Text] Santiago, 22 Jul (AFP)--It was reported today that a leader from the dissident Union Coordinating Board (CNS) has requested court protection from death threats made by an apparently anti-Marxist secret group.

According to the report, unknown persons painted the hammer and sickle on the door of Hernan Jofre Ponce's house, and then, through anonymous phone calls, they warned him that he would meet the same fate as the leftist painter recently assassinated in Santiago by the self-style GAMA rightist commando.

GAMA this month claimed responsibility for the execution of an outlawed socialist party's leader who had been machinegunned on a street in this capital.

Jofre Ponce was imprisoned at the beginning of July together with nine other members of the Union Coordinating Board, charged by President Augusto Pinochet's government with claiming undue labor representativity.

CNS's President and Secretary General Manual Bustos and Alamiro Guzman are still in jail while the trial requested by the government is underway.

The Union Coordinating Board brings together centrist and leftist workers who reject the socioeconomic policy of the regime headed by General Pinochet since the overthrow of socialist President Salvador Allende in 1973.

The CNS last month submitted a memo listing its requests, and the government reacted by urging judicial action against CNS's leaders, who were referred to as communists.

CSO: 3010/1621

APPEAL FOR WHEREABOUTS OF RETURNED EXILES

PY241622 Paris AFP in Spanish 1712 GMT 21 Jul 81

[Text] Santiago, 21 Jul (AFP)--Two Chileans in exile who tried to return to the country with forged documents were arrested in Argentine territory and handed over to the Chilean police 5 months ago. This was stated here today by a French lawyer who requested information on the whereabouts and fate of the arrested persons.

The legal action undertaken by attorney Jean Paul Levy, from Paris, is in favor of nurse Jose Alejandro Campos Cifuentes and farmer Luis Quinchavil Suarez who were stopped by Argentine border guards when they were crossing over the border to Chile on 19 February in Paimun.

Across the border from Paimun, 840 km south of Santiago, the Chilean army and air force are currently persecuting a group of leftist guerrillas who, according to the government have established a network of camps and refuges in a wooded area in the foothills of the Andes mountain range.

In the appeal submitted to the Santiago Court of Appeals attorney Levy states that after being arrested, Campos and Quinchavil were handed over to the Chilean authorities in compliance with an agreement between the respective police forces.

Levy himself pointed out that the two Chileans were carrying forged documents when they were arrested.

It was recalled that Campos and his friend had been incarcerated by President Augusto Pinochet's regime after late socialist President Salvador Allende was ousted at the end of 1973. Later their sentences were commuted to banishment and they reportedly sought asylum in Europe.

Attorney Levy is acting before the Chilean courts on behalf of the International Federation for Human Rights, the International Movement of Catholic Lawyers, the Pax Romana Organization and the Association of Independent Lawyers.

CSO: 3010/1621

BRIEFS

MINISTER SCORNS PSEUDOLEADERS CRITICISMS--The Minister Secretary General of Government, Julio Bravo, today said that the government will not hesitate to implement all the necessary measures established by the constitution to face Marxist aggression. He also reaffirmed once again his faith in the Chilean workers and in their authentic representatives. He emphasized that their frank and loyal attitude noticeably contrasts with other pseudoleaders who prefer to use cunning and ill-intentioned criticism void of any positive contribution. These remarks were made by Bravo during a labor seminar on national modernization and development with the participation of more than 300 union leaders from around the country held in the facilities of the private employees union in this capital. [Text] [PY292210 Santiago Chile Domestic Service in Spanish 1730 GMT 29 Jul 81]

LEADERS REPUDIATE UNION COORDINATING BOARD--A group of 12 union leaders from the capital and the interior repudiated the National Union Coordinating Board (CNS). They stated that the organization lacks representativity and that it follows the instructions received from the [words indistinct]. (Juan Sanhueza) leader of the single Huachipato union, of the eighth region, stated that it is true that the workers have problems but that those problems will be solved through the corresponding channels. He added that we do not need foreign persons to come and interfere in the union leaders' activities aimed at solving the problems. In referring to the problems and concerns of the workers of Huachipato he stated that they are awaiting collective bargaining and have requested legal advice from the Labor Ministry under secretary for this. [Words indistinct] Labor Director General (Ramon Suarez) go to the eighth region. The remaining union leaders also voiced their full repudication to the CNS and charged it with being nothing but a facade for international communism. [Excerpts] [PY231930 Santiago Chile Domestic Service in Spanish 1730 GMT 23 Jul 81]

CARABINEROS CARRY OUT DRAGNET--Santiago, 25 Jul (AFP)--The Chilean police have arrested 2,505 persons, checked 5,300 vehicles and thousands of suspects throughout an operation which was launched on Friday and ended today. During the special dragnet carried out by Carabineros, suspects, persons without documents, prostitutes, illegal tradesmen and drunken drivers were arrested, according to the semiofficial news agency, ORBE. Police sources claimed that in recent months an average of eight taxi robberies, five deaths in traffic accidents and at least 30 crimes against persons or properties have been taking place in Santiago de Chile between Friday and Saturday. The same sources stressed the recrudescence of violence in the Chilean capital where the leftist Popular Resistance Militias

(MPR) have claimed responsibility for bank robberies, attacks on police stations and the assassination of various secret agents of General Augusto Pinochet's government. At the same time an alleged rightwing commando self-styled GAMA, has claimed having killed two leftists last week. [Text] [PY252015 Paris AFP in Spanish 2000 GMT 25 Jul 81

CSO: 3010/1621

BRIEFS

OPPOSITION CHARGES HARASSMENT, SEEKS GUARANTEES--Bogota--The opposition sectors have asked the government of President Julio Cesar Turbay Ayala for full guarantees in the upcoming electoral campaign. After a meeting held today with the Bogota government secretary, Ricardo Correa Cubillos, the national opposition union denounced the militarization of the capital and the harassment to opposition sectors. The opposition sectors also expressed surprise over what they called the government's pretentiousness in connection with the granting of authorization to hold meetings behind closed doors, which they regard as unconstitutional and illegal. [Text] [PA291645 Bogota Cadena Radial Super in Spanish 2330 GMT 27 Jul 81]

FOREIGN MINISTER TO ANDEAN MEETING--Bogota, 29 Jul (AFP)--Colombian Foreign Minister Carlos Lemos Simmonds announced here today that he will participate in a "summit meeting" of Andean Pact foreign ministers that will begin on 24 August in Caracas. Lemos Simmonds, a 48-year old lawyer and newsman, accepted the invitation to the meeting that was made by Venezuela Foreign Minister Jose Alberto Zambrano Velasco through the Venezuelan Embassy in Bogota. Lemos Simmonds said that the "summit meeting" will include the foreign ministers of Colombia, Bolivia, Ecuador, Peru and Venezuela, and that the meeting is an offshoot from an earlier meeting the same foreign ministers held with Venezuelan President Luis Herrera Campins in Caraballeda in May. Lemos Simmonds said that "the meeting will allow us to seek means for strengthening the integration process of the five Andean countries." Lemos Simmonds will travel to Caracas 1 day before the meeting is scheduled to begin. [Text] [PA300030 Paris AFP in Spanish 1407 GMT 29 Jul 81]

GUERRILLA ACTION REPORTS--Bogota, 21 Jul (AFP)--Military spokesmen reported here today that one guerrilla died and two others were captured by the army in northwestern Colombia. The 4th Brigade, headquartered in Medellin, announced that the rebels belonged to the pro-Chinese people's liberation army which operates in th Uraba area, near the border with Panama. In Bogota 20 persons were arrested during raids made following yesterday's attack on the presidential palace, in which only two persons were badly hurt and minor damage done. Among those under arrest is Manuel Martinez, defense lawyer for Jose Antonio Navarro, one of the leaders of the extremist 19 April Movement, M-19, who is currently facing a court martial at La Picota jail. Also arrested were other presumed M-19 guerrillas who were recently released after serving their sentence. [Text] [PA241419 Paris AFP in Spanish 0025 GMT 22 Jul 81]

CSO: 3010/1620

IDEOLOGICAL CONTACTS, PROPAGANDA, WESTERN MEDIA DISCUSSED

Havana CON LA GUARDIA EN ALTO in Spanish Dec 80, Jan 81

[Two-part article by Silvio Jova]

[Dec 80 pp 28-29]

[Text] We recently read a document of great historical importance: the report to the Seventh Congress of the Communist International that was presented magistrally by the Bulgarian leader Georgi Dimitrov. The report dates from 1935, but we saw in it numerous issues of current, and not just historical, interest. One of the principal issues on which he focused attention was the phenomenon of fascism and its way of serving the exploiting classes while using language full of demagogic slogans. We then understood how much the imperialists have learned from the methods used by the fascists and especially by its Nazi variant, on hearing President Carter speak about different events.

By no means can the imperialist propaganda media baldly reveal their true intentions. They disguise everything with a varied assortment of attractive slogans and words such as "freedom," "democracy," "human rights," and others. In this way, their entire policy remains covered by empty, but effective, phrases. Moreover, combined with this, which we could consider general in nature, just as the Nazis did several decades ago, they have campaigns more limited in scope that are oriented toward young people, workers, farmers, women, blacks, religious people, intellectuals, the military, and, in general, toward each class and social group that is oppressed in one way or another and whose interests run counter to those of the imperialists.

However, these campaigns are increasingly losing their rational character; that is, they cannot be based on valid reasoning capable of convincing. Of course, in the countries where capitalism rules, the general atmosphere is one of inundation with information, whereby it is possible to briefly turn the people's attention from fundamental problems. Day by day, however, it becomes more difficult to say something on the radio, on television, or in the movies and encounter a daily situation different from that suffered by the worker in the flesh. Even the traditional formula of divide and conquer becomes more dangerous because the bourgeois social system contains enough contradictions to be fostering others artificially. As a result, propaganda gives way to manipulation of the consciousness.

Manipulation depends on some elements of human psychology that derive from its animal heritage. It should be no secret to anyone that in man there are physical,

chemical, and biological processes, but that man is not a physical body, nor a chemical compound, nor an animal; he is a markedly superior being, for he is capable of consciously transforming nature through the use of tools. That is, he is a worker able to solve problems in an increasingly better way. Also, he has that capability in common with his fellow men; that is, living in society.

Manipulation springs from the existence in man of a number of unconditioned reflexes that arise and develop in childhood. When the human personality becomes defined during youth because of the social life that has been shaping each of its characteristics, we find that, as the saying goes, "Each person is a world." That world not only is full of ideas, knowledge, skills, and abilities but also possesses feelings and emotions. It interacts within itself in complex processes by which man identifies, evaluates, plans, and acts. But there is a number of mechanisms in these processes that need not be learned, e.g., fear, sexual attraction, the digestive system, defenses from attack. These constitute a unit responsible for watching over human survival; the scientific study of them receives considerable attention throughout the world. The imperialists have studied them--and are studying them--with great care.

Hence the great pornography business that enjoyed a boom recently throughout the capitalist world, based on the acquisition of thousands of millions of dollars in earnings from the human being's powerful sexual mechanism. The use of violence in their movies is also the use of that system in the human mind where fear and the capacity for defense and attack to save one's life, etc., are mixed. Hence a number of elements has been discovered that can unleash these mechanisms and systems without participation by the "polite" part of man's consciousness. An example is the research concerning colors that provoke certain reactions of excitation. With a certain intensity and other characteristics, sounds, too, can provoke simple involuntary acts. Through the combination of several of those resources, unthinkable actions can be produced for a time.

However, if we also take into account that in the very process of teaching, effective methods have been discovered for fixing ideas, such as repetition, the linking of the word with corresponding images and sounds, the coupling of new content to be learned with aspects of the student's daily experience, etc., we find that imperialist propaganda possesses sufficient resources to manipulate people's consciousness, and that they sometimes act contrary to their principles and interests. Obviously, for this to occur, it is necessary that the person constantly be in a favorable environment, such as that existing in any capitalist society, in which the school, the communications media, the social organizations, the government, and practically everything is designed to hide reality, presenting it concealed and distorted. In socialism, because its social system--and within that, education--is a means for man to become increasingly in touch with reality, it is practically impossible to manipulate man because he is taught the truth; and Marxism-Leninism begins with the raising of man's consciousness to full understanding of nature, society and thought and the laws that govern his development. Socialist man is free because he knows reality and cannot be manipulated. This is unquestionably so if man does not turn his back on socialism and oppose it, allowing himself to be penetrated by various routes.

[Jan 81 pp 22-23]

[Text] One of the most important media of propaganda and agitation is personal contact, direct discourse between people without an intermediary or with a minimum of mediation--for example, a microphone. It is the most effective way of transmitting ideas to others, especially because it is possible to immediately perceive the positive, negative, or neutral reaction of the recipient of the message.

Perhaps it would be appropriate, since at times the best intentions are frustrated by a poor beginning, to explain at the outset what we call propaganda and what we call agitation. In daily life, the two terms are used in nearly the same sense, but there actually are differences. Propaganda is systematic and is intended to inculcate a body of developed ideas that correspond to the interests of a social class.

Agitation is more limited; that is, it embraces one or two ideas, but it seeks a more immediate response from people, focusing for that purpose on their emotions, their feelings. For example, a lecture on capitalist exploitation, its essence, and the economic laws governing it is propaganda, although, given our situation in the ideological struggle, it has elements of agitation. But an act of rejection of a counterrevolutionary deed is agitation, for it moves us to condemn our friends.

The imperialists also have their direct agents for their ideological work. However, there is no question that in that critical field the Revolution can bring much greater resources into play.

Who is the agent for the enemy's direct propaganda? He who at times of most intensive aggression of all kinds by the American government and its lackeys against Cuba serves as emissary to their disseminators of propaganda. As a rule, their sources of information are the capitalist countries' broadcast transmitters, whose distorted versions of events they undertake to spread among innocent or politically and ideologically untutored people.

Where do these agents come from? Their natural origin is the social groups, sectors, and classes hostile to the socialist transformation of society in general and of our country in particular. Because of their origin, the exploiters who were affected by the revolutionary laws constitute the chief bastion of reaction, but not the only one. There are also those who were a part of the repressive apparatus serving those classes, as well as all the social parasites generated by the system: the criminals, hoodlums, gamblers, and so forth. Since 1959 there has been a process of the social cleaning up of Cuba, but there are still remnants of that society, although insignificant in number.

Now, the capitalist system in Cuba also had the characteristics of underdevelopment. This meant that for the American imperialists Cuba represented:

--A place of amusement for lazy Yankees could experience strong emotions.

--A market for placement of their products under advantageous conditions.

--A "reserve" country where they could find what the monopolies needed at a given moment: whether a vote at the United Nations or a boxer to entertain the public and in passing to squeeze a few dollars out of the workers in gate fees and bets.

Therefore, everything that lay outside these needs of the financial oligarchy had to develop on its own. The levels of education, public health, social security, etc., were minimal in order to guarantee earnings, and they were not lower because of the Cuban workers' constant struggles.

In our history we see that revolutionary struggles developed precisely within the bounds permitted by the system established in Cuba by the United States, who made use in part of what they found useful in the Spanish colonialism endured for 400 years. Outside the "limits" of what was permissible, there appeared distorted solutions for a number of the country's vital problems.

For example: Because there were not enough doctors, there were quacks; culture was restricted for the masses, so a pseudoculture developed; there was inadequate housing, so unhealthy tenements and slums were created; and so on.

In combination with this, the army of unemployed that the capitalists maintained as a result of their system's law of capital formation* also created a number of marginal occupations that allowed a precarious subsistence. However, in the capitalist society the major objective that this instilled in everyone was to "get rich," or, what is the same thing, to "have more things and money than the others." This meant, too, obtaining wealth by the shortest route, which undoubtedly was not that of work but rather that of political and social parasitism. To achieve that it was necessary to prepare, to train, from early childhood.

With the triumph of the Revolution, the basis for "exclusion" disappeared; but this problem persists. It is an objective phenomenon independent of the will of the revolutionaries, whose immediate, total solution is not possible because of that very inherited underdevelopment, with its economic characteristics and partial scarcity of natural resources. A whole variety of semiproletarians and dispossessed remain as a legacy of that situation, surviving at the cost of the difficulties inherent in any revolutionary process, aggravated in our case by two factors: the constant threats of military aggression by the imperialists and the criminal blockage with which they attempted to destroy us economically.

Those elements, that is, the enemy's ideological agents, masquerading at times as religious figures or as intellectuals, primarily use the method of rumor to spread false and generally alarming news. At the same time, they carry out quiet little ongoing campaigns against all revolutionary measures, especially those involving issues related to the supply of goods. They choose as their audience

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*The explanation of the essence of the general law of capital formation makes it possible to understand the antagonistic nature of this formation. On the one hand, it leads to an increase in the wealth held by capitalists, and, on the other, to the worsening of the situation of the laboring class and other working sectors.

those who are likely to repeat like parrots what they hear, for they are too lazy to read a revolutionary newspaper or magazine, or, because of their cultural limitations, which they have not tried to overcome, they lack the insight to distinguish between the truth and lies. Let us take into account that lies can be adorned with numerous details that make them more attractive, whereas the truth cannot be altered.

To counteract this direct action of imperialist ideology, it is necessary to carry out constant agitation among the masses. It is not enough, though, to want to do it. It is necessary to know some basic points to avoid errors in this important work. In the first place, it must be systematic; that is, at each meeting, in any activity, it is necessary to give the revolutionary message, taking into account the specific situation in which the country finds itself. Second, it is necessary to adapt the presentation of revolutionary ideas being given to the context in which we find ourselves: In a commemorative or reverential activity, the tone must be suitable and different from that used in a festive gathering or a cultural/recreational ceremony. Third, we cannot overlook the characteristics of the person or persons listening to us; that is, their age, cultural level, temperament, political development, and so forth. We should approach young people on the basis of their inexperience and uncertainty, their optimism and strong need to learn. Women, especially housewives, who daily face a number of domestic problems, must be given special treatment. In short, we must not forget that the best content can be misinterpreted because of the use of an inappropriate form.

Finally, who is responsible for carrying out this job of agitation? All revolutionaries can do it, but each one in the field where he is best prepared, remembering that each day it is necessary to study, read the press, increase our knowledge with guidance from our leaders and especially from Fidel's extraordinary teachings.

Agitation correctly performed shall contribute to the development of new ideas and attitudes consistent with socialism, while also serving to demolish capitalist concepts, new and old, obvious and hidden. In this way, the enemy is also defeated in the ideological struggle.

9085
CSO: 3010/1547

'RADIO HAVANA' ON INTENSIFICATION OF CIA ACTIONS

PA212235 Havana International Service in Spanish 0000 GMT 21 Jul 81

["World Events" Commentary]

[Excerpts] The current U.S. Government has given a green light to the Central Intelligence Agency, CIA, to intensify its activities throughout the world.

The current capture of five Cuban-born counterrevolutionaries who infiltrated Cuba through the coast of Matanzas Province to assassinate President Fidel Castro confirms that the CIA continues to use all possible means to achieve its objectives.

The U.S. espionage office was created in 1947 almost at the beginning of the so-called cold war, when campaigns of persecution and imprisonment of progressive U.S. citizens were carried out. The history of the crimes it has committed throughout the world is long.

Who isn't aware that today the CIA is using all its resources to try to destabilize the progressive governments of several countries of Africa, Asia and Latin America? Even inside the United States, the CIA has used its criminal resources to support the most reactionary and fascist U.S. sectors. The assassinations of President John Kennedy, his brother, Robert, and black leader Martin Luther King have been described as a result of conspiracies in which the CIA was not uninvolved. These assassinations were not the result of simple actions of individuals, as the U.S. courts ruled.

In an effort to cover up the activities of the organization which were made public by a Senatorial committee in 1978, the CIA reiterated that it would keep secret documents related to the crime in Dallas. Frank Carlucci, the then-second in command of the espionage organization and current defense under secretary, said that the disclosure of certain documents would affect the protection of important sources of the espionage organization.

Despite this reality of CIA's dirty role inside and outside the United States, in April, reforms in the CIA code of conduct introduced by the government abolished a 1978 executive order which limited its actions. The CIA can now carry out its secret and subversive actions inside and outside the United States. The dirty work of the CIA is now considered by the Washington government as a matter of national security.
CSO: 3010/1603

FIDEL CASTRO SCORES UNITED STATES ON SOUTH AFRICAN POLICY

Havana GRANMA WEEKLY REVIEW in English 26 Jun 81 p 1

[Text of message from Fidel Castro to Akporode Clark on the occasion of the International Day of Solidarity with the Struggling Peoples of Southern Africa]

[Text]

● *UNITED NATIONS, June 16 (PL).— The head of state and government of Cuba, Fidel Castro, sent a message to Akporode Clark, president of the Special Committee on Apartheid, on the occasion of the International Day of Solidarity with the Struggling Peoples of Southern Africa being commemorated here.*

In his capacity as chairman of the Movement of Non-Aligned Countries, Fidel Castro condemned the United States for the military, economic, political and diplomatic aid to the South African racist regime.

The full text of the message is as follows:

On the occasion of the International Day of Solidarity with the Struggling Peoples of Southern Africa, we express our solidarity and support for our struggling African brothers and sisters, who every day sacrifice their lives in an unequal battle for independence and for fundamental and inalienable rights — rights denied to them under the wicked and inhuman system of apartheid by the racist minority now usurping power in South Africa and Namibia

The process of decolonization has now reached its final stage. Supported by the world's progressive forces, the national liberation movements are making important headway, and in spite of all the difficulties they face, the day is fast approaching when the last bastions of colonialism and racial oppression in southern Africa will be demolished.

In contemptuous disregard of the decisions of the United Nations, the Organization of African Unity and the Movement of Non-Aligned Countries, the South African Government has refused to withdraw the troops illegally occupying Namibia, upholding the apartheid regime there and thus promoting the exploitation of the Namibian people and the plunder of their natural resources. Led by SWAPO, their sole legitimate representative, and supported by constantly growing solidarity, the Namibian people continue to rebel and struggle against this oppression.

Apartheid violates all the fundamental principles of civilized society. By its very nature it is an irritant, a provocation and a threat to international peace.

In spite of countless efforts made by the United Nations, the Organization of African Unity, the Movement of Non-Aligned Countries and other international organizations on behalf of southern Africa's oppressed peoples, the racist regime in Pretoria is waging a racist war against millions of people, continuing to occupy Namibia illegally and threatening and attacking its neighbors, which are peace-loving sovereign states. It is to blame for the increasingly tense and explosive situation in that part of the African continent.

The Pretoria regime persists in a policy of bloody repression against the black population which forms the overwhelming majority in the country, jailing, torturing and murdering their fighters and applying the harshest measures against the entire people. Even women and children have been killed on the streets and in the prisons.

We all angrily recall the savage slaughter of peaceful demonstrators in Soweto in 1976, the South African regime's repressive answer to the African population's wholehearted rejection of the policy of racial discrimination. We recall, too, the Cassinga massacre, when hundreds of Namibian refugees were murdered in Angolan territory, in violation of that country's territorial integrity and sovereignty.

The policy of apartheid and the illegal occupation of Namibia can only be maintained with the help of certain powers, such as the United States, whose support to apartheid was denounced by the foreign ministers of the members of the Coordinating Bureau of the Non-Aligned Countries at their recent meeting in Algiers.

During the 6th Summit Conference of the Movement of Non-Aligned Countries held in Havana, the heads of state and government paid homage to the heroism displayed by the South African people and their liberation movement, praised the Namibian people and SWAPO for intensifying and carrying forward the armed struggle, and reiterated their conviction that this form of struggle must be given total and active support if the full liberation of Namibia is to be hastened.

We condemn South Africa's continued violation of the principles of international law. Relying on military, economic, political and diplomatic aid from the Government of the United States and its allies, it is committing aggression against Angola, Mozambique and other neighboring countries.

We further condemn all attempts by the imperialists and South Africa to uphold the legal status of the puppet regime set up in Namibia, with which they are trying to silence the world's demand for the independence of Namibia and to make its people lay down their weapons.

Once again we show our solidarity with the Namibian and South African peoples and with all other peoples struggling to obtain their legitimate rights. We condemn the economic activities and interests of the imperialist and colonialist powers in southern Africa, which prop up the racist South African minority regime in order to safeguard their own economic and strategic interests.

Finally, we wish to make it clear that we will never forget those who have fallen in defense of the most basic human rights, those who have dedicated their lives to struggle for the equality of all, social justice and world peace.

Fidel Castro Ruz
President of the Council of
State and of the Government

CSO: 3020/128

U.S. DICTATED RESULTS OF OTTAWA SUMMIT

PA251905 Havana International Service in Spanish 0000 GMT 25 Jul 81

["World Events" Commentary]

[Text] The results of the meeting that the world's seven most industrialized capitalist countries held in Ottawa did not surprise anyone. Long before the opening of the so-called capitalist summit, which was held on 20 and 21 July in the Canadian capital, it was a known fact that although there might be certain differences between the United States and some of its allies, the results of the meeting would be defined by Washington's policy.

This is why the final declaration signed by Great Britain, France, the FRG, Canada, Italy, Japan and the U.S. reprsentative mentions exclusively those matters that concern the defense of their powerful economic and political interests.

A few days before the opening of the Ottawa summit, the U.S. press declared, on the basis of State Department sources, that efforts must be made to keep the differences among the allies from being publicly discussed and President Ronald Reagan's first appearance in the international arena from turning into a failure.

Canadian Prime Minister Pierre-Elliot Trudeau confirmed this shortly afterward, when he said at a news conference that not too many specific things should be expected from the meeting.

After 2 days of work at the capitalist summit meeting following a number of important and decisive meetings previously held by Reagan with French Chief of State Francois Mitterrand and with FRG Chancellor Helmut Schmidt, the final document was released.

In the first place, the document admits that the current policy of fighting inflation by means of the high interest rates implemented by the United States will continue for some time. In other words, Washington imposed its monetary policy even though this means making the other nations' stabilization measures more difficult while influencing both their exchange rates and their economies.

Neither did the Ottawa meeting offer any hope of a change in the discriminatory conditions that characterize the current international economic order. Proof of this is the fact that the seven allies conditioned possible aid to developing nations mostly to reinforcement of the capitalist powers' economies and to the

elimination of obstacles to investment capital. As can be imagined, all this implies the intensification of economic, political and military pressures against the so-called Third World.

With the capitalist summit meeting's political declaration, the United States also obtained support from the other participants for the anti-Sovietism that characterizes its current policy. Once again it was shown that Washington maintains its opposition to detente and support of the arms race. To this end, it has created and holds in reserve the false idea of a Soviet threat.

In spite of the fact that both France and Great Britain asked that Israeli attacks against the Arab countries be condemned, only once was it mentioned that the military escalation and the constant violence in the Middle East are deplored. The adoption of such positions will not curb Tel Aviv's expansionist fury, which is encouraged by Washington.

Everyone is familiar with the concern of some of the U.S. associates over U.S. policy in both the Middle East and Africa, its negative attitude regarding the negotiations on disarmament and the obstacles it raises to the solution of the problem in Namibia. Nonetheless, the final document of the Ottawa meeting does not mention this variety of views. On the contrary, all the participants endorsed Washingon's recalcitrant position, thus helping prolong and worsen the already serious problems of the capitalist society, further intensifying international tensions and making the people's efforts to obtain justice more prolonged and painful.

CSO: 3010/1603

TURBAY ACCUSED OF PANDERING TO U.S. INTERESTS

PA290350 Havana International Service in Spanish 2310 GMT 28 Jul 81

["Our America" Commentary]

[Excerpts] The Nicaraguan Government has vigorously rejected the slanderous accusations which Colombian President Julio Cesar Turbay Ayala made on 20 July against this Central American country.

The protest is contained in a note which Nicaraguan Foreign Minister Miguel d'Escoto sent to Carlos Lemos Simmonds, his Colombian colleague.

Opening the regular sessions of the Colombian Parliament, President Turbay Ayala said that in the new Nicaragua, there is neither less poverty than in the past nor greater respect for human rights than during the Somoza tyranny. In addition, he accused the leaders of the Sandinist revolution of encouraging imperialist passions.

In his note rejecting these absurd accusations, the Nicaraguan foreign minister says it is unbelievable that Turbay Ayala has made the serious mistake of criticizing the Nicaraguan Government in a field in which, according to published reports, is one of Colombian domestic policy's weakest areas.

It is highly significant that Julio Cesar Turbay Ayala has launched these charges against the new Nicaragua at a moment when the aggressions and threats of the U.S. imperialists against the Sandinist revolution are increasing.

Of course, nobody is astonished because once again, Turbay Ayala takes up a reactionary and proimperialist stance in this case. The person who today occupies Colombia's top position has always done this. However, one would have expected that Turbay Ayala might have been more moderate, more intelligent, in discussing issues for which his government has been criticized, especially by the Colombian people themselves.

It is obvious that the Colombian chief of state, besieged by a domestic economic and social situation that daily provokes more popular protests, has been able to find no other solution to his problems than to openly join the aggressive policy of the Washington government.

We must recall that as soon as the U.S. Government stepped up its campaign against Cuba, Turbaya Ayala severed diplomatic relations with our country. And now, when the imperialist campaign against Nicaragua becomes more intense, the Colombian president attacks the Sandinist revolution.

It is known that the Washington government has offered President Turbay Ayala several loans in an attempt to redress Colombia's dire economy. The Washington government has also offered support for the Bogota government's claim to the Caribbean islands and cays which United States snatched from Nicaragua half a century ago and later ceded to Colombia.

It is also known that the United States conditioned the fulfillment of these promises with Colombia's severing of relations with Cuba and its support for anti-Nicaraguan postures.

By satisfying these U.S. demands, Julio Cesar Turbay Ayala draws close to the most aggressive positions of the imperialists but therefore draws farther from the interests of the people of Colombia and of all the peoples of our America.

CSO: 3010/1603

UNITED STATES SEEN OPPOSING UN, UNESCO AIMS

Havana GRANMA WEEKLY REVIEW in English 21 Jun 81 p 7

[Article by Luis M. Arce]

[Text]

THE UNITED States has taken action against the UN and UNESCO in an effort to reduce them to mere appendages of its foreign policy, while at the same time proclaiming support for the Organization of American States (OAS), its "ministry of colonies." Vice-President George Bush has strongly attacked the UN and UNESCO and even threatened them with a loss of funds and other punitive measures.

An unidentified State Department spokesman quoted by the New York Times said the United States would use a carrot-and-stick policy in those institutions, based on how the governments represented there voted on issues of interest to the United States.

Such gall is unprecedented, but anything can be expected from the Yankees. And the diplomatic brutality of the United States has very concrete objectives.

This year the UN General Assembly will initiate the round of global negotiations for the establishment of the New International Economic Order. Matters of great concern for humanity will be discussed, such as energy, trade, finance, export of raw materials and, in general, everything that hampers the economic development of Third World nations.

With this in mind, the United States is opposed to a strong UN which would be capable of forcing the imperialist powers to yield to the demands of the underdeveloped countries. Nor do they want an organization like UNESCO which sponsors campaigns to end illiteracy in Third World nations and opposes the news and information monopoly held by a small group of imperialist corporations.

At its latest meeting in Belgrade, UNESCO voiced the need for a New International Information Order and as a result Vice-President Bush accused the organization of calling for "international censorship."

But while Bush makes attacks on the UN and UNESCO, he says his government will support and strengthen the OAS.

Of course, the OAS has always been a ministry of colonies of the United States and now the Reagan administration requires its services to implement a so-called Marshall Plan for Central America and the Caribbean. This plan would serve as a cover for U.S. political, military and economic backing for bloodthirsty regimes such as those in El Salvador and Guatemala and intensified attacks on Cuba, Nicaragua and Grenada, the national liberation movements and the struggle of other patriotic and progressive forces in the region.

Given the pressing nature of the economic and political problems in the Third World, it is laughable that the United States should be involved in "development" programs like the Marshall Plan. The result of that plan, implemented in Europe after World War II, was a big increase in the export of U.S. capital and the extension of the U.S. sphere of influence.

The fact of the matter is that the Reagan administration, in opposition to the Movement of Non-Aligned Countries, is trying to take the global negotiations out of the UN in order to cause them to fail and prevent the establishment of the New International Economic Order. This failure would help the United States maintain its neocolonial system of economic exploitation and political domination.

The attacks on the UN and UNESCO; the proposed Marshall Plan for Central America and the Caribbean; the abortive attempts to set up a reactionary organization similar to NATO in the South Atlantic and another grouping of this sort in the Pacific; the attacks on the Soviet Union, Cuba, Nicaragua, Vietnam, Kampuchea, Angola, Afghanistan, Ethiopia, Grenada and other countries are all part of the same game, a very dangerous game through which the United States seeks absolute world hegemony, a goal not in keeping with this day and age.

CSO: 3020/128

NICARAGUAN AGRARIAN REFORM HELPS PEASANTS

PA032243 Havana International Service in Spanish 0000 GMT 2 Aug 81

["Our America" Commentary]

[Text] For more than four decades the Somozist dynasty controlled important Nicaraguan economic sectors, including 30 percent of the arable land in the country. Hunger, misery, illiteracy and poor health became worse during this time. After the victory of the revolution on 19 July 1979, the Latifundiums which belonged to Somoza and his henchmen were immediately confiscated. A total of more than 900,000 hectares of land were recovered in this fashion.

However, this land could not be turned over by the Nicaraguan state to the peasants because it was being used and contained large agroindustrial installations which made the subdivision of the land absurd. According to the national government of reconstruction's program, other Latifundists were not affected but were urged to increase production for the benefit of the country's economy in order to feed the people.

At the same time and to prevent the exploitation of the peasants, price ceilings were set for land rentals. However, the generosity of the revolution clashed with the unpatriotic attitude of many Latinfundists who refused to rent their land to peasants who were anxious to till it and left the land unused or simply went abroad and abandoned it.

Therefore, 2 years after the revolutionary victory, a little more than 1 percent of the landowners of Nicaragua were holding 47 percent of the country's arable land while 60 out of every 100 small landowners held only 5 percent of the arable land. It so happened that 100,000 peasants had no land at a time when 1.2 million hectares owned by the Latinfundists were left untilled.

As a result, the peasants demanded a radical transformation of this unbearable reality in a country in which its revolutionary leaders are trying to eliminate the exploitation and misery inherited from the Somozist past. This is what the peasants were demanding, not only for their individual intersts, but for the welfare of all of society which must increase agricultural production which generates the principal export products, such as coffee, meat and cotton.

These demands were met this past 19 July, the day of national liberation, when at a rally held on the second anniversary of the victory over Somozism, Commander Daniel Ortega, coordinator of the government junta, made public the proposed agrarian reform project, which was immediately brought to the Council of State and approved on 24 July.

The law will be applied against land left untilled or abandoned by their owners as well as by those persons who left the country after the revolutionary victory and did not return. The beneficiaries will be the colonizers, tenant farmers and other intermediaries, the peasants without land, the cooperative and agrarian reform enterprises, the producers who know how to till it, fighters of the liberation war and relatives of martyrs who want to farm.

We cannot live in peace, said Nicaraguan Agrarian Reform Minister Jaime Wheelock, as long as there is misery in the country because if misery is terrible anywhere, it is terrible in the rural areas. With the agrarian reform law which was approved, Nicaragua seeks principally to abolish exploitation and misery of the large peasant majority and to answer the peasants' most legitimate historic aspiration, the right to own land.

CSO: 3010/1603

DEVELOPMENT OF U.S. NEUTRON BOMB SCORED

Havana GRANMA WEEKLY REVIEW in English 21 Jun 81 p 7

[Article by Oscar Ferrer: "The Neutron Bomb: Capitalistic Logic--Property, Not People"]

[Text]

HIGH-LEVEL POLITICAL and military decisions in the United States tend more often than not to ignore world public opinion. With willful disregard of the aspirations of humanity, Washington adopts antipopular and unreasonable measures that not only seriously threaten international peace and détente, but also lessen the possibility of making headway towards disarmament and give new impetus to the arms race instead of bringing it to a halt.

The U.S. Department of Energy has just announced in Washington that it has begun manufacturing components for the neutron bomb. Many millions of dollars in resources have been allocated to building this bomb, an ideal capitalist weapon, since it destroys human life but, by using radiation instead of explosive force to kill people, leaves intact all factories, buildings and other facilities within its radius of impact.

According to the announcement from the Department of Energy, production of a new nuclear warhead for the Lance missile has just begun. It added that production of a new nuclear artillery missile capable of carrying a neutron warhead will start in July.

The measure was taken in spite of the fact that the mere suggestion that this terrible weapon may eventually be produced has on several occasions prompted huge protest demonstrations against the United States in countries all over the world.

It was in April 1978 that President Carter, under pressure from an avalanche of protest against the United States from all over the globe, was compelled to announce that his country had postponed production of the neutron bomb "indefinitely," reversing his earlier announcement — that the bomb would be produced — in view of the wrath of all peace-loving peoples.

Later, in October 1978, in flagrant disregard of the April decision, he ordered production of a new generation of nuclear warheads capable of carrying neutron bombs, gave instructions to modernize the Lance missile system and signed a law authorizing funds for producing the basic components of the neutron bomb.

This new move also met with international repudiation and some Western European countries refused to become launching pads for these weapons — another setback for the White House and the Pentagon.

But as soon as the new U.S. administration was inaugurated, Pentagon chief Casper Weinberger baldly declared that he favored stationing the neutron bomb in Europe. This prompted more protests and criticism of the U.S. Government for endangering peace and spurring on the arms race.

Unquestionably, Washington's new decision to give the green light to the neutron bomb will again be justly and strongly condemned by the international community and by the people of the United States themselves, who are the ones that will have to pay for producing this weapon with the deductions from the social welfare budget.

It is time the U.S. Government realized that the whole of humanity is against the neutron bomb.

U.S. WORKER EXPLOITATION, MONOPOLIES' ROLE EXAMINED

Havana CON LA GUARDIA EN ALTO Feb 81 pp 14-15

[Article by Silvio Jova]

[Text] Recently, while riding in a bus, I heard the following fragment of a conversation between two adult citizens the subject of which is obvious:

"Have you heard anything about your uncle?"

"Sure, man. The other day he sent a letter to his sister, another aunt of mine."

"How's he doing?"

"He seems to be fine. He says that he has a job now and earns twelve dollars a day."

"Twelve dollars a day! Well, it's true that the person who has a job never has problems."

That was all I heard, but the last remark was more than enough to realize how much confusion there was in that mind. Actually, anyone who analyzes the situation in the United States and the other capitalist countries becomes convinced of the amount of ingenuousness or of evil intent underlying the expression "has no problems" when speaking of a worker in such a system.

When the exploitation of man by man arose in servitude several millenia ago, there began a process in which those who were owners of the basic means of production expropriated a part of the labor of the masses for their own private benefit. The different forms of servitude evolved: From it feudalism arose, and from that, oozing mud and blood, the bourgeois system. Throughout this development, a minority of society exploited the great masses of workers.

Capitalism itself was transformed. Its exploitive essence remained the same and continued to be based on the appropriation of surplus value by the bourgeois class, which was united with other exploitive classes and groups left over from feudalism and even servitude. At the end of the last century, though, the process of "free" competition and the appearance of certain productive sectors that required enormous investments gave rise, through the concentration and centralization of capital, to monopolies. These were enormous manufacturing, commercial,

banking, service, etc., enterprises of gigantic size and financial resources by means of which they could acquire a huge profit and have a decisive influence on /all/ [in boldface] spheres of social life. That is the imperialist phase.

We stress /all/ [in boldface] because the monopolies, owing to their power, encompass whatever physical and spiritual activity takes place in society. Even the labor organizations--the antithesis of capitalism--have been penetrated, sabotaged, and hampered in a thousand more or less crude or subtle ways.

Under state monopoly capitalism, the present form of imperialism, this control over all of society reached inconceivable levels some years ago, serving only as subject-matter for science fiction. In the large capitalist countries, private life is an illusion for hundreds of millions of people.

Let us look at an outline of the present mechanism with which the monopolies squeeze the workers (and squeeze not in a figurative, but rather a real, sense). It is appropriate to note, first of all, that the term "workers" includes various social sectors and classes. They are all those who live by their own personal labor. First is the proletariat, dispossessed of the means of production and therefore forced to rent or sell its labor to achieve subsistence for itself and its families. Poor and medium-size farmers, clerks, artesans, etc., are also workers. Now, today there is progressive proletarianization of all manual workers or intellectuals. All the exploited sectors and classes are assuming very similar characteristics, and their particular and common interests are merging. This socialization of production makes clearer a structure in which an increasingly small dominant group exploits an immensely greater mass of the people.

Because of the above, let us first analyze the "classic" mechanism of capitalist exploitation; that is, the acquisition of surplus value and the methods of making it grow continuously. The productivity of laborers in the developed capitalist countries is high. This enables the wage-earning worker to produce value equal to his wages within an increasingly small part of his working day; he spends the rest of it on creation of value to be divided by the financial oligarchy among it and its allies and agents.

As if that were not enough, technical development under capitalism leads to the constant pushing into the street of tens of thousands of laborers, with which a growing reserve of labor is created, which causes a decline in the wages of those who have the "good luck" to be employed. In the 24 most highly developed capitalist countries, there are around 20 million unemployed. In the United States, for example, there are approximately 8 million acknowledged unemployed; but there are many more partially employed. Those 8 million constitute 7.6 percent of the working-age population. In the underdeveloped capitalist countries, as a rule, the percentages of unemployed are two-digit figures. It should be recalled that in Cuba at the time of the triumph of the Revolution, it was around 20 percent.

But what happens to the wages of those who have the uncertain luck to keep their job? -- and with all this we are responding to the dialogue with which we opened this piece -- For one thing, they suffer the effects of a runaway inflation characterized by an annual increase in prices, which reduces the buying

power of the money held by the workers. In the eight most highly industrialized countries in the capitalist sphere, this inflation stood between 10 and 20 percent in 1979.

An essential element for analysis of the exploitation of workers under monopolistic conditions is the policy that the monopoly firms can adopt -- because of their total control over the country's economy -- of "Take it or leave it." That is, they impose totally artificial prices, buying cheap and selling dear, creating artificial scarcity of a product, etc. By this method they also wipe out the small and medium-size businessmen through manipulation of various resources intended to force them into bankruptcy and shift them toward the proletarian or semiproletarian sectors.

Shall we continue? Next come taxes. One item serves as an example: 20.7 billion dollars have to come out of the pockets of taxpayers in Canada. In the United States, the worker's monetary contributions to the bourgeois state for the maintenance and strengthening of the system are much greater in the form of taxes of all types: municipal, state, federal, and so forth. And what are those taxes used for? Primarily to nourish the monopolies, especially those in the military-industrial complex, by means of an increase in expenditures for the arms race.

However, the exploitive mechanism does not end here. A daily, crushing bombardment by radio, press, television and other media drives the workers to use their money on tempting offers of luxury goods and products of questionable quality with an unending proposition: "If you don't consume such-and-such an article, you can't be considered a reliable, modern, praiseworthy, etc., man or woman." One case is that of the violence promoted by programs and publications full of crimes of all types whereby one solution is offered: the purchase of weapons for defense from the wave of murders, rapes, and attacks incited by the same people who sell the arms.

Of course, we cannot forget that those who belong to the sectors of the population that suffer discrimination because of their color, sex, or nationality experience twice the exploitation, with lower wages, greater unemployment, fewer opportunities to advance, and a guaranteed portion of scorn. In the United States, unemployment among blacks is over twice that of whites (14.2 percent as against 6.7 percent in October 1980).

In concluding, we will touch on other issues that still do not exhaust this subject. The first is that of the situation of the countries that depend on the imperialists. Their unfavorable position makes them victims where the monopolies can unload crises; and, as is evident, those who suffer the consequences in those countries are the workers.

Second, exploitation is not only a limiting to the minimum for survival, with little food and housing, health, and education problems. It is also the spiritual suffocation that keeps hundreds of millions of people forced to live in ignorance and unenlightenment, without access to the cultural treasures accumulated by generations of workers, and the moral swamp of prostitution, vice, and corruption that constitutes bourgeois society.

We can add, moreover, the extremes reached by the exploitation. The criminal repression of malcontents and dangerous people, with thousands of murders, torture, and daily disappearances; and, along with it, the slow death from hunger and incurable diseases of millions of men, women, and children.

Yet, as Lenin said in 1920: "Imperialism is the anteroom of the social revolution by the proletariat. This has been confirmed on a worldwide scale in 1917."*

*V. I. Lenin, "Selected Works," in three volumes, Vol 1, Editorial Progreso, 1979, p 688.

9085
CSO: 3010/1547

CUBA CONDEMNS RECENT ISRAELI AGGRESSIONS IN LEBANON

FL211510 Havana Domestic Service in Spanish 1400 GMT 21 Jul 81

[Text of undated communique released by the Cuban Foreign Relations Ministry]

[Text] The actions of the Tel Aviv government are once again stirring up world opinion, but this time the events are particularly alarming because of the criminal nature of the attacks which have taken place a few days ago against the Lebanese civilian population claiming hundreds of killed and wounded victims among the citizens. Making these events still more serious, spokesmen of the Zionist government have proclaimed with an incredible callousness the intention of continuing the indiscriminate attacks on civilian Lebanese objectives.

These latest Israeli aggressions, as well as the one recently carried out against the Iraqi nuclear plant, are obviously part of a sinister plan, duly coordinated with U.S. imperialism, with no less a purpose than the physical elimination of the Palestinian people and the intimidation of the Arab peoples with the aim of imposing by force the policy outlined in the Camp David agreements and the separate Egyptian-Israeli agreement.

In view of this serious situaton, Cuba together with the other members of the nonaligned countries' movement states in the strongest terms its condemnation of this expansionist, aggressive and criminal policy on the part of the Zionist government and its imperialist backers.

In compliance with government instructions, the Ministry of Foreign Relations is holding consultations with the most directly affected parties in order to promote with the nonaligned countries' movement practical measures which will contribute to putting an end to these repeated Zionist aggressions and compel the Israeli Government to respect the most elemental norms of international law.

CSO: 3010/1603

BRIEFS

ETHIOPIA'S MENGISTU RECEIVED--In Addis Ababa, Socialist Ethiopia's President Mengistu Haile Mariam and Hector Rodriguez Llompart, minister-president of the State Committee for Economic Cooperation, have held cordial talks. Llompart heads Cuba's delegation to the third meeting of the joint commisson for economic, scientific and technical cooperation. The top Ethiopian leader hailed the fruitful results of cooperation between the two nations and the support that Cuban internationalist combatants gave to the Ethiopian revolution when it was treacherously attacked from abroad. Likewise, Mengistu Haile Mariam noted the importance of Cuban cooperation in various sectors of the Ethiopian national economy, mainly in agriculture. Rodriguez Llompart conveyed to the chief of the Ethiopian revolution warm greetings from Commander in Chief Fidel Castro, and said that his mission's objective is to strengthen still more relations between the two countries. [Text] [F1031037 Havana Domestic Service in Spanish 1000 GMT 3 Jul 81]

HAIG'S STATEMENTS REPORTED--Yankee Secretary of State Alexander Haig has expressed his support for intensifying the brutal and criminal U.S. economic and trade blockade against Cuba, which was established 2 decades ago. In statements before the U.S. Senate Finance Committee, Haig said he favors the intensification of what he called restrictions against Cuba, rather than alleviating them in the present situation, according to a report carried by the AP news agency. AP says that Haig made the comment the following day after Cuban President Fidel Castro had denounced in a speech the possibility that behind some epidemics in Cuba could be a U.S. biological warfare. [Text] [F1291421 Havana Domestic Service in Spanish 1045 GMT 29 Jul 81]

U.S. NAVAL MANEUVERS--The United States has begun in the Atlantic Ocean the biggest military maneuvers it has carried out since last World War II. The maneuvers bear the code name Ocean Venture 81 and are designed to perfect all aspects of sea warfare. Two hundred fifty ships, more than 1,000 aircraft and 120,000 military personnel will take part. The exercise is to be carried out in six stages beginning in mid-July until mid-September. It will take place simultaneously in the northern and southern Atlantic Ocean, the Caribbean basin and the Norwegian and Baltic seas near the Soviet border. The Pentagon and the allies of the United States intend with this exercise to intimidate Latin American countries, overrule European protests against the deployment of U.S. medium-range nuclear missiles, try to impress the socialist community and further aggravate international tension. [Text] [FL231136 Havana Domestic Service in Spanish 1045 GMT 23 Jul 81]

AGUILERA CONSTRUCTION SITES VISITS--Julio Camacho Aguilera, member of the PCC Politburo and first party secretary in Havana City, has toured the capital's El Presidente and Plaza hotels which are undergoing repairs. The party leader expressed interest in the progress of repairs and restoration and difficulties being confronted in the supply of materials and manpower. In the case of El Presidente Hotel, he indicated the need for including it among projects that have been assigned priority. Investments in that hotel amount to more than 1 million pesos, and the architectural project calls for restoring it to its original appearance as well as the installation of a central air conditioning system, the addition of 18 rooms in eight floors, an arts and crafts store, a nightclub, a cafeteria, a bar and a swimming pool. [Text] [FL082223 Havana Domestic Service in Spanish 2130 GMT 8 Jul 81]

FMC CADRES COURSE--Antonio Perez Herrero, alternate member of the Politburo, has presided over the seventh graduation of the Federation of Cuban Women [FMC] Fe del Valle Dacres School in Havana. The graduating class consisted of 96 students from Cuba and 20 other countries in Asia, Latin America and the Caribbean. Dora Carcano, member of the Central Committee and secretary general of the FMC, made the closing remarks and highlighted the highly satisfactory results of the current political-ideological improvement course which concluded within the framework of the celebrations of the 28th anniversary of the attack on the Moncada Garrison. [FL071649 Havana Domestic Service in Spanish 1100 GMT 7 Jul 81]

EJT HONORED--Army Gen Raul Castro, second secretary of the PCC Central Committee and minister of the Revolutionary Armed Forces [FAR], has sent a congratulatory message to the Youth Labor Army [EJT] for its outstanding work in the 1980-81 sugar harvest. The message said that the effort of the EJT along with all other forces involved in the harvest was a decisive factor in the successful completion of the task. It adds that an additional 7 million arrobas of sugarcane were manually cut this year and that productivity per canecutter was 25 arrobas over that of the previous harvest. The number of groups having cut 1 million arrobas or more of sugarcane rose by 25. Army General Castro makes special note that all this was achieved in a shorter amount of time. [FL211627 Havana Domestic Service in Spanish 1045 GMT 21 Jul 81]

RODRIGUEZ, HART AT SHOW--Politburo members Carlos Rafael Rodriguez and Armando Hart attended a show last night organized by Greek composer Mikis Theodorakis at Havana's Karl Marx theater. The first part of the show was devoted to pop and folk songs. The second part features the oratorio "Canto General" with words by Pablo Neruda. The oratorio was included in the show as a special request from Commander in Chief Fidel Castro. "Canto General" will be performed in other countries of Latin America as a cultural offensive in favor of peace. Last night's performance was dedicated to the fighters of El Salvador. [Havana Domestic Service in Spanish 1000 GMT 25 Jul 81 FL]

MARTYRS DAY CELEBRATION--The day of the Martyrs of the Revolution, 30 July, was celebrated in Santiago, Cuba, with the placing of wreaths and a ceremony at Callejon del Muro, where Frank Pais, top organizer of the 26 July Movement in Santiago, was killed in the struggle against then President Fulgencio Batista. Main speaker at the event was Isabel Tamayo Rios, a member of the PCC Politburo in

the municipality of Santiago, who highlighted Pais' revolutionary history. Subsequently, the hundreds of people attending went to the martyr's square, where they observed 1 minute of silence in honor of Frank Pais and others who were killed in the struggle against Batista. [FL302036 Havana Domestic Service in Spanish 1700 GMT 30 Jul 81]

CUBAN-SOUTH YEMEN TALKS--In Aden, the Cuban-Yemeni intergovernmental cooperation committee today concluded its work with the signing of a protocol on various spheres of the economy and social development. [Text] [FL041748 Havana Domestic Television Service in Spanish 1700 GMT 4 Jul 81]

CAMAGUEY SCHOOL--Enrollment at the Jose Marti Higher Pedagogical Institute in Camaguey, the capital of the province of the same name, has increased this year to 5383 students. The city has a population of 243 603 and the province of 665 406. Camaguey is 570 kilometers east of Havana. A total of 257 of the 280 members of the faculty are doing research, as are 948 students. Students entering the Institute after having finished the 12th grade, working toward a degree in education. The students who will contribute to the upbringing of present and future generations of communists as well as aid to other sister nations, can choose from 22 careers offered by the four departments of the Institute. At next graduation in July, more than 1000 students will get their degrees, making a total of nearly 3000 graduates of the Institute. This is a worthy tribute to the 26th of July, the anniversary of the attack on the Moncada Garrison. Work on the Jose Marti Institute will soon be completed. When finished, the Institute will have cost some 7 943 000 pesos, of which some 4 000 000 pesos' worth of work has already been completed. [By Ariel Garcia Suarez] [Excerpts] [Havana GRANMA WEEKLY REVIEW in English 28 Jun 81 p 3]

CSO: 3020/128

EGP COMMUNIQUE NOTES OPENING OF NEW WAR FRONT

PA280240 Havana International Service in Spanish 2310 GMT 27 Jul 81

["Our America" commentary]

[Text] A few days ago, the Guatemala's Poor People's Guerrilla Army [EGP] issued a communique in which it reports on the opening of a new war front, which encompasses Baja Verapaz Department and parts of Chimaltenango, Quiche and Sacatepequez departments in the north and west of Guatemala.

Under the name of Augusto Cesar Sandino, it adds, the new guerrilla front operates in an area of approximately 7,000 square km in the mountainous region of the Sierra Madre, where some 400,000 Indians live in poverty.

The EGP also reported that in its first political-military actions, the soldiers of the new guerrilla front have caused numerous casualties to the army and have carried out dozens of revolutionary propaganda operations, executions of henchmen and attacks on military posts of the dictatorship.

After recalling that the Augusto Cesar Sandino front is the sixth created by the EGP, the organization stressed that this is proof of the strength and determination of the Guatemalan people to overthrow the genocidal military clique that is misruling the nation and to install a revolutionary, popular and democratic government that responds to the true desirers for liberty of the great alienated masses of workers and peasants.

Further on, the EGP charges that the U.S. Government is openly interfering in Guatemala, whose despotic regime is upheld thanks to the plentiful military, political and economic aid of the United States.

In this regard, the rebel group states that its main armed actions are aimed at enterprises or individuals who are actively backing the genocidal regime of Gen Romeo Lucas Garcia and that practice has proven that in addition to despoiling the nation's natural wealth, the American companies act in complicity with the reactionary forces that usurp power in Guatemala and follow closely the aggressive and interfering policy Washington maintains in this and other Central American countries.

It underscores that early in July guerrilla commandos carried out armed attacks against the U.S. Eastern Airlines Company and the U.S. Chamber of Commerce.

To this effect, the EGP calls on the U.S. companies operating in Guatemala not to join the futile efforts of the regime to conceal the massacres being committed against the people and to misinform world public opinion regarding the true situation of this small Central American country.

As the armed struggle spreads each day with greater intensity across Guatemala, new charges of the dictatorship's corruption and inability come to light. One charge that was made did not exactly come from the progressive forces of that country and it involved the charge that the generals who are ruling Guatemala are guilty of conspiracy, inability, corruption and fraud. This charge was made by five high-ranking Guatemalan military chiefs who asked not to be identified in statements to the Mexican newspaper UNO MAS UNO. They accused Romeo Lucas Garcia, the leader of the regime, of being involved in shady business in the purchase of arms to seize, along with other generals, hundreds of millions of dollars. The generals, they added, have stolen more than $250 million, with which they have become very wealthy while we die in battles against the guerrillas.

That is why, in order to put an end to genocide and corruption, the revolutionary forces of Guatemala are increasing their action, convinced that the people will achieve true liberty and independence only through an armed struggle.

CSO: 3010/1607

CANCUN PREPARATORY MEETING

Foreign Ministers Arrive

FL302259 Mexico City NOTIMEX in Spanish 2230 GMT 30 Jul 81

[Text] Mexico City, 30 Jul (NOTIMEX)--The foreign ministers who will take part in a meeting to prepare for the summit on cooperation and development scheduled for October in Cancun, began arriving today in this capital. The foreign ministers of the FRG, Hans-Dietrich (Genscher), the PRC, Huang Hua, the Philippines, Carlos P. Romulo, and the Ivory Coast, Simeon Ake, arrived today.

All is in readiness for this prepartory meeting in which 22 [as received] foreign ministers will take part. They are the foreign ministers of Algeria, Australia, Bangladesh, Brazil, Canada, China, France, the FRG, Guyana, India, Ivory Coast, Japan, Mexico, Nigeria, Philippines, Saudi Arabia, Sweden, Tanzania, United Kingdom, United States of America, Soviet Union, Venezuela and Yugoslavia.

Tight security measures are in effect around the convention center and the hotels where the ministers are staying. Approximately 600 newsmen from all over the world are accredited to cover this meeting on which world attention is focused. There is a press room with some 50 telephones and 60 telex machines through which news reports may be filed to all points of the world.

Mitterrand To Visit Mexico in October

PA311611 Paris AFP in Spanish 1601 GMT 31 Jul 81

[Text] Mexico City, 31 Jul (AFP)--French President Francois Mitterrand will pay an official visit to Mexico from 19 to 21 October, prior to the opening of the North-South Summit of Cancun, it was announced today. Mexican Foreign Secretary Jorge Castaneda made the announcement following the 1-hour meeting Mexican President Jose Lopez Portillo held with French Foreign Minister Claude Cheysson.

Ministers' Agenda Ready for Cancun Talks

FL311527 Bridgetown CANA in English 1315 GMT 31 Jul 81

[Text] Cancun, Mexico 31 Jul (CANA-REUTER)--Foreign ministers from 22 countries meet in this Mexican Caribbean resort tomorrow to prepare for an ambitious summit converence on bridging the gap between the rich and poor nations.

The ministers who represent countries as diverse as the United States, Tanzania and China will be drawing up a framework for the "North-South" summit first proposed 17 months ago by an international commission chaired by former West German Chancellor Willy Brandt.

The Cancun meeting follows hectic activity behind the scenes over the past year while countries which favoured the summit worked to persuade more reluctant ones that such a conference could lead to action rather than just resolutions.

Provided the ministers smooth out the potential procedural sticking points, the leaders of the 22 nations will hold their summit in this lush new resort town in October.

The Mexican organizers said they wanted the Cancun summit to be informal enough to let the leaders get to grips with the problems free from the constraints of set speeches.

The Brandt Commission, whose recommendations will form the main terms of reference for the summit, urged global discussions on the transfer of economic resources to poor countries, international energy and food plans and reform of the world's economic and monetary systems.

Summing up the widening gulf between the wealthy "North" and poor "South," the Brandt report said beginning the search for solutions was "not an act of benevolence but a condition of mutual survival."

Few of the leaders appear to disagree with the commission's conclusion that profound changes are needed, but they differ on what methods should be used to redress the world's economic imbalance.

Some, such as U.S. President Ronald Reagan, would prefer to tackle the problem by stepping up bilateral cooperation and investment by private industry.

Others, particularly in the Third World, want the creation of a new and more just economic order through global negotiations.

Mexican President Jose Lopez Portillo, who has worked to establish Mexico as a major voice in the developing world, said recently, "Developing countries do not merely require aid, but a new world order."

The views of developing countries which generally welcomed the Brandt report find strong support among richer nations like France, Canada and Austria.

The new socialist administration in France has been particularly outspoken, criticizing the United States for alleged indifference to the problems of the Third World.

Foreign Minister Claude Cheysson who will attend this weekend's meeting, said North-South relations were heading for crisis "if this subject which is a priority for us is only marginal or secondary for the Americans."

The gloomiest prospect of all according to the Brandt report is that this gap in wealth, health and general quality of like is growing wider.

Among the problems to be tackled at this week-end's meeting and the October summit are energy--rich countries accuse developing oil powers of following a strategy which drives up prices and hits hardest at those nations that can least afford increased import bills.

Commodities--about 60 per cent of the world's basic agricultural and mineral commodities come from the Third World, which is demanding more protection against the cyclical nature of market demand which, when prices are low can cripple a producer country.

Some nations are heavily dependent on one product, for example, Zambia (90 per cent of its export revenues from copper), Cuba (80 per cent from sugar) and Gambia (80 per cent from groundnuts).

Trade and finance--developing countries are particularly hard hit by high interest rates currently at record levels in the United States because they encourage local currency flights, increase import bills and discourage investment. Their widespread criticism of Mr Reagan's monetarist policies has the support of most European countries which are also affected.

No joint communique is expected from this week-end's conference which will be held in closed session. The 22 countries attending are: Algeria, Austria, Bangladesh, Brazil, Britain, Canada, China, France, West Germany, Guyana, India, Ivory Coast, Japan, Mexico, Nigeria, Philippines, Saudi Arabia, Sweden, Tanzania, United States, Venezuela and Yugoslavia.

Castaneda Notes Importance of Cancun Meeting

FL011923 Mexico City NOTIMEX in Spanish 1841 GMT 1 Aug 81

[Text] Cancun, Guintana Roo, 1 Aug (NOTIMEX)--In international relations regionalism must have precedence over the forces of chaos and private interests and must be adapted to the world's political and economic life. This was the message sent today by Foreign Relations Secretary Jorge Castaneda to the foreign ministers participating in the preparatory meeting for the North-South dialogue of chiefs of state scheduled for next October.

When the working meetings began, all of which are private, the Mexican foreign secretary stated that peace and world stability will depend on development and this, in turn, on a sincere international cooperation. He asserted that the time has come for a great crusade to defeat fear and death, hunger and injustice and to establish the reign of equality and hope. He said this initiative is aimed at finding a common language, reducing differences between the different positions and seeking formulas which will make it possible for widening the scope of freedom of justice and human well-being.

Castaneda Gutierrez expressed confidence that this meeting of foreign ministers will assure the greatest success possible of the next meeting of chiefs of state and government. He added that this meeting is the result of a great collective effort and will take place after overcoming various obstacles, not of a circumstantial nature but which are minor reflections of greater contradictions existing in the world.

Castaneda stated that the problems of our time have a dimension which makes them different and, because of this, the topics of peace, disarmament, collective security, social justice, independent development and so forth are of concern to all peoples on earth.

Havana on Preparatory Meet

PA030529 Havana International Service in Spanish 0000 GMT 2 Aug 81

[Text] The meeting of the heads of state of the developed capitalist countries and other developing countries that will be held in October at the Mexican sea resort city of Cancun will be of a political nature, and will not lead to negotiations. This was said in the final document approved by the foreign ministers who prepared the agenda of the so-called North-South dialogue.

During that preparatory meeting the recent happenings in the international cooperation field were evaluated. The principal topics to be considered at that meeting were defined and the preparations for the meeting were completed.

The foreign ministers agreed that at that meeting the heads of state will discuss subjects relating to international cooperation for development and reactivation of the world economy, including such topics as the secure supply of food, agricultural development, staple goods, trade, industrialzation, energy and monetary and financial matters.

It was also agreed that the discussions should reflect the complexity of the current problems of the world economy and include an exchange of ideas on North-South relations, and other additional matters.

At this meeting to be held in Cancun in October, the heads of state of 8 developed capitalist countries and 14 developing courtries will be present. Also present will be UN secretary General Kurt Waldheim.

CSO: 3010/1619

SOCIALIST LEADER ASKS FOR RETURN TO CALM

PA191525 Managua LA PRENSA in Spanish 12 Jul 81 pp 1B, 12B

[Text] The Nicaraguan Socialist Party [PSN] is greatly concerned over the political pressure that has built up in Nicaragua in the past few weeks in connection with different causes, said PSN leader Domingo Sanchez Salgado ("Chaguitillo") upon being queried by newsmen.

Speaking with a very serious expression and emphasizing his words in connection with this very interesting issue, the PSN leader on Thursday night broadened his idea about seeking calm formulas for positive solution of national situations.

This is the first time that a leader of the extreme left has indicated the grave danger threatening Nicaragua's social peace unless formulas such as Sanchez Salgado pointed out are found. He added: "If they are not sought, incidents that may be painful for the Nicaraguan people may occur."

"The PSN loves peace and national harmony and we are seriously concerned over the situation that is arising little by little due to different causes," said the socialist leader. He did not elaborate on the type of situations, but he did show interest in a solution to the obstacles that have been arising in the past few weeks as well as a positive frame of mind regarding Nicaraguan problems.

Going into further detail for Radio Corporacion's "10 on the Dot" newscast, Domingo Sanchez Salgado stated in general terms that a series of issues has been poisoning the political climate and provoking dangerous confrontations.

Everything seems to indicate that the PSN will implement a specific plan, outline definite positions regarding national problems and announce several proposals--to the parties of the revolution and the democratic sectors, as well as to the Sandinist National Liberation Front [FSLN] national directorate--for initiating a dialogue that will begin a return to political normalcy in this country.

He said that the Nicaraguan people are greatly motivated by fraternity and solidarity with noble causes and that it would be a great shame to have to return to violence. This same idea has been expressed by other political, labor and

business leaders who believe that from day to day this ideological confrontation reduces the possibility of a positive and workable short-range social program for Nicaragua with the full participation of all national sectors.

The initiative has been launched by a leftist leader who has seen these perils and, without hiding his preoccupation over the high pressure of the confrontations, says it is necessary to return to the course of national harmony.

CSO: 3010/1607

SWISS PAPER VIEWS POLITICAL SITUATION IN SURINAME

Geneva JOURNAL DE GENEVE in French 6 Jul 81 p 1

[Article by Richard Beer, special correspondent in Paramaribo: "Socialism in a Handkerchief"]

> [Text] "The New Suriname," "People's Revolution," official slogans are numerous in the Republic of Suriname, the former Netherlands Guyana. The sergeants who took power on 25 February 1980 speak of socialism. Speeches, publications, but also shadow play, self-criticism and a population which does not commit itself. What does the "revolutionary process" in Suriname mean?

Paramaribo is steeped in its usual torpor. The capital constitutes half of the country in terms of inhabitants, but it is calm, well kept, with Dutch security guaranteed. The former colonial city is far from being prosperous, but the poverty is not shocking, even the outlying suburbs seem /acceptable/ [in italics]. Nowhere does a visitor see any sign of the revolutionary process either. Here, there are no graffiti on the walls, no pubs where theoretical discussions are held, and no halls for debates between the militants and the people.

In the absence of a revolutionary climate, it is always possible to start a conversation with the numerous strollers hanging around the river port. Lifting their bottle of local beer, they laugh but say nothing about the regime, the process, the /new freedom/ [in italics]. The Chinese dominate among the small businessmen and the restaurants. Certainly not happy, they make no effort to laugh and they want to know nothing. Finally, the reporters of local newspapers take a certain distance with regard to political events. Spontaneous sympathy, indifference, primarily suspicion. But of what?

The current use of the adjective "new" is revealing. Without structure, program or responsible "faces," it is very difficult to know what is happening in the bauxite republic. Six years after independence, this small country with its 350,000 inhabitants finds itself in the middle of a turbulent political situation. There are numerous speculations, in spite of some settling down during the last few months. The curfew is still in effect at night.

On 25 February of last year, the international news agencies transmitted short dispatches announcing a successful coup in Suriname. It was what was referred to as "the revolution of the sergeants," with African inspiration. Even though it is located in South America, the former colony's population is primarily of African, Indonesian and Indian (Hindu) origin.

Prime Minister Henck Arron was immediately dismissed and his government accused of corruption. A National Military Council [NMR] took charge of the destiny of the country. Henck Chin-A-Sen, a "non-compromised" nationalist pooitician, became head of the interim government.

People Perplexed

The following period would prove to be rather confused. In the month of August 1980 parliament was closed. President Johan Ferrier, last governor under the Dutch administration, was replaced by Chin-A-Sen, thus uniting both the functions of head of government and head of state. Was this a radicalization or a normalization? Observers could no longer keep track of events when, a short while later, three sergeants of the NMR were imprisoned, accused by their colleagues of having stirred up "a leftist coup with the support of Cuba."

If the outside world was having trouble following the subtleties of politics in Suriname, the population was even more perplexed when it was made aware of what followed: on 6 March of this year, Commander in Chief Major Daisi Bouterse (previously a sergeant major) gave an unexpected press conference. In the presence of the "leftist" sergeants he announced that henceforth they would be reinstated in the Military Council as "valorous allies of the first hour."

The circus was not over yet; another coup, this time from the right, was attempted by two sergeants, also from the "first hour" of the February revolution.

"Here we are, faced with problems which are typical of countries which acquire independence," noted Roy Medina, leader of the C47, the most important of the four union groups.

Medina explained that the February revolution was a "total surprise":

"As a matter of fact, as a revolution it was rather bizarre. The non-commissioned officers were dissatisfied. Among other things, they did not have the right to form a professional union. So, they simply seized power without any previous experience in politics."

But the militants are no longer alone. Bouterse, "the strong man" of the Military Council, listens more to the civilians. President Chin-A-Sen is not a puppet. It is generally believed that he is the source of compromises between civilians and the military, a skilled politician who knows how to maneuver with moderation.

Not Pro-Cuban

On his left, the new Minister of Foreign Affairs Naarendorp (a civilian) continues to strengthen his position. As a matter of fact, Naarendorp had expressed himself in favor of a rapprochement with Cuba long before the spectacular return of the "leftist" sergeants.

The supreme executive body is no longer the NMR. Now there is a Political Council [PR], composed of three military men and three civilians, and presided over by Chin-A-Sen.

"We are neither pro-USSR, nor pro-Cuba," emphasized Dick de Bie, spokesman for the PR. "And on the economic level, we are not headed for nationalization; we don't have the means for it. First, we want to secure a larger part of the profits in the bauxite and timber sectors, dominated by the Americans and the Dutch, for ourselves."

If one wants to define the regime in Suriname today, one might refer to it as a national socialism tinted with Chinese idealism. The priorities of the "model" are agriculture and education. "A small format nationalism," as a Dutch reporter put it.

8463
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POLITICAL SCIENTIST VIEWS FUTURE CONSTITUTIONAL DEVELOPMENT

Paramaribo DE WARE TIJD in Dutch 20 Jun 81 pp 1,15

[Report on speech by political scientist Jules Wijdenbosch, organized by the National Military Academy and presented at the Independence Hotel on 18 June 1981: "Wijdenbosch Does Not Want To Hurry With Constitution -- People Must Get Used to New Situation"]

[Text] "It is absolutely impossible to bring about a new constitution in the short term. The people must be given the opportunity to get used to the new situation. The people must themselves determine what the administrative organization should look like, but the leaders must give the people of Suriname the opportunity to assimilate the new situation and give them a sense of values before expressing themselves on the constitution and the new form of government."

This was said Thursday evening by political scientist Jules Wijdenbosch, during a speech organized by the National Military Academy [NMA] at the Independence Hotel.

Truth From Discussion

The speech, entitled "Political Order and Legitimacy," was very well attended, and a large number of military personnel and policemen were among the audience. Minister of Army and Police Laurens Neede thought that it was a good initiative to discuss the basics of the new society. "The youth, workers, farmers, cultural organizations, religious organizations, the business world cannot escape the duty to come up with ideas for the new society." This according to the minister, who gave the assurance that the government does consider positive suggestions. "There are different kinds of truth," continued Neede, adding that only those things are true which are the result of varied discussions among large segments of the population, with the sole aim being what is best for the country and the people. He called on the National Military Academy (the official name for this new institute is still being discussed) to provide follow-ups to this lecture and also to visit the various regions with educational and training meetings, in order to involve the people in the formation of the new society.

NMA President H. Berggraaf (MA Pediatric Sciences, MA Education) gave assurances that this institute would fight to its last breath to lead the country to where we want to go. According to Berggraaf, the lecture by Wijdenbosch, who is a political science teacher at the NMA and who has already published several books (among others: "Outline of the Republic of Suriname -- Its Own Style 1974"), should be seen within the framework of the transition phase which Suriname is currently experiencing. "The people of Suriname are getting ready to take their fate into their own hands,

via such bodies as the Planning Council and the Assembly. We should not isolate ourselves from the rest of the world, but we should start by organizing ourselves within our borders," he said.

Binding Decisions

The political scientist defined a political order as "any organization in which decisions are made which are binding for the members." This means that a society is composed of various political orders. A union, a functional group, an organization, people's committees, a nation state, yes even a gang of thieves is a political order. However, Wijdenbosch focussed on the nation state as a very special political order in terms of what happens in society. Indeed, the nation state makes the most important and far-reaching decisions for its members, while it is also an organization which the great majority of the people (except for foreigners who voluntarily accept this nationality) did not join voluntarily. He referred to political reality, which involves who makes the decisions and what decisions are made, as an important element of the political order.

"It is well known from past parliamentary practice who was supposed to make the decisions, who made the decisions and what decisions came out of it." As second element, the speaker referred to the political division of labor, which is formed by the foundations of the political organization. Elements of the organization perform various tasks and have a certain relationship with the government, for example the position of the business world relative to the government or the relationship between the three social partners, government, unions and business world.

According to Wijdenbosch, by checking on how the distribution of labor is achieved it might be possible to normalize (relatively speaking) an excess of power by one of the partners.

Revolutionary Energy

As third, and for his purpose the most important element, the speaker referred to the political regime. This then concerns values (goals or principles), standards and power structures according to which activities take place within a political system, in short the form of government. In his lecture, the political scientist wanted to check on the rightness of the regime, so that the aspect of legitimacy can be brought into play when a decision is made on a new regime. He defined legitimacy as the degree to which the distribution of power in a country is viewed by the citizens as being right. To introduce the aspect of legitimacy in the situation of Suriname today means that all existing and yet to be formed organizations such as unions, enterprises, people's committees, functional groups, etcetera, will have to function as canals, carrying the ideas of the citizens concerning the distribution of the spaces within which they have to live to the competent authorities.

Wijdenbosch further pointed out that a political order is not a static phenomenon, but rather a very mobile one. He could not at all support the idea that the organization of the nation state is not a dynamic process and that radical revolutions are not among the possibilities. "Political order and political changes are an extension of each other. Political order could hide a potential for revolutionary energy. In many cases, blind belief in the status quo, especially by the elite who protect the status quo, has been repudiated.

Pattern of Expectation

The political scientist indicated that in many parliamentary democracies, mobility expresses itself in self-organization, the phenomenon whereby spontaneous extra-parliamentary actions occur as a result of the powerlessness of the established political system to respond adequately to the needs of the citizens. In their struggle for freedom, young countries are faced with the problem of having to solve all problems at once, such as nation building, political and mental adjustment, reorientation toward the political system, awareness of standards and values and the legitimation of the power structures during the transition, he said.

In his opinion, another aspect is the meaning of disorderly events in the political order. "It cannot be said precisely beforehand that a phenomenon will be disturbing to the order, if no attention has been paid to the political expectations or the pattern of political expectations."

To illustrate this, he noted the situation in Ghana under Nkrumah. There, the constitutional values and standards were not integrated in the pattern of political expectations. The citizens expected all politicians to be corrupt and thus politicians who appealed to the constitution actually deviated from the pattern of expectations.

Wijdenbosch believes that the Surinamese variation on the Ghanaian pattern of expectations lies in the fact that the citizens expected politicians to work primarily for their own interest, and that this situation was tolerated through inertia and the fear of violence.

Inertia, Fear and Advantage

Political science assumes that there are four reasons why citizens accept requirements, specifically:
1. Acceptance out of inertia: people are tired of being in the opposition.
2. Acceptance out of fear of violence: actions which are dangerous to the administration are countered with violence.
3. Acceptance for expected advantages: groups of people who expect a direct advantage from the new regime.
4. Acceptance out of a belief in the justness of the rules of behavior: one proceeds from the assumption that the leaders are capable of implementing the rules.

The speaker indicated that the first three possibilities refer to a situation where the political organization is not considered to be legitimate.

"A system is legitimate when the system is a product born of public opinion concerning the organization of the space within which the people want to live," he emphasized. In his opinion, this means nothing other than that the people must express their opinion about the system which is applicable during a certain period, and in the case of Suriname it means that the basis for a new constitution must be the result of the Surinamese people's thinking about the administrative organization of the country. In his opinion, the people must be given enough time to complete the process of thinking about the division of space. During the current transition phase, the results of this process could be transmitted to the rulers via functional groups. Wijdenbosch saw a place for intellectuals only in terms of testing the people's conceptions and producing the most viable reflection of these popular

conceptions. "What may not happen is for four people to sit around a table discussing what the people want and then offer this to the people as a constitution, because then we would not have a legitimate system." Hence, Wijdenbosch stated that before and after 1975 Suriname did not have a legitimate system, because there had never been a popular verdict on the form of government and there was only talk of the election system derived from the form of government.

Continued Testing

The speaker said that large scale social discussions, organized by functional groups, will have to be set in motion in order to determine public opinion. The people have never done any of this, and, in his opinion, they should be given the time to learn this. "We are talking about years here, but we must dare to say: let it take years, as long as something good comes out of it." Finally, Wijdenbosch suggested the development of an institute to test continually the legitimacy of the yet to be formed new system, because it could well be that things may conform to public opinion in 1980, but no longer do so in 1995.

During the discussion which followed, Wijdenbosch was immediately asked how much time he thought would be necessary to get to know public opinion. He felt that this was a difficult question, involving matters such as nation building, mentality and education. Considering the parliamentary period we just left behind, during which it became clear that after 4 years the citizens were not yet able to judge an administration (shifts were constantly taking place and small parties could hold the balance of power), he was thinking in terms of checking after 4 years to see how far the citizens had gotten in their thinking about these elements. According to him, the institute would have to be composed of functional organizations, and their representatives in the institute must always consult with their organizations.

Mr Wijdenbosch also said that a new economic order cannot be developed without first organizing the political order, which a great many people in the audience did not appreciate. These people thought that economic interests should be the starting point for action toward a political front, and in this context they referred to the front formation surrounding the SURALCO [Suriname Aluminum Company] and the OGEM [Overseas Electric and Gas Company] conflict. Discussion leader Berggraaf quickly brought the discussion to an end, pleading "lack of time."

3463
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FLIGHT OF CAPITAL BLAMED ON LACK OF CONFIDENCE

Caracas EL UNIVERSAL in Spanish 5 Jul 81 p 2-1

[Article by Jorge Villalba]

[Excerpts] According to the former minister of finance, Hector Hurtado, the flight of capital that is now affecting our economy is not a problem caused by interest rates, but is rather due to the lack of a favorable climate for investment in Venezuela.

The former minister of finance, who was asked about the problem now facing the economy due to a loss of currency that has been calculated at approximately $100 million a day, which has led the economic cabinet to meet with the Central Bank in order to weigh possible solutions, declined to express his judgment of the situation, saying that to do so he would have to make some very detailed analyses that go beyond the scope of a press statement.

Nonetheless, he added that in his opinion, the fundamental problem lies in the fact that the climate is not favorable to investment and therefore the people are unwilling to invest their money in Venezuela, and prefer to invest abroad.

"For that reason, the fact that interest rates are a few percentage points lower here is only a secondary problem. The true problem is that the government has managed to do what no one had ever done before. That is, that with a superabundance of income, with an extraordinary exchange situation, and with a very high level of reserves, the government has managed to discourage everyone from investing in Venezuela, because of its contradictory, vacillating, and undirected economic policy."

Hector Hurtado added that the true solution will have to begin with a change in this climate of lack of confidence, and he stated that until this is done, anything else will only be a superficial remedy.

A Revaluation is Inappropriate

In addition, the Social Christian deputy and president of the Federation of Associations of Economists, Jose Miguel Uzcategui, to some extent deemphasized the importance of this issue.

In his opinion, the growing movement of currency in recent months is not yet of an alarming nature, since these operations are apparently influenced by a number of factors, including the use of currency for vacations, and on the part of businessmen, merchants, and industrialists for end of the year sales.

Nonetheless, he agreed that the difference between Venezuelan interest rates and rates in the international market may have some influence in creating a speculative attitude and an inducement to make use of higher interest rates abroad.

Furthermore, when asked about the differences of opinion between the economic cabinet and the Central Bank about the measures to be adopted to slow down this flight of currency, Uzcategui warned that any decision made by the Central Bank can not be absolutely monetary: it must not fail to take into account the economic and social effects of more expensive money on national activities and investments in the nation.

In conclusion, returning to the initial point of the flight of capital, the economist and Social Christian parliamentarian said that one factor that will influence the solution of this problem will be stability in the economy, as a result of an effective recovery in a climate of confidence and optimism.

7679
CSO: 3010/1544

CASTRO HURTADO HEADS 'NEW GENERATION MOVEMENT'

Caracas EL NACIONAL in Spanish 8 Jul 81 p D-9

[Article by Mario Villegas]

[Text] Maj Gen (R) Arnaldo Castro Hurtado today became president of the New Generation Movement; he had previously supported some of its positions.

The announcement of this decision made by the national board of this organization was made yesterday morning at a press conference. The secretary general of the New Generation Movement is the psychologist Vladimir Gessen Rodriguez.

Castro Hurtado is replacing Jose Marsicobetre as president of the New Generation Movement. Marsicobetre introduced the new president and former military commandant to the journalists and guests present. Castro Hurtado is visibly enthusiastic about his entry into political life.

In officially turning over the presidency of the movement to General Castro Hurtado, Marsicobetre said of him that he is an honest, fair, and courageous man, "the sort of man the country needs." He said that from now on the New Generation Movement has assumed adult status and will work to begin the conquest of the future.

Also present at this ceremony, along with Castro Hurtado, Marsicobetre, and Gessen Rodriguez, were: Brig Gen (R) Francisco Leon D'Alessandro, Egildo Lujan Nava, Arnoldo Molina Canino, and Col (R) Juan Tineo Arismendi, who are also leaders of the New Generation Movement.

Remarks by Castro Hurtado

In response to a question by the representative of EL NACIONAL about whether his membership in this party will not take away some of the possibilities for strong support for him in an independent position, General Castro Hurtado said that the sole condition he imposed on

the New Generation leaders for his support was that the organization should become a broad national movement in which all Venezuelans over the age of 18 can take part without restrictions of any sort.

He stated that he is not the party's presidential candidate, and he said that the movement's standard-bearer will be the person who supports its positions and is able to win greatest acceptance from the nation. He said that the party candidate could be someone of the stature of Arturo Uslar Pietri or Humberto Fernandez Moran, or even a retired military officer like himself, also a potential candidate.

A reporter asked if it could be inferred from his previous statement that talks have been held on this issue with Uslar Pietri and with Fernandez Moran. Castro Hurtado replied that he had mentioned them as meritorious national figures who have recently spoken of their concerns about the present situation of Venezuela. He also mentioned Mayz Vallenilla, Jovito Villalba, and Rafael Pizani.

Another reporter asked what real strength the movement can bring to bear against the political machines of the AD [Democratic Action] and COPEI [Social Christian Party]. He answered honestly, saying that his movement had started at zero, but he said he was certain that it will surprise the political machines.

He commented that at this time the New Generation Movement is being organized and reorganized, and he said it is going to be joined by a number of minority groups which have promised to support the New Generation Movement. According to the retired military officer, the New Generation Movement is going to present itself as a national movement which will express itself on all federal levels.

"We are going to show the parties of failure that we are capable of uniting the people of Venezuela, and of giving those parties the lesson they deserve."

"To Fight But Not Cry"

In a written statement which he gave to the press, Gen Arnaldo Castro Hurtado said that the nation is now going through a time of anguish and uncertainty.

"The president of the republic," he said, "has called all the representative sectors of the nation 'crybabies,' 'pessimists,' and 'prophets of doom,' whenever they point out to the national government the series of errors or omissions that have worsened the precarious situation of Venezuela. I say to the president that we are not 'crybabies' or 'pessimists.' Still less are we 'prophets of doom." As a child I learned that the Venezuelan 'fights but doesn't

cry.' Now, along with all my compatriots, I am saying this. This sort of blackmail, this applying of labels whenever we call for our rights as citizens, must end. We are not pessimists. What is happening is that we can not continue to be accomplices in this social devastation caused by the 'parties of failure.'"

Castro Hurtado, who described himself as a "soldier of the republic," said that in the past he had served while wearing the uniform of the armed forces.

"Today I wear civilian clothes, but this is still combat dress. The struggle continues, now without arms, but with ideas and with reason, in support of our national constitution, which I used to defend when I was in the army."

The lengthy statement which Castro Hurtado gave the press contains a series of proposals for the program that will guide the objectives of his movement. These guidelines are designed for state reform and contain other important measures which will support the interests of the large national majorities.

In the end, Castro Hurtado, now a political leader, repeated his presidential aspirations in the following terms:

"I am not a presidential candidate. I would like to be, in order to carry forward the banners which have so often been trampled underfoot by the AD and COPEI leaders. It would have been easier for me to have accepted a position and its corresponding benefits, which they offered me, and to earn a salary that I didn't deserve. I know very well the step I am taking, and I thought a great deal before taking it. I know that I am risking everything, but I am prepared, along with all my fellow citizens, to conquer the future. I prefer this to wearing the 'muzzle' that has debased so many people."

7679
CSO: 3010/1544

HERRERA'S VAGUE FOREIGN POLICY GOALS CRITICIZED

Caracas EL DIARIO DE CARACAS in Spanish 14 Jul 81 p 6

[Article by Demetrio Boersner: "A Foreign Policy Without Definite Goals"]

[Text] Of the various policies of the present government of Venezuela, the foreign policy is the one most criticized, rightly, because it is inconsistent and has tended to lessen the country's prestige in the international community. The unsatisfactory nature of that policy is owing to the fact that it observes no kind of clearly defined goals or priorities. Foreign policy guidelines have changed several times abruptly and inexplicably.

The present government should have retained the following from the previous foreign policies of President Caldera and President Andres Perez, which really were consistent:

The basic goal that sums up the nation's interest most completely should be the goal of complete autonomous or independent development. Progress toward that great objective of complete, autonomous development requires policies of subregional and regional integration, solidarity with the Third World, strengthening of OPEC, Latin American coexitence with ideological pluralism and sound geopolitical balance, constant insistance on the north-south dialogue and international promotion of principles like self-determination, nonintervention, anticolonialism, antiracism, promotion of democratic values in the broadest and least dogmatic sense.

It actually seemed, in the first period of the present government--from 1979 to 1980--that this point of view, inherited from previous democratic governments, would be maintained. In particular enormous importance was given to the Andean Pact and that is positive. But a great mistake was made when politization of the subregional agreement was encouraged, not positively to create common political bodies and to try to coordinate a common foreign stand with regard to great international problems, respecting domestic sociopolitical difference, but rather in the negative sense of advocating promotion of the social Christian movement and its ideas. In acting in this way, the Andean Pact was divided and weakened.

Nevertheless, no sooner had the Andean Pact been weakened, when, instead of trying to save and revitalize it--something that is still possible and also very desirable, because what is involved is the only Latin American subregional instrument that has "nationalist" norms, directed against dependency on foreign capital--the Venezuelan

Government forgot it and took an abrupt leap toward an inexplicable "global strategy" (sic), consisting in quick trips to various regions of the world, mostly for the purpose of hurling accusations of cold war that have very little to do with our national interest (the USSR may be extremely disagreeable in Afghanistan and within its own bloc, but it has behaved in a friendly way toward Venezuela and is the only great power that always defends OPEC).

The "global strategy" has given rise to the impression that Venezuela is an unconditional follower of the United States in the new cold war (something that is not true, because we know that this is not the personal intention of the president), and, in addition, a vacuum has been left in our subregional and regional foreign policy, with the result that a disoriented, concerned national public opinion is letting itself be fascinated and obsessed by border and territorial problems that should be only one aspect of an overall foreign action based on Latin American and Caribbean solidarity.

But it is never too late to rectify.

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No. 2352

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BRIEFS

NEW PETROLEUM FIND--A new deposit of petroleum has been found in Caribe Uno well, area I, Alta Verapaz Department, according to an announcement made yesterday in a press conference by Jorge Luis Monzon, secretary of mines, hydrocarbons and nuclear energy. The conference was held at the office of journalist Carlos Toledo Vielmann, public relations secretary at the Office of the Presidency, and attended by Vielmann and Erick Meza Durate, undersecretary of mines and hydrocarbons. Monzon reported that the new find occurred in Caribe Uno well, area I, Alta Verapaz Department, and that the well had been drilled by ELF-Aquitaine; the crude oil appeared at a depth of 7,200 feet and is expected to yield an initial daily production of 800 barrels. On the same occasion, the hydrocarbons official stated that, after further technical tests, the new well will be put on a commercial basis and that there are good prospects for other productive wells in the vicinity. He also said that, if all goes well with Guatemala's oil policy which, although obviously slow in producing results due to technical reasons, is proving to be beneficial to the country, by 1982 we shall be producing 12,000 barrels of oil daily, thus providing Guatemala with an annual income of 72.5 million quetzales. "The next oil shipment," he said in answer to a reporter, "will be made from Santo Tomas de Castilla in a few days and will amount to 130,000 barrels, as is occurring every month, with the same average quantity of crude oil." [Text] [Guatemala DIARIO DE CENTRO AMERICA in Spanish 8 Jul 81 p 5] 8568

USUMACINTA USE QUESTIONED--"A hydroelectric project on the Usumacinta River cannot be carried out unilaterally. It is a border river and any use of its waters must be made jointly," journalist Carlos Toledo Vielmann, public relations secretary at the Office of the Presidency, said yesterday. The official was referring to statements made by Peten Governor Guillermo Pellecer Robles, who reported that "Mexico is planning to build a hydroelectric plant on the Usumacinta River without reaching an agreement with the Guatemalan Government." Toledo Vielmann pointed out that the Mexican and Guatemalan Governments had appointed joint committees representing both countries to discuss the engineering requirements involved in the construction of the hydroelectric plant. "A project of this type," he said, "cannot be carried out unilaterally inasmuch as the Usumacinta waters will have to be used by both countries. I do not know how far the engineering on this project has advanced, but I insist that the project must be carried out jointly by the Guatemalan and Mexican Governments." [Text] [Guatemala PRENSA LIBRE in Spanish 15 Jul 81 p 16] 8568

CSO: 3010/1578

MINISTERS AGREE TO REACTIVATE COMMON MARKET

Guatemala DIARIO DE CENTRO AMERICA in Spanish 9 Jul 81 p 6

[Text] Reactivation of the Central American Common Market was one of the principal resolutions adopted during a meeting of Central American ministers of economy held at the end of last week at ECLA headquarters in Mexico City.

This decision was announced yesterday by Valentin Solorzano Fernandez, Guatemala's minister, during a press conference at his office.

A Success

The minister called the meeting a success in view of the resolutions passed and the fact that this action was the result of initiative by our country.

Among the resolutions approved, it was agreed to coordinate any efforts made by Central American countries to obtain foreign aid and to coordinate the degree of representation of the various countries of the isthmus in the forums at which this type of aid will be administered.

It was further resolved to give the world the impression that efforts are being made on behalf of a system of integration and that such efforts are being carried out jointly without interfering with each country's individual administration.

A resolution was also passed to continue the practice of reviewing tariff and customs regulations, support the recently established Central American Common Market and coordinate and consult on the coffee problem which is presently affecting producer countries.

In addition, the ministers agreed to meet as often as necessary. One of the most conspicuous developments was the position taken by Nicaragua, Costa Rica and El Salvador in favor of reactivating the Central American Common Market.

Area's Present Requirements--$20 Billion

Solorzano Fernandez also revealed that Central America needs about $20 billion to maintain its present rate of development.

Representatives at Meeting

The following were present at the meeting held in the Mexican capital: Honduran Economy Minister Ruben Mondragon; Guatemalan Economy Minister Valentin Solorzano; Nicaraguan Industry and Trade Minister Alejandro Martinez Cuenca; Honduran Finance and Public Credit Minister Valentin Mendoza; Nicaraguan Integration Director Orlando Solorzano; Jose Miguel Alfaro, Costa Rica's second vice minister of industry and commerce; Jorge Alberto Pena, El Salvador's vice minister of planning; Guatemala's Vice Minister of Economy Gilberto Corzo; Ramon Medina, of Honduras; and Dr Gerth Rosenthal, secretary of ECLS in Mexico City.

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CSO: 3010/1578

VENEZUELAN, COLOMBIAN MILITARY FORCES COMPARED

Bogota EL TIEMPO in Spanish 17 Jul 81 p 6-A

[Text] Caracas, 15 Jul 1981--Venezuela spends three times as much as Colombia on military equipment, but its armed forces are less in number though they have better war materiel at their disposal, a local magazine underscored here today.

The magazine ZETA, which is published in Caracas, dedicated all of its latest edition to a comparative study of the military power of the two neighboring countries pointing out that "Colombia has some 150,000 men under arms--if the 60,000 men of its National Police are included--of whom 63,000 belong to the Army organized into 10 infantry brigades."

"The armaments of the Colombian Army include M4 medium tanks, M3-A1 light tanks, M8 and M20 armored vehicles, 48 105mm guns and 40 40mm guns," it pointed out.

"The Colombian Navy has some 9,000 effectives, of whom 3,000 are marines," it noted.

"The Colombian Navy has two 209-class submarines, two pocket submarines, three destroyers, six frigates, 16 small patrol boats and a craft for transporting tanks," if said.

"The Colombian Air Force has grown rapidly to a strength of 6,000 men with 18 French Mirage planes, of which 14 are warplanes (Mirage 5 COA) and 4 are trainers. It has a bombing squadron equipped with B-26 Invaders and a few Lockheed AT-33's," it added.

The Venezuelan magazine also pointed out that "The Colombian Air Force has one C-130 Hercules, 23 C-47 and five C-54 planes for transportation purposes."

Venezuelan Armament

In the view of ZETA, "on paper, the Venezuelan Army shows up with 27,000 men, somewhat less that half of those of the Colombian. The superiority of the Venezuelan depends on 142 ZMX30 tanks and an additional 40 AMX13 lighter tanks of French manufacture."

"Venezuelan artillery appears superior to the Colombian with 135 105.1mm guns and 20 AMX tanks armed with 155mm howitzers," the publication added.

"The Venezuelan Navy has some 9,000 men plus 4,000 marines, and has four somewhat obsolete frigates as well as six missile-launching frigates recently acquired from Italy. There are four operational destroyers, four submarines under construction, six torpedo boats and 21 coastal launches," it pointed out.

"The Venezuelan missile frigates have individual AB-212 helicopters for anti-submarine warfare," the magazine ZETA noted.

"The Venezuelan Air Force has some 5,000 effectives and 240 aircraft of various kinds, and its two combat groups are equipped with Northrop F-5 and Mirage planes.

"The F-5's are fast airplanes. Some 15 of them are fighter-bombers and four are reconnaissance planes and trainers," it said.

"There are also four Mirage-5 fighter-bombers, nine Mirage-3's and another two Mirage trainers, as well as 20 F-86 fighter-bombers and 22 British Canberra bombers."

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CSO: 3010/1583

FAILURE OF CGT STRIKE ANALYZED

Historical Precedent

Buenos Aires LA NACION in Spanish 23 Jul 81 p 9

[Text] One afternoon in the summer of 1975, Mr Jose Maria Villone showed up at the old editorial offices of LA NACION on San Martin Street. He made an ostentatious entrance, surrounded by an impressively large convoy of well-known faces. Bodyguards are, in fact, meant to impress, but they impress all the more when they are prominent government figures. At that time, the nation did not know whether Mr Villone was a "prominent figure" because he was President Martinez de Peron's press secretary or because, no less significantly, he was a well-known figure in what Mario Firmenich the Montonero described a few hours ago as "Lopez Rega's Mafia."

What was not in doubt in the summer of 1975 was that Mr Villone was acting as a full-fledged servant of the man who was still social welfare minister, the former lieutenant but by then chief of ordnance, Lopez Rega. It was a time when veteran political feature writers lent a silently indifferent ear to the threats that one or another thug or crony leveled at the press every so often because they were annoyed by a piece of writing that rubbed them the wrong way. On that occasion, the only one we remember that he descended on LA NACION, Mr Villone was extremely worked up. The temperature on that afternoon of January 1975 was far from comfortable, and our visitor's temperature made it even more uncomfortable. Thus, Mr Villone had to take off his jacket to continue his protest over a commentary in which Minister Lopez Rega did not come out looking too good. The commentary had unquestionably touched on one of the most sensitive aspects of Mr Villone's boss's political situation: his strained relations with the Armed Forces, viewed in light of the complications that arose in the Massera-Mrs Peron-Lopez Rega triangle after the president took a vacation in Mar del Plata, where she stayed at Chapadmalal and the Marine Non-Commissioned Officers School.

When it looked like Mr Villone had finished essaying all of the favorable arguments that could be expected of him in connection with Lopez Rega, he uttered one final argument, one last appeal explaining why we should support him: "The liberals are making a serious mistake by attacking Lopez Rega," he said, "because he is the only obstacle preventing the labor leaders, starting with Lorenzo Miguel, from making Peronism a Labor Party."

From Illia to Lopez Rega

Four months later, in May 1975, Economy Minister Celestino Rodrigo was pushed over the edge by Casildo Herrera, the secretary general of the CGT [General Labor Confederation], and Lorenzo Miguel, the secretary general of "the 62" Peronist Trade Union Organizations. Rodrigo had been a Lopez Rega protege, and his downfall, universally known as "el Rodrigazo," led to exile 30 days later for the astrologer who had climbed the highest amid the quicksands of Argentine politics. We could not in all truth say that during the union mobilization that shattered Lopez Rega's far-reaching power, most of the superior officers of the Armed Forces were apathetic about the ultimate outcome. After all, it was up to these officers to finish the operation off, because they were the ones who put the former social welfare minister on the plane that took him out of the country.

A chapter remains to be written on the relations between the army and Argentine politics in recent decades. It will have to discuss how some sector of the military might have actively accompanied Peronist labor leaders during the 1960's, when the battle plan against Dr Illia's constitutional government was launched. We now have some usable reference material in this regard in the form of Timerman's confessions to General Camps when he was detained in the latter's custody. "I was the founder and editor of CONFIRMADO," he told his guard. "The magazine's main incentive, main goal was to lay the groundwork for the overthrow of Arturo Illia, on the assumption that the Armed Forces would occupy the power vacuum, because that was our theory, the power vacuum, and that the figure we had to put before the public was General Ongania."

We are finally now learning the details about things we always assumed we knew. When all is said and done, what did it all mean when the big shots in the Peronist labor movement attended Ongania's inauguration wearing ties and other finery?

New Developments

Of course the Peronist labor leaders later tried to turn against the military regime that began in June 1966, but they failed in several rash attempts, among other reasons because of dissension among their ranks. Nevertheless, if we compare yesterday's rally with similar rallies in the 1950's and 1960's, we will notice that union power is more divided than ever and that labor protests are child's play compared to 10, 15 or 20 years ago. Whether we liked it or not, a work stoppage used to be more or less what the word denotes. "Stoppage" obviously comes from "to stop." But what connection is there between "to stop" and the rally that, according to general estimates, more than 80 percent of the country's production work force ignored, even including among the strikers those who have been laid off?

True, this time we cannot point to suspicions that one or another military group or sector encouraged the stoppage. Nevertheless, it is noteworthy that never before have we had so many reasons to conjecture that in certain manu-

facturing lines (textiles or metallurgy perhaps?) the owners did not offer convincing resistance to a worker battle plan.

Yesterday's partial and, therefore, unsuccessful work stoppage was intended to be a self-styled example of former Peronist labor movement practices. No one better than a true nonparticipant like Mr Lorenzo Miguel, who was traveling in Europe yesterday, embodies this new eagerness to resurrect the old and seemingly outmoded idea that without "the 62" Peronism is nothing. We must therefore conclude that Deolindo Bittel, the notary, had a keen grasp of the situation when the day before yesterday at the multiparty meeting he turned a cold shoulder to the appeal by another of his fellow party members to elicit from the five attending parties a declaration of explicit solidarity with the rally of the so-called "CGT." If the labor leaders become more important, what role will politicians like Bittel be left with?

We quite properly said the so-called "CGT" because its show of strength yesterday is not in keeping with a true labor union federation. In any case, the name still poses an inconvenience (that will have to be resolved somewhere along the road) for everyone and particularly for its adversaries in the National Labor Commission (Jorge Triacca, Luis Guerrero) and the Commission of "the 20," which did not support the work stoppage.

The General Context

Meanwhile, we should not lose sight of the general context in assessing yesterday's rally. More people than we can remember in the past are saying today that the country is going through its worst economic crisis ever; the workers' buying power has been declining across-the-board; the unemployment rate has been nearing the critical five percent mark, and in a nutshell, there is appreciable nationwide dissatisfaction with the course of events. In light of all this and given the encouragement that the Communist Party and other kindred forces (which had reservations about the April 1979 strike) gave to the Peronist labor leaders who organized yesterday's protest, how could the demonstration have been so relatively ineffectual? The greatest irony that a police chief can allow himself was afforded yesterday morning to General Sasiain, who at an early hour felt he could reasonably take half of the special surveillance service troops he had assigned off the job.

One backed the work stoppage; the other wanted no strike and a social truce. In a nutshell, two union factions vied yesterday for something that might by this time be impossible now that Peron is dead: control over all of the labor forces that rally to the ambiguous cry of "the banners of Peronism."

Without Ideological Substance

The protest a few hours ago by part of the Peronist labor movement showed what populism consists of: sheer action, devoid of ideological substance, contrary to what Mrs Peron's press secretary thought he saw in this labor movement. It was union member against union member yesterday in a bid to strengthen one faction and give it decision-making capability over the other. Years ago they also invoked the name of Mrs Peron, thus hoping to govern through her. And they

also took up arms against the Montoneros and the ERP [People's Revolutionary Army], but without providing a properly clarified ideological response. With their weapons and with the assertion that Peron was the sole authority, organized labor confronted Firmenich and company, just as in 1962 they challenged Peron's authority and forced him to accept the electoral showdown that he was opposed to.

Looking at the overall context, we must conclude that yesterday's stoppage was an even bigger failure than the last general strike ordered in April 1979 by the Commission of "the 25," the predecessor of the "CGT." Mere action, ordered from the top down, has been insufficient in itself to produce a truly serious happening in the country.

Apart from this, the union members who still support Mrs Peron's "leadership" will have time to reflect on the prospects that might be opened up by this fellow Firmenich, who has just said without batting en eye that the release of "Isabelita" was "a triumph of the people."

Lack of Confidence

Buenos Aires LA PRENSA in Spanish 23 Jul 81 p 18

[Article by Manfred Schonfeld: "The Protest That Went Unvoiced"]

[Text] The protest that was supposed to have been expressed through yesterday's "rally" (a general work stoppage, in other words) has for now been held back and has gone unvoiced. There was a work stoppage, but it was very limited. It was not the genuinely large-scale strike that would have virtually shut the country down, as its organizers (the labor leaders of the so-called new "CGT" [General Labor Confederation]) had anticipated and as certain segments of the population had been expecting, some fearfully, others hopefully.

It makes little sense to bandy about percentages of absenteeism in this or that line of production or services. Numbers can easily get confused, especially in the case of industries in which, in any event, an increasing number of companies have closed down either because of a lack of work, because they are being liquidated or because they have gone bankrupt.

One thing is certain: no matter how relatively important the absenteeism figures and percentages are (for the reasons I have noted and for others), the general strike was not successful; it failed.

When a work stoppage like this (whether you call it a "protest rally" or a "general strike" and whether or not it is political in nature) is successful, you can sense it in the air, and there is no need to compare numbers from official, semiofficial or private sources. When a country is shut down by decision of its union organizations (whether labor unions, employer unions or a combination of the two, examples of all of which are to be found in world history), public opinion feels and takes note of it in a practically natural way.

If we gage yesterday's events on this basis, it becomes obvious that the protest did not hit home with the masses.

Reason for Failure

Although I do not feel it would be of much interest to examine (even for immediate journalistic purposes) the ups and downs of the absenteeism curves by field of employment or geographic area, partly because of the aforementioned difficulties in establishing figures that accurately represent the facts, I do feel, however, that we ought to reflect on the reason for the strike's failure.

I feel that among the several explanations that could be cited, three stand out. Two are relatively superficial, while the other might represent an attempt to analyze the matter a bit more deeply.

Of the two explanations that I termed superficial, one will more than likely be advanced by the government. It will simply claim that if the "protest rally" failed, it was because most of the public did not heed the appeal by its organizers and that if they did not heed it, it was because, in good conscience, most of the public does not feel a need to protest or to join a protest and that if they do not feel this need, it is because, in general, things are not as bad as some people (the government's critics in particular) say they are.

The other explanation (which I also termed superficial) is the one we can expect from the organizers of the "rally." For the time being, they will try to demonstrate that it was not a failure, point out all of the organizational and other difficulties that hampered the prospects for success and claim that many wage earners were afraid that their employers would use their absence as a pretext to try and fire them without compensation, etc.

They will also advance the argument, if not publicly, at least in private, that the absenteeism in the manufacturing sector should be considered double what the cold figures indicate, inasmuch as public transportation was in operation; in other words, the workers who took part in the stoppage did so with the knowledge that they could not cite the lack of transportation as an excuse.

A Possible Deeper Reason: Lack of Trust

As I suggested, the two explanations I have outlined (which are diametrically opposed in terms of their source and purpose) touch merely the surface of current realities in Argentina.

My interpretation of the present situation is that the country's population is more deeply mired in disbelief and lack of trust than in any other period of its recent history.

They do not trust the authorities, but they do not trust political leaders either. As far as organized labor is concerned, they do not even trust heads of unions, some of which are intervened while others are guided by bosses and and chiefs of days gone by whose authority has not been put to the test, who have not agreed to have their mandates renewed by the rank-and-file and who are suspected by the masses that make up the rank-and-file (more than likely quite rightly in many cases) of either not being as honest as they seem, of making deals with whomever is available (government, business, etc) without consulting the rank-and-file or of knowingly acting against the will of the rank-and-file or of being responsive to other partisan interests.

Behind the Back of the Sovereign

If we start with the premise that in a republic, in a democratic system the citizenry is the sovereign, then our citizenry must be noticing that there are more and more groups in our country that are acting behind the back of the sovereign, and not just temporarily or during a brief time of emergency, but rather with prospects that such a situation will become something lasting and institutionalized.

These groups consist of all those who are in some way involved in the interplay of powers (government leaders, military officers with political power, civilians who are allied with these military officers, party leaders who hope to ally themselves with the military and with the civilians who have power, and last but not least, prominent labor leaders who have been in such alliances for some time now or who entertain the hope of entering one).

With each passing day, our sovereign citizens feel more and more powerless vis-a-vis the densely intertwined tangle of all these forces, increasingly fed up with seeing how they operate behind their backs or over their heads, and less and less in the mood to denounce what they by now accept (after so many repeated disappointments) as a supposedly incurable national malady.

If there was no large-scale protest yesterday, I do not think it was because there is no reason to protest. There are more than enough reasons; even a child can see that. Nor do I think that it was because the protest was organized by one sector instead of another; organizational shortcomings do not cause large-scale demonstrations to flop when people really want to express what they feel.

The reason for the failure is that events (the sum total of events, the conclusions that people arrive at based on them) are winning out over most Argentines by default. People do not expect major changes; they are resigned, have too many problems of their own and have even lost their desire to protest.

If the government thinks, however, that this reflection of the country's socio-labor and spiritual realities has not [illegible]d it a victory, it is wrong. It's better to mount a skittish animal tha[illegible]e that is being, shall we say, worn out.

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UNION LEADER DISCUSSES COUNTRY'S CRITICAL SITUATION

Havana JUVENTUD REBELDE 1 Jun 81 p 4

[Interview with Enrique Mora, Trade Union leader and delegate of the newspaper employees of that country and to the sixth Latin American Seminar of Journalists.]

"The critical situation in which the people of Costa Rica live becomes more difficult and delicate due to the sizeable concessions obtained by the agricultural and industrial bourgeosie and certain transnational companies which have brought the country to the worst economic crisis in the last five decades."

The foregoing was told to this newspaper by Enrique Mora, member of the Journalists' Trade Union of Costa Rica and delegate to the Sixth Latin American Seminar of Journalists which is meeting at the Union of Cuban Journalists [UPEC] headquarters in Havana. Mora pointed out the facts which engulf Costa Rica in an economic collapse: the 50 percent devaluation on the currency,increase in unemployment, the bankruptcy of many small and medium-sized businesses as well as wide-spread social deterioration. All this, as to be expected, has provoked a reaction from the country's working masses.

The traditional political parties, adds Enrique Mora, tied to the interests of the bourgeosie and imperialism maintain that the difficult situation existing in Costa Rica will be resolved once the new government is installed after the elections scheduled for next year. However, he added, this is nothing but an optical illusion, since the International Monetary Fund (IMF) controls economic life of the country and will continue to make the rules for the new leaders to follow.

Mora stated "It is no secret that imperialism openly manipulates the political and economic life, not only of Costa Rica, but of many other nations on the continent."

He pointed out that an example of what was stated previously is the 41 million dollar loan which the Costa Rican Government had requested from the IMF in order to ameliorate in some way the deteriorated economic situation. Notwithstanding, surprisingly, the IMF granted 345 million dollars together with the approval of the United States Senate of a donation of 25 million dollars more, but tied to the condition that Costa Rica comply with strict orders from Washington.

One of the orders, he pointed out, was that the Costa Rican Government break consular relations with Cuba, together with similar undertakings in the international sphere. In the national arena, state expenditures of a social nature have already started to be reduced drastically and affect the fields of health, housing construction, education, and the work plans for popular recreation.

Likewise, Mora pointed out that the break in consular relations with Cuba was defended by his country's government based on a document which Cuba had circulated in the United Nations last December 30, and which became known by "chance" five months later, but it is not by coincidence that the Carazo government repeats it just when millions in IMF "aid" and the new North American administration becomes feasible.

Enrique Mora stated finally that, faced with the ever deepening recession, the popular responses have not been long in coming and during the last few weeks Costa Rican workers have intensified their protests. Strikes have been initiated to demand lower prices for necessities, better wages and a guarantee of no lay-offs.

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EDUCATION MINISTER REVIEWS EDUCATION PROGRESS

Havana GRANMA WEEKLY in English 5 Jul 81 pp 3-4

[Text]

Comrade Deputies:

IT GIVES me great satisfaction to present to the National Assembly of People's Power this report on the achievements, difficulties, shortcomings and immediate perspectives of education in our country. Since the document was sent to you in advance you will by now have been able to verify how the changes introduced in the field of education over the past 22 years of revolutionary endeavor are amply and minutely recorded in it. My task now is to elaborate on its fundamental aspects, making reference also to the Ministry of Higher Education, which is an integral part of the National Education System.

It is truly a wide gap that separates our present educational development from what existed before the Revolution. Before 1959, education was conditioned by economic, cultural and social underdevelopment, and throughout the history of the neocolonial republic it was one of the sectors that showed the utter neglect and lack of attention with which it was regarded. Schools today, with their principals, teachers, students, administrative and service staffs, are genuine state institutions for learning and teaching. Under the direction of the Party and supported by the youth and mass organizations, they are fully integrated into the process of constructing a new socialist society, a society of which they are one of the main products.

The population census taken in 1953 revealed the deplorable conditions education was in at that time. Out of a population of 4.4 million people over ten years of age, 1 032 000 were totally illiterate — 23.6 percent of that population. A total of 547 000 children between six and 12 years of age were not enrolled in school, and school attendance of those that were enrolled averaged 60.8 percent.

Nowadays Cuba is one giant school: one out of every three inhabitants is studying. If we exclude children under six, the figure becomes one out of every two.

The average educational level of the population is 6th grade, and conditions now exist for raising that average by approximately one grade every three years.

Commander in Chief Fidel Castro's description of education before the Revolution in **History Will Absolve Me** is an impressive accusation:

"Our educational system is perfectly compatible with everything I've just mentioned. Where the peasant doesn't own the land, what need is there for agricultural schools? Where there is no industry, what need is there for technical and vocational schools? Everything follows the same absurd logic; if we don't have one thing we can't have the other. In any small European country there are more than 200 technical and vocational schools; in Cuba only six such schools exist and the graduates have no jobs for their skills. The little rural schoolhouses are attended by a mere half of the school-age children — barefooted, half-naked and undernourished — and frequently the teacher must buy necessary school materials from his own salary. Is this the way to make a nation great?"

The panorama presented by the old society in 1958 can be summarized in the following figures. Only 56.4 percent of the children were enrolled in elementary school, and just 88 000 teenagers attended intermediate level schools; 10 000 teachers were unemployed and the budget of the Ministry of Education amounted to just 79.4 million pesos (11 pesos per inhabitant). What actually went into education was substantially less since many millions found their way into the pockets of the corrupt politicians of the time.

But depressing as it was, that situation could not prevent Cuban public schools from always being a storehouse of the fighting history of our people, their heroes and the best cultural traditions of Cuban nationality. The thoughts of prominent teachers of the last century — Varela, Luz Caballero and Mendive; the teachings of Martí; the unyielding rebelliousness of Frank País and Pepito Tey; these are some of the highest expressions of the patriotism of many Cuban educators who did their best to build better schools and a greater nation.

And today over 1.5 million children in that nation are attending elementary school and over 1 170 000 teenagers are enrolled in intermediate education; some 200 000 future professionals are being trained at university level; over 950 000 students in the various types and levels of education are reaping the benefits of boarding and semi-boarding schools; we now have over 210 000 educational workers, a political, ideological, scientific and technical force whose professional level is constantly rising. In this nation we have earmarked 1349 million pesos annually for educational expenses, equivalent to 138 pesos a year per inhabitant.

The Revolution inherited a centralized and corrupt educational administration, public schools that lacked everything, while the private schools were attended by the children of the privileged class, whose uniforms served to emphasize class distinctions instead of identifying the type or level of education being received by children and young people.

The same evils also afflicted the universities. Enrollment there was structured to conform essentially to the interests of the bourgeoisie instead of to the needs of the country's development. For the sons and daughters of the working class, admission opportunities were practically nil. But historical tradition and prevailing objective conditions meant that the student body claimed the higher education centers as bases for agitation and struggle against corrupt politicians and against dictatorships like those of Machado and Batista, that shed so much of our people's blood.

Immediately after the triumph of the Revolution, profound changes began to be introduced in education. Examples of how the educational services were expanded in the first years were the creation of 10 000 new schools, particularly in the countryside; the conversion of army barracks into schools; and the nationalization of all private schools.

A shortage of teachers and professors was the greatest difficulty that educational development came up against in these years. But we always found revolutionary solutions. To bring education into the country's remotest areas, 3000 volunteer teachers signed up to go to the mountains and later set up the Frank País Vanguard Teachers' Brigade.

Launched in early 1961, the Ana Betancourt educational project was aimed at improving the cultural level of peasant women and helping them along the path to true liberation. Over 150 000 young girls from the mountains improved their school education and then were able to contribute to the transformation of our countryside and to take part in other tasks of the Revolution.

The Literacy Campaign, coming at the time of the great victory at Playa Girón, was another of the Cuban people's great achievements. Besides its huge educational value, it was also a key factor in the country's economic and social development. Its martyrs, Conrado Benítez (teacher), Manuel Ascunce Domenech (student-teacher) and Delfín Sen Cedré (worker-teacher), all murdered by bandits in the Escambray Mountains, gave their lives to this epic endeavor.

The result of that battle was something priceless: a new principle, a concept of education which copes with it integrally, including its social aspects. This is summarized in one of our slogans: "Education is a task for us all."

This year marks the 20th anniversary of the Literacy Campaign and it gives us great revolutionary pride that other peoples of the world can benefit from the experience it gave us.

After the Campaign, a mass scholarship project was announced. The first group of scholarship holders was made up of 40 000 literacy teachers. Many of the rich mansions of the bourgeoisie who had fled the country were used for this huge project, and the residential suburbs of Havana and other cities were soon overflowing with the sons and daughters of workers and peasants.

All these measures contributed to meeting the basic educational needs of children and teenagers in urban and rural areas, without distinctions of sex, race, place of residence and economic level; and in spite of the legacy of past neglect, the Moncada program was quickly carried out.

As of 1961, day-care centers were established, open to children after their 45th day of life, providing care and education in a healthy and happy environment and enabling a growing number of women to start working and take active part in the life of the society. By March 1981 over 96 000 children were enrolled in 832 day-care centers, but for several reasons places available are still below demand.

From 1959 to 1974, elementary school enrollment figures showed a steady rise. In 1975 they began to drop as a consequence of a reduction in the number of students in grades below those normal for their age group, and later because of the lowering in the birthrate. The figure now is 1 592 000 students. Owing to the large number of those who have reached the 6th grade, starting in 1972 intermediate education began to grow steadily, and accordingly higher education enrollment figures went up too. Over the five-year period just ended (1976-80), intermediate education enrollment figures went from some 629 000 students to over 1 177 000.

Special educational programs for children and young people with physical and mental handicaps and behavior problems did not exist at all before the Revolution. This year they had an enrollment of 28 000 students. In spite of the increase registered in this branch over the last few years it is still not possible to meet all needs, especially those of minors with serious behavior problems who run the risk of getting worse if they are not given adequate treatment. Steps to solve this problem are being taken at present.

The adult education program has played a leading role in helping to increase the cultural level of our people. It was organized in the wake of the Literacy Campaign and has given more than 1 400 000 people a 6th-grade education, through the systematic effort of the Central Organization of Cuban Trade Unions, the other mass organizations and the Ministry of Education. Our workers have already started the Battle for the 9th Grade, and are resolutely determined to emerge victorious and make their contribution to the economic and social development of the country.

The Revolution has always paid attention to the training of teachers and professors. The various teacher training programs which existed up to 1976 have been combined in a national network of schools in charge of training teachers to work in schools, preschools, and special education and as school librarians. The higher pedagogical institutes train personnel for teaching the intermediate levels and the Institute of Educational Improvement for working people.

All elementary school teachers who started working without the required training have now graduated. This is a very important step towards the general improvement of the quality of teaching and education as a whole, and is in line with a resolution adopted at the 1st Congress of the Party.

We should mention the important role played by the Manuel Ascunce Domenech University Pedagogical Detachment, which made it possible for students to continue studying at a time when there was a big enrollment boom at the intermediate levels.

In his closing speech at the 2nd Congress of the Young Communist League (UJC), Comrade Fidel posed the need for Cuban youth to organize a movement of 10th-grade students who would be trained as professors, combining their studies with teaching activities. This would go down in educational history as an example of a revolutionary solution, which was carried out with enthusiasm and rigor. The UJC has played a very important role in all this.

There are now more than 162 000 students in the various teacher training institutes. Of these nearly 61 000 correspond to higher pedagogical institutes, whose enrollment was only 5000 some ten years ago.

Following the victory of the Revolution more than 151 000 teachers and professors have graduated and have been active protagonists in the drive for educational development. They have made it possible for us to make our internationalist contribution to sister nations right now more than 3500 Cuban teachers and professors are fulfilling this lofty mission in Nicaragua, Angola, Mozambique, Ethiopia and other parts of the world and by next September there will be 4500.

The training of skilled workers and intermediate technicians has also been given top priority.

In 1959 there were merely three dozen official institutions for technical and professional training, with an enrollment of 15 000 students. In this school year there are 403 institutions with an enrollment of 228 000 students. These figures include educational institutions which are under the jurisdiction of other state agencies and over which the Ministry of Education has methodological control.

To meet the needs of the national economy there are 110 careers for intermediate technicians and 125 for skilled workers, divided into 16 branches. The objective is to turn out specialists with a wide range of abilities.

The social and ideological factors existing prior to the Revolution which excluded women from nearly all technical professions have virtually disappeared. In the current school year, 45.7 percent of the student body, that is, more than 104 000 students, are women.

Since the victory of the Revolution more than 258 000 technicians and skilled workers have graduated from the National Education System, not to mention those of other agencies.

In many schools we have confronted problems in the training of students due to a lack of equipment, antiquated technology, shortage or lack of material for practical work and, in some cases, the lack of workshops. To all this we must add that many production or service enterprises have not offered students possibilities for on-the-job training.

All of these factors, together with the lack of technical bibliography and trained teachers, have adversely affected the academic level of many graduates. Resolution No. 356 of the Executive Committee of the Council of Ministers provides for the furnishing of these institutions with the specialized materials they need and care and upkeep of such material by the corresponding agencies and local organs of People's Power. This has led to great improvements and we are pressing to see that it is fully implemented.

The victory of the Revolution laid the groundwork for the transformation of higher education. The 1962 university reform set guidelines of the highest importance for its development.

In the 1959-1960 academic year there were 28 university disciplines. Now there are 144 disciplines, in keeping with the needs of the economy, science and culture. Higher education students have been encouraged to participate in scientific and technical activity, research, and links between study and work, in accordance with the requirements of their professional training.

In 1959 there were three official universities. The national educational network now contains 39 institutions of higher learning, covering nearly all the provinces. Enrollment has increased from about 15 000 students to a present figure of nearly 200 000. Of this figure 51 percent are workers who are also studying. There are also more than 7000 Cuban students training in the socialist countries, some 6300 of them in the Soviet Union.

Now all children and young people who finish the 6th or 9th grade can be sure of going on to study at the different institutions that make up the national network. Nearly 16 000 children and young people from various countries, mainly Africans and Nicaraguans, are able to study in our country as an expression of Cuba's internationalist policy.

During the period 1976-80 the number of graduates from all institutions of the National Education System was as follows:

— 1 293 000 elementary school students, more than the total of such graduates in the first 16 years of the Revolution;

— 574 800 junior high school students, 7.2 times more than in the previous five-year period;

— 105 100 senior high school students, 4.4 times more than in the previous five-year period;

— 165 500 skilled workers and intermediate technicians, four times more than the previous five-year period;

— 67 400 elementary school teachers, 3.6 times more than in the previous five-year period;

— 755 000 adults achieving the 6th grade, 115 000 graduating from junior high schools and 45 000 from the worker-farmer university extension program;

— 25 500 junior high school teachers graduating from special part-time courses;

— 2473 physical education teachers;

— 62 562 graduates from institutions of higher education, including 23 800 teachers of intermediate education. This figure is 2.7 times more than the previous five-year period.

In the field of intermediate education the figures for the last five years are about equal to the total number of graduates from 1902 to 1975, not including the adults.

As can be seen, one of the biggest achievements of the last decade has been the flow of students through the National Education System. This has meant that during the 1976-80 period there has been a big change in the "educational pyramid" — the ratio between elementary, intermediate and higher education enrollment. In 1958, out of every 100 students, 88.7 were in elementary

school, 11 in intermediate education and 0.3 in higher education. Now the ratio is very different: 54 in elementary education, 40 in intermediate education and six in higher education. The pyramid is thus very similar to those of the developed countries.

The big increase in graduates from junior and senior high school made it possible to increase entry requirements from 6th to 9th grade for teacher training and schools training skilled workers and intermediate technicians, and from junior to senior high for higher pedagogical institutes. These measures will be very important in raising the academic standard of future professionals.

In order to help accomplish these aims, 1577 new educational institutions have been built in the last ten years at a cost of more than 1500 million pesos.

This whole process of educational development has been carried out amidst an intense class struggle characterized by direct confrontation with imperialism, its attacks, its economic blockade and its diversionary ideology.

The leading role taken by our glorious Communist Party in formulating and correctly implementing educational policy has facilitated these educational transformations and the work done by our people in education. The theses and resolutions adopted at the 1st and 2nd Party Congresses clearly stated the objectives, indications and guidelines which our schools are applying towards the communist upbringing of new generations.

The support of society as a whole for educational tasks, a factor of great importance, is reflected in the school itself; we see the influence of the Party, the UJC, the Trade Union of Workers in Education and Science, the José Martí Pioneer Organization, the Federation of Students of Intermediate Education and the Federation of University Students.

The school councils and parents' committees are important means for linking the educational institutions and day-care centers with the community. The family is represented in them, along with members of the Committees for the Defense of the Revolution, the Federation of Cuban Women, the National Association of Small Farmers and the unions. Their aim is to ensure that the schools and day-care centers fulfill their social responsibility.

Together with the extension of educational services there has been a substantial change in the role played by the school in the upbringing of children and young people. An important contribution towards this objective has been made by linking study and work. Steps towards this were first taken in 1962 in the mountains of the eastern part of the country and continued in Camagüey and other provinces until it became nationwide, with the implementation of the program known as the School Goes to the Countryside. Full realization of the idea of combining study and work was achieved with the schools in the countryside, conceived by Fidel and based on the application of this important pedagogical principle set forth by Marx and Martí.

Linking the school to society as a whole has been a constant concern of the Revolution. The students are directly influenced by the Revolution and whenever they have been called upon to carry out extraordinary tasks they have responded enthusiastically and conscientiously. A clear indication of how the children, adolescents and young people of Cuba think and act has been their incorporation into the difficult and complex tasks posed by the Revolution. Their participation in productive work and internationalist tasks, their zealous mass participation in the March of the Fighting People, their integration into the Territorial Troop Militia in response to the threat of armed attack, are examples of the revolutionary feelings of our young people.

The intense work done in the educational field from the very start of the Revolution had its share of problems and shortcomings. However, the valuable pedagogical experiences which we were accumulating and the level of development reached laid the foundation for defining and facing up to the necessary changes.

The Congress on Education and Culture held in 1971 became a debate among Cuban educational personnel which shed light on their political and ideological awareness. It also posed the need for a profound study of the contents of education in order to resolve the incongruities in the curricula and programs, the lack of coordination, the fact that in some fields we were not keeping pace with the development of science and technology, the acute shortage of personnel and materials. Furthermore, the insufficient enrollment capacity in intermediate education, the problem of children who started school late or had to repeat grades. This led to a "bottleneck" in elementary school enrollment and underlined the urgent need to search for solutions to these problems.

Thus we had to revolutionize the very concepts of education. This led to the Plan for the Improvement of the Education System, whose objective was to make education conform to the society we are building, that is, provide the new generations with the appropriate political, intellectual, scientific, technical, physical, moral, aesthetic, polytechnical, work and patriotic-military training. We had to give the National Education System a scientific foundation in line with the methodological and organizational principles of socialist pedagogy.

The Plan's first stage was one of diagnosis and analysis, which revealed the lack of a coherent system of general education. There was a structure for dealing with the different educational levels but without a systematic concept. Elementary schools were supervised by a leadership which structured its activity vertically in relative interdependence with the junior high schools, and these, in turn, with the senior highs. We did not have the current concept of general polytechnical and labor education which covers elementary and intermediate levels and which now constitutes the core of the system.

Technical and professional education was also structured in a vertical manner with no links to general education, leading to incongruities in the contents of education.

Training of teachers was handled by various branches of the Ministry of Education and there were no links to the general education for which teachers were being prepared. A similar lack of coordination existed in other branches.

In order to solve these problems we had to improve the National Education System, focusing on integrity, interrelationships and links that determine its structure. It also had to ensure the harmony of objectives, content and methods along with continuity of education and the organization of teaching and educational work.

In general terms, the results of the initial stages of the Plan have been satisfactory. It has succeeded not only in introducing new curricula and textbooks and defining material needs, but has also come up with a new educational structure and a series of extracurricular activities

to confront this gigantic task. All this has contributed to increasing the students' educational level.

The 1st Congress of the Party approved and determined the objectives and scope of the Plan; it determined the social function of school, its guiding role; the need to strengthen educational work and to train and constantly improve the teacher's qualifications as a political and educational cadre in charge of introducing new plans, programs and textbooks.

We also worked out a plan for upgrading the teaching staff so that they would be acquainted with the educational programs and materials before they were applied. Various methods have been used to accomplish this, including seminars and classroom visits aimed at improving methodology.

In this complex task and the radical changes it implies, problems naturally arise as a result of the process of development and the objective and subjective conditions under which plans were elaborated and applied. Also involved is the struggle between the new and old.

The main problems and shortcomings in the implementation of the Plan have resulted from inadequate understanding of the new programs, incorrect use of educational methods and means, lack of materials, inadequate methodological training, and lack of rigor and a demanding attitude in applying evaluation norms.

We have taken the necessary measures to cope with all these problems, such as the recently concluded seminar for heads of departments and teachers of mathematics, physics and chemistry and guidelines for remedial work in Spanish, reading and math.

We have been aided in all this work by specialists from the USSR and the GDR, who have offered us their valuable experiences.

We must stress that this is a permanent process which will lead to new and more complex scientific and pedagogical tasks.

As a result of the institutional changes made from 1976 on, the new structure of leadership and administration in education on the municipal, provincial and national levels has helped consolidate plans for educational development all over the country and has led to substantial improvements. There has been notable progress in the field of inspection and methodological aid, as shown by the fact that from January 1977 to May 1981, the Ministry of Education alone carried out 78 inspection visits to provincial departments, 2576 to municipal departments and 23 420 to individual schools.

School organization is today accorded the priority it deserves as the basis for the work of the school and the decisive factor in the education of children and young people.

Efficient school organization means fulfillment of the schedule, daily and otherwise; fulfillment of norms for productive work; attendance and punctuality of leaders, teachers and professors, students and noneducational workers; taking full advantage of the workday; respecting social and individual property; observing standards of proper behavior and personal appearance; and maintaining proper relations between students and teachers within a framework of socialist morals.

SCHOOL ORGANIZATION SERVES AS THE BASE FOR THE ENTIRE TEACHING ACTIVITY OF THE SCHOOL

There are institutions that have come a long way in this field and, as a whole, progress has been made. However, other centers continue to have problems and shortcomings, such as absences and lack of punctuality on the part of teachers and professors, which has an adverse effect on the students. This situation is particularly acute in rural areas.

In order to improve the quality of elementary schools we must establish both morning and afternoon sessions. Only 27 percent of all students are now attending two sessions a day and in some provinces, such as Las Tunas, Granma and Guantánamo, virtually none are. Given the gradual decline in elementary school enrollment, we will be able to gradually increase the number of students attending two sessions a day.

The basic organizational form of education is the classroom. It is here where the main objectives of the school programs and curricula are fulfilled. Results this year reflect progress over previous years, but are not 100 percent satisfactory since inspections have detected a number of deficiencies. Because of this we are strengthening methodological work and systematic control, because all classes must be good ones, increasing their level in accordance with our development.

An important element in the teaching and educational process is evaluation, which controls results and serves to guide its direction.

The evaluation system makes it possible to detect the educational problem in time so that teachers and students can adopt the necessary measures to prevent irreversible failures at the end of the school year. It is designed to anticipate the nonfulfillment of goals and any setbacks in learning, and it seeks to encourage the students and overcome their shortcomings.

The inspections made have shown that the evaluation system is not fully mastered in all cases and that its application does not always abide by the established norms. These difficulties are found at the various levels and subsystems. We found one example of this in the first two grades of elementary education, where some students were promoted without justification.

Upon completing 1st grade, all the students are supposed to move on to 2nd grade, along with their teachers. In 2nd grade, teachers should work with those who have shortcomings in order to bring them up to par with the rest of the class. No student should be promoted to 3rd grade unless he has mastered the objectives of the preceding grades. Promoting any student unable to read and write to 3rd or a higher grade constitutes a violation.

Investigations made showed that out of over 900 000 students in 3rd to 6th grades, a little over 28 000, or 2.9 percent, couldn't read or write. Today this figure has dropped by more than half, thanks to the steps taken to remedy such irregularities. Although the figure is not significant, to us one single student wrongly promoted merits special attention.

We are also working to remedy the poor preparation of senior high school graduates due, among other factors, to lack of correct study habits and academic discipline.

Promotion is the fundamental indicator of the efficiency of teaching and educational work. It should be the result of the proper organization of daily work, the sound application of the system of teaching principles, the systematic upgrading of the teaching staff, individual and collective study on the part of the students, an enthusiastic emulation program, rigorous educational work and close ties with all student, political and mass organizations.

Promotion should respond to systematic and serious work on the part of the teaching staff and it must necessarily become a struggle for quality. The goal is that all the students be promoted on the basis of mastering the required knowledge.

The goal of the school is that all the students get satisfactory results, as a consequence of good teaching and educational work. The teacher's dedicated and selfless efforts, the creation of a favorable environment for study and work, the careful attention to individual differences, the encouragement of every student and the maintaining of high standards are all fundamental aspects in achieving high rates of promotion. In no way can the application of evaluation norms imply concessions that conspire against academic rigor.

In our commander in chief's own words:

"Promotion is a very important question. No promotion can take place if the requirements have not been fulfilled. Now, when we speak about the quality of promotion, this does not by any means imply that the rate is unimportant. A promotion rate of 40, 50 or 60 percent is not good enough. Therefore, we must struggle for top promotion with top quality. That's our task, that's the slogan that sums it all up. I repeat, top with top."

Promotion rates obtained since 1975 are high and this is a big improvement over the results obtained during the 1960-1970 period. This is especially so if we consider the enrollment boom in intermediate education as of the 1975 school year and the requirement that students pass all subjects before going on to the next grade. Over the last five years the promotion rate has been stabilized, but we must take a more demanding attitude and pay greater attention to quality.

Likewise, prevention of dropouts is a concrete example of the results of the schools' work. In the 1959-69 period, retention rates were very low and although great progress was made in the period between 1970 and 1980, they are still not satisfactory. In the last few years of the preceding five-year period there was a slight drop in the intermediate level, affecting the enrollment rate in the 13-16 age group.

At the start of the 1980-81 school year, the rate for this age group was 79.8 percent, considering population estimates and official enrollment figures for each age group.

According to a study undertaken in February 1980 in cooperation with the State Committee for Statistics which covered 28 municipalities and 23 percent of the population in this age group, 92.5 percent of the young people were in school. However, we must await the results of the upcoming census to confirm this and determine the real magnitude of the problem.

Among the factors which cause dropouts are problems of a sociocultural nature, such as marriage at an early age, which affected some 11 000 students in the 1979-80 school year. Schools will win the battle against dropouts with efficient work and the backing of the school councils, political and mass organizations, the family and society as a whole, and with the elimination of the socioeconomic and cultural factors which have an adverse effect on certain segments of the population.

Educational work can be characterized as a continuous process of shaping the personality of the child or young person. This is a complex task because it is not limited to the school alone. The home life, the example of the parents and teachers, the influence of fellow students, friends, radio and TV programs, cinema; activities of the student organizations and the community in general must form a single coherent, multifaceted system. That is why integral education work directed towards a common objective is so important; all pertinent social factors must come into play.

The school undoubtedly plays the key role in this series of factors. In every educational institution, educational work is carried out in the classroom, in the laboratory, in the workshops, in the cafeteria, the lounges, dormitories, as well as in political, ideological, productive, sports, recreational and cultural activities; that is, educational work is present in every aspect of student life.

Educational work also involves school organization; teaching itself; the work of political and ideological training; correct combination of study and work; vocational training and professional guidance; art education; physical education and sports; participation of the school in political and patriotic-military education, the teaching of Marxism-Leninism; norms of acceptable social conduct, an understanding of ethical values and establishment of a favorable climate for study and work.

Our goal is that educational work be adequately reflected in the upbringing of children and young people. We have made progress in this field but much still remains to be done in order to achieve satisfactory results in all educational institutions. In some cases this work is not accorded the importance it merits; each and every one of the factors is not always dealt with in an integral fashion and at times the work is done in an irregular, routine and superficial manner.

At boarding schools, where the student spends the major part of his time, educational work becomes even more important.

Notable progress has been made in these institutions during the course of this school year, but there are still schools which require great attention and help so that they can use school organization, control and high standards as tools for increasing the efficiency of their work.

It is clear that certain schools are deficient when it comes to instilling correct habits and standards of social conduct and developing a critical attitude towards wrongdoing. There have been ostensible changes and we are constantly strengthening pedagogical and political work and taking a demanding attitude in the schools and in educational leadership positions to eliminate negative conduct, some of which is rooted in the problems which confront society and which schools must help solve. However there are still losses and destruction of social property, lack of discipline and punctuality, late return after leaves, inadequate personal relations among students and between students and teachers, lack of correct habits of social conduct and inadequate hygiene.

Schools must undoubtedly give priority to the work of improving the students' social conduct and manners. We seek conscientious discipline, that is, that good conduct and behavior reflect the principles and standards of communist morality.

Discipline is not one more aspect of educational work but rather the result of its efficiency. Thus we stress improved educational work; every teacher and professor in every school must fulfill his or her educational role

and the work of teachers' collectives must be systematic, uniform and coherent.

Political and ideological training of the students is closely linked to the study and knowledge of Marxism-Leninism, now being systematically taught in the different branches of our educational system. We still don't have enough professors nor enough of the basic texts.

Political and ideological education goes hand in hand with patriotic and military education. Courses on technical-military training, which are being tried out in some schools, will be taught in all senior high schools in the coming school year.

Physical education and school sports, along with art and cultural education, are key factors in the shaping of a communist personality.

Achievements registered in the field of physical education and school sports are well known. However, numerous problems and shortcomings exist: students who skip classes, misuse of class time, inadequate participation in sports activity and, in some schools, the inadequate use, care and upkeep of sports facilities. Another problem is the lack of sports materials, chiefly in elementary schools and special education. The Ministry of Education and the National Institute of Sports, Physical Education and Recreation are presently involved in projects to promote mass participation and improve the quality of the work being done in this field.

Progress has been made in art and cultural education in the different branches of the educational system, especially in elementary schools. With a view to overcoming existing problems and shortcomings with regard to professors, curricula and materials, the Ministries of Education and Culture have taken a series of measures that are reflected in a work plan of the next five years. Such measures reinforce the work that must be done by the school to improve the level of cultural activity.

The combination of study and work, a basic principle of Cuban education which has a decisive influence on our children and young people, has been favorably commented on at the two Party Congresses. The need to improve upon its application in the different branches of education has been stressed.

In elementary schools we now have nearly 600 vegetable gardens and more than 800 productive plots, in which more than 330 000 students are involved. The School Goes to the Countryside program still makes a notable contribution to the economy of the country, with large numbers of students at the intermediate level working on various crops. Problems and shortcomings which still exist in terms of organization and supply are being worked on by the various agencies involved, which are taking a more demanding attitude and striving to exert effective control.

The junior and senior high schools in the countryside supply the principal work force for certain citrus, tobacco, coffee and other harvests and the students' work has been satisfactory.

Absences and lack of punctuality, inadequate sanitary conditions and diet, nonfulfillment of norms, failure to clearly define tasks and shortages of materials are among the problems we are trying to solve.

The scientific-technical clubs, an effective means for vocational training, are being increasingly strengthened and now number more than 31 000. About 480 000 elementary and junior high school students participate in them, that is, a third of the students in those grades. As provided for in Decree 63 of the Executive Committee of the Council of Ministers, work is being done to increase participation in these clubs and raise their quality.

Inspections and reports by the Ministries of Education and Public Health indicate that hygienic and sanitary standards at schools have improved. Among the difficulties which still remain we should mention the serious problems related to the physical condition of some urban and rural centers, the lack of ventilation, illumination and water, inadequate preparation of food, malfunctioning and leaks in new schools caused mainly by faulty construction work and inadequate care and upkeep.

Together with the Ministry of Public Health we are working on a national student protection program for the 1981-83 period, which will be put into effect in the coming school year in coordination with the corresponding department of People's Power.

In some provinces there is a lack of school furniture. Efforts have been made to solve this problem by the start of the next school year.

In the last few years we have also had problems related to delays in the completion of schools and the search for and training of educational and service personnel — all of which affect the students.

The installation and use of laboratories and workshops, and the distribution, redistribution and use of textbooks are other fields with problems which we are working to solve.

We must mention the fact that the Ministry of Culture has made a great effort to have textbooks for the coming school year ready before June 30 so we can send them to the schools before classes start. This will solve a problem we have faced for years.

We should likewise mention the extraordinary work done by collectives of textbook authors. As a result of the increased need posed by the Improvement Plan, during the last few years more than 1000 new titles have been published, making a decisive influence in the development of current educational programs. The groups writing these materials are made up of representatives from the Academy of Sciences, institutions of higher learning, production and service institutions, teachers, professors and methodologists from the municipal, provincial and national levels, under the supervision of the Central Institute of Pedagogical Sciences.

One thing which has helped improve the quality of education is the stability of cadres, chiefly school principals. In order to cope with the sharp boom in intermediate education during the last ten years, we had to select more than 18 000 new leadership cadres. This gave rise to a lack of stability and technical cadres in the municipalities. In many cases methodologists and inspectors were sent to work at new institutions or those with insufficient leadership cadres, and thus had to neglect their previous responsibilities.

The Ministry of Education and the local organs of People's Power have worked to organize and develop the cadre pool and reserves, achieve better control, and undertake systematic evaluations and continuously upgrade personnel to achieve greater efficiency and better placement and promotion of teachers and administrative personnel.

The new system of promotions and graduated pay scale has constituted a step forward for educational workers in the recognition of their merits, while contributing to the stability of teachers, professors and other pedagogical cadres.

Our quantitative and qualitative achievements allow for constant and systematic increases in the quality of education and improvements in the work done by the school; indeed, they require us to struggle for them. Thus, we are continuing to develop the Improvement Plan in order to better the material and technical foundation

of education and intensify scientific and pedagogical activity.

Over the 1981-85 period enrollment in elementary school will continue to decline. Careful study will be given to the future development of the elementary school network, so that while not building schools with low enrollment we will be seeing to it that no child is without a school, no matter how remote the area where he or she lives. Surplus school capacity resulting from declining enrollment will be used to have more children attending two sessions daily, thus increasing the quality of teaching and education in general.

In order to further the overall training of students there will be an increase in physical education, labor studies and art education.

Junior high school enrollment has reached its peak and is expected to remain at its present level, or perhaps decline slightly, in the coming years. With the present installations, and those to be built in this five-year period, we will be able to keep pace and cope with future needs. The teachers we already have, plus those currently in training, will bring departments up to full strength.

We will continue transferring students, chiefly from the eastern provinces to other provinces, to see to it that they continue studying when they finish 6th grade and in order to involve the greatest possible number of students in the study-work program.

In the 1981-85 period some 848 000 students will finish 9th grade. Of these, 412 000 will continue studying in polytechnic schools or institutes and 300 000 in senior high schools; 136 000 will train for careers in education, public health and technical and professional fields. This enrollment structure fits in with existing capacity and the needs of the socioeconomic development of the country.

Senior high school education will continue developing. At least 11 senior high schools in the countryside will be finished in the 1981-85 period, and some junior highs will become senior highs, so that the majority of the students at this level will be participating in the study-work program.

The prevailing promotion and retention rates indicate that 226 000 young people will graduate from 12th grade. Some of these will go on to institutions of higher learning and some of those who don't will study to become intermediate technicians in schools for technical and professional training and in schools of other state agencies.

There are 230 000 students at present in technical and professional education and in the 1981-85 period 44 new polytechnic schools will be built with a capacity for 28 600 students. The number of graduates will come to 375 000 in this five-year period basically as a result of students who enroll with a 9th-grade education. This means the number of graduates will be 2.1 times greater than in the 1976-80 period. In order to improve the training of skilled workers and intermediate-level technicians we are working to better the material and technical foundation of the schools, finish construction work and install workshops and laboratories. These centers must be used efficiently and should be linked to industry.

The continuation of the studies started by the Central Planning Board and aimed at giving us detailed information about the need for skilled labor in the national economy is very important. Breakdowns both by region and by stage are necessary. Such information will make it possible for us to plan enrollment by careers and provinces appropriately, and make the necessary changes in school capacity.

There is a clear need to improve the training of elementary schoolteachers who received their training in systems existing prior to the present plan and need to be brought up to par with those now graduating from teacher training schools. There are more than 1000 teachers in two-year courses set up to cope with this problem, and in the future these studies will be an indispensable qualification. Teachers will also be able to obtain a university degree in elementary education. In the coming years teachers in intermediate education will be required to have a full university education.

In the field of adult education, following on the results obtained in the Battle for the 6th Grade, we will continue working along with the Central Organization of Cuban Trade Unions to ensure that most of those who have not already done so reach the 9th grade. Workers will have the opportunity of completing and improving their technical training in night courses and other special programs of technical and professional education.

It won't be easy to surpass many of the rates and qualitative levels reached in the last few years in terms of enrollment and number of graduates. However, in terms of qualitative improvement we have unlimited possibilities ahead of us.

Now more than ever before, we must take a more demanding attitude and be more efficient in our work. The struggle for quality is the main task of the Ministry of Education in a process that will always require the total mobilization of all forces, because every stage of development will pose greater requirements than the previous one.

Obviously, quality means increasing the scientific, pedagogical and political-ideological training of teaching staff and, in general, educational workers. That is, better work by all those in any way involved with the teaching and educational process. The focus of our work will be the drive for greater efficiency in all aspects of the system, both external and internal.

Efficiency in the internal aspects of the National Education System means cutting down on dropouts in all branches of education; seeing to it that the enrollment rate of young people over the age of 12 who are in school increases; stability and satisfactory flow of enrollment throughout the system; fulfillment of all norms which deal with optimum organization of education and teaching; permanent upgrading of leadership cadres; strengthening support work for the school done by the family, the community, agencies, social institutions and especially political and mass organizations, all of which are part of the school councils. There must be unwavering demands for the fulfillment of all educational objectives and the responsibilities which correspond to each and every person in this great task.

External efficiency has to do with turning out students who can continue their studies and become part of the production or service process with good skills and a full awareness of their responsibilities as workers and members of society; students with sound scientific training and ideological principles. That is, we must educate people whose knowledge, ability and attitude go hand in hand; people willing and able to serve their country wherever necessary, in line with their duty to it and the principles of proletarian internationalism.

The quality of education means better organization and teaching work, better educational work, more discipline, study and training.

Fidel has summed all this up as follows:

"In the coming years our efforts must focus on quality in all fields. Quality in the content of education and

teaching, quality in organization, quality in shaping personality and the awareness of students, quality in discipline and the fulfillment of duty for educational cadres, leaders, department chiefs, professors and all workers in education!"

Comrade deputies, we have presented a detailed report on the development of education, the achievements obtained, problems, shortcomings and the immediate outlook, and we also mentioned some of the measures which were taken to cope with the shortcomings and solve the problems.

Our Revolution allots huge sums of money to the development of education. There may be some material problems, which we will gradually solve, but the matters which we must solve right away and on which we are focusing our attention are subjective matters that depend on us and hamper the development of education. That is something we can solve and are duty bound to do so.

We realize that there is no room for concessions or tolerance in education. We strive to greatly increase the level and quality of education and teaching in all fields. The drive for a demanding attitude and efficiency is the core of our work.

In order to accomplish all this, we count on the wise leadership of the Party, the resolute efforts of the organs of People's Power, the firm and enthusiastic backing of the Trade Union of Workers in Education and Science and the participation of youth and mass organizations.

Our teachers and students are aware of the fundamental tasks they face: production and defense. In education, production means greater quality, discipline and efficiency in work at school; defense means an alert and intransigent stand in the face of the threats, provocations and diversionary maneuvers of the enemy. It also means taking up arms if necessary.

In our advance we are inspired by our people's highest values; their traditions of struggle, unyielding stand in the face of the enemy; their fighting spirit, patriotism, dedication, internationalist spirit and sacrifice. These values are present in the teachers and they are based on the will to work tirelessly with Martí's concept that the best way to say is to do.

We are convinced that "education is the most powerful weapon available to mankind in order to create an ethic and a conscience, to create a sense of duty, organization and discipline, a sense of responsibility."

In all this noble effort, Fidel's teachings guide and inspire our revolutionary pedagogical development in its drive to obtain the supreme objective: the communist upbringing of the new generations.

CSO: 3020/130

RAFAEL RODRIGUEZ ADDRESSES CMEA SESSION

Havana GRANMA WEEKLY REVIEW in English 12 Jul 81 p 8

[Text]

Official version of the speech by Carlos Rafael Rodriguez, member of the Political Bureau of the Communist Party of Cuba and vice-president of the Council of State and of the Council of Ministers, to the 35th session of the Council of Mutual Economic Assistance (CMEA), on July 2, 1981, in Sofia, Bulgaria

Esteemed Comrade President;

Esteemed Heads of Delegation of Member and Invited Countries;

Dear Friends:

THE CUBAN delegation is grateful to the Bulgarian Communist Party, the Government and people of Bulgaria for the friendly welcome we have been given in beautiful Sofia in bloom, the capital and the political center of your fraternal country.

On the express instructions of Comrade Fidel Castro, first secretary of the Central Committee of the Communist Party of Cuba and president of the Council of State and of the Council of Ministers of our country, I want to transmit to the Bulgarian Communists and the people as a whole, and to their dear leader, Comrade Todor Zhivkov, our satisfaction over the success of the 12th Congress of the Bulgarian Communist Party and the victorious advances of Bulgarian society and the economy which were reflected at the Congress.

We would also like to greet all the heads of governments and their representatives gathered here as members of the Council and its delegations. We are pleased to be sharing in the work with guest delegations from countries of Africa and Asia who like us are striving to overcome underdevelopment.

We congratulate you, Comrade Filipov, over the new duties in government leadership which you have been assigned and we wish you great success in this new and important responsibility.

As we meet in this 35th session, we must not only review the results of the work of the Council and its agencies during the period between the 34th and 35th sessions, but also of the work done since 1971 when, with the participation of the Parties and governments then represented in CMEA, the Comprehensive Program was agreed upon.

On reviewing the Executive Committee's report on this decade and comparing our results with those of the world economy as a whole, the superiority of socialism and the certainty of its future victory are made even clearer. The growth of member states during the decade has, of course, not been uniform. Development rates are still unequal and some countries, Cuba among them, are still far from reaching the levels of development and culture attained by the most advanced members of our socialist community. Nor is development linear and continuous in the member states nor in the community as such. Part of the reason for this is that trade between the countries building socialism and the major developed capitalist powers means that the socialist countries have not been able to completely escape the negative consequences of the ups and downs of the capitalist economic world and the inflation which is an outgrowth of that.

THE SOCIALIST ECONOMIES ARE ADVANCING STEADILY AND DEPENDABLY

However, what is notable in the report presented on the results of a decade of implementation of the Comprehensive Program, is that, in spite of all the problems of the moment

and the shortcomings, the socialist economies are advancing steadily and dependably, both in the field of material production as well as in scientific and technical development and increased well-being for the people, which is in essence the main purpose of socialism and communism.

Meanwhile, in the same decade, capitalism has experienced one of the most uncertain periods in its sinister history. The uncertainty continues and will continue because the problems which affect the capitalist economies and capitalism as such can't be solved for good, and it is increasingly difficult to come up with palliatives and temporary solutions.

Over the last ten years there were two occasions when the permanent crisis facing the capitalist system grew so serious as to remind everyone of the financial bankruptcy of 1929 and the ensuing period of the great depression, which lasted several years.

The contradictions between imperialism and the developing countries also became more acute. The underdeveloped countries' desire to have a New International Economic Order is becoming increasingly hard to bring about within the framework of the global negotiations and the misnamed North-South dialogue. Protectionism, the transnationals' offensive and high interest rates are the arrogant response of the big capitalist countries.

The developing countries' over 500 000 million dollars in debts pose a threat to the creditors, the private capitalist banks, and call into question the existence of continued stability on the world financial scene. Sharp contradictions and economic chaos are undoubtedly the key features of the capitalist world.

An analysis of the Comprehensive Program yields totally different results. There are problems which still haven't been solved and some things have moved ahead slowly but the balance sheet presented by the Executive Committee in the report (for which we thank Comrade Lukanov) confirms the strengthening of the socialist community and shows irrefutably that there is a firm scientific policy, agreed upon by all of us, which determines through the Comprehensive Program the specific long-term cooperation programs and joint programs for the realization of common objectives. This leads to solid evolution in the course of which work methods are improved, problems are solved and shortcomings are overcome.

It wouldn't be right for Marxists to close their eyes to certain evident realities. The flunkeys of the capitalist society have made a big uproar about the problems which also developed in the socialist community. But we know — and they know too — that these painful and dramatic situations are not the result of less effectiveness of the socialist system in economic development and the organization of society, but rather the result of mistakes and shortcomings which, far from representing socialist ideas and methods, stem from ignoring or forgetting such ideas and methods.

The progress made in carrying out the Comprehensive Program and the specific programs mentioned in the report is pointed in the right direction.

We share the view expressed in the report regarding the growing role of the International Bank for Economic Cooperation and the International Investment Bank in contributing to the development of our economies. For our part, we are grateful for the cooperation we have received from those two banks of the socialist community and from the central banks of the member states in carrying out Cuba's economic cooperation programs and in helping us resist the financial siege laid on us by U.S. imperialism, which has been tightened due to the aggressive stand of the Reagan administration.

CUBA, VIETNAM AND MONGOLIA: THE CONSTRUCTION OF SOCIALISM UNDER PARTICULARLY DIFFICULT CONDITIONS

We want to stress the importance of the method of holding regular talks on the problems of our economies. As far as Cuba is concerned, we have taken a further step in this direction by establishing long-term links between Cuba's development efforts and our permanent ties with the USSR and the other CMEA member states.

Cuba, esteemed Comrade President and comrade heads and members of delegations, belongs to that group of countries with less development which the report focused on and to which it dedicated a specific chapter. It recognized that Vietnam, Mongolia and Cuba undertake the construction of socialism under especially difficult conditions.

The fact that we are far away from the European socialist countries and close by to U.S. imperialism makes our situation even more serious. It's not just the question of economic blockade — both commercial and financial — and of political isolation which the United States wants to impose on us, to which end it puts pressure on its allies in Europe and Asia and its servants in Latin America; in addition, as everyone knows, we are subjected to the direct and brutally expressed threat of a military blockade, aggravated by insinuations of a direct attack on our country.

Nevertheless, the efforts of our working class and people as a whole, led by the Communist Party of Cuba and its leader, Fidel Castro, coupled with widespread international solidarity and the constant and decisive cooperation we receive from the Soviet Union and other sister socialist nations, have made possible the steady growth of the Cuban economy.

In his Report to the 2nd Congress of the Communist Party of Cuba, which was held at the end of the decade in question, Comrade Fidel Castro said that the Gross National Product increased by an average of four percent a year in the 1976-80 period at regular prices and, as such, was less than anticipated. This reduced growth rate shows, as far as Cuba is concerned, its partial economic dependence on the capitalist market and the impact the world price of sugar has on it.

But this figure does not fully reflect the growth process of the Cuban economy. In the 1976-80 period, investments came to 13 200 million pesos, 75 percent more than in the 1971-75 period. Of this sum, 35 percent was invested in industry and 19 percent in agriculture. Another healthy sign is that we have increased the participation of CMEA member states in Cuba's trade.

There are other indicators of the serious effort being made by the Cuban working people.

The electrical industry grew by just over nine percent a year in the last five years. Productivity of labor increased at a rate of 3.4 percent a year in the same period, an indication of greater efficiency. There was of course a steady increase in the number of people employed, but at the end of the period, full employment proved difficult due to the fact that the children of the baby boom that occurred 20 years ago as a result of the victory of the Revolution reached working age. This initial population increase dropped off to adequate levels as a result of the economic and social development of our country.

The Efforts To Promote Agricultural Mechanization Which Started 20 Years Ago Are Now Bearing Fruit

The efforts to promote agricultural mechanization which started 20 years ago are now bearing fruit. This is due to the participation of thousands of experts and intermediate technicians in agricultural work as a result of the successful educational programs of the Cuban Revolution. Results in the output of root and other vegetables and citrus fruit are evident. Dairy production in Havana province, with some 100 000 dairy cows, has made possible yields of more than 1.2 million liters of milk daily and 12.3 liters per cow this spring.

If we review the Cuban economic picture over the last decade, the results are even more than ten percent a year. The infrastructure was given a boost during the decade. Construction of schools, hospitals and roads increased notably, the merchant marine reached a deadweight of more than 800 000 tons. We have started to systematize industrial development and there was notable progress in the machine and chemical industries. The productivity of labor has increased and the ability of our economy to overcome problems has been demonstrated. The sugarcane and tobacco blights have been quickly eradicated. This year's sugar harvest, although still of limited volume because of the cane smut blight, was the most efficient in Cuban history, and the tobacco harvest was the largest ever.

THE IMPORTANT ROLE OF SOCIALIST COOPERATION

Cuba would like to reemphasize in this 35th session the important role that socialist cooperation, especially from the Soviet Union, plays in our economic development. The opening of the sugarcane harvesters factory, the systematic increase in our electric energy output, the development of our machine industry, the enormous help provided in constructing the nickel plant in Punta Gorda and the first stages of a nuclear energy plant are just some of the areas where we have benefited from Soviet cooperation. This cooperation extends to all spheres of activity, including technological assistance and scientific and technical cooperation.

The German Democratic Republic has recently been involved in several important cooperation projects in Cuba. These include the Karl Marx cement factory, with a production capacity of 1.5 million tons annually, double what the country produced in 1959. The 26 de Julio agricultural tool factory, built with Bulgarian cooperation, will open in the province of Holguín on the date commemorating the assault on the Moncada garrison. Hungary has worked with us in the transportation industry, while Czechoslovakia has played an important part in developing our electrical and machine industries.

In addition to these bilateral cooperation projects, there will be multilateral cooperation in the construction of the Las Camarioca nickel processing plant, with the combined efforts of most of the CMEA member countries. Agreements on the participation of each country will be finished in the next few months, the work schedule will be approved in September and the ground of the plant has already been broken.

Furthermore, during this five-year period, Cuba will begin to see the results of its participation in the joint production and development programs in electronic computation and its specialization in equipment for the sugar industry.

We should recall that at this session of the Council two programs specifically related to our country are scheduled to be finalized. The first relates to the sugar industry and will help Cuba fulfill its pledge to develop its capacity as the principal sugar supplier for the CMEA, with the cooperation of the member states. The second relates to citrus fruit and will allow for a high level of citrus consumption in the socialist countries. In 1980 Cuba exported about 185 000 tons of citrus fruit to the socialist community, and it plans to increase that amount steadily from now on.

This brief explanation of our country's process of economic development over the last decade confirms the fact that today the only valid means of overcoming underdevelopment and satisfying the hopes of the people is socialism. That is why we attach such importance to the growing cooperation of the CMEA with developing countries.

THE INTERNATIONAL SITUATION IS BECOMING INCREASINGLY TENSE AND DANGEROUS

Esteemed Comrade President, the 35th session of the CMEA takes place at a time when the international situation is becoming increasingly tense and dangerous. Once again the language of the cold war is being used and steps are being taken to stimulate the arms race and nuclear rivalry. Attempts are being made to justify acts of blatant military aggression such as Israel's attack on Iraq. The internal stability of socialist countries is being threatened.

Under these circumstances, the high ideals embodied in socialism become even more compelling. Without making any concessions or retreating in any way, socialism has delineated a peace program in response to the threat of war, through the wise and mature words of Comrade Brezhnev at the 26th Congress of the CPSU and at the Congress of the Communist Party of Czechoslovakia. We subscribe to this program. Cuba, which is prepared to defend every inch of its soil and to keep its obligations to help defend the Third World countries and the socialist countries against any insane military adventure, thus confirms the clear statement of the first secretary of the Central Committee of the Communist Party of Cuba, Fidel Castro, at the Party's 2nd Congress. Cuba wants peace and will work with all those concerned about peace.

Thank you very much.

CSO: 3020/130

MILITARY ENTERPRISES HOLD REVIEW MEETING

Havana VERDE OLIVO in Spanish 14 Jun 81 pp 56, 57

[Article by Ruben Fonseca]

[Text] The third meeting of chief mechanics from Military Industrial Enterprises [EMI] took place at the Grito de Baire EMI since, in 1981, that enterprise registered the highest achievements in the spheres of production, planning and others.

Attended by representatives of all the EMI's, the meeting was pleasant and thorough and so were the six reports covering every basic aspect of the tasks performed by chief mechanics from the viewpoint of the resolutions dealing with work safety and hygiene and with standardization.

The purpose of the meeting was to discuss and approve proposals to improve the regulations applicable to that specialized field: the Service Regulation for Chief Mechanics and the system of preventive planned maintenance of powered machines.

During the meeting, which lasted 3 days, chief mechanics and Soviet experts who attended the meeting shared with the others their experiences in their respective fields of expertise explaining how they do their work.

To help publicize their experience regarding the maintenance of machine-tool equipment, there was an exhibition next to the hall where the meeting took place. It had more than 300 exhibits and innovations created by the various military industrial enterprises.

There is no question that the exhibits are proof of the progress made by experts and innovators in their various enterprises.

Before summing up the meeting, the engineer Lt. Col. Jose R Sauquet gave incentive awards: the first prize went to chief mechanic Luis Amalio Alvarez Morales of the "Grito de Baire" enterprise; the second prize to the engineer Capt. Eulalio Estiu Alonso of the Gran Revolucion Socialista de Octubre enterprise and the third prize to Lt. Cmdr. Jose Barreras of the Granma Revolutionary Navy enterprise.

The third conference of chief mechanics was unquestionably more rewarding than previous ones from the viewpoint of the caliber of the speeches delivered and position papers discussed and of the exchange of experiences.

8796
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PREMIUM PAY FOR SERVICE WORKERS DISCUSSED

Havana JUVENTUD REBELDE in Spanish 10 Jun 81 p 2

[Article by Adolfo Gomez]

[Text] We devote this column to answering a reader's letter sent to us by Daysi Roque who works for the Articolor photographic laboratory in Havana City.

Daysi writes that she is an office clerk, grade A, working in that unit of the Diez de Octubre Municipal Services Enterprises where workers are entitled to receive a premium payment for overfulfilling the targets of the economic technical plan for the first 6 months of this year.

This benefit was granted to the production workers as well as to the production manager, the quality control manager and the administrator. Daysi wonders why office workers are not entitled to that premium payment.

After consulting the State Committee for Labor and Social Services [CETSS], that agency explained that Decree No 50, issued by the Executive Committee of the Council of Ministers on 19 October 1979, stipulates that premium payments will apply to manual and service workers as well as to administrators, technicians and managers. The last three categories will receive the premium if they are directly connected with the production process or with the service activity.

In the First Annex of Directive No 379, issued by the CETSS, the section dealing with photography dispatching does not mention any administrative worker as being entitled to premium payments.

This is because during the discussions and reviews carried out by that State Committee with the Ministry of Domestic Trade and with the National Union of Commercial and Restaurant Workers, it was decided that office workers employed in that type of establishments are not directly connected with the production process and, therefore, will be excluded from the benefits mentioned in the said directive.

In conclusion, it is evident that administrative workers employed in these photographic plants are not entitled to receive premium payments since they are not directly connected with the production process.

However, the CETSS considers that it has the duty to make the required adjustments in the above-mentioned case if, in this particular instance, an administrative worker was directly connected with the production side of the delivery of services.

If this applies to Daysi's case (or to other workers in the dispatching section under similar circumstances), they should get in touch with the Department of Commerce and Gastronomy of the State Committee for Labor where they will be given specific instructions to determine whether changes to the provisions are required.

This column would be very pleased if those who take steps to clarify and rectify this matter would let us know the outcome of their action to inform our readers.

8796
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HIGH SCHOOL GRADUATES WORK PROGRAM EXPLAINED

Havana JUVENTUD REBELDE in Spanish 10 Jun 81 p 2

[Text] Graduates from higher education establishments and from intermediate higher level technical and vocational schools who are assigned to centralized positions should sign a work contract with the agencies to which they have been assigned to do their Social Service.

By that contract, which cannot extend beyond 3 years, the graduate commits himself to do a specific job in the post to which he has been assigned and to observe the rules of work discipline, the collective contract and the by-laws of that agency.

On the other hand, the agency must assign to the graduate a job or post in his field of specialization or study, must pay him wages and must comply with the working conditions and other working rights stipulated by the law as well as those contained in collective contracts and by-laws.

The type of contract used will be the standard contract which indicates, among other things, the job or position, a detailed job description, the workplace and work schedule, the duration of the working day, the amount to be paid and the method of payment.

Contract conditions will become void if they entail giving up or impairing the rights of the workers recognized by the law, if they violate those contained in collective work contracts or in the by-laws, or if they grant rights which are not specified in the regulations in force.

It is understood that the contract will be changed if the agency's requirements call for the worker to be transferred--his transfer can also take place in an emergency situation--when the type of work involved is discontinued or for reasons of indiscipline or promotion.

Those graduates who are not selected for centralized positions in accordance with the Annual Appointment Plan prepared by the Central Planning Board, can be directly engaged by entities without being subjected to the regulations applicable to the Social Service.

8796
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FAR POLITICAL SECTIONS HOLD NATIONAL MEETING

Havana VERDE OLIVO in Spanish 14 Jun 81 pp 56, 57

[Text] The Troops Construction and Housing Political Section organized a seminar for the party's organization front which was attended by organizers, documentators, secretaries of adjunct commissions and professional secretaries of party committees.

The main report presented at the meeting introduced, in a spirit of criticism and self-criticism, various aspects of the party's internal life such as: preparation and running of meetings; report on the planning of the party political work; recruiting and growth activities, and others. It showed that 81 percent of the new members recruited in that military branch were workers who are directly involved in the production of material goods. The situation regarding criticism and self-criticism was also assessed as were other aspects of the party's work.

During the discussions on the report, there were many statements aimed at solving the problems raised and other problems which come up in party work. These problems were seriously analyzed by the participants.

Another important aspect of the seminar were the position papers introduced by some party leaders and by secretaries of adjunct commissions.

There was also a visit to a brigade of the Military Construction Enterprise No 5 where the group secretary and the activists spoke about what that enterprise was doing to support production particularly about their efforts to promote quality work.

The chief of the construction department summed up the meeting and he mentioned how important it was to fulfill the 1981 Economic Technical Plan and to complete the projects on schedule and with the required quality work.

He also said that it was necessary to enlist the cooperation of the masses to solve problems arising in the enterprises and to step up party work in the oversight and strict management of the enterprises and units.

8796
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MININT 20TH ANNIVERSARY HELD, FIDEL CASTRO PRESIDES

Havana VERDE OLIVO in Spanish 14 Jun 81 pp 10-13

[Text] "Today there can be nothing more important for us than knowing that 20 years ago, actually a little longer, we undertook this task in conjunction with the people and now we have arrived here with the people. Our common bonds, far from becoming weaker, have grown extraordinarily stronger. We have not become separated from the masses and never will. Our achievements are their own achievements. Our strength is theirs, our authority is their authority, our thinking is their thinking. We are now and always will be what Camilo said about our Rebel Army: the people in uniform."

These are the words of Interior Minister Ramiro Valdes Menendez, a member of the Politburo, during his closing speech at the principal ceremony marking the 20th anniversary of the founding of MININT [Ministry of the Interior], held 6 June in the Karl Marx Theater.

Commander in Chief Fidel Castro, first secretary of the party Central Committee and president of the Council of State and of the government, presided over the ceremony along with other members of the Politburo, Secretariat, and Central Committee, members of the leadership group of MININT, heads of invited delegations from other nations attending the 20th anniversary celebrations, specialists from allied nations working in Cuba and family members of MININT combatants who died fighting the enemy.

At the ceremony a speech was made by Lt Gen Ywing Churbanov, of the Soviet Union, who stated he considered it a mission of honor given him by Leonid Brezhnev, general secretary of the CPSU and chairman of the Presidium of the Supreme Soviet of that nation, to deliver the warmest congratulations to the MININT combatants on their 20th anniversary and to all the Cuban people, wishing them yet more victories in the construction of the new society.

Special remarks were made also by the representative of the fraternal people of Nicaragua, Commander of the Revolution Tomas Borge, interior minister of that nation, who in the leadership of the Sandinist National Liberation Front and the ministry he heads, delivered an affectionate greeting to the MININT combatants and to all our people.

Later he emphasized that it was difficult to state in words the affection, respect and gratitude felt by the people of Nicaragua and their revolution toward the Cuban people and their revolution.

In another part of his speech Borge stated, "The imperialists took away our wheat, but they will never be able to take away our dignity and pride. They can make ashes out of us and wipe us off the map but they can never make ashes of our dignity."

At the beginning of the ceremony, after the playing of the national anthem, a group of Pioneers presented tableaux of certain aspects of the labor of MININT combatants. After the scenic presentation, groups of Pioneers brought flowers to Fidel and the others in the presiding group. Then a Pioneer read a communique, and lastly tribute was paid to Fidel and Ramiro by representatives of the Pioneers.

When he continued with the ceremony Ramiro Valdes noted that all the political and mass organizations, all the agencies and the whole people, beginning with a fraternal greeting from the FAR [Revolutionary Armed Forces] and especially its minister, had gladly joined in the celebration of these 20 years of struggle, efforts and achievements by MININT.

He noted the extraordinary value of this demonstration of confidence, this total unity, this support and affection from our people, and added that there is nothing which could stimulate them more or more properly reward the extra efforts and sacrifices of the MININT workers, nothing which could make them feel more dedicated and willing to give their all in order to improve even more the quality and efficiency of the work of this organization.

After reviewing the origin and development of MININT and the work its members have accomplished during these 20 years in defending the revolution and the victories of our people over internal and external enemies, Ramiro Valdes expressed thanks to the party, to the political and mass organizations and the state agencies for the valuable help given to the interior ministry, and gave thanks especially to the persons who have been its leaders and guides, the most zealous and vigilant protectors of the authority, prestige and fighting strength of this ministry, that is, Fidel and Raul.

In another part of his speech he called to mind the glorious combatants who have given their lives over these 20 years and marked with their blood the road to this 20th anniversary. Of them he said, "Today they are our watchful conscience, our inviolable commitment, our flag of combat."

Ramiro Valdes concluded by saying, "On a day like this 20th anniversary we can say with no fear of being mistaken that there will be no road too difficult for us and no task too complicated for us to complete, that we shall defend until death if necessary the welfare and tranquility of our heroic people. We will never fail to follow the guidance of the one who has been our infallible leader over all these long years; we will always carry in our hearts his firmness, his soicism and his unquenchable faith in victory; we are and always will be untiring sentinels of the nation and the revolution."

Conferring of Service Award on the Minister of the Interior

Interior Minister Ramiro Valdes conferred the Distinguished Service Award on Commander in Chief Fidel Castro at a solemn ceremony on the evening of 6 June at the Cubanacan ceremonial hall.

This high MININT honor was conferred also on Gen Raul Castro, second secretary of the party Central Committee and FAR minister, and also on Comrades Juan Almeida, Ramiro Valdes, Guillermo Garcia and Sergio del Valle, members of the Politburo. Another recipient of the award was Gen Abelardo Colome, alternate member of the Politburo.

Fidel and Almeida in their turn conferred the Distinguished Service Award on the Minister of the Interior and on a group of generals, chiefs and officials of that agency, beginning with Gen Juan Abrantes, first vice minister of MININT.

This high honor was conferred also on various members of the Central Committee, heads of state agencies and other comrades in recognition of their services to the interior ministry.

The various proclamations of the interior minister conferring the awards were read to the assembly by Col Haydee Diaz.

After the award ceremony, Fidel and the other members of the Politburo chatted fraternally with the persons who had received the decorations and with the other guests. It was an unforgettable evening.

11,989
CSO: 3010/1550

BEST EJT BRIGADE IN CURRENT CANE HARVEST HONORED

Havana VERDE OLIVO in Spanish 21 Jun 81 p 56

[Article by Miguel Benitez: "1980-81: EJT's Greatest Sugar Harvest"]

[Text] The role performed by the Youth Labor Army (EJT) in the sugar harvest which was just completed clearly deserves review here in terms of some of the totals attained, which prove again that this organization is Cuba's greatest resource for manual cutting of cane.

The accomplishments are especially praiseworthy in view of the fact that in the last harvest the EJT forces supplied 13 mills with more than had been planned initially; obviously the cane cutters made an all-out effort.

The results are compelling: during this harvest the EJT cut one-fifth of the cane harvested manually throughout Cuba and 11 percent of the total refined product.

Average productivity per worker was 300 arrobas, 117 percent of the figure planned and the highest average attained by any group working in the harvest.

In productivity alone there was an average increase of 25 arrobas per worker. All the groups exceeded their production quotas, especially Pinar del Rio and Matanzas, whose figures went up 89 and 45 arrobas per worker, respectively.

As to the delivery of cane to the refineries, the EJT met its goal of 106 percent with a total of more than 620 million arrobas. It is noteworthy that in comparison with last year's harvest 7 million additional arrobas were harvested this year.

It is especially important that this increase in the amount of cane cut was accomplished during a harvest which was 20 days shorter than last year's. In this year's harvest the EJT also harvested more than in any other of the eight in which it has participated.

Describing the harvest in terms of completion of work plans by individual areas, Camaguey stood out as the best overall, with Villa Clara and Pinar del Rio reaching a high in terms of daily production and Matanzas also performing well in terms of productivity and total production.

The key element which had decisive importance in raising the totals for the EJT in the harvest was the effort of the Millionaire Movement. Although this harvest was shorter than last year's, 35 crews more than last year reached the million-arroba mark. Also, the quality of work went up, as seen in the fact that compared to last year 9 percent more crews met their quotas.

Of the total number of crews, 319 cut a million arrobas of cane or more, with 270 at 1 million, 40 at 2 million, 8 at 3 million, and 1 at 4 million, the Manuel Enrique Olivareas brigade of Ciego de Avila. Camaguey had the largest number for any area of crews cutting over 1 million arrobas.

A number of factors combined in a positive manner so that the EJT could reach such praiseworthy levels. Some of these factors were the preparatory effort by the harvest organization, the selfless labor of the combatants, the systematic and direct political and organizational effort by the general staff with the troop, the contributions by the UJC [Union of Young Communists] and the party organizations, as well as the improvements in the living conditions of the units.

The head of EJT himself, Maj Gen Rigoberto Garcia Fernandez, referred recently to the enormous preparatory effort required for the harvest and to its importance in shaping the results. He said, "It is clear that there are great reserves of productivity within our soldiers, and it is possible to draw on them if basic requirements are met regarding organization of the work and material and political support."

The basic lesson learned was this: from the first the project went well, heralding optimum results, but also, as the EJT chief said, "We improved our operating methods, we were better motivated at all levels, and we involved people more close-16, which is our primary goal."

Now all the efforts of the troops are being devoted to sowing and cultivating cane for the next harvest, and the principal objective on the occasion of EJT's eighth anniversary on 3 August is to be in harmony with the motto, "On the eighth anniversary, more production and defense." This is the EJT's new challenge.

11,989
CSO: 3010/1550

HAVANA VIEWS GUATEMALAN SITUATION, PROPOSED SATO

Guatemala: Guerrilla Offensive

Havana VERDE OLIVO in Spanish 14 Jun 81 p 18

[Article by T.D.B.]

[Text] The Guatemalan situation is characterized at this time by a strong guerrilla offensive by the revolutionary organizations People's Guerrilla Army (EGP), Rebel Armed Forces (FAR), Organization of People in Arms (ORPA) and the nucleus of the Guatemalan Labor Party (PGT), as well as by the profound economic, political, diplomatic and military crisis in which the criminal government of Romeo Lucas is struggling along.

The middle class is desperately seeking a solution to this crisis through a change of administration in the forthcoming elections, but the contradictions and disputes among its members are such that they cannot agree and are even killing each other.

Such was the case with MLN [National Liberation Movement] deputy Jorge Torres Ocampo, murdered by his own party because he did not concur in the candidacy of Sandoval Alarcon.

The same was true of the attempted assassination of Christian Democrat leader Vinicio Cerezo, whom the government tried to have killed, just as it has murdered several leaders of that political group.

A similar case was that of Justo Rufino Wright, PR [Revolutionary Party] leader in Puerto Barrios and a victim of the disputes within the government party. Rufino was not only savagely tortured, but after he was dead, his body was taken from its grave and mutilated.

All these disagreements among the subservient parties demonstrate the extent of the political crisis facing the Guatemalan Government.

With only a year to go before the elections, the reactionaries have not succeeded in agreeing on a candidate and apparently know very well that the people no longer believe in either parties or politicians.

Romeo Lucas has failed completely in everything he has attempted, and his administration is so weak that it is incapable of taking any effective measures on the various levels of local life.

The dictatorship has no solution for the economic crisis, and in spite of the fact that the rich blame the people for their economic problems, the coffee growers, merchants and other wealthy persons complain daily about their situation, while the tyrannical government is powerless.

On the international scene, the regime is completely alone as a result of world condemnation of Lucas' crimes. That isolation has brought about the defeat of his traditional claims on the territory of Belize.

The advance of the Salvadoran revolutionary process and the successes of the Sandinist revolution in Nicaragua are increasing the isolation and weakness of the Guatemalan dictatorship.

Harrassed at home by the stepped-up revolutionary struggle and overseas by what has already been mentioned, the repressive forces are resorting to desperate terrorism against the people, to underhanded intervention in the affairs of their Salvadoran neighbors and to the illusory hope that Ronald Reagan is going to solve --God knows how--all their problems.

But this sort of thinking will not change the country's situation or hold back the revolution. The organizations leading the people's struggle are stronger and more united today than ever. The result of their development and the process which continues to bring them closer together has come clearly into view in the last few months.

The insurgents have beaten back the army and other repressive forces and have inflicted hundreds of casualties in several battles. The guerrilla units have gone to villages, ranches and barrios with weapons in hand, bringing the revolutionary message.

This revolutionary deployment of the four organizations, supported by the struggle of the masses, was responsible for the failure of the repressive offensive launched recently by the army. The government was not able to defeat the guerrillas and had to deploy its troops throughout the country to try to defend its various headquarters which were permanently threatened.

The EGT, FAR, ORPA and PGT have extended their operations to new areas and incorporated various sectors of the people into the ongoing people's war.

The Guatemalan fighters know that they will have to fight battles which are increasing in size and to launch a difficult struggle before achieving their victory, but they are advancing on their path with a firm step, with full confidence in the people's decision to fight.

South Atlantic Alliance

Havana VERDE OLIVO in Spanish 14 Jun 81 pp 16-17

[Article by Roberto Morejon]

[Text] After the failure of the "seminar" held in Buenos Aires to establish the South Atlantic Treaty Organization (SATO), the ultrarightist forces which organized the conclave are awaiting orders from the United States to reactivate the mechanisms designed to create once and for all an armed bloc in the ocean which separates Africa from Latin America.

Although it was financed by banks in Italy and on the Rio de la Plata--this last connected with the Morgan clan of the United States--and sponsored by reactionary sectors in Argentina, the United States, Chile, Brazil and South Africa, the event came to an end without the materialization of all the conditions needed to put the final seal on the pact.

The delegates met in session under such extenuating and confusing titles as "Capitalism in the Light of the Social Objectives of the Western Religions" and "Energy and the Strategic Security of the Americas," immersed in the classic anticommunist verbiage of myopic individuals bent on denying the world the things needed for change.

Washington, chief "godfather" of the meeting, has been trying for 20 years to develop an armed regional organization similar to NATO, although with somewhat lesser ambitions. It is trying in this way to hinder the development of liberation movements and the independent action of decolonized countries and to control the strategic South Atlantic area, through which passes more than 60 percent of the petroleum and raw materials destined for the West.

The United States is trying to militarize several regions of the world which are "vital" to its hegemonic interests. The public knows about the unjustified Yankee presence in the waters of the Middle East, the Indian Ocean and the Mediterranean. In bringing together, in another military pact, South Africa and Chile and private representatives of Argentina, Brazil and possibly of Uruguay, favorable conditions are being created for stepping up the arms race, altering military parity with the Soviet Union and the Warsaw Pact and then, according to the Reagan administration, for negotiating the terms of detente from a position of strength.

Ghisojo Araya, who has a difficult name and is, moreover, a general, by all indications, spoke out more freely than usual a short time ago, and from his post as interim chief of the Chilean Naval General Staff he outlined what his bosses are pushing as vital points of SATO.

Araya said that "the quadrilateral formed by Chile in Punta Arenas, the Beagle Channel and Antartica; the Falkland Islands of Great Britain; South Africa and Brazil constitute the basic defense perimeter of the South Atlantic."

It is noteworthy that the fascist official repeated the concepts being pushed in the geopolitics of his bosses. This sphere "philosophy" is being used by the

White House to bring together in the same sack all the uniformed assassins in the southern cone of the continent.

Guests Back Out

The Buenos Aires meeting definitely started out to be very well attended, but then the guests began to back out. With the refusal of Argentina and Brazil to send official representatives, a bucket of cold water fell on the heads of the organizers.

Vernon Walters, a Yankee general whose sole job is to preside at these lively gatherings, deemed it proper not to go to the Argentine capital, since the number of delegates dropped so unexpectedly. The former deputy director of the CIA and present adviser to Alexander Haig preferred to follow the discussions from a distance.

Arch-reactionary Jeane Kirkpatrick, very much to her sorrow, chose to remain at her UN post. She wanted ardently to kiss the cheeks of the South Africans, with whom she has lately cultivated such close ties. In the end, not even the racist representatives were able to come to Buenos Aires.

The failure is indisputably linked to the refusal of Argentina and Brazil to attend the conclave officially. Gen Roberto Viola's government addressed the United Nations to explain that if the SATA meeting were held, it would be as a private meeting, since his country would not contribute any resources to that undertaking. Viola and Joao Baptista Figueiredo, the Brazilian chief executive, reaffirmed their opposition to the creation of the bloc and came out against colonialism, apartheid and South Africa's occupation of Namibia.

FOLHA DE SAO PAULO emphasized that Brazil's overseas political objectives and particularly its increasing cooperation with independent African countries are in conflict with the plans of the White House, which is trying to make the Atlantic--according to the newspaper--a scene of confrontation.

Brazil has a growing trade with several nations of black Africa. That aspect is basic when it comes to whether or not to bow to membership in a pact of which one of the members is South Africa, imperialism's policeman on the continent.

As for Argentina, the basic role given by the United States to Chile in the development is extremely noteworthy. The Santiago government is constantly renewing its military zeal and does nothing to hide its assistance to dictatorships, such as El Salvador, and to Pretoria in its intervention in Namibia.

As is well known, Chile and Argentina have a dispute regarding the islands in the Beagle Channel. Recently the dispute became heated and border stations were even closed. In no way can General Viola's government view favorably any plan which encourages Pinochet's belligerence, and SATO is one of those plans.

In view of the refusal of Buenos Aires to sponsor the bloc, Adm Harry Train, commander in chief of U.S. forces in the Atlantic, was sent with urgency to convince the local armed forces of the pact's importance. In any case, Mr Train should

succeed in having Argentine troops sent to the Sinai to aid in "controlling" the application of the untenable Camp David Agreements.

After the Failure

After the resounding failure of the conclave, which was to serve as the springboard for SATO, White House advisers must be beating their brains. They missed a marvelous opportunity to try to end the worldwide anti-apartheid campaign, which favors Namibia. The Atlantic pact, conversely, would shore up Pretoria against this deluge of censure.

But the outcome was otherwise. For the moment there is no pact. One measure to be taken will surely be to strengthen the Pinochet-Botha axis. For some reason Air Force Gen Fernando Mattei went to Johannesburg during the ongoing exchange of committees between the two regimes.

Mattei had to return the recent visit to Chile of racist Rear Admiral Martinus Albertus Backery, express his thanks once more for the delivery at the beginning of 1981 of Grotale land-to-air missiles and discuss with his hosts the reopening of contacts between the two countries and with the United States and Israel.

The Zionists promised the Chilean fascists to deliver some Dagger airplanes. All these deliveries and the blessing of the White House--remember that Reagan lifted the ban on sending arms to Pinochet--give the Pinochet supporters great opportunities to assume the role of policeman within the spluttering SATO, while they await better political circumstances which will definitely favor the founding in the Atlantic of a pact as belligerent as that of NATO.

For the moment, SATO is keeping "mutis"* [mum], perhaps lying in wait, because in practice several of the treaty's destabilizing articles can be carried out without prior signature.

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*Mutis: a term used in the theater meaning that an actor is to exit; familiar interjection: Silence!

8735
CSO: 3010/1549

NEW PLAYS ON ANTISOCIAL BEHAVIOR DISCUSSED

'Rampa Arriba' Reviewed

Havana JUVENTUD REBELDE in Spanish 13 May 81 p 4

[Article by Carlos Espinosa]

[Text] Alejandra and Alicia could have been two young girls like so many others in our country. They are studying at a preuniversity center which means that they will soon go to university. They could have gone on to become architects, philologists, physicists or perhaps doctors.

That would have been possible if their families had taken better care of them. Gloria, Alejandra's mother, is the typical permissive mother who is incapable of being concerned over the bad company her daughter keeps. Eloisa, on the other hand, has so many things on her mind--the workers' union, the production meeting, reports to the municipal authorities--that she hardly devotes any time to the upbringing of her daughter. As a result, both teenagers fall into a behavior pattern which is unacceptable in our type of society; they get involved in smuggling, sexual dissipation and finally....

But, I will say no more because it is not right to tell our readers how the play ends. Those who want to know the end of this story, only have to go to the Mella Theater where "Rampa Arriba, Rampa Abajo" is opening next Saturday.

The play, presented by the Bertolt Brecht Political Theatrical Group, was written by Yulky Cary and in 1979 it received the UNEAC [National Union of Cuban Writers and Artists] award for dramatic plays. Lilliam Serena is stage director and is assisted by Jose Maria Vitier for the music, Miriam Duenas for costumes and Derubin Jacome for lighting and sets.

Logically, a play involving young people calls for a mostly young cast. The two leading roles in "Rampa Arriba" are played by Elvira Enriquez and Luisa Maria Jimenez; other parts are played by Rini Cruz Vera, Amarylis Pumeda, Lily Renteria, Esmerita Ramirez, Elba Marquez, Orquidea Rivero and Raul Eguren together with several preuniversity students who belong to the amateur theatrical movement.

Not many days are left before opening night and the group is working nonstop to iron out final details. During a rehearsal break, we approached Elvira Enriquez

who will be one of the actresses playing Alejandra and asked her to tell us about her new role. It will enrich her already prominent artistic career marked by stage appearances which include the woman commissar in "La Tragedia Optimista" and Valentina in "Valentin y Valentina."

"This play," the actress begins by telling us, "is built around a subject which has never been presented on stage. For that reason, I think that it is a very important subject and also because, unfortunately, we have many young girls like Alejandra in this country. This is why the audience will be able to identify with the play, not only the young people but also adults who, in fact, are responsible for bringing up the new generation."

Referring to the difficulties of playing her role, she told us: "The main difficulty was that, to a certain extent, Alejandra is a role similar to Corina in 'Andoba,' because unless something is done she will come to the same end. On first analysis, they are very similar roles and I was concerned I repeat myself."

"On the other hand, when one portrays what we could call a negative character, one runs the risk of arousing the audience's sympathy. In this case, one must try to create among the audience feelings of rejection, pity and censure while not denying to the character the possibility of starting a new life."

As you can gather, the opening of "Rampa Arriba, Rampa Abajo" offers aspects which are interesting enough to make us go to the Mella Theater. We specially recommend this play to young people who, after seeing it, should compare their reactions and even engage in controversy.

Play on Peruvian Embassy Incident

Havana VERDE OLIVO in Spanish 28 Jun 81 p 56

[Article by E. Alberto]

[Text] "El Escache" or "El Tiro Por la Culata"--Abraham Rodriguez' most recent play presented by the Bertolt Brecht Political Theatrical Group [GTP] and directed by Mario Balmaseda--is not as interesting, in my opinion, as the subject on which it is based would have led you to expect. When it became known that a play dealing with the events inside the Peruvian Embassy was in the works, the project acted as a magnet and immediately drew everybody's attention because, undoubtedly, hotly debated topical events are not presented in our theaters very often. But after seeing this second play written by the author of "Andoba," I feel that the fact that the events were so recent was an obstacle which the Political Theatrical Group was not able to overcome with their usual mastery.

On the one hand, "El Escache" presents an almost complete range of the antisocial elements who, in the "spring" of last year, turned a diplomatic mission into a real zoo of almost extinct species or, even worse, into the garbage dump of that zoo. Abraham's play goes through each "specimen" and reveals on stage their deplorable human characteristics.

To tell the truth, his portrayal is skillfully presented but there are times when the author "goes too far" recreating in full detail the wide range of despicable characters and, as a result, the play loses intensity. On the other hand, Abraham pays a great deal of attention to the question of how the committees created by the antisocial elements were run describing the various stages of their creation, peak, crisis and total ruin. The antisocial elements are authentic puppets in the hands of "expert" puppet masters--the imperialists and the Central Intelligence Agency.

Meanwhile, the plot introduces a new and increasingly powerful element, the part played by comrades of the MININT [Ministry of Interior] in the events which took place in the very middle of the embassy underworld--highlighting their activity to disrupt the campaign intended to deceive the antisocial "crowd," a campaign which was trying to turn these events into an occasion to loudly discredit the Cuban revolution throughout the world. The attempt backfired. The refugees and dissidents suffered a terrible reverse. And yet, I think that something which worked in theory did not work in a play.

For his play, Abraham had firsthand documentary evidence supplied by the state security agencies, a fact which permits us to state that "El Escache" is a play true to the facts, a dramatized documentary of events and their principals. But this is not enough to turn the play into a work of permanent value. The author does not go into the motives and reasons behind these remarkable events; he does not individualize the tragedy--or the comedy since extremes meet, as the Cuban saying goes--although if he had done so he would have thrown more light on the play. The plot is too involved and the bag of rotten apples offered to the audience becomes, from time to time, too ambitious and confusing. The only clear fact is something that all of us, revolutionaries, know for sure: that the scum went into the embassies and the enemy tried to pretend that these terrible elements smelled like roses.

The role played by the comrades of MININT is not clearly described (it is hard to imagine who was the agent who penetrated into the very heart of the embassy). Perhaps this had to be so for obvious reasons. But a certain amount of fiction could have been used in that matter. A theatrical play is allowed to use this type of dramatic technique and the public appreciates it.

In my opinion, the use of film footage does not add any information of special interest since the audience still remembers these films perfectly well. The music by Pablo Milanes is effective but is only used to link the various scenes thus wasting an instrument which could have been put to greater and better use in the play. The sets are functional and, with few props, it manages to convey a realistic picture of the scene where the events took place. The acting is very much of the same level allround. If any part deserves to be specially mentioned, it is the part of Dr Eugenio Hernandez--the only role which is developed through the play--and parts such as Frijolito (played by Alberto Pedro).

Another element missing in the play is the people's reaction to the antisocial elements. The scene where the grandmother "kidnaps" her grandson moves the spectators because it is skillfully dramatized but that scene is not enough to

express the courage and dignity of the people who fought one of their most momentous battles on that occasion. It is true that the documentary film stresses that very point but, for the time being, I think that the method is inadequate. As events fall further back in our memories, these films will perhaps arouse new feelings of anger and pride but just a few months after it all happened, the film becomes repetitive. Abraham and Mario Balmaseda have enough imagination to iron out these small details.

8796
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BRIEFS

POLITICAL PARTY SEEKS INVESTIGATION--The National Unity Front (FUN) has issued a press release in which it states that the party is making a detailed study of the denunciations made by Manuel de Jesus Valiente Tellez, former chief of detectives of the national police, accusing government leaders of illegal activities. The release goes on to say that with such accusations "the citizenry is disconcerted as it does not know what to believe." There are frequent occurrences of kidnapping, theft and murder, and we hear nothing of the results of the investigations, as in the case of the daughter of Francisco Gularte Cojulun who is still in the custody of unknown parties. "It is public knowledge," the release says, "that ever since the present director general of police took over this difficult job he has been housecleaning the organization and, for that reason, he will not overlook the accusation 'that the detective corps, with few exceptions, is comprised of known criminals.' To clear the institution's good name," the FUN release further states, "it is fitting that a thorough study should be made of the personnel working in the detective corps to see whether or not there are criminals in its ranks, as reported by Valiente Tellez. That is the only way," it says, "the esteemed citizenry can be guaranteed security based on the constitution of the republic." [Text] [Guatemala PRENSA LIBRA in Spanish 12 Jul 81 p 6] 8568

CSO: 3010/1578

'LA PRENSA' EDITOR PEDRO CHAMORRO INTERVIEWED

PY310359 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 26 Jul 81 Section 8 p 140

[Interview with Pedro Chamorro, Nicaraguan LA PRENSA editor, by WORLD PRESS REVIEW magazine; date and place not given]

[Text] [Question] What has life been like since the Sandinist revolution?

[Answer] A good example is what happened last spring, when a crowd threatened LA PRENSA and attacked three private radio stations which had criticized the government. They destroyed the transformers and stole part of the equipment, then they completely ruined two of them. The third radio station was damaged but managed to continue its broadcasts.

At the newspaper LA PRENSA, the demonstrators organized picket lines but did not cause much damage because the police arrived before them. On that evening, the interior minister--who claims to be neutral--advised us to temporarily suspend the publication of the newspaper or, if not, the vandals could destroy our installations. We, therefore, stopped selling our newspapers on the streets for 2 days, but when we published them again, we sold 90,000 copies, one-third more than usual.

Two days later, an official communique practically approved what had happened. It stated that the demonstrations had been a logical reaction of the people to the "independent and reactionary" radio stations and newspapers.

[Question] Why did the police keep the people away from LA PRENSA?

[Answer] If LA PRENSA were destroyed, the political consequences could have been much greater than those related to the radio stations. Since then, LA PRENSA has been leading a political campaign to collect funds to reequip these radio stations. It is important to note that these radio stations had been independent before and had also been opposed to Somoza.

[Question] Why is the government afraid of damaging LA PRENSA?

[Answer] It is the most popular newspaper in Nicaragua, with a daily edition of approximately 70,000 copies, more than the other two Managua newspapers put together. More important still is the international support which has given

prestige to LA PRENSA during the 2 [as published] years of struggle against the dictatorship of Somoza. The people are aware that the demonstrations against us were not spontaneous, although the government may have stated that they were.

We support the Nicaraguan revolution, but we are against any shift toward totalitarianism. We want the revolution channeled toward a democracy. We have the support of all Latin American democratic forces, including that of the Inter-American Press Association and of some democratic countries which helped put the Sandinists in power.

[Question] In what aspect aren't the Sandinists being democratic?

[Answer] They are not providing freedom of assembly to all political parties, but only to the Sandinists. They forbid all other political parties from holding meetings. They have seized many private industries, including some which had not belonged to Somoza, and they have also been attacking all independent communications media.

Furthermore, they have established close contacts with the Soviet Union and they practically idolize Cuba. They state that some one ought to teach us "the Cuban model." They look at Fidel Castro as if he were the world leader.

They have created a climate of hatred in the country. The Nicaraguan revolution was possible due to the joint effort of all classes to put an end to dictatorship, and now, the bourgeoisie feels threatened and they refuse to make investments. There has been a real brain drain. This revolution is not democratic.

[Question] Are there political prisoners in the country?

[Answer] Some people were incarcerated recently because the government claims that they have been involved in counterrevolutionary activities. They have been given a summary trial and sentenced from 10 to 12 years in prison. They have not been given fair trials.

[Question] What has the government done regarding agrarian reform?

[Answer] It has created many collective farms, but it has not given land to the peasants, although it confiscated large estates including some of the best land in Nicaragua. Now they have been turned into collective farms--state-owned companies--although they have not obtained any profit so far due to bad administration.

[Question] What percentage of the economy is still in the hands of private individuals?

[Answer] Almost 50 percent. Commerce, agriculture and some industry are still under the control of the private sector. The largest portion of industry, of mining activities, of fishing and transportation are controlled by the government.

[Question] How do you know that the state companies are not doing well?

[Answer] Many businesses are closed. There is high unemployment rate and inflation rate is also high--reaching approximately 30 percent. It is not as high as in South America, but Central America has always been a region with low inflation rate. We are having problems in obtaining manpower for the harvest of cotton and coffee. Some of the manpower that formerly did this is now in the army, which has grown considerably. Exactly how many are in the army is a secret, but a large number of unemployed persons have ended up in unproductive activities such as the army or public service.

Nevertheless, Nicaragua appears to be a prosperous country. People form lines in front of movies and restaurants. They have money to spend. But production is low and the amount of foreign currency is not sufficient to cover the necessary import costs so consumer goods are scarce.

[Question] What is the unemployment rate?

[Answer] A considerable percentage of the working force is unemployed, but the government does not know exactly how many because there are no data in this regard. The government either does not know how or does not want to compile the data. The government has published any statistics on the situation of companies belonging to the people. Of course, they are in bad shape, nevertheless we should be informed about public funds. We criticize this state of things in our newspaper.

[Question] Has the country been receiving aid from Cuba or the Soviet Union?

[Answer] I believe so, although I am not in a position to say what kind of aid--probably technical aid. There is some military aid, but I do not know how much.

[Question] Are there a large number of Soviets?

[Answer] There are very few Soviets in the country; the Soviet Embassy is very small. But there are delegations from all countries of the Eastern Bloc--Bulgaria, Hungary, Poland and the GDR--and they were not here before. We should maintain relations with all these countries, including the Soviet Union, but the problem is that we are very small and very poor and a large diplomatic corps abroad represents a heavy burden. International trips and the cost of living in other countries is expensive.

We usually criticize this policy in LA PRENSA. We still hve some freedom of expression and we try to use it for a greater benefit of the country. But obviously there are some limitations.

[Question] What are these limitations?

[Answer] We cannot publish any report which may directly involve the military, without submitting it for consideration to the military. We must also obtain confirmation from official sources regarding reports related to national security or to the economy. It is quite problematic.

[Question] Do the officials censure the newspaper?

[Answer] Not necessarily everyday.

[Question] Is freedom of press better or worse than under Somoza's dictatorship?

[Answer] Neither better nor worse. Under Somoza, there were times when there was no freedom at all. There were journalists in prison. There were armed attacks on our building during the night. There was a period of 2 1/2 years of rigid press censorship. My father was arrested several times, before he was assassinated. The situation is different now.

The problem is that the government wants us to say that there is absolute freedom of the press. But we cannot violate our own principles; we have to tell the truth. If government officials want us to say that there is absolute freedom of press, then they will have to eliminate all restrictions. Our constitution provides for freedom of press.

[Question] Have you been asked to say that there are no restrictions?

[Answer] When we report that there are restrictions, the government states that we are trying to damage the revolution. Government officials attack us over radio and television which are under government control, and also in the two newspapers controlled by the state. There has been a systematic campaign against LA PRENSA since the officials found out that our newspaper would follow an independent line without any ideological position. We are really democrats; we are not Marxists.

[Question] Could you describe the junta that is governing Nicaragua for us?

[Answer] The junta is made up of nine persons. They were elected during the insurrection. There were three factions which formed coalition.

There are disagreements, but they try to reflect a public image of unity. There is a constant struggle for power.

[Question] Is there anyone who is stronger than the others?

[Answer] Two persons: Umberto Ortega, commander in chief of the army, and Thomas Borge. As the other members of the junta, they have Marxist tendencies.

[Question] Are the groups which carried out the revolution Marxists?

[Answer] No, many of them contributed with their cooperation in the revolution, but then the strongest one seized power. Now they want to keep it at any cost. They do not want elections. They say that there will be elections in 1985--in order to consolidate the revolutionary power, and not to decide on who will remain in power, because power is already in the hands of the people. They state that Nicaragua will not become a Cuba.

[Question] Can Nicaragua become independent from Cuba?

[Answer] It is a question of the degree of independence. There are moral and ideological ties--with Cuba, the Soviet Union, the GDR, Bulgaria, Vietnam, Laos, Kampuchea--which cannot be broken. Ties with friends cannot be broken overnight. There are other things which must be taken into account in interdependent international relations, such as the economic or technical aid.

[Question] What can the Reagan administration do for Nicaragua?

[Answer] It seems that the Reagan administration wants to suspend U.S. aid to Nicaragua, or at least to condition it. It seems to say: "Stay within Nicaragua; do not export revolution." But anyhow, the aid of the Reagan administration to Nicaragua is not comparable to that which is being given to El Salvador. The 1982 budget includes approximately $100 million for El Salvador and $32 million for Nicaragua, but this can be complicated in congress.

[Question] What influence can El Salvador have in relation to Nicaragua?

[Answer] If the left wins in El Salvador, then this fact will consolidate the Nicaraguan revolution. I do not believe that we are going to have a democracy. We are not going to have elections as in Costa Rica. If we have candidates, they will be Sandinists. We are moving toward a new form of dictatorship.

[Question] Is this your own statement?

[Answer] Five independent political parties have made this statement, that we are moving in that direction, and we published that in big headlines.

[Question] Do the other members of your family actively participate in LA PRENSA?

[Answer] My mother is a member of the board and of the editorial council. My uncle, who is well-known Nicaraguan poet and writer, is the editor of the newspaper, with me and third person. We three are the editors of LA PRENSA, in shifts of 3 days each.

[Question] Are you concerned over the role of the press and other needs.

[Answer] Yes, because the government can argue--and it seems logical--that there is a shortage of foreign currency as a consequence of the drop in export activities. Even now we are subject to long delays in getting our goods from customs. We could have problems if the government continues supplying dollars to the other two newspapers and not to us.

[Question] Is there anything left from Somoza's interests?

[Answer] Nothing. They were confiscated or destroyed. The Somoza family left the country.

[Question] What is the church's position regarding reforms in Nicaragua?

[Answer] The church is opposed to measures of socialist nature. Nicaraguans are a religious people and respect the church, but there are those who attack the church. The archbishop of Nicaragua took a firm position against the Somoza regime when he began to kill Nicaraguans. The archbishop is respected by the Sandinists and by everyone in Nicaragua. He is very important and continues making statements against violence.

[Question] Do those who raise their voice for freedom in the country give you any hope?

[Answer] We have a saying in our country according to which hope is the last thing to die. What is happening now does not portend a good future for Nicaragua, but we must continue working and trying to recover the democratic regime for which we fight, and all the freedoms in which we believe. If we lose hope, then we had better pack our bags and leave the country.

CSO: 3010/1638

REPORTAGE ON 29 JULY NATIONAL FORUM

Opposition Divided on Usefulness

PA300259 Managua Radio Corporacion in Spanish 2300 GMT 29 Jul 81

[Interview with Jose Davila, secretary of International Relations of the Social Christian Party and chairman of the coordinating committee of the opposition sectors in the National Forum on 29 July by newsman Orion Elfilio Pastora; place not specified--recorded]

[Text] [Davila] Yesterday, we members of the democratic sectors met to discuss making known to the Nicaraguan people our position on the national forum. We were going to issue a document and were going to hold a news conference. However, we did not reach any agreement on the document and the news conference. This was basically due to the existence in the democratic sectors of two opinions on the national forum.

Some organizations believe that the Sandinist Front has already negated the forum because it has not kept its promises and because it has already scoffed at the forum and the organizations and therefore it makes no sense to continue in the national forum.

Another opinion is that the national forum can still be rescued, that it is still useful, and that since we are civic organizations, we have the obligation to try to make it valid [words indistinct] to find solutions to all our problems.

Since these positions were so (?far apart), we reached the conclusion that we were not going to issue a specific and definite position on the national forum because we believe that we must reach a consensus. We believe that we must reach a unanimous decision and we were unable to achieve this. [Words indistinct] our unity is above all. This is what the Nicaraguan people want.

The Nicaraguan people should know that the democratic sectors, the political parties and the independent union federations which want a democratic and pluralistic society in Nicaragua, will always be united at any price. That is why we sometimes have to defer decisions on positions in order to maintain unity which is something that we greatly desire. Most of the Nicaraguan people also understand the need for this unity. Just as we do, the Nicaraguan people want a democracy for Nicaragua.

[Question] We have learned that there was a meeting last week among the Sandinist Front, the parties of the [words indistinct] and the independent sectors of the country. What were the results of this meeting?

[Answer] I believe that we democratic parties should not do anything behind the backs of the people. On Thursday in a private meeting of the forum--it was private because this is what its regulations stipulate--we expressed to the delegation of the Sandinist Front and its parties our concern over the violation of the points of concurrences by the Sandinist Front when it announced decrees without having consulted the organizations of the national forum. We asked them what was the sense of the forum if it wasn't even used for consultations. Both delegations reached the agreement that the texts of the decrees and measures announced by Commander Daniel Ortega were going to be sent to us on Friday or Saturday. The problem is that not only weren't they sent to us, but they were instead published in the Gazette and are already in force. This has increased our concern about the usefulness of the national forum. We have clearly told our people since we began participating on the forum that we were aware that the Sandinist Front has the reputation of not keeping its commitments. We are now facing such a situation. On the one hand, we want to continue the discussion of the national problems but on the other hand, the Sandinist Front is failing in this regard. However, the Nicaraguan people can be sure that we will always make known all that has been discussed. They mocked us in the previous meeting so, we had to make this known. However, our [words indistinct] seeking a solution to the problems of our people.

FPR Parties Won't Discuss Laws

PA252020 Managua Radio Sandino in Spanish 1800 GMT 25 Jul 81

[Text] The forum isn't to discuss the drafts of laws issued by the National Reconstruction Government Junta. The State Council, the People's Council, exists for this type of activity. Members of the Patriotic Front of the Revolution [FPR] have clearly told the delegates of the dissident parties that the dicussions in the forum must be restricted to the previously established agenda. Nathan Sevilla [delegate of the FPR in forum] has commented on the forum and its problems.

[Begin recording] [Sevilla] We held a meeting on Thursday at which the rightist parties asked that there be a type of respite this weekend. We agreed, because the parties of the revolution were interested in holding their own meeting today to evaluate the progress of the forum, the implementation of concurrences and to see what specific subjects we still have to discuss and ways that the forum can be more dynamic and speedier.

However, regarding the dissident parties' request that we obtain the texts or decrees announced on 19 July, we told them that we will make the request to the National Reconstruction Government Junta but that logically they can't expect us to supply them with documents that have yet to be released to the public.

[Question] The decrees are still being discussed in the State Council. Isn't that where they should obtain them?

[Answer] That's right. We told them that if they want to obtain the documents being discussed by the State Council, they should either get them through their representative in the State Council, Ramiro Sacasa, or they should join the State Council.

We also told them that the forum is not to discuss the decrees and measures announced on 19 July. In any case, those discussions are taking place in the State Council. The forum has a set agenda which we must follow. If they have opinions on the revolutionary measures announced on 19 July, they can continue to make known these opinions as they have been doing through various channels but they cannot do this in the forum, because the forum has to continue to discuss the subjects approved in the agenda. [end recording]

The parties of the FPR are meeting at noon today. They will evaluate the progress of the forum and will draft proposals on new points of concurrence. The forum was not held today, at the request of the opposition parties. However, it will be held next weekend.

CSO: 3010/1625

MILITARY PREPAREDNESS BEST RESPONSE TO THREATS

PA260328 Managua Radio Sandino in Spanish 0300 GMT 25 Jul 81

[Commentary: "Let the Dogs Bark"]

[Excerpts] We will insist on defense and production. Once again, counterrevolutionary elements, former guardsmen and former Somozist agent Fagoth, are in Honduran territory boasting of how they are going to unleash a new bloodbath in Nicaragua. These statements made by the counterrevolution which is active in Honduras, Guatemala, and Miami are increasingly surprising because of their wild inventiveness in depicting the "horrors of Sandinism." This inventiveness is in line with their illusions of national insurrection, domestic commandos, liberation armies and the like.

The total incorporation of Nicaraguans into the Sandinist people's militias is the best way to ensure the defense of the fatherland's sovereignty and the revolution in light of the real and permanent threat which hangs over the Sandinists. The reactivation of our organized military preparations and the increased production of materials for defense are the priorities which our vanguard has rightly asked of us in light of the criminal and antinational activity of the counterrevolution. The revolutionary organizations of the masses must renew the tasks of reactivation and economic productivity, militarily prepare the people on a massive scale, and organize the Sandinist people's militia battalions. These are and will be for a long time, our priorities in this revolution. This is the only way to truly respond to what our vanguard's leaders expect of us. Only in this way can we reaffirm our right to write our history and to be the architects of our own destiny. Only in this way will we be proving the historical merit of being sons of Sandino, and brothers of Rigoberto, Carlos, Emilio and Pomares. Let the dogs bark, but we will be ready to pull out their fangs if they dare to harm Sandino's fatherland, or try to harm the Nicaraguan revolution which was made possible by the heroes and martyrs of the new fatherland and the Sandinist people's revolution.

CSO: 3010/1625

MEDICAL FEDERATION, CGTP CALL FOR GENERAL STRIKE

PY030040 Paris AFP in Spanish 1936 GMT 31 Jul 81

[Text] Lima, 31 Jul (AFP)--The Peruvian Medical Federation has called on all its members to strike indefinitely starting 10 August, and the Communist Workers Central Organization has called on the workers of the country for a 48-hour stoppage on 19 and 20 August.

The two movements are pursuing salary and social demands, but the government hopes to stave them off through negotiations or attention to the principal demands, taking the stand that the economic crisis can only be overcome through working and producing more.

The medical federation said that it is counting on the support of the fellow unions of dentists, pharmacists, obstetricians, nurses, chemists, social workers, and sanitary engineers.

It especially demands basic salaries of 270,000 sols $630) per month for its members, social security for the relatives of workers, free medical attention for the poor and cheaper medicine.

Indicating that there would be no attention anywhere for the sick and that death certificates would not be issued, the federation said that any eventual strike-breakers would be denounced to the ethics committee.

The government, for its part, reported that it had sent to parliament a draft law which envisages raises for the health sector varying between 40 to 95 percent of the basic salaries.

The General Confederation of Workers of Peru [CGTP], which has communist leanings, has had an agreement for a general strike since July 1980 [as received].

The communist CGTP is currently pushing for a united stoppage, that is to say, together with the other workers organizations and independent federations, whom it has invited to a meeting in order to draw up the pertinent agreements.

Its list of demands includes rehiring all those who have been fired, a general salary raise of 25,000 sols per month ($60), freezing of food prices, nationalization of newspapers and labor stability.

It also seeks the abolition of laws and decrees that it considers anti-union, the creation of a state payment for the unemployed (some 400,000 persons), the solution of the housing problem and a series of other measures.

Concerning this, the labor authorities have said that it is an eminently political document, that the government is improving the workers' income and that it is struggling on all fronts to overcome the crisis.

CSO: 3010/1629

FUTURE LATIN AMERICAN-FRENCH TIES VIEWED DIMLY

PY301302 Lima EXPRESO in Spanish 12 Jul 81 p 58

[Article by Gerardo Calderon]

[Text] After the reaffirmation made by Mitterrand during an interview with delegates of the Nicaraguan rebel movement to the effect that he supported the type of policy that is causing a blood bath in the small Central American state, it is now time to analyze the ideas and tactics of the French President as related to the affairs pertaining to our continent.

During the past few decades violence has hit several Latin American countries. The Tupamaros in Uruguay and the Montoneros in Argentina tried to overthrow and capture the seat of power through savage violence. The aftermath was painful, because there were many victims. But in the end the two movements were exterminated. Regrettably this violence left two bloody sides with a tragic aftermath of orphans, widows and anguish in any amount of homes.

[Words illegible] and at the same time there are outbreaks throughout Colombia and there have been attempts to create the same type of atmosphere in other countries, such as Peru.

We are now interested in the ideas of Debray, who since 1966 has been very closely linked to Castro's revolution. He then came in to the limelight when he gave himself up in Bolivia, where he was possibly acting as Che Guevara's envoy. Guevara's dangerous life came to an end when his formula for armed guerrilla actions failed. It is said that he was betrayed by the French ideologist.

Some time later Debray was released by the Bolivian Government and he crossed the Andes to Chile. Under the umbrella of socialist President Salvador Allende he wrote a book in which he analyzed Che's failure in the humid tropics of Bolivia. In his book he ratifies his political position and he reaffirms his faith in violence.

Traditionally, France and Latin America have friendly links in the cultural and economic fields. France has an important market on this continent for its manufactured products and within its Western economic system. It is the same continent on which Debray tried to ignite the holocaust that would have consumed our system and then pushed it in to the Marxist orbit.

The panorama is now clear. After the public support that the French President has given to the Nicaraguan subversive movement it can be presumed that all similar movements that are to be found within the continent's confines will receive the same support. And logically this position means that there will have to be a change in the continent's foreign policy regarding France.

Luckily, France is not indispensable for the economies of the continent and Peru. The vacuum that this country would leave in the field of economic investment can easily be filled with the credit and technology of the FRG, Japan, Great Britain and the United States, the world's top economic power.

CSO: 3010/1629

BRIEFS

TERRORISTS ATTACK AYACUCHO--Ayacucho, 24 Jul (TELAM)--Various state organizations of this city, east of Lima, were the objects of fresh terrorist attacks. The attacks were perpetrated against land court offices, the Council of San Juan Bautista District and the Industrial Bank, but in the last-mentioned case the dynamite did not explode. Two days ago it was learned that three terrorist attacks had taken place in the city of La Oroya, a metallurgical center in Junin Department. [Text] [PY270243 Buenos Aires TELAM in Spanish 2058 GMT 26 Jul 81]

CERRO DE PASCO WATER SUPPLY--Cerro de Pasco, 23 Jul (TELAM)--The dynamiting of a water main cut the water supply for several hours in this city located east of Lima. The attack was perpetrated early yesterday morning shortly after a guard deactivated a bomb at the headquarters of the state-owned enterprise Electroperu, thus averting another dynamite attack. [Text] [PY240303 Buenos Aires TELAM in Spanish 1720 GMT 23 Jul 81]

HUARAZ, RECUAY ATTACK--Lima, 28 Jul (AFP)--A high tension pylon was blown up in an attack leaving Huaraz and Recuay, 500 km northeast of Lima, without power. Meanwhile, a stick of dynamite was thrown during a military parade marking the 160th anniversary of Peruvian independence in Arequipa, 1,000 km south of here. An army NCO put out the fuse of the dynamite stick, according to reports. These events were in addition to 13 other terrorist attacks occurring yesterday in Lima and the southern Andean city of Ayacucho. In Ayacucho dynamite sticks were thrown at the Education Ministry and a school parade. In neither case were there any injuries. Elsewhere, a giant hammer and sickle were set ablaze this afternoon on San Cristobal Hill in Lima as President Fernando Belaunde was reading his independence day message to congress. The symbol was visible from Lima's Plaza de Armas. It covered nearly one-third of the hilltop and could be seen more clearly than a cross on the same hill. It was put out by civil guardsmen, however. [Text] [PY300311 Paris AFP in Spanish 0431 GMT 29 Jul 81]

PUNISHMENT OF TERRORISTS--Javier Alva Orlandini, the brand new president of the Senate, yesterday requested exceptional punishment for those responsible for the terrorist attacks the day before independence day for not respecting the patriotic meaning of that date. His accusing statements were especially addressed to those responsible for the detonation of explosive devices in Ayacucho and Huanta which seriously threatened the lives of policemen taking part in a parade of students. Alva Orlandini stated that it is necessary to double the efforts

to identify the authors of these incidents so that they may be placed at the courts' disposal and punished according to the law. The president of the Senate and second vice president of Peru made these statements shortly before congratulating the chief of state on the Peruvian independence anniversary. [Text] [PY301539 Tacna Radio Tacna in Spanish 1200 GMT 30 Jul 81]

RESPECT FOR HUMAN RIGHTS--Lima, 26 Jul (AFP)--The Peruvian Government has reiterated its utmost respect for human dignity despite another escalation of five dynamite attacks which created unrest in various areas of the country in the last 48 hours. Interior Minister Jose Maria De La Jara Y Ureta said to the Human Rights and Constitution Commission of the Senate that the constitutional government maintains its utmost respect for human dignity and condemns any form of abuse, excessive use of power and attack. I have received the claims submitted to my office about alleged violations of human rights, said the minister about a number of claims against the police, particularly against the Sinchis Special Forces [antiterrorist force] that operate in seven departments and which have been able to considerably reduce terrorist activities. He also said that since the new administration took over the government, his ministry has approved measures to renew commanders of the three police forces to change not only the men but also the norms of conduct and methods. De La Jara emphasized that the police forces--within the democratic framework--must be respectable and that the uniform should not serve for arbitrary actions to become a norm and attacks a daily habit. In conclusion he reiterated that those who are found responsible for the torture of the student Edmundo Cox--recently reported by the Catholic Church--will be punished if their participation is fully proven. [Excerpt] [PY310024 Paris AFP in Spanish 1758 GMT 26 Jul 81]

APRISTA CHAIRMAN RESIGNS--Luis Alberto Sanchez yesterday confirmed his resignation as chairman of the Aprista Congressional Bloc and explained that the main reasons for his decision are the attack he experienced in Chimbote and the recent plenary meeting which was anything but "unity-seeking." Luis Alberto Sanchez told a group of journalists who came to visit him at the Senate that "only if the congressional bloc of the Aprista Party achieves unity and becomes what it was once again, shall I return. He said that reports to the effect that he had gone back on his decision were nothing but "idiotic rumors" and added that "when I make up my mind I never go back." Sanchez indicated that "I am prepared to support and cooperate with any action aimed at true party unity, but this does not apply to cases as the recent plenary meeting which was factional and did not include a large sector of the party. He explained: "I cannot preside over an Aprista Congressional Bloc which is divided. It was also very foolish not to invite me to the plenary meeting." The Aprista senator recalled the main events of his recent visit to Chimbote and said that the fact that the doors of the Aprista headquarters were closed in his face was an example of "insolence and stupidity." He said that this should not have been done to him, even though a plenary meeting was underway in Lima, because he was a national leader, a senator and the chairman of the Aprista Congressional Bloc. [Excerpt] [PY302206 Lima EXPRESO in Spanish 9 Jul 81 p 4]

ASYLUM TO FOREIGNERS--Lima, 24 Jul (AFP)--The Peruvian Government will fully grant the right of asylum to those foreign citizens who ask for it, Foreign Minister Javier Arias Stella said here today. He said this before a Senate committee investigating the return to Havana of a Cuban stowaway who arrived in Lima last month. Immigration authorities said then that the stowaway, Candido Lescano Gonzales, came out of the hold of a Soviet commercial airplane and tried to avoid the inspection desk. In his attempt to get by he was caught by airport personnel and, being unable to prove his identity, he was put back on a plane to Havana since he did not ask for asylum and since he was not a political refugee. Today Foreign Minister Arias Stella reiterated that he found out about the incident through the press--which said that the stowaway had asked for asylum and which criticized his being returned to Cuba--adding that the decision was made without consulting the Foreign Ministry. The police chief who ordered the stowaway's return was punished by his department, which confirmed that the decision was made without consulting higher authorities. The department added despite the need to conform with legal norms, the special circumstances of the stowaway's nationality would have made it necessary to consult higher authorities on the matter. [Text] [PY300315 Paris AFP in Spanish 0554 GMT 25 Jul 81]

CSO: 3010/1629

CONNOTATIONS OF MIDDENDORF'S VISIT ASSESSED

PY231945 Paris AFP in Spanish 1828 GMT 22 Jul 81

[Report by Oscar Martinez]

[Text] Montevideo, 22 Jul (AFP)--Diplomatic sources pointed out here today that a new era in the relations between the United States and southern cone military regimes, formerly charged with violating human rights, seems to be developing along clear-cut channels of understanding.

This conclusion has been reached at the end of a short visit paid by the new U.S. ambassador to the OAS, John Middendorf, thus expanding the list of U.S. high-ranking personalities who have visited this part of the continent ever since Ronald Reagan took over as U.S. President last January.

Upon meeting Middendorf, Uruguayan Foreign Minister Estanislao Valdes Otero said: "This moment could be of historic importance." It is also worth pointing out that Middendorf's first official action has been to visit the southern cone.

The issues discussed during the 24-hours which Middendorf spent in Montevideo have been kept confidential but, in any case, the excellent level of current bilateral relation has been emphasized, something which was never heard during Jimmy Carter's administration.

Middendorf, who is highly trusted by Reagan and is a former navy secretary, shares the anticommunist position of the U.S. chief of state and therefore has things in common with the southern cone governments who have fought guerrillas and communist parties, according to diplomatic sources.

One of the most visible effects of the changes implemented by the new White House administration regarding the treatment of countries in this part of the world, has been their recent rehabilitation before credit organizations.

Argentina, Chile, Paraguay and Uruguay, the four nations included in Middendorf's tour, "deserve Washington's support for loans from the World Bank and the IDB," according to a recent decision of the State Department.

The reason for this is that they have substantially improved the status of human rights. This decision is totally different from Carter's systematic opposition to loans for these countries whenever essential human needs were not involved.

Reagan's diplomatic offensive aimed at recovering old-time allies or at eliminating frictions with them also includes the arrival of two other high-ranking envoys to this region within the next few days.

The first of them is Gen Vernon Walters, Secretary of State Alexander Haig's right-hand man and former CIA directed [as received] under Richard Nixon's administration.

Being a follower of the same anti-Marxist line of thought, General Walters has been entrusted with the mission of coordinating alleged participation of South American troops in the Siani peace force which is supposed to be set into motion in April 1982.

To further strengthen the political turnabout, Jeane Kirkpatrick, U.S. ambassador to the United Nations well known for her staunch opposition to USSR's influence in America and a harsh critic of Carter's human rights policy, will also come to this part of the world.

At the same time, the sensitive international situation prevailing in various parts of the world seems to be compelling the United States to seek joint positions, especially within its area of influence in South America, according to diplomatic sources.

The internal strife in Central America, the possibility of Cuba's return to the OAS, the election for a new OAS secretary, the growing influence of small English-speaking nations of the Caribbean, as well as other matters, are drawing permanent attention.

The annual meeting of the United Nations is drawing nearer as well as that of the OAS. According to local diplomats these are additional reasons for the current U.S. offensive.

CSO: 3010/1624

BLANCO PARTY ISSUES COMMUNIQUE ON CURRENT PROBLEMS

PY312152 Paris AFP in Spanish 1450 GMT 31 Jul 81

[Text] Montevideo, 31 Jul (AFP)--The Blanco Party today called for changes in the economic policy, a reduction of the 3 1/2 year duration of the coming transitory government and the lifting of restrictions on the freedoms of press and meeting.

In the communique issued by its executive board, this traditional party stated that it was willing to cooperate in drawing up the rules and regulations which will apply to the activities of political parties but made it clear that it would be unsuitable to further delay the reinstatement of full freedom and normalcy of political parties pending the approval of these rules and regulations.

The communique pointed out that to achieve this normalcy it will suffice to lift certain partial restrictions still in effect with regard to the freedom to meet and to express opinions, and to discontinue the so-called prescriptions "since nothing prevents the implementation of these two measures if there is true desire to achieve national harmony and allow the parties to operate normally."

Further on the communique stated that the armed forces decision to hold direct talks with the most outstanding figures of the political parties opens excellent prospects for swift understanding.

It added, however, that dialogue cannot be restricted to the legal and formal aspects which the armed forces have brought up so far because there are other serious problems which are precluding the attainment of popular happiness and a true appeasement of the minds and feelings of all our fellow countrymen.

The communique pointed out the job instability of most public servants and the severe crisis which, because those responsible for the economic policy refuse to acknowledge it, is undermining the efforts of almost every basic production sector.

It indicated that the coming government will be responsible for resolving these burning problems and especially the dramatic situation of the agriculture and livestock sector, a situation which will not be overcome as long as the current economic policy, which is also severely harming most industrial activities, remains in force.

As to the coming transition government, the communique stated that the 3 1/2 year period set for this government is too long in view of the nature of this phase, and rejected the appointment of the new president without popular participation.

The communique also stressed that the party's firm and repeatedly stated willingness to continue talks with those who have made this decision totally against national tradition and the democratic feelings of the Uruguayan people, does in no way imply solidarity or acceptance of this obviously unsuitable decision.

CSO: 3010/1627

LARGE GROUP OF POLITICAL LEADERS REHABILITATED

PY272006 Montevideo Radio El Espectador Network in Spanish 1600 GMT 27 Jul 81

[Excerpts] It has been reported that several citizens have been politically rehabilitated by the commission charged with interpreting the implementation of Institutional Act No 4 and that the appropriate notices have been conveyed to the interested parties.

Among those politically rehabilitated today is former senator Alejandro Zorrilla De San Martin. Further information in this regard is supplied by our mobile station No 1:

[Began relay] Information gathered by Radio El Espectador this morning indicated that former senator Alejandro Zorrilla De San Martin will travel to San Jose Department this afternoon where the chief of police himself will notify him that he has been politically rehabilitated.

The same apparently applies to former parliamentarian for San Jose Department (Nelson Morel), and other parliamentarians of the Blanco Party. They are: (Eladio Fernandez Menendez) of San Jose; (Alfonso Requeterena) of Rio Negro; and (Ricardo Rocha Imaz) of Montevideo. We are also able to confirm that (Victor Cortazo) deputy for Durazno Department who lost his political rights while carrying out the functions of under secretary of the Education and Culture Ministry, will also be notified this afternoon about his rehabilitation.

We have just learned that several parliamentarians of the Colorado Party have also been politically rehabilitated. They are (Locatelli) of Rio Negro and (Luis Bernardo Pozzolo) of the Unity and Reform Movement of Soriano Department. [end relay]

(Luis Pozzolo) former parliamentarian for the Unity and Reform Movement of Soriano Department has just confirmed that he has been notified of his political rehabilitation.

[Begin (Pozzolo) recording] In fact, the chief of the local police precinct station of this part of Montevideo came to my house at 1130 today and told me that the commission made up of Minister Yamandu Trinidad, Gen Julio Bonelli and State Councilor Viana Reyes had decided to rehabilitate me politically. Through this resolution, of which I have a copy, I have been excluded from the prohibition to carry out political activities established by Article 3 of Institutional Act No 4.

[Question] What will you do next, Mr (Pozzolo)?

[Answer] Well I believe that whatever has to be done next applies to all of us, I mean that one does not have to be a former legislator or politician to realize that the things which have to be done involve all of us. The fact is that our next task is to reorganize the political parties. It is possible that next year we will have elections to appoint the new party leaderships of the traditional parties and it is obvious that we all have a duty in this regard.

[Question] Have you reported the news of your rehabilitation to the leaders of your party?

[Answer] Not yet because it has just taken place. I am sure that tonight, when we have a better idea of the exact number of citizens who have been rehabilitated--a measure which in my opinion should have been general but which in any case constitutes progress within the framework of the current process--we will make the appropriate contacts. [end recording]

The latest information we have indicates that 22 former parliamentaries have been politically rehabilitated. It was reported recently that seven members of the Colorado Party and the same number of members of the Blanco Party have been notified of their rehabilitation by the commission charged with interpreting the implementation of Institutional Act No 4 headed by Interior Minister Yamandu Trinidad.

These are the rehabilitated politicians: (Oscar Piedra) of the United and Reform Movement of Treinta Y Tres Department; (Raul Ferro) of the Unity and Reform Movement of Salto; (Horacio Tasarnaberri) also of the Unity and Reform Movement of Salto; (Jose Varese) of the Colorado Party of Salto; (Antonio Jorge) of the Unity and Reform Movement of Salto; (Hector Solviera Diaz) and (Benjamin Perdomo) Unity and Reform of Cerro Largo; (Jorge Silveiera Zaval) and (Luis Felipe Gambio) of the Herrerista Faction of Cerro Largo; and (Carlos Navarette Nobilia) of the Rocha Movement of Cerro Largo; (Miguel Angel Galan) of the Pro-Fatherland Movement of Maldonado; (Ruben Franco Lino) of the Pro-Fatherland Movement of Paysandu; (Luis Elso Gomez) of the Rocha Movement of 33 Orientales; and (Ernesto Amorin Larrainaga) of the Rocha Movement, of Rocha Department.

Our mobile station No 1 has just confirmed that five citizens of the interior have also been notified of their political rehabilitation.

[Begin relay] Recently obtained information indicates that four of them are from Rivera Department: (Maximo Tavier) and (Carlos de Melo) of the Colorado Party and (Cesar Rodriguez Ibarburu) and (Antonio Amoros) of the Blanco Party. The fifth belongs to the Treinta Y Tres Department, he is (Juan Luis Pintos). [end relay]

CSO: 3010/1624

BRIEFS

MORE POLITICIANS REHABILITATED--The press room will now provide the latest report on citizens who have been politically rehabilitated. It has just been learned that one of them is (Washington Guadalupe). (Juan Pedro Zeballos) has also been politically rehabilitated, the former vice presidential candidate on the ticket headed by Dr (Alberto Gallinal). Other citizens, members of the Blanco Party, who have been rehabilitated during the past few hours are: (Walter Santoro) and (Elvio Cazal), who are members of the Movement for the Fatherland [Movimiento Por La Patria]. Of the (Vasconcellos) group the list includes (Jorge Vila) and (Alfredo Miguez); and of the Unity and Reform Movement (Antonio Marquezano). (Federico Bauza) and (Ernesto Astorga) are included. With the inclusion of the above mentioned citizens, the number of politically rehabilitated citizens now amounts to 106, according to El Espectador's headcount. [Excerpt] [PY291800 Montevideo Radio El Espectador Network in Spanish 1600 GMT 29 Jul 81]

FORMER PRESIDENT REHABILITATED--Montevideo, 27 Jul (LATIN-REUTER)--Former Uruguayan President Jorge Pacheco Areco today was authorized to return to political activity. The government has lifted the restriction which would have prevented him from doing so until 1991, sources close to the former president said. Pacheco Areco, who was head of state from 1967 to 1971, is the leader of an important sector of the Colorado Party. Currently he is his country's ambassador to the United States. Today the names of various politicians to whom the government restored their political rights, taken away by an institutional act decreed in 1976, were made known. Pacheco Areco, however, is the first leader of one of the two traditional parties, Colorados and Blancos, to be named. The other principle leaders of these movements, Colorados Jorge Batlle and Amilcar Vasconcellos and Blancos Wilson Ferreira Aldunate, Carlos Julio Pereira, and Dardo Ortiz, are still proscribed from political activity. [Excerpt] [PY282352 Buenos Aires LATIN in Spanish 2210 GMT 27 Jul 81]

ARMY COMMANDER RETIRES--Montevideo, 30 Jul (TELAM)--Some changes have taken place in the high military hierarchy this morning when the commander of the First Army Division, Gen Hugo Linares Brun, was retired. He had reached the age limit for remaining on active duty at his rank. Last night the government approved the resolution retiring General Linares and designating the current commander of the Second Division, Gen Julio Cesar Rapella, to replace him. At the same time,

Rapella will be replaced by Gen Ivan Paulus, director of the Defense Intelligence Service (SID). Lt Gen Luis V. Queirolo, commander in chief of the army, this morning told TELAM that there is nothing planned about the future of General Linares Brun. Rapella and Paulus are members of the Armed Forces Commission for Political Affairs (COMASPO) but General Queirolo said that the fact that they have been appointed to new positions does not mean that the COMASPO membership will be changed. This commission was the organization in charge of lifting the proscription on about a hundred political leaders who were proscribed from political activity. [Text] [PY310006 Buenos Aires TELAM in Spanish 1318 GMT 30 Jul 81]

PRISONER DEATH QUESTIONED--Paris, 22 Jul (AFP)--In a communique issued here, the International Lawyers Secretariat for Amnesty in Uruguay (SIJAU) reported that Uruguayan political prisoner Horacio Dario Ramos Betancour died on 30 June 1981 at the Libertad military prison. The communique states that although Uruguayan officials have reported Betancour's death as a suicide both the Human Rights League and Amnesty International demanded the immediate clarification of the cause of his death. According to SIJAU, Betancour's suicide is unclear because he was a man whose strong willpower had been acknowledged by everyone and because his death was part of a series of suicides, the last one being that of Hugo Arnoldo Dermit Barbato, which was reported on 9 January 1981. SIJAU is also worried about the fate and physical safety of two other persons imprisoned on the island: Tabare Eloises Rivero Cedres and Jorge Selves Lawler. The latter should have been released on 18 February 1981. According to SIJAU, five political prisoners have died since September 1980 under circumstances which put into question the Uruguayan authorities' position. [Text] [PY302147 Paris AFP in Spanish 2032 GMT 22 Jul 81]

URUGUAYAN-SPANISH AGREEMENT--The Uruguayan Labor Minister Carlos Maeso and Spanish Secretary of State for Jobs and Labor Affairs (Manuel Nunes Perez) today signed a technical cooperation agreement in Montevideo. [PY040919 Montevideo El Espectador Network in Spanish 1600 GMT 31 Jul 81 PY]

CSO: 3010/1627 END

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Bolivian Ambassador

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 12 Jul 81 p 54

[Text] Brasilia--Dionisio Banzer, the Bolivian ambassador to Brazil, told O ESTADO DE SAO PAULO yesterday that the gas pipeline to be built between Santa Cruz de la Sierra and Sao Paulo ought to be completed in 2 years instead of 3 as originally planned, so that the negotiations will immediately be brought to a happy conclusion. In his opinion, it is indispensable that the two nations find "more rapid formulas for interaction" so that "everyone will come out a winner from this episode, which has been under negotiations since 1978."

According to the diplomat, the statements by American businessman Armand Hammer that he owns the Bolivian gas, "if they have been reported correctly," must be attributed "to the excentricities of a billionaire who is not familiar with the realities of Latin America." He added that Occidental Petroleum is working for Bolivian Government Oil Deposits under the contract formula that includes risk clauses. Any resulting production is sold to the government, which then deals with whomever it pleases, at international prices and without private interference.

Friendship

After saying that relations between Brazil and Bolivia "have always been excellent," Ambassador Dionisio Banzer emphasized that they nevertheless need to be stimulated, and he gave an example: while the Bolivians buy about $120 million worth of goods from Brazil, the Brazilians buy approximately $25 million worth from Bolivia. The diplomat feels that as a result of his country's sale of gas to Brazil, the pattern of trade will tend to change, not in anyone's favor, "but for the benefit of all." He declined to disclose the price at which the gas would be sold to Brazil, but he recalled that in all the contracts signed with other nations, there are clauses providing for the updating of prices.

He feels that within a year, the basic engineering stage for the 1,940-kilometer-long gas pipeline will be complete, and financial backers for its construction will be needed. He jokingly said that in that case, the U.S. billionaire Armand Hammer will be able to make his investments "under the terms of formulas still to be discussed." Ambassador Dionisio Banzer is of the opinion that there will be no technical difficulty in building the gas pipeline, since both Bolivia and Brazil possess "a high

degree of technological capability," but he did not rule out the possibility of foreign assistance "from financial entities or excentric billionaires." As far as the diplomat is concerned, the important thing is that the gas pipeline should be built in less time than previously planned so that no one will start suspecting that Bolivia does not want to sell the product to Brazil. According to the diplomat, the negotiations between Brazil and Bolivia concerning gas supplies call for the daily delivery of 400 million cubic meters, "which may be increased for the convenience of both parties."

Gas Reserves Said Reliable

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 15 Jul 81 p 25

[Text] Rio de Janeiro--The Bolivian gas reserves committed to supplying Brazil's needs--11.3 million cubic meters per day for 20 years--have not yet been proven, but reservoir engineers at PETROBRAS [Brazilian Petroleum Corporation], who have examined the deposits in Bolivia, assert that they are absolutely reliable and thus justify construction of the approximately 1,940-kilometer-long gas pipeline that is to be completed within 5 years.

That information was provided by Paulo Vieira Belotti, manager of PETROBRAS, who refuted the statement attributed to American billionaire Armand Hammer, owner of Occidental Petroleum, that the Bolivian gas belongs to his company and not to the YPFB (Bolivian Government Oil Deposits).

Belotti participated in the first negotiations, in 1968, which later resulted in the 1974 Cochabamba agreement on supplying Bolivian gas to Brazil. He denied that Hammer had arrogated to himself the ownership of Bolivia's gas. He explained that Occidental owns only a small deposit of petroleum and natural gas in Bolivia and that for that reason, it had expressed an interest in moving its future gas production through the Brazil-Bolivia gas pipeline that will link Santa Cruz de la Sierra with Sao Paulo. That is the information that Hammer actually sent to PETROBRAS managers in Brasilia, among them Belotti himself.

Financing

The Brazil-Bolivia gas pipeline will cost about $1.5 billion, said Belotti, and to build it, PETROBRAS will seek financing from the World Bank and the IDB. There is currently a basic engineering design, valued at $2.71 million, that has been assigned to the Italian firm of Snamprogetti, a subsidiary of the state-owned ENI [National Hydrocarbons Agency].

Bolivia's natural gas will replace the fuel oil--about 65,000 barrels daily--that is currently used by about 200 industrial firms in Greater Sao Paulo in the production of iron and steel, cement, and glass, among other things. According to Belotti, the substitution has a double advantage: environmental pollution will be reduced, since gas is cleaner than fuel oil, and the price of the product will be lower for consumers than the price they pay for fuel oil.

Belotti said that there will also be sizable benefits for Brazil as far as foreign exchange savings are concerned. This is because Brazil will use dollars to pay for

the gas delivered in Sao Paulo, deducting the cost of transportation from Bolivia to the Brazilian border. That price in dollars will be less than what Brazil would have to pay for additional imports of petroleum to produce the fuel oil needed by industries located in Greater Sao Paulo.

The cost of the adaptations that the firms would have to make to use natural gas instead of fuel oil will be negligible, Belotti said.

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BRASPETRO TO PARTICIPATE IN OIL EXPLORATION IN NICARAGUA

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 15 Jul 81 p 25

[Text] Brasilia--Ernesto Gutierrez, Nicaraguan ambassador to Brazil, told O ESTADO DE SAO PAULO yesterday that BRASPETRO [PETROBRAS International, Inc] will be invited within the next few weeks to participate directly in petroleum exploration and exploitation in his country's basins and to start training courses for technicians from the Nicaraguan Energy Institute. The two organizations have just signed an agreement for that purpose on the basis of a protocol of intention signed in Lima last 7 March between the two ministers of mines and energy, Cesar Cals and Emilio Rappaccioli.

According to the diplomat, a similar protocol was also signed with INTERBRAS [PETROBRAS International Trade, Inc], which will provide assistance in the areas of wood (biomass studies for energy purposes, gasification, reforestation, and the production of charcoal) and alcohol (mixing that product with gasoline and the setting up of a distillery with a daily capacity of 150,000 liters of alcohol). The CETESB [Basic Sanitation Technology Company] will sell a project for the utilization of effluents. In all those cases, Brazilian technicians are to go to Managua as quickly as possible.

Agreements

The documents signed in Brasilia were the result of a visit here by a Nicaraguan mission headed by Deputy Minister Heberto Incer. In addition to what was signed, the visitors showed an interest in various kinds of projects in the sector of mines and energy. Ambassador Ernesto Gutierrez announced that proposals for the CPRM (Mineral Resources Prospecting Company) to participate in gold mining in Nicaragua are being analyzed. Andrade Ramos, chairman of that company, returned from Managua a few days ago. Initially, the CPRM will conduct geological prospecting surveys, but in the future it is to take an active part in gold production in that country, which currently exploits only 5 of the 26 mines in its territory.

Before the protocol of intention was signed by Ministers Cesar Cals and Emilio Rappaccioli, a Brazilian mission headed by Carlos de Campos, special adviser to the Ministry of Mines and Energy, had visited Managua. That visit resulted in a number of agreements which, according to Ambassador Ernesto Butierrez, are gradually being implemented. As an example, he recalled that although UN experts have recommended other methods of making charcoal out of wood using steel kilns, "an item that is not produced in Nicaragua," the visit by a mission to Brasilia, Rio de Janeiro, and Sao Paulo resulted in a preference for the Brazilian technology, which uses brick kilns.

An agreement in that connection will be signed with the Minas Gerais CETEC [Technological Center].

Relations

After praising "the excellent diplomatic relations between Brazil and Nicaragua," the ambassador said that in the near future, his country intends to ask Brazil's Ministry of Foreign Affairs for an increase in the credits previously granted to his government (from $25 million to $55 million) as a result of "the increasing number of agreements that have been reached." He explained that the desire of the Sandinists is to acquire a maximum of technology and equipment from Brazil, which he regards as "a nation profoundly friendly" to Nicaragua, "as it has already demonstrated on several occasions."

In his opinion, the essential thing is that trade should be expanded in the area of energy. He also recalled that "the trend from now on will be for us to reach more and more understandings with Brazilian authorities" in that field. The ambassador announced that Managua is currently deciding on the main outlines of legislation to govern foreign investment in his country and that there will be definitions as to how Brazilian investors will be able to apply financial resources in Nicaragua.

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PROALCOOL TO INCREASE AREA FOR GROWING SUGARCANE

Rio de Janeiro JORNAL DO BRASIL in Portuguese 14 Jul 81 p 16

[Text] Brasilia--The goal of producing 10.7 billion liters of alcohol between 1984 and 1985 is practically assured from the industrial standpoint. The big challenge for PROALCOOL [National Alcohol Program] now lies in the rural sector, where the area planted in sugarcane is to be increased from the current 1 million hectares to 2.5 million hectares by the end of 1983. This was announced yesterday by the director of rural credit for the Bank of Brazil, the institution that is financing almost two-thirds of the country's program.

According to surveys by the Bank of Brazil, 269 distilleries are currently operating in the country, and many of them are increasing their production capacity. In addition, a significant number are being established with financing from the Bank of Brazil itself, the BNDE [National Economic Development Bank], and private banks. While he did not know the exact number at the time of the interview, Alessio Vaz Primo assured us that the projects approved by CENAL [expansion unknown] guarantee that the goal of 10.7 billion liters of alcohol will be met.

Unjustified Criticism

But establishing sugarcane growing on an additional 1.5 million hectares over the next 2 years will cost 150 billion cruzeiros at current prices, since the cost of a hectare of cane currently averages about 100,000 cruzeiros.

According to the Bank of Brazil director, the criticism that subsistence crops are being replaced by sugarcane makes no sense at all. He pointed out that the 1 million hectares currently planted in sugarcane represent practically nothing compared to the 50 million hectares devoted to grain.

"We also cannot forget that a farmer does not plant sugarcane and then sit there for 18 months with his arms crossed, waiting for the cutting season to arrive while his tractors and farm implements rust in the barn. In the meantime, he is planting other crops such as corn, rice, and beans, not only for subsistence for also to be sure of an income and guarantee use of the other factors of production; land, labor, and capital (machinery, implements, and so on). So PROALCOOL will be contributing to an increase in subsistence crops and even in crops for export."

As of the end of June, the Bank of Brazil had signed for 204 distillery projects, approved 8 others, and had 42 more under study for a total of 254. The expected investment totals 155,379 million cruzeiros, and production will amount to 36,162,000 liters per day. The 212 projects already approved--204 signed and 8 waiting to be signed--will produce 30.56 million liters per day when they are operating at full capacity.

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NEW GASOLINE DISTRIBUTION, PRICING SYSTEM EXPLAINED

Havana VERDE OLIVO in Spanish 28 Jun 81 pp 27-29

[Article by Roberto Casin Medina: "Is the New System Better?"]

[Text] When the new fuel distribution system goes into effect 1 July, an old habit will die at the gasoline pumps. The old phrase of "give me five" will no longer be heard and, because of the decimal metric system, gallons will give way to liters.

This conversion is one of the outstanding notes of the new distribution system which, contrary to what some skeptics thought, does not change the amount of gasoline that the owners of cars, motorcycles and other vehicles receive.

For example, those who have received 10 gallons will be entitled to coupons (new denomination) for 38 liters, those who had a quota of 20 gallons will receive 76 liters, etc.

Some 186 pumps marked in liters will be installed in gasoline stations in the capital. Where those that only measure in gallons continue in operation, signs with the equivalent quantities and prices will be displayed.

The new system involves some changes for private owners. Instead of a 1-month quota, there will be a quarterly quota. The coupons will expire annually which is unquestionably a benefit.

Each driver will pick up his coupons at the service center he has habitually gotten them from without having to pay for the gasoline. He will pay for it when he receives it.

For state vehicles, the service centers will demand the corresponding coupons which are imprinted on the back with the enterprise or unit plus the cost in cash of the liters purchased.

In a visit to the Provincial Directorate for Service Centers in Havana City, comrades Jose M. Hernandez and Carlos Mier, assistant director and chief of the economic department respectively, insisted on the need for the coupons to be imprinted on the back or to have the code, name and sector to which the enterprise that issues them belongs typewritten on them. They stated that if this requirement is not met, the gasoline will not be pumped.

The strictness of the measure is justified by the careful control that the introduction of cash in the accounting operations of the service centers demands. Their economic activity will increase in quantity and quality overnight with the application of the new system.

Drivers in the so-called private productive sector--that is, the Freight Operating Enterprise, ANCHAR [National Revolutionary Taxi Drivers Association] and ANAP [National Association of Small Farmers]--will receive their allotted coupons from their respective enterprises without any change in the present quotas. Like in the other cases, they will pay for the fuel in cash at the time of purchase.

The additional quota allocated to the private vehicles of Cuban and foreign technicians or professionals will continue based on the service they provide to their organisms. These quotas will also be delivered quarterly at the service centers.

The professionals or technicians who are under the so-called "tie" system will receive their usual quota from their enterprises through this more efficient distribution system.

Will Price of Gasoline Increase?

Some drivers have inferred that the price of gasoline will increase under the new distribution system. They say that the price of 1 gallon of special gasoline is now about 65 centavos while 4 liters--equaling 1 gallon--from now on will cost 72 centavos.

Although it is not apparent, it is a numerical illusion. In the past, 4 liters equaled 1 gallon to make the mathematical conversion less complicated. Actually, 1 gallon equals 3.785 liters. Therefore, when you "pump" 4 liters of gasoline in your tank, you will really be getting 1 gallon plus a few tenths of a liter. That accounts for the slight difference in the price.

The same thing happens with regular gasoline; 1 liter will cost 16 centavos. Gasoline sold on the open market will remain at 2 pesos per gallon.

The price for diesel fuel (gas oil) varies by province as follows:

It costs 6 centavos per liter in Pinar del Rio, Havana, Havana City, Matanzas, Cienfuegos, Villa Clara, Ciego de Avila, Santiago de Cuba, Sancti Spiritus (except the municipalities of Trinidad and Jatibonico where it will cost 7 centavos) and the town of Holguin.

The price is 7 centavos per liter in Camaguey, Las Tunas, Holguin (except the capital city), Granma, Guantanamo and the special municipality of Isle of Youth.

Delivery of Coupons

Mario del Toro, assistant economic director of the Union of Oil Distributing Enterprises, explained: "In each province, there will be an agency of our enterprise which is responsible for supplying the coupons to the organisms. There will be only one for both Havana and Havana City.

"Our idea is that, as of 20 June, most of the coupons are already at the agencies. In the remaining days of the month, all the consuming enterprises or units that used to go to the bank will pick up their allocations at these offices."

Imagining myriads of paper, forms and gasoline coupons, I mentally toured the island, trying to reproduce, step by step, all the transactions that the Union of Oil Distributing Enterprises has to carry out. As hard as I tried, I could not figure out how so much could be ready in such a short time. Despite my concerns, the dialogue continues and other questions about the new distribution system are answered.

[Question] Will special gasoline be sold on the open market?

[Answer] That depends on our production limitations. We are behind in that sector so the open market has not been considered.

[Question] I have heard of a tie between the enterprises and the service centers. How will that work?

[Answer] Due to the fact that the new distribution system means an increase in monetary circulation and the complexity of handling cash, it was decided to establish credit relations between the enterprises and the service centers. In other words, you bill me periodically for what I consume and the enterprise will pay. In this case, the gasoline would not be paid for at the time it is "pumped."

[Question] When will those contracts be made?

[answer] Right now they will be very limited until the Service Center Enterprise can create the conditions for this credit system. Naturally, it is harder than the cash system.

To verify the importance and scope of the new system, I was shown an official document which stated: It makes a priori control of consumption on the basis of allocations possible. It establishes forms and systems of payment that are more in agreement with the Economic Management System. It permits better control of consumption by the enterprises and better planning. It correctly differentiates private consumption from state consumption which makes better standardization and planning possible. It eliminates irregularities in the use of coupons, forgery, theft and speculation as much as possible.

[Question] Is this possibility really eliminated?

[Answer] I would say that it is reduced to the minimum because now you need cash in addition to the coupons. You could forge the coupons, say, but that only gives you an option to purchase. Cash limits the irregularities.

[Question] Couldn't an unscrupulous driver not purchase the gasoline but keep the cash and sell the coupons?

[Answer] That depends on the real control of each enterprise and strictness in sales.

[Question] Is there something that regulates this?

[Answer] No. The system establishes quarterly coupons but purchases will be made by the drivers of the vehicles weekly, biweekly or monthly, depending on the nature of the enterprise.

CUBAN DELEGATION ADDRESSES OCLAE CONFERENCE

Nationalism, Anti-Imperialism

Havana TRICONTINENTAL in Spanish No 75, 1981 pp 91-104

[Cuban proposal to Anti-Imperialist Scientific Conference: "National Liberation Movement in Latin America, Caribbean"]

[Text] The triumph of the Cuban revolution and the consolidation of socialism in our country initiated a new stage in Latin American and Caribbean history. Since then, the popular and revolutionary movement has rapidly gained strength while imperialism and its allies have tried frantic political, military, economic and ideological formulas in order to confront the new realities of class struggle south of the Rio Grande and to prevent the triumph of other revolutions of national and social liberation.

After the defeat of the counterrevolutionary invasion at the Bay of Pigs, Washington inaugurated a new hemispheric policy without abandoning its plan to physically destroy the Cuban revolutionary process.

The so-called Alliance for Progress was conceived as an aid program to alleviate the serious material problems in the region. At the same time, the United States imposed a stringent economic blockade and diplomatic isolation on Cuba. Different types of military confrontation with the revolution were tried, all with the objective of stifling the development of the socialist project and neutralizing the influence of the Cuban example in the Western Hemisphere.

In his report to the First PCC [Communist Party of Cuba] Congress, Fidel Castro stated: "The time when the Latin American bourgeoisie thought it could find a way to avoid the changes which have occurred in revolutionary Cuba by resorting to illusory U.S. aid from the so-called Alliance for Progress is over. The experiment of an alleged 'revolution in freedom'--when the United States tried to make Mr Frei in Chile show up the beginning socialism in Cuba--failed."

The Cuban revolution made timely dununciations of these and other imperialist plans and all the steps that they have taken on the road to counterrevolution, deception and exploitation of the Latin American peoples.

All the resources and formulas that the United States used in over 20 years--the Alliance for Progress and the other reformist illusions, the reactionary coups,

military counterinsurgent aid programs, the Peace Corps and other forms of ideological and cultural penetration, the Marine invasion of the Dominican Republic, the destabilization of progressive governments and the assassination and indiscriminate repression of populist fighters--could not stop the course of history on this continent.

It accused Cuba of inciting popular struggles. It accused our country of exporting revolution and it believed that, by isolating the Cuban revolution, it could prevent the triumph of other revolutions in the hemisphere.

The Second Havana Declaration in 1962 clearly defined our Marxist-Leninist positions on the origin, development and historical inevitability of contemporary revolutions. They cannot be bought or sold, exported or imported, like merchandise. They are the result of the objective laws that govern the development of human societies.

In the 1970's, several social and political processes began to gain ground, leading toward the national liberation of our countries. An accelerated radicalization of popular demands led to the polarization of political forces, revealing the nature of revolutionary and counterrevolutionary positions more clearly to the masses.

Many different actions of the peoples and their vanguards counteracted different reactionary governments and helped expose the deceptive reformist alternatives.

The class struggle, the masses, the communist parties and the leftist organizations had victories and reverses in the 1960's. Through their actions, as perhaps never before in the history of their struggles, the different expressions of the revolutionary movement accumulated much experience from the different efforts, heroism and tenacity which were comparable to the most famous feats in American tradition.

In this way, a continental process with common roots and objectives began, marked by the common struggle facing imperialist and capitalist domination. The popular and revolutionary work steadily increased and spread socially and geographically, reaching its highest and best defined levels of struggle. The stage of open social revolution in the hemisphere in 1959 was fed by the blood and sacrifice of the masses and the fighters from different revolutionary organizations and parties. The awareness of the peoples was aroused and the alternative between true independence and imperialist domination became clear and irreversible.

The most outstanding historical merit of these heroic and necessary battles was their extraordinary contribution to the development of anti-imperialist awareness in our peoples and the opening of ways to victory which contemporary revolutionary processes like the Nicaraguan and Grenada ones have already used.

The peoples of Latin America and the Caribbean entered the decade of the 70's with more mature potentials closer to producing new revolutionary triumphs and progress in their struggles.

On one side, the Cuban revolution was completely consolidated and continued on its socialist path with success. Also new progressive, nationalist and anti-imperialist forces began quiet processes in other parts of the continent and the popular forces continued increasing their activities. The triumph of the popular government in Chile was an encouraging sign, establishing a constitutional way to achieve socialism in that country.

Meanwhile, several Caribbean governments inaugurated a new stage in that area by advocating and deciding to recover their natural resources and more independent and democratic political forms.

These facts and situations, among others, which took place in the beginning of the decade underlined the deepening crisis of imperialist domination in the area.

A new imperialist counteroffensive was not long in coming. On 11 September 1973 there was a bloody fascist coup d'etat which included the assassination of heroic President Salvador Allende, the most savage repression in the history of the Chilean people and the hand-over of the national economy to imperialist capital. Other parts of that offensive were the reactionary coup that overthrew the progressive government of Juan Jose Torres in Bolivia, the rise of the military to power in Uruguay and the pressures against other nationalist governments in the area.

These direct and brutal actions of specialized U.S. institutions with the objective of wiping out the Chilean revolutionary process and aborting the development of other progressive governments and processes had the clear objective of restricting the rise of the Latin American popular movement and teaching it another lesson—that the United States was willing to resort to extremist actions in order to maintain its hemispheric domination.

Nevertheless, the fascist coup in Chile and the other reactionary imperialist actions created a broad wave of continental and world solidarity which helped make the democratic and anti-imperialist forces of the region more dynamic and radical.

In 1974 and 1975, the bourgeois nationalist and anti-imperialist forces budded, expressed especially in the positions of several governments. Circumstantial factors included the critical U.S. situation internally (Watergate) as well as externally (Vietnam) and the economic crisis of the international capitalist system which seriously affected U.S. imperialism. It affected the Latin American countries much more, increasing confrontations between their interests and the economic policy of the Yankee government and monopolies.

Throughout 1976, the United States increased pressure on progressive governments and forces in the area. It carried out destabilizing plans against the Jamaican Government. In the Southern Cone, the fascist military dictatorships formed a common repressive line with superexploitation of the popular masses based on economic models in line with the interests of the imperialist financial groups and the local upper classes.

At the end of 1977, the first signs of recovery by part of the popular and revolutionary movement that had been hard hit by successive actions of imperialists in former years could be noted. The trend toward revival of the struggles of the masses and revolutionary actions became more visible, especially in Central America, the Caribbean and some countries in the south like Bolivia, Peru and Colombia. Since then, with a growing trend embracing more countries, the popular and revolutionary movement recovered its defensive stage and in some countries has gone on to a general revolutionary offensive (Nicaragua, Grenada, El Salvador). In other countries, there is faster progress in the accumulation of strength which generates the conditions for a crisis in bourgeois power and for revolutionary situations. In a third group, the demands of the popular sectors advance, sometimes with

significant political and military actions of the vanguards or accompanied by strong mass movements with democratic aspirations in electoral processes. In a fourth group, on and off and at different levels and strengths, there is a tendency toward social action expressed in partial strikes, greater electoral achievements of the left, etc. Finally, in other countries, the defensive and retreat stage still prevails but the initial signs of recovery by the popular movement and its Marxist-Leninist organizations can also be seen.

At the present time, an examination of the continental situation reveals a more acute class struggle which is still uneven among the countries but yields a positive and encouraging balance at the end of the decade. It is rising dynamics, a trend in frank development; that is precisely its importance.

Along with the recovery of the parties and organizations in several countries, there is a notable budding of the mass movement. The demands of the organized working class increase and its sphere of influence spreads to other social sectors, occasionally achieving national political status. In the labor organizations, the positions of unions with class orientation progress and stabilize with positions that are increasingly similar to those of the leftist parties and organizations. Strikes tend to multiply and become more effective in their objectives, being characterized by the incorporation of not only economic but also political demands. There is also a tendency to favor unity among the union organizations in each country and a search for dialogue and coordination of efforts on a continental scale.

The peasant movement shows signs of expansion and radicalization in its struggles, participating actively in several revolutionary processes like in Guatemala, El Salvador and Nicaragua. Land take-overs, strikes and marches for improved living conditions increase. Their demands reveal obvious revolutionary and progressive inclinations and closeness with the working class. They also show advances in the unity of the national and continental peasantry and a growing incorporation of their peoples to the fight for liberation.

The youth, especially the young workers and students, continue to represent a vital force with direct participation in the popular and revolutionary struggles in Latin America and the Caribbean. Their massive presence in the processes in Nicaragua, Grenada and El Salvador is an example. The work of Maoist and Social Christian ideological trends has failed to weaken the representative structures of the progressive youth and students. In spite of the work of imperialism and the bourgeoisie to distort the meaning of the feminist struggles, the Latin American and Caribbean women have recently demonstrated their revolutionary capacity as part of the doubly exploited masses. Their expanded and distinguished participation in the victorious revolutionary processes in Nicaragua and Grenada and their participation in the struggles of the Salvadoran people indicate, with the eloquence of deeds, the vanguard position that women on this continent increasingly occupy.

One phenomenon of singular importance is the growing incorporation of Christian leaders and sectors into the popular revolutionary struggles. The radicalization of these forces is accompanied by their expansion. Some already have not only a strategic alliance but unity between Marxist-Leninists and Christians.

In this way, the development of the revolutionary movements of national and social liberation is accompanied by a rising mass movement in Latin America and the

Caribbean. Both phenomena are expressions of the economic and political crisis of imperialist and bourgeois domination in the region. At the same time, they reveal the increasing maturity of the labor, peasant, youth and feminist movement and the other popular movements, together with their vanguards.

Nevertheless, it is necessary to repeat that that combative development of the masses and the revolutionary parties does not cover the entire continent nor does it appear with the same dimensions and concepts of struggle in the different countries. Also many activities of the masses continue to be spontaneous while, in other cases, there are actions by the left which are not connected to the popular movement.

One decisive factor in the triumphs and development of the Latin American revolutionary movements of national and social liberation is the unity among the vanguards in some countries and advances in that direction in others. A good example of the importance of solidarity and combative unity among communist parties and other revolutionary detachments was their solidarity with the popular struggle in Nicaragua.

The revolutionary triumphs in Nicaragua and Grenada represent the most important and significant historical events in Latin America and the Caribbean since 1959. Those important events mark the failure of the counterrevolutionary offensive imposed on our peoples by U.S. imperialism. Overthrowing dictatorships is the order of the day on the continent and the sustained and generalized advance of the mass movement is a clear demonstration of that.

Nicaragua and Grenada are expressions of the rise of the popular and revolutionary movement in the region and are inscribed in the historical stage that the victory of the Cuban revolution opened on the continent. They are a new phase of development of the multifaceted struggles which the Latin American and Caribbean peoples fight to achieve complete national and social liberation. Both victories are the result of combat experience and traditions accumulated by the masses and their vanguards on the continent for more than 20 years since the revolutionary triumph in Cuba.

They confirm the historical necessity and possibility of ending imperialist control in this hemisphere. Through their example, they destroyed the myth that it was impossible to have other revolutions in the area based on the assumption that the United States had the ability to prevent them at any cost.

The Nicaraguan process truly demonstrated that the United States cannot apply fascist or reformist solutions successfully facing a true revolution based on the masses, arms and unity. It again confirms that the chances of maintaining imperialist control depend basically on the ability and level reached by the revolutionary movement in this or that country in the region.

Today it is harder than in 1959 for the enemy to convince people that the triumphs in those countries of the Caribbean and Central America are isolated, exceptional cases and that the nature of what occurred in Grenada and Nicaragua does not reflect the basic problems that our peoples must resolve in order to achieve true liberation.

To try to make the events in Nicaragua and Grenada foreign to the generalized struggle fought by the peoples on the continent and to try to explain those triumphs by the peculiarities of the reigning dictatorships not only means ignoring the context of the domination in the majority of our countries but also minimizing the political and military lessons which both revolutions, especially the Sandinist revolution, teach.

As the Sandinist leaders have stated very clearly, 19 July 1979 cannot be explained without understanding the formation of a broad social force with a popular base whose political direction was not in the hands of the bourgeois sectors but the FSLN [Sandinist National Liberation Front]. The revolutionary victory meant a political triumph but also--and this was decisive--it resulted from a military victory of the popular forces. It was also possible due to the neutralization of the reactionary and imperialist sectors internationally and the creation of a broad front of democratic and anti-intervention forces. In short, the victory was the result of the combativeness of the popular masses, a correct fighting strategy, the correct formation and operational direction of a military force capable of overthrowing the National Guard and the unity of all antidictatorial sectors from the local organizations to the leadership of the vanguard, the FSLN.

Thus, the revolutionary triumph in Nicaragua revived the effectiveness and viability of the armed struggle as an important means of taking power where other roads are closed. It must be organized and conducted consistently and creatively, based on the masses and on the firmest united will. Nicaragua and Grenada also confirmed that the only guarantee for the development of a program of transformations with anti-imperialist objectives is based on the destruction of the bourgeois state machinery and the creation of a new people's army.

Finally, another important factor pointed out in the common analyses of both processes by the Latin American left is the reiteration that the existence of economic and political crises or even objective revolutionary situations is not enough. Bold, creative, united and scientific leadership of the political and military vanguard is essential to convert the revolutionary possibility of an historic event into a practical realization.

Latin America and the Caribbean are living in a time of great historical change. Although the nature of the revolutionary movements, the forms and the advance of the processes vary and the weight of the popular classes and the progressive sectors is different in different countries, all are, nevertheless, part of the same historical trend toward national and anti-imperialist liberation. They are objectively part of a continent in revolution.

The shifts in the international balance of power in favor of socialism, social progress and peace and the irrepressible development of the popular and revolutionary movement in Latin America have converted the former backyard of U.S. imperialism into an area where it is increasingly more difficult to maintain its domination and impose its political decisions.

Imperialism does not have structural solutions, even temporary ones, for the economic and social crises of Latin American underdevelopment. The differences between U.S. interests and a large number of governments which it can no longer manipulate as its puppets increase.

One factor in this new hemispheric reality is the historical defeat suffered by U.S. imperialism because of the Cuban revolution, its consolidation, the expansion of its hemispheric relations and its ideological and political influence in the area.

The United States has proven that it plans to use all necessary resources and methods in order to try to maintain hegemonic control over the region. In those countries where it is incapable of maintaining reactionary regimes, it will do everything possible to deflect the most advanced ideas and positions of the popular and revolutionary movement and it will work to divide forces, negotiate reformist alternatives and corrupt the sectors that are less committed to the cause of the people.

The strategic military, economic and political value that the United States assigns to control over Latin America and the Caribbean is a challenge that the entire revolutionary movement of national and social liberation in this region takes up with determination and heroism. We revolutionaries on this continent know that the fight against imperialism in the coming years will not be simpler or easier. Latin America and the Caribbean are called to be a decisive area of confrontation in the world struggle of the peoples against the imperialist system and for peace and social progress. One example is the heroic battle that the Salvadoran people are fighting to achieve democratic, anti-imperialist and revolutionary victory. Hundreds of their sons are murdered each week. Imperialism increases its partial intervention and prepares for possible direct intervention which all we revolutionaries and progressive forces in the world must firmly oppose. We must support the Salvadoran cause with the strongest solidarity. Its victory will also be a contribution to the freedom of the other peoples in America and the world.

Now, taking into account the common regional factors which are the most important in each country, it is obvious that the strategy and the tactical concepts of the Latin American revolutionary processes have one main line: opposition to these efforts and the destruction of that global enemy. This opinion was stated in the Declaration of the Conference of Communist Parties from the area held in 1975 and is shared by the entire revolutionary movement.

It will be impossible to make the socioeconomic changes that our societies demand without ending the oppression of U.S. imperialism in each of our lands. This means ousting its representatives and allied sectors from power. This is a prerequisite that will permit progress toward new conquests along the historical road that leads to socialism.

Union and solidarity among the anti-imperialist forces of the continent are the only firm base to keep the enemy from using division and isolation of the revolutionary processes, hitting them separately and, in this way, charging a higher price for the inevitable liberation.

Experience shows that it is not enough to proclaim the need for unity in order to advance to its realization. Anti-imperialist unity assumes a solid unity of the vanguard and especially means unity of action. This is also an example which should be praised in the Cuban and Nicaraguan processes.

As the Final Declaration of the Conference of Communist Parties stated, "the incorporation of forces and organizations representing bourgeois sectors in the broad

front of the anti-imperialist and antioligarchical struggle is very important. However, it must not be done at the expense of the essential alliance of laborers, peasants, workers and the middle class or at the expense of the independence of the proletarian class for temporary commitments from the bourgeois sectors."

The present stage of confrontation with imperialism is characterized by a strong and complex ideological struggle. After 1959, the anticommunist myths began to lose effectiveness on our continent.

In the midst of the victorious Cuban revolutionary process, the experts in imperialist propaganda understood that the popular and revolutionary parties and movements on the continent based their actions on deep ideological and political motivations. They outlined a basic line of work to discredit the model of socialism as the only alternative for liberation and economic development of our peoples and to promote division and dispersion of the popular and revolutionary forces.

The multifaceted action of enemy propaganda sometimes takes on grotesque and coarse forms; at other times, it is more camouflaged and subtle. However, it always has one main objective: to distort the struggle of the peoples, to discredit and hide the successes of the socialist bloc, to slander the social system, to try to divide the revolutionary movement of the socialist bloc and to confuse the peoples, distorting the ideas of Marx, Engels, Lenin and other contemporary communist leaders.

The Latin American revolutionaries have proven their vigilance facing the Maoist groups which, although insignificant in number, are occasionally harmful through their provocative activities that help imperialist objectives.

These groups are characterized by theorizing and verbalizing about the revolution but never finding the right time or place to really confront the enemy. Their main characteristic is revealed in the isolation of the masses and the attempt to impose ideas foreign to the sociopolitical reality of our countries, adopting positions contrary to the interests of the revolution.

Some Christian Democrat leaders, with openly proimperialist positions, aspire to convert this political current into an enemy of the revolutionary movement. The revolutionary movement responds with growing strength and distinguishes those honest sectors that do not adopt the official positions of Christian Democracy and work with the bases to discover and isolate the reactionary positions of the leaders.

In the present international and Latin American situation characterized by the economic, political and social advances of the USSR and the other socialist countries, the national liberation movement, the international labor struggles and the crises of imperialism, the importance of subjective factors increases and the success of popular actions depends more not only on the balance of power among the classes but also on the revolutionary ability of the vanguards in the implementation of the correct strategies and tactics and in the choice of the appropriate methods of struggle.

Patriotic sentiment, anti-imperialism and the demand for real national independence give the popular struggles of Latin America and the Caribbean a particular and dominant nature.

On this continent, we are facing a specific overlapping between the class struggle and the national struggle, an original combination of democratic tasks tied to socialist tasks and of tasks of anti-imperialist liberation tied to the actions of industrial and agricultural workers against capitalist domination. That mixture leads to uniqueness in Latin American revolutionary projects which is reflected in the fighting strategy and tactics of many leftist parties and organizations.

Each people on the continent will reach socialism, that aspiration rooted in its national, Latin American and Caribbean history, since that is the only alternative capable of solving the complex structural problems of underdevelopment accumulated by our societies. There will be different processes and each one will have its own characteristics and will offer contributions to the world revolutionary legacy. There will not be rigid standards to guide the processes of national liberation and the construction of socialism on American land. As the Marxist-Leninist parties in the region clearly maintain based on real history, the victory of any true revolution and the development of socialism respond to universal scientific laws. In effect, history demonstrates that it is not enough to call to the working class and the people to overthrow bourgeois power; the masses might not answer that call. For that reason, the revolutionary vanguards of the continent maintain that their political lines cannot be determined by subjective desires and opinions. The illusion of wanting to replace the role of the masses brings only delays and problems for the final triumph of the revolution. Lenin taught us that propaganda and agitation in themselves are insufficient to make the people understand the need for the fight for liberation. Lenin stated: "Therefore, the political experience of the masses is necessary." He said: "That is the fundamental law of great revolutions."

One of the most significant characteristics of the present Latin American popular movement is the interweaving of the democratic struggle and the revolutionary struggle. Objectively, in the search for better living conditions and minimal political freedoms, the workers and other sectors of the people in many countries directly confront the bourgeois power. This power appears more and more often as the main obstacle to overcome. For that reason, the revolutionaries understand the need to stimulate and lead the democratic struggles because these aid in the advance of the revolution which is the only way to guarantee popular democracy.

Experience demonstrates that anti-imperialist liberation and democratic transformations are tied to the triumph of socialism.

In Latin America, the fight for national liberation and the democratization of political life, economic transformations benefiting the vast majorities, respect for life and human dignity and against the dictatorial regimes leads to broad possibilities for work and alliance with other democratic forces without implying renunciation of the ideological fight.

In those Latin American countries with extreme rightist regimes--almost always fascist military dictatorships--the revolutionary vanguards proclaim the right and the duty to encourage and use the boldest forms of struggle to accelerate the overthrow of these systems of domination. These, of course, have been imposed by imperialism not only to neutralize the development of the class struggle, but also to uphold the new model of accumulation of capital and the new capitalist division of labor--designed by the large international financial groups--in which the

underdeveloped countries in the area must play an even more subordinate role and the economies are subjected to high levels of superexploitation of the salaried work forces, greater centralization and concentration of capital.

Occasionally, false dilemmas have been presented about forms of armed and unarmed struggle. In our opinion, a struggle is not reformist just because it is legal or includes intentions of opening democratic ways nor is it revolutionary because of its armed nature. The revolutionary context of any form of struggle is defined by its objectives in the sense of making the popular masses advance or regress with respect to the ultimate objectives. In the last instance, as several historical experiences on our own continent demonstrate, the leadership ability of the revolutionary vanguards is measured by their training and skill in quickly replacing the preponderance of one or another form of struggle, without lagging behind the different changes imposed by the dynamics of the class struggle.

Weapons are indispensable in order for any revolution to triumph--weapons and masses. Not weapons without the masses nor the masses without weapons. Their use is indispensable in one form or another, at one time or another in the struggle.

Comrade Fidel Castro, first party secretary, stated last 26 July: "The fundamental thing in a revolution, the fundamental thing in order to be able to speak of revolution and of popular revolution, is to have people and to have weapons."

Our experience demonstrates that division of political and military functions diminishes each. Only an integral political-military concept provides the ability to go from one main form of struggle to the other at the right time, according to the stages and circumstances of each process.

Another important problem is related to the role of the progressive military.

In spite of long records of service to the reactionaries and the imperialist monopolies, it would be unfair and unrealistic to consider every man in uniform an unconditional servant of those interests.

Of course, the revolutionary vanguard in each country must evaluate the role that the progressive elements of the armed forces in some Latin American countries can play in the anti-imperialist processes of national liberation. In our opinion, the conduct of the armed forces cannot be analyzed outside of the historical context of each country and the corresponding class confrontation. History demonstrates that scientific revolutionary analysis in this case cannot be based on generalizations that do not consider concrete realities nor is it valid to forget the basic principles of Marxism-Leninism about the state and the laws of every revolution. In the case of Latin American societies, experience teaches that the peoples have had to confront and overthrow military power in order to achieve real control of the state and its replacement by a new type.

At the beginning of the 1980's, new political, economic and social circumstances arise on this continent in revolution which is the object of the most detailed and constant U.S. imperialist attention because it is immersed in a worsening crisis which intensifies its interest in continental domination.

New revolutionary possibilities arise at this time. Revolution is maturing in different countries in our America. The revolutionary vanguards are aware of this; they work and prepare themselves to contribute so that these crystallize more rapidly along the roads that are most advantageous for the peoples and lead to real and complete liberation.

Imperialism and the bourgeoisie redouble the defense of their positions. Direct confrontation, on all planes, shows up in each country sooner or later, imposing one alternative--the defeat or the victory of the peoples.

The blood of thousands of revolutionary soldiers and of the men and women of the people, killed in this historical feat, unites us and binds us. Simon Bolivar, Jose Marti, Augusto Cesar Sandino, Salvador Allende and the other heroes of the American fatherland inspire our struggles today with renewed energy. The Heroic Warrior, Ernesto Che Guevara, with his memorable example of sacrifice and revolutionary internationalism, symbolizes the historical continuity of the independence fighter's epic of the past century and the progress to reach the second and real independence of our peoples, the "grand avenues" of social transformation that will bring material and spiritual happiness to the peoples of our America.

Jesus Montane's Speech

Havana TRICONTINENTAL in Spanish No 75, 1981 pp 110-116

[Speech by Jesus Montane Oropesa, alternate member of the Politboro and chief of General Department of Foreign Relations of the CC of the PCC, to OCLAE Conference; date not specified]

[Text] Dear comrades:

We meet today to commemorate an event of profound revolutionary and internationalist meaning--the 15th anniversary of the Tricontinental Conference and of AALAPSO which was founded by it.

No revolutionary works with his eye on historical recognition. We work to carry out a duty, to advance our just cause as much as possible. But today, 15 years after that event, we have no doubt that history will recount the full importance of that effort for tricontinental struggle, unity and solidarity.

The participants in the Tricontinental Conference cannot be measured merely by the extraordinarily eloquent circumstances when the representatives of the most prestigious anti-imperialist and anticolonialist revolutionary forces of 82 countries of Africa, Asia and Latin America as well as 21 international and regional progressive organizations met for the first time. In addition to this factor which would be enough to call it exceptional, it is necessary to recall the profoundly revolutionary and advanced political content of its agreements, especially the fact that its protagonists were children of the peoples of large sectors of the underdeveloped world. These peoples were subjected for centuries to the rapacity of colonialism, suffered neocolonialism and imperialist exploitation. They often had been under European domination until a few years ago. They were peoples who had even fought heroically with guns in hand to attain independence, peoples finally to whom their exploiters had tried to deny any capacity for political life and historical creation.

In this way, the Tricontinental Conference was an indication of the accelerated progress of the fight against colonialism, neocolonialism and imperialism in the vast regions of the planet which, until the triumph of the great socialist October revolution, had been considered merely a supplier of markets and raw materials. As Lenin predicted, they rose up to become one of the basic links in the fight for the revolutionary transformation of the world.

The fact that the meeting was held in Cuba, blockaded and harassed by imperialism but unyielding against all its aggressions and threats, on a continent that the United States always considered its safe neocolonial backyard, gives that conference great meaning.

The most important thing is that the Tricontinental Conference demonstrated the ability of our peoples, their political maturity, their determination to fight at all costs for true liberation which cannot be limited to the formality of an anthem and a flag but must go much further--to the transformation of economic structures, the recovery of natural resources and the achievement of true independent development on the bases of progress and social justice. That conference revealed something of extraordinary importance: awareness that the fate of all the countries oppressed and exploited by imperialism was interdependent, that the victory of one people was the victory of all and that a reverse suffered by one people meant a reverse for all. These profound convictions, indispensable for anyone who aspires to be considered a revolutionary in today's world, contain the cardinal objective of that meeting of the peoples: to promote the broadest, most determined and firmest solidarity among all the peoples of Africa, Asia and Latin America and the forces of independence, democracy, peace and social progress in the world.

It is necessary to recall the circumstances that the revolutionary and national liberation movement was going through at that time, the middle of the 1960's.

The Tricontinental Conference was a suitable and timely response by the peoples to imperialist aggressiveness and domination. At that time, U.S. imperialism had started to play the role of reactionary policeman for the world with open insolence. Yankee intervention in Vietnam, which began during French colonialism, led to the landing of hundreds of thousands of U.S. soldiers in South Vietnam and the beginning of a brutally destructive air war against North Vietnam. With complete justice, world support for Vietnam and the development of a revolutionary strategy of the peoples in solidarity with the heroic Vietnamese were the focus of attention and concern at that meeting. Many of the revolutionaries who inspired the Tricontinental Conference, including the Heroic Warrior, Ernesto Che Guevara, and his fighting comrades in the Bolivian jungle devoted their ideas and actions to this objective.

It was not just Vietnam. In Africa, after imperialist interference in the Congo and the assassination of Patrice Lumumba, there was a reactionary offensive directed at imposing the bonds of neocolonialism on the recently liberated peoples. Several progressive countries were the scene of counterrevolutionary coups. With the support of the Yankees and their NATO allies, the fascist Portuguese regime unleashed a savage repression against the peoples of Guinea-Bissau, Cabo Verde, Angola and Mozambique and against the brave forces of liberation that fought an armed battle for their independence. The racist regimes of the African southern cone, also supported by the imperialists, strengthened the repugnant system of apartheid through terror.

In Latin America, U.S. imperialism resurrected its policy of intervention and aggression against the peoples. Yankee advisers, arms, training programs and resources of every type were placed at the service of the oligarchies and repression of the revolutionary movement. The CIA did as it pleased in many countries in the area. The blood of the Panamanians murdered by U.S. soldiers in the Canal Zone had not even dried when 40,000 Yankee Marines invaded Santo Domingo and smashed the quest for independence of that fraternal people personified by the immortal resistance of Francisco Caamano. Puerto Rico was the victim of new maneuvers to strengthen the oppressive yokes of colonialism. Meanwhile, Cuba was the target of escalated pirate attacks and attempted subversion, openly promoted by the CIA from U.S. territory.

The Tricontinental Conference projected itself on this panorama with its resolutions.

Since those historic days of January 1966, results have begun to materialize. The mere fact that leaders of the stature of Amilcar Cabral, Salvador Allende, Luis Augusto Turcios Lima and many other distinguished revolutionary fighters, along with our commander in chief Fidel Castro, met in our capital helped us all acquire a much deeper awareness of the problems, the struggles and the difficulties that the peoples of each continent faced in their fight against colonialism, imperialism and reactionaries. The exchange of ideas and the debates gave us a much more real, complete and broader vision of the international revolutionary movement. The strategy of anti-imperialist struggle and solidarity outlined at that meeting, based on the experience of the fight of the peoples, remains relevant. It helped publicize internationally the oppression and repression to which many peoples were victim. Their sufferings had been systematically silenced, ignored or distorted by the large imperialist news monopolies.

However, the favorable balance of that revolutionary meeting was not limited and could not be limited to this. The Tricontinental Conference gave birth to important institutions, especially AALAPSO.

Cuba was elected secretary general of the organization and seat for the Executive Secretariat for all these years. It knows the positive role that this organization has played and plays in support of the peoples who fight for their liberation.

We know about its consistent support for the just Vietnamese cause for national salvation, first against the attacks of the Yankee imperialists and now against the incessant aggressions and threats of the reactionary and treacherous clique that governs China. We know about its unhesitating support for the fight of the peoples of Kampuchea and Laos. We know about its denunciation year after year of the crimes committed by the repressive regime of the Shah and about its solidarity with the combative Iranian masses. We know about its support for the Afghan people and their progressive and antifeudal revolution. We know that, during these 15 years, its political and moral encouragement to the Palestinian people and their only legitimate representative, the PLO, has not lessened for even an instant. It also supports the other Arab countries against the aggression, theft of their land and genocide committed by the Zionist aggressors, the perfect instruments and allies of imperialism in the Middle East. It has not been quiet in recent times when it was necessary to expose the despicable treason of the Egyptian regime and its conversion into a servile pawn of Yankee imperialist maneuvers to divide and crush all the progressive forces and governments in that region.

If we look at Africa, we see that AALAPSO has been there, with its solidarity, in all the decisive changes that have made this continent a hopeful force for the world revolutionary movement. It has supported Angola, Mozambique, Guinea-Bissau, Cabo Verde and Sao Tome and Principe. It has resolutely stood behind the profound popular revolution in Ethiopia. The countries of the Front Line have been able to count on its constant denunciation of the aggressions and crimes perpetrated by the racists. The new Zimbabwe, victorious and independent today, had and has a friendly and firm hand in AALAPSO. The oppressed African peoples of Namibia and South Africa and their fitting standard-bearers--SWAPO [South-West African People's Organization] and the African National Congress--have been able to count on this valuable vehicle of solidarity in order to advance a struggle that will not be stopped until it achieves victory over the hateful system imposed by the exploiting white minority. It has also energetically supported that brave little people who fight unceasingly for self-determination and independence in northern Africa--the Saharan people.

AALAPSO has known how to carry the flag of the just cause of peaceful reunification of Korea. It has strongly denounced and condemned the odious crimes committed by the fascist dictatorship in South Korea.

In Latin America and the Caribbean, it can be proud of having continued support, without despair or weakening, to all the truly patriotic, anti-imperialist, democratic and revolutionary forces in the region. It can feel the deep historical satisfaction of having supported the struggle for liberation of the peoples which today has resulted in important events like the Nicaraguan revolution, the Grenada revolution, the invincible and inevitable progress of the sacrificing and heroic people of El Salvador, the rise of the popular armed struggle in Guatemala and the rise or reappearance of the popular and mass movement in several countries. It can feel the stimulating conviction of not having weakened in its international denunciation of the reactionary regimes that oppress the Chileans, Uruguayans, Paraguayans, Bolivians, Haitians and other peoples in our America. It has also shown respect for the democratic rights of the Argentine people. It can feel at peace for having given its unrestricted support to the historic aspiration of the Panamanian people for complete sovereignty over the Canal Zone, the continuing fight of the Puerto Rican people for their national independence, the legitimate right of the people of Belize to their independence and territorial integrity, the urgent aspiration for self-determination of other Caribbean countries that still suffer colonial domination, the unbending cause of Cuba and, finally, all the actions and positions that constitute an aspiration for sovereignty, defense of legitimate national interests or struggle for more just and equitable economic relations that different governments and political forces in this region have carried out.

In this necessarily brief summary, we do not want to omit the important role of the magazine TRICONTINENTAL in the work of AALAPSO. It has constantly improved its quality. It has opened its pages to prestigious figures of the international revolutionary movement. It has served as a means to encourage the campaigns of solidarity that the organization sponsors. It has especially carried out important work in the diffusion of revolutionary ideas, the exposition of the objectives and political programs of many important popular movements and information about the realities of the peoples who fight against tyranny, racism, Zionism, colonialism, neocolonialism and exploitation in all forms. This is shown in the message sent by the Unified Revolutionary Directorate of El Salvador which was received recently by AALAPSO in salute to its 15th anniversary.

It is also appropriate to point out the singular quality in graphic propaganda achieved by AALAPSO. The organization's political posters, distributed by the millions, have been a weapon in the hands of the peoples of the world.

AALAPSO's international relations, especially in this latest period, have been strengthened and include a growing number of national, regional and international organizations. AALAPSO has also participated in countless international events where its voice of solidarity and encouragement has been heard by the peoples who fight for their liberation, sovereignty and national independence.

Our country, because of its known firm and constant internationalist policy, participates in this important work of tricontinental solidarity. Along with the other members of AALAPSO, the democratic forces that fight for peace and national independence and the international revolutionary and progressive movement, we will continue to offer all the support and encouragement it deserves.

At the end of 15 years, we can see the justice and the usefulness of this effort. The impressive changes in the world as a result of the advances of socialism, the worker movement and the fight for liberation of the peoples have had Cuba's constant support. Africa, Asia, Latin America and the Caribbean of today are no longer those of 1966. The maps of freedom and revolution have expanded impressively. The unity of all the anti-imperialist forces has progressed well. The influence of international solidarity has increased extraordinarily. Imperialism is still aggressive and dangerous; it always will be. It is still powerful but, with every year that passes, its odious domination and its chances to use blackmail, intimidation and interference against the struggle of the peoples decrease.

Mankind is living today in times of uncertainty and danger. We are going through difficult times. The warmongering and reactionary policy of the imperialists seriously threatens peace. The U.S. politicians now in government are touting plans for alliance with fascist tyrannies. They encourage the arms race, threaten to use force in several strategic places in the world and attempt a cynical project of support for the repressive regimes and aggression against the popular and revolutionary movement in Latin America and the Caribbean. Under these circumstances, as never before, the mobilization of international solidarity can and should play a role of extraordinary importance.

The peoples will not bow to blackmail. The revolutionaries will not waver facing the reactionary and imperialist idea of dividing the world into spheres of influence and freezing the process of change. The great challenge that we have before us is to preserve peace and carry out the transformations that the people demand. We are sure that AALAPSO will also play an important role in this challenge. Solidarity can and should win many new battles in the future. Solidarity is an important weapon and a guarantee of the victories to which we aspire--victories of peace and justice, peace and freedom, peace and revolution!

On this 15th anniversary, we send our warmest greetings to all the comrades who are members of the Permanent Secretariat of AALAPSO, to all the comrades who participate, collaborate and support the efforts of this organization.

Let us go forward with the assurance that the future belongs entirely to independence, unity and fraternity among the peoples!

Long live the 15th anniversary of AALAPSO!

Long live the fight for liberation of the peoples!

Long live the unity and solidarity of all the forces of the world revolutionary movement!

Fatherland or death!

We will triumph!

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CAMILION DISCUSSES VARIOUS TOPICS IN 'SOMOS' INTERVIEW

Buenos Aires SOMOS in Spanish 10 Jul 81 pp 30-31

[Interview with Oscar Camilion, Argentine minister of foreign relations and culture, at the Palacio San Martin; date not given]

[Text] He is one of the ministers most sought after by newsmen in recent times, something understood clearly when one considers some of the matters that are in his hands: mediation of the Beagle dispute, reports by LA PRENSA, the border conflict wih Chile, recovery of the Malvinas Islands, the naming of ambassadors, the salaries of diplomatic personnel. Others describe him as one of the most thoroughly political men in President Viola's cabinet, and there is no lack of those who say he is much more a politician--or an economist--than a diplomat. In his office on the second floor of the Palacio San Martin, Oscar Camilion, minister of foreign relations and culture, did not dodge any questions. This is a summary of his long chat with SOMOS:

[Question] They say that you and Horacio Tomas Liendo have the greatest political clout in the cabinet, and also that you would defend development positions within the government.

[Answer] We are two ministers in charge of two political portfolios (one foreign and one domestic), and consequently it is natural that we have some political weight. But the cabinet is not a party coalition, nor were its members chosen for their politics, but rather for their aptitudes for certain functions. I am what I am, my political beliefs are my political beliefs, and those who believe that in our functions we are thinking of party politics are mistaken.

[Question] The government says that the delay in naming ambassadors is not important, because in reality the diplomats overseas represent a single process. But among ordinary citizens the opinion is just the opposite, and they also say that many of the ambassadors still do not have the authority to dialogue with the governments of the countries to which they are assigned.

[Answer] The ambassadors who have not yet been replaced are carrying out their functions with no problems, and their contact with local authorities is normal, in spite of what you say. With respect to the new ambassadors, most of the placets have already been requested.

[Question] Including those of embassies as important as Brazil, Washington, Paris and Rome, for example?

[Answer] That is true. And when they have been granted the names will be announced. There is an ethical principle which obliges us not to divulge the name of an ambassador until he has been accepted by the government to which he is designated.

[Question] There is one embassy which is very important for our country: the United States. Why are there so many negotiations?

[Answer] Let us get over the idea that the subject of embassy designations is part of the fabric of freedom of information, and let us await the designation proposed so that the Department of State will not be annoyed by a breach of diplomacy. His name will be announced within a few days.

[Question] They say on the streets that the chief candidate was Dr Raul Quijano and that his name was blackballed by one of the three services. Is there any truth to this?

[Answer] If I answer that question I will have to deny or affirm the possibility that someone has been named to that post, and, I repeat, it is something I cannot ethically do.

[Question] Is it true that former Foreign Minister Carlos Muniz sent you a letter advising you that he would not accept any embassy because, under the present conditions, he could do very little as the ministry's man overseas?

[Answer] Dr Muniz sent me a letter saying that he did not wish to be considered for any representative post.

[Question] The newspaper LA PRENSA published the text of a conversation--which was not denied by either the Vatican or the Foreign Ministry--between an Argentine diplomat and Cardinal Antonio Samore, in which it seemed that Samore would be in an adversary position to the Argentine Government: what will the Foreign Ministry do now?

[Answer] Nothing beyond the extreme caution with which one must treat a question that involves the Holy See.

[Question] What is more important: minding the Pope's image or implementing his mediation?

[Answer] For a country like ours, it is important to trust in the person responsible for the mediation as well as in the hope that Argentina's points of view and interests will be respected.

[Question] Some high-level officials are of the opinion that the publication of that confidential note might compromise the country's basic interests, and therefore that the person who published it is breaking the criminal law.

[Answer] It is true that the press, in all countries of the world, does not publish all it knows, all the information it has, because of a universal acceptance of the principle of responsibility. It is not a question of censorship or self-censorship. Generally there are legal norms in legislation which impose proper limits on these rights.

[Question] But specifically in the case of LA PRENSA?

[Answer] I believe that that matter is political in both character and judgment. In this case I prefer to limit my opinion in order not to meddle in the subject of freedom of the press, a field in which it is very dangerous to begin to pass judgment.

[Question] Many sectors are saying that Argentine foreign policy lacks coherence and firmness. They say that in this field, historically, Brazil and Chile always have the advantage over us, because they are more aggressive and enterprising.

[Answer] I believe there is a legend about the alleged weakness of Argentine foreign policy throughout its history. That could not be said of the foreign policy of Sarimento, Mitre or Avellaneda or of that of the 1930's. It was diplomacy, for example, which maintained Argentina's neutrality in World War I, and Argentine diplomacy was energetic at the Montevideo Conference in 1933 and that of Caracas in 1954.

[Question] In spite of that, we still have not been able to solve the problem of the Malvinas, for example, which is one of the few colonial enclaves still in existence.

[Answer] It is actually a throwback to the colonial period, but it must not be forgotten that diplomacy concerning the Malvinas has only begun practically in the last 15 years, a period in which many steps have been taken that had not been taken before. It must be considered also that it is not a typical case of decolonization, like the colonies in Africa, for example, where self-determination for the people was basic. Having the Mau-Mau in ones territory is not the same as having a group of people who are against decolonization.

[Question] But doesn't it seem that it is now time to change the method, to use a little imagination, so that the Malvinas can be returned to the Argentine Government?

[Answer] I believe that the situation is not the same in 1981 as it was some decades ago, and it is time to take more concrete steps from now on. Here there is much talk of the policy in the South Atlantic; there are a number of stories about pacts, but the true, primary Argentine policy in the area necessarily includes the Malvinas archipelago, particularly if we take into account its petroleum potential.

[Question] They say the country has a good diplomatic establishment, but that it is deteriorating, or not being renewed, because of the low salaries that are paid. How much does a third secretary (first step on the career ladder) earn, and how much does an ambassador earn?

[Answer] A secretary gets about 2 million pesos and an ambassador about 7 million pesos, approximately. But the administrative personnel are also paid very little. To give you an idea, I can tell you that almost 80 percent of the administrative officials in the foreign ministry are on level 10 of the national scale (670,000 pesos). They are, by far, the most forgotten group.

[Question] Lucio Gelli, of the PROPAGANDA DOS lodge, has an Argentine diplomatic passport and is an adviser to the embassy in Rome. However, the Foreign Ministry has maintained absolute silence on this subject. Why?

[Answer] Because this was and is a problem of Italian internal politics. We are following it closely, and if something comes up which may affect Argentine security or interests, the Foreign Ministry will act immediately.

[Question] A radio broadcast from Rome said that Gelli is still traveling with an Argentine passport. Do you know anything about that?

[Answer] No, I do not know anything about it. It is the first I have heard of it.

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COMMENTARIES ON U.S. FOREIGN POLICY, ECONOMIC MEASURES

African Relations

Havana VERDE OLIVO in Spanish 14 Jun 81 pp 14-15

[Article by Elpidio Valdivia: "Following the Trail of a Policy Gone Astray"]

[Text] Concluding her statement to the last session of the UN Security Council, devoted to the question of Namibia, American Ambassador Jeanne Kirkpatrick emphatically declared: "I proclaim the commitment of the highest levels of my government to this effort and our solidarity with the people of Namibia in their search for independence."

Shortly thereafter, also on behalf of the highest levels of her government, she vetoed four different resolutions proposed by African nations to sanction South Africa for its illegal occupation of the Namibian territory.

It was the fourth time in the last 6 years that the United States, followed by other Western members of the Security Council, was to prevent the expansion of the sanctions which the international community has imposed on the regime of apartheid. For Kirkpatrick, the intellectual author of one of the theoretical principles governing the international policy of the new American administration, the Manichean division of the world into friendly "authoritarian" and enemy "totalitarian" regimes, her "night of vetoes" in the United Nations at the end of April was only the first opportunity to show the practical validity of these concepts over and above the ritual formulations on alleged American commitments to the nations of Africa.

Officially speaking, however, the United States' current policy on the African continent has not yet been formulated.

Four months after the arrival of the Republican team in the White House, the new African policy of the United States continues to be, to use the words of the State Department, the subject of intense study and for which purpose the administration says that it is determined to hear "the opinions of all parties involved" in conflicts such as that in the Southern Cone of Africa.

According to what Chester Crocker, American undersecretary of state, told the Nigerian National Assembly, "we did not come into the government with a platform representing a complete and total policy on Africa." Other spokesman have tried to make up for this official absence of strategic definitions with formulations closer to the political realities of the moment: "It is important for Africa to know that

the Reagan administration is not totally taken up with the problems of El Salvador," one State Department spokesman said a few weeks ago in referring to Africa, in an apparently conciliatory tone, as "a red-hot front" in the United States' foreign affairs.

If we accept the principle, also reiterated before the Senate by Alexander Haig at the end of March, that the front-ranking capitalist country is still hunting for a political formula for a continent made up of over 50 nations, we cannot ignore a number of ideas that will certainly be taken into account when the future attitude of the United States toward Africa under a Republican administration is finally defined.

For example, during the election campaign and after his entry into the White House, President Ronald Reagan defined South Africa as a friend that the United States could not abandon because "it has been on our side in all the wars in which we have been involved" and he recalled the strategic value to the West of the South African minerals that supply the arms industries in various European countries and the United States.

If, in addition to the different statements of this type made by other authorized spokesmen, one examines a few of the American actions during the early weeks of the new government on the "red-hot" African front, one will have a better understanding of the policy "being formulated" by the Washington strategists.

The first spokesman for the "parties in conflict" in Africa to present his views to the White House, less than 50 days after the Republic administration was installed, was the representative of the White minority in Namibia, Dirk Mudge, who heads a government set up in the territory of South Africa and whose international representativeness Pretoria is trying to promote, with some help from its allies.

Shortly before, Washington had cut off food aid to Mozambique -- the first time it had been done to an underdeveloped country by the new administration -- as an alleged reprisal for the discovery and expulsion from that African country of a network of CIA agents.

Coinciding with Mudge's visit -- and despite the fact that its official policy on Angola had not yet been defined -- the American Government began what promises to be an embarrassing battle in the House and the Senate to do away with the so-called Clark Amendment, which prohibits covert military assistance to Angolan counterrevolutionary bands.

With typical Washingtonian jargon, Undersecretary of State William Buckley argued that the amendment "is an exceptional overall restriction on the options of American policy on that nation."

Naturally, this exceptional restriction is due to the fact, as Dick Clark, author of the amendment recalled in the NEW YORK TIMES, that in 1975, the situation in "Angola had demanded too big of a commitment (in military support from the CIA to the counterrevolutionary groups) for it to remain secret and Congress decided that all aid should be requested and discussed openly."

For Clark himself, a former senator from Iowa, it was no surprise that the Republican administration would be in favor of lifting the amendment: "Secretary of

State Alexander M. Haig says that he has always opposed the suspension of covert military aid to the Angolan guerrillas and President Reagan made it clear last summer that he supported giving arms to Jonas Savimbi, whom the CIA helped before the congressional restriction of 1976." The suppression of the Clark Amendment is considered to be a high priority of the administration, according to official definitions, despite the fact that, as several spokesmen within the American Senate itself have warned, "it will have a devastating effect on relations with African countries."

Most nations on the continent agree with this opinion and through the Organization of African Unity (OAU) have pointed out the dangerous precedent that would be set by official approval of open activity by American espionage agencies on behalf of the enemies of an independent nation.

In the words of the president of Nigeria, Shehu Shagari, "It would be extremely serious for the United States to be willing to support the rebels in a sovereign African nation."

While debate in Congress was beginning on the elimination of the amendment, the State Department spokesman, William Dyes, added new elements on the nature of the study being done by American diplomats on Africa in declaring that "although we have not outlined our definitive position on the conflict in Angola, we are willing to hear all the parties involved," for which purpose leader Jonas Savimbi was invited to Washington.

The visit by the UNITA [National Union for the Total Independence of Angola] chief, financed by South Africa, was finally postponed because it turned out to be a hard bone to swallow on the continent on the eve of a mission -- also exploratory in nature -- to be undertaken by Undersecretary Crocker through a dozen African countries.

However, this did not prevent another State Department official, Lennon Walker, from meeting with Savimbi in Morocco in April -- also "within the framework of the process of reviewing" the options on Angola, as it was put -- or the mention of some $100 million in aid which that individual wants and which is being considered by the White House.

With this background -- and the growing conviction in Black Africa of a rapprochement with South Africa as the basis for future action on the continent -- it should be no surprise that Crocker's tour of Front Line nations in the Southern Cone of the continent and other African nations did not convince anyone of the good intentions of the American Government toward the area.

The tour, almost totally devoted to examining the Namibian case, described by the WASHINGTON POST as the "final test" of American intentions toward Africa, began under the omen of a new Western approach to the problem of the independence of Namibia.

Crocker himself, in answering one of the 109 questions put to him by Senator Jesse Helms in assuring himself of Crocker's identification with Republican ideals that would enable him to be confirmed in his post, said that "the lack of trust is one of the greatest obstacles to achieving any progress in an agreement on Namibia."

Following the UN Security Council veto of three of the five members of the so-called Contact Group on Namibia, over the African Protests, and of the revelations of the future plan for the independence of that territory, which turns the phases of the peacemaking process in favor of South African interests, the lack of trust feared by Chester Crocker seems to be growing rather than diminishing.

According to the Zimbabwe daily newspaper HERALD, "Namibia's problems will not be solved by bilateral agreements between Pretoria and Washington."

The new schedule for the phases of Namibian independence, now known although they are also officially being analyzed by the United States and its allies, will very likely propose the adoption of a constitution guaranteeing the current privileges of the White minority before the celebration of elections in the territory, a formula taking the place of the steps provided for by UN Resolution 435: ceasefire, free elections and the withdrawal of South African troops of occupation.

Paradoxically, as Sam Nujoma, leader of the SWAPO, stated, the proposal they are trying to cast aside is the work of the same group of Western nations and after 3 years of negotiations, it is obstructed by the South African rejection, which in turn is strengthened by the Republican victory in the United States.

Semi-official commentaries state that the new formula will have "greater probabilities of being accepted by South Africa," which, in diplomatic terms, is the same thing as saying that it would better respond to its interests and to those of the five members of the Contact Group, the holders of the largest foreign investments in Namibian territory and in some cases, with direct experience in the working of its important uranium resources, as in the case of the British foreign secretary, Lord Carrington, who until he was named to the Foreign Office headed the transnational Rio Tinto Zinc Corporation, which works the largest mine in Namibia.

"The trend which the United States is following is hostile to the general interest of Africa and Namibia," says Zimbabwe Prime Minister Robert Mugabe, who rejected the comparison of the new American plans with those that led to the independence of his country, or the relating of the Namibian situation to Angola.

For the NEW YORK TIMES, the United States demands too much from Black Africa for Namibia and too little from South Africa.

In fact, relations with South Africa seem to have priority for the new American Government.

"Suddenly, things do not look so bad for South Africa. It is as if there had been a ray of light in the East announcing the dawn of a new day," wrotes the AFRIKAANS NEWSPAPER BELAD a few weeks ago, after examining the signs from Washington, which in truth are numerous if one still believes that it is still a policy in the final drafting process.

In scarcely 120 days under the Republican administration, the series of contacts between Washington and Pretoria, begun again with the visit to the United States by the head of South African military intelligence, General Van Der Westhuizen, is continuing at a dizzying rate.

The presence of the South African military delegation in itself turned out to be indicative, when it was received by UN Ambassador Jeanne Kirkpatrick and sponsored by the American Security Council. According to the daily STAR in Johannesburg, the Security Council includes over 200 congressmen and several hundred American generals and admirals and it has private links with Secretary of State Alexander Haig.

The WASHINGTON INQUIRER states that the military group has given the government of the United States "urgent military data," deeming the information which its American ally has on the southern region of the continent insufficient. It confirmed the Pentagon's right to use "the enormous Simonstown base," which is said to have the best dikes in the region between Gibraltar and Singapore.

The WASHINGTON POST also said that South Africa would be pleased to see American naval vessels stopping off at its ports once again and that it hopes the new government will unilaterally lift the arms embargo agreed upon in 1977 by the United Nations.

In addition to these considerations of undeniable interest, there are other revealing confidences in the American press, such as the recent attempt by the United States to get South Africa back into the International Labor Organization (ILO), after more than 17 years of sanctions for its policy of apartheid in labor relations, reactivation of the old desire of the 1960's to set up a South Atlantic alliance, or the heretofore uncontradicted affirmation by the WASHINGTON POST concerning a possible consideration of recognition of the South African Bantustans by the United States.

With respect to formulations of principle on the uncomfortable problem of apartheid, there has been no lack of these in the White House. For James Brady, the press secretary wounded in the attack on the President, "apartheid is a domestic matter of South Africa that cannot prevent an improvement of its relations with the United States." For the pragmatic Richard Allen, presidential aide for security affairs, it is a matter of "developing cooperation with the Republic of South Africa, despite apartheid, based on the interests of the United States."

With this background, one has to admit that the Washington visit of Foreign Minister Roelof P. Botha seemed to be for the purpose of placing a seal on the "spectacular agreement" which the SUNDAY TIMES attributes to him.

In the words of the South African representative himself, he returned to his country "with a clear concept of the potential understanding between the United States and South Africa, including a "constructive commitment" which, naturally enough, should only be viewed as a policy still being formulated.

With respect to the issue of Namibia, the WASHINGTON POST emphasized that South Africa, on the occasion of the meeting between Botha and Reagan, the first at that level between the two countries in the last 2 years, rejected its previous approval of the installation of a UN peace force as a guarantee of the process of Namibian independence.

This position corresponds to opinions in the NEW YORK TIMES, which identifies American statements on the "premature nature" of independence with the official position of South Africa, adding that under the presidency of Jimmy Carter, the Pretoria

government "accepted in principle elections supervised by the United Nations and when Reagan won, it required a constitutional agreement previous to the elections."

This seems to be the path of the final agreements adopted during Botha's visit and revealed by the American Black group Transafrica, which is opposed to the policy of apartheid.

According to its documents, whose authenticity was confirmed by the administration, the United States is ready to open a "new chapter" in its relations with South Africa, which is naturally threatened by the spectre of communism.

With Pretoria's cooperation, Washington will be able "to commit itself to putting an end to the leper's image of South Africa and try to restore its role as a legitimate and important actor in the region."

That is why it is very likely that in the study of its future African policy, the Republic government will solicit the opinions of the 6,000 American companies of all kinds that have commercial ties with or investments in South Africa, or especially of the 65 transnationals that, according to a recent UN analysis, make a decisive contribution to maintaining the system of apartheid.

In the final analysis, in order to understand Washington's reasons when it finally announces its policy on the African continent, we must remember Chester Crocker's criterion. With a typically American view of the future, he believes that "in terms of morality, while the policy of apartheid is abhorrent, it is preferable that the American companies remain in South Africa instead of pulling out, leaving the Black majority to deal with other multinational corporations."

It is not difficult to imagine what that Black majority would think or the majority of the nations on the continent.

Budget, Economic Woes

Havana VERDE OLIVO in Spanish 21 Jun 81 pp 10-11

[Article by Elpidio Valdivia: "New Remedies for an Incurable Evil"]

[Text] The House of Representatives of the Congress of the United States just passed, by a vote of 253 to 176, the federal budget for 1982 presented by the Republican administration. Nearly one-fourth of the legislators belonging to the Democratic Party deserted to the Republican camp.

Passage of the budget marks an extremely important step in the instrumentation of the economic program constituting one of the basic aspects of the policy being recommended by the new administration.

What does this substantial change consist of and how does the Republic administration intend to strengthen the role of the private sector?

Until President Franklin D. Roosevelt came to power, the official economic policy of American governments could be characterized as a partial application of the laissez-faire principle that had marked all bourgeois political economics throughout the 19th century and the early 20th century.

With Roosevelt, the scheme changed. First of all, the government began to take a more active role in guiding the economy through a series of programs grouped together and called the New Deal, in which short-term measures to activate the economic situation prevailed.

Beginning with the crisis in 1974, the international capitalist economy entered a period of relative stagnation. The growth rates of the 1960's -- 5 percent annually -- were not recovered and the phenomenon of chronic unemployment loomed. In the case of the United States, the stagnation was even more obvious.

On top of this wave of economic crisis and the disillusionment of the population, a whole new rightist concept emerged in the handling of economic affairs, which the Republican Convention had made its own in July 1980 and turned into official policy beginning with the Republican victory in November of last year.

The official position on the economic problems of the United States was expressed in the following terms:

"Reducing the increase in wasteful spending, reducing taxation, reforming and eliminating those regulations that are unnecessary and counterproductive and stimulating a consistent monetary policy aimed at maintaining the value of the currency."

In essence, the program of the Republican administration is aimed at the redistribution of income in favor of big capital and its representatives, for which purpose the first thing to be done would be to dismantle the so-called "welfare state" -- that is, the series of social welfare measures aimed at improving the relative position of the poorer groups of American society.

Some of the cuts in social spending that can be expected are the following:

Welfare

One-sixth of the 10 million persons receiving aid to families with dependent children will be eliminated from the program. The cut will amount to $1.2 billion. Persons over 18 will be excluded from benefits.

States can consider that food and housing subsidies will reduce income received under those headings.

Food Stamps

The cut will be $2.6 billion, which went to 22 million persons. The eligibility of families of four is extended to those with a gross income of under $11,000 a year. It is currently $14,000.

Some 400,000 family heads can be affected.

Food for Children

Over 10.3 million poor children, those whose families have incomes of under $11,640, will continue to receive free lunches, but families of four with an income of up to $15,600 will be partially affected. The latter figure seems precarious

given the astronomical prices, caused by inflation, of such basic needs such as rent, food, public health and education.

Medicine

Limits are being established. Savings of $1 billion.

Housing Subsidies

Many of the 3.2 million family heads in federal housing will have to pay 30 percent of the rent instead of 25 percent.

Public Service Jobs

The 340,000 jobs covered by the so-called Comprehensive Employment Training Act -- a law guaranteeing public service jobs for persons being trained for professions -- will be eliminated.

In general, some 550 special health, education and social service programs will be affected. They will be grouped together as the states and local governments decide at their own discretion.

Social Security

In 1982, it will be reduced by $9 billion, with an accumulative figure of $46 billion by 1987.

While the policy set up using federal funds is aimed at reducing social programs, with the resulting effect on lower-income groups, the policy as based on the income of the population openly favors the powerful.

The antipopular nature of the new economic policy is shown by the fact that practically the only area of spending experiencing sustained growth is the military. The share of military spending in the budget is to go from 24.2 percent in 1981 to 32.4 percent in 1984. In relative terms, this is an 88-percent increase in only 4 years.

Also affected are a number of allocations designed to subsidize the activities of private enterprises. This is the case of the cut in financing for the Export and Import Bank (EXIMBANK). The federal subsidy for the production of synthetic fuel is eliminated.

The Republican administration's plan provides for a 30-percent reduction in taxes on personal income in 3 years, 10 percent annually.

According to this program, within that length of time, a rich family of four with an income of $200,000 a year would have its taxes reduced 16 percent, while a family of incomparably lower income would have a reduction of 27 percent. However, in absolute terms, the rich family would save $10,775, while one of the middle-income groups would receive a few hundred dollars more.

For this year, inasmuch as 6 months have already gone by, the reduction would be 5 percent. After paying the increased social security tax, the rich family would have $533 more and the other family would have $196 less.

The depreciation period is cut in half, meaning that stores, factories, warehouses, and so on, will have to recover their invested value in 10 years; miscellaneous equipment in 5; trucks, automobiles research equipment, and so on, in 3.

The beneficiaries of this measure will mainly be the producers of automobiles, steel, rubber and chemical products.

Some 2,000 corporations will obtain from 70 to 80 percent of the benefits and 2 million businesses -- which supply 90 percent of all jobs -- will obtain only 20 percent.

In keeping with its programmed objectives, the administration is proceeding with singular energy to eliminate a whole series of regulations which previous governments had introduced for different purposes, such as preserving natural resources and protecting the population from the risks of environmental contamination, protection of consumer rights, and so on.

Some 100 existing and pending regulations have been canceled, especially concerning the environment, transportation, agricultural products (revising of the net weight of canned foods), reconstituted milk, housing and postal services.

Possible Effects of New Policy

The architects of the new American economic policy consider that the constant loss of economic incentives due to the obstruction of the action of laws on the market resulting from state interference constitutes the current state of the American economy. Because of this judgment, they are ready to introduce far-reaching change in its management. Will they be able to impose their complete program?

In the final instance, it is not in the positions adopted by Congress where one will find the answer to this question.

It will basically depend on the fight waged by large groups of the American people and on the practical results of the policy.

The new strategy is to produce marvelous results: an inflation rate reduced by half (5 percent) in 5 years; economic growth of 4 or 5 percent annually; 13 million new jobs by the middle of the decade and a balanced budget by 1984.

Margaret Thatcher's government proposed similar objectives in Great Britain and the results have been nothing but prolonged economic stagnation and growing unemployment only comparable to the years of the 1929-1933 depression.

The capacity of a restrictive monetary policy: reduction in government spending and high bank interest rates, can have an effect on the level of prices to the extent that by restricting the level of economic activity and increasing unemployment,

the active workers will be forced to accept a reduction in wages. It is precisely this aspect that will give rise to a resurgence of the struggle for demands of the working class and other American lower-income groups.

An analysis of Reagan's votes shows that he obtained the support of 27 percent of the liberal voters and 24 percent of Senator Kennedy's supporters, 47 percent of the union workers -- an unusual victory in the working sector -- and 36 percent of the voters of Hispanic origin, who in 1971 voted overwhelmingly for Carter: 85 percent. One can therefore conclude that the application of this economic platform will make it difficult for the Republicans to preserve this base of popular support which, although marginal, was decisive for the November 1980 victory.

But that is not all. A prolonged period of recession will not only affect the labor market, but will also bring down a large share of the medium and small businesses. It could also seriously affect the competitive position with respect to other countries.

At the same time, the Republican economic policy emphasizes stimulation of economic growth by reducing taxes and eliminating government regulations, as we have already said. This will facilitate such expansion of economic activity that total income from taxes will increase, meaning that despite the reduction in taxes, the fiscal deficit will not grow worse.

While statistics show that in periods of crisis in recent decades, the monopolies did not reduce their prices in order to stimulate sales, but rather, maintained prices while reducing production, a boost in supply will not necessarily produce increases in production and lower prices, but rather, might result in a totally opposite trend. It is not any accident that out of the entire Republican economic program, this aspect is the one facing greatest opposition in political, professional and business circles, including representatives of Wall Street itself.

No one can guarantee that the savings in personal income will be directed toward savings and investments, as is claimed, but rather, there are great possibilities that they will be rapidly spent on consumer goods, with the result of overheating economic activity and obtaining precisely the opposite of what is sought: heightening inflation.

In the words of the well-known economist Paul A. Samuelson: "This year, we shall hear sweet words. Next year, when the sweet words are nothing more than that, we shall not hesitate to say: The only way to face our unprecedented crisis is by tolerating higher unemployment"

Middle East Role

Havana VERDE OLIVO in Spanish 28 Jun 81 pp 10-11

[Article by Elpidio Valdivia: "Where Are the Enemies of the Arabs Camped?"]

[Text] For several decades, the Middle East, all of which reeks of oil, has been a top priority for the strategists who in successive waves have occupied the White House offices.

The complex historical, social, political and economic problems that plague the region are well known, as are the many intrigues in which the American Government has had to involve itself in its constant desire to control -- there also -- the area's precious raw material.

The current Republican administration, the maximum exponent of such tendencies, displays a conspicuously blundering policy and does not duck this disturbing historical continuity. Rather, it seems to pick it up with greater enthusiasm, identification and policemanlike pride.

No other conclusion could come from the ambiguous, confusing and antipopular policy that the new White House team has tried to put together since 20 January, when it took power in the United States.

As an initial measure, Secretary of State Alexander Haig, former four-star general, was sent to the Middle East in April on a tour that would take in several countries in the region (Israel, Egypt, Jordan and Saudi Arabia). The mission was the first step of importance and according to official sources, even before the tour began, "it was exploratory in nature," with an essentially anti-Soviet content.

The main political objectives of the visit were to initiate the first contacts with countries involved in the regional conflict, confirming the United States as their trustworthy ally, and establishing the foundations for broad action against the Soviet Union.

It became apparent that the latter was the main objective to be achieved. In Israel, Haig expressed it clearly: "It should be recalled that the American strategy consists in developing a consensus in the face of the growing threat of Soviet imperialism." He was only ratifying the plans for the Middle East which the Republicans had proclaimed since the election.

With the aforementioned "strategic consensus," the results to be achieved are clear: relegating the crucial problem in the region, the Arab-Israeli conflict, to a secondary level, shifting the center of attention to joint action against a hypothetical Soviet threat. No more absurd policy could possibly have been designed by the most ignorant reactionary government of modern times.

Trying to make the Soviet Union, a well-known ally of the fight of the Arab peoples against Zionism, look like the cause of the area's problems was in itself an imminent failure. But Haig himself took it upon himself to make it more obvious when he wildly claimed that the Syrians exhibited "brutality" in the treatment of Christians in Lebanon and that the Soviet Union was responsible for the events in that country. But he went even further, declaring that both Arabs and Israelis were threatened by "Soviet adventurism" and accusing the PLO, the legitimate representative of the Palestinian people, and Libya as being the instrument of that policy.

But what "strategic consensus" against the Soviets could there be between Arabs and Israelis when it became evident during Haig's own tour of the area that Israel continued to be the essential ally of imperialism in the Middle East?

How could anyone maintain that the main conflict is not that between the Arabs and Israel? How could one hide the aggressive and hegemonic nature of Zionism? How could one fail to recognize the legitimacy of the Palestinian cause with the Arab nations?

Only in the minds of the new hotheads in the White House would it be possible to discern such absurdities which, as it is obvious, have no valid replies for the Washington-Tel Aviv axis.

The regional contradictions are much broader than the simplistic view of the White House. The Egyptian Government gives priority to reactivation of the process begun at Camp David, in the interest of its domestic and international strengthening. The regional prestige and internal stability of Jordan and Saudi Arabia, among other Arab countries, depend substantially on recognizing the principle that the basic problem is the Arab-Israeli conflict.

Even Israel has had reservations about the fact that possible American intentions of giving priority to the achievement of an Arab-Israeli alliance to face the USSR would relegate its status as a preferred ally to a secondary level.

This last idea is based on the fact that the United States, as part of the search for the strategic consensus, maintains a policy aimed at establishing a greater alliance with Egypt and Saudi Arabia in all spheres.

At the same time, after the elections to be held in Israel at the end of this month with an uncertain defeat of Begin, the United States also intends to promote the continuity of the Camp David process in a climate of greater moderation and through a diplomatic offensive that would bring other Arab countries to these positions. The recalcitrant nature of the current government of Israel is a major obstacle to these plans.

As one achievement of Haig's tour, the Republican team's first approach to the Middle Eastern regional problem, one might point to the drafting of an agreement for the establishment of a military force in the integrated Sinai, according to initial information, made up of between 2,000 and 4,000 men, half of whom would be Americans. This is a big step forward in its intentions to maintain a permanent military force in the region, an old aspiration of the White House.

Although it remains to be seen, the readaptation of the initial Republican strategy in the zone becomes ever more feasible, as a result of the frustration of its initial positions when it became evident that Haig's mission had been checked by the majority opinion of the Arab countries that the conflict with Israel continued to be the region's main problem.

The extreme Zionist right that governs in the country would soon confirm this.

The policy of the current American Government has served as an undeniable stimulus in the world for the most aggressive positions. The first Israeli broadside was against Syria, practically upon the conclusion of Haig's trip. Begin had tacit American backing. According to his closest aides at the time, "the government of the United States 'would understand' Israeli military action if the confrontations between Syrians and Lebanese Christians do not cease."

Naturally, the Republican administration did not disappoint them. Haig said: "The Christian militias are threatened by Syrian military activity.... There is great motivation in Israel to counterattack and preserve this element of Lebanese society."

These concepts gave backing to the emergence of one of the existing conflicts that maintains constant war tension in the Middle East. As we know, the current situation in Lebanon began because of the provocations of conservative Christian forces, which harassed the Syrian Army, but it was sharpened by the confrontations of the Arab Forces of Deterrence with the Lebanese Army and by attacks in southern Lebanon on progressive Palestinian positions by Israeli forces and the Christian militias, directly backed by Israel.

Israel contributed to the sharpening of the situation with the intensification of its attacks on the region held by the Palestinians and with direct attacks on the Syrian forces, which, as a legitimate defense measure, installed antiaircraft rockets for the protection of their troops.

As the crisis moved closer to war in April and the beginning of May -- still the case because of the arrogant Zionist attitude and the position of principle maintained by Syria -- the United States actively tried to become involved as a mediator in the conflict, trying too late to save its already well-known concept of the "strategic consensus." A war in the region would be detrimental to it.

Nevertheless, the crisis continued to reveal Tel Aviv's condition of being Washington's main ally and exposed the identification of mutual interests, as well as the great weight which the so-called Jewish lobby has financially in the United States and the pressure which Israel can bring to bear on American positions.

To the detriment of the "strategic consensus," the conflict has brought the Arab-Israeli conflict to the front. It has promoted Arab unity and revealed once more the position of principles of the USSR in the area.

But the aggressiveness and the aims of Israel, especially of Begin's Likus coalition, are not seen only in its current action toward Syria. Anxious to ensure an election victory under domestic conditions not favorable to him, Israel attacked the nuclear plant at Tamuz in Iraq on 7 June, complicating the already tense regional situation and adding one more negative element to the worn strategy of Reagan's government.

Yankee ignorance of the attack has been strongly questioned. The NBC television network reported that "the United States' intelligence services knew far in advance of Tel Aviv's plans to destroy the nuclear research center being built near Baghdad." Later revelations confirmed the initial suspicion.

In the beginning, there was a moderately critical attitude. Later, as the result of pressure, they adopted positions of open support for the Israeli action. One of the most noteworthy was that of the leader of the Republican majority in the Senate, Howard Baker, who criticized Iraq and supported the attack, claiming that his words reflected the consensus of the Republican senators.

But the most revealing remarks were made by President Reagan himself: "The Israeli leaders may have sincerely believed that the attack was an act of self-defense.... It is difficult to imagine that Israel signifies a threat to its neighbors. Rather the opposite is true since they have repeatedly shown their hostility to the existence of the Israeli state...which had reasons for being concerned about Iraq's nuclear facilities."

All of these elements tend to confirm the general opinion in Western news circles, which point out that "the success of the air operation and the support received by Begin from the United States may indefinitely stand in the way of any development of the mediation in which this country is involved in order to solve the Israeli-Syrian conflict."

The growing Zionist bellicism places the United States' policy in the Middle East in a fragile position, which is equivalent to a bigger crack in the credibility of the thesis which proclaims that the main danger in the area is the alleged Soviet threat.

Western press media point out that the American foreign policy crisis in this region is manifested in "the great challenge of how to avoid reprisals against Israel while preserving the trust of the Arab world, and in maintaining that difficult balance."

One can conclude that in a little less than 2 months, the real "strategic consensus" that has been achieved is nothing more than the confirmation that the enemies of the Arab world are permanently camped in Washington and Tel Aviv.

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ANTI-CUBAN CONSPIRACY SCORED

Havana PRISMA LATINOAMERICANO in Spanish May 81 pp 22-23

[Article by Victorio M. Copa]

[Text] It is not necessary to be a great expert on United States strategy in the Caribbean and Central America to come to the conclusion that Washington is taking steps to spread its terrorist plan for the region.

The complicity of the Americans in the scandalous and massive killings of Salvadorans being carried out by the Christian Democratic military junta, armed and aided by Washington, and the threats against Nicaragua and Cuba, are issues that are aired in more detail every day in the American press.

The facts show that provocations against Cuba, which have increased in recent months, have been planned in the laboratories of the CIA.

In accordance with plans set in motion months ago, actions taken against Latin American embassies in Havana seek to isolate Cuba from the rest of Latin America and to give the impression of insecurity to other diplomatic missions on Cuban territory.

The decision of the Colombian government to suspend relations with Cuba was considered by Havana to coincide suspiciously with the anti-Cuban conspiracy originating in Washington, the source of a campaign to erode Cuban prestige during the current militaristic offensive of the United States.

The Bogota government's pretext this time was the supposed provision of arms, training and organization to the Colombian guerrilla movement, M-19, which has existed for many years, "even during the period prior to the triumph of the Cuban revolution," as was pointed out in a note from the Cuban Foreign Ministry.

American plans to adversely affect Cuban-Colombian relations date from more than a year ago. In February of 1980, then Colombian ambassador to Cuba Clara Nieto de Ponce de Leon, assured journalists in Havana that there existed "a campaign in preparation to damage ties between various Latin American nations and Cuba."

From that time onward the Colombian diplomat differed with the policies of her Foreign Ministry and thought that freezing bilateral relations would amount to "absolute blindness."

Clara Nieto de Ponce de Leon based her words on past experience, referring to the decade of the sixties, when, with the sole exception of Mexico, all Latin American countries severed relations with Havana following directions from Washington.

The Colombian diplomat then said, "There exist political circles in Colombia that really work to damage relations with Cuba."

Such revelations quickly confirm the strength within the Bogota government of such circles, who must surely have been encouraged by recent events in two other Latin American embassies in Havana.

The anti-Cuban conspiracy materialized more recently in the provocation mounted by American intelligence services at the Ecuadorean ambassy in Havana, an event that caused difficulties in relations between the two countries.

Cuba accused the U.S. Central Intelligence Agency of preparing and carrying out the assault on that diplomatic headquarters, taking advantage of good relations that existed between Havana and Quito.

The group of anti-socials who carried out the assault and whom, days later, the embassy had to eject, confessed that the person who, in contact with a CIA official, promoted, encouraged, organized, and participated in the incident, was Francisco de Sales Mascarenhas, the Portuguese charge d'affaires in Cuba. Later, he admitted his implication in these events during a press interview in Lisbon.

In front of the diplomatic corps in Havana, Mascarenhas admitted that he knew the assailants. In an interview given to the Portuguese publication O PAIS, he also confessed that he spoke with the criminals, listened to their plans for assault and kidnaping, and kept a pistol for them in his home, even though he knew it was illegal to do so. In addition, he admitted many of the accusations of the Cuban Government.

It is known that, without any investigation of the not at all diplomatic activities admitted by Macarenhas, the Cuban ambassador in Lisbon was declared persona non grata by the Portuguese Government, a decision considered by the Portuguese press to be inappropriate and precipitous.

A Lisbon newspaper emphasized the fact that Macarenhas' confession completely discredited the official explanation of the expulsion of the Cuban diplomat and of the dispute between the two nations.

But the conspiracy has not been limited to assaults on embassies in Cuban territory by elements manipulated by the CIA, pressure on Latin American governments, and the invention of alleged interference by Cuba in the internal affairs of other countries in the region.

While concentrating a large number of warships in the Caribbean, and undertaking provocative maneuvers in the region, the United States permits, or organizes, the training of mercenary forces on its own territory.

Even American press agencies admit that several advisers to President Ronald Reagan wish to mobilize so-called "Cuban exiles" to undertake terrorist incursions against Cuba.

American writer Saul Landau, in an article published in the newspaper NEWSDAY, said that the United States encourages international terrorism not only abroad, but on American soil as well.

As an example, he cited the activities of terrorist organizations made up of counterrevolutionaries of Cuban origin, who in the last two years have carried out dozens of acts of terrorism.

These armed bands train publicly, and even invite television networks to film their activities. They openly declare their intention of joining with any invasion force launched from the United States.

Some members of the news media note that this policy of "laissez-faire" tends to create a situation similar to that of 1961, when the United States Government organized, armed and aided the abortive invasion at Playa Giron.

The threats that are daily expressed by high American officials led a large group made up of 25 organizations from various U.S. cities to hold a world conference at which they agreed to initiate a "national and international campaign against the dangerous policy of the U.S. toward the Cuban revolution."

An organizing committee created by the world conference against the Cuban blockade will count among its objectives the struggle against Washington's plans to implicate Cuba in the current situation in El Salvador in order to justify open military intervention in that Central American nation.

Institutions and individuals with trade union, religious, professional and student affiliations all took part in the conference supporting Cuba, held in Washington.

During the meeting (the first of its kind ever held in the United States), former U.S. Attorney General Ramsey Clark told the press that any and all means must be employed to prevent American intervention in any part of the world.

Numerous press commentators in Latin America and other regions expressed the same sentiments as the progressive elements meeting in the American capital, thereby unmasking Washington's aggressive designs.

Meanwhile, the entire Cuban nation participated in preparations for the defense of the country against new threats. While urgent production tasks went forward, the streets filled with workers who, on their own time, drilled with small arms in order to fill the ranks of the Militia of Territorial Troops, an effective complement to regular military units standing ready to repulse any aggression.

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ACTIVITIES OF MEDICAL BRIGADE IN TANZANIA REPORTED

Havana CUBA INTERNACIONAL in Spanish Jun 81 pp 12-13

[Article by Miguel Rivero]

[Text] The Fourth Cuban Medical Brigade, deployed in Tanzania, has just finished its work with a result of more than 320,000 consultations, 4,913 operations in all specializations, 4,883 births carried out directly by Cuban personnel, and countless services in opthalmology, laparoscopy and other areas.

Moreover, this is the first brigade to have completed 2 consecutive years in the country. Tanzanian officials feel this has been extremely useful, because the experiences of the first year can be applied better during that period. Earlier brigades stayed in the country only 12 to 15 months.

Surgeon Lazaro Cardenas, who had already completed internationalist missions in Algeria and Angola, is the chief of the Cuban doctors.

Cardenas has a vast knowledge of Tanzanian affairs. He can already engage in small conversations in Swahili, and he speaks with great enthusiasm about the work done by the 28 Cuban doctors who are working under his leadership, not only in the city of Dar-es-Salaam, but also in Tanga, Arusha, Pemba and Lindi.

"The brigades that are working in Lindi and Pemba are the ones that have had to deal with the harshest conditions, due to the remoteness of the place and the lack of some resources. However, that has been compensated to a great extent by the affection and concern the populace has shown for our doctors," stresses Dr Cardenas.

The chief of the brigade also reported that a scientific seminar was held recently. "We had it at a place in Tanga, which is geographically in the center of the country. All the Cuban physicians participated, along with high officials of the Public Health Ministry and even Soviet and East German doctors."

When asked about relations with Tanzanian authorities, the chief of the Cuban medical brigade stated: "I can say that they are excellent. That is the best way to describe them. There is great mutual understanding, which has enabled us to coordinate perfectly our work with our Tanzanian colleagues."

The make-up of the medical brigade is as follows: 6 general surgeons, 2 pediatric surgeons, 4 anesthetists, 5 obstetricians, 2 pediatricians, 2 ear, nose and throat specialists, 1 orthopedist, 1 epidemiologist, 1 administrative nurse, 3 specialists in internal medicine and 1 radiologist.

There is no one more qualified than Professor Philip P. Hiza, chief of medical services at the Muhimbili Teaching Hospital in Dar-es-Salaam, to give an authoritative opinion on the work of the Cuban doctors. Dr Hiza has been working at this hospital for more than 10 years, and thus has had an opportunity to share with all the Cuban medical brigades that have served in Tanzania.

"We should take note of the work done by the Cuban surgeons and pediatricians. I have worked alongside them for several years, and I admire the passion they have for their work and the ease with which they understand our problems," emphasized Prof Hiza.

"I believe," he added, "that the Cuban medical care has been formidable. Proof of that is the population's appreciation for the work done by my Cuban colleagues. Furthermore, we should point out that since our center is associated with the University of Dar-es-Salaam, the tasks of the Cuban doctors are not limited to office visits or surgical procedures. They also share their knowledge and experience, and that is a factor that cannot be measured with mere statistics. For us it is of inestimable value."

New Rural Secondary School

Some 130 kilometers south of Dar-es-Salaam, several buildings that will be a new rural basic secondary school are already going up. The school will be able to serve 500 students. Construction is taking place in Kibiti, but this time we can see a qualitative change if we compare this project with the other three secondary schools built in the country with Cuban assistance: The construction is being carried out by a brigade of Tanzanian workers who receive only technical advice from the Cubans.

Jose Antonio del Rio Reyes, 26, is a young Cuban architect who is fulfilling his first internationalist duty. We found him in a small wood house in the outskirts of Dar-es-Salaam. This is the home-office where he stays during his short visits to the capital to discuss with Tanzanian authorities some aspects of the project that is being carried out in Kibiti.

"One hundred fifty Tanzanians are working on the construction of this new school," reports Del Rio. "The work began in late 1978, and they are already completely finished with the classroom building, the office-dining room and the boys' dormitory. We are working with a pre-fabricated plant on the site, and we have encountered some difficulties because of the lack of materials or the break-down of some equipment. Those factors have delayed the execution of the project."

At this time, Cuban consultation is limited to a small mission made up of a general project supervisor, the main architect, two mid-level technicians, an expert in the use of equipment, a general mechanic and a mechanical electrician.

The advisory group also included a planning specialist, "but a few weeks after we arrived in Tanzania, we realized that the Tanzanian colleague was doing this work perfectly, and our comrade returned to Cuba," said the Cuban architect.

"The Tanzanian workers," he added, "have shown a great interest in improving themselves, and we have seen them master the construction techniques for this type of school. They work with great discipline, placing much emphasis on quality."

The Cuban architect also reports that recently there was a meeting with representatives of the Ministry of Education, the Chama Cha Mapinduzi Party and district authorities. Agreements were made to guarantee the supply of materials and parts for equipment, which should speed up the completion of this project.

History of Cooperation

Emilio Perez Galdo has been an economic adviser at the Cuban embassy in Tanzania for 4 years. He is in charge of cooperation programs, and has traveled by jeep all over the country to visit the Cuban technicians.

The Cuban official reveals that cooperation between the two countries was stepped up after Tanzanian President Julius K. Nyerere visited Cuba between 18 and 22 September 1974. On that occasion a pact for scientific and technical cooperation was signed.

Between 1975 and 1977, Cuban cooperation had already extended to the construction of three rural basic secondary schools, artificial insemination, public health, the sugar industry and other sectors of the economy.

More than 200 Cuban construction workers went to Tanzania and worked intensively to finish three rural secondary schools. Today those schools are operating at full capacity in Ifakara, Kilosa and Ruvu. This project cost 9 million pesos. It was under the technical guidance of those workers that the Tanzanian workers now operating in Kibiti, were trained.

In May 1977 a large artificial insemination center was finished in Butiama, with the cooperation of Cuban workers and technicians. At present four Cuban specialists are working there. In total, more than 400 Tanzanian students have been graduated as mid-level technicians. In June 1978 44 studs arrived in Tanzania, donated by the Cuban Government; they are now in Butiama.

Another field where cooperation is taking place is education. Three Cuban instructors are giving classes in Spanish at several secondary schools in Dar-es-Salaam, and two Cuban students are learning Swahili at the university there.

But more important than the statistics, sometimes cold and inexpressive, are the admiration and affection that the Cubans have earned throughout the country.

At the pediatric clinic, we saw a mother and her child, who had been operated on recently by Cuban doctors.

"They saved his life. They have come from far away to help us. They are away from their families. It is an invaluable help."

And those words summed up a great deal of feeling for Cuba. "It is the best payment we could receive," commented Dr Cardenas.

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PROFESSIONAL TRAINING FOR AFRICANS IN CUBA REPORTED

Havana PRISMA LATINOAMERICANO in Spanish May 81 pp 24, 26

[Article by Ana Maria Ruiz]

[Text] When the elements now considered natural resources were formed during the infancy of our planet, Africa turned out to be one of the most gifted regions in the world. These riches, however, have not led to a higher standard of living for the vast majority of that continent's population.

It was Africa that, through the operation of colonialism and the sack of her material resources, to a large extent supplied the flourishing industrialization that many countries have enjoyed since the beginning of this century.

But as the old proverb says, no evil can endure for a hundred years. As time passes, more and more African nations take the road to development.

In order to end centuries of underdevelopment and build a new society, capable professionals are required. One route to obtaining such professionals is cooperation with other nations.

Every year since the inception of the triumphant Cuban revolution, young people from divers countries have undertaken the long trip from Africa to the Caribbean in order to attend university courses in Cuba. These young people have been the beneficiaries of the Ministry of Higher Education's scholarship programs.

The current educational program includes almost 1,400 African students from 24 countries and three liberation movements, studying at centers of higher learning throughout Cuba.

Many students study basic subjects necessary for socio-economic development: More than 200 young people attend agricultural courses; some 160, technical courses; about 100, economics; and just over 250, medical science.

There are also African grant recipients in other science courses, in fine arts, and in humanities. Still others attend preparatory facilities where they learn Spanish and familiarize themselves with materials related to the specialties upon which they will embark when their language studies are completed.

Among the educational institutions with the highest enrollment of African students are the Higher Institute of Agricultural and Animal Sciences of Bayamo (ISCAH), the Jose Antonio Echeverria Higher Polytechnic Institute (ISPJAE), the Victoria de Giron Institute of Basic and Preclinical Sciences, the Higher Institute of Medical Science of Santiago de Cuba, and the University of Camaguey.

The Victoria de Giron center, located in a residential neighborhood of the capital, was formerly an exclusive girls' school. Its students were drawn only from privileged families and were, of course, white.

Now students with good academic records, among them future specialists from other developing nations, enjoy this beautiful facility, without regard to their color.

The other institutions mentioned above were built after the triumph of the revolution in 1959.

These centers of higher learning are characterized by modern construction and architectural designs that are both spacious and functional. In addition to educational facilities optimally designed for theoretical and practical instruction, the centers include dormitories, dining facilities and athletic fields.

The Institute of Agricultural Sciences, for example, has research centers for animal husbandry, agriculture, veterinary science, and agricultural machinery. More advanced students receive regular instruction at these centers, and younger students carry out occasional experiments.

PRISMA spoke with several African students in order to learn about their personal experiences. Those interviewed shared the same general impressions. Thus, the opinions cited below may be taken as representative.

Theory and Practice

Antonio Assis, an Angolan scholarship recipient and fifth-year griculture student, observed that the ISCAH provides an excellent learning environment and achieves its objective of producing agricultural specialists.

The good relations that exist between students and employees of the center also help create an environment conducive to learning and student development.

A teaching method that combines theoretical and practical study was one of the aspects of instruction most praised by the students interviewed.

"The combination of theory and practice not only allows us to retain what we've learned better, it also lets us take on the actual tasks of our future professions," said Egidio Mendez, a first-year student in Maritime Transport Engineering from Guinea Bissau.

The Cuban specialists who work as professors at centers of higher learning play a vital role in the education of capable professionals. These educators offer special attention to foreign students, who have to deal with a lifestyle different from their own, and in many cases, an unfamiliar language as well.

Godfrey Makhwelo, a future doctor from Zimbabwe, and Ansumane Camare, an Automotive Transport student from Guinea Bissau, explained that professors schedule special hours during their free time to answer questions and help students who have problems with a particular subject.

"I don't have the words to describe the dedication of the professors toward us," commented Aderito Alves de Melo, a medical student from Sao Tome e Principe. "They're extremely attentive, and we always feel their human warmth," he added.

The African scholars' interest in their studies, and the educational environment which these students develop, are reflected in the results they achieve by the end of each academic term.

Last term, several African groups were among the top students in their class. One hundred percent of the students from Benin, the Congo, Cape Verde and Mozambique were promoted at the end of the term. A high percentage of students from Angola and Guinea were also promoted.

During their stay in Cuba, the grant recipients receive free books and other educational materials, as well as free housing, food, and dental and medical care, including orthopedic shoes, prosthetics, eye glasses and medicines.

They are also given clothing and a monthly stipend of 60 pesos for personal expenses, most of which is spent for recreation.

During vacations, the grant recipients take excursions throughout the island, and get together at tourist resorts, among them the popular health spa at Varadero. Such activities are provided to the students free, or at substantially reduced prices.

At educational institutions the Africans live side by side with Cuban students. Together they deal with academic requirements, and in their free time go to parties together, see the sights of the city, or visit the homes of the Cuban students.

Tanzanian Ernest Kalinga, an Agriculture student, told of the friendly relations he has with his Cuban classmates. He is never denied their aid and he, in turn, offers his help in the subjects that he has mastered best.

Joao da Cuna, from Angola, added that the Africans study with the Cubans, do research with them, participate in sports with them, and even visit their homes on weekends.

The African scholars regularly participate in various extracurricular activities of a political, cultural or recreational nature. They can, if they wish, join the Federation of Cuban University Students.

In addition, many African groups have organized Cuban branches of their own countries' youth and student associations. These include the Youth of the Angolan Popular Liberation Movement, the Mozambique Youth Organization, the Young Students' Organization of Tanzania, the Youth of the Sao Tome e Principe Liberation Movement, and the Association of Revolutionary Youth of Socialist Ethiopia.

Links with the Home Country

These branch organizations help African students maintain important links with their countries of origin.

The grant recipients meet regularly to review their educational progress, to study political materials, to celebrate national holidays, or to share experiences with groups from other countries. The Cuban Government helps make such gatherings possible by providing transportation and facilities.

On the evening of 14 March, for example, Ethiopian students organized a spectacular political-cultural event to commemorate the 85th anniversary of the victory at Adua. It was held in Lenin Park, one of the largest recreational installations in Cuba.

In their temporary homes at the educational centers, African students commemorate their countries' histories in wall murals and events sponsored by the Office and by Cuban student organizations.

In spite of the geographical distance between them, Cuba and Africa are bound by strong ties that date back several centuries. The African presence on this Caribbean island began with the arrival of slaves, who later, as soldiers and officers in the struggles for independence, became one of the constituent peoples of the Cuban nation.

What do the African students think of this country, which to a large extent still preserves traditions, customs and other features of their distant homeland?

Godfrey Makhwelo stressed the absence of racial discrimination in Cuban society, while Antonio Assis said he felt as if he were in Cabinda, Luanda or any other part of Angola.

"I like the Cubans a lot," said Mozambican Refo Alberto Sousa. "They've got a personality that really lets you identify them as free men, and establish friendships easily."

Throughout their studies in this country, the African students always bear in mind their primary objective: to contribute to the development of their own nations.

Sedar Zanou, an Agriculture student from Benin, spoke of the valuable educational experience he has acquired in Cuba, experience that will enable him to work effectively in agriculture, which is the economic base of his country.

Jose Antonio Pinto Monteiro, from Cape Verde, explained that when his country gained its independence in 1975, it had only one doctor of veterinary science, the specialty that Jose is pursuing at ISCAH. "When I return," he said, "my energy will be directed toward putting everything I've learned to use in the development of this important field."

With the contributions of friendly nations like Cuba, and the efforts of its own youth, Africa can count on an ever increasing supply of professionals prepared to devote themselves to that continent's socio-economic development.

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REPORTAGE ON BORDER GUARD ACTIVITIES, TRAINING

Havana VERDE OLIVO in Spanish 7, 14, 21 Jun 81

[Article by Jose Cazanas Reyes: "Border Guards"]

[7 Jun 81 pp 4-8]

[Text] A new province rises up and forges the future with its daily work. A people with a taste for victory fight, love and multiply. There is a U.S. naval base on Cuban territory with fences, sentries, observation posts, infiltrations of CIA agents, instigation of illegal departures from the country and Yankee depravity. Facing this, the TGF [Border Guard Troops] Detachment of MININT [Ministry of the Interior] in Guantanamo Province and its counterparts in the FAR--the Frontier Brigade--defend our territorial integrity at this vanguard point.

It is not easy to protect these 208 kilometers of coasts on the south and the north including Punta de Maisi where they converge, especially if the different areas there are considered. They include dozens of white or black sand beaches, coves and bays in this vast territory--6,370 square kilometers--with a population of more than 491,000 inhabitants, almost all in the 10 towns. The coast is virtually uninhabited.

Nevertheless, in the small towns and villages like Maisi and Boca de Jauco, Playitas or Hatibonico, Baitiquiri or Duaba, Boqueron or Caimanera or in this or that isolated hut live the men and women, youths and children who form the backbone of the TGF.

"We have been working with the inhabitants of the coast for several years and we have had magnificent results. Today we have hundreds of auxiliaries, militiamen, Youth Border Patrols and the Mirando al Mar Detachment. These forces, combined with the strength of the regular TGF, its modern technology, its 18 years of fighting the enemy as well as its determination to defeat him as many times as he fights here lead us to state that vigilance on the coast is guaranteed in spite of the geographical complexity of the province and the nest of vipers here at the Yankee naval base."

This was stated by 1st Lt Jorge Vargas, alternate chief for political work of the TGF Detachment in Guantanamo Province, who has devoted almost half of his 39 years to these troops.

Jorge is a pleasant comrade, well liked and respected by all the troops. In this particular province, that means almost the entire coastal population.

Vargas is rightly proud of several medals and other special decorations awarded by the Council of State and MININT for his fruitful work in that prestigious institution which will celebrate its 20th anniversary on 6 June.

The TGF of MININT were officially established on 5 March 1963. Nevertheless, Jorge—like other comrades—had been doing this meritorious work for a long time before that.

He said: "Today, I am simply a political worker. I like my work. Although they are not always immediately visible, it always yields the expected results in the end. To work with the conscience of a man is painstaking work which requires intelligence and tact, especially since these men and women, youths, old people and children work under difficult conditions, with the enemy inside our territory. They have the sacred mission of watching and defending every inch of our provincial soil."

Castulo and Videlina: Exemplary Auxiliaries

The history of the present TGF Detachment in Guantanamo Province goes back to 1960 when the unit was not officially constituted. However, there were posts and units subordinate to the Baracoa Coastal Sector.

This situation continued until 1970 when the Guantanamo Coastal Subsector was created in our main city.

The first actions of these embryonic units and frontier posts took place in 1960 and 1961, according to the history of the unit. Counterrevolutionary elements rose up in the area, including a man named Amancio Mosqueda Fernandez, the infamous "Yarey." He entered and left the country as many times as his Yankee masters ordered him to until May 1969 when, leading nine CIA agents, he entered and did not leave again.

About 20 infiltrations and hundreds of attempted illegal departures from the country have been prevented by the members of these forces. On 29 January 1980 in Tortuguilla, San Antonio del Sur, it was constituted as a border detachment of Guantanamo Province, transferring to its present headquarters, Imias, at the end of the year.

"Los Pintos," Gutierrez Menoyo, Punta del Silencio, "Yarey" and many other infiltrations have been detected, tracked and ended by this detachment which achieved Vanguard status in the collective emulation in 1975 by achieving 100 percent in all the emulation indices.

Playa Imias, Yateritas, Boca de Yacabo Abajo, Tortuguilla, Rio Macambo, Playa Baitiquiri and Boca del Tacre are some of the places that witnessed enemy activities and the heroism, strength, intelligence and boldness of the men and women, regulars or auxiliary, who make up the TGF.

"They have not come through here for several years. Apparently they have learned their lesson, but we do not rely on that. The enemy is here as long as the naval base exists. Experience shows that they do not consider themselves defeated.

According to a peasant saying, 'the dog still sniffs around even if his nose gets burned.' They are not going to find another evildoer like 'Yarey' to make us work again," said Castulo Martinez. His wife, Videlina Gamboa, agreed.

Castulo and Videlina are a married couple who have been in the TGF auxiliary for 16 years. They have always lived in Playa Macambo, in their little hut in this inhospitable place where the dogtooth violet and different types of cactus prevail. It hardly ever rains and iguanas and crabs abound. The sea is a few meters in front and the Guantanamo-Baracoa highway is a few meters behind. The high mountains tower a little further away.

The Observation Point is about 7 meters away, an extension of their home where half a dozen children grow and develop. It is a rustic wooden watchtower where the auxiliaries and militiamen guard the isolated area 24 hours a day. It functions like clockwork when it comes to these patriotic duties.

This revolutionary couple enjoys tremendous prestige on both coasts as well as at the point where they converge at Maisi. They are responsible and hardworking, great organizers, irreproachable revolutionaries and brave and good people.

He receives a subsidy because he was wounded in both legs during an operation against a group of infiltrators; it is impossible for him to do hard work. She, a housewife, has been in charge of the Mirando al Mar Detachment for 10 years. It is based in her home where the Observation Post is.

"Along with an area officer who controls the guards and all the political and military activities, the person responsible for the post and the detachment has to watch that the vigilance equipment works well and that there is no weak point where the enemy who conspires against our revolution can infiltrate or leave," Videlina said.

The point where Castulo and Videlina live is a strategic place militarily. The area occupied by the Yankee naval base, a true refuge for CIA agents and mercenaries, Marine provocateurs and every type of hoodlum begins only a few hundred meters away, a little further than Playa Yateritas.

It is no accident that, on innumerable occasions, evildoers and scum of every type have tried to leave the country illegally, in small boats or swimming. They have tried to infiltrate our territory or take refuge once detected and repelled.

"Yarey entered and left this area many times. He was born and raised around here. He has acted foolishly ever since the triumph of the revolution. No one took anything from him because he had nothing; he received a lot like we did. He was a misfit. As if that was not enough, he also involved his brother in the counterrevolution. They became CIA agents. They entered and left several times but they went to the well too often," said Castulo. At our request, he recalled that operation that put an end to one of the most difficult and cunning enemy agents in the easternmost part of the country.

Operation "One-Way Trip"

Castulo narrated: "Heriberto Barroso and Margarita Gamboa, my sister-in-law and her husband, detected the last infiltration of this counterrevolutionary whom the

CIA called Commander Yarey. They were going fishing when they discovered strange footprints, a foreign newspaper and boat traces. They immediately notified me and I ran to report to the TGF unit."

Yarey had landed on the beach known as El Cajon, very close to here, with nine other mercenaries. His second in command was another expatriate named Roberto Herrera Tito, better known as "Tico."

Carrying out CIA orders, the mercenaries boarded a ship at a Florida base and then got into three rubber rafts with silent motors. Early in the morning of 3 May 1969, they reached the shore near the Yankee naval base. After burying a large quantity of arms, ammunition, explosives, etc., they penetrated the most rugged mountains bordering that coast.

"These mercenaries were great cynics! Their mission was to promote counterrevolutionary bands in the adjacent mountains, sabotage sugar mills, attack the leaders of the revolution, destroy the railway and the highway and burn industries, farms, schools and other installations there. Nevertheless, when they were taken prisoner --those who managed to survive our bullets--they kept repeating that they had only come to see their relatives; they only came to talk."

After the infiltration was discovered, the members of the TGF, their auxiliaries, the regular units and the mountain troops of the Eastern Army of the FAR with the cooperation of all the inhabitants of the region began operations to track, surround, persecute and wipe out the enemy agents.

Yarey knew the area well. He was a native of Sierra de Puriales which, since 1961, had served as the scenario for his many misdeeds. He and the others camped in some large rocks that served as observation post and parapet until nightfall. With the landing zone behind and the Guantanamo-Baracoa highway in front, he planned to rest until then and, with the first shadows of night, advance to the Sierra de Puriales.

In his long career in the service of the enemy, Yarey had been credited with several secret infiltrations, uprisings and departures. Although in all these counterrevolutionary actions, no one under his orders had survived, until that time he had always been able to reach the naval base where they immediately sent him back to Miami. That made his masters consider him a great anti-Castro leader. They rewarded him by giving him command of Operation "One-Way Trip."

Equipped with the most modern guns in the Yankee infantry, a large quantity of ammunition, antipersonnel grenades and pistols with silencers, the group of mercenaries left their hideout and headed for the highway.

Two soldiers of an FAR squad saw a small column advance. At first, they confused it with a patrol of comrades. Then when they saw that they were infiltrators, they took positions and let them approach until they were barely 50 meters away.

"Halt! Don't move!"

"Don't you move. Drop your weapons because we came to liberate you."

An AKM burst through the air and ended the dialogue. Two men in front fell. The rest, with Yarey taking advantage of them, dropped their supplies and ran

helter-skelter into the middle of the ambush. It was the first clash and right there the fate of the CIA agents was sealed.

On the third day of operations, a TGF squad went into a shallow river gorge. After combing caves and ravines with no results, they regrouped to return to the Command Post. However, the chief did not give up and said to the others:

"There has to be some hideout here. They have to get near the water. We are going to go back."

Used to searching familiar territory, discovering hiding places in the area and the many tricks of the enemy, the soldiers went back over the route, scouring the area they had already explored.

One of the group saw some clothes spread out near a cave in a gorge. They approached cautiously until they were a few meters away. It was a mercenary. His head was hidden but the rest of his body was outside like a scared ostrich. A shout reverberated in the gorge:

"Get out; you are a prisoner."

The mercenary, twisting like a snake, tried to get in the small hole in the rocky ground filled with cactus.

"Get up or I'll shoot."

The threatening voice, filled with hatred, panicked the mercenary. This time the nearness of death had the anticipated effect. The soldier did not have to repeat the warning.

"No, not that. I surrender. I only came to talk, to see my family."

The border guards, after offering him water and a cigarette, had to carry him a long way. In the flight through the mountains, CIA agent Carlos Ibarra had even lost his boots.

Perhaps because of the respectful treatment that his captors lavished on him and the humane attention that he received, Ibarra had a moment of honesty. He said:

"I am merely a mercenary. I have entered Cuba secretly on other occasions before this landing."

"Through Oriente?" one soldier asked.

"No, this is the first time I have entered here."

The soldier said: "Look, add that this will also be the last time."

As a result of those operations that lasted several days, the following infiltrators were killed: Justo Leyva Columbie, Bienvenido Fuentes Leonard and Roberto Herrera Tito. The following mercenaries were captured and later sentenced: Angel

Castillo Cabrera, Tito Lopez Gomez, Sixto Mosqueda Fernandez, Manuel Rodriguez Pineda, Francisco Cid Crespo, Carlos Ibarra Vazquez and Amancio Mosqueda Fernandez, alias "Yarey," who was wounded. "Thus ended Operation 'One-Way Trip.' The Yankees were not wrong this time because they did not return. They stayed here as fertilizer for the thorny bushes that you call cactus."

[14 Jun 81 pp 4-9]

[Text] Two gray GRIF naval units and a speedboat with beautiful lines are berthed in one of the many ports on the southern and northern coasts as part of the TGF Detachment in Guantanamo Province.

They share the quiet waters of the small bay with several reinforced concrete boats which belong to a fishing cooperative. The GRIF's are there temporarily because their sphere of action is the sea. They patrol our territorial waters and protect them; that is a constant task.

The GRIF's are medium-sized, well-armed coastguard ships with great maneuverability. They can navigate in heavy seas at impressive speeds and have good living conditions for the crew, including airconditioned cabins.

"These magnificent ships come from the USSR. They have modern communications and radar equipment which facilitates our assigned mission," stated Lt Rafael Montero Garbey, unit commander.

His long service record verifies his good work, first in the ranks of the Rebel Army, later in the FAR, including 3 years in the MGR [Revolutionary Navy], and last in the TGF which he joined more than a decade ago.

He recently graduated from a commanders course at a Soviet academy. He uses his rich experience each day in his important work.

Montero Garbey explained: "The 12 miles of territorial sea are our front line of combat. In that jurisdiction, we are usually the first to detect the enemy and make contact with him. That is our main objective. We have others, however, like watching that the national and international navigation system is complied with as well as preventing any type of piracy along our coasts."

In addition to the technology of these ships, the young age of the crew is impressive. After studying the specialty, they are devoted to it with a high sense of responsibility, good discipline and love for what they do so well.

It cannot be otherwise. The protection of every inch of our coasts and the sea requires brave, selfless, intelligent, calm men like those who make heroism their daily job. The most important thing is to be this way and, at the same time, to be simple, modest and reluctant to overestimate themselves.

There is unquestionable merit in being 27 years old and having 10 years experience in the TGF. Nevertheless, to Lt Sergio Gustavo Nunez Castillo, second in command of the ship, this is normal, common in his environment. "Here almost all of us are contemporaries, we have more or less the same number of years in service and we have participated in the same operations, missions, patrols and training," he said.

What he does not say is precisely the interesting thing in his particular case. His shipboard comrades with whom he has very good relations although he is a demanding chief told us:

"Ever since he was an adolescent, Gustavo dreamed of being a border guard. Therefore, when he studied at the Hermanos Maranon Institute in Santiago de Cuba, he began to take steps to join these troops but he was not successful."

In 1971 he was selected to study to be a pilot. After satisfactorily passing his studies, he was assigned to the TGF. Finally he had achieved his desire. From then on, he always tried to be one of the most outstanding comrades and he achieved this. In the socialist emulations, in the study circles, in individual training, in all of his political or military duties, he has always been outstanding. His attitude toward each mission, operation to capture pirate boats, operations against infiltrations or illegal departures from the country and other activities of these units is obvious. That is Gustavo. He merely said:

"I like the sea. I cannot conceive of doing anything other than serving in the TGF. Life is hard here but that does not matter. It is only necessary to know that one is useful and serving the fatherland, the revolution."

Real Border System

Caimanera and Boqueron are the closest towns to the area that the U.S. naval base illegally occupies in Guantanamo Bay.

Those two picturesque human settlements, separated by the large line of water that leads to the bay, border the water and the Marine post.

Caimanera is the main town. Its basic economic activities are salt production, the shipment of bulk sugar and fishing. There, in its hundreds of old houses or in the new microbrigade developments, live a revolutionary people who, like the rest of the country, fight resolutely to construct socialism even though the abominable Yankee neighbors do unmentionable things to prevent this.

At the Yankee naval base on both sides of the entrance of the bay, there are from 13,000 to 15,000 people including Marines, tank troops, military police, sailors, pilots and civilians.

The Marines make up the largest force quartered there. They are one of the basic and most infamous troops in the United States.

The base is surrounded by Peerles fences. Next to the gate there is an interior road which has casemates and watchtowers where the Yankee troops stand guard. From here they have also attacked our soldiers, killing two Cuban border soldiers and wounding others.

The Yankee naval base has been "stuck like a dagger in the heart of Cuba" since 1903. Before 1959, with the corrupt governments of the subjugated republic, the "champions of democracy and progress" campaigned for their respect throughout Cuba. It is not necessary to say what occurred in Caimanera which it kept as its front yard and center of its most perverse depravity.

It is no accident that, after the revolutionary triumph and the promulgation of the first laws that defined the process, hoodlums and psychotics, afraid to be called to account by the new justice, fled there in terror. They crossed the bay in search of safe refuge at the Yankee burrow.

Around 1963, a few months after the birth of the TGF of MININT, a real border system that was very similar to the present was instituted in Caimanera.

"Until the first border guards arrived here, the job of controling the entrance and departure of inhabitants and visitors was handled by the comrades of the Border Battalion, militiamen and soldiers of the Rebel Army. Since 1960, they have occupied the closest trench to the enemy. The present Border Brigade, like that battalion, continues to bear the brunt of the vigilance and defense of the territory bordering the Yankee naval base with true heroism," revealed 1st Lt Nestor Calvino Rivero, TGF information officer in Caimanera.

The border system here consists of a series of control measures to prevent illegal departures or entrance to the country using this town as a springboard.

"The people of Caimanera understand these measures well. They have accepted them and cooperate in everything. This is a combative, revolutionary people with a great sense of vigilance and a clear idea of the enemy that we are facing. Therefore, a large number of men and women are in the Mirando al Mar Detachments, the TGF Auxiliary Forces, the militia and the CDR [Committees for the Defense of the Revolution]. They really help us," explained Lieutenant Calvino Rivero.

We talked in one of the sections of the post, a clean prefabricated installation which was recently painted, cool and comfortable. From any of its front windows, everything that occurred outside at the checkpoint could be easily seen. We observed the following:

An interprovincial bus, filled with passengers, came to the checkpoint located at the only land entrance to the town of Caimanera. Its occupants, one by one, showed their passes to the border guard on duty. Greetings were exchanged; affection could be seen on both sides. We did not see a single look of disgust or gesture of annoyance. On the contrary, everyone seemed to experience a certain satisfaction facing what they consider to be a sacred duty as long as those people usurp that fragment of our territory.

There Is the Enemy

Hatibonico is a point a few kilometers from the sea entrance to the naval base. That is where the Hatibonico Observation Post is, the most representative of all those in this TGF Detachment.

To reach this isolated place on a strip of land that starts at the coast, it is necessary to travel dozens of kilometers of highway and good and bad roads, ford rivers, go up and down hills, cross through the center of a modern peasant community, go past several barriers, skirt fields and go through the village of Hatibonico which is the only settlement near this border unit.

When you get there, the first thing you will see is the small prefabricated installation and then its sections: a command post, the dining room, kitchen, a

clean bathroom, a dormitory, potable water, electric lights, radio, television, a porch and, in front of this, a garden with several flower bushes. Some 20 meters in front is the observation point and, between this and the building, there is a flagstaff with a Cuban flag fluttering high above.

From high on the observation point, erected some 30 meters above sea level, the Yankee ships and airplanes that leave or enter, patrol or at times violate our waters and air space can be easily seen through the observation equipment.

Hilario Almenares is a 54-year-old TGF auxiliary who has spent 15 years devoted to the important task of safeguarding our coasts. One day, while this agricultural worker at the Niceto Perez farm was clearing land, a friend told him what was being organized there on the coast. He said that it was like the militia but tied to the TGF and that those who joined it were considered auxiliaries. That was enough for Hilario. He threw down his machete, asked permission from the brigade chief and with Trueno, his horse, presented himself to the guard officer at the border post a few hours later.

"I was accepted a few weeks later after filling out some forms. Since then, I have never missed my guard duty nor the different mobilizations that have taken place," said this man whose face and hands are tanned by the sun during his hard work. He has been a vanguard auxiliary on several occasions. He lives 25 kilometers from the sea in a small mountain valley but, in good or bad weather, on horse or on foot, he is always punctual for his duties because "as long as I have strength, they will never have to wait for me."

Hilario has been mobilized for 2 days. On guard at the observation point, like a veteran of the specialty, he again uses the optical equipment there and slowly scans the horizon, stopping where three Yankee warships are anchored. They will stay there until they are relieved by others at 1800 hours. Hilario and every member of the post know that. Nevertheless, he notes in a book and then reports to the chief that they maintain the same position, etc.

At 1400 hours several dull rumbles arrive with the sea breezes. Gorina, the photographer, said that it was thundering, that it looked like it was going to rain. A soldier explained: "No, that is not thunder. Those are the Yankee jets that have shooting practice at sea." That is what it was. When the sun began to go behind the mountains 2 hours later, a tug pulling a target progressed toward the base at full speed.

At that same time in the small range of the TGF unit, all the members were participating in the flag-lowering ceremony. Minutes later, roll was called as were the beloved names of our dead heroes. Com Orlando Olo Pantoja, Maj Luis Martinez Almaguer, Capt Jose Pena Aranda and soldier Ramon Cien Portier were counted present because they lighten the dawn, as Marti said. Last, a mission was assigned to each soldier or patrol going on duty.

The real work of a border guard begins precisely when the sun goes down and ends when it comes up again--12 hours of constant vigilance that are long, interminable hours. It is not only necessary to fight against sleep, the fatigue of the day which, although planned for rest, is not always idle, against mosquitoes or gnats and at times both or the rain, the cold or the wind, depending on the weather. It

will be necessary to also fight against the darkness of the night or the fog of dawn which makes the sea impenetrable to the eyes and very favorable for the enemy.

For that reason, they are there at the key points, in ambushes or patroling. They are all devoted to that, with AKM's in hand, the regulation amount of ammunition, with the stars for a roof and the sea for company. That is how they spend the night, always alert, silent, at times submerged in thought.

[21 Jun 81 pp 4-9]

[Text] Border Children

"TGF, always ready."

The voices of about twenty children of both sexes, whose ages range from 9 to 14, are heard filling the four cardinal points of the range of the TGF Detachment headquarters in Guantanamo Province.

As on previous afternoons, they meet there after their school work is over at the Ciro Frias Cabrera Primary School in Imias, the town where they all live. They participate in the tasks inherent to Youth Border patrols.

The children are dressed in a complete olive drab uniform, very similar to the one the Camilitos used to wear. They lend a singular air to this TGF unit. They are happy since they grow healthy and happy, but serious and responsible when necessary. They are a true symbol of our border children.

"Today we are going to have infantry classes and loading and unloading a Makarov pistol. At other times, we have participated in training for tracking, search, observation, unloading and loading an AKM and many other interesting things," said Yamile Matos, an 11-year-old girl.

Yamile explained that they like the Youth Border Patrols because they do many activities in close coordination with the Jose Marti Pioneers Organization, the UJC [Union of Young Communists] and the TGF. Her father is a soldier, a border guard. She is proud of this but she wants to be a teacher.

She, like the rest of the patrol members, is a good student and a pioneer, requirements for this organization created and developed 3 years ago on the coasts of Guantanamo.

The basic objectives of the Youth Patrols include educating the children in patriotic military principles and love for the fatherland and the revolution. It also serves as a tie between the TGF soldiers and the children who live on the coast.

This positive experience that already includes dozens of pioneers has a military structure formed by a chief, an assistant chief, a political worker and three squad chiefs. The patrols recently participated in the Youth Victory Maneuver held at the detachment headquarters.

"There were exercises based on border searches and loading and unloading AKM's and Makarov pistols. They did very well," stated soldier Rolando Sanchez, instructor of the three patrols attached to the TGF Detachment headquarters.

Rolando is like an older brother for them. He has been in these troops for about 4 years, since he graduated from the National School. One of his responsibilities is to train the children. He has the following opinion of them:

"They are good, disciplined, alert to learn. As children, they are happy and playful but they are also capable of standing guard at an observation point and patroling, accompanied, of course, by an older person. They are as responsible as anyone."

Orbi del Toro said that he would like to be a border guard although Sanchez, the instructor, and the other soldiers told him that it is necessary to suffer cold, dampness, bugs and a host of other things. He would very happily go through these in order to have his AKM, to be able to fire at the enemy if necessary, to go with the dogs and take care of the borders like they do.

He added: "They teach us to load and unload Makarov pistols and AKM's but they never let us shoot them. They tell us that that is not children's work; it is not necessary yet....There are comrades who are upset but not me. If that day comes and it is necessary to shoot at the Yankees, with the same ease that I load and unload the rifle, I will take it like this, close my left eye and look with my right eye through the sight, lining it up with the target. Then I pull the trigger and...."

Orbi stated this with a roguish smile although there is such conviction in his words that there is no question about what he said. His sister Mireles, Ismael Lobaina and all those present nodded their heads in agreement. Lobaina, 14 years old, told us:

"Here we children and adolescents learn and develop like in the rest of the country, but don't forget that the Yankee naval base is very close to us. The enemy of the fatherland never learns. Therefore, we always have to be alert."

Everything Has Changed Today

At the beginning, 18 years ago, everything was different. Then they told you to go with your patrol to watch from that coast. We border guards went with provisions for 5 days which stretched into 10 or 15 days. There was not much time to think. You took the "Pepecha," ammunition, cans of sardines, condensed milk, sausage and "Russian meat" and other things. We went without a roof other than the sky, a niche in the rocks or a cave shared with bats and mushrooms.

You had to be your own cook and economist--that is, magician--to multiply the number of cans and survive for more than the number of days the mission was planned for which always ended up doubled or tripled. Our mission was the same as now with the same determination and a minimum of resources: to protect our coasts, to prevent infiltrations which were prevalent then and, especially, if the enemy managed to land, to keep him from going any further. It was not easy. However, we fulfilled our mission satisfactorily in those early times, almost without food, shelter, observation equipment, naval technology, the tremendous support of the auxiliary, the militiamen, the Mirando al Mar detachments, the Youth Border Patrols, all the people and each hut or ranch, scattered or grouped along our coast. Today, in one way or another, they watch every inch of our coasts as effective supporters of the TGF.

How different the present is from those first years! The means of living, fighting and working have made a 180-degree turn, from night to day. Today it is more pleasant to be a border guard although we old guards share with the newest guards the long hours of vigilance, the balanced rations, the comfortable shelter, the defined mission for yesterday, today and tomorrow: to zealously guard our coasts; to prevent the enemy from entering or fleeing; and to keep our coasts, beaches and territorial waters inviolable.

This could have been reported by 52-year-old 1st Lt Luis Tito Olivares or by his contemporary, 2nd Sgt Gloriardo Diaz Vargas. Like many other members of this detachment, their service records include the honored experience of having been founders of the TGF in Guantanamo Province.

Maj Servando Perez Martinez stated: "Today, as the founders say, our troops constitute an impregnable defense. The work with the coastal people, not in 1 year but in many, can be seen, regardless of whether they are in the Mirando al Mar detachments, militia, auxiliary or the youth patrols. All this is given priority by the chiefs and cadres who must do specific political work."

Servando added: "From the historical point of view, this work with the people has meant that the people support the missions and tasks of preserving our borders."

Servando continued: "About 20 infiltrations and hundreds of attempted illegal departures from the country have been prevented by the members of these troops with the support of all the coastal people and in close coordination with our brothers in the FAR, especially the Eastern Army and the Border Brigade."

Major Servando said that he is a genuine product of the FAR. He served in it for more than a decade, took courses at one of the Soviet academies and later was chief of a tank unit. In 1970, he joined MININT as a member of the TGF in the old eastern district.

Servando is very well liked and respected by his subordinates. They said: "Without making concessions or diminishing his authority and demand, he knows how to be a capable chief, comrade and brother. Most importantly, he lives with his troops, sharing with us the hard hours of vigilance, the times of tension in each operation, mission, training and other work in the daily life of a border guard. In other words, he is one more border guard."

Major Perez Martinez pointed out: "We are satisfied with the humane and revolutionary quality, the high sense of fulfillment of duty and the selflessness and stoicism of our soldiers and the inhabitants of the coastal town who are a valuable support."

Major Servando Perez continued: "Taking advantage of this special opportunity that VERDE OLIVO is giving us, we want to transmit a revolutionary greeting from this front trench that we share with the veteran and heroic soldiers of the Border Brigade to all the members of MININT on its 20th anniversary and, especially, the members of the TGF who fulfill the sacred duty of watching, preserving and protecting every inch of the borders of our country."

Singular Landscape

It is dozens of kilometers by land or miles by sea to go from Imias to Tacobay, the furthest point from Baracoa and Nibujon.

If it is by sea, the trip will be easy although not good for weak hearts because of the incredible speeds of the speedboats, the medium tonnage GRIF units and other naval equipment of this detachment. It is capable of carrying them there in the blink of an eye. However, if one goes by land, it is different. That was the route we took.

Without being chauvinistic, the sea that borders our coasts is very beautiful, noble and romantic in normal times. Here, in the easternmost region of the country, the Caribbean Sea that bathes the northern and southern coasts of Guantanamo Province seems different than on the rest of the Cuban coasts, not only because of the heroic atmosphere breathed in all areas of the naval base but because this sea, in contrast with the mountain chain that serves as background, offers an exceptional landscape, incredibly beautiful, recreational and touristic.

If you do not believe this, leave Imias and take the Via Mulata which was started under the mismanagement of the dictator and finished by the revolution. You will see one of the most picturesque places in Cuba.

You travel on a highway that regularly slips along the coast. Sometimes it ends up at the sides of the mountain and other times it goes way up. With its constant zigzagging and going up and down, there are viewpoints where even the most indifferent person must admire the view.

In the well-known "Alto de Cotilla," after you conquer the "Loma de la Farola," there is a diner well supplied with cookies, bananas, papaya, coconut, rum, coffee and pure spring water from there. You can see the coasts meet the sea on the horizon and the resplendent clean, greenish-blue waters. This is the kingdom of our border guards.

Then going down precipitously and continually, Baracoa will surprise you. It is constantly being remodeled day after day by the revolution, expanded, dignified as a national monument, with new projects proliferating everywhere and the new man who rises up, as Che and Fidel knew, in these places that only became linked with civilization through the fulfillment of the Moncada program and the fruitful creative work of the socialist revolution which justly began in Cuba with the countryside.

After leaving "Alto de Cotilla" behind, there will be an exotic panorama with hundreds of thousands of pines as far as the eye can see. Part of this landscape are the comrades constantly cleaning the road, maintaining the natural fountains that flow spontaneously fresh and clean, while others, the agricultural workers, are in almost inconceivable positions sowing coffee fields in the shade of the pines, many of which are already witnesses to these flowering plants.

Cayo Tacobay

The Cayo Tacobay Observation Post is one of the most singular, isolated and fundamental posts in the coastal vigilance system of the TGF Detachment in Guantanamo Province.

This picturesque place on Tacobay Bay is an enormous rock some 700 meters long by 170 meters at its widest point. In the past, a U.S. couple lived there and, according to what is told there, owned a mansion, the rock, the bay and everything in sight.

"Apart from this house where our observation post is located, there is another inhabited by Augusto Perdomo and his family. Augusto was employed by the Yankees for many years; today he is one of the best auxiliaries in the TGF," explained 2nd Sgt Meinardo Velazquez, post chief. He added:

"Here life is very pleasant. The air is very healthy; the comrades are great. According to the history of the unit, there have not been any enemy activities in our area for several years. That is good but we still do not lower our guard."

One thing that attracts attention in this small collective is the modesty and simplicity of its members, the high sense that they have of fulfilling their duty and their discipline and selflessness, very common qualities in the TGF.

Augusto stated: "These boys are very good. I love them like my own sons which they could all be since I am 52 years old and the oldest is only 29."

Augusto is quite right to evaluate them this way. With their daily work, their long hours of sleeplessness, their devotion to coastal vigilance in Guantanamo Province--in Tacobay, Baracoa, Tortuguilla, Hatibonico, Maisi, Imias, Boca del Tacre, Boca de Jauco, Caimanera or any of the different points in the center and west --they have become worthy of the respect and the recognition of all our people.

For all this and for what these troops represent, Ramiro Valdes, member of the Politboro and minister of the interior, referred to the TGF in part of his speech at the main ceremony for the 20th anniversary of MININT.

He said: "We can say that our veteran TGF watch every inch of our coasts and beaches with sleepless eyes. They fill the front trenches of the fatherland with bravery and an exemplary spirit of sacrifice."

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PROBLEM OF LEADERSHIP IN MILITARY SERVICES DISCUSSED

Havana VERDE OLIVO in Spanish 21 Jun 81 pp 41-43

[Article by Capt Leonel Gorrin Merida, professor at the Gen Antonio Maceo FAR Interservice School in "Military Education and Psychology Issues" section; passages enclosed in slantlines printed in boldface]

[Text] The problem of leading men is one of those of most current interest in the world of today. There is today practically not a single activity that man can develop in isolation from his fellow man. This situation, which is produced by the level of development attained by production forces and relations, is most evident in the conditions under which the FAR [Revolutionary Armed Forces] operate. The success of the effort to educate, instruct and generally train the troops of small, medium-sized and large units depends on the leadership activity of leaders, political workers, party organizations and the UJC [Union of Young Communists]. Victory in this campaign stands in direct relation to the solidity, character, flexibility and scientific approach of our leadership.

All FAR activities are governed by the principle of command and subordination. No soldier may act independently. He is always part of a given team or unit to which he is subordinated and in conjunction with which he acts. This leads to the need for a single command. As Karl Marx noted in his masterpiece, "Das Kapital," a violinist can play alone but an orchestra needs a conductor.

Leadership as a human activity is the process of leading an individual or a group of individuals to achieve specific objectives. As a social phenomenon it has a class nature which determines the ways in which it is carried out, its content and objectives. By virtue of this we may say that there are at the present time two predominant forms of leadership in the world of today:

Bourgeois-style leadership.
Leninist-style leadership.

With the disappearance of competing classes and the birth of a new means of production, the objective conditions for the existence of the Leninist type as the superior kind of leadership over people are created.

However, the triumph of the socialist means of production alone does not automatically lead to the total disappearance of the old form of leadership.

Various factors of an objective and a subjective nature influence the birth, development and total consolidation of the superior form of leadership over men. During a given phase in the construction of the new society both remainders of the old, already obsolete form and the superior type of leadership coexist.

There is a diametric opposition between the bourgeois and the Leninist forms of leadership that is fundamental — and, moreover, of a class nature — for the following reasons:

1. The nature of the leader's personality.

2. The nature of the leadership process, its content and objectives.

3. The nature of the men who are being led.

Let us now dwell on several of these points.

Traits the Chief or Leader Must Have As a Prerequisite to Behaving As a Leninist

The description of these traits requires a many-sided and complete analysis of the leader's personality. Let us begin with what constitutes the central core of his personality: his intellectual qualities. Our analysis, therefore, has to begin with the motivational state of the men, that is, personality orientation.

System of Interests

A leader who wishes to endow himself with a truly Leninist style of leadership must like to lead and like the occupation in which he functions as a leader. The job of educating, instructing or training new generations for the complex tasks of the defense and construction of socialism is a daily task, a difficult one that above all demands of the leader a liking for the job.

While in a capitalist society what motivates the citizen to lead is the greater profits he stands to gain by it, that is, the interest he has in leading is of a material nature, in a socialist society in order to be able to lead in a Leninist style the primary interest is a spiritual one. It involves regarding the job of leadership as a means of internal satisfaction. Being a leader to create an aura of "fame" or "importance" about oneself, striving to be outstanding not for the common welfare, but for personal gain in order to create a false image of one's personality is foreign to the Leninist style of leadership.

Such negative elements in the orientation of one's personality are foreign to the officers of our glorious FAR. Our leaders and political workers love their military profession and the leadership activities they engage in. Over the years that the revolutionary government has been in power our officers have typically been capable of at any time subordinating their personal interests to the interests of our society, the interests of the collectivity. To serve as a leader for the purpose of satisfying petty, personal interests is one of the things that is most foreign to the Leninist style of leadership.

System of Ideals

No one is born a chief or a leader. Like any other activity, this one is learned in the course of one's life.

For as long as an individual does not achieve any definite mastery in this complex kind of leadership, he strives to imitate of follow the example of others he regards as models. This phenomenon also persists later when he has achieved a certain degree of mastery over the strengths and qualities of the model.

It is important to choose positive models and relate modestly to them. On several occasions we have found comrades behaving improperly who then justify such behavior by imputing to others the same behavior. Such an attitude is incompatible with the Leninist style of leadership. In our society the chief or leader must always critically and self-critically analyze his actions and those of his comrades as well as those of the model he is trying to emulate.

Self-sufficiency, the feeling that no one can point out to us how we ought and have to lead is something that is unbecoming to our officers, who modestly and simply do their jobs.

System of Convictions

As superior personality motivations, convictions determine the behavior of individuals. Communist convictions are acquired as the result of thorough mastery of Marxist-Leninist theory, the adoption of positive attitudes toward different situations and the practical realization of one's abilities. To lead as a Leninist means unity of word and deed.

The basic technique of Leninist leadership is persuasion. But only he who is convinced can persuade others. To conduct the activity of defense and construction of socialism, it is necessary to be thoroughly familiar with the essence of Marxist-Leninism, the content and objectives of our country and party's national and international policies. This is why, for a leader to lead in Leninist style, he must constantly study the theoretical bases that govern our society. Poor theoretical knowledge of Marxist-Leninism is foreign to the Leninist style. Someone who has no knowledge of the Marxist doctrine cannot scientifically govern.

To direct the construction of a socialist society and its defense, it is necessary to know the laws and regularities that govern this process. But it is not enough to have an extensive theoretical mastery of the problems yet not know how to put it into practice. Demagogy is something that is totally foreign to the Leninist style of leadership. A chief or leader of our society cannot be indifferent to this country and the world's political and social problems. Positive attitudes toward these situations is a top requirement for him.

When analyzing the personality of a leader, we must of necessity dwell on his /character/ traits. These mental properties tell us about the attitudes the individual has toward the society, his job, his fellow men and himself. In the opinion of distinguished psychologists, character is the image of the individual.

The chief or leader of a socialist army is above all a man who is extremely /sensitive/ to the problems of others and of the society. Characteristic of him are his humanity and kindness, his firmness in the application of revolutionary principles. The Leninist style demands of leaders great /firmness/ of character yet at the same time /flexibility/. On the one hand, a chief or leader cannot be constantly changing his mind to please everyone and not be on bad terms with anyone. A chief or leader must know how to stick to his decisions and carry them out. But while this is happening, conditions may change and a decision that was right yesterday may be wrong today. In these cases the leader must conform to the new situation that has arisen, which bespeaks the flexibility of his character. To stubbornly insist on absolute ideas just to be obstinate is a quality that is totally foreign to the Leninist style of leadership.

/Tenacity/ in one's work and an /industrious attitude/ are other qualities needed in a man to be able to lead in Leninist style.

Liking his job, the leader dedicates himself completely to it and strives to achieve maximum effectiveness. Because of his efforts, he is considered to be a pioneer. He has the right to rest but not to rest until his job is done.

Independence is another highly prized trait in the chief or leader of a socialist state. This does not mean that he should behave anarchically, rather quite the contrary. It assumes that he knows how to make decisions when faced with the most complex and varied of problems that come up in life and lead men down the path to success and victory.

To lead in Leninist style means /to respect and concern ourselves with/ the men we lead while at the same time /demanding/ of them that they perform their duties and obligations in the time and with the quality required. It means knowing how to make demands on oneself, launching a campaign with oneself to achieve daily improvement.

Maintaining a high degree of earnestness in one's work is another important prerequisite for a leader. This does not mean that the leader has to act like an ogre to exercise his leadership. Possession of a cheerful and pleasant disposition is a quality of communist leadership that certainly contributes toward bringing us closer to the men we lead. The earnestness is displayed in the responsibility with which we are capable of carrying out our duty and obligations.

To lead in Leninist style, a chief or leader must have a great deal of /self-control/. As a characteristic personality trait, irritability leads to conflicting situations in the business of leading. Similarly, possession of such negative character traits as self-complacency, formalism, inconsistency, lack of standards and pessimism are foreign to a communist leader.

In connection with these and many other traits, we must emphasize several of the typical /qualities/ of the personality of a leader.

Being a chief or leader is by no means an unattainable profession that demands some special talent. Like any other occupation, leadership is learned in the course of one's life. But to be able to achieve success in this field an individual must develop certain qualities.

Among them is creative ability. The circumstances under which military activity takes place, the training of men for war and the leading of combat actions, do not require previously elaborated plans, but creativity and dynamic thinking.

One has to have high intellectual capability. The leader's job requires flexible, profound, analytic and synthetic thinking. He has to have the ability to anticipate. Events must not take him by surprise. Being able to anticipate does not mean guessing. It means drawing the necessary conclusions from the events one experiences in order to ascertain the regular patterns that govern the course of events.

This ability places a premium on the leader's authority, increases the effectiveness of our efforts and avoids stupid failures. In connection with this we must stress the leader's teaching ability, which enables him to possess acute powers of observation and the necessary tact in his work as leader.

Guiding his men toward effectiveness, success and victory requires organization, which is why the leader must have great organizational ability in his own job as well as in the work of his subordinates.

These abilities make it possible for him to become an expert leader. On the one hand, this expertise implies a very exacting attitude in connection with his concerns and, on the other, respect for those he leads. It implies knowing how to create conditions favorable to the successful development of his leadership activities. This is displayed through a great talent for knowing how to attract the rest of the men.

Professional ability is another necessary component in a man for him to be able to exercise genuinely scientific leadership. If the leader is incapable of achieving success in the domain he heads, his authority is weakened and his leadership is ineffective.

/Training in intellectual pursuits/ is closely related to these abilities. The chief or leader of a socialist army must possess thorough and solid knowledge of political, military, technical and professional and general cultural affairs. He must depend on solid professional and leadership habits and abilities.

In the performance of his daily chores he goes on acquiring the general, professional and leadership experience necessary to do a proper job. He achieves this thanks to a constant critical and self-critical analysis of his actions and those of his comrades and subordinates.

We believe we have so far covered only some of the qualities needed in the leader of a socialist society. We might even say more about his emotional relations, his states of mind, his language, etc., but that would make this article very long. Summing up this aspect of the matter, we would like to reaffirm the thesis that, in order to lead with a Leninist leadership style, a man must constantly work on himself, never feel that he is already perfect, modestly aid and receive aid that others offer him.

Characteristics of Leninist-Style Leadership Activity

We are now simply going to mention those characteristics that are most essential in making leadership activity per se a superior form of human behavior:

Above all we assume the establishment of both longer-term and immediate objectives. To lead is not to command for the sake of commanding; it is to guide men in the performance of specific, scientifically conceived activities with well-defined objectives.

Inherent in this scientific concept itself is the detailed planning of all elements for the achievement of the objectives.

The men are faced with new problems that crop up in their daily activities. Many of these are very important, fundamental; others are secondary. To lead in Leninist style is to know how to determine what is essential and on the basis of that to concentrate the necessary material and spiritual efforts and correctly distribute them.

Along with the scientific nature of Leninist-style leadership activity there is another one of relevant importance: the educational, instructive and multifaceted developmental disposition of the men. That is, to lead is not to command, although that is what it implies. It is to prepare men for action and activities that are of benefit to society in the political and ideological, military, professional, ethical and esthetic, intellectual, physical and other domains that make them more well-rounded.

The employment of suitable educational techniques is necessary to achieve this.

The superior kind of leadership requires the exercise of controls and the timely extension of necessary aid to those who are led. This activity has to be carried out periodically, fully, objectively, critically and self-critically.

The great genius of mankind is to be found in the midst of the masses we lead. Here initiatives constantly crop up, new ideas appear. To obstinately stick to old ways of doing things is a sign of a metaphysical mentality. We must encourage and dialectically support what is new.

Leninist-style leadership establishes as an inviolable principle the maintenance of close contact with the masses. Such contact ought to be a must for any truly communist leader. This cannot be accomplished formally, superficially, as if to create an image of relations when one is not really capable of prizing the richness of such a necessity.

In the course of leadership activities we must be familiar with the concerns, opinions, states of mind and needs of the masses. We must objectively and critically evaluate such factors, their causes and the repercussions they have on the work at hand, and take the necessary steps to create a healthy climate that will make possible the successful development of our efforts.

In conjunction with this above-mentioned characteristic, there is the permanent task of struggling to satisfy the various needs and concerns of the masses.

A very important feature of the leader's job in a socialist society is to instill every effort made by the men with a party, a class spirit. In every aspect of their work the men must sense the socialist nature of the work, their social and political contribution.

Leninist-style leadership implies application of the principle of democratic centralism.

For our work to be considered effective we must establish proper and natural bilateral communications between leaders and those who are led.

The exercise of Leninist-style leadership requires a constant competitive stimulation that compels the men to daily contribute their maximal efforts for the good of the society and the collectivity.

Without any doubt this is one of the most complicated, most demanding of human activities there is, and at the same time one of the finest when we tirelessly struggle to successfully effect it.

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FAR COMBAT READINESS DIRECTORATE CELEBRATES 20TH YEAR

Havana VERDE OLIVO in Spanish 28 Jun 81 pp 8-9

[Article: "20th Anniversary of FAR Combat Training Directorate: Toward New Successes"]

[Text] The Revolutionary Armed Forces (FAR) Combat Training Directorate (DPC) is celebrating the 20th anniversary of its founding.

In the course of its existence it has carried out many complex tasks having to do with the organization and administration of the troop training process, which has decisively affected the ever more solid defense of our socialist fatherland.

Only a few months after the defeat of the American imperialist mercenaries at Playa Giron on 15 June 1961, the then Operations and Combat Section was created with the mission of unifying all of our training systems, for both enlisted men and officers, simultaneously directing and supervising all these activities.

During those early days, marked by the constant threats and aggressive actions of the Yankee imperialists, despite the little experience its personnel had, this directorate was able to admirably train regular units, many of which actively participated in the campaign against the bandits who were operating in different parts of the country, chiefly in Escambray.

As the years went by, while the job the DPC was doing was improved on, it became more complex since the FAR was assimilating an enormous volume of combat technology, characterized by a high degree of fire power, greater maneuverability and automation. This naturally demanded constant upgrading of the military-technical competence of cadres and specialists at all levels, an effort toward which the administrative agency for training in the FAR decisively contributed.

During these 2 decades of sustained effort, the DPC has worked up study programs appropriate to the advances made in military science and the improvement of the FAR and has composed the text books it uses in the training programs and the effort aimed at training cadres.

It also guides and directs the elaboration of the teaching materials used in the units, an important task which ensures the proper combat training of the FAR.

In the preparation and execution of various military parades and reviews, the DPC has put its organizational ability and dedication to the test to see to it that these activities are carried out with the quality our working people deserve. A sample of this was the 20th Anniversary of the Revolutionary Victory Military Review.

Also outstanding is the job done with regard to the physical training of the men, which runs from the simplest kinds of exercises performed on practice grounds designed for that activity to sporting events in which the athletic abilities of FAR members are exhibited.

The DPC has also directed all the maneuvers, exercises and drills that have constituted a real combat training school for the purpose of successfully performing in any kind of modern combat.

But not only has the DPC been able to organize and direct the entire process of training our regular troops, but also under its guidance are tens of thousands of reservists who constitute part of the FAR, men who systematically receive the training that enables them to perfect their military skills.

Twenty years after its founding the party and the Ministry of the FAR have entrusted it with a new mission: the training of the Territorial Troop Militias, a people's military force that plays an important role as a complement of the socialist fatherland's defense system. Faced with this new task, all DPC members have displayed their readiness to devote their maximum attention to these units and the fruits of their efforts, their interest and dedication are already beginning to be noticed throughout the length and breadth of the country.

The DPC has also guided and directed the work of military classification. This is a patriotic movement composed of FAR members, aimed at upgrading combat and technical capability training as well as mastery in as little time as possible in the use of weapons and combat techniques and the maintenance of a high level of combat and mobilization readiness.

It has consolidated and improved the efforts of the general staffs, which bring together officers provided with solid skills, capable of properly directing combat actions on any sort of terrain.

The effort made on behalf of the combat training programs at the military education centers is also noteworthy.

On this 20th anniversary of the DPC we cannot omit mentioning the constant concern and encouragement the commander-in-chief and minister of the FAR has shown in the daily effort to achieve higher levels of combat readiness of our troops, a maximal guarantee for the defense of the achievements attained by our people and of their peaceful and creative efforts.

Nor can we overlook the valuable aid of the Soviet military experts, who have offered us their teachings, skills, experiences, modesty, simplicity and internationalist awareness which are so typical of the sons of Lenin's fatherland.

Today, when American imperialism is redoubling its threats of aggression against our country, the FAR's DPC has succeeded in developing and perfecting methods and operational techniques that make it possible to better train officers, sergeants, privates and navymen in order to turn the words uttered by our commander-in-chief, Fidel Castro, at the Second Party Congress into reality: "Our nation has to be a tough bone to gnaw on for the teeth of Yankee imperialism and a splinter that mortally pierces its throat if it tries to attack us."

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INDER HEAD EXPLAINS PREPARATIONS FOR CENTRAL AMERICAN GAMES

Havana VERDE OLIVO in Spanish 28 Jun 81 pp 48-49

[Interview with Carlos Galvan Vila, president of INDER, by Jesus Casal Guerra; date and place not specified]

[Text] After 52 years, Cuba will again host the oldest regional sports games: the 14th Central American and Caribbean Games. To satisfy our curiosity, we interviewed comrade Carlos Galvan Vila, president of INDER [National Institute for Sports, Physical Education and Recreation].

[Question] How does the organism that you head evaluate--politically and with regard to sports--the decision of the Cuban Olympic Committee to host the Central American and Caribbean Games?

[Answer] In the first place, we must reaffirm that there are close work relations between INDER and the Cuban Olympic Committee. As a result, our organism agreed with that decision which also had complete endorsement from the upper levels of the state from the very beginning.

Holding the 14th Central American and Caribbean Games in Cuba is a great honor for our country, especially because, as is known, ODECABE [Central American and Caribbean Sports Organization] turned to our olympic committee when the continuity of the games was threatened by the Puerto Rican Government's decision to withdraw the financial support that it had promised to the city of Mayaguez, original site for this top sports competition in the area.

Cuba is credited with saving the continuity of the games. We are happy to see this competition which was held in our fatherland 51 years ago return to Cuban soil.

[Question] The planning of 22 sports in only 15 months causes some concern. How does INDER plan to do all the remodeling work and what chance is there that everything will be ready by the planned date?

[Answer] Planning 22 sports for the 14th games has significance; never before have that many occurred in these games. We will set a new standard.

This challenge that we have outlined only 15 months in advance is an ambitious goal because historically the host country has 4 years to organize the games. However, this is an exceptional situation.

It is necessary to remodel many installations and time is short. This has been considered by the organizing committee and we are taking firm steps in that direction.

We are convinced that everything will be ready for the games because we have the decisive aid and endorsement of all parties. We especially know that the people will make that responsibility theirs.

[Question] Why have field hockey, table tennis and archery been planned if this is the first time that they will appear in these games?

[Answer] Establishing a record in sports planning implies sports that will appear on the schedule for the first time. By including these three, we had in mind not only the interests of the host country but other nations in the area. For example, field hockey has not only had a good start in Cuba but it has also had great acceptance in the Caribbean countries. The same thing could be said about archery and table tennis; the latter has recently been approved by the International Olympic Committee as an olympic sport.

[Question] Do you think these games will set precedents for these regional competitions?

[Answer] That is our opinion. In the organizing committee's presentation, comrade Jose Ramon Fernandez stated that they should be modest and dignified but well organized games. They will set a precedent in the history of these competitions.

Everything is right for these games to be an example of organization. The experience acquired by our fatherland in holding international events of great importance permits us to make such a statement.

We must also point out that the organizing committee includes many state committees, ministries, organisms and all the mass organizations and the UJC [Union of Young Communists]. In other words, there is a solid structure in order to advance in this fight against time which we have undertaken.

[Question] Will the games influence increased sports development in our mass participation movement?

[Answer] It is very logical that this will occur. After all, we must be fair and recognize that our people are responding very effectively to the call to achieve true mass participation in sports. We have seen with satisfaction how the installations are used more; that is the result of the awareness that has been achieved.

The cooperation received from all the political and mass organizations and the provincial and municipal people's governments is decisive in this undertaking.

The fact that the games will be held in Cuba supports the work to incorporate the people in sports activities. We have watched with concern how capitalist countries have organized similar events. The installations are not made available to the people who want to use them afterwards as a result of the enthusiasm aroused by witnessing such a spectacle.

[Question] What chance does Cuba have to surpass its previous achievements, especially since it will fight on its own terrain?

[Answer] The sports development attained by our country in recent years places us in a good position. We must remember that Cuba has led the Central American and Caribbean Games since the 10th games in Puerto Rico in 1966.

This means that during the last four competitions our athletes not only achieved first place in the table by countries but they have slowly increased the total number of medals won and top places.

For example, in the preceding games that were held 4 years ago in Medellin, Colombia, Cuba won 120 titles, 44 seconds and 18 thirds which meant 346 medals divided into 258 golds, 65 silvers and 23 bronze. Now that the games will be held on Cuban soil, it is logical that we will not only keep first place in countries but we will fight to win a greater number of titles and medals.

What we are most interested in is not the number of medals won, though. The main objective is that the competitions become a vehicle to improve the eternal ties of friendship among the athletes of Central America and the Caribbean.

We aspire to this and we will do everything possible to achieve the objectives that we have proposed.

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TEMPORARY LAW ON ESTABLISHMENT, REGISTRATION OF POLITICAL PARTIES

San Salvador LA PRENSA GRAFICA in Spanish 18 Jul 81 p 47

[Text] Decree No 743

Temporary Law on Establishment and Registration of Political Parties

The Revolutionary Government Junta

Whereas:

I. Decree No 608, published in the Official Journal No 44, Volume 270, of 5 March of this year, repealed the Electoral Law issued by Legislative Decree No 292, of 12 September 1961, published in the Official Journal No 166, Volume 192, of the same date, and all its subsequent reforms, therefore no legal instrument exists to regulate the electoral function;

II. All the citizens have a right to associate freely for the purpose of forming political parties;

III. It is essential and unpostponable to begin, without wasting time, the process of democratization through the expedient of elections, so that the citizens may freely elect their future governors;

IV. It is necessary to promulgate, beforehand, a temporary law to regulate the establishment and registration of political parties, so that electoral activity may begin as quickly as possible;

Therefore:

Using the authority conferred upon it by Decree No 1 of 15 October 1979, published in the Official Journal No 191, Volume 265, of the same date, and having heard the opinion of the Supreme Court of Justice,

Decrees, sanctions and promulgates the following

Temporary Law on Establishment and Registration of Political Parties

Section I. Purpose

Article 1. The purpose of this law is to guarantee the constitutional right of the citizens to associate freely in order to establish political parties; and both the already existing political parties and the new political parties are subject to the terms specified in this law.

Section II. On the Political Parties

Article 2. The citizens who are qualified to exercise suffrage may become affiliated with the already existing parties, or organize to establish new political parties.

Section III. On the Registered Parties

Article 3. Recognition is to be given to the legal existence of the political parties registered in accordance with the previous law; however, in order to operate, they must submit to the Central Board of Elections the list of their governing bodies and their new bylaws, or expressly state that they will be governed by the previous ones.

Section IV. On the Registration of New Parties

Article 4. In order to establish a political party, at least 25 qualified citizens, domiciled and residing in the country, must so desire; and this must be attested to in a record. The charter in question must be registered officially before a notary, with the appearance of the same citizens who signed it.

The charter cited in the foregoing paragraph must contain:

a. Given name and surname, age , occupation or trade, civil status, nationality, domicile, and number and date of the personal identity card of each one of the founders.

b. Name of the party, colors, symbols and insignia that have been adopted; a clear statement of its principles and objectives; as well as the given name and surname of the temporary board members and other organizers; and,

c. A solemn affirmation made by them that they will engage in their activities in accordance with the Political Constitution and other laws of the republic.

The temporary board members or founders will submit, through the representatives especially designated from among the members, a written request to the Central Board of Elections to be allowed to engage in recruitment activities, for the purpose of obtaining the number of members required for the party's registration. That request must be accompanied by a certified copy of the official registration of the record cited in the first paragraph of this article, and the book or books required for the registration of members.

On the first page of the book or books mentioned in the foregoing paragraph, there will be given an explanation, dated, sealed and signed by the members of the Central Board of Elections and its secretary, stating the purpose of the book, the number

of pages that it contains, and the place and date of its compilation; and at the left side of each page sufficient space must be provided for marginal notes.

Article 5. If there has been compliance with the stipulations contained in the foregoing article, the Central Board of Elections will authorize the recruitment activities of the requesters, will give them the credentials that they request and will return the books submitted with the explanation contained therein.

Article 6. In the recruitment campaign, the organizers of each party may advertise using all the advertising media.

In their campaigns, they must be subject to the provisions of the laws of the republic, and may not engage in advertising that would violate morality and good manners.

If a party being organized does not comply with the terms of the foregoing article, or does not meet the requirement made of it in writing by the Central Board of Elections, its activities will be suspended without further procedure.

The decision whereby the activities of a new party are suspended will allow appeal for review, and once it has been issued as a writ of execution, it will be published in the Official Journal.

Article 7. The recruitment campaign must end within a period of 60 days reckoned from the time of the respective authorization; and when this period terminates, the new parties must submit their books to the Central Board of Elections.

The period cited in the foregoing paragraph may be extended up to 30 days, if the number of members needed is less than 25 percent of the number required in Article 12 of this law.

Article 8. Once the registration of members has been completed, after the last page used there will be given an explanation, noting the number of persons that it contains and the number of pages used. This explanation must be dated, sealed and signed by the officials of the party who are responsible for it.

Article 9. During the organization of a political party, the latter must use the name given in its charter, followed by the words "in organization," and the same size and type of lettering must be used in both phrases.

Section V. Record of New Political Parties

Article 10. The Central Board of Elections will be responsible for the record of new political parties.

Article 11. No request for registration will be accepted when it is proposed:

1. To use names which relate to state institutions or living individuals, or those who are deceased.

2. To adopt as a symbol the national flag or coat-of-arms, or those of other countries.

3. To use names, mottoes, insignia, initials or colors which are the same as, even though in a different position from those of a party that is in organization or registered; or of organizations banned by law.

Article 12. In order to become registered, the new parties must have at least 3,000 members, who must be domiciled and reside in the territory of the republic. The affiliation with the party on the part of the citizen qualified to cast a vote will be entered in the respective Membership Book.

Article 13. The request for registration will be made in writing, and signed and submitted personally by the members of the party's temporary board of directors who have been designated for this purpose, and it will be accompanied by the following documents:

1. Certification of the minutes of the general assembly session at which definitive approval was given, by an absolute majority, for the statement of principles and objectives, and bylaws of the party, its program of action, name, colors and insignia that have been adopted.

2. Three copies of its bylaws.

3. The complete list of its board members, noting their respective personal identity cards.

4. The books recording members.

The books of members must contain the complete names, their original signatures, their civil status, occupation or trade, nationality, domicile, and number, place and date of issuance of the personal identity card. If, for any reason, the member cannot sign, the signature will be replaced by his fingerprints.

Article 14. If the request for registration contains errors that can be corrected, the Central Board of Elections will notify the requesting political party of this, so that the latter may correct them within a period of 3 days reckoned from the date of notification.

Article 15. When the request for registration has been accepted, there will be sent, for publication within 3 days, a notice in the Official Journal and in two newspapers with extensive circulation in the country, which states briefly the content of the request for registration that is sought, setting the compulsory period of 8 days, reckoned from the date of its publication in the Official Journal, for any citizen or registered political party to make the pertinent comments on the illegality or impropriety of the request.

When that period has expired, a decision will be given within a period of 3 days, and if the registration is denied, there must be a statement of the reasons for the denial, and the appeal for review will be allowed.

Article 16. In the decision ordering the registration of a new political party, the Central Board of Elections will recognize its corporative status and will approve its bylaws. That decision and the bylaws will be sent for publication in the Official Journal.

No political party will have a legal existence until there has been the pertinent publication in the Official Journal of the decision and bylaws, in accordance with the foregoing paragraph.

Article 17. When the requirements cited in the previous article have been met, the Central Board of Elections will enter the registration in the respective book, which must be done within the 3 working days after the date on which the decision ordering it was made, and it will contain:

a. The number relating to the registration, name of the party, colors adopted, and its symbol or other insignia.

b. Given name and surname, age, occupation or trade, domicile and number of the personal identity card of each one of the members of the requesting board of directors.

c. A record that the request has been accompanied by all the certification cited in Article 13, and that the bylaws of the organization have been approved; and,

d. Place, date and signatures of the officials who must authorize the registration.

Section VI. On the Obligations of the Political Parties

Article 18. When a political party has been registered, it will be obliged to report, within 8 days of the occurrence at most, any change of members in its top-ranking governing body, through a certification of the item in the minutes of the respective session.

Any political party which does not comply with the provisions of the foregoing paragraph will incur a fine of from 50 to 500 colones; and if it still does not comply within a period of 30 days reckoned from the date of notification of the fine, it will be suspended until it meets that requirement.

Article 19. The reforms or changes in principles and objectives, programs of action, bylaws, names, colors and insignia agreed upon by a party will be recorded in a special entry, with a marginal note on the original indicating the new entry, for which purpose the same procedure prescribed in Article 15 of this law will be followed.

Article 20. Only the political parties registered in accordance with this law may use the name "party".

Section VII. Prohibitions

Article 21. The political parties are prohibited from using the national emblems in their advertising, insignia and symbols.

Article 22. The political parties are prohibited from conducting a recruitment campaign using news media that are owned by, or under the administration of the government of the republic, or autonomous or semi-autonomous government entities, or those of any religious entity.

Article 23. No political advertising of any kind may be done by the clergy or laity invoking religious reasons, or making use of the people's religious beliefs.

Article 24. No official or authority, either civilian or military, may take advantage of his position to engage in a recruitment campaign.

Section VIII. Cancellation of Registrations

Article 25. It is lawful to cancel the registration of a political party:

1. As a result of the party's voluntary dissolution in accordance with its bylaws;

2. When a political party violates the statement of principles and objectives declared in its request for registration, or subsequent reforms, and when the provisions of its own bylaws that relate to its organization are not complied with; and,

3. In the instances cited in Articles 21 and 22 of this law.

The cancellations will be made in the respective book, with a note in the registration entry indicating the number and date of the cancellation.

Article 26. The procedure for the cancellation of a political party may be started officially, at the request of the attorney general of the republic, or any registered political party.

Article 27. When the cancellation procedure has begun, a common hearing will be given for 3 days to the attorney general of the republic and the representative of the political party the cancellation of whose registration is being sought; and, whether they appear or not, testimony will start to be taken in the matter for a period of 8 days that are not extendible, within which time the parties may offer the pertinent evidence or the latter may be gathered officially by the Central Board of Elections. When that period has expired, notification will be given for 3 days to each of the parties, so that they may argue the evidence, beginning with the attorney general of the republic; and the final decision must be handed down within the next 8 days. The decision that is made will allow the appeal for review, before the same court. If the procedure has been started by the attorney general of the republic, or when the Central Board of Elections orders the official cancellation of the registration of a political party, a hearing will be given within 3 days to the party the cancellation of whose registration is being sought, so that it may make use of its rights. If the cancellation is opposed, testimony will start to be taken in the matter for a period of 8 days that are not extendible, following the other procedures cited in the foregoing paragraph. Otherwise, the procedure will be merely de jure, and the final decision will be handed down within the period of time noted in the foregoing paragraph, and it will allow the appeal for review.

Article 28. The decision containing the cancellation of a political party will be published just once in the Official Journal and in two newspapers with extensive circulation in the country.

Section IX. Legal Status

Article 29. The legal status of a political party will be fully legitimized with the copy of the Official Journal in which are published the decision and bylaws cited in the second paragraph of Article 16 of this law, or with the certification of the respective book prepared by the Central Board of Elections, in which there is a record of its registration as a political party.

The legal representative of a political party will prove his legal status with the pertinent credentials prepared by the secretary general of the respective party. If the secretary general is the legal representative, the credentials will be prepared by the trustee.

Section X. General Provisions

Article 30. Inasmuch as suffrage is a function of major general concern, the privately owned newspaper, radio and television companies will be obliged to release to the public, without cost, messages of general interest issued by the Central Board of Elections of the Republic. When publicity campaigns aimed at motivating the citizens to exercise their suffrage are involved, the aforementioned companies will be required to apply the rate that is applicable to commercial firms. Failure to comply with this provision will cause the violator to incur a fine of from 50 to 500 colones.

Article 31. The notifications will be made through transcribed records of the decision, signed and sealed by the secretary of the Central Board of Elections, which will be delivered personally to the party concerned, at the residence specified for receiving notifications, if there is one. Otherwise, the notification may be made to any board member of the political party, in which case a record will be made of the given name and surname, and the position that he holds in the party.

When no location has been specified to receive notifications, the latter will be made just once in a newspaper with national circulation.

Article 32. The certifications of the documents in its possession issued by the Central Board of Elections may be made by the photocopy systems, either typed or handwritten, and will have the value of authentic documents. In any event, those certifications must contain an explanation, signed by the secretary of the Central Board of Elections, indicating that they have been taken from their originals, and conform to the latter, having been compared.

The explanation of the documents submitted to it, which must be returned to the parties concerned, may be made in the same manner.

The erasures, interlinings and amendments will be noted and certified in the manner prescribed by the Code of Civil Procedures. The erasures will be made so that what has been erased may always be read.

Article 33. The election authorities cited in this law will have the benefit of postal and telegraph franking privileges.

Article 34. In all the records, procedures or certifications associated with electoral matters, plain paper will be used, and no taxes or duties of a fiscal or municipal nature will be charged for them.

Article 35. The registers that are established by this law, except the membership books of the political parties, are public; any citizen may consult them on the premises of the respective offices, and request in writing to have certification of any entry prepared for him, but must explain to the Central Board of Elections the reasons for his request.

Article 36. The appeal for review cited in this law must be filed with the Central Board of Elections within 3 days after the notification of the respective decision; and, once it has been allowed, the Board will set a period of 2 days for the parties to submit their pleas in writing, and to reinforce the evidence offered with documentation.

Article 37. In the instances not covered by this law, the common laws will be applied; and in the absence of the latter, the doctrines of the exponents of the law; and in the absence of both, considerations of good sense and natural reason.

Article 38. Infractions of this law which are not especially punished will be penalized with a fine of from 100 to 1,000 colones, depending on the seriousness of the case and the repetition of the infractions.

Article 39. The fines stipulated by this law will be imposed by the Central Board of Elections, will be deposited in the general fund of the nation and will be demanded by the government.

Article 40. The Central Board of Elections is authorized to decide on the validity of the documents and procedures carried out by the political parties which have submitted a request for registration in accordance with the previous law, and to take steps to register them if, in the opinion of the Board, they have met the requirements set in this law.

Article 41. This law will go into effect 8 days after its publication in the Official Journal, and it will be in effect until the promulgation of the new Electoral Law.

Issued in the Presidential Residence, San Salvador, on 7 July 1981.

Engineer Jose Napoleon Duarte.

Colonel and Engineer Jaime Abdul Gutierrez.

Dr. Jose Antonio Morales Ehrlich.

Dr. Jose Ramon Avalos Navarrete.

Engineer Jose Ovidio Hernandez Delgado, Minister of Interior.

Dr. Mario Antonio Solando, Minister of Justice.

2909
CSO: 3010/1613

END

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14 August 1981

Latin America Report

No. 2354

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LATIN AMERICA REPORT

No. 2354

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TRINIDAD AND TOBAGO 'EXPRESS' CONTINUES ANTI-BISHOP CAMPAIGN

FL032106 Bridgetown CANA in English 2049 GMT 2 Aug 81

[Text] Port of Spain, Trinidad, 2 Aug (CANA)--The Trinidad EXPRESS newspaper has called on Prime Minister George Chambers to end his government's silence on the excesses of the Grenada regime under Maurice Bishop. The call came in another of a series of editorials highly critical of the Grenada Government's continued detention of more than 100 persons without trial, the closure of two independent newspapers and travel restrictions placed on prominent Grenadian journalist Alister Hughes.

The EXPRESS called Prime Minister Bishop, who came to power in a coup 2 years ago, an "infantile Caribbean cowboy carried away with his macho image and intent on remaining in power at all costs." Said the EXPRESS: "Today we call upon all governments of conscience in the region to desist from any further working relationships with Bishop and his band of bandits. He appears indifferent to the outrage of Caribbean people. The governments must, therefore, act to force him to give the opportunity of a fair trial to those whom he alleges have been acting against the interest of the state."

"Prime Minister Chambers must pause in his electioneering long enough to stop the foolishness of not speaking to Grenada. He must give the lead and tell Bishop in no uncertain terms what we think of him. Similarly we call upon Prime Minister Seaga of Jamaica and Prime Minister Adams of Barbados...we call upon the "iron lady" of Dominica, Prime Minister Eugenia Charles, and all other leaders of good conscience to act firmly and without delay. If Bishop continues to behave like a thug he must be treated like one."

CSO: 3025/1024

BARBADOS' 'ADVOCATE-NEWS' JOINS ONSLAUGHT AGAINST GRENADA'S BISHOP

FL041801 Bridgetown CANA in English 1741 GMT 4 Aug 81

[Text] Bridgetown, Barbados, 4 Aug (CANA)--The Barbados ADVOCATE-NEWS said today that the Grenada People's Revolutionary Government (PRG), instead of seriously examining itself, was behaving in a manner which suggested that the majority of the press in the English-speaking Caribbean was opposed to the "Grenada revolution." The paper was reacting editorially to a recent PRG attack on the EXPRESS newspaper of Trinidad and Tobago which called on Caribbean community governments to isolate the Grenada Government. The PRG also directed a number of disparaging remarks at certain newspapers in the region.

"The problem with the PRG is that its leaders have become so paranoid that fair criticism can no longer be regarded as such by them, but has to be interpreted as being grounded in the ulterior motive of "turning back the Grenada revolution," the ADVOCATE-NEWS said. "It is a strange line of argument from a group that went up and down the Caribbean during the days of the Gairy regime, whipping up sympathy because of the treatment that they, as leaders, are now meting out to those they regard as their opponents."

The ADVOCATE-NEWS also sought to clear the air about the use of the word "imperialism" by the PRG. It noted that anything which the PRG considered as not in their interest was categorized as "being inspired by the imperialists"--meaning of course the United States. The PRG has been trying to make a dirty word of "imperialism," without realizing that it is only succeeding in tarnishing its image of what "the revolution" is all about.

"The problem with the PRG is that it has fallen into the trap of attaching labels to all those whom it seeks to hold up to ridicule. It is a stupid strategy that fails to do justice to the intelligence we hoped the leadership would have displayed." In this connection, the paper dismissed charges that a recent meeting in Washington of newspaper editors from the region was held under the auspices of the U.S. State Department, and that assistance was promised in return for stepped up attacks on the PRG. "It is fantastic to imagine such statements can emanate from a group that obviously desires to be taken seriously," the paper exclaimed. "But then dishonesty is nothing new to the PRG. They have been dishonest to their own people in that promises made at the start of the 'revolution' have to this day not been kept."

The paper added that the isolation of the Grenada Government would eventually come about through the actions of the PRG itself. Claiming that there are attempts by the PRG to undermine press freedom in the Spice Isle, the ADVOCATE-NEWS said it was not a case of "forgive them for they know what they do..." "The PRG knows only too well what it is trying to do. But it is all madness."

CSO: 3025/1024

'LA PRENSA' OBJECTS TO CHILEAN BEAGLE MEETING IN GENEVA

PY292046 Buenos Aires LA PRENSA in Spanish 18 Jul 81 p 1 Section 2

[Editorial: "An Objectionable Parallel Action"]

[Text] The news has been published that the Chilean delegation to the Vatican mediation in the conflict over the Beagle Channel and other South Atlantic zones has been summoned to a separate meeting and that its members will gather in the city of Geneva, Switzerland. The event which is already a fact is remarkable because of some circumstances accompanying it. Its importance is brought out by the fact that the whole Chilean diplomatic mission with its body of official advisers is called together in a country other than that of the seat of the papal mediation. In addition to that, the meeting is presided over by the undersecretary of the Chilean Foreign Ministry. It should be remembered that this official made statements while traveling through this country recently--en route to the place where he is now--when he put the emphasis in the wrong places and was guilty of clear contradictions. It is unwise to consider a question as finally solved for his country while it is obviously not settled. This is because it is a question of a bilateral conflict whose various steps toward a solution, including the current one, have been accepted by Chile.

It is significant that the above-mentioned Geneva talks are held in the international city par excellence and at the premises of the permanent Chilean delegation to the international juridical bodies which are housed in and symbolized by the "Palace of the Nations."

In turn, the agenda is suggestive of Chile's ultimate intention. The report says that the meeting is held to make "a thorough examination of the situation," to make "consultations" regarding the progress of the mediation, the obstacles it is allegedly meeting and particularly the practical implementation of "the peace proposals which Chile accepted 2 months ago." Furthermore, it is important to point out that for this meeting Chile has requested technical advice from two well-known specialists on international law, Professor Ian Brownlie of the British Oxford University and the French Professor Prosper Weil of the Sorbonne.

This distinguished symposium should certainly not be looked upon as a mere routine meeting of the Chilean delegation for an exchange of points of view on the subject of the papal mediation. The summoning of the whole Chilean delegation, the participation in the meeting of the Chilean Foreign Ministry, the place chosen for the discussion, the participation of prominent legal experts as special advisers, the suggestive agenda, all this points out the special character of the meeting and the ill-concealed intention of abandoning the slow pace of papal mediation.

The Chilean delegation to the mediation would thus seem to be making a gesture of "diplomatic impatience" which, of course, is the most open negation of "diplomatic" action. This interpretation is strengthened by the well-remembered statements made by the Chilean undersecretary, a circumstance which calls for reflection. Furthermore, the new and public Chilean request for international juridical advice is an expression of distrust in the traditional and recognized equanimity and wisdom of the Vatican. It might also indicate an attempt to provide the August mediator with new juridical reasons or considerations. It is unwise to give the impression that the atmosphere of fairness and good will in which the question has been examined is abandoned because of the weariness or frustration of one of the parties, in order to place it instead in the strictly juridical field which is foreign to the nature of the reconciliation process.

Through the current Geneva meeting and the earlier impatient statements by its Foreign Ministry official, our neighboring country is showing a certain degree of discontent with the state of the Pope's mediation. It seems that it is trying political and juridical gestures which were supposed to be eliminated as decisive elements in this tedious international dispute. Chile may even become responsible for having apparently broken the peaceful development of Rome's mediation.

There is still another aspect which makes the effect of the move being made by Chile more serious. The Pope is not now at the height of his physical strength as a result of the criminal attack to which he fell victim. It is, therefore, suitable to allow for a time of patience required for the head of the church to become capable of giving a personal tone to his action in the Argentine-Chilean dispute, an action inspired by an impartial will of peace. For this reason we believe that meetings such as those motivating this commentary are untimely, even supposing that any hidden purposes are absent from the distinguished Chilean delegation.

CSO: 3010/1632

BRIEFS

GRENADA PRAISES LATE PANAMANIAN LEADER--St Georges, Grenada 5 Aug (CANA)--The Grenada People's Revolutionary Government was represented at the funeral yesterday of the late Panamanian strongman Brig Gen Omar Torrijos Herrera by a delegation led by the island's newly-appointed minister for foreign affairs, Unison Whiteman. In a dispatch from Panama to Radio Free Grenada, yesterday Whiteman was quoted as saying that Torrijos had waged a tireless struggle to end the United States' "imperialist domination" in Panama, and the people of the Caribbean and Latin America had lost a great fighter for truth and social progress. Whiteman also said that Torrijos had a special relationship with Grenada "especially during its most difficult hours." [Text] [FL051718 Bridgetown CANA in English 1658 GMT 5 Aug 81]

COLOMBIAN CREDIT TO JAMAICA--Kingston, Jamaica, 5 Aug (CANA)--Jamaica has received a 5 million dollars (US) line of credit from Colombia to allow Jamaican businessmen to buy Colombian raw materials for their industries, the GLEANER newspaper has said. The GLEANER quoted the Colombian ambassador here, Dr Gilberto Sanchez, as saying that the line of credit was now operational and that it was being administered through the central banks of both countries. Jamaica and Colombia recently signed a fishing agreement allowing Jamaican fishermen to fish in the waters surrounding a group of small Colombian islands about 100 miles south of Jamaica. [Text] [FL052103 Bridgetown CANA in English 2018 GMT 5 Aug 81]

CSO: 3025/1024

POLITICAL PARTIES MAKE APPEAL FOR NATIONAL RECONSTRUCTION

PY302051 Buenos Aires LA PRENSA in Spanish 29 Jul 81 pp 1, 6

["Text" of "Appeal to the Country," released on 28 July 1981 after five-party meeting at integration and development movement headquarters in Buenos Aires]

[Text] Being convinced that there is a deep crisis which is general and thus is not limited only to the economic sphere but affects the credibility of Argentina as a nation, we caution that power cannot be based on force and that the future of the nation should not be unilaterally traced by a single sector but by the nation as a whole. It is imperative to overcome the sterile conflicts and disagreements we have been carrying with us from the last decades.

Although this appeal originates from among the political parties, it is broadly addressed to all sectors, since it is made in search of the general good. On the basis of the reconciliation proposed by the church, which enlightens the road to be followed, we intend to undertake the noble task of bringing the wills into harmony regarding the common denominators for drawing up a national plan.

It will be in vain to offend one another and try to keep Argentine society divided into people worthy of blame and others worthy of praise; all of us should assume the responsibility of our mistakes or successes. Without giving up our individual characteristics or the lines of thought proper to democratic pluralism, we have believed it necessary to make a moment of pause to seek the basic agreements which will permit us to find an orderly solution to the present situation, without losers and with a country reconciled with itself.

In this undertaking, and in agreement with the presuppositions of the episcopal document, we believe it is necessary to set two essential premises: A. That all citizens should feel the responsibility of being the protagonists and makers of their own destiny as a people. B. That the majority have the right to govern and to decide the political course of the nation, but that the minorities also have the right to dissent and propose alternative roads.

Reconciliation can only be achieved on the basis of truth and by accepting the urgent problems. In our judgment, the difficulties have their origin in the complete absence of participation by the people in the important decisions which have a bearing on the future of the fatherland.

No other intention should be sought in this appeal than that of loyally serving the republic and its people in the knowledge that only real participation by the representative sectors can effectively retrieve normalcy and peace among all Argentines in a synthesis of national unity.

The appeal is addressed to all sectors of the nation without excluding anyone--whether for political, social, spiritual or cultural reasons or for being a worker, employer, professional or military man--and it is inspired by the urgent need to draw up together, in a spirit of greatness and true generosity, a general strategy which will unite all the forces and ideas of the nation that have national, democratic and humanist roots and were inherited from the founders of our nationality.

We undertake the healing task of reaching, as soon as possible, the following basic objectives:

1. The return to the state of law by means of the full validity of the constitution. The removal of all restrictions to the free exercise of human rights and constitutional guarantees.

2. The immediate and effective normalization of political, labor union, business, student and cultural activities without making them subject to the introduction of new rules and regulations.

3. The drawing up of a political plan containing a schedule of immediate and exact time limits that will have to be inexorably met to bring about the final institutionalization of the country and in which voting is an irreplaceable element.

4. The elaboration of an emergency program to overcome the crisis and initiate the reconstruction of the economy of the nation. To this effect the criteria should be modified according to which speculation and imports enjoy a privilege over national production. The currency exchange rate should be brought to a realistic level, customs tariff protection be increased and financial resources put at the service of the production apparatus through a broad financing of business liabilities with reasonable rates of interest. The elimination of the fiscal deficit should also be brought about.

The policy to meet the present situation should also aim at a steady and balanced development, thus recovering the national autonomy of decision in defense of our resources and seeking the integration of the industrial structure through the strengthening of the basic sectors, the vigorous growth of the agrarian sector and the promotion of regional development.

5. The recovery of the real salary through the free functioning of collective labor agreements in order to restore security and guarantees to the working class families and preserve the rights of pensioners. The guarantee of access to housing and health care for the low-income sectors.

6. The improvement of education on all levels through a creative system with a guaranteed support in the budget and insuring equality of opportunities.

7. The possibility of free access to state-owned communications media for all representative sectors and currents of opinion. The suppression of all kinds of censorship.

[Dated] 28 July 1981.

[Signed] For the Justicialist Party: Nestor Carrasco, Torcuato Fino, Herminio Iglesias, Ruben Sarboli, Ramona Ameztoy, Rosaura Isla, Bernardo Montenegro, Edgardo Murgia and Blas Carballo.

For the Integration and Development Movement: Americo Garcia, Francisco Aguirre, Marcos Merchensky, Luis Candido Carballo, Carlos Zaffore and Jose A. Gimenez Rebora.

For the Christian Democratic Party: Martin Dip, Carlos Auyero, Basilio Serrano, Hugo Conza, Eduardo Traboulsi, Nestor Vicente, Alberto Aramouri and Jorge Gualco.

For the Radical Civic Union: Carlos Contin, Francisco Rabanal, Luis Leon, Juan Carlos Pugliese, Juan Trilla, Eduardo Angeloz, Raul Afonsin, Rodolfo Garci Leyenda, Carlos Perette and Antonio Troccoli.

For the Intransigent Party: Juan Carlos Manes, Raul Rabanaque, Marcelo Arabolaza, Miguel Monserrat, Refael Marino, Mariano Lorences and Fayiz Sago.

CSO: 3010/1631

INVESTIGATION REVEALS 'REAPPEARANCE' OF MISSING

PY291727 Buenos Aires LA NACION in Spanish 21 Jul 81 p 6

[From the editorial page: "Three Thousand That Have Reappeared"]

[Text] A journalistic investigation that has been published in a Mexican magazine, using as an exact reference a phrase from a turn of the century poem: "The dead that you kill enjoy good health," has discovered the terrorist activities of approximately 3,000 persons who have gone "missing" in our country.

The patient investigation, which included trips to various parts of the world that are being laid to waste by nihilistic barbarism, has permitted the clarification of a subject that mortifies suspicious organizations that are worried about the "defense of human rights." The investigation has determined that 1,000 Argentines are being trained in Fidel Castro's Cuba, while another 400 are being indoctrinated by the Marxist Czechoslovak leadership. Other activities that are typically similar occupy 200 Argentine "instructors" and "advisers" in Ethiopia, 800 in Hungary and the rest of this big number of outlaws are to be found carrying out direct action in El Salvador and Nicaragua.

It would be useful if some governments that protect the proliferation of these unpatriotic sects would listen with attention to the undeniable resounding of this bell. It is not only a question of listening to the subtlety masked apostles of hate, but also of paying attention to those who, from various points, stress the deep-rooted savageness of those who disappeared from the country to head, under the guise of political refugees, for other more permissive latitudes.

CSO: 3010/1631

'HERALD' ASSESSES IMPACT OF MULTIPARTY STATEMENT

PY311754 Buenos Aires HERALD in English 31 Jul 81 p 10

[Editorial: "An Alternative"]

[Text] A government cannot hope to survive for long unless it offers the people it is ruling a reasonably attractive vision of the future and convinces them that its policies will help bring this future nearer. The military regime succeeded in doing this during its first years in power, and as a result it did not run into much opposition. Since the beginning of last year, however, its vision of the future has faded until it is now barely perceptible. Its policies, far from leading the country towards any desirable and widely accepted goal, have seemed to reflect the aimlessness of people whose main preoccupation is keeping hold of power rather than putting it to any positive use. It is therefore entirely natural that the regime has become more and more isolated from the rest of the country and that its actions have begun to look increasingly irrelevant. It is also entirely natural that the civilian politicians, brushed aside with such short-sighted contempt in 1976, should seek to provide Argentines with the sense of purpose the military regime has lost.

The statement issued on Tuesday by five political parties, including the country's two biggest, is in many ways the most significant to have come from any civilian organization since the "process" began. It can be seen either as a demand that the military get out of the exposed bivouac in which they seem to be permanently encamped and march at full speed towards some of the original declared objectives of the "process," or as an open challenge to them. Given the current state of mind of both the military and the articulate civilian population, it will probably be seen as the latter. Be this as it may, the military have little choice but to accept it or offer the people of the country something better. If they merely try to maintain the status quo come what may, by arresting politicians and censoring the press in an effort to persuade themselves and others that nothing is really happening, the conviction will spread that the "process" instead of being a highway to a desirable future, is a massive barrier that must be overcome before this future is reached.

Most of the specific items called for by the five parties--the rule of law, political freedom, respect for human rights, the setting of deadlines for elections and the drawing up of an "emergency economic programme"--are reasonable

in themselves. But even if the regime immediately granted them they would merely provide a civilized framework in which solutions to the country's grave political and economic problems could be sought. They are not solutions in themselves. Although there is no visible enthusiasm for military rule among the population there is considerable scepticism about the abilities of the civilian politicians as well. For the multiparty grouping to become an irresistible force it will have to capture the imagination of a great many people. To make this happen its leaders will have to demonstrate that they have genuinely learned something from the disasters of the past and that they are now far more realistic, far more aware of the difficulties that will confront any government in trying to satisfy the expectation of the Argentine people, than they were before they were evicted from power. It is not enough to show that the military regime is a mess. The people need to be persuaded that an elected civilian government would be very much better.

CSO: 3020/132

BRIEFS

'OCEAN VENTURE' EXERCISE--Buenos Aires, 23 Jul (NA)--The Argentine Navy, along with 15 other countries, will take part in the joint naval exercise "Ocean Venture 81" it was officially reported today. This exercise is considered "the most important of the last few years." The maneuvers, which will take place between 1 August and 15 October, will be under the command of U.S. Atlantic Fleet. The Argentine aircraft carrier "25 De Mayo"; the destroyers "Hercules," "Py," "Piedrabuena," and "Bouchard"; the minesweepers "Neuquen," "Rio Negro," and "Tierra Del Fuego"; the minehunters "Chaco" and "Formosa"; the submarine "Salta"; the oil tanker "Punta Medanos"; and the landing ship Cabo San Antonio" will take part in the maneuvers. [Excerpts] [Buenos Aires NOTICIAS ARGENTINAS in Spanish 1846 GMT 23 Jul 81 PY]

LAO REFUGEES- (NA)--A total of 226 Laotians out of the nearly 1,300 Asians who came to Argentina as refugees between 1979 and 1980 now want to go home, the regional representative for the United Nations High Commissioner for Refugees (UNHCR), Mohammed Benamar, said yesterday. One of the reasons is that they think that "conditions in their country make their return preferable," said Benamar. The Argentine Government is aware of that situation, Benamar said, but the final decision must be taken by the UNHCR in Geneva. The Laotians had trouble adjusting ever since they set foot in Argentina, according th Benamar, who said that some of them had been faced with either a lack of employment or low wages, although, he added, the situation had improved as of late. [Excerpt] [PY011914 Buenos Aires HERALD in English 30 Jul 81 p 1 PY]

COMMUNISTS ARRESTED--Mendoza (NA)--Eight alleged leaders of the local communist party were sent to jail yesterday by federal judge Francisco Guzzo on charges of violating law 21,323 banning political parties' activities. Aurelio Berlando Azuaga, Valerio Castillo, Guillermo Scoones Wiedmer, Carmen Rey, Jorge Aliste, Ignacio Gonzalez, Gabriel Osvaldo Sola and Jose Baez are being tried by Gruzzo after police uncovered evidence of political activities reportedly carried out by alleged cells of the local communist party. The local newspaper EL ANDINO has published a report according to which all eight might be tried along the even harsher Article 213 BIS of the penal code because of the alleged cellular structure organized. [Text] [Buenos Aires HERALD in English 30 Jul 81 p 11 PY]

SUBVERSIVES SENTENCED--Buenos Aires, 28 Jul (NA)--The Supreme Court has let stand two sentences imposed on subversives by military tribunals and said that "It is not contrary to the constitution to place civilians under military jurisdiction in exceptional circumstances." The court approved sentences of 13 years and 9 years, respectively, that had been passed for subversive activities on Roberto Vicente Pistacchio and Carlos Enrique Perez Rizzo, who had been sentenced by the special war council No 1 of the 88th Army Corps. [Excerpt] [Buenos Aires NOTICIAS ARGENTINAS in Spanish 1428 GMT 28 Jul 81 PY]

CREDIT TO DOMINICAN REPUBLIC--Buenos Aires, 21 Jul (TELAM)--The Argentine Government has extended to the Dominican Republic a line of credit amounting to $30 million, which will be effected through a technical agreement between the two countries' central banks. The credit can be used to acquire capital goods and manufactured and semi-manufactured goods in Argentina, such as technical services, research, studies and advice, industrial plants, tractors, and agricultural machinery, railroad materials, shipbuilding, machinery, tools, diesel motors, construction equipment and complete plants. An agreement on basic scientific and technological cooperation was signed on the same occasion, providing for exchanges of technicians, scientific and technical information exchanges, scholarship grants, joint research programs, the creation and operation of experimentation institutions and experimental production, and for the utilization of scientific and technical facilities. [Buenos Aires TELAM in Spanish 0003 GMT 22 Jul 81 PY]

CSO: 3010/1631

BRIEFS

LOAN FROM SWEDEN--Bridgetown, Barbados, 28 Jul (CANA)--Sweden is lending the Caribbean Development Bank [CDB] 5 million dollars U.S. on soft terms, the bank said today. The signing ceremony for the loan will be held at the bank's Barbados headquarters tomorrow. [Text] [FL281703 Bridgetown CANA in English 1641 GMT 28 Jul 81]

CSO: 3025/1024

COMMENTS ON GOVERNMENT DECISION TO TRANSFER STATE-RUN ENTERPRISES

Daily Supports Transfer

PY221801 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 16 Jul 81 p 3

[From "Notes and Information" page: "Reversing Statism on a Large Scale?"]

[Text] Some years ago statism was the topic of a great debate. After the process of political liberalization began, somehow the first manifestation of the private sector was to question the legitimacy of the state's increasing direct penetration into the country's economic activities. The Geisel government slowly reacted to that manifestation of the private sector by trying to curb the accelerated overgrowth of mixed-economy enterprises. Strangely at a time when the private sector seems to have set aside that problem (an attitude partly explained by the current recession) the government took an important step which may well, for the first time in the country's economic history, reverse statism on large scale.

One should not be surprised at the initiative which can be fully justified in view of the fact that the existence of a large number of state enterprises, mixed-economy companies, and decentralized public enterprises that the government must support represents a handicap for the implementation of monetary control policy.

The government became aware of the magnitude of the problem only after the State Enterprises Control Secretariat [SEST] was created in October 1979. Up until then nobody knew how many state-run enterprises existed in the country. It came to light that year that there were 554 state enterprises with total assets of 8.4 million cruzeiros and a number of employees estimated at nearly 1.2 million people. But the most important finding refers to the government's difficulties in supervising the expenditures by state enterprises. The efforts to exercise that supervision was repeatedly frustrated by the connivance existing between technicians of those enterprises and government's middle level technocrats. Such frustration was clearly expressed in the voting record of the union audit court judges--the record published in yesterday's issue of this paper--which denounced the abuses by such enterprises "that have jeopardized the country's credit rating abroad with debts and loans contracted without due consideration for the national interest and which the government had to bail out with hefty disbursements from the public till."

In view of the impossibility of controlling its own enterprises, the government has courageously decided to reverse statism. The government has made this decision with the intention of setting things right and of serving the purpose of debureaucratizing the administration. That intention, however, was not enough to make the divestiture decree signed by the president satisfactory.

In the first place, the divestiture process was entrusted to a commission which should be quite efficient since it is made of only three ministers (planning minister, finance minister and debureaucratization minister). The rules laid down to reach the objective sought are clear, most of them. The commission should present the president with suggestions giving him different options: transfer of stock control to the private sector; transfer of the state enterprise to other organs of the federal administration (thus eliminating the abuses resulting from the unjustified creation of decentralized organs--a question dealt with in another decree); total or partial suspension of activities; or transfer to control by the states or municipalities.

Displaying a great practical sense, the president stipulated a 60-day period for the commission to indicate the originally privately owned enterprises which came under direct or indirect control of the government due to default on obligations or judicial attachment for unfulfilled guarantees. These enterprises will be transferred to the private sector in the first place.

The presidential decree enumerates the enterprises that will be transferred to the private sector. The rules are equitable and reasonable and, as we see it, there are doubts only in reference to enterprises which manufactured strategic materials, enterprises over which the government took control to facilitate the development of the private sector, not to compete with it. The situation which existed in the past will no longer be allowed to continue. A rational interpretation of this restriction has to be made.

The transfers will have to be made in conditions (sine qua non conditions) which are realists for private enterprises, without excluding minority foreign participation. The list of such enterprises could be long, from the hotels of the April Company to COSIPA [Sao Paulo Iron and Steel Company]. It should be realistically considered that transfers to the private sector will not always be possible. However, depending on the criteria to be adopted, the private sector will certainly become stronger as the result of this far-reaching decision by the government to divest itself of state-run enterprises.

Finance Minister Comments

PY221614 Rio de Janeiro O GLOBO in Portuguese 17 Jul 81 p 17

[Excerpt] Multinational companies may participate in the purchase of state-run enterprises as minority shareholders, Finance Minister Ernane Galveas explained yesterday.

Galveas said: "The presidential decree does not rule out the possibility of partnership between the national and foreign capital."

The finance minister said that the government will create all the conditions necessary for the divestiture of state-run enterprises and that it might finance the purchase of stocks by private groups, "although cash sales would be preferred." To make the sale operation possible in some cases, the government may even retain a minority participation with preferential stocks without the right to vote.

"However, it all depends on the examination of each particular case," the finance minister observed.

CSO: 3001/217

BRAZILIAN OFFICERS CONFIRM CONSOLIDATION OF DEMOCRACY

PY202135 Paris AFP in Spanish 2243 GMT 19 Jul 81

[Text] Rio de Janeiro, 19 Jul (AFP)--In remarks published here today, Gen Henrique Beckmann Filho, commander of the II Corps of the Brazilian Army, stated that if the opposition candidates win the 1982 elections, they will assume their posts, because we are in a political opening process.

Municipal and legislative elections will be held on 15 November 1982, including also elections for governors of the 22 states in the country, with the participation of the five parties which oppose the government of Gen Joao Figueiredo, and the official government Social Democratic Party (PDS).

General Beckmann remembered that President Figueiredo recently ratified his decision to hold these elections and rebuffed fears expressed during the past few months by leaders of the five opposition parties.

On 9 July, President Figueiredo urged the official political leaders in Porto Alegre to win these elections, and stressed the importance of an electoral victory for the consolidation of the process of full establishment of democracy in the country which began on 15 March 1979 when he assumed the presidency for 6 years.

President Figueiredo stated last Wednesday in Rio de Janeiro that with the support of public opinion he will succeed in establishing a democracy in Brazil, and added that the results of the ballot boxes will be respected.

Aeronautics Minister Delio Jardim de Matos also stated in a message to be read in all aeronautics units tomorrow, Monday, that democracy will be consolidated in Brazil.

On stating that the worst thing has been overcome, the aeronautics minister stated: We are living a period of consolidation of an old aspiration to build a stable democracy.

During the past few weeks, several high-ranking officers of the Brazilian armed forces publicly expressed their support to the process of political opening implemented by General Figueiredo.

They also stated that the results of the ballot boxes will be respected by the armed forces, and that the candidates of the opposition parties will assume their posts if elected.

In August 1979, 5 months after the assumption of the presidency, General Figueiredo completed the first stage of the democratization process on promulgating a political amnesty which allowed the return to Brazil of all exiles, including leaders of the clandestine Communist Party, and the release of political prisoners.

In December the same year, President Figueiredo dissolved the only two political parties which have been functioning in Brazil since 1966 and promulgated a law which has established the legal norms for the organization of other political parties.

Based on this legislation, five opposition parties and an official one were organized in 1980, and the system of direct elections for governors of the 22 states of Brazil and for all senators was established in December the same year.

The approval, before 5 December 1981, of the amendments of the electoral legislation by the National Congress--in recess until 1 August 1981--will be the next step of the democratization process of General Figueiredo.

This legislation will be in effect during the municipal and legislative elections and the elections for governors of the 22 Brazilian states, called for 15 November 1982.

The victory of the opposition would give them the majority in the electoral college which in 1984 will elect the successor of President Figueiredo, and consequently, will put an end to the cycle of five military presidents which began in 1964 after the overthrow of Joao Goulart on 31 March 1964.

The presidential electoral college is made up of the members of both congressional houses and by the delegates of the legislative assemblies of the 22 Brazilian states, in which the official party has had the majority since 1964.

CSO: 3001/217

PDS PROPOSALS FOR AMENDING ELECTORAL LAW

PY222025 Rio de Janeiro O GLOBO in Portuguese 17 Jul 81 p 3

[Text of the PDS proposal for amendments to electoral law, modifying Decree-Law No 1541 of 14 April 1977]

[Text] Article 1. The political parties can participate with up to three "intraparty subgroups" [sublegendas] in direct elections for senator, state governor and mayor.

Only paragraph. "Intraparty subgroups" are separate slates of candidates within a single party vying for the same elective position.

Article 2. The party votes will be the sum of the votes cast for the "intraparty subgroups."

Section 1. The candidate elected will be that of the "intraparty subgroup" with the most votes.

Section 2. In case of a draw among the candidates of the same party, the oldest candidate will be considered elected.

Article 3. In case of identical vote totals for "intraparty subgroups" of different parties, the candidate with the most votes will be considered elected.

Article 4. Each "intraparty subgroup" will bear the name of the respective party and will be numbered from 1 to 3 in decreasing order corresponding to the number of votes it obtained in the party convention and, in case of a tie, its ordinal number will be determined by a drawing.

Article 5. Candidates for "intraparty subgroups" of a party will be considered those who, proposed by a minimum of 10 percent of convention delegates, individually obtain at least 20 percent of votes in the convention.

Only paragraph. The proponents of a candidate will be considered the organizers of the respective "intraparty subgroups" for the purposes of this law.

Article 6. The candidates for senator under a party's "intraparty subgroups" who are not elected will be considered as alternates for the elected candidate in accordance with their number of votes.

Article 7. If a party presents a single candidate for senator, two alternate candidates will be elected in the convention and the one with most votes will take the first alternate place on the slate.

Only paragraph. If a candidate is elected senator, his alternates will be considered elected in the order they occupy on the slate.

Article 8. Each candidate for governor or mayor under a party's "intraparty subgroups" will be registered with running mate for vice governor or vice mayor, who will be elected if the heads of the slate are elected.

Only paragraph. If, in the convention, a single candidate for governor is nominated, the party will choose and register a candidate for vice governor, who will be elected if the candidate for governor is elected.

Article 9. The number of seats to which a party is entitled, in forming the slate for the municipal chamber, will be distributed among the "intraparty subgroups" in proportion to the number of votes each subgroup received in the convention.

Article 10. The registration of candidates under "intraparty subgroups" will be requested by the president of the respective party directorate alone with the request for registration of other candidates in their party. If the directorate president does not make that request within 3 days, the organizers of the "intraparty subgroups" may request that registration from the electoral court which will require the presentation of a copy of the convention records and the necessary documents to institute registration proceedings.

Article 11. Each "intraparty subgroup" can be represented before the electoral court, until the decision to register the candidate is finally made, by 2 special delegates chosen by the respective organizers of each "intraparty subgroup."

Article 12. "Intraparty subgroups" will be accorded the same rights granted by law to political parties in the electoral process.

Article 13. The superior electoral court will issue the instructions necessary for the strict implementation of this law.

Article 14. The present law goes into effect on the date of its promulgation.

Article 15. Decree-Law No 1541 of 14 April 1977 and other provisions to the contrary are revoked.

CSO: 3001/217

OPPOSITION LAYS DOWN BASES FOR CONCERTED ACTION

PY221837 Rio de Janeiro JORNAL DO BRASIL in Portuguese 16 Jul 81 p 4

[Text] After a 3 and a half hour meeting at the office of the Sao Paulo chapter of the Brazilian Lawyers Association yesterday, the presidents and national leaders of the Brazilian Democratic Mobilization Party [PMDB], the Popular Party [PP], the Workers Party [PT] and the Brazilian Labor Party decided to promote a concerted action on the basis of 10 points.

The "declaration" released after the meeting makes no reference to merger, unification or national constituent assembly. In their "declaration," the opposition leaders consider the government incapable of pulling the country out of the economic crisis and commit themselves to meet again in order to prepare a plan for joint action.

The text of the "declaration" reads as follows:

Brazil's economic and social situation has deteriorated to a point unprecedented in the country's history. The inflation rate has never been so high, foreign indebtedness has never been so high and unemployment affects workers and wage earners who are the country's majority.

The government has proved itself incapable of taking objective measures to pull the country out of an economic depression. In addition, the government has shown itself powerless to resolve the political deadlock as attended by the Riocentro incident, and the lack of definition regarding the electoral law. Concerned with maintaining power without the legitimate support of society, the government is in no position to lead the country back to democracy.

In view of that situation, the opposition parties gathering for the first time in Sao Paulo manifest their disposition to act jointly to secure for the people their participation in guiding the democratization process. They are concerned not only with fighting "the electoral manipulations [casuismos]" that have been rejected by the nation, but also with opening new prospects for a stable democratic regime under the rule of a constitution dictated by the directly and freely expressed will of the people, a democratic regime capable of satisfying the demands of society.

Therefore, the opposition parties address themselves to the nation to call upon the citizens to conscientiously and effectively rally behind the following objectives:

Direct elections at all levels and restoration of congressional prerogatives.

A truly democratic electoral law granting freedom for the organization and functioning of political parties representing all currents of political thinking, and elimination of antidemocratic provisions restricting the access to elective positions to any citizen.

Repeal the current national security law, press law and other instruments of exceptional rule, dismantling the organs of political repression.

Granting the right to vote to illiterates.

Guarantee for labor organizations free of state tutelage.

Implementation of an employment policy to benefit all the wage-earning sectors of society.

Adoption of a just policy for income distribution.

Implementation of an economic policy doing away with the privileges granted to large enterprises, multinational companies and financing companies, so as to strengthen the internal market.

Democratization of the judiciary to make it accessible to all citizens, especially to those with low incomes, and to make it more effective, expedient and sure in the administration of justice.

Aiming at those objectives, the opposition parties express their purpose to proceed, in future meetings, to prepare a plan for common action and, if necessary, to promote their complete unity of action to insure their presence, as essential and legitimate participants, in the process of democratization of the country.

[Signed] PMDB, PP, PT, PTB. Sao Paulo, 15 July 1981

CSO: 3001/217

COMMENTATOR SEES U.S. ANTI-CUBAN 'OFFENSIVE'

PY060358 Sao Paulo FOLHA DE SAO PAULO in Portuguese 1 Aug 81 p 6

[Article by Newton Carlos]

[Excerpts] U.S. ambassador to the UN Jeane Kirkpatrick landed in Caracas on the way to Chile. She came in the wake of the new U.S. ambassador to the OAS, Middendorf, who traveled throughout the southern cone. In Paraguay, a newspaper reported, Middendorf spoke with General Stroessner about "joint actions against Cuba." He must have dealt with the same subject in his talks with Pinochet, Viola, and the Uruguayans.

Kirkpatrick caused a "sensation" in Caracas hinting that the United States and Venezuela are intensifying diplomatic maneuvers in Central America and the Caribbean. Cuba is probably the major target. The visit to Caracas of Thomas Enders, the new assistant secretary of state for Latin America, has a markedly anti-Cuban tone. Before her appointments as UN ambassador Mrs Kirkpatrick was active in Washington rightist academic circles interested in Latin America.

It is not difficult to detect in these activities the beginnings of a U.S. anti-Cuban diplomatic offensive. It is an offensive that should gain in intensity from now on. Among the Latin American democracies Colombia and Venezuela should play an important role. Colombia, whose minister of defense General Leyva has been talking in Washington, has already broken diplomatic relations with Cuba. The activities even reach the southern cone where Reagan people arrive with more and more frequency, mobilizing, without any difficulty, the "authoritarian" regimes which are anxious for a "rapprochement" with the U.S.

CSO: 3001/224

BRIEFS

PCB PROPOSES OPPOSITION PARTY FUSION--Porto Alegre--The secretary general of the Brazilian Communist Party [PCB] said at a meeting this afternoon that the PCB is not seeking the shelter of any of the opposition parties. Luis Carlos Prestes asserted that there is no preference for the PMDB [Brazilian Democratic Mobilization Party], the PDT [Workers Democratic Party] or the PT [Workers Party], which are, in his opinion, the only opposition parties that exist today in Brazil. He emphasized that the ideal for the opposition parties in regard to the electoral reform is to unite on the basis of a common platform, in other words, the fusion of all opposition parties. [Text] [PY220111 Porto Alegre Radio Guaiba in Portuguese 2150 GMT 21 Jul 81]

CSO: 3001/217

GOVERNMENT BANS PROGOVERNMENT MOVEMENT

PY041440 Buenos Aires LATIN in Spanish 1425 GMT 30 Jul 81

[Report by Julio Cesar Villaverde]

[Excerpts] Santiago, 30 Jul (LATIN-REUTER)--The emergency of a civic movement of support for President Augusto Pinochet, despite the recess of partisan political activities in Chile, has given rise to an unexpected controversy in the very sectors devoted to the government.

General Pinochet, who took power after the armed forces deposed the late socialist President Salvador Allende on 11 September 1973, recently discarded the official support of an organization of this type.

But during the weekend his former press secretary and an executive of the copper corporation (CODELCO), Federico Willoughby, confirmed the existence of the movement, in which "more than 10,000 grassroots leaders" are already working.

The movement is intended to support unconditionally the government and exists throughout the 12 regions of the country, Willoughby declared.

If it prospers, this would be the first organization of that type created since 1973, when political activities were recessed and parties and organizations with Marxist tendencies were proscribed.

On 11 March 1981, Pinochet began a new 8-year term, forecast as a transitional arrangement in the new constitution approved by a plebiscite in September 1980, but he rebuffed the emergence of the possibility of a political opening.

Addressing a rally celebrating the victory of the constitution proposed by his government, Pinochet said that there were no victors or vanquished and called on all citizens to sign up in their respective municipalities to form a great civil-military movement in Chile.

That initiative, judging from the number of signatures, did not prosper, the Christian Democratic weekly HOY claims in its latest edition.

But at the beginning of July General Pinochet told student leaders that he would not personally patronize any movement in support of his government, which ought to be organized by private individuals.

When making his announcement, Willoughby said that the leaders of this movement are social grassroots elements, leaders of neighborhood groups, university students, people associated with education, workers, union leaders and a great number of women.

Its objective is to see that this government's heritage does not disappear but lasts for a long time, he added. He said that it is necessary to give a tangible structure to the immense majority of Chileans who support that regime and who appear helpless in the face of the actions organized by their enemies in work, in study and in the communities.

He warned of the existence of a compromise between government sectors and the recessed political parties to pressure the president toward favoring what they call the political opening.

For his part, Pablo Rodriguez, the former highest leader of the Rightist Fatherland and Freedom Movement, said that the proposed organization ought to give an organic structure to government partisans with the goal of avoiding the assaults of both its open and underhanded adversaries.

Both leaders thus confirmed reports on the existence of so-called hard and soft lines among government partisans, attributing political opening tendencies to the soft liners.

Luis Valentin Ferrariz, the president of the Contemporary Studies Corporation [Corporacion De Estudios Contemporaneos] and a government supporter, feels that the existence of this new movement would create an unjust situation which ought to be avoided and he wants the country to repudiate it. It would not be fair to apply some recess measures to some groups and not to others, he added.

He also recognized that there is a real problem with the increasing split that is being noticed among the government partisans: we are somewhat divided, and on some delicate matters we are gravely divided.

He questioned if the proposed movement would help unity or, on the contrary, would make the dissociation more obvious.

To Francisco Bulnes, former parliamentarian of the National Party, the mere existence of the movement is prejudicial for the current regime, and in the improbable case that it prospers, it will damage the government much more than it will benefit it.

He added that, although its backers deny it, the function of the so-called movement would transform it in fact into a political party.

CSO: 3010/1628

CONFLICT OVER PROGOVERNMENT ORGANIZATION SHARPENS

PY041640 Paris AFP in Spanish 0037 GMT 4 Aug 81

[Article by Enrique Fernandez]

[Excerpt] Santiago, Chile, 3 Aug (AFP)--The conflict between the hardliners and softliners who support the Chilean government of Gen Augusto Pinochet resurged here today due to their differences on the formation of a nationalist and anti-communist civil movement, according to what was learned.

The project was denied authorization by the government itself because it would violate the political recess imposed in Chile 8 years ago, but its principal booster, journalist Federico Willoughby, announced today that he would continue working for the creation of this movement and launched a vigorous attack against certain official functionaries whom he termed tepid.

Willoughby, who was press secretary of the military junta of the government which deposed the late socialist President Salvador Allende in 1973, claimed that the task of civically preparing those who lend their generous support to the regime could not be delayed despite the objections of the moderate line officials.

Considered to represent the government hardline sectors, the former press secretary affirmed that the movement is necessary in the face of the organization of the labor and student resistance, actions of terrorists and urban guerrillas and the eventual pressure by the opposition to change the present system and to establish a political opening against the desires of General Pinochet.

Willoughby denounced the tepidness of certain functionaries toward these situations and accused them of condecension toward the economic groups who want to isolate the armed forces, torpedoing its integration with the civilian sector.

CSO: 3010/1651

'EL MERCURIO' CRITICIZES ARGENTINE DECLARATION ON 1881 TREATY

PY311814 Paris AFP in Spanish 0439 GMT 28 Jul 81

[Text] Santiago, 28 Jul (AFP)--Today the daily EL MERCURIO of this capital stated that the statements made by the Argentine Foreign Ministry on the occasion of the 100th anniversary of the signing of the 1881 border treaty contained mistaken information.

The doyen of the Chilean media stated that the treaty divided land but not seas, except for the Straits of Magellan which became perpetually neutral, thus ensuring free navigation.

In an editorial of its Tuesday issue the influential daily commentated that it was strange that the declaration released by the Argentine Foreign Ministry stated that the 1881 treaty had based the establishment of the border line between Chile and Argentina on two definite standards: the peak of the Andes Mountains and the Atlantic-Pacific principle.

EL MERCURIO points out that neither of these principles were included in the treaty signed on 23 July 1881 in the manner in which it is stated in the Argentine declaration.

In this regard, the newspaper stated that in the first place the aforementioned treaty stipulated that the border would be established at the highest peaks of the Andes Mountains and would pass between the slopes falling off one side and the other. Therefore, the determining factor is that of the continental watershed.

In the second place, states EL MERCURIO, the 1881 treaty does not include the capricious Argentine two ocean theory. The 1893 protocol was destined to solve a border problem north of the Straits of Magellan and Parallel 52.

EL MERCURIO asserted that, therefore, the current Argentine declaration does not have any more value than similar ones issued before and which were rejected by the decision of Her British Majesty's in 1977 and the proposals of His Holiness John Paul II on 12 December 1980.

The editorial concludes stating that the Argentine tenacity will not stop Chile from defending a position which is supported by justice and international law. It was recalled here that the two countries maintain a century-old conflict in the south of the continent over the maritime border near the Beagle Channel area which has been placed in the hands of the Pope to find a solution.

CSO: 3010/1628

GOVERNMENT WARNS UNION LEADERS IN COMMUNIQUE

PY051629 Santiago Chile Domestic Service in Spanish 1100 GMT 5 Aug 81

[Text] The government will use a strong hand to deal with those union leaders who do not remain within the scope of the guidelines they have been given.

A communique released by Labor Minister Miguel Kast in this regard is addressed directly to those union leaders who make statements in favor of the National Union Coordinating Board (CNS). The document points out that for some time now the CNS has been implementing a plan aimed at politically orchestrating the workers which seeks to once again turn the Chilean union movement into a tool for communism's political action.

The communique adds that for this purpose the CNS has a plan whereby, first, certain union leaders of this group will make [word indistinct] statements and, second, technical commissions will be established comprised of outstanding characters and ideologists of former regimes who are known for their tendency to either politicize or manipulate the Chilean unions in a totalitarian manner.

The Labor Ministry communique points out that the government will not allow union leaders nor members of the self-styled commission to continue carrying out this type of activity.

It then points out that with their activities and statements those union leaders go beyond their legitimate interests.

The technical commissions, it states, are aimed at reestablishing the conditions which in the past allowed the politicization of union activities and the orchestration of Chilean workers in order to achieve goals which are not in keeping with the labor union framework.

The communique emphasizes that the government will not hesitate to fully implement all the mechanisms provided for by the law and the constitution.

It also points out that it will use a strong hand to deal with those union leaders who through their activities go beyond the scope of the guidelines they have been given, that is, it points out, within the activities of the enterprises or of the productive sector to which they belong. This policy will be especially enforced within the enterprises which [words indistinct].

[Words indistinct] actions will be taken against those who intend to undermine the basic effects of the labor law, which was approved in order to allow the free development of union activities.

CSO: 3010/1651

GOVERNMENT TO CONTINUE ECONOMIC POLICY

PY060952 Buenos Aires LATIN in Spanish 0245 GMT 24 Jul 81

[Text] Santiago, Chile, 24 Jul (LATIN-REUTER)--The Chilean Government today restated its economic policy of a foreign opening and a fixed rate for the dollar, affirming that the criticisms about a possible grave recession lack validity.

In a speech given last night on radio and television, the finance minister, Sergio de Castro, emphasized that the current policy in his sector permits combatting poverty and maintaining a high growth rate in the gross national product and at the same time inflation has fallen.

Social spending, for the first time in Chilean history, exceeds 50 percent of all fiscal expenditures, and in 1981 it will be raised to 53.6 percent, seeking deliberately to reach the most vulnerable sectors, he said.

Recent pressures on the dollar, which has been quoted at 39 pesos per $1 for the past 2 years, prompted calls by critics of economic measures for the currency to be devalued.

Similarly, as the minister recognized, the interest rates have shown an upward tendency, while the foreign debt increases in order to level off the trade deficit.

Some economists also called for protective tariffs for local industry due to the competitiveness of imported products protected by low taxes.

But the minister said that under the current monetary and exchange system there is not nor will there be any motive or pressure capable of altering the current exchange rate of 39 pesos per $1, which is in condition to be maintained for many years.

He similarly stressed that the Central Bank would maintain a neutral policy toward the increase in interest rates and will not issue more money than forecast.

In the midst of an international economic panorama in which inflation, unemployment, low growth and unstable exchange rates have been the common denominator, Chile not only has reconstructed its economy, but has successfully emerged, setting the bases for one of the most solid economies in the world, he added.

De Castro said that the country was growing at a sustained pace and had achieved price and inflation stability, which decreased to 5.5 percent in the first 6 months of 1981 compared to 30.6 percent in all of 1980.

He defended the foreign debt--some $11,239,000,000--affirming that it permitted a positive balance in the balance of payments.

It is known that if we want the foreign savings that we have gained to be transformed into a factor for growth and well-being, we must make up for that surplus in the capital account with a corresponding deficit in the trade account, obtaining a goal compatible with the national interest: a surplus in the balance of payments not greater than the annual growth in the money supply, he added.

CSO: 3010/1651

BRIEFS

NAVAL SHIP CONSTRUCTION--Talcahuano--Since its creation, the naval docks and yards (Asmar) has built 24 ships and currently is working on two landing craft [Barcazas], named "Maipo" and "Rancagua" for the navy. They are to be launched in July and September, respectively. They will be able to carry a 180-man marine infantry company with all its equipment, plus 6 jeeps or trucks. They can sail in coastal waters or on the high seas, have a 1,409-ton displacement and a top speed of 16 knots. The Asmar chief of naval construction pointed out that it is a short step to building more sophisticated ships like destroyers and frigates, "which we will begin to do in the next 5 years, at most." [M. Beatriz Undurruga] [Santiago Chile EL MERCURIO in Spanish 7 Jun 81 p C1]

CHILEAN-ZAIREAN INSTITUTE--The first binational institute of our country with sub-Saharan Africa was formed at a meeting in the central hall of the University of Chile. The Chilean-Zairean Institute of Culture is headed by Jorge Martinez, the mayor of Las Condes. The Zairean foreign minister sent a greetings message to the meeting. [Santiago Chile LA TERCERA DE LA HORA in Spanish 25 Jun 81 p 8]

FRENCH BANK LOAN--A 40-million-francs loan will be extended to Chile by the Commercial Bank of France and of Louis Dreyfus, through the O'Higgens Bank. [Santiago Chile Diplomatic Information Service in Spanish 0222 GMT 14 Jul 81]

DOMINICAN BUSINESS DELEGATION--A delegation of Dominican businessmen will accompany Dominican Foreign Minister Manuel Tavares to Chile to have talks with private sector organs and officials, such as the central Chamber of Commerce, the Production and Trade Confederation and the Society for the Promotion of Manufacturing. [Santiago Chile Diplomatic Information Service in Spanish 0122 GMT 14 Jul 81]

HONG KONG BANK BRANCH--Santiago, 22 Jul (TELAM)--The Shanghai and Hong Kong Banking Corporation, one of the major banks of the Far East, will open a branch in Santiago, Chile next year. This will be that corporation's first operation in Latin America. [Buenos Aires TELAM in Spanish 0400 GMT 22 Jul 81]

JAPANESE DELEGATION--A delegation of five Japanese legislators has visited Foreign Minister Rene Rojas Galdames. The delegation is headed by former Agricultural Minister Kabun Muto and is composed of Diet members Hideo Aizawa, Sadatochi Ozato, Sohichi Watanabe and Tochitaro Tamoda. They will hold meetings with government Junta member Jose Toribio Merino and other high government officials. [Paris AFP in Spanish 0147 GMT 30 Jul 81]

BRAZILIAN BUSINESS INTEREST--Santiago, 21 Jul (AFP)--The Brazilian company Andibras is interested in the El Abra copper mine, considered one of the richest copper deposits in Chile. The mine, located 1,500 km north of Santiago, belongs to the Codelco state enterprise, which recently formed the Chibraco consortium with Andibras for the construction of a copper wire factory in Brazil. [Paris AFP in Spanish 1548 GMT 31 Jul 81]

COMMUNIST PRINTING FACILITIES SEIZED--It has been reported that security forces have discovered a clandestine communist printing house in Talcahuano Port. A considerable volume of subversive material calling for the overthrow of the government has been seized. Based on the seized information, it has been reported, through a communique, that (Diego Armando Ojeda Bertin), who has been arrested, is the main individual involved. Government Secretary (Patricio Lins) has said that the printing machine's remarkable technology demonstrates the high level of complexity and cost with which the Marxist groups operate. The documents that were seized include a significant volume of material belonging to the communist party and to the MIR [Movement of the Revolutionary Left]. The Interior Ministry is now considering the situation of (Ojeda Bertin), who is the main individual involved. This man is under arrest at the disposal of the regional intendent. The communique states that pamphlets calling for the overthrow of the government were prepared in the printing facilities in the house of (Diego Armando Ojeda Bertin), who is a member of the communist party's clandestine structure. [Text] [PY041659 Santiago Chile Domestic Service in Spanish 1100 GMT 4 Aug 81]

CSO: 3010/1651

'SUBVERSION, SABOTAGE, TERROR' OF CIA DENOUNCED

PA011824 Havana International Service in Spanish 0000 GMT 1 Aug 81

[Commentary: "World Events"]

[Text] The U.S. Central Intelligence Agency, known all over the world as the CIA, is currently intensifying its plans of subversion, sabotage and terror in various regions of the world. In U.S. territory the CIA is rapidly training many counterrevolutionary groups from various countries to carry out those tasks.

There are many camps to train counterrevolutionaries from Cuba, Nicaragua and other countries in Florida, California and New Jersey. Under the direction of CIA agents, they receive military training to carry out all types of misdeeds. The objective is to have them invade Cuba, Nicaragua and other Latin American and Caribbean countries.

The activities of the sinister U.S. organizations have been revealed by the U.S. press and by former CIA agents. Louis Wolf, editor of COVERT ACTION magazine, said in Montreal that the destabilization of the Cuban, Nicaraguan and Grenadian governments is among Washington's main objectives in Latin America. Wolf said that in the past 12 months, the counterrevolutionary groups have had greater support from the U.S. Government as well as the help of the CIA. In this regard, he noted that the United States has not objected to the actions of the groups of Cuban traitors who plan invasions and has increased aid to the Somozists who are trying to destabilize Nicaragua. He also warned of the counterrevolutionary plans to hinder the Grenada Government. He mentioned the invasion attempt against Grenada in April by mercenaries of the Ku Klux Klan and other racist groups.

On 26 July, top Cuban leader Fidel Castro denounced the CIA's plan to physically eliminate him. This plan was admitted by a group of counterrevolutionaries who were captured a few days ago in Matanzas Province as they were trying to enter Cuba.

The policy of assassinating the revolutionary and progressive leaders is not new and is not only aimed against Latin America. In its latest issue the U.S. magazine NEWSWEEK disclosed the CIA plot to kill Libyan leader Mu'ammar al-Qadhdhafi and overthrow the revolutionary government of that Arab country. Not very long ago, a CIA plot to kill Zambian President Kenneth Kaunda was uncovered. A similar incident occurred in Mozambique where the presence of U.S. spies who were planning to kill President Samora Machel was discovered.

The members of the U.S. agency for espionage and subversion plot against the well-being and development of peoples on all continents. They carry out criminals actions to assassinate the revolutionary and progressive leaders of the Third World countries which oppose the expansionist and rapacious policy of U.S. imperialism. They promote the creation of counterrevolutionary gangs such as those of Angola, Ethiopia, Afghanistan and Kampuchea. They use their Pakistani, Chinese, Thai and South African allies to harass the neighboring states which do not submit to Washington's policy and they use blackmail and political pressures to obtain material advantages.

These are some of the activities of the CIA, an organization of espionage, terrorism and subversion. The CIA is at the service of imperialism which does not hesitate to use the most abject criminal methods as long as those methods benefit the military-industrial complex which holds power in the United States.

CSO: 3010/1641

BRIEFS

TRANSPORTATION MINISTRY ANNIVERSARY--PCC Politburo member Julio Camacho Aguilera has called for an increase in the level of efficiency and firmness in the transportation sector during the ceremony commemorating the 20th anniversary of the Transportation Ministry. Camacho Aguilera recounted the progress made by the sector since the founding of the ministry through Law No 960 dated 1 August 1961. He recalled that prior to 1 January 1959 the only organization in existence was a national transportation corporation, whose functions were to coordinate and regulate the activities of private enterprises. Camacho stated that the emergence of the ministry was the result of a group of measures adopted by the revolutionary government directed at fulfilling the Moncada program and consolidating the revolution. [FL011414 Havana Domestic Service in Spanish 1100 GMT 1 Aug 81]

1980-1981 SCHOOL TERM--PCC Politburo alternate member Antonio Perez Herrero has termed favorable the results of the 1980-1981 school term in his closing remarks at the annual plenary session on the work of the National Education and Science Workers Union, which was held in Havana City. The leader stated that during the school term work organization had improved and a better use of human and material resources had been noted. All these advances were evident as a result of a stabilization in the promotion rate. Great efforts were made to fulfill this term's tasks, among them the struggle to raise the level of education, recruitment of greater number of students into sports and making the best use of all resources to advance the scientific activity. [Text] [FL011414 Havana Domestic Service in Spanish 1100 GMT 1 Aug 81]

CSO: 3010/1641

CIENFUEGOS: 'WE ARE THE REVOLUTIONARY VANGUARD'

Managua EL NUEVO DIARIO in Spanish 30 Jun 81 pp 1b, 12b

[Interview with FMLN Commander Ferman Cienfuegos; author, time and place not given]

[Text] The struggle that the Salvadoran people are waging day after day has focused international attention on this tiny country as it valiantly fights on against the forces of Christian Democracy and the Salvadoran army, both of which are guided, supplied and controlled by American imperialism.

Our war correspondent therefore undertook to interview Cmdr Ferman Cienfuegos, a member of the General Command of the Farabundo Marti National Liberation Front (FMLN).

Political Strength of FMLN

[Question] Commander, what is the Farabundo Marti National Liberation Front?

[Answer] The FMLN-FDR is a social force that represents a broad cross-section of the Salvadoran people, who have recognized its legitimacy as a dominant social force in the political, social, economic and military life of the nation.

As a political force we are dominant to such an extent that no political formula that excludes us has any chance of success. We have achieved this status not only through mass organization, but also through the formation of popular committees by means of which the people now express their will. These committees are the source of local power both at the front lines and in the barrios of the big cities. We are an important social force because labor and peasant organizations support our government program. Thus, our participation is necessary for any social or political activity. We are an important economic force because the wealth of the country is produced by those who form our social base. These include the majority of the working class, on whose life and strength the economy depends, as well as small- and medium-scale entrepreneurs.

We are a military force, as is demonstrated by the presence of the people's army and the people's militias at the various fronts of the war. We are a military force in that our units constitute an organized military power under the sole command of the FMLN General Command. In short, we are a power, a genuine alternative to the power of the decrepid and invalid military dictatorship that supports

the present oligarchy. We are an alternative whose recognition begins when our people begin to recognize in the FMLN their historical vanguard, their guide, their leader. We are the indisputable revolutionary vanguard of our people by right of their genuine and legitimate recognition of us as such. Thus is the sovereign will of the people expressed.

Reagan Administration Adventurism

[Question] In your opinion, what is the Reagan Administration trying to do?

[Answer] The United States today is following an adventurist policy directed by the most fascistic elements of the Reagan Administration. The United States controls the army from a military point of view. Not only does the United States supply the technical assistance and provisions upon which the army depends, it exerts direct tactical, strategic and operational control over both the high command and intermediate command levels of the army. They have fallen into the risky adventure of trying to achieve a quick military victory between May and August in order to defeat our active military resistance on all fronts. They claim that once "pacification" has been achieved, they will support an electoral solution. Our response to this adventurist policy, which cannot succeed, is to combat the United States on all the revolutionary battlegrounds. We certainly will not fall into the trap of accepting a direct military confrontation between ourselves and the United States. We will, as a people, teach a lesson to that superpower, which we will defeat in battles both political and military. The United States will suffer a political and diplomatic defeat on the world stage. It will have to accept that its reformist program, maintained by the Christian Democrats and the fascist elements of the armed forces, is a failure. It will have to accept that it could not defeat us on the battlefield. It will have to accept that it must respect other peoples' sovereignty and right of self-determination. In short, it will have to accept that the world has repudiated war-mongering, and that our struggle is for peace.

U.S. Role in El Salvador

[Question] What role does the United States play in El Salvador?

[Answer] The United States is the main prop holding up the Christian Democratic junta. No political solution is possible without the approval of the United States. The fate of the junta and the army depend on the United States; therefore, it is with the United States that one must establish the rules of the game. As long as the United States refuses to budge, no solution is possible. Other means will have to be found to convince the Americans that they must accept a political solution. That is why the FMLN proposed an initiative to the U.S. State Department during Mr Carter's presidency. But the Americans backed out because they had already decided on the military intervention that began on 15 January, thus greatly aiding the genocidal activities of the army.

Salvadoran Army Contradictions

[Question] What is the role of the Salvadoran army?

[Answer] The army is unified by the high command in the fascist idea of pursuing this genocidal war. Anti-communism and hatred of the people unify the army so that it appeases the sick and bloody sentiments of the high command, headed by Col Guillermo Garcia, the keystone of this genocidal campaign. The high command is convinced that, with U.S. support, it can defeat the FMLN militarily. Without such support, these people would not be in the army; they would already have fled to Guatemala, the refuge of murderers.

Political Contradictions of the Army

The real contradiction within the army is a political one, however. On one side is the faction represented by Col. Garcia, who wants to expel Napoleon Duarte and the Christian Democrats from the current government; and on the other, the faction represented by Col Abdul Gutierrez, who endorses the political reform plan and also sees the necessity of using Duarte and the Christian Democratic Party (PDC) as a cover. Once, during a personal dispute at the General Staff,Col. Garcia even threatened to kill Col Gutierrez.

Meanwhile, the United States is trying to prevent a fascist coup to depose Gutierrez and Duarte, while warning the fascists to maintain the alliance between supporters of Gutierrez and those who support Garcia and his fascist bands. Though the United States is the point of unity between the genocidal factions of the armed forces, the current situation implies a split that will force Washington to abandon either the fascists or Gutierrez and Duarte, along with their underlings in the PDC.

This is the struggle within the army high command. At the same time, different interests are at work within the officer corps. The result has been a regrouping of forces that, without leadership, without any internal organization within the army, are proposing a political solution. They propose to form a new government, to purge the armed forces, to offer a political solution headed by honest, patriotic, nationalistic, revolutionary, progressive military personnel who love the Fatherland and identify with its people.

There remains the possibility that the army will divide and fragment, and enter into a new process of decay.

FMLN Platform

[Question] What platform does the FMLN support?

[Answer] The FMLN supports the platform of the Democratic Revolutionary Government of the Democratic Revolutionary Front (FDR), whose essential points are to institute economic reforms in order to achieve social progress and the security and well-being of the people; to institute a policy of pluralist alliances with all social forces that are willing to implement the government's programs, including the business sector; to institute a popular democracy under which the people will have freedom of association, freedom of religion, and will be able to enforce their supreme will; to form a new army that will include factions, groups and officers who are honest, patriotic and nationalistic, and who are prepared to build the new armed forces of the nation; to institute a broad international policy

of relations with all the nations of the world; to institute a political system based on our people's right to determine its own destiny and its own historical identity. The essential points of our platform are set forth in documents that have been circulated and which define the political and economic program our people should pursue. It is possible that our platform has not been widely promulgated, in which case instructions will have to be issued for its wider distribution.

[Question] Why, in the opinion of the FMLN, has the Salvadoran junta refused to accept international mediation?

Junta's Refusal of Mediation

[Answer] The refusal of the murderers Garcia, Gutierrez and Duarte shows once again their intention of prolonging this war with the object of achieving a military victory over the FMLN. It also shows that they have fallen into the trap of believing that a straightforward military solution is possible in El Salvador, and that such a solution must be accepted for the good of Western democracy. Thus, according to them, once the evil of communism has been eradicated in El Salvador, they will be able to put on an electoral show in peace. The junta's refusal to accept international mediation has further damaged it at an international level, has further isolated it, and has earned it the repudiation of the entire world. At the same time, the junta's refusal has forced the democratic parties to face the reality of the adventurist policy of Duarte and his chums. It has also become obvious to domestic elements that the promised quick military victory, which has now been postponed until August, will never come about. Finally, domestic elements not linked to imperialism are beginning to look for their own solution. Various bourgeois groups, as well as groups within the PDC, are beginning to conspire against each other. The result is chaos.

Clearly the junta is being overwhelmed by events that are out of control. It is a situation that presupposes a search for new solutions within the corridors of power.

Influence of Political Factors on Economic Situation

[Question] How does the political situation influence the Salvadoran economy?

[Answer] The political factor of the war is one that has an influence at the economic level. Specific consequences include a lack of investment security. The war is putting presure on businessmen. Moreover, the war has repercussions within the economy. Sabotage of electric plants and demolition of bridges, both of which impinge upon production and transportation, have a particularly injurious and widespread effect on the economy.

One must also take into account that since 1980 big businesses have initiated a general decapitalization of the country's banks, withdrawing their funds and taking out large loans that they naturally do not intend to repay.

This first step in the financial sack of the country by big business has not only meant a slow rate of capital growth, but also the paralyzation of the construction industry, the bankruptcy of small- and medium-size businesses, and the denial of credit to the agricultural cooperatives that were supposed to be the beneficiaries of agrarian reform.

Meanwhile, the financial-industrial oligarchy moves its deposits to transnational banks, guarding against the day when, they think, the situation will return to normal.

While production is half paralyzed, the permanent shut-down of factories continues to put hundreds more workers out of a job, and with every day that passes the national economy rapidly approaches the hour of its total collapse.

Elections and Businessmen

[Question] Will there be elections in El Salvador?

[Answer] The high command of the army is committed with the United States to pacifying the country by means of genocide. The high command is no longer willing to retreat from this commitment. It hopes to use all the artillery and air power at its disposal to exterminate the population between now and August. After this pacification, they will have the Central Elections Council call elections for March 1982.

It is our position that this electoral solution will gradually fall apart because nobody can believe that free elections can be held with the same murderers from 1972 and 1977. Such being the case, these elections cannot be held, given that the murderers are not in favor of any political solution. At the same time, their scheme of "pacification now, elections later" demonstrates that there is no chance of such elections being held.

[Question] What is the position of businessmen relative to this "program" that the junta seeks to impose?

[Answer] Big businessmen have participated directly and indirectly in supporting the Christian Democratic program, because they have no political party. They initially committed themselves to the plan because it was an emergency political recourse; but once it failed, one sector of businessmen pulled out of the Christian Democratic program, and there was a retreat. Another big business sector, represented by Pedro Escalante Arce, stresses the military solution, in accordance with the fascist military. They promote genocide, and have formed a great productive alliance against any economic reform by the military junta. Other businessmen are looking for new political alternatives to replace the fascists, but they find no support in the military.

There is no doubt that the businessmen are dissatisfied with the junta. They want to replace it, but they need the backing of the fascist sector of the army, or of Abdul Gutierrez' followers, since the young military officers do not want to support the genocidal businessmen.

Christian Democracy and Calvani

[Question] Is the Christian Democratic Party aware of the path it is following?

[Answer] The PDC is aware of the adventure it has embarked upon, and so today all it wants to do is save its prestige. Other parties are helping it in that effort, including the interventionist party of Aristides Calvani. Duarte is in

a political coffin, so he is not interested in suspending his pact with the fascists. Moreover, Duarte is a puppet of the armed forces, as Col. Garcia has already admitted among friends. It is Foreign Minister Chavez Mena who is exploiting this situation; he wants to form his own party, so he is advocating a political solution that he can use as a springboard for his presidential candidacy. He is offering himself as a vedette for the military in a new farsical and theatrical political solution that would culminate with elections in 1982.

The rank and file of the Christian Democratic Party regret not having joined the MPSC [Popular Social Christian Movement] when it broke off to join the FDR.

Indeed, the Christian Democratic facade in El Salvador is about to crumble. Leaders such as Morales Erlich have fallen into a neurotic crisis that reflects their moral, psychic and physical defeat when their program failed and they played into the hands of the fascists, who have made them prisoners in order to exploit them. The democratic parties of several countries have called upon the PDC to renounce the junta; others have suggested that they seek a political solution. But the Christian Democrats led by Duarte have responded that there can be no international mediation, that the only solution is the 1982 elections and prior pacification.

This illustrates Duarte's intransigence and arrogance as a pathological, sick and decadent leader committed to a genocidal ware that in the past 18 months has caused 18,000 deaths in our country.

What Happened After General Offensive

[Question] What happened militarily after the 10 January offensive?

[Answer] After the 10 January offensive, the army devised a strategy that we could divide into three operative phases.

The first campaign operation of the army was intended to contain the FMLN offensive; that strategic contention lasted from 25 January until the middle of March. The second campaign operation began in March, with the object of culminating with a military victory in Guazapa and Morazan. They cannot hide its failure. In the third campaign operation, proposed to last from May to August, they intend to engage in a decisive battle so that they can claim victory and assert that they have won the war.

This strategy was unable to achieve any of its military objectives because it came up against active resistance at the front. Troops were attacked in transit. There were 261 military actions against them, including ambushes, harrassment, captures and sabotage, all in the month of February. There were 345 operations in March and 228 in April.

This response by the FMLN has disconcerted the high command of the army, which is confronting an irregular FMLN army that is defending free zones, employing guerrilla warfare and hit-and-run tactics. Thus, the army has not been able to achieve its objectives, although it has not given up its desire to continue pushing a genocidal offensive that only succeeds in strengthening our people's will to fight against the aerial bombardments and artillery fire that lead to depopulation, emigration, and suffering by children, old people, youths and women. The world already knows all the criminal means the Salvadoran fascists have had to resort to, and now the only thing left to say is that the Salvadoran people on the battlefront have a heroic, organized and creative attitude.

We have driven back the enemy's counteroffensive not only with the FMLN operations, but also locally organized popular efforts that have developed creative and ingenious defenses. We have managed to develop anti-aircraft tactics, tunneling to protect against artillery and napalm, and trenches. In short, tactical resistance on the lines of defense has allowed the FMLN and the people to defeat the army's counteroffenses on every front, to repel military operations and consolidate our organizational efforts on those fronts.

Local power is today the basic weapon of the people to overcome the war of extermination. Without that popular bulwark, there would be no surviving the savage attacks in which small geographical areas are subjected to the bombardment of 1,000 105 mm howitzers, hundreds of bombings for 2-week periods. These campaigns can cost as much as $5 million in 2 weeks, as in the case of Guazapa. That gives an idea of the massive and criminal use of this firepower, which means U.S. aid.

The upshot is that the progress of popular techniques in minimizing the effects of bombardments of the population, through the use of tunnels, fortifications, trenches, sniping, and guerrilla hideouts, enable us to counter enemy attacks. We are also able to overcome the enemy's campaign of confusion and demoralization with the messages of Radio Venceremos, which report to our people on the real advances of our struggle, without creating false expectations. These reports present specific facts that are transcribed from the war dispatches of the FMLN information section.

The army has had to lie to the international and national press at the end of every offensive; it has had to say that it has taken positions such as those at Roblar in Guazapa, or Aguacaya in Morazan. Actually, it found nothing, much less struck the FMLN. The army is trying to win the propaganda battle in order to cover up its military failures.

Internationalization of Conflict

[Question] Is an internationalization of the conflict possible?

[Answer] The United States is trying to compromise all the Central American governments in a hostile policy toward the FMLN. So far only Guatemala has responded to this policy of hostility. Now the United States is stirring up border disputes in Honduras, using the ex-Somozist bands that have built border camps between the two countries and are provoking actions against the Sandinist revolution. In turn, these same bands are attacking the Honduran army in order to provoke situations that favor the traitorous officers of the Honduran army. Those traitors are few in number, since most of the young Honduran officers do not want war and are not hostile to FMLN policies. They know we respect the patriotism of the Honduran officers who oppose war with the Salvadoran people and the Nicaraguan people.

The reactionary circles in the Reagan Administration are encouraging Central American border disputes. They are promoting the organization of the Costa Rican army, and are the same groups that want to overthrow Gen Policarpo Paz because of his neutral position.

The FMLN condemns and repudiates the war-mongering plans of the U.S. Government, just as it condemns plans to destabilize various governments in the region. We

interpret these acts as a systematic policy of provocation by the United States in order to create the necessary conditions so that it can invade Nicaragua and El Salvador with its own troops.

The FMLN would like to alert international public opinion to these criminal and adventurist maneuvers by the imperialists, which have rapidly turned our country and the entire region into a center of international tension.

[Question] What will happen if the war in El Salvador is prolonged?

Prolonged War

[Answer] There is no doubt that the war is becoming protracted because of U.S. intervention. Therefore, we will have to consolidate international solidarity, while making an effort to strengthen the monolithic unity of the FMLN as a guarantee of triumph. We must make our military campaigns more widespread, accelerating the hit-and-run war, strengthening the pluralist alliance with the FDR, further improving quality in FMLN military campaigns, and convincing the sectors outside the FDR that it is possible to work together on points of common interest.

There are difficult months ahead for the enemy, because we are entering a new phase in the revolution. The FMLN will improve its performance in the struggle alongside the people to achieve national liberation once and for all.

Cmdr Ferman Cienfuegos, member of Farabundo Marti National Liberation Front General Command.

8926
CSO: 3010

GOVERNMENT ANSWERS CRITICAL 'EXPRESS' EDITORIAL

FL311959 Bridgetown CANA in English 1910 GMT 31 Jul 81

[Text] St Georges, Grenada, 31 Jul (CANA)--Grenada's People's Revolutionary Government (PRG) has reacted angrily to an editorial in the Trinidad EXPRESS newspaper urging Caribbean community (CARICOM) governments to isolate the PRG.

In a statement issued last night, the PRG said the call for isolation made by the EXPRESS is part of the "efforts by the U.S. Government and reactionary forces in the region to turn back the people's revolution." The PRG is not surprised at the call by the EXPRESS for isolation of Grenada because, the statement said, the EXPRESS has been the most rabid opposer of the Grenada revolution from the very beginning and has carried over 150 attacks on the revolution at the rate of three a week.

"The EXPRESS and its managing director, Ken Gordon, head the list of a clique of regional newspapers and newspaper owners who have aligned themselves with U.S. imperialism and its local and regional agents in an overall plan to turn back the Grenada revolution," the statement said. The clique, the statement added, includes the Jamaica GLEANER, Trinidad GUARDIAN, Barbados ADVOCATE and NATION, the VOICE of St Lucia, the VINCENTIAN and others.

The statement claimed that EXPRESS managing director Ken Gordon wrote most of the articles and editorials in the EXPRESS attacking Grenada. It referred to his involvement with the Caribbean Publishing and Broadcasting Association ("an organization of owners of the hostile newspapers mentioned earlier"), the IAPA ("controlled by the U.S. Central Intelligence Agency") and his chairmanship of the board of the Caribbean News Agency (CANA).

"Thus," the statement said, "when attacks on the revolution are made in these newspapers, it is not the voice of the people of the Caribbean, but the voice of Ken Gordon alone who sits at the top of the clique of anti-Grenada elements in the regional media."

Only a few weeks ago, the statement said, the U.S. State Department called a meeting in Washington for "all of the most reactionary and conservative newspapers in the English-speaking Caribbean" and, according to the statement, these newspapers were offered U.S. assistance in return for stepped up attacks on Grenada.

"And since that meeting, hardly a day has passed without an attack on the Grenada revolution by one of these newspapers," the statement said.

The statement urged Grenadians to learn more about "genuine press freedom and propaganda destabilization" so they will not be confused when enemies of the revolution "hide behind false concepts of press freedom to attack Grenada where genuine press freedom is being pursued." Grenadians were also called upon to be vigilant "in this time of intensified attacks on the revolution," because, the statement said, the U.S. Government, the State Department and the CIA have already set a deadline for the overthrow of the PRG and the "turning back" of the revolution.

CSO: 3025/1024

TABLOID PUBLISHED ABROAD CRITICIZES GOVERNMENT

FL271802 Kingston THE DAILY GLEANER in English 21 Jul 81 pp 1, 14

[Article by "a political correspondent"]

[Text] THE GRENADIAN, an eight-page mini-tabloid purporting to be published by overseas-based Grenadians committed to leading Grenada out of "oppression and tyranny," appeared on the streets of Trinidad this month mere weeks after Grenada Prime Minister Maurice Bishop slapped a ban on the printing of all newspapers in Grenada for "one year or until the government has formulated a media policy."

Published in Port of Spain, THE GRENADIAN is distributed free.

In a front page introduction headlined "About Us," the publishers described themselves as a "patriotic alliance" of overseas-based Grenadians dedicated to the cause of returning their beloved country to the state of complete freedom which its sons and daughters once enjoyed, and which is enshrined in the UN declaration of human rights. The paper also published in total, the text of the declaration.

The paper invited Grenadians "at home and abroad, to join in the movement to unshackle our country from the heels of oppression and tyranny, perpetrated in any form."

Monetary contributions and articles were also invited but Grenadians at home were warned: "Do not post letters to us. The Bishop regime will not hesitate to open them at post offices. Send your mail through private and safe hands."

The paper's front page story was headlined "Cuban Experts Fleeing" and told of large scale defection out of Grenada by Cubans "sent by Castro to prop Bishop's communist revolution."

According to THE GRENADIAN, "even though the Cubans are treated as 'angels' from the high in Grenada, they are using the 'comrade' sister isle as an avenue of escape from the oppression of communist Cuba."

The Cubans were said to have defected to Union Island, part of the State of St. Vincent and the Grenadines, Barbados and Canada.

THE GRENADIAN said that Cubans sent to Grenada are now being closely guarded while on the island and the families of those who defected are now being detained so as to discourage further defections.

Also on the front page was a cartoon of a harassed-looking man surprised at his desk by a gun-toting youth. The caption? The pen is stronger than the gun!

Features inside the paper included "The Year Between," a summary of the past year which they said was marked by "killings, arbitrary arrests and illegal detention."

The paper's editorial, "The Pen Is Mightier Than the Gun," called on Caribbean Governments to "dissociate themselves completely from the Bishop regime in Grenada," since "any doubt that may have lingered in the minds of the Caribbean leaders as to the wisdom of this course must now be dispelled by the action of the country's communist regime in stamping out the latest attempt at democratic expression in the country."

The editorial referred to the ban slapped on the publication of newspapers in Grenada for a year or until the government has worked out "a media policy" and more specifically to the ban on the publication of THE GRENADIAN VOICE which published its first and only edition one month ago. THE GRENADIAN said it had no connection with THE GRENADIAN VOICE but described it as "an attempt by a group of democratic-minded Grenadians to express an alternate viewpoint to that of the Bishop regime."

The editorial continued "THE VOICE was eagerly received on the streets of Grenada by a people all but constipated by a diet of communist propaganda, fed to them through the media of the so-called FREE WEST INDIAN and the 'NEW JEWEL,' two regime-controlled publications." "THE VOICE's only crime was that it called for full, free and fair elections. This in Bishop's eyes, is the supreme counter-revolutionary crime."

The paper commended Barbadian Prime Minister Tom Adams, "for his public condemnation of Bishop's illegal stranglehold on Grenadians;" "the refusal to keep his promise of early, free and fair elections and among other repressive acts, his contempt for the rule of law."

"This publication," the editorial concluded, "the voice of Grenadians overseas who are not prepared to see their country beneath the heels of Bishop's communist dictatorship, calls upon all Caribbean leaders to speak out in defence of 'democracy.' Grenada must be truly free!"

Meanwhile, Grenadian farmer Dudley Francis, a shareholder in Spice Island Printers, publishers of THE GRENADIAN VOICE has dissociated himself from the company according to a government release issued on July 17. In the release the government called the group of 26 shareholders of the company "a counterrevolutionary group" and said that in a signed statement Francis said that he was disassociating himself from the group since he has learnt that the paper has "CIA implications." Francis said that he had bought shares in Spice Island Printers only because he was told that it had met all legal requirements.

THE GRENADIAN promised to tell in its next issue about conflicts in the people's revolutionary government, the reasons why Dr Bernard Gittens, until recently secretary in the Ministry of Health has resigned and pictures and stories surrounding Mrs Angela Bishop's alleged emigration to Canada.

CSO: 3025/1024

ARMY EXHIBITS SEIZED WEAPONS AT PRESS CONFERENCE

Guatemala DIARIO DE CENTRO AMERICA in Spanish 14 Jul 81 p 5

[Text] The weapons and all other implements used by subversive groups discovered in zones 15 and 12 of this capital were displayed this morning by the Army of Guatemala at general headquarters where a press conference was held furthermore to disclose details on the final results of the operations carried out to thwart the subversive actions of those groups.

Here is the information supplied by the public relations section of the Army.

This is to announce the results achieved by the security forces whose operations smashed two training and operations centers of Communist terrorist groups in two sectors of the capital city on Thursday, 9 July, and Friday, 10 July, of this year; the public has already been informed of these operations through partly official reports as well as the efforts of the communications media regarding these events.

The forces of law and order prevented the public service agencies (fire department, Red Cross, social security) and newsmen from gaining access to zones 15 and 12 in the capitol during the fighting around those strongholds to prevent deplorable consequences deriving from some accident caused by explosives placed in the respective areas and due to the investigations necessary in this connection. Every safety measure was taken to prevent innocent persons from being hit.

On this occasion we present for public display the weapons, the raw materials for the explosives used in the manufacture of terrorist devices, ammunition, communist propaganda material, and other documents relating to unlawful operations which were to be carried out by the terrorists. In this way we revealed the manner in which an attempt was made upon the life and integrity of honorable Guatemalans who are exclusively devoted to their work. This material is a part of the arsenal that was in the hands of the seditionists since a considerable portion of that material was destroyed by an explosion when the stronghold in zone 15 was broken up.

At this time we continue with the task of mopping up the area where the building was located; this operation has been made more difficult by the current rainfall and because special detection equipment is being used, primarily to discover presumably buried mines, grenades, and explosives. The cooperation of the public is required to the extent that everyone should stay away from the sector mentioned so that the mop-up squads may be able to work with every necessary care and avoid accidents.

Production Unit

We have in hand documents proving that the building at 10-09 11th Avenue, zone 15 (Vista Hermosa III) was used as a "production unit" involving the use of various materials, in different manufacturing or series-production sections which turned out components for explosives, electrical materials, fiberglass, and detonators; they also made uniforms and graphic reproductions. In this sector there was also a special security system involving contact mines placed around the house and this quite irresponsibly constituted a real threat to the neighborhood, to nearby high school children, passers-by, and visitors who were unaware of the situation.

During the actual engagement, the terrorists tried to burn all the documentation, which they did partially, as evidenced by samples confiscated and now on display. The heavy explosion, which caused the building to collapse, brought about the main destruction resulting from the explosion of a mine and a part of the explosives inside a department store.

In connection with this event, it was recently reported that another three corpses were found and taken to the appropriate judicial authorities, apart from those that have already been buried. Only one of the dead was identified as the bricklayer Roberto Taz Chocoy, from San Juan Comalapa, Chimaltenango. The identity of the other dead persons who resisted the forces of law and order is not known officially. The building mentioned was the property of a dentist by the name of Dr. Francisco Meneses who has not been located so far.

Here is a description of the house used by the seditionists in zone 12 of the capitol city.

Here is the story on the seditionist stronghold spotted by the forces of law and order at the intersection of 30th Street and 3rd Avenue in zone 12 where 16 terriorists were killed; their corpses have been taken to the appropriate judge. This was a center that was used as a military materiel shop for supplying the seditionists, a hospital to enable wounded and sick terrorists to recover, and a hidding place for kidnapped persons. It was run by a special group charged with kidnapping persons, the same group that carried out the latest kidnappings in order to demand ransom. During the clash on Friday, 10 July, and in the house mentioned (1-69 30th Street, "El Carmen" development, zone 12) authorities furthermore discovered a center for training persons who were to operate in various parts throughout the country's interior. Here likewise instruction was given and special skills were taught to seditionists who were going to Cuba and Nicaragua.

The vehicles that were destroyed during this most recent operation were used to transport weapons and personnel; they were provided with various, carefully forged license plates, very similar to the legal ones. These were cargo and light vehicles apparently earmarked for terrorist operations.

The building belonges to Col Pedro Rodriguez Valenzuela, Ret., who rented it some months ago to two persons who, according to subsequent investigations, turned out to have posed as engineers and who deceived the owner with false documents.

In the stronghold in zone 12 it was possible to identify only Mr Antonio Perez Miranda, an individual who was "rescued" by an unknown group from the "El Hermano Pedro" Hospital in the capital city several days ago and who then reported himself as having been kidnapped.

The seditionists usually employed this trick for the purpose of creating an atmosphere of insecurity among the population. The seditionists used self-kidnapping systems to create a psychosis to promote their terrorist operations. They also used this method to cover up the disappearance of personnel whom they were sending to Cuba, Nicaragua, and other countries to have them learn the tactics and techniques which they would later on use in Guatemala.

The corpse of Mr. Lopez Miranda was found inside the above-mentioned house, showing evidence that he had been given serum and medications and that he was apparently on the way to recovery.

Concerning the renting of buildings, the authorities hereby wish to warn building owners to make sure that they exercise the utmost caution when they enter into rental contracts to prevent results such as those we deplor now.

It is necessary to demand proper identification, with complete evidence as to the status of applicants when buildings are rented.

We want to take this opportunity to note that the forces of law and order not only are making every effort to assure the safety and protection of honorable citizens but also are devoting their resources to the control, prosecution, and fight against crime in this case involving the terrorist seditionists who are trying to cause disorder and unrest among worker families. We want to express our appreciation to the fire department, the Guatemalan Red Cross, and other service agencies and institutions as well as the mass communications media for their cooperation primarily in connection with the events described above.

The forces of law and order, supported by honest citizens, are fully capable of fighting terrorism and maintaining a climate of stability which the population needs to work in peace and thus to contribute to the country's growth.

Below is a list of the weapons, production material, and various articles confiscated in the destroyed seditionist strongholds; some of the weapons on display were captured by the seditionists through holdups and criminal actions carried out through attacks on members of the forces of law and order in various parts of the country.

List of Confiscated Items

Production Materials

Machine for making [shell] fragments; molds to improvise glass-fiber vehicle mud guards; molds to forge vehicle license plates; raw material for making "claymore" mines (resin, textiles); contact cement, TNT, compound C-4, exploders, batteries, wire coils, etc.; pieces of cloth for uniforms, stationery, writing tools, ink, typewriter, etc.; molds for fragmentation grenades.

Weapons

Mortar, 60-mm; AR-15 rifles, 5.56-mm; M-16 rifles, 5.56-mm; shotguns, 12-mm caliber; machine guns, various makes and calibers; machine gun, 50-mm; machine gun, 30-mm; M-6 machine guns; FAL rifles; Hornet-22 rifles; Bangalore torpedos [Chinese sticks], PPG-II; mortars, 60-mm; grenades for Chinese sticks; Russian fragmentation

grenades; M-79 rifle grenade launcher; M-79 rifle grenades; rifle grenades, 40-mm for M-79 and 60-mm mortar; ammunition for 50-mm [cal .50] machine gun; ammunition for 30-mm [cal .30] machine gun; ammunition for 7.62-mm rifles; ammunition for 5.56-mm rifles; rifles, various makes and calibers; "claymore" mines; shotguns, 12-mm [12-gauge], automatic and pump; home-made bomb manufacturing material; fuzes; flak vests.

Miscellaneous

Compasses; assassination plans; kidnapping plans; wigs for use in kidnappings; forged license plates (domestic and American); large quantities of medicines; training material (literature and internal documents); military equipment items.

5058
CSO: 3010/1579

OTTAWA ECONOMIC SUMMIT SEEN AS INCONCLUSIVE

FL051956 Kingston DAILY GLEANER in English 30 Jul 81 p 10

[Editorial: "Futile Summit"]

[Text] While there may have been some "clearing of minds" at the economic summit in Ottawa last week, it would appear that, as in the case of the six annual summits before, there is no real assurance that the alliance is any more decisive on the actions to be taken to arrest the adverse trends developing in the world economy. Hopes of a consensus and of an explicit policy statement to which the rich countries would be committed seemed to have been futile.

On the critical issues of a more equitable balance of the world's resources which would mean improved economic assistance to the Third World deficit countries, and the turn toward economic nationalism in the industrialized countries, there has been little agreement. Nor has there been any indication that the anti-inflationary measures and, in particular, the high interest rate policies being pursued by some industrial countries will be eased. In the case of the latter, not only is this of serious consequence for the developing countries trying to expand their economies but the monetarist policies are also affecting economic growth in the major countries themselves. The impact is already catastrophic for the European countries where the unemployment rate is back to that of the great depression of the 1930's.

The steady drift towards protectionism, as the developed countries impose restrictive trade practices, will hurt efforts of economies, like Jamaica's, to develop a viable export sector and to strengthen their economic base. For declining commodity prices as well as a decline in the volume of trade must affect the capacity of Third World countries to service their international debts. The lack of any progress toward the free trade concept in the Western alliance may be attributed, in part, to ambiguities in U.S. policies reflected in, for example, the limits placed on Japanese motorcar imports. The Reagan government has a responsibility to be explicit in its trade and tariff policies. What now obtains is a divergence from declarations of commitment to "free and open trade."

The other leaders also have a responsibility. The persistence of artificial trade barriers coupled with the suppression of domestic demand reflect the protection of narrow domestic interests at the expense of a vibrant world trade. It is unfortunate that in spite of the proposals for a reform of the World Bank and its affiliate lending agencies to facilitate improvements in assistance to the poor Third

World countries, now experiencing a massive balance-of-payments deficit of over U.S. $100 billion, the summit failed to reach consensus. The search for agreement on this and also on the vital matter of protection to commodity-dependent countries must now be turned to the north-south dialogue in Mexico in October. But the history of foot-dragging on these and other issues in this forum gives no cause for hope.

CSO: 3025/1024

MINISTRY ANNOUNCES MEETING TO DISCUSS SUGAR

FL311935 Bridgetown CANA in English 1730 GMT 31 Jul 81

[Text] Kingston, Jamaica, 31 Jul (CANA)--Price negotiators from the sugar-producing states within the African, Caribbean and Pacific (ACP) group of countries were meeting in Brussels today to work out a countermove to the EEC's latest position, the Jamaica Foreign Ministry said.

The EEC said that it could grant no more than its original offer of a 7.5 percent increase in the guaranteed price for ACP sugar.

According to the Foreign Ministry here, the ACP sugar subcommittee was called to session today after receiving a letter from EEC Commissioner Edgard Pisani stating that the recent meeting of the EEC's Council of Ministers "did not feel able to offer an increase in the guaranteed price for 1981-82 or more than 7.5 percent."

The EEC made the offer in May and it was rejected by the ACP sugar producers, who said that the hike should be no less than 8.5 percent to confrom with increases granted to European beet sugar producers.

On the eve of the EEC Council of Ministers' meeting earlier this month, the chairman of the ACP Council of Ministers, Jamaica's Foreign Minister Hugh Shearer, wrote to his European counterpart, Britain's Lord Callaghan, asking that the EEC review its position.

Mr Shearer also pointed out that production costs for ACP sugar-growers had been subject to high rates of inflation similar to those experienced by EEC members and other developed countries, and on that basis alone even a higher rate of increase would have been justified.

He also pointed to the higher shipping costs for taking ACP sugar to Europe.

The Foreign Ministry said that although the EEC had said that its original guaranteed increase "remains on the table" it had agreed to study the freight costs.

The Europeans have said that they were prepared to have further talks during August.

The new sugar prices should have come into force on 1 July, but an official of the EEC mission here could not say whether, on agreement, payments would be retroactive to that date.

CSO: 3025/1024

BRIEFS

CRIME ACT EXTENDED--Kingston, Jamaica, 30 Jul (CANA)--Jamaica's tough suppression of crime act, which gives the security forces wide powers of search and arrest, has been extended for a further 4 months. The act was introduced in 1974 by the former Michael Manley government as part of an all-out effort to curb violent crime and it requires period extensions by Parliament. Opposition member Tony Spaulding charged during debate on the measure that there was an "eradication squad" which terrorized opponents of the government. Recently the opposition People's National Party (PNP) met with police Commissioner Bill Bowes to complain of harrassment of its supporters in some rural areas by police officers, and the commissioner promised a full investigation. Said Mr Sapulding during the debate: "The government has been silent about the excesses by certain police officers and the army and the government has a responsibility to all the people of the nation to make sure that law and order is maintained." National Security Minister Winston Spaulding (brother of the opposition MP), like other government members, argued that crime had in fact been on the decrease and denied the presence of any special terrorist squad in the police force. [Text] [FL302135 Bridgetown CANA in English 1904 GMT 30 Jul 81]

FIVE MILLION ROK CREDIT--Kingston, Jamaica, 30 Jul (CANA)--A 5 million dollar (US) South Korean line of credit to Jamaica will be ready sometime next month, Industry and Commerce Minister Douglas Vaz has said. Mr Vaz' announcement followed talks this week with a team of South Korean parliamentarians, the Agency for Public Information (API) said. Mr Vaz, the agency said, proposed to the Koreans that a trade mission from Jamaica should visit Korea later this year to determine how best this line of credit could be used as well as to seek opportunities for Jamaican exports to that country. He anticipated significant increase in trade between Korea and Jamaica resulting from the line of credit, but hoped that in the near future the trade imbalance between the two countries, which now favored Korea would be lessened. [Text] [FL302223 Bridgetown CANA in English 2157 GMT 30 Jul 81]

FRG LOAN AGREEMENT SIGNED--Kingston, Jamaica, 1 Aug (CANA)--West Germany is providing Jamaica with a 10 million mark (7.1 million Jamaican dollars) loan to finance purchases from Germany. The agreement has been signed here by Prime Minister Edward Seaga and German Ambassador Karl Leuteritz. The money can be used to buy industrial raw materials and equipment, agricultural machinery, spare parts, chemical products and advisory services from West Germany. The loan carries a 4.5 percent interest and will run until the year 2001 after a 5-year grace period. It is the third loan Jamaica is receiving from West Germany since last November and it brought the total to 16.7 million Jamaica dollars (1 JCA dollar is 56 cents U.S.). [Text] [FL031245 Bridgetown CANA in English 2115 GMT 1 Aug 81]

CSO: 3025/1024

RETALIATIONS AGAINST FRANCE ANNOUNCED

Mexico City EL SOL DE MEXICO in Spanish 5 Jul 81 pp 1-A, 4-A

[Text] The government of Mexico yesterday decided to remove French firms from all national development projects, in response to the action taken by the French Petroleum Company, with which Mexico is also suspending its petroleum contract.

France had agreements with our country in programs such as the Mass Transit System (Metro), automobile production, and reactors planned for the Mexican nuclear power program, for which France had been invited to bid.

This decision was announced yesterday by the department of patrimony and industrial development in a short press statement which pointed out that the contract for petroleum supply from Mexico to France is part of a broader economic cooperation agreement between the two governments.

Deputies who are members of the patrimony and industrial development commission supported this decision by the Mexican government to remove all French firms from our national development projects.

"Petroleum is not just a merchandise for earning currency for us; it is also a tool to achieve our full development through the acquisition of other goods and through the transfer of technology," said the legislators Guillermo Gonzalez Aguado and Pedro Pablo Zepeda, both of the PRI [Institutional Revolutionary Party].

Zepeda said that Mexico's position and policy are both very clear, because the oil contracts with France--like those with other countries--have the exchange of goods as other objectives.

Mexico's decision not to handle its hydrocarbons just as merchandise, but to use them to help its national development has won widespread support, he said.

The legislator from Chiapas added that the technological and economic expansion programs will not be delayed because of this decision made by the government, and released through the department of patrimony and industrial development.

In the case of the reactors for the electric power program, Zepeda mentioned that the bidding process now being conducted includes Canada, France, and the United States as participants, so Mexico may receive one or more proposals for the project.

The deputy insisted that Mexico has always tried to diversify its sources of supply, so that the cancelation of contracts with the French firms will not impede its progress.

He then said that the policy set in the petroleum contract can not be ignored, that it is part of a broad cooperation agreement, because "oil is a negotiating tool that is also designed to replace imports."

Valery Wouldn't Have Done This: Statement by the PDM

The spokesman of the PDM [Mexican Democratic Party], Jesus Zamora, after supporting the decision, said that Valery Giscard d'Estaing, the former president of France, would never have taken the action "of a socialist government like the Mitterrand government."

He said that this is a sign of the hostility of socialism toward Mexico and no matter how much our president may try to establish broader ties of friendship with the French, we have to remember that "socialism is socialism."

In his opinion, this is the start of a collapse in our national economy, worse than the one in 1976 and therefore "it is essential for the Mexican government to inform the people officially of this situation concerning petroleum and of the contracts with the purchasing countries, because the government is not directly responsible for a shift in the French position with regard to Mexico."

The Official Statement

The text of the communique released by the department of patrimony and industrial development is as follows:

"The contract for Mexico to supply petroleum to France is part of a broader economic cooperation agreement between the two governments. Consequently, given the action recently taken by the French Petroleum Company, the government of France will act to suspend this contract and also to remove French firms from all national development projects, such as the Metro, the automobile production project, and the reactors planned for the Mexican nuclear program, for which they had been invited to take part in the bidding."

French Advisers for the Metro System

The Federal District department had an agreement with France to furnish advisers to help supervise the construction of the subway cars that are being manufactured here.

There was also a purchase contract pending for Metro with a French firm which, because of the Mexican government's decision, has now been canceled.

Private Industry Remains Silent

A number of persons from private industry were asked about this decision by the Mexican government. At first they expressed surprise, then refused to give any opinion.

Francisco Calderon, the director of the Coordinating Business Council, said that he will first have to read the statement and then he will discuss it with the members of his organization.

No Comment from the Embassy

The embassy of France to Mexico last night told reporters through a staff member: "For the time being we have no comment."

Because of the insistence of the reporters, the improvised spokesman said that on Monday the French diplomatic mission may give its views on the Mexican decision to remove French firms from all Mexican development projects and to cancel the petroleum contract.

Nonetheless, just last Friday, the ambassador from Mexico to France, Horacio Flores de la Pena, met with officials from the French ministry of energy and then released a statement pointing out the desire of France to establish closer relations with Mexico in the field of energy.

Therefore, according to reliable sources, it was clear that the suspensions of the contract for the purchase of Mexican petroleum by France should not endanger relations between the two countries on energy matters.

The statement from the ministry said that the French government has restated its desire to expand close relations with Mexico in the field of energy as an element of the economic cooperation agreed upon in February 1981 with the signing of an intergovernmental agreement. This remains valid, despite the problems caused by the present situation in the execution of the contracts.

The French Petroleum Company decided to halt its purchases of Mexican petroleum, as provided for in the contract signed in March 1980, because of Mexico's price increase of $2 per barrel.

At the beginning of this year, the French firm was buying 100,000 barrels of petroleum a day.

7679
CSO: 3010/1541

CONAGUSA BUILDS FIRST TWO LARGE VESSELS

Mexico City EL SOL DE MEXICO in Spanish 4 Jul 81 pp 1-A, 17-A

[Article by Jaime Gonzalez Mora]

[Text] Guaymas, 3 Jul--This month over 1,000 Mexican workers are to begin the simultaneous construction of two large grain vessels of 22,000 tons each here.

The Mexican share of this project is 67 percent; Mexican technicians and workers will use 8,640 tons of processed steel (specially made for this type of construction) in both ships.

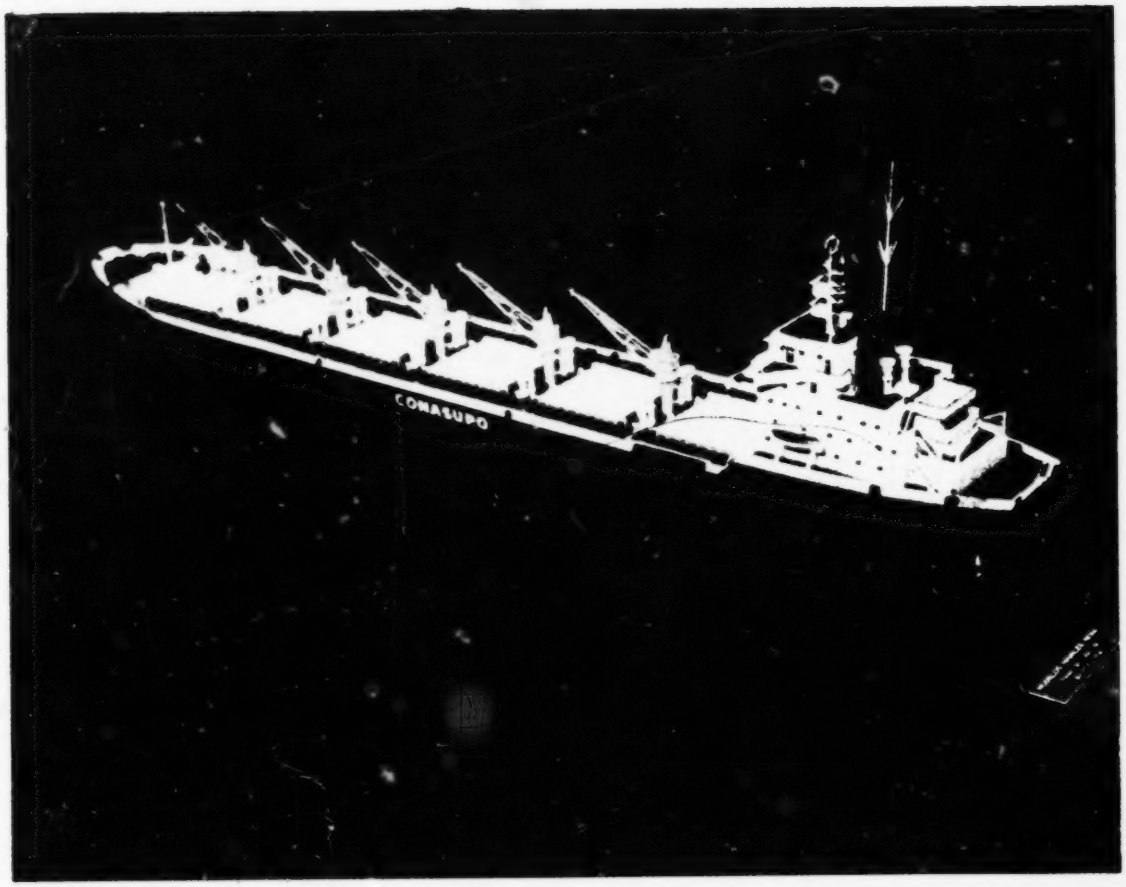
This will mark the beginning of our country's construction of large ships, specially designed to meet the needs of a nation like Mexico, with a coastline of 10,000 kilometers and shallow ports.

Until now the largest ships that have been built here have been tuna boats of about 750 tons.

In an area of 42,000 square meters, which this year will be expanded by an additional 36,500 square meters, highly skilled workers such as "El Yaqui," Jose Francisco Armenta Molina, will work to achieve the dream of Mexican naval engineers: to build large ships in Mexico.

At the same time as work is being hastened to complete the six steel tuna boats now in the drydock, CONAGUSA [Guaymas Naval Construction] is doing the civil engineering work to enlarge these drydocks, in order to make room for the 165-meter hulls of the two future ships.

Although this type of grain ship is very similar to Spanish ships that are already at sea, it still took 88,000 workhours in order to draw up the plans and calculations, since these ships will have to have some very special features for our waters.



In a few days the construction of these 22,000-ton ships will begin in the Guaymas shipyards. They will be used to transport grain, and are designed to meet the requirements of our coasts.

The 74 crew members (37 for each ship) will have to wait 2 years before going to sea in these ships, even though the hulls and the superstructures may be visible within the next 12 months.

The preparations for this major project include hard work on the construction of four huge cranes of 25 tons each; these are also being built by Mexican labor. This is being done in the same place where the ships will be built.

The work is being done at such a rapid pace that the vast majority of the 150,000 inhabitants of the port are unaware of the work that will begin in the shipyard in the middle of the month, and also do

not know that before the end of this year, ship construction will probably have become the leading economic activity of Guaymas, because of the number of jobs (CONAGUSA expects to increase its jobs for laborers to 1,600 before next December) and the related businesses that will have to grow along with this CONAGUSA expansion.

To give the reader an idea of the capacity of the facilities of this firm, which is one of the three that form the semi-state Mexican Shipyards conglomerate, the engineers say that it will be possible to build simultaneously 10 to 12 sardine or tuna boats, six to eight steel tuna boats, and three 22,000-ton merchant ships, all in the period of 1 year.

From Simple Shrimp Boats to 22,000-Ton Steel Vessels

Workers who started at CONAGUSA 23 years ago never dreamed that from the little wooden shrimp boats they built then, which were 8 meters long, they would eventually take part in the construction of 22,000-ton merchant ships.

One of these men is known as "El Yaqui." When he was 15 he came to the shipyard and was put to work sweeping up wooden scraps. Little by little he moved ahead until he became a specialist in hydraulic systems with 18 skilled workers and six assistants under him.

During his 23 years in this business, he has worked on the construction of 130 ships, and now, when he is getting ready to work on the biggest job he has yet had, he says that he likes to talk to his wife and eight children about his job. They live in their own house and this year they hope to get a new pickup truck.

Moreno, "El Yaqui," with the characteristic features of his race, a friendly smile and unaffected manner, speaks with pride of his work.

Right now all his enthusiasm is concentrated on completing the hydraulics for the "805," a tuna boat of about 750 tons, 55 meters long and 11 meters wide. This boat is to be christened and ready for fishing in a few weeks.

This type of ship, which can remain at sea for 90 days and which carries a crew of 17 men, is in actuality something to inspire pride in those who have worked on its construction, for it has the most modern navigation system and inside its steel hull there are complete heating and air conditioning systems to keep the crew in comfort.

The cabins, one for each two men, have excellent fittings, each with a table, bath with a shower, and bunks with storage chests for their belongings.

The electronic equipment consists of the radio, radar, sonar, and modern satellite navigation systems.

Both the cabins and the dining facilities for the crew (including the modern kitchens with refrigeration equipment and cupboards which can carry a 3-month supply of food) were built by men like "El Cachimbas," Hector Bojorques Jerez, an excellent carpenter, who has worked here since 1964, when he was 20 years old and an assistant carpenter. He has helped to build 100 ships, from wooden ships up to the modern ships that are only 15 percent wood.

One of the four sons of "El Cachimbas" has decided to become a shipbuilder. If he does so, this could be the start of a shipbuilding dynasty.

Jose Flores Garduno, secretary general of the Ship Construction and Repair Workers Union of Mexico, commented that his union members are enthusiastic about this new phase that will start shortly.

In talking, he said, they imagine they already see the huge merchant ships that will sail out from the Gulf of Cortes, moved by powerful 14,000-hp engines which will give these ships a cruising speed of 15 knots an hour.

The union's secretary general tries to convey the admiration he feels for the new ships that will emerge from these shipyards. They are designed to transport the grains handled by CONASUPO [Government Basic Commodities Company] with their large holds specially designed for this purpose, under 24-meter beams.

The engineer Jose Luis Endrino Nevado, a pleasant and friendly Andalusian who is in charge of technical operations at the shipyard, barely mentions ships before his eyes, behind their safety lenses, take on a special gleam and a torrent of explanations about the ships pours forth.

With the plans spread out on his desk in his office whose windows overlook the entire shipyard, he points out the features that the merchant ships will have. In the keel, 1-inch thick layers of naval quality steel will be used, while the upper part of the ships will have steel sheets 1.2 cm thick.

The total weight of each merchant vessel, whose interior will even include a hospital (in addition to the infirmery) and a large swimming pool, will be 5,500 tons of upperworks.

Asked about the quality of these ships, Mr Endrino Nevado explained that each ships that leaves these shipyards is certified by the ABS (American Bureau of Shipping) so that they are as good as any ships built in the United States, Canada, or Europe.

According to an agreement signed last month between Mexico and Spain, these grain ships will be under the supervision of Spanish engineers.

Nonetheless, the actual construction will be done by 100 percent Mexican labor.

In this regard, Mr Endrino commented admiringly on the speed and enthusiasm with which the Mexican workers have learned all the specialties involved in the construction of these large ships.

CONAGUSA's technical director is certainly well qualified to judge the ease with which the Mexican workers are learning, for he was present during the training of many of them.

The general manager of the enterprise, Sergio Garcia Juarez, said that not only have the vast majority of the workers received training, but that this training will have to continue at an even more accelerated rate, since their plans will not stop with the construction of these grain ships. For that reason the skilled labor force will have to be substantially increased over the forthcoming months.

Like Mr Endrino with his ships, the manager pointed with pride to the work going on to expand the shipyard.

He noted that in the shipyard, without at any time halting work on the ships, they have been making the cranes and drydocks they need to expand production, and even the warehouses and sheds for storing materials and equipment.

In the Infernal Heat, Construction Moves Ahead

With the temperature above 38°C in the shade, we can do no less than admire these men who, blowtorch in hand, put in a full day welding the metal sheets that have been heated up by the sun.

While the visitors feel that they are melting away in the intense heat, the welders, pipefitters, carpenters, and mechanics work diligently, concealing their amusement at the sight of the sweaty faces watching them.

Sardine fishing boats of 190 tons, tuna boats of 120 tons and of 750 tons all leave the shipyards taking with them the hard work of darkskinned hands that until now were considered incapable of building steel ships. These are ships of the same type that just a few years ago Mexico had to buy abroad.

For that reason, it will be a sight worth seeing, to watch their faces while they see the large merchant ships powered by 420-ton engines sail out of Guaymas, with their propellers rotating at 120 rpm.

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END

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18 August 1981

Latin America Report

No. 2355

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BRIEFS

ENERGY SAVING PROGRAM--Buenos Aires, 29 Jul (NA)--The fuels undersecretariat announced today that the first stage of the program for preservation of energy that it has drafted will go into effect. The under secretary, Guillermo Wallbrecher, and the director of the Fuel Conservation Department, Aniceto Horacio Torrea, announced during a press conference that the first meeting with the interested sectors will take place next Friday at 1500. Representatives from the Argentine Industrial Union (UIA); the under secretary for industrial development, Jorge Gaibisso; and Navy Capt Alcide Rodriguez, chairman of the National Industrial Technological Institute, among others, have been invited to Friday's meeting. In later and successive stages the program will include the "transport" and "housing" sectors with the purpose of thus completing a course of action that will permit the country to save 2 million tons of oil by 1985. This represents 2 percent of the energy consumption that has been predicted for that year and it is estimated that by the year 2000 the saving will amount to 10 percent, which is equivalent to 8.5 million tons of crude. [Excerpt] [PY071140 Buenos Aires Noticias Argentinas in Spanish 0255 GMT 30 Jul 81]

OIL PRODUCTION--Buenos Aires, 21 Jul (TELAM)--Petroleum production in the first 6 months of 1981 increased 1.9 percent over the same period in 1980, while imports decreased by 48.4 percent compared to the first half of 1980. These figures were revealed in a regular energy report of the Ministry of Public Works and Services, in which it also notes that electrical power generation in the first half of 1981 was 1.9 percent less than the same period of 1980. [Buenos Aires TELAM in Spanish 2115 GMT 21 Jul 81]

PETROCHEMICAL PLANT--Bahia Blanca, 4 Jul (TELAM)--Today a plant for extraction of ethane, propane and butane from natural gas was officially inaugurated in General Cerri. It will permit the Bahia Blanca petrochemical complex to begin its final step of development. This plant will produce 300,000 tons of ethane per year, the basic product for making ethylene, which in turn will be used by satellite firms in processing industrial products. It will also produce 106,000 tons of butane and 70,000 tons of gasoline per year. The plant at General Daniel Cerri--10 km from Bahia Blanca--has the capacity to process 18 million cubic meters of natural gas per day under normal conditions, and it has been trial producing for the past months and shipping propane and butane throughout the country. Currently it is producing about 1,900 cubic meters of propane and butane per day, worth $500,000. [Buenos Aires TELAM in Spanish 1222 GMT 3 Jul 81]

CSO: 3010/1658

BRIEFS

GAS PIPELINE--The [name indistinct] Italian Engineering Company has signed an agreement with the Bolivian Government Oil Deposits (YPFB) and the Brazilian Petroleum Corporation (PETROBRAS) for the construction of a gas pipeline which will transport natural gas from Santa Cruz de La Sierra to Sao Paulo. [La Paz Radio Illimani Network in Spanish 1130 GMT 1 Aug 81]

CSO: 3010/1658

BARBUDA ACCUSES BIRD GOVERNMENT OF WITHHOLDING FUNDS

Bridgetown ADVOCATE-NEWS in English 10 Jul 81 p 9

[Text] KINGSTON, Jamaica, Thursday (CANA) — The tiny East Caribbean island of Barbuda, which is seeking to pull out of its political union with nearby Antigua, has accused the Vere Bird Administration in St. John's of usurping the authority of the Barbuda Local Government and of with-holding money voted to the island by the national Parliament.

The charge is contained in a letter, to Premier Bird from the chairman of the Barbuda Council (Local Government) Hilburne Frank, distributed to newspapers here.

Barbuda is a sparsely populated 62-square mile island 25 miles north-east of Antigua, with which it had a political union since 1865.

The islands are to get formal independence from Britain this November, but the Barbudans want to revert to Crown colony Status, or to have the island of 1 200 inhabitants as a separate nation — because of alleged neglect by the central Government.

In the letter Mr. Frank charged that the Administration in St. John's the Antigua capital, had withdrawn the maintainance of government vehicles from the council, which it described as a breach of the Barbuda Local Government Act of 1976.

The care and protection of government buildings in Barbuda, which should be the function of the Barbuda Council, he added, had been taken over by the central Government.

Agricultural officers in Barbuda were not under the supervision of the local Government as required by the Act, he claimed.

He also accused the Bird Administration of withholding the parliamentary allocations to Barbuda.

Said Mr. Frank: "Your Government and the Parliament of Antigua have passed the Barbuda — 1980 Estimates in which 400 000 (East Caribbean) dollars should reach Barbuda under the head Contribution from Central Government.

"Of the $400 000 enacted for Barbuda in 1980 the last contribution that Barbuda received was on the third of June, 1980 in the sum of $20 000 and the total amount in 1980 was $90 000."

Up to mid-June, Mr Frank claimed, the Barbuda Council had not received any of the 1981 contributions, and in fact had not received "one red cent" for more than a year.

He said the Barbuda Council estimated that the central Government owed it more than $1 million, excluding the annual grants for infrastructural development that had not materialised.

At the same time, the Barbuda official charged, the greater portion of Barbuda's revenues were collected by the Antiguan authorities and allocated to the central Treasury.

Mr. Frank wanted to know: "If your Government cannot meet the contribution now, what guarantees have we that there will be an improvement after November 1, 1981 (proposed Independence Day)? Can the council look hopefully for settlement of the outstanding accounts before November 1, 1981."

Antigua's Deputy Premier, Lester Bird, said last week that the Barbuda Local Government was totally dependent on the Antigua Treasury for its resources, and that those who were behind the secession move were leading the Barbudans astray.

CSO: 3025/176

BRIEFS

TRINIDAD AND TOBAGO LOAN--St John's, Antigua, Wednesday (CANA)--Antigua is to receive a loan of EC$10 million (1 EC dollar equals 37 cents US) from the Trinidad and Tobago Government. This was disclosed by Mr Hugh Marshall, Minister in the Ministry of Economic Development, Energy and Tourism, on return from a two-day visit to Port-of-Spain for talks with the Caribbean Aid Council Trinidad and Tobago's Minister of Finance, John Donaldson. According to Mr Marshall, the money will be used to improve the country's water supply system--purchase and installation of pipes across the island and construction of two water storage tanks. The minister noted that while he was in the twin-island republic, tender documents were also circulated to a short list of four Trinidadian firms for supply of the pipes. [Text] [Bridgetown ADVOCATE-NEWS in English 16 Jul 81 p 3]

CSO: 3025/178

TEXT OF JUSTICE MINISTER'S EXCLUSIVE INTERVIEW WITH 'LA PRENSA'

Lima LA PRENSA in Spanish 19 Jun 81 p 8

[Interview with Argentine Minister of Justice Amadeo Frugoli, author, time and place not given]

[Text] "Never let this happen in Peru," said Argentine Minister of Justice Amadeo Frugoli in an exclusive interview with LA PRENSA. Dr Frugoli is a national deputy for the Democratic Party of Mendoza and a former university professor. He told of the era of terrorism in his country, when Marxism made the people think that violence is a means of fighting for rights that have been infringed upon, and violence was spread throughout the country.

"Many died, but it was the subversives who started it. . . first with university students advocating violence, then a telephone pole blown up here and a bomb set off there, followed by kidnapings and assassinations."

"That is why," says Dr Frugoli, "no one must let violence become an instrument of political action. We must not fall into the dialectical trap that violence from above engenders violence below. Either the state has a monopoly on force, or it ceases to be a civilized country. There are certain things we must defend, even with weapons."

In the interview that appears on this page, Dr Frugoli presents his testimony about part of Argentina's recent history. He is an exceptional witness, having been a deputy when Campora took office, and there was political, social and economic chaos engendered by Marxist infiltration; when Peron arrived; when Maria Estela de Peron succeeded him; and when the armed forces took over the government.

"This has not ended," he went on to say. "It is a strategy of waiting for the whole social order to erode, for everything to fall apart. . . You may think I am exaggerating. No! You have to have lived through it."

Diabolical Marxist Subversion

"Marxist subversion is part of a strategy of international dimensions, diabolically ingenious, which aims to destabilize the free institutions of the West, exploiting real or imagined contradictions in our system of social, political and economic organization," said Dr Amadeo Frugoli in response to our questions.

"You have to have lived through Marxist subversion to be able to understand it," he said, adding that he could talk for hours on the subject, attesting to a terrible time for the people of Argentina.

[Question] But the people. . .?

[Answer] Unfortunately, many well-intentioned people do not grasp the serious nature of this problem.

[Question] How did the problem of subversion begin?

[Answer] Around the sixties, in isolated events. One day they destroyed a telephone pole; another day they set off a bomb in a refinery. . . I would say it started with the meanderings of the Illia Administration, which were accentuated with the military government.

[Question] Was it accentuated with Campora, or before? What about the generalized pardon?

[Answer] It must be explained from the beginning: Many university professors began to be apologists for violence in their lectures. There was an intensive diffusion of Marxism, but not as a political activity, rather as an ideology for active militance. Thus, violence was defended in the universities, and in the name of liberty, people were allowed to act.

[Question] Only in the university?

[Answer] The so-called "Third World priests" came on the scene, hiding demagoguery behind the mask of religious values. They went into the slums--here they are called "young towns"--and consecrated the Body and Blood of Christ in an empty condensed milk can; the can gave them a more popular image in religious matters. Thus, they attracted many youths in the name of the Gospel of rectification: the struggle against poverty, for the elimination of injustice. But its true meaning was hidden.

[Question] What happened next?

[Answer] Then the systematic robberies of financial institutions began (assaults on banks). No one discovered them. At the time people simply thought they were clever and strong, but actually they were subversive organizations amassing funds to buy weapons and carry out the actions that came next.

[Question] Such as the kidnaping of the Born brothers, which netted them $60 million?

[Answer] Yes, precisely. Moreover, they decided when to infiltrate. Then Peron received them while in exile in Spain, and called them "special organizations." There were even classes in urban and rural guerrilla warfare in a feature film that appeared all over the place.

[Question] Peron approved the assassination of Gen Aramburu?

[Answer] Not only that, but when a subversive terrorist died in Buenos Aires, Peron sent a wreath. When in Spain he was asked, "What do you have to say about this?" he answered cynically, "It is a police action." Peron's objective at that time was to break the government somehow. An enemy of the government was his friend.

[Question] Did he introduce the Marxists in his movement?

[Answer] Yes, because they were the ones who worked for him in Argentina (or at least he thought so), undermining the government with the ones who kidnaped Aramburu first, and then proceeded to carry out despicable murders.

[Question] Was that before the fall of Ongania?

[Answer] Yes, before. Those were the first steps. One of the kidnapers is still alive, Montonero chief Firmenich. In a magazine (CAUSA PERONISTA) he wrote an article called "Minute Details of the Kidnaping and Death of Aramburu," giving details which led to the subsequent erection of a monument to Aramburu. He stated that when Aramburu was taken out after the "trial," if you can call it that, and his hands were tied, they told him he had been condemned to death. Aramburu looked them in the eyes and said, "Proceed." He asked that they tie his shoes and allow him to shave. Thus, he died a hero's death. One of those guys, impressed by his victim's courage, bent down and tied his shoes. They shot him once in the neck and once in the heart. Then they put him in a barrel with lime, and the cadaver was discovered later.

[Question] Peron approved that?

[Answer] Yes. He sent the Montoneros a letter congratulating them, saying how could you condemn an act destined to do justice to an enemy of the Peronist cause. It was vile, horrible.

[Question] And when Campora became president?

[Answer] All those people entered the government. . . It would take hours to tell about it. Even the Grenadiers, a group traditionally respected and loved in Argentina, were forced to retreat to their quarters because the Marxist agitators affronted them.

[Question] During the elections?

[Answer] It was during the inauguration. The regiment chief had two alternatives: order a massacre or retreat. He retreated, and the president was unable to go from Congress to the Casa Rosada by car, as tradition dictates; he had to go by helicopter. It was total chaos.

[Question] Are these phases of subversion?

[Answer] It is a climbing process. . . For example, I was sadly reminded of my country when I was driving around the Plaza San Martin here in Lima. There was a sign saying: "To power through the right to bear arms."

This is the way it starts. They have to make the people believe that violence is an instrument of the political struggle to regain rights that have been trampled by the privileged few. They must convince the young people, above all, that they are the vanguard; that the only way to change is through violence; that peaceful means do not produce change. Violence is the way, direct action. Laws, dialog, institutions are no good; everthing that exists now serves the interests of the multinationals. . . It is the old Marxist theory. The systems of production determine the structure of society, on which rests a superstructure of law and politics which simply reflects the system of economic organization.

[Question] After that, the fund raising began?

[Answer] The assaults, the weapons supplied by foreign countries. It is an international strategy. In Argentina there was an organized military structure that confronted military groups; they took towns.

[Question] What did they do in the captured towns?

[Answer] They killed a great many people.

[Question] What happened in the case of the Klein family?

[Answer] They were saved by a miracle. He told me one day that in the morning a subversive group arrived and told the servants to leave. Then the oldest son, 12 years old and curious, went out with the servants while the family slept. A subversive saw him outside, and while the others were planting demolition charges around the house, he signaled and fired with a machine gun. The boy was terrified, as fragments of the wall hit him in the face and drew blood. . . He was forced to go back inside the house. When the boy was inside, they set off the explosives, and the entire house came down. It was a miracle that no one was killed. They were buried. It took 6 hours to dig out one girl . . . they had to put an oxygen tube in; but the girl did not want to come out because she thought the subversives were still out there. Her mother recovered from the shock and shouted, "You have to come out!" But even that didn't persuade her, because she was afraid they were waiting outside to kill her.

50 Years of Political Instability

[Question] How did Economic Minister Martinez de Hoz' economic experiment fail?

[Answer] There was a serious problem of implementation which worsened in late 1978 and early 1979. It began to produce a series of digressions from the original program of 1976. Basically, I think the problem has been in the desire to curb inflation by maintaining an artificially low dollar, while at the same time setting up an indexing system. There was a reform that stimulated savings by deregulating interest rates, but at the same time the state backed up deposits 100 percent, which was contradictory because risk is an essential element in a free market economy. If the state backs up deposits, it eliminates the risk. That is what led to the adventures of Mr Trozo and other economic groups.

[Question] How do these groups operate?

[Answer] The financial law provides that when a group owns a financial entity, it cannot have more than 10 to 15 percent of the credit portfolio. But there were those who gave practically the entire portfolio to their own firms.

[Question] Was there no control?

[Answer] The Central Bank did not play the supervisory role that is incumbent upon it. There were incredible cases.

[Question] What about imports?

[Answer] That was another problem. Import tariffs were eliminated, and the introduction of superfluous goods was encouraged. Since the dollar was undervalued, exports were in a very tight spot.

[Question] What solution is being applied?

[Answer] When this administration took over, it inevitably had to straighten out the economy. It had to devalue the currency three times, and just recently there has been some stabilization because of the creation of different kinds of market: the commercial market, where exporters operate through the state, and a free financial market.

[Question] But are the public enterprises still in debt?

[Answer] Yes. They are perhaps our Achilles tendon. The deficit of these enterprises is a very serious problem. They are about $11 billion in debt. But turning them over to the private sector would not be so easy, because someone has to want to buy them.

[Question] Isn't there any absorptive capacity?

[Answer] That is the problem. In 5 years there was no policy of privatization. The Argentine productive apparatus has gotten out of kilter, so from the beginning the president has said that our principal objective is to reactivate the productive process.

[Question] Through foreign trade?

[Answer] The prospects look good. The grain harvest promises to be huge. We have broken the record for meat sales in one month, and the trend is continuing.

8926
CSO: 3010/1623

'LA PRENSA' URGES DEFENSE COOPERATION WITH U.S.

PY081050 Buenos Aires LA PRENSA in Spanish 3 Aug 80 Section 2 p 1

[Editorial: "Reaffirmation of Continental Defense"]

[Excerpts] We have commented with satisfaction on some attitudes and manifestations of the current administration of the United States of America related to the foreign policy which it proposes to follow. They outlined with clarity the decision to definitely curb the Soviet penetration of the American continent. Recent news verifies the initial announcements by the State Department in Washington. Now the double objectives of this policy have been spelled out. On the one hand, the strengthening of the economies of the various states in the whole Caribbean area. On the other hand, a jointly-conceived course of action will be launched to effectively isolate Cuba, both economically and diplomatically, because that country is the outpost in Latin America for the hegemonic interests of the Soviet Union.

As concerns the achieving of Cuban isolation, the administration of President Reagan has reportedly already initiated the necessary international consultations. The thesis of that policy would be that Cuba represents Soviet interests in Africa, the Middle East and Latin America. Starting from that premise, Reagan favors going to "the source" as the only way to "deal with Marxist terrorism and the subversion in Central America and in southern Africa." However, it is added, it is not possible "to go to the source" nor to take direct action without the necessary preparation of public opinion on the continent. Consistent with this proposition, the U.S. president reportedly will begin within a short time to reveal his program. This would probably contain the following points: the tightening of the economic isolation of Cuba, real and efficient in its results; the setting up of a radio station with the name of "Free Cuba"; to make known the criminal intervention of Fidel Castro in Africa; to strengthen the U.S. presence in Florida and Guantanamo; to obtain the adherence of the other American nations to this process; to return to their native country Cuban citizens judged to be undesirables.

The U.S. Government proposes to implement that political action not with unilateral paternalistic acts, but on the contrary, with a concerted action. In this respect, it is correspondingly significant that the new U.S. ambassador to the Organization of American State (OAS), Mr J.W. Middendorf, not only is a person with the most absolute confidence of President Reagan, but who shares the ideas expressed, and these will define his attitude in the OAS.

Mr Middendorf has just completed a trip through South America which of course included our country. It is more than likely--though the travelling ambassador diplomatically denied it--that in his contacts with the governments with which he visited he would not have avoided the topic of cooperation to support the announced political propositions of the U.S. president. Unquestionably, the continent is permeated with subversive Marxism. Its presence in America grows day by day like a malignant tumor. This phenomenon imposes a serious responsibility on and calls for serious reflections by the American community, particularly the countries of the Southern Cone, and for more than one reason. It is not sensible for the world which respects freedom to turn deaf ears to Reagan's proposition or not to contribute with determination to confront Soviet imperialism. Acting otherwise would be inexplicable suicide by free men and nations.

For the Republic of Argentina, absurdly aligned with Moscow's puppet--that is, Fidel Castro--the moment has arrived to review its position that is maintained for trivial reasons divorced from its history and from its tradition. For some time already responsible Argentine public opinion has demanded our political rupture with "third worldism" and the so-called "nonaligned." It might be that the two are conceptually different, but in action they are lumped together and confused very easily. Argentina should not miss the opportunity to give to its foreign policy an impulse worthy of its tradition of freedom and greatness. In the face of revolutionary Marxism which is shaking the continent there is no room for netural policies nor fictions of isolations. The call has been made for joint action and this should be accepted as the sole road suitable for the resistance to the forces of destruction and serfdom.

CSO: 3010/1672

VIOLA'S DIFFICULTIES, OPTIONS ANALYZED

Civilians, Military View Crisis

Buenos Aires CLARIN in Spanish 21 Jun 81 pp 12-13

[Article by Joaquin Morales Sola: "The Option Confronting Viola"]

[Text] The political leadership talks about a "serious national emergency," the president acknowledges the existence of a crisis, and the labor unionists believe that the time has come to take to the streets to voice their true facts.

Has the crisis erupted in Argentina? What has happened to make everyone speak in that apocalyptic tone?

In the first place, it should be emphasized that the crisis does exist, but has not erupted just now.

Disguised with many masks, that crisis has been existing among the Argentines for some time, but many thought that it was spreading only on paper.

The difference at this political juncture is that now the crisis is in the streets, in the pockets of the workers, the accounts of businessmen and the government treasury itself.

It would be unfair, at the least, to assume that such a situation is the work of the present authorities: the blame has a first and last name, and must be sought in that duality of power comprised for 5 years of General Videla and Dr Martinez de Hoz.

Very few in the political system are willing to disregard that historical fact, but there is a great deal of difference in the critical view of General Viola's government.

Everyone agrees that the government has been sluggish with regard to the problems: doubts and hesitations are in evidence, and sometimes the only thing that is gained is a paralyzed image of government initiative and action.

To some, it is a matter of the competence and suitability of the individuals surrounding the president in his cabinet; they claim that there is a lack of stature for coping with the deepest crisis that Argentina has ever known.

To others, it is merely a matter of the political conditions; they point out that what is possible has been done within the reduced political space that is available.

In other words, it is impossible to confront the Videla administration definitively, it is impossible to reverse the entire Martinez de Hoz orientation overnight, and it is impossible to make immediate alliances with the large areas of the civilian society that are willing to do so.

In short, it is impossible to give a sudden blow to the helm, but rather it must be diverted slowly.

Will the crisis withstand that tactic imposed by the internal affairs of the military front?

Since it is difficult to give the answer in advance, let us merely say that, last week, $450 million left the Central Bank in 3 days, while the reserves dropped to less than $1 billion in North American currency.

Aside from whether or not the "off the record" procedure was fitting (a doubt of concern to the government alone), the warning given by Minister Garcia Martinez about the possibility of a "financial collapse" is latent.

It is known that the same minister spoke in these terms during an agitated cabinet meeting which had to be adjourned by the president himself, with good manners, to prevent the occurrence of insurmountable friction among his closest collaborators.

Moreover, the disparity of views between Garcia Martinez and Minister Sigaut is nothing new in Argentine politics, although many attribute to the former the intention of wanting to open the bidding for the seat in the Palace of Finance.

Is the situation such that one might now consider the inheritance of Lorenzo Sigaut?

To some (and their number is constantly increasing), his opportunity to prove that he can tame the horse of the crisis will begin to be exhausted halfway through the winter.

To others, he may, rather, renew many faces very close to him, in order to prove that he is willing to admit mistakes and make corrections, which would give him a little more oxygen.

In any event, it is the conditions of the crisis themselves, the "force of events," that will establish the short terms and the others as well which involve this military experiment in its entirety.

There are some who claim that tomorrow another exchange holiday will have to be decided on to prevent the drain of foreign exchange. On Friday, the money-exchange offices closed an hour after opening, which was sufficient time for $250 million to leave.

Two days of exchange holiday in 3 weeks is eloquent evidence that the economic nation is still locked in the financial adventures on San Martin Street, while the real nation awaits the measures that will replace exhaustion with vitality.

In this connection, the strike of the SMATA [Union of Mechanics and Related Automotive Transport Workers] mechanical workers last week was in the nature of a "warning," which is not confined to that union alone, but covers the entire labor spectrum.

Some claim that it is unjust for them to hold strikes now against Viola, when they did not do so against Videla and Martinez de Hoz; just as it is another injustice, they add, for them to hiss at Viola on the soccer field when they did not do so to Videla.

But this cannot be of concern; it is a logical consequence of the change in the political conditions.

No one believes that Videla and Martinez de Hoz were better than Viola and Sigaut, but the former (simply) did not have the slightest problem in applying the most severe measures to repress any threat of protest.

We must add to this the fact that the economic fiction which existed at that time concealed much of the real crisis.

The economic crisis has also exposed the political crisis, which is reflected essentially in the image of instability of General Viola's government.

Here and abroad, everyone assumes that the days of the second government of the military process are numbered.

Furthermore, there must be very few precedents in Argentine history of a government, shortly after its initiation, having faced the destabilizing campaign which has shaken this government from the beginning.

One need not be very suspicious to notice that, behind such a campaign, there must be the sectors displaced in March, primarily those who answered to Dr Martinez de Hoz.

During the past few days, the government has also made a serious blunder in announcing publicly that it would abolish the official notices in the morning paper LA PRENSA, the paper engaged in the harshest criticism of the government.

In addition to the moral questioning of that measure, which it deserves, because an attack on the freedom of the press is involved, it should be noted that the government, by so doing, paved the way for unnecessary opposition.

Whether or not one shares the views of the century-old newspaper, the fact is that a decison of that kind does nothing but rarefy the political atmosphere even more.

But, the question should be asked: is General Viola's instability real?

It may be said that the remarks from the different military sectors do not agree at all with the more gloomy prognostications circulating on some levels of the civilian leadership.

No one mentions a rebellion to overthrow the general who is governing in the Casa Rosada.

However, some rumors emerging from the military system itself seem disturbing: for example, it is said that some are considering the establishment of new conditions for the military process, whereby no mention will be made of its conclusion, and it would be extended for several more 5-year periods.

That plan must obviously have excluded General Viola, since he is moving to attain the goals of the process as soon as possible and then reestablish a democratic system.

In this context of stories and rumors which has by now been entrenched in Argentina as a natural element of its geography, General Bussi, commander of the strategic corps of Palermo, spoke.

Every time this general appears on the scene, the political antennas begin to move about, as if to detect something important.

Since he governed Tucuman, during the first year of this process, Bussi has been photographed as a man with a political destiny, although he has had sufficient discretion to reduce his public appearances to a minimum.

He has made several statements: for example, that the Army is aligned, in disciplinary fashion, behind its commander-in-chief, and that the military process extends beyond its "temporary protagonists;" and he made a laconic reference to the industrial and agricultural-livestock paralysis, and to the educational crisis.

To some, the substantive content of that speech showed very little solidarity with President Viola; but to others, he said what had to be said by a military commander who has no political position.

As is his custom, after that appearance Bussi resumed his silence; and hence it was impossible to ascertain with which of the two inferences he was identified.

Three days later, the president spoke, in a speech which apparently did not meet all the expectations that it had created.

The presidential message has two definite parts: the first, in which he assumes responsibility for the entire past 5 years, and in which, at times, he seems to be stepping backwards, assuming a warning tone.

In the second part, on the other hand, he again becomes the permeable, accessible person. At one juncture he remarked: "The president has the official position of command, but that does not imply abandoning receptiveness to sound, disinterested opinion."

He went on to say: "My government will go in search of consensus; that is, it will use all the means of communications that will bring it the proposals, the criticism and the suggestions of the political parties and the great intermediate social bodies, keeping it clearly in mind that these communities must have a presence and an influence, because it is obvious that the entity as a whole neither excludes them nor ignores them."

In that message, he mentioned again those who speculate with instability, in which he, personally, does not believe; and it contained a realistic portion regarding the

social situation: "I am not unaware of the economic difficulties that the country is experiencing, or of their repercussions on its inhabitants."

Less than 24 hours earlier, two major political groups had assumed a position publicly.

The Development movement, in a document signed by Arturo Frondizi and Rogelio Frigerio, requested urgent, deepseated changes, endorsing the trend that had been noted to date, although it pointed out that, "The present leadership, despite its good intentions, has been affected by slowness in the measures for providing a sound footing and by some indecision."

The party which governed from 1958 to 1962 also called for a change that would "not be partial, but total in the economic orientation," and stated that the deficit of the public enterprises last year amounted to $8.2 billion, which is equivalent to a daily loss of $24 million in that currency.

The Development movement's statement stresses that what has failed is the conception and the non-implementation of the 1976 plan, and puts forth the basic lines for an economic reestablishment, which are aimed essentially at a "complete justification of prices, charges, wages and rates of exchange," and at a "simultaneous attack on the deficit in the public sector, and on a productive structure that is subordinate to the external factor and incapable of producing the goods and services required by the community."

The Radical movement, in turn, claiming that "we are at the brink of collapse," called upon all the social and political sectors to deal with the national situation.

After describing the conditions of the crisis, the Alem party explains: "The government cannot be based on force; if the public condemns it, it will do it no good to take refuge in isolation, nor empty words the message of which is disbelieved."

The Radical summons includes the military, but it is known that, next week, the bilateral contacts with the other political forces will begin.

Once the minimal requirements for the multisectorial meeting have been agreed upon, it has been learned that the Radical leaders will offer a golden opportunity to the military commanders to join in the initiative.

Hence, after his party's document was released publicly, Ricardo Balbin remarked: "This is not a front against the Armed Forces."

It should be recalled that, about 2 months ago, the proposal emerged from among the members of the Peronist movement to convene Bittel, Frondizi and Balbin at a meeting, which would not necessarily be a decision-making one; but the plan did not materialize later.

Spaces gained in politics are not returned, and the leadership of the parties and sectors seems willing to occupy those belonging to it.

Very few are willing to aim their darts at the Viola government, but they want it to make full use of the implements of power, particularly since they know that it is risky to count on the failure of this experiment.

But they also know that there is only one step between inertia and failure. The government's option seems clear: Either it embraces the former holders of power to check the destabilization campaign, opposing all sectors of national opinion, or it opposes the former, to implement the plan for consensus itself.

Which one will it take?

The only certainty is that middle roads sometimes prove to be futile, dangerous and solitary.

Videla, Viola Compared

Buenos Aires CONVICCION in Spanish 21 Jun 81 p 1

[Article by Hugo Ezequiel Lezama: "We Are Making an Act of Faith in the Lack of Faith"]

[Text] What I notice most during these nervous times that we are experiencing is that the causes are not being reflected upon with a less superficial criterion.

The rates that are not declining, the dreadful drain of dollars, the government's slowness, some resounding failures, the eager (and at times unwarranted) accusations against the presidency, the storm of rumors: all that, combined with a paradoxical but actual indifference, are not causes, but merely symptoms. Therefore, so long as we continue to be hypnotized by the symptoms, we shall be unable to detect the origin of our political pathology, much less discover the proper therapy.

The process has had more luck with the philosophical formulation of its principles and objectives than with the governments responsible for implementing them. But this is the question: If the Videla presidency had a grace period of 974 days, why is such severe intolerance being shown toward the Viola presidency in only 82 days?

Since there is an excess of amateur psychologists, we shall attempt to view the matter from a different angle.

1. Videla began his presidency at a time when the country was ending its war against terrorism. Thus, to destabilize Videla would mean playing into the enemy's hands.

2. Videla evinced a calm, clean-cut image, ranging from his physical appearance to his ethical qualities. No one credited him with remarkable skill as a statesman, but in Argentina that is more to one's advantage, since there is a well-known traditional distrust for intelligence.

3. Videla was president during the World Soccer games, and received some of the general euphoria.

4. Videla made some mistakes in the handling of the Beagle case, but they were not publicized widely, because everyone tended not to discredit the president's image when we were on the brink of an armed confrontation.

5. When he had been in the government approximately a year and a half, Videla began to be replaced in public opinion by his minister of economy. Through a mysterious mechanism in the collective mind, the serious errors of Martinez de Hoz magnetized the citizens' repudiation on him; but no one considered the fact that this minister was acting with the permission of his immediate superior, the president, and the concentration of rejection for Martinez de Hoz acted as protection for the image of the president, who lost notoriety, but won security.

6. And, finally, part of the Armed Forces (almost until the last moment, let's say until the collapse of the BIR [Regional Exchange Bank]) believed in the juggling of Dr Martinez de Hoz's excellent dialectics.

These six points (and many others that we have omitted so as not to tire you) are some of the elements that fostered a patience which lasted 974 days. Let us now make a comparison with the current situation.

1. Viola began his presidency amid an economic-financial-productive earthquake, which transcended what the military themselves had imagined. Besides constituting a tremendous problem in itself, this contributed another one, no less serious: the fantastic expectations of the public. The collective mind has frequent childish reactions. That of believing that everything will be solved by a mere change in individuals is one of the most frequent of these.

2. Viola evinced a rather tired physical image and, as a personality, everyone had heard tell of his "skill" and his "political astuteness." This is not favorable in Argentina either, because it kindles misgivings, suspicions and distrust.

3. The image of physical weariness has not been belied by events, because there has been a delay of many invaluable days in producing the rapid corrections that the nation required.

4. When those measures occurred, they proved disappointing and insufficient in the eyes of the public, which reacted with a violent act of faith in the lack of faith, wreaking havoc with the dollars to cling to a reliable lifesaver.

5. Viola formed his economic team with personages who were intellectually respectable but dissociated from the establishment, its lodges and clubs. Previously, even if it was just to quarrel, those with money always had four or five telephones of "prominent people" available, whom they could call. Now, those telephones are being answered by strange voices that cannot be addressed with the nickname originating in school, rugby, golf or (the most desirable of all), polo. So, those with money are bewildered, alone and, of course, annoyed.

6. The misgivings, suspicions and distrust seem to have served Viola as more of an inhibitor than a stimulant, and he has lost the accurate outlook somewhat. Friday's speech is an example, especially in the economic portions.

7. Since Viola is not a traitor, he cannot speak to the citizens using blunt language, informing them of what he inherited from the presidency of his friend, Videla. Hence, he has not broken the bond, and in the first part of the speech he stresses "the 5 years of government of the Armed Forces," thereby making himself jointly responsible for the immense previous mistakes.

8. At the same time, the stormy days that he has been experiencing as a result of the many sectorial attacks, without political backing of his own to rely on, have caused him to reinforce his status as a "delegate" of the Military Junta; he praises the present system of power and seeks a little relaxation in the supreme organ of the state.

These eight points (and many others that we have omitted so as not to tire you) are some of the elements that fostered this impatience within 82 days of the government's beginning.

The president's dilemma at the present time is dramatic: On the one hand, he needs a brief rest, physically and psychologically, to reorganize his resources and to start demonstrating an able, dynamic government. On the other hand, he cannot waste a minutes of time. He must change the image, because it is not known the extent to which the Armed Forces will share the decline. Viola, as cofounder of the process and a former member of the Military Junta, is quite well aware that the president may be relieved by the Junta without a change occurring in the political power structure. In any event, that extreme measure is undesirable, because, although it is officially called for in the statutes, it would not fail to be a shock to the process.

President Viola has spoken, and the political portion of his speech was clever, and I would even say brilliant. But there is no room for any more words; it is now the time for deeds. Only deeds will restore the government's confidence, credibility and authority.

All of us sensible Argentines hope that this will occur.

Measures Against 'LA PRENSA' Discussed

Buenos Aires LA PRENSA in Spanish 17 Jun 81 p 9

[Article by Manfred Schoenfeld: "Measures Such as the One Taken by the Government Against 'LA PRENSA' Reveal the Weakness of the Regime"]

[Text] The newspaper LA PRENSA already has a long-standing tradition (certainly an honorable tradition, of which those who contribute, even though in the most modest fashion, to putting out the paper day after day can be proud) with respect to opposing governments, and being harassed, persecuted (and once even closed down, first, and later confiscated, for 5 years) for defending liberty and telling the truth. Hence, neither LA PRENSA nor those of us who write in its columns (whether or not the signature of the authors of the commentary or article appears) are scared by a measure such as the one just adopted by the government for the obvious purpose of punishing this newspaper and damaging it economically by banning the publication of official notices in its pages.

We leave to the experts in legal matters the consideration at to whether the authorities themselves have the right to dispose in that manner, at their whim, of public funds appropriated for reporting matters which (presumably) are in the public interest, and of information which we think no one has the right to deny the readers of an organ with the circulation of LA PRENSA. But it is obvious that this is not the issue under discussion. The report issued from an official source in the matter did not even take the trouble to disguise the reason which prompted the decision

in this case. In the opinion of the government, LA PRENSA is harming the "process," and therefore, what are colloquially termed "supplies" are being cut off from LA PRENSA where there is a direct way of doing so. Ominously added to this was something about other measures that, it was clearly intended to indicate, were apparently not adopted; which (it is implicit) does not preclude the possibility of this occurring.

Some Suggestions

We would like to know what such measures could be in this state of law, on this path toward pluralistic democracy preached to us every day in the official addresses as being either something which we are already experiencing fully or something that is in full progress in the directions indicated.

What could it be? Intimidating private advertisers so that they will not advertise in LA PRENSA? Sending (as was done in Peron's best times) municipal inspectors to find something that would make it possible, for reasons of health or whatever, to close our editorial rooms, administrative offices or printing shops? Attempting to provoke some artificial conflict, disguised as pseudo-trade unionism? Or resorting to the more rapid expedient of accusing us of "ideological subversion," and applying for that purpose some article of the legal instruments (the institutional acts) which the "process" created and which, according to the vacillating judgment of our Supreme Court, are at times superior to the Constitution and, on other occasions, however, must be subordinated to it?

As the reader may observe, we are offering an entire series of suggestions on how to curtail the freedom of the press, and how to hold a threat over a newspaper which, with its reporting and its commentary, is "annoying" certain sectors within the government. The measures in question are not too original, we admit, but after all it would not be the first unoriginal action, in that and any other category, taken by certain sectors of the government of the "process."

Criticism That Dates Back to 'Our Beginnings'

This paper has been assuming a critical attitude toward the officials of the present government (as well those of any other, during its more than a century of existence) virtually from the very beginning of the "process," that is, since March 1976. At that time, it was the object of a "severe warning" (those were the words officially used), when it published in an advertising space a demand, not only for putting an end to a Peronist government (as had occurred), but also to the Peronist regime. In other words, it was told that what should be done from that time on was to dismantle the distorting machinery to which the Peronist regime had tied virtually the entire country, in all its vital manifestations.

Needless to say, the aforementioned "severe warning" was ignored by the management of LA PRENSA, just as there was a disregard for everthing originating with that kind of "mini-ministry of propaganda" which the authorities tried to establish in the government residence: orders to publish or to cease publishing this or that report; requests (when the tone was softer) to do so; hints for doing so, etc. Until the time came of the famous (among newsmen at the government residence) incident wherein an employee, while calling the editorial staffs of the capital media on the telephone (in order to convey the "request" that something be published or omitted, we do not recall), received the instruction from her colleague: "Don't bother calling LA PRENSA, they never pay attention."

No, LA PRENSA "does not pay attention." It prints what it thinks should be printed (in other words, what it owes to its readers, who are seeking the truth, and not the concealment or distortion of the truth), and it expresses opinions in accordance with the rules of its own code, a code of ideological and professional ethics, which has survived and will still continue to survive many governments. And so this newspaper has been printing (in its reportorial section, in its editorials and by those of its columnists who sign their names and those using pseudonyms) much during the past 5 years that has not exactly been to the liking of one government sector or another: exposures of violations of the state of law, articles in favor of the independence of the judicial branch, commentary demanding information on the fate of the missing persons, editorials citing the squandering of government funds, criticism of the unjustified Pharaohnism in certain public works, a judgment of the economic policy in general, accusations of attempts to impose on the country totalitarian ideologies or institutional systems contrary to the spirit of the Constitution, the defense of the best Argentine traditions in the realm of public education threatened by obscurantist sectarianism, and hundreds of other issues, the criticial treatment of which (this, among other aspects, has been one of the essential factors in the conflict) caused the government to feel watched and overseen, and not to think that, in the absence of a legislative branch of elective origin, and with a judicial branch assuming positions that are at times glaringly erratic, the entire country was at its feet, and that the proverbial "fourth estate" would tolerate such a thing.

Strange Chronological Coincidence

All that we have just enumerated (and the list was merely a brief one: for example, we omitted foreign policy, the position taken toward Chile, that adopted in the case of the Malvinas, etc.) was accepted with relative calmness by the authorities of the "process," by both the government of General Videla and that of General Viola.

But it so happens that lately (and, to top it off, at a time when, after the juggling of the previous economic team and the poor remedies of the current one, an ominous storm front is forming all over the country), this paper and some of its reporters have considered nothing more suitable than to approach the most heated issues of all: namely, for example, how much do the high-ranking public officials earn? How have government funds been spent lavishly on all kinds of useless luxuries? And, if not, why is there no public rendering of account? Why is there not more information on the matter? Why is there no publication, in minute detail, of the offers in the bidding on certain public works (before they are awarded, not afterwards), as a LA PRENSA editorial recently noted?

What a notion, to discuss such issues precisely, to commit such a gross indiscretion and to try to pry into these matters when, thanks to the astute economic policy enacted previously, factories are closing in the country, the unemployment rate is rising, there are pay stoppages and it costs more every day, excuse the colloquialism, to "fill the pot"! For anyone to think, in such an alarming situation, of discussing useless public spending, or unproductive public enterprises, and those accommodated in them, is like "mentioning rope in the house of one who has been hanged."

No, indeed not. The Mothers of Plaza de Mayo, let it be. The exchange policy, well, what is one to do? The fact that the television channels never stop becoming privately

owned; well, at least the government has a powerful medium with which to influence public opinion (by way of monopoly); and, in exchange for that, once in awhile it puts up with a sharp criticism. And the same for Chile, the Malvinas, or whatever it may be.

But don't affect certain gentlemen in the proverbial "most sensitive organ," the purse! Because, without question, the newspaper which dares to do that must be opposed to the noblest goals of the "process," it must even be subversive! So, as a first measure, cut off its government advertising; and more measures will come later.

We say that this is a miscalculation. A government which reacts in this way, and for that (transparent) reason no less, must be very weak within; it must feel very insecure. If it is afraid to be asked to render an account of what it has spent, and of how it has been spent, it will end up having to render such accounts, but not to the organs of the "fourth estate," rather, to those who succeed it in power, perhaps sooner than it may think.

2909
CSO: 3010/1513

FURTHER PRESS COMMENTARY ON SINAI PARTICIPATION ISSUE

Not in National Interest

PY100321 Buenos Aires CLARIN in Spanish 31 Jul 81 p 15

[Editorial: "Reflections Over Sinai"]

[Excerpts] Toward the end of 1966, the founder of CLARIN, Roberto Noble, published an extensive article entitled "Satellitism Against Sovereignty." The article covered our foreign policy from the origins of our nation and showed the basis on which it was built, its permanent nature without improvisations, with the vision of the role Argentina should have in the Americas without being seduced by promises of any nature whether ideologically or materially consistent.

This article was written in opposition to the proposal to create an inter-American defense force and it clearly established that the "guiding unyielding guidelines" for all generations of Argentines were based on the defense of sovereignty, nonintervention and self-determination of people, legal equality among states, the principle of peaceful solutions to conflicts, restrictions to regionalism, universalism in relations with all countries of the world and just opposition to hemispheric organizations endowed with rights capable of curtailing the rights for sovereignty and the exercise of self-determination.

Roberto Noble said: "We are allies to the great cause of the Americas, that is, the great cause of Western and Christian civilization and we advocate this to its last consequence. Our position is clear, definite and not distorted. We are not a satellite. A satellite is a country that resigns its personality and exchanges its birthrights for the handouts of material aid; a satellite is a country that in order to change its economy, to lay down its pattern for progress and even to fix the strength of its armed forces admits subordination and promises to obey. We do not advocate this."

These inspiring words are back in our spirit because they are the basis of a great national passion. It has nothing to do with useless principles or being complaisant with the past. On the contrary, the idea is to understand--as beautifully explained by Roberto Noble--that "just as the United States proclaims in the writings of one of its favorite sons that Americans can be 'loyal friend and redoubtable foes' we should show that we can and we know to be 'great allies and not minuscule satellites.'"

The Egyptian proposal that Argentina participate in sending a peacekeeping force to the Sinai should be considered calmly, in the light of our permanent national interests. The first of these interests is to preserve national unity. A country like ours that contains an important Jewish community and another important Arabic community (in particular Syrian-Lebanese) within its breast cannot help but see the problems of the Middle East in terms of peace, and to work toward making this peace unrestricted. This vocation stumbles over the limited nature of the Camp David accords but, above all, is contradicted by reality such as it stems from the persistent fighting in other parts not covered by these accords, which have not succeeded in giving a solution for the overall national problems endangering the Middle East.

The peacekeeping force can do nothing more than endorse the existing situation. It will not add an iota of security to what has already been achieved through unilateral peace. If we also take into account the continuing hostilities on other fronts in the Middle East theater, the guarantee stemming from our country's sending a contingent would be precarious in general and in particular, risky regarding the home front. Furthermore, the San Martin Palace was not the original promoter of the Camp David formula, which is different from the contributions that it had opportunely effected within the UN, keeping in mind its proper place, to the cause of peace in the Middle East.

The argument that the United States is waiting to see what our attitude will be in order to reward us or not with its benevolence is mistaken, aside from being irrelevant. A solid friendship between Washington and Buenos Aires, at the level of the best moments of the past, is highly desirable. But it can only be arranged on the base of surmounting the structural problems of the hemisphere in such a way that the values that characterize the West constitute the common pledge for continental cooperation. It isn't a poker game. It isn't a problem of merits and demerits, nor does it depend on the good payments that the superpower might offer its--thereby--interested friends. It is the consequence of the coincidence of specific interests and--above all--of national realization. Thus, the "pragmatic" arguments give rise to an uncomfortable coyness even in those who must refute them and see themselves obliged to make known their nonreasoning character, their nature as magical appeals to actions taken out of context, that is, empty of history and the diplomatic tradition, presented as if they were capable of supplying some sort of historic reopening when in reality they don't coincide with the real objectives of the Argentine nation.

Step Toward Peace

PY110121 Buenos Aires LA NACION in Spanish 30 Jul 81 p 8

[Editorial: "The Argentine Tradition: To Serve Peace"]

[Text] All international policies suppose the existence of substantial principles and the adaptation of the circumstances to said basic norms.

We are a member of the community of 150 nations which make up that world forum that is generally overflowing with loquacity to the extent of diminishing its scant effective action on the great problems of our times. We joined the UN because

Argentina understood that the ends of its charter were to avoid a new conflagration dragging the world to its destruction and degradation. So much was peace the cause of its existence that it was declared emphatically that the primordial need of its activity was to overcome the causes of war. Since 1945, the year of its founding, mankind has suffered, despite the localization of the combat actions, the impact of the Vietnam war and the Middle East conflict. It did nothing or very little to stop the former throughout its long duration, and it is truly fitting to say that in the latter case the negotiations compiled by the highest world organization have done nothing but complicate it and delay its resolution.

If one considers human rights, the UN and all its agencies have systematically ignored the attacks and injuries which have been committed and are being committed in countries which have switched to Marxism as the official dogma, and in many African and Asian states, under the pretext of it being internal affairs which one must not interfere in. Contradictorily, in the United Nations and the organizations which depend on it issue daily and continuous condemnation and measures that affect Israel when it takes what its rules call defense measures. The organization is quiet if the victims are the peaceful citizens of the state which the UN itself created more than a quarter of a century ago. It would be fitting to make the condemnation if the policy of accusing were not so notoriously dual.

The agreement achieved by U.S. action in the Arab-Israeli confrontation was sealed at Camp David. Certainly it brought peace to the biggest adversaries. Egypt is the country in the Arab camp with the biggest population and the greatest military capacity. Practically, even if the open war has not been succeeded by complete and total peace, the state of conventional war between Cairo and Tel Aviv has been ended. Normal diplomatic relations exist between the two countries now. The dispositions agreed upon at Camp David have been completed to the letter, both in the dates set as well as the decisions agreed on. Now it is a question of arriving at the final stages which will be overseen by the United States and the countries who agree to join the military force. Egypt as much as Israel wishes Argentina to be one of the components of that force, this includes the United States, although it has not yet formulated an official petition.

To deny that despite certain weaknesses the Camp David accord is a great step for peace is absurd. Moreover, given the correct relationship existing between the two former belligerent nations it is fitting to discard all bloody clashes due to the agreement having been carried out without difficulties up to now.

Nor is it acceptable to invoke our country's traditional neutrality in order to refuse our participation, something which would be just the opposite. By this same tradition--seen well by the Egyptians, Israelis and the United States--to develop the strengthening of peace in so worrisome a conflict would be to receive a satisfactory reward.

Naturally, it is necessary before deciding definitively for the invitation to come in an official form with exact details on the requirements, tasks and corresponding powers; the number and type of personnel required, the duration, etc. Once this unavoidable requirement is met, the decision will have to take under evaluation the national interests coincidental with the policy of peace characteristic of our leadership [conduccion]. The Argentine foreign policy is linked

to this, as successive statements of our authorities have expressed, without implying ceasing to be independent with respect to the great powers; but truthfully, neither should it be submissive to the small nations, notwithstanding the fact that in view of there being so many they will eventually bring weight to bear on more or less superficial questions that pertain directly to national interests. Not having discovered in the suitable request anything which we oppose, we must take the request as a high honor to Argentina and the recognition of its ability to secure the affirmation of peace and the renunciation of the exercise of force, which are being demonstrated in the current reciprocal relationship of Egypt and Israel. Moreover, an incontrovertible fact is that since the United States agrees to proposing our presence in the Sinai the irritating conduct by the administration of Mr Carter has been replaced by confidence and understanding toward our country. Finally, we say that it is fortunate that Argentina is not threatened like other countries by an oil boycott.

CSO: 3010/1672

BRIEFS

AUSTRIAN TANKS--Vienna, 17 Jun (AFP)--Argentina is negotiating with the Steyr-Puch Company for the purchase of an undetermined number of Kuirassier tanks, the director of that Austrian firm Michael Malchazer confirmed today. However, Malchazer specified that for the moment Argentina has not signed a contract and he denied that allegation, which was published yesterday in the INTERNATIONAL HERALD TRIBUNE of Paris. According to that story, a contract was to be signed today in Paris for the sale to Argentina of 57 Kuirassiers which had earlier been destined for Chile but which the Austrian Government had been forced to cancel in the face of the opposition. Argentina since 1978 has bought about 60 Kuirassier tanks. (The Argentine Embassy in Paris has not confirmed or denied the HERALD story, limiting itself to telling AFP that the contract would not be signed at the embassy). [Text] [Paris AFP in Spanish 1821 GMT 17 Jun 81]

CSO: 3010/1672

EDITORIAL CRITICIZES CARIBBEAN'S SOFT STAND IN GRENADA

Bridgetown ADVOCATE-NEWS in English 20 Jul 81 p 4

[Editorial: "The Need for Us To Speak Out"]

[Text]

It has taken some time for the euphoria of the Grenada "revolution" to wear off, at least as far as a number of people in the Caribbean is concerned. But many are beginning to see implications of the "revolution" in a somewhat different light from the almost ecstatic welcome with which it was received in 1979 in many quarters. There could have been no doubt that the Gairy regime had been guilty of misusing its power. It was accepted by many in the circumstances that the only remedy was rebellion. The fact that rebels are always judges in their own cause was easily overlooked because of the Gairy abuses.

Apart from the popularity of the "revolution" there were also a number of promises made by the Bishop regime which also made many willing to accept him at his word. But Maurice Bishop has not kept all of these promises. One that has remained a sore point is his failure to call elections.

The Prime Minister of Barbados, Mr. Tom Adams, dared to take Bishop to task for not keeping this promise and received an insulting tongue-lashing. Even then, here in Barbados, there were some who were pleased that Mr. Adams should have suffered such a verbal onslaught on the grounds that he should have kept his mouth out of Grenada's business. They were prepared to turn a blind eye to the more sinister implications of the Grenada development.

But now we find that once silent Caribbean leaders are coming around to realising that there is much in the Grenada situation that needs to be spoken about, even if they try to do so in patronising terms. A few days ago the Deputy Prime Minister of St. Vincent, Mr. Hudson Tannis, spoke out against the human rights situation in Grenada. Since 1979 people have been held in jail in Grenada without trial. Mr. Tannis was bold enough to make this observation but then hurried to explain that it was for the Grenada people to resolve their problems.

The explanation he gave is in itself most-frightening in its implications. Mr. Tannis said: "If the present Government of Grenada believes that it is in the national interest not to charge and try people, it is not for us in any other part of the Caribbean to question it".

We submit that any such approach by any Caribbean Government should be questioned.

The rule of law is an indisputable factor in any civilised society. There can be no rule of law in circumstances where people are lost away in jails without trial. Every citizen has a right to face his accusers and be put on trial with an opportunity to defend himself. We find it difficult to accept Mr. Tannis' thesis that it could be in the "national interest" not to charge and try people. It is a dangerous concept that permits us to rationalise away people's rights. Any abuse of power can be rationalised as being in "the national interest".

We need to face up honestly to wrong-doing. We cannot afford to be lukewarm about such matters by covering them under a convenient blanket of "national interest".

Dominica's ruling Freedom Party has also spoken out about the human rights situation in Grenada and thankfully has not sought to rationalise it. Instead it has openly expressed its disappointment with the path being followed by the Bishop regime. It has condemned the deprivation of such rights "because of ideological folly".

Mr. Bishop has always been quick to take offence. It might well be a conscience reaction. When we know we are wrong we are more likely than not to hit out in defence of our position. As an attorney at law Mr. Bishop knows only too well the importance of the rule of law. His legal training will not easily permit him to discard the discipline of the law with which he is familiar. This is why he behaves the way he does when he comes under criticism.

Within the next few days we will be hearing from Mr. Bishop in his usual style. He has already accused certain sections of the Press of trying to isolate Grenada. He refuses to accept that it is his policies and behaviour that are isolating his country. He above all should realise that people resent oppression, however subtle.

But then we never really learn. It is because of our ability to rationalise situations that we assist history in repeating itself.

CSO: 3025/176

BRIEFS

MESSAGE TO COLOMBIA--Barbados' Prime Minister Mr Tom Adams has sent the following message to President Julio Cesar Turbay Ayala of Colombia on the occasion of the Anniversary of that country's Independence day, July 20. "On the occasion of the Anniversary of the Independence Day of Colombia, the Government and people of Barbados join me in extending congratulations and warm greetings to the Government and people of Colombia. I look forward to closer cooperation between our two countries to the mutual benefit of our peoples." [Text] [Bridgetown SUNDAY ADVOCATE-NEWS in English 19 Jul 81 p 2]

CSO: 3025/178

LAWYERS DENY CONAL RIGHT TO REFORM CONSTITUTION

PY292052 Paris AFP in Spanish 0001 GMT 29 Jul 81

[Text] La Paz, 28 Jul (AFP)--The evening paper JORNADA reported here today that the Bolivian Bar Association has not recognized the power of the influential National Legislative Advisory Commission (CONAL) to propose reforms of the constitution.

With the signatures of the lawyers Juan Lechin Suarez and Raul Jimenez (the latter was labor minister in Lidia Gueiler's government), the Bar Association maintains that only a democratically elected congress can propose constitutional reforms, according to a specific ruling in the 1967 constitution which was given legal force by the present military regime [as received].

The lawyers' opinion was requested by CONAL which has turned to other professional associations with the same question. These associations were allowed to function for the only purpose of giving their opinions regarding the reform of the country's constitution.

In its letter to CONAL, the Bar Association also points out that if a reform of the constitution is desired, a referendum should be called and that full legality should be granted to professional, cultural and labor institutions before such a referendum.

The opinion of the jurists of the country was given at a time when CONAL is at its peak of influence, because it became known today that it advises not only the president but also the junta of commanders of nine [as received] military institutes which govern the country.

CSO: 3010/1657

BRIEFS

JAPANESE COOPERATION--The Japanese Government will donate over $1 million worth of equipment and material to Bolivia, in order to increase food production, according to a note sent by the Japanese ambassador to the Foreign Ministry. [La Paz Radio Illimani Network in Spanish 1130 GMT 3 Aug 81]

CSO: 3010/1657

PLANNING MINISTER SEES PROMISING RELATIONSHIP WITH FRANCE

PY101712 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 18 Jul 81 p 21

[Article by Reali Junior]

[Excerpt] The signing of various financial and trade agreements which were included in the protocol signed by President Joao Figueiredo and President Giscard d'Estaing at the beginning of the year clearly shows that the French socialist government intends to maintain privileged relationships with Brazil. This was the opinion of Planning Minister Delfim Neto, who yesterday ended his visit to France where he met with Foreign Trade Minister Michel Jobert and Economy Minister Jacques Delors. The day before Delfim Neto had already met with French Premier Pierre Mauroy.

Another indication of the French Government's intentions, according to Minister Delfim Neto, is the visit Minister Michel Jobert will pay to Brazil. He should arrive in Brasilia on Thursday after accompanying President Mitterrand to the meeting of industrialized countries in Ottawa. During this visit the two ministers will continue talks in order to arrange a new "package"--similar to the one signed with France this year--for 1982.

Without referring specifically to the main points of this economic "package" the Brazilian minister referred to the hydroelectric field and to negotiations for the purchase of a satellite for Brazil and two new platforms for the Brazilian Petroleum Corporation (Petrobras).

Yesterday Minister Delfim Neto and Transport Minister Eliseu Resende attended several ceremonies marking the signing of agreements in Paris. The most important was that for a radar system for the center-southern area of the country. The financing of this project will be coordinated by the "Paribas."

This agreement involves a $316 million financial credit and a $140 million credit for the purchase of French equipment. In a ceremony held at the "Credit Lyonnais" Minister Resende signed $220 million finance agreement for the Belo Horizonte Railway. This agreement provides for $120 million financial credit plus a $100 million credit for the purchase of French equipment.

The total cost of this project amounts to $400 million of which $180 million will be financed by Brazil. Minister Eliseu Resende explained that this project is part of a larger project aimed at establishing a public transport system run on electricity in large cities such as Porto Alegre, Recife and Salvador.

At the Brazilian Embassy in Paris Minister Delfim Neto attended the signing of an agreement between CAPEMI [expansion unknown], the National Bank of Paris and the "Maison Lazard et Cie.," for the clearing of forests in the Tucurui area. The French groups have established a $100 million credit line for this project. The first credit will amount to $25 million. A protocol providing for this agreement had already been signed during [words indistinct].

CSO: 3001/226

COMMENTARY ON GOLBERY RESIGNATION; NEW CABINET CHIEF

'Fears Raised'

PY101718 Rio de Janeiro JORNAL DO BRASIL in Portuguese 8 Aug 81 p 10

[Editorial: "Dimension of the Crisis"]

[Excerpts] Regardless of the assessment one makes of the crisis which unexpectedly broke out in the governmental system, one conclusion must be emphasized to dispel the obvious fears raised among the public: the consolidation of the process for rebuilding a democratic regime is not at stake. Nobody can imagine that the sudden replacement--in a position of such importance in the government's structure--of a man with the personality and historic import of Minister Golbery Do Couto E Silva could take place without widespread repercussions.

But it would be a fundamental mistake to suppose that the departure of one man, even of such qualifications, could be enough to transform the office of the civilian cabinet chief into an instrument of destruction of the political process in which Couto E Silva involved himself competently and sincerely. The viability of the process could not, however, depend entirely on his presence in that position.

The story behind the sudden decision by the man who created the National Intelligence Service is not fully known yet. Enough is known to conclude that the crisis his decision caused is normal given the fact the chief of government has the means to overcome it by strictly exercising his constitutional authority and competence.

Minister Couto E Silva's voluntary departure has just exposed a little bit more the extent of the economic and social crisis at whose center he stood by virtue of his position and personality. This means that neither the nature of such crisis changed nor its size grew larger. One can only deplore that the handling of the crisis has lost an agent of centralization and discipline. However, this departure should not affect President Figueiredo's highest and most important goal beyond the increase in pressure normally caused by unexpected events. President Figueiredo is not only the symbolic guarantee of the democratic goal but a fervent believer in it. Apart from the symbolic character invested in the

chief of the nation, the former chief of the civilian cabinet was a sincere craftman of what has come to be known as "opening," something that has already proved to be more than a highway leading to fully restored democracy.

Let us not confuse the circumstancial reasons which prompted Minister Golbery Do Couto E Silva's resignation with the politico-military foundation upon which, amid and despite all crises, rest the government's institutional program.

Replacement Changes Cabinet Balance

PY101750 Rio de Janeiro JORNAL DO BRASIL in Portuguese 8 Aug 81 p 2

["Castello's Column" by Carlos Castello Branco: "The Return of Leitao de Abreu"]

[Excerpts] Setting aside speculation as to the reasons for obvious dissension, notice should be taken of the letter which President Figueiredo wrote to his former civilian cabinet chief, referring to Gen Golbery Do Couto E Silva's contribution to the most telling and "irreversible" accomplishments during the government's first 2 years. Since the former civilian household chief operated in an essentially political area, the wording of the president's letter should be understood as a reaffirmation of political liberalization, as a irreversible undertaking of his government following the strategy to planning of which General Couto E Silva contributed during the prior and current governments.

The new civilian cabinet chief is Minister Joao Leitao de Abreu who thus returns to the position he held under the government of Gen Emilio Garrastazu Medici. This choice partially changes the balance within the palace group, but in fact it is the replacement of a strong man by another strong man. Leitao de Abreu was the coordinator of the ministerial team of the government which he served and where he was one of the three top figures. The other two were Gen Orlando Geisel as defense minister and Delfim Neto as finance minister. Leitao de Abreu then worked closely with the finance minister, so Minister Neto's position in the current government will be strengthened with Leitao de Abreu's presence in Planalto Palace.

Endowed with a feeling for power and as a zealous practitioner of authority, Minister Leitao de Abreu as chief of the civilian cabinet office was a man who, although discreet, was more open to talks than Couto E silva who was extremely selective in choosing his mediators. The former civilian cabinet chief only talked with persons of his choosing while Leitao de Abreu always talked with the people he had to, although he did also have his favorite mediators. The style of these men is different and so something will change in Planalto Palace. There Leitao de Abreu had in the past dealt with General Figueiredo who was chief of the military cabinet household at the time and had maintained with the chief of the National Intelligence Service [SNI] the same level of relations that he will have to maintain with Gen Otavio Madeiros who is the current SNI chief.

Leitao de Abreu will not go to the Planalto Palace to give the president "the many years of lessons by the extraordinary chief, knowledgeable in military activities and wise in political affairs" alluded to in General Figueiredo's letter to General Couto E Silva accepting his resignation. But he is someone well-qualified to advice the president on a high level of political competence enhanced by his knowledge as a scholar in law and by his experience in public affairs.

CSO: 3001/226

SOCIAL ASSISTANCE FINANCES ON BRINK OF COLLAPSE

PY072129 Rio de Janeiro JORNAL DO BRASIL in Portuguese 5 Aug 81 p 10

[Editorial: "House in Order"]

[Text] Brazil's social security system is sinking. In view of this danger, President Figueiredo has taken command, and he wants, before making any other decision, to keep the ship from sinking by throwing overboard the load of excessive expenses.

That was the elementary measure that was lacking. Blinded by the revelation of a growing deficit, the government could not think objectively. Social security minister Jair Soares just wants to transfer to the whole society the cost of inefficiency in the social security system: hiking revenues would hide expenses the public knows nothing about.

Employers and employees are tired of paying for the eternal mistakes in social assistance programs. Society this time decided to resist and protest against the abuse suggested by the Social Democratic Party [PDS] which dragged out of the files an old formula: impose an extra and irresponsible tax on companies' total sales. The planning minister demonstrated that the tax of 1.5 percent on total sales amounted to economic irresponsibility, because it would fatally increase costs for enterprises and, consequently, it would fuel inflation.

The debate was badly conducted in and out of government circles. The point was not to cover the deficit, but to find the roots of such deficit. The social security minister has always closed his eyes to expenses and the PDS mistakenly believes that extravagant expenditures could be electoral investments in the party's favor. But the real question is to prune the quite large cost of social assistance programs, not to stick hands in the pocket of the taxpayers to wrest from them 25 percent more over what they are already paying.

Opinions were in chaos in government circles. Outside the government, the impression is that the ministers are incapable of showing respect for society, since all they can think of is to resort to formulas for the taxpayers to foot the bill, never for paring unproductive expenses.

In view of the public clamor, President Figueiredo reestablished priorities: cut expenses first. Afterwards, only afterwards and if there is a real need, admit the possibility of creating new revenue sources. It is impossible to finance

with successive tax increases a leaking faucet of uncontrolled expenditures. The entire system will have to be reexamined, because it does not show signs of financial health to provide medical care and social security benefits at the same time.

The misconception is an old one, but there is no reason to continue with it. It is time to revamp it in order to pare down costs.

CSO: 3001/226

BRIEFS

CREDIT TO GHANA--Brasilia--Taking advantage of the line of credit granted by the Brazilian Government, the Ghanaian Government must purchase products manufactured in Brazil for a total of $15 million, and on ending his 2-day visit to Brasilia yesterday, Ghanaian Vice President J.W.S. Graft-Johnson, established the priority of products to be followed: refined sugar, canned and frozen meat, cotton and cotton threads, rice, ration concentrates, corn, edible oil, fertilizers, home appliances and motorized vehicles. The protocol of intentions provides for the possible projects to be developed in the short term. They are: caustic soda project--for the installation of a caustic soda factory in Ghana through a "joint venture" between a Brazilian enterprise and the Ghanaian "Social Security Bank Limited"; agricultural machinery--export of agricultural tractors and implements; soybean plantation and industry--for the establishment of an integrated complex of soybean plantation and industry in Ghana, by a Brazilian enterprise in consortium with the Bank of Ghana; equipment for the construction of roads--it includes imports of Brazilian equipment for the construction of roads, such as bulldozers, mechanical excavators, loading excavators, graders, dirt rollers and utilitarian vehicles. [Excerpts] [PY072948 Sao Paulo FOHA DE SAO PAULO in Portuguese 15 Jul 81 p 17]

CSO: 3001/226

BRIEFS

FORMER CONGRESSMEN PROTEST BAN--Santiago, Chile, 30 Jul (LATIN-REUTER)--A group of former parliamentarians today said that the government decision to prohibit them from commemorating the 170th anniversary of the First Chilean Constitutional Congress is a denial of the republican and democratic traditions of Chile. A letter addressed to the interior minister, Sergio Fernandez, and divulged to the press considers as mistaken the presumption that their circle could possibly violate the recess of political party activities in force since 1973. The Christian Democratic, radical and otherwise affiliated former legislators had planned to meet on Saturday in order to commemorate the anniversary and to decorate the three oldest parliamentarians. But when he sent the prohibition to them, Fernandez knew that the circle was still in the process of being formed, and therefore he could not authorize the meeting. In their letter the former legislators said that they had signed the founding act of the circle in January and the legal requisites had been completed for his approval, but that the government had not made a decision on it. Former parliamentarians...have the right and obligation to express their points of view on the contingent aspects of the national and international situation which affect the interests of our country, the document says. [Excerpt] [PY070215 Buenos Aires LATIN in Spanish 0128 GMT 31 Jul 81]

RELATIONS WITH CENTRAL AMERICA--Fernando Zeggers, foreign policy general director of the Foreign Ministry, has reported that the deputy foreign minister will travel next week to Central America. He said that Col (Fernando Arancibia) will visit Costa Rica, Guatemala, El Salvador, Honduras and Panama, and he stressed that the Chilean Government is interested in tightening old friendship ties existing with those nations. Zeggers said that the deputy minister will hold meetings with the highest authorities in each country that will be visited. He stressed that Chile keeps cordial relations with each of those countries and that prominent personalities from those countries have recently visited Chile. He explained that the point is to intensify and to give more continuity to all types of bilateral relations with Central American countries. Chile, he added, is interested in knowing the current situation in that part of the continent, and it is especially interested in promoting bilateral relations with those countries. He said that American countries are an absolute priority for Chilean foreign policy and for its diplomatic definition. [Excerpt] [PY312030 Santiago Chile Domestic Service in Spanish 1100 GMT 31 Jul 81]

CSO: 3010/1671

HONDURAS CONDEMNED AS REACTIONARY BULWARK

PA041725 Havana International Service in Spanish 0000 GMT 3 Aug 81

[Commentary by Mario Montes: "Our America"]

[Text] The Honduran borders with El Salvador and Nicaragua have in recent months become bulwarks of Central America reactionaries and of counterrevolutionary plans against the region, designed by U.S. imperialism.

Protests which soon reached international dimensions revealed that on 17 July, over 1,000 Salvadoran troops, members of the elite Atlacatl brigade, entered 8 km into Honduran territory. The raid, which frightened thousands of Salvadoran refugees on that part of the border, was implemented despite repeated denials by the Tegucigalpa regime but with the approval and support of the Honduran military command. It was even learned that Honduran soldiers led their Salvadoran colleagues during their raid into foreign territory.

Nine days later, after many delays, the Policarpo Paz Garcia regime's Foreign Ministry presented a formal protest against the violation of its territory by Salvadorans. This protest was made not as a patriotic action by the Honduran tyranny, which is devoid of this lofty sentiment, but because all the world had learned of this violation of the country's sovereignty and the people's organizations demanded a firm attitude by the government against this scandalous incident.

Under no circumstances could the Honduran regime be expected to assume an upstanding and virile attitude, because its troops had not only allowed the entry of Salvadoran troops but also helped them in their attacks on the regard positions of the Farabundo Marti National Liberation Front [FMLN] on the border with Chalatenango, Morazan and Cabanas departments.

In these joint operations, which failed one by one, the Honduran and Salvadoran troops used defoliants and chemical weapons which caused many deaths among the civilian population. The presence of Salvadoran troops in Honduras, according to the FMLN, is part of a U.S. plan to establish a mobile, specialized force trained in counterinsurgency and advised by U.S. personnel. It will be made up of soldiers from the two nations, as well as from Guatemala.

Now the Honduran regime has just announced that it will militarize its border with El Salvador and, according to official statements, safeguard national sovereignty.

The truth is that this is intended to prevent the entry of Salvadoran refugees and support operations by troops of the two countries against FMLN fighters. This alliance between the Salvadoran and Honduran forces was recently revealed in attacks on Nicaragua, such as occurred on 24 July, when armed ships of the two countries attacked a Nicaraguan coast guard vessel trying to protect a Nicaraguan fishing vessel attacked by an Honduran navy vessel in Nicaraguan waters in the Gulf of Fonseca.

On this same day, Honduran soldiers attacked a Nicaraguan border patrol sailing on the Coco River. It is also a well known fact that several camps of former Somozist guards exist in Honduras and that they constantly raid Nicaragua.

These events confirm the role which U.S. imperialism has assigned Honduras in its plans, already condemned to failure, to attempt to halt the revolutionary advance of the Central American peoples.

CSO: 3010/1661

COLOMBIAN PEOPLE'S MISERY REASON FOR STRUGGLE

PA060200 Havana International Service in Spanish 2310 GMT 4 Aug 81

[Commentary: "Our America"]

[Excerpts] A deep socioeconomic crisis is currently affecting Colombia. Colombian President Julio Cesar Turbay Ayala recently announced that the state of siege established in 1976 will continue in effect for a long time. He said that the insurrectional struggle in large areas of Colombia is not caused by the people's misery. However, Turbay Ayala did admit that the state's fiscal deficit will amount to almost $1 billion at the end of the year and that there are some problems of unemployment and inflation.

As the economic situation grows worse in Colombia, the government has tried to minimize the situation and to turn the public's attention to another issue. This is the armed struggle being waged by the Colombian revolutionary organizations which he blames for the catastrophic situation of the country.

Using this demagogic argument which isn't believed even by the government officials, the Bogota government is allocating almost 50 percent of the national budget to finance the repression against the people and is purchasing in the United States huge amounts of war materiel to modernize its police forces and to supply the army with impressive technical and material equipment.

As a result of such an unpopular official policy, the people's economic and social situation continues to deteriorate. Besides suffering a repression which is assuming the proportions of a massacre, the people must put up with a growing inflation rate of more than 30 percent.

According to the Panamanian biweekly BAYANO, the infant mortality rate in Colombia is over 100 dead for every 1,000 born alive.

BAYANO indicates that those who wonder about the causes of the popular insurrection in Colombia need only view the following figures: 40 percent of the Colombian population is illiterate; 75 percent of the cultivable land is owned by just a few landowners; 5 percent of the businessmen control all the country's industries and life expectancy is only 50 years.

In the face of this dramatic situation which is made even worse by the absolute surrender of the country's wealth to foreign capital, the only alternative of the people is to struggle with all available means against a social and economic system that only brings them misery and death. Even though Turbay Ayala denies it, this is the main reason for the insurrectional struggle that is being carried out and constantly growing in that South American country. As Gen Fernando Landazabal, chief of the army, recently admitted, the current popular rebellion in that country will continue until there are economic, political and social changes in the objective and subjective conditions which daily cause the people's lives to deteriorate.

CSO: 3010/1661

BRIEFS

U.S. ARMS RACE DENOUNCED--Cuba today denounced the United States for having accelerated the production of arms of mass destruction and supporting the South African racists, the Israeli zionists and the Chinese expansionists as part of its strategy of international domination. In a speech of the opening session of the 81 World Congress Against Atomic and Hydrogen Bombs, Cuban delegate Rafael Lopez Valdes noted in Tokyo that Washington's position today and its bellicose policy is a threat against peace and security. The denunciation took place at a time when President Ronald Reagan's administration is trying to achieve a big nuclear superiority and force its allies to follow its high-speed arms race. Lopez Valdes recalled that the United States persists on deploying new medium-range nuclear missiles in Western Europe and supports the production of nuclear weapons in South Africa and Israel. Participating in the 81 World Congress are delegates from Cuba, Vietnam and the Soviet Union, among others, as well as representatives of 14 international organizations and more than 400 Japanese antiwar activists. [Text] [FL032344 Havana Domestic Service in Spanis' 2300 GMT 3 Aug 81]

RODRIGUEZ PRAISES TORRIJOS--It is normal that the disappearance of a revolutionary figure who embodied profound aspirations of reforms cannot leave behind anything else but a vacuum. But it is also normal that both in Panama, Central America and Latin America, this vacuum will have to be filled with the spirit of the men who, together with Torrijos, carried out the Panamanian proindependence and revolutionary process; the men who, together with Torrijos, have fought for the rights of Central America and the Caribbean; the men who, together with Torrijos, shared the profound feelings for what Jose Marti called our America. Thus, Torrijos' death demands from all of us a greater obligation. It is difficult, perhaps impossible, to replace him in the Panamanian sphere, in the Latin American sphere. But the fact that we have lost such a valuable figure as Omar Torrijos places a heavier demand on our responsibility and action. [Text] [FL060054 Havana Domestic Television Service in Spanish 0000 GMT 6 Aug 81]

CSO: 3010/1661

RULING FREEDOM PARTY ASSAILS GRENADA RIGHTS VIOLATIONS

Bridgetown ADVOCATE-NEWS in English 20 Jul 81 p 3

[Text]

ROSEAU, Dominica, Sunday, (CANA) — Grenada's leftwing government yesterday received a heavy verbal lashing from Dominica's ruling Freedom Party for alleged abuses of human rights.

In a statement, the Freedom Party of Prime Minister Eugenia Charles said it found the human rights situation in Grenada offensive and felt that the people should not be deprived of such rights because of ideological folly.

The party called for free and fair elections in the spice island at the earliest possible date.

The Grenadian Government came into office in March 1979 following the armed overthrow of the administration of Prime Minister Sir Eric Gairy.

The Freedom Party listed the alleged abuses of freedom as the refusal to hold promised elections, the detention of people without trial, and the curtailment of Press freedom.

The statement released here yesterday following a Freedom Party meeting said:

"Ever since the overthrow of the elected government of Grenada by the People's Revolutionary Group led by Maurice Bishop, we the Dominica Freedom Party have watched developments in Grenada with increasing concern."

"Because our sympathies have always been with the people of Grenada and not necessarily with any government of any particular colour, we too welcomed whatever measure of relief that a mere change of ruling regime then offered."

"Such sympathy was to a large degree enhanced by the promise made by the leaders of the revolution to hold free and fair elections at an early date."

"During the months since March 13, 1979, not only have this basic promise, indeed obligation, remained unfulfilled but an enlargening octopus has been stealthily enforcing its grip over life on the island, thus adding urgency to our concern."

In this connection, we list a few of the affected areas as follows:

"The refusal to hold free and fair elections on the island.

"The continuing detention of persons without trial.

"The curtailment of free movement of nationals in and out of Grenada.

"The curtailment of press freedom.

"We the Dominica Freedom Party now go on record as being against such continuing violations of the human rights and freedoms of the people of Grenada and do hereby strongly condemn both their arrival and perpetuation."

"We also seriously deplore the adverse social and economic consequences to the rest of the region which the generally offensive Grenada situation is causing, and hereby state our unwillingness to endure such deprivation for the sake of ideological folly."

"Accordingly, we call on the Revolutionary Government of Grenada to immediately indicate some concern for the democratic rights and freedoms of the people of Grenada and to cause free and fair elections to be held on the island at the earliest possible date."

CSO: 3025/176

CHARLES DISCUSSES IMF LOAN GUIDELINES WITH TRADE UNIONS

Bridgetown ADVOCATE-NEWS in English 18 Jul 81 p 3

[Text]

ROSEAU, Dominica Friday (CANA) — Disagreement surfaced among labour unions in Dominica Wednesday on whether to accept wage increase guidelines set by the International Monetary Fund when it lent Dominica EC$37 million union sources said yesterday.

The session Wednesday was attended by five major unions. They met to discuss the IMF condition that public service wage raises over the next years should not exceed 10 per cent.

Prime Minister Eugenia Charles has appealed to the unions to accept the condition, since it was imperative that Dominica recovers from its unhealthy economic state.

A union spokesman said after the talks that a meeting had been planned for next Wednesday with representatives of the private sector. He gave no further details except to report "disagreement" among the unions.

One union, the Civil Service Association has already accepted IMF condition but the sources said that this unilateral move did not go down too well with unionists Wednesday.

The CSA yesterday issued a statement saying it had held "a brief discussion on Dominica's performance in respect of the IMF conditionalities" with Prime Minister Charles last Monday.

According to the release, the meeting was also to discuss some 22 matters which the union wanted to have resolved.

When civil servants voted the IMF conditions they were informed that back pay owed to them since 1979 would be met in two instalments, with the first being made in February and the second in July.

The statement said that "on the question of the payment of the second half of the 1979 arrears in pay, the Prime Minister assured the Executive Committee that the payments be made in July as promised, but she could not give the specific date of a payment as yet."

The release gave no details about the discussion related to the IMF conditions.

CSO: 3025/176

BRIEFS

COUP PLOT CHARGES--Roseau, Dominica, Thursday, (CANA)--Walton Jno Phillip, one of the nine men detained in connection with a foiled coup attempt to topple the Dominica Government, has had two more charges laid against him, court officials said today. Jno Phillip, along with eight other accused, including ex-Prime Minister Patrick John, appeared yesterday before Chief Magistrate, Charles Williams, and was further remanded in custody awaiting the preliminary inquiry into the charges of attempting to overthrow the government set for August 13. Court officials said that Jno Phillip had been further charged with larceny and housebreaking, as well as receiving stolen goods. Phillip, a former soldier in the now disbanded Dominica defence force, was arrested by the police in the village of Giraudel, six miles south of here, on February 12 when they raided a house in that village and found a quantity of stolen material, including uniforms of the defence force, and goods reported missing from a cooperative shop in the village. According to the charges, Phillip is alleged to have broken into the shop and made away with items valued at nearly EC$2 000 (1 EC dollar equal 37 cents US) between January 24 and 26. He is accused too of receiving items valued at EC$650.66 "knowing the same to have been feloniously stolen" between January 24 and February 12 this year. The preliminary inquiry into the two new charges against him has been set for September 10. [Text] [Bridgetown ADVOCATE-NEWS in English 10 Jul 81 p 3]

IMPORT, EXPORT FIGURES--Roseau, Dominica--Dominica imported more than twice its exports in 1979 when bananas was the main revenue earner, according to figures just released by the statistical division of the Ministry of Finance. The figures show that in 1979, total exports were valued at EC $25.3 million while imports for the same year stood at EC $59.7 million. Banana exports in 1979 headed the list of revenue earners for the country with a total value of EC$11.7 million. Coconut products was next in line with nearly $2 million less than banana earnings EC$9.2 million. The value of citrus exports including lime and grapefruit juices trailed behind with an export value of EC$1.9 million. A government statement said that the best year for Dominica's balance of trade was 1961. It added that "since then imports have continued to outstrip exports at a rapid rate and the figures show a decline in economic production over the last 20 years in relation to our imports." (CANA) [Text] [Bridgetown SUNDAY SUN in English 19 Jul 81 p 9]

CSO: 3025/178

GOVERNMENT'S ECONOMIC, MONETARY POLICIES UNDER CRITICISM

Quito EL COMERCIO in Spanish 27 Jun 81 p A-1

[Text] The elimination of the marginal reserve requirement and the gradual reduction of the legal reserve requirement were termed constructive by experts in this field, who are, however, severely critical of basic aspects of the country's economic and monetary policies.

The recent measures by the Monetary Board, they say, will partly alleviate the contraction of the money supply and the shortage of liquidity that have been adversely affecting the country's entire production and economic structure.

They said that last month the money supply contracted again. Last May the Central Bank soaked up 493 million sucres from the economy, thus preventing a major flow of funds from fueling the production process.

Although the cumulative total over the 5 months is negative, there have been fluctuations, they said. Thus, the bank is far from technically achieving "fine-tuning."

International reserves continue to fall. They pointed out that there are two basic problems plaguing the monetary and financial markets: the surge in the value of the dollar, which has forced the Central Bank to intervene on the free market, and the existence of high interest rates on the world market.

According to the experts, the Central Bank did not adopt a timely policy to mitigate the two problems. The bank, they said, allowed the value of foreign exchange to rise extraordinarily for several months while maintaining an intervention exchange rate that was increasingly out of step with the market.

After being pressured by important groups, the Central Bank, "contrary to what it should have done," proceeded to reduce the allowance of dollar sales to travelers, which triggered speculation that artificially boosted the exchange rate. Faced with criticism, the bank adopted "a measure reversing the previous one, a correct one in other words, but added something to show that it does not really understand monetary and foreign exchange policy, because foreign exchange should not be part of international monetary reserves."

In this regard, they added, the regulation of the Monetary Board legally prevents the Central Bank from intervening on the free foreign exchange market, inasmuch as all foreign exchange in the Central Bank's possession is technically part of the international monetary reserve.

In spite of this prohibition, they asserted, the Central Bank buys and sells foreign exchange at higher and lower prices than on the market, while keeping a fixed exchange rate for travelers.

If the dollar begins to slip, there is renewed speculation, they explained. Banks, money-exchange offices, institutions and private individuals can then sell foreign exchange to the Central Bank and buy it back in a few days at a profit.

Under these circumstances, they pointed out, the best thing would be to repeal the 15 May regulation and sell foreign exchange only at the free market rate, so as substantially reduce the exchange rate and prevent the speculation that the "Central Bank created and fueled."

This worries the private sector, which is increasingly reluctant to borrow foreign currency, thus reducing the supply of dollars. In addition, 3 years of high interest rates on the world market are too much for several companies. The cost of money, excluding inflation, is the highest in recent decades. With high borrowing costs that cannot be completely passed on to consumers because of the sluggish growth of the economy, the road to bankruptcy is a real possibility.

They pointed out that the external sector continues to be a factor in the contraction of the money supply, as more money leaves the country than enters. International monetary reserves continue to drop, therefore. As of this May, they have fallen $300 million, which comes to 35 percent of the reserves at the close of 1980.

Exports are down 2.309 billion sucres over the first 5 months of 1981 in comparison to the same period in 1980. Cocoa products have been the hardest hit, but the drop in overseas sales has affected almost all our main exports. Only marine products show signs of progress, while there have been slight increases in sales of granulated cocoa.

Although a positive development from the perspective of foreign exchange, the drop in imports is a clear indication of our economy's stagnation. Imports over the first 5 months of 1981 are down 1.417 billion sucres from the same period in 1980.

Our trade surplus is growing ever smaller, while the deficits in the other accounts pile up, resulting in a substantial balance of payments deficit. These developments have been countered with rhetoric rather than steps toward a solution, except for the drop in the cost of financing exports.

They noted that as a result of overseas transactions $300 million more left the Central Bank in the direction of several countries than came in. This prompted a contraction of the money supply equivalent to 7.5 billion sucres.

The source added that in spite of the Central Bank's expansion of credit, it could not create primary money, inasmuch as the demonetizing from the balance of payments deficit was greater. Internal monetization amounted to 7.045 billion sucres over the first 5 months of 1981, but the demonetization from the

balance of payments surpassed it by 95 million sucres over the same period. The result: a drop in primary money equal to the last mentioned figure.

The tightening that has resulted from Central Bank operations affects all of the other institutions that make up the monetary and financial market. What the private sector does also has an impact. A change in the sector's expectations could have a decisive influence on the money supply. By the end of May, private sector expectations and actions led it to demand 0.3398 cents on every sucre in the form of coins and bills, whereas in February the demand stood at 0.5064 cents. (The conflict with Peru enhanced the desirability of holding coins and bills instead of deposits.) The proportion of coins and bills might continue dropping until it reaches levels that are in keeping with the market developments, inasmuch as the current level (by reducing demand for bank money) is preventing an increase in the multiplier. The May 1981 multiplier was the lowest in any May since 1977.

They explained that the multiplier started dropping in February 1979, had a slight upswing from August to December 1980 and then began dropping again.

The drop in the multiplier has been the result of falling confidence on the part of the private sector. The return to normalcy will be a major catalyst of a money supply expansion, however, and the Central Bank must keep an eye on this situation.

The decreases in primary money and the multiplier, as well as the rise in the amount of coins and bills per monetary unit, were the reasons for the negative creation of money by private banks. This was compounded by what has become an almost permanent situation in recent years: the Development Bank does not have the ability to create money. Therefore, the creation of secondary money (by banks other than the Central Bank) was negative by 1.127 billion sucres over the first third of the year. The funds available in private banks dropped by 2.881 billion sucres; additional credit totaled 1.914 billion sucres, and investment rose by 633 million.

A shift in the demand for bank money that would boost deposits in sucres would be very good for the economy because it could increase borrowing in sucres.

The growth of the money supply, they disclosed, has been slower up to May 1981 than as of December 1980. Nevertheless, the annual growth rate has been 22.9 percent, which is higher than the economy's.

They said that inflation in May was 1.81 percent, an annualized rate of 24 percent. Over the first 5 months of the year, inflation totaled 9.79 percent, which annualizes out to 25.1 percent.

This shows that the May price increase was slightly lower than the aggregate total for this year. The May 1980 to May 1981 inflation rate, they concluded, was 14.7 percent, which is close to the 14.1 percent estimated by the Confidential Economic Report. Inflation over the next few months is expected to closely match the report's projections.

8743
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COUNTRY REPORTEDLY FACING FOREIGN TRADE DECLINE

Quito EL COMERCIO in Spanish 28 Jun 81 p A-8

[Article by Fanny Grijalva M.]

[Text] Export booms and declines have been major landmarks in Ecuadorean history. The expansionary or contractive cycles of the national economy and periods of political stability or instability are linked to the positive or negative developments in our foreign trade.

Our history since the establishment of the world capitalist economy, which began with the Industrial Revolution, has been the history of the rise, consolidation, boom and crisis of cocoa, coffee, rice, palmetto fiber straw hats, among other strategic items during the Second World War, and eventually bananas and oil.

Until a few years ago, Ecuador was primarily an agricultural country, and farms are still vitally important today. Until the late 1960's the farm sector accounted for one-third of national output and 95 percent of exports, while furnishing almost all of our foodstuffs and a high percentage of raw materials for industry and handicrafts.

The cocoa boom (1895-1920) spurred Ecuador's development. From 1920 to about 1950, Ecuador went through a period of stagnation as a result of the cocoa crisis. Another period of expansion began in 1950 when bananas became an export crop.

Industrial production, which had been embryonic up to 1950, experienced much more rapid growth due to the added earnings from higher banana exports, in which Ecuador was the world's leader.

In recent years, the presence of oil changed the country from a farm products exporter to a farm and mining products exporter. This marked the beginning of a new era, coinciding with the defense of world oil prices through the consolidation of OPEC.

Oil exports generated revenue to modernize our production system, which led to an 11 percent growth rate of the gross domestic product from 1973 to 1977. The transformation of Ecuadorean society speeded up with the oil boom. Nevertheless, better living conditions have not been achieved, and there are still

more than two million Ecuadoreans living in subhuman conditions, unable to satisfy basic needs such as food, housing, clothing, not to mention education.

The country is presently faced with a foreign trade shortfall , as it is having problems boosting exports while import needs rise and foreign debts pile up. Our foreign trade is very vulnerable, a condition that was not corrected by the recent period of prosperity resulting from the oil boom. We did not manage to establish a more diversified export base or to replace imports to any great degree, even though national economic growth and external borrowing hinge on boosting exports.

According to the statistics on import and export permits granted by the Central Bank of Ecuador, which might or might not have been utilized, oil accounted for 57.51 percent of the total value of exports in 1975; this dropped to 35.03 percent in 1978 but recovered to 55.03 percent in 1980 and to 54.1 percent from January to April 1981 (the April figure is provisional).

Bananas accounted for 15.88 percent of the total value of exports in 1975, whereas from January to April 1981 they represented 10.03 percent.

Cocoa has undergone a striking decline, from 4.71 percent in 1975 to 1.61 percent over the first 4 months of this year.

Standing at 7.17 percent in 1975, coffee surged back to 18.83 percent in 1978, declining once more, to 4.57 percent, from January to April of 1981.

With regard to manufactured products, which include chemicals and pharmaceuticals, sugar and molasses, cocoa derivatives, marine products derivatives and other items such as home appliances, hats and petroleum derivatives, there was a striking rise from 9.92 percent in 1975 to 26.64 percent in 1977, with minor changes from then until now, rather than another major jump. From January to April 1981, manufactured goods accounted for 25.22 percent of the total value of exports.

There was a drop from 1975 to January-April 1981 in the share of raw materials in the total value of exports, from 90.58 percent to 74.78 percent. This was due to the rise in the share of manufactured goods from 9.42 to 25.22 percent.

With regard to raw materials imports for agriculture, industry and construction, they accounted for 39.78 percent of the total value in 1975 and 46.65 percent in January-March 1981. Capital goods accounted for 47.53 percent in 1975 and 41.81 percent during the first 3 months of 1981.

From all this we can see that although there have been changes in the pattern of Ecuadorean foreign trade, we are still vulnerable because our exports are poorly diversified and, moreover, subject to swings in prices set by the consuming nations. In addition, several underdeveloped countries export the same items as Ecuador, which often leads to a world glut. This triggers a drop in world prices, which cuts sharply into the foreign exchange earnings that the country uses to finance its economic and social development.

An analysis of Ecuador's foreign trade shows that import and export price trends have been dissimilar. Export prices have held steady, while import prices have risen. The country's buying power has been dictated more by export volumes than by potential upswings in terms of trade.

Therefore, Ecuador must spur its industrial sector above all, so that it can thus expand its traditional exports, which are subject to swings in both world demand and prices. Furthermore, we must also make use of our domestic resources to replace imports that currently weigh unfavorably on our trade balance. The major push that was given to industrial exports from 1975 to 1977 has come to halt since then.

The national government has proposed several foreign trade-related measures to deal with this situation, among them: definitive political promotion of foreign trade enterprises; expanding the working capital in the export promotion fund; implementing the Exports Promotion Law; encouraging the startup of enterprises with direct foreign investment that will make financial and technological contributions and that will share profits and risks with domestic capital in producing goods for the foreign market; expanding sales of traditional and nontraditional items by taking advantage of other countries' purchases of equipment and other capital goods; encouraging the formation of cooperatives among small and intermediate traditional producers; the rehabilitation and renovation of coffee and cocoa plantations; updating the export bonuses; implementing the export credit insurance law; and continue linking oil sales to trade involving other traditional and nontraditional items.

As far as import policy is concerned, the government proposes to reassess the classification and system of exemptions for import lists I and II, as well as the Prohibited Items and Prior License Regulations; to update the national import tariff with an eye towards the development of the various sectors of the economy and towards the pledges of Ecuadorean participation in regional and subregional integration processes; to standardize the pool of equipment, machinery, tools and consumer goods in the most important and necessary areas; to further curb illegal imports and to restrict duty-free imports as much as possible.

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VISITING ARAB MINISTERS EXPRESS INTEREST IN INVESTMENTS

Quito EL COMERCIO in Spanish 24 Jun 81 p A-1

[Text] A group of Arab nations attending the OPEC Fund's Council of Ministers, whose deliberations concluded yesterday, has shown interest in investing in this country and in boosting trade for our mutual benefit.

During their working breakfast yesterday, the ministers of Saudi Arabia and Kuwait, the vice president of the republic, Leon Roldos, Finance Minister Cesar Robalino and Industries, Commerce and Integration Minister Germanico Salgado exchanged views on what the most appropriate and pragmatic methods would be to achieve this goal.

At the close of their talk Vice President Roldos said that the Arab countries and Ecuador are determined to boost trade and economic relations. "We are members of OPEC," he said, "but trade between the Arab countries and ours has, in fact, been very limited."

He disclosed that they even discussed multilateral relations with the Persian Gulf countries that are in the midst of an integration process. "However," he said, "we are after both kinds of relations: multilateral and bilateral."

He disclosed that the Arabs are most interested in the area of foodstuffs. He clarified, however, that we have opened up the possibility of investments in other spheres of the economy.

Industries, Commerce and Integration Minister Germanico Salgado pointed out that this initial contact with the Arabs was an occasion to discuss a modus operandi for finding a way to pursue a policy of increased trade in several sectors of the economy. "At the moment," Salgado pointed out, "the task before us is to spark work by our diplomatic and trade missions in those countries and perhaps to set up a trade and investments mission, because we are interested in both things with the Arab nations."

He went on to say that Ecuador currently sells bananas and fish products to the Arab countries and that the amounts could increase enormously if we really got to know the market. That would be our basic interest, he stressed.

He stated that if we offer good projects, the Arabs could decide to come once they have familiarized themselves with the conditions here, because ours is one of the countries that they know the least about.

He repeated that Ecuador proposed two basic areas for investment: fish products and wood products. Prospects in the agroindustry and foodstuffs were also thoroughly discussed.

"For the time being," he stated, "we have decided how to get to know each other better and what we ought to do so that our exporters become more familiar with the Arab market. These are countries with open doors and they would be delighted to receive trade missions at the moment."

The industries, commerce and integration minister disclosed that Ecuador's trade balance with the Arab countries is favorable, adding that the current limited sales of bananas and fish products could increase enormously.

He stated that they also talked about intensifying relations with the Arab-Latin American Bank, of which Ecuador is a member, to finance transactions. He recalled that six gulf countries had just joined in an integration plan similar to the Andean Pact. This group, he said, is reportedly willing to hold a dialogue with the Andean Pact. We are interested in exporting to those countries and in receiving investments from them.

Finance Minister Cesar Robalino said that as far as specific activities are concerned, an Ecuadorean trade mission consisting of spokesmen of the public and private sectors might travel to the countries with which the dialogue has been held, Saudi Arabia and Kuwait. This first mission could set up specific lines of credit. It will also look into trade arrangements.

Once these credit lines have been identified, he added, a high-level mission would be sent to establish contacts and exchange views on an official level. Lastly, the countries would decide whether to set up a committee to monitor the progress of each of the investments eventually agreed upon.

Manuel Calisto, Ecuador's ambassador in Austria and representative to the OPEC fund, noted that during the meeting the Arabs showed they were aware that they have not made enough of a move towards Latin America and that it is currently an advantageous area for their investments.

"They are extremely practical," Calisto said, "and they have vast knowledge of what investing in the area means. That's why they do not want to engage in any rhetoric. Perhaps this is why it would be a good idea for us to focus on a project that could represent a forerunner of larger future investments."

He contended that in this regard it would be a good idea to set up a business-level liaison so that we could determine in practice how we could meet these countries' raw materials and foodstuffs needs.

We should get a dependable mission ready at the highest level. "This is our first move towards the Arab world, and we must go about it in a businesslike way," Ambassador Calisto said in conclusion.

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FINANCE MINISTER FORESEES LARGE BUDGET DEFICIT

Quito EL COMERCIO in Spanish 23 Jun 81 p A-6

[Text] The federal budget deficit will hit 20 billion sucres this year if the appropriate measures are not swiftly adopted, Finance Minister Cesar Robalino said on a television program.

This means that 36.3 percent of the 1981 budget, set at 55 billion sucres, is without financing.

The cabinet minister made these disclosures on a panel show in which the leader of the Democratic Party, Francisco Huerta, and the CFP [Conentration of Popular Forces] legislator, Rodolfo Baquerizo, also took part. On previous occasions the minister had declined to cite the figure, contending that he did not yet have the pertinent data, but "now that the time has come, I will do so."

Huerta said that this was the largest deficit in the country's history and was equivalent to an entire budget 4 years ago.

Robalino stated that because of the size of the deficit, it could not be taken care by any one single method and that several approaches had to be combined, such as: austerity in public spending and the identification of projects that are of the greatest overall importance, and a "reasonable" handling of the domestic and foreign debt. He also said that it was theoretically possible to resort to Central Bank loans "by starting up the money-printing machine."

The finance minister explained that the taxes that the Executive Branch is considering are the ones mentioned last February, in other words, the levies on cigarets and motor vehicle registration, as well as another tax on "selective consumption," which he prefers to call a "luxury tax," which is being worked out by a committee consisting of officials from the Finance Ministry, CONADE and the Central Bank, as well as a number of private businessmen. He also mentioned the reforms that have been or will be proposed in connection with the income tax, the tax on commercial transactions, the Customs Law, etc and said that administrative corruption and tax evasion would be punished with the utmost vigor.

Rodolfo Baquerizo argued that the people do not want additional taxes and that avoiding waste would be a better way to resolve our fiscal crisis, "inasmuch as this is a country in which everything goes to waste: human and financial

resources, time, the Central Bank's accumulated assets," etc. He recommended stringent austerity in expenditures and seeing to it that basic economic decisions are made with input from the people, not just by small groups of bureaucrats.

With regard to oil, Huerta Montalvo expressed his concern by noting that within a very short time all of the country's output would be taken up by domestic consumption and that by the 1990's Ecuador would be an oil importer and would have to withdraw from OPEC and make due with prevailing prices. To encourage the search for new oil deposits, he advocated amending the existing law by enhancing the incentives for the companies that are usually involved in this field.

8743
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NATIONALIZATION OF BANKS CAUSES PROBLEMS

San Salvador LA PRENSA GRAFICA in Spanish 27 Jul 81 pp 3, 23

[Text] Instead of solving some problems in the financial system, the nationalization of the banking system has created new problems, it was asserted at the Productive Sector Symposium that concluded yesterday.

It was pointed out that one source of problems and difficulties is the fact that the directors and executives, who have the know-how and experience necessary to deal with the current crisis, were eliminated.

Furthermore, the former stockholders of credit institutions that were nationalized did not receive adequate compensation for their stocks. Thus, it can be claimed that the shares were partially confiscated, which was not the best way to begin the process of regaining confidence in the country's future.

At present, it was stated, it is necessary to raise the level of net international reserves and allow the productive system to recover so that inflation can be brought under control. This must be done independently of any political consideration.

It was also explained that the credit allocation policies should be defined in such a way that they can be truly beneficial, so that credit can be channeled mainly to the productive sector. Financing of the public sector should be limited drastically.

Economic Recommendations

In order to achieve economic recovery in the country, it was stressed during the Symposium, there are various economic solutions, but all involve maintaining an attitude that favors unity instead of division in Salvadoran society. In addition to that change of attitude, other economic actions are being considered.

The first would be to eliminate bureaucratic obstacles that now hinder productive activity, in order to boost national production.

Another would be to strengthen the capital market, beginning with the issuing of Agrarian Reform Bonds and allowing them to be used as a guarantee for loans and

investments, and to be converted into other assets. This plan would include the possibility of converting them into bearer bonds.

It is also necessary to maintain high levels of coffee production in the country, and to abandon the idea of undertaking a second stage of Agrarian Reform.

It will also be necessary to provide effective stimulation for the tourist industry, promote free trade and free production zones, and encourage the establishment of foreign banks in the country.

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UNGO DISCUSSES FDR, ITS PURPOSE, OBJECTIVES

Managua EL NUEVO DIARIO in Spanish 7 Jul 81 p 12

[Interview with Guillermo Manuel Ungo, president of the Revolutionary Democratic Front and secretary general of the social democratic MNR [National Revolutionary Movement] party; date, place and interviewer not given]

[Text] Guillermo Manuel Ungo, president of the Revolutionary Democratic Front and secretary general of the social democratic MNR party, was a participant in the meeting of the Committee for the Defense of the Sandinist Revolution held by the Socialist International on Thursday, 25 June, in Managua.

Ungo founded the National Revolutionary Movement in 1967 and was a member of the first government junta after the coup d'etat of 15 October 1979. His resignation from the Salvadoran Government on 5 January 1980 was the result of increased repression by the Armed Forces, which in fact remained as dictators of the Salvadoran political process.

After the collective murder of most of the FDR [Revolutionary Democratic Front] leaders--among them its president at the time, Enrique Alvarez Cordova--on 27 November 1980, Manuel Ungo was named leader of the political arm of the Salvadoran revolution.

[Question] What are its purposes?

[Answer] First, we are interested in mediation as a concrete instrument which will contribute to an advance toward a political solution favorable to the interests of the people. We cannot speak of a political solution in abstract terms, and it is not a question of popular democratic political solution, with mediation as an instrument in the service of that solution.

Nor can we speak of a political solution as opposed to a military solution. Politics is expressed militarily in the Salvadoran situation.

Take the case of Zimbabwe, for example, where there were several attempts at political solution, and there were several--let us say--failures. In this sense, we took a position, as the political and diplomatic committee, but we cannot reveal it as long as mediation has not been accepted. Everything has is own political time.

[Question] Would there have to be a response from the United States accepting mediation in principle before proceeding?

[Answer] The only thing we can do is to show our willingness to mediate, while the war continues to spread. Then we would have to see how the mediation turns out, and the terms and objectives of mediation would have to be discussed.

[Question] In other words, the Junta has the ball at this time. Does this not represent a slight change from the statements you made in January, when you said, "We prefer to talk with the circus director and not with the acrobats?"

[Answer] In a way you are right: it is a slight change, but that is not my fault. We felt that things were going downhill. There was a more or less triumphalist position; that is the political reality. Which does not exclude the fact that, one way or another, in direct or indirect dialogue, the real interlocutor will be the U.S. Government. But a direct dialogue with the Junta is excluded, for different political reasons, and a dialogue is proposed with international collaborators who would work as intermediaries for a political solution.

[Question] Is it a bridge between the Junta and the U.S. Government?

[Answer] Exactly, but we know that without the United States there are no decisions.

[Question] How do you explain the fact that your adversaries have rejected mediation?

[Answer] No one negotiates from positions of weakness. For that reason it seems that the United States does not want to negotiate because it believes that it is still not in a position of strength. There are certain people who believe that we are in an impasse and that we must, therefore, seek a political solution. We do not believe that. Generally, when the game is tied, no one looks for a political situation, but rather for a goal. So neither can we expect a strictly military solution. A military solution would culminate in a political negotiation: that is what happened in Nicaragua, in a way. We do believe that there is no impasse, that the correlation of forces continues to favor us and that our strength at the various levels cannot yet overcome our weaknesses sufficiently to make an impression on the weaknesses of the Junta.

[Question] Now, then, it it is true that there is no impasse in the military plan, it appears to me that there is the possibility that it might be considered a political impasse in the following way: As you just said, the ball is now in the hands of the Junta and the United States in accepting or rejecting the idea of mediation. On the other hand, they threw to the FDR a ball called "elections," which is the counterproposal, and they are awaiting and understanding under their conditions at this level. If is should happen, then, that the FDR does not accept the election proposal nor the Junta the mediation proposal, where do they go from there?

[Answer] To build better political and military conditions or to create worse political, military and economic conditions for the Junta. I pointed out the case of World War II: When the allied troops landed in Normandy, nobody asked them to take Berlin the very next day; it took a while. The United States, for the moment,

has "frozen" the ball. What we must do, ourselves, is go ahead and get into a better position for that given moment when their plan has failed and the only alternative they have left is direct intervention or a political solution.

In this regard, elections are, in our opinion, a factor which works more against than in favor of them, because we hold the thesis that it is a false solution, a disguise for maintaining a war footing, for a more restricted and limited democracy than we have known through electoral processes for 50 years. I personally believe that we are not even going to have elections. I believe that even Christian democracy itself as a political expression does not have any idea of going it alone. Conditions are worse than those of 1978, when we withdrew from the election. The Christian Democrats stood for exactly the same things then as today: reform of the electoral laws, modification of the membership of the National Electoral Council, of the Voters Election Council, etc. At that time, when repression was not so intense and widespread and there was no war and no political and military organization of the magnitude of that which exists today, the Christian Democrats made a public announcement of their position, which coincided with that of the Communist Party: to call elections in 2 or 3 months. They are going to fail, and they are going to blame us. They will say it was our fault that it was not possible to have elections.

[Question] Now, Duarte says he would accept the MNR and the UDN [Nationalist Democratic Union] as participants in election. What do you say right now, not as a representative of the FDR and as leader of the MNR, to this proposal?

[Answer] The same as he would have said when we were in the UNO, National Opposition Union, alliance: it is not time for elections, because we do not believe that elections are either the beginning or the end of the solution with the actual power structure at the present time.

[Question] Would none of the internal factions of the MNR accept participation in the elections under any circumstances?

[Answer] No as a group in these circumstances, and much less alone; that is, it would be falling back into the political game in which we have been for 10 or 15 years, and we are not going to backtrack when we have already come so far in this process.

[Question] What might become, specifically, of the election process some day?

[Answer] The same thing that is happening now: the right attacks it in the abstract and goes to bed with it every day, and the left attacks it in the concrete, in ever broader and bigger ways, because all the people are to be considered subversive. I don't know if you know that the military officers who dominate and control political power in El Salvador are the very ones who have benefited and participated in the electoral frauds. Specifically, Gutierrez, Garcia and Vides Casanova were nominees for the presidential candidacy when General Romero was chosen, because all of them were in on that game of faked elections, of elections through persecution, violence and fraud. First Garcia was named president or ANTEL [National Telecommunications Administration] in the Telecommunications System and Gutierrez assistant general manager. Then we, along with the Christian Democrats and the

Communists, presented the evidence. One of the many proofs of the fraud were the tapes we made of telephone conversations. It was the famous "Tamale Fraud" (that was the key word). They said, "These jars need more tamales, they have to be filled; one already is overflowing..." etc. That is recorded in an official document in Congress and in books published by the U.S. Congress, and it was because of that that the Carter administration suspended economic aid. Those are the gentlemen that are offering free elections.

[Question] One last subject: How do you, at this time, see the international picture with respect, let us say, to the beginning of the Reagan administraion?

[Answer] Bad. That is, Reagan has shown us that he is capable of doing all that we foresaw. He has not been administrator of the American system, but an overseer.

[Question] Does he allow himself to be pressured, for example by the Social Democrats or by the Catholic Church?

[Answer] I believe that the entire world is vulnerable to pressure. What is happening now is that the pressures which were successful with Carter are not sufficiently effective with Reagan; he is stronger. But I would not view the question so mechanically, just as I would not say that because there might be an invasion of Poland there is necessarily going to be an American counterpart to it in Central America. In this sense we must not magnify the victory of Mitterrand in France, but neither must we forget that France is a key country and important influence; perhaps not sufficient by itself, but along with other factors, it can contribute. France has a veto in the United Nations, so this changes the balance of forces in Europe to a certain extent. But there are factors which influence this. However, I believe that we must not forget that the United States is a superpower; it is plain that its allies may have a certain influence, but they do not carry more weight than the superpower itself. We then have to look into the interior of the superpower, its own interests and the various contradictions. It may be that American big capital does not think in an idealogized way, but rather looks out for its own interests and convenience, and that adventurism such as Reagan's may be inexpedient for them. It is not with ideology exclusively that concrete policy is made.

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INDUSTRY SHUTDOWN RESPONSIBLE FOR DISMISSAL OF THOUSANDS

San Salvador LA PRENSA GRAFICA in Spanish 25 Jul 81 pp 5, 19

[Text] The shutdown of 171 industries, resulting in the lay-off of some 30,000 Salvadorans, as well as the flight of technicians and their families and as many as 100,000 skilled Salvadorans from the country because of the social, political and economic crisis, were the subject of a critical analysis presented by Jose Roberto Jimenez at the Symposium that ended today.

The speaker demonstrated that the industrial sector has made a significant contribution to the production of the goods and services necessary to meet the needs of the Salvadoran people.

The professional stressed that industry's share in the gross value of production between 1970 and 1980 rose by 2,532,700,000 colons, a 231 percent increase. With regard to employment, the industrial sector has also made a direct contribution, employing considerable numbers of workers. According to a sample survey conducted in 1977 by the Office of Statistics and Census, 702 firms employed 60,000 people, who received approximately 240 million colons in wages, stated Jimenez.

Industrial Activity Down

He also told how the current situation has resulted in a utilization of installed capacity in Salvadoran industries of only 40 percent. Jose Roberto Jimenez indicated that one of the reasons was the drop in the amount of credit granted by banks in the national system; loans have plunged 50 percent compared with 1979. Another factor is the well-known shortage of foreign currency reserves.

In addition, he stressed, businessmen and executives are in an insecure position, and industrial profits are not high enough to meet the country's needs.

He explained that because of the national situation in 1980, more than 30,000 people were put out of work because plants were shut down or there were lay-offs. As of April of this year, 171 firms had closed, said Jimenez.

It is well known that during that same period 102 families of foreign advisers and technicians had to leave the country, leaving hundreds of people out of work in the domestic service, automotive and other sectors.

It is estimated that no fewer than 100,000 skilled workers have left the country as a result of the economic, political and social crisis. There is no need to point out the devastating effect of this flight of talent and skilled labor. It represents the loss of a work force in the nation, which will be sorely needed to reactivate our economy in the short run, stated Jimenez.

Financing and Investment

He also stressed that the industrial sector has invested in the country, explaining that when there was economic security, industrial activity was on the rise.

He gave facts and figures, as well as Central Reserve Bank statistics, to show how our international reserves rose from 137.8 million colons in 1970 to 388.8 million colons in 1979, only to drop down to 171.1 million in September 1980.

Industrial Deterioration

The speaker brilliantly illustrated a series of circumstances that have led to the deterioration of industry. They include: unreasonable demands by labor, accompanied by strikes; lack of working capital; lack of foreign reserves to import raw materials; uncertainty among industrialists due to the lack of a clear state policy on industry; increased social and fiscal burdens; and worst of all, noted the speaker, government policies aimed at legislation which ignored the crisis we are undergoing, increasing uncertainty and reluctance to continue operating normally.

Depressed National Economy

"From our analysis," emphasized Jimenez, "we determined the principal problems and their causes. The upshot was a depressed national economy in a profound crisis. The only way to emerge from this situation is with the efforts of the entire Salvadoran nation, backed up, of course, by an emergency economic plan that must be put into effect by the government."

Then he referred to the plan or philosophical framework presented by the Planning Ministry for 1981 through 1983.

"The philosophical framework," he stated, "is contrary to representative democracy, to the free economic system, to individualism as a noble and lofty human trait, and to human progress, which is obtained through equal opportunities for all people."

In this plan, it is stated that the individualism of the capitalist society gives rise to serious inequalities, and economic and social injustices. "This," asserted the speaker, "is neither true nor accurate," as he concluded his speech at the Symposium which wound up today at the El Salvador Sheraton Hotel.

8926
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POLICY OF GRENADA SHOWS 'UGLY FACE' OF U.S. IMPERIALISM

St George's FREE WEST INDIAN in English 11 Jul 81 p 11

[Article by Merle Hodge: "Caribbean's Seeing Clearly U.S. Arrogance"]

[Text]

THERE has been a turn of events in the Caribbean, which should cause every patriotic Grenadian to feel a certain amount of pride.

The US government, like the big bad wolf in the story of the "Three Little Pigs", has huffed and has puffed at our door, has threatened for so long to blow our little house down, and we have stood up so bravely to this threat, that we have won the respect and solidarity of our brothers and sisters in the Caribbean.

The Grenada Revolution and the ruthless actions of the USA against Grenada, are causing the Caribbean people to see very clearly something which was with us all the time, but which was very nicely disguised until now: the ugly face of US imperialism.

The people of the English-speaking Caribbean have never before had an opportunity of seeing just to what lengths US imperialism will go, to safeguard its own interests.

We have never been able to see for ourselves just how little the US ruling class cares about people around the world — or in the USA itself — how readily it will mash down a whole countryful of people to protect the privileges it enjoys, calling this "protecting democracy".

Over the years, we have heard of the US intervening in countries in our region and elsewhere: Hati, Santo Domingo, Guatemala, Nicaragua, El Salvador, Vietnam... but these interventions never seemed to be our business, because we had distant relations with the people of these countries who spoke different languages.

Now, the mighty USA is flinging its enormous weight against one of the smallest of the family of English-speaking Caribbean islands, and the rest of the family is beginning to see and to react to its arrogance.

Recently the Caribbean Development Bank (CDB) and two Caribbean leaders took a stand against the USA's anti-Grenada campaign.

They said very clearly to the USA: We are **one** Caribbean. If you want to help us, help all of us. If you discriminate against any of us, you can keep your money. It's all or none.

The two leaders, Dominica Prime Minister Eugenia Charles and Barbados Prime Minister Tom Adams are to be praised for the principled

position they took in making open statements against the USA's plan to exclude Grenada from regional funding.

They have made it clear to the USA that we in the Caribbean are mature enough to have differences of opinion and still be concerned about each other's welfare.

If the USA had thought that it could take advantage of our family quarrels to weaken the bonds that unite us, then the USA was sadly mistaken. Instead of dividing the Caribbean, its huffing and puffing seems to be uniting the Caribbean around Grenada, and against imperialism.

The CDB response was not the only sign of this.

The most important regional newspaper, "Caribbean Contact", carried last month a front page editorial condemning the USA's campaign against Grenada and calling on the Caribbean Community to "speak out against and take positive steps to end the inordinate American pressures to which this hard-pressed island society it being subjected".

Similar concern was expressed over the airwaves through the Caribbean Conference of Churches' weekly radio programme.

And in Trinidad and Tobago Karl Hudson-Phillips, leader of the Organisation for National Reconstruction (ONR) a major contender in the forthcoming general elections, has said that his country's government ought to establish relations with Grenada, and that his party is willing to open talks with the PRG.

We must understand that when Caribbean leaders begin to move towards revolutionary Grenada in this way, they are feeling and responding to the pulse of the people.

To the ordinary people of the Caribbean Grenada remains a sister, and nothing the US could do has changed that feeling.

Despite the fact that certain arms of the regional press have been employed to pound into their heads that the Grenada Revolution must be destroyed, Caribbean people have still built up a certain understanding of what is taking place in Grenada. They have been ordered to spit out Grenada, but instead, the Grenadian people have won their admiration.

Grenada will similarly continue to turn every blow from imperialism into a victory for the Revolution and for the Caribbean.

Imperialism, just as it has no feelings, has no brains either — it does not learn and makes the same mistake over and over; again and again, digs its own grave, and in the end, the people of the world will bury it forever.

Imperialism cannot win.

CSO: 3025/176

BRIEFS

JAMAICAN VISITOR--St George's, July 10--Dr Paul Chen Young, a Jamaican economic consultant is now in Grenada carrying out a study of fiscal incentives offered by the government of Grenada. Chen Young's visit is part of an overall move to examine fiscal incentives in the Caribbean community. He arrived in Grenada last Wednesday and has had meetings with officials of the Ministry of Planning and Finance. He is scheduled to meet Minister of Finance Bernard Coard before leaving the island on Sunday. [Text] [Kingston THE SUNDAY GLEANER in English 12 Jul 81 p 3]

AMBASSADOR TO SURINAME--St George's, Grenada, Sunday, (CANA)--Vernon Simon, a senior officer of the Ministry of External Affairs has been accredited as Grenada's non-resident Ambassador to Suriname. According to a Government Information (Service (GIS)) release yesterday, Simon presented his credentials to President Henck Chen-A-Sen of Suriname on July 10. Grenada and Suriname established diplomatic relations in 1979. [Text] [Bridgetown ADVOCATE-NEWS in English 20 Jul 81 p 9]

CSO: 3025/180

FURTHER PROOF OF CUBAN-SOVIET INTERVENTION REVEALED

Guatemala DIARIO DE CENTRO AMERICA in Spanish 26 Jun 81 p 3

[Text] Another genuine proof of Soviet intervention in Guatemala by way of Cuba was produced by the Guatemalan army today.

Involved are two individuals members of subversive groups, who had participated in ambushes and clashes in western Guatemala. The two individuals, understanding how they had been deceived, surrendered to the Guatemalan army, giving up their subversive activities.

The couple is Paulino Castillo and Catarino Golon Chay, the first hailing from Escuintla and the second from a small village of Quezaltenango Department. Castillo is 28 years old and Golon, 25.

These Guatemalan citizens were interviewed this morning by several newsmen of the national press and correspondents of new agencies in the gymnasium of the army's headquarters, the former Matamoros Castle.

On that occasion the members of the press were able to view various types of weapons seized from the subversive guerrillas. The weapons were of American, German, Chinese, and other manufacture.

The head of the army's public relations department, Maj Edgar D'jalma Dominguez Lopez, gave a passing explanation of some of the material impounded, ranging from bombs, the so-called "Chinese cane," to other types of weapons.

On being interviewed, the former subversives related the way in which they had been persuaded and inveigled by means of spurious offers and also how they left and returned to Guatemala. Both of them described their training in guerrilla tactics given to them in Cuba and elaborated on the groups of so-called Organization of the People in Arms (ORPA) of which they were members. The two individuals alluded to the surveillance to which they themselves had been subjected and to their absolute lack of freedom given the fright of their leaders that the pair might abandon the movement, as has already occurred with some others who were also trained to militate subversively and who later become disillusioned and left these groups.

They noted that any difference of opinion with their leaders was a motive for santions, generally consisting in mandatory chores. The threat of death was constant for any lukewarmness toward the movement or opposition to the orders of the leaders.

The couple described the hunger, cold, and loneliness which these groups faced in the mountains and stressed especially the feeling of deception experienced by the members of these groups who had been openly fooled by ORPA.

Both Castillo and Golon rejected armed action such as that in which they had been involved, an involvement which merely leads to violence pitting brother against brother and which promotes the deaths of Guatemalans at the hands of fellow citizens.

In Guatemala, after they had been persuaded with offers of assistance for their families and talk of the poverty existing in the country, the "liason" whom the pair called the "one in charge" had passports made for them and they left Guatemala by land, Castillo for El Salvador and Golon for Honduras. The one who went to El Salvador continued by land to Nicaragua and from there flew to Panama. The one who went to Honduras also proceeded by plane to Panama.

Another individual "in charge" had Cuban passports made out for them in Panama and, with these travel documents, they were flown to Cuba.

In Havana a vehicle was waiting for them containing another "official." They were unable to visit the Cuban capital or any other city. Rather they were transferred directly to a camp where they received their respective training.

Castillo was trained for 7 months and Golon for 5 months. They learned especially how to handle various types of arms.

From that moment they began to realize that they had lost all their freedom. Once their training was completed they returned to Panama by air and, crossing Nicaragua and Honduras, the reentered Guatemala by way of Esquipulas.

The two Guatemalans described some of the ambushes and the seizure of small towns and farms in which they took part. They noted that low morale is one of the present weak points of the subversive groups.

In Cuba the pair met 20 to 22 Guatemalans receiving similar training and already involved in subversive activities, they formed part of units which included about 30 men.

It was possible for the pair to leave the subversive groups when, under attack by patrols of the Guatemalan army, the two who were presented at the news conference were left by themselves, each to his own devices. Not being under surveillance and subjected to death threats, they surrendered to the army.

The two individuals said that the actions in which they had participated were carried out in Quezaltenango and Solola Departments.

Their wish is to go back to normal life; in the case of Paulino Castillo to continue his studies. Major Dominguez Lopez said that the army would give them protection.

Major Dominguez Lopez also exhibited the photographs of the freight cars used to bring in weapons slated for the subversive groups. In one of them, for example, there was a double roof between which there was an empty space for this kind of transportation.

Major Dominguez also showed the pictures of a "people's prison" located in a house in Villa Nueva and pointed out that the air shaft system in the tunnels evidenced the participation of experts in that field.

Both the revelations of citizens Paulino Castillo and Catarino Golon Chay as well as the impounded weapons and the techniques used fully disclose the armed aggression to which Guatemala is subjected by the Cuban-Soviet interference in Central America.

2662
CSO: 3010/1520

BRIEFS

FOREIGN EXCHANGE FROM SHELLFISH--A total of exactly 10,093,470 Guatemalan quetzals have entered Guatemala in the form of foreign currencies with respect to the export of shellfish to markets abroad, principally the countries of North America, spokesmen at the Ministry of Agriculture reported. These exports, which constitute one of the goals of the fishing programs being promoted by the government of Gen Garcia Lucas through the said ministry, amounted in this period to a total of 5,489,035 pounds of shrimp, 2,776,001 pounds of fish, and 2,478 pounds of squid. The Ministry of Agriculture, it is said, hopes that the exports of this important economic resource of ocean products will soon constitute one more reason for the inflow of foreign exchange and also that it will represent a source of work for thousands of Guatemalans with the technical assistance of the Ministry of Agriculture and other resources that it makes available to the private sector, especially fishing enterprises, provided by the General Directorate of Agricultural Services (DIGESA). [Text] [Guatemala DIARIO DE CENTRO AMERICA in Spanish 24 Jun 81 p 6] 2662

CSO: 3010/1520

IMF APPROVES RECOVERY PLAN, RAISES LOAN FUND LEVEL

Bridgetown ADVOCATE-NEWS in English 17 Jul 81 p 12

[Text] Georgetown, Guyana, Thursday, (CANA)--The International Monetary Fund (IMF) has approved Guyana's recovery programme for the second year of an extended arrangement which was entered into a year ago and has raised the level of loan funds by US$40 million, the Bank of Guyana said Tuesday night.

The initial amount of the arrangement, approved July 25 last year, for a three-year period, was Special Drawing Rights (SDRs) 100 million (equivalent to US$132 million).

The projected draw down of loans during the first year was targeted at US$62.6 million (US$82.8 million), but according to the bank, actual drawings during the first year amounted to only US$35.6 million (US$47.1 million).

The statement did not give reasons for the difference. It added, however, that at a meeting on July 10, the IMF decided to increase the total loan from the US$100 million SDRs initially agreed, to SDRs US$150 million (US$172 million)(at current exchange rate) for the period of the arrangement.

An IMF statement issued from Washington on Monday said that the performance of the Guyana Economy during the first period was mixed. It said overall economic growth improved but key sectors like Bauxite, Sugar and Rice did not do as well as expected.

The IMF nevertheless agreed to make available up to US$150 million more in SDRs to allow Guyana to restructure its economy.

This means that for the next two years Guyana has available to it funds amounting to US$114 375 million.

Drawings for the year beginning July 1, 1981 are projected at SDRs $64.4 million (US$73.7 million).

These drawings are however based on fixed targets expected to be achieved by the end of the year (July 1981-June 1982), which require that:

--The economy grows in real terms by at least six per cent.
--The current gap in the balance of payment be limited to a level of 20.4 per cent of Gross National Product (GNP).

--The overall deficit of the balance of payments be limited to US$30 million,

--The surplus of the public sector be increased to six per cent of the Gross National Product or about G$137 million (US$45.6 million), and

--External payments arrears be eliminated when the gross foreign assets of the Central Bank reach a level of US$52 million.

The Bank of Guyana said the performance targets were "achievable" and depended critically on reaching production levels fixed in the key productive sectors of Sugar, Rice and Bauxite products.

For sugar, the target is 310 000 long tons, for Rice it is 185 000 long tons, for Calcined Bauxite 703 000 (metric) tonnes, for metal grade and chemical grade Bauxite 131 900 tonnes, and for Alumina 240 000 short tons.

The Bank stated that the draw down was phased and would be based on financial targets which related to the net domestic assets of the Bank of Guyana, borrowing by the public sector from the banking system and a limit on the net foreign assets of the Bank of Guyana.

CSO: 3025/177

BRIEFS

BAUXITE REJUVENATION--Georgetown, Guyana, July 8, (CANA)--Guyana's state-owned Bauxite Industry, concerned about its recent reputation for being an unreliable supplier, has embarked on a multi-million dollar programme to regain its high place in the eyes of its major buyers. Essentially the scheme involves speeding up the bauxite mining process to ensure that lagging production in recent years returns to normal levels, lost markets are regained and stockpiles are ample. [Text] [Kingston THE DAILY GLEANER in English 10 Jul 81 p 3]

ENVOY TO JAMAICA, BAHAMAS--Sir John Carter, Q.C. Guyana's new High Commissioner to Jamaica, presented his credentials to Sir Florizel Classpole at Kings House on June 30. While serving in Jamaica Sir John will also be accredited to the Bahamas Haiti and Santo Domingo. Prior to being posted to Jamaica Sir John an attorney-at-law was Ambassador to the People's Republic of China at which time he was also accredited to Japan and the Democratic Peoples' Republic of Korea. Sir John was educated at Queen's College Guyana and the University of London England where he gained his B.A. and LLB degrees. He qualified as a lawyer in 1942 and practised law in Guyana from 1945 to 1966. At one time Sir John was leader of the United Democratic Party which later merged with the People's National Congress in 1958. [Text] [Kingston THE DAILY GLEANER in English 17 Jul 81 p 16]

CSO: 3025/180

BRIEFS

NEW NWU CHIEF--Mr V. Bancroft Edwards has replaced Mr Lascelles Perry as the general secretary of the National Workers Union. Following the biennial congress of the union in May, the newly-elected General Executive Council elected Mr Edwards as general secretary, Mr Audley Gayle, as assistant general Secretary and Mr Vincent Morrison as financial secretary. Mr Perry, however, has been retained by the union as an assistant island supervisor responsible for negotiations in the bauxite/alumina industry, pending the resolution of the matter concerning his letter of resignation from the union. Earlier this year, Mr Perry, who is now at the centre of the current bauxite/alumina dispute, sent in a letter of resignation but was asked by the executive to continue in his position of assistant island supervisor pending the resolution of the bauxite dispute. During Mr Perry's absence from the bauxite/alumina negotiations, Mr Lloyd Goodleigh, island supervisor, carried on the negotiations. An NWU source told the GLEANER that it was still uncertain whether Mr Perry will stay with the union and that this influenced the decision to remove him from the post of general secretary to some extent. The source also said that Mr Perry has undertaken to make a final decision on his position with the union after the bauxite/alumina negotiations are concluded. Mr Edwards defeated Mr Perry by 19 votes to 8 in the election for the post of general secretary, while Mr Gayle won from Mr Neville Clarke by 17 votes to six. Mr Edwards's trade union experience dates back to 1941 when he started with the Trades Union Congress. In 1943 he advocated for the right of Government employees to join trade unions. In 1954 he founded the Water Commission and Allied Workers Union and was its General Secretary until 1964. [Text] [Kingston THE DAILY GLEANER in English 10 Jul 81 p 1]

1980 TRADE GAP--Jamaica last year spent some $330 million more than it earned from exports--a situation which "cannot continue indefinitely"--Deputy Prime Minister and Minister of Foreign Affairs, the Hon. Hugh Shearer said yesterday. Mr Shearer said that in 1980 the country imported some $1.97 billion worth of goods and services while exports amounted to $1.64 billion--representing a gap of $330 million. He said that Jamaica should be exporting more than it was importing. Mr Shearer disclosed that the JNEC had established new targets under which Jamaica would seek to increase nontraditional exports to Canada, Caricom, Europe and the United States from $120 million to $675 million--an increase of $555 million--by 1985. Giving details of the new targets arrived at after what he described as considerable research, examination and consultations by the JNEC, Mr Shearer said that the non-traditional exports had to increase thus: Caricom--from $60 million to $303 million; Canada--from $12 million to $61 million: Europe--

from $18 million to $173 million; and the United States--from $30 million to $138 million. He told the conference that the goal being set by the Government was to be achieved over a three-year period. At home the supporting programmes already begun included: a national export plan; a national export census; a market survey which is to be followed by others; a training programme to back up the other aspects of the programme and a technical assistance programme all to be underscored by the availability of foreign exchange. In addition there were the special trade facilities available to Jamaica under Lome and the General System of Preference. [Excerpts] [Kingston THE DAILY GLEANER in English 14 Jul 81 p 1]

HUGHES' GRENADA REPORT--Alister Hughes, the GLEANER's Grenada Correspondent reported yesterday that he was forced to show members of the security forces in Grenada, a news report he was sending by telex. He filed this message: "I have to report that, while I was preparing the tape to send this news, members of the security forces entered the public telex booth at Cable and Wireless and demanded to see my copy. I complied." Hughes who is also executive secretary of the Caribbean Press Council, has been harassed by the Bishop Government since June 19 when it closed the GRENADIAN VOICE newspaper of which he is a shareholder. The GRENADIAN VOICE was closed after its first day's publication. A travel ban has since been placed on Hughes preventing him from leaving Grenada and the Bishop Government has detained four people--three GRENADIAN VOICE shareholders--for questioning, alledgedly about plotting with the CIA to overthrow the Bishop government. Prime Minister Bishop seized power in March 1979 from duly-elected Prime Minister Eric Gairy. [Text] [Kingston THE DAILY GLEANER in English 15 Jul 81 p 1]

ALCAN CUTBACK--A production cutback of 30,000 tonnes of alumina for this year, was announced yesterday by Alcan Jamaica Company, the second such cutback to be implemented in the industry. In a news release Alcan said that the reduction "is largely the result of one customer's inability to take shipments totalling 250,000 tonnes." According to Alcan, "It is expected that there will be a reduction in temporary employees and in the requirement for overtime." Following is the text of the Alcan news release: "Mr K. P. Wake, executive vice-president and general manager of Alcan Jamaica Company, has announced that due to unfavorable market conditions, alumina production for 1981 will be reduced by a total of 30,000 tonnes, or a reduction of 2.7% for the year. This reduction is largely the result of one customer's inability to take shipments totalling 25,000 tonnes. Storage in the Alcan system cannot at this time accommodate this excess alumina. "Alumina production for 1981 will, therefore, be 1,065,000 MT instead of a previously projected 1,095,000 MT. Both the company's Kirkvine and Ewarton Works will operate at 1,300 MTD for the next 40 days and at 1,450 MTD for the remainder of 1981. The regular workforce will not be affected by this cut-back, nor will the present level of contractor activity, but it is expected that there will be a reduction in temporary employees and in the requirement for overtime. The market for alumina remains weak and we will continue to monitor the situation." On June 25 the Jamaica Alumina Company (Jamalco) announced that it would be reducing its alumina production levels at its Halse Hall Refinery (Clarendon Alumina Works) by approximately 300 tons per day with effect from July 24. [Excerpt] [Kingston THE DAILY GLEANER in English 15 Jul 81 p 1]

FARMERS' DEBT--Jamaican farmers now owe the Ministry of Agriculture some $41 million and the debt was described yesterday by Mr Brasco Lee, Parliamentary Secretary, in the Ministry, as "almost uncollectable." Outlining some of the major problems facing the Ministry of Agriculture, Mr Lee said that credits had been badly abused, resulting in some $41 million "in almost uncollectable debts now on the opening day of the two-day annual general meeting of the Jamaica Agricultural Society at the Bank of Jamaica Auditorium, Nethersole Place, Kingston. He said that among the other problems inherited by the Ministry were: the slippage in agricultural crops; fall-off in the extension services; shortage of transportation; bad roads and other infrastructure. He said that the Ministry would need to look at the role of commodity boards; the question of marketing and the role of the Agricultural Marketing Corporation in this; and the decentralisation of agricultural services. Government was aware of the imbalance between food produced here and food imported, Mr Lee said. He told the farmers that it was Government's first priority to feed the nation; but, he said, he was aware that there was need to find "that delicate balance" between what the consumers were demanding and what the farmers were producing. The Parliamentary Secretary said that farmers had to do everything possible to increase their production per acre. He disagreed with former Prime Minister Michael Manley on the solution to high costs of machinery that Jamaica had to purchase. Mr Lee said that Mr Manley had reasoned that if Jamaica had to sell, say four tons of sugar, to buy one tractor, and the situation had changed so that Jamaica had to sell 16 tons of sugar to buy the same tractor, then there was need for a New International Economic Order. [Excerpt] [Kingston THE DAILY GLEANER in English 15 Jul 81 p 1]

CSO: 3025/179

EDITORIAL WARNS OF OPPOSITION MANEUVERS

PA101745 Panama City MATUTINO in Spanish 10 Aug 81 p 4A

[Editorial: "Activities of the Enemy"]

[Text] Those who support the October revolution should learn, especially now, of the enemy's plans to destabilize the present regime. All we have to do is to intelligently observe the enemy activities, bearing in mind that the enemy's goal is the overthrow of the present regime in order to bring back to power the forces that were ousted by the October 1968 movement.

Until now the enemy's main activity has been the spreading of many rumors baring a clear insidious message, seeking the gradual division among the three sectors of popular power: the people, the government, and the national guard. These three sectors are acting as one, and are operating with mutual respect and with the expressed determination to help in the continuation of the task being carried out by Panama under the inspiration of General Torrijos, who representing the national guard which is today led by Col Florencio Florez; President Royo, the chief of state; and the National Assembly of Corregimiento representatives, which is the genuine embodiment of popular power.

The enemy is trying through open and covert actions, to sow division among these three sectors, which make up the revolutionary force.

The main concern of the revolutionary government--the powers of which, through a constitutional mandate, are shared with equal responsibility by the civilian powers on one side, and the national guard on the other--should be to maintain a permanent balance among the sectors which make up the basic structure of the revolution.

The enemy is concentrating on this point. It approves of all actions leading to breaking that balance. The enemy will use reports, radio and television commentaries, and written statements to set each of the revolutionary sectors against each other. The enemy will spread rumors, which in one way or another, will influence another sector to create differences and imbalances which would lead to the split, which is the enemy's main goal.

We insist on presenting this political problem, whose solution is also political, in the unwavering determination to unite all forces and to increase the group's efforts to speedily and effectively meet the people's demands.

As long as those demands are met, we do not have to worry about the intensity of the opposition group's dialectic. They already had more than half a century to do what they should have done for the good of the republic. All this has been done in less than a decade by the revolution, which can be criticized for everything except inertia, lack of inventiveness and dynamism.

CSO: 3010/1670

'CRITICA' WARNS OF OFFENSIVE BY OPPOSITION

PA101538 Panama City CRITICA in Spanish 10 Aug 81 p 30

[Editorial: "Fight Harder"]

[Text] Now that Gen Omar Torrijos Herrera is physically absent from the political scene, there are some in the pro-oligarchic opposition who think that the time has come to move to the final offensive against the government and the revolutionary process.

They believe that with the absence of the catalyzer of the process they can play the old Machiavelian game of "divide and conquer" and "the end justifies the means." We have said in the past that the plans of the conservative sectors inside and outside the country were drawn up a long time ago to be implemented once the leader of the October revolution left the scene.

General Torrijos foresaw this situation. He clearly said that a working team had to be created in the various levels of action inside and outside the Panamanian Government.

The teams were created. They exist and are operating. That is part of Torrijism and that style of work is the new keynote of the Panamanian politics. Of course these teams are not 100 percent perfect. The imperfect situations will be gradually resolved not when the opposition wants but when the people and the organized process so decide.

Therefore, as we have already pointed out, the opposition's tactic of attacking an official or member of the process in order to "promote" another one and to make the members of the government fight among themselves is an old and well-known tactic which we will denounce and fight above anything else. Let this be clear now and let no one be deceived.

The October revolutionary process has sufficient capacity to overcome its defects, errors and inadequacies. We are well aware of this and the necessary "settling of accounts" will take place bearing in mind all the component factors and always for the good of the process.

Everything indicates that diatribes, falsehood, slander and disrespect will continue to be the favorite weapons of those who have been unable to win the people with their demagogy.

We will not stoop to that level or use slander and demagogy. However, no one should be deceived. The Panamanian people are our only guide.

The fight is fighting.

CSO: 3010/1670

PDC PRESIDENT ON NATION'S SITUATION

PY041644 Paris AFP in Spanish 0414 GMT 1 Aug 81

[Text] Caracas, 31 Jul (AFP)--Luis Alfonso Resck, president of the Paraguayan Christian Democratic Party [PDC], said here today that the Paraguayan political parties are in agreement regarding the fact that the Paraguayan people must be made aware in order to establish a democratic political regime.

After indicating that Paraguay is suffering a situation of oppression in the social, political and economic sectors, Resck pointed out that more than one-third of the Paraguayan population is living in exile.

He stressed that the political parties have reached an agreement in order to combat the government of President Alfredo Stroessner, who has been in power for 27 years, in order to seek a pluralist, fraternal and free democracy that will be able to progress.

He indicated that both at the national and international levels it is possible to change the Paraguayan regime, but at the internal level the task of making the people aware must be carried out, is being carried out, in order to get the people to act.

Finally, he said that the oppression, torture, hunger, disappearances and death are some of the forms of saturation used by the current Paraguayan regime and despite this the democratic opposition is seeking a peaceful way to establish a democracy.

Luis Alfonso Resck is in Caracas at the invitation of the Venezuelan Government, which is Christian Democratic.

CSO: 3010/1657

CENAC IN BARBADOS, COMMENTS ON DOMESTIC SITUATION

Housing Problem

Bridgetown ADVOCATE-NEWS in English 17 Jul 81 p 1

[Text] Housing has become the most urgent problem in St Lucia in view of the destruction done by Hurricane Allen in August last year, said St Lucia's Prime Minister Mr Winston Cenac yesterday.

Mr Cenac arrived in Barbados yesterday to deliver the feature address at the Passing Out Parade at the Regional Police Training Centre.

Referring to the George Odlum-Allan Louisy dispute over the political leadership of St Lucia, Mr Cenac said: "The ruling St Lucia Labour Party is in full control of the situation. And we are moving from strength to strength."

It was alleged that Mr Louisy, when he became Prime Minister had promised to hand over the leadership after six months in office to Foreign Minister Mr Odlum.

Mr Cenac said that Mr Odlum had miscalculated the political atmosphere of the country especially in the Castries area, during the Budget in June.

It was then, that all of Mr Odlum's hopes of being Prime Minister were dashed to the ground," Mr Cenac said.

Mr Cenac said that Mr Odlum was still a Member of Parliament. The Prime Minister said that Mr Odlum had formed a new party--the Progressive Labour Party--and he holds political meetings.

Mr Cenac said he did not believe that the party could create any real challenge to the ruling St Lucia Labour Party, except perhaps in certain sections of the Castries area which has traditionally been an Opposition stronghold.

Mr Cenac said: "There was an arrangement the day after elections that Mr Louisy should pass on the mantle of leadership of the Government to Mr Odlum, but the essential understanding was that Mr Louisy would pass it on with his own consent. It was not question of an automatic handing over."

Mr Cenac took over as Prime Minister on May 5 this year following the resignation of Mr Louisy. This came about after the Odlum faction in the St Lucia

Labour Party in Parliament, along with the Opposition United Workers' Party voted against what they called "a bad budget" which was presented by Mr Louisy.

Explaining why elections were not held following Mr Louisy's resignation, Mr Cenac said: "The Constitution lays down the powers of the Governor-General upon resignation of a Prime Minister. These are either to appoint an elected member capable of commanding a majority in the House of Assembly or dissolve Parliament in his won deliberate judgement."

Talks in Bridgetown

Bridgetown ADVOCATE-NEWS in English 18 Jul 81 p 1

[Text] Prime Minister of St Lucia, Mr Winston Cenac said yesterday that his discussions with Barbados Government officials and aid donors were very successful.

Mr Cenac, who arrived in Barbados last Thursday, also addressed on that day, the passing out parade at the Regional Police Training Centre at Seawell.

He held discussions yesterday with the United Nations Development Programme (UNDP) on on-going programmes in St Lucia as well as matters arising out of recent Washington talks with the Caribbean Group for Cooperation and Economic Development.

He said that talks also centred around new pledges in relation to feasibility surveys, including one on the West Coast Road running from Soufriere to Castries, St Lucia's capital.

There were also discussions on Port development at Soufriere.

Talks were also held with officials of the United Nations Educational, Scientific and Cultural Organisation (UNESCO) on food aid.

The Prime Minister said that there were also discussions regarding a St Lucia Tourist Board office in Cologne, Germany.

A human needs programme for St Lucia was also discussed with the United States Agency International Development (USAID), and a coast guard vessel.

Mr Cenac also held talks with officials of the Caribbean Development Bank (CBD) on on-going and other projected programmes.

Mr Cenac, who is expected to remain in Barbados for the opening of Carifesta, is scheduled to meet with Barbados Prime Minister Mr Tom Adams before returning home.

Mr Cenac said that his Government was exploring as many avenues, as possible to provide work for the youths who form 60 per cent of St Lucia's population.

He also said that there was a "brain drain" not only in St Lucia, but in most Caribbean countries.

He has turned down an invitation to attend the wedding of Prince Charles and Lady Diana which is scheduled for July 29 because of his busy schedule.

The Prime Minister and his Government officials are now planning for the General Assembly of the Organisation of American States (OAS) which is to be held in St. Lucia in December.

However, he will attend the Commonwealth Prime Ministers' Conference which will be held in Australia from September 30 to October 7.

CSO: 3025/177

SLP CHAIRMAN'S RESIGNATION REPORTED

Bridgetown ADVOCATE-NEWS in English 10 Jul 81 p 3

[Text] Castries St. Lucia, Thursday (CANA)--The chairman of the ruling St. Lucia Labour Party (SLP), Leo Regis, has resigned from that position and as a member of the party's central executive.

Mr Regis, in a letter to the SLP secretary, said he had no inclination to support and be identified with a government which has by effect and gross mismanagement of its affairs, destroyed all claims to remaining in office.

Regis, who is not a member of Parliament, wrote: In short, the St Lucia Labour Government has let down its supporters, its country and the St. Lucia Labour Party. He said he had no desire to serve in any capacity in the SLP in the foreseeable future.

Mr Regis said he knew his decision to resort to complete alienation from the party, would tend to exacerbate the weakened fabric of unity and harmony in the SLP, but felt he must "at all times be guided by commonsense, conscience and God's revelation to me."

There was no immediate reaction from the party to the resignation, which comes only a few days after the second anniversary of the SLP's assumption of power in general elections in July 1979.

Since then, the SLP has been through the trauma of a protracted power struggle which split the party into rival factions, one of which has since broken away to launch a new political grouping, the Progressive Labour Party (PLP).

Regis was elected to office last March 29 at a party convention which re-elected former Prime Minister, Allan Louisy as political leader, and buried the influence of the dissident in the party led by former Foreign Minister, George Odlum, now head of the PLP.

Louisy resigned on April 30, after bowing to internal criticism of his leadership.

CSO: 3025/181

BRIEFS

GOVERNMENT WORKERS' RAISE--Negotiations between Government and the National Workers Union (NWU) over wage increases for daily paid workers were completed last week and has resulted in a 60% pay hike for the employees. According to the Union, the increase will be paid over a two year period with 40% being paid in the first and the remaining 20% in the second. Assistant secretary of the Union Mr George Goddard told THE VOICE that the hike was due since 1979 and that Government had decided to look into the payment of retroactive pay expeditiously He said also that Government had agreed to pay the first year's increase from this month. [Excerpt] [Castries THE VOICE in English 8 Jul 81 p 4]

CSO: 3025/180

TANNIS COMMENTS ON HUMAN RIGHTS IN NEIGHBORING GRENADA

Bridgetown ADVOCATE-NEWS in English 17 Jul 81 p 12

[Text] Kingston, St. Vincent, Thursday, (CANA)--St Vincent's Deputy Prime Minister, Mr Hudson Tannis, has said here that it is wrong for anyone to be continually detained without being charged or tried.

Mr Tannis, who is also the country's Foreign Minister, was responding to charges of human rights violations in the neighbouring island of Grenada, where scores of persons have since the 1979 revolution been held in custody.

Speaking in an interview the Deputy Prime Minister said it was inhumane for individuals to be held in custody without the possible hope of trial, but added that it was for Grenadians to resolve their own problems.

"If the present government of Grenada believes that it is in the national interest not to charge and try people," Mr Tannis said it is not for us in any other part of the Caribbean to question it."

Commenting on an unprecedented one day sick-out June 24 by members of the St Vincent police force, the barrister-politician, who is responsible for police matters, said it was unfortunate for the law enforcement agency to embark on this form of protest to back pay demands.

He, however, maintained the view that democracy was still much alive in St Vincent.

Mr Tannis said that, without doubt, such action could never have taken place in certain other countries in the region.

The Deputy Prime Minister said that in such disputes and confrontations with the state, it was not "the government which is being harmed, but our beloved country."

CSO: 3025/177

BRIEFS

BANANA MARKETS--Kingston, St Vincent, July 12, (CANA)--St Vincent is taking a close look at the possibility of shipping bananas to new far east and Caribbean markets, executive secretary of the islands Banana Growers Association, Cuthbert Williams, said today. With Caribbean exporters facing stiffer competition on the British market, it had become necessary for St Vincent to look for new buyers if its vital foreign exchange-earning banana industry was to survive, Williams said. The Association is looking into the possibility of selling bananas to Saudi Arabia and Trinidad and Tobago, he reported. At the same time, it was hoping to continue sales to other markets--such as Italy--which it had recently penetrated. [Text] [Kingston THE DAILY GLEANER in English 17 Jul 81 p 3]

NEW HEALTH MINISTER--Kingston, St Vincent--A new Minister of Health, Peter Ballantyne, has been appointed in St Vincent government. According to a government release, Ballantyne, who acted as health minister following the May 21 resignation of Randolph Russell, has now been confirmed in that position. (CANA) [Text] [Bridgetown SUNDAY SUN in English 12 Jul 81 p 9]

CSO: 3025/178

BRIEFS

SURINAME FREES 41 FISHERMEN--Caracas, 8 Aug (AFP)--It was learned here today that the 41 Venezuelan fishermen held prisoner for 2 months in Suriname have returned to Margarita Island, east of Venezuela. The fishermen and the four boats on which they worked were seized by the Suriname Government which accused them of fishing in its territorial waters. However, the four boats are still being held and their captains, Celso Zabala, Valentin Maria, Francisco Milano, and Luis Valero are still under arrest. The boats and the captains will be released when the $116,000 fine is paid to Suriname. The tired fishermen spoke of the inadequate conditions of their prison in this former Netherlands colony, and criticized the Venezuelan Government's lack of interest in their plight. They said that the only effective efforts for their freedom were made by Anacleto Villaroel, a union leader from Margarita Island, who went to Paramaribo to fight for their release. [Text] [PA082358 Paris AFP in Spanish 1504 GMT 8 Aug 81]

CSO: 3010/1671 END

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21 August 1981

Latin America Report

No. 2356

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21 August 1981

LATIN AMERICA REPORT

No. 2356

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BRIEFS

HYDROELECTRIC SCHEME--The building of a medium hydro electric scheme at Tumatumari is to be undertaken, Chairman of the Upper Mazaruni Development Authority, Cde. Bernard Crawford has disclosed. The construction of the Tumatumari Scheme was being undertaken now primarily because it entailed less time in construction and would provide a significant amount of energy, he added. Cde. Crawford however, explained that this Scheme would not be considered an alternative to the Upper Mazaruni Development Authority Hydro Power Scheme. The UMDA Chairman was at the time speaking to engineers at a special luncheon organised by the Guyana Association of Professional Engineers [GAPE] recently. Cde. Crawford disclosed that the local energy authority, which was soon to be legalised, was to conduct a series of activities in collaboration with the World Bank to produce a blueprint for the development of the electrical energy sector. He said that a realistic approach had been adopted to the problem of a reliable source of electrical energy for Guyana. He said that as part of this effort the total rehabilitation of the Guyana Electricity Corporation's thermal equipment was essential for the development of this source of energy. [Excerpt] [Georgetown GUYANA CHRONICLE in English 13 Jul 81 pp 8-9]

TURBINE REFURBISHMENT--The Guyana Electricity Corporation entered into a contractual agreement with GEC Turbine Generators Limited of the United Kingdom on July 13, 1981 for the refurbishing of three turbine generating sets at the Kingston 'B' Station. The contract document was signed by Cde. O.A. Baptist, Executive Vice-President, Guystac, and Mr. A. Nuttall, Manager, GEC Turbine Generators Limited (Services Division). Mr. G.W. Samson, Contract Officer of the GEC Turbine Generators Limited and Cde. L. Khan, General Manager, Guyana Electricity Corporation were witnesses to the Agreement. The contract price of 3,250,000 pounds sterling is for the refurbishing of turbine blades on the three turbo generators at the Kingston 'B' Station and related ancillary works. This expenditure, although significant, does not cover all of the maintenance requirements for the Kingston Station but will go a long way in bringing the station to more acceptable operational standards. The refurbishing of the turbines and related works will be spread over a two-year period and Guyanese personnel will be fully involved with the GEC Turbines personnel in all aspects of works done locally. It is expected, however, that a further 2 million pounds sterling will be required to cater for the maintenance and rehabilitation of other equipment at this station in 1981-1982. [Text] [Georgetown GUYANA CHRONICLE in English 14 Jul 81 p 1]

ENERGY AUTHORITY--The Energy Act [Act No. 2 of 1981] which brings into being the Guyana National Energy Authority, and the Energy Advisory Council, respectively, was brought into operation yesterday, by an Order issued by Minister of Energy and

Mines, Cde Hubert Jack. The Order has also been published in an Extra Ordinary issue of the Official Gazette yesterday. The Executive Chairman of the GNEA is Cde Bernard Crawford with Cde Abel Felix, M.P., as Vice Chairman. In accordance with the provisions of the Act, the Guyana National Energy Authority (GNEA) is intended to assist the Minister of Energy and Mines, Cde Hubert Jack, who is the Minister responsible for the Energy Authority, in formulating and implementing policy (and in monitoring the effects of that policy) designed, essentially, to ensure the availability (at appropriate cost) of Energy (in suitable forms and derived from appropriate sources, preferably indigenous and renewable) for maintaining and improving the quality of life of the people of Guyana. The Offices of the Guyana National Energy Authority, which has been suitably structured and staffed, would be located in the UMDA building at 295 Murray Street, Georgetown. The telephone numbers through the switchboard are 69266-7 and 69271-5. [Text] [Georgetown GUYANA CHRONICLE in English 16 Jul 81 p 16]

CSO: 3025/182

BRIEFS

TOURISM SLUMP--This year will be a financial disaster for the entire community, the Hon. C.V. (Jim) Woolridge, Minister of Tourism, said yesterday. And supporting that claim, the Bermuda Hotel Association yesterday indicated that over the next two months its member properties stand to lose nearly $2 million because of low occupancy rates. The reason for such dismal projections involve industrial strife that shook the Island in April, according to both Mr. Woolridge and the Association. "I view the situation as very serious," said Mr. Woolridge. "And I am extremely disappointed because 1981 was going to be even better than 1980, which was our best ever." Executive Vice President of the Bermuda Hotel Association, Mr. Lyndon Clay, said yesterday that the overall position of the Association's 52 member properties was the worst in recent years. He noted that projections for July and August showed a drop of 12,000 tourists. In financial terms this meant a loss of $1.4 million in hotel rates, $300,000 in the fixed gratuity levy, and $70,000 in Government's five percent tax on rooms. "Obviously, on top of this, hotels are going to buy less food and drink from local suppliers, and there is also the money these 12,000 people would have spent elsewhere in the Island," Mr. Clay said: "It's a very, very serious situation. Some hotels have already begun laying off employees." [Excerpts] [Hamilton THE ROYAL GAZETTE in English 16 Jul 81 p 1]

CSO: 3025/185

GENERAL BLAMES PCC FOR FARC VIOLENCE

Bogota EL TIEMPO in Spanish 15 Jul 81 p 3-A

[Text] Gen Bernardo Lema Henao, second in command of the Army, asked yesterday that court action be brought against the members of the executive committee of the Communist Party for the violent acts which have taken place lately.

He pointed out that it is they who from the very capitol of the republic direct these acts of subversion, openly, freely and with impunity.

He added that those who are under the control of the Communist Party cannot seek peace. He was referring to the amnesty the government has granted to groups which have taken up arms.

Lema Henao made a statement on the television newscast TV-HOY following a meeting of high-ranking military officers who had analyzed the public order situation in the country, specifically, the events which took place last week in Caqueta when seven noncommissioned and two commissioned officers of the Army died in an ambush set by the self-named Colombian Revolutionary Armed Forces, FARC.

He said that the subversive groups have challenged the armed forces and that the armed forces are prepared to respond to that challenge.

"I believe that what they have done is a response to another response. The national government and the Colombian Army have offered peace. The response has been war; we accept the challenge. It is war and the consequences are seen in the loss of lives. It is bloodshed. We hope that our men's blood will not be sterile, that it will give rise to a national awareness and will lead us to solve Colombia's problems. But we accept the challenge," Lema Henao said.

Gen Lema Henao then answered a TV-HOY question as to whether the country has failed to show solidarity with the armed forces at this time:

"That is the truth. There has been a lack of solidarity. Perhaps it is a lack of awareness or a lack of understanding or a reluctance to become involved or a desire to remain neutral or perhaps it is cowardice. But we are carrying out our responsibility. We want everyone in Colombia to be responsible, that is, to assume responsibility because this war is going to continue as long as those who are really responsible for the war and the killings are not brought to trial. I am telling you and the country listening, that the people who are really guilty are not being tried.

"It is necessary to try the central committee of the Communist Party which has sponsored violent action in Colombia; which has shed the blood of the peasants; which has ambushed troops and which here, from Bogota, directs subversion freely, openly and with impunity. It is because of this that the response to amnesty has been war, because they do not allow those who are under their control to seek peace. They need Colombia to be bathed in blood. They need to have a democratic system exchanged for another system by violent means. We have to try those who are really guilty of violence in Colombia. They are not the troops of our Army, it is not these honorable men."

In answer to a question by Daladier Osorio as to a possible passiveness on the part of the courts, Lema Henao said that all Colombians bear some of the guilt with regard to the responsibility of the country to save our people.

"Let us not say it is just the courts, let us say that we Colombians all bear some of the guilt and that all of us have to face the responsibility of saving our people from this violence, because this challenge we have to contend with, this challenge to war by armed men of violence, must unfortunately be answered in like form: with arms."

9204
CSO: 3010/1584

NEW POLICE CHIEF FOR LA GUAJIRA

Bogota EL TIEMPO in Spanish 17 Jul 81 p 2-A

[Text] Col Augusto Garcia Plata was named new chief of police of La Guajira and will take over the position shortly. Garcia Plata previously held the position of chief of the fire department of Bogota.

9204
CSO: 3010/1584

GOVERNMENT CREATES ANTITERRORIST BRIGADE IN OIJ

San Jose LA NACION in Spanish 1 Jul 81 p 4a

/Text/ An antiterrorist brigade, which will serve as an "intelligence corps," has begun operating in the Judicial Investigation Organization (OIJ), it was announced yesterday.

The size and makeup of this new police organization is not known.

According to official spokesmen, its objectives include analyzing, evaluating, and classifying information regarding clandestine movements, such as the one discovered recently here.

Thus, it is expected the government will have adequate means of combatting the activities of terrorist groups at a given moment.

To date and for various reasons the judicial police has participated in investigations of serious acts of terrorism.

However, recently and as a result of the events of 12 June, in which three Civil Guardsmen, a taxi driver, and a terrorist died in San Jose, there has been a clamor over the need to create a special antiterrorist group.

In revealing the creation of the antiterrorist team, it was announced that the team will collect information and provide leads and evidence on individuals suspected of being connected with movements of this type. It will have available a data bank with information on persons involved in terrorist acts, their radius of action, and their principal connections.

The idea is to facilitate the work of the investigator when acts similar to those which have occurred in this country in recent months take place.

It is stated in investigative circles that a great many operations aimed at breaking up terrorist organizations have failed because of the lack of precise information on their members.

The operation of the brigade is designed to avoid this difficulty. It is probably composed of two groups: one in charge of planning and the other in charge of executing plans.

Regarding the new group, the minister of security, Arnulfo Carmona, stated that the use of the term "intelligence" appears to be imprecise as it has always been associated with the National Security organization.

He asserted that the judicial police should be trained to deal with common crime.

He reiterated the possibility that the use of the term "intelligence" could acquire a new connotation in the judicial branch of government.

In other circles of National Security it was learned that it is true that every police organization has its own internal "intelligence" service. However, it was understood that the new organization will have to coordinate political aspects of investigations with National Security at any given moment.

Suspects

At the same time it was reported in the OIJ that the number of suspects involved in the recently dismantled terrorist organization has reached 17. Up to last week there were 12 who had been handed over to the courts on suspicion of involvement.

In judicial circles it was said yesterday that only six are being accused of the murder of the three policemen and the taxi driver on 12 Jun in Guadalupe and La Uruca respectively.

The six are Alexandra Bonilla Leiva, Magally Salazar Nassar, Viviana Gallardo Camacho, Miguel Regueira Edelman, Carlos Bonilla Hernandez, and Maria Antonia Rivera Lizano.

Five of them refused to talk and Bonilla Hernandez denied the charges.

All of them are also charged with disturbing the peace, threatening the security of the nation, violation of constitutional order, and defiance of the state.

Gallardo Camacho is also being charged with forgery and using false documents.

Arraignment is secret in this case. It was expected that evidence to support the charges would be presented yesterday, but there was only a police report on the happenings.

The Same Guerrilla Group

Judicial police spokesmen asserted that these people were part of the same terrorist group that participated in the 17 March attempt against the U.S. marine guards that had the code name "Aguila;" the attack on the Honduran Embassy, known as "Vieja," on 17 March; and the "Guaro" operation of 12 June, which was broken up and apparently was aimed at a liquor dealer.

The head of the group was Carlos Enrique Solano, known in the movement as Amilcar or Cario, who died in the 12 June incident. The young woman named Gallardo Camacho is said to have used the names of Daniela and Vera in the actions.

Finally, it was learned that the investigations have led to the discovery of five safehouses and the confiscation of 4 automatic weapons, 12 homemade incendiary bombs, 12 revolvers; ammunition, and fragmentation grenades.

9012
CSO: 3010/1519

PRESIDENTIAL CANDIDATE ANNOUNCES ECONOMIC GOALS

San Jose LA NACION in Spanish 2 Jul 81 p 2a

/Text/ An annual growth rate of 5 or 6 percent in national productivity will be the principal goal of the National Liberation Party, Luis Alberto Monge, presidential candidate of his party, announced yesterday.

The Liberation leader announced this objective yesterday at a lunch in the Colon International Center with business leaders who support his candidacy.

In revealing some of the features of his economic policy, Monge said that in order to attain the increase in production, he will try to stabilize the colon, provide incentives for investments by industry, and increase labor productivity.

He also announced that he will provide better transportation and an increased supply of energy, endeavor to establish sensible external tariffs, and attempt to obtain greater access to international markets.

Stabilization

The presidential candidate said he would adopt various measures in order to stabilize the economy. He said that he proposed to carry out a cautious monetary and credit policy.

The principal task is to avoid having the public sector, especially the government, serve itself, so to speak, with a tablespoon of disposable credit, leaving only the crumbs for the private sector."

But he also said that "the private sector should refrain from bringing undue pressure on the Central Bank to issue too much money and put it at the disposition of private enterprise."

He said that he would try to stabilize the exchange rate of the colon, although he also said that "this does not mean a return to the fetish of a fixed, unchangeable rate of exchange."

"In an economy that is open and small, such as that of Costa Rica, always exposed to external forces, it is inevitable for the exchange rate to experience changes," he remarked.

Nevertheless, he made it clear that such modifications will originate in the fluctuations of international economics and not as a consequence of the improvisations of the monetary authorities or stock market speculators.

He also said he proposes to put public finances in order in view of the observation that in 1981 the total deficit of the public sector will reach 5.2 billion colones and in 1982 the deficit of the central government alone is estimated at 4.5 billion colones.

Increase in Production

Monge said that all of these measures will be adopted along with the effort to obtain an increase in domestic production, because "the serious unemployment problems, the balance of payments and inflation cannot be solved and their social and political consequences cannot be avoided without a rapid increase in production."

He mentioned the potentiality which this country has for increasing and diversifying production by providing a vigorous impetus to agriculture; exploiting marine resources; strengthening manufacturing; exploiting mining resources; and promoting the tourist industry.

But according to the candidate none of this can be put into action without assisting domestic producers and converting industry into a source of jobs production, and investment.

He also expressed the opinion that it is essential to fight to guarantee ready access to foreign markets for domestic producers paying attention to strengthening regional trade and to the search for new markets for our exports without abandoning the markets for our traditional products.

Equity

"To increase production just to increase it makes no sense. The purpose of this great crusade to increase national production must be none other than improving the living conditions of all Costa Ricans," Monge told the businessmen.

He added that four fields will demand his specific attention: increasing the production of public housing; strengthening cooperatives; promoting new small and medium-size businesses; and transferring land held by the Institute of Lands and Colonization to farmers "to multiply privately-owned farms by means of an eminently democratic process."

Finally, he postulated four principles which he said will govern his regime: strict morality, dedication and hard work, reflection and study aimed at avoiding improvisations and recklessness, and a constructive dialogue to guarantee effective participation.

9015
CSO: 3010/1519

TANK MANEUVER ACTIVITIES, TRAINING REPORTED

Havana VERDE OLIVO in Spanish 5 Jul 81 pp 34-37

[Article by Mario Rodriguez]

[Text] Just a few minutes before the start of "artillery training for attack" we talked to one of the umpires, Capt Manuel Estupinan, concerning the features of the maneuver which was to be executed by a small motorized infantry unit of the Central Army.

From Hill 25, located on one side of the range, we had a perfect view of the broad strip of terrain where the "offensive combat" operation would unfold momentarily as a decisive test in which the small unit would have to demonstrate its combat skill and cohesion.

"In a maneuver, such as this one," we were told by Captain Estupinan, "all of the procedures learned during the days of combat training are utilized. This, you, might say, is a practical evaluation of what they have learned.

"On the other hand, the topic chosen for the maneuver, that is to say, offensive from the move under conditions of mass annihilation weapons employment, requires great skill on the part of commanders and staffs plus a high level of cohesion on the part of the personnel."

The officer explained to us then that the fundamental objectives include checking the organization and direction of combat operations by the staff of the minor unit, the efficiency achieved in combat firing, as well as the implementation of political work and party activities during the development of the offensive.

A radio conversation interrupted our talk:

"Thunderclap. Thunderclap. This is Apache. QSA. Over."

"Commence!"

"The 'war' is now beginning" we were told by Captain Estupinan who added: "The moment of truth has come."

Several signal rockets rose into the sky while thick columns of dust marked the advance of our troops.

We Will Do the Job

Lt Fidel Soto Rodriquez, the leader of one of the minor units participating in the operation, told us, before starting out, that the fighting men are prepared to execute a magnificent demonstration of skill and mastery.

"The terrain presents some rather difficult features," he told us, "because there are areas with lots of swamps, mudholes, and marabou.

"In spite of that I am sure that we will accomplish our mission with complete success."

"Why are you so sure?" we asked him.

"Very simple, everybody knows his job!"

"You, for example, by simply witnessing a certain event will know whether to come up with a good or a bad report. I know my job, which, by the way, is quite complex, because it means working with people. The long hours of combat and political training, with each one of them, enabled me to get to know them very intimately and even to determine their capabilities. This is why I tell you this and, please, make note of it so that you will not forget that we are going to do our job."

We were ready with another question when the young officer excused himself because he had to go someplace else. The preparations for the "offensive" required his presence.

There was only enough time for us to tell him that our next meeting would be over there, in that area.

To the Attack

The powerful fists of steel of our ground forces advanced between the AT artillery and the AA artillery which now came at maximum speed with their prime movers.

Overcoming various obstacles, the tanks approached the line of attack in order then, through the skillful maneuvers of their drivers, to deploy in perfect combat order.

The AT artillery had gone into action moments before. In a display of good cooperation with the other attacking forces, the artillerymen hit the first targets showing up on the horizon.

From the CP we were able to watch the work of the staff which was characterized by constant activity. And that means a lot because the staff officers have the responsibility for directing combat operations with every bit of precision. Defeat or victory also depends on them.

"Those fellows on the left flank are falling behind," the maneuver director commented, while at the same time instructing one of the umpires to take the necessary measures.

The order arrived immediately: "Tiger. Tiger. This is Leopard. QSA. Over."

"Go into second and advance at 1,500-1,600 rpm. The offensive on your front cannot be halted."

The artillery preparation, which had begun earlier along the entire front, is now shifted further in depth, an opportunity which the tanks and the infantry exploit to break into the enemy defenses.

During this episode, the sappers [engineers] played a decisive role. The explosive charges, placed with great precision, produced the expected results. This was undoubtedly a real artillery preparation.

The small unit of Lieutenant Soto advanced without any major interruptions on the right flank with the direct support of the tanks.

At this precise moment we recalled the words of the young officer when, before starting to go into action, he told us: "I am sure we will do the job!"

Inch by inch, the infantrymen, overcoming the various obstacles, advanced without interruption in depth. From our positions we observed the accurate fire of the rocket launchers, the automatic rifles, and the machineguns.

Everybody agreed: "This time not a single target will be left standing."

At the scheduled time, the entire small unit occupied an advantageous line from which it would be able to repulse the enemy counterattack.

Those "fellows from the north" were stopped while the offensive of our troops continues at a fast pace in the direction indicated, now wiping out the reserves that were landed from the sea.

With great skill and daring blows, the small motorized infantry unit accomplishes its mission. Before it is the beach.

We Did the Job!

The dialogue interrupted several hours earlier is now renewed in a lively fashion. Once again we are talking to Lt Fidel Soto; he is muddy all over but he is smiling. He saluted us and then we asked him: "Well, did you do the job?"

"I should say so," replied Soto, adding: "We did not leave a single target standing."

For him, the man responsible for training his subordinates, there cannot be any superficiality in training.

"During our training days, I always told the men that we must achieve maximum perfection in training and that this means that we must repeat our procedures as often as necessary.

"I never was in favor of doing things the easy way; and so we can now be proud of the results we achieved.

"My subordinates know better than I that the key to success is precisely in the heart and in the determination you display. That will save us much blood in war if the enemy should dare attack us."

"But that certainly is not all?"

"Of course not. I believe that there is a secret that I always share with the rest of the officers."

"A secret among hundreds of officers?"

"Yes."

"And what is this all about?"

"Very easy. Between the fighting men and me there is the most complete identity. This is fundamental because we are not just concerned with educating our subordinates but we want them to feel the authority, comradeship, and the demands expressed by the leader."

And he concluded:

"This is why I always say that this is my secret, a secret which has yielded good results for me."

From Enlisted Man to Commander

Sgt 2nd Cl Jorge Felix Canizares comes from the 17th callup of the SMG [General Military Service]. Every since he arrived at the unit as a young communist, Canizares has set himself the goal to be one of its best fighting men.

During the very first days as enlisted man he realized that active service was something that demanded maximum responsibility which is why he worked hard to learn everything he had to know from the very first day of his combat training on.

"It was not easy," he commented and added, "however, with the help of the comrades and with hard work I managed to attain the objective."

"And how did you get to be leader of this small unit?"

"Well, that was rather unexpected, the way it might happen in combat. When we were getting ready for the maneuver, the commander of the small unit became sick and had to leave. One of us had to take his place as leader and they picked me. In the beginning I thought that I could not cope with this new assignment but the comrades gave me every support. Look, Jorge, just go ahead and do not worry, we will help you. And so it was. I did not have the slightest trouble during the maneuver; we all acted as one man."

A slight smile appeared on the face of the young fighting man. Without him telling us, we detected a real feeling of satisfaction in his gesture. And it could not be otherwise because there is nothing more stimulating than the knowledge that you have done your duty.

When we returned to the CP, we observed a really festive atmosphere. The percentage figure established for hitting the targets had been attained and, according to the umpires, the troops had performed the way they were expected to perform.

There were embraces and congratulations and there was a pledge to continue as they had worked until now, with a slogan that is a very urgent one: Raising the level of combat training in an indispensable requirement for victory.

5058
CSO: 3010/1602

SOCIALIST EMULATION AMONG FAR PILOTS REPORTED

Havana VERDE OLIVO in Spanish 5 Jul 81 pp 28-31

[Article by Jorge Luis Blanco: "Competition in the Clouds"]

[Text] The combat pilot pulled the control stick toward himself and the aircraft commenced a steep climb in search of the clouds. The violent supercharge pressed his body against the back of the seat. Once the aircraft was stabilized and on returning to base, the aviator pushed the radio button:

"Mission accomplished," he reported to the flight controller. "Air-ground rockets destroyed target. Returning home."

"I copy, 257," came the reply from the control tower. "Congratulations. I can see that you do not want to lose your vanguard status; but your comrades are also competing so you had better be careful at any rate."

The pilot smiled while beginning his maneuver in search of the wide strip of concrete representing the runway.

Competition

How is socialist competition developing among pilots?

We asked this question several times without ever getting an adequate answer. This is why we decided to go to the place where we can find the defenders of our sky. They, the fighting men themselves, would be able to dispel any doubts.

On the day of our visit to that FAR [Revolutionary Air Force] unit, the flight line looked like one big beehive; there was a constant coming and going of tank trucks and electric power trucks, along with hard-working technicians and mechanics who checked out the combat aircraft to make sure that everything was in proper order. The pilots, wearing their flight suits, were engaged in friendly conversation in the standby area.

"Everybody is competing here," we were told by the deputy commander for political activities of a squadron. "It is the same on the ground and in the air where gravity does not hold you down."

They are not competing for the simple sake of competition. Behind that term is the pledge to improve the level of combat training and readiness. This activity, in the

course of which the best receive just recognition for their efforts, is the right thermometer for measuring the pledge to defend the country.

When the combat pilot sights a target and releases the bombs and rockets, he does not think that, in destroying the target, his competition pledge has been accomplished and that he will be rewarded accordingly; he goes much further: He is happy because his training is good, the knowledge acquired is successfully used in practice and, therefore, the possibilities of defeat in combat are reduced.

Naturally, there is tremendous enthusiasm in everyone regarding socialist competition. Everybody wants to achieve the status of vanguard—a very logical ambition; but above all, they are placing team success above individual interest. This is why it is much more natural for them to listen to conversations about the best flight or squadron, rather than the numbers of those who lead this dynamic activity.

Capt Orestes Travieso, a first-line pilot and vanguard member of the FAR during the 1978-1979 training year, is a specific example of what we have just said. When we asked him about the motives that made him attain that dirtinction he was at first trying not to talk about himself personally.

"In each squadron," he said, "you engage in competition with your heart. This activity is like an itch that does not stop. But everybody is very happy. To a great degree, the success is due to the enthusiasm and dedication of the commanders who, supported by the party organizations and the UJC [Union of Young Communists], get the most out of socialist competition."

At any rate, Capt Orestes Travieso was not completely able to avoid talking about the wonderful moments of satisfaction which he experienced when he was selected a vanguard member of the FAR.

"That distinction,"I must confess, surprised me. I had worked during the training year like the rest of my comrades. I saw no difference. We had all devoted identical efforts to raising the combat readiness level."

This veteran pilot of the FAR simply could not speak with anything but modesty. He did not mention his participation in the First Party Congress maneuvers where he was also selected a vanguard member of a squadron because of the meritorious results achieved in air-ground rocket firing and in other missions accomplished with insuperable mastery.

He is sorry that he was unable to participate in the competition in connection with the "20th Anniversary of the Triumph of the Revolution" Military Review "because I was sick and it was raining on that day and I could not be in my aircraft over the parade ground. But I am happy that my comrades complied with their pledges and that the people on that memorable day admired our formidable combat machine."

Pledge

To be outstanding in socialist competition, a pilot must achieve positive results in each of the subject headings included in his pledge. The latter is prepared on the basis of the main materials of the combat and political training program.

"The pilots," Capt Juan Alberto Mendez explained to us, "are given flight training and they are taught how to arrive punctually at the ramp and how properly to handle the starting procedure, the taxiing, takeoff, landing, and other things."

Firing practice is a very demanding thing. A firing practice director who sits along the firing range checks the pilots out; he determines the accuracy achieved in launching rockets or bombs. After the exercise has been completed, on that same day, he communicates the individual results during a meeting attended by unit leaders and other specialists. In this way, in addition to providing dynamic impetus for competition, it is possible to detect and eliminate any possible deficiencies immediately.

Marxist-Leninist training is also a fundamental thing. Great efforts are devoted to this subject. Every day, the lectures and seminars improve in terms of quality with a notable improvement in the material study base. The topics of scientific communism, taught during the 1980-1981 training year, have aroused great interest on the part of all pilots and the grades achieved confirm that.

Honesty

Above all, a pilot must be characterized by his honesty. This is a quality which he must never abandon, even in the most difficult situations. He must report any difficulty he encounters and that must be a permanent concern and moreover we must keep in mind that, when he takes off and enters the world of the clouds, he is alone with his fighting machine, without any other witness to his own conscience.

If, for certain reasons, he does not manage to accomplish a certain assignment, he must report that, so that the situation may be analyzed and so that pertinent measures may be taken to eliminate any possible errors he may have made.

It is possible that his honesty might cause him to lose his status as outstanding competition member but it is more important for his experience to be revealed so that he--and the other pilots--will not make the same mistake in the future. The experience of one individual--says an old aviation axiom--must constitute the experience of all. In this way we will not only improve combat readiness but we will also make it possible not to lose lives unnecessarily.

Among the questions most heavily covered during the development of competition, constituting one of the decisive subject areas, we have the situation existing in flight, in other words, all of those negative aspects which come up while a mission is being accomplished. For example, the pilot might miscalculate at the moment of landing and that can cause fatal accidents.

On that aspect, Capt Esteban Llanez, a combat pilot for the past 14 years, told us a few things.

"The competition pledges of the pilots also include as important requirements the idea of not making any wrong assumptions in flight. Of course, the individual is not always responsible for these situations but technical imperfections can become involved here.

"We cannot be mechanical when it comes to analyzing a comrade who has made a miscalculation. For example, you might have a case where a pilot with little experience undershoots, as we say, the runway as he approaches it. It would not be fair for him to be evaluated by the same yardstick as the yardstick that is being applied to a pilot with 12 or 13 years of experience.

"I recall that a comrade said on one occasion that our analysis of competition resembled meetings devoted to the exchange of experiences. I am sure that this is so because, when a person is told that he made a mistake in his piloting functions on such and such a day, he is not only being informed of a deficiency in his competition pledge but at the same time the others are also shown what not to do and how to avoid such mistakes."

Clear Skies

Lt Andres Valle has been a fighter pilot for 3 years. During that time he was selected a vanguard member of his flight on several occasions which is why his photo has almost earned a permanent place in the unit's "Lenin-Marti" room.

"I try very hard to discharge all my obligations. That is the secret for achieving success in competition," he told us as we approached him while he was getting ready to climb the ladder into the cockpit of his fighter plane.

"If you work well," he continued, "competition will also go well. Of course, you have to understand what this activity means. Well, we can see that in our unit which day after day improves its combat capacity."

Lt Andres Valle finished adjusting his flight suit and with agile movements he sat down in the seat of the modern MiG-21.

Minutes later we saw the aircraft gain altitude and approach the place where a new mission was awaiting the pilot for the good results to be achieved as part of the competition to keep the sky clean of enemies.

5058
CSO: 3010/1602

BM-21 UNIT FIELD EXERCISE, TRAINING DESCRIBED

Havana VERDE OLIVO in Spanish 14 Jun 81 pp 33-37

[Article by Pablo Noa]

[Text] "Imagine, if you will, 40 missiles fired one right after the other at an incrediole speed, with an interval of only a few seconds.

"Comrades who fought alongside the Angolan people against aggression report that when the BM-21 went into action night was turned into day wherever they were fired and that they gave off a strange sound that of itself caused the enemy troops to flee in panic...."

The young officer who spoke to us thus is truly devoted to his unit and especially to rocketry, which is his particular branch of service.

Hardly more than a year and a half ago, Sublieutenant Rogelio Monzon--for that is his name--was a student at the FAR [Revolutionary Armed Forces] Comandante Camilo Cienfuegos Artillery School. When he finished his studies there, he was assigned to a BM-21 unit where we met him on the 26th of one month. The month itself is unimportant; what does matter is the circumstances in which he was acting and what his duties were.

His outfit had been in the field for several days and nights, performing long hours of difficult work in order to broaden each soldier's practical knowledge of his combat mission.

In the unexpected situation that had been thrust upon him and was to test him, Monzon was full of optimism. The chief of his small unit had to go away and Monzon was his replacement. The field exercise was already in full swing when he took over.

Inside the area where his force was concentrated, Monzon constantly went from one place to another, inspecting the equipment and instructing the squad leaders.

In keeping with the plan that had been set, the work of the party and UJC [Union of Young Communists] organizations was to provide support for specific tasks prior to field operations and throughout the exercise. This gave the unit's members an opportunity to learn how to react fittingly in each situation as it arose.

During the planning stage of combat operations, the members of the various teams were seized by a desire to fulfill their respective tasks completely. The head of each gun crew therefore demanded careful attention to even the smallest details, in order to insure success.

And They Did Succeed

The manner in which the men held the main firing positions and the expert fashion in which they handled the combat techniques, enabled them to meet the time standards established for setting up each gun. As a result, the report "Ready on the firing line!" rang out from their position.

From that moment on, Pvt Ulises Duarry, with his radio equipment, would continuously send and receive from the command post orders as to the firing data.

Pvt Carlos Alberto Izquierdo, a computer operator, followed everything closely.

Because of the duties they were to perform during the maneuver, the two we have mentioned were responsible for a large part of the equipment's successful firing. A slight error would have been sufficient to spoil everything.

This time, as on other occasions, everything was done properly.

Sublieutenant Monzon did not miss a trick. With great precision and assurance he issued the pertinent order for firing.

Amid feverish action, each fighter performed his varied duties that would spell victory. Pvt Juan Smith Olivera, who concentrates entirely on his work, says that when on maneuvers he feels as though he were "at a party."

That young man, whose service in the FAR started in 1979, deems it a source of pride and joy for any citizen to have military training to be able to defend his country and socialism by means of arms, if the need arises.

"This affords one a chance that must not be lost," he stated. "This is where we must prove that we have really assimilated the theoretical training given us and that we are capable of getting maximum results from the techniques and the military equipment entrusted to us."

Pvts Lazaro Lopez and Lazaro Vergara, both on Smith's staff, chimed in but did so without halting their digging of a shelter.

One of them spoke of the role that the habits and rules of conduct and discipline in the FAR play in the general training of young persons. The other one mentioned the collective spirit of unity and the ties of deep friendship that are created.

While these things were being said, the first BM-21 crews were firing. From their positions, they beat down the "enemy" who was attacking us.

Shortly thereafter, they went over and occupied their reserve firing positions.

Once again the commands were called out. The soldiers ran to their guns. After disengaging them from their respective sites, they went to the vehicles. They quickly assumed the preestablished marching order and took off toward other firing positions.

From Other Firing Positions

In keeping with the tactical thinking on which the exercise was based, the enemy was countered hard. Our artillery units occupy positions on the most advantageous terrain, so as to wipe him out completely.

One after another, the explanations of their missions were given to the batteries They had been worked out by the officers, noncommissioned officers and enlisted men who comprise each unit.

Those were moments of extreme tenseness. Everyone was awaiting whatever might befall.

Exactly as Sublieutenant Monzon has said things would happen, a shell came, and another, and still another, followed by many more.... In a mere matter of seconds the scene changed completely. A sound that fell on one's ears like a different, rough and violent tune brought to mind the tales told by the international artillerymen.

Then came the news that "the enemy" along that battlefront was wiped out.

Then orders were given to support the counterattack of an FAR unit which was defending itself near the BM-21.

But before that action was launched, the crew of the fourth gun--which consisted of Raul O'Reilly, Andres Blanco, Jose Manuel Martinez, and Raul Fuentes--were congratulated by those in command and by their comrades for the successful outcome of their action. Everyone recognized that their performance had been outstanding.

The communications personnel and the phone and computer operators also had done meritorious work.

Some hours later, the outcome of the counterattack and the overwhelming defeat inflicted on the enemy forces would be common knowledge. The manifestations of joy were spontaneous. Field reports were read, speeches were made to the troops, congratulatory embraces were exchanged, slogans were passed around, and, without one being able to say whence they came, conga drums and cowbells appeared.

With the same spirit of orderliness and discipline with which they had come to the field, the small units' members began to prepare their return to permanent quarters. They were happy that they had fulfilled their role just as they had set out to do, and, as a political worker said, had attained "positive results as in the field exercise."

9870
CSO: 3010/1551

DEVELOPMENT OF NICKEL INDUSTRY IN MOA DESCRIBED

Havana VERDE OLIVO in Spanish 14 Jun 81 pp 42-43

[AIN feature article by Lino Luben Perez: "Nickel for Development"]

[Text] The new nickel processing plant being built with Soviet technical assistance in the Punta Gorda area of northeast Holguin Province, at Moa, is huge. Its lateritic deposits are among the largest of any of the world's surface mines, making extraction easier and more economical.

Shortly after construction is completed within the current 5-year period, the industry will begin annual production of 30,000 metric tons of that strategic mineral which commands high prices on the world market and is used mostly in the chemical and food industries.

Initial work began in 1976, after Cuban specialists had drawn up the technical design and the Gipronickel Institute of Leningrad had prepared the projects for this investment of hundreds of million pesos, most of which will be in the form of equipment and engineering from the USSR.

The construction work has been entrusted to Empresa Constructora Integral Numero Tres, which employs approximately 10,000 workers from throughout Cuba who came to Moa to conquer nature and contribute to the industrial development of a country that possesses little in the way of resources.

The new nickel plant, known as Project 304, will be Cuba's most complex industry, surpassing even the Karl Marx cement factory in Cienfuegos. The investment program also calls for the construction of another plant that will be built with CEMA assistance.

There will be more experience by then and there will be the essential infrastructure to supply everything needed, from prefabricated concrete parts to carpentry items, general construction materials and installations that will serve social ends.

None of the above existed when Sergey Yakovevich Kireyev, who heads the Soviet advisers in Moa, arrived at these promising red lands with the specific mission of furthering Cuba's economic development as outlined by the First Communist Party Congress.

The forests there began to yield to the planned installations, one after another, such as the 60th Anniversary of the Leninist Komsomol Support Base, which is one of the six national UJC crash projects in Moa and in which the rookie workers accomplished in 1980 a real feat of endeavor.

The plant is the first one of its kind built in our country. It was inaugurated on 24 July 1978, which means that the normal adjustment and start-up period was reduced to the barest minimum, and within less than 2 years production already exceeded all estimates.

At about that same time, construction of the Nuevo Mundo dam, located at an exceptional topographic site, was undertaken. It has a capacity of 141 million cubic meters of water and is located in a mountainous area on the north side of the range that bears the same name which has slopes of as much as 450 meters.

While on the one hand large-scale work had to be undertaken--including the mechanical combine, the living quarters program and the port's enlargement--other but no less important work had to be done: roads from Moa to Punta Gorda; a 220-kilowatt substation; a block-manufacturing plant; sifting plants, crushing plants; and camps.

The long list made up by the nickel plant's chief engineer, Julio Cesar Frandin, included cement silos, schools and other installations serving social purposes, a 120-room hotel now under construction, and a tile factory.

The investment plan for this year calls for more than 30 million pesos that are to be devoted by the Ministry of Basic Industry to the new installation, the area of which measures 1,020,000 square meters and comprises 11 construction complexes, a project in which brigades from several provinces are working.

In January alone, the builders, in addition to casting more than 7,400 tons of monolithic concrete, set up approximately 1,500 metric tons of metal structures as well as of equipment and monolithic concrete, thereby surpassing by 5 percent the technological and economic program.

The rate of execution already achieved, at the outset of the Year of the 20th Anniversary of Giron, could not be more satisfying to the devoted men and women who are accomplishing what may be termed, quite specifically, the great work of the 5-year period--thanks to the fraternal help provided by the Soviet Union.

9870
CSO: 3010/1551

BRIEFS

DWELLINGS IN ANGOLA--By virtue of two contracts signed at the headquarters of the Caribe Union of Construction Enterprises in Havana, the Cuban Construction Enterprise will build a total of 2140 dwellings in Angola. The contracts were signed by Augusto Mateus Lope-Rosas, a leading official in the Ministry of Construction of Angola, and Sabino Castañeda, director of the Cuban Construction Enterprise in Luanda. The Angolan deputy minister of construction, Fonseca Santo, announced that Cuban internationalists would build 140 dwellings in Luanda and 2000 in the provinces of Benguela, Huambo, Cuanza Sul, Bie, Moxico and Lunda Sul. Work is scheduled to start in October this year, and the project will consist of five-story apartment buildings using the E-15 technology. What's more, the two governments have approved the constitution of the Joint Angolan-Cuban Techno-Girón Enterprise, which will begin work before the year ends. [Text] [Havana CUBA-ECONOMIC NEWS in English Jun 81 p 7]

SANCTI SPIRITUS CONSTRUCTION--The Ministry of Construction is carrying out a large-scale program worth 55 029 300 pesos in Sancti Spiritus province. The plan includes work at the Uruguay white paper mill, reconstruction of roads in the Escambray Mountains, construction of the provincial clinical-surgical and gynecological-obstetrics teaching hospital, the airport of the provincial capital and finishing 603 dwellings. Sancti Spiritus has five building enterprises, which have fulfilled their plan for the first quarter of 1981 by 106 percent, for a ten-percent increase over the same period in 1980, and they have done so with three percent less workers, but productivity has increased by 13 percent. The enterprises are also working on three hotels, the Gran Panel IV prefabricated sections plant, the experimental sugarcane station, the rock crushing plant of El Yigre, the water purification plant, an old people's home, the school for basic training in sports, a honey and beeswax factory, and other projects. [Text] [Havana CUBA-ECONOMIC NEWS in English Jun 81 p 8]

NEW MARTI AIR TERMINAL--The blueprints for a new terminal building, which will be built as part of the general remodelling of José Martí International Airport, are finished and ready to be handed over to investors. They were made by Soviet specialists. The functional design of the future terminal will enable the airport to handle 1600 passengers an hour, which is double the present capacity. The new building will have two sections, one for domestic flights and the other for international flights, plus restaurants, cafeterias, storerooms and other public service facilities. Telescopic platforms will be used to go outside the building. The

aircraft parking facilities will be able to accomodate 23 planes of the IL-62, IL-18, AN-24 and Yak-40 models. The cost of remodelling the airport is estimated at 200 million pesos, and it is expected that it will go into service at the beginning of the 1986-90 period. [Text] [Havana CUBA-ECONOMIC NEWS in English Jun 81 p 8]

SANTIAGO TEXTILE MILL--The textile plant being built with Soviet help in Santiago de Cuba is designed to produce 80 million square meters of fabric. However, at a meeting to analyze how construction was progressing, it was suggested that the large plant might be able to turn out as many as 100 million square meters. The analysis showed that in April construction work was at 90 percent of the plan, whereas assembly work was at 50 percent, for an overall 83 percent fulfillment of the plan. Fulfillment of the plan from the time theproject started stands at 93 percent, which represents 4 199 500 pesos' worth of work. The mill is expected to be completed by July 26, 1983, the 30th anniversary of the attack on the Moncada Garrison. [Text] [Havana CUBA-ECONOMIC NEWS in English Jun 81 p 9]

CSO: 3020/133

BISHOP WARNS OF MANY GUISES OF IMPERIALIST OPPOSITION

St George's THE NEW JEWEL in English 25 Jun 81 p 2

[Text]

'Imperialism comes in all kinds of shapes and sizes, and we have to be conscious of them, Comrade Leader Maurice Bishop as he addressed thousands of Revolutionaries at Queens Park on Heroes Day.

One of these sizes, Comrade Maurice emphasised, is the use of CORRUPT TRADE UNION LEADERS who have received training from the CIA in the form of AIFLD courses. Elements who have opposed the benefits and progress of the Revolution, and who will 'sell their Mother's souls for a penny', as he described them.

Another category which Imperialism uses, the Comrade Leader went on, is the unpatriotic, reactionary elements of the local Bourgeoisie who are seeking power. These elements are afraid to lose their Economic Base and that is why they are against Profit-sharing for Workers and are opposing the Land Reform programme. These elements don't realise Comrade Maurice noted, that the single most important element in relation to their big interests is 'living labour'.

These are the same ones who oppose Women's rights, never think of training workers to read and write, don't want to pay taxes, and are opposed to all the programmes of the Revolution which are in the interest of the working people.

Imperialism also uses the most corrupt, backward and reactionary elements in the Civil Service, and some of the big foreign Multi-National Companies, Comrade Maurice reminded the masses. Also coupled with this is the use of local Lumpen and criminal elements.

Comrade Maurice further went on to state that Imperialism had set down and explained exactly how they hoped to turn back the Revolution and reminded them of the recent propaganda through CBS television in New York, the Mercenaries being trained in Miami, and the continual mounting pressures brought on our Revolution externally.

In the words of our Comrade leader, a united, conscious, organised, and vigilant people can never be defeated. FREE GRENADIANS will put 'Heavy, heavy manners' on any one who dares to try to turn back our glorious Revolution.

CSO: 3025/183

LUCAS: GUATEMALA WILL NEVER INVADE BELIZE

Guatemala City PRENSA LIBRE in Spanish 23 Jul 81 p 4

[Text] "Guatemala will never invade Belize. We are not an aggressive nation, nor do we have any interest in destroying the inhabitants of Belize, since they are our brothers" President Lucas Garcia said yesterday commenting on the prospective independence of that territory.

The president was interviewed by reporters in the presidential palace after he informed foreign diplomats and representatives about the agrarian reform program which is being developed in this country, which will benefit millions of Guatemalans.

He was questioned specifically regarding recent declarations of the prime minister of Belize, George Price, in visits to Mexico and other countries is asking for help so that "Guatemala will not invade the territory referred to."

President Lucas stated categorically to the journalists that "Guatemala will at no time invade Belize because we are respectful of international law.

"The United Nations wants independence given to the inhabitants of Belize and wants us to remain silent. They do not wish to arrive at a good understanding, which would be more to their advantage.

"If they (the Belizeans) would arrive at a satisfactory agreement with us, it would benefit them significantly, because we would collaborate with them. It is always better to live in agreement with your neighbor and, in my opinion, it would be better off for them to sign the Bases of Understanding and remain friends of Guatemala.

"In any event," the president added, "Guatemala will not invade Belize at any time; we are not an aggressor nation nor do we have any interest in destroying the people of Belize: they are our brothers even if we do have differences.

"We would never go to the extreme of invading Belize, which if it ever happened, instead of benefitting us, would bring us nothing but the world's condemnation."

9678
CSO: 3010/1615

DIPLOMATS DENY EEC LOAN REFUSAL FOR ESSEQUIBO DEVELOPMENT

Georgetown GUYANA CHRONICLE in English 14 Jul 81 p 1

[Text]

TWO foreign diplomats in Guyana have said that they know nothing about a European Economic Community (EEC) decision to refuse to give loans to Guyana for development of its Essequibo Region, as was claimed last week by Venezuela's Foreign Minister, Senor Jose Alberto Zambrano Velasco.

Reports from Caracas on Saturday stated that Senor Zambrano Velasco had said that the EEC took the decision to deny Guyana aid to develop the Essequibo area, which is being disputed by Venezuela.

British High Commissioner to Guyana, Philip Mallet, reportedly told IPS Sunday that he did not believe the report since "it sounds like absolute nonsense."

IPS reported him as saying that while it was not impossible for such decision to be taken since he could not speak for the nine other EEC countries, he felt it was "highly improbably" and said that he was confident that he would have been informed if such a major decision had been taken.

IPS also reported Dominic Mesidiani, the EEC representative in Guyana, as saying he would be "totally surprised" if the report was accurate.

He said EEC policy and the conditions of the Lome Convention, stipulated that there should be no political interference in the granting of funds to a "partner" IPS reported. Guyana is a member of the ACP group and is a "partner" under the Lome agreement.

Mesidiani IPS added said several programmes discussed to be finalised by the EEC are in the territory being claimed by Venezuela, and he would be totally surprised if such a major decision was taken and he was not consulted.

CSO: 3025/183

BRIEFS

MESSAGE TO IRAQ--President Forbes Burnham yesterday noted the significant strides made in the friendship and co-operation between Guyana and Iraq since his visit to the Middle Eastern nation last year. In a message sent yesterday to his Iraqi counterpart President Saddam Hussein on the occasion of that country's National Day which is being observed today Cde. Burnham said: "The Government and people of Guyana join me in extending to you, the Government and people of Iraq warm and fraternal greetings on the occasion of your National Day. "The friendship and co-operation between our two governments and peoples have made significant strides since my memorable visit last year to your beautiful and progressive country. We look forward in the years ahead to the continuous development of the close bonds existing between our two countries, in our bilateral relations and our co-operation in the Non-Aligned Movement and other international organs in which we participate. May I take the opportunity to wish you personal health and happiness and progress and prosperity for the people of Iraq." Guyana and Iraq established diplomatic relations in September 1974. Guyana opened a diplomatic mission in Baghdad the Iraqi capital last year and Guyana's High Commissioner to Britain, Dr. Cedric Grant, is accredited to Iraq. Guyana, however has direct representation in Iraqi through Charge d'Affaires, Donald Abrams. [Text] [Georgetown GUYANA CHRONICLE in English 14 Jul 81 p 1]

YUGOSLAV AMBASSADOR--Guyana's staunch support for the principles of non-alignment and her active contribution to the political and economic emancipation of mankind were lauded today when the new Yugoslav Ambassador presented his credentials at State House. In presenting his letters of credence to Prime Minister Cde P.A. Reid, Dr Janko Lazarevski said that Guyana's efforts aimed at total decolonisation and freedom from any domination were important for Guyana's prosperity as well as for the common progress of the world. The Ambassador noted that Guyana and Yugoslavia had successfully developed relations and co-operation in all directions. He, however, remarked that there were still some unused possibilities and conditions for acceleration of future developments of bilateral relations. Particularly in the economic field. And in his reply to the Yugoslav envoy Prime Minister Reid indicated that the Yugoslav development strategy had been a source of inspiration and guidance in Guyana's efforts to develop a socialist society based on equality and justice for all. The Prime Minister drew attention to the complex international climate which he said manifests tendencies that threaten adherence to principles such as non-interference in the internal affairs of states, territorial integrity and economic and social development. He termed the presence of the new Yugoslav representative a positive manifestation of the growing relations between the two

countries and the opportunities which they will provide. [Text] [Georgetown GUYANA CHRONICLE in English 15 Jul 81 p 3]

PPP PROTEST ACTIVITIES--The People's Progressive Party has organised a series of public activities in various parts of the country under the slogan 'Fight for Democracy and a Living Wage' and to mark the death anniversaries of Michael Forde, Bholanauth Parmanand and Jagan Ramessar. Michale Forde was killed on July 16, 1964, in a bomb blast. The bomb which was placed in the bookshop under the Party's headquarters by the PNC, exploded while Forde was taking it out of the building after discovering it. The bookshop where he worked now bears his name in honour of his heroic deed. On July 16, 1973, Bholanauth Parmanand and Jagan Ramessar were killed by the security forces on the Corentyne. That was the day of the infamous 1973 general elections. The two PPP stalwarts were murdered while defending the ballot boxes which were being stolen by the GDF. The schedule of the meetings is as follows: There will be lectures at L.B.I ECD, on July 14; Boeraserie at Janki Persuad's residence on July 16, and Success, ECD, on July 17. On July 15 there will be a cultural programme at Ogle Community Centre. On July 16, there will be a procession from No. 63 Village to the graveside of Parmanand and Ramessar where a wreath-laying ceremony will be performed at 4.30 p.m. Later the same day two public meetings will be held. On July 17 there will be a wreath-laying ceremony at the graveside of Michael Forde at the La Repentir Cemetery in the morning and a lecture and cultural performance at Freedom House, 41, Robb Street, Lacytown in the evening. [Text] [Georgetown MIRROR in English 12 Jul 81 p 3]

RICE FOR LIBYA--The last shipment of 2,500 tons of long-grained white rice, which will complete an original order of 5,000 tons, will leave Port Georgetown tomorrow for Libya, an official of the Guyana Rice Board said yesterday. And a contract to supply a further 10,000 tons of white rice has been signed between the GRB and the Libyan Government. Up to late yesterday loading operations were going on at the Guyana National Engineering Corporation's wharf. The vessel had to be loaded at the GNEC wharf since the GRB's wharf, which was destroyed by fire some four years ago, is in the process of being rehabilitated. Meanwhile, it is hoped that the Board would find it possible to ship part of the new 10,000 tons contract later in the year. The Bauxite Industry Development Company (BIDCO) is acting as shipping agent for the GRB. [Text] [Georgetown GUYANA CHRONICLE in English 15 Jul 81 p 20]

CSO: 3025/185

CHINCHILLA HEADS DELEGATION TO MANAGUA

San Pedro Sula LA PRENSA in Spanish 18 Jul 81 p 4

[Text] Tegucigalpa—The Armed Forces Chief of Staff, General Mario Enrique Chinchilla Carcamo, will represent the president of the Republic, General Policarpo Paz Garcia, on the second anniversary of the Sandinist Revolution which will be held tomorrow in Managua, Nicaragua.

Chinchilla Carcamo heads a large governmental delegation which will travel today to that capital composed of the minister of foreign affairs, Col Cesar Elvir Sierra, the Commander of the First Infantry Battalion, Col Hubert Bodden Caceres, the staff chief of protocol, Jorge Coello, the lawyer Oberto Perdomo Paredes, virtual ambassador to Nicaragua and Capt Daniel Lopez Carballo, aide-de-camp to General Chinchilla.

In this way the national authorities are responding to a direct invitation from the Nicaraguan Government Junta of National Reconstruction, in a gesture which has been considered one of good will and of interest on the part of our government toward Nicaragua.

As one may recall, Honduras has assented to public functions of this nature last year, with the same objective when a similar delegation was sent headed by the chief of staff of the armed forces.

Unofficially, it was said that the envoys of General Paz Garcia will take advantage of their stay in Managua to hasten the apporval by the Nicaraguan Government of the new ambassador to that country.

Also, a series of subjects related to Central American problems will be discussed in light of a forthcoming foreign ministers regional summit conference.

9678
CSO: 3010/1615

BUSINESSMEN CLAIM DECREE 14-54 HAS STIMULATED SMUGGLING

San Pedro Sula LA PRENSA in Spanish 18 Jul 81 p 5

[Text] San Pedro Sula--Businessmen and merchants of the northwestern zone of the country asserted in LA PRENSA in this city that one of the negative aspects of Decree 14-54, issued by the government, is that it has stimulated smuggling in the areas bordering on Guatemala and El Salvador.

The businessmen, members of the Chamber of Commerce and Industry of Cortes, stated that the foregoing statements stem from proof they have gathered, that certain specific articles coming from Guatemala have not been imported by our country because of the high tax levied by that country in retaliation to 14-54. Nevertheless, these articles are found for sale in some stores especially in the western and northern zones of the country.

In the case of smuggling Salvadoran merchandise and articles, the situation is still worse, inasmuch as up to now there is no bilateral treaty in force and a large amount of articles which formerly were purchased in Guatemala are now being bought in El Salvador, without paying any tax, which means that they are being smuggled into the country.

The businessmen from the northwestern zone are victims of this illegal type of competition only a few days after Guatemala announced increased the the vigilance of the Arauca customs tariff.

9678
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DRAFT OF NEW NATIONALITY BILL QUESTIONED

Managua LA PRENSA in Spanish 24, 25 Jun 81

/24 Jun 81 pp 1, 12/

/Text/ At a round-table discussion held at the premises of Independent CONAPRO /National Producers Cooperative/ Monday evening, three well-known jurists made a detailed analysis of the pros and cons of the proposed nationality bill now before the State Council.

The jurists, Drs Enrique Sotelo Borgen, Mauricio Lacayo and Ramiro Sacasa Guerrero, expressed various opinions about the bill in question and agreed that the fundamental right of Nicaraguans to preserve their nationality is being placed in grave danger.

Speaking from personal experience as a lawyer by profession and as the representative of UPANIC /Agricultural Producers Union/ to the State Council, Dr Mauricio Lacayo made an earnest appeal to the other government members to study the proposed nationality bill more thoroughly in view of its importance and possible consequences to every Nicaraguan.

"First," the jurist said, "Article 2 of the bill commits a serious error in including under the heading 'Nationals' a clause which reads: "Foreigners who have performed meritorious service to the country deserve to be considered nationals."

"I consider this a serious injustice toward Nicaraguan nationals, for we are going so far as to define foreigners as Nicaraguan nationals; it is therefore my opinion that this clause should be deleted from Article 2 or else better explained, since, at the end, it says: "Equality of all Nicaraguans before the law forbids any distinction to be made between those born in the country and those born abroad."

Dr Mauricio Lacayo then referred to Article 3 which contains the following clause designated as a): "Those born outside of Nicaragua of originally Nicaraguan father or mother may, within 5 years after reaching their majority or emancipation status, request Nicaraguan citizenship upon renouncing their previous citizenship."

"Here I believe there is an inconsistency, since so-called internationalists, whose presence is being so strongly felt in our country at present, are required to spend only 2 years before being permitted to become naturalized, whereas the child of a Nicaraguan father or mother, who has our blood, must wait 5 years after reaching his or her majority," Lacayo said.

"Clause b) of Article 3 also benefits the internationalist in that, after residing in Nicaragua 1 year and then marrying a Nicaraguan woman, he can become naturalized 1 year later," Dr Lacayo added.

"I also detect inconsistencies in Articles 5 and 6 of the nationality bill; it would be well to discuss these articles more thoroughly," Attorney Lacayo said.

"Article 6 disturbs me considerably inasmuch as I can see political influence in the law which should not exist; rather, it should be conceived or designed to try to include such influence after the law is established; for, in principle, a law reflects the situation of the one who creates it and, afterwards, it is released by its creator to try to provide generalized solutions for everyone."

Article 7 reads verbatim: "Nicaraguan citizenship will be taken away without recourse from those who are condemned for treason, those who fight at the side of Nicaragua's enemies or support those enemies in any way and those sanctioned by the penal code through executory sentence."

In this connection, Dr Mauricio Lacayo said it is very easy to qualify people as "traitors to the country" without sharing any responsibility for such individuals. "I believe, therefore," he said, "that loss of citizenship through this article should be made compatible with the provisions of the penal code."

Lastly, in his analysis Dr Mauricio Lacayo said that more study should be given to other provisions of Article 7 on loss of citizenship; for example, the article says that "citizenship will also be taken away from Nicaraguans who engage in armed service in a foreign country when expressly prohibited from such acts by the Nicaraguan Government.

"Nicaraguans who refuse to aid in the defense of the country in case of foreign aggression may also be deprived of their citizenship."

In this regard, Dr Lacayo remarked that certain leaders of the revolutionary movement content that there are two classes of citizens in Nicaragua--those who are militant and those who are not--and that their objective is to try to discriminate between the two.

"I am of the opinion that those who are militant are as Nicaraguan as those who are not," Lacayo said.

/25 Jun 81 p 6/

/Article by Sotelo Borgen/

/Text/ Dr Enrique Sotelo Borgen, in turn, stressed the proposed bill's importance to the citizenry in general and made it a point to congratulate Independent CONAPRO for its initiative in dealing with the subject at the people's level and in front of a large group of independent journalists.

"It is necessary for everything to be known about this law, and it is the news media who are called upon to enlighten the citizenry on the errors and injustices which may be committed by a law which is handled initially by the State Council," Dr Borgen said.

"I perceive a number of pitfalls which may later be regretted: in its 18 articles the nationality law covering Nicaraguans has many positive points, but there are also many negative points which need greater study and astute analysis.

"Generally speaking, I must say that nationality laws in all constitutions vary very little," Botelo Borgen said.

"In political constitutions of the past these laws have consisted of only 8 articles, but the articles were well designed, clearly written and legally sound.

"I believe it would have been better to review previous constitutions, particularly the nationality law portion, since that law is commonly found in Central American, Caribbean and South American countries, and incorporate in our law those aspects which are applicable to Nicaragua at this time.

"I believe that the nationality law of the past contained great Central American spirit; the present law does not; and, in fact, the citizenry is greatly alarmed at the possible consequences of the implementation of this law in two aspects.

"One of these has already been taken up by Dr Mauricio Lacayo; it is that pertaining to loss of citizenship; for the new law contains exceptions which are quite variable and easy to interpret so that a variety of sanctions of a political nature could be applied to those with whom we are not in agreement relative to the conduct of the present revolutionary process," he said.

"For example.

"Article 7, Paragraph 3 of the bill says: 'Those who in any manner support,' in reference to sanctions of the penal code for alleged treason.

"Who is going to qualify this support?

"This can be subject to improper applications, gross injustices involving denial of citizenship to worthy citizens, worthy citizens, worthy fellow countrymen, merely because at a given moment that citizenship is not suitable.

"The other aspect is where the bill says: 'Those who refuse to aid in the defense of the country in case of foreign aggression' (without specifying what type of foreign aggression).

"If it is aggression of one country toward another, yes; but if it is aggression of another kind, let us say Nicaraguan individuals or citizens who carry out an assault and involve innocent bystanders, then the law lends itself to gross injustices," he asserted.

"Therefore, this part should be subjected to a very thorough and careful examination to obviate what the people are now thinking, since people interpret things in a very special way.

"For example, you have heard the following statement: 'He who is not a militiaman and does not belong to the militia loses his citizenship;' that is how they interpret this; and, in fact, that is how it could be interpreted by those who refuse to aid in the defense of the country.

"And this could happen," Dr Sotelo Borgen said. "A threat, an armed movement or acts of a general nature could occur in 'Podunk,' and it could be that no actual state of war exists but that general mobilization is ordered; at this point injustices could be committed depriving those who do not consider it necessary to participate in said military mobilization," he said.

With regard to the nationality law's partiality toward so-called "internationalists," Borgen had this to say:

"All this needs to be better interpreted; when will the 2 years of residence begin?

"Who can be considered foreigners who have performed those services?

"What interpretation can be given to this juridical concept?

"In my opinion," he added, "it would then be very easy for Mr Bowdler of the United States to consider himself Nicaraguan, and rightly so, for he aided considerably in ousting the dictatorship; his intervention was opportune at a difficult time for the Nicaraguans, and it is only fair that, if the nationality law is ratified, this right should be given to Mr Bowdler.

"The same applies to Don Jose Figueres, Carlos Andres Perez, Omar Torrijos and many others who aided in overthrowing the dictatorship," he asserted.

Dr Borgen said in conclusion: "With this nationality law Nicaraguans are treated less fairly than the internationalists to whom, it seems, the government wants to give more protection, rights and privileges."

8568
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BELAUNDE TERRY INTERVIEWED ON ANDEAN PACT, CURRENT ISSUES

Caracas EL NACIONAL in Spanish 15 Jul 81 p A-2

[Report on interview with Fernando Belaunde Terry, president of Peru, at Francisco Pizarro Presidential Palace on 8 Jul 81 by Augusto Montesinos Hurtado: "Peru Wants Adjustments in Andean Subregional Pact"]

[Text] Lima, 14 July--Making an unusual allowance, architect Fernando Belaunde Terry, president of Peru, granted a long exclusive interview to EL NACIONAL last Wednesday. It was held in his office at the Francisco Pizarro Presidential Palace at 1830 hours.

Belaunde wore an elegant blue jacket and gray slacks. He nicely asked about writer Arturo Uslar Pietri whom he said he greatly admired. He also recalled his friendship with the founder of our newspaper, Henrique Otero.

In the course of 1-1/2 hours of conversation, the president covered different topics including: the Andean Pact; the economic situation; terrorism; the APRA [American Revolutionary Popular Alliance] crisis; fears of a coup d'etat; the possibility that Gen Luis Cisneros, present army chief of staff, would become minister of defense in October; and his refusal to let the Holy Father intervene as mediator in the border conflict between Ecuador and Peru concerning the El Condor Mountains.

The conversation revealed the Peruvian chief of state's extraordinary knowledge of geography. It is admirable the way he remembers the names of rivers and villages.

While we talked, he asked his aide-de-camp, Com Abel Rondon, to bring the maps of the highway bordering the jungle, his most cherished project when he became president in 1963. When we asked about the concrete proposals that Peru wants to make to the Andean Pact, architect Belaunde leaned back in his green chair and answered slowly. He said that Peru is convinced that the Andean Pact must continue forward. It has great hope for this integrationist agreement. In relation to Decision 24 or any other decision, it only wants it to adjust to the changing conditions, the acquired experience. Then he showed the report on the Andean Pact that his advisers had sent him that very day but he did not reveal its contents.

President Belaunde is a man who hardly ever gets upset or angry. Nevertheless, one question from this reporter succeeded in making him angry. It was when he was asked: "What do you think about the statements by deputy Miguel Angel Mufarech of the Popular Christian Party when he said that the only thing Prime Minister Manuel Ulloa's economic policy does is take Peru out of the Andean Pact in order to favor and benefit the multinational enterprises?"

Belaunde, very upset, said: "There is no answer to that language. You understand that that type of observation cannot be taken seriously. I do not take it seriously." I immediately asked if he felt that the crisis of the Andean Pact should be handled at the presidential level.

He quickly answered: "I do not think so. I think the ministers can meet." EL NACIONAL sought the chief of state's opinion on the economic model being applied in Peru. "What was the difference between the economic model in Brazil, Chile and Argentina and what is being put into practice now in Peru?" Without thinking long, Belaunde stated: "Actually, our government is trying to achieve stability; that is, to take measures to control inflation." Concerning oil, he confided that the Western company has discovered "a very promising well that is now being drilled. There are many more indications and we will sign a contract with Shell on Friday."

APRA Crisis Is Temporary

We asked him if the differences with the FFAA [Armed Forces] had been ironed out and he said yes, everything was already settled.

The president showed us a number of plans and explained the highways that are being built. We asked about national politics, including the APRA crisis. EL NACIONAL asked him if he thought this crisis affected Peruvian democracy. Belaunde shook his head and said: "I believe it is a temporary crisis and that APRA will recover. When an election approaches, they will surely reunite. I believe that Haya de la Torre's message is a message that has content and that will last."

Continuing with national politics, we touched on the National Agreement Pact he proposed to the political parties. He revealed: "I believe that, until now, there has been a satisfactory response. It was never my intention to sit down at a table and sign a paper."

Concerning the meeting that he had with the united leftist parties, the president told us: "It was very satisfactory. Now much has been said about my getting out of the frying pan and into the fire and that I fought with the left. Well, if this were true, I did a lot of work."

No Coup d'Etat

We emphasized the National Agreement Pact and the role that APRA and the left play in it. The president expressed his fears of a coup d'etat although he assured us that he is strong. Look at his response: "I believe that APRA and the left know that the present situation, although not an ideal situation for them, is the most favorable possible because, without a democratic government, those parties have no future. Without a democratic government, we have 10 years of military dictatorships. They are aware of this and are not going to stretch things any further than necessary in order to avoid ending the democratic governemnt." EL NACIONAL immediately asked if he thought that there could be a coup d'etat. Belaunde firmly said: "No, I do not think so. I feel very safe here."

Speaking about foreign policy, we had the opportunity to ask about an Ecuadoran deputy's proposal to have the Pope mediate the conflict with Peru. The Peruvian

president, visibly upset, answered: "Peru--the Foreign Ministry and the government --feel that the Rio de Janeiro protocol and its appendices contain all the instruments necessary to carry out that treaty.

"Before passing on to another point, I want to repeat my intention to have the most cordial relations with Ecuador as with all our neighbors."

Returning to national politics, we asked for confirmation of the rumors in the political corridors that the present army chief of staff, Gen Luis Cisneros, would be named minister of defense. Belaunde said: "We still have not planned changes. Obviously, there will have to be some adjustments in October because there will be changes in the navy due to the retirement of almost an entire grade. This will obviously be reflected in some way in the government."

When we asked the president about terrorism and the denunciations of the church, he simply did not respond. He evaded the answer skillfully, stating: "Terrorism in Peru, from the material point of view, has cost us 500 million soles or $1 million in losses.

"Now there are public servants who have been wounded or killed. In any case, those accused of terrorism are in the hands of the judicial branch. Since we have been in office, the judicial branch has been independent."

The interview was long and detailed about topics like river integration which we will report on at another time. He also spoke about Venezuela, acknowledged the aid and said that there are joint projects in the jungle. On investments, he said that the Russians are in the Olmos group, a project for hydroelectric irrigation in which the United Kingdom and Sweden also participate.

Finally he explained that the Peruvian economic model erected by the military governments of General Velasco and General Morales Bermudez has been dismantled and that the face of Peru has been changed with 207 legislative decrees. Now his government is ready to really take off, once all these barriers have been eliminated.

There was an effusive farewell after 1-1/2 hours of cordial conversation with the Peruvian president.

7717
CSO: 3010/1592

REPORT ON 1975 PLOT TO TURN COUNTRY INTO SOVIET SATELLITE

Lima OIGA in Spanish 6 Jul 81 pp 28-33

[Text] When Gen Francisco Morales Bermudez, commanding general of the army, prime minister and minister of war since January 1975, rebelled in Tacna on 29 August 1975, he immediately received support from Gen Leonidas Rodriguez Figueroa, commanding general of the II Military Region which includes the powerful armored division. He was also supported by Gen Jorge Fernandez Maldonado and Gen Miguel Angel de la Flor Valle. Inside the palace, Gen Jose Graham Hurtado, chief of the all-powerful COAP [Advisory Committee of the Presidency], and the no less powerful Augusto Zimmermann Zavala, Velasco's press secretary, were also involved in the conspiracy. Gen Arturo Valdez, secretary of the cabinet, was also in on the secret.

What was the reason for this strange behavior from the men closest to Velasco, the colonels—today division generals—who accompanied him or advised him in the military coup of 3 October 1968? Below is the history of the risk that the republic of Peru ran of becoming a "popular democracy" in the Cuban style, incorporated into the Soviet orbit, and how an institutional movement managed to avert it. This history sheds light on the behavior of those men who called themselves "Velasquistas" to the end ("Chino, we are with you until death") and who proclaimed that the revolution would never be contaminated by foreign doctrines, whether capitalist or communist.

Velasco's Change

It is not known why or at what precise moment there was an abrupt change in Velasco's thinking concerning the men tied to international communism who, from the beginning, had embraced the cause of the 3 October revolution. It could have been the events of 5 February 1975 when, after blaming the CIA and APRA [American Revolutionary Popular Alliance] for the looting and fires that occurred that day in the capital, many top government officials, including Velasco, noted suspicious and disturbing actions by the agitators and those who had to reestablish order. Leonidas Rodriguez' delay in sending out the tanks and mobilizing the army to protect the city left defenseless by lack of police vigilance and then the fierce repression that he unleashed could have opened the eyes of the sick general. However, a more exact date for General Velasco's changed attitude toward communism could be the beginning of July of that same year when Velasco had absolute certainty that the business discussed in the cabinet meetings was immediately known in full detail by the Cuban Embassy in Lima under Commander Nunez Jimenez, host and guide to members of the revolutionary government and its civilian advisers whom he took, one by

one or in groups, to Havana. These serious leaks--along with other conduct--were known to Velasco because of indiscreet conversations he overheard between doctors and rehabilitation specialists who attended him first at the Military Hospital and later at his residence.

Certainly July marks the time Velasco took a belligerant stance toward the communist sectors in Peru. That month he denounced the infiltration in the newspapers "of people with a different ideology from the defined ideology of the revolutionary government with the intention of using those organs of expression for different objectives than those that inspired the socialization of the press." At the beginning of August, using the authoritarian methods that the "comrades" had applauded before, he closed the magazine MARKA and exiled almost its entire staff. At the same time, Velasco cleverly maneuvered to maintain his image of independent radicalism through actions like the expropriation of the Marcona Mining Corporation.

It is not known whether Velasco had detailed reports of the plans to make the country communist and the conspiracy that was brewing to relieve him of command of the revolution. The sudden postponement of General Morales Bermudez' trip to southern Peru at the end of June and beginning of July might have warned Velasco that something was hatching. After all, when he was commanding general of the army, he had postponed a trip to Buenos Aires in 1968 to stage the October coup. It is known that reports from a steward devoted to him who had heard fragments of conversations between De la Flor, Leonidas Rodriguez and Fernandez Maldonado during a palace dinner gave Velasco more than suspicions that a coup was being planned. Later, in a meeting at Gen Pedro Richter Prada's home, Velasco treated Leonidas Rodriguez harshly. However, Velasco did nothing to stop the coup, perhaps because, as Leonidas Rodriguez himself confessed later, Velasco was already too sick from a cerebral hemorrhage in February.

Those Two Are Communists

Velasco did know where the coup would come from. On the afternoon of 29 August, he convoked the cabinet to report on Morales Bermudez' rebellion and the refusal of the commanders of the different military regions to communicate with him. He said: "I thank those of you who are here for attending. Only two are missing--Fernandez Maldonado and Leonidas Rodriguez." (The latter was not a minister but, as commanding general of the II Region based in Lima, had no excuse not to be at the palace at that moment to reaffirm his loyalty to the "head of the revolution.") "You know very well that those two are communists who are trying to sell Peru to the Soviets. It does not surprise me that they are not here at the palace but in the barracks, disrupting military discipline. I beg you to keep General Morales Bermudez from the intrigues of these two Cuban agents."

Nevertheless, Velasco's fall was only another link in the plan to transform Peru into a "socialist state." Therefore, Morales' coup was welcomed by all the Muscovite and Cuban interests. The new president had demonstrated quiet loyalty to the Cuban revolution when he was personally taken to Havana by Nunez Jimenez.

The first step taken in the second phase was, therefore, to move Fernandez Maldonado from his desk at the Ministry of Energy and Mines--where he had nothing to do --and make him chief of the Army General Staff, a position that should have gone to Graham as the most senior officer after Vargas Prieto whom Morales made head of

the Government Junta as commanding general of the army, minister of war and prime minister. Fernandez Maldonado acceded to these positions months later (January 1976) when Vargas Prieto retired. Leonidas Rodriguez' loyalty to Morales was rewarded with the retention of his position as commanding general of the II Region and his appointment as chief of SINADI [National Information System]. Graham continued as chief of COAP and De la Flor as foreign minister. Gen Arturo Valdez remained secretary of the cabinet.

One of the first decisions of the second phase was to revise the Inca Plan. That involved Fernandez Maldonado, Leonidas Rodriguez and Graham. These last two, however, retired in October, causing great turmoil. They were not the only ones, though. Fernandez Maldonado, La Vera Velarde and De la Flor remained and, with their civilian advisers, began to promote the Tupac Amaru Plan as an attempt to "perfect" the famous Inca Plan.

Brig Gen Carlos Bobbio Centurion, commanding general of CIMP [Military Training Center of Peru], had been named the army representative to the discussions of the Tupac Amaru Plan.

Who Was Bobbio Centurion?

In January 1969, when the EPF [Government Oil Enterprise] took over the administration of the former International Petroleum Company, then Colonel Bobbio had been appointed general manager, the position that he also held when the EPF became PETROPERU [State Petroleum Agency]. He was promoted to brigade general in 1973 while still manager of PETROPERU. Years later, Bobbio was appointed commanding general of CIMP.

At the end of 1975 and the beginning of 1976, General Bobbio began to notice the efforts being made to transform the new Tupac Amaru Plan into an instrument to make Peru a Soviet satellite. He commented on this to his military colleagues, saying: "The only thing missing is to put here at the end, /this plan is a true copy of the political and social organization of Cuba/ [in boldface]." Right then, this soldier began his tenacious fight against a communist plan that he and very few others had glimpsed. (Earlier, even before Velasco, General Mercado Jarrin had confided to our editor his fears that the Cuban infiltration would cause the country to fall into the Soviet orbit.) Bobbio was not alone in this attempt; he had the support of the navy officers, participants in the Tupac Amaru Plan, who had agreed with his criticisms from the beginning.

Soldiers to Barracks, Communists to Power

One of the things that Bobbio noted was that the plans for the return of the armed forces "to their barracks" would leave the entire state system under the control of the "civilian friends of the revolution"--that is, the Red infiltrators in the government--through the so-called "organisms of participation." The army would remain under the control of the next president of the "socialist republic," Jorge Fernandez Maldonado, and his followers--La Vera, De la Flor, Valdez Palacio, etc. The press would be in the hands of Leonidas Rodriguez (who would reassume his duties). It meant the complete take-over of the government by the communist advisers of Fernandez Maldonado and company. Bobbio Centurion said later: "I had been watching them since January."

Fernandez Maldonado committed the mistake of thinking that he did not have enemies. He and Leonidas Rodriguez were careful to keep insisting on the independence of the Peruvian revolution and the lack of commitment to international communism. They believed that they had deceived their comrades in arms, the majority of whom did believe that they were carrying out an original, Peruvian revolution. That was the first big mistake Fernandez Maldonado made.

Fernandez Maldonado Begins Conspiracy

On Thursday, 8 July, either safely assuming that the situation was ripe or believing it necessary to get ahead of the maneuvers of Morales Bermudez--who was not sleeping or willing to be used as a screen--Fernandez Maldonado convoked all the general officers to the General Command of the Army (Avenida Arequipa). Very few knew why until Fernandez Maldonado began to speak. His explanation was a tremendous invective against the navy and the United States, a country which he accused of conspiring with the navy to remove him from office. He added that there were general officers in the army who maintained relations with the navy, surely referring to the work on the Tupac Amaru Plan by Bobbio and the navy. The silence that followed these statements was broken by Gen Carlos Bobbio Centurion who found the long awaited opportunity to talk about what he believed was going on in the government. Bobbio said that it was necessary to point out, once and for all, that a group of officers skilled in the art of politics was leading the armed forces to take positions that the majority of the officers did not understand, abusing the military hierarchy. He said that it did not make sense to attack the United States because Peru was a country that needed capital that could not come from anywhere other than the United States. To close the doors of this country meant becoming dependent on one single power and the revolution would lose its independence. He rejected the attack on the navy because this was one of the national defense forces which could not be mistreated. Bobbio, who had very good relations and very good friends in the navy, said that the idea that the navy wanted to remove Fernandez Maldonado was pure fantasy since the navy knew that the army would never permit another branch to become involved in its internal affairs.

To Fernandez Maldonado's surprise, no one stood up to refute Bobbio. On the contrary, Jorge Miro Quesada Caceres, who had just been promoted to brigade general, spoke up, although less emphatically, and said something similar as did Gen Juan Schroth Carlin, chief of the National Intelligence Service.

Facing this situation of open rebellion, Fernandez Maldonado, pale with anger, abruptly interrupted the meeting. He immediately told the colonels that they were wasting time and that the meeting had been convoked by him, Fernandez Maldonado. However, he did not bring up the conspiracy by the United States and the navy again at this meeting; other matters were discussed.

Providential Retirement

On the following day, Friday, 9 July, Bobbio Centurion arrived at the offices where they were working on the Tupac Amaru Plan. He received a document which asked him to retire. Bobbio gathered up his papers and immediately returned to his unit, CIMP. He called in his second in command, Col Luis Villacorta, and showed him the document.

Villacorta immediately convoked all the CIMP commanders.

This center mainly consists of officers; there are very few lower grades. A meeting was held and all unanimously agreed that Bobbio should not agree to retire. No other decision was made at that time; they merely endorsed their commanding general.

Later, one of the officers who attended that meeting said: "We did not know where we were headed." The agreement was that Bobbio would not retire and that was all. It was not a political movement but an institutional one, contrary to the political past of the armed forces. Many understood that Fernandez Maldonado wanted to eliminate an obstacle to his private political aims; they wanted to stop his maneuvers. The decision of the officers, consulted democratically, was an act that was not premeditated or planned; it arose spontaneously. Later Bobbio said: "If we had planned it, it would not have worked as well." He was referring to what happened later.

Order to Attack CIMP

When Fernandez Maldonado learned of the decision taken at the CIMP meeting, he ordered the special forces of Las Palmas (airborne divisions and commandos) to attack CIMP. Chorrillos residents were alarmed when members of the special forces commanded by Gen Guillermo Schroth Carlin surrounded the CIMP buildings while a helicopter flew over.

However, CIMP had modern defensive and offensive war materiel. All the personnel assumed positions of defense, even the cadets. They remained, ignoring their instructions to go home, because they also supported their commanding general. In the early hours of the afternoon, shots were heard and the fight began. One member of the special forces was wounded and was quickly brought to CIMP's infirmary where he was treated. With this attitude, the CIMP personnel showed that they had nothing against their attackers whom they repelled from the beginning.

At about 1600 hours, the firing stopped. Gen Arbulu Galliani, chairman of the Joint Command, went into CIMP. Gen Guillermo Schroth Carlin entered minutes later. Talks were held but no solution to the situation was reached. Lima was seething with rumors. The city, like the entire country, had been subject to a curfew since 5 February. After midnight, it could be seen that the navy had blocked access to the building on Avenida Salaverry. The army was confined to barracks. All the CIMP buildings remained guarded by armed personnel on the roofs. The doors were guarded by commandos dressed in black berets and vests.

On the following day, Saturday the 10th, another mediating committee entered CIMP, this time made up by Gen Juan Schroth, Gen Pedro Richter Prada and Gen Luis Cisneros Vizquerra. They were told that the only thing under discussion was that CIMP did not agree with General Bobbio's retirement and that it had nothing to do with the demonstrations that were occurring in different parts of the city. During the long talks held between the mediators and the rebels, General Bobbio made a decision. He did not want to compromise his officers but neither could he accept Fernandez Maldonado's order. He presented his suggestion—his departure and Fernandez Maldonado's. Bobbio preferred to sacrifice his own career in order to prevent consummation of the plan to make the country communist. He was given guarantees

that there would not be any reprisals against the officers who accompanied him. Bobbio resigned as did his second in command, Col Luis Villacorta, to emphasize the demand that no one else be asked to retire.

At this time, Fernandez Maldonado committed his second major mistake which was his downfall. Everyone already knew that the CIMP movement was institutional, that it was nothing more than a protest against Fernandez Maldonado's order. However, Fernandez Maldonado issued communiques stating that Bobbio and the CIMP high command had tried to bring down Morales Bermudez' government. The newspapers published similar pronouncements attributed to the commanders of the different regions. The armed forces immediately discovered that these pronouncements were forged--like the one attributed to Gen Gonzalo Briceno, commanding general of the V Region based in Iquitos--and that all had been evidently written by Fernandez Maldonado's civilian advisers.

All day Saturday, Sunday and Monday, communiques of support to the revolution signed by the communist organizations grouped under the so-called "Front for Defense of the Revolution" appeared. On Monday, it was said that Richter, at that time inspector general of the army, would be the new commanding general of CIMP. The rumors came from EXPRESO and ULTIMA HORA, newspapers loyal to Fernandez Maldonado. To justify the appointment of a division general as CIMP commander which, until then, had been under a brigade general, it was said that the army had decided to expand the general command of that unit to include the Advanced War School, the Center for Advanced Military Studies, the Technical Army Schools, etc.

Fernandez Maldonado was playing his last cards. He wanted to eliminate Richter from the path to army chief of staff from which he could be catapulted to become commanding general, minister of war and prime minister.

However, the Joint Command was tired of Fernandez Maldonado. Bobbio had opened its eyes. On Tuesday, 13 July, Fernandez Maldonado himself recognized Gen Victor Lopez Mendoza as CIMP commander. On Friday, 16 July, the radio and television stations flashed bulletins that Fernandez Maldonado had just resigned along with Luis La Vera Velarde, chief of staff. On Saturday, 17 July, Morales Bermudez formed a new cabinet: De la Flor and Enrique Gallegos Venero left; Guillermo Arbulu Galliani replaced Fernandez Maldonado; Richter became army chief of staff; De la Puente came in to dismantle the Third World, pro-Cuban system of De la Flor; and Luis Arbulu Ibanez came in to reorganize the agrarian organizations dominated by the communists. That was the end of the first phase soldiers. A soldier who had accompanied Velasco in the 1968 coup d'etat, Gen Rafael Hoyos Rubio, became prime minister.

In this way, the entire Cubanization system whose visible head was Fernandez Maldonado was dismantled. For a long time, Peru was in danger of seeing the project to make the country communist succeed, guided by General Fernandez Maldonado. No one knows when the project began although, due to the position assumed later by soldiers like Leonidas Rodriguez and Fernandez Maldonado, it is possible that this ambition already seethed in the brains of some colonels who sought Velasco out to head the coup of 3 October 1968.

7717
CSO: 3010/1592

MINISTER JOSIE ACCUSED OF IMPROPER USE OF IMPORTED CEMENT

Castries THE VOICE in English 15 Jul 81 p 1

[Text] OPPOSITION Leader John Compton has accused Trade Minister Peter Josie of improperly handling the distribution of Government imported cement.

Mr. Compton said he was accosted on the street on Monday by an Officer of the Price Control Department who informed him that on Mr. Josie's instructions he was asked to approach elected members for their recommendations as to persons in the various constituencies who would be prepared to deal in cement.

Mr. Compton said that he was in opposition to such actions for two main reasons, stating: "First, I consider street accosting to be an improper way of seeking information from elected members. The telephone or a letter would have been the more appropriate way."

He said that his second reason was that he felt it also improper for the Minister to seek to involve constituency representatives in the handling of Government's franchises warning that such practices would inevitably lead to political favouritism and corruption, which Mr. Josie had himself "vehemently denounced" in the past.

The opposition leader also pointed out that some people have not only been named, but have also been given free radio advertising time, adding: "If it is not too late I suggest that the availability of these cement agencies be advertised in the 'Gazette' and the Newspapers so that every interested St. Lucian may be given an opportunity.

"It this is not done it will be ample proof of your past denunciations of corruption was but a thin veneer of hypocrisy."

Efforts to contact Mr. Josie for a comment proved fruitless up to press time.

CSO: 3025/183

EDITORIALS RAP BISHOP; EXPATRIATE GRENADA PAPER HAILED

Welcome for THE GRENADIAN

Port-of-Spain TRINIDAD GUARDIAN in English 7 Jul 81 p 8

[Text] IT IS not easy to crush a people's will to be free. That is the lesson Mr. Maurice Bishop and his People's Revolutionary Government in Grenada are now in the terrible process of learning. And for them it looks like a long day's journey into night.

The Communist government which Mr. Bishop has set up in the Spice Isle will never be popularly accepted by the freedom-loving people of Grenada and it can only be maintained by a ruthless regime of fear, intimidation, coercion and the denial of human rights and constitutional freedoms.

Mr. Bishop's frantic and hypocritical effort to eliminate the free Press in Grenada is one dismal example. Shortly after his New Jewel Movement seized control of the island in the revolutionary coup of March 1979, Mr. Bishop unceremoniously snuffed out The Torchlight, Grenada's only independent newspaper.

A few weeks ago, some intrepid Grenadians decided to launch a new newspaper in defiance of the PRG's wishes. The publication did not get beyond its first issue, provoking a nasty piece of retroactive legislation from Mr. Bishop's gang.

The excuse given for crushing this attempt to reestablish a free Press in Grenada was that the newspaper was a medium of the US Central Intelligence Agency.

TRANSPARENT

Mr. Bishop then gratuitously declared that not until a media policy (said to be in the works) is produced, can the publication of any newspaper apart from the so-called Free West Indian, published by the Government, be permitted.

There is no one inside or outside of Grenada who is likely to be fooled by Mr. Bishop's transparent deceit. The fact is that as long as Mr. Bishop's totalitarian regime is in control, there will be no exercise of Press freedom in Grenada. It is as simple and brutal as that.

As in other countries ruled by Communist governments, citizens of Grenada must have no independent organs of information, no fora for expressing their views on the state and administration of their country, freely and critically.

We find it tiresome that Mr. Bishop must continue to make excuses, to pretend that his revolutionary government is in the process of creating indigenous policies for Grenada when it is clear that the PRG regime is just another elongation of the Communist tentacle in the Caribbean and that their thinking on these matters is being done for them in Moscow and relayed to them via the Cubans.

Mr. Bishop, in fact, has acquired the conditioned reflex of all Communist dictators of seeing CIA bogeymen lurking in the shadows at every turn.

As a newspaper, we have been the first to recognise Mr. Bishop for what he is and to warn the rest of the region against the threat of the alien and aggressive ideology that possesses him and his government. We deplore the naivete and the stubborn self-delusion which some of our people here and in other parts of the Caribbean continue to regard his activities.

In this light, we are pleased to welcome the appearance of The Grenadian, a monthly newspaper-in-exile produced and published in Port-of-Spain and supported by Grenadians living in Trinidad and other countries.

FREEDOM-MINDED

We believe that we speak for all freedom-minded West Indians when we say that we wish the new organ not only survival but success. Our hope is that those who live within Grenada itself and undertake to circulate The Grenadian will have the courage, prudence and wisdom such a task must need.

Clearly, The Grenadian is destined to incur the wrath of the People's Revolutionary Government who is expected to set about its suppression with the same single-minded fervour with which the fundamental freedoms of Grenadians have been destroyed.

We hope, therefore, the people behind The Grenadian understand the battle which they have joined and they would not surrender until they achieve their objective of "returning our beloved country to the state of complete freedom which its sons and daughters once enjoyed and which is enshrined in the United National Declaration of Human Rights."

Call for Area Action

Port-of-Spain TRINIDAD GUARDIAN in English 13 Jul 81 p 8

[Text] FREEDOM of the Press in Grenada officially expired a few days ago with the publication of a, so-called People's Law No. 18 of 1981. It died unmourned by most of the region's politicians and, in fact, cheered by some of them, so the way is now open for complete enslavement of the people of Grenada by Prime Minister — through — coup, Mr. Maurice Bishop, and his satellites, who are the vassals of Cuba's Dr. Fidel Castro, who is in turn the stooge of the Russian Government.

In Russia, Cuba, and Grenada it is not permitted to publish independent newspapers or other periodicals and it is certainly not prudent to utter in Cuba or Russia audible criticisms of the regime or dare to establish political parties seriously intending to replace the one in power. These are all crimes against the national interest.

ABSOLUTE POWER

The fly-by-night law outlawing the free Press in Grenada contains a promise that publication of newspapers and other periodicals will be permitted after the formulation and publication of "the media code governing the publication of newspapers and the operations of the media as a whole".

This however is just another promise of Senor Bishop, another promise which we can predict from now will either never be kept or, if kept, will not return to the people of Grenada anything remotely resembling the freedom of the Press we enjoy in Trinidad and Tobago.

In fact, so desperate are Mr. Bishop and his cohorts to maintain absolute power in Grenada that they have given power to any member of the People's Revolutionary Army or the Grenada Police Service to arrest without warrant any persons even suspected of intending to break the law forbidding the printing, publishing, circulating or distributing any periodical except the Government's so-called Free West Indian.

With right of habeas corpus and the right of appeal in limbo, there is real risk that some of the people snatched by teenaged soldiers, who may themselves be unable to read anyway, will find themselves languishing in jail without trial for years at a time. And their crime could well be carrying around a copy of the Trinidad Guardian!

We say that Bishop and his colleagues constitute a threat not only to the people of Grenada but to the entire Caribbean Basin, if not beyond.

Our blinkered Caricom politicians must know that what is happening in Grenada may be merely Act I of a wider power play and that Russia and Cuba would never hesitate to use their airport in Grenada to mount an attack for the purpose.

Some of our more foolish political aspirants pretend that Grenada is going through some passing phase: that's what the Russian people, the East Germans, the Poles, the Hungarians, and the Czechs, not to mention other East Europeans, thought a long time ago about the Russian Revolution or Russian occupation of their countries, as the case may be.

UNSPEAKABLE

We think that the time has come for the rest of the region to come to its senses. Even Mrs. Bishop has apparently come to hers.

We demand, therefore, that Caricom governments stop playing the fool and ostracise Grenada until the Government there restores to the people of Grenada their right to hold general elections, to have regular Parliament, and to own and publish freely any periodicals they desire.

Any other course is to encourage, to our own predictable detriment, the growth of an unspeakable tyranny.

We reccommend that every genuine citizen or resident of Trinidad and Tobago be constantly on the alert to frustrate any intention on the part of the so-called Government of Grenada to interfere in any way with the peace, order and good government of this country.

Praise for Mrs Charles

Port-of-Spain TRINIDAD GUARDIAN in English 21 Jul 81 p 8

[Text] STRONG, brave words, Eugenia, and very welcome!

At last a West Indian leader has come out clearly and unmistakably against the illegal regime now in control of Grenada. As the first woman Prime Minister in the West Indies, Mrs. Eugenia Charles has won our unstinting admiration for her broadside against Mr. Bishop.

"We the Dominica Freedom Party now go on record as being against such continuing violations of the human rights and freedoms of the people of Grenada and do hereby strongly condemn both their arrival and their perpetuation.

"We also seriously deplore the adverse social and economic consequences to the rest of the region which the generally offensive Grenada situation is causing, and

hereby state our unwillingness to endure such deprivation for the sake of ideological folly.

FREEDOM LOVING

"Accordingly, we call on the revolutionary government of Grenada to immediately indicate some concern for the democratic rights and freedoms of the people of Grenada and to cause free and fair elections to be held on the island at the earliest possible date."

With that ringing call, we believe Mrs. Charles has firmly seized the moral leadership of the West Indies.

Where other leaders of the region have either failed to recognise Mr. Bishop's PRG for the menace that it is or lacked the political will to openly condemn it, Dominica's woman Prime Minister has shown the kind of perception and courage that should win her the respect of all freedom-loving West Indians.

There may be some, in fact, who take the view that what is happening in Grenada is strictly a problem for the people of the Spice Isle and they see any pronouncements about the situation as a form of interference in the internal affairs of another country.

We say that view betrays a dangerous form of myopia.

We believe that anyone holding that opinion cannot be true West Indians, they cannot have the freedom, peace, prosperity, economic and social welfare of the region at heart.

Also, they must be woefully ignorant of what has transpired in the world over the last 65 years and the unspeakable suffering inflicted on a large proportion of the earth's people by the aggressive communist tyranny.

And now that this alien ideology has invaded our little part of the world, now that our neighbours in Grenada have fallen victim of this Godless, soul-destroying despotism, through Mr. Bishop's treachery, how can we remain complacent and keep an untroubled conscience?

The plight of the people of Grenada, denied all their basic constitutional rights including that of self determination through free elections, must move us not only to a sense of outrage but to action to contain the relentless imperialist ambitions of the Communists.

Having secured power through the barrel of a gun, with Cuban aid, Mr. Bishop now cannot tell his ideological masters to go away and let him do his own little thing in Grenada.

NOTHING LESS

With Mrs. Charles's call, we believe the need becomes imperative for a Caricom summit on the Grenada situation. It should be clear that we can afford to ignore the threat of Mr. Bishop's Marxist regime at our own peril.

The time has come for West Indian Governments, speaking with one voice, to tell Mr. Bishop that he must either return his country to the rule of law, free his fellow citizens from totalitarian rule, release all political prisoners or have them tried fairly — or face the full force of their ostracism. Nothing less will do.

We should not be too timid to take Eugenia's lead.

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END

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Latin America Report

No. 2357

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24 August 1981

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No. 2357

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ENERGY COOPERATION AGREEMENT SIGNED WITH USSR

Mexico City EL SOL DE MEXICO in Spanish 16 Jul 81 p 18-A

[Text] Mexico and the Soviet Union will cooperate in training technicians for the exploitation and complete utilization of hydrocarbons.

[Deputy] USSR Minister of the Gas Industry Rantik Margoulon expressed his appreciation of the progress made by Mexico in the gas industry and pointed out the possibility that Mexican technicians might go to the Soviet Union for better training, especially regarding the complete utilization of hydrocarbons.

The official held talks in Mexico with engineer Agustin Straffon, director of the Mexican Petroleum Institute, with whom he discussed subject headings, within the energy area, where there could be better cooperation that would be beneficial to both countries.

The officials also in a special fashion analyzed everything having to do with the exploitation of gas where Mexico, according to the Russian minister, has made great advances.

Although the two governments have not arrived at a specific accord, technicians are already drafting the collaboration program in which it will be necessary to spell out the number of Mexican specialists who might go to the USSR.

The Soviet group which returned to its homeland yesterday also included the head of the foreign trade department with the countries of Central America, Boris Orekhov, who announced the purchase, by his country, of products made with Mexican light tweed.

He thought that these purchases initially would be sufficient for 50,000 pairs of trousers made of this material and that this would strengthen trade between the two countries.

He pointed out that trade must be a means for strengthening bilateral relations between the peoples and he expressed his certainty that the problems in Central America did not seriously affect economic exchange and trade between his country and that part of the continent.

5058
CSO: 3010/1612

DEAL WITH SWISS TO PRODUCE TURBINE GENERATORS SIGNED

Mexico City EL SOL DE MEXICO in Spanish 16 Jul 81 p 1-B, 4-B

[Article by Fermin Valquez Legaria: "Turbines of 350,000 Kilowatts To Be Manufactured in Mexico"]

[Text] With a joint investment of more than 1.8 billion pesos, NAFINSA [National Finance Corporation] and the Swiss industrial group of Sulzer Brothers, Ltd., yesterday signed a document establishing an enterprise called "Turbinas y Equipos Industriales" which in Mexico will manufacture hydraulic turbines for the CFE (Federal Electricity Commission).

In a short ceremony presided over by NAFINSA president Jorge Espinosa de los Reyes and by Sulzer International director Peter G. Sulzer, it was explained that the turbines would have an output range of up to 350,000 kilowatts, plus other components which would be used in hydroelectric power generation plants and in the manufacturing industry; this means that we will have the production capacity and the technology for manufacturing equipment and components for energy generation, on the basis of unconventional sources, in the future.

The capital stock of this new mixed enterprise was made up with 70 percent from NAFINSA and the rest came from Sulzer Brothers. The Swiss firm will furthermore supply the technology for the development and operation of the factory installation.

The industrial complex will also take care of activities considered to be priority efforts by the Secretariat of Patrimony and Industrial Development. It must also be pointed out the project is a part of the program to be developed by NAFINSA to provide impetus for the production of capital goods in the country.

The turbine factory will become operational in 1983 and with its products will support the electric power generation programs of CFE in accordance with its expansion program. The production of electrical equipment in Mexico is an essential objective in making progress in the national makeup of the electrical industry and to replace imported products involving complex technology; this implies a new change in the country's industrial structure and less dependence on foreign countries for the production of our energy equipment.

It was further pointed out that the enterprise will directly create a total of 620 new jobs in a newly developing industrial zone. It will also produce collateral effects through the opening of job opportunities connected with the suppliers of products and services for that enterprise.

The manpower required for this plant will have to be highly skilled which is why training programs have been planned.

The degree of national makeup of products to be manufactured by this enterprise will be something like 90 percent [illegible in original] of the value of the output, under the terms spelled out by the Secretariat of Patrimony and Industrial Development.

5058
CSO: 3010/1612

PEMEX: FULL EXPORTS TO RESUME IN AUGUST

Meixco City EXCELSIOR in Spanish 15 Jul 81 p 1-A

[Text] Mexican Petroleum General Manager Julio Rodolfo Moctezuma Cid announced yesterday that there has been confirmation along with new applications which, starting in August, will make it possible to restore the export levels that were obtained during the first half of 1981, amounting to about 1 million barrels per day.

Shortly before leaving for Paris, to head the Mexican mission which, on 16 July, will meet in that city with French petroleum authorities, Moctezuma Cid announced that, according to the policy approved by President Lopez Portillo, and by the board of directors of Mexican Petroleum, aimed at making the mechanisms and foreign sales systems of PEMEX [Mexican Petroleum] more flexible, officials from that enterprise held talks with traditional and potential customers.

He said that positive reactions were obtained from the United States, Spain, Canada, Japan, Brazil, France, and the following companies: Shell, Marathon, Union Oil, Arco and Exxon.

Moctezuma Cid announced that he would continue from Paris to Tokyo to analyze, with Japanese petroleum enterprises and with the government of Japan, the possibility of increasing the supply of Mexican crude to that country.

He announced that the process of reviewing the clients and of new contracts is continuing.

5058
CSO: 3010/1612

'LA PRENSA' SUPPORTS PARTICIPATION IN SINAI PEACE FORCE

Buenos Aires LA PRENSA in Spanish 28 Jul 81 Sec 2 p 1

[Editorial: "Argentine Contingent in the Sinai"]

[Text] The Military Committee is currently studying the proposal submitted by Egypt's foreign relations minister during his brief visit to Buenos Aires, whereby Argentina, in conjunction with other nations, would send a contingent as part of the Multinational Peacekeeping Force in the Sinai pursuant to the agreement reached among Egypt, Israel and the United States. This token force of no more than 2,500 men would remain in the region only until the Israeli forces leave, in compliance with the Camp David peace treaty.

Having had the opportunity to obtain information in Washington about the forthcoming signing of the agreement and since Argentina was mentioned, among other countries, as a future participant in the Multinational Force, our foreign minister hastened to deny emphatically that such a development could take place, adding that, in any case, our country would act only within the framework of agreements reached in international organizations such as the UN. Two weeks later, he reversed his categorical denial by announcing that if such a request were submitted, it would be put under study. On the day after the Egyptian foreign minister left for Montevideo to pursue the same objectives that had brought him to Buenos Aires, the foreign minister said that the initiative would be "studied objectively." Meanwhile, groups and parties whose hallmark has invariably been their support for the "Third World" and the authoritarian governments in the Middle East, came out against a possible favorable response by Argentine authorities to the Egyptian request.

It was under these circumstances that the Military Committee began looking into the issue, while among authorized circles and well-informed sources the rumor was gaining ground that there was a deep-seated disagreement between the Foreign Ministry and the Military Committee on this question. It is noteworthy that under these circumstances an official news item was released (although not all the papers picked it up) about the signing of a trade treaty (in late August) between our country and Arab nations (no mention as to which ones), under which our trade with them would expand considerably. The emphatic tone of the news item in connection with the negotiations entrusted to a high ranking Foreign Ministry official was inconsistent with its excessive vagueness, the lack of any pertinent background information and the absence of details concerning the countries involved, the volume of trade, the items to be exported or imported and the terms of payment. All of this becomes even stranger when

we bear in mind that the total amount of Argentine trade with the Arab countries up to 1980 has always been modest, if not meager.

But aside from whether this announcement (whose aim is to suggest "how much we would lose by going to the Sinai") is or is not related to the Foreign Ministry's misgivings about or perhaps opposition to the participation of an Argentine contingent in the Multinational Peacekeeping Force in the Sinai, it bears noting that semiofficial sources have been very busy lately highlighting the "drawbacks" of our involvement and stating that at best, even figuring in the "benefits," our compensation would be laughably inconsequential.

It is not hard to guess the origin (ideological and political both here and abroad) of such viewpoints. These are the same people who have so far systematically opposed Argentina's withdrawal from the Group of Nonaligned Countries, which is presided over by Cuban dictator Fidel Castro and which our country joined by decision of the former Peronist government at a time when a number of its most prominent figures were visibly interested in urgently doing business with countries belonging to that group.

Since we have already devoted a great deal of comment to this issue, we will not review once more the reasons why Argentina, in a move to be honest with itself, ought to begin taking the steps to abandon a "Third World" that it does not belong to either by its tradition, by its cultural or educational level or by its degree of economic development.

Argentina's presence in the Sinai in the form of a small contingent of commissioned and noncommissioned officers would be no more than a token contribution to the cause of peace in the Middle East, the first step towards which was the Camp David agreement between Egypt and Israel. Such a decision would not be out of line with the spirit that has guided the words of our UN representatives each time that the issue has been dealt with there. More than a few Arab countries reject the agreement, of course, just as the Soviet Union has so far rejected all of the proposals aimed at achieving peace in Afghanistan. The rejections in both cases have the same roots, are based on the same motives and betray a common strategy whose goals are unmistakable.

This cannot be Argentina's position, because the Camp David agreement basically says that both Egypt and Israel have equal right to exist. This basic idea must be bolstered now, while at the same time we renounce cultivating equivocal stands which have been of no help to us. One of these stands is that a multinational force for the same purposes should be established by UN decision. How are we to interpret this apparent naivete? Doesn't our Foreign Ministry realize that the UN today is an organization where a "mechanical majority" in service to the Soviet Union has already made a decision on the matter that is currently before the Military Committee?

Let's not talk about advantages. Let's talk about Argentina's place in the democratic Western World. This looks like a suitable opportunity to take a clear-cut stand that will put things in their place and end our absurdly mistaken participation in the Group of Nonaligned Countries.

8743
CSO: 3010/1616

'MULTIPARTY CONVERGENCE' VIEWED WITH SKEPTICISM

Buenos Aires LA PRENSA in Spanish 25 Jul 81 p 12

[Article from "Observer" Column]

[Excerpts] The Fog Grows Thicker

We can see a reflection of this hazy apathy in the movement that has come to be called the "multiparty convergence," which some people are comparing with the Hour of the People that was formed in 1970. From the beginning the Hour of the People took the shape of a civilian protest against the military authorities who since 1966 had been plunging Argentina into the chaos that enabled subversion to thrive, especially at the local level.

The ultimate consequences of the Hour of the People are well-known, but it did not emerge to precipitate these consequences. It arose, rather, in response to 4 years of a military government whose main episodes included the kidnaping and murder of General Aramburu, which have not yet been cleared up even though the authorities who took over in 1976 could have undertaken a thorough and exhaustive investigation of the incident.

The "multiparty convergence" is similar to the former movement in that it has taken shape around the two supposedly largest political forces, to which others have allied themselves while yet others are still no doubt waiting on line in front of its door, with honorable exceptions. The similarity ends there. According to the statements by Bittel the notary, who heads up the Peronist group in the "multiparty convergence," it declined, for example, to take a clear stand on the recent labor "protest rally." In turn, and according to the same statements, the "convergence" intends to meet with the president of the Argentine episcopate to convey to him its solidarity with the document that the episcopate released a short time ago. At the same time, the head of the UCR [Radical Civic Union], Dr Balbin, who shares the leadership of the group with Bittel, asserted that the call for a convergence is also addressed to the Church and to the Armed Forces because "this is a nationwide cause that seeks a solution for the country."

What stands out among all these statements, which when all is said and done are so much like General Harguindeguy's? A calculated bid to please both sides or self-doubts about the hypothetical backing that the convergence would have to develop on the streets?

When the convergence debated the advantages and disadvantages of backing the "protest rally," the latter apparently carried greater weight, because if it had supported the unsuccessful protest, it would have gotten, if not burnt, at least singed. The "rally" was a specific, concrete incident, whereas a call for "a nationwide cause that seeks a solution for the country" is almost tantamount at present to proposing a full-fledged National Constitutional Assembly, which is impossible. When all is said and done, setting unreachable goals is a way of disguising apathy or a maneuver to gain time.

Peronism Amid Indecision

We should also consider the very odd situation in which Peronism finds itself for the first time in its history. We knew, of course, that Peron's death (All men are mortal; Peron is a man; therefore, Peron is mortal) would cause upheavals in the movement that he created. The most obvious one, for the time being, is the framgentation of the labor movement, which a simple tape recording perhaps could have prevented. But other effects have probably not yet made themselves felt, for example, the ones that could arise depending on what his widow decides to do, aside from buying clothes and going to the hairdresser's or the beach. Her recent words of support for Admiral Massera in Madrid, along with his arrest, the ban on a rehearing for her and the announcements that have begun to be published in her defense, could well lend a new twist to the issue. If "Isabel" comes out decisively in favor of the former member of the military triumvirate, won't Bittel suffer a sharp "loss of leadership" that could leave the convergence with only one head?

Time will tell. Unexpected developments always take place. In Managua, the gangster Firmenich has just voiced his support for the convergence and, at the same time, for "Isabel." However, being a perceptive man, he rejected any role for "The Sorcerer."

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FAILURE OF CGT STRIKE ANALYZED

Buenos Aires LA NACION in Spanish 27 Jul 81 p 6

[Text] After the Failure

The circumstances before and after the protest rally that the CGT [General Labor Confederation] ordered for last Wednesday enable us to advance the hypothesis that its leaders were fairly certain that it would fail or at least acknowledged the possibility. What they surely did not anticipate, however, was the extent of the workers' negative response, the almost total rejection of the militant maneuver, because support for the strike was scant, as simple observation indicated. The lack of backing was, in other words, much greater than anticipated.

The men of the CGT could not have been unaware of two widely known facts that threatened to explode any optimistic appraisal of the outcome of the gamble that they decided to take. In the first place, they were well aware of the government's decision to unwaveringly enforce the legislation prohibiting both workers and employers from undertaking direct action movements. Secondly, they must have perceived society's indifference to the work stoppage, inasmuch as there were no indications that the public was in the mood to back their desire to shut the country down for 24 hours.

We should then ask why in light of these prospects, which indicated clearly what was going to happen, they did not change their minds. It is not easy to come up with an answer, but one of the reasons why they went ahead with it against all odds is probably to be found in the quarrels in which the leaders of the CGT and the Interunion Commission are immersed, inasmuch as the latter group's heads felt that the strike was a mistake and, therefore, should not be supported.

As confirmation of this we have the communique that the so-called "hard-line" faction released on behalf of the Board of Directors of the CGT a few hours after the arrest of Ubaldini and other labor leaders. The communique says that the leaders of the Intersector Commission "urged the workers not to join the strike and while making promises are trying to deceive them with a dialogue of deaf people to arrive at a social truce that ignores basic social rights." However, the Intersector Commission asked the president of the republic to release the members of the CGT Secretariat who were being held under arrest, albeit briefly.

With the Secretariat under arrest, the battle for power in the CGT had begun. Lorenzo Miguel's "friends" mobilized swiftly to prevent the "hardliners" from taking over the group. They were soon successful, because representatives one and two on the Board of Directors, pursuant to the bylaws, took charge of the organization. Then, Luis Pecora from the construction union and Marcos Alvarez from the private oilmen's union made contact with Lorenzo Miguel and immediately gave shape to his authority by speaking over the phone with the men from the Intersector Commission who had been criticized by the document signed by the "hardliners," to clarify the situation and downplay the rebuff.

A Difficult Truce

As the days go by, a "social peace" seems like a distant point on the horizon; in other words, it does not seem as if sufficient backing can be developed to make it a sure thing. The Argentine Industrial Union, through its president, is not showing any enthusiasm for an agreement like the one that the Intersector Commission is proposing. "Our union," he pointed out, "cannot agree to a settlement that goes beyond sector interests, because the labor union problem is a specific problem of sectors." We can gather from these comments that the Argentine Industrial Union is not willing to reach agreements as an institution; rather, it wants the chambers to reach accords with the respective labor sectors.

In any case, the representatives of the Argentine Industrial Union and the Intersector Commission will meet tomorrow with the minister and undersecretary of labor. It will be the first time since March 1976 that businessmen and labor leaders sit down at the same table in a government office. The topic, of course, will be the pause. We must not infer from this that a definitive pronouncement on the thorny issue, whether for or against, will be forthcoming, and thus it is advisable not to fuel expectations. But they will unquestionably acknowledge the widespread desire to hold a permanent dialogue as a suitable path towards a gradual understanding among the parties to the issue.

The situation has become undisguisably worrisome to the Intersector Commission, because it has obviously made a major effort to reach an agreement with business to prevent further worker dismissals and layoffs. It was for this reason that it came out against the work stoppage promoted by the CGT.

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FIRMENICH ON PERONISM, CURRENT POLITICAL SITUATION

Managua EL NUEVO DIARIO in Spanish 23 Jul 81 pp 3B-4B

[Interview with Mario Firmenich, secretary general of the Montonero Peronist Movement, by newsmen from EL NUEVO DIARIO and other local media; date and place not specified]

[Text] Question: Do you support the upcoming work stoppage announced by the CGT [General Labor Confederation]?

Firmenich: We support the CGT, which represents the most consistent line within the Argentine labor movement. The nationwide work stoppage is another landmark in the struggle of our working class. We urge all workers, independently of ideological differences or potential criticism of CGT leaders, to give a united show of strength against the military dictatorship.

Question: Is there is a chance for a constructive resolution of wage demands amid the current economic crisis?

Firmenich: The crisis is a crisis of the system. We all know that Argentina has immense resources in proportion to the number of its inhabitants. The dictatorship will not, however, offer any solution, simply because the political and economic power of the monopoly, dependent capitalist system is held by the oligarchy-imperialist alliance.

Question: When do you think union activity will resume?

Firmenich: The trend in the balance of power began to reverse in 1979, when a grass roots counteroffensive started. This can be seen in the reorganization of the CGT, in the organization of the "Mothers of May Square," in the massive rallies by young people and in the opposition rallies by vast segments of national businessmen, with whom we feel we have to form an Anti-Oligarchy and Anti-Imperialist Liberation Front as the only solution for our homeland.

Question: When you speak of a counteroffensive, some people tend to think of a politico-military operation like the final Sandinist offensive...

Firmenich: Well, that's what happens when people think in blanket terms. I said right here in Managua shortly after Somoza's fall that it would be incorrect to copy the Sandinist model, just as the "Cuban model" was copied at one time. We have gained enough experience in our peoples' struggles to be able to distinguish between essential and circumstantial aspects. There is no reason why a "counteroffensive" by the Argentine people has to be the same as the "final offensive" by the people of Nicaragua. In fact, I would say that it has to be different. It's a different country with a different history. What I mean by counteroffensive is a definitive change in the way the balance of power is developing. In a country like Argentina, such a counteroffensive consists basically of a union mobilization to take over the streets for the organized working class.

This is in keeping with our country's history. This is in keeping with 17 October 1945 (when Peronism was established), in other words, the "Cordobazo," the "Rodrigazo." And it also is in keeping with the formation of a front that includes vast segments of domestic businessmen, who have no chance to survive under the prevailing oligarchy-dominated system. During this era of crisis for world capitalism, when the Chicago School is advocating a brutal concentration of capital (brutal even in its methods), oligarchic-imperialist capital cannot permit competition and truly national private, not monopoly ownership in key sectors of the economy...much less State ownership.

This approach leads to the economic destruction of the State and of domestic business. Therefore, in order to eventually become an offensive, which is something else, the grass roots counteroffensive needs a strong, organized alliance among the working class, the grass roots movement and national business against the oligarchic-imperialist alliance.

The alliance did not have to be established for the counteroffensive to begin. In fact, it was not possible. Only the working class could begin to challenge the power of the oligarchy, and that's what happened in 1979.

By 1980, wideranging segments of domestic business were forced to join this movement of struggle, and we now think that we are on the way to establishing this liberation front, which is not going to be anything new in our country either and which once formed will become a sort of tombstone for the oligarchic-imperialist dictatorship.

Question: How does Mrs Isabel Peron's release affect the notion of a united Peronism?

Firmenich: The release of Mrs Peron is a victory of the people, in the sense that this dictatorship (and the system of justice imposed by it, whereby the Supreme Court justices took their oath before the members of the Junta of Commanders in Chief) has neither the legal, political nor moral authority to judge anyone.

I had already pointed out that the real traitors to our country, the real subverters of the constitutional order and the real plunderers of our wealth were the people who kept Mrs Peron under arrest.

The release of Mrs Maria Estela Martinez de Peron, without a political consolidation of the dictatorship, stemmed from its need "to get problems off its back," and in this sense it is a step backwards caused by the gains of the grass roots mobilization. Similarly, they are releasing a lot of other comrades under the bizarre system they call "parole." This shows that they no longer have the power to do whatever they feel like doing.

In this regard, some leaders have said that this was an act of justice. That's not true. The dictatorship has less and less power to commit its acts of injustice, which is not the same thing.

Regarding Mrs Maria Estela Martinez de Peron's future course of conduct, I cannot say anything for sure. I do not know what she plans to do.

With regard to the reunification of Peronism, for several years now we have had a public proposal based on the following elements:

--Criticism and self-criticism
--Updating of doctrine
--Bringing in the new generation

As far as self-criticism is concerned, the Peronists do not have to engage in any self-criticism to the military but rather to the masses that gave rise to the Peronist government. It is, therefore, an internal matter for the mass movement called Peronism. Reunification also entails the democratization of the movement. Furthermore, General Peron asserted that his only heir was the people. Hence, we do not believe in heriditary leaderships...they do not exist. The roots of a leader's political power are not to be found in divine right, as with hereditary monarchies; they are to be found in the political will of the masses, which grant leadership...In any case, Peronism is without a leader, and only the masses can decide on this, if in fact they decide on a person, which they will do through a democratic expression of their will. Regardless of who the majority representative, democratically chosen by the Peronist masses, is, we will recognize that person as the number one representative of the Peronist people.

Question: Can you give us an advance indication of what kind of issues self-criticism will address?

Firmenich: Well, I do not want to get ahead of the internal debate that we are proposing, but I could cite, for example, what we consider distortions of the Peronist program, which is set forth in the platform guidelines of the Peronist National Liberation Front. That was the platform that the people voted for on 11 March and then again on 23 September. We are criticizing ourselves before the masses, of course. We have to concede that so far we have been unable to take and keep power. The Argentine people have clawed their way to power, as in 1973, but the leadership structure of Peronism was

unable to correctly cope with the situation and guarantee definitive power... I must thus reassert the conclusion that we have to root out the country's oligarchy so that our people can be liberated.

I also think that we have to thoroughly purge the Armed Forces to root out all of the vestiges of oligarchic representation. Both the troops and the noncommissioned officers are the people itself. The officers have always included the sons of the oligarchy, who as major generals wind up utilizing the Armed Forces to serve minority and outside interests.

Question: What kind of reception have you gotten from the other forces that are not Peronist and not committed to the dictatorship?

Firmenich: There is almost a consensus that all of these forces have to be united, because none of them, by itself, can resolve the current situation. This awareness of the need for unity is complemented by the awareness of the need to define the future model for our country, so that we do not move, as in the past, from a military dictatorship to a proscriptive or conditioned civilian government that merely alters the method of administering an oligarchic country...That is not a solution.

A revolution is needed because there is a crisis of the system, and therefore the forces that will benefit from the revolution, which make up more than 80 percent of the Argentine population, have to design, by common agreement, the pillars of the new socioeconomic model, which must govern Argentine life for at least the next 30 or 40 years.

We cannot conceal the fact that there have been segments of society, especially among the middle strata, that closed their eyes to the facts during the first few years. But the brutal and cruel incidents that have come to dominate the political scene have jolted many people. No one can be unaware of the thousands of missing persons, of the $35 billion foreign debt that is a robbery from our country; no one can be unaware of the domestic debts that business has run up, the unemployment. In a nutshell, all of the eyesores that the oligarchic regime has left us are impossible to cover up at present. Hence, the people who initially did not feel affected or who refused to face the facts have now become aware and have begun to mobilize in defense of their own interests, which is forcing their political representatives to adopt more consistent positions.

Question: But could you be more specific about the plans to reunify Peronism?

Firmenich: I can't say anything about plans. I can say, however, that when we talk about the complete reunification of Peronism, we exclude only the infiltration that the movement underwent in the form of the lodge or gang that Mr Lopez Rega headed up. Everything else, of course, is part of this political proposal. Only those who betray the combative determination of today's Peronist masses will be excluded...

Question: And what about Mrs Peron's statement that she was "betrayed" by Lopez Rega? Could that facilitate a pact?

Firmenich: Isabel's statements about Lopez Rega are, of course, very constructive.

Question: Did they surprise you or did you expect them?

Firmenich: We expected them.

Question: In the past, public opinion got used to the image of the Montoneros as an armed organization. It was your showy, shrill hallmark. Now, in contrast, your political remarks stress political, grievance-oriented action...

Firmenich: I should clarify that shrillness (in the sense of a spreading wave too) inevitably makes some actions more widely known than others. Our entire political history has forced us, however, to undergo very dissimilar political moments and to develop the idea, which we did long ago, that all methods of struggle are necessary to achieve power for the people...We have never made a fetish out of methods. We have never enthroned one method of action as an ideological category.

At the moment I feel that the main thing, the basic thing is for the people to take over the streets, because in so doing it can set up the organized alliance of a National and Social Liberation Front. I have also said publicly that if the dictatorship understood its actual position and, therefore, withdrew from power, it would save the nation a great deal of suffering. Otherwise, the only path will be massive rebellion by the people, calling on all their methods of struggle and all their traditions of struggle...

Question: But are there any indications whatsoever that the current authorities are likely to resign?

Firmenich: The current authorities obviously have no intention of leaving, not even the slightest intention...

Question: And there are no disagreements among the generals on this?

Firmenich: There are, but I do not think that any one of these approaches will be the people's salvation. The sole realistic prospect is that only the people will save the people. The internal disagreements reflect various things, but the main thing they reflect is the dictatorship's failure and political defeat, because it has been left without a plan, which forces them to draw up a new plan as they go along. This is not easy, and in fact I think it's impossible.

Apart from this, all of the factions of the Argentine bourgeoisie are represented among the officers of the Armed Forces. At the start of this dictatorship business as a whole remained united behind the oligarchy, and hence the Armed Forces remained united behind the false rallying cries it voiced, such as "eliminating corruption, the rebellion and subversion." As small and intermediate businessmen gradually realize that they too are victims of the process of national destruction, then their sons, brothers and cousins,

who are Armed Forces officers and act in response to their own interests, will also begin to voice their discontent. Moreover, there are also those officers who are most directly involved with the regime's crimes, the tortures, kidnapings and murders. They are afraid that any political change will lead them towards what they regard as a "leap into the void," which to them means an assault on power by the people.

At that point we will need trials, as happened with the Nazi criminals at the close of World War II. The specter of Nuremberg haunts every military office and terrifies the ones who are most deeply involved with the crimes.

Question: And is this a major development?

Firmenich: It is, of course, important when a military officer who is a member of the domestic employers class takes a consistent stand in defense of national interests and of his own social interests. It is important when an officer who has not been directly involved in crimes realizes that there is no reason why he should take responsibility for the people who planned and committed them. It is also important because from a military standpoint this approach is front-oriented.

Question: Does it include the Radical Civic Union of the People?

Firmenich: In my judgment, of course it does. I naturally disagree with the stands that Dr Balbin has upheld in supporting the dictatorship and justifying the disappearances, because of which he was denounced by the mothers in May Square. But Radicalism is more than Dr Balbin. It represents wideranging social strata of the Argentine people, members of the middle class, and a great many of their leaders are aware of the current situation and realize that a "Peronist/anti-Peronist" division that isolates them from the movement of the masses makes no sense. A national solution requires the involvement of both Peronism and Radicalism.

Question: Doesn't the dictatorship have any possibilities for an alliance?

Firmenich: They are looking for various ways out, but I sincerely believe that from their viewpoint there aren't any. This is not an exercise in alchemy or chess combinations. We are dealing with the historical development of our social fabric.

The liberal capitalist system of the oligarchy is in the midst of an insurmountable crisis. The fact that they might hatch this or that political scheme is not going to cover up these basic facts: farm production has been stagnant for the last 40 years and industrial output is the same today as in 1972...(you have to realize what it means in today's world for a country to lose 9 years in developing its industrial output.) The 30,000 missing persons and the crimes that have been committed admit no solution, and therefore the "political alchemy," a dialogue with this or that leader is not going to resolve anything.

The grass roots of Argentine society have said "enough!" to this government. They are no longer terrified and have begun to organize and mobilize against the government. The government has no alternative. If they hold elections, they will lose by a landslide; and if they do not hold them, they will be crushed by the people's rebellion; and if they crack down on the people's rebellion, then the rebellion will be more violent. In other words, no matter what they think up, they are going to lose, because they are already defeated politically. This is the problem.

Question: And how does the complicated international picture for Argentina affect all this?

Firmenich: Faced with the union of reactionary forces in the Southern Cone, we, along with other political forces, have voiced the need to move towards grass roots unity in the area. I am talking about grass roots movements that represent millions of people to undertake a historic process of counter-Balkanization...I include the Beagle conflict in this, because there is no solution to it either under these dictatorships. In order for problems of national sovereignty to be resolved, the people must have sovereignty over the nation. Since these dictatorships are essentially subservient and traitorous, they are not concerned about defending national sovereignty...They exist by trampling on it...How are they going to defend national sovereignty in terms of territory when they don't respect national sovereignty in terms of credits or loans?

The Argentine dictatorship is in the worst position in this case, of course, because the Queen of England's arbitration ruling went against Argentina, and I am not familiar with the pope's position, but from the reactions it seems as if it was not in line either with the Argentine military's proposals, which I am unfamiliar with as well, in this mediation.

We publicly called for papal mediation before it was arranged, and I would like to take this opportunity to thank him for it because it prevented war between two sister nations.

Our approach to the matter is that there must be a joint, multilateral and simultaneous solution to all of the problems plaguing the region, such as the southern borders, the Antarctic, the deep-water ports, the integration of the two oceans, Bolivia's outlet to the sea, the River Plate Basin. These problems must be resolved jointly, simultaneously and multilaterally.

Apart from this, in their meetings with Figuereido, both Viola and Videla have sought coordinated action by the two nations to impose a reordering of economic spaces in the region, which would affect Bolivia, Peru, Paraguay, Uruguay and Chile. The problem is that Viola today has less power than Videla had, and thus Brazil's hegemony is more obvious today than a year ago. So much so that the current Argentine foreign minister was practically appointed by Itamarati. There are Itamarati spokesmen who boast of having two foreign ministers...one in Brazil and another in Argentina.

Of course the same factors that have led to greater Brazilian hegemony will also cause the pact to be torn to shreds, inasmuch as the weakness of the Argentine dictatorship will lead to its disappearance and, hence, to the disappearance of the commitments that it made and that are damaging to our nation.

With regard to the United States, the Argentine oligarchy has not succeeded in becoming part of the international division of labor that was established after the Second World War. What the Argentine oligarchy produces competes with American exports. Our climates and soils are similar, and we have similar farm exports. The coordination between Argentina and Great Britain never worked between Argentina and the United States, and it will never be able to either. This has led the Argentine military to develop the country's trade with the USSR without even realizing themselves why this is happening.

Viola then engaged in an "ideological embrace" with Reagan, but in his fantasy he overlooked the facts, both in terms of the real power in the United States and the real capacity of the Argentine economy. Since these two factors are decisive, of course, above and beyond reactionary political affinities, Viola, in speaking to Figuereido shortly thereafter, had to contradict what he had told Reagan.

Question: You monitored the Nicaraguan revolutionary process closely. What is your assessment of it now that it has celebrated its second anniversary?

Firmenich: To many people in Latin America revolution had become impossible, and to many people as well a revolution meant a mechanical repetition of the Cuban Revolution. The revolution in Nicaragua has shown that revolution is still possible in Latin America because it is necessary and it has also shown that each revolution will be different in each country.

We have had the privilege of witnessing this process from its early days and we can see that this revolution had made enormous progress. Comparing it to 1980, we can say that we saw more people in this celebration than last year's, more involvement of the masses in the rallying cries and better organization. The revolution is moving forward with a firm step, and this naturally causes problems. If you don't do anything, you don't have problems. If you undertake a revolution, you create enormous problems, but when you are aware of the problems and have the determination to resolve them by mass democracy, then you also have an open door to resolving them.

We have also seen the capacity for self-criticism in bringing problems before the masses. We do not have any doubt that these problems are going to be resolved by the masses...Other problems will arise, and thus history continues on....

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VIOLA'S POLITICAL APPROACH VIS-A-VIS VIDELA ANALYZED

Buenos Aires MERCADO in Spanish 23 Jul 81 pp 4, 6

[Text] As we move through the month of July, which has generally been calmer than June, and as the Viola administration completes 4 months in office, observers are pointing out that the transition from General Videla to General Viola was difficult and stormy, not only because of the economic problems that it ultimately brought and the length of the period but also because Viola is not just a "different" president but a "different kind" of president. There are those who divide our presidents in recent decades into three basic categories. The first is the category of political presidents, meaning the heads of parties who got to be president and whose hallmark was coming out every day to do battle and to engage in public debate in the search for leadership and a popular consensus. Peron and Frondizi would be examples of this category. The second category includes the presidents whom we would fundamentally describe as "chiefs of state," "protocol" presidents who instead of placing themselves at the head of a party to engage the other, the opposition in controversy, tried to place themselves above parties by securing the universal respect of their fellow citizens, albeit not developing a specifically political leadership beyond this. Ongania and Videla were in this category. The third group encompasses presidents who rather than heads of parties or chiefs of state, tried to be heads of government and were characterized by silent work in their offices without the oratorical impact of party heads or the almost monarchical majesty of chiefs of state. These imageless presidents have been treated more kindly by history than by their contemporaries, however, when their periods are compared with others or when it has come out what role they played in processes that were little known precisely because of the nature of their presidency. Jose Maria Guido or Humberto Illia would come to mind, for example, as well as General Viola. It would be a mistake "to prefer" one category over another. There are more or less successful presidents in each category. It would also be a mistake to think that one category offers more chances for success than another. Success depends not so much on the type of president in office as on the degree of effectiveness he achieves and, above all, on the extent to which the sitting president is in tune with circumstances. Circumstances might demand a politician, a "king" or a silent worker, as the case may be. The fact that a person is one of these things "a priori" tells us nothing about his possibilities of success until we are familiar with his individual effectiveness and the circumstances surrounding him. Observers are pointing out in this regard that the circumstances surrounding the "silent presidency" of General Viola (a silence that has been broken in recent days, but this is an exception) have improved

substantially during July. The factors that jolted his presidency the hardest in June, the peak month of citizen restlessness, that is to say, the dollar and the rumor mill, gradually toned down as July reached its midpoint. The government's ability to balance out the foreign sector somewhat with its successive devaluations and its demonstration that it would not ultimately be swamped by an unstoppable wave of currency speculation, gave the public the feeling that things were beginning to get under control. Moreover, the magnitude of the rumors also began to shrink once the stories about Viola's removal were shown to be inconsistent and were "scaled down" to anticipated resignations in the economic team. Some people feel that the president is gradually weathering his administration's initial storm thanks to his custom of not fanning the flames of a brightly burning fire and of wagering on the passage of time. In short, once people saw that doom was not impending, rational political thought once again began to prevail, in the sense that there were no reasonable alternatives to the current situation. It is not that the situation is without problems. There are problems and they are serious, grave. But none of them seems critical, just as none of them can be corrected in less than several months. Waiting thus seems to be a possible and recommendable strategy, and Viola is beginning to look like a president whose "silent" (certainly not the most brilliant) style might, however, be better suited to a country in an economic and political transition from a model that was in force for 5 years to another that is barely visible on the horizon. "Time is ultimately in Viola's favor." This was how an observer concluded his analysis. To the extent that it can make it through the next few months, the "silent president's" transition model will come to be implicitly accepted by Argentines.

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BIOGRAPHIES OF ANTICIPATED MILITARY HIGH COMMAND MEMBERS

Rio de Janeiro MANCHETE in Portuguese 1 Aug 81 pp 46, 47

[Text] With the death of Gen Milton Tavares de Souza and the compulsory retirement of Generals Jose Ferraz da Rocha (chief of the EMFA [Armed Forces General Staff]), Ruy de Paula Couto (chief of the General Services Department), Florimar Campello (4th Army commandant) and Gentil Marcondes Filho (1st Army commandant), President Figueiredo will replace half of the High Command in July, the most thorough rotation in military leadership ever made at one time.

In order of seniority, Major Generals Henrique Beckmann Filho (2d Army interim commandant), Enio Gouvea dos Santos (1st Military Region commandant), Sergio Ary Pires (Army Ministry chief of cabinet), Alzir Benjamin Chaloub (deputy chief of the Training and Research Department) and Mario de Mello Matos (deputy chief of the Army General Staff) should be promoted to four-star general.

Generals Helio Joao Gomes Fernandes and Joffre Sampaio, who would have been third and fourth on this list, reached compulsory retirement in April and thus were not on the promotion list.

Two more generals of the army will face compulsory retirement in November: Alvarenga Navarro (chief of the Training and Research Department) and Benedicto Maia Pinto de Almeida (chief of the Ordnance Department). It will then be the turn of Gen Euclides de Figueiredo Filho, the president's brother and current commandant of the 1st Army Division, of Vila Militar, to be promoted to four-star rank.

As of July General Euclides may become interim commandant of the 1st Army, replacing Gen Gentil Marcondes. Although still a major general, he could remain interim commandant until receiving his fourth star in November. There are the precedents of Generals Silvio Frota and Reynaldo Melo de Almeida who, as major generals, commanded the 1st Army while awaiting promotion to a fourth star.

Gen Henrique Beckmann Filho, first cousin of former President Geisel, should take over the 2d Army. Gen Tulio Chagas Nogueira should continue with command of the 3d Army and Gen Enio Gouvea dos Santos is likely to be named to head the 4th Army.

Gen Antonio Ferreira Marques will depart as Army chief of staff, where he will be replaced by Gen Sergio Ary Pires, and will replace Gen Jose Ferraz da Rocha as chief of the Armed Forces General Staff.

Henrique Beckmann Filho

His German ancentry and command of the German language led to his being appointed interpreter for FRG President Heinrich Luebke during the latter's visit to Rio Grande do Sul in May 1964 and to his taking a General Staff course in the FRG. He will be 65 on 12 November. He was promoted to brigadier general on 25 November 1972 and to major general 5 years later. He may remain in the Army High Command until November 1984. He has two daughters. He is from the Artillery. He took a course in Brazilian Studies at the University of Brasilia and has a certificate of professional qualification in administrative technique. With the death of Gen Milton Tavares de Souza and as commandant of the 2d Army Division, he asumed interim command of the 2d Army, headquartered in Sao Paulo, where he will probably remain.

Enio Gouvea dos Santos

He currently commands the 1st Military Region, headquartered in Rio de Janeiro. Belongs to the Cavalry and is a personal friend of President Figueiredo. Received merit promotions to major, lieutenant colonel and colonel. Became a general on 30 March 1973, and can remain until the same date in 1985. Has a son and two daughters. Was an intructor at the ESAO [Officer Training School] and the ECEME [Army Command and General Staff School]. Headed the Brazilian Military Instruction Mission in Paraguay. Commanded the 3d Mechanized Cavalry Brigade and the 4th Infantry Brigade. He took the university-level course at the War College. His name is second on the list for promotion to a fourth star. Only Gen Henrique Beckmann Filho is ahead of him.

Sergio Ary Pires

An Artillery veteran, 63 years old in August, is now cabinet chief for the Army Ministry. Promoted to major, lieutenant colonel and colonel on merit, he became a general on 31 March 1973, which he may remain until 31 March 1985. Has three daughters, is a tennis enthusiast who practices assiduously at the Brasilia Tennis Academy. As director of special affairs, physical education and sports, he organized the Army Olympics. Commanded the 2d Infantry Brigade and the 10th Military Region. It is reported that he will be Army chief of staff, the second most important post in the military hierarchy.

Alzir Benjamin Chaloub

Another Artillery veteran, now deputy chief of the Training and Research Department, he was an instructor at the Army Command and General Staff School. Father of two sons, he reached the age of 62 on 9 July. Became brigadier general on 31 March 1973 and major general on 31 March 1978. Was cabinet chief for the EMFA. Commanded the Coast Artillery of the 1st Military Region, the Army Command and General Staff School and the 3d Military Region. Was director of Training and Advancement for the Army.

Mario de Melo Mattos

An Artillery officer, 62, he became a general on 25 November 1973. Since then he has been successively commandant of the 3d Army Division, chief of staff for the 4th Army, headquartered in Recife, deputy chief of staff on the EMFA, commandant of the

3d Army Division and, now, deputy Army chief of staff. On the eve of his promotion to a fourth star he took a vacation and made a trip to Europe.

Henrique Beckman Filho

Enio Gouvea dos Santos

Sergio Ary Pires

Alzir Benjamin Chaloub [upper right]
Mario de Melo Mattos [lower right]

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CSO: 3001/218

OPPOSITION PARTIES ISSUE DOCUMENT, REJECT MERGER PROPOSAL

Rio de Janeiro JORNAL DO BRASIL in Portuguese 16 Jul 81 p 4

[Text] Sao Paulo--Unified action by the opposition parties on 10 points was decided upon yesterday during the 3-and-1/2-hour meeting of chairmen and national leaders of the PMDB [Brazilian Democratic Mobilization Party], PP [Popular Party], PT [Workers Party] and PTB [Brazilian Labor Party], held in the OAB-SP [Brazilian Bar Association --Sao Paulo].

The note, released at the end of the meeting, referred to simply as a "declaration," makes no reference anywhere to merger, unification of the opposition or calling a national constituent assembly. In their note, the opposition leaders term the government incapable of getting the nation out of its present economic crisis and promise to hold more meetings to work out a plan of common action.

The Note

The note is as follows:

"The economic and social situation of Brazil is reaching a degree of seriousness without precedent in our history. The rate of inflation never increased so rapidly, the foreign debt was never so huge and the levels of unemployment never plagued so severely the workers and wage-earners who constitute the majority of the people.

"The government has shown itself incapable of taking objective measures to remove the nation from economic depression. Furthermore, it has shown itself to be impotent--as can be seen by the Riocentro episode and by indecision about electoral laws--to resolve the political impasse. Preoccupied as it is with retaining power without legitimate support from society, it is not in a position to conduct the nation's democratization.

"In view of such a situation, the opposition parties, meeting for the first time in Sao Paulo, express their intention to act jointly to assure participation by the people in steering the process of democratization. Their concern is not only to combat the 'electoral casuistry' which the nation has rejected, but also to establish prospects for a stable democratic regime, under the rule of a constitution emanating directly and freely from the will of the people, capable of meeting the demands of society.

"Hence, the opposition parties address themselves to the nation to propose the conscious and effective unity of all in support of the following objectives:

"--Direct elections at all levels and reestablishment of congressional prerogatives;

"--Genuinely democratic electoral legislation that respects the organizational and functional freedom of representative parties from all currents of political thinking; elimination of the antidemocratic devices that restrict the eligibility of citizens;

"--Repeal of the current National Security Law, Press Law and other instruments of arbitrary power, deactivating the agencies of political repression;

"--Extension of the right to vote to illiterates;

"--Assurance of labor-union organization free from government control;

"--Guarantee of full exercise of the right to strike;

"--For an employment policy that responds to the needs of all wage-earning sectors of society;

"--For a policy of equitable income distribution;

"--For an economic policy that eliminates the privileges granted to large-scale companies, multinational firms and financial capital, for the purpose of strengthening the domestic market;

"--Democratization of the judicial system to make it accessible to the citizens, especially those of low income, as well as efficient, swift and sure in dispensing justice.

"With these objectives in mind, the opposition parties express their intention to pursue, in other meetings, preparation of a plan of common action and, if necessary, to promote their complete unity of action, for the purpose of assuring their presence, as a legitimate and essential participant, in the nation's process of democratization.

"Sao Paulo, 15 July 1981
PMDB, PP, PT and PTB."

'Unity of Action' Rather Than Merger

Sao Paulo--The proposition of merger of the opposition parties was practically buried yesterday at the meeting held by national leaders of the PMDB, PP, PT and PTB at the OAB-SP headquarters. It was decided that the opposition might adopt it later, but everything will depend upon the casuistries of electoral reform.

Differences

After meetings they had held the night before, the PMDB and PP arrived at yesterday's meeting assuming that the final document would make explicit reference to the possibility of merger. They had the solid support of the national PTB chairman, Deputy

Ivete Vargas, who felt the document must deal only with merger, and with the greatest possible emphasis.

Senator Teotonio Vilela (PMDB--Alagoas) and Deputy Roberto Cardoso Alves (PMDB--Sao Paulo) vigorously advocated merger. The senator insisted upon pro tempore merger, to be retained until the 1982 elections, and the deputy advocated general and definitive merger.

However, the PP, PMDB and PTB representatives ran into the firm opposition of Lula and other PT representatives, who were willing to consider merger only as a last resort and in a way that made the proposition virtually unworkable. The PT would not consider giving up its identity as a political party with a platform of its own.

According to one of the participants at the meeting, Senator Tancredo Neves, PP chairman, "made the greatest effort to include the term 'unity of action' in the final document, and that was the most he could manage."

The meeting had moments of bitter exchange, when Deputy Cardoso Alves said to the PT chairman that he had come to the meeting knowing nothing would be accomplished simply because Lula would be present.

Nothing changed the position of the PT and Lula was only willing to accept the possibility of merger when a PMDB representative said that the measure "will be the AI-5 [Institutional Act No 5] of the opposition," the extreme show of strength that it will adopt in view of the "radical" casuistries of electoral reform.

After the meeting, Senator Tancredo Neves felt that "merger is still a possibility and will be a consequence of the government's behavior."

"This was a typical political meeting. We met for 3 hours so as not to come out with absolutely nothing," grumbled former Mayor Olavo Setubal, PP chairman in Sao Paulo, on leaving the OAB building.

Ulysses Guimaraes emphasized: "We did not take up the subject of merger for well-known reasons. The future will tell us what to do. For the present all the parties decided to retain their identity, their individuality, with the understanding that this would not be an obstacle to common action."

Although at the meeting he had accepted merger as a last resort, in statements to the press Lula reaffirmed the intention to consolidate the PT as a political party. "This was a position taken by the party's national executive board and by its affiliates who, in successive meetings, took a position against merger and in favor of organizing the party without giving up its identity."

Coordinated by Senator Tancredo Neves, the meeting was attended by the national party chairmen and the following persons: for the PT, its secretary general, Jaco Bittar, national vice president, Olivio Dutra, and the leader in the Sao Paulo Legislative Assembly, Deputy Marco Aurelio Ribeiro; for the PMDB, the leaders in the Senate and Chamber of Deputies, Senator Marcos Freire and Deputy Odacir Klein, the first national vice president, Senator Teotonio Vilela, federal deputies Roberto Cardoso Alves and Alberto Goldman and the party chairman in Sao Paulo, former Deputy Mario Covas;

for the PTB, the first national vice president, former Governor Gilberto Mestrinho of Amazonas, Deputy Vilela Magalhaes and the leader in the Chamber, Deputy Jorge Cury; and for the PP--which had the largest number of participants--the leaders in the Senate and the Chamber,Senator Evelasio Vieira and Deputy Thales Ramalho, the deputy leader in the Senate, Senator Mendes Canale, the party secretary general, Deputy Miro Teixeira, and the Sao Paulo regional chairman, former Mayor Olavo Setubal.

PP and PT Changed Document

Between the draft made up the night before by a committee composed of Fernando Henrique Cardoso (PMDB), Roberto Gusmao (PP) and Francisco Weffort (PT) and the final text released yesterday, there are substantial alterations, imposed by demands of the PT and the PP.

The original document mentioned the constituent assembly indirectly as a requirement for democracy, but the PT had approved the suggestion that the opposition should give priority to the struggle for a democratic regime. The PP had the expression "unity of action" contained in the draft supplemented by the idea that, if necessary, the opposition would unite in only one party.

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CSO: 3001/218

FROST DAMAGE TO AGRICULTURE IN THREE STATES ASSESSED

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 21 Jul 81 p 36

[Text] Much of the pastureland and coffee, wheat, beans and garden-vegetable crops in the states of Sao Paulo (western region), Parana and Mato Grosso do Sul was affected by yesterday's frost, causing extensive damage, according to preliminary surveys made by producers. Heavier frost was predicted for this morning, affecting, besides the above states, Mato Grosso, all of Sao Paulo, southern Minas Gerais, western Santa Catarina and western Rio Grande do Sul.

Although without official surveys, the national secretary for production of the Agriculture Ministry, Paulo de Sousa, asserted that the frosts do not represent "the slightest danger to agricultural crops, because the bulk of production is already harvested." He admitted, however, that next year's coffee crop may suffer "some damage" and that "the nation's wheat production may possibly be threatened."

Coffee Crop Suffered Most

Without ruling out the possibility that the recent frost may have administered "a kind of coup de grace" for Parana coffee, that state's agriculture secretary, Eugenio Stefanello, stressed that damage would have been worse except for the fact that the frost was less severe in Paranavai and Umuarama, the two municipalities that produce nearly 40 percent of the state's coffee.

Managers of cooperatives and coffee growers were constantly telephoning Stefanello, speaking of "catastrophe," "repetition of the 1975 frost" and "the end of coffee growing in northern Parana." Stefanello said that if damage is as great as in 1975 a coffee eradication program will be inevitable, more widespread than in that year, when the state had 915 million coffee trees.

According to the president of the Mandaguari Coffee Growers Cooperative, Oripes Gomes, the region's 50 million coffee trees "are not likely to produce even 20 percent of what had been predicted for next year. All fields were affected." He reported that at 1000 hours yesterday "there was a strong smell of burning. The fields are all chocolate-colored. Even the flower buds that were to come out in September were nipped." Furthermore, in his opinion, no one can afford to "continue in an activity of high risk and low income."

Parana experts say there certainly was an occurrence of the so-called "black frost," similar to that of 1975, nullifying all coffee forecasts for the state.

Meanwhile, the national production secretary of the Agriculture Ministry, Paulo de Souza, declared in Brasilia: "So far we have no problem with the cold weather. There will be no change in current crop forecasts. What has not yet been harvested is in the first stages of harvesting; the cold weather is not interfering in this process."

According to the president of the Coffee Brokers Union of the Santos Trade Association, Persio Tavares de Menezes, not until 4 or more days from now will it be possible to get a true picture of the damage; in the meantime, the news reports are "contradictory."

In Mato Grosso do Sul, reports not yet official disclosed that about 35 million coffee trees were totally or partially destroyed, indicating that losses are nearly as bad as those of the 1975 frost.

In Sao Paulo--according to reports from the affected regions--with rare exceptions, frost damage has not yet been reported. But the FAESP [Sao Paulo State Agricultural Federation] calls attention of farmers in general to the risks they still run, as the danger of further occurrences is not over until at least the beginning of August.

Coffee Regions Will Be Affected

Heavier frost than yesterday's was being predicted for this morning in the coffee-growing regions of Sao Paulo, Parana, Minas Gerais and Mato Grosso do Sul, according to O ESTADO DE SAO PAULO meteorologist Marcio Falcao. The mass of polar continental air is dominating the states of Mato Grosso do Sul, Mato Grosso, Sao Paulo, Parana, southern Minas Gerais and the western regions of Santa Catarina and Rio Grande do Sul, causing temperatures to fall.

According to Falcao, the mass of polar continental air will probably remain for more than 72 hours, dominating much of the nation, "but the critical night is between Monday and Tuesday." After today, although it should continue very cold, any frost will be lighter.

Yesterday's frost in Parana, Mato Grosso do Sul and western Sao Paulo, the specialist said, can be compared to that of 1979, with the detail that in Sao Paulo only the western region had clear skies, which permitted frost to occur. In Parana, where skies were partly cloudy, damages were limited; but in Mato Grosso do Sul, with clear skies, frost was widespread, perhaps comparable to that of 1975.

In Parana 400,000 Hectares of Wheat Are Damaged

Paulo de Souza, national production secretary, admits that wheat production, which has already had its share of problems this year, will be affected by the frost. In Parana, although there is no official survey, the most pessimistic observers believe the state may already have lost 400,000 hectares of wheat.

Eugenio Stefanello, director general of the Agriculture Secretariat, is said to be convinced that the losses this time were significantly greater than those caused by the frost of 18 and 19 June, when Parana lost 130,000 hectares of this crop.

In Parana it was expected that 1.5 million hectares of wheat would be planted but, due to the government's pricing policy--considered inadequate by farmers--only 1.05 million hectares were planted; a harvest of about 1 million tons was expected, but after these frosts it is expected that no more than 700,000 tons will be harvested. In the western region, which extends from Foz do Iguacu to Guaira, including Cascavel, Toledo, Palotina and Marechal Candido Rondon, an extensive reduction of wheat planting has been reported, with hundreds of producers switching to other winter crops, such as rye, barley, oats, rape, lupine and sunflowers.

In northern Parana the wheat fields that were at the stage of sprouting and forming grain were totally ruined. In the Londrina region from 70 percent to 80 percent of the 70,000 hectares planted to wheat were at a stage vulnerable to frost and losses could be total. It will still take 3 days for the crops to dry, according to the Agriculture Secretariat.

In Ivaipora the region is likely to produce 25 percent less than the 53,000 tons of wheat that had been expected, as 75 percent of the 35,000 hectares planted were at the critical stage. In Campo Mourao, where temperatures were 1.4 degrees below zero, Aroldo Galarini, president of the local agriculture and livestock cooperative, said:

"We will not have much of a wheat crop. The area planted this year was already 50 percent less than last year, when we planted 160,000 hectares. This year we had planted 85,000 hectares and of this total 50 percent had been destroyed by frost last month. Now, of the 40,000 hectares left, frost has nipped another 60 percent. Thus, from a crop that was estimated at 112,000 tons before the frosts, we will probably harvest less than 30,000 tons."

In Mato Grosso do Sul, agriculture experts predict that about 30,000 hectares of wheat are lost as a result of the latest frost, as the wheat fields were in the stage of forming grain. And in the Assis region (of Sao Paulo State) agronomist Orson Murebi Jacob estimates that over 30 percent of the wheat planted is already lost.

Beans

In the state of Sao Paulo, the crop that so far has suffered the most from frost is beans. There are complaints of large losses from nearly all municipalities in the western region of the state. Even in those where the frost was less severe there are many reports of losses.

In the Presidente Epitacio region the bean crop grown on about 6,500 alqueires was almost completely lost. The Campinal neighborhood had the greatest damage, with its 5,300 alqueires of crops and a harvest estimated at 100,000 sacks, which would have been an unprecedented occurrence in the municipality's agriculture.

The DIRA [Regional Agricultural Division] of Presidente Prudente reported that a preliminary survey showed the bean crop was the most affected. The supposition has been been confirmed by the Farm Workers Union. According to its secretary, Joao Altino Cremonesi, the bean loss was total. Scores of farmers who waited in line in official and private banks to provide data for PROAGRO [Agriculture and Livestock Activity Support Program], which covers 80 percent of losses, reported the same thing.

In the municipality of Regente Feijo in Alta Sorocabana, bean production will have a loss of 80 to 100 percent. Many farmers who intend to request PROAGRO insurance for total damages came in to the city's agriculture office.

In Bastos and Iacri beans planted in marshlands also sustained substantial losses. There are no firm figures yet, but it is known that a farmer with a large area planted to this crop had 12 alqueires completely damaged because the plants were still less than 30 days old. Older plants will probably survive.

All the bean crop in northern Parana that was at a stage of vegetative development and forming pods was completely destroyed. In the Maringa region, according to Jose Antonio Rosas, head of the local office of the Agriculture Secretariat, 2,700 hectares planted to beans were entirely burned. In the Londrina region, where there were 5,000 hectares of beans planted (representing 50 percent of the state's expected winter production), 70 percent was destroyed and the region is not likely to harvest the 3,000 tons that were expected.

Generally, all crops, including pastureland (one of the most seriously affected), had losses resulting from this latest frost. In Mato Grosso do Sul, for example, sunflowers, a crop that had been replacing wheat, were severely hit, although official data about losses are not yet possible. In this state the greatest loss was in pastureland, which may cause a reduction of 40 percent in the milk supply.

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TERRORIST MOVEMENT REPORTED TO HAVE 'SUBSTANTIAL' FINANCING

San Jose LA NACION in Spanish 11 Jul 81 p 8a

[Text] The recently discovered terrorist movement has received substantial financing to support its operations in Costa Rica, officials of the OIJ [Judicial Investigation Organization] reported yesterday.

They added that one of the documents seized lists the figure of 1 million colons for financing their operations.

To date, the authorities do not know the source of this money. However, it is assumed that most of it comes from abroad.

They emphasized that the group has ties with organizations with similar objectives throughout the rest of Latin America.

These reports were released at a time when the OIJ has intensified its actions against the movement in order to send its top leaders to prison.

It has been established that of the top leaders of the group, three are now in jail. Their names were not released, in order not to hamper the investigation.

The leadership or nucleus of the group also consist of seven other individuals, including two foreigners. Because of the possibility that they may not have left Costa Rica and could be arrested at any time, the authorities are keeping strict silence about their identities.

At the same time, it was explained that in 1975 and 1976 the group tried to bring off a coup d'etat, but failed because of the lack of discipline and disorganization of their members.

It was emphasized that at that time the entire movement was united, and had not split into cells, as it is now.

The OIJ agents said that the group had been "very much affected" by the expulsion of a foreigner who had worked with them. That happened in 1976.

The reporters demanded to know if this person were the Guatemalan, Ruben Anibal Calderon, but this was neither confirmed nor denied.

Calderon, who had connections with the EGP [People's Guerrilla Army] of Guatemala, came to Costa Rica as a refugee.

However, the administrative officials decided to expel him to Panama when his involvement in internal Costa Rican matters was learned. This happened in December 1976.

Nothing more has ever been heard of Calderon.

In the meantime, the OIJ reported that the recently discovered terrorist group has ties with groups such as the EGP.

Number Increasing

It was reported that the number of persons involved in the proceedings arising from the violent actions of 12 June has risen to 23.

The charges involved are crimes against the security of the nation, the public tranquility, public authority, and constitutional order.

On 12 June three patrolmen, one taxi driver, and one terrorist died as a consequence of the events which have through circumstantial evidence been connected with a cell of this movement.

Viviana Gallardo Camacho and Daniel Vega Miranda, both from this cell, were arrested. Vega Miranda is still under arrest, while Gallardo Camacho died after being riddled with bullets by the former civil guard, Jose Manuel Bolanos Quesada in the early morning of 1 July at the first police station.

Yesterday it was revealed that Gallardo had been recruited by the group 2 years earlier, when she was a member of a solidarity committee with Nicaragua.

Bolanos has been sent to the USE [Special Security Unit] at La Reforma.

Several other terrorists are also being held at La Reforma, but isolated in the diagnostic center. The judicial officials said that the prisoners have group dynamics and exercise sessions every day.

"We have lost one battle, but not the war. We will have to redesign our objectives," a number of the terrorists have told the judicial officials, said the OIJ agents.

Investigation circles believe that because of the strong blow struck against the group, it could take several years for them to recover.

This does not mean that we are lowering our guard; efforts to destroy the organization are continuing.

In fact, it was reported yesterday that the judicial organization is intensifying its campaign to arrest the top leaders. One of these leaders is known as "Esteban." It was not confirmed whether or not he is one of the persons now under arrest.

In the evening, the investigators planned new raids and arrests in order to disrupt this organization more effectively. To date, seven safe houses have been found.

The methodical nature of the movement's work was pointed out. In order to obtain arms, it was reported, they attacked armed individuals. They called these attacks "virgilios."

They also had their own accounting system. It has been learned how part of their financing operated.

They maintained strict control when they rented safe houses or used accessories as "front men." Everything was well documented. They even had a large number of license plates from police cars. All this, along with much other information, is included in the investigation now being conducted.

7679
CSO: 3010/1577

GOVERNMENT ESTABLISHES DUAL FOREIGN EXCHANGE MARKET

San Jose LA NACION in Spanish 12 Jul 81 p 4a

[Text] Yesterday the government established a dual foreign exchange market; this will allow a few products not in common use to be imported with dollars at the official exchange rate of 8.60 colons, while the rest of our foreign purchases must be paid for with currency acquired at the free exchange rate.

The board of directors of the Central Bank made this decision yesterday in order to replace the exchange measures approved by the government council last December. These measures had been ruled unconstitutional by the Supreme Court of Justice.

The Central Bank also recommended to the executive branch that it send a bill to the legislative assembly to change the exchange rate to 15 colons per dollar.

It also established a new system for handling the foreign currency obtained by exporters: 1 percent at an official exchange rate, and the remaining 99 percent at the free exchange rate.

Nonetheless, these percentages may be changed if the needs of the Central Bank so require, in order to meet the demand of the foreign currency market.

The executive was asked to take action immediately so that the unconstitutionality ruling issued by the Supreme Court will not affect treasury collections.

The Dual Market

The products which may be purchased abroad using currency at the official exchange rate are the following: coffee not imported for profit, natural asphalt, ice, whalebone, electrical energy, steam tractors, steam machinery for ships, windmills, mine elevators,

semaphores (not including electrical systems), steam locomotives for railroads, tramways with engines, trams without engines, trolley buses, dirigibles and balloons, and replacement parts for these items.

Furthermore, as part of the new system for handling foreign currency transactions with exporters, the Central Bank will at an appropriate time establish a compensatory free currency system.

The Central Bank directors also approved a system requiring exporters to use the services of the national banking system for handling their foreign sales, with the exception of sales made within Central America, which will continue to be handled through the Central American Compensation Chamber.

It was also stated that "it is implicit that transactions covering the export license issued by the Bank, the sending of documents to the correspondent bank abroad, and the respective payment, must be made by state commercial banks."

The Central Bank's decision adds that "in addition, a provision will be required to the effect that customs will not authorize the export of such merchandise without proof of compliance with this requirement."

Therefore, commercial banks will be properly empowered to handle foreign currency transactions and to inform the Central Bank of such transactions, which will continue to maintain the registry of export licenses and of advance payments, both local and foreign, when they exist.

Devaluation

The Central Bank agreements state that in the bill to be sent to the legislative assembly to devalue the official exchange rate, provisions giving the Central Bank greater flexibility in handling exchange policy should be included.

For that reason, the Bank also proposed that the executive branch send to the legislative assembly a bill to modify article 121, clause 17 of the constitution, in order to empower the Bank to make all decisions concerning the handling of the monetary unit."

It was stated that "the Central Bank will later issue, when the circumstances so require, additional resolutions covering the application of the measures that have been approved at this time."

The International Monetary Fund

The resolutions passed by the Central Bank are not the ones agreed to in the letter of intent sent to the IMF. The IMF officials will be informed of these resolutions for the purposes of the adjustments which may have to be made in the Extended Credit Terms Agreement signed by Costa Rica with the IMF.

The second vice president and minister of the economy, Jose Miguel Alfaro, yesterday sent a letter to Jacques de Larosiere, the managing director of the IMF, reporting the Supreme Court ruling, which held the exchange measures passed last December to be unconstitutional.

The letter states that this ruling against the float system for the colon, which was agreed to in the letter of intent with the IMF, requires the introduction of changes in that document.

Exporters

About 100 businessmen, most of whom are exporters, met at noon yesterday in the presidential mansion, where they had been invited.

The minister of energy and mines, Fernando Altmann Ortiz, gave an introduction and later made a commitment to them that their sales abroad will continue to be settled at the market exchange rates (over 18 colons per dollar).

The government announced last Thursday when the Supreme Court ruling was issued that the present exchange system will be maintained, and the Central Bank will make the necessary legal changes.

One of the exporters said that the government officials offered no details about the way in which the present value of the colon in relation to the dollar will be maintained, as the Court ruling has not yet been analyzed.

According to the magistrates, the official value of the colon is 8.60 and it can not be changed without a legislative resolution.

The government is preparing to establish a system in which the vast majority of exports and imports will be handled at market exchange rates, which will be covered by article 96 of the Central Bank's organic law, which empowers it to adopt this measure.

7679
CSO: 3010/1577

HAVANA COMMENTS ON CANCUN SUMMIT

PA070435 Havana International Service in Spanish 0000 GMT 7 Aug 81

[Text] U.S. black Senator Mickey Leland said it was a historic mistake to have excluded Cuba from the North-South meeting to take place in October this year in Cancun, Mexico. He added that whether they like it or not, Fidel Castro is one of the main representatives of the Third World. Leland said that U.S. President Ronald Reagan's request that Fidel Castro, president of the Councils of State and Ministers and of the nonaligned countries movement, not be invited to the Cancun meeting, shows little understanding of world affairs and that therefore such a request is stupid.

The Texas state senator said that Fidel Castro is a means of access to several Latin American countries and particularly, to many African nations. The Cancun meeting will have a terrible shortcoming and a real void because of Castro's absence.

Leland added that the Cuban leader was the spokesman for the nonaligned countries at the United Nations in 1979 and that on that occasion Castro strongly advocated the creation of a new international economic order, which is precisely the purpose of the Cancun meeting.

Leland said that the United States ought to give up the idea of trying to isolate Cuba. He also disapproved of the blockade that for the past 20 years the United States has maintained against Cuba.

Finally, Leland said that it is important that they know in Mexico that there are many U.S. congressmen who are willing to talk to the Cuban Government, in spite of Reagan and the majority of conservative legislators in the Senate.

CSO: 3010/1667

HAVANA REVIEWS PRESS REACTION TO CASTRO VISIT

PA091520 Havana International Service 0000 GMT 9 Aug 81

[Text] Mexico's news media today continued reporting on the 2-day visit made to that country by Fidel Castro, president of the Cuban Councils of State and Ministers.

The daily EXCELSIOR states in a main editorial that relations between Mexico and Cuba are highly satisfactory and notes that the recent meeting between Fidel Castro and Jose Lopez Portillo will enhance the mutual understanding that exists between the two countries.

The newspaper UNO MAS UNO states that the meeting held by the two statesmen on the Mexican island of Cozumel was friendly and fraternal.

EL DIA has noted that the meeting is evidence of the undiminishable will of solidarity of the two countries, a will that has historic, geographic, political and economic reasons. EL DIA commented that this is the type of relationship that should exist among all the Latin American countries.

EL PERIODICO, a morning newspaper that began circulating recently, has outlined the historic ties that unite the two countries and peoples as well as the support that Mexico has always given the Cuban revolution.

EL UNIVERSAL, EL SOL DE MEXICO and EL NACIONAL have filed similar commentaries.

In the GDR, the radio and television media reported on Fidel Castro's visit to Mexico and on the talks that the Cuban president and Jose Lopez Portillo, Mexico's president, held for 2 days.

BARRICADA, a Nicaraguan daily, has stated that the third meeting between the two statesmen took place at a moment when the forces of imperialism are increasing their campaign of threats and blackmail against the people of the world.

CSO: 3010/1167

NICARAGUAN-COLOMBIAN DISPUTE OVER CAYS EXAMINED

PA091415 Havana International Service in Spanish 2310 GMT 8 Aug 81

["Our America" commentary]

[Text] On several occasions during its history as an officially independent nation, Nicaragua was occupied by the Yankee marines. Each U.S. intervention generally led to the imposition of onerous treaties which harmed the sovereignty, territorial integrity and dignity of that Central American nation.

For example, in 1928 when Nicaragua was occupied by the United States for the third time, the oligarchic government had to sign a treaty that granted to Colombia and the United States shared jurisdiction over the Roncador, Serrana and Quitasueno Cays located on Nicaragua's continental shelf.

Through another treaty signed in 1972 and known as the Saccio-Vasquez-Carrizosa Treaty, the United States relinquished its rights over those cays which thus passed to Colombian sovereignty. However, to enter into force, the treaty had to be ratified by the U.S. Senate where it was shelved for many years.

Despite the just protest of Nicaragua which for the first time in its history is now truly free and independent, the current U.S. administration brought out the document and rushed through its ratification by the Senate in an act of genuine hostility toward Sandino's fatherland, favoring Colombia whose rulers have become completely subordinate to imperialism's policy against the peoples of our America.

U.S. hostility toward the new Nicaragua began with the victory of the revolution on 19 July 1979. However, it has rapidly increased with Ronald Reagan's inauguration in January. Right away, the delivery of $15 million left from a $75 million loan granted during the Carter administration was suspended. Later, a loan by which Nicaragua was going to purchase wheat and cooking oil in the U.S. market was cancelled. In June, all U.S. financial aid to Nicaragua was cut off.

With Reagan in the White House, there has also been an increase of Washington's pressures to try to prevent U.S. sectors and other countries from signing trade and financial agreements with Nicaragua. In addition to trying to strangle Nicaragua economically and to defeat its revolutionary leaders and people through hunger, however, the United States also is resorting to military aggression by

permitting the training on U.S. territory of thousands of former Somozist guardsmen for an invasion of Nicaragua and by helping with weapons and advisors in the training of more Nicaraguan counterrevolutionaries in the Honduran border region.

After stressing that Nicaragua will not stop the defense of its sovereignty and territorial integrity, documents issued by the Nicaraguan Foreign Ministry and State Council charged that the ratification of the Saccio-Vasquez-Carrizosa Treaty is a new act of aggression by the United States which seeks to revive pages of a history filled with interventions based on force as the Nicaraguan people know well. With its usual arrogance and disregard for other nations, the United States has ceded to Colombia territories that don't belong to it and has violated universally accepted principles of international law which guarantee to the riparian states sovereignty over their continental shelf.

We firmly believe, a resolution of the State Council states, that Nicaragua and Colombia are the only ones which must solve the dispute over the Roncador, Serrana and Quitasueno Cays, without the pressures or actions of third countries which seek to separate two sister countries for reasons that are not in line with the common interests of the peoples of our America.

CSO: 3010/1667

DELAYS CONTINUE IN HOUSEHOLD APPLIANCE REPAIRS

Havana MUJERES in Spanish Jun 81 pp 68-69

[Article by Daisy Martin]

[Text] No doubt at one time or another, particularly during the summer months, you have passed by VOSTOK I on Calle San Lazaro and seen a large number of people waiting to turn in or pick up an electrical appliance.

Aware that there is a very strong public demand for small appliance service, we visited the unit several times in order to learn the impressions of some of its customers about the services offered there and the difficulties involved in obtaining them.

Here are some of their opinions:

"It's been 3 months since I turned in my fan, and it's still not here."

"I've come several times to pick up my electric mixer. They say that the motor winding is no good and that I have to wait. I don't understand it."

"It's been more than 3 months since I ordered a seal for the lid of my pressure cooker. They say there aren't any."

"There's a delay of up to 3 months to fix a fan."

"I've been waiting a month for them to get solder so that they can fix my iron."

Later we talked about these problems with Ramon Garcia, the administrator, and Elio German Ortega, the unit production chief. They responded good-naturedly to our questions, which were based on the most critical situations that we had observed.

Why are there so many people at some times and not at others?

Ortega, after indicating that the months of highest demand are May through September, added: "This is due to summer. In hot weather, some appliances, like fans and mixers, get more use, so they break down more frequently. We've definitely had some problems with delivery, particularly during the months of highest demand.

In most cases this has been due to the windings of the electric motors. We don't have a workshop for doing windings, so we have to send them to another unit, which is sometimes a little slow. This often prevents us from returning appliances to our customers at the time promised."

"We realize that it annoys people when they come to pick up an appliance and are told that it isn't here. When this happens, we try to explain the reason for the delay, but not everyone understands. Many people simply vent their anger outside and go away mad," says Ortega.

Is this the basic reason for the delayed deliveries?

"Yes," put in Garcia, the administrator. "In many cases that is one of the causes. But such delays can also occur even when the appliance is in our own shop. It may be that the delay is caused by the absence of a certain mechanic, or by power outages. Last year, 1980, power outages had a very adverse effect. There were whole days when scarcely an hour's work could be done. This naturally delays the delivery date. It also has an adverse effect on the workers' wages, since the mechanics are in the linkage program. When stoppages occur, we send them home with half a day's wages.

"We have adjusted the repair and delivery schedule in accordance with the actual capacity of the shop, but we aren't always able to stay on schedule for reasons that I have already explained.

"In addition to normal service, we maintain an emergency service, but we aren't always able to perform it since we sometimes lack the necessary parts," pointed out the production manager.

"Right now, for example, it has been several weeks since we've had any seals for pressure cooker lids. So the customer has to come back or call in order to find out if we've received them yet.

"The greatest obstacle to providing quicker service is the summer rush to fix fans and mixers. There are people who have appliances that have been broken for months, but when it gets really hot they bring them in and expect us to have them back in a week. We wonder why they don't send them in before the summer arrives. That way they would avoid the lines and the delay at the shop, which is overburdened during those months."

What about the actual capacity of the shop and skilled labor?

"For 2 or 3 months we had trouble getting skilled help, but we didn't let a crisis develop. The Enterprise, working with the province, immediately offered a course to train a group of young people. Nearly 30 young men and women applied. Those with the best qualifications for this kind of work were chosen to take the 3-month course. Some of them are already at work and doing very well," added Ortega.

"All together there are 39 of us, including administrative personnel. There are 16 women, of whom five work right in the repair shop as technicians.

"We have two receptionists, one to deliver and the other to receive appliances, at separate counters. This makes our work easier, and makes things more convenient for the public. There are generally no problems with the receptionists. Only once in a long time have we had to discipline someone for mistreating the public; we suspended her for a month.

"Our personnel are trained always to give an adequate answer to people who come in to the unit. We are all willing to deal with any complaint. But sometimes customers don't come to us; they go directly to the Enterprise instead, thinking that their problems will be resolved there. They are mistaken; not only is it our duty to resolve their problems, we really are the ones who know whether or not we have the necessary part to fix their appliance. This happens frequently, and we don't understand it," said Garcia.

What are the greatest difficulties in your work?

"The shortage of certain parts, motor windings, and lack of certain products, like acetylene, for example, which we have not received for 2 months, and which is necessary for welding.

"We also sometimes have problems because of lack of transport. The Enterprise has only two very old trucks at its disposal. They cannot always provide the best service to the units, like transfer and pick-up of motors to and from the other shop. None of this is an excuse, but we need for the public to understand that sometimes carrying out a delivery does not depend on us alone."

Garcia added: "Right now we're getting a lot of rewound motors that we can't install because they haven't been done correctly. We have to turn around and send them back to the shop. This doubles the time the customer has to wait. Sometimes there is a high demand for parts, while we receive only a small number. In such cases we can only repair what we already have in the shop little by little."

Do customers pick up their repaired appliances right away, or do they leave them in the shop for a long time?

"That's another factor that hurts us," said Garcia. "As you have seen, the warehouse is small and it's practically full. At the end of November, we had 5,559 repaired appliances with a value of 20,800 pesos. Time, wages and parts have been invested in them. Moreover, lack of use is causing them to deteriorate. Some have been in the warehouse for as long as 4 years.

"What have we done to solve this problem? We have adopted several measures, but none of them has worked. We have sent as many as four notices to each owner, telling them that their appliance is ready, how much the repair cost, and that the time to pick up the appliance has expired. And we didn't receive as much as a reply. The Enterprise is already aware of this, and we hope that they will find a solution. The situation is getting worse because the warehouse is almost full."

What kinds of appliance are repaired at this unit?

"Fans, mixers, irons, pressure cookers, electric cookers and electric razors. We service 7,000 or 8,000 appliances a month. We wait on about 100 people a day

through our immediate repair system. In 1980 we carried out a repair program with a value of 288,300 pesos, and we serviced 85,000 appliances, in spite of all the problems we have to contend with. In 1981 we plan to improve our services because we are aware of how much the public needs them."

With that we leave the VOSTOK I shop, confident that this commitment will be fulfilled. Now it only remains for the obstacles to that fulfillment to be removed, because the fact is this: Those most hurt by this situation are the working public, who need better repair service for the domestic appliances that are so necessary in the home.

8926
CSO: 3010/1645

BRIEFS

WORLD CONGRESS MEETING--Nagasaki, Japan--Cuba has urged all peace-loving forces to redouble efforts to stop the arms race and to demand that the huge sums used for military investments be allocated for the development, prosperity and happiness of humanity. Warmongering, interventionism and the great atomic and conventional arsenals work against peace, but so do hunger, misery, exploitation, discrimination and injustice, which daily take thousands of lives, particularly in underdeveloped countries, Cuban delegate Orestes Quintana said to the 1981 World Congress against atomic and hydrogen bombs. [Text] [FL101502 Havana Domestic Service in Spanish 1400 GMT 10 Aug 81]

FAR PERSONNEL HONORED--A week of tribute to junior officers, sergeants, enlisted men, civilian workers and other persons who have obtained "vanguard" status within the Revolutionary Armed Forces [FAR] in the 1980-81 period began with a political-cultural ceremony on the evening of 10 August at FAR headquarters in Havana. Keynote speaker at the event was Col Jose Palacios, director of the Gen Antonio Maceo Interservice School. [FL111556 Havana Domestic Service in Spanish 1400 GMT 11 Aug 81]

ECUADOREAN INDEPENDENCE CELEBRATED--A ceremony to mark the 172d anniversary of the independence of Ecuador was held on the evening of 10 August at the headquarters of the Cuban Institute of Friendship with the Peoples [ICAP]. The ceremony was attended by Rene Rodriguez, member of the PCC Central Committee and president of ICAP, and Ricardo Alarcon, alternate member of the Central Committee and vice minister of foreign relations. Francisco Proano, charge d'affaires at the Ecuadorean mission in Cuba, expressed appreciation of this show of solidarity and noted ICAP's efforts to consolidate friendship between the two peoples. [FL111556 Havana Domestic Service in Spanish 1400 GMT 11 Aug 81]

MATANZAS CDR MEETING--The meeting to evaluate the Committees for the Defense of the Revolution [CDR] in Matanzas Province has been chaired by Armando Acosta Cordero, alternate member of the PCC Politburo and national coordinator of the CDR. The main report was read by the provincial coordinator, Silvano Garcia, who was later reelected to his post. [FL110135 Havana Domestic Television Service in Spanish 0000 GMT 11 Aug 81]

ILLUSTRATOR'S DEMISE--Illustrator Juan David de Posada was buried yesterday at the Colon cemetery. In attendance were Raul Roa, acting president of the National Assembly of the people's government, and Nicolas Guillen, both members of the

PCC Central Committee. Culture Minister Armando Hart and Carlos Rafael Rodriguez, both members of the PCC Politburo, sent wreaths to pay tribute to the deceased revolutionary. [FL110135 Havana Domestic Service in Spanish 1400 GMT 10 Aug 81]

SUGAR WORKERS DAY--The national ceremony to mark Sugar Worker's Day was held at the Batalla de Guisa Polytechnic Institute in Rio Cauto Municipality, Granma Province, with the participation of 250 outstanding sugar workers. The ceremony was presided over by Luis Martell Rosas, secretary general of the Sugar Workers Trade Union, and by Andres Caraballosa Pena, secretary general of the Central Organization of Cuban Trade Unions in Granma. [FL071800 Havana Domestic Service in Spanish 1000 GMT 7 Aug 81]

BARBADIAN AWARD TO GUILLEN--Armando Hart, member of the PCC Politburo and minister of culture, has delivered to Nicolas Guillen, a Cuban poet, a plaque signed by the Barbadian Government and people to mark Carifesta 1981. Guillen was among six persons selected as being representatives of Caribbean culture. [FL071800 Havana Domestic Television Service in Spanish 1700 GMT 7 Aug 81]

PANAMANIAN BOOK OF CONDOLENCE SIGNED--At 1530 GMT today, Jose Raul Viera, acting minister of foreign relations, signed the book of condolence opened at the Panamanian Embassy in Cuba to mark the death of Gen Omar Torrijos Herrera, commander-in-chief of the National Guard of that brother country. The acting foreign minister was accompanied by vice ministers and other high-ranking Foreign Ministry officials. [Text] [FL051921 Havana Domestic Service in Spanish 1809 GMT 5 Aug 81] Commander in Chief Fidel Castro, first party secretary and president of the Councils of State and Ministers, has signed the condolence book opened at the Panamanian Embassy on the death of Gen Omar Torrijos Herrera. After conveying his condolences to Panamanian Ambassador Miguel Angel Picard Ami, with whom he examined an exhibit of photographs of the unforgettable leader of the Panamanian people, Fidel wrote on the book: With deepest sorrow and the affection of a brother. Also visiting the Panamanian Embassy in the course of the day were Pedro Miret, Jorge Risquet and Julio Camacho Aguilera, members of the Party Politburo, as well as a representation of the Revolutionary Armed Forces [FAR] headed by Div Gen Senen Casas Regueiro, alternate member of the Party Politburo and chief of staff of the FAR. [Text] [FL071116 Havana Domestic Service in Spanish 1034 GMT 7 Aug 81] PCC Politburo member Pedro Miret signed this afternoon at 1820 GMT the book of condolences opened at the Panamanian Embassy in Cuba on the occasion of the death of Gen Omar Torrijos, commander in chief of that fraternal country's National Guard. Also signing the book of condolences this afternoon were PCC Central Committee members Nicolas Guillen, president of the National Union of Cuban Writers and Artists, and Wilfredo Torres, president of Cuba's Academy of Sciences. Others visiting the Panamanian Embassy were several members of the diplomatic corps accredited to Cuba. Ramon Cienfuegos and Emilia Gorriaran, parents of Commdr Camilo Cienfuegos, signed the book at 1810 GMT today. [Text] [FL062113 Havana Domestic Service in Spanish 2002 GMT 6 Aug 81]

U.S. MANEUVERS IN CARIBBEAN--The provocative Ocean Venture 81 war maneuvers in the Caribbean organized by the United States have begun with an air-sea invasion of the Puerto Rican island of Vieques. The U.S. maneuver in Vieques took into account the geographic, military and political characteristics of an island similar to Grenada which in U.S. high command plans appears under the designation (Anders). The commander of the U.S. contingency forces for the Caribbean, Rear Adm Robert McKenzie, said that U.S. marines will simulate an attack this week on Guantanamo Naval Base during the ocean venture exercises. The Yankee maneuvers will conclude in the Caribbean on 20 August. [Text] [FL102335 Havana Domestic Service in Spanish 2300 GMT 10 Aug 81]

CSO: 3010/1667

POLICE DISCOVER CLANDESTINE WEAPONS FACTORY

San Salvador LA PRENSA GRAFICA in Spanish 14 Jul 81 pp 4, 40

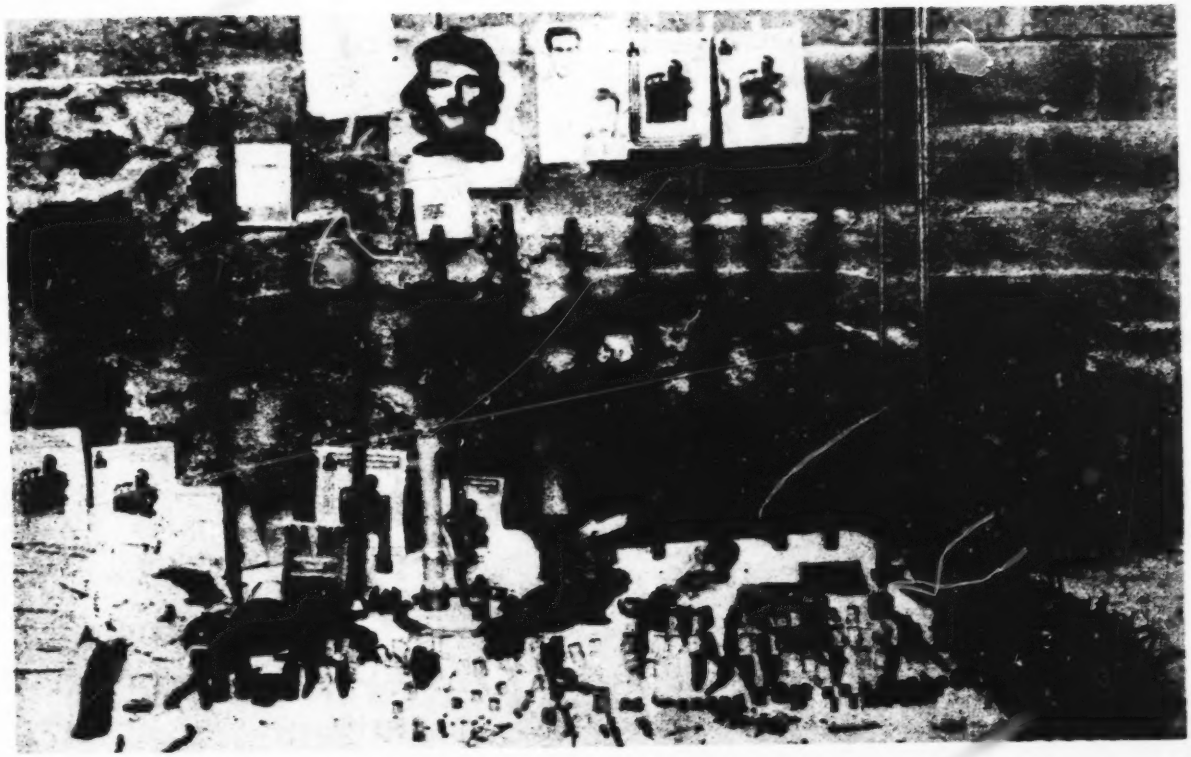
[Text] The national police yesterday reported the discovery and dismantling of another clandestine weapons factory which was operating in the San Jacinto area. It was used for making arms for subversion. Six persons who were working there were arrested.

The police source said that the police command, upon receiving information from a private person, who doesnot support the use of violence, sent police agents to investigate the end of the Calle Ramon Belloso, in the Manjivar colonia of the San Jacinto area of the capital city. The building there had a facade like a corn mill. But inside the police found a clandestine factory which housed a subversive cell that manufactured mortars, bazookas, grenades, bomb fuses, nipples, mining funnels, iron spikes used for sabotaging vehicular traffic, 45-caliber munition, batteries for detonating fragmentation bombs, black powder, barbed wire, and explosive caps.

In the same place the police confiscated a variety of communist propaganda on a number of topics. Some of the titles are: Central Report for the First Congress of the Communist Party of Cuba; Latin America Seen by Soviet Scientists; Marx and the Labor Unions; Latin America is living in a Period of Revolution; Instructions for the Union Movement in El Salvador, and others.

During the search the police agents arrested the following persons: Jose Luis Hernandez Sarmiento, Hermes Cesar Pena Hernandez, Jose Sergio Quintanilla Perez, Jesus Ochoa Reyes, Jose Armando Ramirez, and Estebana Hernandez de Castro. The six were "caught in the act" while making a number of items.

The first person listed, Hernandez Sarmiento, who identified himself as the owner of the house, said he had received intensive training in Cuba in manufacturing arms and explosives, along with the "miguelitos" or iron spikes used to puncture automobile tires.



Clandestine factory. The national police discovered and dismantled another clandestine mechanical factory in the Calle Ramon Belloso, Colonia Menjivar of the San Jacinto area. There they confiscated bazookas, mines, parts of a mortar, munition, and iron spikes used for puncturing tires of vehicles, along with communist literature. Six people who were working and living there were also arrested, reported the security force.

He said that everything manufactured there was used by subversive organizations. The other persons arrested were part of the cell headed by Hernandez Sarmiento. All will be taken by the police to the appropriate military tribunal for processing.

7679
CSO: 3010/1577

BRIEFS

FRENCH AGRICULTURE MINISTER TO VISIT--Mexico City, 11 Aug (NOTIMEX)--An important French delegation headed by Agriculture Minister Edith Cresson will arrive here next 23 August. In making the announcement, the French Embassy in Mexico added that Minister Cresson will remain here 4 days during which she will attend the inauguration of the Agro-Mexico 8 Exposition. It was also reported that she will conduct numerous talks on bilateral issues. "The presence of Minister Cresson in Mexico demonstrates the interest and confidence that France attributes to Mexico's agroindustrial development," Gabriel Mergui, French Embassy commercial attache for agricultural affairs, has stated. The official added that there is great interest in the participation of 140 French enterprises in such operations, in accordance with a protocol signed with Mexico in that field. The French minister will also conduct talks with her Mexican counterpart, Secretary of Agriculture and Hydraulic Resources Francisco Merino Rabago, Secretary of Agrarian Reform Gustavo Carvajal Moreno and Edmundo Flores, director of the National Council for Science and Technology. [Text] [FL121121 Mexico City NOTIMEX in Spanish 0545 GMT 12 Aug 81]

END

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LATIN AMERICAN PETROLEUM ASSOCIATIONS MEET IN QUITO

PA281350 Quito Cadena Ecuador Radio in Spanish 2300 GMT 27 Jul 81

[Text] The 16th meeting of the Latin American Petroleum Industry Mutual Aid Association [Asociacion de Asistencia Reciproca Petrolera Latino Americana--ARPEL] was opened today in this capital, with the two most important state petroleum enterprises participating. At the meeting called to outline ARPEL's general policy, the speakers were ARPEL Secretary General Fernando Mendoza of Venezuela; Jorge Pareja, Ecuadorean State Petroleum Corporation, CEPE, director; and Eduardo Ortega, natural resources and energy minister.

Fernando Mendoza, ARPEL secretary general, referred to the situation and outlook for Latin America with regard to the current energy crisis in the world and the opportunities of [word indistinct] energy of the region.

CEPE Director Jorge Pareja hoped that ARPEL will emerge stronger after this meeting so that it can fulfill its highest ideal, which is to defend our hydrocarbons resources, through a [word indistinct] and scientific exchange toward Latin America's integration. Pareja termed ARPEL the most useful communication instrument among associated enterprises and fundamental for better cooperation among enterprises with similar objectives.

CSO: 3010/1719

OPPOSITION CITED TO U.S. DECISION ON NEUTRON BOMB

Jamaican Paper Urges Condemnation

FL101656 Bridgetown CANA in English 1615 GMT 10 Aug 81

[Text] Kingston, Jamaica, 10 Aug (CANA)--The DAILY NEWS today urged the Jamaica Government to condemn President Reagan's decision to go ahead with production of the neutron bomb.

In an editorial, the newspaper suggested that the Jamaica administration had a part to play in pressuring the American president to change his decision on the bomb that kills with heavy waves of radiation while causing very little damage to buildings.

The paper said that the American people had the first responsibility to impress on the president that they would not be led by an administration "which engages in the peddling of death." But what was needed was mass pressure across the globe, the paper added.

Said the DAILY NEWS: "...We here in Jamaica, like peace-loving people all over the world, need to add to this pressure, for radiation knows no national boundaries, race, religion or creed.

"It is the responsibility of this government to make clear to the Reagan administration that the government and the people of Jamaica strongly disapprove of the decision and to urge Mr Reagan to reverse it.

"Nothing less than this will be of assistance to efforts to ensure world peace, without which all the talk of economic recovery will be nothing but hot air," the paper said.

PRG Voices Strong Opposition

FL141650 Bridgetown CANA in English 1630 GMT 14 Aug 81

[Text] St Georges, Grenada, 14 Aug (CANA)--The Grenada Government has suggested U.S. President Ronald Reagan switch planned spending on the neutron bomb to Third World development.

"If channelled into assisting the world's poor countries to develop their economies and raise the quality (of life) of their people, the massive amount of money being spent on development of such weapons as the neutron bomb and the arms race would serve a better purpose," the Grenada administration said.

In the statement released by the Ministry of Information last night, Grenada's Peoples Revolutionary Government (PRG) said: "We are totally opposed to production of this bomb..."

The statement followed a decision by the Reagan administration to go ahead with production of a bomb which kills with massive doses of radiation while leaving buildings virtually untouched.

Grenada claimed that the U.S. had shown contempt for the people of the world by choosing the anniversary of the bombing of Hiroshima, Japan, to announce the decision to produce the neutron bomb. This, the statement said, "borders on sadism."

"When put in the context of the present U.S. administration's refusal to ratify the SALT Treaty with the Soviet Union or sit down and discuss practical methods of reducing the arms race," the PRG said, "it becomes clear that no one in the world will be safe once the United States has manufactured this weapon."

CSO: 3025/1026

CARIBBEAN ECONOMY UNIMPROVED IN EARLY 1981

FL110029 Bridgetown CANA in English 2222 GMT 10 Aug 81

[Text] Bridgetown, Barbados, 10 Aug (CANA)--The first 3 months of this year brought little improvement in economic activity in the already beleaguered English-speaking Caribbean, according to the Barbados Central Bank.

In its 1981 first quarter economic review, the bank said that output of leading sectors contracted and inflation continued at a high level. The net foreign reserves position remained weak in most territories and this led Dominica, Jamaica, Saint Lucia and St Vincent to seek assistance from the International Monetary Fund (IMF).

The bank said there was a general decline in tourist arrivals in the winter season, due to recession in major markets and higher hotel rates in some islands.

The slump in visitors from North America more than outweighed the growth of arrivals from Europe and the increase in travel among the countries of the region. Tourist arrivals fell by 19 percent in Grenada, 9.5 percent in Montserrat, 5.5 percent in Antigua and 8 percent in Barbados. Tourist arrivals for January in Jamaica were 16.6 percent down on the corresponding month in 1980.

Regional sugar production also declined between January and March this year compared with 1980 first quarter.

The report said that in the case of Jamaica, production is not expected to recover from last year's record low output of 230,000 tons. Unusually heavy rains which snarled reaping and a late start to the Barbados crop are also expected to keep this year's production well below last year's 135,000 tons.

Guyana too expected a drop in sugar output--about 6 percent on the year's first crop, the Barbados Central Bank said.

Non-sugar agricultural exports from the eastern Caribbean islands fell as a result of extensive crop damage by Hurricane Allen the previous August. Saint Lucia in particular suffered a 16 percent fall in banana exports for the 12-month period which ended March 1981.

There was however, some improvement in the performance of the Caribbean's mining sector. Bauxite production in Jamaica went up by 66 percent to 1,141,600 tons and alumina output increased by 30 percent over January 1980 to 213,000 tons.

The bank report said that during the review period Jamaica was in the final round of negotiating 698 million dollars (U.S.) in balance of payments support from the IMF. During the quarter the IMF also approved for Dominica a drawing equivalent to 10.5 million special drawing rights (SDR's), 1.3 million SDR's for St Vincent and 2.7 million SDR's for Saint Lucia.

CSO: 3025/1026

SAMORE SAYS NO FURTHER VATICAN BEAGLE PROPOSAL

PY141801 Buenos Aires HERALD in English 14 Aug 81 p 11

[Text] (NA)--The Vatican will not present another proposal to solve the Beagle Channel dispute between Argentina and Chile, Cardinal Antonio Samore said in an interview with the magazine ESQUIU.

Pope John Paul II's personal representative in the Vatican mediation of the dispute told the Catholic magazine in Rome that the negotiators are "nearer the end" of their task but gave no precise dates for completion of the process.

He said that the proposal submitted by the pope to both countries in December 1980 was based on "justice and equity," and that Argentines must trust the pope.

Samore also said that Pope John Paul II "wishes fervently to visit Latin America, I don't know when, but he will (visit it).

Referring to commentary contrary to the proposal published by some Argentine news media, Samore said: "I don't want to get into any sort of arguments, but I am not unaware of the fact that some comments have disturbed Argentine public opinion, which (opinion) must not allow itself to get carried away by any of them."

He added that the pope has detailed information on the negotiations carried out at the Vatican and that he "is anxious for an agreement to be reached."

Meanwhile, former Chilean Foreign Minister Gabriel Valdes Subercaseaux said here yesterday that the British crown's arbitration of the Beagle Channel dispute is "valid" and that what is needed is a "more integral solution to problems still pending."

Valdes, who is here to work on a programme for international studies to be carried out at several Latin American universities, said upon arriving at Ezeiza Airport that he was sure that the pope's mediation would allow an agreement to be reached, so that "obstacles to friendship and cooperation between both nations never arise."

According to Valdes, who is also a former director of the United Nations Development Programme (UNPD), the two countries could do much jointly to develop industry, economy, culture and communications.

CSO: 3020/140

GUYANA GOVERNMENT CALLS VENEZUELA'S ZAMBRANO 'LIAR'

PA312336 Paris AFP in Spanish 0155 GMT 27 Jul 81

[Report by Paul Persaud]

[Text] Georgetown, 26 Jul (AFP)--The government of Guyana accused Venezuelan Foreign Minister Jose Alberto Zambrano here today of being a "liar" and reiterated the support of CARICOM for its position in view of Venezuela's false claim over its sovereign territory.

An official spokesman made this statement in a press note that appeared in today's issue of the SUNDAY CHRONICLE, the government weekly, regarding Zambrano's statement to the Venezuelan press about the extent of the Caribbean support for the Guyanese position in light of Venezuela's claim.

The Guyanese Government position, published today, accused Zambrano and Hilarion Cardozo, Venezuelan ambassador to the OAS, of wanting to draw a deceitful smokescreen over the Caribbean solidarity with Guyana.

The two diplomats said in Caracas a few days ago that CARICOM had not expressed its decided support for Guyana which is facing the Venezuelan claim for five-eighths of its territory.

"There is obviously confusion between the Venezuelan dream and the Caribbean reality on this matter," the SUNDAY CHRONICLE reported today.

"It seems that Foreign Minister Zambrano, by some supernatural power that we and the CARICOM members don't know about, has decided that his country [passage indistinct].

According to the press note, "It must be stressed again that the preservation of the territorial integrity of each of the Caribbean nations is of vital importance for the CARICOM philosophy."

"In addition, in the last meeting of foreign ministers held in the capital of [words indistinct] within the community, the unconditional support [words indistinct] members to the Guyanese position [words indistinct] the SUNDAY CHRONICLE said today.

"Foreign Minister Zambrano has used all the international [word indistinct] to show his professional arrogance and his contempt for a Third World country [words indistinct] and ours," it added.

The note said that "the reiterated Venezuelan positions regarding [word indistinct] financial credits for our country are a flagrant foreign intervention in the domestic affairs of Guyana."

The article in question notes that the Venezuelans who are wise will be able to understand and will deplore Zambrano's rash statement concerning the unjust Venezuelan position on Guyana's territory of Essequibo.

The note in question notes that Venezuela is trying to confuse the international public regarding its expansionist ambition at Guyana's expense.

CSO: 3025/1025

GUYANA-VENEZUELA DISPUTE AIRED IN NAIROBI

FL151659 Bridgetown CANA in English 1651 GMT 15 Aug 81

[Text] Kingston, Jamaica, 15 Aug (CANA)--The Guyana/Venezuela territorial dispute has been aired at the UN Energy Conference in Nairobi with Guyana alleging that Venezuela was pursuing a policy of economic blackmail with its claim to the western 2/3's of Guyanese territory. which should not be allowed to succeed. The GLEANER, reporting from Nairobi said the issue was raised by Guyana's Mining and Energy Minister Hubert Jack, who told the conference that Venezuela's claim to all the land west of the Essequibo River could stultify his country's energy development program.

Venezuela revived an old dispute in the early 1960's to 5/8's of Guyana's 215,000 square kilometers, but the issue was shelved for 12 years by the protocol of Port-of-Spain which was signed by the two countries on 18 June 1970. Venezuela has said it will not renew the protocol when it expires next year. Guyana plans to construct a big hydropower project in the area under dispute.

Mr Jack was quoted as saying in Nairobi that the hydro project, the area as a whole, was a fundamental component in Guyana's energy program, and that Venezuela's attempt to thwart it was not only unjust "but represented a form of blackmail which must not be allowed to succeed." The GLEANER said Mr Jack also told reporters that Venezuela was pressuring governments and companies against becoming involved in the development of the region.

The Guyanese minister told the conference to consider the repercussions on world and regional stability as well as national integrity should Venezuela be allowed to succeed in its claim. He accused the Venezuelans of acting in bad faith by introducing a "new dimension" to the dispute even before the 12-year accord had expired. Mr Jack said Guyana interpreted Venezuela's latest moves as intended to force a poor country with a shattered economy to sit with a rich, powerful nation and negotiate away a significant portion of its land area and natural resources. He claimed that Guyana was not actively seeking military assistance to counter what was an implicit threat from Venezuela, but added that "we would seek any assistance we can get if we find ourselves with something we could not cope with."

CSO: 3025/1025

GUYANA CITIZENS URGED TO SEE VENEZUELAN CLAIM AS ATTACK

FL101647 Bridgetown CANA in English 1620 GMT 10 Aug 81

[Text] Georgetown, Guyana, 10 Aug (CANA)--Guyana's information minister, Frank Campbell, has urged overseas-based Guyanese now home on a short visit, to view Venezuela's claim to five-eighths of Guyana's territory as an attack on the country's economy and history, as well as an attack on reality and truth.

Addressing a 3-day "homecoming" function, Mr Campbell explained that the exercise was intended to enable Guyanese overseas to come to terms with the reality of their nation and to appreciate the struggle that was started years ago.

The participants of the "homecoming" exercise approved a resolution, in which they declared that "it was not only patriotism but knowledge of the facts which inspired them to defend Guyana.

They called on Britain, as a signatory to the Geneva agreement, to ensure that the validity to the arbitral award which she has recognized, was duly protected.

In an address to the participants who toured the area being claimed by Venezuela, Guyana's Prime Minister Ptolemy Reid stressed that they should regard their visit as a pilgrimage to "this part of the land which must be ours for all time."

He pointed out that the Essequibo area was the cradle of the major revolutionary activities and the battleground on which Guyana's economic and social independence was founded.

CSO: 3025/1025

GUYANESE WARNED TO TAKE VENEZUELAN CLAIM SERIOUSLY

FL061534 Bridgetown CANA in English 1432 GMT 6 Aug 81

[Text] Georgetown, Guyana, 6 Aug (CANA)--Guyanese have been warned that Venezuela is serious about its claim to 5/8's of this country and have been urged to show a commitment to defend the cooperative republic. The warning came from Home Affairs Minister Stanley Moore as he opened a 4-day seminar for management and non-management personnel being held in Georgetown.

According to the government-owned CHRONICLE newspaper, the minister chided the opposition People's Progressive Party (PPP) and the Working Peoples Alliance (WPA) for suggesting to Guyanese at public meetings and through the media that the Guyana Government was overplaying the issue in an attempt to overshadow the impact of the country's economic situation on the population.

Mr Moore pointed out that from information he had, the Venezuelan claim to 5/8's of Guyana, though ridiculous, is a real and serious one. "Opposition is quite wrong if they are trying to suggest that there is no real threat to the country's territorial integrity," the minister said.

Mr Moore noted that there was no question that Guyana would win its case against Venezuela in any international forum, but added that in a more practical way, Guyanese could be expected to defend their country if it were to be invaded by Venezuela.

CSO: 3025/1025

COLOMBIA'S LEMOS COMMENTS ON GUYANA-VENEZUELA DISPUTE

FL141631 Bridgetown CANA in English 1614 GMT 14 Aug 81

[Text] Roseau, Dominica, 14 Aug (CANA)--Colombia has called for a peaceful solution to the Guyana-Venezuela territorial dispute. "...we hope that the difference between Venezuela and Guyana could be settled by a peaceful way," Colombian Foreign Minister Dr Carlos Lemos Simmonds told reporters.

Venezuela has a claim to 5/8's of Guyana, territory west of the Essequibo River. Guyana has rejected the claim.

"We consider that through the mechanism of international law problems are more easily worked out, rather than other ways that we find undesirable," the Colombian minister said yesterday. He told a press conference: "Colombia has always maintained a tradition of being a country very respectful of international law. Colombia has maintained a position that disputes between countries should not be worked out by force, but rather by the ways of the law."

The minister was part of a Colombian team that was leaving here today after talks with the Dominica Government and after signing a technological and scientific agreement. The Colombians visit St Lucia later today, Barbados tomorrow, Guyana on the 17th and Curacao on the 20th.

The foreign minister also expressed support for Belize's move to independence from Britain later this year. He said Colombia was planning to establish diplomatic relations with a postindependent Belize.

The Colombian minister also urged Caribbean governments to ensure that the region remain a zone of peace, and not become a "new theater" for the cold war between the superpowers. He said: "We have no doubt that the Caribbean could easily become a new theater for the cold war. I believe it is a common risk for all our countries and we must try and avoid this." He added: "In the Caribbean Islands there is a case of intervention by other countries...and Colombia has been a victim of this kind of intervention." The minister noted that Colombia had been fortunate to "neutralize this intervention," warning "we see it as a dangerous precedent and there is a need for countries to develop some sort of mechanism to stop this type of intervention."

CSO: 3025/1025

DOMINICA, COLOMBIA SIGN ASSISTANCE AGREEMENT

FL141641 Bridgetown CANA in English 1631 GMT 14 Aug 81

[Text] Roseau, Dominica, 14 Aug (CANA)--Colombia and Dominica have signed an agreement under which this Caribbean island will receive technical and scientific assistance. The signing came during the 2-day visit of a Colombian delegation headed by Foreign Minister Dr Carlos Lemos Simmonds. Prime Minister Mary Eugenia Charles signed on behalf of the government of Dominica, while Dr Simmonds signed for Colombia.

Dr Simmonds told a news conference yesterday that the agreement will result in "doors being open for cooperation between the two countries." He told newsmen that the agreement covers the training of personnel in agricultural technology, the exchange of information in industry as well as providing scholarships to Dominicans to be pursued in Colombia.

The Colombian delegation held talks with government ministers, and Dr Simmonds said that they focused on cooperation, including ways of helping the island diversify its agriculture-based economy. The two sides discussed possible cooperation in Colombia's coffee industry, hydraulic development, vocational skills, tourism as well as rural development.

Yesterday the foreign minister presented Prime Minister Charles with the "Great Cross of Boyaca"--Colombia's highest award. The warad commemorates the battle of Boyaca in 1817 in which Colombia decisively defeated the Spaniards to gain independence.

Dr Simmonds said that Colombian President Julio Cesar Turbay Ayala had offered a personal invitation to Prime Minister Charles to visit Colombia at a time convenient to her, stating "it will be a great honor to have Miss Charles visit Colombia."

The Colombian delegation leaves here today for St Lucia.

CSO: 3025/1025

BRIEFS

ILLEGAL GUYANESE IN SURINAME--Paramaribo, Suriname, 3 Jul (CANA)--The Suriname Government has started a crack down on Guyanese who have been living here illegally. Government officials said more than 200 Guyanese have been deported since the roundup started on 12 July. Head of the Immigration Department, Rudy Maynard, said that about 80 percent of the 40,000 Guyanese living here were illegal immigrants. "In addition, there are many criminal elements among the Guyanese, who are here illegally and they create problems for others," he said. The deportations started shortly after Guyana rejected Suriname's call for an on-paper confirmation that Georgetown had no objection to Suriname's planned hydroelectric project which would use the Corentyne border river both countries claim. The confirmation was requested by the World Bank, which is considering an aid application from Suriname. Suriname Government officials said the crackdown had nothing to do with Guyana's stand on the project. [Text] [FL312008 Bridgetown CANA in English 1850 GMT 31 Jul 81]

BOUTERSE DEFENDS GRENADA'S RECORD--Paramaribo, Suriname, 31 Jul (CANA)--Suriname military strongman, Lt Col Daysi Bouterse has dismissed charges of human rights' violations against Grenada as pro-imperialist propaganda designed to weaken the island's social and economic progress. Army Chief Bouterse was in Grenada last week to attend a meeting of the Latin American group of socialist international. The army which rules Suriname is taking the republic on a socialist path. Lieutenant Colonel Bouterse told a press conference today that he was impressed with the political structure of Grenada's ruling New Jewel Movement (NJM). He said the Suriname delegation was afforded the opportunity at the conference of taking a closer look at the problems of the Caribbean and Latin America. [Text] [FL312111 Bridgetown CANA in English 2059 GMT 31 Jul 81]

GUYANA, COLOMBIA TO HOLD TALKS--Georgetown, Guyana, 2 Aug (CANA)--Guyana and Colombia, which have territorial disputes with Venezuela, are to hold top level talks in Georgetown later this month. Colombia's Foreign Affairs Minister Dr Carlos Lemos Simmonds is due here on 18 August, according to the government-owned CHRONICLE newspaper. The paper said the minister was coming to Guyana less than 3 months after Guyana's Foreign Minister Rashleigh Jackson visited Colombia. During that visit the two foreign ministers signed a joint declaration dealing with bilateral and international issues. This declaration, the CHRONICLE said, reaffirmed Guyana's disputes. Dr Simmonds is expected to spend 3 days in Guyana during which he will have talks with his Guyanese counterpart on the latest development in respect of Venezuela's claim to 5/8's of Guyana. [Text] [FL031838 Bridgetown CANA in English 1410 GMT 2 Aug 81]

CSO: 3025/1025

FORMER PRESIDENT LUDER EMPHASIZES NEED FOR ELECTIONS

PY131437 Buenos Aires NOTICIAS ARGENTINAS in Spanish 2028 GMT 8 Aug 81

[Text] Bahia Blanca, 8 Aug (NA)--Italo Luder, former provisional president of the nation, stated here that in the country "conditions are suitable for calling elections" and maintained that after 5 years of the current military process government "there are no reasons to continue delaying elections."

He also said that the multiparty organization emerged "as a heroic alternative in view of an evident national collapse" and pointed out the need for "an emergency plan to save the country."

The Justicialist politicians spoke in this city last night at the Retail Clerk's Association and termed the results of the national reorganization process as "disastrous."

He said that "politically speaking the government is isolated and economically speaking the country has never endured such a crisis, therefore, the process by no means is justified."

He added that after 5 years and 4 months "we cannot continue stating that we have objectives and no deadlines," and asserted that the government "must make it a priority issue and seriously engage in drawing up a complete political schedule."

In another part of his speech Luder pointed out that "we cannot postpone a national agreement [encuentro nacional] such as the one that may result from the multiparty organization, which for the time being calls itself such but intends to become a multisectoral organization."

He asserted that "conditions in the country are suitable for calling general elections because the country is always ready for elections and there is all the more reason for them after these past 5 years."

He also demanded the lifting of the political recession stating that "it was said that our leadership was obsolete and that it should be renewed but instead of supporting that renewal quite the opposite was done."

Luder was asked his opinion on the political activities of Adm Eduardo Massera, former commander in chief of the navy. Luder replied that "he is fully entitled to do so since this is not the first time a retired officer has tried to engage in political activities."

CSO: 3010/1712

UCR LEADER TROCCOLI WARNS ABOUT SOCIAL CRISIS

PY150359 Buenos Aires NOTICIAS ARGENTINAS in Spanish 2054 GMT 9 Aug 81

[Excerpt] Mar Del Plata, 9 Aug (NA)--Antonio Troccoli, leader of the Radical Civic Union (UCR), compared the government with "a groggy boxer" who "is not punching in the right direction." He also warned that the current situation can lead to a "social crisis" because "there is a lot of fertile ground for this to happen."

Troccoli also said that the measures announced last Friday to refinance business debts were "late and insufficient." He said that this measure should have been implemented "24 hours after" the current administration took over the government.

The UCR leader said in this city that under current circumstances the multiparty meeting has the "important objective" of searching "for national unity and from this point" achieve the necessary mechanisms and distribute efforts to find solutions.

However, he explained that this organization "is not searching for a way to save the government, but for a way to save the country." He rejected the criticisms comparing it with political groups of the past.

He emphasized that this "is an unusual attitude and without precedent in Argentine history."

He said that the multiparty meeting "goes beyond a tactical movement" and that "this is a call for responsibility to all Argentines to recover their faith."

CSO: 3010/1712

PERONISTS ON SINAI FORCE, HARGUINDEGUY COMMENT

PY162216 Buenos Aires HERALD in English 16 Aug 81 p 11

[Text] (NA) Cordoba--Former senator and provisional President Italo Luder yesterday rejected a statement by former Interior Minister Albano Harguindeguy to the effect that an electoral win by either the Justicialist or Radical Party would be a return to the past. In a separate development, a group of Justicialist leaders expressed their opposition to an eventual order for Argentine troops to join the peacekeeping forces in the Sinai.

Referring to Harguindeguy's recent comments that a victory of either the Justicialists or the Radicals would mean a setback for the country, Luder pointed out that "a country never goes back" saying he trusted that "the people will decide what their destiny will be."

"No one may from higher up impose a winner at the elections," he added, "it will be the people who will choose its own representatives."

"A return to the constitution demands elections in the near future," the former senator said, pointing out that a necessary prerequisite was nonetheless "the lifting of the (current) political ban."

The Justicialist Party's contribution towards helping the country overcome its current crisis "will be very important," he said, since, "as a majority force it is obviously interested in the reactivation of production and in that the wage earner, severely punished during these last 5 years may return to a decent standard of living."

If Argentina decided to send troops to the world peacekeeping force in the Sinai, "it would be leaving aside its traditional position of neutrality," a group of former ministers and governors from the Justicialist Party claimed in a statement sent yesterday to party leader Deolindo Bittel.

Signed by Benito Llambi, Felipe Sapag, Angel Robledo, Carlos Menem, Manuel Araoz Castex, Arnesto Corvalan Nanclares, Vicente Saadi and Alejandro Diaz Bialet, among others, the statement said that "we are foreign to Camp David treaties" pointing to the alleged fact that the Egyptian Government's request to Argentina does not fit within the framework of either the United Nations or the Organization of American States.

CSO: 3010/1712

HARGUINDEGUY ON POLITICAL RECONCILIATION

PY131159 Paris AFP in Spanish 2242 GMT 11 Aug 81

[Text] Buenos Aires, 11 Aug (AFP)--According to one of President Viola's advisers the installation of a civilian government led by the Peronists or the Radicals--the two main Argentine political forces--will immediately prompt the intervention of the armed forces to oust them.

This warning was issued today by the former interior minister, Gen (ret) Albano Harguindeguy, at the very moment when the politicians are engaged in reconciling positions under the umbrella of a multiparty commission which has stated its intentions of setting the country on the path toward democracy. The commission also has the approval of the government.

Harguindeguy, former interior minister and current adviser to President Roberto Viola spoke to politicians of the Conservative Party and pointed out that it is very difficult to express the official position toward national politics under the present circumstances.

He warned, however, that if within the current picture the large political forces (Peronism and Radicalism) take power, the cycle, which started in 1955 when a (Peronist) constitutional government was overthrown by a military movement, will repeat itself.

The presidential adviser advocated the creation of a party of the center and asked the persons present to make efforts to unite the Conservative, Social Democratic and Progressive Democratic parties which have been supporting the military government in power since 1976.

In this regard he emphasized the need to join political forces in order to take over after the military because the armed forces cannot handle the government alone.

He said that in order to do this we must look for support among those who think like we do and especially among the youth. He stressed that there are approximately 6 million young people who have never voted but who are anxious to participate.

CSO: 3010/1712

DAILY CRITICIZES HANDLING OF ESQUIVEL AFFAIR

PY130126 Buenos Aires LA NACION in Spanish 8 Aug 81 p 8

[Editorial: "Thwarting the Landing of a Plane"]

[Text] The decision of the Paraguayan authorities to thwart the landing of an Argentine passenger aircraft bound for their capital has been received with surprise. This decision has violated the commitments undertaken through the appropriate treaties and accords related to aeronautics. The craft had to return to Buenos Aires from where it had departed.

The flight was planned and on schedule. The reasons for denying it the right to land were that the passenger list included Argentine citizen Perez Esquivel, who last year won the Nobel Peace Prize. Irrespective of the reasons which the Paraguayan Government may have had to view this passenger as personna non grata or dangerous for the nation's security and tranquillity, it is quite obvious that the measure was extreme and therefore liable to severe criticism.

There is no discussing the right which the government of the fraternal nation has to exclude the above-mentioned citizen from its territory, but under no circumstances should this prohibition have been extended to the rest of the passengers and to the craft, thus hampering the use of a duly authorized air route.

The protest conveyed to the Paraguayan diplomatic representative when he was summoned to the Argentine Foreign Ministry, was perfectly valid. It is unfortunate that a unilateral decision has forced our Foreign Ministry to remind him of certain guidelines related to the obligations stemming from the rules and regulations which have been accepted and put into effect by two states who maintain excellent and very friendly relations at all levels.

It is to be hoped that events of this nature will not take place in the future. Thus we shall avoid incidents like this one which could have been easily avoided, from casting a cloud on the bonds which we have with Paraguay. By simply forbidding the unwanted or unwelcome passenger from leaving the plane in Asuncion the problem would have not arisen and the rest of the passengers would not have been harmed.

CSO: 3010/1712

INTERNATIONAL CONSORTIUM GRANTS $500-MILLION LOAN

PY151556 Buenos Aires NOTICIAS ARGENTINAS in Spanish 0119 GMT 15 Aug 81

[Excerpts] Buenos Aires, 14 Aug (NA)--The Finance Ministry has reported that the Argentine Government has accepted an offer made by a consortium of nine foreign banks for a $500-million loan. This loan will be used to finance the needs of the treasury and to pay short-term debts.

The loan will have a 7-year term and 3-year grace period. The interest rate for the first 2 years will be 1.25 percent over the Libor (London Interbank) rate or 1.125 percent over the U.S. prime rate.

The bank consortium that signed the agreement is made up of two U.S. companies, two Arab companies, three Japanese banks, one Canadian bank and a British company.

The group of banks consists of the Arab Banking Corporation; Bank of America National Trust and Saving Association; Canadian Imperial Bank of Commerce Ltd; Dai-Ichi Kangyo Bank; Gulf International Bank; the Industrial Bank of Japan; Kuwait Foreign Trading Contracting; Lloyds Bank International Limited and the long-term Credit Bank of Japan Limited.

A high-ranking Economy Ministry source noted that the agreement achieved with the consortium is advantageous since "it reopens the long-term market." This will enable us "to improve our foreign debt situation" and it expands "those markets with which Argentina can operate."

Economy Ministry sources noted that the overall foreign debt totals $30 billion and that by the end of the year Argentina must pay about $400 billion.

CSO: 3010/1712

COMMENTATOR ON RELATIONS WITH U.S.

PY141853 Buenos Aires LA PRENSA in Spanish 4 Aug 81 pp 1, 6

[Article by J. Iglesias Rouco: "Washington and the Crystal Apple: The Malvinas, the Beagle and the USSR"]

[Text] The recent improvement of the relations between the Buenos Aires military regime and the United States stems simply from the existence of a more fluid dialogue, but Argentina's international position is still not clarified and this for the time being is blocking a solid understanding. According to our sources, this is presumably the main conclusion that has been reached by the State Department after the visits over the past few months of various U.S. envoys and which concluded yesterday with the talks held here by the U.S. envoys and which concluded yesterday with the talks held here by the U.S. ambassador to the UN, Jeane Kirkpatrick.

From what we know, in the stage of the talks that referred to a possible Argentine participation in the creation of a multinational force for the Sinai, the following "consensus" was reached: 1. As was stated yesterday by Mr Camilion, in the triumphant tone he always uses, the project is not a U.S. testing of Buenos Aires' attitude toward Washington. But yes Washington does consider it to be one of the channels, not the only one nor the most important, through which Buenos Aires will express its position within the context of the large blocs, as we indicated on Sunday. 2. The United States has not offered, nor is it offering any type of special political, military or economic "compensation" for an eventual positive decision on the topic. 3. Washington desires Argentina's participation; but its policy toward Argentina will be the result of the "overall" consideration of various factors that are contained within the relations between the two countries. Human rights, the Argentine nuclear program and Buenos Aires' economic links with Moscow have, among those factors, more weight than the Sinai.

According to our sources, the information that is being shuffled by and the evaluation that at this time is being carried out by the State Department regarding the Malvinas and the beagle appear to be connected with the ever increasing Soviet penetration of Argentina and to the fact that Mr Camilion and his [political] party are the most vocal group, of all tyose that are on the local scene, that favor the Third World policy and Argentine rapprochement with the East. Regarding the Malvinas, successive democratic and republican administrations have supported, and continue to support, the principle of decolonization and in general a position that is much closer to the Argentine thesis than to the British one. Washington

also believes that the islands entail an important base for the West in the south Atlantic. Thus, as Soviet penetration increases in Argentina, Washington's effective support for Buenos Aires regarding this topic decreases, which is logical. The foreign office [given in English] is exploiting this situation in its favor among the Western foreign ministries. In sum: The prospect that the return of the Malvinas can become another strategic profit for the Soviet Union brings to a halt any type of deal or pressure that the United States and the European powers might bring to bear on Great Britain regarding a solution to the problem that would be in agreement with Argentine desires.

Thus, interesting initiatives, that are even worthy of applause, such as the one that was announced some days ago by Mr Camilion regarding the Malvinas negotiations are apparently earmarked for oblivion. In diplomatic circles there is the belief that while the military regime does not clarify the limits of its commitments with the Soviet Union, the foreign office [given in English] will always receive, even though under the table, the support of its Western allies for extending the talks and for its presence in the islands on any pretext, no matter whether one or the other proclaims the contrary in the UN. This is precisely what is happening in Spain with the Gibraltar case: its mere entrance into NATO, or at least a substantial change in the appeasement policy which has been carried out for a long time with the Soviet Union first by Franco's regime and now, more vigorously, by its "democratic" successors would make the return of the Rock of Gibraltar feasible, as has been repeatedly pointed out to the Madrid Government by Western spokesmen, including those from Washington.

Regarding the beagle issue, until not long ago the U.S. attitude was to encourage an agreement which will prevent military tensions in the south Atlantic which, from its point of view, will always benefit the USSR offensive in that area with its eyes set on the Antarctic, on the navigation routes--of an increasing strategic importance--and on the important food and hydrocarbon reserves in the region. We have been assured that it was in that sense and only in that sense that the State Department looked favorably upon the church mediation, no matter what the results may be. But now Santiago, with the support of the church, has allegedly managed to convince Washington that one of the chapters of the papal "proposal" to which Buenos Aires objects more strongly--the right of navigation and economic participation granted to Chile in the "sea of peace," a right which it should be pointed out, would not require a previous "agreement" with Buenos Aires--is precisely the only way to prevent the Soviet Union's sole "participation" in the area. The Chilean diplomatic maneuver is underpinned, in that aspect, by the very Moscow which in addition to launching its propaganda apparatus in support of the Argentine points of view, has been suggesting its willingness to "cooperate" with Buenos Aires in the exploitation of the Atlantic resources. Since the USSR already has a fishing protocol with Argentina and dozens of its ships are sailing freely along the Argentine coasts, on the very border of the 200 miles limit, U.S. experts have considered the danger of a "Soviet sea" probable. As a consequence Washington appears to be increasingly determined to directly or indirectly force Buenos Aires to accept the 12 December "proposal," with the consequent prejudices for our possibilities of control and negotiations with the great powers in the south. As if this were not enough Chilean diplomacy has alleged offered guarantees for Western "participation" in the "sea of peace" if the "proposal," with the rights it grants it, becomes an agreement. In sum: Despite the fairness of its claims

and the patriotism of those who oppose certain terms of the "proposal," Argentina, in this case, could find itself completely isolated and in the end forced to sign the agreement. We would thus be faced with the paradox that the position of those who are against agreements with the USSR, which in general are the same ones who reject Rome's "proposal," will be harmed.

Simultaneously the White House cautiously follows the arrangements made by Buenos Aires to reactivate its trade relations with Cuba. Washington is more concerned by the fact that numerous Argentine firms plan to export products of "intermediate technology" to Castro's island under the umbrella of Ford's sales than by the fact that the Ford factory in Argentina may lead these arrangements (Ford will ship trucks to Cuba and it is certain that the State Department has been informed about this and quite probably encouraged this decision). The White House recalls that Argentine exports to Cuba during the last Peronist government increased from $12 million in 1972 to $169 million in 1976. Argentine sales to Cuba, free from the capacity of influence which Washington has over the U.S. companies naturally threatens a policy, which at certain times turn blockade into the only adequate tool to restrain Soviet penetration in Central America.

This picture reveals up to what point the Third World ambiguity, in addition to the fact that such policy is conducted by persons who have never disguised their good intentions towards the East, can blockade praiseworthy initiatives and place the nation in an awkward international position. For some reasons Mrs Kirkpatrick yesterday made General Viola a present of a crystal apple. By making him a present of the symbol of temptation she was probably trying to point out the "digestive" risks the country runs if it yields to the Soviet temptation.

CSO: 3010/1712

DAILY COMMENTS ON SAUDI MINISTER'S STATEMENT

PY141821 Buenos Aires HERALD in English 14 Aug 81 p 10

[Editorial: "Worlds Apart"]

[Text] The Foreign Ministry can sometimes be very vehement indeed when responding to statements criticizing the regime which are made by private citizens. When outrageous remarks are made by the official representatives of foreign powers of some weight in the world, however, it shows admirable restraint. To describe the suggestijn by Saudi Arabia's foreign minister, Prince Sa'ud al-Faysal, that General Jose de San Martin, were he alive today, would in all probability be, if not a Montonero, at least a member of that repulsive movement's ally, the Palestine Liberation Organization, as "unhappy" and "hardly appropriate" was an understatement worthy of the subtlest diplomacy of a far politer age.

The Foreign Ministry was, however, quite right not to express the indignation it must surely have felt more forcefully. The distinguished visitor plainly knew very little about San Martin, who did not murder large numbers of innocent Spanish women and children wherever he could find them, Spain included, and was, like any good soldier, disgusted by anything that smacked of terrorism. [Sa'ud al-Faysal] was merely doing his best to present the PLO in a favourable light. But coming from a society whose values are not those of the West he evidently failed to appreciate that what may be respectable ends do not serve to justify despicable means; a misconception that is, unfortunately, by no means restricted to the Middle East, as this country's recent history makes painfully clear.

If the PLO eschewed violence and dedicated itself to putting forward the case for the Palestinians by peaceful means it would attract less attention but, among civilized people, more sympathy than it actually does. Even if it used violence but applied it only to genuine military targets it could be given a respectful hearing. Its depredations are so bloodthirsty and indiscriminate, however, that its declared cause has been as completely overshadowed by them as Germany's legitimate complaints in pre-war Europe were overshadowed by the behavior of Hitler's occupation forces. The PLO is a source of infection that harms not only the Israeli authorities or even the Israeli people, but much of the rest of the world as well. It has become one of the main components of an international terrorist alliance, to a certain extent controlled by the Soviet Union, whose principal aim is to undermine non-communist societies and either overcome them or goad them into lawlessness. The terrorists who caused such lasting damage

to Argentina were attached to this alliance and some reportedly received training in PLO camps. To compare Yassir Arafat with San Martin before men who regard themselves as his heirs and have just fought a bloody campaign against terrorists in league with the PLO was therefore somewhat undiplomatic.

The PLO is doing its best to open pseudo-embassies in Latin America. As terrorism follows the PLO wherever it goes the government is understandably reluctant to see it open one here. Requests that it do so, or requests that it afford the PLO anything that could be construed as recognition, will surely be turned down: after all, if the Argentine authorities were to accept that the PLO should enjoy sort of diplomatic status, what arguments could they use should other governments do the same for Argentine terrorist movements? The Saudi motive for supporting some of the PLO's aspirations--apart from a natural sympathy for fellow Arabs--is the desire to do away with the "Palestinian problems" before the Saudi dynasty itself becomes one of its direct or indirect victims. Argentina has its own problems, however, and these preclude any new approach to the PLO, whose presence here would not be worth all the oil in the Arabian peninsula.

CSO: 3010/1712

DAILY SEES NEUTRON BOMB AS WAR THREAT

PY142147 Buenos Aires CLARIN in Spanish 12 Aug 81 p 16

[Editorial: "The Neutron Bomb"]

[Text] The decision made by NATO toward the end of 1979 to deply in Western Europe a second generation of medium-range missiles and the decision just made by the United States to build the neutron bomb bring back the spectre of a new outbreak of war in the old continent reminding one of the tragedy of the ashes left by World War II a third of a century ago. Both, the Pershing-2 and cruise missiles and the neutron bomb were designed as power of persuasion or death in the strip of European land that separates the two superpowers. This possibility, which is becoming more obvious, is placing the experienced European powers in an increasingly uncomfortable position within the two large strategic alliances--NATO and the Warsaw Pact--and explains the reason for the agitation created by the peace movements emerging in them.

The U.S. decision to build the neutron bomb--with the expected Soviet answer if a negotiating process does not start immediately--is creating in the current international environment a real and terrifying threat to the hopes of peaceful coexistence, despite the fact that the arms race is nourished on their behalf. The neutron bomb particularly is a threat to peace not because it is more immoral than the conventional weapons--traditional chemical or atomic weapons--but because due to its "clean" nature and limited explosion it may allow any conventional war to turn into a nuclear exchange, thus the fear of an atomic holocaust would not act as a deterrent. In addition, the fact is that a weapon of this kind specifically designed to eliminate human beings and safeguard material things represents in itself an aberrant development of intelligence.

But the threat of this new lethal devise--acclaimed by the "experts" as a perfection of nuclear weapons--does not only come from its sinister temptation for war but from the escalation of the East-West tensions which is the reason for making it and storing it. No significant progress has been made in any of the negotiations between the great powers and their allies.

The basic idea is to have a negotiating capacity based on a position of force which in practice means to replace bargaining with rearmament. That is, one will sit at the negotiating table only after achieving a strategic balance. But this slogan only applies to negotiations, since when in Brussels experts indicate a balance

of force there are those in Warsaw who generally state the opposite. But this is quite variable, since until now the escalation of a nation's arsenal has not helped to stop the arms race.

Although the Reagan administration spokesmen who announced the White House decision did not refer to Europe in this new initiative, they explained that the production of the neutron bomb will be an effective means to counteract an eventual advance of Soviet armored vehicles. Although the "N bomb" will be temporarily stored on U.S. soil, it can be flown to the scene of a confrontation in Europe in a matter of hours.

In addition to the enemy soldiers and the civilians that will fall within its limited but deadly radius of action the N bomb will also cause other effects. And that is presumably the resistance that it will generate among those countries--like European countries--which have experienced in flesh and blood the devastation of war and the personal and collective tragedy that it brings. It is understandable, then, why the Department of State was opposed to the timing of this decision imposed by the Pentagon, particularly since the opposition caused by the installation of the 572 medium range missiles--which is scheduled for 1983--has not yet died out. Those who remember that this deployment was part of a "double decision" made by NATO that included a parallel negotiating channel will be filled with anxiety when they learn that there has not been an inch of progress regarding this other negotiating channel--that is peace talks.

CSO: 3010/1715

BRIEFS

EXPLORATIONS IN ANTARCTICA--Buenos Aires, 31 Jul (TELAM)--The president of the military industries, Maj Gen Eduardo Crespi, today announced that joint plans exist between the Argentine Antarctic Institute and the Antarctic Command of the army for the geologic exploration of the Argentine Antarctic sector through a short-term program which will be carried out during the period 1981-82, and a medium-term program which will begin in 1982-83. [Excerpt] [PY140259 Buenos Aires TELAM in Spanish 1530 GMT 31 Jul 81]

CSO: 3010/1712

POSSIBLE SNAG AREA IN AID PLAN IDENTIFIED

FL061640 Bridgetown ADVOCATE NEWS in English 31 Jul 81 p 4

[Editorial: "Looking At W.I. Aid Program"]

[Excerpts] The newly appointed charge d'affaires at the U.S. Embassy in Bridgetown, Mr Ludlow Flower, has been talking about the proposed aid program for the Caribbean which will involve contributions from the United States, Mexico, Venezuela and Canada. One point he raised which is of the utmost importance in the approach to the plan is the emphasis being placed on the input of the proposed beneficiaries as ' what they see as being required to ensure their economic growth.

It has taken some time for many of us to accept that real economic growth where a country is concerned cannot be based merely on handouts. If anything those handouts must be made to work in a positive manner for the benefit of the country by helping to create more jobs, increasing the country's level of productivity and so on.

The one feature of the plan that could run into snags is that to do with the involvement of the private sector. There is no common concept of the role of the private sector in the Caribbean. Nor does each country enjoy the same ease of raising money in private capital markets. The idea has been put forward that in order for the plan to work smoothly there will be a need to identify these impediments and eliminate them as quickly as possible. At the same time the countries do not all enjoy at the same level public sector services and experience that could be utilized to encourage the plan's smooth operation.

Be that as it may, partly behind this economic planning is the realization that if democracy is to flourish in the area there is a need for the countries embracing democracy to show a strong measure of economic success. There's more in the political mortar besides the economic pestle.

CSO: 3025/1026

'CLARIN' CORRESPONDENT VIEWS POLITICAL SITUATION

PY130317 Buenos Aires CLARIN in Spanish 12 Aug 81 p 22

[Article by Mario Stilman]

[Text] La Paz, 11 Aug (from our special correspondent)--The arrival in La Paz of Gen Lucio Anez, now considered leader of the Santa Cruz rebel movement in view of Gen Alberto Natusch Busch's withdrawal, means that the Bolivian political crisis has reached its highest point and its outcome depends on how negotiations are carried out.

The nature of the conflict is now strictly political, but its outcome will depend exclusively on a military critierion. There seem to be two uncompromising positions. On the one hand, the rebels believe that the El Alto agreement established a resolution to immediately call a "large junta" meeting of officers to designate a new president.

On the other hand, the government junta yesterday reiterated that the agreement did not establish any kind of meeting of commanders.

Therefore, there seems to be an unsurmoutable barrier between the rebels and the junta. But, considering that the rebels are aware of this breach, it is obvious that they came to La Paz with negotiable conditions they did not want to comment about. At any rate, the trip from Santa Cruz reveals the decision to solve the crisis peacefully for now.

Also important is the fact that the Catholic Church has guaranteed the personal security of the rebels.

As soon as the staff of the rebel movement arrived they met in the private residence of General Anez to adopt a common position and at the same time develop contacts with chiefs of La Paz small units who in the last few days have expressed concern over the development of the recent events.

In other words, the junta of commanders will remain in the government, depending on how the forces support either group.

In the meantime, the power of the triumvirate seems to be losing force and its members headed by Gen Waldo Bernal may remain isolated in the government.

All the efforts they are making to strengthen their positions are noticeably running up against the strong resistance of the military chiefs stationed in La Paz and other areas whose troops are now more visible. The contacts made in the last few hours by these officers seem to hint that they are closer to the proposals of the rebels than those advocated by the junta in view of the fact that the junta is considered an extension of the positions advocated by the Luis Garcia Meza administration.

The arrival in La Paz of 10 of the rebel leaders is without any doubt a "time bomb" for the official sector.

The future of events depend a great deal on the reaction of the government. If the junta has been able to absorb the "impact" of the presence of the rebels, it means that it still maintains a margin for maneuver. But if the effect is the opposite, then it means that the junta only represents a transition organization until a formula to create a new form of government is found.

At the same time, Gen Humberto Cayoja, already secured in La Paz after strengthening his position through high-level military meetings, will have to strengthen links with the Santa Cruz movement. Just before the end of the rebels' meeting, Cayoja joined them. At the end of the meeting, sources close to the rebels indicated that "a decision was made on the need to continue all the way with the position to call for a high level military meeting to appoint a president."

According to these sources, one of the military attending the meeting said in his extensive report that the situation of the junta shows splits due to a statement made by army officers to the army commander, Gen Celso Torrelio, who was reportedly told about their disagreement with the position of General Bernal. The commander of the air force, as the senior officer in the junta, has become the trustee of the presidential power despite the fact the junta will make decisions as a collegial body.

According to the same sources, these circumstances may define positions in the next few hours. It all seems to indicate that important decisions are about to be made.

According to diplomatic sources, there is already a list of three candidates for the presidency. The list is reportedly made up of three generals: Humberto Cayoja, Lucio Anez and Hernan Ferrel Lobo. The latter is the director of the Armed Forces National Development Corporation (COFADENA) and considered by these sources as the officer who has the best chance of becoming army commander under Cayoja's leadership.

If this is so, Anez would be left without future power even though he were to become by command and decision the main chief of the allied movement.

Perhaps it is precisely Anez' resignation that is the negotiation card with the junta and the reason it is assumed that the rebels have put aside their personal ambitions.

This argument, which has a great weight in the armed forces, would be decisive for a negotiated solution.

CSO: 3010/1714

'AFP' COMMENTS ON POLITICAL EVENTS

PY150028 Paris AFP in Spanish 2052 GMT 14 Aug 81

[Report by Andres Soliz Rada]

[Text] La Paz, 14 Aug (AFP)--It was reported here today that there has been a virtual political truce in Bolivia since the Santa Cruz rebels headed by Gen Lucio Anex Rivera decided to recognize the authority of the junta of commanders.

It was reported that in exchange for this recognition, the chiefs and officers relieved during the Luis Garcia Meza administration have obtained their reinstatement into the armed forces after submitting written individual requests.

Regarding Anez Rivero, it was reported that he will get a military appointment in accordance with his rank, therefore he may be designated inspector general of the armed forces or ambassador to a European country.

The chiefs and officers who supported the rebel generals during the Santa Cruz uprising have abstained from making new statements because they believe there is no need to feed the fire. They gave the impression that they were satisfied with their reinstatement.

The rebels believe that a victory was achieved by getting the resignation of Garcia Meza--whose trip abroad was announced by Gen Waldo Bernal in the name of the junta of commanders--and by having forced due to their pressure, the announcement that the paramilitary groups will be dismantled.

Bernal Pereir pointed out that there are no military rebel groups in the country and that the government will now concentrate its efforts on confronting the serious economic situation the country is experiencing.

Apparently the junta of commanders hope to confront the problem of lack of U.S. recognition and the economic crisis with the support of leaders of the Nationalist Revolutionary Movement (MNR) headed by former President Victor Paz Estensoro (1952-56 and 1960-64).

Observers indicated that two high ranking members of that party, Linares Arraya and Juan Carlos Duran Saucedo, hold the positions of planning minister and presidential secretary general respectively.

Well-known supporters of the so-called chief of the historic 1952 revolution have appeared in the planning and finance ministries and in the advisory offices of Government Palace.

To complete this panorama, it has been reported that Paz Estenssoro will return to the country next week and that he may immediately become an important advisor to the junta of commanders.

Observers also admit the existence of some political dissention due to the release of 28 political prisoners, including Father Leonidas Sanchez who was presented to the press yesterday and who is also a high-ranking MNR leader of Paz Estenssoro.

However, this dissention has its limits, because the new labor minister, Col Guido Suarez, announced that there will be no union activity. The interior minister did not make any announcements about the return of people in exile.

Therefore, the approval of a political amnesty would be conditioned on a program of transition to democracy, but no deadline has yet been set.

There is an air of uneasiness in the country due to alleged jealousy in the army because of the fact that the most important junta member, Bernal Pereira, belongs to the air force and will have the responsibility of returning the country to democracy.

However, an effort was made to dissipate this possibility when it was officially announced that the three members of the junta have the same rank.

CSO: 3010/1714

COLUMNIST SEES PRESIDENT FIGUEIREDO GAINING AUTONOMY

PY170349 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 13 Aug 81 p 5

[By A.T.C.]

[Excerpts] President Joao Figueiredo never responded to jabs from politicians or the press through 2 years because he kept in his cabinet a man who "bossed the country" and fathered the government's main actions.

The only response he gave was the attitude he assumed Thursday last week in accepting Gen Golbery do Couto e Silva's resignation request. That gesture, which prompted so much commentary by politicians and the press, finally showed that Figueiredo could act as a president because that was the first occasion since his inauguration in which he had to make a decision alone, without the advice of his former minister-chief of civilian cabinet.

That accident in the public career of President Figueiredo--the resignation of Coute e Silva--could mark the emergence of a new chief of the nation, a real president of the republic. After all he is the one sitting on the presidential chair. It should not come as a surprise that he finds himself more on his own in the future, thus having to make decisions alone.

The president certainly has strong commitments to his convictions. The question to be asked is whether those commitments will be considered to be uppermost and whether they will be given priority in government's actions henceforth.

To the extent that President Figueiredo comes to decisions with more autonomy and independence the office of the chief of staff will lose authority and that office could just become an administrative office under Joao Leitao de Abreu, efficient and less influencial perhaps.

CSO: 3001/232

NETO REGRETS GOLDBERY'S RESIGNATION

PY171605 Rio de Janeiro JORNAL DO BRASIL in Portuguese 8 Aug 81 p 7

[Text] Sao Paulo--"It is not true. On the contrary: Golbery do Couto e Silva has supported and has thoroughly studied some of the proposals," Planning Minister Delfim Neto stated yesterday in an interview with TV Globo, on being asked whether Golbery's withdrawal was related to disagreements on the issue of social welfare changes.

Neto also said he regrets the withdrawal of General Golbery, "but his resignation was a personal decision and deserves no comment." When asked again on the possibility of disagreements with the former civil household chief, Neto stated: By no means. On the contrary, General Golbery has been a good friend of mine and a great support to the implementation of the policy established by President Figueiredo.

Asked whether Golbery supported his ideas on the social security issue, the planning minister answered: "They are not my ideas." These ideas have emerged naturally within the government palace, jointly with Welfare and Society Security Minister Jair Soares. They were later submitted to the consideration of President Figueiredo. There had been no disagreement at all."

Regarding possible disagreements of the formal civil household chief with Generals Walter Pires, Danilo Venturini and Octavio Medeiros, Neto stated: "I do not believe in anything like that. Really, his resignation responds to a personal decision which requires no comments."

Regarding the future of the government without Golbery, the planning minister stated that "It will continue walking along the same path, under the leadership of President Figueiredo, as it has been doing since March 1980." Regarding a change in the course of the opening process because of General Golbery's absence, the minister stated that he felt "that the absence of an important man will be felt," but that President Figueiredo has always made the decision on political problems and he has a firm desire to carry out the political process and to adapt it to the national situation."

CSO: 3001/232

PAPER SEES MINISTERS IMPEDING PROGRAM AGAINST INFLATION

PY120040 Rio de Janeiro BRAZIL HERALD in English 11 Aug 81 p 2

[Summary of an undated JORNAL DO BRASIL editorial: "Inflationary Conspiracy"]

[Text] A big conspiracy is being schemed in Brazil for defeating the anti-inflationary program.

Inflation is the worst challenge facing the Figueiredo government. The government must demonstrate, prior to the elections in November 1982, that democracy is compatible with an anti-inflationary policy. This, however, is put into doubt by many, and the conspiracy is developing even inside the government.

The social security minister wants to take from employers and workers more money for covering the deficit of the system but is reluctant to revise the expenses which have provoked the financial crisis. In order to favor his ambitions for being elected governor of Rio Grande do Sul next year, he even advocates a program for distribution of subsidized food. This plan is advocated also by another minister, Camilo Pana, wanting to kindle the fire of inflation with distribution of food to the poor. On pretext of political investment in order to prevent a defeat of governmental candidates in 1982, material of easy inflationary combustion is being piled up in government offices.

Alone the present wage policy reduces the chances of any anti-inflationary action. The principal inspirator of this policy is Labor Minister Murillo Macedo whose aims also are strictly political.

Unemployment is growing, consumption levels are dropping. But electoral and political taboos largely responsible for it are not to be touched.

Minister Delfim Neto categorically rejected the proposition of granting this year a 13th monthly salary to government workers, just as he rejected also the idea of subsidized food for the poor. He wanted only to know who would pay for these favors. The method of providing the financial resources indeed should be left to the ministers who advance such inflationary projects in order to sustain their political ambitions.

The government makes economic concessions--as recently to coffee producers--which weaken the anti-inflationary program, in the belief that it will earn political dividends. This reasoning is wrong. The government does not have any right to soften the anti-inflationary policy in order to favor some of its ministers politically.

The conspiracy against the anti-inflationary policy is also a psychological one. Ministers and other people close to the governmental system claim that this policy wrecks their electoral chances next year. This arouses expectations that the anti-inflationary policy will be modified next year.

CSO: 3020/141

DAILY VIEWS U.S. POLICY TOWARD AMERICAS

PY121755 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 7 Aug 81 p 3

["Notes and Information" page: "Study and Know the Americas"]

[Text] It is gratifying to see that the concern about Latin America has not disappeared in the United States with the victory of Reagan and that of the U.S. traditionalists. If from the standpoint of the Republican Administration the interest in this region can still be to a large degree tied to the problems of U.S. and hemispheric security, from the standpoint of those who are not part of the administration the U.S. Government should pay more attention to the problems besetting the hemisphere. Quite likely, the subtle shift of the State Department's position on the Salvadoran strife--admitting, at least in theory, the need for a political solution--is already the result of, let's say, that insistance in persuading the White House to look at the problems affecting Latin American in a light different from that of U.S.-Soviet relationships.

Although recognizing the capital importance of the antagonism (conflicts sometimes) between the United States and the Soviet Union in postwar history, one cannot at the same time but recognize that, by playing all its cards of conception and strategic planning on the table of that antagonism, the United States deliberately neglected the development of Latin America as though it was less important for the defense and solidarity of the free world. We said deliberately because that U.S. policy was adhered to despite the open and harsh criticism of all Latin Americans who identify with the ethos of the West and who could not accept the disdain with which Washington treated the common (even if few) problems of the continent. In Brazil several leading personalities have always insisted that Latin America, especially our country, deserved a somewhat similar treatment to that administered to Europe for its recovery; and in the Spanish-speaking America, Jose Figueres [former Costa Rican president]--just to mention one name--put his finger on the festering U.S.-Latin American relations by telling the U.S. Senate, stunned by the aggression on a U.S. vice president during his visit to Venezuela and Peru in 1958, that "a foreign policy cannot be spat on," and that, consequently, the characteristics of the relations needed reviewing.

This almost 40 year-old Latin American position is not just a desire to receive without giving anything in return. On the contrary, that position rests on the conviction that a balanced development of the three Americas is the best guarantee for hemispheric peace and security. At this time that peace and security are

threatened by guerrilla warfare and the crisis of the oligarchic system, where there are no democratic forces to fill the vacuum created and to confront the threat of subversion. Unfortunately one is forced to recognize that the weight of the U.S. economic and strategic interests lies in the northern hemisphere and so the White House pays only perfunctory, and many times shortsighted, attention to Latin American problems. One may well say that only "emergencies" draw the attention of the U.S. Government and people, and so one may conclude that, if the subversive process never surfaced in "emergencies," the United States would hardly pay any attention to what happens below Mexico's borders.

There are, however, exceptions to that alienation. One of them is the activity of David Rockefeller to make known the problems of Latin America. This has already resulted in the founding of the "Society of the Americas" by merging the Council of the Americas and the Inter-American Relations Center. It is a society which can play an important role in reformulating U.S. strategy toward the region, particularly since Rockefeller is convinced, as we are, that it is wrong for the United States to turn toward Europe and Asia exclusively. But, mark it well, this does not mean that our hopes that the United States will give the hemisphere the attention it deserves will be realized tomorrow. There are preconceptions to overcome and vitiated ways of thinking to correct. The first one to correct is imagining that something like an "Alliance for Progress," lumping all Latin American countries together, can serve the purpose; or that to choose favorite partners can be a solution. Another one is the tendency of looking after U.S. interests through the self-centered prism of a great power, thus disregarding the interests of the free world --and this seems to be the prevailing tendency in the Reagan administration. The case of the dollar being overvalued by the government despite the fact that such a policy wrecks havoc on the Western economy is quite illustrative. Concern over the problem has already been expressed to Reagan by the chiefs of government of the industrialized countries. Yet the marginal economies are the ones more badly affected by the overvaluation of the dollar and the rising U.S. interest rates. In carrying forward his project in the "Society of the Americas," Rockefeller will have to take into account these questions, considering that the awareness and study of common problems are the first step on the way to solve them.

CSO: 3001/232

MORE NEGOTIATIONS NECESSARY FOR TRADE WITH EAST

PY170321 Rio de Janeiro JORNAL DO BRASIL in Portuguese 2 Aug 81 p 33

[Article by Milton F. da Rocha Filho]

[Excerpts] Sao Paulo--Three big business deals between Brazil and Eastern Europe are still pending without a solution: Soviet participation in the Ilha Grande project, with the transfer of equipment and financing valued at $100 million and parallel credits of $150 million; the purchase of cranes from East Germany; and the purchase of three cement plants from Czechoslovakia by the Joao Santos group.

The final participation agreement for financing and transferring equipment for the Ilha Grande hydroelectric project was not signed in the Soviet Union because the Soviets changed the terms that had been settled with Brazil. Those terms were that the Soviet Union would supply only 4 turbines, 4 generators, and 4 transformers for the project. In Moscow the Soviets demanded supplying 8 generators, 8 turbines and 8 transformers, a complete package, increasing their participation from 20 percent to 40 percent. This was not accepted by Brazil's capital goods entrepreneurs, and new negotiations are in progress.

The deals for East German cranes and Czechoslovak cement plants were initiated 2 years ago without the active participation of private enterprise in the dialogue between buyer and seller. Today, primarily because of Ambassador Rubens Barbosa of the Coleste (area of Itamaraty in charge of Eastern Europe), private enterprise is taking part in this dialogue. There was a change of behavior on the part of Brazilian authorities, who have opened themselves to the dialogue.

The proposal made by Czechoslovakia was for 40 percent participation on the part of Brazilian industry in equipping the cement plants. Brazilian manufacturers did not accept this and another proposal of 50-50 participation was offered. The Brazilians still did not accept. The proposal reached the level of 60 percent Brazilian 40 percent Czechoslovak participation. The deal has not been closed as yet.

Tons of iron ore, through the Vale do Rio Doce Company, would be exported to Czechoslovakia 2 months ago made contacts with authorities of that country. [Sentence as received] They also consider the absence of representatives of private industry at the beginning of negotiations as the main reason that the cement plant deal has not yet been concluded.

The relationship has much improved between the two sides. There is even an agreement between Brazilian industry and Skoda for the export of ordered capital goods to other countries, making it possible to incorporate into one package and to offer equipment to third countries, in international biddings.

A similar agreement was signed with Japan and consolidated last week with the presence in Brazil of Japanese Trade and Industry Minister Rokusuke Tanaka.

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BRIEFS

DEBATE ON ECONOMIC POLICY ADVOCATED--The Brazilian Government is under increasing pressure to make changes in their economic policy. This is natural with the current worsening of the economic crisis. Last month, the Federation of Industries and the Federation of Commerce, both in Sao Paulo, supported by labor unions, strongly criticized the economic policy. Even government ministers voiced objections to the anti-inflationary policy and its consequences. But Minister Delfim Netto reaffirmed emphatically his determination to maintain the present policy. As he said it, we are now in the middle of the bridge, and it would be unreasonable to change course. It is necessary to finish the passage in order to get to the other end of the bridge. Radical changes of the economic policy at the present moment really would be untimely, and dangerous. But this should not exclude a large debate, based on the thesis that neither the government nor its critics hold a monopoly of truth and good sense. There must exist alternatives, if not for the economic policy presently observed, but for some of its details, and these might perhaps soften some of the hardships. [Text] ["Time for Debate"; summary of editorial from Sao Paulo FOLHA DE SAO PAULO 3 Aug 81 p 2] [PY080202 Rio de Janeiro BRAZIL HERALD in English 7 Aug 81 p 2]

DENY REPORT ON ARGENTINE JEWS--Brasilia, 15 Aug (AFP)--In a statement released here today, Brazilian presidential press secretary Carlos Atila denied reports that the Brazilian Government will grant asylum to Argentine Jews. Atila regarded as completely baseless the report by an international news agency that Brazilian President Joao Figueiredo had promised to allow the entry of Argentine Jews into Brazil. Foreign Minister Ramiro Saraiva Guerreiro last night made a similar statement in Belo Horizonte, capital of Minas Gerais State, in the southeastern part of the country. Saraiva Guerreiro said that President Joao Figueiredo had not been consulted about allowing into Brazil the approximately 350,000 Argentine Jews who are being reportedly threatened by anti-Semitic groups. The foreign minister said that those reports were grossly exaggerated. [Text] [PY151824 Paris AFP in Spanish 1652 GMT 15 Aug 81]

CSO: 3010/1701

FREI CRITICIZES PINOCHET'S 'CAMPAIGN OF FEAR'

PY151517 Paris AFP in Spanish 2239 GMT 13 Aug 81

[Excerpts] Santiago, 13 Aug (AFP)--Eduardo Frei, a leader of the Chilean Christian Democratic Party, today accused the Chilean Government of having unleashed an intensified campaign of fear against its opponents and of sowing hatred, division and injustice.

Frei, who was president of Chile from 1964 to 1970, also expressed his solidarity with four well-known opposition leaders who were expelled from the country last Tuesday by order of the government of Gen Augusto Pinochet.

Those expulsions, Frei said, are part of a campaign to build up an awesome atmosphere of fear.

The former president, who is considered a strong opponent of Pinochet, contended that the above repressive measures are sowing hatred, division and injustice and added that the Chileans must take every peaceful action to make the government understand that a solution will only be achieved through an orderly return to democracy.

Speaking at a press conference, he said: I do not believe in banning ideas but I believe in banning crimes. Ideas are banned in totalitarian countries which are so perfectly imitated around here.

Asked about the connection that might exist between the hardening of the government's position and the recent visit to Chile of U.S. envoy Jeane Kirkpatrick, Frei said: There is some coincidence.

He also expressed his belief that the Chilean Government has interpreted as signs of support the changes adopted by U.S. President Ronald Reagan in the human rights policy implemented by his predecessor, Jimmy Carter.

Frei added: We are worried seeing how disagreements are widened and how freedom are curtailed. No one can fail to see that sooner or later the results of this policy will be extremely negative for the fatherland which concerns all Chileans, without exceptions.

CSO: 3010/1699

INTERVENTION OF POLAND'S WALESA IN BEHALF OF LABOR LEADERS

Union Leaders Regret Intervention

PY121804 Paris AFP in Spanish 1950 GMT 8 Aug 81

[Text] Santiago, Chile, 8 Aug (AFP)--The union leaders who support the Chilean Government today here regretted Polish leader Lech Walesa's intervention in favor of two union leaders in prison in Santiago since last month.

Last Thursday Walesa, president of the Polish Solidarity Union, sent a message of support to union leaders Manuel Bustos and Alamiro Guzman, main leaders of Chilean National Union Coordinating Board (CNS), who were arrested on charges of arrogating to themselves union representation.

In a message addressed to Walesa today the official labor representatives stated that we consider it necessary to point out that the CNS has no legal value and that it is composed of the Communist Party and other forces contrary to the labor union freedom and independence.

They added that as free union leaders we reiterate our support for you in your struggle against the totalitarian labor union system which existed in Poland and regret the deceit which has misguided you.

In his message 2 days ago the leader of the Polish workers termed the arrest of Bustos and Guzman as a violation of human and union rights.

The answer to Walesa's message was signed by Guillermo Medina, leader of the Miniers' Union, and other union leaders who support the government headed by Gen Augusto Pinochet.

Labor Leaders Supported by Walesa

PY121558 Paris AFP in Spanish 2002 GMT 6 Aug 81

[Text] antiago, Chile, 6 Aug (AFP)--It was learned here today that Lech Walesa, the Polish labor leader, has issued his full support to the two Chilean union leaders imprisoned a month ago and to the organizations they represent.

Tomorrow it will be 1 month since Manuel Bustos and Alamiro Guzman, top-ranking leaders of the National Trade Union Confederation [Coordinadora Nacional Sindical de Chile] (CNS), were arrested by the Chilean Government on charges of attributing to themselves false representation and of acting on behalf of the outlawed Communist Party.

In a statement sent to the CNS Walesa notes: The independent self-governing Solidarity Union movement expresses its wholehearted support for the Chilean National Trade Union Confederation in its effort to enforce union rights.

The statement adds: We categorically protest the arrest of Manuel Bustos and Alamiro Guzman since we believe this to be a violation of human and union rights.

The government of Gen Augusto Pinochet charged on Tuesday that the CNS is carrying out activities in compliance with a plan drafted a long time ago by international Marxism abroad.

The conflict between Chilean Government officials and the union leaders broke out last month when the union leaders--who at the time they claimed to represent 700,000 workers--issued a national petition in which they made economic, social, cultural, and political demands.

CSO: 3010/1699

BRIEFS

NAVAL OFFICIALS--Rear Adm Francisco Chisolfo Araya yesterday became navy chief of Cabinet in the government junta and adviser to the first legislative commission. The chief of Cabinet deals with policy matters. Also, yesterday morning Navy Capt Rigoberto Cruz Johnson took over as deputy chief of the naval general staff. [Santiago EL MERCURIO in Spanish 16 Jun 81 p C5]

BORDER POLICE DIRECTOR--A Ministry of Justice decree has confirmed Army Col (ret) Sergio Rojas Brugues as national director of the Chilean border police. He had been acting director since January. [Santiago EL MERCURIO in Spanish 24 Jun 81 p C7]

WARNING TO OPPOSITION MEMBERS--Santiago, Chile, 6 Aug (AFP)--Chilean President Gen Augusto Pinochet today here lashed out against union leaders of the opposition and several publications which criticized his management by warning that this is the end. Clearly referring to the National Union Coordinating Board (CNS), whose main leaders have been in prison since last month, the chief of state stated that the true workers desire a free union and reject those disguised politicians. The Chilean authorities accused the CNS of acting as a facade for the proscribed Communist Party after it released a list of nationwide petitions which included economic, social, cultural and political demands. Pinochet did not mention Manuel Bustos and Alamiro Guzman, leaders of the CNS who have been under arrest since 7 July, but indirectly referred to them when he stated that there are individuals who are determined to destroy what has already been achieved in the labor field. In a speech made in the populated Pudahuel neighborhood, where he attended a ceremony in which 1,400 title deeds were distributed the president stated: We remind those bad Chileans that this is it. In comparing the importance of this official ceremony with the activities of the members of the opposition Pinochet stated that there are regrettable publications, or better said magazines, which ingore the good things and criticize everything bitterly. These last words were interpreted here as an answer to recent publications objecting the results of the liberal economic model implemented in Chile 8 years ago after late socialist President Salvador Allende was ousted. [Text] [PY121833 Paris AFP in Spanish 2211 GMT 6 Aug 81]

CSO: 3010/1699

DEFENSE MINISTER WARNS OF DANGERS TO DEMOCRACY

PA140355 Paris AFP in Spanish 1847 GMT 13 Aug 81

[Text] Bogota, 13 Aug (AFP)--The Colombian Armed Forces warned today that only the support of the legislative branch and public opinion for liberal President Julio Cesar Turbay's regime can guarantee continuation of democracy in this country of 27 million inhabitants.

The defense minister, Gen Luis Carlos Camacho Leyva, said that instead of criticizing and attacking a government elected by the people, legislators should support it so that the coming elections to chose a president and elect deputies can develop in peace and order.

Speaking at the Senate, the defense minister warned that the deputies' skepticism toward the government endangers democratic stability in Colombia and strengthens the communist influence on the country's social classes.

The minister rejected the possibility that a general amnesty of guerrillas would solve the subversion confronting the country. Such a pardon would only serve to shelter common criminals, but not to guarantee democracy, he said.

In reply to liberal Senator Rodrigo Lara Bonilla, who accused the armed forces of attacking peasants in counterinsurgency operations, Camacho Leyva said that the Revolutionary Armed Forces of Colombia [FARC] had murdered 112 rural workers. In view of these crimes, the army had been compelled to hunt down the guerrillas in order to bring peace to the country. "These peasants were murdered for suspicion of being army informers or collaborators," the minister said.

He also said that there are sectors interested in altering law and order, using as an excuse social problems which could have been solved with the government's good will. He listed the standard of living improvement programs promoted by the government.

Camacho Leyva denied to the Senate that peasants arrested by the government have been abused or tortured to give information about the guerrillas.

The minister said that the criticism and accusations that the army and government had abused prisoners, was only intended for political profit, and in the long run these accusations have negative effects on democracy.

After Camacho Leyva concluded his speech, liberal Senator Luis Carlos Sarmiento added a warning about the danger to the legal system and emphasized that if violence is allowed to prosper in Colombia, "it can lead the country to fascism."

Galan Sarmiento, a young politician who has already expressed his intention of running for president in the near future, urged the subversive groups to return to institutional life in order to keep the nation from falling into nefarious violence.

This legislator also asked the government to grant an ample and general amnesty. He rejected the qualified amnesty offered in March and concluded as a complete failure in July. He said that "without this possibility there is only the path of war and death before us."

Galan noted that Colombia, because of its geographic position between the Atlantic and Pacific Oceans, is the target of the ambitions of international interests which would turn it into a theater of struggle promoted by the great powers.

Galan also supported the government's rejection of any interventionism and said that Colombia must solve its domestic problems by itself.

CSO: 3010/1697

BRIEFS

LEADERS ASK FOR ARMY SUPPORT--Bogota, 12 Aug (EFE)--Former President Misael Pastrana Borrero and Senator Alvaro Gomez Hurtado, top leaders of the Colombian Conservative Party, yesterday asked their followers to give "decisive" support to the country's armed forces. In a declaration released after talks held in Bogota, the leaders, who are working to unify the conservative groups for the 1982 presidential elections, described "the actions of the military and police forces as dedicated, effective and often heroic." In referring to the reactivation of the guerrillas and terrorism in the country, Pastrana and Gomez said that an indifferent attitude by the people would disrupt the bases of coexistence and weaken democracy. They said that the reactivation of the guerrillas and terrorism is the result of attempts to promote political destabilization in Central America and the Caribbean. [Text] [PA121612 Madrid EFE in Spanish 1208 GMT 12 Aug 81]

GUERRILLA LEADER CONFESSES INVOLVEMENT--Bogota, 10 Aug (LATIN-REUTER)--Lawyer Jorge Franco, president of the Colombian Athletic Federation, was detained last week for alleged guerrilla connections and has confessed that he holds a command position in the extremist 19 April Movement (M-19), the army command announced today. Franco's detention led sportmen and sports leaders and commentators to send a protest letter to President Julio Cesar Turbay Ayala. His immediate release was demanded and the armed forces were accused of committing an outrage. The army command today disclosed that the lawyer confessed that "he frequently traveled to Panama to meet with guerrilla leaders." According to the military report, Franco received the equivalent of $90,000 to bribe guards and officials in Bogota's La Picota jail, in an operation that led to the escape of Ivan Marino Ospina and Elmer Marin, both members of the M-19 general staff. Marin was killed by regular troops last April in Choco, in the west, during antiguerrilla operations in which 40 rebels died. [Text] [PA150240 Buenos Aires LATIN in Spanish 0126 GMT 11 Aug 81]

JUCO SUPPORT FOR FARC--Bogota, 12 Aug (AFP)--Leon Saenz Vargas, secretary of Colombia's Communist Youth (JUCO), who was detained by the authorities on Tuesday, has admitted that his party supports subversion. Saenz Vargas had in his possession 80,000 pesos and equipment for the guerrillas. "According to the JUCO leader, the Communist Revolutionary Armed Forces of Colombia (FARC) is one of the party's most important supporting branches." The army indicated that the charges confirm high-ranking commanders suspicions that the Communist Party of Colombia [PCC] is one of the major promoters of subversion in Colombia. "The charge, which has created a natural stir in Colombia's political circles, has led to the release of a number of explanatory communiques by communist leaders who assert that the army's charges are not true. The authorities have indicated that in view of Saenz' statement, they plan to raid the homes of several other PCC leaders." [Summary] [PA150300 Paris AFP in Spanish 1651 GMT 12 Aug 81]

CSO: 3010/1697

HAVANA REPORTS MALMIERCA'S ACTIVITIES IN MONGOLIA

Visit Reported

FL171702 Havana Domestic Service in Spanish 1402 GMT 17 Aug 81

[Text] Isidoro Malmierca Peoli, member of the Communist Party of Cuba Central Committee and minister of foreign relations, has toured the Central Province of Mongolia as part of the agenda of his official visit. The Central Province, which comprises the area around Ulaanbaatar, is 80,000 square km in area and has an equal number of inhabitants. The province is the main supplier of milk and vegetables to the capital and also produces other important products.

During his tour, Malmierca visited the yurt, or typical portable home, of shepherd (Dor Shooren), who tends to 600 sheep and horses.

Malmierca's visit to Mongolia is the first by a Cuban foreign minister. Talks have been held in the course of the visit, which will conclude with the signing of a protocol.

Malmierca has visited the ruins of the monastery of (Mansheer), in the Central Province, and the main museum and king's palace in Ulaanbaatar, in (Mansheer). The visitors were received by (Shagaur Sooren), artist emeritus, who showed them his work and the rest center under construction there. Malmierca noted the variety of local animals preserved and mounted in the museum beginning to take shape in (Mansheet) and the skill with which the artist depicts the beauty of the local scenery by the use of native resources.

The Cuban foreign minister will visit the Mongolian People's Revolutionary Party Central Committee offices today. He will also visit two factories in Ulaanbaatar and host a reception in honor of [Foreign] Minister Dugersuren.

Malmierca Decorated by Mongolian Party

FL172227 Havana Domestic Service in Spanish 2130 GMT 17 Aug 81

[Text] Ulaanbaatar--Isidoro Malmierca, member of the PCC Central Committee and Cuba's foreign minister, was decorated today by Demchigiyn Molomjamts, member of the Mongolian People's Revolutionary Party [MPRP] Politburo and party secretary, during a ceremony held at the main offices of the MPRP Central Committee. Ambassador Ricardo (Banza Sigas), director of Cuba's Foreign Ministry Asia and Oceania Department, was decorated also.

CSO: 3010/1702

HAVANA VIEWS REAGAN ECONOMIC RECOVERY PROGRAM

FL130116 Havana Domestic Television Service in Spanish 0000 GMT 13 Aug 81

[Text] The U.S. Senate and House of Representatives recently approved the tax reform package presented by the Reagan Administration consisting of a 3-year, 25 percent income tax reduction to benefit people with annual incomes over $50,000 in particular. In other words: the country's middle and upper bourgeoisie. The aim of this measure is supposedly to increase company funds in such a way that they may be invested to create new sources of employment and thus help to reduce unemployment which in July had reached 8.2 million.

But there is something wrong with this economic recovery program the brunt of which the poor classes will obviously bear. What is the sense of increasing investments if installed productive capacity only operates at 75 or 80 percent of its actual capacity? This is one of the causes of the high level of unemployment.

Moreover, the reduction of the social security tax will cause more than 3 million persons to lose their jobs in the United States and this will bring the number of unemployed to more than 11 million. Can this be called an economic recovery program?

But there is more: The United States has budgeted more than $160 billion for military expenditures in 1982. This is 23 percent of the total budget, which amounts to $795 billion. Larger military expenditures are planned in coming years. Can this be called an economic recovery program?

What Reagan's economic program seeks is to further concentrate wealth in the hands of even fewer people, to form a super-elite of economic and political power at the expense of the rest of the population. In 1980, the big monopolies has a liquid capital of some $80 billion. No investments were made because of a lack of profits. At the same time, mergers of big consortia to create super-corporations are becoming a daily event. This phenomenom is slated to increase as the tax reductions increase the monetary liquidity of the monopolies. Can this be called an economic recovery program? Obviously not.

The ills of U.S. society cannot be solved by widening the gap that already exists between the rich and the poor. On the contrary, the program will create more contradictions in a society weighed down by the evils engendered by capitalism itself and whose only solution is a radical, revolutionary change of its economic, political and social structure. This is bound to happen in the United States. Sooner or later, it will come to pass.

CSO: 3010/1703

CUBAN DELEGATE ADDRESSES SEMINAR IN MEXICO

FL131531 Mexico City NOTIMEX in Spanish 1415 GMT 13 Aug 81

[Text] Mexico City, 13 Aug (NOTIMEX)--Information or statistics can be used as a way of bringing pressure to bear and can be falsified at any given time, Jesus R. Ibanex Morales of Cuba's State Committee for statistics pointed out today. He is participating in the first Latin American and Caribbean seminar on national accounting systems being held here. Knowledge of statistics is not the only means to achieve political pressure. "I believe there are other sources of information more efficient to achieve influence," he stated.

He added that it is possible to manipulate statistics, but there is also another side to the coin, "without statistics there is no information and not giving information is providing the opportunity for a statistical role." [as received] I believe that without statistics there is no possiblity of economic guidelines or planning. "It is difficult for a country without statistics to prepare guidelines for social and economic policies," the Cuban delegate indicated.

On another subject, he said his country's economy is advancing at a good pace and the growth rate is steady, even though there could be some fluctuations because of transactions abroad.

Likewise, he said the Cuban per capita income is high, not because of the wages or salary received for working but because the state provides all public services, such as education, health and culture. [A citizen] pays for renting a house or room only from 6 to 10 percent of his monthly income. This has made it possible for the standard of living to improve and for an adequate redistribution of income to all social classes. Since 1952 to date, the per capita income has increased fivefold.

CSO: 3010/1702

MEXICAN AMBASSADOR PRAISES FIDEL CASTRO

FL111503 Havana Domestic Service in Spanish 1232 GMT 11 Aug 81

[Text] Mexican Ambassador to Cuba Gonzalo Martinez Corbala has termed unforgettable experience the Cozumel trip with Commander in Chief Fidel Castro. In an exclusive interview with a radio RELOJ correspondent, Martinez Corbala asserted that his round trip aboard the yacht "Pajaro Azul" afforded him the opportunity to converse with and learn a lot about Fidel, who is one of this century's most important personalities in Latin America and the world.

The diplomat said he was able to verify once more Fidel's extraordinary mental capacity, and the great affection he feels for the Mexican people and, especially, for President Jose Lopez Portillo. Martinez Corbala stressed that the longer one is near Fidel the more one is able to understand him, the more he projects as a strong world leader and, above all, the more one appreciates his extraordinary human sensibility.

Martinez Corbala noted that the trip with Fidel was a journey full of emotions and memories, and underlined that it had made it possible for him to appreciate the ability of the Cuban revolution's chief for living intensely. Elsewhere in the interview, Martinez Corbala reaffirmed that it had been very important for him to listen to Fidel and those accompanying him narrate incidents of the war and of the first years of the revolution.

The diplomat stated that the talks held by Presidents Fidel Castro and Jose Lopez Portillo were extraordinarily important in all aspects, which is why the world press assigned to them frontpage headlines. In closing, Martinez Corbala affirmed that relations between Mexico and Cuba are excellent and they are relations between true brothers.

CSO: 3010 1702

REVOLUTIONARY ARMED FORCES HONOR KAMPUCHEAN ARMED FORCES DAY

Havana VERDE OLIVO in Spanish 28 Jun 81 p 54

[Article by Mario Rodriguez: "30th Anniversary of Kampuchean People's Armed Forces"]

[Text] The principal ceremony held by the Revolutionary Armed Forces [FAR] on the occasion of the 30th anniversary of the founding of the Kampuchean People's Armed Forces took place recently at the General Antonio Maceo Inter-service School of the FAR.

The ceremony, marked by the strongest kind of solidarity with the fraternal Kampuchean people and their People's Armed Forces, was presided over by Maj Gen Arnaldo Ochoa Sanchez, member of the Party Central Committee and deputy minister of the FAR for combat training and military training centers, and Nuk Hok, charge d'affaires of the Kampuchean People's Republican Embassy in our country.

In speaking in the name of the FAR, Col Diego Gonzalez Perez referred to the long struggle undertaken by the Khmer people, first against the French colonialists and then against the Yankee imperialists and the Beijing expansionists.

After referring to the principal achievements of the Kampuchean People's Republic in all spheres of political, economic, and social activity, after the overthrow of the genocidal clique headed by Pol Pot and Ieng Sary, the speaker stated that, "at present the Kampuchean people smile while they work. Nevertheless, their enemies have not resigned themselves to seeing the country develop itself and live happily." He added, "We Cubans know this trick very well and we know that it will be halted on the garbage heap of history."

Col Gonzalez Perez went on to underline the great importance which the victory achieved by this fraternal, Southeast Asian country has for all peoples who fight for their liberation and independence. He noted that in this victory the People's Armed Forces played a very decisive role. "For all of us," he concluded, "it remains a source of legitimate pride that they have reached this anniversary stronger and firmer than ever."

For his part, in concluding the ceremony, Nuk Hok expressed appreciation for the signs of affection and solidarity with the Kampuchean people which the Cuban people, under the leadership of its party and government, have always demonstrated. "Our political solidarity and alliance," he said, "have constituted a decisive element

in our victory." The speaker went on to bring out how the reconstruction work undertaken by his people has brought about profound and rapid changes, which have given rise to great joy and hope in the whole country.

"In this work," he noted, "the disinterested and comradely aid of all the progressive countries of the world, headed by the fraternal socialist countries and especially by Vietnam, the USSR, and Cuba, who have spared no effort in this sense, has been a major factor."

He added, "Our enemies have not stood with their arms crossed in the face of our victories. They are even trying to maintain the seat of the bloody Pol Pot regime in the United Nations. However, the situation is irreversible: the Kampuchean people will continue forward without tolerating the least kind of foreign interference."

Before concluding his speech comrade Nuk Hok once again expressed appreciation for the signs of militant solidarity which our people have always shown toward the heroic struggle of the fraternal country. He went on to say: "Relations between Kampuchea and Cuba are today more solid than ever. We are achieving our triumphs under the leadership of the Cuban Communist Party, led by the beloved president, Fidel Castro Ruz."

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CSO: 3010/1556

COMBAT TRAINING DIRECTORATE COMMEMORATES 20TH ANNIVERSARY

Havana VERDE OLIVO in Spanish 28 Jun 81 p 56

[Text] The Combat Training Directorate [DPC] celebrated the 20th anniversary of its establishment with a simple but moving ceremony, which took place in the Central Hall of the Revolutionary Armed Forces [FAR]. The meeting was presided over by Maj Gen Senen Casas Regueiro, alternate member of the Politburo and first deputy to the minister of the FAR and chief of the General Staff, and attended also by general officers, leaders, and officers of the FAR, in addition to Soviet military specialists.

After the national anthem was played, Maj Gen Casas Regueiro presented certificates of 20 years of service in the Combat Training Directorate to Maj Gen Rigoberto Garcia, Brig Gen Lorenzo Garcia Frias, and Col Andres Torres. Also, a group of officers received the same kind of length of service certificate from members of the group presiding over the ceremony. These officers represented all those who have merited receipt of this sign of recognition.

For his part Col Juan B. Pujol, on behalf of the Directorate of Military Training Centers and Education Conducted Outside of Military Units, read a document in which he congratulated the members of the Combat Training Directorate for their 20 years of work and effort and he wished them success in the performance of new missions and tasks.

The congratulations from the deputy minister of the FAR for combat training and military training centers, Maj Gen Arnaldo Ochoa, were read by Lt Col Ibrahim Zamora. This document, referring to the members of the Combat Training Directorate, points out: "The success achieved by you during these past 20 years has been the fruit of the combined effort of leaders, officers, noncommissioned officers, sergeants, enlisted men, and civilian workers and of the systematic and influential work of the organizations of the party and of the Union of Young Communists [UJC]." It states further: "The progress made by the Combat Training Directorate represents a stimulus and at the same time a point of departure for future work. It makes us feel optimistic and it is a guarantee for the achievement of greater objectives."

Col Andres Torres made the closing remarks at the ceremony. He briefly recounted the work of the Combat Training Directorate and pointed out that the Second Party Congress "assigned multiple tasks to the FAR, among which may be noted continuing to raise our combat and mobilization readiness." For these purposes he stressed that the Combat Training Directorate plays an important role.

Regarding the tasks assigned to the directorate, he said: "We must continue to raise the levels of what we demand during visits of inspection, checks made on activities under way, and checks and assistance programs which are carried out in the various units; to pay special attention to the training of regular and reserve forces, as well as Territorial Militia [MTT], recently established, which play an important role in the defense of the socialist fatherland."

Finally, in the name of the minister of the FAR and of his deputy for combat training and military training centers, Col Andres Torres congratulated the personnel of the Combat Training Directorate and urged them "to continue working and make a reality of what the commander in chief stated at the Second Party Congress:

"Our country must be a bone which is very difficult for the teeth of Yankee imperialism to gnaw at, and a thorn which sticks in its throat and chokes it, if it attempts to commit aggression against us."

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CSO: 3010/1556

BRIEFS

FAR VANGUARD MEMBERS HONORED--A ceremony honoring the 66 workers who are members of the national vanguard of the Revolutionary Armed Forces [FAR] was held at the officers club of the FAR Naval Academy in Havana. During the ceremony, which was chaired by Jose Antonio Roque, president of the organizing committee of FAR civilians unions, the honored guests received moral and material incentives. The majority of the FAR vanguard members come from the FAR construction and lodging sector, the industrial-military enterprise, the rearguard command, the FAR Ministry's units and offices and the Western Army. In his opening remarks at the ceremony, Jose Antonio Roque announced the drive to be conducted from 14 to 20 September to step up the pace of all tasks. During the phase of the drive honoring the anniversary of the FAR civilian workers union, the workers will increase the number of pledges in emulation, finance and education. During the ceremony, Miguel Angel Perez, member of the FAR national vanguard from Las Villas Army, announced the pledges made by the 66 outstanding workers for that phase of the drive. Among the goals to be attained is the fulfillment of all production and service plans at their respective work center. [Text] [FL121419 Havana Domestic Service in Spanish 1304 GMT 12 Aug 81]

PEREZ HERRERO HONORS VANGUARDS--PCC Politburo alternate member Antonio Perez Herrero has made the closing remarks at a ceremony held to present the insignias of national vanguard members to 310 students from intermediate level and higher education centers. The ceremony, which was held yesterday at the Gerardo Abreu Fontan workers social club in this capital, was also attended by PCC Politburo member Sergio del Valle and PCC Central Committee members Jose Ramon Fernandez, Fernando Vecino Alegret and Asela de los Santos. In his speech, Perez Herrero said the distinction is a high honor and, at the same time, a commitment to be increasingly better students and revolutionaries. [Text] [FL131117 Havana Domestic Service in Spanish 1000 GMT 13 Aug 81]

TRANSPORTATION MEETING--In Holguin, PCC Politburo member Jorge Risquet noted the favorable situation of eastern ports during the first 10 days of August and called on all factors of the transportation network in the central and western areas of the country to make greater efforts in view of the impending arrival of a large number of vessels loaded with goods. Risquet accompanied by PCC Politburo member and Transportation Minister Guillermo Garcia presided at the emulation plenary session of the port-transportation-domestic economy network in the eastern provinces. During the meeting it was learned that last July all the eastern region's port terminals overfulfilled by 5 percent the loading and unloading plan with the exception of the port of Felton in Holguin, which reported no vessel arrival over a period of 20 days.

It was learned that during that period Granma was in first place in the red-hot emulation, while Holguin occupied second place followed by Guantanamo and Santiago de Cuba. During the meeting flags and other incentives were presented to Granma, Guantanamo and Holguin Provinces for the outstanding work of the first two in the railroad sector and the third one in the railway motor coach department of the port-transportation-domestic economy network. [Text] [FL141241 Havana Domestic Service in Spanish 1000 GMT 14 Aug 81]

IDENTIFICATION SECTION HONORED--Employees of the Identity Card and Population Registry Directorate received the award of Distinction for Service in the Ministry of the Interior [MININT] and a certificate marking the 10th anniversary of that organization at a ceremony held at the central offices of the MININT. The ceremony was presided over by Ramiro Valdes, member of the Party Politburo and minister of the interior. Also present were Osmany Cienfuegos, who is also a member of the Politburo; Brigadier Generals Pascual Martinez Gil and Luis Felipe Denis, both members of the party Central Committee; and other leaders and officials. During the ceremony an order of the Ministry of the Interior was read, by which was also awarded the certificate for the 10th anniversary of the Identity Card and Population Registry Directorate to the Directorate itself, to the National Association of Small Farmers [ANAP], and to the Committees for the Defense of the Revolution [CDR], for the work they have performed on the implementation and development of that document system. Ramiro Valdes distributed the certificates to Jose Ramirez Cruz, alternate member of the Politburo and president of ANAP; to Maria Teresa Malmierca, national vice-coordinator of the CDR; and to Col Luis Carlos Garcia Gutierrez. Susequently, Osmany Cienfuegos and Brigadier Generals Pascual Martinez and Luis Felipe Denis presented to a large group of combatants the award, Distinction for Service in the Ministry of the Interior and the certificate marking the 10th anniversary of the Identity Card and Population Registry Directorate. [Text] [Havana VERDE OLIVO in Spanish 28 Jun 81 p 55] 5170

MILITARY COMMITTEES COURSE--Closing ceremonies for the ninth course for leaders and officers of the Military Committees took place last Friday [26 June] at the Old Havand Lyceum in the presence of Col Arnaldo Trutie Matilla, Brig Gen Jose A. Mendez Sierra, and leaders and officers of the General Staff. In the brief report on the course, given by Maj Fermin Marrero Luis, it was stated that the classes developed satisfactorily and with high quality, together with the seminars and periodic evaluations, which, taken together with the work of the students, achieved good indications of improvement since the average grade of the class was 98.28. Major Marrero pointed out further that political and party work constituted a powerful force, since it was at the center of all activity and, together with socialist emulation, was reflected in the results achieved. Maj Ramon Diaz Avlla, the leading student of the course, in the name of his comrades read a document expressing their appreciation to the officers and professors for the new knowledge acquired and in which they promised to apply this knowledge efficiently in the tasks which would be assigned to them in the military committees and directorates. Col Rolando Nieves, in his remarks closing the ceremony, referred to the general aspects of the course and expressed satisfaction at the average qualifications achieved. At the same time he congratulated the graduates and wished them success inthe forthcoming tasks assigned to them. [Text] [Havana VERDE OLIVO in Spanish 28 Jun 81 p 55] 5170

MEXICAN TRAINING SHIP ARRIVAL--The Commodore Manuel Azueta, a training ship of the United Mexican States Navy arrived in the port of Havana today for an official visit to our country that will end on 16 August. The visit is a part of a training voyage that will take the ship to several countries. Rear Adm Osvaldo Forzan Marquez, director of the Heroic Naval Military School, is captain of the training ship, which is manned by midshipmen from the school. The visitors met with Vice Adm Aldo Santamaria Cuadrado, vice minister of the Revolutionary Armed Forces and chief of the Cuban Revolutionary Navy [MGR], who extended a fraternal welcome to them. During their stay in Cuba, the training ship personnel will visit MGR units, economic centers and sites of historical and cultural interest. [Text] [FL131858 Havana Domestic Service in Spanish 1800 GMT 13 Aug 81]

COUNTERREVOLUTIONARY OFFICE IN MIAMI--In another step of its aggressive escalation against Cuba, the U.S. Government has authorized the opening of offices in Miami to recruit Cuban counterrevolutionaries to send them to the naval base of Guantanamo, Cuban territory illegally occupied by the United States. The U.S. newspaper DIARIO LAS AMERICAS has published the addresses of the first two offices opened in Miami. It also published remarks by counterrevolutionary ringleader Wilfredo Navarro who said that the objective of going to the Guantanamo Naval Base is to install there a government in arms and immediately request its international recognition. Camps to train terrorists with a Cuban-origin also freely operate in Miami with the objective, according to public statements, to prepare armed attacks on Cuba, to make attempts against the lives of Cuban leaders and to sabotage the economy. [Text] [PA1111958 Havana International Service in Spanish 1800 GMT 11 Aug 81]

COMMENTS ON AIR CONTROLLERS STRIKE--The intransignce shown by the Republican Administration with regard to the strike by U.S. air controllers, in addition to being visible evidence of the imperialists' opposition to workers and labor unions, continues to cause serious inconveniences to the citizens of that country. These are pictures of the situation prevailing at John F. Kennedy airport in New York where over 10,000 persons are patiently waiting to travel to their destinations. A large number of flights have been suspended because of the scarcity of personnel working in flight control and their deficient knowledge of this specialty, which requires great technical experience and great skill. So far, there have been 10 air accidents in the country, with a toll of 22 dead, while the authorities of the Department of Transportation and President Reagan maintain their intransigent position of refusing to negotiate an agreement with the controller's union. [Text] [FL121854 Havana Domestic Television Service in Spanish 1700 GMT 12 Aug 81]

U.S. WEATHER BALLOON SPYING--A U.S. military spokesman in Florida has admitted that a balloon called "Fat Albert" used by the U.S. Air Force in electronic espionage missions against Cuba broke loose from its moorings last night and today was drifting over the Gulf of Mexico. The balloon was tied down at a base in southern Florida. It carries radar equipment which, while it was under the control of the U.S. Air Force, made it possible to spy on Cuban air traffic over the line of the horizon. [Text] [FL112349 Havana Domestic Service in Spanish 2300 GMT 11 Aug 81]

WFTU PROTEST OF REAGAN 'REPRESSION'--The WFTU today denounced the abusive attack launched by the U.S. Government against striking U.S. controllers. It cites, for example, the permanent dismissals and blacklisting of all the strikers, as well as the imposition of $100,000 per hour fines and the arrests of labor leaders among other measures that the organization describes as a real threat to workers and labor unions. In its statement, the organization, which is based in Prague, Czechoslovakia, indicated that it sent a telegram of protest to President Ronald Reagan on learning of his repressive actions. The WFTU adds that this situation requires united resistance from workers in all countries. It hails the bravery of the striking U.S. air controllers and their firmness in the face of the Reagan threat. [Text] [FL121948 Havana Domestic Service in Spanish 1823 GMT 12 Aug 81]

CRITICISM OF NEUTRON BOMB DECISION--Prague--The Christian Peace Conference has firmly condemned the decision reached by U.S. President Ronald Reagan on the 36th anniversary of the atomic bombing of Hiroshima; namely, to commence large-scale production of the neutron bomb. A statement issued by the organization, which is made up of dignitaries of 86 countries, emphasizes that this step by Washington will lead to an intensification of the arms race and greatly inhibits disarmament talks. [Text] [FL131549 Havana Domestic Service in Spanish 1400 GMT 13 Aug 81]

ACTIVITIES OF MEXICAN MIDSHIPMEN--Read Adm Osvaldo, (Fourzan Marquez) and other members of the command of the "Commodore Manuel Azueta" training ship of the Mexican Navy, which is visiting our country, have laid a floral wreath before the statue of Benito Juarez at Fraternidad Park. Attending the solemn ceremony was Capt Pedro Perera Ruiz, first deputy chief and chief of staff of the Revolutionary Navy. The director of the Heroic Naval Academy and other officers also visited the Cuban-Mexican Association of Cultural Relations where they were received by Faustino Perez, president of the Cuba-Mexico Friendship Association, and other Cuban personalities. Present in the ceremony were Mexican Ambassador to Cuba Gonzalo Martinez Corbala; Brig Gen Manuel (Lomeli Gamboa), military attache of the Mexican Embassy; and Col Jose Quevedo, deputy chief of the foreign relations department of the Revolutionary Armed Forces Ministry. Later in the day, they visited the Naval Academy of the Revolutionary Navy where they were briefed on the center's characteristics and objectives, the ongoing program of construction to complete the installation and the educational program for the formation of cadres for the navy, merchant marine and fishing fleet. The Mexican officers concluded their visit with a tour of the various areas and installations of the academy. [Text] [FL151331 Havana Domestic Service in Spanish 1045 GMT 15 Aug 81]

CSO: 3010/1556

PREMIER CHARLES SCORES GRENADA ON CDB LOAN

FL172011 Bridgetown CANA in English 1949 GMT 17 Aug 81

[Report by Peter Richards]

[Text] Roseau, Dominica, 17 Aug (CANA)--Dominica has taken issue with Grenada, which recently objected to being excluded from an American Government $4 million aid package intended for the Caribbean. Roseau's stand on the issue and a number of other foreign policy matters--including the Guyana-Venezueal territorial dispute--was detailed by Prime Minister Mary Eugenia Charles in an interview [passage indistinct].

The package was intended for the Caribbean Development Bank (CDB) for on-lending to some of its eastern Caribbean members. The bank later said it found the conditionality unacceptable and the package was abandoned. The planned exclusion of Grenada, where a left-leaning government seized power in a 13 March 1979 revolution, was another sign of soured relations between Washington and St Georges.

On radio yesterday, Miss Charles raised the question of the Grenada Government's refusal to hold general elections. She also called for a peaceful settlement to the Guyana-Venezuela dispute. The Dominica leader talked about relations with Cuba, saying she suspected Cuba was a destabilizing influence in the Caribbean.

The Caribbean's first woman prime minister said that her government was of the opinion that the Guyana-Venezuela conflict "must be brought to the United Nations for settlement." Miss Charles said that her government was aware that there were documents allowing for the settlement of the conflict "through the UN machinery," adding "they must be forced to do it that way."

"I can see absolutely no reason for violence. I am against violence on either side and I believe we must, as other sister countries of CARICOM (Caribbean Economic Community), insist that their own regulations and agreement must be brought to the United Nations for settlement," she remarked.

Venezuela claims five-eighths of Guyana, a claim rejected by the Forbes Burnham government. The two countries have had a series of sharp exchanges on the matter.

Miss Charles, who is also foreign affairs minister, said she did not believe that Venezuela was trying to colonize the region through its program of economic aid,

a charge made by Colombia. "If she is doing it, she is doing it very slowly and only in words," Miss Charles said. "I have told the Venezuelans themselves that they are always promising. I think that Venezuela is quite clear that she has a Caribbean coast and she has to keep on peaceful terms with her neighbors."

Miss Charles took issue with the People's Revolutionary Government (PRG) in Grenada, noting that her administration may very well take the same point of view--in condemning the alleged human rights violations there--as her Dominica Freedom Party (DFP). The DFP, in a statement last month, criticized the Grenada Government's decision not to hold promised free and fair general elections, as well as outlined alleged human rights violations there.

Miss Charles said: "If Grenada wants to belong to the Organization of Eastern Caribbean States (OECS), she must understand that the other members are going to find fault with her when it affects us, and I can't see why they can be annoyed about this. They must understand that they belong to a grouping that you do not only praise the people...."

Both Dominica and Grenada belong to the OECS, an integrationist grouping comprising seven small Caribbean territories which was recently launched. Miss Charles said that although she was not speaking on behalf of other members of the OECS she was of the opinion "that most of us in the OECS feel that the way to correct things in Grenada is to belong in groupings with her and try to get things back to normal for the people in Grenada." She added: "They are not normal now and nobody can say that they are."

On the $4 million aid package, she said that she was blaming the Grenadians for its abandonment "because the Grenadians could have said we don't want any of this money. We don't like the Americans. We don't want the money and we don't want to deprive our sister islands of this sort of help, so we will withdraw from it and let them be able to accept the money." She added: "There was no such word from Grenada. Grenada did not care enough about us that require the money so badly so as to withdraw from the scheme so that the others could benefit from the scheme."

Commenting on U.S. plans to stockpile the neutron bomb, she said: "I am against anything that has to do with violence, and hate to see the stepping up of anything which indicates that some persons have in mind that the only way they could solve our problem is by use of violence." She said that while she was of the opinion that you can only fight strength from a position of strength, no one knew what monsters the Soviet Union was creating against the world.

She welcomed planned independence from Britain for Belize and she said she did not believe that Guatemala would invade the country to back up its territorial claim.

On relations with Cuba, Miss Charles said: "I will not be prepared to enter into diplomatic relations with Cuba," adding "I am not sure that Cuba's role in the Caribbean is not to destabilize some of the countries which are not opposed to her ideology. I will have to have proof of the contrary before I would be prepared to enter into diplomatic relations with her."

CSO: 3025/1026

DEFENDANT ADMITS ROLE IN CONSPIRACY

FL141855 Bridgetown CANA in English 1812 GMT 14 Aug 81

[Report by Peter Richards]

[Text] Roseau, Dominica, 14 Aug (CANA)--A 27-year-old Irish-Canadian woman, charged by Dominica police with conspiring to overthrow the Dominica Freedom Party administration of Prime Minister Eugenia Charles earlier this year, today admitted in court here to her role in the conspiracy.

When the preliminary inquiry into the charges against Marian McGuire entered its second day today before Dominica's chief magistrate, Charles Williams, the court was told by police Constable Philbert Alfred about a cable which the accused sent to someone named Gorde Sevielle in Ontario, Canada. The police constable stated that McGuire, a nurse, had acknowledged sending the (?well coded) cable which contained vital information needed by other persons involved in the conspiracy.

She was held by police here after Federal Bureau of Investigation (FBI) agents in the United States had arrested and charged a group of 10 mercenaries as they were about to set sail for the Caribbean island to overthrow the government by force of arms.

Constable Alfred added that even after cautioning the accused, she proceeded to give information which she later signed as "true and correct." The six-page statement said to have been signed by McGuire revealed that she was an alcoholic who had entered a psychiatric unit in Canada for treatment where she met and later married a man with similar problems. She added that after 4 months, her husband returned to drinking and that their marriage was a failure. As a result, she was very depressed and had even contemplated suicide.

The statement pointed out that at a party in March this year, McGuire met Wolgan Drouge, and Alex McQuiter who she said she knew were involved in "white supremacy politics." They told her they were planning to visit the United States and the Caribbean "on business" and she was assigned to visit Dominica.

Drouge was one of the 10 mercenaries sentenced by a New Orleans court recently for their part in the conspiracy. They pleaded guilty.

The statement further said McGuire disclosed that the two men explained that her visit to the island was to assist them in freeing detainees from prison, including ex-Prime Minister Patrick John, and afterwards installing John as prime minister. The woman added that she had accepted the deal, refusing the money which they had offered her, because she wanted to get away from her husband.

She also revealed that she was later introduced to Michael Perdue, the convicted leader of the mercenary group, who told her their plans had been carefully worked out, and that they had support in Dominica.

She was to be joined in Dominica by two people including the said Sevielle to whom she had sent the cable the day after she arrived. She pointed out that up to the time of her giving the statement to the police neither had arrived.

McGuire's statement continued that on reaching Dominica, she had had second thoughts about the plan and had informed the group that "a lot of people would have been killed because of the insane plan." "I was scared and confused and did not know what to do," the statement quoted her as saying, adding that she had returned to heavy drinking.

When asked by Chief Magistrate Williams whether she wanted to question the officer at the end of his testimony, McGuire admitted that everything that had been disclosed was "true and correct." McGuire, who is not represented by council, was latter committed to stand trial at next month's assizes.

Presenting the case on behalf of the crown are Dr Lloyd Barnett of Jamaica, Barbadian Queens Counsel Elliot Mottley and Dominica's director of public prosecutions, Sylvia Bertrano.

CSO: 3025/1026

REVOLUTIONARY PARTY LEADER VIEWS CUBA, U.S.

PA082147 Panama City Domestic Service in Spanish 1700 GMT 7 Aug 81

[Statement made by Hatuey DeCamps, president of the Dominican Chamber of Deputies and leader of the Dominican Revolutionary Party, in Panama City, no date given--recorded]

[Excerpts] I think that as a fraternal Latin American country, Cuba totally changed its policy of exporting guerrillas several years ago, perhaps following Che Guevara's activities in Bolivia and later the activities carried out in the Dominican Republic by then-Col Francisco Alberto Caamano Deno, who went to Cuba, left Cuba and died in the Dominican Republic.

The guerrilla method has failed, particularly in my country. As far as I know, Cuba is not engaged in a process of subversion or disruption of (?the economy). In the case of the Dominican Republic, relations have been maintained at the sports and cultural level, and in some other areas. We don't (?want) diplomatic relations. We respect the Cuban revolutionary process, but we are not members of the organizations to which Cuba belongs with other countries. Cuba is led by the Communist Party of Cuba while we are members of the Socialist International, which is of social democratic persuasion. We respect the Cuban leaders very much, but we obviously do not agree as to our [words indistinct]. We think that in the past few years, Cuba has adopted a position which it should preserve and guarantee. Particularly with regard to the Dominican Republic, we have never (?seen) any indications that Cuba is plotting to disrupt our situation [words indistinct].

It has been said that Cuba has exported weapons to Central America and has helped to subvert and to (?worsen) the situation in El Salvador, Nicaragua and other countries. I would like to note, however, that in Nicaragua's case all of us who uphold any type of democratic principle acted as subversives because Nicaragua's situation could not continue the way it was. Somoza could not continue massacring his people; he couldn't continue dropping bombs on his people. So even if Fidel helped, help went beyond Fidel's framework, since there were very conservative and anticommunist people who also opposed Anastasio Somoza.

As for the Salvadoran case, it isn't true that either the Salvadoran guerrillas or the government forces will crush the other side. We believe a dialogue, a negotiation or some solution should be reached. We hope that the sectors involved will

reach that type of agreement so that the situation in El Salvador evolves correctly without any major bloodshed. We are very concerned over the situation in El Salvador.

The Guatemalan case is extremely difficult and we also view it with great concern. Democratic leaders such as Colom Argueta, Alberto Fuentes Mohr and many others have been killed there and that is a real tragedy.

To go back to the question on Cuba, Cuba has a very well defined doctrine and political position which do not necessarily have to be shared by other Latin American countries. In the case of the Dominican Republic and our party, it is different. I reiterate our respect for the Cuban revolution. Now, our country has no business jeopardizing the seucrity of other countries and we are not jeopardizing this security. We are not implying in this manner that Cuba is jeopardizing this security either. However, the Dominican Republic holds a very well-defined position both internally and internationally.

It could be said that our position is quite conservative because it has not been as aggressive and marked by solidarity as it might have been within a democratic context. I would say that Panama is more active, so is Venezuela. The Dominican Republic should be more active. I expect that this may be achieved within the context of our future international relations. However, I want to clearly establish that any government that succeeds the present one in the Dominican Republic will not jeopardize U.S. security. I hope President Reagan understands that respect for human rights, which was upheld during President Carter's administration, must be maintained and guaranteed. (?Since) Carter respected the Dominican people's will so much, I expect that President Reagan will also respect it. This will is currently being expressed by means of a new electoral concept.

I also think efforts should be made to respect the people's will in Central America. Reason imposed through the use of weapons is no reason. Reason is imposed by both the law and the people. Weapons should guarantee respect for the people's rights. Military power should be subordinate to civilian power [word indistinct].

CSO: 3010/1706

BRIEFS

REQUEST HELP TO FIND USSR SPIES--Santo Domingo, 31 Jul (AFP)--Lt Gen Mario Imbert McGregor, secretary of the armed forces, today said that if the Dominican security authorities deem it necessary, the government would request the "cooperation" of U.S. intelligence services to "locate" the alleged Soviet spies in the country. Imbert McGregor was referring to a statement made by an adviser of President Ronald Reagan in Santo Domingo yesterday who said that "it is true" that there are Soviet spies in the Dominican Republic. He added that meanwhile the armed forces "will carefully investigate" the charge which was published on the front page of the Dominican papers today. Asked about this in a news conference yesterday, Roger Fontaine, security adviser to President Reagan who is visiting the country, said that it is true that there are Soviet agents in the Dominican Republic. However, he said that he could give no more details on this. It was said that Fontaine is currently making a number of contacts with different sectors in various Latin American countries in order to inform President Reagan about the overwhelming problems of these nations. "So far," Imbert McGregor said, "we do not know if it is true that these Soviet agents are in the country." [Text] [PA010029 Paris AFP in Spanish 2355 GMT 31 Jul 81]

CSO: 3010/1706

GOVERNMENT NOT PLANNING TO TAKE OVER FIRMS

PA010114 Quito Voz De Los Andes in Spanish 1230 GMT 30 Jul 81

[Text] Ernesto Alban Gomez, secretary general of public information, has emphatically announced that the government is not thinking of placing enterprises under state control and that its position strictly adheres to the national development plan. He stressed that the government's policy is aimed at strengthening the sector currently in state hands.

[Begin recording] I refer to reports published by some of the country's daily newspapers that the private sector will hold a meeting tomorrow.

The representatives of the various chambers representing production, commerce, industry, agriculture and other fields will meet tomorrow and, as suggested in those reports, will make certain decisions and eventually take some steps in connection with certain government policies.

Since these reports and any comments they may elicit may give rise to some innuendo, it is necessary to stress the following points on behalf of the national government.

The government reiterates once more that it unswervingly adheres to the national development plan. Therefore, no expansion of the state-owned sector is envisioned. The government's efforts will be fundamentally aimed at strengthening the sector currently in state hands, to reinforcing and improving its decisionmaking power, performance and efficiency. Government activities during the next few years will be exclusively devoted to this end.

Naturally, the government respects--and it could not be otherwise--the right of the country's various sectors to unite, to adopt decisions and policies, to submit requests, to form associations and, in a nutshell, to exercise any right guaranteed by the constitution and the laws.

Obviously, the government expects all organized groups to abide strictly by the laws with respect to their plans and behavior. However, should any unlawful attitudes be adopted or any wrongful acts be committed, the government will be entitled to take action in accordance with the powers the laws grant it. [End recording]

CSO: 3010/1696

BRIEFS

SUSPENSION OF MINISTERS' MEETING--Ecuador has proposed the indefinite suspension of a meeting of foreign ministers of the five members of the Andean Pact, originally slated for 24 August in Caracas, Venezuela, Foreign Minister Dr Alfonso Barrera Valverde has announced to the media. According to the minister, our country feels that a meeting of the Andean Foreign Ministers Council should be either the result of some prior, lengthy, well-documented and serious work or the basis for some future work. According to him, there has been no such prior work. As concerns the adoption of a new stand, he expalined the conditions that the government would impose prior to a foreign ministers' meeting: the operation of an Andean justice tribunal and an end to delays and nonfulfillments. He added that if the Andean group can neither discuss nor define territorial programs, guarantees should exist, nonetheless, that the [word indistinct] will be totally eliminated. [Text] [PA021732 Quito Cadena Ecuador Radio in Spanish 2300 GMT 31 Jul 81]

CSO: 3010/1696

SALVADORAN STUDENT LEADER ON U.S. EXERCISE

PA121255 Havana International Service in Spanish 0000 GMT 12 Aug 81

[Interview with Oscar Bonilla, president of the General Association of Salvadoran University Students, by Nestor Nunez for Radio Havana, in Havana, no date given--recorded]

[Text] [Bonilla] Through the Continental Organization of Latin American Students, OCLAE, we have managed to break through the information and communication blockade imposed by the U.S. Government in El Salvador. The OCLAE has made it possible for us to inform all its members of the real situation of the war being waged by our people to gain their definite liberation against the Christian Democratic-military junta. It also has been the most important means of solidarity of all the peoples and has gotten us ready to form an anti-interventionist student front in El Salvador, Central America and the Caribbean.

[Question] Every day we receive news of the increasing imperialist intervention in El Salvador. There is a specific reference to the "eagle eight" operation whose objectives is to attack the strategic bases of the Salvadoran revolution. Could you tell us anything about this imperialist plan?

[Answer] The "eagle eight" operation is aimed at attacking on all fronts the revolutionary movement represented by the Farabundo Marti National Liberation Front, FMLN, in a joint operation of the Guatemalan and Honduran armies together with the Salvadoran Army, plus special troops which the United States is moving toward the border with El Salvador. They have indicated that in order not to meet with the opposition of the refugees, they are going to be located in a strategic military camp, from where they can control the refugees in case they want to interfere with the "eagle eight" operation which will be carried out this month. We believe that this operation is intended to increase the massacre being committed against the people, which all the nations of the world should condemn as of this moment so that this operation will not be carried out which is nothing more than an excuse to try to reactivate the Central American Defense Council, CONDECA, and to use it against our brave people who at this moment are carrying the arms for their definite liberation. This operation is also related to the Salvadoran Air Force's use of toxic products supplied by the U.S. Government. The use of chemicals is to weaken the strategic positions of the guerrillas and the revolutionary army which will afterwards be attacked by the artillery, armored cars and infantry troops under the command of U.S. military advisers of which there are 800 in El Salvador.

[Question] How have the Salvadoran students joined the revolutionary struggle?

[Answer] They've joined in many ways, most importantly by joining the military organizations, the guerrillas, the army and the militias and also by maintaining their active work with the people and in the medical brigades, the organizing of the people's power in the zones under the control of the FMLN, and in the field of education and production.

[Question] During the OCLAE fourth consultative meeting which just ended here in Havana, you referred to the need to increase the solidarity with the Salvadoran people. Could you talk about this?

[Answer] We believe that it is good to carry out immediate plans for actions which will permit us to stop an imperialist intervention in El Salvador. In this respect, the students of Latin America will have to confront and attack U.S. interests so that the United States will see how the Latin American and Caribbean students movement responds to an aggression by imperialism in El Salvador. This, we believe, is the main emergency action to be carried out so that the United States realizes what our reply is going to be and to promote that broad movement of solidarity to stop the imperialist intervention in El Salvador and any other part of Central America and the Caribbean.

CSO: 3010/1709

U.S., GRENADA ASKED TO END CONFRONTATION POLITICS

FL010053 St Georges Domestic Service in English 2300 GMT 31 Jul 81

[Text] At the time when the most powerful and the most reactionary newspapers in the region are carrying out almost daily attacks against the Grenada revolution, a widely-read regional newspaper has said that it had no intention of joining the current campaign against Grenada.

In a page one editorial in its August issue, CARIBBEAN CONTACT, organ of the Caribbean Conference of Churches, described the campaign against Grenada as an anti-Cuba, anti-communist campaign being spearheaded by some of the most reactionary spokespersons of the media interests in the United States and the Caribbean. [Words indistinct] committed to exposing the Reagan administration plans which are designed to remove the PRG [People's Revolutionary Government]. The paper said it sees Washington's destabilization campaign against the PRG as an extension of America's war against Cuba and as part of its overall scheme to prevent socialism from spreading in this region where the United States says pluralism is to be (?respected).

The paper's editorial said that the Reagan administration, with its hypocritical policy on human rights, has said and done much to promote an atmosphere of instability in Grenada [words indistinct] small countries as a bully. Mr Reagan's bedfellows include the rulers of racist South Africa, Chile, Haiti, Guatemala and El Salvador, the paper said, but as a condition for the normalization of relations with Grenada he insists on the holding of elections. The CONTACT said that the Reagan administration is not really interested in the civil liberties of the Grenadian masses. Otherwise, it would have been advocating free and fair elections in other countries where they do not exist.

The paper called on critics of the PRG in the region to be sure about who is the real enemy and destabilizing force in the region and said that if any harm comes to the leadership of the PRG, it would be in no doubt about U.S. involvement. The CARIBBEAN CONTACT concluded its [words indistinct] editorial by hoping that all Caribbean governments would demonstrate a healthy respect for civil liberties and that new initiatives would be taken in Washington and Grenada to end the politics of confrontation that pose a threat not only to Grenada but to the entire region.

CSO: 3025/1026

LAND DEVELOPMENT, UTILIZATION LAW ENACTED

FL150041 St Georges Domestic Service in English 2300 GMT 14 Aug 81

[Text] The policy of government to insure the development of the productive resources of Grenada took a step forward today with the enactment of a new law entitled "The Land Development and Utilization Law 1981." The law establishes a Land Development and Utilization Commission with responsibility to insure that agricultural lands are not left idle by their occupiers.

[Begin recording] Where such agricultural lands is 100 acres or more in area, and is left idle or under utilized by the occupier, the law entitles the commission, after hearing the parties concerned, to require that the land be developed by persons responsible for it according to a development plan approved by the commission. Where in spite of this the land remains undeveloped, the commission will report to the minister of agriculture. In such circumstances, the law gives the minister the power to acquire compulsorily [words indistinct] the land at a rate fixed according to a formula set out in the law. Interested parties are entitled to make representations before such steps are taken. Under the law, where the minister compulsorily acquires [words indistinct] interest in idle land, a declaration to that effect is published in two issues of the GAZETTE and the government may then enter and take possession of the land in the interest of agricultural development.

Unlike similar laws in other countries, Jamaica being an example, the law does not provide for outright compulsorily acquisition of title to the land. It limits the period of [words indistinct] acquired by the minister to a maximum of 10 years. (Alley Basily) for RFG [Radio Free Grenada] News. [End recording]

CSO: 3025/1025

BRIEFS

CUBAN EMBASSY ANNOUNCES MEETING--St Georges, Grenada, 3 Aug (CANA)--Intellectuals from Latin America, the Caribbean and Europe will be meeting in Cuba later this year to discuss a wide range of political, economic and social issues, the Cuban Embassy here has announced. The embassy said that the academics will look at a broad range of related questions, including economic and social factors that affect the sovereignty of Latin American peoples. The meeting will also discuss culture as an international capitalist industry, current methods of imperialist cultural penetration, popular culture as a means of resistance, urban and rural culture, and concrete steps intellectuals can and must take to help reconquer, in some cases, and to preserve and develop, in others, the sovereignty of the peoples of Latin America and the Caribbean. The meeting to be hosted by the Casa de Las Americas Publishing House in Havana is scheduled for 3-18 September. [Text] [FL032101 Bridgetown CANA in English 1759 GMT 3 Aug 81]

CSO: 3025/1026

BRIEFS

YUGOSLAVIA OFFERS AID--Georgetown, Guyana, Wednesday, (CANA)--Yugoslavia has offered to help Guyana develop its agricultural sector and promote ties between the two countries in a number of areas. The government-owned CHRONICLE newspaper said the offer was conveyed by Yugolsav envoy Lazarevski, when he paid a courtesy call on city mayor, Mavis Benn. The Yugoslav diplomat noted that Guyana had a climate suitable for the cultivation of wheat and other essential food items on commercial scale. "Yugoslavia is willing to share its technology with Guynana in helping to develop this country's agricultural sector," the CHRONICLE quoted the Yugoslav official as saying. Doctor Lazerevski said Yugoslavia can provide Guyana with seeds and seedlings for experimental planning. He proposed the formulation of programs for an exchange of delegations between the two countries and to develop closer relations in the educational, social, cultural and economic fields. [Text] [FL171740 Bridgetown ADVOCATE-NEWS in English 13 Aug 81 p 3]

CSO: 3025/1026

SEAGA COMMENTS ON ECONOMIC SITUATION

FL121508 Kingston DAILY GLEANER in English 6 Aug 81 pp 1, 14

[Text] A review undertaken recently by the IMF has substantiated similar reviews done by local public agencies that the economy has turned around, Prime Minister Edward Seaga said yesterday, and 1981 would mark the end of successive years of negative economic growth.

The IMF review agreed with reviews done by the National Planning Agency, the Bank of Jamaica and the Department of Statistics that the worst the economy could do this year would be to register zero growth.

Speaking in the House of Representatives on the government's economic performance up to June 1981, Mr Seaga said:

"All the agencies agreed that the economy has turned around and that the successive years of negative growth will come to an end in this first year of the recovery program."

"It is agreed that the economy is responding to the economic strategies and that at the worst there will be zero growth and at the best in excess of 2 percent real growth, by comparison with minus 5.4 percent negative growth last year."

He said that the leading sectors in the recovery projected to show positive growth were: construction and installation, nongovernment services, the distributive trades, manufacturing, agriculture, forestry and fisheries.

There would be zero growth or a slight reduction in mining due to cutbacks in alumina production already announced and further possibilities which may arise due to the poor demand on the world market. However, bauxite had shown a 6.3 percent increase in production in the first half of the year and the government was still very actively pursuing additional sales which were considered adequate in relieving the pressure on the economy in terms of foreign exchange.

The construction industry was expected to show increased activity with real bouyancy toward the end of the year. A total of $25.4 million worth of projects had already been approved, compared to $11.7 million in 1980.

Positive trends have been shown in domestic agriculture and livestock, but a negative trend in export agriculture, notably coffee and sugar. The reduction in sugar could continue next year. Because of the shortage of fertilizer and other factors, increased production was not expected until 1983.

Mr Seaga said that $1,831,000,000 had been made available to cover imports, which were not expected to be more than $1.5 billion. He said the government was putting into place a system whereby the excess created by the non-use of import licenses could be passed onto latecomers who really needed the licenses.

He said that U.S.$542 million was made available between January and June for the importation of raw materials compared with $378 million in 1980 and $350 million for capital goods compared to $218 million in 1980.

There was a 239 percent increase in the area of no-fund licenses over 1980, with the figure jumping from $64 million last year to $217 million this year.

Comparing export figures, the prime minister said that total exports for January to June 1981 were $946.7 million compared to $880.6 million in 1980. Although there were declines in the export of bananas, citrus, coffee, cocoa and pimento, there were improvements in the areas of bauxite/alumina, sugar and gypsum, creating an increase of 9.7 percent.

On tourism the prime minister said that there was a 40 percent decline in November and negative results between December and April. However in May there was a 2.6 percent increase and the month's figures were the best in any year. There was a 2.9 percent increase in June and a 10 percent increase in July. Further increases are expected in August.

The indications were that the slide had been halted and an upturn commenced within the first 7 months of the projected 18-month period set for the recovery to reach the [desired] levels.

Mr Seaga said that there was a very strong interest growing in making Jamaica a prime destination again in the travel trade.

Divestment

The divestment program in the industry to line up new leases for national hotels and properties' hotels was on target and decisions would be taken this month on hotels that would be divested. A financial package was being negotiated to assist the private hotels.

Government was looking at a program for basic training to be provided to all operatives in the industry to instil efficiency, friendliness, cooperation and knowledge of the country.

Mr Seaga said the new advertising campaign for the industry in North America was drawing the highest commendation of the trade. He announced that the Venezuelan Government had taken a decision to run the promotional tourism advertisement free of charge to the government of Jamaica in its news media.

"It can be said, and I say this with some purposefulness, that tourism is on the upturn. The government has put its weight behind the sector with all the right inputs and the tourism sector can look forward to improved performance unless anyone has in mind sabotaging it," the prime minister said.

Speaking on credits provided for the private sector, Mr Seaga said, credit provided this year would total $280 million compared with $146.9 million last year, of which construction had received $74 million and manufacturing $96 million.

He said that sources would be the commercial bank deposits of $224 million and $62 million from the Export Development Fund.

On the interest rates, he said that tight money markets may have developed at certain points as demand outstripped available resources, but the demand and supply of funds were in balance.

Speaking on the divestment of public sector companies, Mr Seaga said several companies being negotiated for sale to the private sector were not moving as fast as some people would desire. However, he said, there were problems in preparing the accounts as several of the firms have had no financial statements for the last 3 or 4 years, and some negotiations were very complex.

Deregulation

On deregulation, he said the purpose was to shift certain domestic products into the export market and to open up the market to the consumer to provide a greater variety of items and better prices. The procedure involved selection and study of subsectors on which discussions were taking place to enable the shift to take place without dislocations.

Complaints in certain circles of shortages of funds to stimulate local buying power and to import raw materials, must be seen against the background that the economy is just now entering the phase when the funds become available to significantly assist the recovery period.

"None of this programmed assistance could have taken place a day or week earlier because of the periods of negotiation required. The economy is now poised for more significant movement in the months ahead than it has been in the past months," the prime minister said.

The consumer price index had performed in amazing fashion consistent with the turnaround in the economy, and had shown a 0.9 percent increase in the first 6 months of this year compared with a 28 percent increase for the same period last year. He said that there had been decreases in food prices and to a large extent the black market system had been "knocked away."

On the labor force figures, he said unemployment figures for April had dropped from 27.9 percent in 1980 to 26.2 percent in 1981 or from 272,000 to 263,000 across the board. There was a decrease in unemployment in every sector except mining and quarrying and public administration.

Wages

Public sector wage settlements contributed significantly to the stability, Mr Seaga said.

"Those public sector bodies not yet settled, should now look at the overall response of the economy and judge whether they propose to fit into the pattern of stability and recovery or propose to pursue self-interest only," he said.

In summary, Mr Seaga said, the outline mid-year review demonstrated that economic recovery had started. How well it succeeded depended on how much Jamaica wanted it to succeed or fail.

Mr Seaga said: "Imports are up, raw materials are up, import licenses are up, credit is up 100 percent to the private sector. The economy is showing signs of response to the economic strategy. The major indicators are moving in the right direction.

"We can keep them moving in this manner in which case economic recovery will be a reality, or we can frustrate or negate or reduce our own performance if things don't go entirely to our own selfish ends.

"And, we can talk ourselves into frustration if the pace isn't quick enough by not understanding the time necessary for implementation.

"The government on its part will continue to make the resources available for recovery on the basis that the people are ready to convert these resources into production and that we begin our 20th year of independence with this determination.

Production

"No country can expect to be fully independent if it does not place its own performance in a category to produce to enable it to have sufficient resources to mobilize its people for progress.

"To the extent that we cannot show growth, we reduce the size of our cake, the size of performance and we must continually go to someone else with an open hand begging for the difference between our cake and their cake.

"The mendacity of the past and the beggarliness of the past is not consistent with an independent people. We have two ways to choose from. Either in the 20th year of our anniversary or the 21st year when we are supposed to come of age during which in all of those cases we have a choice to determine which year we will determine whether we are going to demonstrate if we are capable once again of restoring this country to a path of growth. [Sentence as published]

"It is only on the basis of growth that the people of the country, and more so the poor who have less resources, can look to for the sharing of development to improve their standards of living. There is no other means. No system in the world, no matter what ideology, can exist on the basis of decreasing its production each year;

so reducing its production in a downward spiral until it ends up in zero position. Our undertaking is to reverse that trend.

"Some people believe that this trend should not only be reversed, but that in the 9 months of life of this government birth should be given to a new child. We have to repeat that economic recovery must cover a period of 36 months or 3 years, for the reason that we are not involved in giving birth to a new child, but we are involved in the process of reviving the dead."

CSO: 3025/1026

MANLEY WARNS AGAINST 'UNBRIDLED CONSUMERISM'

FL172242 Bridgetown CANA in English 2238 GMT 17 Aug 81

[Report by Paget Defreitas]

[Text] Kingston, Jamaica, 17 Aug (CANA)--Former Jamaican Prime Minister Michael Manley has warned the country against "unbridled consumerism" in view of the island's massive trade imbalance. In a weekend address at a Jaycees service club conference in the north coast tourist town Ocho Rios, Mr Manley also said Jamaica should shun an economic development strategy that laid the onus on foreign capital if national development here was to make singificant advances.

The opposition leader said Jamaica had an unfavorable trade balance of more than 100 million dollars (JCA dollar; 56 cents U.S.) in the first 4 months of the year. He told delegates that consumers must at times be prepared to make sacrifices for nation building, and that foreign capital should be an additional element to an economic strategy planned and implemented by Jamaicans.

The speech was an apparent criticism of the new Edward Seaga government's reliance on private foreign capital as a central piece of its economic development strategy, and the administration's commitment to deregulating imports.

Mr Manley set his argument within the context of a small country wishing to strengthen its economic base and yet preserve its independence. In outlining the fragility of the Jamaican economy, Mr Manley noted that in the first 4 months of this year the island's total exports amounted to 635 million dollars, of which the bauxite/alumina industry amounted to 494 million dollars.

"Everything else that we exported--sugar, bananas, coffee, citrus, nontraditional agriculture, manufactured goods--totalled 141 million dollars or a bare 22 percent of everything exported from Jamaica," Mr Manley said. During the same period, he added, total imports stood at 745 million dollars, with food accounting for 148.4 million.

One of the things this indicated, the ex-prime minister said, was that a 10 percent cut in the bauxite/alumina industry in the first 4 months of the year would have meant a 50 million dollar shortfall in the country's foreign exchange capability. Other exports would have had to increase by more than a third to make up for the small reduction in bauxite/alumina output. This, he said, served as a reminder of

Jamaica's slender margin of survival and illuminated the choice the country had to make, which was essentially building local production.

"I believe that the highest economic priority that this country can have as an independent, small country suffering from that kind of fragile economic base is the building of local production capability in both manufacturing and agriculture," Mr Manley said. He spoke out against any philosophy that allowed "the most superficial interests and needs and desires" of the consumer to become the dominant factor in policy. He said that this always had to be weighed against the interest of the local producer.

It was short-sighted to just look for the cheapest form whichever place before first placing this in the context of other national economic needs, the most crucial of which was "our own production," Mr Manley said. He added: "While properly demanding quality and the best prices, the consumer should understand that there is a level at which they must sometimes be prepared to make sacrifices so that the national economic base grows under appropriate protection."

On foreign capital, he said that everyone agrees on its importance to Jamaica, but noted that there was a difference between "rewarding foreign capital as that additon to your economic effort that gets you into the range of favorable development and where foreign capital becomes the dominant economic thinking." Mr Manley added: "Foreign exchange should not become the center of economic strategy. We must always seek to preserve and build the greatest degree of genuine economic independence. Foreign capital should represent an important, and even indispensable additional element to a national economic strategy which is planned by Jamaica and built with our own hands."

CSO: 3025/1026

ALUMINA COMPANY ANNOUNCES PRODUCTION CUTBACK

FL051630 Bridgetown CANA in English 1544 GMT 5 Aug 81

[Text] Kingston, Jamaica, 5 Aug (CANA)--A third alumina refining company here, Alumina Partners of Jamaica (ALPART), today announced a cutback in production because of depression in the international aluminum market. ALPART's production paring has followed similar moves last month by Alcoa and Alcan, who had said that they could not sustain existing production with the soft market.

ALPART is owned by Kaiser Aluminium and Chemical Corporations, Reynold Metals--both of which have other operations here--and Anaconda Metals. It said the cutback would reduce 1981 output by 45,000 tons.

Despite the reduction, the company said, so long as the present level of operating efficiency was maintained, overall output would reach 1.1 million tons of alumina, its highest ever. The company has a 1.2 million ton capacity, and said that under normal circumstances that figure could have been reached.

ALPART said that parent companies within recent months had been easing back on production by plants in and outside the United States. However, the decision to reduce in Jamaica had been delayed because of a desire to do everything possible to help in the island's economic recovery, as well as a reluctance to do anything to reverse the performance improvements shown by ALPART since late last year. However, the depressed aluminium market had left the companies no alternative but to opt for a reduction here. On 24 July, Alcoa began reducing production at its 500,000-ton plant by 20 percent, or 300 tons a day. Alcan said its production would be cut by 2.7 percent or 30,000 tons. This meant that the companies' output for this year would be 1.065 million tons of alumina, rather than the projected 1.095 million tons.

The bauxite mining firm, Kaiser, which last year produced a little over four million tons of the ore, said it had reduced the level of its shipments, but that had not affected mining operations. The other ore producer, Reynolds, has not yet made any announcement about its production.

CSO: 3025/1026

CENTRAL BANK RELEASES DISAPPOINTING REPORT

FL061915 Kingston DAILY GLEANER in English 1 Aug 81 p 10

[Editorial: "Economic Performance"]

[Excerpts] Summarizing the performance of the Jamaican economy over the first 5 months of 1981 the Bank of Jamaica [BOJ] concluded in its monthly review published last week that the situation was largely disappointing. In a subsequent statement yesterday the Central Bank made clear, however, that this did not mean that the economic recovery program is not working. It said the first 5 months involved only 2 months of the 3-year recovery period.

Performance thus far appears to have been affected by poor output in the major productive sectors.

Listing certain commodities, used to compute the performance index, the Central Bank has shown that while cement and steel production registered increased output of 30 percent and 2 percent respectively in the first 5 months to May compared with the same period in 1980, and bauxite-alumina has maintained its pattern of rising output, in general the level of output was far from encouraging. In sugar the level of production fell short of the 1980 performance by 18.6 percent, while banana exports as expected, showed a most dramatic fall of 95 percent because of last year's hurricane damage.

In the balance-of-payments there was a substantial reversal from an overall surplus of U.S.$52.8 million in the first 4 months of 1980 to a deficit of U.S.$98.6 million in the comparable 1981 period, attributable largely to a worsening in the balance of trade. In the first 4 months of this year the value of exports increased by 20.6 percent while imports rose by 30.4 percent, so that the surplus in visible trade needed to improve the country's balance-of-payments deficit has not been forthcoming. The export sector, if anything, appeared to have weakened further in volume terms in the 5 months to May. On the import side, the government has had to relax the controls so as to help ease the critical shortage in basic supplies as well as in capital goods.

The BOJ's latest statement has pointed to indicators of positive trends in the right direction. Among them: total exports during the first 5 months of 1981 have grown by 9.3 percent compared with the similar period last year; credit to the private sector is running ahead of projections; and the rate of inflation has fallen from 28 percent last year to 0.7 percent in the first 5 months this year.

The overall situation while still serious is not as bleak as has been suggested.

CSO: 3025/1026

BRIEFS

DROP IN UNEMPLOYMENT RATE--Kingston, Jamaica, 6 Aug (CANA)--Jamaica's unemployment rate in April was 26.2 percent, a 1.7 percent drop on the rate for the same period in 1980, Prime Minister Seaga disclosed in Parliament last night. According to the prime minister, the number of jobless in April stood at 263,000 against 270,000 a year previously. Mr Seaga said that there was a decrease in every sector of the economy, except mining and quarrying and the public administration. Mr Seaga gave no reasons for the position in these sectors. However, the bulk of the mining sector is covered by the big bauxite/alumina industry which employs about one percent of the work force--a figure that varies little. It is believed that the government's policy of pulling the reigns on public sector hirings as part of its economic recovery program with the International Monetary Fund (IMF) was the cause of the program in that area. [as received] [Text] [FL061857 Bridgetown CANA in English 1709 GMT 6 Aug 81]

INCREASED BAUXITE, ALUMINA EXPORTS--Preliminary figures for Jamaica's bauxite and alumina exports for the first 6 months of this year were ahead of the first half of 1980, despite some fall-off in second quarter performance, the Jamaica Bauxite Institute says. Bauxite exported and processed locally amounted to 2.9 million tons in the second quarter as against 3.1 million tons in the first quarter of this year. The 6-month figure, however, was 6.1 million tons, a 6.3 percent increase over the 5.7 million tons recorded for January to June last year. Exports of unprocessed bauxite in the second quarter fell 15.3 percent to 1.3 million tons from 1.6 million tons in the first quarter of this year. However, the total of 2.97 million tons recorded for the first half was slightly better than the 2.96 million tons exported in the first half of 1980. Alumina exports were up 2.8 percent in the second quarter to 652,382 tons from 634,629 tons in the first quarter of this year. For the 6-month period, alumina exports were almost 1.3 million tons, 11.4 percent better than the 1.1 million tons in the comparable period of last year. [Excerpt] [FL121553 Kingston DAILY GLEANER in English 7 Aug 81 p 1]

AGREEMENTS WITH CANADA, JAPAN--Kingston, Jamaica, 15 Aug (CANA)--Jamaica has signed three balance of payment support agreements with Canada and Japan for approximately 38.8 million dollars (J), the government has announced. Two of the agreements are with Canada--one for 14.5 million dollars (CAN 10 million) to purchase agricultural equipment and other materials from [that] country to boost the local farming sector, and the other for 6.5 million dollars (CAN 4.5) to buy Canadian fish products. A government statement said that the first loan was free of interest and other service charges. It is to be repaid over 40 years after a 10-year grace period. The smaller loan carries a 5 percent interest and will be repaid over 15 years after a 5-year grace period. The loan from Japan is for 17.8 million dollars (2.1 billion yen) and is mainly for raw materials and capital goods. The Japanese loan is at .25 percent interest annually over 18 years. [Text] [FL151555 Bridgetown CANA in English 1543 GMT 15 Aug 81]

CSO: 3025/1025

DEMOCRATIC CONSERVATIVE LEADER SAYS FORUM 'DEAD'

PA062331 Managua LA PRENSA in Spanish 3 Aug 81 p 7

[Text] Dr Clemente Guido, coordinator of the Democratic Conservative Party [PCD], yesterday morning said that the national forum is dead and the political parties participating in it are trying to mummify it.

He then added: "The forum was stabbed to death on 19 July at the 19 July Plaza."

Guido said that the country's political situation after the decrees and laws of 19 July will be analyzed by the meeting of the plenum of the party which meets every Thursday. He noted that only the laws and decrees that appeared in THE GAZETTE and those which may serve as a basis for the analysis will be studied at this meeting.

We will issue a communique concerning this, Dr Guido said. It will be a thorough analysis because it will be based on legal documents.

Asked what he thought about the national forum, Guido said:

"I do not think the forum is at this time dying but dead and it is only apparently alive because certain political leaders are mummifying it."

"And they are mummifying it even against the decision or the opinion of the rank and file of those parties who do not agree with participating in the forum.

"I think that the forum was stabbed to death or received the coup de grace with Commander Daniel Ortega's speech when he said that the rules of the game had just been issued by the revolution."

"These same decrees announced on 19 July contain at least eight violations of the famous minimum points of concurrence. Therefore, if there are violations to these points of concurrence from the very beginning what can be expected for the future?"

"Consequently, I don't think there is much to be discussed about this."

Guido continued: "If the delegates of the political parties continue participating in the forum, they are going to have problems in explaining their participation to their own rank and file and in being totally discredited by the public which has all but buried the forum while the leaders have not abandoned it."

When Guido was told that Commander Carlos Nunez had told the government media that if the leaders of the so-called democratic parties left the forum they would liquidate themselves politically, he made the following analysis:

"Well, that would represent political blackmail which I don't think Commander Nunez can engage in in his capacity as a serious politician.

"Nobody can be forced to remain in a forum, discussion or conversation. And if that was the statement by a top commander of the Sandinist National Liberation Front, then that sounds like blackmail.

"I do not think that the political parties that are participating in the forum should let themselves be blackmailed in that way. I don't think that the commanders of the revolution should continue to try to keep by force those who should not be in the forum.

"It seems to me that logical reasons should be found and not threats. What is being agreed upon at the forum should be implemented so that the presence of the parties in the forum can be justified."

The PCD leader was reminded of the three alternatives that Commander Bayardo Arce announced before the forum, one of which was using the peoples' force. Regarding this he said:

"I remember those three alternatives, but we would be following the third one if no agreement was reached as Bayardo said. This would imply that a repression or a hardline would be followed by those who think within Sandinism that a tough totalitarian regime should be established here or perhaps what was announced as the third stage: the struggle among the mobs."

"But it so happens that the parties, particularly the PCD, do not have mobs but people and we do not want to accept a civil war.

"The PCD is essentially civil-minded and we are determined to break that tragic cycle in Nicaragua in which people reach power through bullets and are ousted through bullets too and in which only the armed political parties reach power. We do not want to fall into the trap of a civil war."

Regarding the fact that they may persecute us, Guido said, this is already happening to us.

"Our rank and file is being persecuted just as is Vicente Rappaccioli whose office in Diriamba is being dismantled. We have the cases of Jose Max Solis, a lady in Diriamba whose last name is Baez and a PCD youth in Boaco who was imprisoned and mistreated in jail.

"We have the cases of the men in barrios San Judas and Altagracia in Managua, PCD members who were arrested and released through habeas corpus presented by Dr Enrique Sotelo Borgen."

"It is clear and it has been proven that a persecution against our party is underway and it could increase in the future if the forum breaks up.

"However, we understand that those who are participating in the forum will not stay in it because of fear; that would be even worse because a political leader should not be a coward."

CSO: 3010/1709

ARCE SCORES 'AGGRESSIVE,' 'SLANDEROUS' U.S. POLICY

PA102300 Managua Radio Sandino in Spanish 1800 GMT 10 Aug 81

[Text] Bayardo Arce, coordinator of the political committee of the Sandinist National Liberation Front's National Directorate, has charged that the present U.S. administration is implementing an aggressive policy toward the Nicaraguan revolution. According to him, U.S. imperialism is doing everything possible to destabilize Nicaragua's economy and is encouraging through every means provocative actions by the counterrevolutionary forces, both here and abroad.

Arce added that the United States is also conducting a campaign of lies and slander against Nicaragua's revolutionary process in order to discredit the people's revolution and undermine our country's prestige.

In view of this complicated situation, Arce said, measures are being taken to confront the pressure exerted by imperialism and reaction. He explained that the country's international ties are being expanded and that the Nicaraguan people are being prepared politically, ideologically and militarily to reject any act of aggression.

The Nicaraguan leader stressed that in carrying out its plans, Washington trusts first of all the former members of the Somozist national guard who sought refuge in the United States and then certain Central American countries, as well as in other countries whose regimes are hostile to the Nicaraguan revolution. He added that the United States does not exclude direct armed intervention either.

Arce indicated that in these difficult times, the disinterested aid given to Nicaragua by the socialist countries acquires great importance.

CSO: 3010/1709

CDS MILITANTS DEMAND CLOSING OF 'LA PRENSA'

PAC52224 Managua Sistema Sandinista Television Network in Spanish 0200 GMT 5 Aug 81

[Text] Our people insist on demanding that the newspaper of the minorities be closed and confiscated. This afternoon, demonstrators belonging to Sandinist Defense Committees [CDS] marched through various parts of this capital demanding the closing and confiscation of the daily LA PRENSA.

This is the result of the anger of our people because of the continuous slander and provocations of the newspaper of infamy. The anger over the latest such action, the insult to the memory of Commander in Chief Carlos Fonseca, has not cooled down. The demonstration went to the Communications Media Office of the Interior Ministry. Companero Denis Rodriguez spoke there:

[Begin recording] We will not permit more attacks and the continuation of ideological diversion in our country. We will not permit our revolution to continue to be discredited internationally. This is the revolution of the workers, of the peasants.

Therefore, companeros, we are here today to urge companera Michelle Najlis to adopt a more firm, a more appropriate position and to completely close LA PRENSA. [People shout: "Close it, close it!"] [End recording]

Companera Michelle Najlis, director of the Communications Media Office of the Interior Ministry, explaining why the penalty on LA PRENSA has been so light, said:

[Begin recording] In acting this way, our intention was, first to punish the disrespectful action, but also to do it in such a way that our measure could not serve as a pretext for imperialism to isolate our popular Sandinist revolution from our friends and allies in the world, because the popular Sandinist revolution does have allies and friends in the whole world. Free fatherland, or death. [End recording]

Later the demonstrators went inside the Interior Ministry where they left several copies of the rightist newspaper and restated their demands.

CSO: 3010/1709

PRESIDENT PROMISES TO CONTINUE TORRIJOS' WORK

PA161850 Panama City LA ESTRELLA DE PANAMA in Spanish 16 Aug 81 pp 1, A-14

[Text] Panama City (DPA)--President Aristides Royo has stated that Panama's priority number one at this moment is the exploitation of copper. He said that this is a goal of his government.

Royo spoke with DPA in his office in the presidential palace. He said that an analysis will be made to determine which factors are for and which against the exploitation of the Cerro Colorado mine.

The president discussed the work of his administration and said that in the 3 years he has left as president, he is determined to continue the work inspired by Gen Omar Torrijos, who died two weeks ago in an airplane accident.

Omar Torrijos inspires my government actions, said Royo. Then, he emphatically stated: "We are Torrijistes. His legacy is our banner and we will continue on Torrijos' path. [Quotation mark as published]

The 42-year-old Panamanian president said that the constitution does not allow his reelection. He said that in the 1984 elections, Panamanians will freely elect their government.

Royo noted the pluralism that exists in Panama, which has parties of various tendencies. These parties include the Democratic Revolutionary Party, which has its inspiration in Torrijism, the Christian Democratic, the Liberal, and others.

The Panamanian president said that in Panama there is agreement on the path the country has taken and complete accord between his government and the national guard. He noted that on Wednesday there will be a special ceremony during which the new national guard commander, Col Florencio Florez, will be officially presented as such.

The president said that, in line with Omar Torrijos' philosophy, the country will continue struggling for the well-being of the majority.

Regarding fears that as a result of a weakening in the government because of Torrijos' death, there could be violations of the Torrijos-Carter Panama Canal treaties, President Royo said: We are alert. He recalled that the United States has already violated an agreement with Panama.

I am referring, he said, to the contract to finish the Panamerican highway in the Tapon del Darien area. Panama has completed its portion and the United States is committed to complete two-thirds of the portion that remains to be construction in Darien, but it is not doing it.

Regarding trips abroad, Royo discarded the idea of leaving the country in the near future. Regarding the condolences received from all parts of the world in connection with Torrijos' death, Royo said that this is evidence of the love that Latin America, especially, and the world in general, felt for the late general.

CSO: 3010/1708

ROYO SPEAKS TO LEGISLATORS ON NATIONAL UNITY

PA131920 Panama City Domestic Service in Spanish 1700 GMT 13 Aug 81

[Text] At a meeting held yesterday at the presidential palace, President Aristides Royo told the National Legislation Council that unity is the greatest homage to General Torrijos' memory. He said we must work united for the sake of progress. He told the legislators, who were headed by their president, Luis de Leon Arias, that the feeling of unity already exists, and that the general staff of the national guard has expressed its unity and support.

President Royo said that the people and government have a commitment with General Torrijos. This commitment is to keep alive the flame of popular power because it is an authentic Torrijist expression converted into a government and representative organization. He said that the commitment we have with Torrijos is not to allow our conquests to be taken away from us, and not to allow any alteration or change in the constitutional and juridical order, which you have to defend, as do I, in my position of president of the republic.

The president stressed to the members of the National Legislation Council that we have to strengthen the unity between you and ourselves. He said that we have a commitment with the leader of our process who is not physically here with us, but who spiritually planned the paths which we have to follow.

Meanwhile, Luis de Leon Arias, president of the National Legislation Council, said that the forces which make up the popular power, are the forces of the president, and they will guarantee the continuity of the revolutionary process. Furthermore, he said, we are going to strive from now on to have the revolutionary process be the doctrine of all the country's popular forces.

De Leon Arias said that with General Torrijos' death, the president must assume all responsibility because it is up to him to play Torrijos' role in his domestic tours. He told President Royo: We are aware of the support you deserve, and the support needed for your government to continue to guarantee the stabilization of the revolutionary process with its continuity.

CSO: 3010/1708

CANAL COMMISSION MEMBER SURVEYS DISCUSSIONS

PA180340 Panama City Televisora Nacional in Spanish 2245 GMT 17 Aug 81

[Text] The Panama Canal Commission [PCC] board of directors and committees began a series of meetings this afternoon. Tomas Paredes, Panamanian representative to the canal commission, will summarize the agenda of these meetings:

[Begin recording] The members of the board of directors began the sessions with the committees which are part of the board of directors--the personnel, finance and budget and long range canal improvements committees. This afternoon we started with the personnel committee, followed by the finance and budget committee in which we will make an exhaustive analysis of the budget for the 1982-83 fiscal year, and we will end with the long range canal improvements committee, where Panama will submit some alternatives to a series of problems affecting the canal's capacity. On Wednesday we will begin the formal sessions of the board of directors, which will end at Thursday noon.

[Question] Could you expand a little more on the alternatives that Panama is going to submit regarding the canal operation?

[Answer] Yes, we have made a deep analysis of the bottlenecks affecting the Panama Canal. We have analyzed operative and maintenance problems and we are submitting to the board of directors some proposals we think should be considered for the investment and improvement plan of the canal for the next 5 years.

[Question] What are these proposals?

[Answer] There are very specific proposals which are obtained from the revision of documents and studies carried out by the canal commission, only this time we are focusing on them from the national viewpoint and what is best for our country. We hope we can discuss it at a technical level with the members of the board of directors.

[Question] Are you authorized to disclose what these proposals are?

[Answer] Basically there are four or five projects, from broadening Culebra cut to broadening the entrances to the canal on both ends--on the Pacific and the Atlantic. There are other projects which at this moment I do not remember.

[Question] Is Panama going to present a definite position with regard to the violations of the Torrijos-Carter treaties which Panama has repeatedly complained about?

[Answer] Definitely. In this respect, we are going to reiterate all the complaints we have been repeating since the board of directors was appointed, and I believe that on this occasion we are going to reach some understanding on some of the problems.

[Question] What are the most important issues?

[Answer] Obviously, the most important are the wage system applied by the canal commission, and labor relations. [end recording]

Nevertheless, there are at least five specific issues which directly affect Panama and the Panamanians and which will be discussed during these series of meetings which will last until Thursday. These issues are, among others: elimination of the base wage for the Panama Canal area which discriminates against Panamanian citizens employed after 1 October 1979 and which currently affects over 1,500 workers. This base wage represents for the Panamanian economy a loss of $1.8 billion for the duration of the treaty. There is also the elimination of sensitive positions, discriminating against Panamanian workers.

During these 4 days of sessions, they will also discuss payment to the Social Security Fund and the complementary fee that the boss must pay the workers, which is known as the 13th month portion. The members of the joint commission will also discuss the problem of the tax factor return to Panamanian employees which was illegally decreed by the commission during the first year of the treaty, and the fifth issue to discuss is the delay in the appointment of a Panamanian newsman as director of the Canal Commission Information Office.

CSO: 3010/1708

COLUMNIST MAKES PROPOSALS TO CANAL COMMISSION

PA142340 Panama City MATUTINO in Spanish 14 Aug 81 pp 4-A, 8-A

[Article by Luis Restrepo Rosas: "The Time Has Come, Mr President!"]

[Excerpts] The board of directors of the Panama Canal Commission [PCC] will meet on Monday, 17 August, after a lengthy and ill-intentioned recess. This meeting has raised expectations concerning what position the national government will take through the four Panamanian representatives on that board, in the face of the canal treaty violations and arbitrary administrative activities of the commission administrator, who is a U.S. citizen.

Regarding this, in a letter from Panamanian President Dr Aristides Royo to then-U.S. President Jimmy Carter on 8 January 1980, the Panamanian Government announced its rejection of law 96-70, "because it denies the important advances made under the treaty."

The Panamanian representatives, therefore, must act as if law 96-70 did not exist. Consequently, they must make proposals and suggest resolutions appropriate to the board of directors, the leading directive body, of a commercial enterprise--the PCC.

Among other things, the Panamanian representatives must propose the following:

1. Uniform and nondiscriminatory implementation of the terms and conditions of employment, including compensation, for all PCC employees and workers, regardless of the date they were hired.

2. Inclusion in the commission's operational budget for the next fiscal period of the funds not paid to employees who began work after 1 October 1979. Their compensation was estimated on the basis of a Panama-area wage scale which the commission's board of directors has not yet approved.

3. Adoption by the PCC of the terms and conditions of employment that were in effect for PCC employees and workers on 30 September 1979, which should be maintained for the duration of the treaty.

4. That the rules that regulate labor relations and collective contracts be submitted to the unions for consultation.

5. The return to Panamanian workers of the sums legally retained by the commission in the form of a "tax factor."

6. The return to Panamanian workers of sums illegally retained by the commission as a complementary social security fund quota, which the law identifies as "the second installment of the 13th month" [annual bonus] and charges to the employer.

7. Payment of a cost of living readjustment to those Panamanian employees affected in order to compensate for the cost of living increase to which they were subjected when they lost the privileges that they enjoyed before implementation of the Panama Canal treaty. This payment should be retroactive to 1 October 1979.

8. That the commission administration be reprimanded for arbitrarily and illegally creating restrictions on the employment of Panamanians by means of the so-called "security positions."

9. That the administrator be reprimanded for his complicity in the illegal activities that the U.S. Government agency known as the "Federal Labor Relations Authority" has carried out on Panamanian territory.

10. Immediate appointment of a Panamanian as chief of the public affairs office.

11. That the administration be asked to adopt severe disciplinary measures against Mrs Willie Friar, Vicky Boatwright and their accomplices for their acts of aggression and insubordination against Panamanian journalist Luis Carlos Noli.

12. That the administration be asked to implement severe disciplinary measures against any U.S. official who conspires against Panamanian employees or hinders their work, recruitment or promotion, or who through his actions or omissions hinders rigorous implementation of the treaty.

13. Opposition to any personnel reduction that might adversely affect Panamanian employees or eliminate positions that might be occupied by Panamanians.

14. That PCC training programs be exclusively for Panamanians.

15. That an order be issued that the rulings made in Panamanian courts and tribunals regarding the deductions to be made, for whatever reason, from the salaries of PCC employees be abided with.

16. Opposition to any spending by the commission that is not directly related to the functioning and maintenance of the canal. The United States must finance all expenses incurred by the U.S. community that works for the PCC.

17. That there be opposition to the idea of charging as operational expenses sums that neither correspond to the functioning or maintenance of the canal nor are contemplated in the treaty, such as an alleged "sum not recovered from the initial investment" or amortization of the early retirement of employees of the former Panama Canal Company-Panama Canal Government.

CSO: 3010/1708

EXPECTATIONS REGARDING CANAL BOARD MEETING REPORTED

PA160342 Panama City CRITICA in Spanish 15 Aug 81 p 4

[Text] The board of directors of the Panama Canal Commission [PCC] will hold its first period of sessions on Monday amid expectation regarding the indications that the U.S. delegation may give, which could set the tone for future relations between Panama and the United States because of the canal treaty.

This first period of sessions under the Reagan Administration will be presided over by William Gianelli, recently appointed assistant secretary of the army for civilian projects. Gianelli replaces Michael Blumenfeld as chairman of the board of directors.

The last meeting of the board left very important matters pending, such as the Panamanian demand for elimination of the discriminatory double salary scale which has been in effect in the canal commission since 1 October 1979 when the canal treaties went into effect; the deduction of the second installment of the 13th month [bonus payment]; and the return of the amount withheld by the commission due to application of the so-called "tax factor."

Panama has charged that application of the double salary scale represents a savings to the United States at the expense of Panamanian employees who were hired after 1 October 1979. This savings amounts to approximately 2 billion balboas up to the year 2000 and a loss for the Panamanian economy of 4 billion balboas, taking into consideration the multiplying factor of the amount that is not entering the country's economy.

Panama has also been demanding that the commission as well as the U.S. Armed Forces in the country abide by Panamanian law on the second installment of the 13th month, that should be paid to the Social Security Institute. According to Panamanian law, this installment should be paid by the employer, but the commission and the armed forces have been deducting it from the employees.

Law 96-70 on implementation of the canal treaty limits the functions of the board of directors to that of "supervising" canal operations, contradicting the canal treaty, which gives it a more important role in the definition of the policies of the commission. Panama has denounced this law as a violation of the treaty, among other things because it limits the functions of the board of directors.

According to observers, since the law on implementation of the treaty must be reviewed this year, and since President Ronald Reagan must carry out the treaties in accordance with their content, the meetings that begin on Monday are a point of reference to see if Reagan is truly thinking about honoring the treaties.

In addition, the arrival of Jeanne Kirkpatrick, U.S. Ambassador to the United Nations, has been announced for next week. She recently stated that the Reagan Administration will abide by the canal treaties faithfully.

Meanwhile, it has been suggested locally that the Panamanian respresentatives to the canal commission board of directors ignore the clauses of law 96-70 which violate the treaty and promote actions in the board aimed at compliance with the commitments signed between Panama and the United States.

Two points awaiting decision are labor and personnel policies, which must be designed to accord with the canal treaties. The board meeting will probably conclude on Wednesday, and Gianelli will return to the United States the following day.

CSO: 3010/1708

UNITY STRESSED AS PRD SEMINAR OPENS IN PENONOME

PA072200 [Editorial Report] Panama City Domestic Service in Spanish at 1505 GMT on 7 August 1981 transmits live from Penonome, Cocle Province, the opening of a political training seminar of the ruling Democratic Revolutionary Party, PRD, which is one seminar of a number being held in each province "to prepare the party for the election of its permanent provincial boards in December."

Speakers at the ceremony are, among others, Ernesto Perez Balladares, planning and economic policy minister, and PRD Secretary General Gerardo Gonzalez. In an 8-minute speech that begins at 1511 GMT, Perez states that our party is functional because the development of its organization allows clear consultation at all levels." He adds that "as repositories of and legitimate heirs to General Torrijos' political and revolutionary ideology, it behooves us to strengthen the organs of people's power he conceived of in order to allow each community to elect a natural leader to outline its problems and to suggest the most adequate solutions." He underscores that "we must devote a substantial part of our efforts to making certain that there will be adequate and permanent means of communication between the rank and file supporting our government and our process; that is, among our party, the organs of people's power and the national guard."

Gonzalez begins speaking at 1519 GMT immediately after Perez. He stresses that the seminar has been organized to comply with Torrijos' directive about communication stressing that when doubts begin the unity of a team begins to collapse. "I do not mean that there are no differences among us," but communication precludes the possibility that our team become divided, he says. His speech concludes at 1529 GMT and live coverage ends immediately thereafter.

CSO: 3010/1708

BRIEFS

CHRISTIAN UNION COMMUNIQUE--The Christian Union [Union Cristiana], a group affiliated with the Popular Broad Front Party [FRAMPO], has issued a communique noting that "in view of recent events, the Christian Union has decided to break this affiliation to study what path to take." Members of FRAMPO's Christian Union suggest that sympathizers publicly struggle for Christian socialism and study the possibility of calling for a constituent assembly which would democratize the Assembly of Corregimiento Representatives. The Christian Union asks the national guard to invoke article 2 of the constitution to create a Supreme Council of the Revolution that would be composed of all the officers and would draft the strategies for the revolutionary process. The communique was signed by Arturo Llovell, secretary general of the Christian Union. [Text] [PY161908 Panama City LA PRENSA in Spanish 12 Aug 81 p 8C]

PDP OFFICIALLY RECOGNIZED--At 1100 today the Electoral Tribunal presented the People's Party [PDP] with a resolution in which it is officially recognized as a political party duly registered in accordance with the legal provisions that are currently in effect. Electoral Tribunal Resolution No 570 of 11 August 1981 was signed by magistrates Luis Carlos Noriega Hurtado, president; Dr Arturo Morgan Morales, vice president; Dr Rolando Murgas, vice president; and secretary general Dr Everardo E. Tomlinson Hernandez. The PDP, or Communist Party, registered more than 35,000 members when the quota is just 30,000. Ruben Dario Souza is the party's legal representative. [Text] [PA150436 Panama City LA REPUBLICA in Spanish 13 Aug 81 p 32]

AIRPORT RENAMED FOR TORRIJOS--Duman Torrijos, speaking yesterday for the family of the late Panamanian leader at the ceremony in which the national government officially changed the airport's name to Gen Omar Torrijos International Airport, said: "My father welcomed with great love and interest the development of modern aviation technology. He wanted us to have an airport with the most modern facilities to accommodate big airplanes, an airport of which all Panamanians would be proud." Mrs Raquel P. de Torrijos, Government and Justice Minister Jorge Ritter, Lt Pedro C. Ayala, Maj Alberto Purcell, Capt John Bennett, and prominent representatives in the fields of civil and military aviation were present at the simple but meaningful ceremony. Government and Justice Minister Jorge Ritter handed Capt John Bennett, general director of civil aeronautics, the law decree No 125 of 10 August 1981 whereby the president, Dr Aristides Royo, decrees that the new airport be called "Maj Gen Omar Torrijos Herrera International Airport" to honor the memory and accomplishments of this Panamanian citizen who did so much for national and international aviation. [Excerpt] [PA122330 Panama City MATUTINO in Spanish 12 Aug 81 p 8 A]

CSO: 3010/1708

FEBRERISTA LEADER ASSESSES DRAFT ELECTORAL LAW

PY180026 Asuncion LA TRIBUNA in Spanish 22 Jul 81 p 2

[Text] "This bill to reform the electoral law is a trap being set by officialdom against the Febrerista Party [PRF] specifically. I say this because the bill has points which exclusively concern the PRF," Manuel Rivarola, member of the PRF Executive Committee, remarked in commeting on the amendments to be made to Law 600 (the electoral statute).

The bill to amend the electoral law was prepared by the Colorado Party Senate bloc. This document is now being studied by the Political Committee of the National Republican Association and it should soon be submitted to the Chamber of Deputies for discussion by the appropriate committee.

Rivarola added: "This bill prepared by the Colorados to amend the existing electoral law bans relations of political parties with international organizations, and the PRF is the only political party which maintains relations with the Socialist International. This indicates that this ban refers to the PRF directly and makes me think that the bill is against the Febreristas."

The PRF leader later said that "another point in this electoral bill which we consider even more important forbids coalitions of parties to participate in elections.

"As is known, the PRF is the only political group participating in the national accord which has a legal status, and such a prohibition is directly intended to remove from the accord the legal support provided by the PRF as a party registered with the Central Electoral Board."

Rivarola also noted that "another point that concerns the PRF bans blank votes. As the public knows, the PRF has participated in elections held during the last 10 years without candidates of its own.

"We have adopted this measure due to the lack of guarantees for the free will of the people in casting their votes, considering that the people should be the only judges in electoral disputes. As long as these conditions exist, the PRF will continue to adhere to the position it has maintained in recent years, that is, to participate in elections without presenting candidates."

Rivarola then stated that "in view of the points mentioned, we can assert that the bill to amend the electoral law is totally antidemocratic and intended to inflict a death blow to the legal possibilities of the PRF.

"The PRF has already defined its position regarding this bill and is now planning to hold conferences, round tables and panels to discuss the issues."

CSO: 3010/1713

PEREZ ESQUIVEL INTERVIEW WITH 'ABC COLOR'

PY140009 Asuncion ABC COLOR in Spanish 9 Aug 81 p 9

[Text] Adolfo Perez Esquivel, 1980 Nobel Peace Prize winner, has told this newspaper that he had no intention to make any kind of statement on our country's internal situation and that he would have liked to meet with government officials. He stated that the message that he wanted to deliver to the Paraguayan people and government advocated peace and brotherhood among the American peoples.

Following is the telephone conversation we held with Mr Perez Esquivel from Buenos Aires:

[Question] What really happened regarding your trip to Paraguay?

[Answer] "Simply that I had received an invitation to visit Paraguay long ago. When everything was ready, the day before my departure Paraguayan Embassy officials Bernardo Galeano and Palacios Y Palacios called on me to tell me that it would not be convenient for me to visit Paraguay. They gave no specific explanation.

They just said that there might be groups that could cause difficulties, but they did not give me a more specific or cinvincing reason. I then answered that such a thing was not a valid argument or motive for me not to travel to Paraguay. Thus, since it was not the case of a prohibition, or similar measure, I decided to travel in order to comply with the commitments that I had to the people in Paraguay.

The Aerolineas Argentinas plane, he continued, left here 3 hours late and we had a stopover at Puerto Yguazu. Halfway between Puerto Yguazu and Asuncion the aircraft commander received a call from the Asuncion airport stating that the plane would not be allowed to land because I was travelling on it. So the plane had to return to Puerto Yguazu.

It is regrettable that the Paraguayan Government has acted this way: First because I had made it quite clear to the Paraguayan officials that I had no intention to make any kind of statement on Paraguay's internal situation. I was just going to give a lecture as a guest and to get in touch with the church and other social service organizations.

[Question] Why do you think the Paraguayan Government did not allow you to enter the country?

[Answer] I don't know. That question should be addressed to the Paraguayan Government. The Paraguayan officials gave me no reasons. I asked them whether the trouble involved myself and they said no. They only said I might find hostile groups.

[Question] Didn't Argentine officials warn you not to come to Paraguay?

[Answer] No, not at all. They behaved very correctly. As you probably know, the Argentine Foreign Ministry has submitted a strong protest to the Paraguayan Embassy for thwarting the landing of a normal commercial flight, since that measure breaks international agreeements.

[Question] What was the reason for the plane's delay?

[Answer] Well, according to the information furnished at the airport, it was because of the weather.

[Question] Were you thoroughly searched before leaving for Paraguay?

[Answer] No, by no means. On the contrary, the officials made everything easy for me so that I could travel. I had no difficulties.

[Question] Are you thinking of trying to make another trip to Paraguay?

[Answer] We will see what happens later. Right now I am waiting for further information to see whether it will be possible to make that trip. Apparently the Paraguayan authorities do not want us to learn about the human rights situation in that country, and they decided to prevent not only my arrival, but also the arrival of all the other passengers.

[Question] Did the "Peace and Justice Service" issue any statement on this case?

[Answer] Sure, the Peace and Justice Service has issued a communique protesting against the Paraguayan Government's attitude, which breaks international agreements that have been signed by the two countries. This statement was released yesterday to all national and international media. Naturally, this is an event that will have deep international repercussions because the good relations between two countries have been disturbed, and because an international agreement has been broken by the mere fact of preventing the trip that was to be made by a person whose only intention was to share some time with the Paraguayan people.

CSO: 3010/1713

DAILY ON BARRING OF PEREZ ESQUIVEL

PY172215 Asuncion ABC COLOR in Spanish 8 Aug 81 p 12

[Editorial: "Unjustifiable Measures"

[Text] The visit that 1980 Nobel Peace Prize winner Adolfo Perez Esquivel was to make to our capital could not take place, because the plane on which he was traveling was not permitted to land at the local airport.

Although no official explanation has been given on the measure, there is no doubt that this measure was taken to block Perez Esquivel's arrival, since permission to land was granted to another plane on which Brazilian Father Almiro Andrada, a member of the Peace and Justice Movement to which Perez Esquivel also belongs, was traveling. The Brazilian priest was, however, immediately returned to his country.

It is hard to find explanations, and it is even harder to find justification for this kind of measure.

Although the activities of Mr Perez Esquivel have been criticized by the Argentine Government, what is known of his ideas against violence and in support of human rights in no way justifies considering him an element potentially dangerous to the public order, no matter how coarse an idea of public order one may have.

Consequently, the grievous measure on which we are commenting can only be thought to have been based on mere circumstantial political reasons rather than on fundamental reasons. Mr Perez Esquivel had been invited by the Commission for the Defense of Human Rights, which is known to be disliked by the Paraguayan Government.

This, of course, does not justify the above measure, which is obviously aimed at silencing debate, in disregard of the letter and spirit of our democratic republican institutions.

This measure will also have international repercussions, besides those that it has already brought about in Argentina, which has submitted a protest against the refusal to permit the aircraft to land.

The procedure followed in this case stands as an unforgivable mistake which infringed upon the rights of other passengers whose entry into Paraguay was not subject to any restriction.

CSO: 3010/1713

OPPOSITION SEEN AS DOMINATED BY COMMUNISTS

PY062020 Lima EXPRESO in Spanish 13 Jul 81 p 19

[Article by Julio Garrido Huaynate]

[Text] On the eve of the closing of the civil regime's first year, the time has come to make an evaluation of the parties, of their function under our legal structure and of their projections in the country's political spectrum.

It is unquestionable that the overwhelming majority that emerged from the general elections held last year meant that the recently born government would be composed by a majority from the Popular Action Party [AP]. The offer made to other political sectors to share responsibilities in the new cabinet and at decision-making levels in the administration elicited an answer only from the Popular Christian Party [PPC].

Twelve years of military government had displaced civilians, the civilian politicians, to second and third category positions, and even to plain lobbying status. The intention to form a government of civilian unity was then, in a way, understandable. Let us welcome, though from a distance, the contents of this proposal with the good will of a democratic believer. The behavior of the APRA [American Revolutionary Popular Alliance] militants has undoubtedly been inappropriate, to say the least, not because they rejected the cabinet-posts that were being offered, but because their rejection is based on a personal decision, which was supported by PAP (Aprista Party of Peru) due to campaigning inertia and also not without a bit of thoughtless bitterness. All of us recall that the rejection was made after Villanueva's answer which was then endorsed by a plenum.

Bedoya's PPC "consulted" with its organizations and decided to participate in the government under the terms that are known. What is left of the two communist sectors, still under the effect of their electoral defeat, outlined the idea of a front that, after rejecting the president's request, tried to show political unity, without much hiding of their internal contradictions.

The last municipal elections have shown a somewhat decreased support for the AP and some increase in the support for the PPC in Lima. They have also confirmed APRA's electoral disaster that took place in the presidential elections and the consequent worsening of APRA's internal crisis with its corresponding two headed situation and the threat of divisions.

AP's internal problems, although at times under control, give rise to predictions of confrontations which are hard to hide. The political wearing down of the regime that some observers dramatize seems to be, in large measure, due to the inherited burden.

Certain zigzagging in the handling of the economic and financial aspects, caused by political pressure, can cause weakness in the measures taken in that field.

In appearance the PPC participates in the government, but in fact it does not seem to meet its responsibilities stemming from its commitment to the alliance. At least, this is the appearance that the PPC is really trying to demonstrate.

Given APRA's full retreat after two subsequent defeats and based on what they have done so far, APRA can not be considered as an alternative for power, as a really fruitful and concrete opposition that could serve as the tangible counterweight and become an alternative for governing that is involved in the democratic game.

The communists, who emerged stronger from the last municipal elections, seem to be the only presently operating, clear-cut opposition. For the purpose of this analysis their domestic problems and whether their position is feasible are unimportant matters. They have learned May's lesson and today they have even turned into true interlocutors with whom the regime must get in touch and at least listen to their concerns and claims, however unreal and exotic they may be.

It is still to be known whether the PPC will decide to follow its own definite course, and whether the APRA will stop entangling itself in the unsolvable game of individualism that had spoiled its chance to become an alternative for power which, in case of failure by the present government, could afford a solution. Besides, APRA is the only movement that is able to oppose the communists.

The communists' unity--precarious, stuck together with chewing gum and spit and suffering from all limitations common to fronts--thus emerges as the master of an opposition which has surrendered to communists, who have started using palace language as they did when they were the "military fan club" lobbyists.

CSO: 3010/1696

MINERS, BANK WORKERS ON STRIKE

PY171913 Buenos Aires LATIN in Spanish 1759 GMT 17 Aug 81

[Report by Kevin Dunn]

[Excerpts] Lima, 17 Aug (LATIN-REUTER)--Workers of the Peruvian copper mines and banks today went on an indefinite strike thus joining 13,000 striking doctors throughout the country in demanding wage increases and labor reforms.

Cuajone and Toquepala, the country's leading mine centers, were paralyzed today as 6,000 workers went on strike to demand a 25-percent wage increase, the reinstatement of dismissed colleagues and a reform of the labor laws enacted under the previous military government.

A spokesman for the Southern Peru Copper Corporation, which operates the mines, has said that the strike will cause a $1 million loss in currency per day to the country.

Bank workers also went on strike in support of similar demands and the doctors, who had initiated their strike 10 days ago, threatened to take radical measures if the government refused to increase their minimum salary to approximately $645 monthly.

The government was, however, relieved by the communist-controlled General Confederation of Workers of Peru's [CGTP] decision to cancel a general strike scheduled for next Wednesday and Thursday.

On praising the CGTP decision, President Belaunde said that the strike would have only made the poor, poorer, and the hungry, hungrier.

Asked about the unresolved doctors' strike, Belaunde said that the threat to refuse to sign birth and death certificates was a mockery of children and a profanation of tombs.

CSO: 3010/1719

BRIEFS

MORE TERRORIST BOMBINGS--Lima, 31 Jul (TELAM)--Dynamite petards and molotov cocktails exploded at diverse points in Peru, blowing up a high-tension tower in Huaraz and leaving one casualty near the government palace, the police reported today. The tower, worth $250,000, was dynamited and destroyed, leaving Huaraz and the province of Recuay, 385 km north of Lima, without power. The state enterprise Electroperu said that it had made an emergency connection so the population could hear the National Day message of President Fernando Belaunde. In Lima, terrorist elements last night put a bomb on the railway line to the central mountains scarcely 200 meters from the government palace, resulting in the wounding of one man. The police also reported that under the cross on San Cristobal Hill a group of extremists painted the insignia of the Soviet Union. An agency of the Credit Bank of Peru, located right in the center of Lima, suffered serious material damage from the explosion of a dynamite charge. In Arequipa, south of Lima, an NCO threw himself on a dynamite petard snuffing out the fuse as it was about to explode in front of an official stand where the authorities were reviewing the military parade for the 130th anniversary of Peruvian independence. The petard had been thrown over the crowd, causing a stampede. In Ayacucho, to the southeast, a molotov cocktail was set off inside the house of a radio reporter, causing damage. [Text] [PY061006 Buenos Aires TELAM in Spanish 1113 GMT 31 Jul 81]

DRUG STORE WORKERS TO JOIN STRIKE--Commenting on the announcement that the drug store workers will join the strike of the Peruvian physicians, the health minister has said that there are obviously political objectives behind that decision. It will only aggravate the conflict and ultimately discredit the union leaders. [Passage indistinct] [Text] [PY141653 Lima Radio America in Spanish 1200 GMT 14 Aug 81]

CSO: 3010/1719

ACTING PRIME MINISTER TANNIS REVIEWS NATION'S ECONOMY

FL061755 Bridgetown CANA in English 1708 GMT 6 Aug 81

[Text] Kingston, St Vincent, 6 Aug (CANA)--The St Vincent Government, facing determined industrial action and fearing a political conspiracy is afoot, has given a charge to its people for accelerating the tiny Caribbean state's economic development.

They needed first to come to terms with the country's financial limitations, said acting Prime Minister Hudson Tannis in a nationwide broadcast. Secondly, every effort should be made to increase the level of domestic savings for channeling into expanded production programs. Thirdly, there was a responsibility to ensure the peace and stability needed for attracting foreign investment into local ventures.

Tannis is acting as head of government for Prime Minister Milton Cato, who went to London for the royal wedding before leading a St Vincent mission to South Korea and Taiwan.

His broadcast reviewed the state of the economy, referred to what were described as unreasonable money demands from some sections of government employees, and claimed that conspirators were trying to foment a coup against the administration.

Prime Minister Cato led the group of small islands into independence from Britain in October 1979 and 6 weeks later had to rush police to Union Island to crush a revolt. In recent months there has been growing agitation over unpopular bills before Parliament, wages claims, working conditions and union recognition.

Tannis said it would be unfortunate if any group "whether the right or left or a mixture of both" attempt to affect the development of the country by pursuing action harmful to the national interest. He made clear his government's determination to deal firmly with the source of any threat to national well-being.

"St Vincent and the Grenadines is a peaceful little country, and it is my intention and the intention of this government that it should be kept this way. "Concern has been expressed in many quarters that there are people who would dare to tamper with peace and stability...I wish to make it very clear that any action taken which is calculated to endanger life and property would be viewed seriously by the government which would take such action as is necessary."

The acting prime minister emphasized that economic progress here has to be rooted in agriculture, tourism and industry, all of which can increase earnings and create employment opportunities.

He lamented the fact that the level of local savings for channeling into investment was so low. At 2.2 percent of gross domestic product, savings in St Vincent were the lowest in the English-speaking Caribbean, Tannis declared.

It was not so much a case of wealth not being generated within the country. What was happening was that the wealth was being exported into the economies of developed countries. However, it was difficult for the government to block such flight of capital.

"The answer is that in the absence of a central bank (St Vincent is part of the East Caribbean Currency Authority), there is very little that can be done. "Even with a central bank, the Caribbean experience has shown that to contain the flight of capital by orthodox means can increase the flight in some cases by unorthodox means."

The solution may lie in a mixture of controls and appeals to the people to demonstrate faith and confidence in their country by saving at home, the acting prime minister said.

CSO: 3025/1026

GOVERNMENT REPORTS DISCOVERY OF PLOT

FL051553 Bridgetown CANA in English 1519 GMT 5 Aug 81

[Text] Kingstown, St Vincent, 5 Aug (CANA)--The St Vincent Government says it has discovered a plot aimed at overthrowing it.

Acting Prime Minister Hudson Tannis said in a radio broadcast last night that he had learnt that five persons here had approached private citizens seeking help in toppling the government and setting up a civilian administration.

The broadcast came hours before the departure of a government delegation for South Korea and Taiwan. The delegation will be led by Prime Minister Milton Cato, who is reported to be still in London, after attending last week's wedding of Britain's Prince Charles and Lady Diana Spencer.

Mr Tannis said that the persons approached had rejected the request to aid in the proposed coup. He did not reveal the names of the instigators.

Tannis called on Vincentians to be very vigilant and be equally prepared to defeat "these enemies of the state." The foreign affairs minister said "this treasonable act is grave indeed and will not be ignored."

He said that St Vincent and the Grenadines "is a peaceful little country and as such, it must be kept this way." Tannis said that "any action taken which is calculated to endanger life and property will be viewed as a matter of serious concern and the government will be compelled to take such appropriate action as is necessary."

In view of current rumors Tannis said he had already pursued a course of action with friendly, foreign governments "to ensure that a government that is democratically elected will only be removed from office when the people so desire through the normal democratic process of free and fair elections."

CSO: 3025/1026

OPPOSITION CLAIMS VIGILANTE GROUP BEING FORMED

FL102355 Bridgetown CANA in English 2307 GMT 10 Aug 81

[Text] Kingstown, St Vincent, 10 Aug (CANA)--A leftist opposition party, the United People's Movement (UPM), today claimed that supporters of the ruling Labor Party were forming a "people's militia" to keep the government in power.

But Acting Prime Minister Hudson Tannis brushed aside the claim as just speculation.

A member of the party's coordinating committee, Dr Ralph Gonsalves, told a press conference the people's militia would be no more than a vigilante force and that it was being formed with the approval of persons at the highest levels of the government.

Gonsalves said that "this vigilante force has an officer core of about a dozen persons" which "intends to recruit, train and arm a sizeable contingent of faithful foot soldiers."

"The leadership of this vigilante group at present has three common elements," Gonsalves claimed. "First, they come from within the business community, second they are fanatical supporters of the St Vincent Labor Party, and thirdly, they are drawn from a tightly-knitted social group based principally, though not solely, within the Villa-Indian Bay area."

The purpose of this vigilante force "to preserve the Labor Party government in power by all means, including violence, and to rival the lawfully-constituted police force which is looked upon as an unreliable defense unit by these self-appointed vigilantes," Dr Gonsalves alleged.

He said the UPM has informed the police about the militia and was calling on all opposition parties to "rally behind it to preserve the country's democracy."

CSO: 3025/1025

GOVERNMENT SAYS MUCH TO BE DONE BEFORE ELECTIONS

FL151533 Kingston DAILY GLEANER in English 12 Aug 81 p 9

[Text] Paramaribo, Suriname, 11 Aug (CANA)--Suriname's army strongman Lt Col Daysi Bouterse has said that there would be no elections in the former Dutch colony, once it remained unsettled and disorganized. Addressing a people's committees meeting here, the army chief stressed that much had to be done in the country before it could adopt an independent position. The government here, which emerged from a February 1980 coup, is backed by the military.

Only through national unity and disciplined leadership could the country move forward, Lt Colonel Bouterse said. He accused rich states of creating structures with which to exploit third world countries and warned, therefore, that Suriname must be wary about its associations. "We have explained what we want, and that is to be able to do as we please with our bauxite, timber, shrimps, waters and gold. Foreign countries must no longer decide on the course our natural resources will take," he stated.

Lt Colonel Bouterse explained that Suriname's socialism meant that the benefits derived from the country's resources must go to the nation as a whole. He gave as an example a contract signed some years ago by a previous Suriname Government with Japan which provided for cooperation in the area of fishing. He said Suriname had no boats with which to go and fish in Japanese waters, while the Japanese "could fish to their hearts delight" off Suriname. This is the kind of agreement the present government does not want, he declared.

On another score, the army chief said the soldiers were unable to govern the country alone, and that the soldiers must cooperate with the nation. With this in mind, he added, it was decided to involve the military forces in the community work being carried out by the people's committees.

CSO: 3020/137

BOUTERSE STRESSES SOCIALIST NATURE OF REVOLUTION

FL031832 Bridgetown CANA in English 2315 GMT 1 Aug 81

[Text] Paramaribo, Suriname, 1 Aug (CANA)--Suriname's army chief of staff Lt Col Daysi Bouterse has said that the main aim of the country's socialist revolution was to bring to an end the "exploitation of man by his fellowman." Addressing the recent meeting of the regional group of socialist international in Grenada, the army chief also stated that the struggle against foreign capitalist domination could only be achieved when a totally liberated, socialist society had been realized in the former Dutch colony. His speech has just been released here.

Bouterse, who headed a four-man delegation to the Grenada meeting that included Foreign Minister Harvey Naarendrop, hailed the army overthrow of the Henck Arron regime on 25 February, last year as a move to finally free the country of the bonds of neocolonialism which, he pointed out, had gripped the country since it became independent in 1975.

"We have a historical task to build a new society upon the ruins of the old, and we are determined to carry out this gigantic task successfully to our best capacity and in the shortest possible time," the Suriname Government Information Service quoted him as saying. The army head, one of the key figures behind the 25 February coup, also had a word to say about democracy in Suriname, pointing out that overnight general elections were an insufficient guarantee for the maintenance of democracy.

"In our view, the renewal of the country's political structure means, in the first instance, the creation of conditions with which to avoid political decadency and to create conditions for the guaranteeing of a lively, true democracy, a system which in our nation has influence and control on each level of the society," he explained.

According to the Government Information Service, Suriname's participation at the conference was a major breakthrough in the political isolation to which the country has been subjected for years as a colony.

CSO: 3020/137

BRIEFS

NEW BUDGET PRESENTED--Grand Turks, Turks and Caicos, 31 Jul (CANA)--Turks and Caicos Minister Norman Saunders has presented a 16 million dollar (U.S.) budget for the fiscal year 1981-82. The package was criticized by the opposition leader Oswald Skippings, who said the government was "making the rich richer and the poor poorer." Recurrent expenditure is tagged at 6 million dollars (U.S.), 15 percent above last year's figure. Mr Saunders told the legislature yesterday that government's revenue position this year was strengthening "through increased commercial and investment activity." He attributed this to a "new credibility" in the government. British capital aid to the colony remains at 2 million dollars. [Text] [FL311556 Bridgetown CANA in English 1544 GMT 31 Jul 81]

CSO: 3025/1026

BRIEFS

MILITARY-CIVILIAN GOVERNMENT--President Aparicio Mendez made today probably one of his last statements as president of the republic. At the end of a ceremony that was attended by high-ranking government officials, President Mendez said that despite the fact that there will be a new president, the present civilian-military process will not change. Talking in Rivera to Radio El Espectador the president also said that he will officially bid farewell to Uruguayans in a message he will deliver to the nation on 25 August during a ceremony to be held in Florida to commemorate another anniversary of the independence. President Mendez also noted: We are only tools within this process and we act in accordance with a doctrine; the government is here to serve its people and it is acting accordingly. President Mendez noted that during his stay in Rivera he was able to see the new spirit guiding all Uruguayans toward their government. He said: This government understands its people. [Excerpt] [PY151747 Montevideo Radio El Espectador Network in Spanish 1600 GMT 15 Aug 81]

REYES TO REMAIN VICE PRESIDENT--Montevideo, 14 Aug (AFP)--It was officially reported here today that lawyer Hamlet Reyes will be the Uruguayan vice president during the 3 and 1/2 year term starting on 1 September. Reyes' appointment is only a confirmation, because he has been holding that position since congress was dissolved in 1973. Hamlet Reyes, 68 years of age, senior judge and former member and president of the Supreme Court, will continue as president to the Council Estate, the organization that replaced the congress. [Excerpt] [PY142214 Paris AFP in Spanish 1418 GMT 14 Aug 81]

NEW MILITARY REGION COMMANDERS--Montevideo, 3 Aug (AFP)--The commander of the first military region of Uruguay, Gen Hugo Linares Brun, was decorated upon his retirement on 30 July. Gen Julio Rapela will take over the command of that region, laving his command of the second military region, whose command passes to Gen Ivan Paulos, the former chief of the intelligence services. The second region is in western Uruguay; the third region, commanded by Gen Boscan Hontou, is in the center and north of the country; and the fourth military region, commanded by Gen Abdon Raimundez, is in the east. [Paris AFP in Spanish 0058 GMT 4 Aug 81 PY]

POLITICIANS TO BE REHABILITATED--Montevideo, 3 Aug (TELAM)--New political rehabilitations will occur this week, according to the commander to the 4th Army Division and president of the Armed Forces Political Affairs Commission, Gen Abdon Raimundez. The officer did not give names, but he said that the rehabilitation would continue as a way to give participation to the political parties, for whom a statute is being

studied. On another topic, Raimundez emphasized that this country's problem is the economy, and the workers sectors are totally discouraged and disoriented. He also asserted that it seemed to the armed forces that the legislative branch ought to begin recovering its powers, for which purpose the greater part of its functions will be restored to it. Finally, Raimundez termed the future president of the republic as a man of the process in whom we all place great hopes. [Text] [PY070943 Buenos Aires TELAM in Spanish 1658 GMT 3 Aug 81]

CSO: 3010/1707

PRESIDENT ON GUYANA RELATIONS

PY142212 Buenos Aires LATIN in Spanish 0109 GMT 11 Aug 81

[Report by Rene Villegas]

[Excerpts] Brasilia, 11 Aug (LATIN-REUTER)--Venezuelan President Luis Herrera Campins denied here tonight that the Venezuelan purchase of combat planes and war material is a war threat to the former British colony, Guyana.

The two countries are disputing over the Essequibo territory, which covers almost 2/3 of the Guyana territory. This subject was one of the most heatedly discussed during the press conference held by the Venezuelan president in this capital.

Several journalists asked the chief of state the reasons for the recent Venezuelan purchases of war material, which among other things includes the purchase of F-16 planes. One journalist asked whether Venezuela is getting ready for a war against a small country with only 1 million inhabitants.

The president answered that Venezuela is known for being a country which was only at war outside its territory when the patriotic army of liberator Simon Bolivar left to seek the independence and freedom of what today are Colombia, Panama, Ecuador, Peru and Bolivia.

Regarding Guyana, he stated, the Venezuelan foreign policy is of a pacifist nature which strongly defends the inalienable rights of the country but that does not go around threatening anybody with war.

After pointing out that Venezuela is not a bellicose country he explained that all the adequate resources of international law are available to solve this type of problem.

In another statement which was criticized during his stay here, the Venezuelan president reiterated his support to the Salvadoran Government headed by Napoleon Duarte and added that he is convinced that the group of Salvadoran military officers desire a democratic opening and the institutionalization of their country.

CSO: 3010/1716

MORE ON PRESIDENT'S 10 AUGUST SPEECH

PY132204 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 11 Aug 81 p 7

[Excerpts of speech delivered by Venezuelan President Luis Herrera Campins at banquet held in his honor by Brazilian President Joao Figueiredo]

[Excerpts] "This visit is a new opportunity to develop a common will; a common spirit to strengthen those bonds that unite us and to expand and diversify a system of consultation and to seek agreement on the many activities we are developing at both the regional and international level."

"It is not our intention to solve all the problems, but to solve the present acute political problem. We will be unable to solve the economic, social and cultural problems that Latin America is now confronting if we do not first confront our political problems since these are interrelated."

"This joint effort of developing countries is not aimed against anything. On the contrary, it is aimed at benefiting everyone. It is not our intention to disregard the commitments made to us by developed countries but to enhance the credibility of the potential for cooperation among Third World countries whose importance resides in the solidary principle which guides them: unity of purpose despite their diversity."

"Among developing regions of the world, Latin America has perhaps pioneered actions of this kind: the Andean Pact, Aladi [Latin American Integration Association], the Central American common market, the Amazon Treaty, OLADE [Latin American Energy Organization], SELA [Latin American Economic System], and recently efforts undertaken in the eastern Caribbean region--which I deeply admire--are evidence of the creativity of our countries when it comes to cooperation and integration."

"We have available, therefore, ample institutional bases for understanding, cooperation and integration. Their usefulness will depend on the support that we give them as tools to coalesce the efforts and wills in order to achieve an integral development of our countires. This sharing of objectives and the determination to achieve them strengthen our confidence in the future of Latin America despite difficulties we may confront."

"The success of this systematic mobilization of possibilities for joint actions is the fundamental factor to ensure the importance of Latin America in the world.

Latin America cannot be placed on the edges of the decision-making process or be content with a secondary role, even less with that of underlings.

"We have the right to play a role in accordance with the scale of our resources and the need for international cooperation and peace. Latin America in unison must emphasize its own profile in the present international situation by reasserting the true Latin American identity to bar any hegemonic ambition and avoid involvement in the dangerous play of tensions between East and West."

"We must now launch actions to expand areas of coincidence and exploit new areas of understanding with other countries in the region. We must promote a great Latin American dialogue to discuss the special interests of each country, to discuss points of view and to define common goals in the area of regional and international problems. Only in this way will we be able to guarantee universal singificance for Latin America.

CSO: 3010/1716

BRIEFS

PRESIDENT ON EL SALVADOR SITUATION--Brasilia, 11 Aug (AFP)--Venezuelan President Luis Herrera Campins stated here today that his government will continue its moral and political support for El Salvador because the future of all Central America is at stake there. The Venezuelan chief of state made this declaration in a speech to the members of the Brazilian Congress on the second day of his official 4-day visit to Brazil. Herrera Campins said that only those who do not want to see are unaware that in El Salvador, with courage that future generations will be grateful for, President Duarte and the democratic civilians and military are waging a titanic struggle against the most powerful guerrilla-terrorist subversion that Latin America has witnessed in the last 30 years. At the same time they are struggling against the senseless and suicidal position of a terrorist extrme right which is blind and callous, opposed to all changes. The Venezuelan chief of state declared that our moral and political support will continue to the limits of our possibilities because we understand that there, in a good part, the future of all Central America is at stake. He added that we are familiar with the sufferings of El Salvador because we have helped combat its dictators for the last 20 years. He stressed that neither Marxism or fascism are paths to a future of freedom. [Text] [PY141547 Paris AFP in Spanish 1424 GMT 11 Aug 81]

PRESIDENT SUPPORTS NICARAGUA'S PLURALISM--Brasilia, 11 Aug 81 (AFP)--Venezuelan President Luis Herrera Campins here today declared that his government was disposed to cooperate for the installation of a pluralistic regime that is truly democratic and respects all liberties in Nicaragua. He said this in a speech he made, on the second day of his official 4-day visit to Brazil, before the members of both chambers of the Brazilian Congress meeting in solemn session. The Venezuelan chief of state said that his government was concerned about developments in the Nicaraguan process. He added that we who supported with our vote the agreement of the 17th consultative meeting of the OAS, which on the international level signalled the end of the Somoza dictatorship, wish the agreement to be fully and completely complied with. Herrera Campins also said: "We ratify our disposition for cooperation and we state that the Latin American desire has always been that long-suffering Nicaragua have a regime that is truly democratic and respects all liberties." [Text] [PY141809 Paris AFP in Spanish 1434 GMT 11 Aug 81]

HERRERA TO VISIT CHINA--Caracas, 15 Aug (AFP)--Venezuelan President Luis Herrera Campins will travel to China this fall, it was officially announced here today. The visit will come after the North-South summit conference in Cancun, Mexico, either in late October or early November. It was not known with whom Mr Herrera Campins will meet while in Beijing. Chinese Foreign Minister Huang Hua recently returned to China after an official visit to Venezuela. [Text] [PA160137 Paris AFP in English 0000 GMT 16 Aug 81]

CHILEAN RIGHTS LEADER ARRIVES--Caracas, 16 Aug (AFP)--A Chilean Human Rights Commission head Jaime Castillo Velasco, who was expelled from his country on Tuesday, has arrived in Venezuela, it was learned here today. Mr Castillo, a former justice minister and ex-leader of Chile's important Christian Democratic Party, was expelled along with three other opposition figures on the orders of the government of General Augusto Pinochet. He was taken by car to the Argentine town of Mendoza, near the Chilean border, and went from there to Buenos Aires and then Venezuela, where he had been granted asylum on two previous occasions in 1976 and 1978. Mr Castillo said that the three other expelled opponents to the strong-arm rightist regime in Chile, Orlando Cantuarias, Carlos Briones and Alberto Jerez, were still in Argentina. They have been offered asylum by France, Mexico and Venezuela. [Text] [PA161744 Paris AFP in English 1656 GMT 16 Aug 81]

ARGENTINE SUPPORT FOR SELA--Caracas, 16 Aug (EFE)--Argentine Foreign Minister Oscar Camilion, currently visiting Venezuela, today ratified the support of his country for SELA. In a meeting with SELA permanent secretary Carlos Alzamora, the visiting foreign minister expressed interest in the integrationist plans this organization is carrying out. The Argentine foreign minister was informed of the preparations to hold a SELA consultative meeting in Panama late this year to analyze Latin American's economic relations with the United States. The SELA officials noted that a special document with ample information on this consultative meeting will be sent to each member government in the next few days. The foreign minister expressed concern over the deterioration of trade relations between Latin America and the EEC. He noted that his country supports any project which favors Latin American countries and serves to strengthen the region. [Text] [PA162217 Madrid EFE in Spanish 2015 GMT 16 Aug 81]

CSO: 3010/1699 END

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RICH NATIONS MUST PRACTICE ENERGY BELT-TIGHTENING

Havana PRISMA LATINOAMERICANO in Spanish May 81 p 3

[Article by Jose Bodes Gomez: "Tighten the Belt"]

[Text] The experts say they have more data at their disposal today than ever before with respect to energy matters, but at the same time they are compelled to admit that the future in the area of energy is plagued by a number of unknown quantities.

A few years ago, immediately following the initial rise in petroleum prices, there were predictions that this fuel was about to be exhausted, and the more pessimistic of these forecasters predicted a major energy crisis within the near future.

It is true that the world's supply of petroleum, coal and natural gas--which are the fuels most used today throughout the world--is finite, but as of today the known reserves of these fuels are sufficient to last through the first half of the 21st century.

The "unknown quantity" with respect to how long these reserves will last depends fundamentally on the rate of their consumption, and the importance of this question lies in the fact that the model of economic development applied during the present century has been based on utilization of these reserves to the point of actually squandering them.

Projections made by various research centers in the West shed very little light on the future, inasmuch as their calculations for the year 2000 range between 70 billion barrels (at a high rate of consumption) and 47 billion barrels (at the lowest rate of consumption).

Commenting on these projections, one Latin American expert asserted that in reality they "tell us nothing," however sound the research behind them, because the highest figure is 50 percent above the lowest, representing a margin of variation that is impossible to manage in the process of elaborating development plans.

Nor are the experts completely in agreement as to what steps to take in future decades to cope with the energy problem.

Confidence in scientific and technical progress induces one at times to believe that large-scale exploitation of solar energy as an energy source is near at hand.

Something similar is occurring with respect to the heat of the earth (geothermal energy) and the motive power of the oceans, although encouraging progress has been made in connection with these sources as well.

Nevertheless, as two Indian scientists--A. Ramachandra and J. Gururaja--warned recently, "for the majority of the developing countries, all this is somewhat lost in the mist of the future, if not in the mist of dreams."

In the face of these extreme positions--between those who forecast a total energy crisis within the next few decades and those who believe that everything can be solved by recourse to the new sources of energy--the view is gaining favor that both approaches should be combined within the immediate future.

That is to say, the restrained use of the finite resources combined with surveys of possible reserves as yet unknown, together with efforts to master--and lower the cost of--other sources of energy that are renewable.

Boris M. Berkovski, director of the UNESCO programs relating to scientific and technical problems in the energy field, regards it as possible that "our children's great-grandchildren will live in a world that is without petroleum problems and natural gas problems.

"We must therefore," he continues, "concentrate henceforth on developing methods of producing artificial petroleum and gas, and above all, on discovering processes that will assure us of unlimited and ecologically clean energy sources."

The experts such as Berkovski are aware that many years will pass before the new sources--and more specifically solar energy--can satisfy to any appreciable extent the needs of the human race.

Meanwhile, the problems that today confront the underdeveloped countries make it necessary that--among other measures--these countries be ensured an adequate (and increasing) supply of petroleum, in order to get their basic industries under way and improve the living conditions of the people.

There is "another energy crisis," as the ECLA experts call it--a crisis caused by the very low levels of energy consumption. The underprivileged populations--principally the rural populations--use firewood and charcoal to cook their food and to supply heat on winter nights. This consumption represents no less than one-fourth of all the primary energy consumed in Latin America.

For these men and women of our region, the increase in gasoline prices and the cost of operating electric ranges are irrelevant topics in the midst of their anguished struggle for survival. The firewood and charcoal they carry away, however, is also intensifying the deforestation of large areas of Latin America, whose soils tend to become arid amid a hungry world.

On the other side of the consumer problem are the opulent societies. The United States, Japan, Federal Germany and scarcely more than a dozen other developed capitalist countries are currently devouring 60 percent of all the energy produced in the world, whereas their population is only 20 percent of the world's total.

"The rich must tighten their belts, because the poor cannot even afford a belt," Minister Jose Andres Oteyza of Mexico declared at a meeting held recently in his country to elaborate the position that the Latin American governments will take to the United Nations Conference on New and Renewable Energy Sources scheduled to be held next August in Nairobi, Kenya.

Rarely will the scientists and politicians ever have to unite their efforts and their sleepless hours to achieve success as they will at this conference. For this will be, in the final analysis, the first step toward a new era of energy.

10992
CSO: 3010/1563

OIL CONSUMPTION DOWN, GASOLINE UP IN FIRST QUARTER

Bridgetown ADVOCATE-NEWS in English 24 Jul 81 p 3

[Text] KINGSTON, Jamaica, Thursday, (CANA) — Jamaica's energy conservation efforts paid off in the first three months of this year with a 3.5 per cent drop in oil consumption here.

But the Ministry of Mining and Energy, which released the figures said the 1981 first quarter petrol consumption was up on last years.

According to the Ministry's monthly bulletin, Energy News, 346 449 barrels of gasolene were used between January and March against 338 075 barrels for the corresponding period in 1980.

The overall situation for energy conservation however remained positive, as total amount of petroleum used during the review period was 1 833 286 barrels, compared to 1 900 286 barrels in the first three months of last year.

It added, however: "Despite the net reduction, it is difficult to avoid the disturbing conclusion that motorists may have lost a little of their enthusiasm for conserving gasolene, resulting at least in part, in the increase consumption of gasolene.

"It is a fact that the oil glut on the international scene has removed some of the pressure from the oil importing countries, and has even caused a downward trend in international oil prices. This does not, however, provide sufficient reason for complacency locally, since our domestic energy bill amounted to J $455.940 million (one J'ca dollar equal 56 cents US).

This bill was for approximately 7.7 million barrels of oil, and does not include the petroleum in the high energy using bauxite—alumina industry.

If the bauxite—alumina industry was taken into account the energy bill would be well over the J $700 million mark, but payments for energy for the industry is not outlayed from Jamaica.

The cost of petroleum to Jamaica in 1980 was approximately 32.3 per cent of the total import bill, compared to nine per cent in 1972, the year before the start of the phenomenal increases in petroleum price.

Since 1979 an energy conservation programme has been on here, and over the past two years 10 per cent targets for reduction in use have been set.

In the 1979—80 fiscal year the achievement was 7.2 per cent, and the performance was bettered in 1980—81, when the reduction over the previous year was 9.3 per cent.

The saving last year, caused in part because of reduction in productive capacity in a declining economy, was US $78 million.

The government's energy programme does not call for any decrease in consumption this year. In fact consumption is expected to rise by a modest five per cent because of a forecast rise in industrial activity as a spinoff of an economic turnaround.

Noted mining and energy report: "In this period when great emphasis is being placed on economic recovery and growth, it follows that any upswing in energy consumption should be directly related to economic expansion."

It pointed out that conservation in itself could not be the long-term solution to Jamaica's energy problem, but was part of the process to be backed up by alternative energy programmes.

Jamaica has an elaborate long-term energy policy which envisages that alternative programmes could reduce the current 97 per cent dependence of imported oil for energy needs to 64 per cent by 1990.

CSO: 3025/186

SEA WATER ENERGY PLANT PLANNED WITH EUROPEAN FUNDS

Kingston THE DAILY GLEANER in English 29 Jul 81 p 1

[Text] A (US)$70 million experimental plant to produce electricity by using the temperature difference between different layers of sea water, may be put into operation in Jamaica shortly.

Prime Minister Edward Seaga, said yesterday that the financing of the plant has already been identified from a European source, and if present studies prove feasible construction could start in the near future.

Mr. Seaga said three sites which were potentially suitable, had already been identified, and that the process, known in technological language as Ocean Thermal Exchange Conversion, was only a part of a wider alternative energy programme. The programme, estimated to cost (US) $1,500 million could add over 250 megawatts of new power-generating capacity by 1990. He challenged the symposium and the UN meeting to be held in Kenya next month to consider financing of such programmes in small third world countries like Jamaica. Jamaica would need an additional 131 megawatts of generating capacity by 1990, representing about 36 per cent of the total need by then. The expectation was that this would be provided from non-oil fuels.

He said conversion from oil to coal was expected to account for about 70 megawatts, if studies being undertaken through the US Agency for International Development prove that the move is feasible. The results were expected later this year, and the first converted plant should be operational by 1986.

With regard to power generation using peat as a fuel, Mr. Seaga said that about 60 megawatts could be provided from this source. However a firm decision must await the results of engineering and environmental studies.

The Prime Minister said that hydropower generation was expected to provide 33 megawatts by 1985 and 55 megawatts by the year 2000, primarily through the Blue Mountain scheme, which would also significantly add to the usable water resources of the country.

This, he said, was a very expensive programme which could cost about (US $530 million, and if undertaken, would constitute the most expensive single project ever in the history of the island.

In the area of energy from urban waste, Mr. Seaga said garbage and sewage could be used to generate about 24 megawatts of power by 1990. Present indications are that this would be a feasible programme. Other areas of interest, were energy from biomass in which nine digesters were now being planned: wood and charcoal, wind, and thermal.

Regarding exploration for oil, Mr. Seaga said that (US)$23.8 million was being spent on on-shore operations, and $53.3 million on off-shore drilling. The first wells are to be sunk during this year.

If all these programmes can be put into effect, Jamaica should be producing 50 per cent of its energy needs from extra-oil sources by 1990, the Prime Minister said.

CSO: 3025/186

PROJECTIONS SHOW NATURAL GAS AHEAD OF OIL BY 1990

Port-of-Spain TRINIDAD GUARDIAN in English 24 Jul 81 p 1

[Article by John Babb]

[Text]

TRINIDAD AND TOBAGO has $246 billion worth of oil and natural gas reserves, but it's in the ground. And according to projections, natural gas may outstrip oil production by 1990.

On the basis of known reserves and reasonable drilling programmes, it will be difficult to maintain the present level of crude oil production — 214,000 barrels per day — says Mr. Elliott Bastien, of the National Energy Corporation (NEC).

However, the natural gas reserves, on the other hand, reveal a very rosy picture. "Our proven reserves of gas are adequate to the year 2004," he added.

This time estimate takes in consumption by all energy-based industries, including the proposed aluminum smelter, on which no investment decision has yet been taken, but excluding the liquefied natural gas (LNG) project.

Excluding the LNG, he said, there would be a 12 per cent surplus, or almost one thrillion cubic feet — a surplus which was inadequate to support an LNG project.

Mr. Bastien was one of four NEC officials, who, explained the position of "Trinidad and Tobago in the World of Energy" yesterday, to a team of media personnel at the second NEC-sponsored information session, held at the Hilton.

Others were Dr. Ken Julien, chairman, who spoke on steel, Mr. Basharat Ali, urea and methanol, and Mr. Malcolm Jones, ammonia and fertiliser.

REASONABLE BREATHING SPELL

While pointing out the declining trend in oil production Mr. Bastien also noted that the trend in international prices for oil indicated that revenue from it would stabilise at about the 1980 figure — (TT) $4 billion — until 1984.

As such, he added, Trinidad and Tobago, had a reasonable breathing spell of four to five years to develop revenues, other than those from oil.

Natural gas, he emphasised, was the only other significant and commercially exploitable natural resource capable of generating revenues of the required magnitude.

He also explained that although local petroleum resources and their exploitation dwarfed the rest of the economy, by world standards they were small.

Crude oil reserves in 1980 — 700 million barrels — represented a mere one-tenth of one per cent of the world's total of 642 billion barrels, while natural gas, at 14 trillion cubic feet (tcf), was half per cent of total world reserves — 2,573 tcf in 1980.

Domestic energy consumption, he also revealed, was only three per cent, but warned that this could change with the increasing level of affluence in the society. Our transport sector consumption was 19 per cent; consumption of natural gas as feedstock was 17 per cent, while 63 per cent of energy use was concentrated in the industrial sector.

Speaking of ammonia, Mr. Jones said there were two companies producing ammonia at present — the foreign-owned Federation Chemicals. (Fedchem), and Tringen, with a third, Fertrin, about to start production soon.

AMONG WORLD LEADERS

Total production from the Fedchem and Tringen plants, which now amounted to 600,000 metric tons per year, would be increased to more than 1.2 million metric tons per year when the Fertrin plant came on stream.

This production capacity, he said, placed Trinidad and Tobago among the leading 20 world producers of ammonia and the top ten exporters of ammonia.

The favourable supplydemand relationship for ammonia and the presence of substantial quantities of natural gas in Trinidad and Tobago, he explained, provided, in a nutshell, the rationale for the country's entry in the world trade of ammonia.

Much of what was being produced was finding its way on the U.S. market, but Mr. Jones said NEC would also seek to activate markets in Latin America and Western Europe.

In relation to urea, Mr. Basharat Ali said Trinidad and Tobago was geographically well located to take advantage, in respect of freight, over many other producers in serving the Caribbean, Central and South America, as well as the US market.

Preliminary plans for disposal of the product, when the plant came on stream, showed about 30 per cent going into the US market, with the balance being disposed in the rest of the region.

Looking towards 1990, when Trinidad and Tobago's urea would be a well-established product, said Mr. Ali, a market of almost three million metric tons should still be available for the country's production.

LONG TRACK RECORD

By mid-1984, he said, the country would have entered the world of methanol, the manufacturing process of which was similar to that for ammonia production, in which the country already had a long track record.

Even before the construction of the plant, he said 60 per cent of the methanol output of 360,000 metric tons per year,

was already committed in firm "take or pay" agreements, for terms varying between seven and ten years.

He said it was NEC's deliberate policy not to make any further long-term commitments at this stage, since it needed flexibility to either pursue the most advantageous markets, price-wise, or to develop possible downstream facilities.

Dr. Julien, in a brief rundown on steel, explained that there were 12 to 20 different types of steel which required the building of different plants, so when one was speaking of 'steel in trouble' they had to specify which steel.

The steel plants that were closing were those producing steel plates, or flat steel, used in the motor-car and shipbuilding industries.

Steel's major competitors, he said, were aluminum and plastics, both of which Trinidad and Tobago was capable of producing.

He said Government chose the production of direct reduction iron (DRI) and wire rods, because of the wide range of items that could be produced from both and the availability of markets for such products.

CSC: 3025/186

NATIONAL MOVEMENT MEMBER RAPS VENEZUELA'S LAND CLAIM

Bridgetown ADVOCATE-NEWS in English 21 Jul 81 p 1

[Text] Barbados' support for Guyana in that country's dispute over a territorial claim by Venezuela was lauded yesterday by the Caribbean National Movement, a grouping of intellectuals and progressive persons.

One member of the Movement, Dominican Rosie Douglas told a news conference here yesterday that Barbados was one of the few Caribbean Governments to take an unequivocal position in the matter, and he appealed to other Caribbean Governments to follow the lead set by Barbados.

He said that as long ago as 1975, the late Trinidad and Tobago Prime Minister, Dr. Eric Williams in an address to a special convention of his ruling Peoples National Movement (PNM) had warned the Caribbean of the threat posed by Venezuela.

Mr. Douglas said Dr. Williams had warned that the very independence which the region had fought so hard for was being threatened by the South American Republic, and urged Caribbean leaders to unite for the purpose of defending their nationhood.

He said that unfortunately most of the Caribbean leaders did not take Dr. Williams seriously with the result that today Venezuela had intensified its claims to two-thirds of Guyanese territory, increased its militancy against Trinidad and Tobago fishermen operating in the Gulf of Paria which separates Trinided from Venezuela and had grabbed Bird Island from Dominica.

He charged that as a result of Venezuela's expansionist behaviour, the country was now suggesting that the Caribbean Sea be renamed "Venezuela Sea".

"In addition they were now in negotiations with the Government of Holland saying that Curacao and Aruba were in Venezuela's territorial waters and therefore any attempt to give the two islands independence should be discussed with Venezuela", Mr. Douglas remarked.

He noted that while there has been a problem between Venezuela and neighbouring Colombia over a disputed territory in the Lake Maracaibo region, "they (Venezuelans) were saying that on no account were they prepared to fight a war with Colombia".

Mr. Douglas said that the Caribbean National Movement was now whipping up support for a three-day conference to be held possibly in St. Lucia during the month of September to discuss Venezuela's behaviour, and it was enlisting the support of all Caribbean Governments organisations, and other groups.

He accused Venezuela of wanting to control the Caribbean for military, economic, strategic, and racist reasons, while adding that the Government in Caracas had condoned terrorist activities through the acquitting of three men accused with the blowing up of a Cubana aircraft five years ago.

He said Venezuela was basing its claim to the island on an outdated document, the papal bull which in the colonial era mandated that all lands visited by conquerers belonged to Spain.

He charged that what Venezuela was doing now "was to erect military fortications under the sea to be able to say that the island had been colonised by them". [as published]

"That is why we have decided to issue a call to the entire region, Governments and non-Government organisations, social organisations and mass movements to deal with the question of Caribbean nationalism, independence, and territorial integrity and national sovereignty", he added.

CSO: 3025/187

LABOR CONGRESS SEES WAGE FREEZES BRINGING AREA UNREST

Bridgetown ADVOCATE-NEWS in English 21 Jul 81 p 1

[Text]

The Caribbean Congress of Labour has predicted further labour unrest in the region, if governments follow the policy of imposing restrictions on pay increases, as is now being considered by the Dominica Government.

Dominica is seeking a EC $37 million loan from the International Monetary Fund, (IMF) and one of the conditions laid down by the IMF,is that the Government implement a wage freeze within the public service, limiting wage increases to 10 per cent over the next three years.

Secretary treasurer of the CCL, Mr. Burns Bonadie, said that the freeze restricted the operations of the trade union, and he pointed out, that in both the case of Guyana and Jamaica, where such measures had been taken, it had invoked a climate of labour unrest.

Mr. Bonadie said that it is almost certain that other countries seeking IMF loans would be asked to follow suit, and the CCL anticipated labour unrest wherever the restrictions were implemented.

Another disturbing trend the CCL secretary treasurer said, was the establishment of industrial courts to deal with labour disputes in several countries in the region. This he said further hindered the trade union, since it meant that labour disputes were often sent to tribunals instead of the bargaining table.

Mr. Bonadie cited the prevailing situation in Jamaica, where such a court had been appointed to deal with a dispute involving bauxite workers, and said that the CCL had written to the Jamaica Government expressing concern about the way it had been handled.

The CCL is due to have a meeting of its affiliates in September here in Barbados, and the question of anti trade union legislation, and the political and economic climate in the region, are high on the agenda.

CSO: 3025/187

BRITAIN DISSATISFIED WITH MOST AREA BANANA EXPORTS

Threat to Economy

Kingston THE SUNDAY GLEANER in English 26 Jul 81 p 4

[Text]

ROSEAU, Dominica, July 20, (CANA): DOMINICA'S FRUIT industry has run into serious quality problems as British housewives, who are among the biggest buyers, question the assertion "a banana is a banana, is a banana."

The big British firm, Geest Industries Limited, which buys the bulk of bananas from Dominica and three other Windward Islands, has started complaining about the erratic quality of the exported fruit.

The situation here and elsewhere in the Windwards has raised fears about Britain continuing to give the islands — including St. Vincent, St. Lucia and Grenada — preferential treatment for their fruit exports.

This in turn has raised fears of a sharp decline in the millions of dollars in hard cash that annually flow into this island — indeed the region — bolstering the agriculture-oriented economy.

Managing Director of Geest International, Ray Hilbourne, recently told Dominican and other Caribbean Banana Producers: "it is very difficult for the British government to maintain protective measures for the Caribbean fruit if the Caribbean fruit is not what the British housewife wants."

The Caribbean's hold on the traditional British market has been weakened by the high quality of fruit from other exporters especially central America. These producers have made significant inroads in 1979 and 1980, when hurricanes left a trail of disaster in the Caribbean's agricultural sector.

Premature harvesting of bananas and an outbreak of leafspot disease have been listed among the major problems facing the industry here. Standards were also inconsistent.

"The trader can open one box and its a good one, open another its half-good, half-bad, open another its not good at all," Hilbourne said. "No industry can survive unless it deals with those problems."

Hilbourne, who visited boxing plants here and in the other Windward Islands, said he was appalled at the manner in which the fruit was being prepared for shipping overseas.

"Basically, it is one of the many unfortuante practices when you think we are in a modern banana industry and you still see fruits in heaps at the side of the road, sometimes without protection, open to the sun," he remarked. "Those bananas could never be good at the marketplace, where you see leafspot-infested fruit can get through to the marketplace.

"There is stale fruit, there is scarred fruit, and there is fruit which ripens onthe way over."

He added: "What we started doing in 1952 is no longer good enough for 1981. Somehow, we've got to meet that challenge."

The opposition leftist Dominica Liberation Movement Alliance (DLMA) has said that Hilbourne was telling the country "with the usual British courtesy" that it was about to lose protection on the British market.

Premium for St Vincent

Kingston THE SUNDAY GLEANER in English 26 Jul 81 p 4

[Text]

KINGSTOWN, St. Vincent, July 21, (CANA):

St. Vincent's reputation for producing the best quality bananas in the Windward islands has been rewarded with a price increase while other islands have been announcing reductions.

News of the special premium price increase of nine pounds sterling per ton for fruit sold on the United Kingdom market has come from the St. Vincent Banana Growers Association.

Executive Secretary Cuthbert Williams described it as a welcome development attributable to the superior quality of St. Vincent fruit, local agronomic efforts and general operational control.

Mr. Williams said that officials of Geest West Indies industries, which markets Windward islands bananas in Britain, have commended local authorities for their efforts to improve methods in the industry.

Recently Geest warned that deteriorating quality of Windward islands fruit was severely hampering the banana trade and warned that there needed to be improvement if the industry was to survive.

Dominica announced two price reductions last week and warned its farmers that further reductions were necessary.

The St. Vincent premium payment is part of an effort to give incentives as part of the quality improvement drive.

Mr. Williams reiterated a call to farmers, truckers and boxing plant workers not to relax their efforts and ensure that St. Vincent continues to receive the special premium price.

CSO: 3025/187

BRIEFS

REGIONAL TECHNOLOGY CENTER--Plans are on the drawing board for the establishment of a Caribbean Appropriate Technology Centre (CATC) to serve the islands of the Eastern Caribbean. The Centre which will be sponsored by the Christian Action for Development in the Caribbean (CADEC), will design, construct, prepare specifications for, and run field tests on projects employing appropriate technology. The two-phase project is being spearheaded by Grenadian-born Mr. Conrad Mason. A six-month planning phase which is now underway, ends on November 15, at which time implementation beings. Mr. Mason, who has been named co-ordinator of the project, will visit Antigua, St. Kitts, Montserrat, Dominica, St. Lucia, St. Vincent, and Grenada during the planning phase to coordinate the scheme with appropriate technology groups in those islands, and set up "think tanks." One important aspect of the Centre's work will be the development and operation of a Documentation Centre, which will collect information on appropriate technology, and make it available wherever it is needed in the region. Funds totalling U.S.$96 000 have been made available to CADEC by two international organizations for the initial two-year duration of the project. Further funds will be sought from other organizations such as the Caribbean Development Bank, which have special funds available for funding of such projects. CATC will be sited in one of the regional countries it serves, most likely Barbados. [Text] [Bridgetown ADVOCATE-NEWS in English 23 Jul 81 p 1]

SWEDISH LOAN TO CDB--Bridgetown, Barbados, July 29 (CANA): The Barbados-based Caribbean Development Bank (CDB) and the government of Sweden today signed a contribution agreement under which Sweden made available five million (US) dollars to the bank's special development fund. Speaking at the signing ceremony at the bank's headquarters, CDB president, William Demas, termed the agreement "an important breakthrough", and appealed to other developed countries to emulate the example set by Sweden. "Apart from a smaller contribution from New Zealand in 1976, this contribution is the first offered to the CDB's special development fund by a non-member country on an interest free, non-reimbursible basis without undue restriction on procurement", Demas noted. The agreement is of particular significance to the bank because of recent efforts to obtain additional financing on very concessional terms to meet the needs of the countries of the Caribbean region, especially the lesser developed ones, he said. Signing on behalf of the Swedish government was Hans Blix, Under-Secretary of State, Office of International Development Co-operation in the Swedish Ministry of Foreign Affairs. Blix stated that Sweden considered it a moral duty to assist developing countries. He said the agreement was in keeping with the country's attitude towards the north-south dialogue.

CSO: 3025/193

SPEECH FROM THRONE OPENS NEW SESSION OF PARLIAMENT

Highlights of Speech

Bridgetown ADVOCATE-NEWS in English 22 Jul 81 p 1

[Article by Jewel Brathwaite]

[Text] The Barbados Government anticipates that there will be a sharp drop in the growth rate in the island's economy over the next two years.

So said Governor-General Sir Deighton Ward while delivering the Throne Speech at yesterday's official opening of Parliament.

Sir Deighton said the slowdown from five per cent last year is expected to reach no more than two per cent in the next two years or so.

He added that in the interest of ensuring the long-term resilience of the economy, "Government will find it necessary to institute measures to restrain consumption and to moderate wage increases over that period."

The Head of State noted that the Barbados economy had managed to perform at a high level over the past three years despite general difficulties in the world economy, and it consistently recorded growth rates which exceeded targets and inflation was kept within what he called tolerable limits.

"However, it must be recognised that, in the short term, the performance of the economy will be affected adversely by the continuing difficulties in the world economy and by the exceptional rainfall which has severely affected local agriculture and, in particular the sugar industry," he told the Chamber.

The Governor-General said that the fiscal policy pursued by Government during the past four and a half years met with great success in the redistribution of income towards the poorest section of the population.

In addition, he went on, Government achieved public sector savings to support the development of the productive capacity of the country, and the social and physical infrastructure on which it rested.

"The pre-emption of balance of payments and inflationary pressures through the management of the public of the public debt and the public sector deficits in a manner consistent with the short and long-run absorbtive capacity of the economy have received special attention", Sir Deighton declared.

Turning to future government policy, the Governor-General said that foreign borrowing will be confined to making good temporary shortfalls in local agriculture or industrial earnings, or for productive investments in the economy.

He said such policies will be supported by the following income generation measures:

- Income and corporation tax exemptions for the export of non-sugar agricultural commodities;

Special incentives for high employment businesses such as computer services and regional distribution organisations;

A new tax regime for petroleum producing operations.

He also announced that a Government Investment Trust will be set up to act as a source of equity capital for small businesses.

Sir Deighton also announced measures which he said Government would be undertaking to tackle the question of energy which has brought a heavy economic burden on oil importing countries.

These include an expanded programme of petroleum and natural gas production; implementation of a wind energy pilot project to determine the future distribution and size of wind turbines; the use of solar energy for a wide range of purposes, including industrial cooling, on the basis of expanded tax incentives and concessionary loans for such purposes, and exploration of the potential for wave energy generation, and the installation of a wave energy device if deemed possible.

Remarks on Agriculture

Bridgetown ADVOCATE-NEWS in English 22 Jul 81 p 1

[Text] Plans to stimulate agricultural development, improved education and provide an expanded health services will form part of the Barbados Labour Party's (BLP) programme during the coming five years.

These were all part of the Government's overall policy unveiled yesterday in the Senate by Governor-General Sir Deighton Ward while delivering the traditional throne speech at the official opening of a new parliamentary session.

Sir Deighton said the agricultural programme was targeted at making the islands as near self-sufficient in food production as was practicable, making the island a net exporter of food including sugar and products of the sea, improved marketing arrangements and pricing procedures.

In addition the agricultural thrust will encourage the agricultural entrepreneur, the farmer and the agricultural worker to be fully equipped and technically skilled so as to maximise earnings and improve productivity.

There will also be an improvement of cultivation techniques, establishment of a new Barbados Marketing Corporation (BMC) and the encouragement of the Agricultural Development Corporation (ADC) to get involve on a much larger fruit industry, support for dairy farmers, establishment of a feed lot and a fish marketing and distribution agency.

The Governor-General also said that five new Polyclinics will be commissioned within the next three years in addition to the provision of full-time planning clinics and an expanded health education programme.

Turning to Education Sir Deighton declared "The new education act which was passed during the last Parliamentary session, will soon be promulgated; and a programme of guidance and counselling will be introduced initially in the Secondary Schools."

In addition he added, government will continue its programme of upgrading and replacing where necessary, its primary schools, there will be stepped up teachers training.

As regards unemployment Government will be tackling the issue by the two separate approaches.

"Firstly, by the creation of the condition and the investment climate which will allow the economy to expand at a real rate to meet increases in the labour force.

Secondly, by a concerted programme to match the availability of skills to employment opportunities through an expanded range of job training programmes for school-leavers, the introduction of a National Service Scheme, and by providing additional educational opportunities aimed at meeting the demand for trades and new skills as may be required by the diversification of the economy."

In addition the development a manpower Planning Unit within the Labour Department will be continued, and the unit will make analyses of labour market information and prepare relevant data on which sound manpower policies can be formulated.

Sir Deighton stated further that the skills training project which commenced two years ago, will be continued, and the National training Board, established under the authority of the Occupational Training Act of 1979, will be launching a revamped apprenticeship training programme shortly.

Other measures will include the upgrading of the Employment Exchange to full fledged Employment Bureau to provide more comprehensive employment among other duties, expansion of the National Insurance and Social Security Scheme.

As a related matter Government will be introducing Comprehensive Labour Legislation to Parliament to deal with unfair dismissals, equal opportunity and equal treatment in employment for men and women, improved health, safety and welfare measures for employees in factories, and regulation of hours of work and minimum wages.

Expansion of Opposition

Bridgetown THE NATION in English 22 Jul 81 p 1

[Text] **THE Opposition will soon have a bigger voice in the Senate.**

It was hinted yesterday by Governor General Sir Deighton Ward that the Barbados Government would shortly be proposing an amendment to the Constitution which would bring about this change.

During his Throne Speech yesterday, Sir Deighton Ward said:

"It is hoped, Mr. President and members of the Senate and Mr. Speaker and members of the House of Assembly, that when next you meet on an occasion such as this, your approval will have been given, and the proposal implemented, for an increase in the proportion of seats for representatives of the Opposition

in this particular Chamber."

He also said that Government proposed to improve the facilities of Parliament and to make further provision for elected members to maintain constituency offices, so as to facilitate the electors in keeping in touch with their representatives.

Sir Deighton also touched on other matters noting that the island's economy had managed to perform very well over the past three years, despite general difficulties in the world economy.

He outlined a wide-ranged set of energy conservation and development activities which Government would embark on soon.

These included an expanded programme of petroleum and natural gas production, and the implementation of a wind energy pilot project; to determine the future distribution and size of wind turbines.

Hinds in Speakership

Bridgetown THE NATION in English 22 Jul 81 p 1

[Article by Albert Brandford]

[Text]

ST. PETER MP, Burton Hinds, re-elected to the Speakership of the Barbados House of Assembly yesterday, immediately pledged to always remember that the minority has rights.

In his acceptance speech, Hinds said he was fully conscious of the responsibility placed on him by members in elevating him to that high office.

And, he issued an invitation to all members to play their part as he tried to carry out his responsibilities since they were all working for the good of the nation.

He said the House of Assembly looms larger than any of its members, who would all pass away, but the institution would remain for a long time, noting that it would stand and had withstood storms.

As he extended his thanks to MPs, Hinds urged them to pledge him their support.

He had earlier been elected by a 16-10 vote after a division was called for when the question was "put" He was taken "reluctantly" to the chair by two senior members of the ruling party.

Later, when Leader of the House, Lionel Craig, tried to move the suspension of the sitting, in order to continue with the formal opening Hinds pointed out to him that the Standing Orders of the House did not allow him to do that.

Opposition Leader Errol Barrow assured Hinds that if he continued to uphold the Standing Orders of the House in such a manner then he would have his unqualified support, pointing out that the Speaker could not take judicial notice of a programme prepared for visitors.

After the election of members to serve on various committees, and notice was given of a number of items of Government Business, the House was adjourned for the summer recess until Tuesday, September 8, at noon.

Workers Union Reaction

Bridgetown ADVOCATE-NEWS in English 25 Jul 81 p 1

[Text]

General Secretary of the Barbados Workers' Union (BWU), Mr. Frank Walcott, has warned that the union will not be co-operating in any measure of wage restraint.

He was reacting to a statement in the Throne Speech by Governor General, Sir Deighton Ward, at last Tuesday's State Opening of Parliament that Government anticipates a slowdown in the rate of real growth in the economy from five per cent in 1980 to no more than two per cent in the next two years.

Government also said that in the interest of ensuring the long-term resilience of the economy it will find it necessary to institute measures to restrain consumption and to moderate wages over that period.

Mr. Walcott said the BWU could not support that statement since it did not reconcile with a statement made by Prime Minister, Tom Adams, earlier this year that Government had so well managed the economy that it had resisted inflation better than any other place in the world.

"We do not wish at this stage to hold him up to that

superlative statement but we wish to say that we cannot at this stage believe that in the same year 1981 you could come back and say to us, the workers, that we should restrain ourselves when it was stated earlier in the year how well inflation was managed."

The BWU General Secretary said the union wanted the workers to know that the statement was not new but was "a similiar statement" made after elections.

"The sweet things come before but the bitter things will come after — this is typical of many governments of the world," said Mr. Walcott.

Mr. Walcott was emphatic that the union would not co-operate with any wage restraint at any stage whatsoever as a means of under-writing an economy for a miniority of people to enjoy a standard of living that is superior to the masses of workers of this country.

"It has not worked anywhere else," Mr. Walcott said. And he pointed out that the Union did not feel that the workers of Barbados should be "any economic guinea pigs."

CSO: 3025/189

POWER RESTORED AFTER CHAOTIC SIX DAYS OF BLACKOUTS

Damage to Tourism

Nassau THE TRIBUNE in English 13 Jul 81 p 1

[Excerpts] BAHAMAS ELECTRICITY Corporation services were almost back to normal over the weekend following a six-day crisis that left many areas of New Providence without power for periods of 12 hours and more.

The blackouts had a crippling effect on the economy and did incalculable damage to the tourist industry, causing at least 3,000 visitors to flee New Providence, taking back to their homes reports of hot, stuffy hotel rooms with non-flushing toilets, and closed restaurants.

As tourists arrived in Miami from their fourth of July weekend here, they were met by TV cameras in Miami and their uncomplimentary and sometimes angry comments got wide publicity.

BEC general manager Peter Bethel, making his first public statement late last Wednesday, promised that full electricity service would be restored by the weekend or early this week "barring any unforseen setback."

However, he warned it would take up to two months before equipment would arrive to replace faulty cables, which he said caused the blackouts.

However, while Mr Bethel's statement satisfied most New Providence residents, there are still many that fear a complete breakdown of BEC equipment.

The questions many members of the public would like answered are:

- What is the overall state of BEC equipment?
- Why were two cables allowed to deteriorate "to the point of unreliability" before steps were taken to replace them?
- Is it correct, as BEC workmen have told The Tribune, that the amount of electricity coming from the three generating stations is low, and
- What is the likelihood of the problem recurring?

Call for Minister's Resignation

Nassau THE TRIBUNE in English 13 Jul 81 p 1

[Excerpt] MINISTER OF Works Loftus Roker came in for severe criticisms by the controversial National Progressive Committee for "going on a fishing trip while New Providence was in the throes of an electricity crisis."

"Is Bahamas Electricity Corporation not his responsibility," the NPC asked. "If he has any political sense, he will gracefully resign from active politics."

Mr Roker was on vacation last week when residents here faced massive blackouts due to faulty transmission cables. Mr Roker was contacted by telephone at Chub Cay where a fishing tournament was being held. Tourism Minister Clement Maynard was named acting Works Minister.

Speaking from Chub Cay Minister Roker denied that he was advised by experts three years ago to have the transmission cables changed

SDP Condemnation

Nassau THE TRIBUNE in English 7 Jul 81 pp 1, 8

[Excerpt]

THE SOCIAL Democratic Party, in a hard-hitting press statement, today strongly condemned Government as being responsible – through mismanagement and shortsightedness – for the break down of Bahamas Electricity Corporation equipment.

The statement read as follows:

"The Social Democratic Party holds the PLP government directly and solely responsible for the tremendous economic damage and maddening inconveniences being suffered by tourists and Bahamians, rich and poor alike, because of the devastating power blackouts throughout New Providence.

"The cost of the power failures in recent weeks, in dollars and cents, as well as in human suffering, has been so astronomical that the Bahamian people can justifiably and with deep anger demand an answer from the government to one question. Why?

"The SDP is satisfied that the primary cause of the blackouts was not the much-publicized worker unrest. The go-slow, we believe, merely triggered a chain reaction of equipment failures that would have happened sooner or later anyway.

"Blame for the severe personal hardships and economic dislocations resulting from the lack of power must be placed squarely on PLP negligence.

"It has become increasingly obvious that the workers' action simply brought forcefully to light serious underlying equipment problems and shortages that can only be the result of the PLP government's mismanagement and shortsightedness."

Call for Investigation

Nassau THE TRIBUNE in English 8 Jul 81 p 1

[Excerpts] The government came under fire from Opposition leader Kendal Isaacs today "for having allowed the country's utilities to deteriorate to the point where the entire economic life of the nation is at stake."

He also called for the appointment of an impartial commission to investigate and assess the capability of the nation's utilities with emphasis on the supply of electricity.

"The Government has failed abysmally to upgrade and expand our utilities, including our electricity generating and distribution system, appreciably beyond what they found when they came to power in 1967," Mr Isaacs said. "The PLP are trying to run a modern industrial resort complex with outdated geriatric equipment. As a result, the nation has been plunged into chaos.

"This of course does not take into account that this government has thus far been markedly unsuccessful in extending electrical services to the islands of the southeast," Mr Isaacs said.

CSO: 3025/188

BRIEFS

TUC WITHDRAWAL--The Bahamas Hotel Catering and Allied Workers Union announced Wednesday that effective immeidately it has suspended indefinitely its affiliation with the Commonwealth of The Bahamas Trade Union Congress. The decision was arrived at, said the union's release, "after many weeks of soul-searching by the executives all of whom were involved directly or indirectly in the formation of the TUC and helped to make it what it is today." [Excerpt] [Nassau THE TRIBUNE in English 11 Jul 81 p 6]

CSO: 3025/193

GOVERNMENT DEFEATED IN SENATE FOR FIRST TIME IN 34 YEARS

Bridgetown ADVOCATE-NEWS in English 23 Jul 81 p 3

[Text] HAMILTON, Bermuda, Wednesday, (CANA) — The government has been defeated in the Senate on a proposal to buy land for a golf course in Bermuda's second town St. George's — the first major upset of a House of Assembly plan by the Upper House in more than 30 years.

The last time Members of Parliament suffered such a rebuff was in 1947, when the Legislative Council, as it was then called, sent back a Bill to allow the widespread introduction of cars on the island.

"It's a rare occasion indeed when the Upper House upsets the plans of the Lower House," said House of Assembly Clerk John Gilbert.

"The Upper House has often delayed Bills or plans by requesting amendments. it's rare for them to throw something out altogether as they have this time.

"But this shows the Senate has teeth and is not merely a rubber-stamping body," said Mr. Gilbert.

The plan rejected by the Senate was for government to be allowed to buy — compulsorily if necessary — three lots of land needed to link two nine-hole golf courses to form an 18-hole course.

As part of a deal with York Hannover, a North American firm which intends building a controversial time-sharing cottage colony in St. George's, government has promised an 18-hole golf course. The plan was approved in the House of Assembly several weeks ago.

But after failing in the Senate it is likely to be the end of the year before it is discussed again as the House does not sit again until November following the summer recess.

Senators were tied five-five on the issue, which meant the proposal was defeated as the President of the Senate does not have a casting vote.

The only Senator missing for the vote was an independent, Stanley Gascoigne, who left the meeting 45 minutes previously he said because of an important prior engagement.

Of the ten Senators who voted, the five government members voted in favour while the three opposition and two other independent members voted against.

CSO: 3025/187

BRIEFS

BAN ON FOREIGN OWNERSHIP--Government is to ban the sale of new condominiums or apartments to non-Bermudians. But the clampdown will not affect those properties currently being built, or those which have already been proposed if such developers get their plans in to the Ministry of Home Affairs within the next two weeks. And exempt companies will be able to lease for up to 21 years properties for full-time, foreign staff working in Bermuda. All apartments or condominiums which have an annual rental value of less than $5,700 will still have to be sold to Bermudians. So in effect, the only people really to suffer from the new policy outlined yesterday by the Hon. John Swan, Minister of Home Affairs, will be developers who had long-term plans to build properties with A.R.V.s of over $5,700 and sell them to foreigners. Another change is that non-Bermudians wishing to buy apartments or condominiums here must possess a residency certificate, which is only issued by Home Affairs after careful scrutiny. In the past having enough money to buy property was the only qualification needed. [Excerpt] [Hamilton THE ROYAL GAZETTE in English 24 Jul 81 pp 1, 5]

CSO: 3025/193

TRADE EXPANSION WITH PRC, UPCOMING NETTO VISIT DISCUSSED

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 17 Jul 81 p 23

[Article by Milano Lopes: "Delfim May Take Mission to China This Year"]

[Text] Moscow--Preparations have already begun for the next big trade mission that Planning Minister Delfim Netto will make abroad. Probably this year or early in 1982 he will go to China for the same purpose that brought him to Moscow; that is, an effort to expand Brazil's trade with large nontraditional markets through signing long-term contracts for sale of commodities and increasing exports of manufactured goods.

As a matter of fact, Delfim's trip to the PRC has been planned for some time and Itamaraty [Brazilian Foreign Affairs Ministry] and the international staff of the Planning Ministry have been working on it since the beginning of this year. Negotiations were slowed down, however, due to the more rapid development of the mission he has just made to the Soviet Union and, furthermore, it was not considered good strategy to announce at the same time an intention to go to both Moscow and Beijing, particularly in view of the current strained relations between the Chinese and the Soviets.

Prospects

However, the possibilities of expanding Brazil's trade with the PRC are as good as or better than those with the Soviet Union itself. China is in the midst of a process of entering the world market, It can develop projects to exploit the complementarity of its economy with that of Brazil through trade capable of assuming a reasonable bilateral balance. It can also develop, with Brazil, projects in other countries--in Africa as well as in Latin America and Southeast Asia--operating in countries where its political influence is visible and whose stage of economic development makes possible a Brazilian contribution in establishing infrastructure for transportation, telecommunications, public works, energy systems and so forth.

The Chinese do not lack any desire to increase business with Brazil. At the beginning of last year China was about to sign a long-term contract with Brazil for a minimum of 5 years for furnishing 500,000 tons of soybeans a year--the same that has just been signed with the Soviets--but did not succeed because Brazil did not try hard enough, especially for fear of not having enough when it came time to deliver on the promised sale.

When the Bank of Brazil decided to set up an office in Macao, an island administered by Portugal but in fact dominated by China, Chinese authorities offered all the facilities and the agency has been operating normally since last year. At the beginning of this year Beijing granted, almost immediately after the request was made, authorization for the Bank of Brazil to function in China. A large building in the center of the banking district was leased to BB [Bank of Brazil], which may begin operating this year or, at the latest, in the first quarter of 1982.

About 1 month ago a delegation from the Bank of China made an official visit to Brasilia to discuss the reciprocity agreement according to which one of its agencies will also function in Brazil, probably in Rio de Janeiro. On that occasion, during a reception the Chinese had for Brazilian officials in the Chinese Embassy and a lunch the Bank of Brazil gave in return, there was ample discussion of the need for a specific initiative by the Brazilian government about sending a high-level mission to Beijing to discuss the terms of a trade agreement between the two countries involving commodities as well as manufactured goods, an idea well-received by the Brazilian authorities.

On the Chinese side, the agreement could cover exports of petroleum and coal and, on the Brazilian side, the sale of soybeans, soybean meal and soybean oil, coffee, other commodities and some manufactured goods. Of course, just as occurred recently with the Soviet Union, Brazilian businessmen will be part of the official mission with the intention of identifying, through direct contact with Chinese state enterprises, products susceptible to negotiation, which will be part of a basic list that will lead to a much larger volume of trade.

This list, incidentally, began being prepared 2 months ago when a Brazilian business mission headed by former Planning Minister Reis Velloso was in Beijing, returning to Brazil convinced of the possibility of greatly expanding trade between the two countries.

Difficulties

Brazilian authorities, as well as the Chinese, acknowledge that there are difficulties to be overcome if trade levels commensurate with the size of the markets of the two countries are to be attained. The principal difficulty is the distance that separates Brazil from China, along with the fact that the Chinese do not have ports capable of receiving large oil tankers and bulk freighters that are now carrying interocean freight at a reduced cost.

Having ports with capacity to receive ships of 150,000 tons at the most, China is virtually forced to negotiate with its Asian neighbors, especially Japan, to reexport products acquired in other countries, naturally at a higher cost than that available on the world market.

This difficulty, however, is not insurmountable, as Brazil has been negotiating with Japan since last year for building a port structure called "Asia Port," which would function as a kind of entrepot for distribution of commodities, especially grain, with the Asian countries that do not have a port structure capable of receiving large ships.

At first the idea was to set up Asia Port at Mindanao in the Philippines, where Nippon Steel has a suitable location, but it is possible that it will be installed in Japan itself, where there are also indeal conditions, especially in the southern provinces. After it is decided where the port will be installed, little time will be needed to begin its operation, as Japan is making haste to have a place for receiving and redistributing commodities, not just for operational reasons but also in view of the possibility of influencing the pricing policies of such commodities on a world scale, to the extent that enormous volumes of commodities will be shipped to Asia, creating in this way a new axis in the world market. And the contribution of Brazil, as an exporter of commodities to the region, especially iron ore, is considered essential for the success of the undertaking.

Naturally, Brazil's interest in participating in building and operating the Asia Port will be greater if it generates conditions for expanding Brazil's trade with China. And it is in that direction that Planning Minister Delfim Netto intends to go, with the purpose of creating the broadest possible range of options for expanding Brazilian exports.

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EXPORT GOAL FOR 1981 SEEN 'DIFFICULT,' NOT 'IMPOSSIBLE'

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 19 Jul 81 p 47

[Text] Brasilia--Brazilian exports this year are unlikely to reach the goal of $26 billion, but the trade account has "great possibilities" of being balanced or even showing a small surplus, as it is expected that imports will exhibit a performance similar to that of last year, with a total of about $23 billion. Hence, the aggregate value of domestic merchandise sold abroad will be about $23 billion.

This reestimate of trade-balance prospects was made by Carlos Viacava, secretary general of the Finance Ministry. According to him, the picture could change if there is a significant improvement in prices of commodities (coffee, sugar, soybeans and cocoa), whose international quotations have been registering a mild recovery in recent days. Continuation of this trend could raise the sum total of exports. But Viacava feels that "anything $100 million to $500 million above $23 billion would be an excellent result," taking into account that imports would also be at that level.

The basic working assumption of the Brazilian trade account for this year, according to the document "Foreign-Sector Policy," submitted to the National Monetary Council at its 21 January meeting, provides for a surplus of $1 billion, with exports of $26 billion and imports of $25 billion. In the meantime, two additional assumptions are being made; one with the possibility of equilibrium and the other with a deficit of $1 billion. The prospect of equilibrium indicates exports and imports of $25 billion, and that of deficit shows exports of $24 billion, compared with imports of $25 billion.

Struggle for Equilibrium

According to Viacava, achieving equilibrium or having a small surplus is more important than exporting $26 billion. "Last year," he says, "we had two goals: to arrive at equilibrium (which we did not manage to do because we had a deficit of about $2.8 billion) and to reach exports of $20 billion, which would have meant growing 30 percent over 1979. Everyone thought this goal was unattainable. We reached the $20 billion and this was very important because it increased our credibility in the foreign market, especially in the financial area, whose position changed from water to wine.

"Now the bankers are coming to us. I never had lunch with so many bankers," he exclaims, referring to the frequent lunches offered in the Finance Ministry to managers

of international financial institutions, "who express confidence, saying that Brazil is a country with a future; they praise the measures we are taking and the results achieved so far, saying that we are on the right road," comments Viacava.

To retain this confidence of foreign bankers (creditors of a foreign debt approaching $60 billion), the government must show it is capable of at least fulfilling the promise of balancing purchases and sales of merchandise. Explaining an export performance below expectations will be easier, in view of the world economic recession and the unending protectionist measures.

Although he believes it would be "difficult" to reach the export goal, Carlos Viacava does not consider this "impossible." According to him, the government has four good reasons (exchange rate, tax credit, seasonality of exports and recovery of commodity prices in the international market) to believe in the possibility of selling $14 billion to $15 billion in the international market during the second half of this year, thus ending the year with $25 billion to $26 billion. During the first 6 months of this year exports totaled $10.855 billion, compared with $9.193 billion in the same period last year. From July to December 1980, exports were $10.939 billion.

No New Measure

In this second half, no new measure will be taken to encourage exports, although the policy of resolving individual problems as they arise is being retained, reports Viacava, recalling the case of beef, exports of which were again exempted from the tax on movement of merchandise (ICM); payment of operating-cost loans for soybeans, which was extended; and collection of the ICM for cotton, which was postponed for 90 days. "No overall measure," he emphasized.

To stimulate exports during the second half of this year, the government, according to the secretary general of the Finance Ministry, is depending upon an agressive foreign-exchange policy, according to which devaluations of the cruzeiro against the dollar are keeping up with inflation. The cumulative rate of minidevaluations through 8 July was 42.3 percent, compared with an inflation rate through June of 45.2 percent. "In this way the exporter is getting something extra, which is external inflation (by the end of the year it will be about 12 percent)," said Viacava.

Another aspect that will have a favorable impact on exports in the second half of this year is the 15-percent tax credit on the value of manufactured exports. Although enacted in April, the measure took a while to get through the bureaucratic channels of its implementation. Last month, however, its effects could already be felt. In June, exports of manufactured goods--the products entitled to the tax credit--increased about 25 percent over June 1980, raising the monthly total to $1.926 billion--the second highest in the history of Brazilian exports except for May of last year, when it was $1.936 billion. According to Viacava, these two measures--exchange policy and tax credit--require a more aggressive posture by exporters. "They are under pressure and for this reason will make an effort to show good results," he judges.

The third aspect inducing authorities to have hopes of reaching the end of the year with exports of about $25 billion is the very seasonality of sales. Traditionally, the second half of the year shows better performance, in consequence of selling

agricultural crops. Last year, for example, it was beginning in September that the monthly export figures presented agreeable surprises for the government, rising from $1.653 billion in July to $1.916 billion in December.

Allied with this factor, meanwhile, there should be a recovery in the international prices of products such as coffee, soybeans, cocoa and sugar. Despite the abundant world crops in these products--the reason for prices being low--the Brazilian government is going on the assumption that there are no international reserve supplies of these products and that foreign interest rates will fall. However, the latest change in the cost of money was higher, rather than lower, with the prime rate (preferential rate in the U.S. market) rising from 20 percent to 20.5 percent.

Even with the annoyance caused by interest rates, which inhibit importers from making substantial purchases due to the higher cost of financing them, the commodities market is being favorable to Brazil. Viacava has put up a chart showing daily changes in international quotations on the grain exchange of New York and London for coffee, sugar, the soybean complex (beans, meal and oil), cocoa, orange juice and wheat. The data for last Wednesday showed higher prices for all products except orange juice (concentrated) and wheat (a product which Brazil imports) compared to the average in June. Cocoa had the greatest price increase, rising from an average of $1,446 per ton on the New York exchange in June to $1,917 on 15 July. On 1 July its price was $1,651 per ton. Any increase in these quotations (excluding wheat) is a source of joy in the General Secretariat of the Finance Ministry.

Imports

The other side of the trade balance--imports--seems much less complicated and more promising in relation to initial forecasts by the government at this stage of events. The expectation of the Finance Ministry's secretary general is that the nation's expenditures for merchandise in the foreign market this year are increasing not at all or "slightly," compared with $22.961 billion imported in 1980.

In regard to petroleum--the biggest import item (about $10 billion this year)--Viacava believes that in the second half of the year the value of purchases will be the same as that of the second half of 1980 ($4.5 billion). From January to June this year, oil imports totaled $5.2 billion, compared with $4.7 billion in the same period last year, representing an increase of 9 percent, which should be maintained until the end of the year.

Other imports, which declined by 6.6 percent in value during the first half of this year, compared with the January-June 1980 period--and which led to a decrease of almost 1 percent in the aggregate amount of imported goods--should begin increasing again in the next few months, although at a slower rate than during the same period last year. "It would be exaggerated optimism to think that this drop will continue in the second half of the year," Viacava figures.

During the first 6 months of 1981 the Brazilian economy did not require large purchases in the foreign market because it had stocks of merchandise formed last year and used during the period. The high cost of money contributed to this inventory liquidation. "Assuming that business will not come to a standstill during the second half of the year, an increase of imports is expected, although without

completely rebuilding inventories," the Finance Ministry secretary general believes. "Imports could fall to lower levels if we assumed a recession but, as the economy will continue to grow, imports will return to their normal pace during the second half of the year," Viacava adds. But he feels that "they are very likely to be the same as last year."

Exports (Millions of Dollars), January through May

Category	1981	1980	Percentage Change
Grand Total	8,929	7,540	+ 18.4
Commodities	3,632	3,092	+ 17.4
Industrialized Goods	5,213	4,370	+ 19.2
Semimanfactured Goods	822	842	- 2.4
Manufactured Goods	4,392	3,528	+ 24.4
Steepest Declines and Largest Increases During These 5 Months:			
Commodities:			
Raw sugar	227	259	- 12.5
Cocoa Beans	57	70	- 18.6
Coffee Beans	753	1,031	- 27.0
Frozen Beef	29	1	--
Chicken	124	65	+ 90.7
Soybean Meal	816	500	+ 63.2
Leaf Tobacco	164	136	+ 20.5
Metallurgical Ores	756	581	+ 30.4
Soybeans	179	66	+171.2
Semimanufactured Goods:			
Crystal Sugar	27	70	- 61.5
Pig Iron	23	60	- 61.7
Soybean Oil	251	101	+148.5
Manufactured Goods:			
Instant Coffee	110	125	- 12.0
Cotton Thread	58	88	- 34.1
Iron and Steel Products	186	267	- 30.4
Cotton Cloth	37	59	- 37.3
Refined Sugar	168	125	+ 34.4
Footwear	220	151	+ 45.6
Canned Beef	120	96	+ 25.0
Transportation Equipment	714	490	+ 45.7
Automobiles	116	36	+221.0
Buses	48	26	+ 84.6
Tractors	71	56	+ 26.7
Freight Vehicles	126	64	+ 96.8
CKD Vehicles	119	64	+ 85.9
Refined Soybean Oil	36	4	+800.0
Orange Juice	227	186	+ 48.9

Imports (Millions of Dollars), January through May

Category	1981	1980	Percentage Change
Cereals, except Wheat	221	109	+102.7
Wheat	319	399	- 20.1
Petroleum	4,426	3,999	+ 10.7
Processed Plants, Seeds and Oil-bearing Fruit	132	46	+186.9
Fats and Oils	14	76	- 81.6
Chemical Products	835	1,079	- 22.7
Fertilizer	122	186	- 34.5
Boilers, Machines, Mechanical and Electrical Apparatus	1,315	1,454	- 10.6
Optical, Photographic and Musical Instruments	166	229	- 27.6

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CSO: 3001/221

CONCERN WITH MILITARY USE OF SPACE VEHICLES EXPRESSED

Rio de Janeiro O GLOBO in Portuguese 20 Jul 81 p 5

[Text] Brasilia--For the purpose of preventing militarization of cosmic space, Brazil, Egypt and other countries of the United Nations belonging to the Committee for Peaceful Uses of Space presented a proposal for an international agreement to prohibit placing any kind of weapon or ordnance equipment in outer space.

Itamaraty [Brazilian Foreign Affairs Ministry] sources express the profound concern of the Brazilian government with the possibility of spaceships of the Columbia type, new anti-satellite systems and the most modern technological apparatus in space being used for military purposes, extending the arms race between the superpowers far beyond the stratosphere.

The Committee for Peaceful Uses of Space has already approved some international treaties, among them those for denuclearizing the moon and other celestial bodies, rescue of astronauts, recovery of objects launched into space and responsibility for damages caused on earth by artificial satellites.

There is already a treaty that regulates the use of cosmic space, prohibiting launching nuclear weapons and regulating peaceful uses. Many countries, including Brazil, believe that the treaty does not adequately provide for new space technologies, as it was signed in 1967.

According to diplomatic sources, the treaty contains a loophole that can be used to launch into space veritable military centers capable of guiding missiles on earth and using the ABM [antiballistic missile] and satellite pursuit systems.

For these reasons the committee's new proposal intends to banish definitively any type of weapon or ordnance equipment from outer space, preserving its use for peaceful purposes.

A second controversial topic that was discussed during the recent meeting of the committee, concluded last week, is in regard to the proposals for regulating television transmissions by satellite. According to Itamaraty sources, the new technological progress in this field now permits direct transmission of a program by satellite, dispensing with the receiving station. These programs can be picked up directly by the television viewer on his home television set.

Brazil and some other members of the committee have been fighting for establishing principles or regulations that prevent, for example, messages that incite to violence or racial discrimination or dishonest advertising of consumer goods.

The United States advocates freedom to launch into space any type of programming, leaving the television viewer to decide whether or not to watch. All the viewer needs is a receiving antenna and a signal amplifier, portable equipment that is being sold for less than $500 (50,000 cruzeiros). Brazil, the Soviet Union and most of the 47 member countries of the committee want to make transmission and reception of messages subject to consent of the state on the grounds that a nation is entitled to preserve aspects of its inhabitants' cultural or political identity.

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GUERREIRO VIEWS FRG NUCLEAR ACCORD, NORTH-SOUTH DIALOGUE

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 25 Jul 81 p 5

[Text] Brasilia--Foreign Affairs Minister Saraiva Guerreiro asserted yesterday that Mines and Energy Minister Cesar Cals "did not mean to say, in a recent statement, that the atomic agreement between Brazil and the FRG will be substantially modified." After recalling that, as foreign relations minister, he was not qualified to speak about the pace of construction under the nuclear agreement, Guerreiro assured that:

"I can say that the understanding between the parties has been to this day exemplary. The incidents along the way are normal and are absorbed naturally by the parties. It is rare that any large hydroelectric plant is built rigorously on schedule." The minister also made some comments about the Reagan administration's nuclear policy: "The tone and the attitude are more positive in regard to the nuclear problem in general. Specifically, the United States now appears, judging by the policy, to be a more reliable supplier."

Middle East

The foreign affairs minister acknowledges that "it is necessary to go beyond" the problem of the Middle East, "but it is difficult to imagine that Brazil alone could do that. Our possibility of action is limited."

In the foreign minister's opinion, Brazil has a "very clear position" on the subject and "the detail that the telegram from President Figueiredo to the president of Lebanon was not sent at the first moment does not represent any change of policy. Brazil believes the recent attack by Israel on Lebanon was unjustifiable and reprehensible from all points of view."

Guerreiro believes that Brazil has no reason to be "fearful or inhibited" regarding Iraq and denied that Baghdad is being used as an entryway for Brazilian penetration in the Arab world: "We do not use any country as an opening wedge in any region and we have good relations with all the Arab countries."

Moreover, the foreign minister does not feel that the visit of Planning Minister Delfim Netto to Moscow and the important conversations held there constitute any "political change" in Brazil's relations with the Soviet Union: "Our trade has been showing a stagnant or declining trend. We were selling more than we were buying. What was really new was the agreement about technological cooperation, putting it into a legal framework."

Saraiva Guerreiro did not directly answer a question about a possible reduction of ideological prejudice by certain sectors of Brazilian society in regard to the dialogue with communist countries:

"The sectors that I know anything about are very much in agreement that Brazil should explore possibilities of cooperation, within the limits of certain principles. We do not have exaggerated fears. We are not going to do anything on a naive basis. We scrupulously respect the principle of nonintervention. Within this framework it is possible to seek forms of cooperation."

Delfim Netto's trip to the People's Republic of China, according to the minister, will not signify any political change: "In this visit economic cooperation will be examined and an evaluation of the dialogue with Beijing will be made."

North-South

Brazil views the North-South dialogue in a "constructive spirit," Guerreiro said. He feels that there is not just one crisis due to the petroleum problem, the monetary crisis or the trade crisis. The foreign minister thinks it is important for industrialized and developing countries to be "mutually sensitive" to each other and he explains: "Let us not reach the shortsightedness of the 1930's after the Great Depression. We believe it is necessary to have faith in the expansion of the world economy."

In the communique about the meeting of the rich countries in Ottawa some points were mentioned that "have been reiterated," in Guerreiro's opinion. He spoke of one item that is of particular interest to Brazil: the subsidies paid by the rich countries to industries that are no longer competitive. This subsidy, in the minister's opinion, is one of the causes of the difficulty developing countries have in gaining access to international markets. The fact that the Ottawa communique referred to "global negotiations" represents, in the opinion of the Brazilian government, a "certain progress."

For the foreign minister, "the only thing new" in the Ottawa communique regarding developing countries is that "it contains more lines." In the North-South dialogue negotiations, the most important thing for Brazil, according to him, is trade.

Saraiva Guerreiro recalled further that Brazil has been using its "limited means" of action to cooperate bilaterally with the countries of Central America and the Caribbean: "In more general terms, its support has been more moral." He cited, as an example, the donation of $5 million to the CARICOM and reaffirmed that the nation supports all initiatives by countries in a position to collaborate more fully, referring to the initiative of the United States in calling upon Mexico, Venezuela and Canada to expand their cooperation with that region.

The foreign-affairs minister said he speaks about visits of the president only after they have been announced officially by the governments. He gave this explanation for not saying directly whether there are prospects for a visit by Joao Figueiredo to Bolivia or by Gen Augusto Pinochet to Brazil.

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BRIEFS

FOREIGN DEBT RISE--Brasilia--The gross Brazilian foreign debt at the end of May was $55.4 billion, about $1.5 billion more than the balance at the end of last year. According to the forecast of monetary authorities, this amount is likely to rise to $60 billion by the end of this year. Discounting foreign reserves, which on 30 June were $6.1 billion, the nation's net debt with foreign banks fell to $49.3 billion. The director of the Foreign Area of the Central Bank, Jose Carlos Madeira Serrano, predicted a recuperation of these reserves by the end of the year, so that 1981 will close with $6.9 billion. The increase of Brazil's foreign debt during the first 5 months of this year was $500 million more than that of the same period last year, when the amount rose from $50.5 billion on 31 December 1979 to $51.5 billion on 31 May 1980. Central Bank technicians mentioned yesterday that the total foreign debt does not include short-term debt, contracted to honor immediate payments. With a payment period of less than 1 year, such debts are not counted along with the long-term debt. One of the Central Bank technicians disclosed that the amount of short-term debt is not $10 billion as was reported recently. According to him, "it isn't all that much," although he has not reported the actual amount. [Text] [Rio de Janeiro O GLOBO in Portuguese 25 Jul 81 p 19] 8834

JUNE UNEMPLOYMENT FIGURES--From June of last year to June of this year unemployment increased in all metropolitan regions surveyed by the IBGE [Brazilian Institute of Geography and Statistics]: Rio de Janeiro, Sao Paulo, Belo Horizonte, Porto Alegre, Salvador and Recife. Compared with May, unemployment rose only in Rio de Janeiro: the rate rose from 8.87 percent to 8.91 percent. In Sao Paulo, it fell from 7.30 percent to 7.15 percent; in Belo Horizonte, from 9.56 percent to 8.98 percent; in Porto Alegre, from 6.39 percent to 5.96 percent; in Salvador, from 9.86 percent to 9.66 percent; and in Recife, from 8.97 percent to 8.51 percent. The actual number of unemployed in the regions surveyed is not furnished by the IBGE, which only reports the "rate of unemployment." In any event, comparing the rates of June 1980 with the rates of June this year, it is possible to verify that they increased 32.9 percent in Sao Paulo, 23.2 percent in Salvador, 22.4 percent in Recife, 20.6 percent in Porto Alegre, 14.8 percent in Belo Horizonte and only 11.9 percent in Rio de Janeiro. [Text] [Rio de Janeiro O GLOBO in Portuguese 24 Jul 81 p 19] 8834

CSO: 3001/221

VARIOUS FOREIGN POLICY ISSUES DISCUSSED

Latin Dictatorships, CIA

Havana PRISMA LATINOAMERICANO in Spanish May 81 p 2

[Editorial by Carlos Mora Herman: "Empire of Terror"]

[Text] A single story can be woven from the testimony offered by citizens of Uruguay, Paraguay, Chile, Bolivia, Haiti and Argentina.

Arbitrary arrests can and do take place anywhere: in a cafe, a theater, the street, a factory or shop, or one's own home.

The perpetrators almost never identify themselves: they are heavily armed and use vehicles, often cornering the victim in the middle of the street and kidnaping him before the startled eyes of passersby.

They enter one's home by breaking down the door, search everywhere and tear the premises apart.

The persons thus seized are taken to a police station, military barracks or special location, where the dirty work of "making them talk" begins.

Some of the captors will mockingly ask: "What kind of torture do you prefer?" With profound cynicism they then explain to their victims that they can choose, because they live in a democracy.

Then the torture begins. The methods in current use are new, refined and scientific: blows that leave no trace, precise blows to preselected areas of the body, blows that produce terrible discomfort.

Great care is taken not to leave any marks on the body; to treat hematomas so that they will disappear; and to leave no visible evidence of the torture.

Certain doctors lend their effective cooperation in achieving the last-named objective; they examine the victims periodically to determine the extent to which the latter can withstand the torture and to prevent them from dying in the process.

All of this is going on today, right now, in a terrifying world in which terrorism is practiced at the level of state policy.

It is terrorism designed to curb popular rebellion: to dissuade the disaffected and those who are fighting for social change--change that cannot be postponed.

The government of the United States--through its operational arm, the Central Intelligence Agency--is utilizing its diplomatic representatives, embassies and consulates and its cultural, economic and political penetration to create, encourage and support terrorism throughout the Latin American continent and the rest of the world.

Some years ago a CIA agent, Dan Mitrione, who was training and preparing the Uruguayan forces of repression to torture and murder the revolutionary combatants, was executed by the Uruguayan Tupamaros.

This role of advisers, trainers, instructors and directors has been played--and is being played--by U.S. personnel in all countries where the regimes in power are employing repression as a means to remain in power.

Moreover, those cadres who are most highly qualified to practice torture and murder have been trained and coached in the schools which the United States maintains on its own territory and also in Panama and Puerto Rico.

Three and a half centuries ago the area which the United States occupies today was virgin territory occupied by diverse Indian nations who lived by farming, hunting and fishing.

The arrival of the whites and their rule sealed the fate of the Indians, who were massacred in the most brutal manner and with the use of terrorism by an incipient state which would impose its rule upon the broad plains of the Indians "at the point of a gun," to use the popular expression.

U.S. foreign policy has always been characterized by this braggadocio of the "cowboy" of the Western films, who settles everything by imposing his savage dominion and by the quickness of his draw or the quickness of his fists.

The primal instincts of bygone days persist, despite the tremendous development of U.S. society; and on repeated occasions that country gives the impression that it lives by the law of the jungle and the rule of brutality.

This was the case in connection with episodes such as the assassination of President John F. Kennedy and his brother Robert, and Martin Luther King; the murder of black children recently in the South; the violent deaths of Mexican immigrants in California; and other events that have imparted a special coloration to the history of that country during the past 20 years.

Toward the end of the last century, Jose Marti was already calling the United States "the boisterous and brutal North."

This "boisterous and brutal North" is the same "North" that is supporting, maintaining, training and arming the terrorists of the continent.

It is surprising that the nation which uses terrorism as an instrument of destabilization and which gives protection and asylum to the most prominent terrorists and criminals of the continent and the world is now attempting to launch a propaganda

campaign to brand as "terrorists" those who are fighting for independence and freedom and for their rights, especially the right to self-determination for their peoples.

The Central Intelligence Agency (CIA) of the United States has participated in tens of acts of violence and murder committed on Latin American soil.

Suffice it to recall the invasion of Guatemala in 1954; the invasion of Cuba at Playa Giron in 1961; the invasion of the Dominican Republic in 1965; and the support given to Trujillo, Pinochet, Somoza, Stroessner and the genocidal junta in El Salvador.

The CIA has traired and prepared--for the commission of these crimes--terrorists of Cuban origin who have caused numerous deaths and gone unpunished because of the protection which Washington provides for its gunmen.

The CIA has hatched plots to assassinate heads of state of countries whose governments are not to the liking of the United States.

Now that government, with its bloody history--an empire that uses terror as a weapon to achieve domination and safeguard its interests--wants to tell the peoples of this continent what to do and tell them that the Sandinist combatants in Nicaragua, those who are fighting against the murderous junta in El Salvador, and the Guatemalan guerrillas are the terrorists.

Such an outrageous lie is devoid of any substance in the world of today.

Communist Party Congresses

Havana PRISMA LATINOAMERICANO in Spanish May 81 p 21

[Article by Miguel Rivero: "An Example of Cohesion"]

[Text] During the month of April the congresses of the communist parties of Bulgaria, Czechoslovakia and Democratic Germany performed the function of ratifying once again the irrevocable basic policy of safeguarding peace and international detente, supporting the movements of national liberation, and halting the arms race.

The 12th Congress of the Bulgarian Communist Party opened on 31 March and concluded on 4 April. The Czechoslovak communists met from 6 to 10 April, and finally, the Unified Socialist Party of Germany (PSUA) held its 10th Congress from 11 to 16 April, several days before the 35th anniversary of its founding.

In all these forums it was clearly demonstrated that the enemies of detente and the advocates of the arms race were stirring up a climate of war, and that the danger of a conflagration of incalculable consequences for the human race was increasing.

The three congresses were held at a time when the progressive elements of mankind were demonstrating that the policy of the imperialists is designed to aggravate the international situation and hasten a return to the days of the "cold war" by reviving the manifestations of "anti-Sovietism" and creating the conditions for "psychological warfare," thereby debilitating the progress achieved in the struggle for detente and for peace.

The rostrums of these three assemblies of the communists of Bulgaria, Czechoslovakia and the GDR were utilized to call attention to the attacks on the Soviet Union and the other socialist countries. The imperialists initially resorted to their unsuccessful campaign "in defense of human rights," and are now continuing the pursuit of their aims with an all-out offensive against genuine socialism, in a vain attempt to isolate the USSR and the other countries of the socialist community.

Sofia, Prague and Berlin provided the setting for ratification of the peace proposals formulated by the secretary general of the Communist Party of the Soviet Union, Leonid I. Brezhnev, and submitted to the 26th Congress of the CPSU, held from 23 February to 3 March.

Both the meeting of the Soviet communists and the meetings of the other three European parties were transformed into veritable international congresses by the massive presence of delegations from all parts of the world and in particular from the recently liberated peoples of Africa, Asia and Latin America.

"Today there is no task more important on the international scene for our party, for our people and for all the peoples of our planet than safeguarding peace," Brezhnev proclaimed to the 26th Congress of the CPSU.

These were not mere rhetorical phrases. The secretary general of the Soviet party presented a detailed program of action which includes prior notification of military maneuvers that would extend to the entire European part of the USSR, on condition that there be corresponding publicity on the part of the Western states; the continuation, without delay, of the negotiations with the United States; the signature of an agreement to limit the deployment of new types of nuclear submarines; a moratorium on the emplacement of new nuclear weapons in Europe; and the convening of a special session of the Security Council--with the participation of the top leaders of the member states--"for the purpose of seeking the key to remedying the international situation and preventing war."

Not only did these proposals receive total support at the April congresses but the clamor for their immediate implementation--and for a positive response to them--has spread to Western Europe and to progressive sectors in the United States as well.

It could not have been otherwise, inasmuch as the European continent has not escaped the aggressive intentions of the imperialists, who are planning to install 572 nuclear devices on the "Old Continent" and aim them at the socialist community.

Those who are attempting to sell the notion that "a limited nuclear war is possible and acceptable" were dealt a stunning blow on the European scene when these sinister plans were exposed, and this served as an instructive warning that in a nuclear holocaust there would be no victors.

To be sure, the subject of the situation in Poland was also addressed at these three assemblies. The response can be summed up in one sentence: in the case of Poland a vigorous response to domestic and international reaction has become necessary, in order to ensure the successful development of socialism in that country.

These events serve in this respect, as in other respects, to highlight the unity and cohesion of the countries of the socialist community, which also reaffirmed the principle of support for the movements of national liberation and the principle of intensifying the relations of cooperation with the recently liberated countries.

In reviewing the successes achieved in the construction of the developed socialist society and the enhancement of the well-being of the people, Bulgaria, Czechoslovakia and the GDR ratified their internationalist policy in their capacity as a bulwark of peace and as distinguished exponents of the strength of socialism--the impassable barrier against the enemies of mankind.

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ARMANDO ACOSTA EXPRESSES SOLIDARITY WITH KAMPUCHEA

Havana GRANMA WEEKLY REVIEW in English 14 Jun 81 p 3

[Speech given by Armando Acosta Cordero, alternate member of the Political Bureau of the Communist Party of Cuba and head of the Cuban delegation to the 4th Congress of the People's Revolutionary Party of Kampuchea]

[Text] Dear Comrades:

ON BEHALF of the Central Committee of the Communist Party of Cuba, its members and all our people, and especially of our first secretary, Comrade Fidel Castro, it is with deep satisfaction that I transmit to you, worthy representatives of the Communists of Kampuchea, our deep feelings of militant solidarity at this singular gathering: the 4th Congress of your Party.

The report presented to the Congress by esteemed Comrade Pen Sovan has shown how the Kampuchean Communists, loyal to Marxism-Leninism and proletarian internationalism, have always been in the vanguard of their heroic people's struggles both against the French colonialists and the Yankee imperialists, despite the great sacrifices involved. The report also points out how the Communists and the other Khmer patriots, under the banner of the Kampuchean National United Front for National Salvation and with the militant solidarity of the Vietnamese Communists and people, defeated for good the genocidal regime of traitors Pol Pot-Ieng Sary-Khieu Samphan, submissive servants of Maoist expansionism. Now, the report notes, together with the rest of the population, the Communists are dedicating themselves with renewed enthusiasm to the task of rebuilding the country while defending every inch of their beloved country.

Solidarity has played a lofty role in your difficult struggle: the solidarity maintained during these years of constant battles by the fighters of Vietnam, Laos and Kampuchea; solidarity received from the sister nations of the socialist community and from all other peoples who champion peace and justice.

We are moved to see how in just over two years, on the ruins of a society subjected to the barbarous Maoist experiment which resulted in the death of more than three million people and the destruction of their social and family patterns, the people are taking firm strides towards the restoration of all those values which had been trampled on.

The land is being worked again, the children are going to school, the health workers are striving to save human lives. Phnom Penh, which had arbitrarily been turned into a "dead city," has been revived by the activity of hundreds of thousands of people. They, with their creative work, the perfume of the flowers and the song of the birds have restored life to your beautiful capital.

Recently, you have experienced events of great revolutionary significance with the elections and the adoption of the new Constitution, which defines the path of socialism as the means of social development, reaffirms solidarity among the peoples of Indochina and states your willingness to have good relations with neighboring countries.

We rejoice over the success of the general elections to the National Assembly of the Republic for which the voters chose the best representatives of the workers, peasants and revolutionary intellectuals.

The process of institutionalization together with the holding of this historic 4th Congress of the People's Revolutionary Party of Kampuchea are unequivocal signs of the rapid progress of the Kampuchean Revolution and of its irreversible nature.

This valuable effort by the Kampuchean people has had to be made amid constant harassment by the reactionary forces that, although they have been ousted from power, keep trying to unite in a single counterrevolutionary bloc, grouping together the Pol Pot butchers; Sihanouk, the traitor; and all the other anticommunist scum. These elements have the backing of the Peking hegemonists and the Yankee imperialists. We are convinced that these maneuvers will fail thanks to the militancy and

staunch determination of the Kampuchean people.

Dear comrades, this important event of the Kampuchean Communists is taking place at a time when the world reactionary forces, especially the most aggressive sectors of Yankee imperialism, are steering their policy towards confrontation, using the warlike language characteristic of the cold war era and halting the policy of détente which the peace-loving forces of the world had firmly and patiently built up.

These sectors are fanning the flames of war; they are trying to turn Europe into an arsenal of new nuclear weapons directed against the Soviet Union and the other European socialist countries; they are heightening tension and the crisis in the Middle East; they are shamelessly backing the South African racists; they are obstructing the hopes to turn the Indian Ocean into a zone of peace; and they dream of drowning the demands of the peoples for a better and fairer life in a bloodbath.

In Our America the imperialists' aggressiveness is being manifested with special force. The heroic sister people of El Salvador is being slaughtered with the complicity and intervention of the U.S. Government. The revolutionary processes in Nicaragua and Grenada are being threatened openly, and the most retrograde forces and the most repressive dictatorships in Latin America are being encouraged.

In Southeast Asia this policy takes on an especially virulent form via the Yankee link to the Peking expansionists. They are trying to subvert the Indochinese Revolution and obstruct the relations of Vietnam, Kampuchea and Laos with other governments of the area. In this respect, the proposals made at the conferences of foreign ministers of the Indochinese countries constitute a valuable contribution to the search for a political solution and a significant contribution to détente and peace in the area.

As you know, the imperialists have also stepped up their threats against our country. They try to ignore history and speak of more drastic actions against Cuba, including a naval blockade, and they are even making noises about a direct attack. But the howling of the Washington wolves doesn't cause our people to lose any sleep, and with greater courage and determination, they daily fulfill the watchword that came out of the 2nd Congress of our Party: Production and Defense.

On May Day, more than a million men, women and children, along with our Territorial Troop Militia, paraded through historic Revolution Square in another militant demonstration, thus reaffirming their determination to destroy any attacker who tries to set foot on our socialist homeland, as they did 20 years ago at Girón.

Dear comrades and friends, the relations of fraternal friendship and militant solidarity between the peoples of Cuba and Kampuchea, which were forged and consolidated through our common struggle against Yankee imperialism and for a more just society, are now more solid and profound.

On this solemn occasion, we would like to reiterate the willingness of all our people to continue making their modest contribution to the historic task in which you are now involved to make the People's Republic of Kampuchea a prosperous and happy country marching steadily towards the socialist and communist future.

Long live the 4th Congress of the People's Revolutionary Party of Kampuchea!

Long live the indestructible brotherhood between the Parties and peoples of Vietnam, Laos and Kampuchea!

Long live free People's Kampuchea!

Long live the Soviet Union!

Long live proletarian internationalism!

Long live socialism and communism!

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PCC MESSAGE TO PZPR CONGRESS READ BY RODRIGUEZ

Havana GRANMA WEEKLY REVIEW in English 26 Jul 81 p 6

[Text] Warsaw, July 15 (PL).--Carlos Rafael Rodriguez, member of the Political Bureau of the Communist Party of Cuba, said today that the 9th Special Congress of the Polish United Workers' Party (PUWP) was a far-reaching event in the life of the Polish nation.

The Cuban leader spoke today before the Congress, which opened here yesterday. The following is the full text of his speech:

Comrade Chairman of the Session:
Esteemed Delegates and Guests to the 9th Congress of the Polish United Workers' Party:

I bring fraternal greetings from the first socialist state on the American continent, sent to you by the Cuban workers, our Communist Party and its first secretary, Comrade Fidel Castro.

The 9th Congress of the PUWP is a far-reaching event in the life of the Polish nation. But it is much more than that. The decisions adopted here, the way the problems now affecting Polish society and its Party are dealt with and resolved, the way past mistakes that have been identified and criticized in your discussions are corrected, all of these are of keen interest to the entire socialist community and the world revolutionary and progressive movement.

The enemies of socialism — who are unquestionably the enemies of Poland, for it is only through socialism that Poland can guarantee its national consolidation and independence — are trying to take advantage of the events that have occurred here to discredit the socialist regime, undermine the foundations of socialist society in Poland, tear Poland away from its sister nations, alter the balance of forces in Europe and the world and thus continue the international activity that they have set in motion and that again endangers peace and the peoples' national independence.

In the midst of the tensions that are rocking the world and as a part of them, the problems now facing the Polish Communists are our own problems. That is why humanity's best forces have focused their attention on this hall today.

The traditions of Poland, of its working class, of its people, give us confidence. Within the next few days it will be the 37th anniversary of the historic moment which the Polish people have accurately named "the rebirth of Poland." Whatever may be the critical considerations of the people and the Polish Communists in their analysis of the last few decades, the efforts and the obvious achievements of socialism are ever present. That is why, in the midst of all the difficulties and contradictions of the last while, we have always heard this irrevocable statement: "Poland is and will continue to be a socialist country."

The lofty patriotic, revolutionary and internationalist tradition of the Polish people and their great class consciousness reaffirm that decision.

The people, who faced with so much oppression upheld and defended their national identity and courageously resisted the Nazis, have moral and patriotic reserves to solve the complex tasks that lie ahead today.

Imperialism is mobilizing all its resources in order to activate and encourage its antisocialist and antirevolutionary reserves for the purpose of turning the process of rectification, which the Polish Communists consider necessary, into a struggle against socialism.

These traditions of the Polish people and its working class give us hope that the results of the 9th Congress will contribute not only to safeguarding the healthy and patriotic aspirations of the Polish people and workers but also strengthening socialism and thereby guaranteeing the world process towards peace.

I convey to you the Cuban Communists' sincere hope that from this Congress will emerge a strengthened, more cohesive Polish United Workers' Party, reaffirmed as an unfailing and militant detachment that will firmly apply, creatively but soundly, the principles of Marxism-Leninism and resolutely join in the common struggle for socialism, the peoples' liberation and peace.

Today humanity is living through moments of anxiety and danger. The most aggressive and reactionary forces of U.S. imperialism are bent on recovering their world domination, imposing a global policy based on blackmail and military superiority, threatening the socialist countries and forcing the revolutionary and democratic movement, which has won so many important victories over the past few years, to retreat.

While with sly hypocrisy the imperialists feign concern for the problems of the Polish people, they dump the crisis of capitalism on millions of jobless people in their own countries; advocate, in the name of helping the economy, the abolition of social benefit programs that the workers had won for themselves through unrelenting efforts; and keep the peoples of the so-called Third World in backwardness and poverty.

At the same time they seek to force the deployment of nuclear weapons on Western Europe, unmindful of the catastrophe that might afflict the European peoples. Claiming a senseless right to military superiority over the Soviet Union, they are blocking détente and renewing the arms race.

They are providing weapons to the bloodiest and most repugnant regimes of our time. They are exacerbating the most ferocious forms of fascism, racism, anticommunism and anti-Sovietism everywhere.

They are strengthening their ties with the South African racists, intervening to prop up the genocidal regimes in El Salvador and Guatemala, plotting to destroy the Nicaraguan and Grenadian Revolutions, encouraging the Chilean and Uruguayan fascists, and continuing to deprive the Palestinian people of their inalienable national rights.

Towards this goal, they dream of carrying their provocations and reactionary maneuvers to the heart of the socialist community itself. In the light of such threats it is clear that our own strength lies in our ideology, our unity, our unshakable cohesiveness, our faithfulness to Marxism-Leninism and the principles of proletarian internationalism.

The historical role played by the Soviet Union as the main guarantee of the invincibility of socialism is also becoming increasingly clear. As time goes by more and more peoples choose to march along the path to socialism and communism.

Confronted by their aspirations, we Communists from the countries where socialism has already been established have an enormous historical responsibility. Communists have always been extraordinary examples of dedication, heroism, incorruptible honesty and courageous criticism and self-criticism.

What makes us invincible is not that we are infallible but that we know how to correct our mistakes vigorously and promptly, supported by the masses and acting with absolute loyalty to the working people. The imperialists and their allies are today trying to prove that they can make socialism retreat.

That is the challenge with which we are now faced. We are committed before history, before the peoples and before the communist movement to reaffirm that socialism is irreversible when principles are applied and to prove that when the Party is united with the masses and serves them with complete dedication no retreat is possible.

Esteemed comrades, for over 20 years the Cuban people have had to heroically face aggressions of every kind launched by the U.S. imperialists.

But they have not succeeded in defeating us. Today we modestly but proudly exhibit a new nation to the world, rich in economic, political and social achievements and built thanks to the sacrifice, the efforts and the blood of all the people; the solidarity of workers and peoples the world over; and the unselfish and decisive aid given to us by the countries of the socialist community, very particularly the Soviet Union.

With their aggressive arrogance and their determination to increase tension everywhere, the current rulers of the United States have stepped up their threats against our country. Added to the shameful economic blockade imposed on us over 20 years ago are new acts of hostility supplemented by a threatened military blockade.

The Cuban people have responded with total mobilization under the slogan of "production and defense" issued by the 2nd Congress of the Communist Party of Cuba. We can say to our Polish brothers and sisters that today more than ever our country is not only making important progress in production but is also establishing itself as an impregnable bastion in defense of its achievements, its principles and the socialist system chosen by it.

We want peace and we are dedicating constant efforts to that goal, but we will never retreat in the face of aggression.

Comrades, the friendship between the Polish and Cuban peoples and between the Communists of the two countries has been forged by the common desire to move forward in the construction of socialism on the basis of the principles of Marxism-Leninism and proletarian internationalism.

This friendship dates back to the last century, when Polish patriot Carlos Roloff fought bravely in our wars of independence. It will be further enriched in the future through fraternal cooperation, unity of action against imperialism and in favor of social justice, independence for all peoples and peace.

The future belongs completely to communism. Conquering the future is a duty and the greatest honor that can be bestowed on a revolutionary. The ideals envisioned by Marx of a new world built by the workers is becoming a reality.

By learning from our own mistakes we will turn socialism into an increasingly beautiful reality, more firmly based on the aspirations of the people. The triumphant banners of the proletariat, stained red with the blood of millions of workers, will keep moving forward. And we are certain that marching among the standard-bearers will be the honorable sons and daughters of the heroic Polish people.

Long live proletarian internationalism!

Long live socialism and communism!

Long live the indestructible friendship between the peoples and Communists of Poland and Cuba!

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ERRATUM: In JPRS 78742, 13 August 1981
No 2352 of this series, pp 14-17 article
EDUCATION MINISTER REVIEWS EDUCATION PROCESS
was incomplete. It is reprinted here to
include missing portion.

ERRATUM: EDUCATION MINISTER REVIEWS EDUCATION PROCESS

Havana GRANMA WEEKLY in English 5 Jul 81 pp 3-4

[Text]

Comrade Deputies:

IT GIVES me great satisfaction to present to the National Assembly of People's Power this report on the achievements, difficulties, shortcomings and immediate perspectives of education in our country. Since the document was sent to you in advance you will by now have been able to verify how the changes introduced in the field of education over the past 22 years of revolutionary endeavor are amply and minutely recorded in it. My task now is to elaborate on its fundamental aspects, making reference also to the Ministry of Higher Education, which is an integral part of the National Education System.

It is truly a wide gap that separates our present educational development from what existed before the Revolution. Before 1959, education was conditioned by economic, cultural and social underdevelopment, and throughout the history of the neocolonial republic it was one of the sectors that showed the utter neglect and lack of attention with which it was regarded. Schools today, with their principals, teachers, students, administrative and service staffs, are genuine state institutions for learning and teaching. Under the direction of the Party and supported by the youth and mass organizations, they are fully integrated into the process of constructing a new socialist society, a society of which they are one of the main products.

The population census taken in 1953 revealed the deplorable conditions education was in at that time. Out of a population of 4.4 million people over ten years of age, 1 032 000 were totally illiterate — 23.6 percent of that population. A total of 547 000 children between six and 12 years of age were not enrolled in school, and school attendance of those that were enrolled averaged 60.8 percent.

Nowadays Cuba is one giant school: one out of every three inhabitants is studying. If we exclude children under six, the figure becomes one out of every two.

The average educational level of the population is 6th grade, and conditions now exist for raising that average by approximately one grade every three years.

Commander in Chief Fidel Castro's description of education before the Revolution in History Will Absolve Me is an impressive accusation:

"Our educational system is perfectly compatible with everything I've just mentioned. Where the peasant doesn't own the land, what need is there for agricultural schools? Where there is no industry, what need is there for technical and vocational schools? Everything follows the same absurd logic; if we don't have one thing we can't have the other. In any small European country there are more than 200 technical and vocational schools; in Cuba only six such schools exist and the graduates have no jobs for their skills. The little rural schoolhouses are attended by a mere half of the school-age children — barefooted, half-naked and undernourished — and frequently the teacher must buy necessary school materials from his own salary. Is this the way to make a nation great?"

The panorama presented by the old society in 1958 can be summarized in the following figures. Only 56.4 percent of the children were enrolled in elementary school, and just 88 000 teenagers attended intermediate level schools; 10 000 teachers were unemployed and the budget of the Ministry of Education amounted to just 79.4 million pesos (11 pesos per inhabitant). What actually went into education was substantially less since many millions found their way into the pockets of the corrupt politicians of the time.

But depressing as it was, that situation could not prevent Cuban public schools from always being a storehouse of the fighting history of our people, their heroes and the best cultural traditions of Cuban nationality. The thoughts of prominent teachers of the last century — Varela, Luz Caballero and Mendive; the teachings of Martí; the unyielding rebelliousness of Frank País and Pepito Tey: these are some of the highest expressions of the patriotism of many Cuban educators who did their best to build better schools and a greater nation.

And today over 1.5 million children in that nation are attending elementary school and over 1 170 000 teenagers are enrolled in intermediate education; some 200 000 future professionals are being trained at university level; over 950 000 students in the various types and levels of education are reaping the benefits of boarding and semi-boarding schools; we now have over 210 000 educational workers, a political, ideological, scientific and technical force whose professional level is constantly rising. In this nation we have earmarked 1 249 million pesos annually for educational expenses, equivalent to 138 pesos a year per inhabitant.

The Revolution inherited a centralized and corrupt educational administration, public schools that lacked everything, while the private schools were attended by the children of the privileged class, whose uniforms served to emphasize class divisions instead of identifying the type or level of education being received by children and young people.

The same evils also afflicted the universities. Enrollment there was structured to conform essentially to the interests of the bourgeoisie instead of to the needs of the country's development. For the sons and daughters of the working class, admission opportunities were practically nil. But historical tradition and prevailing objective conditions meant that the student body claimed the higher education centers as bases for agitation and struggle against corrupt politicians and against dictatorships like those of Machado and Batista, that shed so much of our people's blood.

Immediately after the triumph of the Revolution, profound changes began to be introduced in education. Examples of how the educational services were expanded in the first years were the creation of 10 000 new schools, particularly in the countryside; the conversion of army barracks into schools; and the nationalization of all private schools.

A shortage of teachers and professors was the greatest difficulty that educational development came up against in these years. But we always found revolutionary solutions. To bring education into the country's remotest areas, 3000 volunteer teachers signed up to go to the mountains and later set up the Frank País Vanguard Teachers' Brigade.

Launched in early 1961, the Ana Betancourt educational project was aimed at improving the cultural level of peasant women and helping them along the path to true liberation. Over 150 000 young girls from the mountains improved their school education and then were able to contribute to the transformation of our countryside and to take part in other tasks of the Revolution.

The Literacy Campaign, coming at the time of the great victory at Playa Girón, was another of the Cuban people's great achievements. Besides its huge educational value, it was also a key factor in the country's economic and social development. Its martyrs, Conrado Benítez (teacher), Manuel Ascunce Domenech (student-teacher) and Delfín Sen Cedré (worker-teacher), all murdered by bandits in the Escambray Mountains, gave their lives to this epic endeavor.

The result of that battle was something priceless: a new principle, a concept of education which copes with it integrally, including its social aspects. This is summarized in one of our slogans: "Education is a task for us all."

This year marks the 20th anniversary of the Literacy Campaign and it gives us great revolutionary pride that other peoples of the world can benefit from the experience it gave us.

After the Campaign, a mass scholarship project was announced. The first group of scholarship holders was made up of 40 000 literacy teachers. Many of the rich mansions of the bourgeoisie who had fled the country were used for this huge project, and the residential suburbs of Havana and other cities were soon overflowing with the sons and daughters of workers and peasants.

All these measures contributed to meeting the basic educational needs of children and teenagers in urban and rural areas, without distinctions of sex, race, place of residence and economic level; and in spite of the legacy of past neglect, the Moncada program was quickly carried out.

As of 1961, day-care centers were established, open to children after their 45th day of life, providing care and education in a healthy and happy environment and enabling a growing number of women to start working and take active part in the life of the society. By March 1981 over 95 000 children were enrolled in 832 day-care centers, but for several reasons places available are still below demand.

From 1959 to 1974, elementary school enrollment figures showed a steady rise. In 1975 they began to drop as a consequence of a reduction in the number of students in grades below those normal for their age group, and later because of the lowering in the birthrate. The figure now is 1 592 000 students. Owing to the large number of those who have reached the 6th grade, starting in 1972 intermediate education began to grow steadily, and accordingly higher education enrollment figures went up too. Over the five-year period just ended (1976-80), intermediate education enrollment figures went from some 629 000 students to over 1 177 000.

Special educational programs for children and young people with physical and mental handicaps and behavior problems did not exist at all before the Revolution. This year they had an enrollment of 28 000 students. In spite of the increase registered in this branch over the last few years it is still not possible to meet all needs, especially those of minors with serious behavior problems who run the risk of getting worse if they are not given adequate treatment. Steps to solve this problem are being taken at present.

The adult education program has played a leading role in helping to increase the cultural level of our people. It was organized in the wake of the Literacy Campaign and has given more than 1 400 000 people a 6th-grade education, through the systematic effort of the Central Organization of Cuban Trade Unions, the other mass organizations and the Ministry of Education. Our workers have already started the Battle for the 9th Grade, and are resolutely determined to emerge victorious and make their contribution to the economic and social development of the country.

The Revolution has always paid attention to the training of teachers and professors. The various teacher training programs which existed up to 1976 have been combined in a national network of schools in charge of training teachers to work in schools, preschools, and special education and as school librarians. The higher pedagogical institutes train personnel for teaching the intermediate levels and the Institute of Educational Improvement for working people.

All elementary school teachers who started working without the required training have now graduated. This is a very important step towards the general improvement of the quality of teaching and education as a whole, and is in line with a resolution adopted at the 1st Congress of the Party.

We should mention the important role played by the Manuel Ascunce Domenech University Pedagogical Detachment, which made it possible for students to continue studying at a time when there was a big enrollment boom at the intermediate levels.

In his closing speech at the 2nd Congress of the Young Communist League (UJC), Comrade Fidel posed the need for Cuban youth to organize a movement of 10th-grade students who would be trained as professors, combining their studies with teaching activities. This would go down in educational history as an example of a revolutionary solution, which was carried out with enthusiasm and rigor. The UJC has played a very important role in all this.

There are now more than 162 000 students in the various teacher training institutes. Of these nearly 61 000 correspond to higher pedagogical institutes, whose enrollment was only 5000 some ten years ago.

Following the victory of the Revolution more than 151 000 teachers and professors have graduated and have been active protagonists in the drive for educational development. They have made it possible for us to make our internationalist contribution to sister nations: right now more than 3500 Cuban teachers and professors are fulfilling this lofty mission in Nicaragua, Angola, Mozambique, Ethiopia and other parts of the world and by next September there will be 4500.

The training of skilled workers and intermediate technicians has also been given top priority.

In 1959 there were merely three dozen official institutions for technical and professional training, with an enrollment of 15 000 students. In this school year there are 403 institutions with an enrollment of 228 000 students. These figures include educational institutions which are under the jurisdiction of other state agencies and over which the Ministry of Education has methodological control.

To meet the needs of the national economy there are 110 careers for intermediate technicians and 125 for skilled workers, divided into 16 branches. The objective is to turn out specialists with a wide range of abilities.

The social and ideological factors existing prior to the Revolution which excluded women from nearly all technical professions have virtually disappeared. In the current school year, 45.7 percent of the student body, that is, more than 104 000 students, are women.

Since the victory of the Revolution more than 258 000 technicians and skilled workers have graduated from the National Education System, not to mention those of other agencies.

In many schools we have confronted problems in the training of students due to a lack of equipment, antiquated technology, shortage or lack of material for practical work and, in some cases, the lack of workshops. To all this we must add that many production or service enterprises have not offered students possibilities for on-the-job training.

All of these factors, together with the lack of technical bibliography and trained teachers, have adversely affected the academic level of many graduates. Resolution No. 356 of the Executive Committee of the Council of Ministers provides for the furnishing of these institutions with the specialized materials they need and care and upkeep of such material by the corresponding agencies and local organs of People's Power. This has led to great improvements and we are pressing to see that it is fully implemented.

The victory of the Revolution laid the groundwork for the transformation of higher education. The 1962 university reform set guidelines of the highest importance for its development.

In the 1959-1960 academic year there were 28 university disciplines. Now there are 144 disciplines, in keeping with the needs of the economy, science and culture. Higher education students have been encouraged to participate in scientific and technical activity, research, and links between study and work, in accordance with the requirements of their professional training.

In 1959 there were three official universities. The national educational network now contains 39 institutions of higher learning, covering nearly all the provinces. Enrollment has increased from about 15 000 students to a present figure of nearly 200 000. Of this figure 51 percent are workers who are also studying. There are also more than 7000 Cuban students training in the socialist countries, some 6300 of them in the Soviet Union.

Now all children and young people who finish the 6th or 9th grade can be sure of going on to study at the different institutions that make up the national network. Nearly 16 000 children and young people from various countries, mainly Africans and Nicaraguans, are able to study in our country as an expression of Cuba's internationalist policy.

During the period 1976-80 the number of graduates from all institutions of the National Education System was as follows:

— 1 293 000 elementary school students, more than the total of such graduates in the first 16 years of the Revolution;

— 574 800 junior high school students, 7.2 times more than in the previous five-year period;

— 105 100 senior high school students, 4.4 times more than in the previous five-year period;

— 165 500 skilled workers and intermediate technicians, four times more than the previous five-year period;

— 67 400 elementary school teachers, 3.6 times more than in the previous five-year period;

— 755 000 adults achieving the 6th grade, 115 000 graduating from junior high schools and 45 000 from the worker-farmer university extension program;

— 25 500 junior high school teachers graduating from special part-time courses;

— 2473 physical education teachers;

— 62 562 graduates from institutions of higher education, including 23 800 teachers of intermediate education. This figure is 2.7 times more than the previous five-year period.

In the field of intermediate education the figures for the last five years are about equal to the total number of graduates from 1902 to 1975, not including the adults.

As can be seen, one of the biggest achievements of the last decade has been the flow of students through the National Education System. This has meant that during the 1976-80 period there has been a big change in the "educational pyramid" — the ratio between elementary, intermediate and higher education enrollment. In 1958, out of every 100 students, 88.7 were in elementary

school, 11 in intermediate education and 0.3 in higher education. Now the ratio is very different: 54 in elementary education, 40 in intermediate education and six in higher education. The pyramid is thus very similar to those of the developed countries.

The big increase in graduates from junior and senior high school made it possible to increase entry requirements from 6th to 9th grade for teacher training and schools training skilled workers and intermediate technicians, and from junior to senior high for higher pedagogical institutes. These measures will be very important in raising the academic standard of future professionals.

In order to help accomplish these aims, 1577 new educational institutions have been built in the last ten years at a cost of more than 1500 million pesos.

This whole process of educational development has been carried out amidst an intense class struggle characterized by direct confrontation with imperialism, its attacks, its economic blockade and its diversionary ideology.

The leading role taken by our glorious Communist Party in formulating and correctly implementing educational policy has facilitated these educational transformations and the work done by our people in education. The theses and resolutions adopted at the 1st and 2nd Party Congresses clearly stated the objectives, indications and guidelines which our schools are applying towards the communist upbringing of new generations.

The support of society as a whole for educational tasks, a factor of great importance, is reflected in the school itself; we see the influence of the Party, the UJC, the Trade Union of Workers in Education and Science, the José Martí Pioneer Organization, the Federation of Students of Intermediate Education and the Federation of University Students.

The school councils and parents' committees are important means for linking the educational institutions and day-care centers with the community. The family is represented in them, along with members of the Committees for the Defense of the Revolution, the Federation of Cuban Women, the National Association of Small Farmers and the unions. Their aim is to ensure that the schools and day-care centers fulfill their social responsibility.

Together with the extension of educational services there has been a substantial change in the role played by the school in the upbringing of children and young people. An important contribution towards this objective has been made by linking study and work. Steps towards this were first taken in 1962 in the mountains of the eastern part of the country and continued in Camagüey and other provinces until it became nationwide, with the implementation of the program known as the School Goes to the Countryside. Full realization of the idea of combining study and work was achieved with the schools in the countryside, conceived by Fidel and based on the application of this important pedagogical principle set forth by Marx and Martí.

Linking the school to society as a whole has been a constant concern of the Revolution. The students are directly influenced by the Revolution and whenever they have been called upon to carry out extraordinary tasks they have responded enthusiastically and conscientiously. A clear indication of how the children, adolescents and young people of Cuba think and act has been their incorporation into the difficult and complex tasks posed by the Revolution. Their participation in productive work and internationalist tasks, their zealous mass participation in the March of the Fighting People, their integration into the Territorial Troop Militia in response to the threat of armed attack, are examples of the revolutionary feelings of our young people.

The intense work done in the educational field from the very start of the Revolution had its share of problems and shortcomings. However, the valuable pedagogical experiences which we were accumulating and the level of development reached laid the foundation for defining and facing up to the necessary changes.

The Congress on Education and Culture held in 1971 became a debate among Cuban educational personnel which shed light on their political and ideological awareness. It also posed the need for a profound study of the contents of education in order to resolve the incongruities in the curricula and programs, the lack of coordination, the fact that in some fields we were not keeping pace with the development of science and technology, the acute shortage of personnel and materials. Furthermore, the insufficient enrollment capacity in intermediate education, the problem of children who started school late or had to repeat grades. This led to a "bottleneck" in elementary school enrollment and underlined the urgent need to search for solutions to these problems.

Thus we had to revolutionize the very concepts of education. This led to the Plan for the Improvement of the Education System, whose objective was to make education conform to the society we are building, that is, provide the new generations with the appropriate political, intellectual, scientific, technical, physical, moral, aesthetic, polytechnical, work and patriotic-military training. We had to give the National Education System a scientific foundation in line with the methodological and organizational principles of socialist pedagogy.

The Plan's first stage was one of diagnosis and analysis, which revealed the lack of a coherent system of general education. There was a structure for dealing with the different educational levels but without a systematic concept. Elementary schools were supervised by a leadership which structured its activity vertically in relative interdependence with the junior high schools, and these, in turn, with the senior highs. We did not have the current concept of general polytechnical and labor education which covers elementary and intermediate levels and which now constitutes the core of the system.

Technical and professional education was also structured in a vertical manner with no links to general education, leading to incongruities in the contents of education.

Training of teachers was handled by various branches of the Ministry of Education and there were no links to the general education for which teachers were being prepared. A similar lack of coordination existed in other branches.

In order to solve these problems we had to improve the National Education System, focusing on integrity, interrelationships and links that determine its structure. It also had to ensure the harmony of objectives, content and methods along with continuity of education and the organization of teaching and educational work.

In general terms, the results of the initial stages of the Plan have been satisfactory. It has succeeded not only in introducing new curricula and textbooks and defining material needs, but has also come up with a new educational structure and a series of extracurricular activities

to confront this gigantic task. All this has contributed to increasing the students' educational level.

The 1st Congress of the Party approved and determined the objectives and scope of the Plan; it determined the social function of school, its guiding role; the need to strengthen educational work and to train and constantly improve the teacher's qualifications as a political and educational cadre in charge of introducing new plans, programs and textbooks.

We also worked out a plan for upgrading the teaching staff so that they would be acquainted with the educational programs and materials before they were applied. Various methods have been used to accomplish this, including seminars and classroom visits aimed at improving methodology.

In this complex task and the radical changes it implies, problems naturally arise as a result of the process of development and the objective and subjective conditions under which plans were elaborated and applied. Also involved is the struggle between the new and old.

The main problems and shortcomings in the implementation of the Plan have resulted from inadequate understanding of the new programs, incorrect use of educational methods and means, lack of materials, inadequate methodological training, and lack of rigor and a demanding attitude in applying evaluation norms.

We have taken the necessary measures to cope with all these problems, such as the recently concluded seminar for heads of departments and teachers of mathematics, physics and chemistry and guidelines for remedial work in Spanish, reading and math.

We have been aided in all this work by specialists from the USSR and the GDR, who have offered us their valuable experiences.

We must stress that this is a permanent process which will lead to new and more complex scientific and pedagogical tasks.

As a result of the institutional changes made from 1976 on, the new structure of leadership and administration in education on the municipal, provincial and national levels has helped consolidate plans for educational development all over the country and has led to substantial improvements. There has been notable progress in the field of inspection and methodological aid, as shown by the fact that from January 1977 to May 1981, the Ministry of Education alone carried out 978 inspection visits to provincial departments, 2576 to municipal departments and 23 420 to individual schools.

School organization is today accorded the priority it deserves as the basis for the work of the school and the decisive factor in the education of children and young people.

Efficient school organization means fulfillment of the schedule, daily and otherwise; fulfillment of norms for productive work; attendance and punctuality of leaders, teachers and professors, students and noneducational workers; taking full advantage of the workday; respecting social and individual property; observing standards of proper behavior and personal appearance; and maintaining proper relations between students and teachers within a framework of socialist morals.

SCHOOL ORGANIZATION SERVES AS THE BASE FOR THE ENTIRE TEACHING ACTIVITY OF THE SCHOOL

There are institutions that have come a long way in this field and, as a whole, progress has been made. However, other centers continue to have problems and shortcomings, such as absences and lack of punctuality on the part of teachers and professors, which has an adverse effect on the students. This situation is particularly acute in rural areas.

In order to improve the quality of elementary schools we must establish both morning and afternoon sessions. Only 27 percent of all students are now attending two sessions a day and in some provinces, such as Las Tunas, Granma and Guantánamo, virtually none are. Given the gradual decline in elementary school enrollment, we will be able to gradually increase the number of students attending two sessions a day.

The basic organizational form of education is the classroom. It is here where the main objectives of the school programs and curricula are fulfilled. Results this year reflect progress over previous years, but are not 100 percent satisfactory since inspections have detected a number of deficiencies. Because of this we are strengthening methodological work and systematic control, because all classes must be good ones, increasing their level in accordance with our development.

An important element in the teaching and educational process is evaluation, which controls results and serves to guide its direction.

The evaluation system makes it possible to detect the educational problem in time so that teachers and students can adopt the necessary measures to prevent irreversible failures at the end of the school year. It is designed to anticipate the nonfulfillment of goals and any setbacks in learning, and it seeks to encourage the students and overcome their shortcomings.

The inspections made have shown that the evaluation system is not fully mastered in all cases and that its application does not always abide by the established norms. These difficulties are found at the various levels and subsystems. We found one example of this in the first two grades of elementary education, where some students were promoted without justification.

Upon completing 1st grade, all the students are supposed to move on to 2nd grade, along with their teachers. In 2nd grade, teachers should work with those who have shortcomings in order to bring them up to par with the rest of the class. No student should be promoted to 3rd grade unless he has mastered the objectives of the preceding grades. Promoting any student unable to read and write to 3rd or a higher grade constitutes a violation.

Investigations made showed that out of over 900 000 students in 3rd to 6th grades, a little over 28 000, or 2.9 percent, couldn't read or write. Today this figure has dropped by more than half, thanks to the steps taken to remedy such irregularities. Although the figure is not significant, to us one single student wrongly promoted merits special attention.

We are also working to remedy the poor preparation of senior high school graduates due, among other factors, to lack of correct study habits and academic discipline.

Promotion is the fundamental indicator of the efficiency of teaching and educational work. It should be the result of the proper organization of daily work, the sound application of the system of teaching principles, the systematic upgrading of the teaching staff, individual and collective study on the part of the students, an enthusiastic emulation program, rigorous educational work and close ties with all student, political and mass organizations.

Promotion should respond to systematic and serious work on the part of the teaching staff and it must necessarily become a struggle for quality. The goal is that all the students be promoted on the basis of mastering the required knowledge.

The goal of the school is that all the students get satisfactory results, as a consequence of good teaching and educational work. The teacher's dedicated and selfless efforts, the creation of a favorable environment for study and work, the careful attention to individual differences, the encouragement of every student and the maintaining of high standards are all fundamental aspects in achieving high rates of promotion. In no way can the application of evaluation norms imply concessions that conspire against academic rigor.

In our commander in chief's own words:

"Promotion is a very important question. No promotion can take place if the requirements have not been fulfilled. Now, when we speak about the quality of promotion, this does not by any means imply that the rate is unimportant. A promotion rate of 40, 50 or 60 percent is not good enough. Therefore, we must struggle for top promotion with top quality. That's our task, that's the slogan that sums it all up. I repeat, top with top."

Promotion rates obtained since 1975 are high and this is a big improvement over the results obtained during the 1960-1970 period. This is especially so if we consider the enrollment boom in intermediate education as of the 1975 school year and the requirement that students pass all subjects before going on to the next grade. Over the last five years the promotion rate has been stabilized, but we must take a more demanding attitude and pay greater attention to quality.

Likewise, prevention of dropouts is a concrete example of the results of the schools' work. In the 1959-69 period, retention rates were very low and although great progress was made in the period between 1970 and 1980, they are still not satisfactory. In the last few years of the preceding five-year period there was a slight drop in the intermediate level, affecting the enrollment rate in the 13-16 age group.

At the start of the 1980-81 school year, the rate for this age group was 79.8 percent, considering population estimates and official enrollment figures for each age group.

According to a study undertaken in February 1980 in cooperation with the State Committee for Statistics which covered 28 municipalities and 23 percent of the population in this age group, 92.5 percent of the young people were in school. However, we must await the results of the upcoming census to confirm this and determine the real magnitude of the problem.

Among the factors which cause dropouts are problems of a sociocultural nature, such as marriage at an early age, which affected some 11 000 students in the 1979-80 school year. Schools will win the battle against dropouts with efficient work and the backing of the school councils, political and mass organizations, the family and society as a whole, and with the elimination of the socioeconomic and cultural factors which have an adverse effect on certain segments of the population.

Educational work can be characterized as a continuous process of shaping the personality of the child or young person. This is a complex task because it is not limited to the school alone. The home life, the example of the parents and teachers, the influence of fellow students, friends, radio and TV programs, cinema, activities of the student organizations and the community in general must form a single coherent, multifaceted system. That is why integral education work directed towards a common objective is so important; all pertinent social factors must come into play.

The school undoubtedly plays the key role in this series of factors. In every educational institution, educational work is carried out in the classroom, in the laboratory, in the workshops, in the cafeteria, the lounges, dormitories, as well as in political, ideological, productive, sports, recreational and cultural activities; that is, educational work is present in every aspect of student life.

Educational work also involves school organization; teaching itself; the work of political and ideological training; correct combination of study and work; vocational training and professional guidance; art education; physical education and sports; participation of the school in political and patriotic-military education, the teaching of Marxism-Leninism; norms of acceptable social conduct, an understanding of ethical values and establishment of a favorable climate for study and work.

Our goal is that educational work be adequately reflected in the upbringing of children and young people. We have made progress in this field but much still remains to be done in order to achieve satisfactory results in all educational institutions. In some cases this work is not accorded the importance it merits; each and every one of the factors is not always dealt with in an integral fashion and at times the work is done in an irregular, routine and superficial manner.

At boarding schools, where the student spends the major part of his time, educational work becomes even more important.

Notable progress has been made in these institutions during the course of this school year, but there are still schools which require great attention and help so that they can use school organization, control and high standards as tools for increasing the efficiency of their work.

It is clear that certain schools are deficient when it comes to instilling correct habits and standards of social conduct and developing a critical attitude towards wrongdoing. There have been ostensible changes and we are constantly strengthening pedagogical and political work and taking a demanding attitude in the schools and in educational leadership positions to eliminate negative conduct, some of which is rooted in the problems which confront society and which schools must help solve. However there are still losses and destruction of social property, lack of discipline and punctuality, late return after leaves, inadequate personal relations among students and between students and teachers, lack of correct habits of social conduct and inadequate hygiene.

Schools must undoubtedly give priority to the work of improving the students' social conduct and manners. We seek conscientious discipline, that is, that good conduct and behavior reflect the principles and standards of communist morality.

Discipline is not one more aspect of educational work but rather the result of its efficiency. Thus we stress improved educational work; every teacher and professor in every school must fulfill his or her educational role

and the work of teachers' collectives must be systematic, uniform and coherent.

Political and ideological training of the students is closely linked to the study and knowledge of Marxism-Leninism, now being systematically taught in the different branches of our educational system. We still don't have enough professors nor enough of the basic texts.

Political and ideological education goes hand in hand with patriotic and military education. Courses on technical-military training, which are being tried out in some schools, will be taught in all senior high schools in the coming school year.

Physical education and school sports, along with art and cultural education, are key factors in the shaping of a communist personality.

Achievements registered in the field of physical education and school sports are well known. However, numerous problems and shortcomings exist: students who skip classes, misuse of class time, inadequate participation in sports activity and, in some schools, the inadequate use, care and upkeep of sports facilities. Another problem is the lack of sports materials, chiefly in elementary schools and special education. The Ministry of Education and the National Institute of Sports, Physical Education and Recreation are presently involved in projects to promote mass participation and improve the quality of the work being done in this field.

Progress has been made in art and cultural education in the different branches of the educational system, especially in elementary schools. With a view to overcoming existing problems and shortcomings with regard to professors, curricula and materials, the Ministries of Education and Culture have taken a series of measures that are reflected in a work plan of the next five years. Such measures reinforce the work that must be done by the school to improve the level of cultural activity.

The combination of study and work, a basic principle of Cuban education which has a decisive influence on our children and young people, has been favorably commented on at the two Party Congresses. The need to improve upon its application in the different branches of education has been stressed.

In elementary schools we now have nearly 600 vegetable gardens and more than 800 productive plots, in which more than 330 000 students are involved. The School Goes to the Countryside program still makes a notable contribution to the economy of the country, with large numbers of students at the intermediate level working on various crops. Problems and shortcomings which still exist in terms of organization and supply are being worked on by the various agencies involved, which are taking a more demanding attitude and striving to exert effective control.

The junior and senior high schools in the countryside supply the principal work force for certain citrus, tobacco, coffee and other harvests and the students' work has been satisfactory.

Absences and lack of punctuality, inadequate sanitary conditions and diet, nonfulfillment of norms, failure to clearly define tasks and shortages of materials are among the problems we are trying to solve.

The scientific-technical clubs, an effective means for vocational training, are being increasingly strengthened and now number more than 31 000. About 480 000 elementary and junior high school students participate in them, that is, a third of the students in those grades. As provided for in Decree 63 of the Executive Committee of the Council of Ministers, work is being done to increase participation in these clubs and raise their quality.

Inspections and reports by the Ministries of Education and Public Health indicate that hygienic and sanitary standards at schools have improved. Among the difficulties which still remain we should mention the serious problems related to the physical condition of some urban and rural centers, the lack of ventilation, illumination and water, inadequate preparation of food, malfunctioning and leaks in new schools caused mainly by faulty construction work and inadequate care and upkeep.

Together with the Ministry of Public Health we are working on a national student protection program for the 1981-83 period, which will be put into effect in the coming school year in coordination with the corresponding department of People's Power.

In some provinces there is a lack of school furniture. Efforts have been made to solve this problem by the start of the next school year.

In the last few years we have also had problems related to delays in the completion of schools and the search for and training of educational and service personnel — all of which affect the students.

The installation and use of laboratories and workshops, and the distribution, redistribution and use of textbooks are other fields with problems which we are working to solve.

We must mention the fact that the Ministry of Culture has made a great effort to have textbooks for the coming school year ready before June 30 so we can send them to the schools before classes start. This will solve a problem we have faced for years.

We should likewise mention the extraordinary work done by collectives of textbook authors. As a result of the increased need posed by the Improvement Plan, during the last few years more than 1000 new titles have been published, making a decisive influence in the development of current educational programs. The groups writing these materials are made up of representatives from the Academy of Sciences, institutions of higher learning, production and service institutions, teachers, professors and methodologists from the municipal, provincial and national levels, under the supervision of the Central Institute of Pedagogical Sciences.

One thing which has helped improve the quality of education is the stability of cadres, chiefly school principals. In order to cope with the sharp boom in intermediate education during the last ten years, we had to select more than 18 000 new leadership cadres. This gave rise to a lack of stability and technical cadres in the municipalities. In many cases methodologists and inspectors were sent to work at new institutions or those with insufficient leadership cadres, and thus had to neglect their previous responsibilities.

The Ministry of Education and the local organs of People's Power have worked to organize and develop the cadre pool and reserves, achieve better control, and undertake systematic evaluations and continuously upgrade personnel to achieve greater efficiency and better placement and promotion of teachers and administrative personnel.

The new system of promotions and graduated pay scale has constituted a step forward for educational workers in the recognition of their merits, while contributing to the stability of teachers, professors and other pedagogical cadres.

Our quantitative and qualitative achievements allow for constant and systematic increases in the quality of education and improvements in the work done by the school; indeed, they require us to struggle for them. Thus, we are continuing to develop the Improvement Plan in order to better the material and technical foundation

of education and intensify scientific and pedagogical activity.

Over the 1981-85 period enrollment in elementary school will continue to decline. Careful study will be given to the future development of the elementary school network, so that while not building schools with low enrollment we will be seeing to it that no child is without a school, no matter how remote the area where he or she lives. Surplus school capacity resulting from declining enrollment will be used to have more children attending two sessions daily, thus increasing the quality of teaching and education in general.

In order to further the overall training of students there will be an increase in physical education, labor studies and art education.

Junior high school enrollment has reached its peak and is expected to remain at its present level, or perhaps decline slightly, in the coming years. With the present installations, and those to be built in this five-year period, we will be able to keep pace and cope with future needs. The teachers we already have, plus those currently in training, will bring departments up to full strength.

We will continue transferring students, chiefly from the eastern provinces to other provinces, to see to it that they continue studying when they finish 6th grade and in order to involve the greatest possible number of students in the study-work program.

In the 1981-85 period some 848 000 students will finish 9th grade. Of these, 412 000 will continue studying in polytechnic schools or institutes and 300 000 in senior high schools; 136 000 will train for careers in education, public health and technical and professional fields. This enrollment structure fits in with existing capacity and the needs of the socioeconomic development of the country.

Senior high school education will continue developing. At least 11 senior high schools in the countryside will be finished in the 1981-85 period, and some junior highs will become senior highs, so that the majority of the students at this level will be participating in the study-work program.

The prevailing promotion and retention rates indicate that 226 000 young people will graduate from 12th grade. Some of these will go on to institutions of higher learning and some of those who don't will study to become intermediate technicians in schools for technical and professional training and in schools of other state agencies.

There are 230 000 students at present in technical and professional education and in the 1981-85 period 44 new polytechnic schools will be built with a capacity for 28 600 students. The number of graduates will come to 375 000 in this five-year period basically as a result of students who enroll with a 9th-grade education. This means the number of graduates will be 2.1 times greater than in the 1976-80 period. In order to improve the training of skilled workers and intermediate-level technicians we are working to better the material and technical foundation of the schools, finish construction work and install workshops and laboratories. These centers must be used efficiently and should be linked to industry.

The continuation of the studies started by the Central Planning Board and aimed at giving us detailed information about the need for skilled labor in the national economy is very important. Breakdowns both by region and by stage are necessary. Such information will make it possible for us to plan enrollment by careers and provinces appropriately, and make the necessary changes in school capacity.

There is a clear need to improve the training of elementary schoolteachers who received their training in systems existing prior to the present plan and need to be brought up to par with those now graduating from teacher training schools. There are more than 1000 teachers in two-year courses set up to cope with this problem, and in the future these studies will be an indispensable qualification. Teachers will also be able to obtain a university degree in elementary education. In the coming years teachers in intermediate education will be required to have a full university education.

In the field of adult education, following on the results obtained in the Battle for the 6th Grade, we will continue working along with the Central Organization of Cuban Trade Unions to ensure that most of those who have not already done so reach the 9th grade. Workers will have the opportunity of completing and improving their technical training in night courses and other special programs of technical and professional education.

It won't be easy to surpass many of the rates and qualitative levels reached in the last few years in terms of enrollment and number of graduates. However, in terms of qualitative improvement we have unlimited possibilities ahead of us.

Now more than ever before, we must take a more demanding attitude and be more efficient in our work. The struggle for quality is the main task of the Ministry of Education in a process that will always require the total mobilization of all forces, because every stage of development will pose greater requirements than the previous one.

Obviously, quality means increasing the scientific, pedagogical and political-ideological training of teaching staff and, in general, educational workers. That is, better work by all those in any way involved with the teaching and educational process. The focus of our work will be the drive for greater efficiency in all aspects of the system, both external and internal.

Efficiency in the internal aspects of the National Education System means cutting down on dropouts in all branches of education; seeing to it that the enrollment rate of young people over the age of 12 who are in school increases; stability and satisfactory flow of enrollment throughout the system; fulfillment of all norms which deal with optimum organization of education and teaching; permanent upgrading of leadership cadres; strengthening support work for the school done by the family, the community, agencies, social institutions and especially political and mass organizations, all of which are part of the school councils. There must be unwavering demands for the fulfillment of all educational objectives and the responsibilities which correspond to each and every person in this great task.

External efficiency has to do with turning out students who can continue their studies and become part of the production or service process with good skills and a full awareness of their responsibilities as workers and members of society; students with sound scientific training and ideological principles. That is, we must educate people whose knowledge, ability and attitude go hand in hand; people willing and able to serve their country wherever necessary, in line with their duty to it and the principles of proletarian internationalism.

The quality of education means better organization and teaching work, better educational work, more discipline, study and training.

Fidel has summed all this up as follows:

"In the coming years our efforts must focus on quality in all fields. Quality in the content of education and

teaching, quality in organization, quality in shaping personality and the awareness of students, quality in discipline and the fulfillment of duty for educational cadres, leaders, department chiefs, professors and all workers in education!"

Comrade deputies, we have presented a detailed report on the development of education, the achievements obtained, problems, shortcomings and the immediate outlook, and we also mentioned some of the measures which were taken to cope with the shortcomings and solve the problems.

Our Revolution allots huge sums of money to the development of education. There may be some material problems, which we will gradually solve, but the matters which we must solve right away and on which we are focusing our attention are subjective matters that depend on us and hamper the development of education. That is something we can solve and are duty bound to do so.

We realize that there is no room for concessions or tolerance in education. We strive to greatly increase the level and quality of education and teaching in all fields. The drive for a demanding attitude and efficiency is the core of our work.

In order to accomplish all this, we count on the wise leadership of the Party, the resolute efforts of the organs of People's Power, the firm and enthusiastic backing of the Trade Union of Workers in Education and Science and the participation of youth and mass organizations.

Our teachers and students are aware of the fundamental tasks they face: production and defense. In education, production means greater quality, discipline and efficiency in work at school; defense means an alert and intransigent stand in the face of the threats, provocations and diversionary maneuvers of the enemy. It also means taking up arms if necessary.

In our advance we are inspired by our people's highest values; their traditions of struggle, unyielding stand in the face of the enemy; their fighting spirit, patriotism, dedication, internationalist spirit and sacrifice. These values are present in the teachers and they are based on the will to work tirelessly with Martí's concept that the best way to say is to do.

We are convinced that "education is the most powerful weapon available to mankind in order to create an ethic and a conscience, to create a sense of duty, organization and discipline, a sense of responsibility."

In all this noble effort, Fidel's teachings guide and inspire our revolutionary pedagogical development in its drive to obtain the supreme objective: the communist upbringing of the new generations.

CSO: 3020/130

LEFTIST PARTY HITS RULING PARTY FOR CRITICISM OF GRENADA

Georgetown GUYANA CHRONICLE in English 24 Jul 81 p 11

[Text]

THE ruling Freedom Party of Dominica has run into criticism at home for its recent attack on the policies of the Grenada Government, according to a report from the Island.

The leftist Dominica Liberation Movement Alliance (DLMA) has reportedly accused the Freedom Party of attacking Grenada's government in — 'a clever attempt' — to divert citizens' attention from Dominica's "socio-economic crisis."

What moral authority does the Freedom Party have to question the enjoyment of human rights and freedoms in another country, when it has effectively conspired to stifle real opposition in Parliament? the DLMA was quoted as saying.

According to the report, the DLMA feels that instead of questioning the enjoyment of human rights in another country the ruling party would better use its time in formulating a strategy to cope with the socio-economic problems at home.

Dominica Freedom Party had said that it found the human rights situation in Grenada offensive and called for free and fair elections at the earliest possible time.

Soon after this criticism, which has echoed in an editorial of the Dominica 'New Chronicle' newspaper, Grenada's Deputy Prime Minister Bernard Coard came out with a strongly-worded warning to those who would interfere in 'Grenada's business.'

CSO: 3025/188

CHARLES OUTLINES PLAN TO REVIVE AILING ECONOMY, EMPLOYMENT

Bridgetown ADVOCATE-NEWS in English 24 Jul 81 p 9

[Article by Peter Richards]

[Text] ROSEAU, Dominica, Thursday, (CANA) — Prospects for reviving the ailing economy and cutting unemployment, were outlined here on Tuesday night by the ruling Dominica Freedom Party, on the eve of the start of its second year in power.

The party won a landslide victory at the polls on July 21, 1980, winning 17 of the 21 seats at stake and Tuesday night held a public meeting just outside Government Headquarters to bring the nation up to date on plans for the future.

Prime Minister Eugenia Charles, in a 35-minute presentation, said that her party was well on the way to bringing about a revival of the economy and providing jobs for the many unemployed people in the country.

Miss Charles said every effort was being made to ensure the survival of the main revenue earner, the banana industry, and called on every Dominican to play his part.

"It is time for all of us to realise how important bananas are and as a result we must make sure that we are able to do our part in making sure we supply good bananas for the market, so we can get the best possible price", she said.

She called on banana growers not to try to pass for export fruit that they themselves know is not good for shipment, because this causes the price of the bananas to go down.

Miss Charles defended her Government's decision to sign a $37 million loan agreement with the International Monetary Fund (IMF) for economic assistance.

"If we had not gone into the agreement with the IMF we would have had to shut down the country, because there was no money to run it", she said.

"There was no month that we have recovered enough revenue, not one month we collected enough to pay our expenses... we would have had no money at all and therefore we had to find a way of keeping the country open", she said.

Her remarks about the IMF loan came on the eve of a meeting here yesterday between trade union officials and members of the private sector to discuss the loan conditions and their implications.

On Tuesday one trade union here expressed concern about an IMF condition that wage hikes be kept at 10 per cent called on Government to cancel the IMF deal and re-negotiate the entire package with easier terms.

But Miss Charles said: "There is nothing the IMF asked us to do that we did not know we had to do... if you want survival you have to take the steps that will make you survive... we could not have existed without it".

She said had the IMF not come to Dominica's assistance there would be no money available for paying public servants.

"No one can live without getting paid; no one can continue to exist and for this reason we decided we have to take the drastic steps and enter into an agreement with IMF", Miss Charles told the large crowd which braved heavy intermittent showers.

The Prime Minister said that on taking up office, she had found on the statute books provision for the establishment of an Industrial Development Corporation to provide jobs for Dominicans, but it had not been set up.

She said Government would soon rename the agency the National Development Corporation, giving it wider powers, "and through them we hope to be able to get the employment during the course of the next 12 months that we want so badly for Dominica".

She said that the British Government was providing consultancy aid to NDC, and that two Dominicans would soon pursue studies under the United Nations Industrial Development Programme.

On Tuesday, Miss Charles signed an agreement with the Barbados-based Caribbean Development Bank (CDB) to undertake a study on the marketing of Dominica ornamental plants, such study she said would allow Dominica to identify markets for the plants, as well as to know "how much money we can get from it".

On future projects, Miss Charles said that she has been having discussions with a Trinidad and Tobago company on the possibility of marketing Dominican produce in Barbados, Antigua and Trinidad.

"This is a plan they are looking into for us... and they are going to make a company", she said, noting that Dominica would also be involved in the company.

Miss Charles also outlined Dominica's plans for going into the production of fresh water fish, which she said could bring in some revenue.

CSO: 3025/188

COARD THREATENS RETALIATION FOR MEDDLING IN GRENADA

Bridgetown ADVOCATE-NEWS in English 21 Jul 81 p 1

[Text]

ST. GEORGE'S, Grenada, Monday, (CANA) — Grenada will take a firm line against anyone who meddles in its internal affairs, Deputy Prime Minister Bernard Coard has said.

"The moment you interfere in our business, it is a two-way street after that" he told Grenadian youths. "If you interfere in Grenada's business, after that it is open season and you get what you get.

Coard, who is also Finance Minister, was reacting to what the Government-owned Radio Free Grenada called "recent attacks on the Grenada revolution by various governments."

Coard did not pinpoint which governments had angered Grenada's left-leaning rulers, who came to power in a March 1979 revolution, toppling right-wing Prime Minister Eric Gairy.

But the latest volley came from Dominica's ruling Freedom Party which called for the "early" General Elections the People's Revolutionary Government (PRG) here had promised when it toppled the Gairy regime.

New Zealand too had earlier blasted Grenada, describing the Government as being unashamedly Marxist.

At yesterday's opening of a youth camp organised by the ruling New Jewel Movement (NJM), Coard said Grenada believed in the principle of non-intervention in the internal affairs of other states.

Nobody can interfere in Grenada's affairs and expect that the PRG will not retaliate, he said.

From the early days of the revolution, the PRG had said it would not interfere with any other government, he told youths, who will be at camps scattered across the island with such named as "Steve Biko" (murdered black African freedom fighter), Walter Rodney (assassinated Guyanese opposition politician) and Che Guevara (Cuban revolutionary).

"Anybody who interferes in Grenada's business will have to feel the weight of the Grenada revolution," he said.

CSO: 3025/190

ASSOCIATION'S REQUEST FOR MEETING WITH BISHOP REJECTED

Kingston THE DAILY GLEANER in English 23 Jul 81 pp 1, 14

[Text] St. Geroges, Grenada, July 22 (CANA):

The Grenadian government today said it has rejected a request from the Caribbean Publishing and Broadcasting Association (CPBA) for a meeting with Prime Minister Maurice Bishop, to discuss alleged press freedom abuses here.

The CPBA, a regional grouping of media executives, last week said it wanted to meet Bishop to talk about the Grenada governments recent closure of a new independent newspaper, the GRENADIAN VOICE, and travel restrictions placed on journalist Alister Hughes.

The VOICE was closed down June 19 after its initial printing, with government accusing it of working with the U.S. Central Intelligence Agency (CIA) against Grenada. Hughes, who was linked with the paper, was subsequently prevented from leaving Grenada, on the grounds that his income tax record was being investigated.

In a statement today, Government here said no useful purpose would be served by a meeting between the Prime Minister and the CPBA, described as "an unholy alliance of regional media magnates.

Said the statement: "the Peoples Revolutionary Government of Grenada views the recent attack on our revolution by the Caribbean Publishers and Broadcasters Association, that unholy alliance of regional media magnates, as a predictable response from a corporate group opposed to a genuinely free people's mass media in the Caribbean.

"By claiming that closure of the illegal, GRENADIAN VOICE violates freedom of expression in our country it attacks the PRG for acting on behalf of the vast majority of our countrymen, who recognise the GRENADIAN VOICE for what it was--another CIA attempt to undermine the Grenada revolution.

"The PRG has no intention of stopping the right of movement of Alister Hughes or any other Grenadian, as long as they abide by the law, pay their taxes and not work with the CIA or other destablising agencies and forces.

"The GRENADIAN VOICE was not set up as a medium through which the working people, the youth, women, students, farmers and fishermen of our country could express themselves freely.

"It was established to disseminate the views and ideas of a minority of big businessmen, planter and reactionary lawyers with links to the CIA, not to the broad masses of Grenadians. Theirs is not the voice of the people. Theirs is the voice of unpatriotic elements opposed to peace and social progress and bent on giving full support to the CIA plan of turning back our people's revolution.

"The request by CPBA president Oilver Clarke, managing director of the infamous Jamaica DAILY GLEANER (which played a key role in the downfall (October 1980) of Michael Manley's government) to meet with Prime Minister Bishop "to discuss these issues with a view to possible solution" is arrogant, hypocritical, ironic and contemptible."

"No useful purpose can be served by such a meeting. It is the height of arrogance and hypocrisy for Oliver Clarke to use his GLEANER and his CPBA to write libellous editorials and to mount unwarranted attacks on the PRG and then call for a meeting. As far as the PRG is concerned the issues in this case have already been solved.

"What power has this CPBA arrogated to itself that it can so boldly interfere in Grenada's internal affairs? The people of the Caribbean have given them no such mandate. Any why have they remained silent when other Caribbean governments are imposing strict press censorship and victimising progressive journalists.

"It is indeed ironic, if not laughable, that after calling on the Inter-American Human Rights Commission to investigate the state of human rights in Grenada and on Caribbean governments to isolate Grenada by severing relations, Clarke and his cohorts now seek an audience with Prime Minister Bishop.

"The people of the Caribbean should be informed that Oliver Clarke is not only president of the CPBA, but also a vice president of the Inter-American Press Association, a conglomeration of right-wing, anti-democratic newspapers with close ties to the CIA.

"Let it also be known that this same association worked assiduously to overthrow the democratically-elected Chilean government of Salvador Allende and put in its place the brutal, fascist Pinochet dictatorship, which today consistently violates all the human rights that the Chilean people should enjoy."

CSO: 3025/190

BRIEFS

JOURNALIST'S DEPORTATION--St. Georges--(Grenada Press)--The Media Workers Association of Free Grenada (MWAFG), which represents the vast majority of newspaper, radio and television workers on the island, has strongly condemned the 'unwarranted and unjustified deportation' from St. Vincent last week of journalist, Earl Bousquet, a member of the association. On Wednesday, July 22, Bousquet travelled to St. Vincent from Saint Lucia, on an assignment to cover the St. Vincent budget debate which was taking place that day, for the FREE WEST INDIAN newspaper, where he is employed. But he was told by the St. Vincent airport authorities that he could not enter the country. No valid reasons were given, and despite his peaceful protest, he was told that he would be deported on the next plane to Saint Lucia. [Text] [Georgetown GUYANA CHRONICLE in English 29 Jul 81 p 5]

CSO: 3025/194

OPPOSITION PRESS GETS LIMITED NEWSPRINT FROM GOVERNMENT

Port-of-Spain TRINIDAD GUARDIAN in English 22 Jul 81 p 5

[Text] Georgetown, Tues., (Cana):

The Opposition-linked MIRROR newspaper, starved for newsprint for nearly two years now, is receiving two rolls per week from the State-owned Guyana National Newspapers Limited.

MIRROR said it was "a partial victory" for the campaign against what it claimed was a government squeeze on newsprint supplies.

The government had previously explained that supplies of newsprint were severely limited because of foreign exchange difficulties.

MIRROR said it is being charged $13,000 per short ton or $6.50 per pound, compared with what it said had been $2,800 per short ton or $1.40 pound it paid to the government company two years ago.

It added that the two rolls per week would be just sufficient to continue its four-page edition weekly, which was a far cry from the evening edition and expanded Sunday edition it published two years ago when it received newsprint.

Meanwhile, another private newspaper, the weekly CATHOLIC STANDARD is also likely to receive printing material from a government agency.

This was told to Cana by a government spokesman who said that the STANDARD approached the agency and received a positive response a few weeks ago.

This was however not reported in the STANDARD edition yesterday, when it said that it continued to be printed on leftovers of newsprint sold by the pound by the government printery on a week by week basis.

The STANDARD reported also that the trade ministry had turned down its application for a licence to import 600 reams of bond paper, which was being made available as a gift by the Pope's representative in the Caribbean, and no explanation was given.

It claimed that there was a continuing policy to muzzle the Press in Guyana, but the government spokesman said that in light of the positive response "which the STANDARD received, and the arrangements for MIRROR to secure newsprint,--it cannot be argued that the government is seeking to have opposition voices silenced in Guyana."

CSO: 3025/191

PACT WITH UNION TO COST $23 MILLION IN PUBLIC SECTOR

Georgetown GUYANA CHRONICLE in English 28 Jul 81 p 1

[Text] The interim agreement reached between the Government and the Guyana Trades Union Congress will cost at least another $23 million in the Public Sector and Public Service alone.

This estimate does not include the additional money it would cost Guymine and Guysuco and certain identified skill categories mentioned in the pay relief agreement.

The amount is made up of $10 million for the Guystac group of companies and corporations and the rest for the Public Service, according to initial calculations worked out yesterday.

A top Guystac spokesman and a Ministry of Finance official gave the figures based on the terms of the agreement announced over the week-end.

It was pointed out, however, that guidelines for the application of the agreement are expected to be issued by the Ministry of Economic Planning and Finance before authorisation for the payout is given.

Depending on how soon the guidelines are issued, the payout could begin in the Guystac group in the latter part of next month, the Public Sector spokesman said.

The Public Service spokesman who calculated the figure for that category of workers based on the last approved wages bill of $194 million for 1981, was not in a position to say how soon the payment could be made.

Official notification of the agreement is to be sent to Ministries and Corporations immediately pending the issuing of the guidelines.

The release on the agreement said seven per cent of the basic pay rate as at December 31, 1980, effective January 1, 1981 to June 30, 1981 would be paid to Public Service and Public Sector employees.

But Guymine and Guysuco employees, as well as other identified skill categories within the traditional Public Service will be paid 10 per cent increase on the basic rate for the same period.

It was also agreed that workers within the Public Service and Public Sector will receive 10 per cent increase on their basic pay rate at December 31, 1980, effective July 1, 1981 while Guysuco, Guymine and the other identified skill categories within the traditional Public Service will be paid 12 1/2 per cent effective from July 1, 1981 on the basic pay rate at December 31, 1980.

Negotiations on the final wages package are to resume at a mutually agreed time.

CSO: 3025/191

BRIEFS

COPRA INCOME RISE--Copra producers in Guyana will now get 55 cents per pound for their produce. This means an increase of 12.5 cents per pound for first grade copra. The new price was announced by President Forbes Burnham to farmers in the Essequibo Coast and Pomeroon during a face the community meeting at Charity yesterday. Producers will receive 55 cents per pound for A Grade copra, 51 cents for second grade and 40 cents per pound for third grade copra. The previous price for first grade copra had been 42.5 cents per pound for a number of years. Despite a petition by farmers for higher prices for cassava, President Burnham refused to up the price of 11 cents per pound, because, he said, there was not sufficient quantity of cassava produced to justify the inflationary effect if a higher price was introduced. The President told the farmers that while the Government believed that farmers should get a reasonable price for their produce, the reasonable price had to be a question of bargaining and discussions between the two parties. [Excerpt] [Georgetown GUYANA CHRONICLE in English 21 Jul 81 p 1]

GOLD, DIAMOND PRODUCTION--The country's gold production for the first six months of 1981 has reached a value of $8,249,744.73, while production for the first quarter was valued at $4,129,962.20. Figures for April, May and June this year showed a production value of $4,119,782.53 which almost doubles the corresponding period last year. Second quarter production last year totalled $2,194,226.67. The production of gold for the second quarter of 1981 showed an increase of 58,973 kilograms over the production for the same period last year. During this period, production in the Mazaruni mining district reached 69,112 kilograms compared with 33,469 last year. And figures for diamond production for the first six months this year totalled about 4,245 metric carats, representing a value of $620,100. This output reflects an increase of 1,449 metric carats valuing $217,235. The output of diamonds for the second quarter of this year reached a total value of $324,000 for 2,218 metric carats. For the month of June, diamond production was about 686 metric carats with an approximate value of $100,200. [Excerpts] [Georgetown GUYANA CHRONICLE in English 23 Jul 81 p 20]

TECHNOLOGY SURVEY--More than sixty local manufacturing and engineering firms are involved in a countrywide survey aimed at assessing local engineering capability. The survey which is being conducted by the Technology Transfer [Policy] Unit [TTU] is to lay emphasis on the generation of production technology--tools, spare parts and components. According to TTU's Scientific Officer, the survey--covering the public, private and operative sectors--is an attempt to quantify the degree of foreign dependencies of our engineering services and to assess the

potential of reducing this dependence through the utilisation of local skills and raw materials.

Manufacturers are to indicate why indigenous materials are not utilised to a greater extent in cases where there is the potential to do so. In addition the survey is expected to help in the documentation of the relationships existing between local organisations and foreign agencies in terms of patent, licensing, designing, "turnkeys" and related agencies. It is also to be accompanied by an examination of the services available for engineering firms and consultancies. The Technology Transfer (Policy) Unit sees the survey as part of the total process of continuous technology assessment--a feature which is of importance if Third World economies are to be kept buoyant through export promotion and import substitution. (GNA)

CSO: 3025/191

SHEARER ANSWERS MANLEY QUERIES ON TIES WITH CHILE

Kingston THE DAILY GLEANER in English 30 Jul 81 p 19

[Text] The Government of Jamaica is not considering accrediting any representative to the present government of Chile, nor accepting the accreditation of any representative from the present government of Chile to Jamaica.

Deputy Prime Minister and Minister of Foreign Affairs, the Rt. Hon Hugh Shearer stated this in the house of Representatives Tuesday in response to questions tabled by the Leader of the Opposition, Mr. Michael Manley.

The question and answers follows:

Q.: is the Minister of Foreign Affairs aware that following the coup d'etat in an and subsequent elimination of the democratic leadership of Chile, workers' rights in particular and human rights in general are suppressed by the Government of Chile?

Reply: Yes Sir. It is so reported.

Q: Is the Minister of Foreign Affairs aware that a meeting recently took place between the Minister of Youth and Community Development and a representative of the Chilean Government?

Reply: No Sir, I am aware that on June 5, 1981, Mr. Gustavo Benko, President of the Chilean Olympic Committee paid a courtesy call on the Minister of Youth and Community Development. Mr. Benko was not received in the capacity of a representative of the Chilean Government.

Q: Will the Minister of Foreign Affairs state the policy of the Government towards accepting technical, economic or cultural assistance from the Government of Chile?

Reply: It is the policy of the Government not to accept bilateral technical, economic or cultural assistance from the present Government of Chile.

Q: Will the Minister of Foreign Affairs state whether the Government intends to accredit any diplomatic or other representative to the Government of Chile or whether it intends to accept any diplomatic or other representative of the Government of Chile to the Government of Jamaica?

Reply: The Government is not considering accrediting any representative from the present Government of Chile nor accepting the accreditation of any representative from the present Government of Chile to the Government of Jamaica.

Q: Will the Minister of Foreign Affairs give the House the assurance that there will be no accreditation of representatives between Jamaica and Chile at this time and that Jamaica will accept no aid from that country at this time?

Reply: These assurances were explicitly given to the House on June 9 when I spoke in the Budget Debate.

Mr. Manley asked a supplementary question as to whether the Minister accepted the importance of the distinction between common membership in organizations such as the OAS and the U.N. and the situation where a government receives bilateral aid from a particular country if the Minister admitted and recognised the importance of that distinction.

The Minister said that the government acknowledged the difference between membership in an international organization and bilateral relations.

CSO: 3025/192

SHARP DROP IN EXPORTS; 1981 LOOMS AS WORST YEAR EVER

Kingston THE DAILY GLEANER in English 22 Jul 81 pp 1, 17

[Text]

Grave concern at a drop in exports of 7.8 per cent in the first five months of 1981 was expressed yesterday by the Jamaica Exporters' Association.

Commenting on the decline, Mr. Prakash Vaswani, JEA president, predicted that exports for 1981 will likely drop by at least five per cent, the first decline Jamaica's exports have shown since 1976.

"This year is shaping up as the worst for export performance we have experienced since early in the 70s", Mr. Vaswani said. "Even in 1980, one of the worst years for exports, we were able to record an increase of more than 20 per cent. We have maintained that sort of performance since 1976. The association is gravely concerned by the trend and feels it is a reflection of policies being implemented which are acting as disincentives to increased export performance.

"At a time when it is claimed that priorities have been given to exports, the Jamaica Export Credit Insurance Corporation has increased interest rates charged to exporters from 6 per cent to 14 per cent in a mere two months. We have been advised that an export tax of $10 per entry will be charged arbitrarily from August 1, 1981, on all shipments to the Caricom market. We fail to understand how exports can be expected to increase when they are being made subject to special taxation," Mr. Vaswani said.

Mr. Vaswani said it would be wise for Government to re-examine its policies with regard to exports. "Despite repeated assurances that the need for measures to encourage exports in recognized, we note that disincentives to performance have not been removed although they have been clearly identified in the National Export Plan. It is being stated repeatedly that exporters are receiving special consideration and priorities, but this is not in fact the case.

"Exporters are facing the same old problems of licence difficulties and inability to get needed foreign exchange for local production. We note with considerable interest the statement by the Hon. Douglas Vaz, Minister of Industry and Commerce, that money and export licences are available for the purchase of raw material. We are very happy about this development and are calling on all of our members to submit licences to the Trade Administrator with copies of their applications to the Association," Mr. Vaswani said.

"We know that money now offered under the Export Development Fund is being made available to exporters, but it should be recognized that the majority of exporters also require raw materials for the local production without which they are unable to compete competitively in the export market. The

[Editor's Note: Kingston's THE DAILY GLEANER of 31 July 1981, on pages 1 and 27, carries a statement issued the previous day by Deputy Prime Minister and Minister of Foreign Affairs and Foreign Trade Hugh Shearer on the question of Jamaica's foreign exports. In its introduction to the lengthy statement, the paper says that Shearer "described as misleading a statement by the president of the Jamaica Exporters Association, Mr. Prakash Vaswani, in which he had claimed a drop of 7.8 percent in exports in the first five months of this year. A statement issued by Mr. Shearer yesterday said that the true position was that there had been an increase in total exports to all destinations, though there was a decline in exports to CARICOM."]

CSO: 3025/192

VAZ: MANUFACTURERS IN $148 MILLION EXPANSION PROGRAM

Kingston THE DAILY GLEANER in English 31 Jul 81 p 1

[Text]

EXPANSION INVESTMENTS TOTALLING MORE THAN $148 MILLION are being undertaken by a number of local manufacturing companies the Minister of Industry and Commerce, the Hon. Douglas Vaz, said in an address to the Jamaica/Mexico Businessmen's Committee on Monday. These were significant development, involving established local investors, he emphasised.

He said among these new investments in expansion were: West Indies Glass, $30 Million; Thermo-Plastics Limited, $2 million; Jamaica Broilers, $9.05 million; West Indies Synthetics, $5.2 million; Jamaica Transformer Limited, $1 million; CM Associates and Jamaica Craft Prints $1.2 million, Carib Cement Company, $90 million; Desones and Geddes Limited, $4 million; Henkel Chemicals, $1 million; Jamaica Gypsum and Quarries, and Paul Blum and Company of Buffalo, USA, $1 million; Master Blend Feeds, $4 million; J. Wray and Nephew Limited, $4 million; National Processors, $1.5 million.

Mr. Vaz paid tribute to the Jamaican investors, who he said, had been making significant efforts to either get involve in new production, or to expand existing facilities during the past eight months.

He said that there had been significant activity related to new investments from abroad, and he told the Mexican businessmen that while they were being invited to invest here, he was sure that they also had an interest in the extent to which local business was participating in the Government's economic restoration plan.

The Minister said there had been re-starts in many businesses, and whereas six months ago the Jamaica Industrial Development Corporation had several empty factories, all were now back in production and a major building programme was in progress, to accommodate new investors.

Mr. Vaz said that in the construction industry, the key element in the restoration of the economy, many projects which had been shelved were now re-activated, new projects has started, and many were now being designed, both in the Private and in the Public sectors.

CSO: 3025/192

SEAGA ANNOUNCES $45 MILLION AID PLAN FOR FARMERS

Kingston THE DAILY GLEANER in English 4 Aug 81 p 1

[Text]

A MAJOR LOAN PROGRAMME through which $45-million of new credit is to be made available was announced yesterday by Prime Minister Edward Seaga as the Government's Independence Day 'presentation' to the small farmers of Jamaica.

Mr. Seaga made the announcement as he addressed the mammoth crowd at the final day of the 1981 Denbigh Show. He said the loan was now in the process of being negotiated and would be "somewhat different" from earlier loan programmes to farmers.

Mr. Seaga told his audience, which included large and small farmers, that the loan would be made available to farmers having holdings of between 2 and 10 acres, and would come on stream "somewhere towards the end of this year or in the beginning of next year". The crops to be planted would be based on a strict system of zoning, which would be laid down by the Ministry of Agriculture, and a map showing crop production zones was being drawn up.

Before he made the announcement, the Prime Minister said he had pleasure "in telling you that the Agricultural Development Bank is now established". It would, he said, deal with such funds as remain under the Self-Supporting Small Farmers' Scheme, which had been going on for many years and was now drawing to a close.

Partly because the Government was aware that that scheme was 'drawing to a close' it took steps to negotiate the new loan of $45 million for the small-farm agricultural sector, Mr. Seaga said.

"This is going to provide a tremendous injection of new credit into the system — new loans for you to be able to borrow, so that you can continue to produce and to increase production", he said.

Earlier, he recalled that only recently a sum of $6 million had been provided in a revolving loan to finance crop lien to farmers.

But as he announced the $45 million of new credit, Mr. Seaga issued a note of warning: farmers would have to understand that the loan must be properly serviced and repaid.

"There is no future for you or for the country if when farmers borrow money they don't repay it. If they don't repay it, it means that the institution from which we have borrowed the money will say to us, 'since you cannot get repayment, we cannot lend you anything more.'

And the only thing that you will get away with is the single time that you shot the Government or the single time that the Government finds itself in a position that it cannot honour its own obligations."

Mr. Seaga noted that there was a sum of $41 million of outstanding debt owing by farmers; and that the Jamaica Development Bank which was set up to finance Agriculture had become a bankrupt organisation. "Had that money been collected, it would be available now to help another set or even the same farmers again: but it is not."

He said the $45 million of new credit would not become available at one time in one year, and when it became available, "if the debts are not properly serviced, then I can tell you it is the last money that Jamaica will get for agricultural support to the small farming sector."

Farmers should be reminded, he said, that the small farming sector was

heavily dependent on Government to find money to lend it, because, unlike the bigger farmers who could go to the commercial banks, they could not obtain loans from that source.

So far as the provision on crop zoning was concerned, the Prime Minister said the money would not be made available to farmers to "plant what they want". Crops would be determined by a system of crop-zoning "so that farmers would be assisted to plant the right crops in the right soil at the right time." If other farmers wished to plant other crops, they could do so, but not with Government financial assistance, he emphasized.

CSO: 3025/192

BRIEFS

BAUXITE EARNINGS--Government revenue from the bauxite-alumina companies amounted to U.S.$205.85 million in 1980--as against U.S.$194 million in 1979. The bauxite production levy yielded almost U.S.$202.6 million payable to the Capital Development Fund against which income tax of U.S.$41.6 million (payable to the Consolidated Fund) was offset. Royalty was U.S.$3.26 million. A release from the Jamaica Bauxite Institute further said: "An average price of U.S.$75.18 cents per pound for aluminum ingot was realised last year by the four major North American aluminum companies will bauxite-alumina operations in Jamaica--Alcan, Alcoa, Kaiser and Reynolds. [as published] "On the basis of the average realised price, a levy of U.S.$20.75 per long ton of bauxite was the yield to the Jamaican government. This figure was fractionally more than U.S.$20.54 which had been forecast by the Jamaica Bauxite Institute. As a consequence of the slight increase of actual over-projected price as well as 1980's increased bauxite production, provisional levy payments for the year fell short of what was due. With the calculations now complete, additional payments by the companies are due to the government to close last year's books. Based on JBI's recommendation, the gazetted ingot price on which the levy is being calculated this year is US 78 cents per pound. In the first quarter of this year, the actual average price realised by the four majors was US 76.5 cents notwithstanding listings on the aluminum merchant market as low as U.S.60 cents a pound." [Text] [Kingston THE DAILY GLEANER in English 20 Jul 81 p 1]

WEST GERMAN LOAN--Prime Minister and Minister of Finance, the Rt. Hon. Edward Seaga, on Friday signed a general commodity aid agreement for $7,131,250 (10 million deutsche marks) with the Federal Republic of Germany, to provide foreign exchange to pay for Jamaican imports from West Germany. Signing for the West German Government, at the Jamaica House ceremony, was Dr. Karl Leuteritz, Ambassador of the Federal Republic of Germany. The terms and conditions of the loan stipulate that only West German goods and services are to be purchased. The items include, industrial raw materials, industrial equipment and agricultural machinery, spare parts and accessories of all kinds, chemical products and advisory services. The loan carries an interest rate of 4.5 per cent per annum. The principal is repayable in 30 equal semi-annual instalments, the first of which is due on December 31, 1986, and the last on December 31, 2001. [Text] [Kingston THE DAILY GLEANER in English 3 Aug 81 p 1]

CSO: 3025/192

PAPER WARNS AGAINST IMPERIALIST PLOT IN AREA

PA071920 Managua EL NUEVO DIARIO in Spanish 3 Aug 81 pp 1, 14

[Editorial: "Aggression on the Move, and Patriotic Unity"]

[Text] The U.S. Senate's sudden ratification of the treaty that wickedly seeks to distribute chunks of our sovereignty as if that were some sort of expansionist "pinata," the "unexpected" accident that put an end to Omar Torrijos' life, its antecedent in Ecuador, the climate created by fictitious attacks by Nicaragua and real provocations by Honduras, and the experiment apparently underway in Grenada, leave us no doubt that efforts are being made to lay a cordon around revolutionary Nicaragua.

While the hypocritical masks of the Afghanistan affair fall off in Gambia and imperialism announces in plain language its increasing intervention in El Salvador, efforts are being made to hem in, suffocate, attack and cut off Nicaragua because it has committed what the most reactionary clique in the north and its native figureheads here regard as a terrible crime: not bowing to its dictates and not allowing our destiny, our resources and our culture to remain tied down to the empire.

Our people, who each day become more aware of the freedom achieved, must promote patriotic unity with great vigor in order to defend that freedom.

And those who still hesitate or feel confused, must know that the moment is nearing when they will have to make a clear decision on behalf of their class and their fatherland.

Let nobody be deceived by the siren songs of local reactionaries. Counterrevolution will never have forces of its own. It depends on whatever the Honduran Army or imperialist intervention can do for it.

They dream about the only army that it is feasible for them to reconstruct: the genocidal Somozist guard.

It would be good if those hesitant and confused elements realized that the desire for revenge by those who have been displaced and are protected by that criminal guard will know no limit in its rage against the people. They are already saying in their private parties that "they will teach those mobs, that rabble, what their correct place is."

Pinochet will be nothing but a novice when it comes to the repression that they mistakenly think they will unleash here.

They dream of venting the anger that now swallows in silence against unions, popular organizations and anything that smacks of Sandinism.

They live with the hope of seeing stadiums full of imprisoned people who restrict all popular demands, the return of houses and lands to their "former owners" and the reestablishment of their lifeline to the north, through which they would betray the fatherland drop by drop.

The conspiracy is already underway. Imperialism, now being run by a team of psychopaths, is removing "the underbrush" in order to launch its final offensive in Nicaragua.

This is no time to rest, sleep or leave a single crack open to the enemy. As General Torrijos said: dead first, but never on our knees.

CSO: 3010/1691

BRIEFS

BULGARIAN CONTRIBUTION--The Recursos Maritimos Company, which processes fishmeal, will soon be operating again. The Bulgarian Government has contributed $225,000 for its reactivation. Another $25,000 has been supplied by the revolutionary government. The processing company, located in the port of Sandino, will produce 6 tons of fishmeal a day. [Managua Sistema Sandinista Television Network in Spanish 0200 GMT 31 Jul 81 PA]

CSO: 3010/1691

BRIEFS

COPPER MINE PROJECT--The general cabinet meeting held yesterday headed by President Aristides Royo discussed the detailed report presented by Rodrigo Gonzalez, director general of the Cerro Colorado Mining Development Corporation (CODEMIN). The 5-hour meeting was called by President Royo so that top government officials could get first hand knowledge of the multimillion dollar mining project in order to adopt a decision on this important project. Gonzalez said the mine was one of the richest copper deposits in the world. In tonnage it would be second only to the one in Chile. Experts have established that the mine has 1.4 billion tons of copper, which gives it an approximate life span of 50 years. He said the cost of exploitation of the mine would be one of the lowest in the world, in its class. Gonzalez said that the government will invest $550 million during the construction period estimated at 4 years. The Rio Tinto Zinc Company will invest $500 million. This will mean a boost of $1,500 million [figures as published] for national economy in local purchases, salaries and other services. At the end of Gonzalez' report President Royo opened up a question and answer session. President Royo closed the meeting saying that there will be two more meetings in order to be able to adopt a correct decision on this important project. Vice President Ricardo De La Espriella and members of the National Legislative Council also attended the meeting. [Excerpts] [PA111739 Panama City LA ESTRELLA DE PANAMA in Spanish 11 Aug 81 [no page number given]

CSO: 3010/1691

GOVERNMENT DENOUNCES OPPOSITION 'PROPAGANDA' PIECE

Basseterre THE DEMOCRAT in English 18 Jul 81 p 1

[Text] The PAM/NRP Government has denounced the Opposition Labour Party for spreading what must be one of their most dirty, misleading and mischievous pieces of propaganda.

A front-page article in Wednesday's issue of THE LABOUR SPOKESMAN bears the caption "Government makes secret payment of $1 1/2 million to Estate Owners."

The article refers to a statement by Labour's main propagandist, Fitzroy Bryant, which was allegedly made by him at a public meeting this week.

In Bryant's accustomed style, this "revelation" is neither substantial nor factual. It is calculated to mislead, and is notable only for the nastiness of the insinuations it contains.

In December 1975, the then Government in which Bryant was a prominent member, was completing its "rescue operation" of the sugar industry. This programme was carried out with a ruthlessness characterized by the infamous one-square mile state of emergency at West Farm.

It was Labour who came to an agreement with the "sugar barons" referred to by Bryant, regarding payment for the tractors, Broussard loaders, Land Rovers, Carts, Trailers, and implements taken over by NACO from 21 Estates around the island before 1975.

Labour made a large lump-sum payment to the Estate Owners, leaving a balance due of $600,517.91. They had also made several payments, on the same debt, to individual Estate Owners whose land compensation claims had been settled.

After December 1975 Labour stopped making their agreed payments on this large, UNDISPUTED debt, which THEY themselves had contracted.

Meanwhile, interest at the rate of 6% per annum was accumulating on the debt, which worked out to a sky-rocketing $40,000.00-$50,000.00 every year.

By May 1980, the interest alone had galloped to a staggering $227,219.39, nearly one-quarter million dollars. In order to SAVE the Government and people of this country the further burdens being brought about by not paying this debt, entered

into by Labour, Government settled the outstanding claim on the NACO equipment specified.

Bryant was in Labour's Cabinet. He was party to all Labour's agreements and payments on this outstanding debts for NACO machinery. But this is Bryant's abhorrent technique. Anything potentially embarrassing for Labour, like cleaning up this debt MESS, is rushed into print by Bryant with a warped distorted and false slant.

But this particular rumour, this half-truth is even worse than usual. Because this time Bryant undoubtedly knew the truth. There was no secret payment, because the debt was a Labour Government debt. There was no $1 1/2 million paid, the amount was $827,700. There was no spending of Government money which is being denied to "more worthy" causes. On the contrary, this was cutting short an unnecessary waste of money which Labour was apparently completely insensitive to.

The Labour Party should be ashamed. If they have nothing sensible to say against Government, they should HUSH!

CSO: 3025/189

1981-82 BUDGET PROVIDES WAGE HIKES FOR CIVIL SERVANTS

Cato Presentation

Georgetown GUYANA CHRONICLE in English 24 Jul 81 p 5

[Text] **The St. Vincent government has presented a 127,88 million-dollar budget in parliament including provision for a pay increase for public servants, spread over three years.**

However, according to reports, the proposed measures drew criticism from the political opposition from the very day of the budget presentation, Tuesday.

The 1981-1982 budget, which is 25 million dollars bigger than last year's reportedly includes increases of 50 and 25 per cent in two areas of taxation.

Prime Minister and Minister of Finance, Milton Cato, is reported to have assured Vincentians in his budget speech that the measures being proposed were in their best interest.

And in his traditional "Throne Speech," Governor General Sydney Gun-Munro is reported to have outlined some areas in which the government would be seeking to bring added benefits to Vincentians.

He was quoted as saying that, through the country's Agricultural Development Corporation, government would continue its land reform policy and its tourism promotion through the development of "physical and cultural attractions" and place increased emphasis on training.

According to the report, Sir Sydney assured Vincentians that government was also conscious of the need to increase secondary school places as well as the need for better housing.

The start of debate on the budget Tuesday night brought early criticism of the proposed measures. Opposition leader Randolph Russell is quoted as saying that the salary increase of roughly 40 per cent over three years for public servants did not "say much."

According to the report, Russell feels that the pay increase will be going back in taxes, which have gone up 50 and 25 per cent for liquor and vehicular licences respectively.

Russell reportedly suggested that the government should have abolished pensions for politicians. - (GNA).

Opposition Criticism

Bridgetown ADVOCATE-NEWS in English 24 Jul 81 p 3

[Text] KINGSTOWN, St. Vincent, Thursday, (CANA) — St. Vincent's Opposition Leader, Randolph Russell, Tuesday night strongly condemned the new tax measures introduced by Prime Minister and Minister of Finance, Milton Cato, in the 1981-82 Budget proposals presented in Parliament on Tuesday.

As debate on the estimates continued late into the night, the former Health Minister in the Cato Administration said that an announced pay raise of 57 per cent for public servants did not "say much because most of the money will be going back in tax."

The Opposition leader said that the new tax measures — higher rates for liquor and vehicle licences — would undoubtedly chase away potential investors from the island.

He called for the construction of an international airport to cope with the influx of visitors, noting that far too often, people had to overnight at Grantley Adams International Airport in Barbados because they could not pay hotel fees.

Government also came under severe attack for what Mr. Russell deemed "the suppression of news on the local radio."

"People have to listen to Radio Antilles in Montserrat and CBC Radio (Barbados) to know what's going on in their country," he declared.

The former government minister called on the government to provide better housing and schools, among a host of other things for all its people.

He said that pension for politicians should be abolished and added that only if they had given over 25 years parliamentary service should they be allowed to a pension.

He stated that veteran politicians like former Chief Minister Ebenezer Joshua and Levi Latham should be among those entitled to receive pension. sion.

CSO: 3025/190

CONTROVERSIAL CHANGES IN INDUSTRIAL RELATIONS LAW DROPPED

Bridgetown ADVOCATE-NEWS in English 22 Jul 81 p 1

[Text] — The Caribbean Congress of Labour (CCL) yesterday said the St. Vincent Government had dropped plans for controversial changes in the island's industrial relations legislation.

The CCL's secretary-treasurer, Burns Bonadie told reporters St. Vincent's Prime Minister, Milton Cato, has assured the Barbados-based Labour Body that the plans had been abandoned.

He was commenting on discussions on Monday with the Vincentian leader. They came after trade unionists had arrived in Barbados from St. Vincent seeking CCL aid in stopping the Cato administration from going ahead with the plans for amending the laws.

The Essential Services (amendment) Bill was one of two controversial ones introduced in the St. Vincent Parliament last May. It would have outlawed industrial action in key public sector services.

Bonadie said Mr. Cato had told him the Bill had died "a natural death" when Parliament was prorogued.

"He gave us the assurance that government will not reintroduce that amendment in the next session of Parliament," Mr. Bonadie said.

It was unclear what the fate of the other Bill — which prescribes stiff penalties for breaches of the public order would be.

During the last session of Parliament opposition politicians and trade unions demanded the withdrawal of the Bills.

Government decided to send the Public Order and Public Safety Bill to a broad-based select committee for an appraisal. It also decided to drop a clause in the Essential Services (amendment) Bill which would have given it the power to treat any public service threatened by industrial action as an essential one.

Mr. Bonadie said the CCL was against the Essential Services Bill largely because "they were taking the right to strike away from the trade unions."

He added: "They were also making provision to delegate the (labour) ministers authority (in handling industrial action) to a permanent secretary." (CANA).

CSO: 3025/190

BRIEFS

NETHERLANDS ENVOY--Ambassador Maduro of the Royal Netherlands presented credentials, entrusted to him by Her Majesty the Queen of the Netherlands to the Governor General, Sir Sydney Gun-Munro on Tuesday morning. In his speech the Ambassador, who was born and raised in Curacao an island in the Dutch Antilles, said that the Netherlands has had close ties with the Caribbean area for centuries. Mr. Maduro said that historical ties have changed and have developed into a relationship which hopefully will be beneficial to both his country and this region. He noted further that the nature of interests will continue to change but that proof of the concern of the Netherlands for the well-being of the people in the Caribbean can be found in its role--in the United Nations and other international forums--in the formation of a new international economic order, or the efforts to reorient the relationship between industrialised [as published] [Text] [Castries THE VINCENTIAN in English 17 Jul 81 p 1]

CSO: 3025/194 END

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NATURAL GAS RESERVES DOUBLE IN LAST 10 YEARS

Rio de Janeiro JORNAL DO BRASIL in Portuguese 16 Jul 81 p 18

[Text] Brazil's reserves of natural gas increased in the last 10 years from 26,210,640,000 cubic meters to 52,544,000,000 cubic meters. The current figure is equal to one-third of Bolivia's as yet unproven reserves. Much of Brazil's natural gas is reinjected into oil wells to increase production. Some of it--Petrobras has no figures to furnish--is burned.

Natural gas is put to commercial use only in Alagoas, Sergipe and Bahia, through a 1,033-kilometer pipeline. Next year, however, Petrobras will make use of all gas from the Campos Basin wells, upon conclusion of a 500-kilometer pipeline. The whole pipeline system (an oil pipeline is also being built) plus storage and offshore pumping of petroleum, has a budget of 12.8 billion cruzeiros.

Jurua Gas

Petrobras is also making a study seeking to utilize the natural gas of Jurua, in the upper Amazon area. Its reserves are estimated at 4 billion cubic meters, nearly 10 percent of Brazilian reserves. There are some inconveniences to extracting this gas: the producing field is about 800 kilometers from Manaus, far from consuming centers, and its extraction is obviously hampered because its location is difficult to reach.

The Campos Basin gas to be put to commercial use by Petrobras will have a very low price because of its proximity to the consuming center. The pipeline will end at the Duque de Caxias refinery. From there another system of pipelines will extend to the State Gas Company so that naphtha gas, a petroleum derivative, can gradually be replaced. The gas pipeline will be built to carry 5.4 million cubic meters of gas a day, and the oil pipeline will carry 71,000 cubic meters a day. Both will be 500 kilometers in length, over land and sea.

8834
CSO: 3001/222

SUGAR, ALCOHOL MARKETING TO GET CR$159 BILLION FOR 1981-82

Rio de Janeiro O GLOBO in Portuguese 22 Jul 81 p 16

[Text] Brasilia--The government will allocate 159.4 billion cruzeiros to finance marketing of the 1981-82 sugar and alcohol crop. The crop-financing program was approved yesterday by the National Monetary Council [CMN], which appropriated an additional 75.4 billion cruzeiros for the Sugar and Alcohol Institute (IAA).

The CMN also decided to reduce the maximum amount of advance payments for mills to buy raw materials from producers. The new ceilings are 70 percent of the purchase cost in the North and Northeast and 50 percent in the Center-South. The previous limits were 75 percent for sugar and 85 percent for alcohol in the North and Northeast and 50 percent for sugar and 65 percent for alcohol in the Central-South.

Acceptable Reduction

According to Industry and Commerce Minister Camilo Penna, this reduction is perfectly acceptable to the mills, "since the sector's increased income, in view of greater production and higher prices, was very good in recent months."

The government estimate for the next crop is a production of 8.2 million tons of sugar and 4.3 billion liters of alcohol, increases of 7.1 percent and 16.3 percent respectively over the previous crop. Physical production of sugar and alcohol combined will increase 8.4 percent to an estimated value of $4.5 billion, according to Camilo Penna.

Of the 159.4 billion cruzeiros provided for marketing the crop, 71.4 billion cruzeiros will be used for advance payments, 53 billion cruzeiros will be allocated to buy sugar for export and the remaining 35 billion cruzeiros will be used to subsidize prices in the North and Northeast (the so-called equalization with Central-South prices).

The 75.4 billion cruzeiros approved by the CMN yesterday comprise the 71.4 billion cruzeiros for advance payments and a replenishment of 4 billion cruzeiros for IAA funding of sugar-export purchases. The Industry and Commerce Ministry, however, had originally proposed a total of 82 billion cruzeiros.

Even so, the allocation will be 29 billion cruzeiros more than the 46 billion cruzeiros budgeted at the beginning of the year.

8834
CSO: 3001/222

OIL CONSUMPTION DOWN 10.5 PERCENT IN JUNE

Rio de Janeiro JORNAL DO BRASIL in Portuguese 18 Jul 81 p 14

[Text] Brasilia--Petroleum consumption in June 1981 was 10.5 percent less than in June 1980, according to the monthly statistics of Petrobras reported by a National Petroleum Council [CNP] source. In the first 6 months of 1981 consumption was 9.3 percent less than in the first half of 1980.

The derivatives that have shown the greatest decrease in consumption are fuel oils for industrial use. The source attributed this to improved efficiency of industrial boilers and replacement of fuel oil by coal and electric power, through government incentives. Fuel oil with high sulfur content and low fluidity point, which is used the most, had 24.9 percent less consumption in June than in the same month last year.

Statistics

Gasoline consumption fell 2.7 percent from that of June 1980 and 14 percent during the first 6 months compared with the same period last year. The decline in consumption of this derivative during the last 12 months was even greater: 16.6 percent.

Consumption of anhydrous alcohol, which in recent months has ceased being added to gasoline, declined sharply: 94.6 percent in June, 38.6 percent in the first 6 months and 23.8 percent in the last 12 months, in relation to the comparable periods in 1980.

The only petroleum derivatives whose consumption increased were naphtha for producing gas (up 21.6 percent in June and 6 percent in the first 6 months); lubricating oils (up 37.6 percent); and petrochemical by-products (up 6.4 percent in June). There are no statistics for hydrous alcohol because in June 1980 this fuel was not yet being consumed on a large scale.

The CNP, according to the source, is watching with great interest the declining consumption of diesel fuel and LPG [liquified petroleum gas]. Diesel fuel, whose consumption in June was 1,463,900,000 liters, is by far the most heavily consumed fuel in Brazil and only a reduction in its consumption can result in real reduction of crude petroleum consumption.

Diesel fuel consumption in June declined by 2.7 percent in comparison with June 1980; it declined 1.2 percent in the first 6 months; but in the last 12 months its consumption increased by 3.8 percent.

LPG consumption declined 7.8 percent and 1.8 percent, but from June 1980 to June 1981 it increased 3.7 percent.

Total apparent consumption of petroleum in the form of derivatives during June was 4,829,400,000 liters. Of this total 89.4 percent--4,472,100,000 liters--represented energy derivatives.

8834
CSO: 3001/222

COMMUNIST PARTY OFFICIAL COMMENTS ON OTHER PARTIES

Rio de Janeiro JORNAL DO BRASIL in Portuguese 28 Jun 81 p 4

[Text] Porto Alegre--The secretary general of the Communist Party of Brazil (PCB), Joao Amazonas, announced yesterday that he will not support the PMDB [Brazilian Democratic Movement Party] candidate for the governorship of Rio de Janeiro in 1982, because he does not agree with Senator Roberto Saturnino's "persecution of the so-called radical groups, as during the electoral episode in which the MR-8 was said to be involved" last month.

On the national level, he stated that the PCB will not support just one opposition party. In Rio Grande do Sul, for example, it is likely to favor the PDT [Democratic Labor Party], but in Paraiba, it tends toward the PP, "which includes progressive elements." Its support has not yet been defined where Rio and Sao Paulo are concerned.

Revolution

In the opinion of Joao Amazonas, who participated in the constituent assembly in 1946, what is happening in Rio de Janeiro is that Senator Roberto Saturnino "is heading for a great defeat for the PMDB, which should come in an honorable third." In Sao Paulo, Senator Franco Montoro, also a PMDB candidate, "is keeping silent about a most categorical democratic exhortation."

"The PMDB," the communist leader added, "which absorbed the greater part of the former MDB [Brazilian Democratic Movement], contains the most combative opposition sectors, but today it is pursuing a policy whereby each individual concerns himself with the problems in his own back yard, each seeking a gubernatorial position and overlooking the major national problems, which could lead to serious consequences in the 1982 elections."

Joao Amazonas, who is in Porto Alegre to participate in a legislative assembly seminar urging a constituent assembly tomorrow, defends revolutionary violence and the class struggle as the only solution for transforming the regime. He stresses, however, that "a revolution depends on a revolutionary crisis, which does not yet exist in Brazil, although there are indications that this is already beginning." With a change of regime, "all of the torturers and assassins and those who give them orders" would be judged.

The secretary general of the PCB criticized the efforts to manipulate the electoral reforms to the benefit of the PDS [Social Democratic Party] and the most recent terrorist incidents, stating the following:

"Bombings such as those in central Rio and electoral casuistry are cut from the same cloth. The purpose of both is to maintain this military regime until the year 2000. The claim that the armed forces wants democracy in the country is a myth. In the central Rio incident, the system prevented General Figueiredo from removing General Gentil Marcondes from command of the First Army, because President Figueiredo is a part of this machine, a part of the armed forces plot to remain in power."

"This regime," he added, "maintains itself by the force of bayonets, using the myth of a takeover of the regime by the communists at first and later such ignominious actions as torture, assassination, persecution and humiliation."

5157
CSO: 3001/215

PCB NEWSPAPER'S RIO STAFF RESIGNS EN MASSE

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 24 Jul 81 p 4

[Text] Gildo Marcal Brandao, editorial secretary of the VOZ DA UNIDADE, newspaper that speaks for the Brazilian Communist Party [PCB], resigned his post 20 days ago and at the end of last week the 16 journalists who were working at the Rio de Janeiro branch office followed his example. The resignations are evidence of a new crisis within the PCB.

Besides resigning as editorial secretary, Gildo Brandao left the newspaper's management council. The reasons for the rift are policy disagreements between those responsible for the newspaper and the Central Committee of the Brazilian Communist Party, of which Giocondo Dias is secretary general.

These disagreements began with the newspaper's first issue. The management group wanted the paper to carry discussion aimed at the general public. They also wanted to provide space for intellectuals to publish signed articles. Members of the PCB Central Committee disagreed with this.

The latter wanted a vehicle addressed exclusively to the so-called "internal public," the communists themselves, in which theory would predominate. The VOZ DA UNIDADE, according to the view of the PCB Central Committee, should be a "theoretical organ" of Marxist-Leninist theory and not a forum for polemics.

The Central Committee also wanted the paper to function as a kind of "official diary" of the PCB, including the role of agitation and propaganda for theories supported by the party.

The dissident group that just left and that wanted "to discuss the realities of today's Brazil," did not agree with this.

In December, when the Federal Police Department prohibited a party to celebrate the newspaper's first anniversary, the differences became more acute. Now, however, VOZ DA UNIDADE needs money to continue publishing. Its staff asked the Central Committee for more funds, which were refused them. Hence the resignations and the split.

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UNE PRESIDENT RAISES STRIKE THREAT AT CAMPINAS MEETING

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 30 Jul 81 p 15

[Text] "We do not intend to hold strikes, but if they are necessary we will not hesitate," Aldo Rabelo, president of the National Students Union, declared yesterday in Campinas during the opening speech of the National Council of Grass-Roots Entities (CONEB). Education Minister Rubem Ludwig and Governor Paulo Maluf were harshly criticized in his statements "for not recognizing education as a priority." Over 1,500 students representing entities from throughout the country were already in Campinas yesterday and more will arrive today for the debates that will go on until Saturday.

Aldo Rabelo said in the opening speech that almost 300,000 Brazilian students will have to quit their studies during the second half of this year because of being unable to pay the higher monthly fees. "General Ludwig," Rabelo emphasized, "says that priority in education is for elementary schools, but what we see is that this is not the case and, above all, it still means the strangulation of higher education." He later criticized several measures of Minister Ludwig and was always strongly applauded by the participants.

"We see that education is not a priority," he continued, "when Governor Paulo Maluf spends millions of cruzeiros to pin medals on the chests of his lackeys while there are thousands of abandoned children needing education."

At the end of his speech Rabelo characterized the education minister with three adjectives: "defamer, offender and liar."

The CONEB program for today consists of discussions about educational issues, to be held at Taquaral Junior High School. During the 4 days they will be in Campinas the students will be housed in buildings belonging to the city, the Pontifical Catholic University of Campinas and local churches. The president of UNICAMP [Campinas State University] permitted the participants to eat lunch at the university.

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PCB LEADER VOICES VIEWS DURING MOZAMBIQUE VISIT

Maputo TEMPO in Portuguese 24 May 81 pp 42-46

[Interview with Teodoro de Melo, member of the Politburo of the Communist Party of Brazil (PCB), by Albino Magaia, in Mozambique, date not given]

[Text] Unfortunately, time did not allow us to have the kind of interview we had in mind with Teodoro de Melo, member of the Politburo of the PCB. The Mozambique Airlines plane was already being boarded by passengers for Paris, and it was between two urgings that he proceed to the runway by protocal officials that we talked.

Why this frustration? Because Teodoro de Melo was the first PCB leader to visit Mozambique after the resignation (following a complex internal political process) of Luis Carlos Prestes from the post of secretary general of that political group, which is so replete with the traditions of struggle. Understandably, many people in Mozambique questioned him about the Prestes issue and about the relations between our party and the PCB. The Mozambique Liberation Front established rather close relations with the Brazilian Communist Party during the armed struggle.

During our interview with Teodoro de Melo, we asked the following question, one which was, moreover, inevitable.

TEMPO: Early last year, a change occurred in the leadership of the PCB. This change led to a polemic within and outside the party. What was its real significance in historical terms, and did it lead to a change in strategy in the program line of the PCB?

Teodoro de Melo: No, this did not happen. All that occurred was a change in the secretary general. Comrade Giocondo Dias was elected to replace him. For reasons of internal differences, Comrade Prestes had already, some time earlier, ceased to perform his duties as secretary general, and for this reason he was replaced.

As to the matter of the foreign policy line of the party, we will hold a congress and the congress will decide on that line.

This response contains two basic questions which should be stressed. The first was that Luis Carlos Prestes had not for some time carried out his functions as secretary general of the PCB when he officially resigned. Concerning this matter, he himself, in an open letter to Brazilian communists, and along with his self-criticism, which was historical and went down in the annals of the world communist movement, he wrote, at a given moment:

"Opportunism, careerism and excessive favoritism, the lack of a just cadre policy, the lack of principles and the total absence of internal democracy in leadership operations, wrongful methods of pursuing the internal struggle, which has become a bitter personal struggle, in which intrigue and slander have become a current practice in party life, have taken on such proportions that I find myself forced to denounce this situation to all communists. I cannot allow my name to continue to be used to provide coverage for a false unity, long since nonexistent. Recognizing that I am the individual mainly responsible for the present situation at which the PCB and its leadership have arrived, I assume the responsibility of denouncing it to all comrades, urging them to take the fate of the communist movement in their hands."

The second point to be retained from that same response concerns the holding of a PCB congress, the seventh, to be precise, soon, which according to Teodoro de Melo, will define the foreign policy line of the party.

It should be made clear, for those who are not familiar with the political issues in Brazil, that the PCB is preparing for this congress at a time when it has not yet been legalized by the Supreme Electoral Court. It exists in the country through the intermediary of the Brazilian Democratic Movement Party (PMDB). We asked a question about this.

TEMPO: Is the activity of the PCB within the PMDB linked with the problems in legalizing the party, or would this be the best strategy for this phase? What is the balance between the PCB and the various other groups making preparations within the PMDB?

Teodoro de Melo: Look: when the dictatorship forcibly eliminated all of the parties in 1965, it created two single parties--a government party and an opposition party, which was the Civilian Democratic Movement (MDB). All of the political forces which could not have their own representation joined this opposition party, ranging from those which were middle-class bourgeois political forces to the political movements which were persecuted, like our party. We joined then because at the time the MDB was a single front for all the opposition political forces.

In December of 1979 the government promulgated a reform of the party law making it possible to organize some other parties in addition to the MDB. The forces which made up the Popular Party and the Brazilian Democratic Labor Party left the MDB. But the balance of the old MDB continued to exist and to represent a majority despite these departures, and it took the name Brazilian Democratic Movement Party. It continued to exist at a front. In this sense we are making of the PMDB the vehicle to represent us as we have with other parties which would accept us. But we do not have a legal rostrum from which to speak. We have asked various opposition parties to allow us to participate and through them, to develop our action.

TEMPO: But when will the party be legalized?

Teodoro de Melo: It is not possible to be specific about this. We think it will depend on the Brazilian democratic advance. It does not depend on the good will of the government. It depends on whether the Brazilian Democratic Movement gains sufficient strength to demand recognition of the communists and the other leftist groups.

Brazil--A Great Mass Movement

TEMPO: The Brazilian political context is characterized by increasing reorganization of the civilian circles--without excluding the military--affiliated with the government, i.e., the ARENA (National Renewal Alliance--the fascist party which headed the dictatorship in Brazil).

Teodoro de Melo: There has in fact been a strengthening of the entire Brazilian civilian organization, that which is called the civil society. We believe that this is a very positive development, because one of the political weaknesses, of the Brazilian workers' class and the Brazilian Democratic Movement, above all, is great weakness in organization on various levels. This has strengthened, and there is a tendency toward ever greater strengthening. We believe that this is an extremely positive factor for the struggle for democracy in our country and for future revolutionary changes.

TEMPO: Imperialist circles have insisted repeatedly in recent times, at least according to the news agencies, on the formation of a military pact in the South Atlantic, which would therefore be called the South Atlantic Organization. This bellicose movement has gained new impetus with the advent of the new American administration. South Africa, Argentina and Brazil would participate in this pact, thus representing one military power in Africa and two military powers in Latin America.*

When questioned about this, the response was as follows:

Teodoro de Melo: Obviously we as a party are opposed to any such pact because it works against the movement for the liberation of the African peoples. Moreover, the foreign policy position of the Brazilian government--this present government--opposes it. It has for a long time (some 3 years or more now) opposed the establishment of this pact. It has been contrary to the foreign policy of the Brazilian government to date to establish such a pact and participate in it. However, we cannot exclude the possibility that this might happen. We are watching with concern a meeting which has now been scheduled in Argentina at which the United States, Brazil, South Africa and Argentina itself will be represented, for a discussion of this matter of the Atlantic Pact, at least according to what the newspapers have reported.

Closer PCB-FRELIMO [Mozambique Liberation Front] Relations

TEMPO: What are your impressions following your visit to Mozambique?

Teodoro de Melo: We were impressed by the progress already achieved in national economic recovery. We had a report which we believe was entirely accurate about the difficulties the country faced as soon as independence was won, and the heritage left in the economy--ruin and disorganization--by colonialism. When we were here for the Third FRELIMO Congress we could see this firsthand, and now we see that

*In this connection, Radio South Africa has just announced that as of 1 June next, it will begin broadcasting two special programs, one in Portuguese beamed toward Brazil, and another in Spanish for the rest of Latin America. According to a last-minute bulletin, the Cuban newspaper GRANMA announced last Monday, 18 May, that Brazil and Argentina have said they are not prepared to join South Africa in a military pact.

there has been speedy recovery and a national economic construction plan has been drafted. We have no doubt that it will be carried out very successfully and even exceeded, and that the foundations will be established for bringing Mozambique out of underdevelopment.

TEMPO: The PCB and the Mozambique Liberation Front have maintained relations since the days of the national liberation struggle. These relations continued after the founding of the FRELIMO Party. In what way will this visit benefit or expand these relations?

Teodoro de Melo: It will doubtless lead to closer relations and strengthen the lines of cooperation which we can offer in the work of rebuilding the country. On the other hand, it serves to demonstrate how the victory of the people of Mozambique in the struggle against colonialism is of importance in the decline of the strength and the "prestige" of imperialism. And this works to the benefit of the struggle of all the peoples who must face up to it today on all fronts.

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PCDOB ACCUSED OF INCITING LAND INVASION IN BAHIA

Squatters Occupy Land

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 23 Jul 81 p 12

[Text] Salvador--Over 70 squatters invaded the Dadau plantation in the municipality of Iramaia, 311 kilometers from Salvador, and its owner, Salvador City Councilman Murilo Leite of the PMDB [Brazilian Democratic Mobilization Party], is blaming it on the Communist Party of Brazil [PCdoB], which he accuses of inciting occupation of the land. He has petitioned for legal action and Judge Sara Brito sent two officials of the court to verify at first hand the truth of the councilman's accusations.

Yesterday morning one of the squatters, Jose Francisco Correia, in an interview at the Bahia state headquarters of the Farm Workers Federation [FETAG] in Salvador, confirmed that invasion of the Dadau property began over 3 months ago, after the squatters were expelled from a neighboring plantation, the Limpanzo. The councilman's property has 1,300 hectares and was bought in 1978 from Osvaldo Silva Brito.

According to the note he distributed yesterday afternoon, the councilman relates that soon after acquiring the plantation he went to the nine squatters who had been occupying the area for years and assured them they would not be molested. But in the first half of this year 14 other squatters invaded the plantation and a preliminary injunction granted by the court required their withdrawal from the place until the lawsuit for retaining possession brought by Murilo Leite is settled.

This month, however, dozens of squatters invaded the plantation and this prompted the councilman to report "the indiscriminate destruction of trees and demarcation of lots, ignoring the court order. Those who are confusing Iramaia with Araguaia," the note warns, "will not have me for a partner in their absurd venture. The consequences of not obeying the court will be entirely their responsibility and that of those who encouraged them to tresspass on privately-owned land."

In the note the councilman says further that he is "entirely available to the press, FETAG, the Pastoral Land Commission, the OAB-BA [Bahia branch of Brazilian Bar Association] and the ethics committee of the PMDB" to discuss how the problem should be handled.

Subversive Material Allegedly Siezed

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 25 Jul 81 p 9

[Text] Salvador City Councilman Murilo Leite of the PMDB yesterday again blamed the Communist Party of Brazil for the invasion of his property in the Bahia municipality of Iramaia, occupied by about 200 rural workers from that and other municipalities after the rumor was spread that it was unoccupied government land. Participation by the PCdoB in the invasion, according to the councilman, took place by means of the Bahia Farm Workers Federation (FETAG), whose directors Murilo Leite invited to a discussion "including the participation of your political mentors."

In an interview with O ESTADO DE SAO PAULO, Murilo Leite asserted that the PCdoB "is nothing more than a radical minority that does not respect anyone: it does not even respect the rights of its comrades of the Left." He added that through third parties he was informed that when the police were in the area last week to carry out a court order in his favor, a deputy of the federal police seized "subversive material, such as PCdoB pamphlets and guerrilla manuals."

This report, however, was not confirmed by the Brumado regional deputy, Otamirando Rodrigues, who was in charge of the enforcement action and asserted that he had found in the area only a list with names of rural workers who were being organized by Oswaldo Silva Brito, the local leader of the movement, to occupy land in the area. The director of the Regional Division of Federal Police in Ilheus, Guido Alves Dias, denied that any federal deputy had participated in the action to enforce the court order.

The councilman, trying to account for the alleged interest of the PCdoB in the invasion of his property, called attention to existence of a nearby plateau of 200,000 hectares that met all the requirements "for establishing a guerrilla base." The plateau, according to Leite, is hard to get to; it has planty of water, caves and other natural hiding places, wild fruit and plenty of game. Besides, it is only 19 kilometers from the city of Itaite.

FETAG Secretary Aloisio Carneiro, in turn, declared that his entity has no intention of holding a discussion with the opposition councilman. He guaranteed that FETAG does not encourage trespassing and, in the specific case of the councilman's property, is concerned only with the future of the nine squatters who were already in the area and with an analysis of the councilman's proposal for giving twice as much land to be tilled by the squatters. "I think," Carneiro concluded, "that Murilo Leite was a little too hasty, making unwarranted charges against FETAG."

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NEW ROCKET LAUNCHING SITES UNDER CONSIDERATION

Maranhao Likely Site

Sao Paulo FOLHA DE SAO PAULO in Portuguese 7 Jul 81 p 16

[Text] Natal--A new Ministry of Air rocket launching base, which will put a Brazilian satellite in space, is to be built in Maranhao, probably in the municipality of Alcantara. This information was supplied yesterday by the commander of the Space Activities Institute (IAE), Brig Gen Hugo de Oliveira Piva, who denied reports that the Barreira do Inferno base, located 18 km from Natal, will be deactivated.

The general came to Rio Grande do Norte for the launching of the fifth Sonda 2 rocket, which occurred at 1600 hours yesterday. On that occasion, he stated that the importance of Barreira do Inferno to the Brazilian space program will continue to increase, because that base will have the responsibility for rocket development.

Decision Still Pending

Rio de Janeiro JORNAL DO BRASIL in Portuguese 10 Jul 81 p 9

[Text] Sao Paulo--The director of the Space Activities Institute, Brig Gen Hugo de Oliveira Piva, stated yesterday that although the government has appropriated an area of 550,000 square meters in Alcantara, Maranhao, the decision has not yet been made on the building of the new base for rocket launching in that municipality.

"Alcantara meets the largest number of requirements for the choice, but we cannot state that there has already been a decision about the new base," the general explained. The new aerospace complex is being established within the so-called Complete Space Mission program, and will be used for the launching of medium-range rockets capable of carrying satellites in their warhead compartments.

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IAE TO BEGIN SONDA IV TESTS; CTA PROJECTS DISCUSSED

Rio de Janeiro JORNAL DO BRASIL in Portuguese 20 Jul 81 p 4

[Text] Sao Paulo--At the beginning of next month the Space Activities Institute will make the first "mot" [translation unknown] test of the Sonda IV rocket prototype, beginning the final phase of preparations for launching the largest Brazilian rocket, scheduled for the first half of 1982. The Sonda IV prototype was submitted to structural tests in the laboratories of EMBRATUR [as published; EMBRAER [Brazilian Aeronautics Company]?] and its flight performance was tested in mockup at the Aerospace Technology Center wind tunnel.

The Sonda IV--16.59 meters in length--is the largest Brazilian rocket and the last of the Sonda line, the construction technology of which is being transferred by the Aeronautic and Space Institute [as published; Space Activities Institute?] to private industry. Sonda I, produced on an industrial scale by VIBRAS [as published; AVIBRAS [expansion unknown]?], is already being exported to Middle Eastern countries, mainly Iraq.

Pilot Plant

The Sonda IV will have two stages and its engine uses solid propellants, also developed in Sao Jose dos Campos, where the IAE [Space Activities Institute] plans to establish a pilot plant on the campus of the Aerospace Technology Center. This rocket is being designed to carry payloads of 300 kilograms to an altitude of 1,000 kilometers. Its first stage will eventually be the basic engine of the VLS (Satellite Launching Vehicle), whose prototype will be ready about 1986. The VLS will have four stages of the Sonda IV and will be used to reach altitudes beyond 1,000 kilometers with a Brazilian satellite being designed by INPE (National Space Research Institute), also located in Sao Jose dos Campos.

Tests of the engine, capable of maximum acceleration [as published; velocity?] of 4,500 meters per second when carrying a total weight of 7,000 kilograms, will be conducted at a test site specially built by the IAE at the CTA [Aerospace Technology Center]. The engine will be fixed in blocks of concrete firmly embedded in solid rock due to its tremendous thrust, which can dislodge masses heavier than 10,000 kilograms.

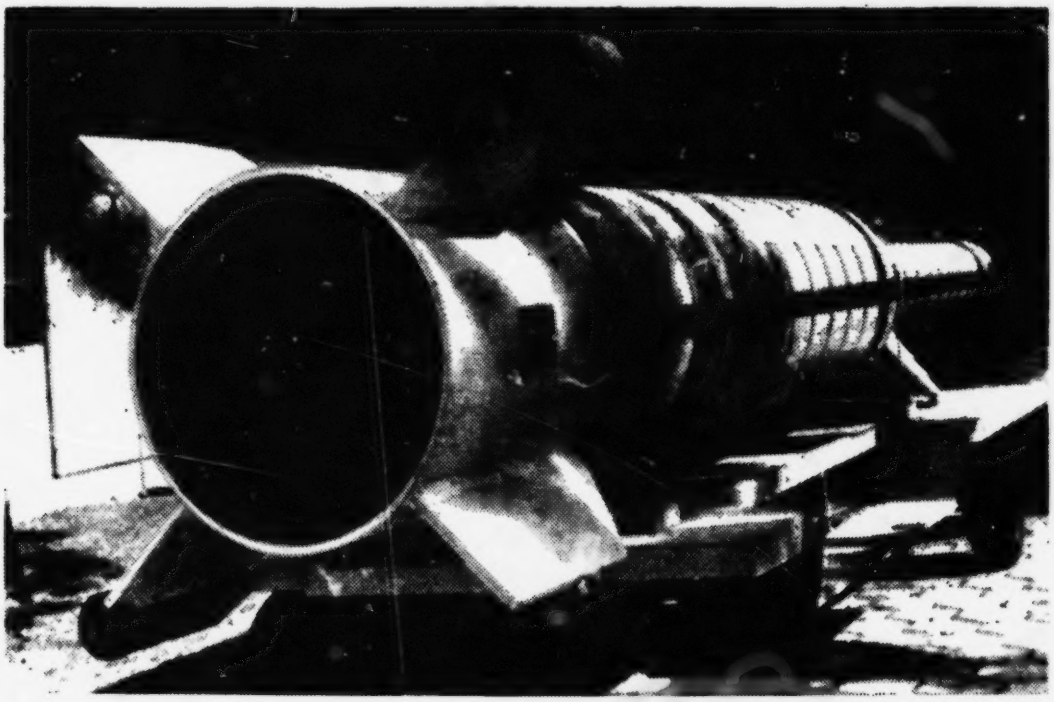
Space Mission

According to IAE technicians, the Sonda IV is an essential step toward carrying out the so-called Complete Special [as published; Space?] Mission developed jointly by the IAE, which was responsible for the launchings, and the IPE [Space Research Institute], which will develop the meteorological satellite.

The Sonda IV, whose structure was designed entirely by Brazilian technicians, was submitted to rigorous structural tests. It will make possible studies for improving the automatic guidance system where the rocket controls its own center of gravity, the first step in creating a system of remote control. Such a system is essential, according to IAE technicians, for launching the rockets carrying satellites that must remain in previously-determined orbits.

This rocket, because of its size, risks and operational complexities, will be the first to be launched at the new rocket-launching field the Air Ministry will build, possibly in Alcantara, Maranhao, where an area of 500,000 square meters has been expropriated by the government. The existing rocket-launching base at Barreira do Inferno, Natal, will continue to be used to launch small-sized rockets.

The Sonda IV, VLS and meteorological satellite projects are among those for which FINEP [Funding Authority for Studies and Projects] distributed 24,418,600,000 cruzeiros to be spent by the end of the decade.



The actual length of the prototype Sonda IV rocket is 16.59 meters

Civilian Sector Absorbs Research

Among more than 100 projects in progress at the Special Aero Center [as published; Aerospace Technology Center?], most are intended for the civilian area. The ambitious military project--the Piranha guided missile--has been at a standstill for over a year due to lack of funds.

The most expensive CTA project--the Complete Space Mission--is being carried out in cooperation with a civilian agency--the Space Research Institute attached to the Planning Ministry--and intends to launch before the end of the decade four satellites for civilian use in remote sensoring and meteorology. This program already has a payoff in the industrial area: production in Brazil of special steel alloys, saving $1 million of foreign exchange monthly.

Advanced Technology

Since 1950, when it was installed in Sao Jose dos Campos, the Aerospace Technology Center has developed on its campus varied research in civilian and military areas. "The policy developed by the CTA is to help solve problems resulting from rapid national industrial development, especially in the aeronautics and space fields," explains CTA director Air Force Gen Lauro Ney Menezes.

He also emphasizes that "the constant concern is use of current techniques and modern data-processing systems to introduce, in the industrial process, technologies not yet in use, thus playing a pragmatic and centralizing role in the industrial community."

CTA's main concern, besides its own applied research, is training manpower to work in advanced technologies. The very first thing undertaken was training aeronautical and electronic engineers by the Technical Aeronautics Institute, one of the four large institutes of the CTA. According to General Menezes, the CTA is getting ready to start a university-level course in computer technology that will be the first in Brazil.

"After becoming qualified in aeronautical and even space sciences, we felt the time had come to create highly-qualified specialists in the systems area," asserts the CTA director, recalling that this is a step toward giving Brazil complete technological independence.

According to its director, the main concern of the CTA is to transfer results of all research to private industry. He calls attention to the IFI (Industrial Coordination and Promotion Institute) as the link whenever research originates with the Air Ministry itself. There are times when contracts are signed with private companies for developing specific projects.

Industrial Impact

Two projects developed by the CTA and transferred to industry have direct impact on the lives of thousands of Brazilians. EMBRAER (Brazilian Aeronautics Company) was formed to manufacture the Bandeirante aircraft developed in the CTA and it now has a wide variety of products that are even exported to five continents. EMBRAER

provides Brazil with a savings of millions of dollars in foreign exchange that would be spent to buy aircraft and also brings in millions of dollars by exporting its products to the United States, United Kingdom and France, among others.

The other project touches Brazilians daily throughout most of the country: the alcohol-powered engine. The adaptation model used by the domestic automobile industry emerged from CTA in 1975 and was transferred to private industry. The CTA is now conducting research on vegetable oils that will be used in diesel engines and already has a new motor developed especially for using alcohol fuel as an innovative technology in the automobile-engine field.

AVIBRAS also benefited from CTA projects and is now producing on an industrial scale several rockets and bombs that are exported to the Middle East and Latin America. AVIBRAS, however, makes more than ordnance materiel: sophisticated radar units for meteorological and communications uses are being built in its facilities. Completely domestic production of such radar equipment saves about $5 million per unit. AVIBRAS will also soon receive technology for manufacturing airport-control radar. This company and others in the electronic area will produce 70 percent of the equipment needed for the program to improve Brazil's flight-safety system, representing contracts worth $209 million.

Development of the Sonda rockets enabled CTA to create a fine-steel technology. The specialty steel called 300-M, which was developed to enclose the Sonda rockets and whose technology was transferred to Metal Leve, has already won an international bid and is being used in making the Boeing 747 landing gear.

Other equipment it will no longer be necessary to import: the ILS (Instrument Landing System) used in airports and whose first units produced in volume will be delivered this year by TECNASA, an electronics industry also located in Sao Jose dos Campos.

Social Projects

The alcohol and vegetable-oils programs are considered by the CTA to have profound social impact, as they could change the nation's industrial behavior, keeping manpower in rural areas in order to produce more sugar cane and manioc, together with manufacture of minidistilleries throughout the nation to avoid expenditures on fuel transportation.

Another social project, although based on advanced technology, is MOCLIMA, whose objective is to modify the climate of the Northeast. Designed originally only for seeding clouds and causing artificial rain, the CTA is now studying the production of clouds, based upon a system for forming clouds over the Atlantic Ocean that would later be carried by air currents to the continent and artificially seeded in predetermined areas. CTA technicians feel that modifying the climate would make it possible to keep manpower on the land in the Northeast and thus reduce migration to large urban centers in the South.

The program to combat flooding in Sao Paulo, which will use the same technology as in the Northeast for seeding clouds will also have economic and social impact throughout Greater Sao Paulo, according to the CTA technicians.

Space Mission

The so-called Complete Space Mission, a joint program with the INPE, is the CTA's most ambitious and its end use is civilian and scientific. While INPE will be responsible for building the meteorological satellite and the remote sensoring devices, the IAE--which is one of the CTA institutes--will be responsible for the entire launching project. The VLS will be a rocket with four stages of the Sonda IV rocket and is being developed by the IAE based upon technology absorbed throughout the program of building the Sonda rockets.

A number of benefits of this program have been transferred to private industry and Air Force Gen Hugo de Oliveira Piva, IAE director, predicts a broad range of benefits is yet to be transferred to private industry.

But the CTA's most ambitious military project, the Piranha guided missile, has been at a standstill for more than 1 year due to lack of funds.

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GARCIA FRIAS CLOSES NATIONAL PORT WORKERS DAY

Havana GRANMA in Spanish 16 Jun 81 p 2

[Speech by Guillermo Garcia Frias, member of the Political Bureau of the CPC and minister of transportation, at National Port Workers Day, 14 June 1981]

> [Text] The following is the text of the speech delivered by revolutionary commander Guillermo Garcia Frias, member of the Political Bureau of the Communist Party of Cuba and minister of transportation, at the ceremony marking National Port Workers Day, held at the Port of Cienfuegos on 14 June 1981, year of the 20th anniversary of the Bay of Pigs.

Distinguished officials, comrades:

First of all, I should like to take advantage of the opportunity afforded by the fraternal hospitality of the Cienfuegos workers, to transmit to you and to all maritime and port workers, all those employed at the shipyards, shipping companies, the maritime districts, EXPEDIPORT [Port Expediting Enterprise] and CUFLET [Cuban Freight Enterprise], the bulk sugar terminals and all work centers that support port activities, the warmest greetings of our commander in chief, Comrade Fidel, on the occasion of National Port Workers Day.

In keeping with an agreement of the party, the National Union and the Ministry directorate, it was decided that workers at the rebel terminal enterprises in the central region, the ports of Cienfuegos, Isabela de Sagua, Caibarien and Casilda, would welcome all port workers in the country on this 14 June and that the port of Cienfuegos would be the site of our meeting in recognition of its overachievement on its plan, its outstanding work, the enthusiasm and efforts of the Cienfuegos workers, the promotional center of the emulation.

It was a felicitous choice. We are meeting in the center of the island, exactly 10 years after the establishment of the National Union of Merchant Marine, Port and Fishing Workers (SNTMMPP), which the port workers also chose as their day. It was also on 14 June that Gen Antonio Maceo and Maj Ernesto Che Guevara were born, symbols of the heroic struggle of our people to win their true independence.

The maritime and port workers from all over the country render a modest homage to their memory through our work, in honor of the building of socialism, this day and every day in that fine battle for our economic development, the battle to turn our country into a developed agricultural and industrial country.

The date is of great significance for all Cubans and for 10 years, it has been for the maritime and port workers a time of drawing up the balance sheet and looking back, a time when we celebrate with proletarian joy and pride our successes in individual and collective work, when we simultaneously and self-critically analyze our weaknesses and deficiencies and propose new goals and tasks to carry out as our obligation in the building of socialism and in order to carry out the directives of the party and the government, our 5-year plans, our responsibilities to the people, the revolution, production and defense.

No longer can we remain with our backs to the sea. If, until 1959, we were a people forced to live while ignoring the sea, when imperialism reserved dominion over it for itself, since the first day of January we have lived with our backs in the sea, our arms in the sea, our hands in the sea, facing the sea, taking advantage of its immense resources and using it as a means to link ourselves with the rest of the world, transport -- without wheels or rails -- the products we need and carry to other ports of the world the raw materials and products we produce and which other nations need.

The special significance of this day of maritime and port workers exists because we are an island, because we live off of what we import and export, and when everything enters and leaves for the development of the national economy, it enters and leaves through our ports, carried by the vessels of our Merchant Marine, those of the socialist and other countries, passing through the hands of the maritime and port workers and the transportation workers.

That is the great importance of the maritime and port workers' jobs, because in the final analysis, we live off of our foreign trade and our economic development is supported by trade with other countries. In order for its adminsitration to be efficient, in order for us to increase our exports every day, guarantee the expansion of our markets, improve the quality of our products, augment our industrial production and achieve the proper articulation of the domestic economy for those purposes, there necessarily has to exist great efficiency in our Merchant Marine, in our ports and our means of transportation.

I extend my most sincere congratulations to you: the vanguard groups of Zone 6, Haiphong Terminal at the Port of Havana, the workers from the ports of Cienfuegos, Matanzas, Jucaro, Felton, Zones 3, 4 and 5 and Aracelio Iglesias, the port of Vita and the Western Maritime District, and the maritime and port workers who, through their efforts, have won the worthy title of vanguards and who are with us here today.

We recall that on this date last year, we told you that the situation at the ports caused us to turn National Port Workers Day into the beginning of a great battle. In the middle of June, as is the case every year, we experience one of the times of greatest tension at our ports with the so-called peak times when the most goods arrive in the country. In July of last year, we faced a situation of port congestion, with nearly 500,000 tons afloat and another 800,000 expected. In May of 1980, while the country received 11 percent more tonnage, unloading was behind, for it had increased only 8 percent. The unloading operation during the second half of the year, particularly in July and August during the period of rain, fiestas and vacations, required a great effort of all of us.

Everyone will remember the great battle waged at the close of 1980, when port workers throughout the country unloaded over 7.7 million tons of dry cargo, the highest figure in the history of Cuba, exceeding the total for the preceding year by over a million tons and in the last 7 months, totaling over 20 percent more than all the months of 1979.

You will recall that out of the last seven months of 1980, we exceeded the figure of 700,000 tons unloaded in three of those months. The port emergency plan to unload more than what arrived was met, we extracted more than what was unloaded and received everything that arrived.

First Year of 5-Year Period Most Productive and Efficient in History

Let us recall that in keeping with the effort made in December 1980 and in the heat of the "Red Hot" emulation, we launched the slogan of making the first year of the 5-year period the most productive and efficient in the history of Cuban ports.

We hail and congratulate the port workers for their response to the commitment of this day, for they unloaded from the boats over 703,000 tons in the month of May, reducing the tonnage afloat by nearly 40,000.

Now then, we cannot rest on our laurels. If we examine the conduct of port operations from January to May of this year, we can observe that arrivals increase from month to month and that the general unloading average is around 651,000 tons a month. The tonnage afloat at the end of May is over 260,000 and we are also behind in taking the goods out of the yards and warehouses, for the greatest tonnage taken out and headed for the domestic economy was lower than what was unloaded from the boats, meaning that at the end of May, goods stored totaled some 180,000 tons.

This is not a critical figure because for the same period of the previous year, it was 254,000 tons, but we cannot neglect this important aspect of the port-transport-domestic economy chain, because this growth in inventory leads to a drop in work productivity and can result in an excessively long stay of vessels in the port.

It is indeed a labor triumph deserving of our congratulations to have exceeded the figure of 700,000 tons for the month of May this year, but during this second half of the year, goods arriving in Cuba will approximate that figure, which will constitute a challenge to unload more than the amount that arrives at the port. This means that we have to make systematic, sustained efforts so that beginning in June, the minimum unloading figures at the ports will be around 750,000 tons. We must also improve our organization, planning and management in order to achieve faster unloading of boats and the most efficient extraction of goods, so that in the last quarter of 1981, we shall reach figures exceeding 750,000 tons and approach 800,000. There will be no other way to reduce the tonnage afloat.

The most difficult part of the year is ahead, a time when in addition to an increase in arrivals, we enter the rainy period and have to make a great export effort, for our sugar cane harvest has come to a close in the mills, but not for the country as a whole. June, July and August will be months of tension during which we shall have to make huge sugar shipments. Our ports must work at a peak of efficiency so as to avoid any delay and prevent the payment of excess port charges because we failed to meet our commitments.

This is a year that will test the forces of port and transport workers, a year that will show how we shall face each year of the 5-year period and measure our experience and ability to take up the great tasks we have ahead. We must tone up our strength and measure our capacity for work, shepherding all our reserves in order to meet the commitments of maritime, port and transport workers in our country's economic development.

In analyzing the work of the port-transport-domestic economy chain for the rest of 1981, we can state that it is improving in the organization, management and coordination of the different areas. We are leaving behind that other chain of justifications for previous years, when the port worker blamed the transport worker, the transport worker blamed the warehouses, which in turn blamed transport workers for not hauling the goods, and finally, when the shippers blamed everyone else. However, the figures I have just mentioned are eloquent proof that we are far from reaching an acceptable level of efficiency in the operation of our ports and our means of transportation.

We must add that it is urgent that we improve efficiency in the operation of the rail and motor vehicle pool. We are obtaining greater capacity in the central railroad, but we do not use it efficiently. We must continue to make progress along the lines of having railroad equipment ready at the ports and port workers must become accustomed to loading the cars promptly and efficiently.

At the end of June, transport equipment involved in our work amounted to over 100,000 trucks and some 35,000 railroad cars. The delay in loading trucks was .51 hour on the average and in loading railroad cars, .07 day. The month of May came to a close with a 14.5 percent delay over what had been planned for all rolling stock.

With respect to shipping from the ports, we must double our efforts so that our warehouses continue to receive the goods unloaded at a stable rate.

As we have said on other occasions, our slogan for the months ahead and the entire 5-year period must be: "Everything that arrives at the ports must be unloaded, hauled by the railroads and trucks and received at the warehouses with fluidity and efficiency, day and night, throughout the seven days of the week."

We repeat once more that we know there are limitations with respect to the warehouses, but on the other hand, those existing are not used up to capacity and the receiving enterprises have to speed up the distribution of their goods, avoiding the use of boats and ports as warehouses and the resulting high costs in foreign exchange for the national economy.

We cannot allow any increase in the amount of cargo afloat and that for any reason, the boats would become temporary warehouses as a result of congested port warehouses. This causes shortages in the productive processes, in our factories, delays in our development plans, the failure to meet supply plans.

Now then, the battle for economic development, which is the battle of every one of us, must be waged and won there where it begins: at the ports, with imported goods. It must also be waged and won at the ports and maritime terminals, because our exports depend on it.

We must not forget for an instant that the final link in this chain is the people: the blue- and white-collar workers, the farmers, students and families, the factories, schools, nursery schools, universities, clinics and hospitals. We must never forget that the final purpose of all our work is meeting the growing needs of our people, raising their standard of living, building the socialist society.

Not for an instant must we forget the singular role that must be played by the maritime-port workers, for without your aid, work and efforts, we could never achieve the objectives we have set forth. It would be impossible to carry out our annual and 5-year plans.

Inefficient work in the maritime-port branch has an immediate effect on each and every sector of the national economy and therefore, on all of our people.

Every day, we must make a greater effort. Every maritime and port worker must be fully aware of that additional responsibility he has to the country's other workers. We must call on all our reserves, on every increase in productivity it is possible for us to achieve.

Throughout the year, we have been witness to the countless productive feats that you have achieved. Among them, even if we cannot mention them all, are the following: salvage operations at sea; the internationalist work of our sailors when they have carried Cuba's aid to other brother nations; the establishment of tens of thousands of outstanding records by highly productive port brigades, representing the handling of over 2.5 million tons and a reduction of 35 million pesos in demurrage fees; the serious and responsible work of port workers at the tiny Vita port in Holguin; the use of Sundays as working days at our ports and sugar terminals; the feats of Brigade No 14 in Cienfuegos; and the overachievement in unloading operations at ports in the easternmost provinces of the country.

As an additional example of the reserves we still have and the possible increases in productivity that can be achieved based on application of wages based on piecework at the ports, we must say that while the output per man per shift in 1974 was 3.6 tons and 9.1 tons in 1979, the average for the first four months of 1981 is already 12 tons. With respect to the yield per brigade, it was 93.6 in 1974, which figure rose to 133.3 in 1979, and for the first four months of 1981, it is an average of 164.1 tons. Naturally, this means a substantial increase in the wage level, which in turn results in a higher standard of living for all our maritime and port workers.

However, we must remember that last year, we appealed to the union and all workers at every port to make an analysis in order to take better advantage of the schedule. We pointed out that measures for the organization of work and wages must tend toward increased productivity, but that there were many deficiencies at the ports that depend very directly on the attitude of the workers and that must be overcome. I told them that it was generally believed that the loading and unloading working day must be used to the minimum of 80 percent.

We repeat our appeal. Not only must we not confine ourselves to fighting to increase the number of shifts at the port, for the figures indicate that during the first four months of this year, we were under 70 percent for taking advantage of the work day.

Four times during the year we made an appeal to increase the daily rate of handling goods or of extracting goods from the ports to over 24,500 tons in order to surpass the figure of 700,000 tons. And by how many dozen did that figure rise over 25,000, as a firm expression of the workers' effort in the "Red Hot" port emulation.

This is an obvious demonstration of the reserves we have, of the fact that when the maritime and port workers make a commitment, they keep it. I ask myself: Why should we not do something similar with the work day? This would put us in an advantageous position for meeting and going beyond our commitments to the national economy for the rest of the year.

In analyzing the prospects of economic development for the 5-year period, the first year of which is already underway, relations with transport and the handling of goods, we note that during the 5-year period that just came to a close, transport activity rose over 30 percent. At the close of the 5-year period, total circulation of goods reached a volume greater than 35 million tons, the highest for the entire revolutionary period, for an increase of 35 percent compared with 1975. Some 25 million tons corresponded to foreign trade and the remaining 10 million were for lighterage.

New Boats

Over the last 5 years, 23 more boats were incorporated into our fleet, but at the present time, it has over 848,000 tons deadweight, with the recent incorporation of the "Antonio Maceo" Merchant Marine vessel, built in the Bulgarian shipyards. The deadweight of our lighterage vessels has also increased to some 130,000 tons. With respect to the port handling of dry cargo, from an average of about 550,000 tons a month in 1975, during the first months of this year, we reached 650,000 and during the last 5-year period, we invested over 80 million pesos in maritime projects and created a capacity of over 300,000 square meters of warehousing.

If these are the levels at which we begin, what efforts must the maritime-port workers make during the 1981-1985 period? What is the fundamental role we must play in this battle for economic construction?

Let us take a general look at some aspects of the 5-year plan that necessarily translate into an increase in cargo to be handled, both for export and import.

The general plan for the 5-year period provides for an increase in the economy of some 5 percent annually, characterized by a strong export trend to take the place of imports and for the purpose of reducing our dependency on other countries. We plan to increase the volume of traditional export products and continue to place emphasis on the development of new exports.

We shall double the amount of resources devoted to the construction of warehouse capacity in the last 5 years. We shall pay special attention to the construction of refrigerated storage, loading and unloading centers, in order to eliminate bottlenecks that occur in economic management when we do not have sufficient capacity to store products. Sugar production is to increase between 20 and 25 percent over the preceding 5-year period. The generation of electric power will rise some 50 percent and at the same time, we shall work on the enormous electric power generating project, the Juragua Nuclear Power Plant.

In the fuel branch, we propose increases of 10 to 15 percent. We shall increase nickel production with the conclusion of the rehabilitation of Moa and Nicaro and the startup of the new Punta Gorda complex. In the chemical sector, increases will be 30 percent for fertilizers. We shall step up production of textiles between 50 and 60 percent and the Santiago de Cuba spinning and textile complex will go into operation with a capacity of 80 million meters a year. Cement production will total 4.5 million tons, which will enable us to increase exports. Citrus fruit production will increase 2.5 times.

The volume of investments in the maritime-port branch will be over 400 million pesos, distributed over different port projects, in order to increase our current loading and unloading capacities by over 4 million tons and in order to augment our own fleet's participation in the country's transportation, with over 30 merchant vessels for the international and lighterage traffic.

What volumes of cargo will this gigantic undertaking generate over the next 5 years?

Do we not already have in 1981 obvious proof of the increase in freight to be handled?

Improve Records

We are firmly convinced that beginning this year, we shall beat the records of 24,500 tons, 25,000 tons, 30,000 tons and 35,000 tons daily. And every day, with a systematic, sustained effort, our maritime-port workers will achieve the monthly figures required by this impetuous economic development, which as a minimum today are over 700,000 tons monthly, but which we shall gradually increase year by year until we reach 800,000, 900,000, a million tons. And the time will come when the figures for monthly extraction of under 1 million tons will seem a thing of the past.

With these objectives in mind, we must work. Toward these goals we must orient each and every one of our efforts. We must perfect the material and technical base of our ports, maritime terminals and our Merchant Marine. We must perfect our system of management and operation so as to make domestic and foreign-bound transport more efficient. We must assimilate the progress of the scientific and technical revolution in the handling and hauling of cargo, but none of this will suffice if we do not educate, train and perfect the man, you, the maritime-port workers.

We still have great contrasts: large, small and medium-size ports. We have mechanized ports with large cranes, ports and piers for automatic handling of containers and small ports with no mechanization at all, where the stevedore and derricks do the work and where high productivity can only be achieved through the energy and will of port workers.

But this will not always be so and the investments in the maritime-port branch that we have just mentioned have man as their central objective, making his task more human, increasing his productivity through automation and mechanization and advancing with a firm step along with all workers in agriculture, industry and services in building the developed agricultural-industrial Cuba of the future.

Here again we call on the enthusiasm and revolutionary conscience of the maritime and port workers.

We must win the battle for the ninth grade, just as we won the battle of the sixth grade and just as day after day, we are winning the battle for port handling. We already have a good beginning, for the national union met its commitments for registration for the ninth grade with a rate of 104 percent and it was the first to do so in the country.

Cultural and technical improvement is a prime task for all workers and particularly for maritime-port workers. How can we handle the new facilities, the new machinery at our ports and our modern merchant vessels if we do not have adequate training?

How can we achieve these objectives without adequate organization and without simultaneously winning the battle for economic efficiency?

It is up to higher management cadres and the enterprises to make the maximum effort to learn and master the mechanisms of economic management and planning. We must daily perfect the role of the workers in management, in all maritime and port collectives.

Among the most important tasks are graduation establishment of the economic planning and management system; the efficient organization of business; annual, 5-year and future planning; compliance with economic contracts; application of the statistical information system; the figuring and recording of costs; standardization of warehouses; control of inventory and material consumption; and the training of management personnel for technical and economic activity.

In order to reach the productivity to which we aspire, at the same time we improve the material and technical base, we must all train ourselves and increase our skills. We must devote our greatest efforts to production and to cultural, technical and economic preparation, convinced that only in this way shall we take maximum advantage of the progress of the scientific and technical revolution, in order to guarantee completion of our tasks and meet the growing needs of our developing economy.

Esteemed comrade maritime and port workers:

Ten years ago, we instituted National Port Worekrs Day in bringing together in a single force all sea workers, and for over 20 years, since January 1959, that revolutionary force has grown, improved and waged exemplary combat in production and defense, in the face of imperialist aggression and the blockade.

The efforts made have been admirable, particularly in the last 2 years, when you succeeded in speeding up the process of circulating everything we import and export, the loading and unloading of goods and all work done at the ports and maritime terminals.

We extend to you our warm and sincere congratulations. Once again, may this 14 June be another point of departure for the achievement of new successes, for setting new records.

Let us pledge to unload all the goods entering our ports in this month of June and throughout the second half of the year.

Let us pledge to cover all the peak periods that occur every month.

Through our maximum productive effort, let us hail this tenth anniversary of National Port Workers Day.

Let us recall the words of our commander in chief, comrade Fidel, in his Central Report to the Congress, when he said, in referring to the economic guidelines for the second 5-year period:

"Exceed our goals and not fail to meet our goals: That is the essential idea!" Let those words be our motto.

Long live the maritime-port workers! Long live the Communist Party! Long live Fidel! Fatherland or death! We shall overcome!

11,464
CSO: 3010/1643

PARTIES' POPULARITY SURVEYED, BELAUNDE'S REELECTION UNLIKELY

Lima GENTE in Spanish 16 Jul 81 pp 38-42, 44

[Text] [Question] Of all the parties now in existence, which do you prefer?

	7) Total nacional pon.	8) Lima y Callao	9) Total provincias	10) Piura	Chiclayo	Trujillo	Chimbote	Ica	Arequipa	Cuzco	Huancayo	Iquitos
	%	%	%	%	%	%	%	%	%	%	%	%
1) Acción Popular	32.3	32.9	32.1	46.9	19.9	22.6	14.0	43.7	32.0	56.0	42.3	48.0
2) Partido Aprista Peruano	24.5	13.8	29.1	17.7	46.9	48.2	24.3	14.6	18.2	5.0	20.0	32.0
3) Izquierda Unida, y UDP, UNIR	14.6	9.8	16.7	11.5	12.9	11.5	25.7	21.4	21.7	26.0	18.5	7.0
4) Partido Popular Cristiano	9.7	16.8	6.7	6.9	4.4	3.7	0.7	6.8	14.6	4.0	13.1	1.0
5) Independientes y otros	1.8	—	2.5	1.5	4.1	3.3	1.5	3.9	1.4	3.0	1.5	1.0
6) Ninguno/No especificado/No contesta	17.1	26.7	12.9	15.5	11.8	10.7	33.8	9.8	12.1	6.0	4.6	11.0
TOTAL 100%												
11) BASE: Total de entrevistas realizadas	(2,410)	(889)	(1,521)	(130)	(271)	(270)	(136)	(103)	(281)	(100)	(130)	(100)

While Popular Action, APRA, and, to a lesser extent, the left show uniform support on the national level, the Popular Christian Party is shown to be a group whose voter strength lies in the capital.

Key:

1. Popular Action
2. Aprista Party of Peru [APRA]
3. United Left, UDP [Popular Democratic Union] and UNIR [expansion unknown]
4. Popular Christian Party
5. Independents and others
6. None, none specified, or no answer
7. Weighted national average
8. Lima and Callao
9. Total provinces
10. [Names of cities]
11. Base: total interviews conducted

As the country prepares for the municipal byelections to be held in various localities around the republic, we present a public opinion survey conducted for GENTE by the Marketing Research Company, Incorporated. It is based on a sample of 2,410 persons living in 11 of the country's largest cities, including Callao Constitutional Province.

Although showing that Popular Action is still the most popular party, the survey also reveals an obvious slippage in that party's prestige, a fact that will undoubtedly have repercussions on the upcoming elections.

The sample also indicates that APRA [American Revolutionary Popular Alliance], despite its serious internal problems, is still the country's second largest political force. Unlike Popular Action, which has equal support in Lima and in the provinces, APRA's support is stronger in the interior of the country (29.1 compared to 13.8 percent).

In third place is the United Left, which also has stronger support in the provinces than in the capital. The opposite is true of the Popular Christian Party, which is in fourth place and whose political importance in the provinces is almost nil.

It is interesting to note the degree of sympathy or antipathy--or rejection--felt by public opinion for the leaders of the country's main political forces. Along those lines, the survey has more than simple story value: it reveals how the citizens react to what is said or done by certain leaders. In Armando Villanueva's case, it is also obvious how the party's internal conflicts have weakened his image. Also significant is the way in which Minister of Economy Manuel Ulloa's image as a "savior" has faded as a result of the implementation of an economic policy which hits the sectors with the least resources and which has caused great concern in the sectors of national industry. As far as the left is concerned, it is obvious that the attitudes of the Trotskyite Hugo Blanco are being rebuffed. At the moment, he is the best propaganda against the left. In his case, it should be pointed out that his support is almost as thin in Lima and Callao (22.2 percent) as in the provinces (25.5 percent). Dr Luis Bedoya, on the other hand, retains his great charismatic image, but the people have learned over these past few months that that is not enough for governing a country.

Who Has the Least Support?

1. Which politician has the least support in the Popular Christian Party?

Luis Bedoya	10.6
Felipe Osterling	3.2
Roberto Ramirez del Villar	2.0
Celso Sotomarino	1.6
Roberto Rotondo	1.5
Richard Amiel	1.2

2. Which politician has the least support in the United Left?

Hugo Blanco	24.6
Genaro Ledesma	3.0
Carlos Malpica	2.5
A. Barrantes	2.2
Javier Diez Canseco	1.4
Rolando Brena	0.8

3. Which politicians have the least support in APRA?

A. Villanueva	31.1
A. Townsend	8.3
Alan Garcia	2.3
Luis A. Sanchez	1.8
Leon de Vivero	1.7
Ramiro Priale	1.3

4. Which politicians have the least support in Popular Action?

Manuel Ulloa	18.1
Fernando Belaunde	5.4
Javier Alva Orlandini	4.2
Francisco Belaunde	2.4
Eduardo Orrego	2.1
Pedro P. Kuczynski	1.3

Who Has the Most Support?

1. Which politicians have the most support in the Popular Christian Party?

Luis Bedoya	50.5
Miguel A. Muffarech	9.3
Richard Amiel	7.0
Felipe Osterling	6.6
Roberto Ramirez del Villar	2.6
Celso Sotomarino	1.5

2. Which politicians have the most support in the United Left?

Alfonso Barrantes	17.1
Hugo Blanco	8.1
Carlos Malpica	4.9
Genaro Ledesma	4.2
Javier Diez Canseco	4.1
Horacio Zevallos	3.5

3. Which politicians have the most support in APRA?

A. Townsend	22.7
A. Villanueva	18.8
Luis A. Sanchez	13.4
Alan Garcia	3.6
Carlos Enrique Melgar	2.9
Fernando Leon de Vivero	1.3

4. Which politicians have the most support in Popular Action?

Fernando Belaunde	35.1
Eduardo Orrego	8.0
Javier Alva Orlandini	7.1
Manuel Ulloa	4.3
Javier Arias Stella	3.3
Elias Mendoza	1.0*

*[decimal not legible]

The Best Known

Tell me the names of the politicians you are familiar with in Popular Action.

	Total nacional pon. % 1)	Lima y Callao % 2)	Total provincias % 3)
Fernando Belaúnde	44.8	46.9	43.9
Manuel Ulloa	8.9	11.9	7.6
Javier Alva Orlandini	8.8	7.8	9.2
Eduardo Orrego	6.3	10.9	4.3
Javier Arias Stella	1.5	1.2	1.6
Balarezo	1.0	—	1.4
Uriel García	1.0	—	1.4
Carlessi	0.9	—	1.3
Lozano	0.9	—	1.3
Oscar Trelles	0.8	1.0	0.7
Pércovich	0.8	—	1.2
Elías Mendoza H	0.8	0.1	0.8
Del Castillo	0.5	—	0.7
Calmell Del Solar	0.4	—	0.5
Francisco Belaúnde	0.4	0.2	0.5
Pedro P. Kuczynski	0.1	0.1	0.1
4) Otras menciones	7.1	4.9	8.0
5) Ninguno	1.0	—	1.6
6) No especificado/. no contesta	14.2	15.0	13.9
TOTAL 100%			
7) BASE: Total de entrevistas realizadas	(2,410)	(889)	(1,521)

Tell me the names of the politicians you are familiar with in the Aprista Party of Peru.

	Total nacional pon. % 1)	Lima y Callao % 2)	Total provincias % 3)
Armando Villanueva	41.3	35.4	43.8
Andrés Townsend	20.9	24.6	19.3
Luis Alberto Sánchez	7.3	11.3	5.6
Ramiro Prialé	3.9	2.0	4.7
Fernando León de Vivero	2.0	1.5	2.8
Jorge Torres Vallejo	1.1	—	1.5
Varela	1.1	—	1.5
Carlos E. Melgar	1.0	1.7	0.7
Alan García	0.7	—	1.0
Carlos Roca Cáceres	0.6	—	0.9
Valle Riestra	0.6	1.0	0.2
Pardo	0.6	—	0.9
Justo Debarbieri	0.5	1.0	0.2
Edmundo Haya	0.5	—	0.7
Luis Negreiros	0.3	—	0.4
Alfredo Barnechea	0.1	—	0.1
5) Ninguno	0.6	—	0.9
4) Otras menciones	5.1	3.8	5.7
6) No especificado/ no contestó	11.5	17.7	9.1
TOTAL: 100%			
7) BASE: Total de entrevistas realizadas	(2,410)	(889)	(1,521)

Tell me the names of the politicians you are familiar with in the United Left.

	Total nacional pon. % 1)	Lima y Callao % 2)	Total provincias % 3)
Alfonso Barrantes L.	21.1	31.7	16.5
Hugo Blanco G.	15.9	13.1	17.1
Genaro Ledesma I.	5.6	3.1	6.6
Carlos Malpica S.	5.0	2.4	6.1
Horacio Zevallos	4.0	1.4	5.1
Javier Diez Canseco	2.6	2.0	2.8
J. Villalobos A.	1.7	—	2.4
Rolando Breña Pantoja	1.6	0.1	2.2
Enrique Bernales	1.3	1.5	1.2
Renglifo	1.0	—	1.5
Merino	0.5	—	0.7
Ricardo Napuri	0.4	0.1	0.8
Leonidas Rodríguez F.	0.4	0.2	0.5
Arroyo	0.3	—	0.5
J. del Prado	0.2	—	0.3
Carlos Urrutia	0.2	0.1	0.2
4) Otras menciones	4.3	3.2	4.8
5) Ninguno	2.7	—	3.9
6) No especificado/ No contesta	31.2	41.1	27.0
TOTAL: 100%			
7) BASE: Total de entrevistas realizadas	(2,410)	(889)	(1,521)

Tell me the names of the politicians you are familiar with in the Popular Christian Party.

	Total nacional pon. % 1)	Lima y Callao % 2)	Total provincias % 3)
Luis Bedoya R.	67.9	69.6	67.1
Miguel A. Muffarech	2.8	4.3	2.1
Richard Amiel	2.2	4.7	1.1
Felipe Osterling	1.3	1.4	1.2
Roberto Ramírez del Villar	0.7	0.8	0.7
Ojórtegui	0.7	—	1.1
Rafael Vega	0.4	—	0.6
Celso Sotomarino	0.3	0.2	0.4
Mario Polar	0.2	0.1	0.3
Ernesto Alayza	0.1	0.1	0.1
Roberto Rotondo	0.1	—	0.1
4) Otras menciones	3.3	0.6	4.4
5) Ninguno	2.3	—	3.3
6) No especificado/ No contesta	17.7	18.2	17.5
TOTAL: 100%			
7) BASE: Total de entrevistas realizadas	(2,410)	(889)	(1,521)

Key:

1. Weighted national total
2. Lima and Callao
3. Total provinces
4. Other names
5. None
6. Not specified or no answer
7. Base: total interviews conducted

The Best Known

As is only natural, President Fernando Belaunde Terry is the best known figure in Popular Action, followed by Ulloa, Alva Orlandini, and Orrego. But it is highly significant that when questioned as to the AP candidate's chance of being elected president--if the elections were held today--those surveyed plucked up their courage and relegated the weary architect to sixth place with a percentage (3.3 percent) that gives him no option (see the table on presidential possibilities at the end of this article).

In APRA, leader Armando Villanueva is far and away the best known personality nationwide (41.3 percent), but he is also the one triggering the most antibodies at present, a situation attributable to his party's internal problems. Andres Townsend, the dissident leader, occupies second place (20.9 percent). It is significant that Luis Negreiros, currently a deputy, who joined the presidential race as a representative of the workers belonging to APRA, is almost unknown anywhere in the country.

In the left's ranks, the serene image of Alfonso Barrantes Lingan has established itself and is continuing to cast its shadow at the national level. Behind him is the controversial Hugo Blanco. As far as the Popular Christian Party is concerned, it is obvious that it still has only one leader of national stature: Luis Bedoya Reyes.

Ideal Slate (if Elections Were Held Today)

Because of his charismatic personality, President Belaunde enjoys the public's affection, but not its confidence as a ruler. That is not a capricious evaluation--it emerges clearly from a survey in which 2,410 citizens in 11 of Peru's large cities, including Callao, were asked whether they would vote for Popular Action's presidential candidate if the elections were being held today.

President Belaunde polled only 3.3 percent nationwide, behind Javier Alva Orlandini (21.4 percent), Eduardo Orrego, and Javier Arias Stella, who, be it said in passing, constitute a presidential alternative in the government party.

In APRA, following the campaign against Villanueva, Townsend stands out as the best presidential bet, followed by Carlos Enrique Melgar and Alan Garcia, although the latter two still lack a nationwide image.

Despite the splits in the left, public opinion recognizes Alfonso Barrantes as its most eminent figure. His hypothetical slate is rounded out by Carlos Malpica and Javier Diez Canseco. It is worthwhile to draw attention to two details: the presence of Senator Enrique Bernales in public opinion and the rejection of Jorge del Prado as a possible candidate.

For his part, Bedoya is the Popular Christian Party's obligatory candidate. He is accompanied by Miguel Angel Muffarech and Roberto Ramirez del Villar, both of them politicians who are still little known to the mass of the voters.

Presidential Formula for Popular Action

For president:	
Javier Alva Orlandini	21.4
Eduardo Orrego	18.6
Javier Arias Stella	10.1
Manuel Ulloa	9.3
Fernando Belaunde	3.3
For first vice president:	
Eduardo Orrego	14.4
Javier Alva Orlandini	12.6
Javier Arias Stella	12.5
Manuel Ulloa	11.3
Elias Mendoza H.	5.9
For second vice president:	
Javier Arias Stella	12.6
Javier Alva Orlandini	11.6
Eduardo Orrego	10.4
Elias Mendoza	7.0
Manuel Ulloa	5.3

Presidential Formula for United Left

For president:	
Alfonso Barrantes	31.2
Carlos Malpica	9.3
Hugo Blanco	8.1
Javier Diez Canseco	7.5
Enrique Bernales	3.4
For first vice president:	
Carlos Malpica	15.4
Javier Diez Canseco	12.3
Alfonso Barrantes	10.9
Enrique Bernales	7.0
Hugo Blanco	5.5
For second vice president:	
Carlos Malpica	11.5
Javier Diez Canseco	8.7
Hugo Blanco	8.5
Alfonso Barrantes	6.9
Enrique Bernales	5.3

Presidential Formula for APRA

For president:	
Andres Townsend	29.8
Armando Villanueva	19.6
Carlos Enrique Melgar	7.6
Alan Garcia	4.6
Luis A. Sanchez	3.1
For first vice president:	
Townsend	15.6
Melgar	13.6
Alan Garcia	11.4
Villanueva	8.3
Carlos Roca C.	6.5
For second vice president:	
Melgar	14.3
Alan Garcia	10.9
Townsend	9.9
Carlos Roca C.	8.9

Presidental Formula for the Popular Christian Party

For president:	
Luis Bedoya Reyes	57.4
Miguel Angel Muffarech	3.1
Ramirez del Villar	2.8
Felipe Osterling	2.7
Richard Amiel	2.1
For first vice president:	
Miguel A. Muffarech	13.9
Ramirez del Villar	11.8
Felipe Osterling	11.0
Richard Amiel	9.9
Celso Sotomarino	6.0
For second vice president:	
Miguel A. Muffarech	10.5
Felipe Osterling	10.4
Ramirez del Villar	10.3
Celso Sotomarino	7.8
Richard Amiel	2.7

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POLITICAL LEADERS REVIEW ADMINISTRATION'S FIRST YEAR

Lima OIGA in Spanish 20 Jul 81 pp 26-33

[Interviews with Javier Alva Orlandini of Popular Action, Armando Villanueva del Campo of the American Revolutionary Popular Alliance, and Luis Bedoya Reyes of the Popular Christian Party by Uri Ben Schmuel, in Lima and Arequipa on 15, 16, and 17 July 1981]

[Text] Starting with the same question--based on a recent statement by President Belaunde that "we do not need a government with a hard hand or a soft hand, but a government with a skillful hand"--OIGA sought the opinions of Javier Alva Orlandini, Armando Villanueva del Campo, and Luis Bedoya Reyes concerning the constitutional regime's first year in power.

Alva received OIGA in his congressional office on Wednesday the 15th. Villanueva preferred to answer the questions in writing. Bedoya--who has an aversion to interviews, as he himself admits--was approached in Arequipa, where he had gone last Thursday in the company of Felipe Osterling and the participants in the Fifth Congress of Hispanic and Luso-American Ministers of Justice. On his home ground, Bedoya forgot for a moment his allergy to questions by reporters and made brief statements in an impromptu press conference. On that same day, he allowed OIGA to record the opinions he expressed to his fellow party members at the Arequipa branch of the PPC [Popular Christian Party]. On the following day, he talked with OIGA in the PPC's Miraflores office during a quarter-hour break in the sixth national plenum of the PPC. And on Friday, at 0130 hours, OIGA approached him again. Bedoya, touched perhaps by the long wait into the early morning hours, again agreed to make a few statements.

The result of the interviews with the three outstanding politicians is a mosaic of viewpoints--naturally different and sometimes even in disagreement--concerning the government's conduct after a year of democracy. Here are the questions.

[Question] Has the government conducted itself with a skillful hand during its first year of life?

Alva: The government has made an effort to solve many problems facing the country--economic problems which are chronic and which were undoubtedly made worse during the 12 years of military government. I believe that on balance, the results are positive, although of course not everything is satisfactory.

Villanueva: Skillfulness consists of managing things well, and regrettably, not everything has been handled successfully. We are seeing it in the economic sphere and, chiefly, in the social sphere. Perhaps the political area is where we can find more success. But despite my observations, I want to point out that whether the choices are right or wrong, our substantive duty is to defend this democratic system which, while it is not the social democracy advocated by APRA [American Revolutionary Popular Alliance], is a political guarantee. The solution to the problems is not to be found in dictatorship but in democracy.

Bedoya: The president of the republic is a man of great experience who, in addition to holding an office of the highest dignity, also has a genuine love for the Peruvian people, and he lives with a concern for the situations generated by political acts. And I believe that as a statesman, he suffers from the consequences of acts that are impossible to avoid as a result of the very actions of the government. So I believe that he does have a skillful hand for leading the country.

[Question] What are the positive results of the AP [Popular Action] administration's first year?

Alva: Democracy has been fully restored in Peru. Anyone can express his opinion freely and without fear. Significant steps have been taken for Peru's economic development: there are public works in progress and others out for bids. Full observance of the constitution and laws has been restored. We have partially achieved our initial desire: there is political democracy. What we lack is social democracy and economic democracy, and those are objectives that we must not lose sight of. They must set the direction for all government action. Through dialogue, the government is seeking harmonious solutions to our common problems, and it is important to emphasize the sense of responsibility shown by the working class and the labor unions. Moreover, the political parties--whether in the government or in the opposition--are also demonstrating a praiseworthy sense of responsibility. We are not engaged in a fratricidal and uncivilized struggle, nor is there a confrontation as harsh as the one that occurred in President Belaunde's earlier term of office.

Villanueva: In speaking of successes, we want to mention first of all the success on the political level of the current formal democracy. It is an obvious achievement: there is freedom, political rights are guaranteed in general, and dialogue between the government and the opposition is growing. On the labor front, to mention another example, the Tripartite Committee is a positive step--but not a final solution, as some naively believe. The provinces are being listened to in some cases, as is proven by the cases of Olmos, Chao, and Viru, although the centralist mentality still predominates. The restoration of the media to their former owners--although not carried out in the way that we advocate--is, within the system's framework, already part of the exercise of freedom of the press, which we support. On the international level, I regard as very positive the closer relations with Brazil, the resumption of relations with Chile, and the national defense of the Rio de Janeiro Protocol as a legal instrument guaranteeing law and peace.

Bedoya: From the standpoint of strengthening the democratic system, the results are highly positive. There is institutionalization through the presence, and autonomous exercise of their functions, of the three branches of government. Dignity has been restored to the courts, and institutional checks and balances are underway, examples being the Judges Council and the Court of Constitutional Guarantees. Laws are being drawn up to supplement the republic's basic codes. There is a congress fully exercising its two functions: passing laws and overseeing the other branches of government. And there is an executive branch that has proven, through its actions, its desire for a political relaxation: it has called on all political sectors to contribute to the effort. A start has been made in the direction of national decentralization by reestablishing local governments through elections that no one protested. So everything is going well as far as the structure of the state is concerned.

[Question] What are the negative results of the AP administration's first year?

Alva: There has been no success in substantially checking the rate of inflation, and that obviously has a fundamental effect on the working classes, whose standard of living must always be a matter of concern to any government. I hope that the situation will improve over the next few months. Since April, according to official data, the rates of devaluation and inflation have been under control. Let us hope that what the government is proposing, according to the prime minister's official statement, will come to pass and that the objective of not exceeding 60-percent inflation will be achieved. Many acts of sabotage and terrorism have occurred this year, but fortunately, they have not reached the same magnitude as in other countries. Various economic measures have been implemented that may have further burdened the social cost, but according to the people behind them, they are essential for overcoming the economic crisis. It has been announced that the 1981 budget will have a deficit of nearly 400 billion soles. That is high but not exorbitant, and it may have no major ill effects. Let us trust that 1982 will be less difficult for Peru from the economic standpoint.

Villanueva: Regrettably, the failures are many, but most serious are those pertaining to the social and economic policy. There is not a genuine, and therefore realistic, social policy. On the international level, we need to solve the problem existing with Cuba so as to reestablish historically cordial relations.

Bedoya: Since I am not president of the republic, I cannot say, as Belaunde can, that "I leave the job of criticism to my opponents." And it is not as an opponent, but as a collaborator, that the PPC expresses its deep concern over the worsened social problems that may be a result of the current economic situation. Because of the features of the economic situation we are experiencing at this time, there is already a deficit in the national budget that may exceed 25 percent of the total budget. The rise in the cost of living has far exceeded all forecasts. And there is the situation, still manageable but obviously disturbing, with our balance of payments.

[Question] What rate of inflation do you predict for 1981?

Alva: I do not want to argue the point, but I am afraid that the inflation rate will exceed 60 percent. The price of gasoline has just been increased by 14 percent, and the minister of health says that the cost of basic medicines is going to increase by

20 percent. That affects the cost of living. And there are other indicators pointing to the possibility of an inflation rate exceeding 60 percent.

Bedoya: The rate of inflation in 1981 will be above 65 percent.

[Question] Is the current economic crisis due to a situation inherited from the previous government, to cyclical factors such as the drop in the price of our traditional and nontraditional export products and the border conflict, or to the very economic ideas that have been put into practice since 28 July 1980?

Alva: It seems to me that several factors, both structural and cyclical, are working together. We cannot deny that the situation is affected in a fundamental way by the declining prices on the world market for the products we export--basically minerals. Even the price of petroleum has dropped by $2 a barrel. But there are also structural factors. We are a nation that needs to revamp practically every facet of its economic structure. But this economic situation is not one that was created by this government, nor are people in Popular Action responsible for it. It is also an inherited situation. And let us not forget that this situation of ours is also being experienced by other underdeveloped countries. The average rate of inflation in Latin America is 60 percent. Obviously, we cannot be satisfied with a situation bordering on that average.

Villanueva: There is a tendency to throw the blame on the previous government--that is very common in Peruvian politics. But without absolving the military government, whose most serious fault, in my view, was that it violated the principle of authority--without absolving it, I believe that the causes of the current crisis have their roots in the period before that, although this does not lessen the external factor or the role played by current policy. Our republican past weighs down on us as a plutocracy that still exists and as imperialist predominance. This country has not been governed for peoples but for groups, and that is a colonial heritage. This country has not been governed on behalf of law but on behalf of privilege. All of that, added to the mistakes of militarism, expresses itself in a structural crisis, to which this government is contributing for the present. The chairman of the Central Reserve Bank has just admitted that the budget deficit will total 400 billion soles and that our net international reserves have dropped by more than $300 million. If we look at our industries, we see that their crisis is becoming worse. If we note the purchasing power of salaries and wages, we find that the basic diet is being reduced and that the satisfaction of basic needs is declining. If we look at unemployment, we also find that the policy being pursued has not provided the 1 million jobs promised in Popular Action's election campaign--unemployment has increased. If we look at interest rates, we see that money for labor has become more expensive. And the rate of inflation is shooting upward. The substantive cause of all this is that the government's policy is failing. In that connection, I want to explain something: there is currently a campaign against Ulloa, as though he were the only one responsible. I believe that the responsibility lies with those in power, and therefore I say "government" when talking about responsibilities.

Bedoya: The sum of the three factors--inherited crisis, cyclical situation, and economic policy--is the cause. We feel that the government waited too long before adopting the essential economic measures following its installation, and we said at the time that it gave us the impression it was waiting until after the municipal elections. We criticize a political decision of that kind.

[Question] Is there another aspect you would like to mention concerning the problems being experienced by the country?

Alva: I don't believe that all the public sectors are working efficiently. And at the very least, that leads one to suspect that reluctant work--if not sabotage through negligence in action--is being done by civil servants who in many cases are left over from the previous regime. I do not want to put everyone in the same bag--there are some career people who are working efficiently, but others need to be evaluated. I have noticed during trips through the country's interior that there are towns, for example, that have been without electric power for months because the generating sets were ruined, and the directorate of ELECTROPERU [Peruvian State Electric Power Enterprise] knows nothing about it. The towns lacking electric power due to negligence obviously lose any friendly feeling toward the government. That is one example, but there are many others.

Villanueva: I am sticking to the economic issue. The economic policy is failing because ideas that are out of step with our reality are being implemented. While we feel that our problem is basically socioeconomic--requiring more production and work--and that it was and is necessary to deal with the social question on a priority basis, the government has approached the problems from a laboratory perspective--monetarist and in line with the IMF's wornout prescription and other recommendations. And there is no coherence between the economic policy and reality. Economic deterioration and the bypassing of regions by development are growing worse. Decentralization is also a basic foundation on which the big solutions must be based, and it is galloping backward. Look at the Law on Municipalities and reexamine the Law on Departmental Corporations, which brought such a ringing protest from Trujillo. Note the project for free zones. None of that leads to solutions.

Bedoya: Our provincial committees are making very sharp statements concerning the growing immorality in many aspects of public administration, principally in the provinces. And the committees have been given express authorization during this plenum to denounce crookedness publicly wherever they find it. We have not signed any pact--much less a pact of silence--concerning immorality.

[Question] What solutions do you suggest for dealing with the current economic situation?

Alva: We must stimulate farm production. So far, the rural area is not producing enough to feed the Peruvians. If we do not stimulate farm production, we will continue to have many limitations of an economic and social nature. We need to stimulate irrigation along the coast and in the mountains and provide roads for bringing out the fruit that can be harvested so abundantly in the forests. I believe that we need a much more realistic plan for stimulating the rural area. Agriculture in Peru is practically still in diapers.

Villanueva: The solutions to the economic problem lie in the Aprista Party's "emergency plan," which I explained in the election campaign. The current situation is an emergency situation. There is not enough time for us to manage to survive through monetarism and "free competition to improve industry," as it has been expressed. Some of the specific measures that should be adopted are these: we must help the producer instead of replacing indispensable subsidies with "food stamps." We must topple the tax barriers standing in the way of food production and thus increase productivity.

We need to increase quickly the number of school cafeterias and people's dining halls--which is just what Mayor Orrego is thinking of doing--but above all, we must establish a basket of basic food products which will be given special treatment by the government. We need to mobilize the natural production of certain regions and subregions--upland rice, for example. We need to expand social welfare. But the basic thing is work and more work, and to insure that--apart from incentives in the rural area--it is indispensable to give maximum support to industrialization--to industrial enterprises in general and to small enterprises and cooperatives. There should be more tax benefits for those hiring more workers. And the tariff policy should be revised selectively. The Aprista congressional group will submit two bills for immediate implementation to create jobs: the General Law on Frontier Areas and the Youth Law. But there is more: it is the duty of everyone--government and opposition, politicians and nonpoliticians--to contribute to the solution of our problems. And not to take advantage of the problems to destroy the democracy that is beginning.

[Question] Some militants on the left, among them Alfonso Barrantes Lingan, feel that the government engages in dialogue with the opposition because it is isolated. What do you think of the dialogue and of the analysis concerning governmental "isolation"?

Alva: There is neither a lack of dialogue nor isolation between President Belaunde and the people. The president frequently engages in dialogue with his party, and obviously he must do so with greater regularity. The president has visited the provinces many times to explain the government's action to the country. Personally, I believe that he ought to use television more often to take his message to the entire country and to all political sectors. The government is not just the executive branch; it is also the Congress, and that is where the different political sectors engage in dialogue and discuss the problems. We have had occasion to be visited by government ministers who came to explain the plans of their respective ministries. According to some figures, there have been more than 60 occasions wh . ministers have come to the Congress. Beginning on 28 July, with the new legislative year, we expect ministers to visit us more than 100 times--many more times--because it is useful to have a link between the branches of government. And it is also necessary that the deputies be thoroughly familiar with the plans and various actions being implemented by the ministers. It cannot be considered that the object of visits to Congress by cabinet members is to create problems for them. On the contrary, the object must be to seek solutions and cooperate with them. The political parties have a right to meet publicly or privately to express their points of view, and they can also use the media to explain whether or not they agree with government actions. I do not believe, therefore, that there is isolation, but I do not consider a greater inclination to engage in dialogue impossible. On the contrary, it would be advisable for the president to meet with the leaders of the political parties, especially those represented in Congress, to discuss the country's various problems.

Villanueva: I have already described President Belaunde's initiative as patriotic. But I believe that effective consultation requires prior meetings by the political sectors and with the forces of labor, business, the university, and culture. The entire country must participate. I understand that that was the position expressed by representatives of the Aprista Party in the meeting with the president. Also, I do not agree with the opinion expressed by my friend, Dr Barrantes Lingan. Democracy lies in dialogue. Monologue belongs to dictators and totalitarianism. Engaging in dialogue does not mean being isolated, but just the opposite.

Bedoya: President Belaunde's gesture in having dialogue with all the political parties is one more sign of his broadmindedness and democratic spirit. It was also by virtue of that democratic approach that the president last year called on us to cooperate in the cabinet, not unconditionally but with no conditions attached. Other political parties, such as APRA and the left, were also offered ministries, but they did not accept. And that unilateral offer by the government has nothing to do with the support that the PPC, through an internal decision, decided to give the ruling party in Congress--to be more specific, in the Senate, where the AP is in the minority and would not be able to pass laws without the PPC's help--to strengthen democracy. Even though many do not hesitate to speak of an existing AP-PPC alliance, there are no pacts or alliances. It is a matter of cooperating with the party that won the elections of May 1980 in achieving and carrying out its program for government. As far as the parties on the left are concerned, we have never treated them as contemptible, but they are certain wary of us, because it seems that we trigger a sort of allergy in them. I believe that in the democratic calling and in the obligation to complete the restructuring of a republic where all of us will feel that we are free, all of us citizens have an equal say, and because of that the dialogue is positive.

[Question] Dr Bedoya, you insist that the PPC's cooperation is with the AP program. Do you believe that the AP is developing its own program for government?

Bedoya: Go easy there! Go easy with your words. Our cooperation is with the government that won so that the national promise will be kept. If APRA had won, we would have supported it, too. There is no support for the AP program, no sir--what there is is support for the program that the people voted for. You need to ask that question of Peru, the majority of which voted one way--not of those of us who were part of the competition.

[Question] Is the AP satisfying the expectations it aroused in the voters in May of last year?

Alva: In part. But there are many objectives still to be achieved, and they are the ones that must guide the government, above all in the social and economic spheres.

Villanueva: I believe that I have answered that question through my previous answers with respect to the situation being experienced by the country.

Bedoya: The same thing happens in governments that happens in marriages. The engagement is one thing; the marriage is something else. That pretty girl that you see all neat and well groomed is the same one that you will see without makeup after you marry her. In the government you are confronted with many things that are beyond all analysis and all prediction. I do not believe that in making its election promises, the government thought about situations like those we are experiencing today. We have come to be a petroleum exporting country, and the price of petroleum is falling. We export silver, and the price of silver is dropping. None of that--nor any natural disaster, such as a flood--can be foreseen in a program or a prediction. And of course, the first year of a new government is a year in which many new people come in, and many people are just beginning to learn what the truth is from the inside. Naturally, I am not referring even remotely to architect Belaunde, who is a man whose experience and knowledge are known to everyone, but those who are just coming in are not always in a position to know exactly what their job will be. I believe that we must always extend to every new government a certain amount of credit in time. And

that any policy whose implementation involves changing established matters has unforeseeable effects for a certain period, not immediately. I do not believe that the wisest course is to keep changing things every moment depending on how things go. Because many times, especially in matters of economic policy, the effects are not seen for 6, 8, 10, or 20 months. And there the firmness of a government depends on its conviction concerning the steps it is taking and the support it gets from the people's endorsement so that it can hold out for some time while waiting for the real results of its policy to emerge. After that, the policy must be changed if the forecasts are not realized, or it can be said that what was done was successful. Any policy, especially an economic policy, must be reviewed periodically in the light of the partial objectives chosen. The economic policy laid down by the government in the light of the partial objectives established as goals--to be achieved in 6 months or 10 months--is obviously producing a result different from what was expected. As a result, it must be the object of a strict review.

[Question] What is your evaluation of the cabinet 1 year after it took office?

Alva: This government has made an effort to work. Some changes might be appropriate to make it more dynamic. But what those changes should be is something I don't even want to go into.

Bedoya: I do not believe that the cabinet in general can be judged as a package. I believe that each sector has its own policy. With respect to the policy of the Ministry of Industry, for example, we have received all the hard knocks as a result of measures coming out of the Ministry of Economy and Finance. The Ministry of Industry has nothing to do with to do with tariffs, CERTEX [Export Certificates], the exchange rate, or the interest rate. But those are factors having a direct effect on the productive sectors. Whom do people smash into? The minister of industry. But he has no tariffs, nor is he responsible for the devaluation rate in exchange. So the most important sectors, whose result is the production policy, are not in the sector of industry but in the sector of trade. Political responsibility must be shared--the cabinet is a unit--but we will have to wait for the results of its policy, above all until the president makes his statement on 28 July, when he will surely provide a full and overall view of the past year of government. And we will be able to express an opinion about the presidential message.

[Question] Dr Alva, what is your evaluation of the PPC's cooperation with the government?

Alva: I think it is positive. Both ministers--Osterling and Rotondo--have tried hard to help President Belaunde. The work of the minister of justice has aroused comment from various sides. The minister of industry has submitted a very important bill, and one may agree with it or disagree with it, but it reflects the intention to give the country a modern and flexible law on industry. In Congress, the PPC's 6 senators and 11 deputies have also cooperated constructively in seeking solutions to the country's legislative problems. I believe that during the upcoming legislative year, we will also have the support of those members of Congress.

[Question] Mr Villanueva, as you look back on it, do you think that APRA was correct in rejecting the invitation to cooperate with the government by accepting positions in the cabinet? Was it not premature to place yourselves in the opposition before you had an exact idea of how the AP was going to conduct itself?

Villanueva: Experience shows that we were right. Since the AP and APRA do not share the same views with respect to national reality, we could not share in the government. Nevertheless, if the government rectifies its errors--if it comes to realize the need to revise the economic policy--I am sure that the sphere of cooperation by the opposition forces will be expanded. So our attitude was not premature; it was premonitory.

[Question] Obviously, every government suffers some erosion of support during its term in office. Do you feel that the erosion of the AP is normal or that it has gone beyond normal limits?

Alva: Every public act is the subject of discussion. Some will regard it as an appropriate act, while others will feel the opposite. It is possible that many acts by this government have not been supported by some political sectors, but the strong support those acts have had in public opinion transcends party differences. There is no way to determine definitely whether there is less support now than previously until the people express their will clearly and plainly. And that can only happen through the ballot box. I have visited many parts of the country, and I can assure you that the support for this government is quite ample and abundant.

Villanueva: I believe that the government will continue to deteriorate if it does not change its policy and that increasing justification will be seen for the Aprista opposition's attitude. But I repeat: there is nothing farther from APRA's mind than taking advantage of a crisis to overthrow democracy or encourage coups d'etat!

[Question] Dr Bedoya, to what extent does the natural erosion of the AP affect, or could it affect, the PPC?

Bedoya: I believe these matters must be evaluated in the light of direct findings. Specifically, a plenum such as the one being held this week enables us to verify the thinking of our people in the provinces concerning their daily confrontations in direct dealings with government sectors. In the case of the provinces, we are finding that the erosion is affecting us as a result of publicity through the phrase "the AP-PPC government," although we all know, as far as the PPC is concerned, that what is involved is generous cooperation with no trade-off in the form of positions in the government. At the moment we are evaluating the degree to which a situation of erosion may really occur. Now obviously, the political competition is trying to insure that we bear a certain percentage of the erosion that is normal to any government.

[Question] And if the erosion turns out to be worse than expected, will the PPC's cooperation during the coming year be reevaluated?

Bedoya: In the brilliant speech delivered today in the plenum, Dr Elias, our national secretary for policy, said that the PPC can never weigh its commitment to the stabilization of the democratic system against the risks of erosion.

[Question] What message would you like to give the country after 1 year of constitutional government?

Alva: I would like to take advantage of this interview to make an appeal to all Peruvians: it is necessary to work. We cannot achieve better living conditions if

there is not energetic and determined work by all Peruvians. If we do not create wealth on the national level, there will be no social justice. The freedom and democracy that the people succeeded in establishing on 28 July 1980 are the property of all, not of just a few sectors, and that democracy and that freedom must be used responsibly and without excesses.

Villanueva: We must realize that after 12 years of dictatorship, today's government is to some extent a transitional regime leading to other, higher forms of democracy through which we will achieve the just society, with neither exploiters nor exploited. Finally, I believe that the government must develop some humility permitting it to admit its errors, which range from those involving monetarism to those that confuse the upholding of public order with abuse and excess.

Bedoya: Let us all put our shoulders to the wheel if it is true that we really want a government of civility and efficiency. The condition and fate of civility are not the responsibility of a specific party. They are the responsibility of all Peruvians.

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REALISTIC, COMPREHENSIVE GOVERNMENTAL POLICY URGED

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[Text] Last week Sergio de Castro, [Chilean] minister of finance, was in Lima, and he described the economic measures being implemented by Ulloa's economic team as "excellent," not only because of the tariff reduction but also because of what he visualized as a possible Peruvian conflict with the Andean Group. Not only was that the very thing the extreme left wanted to hear, but it also must have come as a slap to someone else's face as far as Armando Villanueva was concerned, since he had returned from a trip just days earlier to accuse the package of legislative decrees recently scattered around by the executive branch of "smacking of Pinochet."

Meanwhile, several businessmen have again accused Prime Minister Ulloa of being an "Argentinophile" in his policy and indecently sided with the horrible Trotskyite, Ismael Frias, in their references to friendship with Alfredo Martinez de Hoz, the man who was Videla's minister of economy. They said: "What has happened there will happen here." In recent months, as is known, Argentina has lost $6 billion of the $11 billion in reserves that it once had. Inflation has shot up to over 200 percent, and so far this year devaluation has been on the order of 150 percent.

And now, as though to round out the unseemly remarks, we have been visited by Cecil Parkinson, secretary of state for trade in Margaret Thatcher's Conservative government. He is a dapper man who could very well apply to play James Bond in an upcoming film if the implementation of Milton Friedman's theories goes badly in the land that created both Adam Smith and Maynard Keynes. And according to the cables, things are going wretchedly: from London to Liverpool, the cities of the United Kingdom are being rocked by unprecedented rioting and looting. Unemployment has reached astronomical levels for that country (34 percent in the industrial belt, and it reaches 60 percent in the case of nonwhites).

The problem is that Mr Parkinson declares himself totally in support of Prime Minister Ulloa's policy, which, incidentally, he regards as not very different from those in Chile and Argentina. It gives one the shivers.

And to top off those confused images, last week also saw an uncontrolled exchange among prominent members of the democratic government, beginning with Francisco Belaunde, speaker of the Chamber of Deputies, and ending--worst of all--with the president of the republic. The topic: torture. The opponent: the Catholic Church.

Regardless of who is right and what the facts are, the fact that the chief executive found himself involved in a conflict with the church concerning repression reminds one of situations that prevail in Chile, Argentina, and Brazil. And the journalistic vehemence indulged in by the rightwing, from which the government does not keep a proper distance and with which it even mingles, makes things worse.

Economy and Political Control

Because, when all is said and done, what is this populist and democratic government in a country like ours--where perhaps some still nibble at "nicovita" and others still Simonize their Mustangs--all about? What is it trying to be?

At this stage, the rationality of the economists does not suffice to answer those important questions. It is true that automobile imports are minimal in terms of foreign exchange outlays, and that foreign sumptuary goods account for only 2 percent of our total imports, but on the other hand, given the reduction in the value of our exports--because of the drop in international prices--the heavily taxed sumptuary imports (an imported automobile costs 2.5 times as much as in the United States or Europe, and as a result of tariffs, the tax on goods and services, and the selective consumer tax, the other luxury goods pay an additional 130 percent on top of their CIF Callao cost) are helping to save the fiscal pot, since revenues from that source are much higher than expected.

Moreover, when agrarian reform was proclaimed and carried out, there was no real redistribution of incomes. It is only a matter of revolutionary slogans without a price policy, a suitable technical assistance program, or a rearrangement of sectoral policies, with the result that the poor peasant has continued to finance the city. If there is success in reversing that reality, a Nils Ericsson in necktie may turn out to be more revolutionary than 10,000 Tupac Amaru posters.

It is a fact that results are what counts in the long run, and not promises or images. But how are confusion and waste to be avoided and how is the regime to survive long enough to keep its promises if it does not explain itself clearly to the people--if it does not produce a homogenized style? And if it has no more control than a few "Chicago boys" scattering double meanings around?

Something resembling a dogfight certainly does not mean that there is a rabies epidemic. The government's counterstrokes and the opposition's badgering--excluding, naturally, protests in the form of Molotov cocktails or dynamite cartridges--are nothing more than a fever, but one that could end up as galloping consumption and take away the regime's oxygen, which has been accumulated almost exclusively by the president of the republic and his special political shrewdness--a virtue that he temporarily lost last week when he made a theological reference to the Cox case.

Misgovernment?

Nor can the pluralistic quarrels of today be compared to the real misgovernment experienced by the country in 1967, a period which saw neither the approval of a budget nor the election of the speaker of the Senate within the time limits set by law. Nor have the historically critical fuses (petroleum, general strikes, peasant massacres, and so on) been overheating. On the contrary, the government's siesta on its laurels is due--in large part--to the crisis within APRA [American Revolutionary Popular

Alliance] and the breakup of a "united left." Last Friday the left agglutinated only superficially in order to hold a meeting called to "explain what was talked about at the palace" in an agitated and agitating protest against the "civilian dictatorship" that was allowing it peacefully to hand out posters and pictures of Marx, Lenin, Stalin, and other less publicized dialecticians.

Nevertheless, it is now time--and this seems to be the right moment--for Belaunde and his team to explain a few things--and to explain them to themselves as well. Is this government Grados and his Tripartite Committee, or is it Minister of Industry Rotondo, who at one point threatened that he alone would break with the Andean Group? Is this government the populists who celebrate party anniversaries at the Sheraton Hotel or Violeta Correa, who celebrates his birthday in the slums? Is it the minister of interior, who resists taking "more energetic action" against suspected terrorists, as the rightwing press is demanding, or is it Paco Belaunde, who scoffs at accusations of possible police excesses?

And as far as the economy is concerned, which model is being used as a reference point? Certainly, that question is concerned more with the need to assume a definite personality than with giving it a dogmatic label.

In August 1978 Javier Silva Ruete, then minister of economy, told CARETAS that "as far as economic schools are concerned, I don't believe in that.... Economics is a social science, not an exact science, and it has to be based on the analysis of a real situation; it cannot be a theoretical imposition." And the fact is that when all is said and done, we are living, as Kenneth Galbraith says, in "the age of uncertainty." There are no magic formulas.

But politics is also the interplay of images and phrases. For example, the magazine BUSINESS WEEK spoke months ago about "Ulloa and his young Thatcherites," a description that the prime minister himself rejected as absurd.

On Friday the Council of Ministers listened to Ulloa describe the alarming situation in exports due to the drop in the price of metals (silver was quoted at $18 per ounce in December, but has fallen to less than $8, while copper has fallen from $83 to $72).

Those concerns are the best illustration of the irreconcilable differences between British reality and our own. We--workers, businessmen, and government--are going through hell because of the drop in international prices, while many businessmen and government officials in Albion are celebrating the many millions they are saving on their purchases of raw materials.

Moreover, the objective in the United Kingdom is to restore competitiveness to an industry which once monopolized the seven seas but which has been dragging its cape for years--and we don't exactly mean Sir Walter Raleigh's cape. Ulloa, on the other hand, as he told CARETAS, wants to reduce inflation but not at the expense of a recession and the inevitable rise in unemployment.

Consultation and Risks

Despite the academisms, there are many alternatives to choose from in economic policy. But there are conditions that must be met if an economy is to function in a democracy.

In the first place, there must be consultation rather than imposition, which is the congenital tool of a dictatorship. But that consultation--a Peruvianism that has now been incorporated into international events--requires three partners (worker, businessman, and government). But it is the government that "controls the frying pan" and is responsible for seeing that the eggs do not break: it must control inflation by regulating government expenditures. The national treasury can be neither extravagant nor miserly.

That consultation served as the centerpiece at the Thursday luncheon that President Belaunde offered APRA's top leaders in payment and gratitude for the visit by a PAP [Aprista Party of Peru] delegation to the government party's headquarters in celebration of the latter's 25th anniversary.

They began by talking about the housing pact, but the APRA members eventually brought up specific problems: for example, a modification of the Law on Municipalities.

In any case, the luncheon was attended by such heavyweights as Leon de Vivero and Melgar, and although ice cream was served as dessert, the ice was broken and a new dialogue announced.

Obviously, such things do not happen in Chile or Argentina. Neither do "democratically discussed ministerial retirements," as happened on Thursday, when Roberto Rotondo of the PPC [Popular Christian Party] confirmed his permanent retirement from the Ministry of Industry, Tourism, and Integration--a move that in fact was seen as a small ray of sunshine by many, who accuse him of unnecessarily ruffling the waters of relations with industrialists.

As a matter of fact, his departure could help to bridge gaps between the manufacturers and the government team.

Totalitarian Temptation

It is certainly true that in today's interdependent world, many recipes are used to make the same pie. For example, how does the opening-up of communist China differ from the commercial aggressiveness of Taiwan, its exact ideological opposite? And as for the problem of shortages in Poland, is it not provoking an economic cataclysm similar to that being endured by the ultrareactionary military regime in Uruguay? Can it be that the instability of metal prices and of the dollar is due not so much to nonfulfillment of the Soviet Union's 5-year goals as to the sale of strategic reserves by the United States or to the use of stocks by the brokers owing no allegiance to any flag who operate throughout the world?

By advocating liturgy but omitting the creed, "Pinochetism"--which is offensive in Peruvian political terms--seems to be attractive to some businessmen who don't care two hoots about democracy, and it even seduces more than one top official on the economic team, although in this case the ingredient does not add flavor to the soup.

But at bottom, what they want is the protectionism of the Velasco period (without, however, the labor community of its first phase), the indiscriminate CERTEX [Export Certificates] of Morales Bermudez, and the labor policy of Pinochet.

And if we look at the social sphere, we see great contradictions. While Minister of Agriculture Nils Ericsson, taking it for granted that agrarian reform is irreversible, is pursuing a progressive, reformist, and also realistic policy, the Ministry of Education--by the questionable means of a legislative decree--has formalized the destruction of the educational reform (which UNESCO adopted as a model) in order to return to the antisocial and antipedagogical primary and secondary system. What is being done in education is not even comparable to "Pinochetism." Instead, it is more like what is happening in Africa. This is incredible in the quinquennium of education and with a president who is a master in several educational fields!

This coming 28 July cannot be simply a salute to the flag. By means of the presidential speech, that will be a propitious date for the government to project its image--the reflection of what it intends to do with the country.

And that image must accept the fact--as Ulloa has already done in CARETAS (see issue No 651)--that the Peru of 1981 "is more of a country" than it was in 1968. And going farther back, it must be recalled that the government of the AP [Popular Action]-DC [Christian Democratic Party] alliance encouraged professionals in the lower middle class to take key posts in public administration. That was a case of social mobility which the military government--it is fair to acknowledge this--pushed even further. But now the appointments to management positions in the government organizations seem aimed unconsciously at placing only plutocrats in those positions, a contradictory way of proceeding in a country that has passed through a process of substantial changes.

What Tune Shall We Dance To?

Because of certain errors in political management and because he does not let himself say what he thinks, Ulloa--whose speech at the roundtable on agriculture at the BCR [Central Reserve Bank] made it clear that Peru is not Lima and that Lima is not the Miraflores District--is playing the part of plutocrat No 1. On the other hand, strange to say, Fernando Belaunde is seen as exempt from all responsibility for economic management. In a visit by Violeta Correa to a slum, one lady lamented: "How the architect [Belaunde] must be suffering from everything that is happening--the high cost of living, and so on."

In other words, it would not be a bad idea for Ulloa himself to explain himself precisely and to point out with specific facts and projections how he differs from the Chilean, Argentine, or British models or his possible resemblances with Mitterrand, the French democratic socialist president. And, in passing, judiciously repulse sly attacks.

By whatever method, the country hopes that Belaunde and Ulloa will systematically report and explain what kind of bread is being shaped in the democratic oven, but without falling into what seems to be an exaggerated mania for statements aimed at "getting that microphone away from me," which, because they are fragmentary and improvised, often confuse more than they enlighten.

All Repetition Is an Offense

The basic political differences between a constitutional and democratic regime like Peru's and the military governments of Argentina and Chile are obvious, despite the

demagoguery coming from both the left and the right. And there are other contrasts, both economic and social.

The three countries are evolving out of economies in which--as is also true of Brazil and Venezuela--the government plays or did play an important and active role. In Chile, public investment accounted for 78 percent of the total in 1973. Today it practically does not exist. Unlike Peru, where an attempt is being made to make the large state-owned enterprises more efficient, but not to liquidate them, and to cut back the public sector only partially by opening up the possibility of mixed-economy enterprises, the desire in Chile is to return everything to private hands: schools and lycees, social security (already transferred to some 40 "private funds"), and so on. Argentina, meanwhile, has made unsuccessful attempts to reduce its public sector, although the large enterprises are continuing to operate at a loss, several of them being owned by the military.

The Argentina of Martinez de Hoz managed to operate with large budget deficits that totaled as much as 10 percent of the GNP, while in Chile the "Chicago boys" have avoided budget deficits since 1974 and in Peru--even though the constitution forbids it--it is estimated that this year will close with a "manageable" deficit.

What has been happening in Argentina this year is an uncontrolled "discharge" from the La Plata River. And Chile, which has not devalued since 1979 (39 pesos to the dollar), might be on the point of bursting. Peru is trying to avoid those situations by means of minidevaluations. And if some exporters feel that the dollar is undervalued, they should look at the figures from Chile: 50 percent at least.

Not a single price is controlled in Chile--be it bread or electricity--or in Argentina, either, while here a family "basket" comprising food, rates for various services, and other things is measured.

In both countries the rate of bank interest is subject to market swings. In Argentina this week it reached 150 percent for 30-day deposits. In that nation, one large financial institution after another has failed. Even before this year's crash, the rise in the cost of living and the cheap dollar resulted in a decline in the production of steel (14 percent), paper (32 percent), tractors (67 percent), and so on, as well as massive imports, with a deficit on current account that has reached $2 billion.

In Chile, although a notable diversification of exports has been achieved and the country enjoys the enthusiastic support of transnational companies, net new investments are relatively low, while recourse is being had to some $5 billion annually in loans at commercial terms. The average private debt is very short term: 30 months.

Consultation with labor in the style of Peru's Tripartite Committee? A joke?

The table below shows other glaring differences.

	Argentina	Chile	Peru
CERTEX	Does not exist.	Does not exist.	Averages 20 percent, with more to provincial exporters.
Tariffs	18 percent in almost all cases.	10 percent in general, with the exception of automobiles and jewelry.	Average of 30 percent, with variations ranging up to 60 percent.
Interest rate	Unregulated + capital indexation.	Unregulated + inflation rate.	Set by the BCR below the rate of inflation.
Exchange rate	In 1980, 30 percent devaluation compared to inflation of 83 percent. In 1981, 341 percent, with a parallel devaluation of 130 percent in official trading.	No devaluation since 1979, when inflation was 38 percent. Inflation of 30 percent in 1980 and 20 percent in 1981.	Minidevaluations of 60 percent between January 1980 and June 1981, compared to inflation of 108 percent in total.
Labor stability	None.	None.	Almost total for the past 3 years.
Union movement	Restricted.	Restricted to government-controlled central union.	Extensive, with four central unions, Tripartite Committee, and so on.
Minimum wage	Does not exist.	Does not exist.	Set by law with quarterly adjustments.

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REPORT ON 1975 PLOT TO TURN COUNTRY INTO SOVIET SATELLITE

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[13 Jul 81 pp 34-41]

[Text] Did Morales Bermudez know of the conspiracy being hatched by his prime minister, minister of war, and commanding officer of the Army, Gen Jorge Fernandez Maldonado, to convert Peru into a "socialist republic" like Cuba? Today, 5 years after the rash attempt was headed off (July 1976) by the rebellion by Brig Gen Carlos Bobbio Centurion, commanding general of the CIMP [Military Training Center of Peru], through what is still a curtain of reticence that the leading figures in that episode have proved reluctant to draw aside entirely, it can be guessed that the power struggles among the leaders of the military government were fierce. It is difficult to find out, too, who had joined Fernandez Maldonado and Leonidas Rodriguez in their plans to communize Peru.

In October 1975, Morales had managed to free himself of Division Generals Leonidas Rodriguez Figueroa and Jose Graham Hurtado and Brig Gen Arturo Valdez, but he did not want or know how to deal with Fernandez Maldonado's ambitions. The intervention of Gen Bobbio Centurion was providential in resolving the situation. So, too, were the disorder in the streets and the strike by microbus drivers that, encouraged by the communists, took place on 1 July as a response to the package of economic measures proposed by Minister Luis Barua Castaneda.

The attempts to sack Miraflores, the blockading of streets entering the city, and the disturbances that occurred in the very heart of Lima--repeated, though on a smaller scale, in the provinces--were all carried out by mobs clearly incited by the communist and Velasquist organizations through their numerous speakers. The Joint Command--headed at the time by Gen Guillermo Arbulu Galliani, a man opposed to Fernandez Maldonado's plans--responded with the declaration of the state of national emergency, the suspension of civil liberties, the establishment of the curfew between 2200 hours at night and 0500 hours in the morning, and the closing of all journals, including OIGA (Our editor had been in exile in Mexico since 1974).

By 1 July of that decisive year of 1976, Fernandez Maldonado had the unconditional support of some newspapers "socialized" during the Velasco era and of a string of Velasquist and communist journals that for some time had been ferociously attacking Morales Bermudez' policies. That day, with closings of journals and

certain changes in the newspapers, Fernandez Maldonado lost that important support. Also, although on 7 July the microbus drivers had ended the strike and the country had returned to normal, the government continued the closings of journals and the emergency measures until the following year. The country learned about what was happening only through the accounts screened by the OCI [Central Information Office] that were published by the newspapers and spread by the radio and television stations, all of which were under governmental control.

It was with this background that the events crucial to republican Peru were to unfold. On Thursday, 8 July, all the troops were in their barracks. At 0600 hours, the military patrols monitoring observance of the curfew had finished returning to quarters. That was the day chosen by Fernandez Maldonado to demand that choices be made. He felt pressured by circumstances and, at the same time, sufficiently strong to call two meetings at Army General Headquarters: the first, of general officers, and the second, of colonels. At the first, there was the confrontation with Bobbio Centurion and the beginning of his fall, which we related in our previous issue. The following account is an expansion of what we published last week. The dialogues we reproduce have been reconstructed on the basis of statements we have obtained from some who took part in those events, whose identity we are withholding; their testimony is supported by documents in our possession.

The Roll is Called, and the Blue Book Lands on the Floor

The meeting of general officers with Fernandez Maldonado began at 0900 hours that Thursday, 8 July. The roll was called for verification that all those who had been summoned were present. Fernandez Maldonado was the only one scheduled to speak. The rest were to assent. With him were at least two men who were his close confidants. One of them was Gen Teobaldo Castro Pasara, relieved 9 months earlier by the minister of war, Gen Oscar Vargas Prieto--whose Apra [American Revolutionary Popular Alliance] sympathies were discovered later--from the post of commanding general of the Armored Division without the knowledge of Leonidas Rodriguez, commanding general of Region 2, of which that division was a unit. This act precipitated the powerful Leonidas' resignation.

Fernandez Maldonado said that there was a plot by the Navy, with the support of the United States, to remove him from his posts and destabilize the revolutionary government. Expecting massive support from the general officers meeting there, he received only the backing of "Chicho" Castro and another brigadier general. General Bobbio Centurion, commanding general of the CIMP, immediately rose up and foiled the maneuver. As we said in our previous issue, Bobbio, representing the Army, attended the meetings held by the COAP [Advisory Committee of the Presidency] to revise the Tupac Amaru Plan, which was to replace Velasco's Inca Plan. In that situation, he realized how Fernandez Maldonado was manipulating this project in order to Sovietize Peru, converting it into the socialist republic in which he would be the top leader. Bobbio brushed aside Fernandez Maldonado's charges against the Navy and the United States and forcefully stated that it was necessary once and for all to make it clear that a group of officers skilled in the art of politics was leading the armed forces into positions that most officers had not intended to adopt, using and abusing the military hierarchy. He added that the only thing capable of destabilizing the government at

that time or later was "General Economy," referring to the difficult economic situation the country experiencing, which became worse daily.

The silence that followed these remarks by Bobbio Centurion was broken by Gen Jorge Miro Quesada Caceres. "I agree with General Bobbio," he said, and, taking a small book with a blue cover, which contained the "Plan of the Revolutionary Government," he stated, "This book has a lot of errors, and it's time to change it." As he shook the book, it fell to the floor.

Brig Gen Manuel Zegarra Ciquero immediately stood up. "I agree, too," he said, and he related his experiences in operation of the agrarian cooperatives in the north. "They're very badly run, infiltrated by the communists. This way, agrarian reform is going to fail," he asserted.

A Saving Note

Fernandez Maldonado was apoplectic, livid with anger. According to military rules, one may not question, much less cast doubt on, the words of one's superior.

Here the saving hand of Gen Teobaldo Castro Pasara intervened. He had unobtrusively left the room where the meeting was taking place and returned right away, carrying a note which he handed to Fernandez Maldonado. The latter read it and said, "The president of the republic is calling me." He went into another room and then returned to announce to the general officers that the meeting had to end "because I have to go to the Palace."

When the colonels entered, some of whom had questions prepared concerning the Tupac Amaru Plan, Fernandez Maldonado greeted them with "I have a meeting with the president . . . There are no questions to ask." And in front of the startled colonels, after a few insignificant remarks, he left the scene.

General Bobbio went to the CIMP. Nothing had happened, apparently. During January and February, he met with his officers every afternoon to discuss the Tupac Amaru Plan, which was being revised in the morning at the Palace. In accordance with Bobbio's instructions, the discussions by the people at the CIMP included seeking the opinion of civilians, a practice also adopted by the Navy and Air Force officers taking part in the meetings at the Palace. Bobbio knew, and had told his officers, that under the pretext of improving the tools of the Revolution, preparations were being made for the armed forces' return to their military activities and for the transfer of the government to the "popular organizations," all of which were deeply infiltrated by the communists. It all pointed to the creation of a socialist republic with a president or prime minister from the military, who could be no other than Fernandez Maldonado himself. Bobbio also knew that the first victims were going to be the armed forces.

A Veritable Fortress with Numerous Officers

The following day, Bobbio went to the Palace. No sooner had he entered than he was met by Colonel Sotillo Monasterio, who handed him a sealed envelope. "This is for you," he said. Bobbio put the envelope in his briefcase and went into the COAP room. As soon as he sat down, he took out the envelope, opened it,

and read its contents. It was a resolution signed by Fernandez Maldonado and Morales Bermudez himself, inviting him to request retirement.

Bobbio hurriedly left the Palace and took a taxi because he had told his driver to pick him up later. He went to the CIMP and called Colonels Luis Villacorta, academic chief of staff, and Heraclio Fernandez Pendola, administrative chief of staff for the center, into his office. He showed them the resolution. "If officers are sent packing for speaking out and telling the truth, then what's the point of a dialogue?" Fernandez Pendola said. At that time the problem was stated: The revolution belonged to a few who were acting in the name of the armed forces; things had to be set right.

Villacorta called the commanders, and they, after learning what was happening to their chief, united behind him. It was necessary to reject the invitation for General Bobbio to retire. However, he sought the reactions of all the officers who were then at the CIMP. "Go talk to your officers," he told his commanders. They all agreed to back him.

Here lies the explanation of why Bobbio's institutional movement had such an effect. The CIMP was a veritable fortress. There were special schools there for infantry, artillery, cavalry, engineering, commandos, intelligence, armor, airborne, amphibious activities, the Chorrillos Military School, and the Army Technical School. Some 480 to 540 commanders and lower-ranking officers were gathered there. Moreover: for some time large groups of personnel and amounts of highly sophisticated war materiel had been attached to the CIMP. There were 1.800-m and 2.400-m rocket battalions (ET) [expansion unknown], 155-mm and 125-mm artillery units, armored artillery, and, most impressive of all, two battalions (80) of "Shilka" tanks of Soviet manufacture, equipped with computer-guided antiaircraft rockets that automatically fire and destroy any metallic object flying within a 25-kilometer radius. They were there for training and maneuvers.

At that time, the CIMP contained the greatest military power in the country. It was an impregnable fortress. Bobbio had been friendly with the officers in these units. His sociable manner had won him the sympathy of everyone. As a result, they all decided to support him.

The complete backing of the commanders and other officers at the CIMP having been secured, a colonel was given the mission of communicating this decision to Fernandez Maldonado and to Portella Cerrutti, commanding general of Region 2. At the same time, the civilian employees--men and women--were ordered to leave the CIMP. They took the appropriate military security measures, surrounding all the installation in the complex, including the Military Village where not only the families of the commanders serving at the CIMP but those of other high-ranking officers in the Lima Garrison live. The "Shilka" tanks were strategically deployed in that area.

An Air Attack on the CIMP Is Ordered

At the Palace, Morales Bermudez called a Cabinet meeting. Fernandez Maldonado and De la Flor reported that they had ordered the Air Force to attack the CIMP;

but the commanding general of Region 2, Portella Cerrutti, explained to them that it was impossible. He also revealed to them something that he apparently was the only one who knew: that the best of our artillery was there, along with two powerful battalions of "Shilka" tanks capable of pulverizing any airplane that attempted to approach the area. They then decided to surround the CIMP with special airborne and commando units, whose commander is Gen Guillermo Schroth Carlin. Water, electricity and telephone services were ordered cut off. The cutting off of water and electricity did not affect those under siege because they had their own underground reservoirs and wells and generators. Telephone communications were severed, however . . . but only for an instant; for it was found that in the Military Village there was a phone whose line had not been cut because it had just been installed and no one outside knew it existed.

By means of this phone Bobbio communicated with the commanders of the other military regions, explaining the situation to them. It was during this time that the violent clash between besiegers and besieged took place.

At 1700 hours on that same day, the 9th, Gen Guillermo Arbulu Galliani, chairman of the Joint Command, entered the CIMP. He, too, had communicated earlier with the commanding generals of the military regions in the provinces to learn their feelings about the situation. Arbulu talked to Bobbio and then began to converse with each of the colonels and other officers, telling them that what they were doing was not correct. The answer he received was: "What we are doing is supporting the commanding officer, not Mr Bobbio." Arbulu Galliani stayed at the CIMP until 0100 hours. It seemed to be a friendly gathering. Arbulu ate, and smoked many of his usual cigars. The tension was evident, though.

Around 0300 hours on Saturday, the 10th, a frigate captain arrived at the CIMP with radio equipment to that a link with the Navy could be established. Bobbio expressed gratitude for the gesture, but he did not accept it because what was happening was an entirely institutional matter that should only be resolved within the Army. The officer left with his equipment.

That Saturday morning, a committee arrived at the CIMP to talk. It consisted of Generals Richter Prada, Schroth, and Cisneros Vizquerra. They were greeted by Colonels Villacorta, Fernandez Pendola, Rejas (director of the Chorrillos Military School), Commander Merino, and Gen Jorge Miro Quesada Caceres, who had nothing to do with the CIMP but had gone to the Center to stand at the side of his old friend Gen Bobbio.

Commanding Officers and Other Officers, Active and Retired, and Union Leaders

During the previous day and early Saturday morning, general officers and commanders of various units in Lima had gone to visit Bobbio to express their support. Retired officers had done so, too, as well as union leaders, including those from the microbus drivers' union that was not controlled by the Communist Party.

All this began to give the affair a political aspect that Bobbio did not want. He had, however, remained in contact with the commanding generals of the military regions and with Arbulu Galliani himself. In that situation, Bobbio offered his resignation. "I have no personal interest, but wish to serve my country. I'm going home," he said. Generals Richter and Portella Cerrutti

were delegated to receive his resignation. The appointment of Gen Victor Lopez Mendoza as new commanding general of the CIMP was decided upon there.

Bobbio's farewell was a moving one. At 1600 hours, over 400 commanders and officers gathered in the headquarters building. Bobbio spoke in Richter's presence and his final words were received with applause that lasted over 5 minutes. When it seemed that there was nothing more to say, a Sublieutenant stepped forward to say, "General, what bad luck to have met you just as I'm beginning my career; but I'll carry your example with me always."

Major Surprise for Morales and Fernandez Maldonado

At 1840 hours, President Morales Bermudez arrived at the CIMP, accompanied by Fernandez Maldonado, La Vera Velarde, Richter, Portella, Falconi Mejia (Chief of his military household), Astete, Perez Tenaud, and two aides-de-camp. They all were greatly surprised when the person who came out to greet them was . . . General Bobbio himself, who they all thought was already at home.

In fact, after leaving the CIMP Bobbio had gone home. There, however, someone had informed him that Morales Bermudez and his entourage were going to the CIMP. He immediately returned to meet them.

Bobbio invited his visitors into the headquarters building. They sat facing one another across a table. On one side were Morales Bermudez, Fernandez Maldonado, La Vera Velarde, Richter, Perez Tenaud, Astete and colonels Olivera and Carbajal, the latter two supporters of Bobbio. On the other side were Bobbio, Colonels Villacorta, Fernandez Pendola, Rejas and Flores. Behind Bobbio were Gen Jorge Miro Quesada and, farther back, Morales Bermudez' two aides-de-camp.

There was a long silence, broken by Bobbio:

"I'm here to tell you, Mr President, what has happened. They have lied to you, General, and they've tricked you," Bobbio said to Morales Bermudez. "At no time have I been plotting, nor do I want to destabilize the government. What I don't agree with is for communism to infiltrate our Army."

Everyone remained silent.

"I'm going to ask General Fernandez Maldonado some questions," Bobbio went on. "You're a Peruvian; I'm a Peruvian. You are a socialist; I'm a nationalist. You're a communist; and I'm not a communist."

"Take it easy, Charlie," Fernandez Maldonado managed to say.

"There's no Charlie here. There's a General Carlos Bobbio Centurion and a General Jorge Fernandez Maldonado, and I won't let you talk to me that way," Bobbio replied.

"Look, General Bobbio: I won't let you talk that way to General Jorge Fernandez Maldonado because he is the commanding officer, and we all must obey the commanding officer," Gen La Vera Velarde, chief of the General Staff, cut in.

At that point, Col Luis Villacorta spoke up, directing himself to Fernandez Maldonado:

"General, sir, you are a liar because you promised me on 4 June that the Army was going to defend me against some defamatory remarks published about me when I was working in the Ministry of Fisheries. But you deceived me and lied. And when I submitted my request for retirement to you on 12 June, you didn't approve it, but assigned me to be a student at the Inter-American Defense Board's school, a post that I won't accept, for I'd be avoiding my responsibility as a colonel. And since I have nothing to do here because I can't belong to an institution in which someone says to you, correctly, that you are a charlatan and a liar, I request that my retirement be approved as of this date, and I'll retire."

In fact, Colonel Villacorta moved away from the group near General Bobbio and left the meeting. At that moment, Bobbio spoke again, breaking a sepulchral silence. Focusing on La Vera Velarde, he said:

"Look, General, I'm the one who won't let you scold me because you haven't the moral worthiness to do it. Because you have tried to buy and suborn many colonels and other officers who are present here and in the CIMP with trips abroad."

Morales Bermudez looked askance at Fernandez Maldonado and La Vera Velarde, who were pale. Fernandez Maldonado felt obliged to answer.

"What's happening is that you, with the Navy, want to remove me from my post of commanding officer of the Army," he said.

"No, General, we don't need anyone's help. The only people who are going to remove you are in the Army because they have lost confidence in their commanding general," Colonel Rejas Collado, director of the Artillery School, replied.

There was another long silence. No one knew how the thing was going to turn out. Morales Bermudez, who wanted to take control of the meeting, said to Bobbio:

"Look, General. I think that what you've done is very bad because you've brought the cadets into this matter, giving them a bad example, involving them in a problem of a political and subversive nature. It must be borne in mind that there should be no politics in the Army. Moreover, there have been violations of discipline. . . . I've called you on the telephone, and you've refused to answer," Morales added, speaking to Colonel Carbajal.

The object of the remark responded, "General, sir, I haven't answered, first, because I don't have a telephone--it's been cut off; and second, because I serve under the commanding general of the CIMP, and all orders are transmitted to me through him, as the current regulations require."

Teaching of Marxism-Leninism

Bobbio broke in to respond to Morales Bermudez' charges:

"I'm going to answer you. You say that we have involved the cadets in politics, and that the Army shouldn't get involved in politics. For 8 years, the most

senior division general down to the last soldier, including the cadets, have been involved in politics. Besides that, I'm going to tell you something that you surely don't know, something that you, as commander in chief of the armed forces, should have been consulted about. I'm talking about the drafting and distribution of a directive calling for the teaching of Marxism-Leninism and communism as a requirement for the cadets at the Military School. Said document carries the signature of General Fernandez Maldonado. And if you aren't familiar with it, which I believe is the case, here it is."

After showing Morales Bermudez some documents, which he looked at quickly, Bobbio continued:

"I, as commanding general of the CIMP--and because the Military School is under my command--didn't speak of or carry out the directive because I thought it proper not to do so, and I'm convinced that the cadets don't have the maturity necesary to deal with those subjects in the first stages of their training. Those directives should be taught at the advanced levels, during their careers as officers with experience."

"I didn't know anything about this," Morales Bermudez stammered.

"Look, they've lied to you and deceived you. You, General, sir, have signed an executive resolution inviting me to retire, but I think you've been seriously mistaken concerning the grounds in this matter. I've requested an audience with you several times, and you haven't received me," Bobbio said.

"I haven't had the time," Morales answered.

"How is it that you haven't had the time to receive an Army general who was going to tell you things clearly and speak to you as I am now, with candor and no fear of telling the truth? Because for 30 years, until yesterday, we were friends. And in less than a minute, the time you took to sign the executive resolution, that old friendship has been ended, on a basis of lies, intrigue, and deception," Bobbio replied, adding, "They say that I've been conspiring with the Navy and with political parties. I haven't been conspiring with anyone because I'm not a putschist. You've told me that you haven't had time to see me, but you have seen and do see Gustavo Espinoza, Eustaquio Maylle, and Avelino Mar, who are going to bring problems to you that are less important than the ones I was going to tell you about. But you know why you've done it. History will judge you."

Bobbio's Final Departure

Again there was a long silence, until Bobbio spoke once more:

"General, president of the republic, sir; commanding general of the Army, sir; chief of the General Staff, sir; inspector general of the Army, sir: I am the only person responsible for what has happened here at the CIMP, and I've been punished with my retirement. I ask that, on your word as men, gentlemen, and soldiers, you carry out no reprisals against any of the colonels and other officers who have been involved in this military issue because all they have demonstrated is loyalty to their chief and friend."

Another lengthy silence, again broken by Bobbio:

"I'm waiting for the word I've asked you for!" he exclaimed. No one responded. At that point, the CIMP colonels stood up and filed past Bobbio to shake his hand.

After receiving this show of support, Bobbio stood at attention and said:

"General Carlos Bobbio Centurion has retired, and is going home."

In an adjoining room, filled with officers from the Center, there was applause and hurrahs for Bobbio. He left, got into his car, and left the CIMP for good.

Inside, Morales Bermudez and his entourage remained. But only for a moment. Morales Bermudez and Fernandez Maldonado spoke briefly to those present, saying that nothing had happened, that there had been nothing. But things were stirring beneath the calm surface.

Improper and Revealing Communiques

The same Saturday the 10th on which Bobbio's resignation took place, the newspapers had published a group of communiques about the previous day's events. They censured General Bobbio's rebellious attitude, "which was affecting the revolutionary process." They came from the commanding officers of the armed forces and of the country's five military regions. All were similar. The one from the armed forces commanders (signed by Fernandez Maldonado himself; by V Adm Jorge Parodi Galliani, for the Navy; and by Lt Gen Dante Poggi Moran, for the Air Force) ended by informing the country that the armed forces was maintaining "its commitment to carry on the revolutionary process directed by Army Div Gen Francisco Morales Bermudez Cerrutti."

However, the day after Bobbio's resignation, Sunday the 11th, the papers published another official communique, signed only by Fernandez Maldonado this time, which said that in the face of the invitation to Bobbio to retire, the officers serving under him had made common cause with their chief "because of the distorted information they had received"; that those officers at no time "had the intention of questioning the revolutionary process"; and that, in the face of counterrevolutionary political groups' attempt to take advantage of the situation, both Bobbio and the officers under him, "demonstrating the soundness of the moral and professional training of the Army's cadres, and placing institutional unity and loyalty to the country before any other consideration, rejected their attitude." The communique also said that the CIMP had returned to normal and that during the course of events, "good sense has reigned; there has been no damage to regret."

Both communiques were widely disseminated by the press, radio, and television. The most astonished people were the commanding generals of the military regions, Generals Juan Sanchez Gonzales, in Arequipa; Gonzalo Briceno Zevallos, in Iquitos; Jaime Goycochea Juarez, in Cuzco; Victor Lopez Mendoza, in Piura, and Portella Cerrutti himself, in Lima. From the outset, Bobbio had had the support of Briceno, Lopez Mendoza, and Portella Cerrutti. They all realized that they had been used in a ploy by Fernandez Maldonado and that the terms of the communiques that they seemed to have signed were not those they had accepted.

Moreover, the language was not military in tone. All appeared to have been written by one person: one of Fernandez Maldonado's military advisers.

Under these circumstances, on Wednesday the 14th, Briceno sent a forceful message to the commanding general of the Army, pointing out the contradictions to be found in the communiques. In one, they appeared to be censuring Bobbio for "his rebellious attitude" which endangered the revolutionary process, whereas in the second it said that at no time had Bobbio intended to question the revolutionary process, and, rather, it had praised the "soundness of the moral and professional training" of Bobbio and his officers.

The following day, Thursday the 15th, Briceno arrived in Lima without asking permission from his superior officer, who was Fernandez Maldonado, and met with Morales Bermudez at the Palace. That same day, Morales summoned all the commanding generals of the military regions without Fernandez Maldonado's knowledge.

On Friday the 16th, Fernandez Maldonado was urgently called to the Palace. Used to entering Morales' office without being announced, Fernandez Maldonado was surprised when an aide-de-camp stopped him and made him wait. While he was waiting, the chairman of the Joint Command, General Arbulu Galliani, went in. Then Fernandez Maldonado was asked to enter.

His surprise was unbounded when he found himself in the president's office with General Arbulu and the five commanding generals of the military regions. He had not summoned them. His questions were answered immediately:

"The five commanding generals and the chief of the Joint Command demand that I have you resign," Morales Bermudez told him outright.

"There's no problem. Here's my request for retirement," Fernandez Maldonado answered in a subdued voice. He apparently already knew that all was lost. That same afternoon, the radio and television stations announced Fernandez Maldonado's retirement "at his request." It was 1830 hours when the country heard the news, but until today it was never known how close we were to being transformed into a socialist republic.

The following day, Arbulu Galliani and Richter met with a group of colonels at the CIMP.

"Well, Fernandez Maldonado is gone," Arbulu told them.

"What's General Bobbio's situation?" one of the colonels asked.

"He's the big sacrifice because he can't come back. If he returns, we would have to open the door to Rodriguez Figueroa, to Fernandez Maldonado, to La Vera, to Enrique Valdez, to Valdez Palacio. And that's unthinkable," Arbulu said.

Of the generals involved in Fernandez Maldonado's plot, only De la Flor remained in the Army, though without the foreign relations portfolio. He retired the following year.

There was still a last gasp. A plot was uncovered in the Armored Division that turned out to involve Captains Eloy Villacrez Riquelme and Hector Portella Laguna and Maj Jose Fernandez Salvatecci, aide to Fernandez Maldonado. They had become allied with a so-called Peruvian Popular Army, which was broken up by Army Intelligence with the capture of most of its top cadres, all of them Marxist-Leninists. The one they did not manage to arrest because he sought asylum in the Panamanian Embassy was Elio Portocarrero, a guerrilla fighter in Ayabaca during 1964-1965, fleeing to Ecuador, where he was thought to have died. Portocarrero returned to Peru when Velasco granted amnesty to imprisoned guerrillas and became an advisor to Fernandez Maldonado. This group had the mission of assassinating Morales Bermudez, an act that was supposed to take place on 20 July of that decisive year of 1976, as Eloy Villacrez himself revealed years later. The assassin was to be Maj Americo Loayza Gavancho, whom the intelligence services never did succeed in finding. But that is another story. . . .

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[Text] The first week we discussed the events in the palace and the following week Gen Carlos Bobbio Centurion's retirement. We ended with General Fernandez Maldonado's resignation as army chief of staff and minister of war, totally withdrawing from the institution which he had aspired to head in order to accede to the presidency of the republic and make Peru a "socialist" country.

These events, however, did not occur exactly as we described them. When we collated the data from a witness at the meetings in CIMP with the data from our informant in the palace, we found that Gen Guillermo Arbulu Galliani, chairman of the Joint Command, was not at the presidential office when Fernandez Maldonado resigned. As Gen Juan Sanchez stated in a letter printed below, only President Morales Bermudez and four of the five regional commanders were present.

Gen Guillermo Arbulu and all the army generals talked calmly in a room near the presidential office without suspecting what was going to happen in a few minutes.

Gen Jorge Fernandez Maldonado waited in the waiting room to the office, a little disconcerted. He was not used to being kept waiting. The chief of the military house welcomed him and explained the day's agenda. He gave him his choice as to where he wanted to meet with President Morales: in the office there, at his residence or at COAP.

His confusion grew when an officer friend approached him and whispered:

"General, do not go in. Let's go to the Armored Division because they want to remove you."

"Don't worry; I know how to handle my pal. He is not going to do that to me," Fernandez Maldonado answered.

When he finally entered the presidential office, Fernandez Maldonado understood that he should have followed the advice that he had just been given. It was already too late to go back. Four of the five commanding generals of the military regions were with Morales Bermudez. He thought they were at their posts since he had not summoned them.

"General, the CIMP uprising has caused concern in the army. The way this case was handled has leaked out. There is a ground swell that concerns the armed forces. Therefore, the commanding generals here have asked me to request your retirement," Morales Bermudez told him.

"I do not want to be an obstacle to army unity. I am a disciplined soldier. If that is the feeling of the army, I have no objection to requesting my retirement," Fernandez Maldonado answered in a shaky voice.

The commanding generals made no gesture; no one spoke. They all looked at Fernandez Maldonado and Morales Bermudez. The latter approached Fernandez Maldonado and extended his hand while he praised him for the important services he had performed for the revolution as a member of the revolutionary government of the armed forces. Fernandez Maldonado saluted and left.

A few seconds later, another aide approached another room where the army chief of staff, Gen Luis La Vera Velarde, waited. "General, the president wants you," the aide said. La Vera, the cousin of Carlos Vasquez Velarde, one of Fernandez Maldonado's political advisers, had been one of the key men in Morales Bermudez' revolt in Tacna on 29 August of the previous year. Commanding general at that time of the powerful TRM [III Military Region] based in Arequipa, he promised the support of those forces for Morales' coup just as Leonidas Rodriguez did as commanding general of the II Military Region based in Lima.

"Sit down, Lucho. I called you in because Jorge Fernandez Maldonado has requested retirement," Morales Bermudez said.

"When? How is that possible?" stammered a pale La Vera.

"A few seconds ago," replied Morales Bermudez. He added: "Since you support him and you agree with his politics, I believe that it is appropriate that you also request your retirement."

If Morales Bermudez thought that it was going to be as easy with La Vera as it was with Fernandez Maldonado, he was mistaken. La Vera stopped. Looking at everyone, he shouted:

"Very well, here is my request for retirement. But I want to tell you that this is treason. You do not have the courage to tell me alone; therefore, you had to bring in other people," La Vera answered. He left, slamming the door.

Immediately after, another aide entered the room where Arbulu Galliani and the other generals mentioned were and said: "General, the president is expecting you."

Once they were alone, Morales said to him: "Gen Jorge Fernandez Maldonado and Gen Luis La Vera Velarde have just requested retirement, a decision that has been respected. Therefore, according to the order of succession, as senior officer in the army you should assume the general command of the army and, consequently, the positions of minister of war and prime minister. (Days later, La Vera's position would be filled by Pedro Richter Prada, inspector general of the army, and Eduardo Portella Cerrutti, Morales Bermudez' cousin, would take his position while continuing as commanding general of the II Military Region.)

Immediately after, the other generals who had been called to the palace entered the presidential office. Morales told them the changes that had just occurred. There was applause and mutual congratulations.

At 1830 hours that same day, Friday, 16 July, the palace announced the news to all the media: General Fernandez Maldonado had requested his retirement, a request that had been accepted while "thanking him for his valuable and important services to the revolutionary process and, therefore, to the nation."

At that same time, Morales Bermudez called his cabinet and asked for the resignations of all his ministers. Two presented their resignations irrevocably and requested their retirement: Enrique Gallegos Venero, minister of agriculture, and Miguel Angel de la Flor Valle, minister of foreign relations. De la Flor changed

his mind, however, and withdrew his request for retirement. He was named Peru's representative to the Inter-American Defense Council based in Washington.

In this way, Morales Bermudez disbanded the "progressive" generals who had accompanied him in his coup d'etat against Velasco 11 months earlier. As Rafael Roncagliolo, one of Fernandez Maldonado's civilian advisers, said months later, Morales had no major problems dismantling the military cadres which were "most significant for the revolution and best liked by the people"--Leonidas Rodriguez, Jose Graham Hurtado, Jorge Fernandez Maldonado, Miguel Angel de la Flor Valle, Luis La Vera Velarde and Arturo Valdez Palacio.

It was obvious that the communists who applauded Velasco's overthrow, forgetting the strident promises of "Chino, we are with you until death," felt that the elimination of the "progressive generals" from the government meant the end of the revolution that they were pushing along Cuban roads. The "institutionalist" general had made a great move--he had used them to get rid of Velasco.

When Did Sovietization Begin?

How did the military revolution of 3 October 1968 that began with such good intentions get deflected from its course? When did the "progressive" or procommunist officers begin to organize themselves within the revolutionary process? To many observers, the 3 October revolution already carried the communist seed in some of the colonels who organized the movement. Little by little, others were added and the infiltration became worse with the arrival of Cuban advisers who came with the aid Castro sent for the victims of the 31 May 1970 earthquake in Huaraz. This culminated with the arrival of the first Cuban ambassador, Com Antonio Nunez Jimenez, in July 1972. There had already been preliminary contacts between civilians and the military and Cuban agents--Alfredo Guevara, Emilio Aragones and Nunez Jimenez himself--who passed through Lima en route to Chile before the reestablishment of diplomatic relations with the Havana government.

The Cuban contacts became stronger after December 1971 when Fidel Castro made a 5-hour "technical layover" in Lima and gave his endorsement to the Peruvian military revolution. Trips by the military and civilians to Havana soon began. In July 1972, Nunez Jimenez--who had just started in his position--took Tantalean, Graham, Carlos Delgado and other businessmen from the private sector as well as workers from the fishing sector to Cuba. In April 1973, Leonidas went to Havana again. Won over by Fidel, he stated: "The weapons of the soldiers which used to protect the powerful were turned against them to permit Peru to be a free, independent, sovereign and revolutionary country like Cuba." In October of that same year, De la Flor, minister of foreign relations, traveled to Havana leading a large delegation. In March 1974, it was Fernandez Maldonado's turn. There were daily exchanges of official Peruvian-Cuban delegations. Nunez Jimenez was weaving his cobweb well.

Armando Artola Was First

However, before all this, the one who opened the door to the communists was the powerful minister of the interior, Gen Armando Artola Azcarate, although that seems paradoxical. Fidel's first agent was not a Cuban but a Chilean, Sergio Pineda, PRENSA LATINA representative in Lima. This agency was established in Peru shortly

after the coup of 3 October 1968. Pineda, a very congenial Chilean who loved carousing and women, spent money with both hands, entertaining "progressive" civilians who supported the revolution. His general headquarters was established at EXPRESO, a newspaper still owned by Manuel Ulloa, where there were many "revolutionary" journalists. His first contacts with Artola were made through Artola's secretary. In long talks, he convinced him that what the revolution needed was a newspaper to counteract the "counterrevolutionary" tirade of the other newspapers, a newspaper he, Artola, could run from his chair at the Ministry of Interior. That led to the confiscation of EXPRESO and EXTRA in March 1970. The newspapers would seemingly be handed over to their unions but Artola was to be the one who would decide the line. It was not like that. The newspapers were taken over by communist journalists whom Velasco later called his "press dogs."

Artola got very good publicity for his "service" and committed the sin of believing himself to be the mainstay of the revolution. That was a hard bone for the communist teeth to chew. In May 1970, he stated that the day there was real communist infiltration, the revolutionary government would know how to control it "and that mission will correspond to my ministry." By that date, the "Committees for the Defense of the Revolution," organized by the Directorate for Promotion and Extension of the Agrarian Reform, were already being formed under Efrain Ruiz Caro. Large notices were printed even in EL PERUANO, summoning the "civilian defenders of the revolution." Those who responded were communists, of course. Artola got worried and dug his own grave. The one who buried him was no one other than the bishop of the slums, Monsignor Luis Bambaren, whom Artola arrested in June 1971, accusing him of instigating the Pamplona invasion. However, these were other problems tied to the present.

Velasco Warns That He Is Surrounded

We will see now how Velasco first discovered that infiltration and tried to break with the communist groups that were becoming stronger.

The first clash was with SINAMOS [National System for Support to Social Mobilization]. Created in the middle of 1971 "with the objective of achieving the conscious and active participation of the national populace in the tasks of national economic and social development," SINAMOS had been turned over to Gen Leonidas Rodriguez Figueroa. A flood of communist activists poured into this organization, first in the rural area and then in the labor organizations. The SINAMOS people promoted land invasions, even of land legally not affected by the agrarian reform. There was strong resistance. In Trujillo they provoked hostile demonstrations against the authorities whom the SINAMOS people considered "counterrevolutionary." Leonidas Rodriguez supported them: "If the authorities cannot solve the problems of the people, they should leave," he said. The prefect of La Libertad denounced them, saying: "SINAMOS is developing a policy of manipulation, control and interference in the popular and union organizations, projecting an unfavorable image for the revolution of an all-powerful organization with the prerogatives and resources to intervene in all areas of the economic, social and political life of the people." The prefect was immediately dismissed. In Tumbes, the students demonstrated against the SINAMOS people whom they accused of offending the people; they asked for their expulsion.

In September 1973, Velasco received a delegation of small farmers from the north at the palace; they denounced the communist infiltration in SINAMOS. They told him how the people in SINAMOS were manipulating the agrarian reform as if they wanted to destroy the rural area. They showed him photographs of SINAMOS people touring the farms in official vehicles and documents that the activists exchanged with instructions to provoke the occupation of lands that were not affected by the agrarian reform. Velasco asked them if they were willing to repeat those accusations to the cabinet which was meeting that day. They said they were.

What Do You Say About This?

Velasco entered the cabinet room and presented the case of the infiltration of ideas foreign to the revolution in the SINAMOS organizations as well as the divisive work of the activists in the rural area. Velasco asked the peasants to come before the surprised ministers. They came in and repeated their accusations.

Rodriguez Figueroa completely denied the charges. Velasco showed him the photographs and documents.

"What do you say about this?" Velasco asked him.

"I don't know anything about it. You would have to ask the regional and unit commanders who are in charge of SINAMOS in their respective areas," Rodriguez answered, passing the buck.

"You were the chief and you did not know what was happening in your sector?" Velasco insisted angrily.

"No, General. I cannot be in Piura, Huancayo and Arequipa; each is responsible for his own area," Rodriguez answered.

The meeting ended with the appointment of a committee from the intelligence service headed by Gen Atilio Lopez Amieri to report on what was happening in SINAMOS. In the following weeks, the committee toured the main areas of SINAMOS activities. Its report said more or less what the peasants had denounced.

Velasco did not know what to do with Leonidas Rodriguez. He was his friend and did not want to hurt his career. Also at the end of the year, he was to be promoted to division general. So he appointed him commanding general of the II Military Region based in Lima. Rudecindo Zavaleta took charge of SINAMOS. The first thing he did was remove Jose Luis Alvarado, a well-known representative of the Marxist left, from the labor sector. To have him nearby, he appointed him as one of his advisers. Little by little, Zavaleta began to strip SINAMOS of its communist activists. EXPRESO protested and said arrogantly: "The reactionaries should not deceive themselves, dreaming that some day the strength of the Peruvian revolution will be used against communism....If this happened, the principles themselves of the revolution would be trampled."

In the Balance

Velasco fluctuated between going along with communism and eliminating the communists from government positions where they had really infiltrated. Carlos Delgado--

considered the ideologue of the revolution--had a lot to do with this. A former member of APRA, he was an enemy of the communists and suggested totally utopian revolutionary roads. But when Velasco was not listening to Delgado, he was listening to Fernandez Maldonado and Leonidas who were already called "progressive generals" by the communists.

In 1974, the unity of the revolutionary machine began to dissolve. Velasco's health was not very good after the operations to save his life in 1973. The navy personified by Vargas Caballero firmly opposed the communist interference and the deflection of the revolution from its original channel. Fernandez Maldonado and Meneses Arana took charge of eliminating Vargas Caballero who was opposed to the confiscation of the newspapers and other purely communistic measures. The newspapers were seized on 27 July 1974, the same day Raul Castro Ruz, Fidel's brother, arrived in Lima. He toured Peru for 14 days with a military retinue at his side.

The communists did not relent in their maneuvers to take over the "military revolution." On 7 July 1974, the day of the Oath to the Flag, they marched beside the military in the Plaza Bolognesi. There were placards from the CGTP [General Confederation of Workers of Peru], the CNA [National Agrarian Confederation], CONACI [National Confederation of Industrial Communities] and CTRP [Federation of Workers of the Peruvian Revolution] proclaiming the strength of the "people-armed forces binomial." These were the same leaders who marched to show solidarity with Velasco the year before when he was in the Military Hospital. On that occasion, Cuban Ambassador Nunez Jimenez marched at the front of the demonstrators. However, Velasco could no longer be dazzled.

Because of the riots on 5 February, the communists organized a Regional Committee for Popular Coordination in February 1975 to help supply the people and support government decisions to preserve public order. They tried to form an urban guard like those in Cuba but Velasco ordered them to say, with Gallegos, that the armed forces revolution did not need those reinforcements.

Movement of the Peruvian Revolution

The communists insisted and, that same month, they issued a pronouncement about a so-called MRP [Movement of the Peruvian Revolution] with pretensions of becoming the political party that the revolution needed. The list of signatures was headed by the editors of the confiscated newspapers: Ruiz Eldredge, Thorndike, Gilberto Escudero and Walter Penaloza. Other signers included Carlos Vasquez Velarde, Fernandez Maldonado's main political adviser, Efrain Ruiz Caro, Otoniel Velasco, Cesar Delgado Barreto, Jose Luis Broussett and Carlos Ramos, public officials and labor leaders. Velasco reminded them that the political leadership of the process could only exist in the revolutionary government so the MRP dissolved. Velasco created the Political Organization of the Peruvian Revolution and asked Sala Orozco, Graham, Fernandez Maldonado, Tantalean, Richter and Jimenez de Lucio to form the bases for this organization.

However, the communist infiltration did not end. Although swept out of SINAMOS by Sala Orozco who declared that only the militants of the revolution would work in that organization and that those who had belonged to political parties had to publically resign from them, they found refuge in the newspapers.

In June 1975, the communists tried to repeat their previous action on the day of the Oath to the Flag. A so-called Patriotic Revolutionary Committee headed by Gilberto Escudero organized a march that allegedly included 400,000 demonstrators. When they tried to march behind Velasco en route to the palace, the demonstrators were held back and television transmission of the ceremony was cut. Velasco arrived at the palace with only his entourage.

On 17 February, Velasco spoke about the transfer of the newspapers to the popular organizations which was to take place in March. He said that there was a strong counterrevolutionary infiltration of Peruvians and foreigners in the newspapers. He ordered that only native-born Peruvians work in the organs of SINADI [National Information System]. This measure included LA CRONICA where there were many Argentine and Chilean journalists. They went to other newspapers.

Large Arms Purchases by Newspapers

On 26 July, Velasco postponed the transfer of the newspapers for a year, labor stability ended and new editors and general managers were appointed. The order was to sweep all infiltrators out of the newspapers; the decree law could not have been clearer. It said that, during the administration of the newspapers by their administration committees, the infiltration of persons with different ideologies than the defined ideology of the revolutionary government was detected in most of them. Their objective was to use those organs for different objectives than those that inspired the socialization of the press.

In August there was a general sweep: Velasco closed MARKA and deported most of its journalistic staff. Channel 4 cancelled the program "Encuentro" with Rafael Roncagliolo. Mario Benedetti, a Uruguayan who wrote for EXPRESO, was asked to leave the country. Richter, the minister of interior, said that his reports sent abroad distorted the revolutionary process.

At that time, the intelligence services discovered that large purchases of weapons--machine guns, rifles and pistols--were being made by LA CRONICA, refuge of the far leftists who had been expelled from Chile and Argentina. It had also hired personnel to train them in their use.

The break with the far left seemed complete. When Zimmermann, Velasco's press secretary, spoke of a tactical alliance with communism, the government responded that those were Mr Zimmermann's personal opinions and did not reflect government philosophy. Velasco referred to the double imperialism--U.S. and Soviet imperialism.

While this occurred in the civilian sector, the military were not inactive. The "progressive" generals united against those called "the mission," the rightists. What the "progressive" generals thought at that time was not made public. No one at that time suspected that some years later Fernandez Maldonado would give a heated speech in the GDR supporting the liberation movements of the Third World, Vietnam, Kampuchea and all the countries fighting against U.S. imperialism. They did not say it but they thought it.

Children's Trips to Cuba

Then Velasco learned that 200 Peruvian youths had gone to Cuba. He discovered that these trips had been going on for some time but were increasing. The Peruvian

youths went to Cuban camps where they were indoctrinated and politicized. Velasco took the case to the cabinet. He asked for an explanation from the minister of education who said that those trips were not under his jurisdiction, but that of the minister of foreign relations. De la Flor said that he could not stop those trips: the revolutionary government had lifted the ban on traveling to socialist countries which had been in effect since Manuel Prado's government. If the youths had their parents' consent to travel, no one could stop them. The passports director, Ambassador Portugal, was summoned and he said the same thing as De la Flor.

Velasco felt that this was not right, that the government was responsible for these massive indoctrination trips. He issued a legal provision to regulate these trips. Velasco dramatically warned that if those trips continued and changed the direction of the revolution, he would shoot himself.

He mentioned Ambassador Nunez Jimenez with whom he had had a very acrimonious meeting. He told him not to confuse friendship with political agreement. Peru was fraternal with Cuba and had helped it break the blockade but it could not permit those trips that had been made without coordination with the Peruvian Government to continue. Velasco told Nunez Jimenez to inform his foreign minister, Raul Roa, not to be confused and that he would not permit friendship to be confused with political agreement. Finally, he called attention to Nunez Jimenez' speeches in different universities in the country.

Cuban Ambassador Spoke of Velasco's Removal

Nunez Jimenez left the palace with burning ears. He mentioned his conversation to his "progressive" military friends.

Nunez Jimenez was advising all of them. In June, he had participated in a meeting of military and civilians where Velasco's removal was mentioned.

"Well, boys, I don't know if you will permit me to give my opinion on Peruvian politics"--they all laughed--"but I want to tell you that the man you need is Morales Bermudez. You don't know how he has evolved in his socialist ideas and the deep friendship he has with Fidel Castro." He softly tapped his pipe and left Morales' name floating in the air.

This advice was remembered. Fernandez Maldonado, Leonidas Rodriguez, De la Flor, La Vera Velarde, Arturo Valdez Palacio and other soldiers united around Morales Bermudez. Graham was present at many of the meetings.

This was the situation when the dinner at Meza Cuadra's house--and not at the palace as we said in a previous chronicle--was held.

Conspiracy in Meza Cuadra's House, Promise in Paracas

While De la Flor was sleeping and the owner of the house was absent for family reasons, Fernandez Maldonado, Morales Bermudez, Leonidas Rodriguez and Graham talked. They discussed two points: first, that Velasco was acting against the progressive forces which was not appropriate nor acceptable to the revolution; and, second, that Velasco was very sick, very self-absorbed, and believed that the revolution would not progress without him. Therefore, it was doubtful that he would transfer the government to Morales Bermudez as he had promised.

At this point, we will go back to 11 April. There was a cabinet meeting that day in Paracas where Velasco was convalescing from a relapse. Velasco called Morales Bermudez into a room of his bungalow and told him:

"Pancho, you know I am very sick; not only have I lost a leg but I have had two more aneurysms. I am going to leave the power to you."

"No, Juan, you cannot leave. You are the revolution," Morales answered warily.

"Stop flattering me. If I do not leave at this time, it is because Gilardi is the head of the Revolutionary Junta and he would become president. He will retire on 1 September. Then the position would come to you. I want to leave on 3 October, the anniversary of the revolution. Keep this absolutely secret; tell only the members of the military team. Talk but very carefully so as not to cause concern."

When Velasco learned of the meeting at Meza Cuadra's house from one of the stewards who served the meal, he called Morales.

"As a man, I want you to tell me what happened at Meza Cuadra's house the night before last."

Morales answered: "There was too much drinking; that is all."

"Well, I want you to know that I do not like things said behind my back. We will see if it was too much drinking. Graham has been acting very patronizing toward me; I will not tolerate that. Remove him from COAP and appoint the guy with the little mustache, Gaston Ibanez. Send Graham to Brazil. I am going to speak to all those people."

Morales left with protests of loyalty, denied that he had any intentions of a coup and repeated that conspiracy was not mentioned at that meeting.

Summoned by Velasco, Fernandez Maldonado and Leonidas Rodriguez strongly denied that they had been conspiring. Then Graham was called in.

"Well, Red, out you go," Velasco told him.

Graham asked to retire; he did not want to go to Brazil. Velasco denied his request and kept him in his position.

Velasco continued to be informed of Leonidas Rodriguez' movements. At a meeting in Richter's house on his saint's day, he picked up a glass and said:

"I toast everyone except a dirty traitor. I do not toast traitors." Velasco said this while staring at Leonidas Rodriguez. The latter did not say anything but turned around and left.

Don't Say He Beheaded the Army

Velasco was very bitter. He commented to a friend that if he did not remove all those who conspired against him, it was because he was going to leave on 3 October anyway and he did not want it said later that he had beheaded the army.

However, the motors of the conspiracy were already going. The meetings were held at Morales Bermudez' house but he seemed to have doubts. Since Velasco had promised to give him the power, he had been holding "dialogues with the people" with the knowledge of the president. Accompanied by several ministers, he talked with local organizations, unions and businessmen about different problems in the country.

However, Morales was told: Pancho, Velasco is going to trick you; he is not going to give you the power. He is persecuting the progressives, he is repressing the left, he is removing them from their positions. He is going to get rid of all of us.

Leonidas Rodriguez' friends said later that these meetings resulted in the agreement that all the "progressive" military would go to Velasco on 15 September to present the problem of presidential succession to him.

On 24 August, though, Morales Bermudez went to Arequipa. His apparent objective was to coordinate a meeting between military commanders of Peru, Chile and Bolivia to study common problems. On 28 August, he went unexpectedly to Tacna and Fernandez Maldonado followed him. There was a reception with a lot of drinking. On 29 August, Morales announced to the country that he had assumed command of the revolution. From Tacna, Fernandez Maldonado issued a communique in the name of the Army General Command in support of Morales. La Vera Velarde, commander of the Arequipa military region, arrived in Tacna to join the movement. When Velasco learned of the news in Lima, he summoned Leonidas Rodriguez, but the II Military Region under him had already opted for Morales.

Morales' first measure upon returning to Lima was to behead "the mission." The "progressive" military were free; they thought they had captured the power. Morales declared that the revolution was socialist, reduced the amount of land not affected from 150 to 50 hectares, established the sale of all urban lands through EMADI [Buildings Administrative Enterprise] and said that the political transfer would be done through the base organizations. All this filled Fernandez Maldonado, Leonidas Rodriguez and many others with satisfaction. To complete his rapprochement with the "revolutionary" civilian forces, he convoked the formation of the "Revolutionary Fronts." Avelino Mar from the CNA was in charge. However, it was all short-lived; Morales Bermudez was playing his own game.

Explanatory Letter from General Sanchez

Dear Editor:

I am writing you concerning the article entitled "How Peru Escaped Becoming a Socialist Republic" which appeared in No. 37-V.

It is not true, as is stated on page 40 of the mentioned article, that the communiques of the commanding generals of the armed forces and the five military regions "were all the same" (sic).

In the interest of truth, I can tell you that a simple reading of the communique from the TRM will show that it is different in form and content. It was the one that, with the consensus of the generals who commanded the large units that made up the TRM then who met at the Arequipa Command Post, was submitted for publication. The surprising one indicated in that article did not exist for that military region that I had the honor of commanding.

Also, always in the interest of historical truth, we division generals, commanding generals of the I, II, III and V Military Regions, were the only ones present, in addition to Morales Bermudez, at the meeting mentioned on page 41.

Thanking you in advance for printing this explanation.

God keep you,
Div Gen Juan Sanchez Gonzalez

Note: Attached is a Xerox copy of the mentioned communiques.

Address: Conde de la Vega 468, Surco

This letter from General Sanchez serves to clear up the facts that we are narrating even more. From the copy of the communiques that the former commander of the TRM and minister of energy gave us, we can see that the communique from Gen Gonzalo Briceno, the commander of the V Military Region--according to the document in our possession which we published in the last issue--was identical in form and content to those that were attributed to the other commands, except that of General Sanchez. He spoke clearly in favor of President Morales and also clearly did not condemn General Bobbio as did all the other commands--according to the official version--which was what produced Briceno's protestation. We have also discovered from this copy that Gen Luis Cisneros, minister of interior, did not condemn Bobbio in his ministerial communique. As to the fact that only four commanders were in Morales' office the day Fernandez Maldonado retired, we already knew that. Today's chronicle starts there.

[This article was accompanied by photographs of the men involved and a letter from Ret Army Maj A. P. Orellana Ariza on these past events and the immediate future.]

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END

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Latin America Report

No. 2361

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1 September 1981

LATIN AMERICA REPORT

No. 2361

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BRIEFS

AUGUST GAROUPA PRODUCTION--The definitive Garoupa system will enter into operation in August, producing initially 15,000 barrels of petroleum a day. With this, total domestic production will increase from the current 225,000 barrels to 240,000 barrels per day, Petrobras announced yesterday. As the technicians explained, the 15,000 barrels a day constitute, in fact, the first stage of the definitive Garoupa system and represent preliminary production while additional wells are being drilled. In this first stage, six wells will be in operation. Later, 10 more will be activated, raising production to over 50,000 barrels. The Garoupa platform continues to receive surface installations, a task carried out by Montreal Engineering Company. When it is entirely ready it will be able to deliver 200,000 barrels a day. This will be possible because, as a central platform, Garoupa will receive petroleum from other fields. Montreal Engineering Company, in turn, confirmed that the second definitive platform of the Campos Basin, destined for the Enchova field, will be shipped in August from Bahia to the Rio de Janeiro coast. The Enchova platform, built at the Sao Roque do Paraguacu construction site in Todos os Santos Bay, is receiving finishing touches. [Text] [Rio de Janeiro O GLOBO in Portuguese 23 Jul 81 p 21] 8834

CSO: 3001/222

PABLO RODRIGUEZ EXPRESSES CONCERN OVER RECENT TRENDS

Santiago LA TERCERA DE LA HORA in Spanish 12 Jul 81 p 3

[Article by Pablo Rodriguez Grez: "Alarming Symptoms"]

[Text] Many Chileans have questioned the nature and scope of the so-called period of transition. Most of the criticisms made in the debate which preceded the plebiscite on 11 September 1980 centered on the length of that period, given the fact that the country appeared to have returned to normality rather quickly, and even today one frequently hears that nothing justifies maintaining for 8 years the constitutional structure outlined in the transition aritcles.

The stubborn facts, however, again prove right those of us who opposed the fixing of rigid time periods or who clamored for a transition statute which would discourage the secular adversaries of the regime once and for all.

Three problems are clouding the public peace and seriously threatening the stability of the regime: the increase of Marxist terrorism, the undercover activity of liberal party factions and the fragility of the economic model in the face of international financial emergencies and abuses by certain businessmen.

Marxist Terrorism

The coordinated action of three terrorist groups which simultaneously attacked a police barracks, an Investigation Service barracks and a bank branch shows, as we said 2 weeks ago, "discipline, training and the availability of important military equipment." To this we must now add the discovery of an extremist camp in the southern part of the country, an area especially suited to beginning rural guerrilla incursions. There is no doubt, in my opinion, that this plan is organized by international communism and has its logistical support and its ideological blessing. Remember that Fidel Castro began his revolution in the Sierra Maestra with no more than 12 militiamen and that it continued to grow in spite of the immense superiority of the government troops. Nor can we pass over the fact that an urban commando murdered an official of the security services in a perfectly planned sneak attack. However the situation is analyzed, one must conclude that communism has begun a phase of terrorism, taking advantage of the period of relaxation following the 1980 plebiscite. The people are indifferent to this, it must be admitted, and are not weighing the danger that is threatening our national existence.

Political Party Action

The inorganic remains of the political parties, facing a growing lack of popular support, have ceded the initiative to a group easily described as labor. I refer to the National Union Coordinating Group, whose leadership includes representatives of the Christian Democrat, Radical Socialist, Communist and other parties which until 1973 made up the ill-named Popular Unity Party. The traditional leaders have understood that they cannot launch a popular opposition movement--given their hazy civic careers--and that this new front organization has the advantage of close ties with the church. The facts demonstrate, without any room for error, that the aforementioned coordinating organization is an instrument of the dissolved political parties and that their leaders are acting with the support and cooperation of some high Catholic prelates. That is the source of the persistence of the workers' representatives and their defiant attitude toward law and authority.

Its appearance on the political scene shows an aboutface in the opposition. The suggestive silence of the displaced party leaders, which more than one optimist has interpreted as a recognition of the government's economic successes, has been followed by a renewed effort to gain a political opening for this organization, which is obviously of a union nature. In this way, they believe they will be able to encourage subversive action and provoke a social mobilization which the old political professionals cannot encourage.

Economic Upheaval

To the factors already described we must now add the inevitability of an economic upheaval with unforeseen consequences and also of indefinite duration. The extreme sensibility of the economic model to the cyclic behavior of the world economy, on the one hand, and the failure in its speculative operation of the CRAV group, on the other, destroyed the happy predictions made 2 years ago by partisans of the liberal Chicago system. The long-term freezing of the dollar and the untouchable tariff structure implemented in 1975 forced us to wait for an automatic adjustment in the system without regard to the social and political cost. The crisis in the balance of payments resulting from the exorbitant increase in imports as compared with exports will be offset, our economists say, by the rise in the interest rate, which will reduce purchasing power and encourage domestic savings and foreign credit. This will cause at least a 50-percent reduction in the growth rate compared to what was announced a year ago and will put an end to many hopes and plans.

The concurrence of these three elements seriously complicates the present political picture and demands careful treatment. It is not possible to approach one of these problems without considering the others. This, in my understanding, has been the error of the technocrats who, unfortunately, cannot build a model, no matter how perfect, without examining the social terrain on which it is to be based.

8735
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STUDY ON POLITICAL IDEOLOGY OF MILITARY DISCUSSED

Santiago LA TERCERA DE LA HORA in Spanish 16 Jul 81 p 2

[Article by Enrique Krauss Rusque: "The Political Ideology of the Military"]

[Text] One of the factors which has had a very negative effect on relations between the Chilean military government and civilian political sectors is the abysmal ignorance that the latter have of the individual and organic personality of the armed forces. Ignorance of the true contours of that personality has led some to have an apologetic attitude toward members of the armed institutions, falsely laudatory, verbose and praising, while what they are really trying to do is instrumentalize their influence and make use of their power. Others, on the other hand, have a demoniac vision of the military. They confuse the military with militarism, which is the fetishist cult of the undeniable values served by the armed forces.

This ignorance by most of society of the ideological and political concept of the military arises from the very character of the military profession. The profession of army officer is one which cannot be exercised in an independent way or in private institutions, and it can only be developed in a public organization. The military officer, more than anyone else, identifies with the state. In addition, the military profession imposes a life style. Comparable to that of the priesthood, it forces those who serve it to lead an "institutional" existence, often in places which are closed to civilians. It builds character, as Tobias Barros would sometimes say. It is a question of hierarchical organizations based on age, training, education and technical capacity and, in particular, on discipline, that is "reflective, but immediate, obedience, without vacillation, of subalterns to their superiors." Rigidly stratified, it does not recognize within itself any other factor of privilege and right than that conferred by rank. Its members are considered basically equal, with no other differences than those which arise from seniority and merit. That style of life extends even to the family, a sort of kinship being characteristic of members of the military profession.

Those characteristics result not only in ignorance of the military by civilians. Reciprocally, the military tends to have a caricaturish idea of political and union leaders, of academic professionals and in general of other civilians. The exacerbated scorn of historical action by civilians leads to pretorianism, which maintains that politics is a part of strategy or, in other words, that politics must be thought of in terms of a strategic or tactical military action.

These days it is imperative to know the political ideology of the military. Certainly this is an enormously difficult task, since the subject must be purged of tendentious implications which introduce disfiguring elements, such as identifying the armed forces with predetermined social or economic classes.

This difficult and urgent task has received important and positive support from political scientist Genaro Arriagada, who has recently published under the sponsorship of the Center for Social and Economic Research of the Society of Jesus in Chile an interesting study on "The Political Thought of the Military."

Genaro Arriaganda's work incorporates clarifying elements into the discussion of a subject which, inexplicably, has only been lightly touched upon by the political analysts of our country. It analyzes the characteristics of the military profession, considers its more typical sides, militarism and pretorianism, and investigates three basic aspects of its thought: the anti-Marxist idea, which in Chile's case recognizes origins even prior to the Russian Revolution; geopolitical doctrine, which in the armies of the southern cone of Latin America is inspired by the idea that geopolitical figures are in charge of "maintaining the health of political groups"; and the definitions of countersubversive war gathered during the 1970's.

The suggestions contained in Genaro Arriagada's study show, with the seriousness typical of its author, the ambivalent relationship which exists between civilians and the military. Although in the ideology of the creators of the professional army--Gneisenau, Scharnhorst and Clausewitz--the military profession must develop without undesirable political interference and war is an instrument of politics which therefore must be subordinated to the civil authority, the truth is that the military presence cannot be ignored in peacetime. For the same reason, to define the terms of its participation in the future democratic process is a necessity as inevitable as it is interesting, and for this reason Arriagada's text is a valuable contribution.

8735
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ONLY THREE PARTIES REMAIN IN COALITION

San Jose LA REPUBLICA in Spanish 20 Jun 81 p 2

[Text] Presidential candidate Rafael Angel Calderon Fournier announced yesterday in the Hotel Costa Rica that the coalition Unidad will participate in the 1982 elections with three parties under the red and blue emblem.

Speaking before his party's assembly, Calderon stated that he will respect the convention pact with Engineer Rodolfo Mendez Mata and at the same time he announced the popular election positions to which he is entitled. He did the same in relation to the Christian Democrat (DC) and Popular Union (PUP) parties which will remain in the coalition.

Calderon made the announcement only a half hour after a Democratic Renewal Party (PRD) assembly had closed spectacularly in the middle of a violent scene with shouts of uncompromising disagreement. Two groups confronted each other all through the meeting. Some were for Calderon and others against him. The latter were represented by delegate Rolando Romero. They even made strong statements about safeguarding the principles which inspired the founding of the PRD.

The PRD, which met in its clubhouse on Paseo Colon, ended its meeting in an abrupt manner when its president, Oscar Aguilar Bulgarelli, feeling that the existing emotional climate was not suitable for dialogue and understanding, closed the meeting "in expectation of a better time and circumstances for a dialogue."

A group of approximately 28 PRD delegates remained at party headquarters and passed a motion under which it will nominate its own candidates for positions which are filled by popular election. It rejected a motion of the directorate on the allocation of posts and it called for a new assembly to be held on 2 August to review the statutes, recall the directorate and to hear any reply to Calderon Fournier's proposals.

But Calderon, when he spoke to his assembly, reinforced by leaders of the DC party, the PUP and even of the PRD, said he regretted that that assembly had adjourned without coming to an agreement

He accused a group of representatives of that party at its assembly, who "do not represent either the leadership or the mass of the party," of blocking an agreement which "Mr Aguilar Bulgarelli and his friends" were promoting in order to consolidate the coalition.

And he stated that because of this he was presenting to his party's assembly a proposal for the modification of the coalition pact in such a way that Unidad would consist of the Republican Calderonist Party, the DC and the PUP; that it go to the polls with an emblem of red and blue horizontal stripes. Positions 2 and 9 on the ticket of deputies for San Jose, position 1 for Cartago and position 1 for Puntarenas would be assigned to the DC; position 5 for San Jose and 5 on the ticket of San Jose councilmen to the PUP; and finally positions 4 and 6 on the deputies' ticket for San Jose, 3 and 6 for Alajuela, 3 for Puntaarenas, 3 for Guanacaste and 2 for Limon, to Engineer Rodolfo Mendez Mata, this last as agreed upon at the convention.

After he announced that this motion, in accordance with the convention agreement, included posts for councilmen, syndics and substitutes, the motion was passed by acclamation.

Calderon gave a speech in which he praised Mendez, calling him a great comrade and in which he repeatedly made allusion to the fact that his party and he personally always honored the agreements they signed.

He also referred to what he called the concessions which he had made to the PRD through Aguilar Bulgarelli in order to maintain the unity of the coalition. He said that he had offered the PRD positions 8 and 10 on the ticket of deputies for San Jose, position 6 for the province of Alajuela, and 2 for the province of Limon on the condition that a candidate from Guapiles should be named and position 3 should be for Guanacaste. In addition, he offered them all of the even-numbered posts for the municipalities with the exception of the second places in the districts of Central de San Jose, Desamparados Goiechea, Perez Zeledon, Central de Alajuela, San Ramon, San Carlos, Cental de Heredia, Central de Puntarenas, Aguirre, Osa, Golfito, Liberia, Nicoya, Central de Limon and Pococi.

He said that on the tickets for councilmen and municipal sundics, a total of 16 second places are reserved for the following of the Engineer Mendez Mata. "Keeping in mind the fact that the PRD assembly did not accept this agreement, the Calderonist Republican party has taken steps to keep its agreement of honor, respecting in all its parts the agreement of the convention," he emphasized.

Alluding to the fact that the split of the coalition might affect Unidad economically, he said that we have the leadership, spirit and desire to succeed and "that is enough."

He said that "many political novices have attempted to place pitfalls in my path toward the presidential candidacy and have attempted to continue placing them but fortunately there are with me persons who are capable of standing up to them, including leaders and followers of the PRD who know how to honor their commitments.

"Healthy parties, such as the PUP and the DC, are with me and so are an immense number of Costa Ricans who are conscious of their responsibility to guarantee the country economic improvements, peace and social justice for the next 20 years," he added.

It should be pointed out that the Calderonist assembly, which met on the fifth floor of the Hotel Costa Rica, yesterday formed a new directorate with Rafael Calderon as president; Dr Alvaro Aguilar, vice president; Rolando Lade, general secretary; Prof Marvin Herrera, deputy secretary; Deputy Mario Romero, treasurer; and Danilo Chaverri, deputy treasurer.

The Calderonist meeting filled the fifth floor of the Hotel Costa Rica and closed on a note of jubilation.

PRD Assembly

The national assembly of the PRD in a dramatic session closed abruptly by its president, Oscar Aguilar, after a heated political debate, with spirits inflamed and almost in violence, ended its activity with an improvised meeting of "dissident" representatives who demanded popularly elected positions, a 50 percent reduction of the political debt, and the reorganization of the command centers of the coalition.

After adjourning the session, Aguilar announced that he would shortly call a new meeting in which there would be more inclination toward a dialogue.

Aguilar had brought an extensive report of the negotiations of the PRD directorate with Calderon Fournier and the specific proposal mentioned above in order to submit it to a vote by the assembly. And simultaneously a group headed by representative Rolando Romero made a different proposal. It was later alleged that the passage of this proposal implied a rupture with Unidad.

Among other things the so-called dissident group asked for positions 4,6,8,10,13,15, 17 and 19 on the ticket of deputies for San Jose and 3,4,7 and 9 for Alajuela; positions 4 and 6 for Cartago; 2 for Heredia; 2 and 4 for Guanacaste; 3,5, and 7 for Puntarenas and 2 for Limon.

They requested that a body be formed under the direction of Unidad, consisting of representatives of the four parties chosen by the assembly of each party, to be presided over by a delegate designated by the candidate. They also asked that they be allowed to search for viable alternatives to win the elections; and to reduce by 50 percent the political debt. They requested councilman positions and gave Calderon a period of a week to reach a decision.

Between 25 and 30 persons at the assembly who did not accept Aguilar's decision to adjourn the meeting not only passed this motion but also rejected his proposal and called a meeting for 2 August to recall the directorate.

From the very opening of the assembly, one group of delegates maintained that the PRD could not accept orders from anyone and that it should fight for its right to nominate candidates for popularly elected positions. Rolando Romero, who later showed he was very angry at Aguilar Bulgarelli's decision to adjourn the meeting, supported this idea.

In a long speech, he said that his party could not accept orders from Mendez, Calderon or anyone else. Otherwise it would be better if "we went home."

He was supported by other delegates who stated that the party "should not accept utimatums such as the one that they should not let Sunday slip by" in a clear allusion to Calderon's warning yesterday that Unidad had to consolidate in order to devote all its energy to the electoral campaign.

There were several speeches and with each one the debate became more entangled until some delegates, among them Jose J. Munoz, former president of ITCO [Institute of Lands and Settlement] proposed a recess so as to "seek an agreement in cleaner air."

It was then that Aguilar took the floor to make a number of comments about his political participation in the PRD, his efforts in trying to obtain election positions for his party and, in passing, to criticize what he called "ill-considered" speeches by his colleages. He also said that he could not preside over an assembly which ignored the instructions he gave it to seek the consolidation of the coalition and finally he stated that "since there is no atmosphere for conversation, I adjourn the meeting."

What came later was an informal and heated debate between the delegates and the determination of one group to go ahead in spite of the doubts that existed regarding the legality of continuing the meeting. And finally, in the Hotel Costa Rica, the Calderon meeting, after finding out what had happened, decided to eject the PRD from the coalition.

Agreement Ratified

Last night the DC, in its headquarters on the Paseo do los Estudiantes, ratified the agreement made by the Republican Party.

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JORGE RISQUET DISCUSSES ECONOMY ISSUES

Transport Cargo Problems

Havana TRABAJADORES in Spanish 3 Jul 81 p 4

[Speech delivered by Jorge Risquet Valdes, member of the party's Political Bureau, at the Transport Worker Day ceremony in Pinar del Rio; date not given]

[Text] We are gathered once again to celebrate Transport Worker Day.

Pinar del Rio Province was selected as the site of this main ceremony, because it has performed exemplary work on the freight transportation system; that is, on what has been called the port-transport-internal economy chain.

It was the Pinar del Rio workers who, from the very moment at which our party's summons was made, in June of last year, responded with great energy, enthusiasm and initiative, displaying emulation, and quickly attaining notable success which served as an example and spurred the action of all the nation's workers. The Pinar del Rio workers are the promoters of the efficiency movement in the chain, the movement for Zero Demurrage.

This was not a spectacular but fleeting impulse, but rather serious, thorough, hard work, which has been maintained throughout an entire year, improving day by day. The best evidence of it is that, during the first months of this year, when the province's workers were entirely engrossed in the great battle of the exceptional, victorious tobacco harvest, the operation of the chain in Pinar del Rio continued to be the most efficient in the whole country.

From the previous celebration of Transport Worker Day until this one, the workers united in the National Union of Transportation Workers have proven with deeds that they are part of the vanguard in the struggle for production and services; and with their courageous daily effort, and their exemplary behavior, they have asserted their presence, together with this nation of workers, which is constructing socialism under the very nose of the leading stronghold of imperialism.

The most noteworthy success accrued by you transport workers, along with the workers in the ports and storage facilities of the internal economy, during the year that has elapsed, has been that related to the freight transportation chain.

The Gains Made in This Important Activity of the National Economy Are an Eloquent Reflection of the Conscience of Our Working Class

The gains made in this important activity of the national economy are an eloquent reflection of the conscience of our working class, which responded to the summons of our party and, with its unlimited energy and selflessness, worked the miracle of eliminating nearly all the demurrage in the land and sea transportation facilities, making up for the shortage of material resources with the strength of its organization, its spirit of sacrifice and its revolutionary determination.

If there are still flaws in the freight transport system which conspire against the greater efficiency that we wish to attain, and we shall not give up until we attain it, these flaws cannot be blamed on the collective workers who have adopted the slogan "load, unload and transport, by day and night, from Monday to Sunday."

They can be blamed precisely on isolated officials and administrative cadres, or workers, who have not caught the workers' emotion, who have been unable to break off from bureuacratic routine, who do not consider their own the national economy, which is supported by the effort of those with sweat on their shirts in cane fields and sugar mills, ports and factories, trains and trucks, farms and buildings under construction, hospitals and wharves.

It is the working class, organized on a mass scale in its unions, under the direction of its vanguard party, which is the bearer par excellence of the revolutionary conscience; in it lies the invincible strength of our socialist revolution.

Around it march the peasants, students, intellectuals and other strata of the working population, united in the unbreakable battle line of our people, on a combat march wielding the two slogans that Fidel taught us: production and defense.

Comrades, male and female:

Our party's Second Congress devised the guidelines for economic and social development during the current 5-year period from 1981 to 1985.

We are in the first year of this 5-year period.

During the first 5 months of this year, the toil of the transport workers engaged in land and air freight, and the shippers, made it possible to transport 1.816 million tons more than last year, of which volume 1.2 million tons were transported by truck.

During These First 5 Months, 130 Million More Passengers Than in the Same Period Last Year

During these first 5 months, the passenger transport workers carried, roughly, 130 million more passengers than in the same period last year, of which volume 118 million were carried by bus, and of the latter number, 81 million by urban bus. We should stress the fact that, of these 81 million, 63 million were carried by the City of Havana urban buses, which also assisted in exemplary fashion with the people's transportation to the splendid May Day ceremony.

These accomplishments would not have reached such levels if it had not been for the selfless, strenuous and persistent effort on the part of the workers in shops, those rebuilding, the railroad maintenance brigades, those working in communication, the administrative employees, and the technicians and managers who, combined with the vigorous transport workers, constitute the bloodstream of our economy; because they carry to all parts of the country the materials necessary for production and the items required for living, and they carry the producing men and women to the work centers.

Hence the enormous importance of your work in attaining the goals devised by the Second Congress. The directives emanating from this historic event cite the need for a steady increase in passenger transportation, and for meeting the demand for freight transportation. For this purpose, it is necessary to start right now to intensify all the forces, all the creativity, all the initiative and all the might which typify the working class.

Transportation is a constant, dynamic activity, which cannot be stopped, because if it were stopped, the country itself would come to a standstill.

Despite the gains that have been made, there are still shortcomings. In the main report to the party's Second Congress, Fidel said: "In transportation, there must be a surmounting of the obstacles that we have faced, which have made it impossible to exploit the available resources to a maximum extent, or to consolidate the effort expended on investments. Special attention will be required to improve the efficiency of the service."

The trucking industry must quickly improve its indexes on equipment in service, make maximum use of its freight transport capacity and raise the rotation indexes. The shipping workers must make a marked improvement in their organization, so that there is not a ton of capacity left unused, the notice of the arrival of the freight given to the consignees is timely and nothing is missing. The freight must reach the storage facilities in the amount and manner, and according to the timetable stipulated in the contracts, and this is a responsibility of the shipping enterprises.

The Treatment of the Customer, the Information in the Terminals and the Routing Have Not Yet Improved Noticeably

In the main report to the party's Second Congress, in discussing the railroads and after mentioning the achievements, Fidel remarked: "In rail transportation, there have been failures to meet schedules, poor service and violation of operation and maintenance regulations." This situation, which still persists, must be overcome. Although it is true that freight transportation has increased, passenger transportation has declined in the important area of the people's transport. The treatment of the customer, the information in the terminals and the routing have not yet improved noticeably.

Despite the limitations on material resources, for which we are attempting to purchase the essentials, taking into account the country's economic difficulties, the efforts must be redoubled to have the railroads run on time, efficiently, with cleanliness and good treatment of the people.

During the past 5-year period, passenger transport by car was adversely affected to a considerable extent by the lack of organization, flawed management and administration, mistreatment of equipment, poor repairs and unsystematic maintenance. In addition, there was lack of discipline everywhere, as well as mistreatment of the working people.

Many of these shortcomings have been improved to some extent; however, there must be better care and organization of the existing resources, an increase in the quality of the repairs and strict compliance with the maintenance plans.

The requirement for fulfilling the obligation is a task for everyone, beginning with the driver of the car and extending to the highest-ranking officials.

During these first 5 months of the 5-year period, the taxi drivers have transported 671,700 more passengers than during the same period last year; and they are preparing to receive the new engineering that will begin arriving this year for the units in the provincial capitals as soon as the essential conditions have been created.

The Workers Organizations, Those of UJC, the Party Cells and, Particularly, the Administrations of Car Rental Stations, Must Be Intransigent With Anyone Who Mistreats the Equipment

The workers organizations, those of UJC [Union of Young Communists], the party cells and, particularly, the administrations of car rental stations, must be intransigent with anyone who mistreats the equipment, breaks the maintenance regulations or does not observe the most fundamental rules of good treatment to the people.

The most popular transportation facility is the bus; we might almost say that the people gage the efficiency of all the transportation by its performance. Hence, it is logical that this important means of transportation be constantly under the critical scrutiny of our vanguard people.

Although it is true that there was a considerable increase made in passenger transport by bus, particularly by the workers of the Havana City Bus Enterprise, which renewed its laurels with its exemplary attitude toward the appeal from the commander in chief, this service is not yet at the level which the working people need and deserve.

Despite the persistent work performed by civil and agricultural aviation workers, the efforts must be redoubled until the schedules and plans that have been devised are fulfilled.

Shops are to transportation what lungs are to the human body. When the shops operate poorly, the stock of equipment gradually declines.

The success of transportation depends largely on the good work of the shops. Despite the success already achieved and the work made difficult at times by the shortage of parts and resources imposed on us by the Yankee blockade, on the one hand, and the worldwide state of capitalist economic crisis, on the other, we cannot postpone the intensification of the battle against shoddy workmanship, lack of quality in work, carelessness and lack of discipline in maintenance and compliance with technical standards, lack of stringency on the part of foremen, disorganization and low productivity that are evident in a considerable number of shops.

The Workers and Foremen, Particularly the Latter, Must Increase the Stringency, Organization and Discipline to a Maximum

The workers and foremen, particularly the latter, must increase the stringency, organization and discipline to a maximum. The slogan for this urgently needed battle must be: "More quality in repairs and maintenance, better use of available resources and more equipment in service."

Included among the goals of our socialist transportation, run by the working class, collective owner of these means of production, in addition to an increasing fulfillment of the needs of freight and passenger transport, are also the strictest compliance with punctuality, a higher level in the technical status and utilization of capacities, the most refined treatment of the people and maximum care of the freight being transported: all this at the least possible cost. These are the permanent goals for which we must strive.

Comrade transport workers:

On a day like today, exactly 10 years ago, Comrade Fidel brought to a close the National Pleneary Meeting on Production and Productivity in the Transport Industry.

On that occasion, the national union that was to unite the transport workers was also formed.

It was the renewal of the combative, revolutionary spirit of the union of Jose Maria Perez and so many other fighters, that would lead the transport workers, not to the struggle for economic claims against the exploiting boss, and for political rights against the bourgeois state, but rather to the struggle against backwardness, underdevelopment and ignorance, and for the construction of socialism and the welfare of the people.

These have been 10 years of hard labor during which considerable fruits have been harvested. Mistakes have also been made, but the results are, without doubt, significantly favorable. We have progressed.

During this period, there has been an improvement in work methods, and structures, the cadres have gained experience and, what is very encouraging, new, valuable, union cadres have come into existence.

During This Time, the National Union Has Learned How to Mobilize the Workers Correctly in the Pursuit of Their Goals

During this time, the national union has learned how to mobilize the workers correctly in the pursuit of their goals; it has learned how to protect the rights that belong to it; and it has helped to raise the workers to higher levels of revolutionary awareness. The fulfillment of the production and service plans, the participation in internationalist solidary aid to other peoples in their struggle against imperialism, the success of the Battle for Sixth Grade Education and many other battles waged are palpable examples of this.

Other examples also attest to the accomplishments made. Hard work has been done on the organization of work and wages. At the end of 1979, the number of workers

affiliated reached 63,949; and now, in the first quarter of this year, the number totals 88,468, and there is an intention to attain 100,000 by the year's end.

The General Wage Reform has been applied to 79 percent of all workers in 95 enterprises and 1,299 establishments.

Socialist Emulation is increasingly improving its mechanisms, and has become an instrument to mobilize the effort, enthusiasm and conscience of the working masses. This does not mean that everything is perfect now, by no means; but the progress is notable.

Now the emulation in honor of the Tenth Congress of the World Federation of Trade Unions is under way, and is gaining strength among the workers collectives.

At the end of the first quarter of this year, 941 units and 81 enterprises were holding emulations among each other. A total of 95 percent of the workers are involved in individual emulation, and 81.5 percent of the emulating units are fulfilling all the indicators.

The Outstanding Workers Movement Has Attained Noteworthy Success in the First Quarter of This Year

The outstanding workers movement has attained noteworthy success in the first quarter of this year. With over 47,000 members, the total number of voluntary hours worked reached 747,000, resulting in 169,000 trips made, carrying 11.81 million passengers and 303,000 tons, contributing 1.58 million pesos to the nation's economy, a concrete demonstration of the communist conscience attained by the transport workers. This occurred in only one quarter!

At the present time, 440 committees of innovators and streamliners have been established, with 3,730 members. A total of 588 proposals for innovations have been submitted, of which number 547 were approved and put into effect.

In view of the conditions under which our economy is operating, we must stimulate this activity to a maximum extent, because the contribution to the people's prosperity in this respect is inexhaustible.

The Battle for Sixth Grade Education ended with a resplendent victory for the Cuban working class. Now we must wage a far more difficult battle: the conquest of the ninth grade for all those suited for attaining it.

Precisely because this is a far more arduous task, it requires greater endeavor, more organization and more creativity, doing away with the myth that the very features of the transportation system preclude progress. What we must do is seek intelligent and timely solutions.

No fewer than 12,000 workers are due to enroll in the next course.

Similarly, work must be done on technical progress. It is inconceivable to run transportation without a mastery of the technology. The effort in this regard must be redoubled, seeking the best qualified to teach the least qualified, and seeing to it that there is not a single transportation work center in which technical instruction is not given.

The Workers Need and Require a Combination of Cultural and Technical Improvement

The solutions lie in the masses themselves. In this respect, we must destroy the bureaucratic obstacles of absolute perfection. The workers need and require a combination of cultural and technical improvement. Only in this way will it be possible to operate with the most complex technology, and to systematically increase productivity and, in proper relationship to this, the workers' income.

Meriting special mention today are the workers who, holding a hatchet or steering wheel, set forth to make their contribution to the main branch of our economy, and managed to raise the prestige of the transport workers very high in this battle of titans.

A total of 3,256 cutters were mobilized for the sugar harvest, of which number 88 attained 100,000 arrobas or more, and 120 were nominated for the Jesus Menendez medal.

A total of 41 brigades joined the million-arroba movement, one of which gained 6 million arrobas, four gained 3 million, 10 gained 2 million and 21 gained 1 million.

Deserving of our heartiest congratulations are the following brigades: 64th Anniversary of the October Revolution, of Havana City; Reynaldo Narango, of the aviation workers; Ernest Thaelmann, of Havana; Tio Ho, of Ciego de Avila; Jose Maria Perez, of Havana City; Manolo Zabalo, of Camaguey; Battle of Sanguily, of Villa Clara; and 11th Festival of Santiago de Cuba, all of which proved to be outstanding.

In agricultural-livestock transportation, 1,146 drivers attained the status of million-arroba vanguard, and 21 achieved 1 million arrobas or more hauled; while 155 were nominated for the Jesus Menendez medal.

Conveying the sentiments of all the workers and our people, we congratulate on their behalf these heroic men and women from the National Union of Transportation Workers.

The contribution to the nation's economic development made by the workers of this sector is unquestionable, as are the constantly increasing accomplishments of our revolution in all areas; and this irreversible example annoys the imperialists.

Every success of the working class of Cuba and the world, every advance of the national liberation movements and every success of the world socialist system irritates the imperialists and their lackeys.

These exploiters, merchants of the blood and sweat of others, have not learned the lessons of history.

We are working zealously to build a better world; we want to produce increasingly not to make a few increasingly wealthy, but rather to meet the needs of all the people to an ever-growing extent.

We are working for a world without exploitation or exploiters, in which there is no racial or sex discrimination, and in which man may be a brother of man.

For this, we need peace, but that is opposed by the capitalist, imperialist forces and their international policeman, Yankee imperialism, which has never abandoned the insane intention of making the course of history turn backwards.

The Yankee government, representing the most reactionary interests of financial capital, is again singing the songs of conquest and destruction, orchestrating constant provocation against the world socialist system, particularly its leading, unshakeable backer, the Soviet Union, attacking and preparing attacks on the people who have just become politically liberated and who are trying to free themselves from the economic dependence imposed on them by foreign domination, such as those of Nicaragua and Grenada, and intervening in, and lending its support to the reactionary and fascist governments, so that they may repress the revolutionary movement of the oppressed masses.

Together With All Our Daily Effort to Develop Production, There Must Be the Most Steadfast, Determined Participation in Defense

In particular, it is redoubling the threats and aggression against our country, a hardy, virile example of human liberty and dignity in this part of the world.

For this reason, together with all our daily effort to develop production, there must be the most steadfast, determined participation in the defense of what we have built with so much toil and effort and which belongs to all of us.

Fidel appealed to the people to join the Territorial Troop Militias which, together with the regular and reserve units of our glorious FAR [Revolutionary Armed Forces], constitute the armed branch of the Cuban revolution.

In response to this appeal, the transport workers have also stepped forward, joining their units. We must prepare ourselves in the same way for defense as for production. In the extent to which we guarantee the defense of our conquests in production, those conquests will be safe, and we shall be able to continue working for new victories of socialism.

We want peace in order to work, but if the imperialists force war on us, we shall counter their songs of conquest with the mournful songs of machine gun fire that Che mentioned, with guns clutched by the hardy men and women who are building the socialist Cuba of today, wielding aloft more staunchly than ever the teaching of the Bronze Titan: "Anyone who tries to seize control of Cuba will find the dust of his land drenched with blood, if he does not perish in battle."

Comrade transport workers, on your day, we congratulate you on behalf of our party for the success that you have attained. The revolution has not yet ended; we have progressed only along a section of the long road to the construction of socialism. You have a major role in this endeavor. We are certain that you will manage to play it with honor. The confidence that the party has in you is unswerving, because you have proven it with deeds. You will never betray this confidence.

Long live the transport workers and their national union! Glory to the heroes of Moncada! Long live our commander in chief, Fidel! Fatherland or death, we shall conquer!

Managing Economy Problems

Havana GRANMA in Spanish 14 Jul 81 p 2

[Speech delivered by Jorge Risquet, member of the Political Bureau and Secretariat of the Central Committee of the Communist Party of Cuba, at the close of the courses at the Higher Institute of Economic Management, on 11 July 1981]

[Text] Comrades, male and female, of the Chair, distinguished guests, comrades, male and female, who are graduating today:

It is a personal pleasure to attend a function of this nature, at which the profoundly internationalist nature of our revolution is made evident.

The presence here of cadres from other fraternal African and Latin American nations who have for several months shared with ours the experiences of socialist construction in our fatherland has enabled us, modestly but sincerely, to put in their service Cuba's experience, its accomplishments and limitations, which is an expression of a cardinal principle of our party: proletarian internationalism.

Internationalism has many manifestations: solidary in battle and combat, sharing the trench and rifle in the war against the common enemy, and lending fraternal aid, technical assistance and cooperation in peace.

In each and every one of them, our people, guided by the party and Fidel, have felt in the innermost recesses of their revolutionary fiber the deepest satisfaction and the most complete rejoicing when it has been incumbent on them to engage in internationalist action, whether in the battlefield, the area of medical assistance or education, or any other aspect of the construction of the new society.

For the past several years, it has become a tradition, in July, for this institution to graduate a class of economic management cadres for our country and for other fraternal ccountries, in honor of the heroes and martyrs of the storming of Moncada.

One of the major goals for the 5-year period from 1976 to 1980 was the establishment of the Economic Management and Planning System, a strategic tool for the construction of socialism in Cuba.

Created and directed by our party, the National School of Economic Management came into existence to undertake an extremely important basic task: to prepare our leadership cadres on an emergency basis for the practical application of the system's elements.

And as Comrade Fidel noted, in this very hall, on 16 July 1976, the school created a great example of how work is done under socialism: With a keen desire to fulfill the party's mandate in its entirety, with only a few cadres of its own, and evoking the enthusiasm to achieve the cooperation of many other cadres and officials, it performed a task that may have seemed impossible to many:

To hold four types of parallel courses on an emergency basis, to train the heads of enterprises of national subordination; to train teaching cadres for other

institutions; to prepare management cadres on the ministerial level; and to retrain all the economic personnel of the enterprises.

In addition, the school assumed the task of founding, directing and controlling a system of Economic Management Schools in all the provinces.

Today, the evaluation that we can make is truly impressive:

A total of 10,101 cadres trained in the 5-year period; 5,608 of them in courses for heads of enterprises; 3,576 in courses for assistant economic heads; 290 teaching cadres; and 627 ministerial managers.

Of those 10,101 cadres, 28.5 percent, that is, 2,887 attended this national school.

Since last year, postgraduate courses have been offered.

Furthermore, this institution renders internationalist assistance to other fraternal countries, not only graduating cadres from its classrooms, as it is doing today, but also rendering on the spot assistance. There are teachers from this center in several towns of the People's Republic of Angola and in Mozambique.

The school is also participating with other CEMA [Council for Mutual Economic Assistance] countries in research work on the science of management.

Over a year ago, through its own effort and dedication, the school created a new specialty on a higher level in the country: a degree program in economic management, something which prompted the Executive Committee of the Council of Ministers to convert it into a Center of Higher Education, starting in the last course.

And, giving us another example of accomplishment, Comrade Rector Rosendo informed us in his address that, starting with the next course of 1981-82, the degree program will begin in provinces, depending, understandably, on the standing attained by each of them, so as to be able to offer higher level studies.

At this point, it is worthwhile stressing the importance to the development of the socialist economy of the suitable preparation of its economic management cadres; because, although this is something that we all recognize theoretically as being true, it is not always given the significance that it deserves in practice.

Excuses such as the impossibility of giving up one cadre or the other at the moment to become improved in this field, the lack of temporary replacements and other such arguments seek to justify, quite often, the failure to send to the school cadres who need to take the course because of the requirements of their work.

The Socialist Economy Has a Conscious Nature in Its Development. The Laws and Regulations Inherent in Its Movement Do Not Operate Automatically

The socialist economy has a conscious nature in its development. The laws and regulations inherent in its movement do not operate automatically but, on the contrary, prompted by the conscious influence of planning, finance, prices, economic

calculation, incentives and other tools that are available to the socialist state for putting the party's economic policy into practice.

This attests to the objective necessity for the preparation of the cadres responsible for major daily decisions for implementing the plan, increasing work productivity, introducing scientific and technical advancements, cutting production costs, streamlining production and other important areas wherein the improvement of the effectiveness of socialist social production materializes in a concrete fashion.

These important truths are known to everyone but, I repeat, they are sometimes ignored. As the rector pointed out, in many instances the agencies fail to meet the quota for attendance at the courses in the schools of economic management, and all the effort, dedication and potential accumulated in them are underutilized, for an enrollment far lower than the capacity that has been created.

In the course now ending, less than half the capacity of the schools throughout the country was used. If there had been students, we could have doubled the number of graduates from this course.

In view of this problem, the party's leadership is making a concrete study of measures to be adopted to guarantee the preparation of the management cadres, as was stated at the First and Second Congresses, and in accordance with the critical importance that it holds for the implementation of our economic and social policy.

In this connection, we must stress something that was mentioned previously: the importance of having the quality and timeliness of the institute's educational instruction process associated with practice.

As Marxism-Leninism has taught us, practice is a source of confirmation and constant enhancement of theory. The practice of socialist construction is guided by our scientific ideology, embodied concretely in the party's program platform, and in the resolutions and activity of its leading organs; and it is manifested in work centers, factories, farms, shops and construction brigades: in short, in the daily activity of our country's work collectives.

The association of the instruction with this practice in an institution such as this has an organic nature, inherent in its very existence, in order to avoid scholasticism and other deviations from our reality. And in the institute, practice has a concrete form, through the course work, which forces each student to link theory with the improvement of his management work. At the same time, it forces the instructors to become familiar with the practice in their guidance and evaluation of the students, while at the same time enhancing their assets in the theoretical field.

This policy of constant development of the institution to improve its faculty, its instruction and its courses is a feature that we must oversee and provide for its strictest observance, applying it to the other schools in all the provinces as a cardinal principle of their work.

This association is supplemented by other types of concrete assistance to state agencies, management research and other types of scientific and technical work.

Another point that seems necessary for us to empahsize is the development of a literature of our own in these matters of economic management, which will bring to the cadres on all management levels, in a clear, precise language, the problems of economic construction, and which will discuss in concise fashion the practice that they must undertake daily.

And this appears to us to be one of the suitable places for that, because there are here, on the one hand, the teaching cadres which concurrently possess the theoretical knowledge for insuring the foundation and the scientific elements afforded by research on practical problems and, at the same time, the necessary teaching experience for making them understood; and, on the other, there are also the cadres taking courses at the center, whose incorporation into the theoretical development of their management experience constitutes an essential element in this process.

We must not forget what was stated in the main report to the party's First Congress, noting that the success of the system will depend on the workers' mastery of it. And in this respect that are still great accomplishments yet to be made.

Comrades, male and female:

Since we are discussing the Economic Management and Planning System, it is fitting to mention certain situations. In recent years we have been giving a greater impetus to material incentives.

The Proper Combination of Material Incentives and Moral Incentives Is One of the Principles on Which the Economic Calculation Is Based.

As you know,the proper combination of material incentives and moral incentives is one of the principles on which the economic calculation is based.

We mention combination, because there is no contradiction between the two types of incentives; inasmuch as the workers who accrue the best results in their work activity will always be those who will receive the respect and recognition of all our people, but they are also those who deserve a higher income as fair payment for the work contributed.

The same thing holds true for the work collectives of the enterprises. Those fulfilling the plan and improving the efficiency of their economic management are the ones receiving the honors and recognition in connection with socialist emulation; but they are, in turn, the collectives which deserve to form and distribute the material incentives funds. With regard to thse mechanisms for incentives, especially the ones associated with material incentives, we have been improving some and incorporating others, based on the resolutions from the First Congress on the Economic Management and Planning System.

I say this because, as you know, material incentives under socialism are given in three different ways:

The wage, which is the principal or fundamental form of incentive; the wage bonuses, which are the moving portion of the wage and are accrued essentially on the basis

of each workers' individual results; and the material incentives funds, based on the earnings of the enterprises which, although all of us usually call them an award, have, in turn, two types of application: the awards that are given individually to each worker, and the portion allocated for measures of a collective nature, for sociocultural purposes and housing construction.

These influences or devices of the economic calculation, together with the measures adopted on the market, offering more released products at varied prices, and the services which raise the personal consumption level of our workers, are, in the reality of our country, a manifestation of the Economic Law of Distribution, in accordance with the quantity and quality of the work.

Obviously, in a society such as ours, the standard of living of our people not only rises in relation to their monetary income, but some of their main necessities, such as medical and hospital care, and education, are provided for by the society, free of charge for all, without consideration of the individual contribution of each person.

It is important to take this fact into consideration in order to understand why, under our present conditions, a portion of the fulfillment of the needs of each worker must be indissolubly linked with his work contribution; because, to enable the society to solve problems so vital to the people as the ones cited, it is essential that our production be greater and our productive efficiency higher.

When matters are viewed thusly, it becomes obvious that all those who, with their work, contribute most to the welfare of everyone will receive, individually, a larger income and, in fact, will have a greater personal consumption.

Since the resolutions from the 13th Labor Congress, we have been taking major steps in our country to associate to an increasing extent the workers' wages with the results of their work; but the measures relating to wages have received their greatest impetus in recent years mainly from the approval and implementation of the General Wage Reform, which currently benefits over 2 million workers. Combined with this, a consistent policy on work organization should result in a rise in productivity.

As a wage supplement, there has begun, in turn, the use of bonuses in the various enterprises, associated with overfulfillment of the standards, the quality of production or service, savings of energy, fuel or raw materials, etc. At the present time, over half a million workers are opting for bonuses.

The most innovative aspect of our material incentives system is the award, because we began using it virtually the first time in our country in 1979.

The award is a necessary supplement to the material incentives system because, through it, each worker is associated with the results of his enterprise, and therefore, the individual interest of each worker is associated with the collective interests; while, on the other hand, there is achieved the necessary association between the collective's interest and the society's interest, thereby causing the social interests to coincide with the individual interests.

Obviously, in a society such as ours, wherein the fundamental means of production belong to the people, one works and produces for the sake of the people, to

improve the people's living standard and to meet their ever-growing needs; and this means that the interests of the entire social productive apparatus depend on every worker's finding his own needs met to an ever-increasing extent.

But, although this is true and, therefore, in the final analysis, the interest of each individual always lies in the interests of the society, it is nonetheless true that this close relationship must be felt by the worker and encountered in his daily activity, with each prefabricated part that he puts in place to build a new factory, school or dwelling, or while at the steering wheel of a truck.

From Each Drop of Sweat Converted Into the Forceful Energy of a People Shaping Their Own Future Comes the Wealth That We Have to Raise the Living Standard and Undertake the Development of Our Economy

From each drop of sweat converted into the forceful energy of a people shaping their own future comes the wealth that we have to raise the living standard and undertake the development of our economy.

As our sweat becomes converted into more products, into our saving of the material resources at our disposal and into our conversion of each unit of toil and resources into more goods for the society, we shall be making our economy progress, constructing the fatherland's bright future more rapidly.

Returning to the subject of the award, let us recall that it was first used in 1979, in 191 enterprises, and currently includes 441, representing 18 percent of the existing enterprises. There is a plan to have all the enterprises included in this mechanism by 1985.

In 1980, there were 203 enterprises included in the system of incentives based on profits, and of that number 102 enterprises, that is, 55 percent of those included in the system, actually created funds. These enterprises created an incentives fund of 14.1 million pesos, 9.4 million for individual awards and 4.7 million for sociocultural projects. The average award per worker in these enterprises was about 60 pesos.

As one can observe, the percentage of enterprises which really created funds is low. This is due to the fact that, in this mechanism, the established regulations are aimed at stimulating a real growth in efficiency. What is being rewarded are results, not efforts. It must be realized that the award is a right that is earned each year, by proposing more intensive plans, and successfully implementing them.

At times, some comrades have noted that the workers in the enterprise expended a great effort, but the plan was not fulfilled for reasons dissociated from the desires of the collective.

As we have remarked, what is being rewarded is the result. If the society has not received any benefit, because of the failure to fulfill a supply plan that affects the entire chain of production, there is no reason to reward that enterprise,even though the effort of the work collective is recognized morally.

How can an award be given to a collective for a result that the society has not accrued?

Where would the funds for that award originate?

It is obviously fitting to stress also that this requires greater stringency in the entire planning system, whereby the enterprise's plan actually has an acceptable degree of assurance insofar as the main material resources are concerned; that is to say, the plan is intensive, but possible to fulfill, that the worker does not feel defeated before starting to work, that he knows that the task awaiting him is difficult, but that, with determination, effort, and intelligent handling of the material and labor resources, it can be achieved; that he understands that those efforts are necessary.

After all, the plan is fulfilled in the enterprise, and plays its part in the same degree to which it wields a mobilizing influence; because our work collectives are not moved by material influences alone. The latter are necessary and have to be used, but there is a revolutionary integrity and conscience among our workers; and hence they dislike feeling that they are part of a collective which did not keep its commitments to the society, reflected in the plan.

The comrades who work in all of the nation's economic areas, especially those working in the Central Administration system, must have more contact with the realities of each enterprise, and not merely calculate the potential capacities of a factory from an office, but rather obtain them there, in contact with the workers, listening to their recommendations and suggestions.

Therefore, it is important, in the planning process, to pay special attention to the worker's participation in devising the plan. This step in the planning process cannot be considered from a formal standpoint because it is without question one of the most important steps.

Those who produce, those who create the wealth of the society, are the only ones who can succeed in fulfilling the plan, through their effort. Hence, when their suggestions cannot be incorporated into the management's figures, it is compulsory to return and give them a convincing explanation, with grounds, of the reasons underlying the management's decision in setting such figures for that enterprise.

In an economy such as ours, in the process of executing the plan, unanticipated situations may arise stemming from our high degree of dependence on foreign trade; but these instances are explained to the workers, and they understand them. What they cannot understand, and never will understand, is the setting of a production figure for them which cannot be achieved, and finding themselves deprived of the award because of mistakes in planning; and, what is even more distressing, suffering the injustice of being pointed out as a collective that does not fulfill its plan.

A recent instance, which necessitated my intervention, was that of the production figure this year for the Nuevitas cement factory. That factory needed a thorough repair this year because, during the previous years, there had been a break in the scheduled repairs for the sake of increasing production. For this reason, a lengthy stoppage in the furnaces was required; and, consequently, the available time was reduced and the year's production would be less than that of the year before.

This is an example of bureaucratic planning which creates on paper efficiency indicators which are known in advance to be impossible to attain.

In contrast to this, the production figure set for the new cement factory in Cienfuegos was far below the real potential, the goal that the collective had proposed for itself. In this case, the workers have proposed to produce 60,000 tons more than stipulated in the plan, and there is every indication that they will succeed in doing so.

There Must Be a Battle Against the Nice Planning on Paper Dissociated From Reality, Against the Office Planning Deaf to the Collectives' Opinions

There must be a battle against the nice planning on paper dissociated from reality, against the office planning deaf to the collectives' opinions.

It is obvious that the award is linked with another phenomenon wherein the party, the organs of administration and the union can play a highly significant role: the protection of the enterprises' autonomy. The collective of an enterprise is entrusted with a certain productive responsibility through the plan. The award gives an incentive for the efficient fulfillment of this plan. However, so that they may meet this requirement, the members of the collective must be given the authority to carry out and direct the production, putting in motion all the devices that lend it efficiency, and developing the creative initiative of the masses, who are the ones who know what can be done and what cannot be done.

The enterprise's autonomy does not mean that it operates without regard for social interests. These interests are reflected in the plan approved by the higher entities. It is a matter of giving the enterprise freedom of action in the realm of economic management, in the realm of administering the resources placed at its disposal, for the purpose of achieving greater production goals with minimal resources.

Taking advantage of the fact that there are present at this function comrades very closely associated with the management of our enterprises, we wish to point out that many heads of enterprises do not probe deeply into economic analysis, for they do not gage the results of their enterprise on the basis of the economic indicators, but rather on the basis of fulfillment of the production plan alone, focusing all their attention on the enterprise's technical efficiency, and viewing matters related to costs, productivity, profit, etc., as "secondary" matters that are within the jurisdiction of the economic deputy head and the area managed by the latter, not as the enterprise's principal activity, its reason for existence.

It is nonetheless true that even the echelons higher than the enterprises, including party levels, bear some of the responsibility in this regard, because they make more demands on production than on the fulfillment of the technical-economic plan as a whole.

Even our press frequently reflects the fulfillment of the plan based on the fulfillment of just one of its categories, that of production; and the plan is not viewed as a group of categories that must be harmoniously integrated. Apropos of the press, I would like to point out that the propaganda effort related to the

Economic Management and Planning System expended by our party's main organ, the newspaper GRANMA, in its daily section written as precisely as it is instructively, combining general topics with concrete examples of the economic gains made by the enterprises and cooperatives, is praiseworthy.

On this occasion, we wished to comment on these problems and stress the need for paying attention to the efficiency of our economy; because it constitutes a basic, fundamental objective for our country and it is in order to attain it that we are making all this effort for the establishment of the SDPE [Economic Management and Planning System].

As Fidel remarked in the main report to the Second Congress, during the current 5-year period, "We shall strive to develop and improve all the mechanisms in the system to a maximum degree; and it is a revolutionary duty, a political duty of everyone: the party, first, and the central state organs and entities, the enterprises, the workers, the mass organizations, the economic and administrative cadres, and all the leaders of our economy, to strive in a consistent manner, and do the maximum so that we may fulfill the intention and decision to implement the system, whatever the present shortcomings may be.

"It is one of our obligations to be constantly discovering in what respect we can strengthen and perfect what we are doing to achieve a constant increase in the efficiency of the economic management of the enterprises and of the economy as a whole."

This instruction from our party's first secretary, this directive from the Second Congress, must be a matter of concern and involvement for everyone, most particularly the cadres working in the economic area.

We hope that you, fortified by the knowledge you have acquired in this school, will be staunch combatants for economic efficiency. And we wish the beloved brothers from Nicaragua, Angola and Mozambique a happy return to their revolutionary fatherlands and success in the building of a new life.

We wish especially to congratulate the staff of instructors, the comrade rector, and all the workers at this national school and at the provincial schools, on the splendid work that they have done.

With the congratulations, our party pledges to adopt the necessary measures for the full utilization of the capacity of these schools, thereby making it possible for you to have twofold results in the forthcoming courses. Let me put it this way: We must insure the top quality human raw material that this wonderful creator of economic cadres needs.

We do not want to miss this opportunity to express our gratitude to the group of Soviet instructors who have offered us their advice, with so much wisdom, solicitude and dedication, making a decisive contribution to the constant enhancement of the quality of the educational work in this university center.

Comrades, male and female:

The present slogan is production and defense. This means that, at the same time that we are preparing ourselves to confront and defeat imperialist aggression, at the same time we are ready, if the Yankee troops dare to invade us, to convert our entire country into an enormous trench in the defense of our most unsullied ideals, in the defense of our sacred conquests, we must also be ready to make each one of our job sites a trench as well, in which, every day, we force that age-old enemy, underdevelopment, to recoil.

Every unit that we save in resources, every day that we advance the starting of an investment, every day that we achieve prompt dispatch in sea and land transportation, is another step that we are taking toward a stronger and more consolidated economy, which will enable us to better undertake the tasks of the construction of socialism, making it possible for our combat flags to wave increasingly higher in our fatherland, so that we may continue to be the exemplary people who never gave in to the imperialist threats, and who managed to forge ahead in their economic development despite the blockade and the difficult conditions that we inherited as an underdeveloped country, with a soil poor in natural resources but rich in integrity and courage, and in selflessness and sacrifice.

Long live Marxism-Leninism!

Long live proletarian internationalism!

Long live Fidel!

Fatherland or death!

We shall win!

2909
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HAVANA COMMENTS ON VARIOUS INTERNATIONAL ISSUES

U.S. Firms, Central America

Havana PRISMA LATINOAMERICANO in Spanish Jun 81 p 2

[Article by Carlos Mora Herman]: "End of Banana Empire"]

[Text] A trio of U.S. transnationals: United Brands, Del Monte and Standard Fruit (the last a subsidiary of Castle and Cooke) controls more than 70 percent of the banana trade, estimated at $2.5 billion annually.

The firms which make up the banana empire came into being at the end of the last century, when Minor C. Keith founded, under the laws of New Jersey, United States, the United Fruit Company (UFCO), which later would be known in the language of those exploited as "Manita Yunai."

The establishment of these enterprises was carried out by obtaining huge expanses of land and tax exemptions and customs privileges granted by corrupt governments. In exchange for these "facilities," the transnationals constructed railroads, ports and telegraph communications, which in theory were to contribute to the development of the country, but which in reality served to help them plunder the country's wealth for the great mother country.

This trade grew with the invention of the refrigerator ship.

The transnationals introduced scientific methods of cultivation, modern technology, fertilizers and pesticides, thus achieving very high yields.

At the same time, the working conditions of the thousands of native men and women employed on the plantations were dreadful.

In Nicaragua, for example, men and women worked barefoot in exhausting shifts, exposed to many diseases (hernia, foot fungus, skin and eye infections, varicose veins) caused by the conditions and the lack of medical attention and safety measures, as well as by the use of pesticides dangerous to humans, such as Dithane M25 (which attacks the nervous system) or Furadan, the use of which is prohibited in the United States.

One of the 17 banana plantations in Nicaragua was called, ironically, "El Paraiso" [Paradise] (the workers called it "the poor people's hell" because of working conditions there, which were similar to those on the other 16 plantations).

In the last 20 years, as the struggles of workers against the banana transnationals have increased and even expropriation has been discussed, Standard Fruit, the firm which operates in Nicaragua, legally deeded the land to members of the local bourgeoisie, who operated the plantations, paid the company rent for the use of equipment and other things and sold it the bananas.

That was a smart move for the transnationals. On the one hand, for a minimal economic sacrifice, it prevented their image from deteriorating even further and, at the same time, when the market price of the product dropped, they reduced their purchases from the owner of the plantation, who then assumed the loss at the expense of the workers, who were laid off by the hundreds.

On the other hand, the owners of the 17 banana plantations, organized in the Nicaraguan Association of Banana Producers (ANPB), found themselves collectively in debt to Standard Fruit to the tune of more than $10 million.

Within the campaign begun by the Nicaraguan bourgeoisie against the revolutionary government, a destabilizing plan was implemented. This plan consisted of provoking a crisis on the banana plantations. The workers charged that the owners were trying to destroy the plantations. The workers charged that the owners were trying to destroy the plantations, firing key technicians and refusing to control insect infestations. The company began to lay off many workers without notice.

The newspaper LA PRENSA, organ of the most conservative interests in the country, launched a campaign saying that Standard Fruit was leaving Nicaragua forever, that exportation of bananas was being stopped and that thousands of workers would be laid off, income lost and the domestic market saturated, with a resulting drop in banana prices.

The revolutionary government responded to all that by nationalizing banana production and announcing the creation of a State Banana Enterprise.

Immediately a government delegation went to negotiate with the U.S. transnational Castle and Cooke (of which Standard Fruit is a subsidiary).

LA PRENSA spoke of "violation of the principles of freedom of enterprise within the mixed economy promoted by the revolution."

And Castle and Cooke, in view of the possibility of losing the whole thing, agreed to negotiate and arrived at an agreement with the delegation last 12 January in Los Angeles. California.

The transnational will sell its stock to Nicaragua at a cost of $3 million, payable in 5 years without interest, through a loan to be granted by the firm itself. In addition, Standard Fruit will continue buying Nicaraguan bananas at a higher price than at present, subject to readjustments according to rising production costs, which have increased in the last few years at a rate of 10 percent annually.

PA PRENSA had to backtrack and praise this agreement. Nicaragua, with is still dependent economy and having neither a transportation system nor a distribution network for a product as special as the banana, lacking the technicians to deal with the development of that natural resource, acted with excellent judgment, struck a tough blow at internal reactionaries and turncoats and gave the imperialists a lesson in firmness and valor.

It can be said that in the land of Sandino (who was also a banana worker in his youth), the empire has ended, and that Nicaragua has now ceased to be a "banana republic."

Mitterrand Victory Hailed

Havana PRISMA LATINOAMERICANO in Spanish Jun 81 p 21

[Article by Irma Caceres]: "Hope Triumphs in France"]

[Text] The new president, Francois Mitterrand, faces during his term the complex task of keeping the promises made to the voters of the substantial and beneficial political, economic and social changes contained in his program of "110 Proposals for France."

France's first socialist president in the last quarter century received a 51.75 percent majority of the votes, resulting in the defeat of his strongest opponent, incumbent Valery Giscard D'Estaing, who served for 7 years.

Mitterrand's advantage of over 1 million votes is almost three times greater than the vote received by Giscard himself in 1974 and much larger than was predicted by observers, and means a significant victory for the country's future political life, without necessarily being linked to the phantom, used by the right, that it is hoped to begin "a communist trend."

The upset achieved by the Socialist Party, which at the end of the first round gained the support of the Communist Party and other groups, ends a long struggle by the French left to come to power, one which will play out yet another scene when legislative elections are held this month.

Mitterrand, 64 years old, must have the support of the majority of the National Assembly (where Giscard has an advantage of 91 seats) to be able to carry out his broad program which, in the opinion of many, gives almost 2 million unemployed the hope of getting a job and workers the possibility of retiring 5 years earlier, in addition to other social benefits.

Mitterrand's program, announced last January, began to gather strength as last month's elections approached, and the polemics concerning immigrants, women's rights, information, unemployment, economic recovery, justice, taxes and international relations took on a national character.

In recent months, the Socialist Party has used as a weapon the seriousness of the country's plight as inflation reached a level of 12 to 14 percent and unemployment 7.3 percent, realities which the right could not hide.

For this chaos the socialists blamed the policy of Giscard D'Estaing, who in their judgment was "in power too long."

Of the "Proposals for France," 13 are devoted to international policy, to the principal problems affecting the world, in many of which the Giscard administration had a hand in one way or another, and in some of which it was involved in a manner somewhat less than elegant.

For Mitterrand, some of the outstanding problems are discussion of the question of disarmament and reduction of the armed forces and of tensions in Europe, these last aspirations contrary to the hopes of the United States and of NATO. For this reason, it does not appear that these two parties will find in Mitterrand an easy listener for their intentions to increase the budget for the military pact at the expense of the European allies and to install new offensive weapons on the old continent.

French government administrations have maintained close ties with several countries of Africa, Asia and Latin America, regions where in other times the empire imposed relations of colonial domination. For the new president these ties "must not exclude the independence of the people."

With respect to some areas considered key regions in today's international politics--the Middle East, among others--the French president expressed some opinions which might be considered argumentative, such as consideration of the resumption of arms sales to Israel, interrupted by France during the 1967 Arab-Israeli war.

However, the president-elect strongly criticized the sending of French troops during the Giscard administration to various African countries, some of whose governments do not enjoy popular support. He also announced the increase of economic aid to this area.

If we are guided by the majority of his statements, one would have to recall those made concerning the contribution France will make to the new Nicaragua in response to that country's legitimate effort to diversify its international relations, or also in the case of El Salvador, where he leans toward a negotiated solution which would end the war which has coast the Salvadoran people so many lives.

Socialist deputy Michel Rocard said that if his party came to power, France "will abandon its present policy of gendarme and will prohibit the sale of weapons to the fascist dictatorships of Latin America."

Mitterrand will have to put forth great effort to fulfill his promises of contributing to a favorable change in the countries of the Third World, in particular with respect to the moratorium on the debt of the poorest states and, on the bilateral level, to establishing cooperation which will permit the development of those countries.

Obviously the plan proposed by the new French president appears ambitious, from the internal as well as the foreign point of view, in having to confront immediately the opposition of politicians as important as Giscard himself and of financial and military groups who have always dreamed of maintaining the old privileges and powers of colonial France.

If Mitterrand succeeds in getting his program under way, he would already be bringing to reality the hope of millions of Frenchmen tired of announced reforms and benefits which fade daily into the distance.

New Development Model Needed

Havana PRISMA LATIONOAMERICANO in Spanish Jun 81 p 58

[Article by Jose Bodes Gomez: "Let Us Descend From the Stratosphere"]

[Text] Many theories about the development model for the countries of Latin America and other regions of the so-called Third World have failed in recent decades due, among other things, to the fact that in essence they have tried to reproduce processes similar to those of certain industrialized powers.

We can see perhaps the most dramatic example of this in our own region. For years the politicians and economists who favored reforms believed that the "consumer society" could be grafted onto Latin America and that the problems of underdevelopment could be solved through schemes transplanted from the United States and Western Europe. At the end of two decades overflowing with studies, recommendations and promises of well-being, the theorists of "peripheral development" themselves have had to confess their discouragement and even their intellectual inability to come up with another plan for development.

The model arose from a historical error and is rooted in the fact that certain patrons (the United States, Great Britain, France, etc.) came into being as industrialized powers exercising a predatory policy beyond their borders. In addition to technological advances, they progressed thanks to the cheap raw materials they extracted from the underdeveloped countries. These countries, logically, have no other peoples to exploit and, in addition, they themselves continue to suffer in many cases the conditions imposed by imperialism, colonialism and neocolonialism.

But the transplanted model had another serious defect: its conception of development is basically economic, without taking into account the social changes required by an effort of this nature. Even the developed capitalist countries, in spite of their strong economic potential, have not been able to solve problems like unemployment and marginal areas of poverty, since they, too, have not made the changes necessary to offer equal opportunities to all the people.

The deformed and dependent economic growth which we have seen during the last few years in some countries of Asia and Latin America has not succeeded in achieving the desired development objectives, because it has taken place amid stratified societies in which an unjust distribution of income separates a privileged minority more and more from the rest of the social sectors.

One characteristic of this false development model is its accent on the industrial sector while it abandons the remaining elements of progress, such as agriculture, education and public health. This deformity is the result of dependency, since these are the countries chosen by the capitalist powers and their transnational monopolies for applying their so-called industrial redeployment. The abundance

of cheap labor and of easily manipulated political regimes form an auspicious framework for installing those industries which, because of their already antiquated technology or their contaminating effects, are not wanted in developed areas.

UN statistics reveal that for every dollar invested in the underdeveloped countries in the last decade, foreign capital extracted, on the average, $2.4, and the profits went to fatten the purses of the parent companies. In the case of transnationals based in the United States, the ratio was even greater: $1 to $4.5.

An unexpected element which began to complicate the development of the so-called Third World countries came in the 1970's with the sharp rise in petroleum prices. Here again one can see the differing conditions under which the older powers and the young states have had to undertake progress. Over and above the dividends obtained from sacking smaller countries during the colonial era, those large nations have benefited from the rise and peaking of the era of cheap hydrocarbons, while the underdeveloped countries in our own era will have to pay 10, 20 and even 30 times more dearly for the energy resources they need for their economic takeoff.

The task of development, both economic and social, has thus become a more complicated and difficult process than ever before in history.

The economists and social scientists of our countries are facing this challenge. The development models cannot be drawn up in the abstract and applied mechanically. Each country has common characteristics by which it identifies with the rest of the underdeveloped world, but it is also accustomed to present specific aspects which require the intelligence and creativity of its professionals to solve. It will even be necessary to organize an integral policy which will protect the Third World from the "brain drain" practiced by the industrialized capitalist countries.

For many years many of our specialists have passionately debated how the new international economic order must be. The present situation demonstrates that, in spite of so many resolutions and recommendations from many resolutions and recommendations from many international forums, the older order continues to reign over a good part of the planet and--what is even more important--that in those countries where it has changed, it has been through bloody sacrifices and revolutionary changes which affect all areas of economic and social development.

It would not be idle, therefore, to recall here the words of such an experienced economist as Sweden's Gunnar Myrdal who, on a recent visit to Cuba where he noted the achievements of the revolution, advised his colleagues of the Third World that--while not ignoring questions of a higher nature--they should concentrate the best of their efforts and abilities on confronting the practical problems which underdevelopment brings to their respective peoples, such as illiteracy, disease, the extreme backwardness of rural communities, and the stigma of administrative corruption which survives in many of those countries.

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POSSIBLE REFORMS IN PEOPLE'S GOVERNMENT NOTED

Havana JUVENTUD REBELDE in Spanish 23 Jun 81 p 2

[Article by Lazaro Barredo Medina: "A Concern: Why Not Extend the Holding of Accountability Meetings to Once Every 6 Months?"]

[Text] A few days ago at the accountability meeting for his delegate to the People's Government, a citizen proposed that the idea that either the period of time between these meetings be extended or that delegates be professionally trained so that they might better discharge their duties be raised at high government levels.

His proposal was applauded by the rest of the voters and different comments on this initiative, categorized by them as difficult, were made.

Certainly now, almost at the close of the first 5 years following the creation of People's Government committees, the need for reexamining the advisability or not of extending the period between the times municipal assembly delegates have to meet with voters to account for their actions is unquestionable.

Some 4 years ago on the eve of a term of National Assembly sessions during which the proposal to extend the holding of these meetings from once every 3 to once every 4 months, on these pages we outlined several arguments against extending the period by that much, given the fact that old bureaucratic habits and the brief existence of our representative institutions might distort the functioning of these committees through lack of experience.

Several years have gone by and under the circumstances it is appropriate to formulate a proposal to reconsider, in terms of current regulations, this important aspect of the People's Government, which allows for the most direct form of citizen participation in government affairs.

Having polled various delegates, there appears to be a consensus that it would be advantageous during the next term of office to hold only two accountability meetings a year with voters, that is, one every 6 months.

It could, however, be argued that holding these meetings every 4 months favors an atmosphere of pressure on the executive committees and local administrations to increase their effectiveness in solving those problems that weigh most heavily on the community.

But the evidence indicates that this is not so.

In the case of the delegates, not only because they work under tremendous pressure which makes their job difficult (starting with the fact that they not only have to make statements accounting for their actions), but also because of the operational problems that come up in messages from voters, their duties on work committees, National Assembly sessions, whose duties all lie outside the domain of labor and are oriented toward advocates of advancement, family and friends, etc.

One thing is certain. They devote week after week to this sort of activity in order to obtain better results and, when they begin to achieve them, they have to start all over again with meetings with the electorate.

In our opinion, this is prejudicial because it tends to create in some delegates a bureaucratic defense mechanism against raising issues at executive committee meetings and for reducing the volume of business handled by the local administrations.

Now in a municipality where they receive over a thousand proposals from residents the executive committee's activity is very complex because, involved in the large number of operational tasks awaiting it every day, it cannot then once a month fully discuss the solutions and replies offered by the local administrations and plan its job of governing.

And as a result of this, often — if not most of the time — such discussion has to be taken care of on an individual basis within a framework that does not go beyond the executive committee member who deals with the activity in question and who, therefore, to a certain natural and logical extent reacts, accepting what the local administrations tell him when the solutions or replies are good ones and when the replies are not very informative, full of red tape from one end to the other.

Then too, often the delegate receives them just a few days before the meetings with the electorate or rejects them and makes his report without these replies that convince no one, which sows lack of agreement among the townspeople, or includes them and provokes the irritation of the local citizens.

If the intervening period is extended, local operations will offer greater advantages for all.

Because he will have more time for his duties, the delegate will be able to demand suitable solutions or replies before these meetings take place and have the option of discussing any disagreement with the executive committee and also, if he does not accept what the latter tells him either, he will have an opportunity to raise the matter before the assembly, a proceeding which is almost never possible at the present time.

And for the executive committee this would be an encouraging opportunity that would allow it to concentrate its attention to a greater extent on these proposals, direct its efforts toward those problems that are hardest to solve and apply more pressure on the local administrations.

Another issue that also requires discussion and possibly revision is the situation many delegates at present find themselves involved in, having to hold as many as six accountability meetings, which constitutes a burden, and furthermore subjects the mass organizations to tension during those days, what with mobilization, preparations, the transfer of furniture, the search for audio equipment, etc.

Why should not these five or six meetings be reduced to a maximum of two or three?

Perhaps this may not lead to a more thorough discussion of the problems, but it may avoid a certain parochial attitude which is noticeable even among the different blocks that make up a district, inclined as they are to measure the administration of the People's Government in terms of the one which determines matters where the voter lives, even though situations more serious for the community are being resolved three, four or five blocks from his home?

It will be a few months before the new term of office begins and perhaps with the experience of these past years the standards that govern the functioning of the local committees may be enriched. This is why we repeat that it is advisable to discuss these and other arguments, because of the repercussions accounting for one's actions to the voters has on these committees.

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PREPARATIONS FOR CDR CONGRESS: NEEDED DOCUMENTS

Havana JUVENTUD REBELDE in Spanish 16 Jun 81 p 2

[Article by E.F.: "On the Documents and the Second Congress"]

[Text] Every CDR [Committee for the Defense of the Revolution] member ought to be on his best behavior because his organization's Second Congress is rapidly approaching. He will most directly participate at the important meeting through the discussion of two documents: the "Preliminary Plan for the Modification of the Bylaws of the Committees for the Defense of the Revolution" and the "General Assessment."

Every CDR has to gather opinions on the preliminary plan for the bylaws, regarding which it is in this democratic way being proposed that they be more flexible. They will also consider opinions on the general assessment, a document which contains outlines of more general and important plans for the future work of CDR members.

To collect all the mass of information that is generated in the heat of the discussions on the above-mentioned documents, seminars will be required in all the provinces for the purpose of giving a detailed account of the orientations as well as to explain the use of the models established with such goals in mind.

In addition to the methodology classes of the seminars, a folder has been put together with the procedures to follow in adopting proposals and ideas on the preliminary plan and the general assessment.

We should point out that discussion of these documents in the CDR's has been simplified since the other management levels have been eliminated, that is, all CDR members will discuss the above-mentioned materials at block level.

Therefore, we must make every effort to guarantee a high percentage of attendance at the meetings to achieve our goals. As this edition is being circulated, the CDR's are probably debating modification of the bylaws. From 1 to 15 July they should be discussing the general assessment.

We make an appeal for quality in the proposals and suggestions both in terms of their content and the form in which they are presented, since the final editing of the document that is submitted to the congress for its final approval will depend on that.

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REPORTAGE ON PARTY WORK COMMITTEES IN SUGAR MILL

Havana GRANMA in Spanish 13 Jul 81 p 2

[Article by Enrique Sanz Pals: "The Party Committees: a Sample of the Broad Possibilities This Method of Party Operation Offers"]

> [Text] "The revolution brought the party into the world and now the party is carrying on the revolution. The party is its vehicle par excellence and the guarantee of its historic continuity."
>
> Fidel

As the bylaws put it, the cells "are the foundation of the entire organizational structure of the party." This means that they constitute the cement, the most important link in the party's organizational structure.

In operating within the working class and among other workers, the cells become the primary basis for the elaboration and realization of party policy in all fields of its activity.

A generalized method of party operation among cells for the application of this policy is the creation of member and candidate committees to discuss and formulate proposals regarding the work district's most important problems.

The Antonio Guiteras Sugar Mill of the town of Puerto Padre in the province of Las Tunas, the site of the main events for the 28th anniversary of the attack on the Moncada Barracks, is one of the worksites that has been applying this method of party operation with positive results.

There, over the past few years, relying on the result of the efforts of these committees, the party and the local administration have resolved various problems that involved production and the workers.

"To guarantee that more suitable decisions are made at cell meetings on matters of major importance that are to be the object of analysis and discussion, it will be necessary to previously do a job of searching for information and working out proposals that should be known by all members and candidates sufficiently in advance," The Regulations for the Party Rank and File Organizations notes.

And farther on that document specifies: "To accomplish the job of searching for information and working out proposals, the cell should assign responsibility for doing so to some of its members or candidates individually or it can with them create special committees appointed for that purpose."

The organization and introduction of the Fourth Brigade during the last cane harvest was, because of its importance and the fact that it was a new experiment, one of the things that required the full attention of the party at the Antonio Guiteras Sugar Mill, which is the country's biggest sugar producer.

"In the beginning," comrade Leonardo Reina Lopez, secretary of the Party Committee, said, "we thought that this task was going to run into serious difficulties because of its complexity and also the lack of understanding of some workers.

"The party discussed the matter at the mill and agreed to create a committee of members and candidates to conduct the study in question. Once this was done and discussed, it was submitted to the administration for consideration. On the basis of the completed study, the administration distributed new personnel into four brigades. Beforehand, they attended seminars and received practical training for the jobs they were to hold.

"Contrary to what we expected," the party leader went on, "we achieved good organization on all shifts, the new workers were quickly integrated and no difficulties arose."

Party leaders at the sugar mill pointed out that the committee did not limit itself to discussion of the matter presented for its consideration, but conducted polls among workers and their families to find out what they thought about it and tried to get everyone to agree on the introduction of the Fourth Brigade.

From the results of this effort, they reached the conclusion that workers are more productive with this new operational system, have more free time and the rates of absenteeism and accidents have dropped, among other positive factors. Furthermore, the creation of the Fourth Brigade enabled them to incorporate many young men and women into the sugar mill, very important factors there, since this revitalized the labor force, then largely composed of workers of advanced age.

This year the Antonio Guiteras Sugar Mill, which employs 2,480 workers, had one of its best cane harvest seasons, preceded by several good recoveries. During the last harvest its exceeded its sugar production quota, although it did not fill the two basic efficiency quotas: recovery and oil consumption.

In the industry there is a Party Committee with municipal powers that relies on 21 party cells and groups. Over the past few years there has been a notable strengthening of party rank and file organizations, whose membership at present amounts to 340 (33 are candidates), 225 of whom are workers directly involved in production, representing 66 percent of the membership. In 1957 there were 186 members and 13 cells; thus both figures were practically doubled, thereby carrying out the agreements with regard to the First Congress and the Central Committee's Fifth Plenary Session, held in December of this year, at which it was indicated that the number of party members in the sugar mills should be increased.

Another area in which the party has been active at the Antonio Guiteras Sugar Mill through the creation of party committees is that of those problems that affect the workers, such as housing.

Last year at the Party Committee business meeting a delegate raised the problem of housing and the need for adopting a plan to resolve the problems involved. After discussing the proposal, the assembly approved it and agreed to create a committee to conduct the appropriate studies and come up with proposals.

As a result of this committee's work and its recommendations to the administration, 19 housing units have already been completed, about 120 repaired and another 72 are being built with completion expected soon as a salute to the 26th of July. In homage to the epic of Moncada the construction of 26 beach cabins was also planned for the workers and the cleaning up and beautification of the mill town and its inner and outer streets.

Another problem the party committees have been working on is the quality of the sugar.

"Two years ago," the Party Committee secretary general noted, "when Fidel made an appeal to improve quality, we had serious problems at the mill with sugar quality. This situation was discussed and analyzed by the party at its meetings and a committee was formed composed of members and candidates with the most experience, among them 50-year-olds, to investigate the matter and then to inform the party.

"The committee's study enabled us to discover where the problems that affect sugar quality were. The necessary recommendations were made to the administration and, after discussing them, it set in motion a plan consisting of measures which succeeded in eliminating this problem with so important a quota. At that time we were one of the critical sugar mills as far as this was concerned. Today we are not.

"We must underline the fact," comrade Reina said in conclusion, "that all these successes were made possible through the efforts and dedication of the workers, who constitute a magnificent collective. When the party entrusts them with a task, they accomplish it with enthusiasm and self-denial. They are the basic protagonists of the modest successes we have achieved. Without them the fulfillment of this year's quota would not have been possible, nor will that of future quotas be so."

The work and achievements of the party committees at the Antonio Guiteras Sugar Mill are a sample of the broad possibilities this method of operating offers the party to resolve different kinds of problems.

11,466
CSO: 3010/1685

INTERIOR MINISTER GETS CONGRESS' SUPPORT TO FIGHT TERRORISM

Lima LA PRENSA in Spanish 18 Jul 81 p 2

[Article: "Support in Chamber of Deputies for De la Jara Actions"]

[Text] The National Defense Committee of the Chamber of Deputies expressed its fullest support for the efforts being made by the minister of the interior, Dr Jose Maria De la Jara y Ureta, to eradicate violence and terrorism in our country and offered him total support for the police forces.

Previously, De le Jara, using graphs and statistics and during a statement lasting 90 minutes, discussed the problem of sabotage and terrorism in Peru. He went into details to emphasize that the problem was not new since, under the previous regime, there was intense extremist activity, but it was calmed down by the OCI [Central Information Office] and the SINADI [National Information Systems].

The minister explained that, due to the unrestricted freedom on the press which now exists, the public has learned of this kind of crime and thought it was "something new, unaccustomed, and a source of considerable anguish." The daily newspapers had picked up the concern of the people, who were demanding a "strong hand against the extremists."

He said that, nevertheless, he had not succumbed to the temptation of indiscriminate repression against the terrorists. "Yes, we took action against extremism, but without violating human rights and without having recourse to the emergency powers provided in the constitution. This was to demonstrate that democracy can defend itself without taking action which later on, perhaps, could lead to its fall," he stated.

He pointed out that, "by means of the activity of the police forces it has been possible to neutralize terrorist activity in large part," but he added that, "we are not hastily proclaiming victory since we do not believe that this negative phenomenon can be erradicated in a day or two." He noted that he is sure the police forces are acquiring greater effectiveness in this struggle and that their experience is increasing.

He reported that the departments of the country with the highest number of attacks were Lima, with 128; Ayacucho, with 122; Cuzco, with 57; and Junin, with 54. He also said that 328 persons involved in acts of sabotage and terrorism had been identified and captured.

He revealed that the total damage caused in attacks that had been fully investigated is close to 583,133,000 soles. He added that if there was quantitatively a large number of attacks, qualitatively the damage caused by them was not on a large scale.

5170
CSO: 3010/1652

EDITORIAL VIEW ON 400 BILLION SOLES DEFICIT FOR 1981

Lima LA PRENSA in Spanish 18 Jul 81 p 14

[Editorial: "A Deficit of 400 Billion for 1981"]

[Text] The president of the Central Reserve Bank, Richard Webb, anticipates that the national budget in the present fiscal year will reflect a deficit in the order of 400 billion soles.

In LA PRENSA we had already stated that between January and April of 1981 Treasury receipts rose to 466 billion soles, whereas expenditures, during the same period, amounted to 586 billion soles, which reflected an adverse balance or deficit very close to 120 billion soles. It is enough to project the figure for the first 4 months over the rest of the year to conclude that, in effect, the deficit may border on and even go beyond 400 billion soles.

Now 400 billion soles is more than $1 billion. If we recall, on the other hand, that the budget for 1981 is almost 2 trillion soles, it will be seen that the deficit now projected amounts to 20 percent of the budget. Those who are interested in more esoteric calculations estimate that the deficit will amount to 4 or 5 percent of the gross national product. There are those who fear it will rise to 8 percent of GNP.

Up to the present, an analysis of the deficit and of its composition has not been made public. It is not known how much of it pertains to the public enterprises which--as in the outstanding example of PESCAPERU [State Fishmeal and Fish Oil Production Agency]--are operating at a loss and must be maintained with money from the taxpayers. Economies as powerful as those of Argentina and Brazil can no longer support the dead weight of public enterprises which suffer deficits. Proportionally, that dead weight is still more onerous for a weak economy like ours. On the other hand, it has not been stated clearly and categorically to to what extent the deficit is owing to subsidies which are still being paid to hide the true price of wheat, sugar, or rice.

It is probable that the budget for 1981, inevitably prepared in advance as soon as the democratic government was installed in office in order to forward the draft to the two chambers within the period of time provided in the constitution, was not really balanced, despite the clear mandate of Article 197 of the constitution: "No draft budget can be presented whose expenditures are not effectively balanced with receipt." If the last budget presented by former

minister of finance Javier Silva Ruete--amounting to 1 trillion soles--already reflected a deficit of hundreds of billions of soles, the budget of 1981 had all the more reason to reflect a deficit since its component figures at least nominally duplicated those in the 1980 budget.

It is also true that there have been unforeseen expenses, such as those which the conflict with Ecuador required. Thus, the decline in the price of metals, of silver and copper, principally, and even the decline in the price of oil--which demonstrates that not even OPEC can dominate the world market as it pleases--have contributed to lowering fiscal receipts. On the other hand, the president has pointed out that customs receipts are larger than expected, no doubt thanks to the freeing of imports.

It was specifically to analyze the problem of the deficit that the prime minister and minister of economy, finance, and trade, Dr Manuel Ulloa, has just met with Bicameral Committee on the Budget. He has expressed his confidence that there will be a solution to the crisis through the reduction of fiscal expenditures, the control of deficits in public enterprises, and most especially in the increase in production and productivity. All of that, of course, is much easier to say than to do. This is because meanwhile, and conscious that there is a deficit, the executive branch of the government will continue requesting from the Permanent Committee of Congress authorization to undertake new expenditures or to expand existing programs. In a word: The executive branch insists on requesting authorization for major expenditures, which is quite contrary to a reduction in fiscal expenditure which the prime minister himself proclaims or professes to proclaim in public.

If the president of the Central Bank keeps his promise not to go to the aid of the Treasury with more than 60 or 70 billion soles without any backing, one would have to ask oneself how a deficit of 400 billion soles is going to be financed. Will the more or less forced emission of bonds or other Treasury obligations be enough? If it is not, if the president of the Central Bank--an autonomous organism in accordance with the constitution--moves from his present position and sets in motion the printing presses to resolve the problem of the excess expenditures of the government, then not only will the problem of the fearsome inflation we are suffering from not be corrected, but it will be made worse. For the stability of our currency, there is no other remedy than balancing the budget. Inversely, disorder in public accounts translates into the debasement of the currency and, finally, into the persistent and accelerated rise in prices of which the inflationary phenomenon consists. Not long ago Chamber of Deputies member Luis Percovich--the future president of that chamber--predicted that the budget for 1982 would not be 2 trillion soles, as is that for 1981, but 3 trillion soles. That is certainly an awesome prospect, if one considers that the 2-trillion-soles budget already involves a deficit of 400 billion soles.

5170
CSO: 3010/1652

TRADE BALANCE DEFICIT REACHES 110 MILLION DOLLARS

Lima EL COMERCIO in Spanish 24 Jul 81 p A-16

[Text] Peruvian exports at the end of April amounted to $1,032,000,000, while imports rose to $1,148,000,000, leaving a trade deficit of $110 million. [as published]

While exports during this 4-month period declined 17.3 percent, compared to the same period of 1980, imports increased 63.6 percent. These figures are provided by the Central Reserve Bank in its "Weekly Note." They involve the value of our foreign commerce but not the volume, which could be important for knowing whether the fall in our exports is due to the fall in overall value as well as to international prices for our raw materials.

Practically all traditional export products have undergone noticeable declines, with the exception of cotton, whose exports rose by 122.5 percent compared to the same period of January to April in 1980; coffee, which went up by 107.4 percent; iron and steel, which went up by 33.9 percent. Other metals, including gold and others of less significance, went down by 144 percent.

Prices

With the exception of Pima cotton, all traditional products which our country exports have seen their prices fall in the courses of the first 6 months of this year, as follows:

Fishmeal has fallen from $543.25 per ton in the last quarter of 1980 to $478.77 per ton in June. Cotton has fallen from $1.0524 per pound to $0.9985. Colombian type coffee has fallen from $192.30 per quintal to $130.17. Arabica type coffee has fallen from $121.13 to $107.67. Sugar, which our country continued to fail to export, this year went down in price from 36.18 to 15.36 cents a pound. Copper has fallen from 89.19 to 74.69 cents a pound. Silver, on the New York market, has fallen from $18.4388 to $8.5467 per troy ounce. On the London market it has fallen from $18.4748 per troy ounce to $8.5632. Lead has fallen from 36.83 to 32.52 cents per pound. Zinc has gone from 36.30 to 37.47 cents per pound. Gold has gone down from $828.47 per troy ounce to $424.17.

In the period from January to April, 1981, the most significant export receipts were made up of nontraditional products which, during this period, totaled $210 million, a figure which was 15 percent less than that during the same period of last year.

Another important category was the export of oil, valued at $198 million, which had gone down in value by 30 percent. Silver followed it, being sold for $192 million, compared to $216 million during the period from January to April, 1980. Copper came next, with exports valued at $166 million, reflecting a decline of 34 percent.

Imports

Regarding imports, the largest category consisted of capital goods, which were brought in at a value of $454 million, or 39 percent of total imports of $1,148,000,000 during the period from January to April. Next was the category of consumable goods, amounting to almost $400 million (34 percent of total imports), and another category called other consumable goods, which amounted to $101 million (8.7 percent of total imports).

In terms of food products, we imported a total of $191.7 million, the most important categories being sugar, at $81 million; wheat, at $56 million, rice, at $17 million; corn, at $14 million; soybean oil, $12.7 million; and milk products, at $10 million.

5170
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BRIEFS

MEDICAL COMMITTEE REVIEWS TORTURE--Attorney General Dr Gonzalo Ortiz de Zevallos stated that a committee of three doctors has been formed to investigate a complaint of torture of a young man, Edmundo Cox Beuzeville. In a statement to reporters, Dr Ortiz said that the medical committee, which will be headed by Dr Cesar Delgado, has been assigned to direct the investigation of the acts of torture alleged to have been committed against the young student. Ortiz de Zevallos said that the investigation is taking place on the basis of a complaint presented by the family of the student and with the support of the church. He remarked that in the course of the investigation the police officers involved in the arrest of the terrorist, Cox Beuzeville, will also be called on to testify. Ortiz de Zevallos arrived in Arequipa on 16 July to join those attending the Fifth Congress of Ministers of Justice of Spain, Portugal, the Americas, and the Philippines, who visited Arequipa for 6 hours. [Text] [Lima PA PRENSA in Spanish 17 Jul 81 p 5] 5170

CSO: 3010/1652

PRESS CENSORSHIP, POLITICAL TRENDS VIEWED

Rotterdam NRC HANDELSBLAD in Dutch 1 Aug 81 p 7

/Article by editor Frans van Klaveren, "Press Censorship in Suriname Sign of Vulnerability"/

/Text/ After the introduction of a curfew, the abolition of parliament, the suspension of the constitution by the declaration of a state of emergency, the government by decree of a special administration of justice, the banning of political parties, the Suriname government has proceeded to the establishment of press censorship. It is a measure which is logically connected with the recent developments in the country, where Surinamers are struggling for the first time in their history to develop their own form of government.

On 25 February 1980, a group of noncommissioned officers took over power in Suriname, as a result of a labor conflict. Administrators and high army officials disappeared temporarily behind bars, partly in case they were unable to escape. The new young military leaders had dared to take a leap in the dark. There were somewhat vague dreams about nationalism, honesty and enterprise, in short, summed up into the new concept "Surinamism": an effort which must lead to the awakening of the Surinamer as an individual in a society which would be worth devoting oneself to.

With that, the developments in Suriname run parallel with those of a number of Third World countries after the Second World War, where after liberation from colonial domination, the government in power, regarded as an outcome of the colonial past, was pushed aside by force of arms.

In the early days, it was not a question in Suriname of a revolution or a revolutionary process. Even the military spoke cautiously of an "intervention," a corrective measure for the old system.

In view of the fact that there were no fixed ideas about the way in which the renewing change should take place, a vacuum was created, in which a violent power struggle broke out. The military viewed the

tug-of-war from the distance, heard both sides and dominated the situation, the Uzi machine guns across their laps, sincere in their assumption that an end must finally come to the corruption and favoritism, which had flourished so luxuriantly.

Two Fronts

In the middle of March 1980, this led to the appointment of the internist, Henk Chin A Sen as prime minister. That meant, moreover, that the power struggle expanded to two fronts: domestic, that is inside the army and the government, while outside groups of different affiliations watched for their chance to mould Suriname to their political image.

Meanwhile, Suriname liberated itself, in conformity with the pattern in other developing countries, with the form of government copied from that of the former mother country, which was able to serve for 5 years as a cloak for a bogus parliamentary democracy. It appeared clear--so the new order declared--that the Netherlands constitutional model was not valid in Suriname because it led to a network of corruption and concealed patronage.

Constitution

One and one-half years after the coup, the situation appears to have stabilized somewhat, although the number one priority for the present leaders is remaining in power, which is necessary to be able to achieve the goals set.

That power is now in the hands of President Chin A Sen and commander-in-chief Desi Bouterse. Both have declared several times they want to return to democracy. However, as long as no new suitable constitution is drafted and consequently the laborious process of establishing a form of government, designed for Suriname, is delayed, an absolute government prevails. How long this "transition stage" will last, can hardly be answered.

C. D. Ooft, professor of constitutional law at Suriname University, has made an effort in this direction in an article on constitutional law after the revolution. He writes: "the situation has lasted long enough to reasonably carry out a definite program. But it should be as soon as possible to prevent the comfortable method of government from degenerating into personal power." However, he gives no opinion on the subject who determines the reasonableness of the time limit and who can act to make possible corrections. That assignment appears almost automatically to fall on the only institution in Suriname that still has--even though imperfect--opportunities for control: the press.

In those circumstances, may it be called a miracle that the press and the "new order" repeatedly clashed with each other? Criticism of a system always arouses a reaction of oppression and aggression which is directly proportional to the extent in which the established government knows it is vulnerable.

In the year before the coup, the Suriname press--at least by Netherlands' standards--was extremely moderate. Both newspapers as well as radio stations adjusted their remarks to their commercial and consequently political interests. News was often made with no other objective than to sound out an opponent in the article. In Aaron's time the press did not follow events, but was involved in them, and in so doing was an unmistakable reflection of a corrupt and diseased Suriname.

Education

After 25 February, the military needed that same press to explain their motives for the coup to the Suriname people, which was not involved in any way in driving out the legal government, and get their enthusiastic support for it. The military leaders soon came to the conclusion that their action which had slowly developed into a "revolutionary process" had a chance of success if the press was given the assignment of educating the Suriname people. From that cooperation--especially because of the historic bond of interest of part of the press--hardly anything resulted.

During the course of the "revolutionary process," one controlling body after the other disappeared. However, a certain amount of elbow room remained for the press for a long time. A trick to avoid the constantly increasing repression consisted in taking criticism of policy in its entirety out of Netherlands' newspapers, so that no Suriname journalist could be held responsible for it. Still it happened time after time that journalists had to report to the Memre Boekoe Barracks to explain certain passages or reveal their sources.

Even for journalists with a sincere admiration for the developments in the country, it could not always be ascertained whether they acted in the spirit of the revolution, for what they considered news was soon, in the eyes of especially the military, an effort to undermine the new system.

That happened, for example, to the journalist Frank Wijngaarde, fiery supporter of the new order, who was the first to publish the report that Minister A. Haakmat would resign. When Wijngaarde, after being called to account, left the barracks somewhat bruised several days later, he could only confirm that he had been right. Haakmat meanwhile had resigned.

The daily DE WEST could not appear for several days recently after the paper had announced that President Chin A Sen and former minister Haakmat had become reconciled.

These examples out of a series of clashes and frustrations consequently illustrate the impossibility of any form of cooperation. The press as a mirror of daily life could not disassociate itself from "all the human suffering, from indignation, from anger and wrath, from pride and from almost all the side effects of loss of power and taking over power, which have led to so many human reactions and feelings, especially in these unusual circumstances." (Ooft). It is a fact that Suriname is divided, the description of that division and in so doing the possible sharpening of it,diametrically opposes the goals of the government, which emphasizes the binding factors in Suriname in an effort to achieve unity.

Suspicion

Besides the military appears--moreover, on not unreasonable grounds--unable to get rid of their suspicion about the purity of the goals of some publications in newspapers, which still had served the old masters such a short time ago.

Moreover it is also considered undermining authority when newspapers, point out with absolute justification examples of lust for power which in a country governed in such a way as Suriname almost must happen.

The government leaders abruptly ended 2 weeks ago that tense situation between the press and those in power by announcing absolute censorship of the press. The motive was that the press subtly attempted to disrupt the revolutionary process. In fact, with this measure the new order exposed--better than any publication whatsoever could have done it--its own vulnerability. A year and a half after the coup, Suriname society still appears to be subject to a power struggle, which can become threatening for the present leaders. First there are the "old forces," once Suriname's intellectual and financial support, who are seeking an opportunity to recover their lost positions. Secondly there is a group which does not agree with the course outlined for the revolutionary process.

Disappointment

The basis for both is the feeling of disappointment about the apparent slowness with which the promised improvements take place, this aside from the question whether it is reasonable to expect great results after a period of one and one-half years.

Part of the people have believed for a while in miracles and the return to reality is accompanied by a feeling of disappointment. Still

it will depend on the staying power of the Surinamers whether the "revolutionary process," with the goal connected with it of a return to democracy, will succeed. The euphoria has disappeared. What remains is the tenacity of the search for its own identity, in which the fact still seems to come home to roost that the coup of 25 February did not come from the people themselves, but took place outside them with a small military group.

8490
CSO: 3105/154

EXILES DETAIL SITE, METHODS, LEADERS OF INMY INTELLIGENCE SERVICE

Rio de Janeiro JORNAL DO BRASIL in Portuguese 12 Jul 81 p 7

[Text] Porto Alegre--On the basis of the reports of political refugees in transit through the capital of Rio Grande do Sul and information provided by the soldier Hugo Walter Rivas, who deserted in May 1980 because he disagreed with the use of torture by the military against political prisoners, the Justice and Human Rights Movement of Porto Alegre has revealed for the first time the site and methods of operation of the Uruguayan Army Intelligence Service--located in the center of Montivedeo--and also named some of its leaders.

A document about 50 pages long will be forwarded to international organizations for the defense of human rights and, according to the vice president of the Rio Grande do Sul justice movement, Jair Krischke, "It may serve as the basis for the formation of an international tribunal for the political crimes committed in the Southern Cone, like the Nuremburg tribunal after World War II, inasmuch as the crimes are equally serious."

Discovery

Until now, nothing was known about the headquarters and the heads of the intelligence service which, according to Jair Krischke is "the principal agency directing repression in Uruguay, deciding almost everything about the fate of its citizens without any scruples, only the slightest suspicion being necessary for anyone to get into trouble." Krischke revealed that since the November 1980 plebiscite, the intelligence service has ordered "about 500 imprisonments." And because the end of the sentences of many of the prisoners is approaching, the intelligence service has asked for the reincarceration of 60 prisoners, charging them with leading the Tupamaro Movement from inside the prison.

The site of the Uruguayan Army Intelligence Service--which is located at 2020 Dante Street and occupies the entire block between Colonia, Republica and Martin Martinez Streets, one block from 18 July Street, the main street in Montevideo--was obtained after comparing the information given by the refugees to the Rio Grande do Sul human rights movement during the last 2 years.

In appearance, the building is not much different from others in the Uruguayan capital. It is a turn-of-the-century building with the same architectural style as Suarez Palace, the headquarters of the Executive Branch, located nearby. Built to serve as a military academy, it was remodeled in 1973 after President Bordaberry's coup to serve as headquarters of the recently created intelligence service.

The document of the Justice and Human Rights Movement explains that the first floor is reserved for theoretical classes and lodgings for the officers trained to serve as intelligence agents. The majority of the professors were students of the American agent, Dan Mittrione, murdered by the Tupamaros; such is the case of Capt Eduardo Ramos and Maj Dante Aguirre, deputy commander of the intelligence service.

On the ground floor is the Army Intelligence Information Processing Center, described by the former prisoners as the "biggest political data bank in Uruguay." In addition to maintaining an ideological file of citizens, it collects and collates information on the Uruguayan regime published abroad. A team of officers headed by Captain Araujo is charged with the constant monitoring and recording of Brazilian radio programs, especially from Rio Grande do Sul radio stations, and is also charged with censorship and the possible seizure of foreign newspapers.

Prisoners

A sports gymnasium was transformed into a mass cell for 30 political prisoners (men and women). Sometimes the place is used for basketball games by the officers and at that time the prisoners are transferred to the two torture chambers, recently expanded, located in the inner courtyard of the quarters. Almost alongside them are the lodgings of the soldiers and the lower-rank officers of the command.

The intelligence service staff is comprised of around 52 military men--both officers and men--and the training courses last an average of 6 months. The commander is Colonel Aguerreondo, son of General Mario Aguerreondo, who died 2 years ago, both of them personal friends of President Aparicio Mendez and active participants in the 1973 coup. Colonel Aguerreondo is mentioned by the former prisoners as "one of the most cruel torturers" and has become known for his sympathy for nazism, particularly for Adolf Hitler.

Among the testimony that made it possible to locate the intelligence service, one of the most valuable was given by biophysicist Claudio Benech, who fled to Brazil with his family on New Year's eve. He placed the geographic area of the intelligence quarters by traffic noise. He began to notice that there was a traffic light at one of the corners because of the change in traffic flow. Confirmation of the site came later when, through an aperture in the sports gymnasium, he noticed a lighted sign he was already familiar with.

According to the reports of the political refugees, the bases of the Uruguayan intelligence students' instruction and conditioning "are Nazi-inspired and the agency gets its inspiration from the German SS," which was confirmed by former soldier Hugo Walter Rivas (today exiled in Sweden). The agency is comprised of hardline military men who do not admit "the more liberal sectors of the army" into their ranks.

In addition to theoretical classes on investigation, interrogation techniques, methods of infiltration into workers and students movements, practical torture training is given. The subjects are recruited at random from among those held in the intelligence service prison or, possibly, from among the prisoners in the Libertad Prison (men) or from Punta Rieles (women), "or from any other military unit that has a political prison."

Kidnaping

According to this information, it was the intelligence service that organized the kidnaping of the Uruguayans Lilian Celibertti and Universindo Diaz in November 1978 in the capital of Rio Grande do Sul. Capt Eduardo Ferro was mentioned as the chief of that operation and other similar ones that have occurred in Argentina. According to the report, that officer usually participates in the torture sessions and today he is assigned to the Special Defense Intelligence Service.

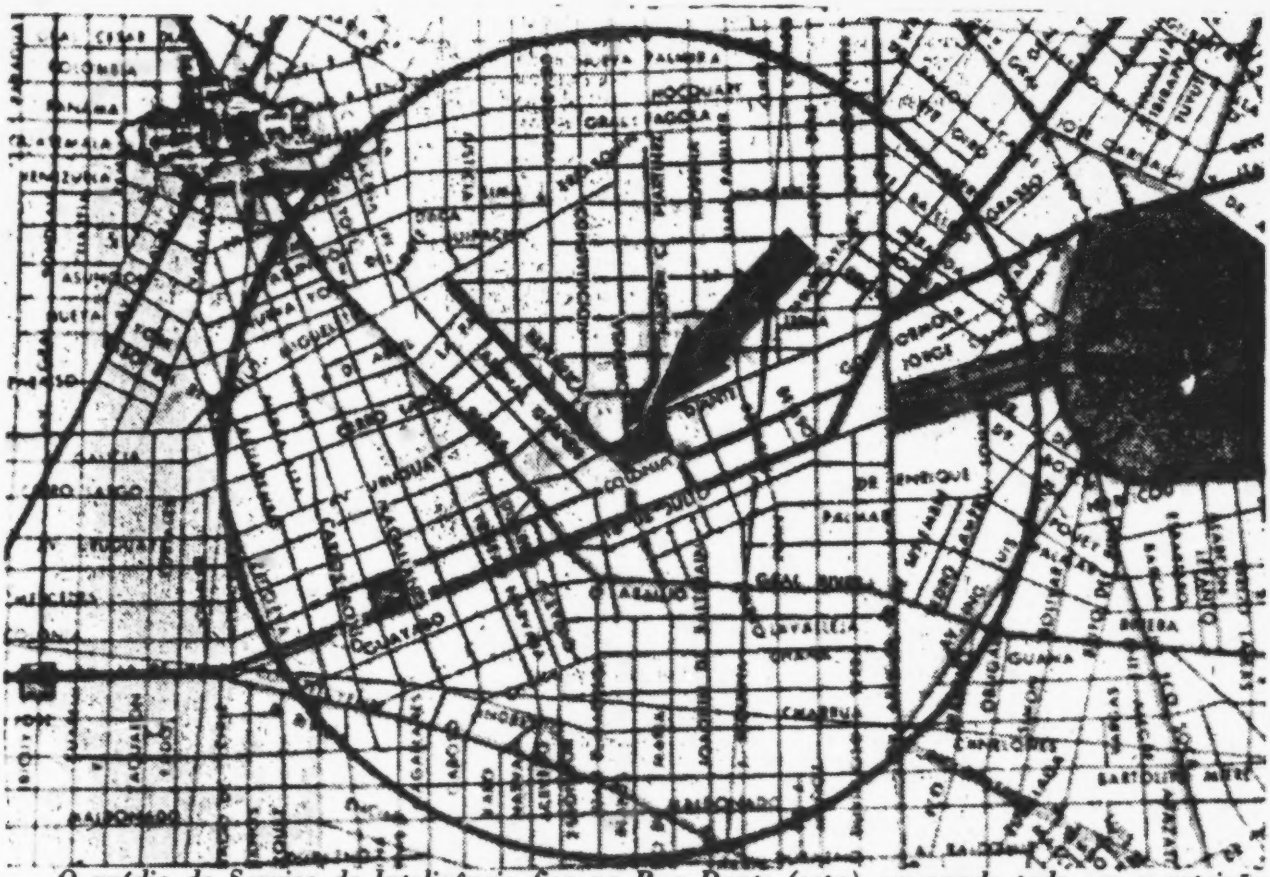
Also charged with torture were Colonel Calixto de Armas, former commander of the intelligence service and current director of the secretariat general of the Ministry of the Interior, one of those charged with organizing the capture of Lilian Celibertti, torturing her when she was a prisoner at the 13th Infantry Regiment; Maj Jose Bassani, one of the most violent fighters aganst the Tupamaros, is today also in the command staff of the Special Defense Intelligence Service; Capt Eduardo Ramos, professor of the officer-agent students,coordinates and gives classes on torture; Capt Glauco Yavonne, professor of interrogation techniques; Colonel Biar, chief of public relations of the command, one of those most feared by the prisoners.

The current intelligence chief, Colonel Aguerreondo, was commander of the 13th Infantry Regiment "where he did not spare any of the prisoners who passed through his hands," says the report. He is a personal friend of the military ministers and because of his prestige, only those officers indicated by him are assigned to the intelligence service. He supports an extreme right nationalist model and does not hide his sympathy for nazism. The deputy commander of intelligence, Major Dante Aguirre, and he make up an "inseparable" pair.

According to the prisoners, Major Dante Aguirre "is a "vain and eloquent" man. He usually talks to the prisoners in the intervals between tortures, always stressing that his job is to "comply with the law." "If the law orders me to kill, I kill." Captain Perdomo is chief of the operations section and his specialty in the tortures is "to strike karate blows at the most vulnerable parts of the prisoners."

Those accused among the lower ranks are noncommissioned officer Domingos Perlas ("The Old Man"), chief of the radio section of the intelligence service who describes himself as "more of a soldier than anybody in the Uruguayan Army." The report says: "His cruelty is such that sometimes his colleagues take him to task during the tortures." Directly charged with guarding the prisoners, almost with the duty of jailers, are Navy petty officers Fredo Martinez and Santino. According to the reports, both are under arrest for having carelessly compromised a plan for the infiltration of agents in the workers unions. They occupy special cells but they are free to apply torture during which they voice Nazi slogans such as "Heil, Uruguay."

According to the Justice and Human Rights Movement of Rio Grande do Sul, the intelligence chiefs are "anti-Semitic, anti-Negro and anti-Indian." They believe in the possibility of a race purification in Uruguay, rejecting the Jews, Negroes and descendants of Indians. They attribute the country's economic problems not to the current situation or administrative shortcomings but to a boycott by international Jewish capitalism.



O prédio do Serviço de Inteligência fica na Rua Dante (seta), ocupando todo um quarteirão

The Intelligence Service Building is on Rua Dante (arrow), Occupying a City Block

8711
CSO: 3001/224

REASONS FOR COUP D'ETAT RUMORS DISCUSSED

Caracas RESUMEN in Spanish 12 Jul 81 p 4

[Text] Verbal warfare by politicians, the party crisis, the nonexistence and inefficiency of services, inflation, the stagnation of the economy, the failure of the justice system, unpunished corruption, the nonrepresentativeness of representative bodies and the suicidal information policy of President Herrera form a general picture iwthin which a coup would seriously destabilize the system and open the doors to its replacement by violence.

It is no longer a matter of signs painted on public telephone booths calling for a military coup. It is a rumor with the terrifying sound of rocks tumbling in a river which has more flow than it can handle. President Herrera is losing his mysterious psychological capacity to command more rapidly than an ice cream cone melting in the hands of a Maracaibo schoolboy at high noon. Deaf to the friendly voices warning him about the incongruity of his public appearances, he is worse than deaf to the warnings about the ineptitude of his ministers of economy (who have gone through more money in the last 2 years than Perez did in 5 years and more than Caldera, Leoni and Betancourt altogether); worse than deaf, and blind also, to the increasing number of voices of alarm concerning the saturation of the country's capacity to accept, digest and eliminate such a high dose of criticism. The rumor is becoming a clamor, and already people are speaking openly of a "coup." But is the coup imminent? The more the news professionals sharpen their noses and their sense of smell to detect from what direction and with whom the coup may come, the less they find to put their fingers on. There are no "leaders" in the armed forces--at least none visible to the ordinary people. However, the rumor of a coup is there, because what we really have here is the classic social and political framework, the sociological climate; the emotional ambience inclines toward a swing of the pendulum back to authoritarianism which, in the words of Uslar on a TV program on Monday, 29 June, ...would be no more than the desperate call of the dying man's family to the witch doctor so that the latter may do what doctors and medicines have not been able to accomplish. I have here some of the happenings viewed by the Venezuelan people last week: The BCV [Central Bank of Venezuela] announced--and confirmed with figures--a very large stock sale. The reasons? We all know them. In the United States, London and Zurich the currency gained 19 percent, 20 percent and 21 percent and in Venezuela, barely 14 or 15 percent. The BCV, deaf and blind to the reality of global monetary interdependence, refused to accept this fact. While that was happening, Minister Ugueto, concerning whom there is no lack of evidence of his professional immaturity for the post, answered a dozen questions from NEWSWEEK, each one contradicting another.

Minister Martinez made a 200 million dollar error in the Sixth Plan. The minister of development is going to demand cocoa from FEDECAMARAS [Association of the Chambers of Commerce and Industry] and the finance minister is going to scold. At the beginning of the week Villalba accused Herrera of not consulting and of governing in a sectarian manner. The following day, Barrios said that Villalba was right and that the government is deaf and blind to the country's actual situation. The next day "Pepi" insulted Villalba. The following day, Alvarez Paz called FEDECAMARAS "cry-babies," and in Maturin there is a monotonous chorus of protests against the government's laziness, ineptitude and indifference to public opinion. An order was issued for the arrest of a newspaperman for revealing a military secret. What was the secret? That in a war game in IADEM [presumably IAEDEN--Institute of Higher Studies for National Defense] Venezuela lost the war with Guyana because of the ineptitude of the Foreign Ministry. And that is no secret. Meanwhile they continue with an inexplicable and unexplained policy concerning the "frozen" claim, and all that in the midst of negative economic growth (according to rumors, because the GNP figures are still unknown), in spite of the fact that we are beginning the second half of 1981. In the midst of all this racket, nobody is listening, everyone is talking, many are shouting, some are agitating and the voice and authority of the president are drowned, everytime he appears on television, in an irritatingly endless series of trifles which, far from convincing the country that "it is working," rather confirms the impression that there is a tragic confusion between mobility and yield; between motion and action; between prioritary and secondary and between the banal and the important.

The Bewildered Country

Villalba: The president does not consult, nor does he want to consult.

Uslar: We are on the verge of chaos. Perez Alfonzo was right; I was wrong: the Venezuelan people do not know how to administer the petroleum wealth.

Barrios: The government is unaware of the country's true situation.

Herrera: The purveyors of pessimism like to navigate in a catastrophic pond so that they can practice swimming and diving.

Eduardo Fernandez: We must find a new development model capable of preserving democracy.

Porras Omana: We must smooth down the rough edges.

Ugueto: It will not permit any more short-term indebtedness...(that is what the finance minister says of a government which has been in power for 28 months).

Alvarez Paz: FEDECAMARAS cannot lead a bunch of cry-babies.

Second Military Court: Arrest of journalist M. E. Diaz.

Ugueto: 86 billion for the coming year.

8735
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2 September 1981

Latin America Report

No. 2362

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2 September 1981

LATIN AMERICA REPORT

No. 2362

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JAPANESE FOREIGN MINISTER ON TIES WITH LATIN AMERICA

PY191257 Buenos Aires LA PRENSA in Spanish 8 Aug 81 p 7

[Excerpt] Yesterday afternoon Japanese Foreign Minister Sunao Sonoda talked about "the current international situation of Latin American-Japanese relations" at the Argentine Council for International Relations.

After stating his pleasure in being able to talk about the relations of his country with Latin America at the institution which during his previous visit, 2 years ago, had distinguished him by making him a member, he started by pointing out that up to the Second World War those relations were channelled, mainly, through migration.

"Currently Japan, while continuing to base its diplomacy on its excellent relations with the United States, in accordance with its increasing power has found the need to seek, within the increasingly interdependent international context, a stronger relationship withthe remaining regions. The Latin American countries, in the same way and within the same context, started increasing and diversifying their relations with other nations."

Further on he stated that since Latin America appeared on the international scene it has contributed to the evolution of international law and to solving controversies. He pointed out that during the postwar period the Latin American representatives were the "pioneers in bringing up new and varied subjects of reality which required the establishment of a new world order such as the north-south problem, energy, law of the seas, etc." and that the consequent dialogue resulted "in new ideas and perspectives."

He said that the vitality of Latin America, on the whole, and the power, originality and creativity of its ideas will grant it an important role in the economic and political future of the world.

Regarding the north-south issue, Sonoda pointed out that "it was an important subject discussed during the Ottawa summit meeting. In this regard Japan is active and permanently contributing. At present Japan seeks to achieve a new goal regarding official aid to development by contributing during the first half of the decade of the 80's with double the amount contributed during the last 5 years of the 70's, that is, more than $21.4 million. Of this official support for development Japan has alloted approximately 70 percent for Asia and 7 to 8 percent for Latin America."

"But Japan seeks its cooperation with the latter through a better knowledge of the real and particular needs of each country. However, taking into account the high economic level of Latin America on the whole, this region has greater perspectives as a recipient of capital and technology of Japanese firms which are full of vitality. In this regard Latin America receives 17 percent of the total accumulated foreign investments of Japanese firms--equivalent to those of Asia and North America. [as published] Regarding technical cooperation, Latin America receives 20 percent which could be increased in the future."

At the end Sonoda emphasized the need to strengthen the solidarity and cooperation links between Japan and Latin America; to exchange reciprocal visits of government representatives; to increase trade and economic relations; to increase the studies on Asian subjects here and of Latin American subjects in Japan. Regarding this latter point he announced the creation of special department in Tokyo University.

CSO: 3010/1729

BRIEFS

NO CHANGE OF CORPUS SITE--The Corpus hydroelectric project which Paraguay is developing together with Argentina will be built in a place called Itacua, Rear Adm Guillermo Haywood, Paraguayan delegate to the Paraguayan-Argentine Commission for the Parana River (COMIP) said yesterday during a press conference. "Itacua is endowed with the geological conditions suitable for this kind of project," Haywood explained. During the press conference Admiral Haywood refuted the claims of the self-styled "Corpus in Corpus movement" made up of representatives of productive sectors of Misiones (Argentina) who want the Corpus dam to be built in Pindoi. Admiral Haywood also reaffirmed that "the decision to build Corpus in Itacua has been made by the two governments, thus there is no room for a review of the situation or even for discussing it. Besides, Itacua is truly endowed with all the geological conditions suitable for this kind of project." [Excerpts] [PY181538 Asuncion ABC Color in Spanish 4 Aug 81 p 13]

BOLIVIAN OFFICIALS MEET ARGENTINA'S GALTIERI--La Paz, 18 Aug (TELAM)--Today the members of the junta of commanders met at El Alto international airport of this city with Gen Leopoldo Fortunato Galtieri, commander in chief of the Argentine Army, who passed through Bolivia on his return trip from the United States. Bolivian Air Force Commander Gen Waldo Bernal Pereira, Army Commander Gen Celso Torrelio and Rear Adm Oscar Pammo Rodriguez, members of the junta of commanders, held a meeting with the Argentine commander, Bolivian Foreign Minister Mario Rolon Anaya and Jose Mario Romero, Argentine ambassador in Bolivia. According to an official report issued by the press secretariat of the presidency, the Argentine commander reiterated the friendly ties between the governments of Bolivia and Argentina and voiced his hopes for the undertaking of joint development programs which will benefit the two countries. On their part the members of the junta of commanders stated the purposes which encourage them to strengthen the understanding and cordiality between Bolivia and Argentina. [Text] [PY190331 Buenos Aires TELAM in Spanish 2330 GMT 18 Aug 81]

CSO: 3010/1729

BALBIN, FRONDIZI BACK MULTIPARTY GROUP

PY182005 Buenos Aires CRONICA in Spanish 17 Aug 81 p 5

[Text] La Plata, 16 Aug--The multiparty meeting "is not a political front aimed at a political adventure, it is not aimed to pressure for elections, it is merely the forum for an in-depth evaluation of country's status quo and the assessment, on this basis, of the motives and means for the attainment of the basic goal, that is: the lasting organization of the country," according to radical leader Ricardo Balbin who yesterday spoke with the journalists at his private residence where he is resting on doctor's orders.

The chairman of the radical civic union indicated that "the multiparty meeting goes beyond political parties" and refuted charges of the popular federalist force to the effect that the multiparty meeting is a "voice from the past" similar to the "hour of the people." Balbin said that "the 'hour of the people' was created in Levingston's time within the framework of a rapidly slipping military government, when it was necessary to recover institutional order to prevent worse distortions."

Balbin added that "the 'hour of the people' was a simple meeting of leaders of political parties," who were representing their parties and "who went from one political party to another seeking support for their candidates," while the multiparty meeting "encompasses all Argentine sectors. Besides, the 'hour of the people' has nothing to do with the justicialist liberation front." "In my opinion the multiparty meeting is very important because it is aimed at preventing the loss of more generations."

Meanwhile, in Rosario former Argentine President Arturo Frondizi said that the multiparty meeting was "an example in the quest for basic agreements," and stressed that "if the Argentine people unite, it will not be up to the government to resolve the problems, since the people themselves will show them what must be done in the future."

CSO: 3010/1728

GRAFFIGNA VIEWS DEMOCRACY AS GOVERNMENT'S FUNDAMENTAL AIM

PY180335 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1358 GMT 10 Aug 81

[Excerpts] Mendoza, 10 Aug (NA)--The commander in chief of the air force, Gen Omar Graffigna, has said that "the government's fundamental aim is to set up a democracy" but that "this democracy will have nothing to do with the frustrating experiences Argentine society has lived with and paid for."

In a speech made during the main ceremony to celebrate air force day, Graffigna issued a "call for good memory and good sense," warning against "falling prey, out of haste, to the easy temptation of waging our destiny on the flip of a coin." He also criticized "so many empty words intended to create self-doubt aimed at slowing down the motivations of the Argentine people."

He emphasized that "all Argentines must fulfill a fundamental objective: carry out national unity with good memory and prudence." He indicated that to reach this objective the government needs "the contribution of people with brilliant minds and strong spirits to definitely come out from the inertia still holding us back."

In an extensive speech, the commander in chief of the air force also emphasized that "in our country there is no room for foreign ideologies" and that "we will not permit our children to be educated by people who share or are even sympathetic with philosophies or attitudes contrary to our traditional lifestyle."

After pointing out "the most important achievements in the area of our specific responsibility," Graffigna said that he would "express an opinion about the problems affecting the country." He explained that "the economic problems are the ones most affecting all sectors of the population, therefore they are the ones that need urgent solutions. I believe it appropriate to point out what we believe are the most serious of all the ills of the Argentine economy and the main cause of the frustration affecting its people at all levels of society."

He said: "The ill that has been dragging us down for decades is statism. We must make an effort to pull it up by its roots, without concessions or hesitations, making a decisive effort to overcome obstacles of a material, political, ideological and even psychological nature."

Graffigna said that "this ill must be attacked at its source, therefore it is necessary to put aside the illusions that we will be able to succeed with technical gimmicks no matter how ingenious."

He went on to say that "it is true that the economic problems are also linked to events of political nature--in the strict sense of the word--such as clarity of long range objectives, overall vision to set up sectorial strategies and their position of the [words indistinct] of the international context that regulate coexistance.

He recalled that the political basis of the process "clearly established that the totalitarian ideologies will be completely excluded and that the encouragement of class struggle, the collective property of the means of production, the out of proportion exaltation of leaders, the party politicization of the large state institutions and intermediate organizations and the use of public positions for personal benefit will not be considered acceptable."

He noted that "the political basis of the process should not be only interpreted as a doctrinary concept consistent with the philosophical principles of the process, but also as the result of the bitter historical lessons which cannot be disregarded. It therefore has the character of a solemn commitment which the armed forces are firmly determined to fulfill."

As a final thought, Graffigna said that "all Argentines are bound by a fundamental imperative: work for national unity with a prudent attitude, bearing the past in mind, in a climate of responsible freedom." He affirmed that "to obtain that objective, the men who are in the government on behalf of the armed forces do not need to forge any doctrine or dwell in complicated dialectic arguments which are foreign to the way we are and the way we think."

He concluded by saying that "we need the contribution of the most acute intellects and the strongest spirits to pull ourselves out of this inmobilization in which we lie precisely at the time when we must resolutely move toward the institutionalization of the republic. We ask their cooperation and limit ourselves to stressing the need to meet an indispensable prerequisite: Let's lay aside our secondary differences and combine our efforts to strive after what is fundamental.

CSO: 3010/1728

ECONOMY MINISTER SIGAUT EVALUATES ECONOMY

PY200335 Buenos Aires Domestic Service in Spanish 0000 GMT 20 Aug 81

[Speech to the nation by Economy Minister Lorenzo Sigaut in Buenos Aires--presumably live]

[Summary] "Ladies and gentlemen: In 140 days of government, solutions have been found to a series of economic objectives aimed at consolidating the foreign sector and the financial situation, reactivating the productive apparatus, saving the regional economies and taking care of transient and structural problems.

"The other objectives, which require some time for their complete fulfillment, have been reorganized within the context of the economic program for the 1981-84 period. The decision taken thoroughly considered the sectorial claims and suggestions, and an effort was made to give them a responsible and reasonable answer in accordance with the limitations of the current economic and financial possibilities.

"Under these conditions, the state has made large contributions aimed at resolving the inertia of the recessive process accelerated initially by the necessary strong readjustments that were made last April.

"The policies and measures implemented respond to the basic documents of March 1976, the basic guidelines of 1979, the guidelines established by the armed forces for the present stage of the process, and finally, the directives given by the president and the overall and sectorial vision of the current situation."

The listing of the following objectives interrelated to the measures taken and the achievements made up to now may seem extensive, and excessively technical, but are necessary so that the community--who are now bearing the adjustments of this complex period and who will benefit from these--fully understand what has been done until now and what will be done the rest of this year and during the 1982-84 period.

"Actions taken during the short-term: in this first part, we will list, without priority order, the objectives of the immediate action program and their degree of fulfillment up to now.

"Our first objective was the elimination of the overvaluation of the peso. In March 1981, the economy was affected by a considerable overvaluation of our money vis-a vis the U.S. dollar." After the successive devaluations, the peso is now slightly

undervalued in the commercial exchange market and strongly undervalued in the financial market. This was absolutely necessary to give a boost to exports, stop imports and preserve the monetary reserves of the country.

"The second objective was to turn the negative result of foreign trade into a positive result. In 1980 the foreign trade deficit amounted to $2.5 billion and during the first 3 months of 1981 it amounted to $520 million. During the second quarter of this year we achieved a surplus of approximately $300 million and for the entire year 1981 we forsee a surplus of $1.1 billion.

"Our third objective was to decrease the balance of payment deficit and to balance it during the second half of the year. The aforementioned deficit--which in 1980 reached $4.7 billion and during the first quarter of 1981 amounted to $1,851,000,000 --as of April dropped and the tendency was reversed; thus, during the second quarter of the year--from April to June--the deficit dropped to $600 million and for the third and fourth quarters of the year together it is believed that the deficit will be below $200 million.

"The fourth objective was to expand the deadlines of our country's foreign debts, most of which were due within a short time: 50 percent of our foreign debt was due in 1981."

Of our foreign debt up to 31 March; $3,491,000,000 was due during the 2d quarter of the year; $2,350,000,000 during the 3d quarter and only $500 million during the 4th quarter. Up to date, these debts have been cancelled and the country has been able to maintain an adequate reserve level. In the private sector a high percentage of the debts have been either renegotiated with an exchange risk insurance for payment over 18 months or cancelled. A very favorable $500 million loan was recently agreed on with nine important foreign banks, which proves that confidence in our country has been restored.

"Our fifth objective was to maintain and to increase our level of international monetary reserves." After meeting our foreign debt commitments, we were able to keep our international reserves at the Central Bank at $5 billion.

"Our sixth objective was to revise our import tarriff and reimbursements for exports." A tariff commission made of economic under secretaries will submit a report to the appropriate ministers this month.

"Our seventh objective was to modify the overall supply-demand scheme and to expand the market for national products without falling into a closed economy." The elimination of the overvaluation of the peso exchange rate resulted in better prospects for exports and in discouragement of imports.

In the past we Argentines bought abroad; in 1981, today, foreign tourists are buying in the country. Our exports will be on the order of $10 billion while imports will drop to $8.9 billion. Comparing to last year's figures, we will have a $2 billion increase in exports and $1.6 billion in imports.

Travels abroad, excluding cost of fares, caused deficits on the order of $1,447,000,000 in 1980 and $819 million during the first half of this year. It is estimated that the deficit during the second half of this year will be less than $150 million.

"Our eighth objective was to promote a change in internal relative prices to benefit those sectors which produce goods that are competitive on the international level."

The picture of price recoveries in different sectors of the economy can be summarized in the following manner:

Form July 1980 through March 1981 agricultural prices increased 7.3 percent; industrial prices by 38.0 percent; retail prices by 46.5 percent, and within this item, prices of internationally marketable products increased by 42 percent while internationally nonmarketable products—public, personal and professional services—by 60 percent; and wholesale prices increased by 30.4 percent.

From March through July 1981 agricultural prices increased by 72 percent; industrial prices by 57 percent; retail prices by 40 percent, and within this time, prices of internationally marketable goods and services increased by 42 percent while those of internationally nonmarketable goods and services not subject to foreign competition did by 34 percent.

The figures for the March-July 1981 period demonstrate the recovery of positions of agricultural and industrial goods over retail prices as well as over internationally nonmarketable goods and services which are not subject to foreign competition. The figures for the July 1980-March 1981 period show a picture opposite to that of the March-July 1981 period, that is, agricultural and industrial prices recovered more than others.

"Our ninth objective was to stimulate agricultural and livestock production by expanding the agrarian frontiers and by using soil resources more intensively and by increasing the exportable surplus for the 1981 and 1982 periods." The available data indicate a predicted increase in agricultural production between 10 and 15 percent for the 1981-82 period.

In addition to all these incentives, new lines of credit have been granted to farmers to increase agricultural and livestock production. These credits are to be paid in 3 years, with the single condition of maintaining the area well seeded. This kind of credit is unprecedented in the country's financial history.

During the April-June 1981 period, more than 12 million tons of grain were exported, a significant indication of the permanent improvement of our port capacity. Regarding exports of meat, the low sales during the January-April period have been overcome, with an average of 32,000 tons monthly. During the months of May to July, we are already exporting an average of 46,000 tons monthly. We have also adopted a number of specific measures to meet certain difficulties in sectors such as milk, wine, sugar, yerba mate, tobacco, fruits, rice, wool and others.

"Objective No 10 was the counterpart of the previous objective: to bring industrial production back to the right path thus allowing the absorption of available goods and diversification and expansion of the foreign market. During the past few months

the industrial production recession has worsened due to the amount of imported and even national goods in stock but the decrease of imports and the new implemented export programs have allowed a gradual absorption of the aforementioned goods. Recession hinders the gradual absorption of the stocks but it is estimated that the absorption cycle in general will have been completed by the fourth quarter of the year and that national production then will increase its activity in order to satisfy a recovering deomstic demand and a foreign demand in full expansion."

Regarding the latter the prefinancing and financing regulations have been strengthened for export of nontraditional and tagged-for-promotion products.

"Objective No 11 was designed to meet the critical needs of regional economies, and trying to reactivate them simultaneously. The effects of readjustments in exchange rates and in relative domestic prices are favoring a recovery of regional production. Investments of commercial and touristic trends are quite visible in border zones. Important financial support has also been granted to certain regions and zones in the country, and special treatment was given to some critical situations, such as in the case of Mendoza, San Juan and the Chaco, and in the Patagonia region, specifically regarding wool producers.

"Our 12th objective was designed to promote our mining potential with the participation of the private sector." The appropriate instruments have been prepared for soliciting bids for the exploitation of deposits of gold, silver, and copper in Catamarca and La Rioja provinces.

"Our 13th objective, notwithstanding the number, is one in which we obtained the best results. It is designed to invigorate the exploitation of the sea resources and the development of the shipbuilding industry and fishing activities." Loans have been granted to 33 fishing enterprises. The refinancing of debts and the changes introduced into the monetary exchange system have markedly strengthened this sector which had been virtually paralyzed.

"Our 14th objective was designed to oversee and to look for solutions to those problems affecting the financial system. We had to overcome the difficulties stemming from the liquidation of more than 80 financial organizations." In addition to measures designed to give greater flexibility to the system, we have a draft proposal on the normalization and consolidation of financial organizations.

"Our 15th objective was designed to provide provincial banks with resources which would also be instrumental in attending to regional economic needs."

The Cental Bank has implemented a special program for the official provincial bank system, to facilitate a credit development program for local producers who may be facing difficult problems in their regional economies.

"Objective No 16 was designed to revitalize national banks, especially those linked to financing development programs. For its special operations, the Central Bank has assigned 500 billion pesos to the National Development Bank [BANADE] and 300 billion pesos, to finance companies which are facing special difficulties in order to maintain their productive capacity and employment opportunities, as long as they can demonstrate their recovery potential in a medium term."

"Objective No 17 was designed to break the trend of high interest rates within the situation we have already described. We decided to divide the exchange rate into official and commercial exchange rates, which has allowed--as of June--a gradual and consistent increase of the internal liquidity without pressuring the position of international reserves."

Objective No 18 was designed to reduce the financial burden of the companies as long as monetary expansion allows. A bank rediscount system has been established to extend to 4 years the period of the companies' debts. With this financial system, more than $7 billion pesos have been used."

There is also a project to refinance to a period of 7 years, with 3 years of grace, 50 percent of the debt of companies of the manufacturing sector, and 40 percent of the debts of the companies of the agricultural, construction, commerce and private activity sectors.

We have established an exchange insurance to finance loans in foreign currency which may be granted for more than 1 and 1/2 years. So far, contracts for more than $2 billion have been signed.

We are trying to create investment alternatives to make the capital markets more dynamic. And to achieve this we decided to create a business obligation bond which exists in other markets. These alternatives will have tax exemption incentives for the fourth category of income tax and will be guaranteed by the financial system as far as the fulfillment of the business obligation is concerned.

"The 20th [as heard] objective, sought to increase foreign investments." Between April and June this year, foreign investments amounted to $428 million, of which $238 million have been approved; $39 million were automatic investments and $150 million were profit future investments toward sectors considered to be essential as sources of foreign currency.

"By means of our 21st objective we tried to reduce and curb public expenditures." The fact that we kept the national budget unchanged between 1 April and 1 June, despite monetary adjustments and other negative factors has saved the government 5 billion pesos. On 8 June we froze all budget items except those related to payment of salaries to personnel and stopped the hiring of temporary personnel, purchases of furniture and other assets like commercial airplaines, cars for official use and so forth.

"The 22d objective: to reorganize the financing of state enterprises." Together with the Public Works Ministry we reviewed the budgets of all state-owned enterprises and reduced current expenses by $1 billion. The savings-investment rate has been increased by 34 percent as compared to 9 percent of 1980. The true rate of debt increase has been reduced by 30 percent. A mechanism aimed at consolidating debts with banks will be used to extend deadlines and stop state-owned enterprises from having to resort frequently to the financial market.

"Out 23d objective was to give stimulus to the mechanisms that are used to privatize corporations.

"The evaluation of background data and the preparation of the tender procedures have already been carried out for the sale of the following, as an initial stage:

"Siam S.A.; the river fleet of the Argentine state; Lagos del Sur S.A.; Soljet; Austral Lineas Aereas; Comercializacion de Gas Licuado; the National Sanitary Works' Aluminum Sulphate factory; the National Grain Board's rural grain elevators, beginning with the plants in Pergamino, Leones y Fuentes; the port installations of unit 2 in Quequen, unit 1 in Rosario and unit 2 in Villa Ramallo; and four television stations and nine radio stations.

"All of the abovementioned are to be sold off during the course of this year.

"It has also been decided to privatize the following:

"The (General Serri) ethane, propane and butane plant; the General Mosconi Petrochemical complex; and the Pirane Forestry Center.

"The diverse aspects of how to increase the participation of the private sector in the telephone sector are also being studied. Contacts have already begun with the main enterprises linked to this sector.

"Our 24th objective has the intention of increasing private participation in public investment programs through the system of risk contract concessions."

This procedure is already fully implemented in the energy sector, exploration and exploitation of oil and the construction of gas pipelines. This system will also be extended to the transport and communications sectors.

The tender for the construction and/or operation of a gas storage plant has already been prepared and we recently awarded two bids for oil exploration and exploitation in Magallanes Este and Las Brenas. Negotiations are going ahead with the IDB to obtain its participation in the financing of the Uruguai hydroelectric complex.

"Our 25th objective has the intention of making the 10-year public investment plan compatible with the other economic and financial variables."

This program foresees the investment of 275 trillion pesos at last year's prices, which will be invested between this year and 1990. Approximately 60 percent will be invested in national public works and the other 40 percent will be invested in provincial works and works of the Buenos Aires Municipality.

This program has been revised in order to adapt it to future possibilities, to the reorganization of the public sector and in order to offer appropriate information to the private sector so that it can program its activities that are linked to those of the state. This type of revision will be carried out periodically.

"Our 26th objective had the intention of seeking an increase of the use of long term financial sources for the programs that are currently being implemented." We obtained long-term loans from the IDB and the World Bank amounting to $951 million to improve irrigation facilities in 9 provinces; to enlarge the northern gaspipe from Rosario to Buenos Aires and the iron and steel mill; to overhaul the government

oil deposits (YPF) refineries in Lujan del Cuyo and La Plata; to finance the Yacyreta project, and so forth. From the International Financial Corporation we obtained $10 million to finance a private plant at the Bahia Blanca petrochemical complex.

We are negotiating an additional $1 billion from the same sources to finance grain-storage facilities, water and power distribution networks to 160 rural towns, technical education, highways and others.

A $150-million loan has been signed in the FRG to finance the first part of the Arroyito heavy water plant in Neuquen and the Atucha II nuclear powerplant.

For the first time the National Development Bank and the YPF have issued bonds on the international market.

"The 27th objective sought to simplify the tax system and curb tax evasion in order to reduce, in due time, the nominal tax pressure." A number of draft tax laws have been submitted for consideration at the meeting of provincial governors held in June this year. The aim of these drafts is to make procedures more coherent and simple. With this, as well as better tax management, in mind we will issue a new regulation concerning the payment of value added tax for lesser taxpayers. A 20-month term will be granted to taxpayers to pay overdue taxes. In the meantime, tax evasion repressive measures have been strictly implemented and evaders have been severely punished even to the point of arrest.

"Objective No 28 aims at improving the channels of marketing goods by making them more effective and reducing the circulation and intermediary costs." The Commerce and Maritime Affairs Ministry has prepared a project to change and modernize the commercial structures and to increase their effectiveness. Twelve business organizations will participate in this commercial project to discover the obstacles and propose new incentives to improve their productivity.

"Objective No 29 seeks to recover on a priority basis the levels of employment and to arrange hierarchically the levels of minimum salaries of dependent workers. The low economic growth, the industrial reorganization and diversification, the increase of imports and of the debts of businessmen have caused, during the past few years, a reduction and transfer of wage earners from the industrial sector to individual activities in other sectors. Regarding the possibility of absorbing these sectors, recession has aggravated the unemployment problem."

The set of previously mentioned measures to reactivate the productive apparatus are designed to reverse this situation, seeking the recovery and consolidation of employment opportunities, and attacking the causes and factors of disturbance. The government is still making tremendous efforts trying to find solutions to the unemployment problemand to achieve the recovery of the productive apparatus.

We voice absolute guarantees to the workers that employment opportunities and the reorganization and hierarchical improvement of employment and of salaries lies in the recovery of the productive apparatus.

Once the current problems are solved, we will promote an adequate participation of workers in increasing the nation's wealth so as to really increase its purchasing value.

"The last objective No 30, seeks to attack inflation within the reactivation program. The aforementioned objectives have produced a realistic approach to inflation in compliance with the measures of adjustment and assistance to productive sectors and regional economies. We have proceeded according to the basic documents of March 1976 which provide for the progressive deceleration of inflation, making it compatible with the current economic activity.

"I am now going to refer to our medium term action. The action we have taken in the short term is the first stage to create the conditions for the reactivation of the productive apparatus. This action has not been and is not a mere effort regarding current events. This action is directed at a substantial change regarding: the growth mechanisms ofour economy; the means of distribution of that growth; the participation of the productive sectors, factors and regions; and regarding the country's role in its trade and interdependency with the rest of the world.

"Thus, a period that is characterized by the effort tending toward ensuring the full development and effects of the measures that have been adopted for the rest of the year is now viable, it has now started and it will lead to a reorganization that will stimulate a continuous process of economic growth within an anti-inflationary context for the 1982-84 period.

"The pillars upon which the medium term strategy is structured are based on the full enforcement of the following fundamental instrucments: the fiscal budget, for the public sector as a whole; the monetary program, which is the basis of all action taken in the sector of real economy; and finally, the program that is linked to the external sector.

"The combined execution of these instruments make the relevant economic and financial variables compatible with an eye to the progressive eradication of inflationary pressure and to the setting of firm bases for the growth program.

"The budget program: for 1981 it has been predicted that the overall expenditure of the public sector will decrease, in real terms, by 3 percent in comparison to 1980, while income will fall by 8 percent.

"The former case is influenced by the policy of containing expenditure and the latter by the current contraction at the level of economic activities. The financing needs that derive from these preductions would surpass 5 percent of the GDP of our country. But, this percentage includes direct subsidies for private activities, that have been contemplated in the reactivation program that has been undertaken, and which represent approximately 2 percent of the GDP.

"For the 1982-84 period, public expenditure will progressively decrease until it reaches levels that are under 25 percent of the GDP. Regarding income, increase will be achieved that derive from the highest level of the economic activities and from a lower tax evasion, which will permit a decrease in the nominal tax pressure as of 1983.

"The 1982 fiscal deficit, in accordance with the budget guidelines that have already been established, has been programmed for a 2 percent equivalence of the overall Argentine economy in order to achieve the equilibrium of expenditure and resources, total equilibrium, during the 1983 fiscal year.

"Moreover, in order to broaden and accelerate the application of the principle of subsidies, in addition to the measures that have already been announced and implemented in accordance with Law No 22,177 to privatize or to administratively liquidate enterprises, the executive branch approved the creation of two commissions: one, to immediately reorganize the decentralized sector of the administration; and the other, which will privatize or improve the efficiency of public enterprises with the participation of authorized civilians and representatives of the armed forces.

"This second commission, which has full powers to collect information from every area of the state that it deems necessary, will propose the appropriate policy and concrete channels of action and its conclusions will be reported to public opinion.

"The monetary program: By 1981, the monetary program receives with realism the result of the account of public sector, and the programs to provide assistance to public regional economies, to financial enterprises and institutions not included in the budget. During the course of the year, the expansion of monetary resources will be 100 percent. Beginning in July 1981, during which the expansion was 7 percent, up to November 1981, monetary supply will decrease, but in December, for seasonal reasons, there will be a greater circulation."

"The expansion of monetary resources will continue decreasing progressively during the 1982-84 period. During the next period, the objective will not surpass 66 percent of the increase recorded in 1981. For the remaining years, the objective will not surpass 70 percent of what was achieved the previous year."

Program for the Foreign Sector

"Despite the poor season for exports during the second half of the year, exports for that period can surpass those of the first half. Otherwise, there will be a visible drop in imports, and consequently--as I have already mentioned--there will be a more than $1.1 billion surplus in the trade balance, which allows us to estimate that our foreign transactions will end up practically even during the second half of this year.

"The improvement in the current account and the balance of payments has allowed us to find a solution to the capital account problem and to meet the payments on the large foreign debts, which, although reduced, will continue until next September."

The exchange rate in the commcerical market will maintain effective parity with the increase of domestic costs. The decision to achieve the unification of the markets in due time is firm, it should not generate hasty expectations regarding changes in the modus operandi of the two markets.

"For the 1982-84 period, we hope to have a large surplus in our foreign trade; $3 billion for the 1982-84 period, and $2.5 billion for 1984. The development of the primary production and of the conditions reestablished for industry support

the sustained increase in exports. The decreasing trade surplus reflects a greater demand for imports which, due to the effects of domestic economic development, will be generated within the next few years. The balance of payments is predicted to be even by 1982 and 1983, and slightly positive for 1984.

"The new conditions and the predictable development of the process allow us to establish the development goals of the economic program for the 1982-84 period.

"Now I want to refer to the anti-inflationary program. During the course of this year, the progressive slowing in the growth of the money supply, which showed relatively high growth during the month of July, will be accompanied by a more pronounced declining trend in the readjustment of tariffs and prices controlled by the state. The significant tariff adjustments during the month of August will be decreased in a preestablished manner beginning in September until they reach 6 percent by the end of the year."

Fuel prices will also be readjusted in a gradual manner. This will also contribute to a more reasonable use of the country's unrenewable resources. Once the monetary program is established, the interest rates will be reduced gradually so as to allow the community to adjust to that proposal.

"For the 1982-84 period, the reduction and later elimination of the fiscal deficit, the controlled development of the most important variables such as tariffs, public expenditures, taxes, the favorable expectations regarding the foreign sector, the possibility of companies reaching and surpassing the break even point by increasing production and not prices, the intensification of current programs to privatize companies will contribute to first restraining and later weeding out many of the causes which generate and feed the inflationary process. During the 1982-84 period, we predict an increase of prices lower than the respective expansion of monetary resources, given the fact that part of this, will be compensated by the production growth."

Regarding economic growth for the remainder of this year and for the next few years, we can say that during the second and third quarters of this year we reached the lowest point in the recession. By the middle of the third quarter there were indications of the revitalization of the productive apparatus, not only regarding the primary sectors, but also in specific sectors of the manufacturing industry. Nevertheless, the activity of the construction sector continues to decrease.

"By the last quarter of the year the symptoms of revitalization will be confirmed and quite visible in almost all sectors. We can only say in this regard that during the course of the third quarter stocks of domestic and imported products will be reduced, a fact which will place domestic production in a position to meet the levels of domestic demand, while the increase in exports of traditional and nontraditional products will be even more notable. But anyhow, the level of economic activity in 1981, with notable drops in the industrial construction and commerce sectors, and with absolute increases in all other sectors of national production--agriculture, fishing, mining, electricity, gas, water, transport, storage, and communications--will decline by approximately 2 percent in relation to that of last year."

"The emphasis which will be given to the reactivation of the industrial and construction sectors in the 1982-1984 period, along with the sustained expansion of primary sectors will allow us to attain a cumulative annual economic growth rate of 6 percent.

"With regard to the industrial sector the plans include a gradual growth of domestic sales and a marked stimulation of exports. As for the construction sector a minimum of 184,000 houses will be built during the 1982-1984 period, state-financed through the National Housing Fund (FONAVI) and the National Mortgage Bank.

"Another significant variable which should be taken into account is the behavior of investments. The significant decline of investments in 1981 will be recovered in 1982-1984 through a different mechanism. Public investments will remain below 10 percent of the gross domestic product and accumulation of capital will be stimulated through private investments.

"The handling of public works through concessions will be stimulated, although the concessionaries will have to take the proper amount of the business risk, as we have already said.

"We are also about to finish the analysis of the various manners in which private participation could be increased in sectors which so far have been taken care of by the state. The government is interested in obtaining growing private investments in the mining, gas, coal, oil and fishing projects which will be developed during the 1982-1984 period.

"Within the framework of legal protection, domestic security and good profit prospects, foreign investments will contribute significantly to recovering a dynamic growth level. It is worth pointing out as well that a long-term foreign loans program has been devised to finance investments in the supply of services and facilities.

"I will now discuss income. The slow growth of the population and of the work force guarantees total employment in the medium term. Thus, taking into account the programs which we will carry out, the unemployment rate is bound to drop below 4 percent, and under employment will decline as well.

"The income of the workers will truly increase faster than the aforementioned economic growth rate. The increase in businessmen's income will be the result of higher production levels and not of mere price increases. The development of regional incomes will be more harmonious and related to the opening of opportunities to give priority attention to activities connected with exports.

"Ladies and gentlemen, what I have just conveyed to you are the results of decisions reached by the president of the nation during meetings with the ministers responsible for the economic area. The tasks underway provide the basis and the supporting facts which allow us to have a clear picture of what must be done during the 1982-1984 period and should give us confidence in the successful recovery and development of Argentina's economy.

"We clearly understand the natural urgent needs created by the current temporary recession. However, with the resources available it is impossible to fulfill the legitimate expectations and interests of sectors and individuals. At the same time, we want understanding for the enormous effort which the government is making to reactivate the productive apparatus.

"The swiftness with which a lasting solution can be devised depends on the united participation of each and every Argentine, in order to atain the results outlined within the framework of the task of building an Argentina of all and for all.

"I wish to sincerely apologize for the dryness of the subject and the length of this speech. Good night."

CSO: 3010/1728

DAILY CONCERNED OVER SOVIET 'THREATS'

PY181944 Buenos Aires LE PRENSA in Spanish 8 Aug 81 Section 2 p 1

[Editorial: "Threats from the Soviet Union"]

[Text] Through a commentary published in the official daily PRAVDA, the Soviet Union just issued a severe warning to Latin American countries, Argentina included, about the "risks" which they would run if they were to participate in the multinational Sinai peace force. This attitude can surprise no one because USSR's current global strategy of nuclear and conventional rearmament and geographic expansion is conducted alongside a policy of warnings for those countries, groups, sectors or individuals which it considers opposed to its interests. The most persistant pressure is being applied to noncommunist European countries. While the northern nations (Finland, Sweden, Denmark, Norway and Iceland) are being promised "advantages" if they join a "denuclearized zone," those of Central Europe are being warned of the "dangers" involved in allowing the installation of "cruise"" and "Pershing" missiles approved by NATO.

Thus, the Soviet Union is shaking its fist in warning. Sometimes this warning is an expression of concern over "risks", at other times it takes the shape of veritable pressures and still other times it is disguised under the deceptive cover of "advantages" which those states amenable to Soviet plans would enjoy.

A warning of the kind Moscow just issued to the Latin American countries is unacceptable. In Argentina's case this is even more true if we take into account the delay in granting the Argentine ambassador in Moscow permission to travel to the site of the crash of the Argentine plane in which the crew died. In less than 1 month, the Soviet Government has shown to ward our country a lack of consideration to which our Foreign Ministry has failed to provide a proper answer. We have in mind the statement of a high-ranking Soviet official, a statement which we have already discussed, refuting Argentine sovereignty over the Antarctic; the scornful delay in providing information about the aircraft which had crashed; and finally the totally improper warning issued to Latin American countries at the very time when the Argentine military committee is discussing the proposal of the Egyptian Government to participate in the multinational Sinai peacemaking force.

The aggressive wording of the PRAVDA commentary, whose official status makes it equal to words coming straight from Brezhnev's mouth, could have hardly been more ill-advised--and offensive to our national dignity--at the time when the Cairo

proposal is being studied, since it refers to the "meek alignment of Latin American countries with the warmongering policy of the United States." It is no secret that the army commander in chief, General Galtieri traveled to the United States on 5 August. General Galtieri is also a member of the military committee which is collecting information (something which Galtieri will also do in the United States) in order to issue its recommendations about the proposal made by the Egyptian foreign minister during his brief stay in Argentina.

In a previous editorial we have discussed the changing attitude of the Argentine Foreign Ministry. At first it expressed total opposition, then this opposition became veiled and grudging, and finally it took the shape of an active stream of information and opinions flowing to the military committee about the "inconveniences" and "disadvantages" which Argentina would have to cope with if it were to participate in the multinational force.

We imagine that the Foreign Ministry must feel quite uncomfortable over the fact that its position is shared by the Soviet Union, the aggressor against helpless nations, the protector and financial backer of extremism and terrorism throughout the world, the champion of the arms race, the occupier of Afghanistan, the permanent threat to liberal Poland, and Cuba's master in the project to "export revolution" to Latin American countries and Havana's overseas adventures in Angola and Mozambique. One of our correspondents reported a short while ago that certain units of the Soviet occupation forces in Afghanistan were being replaced by Cuban troops.

This coincidence is not the only one for all to see, as our Foreign Ministry well knows. Its opinion is also shared by all those groups which have been taking the side of the Soviets ever since the times of the "cold war" and "peaceful coexistence."

The Foreign Ministry's behavior toward this issue is not clear-cut. Its suggestive reservations are many and they evidence a weak attitude which is not only unfavorable to us but also goes against Argentina's "Western and Christian" nature preached from the highest official levels.

CSO: 3010/1728

'LA NACION' CRITICIZES STATEMENTS BY SAUDI OFFICIAL

PY191427 Buenos Aires LA NACION in Spanish 15 Aug 81 p 8

[Text] The views that describe Saudi Arabia as a nation supporting moderate trends in international political affairs were not upheld during the Saudi foreign minister's visit to our country. The expectations, too optimistic, of some people who considered the Saudi contribution as an important help to improve Argentina's economic situation, have not been satisfied either.

The comparison made by the distinguished visitor between the Palestine Liberation Organization and General San Martin's liberation campaign has not been a positive contribution to the improvement of the "cordial relations" between the two countries, as they are referred to in the bilateral document signed at the end of the visit. The Palestinine Liberation Organization has been characterized by its terrorist actions and by the large number of attacks their mmembers boast of. There is no possible comparison either with the American hero's noble humanitarian traits, or with his intentions, or with the means he employed to free three nations. The above comparison, made by the Saudi foreign minister at a press conference he held, was so unfortunate that the Argentine Foreign Ministry, through one of its spokesmen, had to express its official displeasure with "the unfortunate" comparison.

Certainly, this has not been the only "gaffe" by the Arab visitor. The speech he delivered in thanks for the diplomatic reception offered in his honor was not previously made known as it should have been according to diplomatic usage and in order to stick to standards of good taste; it turned out to be longer than usual and it included a lengthy and harsh criticism of Israel, a country with which we maintain normal and friendly diplomatic relations, thus creating an unusual situation for this type of meeting and speech.

Furthermore, the vehement defense of the PLO, which could even be qualified as a demand for acknowledgement, was inappropriate. Argentina is a country that has suffered the impact of bloody terrorist action and, therefore, it cannot welcome the representatives of a movement which has been and which is still racing neck and neck with those whose merciless crimes have caused so many innocent victims, and who have learned from the PLO antipatriotic criminal methods of action. Although Argentina maintains diplomatic relations with the USSR, which is not the case of Saudi Arabia, a good deal Saudi Arabia's public statements include harsh criticism of USSR policy. Such criticism is certainly deserved, but the Saudi foreign minister seems to forget that it is Egypt and Israel that are bearing Moscow's aggressive action and that it is the Arab nations that are echoing that policy. In

this case, the stage he chose to express his protest was not adequate, to which must be added the mistake, and this must be made clear, his forgetting that Moscow and its satellites are the PLO's arms suppliers. It was Egypt, an Arab country, that drastically expelled its Soviet advisors, whose assistance was so inefficient during Egypt's war campaigns and so harmful for the country's internal situation.

An intellectual and technical cooperation agreement based on vague and ill-defined terms is the meager result of the Saudi presence in our country. Their participation in the drainage system project for the areas exposed to floods in Buenos Aires Province has apparently been established through generalized statements, with no information on the benefits or exact conditions regarding the Arab government's role.

It is convenient to recall that given Saudi Arabia's institutional structure, private activities in that country are subject to certain conditions which are different from the ones that are unusually applicable in Western countries.

Summing up, it is to be hoped that Saudi leaders will succeed in their anticommunist position, and that they will be able to ponder the burden that they are bearing because of their alliance with those groups which are more inclined to listen to and follow Moscow's instructions.

Finally, if the heir to the throne of Saudi Arabia visits our country, it will be convenient that his advisors provide him with a more thorough explanation of Argentine feelings. It will also be convenient to notice that we Argentines are unwilling to be advised in a more or less imperative tone by those who have much to learn from us and, especially, when suggestions are based on a mistaken appraisal of facts and on a wrong evaluation of their interrelation.

CSO: 3010/1728

EPISCOPATE COMMUNIQUE ON MEETING WITH MULTIPARTY GROUP

PY192232 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1706 GMT 7 Aug 81

[Text] Buenos Aires, 7 Aug (NA)—Shortly after the meeting between the leaders of the multiparty group and the representatives of the Episcopate had ended, Father Robert M. Berg, press secretary of the Episcopal conference, issued a joint communique which summarizes the results of the meeting.

The communique reads as follows:

"Today, at initiative of the political board of the multiparty organization, 13 members of the organization who belong to the five parties which comprise the group met and were received at the quarters of the Argentine Episcopal conference by the three bishops appointed by the permanent commission: Msgr Jorge M. Lopez, archbishop of Corrientes and second vice president of the conference; Msgr Horacio Bozzoli, bishop of San Miguel and Msgr Juan Jose Iriarte, bishop of Reconquista.

"During an extremely cordial and smooth dialogue in which all the participants took part, the members of the multiparty organization voiced their support of the "church and the national community" document issued by the Episcopate, they discussed the reason for the request for this meeting, and the special position of the church within Argentine society and they stated that they do not request the church's participation in their group nor its support for the political position they advocate and the request continuing talks.

"The bishops, on their part, expressed thanks for the contact, their support of this effort which seeks unity as well as other goals which may be sought through other means, stated that they do not and cannot state their opinion on the concrete political position which the multiparty group advocates and they suggested the Episcopal social action team as the channel for future meetings. They unanimously agreed on issuing this joint communique in Buenos Aires on 7 August 1981."

CSO: 30101/1728

BRIEFS

PUBLICATION RECEIVES COURT PROTECTION--Judge Juan O. Gauna, who handles cases falling within the jurisdiction of administrative law, has granted court protection to the publication CAMBIO PARA UNA DEMOCRACIA SOCIAL, whose principal mentor is Adm (Ret) Eduardo Emilio Massera, thus overruling the ban levied by the National Executive on the distribution, circulation and sale of the biweekly's issue No 3. The judge also ruled that the federal police should return to the petitioners all copies of the publication which had been seized and charged all court costs to the government as represented by the Interior Ministry. The latter has reserved for itself the right to dispute the court's ruling and to appeal. According to the ruling of the court the executive branch has overstepped its constitutional powers by banning issue No 3 of the aforementioned publication for an indefinite period of time. The court ruling further stated that the article of the constitution called upon by the executive branch suspends temporarily but does not abolish the rights guaranteed by the constitution and authorizes action only by measures reasonably adapted to the need to preserve order and domestic peace and not by those measures which imply or are tantamount "to punishment," since the latter are the domain of judges. [Text] [PY181540 Buenos Aires CLARIN in Spanish 8 Aug 81 p 4]

CSO: 3010/1728

INTERIOR MINISTER ON FREEDOM OF PRESS

PY190323 La Paz Radio Illimani Network in Spanish 0100 GMT 19 Aug 81

[Excerpts] The new prefect and mayor of Santa Cruz have been installed during a ceremony in the Santa Cruz Justice Department. The president of the Superior District Court, (Jose Ortiz Aponte), has sworn in (Horacio Ugarteche) and (Mario Cintela Vaca Diez) as prefect and mayor respectively.

Interior Minister Rolando Canido Veriscochea who attended the ceremony at 1630 in the Superior District Court was interviewed by the local press after the ceremony in a room of the court building.

Asked about freedom of the press in Bolivia, particularly in Santa Cruz, Colonel Canido told the Santa Cruz reporters that freedom of the press has always existed in Bolivia. He also said that it is a different situation when false or subversive information is published by the press.

A reporter representing an important local morning newspaper asked the minister his opinion about a document released by the National Press Association, ANP, published by the La Paz newspapers this morning. The minister said that the document released by the ANP is a document that analyzes what they believe was a violation of freedom of the press during a certain period. However, the junta of commanders are the ones ruling this country, therefore the junta will give the final word on this. [words indistinct] The interior minister said: You should understand that sometimes there is a need to sacrifice some aspects of freedom of the press because the country's security and national tranquillity are above everything else and we have to maintain it at any sacrifice, even beyond our borders.

CSO: 3010/1730

BRIEFS

LEGISLATIVE ADVISORY COMMISSION CONFIRMED—The junta of commanders in chief of the armed forces today confirmed all members of the National Legislative Advisory Commission (CONAL), according to an announcement made today by Gen Waldo Bernal Pereira shortly after the end of a meeting held with CONAL representatives at Government House. Bernal said that the meeting between the members of the CONAL and the government junta provided the opportunity for evaluating the performance of the former organization in the political, economic, social and foreign fields. General Bernal also said the government economic team and a commission of experts will convey their diagnosis of the country's economic situation to a special meeting of the cabinet. Bernal Pereira emphasized that the government junta is firmly committed to seeking solutions for the critical situation of Bolivia's economy, now that institutional difficulties have been overcome. [Excerpt] [PY191931 La Paz Radio Illimani Network in Spanish 1700 GMT 18 Aug 81]

CSO: 3010/1730

NEWSPAPERS SUPPORT CURRENT ECONOMIC POLICY

'O ESTADO' Commentary

PY200100 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 14 Aug 81 p 3

[From the "Notes and Information" Page: "Limits to Readjustments"]

[Excerpts] It is quite understandable that, in view of the gloomy social situation in the country, all may be concerned over this situation and some may present suggestions for changing the course of the national economy. All agree, however, that the master guidelines of the economic policy must not be changed, but that only some points should be adjusted. The difficulties arise, however, when trying to specify these adjustments.

Planning Minister Delfim Neto recognizes that economic growth must be the main objective. Then he warns, however, and rightly, that this growth must be sought within a well-organized framework so as not to cause a foreign imbalance (trade balance) or domestic imbalance (runaway inflation). Thus, he establishes that only adjustments which will not prevent the reestablishment of balanced trade and the containment of inflation will be accepted. With this, of course, the options are very restricted.

Antonio Chagas Mierelles, central bank director for the banking area, feels that it is inappropriate at this moment to proceed to a revision of the credit restriction policy, and states that the current growth of loans from the financial and the monetary systems is sufficient, not causing any liquidity crisis. As for the rest, it is undeniable that the effectiveness of monetary control raises new hppes regarding the inflation rate.

As we see it, easier credit would not spur demand. In fact, depressed demand is due to several factors, among which tight credit has little influence, so little as to be negligible.

Getulio Vargas Foundation Professor Carlos Lemgruber is even more drastic and, in his opinion, trying to reactivate the economy would be dangerous and, in the siutation in which the national economy finds itself, recession is unavoidable.

We do not believe that the government is unsensitive to the serious social situation. Certainly, it is inclined to adopt non-inflationary measures to reactivate business

activities on the condition that such measures do not affect the trade balance. A reformulation of the monetary policy is not advisable at this time when the current policy is yielding its first results. Once inflation is tamed, it would be easier to find solutions for the other problems.

'JORNAL DO BRASIL' Editorial

FY191244 Rio De Janeiro JORNAL DO BRASIL in Portuguese 14 Aug 81 p 10

[Editorial: "Bitter Remedy"]

[Excerpt] The latest surveys periodically conducted by the Brazilian Economy Institute of the Getulio Vargas Foundation show that businessmen are experiencing a sensible reduction in inductrial activities. The country is on the verge of an economic recession. The survey figures only reflect what society is experiencing: reduced buying power due to unabated inflation, unemployment due to reduced demand for goods and consequent production slowdown. And as a natural corrollary, the progressive decline in tax revenue.

Depressed business, increasing idle capacity, stock backlogs, and scarce working capital are the features of the depressed industrial profile. These symptoms, however, are those of the malaise of an economy which has been affected by inflation for a long time and which is only now submitted to a severe treatment.

If there is something objectionable about the bitter remedy, that is that the administration of it has been long overdue. It was indispensable for the economy to receive this treatment. Had it been administered before inflation reached a devastating proportion, the social cost of the treatment would have certainly be smaller. But there is no alternative now but to continue with the treatment.

Dramatizing now the diffficulties which were predictable is inappropriate, because it would have been impossible to adopt a severe policy for fighting inflation at a lower social price: society cannot postpone for the future the payment of this cost for the simple reason that the cost will just be that much higher later. The sacrifices which have already been made are an investment which cannot be squandered.

CSO: 3001/235

COUNTRY'S SERVICE ENTERPRISES EXPAND IN FOREIGN MARKETS

PY182332 Rio de Janeiro JORNAL DO BRASIL in Portuguese 26 Jul 81 p 33

[By Trajano de Moraes]

[Summary] More than 50 Brazilian companies are currently engaged in 168 projects and economic feasibility on engineering studies in 34 countries. Annual revenues from these activities are currently estimated at about $1 billion.

TRANSCON [Brazilian Transport Consulting Company] President Lafayete Prado would like the government to support such activities--which in 1979 contracted abroad services worth nearly $3 billion--with a formal definition on taxation, financing and labor matters.

"There are several initiatives under way to support the export of services by Brazilian companies, FINEP [Funding Authority for Studies and Projects], for instance, has commissioned FUNCEX [Foundation Center for Foreign Trade Studies] to conduct a broad survey on the Brazilian experience in this field and to identify the problems which have to be solved in order to present suggestions and recommendations for a Brazilian policy for the services export sector. This work should also result in the preparation of a services export manual.

"The AEB [Brazilian Exporters Association], the SINICOM [National Construction Industry Union] and the CONESE [National Services Export Council] will create a commission--headed by Joao Sa, foreign relations director for the Norberto Odebrecht Company--to inventory the main obstacles existing to the development of the services export sector and to prepare a document suggesting appropriate measures."

Businessmen in this sector point to some problems which need solutions in order to facilitate their activities: exemption from personal income tax for Brazilian workers and professionals sent abroad; suspension of withholdings for social security and medical care on salaries paid in cruzeiros to Brazilian personnel sent abroad; legislation to make Brazilian labor more competitive abroad; negotiations for double taxation agreements with other countries; facilities for obtaining working capital in the countries where these companies will operate; extension of credit facilities to construction companies by FINEX [Bank of Brazil Financing and Export Fund]; creation of "buyers's credit" for financing imports; and facilities to meet the high cost of participation in international biddings.

Four Brazilian construction companies are the most active in this field; Mendes Junior, Norberto Odebrecht, Esusa and Montreal. The Mendes Junior Company has already completed construction of a railroad across the desert in Mauritania; construction of the Santa Isabel Hydroelectric Plant in Bolivia; construction of a tunnel through the Andean mountains in Colombia. It is working on projects for construction of the Palmar Hydroelectric Plant in Uruguay; construction of 128 kilometer stretch of a highway connecting with the Kuwaiti and Jordanian borders in Iraq ($240 million); construction of a 521-kilometer railroad linking Baghdad to Akshat in Iraq ($1.2 billion).

The Norberto Odebrecht Company is building the Charcani V Hydroelectric Plant in Peru ($170 million for the civil engineering work); and won bidding for the construction of the diversion tunnels in the Colbun Hydroelectric Project in Chile. An Odebrecht subsidiary, Multitrade, has also sold more than $10 million worth of Brazilian goods in Peru (small hydroelectric centers, Scania-Vabis trucks, buses, concrete mixing equipment, etc).

The Montreal Construction Company is participating in the installation of the generating turbines of the Palmar Hydroelectric Plant in Uruguay, as well as of transmission lines and substations to carry electric energy from Palmar to Montevideo over a distance of 200 kilometers. This company is also participating in bidding for the supply of a "turnkey" steelmaking plant for production of 200,000 tons of steel in Venezuela, in association with the Villares Company which heads the consortium.

The Esusa Company has landed contracts for the construction of two hotels for the Novotel chain in the cities of Baghdad and Bashra in Iraq ($40 million). Esusa commercial director Paulo Graca is in favor of a business-government concerted effort to secure contracts in housing program in Muslim countries of North Africa which can obtain favored-terms financing from oil producing countries, thus being in the position of doing business with Brazilian construction firms on convenient cash transactions.

CSO: 3001/235

BRIEFS

JUSTICE MINISTER'S STATEMENT CRITICIZED--PMDB [Brazilian Democratic Mobilization Party] President Ulisses Guimaraes and PP [Popular Party] President Tancredo Neves as well as other senators and deputies reacted yesterday to declarations made by Justice Minister Abi Ackel that "the PDS [Social Democratic Party] victory in the 1982 elections is a fundamental prerequisite" for the consolidation of political liberalization. Neves said "it is not only moral and political coercion, but a threat to the opposition as well." Guimaraes reacted by saying: "That's an obvious exaggeration." PP Deputy Magalhaes Pinto said: "That amounts to intolerance." PP Senator Evelasio Vieira observed: "Who ever makes such a statement is an unbalanced person." Odacier Klein, PMDB leader in the Chamber of Deputies, said that he will no longer talk to Ackel about electoral reforms. [Text] [PY181219 Sao Paulo FOLHA DE SAO PAULO in Portuguese 17 Aug 81 p 1]

ECUADOREAN PRESIDENT TO VISIT--Brasilia, 19 Aug (TELAM)--The upcoming of Ecuadorean President Oswaldo Hurtado Larrea "will be taken advantage of to strengthen even more the relations and cooperation between the two countries." This was stated today by sources in Brazilia when they confirmed that the Ecuadorean president will arrive in this capital on 13 October. The sources also stated that the exchange of visits being carried out by President Joao Figueiredo with chiefs of state of the region come within the framework of the Brazilian directives to maintain an equidistant policy with Latin American countries. [Text] [PY191934 Buenos Aires TELAM in Spanish 1455 GMT 19 Aug 81]

HONDURAN FOREIGN MINISTER'S VISIT--Brazilia, 17 Aug (AFP)--The Honduran secretary of state for foreign affairs, Mr Elvir Sierra, will officially visit Brazil at the end of August, it was announced here today. The announcement was made by the press secretary of the Brazilian Foreign Ministry, who indicated that Mr Elvir Sierra will arrive in Brasilia on 28 August. During his stay in this capital he will be received privately by the Brazilian president, Joao Baptista Figueiredo and he will have meetings with Foreign Minister Ramiro Saraiva Guerreiro. In addition, he will meet with the president of the Federal Supreme Court, the highest court of justice in the country, Minister Francisco Manuel Xavier de Albuquerque, and with the presidents of the Senate and Chamber of Deputies, Senator Jarbas Passarinho and Federal Deputy Nelson Marchezan. Mr Elvir Sierra will leave for Tegucigalpa on 31 August. [Text] [PY180228 Paris AFP in Spanish 2321 GMT 17 Aug 81]

CSO: 3001/235

BRIEFS

COSTA RICAN FOREIGN MINISTER'S VISIT--Colombian President Julio Cesar Turbay Ayala met today with Costan Rican Foreign Minister Bernd Niehaus, who arrived in the country this morning on a 3-day official visit. Acting Foreign Minister Julio Londono Paredes and the reception committee greeted him at El Dorado International Airport. The Costa Rican foreign minister explained that his visit is aimed at bringing the ties of friendship and cooperation closer between the two countries. He also said that a joint communique will be issued during his stay to announce the agreements signed by the two countries. [Excerpts] [PA210150 Bogota Domestic Service in Spanish 1730 GMT 20 Aug 81]

GUERRILLAS SEEK ASYLUM AT SWEDISH EMBASSY--In the past few hours, there have been two more cases involving political asylum. Members of the Pedro Leon Arboleda urban guerrilla unit, which belongs to the illegal Popular Liberation Army, have sought such asylum at the Swedish Embassy. The rebels, Luis Marina Avilan and Seferino Olave, along with the latter's 2-year-old son, sought refuge in the embassy, claiming that they are being sought by the operations section of the military institute brigade. [Excerpt] [PA201958 Bogota Cadena Radial Super in Spanish 2330 GMT 19 Aug 81]

CSO: 3010/1725

BRIEFS

ISRAEL HOPES TO STRENGTHEN TIES--Mexico City, 18 Aug (NOTIMEX)--The new Israeli ambassador, Gur Arieh, who will represent his country before Mexico's Government and people and who stated he hopes to strengthen ties between the two peoples, arrived in Mexico City today. At Mexico City's international airport, where he was met by embassy personnel, he said he has a special interest in opening the way for cooperation in the fields of science, technology, agriculture and, especially, production of foodstuffs. In his brief statement at the airport, Arieh said he is the bearer of greetings from the Israeli people for the Mexicans and that he will make every effort possible to learn Mexico's culture and history. [Text] [FL182309 Mexico City NOTIMEX in Spanish 2158 GMT 18 Aug 81]

AMBASSADOR TO CSSR--Mexico City, 18 Aug (NOTIMEX)--The foreign secretariat has announced that President Jose Lopez Portillo has designated Agustin Salvat as the new Mexican ambassador to the Socialist Republic of Czechoslovakia. [Text] [FL182111 Mexico City NOTIMEX in Spanish 1953 GMT 18 Aug 81]

CSO: 3010/1726

POPULAR COLORADO MOVEMENT LEADER INTERVIEWED

PY190312 Asuncion ABC Color in Spanish 16 Aug 81 ABC REVISTA Section pp 14-17

[Interview with Mario Mallorquin by Alfredo M. Seiferheld: "How They Live Now"]

[Excerpts] A native of Asuncion, where he was born on 5 November 1918, Dr Mallorquin, of a distinguished Colorado family, was director of the Department of Lands and Colonization in the time of Morinigo [Gen Higinio Morinigo, president 1940-47] and under Colorado governments in 1948 and 1949 held the portfolios for public works, economy and interior. A former Paraguayan ambassador to Chile and Mexico and a member of the House of Representatives, the interparty differences in 1949 forced him to take the road to exile, which took him to Buenos Aires, where he has since spent 22 years.

In an apartment in the neighborhood of Abasto where he lives, we made the acquaintance of Dr Mario Mallorquin, a Colorado chief of other times. A solitary man who lives modestly and has cordial manners, he answered questions concerning his past and present political life without evasions, and in there responses the investigator found clues for a better interpretation of an epoch that is near in time but distant in detailed knowledge of it. Our first question to Dr Mallorquin, who is the current president of MOPOCO [Colorado Popular Movement], referred to whether his father influenced his political preferences.

[Question] It is my understanding that there are two lines within the MOPOCO.

[Answer] No, that is a bad interpretation. There is only one single line within the MOPOCO. What has happened is that one sector split off from MOPOCO, which is not a line within the MOPOCO but is a different sector....

[Question] Whis is in opposition to the so-called national accord.

[Answer] Yes, it is opposed. That sector is led by Epifanio Mendez Fleitas. They joined the MOPOCO when we were coming into exile. He had previously been exiled to Montevideo with a group of civilian and military friends displaced due to the coup of '55, but they had not formed an organization. They were clustered about a periodical which he edited called EMANCIPACION. When we came into exile the MOPOCO in exile was organized under the presidency of Dr Jose Zacarias Arza.

[Question] Who made up this name?

[Answer] There is an anecdote about the name which is the result of a rather cute episode. The "Colorado Popular Movement" sprang up in Asuncion in the early days of our organization; there is no one certain person who authored it, rather it sprang up there as a consequence of chats between Dr Osvaldo Chaves and Dr Zacarias and of all the participants; but we never thought to use an acronym composed of the first syllable of each word, but always used MPC. But the Storessner administration, and especially Dr Edgar L. Ynsfran, in an effort to ridicule us, used the expression MOPOCO, for that connotation of "poco" [few, small in quantity] would make people understand that we were an insignificant group of the party. We, instead of feeling intimidated, met the challenge and we transformed MOPOCO into the opposition force that is today and which merits the attention not only of our fellow party members, but also of our political adversaries.

[Question] A question that is almost compulsory, although we can guess the answer, is: What is your opinion of the national accord?

[Answer] The national accord, to me, is the most important political factor of the present times. It signifies for the first time having overcome the old and sterile policy of mutual aggression among the Paraguayan opposition parties. Previously, if you said "Colorado" to a liberal it was like you called him the devil, and vice versa. I lived through that epoch, that stage during my childhood and adolescence when Colorados and liberals were deadly enemies and the country was strewn with crosses from encounters between liberals and Colorados, which was deliberately encouraged by the leadership circles from Asuncion. I say that to have overcome that is like an extraordinary victory, and today Colorados and liberals can stay together. Moreover, it signifies that there is a joint decision to undertake for the sake of the country a new stage of institutionalization, because as many Colorados as liberals, and also including Febreristas and not forgetting the Christian Democrats—though they have emerged more recently—are indebted to the country, because we have never gotten into accord to establish an order in which succession to power would be through the popular majority vote. We have previously gotten into power—the liberals as much as the Colorados as well as the Febreristas—by means of coups. Well, it is time to think whether some time we can get there through the voluntary vote of the people.

[Question] You planned or intended to return [to Paraguay] on two or three occasions. What difficulties did you encounter in returning?

[Answer]. True. We called that attempt "Operation Return." Individually we would not have much resistance if we manifested our desire to return, but for this one must ask permission of the Interior Ministry and must have a very grave reason, for example a dying mother, a seriously ill father, etc. And such a return is conditional, firstly on getting permission and secondly on not exercising any of our political rights there.

[Question] What would have happened if they had let you return on the last occasion when you intended to, but no one approached you because you are dissident Colorados? Would there not have been some sort of failure, or is it that at bottom you were sure that they would not allow you all to return?

[Answer] No. We had foreseen all the contingencies if they had allowed us. We had decided to set up our guiding organ in Asuncion, to rent a house and hang out our sign. Before we had made the necessary inquiries we knew that a growing number of our fellow party members were disposed to join us; that was our plan. But when they would not accept us, we still emerged the winners, in the sense that we had shown that the government promises to the effect that all who wanted to return to the country could do so were false.

[Question] Do you believe that you exhausted all the roads to getting a true party unity within the government, within the Colorado party, before joining the accord?

[Answer] Actually, we have not exhausted the petitions within the government because anti-unity currents have sprung up within the Colorado party which have gained importance and who have been the ones up to now who have blocked unity. We intend to unify ourselves; we believe that at bottom it is only a split in the leadership and that the vast majority of the Colorado rank and file have not been affected by this division.

[Question] Taking a hypothetical case, if the national accord succeeds in forming a government who would be the president of the republic: that is to say, to which party would be belong?

[Answer] Look, the national accord--and this is another aspect that must be well clarified--is not a pact to govern. The national accord does not foresee in any of its points that it would be able to form a coalition government or anything of that type. This is always one of the possible options in our political life, but it must be implemented through another accord. This national accord does not exist for that eventuality; in fact, this was clearly stated when it was signed. Especially when we were about to publicize the accord, we had a rather interesting conversation here abroad with the other parties. And on that occasion the following was said: "Whichever of the parties is able to gain power, the other parties not in power will support it, and should always carry out the jointly-established program.

[Question] But will this not result in the Colorado party risking not being in the government, despite being the majority force; wouldn't you all like to be the majority force in the government?

[Answer] Yes, but by the legitimate path, by the path of the ballot box, by the path of the popular will. We would like to have the legitimacy that arises from the consensus of the people, in such a way that we can base our future deeds on that legitimacy. In no way do we want to take power as a consequence of a state of coercion derived from winning a civil war or from a situation where the military is the preeminent power factor.

[Question] The accord has been censured within the national government, being termed as a left-leaning popular front.

[Answer] Look, this is a product of the cruel criticism of the accord on the part of the government, which is even reluctant to acknowledge its name. They call it the "popular front" [frente popular] with the evident deceitful meaning that the popular front is a system of the 1930's and 1940's, a political system that is

favored by the communist parties, which had some success such as in the case of Chile with the victory of Aguirre. But in Paraguay--as I said at the beginning--the national accord is not pursuing any electoral ends, will not have a joint candidate and will not even form a coalition government as a consequence of this accord. "That which we truly can have is the support of the accord for whatever government consistently carries out the terms of the program; that's all," Dr Mallorquin concluded.

CSO: 3010/1729

TROTSKYITE LEADER INTERVIEWED

PY200108 Lima CARETAS in Spanish 6 Jul 81 pp 34-39

[Interview with Senator Ricardo Napuri Shapiro, leader of the Marxist Revolutionary Workers Parky (POMR) by Jorge Salazar on 2 July--place not given]

[Excerpts] [Question] You and your party are among the few who have opposed the dialogue which the Marxist forces grouped under the United Left (IU) have been holding with the government. Why this staunch opposition?

[Answer] One moment. We are not against dialogue.... The thing is that [IU leader Alfonso] Barrantes went to the palace to give legal status to the bourgeoisie; the IU members went to the palace primarily to prove to the forces charged with maintaining order that they are within that order and, despite their differences, to reach an agreement with the bourgeoisie and to approve a Belaunde-Ulloa plan which would satisfy the requirements of groups of employers who had been hit in one way or another by the military governments, especially by the Velasco regime.... The other side of the plan was already clearly announced by Barrantes: His objective is 1985 when he expects to win the elections....

[Question] But what's wrong with holding talks or with attempting to win an election? Is this something wrong for you?

[Answer] Let us not get mixed up. I have nothing against dialogue, because I have personally talked to President Belaunde on two occasions. First, I went to see him--recognizing his authority--to convey to him Mrs Gueiler's request for asylum in Peru. I received that request from Paris, and I conveyed it to the president as soon as I could. Later I also went to government palace to ask for the reinstatement of some comrades.... As you can see, I am not afraid of talking. Yet Barrantes is not conducting a dialogue but a strategy. That is, the IU organizations are forced "to behave," to make every possible effort to avoid deepening class antagonisms. We can mention the notorious case of the general strike called by workers of the Peruvian State Iron and Steel Enterprise which was not supported by the IU, thus overlooking the fact that the major unresolved problem continues to be our being subjected to an enslaving exploitation. Barrantes wants to prove to the bourgeoisie that he is leading what [APRA leader] Armando Villanueva called the "responsible left."

[Question] You have problems not only with the people you mentioned. The Troskyites are also completely divided.

[Answer] There have been some disagreements, but they are not so serious. I want you to be the first one to know that on 19 July my party will merge with the Socialist Worker's Party led by Fernandez Chacon. While we are aware of the need for unity, we will never attempt to achieve it at any cost or by compromising with the enemy.

[Question] In your opinion, which would be the right attitude for the left to adopt? To refuse to hold a dialogue?

[Answer] No. Our objective is to make every popular organization and its members become fighting forces, to boycott the enemy, to strive for the formation of a mass organization. This is altogether different from Barrantes' idea. His intentions are very clear; he wants to look "healthy" by the time of the 1985 election. "Those Mariateguists" are forgetting that the bourgeoisie always fiercely defends its interests. They have forgotten Chile's experience.

[Question] But you seem to forget a more recent experience: France and Mitterrand's victory with the support of Trotskyites like you.

[Answer] One moment. One may support someone in an election, but do not ask me to applaud or to support an attitude, a submissive attitude toward the bourgeoisie. I do not support any compromise because this is a permanent element in the class struggle and in any political situation. [sentenced as published]

[Question] What is your position toward the government?

[Answer] I see where you are leading: Whether one should propose "Down with Belaunde" in the present political situation--that is, whether one should propose his ouster. I would consider this a mistake because there is no factual element which might indicate that the conditions are ready for that. Thus I would criticize the shining path, not for having planted bombs, but for having adopted measures which are not in keeping with the maturity of the masses in relation to the government.

[Question] Don't your words reflect resentment over the landslide defeat suffered by the Trotskyites in the two elections held since the constituent assembly?

[Answer] I am not a dreamer. No one has ever voted for the Trotskyites here, not even at the constituent assembly. At that time the people massively voted for a well-established combatant, as Hugo Blanco is. We were elected to the assembly as part of a strategy to fight the de facto government. Now, since the left was unable to present itself as a true alternative, the people punished us by denying us their support in the next two elections. Thus since I already went through that experience, I know quite well that the people will also withdraw their support from those who, claiming to be revolutionary and Marxists, have gone to the palace to talk with Belaunde on a proposal which is so dear to the bourgeoisie Belaunde represents.

CSO: 3010/1739

BELAUNDE MEETS WITH LEFTIST LEADERS

PY190240 Lima MARKA in Spanish 3 Jul 81 pp 12-14

[Report on meeting held by Peruvian President Fernando Belaunde Terry with leaders of the United Left--IU--in Lima's government palace on 1 July]

[Excerpts] IU President Alfonso Barrantes headed the IU delegation which was made up of Genaro Ledesma, of the Student-Peasant-Worker Popular Front [FOCEP]; Jorge del Prado of the Peruvian Communist Party [PCP]; Manuel Dammert, of the PCR [expansion unknown]; Alfredo Filomeno, of the Socialist Revolutionary Party [PSR]; Edmundo Murrugarra and Luis Benitez, of the Popular Democratic Union [UDP]; and Jorge Hurtado and Juan Sanchez, of the National Union of the Revolutionary Left [UNIR]. For the government, the meeting was attended by the president himself and by the following ministers: Manuel Ulloa, Javier Arias Stella, Alfonso Grados Bertorini, Felipe Osterling and Jose Maria de la Jara y Ureta.

Speaking in the name of the cabinet, President Belaunde praised the IU for taking part in a civilized dialogue between the government and the opposition. For his part, Barrantes replied by stating that the reason the left agreed to attend the meeting was to convey its viewpoints to the government on the most vital demands of the Peruvian people. Barrantes said that despite the wide disagreements existing between the guidelines followed by the government and the left he hoped that the discussion would result in truly significant progress in promoting the well-being of the people.

In this regard, the IU contended that the "Document on the Habitat," copies of which had been distributed by Belaunde to congressmen at a previous meeting, could not serve as the basis for the discussion. After considering the above document as too general and vague, the IU proposed instead a new document called "Proposals to the Country." This is a 40-point document which outlines those demands which, if satisfied, would markedly improve the standard of living of the people. The IU alternate proposal can be summed up in three basic goals: well-being for the people, democracy for the people and national sovereignty.

Alfredo Filomeno of the PSR defended the first, most pressing demand: a general increase of wages and salaries, a freeze on prices of staples and a sharp improvement in the marketing system. As an alternative, he proposed that the government implement a system whereby salaries would be periodically readjusted taking into account the real inflation rate in order to preserve the people's purchasing power, which is alarmingly curtailed after every measure adopted by the government to catch up with inflation [desembalse] like the one that is now being announced.

Genaro Ledesma of FOCEP and Edmundo Murrugarra of UDP expressed the need for the repeal of the controversial decree law 046 or "antiterrorist law," by contending that it is in violation of the constitution and that it constitutes an unnecessary, dangerous duplication of provisions in force in the penal code. The two senators demanded that every act considered as a terrorist crime be clearly and exclusively defined in the penal code, instead of having a new law with different procedures. They also presented to Belaunde a detailed report on the most notorious cases of imprisonment based on decree law 046: Isidro Quiroz, an IU councilman for Carabayllo; Manuel Rojas, of Cusco; Nicolas Matayoshi, a poet of Huanca; Guillermo Bengoa, an Arequipa worker; and many others.

"We demand that they all be immediately released and that those who had been unjustly accused be acquitted accordingly," they said. "Political amnesty is the least that could be asked in order to maintain conditions which are conducive to promoting dialogue," they added.

Also defending the meager democratic gains, Jorge Hurtado, of UNIR, demanded that the government respect congressional and municipal immunity.

Senator Jorge del Prado of the PCP raised the problem of the reinstatement of dismissed workers and the threats to the right to strike included in the two bills recently proposed by the Popular Action Party. On the first subject, he criticized the government for having solved only 37 of the 1,537 cases of unjust dismissal ordered pursuant to laws enacted under the military dictatorship. On the second subject, he strongly questioned the limitations and obstacles which the above bills pose to the right to strike. He noted that both the General Confederation of Workers of Peru and leading national federations of workers have already opposed the above bills. He concluded by demanding a labor amnesty and the immediate reinstatement, during the weeks preceding National Independence Day, of all dismissed workers. "This will be a demonstration by the government of its desire to promote a dialogue," he said.

The first round of talks ended with the exposition of Juan Sanchez, of UNIR. He emphasized the IU concern over the fate of national production, which is today overwhelmed by an economic policy which favors monopolies.

In his reply, President Belaunde stressed the fact that his government did not intend to be repressive and that all his government actions were designed to serve justice, especially the decree laws that had been questioned "which have been instrumental in adjusting a de facto regime into a constitutional one." He was clear, however, in defending decree law 046 and conveyed his support for the civil guard and for its chiefs in the face of the demands that they be punished on charges of having violated congressional immunity. "We cannot punish distinguished officers because of street fights," he said.

In their answers, the ministers did not really say anything new. In fact, no one expected them to cause any surprise. Ulloa, who naturally took care of replying to questions related to economic aspects, questioned the IU demand concerning salaries and prices, he said it would create inflation. He stated that the government will not implement a policy of generalized subsidies since by subsidizing agricultural products the government was already subsidizing what is consumed in the cities.

The antiterrorist law issue was skillfully sidestepped by Felipe Osterling, while Jose Maria de la Jara y Ureta remainded deadly silent. Not only did Osterling give legal justification for the above law, but he did not say anything new about political amnesty. He merely took note of the cases reported and invited an IU delegation to his office to exchange views on the controversial decree law.

Labor Minister Alfonso Grados defended the performance of the tripartite commission. He said the reason very few dismissed workers had been reinstated was due to the legal restrictions to reinstating a worker who had collected his severance pay. As an alternative, he mentioned the possibility of modifying the above criterion if the congress approves the proposed legal interpretation to the effect of not considering those cases as "closed cases" due to their involving very pressing social problems. He gave, however, no assurances about the demanded labor amnesty.

In summing up the discussion, Alfonso Barrantes asked the president for a second meeting "to listen to the government's reply to the IU proposal and, above all, to their demand for a labor and political amnesty for Independence Day." Belaunde said that after conducting the appropriate consultations he would set the date in the next few days.

Thus the dialogue has been suspended amid general expectation. By wanting to commit the left to a social pact, the government is now committed itself to responding to public questioning by the left. Logically, if the government does not take any positive action and if the requested amnesty is not decreed, it will be responsible for not making it worthwhile to carry on the dialogue.

CSO: 3010/1739

BRIEFS

MEDICAL STRIKE CONTINUES--Lima, 19 Aug (AFP)--More emergency medical services stopped in Peruvian hospitals today, thus continuing to exacerbate a medical strike for salary increases and social reforms which will complete its second week tomorrow. In the meantime, the labor authorities have declared illegal the general strikes begun on Monday by 27,000 Peruvian bank employees and 7,000 copper miners in southern Peru, who demand better salaries. Since Public Health Minister Uriel Garcia is not willing to meet with the leaders of the medical federation, which has 13,000 members, as long as the strike is not ended, there are no hopes for this conflict to be settled. However, it is possible that this strike will be settled by a salary increase which congress is approving for 1982 for the medical sector and by eventual church mediation. The hospitals are empty because of the strike. [Excerpt] [PY192323 Paris AFP in Spanish 1800 GMT 19 Aug 81]

CSO: 3010/1739

VISIT BY U.S. UNITED NATIONS ENVOY HAILED

PY181917 Montevideo LA MANANA in Spanish 10 Aug 81 p 8

[Editorial: "The Kirkpatrick Mission"]

[Text] The visit to Uruguay of the U.S. permanent representative to the United Nations had a clearly defined objective: to advocate the participation of Uruguayan troops in the international "buffer" force which will guarantee the implementation of the Camp David accords. However, in addition to the result of this quest, there has been another intangible but obvious and positive effect: the visit evidenced the harmony in the relations between the ambassador's government and ours.

The U.S. policy toward southern nations has never ceased to draw priority attention for the latter. At the same time, the documents and programs of the latest Washington administrations have given signs of a similar and earnest concern, even though the degree of their success in finding formulas for understanding and harmony worthy of nations who share so many assets and interests, has varied.

Various remarks and suggestions included in Mrs Jeane Kirkpatrick's statements in Montevideo have given us the professional satisfaction of having detected, in advance, the conditions which will allow us to attain an excellent level of understanding between our two nations.

The ambassador provided a frank description of the peculiar nature of the current political, social and especially spiritual atmosphere prevailing in the United States. She said that it is the crowning point of a long process of popular rejection of the "New Deal" [given in English]. An evolutionary process which, in keeping with the exemplary democratic nature of the U.S. system, has been permeating the institutions and shaping a political style.

A process which, suddenly stalled by the Watergate affair—that painful and divisive historical incident—has now recovered with Reagan its, we would say "creative" vigor. This is the reencounter of the American people with the principles on which their nation is built.

LA MANANA had seen these signs in the previous administration, even though they had not been so evident. In our editorial published on 29 July 1979 we hailed "the rebirth of the U.S. national spirit" and, more important still, we stated that

this would lead, in due time, to a "fruitful dialogue" and a true understanding with Latin America. We said: "The United States, as conceived by its president, would deserve not only the admiration but also the affection of our Rodo [Jose Enrique Rodo, Uruguayan writer and philosopher]."

And in fact, this U.S. recovery of the "American way," which has been described by the best writers in the world, has given rise, without too much effort, to a Latin American policy based on respect, acknowledgement of interdependency (specifically mentioned by Kirkpatrick) and preeminence of political realities over nebulous desires, which are not the same as supreme ideals.

There is no denying the suggestive fact that the evaluation made by the visiting diplomat--even though this is the first time such an evaluation has been made in Uruguayan by a spokesman of this standing—has been shared by the various U.S. political circles, even those which disagree with the current administration. One significant example of this is an enlightening book published this year ("Reagan, L'uomo, il Presidente" edit. Corno, Milan) [Reagan, the Man, the President," Corno Publishing House, Milan] written by five journalists of the New York TIMES under the guidance of Hendrik Smith (Pulitzer Prize, 1972, 1974). This book eloquently shows the essentially popular roots of the principles and guidelines of the White House and the manner in which the president epitomizes the everyday American.

As far as we Uruguayans and Latin Americans are concerned, the Kirkpatrick mission has given us a first hand, clear and inspiring description of her country's status quo. A "domestic" status quo on the basis of which one can be confident of establishing stable and fraternal relations in the hemisphere.

CSO: 3010/1731 END

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PROBLEMS OF OIL GOODS, SERVICES SECTOR ANALYZED

Caracas NUMERO in Spanish 2 Aug 81 pp 39-45

[Series of studies by newsmen Kim Fuad and Gerardo Inchausti]

[Text] The Road to the Strip Has Many Obstacles

The largest private capital industrial sector in Venezuela, employing some 40,000 persons, is being obstructed by a series of problems ranging from a lack of financing to old ways of thinking by the oil industry operating companies that favor the large multinational consortia. New rules of the game are expected, in order to be able to participate in the development of the Orinoco Oil Strip, because otherwise they will go under. The situation through which this sector is going is reviewed in a series of studies prepared by newsmen Kim Fuad and Gerardo Inchausti.

Nationalization of Venezuela's oil industry has opened the way to a new kind of exploitation of the country's principal natural resource, giving rise to expectations in every sector of the economy.

A central idea emerged after the transition stage to the effect of incorporating the oil sector in the rest of the economy, using its great dynamism to promote the establishment of lateral activities like engineering in all its phases, services and capital goods, which formerly were the almost exclusive domain of foreign companies.

Reversal of a tradition is involved. In its six decades of existence, the oil industry grew isolated from the rest of the country. Although it brought in the foreign exchange that generated Venezuela's development process in this century, the industry lived with its back turned on the nation, employing less than 1 percent of the work force.

While countries with fewer oil resources than Venezuela, like Argentina and Brazil, established a vast industrial and technological support structure to support their oil industries, our country, which was the largest oil exporter in the world for decades, was, at the same time, a new importer of goods and services for its industry.

From its start at the beginning of the century until its peak in 1970, when production reached a maximum of 3.7 million barrels a day, and in the subsequent years

of sharp decline, the situation did not change. Venezuela continued to import almost all the essential goods and services for the oil industry.

A new requirement. In the first 5 years of nationalization of the oil industry, a vigorous reactivation was seen in every sector, ranging from exploration in new areas to removal and expansion of its material and human equipment. All this found expression in the greatest expansion stage in its entire history, with investments in the first 5 years of state activities that exceed all the investments made in the sector up to 1975 by foreign concession-holders.

With a horizon cleared of the time limits under which the former concessionaires operated, the national oil industry undertook a long-range planning stage, establishing a great number of projects and activities. The opening of research and development of the oil-bearing strip on the Orinoco is undoubtedly outstanding among them.

The Strip, whose 50,000 square kilometers contain the largest heavy oil reservoir in the world, has aroused the interest of the large international enterprises as well as of the 120 companies comprising the Oil Chamber and other companies located in this country.

The oil services industry has been increasing in volume and amount in the last few years, attaining at present a high degree of technology. It is represented mostly by almost 150 enterprises whose labor force ranges between 30,000 and 45,000 persons, that is to say, more persons than the oil industry itself.

Its fixed assets exceed 4 billion bolivars in equipment with a high degree of technology for drilling, cementation, fracturing and completion of wells; geophysics, electrical logging and equipment for laying oil pipelines, mechanical assembly of oil and petrochemical plants; manufacture of equipment and equipment suppliers with their corresponding, important technical support.

This complex industry is divided into five sectors: 1. well services, 2. technological services, 3. assembly and construction, 4. material and equipment supplying, 5. equipment manufacturing.

Problems. During a forum with NUMERO, the directors of the Oil Chamber, Rafael Sandrea, Edgar Romero and Pedro Alcantara, stated that its members are capable of handling reliably a high percentage of the jobs to be performed in the Orinoco Oil Strip and in the rest of the oil industry.

Nevertheless, they maintain that its 120 affiliates--national, mixed and foreign enterprises located in Venezuela--are being discriminated against, to a certain extent, by the national petroleum industry. In order to emphasize the amount of goods and services required by the national oil industry, they stated that total expenditures in 1979 amounted to 16 billion bolivars. They added that these outlays have been showing interannual increases at the rate of 30 percent since 1977.

"The sizable outlays will continue to increase significantly in the coming years owing to the increasing needs of the oil industry. Investments of over 30 billion bolivars in the next 10 years are anticipated for development of the Orinoco Oil Strip alone," they said.

This would assume that the members of the Oil Chamber would have possibilities for an expansion parallel with the growth of oil industry activities. Nevertheless, although there have been repeated statements and promises by the highest level to the effect that the development of a strong services industry would be sponsored, in order to assist the oil industry, the facts have been different.

Discrimination. The main problem of these enterprises, many of which are modest in size, lies in the lack of a financing that will enable them to tackle the work required by the oil industry. And, together with this, according to the Chamber directors, there is a discrimination by the operating subsidiaries of Venezuelan Petroleum, because they award the largest contracts with extremely advantageous terms to large multinational consortia called upon to perform specific jobs in Venezuela.

As a background example of this situation, they mention in particular the huge remodeling jobs by LAGOVEN in the Amuay Refinery, awarded to Fluor enterprise, one of the five most powerful firms of their kind in the world. "While they do not finance us, they hold back 15 percent of the amount of the contracts that they award us sporadically and they refuse to recognize additional costs. Among other things, they pay Fluor its weekly payroll of 8,500 workers. And, in addition, this company, which has refused to incorporate Venezuelan equipment and services, has been assured in advance of a profit, free from risks, on the order of 15 percent of the total billing," the Chamber directors stated.

"The essence of the problem and the survival of those enterprises that want to into the Strip lie in financing,"Edgar Romero said. "We have a program that is going to start within 2 years and, apparently, is going to be maintained until the end of the century. The question is, then, who goes there?"

PDVSA Figures

Purchases by Venezuela's oil industry during 1980 amounted to 6.54 billion bolivars, according to a report by Venezuelan Petroleum [PDVSA]. Of those total purchases, 2.7 billion bolivars (41 percent) were for domestically manufactured goods and 1.64 billion bolivars (25 percent) for local purchases of imported items. From 1976 to 1980, total purchases increased from 1.22 billion bolivars to 6.54 billion, an increase of 5.4 times, while purchases of domestically manufactured items increased 5.5 times in that same period, going from 490 million to 2.7 billion bolivars.

Evaluation of plants and shops already established in the country was intensified, in order to make them large suppliers of the nation's oil industry. In 1980, INTEVEP [Venezuelan Institute of Petroleum Technology] (oil industry research and development center) made 109 new evaluations and 76 followups were carried out on enterprises already evaluated in previous years. To date, 29 industrial sectors have been covered and the manual of national suppliers of the industry, revised in December 1980, already has information on 215 of them.

Venezuelan Petroleum has collaborated with the National Council for Development of the Capital Goods Industry, established by the national executive branch on 22 May 1980, with the expectation of the multiplying effect that it may have on the economy.

Survival: A Still Very Uncertain Future

The future of Venezuela's oil industry lies in development of the enormous hydrocarbon potential of the Orinoco Oil Strip. And, consequently, the future of the enterprises belonging to the Oil Chamber also rests there. But which ones can go there and how will they do it? The Chamber directors complain of discrimination, restrictions and preferential treatment for the large foreign corporations, to the detriment of the national potential. In this case, what should be done to view the future with more optimism?

"The essence of the problem and the survival of those enterprises that want to go into the Strip lie in financing," Edgar Romero, vice president of the Chamber, stated.

In a document presented before the recent FEDECAMARAS [Association of the Chambers of Commerce and Industry] assembly, three problem areas were specified:

a. Legal rules limiting greater participation by Venezuelan investors in this industry are kept in effect and better economic treatment is granted to enterprises whose headquarters are not in Venezuela.

b. The routine practice of the oil industry is to favor contracting for goods and services directly abroad, in frank contradiction of the spirit, intention and reason of the nationalization act.

c. Resistance by the oil industry against recognizing justified costs increases ensuring profitability consistent with the investment risk, which is leading to decapitalization of the services enterprises.

Decree 1225. A few weeks before nationalization of the industry occurred, the government issued Decree 1225, preventing foreign enterprises from becoming mixed or national enterprises within the sector of services to the oil industry. The decree displayed the government's fear in the activity of third persons not tied to the oil industry and the creation of "ghost enterprises."

The president of the Chamber, Rafael Sandrea, observed that this concern still exists at present, but most particularly in the engineering and consulting sector. "What has happened there is that many engineers claim, with the support of the Engineers Association, that when a contract is going to be awarded, it should be turned over to them because they are Venezuelan. What I am repeating here is what the industry tells me and that is no lie and it is true in some cases," he stated. "Now, that is actually somewhat marginal within the oil industry and, at present, there are five or six authentically Venezuelan enterprises in the engineering branch."

Sandrea stated that, in spite of the fears of proliferation of enterprises, they have not increased either in volume or in number in the last 5 years. "Rather, most of the enterprises in the assembly and construction sector are in a recession and that is completely illogical. In the first 3 years of nationalization, those enterprises enjoyed contracts in other sectors of the nation's economy, but in the last 2 years they have undergone the effects of recession. The result is that the initial fears are no longer valid today."

Buy Venezuelan. Although Decree 1225 was set aside, the new modifications made to Decree 2023, with the intention of making participation by the national goods and services component mandatory, are not liked either by the Chamber or by the oil industry. Criticisms are focused on the excessive bureaucratization of the processes.

"What we should like is the creation of incentives and not of obstacles. We believe that in any capitalist country economic functions and not government regulations are the driving force. Because government regulations obstruct everything. We cannot establish 60 committees to create 60 situations. Economic incentives have to be created," Sandrea said.

"What are the economic incentives that the slogan 'Buy Venezuelan' had? As an example, it was seen that the automobile industry in Venezuela developed under the incentives of that decree. Everyone is working and there is no need for 60 permits and 60 ministries. Now, it is planned to create a National Importations Commission in the oil industry, to which the oil enterprises have to report in September what they have to import in the coming year. It is impossible to operate under that kind of bureaucracy. No one, no oil industry, not even my own industry, knows so far in advance what it is going to buy next year. This is creating a bureaucracy that puts the industry in a straightjacket."

The function of BARIVEN. In 1980, Venezuelan Petroleum incorporated its seventh subsidiary, BARIVEN, SA, an enterprise intended for purchasing materials and equipment for the oil industry.

The Chamber finds the establishment of BARIVEN to be logical, but, at the same time, it points out inconsistencies in its operation. "Formerly, the four operating enterprises bought through technological assistance contracts with the former concession-holders, paying them high commissions. It seems logical to consolidate those purchases in one single national enterprise, but, in practice, all buying decisions were shifted automatically to Houston, the headquarters of BARIVEN. The effect of this was that supplying enterprises established in Venezuela, employing over 2,000 persons and offering equipment, spare parts and maintenance, have had to decide to set up a representation in Houston or disappear," Sandrea added.

"Now, fortunately, this has not worked that way and this is due to the fact that none of the operating enterprises wanted to turn over their purchasing authority to BARIVEN," he pointed out.

Summarizing the situation, the vice president of the Chamber, Edgar Romero, said: "There was, indeed, a change, but that change was not entirely for the good. What has happened is that we have been insisting on the fact that the rules of the game have to change for survival of the national oil services enterprises."

Idle Capacity: The Worth of Venezuelan Companies

The Oil Chamber, "the most prestigious private capital industrial sector in the country," as its president, Rafael Sandrea, describes it, is facing serious problems of permanency and expansion at a time when Venezuela's oil industry is experiencing the most dynamic moment in its history.

During a forum with NUMERO, three directors of that organization--Sandrea, Edgar Romero and Pedro Alcantara--made an extensive analysis of the Chamber's planning possibilities, but, in their opinion, they are hindered by a discriminatory attitude of some sectors of the oil industry.

As expansion of the nation's oil industry starts, in spite of statements and promises by the highest levels of the government and of the oil industry, a tradition of lack of confidence in domestic products persists in certain segments of the four operating enterprises: LAGOVEN, MARAVEN, MENEVEN and CORPOVEN. That is to say, they prefer to choose foreign goods, services and talent.

Romero pointed out graphically that "what is happening is that when a president of a company comes and tells, for example, a guard in the Tia Juana oilfield (one of the oldest in the country located in Zulia State) who has been working in the company for 30 years that the company is no longer a multinational company, he surely would not yet believe it."

[Question] It would be interesting, first of all, for you to describe to us what the evolution of the Oil Chamber has been.

[Answer] In the past, the Oil Chamber was the chamber of the concessionary companies in existence in Venezuela. It was an economic force like FEDECAMARAS. Once the nationalization process had ended (or begun, as we shall try to see), a reorganization began of all the enterprises in the sector of technological services to the oil industry, within a chamber. Now 99 percent of all the enterprises performing engineering and technological services to the oil industry are grouped as the only private sector within the oil industry.

There are approximately 120 multinational, national and mixed enterprises in the Chamber. A hundred more enterprises, which are small, mostly transportation and subcontracting, are not in the Chamber. We are divided into five sectors. First of all, there is the well service, consisting of drilling, logging, sludging companies. In second place, come the engineering companies, not many. Then there are industrial assembly and construction companies. Next, the equipment supply companies and, finally, the group of equipment manufacturing companies. This last group is small, but it is growing fast.

The Chamber represents the country's largest private capital industry, employing some 40,000 persons and with assets in excess of 4 billion bolivars.

Approximately 50 percent of our affiliates are Venezuelan companies.

[Question] What is the position of the Chamber members with regard to powerful international consortia working in Venezuela, like the Fluor company?

[Answer] There is a certain technology, like geophysical engineering for example, in which the country's supply capabilities do not exceed 10 percent and we cannot try to cover all our needs, even in the medium term. Nevertheless, so that there may be good transfer of technology, the best course is by means of mixed enterprises. This could lead us to being able to triple that 10 percent by 1990.

What really is important is not to stay at 10 percent. Although we recognize a need for the technology of companies like Fluor, we need that kind of company to go into a consortium with Venezuelan groups to strengthen our role. And, in time, these groups will probably be contributing more and more to the country's general process.

[Question] In connection with Fluor, this company has been criticized for not employing an adequate number of Venezuelan engineers in the jobs that it is performing in LAGOVEN's Amuay Refinery. Is the Chamber doing something to control this kind of situation?

[Answer] I would say that it is, because we have applied pressure to try to increase participation by Venezuelan companies in that 4-billion-bolivar contract. Two years ago, we had promises both from Fluor and from LAGOVEN to increase Venezuelan participation.

Actually, it is necessary to be very frank. Those promises were a joke, both by Fluor and by LAGOVEN. There was no increase in Venezuelan participation. Our role was reduced to less than 10 percent, according to what is ascertained from data furnished by LAGOVEN to Venezuelan Petroleum.

[Question] What can you do in view of this concrete fact?

[Answer] We protested very strongly to Congress, the political parties and the Ministry of Energy and Mines. This produced results, not in the case of Amuay, but rather in the LAGOVEN contract for development of its sector of the Orinoco Oil Strip.

In this case, the original form of the contract was rejected. It was a turnkey contract that was changed to different form, making greater participation by Venezuelan companies possible.

[Question] In spite of the Chamber's pressure and of the announced policy of greater Venezuelan participation in oil development, it would seem that not much attention is being paid to its demands. What, then, is the real situation?

[Answer] There still is quite a bit of reticence on the part of the oil industry to the effect that what is foreign is good and what is local is not good. It is a force that has been prevailing in the industry for many years and that has not yet changed, although there would seem to be signs that it is beginning to change.

We are not resorting to chauvinism or to extreme nationalism. And, although a change in the way of thinking has been noted in the highest levels, that change in thinking has not trickled down to the middle levels and below.

[Question] Some executives in the industry counterbalanced those complaints by saying that domestic products are more expensive, in some items, than imported products, This has an effect on increasing the cost of their jobs. They also complain of failures to meet delivery dates, as well as of the quality of some domestic products. What is the Chamber's opinion on these matters?

[Answer] These observations are true in some cases, but the situation cannot be generalized. What we are trying to do is to encourage our members to the effect that we have to try to meet our commitments, in order to project our image. A good image is not enough. We must have an almost perfect image, because we are working against the stream.

Although it is true that there is a difference in cost between domestic and imported products, this has very little effect on the industry's overall costs. For example, with regard to materials, when the industry buys around 6 billion bolivars a year, a 40-percent extra cost does not even amount to 5 percent of the cost of producing a barrel of oil. The truth is that the increase in the cost of oil production is owing to an increase in personnel and the large investments that have not yet yielded dividends. This is what has actually led to a tripling of costs in the industry.

[Question] But is there some possibility that the gap will be closed between the costs of foreign and domestic products?

[Answer] It depends on the item. With regard to valves, for example, costs have been going down appreciably. At present, we are producing some 200 kinds of valves for the oil industry. The problem of costs is variety rather than volume. If the industry asks for 10,000 valves, usually 200 different kinds of valves are involved and this fact complicates costs and quality control.

In order to handle this situation, we have asked industry to divide bidding (something not done up to now) offering domestic enterprises the possibility of competing in costs and quality with foreign companies. Otherwise, if all the different kinds of valves are ordered "as a package" in one signle bidding, it proves to be a virtually impossible task for one single national company to handle those requirements.

[Question] Although you have difficulties in competing with regard to materials, what is the situation with regard to the services that you can perform for the oil industry?

[Answer] We are also faced with problems in this sector. For example, we have asked the industry, in the case of bidding for assembling jobs, for a modification of the present rules, which are disadvantageous for domestic companies. By way of example, for an assemblage bidding 10 different companies are called upon to pay bidding costs amounting to 100,000 bolivars each. That is to say that these 10 companies have to invest a million bolivars let us say for a 20-million-bolivar job in which only one is going to get the contract. The unfairness of that system is that it puts small domestic companies, whose capital may scarcely be 100,000 bolivars, in competition with large companies with a capital of many millions. It is obvious who has the advantage.

And this problem is still more serious in large projects. When the bids are opened, the Venezuelan companies are almost entirely excluded, because the industry uses macrocompanies for carrying out its macroprojects, like expansion of the Amuay Refinery.

We believe that the oil industry has an important part to play in promoting specialization by national companies. This may be by means of the union of several

Venezuelan companies in a consortium for bidding on large projects. We wanted to do that in the case of Amuay, but were unsuccessful. The original proposal by the Chamber to LAGOVEN was to have an opportunity, within the scale of Venezuelan enterprises, to participate in installing the Amuay Refinery under the supervision of LAGOVEN itself. Because this was not achieved, we were unable to demonstrate the worth of Venezuelan companies. This makes it difficult for us to participate in the work to be done for expansion of the refinery in Puerto La Cruz.

[Question] Can Venezuela follow the example of countries like Argentina and Brazil with capital goods industries providing full assistance to the oil sector?

[Answer] Equipment manufacturing is still somewhat incipient in this country and, actually, it represents 10 percent of the investments by the oil industry in technology.

[Question] In view of all these problems and situations that you have listed for us, what is the present situation of the companies comprising the Chamber?

[Answer] The services companies now belonging to the Chamber came into being and grew because of the needs of other sectors in this country. That is to say, these industries grew not with the oil industry, but rather with the private and public sector, like INOS [National Institute of Sanitation Works], SIDOR [Orinoco Iron and Steelworks], CADAFE [Electrical Administration and Development Corporation].

Today, when the country is facing a recession situation, we have gone to the oil industry to offer this capability, but, in spite of the fact that now large projects are being carried out, there is a high percentage of idle capacity.

TRANARG: Technology of Its Own

In the field of civil and geophysical engineering conceived as services to the oil industry, TRANARG [expansion unknown] has been outstanding for the last 20 years, acquiring domestic and international experience that has produced development of a technology of its own. "Our company," Martin Fierro, its general manager, said, "has risen together with Venezuela's presence in the industry and has gone beyond this country's borders to enter the Caribbean and Central American area, participating in international bidding and offering real solutions that might well be used, to a greater degree, by the Venezuelan oil sector."

Nevertheless, Fierro pointed out that "there is a great lack of confidence in this country with regard to Venezuelan industry. This lack of confidence is little justified, if we take into account the degree of development attained in some areas." In his opinion, that is probably the main problem of the private sector in the oil industry: coping with unjustified foreign participation, underestimating the actual possibilities of local goods and services companies that are capable of preparing activities similar to foreign firms. "It is contradictory for our services to be requested abroad, on the basis of bidding in which we compete with some companies operating here, while in Venezuela we are relegated to small projects."

TRANARG's greatest pride is having developed its own technology in geophysical engineering, which has improved the margin of error taken into account traditionally. "Technicians and specialists from Switzerland, Germany and the United States have come to observe our technology, in order to incorporate our achievements."

Cautious in his remarks, Martin Fierro preferred not to introduce his observations in the present controversy of the private sector, "because that depends on decisions by the official area." He only emphasized the need for an increasingly greater national participation in development of the oil industry.

Mito Juan: A Company with 3,000 Shareholders

Mito Juan has been operating for the last 15 years as a company supplying goods and services to Venezuela's oil industry, in spite of having reorganized its internal operation starting with nationalization, a process that affected it like any other company in operations, in spite of its national nature.

"We were one of the national enterprises with the largest number of shareholders," Ricardo De Sola, its president, stated, "with a popular capital divided among 3,620 shareholders, before establishment of SAICAS [expansion unknown]. A tangible demonstration of this democratization of capital is the fact that our principal shareholder is the Credit Savings Fund of the Oil Workers Federation, which owns 7.5 percent of the capital of Mito Juan."

The company had to readjust its personnel after nationalization of the industry, but now it is carrying out new projects in the chemical and metalworking field. In the chemical field, it is developing a plant in Maracaibo working with imported raw materials but that is preparing to produce them in this country by means of a processing plant in which VENOCO, EXXON and Mito Juan itself will probably participate to produce paraffin inhibitors, chemical settling tanks. "The project is fairly well along," De Sola stated, "and we already have the registration of that new enterprise that will supply many of the present needs of the industry." Meanwhile, Mito Juan has a contract with EXXON to perform the chemical preparation process on the basis of its shipments of raw materials for sale to its own companies.

Capital Goods. In the metalworking field, Mito Juan is progressing with an important project in the manufacture of capital goods. The enterprise has acquired a considerably large plot of land near El Tigrito, in Anzoategui State, and has signed a contract with PARMAC, manufacturers of the Perkersburg pumping beams, in order to obtain technical assistance. In addition, according to what De Sola himself stated, "PARMAC has shown interest in becoming a partner of the enterprise to be developed." The idea is to establish a foreign company that will operate in Venezuela with 20 percent national capital, but that will continue to recover progressively the portfolio of shares until it become a mixed enterprise or, even, a definitely national enterprise.

These plans of Mito Juan are operated on the basis of possible changes in certain rules established with the nationalization process. Specifically, the ones contained in the "Buy Venezuelan" decree, which, according to De Sola's view, "has 54 articles, making it almost a law and making it excessively extensive and with too much detail for local needs. The decree must include what is basic, but with internal regulations for each area that will include their real possibilities."

One of the main features, in Ricardo de Sola's opinion, is contracting for services of foreign companies, "when those jobs can be done perfectly here." The services sector of Venezuelan industry has more personnel--between 35,000 and 45,000 employees, than the operating companies. The assets of the 150 services enterprises operating at present amount to 4 billion bolivars.

"There is no uniform contracting criteron," the president of Mito Juan argued, "because while CORPOVEN contracts for the services of national companies, LAGOVEN uses the services of Fluor in its jobs. The logical thing is that when contracts are made with foreign companies, this should also be done in association with Venezuelan companies, with national designers, who can incorporate the techniques used and carry out, in this way, a technological transfer."

AFCA: Inactivity as a Concern

The metalworking industry is one of the sectors participating most importantly in the oil industry, in the area of capital goods and services. Luciano Reni, in his capacity as first vice president of the Oil Chamber, president of Steel Manufacturers, Incorporated (AFCA) and general manager of FORMICONI, Incorporated, thinks that production of highly sophisticated equipment is one of the basic components supplying Venezuela's oil industry.

"In the last 3 years," Luciano Reni stated, "the country's main industry required and asked the metalworking industry for the manufacture and installation of equipment with a high degree of performance and quality, This meant an important incentive for development of the sector, both in volume of orders and in guaranteeing the requisite quality." The metalworking area had to cope with very strict requirements and it has made great contributions with regard to adjustment of technology and personnel to the conditions prevailing in the oil area. And also, for the first time, the industry had to cope with very high requirements, under a very strict supervision, on the part of the operating companies and supplying enterprises entering into contracts with them.

The new equipment was required for expansions of the refineries of Amuay of LAGOVEN, El Palito of CORPOVEN, and Cardon of MARAVEN, "without underestimatinmg the very important orders placed by the Venezuelan Guayana Corporation, through INTERALUMINA, for its new plant in Puerto Ordaz." Inspectors go to those expansions to supervise the work. They are professionals belonging to foreign engineering companies acting as general contractors of the operating companies, quite well known in the world: Lummus, Fluor, Alusuisse and Foster-Williams.

Orinoco Strip. Luciano Reni stated that "it is also necessary to point out the emphasis placed by the government, through the Ministry of Energy and Mines, on continuing to increase as much as possible the contribution by national enterprises to the development of megaprojects being initiated in the oil sector." It is a question of the projects for developing the bituminous Orinoco Strip, expansion of refineries and modernization of the industry in the technical field. "These projects," Reni argued, "are going to require a huge amount of all kinds of equipment, but this is an element of concern: the period of relative inactivity that our industries will undergo, which will last approximately a year, from the end of 1981 to the end of 1982."

The cause of this situation lies in the fact that the megaprojects will not start to require large-scale production of equipment until the end of next year, because, at present, they are in the engineering bidding phase, which has not yet ended. "They have just awarded contracts to the large foreign companies that are going to carry out those projects." In 1983, once the bids are in for the equipment, a 6-month period will be needed for the metalworking firms to do their own detail

engineering, make their shop plans on the basis of which they can buy and receive materials. "In the meantime, what are we going to do with all these investments in the technological and human field? There already are companies working at half capacity and it must be pointed out that the costs are very high in this area, both for training skilled personnel and for maintaining machinery."

Shorten bidding. According to the president of AFCA, one solution would be to try to speed up the process of bidding and purchasing equipment. Another way would be to buy equipment in Venezuela and not abroad, eliminating foreign purchases and contracts enabling the nation's industry to support itself. A time problem is involved, but it is serious. The oil industry itself will be affected by the diminished production capacity of the metalworking sector.

Industry's other big problem is financing. Luciano Reni believes that the government should establish special, effective mechanisms for providing financial assistance to the capital goods and services industry, in order to achieve its future expansion. "At present, there are many obstacles to obtaining credits, in addition to the slowness of the process itself, high-level interests and a money shortage." But, at any rate, the fundamental obstacle is the inactivity of the metalworking industry in the next 20 months.

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BRIEFS

LAKE MARACAIBO OIL DISCOVERY--LAGOVEN, a Venezuelan Petroleum subsidiary, has discovered average-grade 27-degree API oil in new areas southwest of Lake Maracaibo. Spokesmen from this operating company commented that an important discovery is involved. In fact, tests made on well Sol-4 yielded an average of 2,800 barrels of crude oil a day from the Apon Formation, in cretaceous limestones. This well reached a final depth of 5,740 meters and was drilled with a V-105 drill. Thus, the exploration program being carried out in new areas by the nationalized oil industry in search of more hydrocarbon reserves continues. [Text] [Caracas EL NACIONAL in Spanish 25 Jul 81 p 1] 10042

PARIA OFFSHORE WELL DRILLED--Paria Peninsula, 25 Jul--The American ship "Wodeco IX," under contract with LAGOVEN for the last 33 months, has begun to drill the 16th oil well offshore, on the continental shelf. Well 16 is being drilled north of Paria, about 30 kilometers from the coast. Its name is Mejillones Sur-1 and the previous well of the same name discovered a large gas deposit on the continental shelf, offshore of LAGOVEN, according to a program spokesman. He said that a depth of 12,000 feet will be reached with this well. Of the 13 wells drilled in LAGOVEN's offshore program, only one has discovered oil. It is a question of Morro 1, drilled within the Gulf of Paria. North of Paria, on the shelf, six of the nine wells drilled discovered large gas deposits. At the start of the program, the two wells drilled north of the Orinoco Delta--Guarao 1 and Orinoco 1--proved to be dry, according to the spokesman. At present, another well, Gupe 1, is being drilled in the Gulf of Paria. And we have started in Pedernales with another special drill, a floating barge. [By Ruben Ferrer Rosas] [Text] [Caracas EL NACIONAL in Spanish 26 Jul 81 p D-29] 10042

LPG FOR MASS TRANSPORT--Maracaibo, 30 Jul--Liquified gas will be used as a gasoline substitute in mass transportation in large cities, according to the second vice president of FENEGAS [National Federation of Gasoline Service Stations], Manuel Delgado. Other fleets that will also use combustible gas are the fleets of official agencies. Manuel Delgado stated that gas can be used in automobiles as a fuel by investing 3,000 bolivars in the installation of a large storage tank and special work on the carburetor. But, at the same time, he stated that vehicles can use both fuels--gasoline and liquefied gas--by adopting a dual system. "The advantage of gas is that it preserves the engine better, is less polluting and gives a greater output in running the vehicle. Its only disadvantage is that there is a lack of good starting acceleration, but that is compensated with a large displacement." Delgado revealed at the same time that the country does not have sufficient reserves

for extending the use of that fuel to private vehicles. Therefore, there can be no thought of a definitive replacement of gasoline, but rather it is a means for saving it. Moreover, application of the use of gas to all the nation's automobiles must be a long-range program, because the country does not have the necessary infrastructure, aside from the fact that the public has to be made accustomed to using it. [By Wilmer Ferrer] [Text] [Caracas EL NACIONAL in Spanish 31 Jul 81 p D-6] 10042

PUERTO LA CRUZ OIL PIER--MENEVEN will put the most modern and versatile oil pier in Latin America in operation next Tuesday at Puerto La Cruz, in a ceremony to be attended by the president of that subsidiary of Venezuelan Petroleum, Juan Chacin Guzman, directors of the company and special guests of Anzoategui State. With the incorporation of the new pier, MENEVEN expands to six the number of port facilities in the Guaraguao oil terminal, which now will have a simultaneous delivery capacity of 120,000 barrels an hour into ships drawing 55 feet and with a deadweight of 110,000 tons. The most modern mechanical and electrical equipment produced by national and international companies specializing in this matter make up this important installation, which also has an access platform, a loading platform, mooring posts for docking and mooring. It also has a complete firefighting system ensuring rapid control of any possible outbreak of fire. [Excerpt] [Caracas EL NACIONAL in Spanish 26 Jul 81 p D-6] 10042

CSO: 3010/1656

FIDE RELEASES REPORT ON IMPACT OF ECONOMIC MEASURES

Buenos Aires LA PRENSA in Spanish 23 Jul 81 p 15

[Text] The Research and Development Foundation (FIDE) has made an analysis of the development and prospects of economic activity. The foundation states that when the current administration took office, the first steps it took were designed basically to correct the external balance of payments problem. It should be noted as well in this regard that the isolated nature of the measures and the insufficiency of the devaluation are probably one of the weakest flanks of the program that was begun then.

"Although it has been some time since the measures were implemented," says FIDE, "those characteristics persist. The obstacles to reactivating production have not been eliminated; on the contrary, steps have now been taken to solve the same problems that were supposed to have been solved by the application of the earlier 'packages,' which failed to reverse the situation."

Devaluations

"Thus, for example, as a cumulative result of the successive devaluations, the price of the dollar on the money market rose by 98.4 percent between 2 April and 20 July, without correcting the overvaluation of the peso. At the same time," says the foundation, "in view of the obvious insufficiency of the first rediscount measure designed to extend the term of operations with the financial system (covering only 30 percent of the debt), this percentage was then raised to 50 percent. Almost immediately afterwards it was announced that new measures in this area were being studied, for the purpose of rectifying the deficiencies of the earlier moves. A similar situation can be seen," says FIDE, "in the area of public spending. Officials continue to announce cuts without any subsequent indication of their effective implementation."

"All these mechanisms pose serious limitations, especially in view of the fact that the lag in the exchange rate has still not been completely corrected. This is the only way," comments the analysis, "to achieve a genuine equilibrium in the current account of the balance of payments. On the contrary, the futures situation is being compromised, since in 1982 imports made between now and the end of the year must be paid for, and in early 1983 the loans made with exchange rate insurance will fall due. In this manner the foreign debt will increase, and the Central Bank will have to assume the costs generated by the reconciliation of differences in exchange rates."

Rates and Exchange

"The implementation of exchange rate insurance and the opening up of the market both respond not only to the goal of alleviating the external accounts, but also to that of reducing domestic interest rates. However, as recent experience has repeatedly shown, and given the nature of the financial market, that reduction is kept to a minimum by the cost of the foreign debt, and runs counter to the need to prevent savers from putting their funds in foreign currency. The performance of the latter," says FIDE, "will depend on the prospects of the free exchange rate. While that rate is regulated by monetary authorities, it is not immune to pressures that could be unleashed by persistent economic difficulties and the absence of incentives for reproductive investment."

"Therefore, considering the seriousness of the crisis, the mere application of these exchange mechanisms is unlikely to produce significant and rapid reductions in domestic interest rates and the speculative demand for foreign currency."

Plans

"In the search for solutions to the latter problem, various plans have been proposed to refinance liabilities, the most prominent among them being that of the Argentine Industrial Union. At the same time, economic officials have discussed other alternatives, trying to make up for the insufficiency of the rediscount implemented in late April. It is essential that a decision be reached on this matter in order to reactivate production, because the recession is still present, accompanied by inflationary pressures."

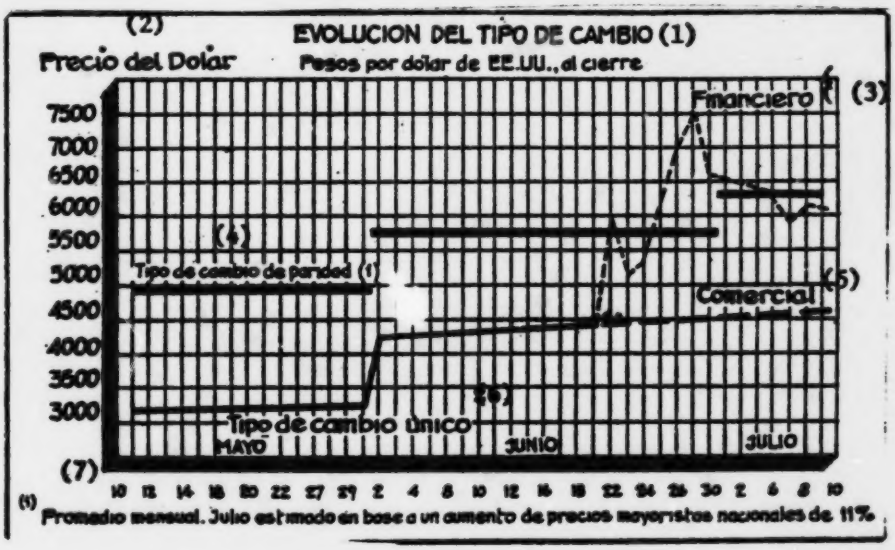
"This situation has had a decisive impact on state finances, in that budget targets are completely unrealistic now. It should be recalled," says FIDE, "that these goals were drawn up under the assumption that prices would rise an average of 55 percent, while an exchange rate of 2,900 pesos to the dollar was assumed. It was also expected that economic growth would reach 5 percent. However, to date only a few isolated decisions to reduce spending slightly have been made public. The structural reform of the sector has so far consisted of nothing more than naming study commissions, whose make-up is not known."

"Also under study is the future tariff structure," says FIDE. "It was revealed that opinions are not unanimous; while some incline in the direction of a single tariff (ranging from 10 to 35 percent), the Ministry of Industry proposes a sliding scale. The latter is the only alternative that is compatible with the objective of developing the basic sectors that will make up the productive apparatus. It is noteworthy," opines the analysis, "that this discussion has been carried on without any previous definition of the desired productive profile, which will be used as a basis for establishing tariff surcharges."

Uncertainty

"The uncertainty about future protectionist measures, along with financial worries and the stagnation of the market, paints a particularly gloomy picture for the manufacturing sector. In the last few days this pessimism was reinforced by the

release of data for the first half of the year in the steel and automotive industries. For the first time since 1974, the production of rolled steel products amounted to less than 1 million tons, while car production dropped by 15 percent compared to last year. At the same time, inventories of finished products are building up tremendously. The reactivation of the economy," concludes the FIDE report and analysis, "will be very difficult if these four basic issues continue to be sidestepped: the recognition of how deep the crisis really is, and of the necessary actions to take; the explanation of variables; the definition of medium- and long-term objectives; and the joint application of that strategy in all sectors."



Key:

1. Changes in Exchange Rate, pesos per U.S. dollar, at closing
2. Price of dollar
3. Financial
4. Parity exchange rate (*)
5. Commercial
6. Single exchange rate
7. May, June, July

(*) Monthly average. July estimate based on 11 percent increase in national wholesale prices.

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JAPANESE BLAME DEVALUATIONS FOR DROP IN AUTO EXPORTS

Buenos Aires LA NACION in Spanish 23 Jul 81 p 4

[Article by Luis Mario Bello]

[Text] Paris, 22 July--In their 16 July issues, Tokyo newspapers covered Argentina's economic difficulties. For the Japanese, the news items were self-explanatory, and required no further comment. Marketing firms have have lost approximately $50 million in auto exports to this country.

By way of illustration, the local press stresses that the leading firms in the industry (Sogo, Shosha, Toyota, Motor Sales Co.) lost about 10 billion yens in their exports to Argentina because of the devaluations and the subsequent recession.

In 1978, after the free market economy was established, Japan started concentrating its auto exports on Argentina. In 1979 it sold 4,179 vehicles here, including trucks; in 1980 it sold 6,509, and even with the restrictions imposed by the European Economic Community, between January and April 1981 it exported 18,549 cars to Argentina.

Simple Method

For reasons other than those invoked by the EEC, Argentina has found an easy way to limit Japanese exports. The method is simple, say Tokyo business sources; it involves not paying for what has been purchased. In that regard, it has been reported that former Minister Antonio Canero, adviser to an auto importer (Alberto J. Armando, in this case), went to Japan recently to refinance the debt of that Mitsubishi dealer.

Without further exposure in the European press, Argentina's situation has caused concern in economic and financial circles that are linked to or have interests in our country.

The interest shown by some financial groups, particularly Arab ones, is of a different stripe, however. They are asking for information about Argentina in London and Paris. They want to make investments. Of course, these are undesirable investments. They think--not incorrectly--that with a few dollars they can buy a good part of Argentina.

Ad in LE FIGARO

The Arabs are shrewd speculators, but they are impulsive. It is all the more curious, not to say unfortunate, that they have found encouragement in Buenos Aires. For several weeks there has been a permanent ad in LE FIGARO, our prestigious Parisian counterpart. The text of this two-column advertisement is "appropriate" to the circumstances our country is undergoing: "This is a good time to invest in Argentina. Rural properties: agriculture, livestock, forests; urban properties: houses, buildings, apartments. Legal counsel. Property Management." There is an address, on the 300 block of Calle 25 de Mayo. In short, details in the middle of a dense mass. But that is like announcing, innocently or carelessly, that the country is about to put on a sale.

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INCREASING UNEMPLOYMENT SPREADS THROUGHOUT NATION

Buenos Aires SOMOS in Spanish 26 Jun 81 pp 54-56

[Article by Jaime F. Cespedes with reports from Beatriz Traverso and Jorge Alurralde, and Ana Baron in Paris]

[Text] When the National Reorganization Process began, the unemployment rate in Greater Buenos Aires was 4.8 percent of the total labor force. Actually, the figure was higher, because in 1975 unemployment was hidden by incorporating a lot of personnel into the public sector. During the entire Peronist administration, the number of civil servants increased by 300,000, which certainly did not respond to real needs. By 1976 the jobless rate began to decline, and in 1979 the lowest rate in living memory was reached: 2 percent. Even at that, the number of civil servants was cut by about 200,000. If we bear in mind that about 3 percent is considered "frictional unemployment" (covering those who change jobs or do not accept employment offered them, or are looking for work for the first time), we can see that the economy was undergoing what is technically known as overemployment; in other words, there are more jobs being offered than people willing to take them. That situation lasted at least until October 1980, when the second annual unemployment survey still showed that unusual figure of 2 percent.

In April 1981, however, the picture changed drastically. The survey showed an unemployment rate of 3.9 percent in Greater Buenos Aires. That is still not an alarming rate, considering that the rate has not been lower since 1964, with the exception of 1974, 1975 and the last 4 years. Moreover, before 1973 the jobless rate hovered between 4.5 and 6.9 percent. But in the last few weeks, the trend has intensified. At present we are surely above 6 percent (although we will have to wait until October to get new data). And unemployment continues to surge. News about lay-offs, suspensions and reduced hours in the automotive industry and in large factories points to a worsening situation.

The Sunday want ads of the newspaper CLARIN give an alarming indication of this: while the edition of the third Sunday in June 1979 showed a total of 10,083 column centimeters, a year later that total was 5,844 column centimeters. Last Sunday there were only 2,326 centimeters. At that newspaper's headquarters, every day after 2200 hours people line up waiting for the delivery of the classified ads supplement, so they can go early the next day to the place where employment is offered. Last Monday SOMOS talked with some of those waiting for the supplement. "I have a bachillerato degree, and I've been coming almost every day

for the last 3 months, but it's useless," stated Raul Garcia, 27. "If you get something, they pay you chicken feed; you can't live on that. You have to keep looking, but every day there are fewer ads," he added. Juan Carlos Carmona, a 19-year-old construction worker, expressed his discouragement: "I have been looking for work in construction for 2 months, but I can't find any. What's more, not only are there fewer openings, but they have also lowered the pay. Two months ago construction was paying 550 pesos an hour; now it barely pays 220."

"I am a shoemaker by trade, and I have been coming every night for the past 25 days to look in the paper for a job. Fortunately, my father is helping me out, and I have a few pesos from the indemnity they paid me. But the problem is, you know your trade and you know how much your work is worth. Then along comes an inexperienced worker who will work for less. They give him a chance and leave you out in the cold. I'm going to have to lower my sights," said Alejandro Larraguibe, 30, the father of two children. Others waiting in line did not like their present jobs, or did not want to accept low paying jobs, but they did have work. Some skilled laborers complained that businesses did not value their knowledge and experience, preferring anyone who was willing to work for less. The person who distributes the supplement explained to SOMOS: "Today only 120 showed up due to the rain. Some days we have handed out almost 800 supplements. This is an old custom at the paper. During normal times, we would hand out 80 copies."

What has caused the country's labor market to make such a drastic about-face in such a short time? What can we expect in the future? What can we do? A shrewd political observer told SOMOS: "During the Martinez de Hoz days it was said that inflation was the price we paid for full employment. But now we have more inflation than then, and at the same time growing unemployment. Who can understand it?" For economists, the problem is understandable but complicated: The full employment of recent years led to higher real wages, as a logical result of the demand for labor exceeding the supply. Finally, the so-called level of equilibrium was exceeded; that is, the real wage the economy could afford to pay was surpassed. This led to a crisis, and the consequent unemployment is correcting the imbalance.

According to this theory, say the experts, the lower real wages drop, the faster unemployment can be overcome, and vice-versa. Although no one will admit it openly, to a certain extent the labor unions are tacitly accepting this situation. For example, when the Union of Mechanics and Related Automotive Transport Workers (SMATA) asked management to agree not to lay off or suspend personnel for 180 days, there was no mention of wages. "What we don't understand in this context are the raises agreed to for the public sector. Between May and September those raises total 46.7 percent, and they are putting pressure on the private sector," complain some. Along these lines, it is also hard to understand why under such circumstances the government is anxious to reach collective bargaining agreements in which labor leaders are virtually obligated to ask for major wage increases. The final result is a raise that is not as high as requested, but still high, especially for businesses in dire straits, or small businesses in the interior, or in economically underdeveloped areas. The upshot is increased unemployment. With a free and differentiated wage system, many businesses can stay afloat by paying lower wages. With uniform wages, as the collective agreements require, they have to close.

Beyond these considerations, the issue drifts into the political sphere. A veteran trade unionist told SOMOS: "Martinez de Hoz' policy could have no other outcome than what we are experiencing: unemployment, wage deficits, social unrest, etc. Why? That policy ignored national sectors and initially transferred money to a supposed national financial sector, which was absorbed by the international financial sector. The latter speculated in this country, with a minimum yield of 50 percent in dollar values, as opposed to the 15 percent (in round numbers) that is paid internationally." This leader is less critical of Lorenzo Sigaut, but does not share his optimism "when he calls for a favorable spring for workers." He advocates exchange control, special loans (that is, subsidized loans) for consumption, and concludes by asking for institutional normalization and a definition of the industrial profile, without clarifying what all that has to do with overcoming rising unemployment.

In turn, those who were responsible for the economy before 29 March reject the blame that is heaped upon them, pointing to errors in managing the economic policy and especially the policy of increasing inflation (with attitudes and expressions that feed inflationary expectations) as the real causes. "If Martinez de Hoz could maintain full employment from mid-1976 on," a former member of the economic team commented to SOMOS, "there is no reason to believe that all of a sudden his policy will lead to the opposite result."

Leaving aside issues of who is at fault and what could have been, there is a general feeling of aimlessness. Juan Fabregas, of the Argentine Industrial Union, told SOMOS: "The measures taken to date have been partial. Although they partially solve some problems, they aggravate others. This means that the benefits are cancelled out in a short time. If far-reaching measures are not taken to return credibility to businessmen and the working people, we will not have the expected results." A Radical leader also stressed "the need to implement productive reactivation measures." But he does not specify what they are. "Don't you think," asks a liberal economist, "that too many reactivation measures (read: issuing money) have been taken, and that is why we have gotten into this situation?"

Unemployment is not just an Argentine phenomenon. In the United States the current jobless rate is 7.2 percent; in Great Britain it is 8.4 percent; France, 7 percent; and Germany 4 percent. But in those countries the unemployed are subsidized, often so generously that they prefer not to work, or to do odd jobs that the government cannot find out about. Actually, the unemployed are not always people without jobs; they are people without steady jobs. Others, who are looking for a better job than the one they have or that has been offered to them, are basically voluntarily unemployed. It is difficult to learn the effective social dimension of a simple count of the unemployed, because furthermore, someone who is without work for 2 months is no problem; but if he can't find work for 6 months he does indeed pose a problem. For that very reason, the main concern is the durability and aggravation of this situation. Without a doubt, it is also a political concern.

The Ups and Downs of Unemployment
Fluctuation of Unemployment Rate, in Percentages

Note: For all years except for 1976, the respective annual average has been inserted.
Source: National Statistics and Census Institute (INDEC)
(*) Estimate

The current rate could be well above April's 3.9 percent.

The Map of Unemployment
As of April 1981, in percentages. (*) Provisional data

The slightly worse figures for April cover the whole country.

8926
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SENIOR MILITARY OFFICERS PROMOTED, COMMAND CHANGES MADE

Promotions Listed

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 1 Aug 81 p 5

[Excerpt] President Joao Figueiredo signed decrees promoting 34 general officers in the army, navy and air force and ordering changes in the various posts of command of the three forces. The decrees were published in the DIARIO OFICIAL yesterday. Four generals were appointed in the army (Henrique Beckman Filho, Enio Gouvea dos Santos, Sergio de Ary Pires and Alzir Benjamin Chaloub), while one admiral of the fleet was appointed in the navy (Alfredo Karam).

With the changes made, army commands are now as follows: 1st Army, Gen Heitor Luiz Gomes de Almeida; 2nd Army, Gen Sergio de Ary Pires; 3rd Army, Gen Tulio Chagas Nogueira and 4th Army, Gen Enio Gouvea dos Santos.

Gen Alacyr Frederico Werner was appointed Armed Forces Chief of Staff and was replaced in the Superior War School [ESG] by Gen Alzir Benjamin Chaloub. Maj Gen Jose Luiz Coelho Netto, commander of the 4th Army Division was assigned as chief of the office of the minister of the army.

The new makeup of the Army High Command is as follows: Minister, Walter Pires; army chief of staff, Gen Antonio Ferreira Marques; 1st Army commander, Gen Heitor Luiz Gomes de Almeida; 2nd Army commander, Gen Sergio de Ary Pires; 3rd Army commander, Gen Tulio Chagas Nogueira; 4th Army commander, Gen Enio Gouvea dos Santos; chief of the War Materiel Department, Gen Benedicto Maia Pinto de Almeida; chief of the Department of Education and Research, Gen Alvarenga Navarro; chief of the Department of Engineering and Communications, Gen Heitor Furtado Arnizaut de Mattos and chief of the General Services Department [DGS], Gen Henrique Beckmann Filho.

Maj Gen Carlos Xavier de Miranda, the deputy chief of the General Directorate of Personnel, will remain as the temporary chief.

The following were promoted to major general: Brig Gens Roberto Franca Domingues, Milton Paulo Teixeira Rosa, Hyran Ribeiro Arnt, Harry Alberto Schnarndorf, Vinicius Lemos Kruel, Joaquim Abreu Fonseca and Waldyr Pereira da Rocha. Rear Admiral Nayrthom Amazonas Coelho was appointed vice admiral and Brig Gens Thales de Almeida Cruz, Lauro Ney Menezes, Joao Alberto Correia Neves, Fernando de Assis Martins Costa and Joao Soares Nunes were appointed major brigadiers in the air force.

The following were appointed brigadier generals: Cols Armando de Moraes Ancora Filho, Alberto Evilasio de Barros Gondim, Inaldo Seabra de Noronha, Eduardo Doria Sa Fortes, Armando Luiz Malan de Paiva Chaves, Glenio Pinheiro and Cid de Goffredo Fonseca. The following were appointed rear admirals: Capts Gothardo de Miranda e Silva, Jeleias Baptista da Silva Castro, Carlos Augusto Vilhena de Magalhaes Cunha and Roberto de Paula Mesiano. Cols Roberto de Carvalho Rangel, Marcio Nobrega de Ayrosa Moreira, Jose Pessoa Cavalcanti de Albuquerque, Ivan Moacir da Frota and Fernando Luiz Vercosa Seroa da Motta were promoted to air force brigadiers.

(On this page are the list of general officers, their statements and their farewells as they changed posts; on the following page is a biography of those promoted).

Werner Goes to the EMFA

President Joao Figueiredo appointed Gen Alacyr Frederico Werner to be chief of the armed forces staff [EMFA] to replace Gen Jose Ferraz da Rocha, who was transferred to the reserves. Another presidential decree in the area of the Military Office appointed Lt Col Piero Ludovico Gobbato to perform the function of special adviser to the president of the republic, replacing the new brigadier general, Armando de Paiva Chaves, who was appointed to the post of commander of the 5th Armored Cavalry Brigade.

As a result of the new promotions in the army, decrees were signed by the president making the following appointments: Gen Alzir Benjamin Chaloub, commandant of the Superior War School; Gen Henrique Beckmann Filho, chief of the General Services Department; Gen Heitor Luiz Gomes de Almeida, commander of the 1st Army; Gen Sergio de Ary Pires, commander of the 2nd Army; Gen Enio Gouvea dos Santos, commander of the 4th Army; Gen Jose Luiz Coelho Netto, chief of the office of the minister of the army; Maj Gen Moacyr Pereira, commander of the 4th Army Division; Maj Gen Roberto Franca Domingues, director of Military Service; Maj Gen Mario Silva O'Reilly Souza, commander of the 1st Military Region; Maj Gen Milton Paulo Teixeira Rosa, director general of Economy and Finances; Maj Gen Fernando Valente Pamplona, commander of the 2nd Army Division; Maj Gen Joaquim Abreu Fonseca, director of Training and Career Enhancement; Maj Gen Octavio Pereira da Costa, deputy chief of the Department of Education and Research; Maj Gen Vinicius Lemos Kruel, director of Specialization and Extension; Maj Gen Jorge Sa Freire de Pino, deputy chief of the General Services Department; Maj Gen Waldyr Pereira da Rocha, commander of the 9th Military Region and the 9th Army Division; Maj Gen Hyran Ribeiro Arnt, deputy army chief of staff; Brig Gen Anapio Gomes Filho, commander of division artillery of the 1st Army Division; Brig Gen Alberto Evisio de Barros Gondim, commander of division artillery of the 3rd Army Division; Brig Gen Jonas de Moraes Correia Neto, director of Inactive and Pensioned Personnel; Brig Gen Luiz da Silva Vasconcellos, 4th Army chief of staff; Brig Gen Jose Antonio Barbosa de Moraes, director of promotions; Brig Gen Zaldir de Lima, commander of the 14th Motorized Infantry Brigade; Brig Gen Carlos Tinoco Ribeiro Gomex, chief of 2nd Army Staff; Brig Gen Armando Patricio, commander 2nd Infantry Brigade; Brig Gen Athos Cezar Baptista Teixeira, director of Engineering Materiel; Brig Gen Armando de Moraes Ancora Filho, 1st Army chief of staff; Brig Gen Inaldo Seabra de Noronha,

commander of the 1st Engineering Construction Group; Brig Gen Leo Guedes Etchegoyen, director of Social Welfare; Brig Gen Pedro Luis de Araujo Braga, director of Financial Administration; Brig Gen Eduardo Doria Sa Fortes, commander of the 16th Motorized Infantry Brigade; Maj Gen Harry Alberto Schnarndorft was detailed for training at the Superior War School.

In the air force, President Joao Figueiredo appointed five new major brigadiers (general officers of the Brazilian Air Force with three stars) pursuant to the order of seniority in rank, something which was expected because the list prepared by the High Commanded followed that criterion.

At the same time that he promoted the new officers, the chief executive also signed the decrees appointing them officially to the new positions they will hold compatible with their new ranks. Maj Brig Thales de Almeida Cruz was appointed to the post of chief of the DAC [Civil Aeronautics Directorate] subdepartment in Rio, where he was already stationed; Maj Brig Lauro Ney Menezes was appointed director of the Technical Aerospace Center in Sao Jose dos Campos; Maj Brig Joao Alberto Correia-Nevers was also kept in the post of command of the 4th Regional Air Command in Sao Paulo; Maj Brig Fernando de Assis Martins Costa was appointed director of the center for the Air Force War Material Directorate, leaving Brigadier Jose Pessoa Cavalcanti, also newly promoted, as chief of staff of the General Support Command in his place; Maj Brig Joao Soares Nunes was placed in command of the Air Defense Command.

Elsewhere, Brigadier Jose Brandao Lisboa Filho was relieved of command of the 5th Air Transport Air Force in Rio (that command will be given to Brigadier Ivan Moacyr da Frota, promoted yesterday) and was appointed chief of the DAC Operations Department, also in Rio; Brigadier Luiz Vercosa Seroa da Motta was appointed director of logistics of the Air Force Directorate of Education. Brigadier Jose Pessoa Cavalcanti was relieved as assistant air force attache at the Brazilian embassy in Washington, as well as of his post as chief of the Brazilian Air Force Commission, and has not yet been assigned a new post on his return to Brazil.

In the navy, it will not be until next week that Minister Maximiano da Silva Fonseca will bring to President Joao Figueiredo the decrees appointing the new admirals promoted yesterday, assigning them to perform duties compatible with their ranks.

Fleet admiral Alfredo Karan, it is said, should be appointed to the General Directorate of Naval Personnel, post which is now being held by Adm Jose Cavalcante Aranda, who is also secretary general of the navy.

Brief Biographies Published

Sao Paulo O ESTADO DE SAO PAULO 1 Aug 81 p 6

[Article by Flavio Galvao]

[Text] With the confirmation of the appointment of recently promoted Gen Sergio de Ary Pires to command the 2nd Army, it is believed that he will come to assume his new post quickly, post which has been vacant since the death of Gen Milton Tavares de Souza.

Normally, General Sergio (nom de guerre) has 45 days to assume his post, however, he is not obliged to wait that long, particularly since there is no problem of accommodations in his case that would make the move to his capital difficult. The official residence of the 2nd Army commander is empty. General Beckmann, who was the temporary commander, also has an official residence as the commander of the 2nd Army Division. Beckmann, also recently promoted, may remain another 45 days in Sao Paulo in what is called the "transition period" before assuming his new post as chief of the DGS. This is what it is believed will happen because his wife, it has been learned, has just had some surgery.

The appointment of General Sergio to Sao Paulo, on the other hand, was no great surprise. In a commentary published in the edition of last 26 July, we went on record saying that although some were talking about the possibility that General Beckmann would remain in Sao Paulo, the old idea could not be discarded that he would be given a position in another area because he had served here for three years already, having exceeded the usual period for a stay in one area by a long time. We added that although there were no official reports as yet, by a simple process of elimination the name of Gen Sergio de Ary Pires emerged for the Sao Paulo command.

Sergio has 45 days to assume his post.

With the appointment of the new 2nd Army commander, a new chief of staff for the unit, a post calling for a brigadier general, should also be appointed. Each army commander picks his chief of staff. Gen Leo Etchegoyen is now the 2nd Army chief of staff. He came here at the invitation of the now-deceased Gen Milton Tavares de Souza. It is obvious that Sergio de Ary Pires could ask Etechegoyen to remain, however it is observed that he is already finishing up 2 years in Sao Paulo.

It is also possible that there may be changes in the posts of chiefs of sections in the staff, which is normal when an army command changes hands.

Sergio de Ary Pires is a member of a military family. His father, Mario Ary Pires, became a general and ended his career as minister of the Military Supreme Court, our highest court of military justice. He transferred into the reserves in the rank of marshal. He was also chief of the office of Minister of War Nestor Sezefredo Passos during the Washington Luis administration.

Sergio de Ary Pires

A native of Rio de Janeiro, the new 2nd Army commander will be 63 years-of-age this 16 August. He was accepted as a cadet 12 April 1937, which means that he was a contemporary in the Realengo Military School of President of the Republic Joao Figueiredo, who as will be recalled, was appointed an officer candidate in November of that year.

He received his sword, the emblem of officer rank, on 12 January 1939. He has more than 40 years of service, for which he has the longevity medal with a platinum clasp among his decorations.

In the course of his career as a field grade officer (major, lieutenant colonel and colonel), he obtained all promotions on the basis of merit. He was made a colonel after the 1964 Revolution in April 1965. He participated in the Revolution at the side of the military personnel and civilians who opposed the Bolshivization of the country and who hoped idealistically for the recovery of the political-administrative process which was permeated by unbridled corruption.

He became a general officer in March 1973 in the administration of President Medici and received his third star in November 1977, promoted by President Geisel.

As a brigadier general, his first post was as director of Cultural, Physical Education and Sports Affairs of the Army, a directorate existing then.

An officer who has passed through all courses (Training, Enhancement, Staff, Armed Forces Command and Staff School and Superior War School), he has a good professional reputation among his comrades. In addition, he is considered one of the good heads in the army from the point of view of intelligence. He is not only a good staff officer but is also an experienced troop commander, something he acquired by commanding large units. He was division artillery commander in the 4th Army Division, which had its headquarters in the neighboring city of Pouso Alegre, Minas Gerais. Among his decorations is the Gran Medalha da Inconfidencia, awarded by the state of Minas Gerais. He also commanded the 2nd Infantry Brigade, a large unit with headquarters in Niteroi. It is said that his close relationship with present Minister of the Army Gen Walter Pires de Carvalho e Albuquerque, who then commanded the 1st Army Division of which it was part, dates back to that time. He also commanded the 10th Military Region with headquarters in Fortaleza, where, it is said, he performed

excellent administrative work and demonstrated great political skill. It is possible to link his close relationship with the governor of Ceara, Virgilio Tavora, a reserve colonel, with that period.

When Gen Walter Pires was chosen by President Figueiredo to be minister of the army, it was known that he would ask Gen Jose Luiz Coelho Neto, his personal friend who served with him in the Military Household, commanding the 9th Brigade, a large elite unit, to be his chief of office. Coelho Neto did not accept and went on to command the 4th Army Division in Belo Horizonte. It is said that with the freedom that old friendships and camaraderie allow, Coelho Neto in refusing the invitation supposedly posed to the minister the unsuitability of two "hardliners" serving together. That is why Walter Pires asked Gen Sergio de Ary Pires, who is now going to leave as chief of his office, a post to which General Coelho Neto has just been appointed.

Two From Sao Paulo

Two natives of Sao Paulo received their third star in the army in these last promotions. They were promoted to major generals, the penultimate rank in time of peace.

They are Gens Roberto Franca Domingues of Santos and Milton Paulo Teixeira Rosa of Vale do Paraiba, who is the former commandant of the Campinas Cadet Preparatory School. The former is from the engineers and the latter from artillery.

It is usual to say that there are no natives of Sao Paulo in the armed forces, which is not very true. As we have stated in this newspaper, the number of natives of Sao Paulo in the armed forces is increasing, particularly in the army and air force, primarily because of the excellence of teaching in the Campinas Cadet Preparatory School and because of the location of the Air Force Academy in Pirassununga in this state. Now the natives of Sao Paulo are beginning to show up among the general officer rank of the three forces.

In that respect, if we are not mistaken, the present commandant of the Air Force Academy, Brigadier Cherubim, is from Sorocaba, Sao Paulo. It is said that he makes jokes saying that his city has already given the country two brigadiers: Brigadier Tobias and him. Fleet Admiral Julio de Sa Bierrembach, minister of the Military Supreme Court, uncle of a deputy of the PMDB [Brazilian Democratic Movement Party] in the Sao Paulo Legislative Assembly, is also from Sorocaba.

2nd Military Region

Maj Gen Fernando Valente Pamplona was appointed chief of the 2nd Military Region, a post which had been vacant since the promotion of General Beckmann.

An infantryman, he was appointed an officer candidate on 11 August 1945. He was a major at the time of the 1964 Revolution, promoted to colonel in 1968 and to general in March 1976.

He is an officer who has taken all the courses: Training, Enhancement and Command and Staff plus two special courses on airborne troops and paratroopers. He is a parachutist and jump master. He is 58 years old.

Beckmann

Army General Henrique Beckmann Filho, 64 years-of-age, comes from the artillery and is a cousin of former President Ernesto Geisel. He spent the last 3 years in Sao Paulo as commander of the 2nd Army Division and as acting commander of the 2nd Army after the death of Gen Milton Tavares. His name was always included among the future four-star generals.

He is one of the military men who has completed the staff course in Federal Germany and has also taken the advanced officer training school and staff school courses.

With long experience in the area of training and command, General Beckman had such outstanding positions as military prefect of Brasilia in March 1972; director of resources of Brasilia and commander of division artillery for the 3rd Army Division.

Henrique Beckmann Filho also completed the course of Brazilian Studies in the University of Brasilia and has a professional degree as an administrative technician awarded by the Federal Council of Administrative Technicians.

He became a brigadier general on 25 November 1972, promoted to major general on 25 November 1977. He is a Commander of Military Merit, has the Gold Military Medal and is a Commander of the Naval Order of Merit. He also has the Pacificador Medal and the Santos Dumont Medal of Merit.

Chaloub

Army General Alzir Benjamin Chaloub, the youngest of those newly promoted to four-star rank, is 62 years-of-age and came from the artillery branch.

He completed the courses of artillery, advanced officer training school, staff school, Superior War School, Armed Forces Command and Staff School and Specialized Training School--war materiel and armament. He has several national decorations and the Paraguayan National Order of Merit. He belongs to the so-called "Education Line."

He was an instructor of ECEME [Army Command and General Staff School], he served in Paraguay and worked in PETROBRAS [Brazilian Petroleum Corporation]. He commanded the coast artillery of the 1st Military Region and the ECEME, from where he was assigned to head the Resources Directorate of Brasilia, later assuming the post of command of the 3rd Military Region, the Directorate for Training and Enhancement and as vice chief of the Department of Education and Research.

Alzir Benjamin Chaloub became a brigadier general on 31 March 1973 and was promoted to major general on 31 March 1978.

Among his decorations are: Naval Order of Merit, Military Order of Merit, War Medal, Pacificador Medal and Santos Dumont Medal of Merit.

Enio

Army Gen Enio Gouvea dos Santos, 63 years-of-age, came from the cavalry and is a personal friend of President Joao Figueiredo.

He has completed the courses of cavalry, Officer Advanced Training School, Staff School, Army Equitation School, Special Equitation Course of the Cavalry School, Naval School of Brazil, preliminary or basic command course in the Naval War School, Superior War School and Superior War Course. In addition to many national decorations, he received the Order of Military Merit of Paraguay and the honorary medal of Paraguayan Cavalry.

He was an instructor of the Advanced Officer Training School and the ECEME, chief of the Brazilian Training Mission to Paraguay, commander of the 6th Cavalry Regiment, deputy chief of staff of the army, commander of the 3rd Mechanized Cavalry Brigade, commander of the 4th Infantry Brigade, director of military service, director of specialization and extension and commander of the 1st Military Region, in addition to having been the vice president of the central executive commission of the 4th Army Olympiad. Enio Gouvea dos Santos has already been deputy chief of staff of the 4th Army and received 12 decorations.

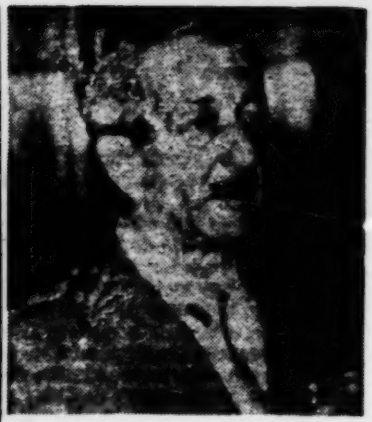
He became a brigadier general on 30 March 1973 and became a major general on 25 November 1977.

Karam

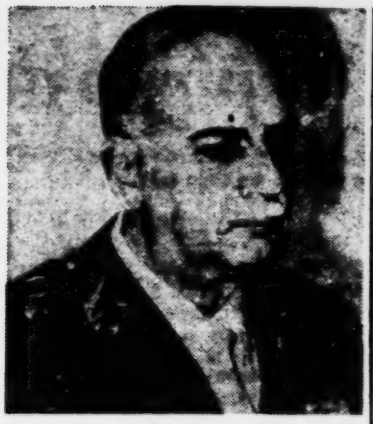
A native of the southern zone of Rio de Janeiro, a fan of the Flamengo soccer team, an habitue of the society columns, Admiral Alfredo Karam has a broad career which includes 19 deocrations, 10 specialization courses, eight promotions and several works published on submarines, his specialty. Among the posts he has held are those on board the Corvette Jaceguai and the destroyer Bauru. He also commanded the submarine chaser Grajau, the submarines Riachuelo and Rio Grande do Sul, the Almirante Marques Leao Training Center, the Sao Pedro D'Aldeia Airbase, the Submarine Force, the 6th Naval District and was chief of staff of the Naval Operations Command. He speaks English, Spanish, French and Arabic. He has four children and one grandchild. Daily, he can be seen running on the sidewalk of Atlantica Avenue, doing his customary morning jogging.

Admiral Karam is now participating in "operation dragnet" which is being carried out along the coasts of the states of Rio de Janeiro and Sao Paulo to train marines.

Beckmann



Chaloub



Ênio

Karam

His main decorations are: Naval War Medal of Merit, Northeast Naval Force Medal, Southern Naval Force Medal, Order of Naval Merit, Gold Military Service Medal, Tamadare Medal of Merit, Rio Branco Order of Merit Medal and the medal commemorating the birth of Rui Barbosa.

Careers of Those Promoted in the Army

Maj Gen Roberto Franca Dominguez, son-in-law of former Minister of the Army Ernesto Geisel, is 59 and is from the engineering branch. He was appointed an officer candidate on 4 November 1944 and became a major general on 31 March 1976.

Maj Gen Milton Paulo Teixeira Ross is 59 and from the artillery. He became an officer candidate on 8 January 1944 and became a brigadier general on 25 November 1976.

Maj Gen Hyran Ribeiro Arnt, who will be 58 next 13 August, is from the artillery. He became an officer candidate on 4 November 1944 and became a brigadier general 25 November 1976.

Maj Gen Harry Alberto Schnarndorf is 57 and is from the infantry. He is now a student at the Superior War School. He has already been chief of the Military Police Inspector General's Office. He became an officer candidate on 11 August 1945 and became a brigadier general on 25 November 1976.

Maj Gen Vinicius Lemos Kruel is 59 and from the cavalry. He is a nephew of the former army minister under Joao Goulart, Amaury Kruel. He became an officer candidate on 4 November 1944 and became a brigadier general 25 November 1976.

Maj Gen Joaquim Abreu Fonseca, who will be 59 on 26 August, is from the artillery. He became an officer candidate on 4 November 1944 and became a brigadier general on 31 March 1977.

Maj Gen Waldyr Pereira da Rocha is 59 and is from the artillery. He became an officer candidate on 4 November 1944 and became a brigadier general on 31 March 1977.

Brigadier Generals

Brig Gen Armando de Moraes Ancora Filho, first on the promotion list, is the son of General Ancora, who was chief of the 1st Army during the 1964 Revolution. He is 53 and from the Cavalry. He became an officer candidate on 17 December 1948.

Gen Eduardo Doria Sa Fortes, who will be 54 next 26 August, is from Juiz de Fora, Minas Gerais. He is considered a "talented professional" which placed him second on the list of those promoted. He is from the infantry and became an officer candidate on 17 December 1948.

Brig Gen Armando Luiz Malan de Paiva Chaves, special adviser to President Joao Figueiredo, will be 54 on 25 August. He belongs to the cavalry. Son of Gen Paiva Chaves, who commanded the UN Emergency Force in the Middle East, he became an officer candidate on 17 December 1948.

Brig Gen Alberto Evilasio de Barros Gondim of the artillery is 54 and became an officer candidate on 17 December 1948.

Brig Gen Cid de Goffredo Fonseca of the infantry is 55. He became an officer candidate on 17 December 1948.

Brig Gen Inaldo Seabra de Noronha of the engineers is 54 and became an officer candidate on 17 December 1948.

Brig Gen Glenio Pinheiro of the artillery is 55 and became an officer candidate on 17 December 1948. He was the Brazilian military attache in Colombia and is considered an expert on Latin American affairs with long experience in this area.

The Navy List

Rear Adm Nayrthon Amazonas Coelho, promoted to vice admiral, is 54 and has been the naval attache in Peru and commanded the ocean packet boat Bocaina and the destroyer Mariz e Barros. He has eight medals in his collection of decorations and his career included command of the 6th Naval District and the Port Captaincy of the port of Rio Grande do Sul in Pelotas.

Naval Capt Carlos Augusto Vilhena de Magalhaes Cunha, promoted to rear admiral, is 48 and has already commanded the repair ship Belmonte, the tug Tridente and the school ship Custodio de Mello. He has five decorations, has completed nine specialization courses and has had 16 career assignments, one of them as the captain of ports of the state of Espirito Santo.

Naval Captain Jelcias Baptista da Silva Castro, promoted to rear admiral, is 48 and from Para. He was head of the Rio de Janeiro Naval College and commanded the patrolship Pirapia, the corvette Caboclo and the Custodio de Mello. His career includes nine specialization courses and 16 career assignments, one of them in the Brazilian Naval Commission in Washington.

Naval Captain Gothardo de Miranda e Silva, promoted to rear admiral, is 50 and was born in Piaui. He has completed 11 advanced and specialized courses, participated in 17 career assignments, commanded the Bahia Basic Seaman's School and the Almirante Adalberto Nunes Physical Education Center, in addition to the Bracui (ocean-going packet boat), the subchaser Parana and the schoolship Custodio de Mello. He has eight decorations.

Promoted to rear admiral in the corps of engineers and naval technicians was Naval Capt Roberto de Paulo Mesiano, from Rio de Janeiro, 47 years-of-age, seven advanced and specialization courses, and 10 tours of career duty, one of them in the Brazilian Naval Commission in Washington. He was director of the Naval Electronics Center.

The Air Force Names

Brigadier Thales de Almeida Cruz is a native of Cacapava, Sao Paulo, where he was born in 1927. He grew up in Rio Grande do Sul. Cadet in 1945, he was declared an officer candidate in the Air Force in 1947 and promoted to 2nd lieutenant in 1948. He was an instructor of the Air Force Command and Staff School, chief of staff of the Coastal Command, commander of the Salvador Airbase and outside the ministry, an adviser to the Ship Construction Commission in Europe.

Brigadier Lauro Ney Menezes is from the same class as Brigadier Thales de Almeida Cruz. He is now the commander of the Aerospace Technical Center in Sao Jose dos Campos. A fighter and transport pilot, Brigadier Menezes has logged almost 8,000 hours flying time and commanded the 1st Fighter Group in Rio. He was the deputy chief of the office of the Air Force Minister, Araripe Macedo, chief of staff of the Air Defense Command, commander of the Santa Cruz Airbase and commandant of the Air Force Academy.

Also from the same class of 1947, Brigadier Joao Alberto Correia Neves is from Rio de Janeiro and was the aide de camp to Brigadier Araripe Macedo when the latter was director of Engineering and Air Force Materiel. He also was chief of the National Air Mail Post in Lima, Peru. He was an assistant to the deputy chief of the Air Force in the Military Household of the Presidency of the Republic and outside the Ministry he served in the National Intelligence Service. Before becoming commander of the 4th Air Command, he was in the United States as the Brazilian air attache.

Brigadier Fernando de Assis Martins Costa is of the class of 1948 and was promoted to 2nd lieutenant in July 1949 and to 1st lieutenant in August 1951. A native of Pernambuco, he has logged more than 8,000 hours of flying time and piloted such aircraft as B-25's (bombers), C-47 (DC-3), C-91 (Avro) and C-90 (Viscount). He has 44 individual commendations in his file. He was the Brazilian delegate to the International Civil Aviation Organization [ICAO] and full member of the Commission on Studies Relative to International Air Navigation.

Officer candidate in December 1947, Brigadier Joao Soares Nunes is from Rio de Janeiro and was promoted to 2nd lieutenant in July 1948. He has completed the flying officers training course, advanced officers course and Advanced Command and Staff School course.

He worked in the office of former Minister Araripe Macedo and was deputy chief of the Air Force in the Armed Forces Staff. He has 33 individual commendations and 13 unit citations.

Roberto de Carvalho Rangel is from Minas Gerais and a cadet of 1950. He was appointed officer candidate in December 1952 and promoted to officer (2nd lieutenant) in July 1953. He was commander of the Air Force Materiel Depot in Belem and has logged almost 8,000 hours of flying time.

Marcio Nobrega de Ayrosa Moreira is a native of Rio de Janeiro and is now studying at the Superior War School. A 1952 officer candidate, he is a fighter and transport pilot, having even flown the F-103 "Mirage:" He was president of the Commission for the Institution of the Integrated Air Traffic Defense and Control System (CISDACTA) and commander of the same agency, which he left to be a member of the Air Force staff.

Jose Pessoa Cavalcanti de Albuquerque is also from Rio de Janeiro and a 1950 cadet. He became an officer candidate in 1952. He was deputy chief of the air force in the Military Household of the Presidency of the Republic in the Geisel Administration. He was the chief of staff of the Air Transport Command and chief of the Brazilian Air Force Commission in Washington, where he is now.

Ivan Moacyr de Frota is from Ceara, a 1949 cadet and an officer candidate of the 1953 class. He will be 51 on 16 August. He was promoted to 2nd lieutenant in July 1954 and to colonel in April 1977. He was also a fighter pilot and flew the supersonic Mirage aircraft when he was chief of operations of that type of aircraft at the Anapolis Airbase.

Fernando Luiz Vercosa Seroa da Motta is another native of Rio de Janeiro promoted yesterday to a general in the Air Force. He was also an officer candidate in 1943. He was deputy chief of the Search and Rescue Division of the Airways Directorate, commanded the 3rd Air Transport Squadron at the Galeao Airbase, was chief of staff of the 5th Regional Air Command in Rio Grande do Sul and approach controller for aircraft (on instruments) of the Civil Aviation Department.

8908
CSO: 3001/223

BRITISH LOAN FOR MERCHANT MARINE SET AT $380 MILLION

Rio de Janeiro O GLOBO in Portuguese 21 Jul 81 p 18

[Article by Milton Temer: "Brazilian Naval Program Obtains Another $380 Million"]

[Excerpt] London--Minister of Transportation Eliseu Resende yesterday signed a loan agreement with a consortium of British banks headed by Lloyds in the amount of $380 million (36 billion cruzeiros) for Brazilian naval construction.

The greatest share of the loan--$300 million--will be for complementation of the Second Naval Construction Program (II PCN) and for the program of the previous foreign debt of the National Merchant Marine Superintendency (SUNAMAM). The remaining $80 million will be for credits linked to British products (suppliers credits).

With those credits, the Brazilian Government should authorize new contracts between shipyards and PETROBRAS [Brazilian Petroleum Corporation] for a total of 292,000 tons within 15 days. Those orders correspond to almost 30 percent of the annual program of one million tons aimed at maintaining the shipyards working at a reasonable rate of production.

Freights

Minister Eliseu explained that under present conditions Brazil is spending $3.8 billion every year on transportation costs, of which only 23 percent is spent on ships that are really Brazilian. With the naval construction program now being developed, total tonnage would reach 10.5 million tons, of which at least 50 percent would be in use. That would reduce the amount the country spends on the chartering of ships considerably.

Present at the signing of the financing agreement in the Brazilian chancellery in addition to Minister Eliseu Resende were Ambassador Roberto Campos; the superintendent of SUNAMAM, Elcio Costa Couto, and the financial director of the organization, Tarcisio Arantes.

Eliseu Resende admitted that the installed capacity of Brazilian naval construction industry is "heading toward idleness" and explained that since the II PCN is in the final phase, some shipyards have already completed their orders and have not received other orders.

Today the minister will be traveling to Vienna, where he is going to sign for the financing of the railway sector. It will be a financing of $30 million for the purchase of equipment for the laying of tracks made by the Austrian company Placer and Theurer, which was responsible for this work in the construction of the high-speed line between Paris and Lyon, where trains run at 380 kilometers per hour. The equipment, which should be ready in the next 7 or 8 months, and which will have some of its components made by the Austrian company's subsidiaries bearing the same name in Brazil, will be used on the Ferrovia do Aco [Steel Railway].

Rumors

The president of the Central Bank showed great optimism when he said that this agreement shows that the statements in Brazil that English banks would be closed for loans to the Brazilian Government were nothing but rumors. Asked whether this loan when concluded would really be the first of the year, he replied: "Of the large ones, yes...But others will come." He did not go into details.

This agreement signed yesterday means a commitment with Lloyds Bank that a consortium will be organized by the end of this year. Financing conditions will be established at that time, according to the minister. The next step will be up to the Central Bank, agency which will have to authoirze SUNAMAM to sign the financing contract. Carlos Langoni, president of the Central Bank, said that the authorization will be granted this year but did not choose to establish the date. "It is a secret matter, he explained, adding that the time will be established by the conditions of the market. According to advisers to the minister, the Itaipu Binational is waiting for similar conditions so that the green light may be given for its upcoming financing.

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STRIKE PROPOSAL DIVIDES FACTIONS IN STUDENT UNION

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 31 Jul 81 p 11

[Text] The proposal for a general strike presented in the National Council of Rank and File Organizations--CONEM--of the UNE [National Students Union] was not voted upon yesterday, second day of the meeting being held in Campinas, because of differences between the radical and moderate wings of the organization. In Brasilia, Ministry of Education and Culture [MEC] spokesman Antonio Praxedes once more deplored the strike, saying that Minister Rubem Ludwig views it "as the improper use by privileged persons,who have free higher education,of the effort and money of 75 percent of the students who pay for their education."

Meanwhile, UNE President Aldo Rebelo, touted as a candidate for federal deputy in signs painted on the walls of the Taquaral gymnasium, now states that he is not concerned with the strike. According to him, the CONEB is thinking more about "the opening of discussions on the demands sent to the MEC and aimed at the return of a dialog between the organization and the government." One of those demands, according to Rebelo "is that the intransigence of the government about talking to the UNE come to an end. That is why the general strike by the students in the second semester remains on a secondary plane."

Praxedes, however, reiterated that the minister will not receive the UNE,explaining: "The law is what bans the organization, the law that established the representation of the students." In his opinion, the UNE is harmful: "Why should democracy have to coexist with that type of people with markedly ideological fantasies? It does not exist, it was created in defiance of the law. Is the state, through its institutional agency, which is the MEC, going to give shelter to illegal institutions? The minister does not want to receive them much less recognize them. They only coexist with disturbances, with threats. The students are already entering the second semester of classes in an atmosphere of war. What is that? Six children playing at politics, wanting to upset the normalcy of university life?"

In the afternoon, at Planalto Palace, Minister Rubem Ludwig found it "strange" that the students threaten a strike once more: "The problem of the first semester is being repeated."

Privileged Ones

Antonio Praxedes accused the UNE leadership of being entirely from the Federal school and therefore, of not paying for their education: "They are having fun at the expense of those who pay. These leaders use the organization for political purposes; they are not studying, they are occupying spaces of persons who perhaps would be interested in studying."

Speaking vehemently in the name of the minister, the spokesman alerted the students "not to let themselves become involved because of solidarity which only benefits the leaders of the UNE, which has a well-defined ideological coloration." As far as he is concerned, it is important that it be noted that the organization does not seek an agreement without making threats, which he considers "contrary to the climate of opening the country is undergoing based on dialog on constructive suggestions and not on this climate of threats, repetitions and old things. Once more, the UNE is only a name in the new state."

Praxedes said that students criticize the amounts of tuitions, saying they are absurd, but they forget that "the absurd thing is inflation, but it exists. The increases established by the Federal Education Council is based exclusively on the INPC [National Per Capita Income]." Irritated, the spokesman asks: "Do they want to agree or what? Are they the new Messiahs? Brazilian university spirit is against what the UNE proposes. They are radicals, they do not represent anything."

Criticisms of Leadership

In addition to political differences, some student organizations of the Northeast complained in Campinas that the UNE leadership did not invite them to the congress and organizations from Acre said that they were only informed of the gathering by the DCE [expansion unknown] of the University of Sao Paulo. For Aldo Rebelo "That happened because those organizations had not been mobilized."

Elsewhere, the prefecture of Campinas, which provided several buildings for the holding of the CONEB, complained yesterday that damage had begun to crop up. In the Castro Mendes Theater, the main one in the city, nine seats were slashed and the walls of the Taquaral Gymnasium were painted with signs, although authorities had forbidden that type of demonstration because they did not have the money to repaint the building which was recently refurbished.

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CSO: 3001/223

SURPLUS IN BALANCE OF TRADE EXPECTED BY END OF 1981

Rio de Janeiro O GLOBO in Portuguese 30 Jul 81 p 33

[Text] With the results of the first half of the year confirmed, the Foreign Trade Department of the Bank of Brazil (CACEX) estimates that Brazilian exports will reach $25 billion by the end of this year and that the trade balance will show a surplus of more than $2 billion.

The forecast was made yesterday by CACEX when it revealed statistics on the foreign sales by the country during the first half of the year, product by product, compared with the results of last year during the same period. In the commentary accompanying the chart, CACEX bases its forecast on exports, which were stimulated by the reestablishment of the credit-premium of the IPI (Finished Goods Tax), on the injection of greater financing into the sector and on the increase in value during the second half of the year of the main primary products exported, together with a reduction in imports.

Manufactured Goods Lead

In the same commentary, CACEX states: "Exports of manufactured products resumed the rate of increase of 1980, showing during these first 6 months a rate of increase of 26.28 percent, reaching revenues of $5,273,000,000, exceeding the rate of the similar period in 1980 by $1,097,000,000."

Undeniably, declare CACEX experts, the showing by transportation material exports can be considered the most significant, due mainly to their large share in the overall quantity of manufactured goods. The total reached by this item--$873 million--exceeded sales during the same period the previous year by $283 million, a 48-percent rate of increase.

General Picture

Generally, the exchange revenues generated by the foreign sales of the country during the first half of the year, showed an increase of 18 percent by comparison with the January-June period in 1980, reaching $10.8 billion compared to $9.2 billion. Volume increased 14 percent, with a total of 57.3 million tons.

Basic products contributed $4.5 billion, with increases of only 16.1 percent. Coffee lost, and by a long ways, its leadership in the country's exports, dropping to fourth place. Soybean meal, minerals and transportation materials headed the general list.

Soybean meal provided $1 billion or 65.4 percent more. Moreover, all of the soybean products--oil, beans and meal--yielded $1,647,000,000. Metal ores, particularly iron, generated $954.4 million, or 25 percent more.

Coffee beans showed a decline of 34.1 percent in value despite shipments which were 7 percent greater than in 1980. Raw sugar contributed the same amount as last year, $266 million, with a volume of 34.2 percent less. Sugar products as a whole (raw sugar, molasses, crystallized sugar, refined sugar) provided $603.1 million. Poultry exports showed a marked increase, rising from $74.4 million to $165 million.

Footwear yielded 47.4 percent more, with $266.8 million, compared to $181 million. Also in the list of manufactured goods, processed beef with $141.5 million, or 30 percent more, machinery, electrical and electronic devices, with $275.8 million, or 46.3 percent more, were outstanding.

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CSO: 3001/223

ANDRES ZALDIVAR DISCUSSES OPPOSITION TO REGIME

Santiago HOY in Spanish 29 Jul-4 Aug 81 pp 11-14

/Interview with Andres Zaldivar, exiled Chilean opposition politician, by Antonio Martinez in Madrid: "I do not Believe in Violence"; date of interview not given/

/Text/ Madrid--After several months of exile--already about a year--Andres Zaldivar, in Madrid and suffering the rigors of a hot summer, wants to get the good out of his bitter situation.

Studying the subjects which have been his great love: politics and economy and analyzing exile incessantly, that "cruel punishment" according to his own definition, because he wants to keep his feet on the ground and he does not want to lose sight of the real Chile thousands of kilometers away.

He lives not very far from Santiago Bernabeu Stadium, where in another year the finals of Spain 1982 will be played. He hopes and wants to be back by that date. He has time to perfect his languages and shape and animate a project which he takes care of and indulges like a newly born baby.

What does it involve? Something "which goes beyond my person," in which he already has involved former Latin American presidents and Spanish politicians, with the participation of intellectuals and university people and with a concrete goal: To achieve a real integration between Spain and Latin America.

His gestures and words reflect the politician who believes in what he says. Therefore, perhaps a formidable rival: "I am a person who has held a public office, and who has spent a considerable part of the best years of my youth in trying to serve my native land well or poorly: it depends on who decides it."

By Peaceful Methods

And because he knows what he represents and what he is, he wants to dot all the i's: "It is quite clear to me, my decision is to return

to Chile, peacefully of course, I do not believe in violence. I have not committed any crime which would prevent me from exercising this right, which is so basic that it is recognized by all the nations of the free western world in the United Nations' Declaration of Rights and even in the very constitution which the present government has given the people.

/Question/ Has anything changed in your situation since they forbade you to return to Chile?

/Answer/ I do not think so. At least I am not aware of any reasons which could indicate that the government has changed its position. There is an inflexibility regarding my case. On one hand, it is said I can return any time provided I sign a statement; on the other hand, they have never informed me what type of a document it is or its content. As anyone can understand, I could hardly say I am going to sign something without knowing its content.

/Question/ Nevertheless, it is known that governments and foreign personalities have interceded for you. Has Santiago given any hopeful answer?

/Answer/ I am not acquainted with the answers. But what the government affirms is that I am outside because the law was enforced against me; and secondly, that I could return, provided I signed the statement.

But the fact is I have never been given the opportunity to discuss the content. The right thing would be for an opportunity to exist to do it, so that the person concerned could protect his interests and the government could do the same. But I insist that I have not committed any crime which deserves the punishment of exile. And if I really have committed it, well, I ask I be allowed to return to my country, because I would be the first to face these charges or accusations before the courts of justice.

/Question/ In short, what would you ask the Chilean government at this time?

/Answer/ That conditions be created to break the inflexibility, because it is intolerable to keep someone in a situation as emotional as exile. It is the worst punishment a person can receive; it is an endless, interminable punishment.

/Question/ But the government complains about some exiles, claiming that they are part of an organized campaign? Do you believe that scheme exists? Have you noticed it?

/Answer/ There undeniably may be people interested in making those campaigns. But at this time Chile is not in the news anywhere in

the world. It is only in the news here in Spain because of its qualifying for the World Soccer Championship. The only time I have been able to see anything on TV about Chile was when they televised the Chile-Spain game by satellite--and I was very pleased to see it.

But I insist Chile is not in the news. Therefore, I would not be right to say there is a campaign. The truth, in fact, is that Chile suddenly is getting in the news because of domestic events, which are leading people to make true and very negative criticisms about the country.

/Question/ Do you think the events in Calama fall in this category?

/Answer/ That had a tremendous impact on international public opinion. It was a dreadful, terrifying crime, and worse still when agents of security organizations are involved whom it is known could not be controlled by the authorities, and even less by the judicial branch which cannot get in to verify much of what these organizations are doing. These events are causing a profound repudiation of what is happening inside Chile in Europe and the civilized world.

/Question/ And the CRAV /expansion unknown/ case? Has it also had repercussions outside?

/Answer/ Yes. No one understands how an enterprise can go bankrupt with 300 million dollars and even more so, when the private banks have not demanded sufficient collateral to cover the credits. They do not understand why they appoint the main person responsible as president of another very important company, although he resigned afterwards for unknown reasons.

An important Spanish banker told me they had lost respect for money in Chile. This was said in financial jargon. Here in Spain, a person takes many precautions to do a business of 10 million dollars. He made a calculation for me: with a million dollars invested for interest in the financial markets, he would earn 200,000 dollars yearly. "So, I am going to tell you," he continued, "if I had absolute confidence in the Chilean government's exchange policy and knew that the dollar was going to remain at 39 pesos: I would get a rate of return of 480,000 dollars yearly, 40,000 dollars a month, more than a thousand dollars a day. You will realize," he continued, "that I cannot spend 1,000 dollars a day."

He wanted to demonstrate to me that money is handled irresponsibly in Chile. The CRAV affair proved this. He did not question everything, but he told me that the CRAV affair undermined confidence and that the effects will be felt more intensely, since the credibility of the system and the standard is damaged.

[Question] Do you believe in the maxim that there is no need to make political statements abroad?

[Answer] I, at least, have observed this standard of conduct. I believe, especially in the present circumstances, that statements of that type do not help at all the search for solutions for problems. I believe we must do that inside Chile, because it would create a healthy discussion to seek solutions.

In any case, it is not wrong to make statements abroad. It is absolutely right. There are persons who have another standard of conduct and I respect it.

[Question] And in that Chile which is going through a serious and complicated situation, what solutions can be offered? Which would you propose?

[Answer] The Chilean solution is a peaceful solution, because an attempt to impose any other solution by force or violence, regardless of its nature, whether official or extremist, will make Chile pay the price, since it is not going to find a rational way which really provides answers for the large majority of Chileans.

[Question] And within the concept which you support, what should the role of the peaceful opposition be?

[Answer] A very difficult one since it is not very well understood. The opposition of nonviolent methods is rejected and repudiated by those who hold power; and it is attacked by the extremists who want a violent solution. They call us pacifists, "betrayers," "cooperators" or "self-seekers." But we believe that peaceful and humanist proposals will be imposed.

Within this framework, the peaceful opposition must first, not renounce the fundamental principles in which it believes, which are human values. Therefore, it concerns the unrestricted respect for the basic rights of the person in national and universal terms, because we condemn their violation by governments of either type.

[Question] The USSR also says it defends human rights...

[Answer] We reject the claims of some countries who declare they are defenders of human rights and do not respect them within their own frontiers. We have openly criticized the USSR, because it does not have the moral authority to criticize other countries. There we have the case of Poland, whose government is being forced to respect fixed limits of law, but because of a struggle of great effort by the workers. But when the latter make some advance, it is not even the Polish government which menaces them, but Russia itself,

with its threat of intervention. There is even an internationalism which attempts to prevent the advance of the workers' human, social, political and economic rights.

/Question/ Continuing with Chile: What else must the peaceful opposition pursue?

/Answer/ That a genuine democracy be established in the country. But...I do not like the word "genuine." Let a democracy be established. Let us not continue with the democracy of names, which only serve to hide below what does not involve democracy. Democracy is a single thing and is based mainly on one idea: sovereignty resides in the people and it is the people who are called to elect their authorities and to decide through their mandate the rules with which they are going to govern their community life. And thus, their authorities are conditioned and limited to respect the fundamental rights of persons and people are obliged to respect each other. And those are the only restrictions.

/Question/ Could it be said that democracies have time limits?

/Answer/ No. What has time limits are the mandates to their authorities, because if they do not have time limits, they cease to be democracies. Even the excessive prolongation of terms of office threatens democracy itself. We have the case of De Gaulle: he made a constitution to his measure. It is bad to do it this way. It must be made to the measure of countries. And we are seeing the mistake in De Gaulle's long term of office, if someone should think the socialist government is a risk. I have great faith in the French system, because of its tradition, its plans and its geopolitical position. But if the French socialists should want to impose an undemocratic solution, they could do it, applying the standards which the De Gaulle constitution contains.

/Question/ Do you believe that something irreversible would have happened in Chile, if Allende had depended on the constitution which is now in effect?

/Answer/ I wonder. If Allende had had the same constitution which exists today in Chile, would we have been able to avoid the risk of a dictatorship of the proletariat? I wonder and I say it sincerely: What would have happened if the government of President Allende had depended on temporary regulation 24? Would we have been able to conduct this democratic struggle which we important sectors of the population are making, really believing in democracy?

/Question/ Then what would be the ideal constitution?

[Answer] I believe that those which last are those which are neutral, which do not have any ideological commitment to one side or the other, except a commitment to fundamental values.

[Question] You referred to the case of De Gaulle, of governments with a long term of office. Is it so inevitable that they have certain consequences? Can there be governments which last and produce good results?

[Answer] I believe that those governments lead to extremes, even more so when the governments represent a definite extreme. It is the typical case in Central America, the case of Batista in Cuba: a prolonged, authoritarian government supported by the United States and big capital. In Cuba it was said it was the paradise of the Caribbean, where the Americans and the big fortunes lived in peace and comfort, the store windows were full and they drank the best liquors, even cheaper than in the United States. Nevertheless, after 10 or 12 years, all this collapsed and what remained?: a Marxist, undemocratic solution.

[Question] But here in Spain, they went from a Marxist, authoritarian regime to a democracy...and without violence...

[Answer] It has been the only exception, and to a great extent thanks to the king's great competence and to his real democratic talent which led him to confront and thwart the attempted coup of 23 February. The coup does not have any support among the Spanish people. A strident minority favors it.

Beside the king was the power of what we could call the center of the Spanish middle-class, the intellectual class and the political parties.

The exception was due also to the fact that there was a civil war of such magnitude that the Spanish yearn for a peaceful transition.

But Spain is an exception. History has shown that governments which perpetuate themselves result in a violent revolution, which precisely does not tolerate democratic solutions.

[Question] Why did you select Spain as your residence, perhaps, because of your friendship with Adolfo Suarez?

[Answer] It was because the capacity to adjust is more natural here, where our ancestors' roots are and the customs and values which were the source of our own. Aside from this, I have followed the Spanish situation very closely for a long time. I established a relationship with the politicians who began the transition. I had a friendship with Suarez. He showed it to me with his attitude. As soon as he learned about my exile, he immediately gave me his support and facilitated things so I could settle here.

Suarez is the great architect of transition. He dismantled Francoism and achieved a national consensus from left to right which is allowing Spain to establish democracy. That is his great virtue. It is a role which he is playing and afterwards he will leave. It is good for people to recognize that the period for a mandate has expired and let other men carry on the consolidation of democracy. It is what Suarez has done by resigning and giving way to Calvo Sotelo.

/Question/ There are many Chilean exiles here in Spain. Do you have contacts with them?

/Answer/ I believe that exile, in general, involves a loss of a realistic view of the country. I try to avoid this result because you can fall into the worst pessimism or otherwise the great voluntarism of wanting to see everything with an imagination which considers it all for the best. And there the frustrations and problems continue to develop. One must do things consistently: be a realist, but without giving up the struggle to return. It is very difficult to harmonize both things.

I have had surprises in spite of not having organizational contacts in the country. At times I meet people in exile. And not well known persons, but those who were not conspicuously involved. And what strikes me is their lack of hatred. They are people of great wisdom and I believe that a fertile ground has been prepared in them, within their own sorrow of exile, to create the community life of a future Chile which will return to normality.

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TURBAY: SUBVERSION PREVENTS LIFTING STATE OF SIEGE

Bogota EL TIEMPO in Spanish 21 Jul 81 p 12-A

[Text] President Julio Cesar Turbay Ayala yesterday deplored the failure of the amnesty for insurgents and said that "their decision to remain outlaws and their refusal to avail themselves of the amnesty are powerful reasons why it is impossible for the time being to lift martial law, as the government had intended and as I personally promised the country."

President Turbay Ayala called on Congress to put forth a major effort and carry forward major administrative programs, saying that during his mandate no legislature "has been faced with a more important commitment than the present Congress."

Inaugurating Congress at a joint session in the Elliptical Room of the Capitol, the chief of state said:

"The government is aware that the presidential election campaign will lend particular importance to political issues, but it is no less true that certain priority matters cannot be neglected without causing disturbing consequences for the country. The administration will place them before Congress and will seek solutions to them, its sole objective being to serve the national interest. We do not approach public problems on the basis of expediency; rather, we want to address them with a long-range view to save the nation difficulties in the future."

Electric Power Development

Turbay attached particular importance to the electric power generation programs and announced that the bill to set up the National Electricity Fund would be submitted to Congress. The Lopez administration did not succeed in getting this bill passed.

He indicated that before the end of the year the country would have an additional capacity of 632,000 kilowatts when "Chivor II and Paipa III join the recently inaugurated Termozipaquira IV." He added that the government also expects to complete the 519-kilometer line linking the interior network with the coastal grid and pointed out that construction is under way on the Jaguas and Cerrejon powerplants and that contracts have been signed for Tasajero and Betania, which will provide the country with another 1 million kilowatts.

He stated that other projects similar in size to Guavio, Playas, Urra, Canafisto and La Miel would have to be financed, "and loan requests for somewhat more than $3 billion will be submitted to the next consultation group for all of them."

He observed that domestic rather than outside financing involves the greatest difficulties and after stressing the efforts that the country has made in the area of rates, he stated:

"This major program will require more than $8 billion, and at the same time we will need another $8 billion to transmit and distribute the electricity to customers, which confirms our immediate need for a financial arrangement like the National Electricity Fund to channel domestic efforts towards expansion, which will, of course, require the cooperation of this and subsequent administrations."

The Fiscal Problem

President Turbay devoted much of his message to analyzing the country's fiscal woes and said that "the economy has been able, with difficulties of course, to endure a first half in which almost all the indices of the foreign sector have been negative. This is perhaps most clearly visible in coffee sales, because over the first 4 months alone there was a falloff of one million sacks in export entries compared to 1980."

"We are going through a transition period in which, as the finance minister said, downward trends are being fought with promotion and anticyclic policies. The government is not sure of what the ultimate outcome will be. The economy will surmount these difficulties, and what would otherwise have been a widespread recession, without deliberate economic policy moves, will turn into a controlled and guided process of adjustment."

Turbay noted that this assessment is based on facts, not unfounded optimism, and he recalled that the country has more than $5 billion in international reserves, that the economy is not at a standstill because it is growing by at least 4 percent a year, that the money supply is not out of control and that the National Integration Plan is moving forward without delays. He also indicated that public investment outlays are up 65 percent.

He went on to say: "We can thus conclude that the economy is not in a crisis, nor is it faced with insurmountable difficulties at the moment. Nevertheless, our fiscal situation and prospects are very complex, and I want to clearly inform national public opinion about this."

Long and Short Term

As he began to explain the country's fiscal problems, the president stated:

"I would like to distinguish the two basic sides of our fiscal problem. The first has to do with the present, the short term, and the other has to do with

prospects beyond 1982. With regard to the immediate problem, the one that directly affects this administration, I must state that although it is true that we have a budget deficit, we are not looking at a collapse without options or alternatives for dealing with it. In connection with the country's fiscal future, however, which the next administration will have to handle, there are, in fact, reasons for alarm, because on the horizon we can see a series of developments that if not opportunely headed off, could have extremely serious consequences for the country's monetary stability and democratic institutions."

Turbay said that there are two definitions of a budget deficit. The strictest and most orthodox is for accounting purposes, which is officially used by the Comptroller's Office. The other is not concerned with accounting and can be quantified in a great variety of ways.

He added: "There is really no limit to the amount of a deficit under the latter definition, because any country in the world, especially a developing nation like Colombia, will always have unmet needs or ambitions. Thus, we can speak superficially of a 50 billion, an 80 billion or an even bigger deficit. This does not, of course, offer any constructive criticism in a search for solutions; rather, it risks engaging in what is now called economic terrorism."

He stated further on that "there will be a fairly large deficit in 1981, which will be far from easy to pay off but which will eventually be taken care of, at least in part. In other words, this year and perhaps next year do not pose insurmountable fiscal challenges, but the same cannot be said about the prospects as of 1982."

He pointed out that there would be a drop in the rate of growth of and in some cases even a decline in revenue. He added that this prospective trend in revenue contrasts with the steady expansion of government spending and transfers, the rate of increase of which cannot be easily controlled. "The outcome would then be a fiscal situation that is almost impossible to control."

No Additional Taxes

Turbay indicated that resolving our fiscal woes would require special measures both in terms of revenue and government spending, adding: "Although raising taxes or establishing new ones would be a magnificent contribution to restoring fiscal balance, the government is of the opinion that at the present economic juncture this could seriously hurt the production sector and adversely affect our growth and employment rate. Therefore, we have decided that there will be no new taxes nor will current ones be raised."

He went on to say: "For this reason, the major emphasis in restoring fiscal balance will be placed on spending and transfer payments. This is because even if we intensify efforts to expand the tax base, to make government more efficient and to curb tax evasion, the real cause of the budget deficit is the lack of ways to limit the growth of spending and transfer payments."

Legislative Action

President Turbay announced that the administration would submit the following bills, among others, to Congress:

1. The National Railway Enterprise is on the verge of collapse, and we feel that in order to permanently revamp it a steady flow of funds is needed to insure its proper, long-run operation. The administration will submit a bill to amend Law 64 of 1967 so that the proceeds from the National Highway Fund can be used for the railway system as well. The bill will also request that the railway subsidy be partially covered with Highway Fund monies.

2. In the second bill the government will propose a clear-cut policy for financing public universities. In recent years, the government's contributions, which have risen from 1.084 million in 1974 to 10 billion in 1981, have not been complemented financially or economically by the universities.

3. The third bill will raise the country's foreign indebtedness ceiling, inasmuch as the limit set in Law 25 of 1980 has practically been reached. The new ceiling will be $3 billion.

4. The fourth bill aims at restricting the automatic use of the monies in the special exchange account as the basis for calculating transfer payments and other outlays.

5. The fifth bill calls for the extension to 1991 of the nation's authorization to carry out the ill-termed nationalization of education with the proceeds from the sales tax.

6. The sixth bill calls for the creation of the National Electricity Fund.

After outlining these bills, Turbay said: "The administration is fulfilling its political and moral responsibility to point out problems as it sees them and to suggest appropriate solutions, while acknowledging that Congress can improve on them. This is not a contest to see who is better, but rather a joint struggle to put our fiscal situation in order and to strengthen our democratic institutions."

Foreign Policy

President Turbay Ayala asserted that Colombian foreign policy in recent years "has been resolute and dynamic." He noted that "the direct contacts with the presidents of the subregion, the rapprochement with Brazil and the visits to several Central American and Caribbean countries mark a new foreign policy approach that has helped to spur programs, develop solutions to longstanding differences and establish strong ties of friendship."

He said that Colombia cannot be absent from the dialogue on the destiny of our regions and added that "what is happening in Central America and the

Caribbean necessarily has an impact on our country and forces us to pay attention to the many ongoing political and social changes in an area that, although made up of a string of small States, could easily become one of the hottest spots on the planet."

Cuba and Nicaragua

Turbay mentioned Cuba and Nicaragua in his address and said:

"The Government of Cuba has found in the poverty that characterizes these nations a good pretext for waving the banners of discontent with the incipient democratic system in the former colonies and for inciting various forms of dissent.

"Arguing that a struggle between dictatorship and democracy was involved, it succeeded in securing the cooperation of all the countries in the region, including the United States, in order to extend its influence over Nicaragua, where today there is no less poverty than in the past, nor greater respect for human rights, nor better prospects for the underprivileged. I have to admit, of course, that it is much better armed than when the other tyranny had it under its yoke and that it has aroused an unbelievable imperialist passion in the name of nationalism.

"Two years ago in this hall we naively hailed the triumph of the Nicaraguan revolution, whose first foreign policy move was to unilaterally declare null and void the Esguerra-Barcenas Treaty of 1928, by which Nicaragua recognized our full sovereignty over the archipelago of San Andres and Providencia, which it now groundlessly claims it owns. Similarly, it is endeavoring to block the Saccio-Vasquez Treaty, which based on the Olaga-Kellog exchange of letters, recognizes Colombia's sovereignty over Roncador, Serrana and Quitasueno."

Turbay related how the U.S. Senate is giving consideration to the Saccio-Vasquez Treaty and after voicing his conviction that it would ultimately be ratified, added:

"Since the International Court at the Hague obviously has mandatory jurisdiction, any third country that feels its alleged rights are being infringed on can appeal to the court to assert them, if in fact it has them."

Cuba and the M-19

Further on, Turbay stated:

"Respect for nonintervention is unquestionably the basis for cordial relations and a peaceful understanding between nations, and the peace itself is breached whenever this principle is violated.

"Recently, the government of Havana, with which we maintain diplomatic relations, took advantage of the exile that was offered to the people who

assaulted the Dominican Embassy in Bogota, and with fresh supplies from gullible groups of young Colombians, trained a large contingent of our fellow countrymen in a bid to invade our territory, drench it in blood and shatter our republic.

"Their seditious enterprise failed because it collided with the bold courage of professional Armed Forces and with the uncorruptable democratic will of the Colombian people, who are loyal to their institutions and reject outside intervention in their domestic affairs. Obviously, if the Cuban expedition had achieved its objectives in the southern part of the country, Colombia would have become another strife-torn area and we would probably not be gathered here today in this hall of the legislature.

"The above examples demonstrate that our country cannot turn its back to the Caribbean and trust exclusively in the goodness of heaven.

"We must create an awareness of the dangers that surround us in order to mobilize nationwide solidarity, not around an administration that is drawing to a close, but around a State, a system and a nation that are destined to have a long and promising life.

"Given the dangers that we must confront domestically and internationally, it is incomprehensible for us to squander our efforts on pointless matters. This is the time for a great democratic reconciliation, not parochial fights."

Amnesty and the Public Order

President Turbay Ayala said the following about the failure of the amnesty and the public order situation:

"The amnesty law was one to which the government attached all due importance as a democratic instrument for peace, although it realized that it would not be accepted by those individuals who in their life of crime had committed felonies such as homicide outside of battle, arson, extortion and the poisoning of water sources, which cannot be pardoned without reducing the essential values of our nationhood to mere trifles.

"We would have gained nothing with a partial surrender of arms if in exchange we had established the horrifying precedent of compromising the moral values that invigorate our judicial and political syetem.

"The government deplores the fact that the amnesty has failed and that the response to this move by the State was the one we saw with the unsuccessful invasion of the Choco, Narino and the Putumayo. The policy of an extended hand was met with the mouths of rifles and the mortars of subversives.

"Many of the attackers were taken prisoner and others died in combat. This useless sacrifice worsened, not improved, the situation of the rebels. Their decision to remain outlaws and their refusal to avail themselves of the amnesty

are powerful reasons why it is impossible for the time being to lift martial law, as the government had intended and as I personally promised the country. I thus want to make it clear that the difficulties in returning to complete normalcy and in ordering the desirable revocation of the emergency measures have resulted from the persistently bellicose stand taken by the agents of subversion, not from the determination of those of us who have government leadership responsibilities.

"In any case, the amnesty law remains the finest testimony to the government's devotion to peace and conciliatory spirit. The fact that the rebels have not availed themselves of its provisions does not detract from the importance of this joint move by the administration and Congress.

"From the standpoint of the national interest, it is better to have lost the amnesty battle than to have destroyed the moral foundations of the State.

"Obviously, the administration, the Armed Forces and all of the republic's authorities will continue struggling, as is their constitutional duty, to promote peace, bolster security and guarantee freedoms."

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COMMUNIST PARTY SUGGESTS NEW AMNESTY

Bogota EL TIEMPO in Spanish 25 Jul 81 p 9-E

[Text] The Colombian Communist Party has proposed a new bill for a "general and unconditional" amnesty for the rebels.

ANAPO [National Popular Alliance] legislators Gilberto Vieira, Jose Cardona Hoyos, Gustavo Osorio and Mario Montoya submitted the bill to the House.

The bill reads:

Article 1. A general and unconditional amnesty is hereby granted to all citizens who in any manner and under any circumstances have committed or taken part in acts of rebellion, sedition or violence, as well as any crime in connection with the above committed before this law takes effect.

Article 2. The amnesty decreed herein shall also apply to all those who have been tried and convicted for the same crimes mentioned in the previous article or who are currently on trial for them, regardless of the status of the proceedings and the authority hearing the case.

Article 3. The amnesty accorded by this law shall apply automatically, without any prerequisite. Therefore, those who have taken up arms or are not under arrest cannot be brought to trial, and those who are currently under arrest or who have been convicted shall be released no later than 3 days after this law takes effect, under penalty of the crime of arbitrary imprisonment.

Article 4. Any trial now under way, regardless of its current status, shall conclude by virtue of the amnesty herein decreed, and the respective documents shall be filed away, after a discontinuance of proceedings writ is issued.

Article 5. This law shall take effect as of the day it is passed.

In its statement of reasons for the bill, the Communist bloc in the House says that the country needs a general and unconditional amnesty "to take a decisive step towards peace and normalcy."

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COMMUNISTS REJECT BATEMAN CANDIDACY

Bogota EL TIEMPO in Spanish 26 Jul 81 p 2-A

[Text] The Colombian Communist Party yesterday rejected the proposals of the M-19 to negotiate a peace with the government and stated that "we will never support the presidential candidacy of Jaime Bateman Cayon," the seditious group's number one leader.

It was learned from political sources that the Colombian Communist Party would run Gerardo Molina as its presidential candidate.

Bateman had announced that he would run in the next election as a government opposition candidate in the event that the amnesty were more generous and he and other guerrillas could avail themselves of it.

Other circles said that even if Bateman were not covered by the pardon that expired last Wednesday night, he would run for president anyway.

Political observers said that the rejection of the Bateman candidacy by the Central Committee of the Communist Party greatly hampers the M-19's ambitions to become a public force.

Accusation

High-level military spokesmen, including the second in command of the army, Gen Bernardo Lema Henao, said recently that the Colombian Communist Party not only finances but controls the guerrillas in the country.

According to the military sources, the Colombian Communist Party's armed branch consists of the rebels in the so-called "Revolutionary Armed Forces of Colombia" (FARC), which are in full operation in the southern part of the country, along with the M-19.

The Communist Party's rejection of the Bateman candidacy supposedly again places the FARC and the M-19 at odds inasmuch as the FARC follow the Moscow line.

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PCC-M19 LIAISON MAN ARRESTED

Bogota EL TIEMPO in Spanish 3 Aug 81 p 6-A

[Article by German Acero E.]

[Text] Carlos Saenz, the liaison man between the Colombian Communist Party (PCC) and the M-19, has been arrested by the army, it was learned here yesterday from well-informed military sources.

A spokesman of the Army Intelligence Service told EL TIEMPO that Saenz was the general coordinator of Front 13 of the Revolutionary Armed Forces of Colombia (FARC).

The extremist was captured a few weeks ago during the army's continuing operations to apprehend the leading members of the subversive organizations at work in the country.

The military source indicated that at present more than 35 people have been arrested for alleged links with subversive activity. As we will remember, Jorge Franco Pineda, who had ties with a sports group, was arrested in Bogota a week ago.

Among those arrested, 15 are allegedly linked to the M-19 guerrilla group and 5 to the communist group FARC.

Our source asserted that five other arrested individuals, whose names were not disclosed, are under investigation to establish their reported involvement in subversive activity.

Saenz is allegedly considered one of the most important people in the FARC communist organization; his links with the M-19 began some months ago.

It was also learned that it was Saenz who brought together the FARC and the M-19, which have undertaken a number of joint actions in the southern part of the country in recent days.

A short time ago, Gen Bernardo Henao, the army's second in command, claimed that Communists were infiltrating Colombian guerrilla groups.

The same military spokesman indicated that a column of 200 M-19 guerrillas under the command of Ivan Marino Ospina is currently operating in the Choco.

The army has established that guerrilla groups like the FARC, the ELN [National Liberation Army] and the MAO [Workers Self-Defense Movement] are trying to join forces to intensify their activities throughout the country.

The Popular Liberation Army (ELP), which has pro-China leanings, is not part of this group.

Among other individuals under investigation is an attorney identified only by the surname Martinez. He defended a number of guerrillas who were being tried in courts-martial.

It was also learned from military circles that 52 guerrillas from various organizations operating in the country and who had been tried in courts-martial were recently transferred to the prison island of Gorgona.

The extremists were taken there on board the "Dos Hernestos" amid the tightest of security measures.

Our correspondent in Medellin, Gustavo Ramirez, reported that two men who were found with a weapons arsenal in their possession were arrested in Yali, northeast of Antioquia, during a joint operation by the army and the police.

Alfonso Orozco Echeverri, a 32-year old cabinetmaker and Heriberto Antonio Aguirre Correa, a 48-year old mechanic, were arrested in the downtown area of the village.

They were charged with aiding the Pro-Soviet Revolutionary Armed Forces of Colombia.

An official source disclosed that the authorities confiscated 32 shotguns of various gauges, a pistol and 13 revolvers from the two men.

This new strike by the army and police took place just a few days after an as yet unidentified revolutionary was killed in the same region and Joselito Domico Domico and Alberto Gomez Hernandez, members of the fourth FARC front, were slain in the Arenera precinct in Turbo.

Peasant Farmers Slain

In Pasto, EL TIEMPO correspondent Edison Parra reports, two peasant farmers who had been kidnaped by the M-19 in Putumayo, were found dead near the village of Villagarzon south of Mocoa. The victims were identified as Rudesindo Carvajal and his son Francisco.

The incident took place during the last week of July but was kept strictly confidential until now.

Meanwhile, residents of Putumayo arrived in Pasto in recent hours and told of the violence they are currently living through as a result of guerrilla activities.

In a rundown of the violence that occurred during the last week of July, they reported the burning of a vehicle by guerrillas and said that public service vehicles were being intercepted and forced to return to their home base under all sorts of threats.

Other sources, correspondent Edison Parra reports, are saying that the reappearance of the guerrillas in the Lower Putumayo is the result of the ongoing battle between the army and the subversives in Caqueta, whence the insurgents have been forced to withdraw to seek refuge elsewhere.

Slain Guerrillas

In Antioquia, two members of the ELP were killed during an army operation in the urban area of Apartado municipality.

According to the EL TIEMPO correspondent in Medellin, early yesterday the army searched the house of Gustavo Zapata, who was arrested. Two men, ages 18 and 20, whose identities have not yet been established, were slain when they tried to resist.

During the operation the army confiscated 3 pistols of various brands and calibers, 148 cartridges for various kinds of weapons and two MK-2 grenades and found a large amount of ELP subversive propaganda in the house.

8743
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CORRUPTION CHARGES LEVELED AT SENATE

Bogota EL SIGLO in Spanish 6 Aug 81 pp 1, 11

[Text] Disorder in personnel administration; the existence of many employees with nothing to do; irregularities in contracts for the procurement of goods and services; bonuses and extra pay not provided for in existing regulations; abnormalities in the payment of the seniority bonus; lost checks in the Disbursement Office; appointments with retroactive fiscal impact; delays in accounting by the disbursement officer; failure to make the mandatory deduction from senators' pay for the Social Security Fund, and in a nutshell, complete administrative chaos in the Senate, make up the list of charges that the General Comptrollership of the Republic has filed with the Senate's officers.

The extensive report, drawn up pursuant to a lengthy investigation, also fully confirms the charges leveled 2 weeks ago by the Judicial Office of the Senate in connection with the much publicized case of the seniority bonuses, which by itself entails a series of irregularities and crimes that will give rise to several court actions, according to the investigators.

The comptroller's report was submitted to the Senate on Tuesday night and caused a major sensation there. Most of the senators agreed not only that the respective charges ought to be filed with the Attorney General's Office and the criminal courts but also that steps should be taken at the same time to issue a Senate and House statute that would preclude all of the activities that are being reported and that in the view of the investigators from the Judicial Office and the Comptrollership have defrauded the National Treasury of enormous sums of money.

The following are the major charges advanced by the Comptroller's Office:

--There is complete disorder in personnel administration. Personal records are not properly kept, and the legal provisions for entitlement to a given benefit are not being observed.

--The technical bonus has been acknowledged by payroll, not by resolution; it has been extended to jobs that the law does not authorize and has been granted to people who have not proven that they have the professional degree to deserve it.

--The date for entitlement to the 5-year bonus is not clear. The Council of State should spell this out.

--At present there are 405 officials who have not been placed and are in excess of the personnel list established in Law 52 of 1978.

--It has become a regular practice to issue retroactive appointment resolutions for employees and extra personnel. This results in major fiscal and accounting disorder and in some cases could constitute a crime.

--Without a budget appropriation for fiscal 1980, a special bonus equivalent to 1 month's pay was decreed and paid out to Senate employees. The total amount of the bonus came to 14,765,091.10.

--The above special bonus is clearly illegal, not only because it violated budget regulations but also because Law 52 of 1978 did not authorize the officers of the houses to order such fringe benefits.

--The seniority bonus created by Law 25 of 1973 has been enforced since the law took effect in a manner contrary to its spirit and letter; thus, the salary ceiling was exceeded in payments to several employees.

--The authorized disbursement officer has incurred frequent delays in rendering accounts to the General Comptrollership of the Republic. The delays, which caused the official to be fined 32,500, are not justified because the Disbursement Office has enough manpower to do its job.

--The payroll personnel salary checks are entered in the registry in a lump sum, not individually, as existing regulations stipulate.

--We were surprised to find that the authorized disbursement officer has neglected to deduct from the senators' per diem allowance the .10 percent per each 100 or fraction thereof for the National Social Security Fund.

--The Comptroller's Office will ask the fund to appoint a committee to work together with inspectors from the Comptroller's Office to establish how much was not deducted as of 1976 and to report this amount to the authorized disbursement officer.

--The Senate Disbursement Office has lost checks valued at 260,619.20, without the disbursement officer having reported these serious facts to the Auditor's Office.

--The aforementioned irregularities are sufficient for the Senate officers' committee to decide whether Humberto Cuartas Giraldo should remain as the authorized disbursement officer.

--The books in which the Senate Budget Division monitors budget appropriations contain errors such as the filing of vouchers with dates different from the dates of payment.

--The following irregularities, among others, have occurred in connection with contracts and procurement: procurement of items from firms not listed in the suppliers card file; failure to record procurements in the card file, and failure to observe the legal requirements for procurement (in other words, public or private bidding was omitted when it was mandatory).

--Not all the legal requirements were complied with in drawing up the payroll lists for the seniority and cost-of-living bonuses. These lists have been used, however, as plaintiff's right documents for successfully suing the government in several cases.

--None of these payroll lists were authenticated by officials from the Comptroller's Office.

--The awards ordered by labor judges who accepted these payroll lists as plaintiff's right documents have represented government outlays of 200,524,391.53. The breakdown of this total is as follows: seniority bonus, 80,240,062.99; cost-of-living bonus, 117,924,669.32; other suits, 2,179,659.22.

--Attachment proceedings have been undertaken in various labor courts by a single individual, who upon receiving a favorable ruling, secures the claim payment he feels he is entitled to. In some cases, the attorneys have been forced to reimburse what was improperly paid out.

--Senate employees who for one reason or another no longer work there have sued the government for these bonuses and have secured payment of them for periods subsequent to the date of their retirement.

--The inspectors from the Comptroller's Office will inform the regular courts of any actions that they feel could violate criminal law.

--The comptroller suggests that Congress issue an organic bicameral statute, specify the powers of their officers and issue a technically and scientifically drafted personnel statute in order to properly organize the workings of the houses and the management of their personnel.

8743
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MILITARY SEEN GIVING SENSE OF PURPOSE TO LIFE

Havana VERDE OLIVO in Spanish 12 Jul 81 pp 41, 43

[Article by Capt Leonel Gorrin Merida, professor at the Gen Antonio Maceo Interservice School, in "Military Education and Psychology Issues" section: "For You, Fighting Youth: a Formula for Life"]

> [Text] "People grow — physically grow, visibly grow — when they learn something, when they get to own something and when they have done something of benefit to others."
>
> Jose Marti

What direction is my life destined to follow? Perhaps you have asked yourself this question often? And what answers have you come up with?

No doubt it is not always easy to answer such a question. And not only that. We invite you to join us in a test: Ask some of your comrades this question and you will no doubt come up with the most dissimilar of answers and opinions.

In performing this kind of test, the following considerations will pop into your mind: Is it impossible to get one and the same answer? Why don't the others feel the say way about the meaning of life as I do? Do our opinions share something in common? Can we find a general formula in response to such a question?

It is undoubtedly impossible to come up with identical answers. Life is both too complex and too rich to answer such a question with considerations and criteria such as these. But... if we stop to analyze your answer and those of your comrades, we see that they all share common elements: each man's objectives, needs and motivations.

In the brief space of this article we are not going to tackle the whole complex situation composed of these elements, rather only dwelling on certain aspects of it, consideration of which might permit you to endow your life with a finer content, to understand it better and to get to know your comrades better.

Relations among human beings, and naturally yours as well, are many-faceted and very complex. But they can in general terms be expressed as the interrelation between the individual and the society. Your needs, objectives and motivations take shape within this relationship.

We will try to explain this point in greater detail. At some time or other we have all asked ourselves the same questions: To whom am I of any use? What do I contribute to the society? Of what use is the work I am doing? What do those about me expect of me? You can answer these questions in one of two ways: One is by allowing your objectives, desires and personal interests to prevail over those of the society and the other is by subordinating your individual objectives to those of the society.

When people learn to subordinate their desires, interests and personal objectives to those of the society, their conduct, behavior and activities spontaneously assume such a positive nature that the society can eminently recognize the fact and reward it with eternal gratitude.

We have grown up within a socialist society that offers us the chance to develop our own capabilities. We have grown up surrounded with love, work, sacrifices and now it is our turn to offer our modest but important effort and sacrifice for the revolution, the society and the fatherland.

Every one of us has his own goals, that is, the desires that every individual has in life. You, your comrades and your leaders have them. Many of these objectives are permanent, we might say long-term, in nature. Some clearly have social, collective significance; others do not go beyond narrow, personal limits. Objectives may frequently vary while they constantly appear as new ones. They are going to constitute an entire, complex system. At first glance it seems that the individual sets himself objectives in an accidental, spontaneous way. But actually this is not the case.

That brilliant leader of the world proletariat, V.I. Lenin, had this to say about the matter: "... that the individual's objectives are generated by the objective world and imply that world... however, to the individual it seems as though his objectives are derived from outside this world, independently of this world...." That is, the objectives you set yourself are determined by the conditions of the life in which you evolve and work and are subject to educational influences and opportunities for self-education, in terms of which you shape your character as an individual.

Therefore, when you start to analyze the difference in objectives between your comrades and yourself, you must understand these problems, without which you cannot know the reasons for your own behavior nor the behavior of those you come into contact with.

People should have great goals in their lives and to have them their efforts must not be hampered. These cannot be lessened, nor can others be permitted to lessen them for petty, personal reasons. Of course, sometimes we do not understand why the need to achieve these goals has arisen in us. And that is why we must solicit the aid of other, more experienced comrades, your leaders.

In your activities we urge you to apply this principle: My entire behavior can be analyzed in terms of its parts, even though it is manifested as a whole. That is: What are we doing? Why are we doing it? What goal are we seeking to achieve? What are the consequences of what we are doing? Your behavior is the result of spontaneity, but of logical action conditioned by a whole series of objectives.

When we come of age, when we become soldiers of our fatherland, we are obliged to analyze every step of our lives. We must subscribe to those profoundly significant words written by Nikolai Ostrovsky:

"The most valuable thing a person possesses is life. It is given to him only once, which is why he ought to see to it that the years of his life are not to be regretted. And that shame over a miserable and petty past does not burn within him so that, when he lies dying, he can say: I have devoted by whole life and all my strength to the finest thing in the world, to the struggle for the liberation of mankind."

How much moral wealth there is in those words! In espousing them, our lives will be more prosperous and we will live with greater pride.

The Ideal

We would now like to discuss another factor that goes a long way toward determining the content of our lives. We are going to penetrate the complex world of people's motivations, but today we will only talk of one of them: the ideal.

Every person has his own ideal, that is, someone whom he considers to be more perfect, on a higher plane, toward whom he strives. This may be a real, specific individual (a national hero, our chiefs and leaders, a friend or relative, a distinguished comrade) or an abstract individual, a product of the union of a number of existing qualities and isolated individuals which materializes in the formation of certain evaluations of behavioral norms.

If you analyze your behavior in detailed fashion, and that of your comrades, you will realize that such ideals exist. They are molded by standards of living, work and education conditions.

Based on specific ideals, the individual gradually works up an abstract model of how his life should be.

But the molding of ideals is not an easy process, not devoid of conflicts and contradictions. Every young man goes through various stages in the molding of his ideals which it would be worthwhile remembering, since some of their features still crop up in the course of one's daily occupations, even though we may believe that they are just part of the past.

When you reached the first phase of adolescence, expressions and deeds that are adult in nature began to manifest themselves in you. Remember how many of your comrades began to smoke with you on the sly, how you affected a somewhat odd manner of speaking and many other new forms of behavior for the sole purpose of seeming to be an adult, at least for yourself, considering the fact that at the time those about you had the same criterion for your new form of behavior.

What we might call the desire to possess the qualities of what you considered to be a "real man" were little by little appearing in you. That is, you tried to demonstrate your strength, boldness, valor, decisiveness, endurance and also loyalty to your comrades and friends. You learned all this in your own social relations: at home, in school, in the streets, from the movies, television and police, detective and adventure stories and novels.

As many psychologists maintain, during adolescence qualities of manliness become essential criteria for judging an adult, a comrade, oneself.

But as you will remember, since this phase of your life is still very new, all this takes place under the constant education and influence exercised by your friends and relatives and teachers, among others. Thanks to this you succeed in arriving at a correct moral evaluation of the image you have been molding of the "real man." When this moral element is deficient or lacking, such evaluations may result in conduct and behavior rejected by the society. That is, basing their behavior on an incorrect attitude, some young people adopt as an ideal standards of behavior that involve socially erroneous attitudes: a false concept of manliness, extreme arrogance, exhibitionism, inadequate discipline. Experience shows that in the end such cases pay dearly for the years spent so vainly.

The situation we have just noted occurs only in isolated instances, although this does not mean that we need not concern ourselves with it. But the great majority of our young people attempt to find and imitate better models of behavior. You are taught this right from childhood when you frequently repeat the watchword: "Pioneers for communism. We will be like 'Che'!"

Certainly all these issues presented here are to a greater or lesser extent evident today, that is, in the 17-to-20-year age group. Only now there are new elements. First of all, objectively speaking, you are closer to adulthood. Secondly, nowadays you choose the ideal you want to follow with greater independence and you judge his social and moral content. Thirdly, the models you choose today assume a more stable character and to a great extent determine your present and future conduct.

Thus, with the aid of your comrades, leaders, friends and relatives, you have to select ideals that will contribute toward making of you a man who is more and more fit in every sense of the word for the society, the defense of the nation and your work.

We have available to us an inexhaustible source of excellent models of meritorious behavior. Judge yourself and your comrades in terms of the ideal standards you and they may have. Always remember these beautiful and wise words of Jose Marti: /"To be good is the only way to be happy."/ [in caps]. This is no doubt the best formula for life.

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COMMENTARY ON U.S.: MILITARY SUPERIORITY SCORED

Havana VERDE OLIVO in Spanish 12 Jul 81 pp 16-17

[Article by Elpidio Valdivia]

[Text] Presumed Soviet military supremacy constitutes a downright obsession of the U.S. Government.

For years the various American administrations have — since Soviet scientific and technical advances invaded the domain of nuclear warfare and Washington lost its absolute military superiority — disguised their warlike pretensions with this argument.

The irreversible fact of a balance of forces favorable to socialism and the important advances of the revolutionary movement and progressive forces throughout the world during the past 2 decades made American imperialism in a state of acute political blindness decide to implement a "modernization" strategy whose chief objective was to achieve a military superiority that would permit it to operate from positions of strength in the international arena, as it had before.

To accomplish this, new designs were worked out for strategic weapons that are currently in production or in the process of development and supposed threats of Soviet might in the European Theater contrived, derived from the so-called concepts of a strategic war in Europe with an indisputable background that particularly affects the security and territorial integrity of the countries of Western Europe.

The essence of this plan consists in the creation of NATO's own potential for "deterrence," as argued by current Secretary of State Alexander Haig when he was supreme allied commander of NATO in Europe, at which time he declared that, "due to the fact that the United States' means for containment have lost their supremacy over the Soviets and will probably in future be neutralized by the Strategic Arms Limitation Treaty (SALT), the European Theater will be more vulnerable and need its own containment capability."

But the real objectives are other than these: to deflect toward Europe any possible nuclear attacks by the Soviet Union that might be aimed at the United States through the installation of intermediate-range ballistic missiles (108 launching pads for Pershing-2 missiles and 464 winged missiles) in Europe and to in this way evade any limitations the SALT might impose on the United States, thus altering the balance of power in this sensitive region.

To accomplish this, they worked out new concepts in terms of which a general nuclear war should not be regarded as the only form of attack against the socialist countries because the latter's response capability would prove disastrous due to the effects it would produce on American territory, thus anticipating the need for launching the initial nuclear strikes deep into the Soviet Union from Western Europe with the Pershing and winged missiles.

Marked by its belligerent positions and imbued with attitudes typical of the "cold war" era, the present American Government has not fallen behind in its claims to achieve military superiority.

The Republican administration is wildly directing its efforts toward consolidating the measures adopted by its predecessors with the addition of new policies adapted to the conditions created by the successes of the revolutionary movement, especially in the Middle East, which they view as a threat to their usual sources of energy supply, in the face of which alternative they anticipate nonnuclear confrontations.

In terms of the attitude preferred by the present American Government, to wit, that during the past decade, "due to the political and military weaknesses of the governments of the United States, the successes of Soviet expansionism were significant," the Republican leaders plan to succeed in reestablishing their country's military supremacy during 1982-1986 by means of an exaggerated increase in military expenditures."

As part of this plan, a military budget of some $177 billion is foreseen for 1982 and for 1986 one that will attain the astronomical figure of $367.2 billion in the most unusual arms race in recorded history.

But American plans not only contemplate the United States' own increased expenditures but the dragging of its chief allies into the adventure.

Like a typical blackmail policy, the present U.S. administration got its European allies to ratify the installation of 572 intermediate-range missiles as a basic element in the "modernization" of NATO in exchange for a nebulous commitment to reinitiate talks with the USSR on strategic arms limitation, whereby the moratorium proposed by the Soviets on the installation of missiles in Europe was rejected, thus opening the way to confirmation of a minimum increase of 3 percent of real defense expenditures, a consensus which was recently reached.

But the pretensions to action with their allies go further than that. In mid-April Secretary of Defense Caspar Weinberger was ordered to reveal new warlike plans by pointing out that "a new strategy is required that will make more use of conventional than of strategic forces." "We must be prepared," he added, "for a conventional war that may spread to many parts of the world... the West's dependence on Middle East oil means that we must be certain that we can effectively respond to threats in that area."

Hence another advance in the new escalation may be constituted by the NATO ministers of defense's approval of the proposal to grant at least logistic support to the operation or installation of Rapid Deployment Forces outside that organization's jurisdiction as well as the establishment of a system of consultation for the defense of the Persian Gulf.

The need for allied participation has been argued as a means of aid to eliminate the handicaps which, due to budget deficits they have been confronted with up to now, limit the level of Rapid Deployment Forces operations, a situation they are, furthermore, trying to correct with the increase in military expenditures.

But this, moreover, is indicative of American dependence on Western Europe to achieve its objectives, which in the long run will create not just a few difficulties for the belligerent Republican policy, one that is in logical contradiction with the interests of the European countries.

One improvement in this situation is constituted by recent statements made by Gen Bernard W. Rogers, the supreme allied commander in Europe, who indicated that he was sceptical of NATO "unity": "I would like to be able to say," he said, "that total security exists within NATO in these critical times, but I cannot do so," adding that "some countries have adopted effective measures, but others do not properly meet their commitments to improve their armed forces."

That is, not everything exudes imperialist optimism in the American military policy.

To this add the fact that in U.S. administration and congressional circles studies and opinions are proliferating which indicate that "the arms industry is not in a position to absorb all those dollars (read: defense budget increase) and turn them into weapons."

On the other hand, "possible cuts in expenditures to balance the 1984 federal budget and eliminate budget deficits" are predicted. Confirming this weak tendency, a highly placed White House official said that they will attempt to cut back the military expenditure plan President Reagan presented to Congress in March by barely some $10 million in 1983 and by another $10 million in 1984.

Western European newspapers recently noted that "Reagan administration scepticism over the predictable opposition to its ambitious plans is increasing as congressional debate on proposals for the manufacture of new weapons approaches." (This is in reference to a new bomber squadron, intercontinental ballistic missiles, etc.)

The newspaper, THE NEW YORK TIMES, added its voice to these judgments last 7 June when it cited the results of a poll of former military, specialists, academicians and members of Congress, on the basis of which it concluded that the initial enthusiasm over an increase in defense expenditures has begun to wane.

The secretary of defense himself said that "he was aware that the national consensus on the issue was weak and could rapidly get weaker unless expenditures are economized on."

We might say that with these "loud reports" more than one warmonger may not manage to drop off into hoped-for sleep.

Nor can we forget the fact, recognized by highly placed world political and military figures, that under the present circumstances, with a balance of power that tends to be unfavorable for capitalism, immersed in a deep-seated economic crisis, attainment of absolute military superiority is not feasible.

As top Soviet military leaders have on several occasions pointed out, this is so because, among other reasons, the Soviet Union would neither consent to it nor yield to the detriment of its security and that of the world revolutionary movement.

Along with the Soviet military's determination, and that of the other socialist countries, not to let anyone impose military superiority on it, with a great deal of international recognition the USSR is making intensive efforts in favor of peace and aimed at neutralizing the preposterous plans of the imperialists.

In this direction, by virtue of the prestige the USSR has accumulated in its peace efforts, endorsed as they are by a military power in the interests of peace for mankind, the Peace Program for the 1980's announced in the Soviet Communist Party secretary general's report to the 26th Congress as become an important international factor.

The recent initiative of the USSR Supreme Soviet's appeal to the parliamentarians and peoples of the world, urging them to engage in active actions for peace and international security, has been enthusiastically received throughout the world.

All this contributes to the mobilization against war and represents powerful obstacles to the belligerent American plans, encountering solidarity not only among communist forces but also others, including those that are not associated with them but which reject the option of the holocaust of a nuclear conflagration.

The result of the encounter between Brezhnev and Willy Brandt, the West German Social Democrat leader who enjoys notable influence in the world and who referred to the Soviet statements on nuclear armament in Europe as "interesting" and recognized that the USSR sincerely desires peace, which may be considered to be a universal reflection of the support the Soviet policy relies on, represented an authentic example.

From all this the evidence conclusively shows that the military superiority to which the United States aspires has not only been thoroughly rejected, but in unattainable under the present circumstances. We cannot leave unmentioned the reaction of the socialist countries, headed by the USSR, to the current international situation, one which was summed up in the words of Leonid I. Brezhnev: "This does not surprise us. Our nerves are steady and quite calm. We are not partisans of the arms race; rather we oppose it. We could devote the resources it absorbs to meet other needs. Furthermore, if we have to , we will come up with a rapid and suitable response to any threat of belligerent imperialism, since our first and most sacred duty is to guarantee the security of our country and that of its allies and a secure peace."

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VEIGA NOTES INCORRECT APPLICATION OF LABOR LAWS

Havana GRANMA in Spanish 30 Jun 81 p 3

[Excerpts] The immediate participation of the union locals of all of the work districts in the country in the current national campaign to control the mosquito, aedes aegypti, and the need for the unions to promote the Battle for the Ninth Grade in order to avoid the finalist effort, which tends to generate problems, were among the topics approved at the CTC [Central Organization of Cuban Trade Unions] National Committee meeting chaired by Roberto Veiga, secretary general of the labor federation and alternate member of the party's Political Bureau.

The meeting also dealt with the problems that have arisen through the incorrect application by certain administrations of Executive Decrees 32 and 36, concerning job discipline for workers and leaders respectively.

While making a special inspection, referring to the Battle for the Ninth Grade, CTC executive secretary Rosario Fernandez said that there are potentially 1,107,551 employable workers and the worker movement has committed itself to graduating 700,000 comrades during this 2-week period. He added that, to achieve this, from now on we must call for a state of emergency and ensure enrollment and maintenance of attendance in the classrooms.

With regard to the problem referred to above in the application of laws governing job discipline, Roberto Veiga reiterated the support of the CTC and the unions for these measures and added that in many cases the administration has been very diligent in maximally applying it to workers without relying on either the graded series of sanctions or the educational spirit of Executive Decree 32 but has, on the other hand, up to now been delinquent in applying the provisions of Executive Decree 36, which has to do with leaders and officials.

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SHIP SPARE PARTS, REPAIR ACTIVITIES NOTED

Havana MAR Y PESCA in Spanish May 81 pp 19-21

[Article by P' 'ro Morales: "In the Equipment, Components and Parts Department: With an Eye t he Future"]

> [Text] "Increases in the production of spare parts are being planned, based on greater utilization of existing capabilities as well as on the utilization of some new ones that are to be exploited."
>
> Fidel Castro
> Central report, Second Cuban Communist Party Congress

First of all, this report requires two marginal notes: the first, that its subject (the manufacture of components and parts for equipment imported for the fishing industry sector) is of well-known economic interest and, the second, that it has to do with the activity of a study group recently formed in the MIP [Ministry of the Fishing Industry] which has already achieved successes that really deserve to be disclosed even if the results are not yet substantial.

If anyone is interested, there have been several precedents for this effort in our sector. Not infrequently we have heard tell of many pieces of equipment manufactured on a cooperative basis, including complete units, manufactured in the workshops of Galainena in Casablanca for Cuban shipyards, of ship's propellers quite successfully cast in this country, of fishing nets assembled and even designed with optimal results in many workshops, including the one belonging to the Cuban Fishing Fleet, of many spare parts for engines, pumps, winches and other equipment that have on more than one occasion been manufactured in the workshops of the Havana Fishing Port. Isolated efforts such as these, without any real planning, have certainly achieved a great deal but, nevertheless, for an economy that is really evolving, for an institution "of high standing" like our fishing industry, these "skirmishes" do not represent much.

In some departments of the MIP, especially in the fleets and the Havana Fishing Port, there were divisions that were particularly concerned with the problem we are discussing, but these were isolated work teams that on occasion even duplicated efforts. And, while we will have more to say about this later on, for this reason, among others, the need to "organize" this sector arose, leading to the creation

in 1979 of a study group to concentrate on components and parts, then under the administration of the MIP's Maintenance Department.

Engineer Juan Puentes Hernandez was the first to offer us concrete data on the birth of the Department of Equipment, Components and Parts, on the reasons for its formation. "Not so long ago," he explained, "after a boat came into the shipyard or alongside the repair dock, it would happen that we needed a part or a given piece of equipment, imported, which we did not have in stock in the warehouses. Then, of course, everyone went into action, checked to see whether the component or part could be manufactured in this country and, if it could, they would run to design the model or pattern, to find out where it could be manufactured and all the rest.... This naturally meant delay, higher costs than usual and God knows how many other things. To be sure, the fleets and combines had their components, parts and replacement equipment departments, but this was not governed by any central planning, a system common to all. Furthermore, there was another problem: Often a part was missing from a combine and they did not have it, while in another fleet or combine the part in question was available in sufficient quantity. Finally, at the end of 1980 it was felt necessary to turn our study group into a department, which among other things meant giving it the rank and sufficient authority to confront these certainly by no means insignificant problems that are incurred in our industry."

Expanding on what Puentes had said, department head Guillermo Delgado said: "Our first problems were due to a lack of statistical data, at least a lack of combined data on the different fleets or divisions that use common equipment. Which components, parts or complete equipment units could be manufactured in this country? Which ones were worth manufacturing? How often did given components have to be replaced? Which ones were of basic importance? All these questions confronted us with the need for creating a system by means of which we might be able to solve these different problems."

Naturally, Puentes explained the basis of the system to us: "It is nothing more," he said, "than systematization, and redundancey and the basic criteria demanded by planning, as concerns these problems, are of importance. Moreover, we expect it to reflect on the activities of the workshops and combines. If given components and parts or pieces of equipment are manufactured, it is because that is in keeping with a study involving the whole industry. And lest we forget: Until now we have controlled this system manually, but in future we hope to run it through computers. What's more, we may say that it was designed for that kind of operation...."

As for Delgado, he explained to us that the system is not a static process; rather it depends on specific situations in the combines and fleets as regards components and parts for replacement. "It is possible," he explained, "that a given engine may be replaced by another one. Then less and less spare parts will be needed, a situation our system reflects. In this way priorities for the manufacture or acquisition of the different parts or components are determined."

There may well be enough to write about as far as the problems that have already been resolved with the creation of the Department of Equipment, Components and Parts are concerned, but this is not the purpose of this report since, as Guillermo Martinez, another member of the group, emphasized to us: "Even more than talking about the results obtained up to now, we want our very existence to be divulged.

At some time in the future we could represent a great deal, particularly a sound basis for preserving our foreign exchange. We hope to make maximum use of the MIP's own installations for the manufacture of components and parts, especially those that now come from the capitalist zone, although this does not exclude the fact that we are also busying ourselves with those that come from the socialist zone."

There is really not much to add concerning the economic advantage that will accrue from the manufacture of parts and components which have up to now been imported by our workshops. We repeat that this could mean a considerable saving in foreign exchange in addition to an increase in the effective utilization of the rated capacity of our workshops. In connection with this, we have heard a good story, not an infrequently heard one: A combine or fleet has often had to manufacture a given part. It turns to the industry that produces these parts and the industry refuses to fill the order since the amount in question is not enough to justify its production. It happens that another combine or fleet needs the same part and, when it tries to obtain it, it is confronted with the same problem. However, once the problem is "consolidated" in the department we work in, the economic importance of manufacturing the component or part in question in our country is realized.

So the outlook is interesting. Some of the results of the effort specialists of the Department of Equipment, Components and Parts have been making have already materialized. An infinite number of parts that were previously ordered from other industries are now manufactured in the Havana Fishing Port, many of whose machines were underutilized. They have succeeded in getting the Department of Fishing Supplies to contract for the possible manufacture of many parts by this unit. And they have especially succeeded in establishing a system, a way to solve many other problems that still exist. Without a doubt it is an effort that has a future and already has a present.

11,466
CSO: 3010/1662

HAVANA SCORES 'ANTI-KAMPUCHEAN' ACTIONS

Havana VERDE OLIVO in Spanish 12 Jul 81 p 18

[Article by Armando Lopez Rivera: "Maneuver Condemned to Failure"]

[Text] The countries of Indochina (Vietnam, Laos and Kampuchea) have repeatedly expressed their categorical rejection of Washington and Peking's maneuvers to convoke an international conference on Kampuchea, which they regard as inadmissible interference in that country's internal affairs.

"Any United Nations resolution on Southeast Asia will be illegal if it violates the sovereignty of the countries of the area and if that organization persists in recognizing the right to be represented of the so-called 'Democratic Kampuchea' of the genocidal Pol Pot faction, overthrown by the people of Kampuchea and outlawed by mankind" was the wording of the declaration issued at the conference of ministers of foreign affairs from the three countries, held in Phnom Penh on 13-14 June.

The Indo-Chinese foreign ministers said that, as long as the United Nations maintains its recognition of the Pol Pot delegation, it cannot in the name of its charter contribute to peace and stability in Southeast Asia.

Naturally this is the way it has to be. How can a nonexistent government responsible for the extermination of over 3 million people occupy a seat in the United Nations?

Washington and Peking's intrigues are aimed at internationally isolating the Indo-Chinese countries, presenting them as responsible for the tension that reigns in Southeast Asia and pitting them against the ASEAN countries (Thailand, Singapore, Malaysia, Indonesia and the Philippines). They are trying to condemn Vietnam for its internationalist aid to the people of Kampuchea and force it to withdraw its troops from that country.

At the same time the Chinese Government continues to threaten to give Hanoi "a second lesson" and maintains its troop concentrations along the entire length of its borders with Vietnam and Laos. It is building roads and new fortifications at an accelerated rate. Armed provocations, the shelling of neighboring villages, the infiltration of agents are being stepped up. Chinese planes have repeatedly violated Vietnamese air space. The naval forces, specifically the Southern Fleet (Nam Hai), have received new ships that regularly invade the territorial waters of the neighboring country.

Furthermore, China supplies the remaining Pol Pot faction counterrevolutionaries entrenched in their sanctuaries in Thailand with tons of weapons.

Regular Bangkok government troops also participate in the attacks on Kampuchea. During the first 2 weeks of June alone, Thai artillery shelled the border zone of its neighboring country 232 times and Thai planes effected 17 raids.

Washington participates in the plot against the countries of Indochina and gives the "green light" to Peking's policy of aggression and domination.

The negotiations recently engaged in by American Secretary of State Alexander Haig with the Chinese leaders and the agreement to sell arms and new military technologies to Peking bear witness to the fact. These add fuel to the territorial claims of the new mandarins and are primarily directed against the independent neighboring states.

The threats of the American "hawks" do not fail to "exert military pressure" on the Socialist Republic of Vietnam (SRV) to force it to withdraw its troops from Kampuchea. This is the way Assistant Secretary of State for East Asian and Pacific Ocean Affairs John Holdridge put it when he spoke at the American Club of Peking.

Such statements constitute merely one more expression of the policy of force exercised by Washington and the fact that they were made at the time of Haig's visit to Peking has served as an incentive to the Chinese militarists and incites other reactionary forces to engage in new armed provocations against the countries of Indochina.

But the calm statements of SRV Minister of Foreign Affairs Nguyen Co Thach, who noted that "Vietnamese troops are in Laos and Kampuchea at the request of the governments of those states which, togeth r with Vietnam, are combatting Peking's shady designs. As the threat of Peking's control over the countries of Indochina disappears, Vietnamese Army units will evacuate the territories of the Lao People's Democratic Republic and the People's Republic of Kampuchea as previously agreed on with these friendly governments," contrast with Holdridge's hysterical threats.

In addition to the above-mentioned provocations, they intend to form a "united front" which will bring together all the Khmer counterrevolutionary scum, from monarchists to Pol Pot followers, one which may be headed by ex-King Norodom Sihanouk.

Once again China is playing the "card" of the ex-prince to "clean up" the image of the counterrevolutionary bands that are opposing the rebirth of Kampuchean society. But in reality this is merely a front for the outside world, since Pol Pot is still in charge of his so-called "Red Khmers."

Nevertheless, Peking intends to justify this resumption of the confrontation with the countries of Indochina by resorting to fabrications as to the need for "responding" to mythical attacks on the People's Republic of Kampuchea. Nothing could be more absurd and farther from the truth!

If this were so, why do the Chinese authorities not respond to SRV proposals to initiate a third round of negotiations to resolve Chinese-Vietnamese differences? Hanoi's proposal provided for the initiation of talks before the end of 1980. To date a satisfactory reply has not been received.

Nor has China replied to the initiatives advanced by Vietnam, Laos and Kampuchea with an eye to reaching agreement on bilateral peaceful coexistence and nonaggression treaties, nor to the proposal to create a demilitarized zone along the entire Vietnamese-Chinese border and to separate the troops of both countries to guarantee peace in that disputed area.

Stimulated by the desire to further the dialogue initiated by Vietnam, Laos and Kampuchea with the ASEAN countries to resolve the problems of the area, in the interests of both parties it was proposed that a regional conference between the two groups of countries be convoked. UN Secretary General Kurt Waldheim and representatives of other countries the two parties agree to could participate at the conference as observers. The countries of Indochina propose that the conference be held in Rangoon, Burma, in mid-June.

They do not reject the possibility of an international conference that could be convoked by the United Nations, but recognition of the representatives of the nonexistent genocidal Pol Pot-Ieng Sary-Khieu Samphan regime would have to cease before then. The appropriate seat at the United Nations should have been occupied by the Kampuchean People's Revolutionary Council a long time ago.

Only in this way can the region's problems be solved. Any maneuver by Washington and Peking aimed at frustrating the rebirth of the Kampuchean people and restoring the genocidal Pol Pot regime is condemned to failure. There can be no settlement made behind the back of the People's Republic of Kampuchea.

11,466
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CANE HARVEST SPECIAL EMULATION RESULTS NOTED

Havana GRANMA in Spanish 22 Jun 81 p 3

[Article by Evelio Telleria]

[Text] The final tallying for the 1981 Cane Harvest Special Competition, made at CTC [Central Organization of Cuban Trade Unions] national headquarters, shows that the best provinces in the sugar cane industry were: Villa Clara (in sugar production), Cienfuegos (in absolute harvesting of cane), Granma (in quality), Sancti Spiritus (in costs) and Cienfuegos (in attendance).

As regards cane cultivation, the most distinguished provinces, in terms of quotas, were: Granma (in machine harvesting), La Habana (in harvesting by hand), Sancti Spiritus (in machine loading), Villa Clara (in tractor hauling) and Guantanamo (in hauling with ox teams).

At the meeting, which was attended by the best workers in the sugar industry during the cane harvest and those most distinguished in the 1980 competition as a salute to the Second Party Congress, a report on other winners in terms of individual and collective points of competition during the latest contest was also made public.

Along with Sugar Workers Union secretary general Luis Martell and Council of State member Jorge Lezcano, both members of the Communist Party Central Committee, alternate members of the Central Committee Francisco Linares and Fidel Ramos, MINAZ [Ministry of the Sugar Industry] vice ministers Luis de la Fe, Luis de Cardenas and Octavio Medina, CTC executive secretary Lazaro Dominguez, who summed up the results, and Walfredo Saenz, the head of the CTC Volunteer Labor Department, who read the report containing the results of the competition, presided over the tallying.

Lazaro Dominguez congratulated the victors in the name of the CTC, the Sugar Workers Union and the MINAZ. He said that all those who had anything to do with the cane harvest through their efforts contributed to making it more efficient, then referred to the recent success that had been achieved with the planting of 30,000 caballerias [1 caballeria = about 33 1/4 acres] of cane and urged them to make the same effort to successfully complete the cleaning of the cane now in progress with an eye to the next cane harvest.

Addressing himself to all sugar workers, Dominguez said: "The revolution, the party and Fidel have faith in you, have faith that you will achieve new and resounding victories."

He announced that, of the 94 best workers in the nation in the 1980 competition, Antonio Ridas, Arsenio Geada, Alba Portieles, Caridad Borges, Domingo Urrutia, Arcel Quevedo, Felix Perez, Aristonico Perez, Carmen Torres, Juan C. Diaz, Javier Peraza, Orencio Hernandez, Carlos de Armas, Arbelio Fernandez and Rafael J. Lopez have been nominated to receive the Lazaro Pena Order, first class, for their extraordinarily meritorious efforts.

Report on Victors

By quotas, Marcelo Salado (in sugar production), 10th of October (in absolute harvesting) and Abel Santamaria (in attendance) were proclaimed to be the best enterprises in the sugar industry. In terms of train crews, the best enterprise in rail operations was the Manuel Martinez Prieto Sugar Mill.

From the point of view of enterprise categories, the most distinguished were the Abel Santamaria, Hector Rodriguez, Juan Manuel Marquez and Uruguay sugar mills.

The best agro-industrial complex was the Panchito Gomez Toro Sugar Mill.

By sugar mill regions, the best workers in the individual competition were Jorge E. Pena (of the Obdulio Morales Mill), Jose R. Grataco (of the Fernando de Dios Mill), Rey Luis Calvo Durruti (of the Noel Fernandez Mill) and Roberto Labrada (of the Rafael Freyre Mill). Among train crew members, the winner was Alfonso Fraga (of the Humberto Alvarez Sugar Mill).

Of the refineries, the Ramon Ponciano, of Sancti Spiritus, was the victor in production, the Camilo Cienfuegos in absolute harvesting and the Chiquitico Fabregat in the campaign against absenteeism. The Camilo Cienfuegos was designated as the best in the country.

Special incentives were granted for the efforts of the workers of the two sugar mills built by the revolutionary government, the 30 November and the Battle of Las Guasimas.

Following examination of the results of the cane-growing competition, the women cane cutters, Marcelina Torres and Luz Maria Alvarez (of Holguin) and Ramona Salgado (of Las Tunas), were deserving of first place. The best men cutters were Aristonico Perez (Guantanamo), Florentino Peraza (Villa Clara) and Felix Perez (Las Tunas).

The most outstanding truckers were Oliverio Marrero (Las Tunas), Rafael Peraza (Villa Clara) and Mario Cedre (Camaguey).

For combines, the most outstanding operators were Arcel Quevedo (Holguin), Ramon Autie (Villa Clara) and Arturo Hernandez (Holguin); for machine hauling, Jaime Posada (Santiago de Cuba), Jorge Escobar (Camaguey) and Deogracia Geada (Ciego de Avila); for conventional hauling [oxcart], Andres Parada (Camaguey) and Juan Reyes and Rafael Jorrin (Ciego de Avila); for loaders, Demesio Casanas (Camaguey), Alejandro Aguila (Ciego) and Gelasio Galvez (Camaguey); for crews, Leonidas Pelaez (Camaguey).

Among the collectives, other winners were the manual brigades, Victor Morales, Paquito Rosales and 20th Anniversary (of Granma, Cienfuegos and Villa Clara

respectively), the manual group, Antonio Maceo (of Cienfuegos), and, as best enterprise, the Hector Rodriguez (of Villa Clara).

The mechanized brigade, Platoon 1 KTP-1, of the 6 August Sugar Mill (Matanzas) and the high productivity contingent, Ignacio Agramonte, of Lajas (Cienfuegos), were the winners in their categories.

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'LA LINEA': THE NATIONAL GUARD'S TORRIJOS HERITAGE

Panama City LA ESTRELLA DE PANAMA in Spanish 9 Aug 81 p D-1

[Text] Editor's Note

"La Linea," a document that outlines what some have described as the innermost thoughts, the heritage, a legacy of Maj Gen Omar Torrijos Herrera, was published recently this year in a small, compact booklet in the "9 de Enero" Collection, which was distributed by the Institute for the Development and Utilization of Human Resources and published under the supervision of Jose de Jesus Martinez. Some 5,000 copies of the booklet were run off in March of this year at the Printing Shop of the Educational Printing Center. The following is the philosophy of Omar Torrijos Herrera, as outlined in one of the copies provided to this paper:

The National Guard burst into national politics in 1968 with the intention of running the country politically based exclusively on its firepower and maneuvering capabilities. We began a process aimed at eradicating those deep-seated problems that were like a permanent fever to our nation. Because of those outbreaks of fever, the Guard faced off with the people who were the real and basic causes of the problems that our people were suffering from. Since none of the superior officers of our military organization had dictatorial designs or a desire to remain in power so as to use it for their own gain, we set ourselves goals within reasonable deadlines.

We completed a first stage in 1972. After 4 years in government, during which time we had begun to develop or design the great solutions for our great ills, we became convinced that it was no longer necessary for us to discharge all functions. Continuing swings through our country led us to the conviction that there was a spokesman in each community, a natural leader that the community appointed to set forth its problems and suggest solutions. From this sprang the idea of organizing the country politically into 505 districts [corregimientos]. I was well aware that this was a risky move, because the 505 representatives elected through the ballot box were going to be responsible for appointing their future political leaders. We had been working for 4 years with a people who were initially not fond of us at all, which means that they hated men in uniform. If we had won their hearts, it was because of what we did, not because of what we said, because our people had gotten to the point that they did not believe anything a person said, only what he did. We

were convinced that over those 4 years we had gained their affections to the point that they would give us a vote of confidence in restructuring the government, in forming a new government that would operate with their approval and with ongoing consultations with their 505 representatives.

We made a new turn in 1978. We thought about amending the constitution and delegating the functions of legislating to the Legislature as it is currently set up. It was another step in the gradual, methodical withdrawal to our home base: the barracks. Armed Forces that hold power permanently undergo a steady deterioration until they lose their professionalism and thus their superior officers. The military institutions of public order must exist as long as the republic exists. We are convinced that we have set up a Guard that is sufficiently politicized to represent a guarantee for our process of changes, not what we used to be: meddlesome, unjustified supporters of a ruling class.

The formation of the party was approved with the intention of its being the government's number one base of support. The second base would be a professional group that represented the entire country, geographically, politically and ideologically, and that would be in charge of drafting the laws that would enable the process to continue. The third and last base would be the Armed Forces, which would be responsible for guaranteeing peace and peaceful coexistence in the country and which would see to it that the balance was not shattered to the detriment of some and the benefit of others.

If the party crushes the Legislature with the strength of its influence, we are allowing the balance that must exist in this branch of daily national life to be shattered. If the Legislature imposes its will on the people by force, at gunpoint, we are allowing a dictatorship without uniforms. And if the Guard takes over, we are allowing a mockery.

There are apparently those who have misunderstood me. The fact that the party is the number one base of support or the first firing line does not mean that it is the first firing line physically, the forward edge of battle. This is something that no armed institution could accept professionally. The National Guard cannot permit the formation of parallel commands that would compete with its mission as an institution. What is meant is that the party is supposed to be the lifeblood of national politics.

The National Guard can be the aspirin that cures the fever, not the disease. It will never lose its ability to react and reduce the most violent fever in less than 2 hours. That is one of its missions. But I do not want people to think that once the fever has been allayed, the organism is healthy. A fever is brought on by organic disturbances that are the real cause of the afflictions that we see in the country. Eliminating the symptom, the fever, is not the same as ridding the organism of its disease. Nevertheless, a harmonious combination of surgery and medicine, along with the capacity that the party must have as the basic pillar of support for the process, can guarantee its continuation.

We have the advantage that our process already produced a leader, who is currently in reserve. In reserve, not as a reserve. Just as national economies and our daily activities require a reserve, in politics you have to have a card you can play in times of crisis. But you must not resort to it indiscriminately and unnecessarily, as a response to the failings of the established machinery. That is like bringing out the saint at all processions.

If a local priest has to bring out Martin de Porres at all his processions, it is because he has not fulfilled his proselytizing mission, because he has not been able to win over the people of his parish without resorting to the saint who is the biggest "box-office draw."

We in the National Guard do not want to see a PRD armed with clubs, shotguns or revolvers. Nor do we want to see a National Guard engaging in campaigns and displacing the leaders of the party that represents the leading base of support for our process.

This country's political leaders have always had the natural and detestable tendency to dial the National Guard's three-digit phone number and order it to crack down. They think that that is the quickest way to eliminate a problem. But a person who orders or allows repression is renouncing his obligation to persuade people. I remember when I was called upon many administrations ago, just after 1955, at a time of political disturbances. I was surprised at how readily government leaders and ministers and magistrates ordered the Guard to take to the streets. Without shirking our duty, we felt that they were rash people. They sent us onto the streets as the first, not the last resort. If we protested, they said that the military commands were ignoring the supremacy and mandate of the civilian authorities. That was not the case. The fact was that we military commanders were more responsible thinkers. We knew that the presence of troops in the street could cost lives. We knew that we had the ability to break up any demonstration, no matter how large, very quickly. And we knew that once zero hour, the time to move in, was decided on, the problem would be taken care of, but only at gunpoint. This would restore peaceful coexistence, but from that time on it would have to be supervised by men in uniform. We realized that as long as the conditions were not present for peace to exist without the need for men in uniform, we were not resolving the problem, but postponing it and fooling ourselves. I don't know whether the same thing occurs in other countries, but in Panama the normal operating procedure in politics is to use force as the first alternative. This is what I did not want to happen to us in this process.

The National Guard cannot be judged by the conduct of one of its men. A team is more than the sum of the units that make it up. The way of thinking of a guard, an officer or a member of the staff is not the way of thinking of the institution. Even though it is a corps in which discipline is entirely by rank, if the commanders at every level, battalion, zone, platoon or squadron, are not on a level with the team, they very quickly cease to be commanders. We have accustomed our armed guard to accept being led but not pushed. Any one of us can have an opinion, whether on paper or just to ourselves, but as soon as the staff meets with its commander, a period of discussion begins.

Many of the opinions voiced at this time might go against what the commander thinks. Many of the opinions are diametrically opposed. The commander does not say anything during the discussion period, but he gradually decides on the correct path to follow by extracting something from each of the opinions under discussion. A mistake by him harms not only himself but all the Armed Forces as well. What is significant here is that once a decision has been made, there is no further discussion. Each one of the members of the staff accepts the decision and defends it as if it were his own. This is significant: we are talking about a team decision. When it becomes obvious over time that a commander is making only wrong decisions, his subordinates will continue to obey him but they will unquestionably lose faith in him. Instead of being a leader in uniform, he becomes merely a commander and is eventually gotten rid of. No person being led likes to feel the insecurity of carrying out orders that clash with common sense or with what ought to be done at a given moment. Frequently, none of the members of the staff agree with a decision that I have made, but a few months later they realize that I was looking further down the road because I had my high beams on. It is a question of percentages here. A commander cannot be expected to be right 100 percent of the time, but one who does better than 60 percent is a leader rather than just a commander. And I think that I am well above that percentage. I can't remember ever having made a decision without the consensus of the staff.

We must program our actions with our high beams on and carry them out with our low beams. You have to know when to switch beams and when to use one set and when to use the other. Right now we should be planning to cover a 600-kilometer route, meaning the 6 years at the end of which we are going to compete at the ballot box. We are going to verify directly through the ballot box, when the people express their innermost feelings there, whether they approve or disapprove of the 16 years we have been in office. Everything that we now do should be seen in that light and carried out with that inspiration. This does not mean that we should preach only pleasant truths. No leader has a solution for every one of his people's problems, and the best solution is often not the one that most easily wins a round of applause. The best solution is often a bitter truth that we must utter even though we know that it will be followed by loud boos. Over the years, peoples choose to support those who have had the courage to tell them the unpleasant truth at the time.

I am saying this because at times we act as if things were coming to an end. We lack calm; we do not plan things out, and we keep phoning up the National Guard without thinking too much about it. I also want to single out the philosophy of pointing the finger at others, of coming up with an excuse for everything bad that happens. You are to blame; the other fellow is to blame... This kind of person never says: I'm to blame. The result of this is that people lose faith in each other by blaming everyone else for their own failings. When our process is to blame, we have to apportion that blame among all those of us who are part of it.

Lack of communication is the number one reason for estrangement. Daily communication, even if it is just to say hello, insures that there will be no

estrangement between us. And without estrangement there is no physical, political or spiritual room for doubts to be sown among us. It is these doubts that begin to shatter a team's unity. But five united wills constitute a majority anywhere, and more than five constitute an absolute majority. This does not mean that there are no differences of opinion among us. What it means is that if there is communication, there is no chance of the team splitting up

Let us immunize ourselves against the virus that our enemies are propagating with their classification of civilian and military governments. They want to make those of us in uniform believe that things are not going well because of the civilians and they would have the civilians believe that things are not going well because of the military or because we do not want to act. This government will never suffer because of the National Guard. If previously we supported bad governments from which we expected nothing for the country, we are supporting this one with much greater strength and capacity for reaction, because this is a government that has emerged from the very womb of the process that we began.

We should, however, determine in a coordinated fashion when the Guard should and should not intervene in public order problems. Each person ought to have enough imagination to see what he can think up or plan in the political sphere he is monitoring, so that the people can understand in a political sense why this or that measure was taken. For example, if we had discussed the meat problem at greater length, we would have determined the time and place to announce the price rise. If we had done so in Colon, a city with legions of hungry people, the reaction would have automatically been one of annoyance. They would have been the hardest hit. Furthermore, a person with an urban outlook will never be able to understand, nor does he care to understand, the things involved in production costs. Nor would he care to admit that he is being subsidized by the labor of peasant farmers. If, on the other hand, the announcement had been made to small ranchers with from 1 to 100 head of cattle in Herrera, Los Santos or Chiriqui, it would have made such an impact on them that the shock wave would have extended from the country to the city. The people in our capital city, the largest consumer market, would have understood better. This is only a small example. I am not reproaching anyone. I just want to remind you that the more a person consults with others, the fewer mistakes he makes.

You will have noticed that one of my characteristics is that I make an effort to get to know each one of the people who work with me. Every commander is obliged to know his subordinates, and vice versa. This means that familiarity and respect are two-way streets. When the person in command no longer makes the right decisions, the person who must obey him loses his respect. This is not the case with our process, but I want to note that I accept people as they are, not as I would like them to be. I work with their good sides and try to cut down on their bad ones, because if we emphasize the bad sides of people, we become negative, and no negative person can be a leader.

You should also take note that I never pay attention to details. I have never seen a bill or signed a check. What I do is to draw the line towards the ultimate objective and let you decide how to get there, as well as the immediate and successive goals that will lead, step by step, to that ultimate objective. This is the difference between strategy, which must be viewed with high beams, and tactics, which must be applied with low beams.

You have to be able to switch beams constantly. If you do not use your low beams, you will bump into immediate obstacles, and if you do not use your high beams, you will never make it to the end. The strategist is the engineer, the architect, the designer who shapes an objective, a project, a course. The tactician is the one who block by block and bolt by bolt pursues the path that the strategist has mapped out. An individual tactician must be resourceful and have an agile imagination to come up with a solution to an immediate problem without having to consult anyone. I demand final, not partial results. You win the battles; I want to win the war.

I have noticed that some athletes or runners have a tendency to look back all the time and thus do poorly or lose sight of the finish line. He who becomes distracted by living off the memory of past triumphs neglects the present and will fail in the future. Don't worry about what I might be thinking. I hardly ever bring things to people's attention, and if I do, it is with examples. I do not let a man go because he has made mistakes. I let a man go only when he has shown me that his personal shortcomings are such that he is beyond correcting. Then I forget about him.

We should also be careful not to pigeonhole ourselves. Our obligations are not only to ourselves but to others, to the entire team as well. Our obligation is to support the three bases of our process. What people are going to remember and assess over the next several years are the actions of us all, of the team that heads up the process, not of the components of the team.

Never make the mistake of thinking that any of your tasks or missions is unimportant. A tiny grain of sand, a single millimeter in the right historical direction is a thousand times more progress than a meter in the opposite direction to our process and a million times more important than a kilometer traveled away from the ultimate destination that we are headed towards.

I will draw the line, walk on and wait for you there. You decide the intermediate objectives and how to achieve them. They must lead the country towards the ultimate objective. I will wait for you there, standing at attention and giving a patriotic military salute.

8743
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FORMATION OF COMMUNIST PARTY ANNOUNCED

Paramaribo DE WARE TIJD in Dutch 10 Jul 81 p 1

[Text] On 24 July at the final session of the founding congress the Communist Party of Suriname (CP) was established when a young worker unfurled the party flag.

The party is based on Marxism and Leninism and the first issue of the party organ REDI SERI states that it will "vigorously promote the international cause of proletariat and communism." Bram Behr was appointed legal spokesman for the party. The Revolutionary Liberation Movement of Suriname (RBBS) merged with the Communist Party after an existence of 2 1/2 years.

The congress adopted a party program which lists as its principle task: preparing for the anti-imperialist and democratic revolution to establish Suriname as a really independent democracy of the people.

The program states: "The successful anti-imperialist revolution must evolve without interruption into the socialist revolution and the foundation of a socialist Suriname." The CP will create the subjective conditions to enable the proletariat to become the uncontested leader of the revolution with the poor peasants as most important allies.

Anton de Kom was designated hero of the CP because he was not just a patriot but above all other things a great proletarian revolutionary and the first to mention a socialist Suriname as the only way to liberation.

Now that in Suriname revolution is not just a theoretical problem but a topical issue on the agenda, the Communist Party of Suriname considers it its duty to create the following subjective conditions: combative class consciousness and organization.

The founding congress ended with the singing of the International.

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END

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FORMER GOVERNMENT OFFICIAL STRESSES OIL EXPORT NEEDS

Buenos Aires LA NACION in Spanish 4 Aug 81 p 15

[Article by Mario A. Cadenas Madariaga]

[Text] At the present time the shrinking of our gross national product and of public and private borrowing, both foreign and domestic, is forcing the nation to a lowered income level, to a reduction in industrial activity, and to growing unemployment.

In the domestic area, civil protest movements have begun to appear in different sectors of both agrarian and industrial production, followed recently by demonstrations by workers groups, both in the wealtheir plains areas and in the regional economies.

This situation must be turned around quickly. Therefore, without prejudicing the overall solution, a vital decision should be made soon, one which can solve the serious financial problems that we are now experiencing.

In our opinion, the most rapid way is to decide to transform Argentina into a major petroleum and gas exporter, by means of a substantial increase in production.

Following the U.S. Example

In 1979 the United States, when faced with a doubling in international oil prices, decided to increase its domestic production substantially, by decontroling the price of new oil and by drilling 10,000 wells more in 1980 than in 1979.

Argentina, to overcome its present economic difficulties, should decide to make a substantial increase in its production destined for export; prices for this new oil should be set at international market price levels.

Reserves

Argentina has proven petroleum reserves of nearly 400 million cubic meters, and 640 billion cubic meters of gas reserves. Explorations off the coast and at various points inside Argentina, with wells producing very good yields, indicate that this horizon of reserves could be quickly expanded.

Furthermore, in calculating reserves, the potential production that could be obtained from old wells, abandoned because of their low output, has not been included. A high percentage of the 6,000 wells out of production could be brought back into production if the price were raised to international levels. This could provide a substantial part of the increased production. The daily output of the Argentine wells is 11.5 cubic meters, compared with 2.3 cubic meters from U.S. wells. YPF [Government Oil Deposits] has no oilfields in operation with an average production under 6 cubic meters a day, while the contractors have yields as low as 2.5 cubic meters a day.

The Exports Needed and Their Earnings: An Added $5.8 Billion a Year

The minimum objective that should be set is to cover the total interest payments on our foreign debt by using the increase in our petroleum and gas exports. As a rough estimate, this might mean tripling the production of gas by raising it from 13 billion cubic meters a year to 40 billion cubic meters a year; petroleum production might be increased from 28 million cubic meters to 38 million cubic meters annually. At international price levels, this means increasing gas production by $3.8 billion, and petroleum production by something over $2 billion.

Such an increase, when the cost of imported materials, profits, and other items is deducted, will leave a positive return in our balance of payments which will help to free us from the present burden of interest payments on our foreign debt. From that point on, we will be able to obtain foreign loans to refinance our agricultural and industrial requirements, on the best possible terms.

The way to carry out this program is through concession contracts with private enterprise, both Argentine and foreign, after international bidding for the exploitation of the areas with proven reserves. The price that the companies will obtain for petroleum and gas will be the international price, because it will be intended for export. The state will take that part of this production which provides the most suitable supply.

Among the options which the oil companies should offer will be the degree of industrialization of the oil produced; this would be used in Argentina for petroleum byproducts, petrochemical products, fertilizers, etc.

Argentina has a great capacity to make use of the development of the petroleum industry, as it produces pumping equipment, pipes for encasing wells, and most of the parts and equipment needed to produce petroleum. In order to favor Argentine companies as much as possible, they could be reserved areas for bidding, which would only be awarded to Argentine firms. At the same time, the contracting of Argentine drilling firms could be encouraged.

With part of the profits that the state would collect from these contracts, it could cover YPF's debts and the normal activities of this firm and its contractors, whose production is designed for the internal market.

Export and Replacement Possibilities

Petroleum can obviously be exported anywhere. Gas could be sold to Brazil, Uruguay, and Paraguay. The combined petroleum imports of those countries are over $4 billion.

At home in Argentina, there are plans to replace petroleum gradually by gas and water and nuclear power. We suggest that this replacement program in Argentina be accelerated. There is also a possibility of exporting industrialized products.

Prejudices Overcome

The old prejudices held some decades ago by Argentine public opinion against exploitation contracts by private firms, either Argentine or foreign firms, have disappeared, as we can see from the bidding for risk contracts conducted in the last few years. The public bidding procedures have aroused no particular comments or complaints.

Impact on International Policy

Handled in this way, petroleum exploitation and export could become a formidable weapon in Argentina's international policy. The enormous impact of petroleum could facilitate Argentina's negotiations with the European Economic Community, improve our position on the Beagle Channel issue and on the recognition of Argentina's rights to the Falkland Islands, thus providing great protection for the major issues of our international policy.

Final Comment

In conclusion, we should realize that the effective and real possibility offered us by the intelligent use of this natural, nonrenewable resource should not be a reason for us to continue squandering our government spending and to keep on with other economic follies, as we have done so often in the past, thus losing truly exceptional opportunities for our economic and social growth. We should also take care not to let our currency be overvalued, as this will endanger our industrial exports.

7679
CSO: 3010/1668

HONDURAN FOREIGN MINISTER ARRIVES FOR VISIT

PY202202 Santiago Chile Domestic Service in Spanish 1730 GMT 20 Aug 81

[Text] The situation in Central America is worrisome, stated Honduran Secretary of State for Foreign Affairs Cesar Elvir Sierra upon his arrival to Santiago. The minister, who is touring South America, will stay in this capital until Saturday at the official invitation of the Chilean Government. The Honduran foreign minister was welcome at the Santiago International Airport by his colleague Rene Rojas Galdames and Honduran Ambassador Cesar Coello.

Minister Sierra said that his visit is motivated by his government's desire to reinforce traditional longstanding ties between the two countries. He said that the crisis affecting Central America has had repercussions in his country.

[Begin Sierra recording] It affects us both economically and socially: economically because Honduras shares the economic situation in the region, and socially because a large number of refugees have taken shelter in our territory, approximately 30,000 refugees. [Words indistinct]. [End recording]

The Honduran foreign minister is accompanied by Vice Economic Minister Ramon Medina Luna and Honduran Central Bank President (Proxilias Martinez). Minister Sierra declined to talk about what has become known as the Cubanization of Nicaragua on the grounds that his country respects the principle of nonintervention. As for the advance of Marxism in the region, the minister said that his country is going through a democratic process which will culminate in general elections this coming November.

However, the Honduran foreign minister said that the situation in Central America is worrisome: [Begin Sierra recording] We are concerned over the political and social instability of the region. However, present circumstances (?favored by) the contribution of the international community raise hopes that the problem can be resolved. This contribution has materialized through the foreign ministers meeting. [End recording]

CSO: 3010/1732

IMPROVED U.S.-CHINESE RELATIONS NOTED, SCORED

Havana VERDE OLIVO in Spanish 5 Jul 81 pp 12-13

[Article by Elpidio Valdivia: "Chinese-U.S. Matrimonial Bedroom Antics"]

[Text] In a press conference held by Secretary of State Alexander Haig at the conclusion of a recent visit to China, the secretary said that the two countries had reached the culminating point in their political and military intimacy.

The former NATO chief, now in the top spot in U.S. diplomacy, told the journalists that his conversations with the Chinese leaders were "exceptionally productive," "particularly significant" and "highly successful."

At the same time, Beijing's official news agency wrote that "China wants relations with the United States to develop on the basis of mutual strategic interests" and added that Haig's visit indicated that "the two countries have identical viewpoints in the study of the world's strategic situation."

The angle he stressed the most in the meetings which began on 14 June was the U.S. decision to deliver offensive weapons to the Asian country; such sales have heretofore been limited to trucks, radio equipment, the technological transfer of communications systems and radar for civilian and military use.

The same analysis was immediately given by two capitalist news agencies, the French AFP and the Spanish EFE.

The former expressed the opinion that on 20 June the axis formed by Washington and China "was definitely sealed during Haig's recent visit to Beijing, an event which will change the geopolitical balance which prevailed heretofore in international relations."

The Paris news agency added that this rapprochement is a political move largely engineered by Washington since Richard Nixon's administration and continued by the Gerald Ford, James Carter and Ronald Reagan administrations, its main objective being "to establish regional anti-Soviet alliances which will place Washington at a strategic advantage with regard to the Soviet Union."

EFE, in turn, wrote on the same day that the present Beijing leaders did not yield to a demand for an area of 1 million square kilometers which belongs to the Soviet Union, and U.S. military aid could strengthen the Chinese arguments in retaining possession of that territory.

"However," the Spanish agency pointed out, "an earlier event serves to show the extent to which Washington-Beijing cooperation has advanced.

"After a year had gone by," it says, "information 'filtered through' to the press that two top secret electronic stations of U.S. construction are operating on Chinese territory to check the tests and movements of Soviet missiles.

"As revealed by the NBC television network, the U.S. spy stations were installed near Soviet Central Asia soon after the shah of Iran was overthrown by a great popular movement; and the new Tehran leaders dismantled the powerful U.S. observation stations operating at the botder with the Soviet Union."

In this connection, EFE observed: "What is characteristic is not that those electronic stations are being transferred from Iran to China but rather, arguing that there was not adequate means to keep an eye on the Soviets, the U.S. Senate did not ratify the SALT II Treaty limiting strategic arms."

An old capitalist international radio station, London's BBC, speaking on this subject, pointed out that Beijing had insisted that the operation remain secert and that the operators be Chinese trained by the Yankees and using U.S. equipment.

The commentary went on to say that without the electronic centers they are continuing to operate in that immense Asian country, the Americans would have no way of knowing the precision obtained in the launching of Soviet missiles or their initial trajectory.

"This bit of news," the BBC said in its evening broadcast of 20 June, "is a strong indication of the extensive military cooperation existing between China and the United States which is much greater than previously imagined."

The British broadcast concluded with the statement: "Moreover, the recent announcement that the United States is ready to sell arms to China gives their relations the complete appearance of a virtual alliance."

Three days later, EFE reported that this American policy with regard to Asia was drawn up in collaboration with its NATO allies in Europe after "long and hard reflection" and that it consisted in blockading the Soviet Union through means of a "yellow belt" which, in addition to China, would include Japan, South Korea and Taiwan.

Last Saturday, PRAVDA published an article entitled: "Escalation of Madness" in which, judging these events, it made the following observation: "It can be said that Haig began his mission in Beijing like a general dressed as a fellow countryman. His interview with Defense Minister Geng Biao was devoted to the sale of arms as well as to an exchange of intelligence information."

In warning about the consequences of such a union, the publication went on to say: "The Soviet Union will also take measures as dictated by the situation taking shape. No one should doubt that the Soviet people, who have good nerves and powerful means of repelling aggression, will stand up to such provocations and be capable of defending themselves and the interests of their friends and allies."

Referring to this development, Leonid Zamyatin, head of the Department of International Information of the CPSU Central Committee, said in front of Soviet television cameras that "this situation is replete with the most serious consequences for the world in general. There is no doubt that it will be reflected in a general way in Soviet-American relations."

Zamyatin concluded by saying: "It is amazing that two representatives of great powers--the United States and China--devoted their conversations to the study of mutual strategic interests lined up against a third country, that is, the Soviet Union.... This is where Beijing's anti-Soviet policy led."

Where did it lead? To the shameful protagonist of the antics which the Chinese-U.S. matriomony is immodestly staging before the eyes of humanity.

The new mandarins have cast their fig leaf overboard.

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CSO: 3010/1603

FURTHER REPORTAGE ON MTT TRAINING EXERCISES

Havana VERDE OLIVO in Spanish 12 Jul 81 pp 34-39

[Article by Mario Rodriguez]

[Text] With the sun just rising above the horizon, future command cadres of the Territorial Militias [MTT], in perfect formation, are preparing to begin a new day's training program.

There is joy on the faces of the militiamen and women who have come from different municipalities of the central provinces and are readying themselves to make a reality of the watchword which day after day holds our people together: "Production and defense."

All of them are ready to learn what is necessary to convert the country, in the event of aggression, into a gigantic battlefield where there are no fronts or rearguards.

Among the student body of this school, which is located in the territory of the Central Army, there is the male worker, firm and disciplined as ever; the male peasant, who said, "I'll be seeing you" to his cooperative; the female worker and the housewife, both ready to share the same trench with their sisters.

There is a solemn commitment from each of these individuals: to be properly prepared for defense.

As happens every day, the various study groups go to different areas.

Some groups march to the nearby rifle range where they will receive their first lesson in military engineering, while other groups move toward their designated areas for marksmanship, tactics or scouting classes.

There is enthusiasm and a desire to learn.

In the marksmanship class, the subject selected for the day will deal with the mechanical aspects of infantry weapons, a basic part of the course.

We observe how all the students attentively follow the expert hands of the instructor, who, after the skillful disassembly of each of the component parts of the automatic rifle or the machine gun, gives its name and explains its function.

"If you watch closely," one of the militiamen comments during a break, "it is not so difficult, although what I have to learn is to shoot well as soon as possible."

"Do not be in such a hurry, Emilio," one of his comrades replies. "You will have plenty of time to fire accurately at the bullseye."

At the end of the theoretical part of the instruction, each of the students repeats several times what he learned under the supervision of the instructor, who immediately corrects any mistakes noted.

Reynaldo Veitia: 'Present!'

On the rifle range where the military engineering class is being held, the militiamen sharpen their skills in the digging of a rifleman's foxhole.

For some, who until a short time ago were on active service in the Revolutionary Armed Forces [FAR], the task is not difficult; for others, this kind of training requires additional effort.

Among the militiamen armed with picks and shovels we find Reynaldo Veitia Serraldo.

In spite of his 58 years, Reynaldo handles the pick with the same skill as when he was still a young man or with the same facility as when he was chasing bandits in the rugged areas of El Escambray, during the cleanup.

For him, a veteran of the sugar industry, a delegate of the People's Government in District 19 of the municipality of Cruces, an activist of our party, the new task imposed upon him requires total dedication and enthusiasm.

"That is why I said 'present!'" he exclaimed, "as I did to every revolutionary task which required my presence.

"The participation of all our people in the MTT is a real response to the threats of imperialism and one more proof of our people's capacity to rise as one man in defense of our socialist fatherland."

"Are you getting anything out of this training?"

"I sure am. The knowledge and skills we receive every day will be of great use in our future work as leaders of small units. For this reason we have to make the best use of our time to assimilate the greatest amount of information.

"We are responsible for training hundreds of men and women so that they will be able to face up to any situation which may arise in combat. Therefore, our permanent watchword should be to prepare ourselves as best we can, with awareness of our role in the country's defensive system."

In his words, we detected the firmness of a person who is accustomed to converting his thoughts into reality.

"We are stronger," he added, "not only because of the justness of our cause but also because of our firm will to overcome any enemy who interferes with our plans to construct a better future."

"This, then, is just one more task of the many you have?"

"That is right. This task requires more discipline in the scheduling of available time. I will now have to distribute my tasks very well to be able to do my job at the trade union office, with the voters in the district I represent and with the rest of the combatants in my unit of Territorial Troops who are waiting for me to pass along what I have learned.

"But do not worry. I will find a way to handle all my tasks. You have Reynaldo here for a time."

The Squad in Action

In the area where the classes in tactics are held, the militiawomen are now preparing to demonstrate their skills in this specialty.

The subject scheduled on the training program involves the activities of an infantry squad on the offensive.

The officer gives a brief introduction.

"The offensive," she says, "is a kind of combat action which permits the definitive annihilation of the enemy and is characterized principally by aggressiveness, decisiveness and initiative, which are required of troops on the offensive.

"The principal mission in offensive combat is the defeat of the enemy attacking us; and this can only be achieved if we are prepared to do what is necessary at all times, keeping all forces at the ready, deploying them quickly over the terrain and aggressively penetrating the enemy's defense."

After this introduction, the instructor goes on to explain how the squad should operate as a unit and the duties of each of the militiawomen of which it is made up. After that, the basics of tactics are explained.

Once the fundamental aspects are explained, through personal demonstration and the use of several students, the instructor gives the order for the squad to move to the starting line.

When the order "attack" is given the squad begins to advance quickly until it reaches the vicinity of the "enemy's defense." As taught, the combatants move their automatic rifles quickly to their left hands, without stopping the advance, as they launch grenades against the trenches; with a leap and a cry of "fatherland or death!" they break through the foward line.

"This time things did not go too badly," the officer comments, "although we must continue practicing the procedures until we have complete mastery of them. Now we will take a short break."

There is unanimous disapproval. "Sir," they all call out in unison, "why don't we run through it again right now?"

The instructor smiles, while sending the squad back to the starting line.

There Are Many Like These Militiawomen

Magaly Garcia Martinez and Ofelia Valdes Viera are two young women filled with enthusiasm; for them there is not the slightest obstacle to their mission of accomplishment.

When they were told about the need for their taking the course for command cadres of the Territorial Militia Troops, they asked only one short and sweet question: "When do we leave?"

From the beginning, both Ofelia and Magaly were firm in their intent to start the course, as they say, "with our sleeves rolled up."

Gradually, they learned the secrets of the training until they were able to execute the most complex procedures promptly, precisely and easily.

As always, there is no lack of stories.

"The first time I had an antitank grenade in my hands, I thought it would be very difficult to throw the device. Later, as I became more familiar with the grenade, I was more sure of myself."

"Is it still difficult for you?"

Magaly broke out in a spontaneous and youthful smile and added: "The only problem I have, if it can be called that, is pulling the pin and throwing the grenade with all my strength toward the target."

Magaly says that she is very satisfied and pleased with the quality of instruction, the dedication and responsibility of the officers, with the camaraderie which prevails throughout the unit.

"What do we have to study?" she adds. "That is the reason we are here. To study and prepare ourselves for the defense of the fatherland. To make a reality of the statements of our commander in chief who said that every Cuban must be ready to defend every square meter of the fatherland."

Young communist Magaly Garcia is unwilling to yield the floor to her comrade without first having made it clear that the mission entrusted to them will be accomplished in every respect.

"I think Magaly has forgotten something important we should say at this time," Ofelia says and adds: "We women are also ready to perform the combat duties assigned to us by the revolution. Along with our fathers, brothers and husbands, we will know how to make the enemy pay dearly for any aggression."

Ofelia tells us that she is very anxious to complete the course so that she can immediately pass on her experiences.

"That is our principal mission," she emphasizes, "therefore, we must take advantage of what we have learned as much as possible."

"And what about emulation? How is that coming along?"

"Emulation has been a decisive element in our achievements.

"In our rank and file committee, for example, analysis of commitments made is a mandatory topic on the agenda. Thanks to the good organization and control of socialist emulation, the course is being conducted in the midst of a fraternal struggle to obtain the best results.

"I feel that as in the previous course we women also have a good role."

Afternoon is already upon us as we go through the gate which leads to the training center. For us it has been a day without equal which has served, inter alia, to reaffirm once again the firm decisiveness of our brave and experienced people to die rather than become slaves.

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CSO: 3010/1649

ZAYAS OCHOA DESCRIBES PROGRESS IN LAS TUNAS

Havana VERDE OLIVO in Spanish 12 Jul 81 pp 54-57

[Interview with Luis Alfonso Zayas Ochoa, member of the Central Committee and Las Tunas Party first secretary, by Ruben Fonseca]

[Text] The entire populace of Cuba is preparing to celebrate with dignity the 28th anniversary of the attack on the Moncada Barracks; however, there is one region of the country in which special effort is being put into the preparations: Las Tunas Province, which is praiseworthy because of its efficient work as the site of the principal commemorative ceremonies of the important anniversary. Comrade Luis Alfonso Zayas Ochoa, member of the Central Committee and Las Tunas Province party first secretary, was kind enough to answer a few questions asked by VERDE OLIVO about this subject.

[Question] How have the workers and people of Las Tunas received the results of the second party congress, and how is their readiness to meet their commitments being implemented?

[Answer] The workers and people of Las Tunas accepted with the enthusiasm proper to all Cubans the Central Report prepared by Fidel and the various agreements of the second congress, including the 5-year plan.

During the 5-year plan, heavy investments will be made in the industrial and social sectors. Enough information have been given out so that our people know what factories will be built in the 5-year period, as well as the housing program which is to be carried out.

This stage which has been in existence since the second congress coincides with a period during which enthusiasm is overflowing in all the people. We have complied with the wishes of our commander in chief, Fidel, that we of Las Tunas celebrate the principal ceremony of the 26 July anniversary; this motivation and discussion of the objectives and goals in honor of such a significant anniversary make it possible to give the maximum impetus to carrying out all plans, which logically are part of his 5-year plan.

In the divulging of the agreements of the second party congress, an important role is being played by the mass organizations and the UJC [Union of Young Communists] in discussions of the Central Report of the second congress which covers deficiencies, achievements and tasks to be undertaken at this time.

[Question] Las Tunas has fought hard to be this year's site of the central ceremony of the 26 July anniversary. How has this work of the masses been linked with the general objectives set for the province?

[Answer] On 14 June 1981, when Fidel inaugurated the health complex, he said: "With such enthusiasm for work on the part of the people of Las Tunas, with their efforts and efficiency, I should like to see them win the right to commemorate a 26 July anniversary in Las Tunas." This was a clarion call to the revolutionary conscience of every man and woman in our province.

The mass organizations, the UJC and students and Pioneers, under direction, immediately drew up a list of tasks within the framework of their work objectives. These plans were discussed with every worker, Cuban Women's Federation [FMC] member, CDR [Committee for the Defense of the Revolution] member, peasant, student and Pioneer. A watchword found a voice in every member of our society: "We will win the 26 July competition." From then on, we have been attaining work results as never before, in the sugar harvest, services, etc. Organizations at all levels are doing their work more efficiently.

The movement of the masses in the province is noteworthy.

Up to January all organizations worked with enthusiasm to complete their work plans; however, an initiative was produced in the municipality of Majibacoa to prepare work plans in emulative stages. Those emulative stages were made to coincide with the various historical dates preceding 26 July, such as 24 February, 13 March, 19 April, 1 May and 14 June.

The purpose of the mass organizations in the municipality of Majibacoa was to complete as many of the year's tasks as possible to help Las Tunas win the right to be the site of the central ceremony of the 26 July anniversary celebration and for themselves--the municipality--the right to sponsor the provincial ceremony.

From that moment on, every municipality took up this idea with enthusiasm, and fraternal emulation was generalized among all the municipalities to determine the sponsorship of the provincial ceremony of the 26 July celebration.

With the enthusiasm generated by integral emulation, every municipality advanced, accomplished and exceeded its tasks. The difficulty for the party leadership will be to decide which will host the provincial ceremony, because all have done very good work in carrying out the plans and objectives set for them. (As this edition was going to press, it was learned that the municipality of Majibacoa won the honor of celebrating the 26 July anniversary in the province.)

The Work of the Party

[Question] The efficiency of the party's work depend to an appreciable degree upon the completion of the plans set for the development of the province. What objectives were set for improving party work, increasing its prestige and authority and carrying out more profound activities in the political education of the masses?

[Answer] In its continuing and unceasing work, the provincial party has been improving its methods and work style by giving preferential attention to its intermediate leadership organizations and to its rank and file organizations, without failing to give the necessary attention to the UJC and the mass organizations. Similarly, with the state and administrative apparatus, we are following an identical policy, adjusted to the ways and means the party must observe in their attainment.

In this regard, we are applying the guidelines, agreements and resolutions and are using all the established mechanisms, which promote a rapprochement of the provincial organization with the rank and file.

Regular attention to the municipal party committees by the province and by the committees to their rank and file organizaions are objectives of the first order.

With regard to this objective, priority is given to continued improvement in the attention given to our rank and file organizations, as they embody all the political and ideological work the party must engage in to increase its influence among the masses.

A link with the masses has been the perennial objective of the party at all levels; this has been a decisive factor in its political and ideological education work. To continue the strengthening process, this necessary link will be very decisive in elevating the prestige and authority of our party to increasingly higher levels.

[Question] Some important investments have been virtually concluded which mark the beginning of the industrial development process of Las Tunas. What do the communists propose for the carrying out of the agreements of the second congress in this regard?

[Answer] The industrial development of the province is characterized fundamentally by the production of sugar and its derivatives and a large investment plan for the present 5-year period, centered on the construction of two new sugar mills and the completion and consolidation of several projects derived from this industry, such as the manufacture of panel boards [tableros] and the production of torula.

Also during this 5-year period, production should be stepped up in the glass container and metal structures plant, which will bring about a significant increase in industrial production. There will also be increases in the production of salt through expansion of the existing salt plant and another new plant. We are also building other industries, and several in existence are being expanded. Special attention will be given to the production of spare parts and to the investment process in general.

That, basically, is a summary of the industrial objectives approved by the Party Second Congress into which the provincial communists must pour all their energies, without stinting on their efforts to attain these objectives.

Among the fundamental tasks we are undertaking are:
--To strengthen even more the relations of the communists with the working masses responsible for carrying out these tasks.
--To fortify even more the workers' movement.
--To achieve substantial improvements in economic efficiency through the maximum

use of material and human resources and attainment of high rates of productivity in work, to which ends it is necessary to intensify the economic education of the workers so that they will master the concepts and mechanisms which are part of the SDPE [Economic Management and Planning System].

In accordance with the economic and social guidelines for the 1981-1985 5-year period, the investment process of the province will be handled by the various organizations of the party, which provides the support required by the different objectives, as well as control and surveillance over things that can possibly impact on the results of this process.

Life in the Province

[Question] How is the participation of the masses channeled to raise the levels of efficiency in the remaining sectors of the economic, social and cultural life of the province?

[Answer] The participation of the masses in the economic life of the province is manifested basically in the efforts exerted to ensure that the masses participate increasingly in the direction of enterprises, which will be achieved through their active participation in discussion of production plans and in production and services assemblies. This has permitted the discovery of reserves of productivity, solutions to the problems occurring in the production process, through innovations and an increase in rationalization and savings of countless resources.

Another thing which has made it possible to save large amounts of raw materials and to resolve bottlenecks present in the industry for lack of packaging materials has been the zeal of the CEDE masses.

Also, in the different campaigns in which the CEDE masses participate, such as public health, cleanup and beautification, sports tasks and through the aficionados movement, the participation of the masses is accomplished in the social and cultural sectors.

This broad movement is supported by the efforts of the party and government in every municipality to attain the cultural mode in a short time.

The Sugar Harvest

[Question] It is known that the province made a great leap forward during the last sugar harvest. What will the party do to ensure that Las Tunas contributes to attaining the 30-percent increase in production during the current 5-year plan, as agreed by the second congress? What steps will be taken to increase industrial efficiency, sugarcane yield and improvement of the living and working conditions of the laborers in that sector?

[Answer] By 1985, we project a 62-percent increase in sugar production compared to the 1979-1980 sugar harvest.

To attain this objective, the party will exercise strict control over priority investments and over all the work done in that important sector of the economy.

The party will work to clarify for all activists in that sector the general guidelines established by the second congress; it will continue to give priority to growth and understanding and will help promote the more active and conscientious participation of all workers and leadership cadres in the preparation, execution and control of the plan, with fundamental emphasis on increasing available productive capacities and resources. Also, everyone is expected to know to perfection the role he is to play; and incentives will be provided to surpass standards.

The strengthening of the work of the cells and committees of the party, of the trade union movement and of the UJC in the sugar sector and industry, along with organizational measures, development of sugar cooperatives, the quality of production assemblies and the cultural and technical elevation of the workers, as well as the harnessing of new qualified forces, also have to be priority tasks which the party will undertake in this 5-year period.

To increase industrial efficiency, a number of investments will be made, including: repositioning of boilers, centrifuges, modifying of the power system, constructing of "cuadruples," installing of mills and constructing and relocating collection centers. These things, combined with better qualifications and improvement in technological discipline, will permit better operations which will result in larger harvests, greater yield, fewer losses in general and reduced oil consumption.

What is more, we carry out the sowing plans, reduce losses and increase the density of the sugarcane field through changes in cane-growing technology as ragards planting in plots, deep planting and sophisticated agrotechnical methods, improve quality and quantity and apply better fertilizers. All of these things, along with greater efficiency in irrigation and drainage and the introduction of new varieties will permit a substantial increase in agricultural yields.

Along with all this integral change and in the center of our fundamental activity, greater attention will be given to man, his living and working conditions. This includes the construction of houses, social buildings, strict adherence to safety and health plans, renovation of sugar refinery machinery, construction of comfortable lodgings, better and more varied food, improvement of footware and clothing and an increase in the possibilities of buying personal and family consumer goods and domestic consumption crops.

8143
CSO; 3010/1649

FISHING BOAT ATTACKED, INVESTIGATION UNDERWAY

PA190408 Quito Cadena Ecuador Radio in Spanish 2300 GMT 18 Aug 81

[Text] A few minutes ago, Dr Ernesto Alban Gomez, head of the National Public Information Secretariat, disseminated the following official report received from Guayaquil:

At about 1045 on Monday, 17 August, the Ecuadorean fishing boat (?Ivette) was intercepted 10 miles west of the town of San Gregorio, on Payana Island, by an outboard motor boat manned by five individuals armed with a combat rifle and a machinegun. The crew of this second boat tried to attack the ("Ivette"). They clearly intended to steal its catch.

In the course of this act of piracy, there were several bursts of machinegun fire. Six bullets hit the [word indistinct] and the hull of the ("Ivette"). One bullet also hit coastal Capt Alberto Concepcion (Salensalen) in the head, killing him instantly.

The Coast Guard has intensified its patrol to find the attackers. An investigation is already underway to discover the origin of this boat, which has been described as a gray wooden boat with a black outboard motor. The boat was about 5 meters long.

The crew of this boat ordered the crew of the Ecuadorean fishing boat ("Ivette") to gather at the stern and to tell their captain to come out, with the clear intent of boarding the Ecuadorean boat. This was avoided by chance, due to some mechanical failure in the motor of the attacking boat.

The Guayaquil harbor master's office has begun investigating this incident and is taking care of all pertinent legal matters. That office has notified the respective naval authorities.

CSO: 3010/1738

1982 BUDGET DISCUSSED AT CABINET MEETING

PA201317 Quito Voz de Los Andes in Spanish 1730 GMT 18 Aug 81

[Report by Raul Zambrano]

[Excerpts] To report on the ordinary session of the cabinet, held yesterday afternoon and evening for 3 hours, National Secretary of Information Ernesto Alban Gomez held a press conference at noon today.

Yesterday's afternoon's cabinet meeting was presided over by the president and was attended by the vice president, all 11 ministers currently in the country and the acting natural resources and energy minister.

It has been learned unofficially that the 1982 budget will be around 62 billion sucres. This information will be confirmed within the next few hours by the finance and credit minister.

Regarding the issues discussed in yesterday's cabinet meeting, the national secretary of information disclosed the following:

[Begin Alban Gomez recording] The finance minister said at the meeting that the 1982 budget has been drafted on the basis of a realistic estimate of real figures and not of ideal figures that cannot be met in practice. This is its essential virtue. The ministers then made specific proposals dealing with their ministries, pointing out their goals and essential needs.

In this regard, the president pointed out that the fundamental problem in the budget area is that the fiscal situation is generally static. No decisive improvement is in sight right now, mostly because of the international trade situation. The solutions that can be adopted are neither easy nor simple; they are very complex and have intrinsic costs. The problem of the budget is to find a balance between reduction in public expenditures and investment in essential public projects. [End recording]

CSO: 3010/1738

BRIEFS

PRESIDENT TO VISIT COLOMBIA, VENEZUELA, BRAZIL--President Oswaldo Hurtado has agreed to visit Colombia, Venezuela and Brazil in October in response to official invitations from the presidents of those three countries, reliable sources have reported. [Text] [PA171414 Quito Voz de Los Andes in Spanish 1230 GMT 17 Aug 81]

CSO: 3010/1738

STUDY SHOWS SHINING PATH ORIGIN, DEVELOPMENT

Lima EQUIS X in Spanish 15 Jul 81 pp 38-40

> [Text] Historian and sociologist Piedad Pareja Pflucker has just published an extremely interesting book entitled "Terrorismo y Sindicalismo en Ayacucho (1980)" [Terrorism and Unions in Ayacucho (1980)]. We have excerpted a chapter on the rise of the Shining Path terrorist organization. One must know the enemy to be able to fight it.

From 1928 to 1960 the Peruvian Communist Party was the only Marxist leftist political organization and was characterized by persecution, the struggle against the APRA [American Popular Revolutionary Alliance] and the monopolitical character of the communist movement. In the 1960's, party unity disintegrated as a result of external events, such as the "destabilizationism" of the 20th Congress of the Soviet Communist Party, the Cuban Revolution and the Sino-Soviet conflict, and internal events, such as lack of support from the masses and the accusation of collaboration with the conservative Prado regime and a Peruvian Aprista Party which controlled large numbers of people and preserved, unaltered, its antiimperialist and anti-olgarchic prestige ("The Jungle of the Peruvian Left," CARETAS, 22 June - 6 July 1972). From 1961 to 1975 the left broke up into 20 political organizations.

The Peruvian Marxist Parties:

PCP--U	Peruvian Communist Party--Unidad faction
PCP--BR	Peruvian Communist Party--Red Flag
PCP--ML	Peruvian Communist Party--Marxist-Leninist
PCP--SL	Peruvian Communist Party--Shining Path
PCP--ER	Peruvian Communist Party--Red Star
FLN	National Liberation Front
VR	Revolutionary Vanguard
VR--PM	Revolutionary Vanguard--Political Military

POMR	Marxist Revolutionary Workers Party
LC	Communist League
PSI	Internationalist Socialist Party
PCR	Revolutionary Communist Party
MIR--CE	Movement of the Revolutionary Left--Fourth Phase
MIR--TR	Movement of the Revolutionary Left--Reconstruction faction
CMOP	Marxist Proletarian Opposition Club
FIR--OCR	Revolutionary Left Front--Worker Soldier Revolutionary
PST	Workers Socialist Party
ELN	National Liberation Army
POR-T	Trotskyite Revolutionary Labor Party

The 20 organizations share the basic positions of Marx, Engels, Lenin and Mariategui, but they diverge in choosing those of Trotsky, Stalin, Mao, Khrushchev, Brezhnev and Che Guevara. There are considered to be four basic trunks from which the other organizations have grown: the Peruvian Communist Party (PCP), Revolutionary Vanguard (VR), Movement of the Revolutionary Left (MIR) and Revolutionary Left Front (FIR).

Meanwhile, Shining Path has its origin in the detachment of a faction from the PCP-BR. We are interested in reproducing here an outline of its genealogy.

Origins of "Shining Path"

The split in the PCP came about in 1964 at its Fourth National Conference, reflecting the split in the international communist movement between the USSR and China--headed, respectively, by the legalist and the insurrectional factions. In Peru these became polarized, with Jorge Del Prado, Raul Acosta and Barrios maintaining the Soviet line of "peaceful transition to socialism" and Saturnino Paredes, Macedo, Sotomayor and Abimael Guzman assuming the Maoist line of "prolonged people's war" to take power.

The result of this schism was the appearance of UNIDAD, a pro-Soviet paper, and BANDERA ROJA, which was pro-Chinese (Shining Path: A Phantom Reality, OIGA, 1 December 1980). The later divisions came in the PCP-BR, the faction identified with the Chinese Communist Party. Thus, after the Fifth National Conference of the PCP-BR in November 1965, a group of intellectuals in the National Directorate who were responsible for organization, agitation and propaganda, began to quarrel among themselves: according to Saturnino Paredes's accusations, they promoted the trend toward occultism and clandestinity and the native version of the survival of Liu Shao-chi. After the Sixth National Conference in January 1969, the PCP-BR found itself facing an internal struggle between the National Executive Bureau of the Peruvian Young Communists and those in charge of organization, agitation and propaganda allied with the Jose Carlos Mariategui Regional Committee of Ayacucho (Paredes, Saturnino: "On Revolutionary Practice and the Internal Struggle," 1970).

The Second Plenum of the PCP Central Committee took place at the end of February 1970, with Abimael Guzman presiding. The first point of the statement issued by that plenum charged that:

The counterrevolutionary process has generated within our own party the appearance of a liquidationist line which seeks to destroy the great party founded by Mariategui, to do great and meritorious service to the enemies of the people and thus to hinder the national democratic revolution in our country. (Statement of Second Plenum of the PCP Central Committee, February 1980).

The allusion to liquidationism is the political and organizational line of Saturnino Paredes, secretary general of the PCP-BR. Five months later the Second Plenum of the PCP Central Committee, elected at the Sixth National Conference, was held--in contravention of the aforementioned plenum--under the leadership of Saturnino Paredes. This plenum issued the following resolutions:

1. To approve, with the appropriate additions, the political report presented by the secretary general of the party entitled, "On Revolutionary Practice and the Internal Struggle," a document which must be widely distributed for study and application.

2. To condemn the opportunist, liquidationist line of the "left," as well as the maverick meeting held last February (1970)--falsely called the "Second Plenum"--by four members of the Central Committee behind the backs of the absolute majority of the Central Committee members elected at the Sixth National Conference and, in addition, without the knowledge of the intermediate and rank and file organizations.

3. To expel from the party rank and file those representatives of the opportunist, liquidationist line of the "left," Alvaro and Sergio and their followers..., whose names are, respectively, Abimael Guzman R. and Ramon Garcia, for betrayal of the proletarian line and desertion from the rank and file of the party. (Resolutions of the Second Plenum of the PCP Central Committee, July 1970).

In his political report Paredes raised a series of charges against the dissidents. Under the subtitle "What are the methods of the liquidationist opportunists of the "left?" he accused them of subjectivity and superficiality in analyzing the national situation, sectarianism within and outside the party, occultism and secretiveness, bureaucratic style and methods, isolation of the masses and petty bourgeois academism.

"The Shining Path of Mariategui"

The new PCP adopted the slogan "By the Shining Path of Mariategui," from which it took its name, "Shining Path." In the 1970's the Peruvian left had become fragmented over the question of revolutionary violence into two factions: one legalist and the other insurrectional. In the 1960's "almost all the organizations of the revolutionary left (PM) headed by Torres Sanchez, and the MIR, led by Esparraga" ("Armed Action and the Left," MARKA, 23 October 1980) [apparent omission in original text]. In practice, Shining Path, like the rest of the left, put armed struggle to one side. The theoretical justification was that "the revolution does not yet have the necessary conditions for maturity" (Statement of the Second Plenum of the PCP Central Committee). From 1970 to 1975, Shining Path took on the tasks of studying and spreading the thought of Jose Carlos Mariategui and analyzing national and world problems.

To do this it operated from the Center for Popular Information, which published VOZ POPULAR--four issues appeared between 1971 and 1976--, the Mariategui Center for Intellectual Work, the Revolutionary Student Front (FER)--Metropolitan Committee, the Student Unions at the National Engineering University, San Cristobal National University at Huamanga and the Jose Carlos Mariategui People's Universities.

A series of documents was published in VOX POPULAR in which Shining Path discussed the nature of the military government, which it termed fascist and the promoter of a corporate state, and its basic reforms: agrarian, industrial and educational. These were: "On the Agrarian Problem" (1969), "Bases of Study, Debate and Orientation on the General Industry Law" (1970), "The Political Situation" (1972) and "On Education and the New General Education Law 19326 (1972). As part of the celebration for Jose Carlos Mariategui's 80th birthday, the Mariategui Center for Intellectual Work in Lima held its First Seminar on the Thought of Mariategui from 2 to 14 June, on themes concerning the organization and struggle of the masses.

In 1975 the crisis of the international capitalist system was felt in Peru. The popular uprising on 5 February was an indication of the degree of unrest among certain sectors of the capital's population. The deterioration of the military regime facilitated, a few months later, the replacement of the president, Peruvian Army Gen Juan Velasco Alvarado, by Peruvian Army Gen Francisco Morales Bermudez and the beginning of the "second phase." This last meant dismantling the reforms implemented during the Velasco phase and the adoption of "national security" measures (suspension of guarantees, curfew, emergency laws, etc.).

Toward the "People's War"

In the face of this situation, Shining Path watched "a powerful popular surge like the one at the beginning of the 1960's which resulted in the outbreak of the people's war under the direction of Mariategui's Communist Party" (FER--Metropolitan Committee, 5 February 1976).

Events such as those of 5 February can be repeated. As revolutionaries we must be prepared to be able to channel properly the fighting spirit of the masses, applying the proletarian tactic of uniting the people aganst the regime and its servants, so that revolution may win, serving the strategy of the National Democratic Revolution. (Idem).

External events also had their effect on the political decisions of Shining Path. The crisis of October 1976, set off by the change of government in the People's Republic of China, meant, on the personalities level, the replacement of Mao Zedong by Hua Guofeng, and in revolutionary practice, the implementation of Deng Xiaoping's program, a Sino-American alliance and repression of the political opposition headed by the "Gang of Four."

Shining Path took up the defense of Mao and the "Gang of Four" and the criticism of the new leadership, which defended the restoration of capitalism. Thus, at the beginning of 1977, when the Peruvian military government in a time of extreme political and economic crisis announced its decision to transfer power to a civilian government through elections, Shining Path reaffirmed the validity and timeliness of the Maoist theses:

Thus there is only one way left: to change the world, to transform it; but the world will not be changed from above: only the masses headed by the working class and its party are capable of doing this. And in a country like ours, the first step is to aim at constructing a state of new democracy, for which we must "convert the backward rural areas into advanced and solid bases of revolutionary support" from which we can march on the cities. This was the way indicated by Mariategui, and we must fight to put into practice on his behalf the struggles being developed daily by the masses. (Popular Women's Movement: Glory to the Mothers of the People, May 1977; leaflet).

Beginning in 1977, Shining Path intensified its work in university and peasant sectors, particularly in Ayacucho.

8735
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BISHOP BAMBAREN, CHURCH HUMAN RIGHTS DEFENSE RECORD ANALYZED

Lima CARETAS in Spanish 13 Jul 81 pp 16-19, 66-67

[Text] At approximately 0400 hours on the morning of 26 May, about 25 Civil Guard agents surrounded a house in the barrio of Accota on the outskirts of Sicuani, Cuzco.

Hearing a noise, the owner, Quintin Bustamante, 74, and his wife, Catalina, went out to investigate and were arrested. Then a captain, a lieutenant and half a dozen guards entered the house.

According to the prisoners, Zacarias and Francisco Bustamante, 15 and 23 years of age, sons of Quintin, and Edmundo Daniel Cox Beuzeville, a 26-year-old student from Lima, were handcuffed, hands behind their backs, while they were still asleep.

The two men were then blindfolded with a shirt and a poncho and they were placed face down on the floor.

"Before they blindfolded me I was albe to recognize Civil Guard Capt Oscar Ponce de Leon," Cox told CARETAS. Afterward they were beaten with sticks, punched and kicked, according to their story, "and all the while they were being strongly urged to admit they were guilty of the charges mentioned by the GC [Civil Guard].

Following this, after taking the two elderly people and the adolescent from the house, two of the guards fell upon Cox, and someone "pulled his arms up and back, pulling on the handcuffs." "Talk, confess!" they shouted at him. Finally, Cox felt a tearing sensation in his left shoulder, then a crack in his arm, and he lost consciousness temporarily.

The group was then taken to the Fourth Police Headquarters in Sicuani, where Cox and Bustamante were hung from the bars of their cell for 24 hours--Francisco Bustamante suspended with his arms behind him--while Captain Ponce proceeded with the interrogation. They were taken down when Cox lost consciousness again and "they thought he had died." Meanwhile the police had arrested a neighbor of the Bustamantes, Victor Mamani Canahuri.

Beuzeville Intercedes

On 4 June, Msgr Augusto Beuzeville, auxiliary bishop of Lima, went to the Interior Ministry to request an explanation of Cox's situation, Cox being his nephew. On 6 June Minister de la Jara ordered an investigation, and GC Inspector General Norberto

Alzamora went to Sicuani and later turned in a 215-page report. On 7 June Monsignor Beuzeville appeared again to request adequate attention for his nephew, since he had learned that the young man had a fractured shoulder. The Sicuani GC does not deny any of the events, and Interior believes that the raid met resistance and that Cox, who is over 1.8 meters tall, got the worst of it.

The police agency eventually turned over to the judge instructor at Sicuani 83 bundles of dynamite, 53 meters of fuse and 8 detonators, which they claimed to have found in the homes raided. Also-dramatic detail--a red flag with the hammer and sickle emblem. They accuse Cox, who claims to have been living in Sicuani as an agrarian economist financed by a grant from the University of Mexico to write a thesis on peasant development, of participating in the blowing up of the Old and New Bridges in Sicuani and in other attacks which have disturbed the area. A source in Lima says he is close to the ranks of Patria Roja at San Marcos, but Interior indicates only that Mamani claimed to be a member of Shining Path.

Certainly Cox has traveled a veritable via crucis since his arrest. First he was presented at a press conference in Sicuani wearing a poncho (to cover the injured shoulder), along with the other three accused: Mamani, Francisco Bustamante and Pastor Chavez. Then they were transferred to Cuzco, where the four were kept painfully handcuffed even while eating, sleeping and taking care of their personal needs. On 1 June they were returned to Sicuani. There a physician, Julio Castillo Herencia of the Regional Hospital, diagnosed the fracture, within the last 10 days, of Cox's left humerus.

Minister Intercedes

In Lima, meanwhile, the Interior Ministry began negotiations for Cox's transfer to Lima, and de la Jara spoke with the president of the Supreme Court so that the matter might be settled before the Sicuani prosecutor, who is reluctant because an explosion was recently set off in his own offices.

The national attorney general, Gonzalo Ortiz de Zevallos, has also intervened, but Cox was recently--on 3 July--transferred to 2 de Mayo Hospital in Lima. At the end of last week, Dr Alvaro Porturas Plaza, chief of traumatology at 2 de Mayo, confirmed the story told by the authorities: he himself, it happens, had been treating Cox for an old bone ailment dating from his school days and which was still giving him trouble. Because of the time which had elapsed, Porturas, heading a team of doctors, contradicted a previous diagnosis which indicated that the broken bone should be set, and he recommended only rest and heat therapy. He confirmed, however, that the injury was caused by an outside agent.

Successful Attack

At that time, however, the most successful attack by Shining Path had already taken place. On 5 July, newspapers published a communique from the Bishops' Social Action Committee denouncing Cox's "mistreatment" and demanding that "the physical and moral safety of persons under arrest be guaranteed." It was signed by none other than Msgr Luis Bambaren, president of the CEAS [Bishops Social Action Committee] and bishop of Chimbote. Suddenly several members of the populist government saw red in the cassock. Francisco Belaunde, president of the Chamber of Deputies, said that he was "surprised that (Bambaren) would come out on the side of people who are self-proclaimed atheists...while in the past he did not defend Catholic citizens who were persecuted for their ideals."

And not to be outdone, Senator Oscar Trelles made some chilling allusions: "that Monsignor Bambaren first visits the museum of the Inquisition and then speaks of torture." And "for 12 years we saw how one of Christ's prelates showed his concern by favoring the excesses of the dictatorship." Where was Bambaren on 5 February 1975, and why did he not say anything at that time? the president of the upper chamber wonders.

In a democratic regime these allusions are not only unfortunate, but inexact, and although Justice Minister Felipe Osterling and Senator Javier Alva Orlandini have temperately promised to investigate, the president of the republic himself is permitting certain old rancors to be resurrected because of them.

On Wednesday, 8 July, before television and the press, a virtually unrecognizable Belaunde wondered whether "we must keep hands off terrorism, as with women who have velvety skin, because it is a very delicate petal," and he speculated about an alleged eccliastical wish to "canonize" terrorists.

There is evidence that the president realized his slip almost as soon as he made it, because during the days following he went about setting things straight, in his way: he received Monsignor Durand of Callao, for example. But the conservative press, much of which did not protest, either, at the time of the 1968 coup, launched an orgy of accusations against Bambaren, who was said to have maintained a cowardly silence in the past and to be linked with the communists. Also, the sequence of events was mixed up. The CEAS communique was published in Lima on 5 July, but was transmitted by some news agencies on the fourth; could it be that the CEAS went first to the foreign press to discredit the democratic government?

Actually, the CEAS delivered the communique to EL COMERCIO and LA PRENSA on the third, for publication on the fifth (see facsimile). An agency newsman took the story directly from a newspaper.

Background

It is not correct to say that Bambaren maintained a submissive position throughout the 7-year period. For example:

On 4 February 1971, violent events in Carhuaz, Ancash, left 5 dead and 20 injured. Bishop Bambaren protested and denounced the affair.

On 9 May 1971 Bambaren was arrested by Interior Minister Armando Artola after celebrating a mass on the peaks of Pamplona for the soul of the dead invader and as he was going to demand freedom for Ciudad de Dios Parish. Artola accused Bambaren of being "an agitator in a cassock." He was interrogated for 8 1/2 hours. Afterward Velasco used the incident to get rid of Artola.

Bambaren went into the Radiopatrol Barracks early on the morning of 5 February 1975, "trying to calm the people, according to CARETAS, and helping with the wounded." Later he went to the Police Hospital. Finally, as auxiliary bishop of Lima, he issued a letter read from all the pulpits in the capital on Sunday 9 February. That letter caused problems which he would rather not talk about to this day.

During the strike of 19 July 1977, eight people died in Comas. Bambaren brought five of the bodies to the morgue in his van, securing permission from the authorities for the funerals to be held with relatives in attendance.

Bambaren was interviewed on two occasions by CARETAS during those 7 years, and to tell the truth, his present behavior is consistent with his actions of those days. His soul leans to the left, but, for example, he has never belonged to the ONIS [National Social Information Office] priests movement, which has indeed acted in concert with marxist groups such as Carnero Checa's FPP and SUTEP [Single Union of Education Workers].

It is true that after a meeting with Velasco on 10 June 1971, Bambaren said as he left the Palace that he was "convinced that it is necessary for the Peruvian family to be united in the face of the revolutionary process we are experiencing." It is also true that in his sermon at the Te Deum on 28 July 1973 Bambaren, using the language in vogue at the time, said that "true freedom in a liberation process is the deep transformation of Peruvian society to eliminate all types of exploitation."

The bishop of the slums, as he was known until he was transferred to Chimbote in 1978, did not conceal his sympathy for the social changes being attempted by the military government, but on more than one occasion he found himself in an uncomfortable position--in both phases--when he protested and denounced excesses by persons connected with popular causes.

Speaking with CARETAS in Chimbote last week, Bambaren mentioned that he also made some private gestures in the case of individuals, including some connected with the present administration--but he would not identify them. In any case, CARETAS does recall that in 1975 he intervened unsuccessfully on behalf of the magazine.

Actually, populist resentment should not be concentrated on Bambaren but, in any case, on the Peruvian bishops in general and on Cardinal Juan Landazuri Ricketts in particular.

Still fresh in our memory is the comment made by the cardinal on the eve of the 1968 coup, alluding to the need to "moralize" the country when the "page 11 scandal" erupted. The scandal turned out to be a hoax; the comment was unjust, but it contributed to the rebelliousness.

When the coup took place, both cardinal and church refused to speak out against what was a trampling of basic human rights. Very much to the contrary, Landazuri went to the palace to greet Velasco and Permier Ernesto Montagne, his brother-in-law, with a big smile.

Later the cardinal issued several public statements supporting certain of the government's measures. For example:

On 5 August 1970 he declared that the new Industry Law "is another very positive and important step in the transformation process we are experiencing...."

On 30 March 1971, he said that "the entire society should cooperate with educational reform..." (although differences arose with the government both before and afterward).

At the same time, various bishops' assemblies and CEAS itself spoke out in favor of SINAMOS [National System for Support to Social Mobilization] in August 1971, of the Social Property Law in September 1973, etc.

But the first conflict came on 9 August 1974. As he was leaving a meeting with all the bishops and the cardinal, Gen Rudecindo Zavaleta, head of SINAMOS, accompanied by Gen Pedro Richter and Gen Jose Graham, stated that the church fully supported the revolution and also the confiscation of newspapers.

On 11 August, the secretary general of the Peruvian Bishops Conference published a communique. The meeting, it said, was held in view of the "serious reservations and concerns which had arisen with regard to certain aspects of the current revolutionary process." In addition, symptomatically, the bishops "at no time made any statement about the expropriation of the newspapers."

The fact is that the bishops, although they supported the proposed social reforms--without stopping to measure their effectiveness--ignored the allusions to a democratic system of government, the repudiable use of force in the takeover of power and the trampling of civil rights and liberties.

The Universal Declaration of Human Rights holds sacred, first, the right to well-being, to social justice and to a dignified material life and forbids economic exploitation.

At the same time, Article 21 states with precision and equal emphasis that "the will of the people is the basis of authority for public power; this will is expressed through authentic elections which must be held periodically by universal suffrage and by secret ballot."

It could not be stated more clearly.

Some of the rights in the Universal Declaration are ephemeral: goals toward which one aspires and for which one works, but which are not achieved easily. Others, in turn, are things which can be decided at any time--like the holding of elections. The bishops of Peru forgot those. That is the cause of the present resentment.

But those resentments should not be concentrated on a Bambaren, who in every case took risks in defense of his position, nor does it become democracy to defend itself with ingenious phrases when cases of mistreatment arise. Terrorism must be fought with the weapons of law and of efficacious discipline of the police--who, for example, might be paid more and be given more modern equipment. We must not permit torture to be added to terrorism. It is a spiral that has destroyed many countries.

8735
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WIDE PUBLICITY OF ALLEGED HUMAN RIGHTS VIOLATION CRITICIZED

Lima OIGA in Spanish 13 Jul 81 pp 10-14

[Text] On Saturday, 4 July, Javier Beuzeville, brother of Msgr Augusto Beuzeville, auxiliary bishop of Lima, went in a state of euphoria to the office of the Soviet news agency NOVOSTI and transmitted to Moscow, for distribution from there to the rest of the world, a sensational report: The Peruvian Catholic Church charged that the constitutional government of Peru was fiercely torturing persons arrested for alleged acts of terrorism.

The cable sent by Javier Beuzeville, editor of the magazine PANORAMA INTERNACIONAL, and NOVOSTI's chief correspondent in the absence of the head of that agency, Vladimir Dunaev--who had gone into the interior of the country 2 days before--was based on a document distributed not only to the local press, but to all the international news agencies, and the person responsible for that distribution was none other than the editor and signer of the document, Msgr Luis Bambaren Gastelumendi, bishop of Chimbote and president of the CEAS, the Bishops' Committee for Social Action. (OIGA has confirmed from a very reliable source that Bambaren wrote the document without the authorization or the knowledge of several other high prelates whom he involved.)

On Sunday, 5 July, DIARIO DE MARKA delightedly displayed the headline, "Church Accuses GC [Civil Guard] of Torture," all across its front page. "It is no capricious rumor," EL DIARIO said with ill-concealed satisfaction, "but concerns cases which have been duly confirmed by an official agency of the Catholic Church."

The CEAS document says the accusation is being made "in response to the call of Christ, who came "to free the oppressed" and who said, "I was in prison, and you did not visit me," and in its capacity as an agency charged by the bishops of Peru with defending those who are victims of rights violations.

"Arm Hung by Muscles and Nerves"

The bishops' accusation refers vaguely to several cases, but specifically to one, that of Edmundo Cox Beuzeville--nephew of the auxiliary bishop of Lima and of the chief of the Soviet news agency in Peru--who was arrested by the GC on 27 May in Sicuani, Cuzco, with a large quantity of dynamite in his possession and under suspicion of being a member of Shining Path.

The incident upset the usually tranquil weekend of newspaper editorial staffs, and on Sunday a controversy erupted--in which almost everyone in the "who's who" of Lima politics took part--and became even more heated when the archbishop of Lima, Juan Landazuri, came out in defense of Bambaren.

Analysts of the situation who might be called moderate were in the minority. But in general one could see in this entire affair a very well-mounted campaign to discredit the Peruvian democratic regime through accusations which are having global repercussions and damaging the country's image, while at the same time fostering a large collection of funds in sensitive and wealthy Europe for the "unfortunate" of Peru.

Already during the first week of July (see OIGA, No 36), stealing a march on Bambaren, the leftists took advantage of a meeting with President Belaunde to demand an unusual "amnesty" for nonexistent political prisoners, and they made sure the demand was picked up by international news agencies. "It would not be at all strange," someone commented, "if the two demands had been orchestrated, since they have the same objective."

It is true that the alleged police mistreatment of Edmundo Cox--which on investigation merits the most severe repudiation, like any other act of this nature--has been under investigation since June by the National Attorney General's Office. Bambaren's accusation was as extemporaneous and inopportune as the frivolous statements of some high government officials concerning what had been so lightly and truculently alleged by Bambaren were shocking. It even came to speaking of an arm which "was hanging by muscles and nerves." Meriting criticism, above all, was the style of the document, which overseas--in Europe most of all, where the few reports which arrive from our country refer to natural disasters or turbulent politics--has already given the impression that Peru is a nation full of political prisoners, savagely tortured and deprived of all possibility for defense.

Could it not be that behind all this there is a desire by some to move certain organizations which proliferate in the Scandinavian countries, Holland and Sweden particularly, and are always ready to send substantial donations to the "progressive" organizations of Latin America? an observer wondered over the weekend, not without some cynicism.

Back in 2 Hours

However it was, Monsignor Bambaren chose to cast the stone and then hide his hand. At noon on Monday, 6 July, while concern in Lima was growing, Bambaren told CORREO's correspondent in Chimbote, "The bishop's door is always open to dialogue." And on Tuesday at 0915 hours, he told OIGA's correspondent, at the door of the chancery in Chimbote, "We have all day to talk; I can't do it on the public street."

"Come back in 2 hours; talk with my secretary," he added, and left in an automobile. The vigil mounted by OIGA--and by a large number of newspapermen--was fruitless. Several hours later, Bambaren's secretary announced that the bishop had gone to the capital.

In Lima, seat of the Peruvian Bishops Conference, there was a seething crowd of people at Jesus Maria. Journalists stood guard at the doors. Scarcely had he arrived from Chimbote when Bambaren met with four other bishops--among them Augusto Beuzeville and Lorenzo Leon, of Huacho--to prepare a statement in response to the

criticisms aroused by his accusations. The meeting, which began at 2030 hours, lasted several hours, and when he emerged, Bambaren had nothing to say.

Leftists Go to Bed Satisfied

The following day, Wednesday, when the argument reached its climax and the editors of the newspapers, editorial pages and several radio stations were giving ample coverage to the matter, OIGA tried again to interview Bambaren in his office on the second floor of the chancery, but his secretary said the bishop would make no statements.

That same day, a communique from Bambaren--published on Thursday--was distributed to the news media in which, among other things, the bishop rejected "all forms of terrorism" and emphasized that all his actions "are based on the Gospel." "I am not a Marxist," Bambaren stated in the document. Meanwhile, local representatives of dialectic materialism--paradoxically having become defenders of the bishop of Chimbote--continued to feed the argument, trying at the same time to introduce a link between church and government. "The right is attacking the cardinal" (Landazuri), was DIARIO's war cry on Thursday. A crossfire ensued, and that night the leftists went to bed with the satisfaction of a job well done: in less than a week they had moved half a planet and turned Bambaren and Edmundo Cox into little short of heroes.

Was There Mistreatment?

But, was Edmundo Daniel Cox Beuzeville tortured? OIGA's investigation culminated in a discovery: several years ago Cox underwent special medical treatment in Mexico for a bone infection which left his body somewhat fragile, in spite of his stout external appearance.

At the press conference held by the GC on 29 May in Cuzco--3 days after Cox and three others were arrested in possession of sticks of dynamite, fuses, detonators and a large quantity of subversive material--Cox said he had not been "mistreated" by his captors, and about 10 journalists were witnesses to that statement. Our correspondent in Cuzco, Daniel Farfan, reported that Cox's fractures, according to the GC, occurred when the student tried to flee his captors and took a spectacular fall on the stairs. However, the story seems quite improbable.

On Wednesday, however, Cox--26 years of age, an economics student at the University of San Marcos--told CORREO correspondents who interviewed him at Dos de Mayo Hospital, where he has been a patient since 3 July, that he was tortured in Sicuani, although, in so saying, he contradicted MARKA's story, according to which he had been "gagged and kidnaped by the police."

Dynamite Placed in Courthouse

Regardless of the truth of the torture story, which the National Attorney General's Office must clarify, the file on Cox's activities is quite voluminous. OIGA has confirmed that before his arrest by the GC on 26 May, Cox had been arrested on two other occasions: at the end of January and at the beginning of February. In January, the PIP [Peruvian Investigative Police] arrested him at the request of civil authorities in Canchis, and in February he was arrested by the GR [Republican Guard]

in Cheraje, where there is a microwave station. Both times Cox--with red hair and blue eyes, 1.80 meters tall and having the appearance of a foreigner--went free for lack of evidence which might link him to terrorism.

In Sicuani, however, there was much talk of the "gringo" and his work as a "peasant organizer," which included incitement to violence.

Cox's first action was taken on 28 February, when he tried to rob the subprefecture at Canchis. That same day a bundle of dynamite was placed in the Justice Court. On 8 April, Cox apparently participated in the attack on the local office of school district 34 in Sicuani. On 11 April he wrote threatening letters to the three radio stations in the area, which were delivered by his lieutenant, Francisco Bustamante. (Cox was arrested by the GC along with a salesman, Pastor Chavez; a miner, Francisco Bustamante; and farmer Victoriano Mamani). On 1 May the group tried to rob an ENAFER-PERU [Peruvian National Railway Enterprise] installation. That attempt was repeated on 17 May. Nine days later the four were arrested by police.

In that operation, the GC seized 83 bundles of "Exsa" dyanmite, 54 meters of fuse, 8 detonators, a list of attacks carried out and of future targets and a Shining Path booklet entitled "Developing and Growing Popular Protest." All this should suffice to make anyone think twice before trying to absolve Cox. Obviously the fact that Cox is suspected of terrorist acts does not justify his mistreatment or torture, if such there were. However, what has irritated many people, and not without reason, is that Bishop Bambaren protested the matter.

Bambaren's Record

Some observers accord Bambaren little moral right to raise his voice, since during 12 years of military government he kept silent about the deportations, torture and various violations of human rights which characterized the previous regime.

However, in justice it must be mentioned that Bambaren did protest on one occasion: On 8 January 1975 he expressed his surprise at the decree of amnesty to "groups who obstruct all change," that is, the bishop of Chimbote condemned the freeing of all those populists who on 28 July 1974 protested in Miraflores against the confiscation of newspapers. On that occasion, OIGA published accusations of torture. Alejandro Acosta, Martin Acosta and Celso Salinas were tortured in El Potao barracks, but neither Bambaren nor the priests of the ONIS (National Office of Social Information) priests movement uttered a word, just as they said nothing when on that same date accusations were made of the torture of a group of prisoners in Chincha whom the PIP had jailed because they accused Jose Navarro Grau, Belaunde's former minister of education and a former populist legislator, of a crime.

During the first phase of the military government, the list of deportations was long: In 1969, Eudocio Rabines and Jose Maria de la Jara--the first-named was stripped of his Peruvian citizenship--were deported. On 24 May of that year it was the turn of Enrique Zileri, editor of CARETAS, whose magazine was closed down. In April 1970 Elsa Arana Freyre, editor of LA PRENSA's Sunday weekly 7 DIAS, was expelled from the country and stripped of Peruvian nationality. In December, 1970 Fernando Belaunde Terry, who had returned on the third of that month to attend his mother's funeral, was expelled. In September 1971, the president of the National Teachers Federation

of Peru, Pedro Armacanqui, and five other teachers were deported, as well as Hugo Blanco and Rolando Brena, who was at that time president of the Peruvian Students Federation. Jorge Idiaquez, private secretary to Haya de la Torre, and Carlos Costa, editor of the weekly magazine EL INDIO, were also deported.

In 1973 it was the turn of Luis Rey de Castro, a reporter for LA PRENSA, Hernan Cuentas, Javier Arias Stella, Francisco Belaunde Terry, Julio Vargas Prada, Luis Felipe Angell ("Sophocles"), Ricardo Diaz Chavez, Julio Cotler and Anibal Quijano; 1974 was the year for Javier Alva Orlandini, and CARETAS was closed down again. In August, Fernando Belaunde tried to enter the country from Ecuador, was arrested at the international bridge at Aguas Verdes and returned to Ecuadorean authorities. In November, our own editor, Francisco Igartua, was deported, along with Guido Chirinos Lizares, Arturo Salazar Larrain, Mario Castro Arenas, Enrique Chirinos Soto, Cesar Martin Barreda, Oscar Diaz Bravo, Federico Prieto Celis and Juan Zegarra Ruzzo, reporters for OPINION LIBRE, as well as Dr Luis Felipe Alarco. OIGA was closed down, and that same day Vicente Ugarte del Pino, dean of the Lawyers College of Lima, was arrested with other members of that organization--among them the present National Attorney General, Dr Gonzalo Ortiz de Zevallos--for expressing opinions opposing the detrimental petroleum contracts with Japan.

In 1975 there 27 deportations, among them Armando Villanueva, Elias Mendoza and Ricardo Letts.

All these deportations and vexations took place without any protests from Bishop Bambaren. Moreover, at that time, some sectors of the Peruvian Church were involved with the government of Juan Velasco Alvarado, outstanding among them Monsignor Bambaren and the ONIS priests movement, formed in Peru to encourage the "people's struggles," as the Third World group did in Argentina and the Golconda group in Colombia, this last involved with guerrilla movements. Unlike those countries, in which those groups encountered strong opposition from the church hierarchy, in Peru ONIS developed without encountering any resistance. It even supported the take-over of churches by leftist workers who wanted to force their demands.

In 1970, ONIS published a document which stated, "It appears to us that this is not the time to indulge in the luxury of fearing communism in Peru."

On 14 August 1971, Luciano Metzinger of the Peruvian Bishops Conference declared that "the bishops support social mobilization" and said that the purposes of SINAMOS--which was infiltrated by communists (see OIGA, No 31)--respond to the ideas expressed in Pope Paul VI's encyclical, "Populorum Progressio."

As one observer said, "The list of Bambaren's omissions and silences could fill a book the size of which would make the telephone book pale with envy." Or, as one elderly Lima resident expressed it in native terms as he looked at DIARIO's bold headlines praising Bambaren: "Why is it that he is talking now and kept still while the potatoes were burning?"

However--it must also be said--very vew people approve of the unacceptably frivolous statements about this case made by some high government officials, based on Bambaren's mistakes and the evidence that Cox is a mad terrorist. The possibility--also very real--that the police may actually have abused Cox is no laughing matter nor is it

to be spoken of lightly. Any abuse, any excess, any torture deserves indignant public condemnation, as does any political maneuver which seeks to mar the image of the country overseas. It is outrageous that there should be talk of political prisoners and torture when there has never been in Peru greater freedom and respect for human rights than at the present time--more than in any other country in Latin America.

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BRIEFS

PRESIDENT INVITED TO PRC--Paramaribo, Suriname, 19 Aug (CANA)--Suriname's President Dr Henck Chin-a-sen has been invited to visit the People's Republic of China. The invitation was issued to the Suriname head of state by the charge d'affaires of the embassy of the People's Republic of China during the visit earlier this year of a Chinese youth delegation. President Chin-a-sen has already visited China in his capacity as a medical practitioner on two occasions to study the Chinese medical technique, acupuncture. [Text] [FL191919 Bridgetown CANA in English 1909 GMT 19 Aug 81]

NO INTERVENTION IN EL SALVADOR--Paramaribo, Suriname, 18 Aug (CANA)--Suriname's Foreign Ministry has said that the people of El Salvador should be allowed to find a solution to the country's present conflict without the intervention of other states. The Foreign Ministry's declaration followed a visit here recently by Salvadoran Vice Minister Senor Gomez. The official held talks with Suriname's Director of Foreign Affairs J. Kolader, and a statement released after the talks spelled out Suriname's policy of noninterference in the internal affairs of other countries. In a follow-up statement, Suriname said that it supported every justified struggle by nations against every form of oppression and condemned any foreign interference in the internal affairs of states. "Each nation has the right to solve its own problems and to lay the basis for balanced independent development. It is of importance that efforts be made towards the peaceful solving of disputes in the region," the statement asserted. [Text] [FL182326 Bridgetown CANA in English 2257 GMT 18 Aug 81]

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OLAVARRIA SUGGESTS SPEEDING UP PARTIES' ELECTION PROCESS

Caracas RESUMEN in Spanish 2 Aug 81 pp 2-6

[Article by Jorge Olavarria]

[Text] We have always opposed the excessive length of Venezuela's election campaigns. They continue to grow longer and longer. And at the same time, they are becoming more and more expensive, both in economic terms, and also in terms of the burden they place on the entire nation. The campaign in itself and the selection of the candidates take up so much time and so much energy that, because of this fact alone, they are becoming an excessively heavy burden. The evils resulting from this situation are like malignant cancers which metastasize through all the organs of our national body. Little by little, everything is done in terms of the ambitions of particular groups. The government administrative apparatus is being weakened and getting swollen, while at the same time it is losing a sense of purpose. Meanwhile, the entire nation is suffering from the hallucination of the election process. We could go on listing the evils coming from this situation of Venezuelan democracy, but we think they are so obvious that it isn't reasonable to think that any sensible, thinking person in the nation could maintain the suitability of living in a permanent election campaign.

And yet, that is what has happened during this constitutional period. First came the municipal elections. Then came the internal party elections, especially the COPEI [Social Christian Party] elections, and almost immediately afterward, with a very short breathing space, the nation became caught up in the candidates' "preselection" process. This campaign has been so bitter that only the MAS [Movement for Socialism], with its selection last week of Teodoro Petkoff as its candidate for the left's primaries, seems to have escaped another election campaign.

Of course this criticism should not be used to denigrate the election, which, in the abstract, is the best method for people to decide by the peaceful means of counting ballots, who will hold

positions of leadership, whether in a social club, a political party, or a republic. That isn't the question. The election, as a method, is not being questioned. What we are questioning is the permanent, constant election that doesn't come to an end when the problem of selection which motivated it has been settled, because like an unending screw, it goes on to start on the next election. What we are questioning is the election viewed as an end in itself, and not as a means for deciding who will govern large or small social groups. What we are questioning is the subordination of the entire government apparatus to the ambitions of this or that person or group. What we are questioning is the adulteration of the method itself. An election should solve problems. It should give societies stability during a sufficiently long period of time so that those who are elected can exercise their duties without having to think about the next impending election.

And Still

And still, despite all the evils the election process causes the nation and this crippled democratic system, with its medieval electoral system which keeps the voters from electing their representatives to "representative" bodies, which--because of its mechanisms--exaggerates presidential authority, and which makes the "internal democracy" of the parties carbon copies of the tyrannies of the past, we firmly believe there is a way to avoid the collapse of the system. We believe there is a way to avoid the fall of the constitutional government of Luis Herrera, to avoid the coup d'etat that could ruin all this, like a house built of cards. And this way, we believe, is to speed up the election process! Of course, we don't mean the election itself. The elections will, or should be, in December 1983. That would only be possible if the president were to resign his office. What we want to do is to speed up the internal party elections, especially those of the three major parties, AD [Democratic Action], COPEI, and MAS. In that way, they would not only put an end to their fights, but they would above all offer the nation a clear prospect of change which might inhibit, minimize, delay, and perhaps prevent a threatened coup d'etat, which the present political, economic, and social scenario of the republic seems to be crying out for. This reflection has come from the firm belief that what has inhibited coups d'etat over the last 20 years is that approximately halfway through the president's term in office, the nation acquires a more or less clear prospect that an end is in sight.

Often, in thinking about the political enigma of the Latin American nations, I have asked myself: what is there in the Mexican political system which has given Mexico what no one can deny: stability? Perhaps the answer to this is that the Mexican presidents first of all can not be reelected. After their term in office is over, they are

relegated to the role of living mummies, perhaps even less influential than the ones exhibited in the magnificent Archaeological Museum. In the second place, the "replacements," so far have not been the puppets of those who supported them, and in almost every case, they have made reforms and followed policies different and even contradictory with those of their predecessor. Far be it from me to point to the Mexican poltical system as the ideal. But if that systems seems bad to us, is ours better, more democratic, or more stable? In any case, and a presidential period is not the time to make a comparative analysis of both "democracies," at some point in time the Mexicans know that the successor is going to appear, and that opens up for them the certain prospect of succession, of change. For better or for worse, but still change. And--the sublime paradox of political psychology!--it is precisely this certainty that the current president will not be in office permanently that gives him the stability needed to complete his term successfully.

Much more can and should be said, analyzed, and clarified about this phenomenon of the stability of the system caused by the certain prospect of the change of the governor and the government. For example, we could analyze in depth the capability of the system to evolve, its capacity to put into practice constitutional principles or legal mechanisms to correct or remove the defects of the system. We could also study whether the social fabric of the republic will accept and understand that every change will be a true change. And above all, whether that change will bring about progress and a correction of mistakes, or will worsen and emphasize those mistakes. But in any event, even with imperfections which may be worsened or improved, the essential is that the political system has to offer the nation the certain and serious prospect of a change in political leadership, primarily of the person who holds the office of president. When the political system becomes too involved in itself, it becomes entangled and enmeshed in lesser ambitions; this adulterates and distorts the quality of the debate, and creates the false illusion of confusing personal ambitions with the noble emotions of properly conceived political activity. This takes away the prospect of change, of alternation in power from the nation. This has happened before in the history of Venezuela, and it is happening now.

18 October 1945

The government of Isais Medina Angarita, which was overthrown by a coup d'etat on 18 October 1945, was in its time the most extraordinary and productive democratic government that Venezuela had known until then, and very possibly, measured in comparative, absolute, or relative terms, it may have been the most revolutionary, progressive, and democratic government there has ever been in the history of Venezuela.

The legalization of the political parties, including the communist party, the respect for freedom of expression, the thorough reforms of the Civil Code and of the national public finances, the creation of the income tax, the hydrocarbons law, etc.--the list is impressive, even overwhelming. And yet, the Medina government made two very serious political mistakes. First, it created a "government party," the PDV [Venezuelan Democratic Party] which was stillborn, a victim of its own strength, which came from the exercise of public power. (PDV became synonymous in Venezuela with arbitrary rule masked in the guise of democratic legality, which made it even more repugnant). And through an election system which restricted its size, alongside the reforms and freedoms which it had unleashed, it became known as the "great elector." The second and more serious mistake was that it used this power in the most clumsy way imaginable, ignoring the great political forces which its own reforms had created, and which the times demanded. In reality, the selection of Dr Angel Biaggini, an obscure and mediocre person, as the party's candidate for the presidency, took away from the nation the healthy and loyal enjoyment of the political rights the citizens were beginning to practice, and opened up the doors little by little to what happened on 18 October 1945. Let us listen to the words of two of the protagonists of the events of 18 October: Romulo Betancourt and the great journalist, Antonio Arraiz.

"The revolution was the result of more than just a conspiracy between a leading group of lower-level officers from the four branches of the armed forces and the single party, Democratic Action, with the full national audience that existed at that time."

"The Venezuelan people already felt an imperious need to choose their leaders through free elections. They had expected this collective demand to be satisfied by the constitutional reform in 1944, a year before the date scheduled for the election of the new president. The new president was to hold office during the 5-year term from 1945 to 1950. This expectation was disappointed. Without listening to the nation, which was calling for free elections, or to the few representatives of the people in congress, they kept the two-tier system for the presidential election. This meant that a majority of senators and deputies who rigidly adhered to the pro-government line would appoint the new chief of state, to follow the one leaving Miraflores."

"The Venezuelan popular spirit was on the verge of explosion."

"The country could not stand to have another president imposed on it from Miraflores, a president who would govern during the next 5 years. I found this out during a trip I made through the eastern part of Venezuela."

"Back in Caracas, I told my comrades in the AD leadership: 'This government is falling apart. I don't know how it will fall, but it will.'"

We have to remember, though, that Betancourt and Democratic Action had agreed to play by the rules of the game set by the Medina democracy, but with another candidate, Dr Diogenes Escalante.

As Betancourt tells it ("18 October 1945," RESUMEN no 103, p 38), his efforts and those of Democratic Action to find in Diogenes Escalante a national consensus candidate were made to keep the military conspiracy, of which they were well aware, from becoming a reality.

"Captain Vargas was the key man in the conspiracy. He had with him papers signed by hundreds of "sworn supporters" in the army, air force, navy, and national guard. From the point of view of its lack of military support in the army barracks, and on the air force and naval bases, the government was literally at rock bottom. Mario Vargas made a very favorable personal impression on us. He had an almost mystical democratic fervor. His feverish eyes, perhaps reflecting the tuberculosis that he suffered from even then, glowed when he spoke of a better Venezuela to be won."

"The meeting broke up at dawn. While Gonzalo and I were having breakfast, we came to one conclusion, which was that the dilemma was inexorable: either we would intervene and take a definite part in the conspiracy which was moving ahead fast, or the young military officers would overthrow the government on their own and would then set up their own regime, with an unpredictable ideological orientation. In our almost obstinate attempts to achieve an evolutionary, rather than violent outcome for the very serious political crisis of our country, we proposed to our allies in the UPM [Patriotic Military Union] that we try to persuade Dr Diogenes Escalante, who was then Venezuela's ambassador to Washington, to accept the proposal. Without any success, delegates from the president, including his own brother, Dr Julio Medina Angarita, had been sent to him. The UPM officers agreed to this proposal. For that purpose Raul Leoni and I went to the U.S. capital."

Betancourt discusses the political dilemma of that time, and because of its parallels with the situation now, we are publishing this account here. Let us consider thoughtfully the conversation between Betancourt and Escalante almost 40 years ago.

"It was near the end of the war. We were sitting in the vast lobby of the Statler Hotel in Washington, waiting for the rooms we had reserved to be ready for us. There we proposed to him that AD would not oppose his candidacy. We said that we would accept no

position in his government. We only wanted, as a counterpart to our proposal, the constitution and the election laws to be democratized so that free elections could be held. We added that we also wanted his government to give priority to the serious problems faced by the people and to the critical situation in the armed forces. We went even further. We told him that if he continued to reject this offer, it was inevitable that a military uprising would break out in Venezuela. He sat there staring at us for many long minutes with a strange fixity in his expression."

"If we had been psychiatrists and not politicians, his behavior would have warned us then that his brain was already damaged. Then he wanted me to go with him to talk in private in the embassy, where he lived with his charming wife, Isabel Alamo. With a pitcher of lemonade--this was in August and the summer heat in Washington was horrible--we spoke with complete openness. He had not wanted to accept the proposal of President Medina, not liking the idea of becoming a prisoner in Miraflores. His predecessor was a general and he would have the military machinery of the nation under his control. I was rather bold in my frankness. I told him in detail of what was happening inside the armed forces. And I concluded by telling him this:

"'Dr Escalante, on the very day you arrive at Miraflores, you can change all the top leaders in the armed forces, with the support of the majority of the young officers. They are allied with us and it is not only in the name of Democratic Action, but also in the name of this strong military bloc that we have come to encourage you to accept the candidacy.'"

"We were not at the reception, which was crowded with people from the official world, and was held at the Maiquetia airport. There were people there, acting in good faith, but with little political astuteness, who formed what Andres Eloy Blanco called the 'luminous wing of the PDV,' the pro-government party. And crowded there along with them were people seeking money, bureaucrats, and people who wanted government jobs."

"We barely had a brief meeting, at his request, in the Hotel Avila where he was living. He had already become president in reality, because the 'great elector' had annointed him with its backing and the congress was to carry out without a murmur this order from on high."

On 7 August 1945, Dr Diogenes Escalante arrived at Maiquetia on board a Pan Am Clipper. He was met by what was then considered a "multitude." EL NACIONAL reported, citing the traffic department as its source, that 1,279 cars formed a "caravan." Among the people who went to greet him at Maiquetia were the secretary of

the presidency, Arturo Uslar Pietri; the governor of Caracas, Gen Juan de Dios Celis Paredes; the ministers Medina, Pedro Silveira, and Rafael VEgas. Also present were representatives of the PDV, Democratic Action, Popular Union, the Liberal Party of Tachira, and the Communist Party. A month later, in September 1945, the rumors that had been circulating about the serious mental disturbance of Dr Escalante were fully confirmed, and with that confirmation, his national candidacy came to an abrupt end.

On 10 September the candidacy of Dr Angel Biaggini was announced. On 1 October, the assembly of the Elector Party, the PDV, elected Dr Angel Biaggini, the only candidate for the presidency, to a term lasting from 1946 to 1951, by 252 votes to seven. Of the seven votes cast in opposition, three were for Gen Eleazar Lopez Contreras, two for Dr Arturo Uslar Pietri, and two were left blank. Just 18 days later, the government of Isais Medina Angarita resigned when confronted with a civilian-military uprising that seemed doomed from the start, and which confused the nation by leading it to believe that this was a rebellion led by General Lopez Contreras. But once firmly entrenched in power with the revolutionary government junta formed, it revealed its true actors and showed the entire nation the tremendous strength which the serious political errors of the Medina government had ignored and underestimated.

Unrest and Discord

A witness of those events, a man of exceptional analytic capability, located in the enviable observation post of EL NACIONAL's staff, Antonio Arraiz, wrote on 23 October 1945 an article entitled "The Coup d'Etat," in which he said:

"A coup d'etat is, of course, always deplorable. But even when the heart may withhold approval or justification of violence, reason may explain it."

"The revolutionary movement wich has just appeared in Venezuela is the logical consequence of the misguided appointment of the presidential candidate. General Medina Angarita has just left office at the wrong time and in a way as unsuitable as it is strange, after an administration of undeniable achievements."

"The nominations, first of Dr Escalante, and then of Dr Biaggini, as if compounding the error, have created all over the nation a feeling of unrest and discord, which sooner or later had to lead to a sudden solution, such as has just happened. It is unfortunate, but we can do nothing else but recognize and remember this."

Today, nearly 40 years after these events, we can appreciate this evaluation. When the nation was denied the exercise of those rights which it had acquired, the door was opened for a successful coup

d'etat. That is true. But Arraiz is caught in his own illusion. For him, what deserved criticism was not the closed system that offered Escalante or Biaggini as candidates. If that same closed system had proposed the candidacy of Rafael Vegas, whom Arraiz supported, wouldn't he then have justified a coup d'etat? The result would have been the same. What had to be changed was the system, but even inside the system, if it had offered the nation a candidate less insipid than Biaggini, perhaps this could have awakened the hope or illusion of some true change, which would have correspondingly lessened the feeling of desperation which then opened up the doors to insurrection and an armed uprising.

These testimonies and this example are appropriate to the situation we have here today. A coup d'etat seems imminent, and the prospect of the political collapse of the government is even worse. The government of Luis Herrera has become closed in upon itself behind impassable walls of arrogance, blindness, and deafness. And we are not referring to the latest dispute about the issue of the disparity in internal and external interest rates, and to the poorly termed "foreign currency flight." Nor are we referring to the surprising statement of the chief of state that he is going to "change the face" of this chaos made city that we call Caracas, or even less to his appeal to the beauty of Irene Saez as an effective "counter" against those whom he has called the "prophets of doom." No. This comes from the observation, as a whole, of the government of Luis Herrera, from the conviction that his personality either has undergone a metamorphosis that must be disconcerting to his friends, or simply that he was not endowed by the Creator with the minimal attributes needed not to be overwhelmed by the magnitude of the problems that have piled up on the Venezuelan state, at a time when the nation enjoys the highest earnings in its entire history, twice those under his predecessor Perez, which in turn were twice those under the three presidents who preceded him. This comes from the irrefutable testimony of the despair of his own fellow party members.

This leads us to think very seriously that an effective remedy, a certain relief, a saving grace that could slow down the drain of faith in this nation is to offer the nation now, as in an emergency, the clear, serious, and definite prospect of an election. Who is elected is important. But the very fact of an election is more important. The country is too weak to stand the tensions of an election "clash" between Caldera and Montes de Oca, another between Lusinchi, Morales Bello and Pinerua, and another between Petkoff and Rangel. Between now and December, these questions have to be settled. By January 1982, the nation has to see three or four candidates with the firm support of their organizations behind them. If not, things might become complicated to the point of being out of control.

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BRIEFS

CONTACTS WITH U.S. REPUBLICANS--Aristides Calvani, deputy secretary general of the Social Christian Party [COPEI] said that his recent visit to the United States, where he met with representatives of the U.S. Republican Party, had been very fruitful. We interviewed him and he said: [Begin recording] I think that [words indistinct], we took the electoral campaigns as a starting point and analyzed the functions of each of the parties in the respective countries. I think, not trying to be modest, this is in fact the first time that a Latin American party has met with U.S. party members in that role, rather than as senators or representatives or members of the State Department. We met with party members as such. I think the trip was very fruitful. [Excerpts] [PA190302 Caracas Radio Rumbos Network in Spanish 2100 GMT 18 Aug 81]

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END

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No. 2365

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COAL, OIL TRADES WITH VENEZUELA DISCUSSED

Bogota EL SIGLO in Spanish 28 Jun 81 pp 1, 6

[Article by Raul Rodriguez P.: "Venezuela Will Buy Coal from Colombia"]

[Text] While the Venezuelan Government has set conditions for the delivery of oil to Colombia beginning next year, various leaders in this neighboring country have reported that Venezuela is already carrying forward major infrastructure projects with a view to the transportation of the coal they plan to purchase from our country in the next few years.

Some Colombian political leaders have informed EL SIGLO that during their recent visit to Venezuela, the former foreign minister of that country, Aristides Calvani, discussed with them such projects as the modern highways being built in Venezuela near the Colombian frontier, since the Venezuelans take it for granted that they will have to have recourse to the coal from El Cerrejon within a few years.

In connection with the visit, Minister of Mines and Energy Carlos Rodado Noriega and the president of ECOPETROL [Colombian Petroleum Enterprise], Jose Fernando Isaza, will make to Iran, with a view to arranging a trade agreement with that country, which will supply an as yet undefined volume of crude oil and will at the same time purchase some of our domestic farm products, Venezuelan Minister of Foreign Affairs Humberto Calderon Berti said last Thursday that if this trade agreement is signed, Venezuela will not renew the contract which will lapse at the end of 1981.

Currently Colombia is importing about 35,000 barrels of oil per day, the greater part of which is sold to it by Venezuela. Recently, the government agreed with its counterpart in Mexico on the sale by Mexico to Colombia of 25,000 barrels per day, to which would be added those sold by Iran.

However, Venezuela's warning poses a dilemma for Colombia, because the transportation of crude oil from more distant countries will involve higher costs, necessarily requiring an increase in domestic prices, regardless of what the government decrees in the coming days.

Last week, the minister of finance in Kuwait, one of the heaviest oil-producing nations in the world, indicated his country's desire to sell oil to Colombia, a possibility which the government will take under advisement.

The present impasse reached in the negotiations to resolve the Colombian-Venezuelan boundary dispute has created a climate of alienation accompanied by a sharp decline in Venezuela's purchases, such that Colombia now is experiencing a trade deficit in its dealings with this neighboring country.

It is hoped that the government will explain its attitude toward the purchase of hydrocarbons from Iran, when two of its neighboring countries, Ecuador and Venezuela, are heavy producers of crude oil. On one occasion it was mentioned that Venezuelan prices are higher than those offered by the Arab countries.

In view of this dilemma, and the fact that within 4 years Colombia may be self-sufficient in oil if the projections concerning the crude oil to be found on the eastern plains in particular are borne out, the government is continuing studies with a view to defining the extent of the increase in fuel prices which will become effective within a few weeks.

In other words, currently Colombia possesses an "energy weapon," coal, which will play a decisive role in medium-range projections, but which will now serve as a mechanism tending to guarantee the supply of oil while domestic production increases.

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OIL EXPLORATION AREAS DESCRIBED

Bogota EL TIEMPO in Spanish 29 Jun 81 p 6-A

[Article by German Navarrete: "Areas Where Oil Sources Will Be Sought Specified"]

[Text] Colombia has already fully identified the areas in the Atlantic and Pacific Oceans which will be the focus of underwater oil prospecting, and the work of collecting data on 16,000 km of seismic lines will begin soon, when the $10-million loan approved by the Inter-American Development Bank on the 25th of this month becomes effective.

The zones on the continental shelf on which the country, through the Colombian Petroleum Enterprise [ECOPETROL], will establish the areas for future investments, additional seismic studies or exploratory drilling--according to the provisions of the agreements signed with the IDB--are the following, EL TIEMPO has learned from reliable sources:

In the Atlantic Ocean, the Gulf of Uraba, located near Panama; the Gulf of Morrosquillo, to the northeast; and the site known as "La Herradura," lying between the ports of Santa Marta and Barranquilla.

In the Pacific Ocean, from the Panamanian frontier to Cape Corriente, and along the coast toward Ecuador on the south.

The seismic study efforts will cover 10,000 km in the Atlantic zones and 6,000 km in the Pacific.

Concerning this detail, it was stressed that the prospecting will be done to the west of the 72d meridian, which passes through Portete Bay, in the northern part of Guajira.

Our sources indicated that some 100 km away from Portete, the peninsula is bathed by the Gulf of Venezuela, the central element in the boundary negotiations in which Colombia and Venezuela have been engaged for more than 15 years, making it unlikely that the country will take any steps in oil prospecting here.

The specific characteristics of the oil prospecting operations on the continental shelf in the two oceans will be explained in detail by Minister of Mines and Energy Carlos Rodado Noriega on his return from the trip he is currently planning to Mexico and Tehran.

Although high ministry officials refused to outline the way in which the prospecting will be carried out, it has been learned that President Julio Cesar Turbay Ayala proposes to provide the country with a firm base in the energy sector, allowing industry to have full assurance of the availability of fuels for current development, such that it can plan its future operations even beyond 1990 with confidence.

Three-Quarters of the Prospecting Remains To Be Done

Both the national government and the Inter-American Development Bank have agreed, in Washington and Bogota, on the extreme importance of the joint effort designed to launch the oil prospecting studies on the Colombian shelf in the two oceans, and have noted that these efforts will provide future generations with greater reliability for the energy plans of the country in the 21st century.

The extreme importance of this step was stressed, moreover, during the United Nations conference on new and renewable energy sources, at the preparatory meeting for which, held in Mexico City in March, Colombia explained that the country has 680 million barrels of demonstrated reserves, although "only 25 percent of its sedimentary basins, covering an area of 716,000 square km, have been subjected to surface prospecting."

Domestic crude oil production reached its highest level in 1970, with 80 million barrels. Since then the level has been dropping, to the point of an output of only 46 million in 1977. This increasing deficit in domestic production made it necessary to import crude oil and gasoline beginning in 1975. These imports totaled 19 and 35 percent, respectively, of total consumption for 1979.

Currently, Colombian consumption comes to 180,000 barrels of oil per day, of which it produces 132,000, imports 25,000 from Venezuela, on the basis of a treaty which will lapse this coming December, and has arranged for the purchase of 10,000 by the end of the year from Mexico. This latter negotiation may be increased to cover 25,000 beginning in 1982. Forthermore, purchases are made from Ecuador, Peru and the Antilles, and Colombia plans to arrange a trade with Iran involving 15,000 barrels of light oil per day in exchange for meat, sugar and other foodstuffs, beginning on a date of which the chief of state will be informed by Minister Rodado Noriega. Domestic production increased by 8 percent this year.

Oil Prospecting Campaign

The approval of the $10-million loan from the Inter-American Development Bank (IDB) to Colombia brings into the foreground the campaign being pursued from Washington by the IDB, the World Bank and other bodies to support the countries importing the largest quantities of oil in Latin America. The situation, apart from that in Colombia, is as follows:

The United States Export Import Bank (EXIMBANK) has made a loan of $3.714 billion dollars to PETROBRAS [Brazilian Petroleum Corporation] for the purchase of the equipment to build two platforms of the semisubmergible type for the oil and gas project in Campo Basin, to the north of Rio de Janeiro.

Costa Rica: The World Bank has lent $3 million for an aerial magnetometric survey of the Pacific coast and parts of the Caribbean coast, as well as the continental shelf and the northern coastal zone.

Peru: The World Bank has made a loan of $25 million for the building of 12 hydroelectric plants, thanks to which this country is generating 1.1 million kw and reducing its dependence on oil.

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TURBAY SIGNS CONTRACT FOR BIGGEST HYDROELECTRIC PLANT

Bogota EL TIEMPO in Spanish 19 Jun 81 pp 1-A, 9-A

[Article by German Navarrete]

[Text] President Julio Cesar Turbay Ayala will sign the initial contracts involving $408 million for the building of the El Guavio Hydroelectric Power Plant, the largest to date in Colombia, next week at the Narino Palace. This plant will generate a million kilowatts beginning in 1987.

The signing of the contracts, regarded by the government as the most important step among the measures adopted to resolve the energy crisis and to ensure that the country will be free of rationing in the future, will take place in the presence of the resident representatives of the World Bank and the IDB [Inter-American Development Bank], Alfredo Gutierrez and Carlos Montero, respectively; the interim minister of mines and energy, Carlos Zambrano Ulloa; the mayor of Bogota, Hernando Duran Dussan; the manager of the Electrical Energy Enterprise, Roberto Caceres Bolanos; and directors of all of the enterprises in the sector.

Minister Rodado Noriega and the mayor of Bogota, Hernando Duran Dussan, agreed on making this announcement that the new government project "takes a firm step toward a much more certain guarantee of greater reliability for the electrical generating systems in Colombia, both from the point of view of the coal burning thermic power plants and the hydroelectric plants."

Rodado Noriega also stressed "the valuable cooperation the country has received from such international credit bodies as the World Bank and the IDB." He recalled that in his concern to put a definitive end to the present energy crisis, the chief of state himself, speaking at the Hotel Tequendama on 26 November last, made an urgent appeal to international financial bodies to collaborate with the nation in this effort.

Confidence in Colombia

The most response was obtained from the World Bank, which last month in Washington approved a $359-million loan for the El Guavio Hydroelectric Project, the largest sum of credits granted to date by the bank to a Latin American country.

The El Guavio Hydroelectric Plant will be built on the river of the same name, approximately 70 km to the east of Bogota. It will have a 950-million-cubic-meter reservoir and an initial installed capacity of a million kilowatts. Its final capacity will be 1.6 million kilowatts by the end of this century.

Although he admitted that international bodies have sometimes been slow to approve credit and pay it out, Minister Rodado Noriega stressed that the reputation of Colombia as a serious and responsible nation "is the best guarantee that it will meet its commitments in such matters as this."

The vice-president of the World Bank for Latin America and the Caribbean, Nicolas Ardito Barletta; its representative in Colombia, Alfredo Gutierrez; and the official in charge of special projects, Roberto Benjerodt, for their parts, said a few weeks ago during a meeting convoked by the Colombian Newspapers Association (ANDIARIOS) that "Colombia has managed the energy problem carefully," such that they are prepared to support the government.

Benefit for the Whole Country

Minister Rodado Noriega, who stated that "the investments in the electrical sector in this decade must be of proportions such as to total almost four times the whole of the national budget for 1981," confirmed the assessment of the World Bank to the effect that the El Guavio Hydroelectric Project alone will provide 15 percent of the electricity which the country will need in 1988, and will benefit a large number of Colombian citizens who today are without electricity.

The social implications of the project which President Turbay Ayala will put into motion next week were noted by the World Bank in Washington as follows: "A substantial part of the production of the El Guavio plant will serve to meet the needs of the city of Bogota and its surroundings, and the balance will go into the national system through the Electrical Interlink Company S.A. (ISA) network, bringing electrical service within reach of people who are today isolated from the advance in the rural sector.

The Hydroelectric Plant

Carlos Zambrano Ulloa, vice-minister of mines and energy, who will attend the signing ceremony at the palace in the absence of Carlos Rodado, said that the El Guavio Hydroelectric Plant will cost a total of approximately $1.3 billion dollars, and will include the following works:

A jetty dam across the Guavio River, tunnels to carry the waters of the Chivor and Batatas rivers to the reservoir, underground works, a 230-kilovolt step-up substation, two 230-kilovolt double circuit transmission lines to Bogota, and four 230-kilovolt line modules in the Bogota 230-kilovolt ring.

The chief of planning at the Ministry of Mines and Energy, Islen Ramirez Giraldo, for his part, said that the project will be carried out by the Bogota Electrical Energy Enterprise (EEEB), and that it will also include the construction of a regional center for load distribution and telecommunications, a study which will contribute to the proper protection of the environment on the Guavio River, and a training program to improve the skills of technical personnel at that enterprise.

The division of the project financing is as follows: $225 million in national currency from the EEFB, and $150 million from the ISA.

The costs in foreign exchange will be financed by commercial banks ($340 million), suppliers' credit is estimated at $129 million, and while the IDB is providing $100 million, the World Bank is contributing $359 million.

Loan Total

The Office of Information and Public Affairs at the World Bank in Washington, commenting on the importance of the role played by this financial body in the El Guavio project, noted that the World Bank has supported the electrical energy sector in Colombia with 26 loans totaling $1.15 billion since 1950. These loans have contributed to expanding the generating capacity and the transmission and distribution facilities in the systems which serve Bogota, Medellin, Cali, Cartagena, Bucaramanga and Manizales, including the expansion of the electrical distribution networks to serve low-income zones.

The $359-million loan was granted to the EEEB under a guarantee from the Colombian state for a period of 17 years, including 4 years of grace, at an annual interest rate of 9.6 percent.

Fourth Highest Dam

The manager of the EEEB, Roberto Caceres Bolanos, in discussing the importance of the project for which the initial contracts will be signed by President Turbay Ayala, made the following statement to EL TIEMPO:

"The dam which will be built at the power plant to create the regulatory basin will be 250 meters high, the fourth highest of its type in the world. This project will also provide the inhabitants of Bogota with a more efficient electrical energy supply, so that in the future the city will not be faced with the inconveniences of rationing."

Caceres Bolanos stressed the active work done by Mayor Hernando Duran Dussan and the board of directors of the enterprise since August 1978, when the drafting of the final design for the project was begun, to ensure an advance in the construction of the giant project, which has been designed to strengthen the interlinked national system even further.

Bids Awarded

The board of directors of the EEEB awarded the contract for the building of the dam and related projects at a total of $240 million (approximately 13 billion pesos) to Vianini Entrecanales y Tavora, an Italian-Spanish consortium, on 8 April. The Sococo firm will serve as the Colombian party.

The contract for the tunnels and the powerhouse, totaling $168.7 million (about 9 billion pesos) was awarded to Campenon Bernard-Spie Batignoles, a French consortium.

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LARGE COAL DEPOSITS IN ZULIA SOON TO BE EXPLOITED

Caracas EL DIARIO DE CARACAS in Spanish 27 Jun 81 p 15

[Article by Javier Conde]

> [Text] Only one part of the region, the Paso Diablo mine, which is 6 km long and 1.5 km wide, has proven reserves of 140 million tons of coal. The plan for exploitation is already underway: bids for the design of the open-pit mine, its construction and that of the railroad are in the preselection stage. The Zulians do not want a repeat of the oil story.

Seventy kilometers northeast of Maracaibo, in an area surrounded by the Guasare, Socuy and Cachiri Rivers, are the richest coal fields in the country. The coal basin extends 50 km from north to south and its reserves are estimated at approximately 4.000 billion tons. There in the middle of the Sierra de Perija, the Zulia Development Corporation (CORPOZULIA) established the Wenceslao Briceno Mendez encampment 5 years ago, where 200 persons, including technicians, workmen, engineers and geologists, are moving ahead with the initial stages of coal production.

The history of the discovery of this Guasare coal, as it is now known, dates back to 1876 when Wenceslao Briceno Mendez, a soldier and mineralologist, requested permission to explore the Sierra de Perija region where, according to popular belief, there was a volcano. Briceno Mendez inspected the location in just 11 days and in a report dated 30 June 1876, he described the condition and features of the coal beds which he observed in the ravines of the rivers, taking samples and performing some experiments and concluding:

"... All of this coal is of the same quality and is bituminous. It is very similar to English cannel coal in structure, although it appears to me to be less dense and less filled with bitumen. It is devoid of sulfur and other substances which some coals emit during combustion. It burns easily in the open air or in a furnace, almost without smoke and without sparks, producing a cool, clear flame to a substantial degree during combustion and leaving a residue of very fine ash."

The technicians who are today working in the camp are amazed at the accuracy of Wenceslao Briceno Mendez' studies at a time when present advancements were unavailable.

Paso Diablo

The Zulia Development Corporation was granted concessions to the coal region in February 1974, 1 year after the first camp was established and its first drilling program began. The company must first overcome national inexperience in coal mining.

To begin their studies, they marked off an area 6 km long by 1.5 km wide, the Paso Diablo mine. More than 200 drillings have since taken place, totaling 30,000 meters. The drillings extend to a depth of 240 meters.

The first estimates are more than positive. There is a great deal of coal of the Tertiary period (i.e., 40 to 60 million years old, which is very young for coal); it is cokable--an essential condition for its use in the iron and steel industry--and can be extracted by open-pit mining. It is not necessary to construct expensive underground mines to bring it to the surface.

The Paso Diablo mine has proven reserves of 140 million tons and will be able to produce 4 million tons annually. The coal beds project between 15 and 20 meters above the surface.

The bidding process for the mining operation is now underway. The contract for the open-pit design, which will be ready by 1982, has been awarded to the Fluor Mining and Methods (U.S.) and Tecno-Consult (Venezuelan) companies. Construction of the mine and the 100-km railroad to transport the coal to the iron and steel works (located 20 minutes south of Maracaibo) is still in the stage of preselection of the companies which have submitted their respective bids.

Coal Features

In May 1979, CORPOZULIA established the Center for Coal, Iron and Steel Research (CICASI), together with CONICIT [National Council for Scientific and Technological Research] and the University of Zulia, to train national personnel to perform the evaluative studies on the Guasare region: ash and water content, percentage of volatile components, analysis of sulfur and hydrogen, swelling index, behavior of ash to fusion and calorific value.

Most of the samples were sent to England, France and Germany for analysis at an approximate cost of 3 to 5 million bolivares per 500 samples. In its first year of operation, CICASI analyzed with accurate results 300 samples which were then submitted for comparison with the analyses of similar samples performed abroad.

The studies indicate that the Guasare coal produces a coke with very good characteristics, combining it in a proportion of 60 percent national coal and 40 percent foreign coal, which is a rather unusual ratio. CICASI technicians have reported that the Brazilian iron and steel industry began by using 8 percent national coal. It now uses 20 percent.

The coal's low sulfur content produces little pollution and makes it more valuable and useful. It also has a high calorific value, which assures its high yield as a fuel in the steel production process.

The technicians and directors of the Zulia coal program, including Ruben Bracho--CICASI's director--have repeatedly stated that only 10 percent of the coal production will be used in the thermoelectric generating plant which they also plan to build. "If the iron and steel industry is not developed, 90 percent of this coal, with excellent features, will have to be exported, as we did in the case of petroleum," Bracho said.

One of the few drawbacks of this coal is its high content of volatile components, whose lowest levels amount to 37 percent. This factor may cause a low yield in the case of some beds, since such components tend to evaporate when the coal is subjected to high temperatures, which is a preliminary step for its conversion to coke.

Guasare City

During its implementation, the coal program is scheduled to include the construction of a small city on the banks of the Cachiri River, very near the Wenceslao Briceno Mendez encampment, for the technicians, laborers and engineers working on the project. The University of Zulia has been commissioned to draw up a design. In the beginning, more than 2,000 people would reside in the city.

Concurrent with the development of the coal plans, CORPOZULIA is going ahead with an archeological recovery program throughout the area in which the coal fields are located. A 6-person team headed by archeologist Victor Nunez Regueiro, has been working on this project for 2 years. The team has discovered 55 archeological sites and has explored some of them; it has been able to find a residential site, with a cemetery, 1 km in length, which will make it possible to obtain important historical information about the area.

This program has an annual budget of 500,000 bolivares and publishes an annual bulletin and a "informative guide."

Aspirations

According to a CORPOZULIA bulletin, "one of the basic objectives of the Zulia coal development project is to assure that the largest possible volume of its production is processed in the area and in the country. In this connection, there must also be a substantial difference with respect to petroleum and iron-ore development projects, in which the nation behaved like a typical underdeveloped country, exporting its raw materials at slowly increasing prices and importing finished goods produced with the same raw materials in developed countries at higher and higher prices. Venezuela must develop its coal wealth according to a philosophical, political and economic plan that is substantially different from the one employed in the case of petroleum exploitation."

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EXCLUSIVE REPORT ON RECENT DECISIONS ON YACYRETA PROJECT

Buenos Aires CONVICCION in Spanish 12 Aug 81 p 11

[Article by Martin Olivera: "The Technical Reports Afford Swift Decisions on Yacyreta"]

[Text] A few days ago, the decision of the head of the Yacyreta Binational Entity to request the resignations of three directors of the entity was announced. Two of them were submitted immediately, whereas the third individual involved, the legal director Alfredo de las Carreras, refused to make that decision.

This fact, which is rather unusual when leading positions are involved, would appear to indicate that the departures are not taking place because of a mere administrative reshuffling, but are rather due to more deepseated differences, even though Montiel Forzano attempted to minimize the changes, in order to protect the image of the dismissed officials.

Those who have followed the Yacyreta process closely know that these changes were virtually inevitable. The internal confrontations date back a long time, and the differences regarding the bidding between engineer Jorge Pegoraro (with whom the dismissed directors are linked) and Dr Hugo Lamonica became public knowledge at the end of 1980 and the beginning of 1981.

When the requests for resignations were disclosed, one of the officials due to leave, in a tone that left no doubt as to his frame of mind, confined himself to asserting: "History will tell who was right."

Inasmuch as too much is at stake for the country (Yacyreta, in addition to being the largest engineering project undertaken by Argentina, is an international showcase wherein the reliability of the state will be observed), it is not inappropriate to demand a clearcut, open treatment, now when there is still time to correct mistakes. We must avoid obscure points that will give rise to all kinds of suspicions. And at the present time those obscure points exist in abundance.

A Past With Questions

On 2 June 1980, the envelopes of the offers for the bidding on the construction work were opened. Today, over 14 months since that action, we still do not know who was awarded the project, and it is overtly claimed that a great deal still remains to be studied before reaching a decision.

Why? It is difficult to give a reasonable explanation. The signs lead one to believe (and we started with suspicions) that there may be some who did not want to arrive at a concrete decision.

The fact is that this decision was not supposed to be made among the five original consortiums, but rather among the three that were preselected immediately (the other two were excluded at the outset for technical-economic reasons), namely, Dumez, Impregilo and Dredging and Construction. It is the intention of this article to review the points that pose questions concerning the delay.

If we rely on the first report from the Harza consulting entity, a firm with recognized dependability in the area, one of the three bidding consortiums had to be virtually excluded from the bidding because it had not met a group of major requirements in the specifications.

Before explaining these reasons in detail, it befits us to take a paragraph from the "Regulations for Obtaining Loans from the Inter-American Development Bank and World Bank, and Credit From IDA," of March 1977, determining how the bids must be evaluated and compared.

The paragraph in question states: "The evaluation of the bids must be consistent with the terms and conditions established in the bidding documents. In addition to the price of the offer, adjusted to the correction of arithmetical errors, other important factors must be taken into consideration, such as the time for completion of construction or turnover, operational costs when they are pertinent, or efficiency and compatibility of the equipment, the availability of services and replacement parts and the reliability of the construction methods proposed, in the extent and manner stipulated in the bidding documents, in order to be able to determine the offer assessed as lowest. Insofar as is possible, these factors must be expressed in monetary terms, or must be given a relative weight among the provisions for evaluating the bidding documents."

One infers from this paragraph that the offer with the lowest face value in principle is not the most feasible (recall the example of Atucha II, when the bid, owing to its technical advantages, was awarded to the consortium which submitted the highest offer), but rather the one which results from the pertinent comparison. The strange thing about Yacyreta is that, during the Pegoraro administration, there was an official omission of the comparison, an indispensable step in the procedure after the report from the consulting entity.

However, the firm's technical experts produced on that occasion a report with the following result:

Consortium	Normal Bid	Evaluated Bid
Dumez	1,480,083,582	1,805,726,669
Impregilo	1,706,637,015	1,735,195,058
Dredging and Construction	1,763,999,165	1,786,496,619

Although this report was not accurate, it serves to prove that the economic differences were very slight, and hence the determining factor should have been the technical aspect, involving both security and reliablity in the terms which, in addition to being an economic problem,is a geopolitical factor as well.

The Reasons for the Variations

For reasons of space it is impossible to reproduce the first consultant's report (it contains over 100 pages); but, in order to dispel doubts, we shall reprint a few paragraphs in which an analysis is made of the consequences of selecting each one of the bids, involving the points most important for the time-productivity factor.

Dumez: "In its explanatory note, and in other sections of the bid, it emphasized some limitations on the rendering of the services stipulated in the bidding documents.

"In the CPM program submitted by the bidder it is shown that there are delays in the completion of the premises for the generators amounting to 145 days for unit 10 and 210 days for unit 20. The program contains no indication of the completion dates for the other 18 generator premises. This deviation from the key dates restrictively stipulated in the contract documents will cause obstacles and serious consequences in the scheduling of the work for the other contractors who will be involved in the project, as well as a sizable loss of benefits for Yacyreta as a result of not being able to generate power in the anticipated period of time. The engineer's calculations conclude with a loss of power generation amounting to 6.59 unit-years."

Impregilo: "In the CPM program submitted by the bidder it is shown that the completion of the generator premises for unit 10 would be on schedule. There is a 17-day delay for unit 13, and an 8-day delay for unit 16. These deviations from the key dates stipulated in the contract documents have a lesser effect on the other contracts involved in the project; however, there would be a loss of benefits for Yacyreta owing to the loss of potential power generation. The engineer estimates that the loss of power generated would be 0.23 unit-years."

Dredging and Construction: "In the CPM program submitted by the bidder, there was not sufficient information to assess whether or not there would be sizable delays in the completion of the premises for the generators. The information that was received is inadequate to evaluate the delays, if any, in the generation of power."

If we compare the consultant's reports regarding the main branch closure of the river (the most complex technical work), we reach similar conclusions. Let us observe three reports:

Dumez: "The front heading plan proposed by the bidder for the closure of the river on the main branch has several disadvantages. The progressive narrowing plan proposed for the final closure seems risky, and will require a large amount of large rocks or prefabricated concrete blocks to make the closure possible. These problems are considered sufficient to warrant the assessment that this proposal from the bidder for the closure of the main branch would be difficult to accomplish and subject to chances of delays and failures."

Impregilo: "The combination of the front heading method and buildup in horizontal layers proposed by the bidder is acceptable insofar as the concept is concerned, but it would require some modifications."

Dredging and Construction: "The closure system is similar to that of Dumez, and their problems are the same."

CONVICCION has in its possession the information with which to expand upon these items, and also to discuss the others at length but, considering that neither of the two would change the equation, we chose not to go into detail, so as to avoid saturating the reader with technical data, since what has already been mentioned categorically serves to prove clearly that much of the time lost is inexplicable in view of the preciseness of the consultant's preliminary report.

Indisputable Conclusions

The omission made during the Pedoraro administration in not comparing the bids was quickly resolved by the new administration of Gen Montiel Forzano.

Proving that nothing is fortuitous, on the same day that he was requesting the resignation of the firm's directors (on Thursday, 6 August), Montiel Forzano was receiving in his office on the 21st floor of the Torre Madero the comparison of bids made by the consultant.

According to this comparison, it is proven that the analysis made at the time by the Yacyreta technicans was geared rather precisely to the real situation. Let us observe:

Bids	Dumez	Impregilo	Dredging
Face	1,480,083,582	1,706,637,015	1,763,999,165
Corrected	1,520,890,403	1,718,195,058	unreported
Compared without penalties	1,851,961,669	1,790,174,058	1,992,453,619
Compared with penalties	2,167,435,269	1,808,493,458	unreported

One infers from this table that there is a great gap between the face bid and the real situation, and that final conclusions could have been drawn from this many months ago.

But, of course, in the bidding as well as the economic factor other items are taken into consideration to arrive at the proper decisions. For this purpose a point system is used, assigning categorical numerical values to qualitative scales.

To be sure, Harza used this procedure, arriving at the following points with a coefficient of 100:

Dumez: 319; Impregilo: 827; Dredging and Construction: 511.

But why haven't the bids appeared?

It is not easy to attempt a flat response to this question. However, we must bear in mind that a matter which should have a preeminently technical decision has been converted into a political problem. Logically, the decision should be made soon; soon because, if not, now that the firm is recovering credibility, it would lose it again, once more leaving room for suspicion; and a convalescing Argentina cannot afford such luxuries.

(1) RUBROS EVALUADOS	(2) DUMEZ (US$)	(3) IMPREGILO E.C.Y.(US$)	(4) DRAGADOS Y.J.V. (US$)
(5) • 1 Oferta básica	1.480 083 582	1.706 637.015	1.763.999 165
(6) • 2 Errores aritméticos	(−) 177 352	(−) 14.073.707	(−) 9.560
(7) • 3 Omisiones	63 125	22 000.000	
(8) • 4 Limitaciones de servicios			
(9) • Operación y mantenimiento campamentos permanentes	12 959 118		
(10) Servicios médicos y escolares	8 636 754		
(11) Filmación	620 000		
(12) Suministro de E. eléctrica	500 000		
(13) Traslado de personal sentado	3 041 442		4 507 014
(14) Impermeabilización ataguías para el cierre del río		2.631 750	
(15) • 5 Atrasos programas de construcción	315 473.600	18.219.400	(D. insufic.)
(16) • 6 Precios combustibles y lubricantes	74 659.000	14.017 000	51.438.000
(17) 7 Monetización rubros evaluados conceptualmente	271.576.000	59 062.000	172.519.600
(18) Total evaluado	2.167 435 269	1.808 493 458	1.992.453 619

(19) RUBROS EVALUADOS CONCEPTUALMENTE	(20) Coeficiente de Ponderac. en el contexto de las Of.	DUMEZ (21) Puntajes numéricos en la escala cualitativa por Oferente N°	DUMEZ (22) Ponder.	IMPREGILO E.C.Y. N°	IMPREGILO E.C.Y. Ponder.	DRAGADOS Y.J.V. N°	DRAGADOS Y.J.V. Ponder.
(23) 1. Desvío y cierre del río	40	2	80	9	360	2	30
(24) 2. Coeficientes de incidencia	15	0	0	8	120	7	105
(25) 3. Inversión por moneda. Moneda local vs. moneda extranjera	2	6	12	10	20	10	20
(26) 4. Utilización mano de obra	3	8	24	10	30	6	18
(27) 5. Lista de repuestos recomendados	1	0	0	10	10	0	0
(28) 6. Accesos temporarios a la isla Yacyretá	5	6	30	8	40	5	25
(29) 7. Campamentos temporarios y obradores	4	5	20	20	40	8	32
(30) 8. Prestación de servicios	4	3	12	10	40	7	28
(31) 9. Aspectos laborales, salariales y cargas sociales	4	2	8	8	32	8	32
(32) 10. Aportes patronales a cargo del Comitente	4	4	16	3	12	7	28
(33) 11. Materiales	4	4	16	7	28	8	32
(34) 12. Equipos, planificación y plan general de operaciones	9	8	72	6	54	9	81
(35) 13. Seguros	1	9	9	5	5	10	10
(36) 14. Contractual y legal. Incluida la no presentación de datos suficientes correspondientes a: (37) • Atrasos programa de construcción • Gastos generales de obra (38)	4	5	20	9	36	5	20
	100		319		827		511

(39) *El cuadro uno muestra la homologación económica de las ofertas para las obras civiles de Yacyretá. El cuadro dos muestra los rubros evaluados mediante criterio de ponderación y asignación de valores numéricos conceptuales a escalas cualitativas.*

Key:

1. Items evaluated
2. Dumez (U.S.$)
3. Impregilo E.C.Y. (U.S.$)
4. Dredging Y.J.V. (U.S.$.)
5. Basic offer
6. Arithmetical errors
7. Omissions
8. Limitations on services
9. Operation and maintenance, permanent camps
10. Medical and educational services
11. Filming
12. Electric power supply
13. Transfer of established personnel
14. Waterproofing cofferdams for closure of the river
15. Construction program delays
16. Fuel and lubricant prices
17. Monetization of items evaluated by category
18. Total evaluated
19. Items evaluated by category
20. Coefficient of weight in context of the bids
21. Numerical points on the qualitative scale per bidder
22. Weight
23. Diversion and closure of the river
24. Coefficient of incidence
25. Investment based on currency, local currency versus foreign currency
26. Use of labor

Key [continued]:

27. List of recommended replacement parts
28. Temporary accesses to the island of Yacyreta
29. Temporary, workers' camps
30. Provision of services
31. Labor and wage aspects, and social burdens
32. Management contributions borne by the principal
33. Materials
34. Equipment, planning and general operations plan
35. Insurance
36. Legal and contractual, including failure to submit sufficient data regarding:
37. Delays in construction program
38. General project expenses
39. Table 1 shows the economic comparison of the bids for the Yacyreta construction work. Table 2 shows the items evaluated with a weight criterion and assignment of categorical numerical values to qualitative scales.

2909
CSO: 3010/1718

BRIEFS

1980 FISH EXPORT EARNINGS--Belmopan, Belize, 20 Aug (CANA)--Belize's export earnings from fish dipped last year by 500,000 dollars (U.S.) compared with 1979 but there should be a favorable increase in exports this year, according to fisheries administrator Winston Miller. Total earnings from fish exports in 1980 fell from 7.9 million dollars (U.S.) in 1979 to 7.4 million dollars (U.S.) last year. Produce and export earnings from lobsters shipped to United States markets were down in 1980 as last year was a low period in the 3-year production cycle for lobsters. However, statistical trends indicate that this will be a good year for lobsters to reproduce. [Excerpt] [FL202007 Bridgetown CANA in English 1959 GMT 20 Aug 81]

CSO: 3010/1745

PAPER VIEWS NEED FOR COOPERATION WITH UNITED STATES

PY260003 Rio de Janeiro BRAZIL HERALD in English 25 Aug 81 p 2

[Summary of editorial "The Good Will Message" from notes and information page of 21 Aug Sao Paulo O ESTADO DE SAO PAULO]

[Text] The Brazilian Government would ignore a historical duty if it failed to pay attention to a chance of diplomatic cooperation as mentioned last week in Sao Paulo by U.S. Assistant Secretary of State for Inter-American Affairs Thomas Enders.

It should be given consideration especially by those Brazilian foreign policy makers who want to substitute the concept of automatic nonalighment for that of automatic alignment. Enders viewed the problem from an angle not much taken into consideration so far in Washington, saying that bilateral issues between the two countries must be dealt with by taking into account the interests of both sides.

Enders, without diplomatic oratory, cited several sectors where the interests of the two nations touch each other, although the two governments often are induced to look at them from different viewpoints. The United States currently is trying to restore its own dynamism as a big power while Brazil seeks, with a good chance of success, to administer the dynamism of its own development.

The apparent weakness caused by the high total of Brazil's foreign debt can be seen also as a positive factor compelling Brazil to keep open the channels of international trade and financial transactions. Currently, however, the Reagan administration is more concerned with carrying out a monetary policy without regard to its impact on the economy of developing countries. This certainly impairs the mutual relationship, but the two countries have a responsibility toward world prosperity.

There are more divergencies than points of concord between the United States and Brazil on problems concerning the North-South dialogue, but there are points of contact on other issues, mentioned by Enders. On these, a healthy cooperation should be possible. If the Itamaraty tries to keep distant from whatever diplomatic action is engaged in by the United States, it forgets that international relations involve coexistence and reciprocal obligations.

Whatever responsibilities some American groups would like to atrribute to Brazil in dealing with Latin American and African problems, it is clear that the two largest nations of the western hemisphere cannot act separately in coping with problems posed in these other countries by economic depression and military interferences from other sides, or which concern the safety of the South Atlantic region.

Washington and Brasilia may view these problems from different angles, but they cannot be ignored by Brazil. The two nations must try to establish some common viewpoints. The appeal made by Enders toward this aim should be heard in Brasilia.

CSO: 3020/144

DAILY VIEWS DOWNING OF LIBYAN JETS, SOVIET REACTION

PY250331 Rio de Janeiro JORNAL DO BRASIL in Portuguese 21 Aug 81 p 10

[Editorial: "Questions of Fact"]

[Text] Rhetoric, in international politics, customarily moves much faster than events. Diplomacy, such as that of the Soviet Union, has tried to make the best use of this, and it is curious to see TASS quality the skirmish which occurred off the coast of Libya between Libyan and American planes as a "serious incident."

If this skirmish is a "serious incident," what must the Afghan episode be called in order to maintain the scale of values? The occupation of Afghanistan by Soviet troops, despite the surprising capacity for resistance of the Afghans, has been developing for many, many months, but despite the fact that this incident has had a deterious and lasting effect on international relations, undermining the foundations upon which so-called detente had been built, Afghanistan is still not a subject for debate, from the Soviet point of view.

Facts of this nature helped set the stage for irresistible rise of the Republicans on the American scene and obliging the mandate they received, the Republicans are "hardening" dealing with the Soviet Union in the strategic dispute. After passing through the Carter period in a defensive attitude facing an always unscrupulous and frequently aggressive Soviet posture, the simple change in attitude of the U.S. Government, already seems to have produced some results. Take the journal KRASNAYA ZVEZDA, the Soviet Armed Forces paper, for example. It states that "the Soviet Union is willing to put in practice the limitation and reduction of its strategic potential," adding that "there is no future whatsoever in the arms race."

From the strictly factual point of view the United States also seemed to be at ease with the incident that took place off the coast of Libya. The 200 mile territorial waters claimed by Libya is an untenable principle, since 12 miles is the traditional distance for territorial waters (which should not be confused with the concept of patrimonial waters). The United States was, in view of this, within its rights in holding its naval exercises 60 miles from the Libyan coast. Thus the Libyan planes were downed in international waters.

For this accident to have occurred numerous antecedents contributed. Naturally, the most obvious of these is the growing boldness of Libya as a state which disregards all the norms of international relations, as well as all moral or written laws.

Al-Qadhdhafi's Libya has systematically helped international terrorism and some time ago initiated a physical liquidation "program" against Libyan dissidents who have taken refuge in other countries. In Africa, Libya's belligerent and aggressive spirit has already been manifested in the virtual annexation of Chad. Countries such as Niger, Mali, and the Sudan have good reason to be concerned--much more so since Libya, with its almost inexhaustable supply of petrodollars, has been buying an arsenal of enormous proportions, primarily from the Soviet Union.

It is like splitting hairs arguing whether or not there was any design linking the American naval maneuvers and the downing of the planes. Being familiar, nevertheless, with the Reagan government's position regarding al-Qadhdhafi's "policy," it seems evident that the U.S. is not using finesse when it suggests that the aggressive behavior of the despot of Tripoli needs a little adapting to reality. It might not be a subtle form of conducting policy but, in certain cases, it is an effective formula. If it had been adopted against Hitler there might not have been a Second World War.

CSO: 3001/239

DAILY COMMENTS ON ITAMARATY RECEPTION OF ENDERS

PY260204 Rio de Janeiro O GLOBO in Portuguese 23 Aug 81 p 1

[Editorial: "Itamaraty's Blunder"]

[Text] The visit to Assistant Secretary of State for Inter-American Affairs Thomas Enders to Brazil, preceded by preparatory visits by various American officials, had everything corresponding to the objectives of the adjustment effort which is needed in the context of bilateral relations.

Thomas Enders carries with his current duties the reputation gained through an already extensive, diverse, and honorable diplomatic career. He has served as his country's ambassador to the EEC and Canada, as well as holding positions in the American embassies in Sweden, Yugoslavia, and Cambodia. He was one of the main advisers of Henry Kissinger in the State Department, playing the decisive role in the formulation of foreign policy concerning oil matters after the oil embargo of October 1973. Educated at Yale, he took doctoral courses at the University of Paris and at Harvard.

With such a background, with the important responsibilities he exercises today in the conduct of American foreign policy, and with the importance of the mission that brought him to Brazil it could only be expected that Brazilian treatment of Thomas Enders would have been expressed on the appropriate level and significance, preparing the field for the respective political consequences.

Unhappily the attitude of Itamaraty was nowhere near this. For obscure and strange reasons our diplomacy offered the U.S. envoy a welcome rife with furtive and suspicious gestures, making his access to authorities and government interlocutors difficult, resorting to formal chains of command and protocol in order to truncate the work of the man who could have been so able to help clear up and perfect relations between the two countries. Itamaraty also lost the chance to familiarize itself with more details not just about the United States, but also about the countries opposed to Western civilization.

It seems extremely difficult, if not impossible, to find a sole reason for the Brazilian diplomatic behavior. After all, we are not a regime which is belligerent towards the United States nor is there a climate of agitation in bilateral relations. Of course there are pending problems, we have some demands and complaints, but all of this is within the normal historical relationship.

At the same time we in Brazil are passing through a period of economic crisis and external dependencies that do not warrant in any way irritant diplomacy or the gratuitous exercise of hostility in the conduct of foreign policy. On the contrary, we need, as never before, to practice comprehension and confidence, so much more when we are dealing with friendly governments and countries.

For someone who has so profoundly shown a knowledge of Brazilian reality, as is the case with Thomas Enders, Itamaraty's gaffe must have been the only surprising factor that he discovered here. However, he must know well that the importance and destiny of Brazil soars far above these casual lapses in hospitality and responsibility.

CSO: 3001/238

PAPER ANNOYED AT ERRATIC FOREIGN POLICY

PY232138 Rio de Janeiro BRAZIL HERALD in English 22 Aug 81 p 2

[Summary of 19 August editorial in Sao Paulo O ESTADO DE SAO PAULO "Erratic Policy"]

[Text] Brazil's foreign policy currently is characterized by the absence of a firm and definite course. Changes are so frequent that the people are entitled to ask what after all is the official foreign policy--that of yesterday, today or tomorrow. These switches of policy, today attacking what was lauded yesterday, cannot strengthen the trust in the nation's diplomacy. The impression prevails that the discrete attitude which Brazil is forced to observe due to its dependence on oil imports, has affected the capacity of discernment.

Two very recent examples are the joint communique issued by the foreign ministers of Brazil and Saudi Arabia after the latter's visit here, and the Itamaraty statement on the presence of Cuban troops in Angola. Which expressed the real Brazilian position?

International law gives every state the right of calling foreign troops for its defense. The Itamaraty approves this in the case of Angola but rejects it in the case of Afghanistan occupied by Soviet troops. Brazil condemns what it approves, and vice versa, according to the circumstances.

Everyone should see, however, that the presence of Cuban troops in Angola belongs in the strategic plans of the Soviet Union.

At the time of President Geisel, Brazil at least recognized that the Cuban troops in Angola were a factor of disturbance which could be harmful to Brazilian interests in Africa. This warning given by Geisel in 1978 seems to have been all but forgotten now. Brazilian foreign policy now appears to be concerned only with telling the Americans that the sole responsibility of what occurs in Africa goes to the South African Union.

The gist of the problem is that Brazilian foreign policy now is entirely dominated by third world nations; Brazilian diplomacy wants to stress that Brazil has nothing to do with the East-West antagonism.

The Itamaraty must have abundant information on the crisis which shakes the current Atlantic Alliance, creating a difficult and dangerous situation in Europe. It is natural that Brazil tries to stay away from the conflict, calling itself a nonaligned nation. But if this is the idea Brazilian foreign policy should at least be coherent and not attack, as in the Saudi communique, the Soviet presence in Afghanistan.

CSO: 3020/144

FEDERAL POLICE CALLED IN TO RESTORE ORDER IN SALVADOR

Demonstrations Force Federal Intervention

PY222009 Buenos Aires TELAM in Spanish 1801 GMT 22 Aug 81

[Text] Brasilia, 22 Aug (TELAM)--The Brazilian Government today called in the federal police to restore order in Salvador, capital of Bahia State, which has been experiencing severe popular disturbances for the past 2 days as a result of bus fare increases.

Sources of the Justice Ministry today revealed that Justice Minister Ibrahim Abi-Ackel has ordered the director of the federal police, Col Moacir Coelho, to implement the measures necessary to restore tranquillity in that large city of the Brazilian northeast.

In Salvador, Governor Antonio Carlos Magalhaes, asked the people to not be afraid to leave their homes because "it is the duty of the legitimate authorities to guarantee the tranquillity of the people and normalcy will be restored regardless of cost."

Magalhaes also said that the disturbances have been caused by half a dozen communists and accused the members of the Brazilian Communist Party and of the MR-8 extremist movement [8 October revolutionary movement] of being professional agitators.

He also warned that those responsible will be severely punished by the government without mercy or hesitation.

Although Salvador's government officials stated that normalcy has been reinstated, new incidents took place lately in suburban areas of the city, where groups of persons wielding sticks and stones tried to attack supermarkets and stores.

Ival Figueiredo, chairman of the Association of Bahia Bus Owners, has stated that out of 1,400 buses which make up the Salvador public transport system, 394 have been partially destroyed and 20 set on fire.

Five military policemen and one student, who has been shot, have been hospitalized while 50 persons among whom is Communist leader Haroldo Lima have been arrested according to information released by news media.

The demonstrations staged throughout the city forced changes in the official agenda of White House envoy Thomas Enders who has been forced to cancel a visit to Bom Jua neighborhood for security reasons.

The U.S. envoy decided to return to Rio de Janeiro from where he will soon leave for his country after a 1-week visit to Brazil.

In Recife, the capital of Pernambuco State, Gen Florimar Campello, commander of the IV Corps, stated that the army is keeping a close watch on the developments in Salvador.

In a statement made in Recife, headquarters of his command, General Campello stated that behind the demonstrators are individuals interested in creating an atmosphere of unease and instability.

Justice Minister Ibrahim Abi-Ackel said that the rest of the country is not going to lose control and commonsense regardless of whether the economic crisis worsens or not.

After pointing out that President Joao Figueiredo is being kept permanently informed about the status quo in Salvador, Abi-Ackel said that the demonstrations are being led by persons with a subversive record.

Student Union Calls for Strike

PY270343 Buenos Aires TELAM in Spanish 2015 GMT 26 Aug 81

[Text] Salvador (Bahia, Brazil), 26 Aug (TELAM)--The student union of Salvador tonight said it was ready to begin a general strike of university activities until the union's president and more than 50 detainees, among them an Argentine, regain their freedom, Bahian student sources reported.

The Argentine student, Diego Gonzalez Vitta, and the head of the university grouping were detained today by the police. The detainees were accused of having played an active part in last week's street demonstrations when several hundred buses of the city's public transit system were destroyed.

CSO: 3010/1143

EDITORIAL NOTES NEED FOR ECONOMIC POLICY CHANGES

PY260351 Sao Paulo FOLHA DE SAO PAULO in Portuguese 25 Aug 81 p 2

[Editorial: "Loosen the Economy"]

[Summary] The last issue of CONJUNTURA ECONOMIC carries the most up-to-date economic information which has been compiled by the Getulio Vargas Foundation.

Of particular interest are the data related to the situation of industry, to problems of the external sector, and to currency and price evolution.

As for the situation of industry, according to a monthly survey by the IBGE [Brazilian Geography and Statistics Institute], industrial production has declined by 3.3 percent in the first half of this year compared with the same period last year--one of the largest on record. Although the decline is worse in some areas, it affects a large segment of the sector since only 12 of the 18 areas in which the industrial sector is divided have not been so affected.

A survey made by the Getulio Vargas Foundation among 2,719 enterprises shows the following: 1) average idle capacity has been on the rise since last April, reaching nearly 24 percent in July (the highest percentage since these surveys began in 1969); 2) employment is the worst in nearly 12 years of these surveys; 3) for the third consecutive quarter, businessmen have predicted across-the-board business contraction, the worst prediction in July of any year since 1968; and 4) expected investments should grow only by 58 percent in nominal values, that is to say, a reduction by 20 percent in real values over 1980.

As for the external sector, there is a clear trend toward more equilibrium of the trade balance, especially as a result of the stabilization of oil prices and the reduction of imports. The latter is due precisely to the strong retraction of the economy during this year's first half and it is the main factor in the improved performance of foreign trade accounts.

"However, due to the relatively moderate weight of the trade deficit in the overall foreign deficit and to the adverse evolution of other items in balance of payments, the country's level of foreign reserves has been sliding downwards through this year's first half, from $6.9 billion at the end of 1980 to $6.15 billion at the end of June, practically 12 percent. This is a critical problem since it narrows the room for maneuver in the economic policy over the short term. This problem is

compounded by the fact that domestic interest rates are today lower than the interest rates in cruzeiros for foreign loans."

The rate of exchange also poses difficulties. Because of the overvaluation of the dollar in the international monetary market, the cruzeiro--the devaluation of which takes the U.S. currency as the point of reference--has been experiencing an overvaluation against the currencies of Brazil's other trade partners. Thus, taking into consideration the currencies of all the countries with which Brazil trades, the cruzeiro has experienced an average devaluation of only 48.4 percent between July 1980 and July 1981, while inflation during the same period in Brazil has climbed 113 percent (wholesale prices).

Regarding means of payment, the policy of restraining its expansion has proved successful: only 55.6 percent between July 1980 and July 1981, that is, half the rate of inflation. Thereby, the inflationary process has been rolled back from 120 percent to 110 percent. Since the beginning of last year, the volume of money has increased quite a bit less than the price index, but even so it has had a moderate effect in rolling back inflation.

The situation depicted above gave rise to two positions which can be considered antagonistic. On one hand, the government position is to deny the seriousness of the economic situation and to maintain the tight monetary and fiscal policy, expecting an improvement of economic performance in the near future. On the other hand there is the position of businessmen and economists who advocate an immediate reactivation of the economy to head off the worsening of a situation which they consider to be serious already.

A realistic solution might be found at an intermediate point between those two positions. Since a 180-degree turn of the economic policy is politically unviable, as would be a restriction on the external sector, it might be possible at least to loosen the tight policies. This loosening will not necessarily compromise the fight against inflation, because the tight money policy has already caused considerable idle capacity in almost all areas. Neither will this loosening necessarily worsen the situation of the balance of payments provided sectors demanding less imported components are selectively reactivated.

CSO: 3001/238

MILITARY MAY HAVE MORE INFLUENCE WITHOUT GOLBERY

PY250256 Sao Paulo FOLHA DE SAO PAULO in Portuguese 23 Aug 81 p 5

[Article by Guilherme Costa Manso]

[Summary] The departure of Gen Golbery do Couto e Silva from Planalto Palace may allow the military to play the role they want in the process of political liberalization. Since they were hobbled by the political plans of the former minister-chief of the civilian cabinet, the military are now holding forth on their participation in the process so as not to lose control over the country and to keep leftist forces under control.

"To that end and with a reasonable measure of paternalism on the part of those who perform a historic mission, see far ahead and are not subject to politicians' demagogy, the military envision a greater direct responsibility in the affairs of the nation. Army Minister Gen Walter Pires has defined a broad participation by the armed forces, 'considering that national security involves actions, mainly preventive actions, in all areas of national power—political, economic, psychosocial and military areas which are interdependent and interactional.'

"In Minister Pires utterance, the key words are 'preventive actions.' And this is what is being done: Recent speeches by generals are 'warnings' or 'preventive actions' which could not be issued or taken clearly when Golbery was in the Planalto Palace because they would have collided with his political plans."

While Golbery's thinking was to elbow out the left through a political process, the military want to do the same by resorting to their own methods, namely, warnings first, force next.

The fall of Golbery made more room for the military hardliners who did not agree with the method employed by the former minister-chief of the civilian cabinet to keep their avowed enemies in line. Golbery's ouster was a blow, not to the political liberalization process but to the process a la Golbery. In fact he fell because he collided with the military components of the system.

According to analysts, Golbery thought that the military could be maintained at the edges of the system. The military, however, forced themselves to the center of decisionmaking, and obviously, Golbery lost out in a clash within the system. The military hardliners and the intelligence community won. Had Golbery remained,

they would have been shoved aside to play a secondary role: Backing the government withoug participating in the decisionmaking process.

The first strike against the former minister-chief of the civilian cabinet was delivered during the Riocentro affair. President Figueiredo was persuaded to allow the installation of a military-police inquest with the argument that the armed forces would be divided if the first army commander was dismissed from his post. It should be recalled that in 1976, President Ernesto Geisel had dismissed Second Army Commander Gen Ednardo d'Avila [over the death of journalist Vladimir Herzog while he was under arrest at the DOI-CODI headquarters in Sao Paulo]. At the time Golbery held the same post he had held with President Figueiredo, and he may have wanted the same resolution for the Riocentro affair. Golbery was committed to his own political plans and he considered that President Figueiredo had better stand up intransigently to the military.

Golbery lost the battle, and the skirmishes with Chief of the National Intelligence Service Gen Otavio Aguiar de Medeiros became known to the public. Collaborators of Golbery have told journalists: "You are giving too much newspaper space to military hardliners," or "General Medeiros, a hardliner, is appearing in the press with the smile of a moderate."

"Golbery may have decided to leave the ship when, in the latest military reassignment, Gen Jose Luis Coelho Neto was appointed chief of cabinet by Minister Walter Pires. This appointment had been a sign that the politically hard and intransigent military were regrouping, precisely those Golbery wanted to separate from the system. Some sources say that General Neto would replace Gen Milton Tavares in the fight against leftists. It is obvious that the SNI chief sees now the field ahead of him clear for consolidating his candidacy for the nation's presidency, at least in military circles where a group of officers is already working for his nomination."

CSO: 3001/238

BRIEFS

CONCLUSIONS OF WORKERS CONFERENCE--The first national conference of the working class [Conferencia Nacional das Classes Trabalhadoras--CONCLAT] held in Praia Grande was attended by 5,247 delegates representing 1,116 rural and urban union organizations. Unionism was the main issue discussed at the 3-day CONCLAT talks and a commission consisting of 48 delegates of the entire country was appointed to study the formation of a single federation of unions. The following are some of the conclusions of the first CONCLAT: A standardized minimum salary throughout the country, a major agrarian reform, job security, reduction of working hours without reduction of pay, public and private enterprises should contribute the equivalent to 2 percent of their overall sales volume to the unemployment insurance fund [words indistinct] of the social security package. The first CONCLAT also agreed to stage a national day of protest by the working class against unemployment, the national security law and job insecurity. It has also been decided that a commission will deliver to the federal government a document containing all of the demands agreed upon at the first CONCLAT. The government will have to meet the workers demands by 16 November. Then, if the government fails to meet the demands, representatives will again meet to mobilize the national working class for a general strike. [Excerpts] [PY242023 Sao Paulo Radio Bandeirantes Network in Portuguese 1000 GMT 24 Aug 81]

CSO: 3001/239

EXILED CHRISTIAN DEMOCRATIC LEADER INTERVIEWED

PY221747 Santiago Chile HOY in Spanish 29 Jul-4 Aug 81 pp 11-14

[Interview granted by Christian Democratic Party Leader Andres Zaldivar to Antonio Martinez in Madrid--date not given]

[Excerpts] [Question] Has your situation changed since you were forbidden to return to Chile?

[Answer] I don't believe it has. At least, I don't know any attitude which could demonstrate a change of mind. My case is at a standstill. On one hand, they say that I can return any time provided I sign a declaration; and on the other hand, I have never been told what kind of declaration, or what the content of the declaration is. As any person of good upbringing will understand, I could not promise to sign something that I haven't read.

[Question] Concretely, what could you ask the Chilean Government at this time?

[Answer]That conditions be created to break the standstill, because it isn't right for someone to be kept indefinitely in a dramatic situation such as exile is. It is the worst punishment which can be meted out to an individual. It is a punishment without end or deadline.

[Question] But the government complains that some exiles are participating in an organized campaign. Do you believe that such a machination exists? Have you noticed it?

[Answer] Of course there can be people who are interested in a campaign. But at this time Chile is no news anywhere in the world. Here in Spain, Chile is news because it has been classified for the world soccer championship. The only time I watched something about Chile on television was when a soccer game between Spain and Chile was carried, and I enjoyed it.

But I insist that Chile is no news. Therefore, it would be unjust to say that there is a campaign. The truth is that Chile gets on the news for things that happen internally and which provides elements to make truthful and negative analysis of what is happening in the country.

[Question] Do you think that the news about what happened in Calama falls in this category?

[Answer] International public opinion was brutally shaken by such events. It was a terrible and horrible crime, and it was worse because it involved personnel of the security organs who cannot be controlled by the government, and even less by the judiciary which cannot scrutinize what the security organs do. These events elicit repudiation of what happens inside Chile both in Europe and in the civilized world.

[Question] And the CRAV [Vina Del Mar Sugar Refining Company] case? Has it had repercussions abroad?

[Answer] It has. Nobody can understand how a company with $300 million can go bankrupt, and even less that private banks did not demand enough guarantees for such credits. Nobody can understand either that the person most responsible in the affair could be appointed president of another important company, although he turned down the appointment for unknown reasons.

[Question] Do you believe in the rule that political declarations should not be made abroad?

[Answer] I at least abide by that rule. Especially in the present circumstances, I believe that such declarations do not help in finding solutions for the problems. I believe that declarations should be made in Chile to raise a wholesome debate in search for solutions.

It isn't wrong to make declarations abroad, in any case. It is perfectly right to do so. There are people with other standards of conduct and I respect such standards.

[Question] Chile is going through serious and complicated circumstances. What solutions can be proposed? What solutions would you propose?

[Answer] The solution for Chile should be sought through peaceful means, because any solution one may try to impose by force or violence--whatever its political label, whether official or extremist--will have a price the country will have to pay for, because it will not provide a rational path to satisfy the large majority of Chileans.

[Question] And in the belief you hold, what would be the role of the peaceful opposition?

[Answer] A very difficult role, because the peaceful opposition is little understood. This kind of opposition is rejected by those in power, and is assailed by extremists who advocate violence as a solution. The pacifists are referred to as "down-the-river sellers," "way pavers," or "ambitious." But we have faith that the peaceful and humanist propositions will prevail. In this situation, the peaceful opposition must not renounce the fundamental principles in which they believe, the principles of human values. They should uphold the unrestricted respect for the fundamental rights of people both in national and universal terms, rights which cannot be trampled by governments of one kind or another.

[Question] The Soviet Union also calls itself a defender of human rights...

[Answer] We reject the posturing of countries which claim to be defenders of human rights, but do not respect them within their own borders. We have openly criticized the Soviet Union which has no moral authority to censure other countries.

[Question] Let's continue with Chile, what else should the peaceful opposition pursue?

[Answer] That a real democracy should be restored in the country. But I do not even like the word "real." Let me just say that a democracy, period, is restored. We don't want anything to do with label-attached democracies intended to hide the fact that they are not democracies. Democracy is just plain democracy and is fundamentally based on the principle of sovereignty of the people to choose government authorities and to grant mandates for implementing rules to govern their coexistence. Thus such authorities are subject to and restricted by the principle of respect for the fundamental rights of individuals and of respect of individuals among themselves. These are the only limitations.

[Question] Could it be said that democracies are subject to deadlines?

[Answer] No. Deadlines apply to the authorities, because if the latter do not have deadlines then there is no democracy. Excessively long tenures are a risk for democracy itself. We have the case of de Gaulle. He fashioned a constitution to suit himself. This is wrong because a constitution should be made to suit the nation. We can see now de Gaulle's failure over the long run, if one considers the socialist process as a risk.

[Question] If Allende had had a constitution as the one now in force, do you believe that Chile would have followed an irreversible course?

[Answer] I ask that question to myself. Had Allende had at his disposal a constitution as the one now in force, could we have averted the danger of sliding into a dictatorship of the proletariat? I ask myself and I can sincerely wonder what would have happened if Allende could wield the temporary provision 24? Could we have been able to launch the democratic struggle, the one launched by important sectors of the population which truly believed in democracy?

[Question] What would then be the ideal constitution?

[Answer] I think that it would be one which is neutral, without ideological commitments one way or the other, except with values which are fundamental.

[Question] There are many Chileans exiled in Spain. Do you have contact with them?

[Answer] I believe that, in general, exile causes one to lose the real perspective of things in the home country. I try to avoid this effect because it could lead one to outright pessimism or to wishful thinking which nourishes excessive optimism. And thus the frustrations and problems arise. One must stick to a permanent position: be realistic without renouncing the struggle for returning. This is a difficult thing to do.

CSO: 3010/1742

COLUMNIST COMMENTS ON U.S. SUPPORT FOR REGIME

PY221914 Santiago Chile HOY in Spanish 12-18 Aug 81 p 5

[Article by Emilio Filippi]

[Text] President Reagan's special envoy Jeanne Kirkpatrick has spent several days in our country. Her visit justifiably commanded the headlines and preferential reports in local newsmedia, particularly because for officialdom the presence of such an envoy represented open support for the political, economic and social management of the regime.

Although Mrs Kirkpatrick is a political scientist, and as such, she should have contacted representatives of all tendencies to get well acquainted with Chilean reality, the lady preferred to maintain direct contacts only with the government, thus avoiding the bother to compare figures, facts and opinions.

Obviously then, more than as a political scientist, the illustrious envoy acted as an exclusive representative of the U.S. "new policy" and, in that capacity, she came to see and approve what she already knew and approved of beforehand.

For the Pinochet regime, this is an extraordinary compliment.

It is well known that the Washington attitude toward the Chilean Government deteriorated, particularly during the Carter government due to its human rights crusade advocating denuncations of and sanctions for violations of such rights.

Reagan's triumph brought changes in the White House not only regarding domestic economic matters but also regarding treatment of international questions. By stressing his conviction that the Soviet Union represents a serious danger for the Western world's security, Reagan has divided mankind into two camps: fighters of Soviet communism on one side, nonfighters on the other side. From such a perspective, the Republican government's human rights policy is intended to be broad and nondiscriminatory. However, within the limits of that premise, that policy wants to adopt a vigorous and strident standard against violations committed by inimical countries (those which go along with the Soviet Union and its allies) while adopting "quiet diplomacy" for making known Washington's concern over violations committed by friendly countries (those waving the banner of anticommunism), although they may not have the kind of democracy Americans want for themselves.

The central idea is that communism cannot be rolled back while rightist authoritarian dictatorships can evolve to democratic schemes.

Technically, that central idea probably is not subject to objections in a large measure. But doubtlessly such pragmatism is not bound to nurture confidence in the sincerity with which the United States serves its democratic principles. There is here some sort of political cynicism which corresponds to that of the opposite bloc which, likewise, finds excuses whenever its partisans commit violations condemned in adversaries.

This question is serious inasmuch as it shows that, although the United States will only accept a system of freedom for its people, it generously accepts other countries' discarding such a system privided they align themselves with U.S. international interest.

The polite and sometimes enthusiastic declarations by the Reagan government's frequent visitors reveal something more than mere diplomatic courtesy. They reveal a frank support for regimes that have been leniently labelled as authoritarian but which, nevertheless, repress public liberties and stymie a country's democratic development.

It is all for the good that the world learn the truth in this matter.

CSO: 3010/1742

NLUCO PRESIDENT TALKS ABOUT HIS ORGANIZATION

PY222121 Santiago Chile QUE PASA in Spanish 16-22 Jul 81 pp 7, 8

[Excerpts] "The National Labor Unions Coordinating Organization [NLUCO] is having black days," NLUCO President Manuel Bustos had told QUE PASA hours before he was arrested.

The charges are: Assuming representation of workers' sectors without having legal status to do so, and advocating totalitarian doctrines of a Marxist nature.

The problem began with a petition, the so-called national labor petition--which NLUCO and other 400 labor groups submitted to the interior minister. In that petition NLUCO made economic, social and labor demands for the modification of legislation now in force. "We did not demand that the laws be revoked, but some articles which we consider to be negative for the workers' interests be modified," Bustos explained during an interview held shortly before he reported to the Court of Appeal for questioning.

Bustos said that he is opposed to the labor plan implemented by the government because it is "quite regressive" since it does not guarantee rights previously acquired by the workers "during years of struggle." Each negotiation, he said, starts at the bottom without taking into consideration gains and redresses which have already been granted before. Other modifications asked for in the petition refer to strikes' duration, workers' contracts, minimum salary of 9,860 pesos, and a 31 percent salary readjustment for workers, including for those under minimum employment now earning 1,300 pesos.

Before all the commotion created by the petition, Bustos had met with CNI [National Intelligence Center] Director Gen Humberto Gordon. Bustos said: "It was a nice conversation. More than once the general told me that President Pinochet was interested in the proposals of the national labor petition. And so we submitted it to the interior minister. I cannot then understand the president's reaction and the suit filed by Interior Minister Sergio Fernandez."

NLUCO came into being on 1 May 1975 "to fill a vacuum, a need for addressing problems common to all workers." With Manuel Bustos, who has a long career as labor leader, as president, the reorganization began "by regrouping workers who were dispersed and disorganized after 11 September 1973," according to its founders.

The NLUCO president explained: "We all were labor leaders legally instituted under Decree 198. In October 1978 new labor elections were called for 48 hours in advance. The leaders holding positions could not be candidates for reelection. There things became difficult, because the NLUCO leaders were left out of the unions.

"At about that time the Textile Federation was dissolved and I, who was its vice president, lost legal representation for Textil Sumar where I work. Decree 2347 forbids union representation without legal recognition, and neither NLUCO nor some of its leaders have legal recognition. But we acted on a mandate given by the workers."

Some people think that NLUCO more than a labor organization is an organization where political ideology prevails, and that it is a replica of the defunct CUT [United Labor Central] with a different name. "That is not true," Bustos said. He then added: "NLUCO is a pluralist organization which struggles for the recovery of strength by the labor movement. Its proportions are of a labor nature, although we are not amorphous either in our thinking or as part of the society in which we would like to live. No single sector has a monopoly over political contingencies. We are not a country of fools and we do not like dictatorships."

Reminded by QUE PASA that the communists are advocates of some form of dictatorship, Bustos replied: "It is not up to me to question communists or others who think differently. My responsibility is to fight for the workers' rights, no matter what their ideology, as well as for a democratic, just and humanist society."

CSO: 3010/1742

VICE FOREIGN MINISTER ON DOMESTIC POLITICS

PY271605 Paris AFP in Spanish 0321 GMT 26 Aug 81

[Text] Panama, 25 Aug (AFP)--The vice foreign minister of Chile, Fernando Arancibia Reyes, stated here today that the conditions do not exist in his country for political parties to participate in the transition to democracy.

We can consider this process to be in the stage of political recess, Arancibia told journalists at the end of a 3-day meeting in this capital with the Chilean ambassador in Central America and the Caribbean.

The Chilean vice foreign minister, who is on a 3-week tour of Central America, said that his compatriots are aware that the political parties' participation would increase the difficulty of reaching the goals that have been set for the democratization of the country.

Arancibia, who is on an 8-day work stop in Panama City, had talks with the president of Panama, Aristides Royo, and with the Chilean ambassadors in the region, and he indicated that it was hoped that in this way Chile, through the plebiscite which approved the new constitution and which provides for an 8-year transition period, will be later able to call for elections or name a new president.

Concerning the meeting with the Chilean Government representatives in this area, Arancibia indicated that our diplomats were directed toward continuing bilateral relations with the region's countries, and toward finding points in common which permit a united front with the fraternal nations.

Arancibia asserted that Soviet imperialism will never forgive the Chilean Government because it was thrown out of absolute power in Chile.

The Chilean diplomat termed the Chilean economic recovery as positive, as a result of which Chile is not indebted to anyone and it has awakened interest from which foreign investment might come, due to the tranquillity and stability in Chile.

The Chilean Government is advancing within the established rules toward a period of absolute institutionalization, he added.

Arancibia also urged a prompt solution to the Central American economic problems.

CSO: 3010/1742

COPPER WORKERS SCORE GOVERNMENT ECONOMIC POLICY

PY242031 Buenos Aires LATIN in Spanish 1551 GMT 17 Aug 81

[Text] Santiago, Chile, 17 Aug (LATIN-REUTER)--The Copper Workers Confederation (CTC) has rejected alleged attempts to turn this vital mining sector into private hands and harshly criticized the government economic policy.

A communique issued at the end of a meeting of CTC leaders with those of the main copper mines in the country, rejected the reshuffling of operations announced by the National Copper Corporation (CODELCO), an autonomous state company.

The communique states: "We report that the transfer to private businessmen of tasks normally carried out by CODELCO divisions and the tasks which CODELCO must carry out for the welfare of its workers, is in fact a concealed attack on the state ownership of large copper mines."

Copper stands for approximately 50 percent of Chile's mining exports and the country's large mines were nationalized in 1971 pursuant to unanimous decision of the congress.

President Augusto Pinochet's government has repeatedly voiced its intentions of keeping large copper mines under state control and has undertaken to pay to the U.S. companies the debts resulting from the nationalization of these mines.

The communique of the copper workers indicated: "The policy of the government economic team has had and will have severe consequences for CODELCO...and it is possible that these consequences will be pointed out as another example of the ineffectiveness of state-owned enterprises which will make it necessary and indispensible to place them in the hands of private businessmen."

Mineworkers leaders reported to this news agency that the management of CODELCO has told the workers that certain lateral support tasks will be entrusted to private contractors.

The workers were especially concerned about the implementation of this policy in El Teniente Pine, located 150 km south of Santiago de Chile, the world's largest underground mine.

Approximately 12,800 workers are now employed at El Teniente but the leaders reported that private contractors have already taken over reserve development tasks (development of new deposits) which before were carried out by CODELCO workers.

The CTC stated that the government's economic team has set the price of a pound of copper at $0.90 for national budgeting purposes, but this has forced CODELCO to run up a debt in order to fulfill its commitments because the average price of copper for this year has been $0.81.

The CTC added that should the average price of copper remain at $0.81, CODELCO Chile will have a debt of $400 million by 31 December 1981.

The communique further stated that should the price of copper increase above $0.90 per pound established for budgeting purposes, the surplus will be used to pay the state's foreign debt without benefiting CODELCO at all.

According to the miners, the funds allocated to CODELCO barely suffice to keep its present production level and are not enough to increase output should international prices improve.

They explained that the situation is being further worsened by the decision of the government economic team to keep the rate of exchange set at 39 pesos per dollar, because this increases CODELCO's production costs.

The set rate of exchange established in 1979 is part of the policy of economic opening launched by the government.

The copper union leaders rejected the announced reshuffling of operations of El Teniente mines and said that national sovereignty cannot be trod upon by delivering into the hands of private businessmen assets which belong to all Chileans.

The participation of private contractors would reportedly encompass health coverage, freight services by small trucks, hygiene-related tasks, maintenance workshops and other support tasks.

CSO: 3010/1742

BRIEFS

LAW EXPANDS BANK SERVICES--The new banking law would be well received by the commercial banks. Mortgage and development bank official (Ignacio Coutino) has said that the new law replaces specialized banks by multiservice banks, that is, any bank may transact various rather than single types of services. Thus all banks will be able to participate in financial and development activities, but they will not be under any obligation to do so. They will thus be able to operate in the form which is most convenient to them. (Coutino) said that his bank has already studied the possibility of handling current accounts, and that now the board of directors of the bank is reviewing the matter. He continues to say that, in general, the new law is positive, although it may pose some problems for commercial banks because they will not be able to accept stock shares or foreign drafts [letras de cambio] as guarantees. Milton Radice, president of the Entrepreneurial Development Bank, said that these new provisions are very positive. There is no doubt that the development banks will open current accounts to serve their customers. He added that the new law will allow more flexibility of operations in the market. [Text] [PY211218 Santiago Chile Domestic Service in Spanish 1730 GMT 20 Aug 81]

CSO: 3010/1742

ALPIZAR VARGAS DISCUSSES PRESENT POLITICAL SITUATION

San Jose LA REPUBLICA in Spanish 12 Aug 81 p 12

[Interview with former finance minister, National Movement leader Claudio Alpizar Vargas, by Wilmer Murillo; date and place not given]

[Text] The former minister of finance, Claudio Alpizar Vargas, one of the leading personages in the National Movement [MN], who is backing the presidential candidacy of former President Mario Echandi Jimenez, precluded the possibility of an understanding among the anti-liberationist political groups.

The formula has been promoted by the so-called dissident group in the Unity coalition to prevent a striking defeat of the antiliberationist movement in the 1982 elections. Those groups propose an agreement among the present candidates from related groups to insure a possible victory. However, Claudio Alpizar, who was interviewed this week by "Miercoles Politicos" [Political Wednesdays], is of the opinion that the national political chessboard is completely set up at this point; and he maintains that pacts of that type are not fitting.

Alpizar who, at one time, held the position of finance minister in a PLN [National Liberation Party] government, claims that Mario Echandi is the only candidate who can form an efficient, capable, government team free from the bonds which, in his view, have been dominating and damaging the country for many years.

Mario, he asserts, will be a ruler with his feet on the ground, who will not deceive the people with the guise of a false "social progress."

He said that the National Movement is a growing tide that will reach the high water mark in February.

Following are his opinions:

[Question] A pact has been proposed among related groups with an antiliberationist stance. What chances of success do you observe in that proposal which has already been made to the country?

[Answer] The political chessboard is completely set up at this point. Pacts of that type are not fitting. I think that Mario Echandi is the only candidate who can form an efficient, capable government team free from the bonds which have been dominating and damaging the country for many years with their demagoguery. Mario will be a ruler with his feet on the ground, who will act in the realm of realities, and will

not deceive the people with the guise of a false "social progress." The National Movement is receiving constantly increasing acceptance. It is a growing tide that will reach the high water mark next February.

[Question] Do you think that Echandi alone, without the Calderonist movement, has any chance of winning the elections? Why?

[Answer] I am convinced that the National Movement which is backing Mario Echandi's candidacy will win victory without having to resort to deals of any kind. There is an objection to Mario, who is now 65 years old. In my view, therein lies the advantage: the more years one has lived, the more experience e has.

[Question] On what date will the National Movement select its candidates for deputy?

[Answer] As late as possible. What we intend is to offer the country the best option. There must be tickets with candidates who will address the serious problems facing the country in their entirety.

[Question] What is your opinion of the candidates for deputy selected by Unity and PLN?

[Answer] I am not familiar with all of them. It seems to me that there are some worthy candidates, and among the most worthy will be the best one for the people.

[Question] Will you be one of the National Movement's candidates for deputy?

[Answer] I am not a candidate for anything in the National Movement. I am only expending my selfless effort to try to offer the country a movement, a candidate who is fit to provide solutions for the two serious crises besetting the republic; namely, the economic crisis and the moral crisis.

[Question] You and other personages such as Gonzalo Facio held prominent positions in PLN in the past. In your case, what what the reason that prompted you to leave PLN?

[Answer] I withdrew from National Liberation completely 8 years ago. I have not been a traditional politician. I have had to work over 60 years, and during that period I have held important government posts for only 4 years, during the administration of Jose Figueres, for whom I have great esteem and who honored me with the finance portfolio. However, I have always been attentive to the fate of the country insofar as I have been able, and I hope to continue so doing until the end of my days.

[Question] You were finance minister in the Figueres administration. What would you propose now to solve the monetary and fiscal crisis if you were in that position?

[Answer] Primarily, combating inflation, which is leading our people into a state of hunger and despair. Public spending out of all proportion and an irresponsible debt are the fundamental causes for the disastrous state of affairs. When Dr Oliveira Salazar assumed power in Portugal, which was suffering a dreadful economic crisis, he said: "I shall pursue the policy that my mother pursued in my home: if we had a dollar, we lived on a dollar." We shall have to do something very similar to save

the country. Of course, in any austerity plan on all levels, if the government is not a leader nothing can be achieved. We must learn to live with inflation, which is a state of emergency. We shall have to keep constant control over exchange. A country wherein three quarters of the exportable primary production is subject to the fluctuations of international prices cannot afford to seek free convertibility. We must strive for the most advisable and judicious means of curbing the price and wage spiral. We must attract beneficial foreign investment so as to help increase production. We must check the tendency toward state ownership which has brought us so much damage (CODESA [Development Corporation, Inc], RECOPE [Costa Rican Oil Refinery] and others). We must dispel the myth that the state cannot go bankrupt. The people must realize that if the state does not go bankrupt it is because it is those very people who are paying the consequences through higher taxes and increases in the cost of living; that nothing is made from nothing; that when it is attempted to make chocolate without cacao, in the long run the cacao is supplied by those who who have the least. In order to be able to carry all this to a fortunate conclusion, the first thing is to restore the atmosphere of confidence and assurance that the country has lost. In an atmosphere of security, the productive forces multiply by themselves.

[Question] What are you doing at present?

[Answer] I live on a small pension that I am receiving as a result of 39 years' service with the National Power and Light Company. It does not amount to more than 6,000 colones, of which sum the company pays me half, and CCSS [Costa Rican Social Security Institute] the other half. To assist me I have in association with my son a lumber business in San Vicente de Moravia, which helps us to meet our needs. Of course, since I do not devote all my time to the sawmill alone, but also concern myself with the nation's problems, I spend my evenings and nights very enthusiastically cooperating with the National Movement which is backing Echandi. It is an extremely simple and unassuming existence.

[Question] Is is usually claimed that MN consists of "old" members lacking in the ability to provide solutions for the new and different problems. Do you think that is true?

[Answer] There is no doubt that the body is aging, but not the brain. I think that instead of receding, the brain is becoming rejuvenated increasingly, and producing better and loftier ideals every day.

[Question] To what do you attribute the decision to expel the mission from the International Monetary Fund from the country, even despite the recent accord with that agency?

[Answer] I do not know for certain whether they expelled it or whether the mission left. Nevertheless, this is an extremely touchy situation, not because we might lose the economic aid that the IMF could give us, amounting to $100 million per year for 3 years. Costa Rica's problem is so serious that $100 million at the present time is a drop in the bucket. The serious aspect is that a dissociation from the IMF has repercussions on the country's international credit, both for the government and for private industry, which is the force in which we must place our hopes.

[Question] Are you in favor of dismissing the present board of directors of the Central Bank?

[Answer] I favor it asbolutely and completely. The function of the Central Brank stipulated by the law as a guide is to seek the general welfare. With the government's mass-scale intervention in the bank's decisions, the result has been that this institution, which had never resorted to the expedient of organic issue, has had to do so; and, at the present time, according to the bank's balance as of 30 April, the state has been given over 11 billion in credit, and has foreign debts amounting to more than 12 billion colones. This is what has all of us Costa Ricans up to our necks in water, and desperate. Not only is the government responsible for this serious situation, but the opposition as well, which has not managed to fight to prevent so many excesses from happening. The opposition has an obligation to defend the mandate of the voters, which is to prevent the government from lack of restraint. These are the balancing forces that a democracy requires in order to survive and uphold the liberties.

[Question] One final question: Mario Echandi has mentioned governing the country with the best individuals. Who are the best individuals?

[Answer] This seems the most sensible to me. We need the cooperation of the most valuable elements that the nation possesses. A genuine, sincere, friendship must be created. We must learn to live with frugality, seriousness and sobriety. Only if we have a national consensus can we save the nation, which cannot perish for any reason. The population of Costa Rica was 120,000 inhabitants 120 years ago; it lived under the most modest conditions. The country lacked professional people, and 90 percent of the inhabitants were illiterate. It would be inconceivable for us today, with the degree of development that we have attained and the vast number of distinguished professionals, workers and highly esteemed businessmen, not to see a ray of hope and security, for putting an end to the ills that beset us, prominent among which is corruption.

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CSO: 3010/1717

BRIEFS

IMPORTANCE OF CONSTITUENT ASSEMBLY--Important political decisions have been announced by Dr Mario Antonio Solano Ramirez, the minister of justice, when he reported on the future election of the National Constituent Assembly. The assembly, he said, will be in charge of creating a completely legitimate political order with the basic objective of promulgating the republic's new constitution. In this regard, he pointed out that, among other objectives the decision must be made to change the economic model capable of modifying the economic structures which generate oppression. He added that another decision will be made to implement the change from a polarized society to an equalitarian society and from an exploitative society to a society of reciprocal cooperation and relations. He also maintained that the assembly will proceed to support the change to a society in which justice is an evident reality, without hegemonic fractions, which cause oppression either by force or by supposedly cultural means. In addition, he stated that it is necessary that at this point in the life of our country, the people's constituent power be manifested because they are the ones who make the great political decisions. [Excerpt] [PA 260308 San Salvador LA PRENSA GRAFICA in Spanish 25 Aug 81 pp 3, 13]

IMPORT PROHIBITION EXTENDED--According to a report issued yesterday afternoon by the Secretariat of Information of the Presidency of the Republic, the government has decided to extend for an additional 2 months the resolution banning imports of nonessential goods coming from foreign countries. [Excerpt] [San Salvador EL MUNDO in Spanish 1 Aug 81 p 3] 2909

CSO: 3010/1717

DEFENSE MINISTER FEARS COMMUNISM IN BELIZE

PA202204 Panama City ACAN in Spanish 1644 GMT 20 Aug 81

[Text] Guatemala City, 20 Aug (ACAN-EFE)--Guatemala's new defense minister, Gen Rene Mendoza Palomo, said today, Wednesday, that he is concerned with the possibility that Belize "could fall into the claws of communism and become a Marxist launching platform."

Mendoza said that "it would be said if Belize were to fall into the claws of international communism. This is a source of concern for all countries of the isthmus, because that territory could become a beachhead for expansion of Marxist-Leninist doctrines."

General Mendoza last week replaced Gen Anibal Guevara, who resigned to participate as a presidential candidate in the elections to be held in March 1982.

Regarding the invitation that George Price, the premier of Belize, made to Cuban leader Fidel Castro to attend the festivities to be celebrated on 21 September on Belize's independence, General Mendoza said: "I think that the premier of Belize should carefully plan his actions so that later he has no regrets. One should not play with the communists. Let's hope that the authorities of Belize realize that the situation in many countries is the direct result of the terrorism promoted by Russian imperialism through Cuba."

The Guatemalan minister said that "the army is obedient and not warlike and we have to support whatever policy the president adopts regarding Belize." Mario Sandoval Alarcon, the anticommunist leader of the National Liberation Movement, is one of the most vociferous critics of the decision of President Romeo Lucas Garcia to make the territory of Belize independent from Guatemala.

Sandoval, who is a presidential candidate, said that it is unconstitutional to give Belize its independence. Sandoval has called for demonstrations to protest the government's decision, for breaking commercial relations with the United Kingdom, and for seizing all British properties in Guatemala.

Sandoval thinks that the seizure of all the British properties "would serve as a compensation for the stealing of a territory that represents one-fifth of the total territory of Guatemala."

CSO: 3010/1745

BRIEFS

UPCOMING ELECTIONS CALLED 'FARCE'--Guatemala's Democratic Front Against Repression has described the general elections that the regime is planning for March as a farce. This organization notes that the elections cannot be democratic as long as the persecutions, tortures and assassinations of political opponents continue. In the past 3 years alone, it stresses, more than 5,000 people have been murdered. In conclusion, the front emphasizes that the Guatemalan opposition leaders have gone underground or are abroad. Therefore, the only candidate for the 1982 general elections will be proposed by the genocidal dictatorship of Gen Romero Lucas Garcia. Meanwhile, Mario Menendez, director of the Mexican weekly POR ESTO, refuted recent statements by the Guatemalan authorities that there are no guerrilla camps in Guatemala, as POR ESTO recently reported. In an editorial entitled: "Generals and Colonels of Guatemala, Assorted Swine, Listen" Menendez said that in his tour of the Guatemalan jungles and mountains he took more than 1,500 pictures, which he still has, of the guerrilla struggle in that country. The statements of the Guatemalan officers, he stressed, are attempts to hide the truth about the heroic popular revolutionary war that the people of Guatemala are carrying out. [Text] [PA230301 Havana International Service in Spanish 1800 GMT 22 Aug 81]

REFUGEES RETURNING TO GUATEMALA--According to Oscar Mejia Arellano, president of the Honduran Commission on Refugees in Tegucigalpa, the Guatemala peasants who had migrated to Honduras are returning to Guatemala without any problems. The official told the Honduran press that the toal of Guatemalan refugees amounted to 1,800 but that almost all had returned to their communities located in Esquipulas, Chiquimula Department. He noted that there were only 126 persons left by Tuesday who had been placed in an area close to the Copan Maya ruins. He reported that Carlos Bazoche, a UN special envoy, toured the border area with Guatemala to learn about the situation of the Guatemalan peasants. He added that most of the Guatemalan peasants said that they had been threatened by groups of unidentified men who wear olive drab and carry submachinesguns. [Text] [PA2715151 Guatemala City PRENSA LIBRE in Spanish 13 Aug 81 p 6]

CSO: 3010/1745

PRESIDENT'S PROMISE OF FREE ELECTIONS PRAISED

PA261359 Tegucigalpa Radio America in Spanish 1145 GMT 25 Aug 81

[Station commentary; distributed by Inter-Central America Radio Organization]

[Text] President Brig Gen Policarpo Paz Garcia gave a meaningful speech yesterday in Caracas. Speaking at a protocol ceremony broadcast internationally, General Paz Garcia reasserted the armed forces' decision to guarantee an honest election. The president not only internationally confirmed that the democratization process would continue, but also guaranteed that the armed forces understood the need to insure political freedom in Honduras.

His meaningful words are of capital importance to the country's political situation.

President Paz Garcia's speech last night in Caracas is of special importance because he reasserted in an international broadcast during a protocol ceremony that in November the armed forces will guarantee free and honest elections.

During his speech Paz Gascia said that the 29 November elections are a guarantee that all political sectors in the country can participate, including the minority groups who have seen in this process an honest way to participate in the nation's activities.

The president said that the military will not interfere in the process and will guarantee its stability to the end. This is the first time General Paz Garcia has had the opportunity to reassert the armed forces' promise in a protocol ceremony of international importance. His message was broadcast from Caracas to the whole world, and the ceremony was attended by diplomatic representatives of all countries.

The occasion was suitable to confirm the stability of the Honduran political situation, which in recent days has been affected by rumors spread from abroad and at home, that certain sectors of the armed forces favor a military coup.

Two foreign correspondents were alerted last week when their headquarters in Panama and Mexico learned that a coup was being hatched in Honduras. Rumors of this sort are common in Honduras and they do not create a stir in the coffee shops, where the world is turned upside down. However, when international organizations learn of these rumors, it means that negative sectors are pushing for something that may bring tragedy to this country.

Fortunately, President Paz Garcia has countered with the same force all these rumors which a week ago wakened the interest of the foreign news agencies constantly asking what is happening in Honduras. Since these situations are learned of first abroad through certain diplomatic sources, some information media with good connections obtain scoops about what could occur in a country, while here, in the country itself, we remain unaware of what somber minds are plotting to seize power.

We think President Paz Garcia's statement has a (?broad) dimension that will affect the coming election, which became extremely stormy when the finance minister, following who knows what instructions, refused to pay the salaries required by this organization [the Electoral Board] to operate smoothly during the electoral process.

The statement made last night by President Paz Garcia still echoes in a nation with a pure democracy like Venezuela and his promises, made in a very well-considered speech, still remain in the atmosphere.

The army will guarantee pure elections, President Paz Garcia said. This is what the Honduran people expect.

CSO: 3010/1745

BRIEFS

PRESIDENT REINSTATES WORKERS--Tegucigalpa, 19 Aug (ACAN-EFE)--Honduran President Brig Gen Policarpo Paz Garcia has ordered the reinstatement of union members dismissed from an agricultural and cattle organization, thus ending a difficult situation throughout the country which threatened to become worse today, Wednesday. The authorities of the National Agrarian Institute, INA, the organization which governs the Honduran agrarian reform, the Labor Ministry and several union organizations, reached an agreement early this morning. The agreement includes reinstatement of the main union directors and all regional secretaries general who had been dismissed, a situation which had created a conflict that had paralyzed 32 organizations supporting the workers union of the National Agrarian Institute, Sitraina. The directors of INA agreed to respect the labor laws of the country, to allow the establishment of the union, to recognize its legal status, to allow the free unionization of its workers and not to take reprisals against those who had joined the strike. [Text] [PA210147 Panama City ACAN in Spanish 1447 GMT 19 Aug 81]

TROOPS IN EL SALVADOR DENIED--Tegucigalpa, 20 Aug (ACAN-EFE)--The public relations office of the Honduran Armed Forces today denied that any Honduran ground forces have entered Salvadoran territory. The Salvadoran Farabundo Marti National Liberation Front (FMLN) has said that troops from the Honduran Army's mountain warfare school in Marcala in the Department of La Paz entered Salvadoran territory through the town of San Fernando, in the Department of Morazan, where they were stationed. Capt Carlos Roberto Acosta, deputy chief of the Honduran Army's public relations office, told ACAN-EFE, "That is not possible, because the Salvadoran town of San Fernando is located between the Honduras towns of La Virtud and Nueva Ocotepeque, in the Honduran departments of Ocotepeque and Lempira, which fall under another combat zone." He said that Honduras maintains a neutral stand regarding domestic affairs of Guatemala, El Salvador, and Nicaragua, with which it has common borders. Acosta said, "Gen Policarpo Paz Garcia, president of Honduras and commander of the armed forces, has repeatedly said that our territory will not be used to attack neighboring countries." He also said that "leftist forces in Central American are engaged in an intensive international campaign seeking to discredit the Honduran Armed Forces and Government by trying to involve us in acts of aggression against neighboring countries or supporting governments involved in conflicts. [Text] [PA210024 Panama City ACAN in Spanish 1628 GMT 20 Aug 81]

CSO: 3010/1745

SOCIALISTS CRITICIZE DISSIDENTS FOR DUPLICITY

PA202036 Managua Radio Sandino in Spanish 1325 GMT 20 Aug 81

[Text] The Nicaraguan Socialist Party [PSN] has sent us a statement saying that the socialists had hoped to find minimal points of concurrence with the dissent parties that would serve to restructure or establish specific political agreements by which to consolidate and deepen the revolution.

However, in spite of the existence of regulations and signed points of concurrence covering public and private activities, the dissidents have taken it upon themselves to discredit the discussion in forum.

The PSN not only accuses the dissidents of disregarding the forum, but of trying to [words indistinct] the revolutionary power, the Council of State, the Supreme Court of Justice and the government junta itself.

At a meeting on Thursday, 13 August, the members of the dissident groups completely minimized the importance of the forum, while in the news media they demagogically claim to defend it.

They have used the forum as a cover by which to attack the revolutionary process. They have expressed their anticommunist aberrations, which they paraded during the dictatorship and the Somoza genocide. All of these attitudes, the socialist party said, have resulted in an undermining of the forum, the deterioration of its image in the eyes of our people and, in the final analysis, the diminution of its objectives.

The PSN invites the dissidents to review their attitudes and to make every effort to work for the interests of the revolution and for the welfare and happiness of the Nicaraguan people.

[Singed] National Executive Secretariat of the Nicaraguan Socialist Party

CSO: 3010/1744

JOSE DAVILA COMMENTS ON ARMS RACE, NONALIGNMENT

PA201550 Managua Radio Corporacion in Spanish 1200 GMT 18 Aug 81

[Interview with Jose Davila, international commentator and international relations secretary of the Social Christian Party, by unidentified questioner; date and place not given--recorded]

[Excerpts] [Davila] I would like to say first that the international arms race is an accelerated attempt by the two superpowers, which we could say represent two imperialistic systems, Russia on one side and the United States on the other [does not finish sentence].

Definitely both superpowers are every day increasing their military power with their (?increasing) economic power, which fulfills their expansionist aspirations, especially that of the Soviets in recent times.

This has serious consequences for our countries because the money which these powers could well use to help our poor countries develop, is being spent to use some poor countries as pawns in this expansionist advance. The Soviets as well as the United States seek allies among these poor countries which in turn become part of the arms race and develop their expansionist power which in the final analysis favors one or the other of powers, the Soviet Union or the United States.

[Question] The subject of expansionism is now in vogue. We also have another international subject which has some relation with your remarks. It is the subject of the nonaligned movement and the nonalignment of the countries. Egyptian President Anwar al-Sadat has accused Cuba of being an aligned country because it is the Soviet spokesman in Latin America. We would like to hear your opinion on this subject and its connection with the arms race.

[Answer] I would like to point out that the nonaligned movement founded by the late Yugoslav President Tito served in the decade of the forties as an attempt to organize into a movement the countries that were different from the existing powers, different in the sense that they should not be subjected to the powers but under autonomous development paths which permit them to improve the welfare of their inhabitants.

As time went by both powers, especially the Soviet Union which is interested in its ideological expansion, has been penetrating the movement and presented itself to

movement as its protector. Its efforts have taken Fidel Castro to the presidency of the movement. Fidel Castro is Cuba's dictator and Cuba, as we all know, is a faithful servant and militarily, politically and ideologically highly dependent on the Soviet Union.

Therefore, having in the presidency a country which is subjected and practically a Soviet colony does somewhat distort reality within the Third World, especially since Cuba is basic to the Soviet expansionism in Latin America.

We believe that the nonaligned movement has very worthy and noble objectives which still exist in many countries of the nonaligned movement because they truly want nonalignment; that is, not to be subjected to either of the powers. Nevertheless, at this time, Fidel Castro is the president.

CSO: 3010/1744

RENE NUNEZ SPEAKS AT EVANGELICAL ASSEMBLY

PA262338 Managua Radio Sandino in Spanish 1200 GMT 25 Aug 81

[Text] The third assembly of Interdenominational Representatives of Evangelical Pastors of Nicaragua [Representantes Interdenominacionales de Pastores Evangelicos de Nicaragua], RIPEN, began last night. More than 500 evangelical pastors are participating. The important 3-day event of the country's evangelical churches was convoked to form the National Council of Evangelical Pastors of Nicaragua [Consejo Nacional de Pastores Evangelicos de Nicaragua].

Delegations for all areas of the country as well as foreign representatives participated in the inauguration of the event. Companero Rene Nunez, secretary of the National Directorate of the Sandinist National Liberation Front [FSLN], greeted the assembly on behalf of our vanguard. He said: Our attitude toward the evangelical churches demonstrates our willingness to mutually speak, listen and help each other in order to implement a project that will benefit the people, particularly the poor. Here is an excerpt of Rene Nunez' speech:

[Begin recording] To all the companeros present, to all the delegations from various parts of the country and to the companeros who are not from Nicaragua but who are here with us: the FSLN wants me to give you a warm and fraternal greeting. It is a warm and fraternal greeting which expresses our attitude toward the evangelical churches. It is the expression of our willingness to mutually speak, listen and help each other in order to implement a project that will benefit the people, particularly the poor.

Perhaps it might seem strange to some of you that a representative of a political organization such as the FSLN is interested in coming to greet and speak with you. I say this might seem strange because it has not been common. This form of dialogue, this search for understanding and closer ties have not been common. However, we think that for most of you this is completely understandable. It is understandable because the action of the FSLN is very similar to your action. The objectives of the FSLN as a political organization are also very similar to your objectives as pastors. [words indistinct] which in the past permitted (?us to march) together in perhaps more difficult and [word indistinct] situations. [End recording]

CSO: 3010/1744

PARTY CRITICIZES BEHAVIOR OF RIGHTWING IN FORUM

PA201459 Managua Radio Sandino in Spanish 0300 GMT 20 Aug 81

[Communique issued by the People Social Christian Party, PPS, in Managua on 19 August 1981--read by announcer]

[Text] To the Nicaraguan people:

In view of the repeated statements on the national forum by spokesmen of the rightwing Democratic Conservative Party, Social Democratic Party, Nicaraggan Democratic Movement, Social Christian Party and others, the PPS states:

1. We want to clearly establish that the forum is to discuss the national problems and not to present complaints or to launch a campaign to discredit the revolutionary process as it has been used by the rightwing organizations.

2. We see that in the rightwing sector there is a diversity of opinions which prevent the forum from achieving the needed speed and understandings, thus contradicting the objectives of the forum.

3. The rightwing parties seek to undermine the objectives of the forum and to criticize and boycott the revolutionary process through the forum without contributing anything new which will benefit the Nicaraguan people and the revolution.

4. The verbal attacks atainst the parties which support the revolution and work for the Nicaraguan people have been notorious.

5. The rightwing parties believe that the forum is an official institution to resolve common and ordinary problems which can be solved through channels already established by the revolutionary government.

Therefore we state:

Despite all the aforementioned, we support the forum but only as long as it is directed at the planned objectives and the discussion of the problems for which it was established. It should not be a private discussion or a black mass. Instead, it should be a very objective way to reach possible solutions to benefit the revolutionary process and the Nicaraguan people. The rightwing parties agreed that the private discussions would be held on Thursdays after the public discussions.--Managua, 19 August 1981. Edgard Macias Gomez, PPS National President, Cesar Delgadillo Machado, PPS National Secretary General.
CSO: 3010/1744

FPR ISSUES STATEMENT ON NATIONAL FORUM

PA222313 Managua Radio Sandino in Spanish 1800 GMT 22 Aug 81

[Texr] The revolutionary political parties in the forum for discussion of the national problems have once again urged the rightwing parties to make a specific proposal so that this means of dialogue will continue.

Gustavo Tablada, representative of the parties which support the revolutionary leadership in the preparatory commission of the forum, has said that at this stage, the forum should end, because it has lost all credibility and consistency in the eyes of Nicaraguans due to the way the rightwing parties have used it and the opinions they have expressed.

At the end of a meeting a few minutes ago, the parties in the Patriotic Front of the Revolution [FPR] issued a statement expressing their willingness to try to continue the forum, despite the obstacles presented by the opposition parties. Here is the text of the statement, signed by the representatives of the six political organizations making up the FPR:

The delegation of the parties of the revolution met today, 22 August, to study the status of the forum for discussion of national problems. We have always believed we have a duty to publicly make known our positions, which is why we address the heroic Nicaraguan people to state the following:

1. It is the unanimous opinion of our orgnaizations that the parties which dissent from the revolutionary leadership have tried through various means to undermine and distort the specific objectives that led us to actively participate in all the activities of the forum. In communiques issued by our organizations which have been published by the various news media we point out all the proven aspects which have directly or indirectly helped undermine the forum, which in a healthy and creative manner sought to find points of concurrence between the forces of the revolution and the parties which dissent from the revolution, and which would help the defense and consolidation of our revolutionary process, thus eliminating the traditional excuses used by those sectors to refuse to participate in national reconstruction.

2. Involved in their own contradictions, the organizations which make up the opposition delegation have uselessly tried to hide their differences behind the allegation that our delegation is not interested in continuing the public debate. The

truth is that each of those organizations has a different view on the forum and they have been unable to reach agreement among themselves. While the spokesmen of the liberal constitutionalist movement and the Socialist Democratic Party were promoting failure of the forum by repeatedly attacking it even before the second anniversary of the revolution, the other representatives of that delegation have been unable to bring order to the situation, except to rationalize these disloyal attitudes on several occasions.

3. We regret that the efforts have not been totally successful due to these unpatriotic attitudes. At the same time, we believe we have a duty to continue efforts to establish a permanent medium of communications that will permit the assumption of joint responsibilities. This would strengthen the revolution, help guarantee the achievements obtained by our people so far, and help the process advance. That is why it is necessary to speak of the search for that communication. We will not be the ones labelled inflexible and intolerant.

4. At the 13 August meeting we made a specific proposal which was tendentiously distorted in public statements by leaders of the dissenting parties. Since we still want to help achieve joint action which will benefit the revolution and our people, we leave in the hands and to the discretion of those parties the drafting of a proposal for a new means of communication which would permit joint tasks to be accomplished in order to contribute to strengthening the revolutionary process.

5. We take this opportunity to make known to all Nicaraguans that the rapprochement among the leftwing parties which make up the forces of the revolution has been very healthy for the interests of the revolution. Fully convinced of the need to further strengthen such rapprochement, we are carrying out a number of activities with that objective in mind, based on the specific fact that our revolution seeks to meet the material and spiritual needs of all Nicaraguans particularly the traditionally abandoned sectors, the workers, peasants and other working sectors of our fatherland.

[Signed] Sandinist National Liberation Front, Independent Liberal Party, Peoples Social Christian Party, Nicaraguan Socialist Party, Communist Party of Nicaragua, Peoples Action Movement.

CSO: 3010/1744

BRIEFS

SOLIDARITY MARCH WITH LIBYA--The march of Nicaraguan solidarity with the Libyan people departed from the Sandinist workers federation at 1700 today for the Libyan people's offices. Approximately 500 people made up the march. (Irasim Munsamed), secretary of the Libyan people's office, spoke at the small but significant event, saying that the Libyan people are willing to defend the country's freedom and self-determination with their lives. Luis Calderas, secretary general of the Committee of Solidarity with Peoples, said that only the Nicaraugan people's revolution was able to waken in Nicaragua that great gift of international solidarity inherited from Sandino. [Text] [PA220423 Managua Radio Sandino in Spanish 0300 GMT 22 Aug 81]

CSO: 3010/1744

RODRIGUEZ ON CANAL MEETING

PA211947 Panama City LA ESTRELLA DE PANAMA in Spanish 20 Aug 81 p B-10

[Statement by Ricardo Rodriguez, Panamanian member of the board of directors of the Panama Canal Commission on 19 August 1981]

[Text] The experience gathered by the Panamanian members of the board of directors in 22 months of the operation of the Panama Canal Commission [PCC] allows an evaluation of the efficiency and ability of the Panama Canal Administration to meet the goals of the 1977 Panama Canal treaty.

Meetings of the Board of Directors

The board of directors of the PCC is, according to treaty and law, the highest level of leadership of the PCC and thus should meet every month if it is to carry out its legitimate functions.

It is inconceiveable that in 22 months the board of directors has only held five meetings. It is true that there were certain situations, all of which are attributable to the United States, which delayed the meetings, but these situations have disappeared.

The Panamanian members of the board of directors cannot resign themselves to attending a meeting every 3 or 4 months to hear a report from the administrator about things that have happened and which could have been done better if the organization in charge of running, operating and maintaining the canal would have given the adequate guidance.

Influence of the Agencies and Organizations of the United States not Contemplated in the Treaty in Board of Directors Decisionmaking

The most serious interference is that of the U.S. Congress, which is unilaterally legislating regulations and policies concerning the running, operation and maintenance of the Panama Canal, which according to the treaty, the United States can only carry out through the PCC board of directors. This limitation imposed on Congress and the U.S. Executive Branch is what guarantees to Panama active participation in the establishment of policies and decisionmaking and it is what develops in practice, the concept of association on which the treaty was based.

However, in addition to the intervention of Congress, there has been intervention by several U.S. institutions, such as the so-called "Personnel Board of the Canal Area" in which Panamanians are not members and which is in charge of establishing employment policies, drafting employment exams, directing and supervising the central examination office and exercising authority in labor matters at the PCC. This Personnel Board of the Canal Area is not contemplated in the treaty and is an inheritance of the defunct Canal Zone Government which has been maintained illegally. Its actions and decisions have often been motivated by interests that arise from the armed forces of the United States of America (DOD) adversely affecting and obstructing the goals established in the treaty for the PCC regarding salary scales and lists of applicants which must meet requirements that are different from those demanded by the commission, such as the case of putting /restricted/ [slantlines denote uppercase as published] on registries because it is required by the DOD and not by the Panama Canal Commission.

The federal authority for labor relations of the United States, an agency of the U.S. Government, is usurping authority in Panama with regard to relations between the administration and the canal employees who were employed by the PCC.

A U.S. authority called the "Civil Service Commission" is exercising jurisdiction over the PCC, reviewing the operations of a merit system which is an employment matter and which must then be regulated by the board of directors.

A board of appeals for the canal area designated by the secretary of the U.S. Army is exercising jurisdiction in Panama without any authorization because it is not contemplated in the treaty and has not been created by the board of directors.

Representatives of a U.S. Government agency on equal opportunity affairs exercise jurisdiction in Panama regulating matters related to terms and conditions of employment. If these functions are deemed important the board of directors should consider the advisability of creating such an agency.

Monthly Reports on the Progress of the Achievement of the Goals of the Treaty

The members of the board of directors feel that the reports of the administrator are insufficient because:

a. They do not reflect how much progress has been made in the goal of giving preference to Panamanians when hiring employees, moving them up to higher positions and guaranteeing their training.

b. They do not point to improvements made to equipment, navigation and installations which are of interest to Panama because the canal must be returned in good operating condition as specified in the treaty and we will not be given back scraps as was the case of the railroad.

c. They do not point to the improvements in the short, medium and long term (up to year 1999) to maintain a free-flowing traffic of ships; that is, establishing a maximum of 17 to 24 hours for any ship to transit the canal.

The Establishment of Set Goals

The board of directors must establish goals that are feasible in the short, medium and long terms with regard to the employment, promotion and training of Panamanians and the improvement and replacement of equipment, machinery and installations as well as the improvements to the canal's capacity, its efficiency and navigational security that the administration must carry out.

After these goals are set and the program and timetable for their implementation are established, it will be easier to evaluate the report of the administrator and the report will then serve as an ideal guidance document for the board of directors.

Absence of a Short, Medium and Long-range Program To Replace Obsolete or Worn-out Equipment

With the exception of mules and tugboats, work is being done on a day-to-day basis without the existence of any study or program on how to replace the equipment and machinery. The canal is plagued with old equipment which is very expensive to maintain or which should be replaced because it is obsolete.

Lack of a System To Report on the Status of Ongoing Projects, Something Which Would Be of Use to the Budget

The board of directors cannot be satisfied with the administrator's report, which is nothing but a summary of events, some of which are important and some not so important; these are events which took place months ago and about which little can be done to change them. However, there is no procedure for showing how much progress has been made in implementing projects or in reaching the goals set out in the budget; something that should be done so that corrective measures can be taken when the situation demand it.

Need To Establish an Office To Analyze the Accidents in the Canal

At present, the accidents taking place in the Panama Canal are being handled by the board of local inspectors. There should be an office of the PCC to handle, study and make specific and essential recommendations, based on the experience gained from these accidents in order to prevent them.

Need for a Marketing and Promotion Office

The canal has taken everything for granted, even future customers, and there is no office that promotes the use of the canal.

Just stop to see the effectiveness of the promotion of Petro Terminales de Panama to "sell" its oil pipeline and the promotion of those in charge of the land bridge in Mexico and notice how the PCC is lacking in this aspect.

Inefficiency of Some Offices

1. The office of executive planning is not qulaified to carry out the marketing studies which should determine the needs of the canal in a timely way, and it depends

on the periodic studies done by consulting firms whose information is obsolete in a short period of time because the traffic demands cannot be controlled.

2. The Marine Bureau which has the greatest responsibility in the canal's basic activities--that is, the transit of ships--depends on other bureaus and support offices. The marine director is on the same level of hierarchy as the directors of the office of support, something which does not guarantee that the latter will act according to the needs of the traffic since they make their own points of view prevail.

3. The Engineering and Construction Bureau does not have a division of technology that could investigate the possibilities of using advanced technology or adapting them to improve the canal and its navigation.

Some Offices Are Obsolete and There Is Excessive Bureaucracy

The PCC has kept some offices which have existed from the time of the construction of the Panama Canal and the Canal Zone Government. The existence of these offices can no longer be justified and they demonstrate the excesses of bureaucracy which are as follows:

1. Office of Protocol--unnecessary.
2. Office of Executive Administration, which is the name given to the former office of the Executive Secretary--unnecessary.
3. In the General Service Bureau:
   a. Recreation Services Division--unnecessary.
   b. Emergency Preparedness--unnecessary.
   c. Community Services Division--unnecessary.
   d. Industrial Security Office--unnecessary.
   e. The office also has an excessive number of high-ranking officials.

Relations With Workers

The Panamanian members of the board of directors have made efforts to keep the peace among labor organizations in the canal activities through permanent consultation with the labor organizations on the problems they are facing and on the suggestions that are presented to the board of directors by the binational organizations that should resolve them problems. From the time that we have assumed our responsibility as directors, this has been the norm of behavior, spurred on by the knowledge that we have of the labor conflicts that existed, prior to the enforcement of the Torrijos-Carter treaties.

As a result of this policy, we have continuously presented constructive formulas for meeting the just requirements of the workers, Americans or Panamanians. In addition, we have brought up these proposals in each of the sessions of this board of directors in addition to the efforts which have been done at the level of other national organizations of the United States, as well as the pertinent binational organizations. Up to now the answers have been slow and sometimes delayed or negative.

The reason we bring this up is because we are interested in solving the labor problems in a just manner, but frankly, we see that we are impeded from meeting our future responsibility in the event that labor difficulties may arise over problems that were not adequately resolved, such as the PAWB (Panama Area Wage Base), the tax factor, and social security. We hope that no problems will arise, but if they should, then others should assume responsibility for them.

CSO: 3010/1746

RESULTS OF CANAL COMMISSION 19-20 AUGUST MEETINGS NOTED

PA211456 Panama City STAR AND HERALD in English 21 Aug 81 pp A-1, A-6

[Text] The board of directors of the Panama Canal Commission met for the fifth time 19 and 20 August at Balboa Heights. It was the first meeting with the full board for the new chairman, William Gianelli, recently appointed U.S. Assistant Secretary of the Army (Civil Works).

Meeting of the personnel, budget and finance, and long range canal improvements committees were held 17 and 18 August.

Administrator D. P. McAuliffe reported to the board that the canal continued to be operated efficiently and that in July, a profit of over $2 million was realized. This reduced the deficit in fiscal year 1981 to $2.6 million as of the end of July. The number of ships awaiting transit is within the normal level and projections indicate that the positive revenue picture will continue.

Because of the severe financial impact of the trans-Isthmian oil pipeline on the commission's fiscal year 1983 budget, the board decided to defer further action on the Panama area wage base until the next meeting. This additional time will be used by the canal commission to determine the exact implications of the $40-50 million loss of income projected for fiscal year 1983 for the operation of the canal.

The board also approved the proposed budget for the fiscal year beginning October, 1982, and it will now be forwarded to the office of management and budget for inclusion in the president's budget. Also discussed were a number of recommended changes to the Panama Canal Act, U.S. Public Law 96-70.

Continuation of a test of a transit booking system also was addressed. Based on a recommendation by the Panamanian members, the commission was directed to reexamine several portions of the system to be considered by the executive committee at a subsequent date.

The board noted that the impasse between the United States and Panama regarding payments into the Panamanian social security system are adversely affecting the employees of the commission and urged the two governments to make a concerted effort toward an early resolution of this matter.

In addition to the cahirman, the four U.S. members attending the meeting were: Clifford O'Hara, William Sidell, John Bushnell, and J.W. Clark.

Three of Panama's four members were in attendance. They were: Ricardo Rodriguez, Tomas Paredes and Edwin Fabrega. Roberto Heurtematte, the fourth member of Panama's delegation was traveling outside the country.

The next meeting of the board is tentatively scheduled for early December in Washington, D.C.

CSO: 3010/1746

NATIONAL GUARD SUPPORT FOR ROYO STRESSED

PA262054 Panama City LA REPUBLICA in Spanish 24 Aug 81 pp 1, 10

[Text] The evident monolithic unity in the leadership of the national government is consolidated with the unrestricted support that the National Guard of Panama, its commander, the general staff, the officers and troops give President Aristides Royo and his government team.

The National Guard—based on a constitutional mandate clearly established in article 2, pointing out the friendly cooperation between the organs of the government system and the National Guard--simply emphasizes with its actions, which are completely legal, the principle of constitutionality.

The country's television viewers were surprised at a statement by Diogenes de la Rosa, a former [Canal treaties] negotiator and conspicuous figure in the October process who appeared on a program this morning noting that "the National Guard had left its solitude to devote itself to functions appropriate to the executive branch and the president."

It is no less surprising that the firm that owns the Televisora Nacional Network, owned by the Chiari-Remon family, would give more than 17 minutes of the morning program to the widely commented on participation of Diogenes de la Rosa, who at other times wouldn't have gotten more than 2 minutes.

The great calm and climate of stability and progress necessary to guarantee well-being for all will eliminate the increasing intrigue, confusion and rumors aimed at weakening the National Guard's strong support for the president and his administration.

CSO: 3010/1746

STUDENTS PLEDGE TO CONTINUE TORRIJOS' PATH

PA280043 [Editorial Report] Panama City Domestic Service in Spanish at 1520 GMT on 27 August broadcasts live from Amador cemetery in Panama City a ceremony held by members of the Federation of Panamanian Students [FEP] at Gen Omar Torrijos Herrera's tomb in tribute to his memory.

The opening remarks are made by an unidentified speaker who says: "Today, like yesterday, the student movement raises its forceful and rebellious voice, ready to attack the bourgeois reformism entrenched within the government, and denounces the national government's stand on the violation of the Torrijos-Carter treaties."

Further on, he adds: "We will not rest as long as poor living conditions exist among our people; we will not rest as long as there is an alleged educational commission that has taken on the task of politicking instead of fulfilling the objectives for which it was elected. The student movement demands a patriotic, scientific education in the service of our people, rather than of the oligarchy."

The first speaker announced is (Calixto Silgado), organization secretary of the FEP's executive [words indistinct] in Panama Province. After pledging that the students will fight for a free fatherland, a more just society and a democratic, patriotic and popular educational system that provides equal opportunities for all, he refers to the U.S. withdrawal from Panama by the year 2000 and says: "They will find us on our feet, never on our knees." (Silgado) then says: "The Panamanian student movement had to make huge efforts this morning in order to be present here. We had problems with transportation and even with the directors of several schools, who opposed our peaceful exit from the schools. This rejection of a peaceful exit leads us to consider a new solution, which will be the opposite of peaceful, for nothing and nobody can stop the student movement in its task of objectively and unhesitantly fulfilling the concepts of Commander Omar."

Elsewhere in his speech, (Silgado) warns the enemies both within the government and outside, as well as those who rejoiced at Torrijos' death, the Christian Democrats and the Panamenist sectors telling them: "They will not be able to prevent our people's conquests. If, for instance, they try to prevent the creation of the family institute or to further impede our education, they will have to pass over thousands upon thousands of students who have conscientiously and patriotically echoed Omar's thoughts and who are willing to give the best in each of us--and the best in each of us is our own lives--to defend the conquests achieved under the Torrijos-Carter treaties and maintain an anti-imperialist and anticolonialist fatherland, which always joins the peoples' liberation activities as Commander Omar did."

(Silgado) said in conclusion: "The commitment to resolve the students' problems—must be assumed by the government, which has styled itself a Torrijos government. President Royo's government must make a bigger commitment to our people. It must communicate more with our people. They will not be able to ignore the militant and vigilant attitude of the Panamanian students. Efforts are being made, for instance, to ignore us in connection with the decisions that are to be made on a new education. We say: Any time students are ignored, any time students who really defend the Torrijist ideology are not called to a dialogue, there simply will be no peace."

The next speaker is (Bernardo Thomas), member of the committee in charge of organizing the 11th National FEP Congress. In his introduction, Thomas says: "We meet today with great sorrow and grief before the tomb of our dear revolutionary leader, to pay tribute to his memory and to reaffirm our great commitment to raising the anti-imperialist and antioligarchic flag high. General Torrijos carried this flag and he has now deposited it in our hands, for us to take to final and definitive victory. Today we tell General Torrijos: Trust us, for your wishes and struggles will never be betrayed by this generation, which, like you, suffers in its own flesh the arrogance, vexations and pressures exerted by both the oligarchy and the imperialism."

Lashing out at "reaction," Thomas says elsewhere in his speech: "We are sure we have the necessary conditions to keep reaction from destroying the revolutionary course of our process. We are firmly convinced that if we maintain firm unity among the various government bodies, the national guard commanded by Colonel Florez, the various parties that comprise the process and our people's mass organizations, we will be able to prevent the pretensions of the Christian Democracy, which is hated and repudiated by our people; of the Liberals, who for many decades oppressed our people and surrendered our fatherland to their imperialist masters; of the Panamenists and other dark forces, who through blackmail and oppression sought to subvert the process, in order to deal it a death blow later."

Turning to the subject of the country's democratization, the student leader notes: "In order to faithfully fulfill our guide's ideas, we must continue along the path of the democratization of our country, just as he conceived it. This democratization means effective consultation and true participation by the people in the government's activities. It means the strengthening and development of the people's power system; it means the pluralist participation of various parties within the framework of the 1972 constitution and the laws. Therefore, it is not a matter of traditional democratization, the way the opposition understands it. It is a democratization that takes the people into account."

At this point, reception, which has been poor throughout due to increasingly heavy interference from another station, becomes unmonitorable. The live transmission ends at 1543 GMT.

CSO: 3010/1746

BRIEFS

NATIONAL GUARD 'TAKING POWER'--Very serious charges involving bribery and the disappearance of funds are weighing heavily on the country's attorney general. However, instead of removing him from his office so that the charges can be honestly and independently investigated, he is being rewarded by conducting the investigation of the accident in which Omar Torrijos Herrera was killed at a time when national and international s[illegible]es are speculating over the possibility that it was an attack on his life. And wh[illegible] a certain individual [referring to former Supreme Court Justice Juan Materno Vasquez] is being accused of being involved in an illegal deal with onions, the military officers have appointed him official speaker in a ceremony to name a base after General Torrijos. As we said a few days ago in this same column, the National Guard is no longer pretending and, pushing aside the civilian authorities, has openly seized power in the country. This should prompt us to ask ourselves if the National Guard leaders are trying to express the deep scorn they have for public opinion and let us know that they intend to continue acting in complete disregard of what the rest of the Panamanians think because they could care less about it. [Text] [PA271358 Panama City LA PRENSA in Spanish 24 Aug 81 p 1A]

CSO: 3010/1746

SOVIET AMBASSADOR COMMENTS ON LATIN AMERICAN POLICY

Caracas EL NACIONAL in Spanish 28 Jun 81 p D-3

[Report on interview with Dr Ivan Vialias, Soviet Ambassador to Venezuela, by Nestor Mora; date and place of interview not specified]

[Text] Dr Ivan Vialias, the Soviet ambassador to Venezuela, has said that the Soviet Union's foreign policy concerning Latin American and Caribbean countries is based on the principle of respect for peoples' right to self-determination.

We spoke with Dr Vialias, a statesman and historian of diplomacy, about some of the most important current international events: the Supreme Soviet's appeal to world governments and peoples concerning the danger of war; Mitterrand's election and its effect on the process of detente and peace; reports concerning possible Soviet intervention in Poland; how to define Reagan's foreign policy; the statements of important Western spokesmen about the USSR's intentions and actions concerning its penetration of the Caribbean.

Supreme Soviet's Appeal and Western Responses

In regard to the first point raised by this reporter concerning a report that the United States has agreed to begin a dialogue and that initial contacts have already been made with the hope that talks will be resumed by the end of the year, the ambassador said:

"First of all, I want to point out that the Supreme Soviet's appeal to world governments and peoples was approved by our parliament on the exact date that the great patriotic war began 40 years ago. This appeal," he added, "also began with the words which the Soviets used to pay homage to the 20 million lives lost by our country in World War II."

He then explained that the document consisted of three fundamental points:

The first is a fervent appeal to prevent the threat of a nuclear war and a new shift in the arms race. "There are people," he warned, "who say that the peoples of the world are becoming accustomed to the idea of a limited nuclear war: they are the representatives of the United States and NATO.

"The Soviet Union," he said, "is ready to approve any measure, to start any kind of negotiations to end the insanity of the arms race.

"Secondly, the appeal also stated that there have not been, that there is not and that there will not be any goal more important to the Soviet Union's foreign policy than the preservation of peace.

"Our foreign policy," he added, "is defined in very clear terms, comprehensible to everyone, and is based on the bitter experience of our people during World War II.

"You mentioned," he said, "that there has been a response from the president of the United States to our proposal to immediately begin an unconditional dialogue. I am as yet unaware of that response, but I am very well acquainted with the content of the NATO meeting recently held in Rome.

"In the course of that meeting's proceedings," he continued, "there was no sign of beginning an unconditional dialogue. On the contrary, there was talk of installing 572 intermediate-range missiles with nuclear warheads in Western Europe. Perhaps this is a response to our proposals for peace?

"No, it is not," he said, "it is an expression of the desire to achieve superiority in the area of war materiel and then to speak with us from a position of force."

The ambassador recalled that the Soviet Union's minister of defense and military experts have said that the implementation of those plans would mean that NATO forces would have a nuclear potential 1.5 times greater than that of the USSR.

"Perhaps this," he asked, "is their expression of peaceful goals or is it a militaristic desire?

"At the same time," he added, "the speculative term 'the Soviet threat' is also used." (The quotation marks were requested by the ambassador.)

"We do not want," he said in closing the discussion of this first point, "any war superiority, but rather equality; we do not want to arm ourselves; we want disrmament."

France, a Sovereign Power

Mitterrand's election and the impressive victory in the National Assembly has been considered one of the most outstanding political events in Europe in recent decades.

In the opinion of the ambassador and Soviet authorities, to what extent will this election affect the process of detente and the struggle to preserve peace?

"First of all, I want to point out," the ambassador told us, "that we have had very good relations with France for some time and that General De Gaulle's historic visit to Moscow began this process.

"We respect France's independent, sovereign foreign policy. I would like to stress the word sovereign. We appreciate France's constructive role in the process of strengthening the detente achieved in the 1970's. We value the efforts of France's foreign policy, which is aimed at preserving international peace and security.

"As for the victory of leftist forces in France and the election of Mitterrand as president, that concerns that friendly country's domestic policy and my colleague, the French ambassador, could answer that question better."

The ambassador then mentioned the "warm message of congratulations" which Brezhnev sent to Mitterrand on his election, in which he expressed his desire to continue the good relations between the two countries for the sake of peace and detente.

Intervention in Poland, a Diversionary Tactic

Poland's current difficult situation and the liberalization process which has taken place there, especially at the trade-union level, and other reforms have touched off a wave of speculation in the West concerning the possibility of Soviet intervention in that country.

What did Ambassador Vialias have to say about this?

"This can be answered by mentioning two points: first, this is a propaganda campaign intended to divert the attention of world public opinion."

He then said that the USSR and other Warsaw Pact countries are providing Poland with multilateral aid. The USSR alone supplied financial assistance amounting to $4.500 billion in 1980.

A Chinese Card or an American Card?

Alexander Haig's visit to China has received widespread notoriety, as well as the U.S. offer to supply modern weapons to the Asian communist giant. How does the Soviet ambassador interpret this?

"This," he replied, "represents an open threat to world peace; it signifies an obvious desire to block the process of detente.

"The direct offer to supply U.S. arms to that country is a new move in the China card game. World opinion has received this news with obvious justified concern.

"And speaking somewhat humorously," he remarked jokingly, "it may be said that it is not yet apparent which card is being played: is the United States playing the China card or are the Chinese playing the American card?

"World peace, which the people of the world want so much, is the only thing that could be lost in this game. Our parliament's appeal stated directly: 'We are not threatening anyone, either in the East or in the West.'"

Reagan's Six Months

Do the past 6 months of the Reagan administration provide a sufficient basis for defining the objectives of his government's foreign policy and if so, what would its features be?

"That question has already been answered in our official forums, including the last session of the Supreme Soviet.

"At present," he said, "we do not see any positive reaction from the U.S. Government to our constructive proposals. On the contrary, elements of strong confrontation can be seen in that government, which corresponds neither to the aspirations nor the interests of the peoples of the world. It appears that they are trying to first obtain military superiority and disrupt the balance of power, and then to open negotiations later."

Central America and the Caribbean

Finally, and in conclusion, we noted that important spokesmen for governments of this hemisphere have been talking about the USSR's intentions to penetrate the Caribbean and Central America, while also stating that the conflicts in the area are a result of the confrontation of the two superpowers.

"That campaign," the ambassador said, "is not realistic in any way. I believe that the peoples in this part of the world have correctly assessed that campaign.

"I want to ask you: the military advisers of which country are now in El Salvador?

"I want to stress that the Soviet Union's foreign policy concerning the countries of Latin America and the Caribbean is based on the principle of respect for peoples' right to self-determination. The idea of Soviet intervention in those countries' internal affairs is false."

The ambassador then emphasized that the Soviet Union has proposed the development of mutually advantageous relations with countries in the region in the areas of economics, science and culture and is holding political conferences.

"As you know," he recalled, "in the 26th congress of our party, Leonid Brezhnev spoke about Latin America's growing role in international relations. One of the countries that he mentioned in that connection was Venezuela.

"Those words," he remarked, "determined the mission which I am carrying out here as ambassador from the Soviet Union to Venezuela. During the short time that I have been in the country, I have had the opportunity to visit many states and to make contact during those visits with many government, political and cultural figures, as well as with workers.

"The impression which I have gained from those contacts is that there is good will and a desire to develop relations with our country. As an historian, I would like to recall a proverb of the ancient Romans: 'Vox populi, vox dei.'" [The voice of the people, the voice of God]

11915
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ESTEBAN REY CRITICIZES U.S. FOREIGN POLICY

Caracas EL UNIVERSAL in Spanish 30 Jun 81 p 1-14

[Article by Luis Esteban Rey]

[Text] USA in Central America and the Caribbean

U.S. foreign policy today can be characterized only by force. And if this is a factor of outstanding importance, it loses effectiveness if it is not part of a well-defined political strategy. According to some critics, the Reagan administration, like the Carter administration, has not yet been able to devise a serious long-term foreign policy. The statements and decisions made appear inconsistent and contradictory. The Pentagon's thinking is sometimes the same as that of the Department of State and both are corrected by the White House. It has often been said about Secretary of State Haig that he is more a man of action than a man of ideas and imagination. President Reagan in turn is not very good at making statements about foreign policy and apart from anti-Soviet rhetoric, he usually becomes confused when discussing somewhat more complex issues, a situation which occurred during his last press conference, giving rise to unfavorable news commentaries. The President seems more at ease in the area of domestic policy.

Thomas Enders' Thoughts and Position

What could be called the uncertainty of Washington's foreign policy is also reflected in the case of Central American and the Caribbean, with the added complication that Mr Thomas Enders has been appointed assistant secretary of state for Latin American affairs. Mr Enders has a reputation for being a very capable--and also very arrogant--man, but he is not familiar with the region and he does not yet speak Spanish and has to use an interpreter to converse with Spanish-speaking representatives. Mr Enders may in time become an expert on the region's problems and speak our language with great fluency, but in the meantime the world, Central America and the Caribbean are going through profound changes that require urgent solutions.

There is something more and this constantly worries us. Mr Enders, who spent several years in Cambodia during the war in southeast Asia, has reportedly formed a preconceived idea of what is taking place in the Caribbean-Central American region, an idea based partly on his conservative view of the world and the role which history--if not divine providence--has delegated to the United States. Mr Enders is not more

to the right of the U.S. Government, but he does lean in that direction and views his assigned role from that standpoint. Something else that worries us is that Mr Enders could thus meet up with influential Venezuelan figures in foreign policy and who consider problems from a more or less ideological-religious standpoint.

Thus it is difficult for Washington to be able to gain a clear idea about the Salvadoran situation with Mr Enders heading hemispheric negotiations and at least partly backed by Venezuelan strategists. Enders admits that there is a "stalemate" between government and guerrilla forces at the present time. This is something that State Department analysts have recognized and have noted in documents which have somehow fallen into the hands of the guerrilla leadership. Mr Enders thus believes that a political solution must be found for El Salvador. Guillermo Ungo, chairman of the FDR [expansion unknown] and a sort of spokesman for the guerrilla groups, is of the same opinion, but the solutions proposed by either side are naturally different.

Elections in El Salvador

The assistant secretary of state for Latin American affairs believes in the panacea of elections, but without any change in government structures. At best, he would welcome outside support for labor and professional forces and a cooperativist group within the country, but without sharing the junta's policy. Ungo's view is that in order for elections to be held, the government's political base would have to be broadened, including in the government democratic-minded individuals who, although they have remained outside the struggle, inspire confidence and without whose presence in the government there would be doubts that the elections were really free and honest. This would be an essential condition. But both the government and the guerrillas would have to accept and comply with other conditions. We mean that a copeyano sector considers it plausible to broaden the junta's political base.

For Mr Enders, and of course for Washington, this is impossible. The military would not agree to it. And if the military does not agree to it, the president of the junta, Napoleon Duarte, a Christian Democrat, is caught in the same position. The truth is that Duarte lacks the power to impose a different decision. But if this approach is not modified, the result will be that the elections will not be held or, in any case, that they will be considered a farce. The church itself, which advocates moderation, has publicly acknowledged that elections cannot be held without a favorable climate in which all forces recognizing democracy as the only valid solution could compete. This climate can only result from a reorganization of the government, which would mean, as a first step, a cease-fire.

Since the United States and Mr Enders share the military's opinion, in the sense that a political solution lies in holding elections without making any changes, they are not making any effort to convince the military otherwise. And it is here that the ideological position of the Reagan administration and that of Mr Enders himself play a major role. In El Salvador, as throughout the rest of Central America and the Caribbean, the United States has to assure by any means the exercise of its influence which, under Mr Reagan--as we have already noted on other occasions--is again taking on its imperial trappings. For example, this is what led to the outright condemnation of Nicaragua, thus opening the way for the administration to take a harder line and encouraging the avengers of Somoza at the same time.

U.S. Policy and Militarism

U.S. policy in Central America, as we know, necessarily leads to strengthening militarism and a right wing that reacts fiercely to any sign of change. Mr Enders said in Caracas that his government would not support a rightist coup in El Salvador. But just yesterday, President Duarte reported a "final offensive" by the right in his country to destabilize the junta. In reality, the one whom the right wants to destablilize is Duarte and his handful of followers, who are committed to an impossible adventure.

The attitude of the Salvadoran military, with whom the Venezuelan Government hopes to save Christian civilization and thus freedom, became obvious when the vice president of the junta, Col Jorge Abdul Gutierrez, visited the countries of the south and presented a decoration to Pinochet in Chile. The visit in itself was already symbolic, but certainly considering the president of the Salvadoran Junta, it would have been advisable to refrain from paying such homage to the most notorious dictator in South America, against whom Christian Democratic leaders and militants are waging a difficult and dangerous fight.

We should therefore not be surprised that when Alfredo Pena asked Eduardo Frei, a guest in our country, a few days ago what he thought about the political significance of that decoration, the great leader of Chilean DC [Christian Democracy] replied, confused: "I don't understand it .... I don't understand it .... I cannot say anything more about this. I want to go on living in Chile." (FORO, EL NACIONAL, 29 June 1981)

Chairman Frei does not understand it. No one understands it, of course, except as an open expression of the position and thinking of Salvadoran military leaders. Duarte is their prisoner. He stays in power only because Washington says that it would not support a rightist coup, but this is a very weak guarantee, especially if we note the ideology and interests which predominate today in the White House and among a considerable and influential number of Republican senators.

If steps are not taken in El Salvador to achieve a political solution based, first of all, on broadening the junta's political base, there is the risk that a continuation of the war, without any decision in view, will weaken the fragile base of the civilian group headed by Napoleon Duarte and bring about a rightist coup attempt or greater U.S. intervention. Both possibilities are undesirable and gravely disturbing.

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CSO: 3010/1521

BRIEFS

BRAVO SUPPORT OF HURTADO--The PRV [Party of the Venezuelan Revolution], the party led by former guerrilla commander Douglas Bravo, is considering a military candidacy as one of its election options. It has been learned in political circles that during a recent meeting of the party's leadership, held somewhere inside the country, special emphasis was placed on exploring the possibility of supporting the presidential candidacy of a retired military officer. It has also been reported that Douglas Bravo and the former commander of the army, Gen Arnaldo Castro Hurtado, have held several talks to exchange opinions about the election. Assurances have been given that Bravo is not ruling out his party's support for Castro Hurtado's candidacy if a platform of minimal agreements can be achieved. Bravo remained in the mountains or in hiding from 1962 to 1979, in open revolt against the governments of Romulo Betancourt, Leoni Caldera and Carlos Andres Perez. As director of the Military Intelligence Directorate (DIM), Castro Hurtado was in charge of using repressive action against rebel groups. In circles closely associated with the left, the news has caused endless commentary, since apparently it was firmly held that the PRV would support the candidacy of Jose Vicente Rangel or, in any case, would submit the name of its supreme leader for the 1983 elections. [Text] [Caracas EL DIARIO DE CARACAS in Spanish 1 Jul 81 p 4] 11915

POLICY SUBORDINATED TO U.S. INTERESTS--Pompeyo Marquez, secretary general of the Movement for Socialism [MAS], said that the Venezuelan Government subordinates its foreign policy to U.S. interests. The MAS leader said that, contrary to the national feelings, the government has subordinated the foreign policy to the U.S. interests. He said that this contradicts the people's tradition in favor of liberation and against colonialism. The top MAS leader made this statement in reply to the government's opposition to the (?inclusion) of the discussion of the case of Puerto Rico in the UN General Assembly's agenda. [Text] [PA221554 Caracas Radio Rumbos Network in Spanish 2100 GMT 21 Aug 81]

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OIL PRODUCTION RISING; OFFSHORE PROSPECTS IMPROVING

Semi-Annual Figures

Bridgetown THE NATION in English 12 Aug 81 p 24

[Text] Local oil production for the first six months of this year surpassed the 110,000 barrel mark.

This is the word from the Ministry of Trade which yesterday said that May had been the best month for production when there were 20,253 barrels of oil drilled.

The actual oil production figure for the period January to June of this year was 112,966 barrels. A breakdown of these figures reveals that the monthly average is about 18,000 barrels.

The year started out with 19,362 barrels being produced in January. In February 18,408 barrels were produced and 18,537 in March. Production for April was an amount of 18,088 barrels, while in June it was 18,318 barrels. The May figure has been previously mentioned.

Last year, production for the ten-month period from January to October was an amount of 260,703 barrels, and indications are that this figure will be passed this year.

But plans for the off-shore drilling of oil still seem distant with the ministry stating that the deep waters off the coast could be an inhibiting factor in such exploration.

Figures from the Central Bank of Barbados show that there had been a 37 percent decrease in oil production for the first quarter of this year as compared with the same period last year.

Natural gas produced in association with the crude was an amount of 172,130 cubic feet for this same six-month period. The month of highest production was June when, 30,741 cubic feet were piped.

French Survey

Bridgetown ADVOCATE-NEWS in English 12 Aug 81 p 1

[Text] The possibility of oil and gas deposits being located offshore Barbados continues to increase.

A recent survey by a group of French organisations on an area known as the Barbados ridge confirmed earlier studies carried out by the Barbados Government through seismic surveys which put the possibilities of gas and oil off Barbados as good.

Reliable sources said yesterday that while the survey was largely of academic interest to the French, it further highlighted the excellent possibilities of Barbados benefitting from oil and gas finds within its economic zone.

The sources explained that through surveys such as the recently concluded one, the geology of the area concerned could be better understood thereby enabling predictions of where oil and gas could be found and in what manner.

The Barbados Government is presently interested in exploring all possibilities of oil and gas finds both onshore and offshore Barbados.

To this end, a Government representative was among the team which conducted the last survey carried out on the Barbados ridge.

The group of French organisations involved in the survey included the French Institute of Petroleum, the French Oil Company and a number of universities.

The major reason for conducting the survey on the seabed outside Barbados was to attempt to unravel some of the geological problems associated with the theory of platetechtonics and the seafloor spreading.

Barbados is located at one of the edges of these plates and over a number of years, seismic surveys have been conducted across this area known as the Barbados ridge at various points.

These surveys have also been conducted off the southern Caribbean and east of the island arc.

The instrument used by the French in their survey which forms part of an ongoing study is called the seabeam.

The entire project which involves the mapping of the seabed is carried out in certain areas of the world which are of special interest to the French.

The source was yesterday unable to say where the Barbados Government would go from here in its ongoing search for oil and gas within its boundaries but noted that confirmation of excellent energy possibilities such as those discovered during the French expedition, was of great value.

CSO: 3025/205

BRIEFS

BULK OIL DEPOT--Businessmen and miners at Kamarang have welcomed the re-establishment of the Guyoil Bulk Depot in the Kamarang community. They have estimated that with the re-establishment of the depot they will be able to save as much as $150 on a drum of fuel in the area. Previously they were forced to charter planes in order to get fuel into the area. Kamarang, being a mining area, depends heavily on fuel which is used for the operation of dredges which bring up the minerals from river beds. It has reaccepted responsibility for the depot from the Upper Mazaruni Development Authority. It was officially handed over some time in February and has since been rehabilitated to meet the needs of the people in the area. A small staff was also trained during the initial period after the taking over in order to help effect a high standard of service in the area. Guyoil now sells gasolene, kerosene, diesolene, and lubricating oil. [Text] [Georgetown GUYANA CHRONICLE in English 5 Aug 81 p 3]

CSO: 3025/205

BRIEFS

OIL EXPLORATION--Kingston, Jamaica, Friday (CANA)--On and offshore oil exploration is to begin here early in November, Jamaica's Prime Minister Edward Seaga announced here yesterday. Seaga told reporters that the on-shore exploration would start in the first week of the month, with the drilling being undertaken by the state-owned firm, the Petroleum Corporation (PETROJA), assisted by the Canadian state-owned firm, Petro-Canada. Three wells will be sunk, near St. Anns Bay, on the North coast, Machoniel in the east and Savanna-La-Mar in the south west. The Prime Minister said that the exploration was being funded by a US$19-million loan from the Inter-American Development Bank (IADB) with local counterpart funding being provided by Jamaica. Off-shore drilling, he would, [as printed] begin in the second week of the month on the Pedro Bank, about 50 miles of Jamaica's south coast. Jamaica owns a number of cays on the Pedro Banks. The off-shore drilling will be carried out by the consortium of the Italian state-firm, Agip, and the American concern, Union Texas. Earlier this year, Mr. Seaga had announced that the late 1981 drilling date target would not have been met because of a shortage of drilling rigs. [Text] [Bridgetown ADVOCATE-NEWS in English 15 Aug 81 p 3]

CSO: 3025/205

COLOMBIAN MINISTER IN ROSEAU COMMENTS ON GUYANA BORDER

Bridgetown SUNDAY ADVOCATE-NEWS in English 16 Aug 81 p 3

[Text] Roseau, Dominica, Saturday (CANA)--Colombia has called for a peaceful solution to the Guyana-Venezuela territorial dispute.

"We hope that the difference between Venezuela and Guyana could be settled by a peaceful way," the Colombian Foreign Minister, Dr. Carlos Lemos Simmonds, told reporters.

Venezuela has a claim to five-eighths of Guyana, territory west of the Essequibo River. Guyana has rejected the clair

"We consider that through the mechanism of international law problems are more easily worked out, rather than having to refer to other ways that we find undesirable," the Colombian Minister said.

He told a Press conference: "Colombia has always maintained a tradition of being a country very respectful of international law....

"Colombia has maintained a position that disputes between countries should not be worked out by force, but rather by the ways of the law."

The Minister was part of a Colombian team that left here yesterday after talks with the Dominica Government and after signing a technological and scientific agreement.

The Foreign Minister also expressed support for Belize's move to independence from Britain later this year. He said that Colombia was planning to establish diplomatic relations with a post-independent Belize.

The Colombian Minister also urged Caribbean Governments to ensure that the region remain a zone of peace, and not become a "new theatre" for the cold war between the superpowers.

He said: "We have no doubt that the Caribbean could easily become a new theatre for the cold war.

"I believe it is a common risk for all our countries and we must try and avoid this."

CSO: 3025/206

EEC SUGAR PRICE STAND IMPERILS REGION'S INDUSTRY

Impasse on Increase

Bridgetown ADVOCATE-NEWS in English 6 Aug 81 p 1

[Text] The European Economic Community's (EEC) refusal to offer Third World sugar producers more than a 7.5 per cent increase in their sugar sales will place additional financial pressures on the local sugar industry already plagued by a number of problems.

Earlier this week the African, Caribbean and Pacific (ACP) states which include Barbados, rejected as inadequate the EEC's latest offer of a 7.5 per cent increase for their sugar exports to the Community.

The 1981-82 prices were scheduled to rise on July 1 when the EEC's own producers got a 7.5 per cent increase for raw sugar and an 8.5 per cent rise for refined sugar.

Sugar officials in Barbados have not disclosed the original price paid for local sugar shipments on the EEC market.

But director of the Barbados Sugar Producers Association (BSPA) Mr Neville Osbourne said if the ACP producers accepted the 7.5 per cent offer, the one per cent differential price would mean that Barbados could lose about £ 2.22 on every tonne of sugar sold to the EEC.

Barbados has a guaranteed quota of 53,000 tonnes on the EEC market, and the losses could be more than Bds$423 000.

The 60 ACP states are linked to the EEC under the Lome trade, aid and co-operation agreement.

The ACP states have said that because of mounting costs they could not afford to accept the lower figure even for one year, and they have written the EEC Governments urging them to increase the offer when Farm Ministers meet next month.

If they do not, the ACP states may demand a special meeting of their joint Ministerial Council with the EEC to resolve the issue which has threatened to plunge the Barbados sugar industry further into the red.

Already the Barbados Central Bank has predicted that a late start to this year's crop still in progress, unseasonally wet weather, a shortage of labourers and cane fires have dealt a severe blow to the industry.

The bank has so far put the losses to date at around Bds$25 million.

In the meantime the main consumers for ACP sugar, Britain's Tate and Lyle Limited has agreed to pay the full 8.5 per cent increase.

St John Accusation

Kingston THE DAILY GLEANER in English 8 Aug 81 p 1

[Text] Bridgetown, Barbados, Aug. 7 (CANA): Barbados today accused the European Economic Community (EEC) of using strong arm tactics with Third World countries from which it buys sugar.

The EEC was apparently not interested in negotiating sugar prices, but in forcing exporters to "take it (the price) or leave it," Barbados Trade Ministers Bernard St John said.

"About two years ago we (exporters) noticed there was a tendency...for us to be placed in a position where the European Community negotiator said he had a mandate to offer us x per cent.." St John told reporters.

"This year, I believe, the presentation by the representative of the European Economic Community was shorter and more abrupt than in the past."

St John met newsmen this afternoon to brief them on the stalemated sugar price negotiations between the EEC and the Africa, Caribbean and Pacific (ACP) exporting countries.

The ACP countries have called for an 8.5 per cent increase in the price which the European Community offers for raw sugar imports. The European Community has refused to budge from its offer of a 7.5 per cent increase.

An 8.5 per cent increase, however, is what the EEC is offering its refined sugar suppliers.

St John told reporters it was the first time there was a difference in the increases for raw and refined sugar. No "good reason" had been advanced for the price discrimination, he said. Britain appeared to be the main backer of the price difference, indicating it was necessary to give its refiners some advantage in the market, St John told the press.

A 7.5 per cent increase would push the EEC payment for a metric ton of ACP sugar to 358.80 European Units of Account (EUA)--one EUA amounting to approximately 2.25 U.S. dollars.

Barbados has a guaranteed EEC market for 49,300 tons of sugar this year. Like other Caribbean countries, it found the price increase unacceptable because freight rates were "increasing at a very fast rate," taking a deep bite into ACP real sugar revenue and because the pound sterling was in a weaker position, he said.

St Kitts-Nevis Bonus Issue

Bridgetown ADVOCATE-NEWS in English 6 Aug 81 p 8

[Text] Basseterre, St. Kitts (CANA)--The payment of an end-of-crop bonus to St Kitts-Nevis sugar workers is in doubt, according to the pro-government DEMOCRAT newspaper.

But the opposition controlled Labour union is already asking when the bonus will be paid. The crop ended last Wednesday, several weeks late.

Although all available cane has been harvested and an excess of 32 000 tons of sugar have been processed, "the more-publicised target of ending the crop by July 4 was not attained," according to the DEMOCRAT.

The weekly newspaper, which reflects government views blames this on "the opposition's misguided strategy of discouraging workers after the Easter weekend."

"But more disheartening than this" the Democrat states, "it has meant that the five per cent end of crop bonus prerequisite has not been met."

The labour spokesman, organ of the Opposition Labour Party stated that the St Kitts Trades and Labour Union has taken up the matter with the National Agricultural Corporation and the St Kitts sugar Manufacturing Corporation.

The labour spokesman said that "according to the agreement between Michael Powell (Minister of Agriculture), the St Kitts Sugar Manufacturing Corporation, the National Agricultural Corporation and the union before the start of the crop, five per cent end-of-crop bonus calculated on wages paid during the 1981 crop is to be paid to all sugar workers at the end of July 1981."

Caroni Export Increase

Port-of-Spain TRINIDAD GUARDIAN in English 6 Aug 81 p 4

[Excerpt] State-owned Caroni (1975) Limited has exported 65,730 tons of sugar to the European economic community under the terms of the Lome Convention.

Last year the company sold 62,660 tons to the same area.

Meanwhile the company is getting all set to start its 1982 harvesting in January.

However, start of the crop will depend on how soon the current wage negotiations with All Trinidad Sugar and General Workers Trade Union will conclude.

Barbados 'Fiasco'

Bridgetown THE NATION in English 4 Aug 81 p 4

[Text] Some may consider it a trite thing to say that the celebrations marking the "end" of the crop season, were almost as interminable as the crop itself. But the facts remain that the one went on and on boringly until the wee hours of yesterday morning, while the other will have to be abruptly terminated some time this month with many tonnes of canes left unreaped.

Pic-o-de-Crop, therefore, seems to be a celebration of disaster. But, to prevent a recurrence of the disaster that was 1981, it might do well for all the parties concerned to consider what role they played in the fiasco, which might have led to economic ruin for our tiny island.

It is inconceivable that a dispute by telephone workers should disrupt the commencement of such an urgent business as the sugar crop; but this is what actually occurred.

Barbados had received an unexpected windfall of $41 million from the 1980 season; and it was disputed what share of this should go to the workers. The Barbados Workers' Union wanted $15 million, and the Sugar Producers were offering approximately $8 million.

It was not until the end of February that a compromise figure of $10 million was reached, and only after intervention of the Prime Minister.

However, since the $41 million was already in the bank, it might have done the workers some good to start to work, on the understanding that they would get their money anyhow.

Perhaps the time has come to make interest payable on wages and bonuses due, so that the workers may feel justified in starting work while there is a dispute.

CSO: 3025/195

BRIEFS

PLEA TO JOURNALISTS--A call has been made for regular journalists to come together in strong organisation. The call was made by Mr Dennis Seon, News Editor of "ZDK" in Antigua as he addressed participants at a one-week seminar for past Communicarib students at Codrington College, St John. Mr Seon said that journalists in the region were coming under increasing political pressure and one of the ways to combat this, was by forming such an organisation. He said it was disheartening to see that media persons who wielded so much influence were not organised, when farmers and all other workers were well represented in unions and other organisations. The conference, which is being sponsored jointly by the Canadian High Commission and the Canadian University Services Overseas (CUSO), is being attended by representatives from Antigua, Dominica, Grenada, St Kitts and St Lucia. Vice-Principal of Codrington College, Canon Harry Sawyer, who welcomed the students, said that unlike other academics, journalists do not have academic freedom. He said that one of the problems in journalism is that journalists frequently do not have a clear analysis of who they are communicating with, and so make it difficult for their work to be understood. He said that the "Caribbean Link" which groups young journalists from throughout the region could be the beginning of establishing better understanding and development in the media. [Text] [Bridgetown ADVOCATE-NEWS in English 31 Jul 81 p 6]

DOMINICA OECS RATIFICATION--Castries, St Lucia, Saturday, (CANA)--Dominica on Thursday legally became the third member of the Organisation of East Caribbean States (OECS). The St Lucia Ministry of Foreign Affairs announced that Dominica had deposited its instrument of ratifcation of the OECS. Grenada and St Lucia are the other two members. St Lucia became the depository power for the organisation as a result of a decision taken in 1979. The other independent member in the former West Indies Associated States (WISA) grouping St Vincent, is due to ratify the treaty and become a member early next month, it has been reported. Once this is done it is expected that a meeting of the authority of the OECS will be convened to formerly admit the three nonindependent countries into the new organisation. These countries--Antigua, St Kitts-Nevis and Montserrat--have already signed the Treaty of Basseterre which is the legal charter of the organisation. In addition to completing the membership of the organisation the first meeting is expected to settle a number of establishment matters relating to the organisation. [Text] [Bridgetown SUNDAY ADVOCATE-NEWS in English 2 Aug 81 p 3]

CSO: 3025/201

ANOTHER SDP OFFICIAL RESIGNS, JOINS OPPOSITION FNM

Nassau THE TRIBUNE in English 31 Jul 81 pp 1, 12

[Text] Another member of the official opposition Social Democratic Party's Action Committee, Peter Knowles, has resigned from the party accusing it of being in "a state of confusion."

Mr Knowles, who barely two months ago was one of the latest five named to the SDP Action Committee, is applying for membership in the minority opposition Free National Movement.

In an FNM press statement, Mr Knowles said that his move, which follows several previous resignations from the SDP by members who have since joined the FNM, was made for several reasons.

"First of all he gathered from talking with the leaders of the SDP that they were not really interested in an amalgamation of the opposition forces and that their public pronouncements about the need for unity were somewhat insincere," the statement said.

It said that some of the SDP leaders have said they would not participate in a merger with the FNM.

According to the FNM statement, Mr Knowles said that the SDP was in a state of confusion and he thought the party "could only confuse and divide opposition supporters in the country at a time when unity was so necessary to defeat the PLP."

He also said the SDP could not attract and keep enough credible people to be an acceptable national party.

"Furthermore, Mr Knowles said, "I found that racial prejudice is still very much in evidence among some of the top people in the organization.

"I believe the FNM under the leadership of Mr Kendal Isaacs is now gaining momentum in the country and is the only party which can defeat the PLP," Mr Knowles added.

Mr Knowles said he would be "proud and happy" to serve under Mr Isaacs' leadership in any capacity he is needed, and advised the remaining members of the SDP to disband and throw their support behind Mr Isaacs and the FNM.

A travel agency tour director, Mr Knowles, 28, was named to the SDP Action Committee on June 1 along with four others. This brought to 20 the number of the 50-man committee named by the party.

Mr Knowles, a water sports enthusiast, married and the father of two children, was educated at St. Thomas More School, Aquinas College, Nassau, and St Leo's College, Florida.

The last person to leave the SDP to join the FNM was Philip Forbes, who was named to the SDP Action Committee along with Mr Knowles. Mr Forbes resigned early this month.

Also leaving the SDP this year to join the FNM were lawyer Elliott Lockhard, Mr Fred Ramsey, Mr Michael Brown, Mr A Leon McKinney and Mr Beauford Cox.

CSO: 3025/206

EDITORIAL COMMENTS ON U.S. COMMITMENT TO CARIBBEAN

Bridgetown THE NATION in English 11 Aug 81 p 4

[Editorial: "America's Commitment"]

[Text] In recent years, efforts have been made on political, economic and cultural levels to improve relations in the Western Hemisphere and in particular to bring the mainland of the United States closer to these islands of the Caribbean.

For historical and geographical reasons, these efforts cannot be faulted.

In particular, we have seen the annual Miami Conference of the Caribbean held at year-end and used as the main platform from which initiatives are taken by leaders in the political and business sectors.

No one in these parts is in any doubt that political considerations are part of the underlying reasons why interest is shown in us by our friends to the immediate north. If it were otherwise we would frankly be vary amazed and not a little disappointed.

Investment and trade in the short term are crucial to developing strong and independent economies in the long term, and both complexions of recent Washington administrations clearly recognise the wisdom of this policy and also honour its careful implementation.

Therefore, the announcement on August 5, of the creation of the "American Society" is a step by the United States authorities to further strengthen ties with this area.

David Rockefeller, American businessman and chairman of the new organisation, said that its establishment was proof of the commitment of the private sector in the United States to the entire hemisphere. He added that it was their intention to emphasise that the relationship was not exclusively economic, but was based on similar political aspirations and promoted cultural diversity.

There is little doubt that there is room for more dialogue at all levels so that better understanding of each other's attitude and respect for each other's decisions can be facilitated.

The next stage is implementation.

CSO: 3025/206

EDITORIAL QUESTIONS TANNIS CHARGES OF ST VINCENT COUP

Bridgetown ADVOCATE-NEWS in English 8 Aug 81 p 4

[Editorial: "Coup Plot Alarm in St. Vincent]

[Text] St. Vincent's Acting Prime Minister, Mr. Hudson Tannis, may well find that instead of alerting his estimated 100,000 countrymen about attempts of a coup, he might instead have only raised their skepticism.

Last Tuesday night Mr. Tannis broadcast to the Vincentians telling them that five people had been approached to take part in a coup, but that these five Vincentians had declined. He also went on to warn that any attempt to topple the St. Vincent Government would be met with "appropriate action."

So far Mr. Tannis has not identified the five people involved nor have any arrests been made. In matters such as these, if no rigorous action is intended, it is far better to allow the alleged incident to pass.

For a start, it is seldom anticipated that a Government in power will be magnanimous towards those whom it knows are taking positive steps to topple it.

Secondly, if because of a lack of evidence a Government finds it impossible to take action against those who allegedly would want to stage a coup, then it serves little purpose to raise an alarm when it is known that no one can be brought to justice.

We have no reason to doubt that quite a number of Governments from time to time are put on the alert about those who within their very borders might be suspected of illegal scheming to seize power. But these matters will be handled directly as security matters, and if in the opinion of the security forces there is not enough evidence for the suspects to be seized, then nothing is heard of it.

The charge Mr Tannis has made is a most serious one, and it is not one that should be made without good grounds. It also follows that if there are good grounds, then the due process of the law should apply and the matter not left hanging. Not to do so must create doubts in people's minds. It is exactly this that the Leader of the Progressive Wing of the People's Party, Mr Egerton Richards, has seized upon.

He has referred to Mr. Tannis' terms about an attempted coup in the country as a colossal fabrication, and he has gone all out to discourage any credibility attached to what Mr. Tannis has said. He has placed the ball in Mr. Tannis court, to give more details about the alleged coup.

What is involved is not something that can pass with the naming of names, and the producing of details now that Mr. Richards has had his say.

It is indeed a strange situation. It is also baffling under the circumstances that people suspected of planning a coup would still be allowed to roam up and down the country--an assumption which is in order, since no arrest has been made.

Furthermore, if strong evidence was not forthcoming earlier, it is doubtful that if mischief was afoot, that the would-be perpetrators would not have themselves been alerted that their schemes were known, and so would be less likely now to continue to embarrass themselves.

We would hate to believe that Mr. Tannis jumped the gun, but if we are to take what he has said seriously, that is exactly what he might have only succeeded in doing.

CSO: 3025/206

EDITORIAL SCORES GRENADA FOR PRESS-SCARE PARANOIA

Bridgetown ADVOCATE-NEWS in English 4 Aug 81 p 4

[Editorial: "Grenada's PRG True to Form"]

[Text]

The People's Revolutionary Government (PRG) of Grenada in one of its latest statements continues along the now familiar pattern of seeing the majority of the Press in the English-speaking Caribbean as opposed to "the revolution". In fact, the PRG is carrying on in a manner that gives the impression that there is a conspiracy on the part of the Press to "turn back the Grenada Revolution."

The problem with the PRG is that its leaders have become so paranoid that fair criticism can no longer be regarded as such by them but has to be interpreted as being grounded in the ulterior motive of "turning back the revolution." We have reached the stage where any comment, not regarded by the PRG as being in their best interest, is interpreted also as being inspired by the "imperialists," — meaning of course the United States.

The PRG is not prepared to indulge in any self examination. Its high-handed action in dealing with a number of matters are to be accepted by others as being in the interest of the revolution even when there is no regard for human rights. It is a strange line of argument from a group that went up and down the Caribbean during the days of the Gairy regime, whipping up sympathy because of the very treatment that they, as leaders, are now meting out to those they regard as their opponents.

The PRG has been trying to make a dirty word of "imperialism," without realising that it is only succeeding in tarnishing the image of what "the revolution" is all about. The problem of the PRG is that it has fallen into the trap of attaching labels to all those whom it seeks to hold up to ridicule. It is a stupid strategy that fails to do justice to the intelligence we would have hoped the leadership would have displayed.

Because of this, we find that a meeting of editors from the English-speaking Caribbean in Washington last month is regarded by the PRG as involving "the most reactionary and conservative newspapers" in the region. Added to that, the PRG talks of the session being called by the United States State Department. A lie. But here again the idea is to brand and discredit; so who cares about truth.

To crown it all we were told that the United States promised the newspapers assistance in return for stepped up attacks on Grenada. That takes the cake. It is fantastic to imagine such statements can emanate from a group that obviously desires to be taken seriously.

But then dishonesty is nothing new to the PRG. They have been dishonest to their own people in that promises made at the start of "the revolution" have to this day not been kept.

The latest attack on the Press by the PRG came as a result of a call by one of the newspapers for the Caribbean Community Governments to isolate the PRG. As we see it, this isolation is going to come about without the Caricom Governments taking any deliberate action to do so. How the PRG has been carrying on it will in due course isolate itself.. The PRG cannot hope, for example, to be abusive of a number of the Caricom Government leaders and still expect these leaders to react as if nothing has been said or no insults hurled.

By the same token the stage could well be reached when much of the English-speaking Press might well decide to put a blanket on news coming out of Grenada because of the lies the PRG is prepared to trumpet in an effort to hold up others to ridicule. It will make very little difference to the image of the Press as matters stand, at least where the PRG is concerned.

The PRG has already taken steps to undermine any semblance of a free Press in Grenada. Yet it has the temerity to issue statements urging Grenadians "to learn more about genuine Press freedom and propaganda destabilisation." This is not a case of forgive-them-for-they-know-not-what-they-do. The PRG knows only too well what is trying to do. But it is all madness.

CSO: 3025/196

BRIEFS

INDEPENDENT SENATORS--Governor-General Sir Deighton Ward, acting in his discretion, has appointed seven people to be Senators for the Parliamentary Session 1981-86, three of whom have served during the last term. The four new faces among the Independent Senators are: Mr Alfred Wendell Audley McClean, Lecturer in Economics at the Cave Hill Campus of the University of the West Indies. Mrs Gwendolyn Gertrude Reader, journalist and member of the Child Care Board. Mr Clarence David Seale, a businessman and president of the Barbados Development Bank. The Rev Canon Ivor McKinley Jones, an anglican priest. Mr John Clemensford Wilsden Wickham, Mr Colin Ian Estwick Deane and Mrs Enid May Lynch, are those who served in the last term. [Excerpt] [Bridgetown ADVOCATE-NEWS in English 9 Jul 81 p 1]

PROTECTIONISM ISSUE--Bridgetown, Barbados, Aug 5 (CANA)--Recent allegations by Barbados' Trade Minister, Bernard St John, about a trend towards protectionism on the world markets, especially by the richer countries, could not be easily dismissed, the ADVOCATE-NEWS newspaper said today. The paper indicated that Barbados and other Caribbean territories would sooner or later feel the pinch of what it called "this new international monster, as they were currently in the process of finding more export markets to assist their economic growth and in the creation of jobs. It should be getting home to all by now that Caribbean countries cannot survive competition on the world markets as individual states because they lack the resources to plan the required effective strategies." Mr St John had suggested that the best approach to the problem could be a regional one, and that an efficient and highly organised private sector could help plan marketing strategies. The Trade Minister lauded the Barbados-based Caribbean Association of Industry and Commerce (CAIC) for what he termed its positive contribution to regional trade. [Text] [Kingston THE DAILY GLEANER in English 8 Aug 81 p 3]

CSO: 3025/201

PRICE SEEKS HELP AGAINST GUATEMALA

PA220440 Tegucigalpa TIEMPO in Spanish 8 Aug 81 p 2

[Text] In his brief visit to Honduras, Belizean Premier George Price asked for help from the government of Gen Policarpo Paz Garcia to stop a possible Guatemalan invasion after that British colony obtains its independence.

Price arrived in Tegucigalpa on Thursday and in the afternoon he formalized his petition to President Paz Garcia, with whom he met briefly in the presence of Foreign Minister Cesar Elvir Sierra.

Three of the main topics of the conversation were: The independence of the British colony on 21 September, the fear of an invasion from Guatemala, and the territorial status of Zapotillos Cays.

Price invited a Honduran delegation to attend the Belizean celebration, which will be a significant event because it represents the independence of the last colony in Central America.

However, the main concern of the Belizean premier was the fear that Romeo Lucas Garcia might order an invasion to reclaim the alleged territorial rights of Guatemala.

For this reason, he asked for defense support from the government of Paz Garcia, who found himself in a very delicate position, since Guatemala and Belize both claim ownership to the Zapotillos Cays, which is an insular territory also claimed by Honduras.

In addition, the close relations between Paz Garcia and Lucas Garcia stand in the middle, despite the fact that there are currently serious problems in the trade exchange between the two countries.

Price left practically as he came, without taking any categorical answers to his request to protect Belize's integrity.

CSO: 3010/1734

LABOR PARTY CALLS FOR PROBE OF STRIKE

Commission of Inquiry Requested

Hamilton THE ROYAL GAZETTE in English 3 Aug 81 pp 1, 3

[Excerpt] The Progressive Labour Party yesterday called for an independent commission of inquiry into the underlying causes of the general strike earlier this year.

The P.L.P. said comments made by Bermuda Hospitals Board Chairman Mr Ward Young last week made it clear to the Opposition Party that the Cabinet prevented early settlement of the Hospitals' dispute.

"The fact that the dispute led to the loss of millions of dollars to both workers and management and threw the Country into unnecessary unrest, makes a commission of inquiry into the underlying causes of the crisis particularly necessary," said Shadow Minister of Health Mr Walter Roberts in a statement.

Government blue collar and hospital workers went out on strike in April after negotiations between the Bermuda Industrial Union and Government broke off. The strike soon spread to include other work forces and brought the Island's economy to a virtual standstill by the time settlement was reached on May 6.

At a Press conference last week, Mr Young rebuked Cabinet for letting negotiations drag on, when, had the Hospitals Board had its way, a contract would have been signed last December.

"The union needed to catch up. The difficulty I had was getting the argument across to those responsible," said Mr Young.

Government Rejects Request

Hamilton THE ROYAL GAZETTE in English 7 Aug 81 p 5]

[Excerpt] Government yesterday rejected the Opposition's call for an independent commission of inquiry into the underlying causes of the general strike earlier this year. In a statement issued last night, Government said: "To rehash events of April and May and to attempt to lay the blame in any direction would serve no useful purpose."

Government responded yesterday by saying that it could not be held responsible for causing, or escalating the strike. "On the otherhand, the P.L.P. gave overt support to the strikers, particularly those out on sympathy strike who caused ugly scenes at the Airport and brought distress to so many visitors."

ROBERTO VEIGA ADDRESSES VARIOUS WORKER GROUPS

Party Emulation Review

Havana TRABAJADORES in Spanish 24 Jun 81 p 4

[Speech by Roberto Veiga, secretary general of CTC and alternate member of Politboro, at ceremony naming Caimito best municipality in Second Party Congress Emulation on 19 June 1981; place not specified]

[Excerpts] Comrades:

The year 1980 was a year of hard work, compensated by encouraging and important results. Last year we grew in the face of problems. Bad weather, diseases and problems caused by shortages and irregular technical-material supplies could not daunt or discourage our workers squarely on the road to carry out their union battle cries. We achieved undeniable economic successes and also irrefutable and impressive political and ideological successes. By meeting its emulation commitments, the CTC [Central Organization of Cuban Trade Unions] won the trophy as a fulfilling organization in salute to the Second Party Congress.

In all the municipalities, the workers made an extraordinary effort to enable the CTC to achieve this resounding victory but we must emphasize that this outstanding municipality led that extraordinary effort. Therefore, Caimito was unquestionably the best municipality in the country in the great national emulation that the union movement organized and developed as a salute to the Second Party Congress.

When we tried to determine which of the many fulfilling municipalities had achieved the best results, there was no question, after an exhaustive analysis, that Caimito was the best. It should be pointed out that although the economic results achieved determined this decision, Caimito also showed significant results in the fulfillment of other important political, ideological and social tasks in 1980.

Result of Stronger Political, Revolutionary, Communist Awareness

Caimito is not a large municipality; it has a population of 23,311 with 8,396 workers. Nevertheless, this territory represents 70 percent of citrus planting and harvesting in the province. It is very important in milk and meat production and includes some basic centers like the Los Naranjos Genetic Enterprise. It has a cane area of 148 caballerias and a sugar mill, Habana Libre, that is not large but is a very efficient mill. There is a magnificent collective of workers there who

have traditionally been known for their emulation victories. This territory also has the Juan M. Quijano Enterprise which produces parts and accessories for different national sugar enterprises. The Carbide Enterprise, the only one of its type in the nation, is located here. This territory, with five quarries, is also one of the main production areas of construction materials in the province.

In 1980, the municipality of Caimito fulfilled the commercial production plan by 125 percent; work productivity increased the same amount. The cost per peso of production and profits showed favorable balances. All this sounds easy but, without any question, it is the result of countless anonymous efforts. It is the result of devotion, concern and unselfish, tenacious and fruitful work. It is, finally, the result of stronger political, revolutionary and communist awareness.

The impressive economic results achieved by the Caimito workers were accompanied by stronger labor discipline. We could see this, verifying that the overwhelming majority of its work centers met the established requirements for this important indicator in the 1980 emulation.

Caimito has had an effect, directly or indirectly, on the achievements of Havana Province in the sugar harvest, the produce campaign, livestock activity, the tobacco crop, industrial activities, construction, education and services.

As part of the general effort made by this municipality in 1980, we must point out that its volunteer cutters again came in first nationally in the Special Sugar Harvest Emulation during the 1979-80 harvest. Cane District No. 5 fulfilled its plan to sow winter and spring cane 3 months early and then did a conscientious job of cultivating these areas. This helped achieve yields of more than 100,000 arrobas per caballeria in an unirrigated area.

The Ceiba Citrus Enterprise not only fulfilled its technical-economic plan in salute to the Second Party Congress but also fulfilled its commitment to produce 1 million quintals of citrus. The workers of the Los Naranjos Genetics Enterprise and those of the Nina Bonita Enterprise based in this municipality were the main participants in a meritorious task, earning the banner for 1 million liters of milk. The workers of the Caimito National Poultry Complex overfulfilled their commercial production plan by almost 7 percent.

Some of the successes in agricultural and livestock production were not only the results of the effort of the workers in this sector but also part of the fruitful effort of the workers in all sectors in this area because of the many mobilizations like Red Sunday last 2 November in salute to the 63rd anniversary of the October revolution and the Second Party Congress.

We must emphasize that the Caimito workers, in addition to meeting their productive commitments so well, had to support neighboring areas through mobilizations of volunteers. They participated in different tasks like harvesting potatoes and tobacco.

Overfulfillment of Tying Workers, RGS Applied in Most Enterprises

In 1980, the municipality overfulfilled the plan of tying workers and the General Wage Reform was applied in most enterprises, establishments and budgeted units. Caimito quickly fulfilled the commitment assumed by our union movement to victoriously culminate the beautiful Battle for Sixth Grade in 1980.

The workers and the people in this municipality responded, as they have always done to any call of the revolution, with their enthusiastic veteran participation in impressive revolutionary reaffirmation campaigns like the marches of the fighting people in April and May and the gigantic rally in the Plaza de la Revolucion on 1 May. [Passage omitted]

What Basic Tasks Face Us?

What are the basic tasks that we have facing us? Comrade Fidel pointed them out to us in his recent speeches, particularly at the Second Party Congress: production and defense. These are our indispensable and unavoidable tasks.

Everyone knows that the world is living in difficult times today, times of great tension caused by the arrogant and aggressive policy of the imperialists. U.S. militaristic circles have made aggressive plans about our fatherland with the deluded pretension of beating us and crushing our glorious socialist revolution, in this way destroying the unshakable faith that emanates from its lucid example for the fraternal peoples of our America.

In an impressive demonstration of courage, honor and decency, all our people have responded as always to our commander in chief's call. Millions of men and women have expressed their staunch readiness to join the Territorial Militia and hundreds of thousands are already in military units and well trained as a new organized force of the people. Together with our glorious and invincible FAR, they are ready to confront and conquer any aggression from our irreconcilable enemies. They have reacted the same toward the idea of financing the Territorial Militia with voluntary contributions from the people.

Through comrade Fidel's words, our people have reiterated their love of peace, their desire to contribute to civilized coexistence with all countries. It is our fervent desire to be able to continue to dedicate ourselves to the great creative work of the construction of socialism. [Passage omitted]

Problems in Light Industry

Havana TRABAJADORES in Spanish 26 Jun 81 pp 4-5

[Speech by Roberto Veiga, secretary general of CTC and alternate member of Politboro, at closing of Fourth SNTIL Congress on 24 June 1981; place not specified]

[Text] Comrades:

The work of the congress is over. The great sense of responsibility predominating in your deliberations was accompanied by the optimism and joy that characterize the workers in this industry.

We were happy to see the large number of female delegates participating in this event. This shows the high percentage of women participating in this sector and impregnates your tasks with the seriousness, combativeness and contagious enthusiasm that the working women usually glory in.

After the main report—enriched by the contributions of the delegates—was approved, there was a critical and self-critical evaluation of all the tasks, successes, deficiencies and problems since the third congress. That report, the agreements made in the course of its discussion and the final resolution just adopted demonstrate, in our opinion, the main objectives that will direct the work of the union in the next 5 years.

It would be unnecessary, irrational and presumptuous in these closing words to the congress to try to focus on all the aspects that have received your attention. We will only emphasize some of the many problems and important tasks that concern and direct the action of the light industry workers.

The congress revealed that the main activity of SNTIL [National Union of Light Industry Workers] must be the fight for efficiency and, especially, for quality because of the nature and destination of the production of these branches of the economy.

Quality, particularly in this industry, expresses the degree of awareness reached by the workers, the knowledge, understanding and convictions that motivate them to act with the greatest class sense of duty, with a communist attitude toward work, with a profound collective spirit, with a spirit of solidarity and with fervent respect for the people.

Each day the union must look harder for incentives for better work, promoting healthy pride in all the workers for quality in their work, making all of them feel that poor work diminishes their dignity and prestige.

The conduct of the workers plays a decisive role in the fight for quality but it does not depend exclusively on the political-ideological work with the worker collectives, no matter how extensive or profound it is. At the same time, a number of objective and subjective factors have moral influence and affect the work behavior. These include technical-material supplies, the condition of the equipment, organization, control of the productive process, skill of the personnel, environmental conditions and the pay system. These factors and others affect the state of mind, the awareness and general attitude of the workers. Therefore, these factors cannot be isolated from the ideological work; on the contrary, the union must keep in mind that the primary purpose of its ideological work is to seek solutions to problems, answer concerns, resolve misunderstandings and satisfy the need for orientation and information concretely and with the appropriate language.

The CTC greatly appreciates the serious efforts that the Ministry of Light Industry has made to increase economic efficiency and, especially, improve quality. There is obviously more administrative demand and concrete measures have been adopted. It was an intelligent decision, in our opinion, to restore some abandoned operations in making clothing, shoes and other articles for personal or family use. The important thing is not just to make more but to make it well. What interests the economy, what the people want and deserve, is to fulfill the plan, but always respecting the established standards of quality.

The battle for quality is not simply a motto or a temporary activity. It is a permanent and complex task that requires time, perseverance, total effort, a great sense of responsibility and the energetic joint work of the administration, the union and all the workers.

Shortages, Irregularity, Quality of Raw Materials, Supplies, Accessories, Spare Parts Negatively Affect Quality

Many people agree that shortages, irregularity and the quality of raw materials, supplies, accessories and spare parts sometimes negatively affect the quality of products. It is logical to assume that if fabrics, hides or any other raw material or supply is deficient, the clothes and shoes produced, no matter how conscientiously, cannot have the proper quality. It is also logical to assume that if production is affected at the beginning of the year by a shortage in raw materials or supplies and we are forced to make a marathon effort later to make up for the delays, quality will be affected.

It should be pointed out that the shortage, irregularity and quality of supplies that the normal development of the productive process demands do not always depend on the will of the administrative leaders. At times we lack the financial resources to acquire them on time and in the required quantity and quality. At other times, we have the resources but it is not possible to obtain them in time or with the desired specifications. There are countless objective problems, including problems in sales contracts, shipments, transportation and even in unloading in our ports. We are not immune from uncertainty. These are imponderables that we fight to eliminate as much as possible; however, there are definitely realities we cannot ignore. Of course, the union and all the workers must watch to denounce and keep these realities from covering up deficiencies in planning, organization and economic management in general. We note this because occasionally these deficiencies affect adequate technical-material supplies. When this happens, the workers and the union have the right to demand an accounting. The great working mass of our country has amply demonstrated its ability to understand the problems and, therefore, has the legitimate right to demand efficient solutions when they are materially possible.

One delegate criticized one of the most irritating organizational problems which conspires against quality and which the workers do not understand--it is difficult for them to understand it. That is the problem of codification. As is known, most of the light industry enterprises and establishments have a limited storage capacity. Nevertheless, there are repeated complaints that these warehouses are crammed which stops production. However, the stored merchandise cannot be packed or removed because it has not been codified and priced. It remains stored for an indefinite period of time, progressively deteriorating. In other words, after investing so many resources and efforts to acquire the raw materials and make the products, they get lost or deteriorate and their costs increase unnecessarily due to notorious organizational deficiencies and bureaucratic mechanisms that should be taken care of in advance. It is simply inexplicable. The union and the workers have to fight stubbornly against this.

Workers' Skill Very Important to Fight for Quality

The skill of the workers is very important in the fight for quality. The union culminated the Battle for Sixth Grade victoriously. Now it is undertaking tasks for a new commitment which is much more complex technically and organizationally: the Battle for Ninth Grade. Imaginative and revolutionary solutions will be required to conclude this battle successfully. The problems caused by the implementation of the fourth brigade in the textile branch and the creation of additional shifts in the ready-made clothing enterprises must be examined in detail.

The cultural improvement of the workers must be closely tied to the objective of increasing their technical skill. Some problems that have been affecting the skill of the workers have been criticized; the union must continue to fight for their solution. They include: late approval of training plans which frequently means lack of coordination with production plans; lack of worker training areas; and nonfulfillment of adopted training programs. We have been told about training courses which ended prematurely due to pressure to solve shortages in the work force.

Environmental Conditions Negatively Influence Fight for Quality

Some delegates indicated the negative influence of environmental conditions in the fight for quality of production. There are many establishments and enterprises with crowded working conditions, lack of ventilation, lack of proper lighting, precarious hygienic and sanitary conditions, leaks in the roofs and inadequate safety devices. The absence of systematic maintenance all these years has led to progressive deterioration of environmental conditions. This was presented strongly.

The union and the administrative organisms agree to use available resources to energetically fight this situation, particularly in the more critical places. This is a task that should be given priority and taken care of to the extent of our possibilities, not only because of what it represents for production but, basically, for what it implies from the human point of view. For this 5-year period, the government has doubled the financial resources allocated to work safety and hygiene in the branches and activities of this union. The worker organizations and the administrative organisms must help ensure, not only that these resources are allocated but also that they are mainly directed to the solution of the basic and most urgent needs.

Union Must Help Related Wages to Quality

At the Third SNTIL Congress, the need to relate wages to quality was presented as an incentive in the fight for better work. It was agreed to improve the present payment system, introducing bonuses to stimulate qualitative factors. Almost 4 years after that congress, very little has been done to carry out this agreement. Apparently, the necessary determination was missing. We must even say that, at this time when the fight for quality is given priority, we do not see any vigorous activity to carry out this task, in spite of the positive balances from the little experience obtained.

With the desire to help the administrative and union leaders in this industry in their fight to improve quality, we must tell you, comrades in the light industry, that the results have been favorable, immediate, quantified and tangible in all the sectors in which we have applied bonuses to give incentives to improve quality.

There are those who say that perhaps there are obstacles to these bonuses because of the problem of guaranteeing the indispensable raw materials and supplies for the products to achieve the desired quality. We would reverse this reasoning; we would say that we must implement bonuses precisely to feel more compelled to promote technical-material supplies. We would go further; we think that we could study those cases where it is impossible to obtain the necessary raw materials and supplies and advocate--we repeat—the partial implementation of stimuli for the

workers who do conscientious work. We hope the Fifth SNTIL Congress does not have to evaluate this situation critically again.

Fight for Planned Assortment, Renovation Must Be Encouraged by Union, Workers

The ministry made a wise decision to improve quality by demanding strict fulfillment of plans, not only in prices but in physical terms. The fight to fulfill planned assortments and the decision to expand and change these regularly must be strongly encouraged by the union and all the workers.

This policy, although fair, has caused some problems since, according to allegations, it implies constant technological changes. In addition to causing frequent interruptions, this also causes problems in the workers acquiring the required training for the new operations. Therefore, it becomes impossible to fulfill the norms and their wages are affected. Similar arguments are used when changes are introduced in some exportable products. Nevertheless, there are places that carried out these changes without any problems. What happened? There were detailed discussions in advance and rational solutions to the problems were sought and found. This is one experience that shows that the correct application of this policy does not necessarily generate an unsolvable conflict. These are problems of organization and planning that will force the union to think hard to formulate the best recommendations.

Frequent Interruptions Are Justified Concern We Must Solve

Some delegates echoed a concern expressed by the workers in many places about continual interruptions, basically of short duration, which decrease their wages. This was latent in all the preparatory process of the congress and, according to many, is one of the most critical aspects confronted at this time.

We asked: if the principles that regulate payment for the interruptions are similar in all sectors, why are they questioned so much in light industry?

In trying to find an answer to this question, we verified that this industry has characteristics that somewhat explain that concern.

In light industry, irregularities in the supply of raw materials and other supplies have much more effect than in most other industries. The situation is aggravated because these are generally not foreseen, at least in the medium term, and consequently they occur suddenly in the midst of the workday itself. This causes the wage guarantee in this sector to be generally the minimum variant of 50 percent of the wage. It is also normal for the workers to be required to remain at the work center during the interruption.

In addition to interruptions common to all sectors, light industry has some peculiar to it; for example, the most common interruptions are caused by the frequent technological changes mentioned above which are inherent to this industry due to its direct relationship with the needs and preferences of consumers. The second most common one in this industry is interruption for lack of work force; these are more frequent and more harmful than in most other economic activities. In general, when a position is unfilled through absence or vacancy, it greatly affects the rest of the operations since all are usually closely tied to the process; therefore,

an operation that is not done can hinder the entire productive flow. Interruptions for this reason have increased recently as a result of the measures correctly taken to better use installed capacity. In order to correct the problems of month-long work stoppages in the entire industry while the workers take vacation, it was agreed to rotate vacations and, in that way, keep the work centers operating all year. To carry out this initiative, it was necessary to create some conditions like organization of a staff of indispensable personnel. However, the rotating vacations were organized without having completely formed that staff, an additional cause of interruptions.

Interruptions in Light Industry More Harmful to Workers Due to Frequency, Nature

As can be seen--forgive the repetition--interruptions in light industry are more harmful to the workers due to their frequency and nature than they are in most other economic activities. This situation is worse because, precisely in this industry, the possibility of overfulfilling norms to decrease the effects caused by interruptions are more limited than in most other sectors of the economy. Generalized overfulfillment of norms is very difficult since these norms are well written. Also the possibility of overfulfilling in many places, although a small percentage, is limited by lack of raw materials and supplies that would increase productivity but not affect the normal development of production later. It seems to us that some delegates from Matanzas Province indicated that, because of this, the effects of the tie between wages and norms have been virtually annulled in the case of shoe workers.

How can this problem be satisfactorily solved? We have no magical solution nor do we think that one can be improvised. However, we would like to use our prerogative of concluding this congress to outline some opinions that, with many others, could serve as a basis to solve this situation.

It is an urgent need that the administration and the union use all their arsenal of measures to optimize technical-material supplies, eliminating all subjective factors that affect them. In those cases in which these supplies cannot be assured, they must take advisable measures to learn this in advance. In that way, conditions could be created to prevent interruptions and plan for them in the long term, thus decreasing present intermittent work stoppages.

Many Technological Changes Can Be Planned, Discussed with Workers

Concerning the introduction of technological changes in the productive process, it seems possible to us that many of these can be planned ahead and properly discussed with the workers. This would help foresee the consequences and look for appropriate answers. We think the idea is good in those cases where the technological changes do not correspond with the usual skill of the workers and work productivity can temporarily decrease. We repeat it seems to us that the idea is good in these cases to work with norms adapted to reality. This is nothing new. It is based on international experience and on a practice that existed in this industry for many years.

We feel that the administration and the union must firmly propose to solve the problem of indispensable workers once and for all. Obviously, in this industry the indispensable workers have to be experienced and skilled workers and there must

be special consideration in establishing their norms and wages. No one can think that an untrained worker is in the position to efficiently do different operations that require different degrees of skill and ability. No one can think that an experienced and skilled worker who can fulfill his norm in a regular occupation easily is willing to be indispensable and, therefore, subject himself to the logical effects of frequent changes in occupation if he is not offered special treatment in norms and wages.

In our opinion, comrades, these are some ideas that can be studied to solve the problem of interruptions. This is a situation that we must take care of without delay, not only because of its influence on the state of mind of the workers but also its undesirable repercussions on the fulfillment of the technical-economic plans.

The frequent interruptions are a justified concern which we must answer. This has been expressed by the workers with confidence, candor and respect. The workers who have presented this situation are the same ones who, at the end of last year, with many days of volunteer work made an extraordinary effort to try to make up for the effects on the production plan of the first 9 months. They are the same workers in the combative detachment of our union movement that, in the first quarter of this year, won first place in our great emulation in salute to the Tenth WFTU Congress. These are our brave and admirable people! These are the veteran armies in our glorious union movement! It is a politically committed union movement, a union movement that--in spite of difficulties, deficiencies and even misunderstandings--defends the general interests of the revolution and the unyielding foundations of the first state of workers and peasants on the American continent.

We Expect Much of Union in National Emulation Saluting Tenth WFTU Congress

We expect that SNTIL will continue its victorious progress that earned it first place in the first quarter of the year in fulfillment of the goals that have been established to salute the commemoration of 26 July.

It is necessary to continue strengthening the organization and development of emulation in the work centers. It is necessary to encourage emulation among all the workers and you in particular must continue encouraging the Movement of Outstanding Workers. We expect much of this union in our great emulation to salute the Tenth WFTU Congress. We have ample reasons for that confidence because this is the union of workers like Antonio Leon del Monte, Julio Ramirez Quiros, Bartolome Alfaro, Felix Gonzalez, Lucio del Carmen, Victoria Turino, Berta Sanjil, Fulgencio Pantoja and many other men and women who today, with their exemplary attitude, are not only the pride of the union but also the pride of the CTC and the entire country.

The General Wage Reform has been applied in most work centers in this union. Many of the elements in the reform have led to greater economic efficiency and better use of installed capacity. One example of the latter is the application of the fourth brigade in the textile branch. In general, the results are satisfactory although we must point out that the results in the Inejiro Asanuma Textile Factory and Bellotex fulfill our aspirations. With respect to the textile factories in the two Havana provinces, the results are encouraging but not up to expectations. It is important that the union evaluate the factors involved in order to encourage opportune recommendations and solutions. It is necessary to analyze what factors

were present in Gibara and in Matanzas in order to achieve better results than in the two Havana provinces.

Application of SDPE Still Main Union Task

Everything indicates that the implementation of the Economic Management and Planning System is progressing within the branches and activities of this union. The number of enterprises that have been authorized to form material stimulation funds is not inconsiderable. Their number will continue to increase. The application of this system must continue to be one of the main tasks of the union.

There are certain signs of nonconformity in some enterprises because, by proposing extra plans during the course of the year and not adjusting the management plan, the workers see their stimulation funds affected. This is a problem that the union, the CTC, the ministry and JUCEPLAN [Central Planning Board] must evaluate to find the best solution.

The development of marginal productions is a task that we think the union should stimulate. This is very important in light industry. It is one way to save supplies and raw materials. Savings in this industry is a vital task, especially if we note the great limitations that we face in technical-material supplies, many of which come from abroad. All the above is closely related to an initiative that the union must consistently support. We are referring to the development of local industries because of their potential better use of raw materials and supplies, better offer of products to the people and increase in use of cash and source of employment in many places.

The congress reviewed the tasks to strengthen labor discipline. Although the fight against absenteeism must continue to occupy the attention of the union, there has been a decreasing trend in absenteeism these past 3 years.

Under socialism, the main interest of the union is to make society advance, to develop the economy and increase wealth in order to improve the well-being of all. Of course, this essential objective is not contradicted but complemented by its duty to demand that the rights of the workers, consecrated in our labor and social legislation, be respected. Many of these problems were discussed in the congress.

About 95% of Labor Infractions Corrected Now

The work done by the union in the massive union inspection in which more than 109,000 infractions were detected was significant. We are pleased that, at the time of this congress, about 95 percent of these violations have been corrected. We have given great aid in detecting and correcting these infractions but the most important result of this work is the skill and training received by thousands of workers and cadres in the knowledge, interpretation and application of many important aspects of labor and social legislation. This can be a powerful force for the immediate objective: to prevent repetition of these violations.

In the first half of this year, we evaluated the application of Decree Laws No. 32 and No. 36. Although it was not our intention, we had to give our opinion yesterday in the afternoon session. The survey taken by the union revealed that, in applying Decree Law No. 32, the maximum sanctions were frequently invoked regardless

of the infraction committed or the history of the worker. Conversely, Decree Law No. 36 has not been applied consistently although it should be pointed out that the Ministry of Light Industry could concretely illustrate the readiness of its top leaders to vigorously stop every tendency toward arbitrariness, inefficiency and lack of administrative discipline.

It is our duty to firmly support application of Decree Law No. 32 in all cases when it is justified and to warn and act when it is applied improperly. If all the alternatives of the law are not considered, it loses its educational value, the interests of the workers are hurt unnecessarily and unnecessary tension is generated. We must act energetically as a union to strictly apply Decree Law No. 36 in all cases where the administration abuses its power. We must fight to prevent the image that Decree Law No. 32 is applied diligently but that same diligence is not noted in the application of Decree Law No. 36.

Naturally, the congress discussed many important aspects of the internal life of the union and decisions and agreements were adopted.

Union Must Increase Attention to Bases

In 1980 the tie between the superior and intermediate organisms and the union bases improved although this tie was not as good as necessary during the time between the third and fourth congresses. Direct relations with the work centers can help us acquire a direct feeling for the problems and positively influence their solution. The union must firmly propose to increase its attention to the bases and strengthen its direct contact with the workers and the problems that they face. This does not mean visiting the work centers to hold formal talks with their leaders and workers but going there to help, foresee and prevent problems and, if they exist, help solve them. We must eliminate the practice of learning about problems, tossing them around and leaving them unsolved. The problems that we find must be problems we face and handle until we find a just solution or a convincing and adequate explanation.

Comrades:

We are sure that, after this congress, you will be in a better position to carry out the tasks that you have before you. We are convinced that you will transmit to those you represent the spirit that has inspired the decisions adopted. We also know that they, the workers, will feel strengthened and encouraged because the congress is definitely a reflection of their just concerns and hopes. Converted into resolutions at this congress, they will act as a force to sweep away any obstacle in winning new great victories for the revolution.

Basic Tasks Are Production, Defense

Although the subjects covered in this congress concerning economic, labor and social problems sufficed to give it singular importance, there was also the just importance of continuing to strengthen the firm participation of the workers in the Territorial Militia and the contribution of resources to help finance it. The congress confirmed the massive and conscious response of the workers, from the very beginning, to our commander in chief's call brilliantly expressed in his historic Report to the Second Party Congress. He indicated that the basic tasks after this great assembly of the party and the republic were production and defense.

Imperialism, in its ferocious hatred of our fatherland, is more aggressive and insolent and prepares new aggressions that reveal its lack of scruples and its open mockery of the most elemental international laws. This adventurous policy is part of the global plan of imperialist strategy against the socialist system, especially against the Soviet Union, as well as against any type of progressive fight or fight for national liberation in today's world.

Coarsely defying the just desire of mankind for peace and peaceful coexistence among all countries and in its mad race for world domination, it continues to arm itself, devoting colossal resources to the creation of more destructive weapons while hundreds of millions of men and women, children and old people are victims of poverty, disease and lack of education. Millions die every year because of this.

Facing the cruelty of the imperialists, we reaffirm our internationalist principles expressed in the firm decision to continue improving our fraternal relations with the peoples of the world who fight for their liberation and to make the ties that unite us to the fraternal countries of the socialist community, particularly the fraternal and beloved Soviet Union, more solid and indestructible. Neither socialism nor the peoples want war; this is imposed by the imperialists. To the people, peace is their main wealth.

To defend this front trench of socialism in America means not only defending our own right to survival and to decide our own destiny but it is also an effective contribution to the peoples of the world who fight for their inalienable rights. It is a contribution in the joint effort for world peace.

Therefore, we have the need to strengthen ourselves each day, to be prepared and well trained in modern military technology. Therefore, the decision of the congress concerning defense tasks is important. It expresses the decision of our workers and all our revolutionary people.

The Territorial Militia, united with our glorious and invincible FAR, improves our defense system and will force the enemy to think twice before trying something. If he does decide to try it, he will receive a convincing and devastating response from our heroic people who are sworn in and ready to carry out the sacred words of General Antonio: "Anyone who tries to take Cuba will take the dust of its soil drenched in blood if he does not perish in the fight."

Continue Union Work, Work Hard to Make It Stronger

Comrades:

We would like to congratulate the members of the National Committee and the Executive Secretariat elected today, particularly comrades Pedro and Mirita, confirmed as secretary general and second secretary respectively.

We exhort you to continue expanding the work of the union and to work untiringly to make it stronger.

We express to you the confidence of the CTC leadership that you will know how to completely carry out Fidel's teachings and guide with the immortal example of the

one who, through his memory and image, has presided over this congress, our beloved and unforgettable comrade Lazaro Pena.

Long live the Fourth SNTIL Congress! Long live the Communist Party of Cuba! Long live Fidel! Fatherland or death! We will win!
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Education, Work Quality

Havana TRABAJADORES in Spanish 7 Jul 81 p 4

[Speech by Roberto Veiga Menendez, Alternate Member, Political Bureau, and Secretary-General, CTC [Central Organization of Cuban Trade Unions]: "The Struggle for Development Above All Is the Struggle for the Transformation of Man, His Intelligence, His Capacities"]

[Text] Speech at the close of the graduation exercises for 2,486 new professional specialists.

Comrades of the head table,

Comrades graduates,

Comrades,

During this Year of the 20th Anniversary of the Bay of Pigs, the University of Havana is paying the best possible tribute to that date, it is rendering the best possible homage to those who fell defending the fatherland and socialism, through this graduation exercise, at which 2,486 new professional, higher-level specialists join in the tasks of the construction and defense of our revolution.

We would like above all to congratulate the comrade graduates, especially the group of vanguard members who have just received their diplomas, and we would like to express to them, in the name of our people, in the name of our workers, our party, the sincerest appreciation for the effort they made and for the dedication with which they did their duty as students.

Likewise, we must hail the self-sacrificing work of the professors, the university administration personnel, all the workers at the university, which is our oldest institution of higher education. They enable us each time to have better and better graduating classes and higher levels of theoretical and practical training. These achievements also to a great extent contribute to the aid and support of the work collectives to which the students are linked during their career or to which many of them even belong as they enter the university with the status of workers.

Regarding the latter, it is a source of profound joy to us to be able to emphasize here that more than 50 percent of this graduating class consist of worker-students.

A Text of the Performance Spirit of the Working Class

This fact is of extraordinary significance for all of us. In it we can see a test of the spirit of performance and development of our working class, the advanced force of the revolution and the people. In it we can furthermore see how the

ideas expressed by Comrade Fidel are materialized, regarding the transformation of university education and its ever more profound link to the country's economy, to the cultural and social development of our fatherland, to the elevation of the technical and professional levels of our supervisory personnel and our worker rank-and-file.

This university, in which more than half of the graduates are workers, is precisely the university that comes in colors of black, mulatto, of worker and peasant, which one day our unforgettable heroic guerrilla fighter, Maj Che Guevara asked for.

Since then, things have not been easy in giving those courses. I want to take this opportunity to point out that we are still confronting difficulties and limitations in teaching our workers. These are problems which we are coping with. Right now, the Ministry of Higher Education, the institutions of higher education, and the CTC are analyzing the ways and means that will enable us to achieve greater efficiency in these courses on the basis of a teaching organization that will be more in line with the reality we face.

We must underscore the importance of this graduating class to our country.

On some occasions, in the midst of the gigantic effort which the revolution is making to overcome underdevelopment, and, along with it, the heritage of backwardness and misery which the old society left us, we have become accustomed to measuring our impressive advances only in terms of new factories, new highways, new lines of communication, new dams and irrigation systems, new sugar mills and sugarcane growing areas, new schools, hospitals, and more social facilities.

Without taking any importance away from those factors, we could say however that one of the most decisive and expensive investments in development is the one which our fatherland has been making for more than 20 years in the field of education. Today, with graduation exercises such as this one, we are harvesting the fruits of the enormous efforts which extend from the literacy drive and which continue with the creation of thousands of new schools, the training of tens of thousands of teachers and professors, the drafting of a new overall concept of revolutionary pedagogy, the tie-in between study and work on all levels, the construction of hundreds of modern middle and higher-level teaching centers, adult education, the Battle for the Sixth Grade, and many other achievements which have placed Cuba at the head of education in all of Latin America.

Struggle for Development Above All Is Struggle for Transformation of Man

The struggle for development above all is the struggle for the transformation of man, his intelligence, his capacities, and his potential.

Man is the one who directs, organizes, and produces; he is the one who revolutionizes society and transforms nature. Through him and for him all efforts are made to create a richer, more just society, capable of coming up with a growing response to his material and spiritual needs.

We are living during a phase of the revolution in which the capacity of the cadres, their political, cultural, technical, and professional level, depends to a great extent on the accomplishment of the tasks facing the country.

Hence the tremendous importance of this graduation exercise. The graduating class includes specialties of enormous importance to national growth. There are those which belong to the natural sciences and mathematics, the social and humanistic sciences, and those relating to economics, in other words, fields of knowledge which must promote both production development and greater attention to health, education, and other needs of the population, the advancement of our people's culture and ideology, and the vital tasks, which are always current, the tasks involving the perfection of planning and economic management of our country.

In relation to this last point, it is encouraging to observe the percentage of graduates in the special field of economics, especially during the regular daytime course, compared to the rest of the specialties.

At the same time, as was reflected in the report by the comrade university president, it is necessary to develop in depth the search for solutions that will make it possible to increase the number of graduates in basic sciences such as mathematics, physics, and chemistry. There is no doubt that technical and scientific development, its application to production processes, and also the elevation of the quality of education require us to have an ever growing number of specialists in these fields. The strengthening of these branches is indispensable in order to provide impetus for research and development in the branches of the applied sciences. This will enable us gradually to raise our own levels, to make better use of the resources we already have, and in a short time to achieve the assimilation of technologies and advances attained by other countries. As Fidel pointed out so correctly, from the very first years of the revolution's triumph onward, Cuba's future must necessarily be a future of men of science.

However we cannot feel satisfied with the number of young people who graduate in the basic sciences. We are familiar with the efforts being made and the measures being taken to solve this problem, including the suitable selection and training of college preparatory schools for students who have the ability to get into these special fields. We are sure that we could provide favorable impetus to this situation over the next several years.

There are other circumstances which we must stress with regard to this graduating class. One of them is the fact that the graduates in the regular daytime course numerically constitute the largest graduating class of the University of Havana during the past five courses. Another significant fact is that 51 percent of all graduates are women and that proportion goes up even further in the regular daytime course where the figure for female attendance is 65 percent. There is no doubt that this is a clear example of the spirit of study, tenacity, and discipline which increasingly characterizes Cuban women, thus increasing their decisive role within the revolutionary process.

We must also emphasize that this is the fifth graduation exercise to be held after the historic resolutions of the First Congress of the party and the subsequent reorganization of the network of institutions of higher education. Life itself has confirmed the correctness and necessity of these measures. We have seen a manifestation of the advantage of the new system and the new structure of specialties. Today we have the satisfaction of knowing that our university centers are improving their conditions day after day so as to carry out their teaching and educational activities and to turn out the specialists demanded for the country's economic and social growth.

More Organization, Higher Standards, and Greater Efficiency in Higher Education

Developing this system, perfecting it in a consistent manner, each day raising its pedagogic and scientific levels, developing organization, tightening up standards and improving efficiency--these are tasks which the leaders in our field of higher education must tackle.

I must say that this graduation exercise is not only of special significance in terms of the number of comrades who complete their studies and in terms of the makeup of the special fields in which they are graduating; this graduation exercise also is outstandingly important because of the moment at which it is taking place and because of the concepts which have guided the overall training of our new graduates.

First of all, the comrades who today get their diplomas were trained from the very first levels of education in the revolutionary principle, a profoundly Martian and Marxist principle, of the combination of study and work. They are men and women who are familiar with work in our fields and who know what it means to produce with their hands. During those years of study at the university they were linked to practical activities in production, assistance, educational, or service centers. They are familiar with the country's concrete problems. They are not professional people who come out of the classrooms with an idealistic vision of what expects them outside. This is an extraordinary advantage which must lead to faster assimilation of work, to higher quality, and above all to an attitude of stubbornness, nonconformity, and struggle to overcome the shortcomings and problems which still exist in our work centers.

Perfect Ties of Students and Professors to Production, Service, and Research Tasks

Experience corroborates the formative, political, ideological, and also scientific value of this principle of establishing a link between study and work, between theory and practice. There is no denying that we are in a general sense getting positive results from its application. However, we must not conceal the fact that the application of these concepts, in higher education, turns out to be more complex and difficult than on other levels. This is why it is absolutely indispensable to seek the most effective forms between the centers of higher education and the enterprises, the institutions, and the government agencies, in order to perfect the link of the students and professors to the tasks of production, services, and research. The value of this activity to the development of future specialists requires us to continue to pursue this effort in depth.

It is already a fact--and we are filled with satisfaction--that our students are taking courses in the revolutionary science of Marxism-Leninism in the university classrooms.

We believe that this is one of the most important achievements of our higher education establishment in recent years. We cannot really conceive of a university graduate, who has gone through the school of the revolution, and who does not have a solid Marxist-Leninist theoretical foundation, who does not know the essential theses of our concept of the world, our economic doctrine, and our political foundations.

We must work toward that and more. We must fight to make sure that our students will organically combine their professional studies and their political studies so that Marxism-Leninism will not be just another subject to them, another item in their curriculum, but that it will rather permeate, illuminate, and clarify their entire technical and scientific education, becoming a guiding truth for action, for research, and for the standards of political and moral conduct of each university youngster.

We have advanced in this field but we still have quite a distance to go. We must keep improving the quality of teaching in Marxism-Leninism and we must delve further into its study. We must make sure that the learning of this science will take place in a living form, closely tied to the concrete problems of the construction of socialism and the activities of our people and the other peoples of the world.

Our higher education today is in the midst of a moment of dynamic growth. Prior to the revolution, the number of university students barely exceeded 15,000 and most of them came from the middle and financially well-off classes of society; today we have about 200,000 students, distributed over 39 university centers throughout the country, half of whom, in round figures, are workers who are studying without abandoning production, administration, or services. More than 7,000 Cuban youths are taking courses in higher education at centers in the Soviet Union and in other socialist countries. The 28 career fields which were taught in our universities at the start of the revolution have today grown to 114 civilian specialties, grouped in accordance with the various branches of the economy, science, and culture in this country. We are developing research, we are perfecting and revolutionizing the systems of teaching; each day we are making our study programs more profound, more coherent, and more demanding. We have successfully organized the system for constant improvement and updating of university graduates through postgraduate courses. We are also establishing the system of scientific grades.

Cuba Can Have Specialists on an Ever Higher Political, Ideological, Scientific, and Technical Level

There is no doubt that we are marching on a promising road. By consistently following that direction, the country will be able each day to have specialists on an ever higher political, ideological, scientific, and technical level. This is what our party, our state, and our working people expect from the centers of higher education.

On the other hand, we cannot overlook the circumstance that the comrades, who are graduating here today, have not only been given better academic training. They also had to live and participate in a moment of acute political and ideological struggle. The new graduates who are getting their diplomas today also received their certificates through the Marches of the Fighting People. They were present during the meetings of April and May 1980. They resolutely and decidedly confronted the aggressive threats of Yankee imperialism and the cowardly and unpatriotic attitude of the antisocial trash. They also took part in the process of strengthening the university student body. In other words, they are men and women who demonstrated, through facts, their fighting and firm positions side by side with the people, the revolution, the party, and Fidel.

A large group of comrades graduating today will shortly also graduate as reserve officers of our glorious and undefeated Revolutionary Armed Forces. This is an expression of compliance, by our educational centers, with the fundamental tasks outlined by the commander-in-chief and by the Second Party Congress: production and defense. Production in this case means the graduation of professional and technical cadres, capable of even further strengthening the various work fronts of the country. Defense means that each of these new graduates has prepared himself or is ready to prepare himself so as to do his military duty with honor and efficiency if our fatherland should be the victim of new threats or aggression from the imperialist enemy.

We must furthermore state that it is not only the revolutionary, socialist, and patriotic spirit of our people that is present at this graduation exercise. We also have here its profound internationalist sentiment, represented by several scores of youngsters from various brother countries who pursued courses of higher education in Cuba and who today are happy as they successfully complete their education. It is a source of enormous satisfaction to us that our university centers can make this modest contribution to the development and happiness of other people. With pride we can say that, right now, more than 2,000 students coming from 79 countries are pursuing their courses of study at Cuban university centers. To the comrades who tonight complete their studies we want to express our congratulations with all our hearts; we want to ask them to bring to their peoples the brotherly and united message of our revolution and to tell them that Cuba received them and sends them home again as if they were its own sons and that it will always receive them with open arms.

Always be proud of having been a member of the graduating class on the 20th anniversary of the Bay of Pigs.

Dear comrade graduates,

As of now, no matter how many years may pass, you will always carry with you the revolutionary pride of having been members of the graduating class during the 20th anniversary of the Bay of Pigs.

This satisfaction will accompany you in your new life of work and responsibility; it will always identify you with your old fellow students and it will be a permanent cause of personal reflection.

What we can wish you at this moment, what we can tell you in the name of our people is this: May you at all times be consistent with the spirit and the teachings of this immortal event in the history of our fatherland as it faces the imperialist aggressor. That of course means a lot. It means always being linked to the workers; it means profoundly accepting the encouragement of our working class, it means learning from its collectivism, its austere and fighting attitude; it means being examples of revolutionary humility, of modesty, discipline, and rectitude on basic principles; it means completely devoting yourselves to doing your duty and being ready to march wherever duty may call, to the most remote corners of Cuba or anywhere in the world, no matter how far away the place may be, to provide the generous support of the strength of your arms and your intelligence.

There is no need to tell you that permanent study is indispensable. Finishing your course of study only means that you have attained a basic level of knowledge. That level must be enriched and it must be constantly brought up to date. In the times in which we live, times of scientific and technological revolution, knowledge multiplies in the various branches and only through an attitude of constant search, of constant scientific restlessness, of constant dissatisfaction with what has been achieved is it possible to conquer and to keep up with modern knowledge.

Learning and teaching constantly, assimilating what is new and advanced wherever it may come up--that must be the attitude which the country needs on the part of its scientific and technical cadres.

Dear comrades, we congratulate you. The revolution opens up for you an impassioned horizon of work, struggle, and creation in all fields. The country expects the best possible fruits from you. In you we find the most arduous efforts and the highest hopes, the noblest hopes of our heroic people. We are sure that you will manage to respond to this high level of confidence. Just 20 years after the Bay of Pigs, each of you can consider himself materially or spiritually to be a son of the Cubans who fell there, defending the sacred cause of the fatherland and of socialism. Each one of you can feel to be the heir and the relief of those who gave their blood there so that the revolution and the people may continue to live. Their sacrifice lives in you. Their dreams live in you. Their glorious banner moves forward through you and through you resounds the victorious and immortal slogan of Cuba and Fidel: Fatherland or Death! We Shall Win!

Ninth Grade Education Drive

Havana TRABAJADORES in Spanish 10 Jul 81 p 4

[Speech by Roberto Veiga Menendez, Secretary-General, National CTC [Central Organization of Cuban Trade Unions], Alternate Member, Political Bureau: "Every Suitable Worker Without a Ninth-Grade Education Must Be Studying! There Is No Other Alternative! We Cannot Wait Any Longer--Time Is Short!"]

[Text] Speech delivered at the general meeting to promote the Battle for the Ninth Grade in the City of Havana.

Comrades,

During this year of the 20th anniversary of the Bay of Pigs we also commemorate the 20th anniversary of the triumph of the historic literacy drive which, in the cultural area, was the first major undertaking of gigantic proportions to which the revolution addressed itself.

We recall how our entire people participated in that beautiful battle against ignorance inherited from the hateful bourgeois regime: Students, workers, youngsters and old people, organized in brigades that taught even in the most remote corners of the country.

The extraordinary triumph achieved and the experience accumulated in this great undertaking opened the way to another colossal educational task which involved the victorious battle for the sixth grade.

You all know the tremendous effort that was made for somewhat more than 5 years to achieve this brilliant educational success because you were active participants.

It essentially constituted a new manifestation of the triumph of the ideas of socialism in our country and it furthermore clearly expressed the powerful impetus of the labor union movement and the firm determination of the working class and the other workers to accomplish all the tasks outlined by the Communist Party of Cuba and our commander-in-chief, Comrade Fidel.

In particular, as we know, this province of the City of Havana graduated somewhat more than 110,000 workers, while 97 percent of the suitable men and women obtained the minimum sixth-grade education or more. This was the first province in the category of special studies to complete the battle for the sixth grade.

In addition to being a goal that has been attained, victory in the sixth grade is above all a point of departure toward the conquest of new steps in the effort to raise the cultural level of the workers.

Victory in the sixth grade therefore is not just a goal that has been attained; it is above all a point of departure toward the conquest of new steps in the effort to raise the cultural level of the workers. The conviction has already taken place that we must win in another, no less grandiose educational task: "The battle for the ninth grade." The tremendous significance of this activity is summarized in various documents approved at the Second Congress of the Communist Party of Cuba and especially in the statements by comrade Fidel, such as the following:

"It is very important and very encouraging to realize that our workers have the sixth grade now. But, watch out. They must now prepare themselves for the ninth grade. And that is very important. That is not a luxury; nobody is going to believe that this is a luxury; it is a great moral satisfaction but it is also a great economic necessity."

In the gigantic effort which it is making toward our economic and social growth, the revolution is devoting voluminous resources to the country's industrialization and to the modernization of agricultural and livestock activities. But financial and material resources are not enough if we do not at the same time have the absolutely necessary human resources. But those human resources have to be made up of workers who are trained to operate, to manage, and to control the equipment and the complex modern industrial installations; hence the need for training large numbers of skilled workers and technicians on the middle and upper levels each year.

Only through a real revolutionary process, such as the one which is taking place in our fatherland, is it possible to propose and to attain impressive objectives in all areas which economic and social growth demand. One of these is of extraordinary dimension for the reasons given above and has to do with education and the present moment; it involves the correct and necessary aspiration which the CTC and the unions have proposed to attain, that is, to have no less than 700,000 workers by 1985 who have at least a ninth-grade education, throughout the country. However, the effort to be made by the province of the City of Havana is considerable by virtue of the numbers of workers who must register next September and in February 1982; these are decisive stages for the massive graduation which will enable us to attain our objective in 1985.

This province has proposed the goal of getting 35,000 workers to register for ninth-grade courses in September. Although this is a figure higher than the one

last semester, it is infinitely below the requirements, taking into account the number of people we have to graduate, the duration of the course, and the relatively short time between now and the last year of the 5-year term. As a matter of fact, if we add up the numbers of workers to be registered next September and in February 1982, the labor unions in the province of the City of Havana must get no less than 85,000 students to go to the classrooms, to study, by that deadline; this figure represents only 70 percent of the total number to be graduated during the 5-year term, which comes to 122,000 workers.

We are sure that this new battle will likewise go forward with renewed zest, just as during the fight for the sixth grade in this province, with the same enthusiasm, sense of responsibility, intelligence, and wealth of initiative; in this case, this new battle involves the great responsibility of graduating all workers in the City of Havana who have an aptitude for study.

This is a very serious commitment which you undertook when you signed the municipal documents for victory in the sixth grade. Since this is so, success in this endeavor will demand the adoption of multiple forms of study organization in keeping with the specific aspects of the various territories and sectors existing here.

We can say with satisfaction that the CTC and the Ministry of Education worked to find the technical teaching solutions which provide a response to the various special features and situations that might arise in this battle.

We can indeed say with satisfaction that the CTC and the Ministry of Education have worked hard to come up with the technical teaching solutions that provide a response to the various special aspects and situations that might present themselves in this battle.

The conditions have already been created and the various ways of study are already functioning, with the exception of the free convocations which will begin shortly, thanks to the effort being made by the comrades at the Ministry of Education by drafting the textbooks which are absolutely necessary for the success of the free convocations.

But we must always keep in mind that it is not enough to create these ways of study. What good would those ways of study be if we did not utilize them to the full extent of their potential? This is why we cannot deny the need for being constantly alert in order creatively to apply the various ways or forms of study at labor, municipal, provincial, and labor union centers.

There is no doubt that the moment demands a maximum effort and extreme vigor in the actions to be developed so as to win in this undertaking of ours which involves greater technical and organizational complexity; that will force us to introduce creative and revolutionary solutions to the problems and to remove anything that can be an obstacle to this objective which, in the City of Havana is of even greater importance as compared to the country's other provinces because this is where we have the heaviest concentration of industrial and service workers in the country and because we also have a vast number of workplaces with two or three work shifts.

This is why we cannot delay any longer in working together with all of the authorities that share responsibility in this task; this is why we must draft the general and special strategies that will facilitate the progress of registered students

and graduates. In this sense, the role played by the administrative agencies is of inestimable significance; more particularly, we are talking here about the instructors who have the task of fighting not only to achieve technical qualification but also to achieve cultural advancement among the workers. We believe that it is absolutely necessary to strengthen and expand the participation of the administrative agencies even more in the battle for the ninth grade, together with the labor unions. This must be manifested through practical and precise actions, through the application of various measures aimed at providing impetus, at inspections and checkups on this activity, both through visits to classrooms or schools, contacts with the worker-students, or through the analysis of the progress of the battle which is being carried out in the executive boards of the various organizations, enterprises, or budgeted units. We must also strengthen to the utmost the technical teaching activities which will permit the workers to become skilled workers starting with the sixth grade and simultaneously to acquire the level of worker secondary school. In other words, we must use, as another important way of study, our polytechnical schools and the training resources of the administrative agencies so that people might obtain the ninth grade also through skilled worker training courses.

In this struggle to achieve large numbers of registered students and graduates we must absolutely first of all have the support and the readiness of the labor union and administrative leaders who are capable but who do not yet have a ninth-grade education. We must not fail to mention the encouraging example of the labor union and administrative leaders who joined this effort to provide impetus and to attract the rest of the workers to this study effort.

They must be the first to register, to attend classes, and to graduate!

As you know, numerous general municipal and provincial meetings have been held throughout the land to provide impetus for the battle for the ninth grade.

Here are some of the problems or difficulties that have come up:

Deficient control and supervision of some offices and labor union sections, as well as the absence of systematic, profound, and demanding work in certain provincial and municipal labor unions which had an effect in terms of the failure to achieve registration targets and to get a good retention rate.

Poor functioning of ninth-grade competition at the base. Lack of knowledge on the part of the students and teachers in this competition effort and delay in the delivery of moral and material incentives. Deficiencies in organization of midway and final checkups and in the selection of those who attained the training objectives and those who were most outstanding.

Very low number of graduates.

Dissemination of information on the battle is poor and insufficient.

Difficulties in supplying the material study base.

Deficiencies and insufficiencies in teaching-methodological care given in classrooms and schools.

Closing of classrooms due to low attendance; shortage of teachers or absence of budget funds.

Dropouts due to problems involving working hours, transportation, widely scattered homes, and other causes.

Failure to make maximum use of the capacities of the regular network of SOC [Workers and Peasants Secondary School], failure to use all ways of study.

Lack of support on the part of some administrative agencies, poor participation by worker-teachers in the methodological preparation and poor functioning of labor union delegates in classrooms where workers studied.

In general, these problems in essence are a natural consequence of the complexity and enormous magnitude of the battle for the ninth grade.

Generally speaking, these problems essentially are a natural consequence of the complexity and tremendous magnitude of the battle for the ninth grade.

It is logical to think that, if the target were not really up to what a people in revolution can do, we would not be facing those situations. The most important thing however is not to realize that they exist. The decisive factor involves the determination, readiness, and courage to face those situations and to resolve them.

Emotional weapons are not enough in this struggle; we must also be ready at any moment to make maximum use of our intelligence in properly tackling the difficulties that may obstruct the great undertaking of coming out victoriously in the battle of the ninth grade by 1985.

We must as of now start to use precise language so as to respond to all of the particular aspects that may present themselves in the labor union sections, in the offices, in the municipal and provincial labor unions, as well as in the townships and provinces of the CTC. On the basis of attaining our production targets and our defense objectives, we must apply all of the variations and strategies that enable the workers to study and to obtain a ninth-grade education.

There is no doubt that a tenacious effort is required on the part of the workers. It is not easy for adults to work and study at the same time. But practice shows that, when willpower prevails and when there is a determination to learn, there are no obstacles among the representatives of the working class and among the workers when it comes to win in their studies.

There are those who want to study and to discharge the pledges they have undertaken but they are running into obstacles because they are always being mobilized or being assigned to certain tasks which interfere with their permanent location or their regular attendance in class.

There are female comrades whose work makes it impossible for them to study regularly and who furthermore have household chores or little children.

There are quite a few male or female workers with rotating working hours or who live in places that are far away and where there are no classrooms or secondary schools near their homes or their workplace.

There are cases of hard-working comrades who got their sixth-grade diploma quite some time ago and who do not understand the content of the study programs as they report to the SOC classrooms; and so they drop out.

These are some of the negative phenomena which have arisen in our daily work and which can be eliminated if we together devote ourselves to seeking adequate solutions. In these cases we must creatively apply the necessary initiatives and we must suitable use the various forms of study. The standard of daily and night-time work, of permanent and systematic work to be done, tells us that, right now, every suitable worker without a ninth-grade diploma must be studying! There is no other alternative! We cannot wait any longer; time is short! We must place special emphasis on those cases which are on the lowest level of school education and which must go through four semesters in the worker secondary school. It is necessary and useful to develop a vigorous and broad movement of review and knowledge consolidation throughout the country so that both those who attend the regular courses or the special meetings as well as those who turn up for the free convocations review and study the material systematically.

The slogan for this movement will be: "Each labor union section with its own review group!"

Here, the teachers and professors of the Labor Union of Workers in Education and Science will be able to help and contribute toward impetus in the battle for the ninth grade; they did such a fine job in the battle for the sixth grade through the organization of the Salvador Garcia Aguero Brigade. The pedagogical-revolutionary principle which emerged along with the literacy drive is: "The person who knows more must teach the one who knows less." This slogan will now acquire even greater dimension and we are sure that the technicians, professional specialists, and all workers, who are able to help their other comrades, will participate in this great movement of constant review for those who do not have a ninth-grade education. This cooperation will extend to the family or the home when the young high school or college preparatory school students also make their contribution to this review effort, to clearing up doubts, or to firming up the knowledge of their parents and other close relatives.

As we said earlier, this moment calls for great responses. This is why our last National Committee meeting approved the proposal to the effect that, between the semesters beginning in September 1981 and February 1982, we register 70 percent of the workers who must be graduated in this teaching effort during the present five-year term, in other words, that we register no less than 482,000 workers between both of these school terms.

The positive examples which we observe among scores of thousands of workers and teachers who, with their labor union and administrative leaders, confront the difficulties and complex situations that arise in this battle, enable us to look forward to success in the undertaking of the labor union movement together with the Ministry of Education and other govenment agencies and the related mass organizations directed by our party.

We cannot fail to mention the significant role which socialist competition can play in this process in the battle for the ninth grade which must be stepped up tremendously.

We cannot fail to mention the significant role which socialist competition can play in this battle for the ninth grade which must be stepped up in a superlative form.

It is indispensable for the competition plan in the battle for the ninth grade to be widely known to the workers; in the heat of the battle they must spell out and sign pledges to join up and go to the classrooms, to stay in class, to attend lectures, and to stick with it until victory has been declared in this battle. The fighting enthusiasm of the workers could be motivated through the coordination of competition challenges between labor union sections, labor union offices, municipal and provincial organizations of labor unions, and between the municipal and provincial sections of the CTC.

But if competition is to attain its objective it must be accompanied by efficient information dissemination. We must therefore use all possible means at each workplace: bulletin boards, posters, permanent radio facilities, mobile radio facilities to support the irreplaceable personal effort through individual conversations with suitable workers who can report to these classrooms, and during assemblies and meetings to be held by departments, brigades, and work shifts. With a similar objective in mind we must use the mass communications media in the particular place, province, and throughout the nation. As you know, and as everybody knows, our fatherland will be holding the Tenth World Labor Union Congress in February of the coming year. To hail this tremendous event of the workers on a worldwide scale, the registration and graduation figures we attain will be called Registration and Graduation for the Tenth Congress of the WFTU. For this purpose, this general meeting must constitute the first point of departure in achieving the predicted figures for registration and classroom attendance, to be attained next September and in February of next year; after that we must continue to emphasize actions aimed at promoting the struggle for retention, attendance, and graduation.

During this year of the 20th anniversary of victory in the Bay of Pigs, the workers in the City of Havana through concrete facts demonstrated their readiness to accomplish the production and defense tasks.

It is our conviction that, in this beautiful and great battle which we have ahead of us for the ninth grade, we will also witness the indomitable fighting determination and the will to win on the part of the workers of Havana who realize that this in essence is "a great economic necessity" as comrade Fidel put it.

It only remains for me to tell you that you must maintain this spirit of victory and that you must continue to walk the road of success in the construction of socialism.

We must attain the registration and graduation goals in honor of the tenth congress of the World Labor Union Federation! Long live the working class! Long live the glorious Communist Party of Cuba! Long live Fidel! Fatherland or death! We shall win!

Equipment Use, Maintenance Problems

Havana TRABAJADORES in Spanish 15 Jul 81 p 4

[Speech by Roberto Veiga, Secretary-General, CTC [Central Organization of Cuban Trade Unions], Alternate Member, Political Bureau: "The Labor Union Movement Has High Hopes in You, in Your Work Capacity, in your revolutionary and class consciousness, and it always expects a timely, firm, and concrete response in the coming drive to prepare the soil for cold planting"]

[Speech delivered during the meeting of land clearing workers on 11 July 1981.]

Dear comrades:

We are happy to have an opportunity to meet here with more than 100 equipment operators involved in preparing the sugar cane land and who participate in this meeting to represent more than 8,000 workers at this first national meeting organized by the Sugar Worker Union.

We have kept tabs on the extraordinary effort made by you in soil preparation work. You were first when it came to cold-planting last year and after that, more recently, during the tremendous effort connected with the great spring cane planting drive, when the whole country wrote one of the most beautiful pages in our production effort, when we planted more than 30,000 caballerias of sugar cane. This was the biggest planting drive in our history.

To achieve this feat, the work done by you during the months prior to that was decisive.

In the central report which we made to the 42nd Meeting of the National Council of the CTC, in March of this year, we said: "We are above happy to report the extraordinary effort made by the soil preparation workers. This was an enormous and almost always anonymous effort."

Looking at the machete men,the cart driver, the combine operators, and other comrades who did outstanding work in the harvest, these men were the object of due recognition on that occasion and they were given moral and material incentives; we reflected deeply on that and we concluded that we should act likewise in relation to the operators concerned with soil preparation; during that council meeting, we stressed the need for analyzing the advisability of including them in the sugar harvest incentive plan.

You know that thousands of articles were distributed during that harvest among the most outstanding members of the cutting, hoisting, and pulling forces, as well as the workers at the sugar mills.

We awarded more than 80,000 prizes with a variety of options, including the traditional incentives, as well as others, such as automobiles, motorcycles, air conditioning units, home furniture, construction materials, and free trips to socialist countries. It seemed only fair to us that you should also be able to pick some of those incentives for the future.

To be able to do that, the Sugar Labor Union will conduct a vigorous, enthusiastic, and aggressive competition drive among you so as to enhance the magnitude of the collective and individual effort of this labor force which is so important to the accomplishment of future plans.

The harvest checkups must include soil preparation activities.

One of the objectives behind the convening of this meeting is the search for a competition method which would help motivate and which would help us each day achieve greater production and productivity and to increase the interest in work results.

We must make sure that, during the harvest checkups, when the winners in the respective categories are announced, we also include soil preparation activities. The people must know who the advanced team is, along with the most outstanding enterprise, the most outstanding operator, as well as the province that leads the others during the months when this evaluation is being carried out.

By way of proper recognition of the effort made and the results obtained by you during the last campaign, we allocated 50 automobiles with the right to a purchase option, for the 50 best soil preparation operators. Surely, among the comrade delegates attending this meeting, there are some who were able to win that right.

We know that selection began from the bottom up; we searched in the provinces and we rigorously analyzed throughout the nation. This task was difficult because of the large number of comrades who achieved outstanding results so that they were included in the report.

We might have an operator who was selected and whose achievement, in absolute terms, was less than that of another worker but we also had to take into account the type of equipment he operated. You know that it is not the same thing to operate a new piece of equipment with higher power, on the one hand, and, on the other hand, a C-100 or a DT-75 whose useful life is practically over and we all know that the operation of this equipment is possible only through self-denial, willpower, and hard work on the part of the operator.

There are many tractors which are in active use as a result of the revolutionary consciousness of the workers who operate them. If this were not so, then the equipment would have fallen apart a long time ago. By keeping this in mind, we also included those tractor drivers among the individuals to attend this event and who were offered the right to purchase an automobile.

Land Preparation Quality Still Presents Difficulties

There are many examples of self-denial among the thousands of agricultural machinery workers who work without interruption for many long days and who enabled us to be successful in the tough soil preparation plan drawn up for this phase. That is no easy thing. It was necessary to spend many sleepless hours, to give up many hours of rest and these men also had to live far from their families. Neither the cold of the night or the early morning, nor the dust, the noise, or the loneliness broke your iron willpower to win this decisive battle, thus producing admiration and respect from the people and appreciation from our party.

In spite of this situation which attests to the extraordinary advances achieved, we also observe some deficiencies taken up at this meeting and others which were the subject of an analysis by the labor union and the MINAZ [Ministry of the Sugar Industry].

The quality of soil preparation still presents difficulties. In many places, the cane fields are being plowed in line, that is, above the furrow. When we do that, as you know, the tractor suffers much since the plow has two or three discs, breaking the soil up deeply, while the others leave a ragged border. It is precisely this border which is most compacted by the action during the harvest. Afterward, when the crossing is made in that part of the land, which is rough, the prism appears as if the soil had indeed been broken up.

We detect strips in the junctions of the ridges. In them we find we plantings of cane as happened in some cases in the fields at Barbados 4362; this, as we know, is a variety hit by rust. This can be observed when the field has been broken up for several days and when we begin to see the runners.

There are problems with the adjustment of the tool which causes deficient plowing. On many occasions, at the beginning of the fields, we note that the work lacks the proper quality and that the edges have not been properly cleared and the stones were not removed.

Need to Achieve Optimum Equipment Utilization

As for the organizational aspect, we have detected deficiencies which we must eliminate during the next campaign so as to achieve optimum equipment utilization.

Here are the main problems that were detected: There was no efficient utilization within the equipment utilization and organization system. Spontaneity was present on numerous occasions. In many cases the equipment was underutilized, for example, we had four tractors where only two were needed.

Another problem which must be solved involves the double shift. We must counteract the resistance to organizing the double shift and we must eliminate such narrow-minded criteria as "this is my tractor." There are those who prefer to work 16 or 18 hours and they do not want any other comrade to use the tractor. When this happens, the equipment is underutilized, although it should be used 24 hours. On the other hand, when the worker has such a long work schedule, there is much risk involved. This may affect his health and the declining productivity curve is more obvious now.

There are as a matter of fact tractors which have no headlights and they cannot be operated at night; but every new tractor, such as the Komatsu and the K-700 tractors, as well as other equipment units, their technical condition permitting, must be operated on double shifts.

Another shortcoming has to do with the lack of skill on the part of some operators. Sometimes, due to pressure of work, we give a piece of equipment to an operator who does not meet the minimum requirements in terms of operating knowledge.

Work Safety Is an Aspect We Must Start Considering During the Coming Months

Another question we have to analyze has to do with the connection between work results, on the one hand, and the wages of the crew chief and the mechanics, on the other hand. We must conduct the corresponding studies to evaluate the possibility of allowing this claim.

Work safety is an aspect we must also begin to consider during the coming months.

It is inadmissible for operators to be exposed to inclement weather because the tractors do not have tops. We all know that this situation can be resolved with a little bit of determination. On some occasions, the workers must put up empty fertilizer bags, cardboard, nylon bags, and other things to protect themselves against the sun. They were issued goggles this year. This helps alleviate the irritations to the eyes resulting from dust and soot.

The labor union must fight to make sure that you will be able, each day, to do your work under the best possible conditions in accordance with our possibilities.

During the past harvest drive, we solved some problems relating to rations. There were cases when chow wagons were built so that food could be consumed hot and so that the workers would get cold water. They were assigned a quota of coffee as well as other items facilitating the work.

There were difficulties with clothing and shoes. Right now we are analyzing the possibility of including you in the distribution of better-quality clothing which will be supplied to the other harvest workers.

We must raise the skill level and the cultural level of the operators.

In listing the difficulties, we must report the lack of skill qualification necessary for the operators as being one of the most outstanding factors here. The introduction of ever more complex equipment in all sugar can activities calls for workers with a higher cultural level and with the ability adequately to assimilate the advances of science and technology.

Right now, after having victoriously completed the battle for the sixth grade, we have begun the new battle for the ninth grade.

It is the intention of the labor union movement to make sure that more than 700,000 workers will be graduated in 1985. This is no easy task but we will do the job.

Among the soil preparation operators we have a large number of youngsters who constitute a formidable source for boosting the hard working army of workers who join in the task of continuing education. We know the difficulties you face by virtue of the nature of your work but your interest in studies must prevail over all inconveniences.

The labor union and the MINAZ must seek and find ways to facilitate your access to the classrooms; they must use teachers who can move along with the harvest crew, mobile classrooms, etc., in other words, they must create the indispensable conditions

to make sure that operators with an education below the ninth grade will be able to register, to attend classes, and to graduate by the specific deadlines.

The cultural level is decisive at this time and it will be even much more decisive in the future when it comes to being able to occupy positions of greater complexity and responsibility. The big tractors, the harvester combines, and other modern equipment units can be operated in an optimum fashion only by those who have a higher educational level.

Competition must be at the center of labor union activities.

One problem you have to solve has to do with the production meetings and the way in which people must participate. There are quite a few meetings which are being held in the district or in the workshop without your participation. Sometimes this is due to the long distance or the lack of transportation and so on; there is a rather obvious absence on the part of land clearing operators at those meetings. We must review general methodology to figure out the possibility of holding the meeting within the crew and with all of its members present. This is a complex task but we must find a practical solution.

Dear comrades:

Right now, the equipment and machinery are being repaired so that we may, during the coming months, carry out the plowing phase for cold planting.

More than 6,000 tractors will participate in this great battle, from the powerful Komatsu tractors to the smallest ones. All of them, without exception, must be used to the maximum extent of their potential.

There has to be competition at the labor union's work center. It is of the utmost importance to organize it, to develop it, to provide impetus, and to bring it to the most remote corner of the sugar cane enterprise so that it may become a conscious thing and a matter of honor for each member in providing impetus, vigor, and enthusiasm for the entire work collective whose members have the great responsibility of creating the conditions for the coming sugar harvest.

Technical maintenance on tractors must be done in time and properly.

Finally we want to emphasize some aspects on which the MINAZ and the SNTA [National Sugar Workers Union] have been working; this has to do with the care that must be given to machinery and to soil preparation by the men involved in this activity.

1. Perform technical maintenance on tractors and tools within determined periods of time (daily and planned) with the proper quality and at the proper time, so as to achieve a higher technical safety index and therefore a longer machine operating time.

2. Repairs must be accomplished rapidly and with proper quality to reduce idle time due to equipment failure.

3. Support equipment (fuel and water pipes, hoisting mechanisms, machetes, etc.) must be given better care both in operation and handling because these important items must be available when needed.

4. Equipment must be properly coupled (that is, the tractor and the tools) so that we may achieve better work quality and technical safety in equipment units.

5. Strict implementation of soil preparation technologies aimed at the various types of soils. This will give us better quality in the various cultivation activities and better machinery utilization.

6. We must do high-quality work as required by the standards for each type of soil. It is very important to work at the correct depth and to maintain the proper time interval between plowing runs, not leaving any ragged edges. As far as harrowing is concerned, we must not leave any areas without correct soil loosening. Living stumps lead to a mixture of varieties which can be very dangerous above all when you want to eliminate varieties susceptible to diseases. Deficient loosening of the soil leaves it in poor condition for planting and retention of moisture, etc., and that leads to bad germination.

7. Correctly adjust tools to facilitate adequate work, to achieve greater productivity and less equipment failure.

Dear comrades,

The labor union movement has high hopes in you, in your work capacity, in your revolutionary and class consciousness, and as always expects a timely, firm, and concrete response from you during the next soil preparation drive for cold planting. I want to congratulate you. Fatherland or death! We shall win!

5058
CSO: 3010/1677/1679

GOVERNMENT'S LOAN TALKS WITH IMF CONDEMNED BY DOUGLAS

Bridgetown SUNDAY ADVOCATE-NEWS in English 2 Aug 81 p 3

[Text]

ROSEAU, Dominica, Saturday (CANA) — Former Dominican Finance Minister Michael Douglas has condemned the government's decision to negotiate a $37 million dollars loan from the International dollars loan from the International Monetary Fund (IMF) saying there would be more hardships for Dominicans.

Mr. Douglas made the criticism in his contribution to the $143.7 million budget-presented in Parliament on Tuesday by Prime Minister, Eugenia Charles.

When debate on the budget began yesterday, Mr. Douglas sharply criticised the government for negotiating the programme. He said Dominicans were not involved fully during the negotiations.

He said that government had "in its typical dictatorial fashion run to sign an agreement with the IMF, then when the crunch is beginning to come it rushes to involve the trade unions into accepting the IMF guidelines".

Last year, Dominica entered into a three-year agreement with the fund under which the IMF required that government implement a wage freeze of 10 per cent every year for the next three years within the public service and halt subsidies to all statutory boards.

Trade unions and private sector organisations have been meeting here to discuss the IMF guidelines following a request by the government.

Mr. Douglas charged that the government by entering into the agreement with the fund had placed the country into a trap and is being ordered around by the IMF.

Talking about the island's banana industry, Mr. Douglas said that urgent steps were needed now to bring the industry back on stream.

He said that the industry was infested with the leaf spot disease.

Miss Charles, in presenting the budget, said that the agreement with the fund was vital for the government to continue its economic programmes.

CSO: 3025/196

BRIEFS

BUDGET APPROVAL--Roseau, Sun: (CANA)--The Dominica Parliament last night approved the island's 1981-82 budget of $143.7 million with the question of the assistance from the International Monetary Fund (IMF) dominating the four-day debate. Opposition parliamentarians challenged the government's decision to obtain a $37 million loan from the IMF over a three-year period, while government MPs contended that it was necessary for the country to survive. In her rebuttal last night, Prime Minister Eugenia Charles reiterated that the country needed the IMF assistance. "We required urgent and immediate help. We saw eye to eye with the IMF." But she warned: "It is necessary for us to earn more and cut down on expenditure and waste like what we had before. The IMF has given hope to Dominica," said the Prime Minister, noting that the loan "If used properly will put us back on our feet... and we will not go back to the IMF. She explained that the measures which her government and the IMF had agreed upon were measures her administration would have imposed regardless of whether or not IMF had come to the country's assistance. [Text] [Port-of-Spain TRINIDAD GUARDIAN in English 10 Aug 81 p 5]

CSO: 3025/202

JOINT COMMUNIQUE ON SOVIET PEACE COMMITTEE'S VISIT

St George's THE NEW JEWEL in English 16 Jul 81 p 6

[Text] Joint communique of the Soviet Peace Committee delegation and the Grenada Peace Council.

In response to the invitation of the Grenada Peace Council, a delegation of the Soviet Peace Committee, composed of K. A. Khachaturov, Deputy Chairman of the Management Board of the Novosti press Agency and V. K. Zubrev, officer of the Soviet Peace Committee, visited Grenada between July 10 through July 12, 1981.

In the course of the meeting that took place with executive members of the Grenada Peace Council, the representatives of the Soviet Peace Committee expressed their solidarity with the Grenada Revolution and the struggle of the people of Grenada who under the guidance of the People's Revolutionary Government have embarked on a course towards an independent development of their country.

The countries noted the significant importance of the effort the peace loving public has been exerting in preserving and consolidating detente, curbing the arms race, and ensuring a general and stable peace on earth.

A serious concern was voiced in connection with the growth of international tensions, the continuing attempts of the most reactionary forces and circles of imperialism, Reagan administration and the multinational corporations in the first place, to ignore the will of the peoples and, in effort to preserve their domination, to resort to the policy of threats and stabilisation of progressive regimes, to provoke conflicts in various parts of the world.

Both sides have condemned the campaign of slander unleashed by the American imperialism against the people of Nicaragua and Grenada. They resolutely expressed themselves against the interference in the internal affairs of states by the imperialist forces under the guise of spurious assertions that it is necessary to wage the struggle against the "international terrorism," but which is directed in reality towards suppressing the national-liberation movements.

The sides expressed their solidarity with the just struggle of the peoples of Salvador, Guatemala and other countries in Latin America and the Caribbean against reaction, for freedom, democracy and social progress.

In the course of the exchange of views grave concern was expressed in connection with the build-up of the American military presence in Central America

and the Caribbean, which destabilizes the situation and creates a threat to peace and security in this region.

The sides expressed the vital importance of creating of the zone of peace in the Caribbean that corresponds to the interests of all states of the region.

The Grenada side pointed to the importance of the new peace initiatives advanced by the 26th CPSU Congress, which represent a complex of concrete measures aimed at making the international climate healthier, achieving a deeper detente preventing a nuclear war, and contains proposals for curbing the arms race. It was also noted that the Appeal of the Supreme Soviet of the USSR to Parliaments and Peoples of the World calling on them to contribute towards starting negotiations with a view to preventing a new round of the rocket-nuclear weapons have provided yet another demonstration of the resolutions of the Soviet people to struggle for preserving peace on earth.

Both sides have expressed themselves in favour of an all-round support for the World Council of Peace in the struggle for peace and social progress and also expressed their readiness to contribute to a further strengthening of its principles and contribute to a greater effectiveness of its work.

A satisfaction was expressed in connection with the establishment of the friendly bilateral relations between the Soviet Peace Committee and the Grenada Peace Council, and the sides expressed themselves in favour of a further widening of the links of this kind by way of mutually informing each other and exchanging delegations on a bilateral basis regularly.

CSO: 3025/197

BISHOP IN RADIO TALK WARNS OF DENGUE FEVER DANGER

Bridgetown ADVOCATE-NEWS in English 4 Aug 81 p 3

[Text] St George's, Grenada, Monday (CANA)--Prime Minister Maurice Bishop has called on Grenadians to heighten their awareness about the threat posed to the country by dengue fever.

The Prime Minister who is also responsible for health, made the call Friday night in a radio interview.

Mr Bishop said that dengue fever which had broken out in some Caribbean islands such as Cuba, Martinique and Guadeloupe, was posing a real threat to Grenada.

He explained that Grenada was faced with a possible outbreak of the disease because "there is a flow of visitors to our country and of Caribbean people moving from one island to another."

"I think the problem has been that our people have not as yet realised the exact extent and scope of the threat we face," he said.

Mr Bishop said that the Grenada Government was particularly concerned about a possible outbreak of Dengue Fever on the Grenadine Ward island of Carriacou, which is administered by the government here, is expected to pay host to a number of visitors from throughout the Caribbean many of whom can be carrying symptoms of the disease.

He also said that the situation on the Ward Island was of grave concern to health officials in Grenada because of the lack of pipe borne water in Carriacou.

"Obviously, with the free flow of traffic between Grenada and our sister island of Carriacou, the disease could very easily hit our country Grenada," he added.

The Prime Minister disclosed that there were a few suspected cases of Dengue Fever in Grenada and said "we cannot become complacent about this question.

"I think that our people need to understand that there is a threat. I think they need to understand that the Dengue Fever kills people, especially children and young adults.

"People also need to understand that there is no vaccination they can receive in advance to stop the disease from coming," Mr Bishop said.

He, however, noted at this time there was no need for Grenadians to be alarmed over the possibility of an outbreak of the killer disease.

"We have a relative low infestation rate. In fact, it is still an under five per cent rate," he said.

Mr Bishop announced that the Grenada Government will tomorrow be launching a massive clean-up campaign in an effort to prevent an outbreak of Dengue Fever on the island.

He said the operation would involve the police, as well as members of the People's Revolutionary Army (PRA), the militia, the National Youth Organisation (NYO), and the National Women's Organisation (NWO).

Mr Bishop also said that "our people have to raise their consciousness about the need to stop littering, to stop throwing garbage and rubbish all about.

"It's a bad habit that people in the Caribbean generally I would say have. I think too for the future generally, people need to get more interested in an active and concrete way in public health and in finding out about diseases."

CSO: 3025/197

EDITORIAL ASSAILS U.S. ATTITUDE TO UNDO REVOLUTION

St George's THE NEW JEWEL in English 16 Jul 81 p 2

[Editorial: "An On-Going Threat"]

[Text] Many people in Grenada are asking the following questions: How come the U.S. is always attacking poor little Grenada? How come every few months there is a new plot? When will the C.I.A. leave our people alone? When will our enemies give up?

This is a difficult question to understand and even a more difficult question to explain. However, it is an extremely important question. The key to understanding the question is this. The moment you make a revolution, U.S. imperialism never accepts you. They see it as a defeat for them for their economic interests, worldwide.

They go all out to knock down your revo. They give themselves the job, the duty, to overthrow your process. It is not a part-time job. It is a full time job for them. They work night and day at it.

Before March 13, 1979 (on March 12th, let us say), Grenada did not exist in a serious way in the thinking of U.S. Imperialism.

At most, they may have had a file on Grenada stuck in a little corner of a little drawer. Grenada was not important because it was "safe" territory. Therefore, they were not doing anything to disrupt Grenada.

The moment the revolution took place, the U.S. set up a whole department called the Grenada Counter-revolutionary Section with one objective only: to overthrow our revolutionary government.

The minute you make a revolution whether in Cuba, Soviet Union, Poland, Angola, Nicaragua or Grenada, the U.S. government opens up a whole department against you. They work round the clock to knock you out. They do not work on Grenada once a year or once every six months or when they remember us.

They have dozens of men and women working on Grenada full time, day and night. They do not take this task lightly. It is serious work. Just as you go to work in the factory or on the farm every morning at eight, just as you students study to pass your exams, just as you militia comrades take on your guard duty, so too these perverse criminals take their counter-revolutionary "work."

You know from your work plan that if you do not complete a task today you will continue with it tomorrow. Well, this is exactly how these people think and how they act as well. Therefore, it is not a question of the revolution shouting, "Wolf, Wolf, Wolf; plot, plot, plot."

It is a case where the wolf is in fact always trying to crash the fence, always looking for a hole, an open door, a crack, a crevice to enter, damage and turn back Grenada's revolution. And even if you beat back the wolf this morning, the wolf will come back tonight. And even if you beat back the wolf tonight, the wolf will come back either later that night or in the morning. In fact it is not a question of one wolf. U.S. Imperialism is a pack of determined wolves surrounding every revolution full time.

Some people think that if we stay quiet and "behave ourselves" imperialism will not attack or invade us. Nothing is further from the truth. When the people of the Soviet Union made their revolution, they pulled out of the world war and called for peace with all governments. They did not provoke the United States or give them any excuse to attack. Yet the United States government (and others) invade the Soviet Union. It was the same with the Guatemalan revolution in 1954 and the imminent Dominican Republic revolution of 1965. Therefore, it is not a question of keeping quiet.

Sometimes some people say it is because of elections. The imperialists and their allies push that line about Grenada vigorously. However, they overthrow Cheddi Jagan and Allende, two duly-elected governments. Therefore, whether you have elections or not is not the test. The test is whether you have a genuine revolutionary socialist programme or not. This is the issue that decided whether they invade you or not.

Comrades, while it is true that the enemy of revolution is experienced, having been in this business for decades; while it is true he has developed a bag of tricks including the "free press" tactic; while it is true that he dominates the mass media; while it is true that he is still able through the skillful use of false propaganda to confuse and divide some sections of the people by preaching anti-Sovietism and anti-Cubanism (imperialist calls for "independent" socialism are nothing but a trick to separate a revolution from its brothers and natural friends and so to isolate and weaken that revolution); while it is true that the counter-revolutionary enemy is determined and resourceful, the truth of the matter is that the revolutionary forces have a large reservoir of strength to draw on.

In the first place, revolutionaries are people of fighting mettle and courage. Secondly, the tricks of the enemy are now well-known to revolutionaries. Thirdly, we can learn from and draw support and solidarity from all our revolutionary brothers and allies. Fourthly, we have the organised support of the majority of society the working people whose just cause we are fighting.

With these decisive strengths, let us continue to prepare to defeat the enemy not just today, not just tomorrow, but the following day and in the years ahead.

CSO: 3025/197

RADIX CALLS FOR REDRESS OF AREA LEGAL IMBALANCES

Bridgetown ADVOCATE-NEWS in English 5 Aug 81 p 3

[Text]

CASTRIES, St. Lucia, Tuesday, (CANA) — Grenada's Attorney General and Minister of Legal Affairs Kenrick Radix last week called for a redress of imbalances in the legal systems of the Caribbean, to make them more relevant to the development of the regions peoples.

His call came in an address to the opening of the second Caribbean Community (CARICOM) Legal Affairs Ministers conference which started here last week.

Mr. Radix told the meeting that the region was coming under tremendous pressure at a time when the problems of colonialism, independence, and the relevance of the legislative machinery inherited from the parliamentary system of government is coming under microscopic examination.

He said this pressure seeks to have the entire Caribbean absorbed into metropolitan thinking; attitudes and outlooks.

"Therefore I think it is a command of history that we all examine the relevance of the legal system, and see how it serves the masses of the people of the region," he said.

Mr. Radix said that as ministers responsible for legal affairs "We have to assist in the process of seeking transformation of our societies from mirror copies to that which is most applicable and suitable to our development."

The Grenadian Minister thought it is not a mere philosophical exercise to determine whether the law is leader or whether the socio-political norms which find their emodiment must prevail.

"This is the question which practitioners and people of the Caribbean are discussing today," he noted.

Mr. Radix reaffirmed his Peoples Revolutionary Government (PRG) commitment to the regional integration process. The PRG, he said, would always act to promote the interest of the people of the Caribbean.

"This is an irreversible commitment made by our government to the Caribbean process for the benefit of all."

The minister complimented the work of the CARICOM secretariat in assisting the LDCs in tackling problems of inadequate human and material resources. He said the poverty of these islands was stark because the emphasis has not been placed on the development of its human resources.

CSO: 3025/197

'THE NEW JEWEL' HAILS OECS AS POSITIVE STEP FOR UNITY

St George's THE NEW JEWEL in English 8 Jul 81 p 2

[Text] The Organisation of Eastern Caribbean States (OECS) is now a reality. It was formally launched last Saturday, on the 8th anniversary of Caricom, July 4.

So far only two countries have ratified the instruments to formally institutionalise the OECS. They are Grenada and St Lucia. But all the five other states have remained firmly committed to making the OECS a reality after having worked together for over a decade within the West Indies Associated States (WISA) grouping.

The OECS has been warmly welcomed by all Caricom States who feel that it will help to strengthen Caricom itself in all respects. This fact was reaffirmed here last week, during the Caricom Foreign Ministers Conference, when the ministers and Caricom Secretary-General, Dr Kurleigh King, all expressed positive views about the OECS.

The principles of the OECS allow for strengthening of cooperation and unity among the seven member-states in many respects. And as Cde Maurice Bishop, leader of the NJM, has often repeated, it will carry the struggle for the region's people one step ahead.

The new Grenada has an impeccable record when it comes to working towards regional integration. Since the Revolution, the PRG has actively supported and workers towards regional unity in every possible regional and international forum.

Within months of the Revolution, Grenada, St Lucia and Dominica signed the "Declaration of St George" at a ceremony here on July 14, 1979. This declaration comprises many principles which can go a long way towards the liberation of our people in the region. And these clauses can still be looked at by the OECS itself.

In every way, the launching and establishment of the OECS is a positive development in our region. It remains for its principles to be followed, and the projected gains to be accomplished, so that the region's people can carry forward the task of regional integration.

The "JEWEL" welcomes and hails the OECS. Forward Ever, to a unified Caribbean people.

CSO: 3025/197

BRIEFS

AGRICULTURAL CENSUS--St. Georges, Grenada--Thursday (CANA)--The Grenada Government will this month launch an agricultural census, in preparation for the drafting of a new development plan for this vital foreign exchange earning sector. The Ministry of Agriculture in collaboration with the Ministry of Planning will conduct the census August 22-27. A spokesman for the Ministry of Agriculture said today the last agricultural census in Grenada was conducted in 1961 or 1962, with an update in 1975. But, some years ago, a fire at the Ministry of Agriculture destroyed most of these records. "In view of the fact that we are about to write up an agricultural development plan" the spokesman said, "plus the fact that, these days, we are busily involved in developing programmes and looking for assistance for agriculture." "We thought it best to do an agricultural census, which would provide us with up-to-date information on the agriculture sector." One of the developments expected to come out of the census is a farm register giving names and addresses and indicating the type of each operation. Specific attention will be paid to cocoa, nutmegs, bananas, fruit, roots and tubers, peas and corn, sugar cane, vegetables and coconuts. The census will produce information on unutilised and under utilised lands. [Text] [Bridgetown ADVOCATE-NEWS in English 15 Aug 81 p 7]

'PIONEER' CAMP--St. Georges, Grenada, Saturday (CANA)--The first ever camp for "Pioneers," children between the ages of 5 and 14 years was opened during the week by Grenada Prime Minister Maurice Bishop. Addressing the 175 assembled campers, Mr Bishop told them that living in Grenada today meant that they were part of a new process which was being built in the country and they were fortunate to be growing up in an atmosphere of freedom, which gave full rein to their creativity. "You are part of a revolution that is also young," he said, "A revolution that is under two-and-a-half years and, because of your own ages, it means that you can say that you and the revolution are growing and learning together and, therefore, you have a real task of helping to shape exactly what that revolution will be like 10 years from now." That is what the People's Revolutionary Government means when it says that Grenada's children, the "Pioneers" are the future of the revolution, he said. Bishop's PRG came to power in a coup in March 1979. The Pioneers camp, which is to last one month, is aimed at assisting in the development of sports and culture in the children, as well as developing their sense of patriotism, making them more aware of their role in the new society. [Text] [Bridgetown SUNDAY ADVOCATE-NEWS in English 16 Aug 81 p 3]

GOVERNMENT WORKERS' RAISE--St Georges, Sun.--The Revolutionary Government (PRG) has signed an industrial agreement under which government employees will receive an average of 17.3 per cent wage increase effective from January this year. The agreement also provides for increases of 10 per cent in 1982 and 13.5 per cent in 1983. The agreement was signed yesterday by officials of the government and the three unions which have been negotiating jointly with the PRG. [Text] [Port-of-Spain TRINIDAD GUARDIAN in English 10 Aug 81 p 5]

TERRORISM CHARGES--St Georges, Sun (CANA)--Four more detainees in Grenada have been charged under the Prevention of Terrorism Act. They have been identified as Adrian Roberts, Ronald Lewis, Glenn Beggs, and Winston Simon. The charges allege that they assisted Kenneth Budhlall, Russel Budhlall and Roland Budhlall, persons alleged to have been involved in terrorist activity, in attempting to escape from Grenada. The Budhlalls, accused with four other persons of the bomb blast murders of June 19, 1980, were held in July last year by security forces on a small cay off Grenada's north east coast. The June 19 bomb incident took place at a public rally where three persons were killed and nearly 100 injured. The leadership of the People's Revolutionary Government were assembled not far from where the bomb was planted but none of them was injured. [Text] [Port-of-Spain TRINIDAD GUARDIAN in English 10 Aug 81 p 5]

CSO: 3025/202

JAGAN IN BERBICE TOUR HITS BORDER DISPUTE AS PHONY

Georgetown MIRROR in English 19 Jul 81 pp 1, 2

[Text] The economic crisis and the so-called Guyana-Venezuela border dispute were the main issues discussed by PPP General Secretary Dr Cheddi Jagan during a six-day tour of Berbice.

The Guyanese leader addressed over one dozen public meetings in New Amsterdam, Canje, Rose Hall Town, Albion, Black Bush Polder and Upper Corentyne. He has also held several in-door meetings with fishermen, teachers, farmers as well as trade union and political activists.

A highlight of a countrywide opposition campaign for a Living Wage and Democracy was a commemorative meeting in honour of Jagan Ramessar and Bholanauth Permanand who were killed by security forces on the Corentyne on July 16, 1973 when the PNC fraudulently returned itself to power.

In a 90-minute address at New Amsterdam Dr Jagan charged that the Guyana government has whipped up an almost hysterical campaign on the border issue. For the regime the border issue was capitalised on to:

1) divert attention from the pressures imposed by the IMF;
2) improve the PNC's image overseas;
3) whip up support inside Guyana;
4) divert attention from the wages issue;
5) use Venezuela as a scapegoat for its failure to implement the Mazaruni hydroproject.

Explained Dr Jagan: "Since June 1978 when the first agreement was signed with the IMF pressures have been applied on the government to solve the grave financial and economic crisis at the expense of the working people.

"The first agreement was terminated after the government failed to meet the financial ceilings imposed by the IMF. A new 3-year agreement was signed in 1980, but production shortfalls led to the February 1981 budget with $14 million tax hikes and increases in prices of rice, electricity, fuel rates and water rates.

"In the second quarter of 1981 faced with serious production shortfalls in every sector of the economy and heavy indebtedness to the banking system, the regime in June revised the budget. The tax axe fell again, this time with vehemence. The Venezuelan threat was a convenient excuse for the additional burdens imposed on the people."

The PPP General Secretary said that the Venezuelan threat has also provided the regime with an opportunity to refurbish its image overseas, which had become tarnished since 1977 as a result of the use of the military against sugar, municipal and bauxite workers, the Jonestown massacre-suicide, the Walter Rodney assassination, the denial of newsprint to the MIRROR and CATHOLIC STANDARD, and the rigging of the 1978 referendum and the 1980 general and regional elections.

"Now, the regime has mounted an international campaign, claiming that rich, powerful Venezuela is pouncing on small, struggling Guyana! By assuming a nationalistic-jingoistic position, the PNC hopes also to win support and to break out of its total isolation at home!"

The Venezuelan threat is being used as an excuse to withhold payment of a living wage to workers. "In 1979 the exhortation was: do you want the $14 or free education; it changed in 1980: do you want the $14 or the Mazaruni project; now in 1981: do you want the $14 Essequibo?"

The border threat is being used to offer only a 7 per cent increase in wages, bringing the minimum wage to $12.36 per day at a time when four progressive unions in the TUC have called for a minimum wage of over $27 per day.

Dr Jagan analysed the border quarrel and the intended purchase by Venezuela of sophisticated F 16 fighter planes from a deeper perspective of the geopolitical and strategic objectives of imperialism, notably US imperialism.

Washington, he said, is not happy with the decisive shift in the world balance of forces--the loss of Mozambique, Angola, Guinea-Bissau; revolutions in Ethiopia, People's Yemen, Iran and Afghanistan; the revolutions in Nicaragua and Grenada the ouster of Patrick John in Dominica; the progressive military coup in Suriname, and progressive electoral victories in St Lucia, Aruba and Curacao.

Concerned with these developments, particularly in its own "backyard," the ruling circles in Washington have become more hawkish. They have since staged a campaign against the Soviet menance in the Caribbe and against Cuba in particular. Cuba is to be isolated after attacked.

Dr Jagan revealed that Venezuela under Campins is on the same side in El Salvador with the US Reagan administration which is out to crush the Salvadorean revolution. Venezuela has also suspended diplomatic relations with Cuba.

It is in this context that the proposed purchase of F 16 fighters by Venezuela must be seen. The bourgeois-controlled Venezuelan state is willing to supplant Brazil as the junior partner, as the gendarme or policeman, of imperialism in the hemisphere.

The PPP Leader outlined the backward shift in the policies of the PNC regime, and asserted that US imperialism is most likely behind the Venezuelan threats to force the Burnham regime to move further to the Right, to open up the Mazaruni hydro-project to foreign capital and the transnational corporations, and to denationalise sugar and bauxite.

Venezuela would wish to pressure Guyana into joint development of Essequibo, which would be tantamount to an economic takeover.

Dr Jagan warned his Berbice audience to be on the watch against any sellout deals and concessions which the PNC might have in store.

CSO: 3025/196

EDITORIAL DISCUSSES POLITICAL PRESSURES BEHIND LOANS

Georgetown GUYANA CHRONICLE in English 7 Aug 81 p 6

[Text] The Caribbean Development Bank has completed all negotiations for a Swedish grant of $5 million [US]. Since early this year the Bank had announced that its Board had given approval for accepting the grant.

Recently the Bank's Board refused to accept American money given under a condition that Grenada be excluded from having use of it. This condition amounted to political discrimination and the Bank, refusing to comply with the discriminatory provisions, pointed out that its Charter prohibited it from applying political discriminations to its business.

Our comment at that time was that the Bank's refusal was consistent with the political freedom in the region which it served. We said that the diversity of democratic patterns of regional governments was expressive of political freedom and that money given to the Bank should not be conditioned by political prejudice.

The Swedish grant has followed significantly close on the principled stand which the Bank took in refusing to allow itself to be used as an instrument of political prejudice. We say cryptically that the Swedish grant, by inference, carries an endorsement of the Bank's refusal.

Caribbean freedom lies not exclusively in the fundamental freedoms, such as the freedom of the citizen, the freedom and independence of the Judiciary, the freedom of mind and conscience of the jury, and restraints which governments have placed on themselves against a misuse of their power.

Regional governments are free to pursue the ideology of their choice. People elect parties to form governments and the will of the people is inherent in the governments which serve them.

When, therefore, a regional organisation like the C.D.B. puts into operation a policy of political partisanship it is, in the final analysis, nullifying the will of the people.

In the light of the Swedish grant, the C.D.B. has lost little because of the stand it has taken. Indeed, this grant, following hard on the heels of the refusal, virtually confirms the Bank's stand and strengthens it to go forward and continue to function as a Bank free from political inhibitions in a region where democratic diversity is consistent with independence.

CSO: 3025/209

TUC SAYS WAGE PACT SAVED JOBS OF 17,000 WORKERS

Georgetown GUYANA CHRONICLE in English 13 Aug 81 p 20

[Text] The Trade Union Congress has said that its acceptance of the interim pay relief has saved the jobs of 17,000 workers who would have been retrenched if the claim for 25 per cent interim payment was pressed.

The Lead article in just published VOICE OF LABOUR, the official organ of the Guyana Trades Union Congress, explained that, according to Government figures, the TUC's claim would have cost approximately $28 million and would have resulted in massive retrenchment of 17.9 per cent of public sector employment. The TUC said apart from the non-payment of the $14 a day which fell due since January 1979, its position was that the cost of living had risen astronomically and that the workers should be paid commensurate wage increases.

"The Government on the other hand, while agreeing that the cost of living had considerably increased, said that any increase beyond what it had finally agreed to on July 24 could only have been achieved by retrenchment which would mean the closing down of projects such as MMA, Tapakuma and Upper Demerara," the paper said.

Commenting on the outcome of the talks, the TUC paper said: "It certainly should not have been unexpected therefore, that there would be a great deal of dissatisfaction among the workers with the outcome of the wages negotiations."

In another article the newspaper noted that the increases "fall very much below" the 25 per cent interim which the TUC had requested. "Nevertheless, since the increases agreed upon will represent interim pay instead of a once-for-all payment which the Government had originally offered, the TUC did not think it prudent to allow a breakdown in the negotiations to occur over the quantum.

"The TUC's position still remains that in accordance with the 1977 Minimum Wage Agreement, $14 per day should form the basis for arriving at a new minimum wage," the paper added.

CSO: 3025/209

PPP STATEMENT CONDEMNS WAGE INCREASE AGREEMENT

Bridgetown ADVOCATE-NEWS in English 14 Aug 81 p 3

[Text] Georgetown, Guyana, Thursday (CANA)--Guyana's Marxist Opposition People's Progressive Party (PPP) has strongly condemned an interim wage increase package agreed upon by the Government and the Trades Union Congress.

In a statement, the PPP described as an act of provocation the deal, which gave workers increases ranging from seven to ten per cent from January to June this year. They will get a further increase between 10 and 12.5 per cent from June to December, also this year.

According to the Opposition Party, the workers will not buy the regime's line of "less wages means more guns for defence. They may well advance this proposition. Less wage means less production, less production, less guns."

This was taken here as a referendum to the Guyana Government's stepped up preparations to handle any conflict which arises out of neighbouring Venezuela's renewed claim to five-eighths of this country.

The PPP added that the claim by the Ruling Peoples National Congress (PNC) that it could neither meet the G$14 a day minimum wage demand for 1979 nor the Trades Union Congress 25 per cent interim pay call because of financial constraint and defence preparations was both "dishonest and absurd."

The PPP's irrefutable contention is that Government has the money to meet both these obligations and should in the national interest, the statement said.

The Opposition Party said it was "strongly convinced that the Guyanese working people are, in the final analysis, the true custodians of our nation's sovereignty and territorial integrity."

"For the PNC regime to cheat them of a living wage, fleece them further by additional taxes, harrass them with higher prices and slash their living standards constitute not only a brazen assault, but an act of national betrayal," the statement said.

The official Opposition Party contended that the Government has only to work at its "over-bloated, high salaried, pampered parliamentary, ministerial and presidential bureaucracy" and compare their lot with the "wage frozen, tax harried and poverty-stricken working people" to know that the labour movement in the country ought not remain intransigent in the face of the continuing assault on its membership.

The battle for a living wage and democracy is a battle for Guyana, the PPP said.

CSO: 3025/209

TUC CAVES IN TO PNC; WORKERS GET ONLY SMALL INCREASE

Georgetown MIRROR in English 26 Jul 81 p 1

[Text] The Guyana Trades Union Congress has done it again. Under PNC pressures it has buckled and accepted, meekly, a sell-out wage deal in the form of small increases for the current year.

The protracted negotiations between the PNC regime and the TUC have resulted in workers having to cope with the sky-rocketing cost-of-living on a paltry increase which is less than the $14 per day which the government refused to implement in 1979, under a previous agreement.

The final position is that the TUC has agreed to accept the regime's offer of 10 and 7 per cent increases on the present $11.55 per day. The 10 percent will be for sugar and bauxite workers and the 7 per cent for the rest of the public sector and government employees. This increase will be from January 1, 1981 to June 30, 1981. From July 1 to the end of the year, this will change to 10 and 12-1/2 per cent calculated on the $11.55 per day minimum and not on the amount being paid for the period January to June.

In effect this means that the minimum wage will move to $12.35 and $12.70 between January and June. From July to December it will be fixed at $12.70 and $12.99 per day.

Both the negotiating parties are presently engaged in searching for the most convenient wording of statements to be publicly issued. On this delicate issue both sides want to fool the workers.

The PNC regime, it is understood, regards the deal as being final. However, the TUC, in trying to keep a "good face," is bickering on the issue of whether the deal should be interim or not. Sources have indicated that the workers will be told that discussions will continue.

The steady rise in the cost of living (COL) coupled with a virtual wage freeze since 1979 have led to strong demands for a new minimum wage. This year, after the regime announced changes in the budget, the cost of living is estimated to have gone up by not less than 30 per cent.

Failing to restore any life into the economy, the PNC is digging holes to fill holes. The International Monetary Fund has succeeded in pressuring the ruling

elite into implementing a host of anti-working class measures. For doing this, the regime gains favour and much-needed loans from the imperialists.

This policy is self-defeating since workers are not motivated to increase production and productivity. They are right to demand a bigger slice of the cake. However the PNC is attempting to cool off the steam by handing out pittances. And the TUC becomes its most reliable tool.

Earlier in the year, top civil servants, who already earn salaries several times more than sugar and bauxite workers, were given increases of between 32 to 39 per cent. Now it is understood that certain sections, especially, the police and other security forces, will benefit from the new increases plus higher allowances. Confidential sources said their house, travel, and other allowances, will go up steeply. In this way the regime continues to bribe the security forces which it needs more and more to keep it in power.

CSO: 3025/196

PNC STUDENTS OUSTED FROM CUBA FOR MISCONDUCT

Georgetown MIRROR in English 26 Jul 81 p 1

[Text] Passengers about to board a Guyana-bound Cubana airline on Thursday last at the Jose Marti International Airport in Havana were witnesses to an unusual display of rowdy behavior and foul language involving four youths who were being escorted through Immigration by Cuban security men.

The wild-e . gaunt-faced youths jostled with their escorts, yelled at them, and in Engl shouted four and five-letter words.

The words eventually went around. The rowdy four were Guyanese who had gone to study in Cuba on scholarships from the Guyana government and the ruling People's National Congress. They were convicted of gang raping Cuban girls, sentenced to 30 years imprisonment, and before they experienced the full effect of Cuban revolutionary justice, were being posted back to their native country.

After they left Cuban territory and boarded the aircraft, they were 'taken over' by a Guyanese police officer. They sat towards the tail of the plane during the long haul to Guyana via Jamaica.

Nothing has been heard about the young men since their return to Guyana on Thursday evening. Commissioner of Police Barker is unaware that any one had been deported from Cuba. He does not know whether a Guyanese cop had been assigned to escort the felons back home.

The Foreign Ministry does not know if Guyanese had been sent back from Cuba. Foreign Minister Jackson 'cannot remember from memory' anything in connection with the PNC students. 'I have to investigate,' he promised.

Reports about the misdemeanour of PNC students in Cuba are legion, and so too is the abuse of Cuban hospitality. News that the four had violated Cuban laws, and had been punished, reached Guyana several months ago. However, PNC officialdom remained mum on the matter which could place in jeopardy the relations between the friendly peoples of Guyana and Cuba.

CSO: 3025/196

VILLAGE WATER SUPPLIES TO BE RATIONED TO 12 HOURS

Georgetown SUNDAY CHRONICLE in English 9 Aug 81 p 1

[Article by George Baird]

[Text] Water supply in areas excluding Georgetown, Linden and New Amsterdam is to be rationalised on a 12-hour per day basis in keeping with a plan to "efficientise" distribution throughout the country. This will start September 1.

Officials of the Guyana Water Authority are now consulting with Chairmen and other leaders in the Regions. The information gathered will form the basis of the rationalisation programme. Chairman of GUYWA Joshua Chowritmootoo announced yesterday.

Cde Chowritmootoo, whose Ministry of Environment and Water Supply is charged with overseeing the distribution told a Press conference yesterday that the Sugar Industry Labour Welfare Fund's operated water supply systems would be taken over by year-end.

He explained that the plan is to make water supply more reliable and constant during the 12-hour period and "one area to look at is efficientising."

The Minister, flanked by GUYWA top brass and officials of his Ministry stressed that the whole exercise "will be in keeping with the needs of the people in the communities throughout the length and breadth of Guyana." For example, rice and sugar workers who have to be up early in the morning, would be taken into consideration when the 12-hour period should begin in their areas.

Minister Chowritmootoo stressed the need for public consciousness of the cost factor in water supply. He called for the co-operation of the public to help GUYWA to bring about greater reliability of supply of water.

The Minister said eventually it is hoped to bring the areas to be affected by the rationalisation programme, up to the level of 24-hour service like Georgetown.

As a background to the new exercise, he gave a classic example of the village of Ithaca suffering from inadequate water supply while the sugar estate, Blairmont, with an SILWF system, was enjoying adequate water supply.

Notice of the hours of water supply would be given to residents before the programme starts but there was an urgent need to rationalise to abolish the anomaly of some people paying for water, while others get it free.

After noting that water rates were recently increased, with Cabinet approval, the Minister urged people to pay up their arrears. He said Government was subsidising the cost of supply water on a domestic basis by four-fifths of the cost, but water metering is not being considered now since it would be too costly.

Cde Chowritmootoo said that, while the payment of water rates had improved this year over last year, the GUYWA's Chief Accountant, Walter Jordan, said they were still trying to mobilise greater response. The Minister called on the media to help generate in the public "a cost consciousness" which, he felt would help people to understand the situation and respond to appeals to pay up.

CSO: 3025/209

CROP, BAUXITE, OTHER PRODUCTION TOTALS, GOALS REVIEWED

Georgetown GUYANA CHRONICLE in English 8 Aug 81 p 7

[Article by Leon Walcott]

[Text] The first sugar crop achieved 79.4 per cent of its target of 138,192 tons, with a final output of 109,673 tons of sugar.

This was 11.7 per cent better than last year's production of 104,307 tons.

The industry's failure to achieve its target can be ascribed to poor weather, labour and mechanical downtime caused by industrial problems and shortage of spare parts among other things.

While some may say that 79 per cent is a creditable performance, it must be remembered that the shortfall amounts to 28,517 tons.

Based on market prices of $1,000(G) per ton this constitutes a shortfall of over 28 million Guyana dollars in foreign exchange.

Such a loss the country can ill afford at this critical stage of our experience when we can do well with another 28 million dollars worth of capital and consumer goods.

To make up for this loss, the sugar industry will have to achieve a performance level of over 121 per cent in its output for the second crop. It is a task which is not beyond the capability of the industry but it would appear that saboteurs are at work in the industry and are trying to retard production by creating industrial unrest.

Sugar is expected to earn 402 million dollars in 1981 or 30 per cent of the country's Gross National Product (GNP). The target for the current year is 310,000 tons. Last year sugar earned 292 million dollars for Guyana or 20 per cent of the GNP.

Rice fared much better than sugar in the first crop. 79,991 metric tons of rice was produced in spite of extremely wet conditions caused by irregular rainfall. This figure represents an achievement of 97.6 per cent of the target.

Last year, rice earned 87 million dollars out of a projected figure of 110 million dollars with an output of 168,200 tons. The target was 200,000 tons. This reflected a shortfall of approximately 16 per cent.

This year rice is expected to earn one hundred and twenty-eight million dollars in foreign exchange. But, this hinges on the industry achieving its 1981 target of 217,000 metric tons of rice.

If the performance of the spring crop can be used as an indicator, it can be assumed that the second crop production can surpass the necessary performance level of 103 per cent, thereby achieving the overall target for the year.

However, the Guyana Rice Board will have to address its mind to the question of efficient deployment of machines and of upgrading storage and transportation facilities.

It is also hoped--not unfairly--that rice farmers can adapt farming techniques to suit the vagaries of current weather patterns.

And in the bauxite industry production for the first quarter of the year indicates that the industry can achieve its targets for 1981, something that has not been done for several years.

In the area of metal grade bauxite, the target of 160,000 tons was surpassed by 24,000 tons. But the target for the year is 735,000 tons, therefore production has to be greatly accelerated in order to achieve it.

The production of calcined bauxite for which Guyana has a virtual monopoly, has dropped short of its production target by over 30 per cent or 25,000 tons. Noteworthy, is the fact that the 220,000 ton target for the first four months is less than a quarter of the current year's target.

However, production of chemical grade bauxite surpassed its target of 92,000 tons by 2,000 tons.

These figures indicate good performances for the period in question, but it should be noted that targets set early in the year are generally lower than those set at later dates.

Thus, although the targets have been surpassed in some areas of production during the first four months of the year, the production figures are less than one-third of the total targets for the year.

This means that production would have to increase by over 66 per cent if the current year's targets are to be achieved.

Last year, bauxite earned 484 million dollars from a projected figure of 560 million reflecting a shortfall of 76 million dollars. This year, the industry is targeted to earn 636 million dollars in foreign exchange.

According to the figures, production in the traditional sectors of the economy during the first half of the year does not allow room for complacency.

Indications are that there is dire need for increased acceleration of production nationally.

Sugar, rice and bauxite account for approximately 85 per cent of Guyana's export earnings. In other areas of production, regarded as non-traditional sectors, the performance can be described as good.

As an example, up to the period ending June 20, 1981 the Guyana Liquor Corporation had produced 2.167 million proof gallons of rum. Its target was 1.67 million.

The second half of the year will be a critical period for Guyana. For, it is during this period that production will have to be accelerated if targets are to be met. The level of production will decide the degree to which Guyana can survive the economic blows it has been receiving.

All sectors of production are parts of a whole. Shortfall in production in one area results in increased strain on other sectors which have to bear the burden of the financial gap which is created.

Guyana has the capacity to export far more than the estimates show. The potential is there for the various sectors of the economy to convert the deficit into a surplus.

CSO: 3025/209

BRIEFS

LAND DEVELOPMENT PLANS--Five major land development schemes being implemented by government will cost the country's treasury nearly 500 million dollars. "But the million acres or so which their completion will make available for the expansion and diversification of Guyana's agricultural base, will certainly be worth that expenditure if you are able to communicate new techniques to our farmers and convince them in a practical way that they are important and that increased farming is just as important to their country." Permanent Secretary in the Ministry of Crops and Livestock, Cde Leo Ramotar, stated this yesterday when he gave the keynote address to declare open a three-week training course for agricultural extension officers at St. Stanislaus College, Brickdam. Cde. Ramotar, who was deputising for Crops and Livestock Minister Seeram Prashad, said government hopes to create at least 20,000 new jobs in the agricultural sector as production accelerates. [Excerpts] [Georgetown GUYANA CHRONICLE in English 5 Aug 81 p 1]

FUNDING OF NEW MINISTRY--The National Assembly on Thursday formally approved initial expenditure for the setting up of the new Ministry of Manufacturing Industry within the Ministry of Trade and Consumer Protection. Minister of Trade and Consumer Protection Frank Hope, responding to the only question on the expenditure, told Cde. Narbada Persaud (PPP) that the amounts listed had not been taken from any fund but were before the House for the first time. Personal Emoluments were approved for about a dozen staff members on the Permanent Establishment as well as expenses for the running of the Ministry. It was part of a Financial Paper on which provision was also made for the purchase of Pin. Hope cum annexes for $1.5 million, a down payment for a new Skyvan of $1.01 million and $855,780 for capital to meet equity contribution to Guyana Fisheries Limited. [Text] [Georgetown GUYANA CHRONICLE in English 8 Aug 81 p 11]

NEW AIRSTRIP--Bartica (GNA)--The new airstrip at Imbaimadai in the Upper Mazaruni is expected to be completed by year end. The 4,000-feet long airstrip, when completed, will be one of the bigger interior airstrips in Guyana. A spokesman for the project said the work on the airstrip was severely hampered by spare parts problems affecting the construction equipment. Most of the raw materials for construction of the airstrip are found at Imbaimadai. The main input is laterite, which is found within a mile of the work site. Imbaimadai is another of Guyana's rich mining areas where the Guyana government intends to develop thriving communities. [Text] [Georgetown GUYANA CHRONICLE in English 12 Aug 81 p 3]

SOVIET ASSISTANCE--The Soviet Ambassador to Guyana, Cde Konstantin Knarchev, has offered to share his country's know-how with the Georgetown City Council to help it improve the social environment of the "Garden City." Ambassador Kharchev made the offer yesterday, when he paid a courtesy call on Mayor Mavis Benn at City Hall. He was accompanied by his interpreter, Cde S. Dychen. The Soviet envoy, who took up his post here four months ago, told Mayor Benn the Soviet government was willing to assist the City Council in its task of overcoming some of its problems, and to help it improve the skills of the council's employees. He said some of the problems experienced by the citizens of Georgetown--an inadequate water supply and a shortage of some consumer items, for example--were similar to those experienced by their Soviet counterparts. Cde Kharchev considers himself to be a Soviet Communist Party worker more than a career diplomat and he is prepared to share his experiences as a municipal representative with the Georgetown City Council workers. He proposed to organise a number of lecture sessions and film shows for the benefit of the Municipal workers, and he invited Mayor Benn to further discuss the proposal with the Soviet Embassy. Ambassador Kharchev compared the structure and working of a city council in the USSR with those of the city council in Georgetown, stressing the pivotal role the Soviet Government was playing in advancing the welfare of the Soviet citizens. [Text] [Georgetown GUYANA CHRONICLE in English 14 Aug 81 p 20]

POLICE RAIDS ON OPPOSITION--A seven-man unit of the Essequibo Coast police force, all armed, were foiled in their attempt to raid the home of PPP Executive Member and Member of Parliament Isahak Basir on Wednesday last. At 3 p.m., the police contingent arrived at Basir's home at Hampton Court, Essequibo and attempted to enter the yard. Basir's wife Sabra, a leading member of the WPO on the Essequibo Coast, asked them to show her the search warrant. This they could not do. She bolted the gate and said she would not let them in. Police attempted to elicit information on the whereabouts of Basir, but Sabra Basir had no information for them. Shortly afterwards, a jeepload of policemen, this time with a search warrant, landed at the home of PPP activist Naseeb Gaffar at Lima, Essequibo and proceeded to search the home and yard, tumbling up items in their mad search for arms and ammunition. Nothing was found and they eventually departed. A Freedom House spokesman said that Basir's whereabouts were officially known, as he had applied for leave from the National Assembly. Basir is abroad receiving medical attention in the Soviet Union. He was severely injured when a policeman at Adventure Stelling fired point blank at him some years ago. To date the policeman has not been charged with the offence. [Text] [Georgetown MIRROR in English 26 Jul 81 p 4]

SEAGA WITCH HUNT--After having sold out the Jamaicans and Jamaica to the United States and the IMF, Jamaica Prime Minister Seaga is now on a witch hunt of communists and trying to find scapegoats for the fact that he cannot deliver the goods he promised during his election campaign last year. Early in July, police raided the branch office of the communist Workers Party of Jamaica. Ten members were arrested. The police, armed with rifles and submachine guns said they were looking for guns. They found none and instead confiscated office documents and personal diaries. The WPJ has written the Police Commissioner calling for the relase of the men arrested. A team of lawyers was sent off to the branch to provide adequate representation. The WPJ paper, STRUGGLE, said the search was a well thought out plan and an act of provocation. On three separate occasions WPJ members were picked up. The attacks followed a well-received radio broadcast by WPJ General Secretary, Trevor Monroe, who dealt with the state of the nation and the problems facing the workers. He exposed the face of the ruling Seaga government. [Text] [Georgetown MIRROR in English 19 Jul 81 p 2]

CSO: 3025/202

EDITORIAL WARNS OF DUPLICATE GOVERNMENT STRUCTURES

Kingston THE DAILY GLEANER in English 11 Aug 81 p 6

[Editorial: "Public Companies"]

[Text] The Government has set out to rationalise the usually large number of public sector companies and agencies some of which have been operating without the knowledge of the general public and others, apparently operating without being legally constituted. Under the Government's economic reconstruction policy these were some of the areas in which it was felt that duplication and waste could be eliminated. In this the Government has the full support of the public.

While unquestionably reducing the number of public sector companies the Government is, nonetheless, introducing new structures which can only have the effect of duplicating existing services. The establishment of a new entity arising out of the U.S.-Jamaica Business Committee is a case in point. According to Prime Minister Seaga, the new company, to be headed by the former managing director of the Jamaica National Investment Company, Mrs. Corrine McLarthy, is to be responsible for the co-ordination and promotion of foreign investment.

The promotion of foreign investment in Jamaica has been the traditional role of the Jamaica Industrial Development Corporation (JIDC). For a brief period under the Manley Administration its role was scaled down and much of its function was assumed by the Ministry of Industry and Commerce. It was left to this Government to remove the functions from the realm of the Civil Service and to restore the JIDC to its former role.

One would have thought that the JIDC would be the proper institution to undertake the coordination and promotion of all foreign investment, including those ventures resulting from the U.S.-Jamaican Business Committee on investment and employment. While one can understand the urgency to effect the investment proposals this could be accommodated, at considerable savings, within a revitalised JIDC. For what precisely will be the role of the JIDC?

Before the government goes much further it should address itself to this question. It is clear that the Government regards the joint U.S.-Jamaican investment thrust as the pivotal point of the industrial recovery programme. Should this be removed from the JIDC very little is left to this agency.

CSO: 3025/207

LOWER INFLATION RATE GREETED WITH PRAISE, CAUTION

Kingston THE DAILY GLEANER in English 12 Aug 81 p 8

[Editorial: "Cost of Living Index"]

[Text] The news that the consumer price index rose by only 0.9 percent in the first six months of 1981 has served to strengthen expectations that the era of declining price increases is at hand. Compared with the same six months in 1980 when the index was accelerating away at the double-digit level of 16.1 percent the overall less than one percent rise up to June represents a remarkable achievement.

In the month of June alone the rate of increase in the cost of living index amounted to 0.2 percent which was infinitesimal compared with the rate of 3.1 percent recorded in June 1980. Assuming a continuation in the moderation of the index, it seems safe, therefore, to predict a single-digit outturn for 1981 compared with 28 percent which obtained in 1980. The last time Jamaica experienced single-digit increase in the inflation rate was in 1976 when the annual rate was 8.1 percent.

There must, however, be caution: for the consumer price index is subject to all kinds of economic turbulence which can create unexpected shifts. So that while the evidence is that the underlying rate of inflation in the country is receding there is always the possibility that prices could move up in the second half of the year. The movement in the price index is influenced mainly by two heavily weighted categories of items namely, "food and drink" and "fuels and other household supplies" which have tended to account for up to 75 percent of the increase in the index. It means, therefore, that if the apparent downward trend in the price levels of the items comprising these categories can be consolidated the index can be said to be on a safe track.

One reason for the very significant fall off in the general level of price increases is that supplies of basic commodities have increased substantially, thus weakening the black market system which had been a principal contributory factor to the unusual price movements in recent years. The attack on prices from the supply side is a strategy which has obviously been a major success so far. Not only has there been a recovery in domestic food production but, as Prime Minister Seaga outlined in his mid-year review of the economy last week, the volume of imports has risen

largely as a result of the use of no-funds licences (an increase of 239 percent on 1980), and the increase of 100 percent in credit to the private sector.

Another reason is that with consumers no longer forced to buy unnecessarily and to hoard, in anticipation of shortages, the net result is that there has been an easing in the demand pressures. This stabilization in demand is also, in part, the effect of the moderation in wage demands in the public sector. For the restraint in wages, by its implications for effective demand, is disinflationary.

The favourable trends revealed in the cost of living in the first half of the year must not be frittered away. To the extent that growth in real output can be realised (and there is now every possibility of this) the prospect of containing the rise in the cost of living at a liveable limit will be stronger. This must be the goal.

CSO: 3025/207

SEAGA: GOVERNMENT PLANNING TO UP EXPORT CROP PRODUCTION

Kingston THE DAILY GLEANER in English 5 Aug 81 p 1

[Text] Government is to embark on a major expansion in export agricultural crops such as coffee, cocoa and citrus, and others like coconuts, in which foreign exchange savings could be made.

Prime Minister Edward Seaga, attending the Denbigh Show on Monday announced to show-goers that Government planned to use "in a massive way" the land that exists throughout Jamaica which was available in the right locations, for the production of export crops which could earn valuable foreign exchange and effect savings on crop imports.

Jamaican Blue Mountain coffee, for example, fetched $500 per 100 lb. on the world market, while ordinary coffee from other countries sold on the same market at $80 per 100 lb. "And we are producing only a little paltry quantity by comparison with what the world requests," he said.

Mr. Seaga said the Ministry of Agriculture had had to prepare a system to provide information on how many acres are available to grow coffee, cocoa, citrus and other crops for which a firm market exists overseas.

In the past the Ministry had not invented a system which could provide such information. As soon as the new system had been put in place and the information obtained, Mr. Seaga said, the Government would embark upon a major expansion of the production of export agricultural crops like coffee, cocoa, citrus and coconuts and non-traditional ones like horticulture and others.

Mr. Seaga said it would take several months to set up the system he had in mind; and after that, it would take many more months to devise a financial package to secure the financial support to put those projects into the ground. And after that, it would take some three years from the time they were planted before the crop could be reaped to begin to earn foreign exchange. "That means that some five years would have to pass before you begin to reap the foreign exchange of which you are talking."

Had the information been presented and the projects prepared "we could have cut two years off of that.... They were not present; nothing was prepared, so when

people say that they want to move quick, I only want them to understand that no man yet has found a way to plant a seed today and reap the fruit tomorrow."

When the time came to reap, it would not be on the basis of 1,000 or 2,000 acres; "for we are setting about with a massive development of those export foreign-exchange earning crops, so that the day will come when a agriculture will be able to be a much more substantial foreign exchange earner?

CSO: 3025/207

BRIEFS

'DAILY NEWS' CRITICISM--Kingston, Jamaica, Wednesday (CANA)--The DAILY NEWS today complained of what it said seemed to be a disturbing trend developing here--where statements made by institutions pointing to things not being all well were challenged by government spokesmen or the institutions themselves. The DAILY NEWS in an editorial, spoke particularly of economic issues and pointed to recent statements on the performance of the Jamaican economy by people who should know which they either retracted or had challenged. The latest of these, the DAILY NEWS said, was by the Bank of Jamaica (Central Bank) following its gloomy review of the first five months of the year. The Bank had said that Jamaica's economic performance during the period was "to a large extent disappointing as the level of overall economic activity remained in a depressed condition. The BDJ's report led to some scepticism of the effectiveness of the economic recovery policies being pursued by the Edward Seaga Government, and the Bank later issued a statement that it was too early to judge. Further, it said, there were "a number of indicators which suggest that there have been positive trends in the right direction." It also noted that the Government's Economic Recovery Programme really began to be implemented in April and that only two months of the review period fell within the frame of the strategy. Asked the DAILY NEWS": Is it that attempts are being made to use dismal figures to paint a pretty picture? We hope not. "The reality of economic pressures can only be eased by positive action based on accurate analyses, not by coating it with comforting words." [Text] [Bridgetown ADVOCATE-NEWS in English 6 Aug 81 p 3]

CREDIT FROM COLOMBIA--Kingston, Mon., (CANA)--Jamaica has received a (US) $5,000,000 line of credit from Colombia, to allow Jamaican businessman to buy Colombian raw materials for their industries the GLEANER newspaper has said. The GLEANER quoted the Colombian Ambassador here, Dr Gilberto Sanchez, as saying that the line of credit was now operational, and that it was being administered through the Central Banks of both countries. Jamaica and Colombia recently signed a fishing agreement, allowing Jamaican fishermen to fish in the waters surrounding a group of small Colombian islands about 100 miles south of Jamaica. [Text] [Port-of-Spain TRINIDAD GUARDIAN in English 6 Aug 81 p 6]

ROK CREDIT--Kingston, Jamaica, Tuesday (CANA)--A five million dollar (US) South Korean line of credit to Jamaica will be ready sometime this month, Industry and Commerce Minister Douglas Vaz, has said. Mr Vaz announcement followed talks this week with a team of South Korean parliamentarians, the Agency for Public Information (API) said. [Text] [Bridgetown ADVOCATE-NEWS in English 5 Aug 81 p 5]

BAUXITE INCOME DROP--Kingston, Jamaica, Wednesday (UPI)--Jamaica's four North American aluminium companies reported reduced income from bauxite and alumina sales in the first quarter of 1981, though production in the first half of 1981 was slightly higher than the previous year, a spokeswoman for the Jamaica Bauxite Institute said yesterday. The institute is predicting 1981 production of bauxite will reach between 11.75 million and 11.95 million tons, based on scheduled cutbacks announced by Alcoa, Alcan, Reynolds and Kaiser. No forecasts for alumina were given. In the first half of 1981 the companies produced 6.1 million tons of bauxite, a 6.3 per cent increase over the first half of 1980, the institute spokeswoman said. Alumina, refined from bauxite, increased by 11.4 per cent in the first half of 1981 to 1.3 million tons. But the companies exported 2.8 per cent less alumina--652,382 tons--in the second quarter of 1981 than in the first three months of the year. Bauxite exports dropped from 1.6 million tons in the first quarter of 1981 to 1.3 million tons in the second, the institute spokeswoman added. Alcoa reported revenues of $1.3 billion for the first quarter of 1981, but net income dropped from $143.5 million to $101 million. [Text] [Bridgetown ADVOCATE-NEWS in English 13 Aug 81 p 3]

NEW BAUXITE CUTBACK--Kaiser Jamaica Bauxite Company yesterday became the fourth of the five bauxite-alumina companies operating here, to announce a cutback in bauxite output. A new release from Kaiser quoted its general manager here, Mr. Ed Coyne, as announcing a reduction in shipping of about 6% reduction from the originally planned shipment levels for 1981. In recent weeks three alumina producers Alcan Jamaica Company, Jamalco and Alumina Partners of Jamaica have announced production cutbacks because of the reduced demand for alumina on the international market. The Kaiser news release said it received word on August 6 from its customer, Kaiser Aluminium and Chemical Corporation that economic conditions affecting the aluminium metal market were such that two of their potlines (aluminium smelting lines) in the USA would have to be shut down to reduce production to a level more compatible with its sales and financial obligations. [Excerpt] [Kingston THE DAILY GLEANER in English 11 Aug 81 p 1]

POLICE WAGE PACT--An emergency meeting of the Police Federation yesterday morning unanimously accepted the Government's wage increase offer of $29 per week over the next two years, "in the national interest." The increase will be implemented $15 per week in the first year and $14 in the second year. The Police Federation's eight-man executive, which is negotiating the wage and allowance package with the Government, has won the right to a two-year wage cycle for the rank-and-file members of the force. This two-year wage cycle, which is to be implemented with the life of the new contract effective from July 1 last, brings the force in line with other Government groups. The force has had a three-year wage cycle. The federation's team and the Government side are to return to the bargaining table shortly to resume discussions on allowances. THE GLEANER understands that of paramount concern to the Police, and the area which is causing anxiety, is that of a special allowance, bearing in mind that the police do not have a 40-hour work week like other groups. A news release from the federation executive yesterday, stated that the Government's offer "has not been accepted on the basis of it being satisfactory but rather in the national interest." [Excerpt] [Kingston THE DAILY GLEANER in English 13 Aug 81 p 1]

ALUMINUM CUTBACK--Kingston, Wed--A third alumina refining company here, Alumina Partners of Jamaica (ALPART), announced today a cut-back in production, because of depression in the international aluminium market. Alpart's production paring has followed similar moves, last month, by Alcoa and Alcan, who had said they could not sustain existing production with the soft market. Alpart is owned by Kaiser Aluminium and Chemical Corporations, Reynold Metals--both of which have other operations here--and Anaconda Metals. It said the cut-back would reduce 1981 output by 45,000 tonnes. Despite the reduction, the company said, so long as the present level of operating efficiency was maintained, overall output would reach 1.1 million tonnes of alumina, its highest ever. The company has a 1.2 million-tonne capacity, and said under normal circumstances that figure could have been reached. Alpart said its parent companies, within recent months, had been easing back on production by plants in and outside the United States. However, the decision to reduce in Jamaica had been delayed, because of a desire to do everything possible to help in the island's economic recovery, as well as a reluctance to do anything to reverse the performance improvements shown by Alpart since late last year. However, the depressed aluminium market had left the companies no alternative but to opt for a reduction here. [Excerpt] [Port-of-Spain TRINIDAD GUARDIAN in English 6 Aug 81 p 6]

CSO: 3025/203

COMMANDER BORGE SUPPORTS ARMED POPULACE

PA222249 Managua EL NUEVO DIARIO in Spanish 16 Aug 81 p 1, 11

[From the NUEVO AMANECER CULTURAL SUPPLEMENT, Vol 3 No 63, dated 16 Aug 81; Irene Selser interview with Interior Minister Commander Tomas Borge]

[Excerpt] [Question] Returning to the Nicaraguan internal situation, what measures will the government of reconstruction take to confront counterrevolutionary attacks both in the military and economic fields?

[Answer] We are drafting severe and strict laws, and we will further develop the revolutionary instruments. These gentlemen seem to underestimate the revolution's strength and the masses' inexhaustible capacity for defense. I believe they must be a little desperate. I imagine that at one time they imagined reform as a whitewashed tomb, but now they realize that this is a revolution. We are not opposed to reform--within the revolution and for the revolution--but we won't change the revolution for reforms. When these gentlemen realize that this isn't a formal transformation, a reform, but a revolution, they begin to get desperate. They are more desperate than we are, and they are also talking too much.

[Question] Do you believe that the counterrevolution can create a general civil war throughout the country?

[Answer] There may be armed outbreaks. Some days ago we dismantled an armed group operating in Masaya. But we can't have a civil war because most of the people are not only with the revolution but are armed. Ridiculous, insignificant minorities may harbor the illusion that some type of attack or invasion will come. Perhaps they are thinking about this when they say they will join a war that has to come from abroad. However, it is impossible to create conflict within the country, because the people are armed. The greatest proof of the revolution's strength, popularity and confidence in the masses, is that the revolution is arming the masses. I would like to know what would happen if Pinochet armed let's not say 300,000 militias, but 100,000. Pinochet could not stay in power if he armed several battalions. We have many more men in the militia than in the armed forces. If the people become discontented and reject the revolution, the matter is very simple: They only have to aim their sights at the revolutionary government. To the contrary, we have confidence in the strength of the revolution because the people are armed.

CSO: 3010/1734

JOINT MILITARY PLAN IN REGION DENOUNCED

PA220230 Managua BARRICADA in Spanish 16 Aug 81 p 2

[Passages within slantlines denote boldface as published]

[Text] Tegucigalpa-Mexico City--The charge made by the Revolutionary University Force (FUR) of Honduras regarding preparation of a joint military operation by the Salvadoran, Guatemalan and Honduran regimes has been echoed in this country and in the Mexican capital, where the risk of foreign intervention has been predicted.

FUR leaders Mario Nuila and Leonardo Beneditt charge that an /"iron pincers"/ operation would be implemented to drown the Salvadoran insurgent people in blood. /Honduran army colonels/ Gustavo Alvarez, Leonidas Torres and Hubert Bodden went to the United States to coordinate this plan. Subsequently, Gen Romeo Lucas, the Guatemalan dictator; Napoleon Duarte and Col Jaime Abdul Gutierrez, president and vice president of the Salvadoran Military-Christian Democratic Junta, travelled to Tegucigalpa.

Honduras does have a trade problem with Guatemala because of a restrictive decree which would justify a bilateral meeting, but it doesn't have this kind of a problem with El Salvador, a country with which the various borders are being discussed within the framework of a technical commission. And anyway, a treaty was already signed on this.

These unexpected high level meetings were carried out a few days after the U.S. Government admitted that there were /green berets/ in Honduran territory. The State Department admitted that there are 21 there.

The FUR charge warns that in /a second phase the interventionist plans of aggression may reach Nicaraguan territory./

This virtual reactivation of the Central American Defense Council, practically paralyzed with the Sandinist victory in Nicaragua, caused alarm not only in Honduras: /UNO MAS UNO/, the Mexican newspaper, published an editorial entitled "Central America, A Joint Operation."

The newspaper maintains that the FUR charge "is not only serious but highly /probable"./ It links the meetings of the chiefs of the three regimes with "recent statements by Mrs Kirkpatrick on the Central American situation" which "thus gain a much more threatening dimension."

/UNO MAS UNO/ says that the military preparations can be based on three elements:

1. The failure of the Salvadoran army to defeat the guerrillas;

2. The domestic situation in Guatemala, with an increasing generalization of the guerrilla struggle; and

3. The deterioration of the political-military crisis in Honduras.

The newspaper notes that these plans "could not exist unless they had /the high sponsorship of Washington"/ and that "such a serious decision is basically a decision of crisis and to a certain extent, /an introduction to direct U.S. intervention/ if this joint operation group fails."

The conclusion of the Mexican newspaper--widely read in official circles of that country--is that the joint operation would not only strengthen the Salvadoran junta but would "speed up the Central Americanization of the revolutionary process, pushing and even forcing the unification of revolutionary forces on a regional scale and in addition, would determine the final regrouping around these forces because of the national, authentic and vital feelings of all the social sectors of Central America, including perhaps officers of the armies themselves."

/UNO MAS UNO/ pauses at the end, saying that it is not known if the perpetrators of this joint operation have thought about it well, "but in any case, /it is certain that they will have to bear with these and other worse consequences."/

Regarding this situation, TAS reported that "according to information received by the Farabundo Marti National Liberation Front, a group of /green berets/ arrived in an area near the border with Honduras recently to lead /actions against revolutionary Nicaragua."/

CSO: 3010/1734

FLETES: FSLN PLANNING SOMOZIST-STYLE ELECTIONS

PA231230 Managua LA PRENSA in Spanish 13 Aug 81 pp 1, 16

[Text] Adan Fletes Valle, president of the Social Christian Party (PSC), said today that the FSLN [Sandinist National Liberation Front] insists on giving the Nicaraguan people Somozist-style elections.

He added that nothing else can be derived from the statement that Nathan Sevilla, the delegate of that group, made on television during the latest "In Depth" program, where he said that the government party, the FSLN in this case, will hold elections but not to grant power, even if the results go against it.

We feel, he said, that these elections that they are planning are the typical elections that Somozism held in Nicaragua to remain in power and that these are not the kind of elections the Nicaraguan people fought for and the Nicaraguan youth died for.

Sevilla said that there were political parties which could not reach power because, according to the FSLN, they have the wrong orientation and that for that reason power could not be turned over to them.

This is serious, Fletes Valle said, because elections are held so that the people can decide who will lead their destinies and who will assume political command, and if this opportunity and right are denied to the Nicaraguan people, then the people's will is being mocked.

Asked about the possible termination of the forum, he said:

"It is true that the FSLN has not complied with the spirit of the 19 points of concurrence that were signed, and that some of them are violated, but certain considerations must be made regarding that."

"In addition to holding talks with the political-labor sectors during this period, talks are being held with representatives of the private sector, such as the higher council of private enterprise, as well as at the business level."

"Civic organizations like political parties, labor unions and other associations cannot refuse to talk, because the dialogue is a way to discuss the problems."

The problem would be, Fletes Valle noted, like what happened to the 19 points of concurrence: They do not make a positive contribution to the Nicaraguan people. In any case, if the forum fails, it would be the exclusive responsibility of the FSLN. The precise errors that Somozism committed in the past are being committed by the FSLN now.

When it was pointed out to Fletes Valle that on the television program Angelita Saballos [program moderator] maintained that if the independent political parties withdrew from the forum, the only road left for them would be counterrevolution, Fletes Valle said:

"The truth is that there were three against one in that 'In Depth' program, because there were two newsmen plus Nathan Sevilla."

"All three of them attacked the popular positions that [PSC party member] Jose Davila was expressing."

"Moreover, what Mrs Saballos said is false, because the forum is not what it is conceived as. Therefore, saying that if the political parties and the unions walk out of the forum they would have to opt for a more violent and armed way is false."

The PSC president continued: "We are not in the forum because we fear repression, because repression increased after we were in it."

"We view the forum as an important political and civic setting that can serve to correct certain deviations in the revolutionary process produced by the nine FSLN leaders. It also serves to demonstrate to the Nicaraguan people that these leaders do not want to comply with the agreements they reach."

Fletes Valle maintained that the FSLN has not complied with anything.

Regarding this, he said: "They have not complied with the agreements of the government for national reconstruction, the agreements reached with the Miskito, Sumu, Rama Sandinist Unity, the agreements with the private sector, and now they are beginning to violate the spirit and letter of the 19 points of concurrence."

"However, as the Nicaraguan people begin to confirm this antidemocratic position of the FSLN, the independent sectors' expectations will increase and they will be strengthened with the people's support which will be greater as the days go by."

The PSC president maintained that the FSLN position regarding elections is in the Somozist style, whose mechanism led to the implementation of a totalitarian and dictatorial regime.

Fletes Valle stressed that the struggle of the democratic sectors, the free unions, is being carried out so that these attempts to establish a new dictatorship in Nicaragua will not work.

"And we have carried out this struggle at the forum and will continue it by maintaining various political positions which are backed by the country's democratic organizations."

"In addition, the elections and the democratization of Nicaragua are a commitment with the people of Nicaragua not only at the national but the international level."

CSO: 3010/1734

CHAMBER OF COMMERCE MEETING FLAYS GOVERNMENT

PA142255 Managua Radio Sandino in Spanish 1200 GMT 14 Aug 81

[Text] The directors of the Chamber of Commerce, in a report read last night at a meeting, criticized many of the measures adopted by the revolutionary government. Members of the Higher Council of Private Enterprise [COSEP] took advantage of the meeting for politicking. The meeting, attended by about 200 people, started at 1830.

The report, read by (Alejandro Bolanos), discussed various topics and revealed the interests defended by some members of the Chamber of Commerce, because from the very beginning they said that the Marxist-Leninist leaders in the revolutionary process are to blame for everything. They recommended reading a booklet written by an alleged priest named Santiago, discussing Marxist ethics.

The Chamber of Commerce report said, without explanation, that the revolutionary government is to blame for the shortage of foreign exchange.

One of the participants said that as Nicaraguans we should be engaged in reconstruction, but that he knew of people in Chinandega who, although they have five tractors, use only one, and that we can only get foreign exchange by producing.

The directors of the Chamber of Commerce had no comment to make on this statement. They said that the Chamber of Commerce favors true democracy, and that they saw violations of the basic statute in many instances, like COSEP has been saying.

The report also questioned the Sandinist Party majority in the State Council, which it claims is against pluralism. Regarding this point, there is no doubt as to what COSEP's goals are, because they are implying that they hope to obtain a majority in the State Council.

The directors questioned what they labeled as the expulsion of U.S. citizen Frank Bendana; the arrest of a storekeeper named (Ramiro Cardenal), and the fact that neither the budget nor financial statements of the people's area enterprises have been published. They also disagreed with the confiscation of LA PERFECTA because they claim that the government by-passed the supreme court. They did not stop to explain that the charge of capital depletion was confirmed.

Going beyond labor problems the Chamber of Commerce directors last night voiced political stands posed by COSEP, criticizing everything from the educational

system to what they call the destruction of the family. They made little or no effort last night to offer possible solutions to the economic situation.

They justified what they say is an exodus to Miami by citing problems they face because [W o r d s i n d i s t i n c t] they again said that the foreign debt is enormous because the government has resorted to debts to distribute poverty, although it has taken $1.3 million daily to move our economy.

They forecast that 1982 will be a disastrous year for the economy and that at the rate we are going the cost of imports will be twice that of exports. However, they did not explain that the revolutionary government is not to blame for this. They questioned the decree on people who are not living in Nicaragua and asked management to support all people whose property is being confiscated. They said that there is much injustice, that the decree has created panic, and that the people don't know what to do.

The Chamber of Commerce directors, analyzing the meeting between COSEP and the FSLN leaders, expressed little respect for this kind of talk.

They said that the government does not have a program to solve all problems and that they had told the national directorate that state enterprises were involved in decapitalization. The meeting was about to be adjourned after an hour, when some businessmen complained of the lack of dollars and their high price in the black market.

The owner of one small business said: We have to admit that there is a revolution going on here and that the interest of the majority prevails over everything else. We should join in the reconstruction like good Nicaraguans.

This led many of the 200 participants to boo him. He said that he had the right to the floor. He was answered by a small group of merchants belonging to the Association of Salesmen of Staple Goods and Other Foods, which is under COSEP orders in the markets, who also spoke along the lines of the Chamber of Commerce. At no time did they say that sales are down, or that business is bad. They said that the main problem is that the government doesn't give them enough dollars to buy products, which although not luxury items are necessary, according to (Reinaldo Hernandez).

It was said that the Foreign Trade Ministry has now drawn up a new list of items which have first priority among priority items, which means that there is confusion.

They spoke little of reactivation or reconstruction. Most of those present mocked these few statements, in a manner which clearly explains what interests move part of the members of the Managua Chamber of Commerce.

CSO: 3010/1734

LAW OF NICARAGUAN NATIONALITY APPROVED

Managua EL NUEVO DIARIO in Spanish 30 Jul 81 p 9

[Text] After a prolonged debate and an exciting epilogue when a transitory provision was proposed which would grand Nicaraguan citizenship to the internationalists who fought or collaborated in the struggle for liberation, the Council of State finally approved the Nationality Bill yesterday.

The bill provides that Nicaraguan nationality is acquired by birth or through naturalization.

It also states that nationals are "those born in national territory. Excepted are the children of foreigners assigned to diplomatic service, and the children of foreign officials serving international organizations or sent by them or by their governments to carry out work in Nicaragua, unless they choose Nicaraguan citizenship."

The law also considers as nationals any infants found in Nicaraguan territory whose parents are unknown, although once their parentage is learned, it does not prevent the other provisions from being enforced.

The law adds that those born on board Nicaraguan aircraft or ships, who are children of foreigners, may choose to obtain Nicaraguan citizenship.

Other articles state that the Council of State, at the request of the Government Junta, may grant Nicaraguan citizenship to foreigners who have distinguished themselves with extraordinary merit for the benefit of the country.

The new law specifies that Nicaraguan citizenship can be granted after prior citizenship is renounced, in the following cases:

a) Those born abroad of fathers or mothers who were orginally Nicaraguan, within 10 years after they become of legal age or are emancipated.

b) The foreign spouse married to a Nicaraguan, after 3 years of residence in Nicaragua. That requirement does not apply to a foreign spouse who loses his or her citizenship of origin because of the marriage, according to another country's law.

c) Foreigners who have been permanent residents for 2 years. This period could be reduced by treaty, and in the case of nationals from countries that are willing to grant equal treatment to Nicaraguans.

d) Foreigners adopted by Nicaraguans, who reside in Nicaragua or who come to reside in Nicaragua after having been adopted, when their own national law allows them to maintain their nationality; when their law causes them to lose their citizenship, the residency requirement shall not apply.

Article 6 stipulates that the dissolution of a marriage does not affect the nationality of the husband or wife, or of their children.

Article 7 states that "Nicaraguans married to foreigners shall maintain their citizenship even if the national law of the spouse's country grants them citizenship there, as long as they do not expressly renounce their own citizenship."

Only in the case of countries that do not recognize dual nationality pacts will a Nicaraguan lose citizenship by voluntarily acquiring another nationality.

How Citizenship Is Lost

Article 9 states that Nicaraguan citizenship shall be lost by:

a) Those convicted of treason by an executory sentence.

b) Those who serve in the armed forces of a foreign country, disobeying an express prohibition by the Nicaraguan Government.

c) Those who refuse to come to the defense of the Fatherland in case of foreign aggression. The National Reconstruction Government Junta shall determine the latter two cases.

The law also indicates that the competent authorities may cancel naturalization papers or deny an application for reasons of public order. No Nicaraguan native may be deprived of citizenship except under the circumstances set forth in this law.

Article 12 states that "A native Nicaraguan may regain his citizenship if he declares before the competent authorities that such is his desire, and renounces the citizenship that he has which is incompatible with Nicaraguan citizenship." The competent authorities may decide to reissue naturalization papers to a person who has lost them.

Article 13 stipulates that cases of dual citizenship will be governed by the provisions of the treaties and by the principle of reciprocity, and its content shall be modified by the same terms in which the treaties and the principle of reciprocity may be modified. Nationals of Central American countries shall maintain their citizenship even if they become Nicaraguan citizens, if equal treatment is granted Nicaraguan nationals in their respective countries.

Among the fundamental duties of Nicaraguans are the following: to serve and defend the Fatherland, to obey the law, to contribute to the development of the community, and to contribute to public funds in accordance with the law.

Other articles state that native or naturalized Nicaraguans who are 18 years or older are citizens. The procedures and requirements for the acquisition, loss and

recovery of citizenship shall be set forth in enabling legislation, based on what is stated in the law. The Ministry of the Interior shall draw up the enabling legislation for this law.

Heated Debate

A transitory provision of the law states that internationalists who participated or collaborated in the liberation war may acquire Nicaraguan citizenship after 3 years of residence in Nicaragua, having renounced their prior citizenship. They may exercise that right during the 6 months following 19 July 1982. This provision stirred up a heated argument, principally because of the term "internationalist."

Dr Ramiro Sacasa Guerrero, in his usual flowery but pointed language, said that it was inappropriate to use in our laws terms which do not appear in the dictionary (referring to the word "internationalist"), because that would cause problems in the interpretation and enforcement of the law, and in the opinion various international conclaves that review legislation in different countries, might have of the law.

He stressed that "in the way the provision in question was written, there is room for the assumption, attribution or invention of merits that do not correspond to reality, and that would undermine those who in fact won this right with their valuable cooperation."

Calling himself a "hardhead," "patient" and "very humble," Dr Sacasa requested some changes in the article in question.

The delegate of CAUS [expansion unknown] to the Council of State, Roberto Moreno, began a series of rejoinders to Dr Sacasa's comments, asserting that the word "internationalist," while not in the dictionary, was the term used to describe those elements which did the most possible in a country to develop, support and incite revolutions in all oppressed countries.

"For Dr Sacasa's information, 'internationalism' is the worldwide brotherhood of workers in the struggle for common ideals, which means close cooperation among workers' and peasants' parties in all parts of the world."

A worker delegate said that the expression "internationalist" was not used during the Somoza era, and others claimed that use of the word could even get someone 6 months in jail at that time.

To conclude the plenum of the Council of State, an article was added to the original draft of the law, ratifying the naturalization decree which the Government Junta extended to Revolutionary Commander Victor Manuel Tirado Lopez, and 21 other naturalization decrees issued by the Government Junta.

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FPR DOES NOT ACCEPT DESTRUCTION OF FORUM

Managua BARRICADA in Spanish 30 Jul 81 p 12

[Text] The Patriotic Front of the Revolution (FPR) of the Department of Managua denounced the "reactionary maneuverings of the rightist parties," which are staging a boycott of the Discussion Forum on National Problems.

In a communique released yesterday, the Managua FPR indicated that it would not be the revolutionaries who broke up the Forum. At the same time, it called upon "workers, peasants, technicians, responsible professionals and patriotic businessmen" to strengthen national unity, and to respond "firmly and resoundingly to the enemies of the Revolution."

The full text of the communique is as follows:

"The Patriotic Front of the Revolution of the Department of Managua will contribute to the political clarification of our position as revolutionary parties in comparison with that of the rightist parties, concerning the Discussion Forum on National Problems. We find it necessary to reiterate that our political organizations have expressed repeatedly their unshakable commitment of responsibility to the Nicaraguan people, to promote national unity and political pluralism. This commitment has been stated clearly at the National Forum, and therefore it will not be our organizations that take the first step toward destroying these debates.

"The Patriotic Front of the Revolution of the Department of Managua vigorously backs up the decisions made in this regard, and denounces the reactionary maneuverings of the rightist parties in trying to boycott the National Forum. This is one more manifestation of their anti-patriotic, anti-nationalist and anti-unity stands.

"Finally, we call upon our brothers: workers, peasants, students, technicians, responsible professionals and patriotic businessmen, to continue struggling resolutely for national unity, a sine qua non for the reconstruction of our homeland. In this manner we will be able to respond firmly and resoundingly to the enemies of the Revolution.

"United for the Fatherland and the Revolution!"

Clorinda Zelaya, Coordinator
Jose Adolfo Beteta, Recording Secretary
Jose G. Moya H., Public Relations
Orlando Quinonez, Secretary of Organization

"Dissidents" and "Divided"

As if to confirm the Managua FPR's denunciation, the "dissidents" Alvaro Jerez of the Nicaraguan Democratic Movement (MDN) and Jose Davila of the Social Christian Party (PSC) acknowledged yesterday that within their bloc there are "a good many" who do not want to remain in the Forum.

At a meeting of the "dissidents" the night before last, they could not decide whether to go or stay. "We are divided," said Jose Davila, although he refused to indicate who was in favor of destroying the Forum.

Davila and Jerez both stated also that within their own groups there is "division," although Davila asserted, "I personally favor dialog," adding that "it is the Sandinist National Liberation Front (FSLN) that has undermined us and brought about this situation."

Maybe, Maybe Not

Alvaro Jerez, on the other hand, complained that his fellow "dissidents" are "very annoyed" because the Government Junta's decrees were not discussed previously with them (?) and because they did not even see the decrees before they were published in the Gazette.

Although Jerez responded that "there has been no counterorder" to the question of whether the "dissidents" will remain in the Forum, later he asserted that everything "remains to be seen," pointing out that it is necessary for the FSLN "to give us some signal" to see if the Forum "can be saved or not."

As an example of such a "signal," Jerez insinuated that the decreed laws were "desecrated," and termed "crazy and stupid" the law confiscating the property of all those who leave the country for more than 6 months without justification.

Saturday "Difficult"

A meeting had been scheduled for today to prepare for the Forum next weekend, but Davila and Jerez both agreed that there was no point in meeting today, because "there is nothing to talk about if the decrees already have appeared in the Gazette."

At any rate, today at 1700 hours the "dissidents" will hold a meeting "to determine whether we can reach a joint agreement."

Davila and Jerez refused to express an opinion about the event next weekend. Will they go to the Forum or not on Saturday? "We don't know yet," they said.

They added that anyway it was difficult to have the Forum on Saturday, because "everyone in Managua will be at the Fiesta de Santo Domingo."

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STUDY OF AGRARIAN REFORM LAW GIVEN

Managua EL NUEVO DIARIO in Spanish 2 Aug 81 p 2

[Interview with Dr J. Ramon Gutierrez Castro by Adan Monzon Fornos; time and place not given]

[Text] Dr J. Ramon Gutierrez Castro, an attorney from Matagalpa with many years' experience as counsel to peasant organizations that have faced agrarian conflicts, agreed to answer the above questions, for the benefit of those who have been posing them.

[Question] What is your opinion, Dr J. Ramon Gutierrez Castro, of the Agrarian Reform Law which the Junta presented to the Council of State for approval?

[Answer] I feel that within the context of the socio-economic learning experience we are having in Nicaragua, it is a good law. It has brought peace of mind to landowners in that it guarantees private ownership of land, with the sole condition that the land must be worked, made productive. And that is natural, fair and necessary.

[Question] Does the Agrarian Reform Law affect owners of haciendas, with vast tracts of land?

[Answer] The Agrarian Reform Law in no way affects large agricultural holdings, as long as they are being cultivated and are producing. The most outstanding concept of that law is its opposition not to /size/ [word enclosed in slantlines printed in boldface], but principally to idle lands which are poorly cultivated or abandoned. Minifundios are also opposed on the basis of the same concept.

[Question] Do you feel, Dr Gutierrez, that the Agrarian Reform Law approved by the Council of State is complete?

[Answer] I think it is not complete in agrarian terms, but its gaps will be filled in by the enabling legislation, or by decrees to be issued by MIDINRA, since a lot of leeway has been left in this area. Moreover, it is a flexible law, capable of assimilating specific cases and making allowances for individual circumstances. Some legalists could claim that that is a defect of the law, but I don't think so. It seems to me that after a war, a change, with an issue as important as agricultural land ownership, the official who is to enforce the law must not generalize too much so that the law can be enforced fairly.

The Agrarian Reform Law does have some small defects, such as the poor wording of some provisions, and the lack of precision in the terms used. I get the impression that it was not drawn up by lawyers, but by another kind of expert or agricultural producers. Thus, we can overlook those flaws and pay more attention to the content.

[Question] What do you think is the impact of the Agrarian Reform Law on the ejidos and the lands of Indian communities?

[Answer] The law says in Article 12 that those who possess ejido land shall be granted Agrarian Reform Deeds, which seems to mean that the ejidos no longer fall under the jurisdiction of the municipalities that have governed them since the Spaniards founded the towns, or since 1832, when the first national law on ejidos was passed. Here I find an apparent contradiction, because Article 41 of the same law authorizes MIDINRA to regulate the management of ejido lands. That would indicate that they are still part of the municipalities and are still called ejidos. Because if the law in question is trying to treat the ejidos the same as national lands, the best thing would be to come right out and say that ejidos will become national property. A ministerial regulation cannot change the juridical nature of the ejido lands, which have a solid legal basis in our country by virtue of the current laws that govern them, and the backing of legal tradition. Any halfway literate revolutionary knows that. For that reason, I believe that the ejido lands are still under municipal jurisdiction. The law should have considered not adjudicating ejidos near towns, because otherwise it would not be taking into account that towns would expand, and after a while the municipalities would have to expropriate the lands they needed for growth, when those lands belong to them anyway.

Concerning the matter of Indian communities, one distinction must necessarily be made. There are two kinds of communities: those that emerged during colonial times, simultaneously with the Indian Cabildos; and the Atlantic Coast communities, which emerged as a result of the Harrison-Altamirano Treaties and were deeded in 1905. Both kinds still exist, but now on the Atlantic Coast there are well-identified ethnic nuclei. In the rest of the country there are no such nuclei, although there may be Indian prototypes. There and here, the problem is not a matter of Indians on territorial reservations, but one of poor, landless peasants whose ancestors were deeded large tracts of land which were cultivated not by them but by others.

The reason for the existence of the Indian community lands since colonial times is that the poor peasants, whether Indian or not, needed a place to plant their corn and beans during their free time, to ensure the survival of their families and to guarantee that the landowners could continue to pay them a mere pittance. If the peasants had had only their pay, they would have starved to death. The Agrarian Reform Law has now not only given poor peasants access to the community lands, but has also made available to them all arable land affected by Agrarian Reform, deeded or not, communal or private, national or ejido. Thus, the Indian communities have benefited in terms of the poor, landless Indians, agricultural laborers. Enabling legislation and decrees must still be passed to regulate the community lands, which will have their own laws and deeds just like the municipalities.

[Question] Doctor, you say that in addition to combatting idle or deficiently cultivated land, the Agrarian Reform Law also opposes the minifundio. Could you explain how that is?

[Answer] The law expressly attacks idle, abandoned and deficiently cultivated lands; they are the ones that are affected. The minifundios are opposed insofar as the land holdings cannot be subdivided into parcels smaller than the minimum set forth by MIDINRA; existing minifundios are encouraged to be incorporated into larger holdings so that their owners can work them as partners.

This idea was developed by the capitalists when they created the large agricultural enterprises and the vast rural proletariat; the difference lies in the distribution of surpluses, and the higher pay for the rural poor who do not work in agriculture. This shows us that the process is not an enemy of capital, just of the capitalist system.

[Question] How is the Agrarian Reform Law acceptable to capitalists?

[Answer] There is no reason for them to reject it. The law respects the great postulates of the bourgeoisie such as the private ownership of land, the right of inheritance, the right to work and to make the land productive by means of rural wage-earners, the right to form partnerships to work, the right to receive financing, and the right to be compensated when land is expropriated by the Agrarian Reform Law. And to provide more peace of mind and better opportunities, the working class is prohibited from striking and from filing monetary claims; it has been exhorted to be punctual at work, to achieve high productivity and zero absenteeism.

Workers must meet during non-working hours. What more could the capitalists want? They are not giving anything; the people, the working class, are giving everything. Even the idle land they don't want to cultivate must be paid for. Those who are losing their only means of support are given a monthly pension, in an amount no less than 1,000 cordobas, as if they were retiring.

The world has never seen a revolution as generous with the rich. They themselves did not behave as well when they overthrew the Monarchy; they sent kings and nobles to the guillotine or the firing squad.

[Question] What is the situation of those who lease land, under the Agrarian Reform Law?

[Answer] There has been no change for lessees. The only benefit goes to sharecroppers, partners and tenant farmers, as well as other vestiges of feudalism in agriculture, because many of the lessees in Nicaragua are as rich as the lessors, and to provide benefits for them would be absurd.

[Question] What obstacles do you see in the future for the implementation of the Agrarian Reform Law?

[Answer] Perhaps the expenses won't be too much, because MIDINRA's existing network and personnel can implement the law perfectly well without increasing the bureaucracy in this sector. Moreover, we must trust in the revolutionary spirit that will make MIDINRA employees be more productive, refuse travel pay and accept wage reductions for the benefit of the implementation of the Agrarian Reform Law.

The danger stems from the fact that during the course of the project, the rural petite bourgeoisie may grow disproportionately, to the detriment of the project and of the working class. The petite bourgeoisie, as a dynamic class, is well represented in the revolutionary process and has participated actively, but it cannot be allowed to become the dominant class of the process. Because of its social nature, the rural petite bourgeoisie, lacking high levels of political training, tends to obscure the upper classes, and could be attracted to unacceptable strata. The confidence which the Agrarian Reform project generates for positive progressive positions depends on which class governs the process, on the ideology of that class, and on the personal honesty of the men who come to the fore in MIDINRA, the National Agrarian Reform Council and the Agrarian Tribunal.

[Question] What flaws do you see in the content of the Agrarian Reform Law?

[Answer] There is no provision on the use of water in agriculture or on boundaries. **This matter should be place under the jurisdiction of IRENA [Natural Resources Institute]** and the regular courts, just as the matters of writs of possession and claims for lands have come under Agrarian Reform, having been under the regular courts previously. This is very good and appropriate.

The agrarian law also should have dealt with the myriad land deeds that exist in Nicaragua. Notary publics, spurred on by banks, have made fortunes preparing these deeds. Banks have required small landowners to draw up Forced Sale Deeds, Supplementary Deeds, Use and Occupancy Deeds, Possession and Improvement Deeds and many other instruments that should have been eliminated by the Agrarian Reform Law. There should be only two kinds of deed: those dealing with the liquidation of one's own property, and Agrarian Reform Deeds. Peasants should be spared exploitation by notaries, lawyers, bureaucrats and the parasites of government offices who hang around Income Offices waiting to pounce on victims. They should also be spared the expense of the Public Registry, and an Agrarian Registry should be considered.

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BRIEFS

LEFTISTS NOT TO ATTEND MEETING--Leftist sector coordinator Dr Nathan Sevilla has called to tell us they will not be able to attend the forum this weekend, democratic sector coordinator Jose Davila has told one of our newsmen. According to him, delegate Sevilla said they might meet next weekend, that is, on 22 and 23 August. Everything seems to indicate that the leftist parties are no longer interested in continuing the sessions of the forum for discussion of national problems, especially since the idea was to implement the 19 points of concurrence and discuss the presidential election and its mechanisms. Everything seems to indicate that the forum for discussion of national problems is dying. [Text] [PA150345 Managua Radio Corporacion in Spanish 2300 GMT 14 Aug 81]

MILITARY BASE DISCUSSION--Deputy Foreign Minister Victor Hugo Tinoco said that the establishment of a military base in Amapala is a very dangerous move for the area. We are in favor of peace and contacts to negotiate the various disputes we may have with other countries, deputy Foreign Minister Victor Hugo Tinoco told a group of newsmen this afternoon at the Foreign Ministry. The establishment of a military base in Amapala, in the Gulf of Fonseca, must be considered as very dangerous because it would militarize the area. The Nicaraguan Government is receiving all sorts of information on the military base and therefore must express its considerations and concerns. A Nicaraguan jurist has stated that in order to build a military base, there must be prior consultation with the Nicaraguan Government. Also, a military base will increase the already existing problems in the Gulf of Fonseca involving ships and fighting aircraft. [Text] [PA251403 Managua Radio Corporacion in Spanish 2300 GMT 24 Aug 81]

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LABOUR PARTY CASTIGATED FOR POLICY OF CONFRONTATION

Incitement of Violence

Basseterre THE DEMOCRAT in English 20 Jun 81 p 4

[Text] If we looked back at the record of the Labour misleaders over the years we can produce various headlines, speeches from public meetings and writings of various columnists to show beyond the shadow of a doubt that the St Kitts Labour Gangsters have always espoused violence and confrontation. However, the bandits of violence and confrontation have been most active and vociferous since the personal involvement in the Party/Union of two lawyers in the second half of the 1960's. A third crackpot has recently joined the team.

In their intention to crush out of existence the People's Action Movement the stage-managing of the 10th of June fiasco was the signal for a mad rush towards the procurement of a gunbeat, armoured cars and a stock pile of quasi-sophisticated weapons and a standing army.

Bradshaw could not understand how nonplanter class young men could question his authoritarian and dictatorial rule and stirred on by "alien influences" which controlled his mind, he was blinded into using "desperate survival strategies."

Beyond the shadow of a doubt, whatever else happened on the 10th of June, 1967, there was a Government stageman aged scenario to this hoax which has been propagandised as "armed attacks" and an "attempted coup" on the Bradshaw Government.

Bradshaw on the instruction of the "alien Antiguan bloc" now firmly controlling the Labour Party had declared his future stand regarding the People's Action Movement. The evidence of any questioning of his "Godgiven" right to rule St Kitts-Nevis-Auguilla was to be "picked up on the street in blood" and the velvet glove was now off and the iron fist was instituting a dirty war.

"This is war, dirty war" Gloves off! Bradshaw bellowed from the House of Assembly on the 6th of June, 1967--a few days before the mock-operation took place.

It was soon after this that the services of "Goebbals, the Pig" were enlisted as Public Relations Officer to give the "mock up" some semblance of a coup attempt.

The programme of Labour's violence and confrontation took on a new shape and form--physical eradication. The leaders of the People's Action Movement have only survived because they had worked quickly between 1966 and early 1967 and then afterwards to gain personal recognition among British Parliamentarians and at certain forums at the United Nations.

By 1971 there was an upsurge of support for the People's Action Movement and this triggered off threats of violence and confrontation. The elections that year had been significant particularly for the role played by Lee Llewellyn Moore in trying to out Bradshaw. [as published] Bradshaw: "A worstened Bradshaw. Anybody bad is me. I am a pig. No civilisation rub off on me. When I step in some a dem Civil Servants would have to step out etc etc." [as published]

Since the Elections of February 18, 1980 and the ousted Labour rejects have had "timing time" in excess they have gone all out to find "dirty work" to do. Unlike the accustomed practices, there was to be no honeymoon. The programme of burning down the crop which was mainly being staged in Constituency 7 was to be transformed into crisis-after-crisis, strike after strike tactics. Sugar workers were to be kept on edge and on protest that their life and livelihood were in danger. They were to be kept on full time incitement to return Bradshaw's heirs to power by will or by force. Last Saturday's Spokesman is in a way the culmination of this incitement.

It is one thing to beg sympathy, it is another thing to incite violence and confrontation on your behalf. A review shows that a subtle programme selling the idea of violence and confrontation has been persistently pursued along with a steady flow of material inpugning the integrity of the forces of law and order with a view to undermining morale of peace and law officers and serving to engender ideas of rapid rise of criminality among our people. This Programme is clearly intended to evoke preparation for physical violence and confrontation, to blacken the image of the State abroad and instill a condition of destabilisation in the minds of investors.

While we await today's Frankly Speaking column before reviewing issues of the Labour Spokesman we should invite the general public to take note and request the decent and patient Government of Dr Simmonds to take necessary and urgent action.

'Mischief and Malice'

Basseterre THE DEMOCRAT in English 20 Jun 81 p 10

[Article by Shadwell Truckman: "A Guilty Conscience and a False Accusation"]

[Text] It is apparent that the Labour Party is digging is own grave by the use of mischief and malice, and the main grave diggers are Fizroy Bryant and Lee Moore. A careful look into what they are doing under the Labour Party would reveal that it was mischief and malice to try to keep Dr Simmonds out of the House of Assembly.

It was mischief and malice that led them to name their lackery Robeiro to contest the Central Basseterre Constituency seat against Dr Simmonds.

It was mischief and malice that caused them to hold a public meeting at Warner Park only to tell their listeners that PAM was trying to purchase arms to overthrow the Government. They even got one of their activists at ZIZ to play a recording of that labour meeting on the newscast the following morning.

It was mischief and malice that led these two desperate men to decide to hold a snap general election just after the beginning of the 1980 sugarcane harvesting.

Now what is of interest to reveal is that Bryant always changes his car just after a general election. In looking back we will note that Bryant had three cars--P144, P66 and P96. Now be used his mother's car P1967 until he became a Minister in 1966 after he became Minister. Bryant in the oppressive Labour Government he owned P144 which was an English Ford Corsair. This car carried him through to the next general election in 1971, when again he changed P144 for P66 another English Ford. Again this second car served him up till the 1975 general elections.

It is also important to note that by the time the Labour Government Ministers had decided to exempt themselves from paying import duty and consumption tax on any items they imported. So it was that Bryant moved up from the small English Ford car to the big luxurious American car P96 which he obtained after the 1975 general elections.

And now what of the 1980 general elections, which made Dr Simmonds Pener of our State, and reduced Moore and Bryant and others to ordinary citizens once more? The waiving of import and consumption tax privileges ended for Bryant and his cohorts, and so his habit of changing cars after general elections to symbolise his victories also came to an end.

Now one year and four months after the last general elections Bryant is still faced with this dilemma of changing his car to keep up with his habit even though he is devoid of a victory.

Mysteriously on the 9th June--the eve of the Labour Party much publicised 10th June fiasco--his office in Central Basseterre allegedly was broken into, and his American car parked in his garage at his residence at Monkey Hill caught fire. He would have us believe that these were politically motivated by PAM supporters. The question of interest to us all is this: "Who stands to gain Bryant's expensive American car which is comprehensively insured is burnt?" Certainly neither PAM nor PAM supporters. We will wait and see the next car he owns, and we will wait to hear what specifically was missing or destroyed from his office.

The Labour Party led by Bryant and Moore continues to show mischief and malice in their efforts to discredit the present Government, led by Dr Kennedy Simmonds. But they may yet become enmeshed and entangled in their habitual practice of causing mischief and malice.

Bryant Sabotage

Basseterre THE DEMOCRAT in English 4 Jul 81 p 6

[Article by Roy Jones: "Know Thine Enemies"]

[Excerpts] It is hard to believe that the defeated Labour Party bosses could now be preaching about things like democratic and constitutional rights when in fact, as the governing party, they violated and trampled upon these and other rights, unerringly.

They went so far as to promise their proponents and threaten their opponents with a one party system of government for St Kitts/Nevis.

I am having trouble believing that the reject Fitzroy Bryant could remain in St Kitts/Nevis defiantly hurling insults and abuses at our Honourable Premier Dr Kennedy Simmonds and other honourable government ministers. Is Bryant forgetting who he is?

It should be no secret that the reject is hell bent undermining the progress of the government and the stability of the country, in the misguided hopes that by so doing, he is improving his own chances of getting his hands on the machinery of power again.

Because, as I see things, our nation's fibre is being weakened by the continued presence of this power crazed Marxist we know as Fitzroy Bryant. The produce of another country with nothing to live for other than his dreams of glory as crowned king of St Kitts.

Civil Service Leaks

I am reluctant to believe the news I receive that there are some known men and women in the Civil Service who leak sensitive information to political enemies of the government They do so as I was made to understand, because they disagree with the government's policies and in a couple of cases, for the promise of a big position if their friends are returned to power.

The vast majority of civil servants in St Kitts/Nevis are upstanding citizens with high moral standards, and a genuine concern for our country, I am sure. The few traitors are an exception rather than the rule.

Soft Approach

The PAN/NRP Government has a moral obligation as well as an electorial responsibility to know its enemies and do everything to prevent them from carrying out their deception and sabotage.

It is time that this government abandon its soft approach in dealing with saboteurs. It is time it comes to terms with the facts that, the defeated Labour Party bosses will stop at nothing in their attempt to regain power.

A Challenge

Bryant is no pushover. He is a fighter and a figher of class. His skin must be as tough as that of a rhinocerous with callouses. But the fights Bryant fight are not for St Kitts/Nevis, the Labour Party, the Labour Party Trades Union or the sugar workers as he would lead us to believe. Fitzroy Bryant fights for Fitzroy Bryant and Fitzroy Bryant alone.

Sugar workers!! Do you remember the representation or lack of it meted out to you as dues paying members of the Labour Party Trades Union when the Labour Party was in Power!

Why didn't your union bosses call on you to strike then? Was it because you were being paid top notch wages or working under ideal conditions during all those years? No! It was because your union bosses doubled up as government ministers leaving you without representation yet taking your dues without fail.

It suited their purpose to run things that way, then, which was to your disadvantage. It suits their power crazed purpose to run things the way they are doing now too, calling on you to strike and be damned.

CSO: 3025/199

PLP LEADER INJURED IN DENNERY VILLAGE MEETING FRAY

Castries THE VOICE in English 24 Jun 81 p 1

[Text] Political confusion once more raised its ugly head last Friday and at least one prominent politician got injured.

Our Dennery correspondent, Eugene George reports that the Progressive Labour Party (PLP) received some rough treatment when it held its first meeting in that village since it broke away from the St Lucia Labour Party (SLP) last month and Jon Odlum, party treasurer sustained a burst head.

Mr Odlum, George reports was the first speaker and all seemed well until he launched an attack on the parliamentary representative for the area, Remy Lesmond who is also the Communications and Works Minister in the SLP Government.

Apparently some villagers were not pleased by Mr Odlum's remarks and in short time a few stones landed on the platform one of which struck Mr Odlum on the head and burst it.

Deputy Political Leader Mikey Pilgrim took the microphone from Mr Odlum who was then rushed to the Dennery Hospital.

George says that police had to intervene and warning shots had to be fired to calm the disturbance.

When Mr Odlum was discharged from the hospital minutes later, he continued his address describing the villagers as the "hardest hard," George says.

When THE VOICE contacted Mr Odlum yesterday for comment on the incident he said: "The meeting was very successful and went on fine except for this isolated incident. I heard one stone fall, and then another fell on my head but I did not bother to check on that, I went on speaking.

"It was a while after that Mr Mikey Pilgrim pointed out that there was blood coming down my forehead. So I allowed him to continue while I went to see about my head. When the Police heard that I was hit, they run at the back of the building and fired a couple of shots thinking that whoever threw the stones was hiding there." Mr Odlum added that his party would be holding another meeting in Dennery next week.

CSO: 3025/199

BRIEFS

MINISTRY CHANGE--Former Speaker of the House of Assembly, Clarence Rambally is now a minister of Government. Mr Rambally was sworn in on Monday as Minister of Community Development, Social Affairs, Youth and Sport. He replaces Cecil Lay who took his oath of office only about a month ago. According to reports, Mr Lay who will be made a minister without portfolio, was unable to take oath on Monday because of illness. [Text] [Castries THE VOICE in English 24 Jun 81 p 1]

CSO: 3025/199

PPP PROGRESSIVE LEADER, OTHERS RAP TANNIS COUP STORY

Opposition Reaction

Bridgetown ADVOCATE-NEWS in English 7 Aug 81 p 1

[Text] Kingstown, St. Vincent, Thursday (CANA)--This week's announced attempted coup of the Kingstown administration by Acting Prime Minister, Mr. Hudson Tannis continues to evoke reaction here.

Leader of the Progressive wing of the People's Political Party, Mr. Egerton Richards has expressed shock at what he referred to as "Hudson Tannis' flagrant and colossal fabrication of an attempted coup in the country."

Mr. Richards said that Vincentians are totally unaware of any coup, attempted coup or the dream of a coup.

The P.P.P. Progressive Wing's leader said the Acting Prime Minister is damaging the country's tourism by making tourists by-pass St. Vincent and the Grenadines.

Mr. Richards stressed that this behavious cannot be left unchecked.

He called on listeners to Caribbean radio stations "to discredit the statement made by the Acting Prime Minister in which he stated that certain businessmen in St. Vincent were approached to stage a revolutionary take over of the Government."

Mr. Richards charged that "this statement carries with it the lowest level of credibility, for Vincentian businessmen will be the last to be involved in such political mess."

He has also called on Labour Minister, Arthur Williams, "to desist from provoking members of the local police force by making utterances or statements on the local or regional radio stations to the effect that if the police were to take industrial action, the Government has plans to deal with them severely."

According to the lone-local Insurance Company manager, this statement by the Labour Minister, tantamounts to intimidation and provocation of the local police force, and he urged Mr. Williams to, in his words, "leave the police alone."

Meanwhile, former member of the United People's Movement, barrister-at-law, Carlyle Dougan says that it is fundamental and of the utmost necessity that our democracy be preserved.

He, however, said that if there is cogent and reliable evidence of the alleged plotted coup, then the public has a right to know the facts.

Dougan said that "at the moment, one wonders if the talk about a possible coup is not more imagined than real."

"The future success of our country can certainly not be guaranteed by a coup, however pertinent the motives of those concerned," he said.

The barrister called on Vincentians to strive to work harmoniously together giving due respect to the constitution that exists.

[Editor's Note: A CANA dispatch datelined Kingstown, in the 10 August ADVOCATE-NEWS, page 1, adds: Last Tuesday's announcement by acting Prime Minister, Hudson Tannis that he had learned of a plot by five locals to topple the government and set up a civilian administration, continues to evoke reaction here.

[The leftist United People's Movement (UPM), commenting through its Secretary for International Affairs, Barrister-at-Law Adrian Saunders, said Mr. Tannis comments in a radio broadcast had done quite a lot to excite the public and to disturb "whatever tranquility prevailed in this country before that speech."

[Saunders said that it was "utterly amazing" that the Deputy Prime Minister had been unable to provide the names of the alleged conspirators.

["It is really fantastic that five treasonable conspirators are still at large with no warrant and no attempt being made to arrest them," said Saunders.

[Meanwhile, General Secretary of the working People's Party, Opposition Senator, Victor Cuffy has said that Mr. Tannis' "pronouncement seems to be based on pure rumour."

[No tangible evidence has been put forward by the Deputy Prime Minister to substantiate his allegations, he noted.

["A coup d'etat is not a picnic, it is a serious thing and the government must put forward evidence to the people" he stressed.]

Militia Charge

Bridgetown ADVOCATE-NEWS in English 12 Aug 81 p 3

[Text] Kingstown, St. Vincent, Tuesday (CANA)--A leftist opposition party, the United People's Movement (UPM) yesterday claimed that supporters of the ruling labour party were forming a peoples militia to keep the Government in power.

But acting Prime Minister Hudson Tannis brushed aside the claim as just speculation.

A member of the party's co-ordinating committee, Dr. Ralph Gonsalves, told a Press conference the people's militia would be no more than a vigilante force and that it was being formed with the approval of persons at the highest levels of the government.

Gonsalves said that "this vigilante force has an officer corps of about a dozen persons which intends to recruit, train and arm a sizeable contingent of faithful foot soldiers."

"The leadership of this vigilante group at present has three common elements," Gonsalves claimed. "First they came from within the business community, second they are fanatical supporters of the St. Vincent Labour Party and thirdly, they are drawn from a tightly-knitted social group based principally, though not solely, within the villa-Indian bay area."

Tannis Denial

Georgetown GUYANA CHRONICLE in English 13 Aug 81 p 5

[Text] St. Vincent's Acting Prime Minister Hudson Tannis Tuesday said allegations about a new vigilante group in the country could be the result of misinterpretation of certain events by some local elements.

The St. Vincent government was accused Monday of being connected with an illegal vigilante group. The opposition United People's Movement (UPM) claimed that the vigilante group was formed about a month ago and was aimed at maintaining the ruling party in government.

Mr. Tannis had issued an early statement denying any knowledge of the formation of any vigilante group. He said his government could not be responsible for every speculation by the opposition.

And in an interview with a correspondent for CHC Radio Barbados Tuesday, Mr. Tannis said that his government would have to give direct approval for the establishment of any military force in the country.

'Government has given no such approval for the establishment of any force in St. Vincent,' he said.

Mr. Tannis referred to a broadcast made last week Tuesday when he announced the discovery of plans for a coup attempt against the government. He said he had asked citizens to be vigilant and alert and that he had 'no doubt that it is possible people may have met to hold consultations on matters of common interest.'

He said that there were some people in the community who would interpret in their own way, the common concerns of the people. (GNA)

Police Reaction

Bridgetown ADVOCATE-NEWS in English 14 Aug 81 p 3

[Excerpts] Kingstown, St.Vincent, Thursday (CANA)--St. Vincent police have expressed concern over recent developments in the country, and are urging Government to act within the law against persons it said were involved in plotting a coup.

The lawmen made their call at an emergency meeting yesterday of the Police Welfare Association in Kingstown.

They went into session less than a week after Acting Prime Minister Hudson Tannis said on radio that persons (whom he did not identify) were plotting a coup d'etat against the administration.

According to acting chairman of the Police Association, corporal Randolph McMillan, the two-hour deliberation yesterday focused on a wide range of issues currently confronting the police and the nation as a whole.

The police were therefore calling on Government to immediately take positive action "to see that those persons involved are arrested for such a treasonable act."

Labour Minister Arthur Williams has immediately welcomed the police call action against those involved in the coup plans.

He added that when all investigations have been carried out, "the necessary action will be taken." But he declined to comment when asked how far the investigations had proceeded.

The Police Association also said it was deeply concerned over this week's disclosure by the leftist United Peoples Movement (UPM) that a vigilante force, which claimed full backing from the Government was being formed to rival the lawmen.

Some police speakers said they regarded such actions as a grave threat to democracy.

Mr. Williams felt it was very unfortunate that such a statement should have been made by UPM leader, Dr. Ralph Gonsalves.

He told CANA: "This statement clearly manifests the fact that Gonsalves and his group have in mind to change Government by undemocratic means."

He was not aware, he said, of any vigilante force being set up in St. Vincent.

CSO: 3025/208

TANNIS DESCRIBES COUP PLOT AS POLITICALLY MOTIVATED

Five Unnamed Perpetrators

Bridgetown THE NATION in English 6 Aug 81 p 1

[Text] Acting Prime Minister and Minister of Security in St Vincent and the Grenadines, Hudson Tannis, said yesterday that there had not been any arrests in the coup attempt there, nor were any imminent. Police investigations are however continuing.

According to sources in Kingstown, Tannis told a news conference that government believed the plot was politically motivated, but he could not say if any of the opposition parties were involved.

Tannis declined to name the five Vincentians who allegedly approached other citizens for assistance in overthrowing the government of Prime Minister Milton Cato who is still out of the island.

He said he had been in contact with the prime minister, and assured him that there was no need to cut short a planned trip to Korea and Taiwan since everything was under control.

Sources said Tannis had indicated that the persons had been asked if they would be prepared to serve in the new administration if the Cato government were overthrown.

Asked if the five persons were being kept under surveillance, Tannis is reported to have said that "the entire nation was being watched."

He promised a full explanation to the country on completion of the police investigations, but declined to go into details of the alleged plot.

However, Tannis said that as far as he understood, there had been no involvement of external forces in the plot although the police had been trying to stem a flow of arms into the country within recent weeks.

Tannis said the security forces had confirmed reports that about two weeks ago a submersible vessel had been spotted off the windward coast of the island with lights blinking as if someone were either signalling to persons on the land or to another vessel at sea.

The security forces believe that it is through such operations that arms are being smuggled into the country.

Sources said Kingstown remained quiet during the day with people going about their business normally. They said people had been talking about the plot, but that there was no evidence of fear or panic among the populace.

Some people have been taking the matter lightly, the sources said, believing that there might even have been some exaggeration in reports on the alleged plot.

CANA on Tannis' Remarks

Bridgetown THE NATION in English 6 Aug 81 p 13

[Text]

KINGSTOWN, St. Vincent — The St. Vincent government said on Tuesday night it had discovered a plot aimed at overthrowing it.

Acting Prime Minister, Hudson Tannis said in a radio broadcast that he had learnt that five persons here had approached private citizens seeking help in toppling the government and setting up a civilian administration.

The broadcast came hours before the departure of a government delegation for South Korea and Taiwan.

The delegation will be led by Prime Minister, Milton Cato, who is reported to be still in London, after attending last week's wedding of Britain's Prince Charles and Lady Diana Spencer.

Tannis said that the persons approached had rejected the request to aid in the proposed coup. He did not reveal the names of the instigators.

Tannis called on Vincentians to be very vigilant and be equally prepared to defeat "these enemies of the state".

The foreign affairs minister said "this treasonable act is grave indeed and will not be ignored".

He said that St. Vincent and the Grenadines "is a peaceful little country and as such, it must be kept this way".

Tannis said that "any action taken which is calculated to endanger life and property, will be viewed as a matter of serious concern and the government will be compelled to take such appropriate action as is necessary".

In view of current rumours, Tannis said he had already pursued a course of action with friendly, foreign countries "to ensure that a government that is democratically elected will only be removed from office when the people so desire through the normal democratic process of free and fair elections". (CANA)

Cato's Problems

Bridgetown THE NATION in English 6 Aug 81 p 13

[Text]

THE discovery of a plot by a group of unnamed persons to overthrow the government of St. Vincent's Prime Minister Milton Cato is yet another sign of growing disenchantment with his rule.

It has come less than 20 months after a dreadlocked group tried to wrest control of the ward island, Union Island in the Grenadines from Cato's administration.

For Cato, the two occasions, the coup plot and the December 1979 Union Island uprising, both came at special moments of joy for his personally.

Two days after he had scored a runaway victory in the 1979 general elections, winning 11 seats in the 13-member parliament for his St. Vincent Labour Party, the 65-year-old lawyer was faced with the rebellion on Union.

With the help of a detachment from the Barbados Defence Force and the St. Vincent Police Force, Cato was able to restore order and some 30 people were arrested, including seven women.

And, now with his back turned, having just attended the event of the decade, the wedding of Britain's Prince Charles and Lady Diana Spencer in London, Cato is once again faced with a rebellion.

Reports indicate that a group of five unidentified Vincentians had approached persons for assistance in overthrowing the Cato government.

In 1979, the leader of the rebels, Lennox "Bomba" Charles, now in jail for his part in the attempt at secession, claimed that the Cato government had neglected the island.

He had complained that the roads were poor, there were bad housing conditions, no decent medical services, including the lack of a hospital, and that Cato had allowed the exploitation of the island's resources by French entrepreneurs.

Cato's popularity, which seemed so high with his massive electoral victory, has apparently taken a sharp downward turn within recent times.

His government was recently forced to withdraw two proposed legislative measures, one of which was an Essential Services Bill, which opponents described as "repressive".

In addition, the government is now locked in a battle with the police force over salary increases and other members of the Public Workers Union are also said to be dissatisfied with their increases.

And, as if that were not enough, Cato recently received a severe blow when one of his more popular ministers, Health Minister, Randolph Russell, resigned from the ruling Labour Party after a disagreement with Cato and has now been appointed Leader of the Opposition.

Reports indicate that there have been rumours in St. Vincent within the past few weeks of a force being assembled for an invasion of the mainland, which is the largest of the group of islands comprising St. Vincent and the Grenadines.

CSO: 3025/198

TANNIS ADDRESSES DISCONTENT, ECONOMY IN RADIO SPEECH

Port-of-Spain TRINIDAD GUARDIAN in English 7 Aug 81 p 5

[Text] Kingstown, Thurs; (CANA): The St Vincent Government, facing determined industrial action and fearing a political conspiracy is afoot, has given a charge to its people for accelerating the tiny Caribbean State's economic development.

They needed first to come to terms with the country's financial limitations, said acting Prime Minister Hudson Tannis in a nationwide broadcast.

Secondly, every effort should be made to increase the level of domestic savings, for channelling into expanded production programmes.

Thirdly, there was a responsibility to ensure the peace and stability needed for attracting foreign investment into local ventures.

Tannis is acting as head of government for Prime Minister Milton Cato, who went to London for the Royal Wedding before leading a St Vincent mission to South Korea and Taiwan.

His broadcast reviewed the state of the economy, referred to what were described as unreasonable money demands from some sections of government employees, and claimed that conspirators were trying to foment a coup against the administration.

Prime Minister Cato led the group of small islands into independence from Britain in October 1979, and six weeks later had to rush police to Union Island to crush a revolt.

Agitation

In recent months, there has been growing agitation over unpopular bills before Parliament, wages claims, working conditions and union recognition.

Tannis said it would be unfortunate if any group "whether the right or left or a mixture of both" attempt to affect the development of the country by pursuing action harmful to the national interest.

He made clear his government's determination to deal firmly with the source of any threat to national well-being.

"St. Vincent and the Grenadines is a peaceful little country, and it is my intention and the intention of this government that it should be kept this way.

"Concern has been expressed in many quarters that there are people who would dare to tamper with peace and stability...I wish to make it very clear that any action taken which is calculated to endanger life and property would be viewed seriously by the government which would take such action as is necessary."

The acting Prime Minister emphasised that economic progress here has to be rooted in agriculture, tourism and industry, all of which can increase earnings and create employment opportunities.

He lamented the fact that the level of local savings for channelling into investment was so low.

At 2.2 per cent of Gross Domestic Product, savings in St Vincent were the lowest in the English-speaking Caribbean, Tannis declared.

It was not so much a case of wealth not being generated within the country. What was happening was that the wealth was being exported.

However, it was difficult for the government to block such flight of capital.

CSO: 3025/198

EDITORIAL QUESTIONS EFFECTIVENESS OF RULING PARTY

Kingston THE VINCENTIAN in English 3 Jul 81 p 4

[Editorial: "To Bottle Up Resentment Is To Court Disaster"]

[Text] The St Vincent and the Grenadines Government's decision to remove the democratic right to peaceful protest, just when a safety valve of that nature seemed an obvious asset, appears to indicate a grave lack of sensitivity in the Labour Party hierarchy.

Cost of living is mounting astronomically. Merely to meet the cost of utilities--like electricity, water, telephones, fuel and transport--presents an enormous problem to the average person. Getting food for the family is a nightmare for many. The honest "provider" is aghast on contemplating his/her responsibilities in relation to earnings. A sickening feeling of incompetence, futility and frustration is taking over the sense of productive initiative that people once possessed. If citizens can show their resentment by demonstrating peacefully, but as openly and vociferously as they like, against whosoever they feel they have the right to blame, there will surely be more time for the powers that-be to work out a plan to ease the situation, than if there is no outlet and resentment (and resistance) turn underground.

Removal of the human right to speak freely would appear to us to be tantamount to the removal of a period of respite that could be used to divert catastrophe. For there can be no doubt that cost of living, combined with low earnings, is setting Vincentians on a course towards what can only be described as economic disaster, with criminal attitudes looming larger and larger every day, as people who cannot find legal solutions seek any solution. When there is nothing for one side to lose--then is the danger of confrontation greatest!

When Vincentians hear in the news of the income tax and unemployment concessions being made to Barbadians! When they think of the ever-increasing pensions being paid to the aged; the health services being offered; the jobs being found; the improvements in educational opportunities; the development that is taking place--all on an island that is no bigger and far less fertile than St. Vincent--we can't help wondering, why the big difference in the progress of these two tiny places in the Caribbean? After all Barbados is not like Trinidad with its petro dollars, or Guyana with its extensive areas, precious minerals and hydro potential, or even Jamaica with bauxite and a range of climatic conditions large enough to produce variety for tourism and agricultural development. What has Barbados got that St Vincent and The Grenadines lacks?

Our Marxist friends can't claim credit for their ideology, for neither Tom Adams nor Errol Barrow is Marxist.

There is something wrong with our plans, or lack of plans, for development. However, expression of the will to criticise deficiencies in the government won't make things right. Any team of sensitive people should understand this without prompting. To attempt to make people bottle up their rising resentments is to court trouble that might end in bloodshed.

CSO: 3025/198

RUSSELL RESIGNATION UNDERLINES GOVERNMENT FAILINGS

Kingston THE VINCENTIAN in English 3 Jul 81 p 4

[Article by E. M. Richards]

[Text]

St. Vincent, as we know, has a thirteen-seat legislature and the Government in power controls eleven seats. Because of its strength the St. Vincent Government can even change the Constitution without calling a referendum. When a Minister of this strong Government resigns knowing that his absence can do very little to weaken the party in power one can only assume that such a person has more "guts than bolly".

The Hon. Randolph Russell in a letter dated 20th May has resigned his position as Minister of the Cato Government. It is obvious that Russell will also resign as member of the St. Vincent Labour Party or be expelled by the Executive because his letter of resignation as published in the Media is a most damaging blow to the Government as it shows their total incompetence in planning the country's future. The Government, he says, has no development plan for St. Vincent and there are grave irregularities in the functioning of certain corporations which ought to be remedied immediately. He called on the Prime Minister to discuss the situation and was given no audience. He was therefore left with no alternative than to resign.

In the minds of most Vincentians, Russell has elevated to the ionosphere of public admiration. Most persons who never had much respect for him now salute him for the courage, morality and integrity displayed in his concern for the well being of his homeland.

If we were to examine the few objects done by this Government, we will find nothing but failure and loss of revenue to this country. The Diamond Dairy is a fifteen-million-dollar burden to the State whereas Russell, an industrialist, could have had that plant going for less than one million.

Our Government bought from Trinidad a Sugar Factory one hundred and twenty six years old, for over a million dollars. This same old junk has so far cost us near $30,000,000.00 before going into full production. The fuel cost per hour to run this factory is forty five gallons which totals about $130,000.00 per month or nearly a million dollars per crop. Fuel alone!

St. Vincent with all its poverty has donated to Barbados a new aeroplane which was intended to move cargo in and out of the state. This is another area where money is being pushed downto drain while poor taxpayers groan under the yoke.

The Decca Tracker Ship, now called the Hairoun Star, is yet another million dollar burden to the state. A list of failures showing malspending by this Government will fill a complete page of any newspaper.

The first reading of two recent bills, the Public Safety and Public Order Bill and the Essential Services Bill has shown that they are dictatorial legislation with vengeance in mind. It is fortunate however, that citizens are not bound to obey any law which is in conflict with the Constitution. Such legislation may reach the law books but of no avail.

Russell's resignation therefore has triggered off a national alertness and Vincentians may be pressured into taking to the streets so that we may have an inquiry into certain departments of Government charged with squandermania.

The resignation has not only exposed the incompetence of the Government, it has created a situation in the House which may bring about another constitutional controversy. When he sits on the opposition bench when Parliament next meets one feels sure that Son Mitchell a matured statesman will put country before self and support Russell, and as a result, Russell will then command the support of the majority in opposition and should therefore be made leader of the opposition in which case new senators will have to be appointed. But the Cato Government is a very vindictive one and in order to spite Russell, as was done to Son Mitchell, they will linger the appointment of a new leader of the opposition until the court gives its ruling.

Mr. Russell, we salute you and while the mood of the country is right for an alternative Government, we expect you to continue playing a hero's role in the shaping of your country's future.

CSO: 3025/198

BRIEFS

ATTACK ON GRENADA--Kingstown--The VINCENTIAN, an independent newspaper, has joined the latest series of verbal attacks on Grenada's leftwing government. The paper accused Grenada People's Revolutionary Government (PRG), which seized power in a 1979 revolution, of trampling press freedom. It also said the PRG had broken the promises it had made to Grenadians. The VINCENTIAN described the restrictions as "particularly obnoxious." It stated: "While Prime Minister (Maurice) Bishop makes unproved allegations against Grenadians and the United States Central Intelligence Agency, we have proof that he has violated his promises and the people of Grenada have not found him a democratic leader." It said Bishop had traded the opportunity of becoming a Simon Bolivar (the Latin American liberator) for becoming a despot. "No amount of rationalisation can turn bad into good, wrong into right, or tyranny into democracy," it said. (CANA) [Text] [Bridgetown THE NATION in English 29 Jul 81 p 16]

TANNIS ON BUDGET--Kingstown, St Vincent, Tuesday (CANA)--St Vincent's Deputy Prime Minister Hudson Tannis has dismissed charges from government's critics that the country is in a chaotic economic state. Mr Tannis was at the time debating the EC$127.88 million budget for the 1981-82 fiscal year. Mr Tannis, who is also the Foreign Affairs Minister told Parliament during the 1981-82 budget debate that there was much strength in the economy despite two recent natural disasters (hurricanes David and Allen which disrupted the main banana crop and flattened buildings across the island). The Deputy Prime Minister said that construction works involving the Campden Park industrial site, the Diamond Dairy Company and the Mount Bentick sugar factory are among the host of areas that reflect government's concern about the expansion and development of the economy. [Text] [Bridgetown ADVOCATE-NEWS in English 29 Jul 81 p 11]

WILLIAMS ON PAY SCALE--Kingston, St Vincent, Monday (CANA)--St Vincent's Labour Minister, Arthur Williams says people here are properly paid. Mr Williams' comment comes in the light of growing dissatisfaction here over government's recently announced increase in salaries and the imposition of a range of new tax measures. Since the July 21 1981-83 budget presentation, the Government of Prime Minister Milton Cato has come under strong fire from Opposition political parties, trade unions and civic organisations, which charge that the pay hike (57 per cent over three years) was not sufficient to cope with the ever-increasing cost of living. The Labour Minister Williams said that when one looks at the regional and international scene, the people of St Vincent, "got more from us than what others received." The Government Minister indicated that a lot of income tax relief was given. "Whatever little tax was put on,"

Williams added, "the people have an option to know how they can spent their money." "This is what is important," he stressed. "I don't think we can do more," the Labour Minister said. [Text] [Bridgetown ADVOCATE-NEWS in English 4 Aug 81 p 3]

UNION DEMANDS--Kingston, St Vincent, Monday, (CANA)--The Workers and Peasants Union in St Vincent has reiterated its call for recognition on behalf of some 250 striking employees on the largest state-owned agricultural estate, Richmond Vale. The union since 23 February this year, ordered the workers on strike to press demands for trade union recognition, and payment of 1980 Christmas bonus, among other things. But the historic strike has to date proved futile, with management saying that bonus cannot be granted on the grounds that no profit was made last year. [Text] [Bridgetown ADVOCATE-NEWS in English 4 Aug 81 p 3]

CSO: 3025/204

CHAMBERS RECALLS EEC ENVOY O'NEIL LEWIS FOR DISCUSSIONS

Port-of-Spain TRINIDAD GUARDIAN in English 29 Jul 81 p 1

[Text] Prime Minister Mr George Chambers, it was learned yesterday, has summoned Mr J. O'Neil Lewis, Trinidad and Tobago's Ambassador to the EEC in Brussels, back home for general discussions. It is understood that Mr Chambers is anxious to put into effect his policy decision for decentralisation of the Public Service and the feeling is that his discussions with Mr Lewis is likely to concentrate on plans for achieving this.

Shortly after his appointment as Prime Minister, Mr Chambers indicated his concern about the state of the bureaucracy, by holding candid discussions with permanent secretaries.

It is understood that in their report following this meeting, the permanent secretaries made several recommendations for streamlining the administration.

Able Man

Their report may provide some background for Mr Chambers' forthcoming talks with Mr Lewis, who is considered to be one of the most knowledgeable administrators in the Government service.

Mr Lewis is also the man who, immediately after the independence, was appointed chairman of a working party to review the role and structure of the public service in the era of independence.

In his report, Mr Lewis advocated a policy of decentralisation of the Public Service.

An economist, Mr Lewis obtained his doctorate in business finance at the University of Amsterdam in June, last year. He was also a member of the eight-man commission probing the operations of Texaco Trinidad Inc.

A former journalist, Mr Lewis served as a judge of the Industrial Court before his appointment to the diplomatic service.

Mr Lewis is expected to arrive in Trinidad by the end of the week.

CSO: 3025/200

ONR LEADER HUDSON-PHILLIPS PAINTS GRIM NATIONAL PICTURE

Port-of-Spain TRINIDAD GUARDIAN in English 31 Jul 81 p 1

[Text] Bridgetown, Weds., (CANA): Karl Hudson-Phillips, Political Leader of Organisation for National Reconstruction (ONR), said here today one of the first problems his party would have to tackle, should it form Trinidad and Tobago's next Government, was the "overall sense of frustration and psychological defeat" now existing among his countrymen.

Speaking at a Press conference at the posh Barbados Hilton, Mr Hudson-Phillips painted a very gloomy picture of current conditions in the oil-rich twin island republic under the ruling People's National Movement (PNM) of Prime Minister George Chambers.

Other areas of priority for his one year-old party, the Trinidad politician pointed out, included what he called the chronic unemployment situation, which he said "defies the classical definition," the serious crisis in housing and land reform, and taking steps to control the price of oil, the country's main revenue earner.

Mr Hudson-Phillips, an attorney-at-law, is on a brief visit to Barbados, mainly to witness performances given by Trinidad and Tobago at the Caribbean Festival of Creative Arts (Carifesta), now underway here.

The ONR leader a former Attorney-General in the PNM administration of the late Prime Minister, Dr Eric Williams, hailed as a "personal vindication" today's decision by the Trinidad and Tobago Court of Appeal to declare unconstitutional, null and void, the controversial "Crossing the Floor" Bill.

It was mainly a difference of opinion over the Bill that led Mr Hudson-Phillips to break away from the PNM.

Mr Hudson-Phillips told newsmen that he was confident that his party would win the next general election, despite the fact that opinion polls put the ruling PNM in the lead.

He pointed out that it was discovered that overall there was between 28 and 29 per cent of the electorate who fully supported the PNM, while 44 per cent of voters were not disclosing their voting intentions. He added that the total votes cast for the PNM in 1961 was higher than in the last general election in 1976.

Not Specific

Mr Hudson-Phillips said in 1976, only 56 per cent of the electorate went to the polls. The PNM would win the coming elections only if there was a poor turnout, which he did not anticipate.

"So that hard core 28, 29 per cent was a winner (in 1976) and will be a winner as long as you have a low poll," the ONR leader declared.

The ONR leader declined to give specific details about his party's foreign policy. This, he said, would be spelled out in the ONR manifesto.

Mr Hudson-Phillips stressed, however, the ONR had a "road commitment" to the Caribbean as a whole, both politically and culturally.

He said his Government would take steps to clear the misunderstandings existing between Venezuela and the twin island republic, especially in the area of fishing rights.

He was very concerned about the fact that Trinidadian fishermen were continually being arrested and "incarcerated" in Venezuelan jails for illegally fishing in Venezuelan waters in the Gulf of Paria that separates the two countries.

He said there had been no contact for 12 years at the level of Head of State between the two neighbouring countries.

"No Trinidad Prime Minister has spoken to a Venezuelan President for the past 12 years," the ONR leader declared, "the only contact at that level was the visit by the President of Trinidad and Tobago, last year, to Caracas, to see the Caribbean Classic--a horse race in which a Trinidad horse, "Beheaded, was, indeed, decapitated."

CSO: 3025/200

BRIEFS

SUGAR WORKERS WARNING--All Trinidad Sugar and General Workers Trade Union has indicated its fullest cooperation to see that the 1982 sugar crop starts in January. But the union has made it clear that the current wage negotiations with the company must be completed first. "If there is no agreement, then there will be no start to the 1982 crop," warned Mr Basdeo Panday, president general. The company is at the moment studying wage proposals forwarded by the union and according to Mr Panday, he learnt on Monday that the matter was being given active consideration. The union is also calling on Government and the company to separate the demand for improved pensions from that of the wage negotiations. The pension issue is a complex one which must be dealt with separately, Mr Panday noted. He believed that settlement in the wage talks could be arrived at before the start of the 1982 crop, once the Government decided to treat the sugar workers as human beings and offer them proper wages and working conditions. Caroni announced on Monday that it intends to start operations early in January in an attempt to build up stocks in advance before stocks were exhausted. The company is holding 15,000 tons of washed grey sugar and this is expected to last until February, next year. [Text] [Port-of-Spain TRINIDAD GUARDIAN in English 29 Jul 81 p 6]

CSO: 3025/200 END

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10 September 1981

Latin America Report

No. 2367

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SAO PAULO ENERGY USE DOWN, NATIONWIDE DECLINE REPORTED

Energy Use Down 0.9 Percent

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 11 Aug 81 p 37

[Text] Rio de Janeiro--Energy use in Sao Paulo over the past 12 months (from May 1980 to June 1981) dropped by 0.9 percent in comparison with the same period in 1979-1980, indicating the start of the slowdown in the state's production activities, according to experts in the energy sector.

The data in question were taken from the June issue of the BOLETIM MENSAL, published by the Marketing Studies Department of ELETROBRAS [Brazilian Electric Power Companies, Inc]. According to the same experts, the publication shows that between May 1980 and June 1981, the increase in consumption of energy supplied by ELETROPAULO [Sao Paulo Power Plants], the Sao Paulo Power and Light Company (CPFL), and the Sao Paulo Electric Company (CESP) was 9.8 percent, compared to 10.2 percent during the same period of 1979-1980.

The trend in energy consumption in the state of Sao Paulo is also noted by the experts in terms of the following reasoning: a comparison of the months of June 1980 and June 1981 shows an increase of 3.8 percent in the latter month. The same comparison in terms of 1979-1980 shows an increase of 13.5 percent. To the experts, a study of those percentages leads to the conclusion that the rise in consumption in Sao Paulo in June 1981 actually dropped by 9.7 percent.

Effects

The experts also claim that the effects of a slowdown in the economy are to be seen in the record presented in ELETROBRAS' monthly bulletin, which shows that the growth in energy use in June 1981, compared to June 1980, was only 1.7 percent in Brazil's Southeast. They say that the state of Sao Paulo, which has the country's largest industrial plant, has been the best barometer for gaging the region's difficulties when it is noted that less energy is being used each month. This is because energy is an essential input for the development of all production sectors.

The data from ELETROBRAS show the total use of electric energy, taking into account Sao Paulo's residential, commercial, and industrial sectors.

For the country as a whole, the bulletin estimates that energy use through June 1981 increased by 6.4 percent, compared to the same period last year.

1) Junho — 1981 — Taxas de crescimento preliminares.

2) Empresas	3) Crescimento — Últimos 12 meses 80-79 (%)	81-80 (%)	4) previsão por 8 (%)
Eletropaulo	8,5	4,9	5,3
CPFL	10,8	12,0	6,7
Cesp	12,8	12,7	9,2
Total:	32,1	29,6	21,2
5) Média:	10,2	9,8	7,1

1) Junho — 1981 — Taxas de crescimento preliminares

2) Empresas	6) Crescimento até o mês (janeiro-junho) 7) Verificado 80-79(%)	8) preliminar 81-80(%)	9) previsto 81-81(%)
Eletropaulo	7,9	3,4	5,4
CPFL	11,5	13,5	11,3
Cesp	14,3	8,6	10,5
Total	33,7	25,5	27,2
5) Média	11,2	8,5	9,1

1) Junho — 1981 — Taxas de crescimento preliminares

2) Empresas	10) Crescimento do mês 80-79(%) 7) VERIFICADO	81-80(%) 8) PRELIMINAR
Eletropaulo	7,9	2,0
CPFL	14,0	7,8
Cesp	19,8	2,0
Total:	40,7	11,6
5) Média:	13,5	3,8

Key:

1. June 1981: preliminary growth rates
2. Firm name
3. Growth--latest 12 months
4. Forecast for 81
5. Average
6. Year-to-date growth (January-June)
7. Verified
8. Preliminary
9. Forecast
10. Comparison of months

Nationwide June Figures

Rio de Janeiro JORNAL DO BRASIL in Portuguese 8 Aug 81 p 17

[Text] Electric energy use in June for all of Brazil was down in all regions in comparison with the same period last year, according to the BOLETIM MENSAL published by ELETROBRAS' Marketing Studies Department. The estimated increase for this year is 6.6 percent, compared to the 10.8 percent recorded in 1980. The North and Center-West regions showed positive growth in May, but dropped in June.

Brazilian consumption in the latest 12 months (June 1980 to June 1981) was up 7.8 percent, compared to the 12.1-percent difference recorded between June 1980 and June 1979. This means a drop of 35 percent. But the sharpest drop in consumption occurred in June of this year--the rise was 3.5 percent, compared to 11.1 percent in the same

period of 1979-1980. This means that nationwide energy consumption was down by 217 percent [as published].

Greatest Drop

The smaller percentages of increased consumption during June occurred chiefly in the Southeast (1.7 percent, compared to 10.3 percent for the same period of 1979-1980), the South (5.7 percent, compared to 12.7 percent), and the Center-West (20.2 percent, compared to 8.9 percent). In May of this year, however, the Center-West and the North showed positive increases. The Center-West increased its rate of increase from 10.4 percent (1980-1979) to 14.1 percent in the same period this year (May), while the rate of increase in the North rose from 9.6 percent to 13.4 percent.

The BOLETIM MENSAL also records the percentage of change in other energy sectors. Fuel oil and gasoline, for example, fell by 6 and 14.5 percent respectively in June, compared to the same period last year. There was an increase in the consumption of petroleum (9.9 percent), liquefied petroleum gas (4.1 percent), diesel oil (4 percent), and steam coal (21.4 percent).

11798
CSO: 3001/233

JANUARY-JULY OIL PRODUCTION UP 12.4 PERCENT OVER 1980

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 11 Aug 81 p 36

[Text] PETROBRAS [Brazilian Petroleum Corporation] has announced that Brazilian petroleum production, including liquefied natural gas, totaled 45,548,260 barrels from January through July of this year, an increase of 12.4 percent over the same period last year, when 40,511,055 barrels were produced.

In July 1981, 219,262 barrels per day were extracted, representing a 9.6-percent increase over the same month last year. The daily average for the first 9 days of August stood at 229,030 barrels.

According to PETROBRAS, the continental shelf showed an increase of 20.7 percent, with production totaling 20,336,099 barrels (16,834,147 barrels in the first 7 months of last year). The chief contributors to that result were the offshore fields in Rio de Janeiro and Ceara, with production increases of 53.7 and 317.5 percent respectively.

The firm emphasizes that the onshore area has maintained its rate of increase since the start of this year, producing 25,222,161 barrels from January through July. That is an increase of 6.5 percent over the same period in 1980. The greatest onshore increase occurred in Espirito Santo (372.6 percent).

Brazilian Production of Petroleum and LNG (in barrels)

Key;
1. Onshore total
2. Bahia
3. Sergipe
4. Alagoas
5. Rio de Janeiro
6. Espirito Santo
7. Rio Grande do Norte
8. Ceara
9. Offshore total

	Jan-Jul/81	Jul/80	Jul/81	Jan-Jul/80
Terra 1)	3.401.241	3.682.602	23.676.908	25.222.161
BA 2)	2.284.984	2.108.164	16.320.401	15.048.372
SE 3)	887.340	1.039.597	6.053.895	6.671.547
AL 4)	105.807	77.327	895.223	601.751
RJ 5)	—,—	—,—	—,—	—,—
ES 6)	121.745	453.520	610.589	2.885.892
RN 7)	1.340	3.277	6.680	11.567
CE 8)	25	717	120	3.032
MA 9)	2.798.401	3.114.445	16.834.147	20.336.099
BA 2)	261.310	256.611	2.052.915	1.875.373
SE 3)	536.960	449.846	3.949.586	3.210.125
AL 4)	—,—	—,—	—,—	—,—
RJ 5)	1.445.717	1.703.278	8.980.905	10.732.669
ES 6)	78.308	46.482	599.670	412.359
RN 7)	329.554	410.850	2.906.579	2.687.253
CE 8)	146.552	247.378	344.492	1.438.320
TOTAL	6.199.642	6.797.047	40.511.055	45.548.260

11798
CSO: 3001/233

BRIEFS

MORE GAS IN ALTO AMAZONAS--PETROBRAS [Brazilian Petroleum Corporation] has found more natural gas in Alto Amazonas, this time in the Jaraqui-2 (3-JI-2-AM) appraisal well in the municipality of Carauari, 750 kilometers from Manaus. The firm explains that during a test, the well produced 328,000 cubic meters between the depths of 2,164 and 2,635 meters. This is the fifth time that PETROBRAS has found gas in the Alto Amazonas onshore area during 5 years of drilling in that region, and this is the 11th well completed. Well 3-JI-A-AM, located 2.5 kilometers from the Jaraqui-1 (1-JI1-AM) exploration well, has reached a depth of 2,635 meters, and drilling will continue to 2,720 meters for an evaluation of the reserves. When that work is done, another appraisal well--Jaraqui-3 (3-JI3-AM)--will be drilled 2 kilometers west of Jaraqui-1 and 60 kilometers east-northeast of Carauari. The volume of gas already discovered in Alto Amazonas totals 3,936 million cubic meters, not counting the two latest discoveries, where reserves are still being evaluated. The other natural gas discoveries in Alto Amazonas occurred in the following wells: Jurua-1 (1-JR-1-AM), with a flow of from 212,400 to 386,257 cubic meters daily; in 1978, Southwest Jurua-1 (1-SOJ-1-AM), which tested at between 253,146 and 260,500 cubic meters daily; in 1980, Jaraqui-1 (1-JI-1-AM), with a flow of 400,000 cubic meters daily; and Igarape-Puca-1 (1-IP-1-AM), which tested at a volume of 320,000 cubic meters per day during the first half of this year. PETROBRAS said it is developing studies aimed at the commercial exploitation of gas from Alto Amazonas and meanwhile is drilling two wells (Sernambi-1 and Jaraqui-2) in that area, as well as another in Medio Amazonas (Apoquitaua-1). [Text] [Sao Paulo O ESTADO DE SAO PAULO in Portuguese 11 Aug 81 p 36] 11798

CSO: 3001/233

CARICOM TO RECEIVE CIDA TECHNICAL ASSISTANCE

FL271013 Bridgetown CANA in English 2353 GMT 26 Aug 81

[Text] Bridgetown, Barbados, 26 Aug (CANA)--The Caribbean Community (CARICOM) is to receive 8 million dollars U.S. in technical assistance from the Canadian International Development Agency (CIDA), it was announced here. Canada's high commissioner to Barbados and the Eastern Caribbean Allan Roger said in a radio interview that the money would cover a number of regional projects. He said these would include an industrial cooperation scheme, technical assistance in air and sea transport in the region as well as in manpower planning, training and disaster preparedness.

In the field of air transport, Mr Roger said that CIDA would be assisting CARICOM in organizing proper air fares for cargo and passenger traffic. The Canadian official said that the industrial cooperation scheme would cover the field of light industry development, training and investment promotion scheme.

Mr Roger said that over the last few years about 5 million dollars (BDS) in CIDA funds had been disbursed through the Barbados Mission to 10 Caribbean countries. He said there were as many as 100 projects in any one year. He said that in St Kitts for example, CIDA is assisting in a project on the utilization of excess bagasse for generating electrical energy.

"In the environmental field we have just started a project to do a major study on artificial reefs. This project is designed to show governments in the region how to make artificial reefs from old car bodies," he said. Mr Roger said that technical assistance to each Carribbean country has been increased, but could not say what is its worth in dollars and cents. The regional projects were discussed at the Canada-CARICOM Joint Trade and Economic Committee meeting held in Jamica earlier this year, he said.

CSO: 3025/1026

BRIEFS

BRITISH AID TO COUNTRY--St Johns, Antigua, 26 Aug (CANA)--The British Government has agreed to provide Antigua and Barbuda with assistance to the tune of 10 million pounds sterling, under its capital aid program, after the two islands become independent on 1 November. The aid package was announced following talks Antiguan Premiere Vere Bird and members of his cabinet had with the British high commissioner to the Eastern Caribbean, Stanley Arthur, and the head of the British Development Division in the Caribbean, Ken Woolverton. The communique said that 5 million pounds sterling would represent a grant, the balance being an interest-free loan with a 7-year grace period and 25 years for repayment. It noted that there was no deadline for spending the entire package. The communique also said that the British representatives gave a commitment to continue, indefinitely, a technical cooperation program, the cost of which would be additional to the capital aid program. The question of aid to Barbuda was discussed "within the context of the overall aid offer." [FL271837 Bridgetown CANA in English 2120 GMT 26 Aug 81]

CSO: 3025/1026

SCHONFELD APPLAUDS FOREIGN MINISTRY POLICY ON MALVINAS

Buenos Aires LA PRENSA in Spanish 29 Jul 81 p 16

[Article by Manfred Schonfeld]

[Text] According to information released by our Foreign Ministry, the Argentine position is finally acquiring a certain amount of firmness as regards negotiations with Great Britain on the subject of the Malvinas Islands. It was time that this happened, although per se it does not entail the certainty that the negotiations will, therefore, advance more rapidly and with more effective results, from the Argentine standpoint, which has been maintained over the 15-year period these negotiations have lasted.

In any event, a more forceful tone was needed and within the rules of the game which prevail in diplomatic matters, this is the first step preceding more forceful action, in case the tone in itself is not enough. For the moment, that remains to be seen.

We have been advocating such a hardening of the Argentine position for a long time. More precisely from the moment we noted the constructive attitude adopted by Argentina in this matter; i.e., the attitude of demonstrating by means of an entire series of practical and tangible acts that the business of "taking into account the interests of the local populace" of the archipelago was something that successive Argentine governments were treating quite seriously, had absolutely not been reciprocated by London, that is, by successive British governments.

These British governments, far from offering in exchange for said real concessions even the slightest gesture of reciprocity, have continued firmly and stubbornly attached to their initial position (contrary moreover to the letter and the spirit of the UN resolution which constituted the basis for all negotiations that started in 1965), in the sense that any change in "status" as regards the sovereignty of the Malvinas would depend upon "the wishes" of the inhabitants.

Yesterday's Statement by the Foreign Minister

Yesterday, Foreign Minister Camilion, in statements to the press, supplemented the text of the report issued the day before, and made it known that what was expressed in the note sent to the British Government should not take the latter by surprise, as it dealt with a decision made some time ago.

We have reason to question this, for, had it been that way, there would have been no reason at all for such an obviously more forceful tone on the part of our Foreign Minister not to have manifested itself earlier. What precise reasons motivated our government at this time to adopt such a tone is not within our province. Thus, even the effort to silence critical voices on the home front (for example, in the so-called "hard-line" sector of the armed forces), does not bother us, provided, of course, the change in attitude--because there is a change even though it is only on account of the publicity which suddenly is being given to the question, surrounded previously by a sterile and counter-productive secrecy--does not end there: that is to say, provided this is not merely a move to impress the above-mentioned sectors of the home front or to distract attention from our less forceful positions in other questions which also belong in the foreign policy sector; e.g., the southern conflict.

However, if the note sent to the British Government--we are in agreement with its basic tone--were to be the prelude to a policy which per se were more forceful and more vigorous in all matters relating to the defense of Argentine interests in all matters relating to the defense of Argentine interests in the southern Atlantic and the southern region in general, then the note is welcome, without criticism for its authors for having changed course, no matter what the immediate motivation may have been.

As often happens, internal pressures force a government to improve its foreign policy. In such cases, it is not necessary to present excuses nor to maintain that it was always its intention to follow such a policy. What is important is that it follow the policy. As regards the Malvinas, we hope that this is the case and that it will not all come to nothing more than a note with a forceful tone but will produce the results which are expected from that note and the capacity for the action which can be sensed behind it.

The People of Malvinas and the British Government

Unfortunately, successive Argentine governments--but in a manner increasingly "officialized" meaning those of the "process"--have permitted the local population of Malvinas to play an increasingly important role in the negotiations. Theoretically, such negotiations should be conducted solely between Buenos Aires and London, naturally without this signifying that the voice of the people of Malvinas--a subject directly affected by the negotiations--is not going to be heard or taken into account. However, as time went by and to the degree implementation of the package of concessions made by out country drew near (concessions thanks to which the tiny population of the archipelago could for the first time in its history enter a stage of integration with the rest of the world and be brought into the lifestyle of the second half of this century), the people of the Malvinas often were members of British negotiating delegations without beforehand--and under the heading of elementary "quid pro quo," granted to such matters by London--the British Government's even tacitly having abandoned its already mentioned position on self-determination for the small island community.

What is more, although, as we have said, we are basically in agreement with its content the recent note from our Foreign Ministry places too much emphasis on the fact that during the period of the negotiations, the British Government has not done enough to accustom the people of the Malvinas to the idea of their future integration with the rest of our country. Although that is the truth, something more important should

have been added: not only did the British fail to tell the people of Malvinas about their future integration--to which they had tacitly agreed in exchange for the above-mentioned Argentine concessions--they did nothing, basically they did nothing to change their own way of thinking--which in that sector and from the Argentine principal point of view is of more importance than the way of thinking of the people of Malvinas--as regards this matter.

However, it is obvious that saying this would have been the equivalent of acknowledging that in the more than 15 years of negotiations successive Argentine governments permitted London to take them for fools. And no one admits this with pleasure.

Inauspicious Years

In any event, the years were not too auspicious--in view of the Argentine internal situation--to propagate from London or Buenos Aires the idea among the people of Malvinas that they would be happier under Argentine rule than as British subjects. However, it is not a question of this but rather of a process of review and reversion of an act of usurpation which took place between two modern states established in accordance with the law of nations and who, moreover, were mutually recognized and maintained normal relations.

The protection of the interests of the people of Malvinas is a matter of undeniable importance and is, moreover, more than guaranteed; of this the Argentines have been giving sufficient proof. However, what is involved is the undoing of a historical wrong doing, integrating territorial sovereignty and guaranteeing the rights of that sovereignty in an area which, for various reasons, some individuals who are totally unfamiliar with the ancient disagreement is taking on increasing importance for Argentina.

8143
CSO: 3010/1659

AGRICULTURE UNDERSECRETARY SAYS PRODUCERS NOT BENEFITED

Buenos Aires LA PRENSA in Spanish 24 Jun 81 p 13

[Text] The undersecretary of agriculture, engineer Victor Hugo Santirso, stated that the new measures adopted by the national government in the foreign exchange sector "will not benefit the producer." He stressed that they will increase the cost of supplies for the sector.

During a meeting with journalists, this official said that Minister of Agriculture and Livestock Jorge Ruben Aguado has presented the economic team with a series of measures which, although he declined to give details about them, are designed to correct the negative effects which may have occurred.

Santirso also spoke of the recent trip made to the Soviet Union, to which country, he said, 72 percent of Argentine grain was sold between January and May of this year, thus making Argentina the leading grain supplier, even surpassing the United States.

In this connection he said that prior to the grain embargo, the United States supplied 74 percent of the total grain imports, Canada 12 percent, and Argentina 6 percent.

Later, this situation reversed, with Argentina playing the leading role with 32 percent, while the United States percentage dropped to 24 and Canada supplied 18 percent.

Santirso voiced great optimism about the possibility that the USSR will increase its purchases, and he said that a Soviet mission will visit this country in the month of October, during which "we will talk about the possibility of increasing the minimum export quotas established in the agreement with that country" and including wheat among the categories agreed upon.

In any case, he gave assurance that the Soviets are awaiting the development of their harvests in order to establish the volume to be imported, although "we believe that the USSR will be in the market again within the next few weeks." He then recalled that this country purchases 20 to 40 million tons of grain annually.

Appeal to Producers

In view of the opportunity this major purchaser offers, he urged producers to increase their harvest volumes, and he expressed the belief that if a total of 36 million tons can be harvested during the present season, a volume of which approximately 60 percent can be exported will be available.

As to Argentina's position as a supplier of general products to the USSR, he said that it ranks second among the developing countries at present.

In conclusion, engineer Santirso said that a trend toward the expansion of the areas planted for the prime harvest can be observed. He mentioned the example of Bahia Blanca, where a return of about 20 percent is expected.

Concerning grain shipments, he said that they are running at an average of 3 million tons per month, and he said that some 5 million tons of the bulk harvest still remains to be marketed.

5157
CSO: 3010/1516

'LA NACION' COMMENTS ON SOVIET DIPLOMATIC APPROACH

Buenos Aires LA NACION in Spanish 2 Aug 81 p 8

[Text] The Soviet pretension of dictating norms to the Latin American republics must be considered an insult. That is what has just happened with respect to the decision such sovereign states must make as regards joining the multinational peace-keeping force provided by the Camp David Agreement.

Analyzing statements made by the Egyptian foreign minister during his recent tour of the countries in this region, including our own, PRAVDA, the official organ of the Communist Party of the Soviet Union published a commentary which expressed a warning that subsumed a threat. By stating emphatically the risks that sovereign states will incur if they agree to cooperate with the United States [that country] demonstrates its intention of placing itself on a level of insulting paternalism. When it speaks of "docile alignment" with the policy of the United States, which is imposed on the region, it is important to relate such remarks to the behavior of nations in the Communist orbit, which conduct themselves in foreign policy matters like true satellites. Such a thing does not happen in Latin America where the diversity of opinions and present independence, which characterize their decisions, are not subject to question.

As for Argentina, public debate and exhaustive examination of the subject in the official sector make the Soviet "advice" redundant, both as regards the basis of the position and the inadequacy of its form and expression. The Soviet Union is not part of the Sinai question and its various attitudes, public or private, frank or intimated, reflect its interest in there being no peace in the Middle East. Keep in mind that the Camp David Agreements, whose implementation has caused no conflicts between the signatories and the country acting as guarantor, would remove the largest Arab country from any connection with any possible change involving armed conflict. Consequently, the Soviet Union is openly placing itself in the front opposed to peace and the resolution of differences through dialogue.

What is more, as regards Argentina must particularly, there is no avoiding the way Moscow handled the request of the Argentine ambassador to obtain authorization to travel to the site where the Russians say the collision took place which claimed the lives of three Argentines when the airplane in which they were flying crashed. It was only after much insistence and an interval of 13 days that permission was granted, effective 3 days later. Although the two events have no apparent connection, both in their respective sectors bear witness to improper treatment on the part of the USSR toward our countries, which wrongs us with its intolerable paternalism.

To remain silent in the face of the two situations without protest would be the equivalent of falling into so-called satellitism.

It is enough to hope that our country's right to be respected will be preserved in the response which in time will be given to the request to join the multinational peace-keeping force, as well as in the comments on the delay which frustrated the travel objective of the Argentine ambassador of establishing the truth of what happened to the Argentine plane which crashed in Soviet territory. Moscow must learn to control its excesses when they affect the interests of other parties. The fact that a country does not accede to its wishes, that it will decide matters that fall within its exclusive domain does not mean subjection to the United States but rather the exercise of independent policy. This is something that Argentine public opinion wants the Kremlin to be aware of, through proper channels.

8143
CSO: 3010/1659

MID VOICES PESSIMISM OVER ECONOMIC MEASURES

Buenos Aires LA PRENSA in Spanish 24 Jun 81 p 13

[Text] The national committee of the Integration and Development Movement (MID) has warned of the existence of a critical situation in the national economy, for which it holds the monetarist policy, the abandonment of which it urges, responsible.

"The success of the military process, which will be the success of the nation, depends on a change, not partially but totally, in an economic direction which has caused the most serious disturbances," said the document signed by Arturo Frondizi and Rogelio Frigerio.

As an alternative, the MID proposes a complete revision of prices, tariffs, wages and exchange rates as a requirement for reestablishing the investment process. Simultaneously, it attacks the deficit in the public sector and a productive structure subordinate to the foreign factor and incapable of regenerating the goods and services required by the community.

Rumors and Crisis

"In recent weeks the Argentine economy has been seriously upset. There have been rumors started by the eternal individuals who profit from crisis and those who desire to see government stability disturbed.

"The latter are not of course those who want to correct errors. They are those who fear that the exchange trends barely suggested both on the economic and political levels will develop, and they have taken preventive action.

"They are those who want to preserve their privileges, those who are getting rich by linking the Argentine economy with certain international schemes, and those who, in a way consistent with all of this, want an elitist policy, closed to the democratic participation of the people and each of the social sectors," the MID stated.

It admitted, however, that the rumors have a basis in a real critical picture.

"The inflation which has been repressed no longer can be and is erupting throughout the social fabric. The deficit of the public sector and the foreign sector is as blatant as it is dangerous, and the paralysis in the productive apparatus is now being reflected in increasing unemployment and in a generalized decline in the standard of living," the organization stressed.

Some Figures

The MID document went on to comment that "it is because of the self-styled open economic policy that the foreign debt has quadrupled in 5 years, that public expenditure, excluding investments, increased by 30 percent between 1976 and 1980, while in the first quarter of this year, the real deficit, as a percentage of the product, was double that budgeted, and it is due to this that the product per capita is below that 6 years back, with certain prospects of an even further recession."

The document drafted by Frondizi and Frigerio admitted that the current economic administration has made an advance in purging the economy and in relaxing the turn of the monetarist screw, but it said that the measures were partial and inadequate and "do not in fact represent a change in the concept of the plan, and it is that rather than instrumental issues which has failed."

Foreign Exchange Lag

According to the MID, the foreign exchange lag continues because the choice made was devaluation at substantially lower percentages than were needed, "since the increases in prices of goods and services have offset a substantial portion of the adjustments made."

State Apparatus

The party document also referred to the "lack of decisions facing up to the basic question of establishing new dimensions for the state apparatus."

According to the MID, "it is childish to speak of cutting expenditures when the deficit of the public enterprises for last year came to $8.2 billion, the equivalent of $24 million a day, of which 70 percent was generated by only three enterprises--the government oil deposits, the Argentine Railroads and Water and Energy."

In this regard, the document commented that "it is necessary to eliminate whole departments and to convert enterprises where there is no justification for their remaining within the state sector to the private sector in whole or in part." It urged an awareness of the magnitude of the problem.

"If we divide the deficit by the number of inhabitants, we get a figure of $400 per year, more or less, that is to say the equivalent of the per capita income of a large number of countries," it cited by way of example.

Private Sector

The MID also made a point of noting the limited incentives for the private sector. The financial aid is insufficient and conditioned by monetarist criteria, devastating interest rates, and maintenance of the customs policy which led to the crisis in industry and in the regional economies.

"Here it is not a question of adopting simplistic protectionism in the belief that customs tariffs are the only tool of development, and rigid use of that tool, but rather of eliminating an absurd mechanism established by those who believe that producing candies and producing steel are the same thing, and who subject our

businessmen and workers to competition with products coming from countries with different economies, foreign to the enterprises, or with a different wage level, wherein, whatever their efforts and efficiency may be, they can only be the losers, can only sink into bankruptcy and unemployment," the MID said.

Concerning productive activity, the document also urged an immediate policy of utilization of natural resources as well as revision of the criteria for foreign indebtedness and linking the economy with foreign economies.

Wages

On the subject of wages, the document noted the serious decline in the purchasing power of incomes, but said that an increase in it could not be achieved by decree, "but through the generation of more goods and services."

It said that collective bargaining is the best mechanism for finding the wage level best suited to reality, for which reason it urged the normalization of the trade union organizations and the launching of negotiations between the parties.

Monetarism

After the analysis described, the MID concluded that "the failure of the earlier policy was not a matter of implementation" but of conception. For this reason it predicts the failure of the proposals designed to correct the instrumental aspects of it.

"No solution to it is offered by the wide range of modified liberal monetarist projects or the forms of orthodox monetarism, which are only conceivable in a country much reduced in size or subjected to a dictatorship which is inconceivable given the social and political level of Argentina.

"It is false to say that the alternative to all of this is populism or statism in their all so varied forms," the document drafted by Frondizi and Frigerio, president and first vice-president of the national committee of the MID, respectively, added.

"The possibility of encouraging freedom of private initiative and reconciling it with the national goals, which was wanted in 1976 not only by the armed forces but by the whole people, is not achieved through concepts which have invariably failed and which have worked together to denationalize the economy, to cause a deterioration in social conditions and to make the national situation increasingly vulnerable," it concluded.

5157
CSO: 3010/1516

ROLLING STOCK INDUSTRY SEVERELY AFFECTED

Buenos Aires CONVICCION in Spanish 25 Jun 81 p 1

[Article by Daniel Muchnik]

[Text] In the first 15 days of June, one truck factory invoiced only one vehicle throughout its vast network of concession holders in the country. This past May, the total sales of domestically produced trucks came to 270, equivalent to a bare 21.3 percent of the average sales in the month of May between 1972 and 1981. Automobile finishing plants reported that production in May was barely 80 percent of that for the same period last year. In June it had already declined to 70 percent. And the process of decline, accumulation of stocks, heavier financial charges and the inevitable dismissals continued unaltered and unstoppable during the part of June already elapsed. Speaking in management terms, the plants are seeking to establish a balance between production and demand. The recession is attacking the automotive industry, which consumes 11 percent of the steel handled in the country. The opening up of the economy, the project of Jose A. Martinez de Hoz, was like a blow to the jaw for the sector. In the first quarter of 1981 imports won over 30 percent of the trade space (which is the same as if another company had been established in Argentina). The total value of stocks is tremendous: Ford (the affiliate in Argentina was the only one in the world with a surplus until 1980) is carrying $250 million. Until 1980, Ford "placed" a part of its profits in the local financial circuit. Today it is using borrowed money and is paying very high interest rates, and its costs are rising. That is not all: the concession holders for the various brand names established here support as much personnel as the producing factories. And sales have dropped by 60 to 70 percent in comparison to earlier months. Concession holders understand that the public is put off by the impact of financing (14 percent per month), by the merry dance of price increases (in June there was a 15 percent increase in an attempt to cover replacement costs) and because used car prices are at a standstill, still at the same level as in October of last year. Concession holders are dismissing workers with every passing week. If this level of deterioration continues, how long can the concession holders survive? The meeting with General Viola was held on the president's initiative. The businessmen made an urgent appeal for reactivation, lowered rates and limits on imports--a petition with an unfortunate fate.

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CSO: 3010/1516

LAYOFFS IN INDUSTRIAL SECTOR REVIEWED

Buenos Aires CLARIN in Spanish 21 Jun 81 p 9

[Text] The labor sector has experienced exceptional calm in the past 5 years, giving economic management a margin for action, although not due to a voluntary consensus, which it did not enjoy much before nor will it as of the present. The effort made by the labor sector had no counterpart in capitalization and incentives for growth to enable it to harvest the fruits of its deferment in the future.

On the contrary, the stagnation in the manufacturing sector, which experienced a decline of 0.2 percent per year on an average in the period between 1976 and 1980, caused a decline in both jobs and the real wages offered.

Where job offers are concerned, the recent publications of the INDEC covering April 1981 reveal a doubling of the unemployment rate in the federal capital and greater Buenos Aires, with an increase from 2.0 percent in 1979 to 3.9 percent in April of this year. In any case, this rate appears lower than that being seen currently.

The surveys regard any individual who has worked at least 1 day during the week as employed, so that the figures are only indicative if one knows the rate of underemployment at the same time. Secondly, due to the decline in wages, there has in recent years been a migratory trend in the reverse of the traditional direction, with manpower returning to neighboring countries, thus reducing the manpower supply.

From 1976 to the present time, the manufacturing industry has dismissed approximately half a million wage earners, in other words more than a third of the total existing at the beginning of the decade. In terms of the economically active population, this figure would represent approximately 5 percent of the total.

Those Dismissed

In the mechanical trades, currently involved in the conflict, dismissals from 1976 to date have totaled 36,000. The number of industrial workers in Rosario has been cut by 50 percent, and unemployment among those remaining stands at 4.8 percent. The reduction was 30 percent in Tucuman, and the unemployment rate there is 7.3 percent. In addition it is necessary to bear in mind that the local unemployment rates cannot be compared with those of other countries, such as the industrial nations, where the unemployed collect compensation, and thus suffer less from their situation.

According to estimates made by private bodies, the time worked by the employees as a whole was down 18 percent in 1980 in comparison to the 1976 level, while the hours worked per individual increased 8 percent during that period.

Inefficient Redistribution

The manpower leaving the industrial sector was assimilated by independent employment and services. Thus while the industrial sector accounted for 91 percent of the dismissals which occurred in the period between 1974 and 1978, the "finance and services" sector accounted respectively for 23.6 and 27.6 percent of the manpower absorbed, thus incorporating new personnel, a trend which has continued in the years since 1978.

Thus there was a reassignment of labor resources from the most productive sector, in which employed persons benefit from larger central allocations and their work therefore has a greater capacity to generate wealth, toward less dynamic sectors. In fact, the Argentine occupational structure, wherein 18 percent of the workers were self-employed in 1976 as compared to 23 percent now, is more similar to that seen in the most backward countries, where independent work is the typical counterpart to the lack of productive jobs.

5157
CSO: 3010/1516

UNEMPLOYMENT FIGURES SHOW STEADY CLIMB

Buenos Aires CLARIN in Spanish 21 Jun 81 pp 8-9

[Text] The continuing home survey being carried out by the INDEC [National Statistics and Census Industry] shows, in the figures for April of this year, that the unemployment rate is increasing at an accelerated pace.

In all of the 26 cities surveyed, a total of about 220,000 persons unemployed was reported out of a total work force of 5.4 million. On the basis of this ratio, the total number of unemployed persons in all urban areas in the country in April can be estimated at about 400,000, presuming that the economically active population in the cities totals some 10 million individuals.

The alternatives to which excess manpower has been turning in productive activity since 1976 as a result of the reduction in employment seem to have been exhausted, resulting in an increase in the number of those unemployed.

It was precisely these alternatives which in recent years have made it possible to counteract the shrinking which has occurred in the demand for manpower, such as to show a low unemployment level. The current exhaustion of these alternatives takes on disturbing contours since the increase in unemployment is occurring subsequent to the variations used to offset it.

Reduction in Supply

After the 1980 census it became certain that the so-called metropolitan area--the federal capital and 19 districts in greater Buenos Aires--has seen a modification in its historical growth trend. In fact, between 1970 and 1980, the total population in the largest urban area of the country increased at an average annual rate of 15 per thousand, but this increase did not occur uniformly over long periods, since the home survey data shows that during the first 5 years of the period growth averaged 22.6 per thousand per year, while between 1975 and 1980, the rate was 7.5 per thousand.

This figure falls below the natural growth rate, based on an estimate of about 9 or 10 per thousand for the period for the latter, such that to reach the aforementioned rate of 7.5 per thousand, a population exodus with a magnitude of about 1.5 or 2.5 per thousand annually must have occurred.

This reduction in the manpower supply has been one of the most important factors in the low unemployment levels reported prior to the recent upsurge. As the supply was dwindling, the reduction in the job offers was not reflected in the unemployment rates.

This population development, which at the time was caused by factors having nothing to do with labor, will from now on increasingly involve issues pertaining to the labor market.

Self-Employment

A short time after the 1976 economic program was launched, a shift in the labor force from the category of wage earners to independent employment began to be noted. At the same time, a change in activity occurred: industry was losing its working population, while services were experiencing a parallel increase.

This shift, which was initially justified as an alternative for increasing income, gradually became a solution to unemployment.

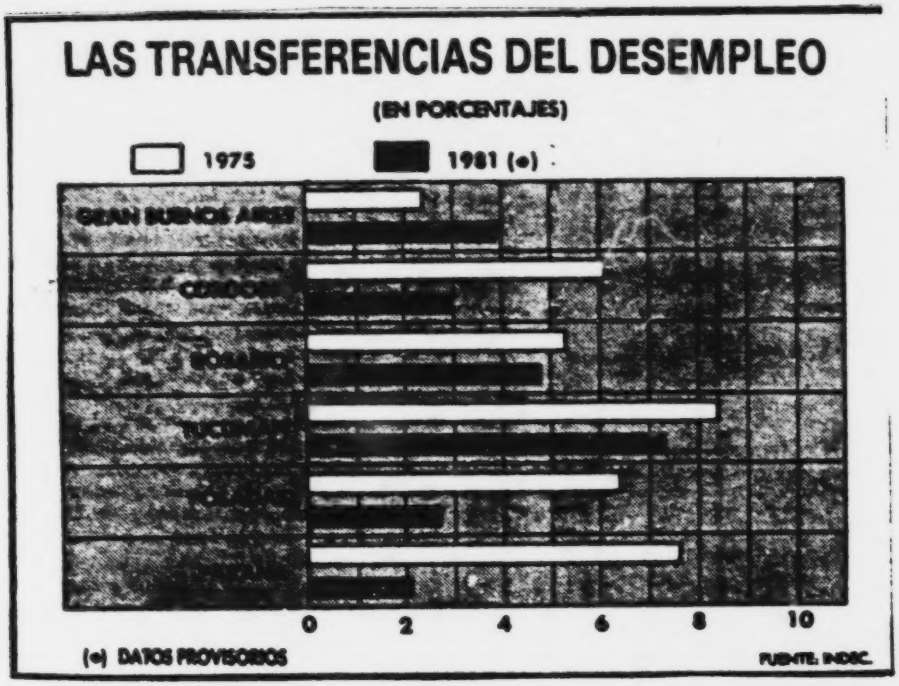
This mode of labor, which involves basically creating a space within the demand for services on one's own, depends precisely on the maintenance of that demand, a situation which is subject to the variations which the highest income sectors can experience. In view of the extent of the crisis, it is not too bold to presume that the demand for these services is speedily dwindling, which will lead many of those involved in independent activity perhaps to seek to return to a wage earning status, thus causing a sudden increase in the number of persons unemployed.

Localities in the Interior

When it comes to unemployment in the interior districts, the INDEC data shows that in the majority of the cities in the northwest and some in the northeast, employment rates which could in no way be regarded as low have been reported. Put in another way, it is not that unemployment in these localities increased between October 1980 and April 1981, but rather that high rates were already in existence there.

It is obvious, then that a geographic redistribution of unemployment has been in progress since 1976, and it is, moreover, being seen in greater Buenos Aires now.

Unemployment Shifts in Percentages



Key:
1. Provisional Data
2. Source: INDEC

5157
CSO: 3010/1516

'POLITICAL COLUMN' VIEWS RECENT EVENTS WITH OPTIMISM

Buenos Aires LA NACION in Spanish 2 Aug 81 p 8

[Excerpts] Anyone who observes the public scene of national politics with an unprejudiced eye will note the succession of a sufficient number of events and circumstances to make him think that the life of the country is now closer to the finishing line than to the starting line of March 1976. It may turn out to be a temporary optical illusion. After all, that does not imply a supposition that the process guided by the armed forces,has, in their opinion, achieved what is necessary to satisfy the group of parties which is calling for a multiparty system when, with a certain amount of energy, they request "a precise timetable" for institutional normalization.

However, there are sharp images in the background of the abovementioned public scene which at times come to the forefront, as if to say that the terms of the relationship between the power factors of the process and those, for example, who are pressing to enter the terrain of mutual concessions, tend now to be substantially different from what they were up to now. While some politicians, such as Mr Bittel or Mr Frigerio, delight in saying that Lieutenant-General Viola's government has divested itself of the arrogance of the previous administration, one cannot fail to note that they, like a great number of party leaders, have also adjusted themselves to the game of simplicity and contemporization. Not long ago, on the subject of the radical invitation to developmentalism, Dr Antonio Troccoli said, with a slight touch of sarcasm, that the strategy of Dr Frondizi's friends had also changed, as now these friends were not attempting to impose their economic ideas by any means other than in accordance with the Constitution.

The political debate--pay attention to this--not only has lost a great deal of the aggressive style which precedes clashes but the parties have also deliberately tried to avoid such a style, thus the opponent--or if you will the other party--will not be placed in excessive difficulty. Just as Viola decided to say nothing derogatory about the radical convocation, in the past it would never have occurred to the Justicialist vice president, Bittel, as it did a few days ago, to say that the government should not be destabilized and that a presidential convocation can be as patriotic as the one motivating that group of parties.

With these new general conditions, it seems reasonable the military junta has begun to notice that the real political world is differing rapidly from the one ordered by the emergency regime which banned party activities or, in any event, reduced them. And in consequence, it is readying itself to act in a different manner.

8143
CSO: 3010/1659

PAPER QUESTIONS U.S. VETO OF LOAN TO GUYANA

FL191622 Bridgetown CANA in English 1557 GMT 19 Aug 81

[Text] Bridgetown, Barbados, 19 Aug (CANA)--The nation newspaper today raised questions over the U.S. veto of a loan of 20-million-dollars (US) loan to the government of Guyana from the Inter-American Development Bank.

Said the paper: "We find it strange that the U.S. Government would want to frustrate the efforts of the Guyanese on technical grounds as stated by their spokesman. The question therefore arises about possible political implications.

"It is quite clear that the Reagan Administration has no intention of adopting a soft-line with countries which appear to be out of step with current U.S. thinking, and we appreciate that Washington is therefore not exactly elated over some of the dictates from Georgetown. We however do not believe that American self-interest demands heavy-handed use of a veto without some proper fuller explanation from Washington, which we now await."

The nation looked at American policy towards Jamaica and said it understood why the Americans feel anxious to help. On the other extreme, the U.S. "hands-off" policy on Grenada was not difficult to interpret either, "given Grenada's own open aggression towards the United States and the latter's determination to act forthrightly, to put it midly.

"But what of Guyana? What is now influencing decision-making in Washington on Guyana in particular? And what is it going to mean for the Caribbean in general?" the paper asked.

CSO: 3025/1026

NAVY MINISTER NOTES VULNERABLE DEFENSE OF SOUTH ATLANTIC

Sao Paulo FOLHA DE SAO PAULO in Portuguese 4 Aug 81 p 7

[Text] Minister of Navy Adm Maximiano da Fonseca said yesterday that Brazil is engaged in a shipbuilding program aimed at renovating and reoutfitting its fleet "so that the country will not remain totally vulnerable in its defense of the South Atlantic."

In justifying the adoption of that program, the minister said that if there is a new world war, "and no one can say that there will not be, we will be totally exposed and will not have the means to defend ourselves." Later he added: "At times we are obliged to send ships to the coasts of South Africa simply to show the flag and make our presence known. The minister of foreign affairs is well aware of what that means, but it is a very delicate and complex diplomatic matter, and I would like to ask that nothing be published."

The minister said: "The program calls for investments totaling $1 billion over a 10-year period, and it includes construction of a training ship (already being built), a conventional submarine, and a corvette. The submarine project will be purchased, possibly from Germany, since we do not have the technology, but a special task force is developing Brazilian know-how in nuclear propulsion because within 15 or 20 years, we hope to build our own first atomic submarine."

Maximiano da Fonseca was at the Sao Paulo State Federation of Industries, where he had gone to explain the details of the shipbuilding program to a select audience of businessmen--behind closed doors--and find out how national industry could cooperate by supplying equipment. Following his speech and the ensuing discussion, which lasted 2 hours, the minister agreed to talk to reporters, but only on condition that no questions of a political nature be asked.

He said, for example, that the Ministry of Navy's concern for better armament has no connection whatever with any interest by Brazil in maintaining its supremacy in South America, "although Argentina is also renovating its fleet and acquiring military equipment from Germany." He explained: "Our misgivings are due solely to Brazil's lack of protection in the South Atlantic."

The admiral also said that the countries of South America are friends and that this October Brazil is to take part in joint maneuvers with the Argentine Navy, "which proves that we are closely united." But the minister ruled out any possibility that

Brazil might join the South Atlantic Pact (proposed by Uruguay, Chile, and South Africa), arguing that the fleets "are too small for us to consider a pact."

According to the minister, 76 percent of the equipment on the training ship, which is already under construction, will be made in Brazil. That ship is being financed by the Bank of Brazil. To carry out the plan for the corvette and the submarine, "we will have to seek funds abroad."

Maximiano da Fonseca recalled that Brazil is among the world's countries that spend the least on armament: "Only 7 percent of the federal resources are allocated to the armed forces--3 percent goes to the army and 2 percent to the air force, leaving 2 percent for the navy. I know that it is bad to spend money on weapons, but what is even worse is to have to buy them abroad. So we want the cooperation of national industry to the extent possible."

11798
CSO: 3001/234

PARANA BEGINS PLANTING ITS THIRD LARGE CROP

Rio de Janeiro JORNAL DO BRAZIL in Portuguese 17 Aug 81 p 12

[Text] Curitiba--After the frosts and droughts which completely damaged the harvest of winter crops, Parana is beginning to plant its third great agricultural crop, initial forecasts of which indicate it should reach 20,640,520 tons of grain. It is the so-called summer crop, planted and grown in the period which runs from August 1981 to March 1982.

The forecasts of areas and production of the main crops revealed at the beginning of the week by the State Agriculture Planning Commission (CEPA-PA) show that corn and soybeans are going to occupy 4,000,750 hectares of the 7,068,800 hectares to be planted this summer throughout Parana, and that for the first time in the agricultural history of the state corn production is going to exceed soybean production. There will be 5,850,000 tons of corn compared to 5 million tons of soybeans.

Corn and Recession

The increase in the growing of corn in Parana is due mainly to the new characteristics of agriculture, which also faces problems of the crisis in investments and the decline in growth. To cite only one example, 80/81 production increased 9 percent with respect to production of the previous year compared to the 5.4-percent increase forecast for next year. The decision by farmers to plant corn instead of soybeans, peanuts or even rice, is the consequence of the high costs of materials (some showed increases of 1,400 percent) used in growing the other crops.

Another factor is the new method established for planting loans which foresees the spending of 20 to 40 percent of the farmer's own money for planting. The resistance of corn to weather conditions guarantees a good harvest.

"The farmer does not want to run any risk. If he plants with his own money or if he borrows from the bank at market rates, the one who is going to lose if there is a crop failure will be he," declares the president of the Coffeegrowers Cooperative of Maringa, Constancio Pereira Dias. Many farmers are going to reserve small areas in their soybean farms for corn, and the coffee growers are also going to plant corn in an effort to stay solvent until the next harvest.

More Beans and Cotton

Even with the decline in consumption in recent month and the Brazilian production of 2.6 million tons in 80/81, which caused a decline in the level of prices and the maintenance of stocks, beans should have an increased production. A harvest of 620,500 tons is forecast for the rainy season harvest alone, which means an increase of 18.7 percent over the last harvest. The increase will result from the use of the area in which coffee was plowed under and because of expectations of good prices on the market.

An increase of about 9.4 percent in the area planted in cotton is foreseen. Good sales of the crop, increases in yields and also the use of areas in which coffee has been plowed under are responsible for the forecast that 630,000 tons of cotton in the boll will be harvested. The basic amounts of planting costs loans will also help; they are enough for normal planting and cultivation in the field.

The reduction in soybean planting, the main Parana crop of the 70's, is due primarily to the restrictions in the granting of planting loans to medium and large growers, thus requiring large expenditures of own resources or the obtaining of money at market rates. This problem, together with the fact that 90 percent of the money used is for the acquisition of modern equipment and mechanization and the low prices received for the 80/81 crop, concluded by reducing production expectations. The area planted in soybeans will decrease 4.3 percent with respect to that of last year.

The crop which showed the most significant reduction in production prospects was coffee. Two frosts in June and July were enough to reduce the next harvest by 73 percent, according to official figures of the Secretariat of Agriculture and already known by the U.S. Department of Agriculture. Of a crop of 700,000 tons of processed coffee, Parana is only going to harvest 115,200 sacks [presumably the 700,000 tons is the entire Brazilian crop].

8908
CSO: 3001/237

JULY TRADE BALANCE: SURPLUS FOR THIRD CONSECUTIVE MONTH

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 12 Aug 81 p 23

[Text] Brasilia--In July the trade balance again repeated its favorable showing--for the third consecutive month--by presenting a surplus of $92 million. Exports reached their highest historical level at $2,052 million, and imports resumed their normal rhythm with a total of $1,961 million, the highest monthly outlay since October of last year.

That result brings the accumulated deficit for the first 7 months of this year down to $224 million, compared to $2,332 million for January through July of last year. For the 12-month period through July 1981, the negative balance in the trade account stands at $713 million, compared to $4,208 million for the 12 months ending in July 1980. In July of last year, the trade balance showed a deficit of $293 million. These data confirm the expectations of Minister of Finance Ernane Galveas, who last week, on the basis of estimates, predicted a surplus in the neighborhood of $100 million.

The final figures for the July trade balance were announced yesterday by Carlos Viacava, secretary general of the Ministry of Finance, who considers them "an interesting result for the month." In Viacava's view, the accumulated negative balance for the year--$224 million--"is practically a situation of equilibrium and not a deficit, especially in comparison with the $2.3 billion recorded in the same period of 1980. It is only 2 percent of our total exports," said the secretary general of the Ministry of Finance, and the result is that there has been a "substantial" improvement in the trade balance.

Viacava estimates that Brazil's trade account will close this year with a surplus on the order of $500 million. For that to happen, it means that from this month through December, the value of Brazilian products sold abroad each month must total $150 million more than the total spent on goods that the country will have to import over the next 5 months. Viacava believes in that possibility since, according to him, the trend indicates that we will continue to earn over $2 billion in foreign exchange from imports every month. According to him, exports will be influenced in a positive direction by better prices for primary products on the international market. Viacava also emphasized that maintaining the rate of exports and possibly increasing it will depend on U.S. monetary policy, since high interest rates discourage purchases, while a decline in interest rates would accelerate the buildup of inventories.

1) EXPORTAÇÃO

2) Especificação	3) Julho 81	3) Julho 80	4) Variações Absoluta (5)	4) Variações %	Jan/Jul	Jan/Jul 80	4) Variações Absoluta 5)	4) Variações %
Total	2.053	1.654	399	24,1	12.908	10.847	2.061	19,0
6) Café	112	226	-114	-50,4	1.102	1.684	-582	-34,6
7) Outros	1.941	1.428	513	35.9	11.806	9.163	2.643	28,8

8) IMPORTAÇÃO

Especificação	3) Julho 81	3) Julho 80	4) Variações Absoluta 5)	4) Variações %	Jan/Jul 81	Jan/Jul 80	4) Variações Absoluta 5)	4) Variações %
Total	1.961	1.947	14	0,7	13.132	13.179	-47	-0,4
9) Trigo	91	96	-5	-5,2	440	580	-140	-24,1
10) Petróleo	859	723	136	18,8	6.084	5.515	569	10,3
7) Outros	1.011	1.128	-117	10,4	6.608	7.084	-476	-6,7

11) Diferença dos totais
Exportação - Importação + 92 (-) 293 (-) 224 (-) 2.332

Key:

1. Exports
2. Item
3. July
4. Change
5. Absolute
6. Coffee
7. Other
8. Imports
9. Wheat
10. Petroleum
11. Difference between total exports and imports

The initial expectations of the secretary general of the Ministry of Finance, based on "arithmetical reasoning," indicated that the country might reach the end of 1981 with a surplus of $3 billion. He made that projection when he announced the first favorable result in the trade balance this year, which occurred in May at $12 million (and not the $21 million indicated by preliminary data, a figure that was quickly announced in the euphoria of seeing the first trade surplus this year). Viacava announced the corrected figures yesterday. In June the surplus was $154 million and not $160 million, as had been announced previously.

Imports

Outlays for imports from January through July of this year were down 0.4 percent from the amount for the same period last year. A drop of 6.7 percent occurred in imports of "other products," excluding expenditures to purchase wheat, which fell by 24.1 percent, and petroleum, which rose by 10.3 percent. In the first 7 months of 1981, Brazil spent $13,132 million on imports, compared to $13,179 million during the same period in 1980, for a drop of $47 million. According to Viacava, that performance reflects the tight money policy, the continual exchange devaluation, high interest rates on the domestic market, and substitutions for some imports, an example being in the fertilizer industry, where domestic production has made it possible to reduce imports.

In July, however, imports rose significantly in comparison with June, when the country spent only $1,766 million--the lowest amount since February of last year. In

July 1980, imports cost $1,947 million, practically the same as this July ($1,961 million). Petroleum purchases from January through July have already cost us $6,084 million, compared to $5,515 million, for an increase of 10.3 percent, an increase that should remain constant through the end of the year. Petroleum imports totaled $859 million last month, compared to $723 million in July 1980.

Exports

The poor performance of coffee exports was responsible for a rise of only 19 percent in the overall value of exports from January through July this year in comparison with the same 7 months of 1980. In the past 7 months, Brazil exported merchandise worth $12,908 million, compared to $10,847 million. Coffee sales in the first 7 months of this year showed a drop of 34.6 percent, while sales of other products had risen by 28.8 percent in July. Exports of other products, excluding coffee, rose by 35.9 percent in July compared to July of last year, but coffee sales declined by 50.4 percent compared with July of last year, with the result that the overall increase was 24.1 percent. Last month, coffee exports were at their lowest point this year at only $112 million, compared to $226 million in the same month of 1980. Viacava believes that coffee exports will not begin to react until October, since contracts through September have already been signed. "We hope there will be an improvement from October through December, as well as throughout next year as a whole." According to Viacava, the renegotiation of export quotas by the International Coffee Organization (OIC) will help to bring about a reaction in prices.

11798
CSO: 3001/234

PCR MERGER WITH MR-8 ANNOUNCED

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 13 Aug 81 p 2

[Text] The Revolutionary Communist Party (PCR) and the 8 October Revolutionary Movement (MR-8), both clandestine, have merged into a single group that will retain the name of MR-8. The communique, dated 26 July and originating in Brasilia, was sent to newspaper editors yesterday. According to the document, unification of the two groups occurred during a "special PCR conference" at which there was discussion and acceptance of the proposal made during the Second MR-8 Congress. The document's authors say that unification represents "a decisive step in rebuilding the Communist Party in our fatherland."

After commenting on the political, social, and economic situation in various countries, the authors attack the Brazilian Government and declare that "the political and organic unification" of the two parties "in a single and vigorous revolutionary party results from the maturing among us of the joint struggle against the fascist dictatorship and from thorough political and ideological unity."

Asserting that "the unification of the communists is an irreversible and present fact," the MR-8's leaders say that "nothing was accomplished by the thrusts of fascist terror on the part of the dictatorship, which murdered and wiped out hundreds of patriots and revolutionaries" who "shed their blood and gave their lives for a free and democratic country, unlike those who have holed up in the government and are selling out our country by engaging in corruption and thievery and robbing the public coffers."

Concerning the commitment being made to unification by the two parties, the document asserts that "the MR-8 reaffirms its commitment to unite all of Brazil's democrats and patriots, civilians and military, and thus overthrow this regime and build a new government. A government to save the nation from corruption; one that will freeze our foreign debt and put an end to the flight of our foreign exchange; one that will stop the sellout of our natural resources and nationalize the multinationals that insist on suffocating our economy."

The MR-8 also proposes, with that same new government, to carry out an agrarian reform, "increasing food production and giving the land to the one that works it." Another proposal is to call "a national constitutional convention, free and sovereign, to reorganize the nation's political life. A government that will take firm and certain steps for the building of a new Brazil."

11798
CSO: 3001/234

PCB LEADER URGES OPPOSITION TO UNITE

Rio de Janeiro JORNAL DO BRASIL in Portuguese 1 Aug 81 p 2

[Text] Lisbon--Giocondo Dias, secretary general of the Central Committee of the Brazilian Communist Party [PCB], believes that Brazil will not build the freedom and democracy it wants without unity among the forces struggling to achieve those objectives. "Division today, regardless of where it comes from, only promotes the plans of the reactionary forces."

Giocondo Dias praised President Figueiredo but condemned the groups surrounding him. He reiterated the importance of the constitutional convention and said that people's vigilance is necessary because "an imposed political relaxation will mean the institutionalization of arbitrary government in Brazil."

Inflation

Giocondo Dias feels, however, that a crucial issue in Brazil today is the fight against inflation. "In our country, high prices are one of the most serious issues and must mobilize all the democratic forces that are also struggling against unemployment and for the free exercise of labor union activity, which still suffers extremely serious restrictions. The fight against inflation--against the rising cost of living--must interest everyone. How can we protect better wages to deal with that situation unless there is strong and free union organization?"

He said: "I see the 1982 elections--if the situation does not change--as an important step. It is necessary, however, to be attentive to the rules of the game. The elections cannot be a referendum approving the government's casuistical proposals. If the political forces, the unions, the institutions, and the civilian organizations unite in the struggle for free elections without casuistry, those elections will mark a basic step by the country in the direction of winning freedom and democracy."

He feels that the constitutional convention is a viable plan in the short term, with support for it ranging from Afonso Arinos to the CNBB [National Conference of Brazilian Bishops] and including the ABI [Brazilian Press Association] and the OAB [Brazilian Bar Association].

Giocondo Dias was in Lisbon for an eye examination. He has glaucoma and is leaving today for Moscow, where there will be more examinations, followed by an operation if necessary.

11798
CSO: 3001/234

AEROSPACE INDUSTRY INITIATES SOPHISTICATED WEAPON PROGRAM

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 2 Aug 81 p 7

[Article by Roberto Godoy: "Brazil Enters the Guided Missile Era"]

[Text] I. A flash of lightening, a streak in the sky, the supersonic F-5E jet thunders over the enemy base after a flight at an altitude of 60 meters and a speed of 800 kilometers per hour, out of reach of radar and unobserved. Parked under camouflage nets, 18 fighters are being scrambled. Suddenly the invader drops a strange cylinder with a blunt end. A parachute slows its fall, keeping its end at an oblique angle to the surface of the takeoff runway directly below. When this inclination reaches a certain point, an internal electronic sensor gives the signal. A small rocket in the rear is activated, driving the device against the pavement. The point penetrates and cuts through 40 centimeters of concrete. Only then does a strong, loud explosion jolt buildings and objects in a radius of 300 meters. The airport runway ripples and slabs loosen as in an earthquake. The enemy squadrons are paralyzed, prisoners on the ground, prevented from striking back. The operational runway is destroyed.

II. The impressive tank crosses the road. It is sealed shut, traveling at half speed, all its weapons systems, from the 105-mm cannon to the 7.62-mm machineguns, ready for combat. Suddenly, from a bush darts a deadly bird of steel with its claws opened, unstoppable. The small missile is dragging a long wire and it strikes the 30-ton armored tank directly, exactly at the most vulnerable point, the juncture of the turret and the body. There is flame, smoke and twisted metal. From the time of firing it has been six seconds.

III. The action began in the morning and the situation is difficult. The armored infantry outnumbers the group holding the position, the access to a small powerplant. The fog is welcome. It helps, for example, when an amphibious personnel carrier appears in the middle of the road. A single shot halts its advance, transforming the vehicle into an inferno of explosions. It is not possible to spot the position of the marksman. There was no flame, no noise, nothing.

Special "Smart" Bombs

This year Brazil enters into the sophisticated technological field of guided missiles and special "smart" bombs, initiating a process which by 1984 will be completed with the regular introduction of medium and long-range guide missiles in addition to integrated defense systems, an advanced concept of operational mobility which foresees the deployment of self-propelled units to a certain point from where they will enter into combat together.

The three aforementioned hypothetical situations identify new national military products manufactured by AVIBRAS Aeroespacial [Aerospace Industry] of Sao Jose dos Campos, weapons which will be available as of December in the pre mass production phase. The penetration or G Bomb, which weighs 250 kilos and carries 50 kilos of high explosive, is dropped from an aircraft at low altitude and shortly after initiating its free fall it releases a parachute, which fastened to its rear section causes it to go into a programed angle with respect to the ground. An electronic sensor "sees" the proper time and automatically activates a rocket located between the stabilizers, which then accelerates the bomb until it strikes the ground. The mushroom-shaped head penetrates nearly 40 centimeters into the concrete. Only after that does it explode. The effect is destructive: 200 square meters of paved area are destroyed.

"It is a device designed primarily for missions to make the runways of enemy airbases unusable," explains Engineer Pedro Vidal, assistant of the sales division of the company. An unusual fact: The G-Bomb (Ground Bomb in English) which is made only in the United States and France, is going into production in the secret assembly buildings of AVIBRAS to fill an order from an unrevealed customer abroad and not because of a request from the minister of air, the natural channels for projects in that area in the country.

In the same period that the first units will be coming out of the finishing sections, the MAT or Antitank Missile will already be in operation. It is an electronic wireguided missile, that is, it will be guided from a distance through signals sent by wire, actually through an optical fiber. It is a weapon of the configuration of the German "Mamba", for use by army troops. It has a range of approximately 2,000 meters. The artillerman can fire the MAT from the ground, from a dismountable ramp on a tripod or from a vehicle.

Skillful handling is required. The missile is propelled by solid fuel and is 90 centimeters long, 120 millimeters in diameter and weighs 11 kilos in its firing mode. The soldiers carries a small case in which are the controls and instruments for sighting adjustments. The best operational range for the MAT is in the range of from 500 to 1,000 meters and it is controlled in a manner similar to that of a model airplane. Electronic signals reach the on-board minicomputer in flight by means of wires. "It is strictly a matter of skill. For the training of personnel we are going to develop a simulator with several interchangeable programs," explains Pedro Vial, emphasizing: "As of now there is no armor which can withstand the impact of the MAT type projectiles without damage." In fact, the "Mamba" is sold with the claim that its warheads (average weight 3 kilograms) penetrate steel plates of up to 30 centimeters thick.

At the same time, AVIBRAS developed the "Seta" an unguided rocket launcher of the Belgian "Armbrust" type, very simple and efficient which can be carried by one man. Using a shortened version of the Sbat-70 (another rocket which has been on sale for a little less than 2 years and which carries four kilos of explosive), the weapon is a little larger than a machinegun. Its effective range is 500 meters, with an antitank penetration of armor of 300 millimeters. Its advantages over similar weapons are: It emits no flame, smoke or any loud noise due to a recoil buffering assembly and the use of a special plastic cartridge. "It becomes a very interesting piece of equipment when it is known that with the spending of $600, which is the cost of each round, an assault tank costing in the range of $1 million can be eliminated," ponders Vial.

This is not all: the company intends to have two superbombs in this "package" of novelties, one fragmentation and one incendiary with an average weight of half a ton each. At this time, the 120 and 250 kg (fragmentation bombs) and the 375 or 250 kg incendiary bombs are available and will be stocked. According to evaluation tests, the units already accepted by the Brazilian Air Force show a performance superior to the material purchased abroad."

The Missile, the Most Ambitious Project

It is a missile 10 meters long, probably derived from the lessons learned with Space Probes III and IV built by the Aerospace Technical Center at Sao Jose dos Campos, which can travel distances ranging from 300 to 600 kilometers in self-guided flight. Guided in flight by an inertial system (similar, for example, to that used in the Boeing-747 Jumbo), it is guided when near the target by a sensitive self-contained radar. It is capable of carrying a single warhead or 150 kg of multiple warheads. It is the most ambitious AVIBRAS project in the area of missiles and the natural progression in a cycle initiated with the X-40, the largest military rocket in regular production in the country, with a range of 68 kilometers and an explosive charge of 146 kilos.

The future giant will be of the U.S. Pershing II class, a nonnuclear model of a "family" begun in 1957, actually the most flexible nuclear vehicle created in the United States in the range of from 60 to 400 kilotons. Recently, however, the high degree of accuracy of the model led the Pentagon to select it for conventional use.

"It is possible to obtain good results from a multiple warhead, in our case five 30-kilogram warheads filled with high explosives. The missile reaches an equidistant point and releases the loads against several targets all at once in a single launch," says Engineer Vial.

First of all, however, the X-40 (ground to ground) will receive an electronic guidance system to increase its yield as an element of use in theaters of operation requiring surface to surface activity or units manning coastal defenses. "Beginning with 40,000 meters, a certain amount of self-guidance is necessary," says Pedro Vial, "since ballistic missiles at that distance nearly always have to be aimed at targets in a general area of eight square kilometers, that is, a military installation, a depot, and so forth." The modernized configuration will

keep the basic characteristics of the present weapon with respect to caliber (300 millimeters), size (3.3 meters), with perhaps some change in the design of the tail fins.

The "SID" System

The incorporation of the X-40 self-guided missile, as well as of the long-range missile, is important for fulfillment of the project, which has already been found viable, of creating the Integrated Defense Systems consisting of entire of components whose services complement each other. They are fixed or almost always mobile units of detection and identification (with radars and sensors) of targets; fire direction and control centers and vehicles with multiple launchers for rockets and missiles. Thus, a standard SID group would consist of three vehicles on which would be arrayed several types of weapons ranging from the Sbat-70 (7.5 km range, 4 kg useful load) to the X-40, with the Sbat-127 (15 km range, 20 kg useful load) and the X-20 (35,000 meters range and 35 kilos of explosives) in between. A command car would coordinate the plan, receiving information from another truck with a metal body on possible targets to be hit, while another vehicle would indicate, after evaluation, the type of weapons to be selected; for example, a rain of rockets on enemy troops in deployment or a single long-range missile with multiple warheads against a column of armored vehicles. Moreover, it could be a combination of the two tactics associated with anti-aircraft combat. SID is an extremely new system. After being in action for some time, it would continue as a normal transportation convoy to another position. AVIBRAS is thinking of adapting the principle to systems suitable for the navy in antimissile defense, with conversion for attacks by ships on coastal installations.

By TV

"In a number of programs, AVIBRAS is particularly seeking to acquire the necessary technology for the creation of an air-to-ground missile with nearly 10 kilometers of useful range and guided by television," says Vial. That weapon would operate with certain characteristics similar to those of the HOT manufactured by a European consortium administered by the French group EUROMISSILE. That missile has a range of 4,000 meters, but its size and weight (1.27 meters, 32 kilos, 16mm cal. [as published] together with the devastating warhead of the Oca type, allow the initiation of studies in that respect. Designed to be fired from helicopters and ground attack aircraft, the television guided missile will have a transparent "head" with a small camera which will send pictures to a screen on board on the basis of which the pilot or bombardier can make readjustments in the trajectory. Items of the same type usually have an infrared sensor to take the rocket to the target, with rates of error of less than 1 percent as an average being observed.

"All that is part of a large machine put into action, first by the government but it now has a foundation and begins to take the steps of an adult, taking initiatives," said an officer in Brasilia who until recently was linked to the armed forces research sector. He said: "It is clear that there is the concern of putting together all the undertakings, that is, in addition to the finished articles, there is the concern for the training of personnel." The military man who was speaking to the AVIBRAS plans underway, concluded: "Now that (the Brazilian war materiel industry) is no longer a waste of the people's money."

Production of 40,000 Units Per Year

AVIBRAS can produce 40,000 bombs and medium-sized rockets per year. Its orders in 1981 have already reached the goal of $10 million established in 1980. Industrial Unit No 2 will begin operations within 3 months at the Santa Branca Dam, an island in the middle of the lake, where the "active components" will be assembled, that is, where the tubes of the rockets are filled, first with the composite solid fuel (ammonium perchlorate mixed with a resin derived from petroleum) and then with the explosive charge. It is also there, 20 kilometers from Sao Jose dos Campos, that there is rising a vast proving grounds, guarded by a special security force which is posted at the four arsenals scattered irregularly in the area, with access provided by 8 kilometers of internal roads.

However, it was not always thus. In 1961, when Engineer Joao Verdi de Carvalho Neto, chairman of the board, built the organization, the idea was to build a single-engine airplane, the "Alvorada." The following year, a complete prototype of the "Falcao," a primary trainer, was built. In 1963, the "Sacy" was built with a 1200 Volkswagen sedan engine. A fire destroyed the installation and the limited choice left was to make solid fuels, propellants in general, for the National Research Council. Space activities began in 1965 with the participation of AVIBRAS in the program for developing Sonda 1, a weather rocket. Electronics became the concern in that period as a result of the need to effect telemetry monitoring of almost all the 96 tests made.

Early in the 70's, technology turned to the military sector and in 1975 the first large contract for the supply of materials was signed. In addition to advanced weapons, the industry produces a parabolic antenna for telecommunications, the Ansat-10, which measures 10 meters in diameter.

Manufacturing Unit 1, where the Electronic Division is located, is at this time filling a contract signed with the navy for fourth generation communications-navigation equipment (UHF transceivers, A.D.F. and receivers for Transit satellites). The same division is responsible for the medium-term development--two years--of the support items for all the new projects: highly sensitive radar, firing computers for all aircraft, and weapon selectors for land and naval use.

8908
CSO: 3001/229

SPACE ROCKET LAUNCHING BASE TO BE BUILT IN MARANHAO

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 2 Aug 81 p 35

[Text] Unlike Barreira do Inferno in Natal, which could be considered only as a proving ground, the first base for launching completely Brazilian rockets, specifically the satellite-launching Sonda IV type, will be built in Alcantara, Maranhao.

Pursuant to Decree No 7820 dated 12 September 1980, the Maranhao government declared "an area of land required for the installation by the Ministry of Air of a space center in the municipality of Alcantara" to be of public domain for the purposes of expropriation. It is a city strategically well located on the northern coast which contains all the qualities necessary for launchings.

The Alcantara base will be used solely and exclusively for launching satellites, occupying, according to the decree of expropriation, 520 million square meters. The Air Ministry plan determines that the people whose property is expropriated be resettled on the peripheries of the base where they would receive the title to permanent possess of the land distributed as a number of small farms. Those families would have help in the planting of sorghum and manioc, which would replace their small alcohol processing plants.

Also scheduled is the construction of a port in the city where Brazilian Navy ships will anchor,as well as submarines in transit which belong to "friendly" countries. Hotels and hospitals would be built in Sao Luis and Alcantara and a unit of the Military Police firefighting group would be specially trained to handle cases of unsuccessful launchings or technical failures of rockets.

The Sonda Project

From the successful launching of Sonda I in 1966 to the complete operational status of the Sonda IV rocket in 1984, a great step is being taken by the Brazilian space research community, which worked almost all that time in computer rooms or once in a while in Barreira do Inferno (launchings were not always made public knowledge).

Concern with self-defense has caused Third World countries to do research on new rockets for so-called peaceful purposes, but which would be designed to maintain--a common argument--the balance of forces among neighboring nations.

That is the way it happened with the United States, the Soviet Union, France, England and China. In its plans, Brazil, with its space program, is seeking self-sufficiency in the field of defense by means of medium-range ballistic rockets now, and by long-range rockets in the future.

The first Brazilian Sonda, a 54-kilo cylinder, is 3 meters long, with two stages and a speed of 1,200 meters per second. Its creation involved an agreement by Brazil with NASA of the United States, from where technologies were transferred for the construction of what is now the rocket launching base of Barreira do Inferno in Natal. Similar agreements were signed with Canada and Germany.

From this program emerged an entire generation of military rockets for use by the fighter aircraft of the Brazilian Air Force. They are rockets of the air-to-ground type produced by AVIBRAS [Brazilian Aerospace Industry] in Sao Jose dos Campos, thus breaking a system of continuous imports by Brazil from the United States. When that took place--almost 4 years ago--authorities revealed that a savings of $15 million (1.4 billion cruzeiros) had been made in the military budget.

However, the manufacturing of a rocket does not involve simple measures and, in addition to the technology itself, there was a vital question: The skin material (special alloys), for which new processes were developed, processes which are now in the possession of a consortium with the Air Force Technological Center, Eletrometal of Sao Paulo, and ACESITA of Minas Gerais.

Sonda I completed its tasks as a "space research" equipment by the end of 1970, when it carried precision measuring instruments, sensors and an entire array of equipment for the study of atmospheric layers, in its nose.

With the natural development of the process, two new rockets would emerge from the drawing boards: Sonda II and Sonda III. In general outline, Sonda II is typically military--it weighs 550 kilos and carries 150 kilos of high explosive to a distance of 70 kilometers.

The military version of Sonda II receive the name of X-40 and is carried on an XLF-40 armored vehicle, from which it can be fired. The vehicle is also of Brazilian manufacture.

Types similar to the X-40 are the Honest John, now being deactivated after intensive use by the United States in the wars of Korea and Vietnam, and the French R-20, which is guided by radio and is in operational use by the French Army.

In operation the military Sonda II is a powerful weapon in all aspects, as is the Sonda I, which can have a ground-to-ground version militarily known as the X-20, carrying 35 kilos of explosives up to a distance of 35 kilometers.

The Sonda III, first launched in 1977, was only considered operational in 1979 after several test firings. It then passed into military control and today can travel a distance of 800 kilometers with a load of 60 kilos of high explosive. No artillery piece can cover that distance. For Brazil with its continental size, that rocket is strategically vital.

Some phases have been concluded in the Sonda IV project, which range from the establishment of a solid fuel production policy to the aerodynamic and metal structure of the new device, which had its main engine activated for the first time in October of last year. All together the rocket has three motors, the main one for propulsion and the other two for inertial navigation (for the return to the atmosphere). All told, the government is investing $180 million (17.2 billion cruzeiros) in a program for the construction of four remote sensing satellites which will be placed in orbit by Sonda IV by 1990.

Sonda IV, as a "VLS" [Satellite Launching Vehicle] of general use is 11 meters long, a little more than a meter in diameter and consumes 1,103 kilos of solid propellent, being able to place a useful load of 300 kilos 1,000 kilometers above the surface of the earth and could carry a little more than a ton of high explosive in its warhead, using Sonda III as a comparison. Its total weight is seven tons. It could be in use in 1984 at the Alcantara Base.

As yet there is no information about a possible military verison of the Sonda IV, it being considered only a "VLS" up to now.

Alcantara

The city of Alcantara, recorded by the Secretariat of National Historical and Artistic Resources, has a fixed urban and rural population of 18,560 inhabitants and its population growth rate, based on the past two censuses, was practically zero.

The people are alarmed by the daily rumors about the rocket launching base. Several persons tell of periodic visits by Brigadier Hugo de Oliveira Piva to the site, making preparations for the installation of the base.

Alerted by the Federation of Rural Workers and by members of the Pastoral Land Commission, the farmers are forming into groups because they fear that claim jumpers will wrongfully receive the money coming to them as owners when it comes to expropriations and indemnifications.

For almost two years, an experimental wind-powered plant has been operating in the area, producing electricity. The area has no mountains and the climate is mild. The fastest way to go to the city, although it is located on the mainland, is by the boat wich leaves daily from Sao Luis Island on a voyage of an hour and a half.

8908
CSO: 3001/229

WAR MATERIEL INDUSTRY EXPANDING ITS PRODUCTION

Rio de Janeiro GAZETA MERCANTIL in Portuguese 24 Jul 81 pp 1,8

[Article by Jose Casado: "More Bombs and Rockets"]

[Text] The AVIBRAS Aerospace Industry S.A., a national private company which manufactures war materiel and multiple use electronic items (civilian and military), is expanding its production capacity. Pedro Angelo Vial, the company marketing manager, said to this newspaper yesterday that such expansion "is going to mean at least a tripling of our capacity in the area of bombs and rockets."

Alleging security reasons, Vial avoids quantifying the present level of production of those military articles but sources of the sector declare that AVIBRAS is equipped for producing from 40,000 to 50,000 bombs and rockets per year. Like other companies of the sector, it maintains an industrial park with a high degree of "mobilization." In barracks language this means the maintenance of a manufacturing potential which can greatly expand its operational capability within a short time if necessary.

This expansion is justified because of the increase in the volume of AVIBRAS business deals, particularly exports to the Middle East, Latin America and Africa, in the order of importance of sales. "In the last 5 years, the average increase in our sales in real terms was 100 percent," explains Vial, declining to name the main customer countries. Foreign deals are having an increasing role in the overall sales of the company. Of the $10 million in revenues already assured for this year, the manager says that 65 percent are for export contracts. "Last year that ratio was 50 percent," he adds.

Up to now AVIBRAS is only exporting war materiel but is already seeking to diversify, arranging deals with its line of multiple-use items (weather probes and telecommunications antennas).

The mainstays of its foreign sales consist of medium-range ground-to-ground and air-to-ground rocket systems, which include the launching vehicles and associated equipment, two-ingredient and composite solid propellents and napalm and high fragmentation bombs.

To provide for the growing demand in those items, AVIBRAS is expanding its mechanical installations, where it produces the "warheads" for the rockets and does the machining of all parts, and is installing a plant for propellents and explosives in an area of 100 alqueires 20 kilometers from the main plant in Sao Jose dos Campos (SP). That plant, which will have four large arsenals strategically dispersed, will receive the operational mechanical part of the bombs and rockets and will "integrate" them with the explosives and propellants.

The greatest competitors of AVIBRAS on the foreign market, according to Vial, are still the military aid programs maintained by some industrialized countries. "The equipment is provided at a political price with which we cannot compete. However, those programs have some disadvantages for the customers: the material is generally part of the stocks manufactured during the Vietnam War; moreover, it has no warantees or even reliability," he comments.

The AVIBRAS sales strategy involves a permanent technical advisory office in client countries. It prefers to exclude intermediaries from its business deals, "at least in regions where that is possible."

One of the AVIBRAS marketing trumps abroad is the versatility of its weapons. For example, a 127-millimeter rocket suitable for large-scale operations such as the destruction of a military base, can be adapted for delivery by a U.S. F-5 fighter, which is operational in Brazil, or a Soviet MIG-23 operational in Iraq.

New Projects

To increase its sales, the company is now assaying a number of new projects. One of them is the production, in the short-term, of antitank and antihelicopter rockets with a range of up to 500 meters. That rocket, which will have an individual launcher (carried by personnel) derives from the "family" of 70mm rockets of AVIBRAS (the basic characteristic of that "family" is that the head of the projectiles can pierce steel armor of up to 300 millimeters thick).

In the field of bomb production (high fragmentation and napalm bombs), AVIBRAS plans are aimed at the manufacture of 500 kilogram bombs--double the destructive power of those now sold by the company. There is also a medium-range (40 to 60 km) missile program.

8908
CSO: 3001/229

BRIEFS

DEALS IN SOUTHEAST ASIA--Military chiefs of Southeast Asia (Malaysia, Singapore, Indonesia, Thailand and the Philippines) are already accustomed to meeting with Brazilian arms vendors. At least two national companies maintain permanent representatives in the region, which after the Middle East and Africa appears to be the most promising due to the increasing militarization of those nations because of the threat of invasion by Vietnam. "Brazil already competes under excellent conditions with the Europeans and Americans," declared a representative of one of the companies involved in that market last May. During the visit by the first economic mission to Southeast Asia organized by Itamaraty, Asian authorities were unsparing in their praise for Brazilian weapons. [Text] [Rio de Janeiro GAZETA MERCANTIL in Portuguese 24 Jul 81 p 8] 8908

OAB COMMITTEE ON ANTARCTIC--Porto Alegre--With the ultimate objective of including in the constitution Brazil's right to a part of Antarctica, the Rio Grande do Sul section of the OAB [Brazilian Bar Association] has established a special commission to study the matter and hold a conference in September on the Antarctic region. Authorities from the Brazilian Armed Forces and national and international experts will be invited to the conference. The commission is headed by attorney Betty Borges Fortes, one of the country's leading experts on international law, the originator of the idea, and the main advocate of adopting the 200-mile territorial limit at sea. The purpose of the conference on Antarctica is to lay the legal foundations for Brazil's rights over part of the region. One member of the commission--Pericles Azambuja, who is a member of the Brazilian Institute for Antarctic Studies--expressed surprise at the lack of interest on the part of the Brazilian Government, which did not participate in the recent Buenos Aires meeting on the subject. [Text] [Rio de Janeiro JORNAL DO BRASIL in Portuguese 10 Aug 81 p 4] 11798

CSO: 3001/234

NATIONAL ASSEMBLY SUPPORTS SUPREME SOVIET APPEAL ON ARMS RACE

Havana GRANMA in Spanish 26 Jun 81 p 1

[Text of Resolution by Cuban National Assembly Supporting USSR Supreme Soviet Appeal on Armaments Race, issued in Havana on 25 June 1981]

[Text] The National Assembly of the People's Government of Cuba, meeting in its first ordinary session of 1981, expresses firm and resolute support for the appeal made by the USSR Supreme Soviet to all parliaments and nations of the world in connection with the critical international situation which has become more acute due to the dangerous stepping up of the arms race.

At various national and interrational forums, Cuba has explained its stance on and concern for the problems of war and peace. The struggle for peace is, without question, that most urgent, unavoidable and decisive task of our times. The ones who oppose that struggle and try to slow down the process of detente, by encouraging a return to the cold war, are the imperialists, the sworn enemies of the peoples.

Our people, who for more than 20 years have suffered in their own flesh the consequences of the cruel economic blockade and all kinds of acts of aggression inspired by U.S. imperialism, are in full solidarity with the worldwide call to resume negotiations on a limitation of the arms race. Never has the battle for peace been more necessary than now when weapons have reached such power of destruction and when the danger of mankind being exterminated is potentially greater. Cuba will never accept the idea that mankind is inexorably threatened by the disaster of a world holocaust.

The insecurity now hanging over Europe as a result of the program to deploy U.S. nuclear missiles in NATO countries also affects other areas of the world. The Indian Ocean, the Middle East, the Persian Gulf are serious hotbeds of conflict and, hence, serious threats to peace.

Nor has our continent escaped from that state of tension which is aggravated beyond measure by the aggressive policy of interference followed in the region by U.S. imperialism which has turned the area of Central America and the Caribbean into its new strategic target trying to stifle the legitimate struggle of the people for self-determination, sovereignty and territorial integrity.

Peace is essential to the fight for progress since to fight for peace amounts to fighting for progress and involves the eradication of deep inequalities which still exist as a result of colonialist and neocolonialist domination, racial discrimination,

racism, Zionism and apartheid. Efforts being made to establish a new international economic order which will be just and equitable are hindered by the policy of war and by the deterioration of the process of detente.

As stated by Commander in Chief Fidel Castro, president of the Council of State and Council of Ministers, in his closing address to the World Peace Council presidential session in Havana last April, "today's world must turn toward an urgently needed period of international cooperation if we really want to improve the living standards of the people, lift most of mankind out of their state of underdevelopment and protect international peace."

[Issued in] Havana City, 25 June 1981
"Year of the 20th Anniversary of Giron"

8796
CSO: 3010/1642

MILIAN CALLS FOR INCREASED AGRICULTURAL PRODUCTIVITY

Havana TRABAJADORES in Spanish 9 Jun 81 p 4

[Speech by Arnaldo Milian Castro, member of the Politburo and minister of agriculture, at the Third Congress of the National Union of Agricultural and Forestry Workers; date not given]

[Text] Comrades:

First of all, I should like to extend to the delegates at this Third Congress and the officials of the National Union of Agricultural and Forestry Workers (SNTAF) warm greetings from our ministry. We are confident that the decisions and resolutions of this great assembly of the men and women who cultivate the land in order to produce our people's food will constitute a valuable contribution to the effort of improving farm production until it is an efficient activity of our economy.

No one can question the significant work that the union has done in order to achieve the main goals and objectives of our ministry in all fields or the major role played by trade union organizations in attaining higher levels of production, fighting to improve agricultural yields through the proper application of better growing techniques, and moving steadily forward in other branches of farm production.

Of special relevance among the tasks performed by the trade union organization is the work done to raise the cultural level of the workers and to organize our labor resources. It has been constantly concerned with improving the living and working conditions of the farm worker, which has contributed to the gradual transformation taking place in agriculture.

As one delegate to this congress has said, cultural improvement must be completed by the technical improvement of the workers. For this purpose, the engineers and other university-level technicians working in the enterprises and the ministry's agencies can plan practical short courses on those activities involving workers and in coordination with the union, organize a program of technical training, without in any way encroaching upon the work of the training schools which the ministry now has or others that we must organize.

The boost which the union gives to the relationship between men and their work area as a means of organizing the labor force and thereby improve productivity and use our labor resources efficiently has already shown positive results: a major

reduction in manpower used on arable land, from 6.63 to 2.45 men per caballeria [1 caballeria = 33.2 acres], which also makes it possible to shift part of the labor force to the enterprises and help develop new areas of production.

Measures aimed at improving job safety and protecting the workers have the strong support of the union and administrative officials, which has made it possible for us to reduce the number of accidents on the job, with the resultant effect they have on the health of our workers and the progress of our economy.

Emulation

All these tasks have become slogans for trade union work, direct objectives of the socialist emulation that daily grows stronger and develops in all areas of our work, stimulated by the consistent and enthusiastic activity of the trade union and the administration, which makes it an indispensable element for the execution of the plans and goals proposed by our ministry. If we are to achieve the objectives set forth for agriculture this year and in the future years of this 5-year period, approved by the accords of our party's Second Congress, the socialist emulation must be a driving force for all our activities and have the determined support of the administration and the active, enthusiastic participation of our workers. We must work relentlessly to make emulation a common task of the union and the administration, for only in this way can it enable every worker to make the maximum effort to carry out his responsibilities and effectively combine his individual interests with the interests of all society.

Now then, progress achieved so far only indicates that we are in a position to begin the march down the path of developing agricultural production until it is on the level required by the socialist society we are building.

The socialist transformation of agriculture is a necessary condition for arriving at the socialist phase of the communist society and for our country, whose main source of resources is precisely agriculture. Achieving that transformation within the shortest amount of time is a task of prime importance.

We basically live off the resources that the land provides and we are a small country with a limited amount of arable land.

Comrade Fidel has repeatedly referred to this topic, to the need to make maximum use of our land, given the undeniable fact that land is a natural resource that does not expand and that our people, whose life expectancy is constantly increasing thanks to progress achieved by the Revolution in the field of health and living conditions, will witness a steadily expanding population.

According to information supplied by our ministry's Directorate of Soils and Fertilizer, we have a potential of about 5.8 to 6.3 million hectares of farmland, which represents a per capita figure of .64 hectare. If we consider that over 2 million hectares are used for export products -- indispensable sources of foreign exchange for our economy, such as sugar cane, citrus crops, tobacco, coffee and other items -- then the amount of land that we can use to produce food consumed directly or industrialized for the population, such as grain, rice, tubers, produce, some fruit, meat and milk, drops to only 4 million hectares, which gives us a per capita figure of .41 hectare, which may be reduced to only .31 hectare. By the year 2000,

if we take into consideration the predictions of population growth made by specialized organizations based on comparisons with world indexes, we would be one of the countries with the smallest amount of farmland per person in the world.

High Yields

These facts objectively demonstrate the need for a great intensification of farm production, the need to embark upon an accelerated process to achieve high yields per caballeria in all crops and high productivity from livestock. All our efforts must be aimed at attaining a high scientific and technical level making it possible to apply modern techniques in all agricultural enterprises so that at the same time we extract the greatest quantity of products from the land we cultivate, we shall also maintain the potential of our soil.

The fight for high yields in farm production is also a fight between principles, the principles on which socialist production and capitalist production are based. Socialism is a social system superior to capitalism and socialist agriculture must demonstrate that that agricultural production which is developed on the basis of social ownership of the means of production and which has the conscious participation of workers, who are now free of all exploitation, is superior to capitalist agriculture, a means of exploitation and enrichment for the landowning bourgeoisie or small farms where it is not possible to apply the advances of science and technology.

We are not a country that can aspire to a level of industrial development that will allow us to compete with the countries of the developed world. This is understandable. However, we are an agricultural country and we have the duty, the obligation, to arrive at a type of agriculture capable of competing with the agriculture of the most developed countries.

We shall not be the best producers of electronics, automobiles or industrial machinery and equipment, but we have to be the best producers of vegetables, the best producers of tubers, the best producers of rice, eggs, meat, milk and fruit. We have to be an example and we have the conditions to do so!

Already in some areas we have achieved yields as high as those of the best capitalist producers. In some provinces, we have managed to produce up to 260 eggs per layer and in others, we are achieving potato yields of nearly 8,000 quintals per caballeria. We are trying to create varieties of tomatoes guaranteeing yields of over 10,000 quintals per caballeria and we shall not cease in our effort to seek the best varieties, to apply the best growing techniques, to arrive at the proper density of planting, expand irrigation systems and technically train our upper-level personnel and workers until we guarantee that our agriculture is an example of productive efficiency and make it capable of competing with the most productive capitalist country. Some of these objectives will soon be achieved; others will take longer, but they will all be attained.

Making Enterprises Profitable

Indissolubly linked to this objective is the fight to make our enterprises profitable. It is not merely a matter of producing constantly more on a smaller area of land, but rather, of doing so at a lower cost also. Here we are still inefficient.

It still generally costs us more to produce something than what the enterprise gets for it. The government still spends more on agricultural production than what that production brings in. There are mainly organizational-type factors that have a negative impact on production costs and these must be eradicated. The fight to minimize the amount of unproductive personnel on enterprise staffs in order that wages will not burden the costs of productivity activity; the fight for rational use of farm machinery based on its maximum operation; a reduction in excessive spending in worker cafeterias; the elimination of all expenditures that have a negative effect on production costs; and a consistent policy of saving on the material resources invested in every activity: These, along with the fight for high yields, constitute the fundamental objective of our work and they must become the principal tasks of trade union organizations.

We are working to establish model enterprises, enterprises where, by means of a rigorous analysis of expenditures, we shall manage to determine which ones are indispensable, enterprises where we have adopted all the organizational measures making it possible to achieve high levels of production at the lowest possible cost. In this way, we shall be able to extend these experiments to the rest of our enterprises until they are all profitable. This was heavily emphasized at this Third Congress.

This policy in the national sector of our agriculture is tied to the fraternal emulation that emerges from and is consolidated between our enterprises and the agricultural cooperatives.

One cannot conceive of the development of our agriculture if, at the same time the enterprises and their management are strengthened, the cooperative movement is not also strengthened and developed. That formidable movement of our small farmers is rising to higher forms of production, strictly respecting the principle of the voluntary cooperation of our farmers, under the wise guidance of ANAP [National Association of Small Farmers], our party and the stimulus of the personal attention of Comrade Fidel to this important task.

Our ministry has a continuing responsibility, along with ANAP, for the task of setting up the Agricultural and Livestock Cooperatives (CPA) and for developing them. In their development, it finds a place for emulation for production efficiency, which must undeniably be turned into a matter of honor for our enterprises.

This year, we shall begin the administrative evaluation of enterprises in order to determine which ones are doing outstanding work on the basis of fundamental indicators of economic activity. We shall evaluate our enterprises and territorial delegations based on production costs, levels of output and productivity, the extent to which they carry out planting plans and the production levels achieved. The union has made this task its own and in complete identification with these objectives, has incorporated into its emulation plans the criterion that in order for an enterprise to be chosen as a vanguard of socialist emulation in our sector, it must be profitable. This very fact will undoubtedly help us achieve the goal. Already this year, it is certain that many Ministry of Agriculture enterprises will be profitable.

Creative Initiative

Comrades:

The ideas that we put before you are the fundamental lines of the ministry's work for this year and the coming years. In order to make them a reality, we have to work hard, using truly revolutionary methods. There will be no place for bureaucracy, conformism, mechanical attitudes, boredom or pessimism, manifestations that are foreign to the revolutionary spirit in taking up our tasks.

Let us use all the creative initiative of the working masses! Let us further our research! Let us see that every agricultural technician shows a constant desire to learn, the desire that motivates man in the search for ever higher methods of work. Then we shall have new varieties and new production techniques that are constantly more efficient!

These ideas cannot be taken as mere mottos; they have to have the extraordinary strength imprinted upon them by the practical activity of every worker, every technician, every official, so that they will become a reality. They must be in all our minds until we successfully achieve them.

We have countless problems to solve with farm machinery, not only with its more rational use, but also, its improvement. We must constantly search for implements suited to the characteristics of our crops in order that the machines we use will be more productive. We even need new machinery that will permit increasing mechanization of our agriculture. We need to manufacture and recover spare parts for farm machinery on a larger scale, which would make it possible to reduce imports of these elements and ensure us of a supply of parts so that our equipment will be in top operating condition.

The response to these needs on the part of the workers in our workshops and our inventors and rationalizers can only be called marvelous. Only a few days ago they celebrated their first national assembly and exhibited a range of machinery, implements and spare parts that are a proof of the creative initiative and revolutionary spirit driving our workers, which makes them worthy of our gratitude and congratulations for their meritorious labor.

In order to achieve all of this, it is important that the organizational mechanisms used by the administration and the trade union in the development and supervision of tasks, linking us together in the common objective of achieving greater efficiency in agricultural production, be ever better.

If the union is concerned and worries about production problems so that production will be constantly more efficient, our administration must see that the trade union improves and achieves higher levels of organization so that it will be much more efficient than what it is today. We have the duty to contribute to this effort, for it we managed to have a truly efficient administration and union, there will be no task, however difficult, that we cannot manage.

Production Assembly

Production assemblies must become activities ensuring the democratic participation of workers in the tasks of administering production and the ideal framework in

which the administration may report to them on the management of the enterprises, hear the masses' opinions, their concerns, suggestions and initiatives, allowing this fruitful exchange to advance agricultural production.

Equally important is greater attention to strengthening the role of collective labor contracts. The collective labor contract is the element governing relations between the union and the administration. It is the document which, based on the establishment of duties and rights of the administration and workers, makes it possible to carry out the tasks which both must undertake to attain the normal operation of any economic entity.

Responsibility and not formality must be the model guiding the drafting of the collective contract and its systematic inspection and adoption of measures tending to guarantee its effective compliance, the elements ensuring its existence as a regulatory document complementing the guiding activity of the economic plan of the socialist enterprise.

Comrades:

We have great tasks before us. We are practically taking the first steps toward their completion, but we are optimistic about the fighting spirit and revolutionary attitude with which our workers and upper-level personnel face them, about the awareness of the need to be economically efficient that is beginning to be manifested in all our enterprises with the support of the union organizations.

These tasks will have to be completed in phases, taking firm steps every year. As Comrade Fidel recently said in Valle de Caujeri, where he emphasized the praiseworthy work done by ANAP, of all these years of fruitful revolutionary work, we have this year the possibility of achieving the highest production in our history in over ten areas of farm production. In this 5-year period, we must see that a caballeria of land produces no less than 10,000 quintals of tubers and produce.

This would definitely mean making more food available to our people and it would be one more step in the consolidation of our efforts to increase production.

We value highly the work of our union on behalf of these objectives and believe that this congress will make an extraordinary contribution to their achievement.

This congress performs its work under the sign of the two main tasks set by Fidel and our party for everyone. It works for victory, with a spirit of victory, for production and for defense, and for that reason, comrades, we are certain that this will be a victorious congress.

Long live the agricultural and forestry workers! Long live the worker-farmer alliance! Long live proletarian internationalism! Long live Fidel! Fatherland or death! We shall overcome!

11,464
CSO: 3010/1682

COMMENTATORS ATTACK U.S. FOREIGN POLICY MOVES

Anticommunism, Cold War

Havana GRANMA in Spanish 15 Jul 81 p 2

[Article by Roberto Alvarez Quinones: "The Anticommunist Primitivism of the New Yankee 'Cold War'"]

[Text] Judging by events, the current American administration's frenzied anticommunist propaganda, out of phase in time and space, is attempting to turn back the clock and magically put the world back into the most primitive "cold war" period of the post-war era.

Washington's superhawks, who have been on top since the new administration took power, are attempting conjuring tricks with the almanac to go back to March 1947, when the troglodyte Harry Truman proclaimed his doctrine of "containing communism" and officially began the age of atomic blackmail, witch-hunts, the most brazen and ridiculous anti-Sovietism which characterized Yankee policy from the end of the 1940's to the beginnings of the 1960's.

The most eminent leaders of the new administration begin with the highly original reasoning that the "cold war" has never ended, and that therefore the coarsest anti-Sovietism and anticommunism should be at the heart of United States foreign policy.

And in order to carry out this strategy they argue that "the United States must once again have clear military superiority over the Soviet Union," as Ronald Reagan said on 18 February 1981. That strategy is very clearly outlined in the Republican Party platform, which states that U.S. foreign policy will be based upon "containment of communism" and "strength," while specifying that in order to achieve that, "military and technological supremacy over the Soviet Union must be achieved."

After blaming the Carter administration for the "military decline" of the United States, the Republican platform affirms that the Reagan government "will strive for rapid modernization of our armed forces." And it adds with all brazenness: "In addition, strategy must foresee military actions at all points of possible Soviet vulnerability, as an expression of the classic doctrine of world control."

And it adds, "The Republicans will embark on an urgent effort to rebuild the intelligence agencies, and to give full support to their renowned and dedicated personnel. We will introduce legislation that will permit intelligence officers and their agents to operate safely and effectively abroad."

"In other words, the Republican administration will grant even more power and impunity to the CIA and their spies and henchmen, so they can commit more crimes and villainies on the world level, just as in the good old days of the "cold war," but with many more technical resources.

In fact, when the shape, actions, and plans of the present North American government are evaluated even superficially, the first thing one notices is their extraordinary primitivism, their anachronistic and simplistic thinking, under the common denominator of aberrant and morbid anticommunism that is beginning to alarm not a few Western political observers.

In this regard, for example, American analyst William M. LeoGrande of American University in Washington, D. C., has noted that "In foreign as well as domestic policy, Reagan offers simple solutions to complex problems. He routinely blames adversity abroad on Soviet conspiracy, suggesting that a hard line against the Soviet Union will be enough to recover the world hegemony enjoyed by the United States during the 1950's."

Remarking that during his electoral campaign Reagan used a great deal of rhetoric about a supposed "Soviet threat" and "said virtually nothing on the subjects of North and South, the growing nonaligned nations movement, or the new international economic order," Professor LeoGrande notes that Reagan "believes that political unrest is invariably the product of foreign subversion and not intolerable living conditions."

The former campaign director for the new U.S. president, John Sears, referring to Reagan's notion of world reality, told the NEW YORK TIMES that "there is a generation gap between what Reagan thinks he knows about the world and actual fact. His is a 1950's kind of world. He sees the world in black and white."

Or rather, just as John Foster Dulles saw it in the 1950's, now a government is "good" or "bad" according to its attitude toward the USSR. The new Yankee government team does not even tolerate the so-called ideological pluralism. As far as the present administration is concerned, the governments willing to join the "crusade against communism" will be treated as friends and those which do not allow themselves to be carried away by such provocation will be treated as enemies. Thus any country that mainly has cordial relations with Lenin's fatherland or another socialist country will be declared "adversary" of the U.S., with the resulting punishments of harassment, elimination of credits or "aid," pressure and direct attempts to distrupt the stability of such independent governments.

Therefore, within the framework of this political primitivism, Washington supplies money, arms, and "advisors" to the genocidal pack of El Salvador; it harasses, obstructs, and trains mercenaries to send against the revolution in Nicaragua, threatens Grenada, increases military and economic support to Pinochet and all the tyrannical regimes of Latin America, Asia, and Africa.

Therefore, more than ever before the CIA is the main instructment for conducting U.S. foreign policy. Reagan, like national security advisor Richard Allen, Alexander Haig and William Casey, director of that terrorist organization, has stated publicly that CIA covert operations will be increased. It should be recalled that Haig was one of the architects of the CIA covert action program against the government of Salvador Allende.

This anticommunist primitivism is extremely dangerous. Playing at war and the bluster of former times is highly irresponsible, with the fantastic power of nuclear destruction that exists today. Apparently the Yankee administration has not noticed that the era of "putting fear into everyone", acting as international policeman and imposing Washington's will be force is past.

Anticommunism, anti-Sovietism, fomenting counterrevolution, and suppressing any revolutionary movement that may exist, are still the backbone of North American world forces, the increase in national liberation movements, and so forth, the Yankee government teams for the last 20 years have been forced to adopt less arbitrary and primitive tactics, tactics which are more pragmatic for the North American empire's interests.

It would not occur to any serious politican in the United States to blame any popular protest against social injustice on phantom "international communism maneuvers."

But now, counter to historical reality, less than two decades before the year 2000, the team that has come to power in Washington is trying to "recover" the hegemony the United States held in the world for years, when the general crisis of capitalism was not advanced so far and the new world of socialism and of people emancipated from the colonial and imperialist system were not so strong and numerous.

It must be remembered, as William M. LeoGrande has cautioned with regard to Latin America, that "it is no longer possible for the cowboy in the white hat to ride his horse to the top of San Juan Hill and make the hemisphere follow the United States. Too many things have changed since the days when the gunboats and the dollars were a suitable basis for United States diplomacy."

Arms Race

Havana GRANMA in Spanish 17 Jul 81 p 2

[Article by Jose Benitez: "Arms, 'Marathon' of Yankee Imperialism"]

[Text] Once Albert Einstein was asked his opinion of what the most deadly weapon in the third world war might be, and the wise man replied, "I do not know, but in the fourth world war, it will be the stone ax." Einstein's answer expresses one of the great paradoxes of our times, which is the existence of an uncontrolled arms race and a fabulous arsenal of nuclear weapons, on the one hand, and, on the other, the uselessness to mankind of that arms race and arsenal of nuclear weapons.

During the last decade the existence of nuclear weapons has increased so much that with what has been stockpiled at the present time, mankind could be exterminated 15 times over. The explosive power of all the nuclear weapons on earth distributed among the 4 billion inhabitants of the planet is equal to 4 tons of dynamite per person.

Nonetheless, there are people in the world--mostly in the United States--who encourage and applaud the growth of the arms race and who even consider the "limited use" of nuclear weapons "beneficial." On the North American list are military men and politicians, businessmen, Republican and Democartic senators and representatives, bankers and investors, economists and philosophers, and even clergy.

For example, a few years ago one pictured Monsignor Philip Hannan, bishop of Washington, D. C., reading this Sermon on the Mount or the Beatitudes in his diocese in the American capital; one pictured him offering the body and blood of Christ in the form of bread and wine; one pictured him saying the catachumen's mass. But I know that the prelate appeared once in Rome and in the midst of the 1964 Ecumenical Council argued the position that nuclear weapons "may have limited use."

Of course it is not the church or the poor and discriminated of the world, or the North American people and mankind in general who profit from the arms race and the stockpiling of atomic bombs. Not even the United States, which began the arms race, gains any political, military, or strategic advantages from it.

The consortiums and businesses that make up the military-industrial complex of North American imperialism are the ones who profit most from the arms race and stockpiling nuclear weapons.

In the first volume of CAPITAL, Marx includes a quote from the English magazine QUARTERLY REVIEW which seems to have been written for the great consortiums of the American military-industrial complex of our times:

"Capital abhors the absence of profit, or of too small a profit, just as nature abhors a vacuum.

"As profit rises, capital becomes bolder. Assure it 10 percent, and it will go anywhere; 20 percent, and it will be encouraged; 50 percent, and it will be positively reckless; at 100 percent, it is capable of surmounting all human laws; 300 percent, and there is no crime it will not risk, even though it faces the gallows."

A group of five large monopolies--Lockhead, General Electric, General Dynamics, McDonnell Douglas, and United Technologies--fill a quarter of all the Pentagon contracts, and 25 consortiums share half of all the American government contracts, including Rockwell Corporation, Boeing, Grumman Aircraft, Northrop, Hughes Aircraft, Litton Industries, Westinghouse Electric, Ford Motor Company, General Motors, Kaiser Industries, and Radio Corporation of America.

Arms race ideologues have even formulated a so-called "theory" which states that weapons production contributes to the prosperity of society, and increased military spending means expansion of the war industry and creation of new jobs.

However, the International Labor Organization has determined that billions of dollars invested in increased military production could create 32,000 jobs, but that that investment in the civilian sector would create between 80,000 and 150,000 jobs.

In the first Regional Meeting of Nongovernmental Organizations on Disarmament, organized in Mexico by the United Nations, that country's permanent representative on the UN Disarmament Committee, Alfonso Garcia, revealed that during 1980, "world military expenditures were about $500 billion, and this year they will be over $600 billion."

That is not science fiction, but reality in a world in which millions of human beings do not have the basics for survival; a world in which over 40 million people starve to death every year; a world in which 500 million children suffer from malnutrition

and disease; a world in which about 1.5 billion men, women and children do not receive medical care; a world with 800 million illiterates and a deficit of 300 million houses.

In this world, the price of a North American nuclear submarine could build 1,800 hospitals with over a million beds, and what the United States invests in building a nulcear aircraft carrier could build 4,000 schools for 2.5 million children.

The fabulous resources which the arms race consumes and squanders, if invested in the civilian sector, could raise the level of personal consumption of goods and services, increase production capacity, encourage housing construction, and eliminate the slums and marginal housing in the large capitalist cities, and improve education or bring it to where it does not exist at this time.

In 1980, with the resources invested in the arms race, 800,000 schools for nearly 500 million children could have been built, or 50 million houses for 250 million people could have been built, or about 30,000 factories opened giving jobs to over 30 million men, or 250 million hectares of land could have been prepared for irrigation, which, given an adequate level of technology, could feed over 1.5 billion people.

Modern man, and mankind in general, has before him three vital and closely linked goals; peace, disarmament, and development.

The three are threatened by North American imperialism's policy, which encourages the arms race, disturbs world peace, and blocks the socioeconomic development of two-thirds of mankind.

A policy which, it has been charged, seems to say "arm yourselves each against the others."

8587
CSO: 3010/1687

MONTANE RECEIVES VISITING FOREIGN DELEGATIONS

Japanese Parliamentarians

Havana GRANMA in Spanish 30 Jun 81 p 3

[Text] Jesus Montane, alternate member of the Politburo of our Communist Party, member of the Secretariat and chief of the General Department of Foreign Relations, received a Japanese parliamentary delegation which is visiting our country and is headed by Haruo Okada, vice president of the House of Representatives in the Japanese Diet.

A cordial and friendly atmosphere prevailed during their exchange of impressions on matters of mutual interest.

The parliamentary delegation also included deputies Hironori Inome, Yoshikazu Kitagawa, Seiichi Kataoka, Mikio Abe and Toyohiko Mizuhira and was accompanied by the Japanese ambassador to our country, M. Tsukamoto.

Also attending, on the Cuban side, were officials from the General Department of Foreign Relations, from the National Assembly and from the Ministry of Foreign Relations.

Meeting With Roa

Raul Roa, acting president of the National Assembly of the People's Government, also received the Japanese parliamentary delegation headed by Haruo Okada.

The meeting took place in a cordial atmosphere and there was an exchange of views on various subjects of mutual interest, especially on bilateral relations between the two institutions which they represent.

The Japanese delegation has a wide program of meetings with a number of Cuban officials who are responsible for various aspects of bilateral relations between the two countries.

Portuguese Communists

Havana GRANMA in Spanish 30 Jun 81 p 3

[Text] Jesus Montane, alternate member of the Politburo and member of the Secretariat, had a fraternal meeting with Antonio Gervasio, member of the Politburo of the Portuguese Communist Party, who is in our country with his wife in answer to an invitation issued by the party Central Committee in the context of a program of exchanges and cooperation between the two parties.

During the meeting, which took place yesterday morning at the Central Committee headquarters, the two leading officials exchanged details about the main tasks carried out by their parties and discussed other topics concerning the national and international scenes. Later, the visiting delegation met with Juan Jose Leon, alternate member of the Central Committee and vice president of ANAP [National Association of Small Farmers].

Earlier, Arnaldo Milian, member of our party Politburo, had a friendly meeting with Comrade Gervasio and his wife.

While in our country, the delegation has visited Matanzas and Camaguey provinces, touring places of economic, historic and social interest and had talks with Esteban Lazo and Luis Rodriquez, alternate members of the Central Committee and, respectively, first and second secretaries of the above mentioned provinces.

8796
CSO: 3010/1647

HAVANA SCORES PINOCHET'S REGIME, U.S. SUPPORT

U.S. Friend

Havana GRANMA in Spanish 15 Jun 81 p 6

[Article by Juan Marrero: "His Yankee Master Pays Attention to Him and Flatters Him"]

[Text] Lately, Pinochet has been jubilant. His happiness flows with the same abundance as the blood shed by his criminal hands. And the reason is that Yankee imperialists are paying attention to him and flattering him again, openly and without making any secret of it. Any fascist like Pinochet loves that sort of gesture, particularly when made by those despicable people who helped him to become the ruler of Chile and who never stopped nurturing him although at times they had to do it in secret to avoid world criticism. As everybody knows, the new U.S. administration has dropped the fig leaf of its propaganda campaign on human rights and has proclaimed that friends of the United States are friends of the United States no matter how bloodthirsty, criminal, crooked or vile they may be. This is an old imperialist philosophy, so old that several decades ago a president in Washington brazenly said referring to Somoza, the Nicaraguan tyrant, that he was "an SOB, but he is our SOB." And Pinochet is happy to see that this philosophy is now in full force. Rene Rojas Galames, the Chilean fascist foreign minister, is now in Washington. He brought in his briefcase a message from Pinochet to the U.S. administration in which the former expresses, according to the AP, "his satisfaction with the obvious progress made in Chilean-U.S. relations since Reagan came to power." Some of the key figures of the Washington administration have met with the fascist foreign minister. He met with Vice President George Bush, with Secretary of State Alexander Haig, with Jean Kirkpatrick, ambassador to the United Nations, with Frank Carlucci, deputy secretary of defense and former CIA director; with Republican Senators Howard Baker, Charles Percy, Mark Hatfield and Jesse Helms and many officials from the State Department. The Yankee news agencies, which gave wide coverage to the visit, mention the cordial atmosphere during these meetings while they try to make public opinion believe that "economic progress and institutional changes have taken place" in Chile. Also mentioned are the plans to repeal an amendment adopted by the American Senate in 1976 that prohibited providing military assistance to the Pinochet regime. Pinochet has cause to be happy for the same reason that a few weeks ago the racists of South Africa were also pleased. It is true that the people reject Pinochet but his master pays attention to him and flatters him. A fascist needs these kinds of things to be happy.

People Not Dominated

Havana GRANMA in Spanish 26 Jun 81 p 6

[Article by Luis M. Saez: "Pinochet Does Not Really Dominate the Chilean People"]

[Text] Just a few months after Pinochet was "crowned" president of the republic, the Chilean resistance has spoken again in a convincing manner.

Last Monday, commandos of the Popular Resistance Militias (MRP) carried out three perfectly synchronized operations, two attacks against police stations and a holdup in a branch of the State Bank where they recovered $75,000. During the clashes, in which four agents of the fascist junta, including an officer, were killed and three others injured, the revolutionaries demonstrated a perfect organization and displayed weapons which have got the military who work for Pinochet even more scared than usual.

Submachine guns and bazookas were used during the operations in which the commandos first launched an attack against a station of plain clothes policemen and later turned against a unit of carabineers (paramilitary police).

Commenting on the operations, the daily newspaper LA SEGUNDA described them as "terrifying" and "murderous" and claimed to be appalled to see "a real extremist army of about 60 subversive elements who carried submachine guns, weapons of the type used in wars, grenades and bombs."

But what is happening in Chile if not a war against the fascist dictatorship? One could ask the surprised writer of LA SEGUNDA.

Chile has been subjected to fascist terrorism for almost 8 years. Murderous reprisals and countless disappearances have marked the road followed by the junta during that time.

In a communique released to the news media in Santiago, Chile, the commandos said that "the attacks against the police and detectives (plan clothes police) stations were a retaliation on the part of the popular resistance against the policy of repression followed by the dictatorship."

Undoubtedly, Pinochet has not dominated the Chilean people.

With this operation, one of the most convincing in recent months, the Chilean revolutionaries have just broken the wall of silence built around the resistance movement in Chile and they did it in the only way that draws people's attention--with weapons in their hands.

The communique also points out that "operations like the present one to fight repression will continue to take place as long as repression is used in the country against the people and as long as human rights are not observed."

This revolutionary operation comes on top of other actions which started in September when other banking institutions were held up, luxury nightclubs for the entertainment of the bourgeoisie were burnt down, and attacks were launched against police stations and offices of the CNI (National Intelligence Headquarters), as corrupt and terrifying as its predecessor DINA (National Intelligence Department).

It is very difficult to predict what the future holds in store for Chile but a document circulated by the MRP points out that "all the money will be used to finance the political and military activities of the popular resistance."

Indeed, Pinochet has not dominated the Chilean people.

8796
CSO: 3010/1642

COLOMBIAN AMNESTY FOR REVOLUTIONARIES RIDICULED

Havana JUVENTUD REBELDE in Spanish 1 Jul 81 p 4

[Article by Jesus Suarez Moreno: "Colombia, Shameful Amnesty"]

[Text] The Colombian military, which is the same as saying the real power in that country, has recognized that the so-called institutional amnesty law is not working and that its failure seems inevitable "unless the guerrillas "take refuge in it at the eleventh hour."

This is a useless hope of the minister of defense, General Luis Carlos Camacho Leyva, the hero of the above statement. As a well known Latin saying goes, even he himself does not believe what he said.

And if there were doubts about the truth, Camacho Leyva himself, perhaps very much to his regret, took charge of dispelling them when he stated the following: "The failure of the amnesty will not be the fault of the government, but of those who did not accept it."

What a clumsy and contemptible political maneuver it is to attribute to others one's own mistakes and which, all things considered, is useless because at the present time there is no sensible person in Colombia or abroad who believes in the validity and fairness of an amnesty project that was dead practically at birth. It never existed.

Background

It was all somewhat like a kind of magic trick or trick by fraud with which Turbay Ayala's government tried to present itself as a guarantor of social peace and restorer of the very democracy that, paradoxically, it had brought to a crisis.

This "dirty trick" by the military and Turbay, which is clear today, confused some at the beginning. They tried to reverse the situation and show the movements of armed resistance as stubborn elements opposed to a national dialogue.

Nothing is further from the truth. The objective they pursued at any price was to search for a pretext to legitimize and to institutionalize the violence and represssion that is daily exercised against the people.

We must note, moreover, that the moment at which the offer of amnesty occurred and the call for a dialogue from the Turbay government was exactly when the name of Colombia was--and is--associated internationally with a genuine wave of accusations and testimony about torture and other violations of human rights in this country, combined with a perspective of growing domestic dissatisfaction among the people because of the economic and social picture.

The takeover of the Dominican Republic Embassy in Bogota by M-19 brought to a climax the disclosures about "the other face of what is called Colombian democracy." Such is the daily business of a nation that proclaims itself a representative democracy, despite having lived for the last three decades under a permanent state of siege and where hundreds of political prisoners remain in jail, periodically subjected to swift councils of war and deprived of any kind of legal safeguards.

But there is more.

President Turbay, with the support of publicity furnished by the national bourgeois press organs, credited himself with the "dialogue" initiative when it was M-19 who first expressed this plan and then repeated it by proposing the meeting in Panama between the government and various political forces that were pleading for an agreement to face the crisis in Colombian society.

The response of the Chief Executive at that time was categorical: "he would not debate with common criminals" and he went ahead to order a new raid against M-19. Such were Turbay's proposals for a dialogue, very closely tied to his party's re-election aims.

The statements and deeds of the Colombian president perfectly fit in with the favorite slogan of his war minister, Camacho Leyva, when he mentions the guerrillas: "They will surrender or we will destroy them."

And thus it is not strange that the spirit of the Amnesty Decree should conform to the letter to the above idea.

The insurrectionary movements are asked to lay down their arms, without any guarantees. In addition, the law excludes political prisoners already convicted and those awaiting trial. All of this would help only the opposition parties recognized by the government.

This is the best proof of Turbay Ayala's "generosity": to demand from the armed groups an unconditional and humiliating surrender, thus betraying a people who have been left with no other choice but to brandish their guns to assert their rights, which have been denied by the oligarchic and pro-imperialist sectors, propped up by the armed forces.

Peace under force seems to be the motto of the Colombian generals, who months ago mounted in the Caqueta region one of the biggest military operations remembered in Colombia, as if to reaffirm their good intentions.

This is what the government's promises of pacifist dialogue have been reduced to; they are unfulfilled, as happened in the discussions with the union head offices, where there was a lot of talk and everything remained the same: salaries frozen and prices constantly rising.

Or the dialogue with the university professors that resulted in the present closing of six universities, or with the school teachers or the dockworkers, who have no other option except the strike, as well as the political prisoners, who last week carried out a 72 hour hunger strike to demand safeguards in their trials.

The examples are plentiful.

The time period fixed for the so-called amnesty law for the guerrillas to lay down their arms and to avail themselves of the decree expires in a month.

But it is not necessary to wait so long. Minister Camacho Leyva foresaw the answer: the battle will continue, with or without amnesty.

9545
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SALVADORAN GOVERNMENT CRISIS DESCRIBED

Havana GRANMA in Spanish 13 Jul 81 p 6

[Article by Luis M. Arce: "The Salvadoran Crisis"]

[Text] The Salvadoran Government is in crisis as it has always been.

The difference now is that for the first time the native oligarchy is feeling the effects.

The minister for economy, Guillermo Diaz Salazar, who is also the spokesman for the private business sector, recently admitted that the economic crisis was inevitable and, which is the most serious part, that there is no solution for it.

Abdul Gutierrez, the military chief, immediately accused Diaz Salazar of committing a crime against El Salvador's economic stability, but with this threat Gutierrez could not silence the alarmed businessmen who publicly stated through economist Enrique Hinds and the president of the Coffee Growers Association, Wendell Francis Gomez, that "the government is leading us toward economic disaster."

The oligarchy's fears are extremely justified:

The national bank has no currency, and during the last 3 years a flight abroad of $2 billion has been recorded; there is no private investment and public investment was 50 percent below plan last year; the trade balance deficit anticipated for this year is about $270 million, but the experts think that it can double due to the fall in the price of coffee; the GNP decreased in 1980 by 10 percent, and the outlook for this year is bleak: to achieve even zero growth the government would need an injection of $260 million, which it intends to seek from the IMF and the World Bank. However, the experts assert that given the disaster we are observing in agriculture, industry and construction, the 1981 GNP will fall 4 percent below the 1980 figure. To make matters worse, the overloading of the international coffee market caused trimming of the Salvadoran quota, and the country has a surplus of coffee beans that it does not know where to place. Wendell Francis has said that the present coffee prices have made the panic spread, and the growers, who are less calm in their judgment, have stated emphatically that "if the coffee growing sector collapses, the nation will sink."

In the face of their fear of the bankruptcy toward which the fascist junta is leading the country, the local oligarchy decided to no longer hide its disagreements with the Christian Democratic military government, which caused the puppet Napoleon Duarte to describe these bourgeois as rightists and to state that they represent "a greater danger than the left to the country's stability."

Translated into the language of actions, Duarte's words mean that Salvadoran fascism is continuing to lose allies and that the struggle is no longer only against the working people.

We now understand perhaps a bit more clearly the reason for the yankee administration's obsessive concern about preventing the economic collapse of the junta through inventing partnerships and attracting non-North American capital to conceal the support the United States is giving the fascists. The "mini Marshall Plan," the idea of "the Caribbean basin" and other notions of that sort have under their shining epidermis of "aid for development" with which they have tried to cover themselves the ugly and thorny back of a porcupine on whose bristles the yankee imperialists are seeking to nail the yearning for political and economic independence of the peoples of this area, particulary the Salvadorans.

The yankee concern in the face of El Salvador's economic crisis and its political consequences and the increasingly open confrontation between the fascists and private businessmen also reveal something that we have already pointed out on other occasions: the imperailists' fear even of bourgeois democracy.

The United States does not want to play the card of representative democarcy in El Salvador because this system, which fit a neocolonial model of political and economic relations of dependency on imperialism, allows too many liberties under the new conditions of concentration of capital and exceeds the limits of imperialist domination.

We must thus agree with minister Diaz Salazar that the crisis is inevitable, but we reject the statement that there is no solution for it. There is one, certainly, and it is what the Salvadoran people are seeking through their vanguard, the Farabundo Marti National Liberation Front.

9545
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POLAND'S SOLIDARITY, ITS DEMANDS DESCRIBED

Havana GRANMA in Spanish 14 Jul 81 p 6

[Article by Alcibiades Hidalgo, special correspondent of PRENSA LATINA: "What 'Solidarity' Wants"]

[Text] Warsaw--It is not difficult to hear Lech Walesa during these few warm days of the Polish summer.

The chairman of the parallel union, Solidarity, speaks frequently before dissimilar audiences. He travels around the country. He repeats the same ideas time and time again, always pursued by a swarm of photographers and an inseparable bodyguard.

This past weekend, on the eve of the ninth extraordinary congress of the Polish United Workers Party [PZPR], Walesa is speaking to workers in the Lenin shipyards, at the port of Gdansk, where the strike wave of this last year got started and where the national headquarters of Solidarity is based today.

The small shipyard stadium is, however, big for the sparse crowd that hardly fills one of the sections. The temptation of a Saturday off, exacted among last year's union demands, seems to have been more powerful than the prospect of a sunny afternoon devoted to the antigovernment oratory of Solidarity's president.

Wearing in a T-shirt announcing the success in Cannes of Andrej Wajda's most recent film, in which Walesa plays himself, he answers countless questions raised by the audience in writing and handed over to an efficient security and peace keeping service.

What did Solidarity do to shorten the waiting period for housing? Will you defend the leaders of the Alliance for an Independent Poland? Why do you always compete with Andrej Gwiazda? Do you believe that you are always right?

Walesa answers. He endlessly answers the many questions generated by this jumbled type of debate, which is advocated by Solidarity because they consider it the most complete form of democracy.

"Give short replies to short questions," states another leader in the union, who joins the already endless list of those who are criticizing the founder of Solidarity or who are competing for power within the new organization. Because Solidarity is in the midst of an election campaign, the meeting in the Lenin stadium is just one of the many electoral gatherings for the regional elections in which four other candidates are contending with Lech Walesa for the union presidency in the most important Polish port on the Baltic.

Among them, paradoxically, are the two vice presidents of the national coordinating committee of Solidarity, which acts as the leadership in the movement, Andrej Gwiazda and Bogdan Lis, both from the same electrical products factory in the Gdansk region, who do not hide their disagreements with Walesa.

Above all on questions of method, the "radical" Lis told us at the union's national headquarters in the center of Gdansk in a five-story building that bears more resemblance to a French univerisity in May 1968 than to a site allotted to union business.

"Walesa wants certain concessions to be made to the government. I do not trust the authorities," explained Lis, who considers himself the representative of one of the currents who are driving toward an immediate confrontation with the Polish authorities.

Neither does Lech Walesa for his part stint on criticism of the endangered Polish state organization. Before the shipyard workers, Walesa again demands a television channel for his union, promises that in the future Solidarity will be responsible for supervising all the country's problems, "even the separation between the tracks of the railroad," he says sarcastically.

A few days before, at Solidarity's regional assembly in Warsaw, where Walesa had participated to try in vain to prevent the "radical intellectual groups" from monopolizing the leadership of the capital's union, he talked about Solidarity's future strategy once the party congress was ended.

He stated that in the future there will be new and broader demands but that his present tactics are to consolidate what has been gained. "We do not achieve anything by now signing new agreements with the government, which we know they will not be able to fulfill," Walesa asserted with implied acknowledgment of the critical economic situation that the country is undergoing, and which worsened after the wave of strikes that has already lasted more than a year.

Walesa also spoke of the new weapon that will soon appear on the Polish scene, the "active strike." With this method production will not be halted but will continue, this time under the leadership of the union, which in this way is trying to overcome the unrest that is appearing in its ranks due to prolonged social agitation and shortages.

Who will distribute what is produced? Who will coordinate the indispensable ties among enterprises? Who will collect the profits generated by the "action strike"? There is still no clear answer from Solidarity to these questions that does not contradict its supposed position of not replacing the government's authority.

From the first demands, which since the start of the events in August 1980 went beyond the strictly union framework, the movement presided over by Lech Walesa is now ready, in the words of the leaders themselves, to "arrive at a new phase."

In Solidarity's 36 regions discussions are increasing about a national program whose final goals will be determined at the organization's congress in August and whose debates show the dissimilar trends present in this heterogeneous movement.

"The basic issue now is that of self-management," thinks vice president Lis.

Solidarity, claims Lis, opposes the plan put forward by the government on this central topic of current Polish life and which is now being discussed in a committee of the Sejm.

"We will submit our counterproposals to this law and if they are not approved, then we will put them directly into practice in the nation's enterprises," Lis specifies, confirming his position as an advocate of action without delay against the guidance of the Polish party, in which, however, he maintains his status as a member.

"We can impose our own solutions on the government," Lis adds. "Eliminate its authority. Make it lose control over the industrial enterprises."

What will this self-management proposed by Solidarity be like? Above all it will be an unprecedented solution, strictly "Polish," emphasizes Lis.

Their present plans, he asserts, are not based on the experience of other European countries. What they are proposing is an almost total freedom in the direct management of enterprises, including the right to decide their own plan, to elect the managers of the enterprise and to grant the possibility of exporting and importing products and raw materials directly to the factories, including those of the small private industry that exists in Poland.

This economic reform will have to be accompanied by political reform, Lis believes.

The question of whether these changes are compatible with Poland's socialist system causes a linguistic confusion about the meaning in Polish of "system," "regime" and "structure" that Lis resolves with the formula, "the structures will be changed but not the system."

These reforms, Lis also points out, will include in the future demands for changing the parliamentary structure. Along with them, at the factory level, the methods of self-government or self-management of enterprises will take shape that Solidarity is now studying.

"We anticipate that after the congress, the party's position will become more inflexible," Lis continues. "Perhaps personnel changes may result, but this does not interest us. We do not want people like Tadeusz Grabsky or Stefan Olszowsky in the leadership, but neither are we campaigning against them," the young Solidarity leader adds contradictorily.

Lis' opinions are not the only ones within this widespread movement. But they are representative of the problems that Poland must still face after a few short months of apparent social calm and the reorganization of power that the national congress of Solidarity involves, which will take place shortly after the conclusion of the party's highest assembly.

The differences between "radicals" and "moderates" inside Solidarity seem not to go beyond the sphere of strategy. Perhaps for this reason Bogdan Lis had no answer to the question about the apparent contradiction between his attitudes as a "radical," which have, however, a political origin in the Polish left and those of Catholic and "moderate" Lech Walesa.

9545
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DAAFAR MAIN GENERAL COUNCILS HOLD MEETING

Havana VERDE OLIVO in Spanish 5 Jun 81 p 57

[Text] Recently, a meeting was held at a DAAFAR [Antiaircraft Defense and Revolutionary Air Force] unit to summarize the overall control carried out by the main general councils over the eastern territorial general council and subordinate organs.

Maj Gen Ulises Rosales del Toro, commander of the Eastern Army, and Brig Gen Juan Escalona Reguera, acting minister of the FAR [Revolutionary Armed Forces] for civil defense, both members of the Central Committee of the Communist Party of Cuba; the attorney general of the republic, Idalberto L. de Guevara Quintana; the assistant attorney general and head of the main general councils, Justice Col Mario Albarello Garcia; and other commanders and officers of the Revolutionary Armed Forces presided at the meeting.

The concluding address was delivered by Justice Col Mario Albarello, who stressed the importance of the fact that this territorial organ of the military general councils won the designation "good."

He said that the successes achieved in the preparation of penal court cases, including the speed of handling, have been significant. Also, the work done in the prevention of crime and other violations of the law and in legal education have improved in quality and variety.

The collective of eastern territorial main general council officers was congratulated on the results of its work.

5157
CSO: 3010/1601

FAR AGIT-PROP NATIONAL REVIEW MEETING HELD

Progress Noted

Havana VERDE OLIVO in Spanish 12 Jul 81 p 12-13

[Article by Lesmes La Rosa]

[Text] The National Seminar on Propaganda, Agitation and Mass Cultural Work has confirmed that the ideological work of the FAR is moving ahead toward still greater undertakings.

Whenever we make a brief stop along the way to take stock, elementary revolutionary modesty and the principle that one can always do more make us realize that the greater part of the journey still lies ahead. The stages already traversed, however, provide us with experience and guidance to enable us to undertake tasks of still greater magnitude.

On this basis one can say that the results of the National Seminar on Propaganda, Agitation and Mass Cultural Work in the FAR serve as a guide to make the ideological work carried out in our military institution worthy of the 25th anniversary of the landing of the "Granma" and the creation of the Revolutionary Armed Forces.

More than a mere pronouncement, these results represent the firm intention of the political workers to become more efficient in their ideological work, which is an essential foundation on which to build the combat readiness and preparation of the units.

Progress Made

One of the basic aspects of the Central Report to the seminar is its critical and self-critical character. Every paragraph and every line goes to the heart of the problem and arrives at the most appropriate conclusions.

In the political, moral and psychological preparation of FAR personnel, for example, a principal role is played by the Marxist-Leninist training of officers and by the political classes for sergeants, soldiers and seamen. The seminar concluded in this regard that despite the difficulties encountered, the results achieved are satisfactory.

This conclusion can be illustrated, moreover, by pointing out that during the instruction year just concluded the officers began the study of the theory of scientific communism, while the noncommissioned officers completed a course of study covering the elements of the economics of capitalism.

In compliance with the directives of the Central Committee and Central Political Directorate, this stage of the journey included a study of speeches by party and government leaders, as well as of the Central Report to the Second Congress and the closing address delivered at that great event.

An abundance of extra effort and labor went into the preparation of the material base for the course of study in the theory of scientific communism. The seminar accordingly used the occasion "to express our appreciation to the comrades of the Political Section of the Eastern Army--and to the collective of the workers of the newspaper COMBATIENTE and Department of Design of FAR headquarters--for their interest and for the quality of the work done."

No less important is the political preparation of sergeants, soldiers and seamen, who through implementation of the system of permanent textbooks are realizing increased savings in time, materials and labor.

The instruction in this field has made it possible to enhance the store of knowledge in areas as vital as the obligations of military personnel in connection with their training for the defense of the fatherland.

This overall review naturally included the projection for the coming instruction year inasmuch as the commissioned officers will continue their study of the theory of scientific communism, while the noncommissioned officers will take a course of study in the economics of socialism, to be given in close coordination with the practice of socialist construction in our country and with life in the units.

One of the basic elements in the process of developing the activities of the party is the internal education of the party membership. The seminar participants learned that progress has been made in this area in terms of development, organization and content.

Numerous courses, therefore, are currently being given at the basic, intermediate and higher levels with an acceptable matriculation of party and UJC [Union of Young Communists] members who are participants in the system of party education. At the same time, the study circles of the FAR civilian workers have maintained their steady progress, while the courses for officer candidates are accomplishing their objectives and are being presented in an acceptable manner.

Despite these accomplishments the work has not been free from difficulties, but the seminar expressed the belief that "we are in a position to eliminate the shortcomings reported, and consolidate the work of internal education, within the current 5-year period."

Mass Agitation and Other Aspects

Turning to the subject of mass agitation, we note first of all that there has been an increase in the quality of the work done in this area. This success is the result, among other things, of the improved performance of the structures designed for these tasks together with improved utilization of the time spent in mass political work. The units are also planning their activities in such a way as to incorporate qualitative improvements in respect to content, and the various forms of activity in the areas of propaganda and agitation are being carried out more effectively.

Efforts have also been centered on propaganda in the form of lectures. The political organs have formed the groups of lecturers and organized the advanced theoretical and methodological work.

As for the field of the social sciences, the departments and instructorships in these subjects at the military education centers have continued to enhance their instruction in Marxism-Leninism and other related sciences, infusing them with a rich ideological content.

As a result of the experience accumulated, the curricula have been perfected and a higher degree of adaptation achieved as between the intermediate and higher levels of education, together with greater uniformity in the teaching of the individual courses.

The role played by the military press in the multifaceted education of the personnel is constantly increasing in importance. The military press constitutes a great resource in the arsenal of ideological armament.

The activities in the field of mass cultural work have been focused preferentially on implementation of the decisions and resolutions of the First Congress of the party, and especially on those which relate to the artistic and literary sectors of culture and to the policy lines laid down by the minister of the FAR and the Central Political Directorate with respect to this important task of political and party work.

We believe that the elements set forth in presenting this material are more than sufficient to enable us to reaffirm that the ideological work is making firm and steady progress and concentrating its best efforts on measuring up to the 25th anniversary of the landing of the "Granma" and the birth of the "impregnable bastion, the defender and guardian of the creative labor of the Cuban people: the Revolutionary Armed Forces."

The Seminar

The National Seminar on Propaganda, Agitation and Mass Cultural Work in the FAR (held on 2, 3 and 4 July at FAR headquarters) concluded with an address by Antonio Perez Herrero, alternate member of the Political Bureau.

Presiding over the seminar were, among others, Col Armando Saucedo Yero, member of the party Central Committee, and Naval Captain Eladio Calvo Gonzalez, alternate member of that organ, who also serve as first deputy and deputy respectively to the chief of the Central Political Directorate of the FAR.

Also numbered among the presiding officers were the chiefs of political sections of individual armies and sections of the armed forces, as well as other commanders and officers of the FAR and Soviet military advisers.

During the first day's session the Central Report was read by Naval Commander Ovidio Sopena, following which Nicanor Leon Cotano, an official of the party Central Committee, delivered a lecture on international affairs.

The seminar next turned its attention to the work of the individual committees, and this phase of the seminar continued into the second session. Major General Vasili [as published], Soviet military adviser, also made a presentation relative to the content, forms and methods of the ideological work carried out in the Soviet armed forces.

In the course of the seminar the participants had the opportunity to hear and discuss an explanation of various technical methods for use in the development of political and party work under field conditions, and also to participate in a thematic conference--of a methodological orientation--on the subject of 26 July.

On the third and last working day Carlos Aldana, member of the party Central Committee, delivered a lecture in which he discussed various facets of current international problems. In his presentation Col Arnaldo Tamayo Mendez, alternate member of the party Central Committee and the first cosmonaut from Cuba and Latin America, spoke of the peaceful use of cosmic space by the countries of the socialist community for the good of mankind and recounted his historic flight into ultraterrestrial space.

Perez Herrero Address

Havana VERDE OLIVO in Spanish 12 Jul 81 pp 14-15

[Speech by Antonio Perez Herrero, alternate member of the party Political Bureau, at the closing session of the National Seminar on Propaganda, Agitation and Mass Cultural Work in the FAR]

[Text] Comrades:

A brief analysis of the program of this seminar enables us to appreciate the fruitfulness of the days you have spent here and of the organizational level achieved by the ideological work carried out in the FAR. A praiseworthy effort was made during the seminar to achieve a collective focus on the work being done in this connection by the leaders, political organs, party organizations, UJC [Union of Young Communists], and activists. We have fully recognized the importance of this effort, because we are convinced that its success will largely determine the effectiveness of the ideological work as a whole.

For years the seminars on propaganda, agitation and mass cultural work have played an important role in organizing the ideological work, and each seminar has in its turn helped to draw up a balance sheet for the stage just completed and made it possible to formulate in a sufficiently precise manner the guidelines for undertaking future tasks. This constitutes, in our opinion, the principal merit of this event, which brings together the principal--and most experienced--ideological work cadres, who in a fraternal and constructive atmosphere exchange experiences, discuss their concerns, and through their various initiatives contribute to the progress of the work.

As is the custom at such meetings the comrades judge themselves severely, and for this reason the report abounds in critical and self-critical observations which display a tendency--a very positive one, to be sure--to aspire at all times to attain higher levels of performance. Aside from the aspect of criticism, however,

there is no doubt that just as in all other aspects and types of activities in which the FAR engage, their political-ideological work has progressed and has been consolidated, and its prospects for the future are excellent.

It is true that not everything is perfect, but it is also true that the principal indicators of efficiency reflect the good progress of the work. This is the case, for example, with the Marxist-Leninist political training program, whose instructional activities are endowed with the necessary materials, are based on the essential methodological standards, and have achieved levels of attendance which if not the best are at least acceptable.

The same thing is true with respect to the work of the print media and the radio and TV programs, in which indisputable progress has been made such as the consolidation of the "Informacion Politica" program and the improvement that can be observed in "FAR Vision," which after receiving some equipment of its own is now more independent and its links to television are being perfected.

The work of mass agitation--which for a number of years suffered from a certain stagnation and little variety in format--today has the time it needs built into the daily schedule of the units, as well as various supporting materials and forms of activism which are gradually being consolidated. I believe that the shortcomings of which the report speaks will soon be corrected and that genuine progress in this important area will shortly become apparent.

To everyone's gratification, the magazine VERDE OLIVO has experienced modest but steady progress. The cinematographic studios, for their part, have stabilized their production of newscasts and educational films and successfully made full-length documentary films of indisputable quality, and are in a position to undertake (in collaboration with TV Cubana) film projects of the scope of "Everyone's Army," which we trust will be, on their coming 20th anniversary, a kind of certification that they have come of age.

There is in addition the extensive network of institutions designed for recreation and ideological work. These comprise the soldiers' and sergeants' clubs; the Lenin-Marti halls; and the officers' clubs, all of which have considerably expanded the possibilities of the propagandists inasmuch as they serve as an effective and appropriate material base for the overall effort of the latter.

Some years ago the commanders and political workers became aware of the necessity of providing the ideological work with material resources that would enable the consciousness-raising process to be associated--in a more effective manner--with concrete activities. When the necessary resources are available it is possible to utilize culture, sports and recreation as highly advantageous forms of ideological work.

Never before has weekend recreation played such an important role in the life of the troops, and today--not only through centralized efforts but also through the work of the individual units using local resources--tens of recreational areas have been created and numerous resources have been constructed for the recreation of the personnel.

It is a fact that all this has had a very positive influence on the consolidation of discipline and on overall political and moral conditions.

The explanation for this progress is the fact that the majority of the institutions for ideological work in the FAR have functioned (and not in vain) for 20, or almost 20, years, and the fact that during this period the command cadres and political workers have acquired extensive experience and obtained results which contribute to the development of the FAR and the fulfillment of all tasks. Nothing better serves to confirm the effectiveness of the ideological work--viewed as a whole--than the revolutionary spirit, the dedication to duty, the modesty, the loyalty and the many other attributes that characterize our combatants and officers.

The seminar also directed its attention not only to matters which affect the work directly but also to the fact that planning must be carried out with a certain perspective. The decision to return the sociological apparatus (which despite its modest human and material resources has in fact been able to demonstrate some results to this seminar) to the jurisdiction of the Political Directorate will make it possible to expand the facilities so that prognoses can be made--based on scientific research--which will help to raise the level (and the effectiveness) of the work as a whole.

The question of social research is of vital importance not only to the FAR but to the nation, inasmuch as it is not unusual for us to neglect the long-term perspective because of our involvement in the solution of the most immediate problems of our everyday labors. This tendency is erroneous, and condemns us not only to operate on a moment-to-moment basis but to lag behind problems and therefore to center our principal efforts on remedial measures. Our greatest desire is that a study of the past, an understanding of the present, and a clear vision of the future together with an evaluation of the experience of others will enable us to devise forms of work, and procedures, that are more valid for the long term.

In looking back we have reason to feel satisfaction, although whenever we do so it seems to us that what we have done is little by comparison with what we want to--and should--accomplish. Marx said in this connection that proletarian revolutions criticize themselves constantly and are constantly reviewing what has seemingly been completed. This phenomenon is due to the fact that the very progress made in carrying out the work creates the conditions that serve to raise the level of aspirations. These are the problems of development, and if they were not present it would be at best a sign of stagnation.

I personally have the impression that the political-ideological work in the FAR has today entered a new phase and is facing a test which may even entail modification of some methods and concepts.

This situation stems from the fact that today almost all the new officers are coming to the units with a rating of "superior"--a rating acquired at schools and academies both in Cuba and in the USSR which have instructorships and departments that teach the social sciences with acknowledged distinction--while a large percentage of the soldiers have completed their secondary education. Moreover, we have become aware that the forms and methods of ideological work must necessarily evolve until they have attained a corresponding level of excellence. It is obvious that the political classes, study circles, lectures, meetings and political information program cannot remain the same as they were when the average educational level was below that of the sixth grade.

The progress that has been made means first of all that the political workers--and especially the propagandists and those who conduct the work with the young people--must intensify their efforts to achieve personal excellence, for these young people are much more cultured and diligent and have received more extensive training.

At the same time, the effect of these developmental realities is that the political organs must have--among their principal concerns--the need for perfecting their methods and style, in order that their work may maintain its quality and prestige and respond to the demands made upon it by the evolution of the FAR and that of our society as a whole.

In his report to the Second Congress of the party, comrade Fidel stressed the need for "...making the entire ideological work program more integral and utilizing--in a coherent manner--the Political Education System, the forms and methods of propaganda and agitation, the mass communications media, the various forms of culture, sport and recreation, and other means for accomplishing this work."

It is up to us--the workers on the ideological front--to find the forms and methods that will enable us to implement this precise orientation.

I believe, for example, that the scope of this seminar--including the presence here of comrades who perform their duties in the most diverse fields--is a factor which contributes to the attainment of this objective, and it is of course self-evident that the mere fact of meeting in a single physical location and having everyone participate in the discussions will automatically promote the integrality and coherence of which Fidel spoke.

In general (and of course the work in the FAR) the ideological work is beginning to attain a level on which it is proving difficult to do more with respect to increasing the total load of tasks and projects. Virtually all occurrences of importance are covered by plans, "days" and campaigns that are carried out with an acceptable degree of coherence; the mass meetings number in the hundreds; and the work of the communications media is going forward on the basis of procedures that have been repeatedly proven in practice.

The problem facing the ideological work program is not so much one of quantity as one of quality.

Although we have repeatedly said so already, we must continue to insist that the quality and integrality of ideological work depend to a considerable extent on the manner in which it is organized and on its correct planning, and this in turn is related to the quality of the cadres and to the style employed by them in their labor.

Planning the ideological work does not consist merely of drawing up more or less detailed schedules for execution of the various tasks; it consists above all of formulating objectives that correspond not only to the current situation but also to the trends in the evolution of our society. In order to be effective, planning must also discover the ways to achieve these objectives.

The problem of integrality and coherence is resolved as much in the execution of the tasks as in their conception. In this entire process, each section and each

comrade must consider carefully what to do and how to perform their duties, so that they may effectively exercise a positive influence on the political-ideological development of the troops.

It is obvious that this type of procedure requires that along with efforts to generalize the practical experience it is essential to develop the theoretical and scientific activity, which becomes intrinsic to the ideological work when the latter has arrived at the stage in which we find ourselves today--a stage which hardly permits of improvisation, empiricism or routine.

At the level attained by our society it is essential to carry out ideological work, basing our action--in an increasingly profound and creative way--on the principles of Marxism-Leninism and raising the level of professional skills of the propagandists, agitators, and all those comrades who by virtue of the social function they perform serve as publicists of the revolutionary ideology. In order to progress in this capacity it is necessary to utilize rationally the entire intellectual potential at our disposal, which in the specific case of the FAR is by no means small.

In the area of political work an infinite number of comrades have attained superior levels, and 28 of them have received--or are about to receive--degrees in science. Most of these comrades carry out their labors in schools and academies while others perform tasks on other fronts, but in all cases we must create the conditions for utilizing these comrades appropriately with respect to intensifying the political-ideological work.

I want to underscore the fact that this process cannot be spontaneous, and that it is primarily the responsibility of the Political Directorate to create the organizational conditions for it.

This is not the first time we have alluded to the proposal that these levels be achieved in the ideological work, and if we insist on this point it is because we are persuaded not only of the necessity--but also the feasibility--of making that effort.

The research carried out in the field of the social sciences (especially as regards revolutionary theory and practice) is a part of ideological work and an indispensable instrument in all leadership processes of the socialist society. Together with the necessary effort to generalize experiences, perfect the exchange of information and improve the mechanisms of collective work and teamwork, this research will assist in gradually raising the level of skills of our cadres--and the precision of their labor--until the levels to which we aspire are achieved. It is necessary that the FAR be linked to the national plan for social research, and that the FAR participate in that plan, in order that they may not only contribute their experiences but receive--and utilize in the political-ideological work--the results achieved by other organs.

Comrades:

It is not possible for me to go into much detail, but I feel I should call your attention once again to certain matters which in our view are important.

The FAR do not live--nor can they live--in a hermetic environment; they are affected by precisely the same problems as the rest of society. It is on the FAR very especially--at the ideological level--that the enemy always has his weapons trained, and for this reason we cannot relax our guard so much as an instant.

It is an axiomatic truth that a weapon's worth is the worth of the man who wields that weapon. Accordingly, if the principal mission of the FAR is indeed the maintenance of a high level of combat readiness, we know that this can be achieved solely through the mastery of technology and armament and through adequate training in the field.

Never neglect your work with the officers. Pay close attention to the young people: to those who thanks to their intelligence and ability are making a brilliant career and also to those who having completed their terms of military service must leave the institution, for they have given the nation all they could and are entitled to the greatest consideration.

In working with the young soldiers, bear in mind that the nation expects a great deal from your educational work. Every year brings you a large contingent of young people who have barely emerged from their adolescence, and 3 years later the nation expects them to be more well-rounded, mature citizens. By this continuing labor the FAR are providing the nation with an inestimable service.

At the present time our people are experiencing moments of satisfaction: the measures adopted several years ago are beginning to bear fruit and are reflected in the standard of living. The institutions are increasing the stability of their work, and the cohesion of our society is becoming firmer.

Simultaneously, however, the enemy is threatening us once again, and we must be prepared to give the necessary response to the enemy. I am sure that the political workers are already striving to be so prepared.

I should like to express to you my gratitude for your invitation, and to wish you every success.

Thank you very much.

10992
CSO: 3010/1650

FAR HONORS CONGOLESE ARMY'S 15TH ANNIVERSARY

Havana VERDE OLIVO in Spanish 5 Jun 81 p 55

[Article by Jorge Luis B.]

[Text] The main Revolutionary Armed Forces [FAR] ceremony held in connection with the 15th anniversary of the establishment of the National People's Army of the Congo was held at the headquarters of an Eastern Army unit.

Maj Gen Ulises Rosales del Toro, commander of the Eastern Army and member of the Central Committee of the party; Brig Gen Carlos Rodes Moro, acting for the minister of the FAR for the rear guard; Medard Momengoh, the ambassador of the People's Republic of the Congo to our country; as well as other commanders and officials and employees from the Congolese diplomatic mission, were at the speakers' table.

Since July 1968, when the late president Mariem Ngouabi headed the revolutionary progressive military movement, the armed forces of that African country have been characterized by their battle against the forces of imperialism, colonialism, neo-colonialism and reaction.

Speaking on behalf of the Revolutionary Armed Forces, Lt Col Juan Luis Charon Duarte, acting for the commander of the Eastern Army for political work, and acting member of the Central Committee of the party, reviewed the tasks and missions carried out by the National People's Army of the Congo, and described how it summarizes the best combat traditions of that brotherly people.

He also said that its fighters, forged in the heat of struggle, are improving their military and political training with every passing day in order to safeguard the conquests of the working people.

The acting chief of the Eastern Army for political work further described the fraternal relations existing between Cuba and the Congo, and spoke of Mariem Ngouabi, whom he described as a great friend of our people.

In this connection he stressed the broad bonds of collaboration between the two countries, covering such sectors as education, public health, crop raising, livestock breeding, etc.

The speaker mentioned the broad and outstanding participation of the People's Republic of the Congo in the Organization of African Unity (OAU) and the movement of nonaligned countries, realized in fact in its revolutionary position with regard to the problems currently confronting the world.

In conclusion, Lt Col Juan Luis Charon Duarte voiced the greetings of the commanders, officers, sergeants, soldiers and sailors of the FAR to their brothers in arms in the National People's Army of the Congo on the 15th anniversary of its founding.

The next speaker was Medard Momengoh, ambassador of the People's Republic of the Congo, who stressed the importance of the Third Special Congress of the Congolese Labor Party, at which Denis Sassou Nguesso was elected chief of state and president of the Council of Ministers of that African country.

In his address, he also emphasized the successes achieved by the National People's Army and the political, economic and social changes taking place in the People's Republic of the Congo.

5157
CSO: 3010/1601

CUBAN-BULGARIAN YOUTH FESTIVAL HELD IN HOLGUIN

Havana VERDE OLIVO in Spanish 5 Jun 81 pp 56-57

[Article by Roberto Campos]

[Text] The flags of Cuba and Bulgaria fluttered in the hands of the Pioneers. On that afternoon of 13 June, the colors of the kerchiefs and the uniforms contrasted harmoniously with the sun in the streets of Holguin.

From an early hour, children, young people and their elders had awaited the arrival of the delegates to the Second Friendship Youth Festival being held by the peoples of Georgi Dimitrov and Fidel Castro. The CDR [Committees for the Defense of the Revolution], FMC [Federation of Cuban Women], the Pioneers, the UJC [Union of Young Communists], the trade unions and all other organizations were represented by those waving their hands as the delegates passed.

We attended this gathering along with the comrades of the Society for Patriotic-Military Education (SEPMI) from the province, who were waiting in the streets for a group of young people from the school near the center for the training of minor specialists for the FAR.

The participation of the SEPMI in the festival had to do with almost all of the security and organizational tasks, from that Saturday, June 13, to the closing on June 19. The members of the base and prerecruiting associations helped with the making of the Cuban and Bulgarian flags and with propaganda. They participated in productive campaigns and joined in the enthusiasm of the people of Holguin in all respects.

A Night of Friendship

On the third evening of the festival we went to Brisas de Yareyal, a pleasant restaurant with rustic wood and a palm-thatched roof on the city's outskirts. At approximately 0900 hours the Bulgarian delegates, who were to leave that night with the SEPMI leadership, arrived at the site.

Yuri Lyubanov, provincial Komsomol committee secretary in Pernik, shook the hands of all the members of the welcoming party, and soon we were seated together around the table at which the first discussion between the two countries was held. Beside him Lyubomir Vasilev, Bulgarian Communist Party secretary at that country's embassy in Cuba, and Hector Pupo, a member of the UJC bureau in Holguin.

Hands were raised after the statement by Comrade Lyubanov: "I am very happy to be participating in this gathering with individuals concerned with the political and military training of youth," he said.

His address contained words of friendship, internationalism, and communism, concepts which were echoed throughout the meeting.

Then Col Alfredo Ballester, president of the SEPMI in Holguin, summarized the work of the society with young people, saying:

"We want to stress that the experience passed on by the USSR and other socialist countries, including the Bulgarian people, has been very useful to us, and thanks to it we are able to raise our work to higher levels."

When we sat down to listen to the Cuban music provided for the occasion, we had an opportunity to talk with Ivan Maslarev, assistant chief of the sports, physical culture and tourism department of the Dimitrov Komsomol.

He expressed his impressions of the gathering in a few words: "The Cubans are magnificent. They have welcomed us with much love. In brief, we are very happy."

Hector Diaz and Manuel Martinez contributed to the dialogue, telling us of their experiences, for they are two young engineers who studied in Bulgaria and were serving at the moment as interpreters.

"The patriotic work in Bulgaria," Maslarev went on, "is carried out through the Organization for the Technical-Military Training of the Population. Our young people have an opportunity to engage in practical activities such as mapmaking, parachute jumping and others, in addition to visits to historic places."

A girl interrupted the conversation and invited the delegate to dance. They were joined by others, and the talk with Maslarev continued during breaks in the music, as was happening at all the other tables.

"They were impressed by the welcome they were given by Cuban families," Hector told us. "For example, they expected a brief encounter yesterday, but they danced until late at the home where they were staying."

And so it went throughout that evening, interrupted by the exchange of badges and stamps and the eternal smile of affection.

Another and Yet Another Meeting

The following day the clubhouse (Festival Officers Club) was the scene of a patriotic meeting among Pioneers, Camilitos, students at the primary teachers' training school and provincial leaders of the SEPMI.

Bulgarian participants included Asen Asenov, a young frontier guard; Todor Kotopanov and Elizabet Maneva, both Pioneers; and Boyko Korsanov, a delegate.

Questions came from both sides and the Pioneers expressed interest in the life of the young frontier guard. Asen in turn asked the participants about youth participation in this type of troop.

Stories were told at the gathering about the early days of the Cuban revolution and the coastal defense, as well as the Yankee aggression by those from the Guantanamo naval base, who encountered the combative youth.

At the end of the meeting, a group of SEPMI comrades and Bulgarian delegates were photographed together in the courtyard of the clubhouse, to provide a souvenir of the meeting.

There were innumerable friendly meetings at which the presence of the SEPMI was manifested through its members. We saw examples of this at the political ceremony held at the 60th Anniversary of the Great October Socialist Revolution KTP-1 Manufacturing Combine, the brewery, the Lenin Hospital, the Jose Marti Vocational School, the Turquino Cannery, the Nursery School Teachers Training School, and the Unglazed Pottery Enterprise.

Our notebook is filled with comments about these dialogues and on the subject of internationalism and patriotic education.

There we witnessed encounters such as that between Peco Coleu and Oscar Gomez, who met on an internationalist mission and then saw each other again since both were delegates to the Cuban-Bulgarian festival.

The flower of friendship which opened its petals at the beginning of the event will never close, since it lives in each of the individuals we saw at this meeting of Cuban and Bulgarian young people.

5157
CSO: 3010/1601

BRIEFS

IRAQI AT JUCEPLAN--Humberto Perez, alternate member of the Politburo, vice president of the Council of Ministers and president of the Central Planning Board [JUCEPLAN], received Hilal Aboud, chairman of the National Computer Center of Iraq. During the meeting, which took place in an atmosphere of fraternal friendship, they discussed questions concerning cooperation in the computer field. Also present at the meeting, on the Cuban side, was Comrade Rodrigo Fernandez Monert, president of the INSAC [National Institute of Automated Systems and Computation Techniques] [Text] [Havana GRANMA in Spanish 29 Jun 81 p 3] 8796

CSO: 3010/1647

GRENADA BLAMED FOR BLOCKING FOREIGN AID TO AREA

FL242024 Bridgetown CANA in English 1925 GMT 24 Aug 81

[By Peter Richards]

[Text] Roseau, Dominica, 24 Aug (CANA)--The ruling Dominica Freedom Party (DFP) has again called on Grenada to hold general elections and legitimize the government so that other Eastern Caribbean countries could benefit from foreign aid they badly need.

The Maurice Bishop Regime in Grenada came to power in a coup 2 1/2 years ago.

Addressing the 13th Annual Convention of the ruling DFP in Roseau Sunday Prime Minister Eugenia Charles said that her government had not been able to meet one of its campaign promises to Dominicans because of the decision by the Grenada Government not to hold general elections.

Miss Charles was apparently referring to the decision by the Barbados-based Caribbean Development Bank (CDB) to reject a 4 million (U.S.) dollar aid package to the region because the United States wanted Grenada to be excluded.

Miss Charles told delegates that a housing scheme for residents of the capital Roseau had to be halted temporarily. "It was part of that 4 million dollar package that we were not able to get because Grenada refuses to have an election," Miss Charles added.

"Those people who think I am wrong to criticize Grenada must understand that when Dominica is suffering I feel I have a right to criticize...because Dominica is losing by the fact that Grenada refuses to have an election and Grenada had promised to have an election," the prime minister said.

Miss Charles said that she was merely asking the People's Revolutionary Government of Prime Minister Bishop to adhere to its promise following the 13 March 1979 coup "and thus take all of us off the hook so we can enjoy the things other countries will give us if they (Grenada) conform to the usual democratic moves."

Miss Charles, who is also the foreign affairs minister, said that she was aware of many Dominicans not agreeing with her government's decision to be a member of the Organization of Eastern Caribbean States (OECS) because of Grenada's participation.

She said: "Many of the aid donors want to see us close together and you can't in fact have any say in things unless you are inside of there to make your say." [Sentence as received]

But she added "That will not prevent me criticizing people that are in OECS, when the country thinks they are wrong we say so, when we think they are right we also say so."

Miss Charles was the principal speaker at the party's convention after the organizers said that former Barbados Foreign Affairs Minister Henry Forde could not travel to Dominica due to illness. Mr Forde, a lawyer now back in private practice, was due to have addressed the convention on "terrorism and the role of citizens in combating terrorism," the DFP said.

Miss Charles, in her 55-minute address, urged Dominicans to unite in order to ensure that the country moves forward together and as one, she called for a unity with people "who are in opposition to us."

She added: "Despite one or two people who like to live backwardly I am sure that the majority of people in Dominica have seen in 1 year that unity is essential to us and are agreeing that we must have unity."

She called for unity with the trade unions, the private sector and political parties on the island. "We must be able to sit down and argue our different thoughts...we must learn to serve the country because when the country goes forward everybody goes forward with it."

Yesterday's convention was the first by the DFP since its election victory on 21 June 1980 when it won 17 of the 21 seats in parliament.

CSO: 3025/1026

BRIEFS

EX-SOLDIERS DEMONSTRATION--Roseau, Dominica, 27 Aug (CANA)--About 19 ex-soldiers demonstrated in front of Dominica Government headquarters for the second day running. Claiming monies they say are due to them following the disbanding of the defense force last March, government has already told the former soldiers that they should put their grievances through the normal channels, though it maintains that the men have all been paid. The National Workers Union, representing the men, has threatened to make the money claim a national issue but its call for support from other unions has so far been unsuccessful. [Text] [FL272316 Bridgetown CANA in English 2100 GMT 27 Aug 81]

CSO: 3025/1026

BRIEFS

S. AFRICAN ANGOLAN INCURSION CONDEMNED--Prime Minister Brother Maurice Bishop has sent a message to Angolan President Jose Eduardo Dos Santos expressing the Grenadian people's solidarity with the Angolan people and condemning the invasion of Angola by a racist South African [word indistinct]. In his message, Prime Minister Bishop said that the PRG [People's Revolutionary Government] unhesitatingly denounces this latest massive attack on sovereign Angola by the imperialist and discredited white racist minority regime in South Africa and calls it a gross violation of the national sovereignty and territorial integrity of the People's Republic of Angola. Prime Minister Bishop, in behalf of the Grenadian people, demanded the immediate withdrawal of the racist force from Angola. The prime minister (?said) that the PRG views this most recent manifestation of South African aggression as being indicative of the [words indistinct] in Southern Africa [words indistinct] destabilizing the country [words indistinct] in South Africa and Namibia. It is clear that the South African aggression comes from the support that country receives from the United States, Prime Minister Bishop said. [Text] [FL270118 St Georges Domestic Service in English 2300 GMT 26 Aug 81]

GRENEDA ELECTRICITY RATES--St Georges, Grenada, 29 Aug (CANA)--Two-thirds of Grenada's electricity users are to pay less and the rest will pay more in a 1 October restructuring aimed at reducing the operating losses of the island's lone power company, it has been announced here. Winston Bullen, manager of Grenada Electricity Services (GES), a company owned jointly by government and the British-based Commonwealth Development Corporation (COC), made the announcement last night. According to Bullen, light electricity consumers will pay 10 percent less than they do now. Consumers in the middle range will get a 5 percent reduction. Heavy consumers will fac a 10 percent increase and commercial rates will go up by 15 percent. Bullen said that GES had lost 197,000 EC dollars in the first 6 months of 1981 and if rates were not restructured losses would amount to 1 million. [FL272316 Bridgetown CANA in English 2139 GMT 27 Aug 81]

CSO: 3024/1026

DEFENSE MINISTER: COUNTRY WILL NOT BECOME SOCIALIST

Guatemala City PRENSA LIBRE in Spanish 29 Jul 81 p 4

[Text] "Subversive criminals do not shoot at us with candy or gumballs. They shoot to kill but we are not going to allow in Guatemala what has occurred in Cuba and Nicaragua," according to what the Minister of National Defense, General Anibal Guevara Rodriguez, told PRENSA LIBRE on being interviewed in his office by one of our reporters.

The high-ranking member of the military referred to the political situation which the country is undergoing and the existence of a leftist guerrilla movement. The minister stated, "In Guatemala the people are aware that those minority groups (guerrillas) bring only anguish, terror and uncertainty.

"We have lived in peace for a long time. Nobody can say we are an uncivilized people, on the contrary, development achieved up to now is a concerted effort on the part of the democratic government, private initiative and all Guatemalans, who love their country.

Taking that into account it is denigrating that minority groups have placed themselves at the service of international Communism. They have brought violence, they are assaulting us and yet, abroad, they speak of a "violation of human rights."

The rebels are using arms of every caliber, they receive the support of communist countries, but the army, complying with the responsibility assigned to it by the constitution is striking back at them with great success.

An example of that is the uncovering of various hide-outs in the capital. Such actions have disorganized them. They are being fought with energy in urban areas as well as in the altiplano and the southern part of the country where small subversive outbreaks occur.

In general terms, it can be stated that in Guatemala a guerrilla movement could never prosper, for various reasons. In the first place because of the firm decision of the army to combat subversion, that is to say, the hardened enemy of freedom and of the nation, in the second place, the people have denied categorically their support for extremists.

The unconditional support for the army by the people is what prevents communism from advancing. This has become apparent in the various demonstrations organized spontaneously in different Guatemalan communities.

It must stand out that the Guatemalan has three great loves: liberty, democracy, and individual ownership. It is noteworthy that the Guatemalans want to be a free people and they respect our traditions, our beliefs and our property.

One should take note, continued General Guevara, that subversive groups are only criminals who try to cover their crimes with a masquerade of so-called political action. They assassinate, kidnap, plunder, and sow terror through various communities and these actions are only the work of true bandits, who sow grief and suffering in Guatemalan homes.

The reporter of PRENSA LIBRE asked Minister Guevara his opinion concerning the rise to power of socialist regimes in Central America. He stated that "all peoples have the right and the liberty to choose their own destiny and to determine the road which is to lead them to general well-being.

"As brother countries, it is of concern to us that we strive for this goal without bloodshed and without waging a hateful war between brothers. We are concerned only with the problems of Guatemala, and we have to solve them ourselves; we shall never allow outsiders to tell us how to solve them.

"What the people of Guatemala can be sure of is that we will not allow in Guatemala what is happening in Cuba and Nicaragua.

"The Guatemalan enjoys all liberties because he is not a slave or is he ruled by an iron hand which forces him to do what he does not wish."

9678
CSO: 3010/1635

GOVERNMENT FIRM ON TERRITORIAL RIGHTS TO BELIZE

Guatemala City PRENSA LIBRE in Spanish 30 Jul 81 p 17

[Text] The government of the republic announced last night that it will not recognize the new state of Belize "nor will it recognize the frontiers which separate us and reaffirms that it will maintain the use and benefit of the sea as it has always done."

The Statement is contained in the following press release issued by public relations office of the presidency. The text reads as follows:

The government of the republic, in view of the announcement made by the Government of Great Britain to the effect that it will grant Belize its independence this coming 21 September declares before the Guatemalan nation:

1. That since the beginning of his term of office, President Fernando Romeo Lucas Garcia has devoted himself to reach a solution to the age-old problem of the territory of Belize, in accordance with constitutional precepts, and also in conformance with civilized procedures and the rules of existing international law. With that purpose in mind, Guatemala undertook direct negotiations with the Unied Kingdom of Great Britain and Northern Ireland with a new understanding, in search of a peaceful approach to resolve the controversy.

2. The negotiations, as is public knowledge, led to the signing of a preliminary agreement contained in the Bases of Understanding, by which fundamentally the parties committed themselves to the determination of land and maritime borders, to assure for Guatemala the use and benefit of the Ranguana and Zapotillo Keys and adjacent waters, which because of their geographic postion permanently guarantee to Guatemala access to the high seas. Likewise unrestricted highway passage, use of free ports, and the right-of-way of pipelines across Belizean territory for our country, and full, integral cooperation for development, in order to foster fruitful relations of friendship between Guatemala and Belize.

3. Later conversations between Guatemalan and British representatives together with Belizeans, with the purpose of formalizing, in one or various treaties, the Bases of Understanding, encountered difficulties in arriving at a full agreement between the parties.

4. As it was expressed by the president in his message to the congress of the republic on 1 July this year, Guatemala maintains its unquestionable dedication to peace and its conviction that international problems should be resolved in an intelligent and calm manner, but Guatemala will not accept the independence granted unilaterally to Belize without considering the controversy as ended.

As a consequence, Guatemala declares that it will not recognize the new state or regard as borders the lines which separate us and reaffirms that it will maintain the use and benefit of the sea as it has always done.

5. Guatemala will continue with a positive attitude to resolve the controversy by peaceful means which Article 33 of the United Nations Charter established. If said solution is not arrived at before the independence of Belize, Guatemala makes a formal reservation of the totality of its rights with regard to the territory of Belize.

6. Guatemala truly regrets that the negotiations have not led to the solution which Guatemala desired for. Guatemala reiterates that it will maintain an open position to consider all reasonable proposals which will be beneficial to the people of Guatemala and Belize.

Guatemala City, 29 July 1981

9678
CSO: 3010/1635

GOVERNMENT ACCUSED OF HARASSING OPPOSITION

FL271825 Bridgetown CANA in English 1653 GMT 27 Aug 81

[Text] Georgetown, Guyana 27 Aug (CANA)--The Guyana Human Rights Association has made a strong protest over what it said was "the systematic harrassment" of persons deemed to be members of or sympathetic to the Working Peoples Alliance [WPA], an opposition political party.

Copresidents of the association are the Anglican Bishop of Guyana Randolph George, University of Guyana lecturer Dr Harold Lutchman and Clerical and Commercial Workers Union President Gordon Todd.

Referring to the latest in a series of incidents, the association said that Ms Jocelyn Dow attempted to leave the country on 11 August and was told that she must subject herself to being searched prior to making a currency declaration.

The association said that in the circumstances, it was evident that the search was not related to undeclared valuables, but from the remarks passed by the officers, their actions were promoted by what police perceived to be her political opinions.

The association sought to clarify the status of the WPA. It said that the WPA was a legal organization which had not, nor had its members, been convicted of any serious crime such as to justify the continued harassment of their members and property by the police.

The association contended that the "predictable invasion" of the privacy of members or people deemed to be supporters of the WPA, whenever they were about to leave the country, would appear to contravene the Guyana constitution.

It called on the commissioner of police, Lloyd Barker, to ensure that when special searches of people were necessary, they were carried out by properly authorized personnel.

CSO: 3025/1026

PPP DENOUNCES U.S. PRODUCTION OF NEUTRON BOMB

FL192341 Bridgetown CANA in English 2337 GMT 19 Aug 81

[Text] Georgetown, Guyana, 19 Aug CANA--"The recent announcement in the United States that the neutron bomb is already being produced and stockpiled is cause for alarm," the Opposition People's Progressive Party [PPP] said in a statement here. The PPP said it has consistently condemned the neutron bomb policy of the U.S.A., also its entire strategic and tactical nuclear war policy and is calling on the Reagan Administration to desist from producing "the horrible bomb."

"The PPP is urging early summit talks on arms control between the heads of governments of the United States and the USSR, a call made by Soviet President Brezhnev many months ago," the statement said. The Marxist Party said it was of the view that U.S. President Reagan's decision to produce and stockpile the neutron bomb was irresponsible, arrogant and fraught with grave dangers for our civilization.

According to the PPP, the new arms race unleashed by Reagan was madness on a massive scale which threatened the survival of the human race. While the USSR is clearly not responsible for the new arms build up and the neutron bomb warhead, President Brezhnev has declared in a recent speech that the USSR has no intention to permit the U.S. or NATO military superiority to occur in any field of arms, the statement further stated.

The PPP noted that the People's National Congress [PNC], the ruling party in Guyana has made no move to respond to the peace appeal of the Soviet president, circulated to all the parliaments and peoples of the world since June 1981. "The People's Progressive Party calls on all Guyanese who want peace and social progress to condemn the latest assault on world peace, the renewed neutron bomb production," the statement said. The party also called on the Guyana Government and the parliament to express its concern over the new threat to world peace and call a halt to the U.S. production of the neutron bomb. It added that all peoples in all parts of this planet must strive to prevent a nuclear war.

CSO: 3025/1026

BRIEFS

SOVIET AMBASSADOR OFFERS HELP--Georgetown, Guyana, 20 Aug (CANA)--The Soviet ambassador to Guyana, Mr Konstantin Kharchev, has offered to share his country's know-how with the Georgetown City Council to help it improve the social environment of the Garden City. The offer was made when the ambassador paid a courtesy call on Georgetown Mayor Mavis Benn. The Soviet envoy, who took up his post here 4 months ago, told Mayor Benn that Moscow was willing to assist the city council in overcoming some of its problems and improving the skills of the council's employees. The government-owned CHRONICLE newspaper reported him as saying that some of the problems experienced by the citizens of Georgetown; an inadequate supply of water and a shortage of some consumer items, were similar to those experienced by their Soviet counterparts. The Soviet ambassador proposed the organizing of a number of lecture sessions and film shows for the benefit of the municipal workers. He invited the mayor to discuss the matter further with the Soviet Embassy. [Text] [FL201925 Bridgetown CANA in English 1903 GMT 20 Aug 81]

CSO: 3025/1026

SEABED AUTHORITY SITE IN JAMAICA

Shearer's Comments

FL271530 Kingston DAILY GLEANER in English 22 Aug 81 pp 1, 15

[Statement by Hugh Shearer, deputy prime minister and minister of foreign affairs and foreign trade, on 21 August to Mark the Selection of Jamaica as Headquarters Site of the International Seabed Authority]

[Excerpts] I am pleased to be able to announce that news was received from Geneva today that in the current session of the Law of the Sea Conference, a definitive decision has now been made that the international Seabed authority will be sited in Jamaica.

I wish to make the point that this decision to site the Seabed authority in Jamaica is of the utmost importance. It offers considerable opportunities for the Jamaican economy and it imposes serious obligations which the Jamaican Government has committed itself to fulfill.

It will establish within Jamaica an international organization dealing with the Seabed resources as the common heritage of mankind, will provide opportunities for employment and for the construction of facilities estimated to cost some $200 million, will create the environment and infrastructure for the development of Jamaica as a major international center for the holding of meetings under the auspices of the United Nations, would act as a stimulus for the development of the construction industry in providing the requisite housing for hundreds of diplomatic personnel and employees of the organization, would generally act as a stimulus of the tourism industry in Jamaica.

In the area of obligations, it is important that the nation should prepare itself for receiving peoples from all over the world with a diversity of culture and whose habits of living may be fundamentally different from our own.

It is necessary for us to demonstrate the capacity to provide a hospitable environment for all those people and more particularly to ensure that all the amenities in terms of education, housing, medical facilities and social amenities are available in keeping with what has traditionally come to be expected from the headquarters of an international organization.

It will be a challenge to the national motto "out of many one people" that we should be able to respond as a nation to the demands which will be required to accommodate peoples from all over the world who will assemble in Jamaica in connection with the establishment of the headquarters of the International Seabed Authority.

Of course, it has to be recognized that the [law of the Sea--FBIS] convention is still being negotiated and these negotiations are unlikely to be concluded during the present session. The implementation of the decision about the siting of the authority in Jamaica cannot be effected until negotiation of the convention has been concluded and the convention brought into force.

However, what today's decision means for us is that we must continue the physical preparations necessary in anticipation of the completion of the convention.

As minister of foreign affairs, it is with a special pride and with heartfelt thanks that I extend my personal congratulations to Dr Ken Rattray, members of the delegation to the conference, the staff of the ministry of foreign affairs and all others who have worked continuously over the years to bring the negotiations on the Seabed authority to this successful end.

Seabed Authority Site Obligations

FL271845 Bridgetown CANA in English 1657 GMT 27 Aug 81

[Text] Kingston, Jamaica, 27 Aug (CANA)--The Jamaica DAILY NEWS today warned that the decision to site the International Seabed Authority here imposed serious obligations on Jamaicans and hoped that trade unions would be able to impress their members that things like wildcat strikes in essential services will not do.

The authority will oversee the law of the sea convention.

Jamaica beat Malta and Fiji for the headquarters during a vote in Geneva last week.

In its editorial today, the daily news commended statements by local government Minister Pearnel Charles that he had ordered the pulling down of derelict buildings in Kingston and "debushing" empty lots as part of preparation for the authority.

There was enough time to beautify Kingston and develop the services necessary for the headquarters of an international organization, the paper said.

Added the DAILY NEWS: "And we would hope that trade unions will be able to get across to their members in essential services that wildcat strikes should be eschewed. Water, light, garbage collection should all function efficiently so that as a nation we do not blow this opportunity to impress the world."

CSO: 3025/1026

GOVERNMENT SILENCE ON CUBAN REFUGEES CRITICIZED

FL262136 Bridgetown CANA in English 2056 GMT 26 Aug 81

[Text] Kingston, Jamaica, 26 Aug (CANA)--The Jamaica Daily News today rapped to government's silence on the presence of an estimated 400 Cuban refugees, and raised the prospect of thousands of them flooding the island similar to what happened last year when the Cuban Government opened the mariel floodgates on the United States.

The Cubans arrived in Jamaica over the past 3 weeks, hoping to go to Honduras to await entry into the United States, but have found difficulty gaining entry to either country. The Jamaica Government has so far not commented on the matter.

Said the Daily News in its editorial: "The issue has such fundamental implications for international politics, that it indicates more than a passing disregard for its ramifications for the foreign ministry and Jamaica House (the prime minister's office) to remain silent.

"We suspect that the silence is the result not so much of an inability or unwillingness to speak, but more so because new efforts have to be made to iron out what are obvious wrinkles which have developed. It appears that something has gone terribly wrong with the plan or whatever it was--to have the refugees pass through Jamaica to their destination."

The paper said that it was apparent that much planning had gone into the scheme, noting that the Jamaican Embassy would not take it lightly to issue visas in such volume and that this must have been done at the direction of Kingston. In addition, relatives of the Cubans in the United States had had ample time to deposit in local banks monies to finance the group while here.

Added the paper: "But it is hardly likely that the Jamaican Government would have permitted issuing visas to the Cubans in such quantities unless it was clear that they would come to Jamaica en route to their destination. Clearly, with the island's current social and economic problems, it is inconceivable that the government would have made this island the ultimate destination of the refugees, regardless how strong were the humanitarian and political motives [word indistinct] them to leave Cuba."

The Daily News said that the Jamaica Government must have consulted with Honduras and the United States "before the visas were issued, and the apparently elaborate arrangements made for the refugees to pass through here." The question now raised was whether the other countries had backed out at the last minute, it said.

But there was another more worrying aspect resting on the fact that the refugees were allowed to leave Cuba without any form of harrassment.

It said: "We recall the cynicism of Fidel Castro in dumping on the United States thousands of refugees through the mariel boatlift. If the Jamaica Government issues visas freely, there is every possibility that the Cuban Government will see this island as a dumping ground for those who cannot fit into Cuban society."

The Daily News said that there was a third aspect to the issue: the fact that Jamaica issued visas to whole families who wanted to leave and were allowed to do so by their government suggested collaboration at a very high level.

"If and when the government speak on the matter, it should say whether there has been collaboration with the Cuban Government in getting the refugees here," the Daily News said.

CSO: 3025/1026

VISAS FOR CUBAN REFUGEES REPORTEDLY HALTED

FL272236 Bridgetown CANA in English 2210 GMT 27 Aug 81

[Text] Kingston, Jamaica, 27 Aug (CANA)--The Jamaican Embassy in Havana has suspended the granting of visas to Cuban refugees who have been coming here hoping to go to the United States via Honduras, informed sources said today. They could not say when the action was taken.

The Jamaican foreign ministry, which has not commented on the refugee issue, could not confirm or deny the report.

An estimated 400 Cubans arrived here during the first 3 weeks of this month, expecting visas from the Honduran consulate here for travel to the Central American country. The refugees had indicated that 100 more were to arrive here this week, but whether they have come has not been disclosed.

However, well-placed sources here suggest that it was a decision to curb the entry of the additional refugees, at this time, that prompted the halt in the granting of visas.

Only about 39 Cubans have so far received their "in transit" visas to Honduras, according to Honduran consul here (Margarity de Parke). Mrs de Parke told the Caribbean news agency (CANA) that none of the Cubans had applied for their visas through the consulate here. She had received lists of names from Tegucigalpa, the Honduran capital, informing who should be granted visas. Some of the Cubans, she said, had turned up at the consulate expecting visas but so far their names have not been on any of the lists.

There are also cases where names have been sent by the Honduran Foreign Ministry, but the corresponding refugees had not yet claimed their visas, indicating that the Honduran Government expected more refugees to come to Kingston.

Some of the Cubans, who said they left of their own free will and without harassment, have applied to [the] U.S. Embassy here on their own accord, for entry to the United States.

An embassy spokesman said that they will be dealt with as ordinary applicants.

CSO: 3025/1026

'GLEANER' CALLS FOR RETRACTION FROM BISHOP

FL271855 Bridgetown CANA in English 1645 GMT 27 Aug 81

[Text] Kingston, Jamaica, 27 Aug (CANA)--The Jamaica GLEANER newspaper today said that it hoped Grenada's prime minister, Maurice Bishop, would retract "his unfortunate innuendos" and apologize for his conduct against Grenadian journalist Alister Hughes who was not allowed to leave Canada in July because his income tax position was being investigated.

The GLEANER last week reported that the Grenada Tax Department had told Mr Hughes that his income tax position was in order, said the GLEANER. "Now that the investigations have shown that Mr Hughes' position has been in order, we should hope that Mr Bishop, who spent so much time on his own media lambasting Mr Hughes and accusing him and others of subversion because they dared to publish an independent newspaper, the Grenada voice, will now retract his unfortunate unnuendos and apologize for his disgraceful conduct."

It said it hoped that the Grenadian prime minister would "begin to see the light and allow free and independent opinion" to be expressed in Grenada.

The "GLEANER" said that Caribbean Governments, except Barbados, had failed to speak out against the Grenada Government.

It said: "They include our own government, which on the question of human rights were so quick to speak out while in opposition and now appear to have gone silent, save on the question of South Africa and Namibia.

Mr Hughes was one of the owners of the Grenada VOICE newspaper which the People's Revolutionary Government (PRG) banned after one printing this year on the grounds that it had not complied with laws of the country. The government subsequently issued a proclamation forbidding new publications for a year until a media policy was worked out.

Mr Hughes, who is the executive secretary of the Caribbean Press Council (CPC), was leaving to attend a CPC meeting in Trinidad to discuss the issue when he was stopped at Grenada's Pearl Airport.

CSO: 3025/1026

BRIEFS

NEW IMPORT MONITORING SYSTEM--Kingston, Jamaica, 18 Aug (CANA)--Jamaica has introduced a computerized system for monitoring the value of goods imported against import licenses issued by the trade administrator's department according to Industry and Commerce Minister Douglas Vaz. The new system will continually compare the importer's actual import performance against the licenses held and where he is unable to utilize those in his possession they will be reallocated to other importers. Minister Vaz said that it was the government's intention, while the country continued to have a foreign exchange shortage, to deploy resources in the most beneficial manner. [FL181938 Bridgetown CANA in English 1858 GMT 18 Aug 81]

BRITISH CREDIT TO JAMAICA--An 11 million dollars line of credit from a British bank supported by the British Exports Credit Guarantee Department has been made available to the Bank of Jamaica. To qualify under the terms of the loan, a contract must have a minimum value of 10,000 dollars but not more than 1 million. The funds will help finance contracts on retail raw materials and goods by Jamaican buyers. [FL211536 Kingston Domestic Service in English 1000 GMT 21 Aug 81]

JAMAICAN ALCOHOL-FUEL PROGRAM--A Brazilian engineer, Dr (Carlos de Ciela), is in Jamaica to assess the potential for developing a alcohol fuel program. He will be holding talks with government officials, representatives of the sugar industry and other interested groups representing feedstock, research, conversion technology for transportation and fuel endproducts. [FL211536 Kingston Domestic Service in English 1000 GMT 21 Aug 81]

PNP DENOUNCES NEUTRON BOMB--Kingston, Jamaica, 18 Aug (CANA)--The opposition People's National Party [PNP] has called on the Jamaica Government to voice concern--through appropriate diplomatic channels--about the U.S. decision to stockpile neutron bombs. The concern about the neutron bomb, which kills by radiation and does little damage to buildings, followed angry reaction from a number of leftist groups here. The PNP remarked in its statement: "Those who would threaten the peace and security of the world by escalating the arms race are the same ones who would want us to believe they have regard for our welfare and safety." The party called on U.S. President Ronald Reagan to revoke the order to produce "this inhuman weapon" and for the Jamaican Government to make its own concern known to the Americans. The PNP's youth arm has said that it is raising 10,000 signatures for a petition to be sent to President Reagan. [Text] [FL182126 Bridgetown CANA in English 2119 GMT 18 Aug 81]

CSO: 3025/1026

APRA SENATOR EXAMINES BUDGET DEFICIT, OFFERS SOLUTIONS

Lima LA PRENSA in Spanish 21 Jul 81 p 15

[Interview with Senator Luis Rodriguez Vildosola, a member of the Bicameral Budget Commission, date and place not given]

> [Text] Senator Luis Rodriguez Vildosola is a member of the Bicameral Budget Commission. In this interview, he voices some views about the officially announced deficit of 400 billion and sets forth some guidelines which should be followed, in his view, to correct the problem. Rodriguez Vildosola, a member of the leadership of the Aprista Party of Peru, is regarded as the spokesman for the economic doctrine of that political group.

[Question] Senator, what can you tell us about the budget deficit?

[Answer] The president of the Central Reserve Bank of Peru, Richard Webb, and the minister of economy, finance and trade, Manuel Ulloa, confirmed in their statements to the Bicameral Budget Commission that the republican budget in effect will close with a deficit of 400 billion soles. It is estimated that this sum represents a fifth of the budget, and something over 6 percent of the gross national product. Some analysts believe that, including national defense expenditures, the budget deficit may come to 7 or 8 percent of the gross national product.

Webb expressed the view that this deficit is due to the budget expansions as a result of requests not included in the original budget and the increased indebtedness, inflation, and exchange rates as compared to those foreseen in the budget. On the other hand, the hasty approval of the budget in order to conform with the constitutional periods set by a democratic system recently initiated and attention to urgent public needs forced readjustments which require greater outlays than planned.

The budget deficit is the key factor in inflation. As a result the answer seems simple: reduction of public expenditure in order not to require recourse to the central bank to cover that deficit. An equation between the greater fiscal requirements and reduction in the public expenditures proves practically impossible. The government must, then, have recourse to pragmatic policies, adopting often bolder positions, which will necessarily affect some interests. And in any case, it must seek to ensure that these measures place as small a burden as possible on the vast masses of the people, who are suffering from the effects of galloping inflation, control of which cannot yet be glimpsed.

[Question] How would you combat inflation?

[Answer] Inflation is perhaps the most impressive phenomenon in the economy. When it develops, it spreads like a cancer to all economic activities. It can also be said that it is the worst of taxes because the people with lowest incomes suffer most acutely from it. Expression is seen in rising living costs and increasing prices.

Peru, as we know and feel, is passing through a phase of recession with inflation. Investments are not being made at the hoped-for rate and unemployment and underemployment are continuing, and in some areas, increasing.

As we have said, the most striking factor in inflation is the fiscal deficit caused by excessive public expenditure, which leads to inorganic currency issues. A balanced budget is the best tool for struggle against inflation. But we have already seen the difficulties involved in achieving a reduction in fiscal expenditures. In his report to the Bicameral Budget Commission, Webb said that the fiscal situation is "delicate and worrisome because of the high rate of the fiscal deficit."

The most common theoretical solution to the inflationary problem calls for creating an increase in production, giving priority to agriculture over other productive sectors.

One must take into account bold inflation and the increases in the prices of our export products as external causes of inflation.

The monetary program, which is constantly being reviewed to assess the results of its implementation, is an effective tool in this battle against inflation.

This program should respond to the need for a budget adapted to needs and the establishment of a level of liquid assets including international reserves and domestic credit in order to meet the requirements of the public and private sectors. Webb believes that a noninflationary rate of financing should be achieved.

[Question] What are your views about the international drop in the prices of metals?

[Answer] The drop in the prices of some traditional products on the international market is a factor having a negative effect on the Peruvian economy.

The most notable drop has been in the price of silver. An ounce of this metal sold for $20 in 1980. Currently the price is slightly more than $8, with a definite trend toward decline. Peru exported 40 million ounces of silver. As a result, the income for this category alone dropped by $800 million in comparison to last year.

This phenomenon is due to the unexpected sale of large silver stocks accumulated by banks and other financial institutions. The reason for these sales may include the replacement of silver by other materials in certain industries, the revaluation of the dollar and the increase in silver production resulting from the high prices for this metal a year ago. The countries affected by this sharp decline in the prices for the "white metal" are mainly Mexico and Peru.

In our case, there will be a negative effect on our balance of payments since there was a smaller income in foreign exchange, and at the same time it will affect fiscal income because of smaller tax collections. To this decline in the prices of silver on the world market we must add a risk which seriously threatens our economy: the government of the United States has decided to sell 139.5 million ounces of its strategic reserves in 1982, 1983 and 1984 at the rate of 1 million ounces per week. As Minister of Energy and Mines Pedro Pablo Kuczynski Godard has said, the Latin American nations should protest this decision and urge its reconsideration. Otherwise, a large part of our mining sector might collapse, since the prices will not cover the production costs of the small mining operations. In view of this disturbing picture, our mining sector should receive support from the government. And as Minister Manuel Ulloa told the Bicameral Budget Commission, it has been decided to suspend the tax on sales and the granting of easy loans by the Mining Bank of Peru in accordance with the so-called mining acceptance procedure, through a financing line from the Central Reserve Bank of Peru.

Gold is now experiencing a decline similar to that for silver. At the beginning of 1980, an ounce of gold was sold at about $900. Recently, operations have been concluded at less than $40,000 [sic]. Until the 1930's, the established gold price was $34 per troy ounce, and the Federal Reserve Bank of the United States was required to exchange gold for dollars at that price. But beginning in the 1970's, that government freed the price of gold to fluctuate in accordance with supply and demand. The high prices for the yellow metal, which reached their highest point in 1980, led to the upsurge in mining in Peru, mainly in the Madre de Dios. This massive mining involves a risk if the downward trend continues. Gold, as is known, is a value to which investors and speculators turn to protect themselves against inflation and the resulting monetary devaluation.

Other metals, including copper, are suffering a decline in their prices. The price of oil, too, has dropped slightly, and this has its effect on our reduced exports of 30,000 to 40,000 barrels per day.

Among the other nontraditional export products which are seeing a decline in their prices are coffee and cotton. Practically all categories of nontraditional exports reflect a decline in prices, which as we have said are reflected in the balance of payments and in fiscal income.

[Question] Senator, what can you tell us about the Tripartite Commission?

[Answer] The agreement between the producers is the tool for struggle against inflation. The National Tripartite Commission is seeking to serve as a tool for price agreement. It would seem that it has not achieved much, because prices have continued to rise due to inflation. In any case, the commission must be supported and the goals underlying its creation maintained. Its field of action can exceed that of price agreements and the foundations of an economic planning body could be established.

In 1930, Haya de la Torre formulated the idea of a national economic congress as a body for democratic planning, with representatives of the state, labor and capital.

The seriousness of the economic situation in the country makes a joint effort in search of solutions necessary. Democratic stability may be in danger if the rate of the inflationary process is not resolved or decreased.

The impoverishment of the masses is an explosive factor. Therefore, any economic policy or measure adopted must seek to achieve a low social cost, such that political stability will not be threatened.

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CSO: 3010/1653

COMMUNIST PARTY LEADERS CRITICIZE ADMINISTRATION'S FIRST YEAR

Lima EL COMERCIO in Spanish 23 Jul 81 P A-4

[Interview with Senator Jorge del Prado, secretary general of the orthodox Peruvian Communist Party--majority faction (PCP-M) and deputy Manuel Dammert, secretary general of the Revolutionary-Workers Class Communist Party (PCR-CO), date and place not given]

> [Text] (Editor's Note) These are the opinions of Senator Jorge del Prado, secretary general of the orthodox Peruvian Communist Party and deputy Manuel Dammert, secretary general of the Revolutionary-Workers Class Communist Party, on the first year of President Fernando Belaunde's administration. Both political groups (the Soviet-oriented PCP and the PCR-CO, which follows the Mariategui-Mao line) belong to the United Left bloc. Below are summaries of the statements made by both leaders, who express their views about what is happening and what they believe should be done in Peru.

Jorge del Prado

[Question] Practically a year has passed since the reestablishment of the democratic regime. How would you summarize the work achieved during this period?

Jorge del Prado: In connection with the national and popular interests, the achievement on balance is totally negative. In this first period of the second Belaunde government, a regressive process has developed--more rapidly than expected--toward the conversion of the constitutional government elected in accordance with the postulates of so-called representative democracy (or bourgeois democracy) into a virtual civilian-military dictatorship, both in essence and in form, nationally and socially.

The character of a government is basically determined by its economic policy. The majority of the voters--men and women of the people--who voted for Belaunde as a presidential candidate last year believed in good faith that his government would substantively modify the "monetary fund" policy of the Morales Bermudez regime, thus putting a halt both to the constant increases in living costs and to the repression of the workers and the people in which that government engaged, in order to silence and shackle the most combative manifestations of the popular rejection of that policy. Today those who so hoped have been deceived. The Action-PPC

[Popular Christian Party] government has not only continued but has pursued to an extreme this policy to the benefit of the international enterprises and to the detriment not only of the workers and other more needy social strata, but also the middle strata and the Peruvian industrialists who are competing in some form with the international interests. And it is because of this that the government has not modified the antidemocratic and repressive campaign of its predecessor either, above all where constitutional rights and the social gains of the workers are concerned. To date, the trade union leaders and activists massively dismissed in 1977 for their participation in the strikes in protests against rising living costs have not yet been reinstated. And in order to be able to continue to throw new contingents of workers into the streets for the same reasons, decree law 22126 on labor dismissals remains in effect, while the threat of the elimination of the right to strike looms. On the basis of the same policy, the current government is moving forward even more rapidly than its predecessor in the process of returning state enterprises responsible for utilizing basic resources to the benefit of the country to the private sector. Parallel with this, plans call for favoring the imperialist greed of the international companies as well, with proposals for the modification of the Andean Pact, where the treatment of foreign capital is concerned. And if all of this shows that in comparison to the military dictatorship of Morales Bermudez, the sold-out and antipopular nature of the regime has not changed one whit, we can say something comparable about its formal aspect. In unjustifiable and seemingly inexplicable fashion, the current government is maintaining the so-called National Mobilization Law promulgated by Morales Bermudez a few days before the government transfer, by way of a repressive reserve and a promise of joint government with the rightist sector of the armed forces. But in addition, and as the most obvious manifestation of this dictatorial trend, the government parliamentary majority this year has delegated virtually all its legislative authority to the executive branch, with the granting of "special authority" to the government, on the basis of which the government has boldly bypassed the parliament, both in terms of the number of legislative decrees and their content.

[Question] Is it not an exaggeration to state that this government, elected by a majority of the popular vote, is becoming a civilian-military dictatorship, if one bears in mind what dictatorships have meant to the country?

Jorge del Prade: I do not say that it already is a civilian-military dictatorship, but that it is moving toward becoming one. And an analysis of its form and content bears this out. Its content shows that it is not a government which responds to the interests of the people, but those of the minority, as dictatorships do. The military and civilian dictatorships we have had have served the interests of minorities, not the interests of the vast masses nor the country as such either. On the formal level there is a concrete fact: the parliament, the essential institution in a formal democracy, is being bypassed to place all the power in the hands of the executive branch, so that it can issue legislative decrees which constitutionally only the legislature can do.

[Question] Senator del Prado, how do you explain your disdain for what you call "bourgeois democracy" and your participation and that of your party in this regime?

Jorge del Prado: If bourgeois democracy were respected, it would in any case be a step forward from bourgeois or reactionary dictatorships, because it would allow an opportunity to defend the rights which are truly of interest to the Peruvian people and which cannot be neglected, such as the right to elect, the right to free

expression, to popular and political organization, etc. These are facets which we defend. But we speak of formal democracy because of the fact that this democracy is not profoundly based when it comes to the material and cultural interests of the people. In order to be a true democracy it would have not only to respect the democratic rights formally recognized in the constitution, but at the same time, would have to work toward eliminating social inequalities.

[Question] Faced with the picture you outlined in response to the first question, what, specifically, does the PCP-U propose?

Jorge del Prado: The current economic policy must be substantially modified to one designed to improve the material and cultural conditions of life for the people increasingly, to defend national sovereignty and the independent future of the country. The government should also execute the mandate of the people who elected it to respect and implement the constitute of the state, guaranteeing the exercise of democratic freedoms. As a result, the law granting extraordinary authority, as well as the legislative decrees based thereon, first and foremost legislative decree 046, should be revoked. On the other hand, the platform of economic, social and political alternatives submitted by the IU [United Left] to President Fernando Belaunde should be fully respected.

Manuel Dammert

[Question] From the perspective of the PCR-CO, how do you evaluate President Belaunde's governmental administration?

Manuel Dammert: The government has failed to keep the promises it made. In support of this judgment, I would mention three central elements: it promised that inflation would be 40 percent last year. It is now July and official sources themselves estimate that the rate of inflation will reach 80 percent. It announced that it would reduce unemployment and that it would create a million jobs in two years, which would mean the creation of 500,000 jobs during this fiscal period. However, a year has passed and the unemployment and underemployment structure remains and is tending to become more acute because of the new generations of workers being added and the industrial problems resulting from the recession. It proposed to improve the food conditions for the people, but we have seen, however, how bread has gone up from 3.50 to 10 soles and with the elimination of subsidies, the prices of all products have gone up.

It should also be noted that the gasoline increase is not necessary, because it has inflationary effects and leads to an increase for foodstuffs and transportation expenditures for the population. I believe that instead of imposing another tax on the people, there are other ways of providing PETROPERU [State Petroleum Agency] with resources. One would be the following. Now, by virtue of the contracts with oil companies functioning in the country, particularly Occidental and Belco, the state can purchase a given percentage of the production. It does not purchase this percentage as a function of domestic cost, but rather international cost, at a price established politically by the governments of oil producing countries. The average oil production cost in 1978, for example, was $6. In other words, they were profiting by $6. At present we believe that a domestic price of $6 approximately should be established, representing a third of what the contracting enterprises are given. If the Peruvian government could persuade those countries to

sell us their oil at the price mentioned ($6), it would be saving about $100 million which would be allocated to PETROPERU. Thus, then, it would be unnecessary to increase the gasoline price and the cost of living of Peruvians would not be affected.

On the other hand, we note that the government is now beginning to keep its promises to the forces it represents, because it has succeeded in acquiring for itself three major tools: the financial support of the World Bank, the massive presence, with impunity in practice, of foreign enterprises in the country, particularly oil and mining companies, and the state apparatus has been reorganized, shifting it in practice into a civilian dictatorship in the hands of the president and the council of ministers.

[Question] Within this presumed framework, what alternatives do you propose to deal with the problems noted? Or is agitation the only recourse?

Manuel Dammert: During the discussion with President Belaunde, we presented him with a document called "Propositions for Peru" which contains specific proposals. With regard to food supplies, we noted the need for a 4 percent increase in the tax which would be allocated to the Food Compensation Fund, so that the resources would serve to subsidize milk, bread and oil, among other food products. On the subject of unemployment and underemployment, we explained that one of the main sources of work is agriculture, but the peasants are not being given cheap credit. Instead, they must pay interest rates which do not make any farm crop profitable, nor is credit allocated at the proper time. When there were droughts, the debts of the peasants were not forgiven, and when there was rain enough, timely credit was not allocated. We propose that the rural sector be given incentive and subsidized credit, particularly the small and average farmers, the peasant settlements and farm cooperatives, with a view to encouraging agricultural production. Also, we suggest the development of infrastructure projects in various sectors to absorb manpower.

To summarize, the fundamental basis for the development of Peru is agriculture and it must be encouraged. The oil and copper should be used to obtain the necessary foreign exchange, but on a reasonable basis and in accordance with our own interests, not those of the world market. Parallel with this, an active process of industrialization should be promoted on the basis of our own supplies and raw materials which we have in the country and the markets we can create.

[Question] There has been criticism of the United Left from the Trotskyite sector because it participated in a dialogue urged by President Fernando Belaunde. What do you think about this position?

Manuel Dammert: The Trotskyite sectors are a minority trend of opinion in Peru. However, the vast majority of the workers and the people as a whole have regarded the attitude of the IU as very positive. To Belaunde's proposal that agreement be reached on housing, the IU answered that no social pact or agreement between the government and the opposition is possible, because the government represents the forces which are doing serious harm to the country and its democracy, but that we agreed that dialogue was feasible. At that meeting on 1 July, we made a counterproposal to the government, involving points concerning the popular welfare, democracy and national sovereignty. The government has not yet given an overall response and we are expecting its answer during the second round of talks.

5157
CSO: 3010/1653

PETROPERU ESTIMATED DEFICIT REACHES 35 BILLION SOLES

Lima LA PRENSA in Spanish 18 Jul 81 p 4

[Text] The expenditures from the budget of the republic for this year are estimated at 2.15 trillion soles, while income will total only approximately 1.8 trillion soles.

This will mean a budget disparity for this year of 400 billion soles, 20 percent more than the initially estimated figure, populist Daniel Linares Bazan announced yesterday in his capacity as member of the Bicameral Budget Commission and the Permanent Congressional Commission.

Offering supporting figures during the session the budget commission held with Prime Minister and Minister of Economy and Finance Manuel Ulloa Elias, Deputy Linares Bazan said that this deficit was calculated as of 31 December of this year based on 30 June data.

A half of this budget deficit, he noted, reflects fiscal expenditures, and the other half reflects the respective deficits of various state enterprises.

Among these deficit enterprises he mentioned PETROPERU [State Petroleum Agency], which has a deficit of approximately 35 billion soles, the ECASA, with a deficit of some 70 billion soles, the ENCI [National Enterprise for Industrial Marketing], with a 60 billion soles deficit, and SIDERPERU [Peruvian State Iron and Steel Enterprise], with a deficit of some 10 billion soles, among other state enterprises.

Manageable Deficit

In the opinion of this populist deputy, the present deficit is "manageable," because thanks to the corrective steps which are already being taken, it will be prevented from being any larger.

The deficit is manageable because it is hoped that copper, as a strategic measure, will see a price recovery before the end of the year; an increase in oil production is expected; adequate control and rationalization of public expenditure will be carried out; and there will be a future increase in the prices of some subsidized articles.

Among other measures, the government has changed the administrative structure of the state enterprises, which as corporations will be able to function more flexibly in order to compete with other private enterprises.

Finally, he said, control of public expenditures in no way means that plant projects will have to be halted. He gave assurance that the state investments in the projects with greatest priority will continue to develop.

5157
CSO: 3010/1653

NEW LAW BARS MILITARY AS INTELLIGENCE CHIEF

PY241736 Tacna Radio Tacna in Spanish 1200 GMT 24 Aug 81

[Text] A law recently approved by the Peruvian Congress that introduces radical changes in the leadership of the National Intelligence Service is already on the desk of President Belaunde for promulgation. Thus far, the chief of the National Intelligence Service has been an officer of the armed forces on active duty, namely Brig Gen (Guzman Echenbauer).

The new law bars armed forces officers on active duty from being eligible for the above position by establishing that the requirements for becoming chief of the National Intelligence Service are the same as those for becoming a senator, one of the requirements being that of having the right to vote. Since the officers of the armed forces cannot vote, no officer on active duty of the navy, the air force or the army can be appointed as chief of the National Intelligence Service.

The above law was proposed by Popular Action Senator Javier Alva Orlandini, who is now president of the Senate. The draft law was quickly approved by both the Senate and the Chamber of Deputies. The concealed objective behind Alva Orlandini's proposal apparently passed unnoticed by everyone, that is, the objective of barring officers on active duty of the armed forces from assuming the above high national defense post.

Yet the military commanders were not unaware of the above objective. It has been reported that the above law has elicited great uneasiness and widespread protest in military circles. Belaunde has already received the text of the law for promulgation. The legal deadline for the promulgation of the above law expires next week.

CSO: 3010/1747

STRIKE SITUATION REVIEWED BY 'AFP'

PY241752 Paris AFP in Spanish 2019 GMT 22 Aug 81

[Text] Lima, 22 Aug (AFP)--The negotiations between the Health Ministry and the Peruvian Medical Association, which has been on strike for 16 days, have bogged down, while the negotiations between the banks and their employees, who lifted their strike temporarily on Friday, are progressing very slowly.

Meanwhile, the strike of the 7,000 copper workers in the south of the country and of the 4,000 workers of the state's mining complex, CENTROMIN [Central Peruvian Mining Enterprise], continue without any change. At the same time, pharmaceutical employees and the workers of the electricity sector have announced that they will go on strike next week for an indefinite period of time.

The Medical Federation, which has 13,000 members, rejected an offer regarding salary increases made by the health minister, Uriel Garcia, and submitted a counter proposal, which was not accepted by the government.

Regarding the 27,000 bank employees, who went on strike from Monday to Thursday of last week, they rejected a salary readjustment of 25,000 soles ($57) because it was too low. They are demanding a 90,000 sol ($105) salary increase.

On its part, the Pharmaceutical Assoication has indicated that it will begin an indefinite strike on Wednesday. They are demanding salary readjustments and threaten to close down pharmacies, although the owners say that they will remain open.

And thus, the 10,000 ELECTROPERU [Peruvian State Electric Power Enterprise], that operates in the interior of the country, workers have announced that they will go on strike on Tuesday demanding salary readjustments and as a protest against the high salaries of the enterprise's managers.

CSO: 3010/1747

BRIEFS

POLICE OFFICIAL'S HOUSE DYNAMITED--Arequipa--A dynamite attack was perpetrated last night against the house of Maj (Juan Goitendia Parpang), chief of the homicide squad of the Peruvian Investigative Police (PIP). The regional police chief was at the scene of the attack, but noted that this does not mean that the local police will diminish their efforts in their struggle against terrorists. [Excerpts] [PY281530 Lima Radio Union in Spanish 1130 GMT 28 Aug 81]

TERRORISTS ATTACK SOUTHERN PERU OFFICE--Tacna, 27 Aug (TELAM)--A powerful charge of dynamite, thrown by terrorists, destroyed the main door of the U.S. enterprise Southern Peru Copper Corporation in this city, located 1,200 km south of Lima. The attack is the 13th occurring in Tacna and the 2d against the offices of Southern. Meanwhile, the 10-day strike of Southern workers in Toquepala and Cuajone mines and at the Ilo refinery has caused losses estimated at $10 million. [Text] [PY272338 Buenos Aires TELAM in Spanish 1620 GMT 27 Aug 81]

BOMB EXPLOSION AT FOREIGN MINISTRY PREVENTED--Lima, 26 Aug (AFP)--An explosive device was placed at the door of the Torre Tagle place, seat of the Peruvian Foreign Ministry, but timely police action prevented casualties or damages. Initial reports indicated that the device, made up of dynamite sticks, was supposed to cause a chain explosion, but the police had been alerted and activated the first detonator to prevent the others from doing the same. [As received] [Text] [PY261656 Paris AFP in Spanish 1637 GMT 26 Aug 81]

ENTELPERU WORKERS' STRIKE--Workers of the National Telecommunications Enterprise of Peru [ENTELPERU] today at 0000 went on a 24-hour strike to demand a wage increase. The workers, who have requested an increase of 90,000 soles monthly, rejected ENTELPERU's offer to grant a 30,000 soles increase. The strike will affect long distance, telex and telegram services and so forth, but will not affect local telephone services. Two thousand ENTELPERU workers have gone on strike throughout the nation as of 0000 today. [Text] [PY251533 Tacna Radio Tacna in Spanish 1200 GMT 25 Aug 81]

POPULAR ACTION MEMBERS' HOMES BOMBED--Reports from Cusco indicate that two terrorist attacks were perpetrated yesterday morning. The attacks damaged the residences of Popular Action Party Deputy (Rodolfo Camalloa Loanca) and of the departmental secretary of the same party (Jose Palomino Mora). The explosive devices used for both attacks exploded simultaneously at 0525 and alarmed the neighborhood. Deputy (Camalloa)'s residence is located in the traditional San Blas neighborhood. There

the explosion destroyed a window and shattered the glass of the windows of most houses in the same bloc. The only person present in the house was the deputy's wife, (Gloria de Camalloa) who experienced a strong shock. The other explosion took place on Simon Bolvar Street of the (Pio) housing development. There the bomb destroyed a door and shattered the glass of the windows. (Palomino) stated that these despicable actions lead nowhere within the framework of democracy. [Text] [PY211351 Lima Radio Union in Spanish 1130 GMT 21 Aug 81]

TERRORISTS ATTACK IN HUANTA--Another terrorist attack was perpetrated early on Sunday in Huanta causing alarm among the people [words indistinct]. This time the target of the terrorists was a fuel warehouse located in the downtown area of the city where more than 2,000 gallons of gasoline are stored. The terrorists attempted to cause a huge fire by planting a dynamite charge near the main tank. Fortunately, civil guardsmen promptly brought the fire under control while another group of policemen unsuccessfully raided the outskirts of the city. Thus Huanta continues to be the target of the destructive action of terrorists, who had earlier blown up municipal facilities and the local food market. [Text] [PY251813 Lima Radio Union in Spanish 1130 GMT 25 Aug 81]

AIR FORCE COMMANDER VISITS USSR, ISRAEL--Lima, 22 Aug (AFP)--The commander in chief of the Peruvian Air Force [FAP], Gen Hernan Boloarte, today travelled to the Soviet Union and Israel for an on-the-scene study of the aeronautical technological development of both countries. Boloarte, who is accompanied by five high-ranking officers of the FAP, will have a full program of activities, and in Moscow he will try to crystalize the transference of Soviet technology on aeronautical matters to Peru, but no specifics were given in that respect. Similarly, in Tel Aviv he will visit industrial centers of the sector in order to check out the latest Israeli advances. Meanwhile, a high official of the Soviet Embassy in Lima indicated that the negotiations between the two countries will take place in an atmosphere of understanding, friendship and mutual cooperation which characterizes their relations. [Text] [PY241214 Paris AFP in Spanish 2054 GMT 22 Aug 81]

CSO: 3010/1747

BRIEFS

BRITISH AID TO ST LUCIA--Castries, St Lucia, 24 Aug (CANA)--Britain is to make 5 million East Caribbean dollars (one EC dollar--37 cents U.S.) available to St Lucia for development projects over the next year, Keith Woolverton, head of the British Development Division in the Caribbean, said today at the end of an official visit here. Woolverton said some of the money would go to increase coconut production. There was also the possibility of aid for developing less traditional crops or the expansion of others, such as cocoa, mangoes and avocados, which could fetch good prices on the European markets, he said. The money was also earmarked for the development of a proper water system for St Lucia, low cost housing schemes and a new primary school. [Text] [Bridgetown CANA in English 2050 GMT 24 Aug 81 FL]

CSO: 3025/1026

UNITED PEOPLES MOVEMENT HOLDS FIRST CONGRESS

FL242317 Bridgetown CANA in English 2303 GMT 24 Aug 81

[Text] Kingstown, St Vincent, 24 Aug (CANA)--General Secretary of the small left-wing United People's Movement (UPM), Renwick Rose, has charged that a serious political crisis is developing in St Vincent.

Addressing delegates at the first congress of the movement since its inception 2 years ago, he said that it was a popularly-held view that the ruling administration of Prime Minister Cato was incapable of further democratic rule and was now "resorting to dictatorial measures and tactics."

"Less than 2 years after its seemingly overwhelming election victory of December 1979 opposition to the CATO administration is in the majority," Rose said.

"How could a government elected with 11 of the 13 parliamentary seats so rapidly lose its support," the general secretary questioned.

He said that "if we are to correctly characterize the present political situation and plot the way forward for our party and country, we must examine the decline in popularity of the S.V.L.P. [St Vincent Labor Party] government and point to the alternative to its decadent rule."

The congress, which concluded yesterday, unanimously elected former lecturer in government at the University of the West Indies (U.W.I.) Cave Hill Camput, Dr Ralph Gonsalves as political leader.

The movement posthumously honored five patriots for their "valiant contributions" to the Vincentian Society: Carib Chief Chatoyer, Capt Hugh Mulzac, Samuel "Sheriff" Lewis, George McIntoush and Dr Ronnie Saunders.

The UPM reiterated its call for 21 October to be celebrated as "National Day" to honor "these great fighters."

CSO: 3025/1026

BRIEFS

OPEC FUND LOAN--Kingstown, St Vincent, 28 Aug (CANA)--St Vincent and the Grenadines is to benefit from a million dollar U.S. loan from the OPEC fund for international development, it has been announced here. According to an official release, the loan agreement was signed at the OPEC's fund headquarters in Vienna yesterday by St Vincent's high commissioner to London Dr Claudius Thomas and the fund's director-general Dr Ibrahim Shibata. The loan is to be used for the importation of capital goods, spare parts and inputs required for agricultural and other essential consumer goods, the release said. The loan, which is interest-free and carries a service charge, is the first from OPEC to be extended to this Caribbean Island. St Vincent brings to 77 the number of developing countries which have so far benefited from the special development fund set up by the huge Middle East oil cartel. [Text] [FL281528 Bridgetown CANA in English 1518 GMT 28 Aug 81]

CONCERN WITH REAGAN POLICIES--Kingstown, St Vincent, 19 Aug (CANA)--The Leftist United People's Movement (UPM) has strongly condemned the Reagan Administration for what it referred to as "moves designed to escalate the arms race and increase tension in the region." The movement's secretary for international affairs, Barrister Adrian Saunders, said that "since being installed into office, the Reagan Administration has been seeking to revive the cold war and now it is even threatening to launch a nuclear war." Saunders said it was his party's view that the Caribbean must remain a zone of peace. "The U.S. Government must be given a stern warning by CARICOM countries to desist from interfering into the internal affairs of our Caribbean states." On the question of U.S. military maneuvers off Puerto Rico, allegedly aimed at training participants for a possible invasion of Grenada, he pointed out that "this ought to be of grave concern to all governments and the peoples of the region, irrespective of ideology or political alignment." [Text] [FL191540 Bridgetown CANA in English 1507 GMT 19 Aug 81]

CSO: 3025/1026

BRIEFS

COMMUNISTS OPPOSE PRODUCTION CUTBACK--Paramaribo, Suriname, 21 Aug (CANA)--The privately-owned Suriname Aluminum Company (SURALCO) has blamed a glut on the international market and problems with energy here for its cutback in production this year. The explanation was contained in a statement which SURALCO, a local subsidiary of ALCOA in the United States, sent to a trade union representing its employees. The company said it had decided to reduce its planned Bauxite production by 26 percent, aluminum by 17 percent and alumina by 13 percent. The production drop was criticized by the Communist Party, which said it was being used to reverse rights acquired by the nation, and in particular those of the workers. "The second stick behind the door is the transferring and dismissal of workers," the party claimed. "Already, 500 workers from the production department are being transferred to the construction department. As a result, a similar number of casual workers have been laid off. [FL211945 Bridgetown CANA in English 1852 GMT 21 Aug 81]

CSO: 3025/1026

MINISTER ON PLANNED RELATIONS WITH CARIBBEAN

FL271355 Nassau TRIBUNE in English 21 Aug 81 p 1

[Text] Plymouth, Montserrat (CANA)--Stafford Missick, minister of trade, development and agriculture in the Turks and Caicos Islands, has said here that his country is committed to the development of closer ties with the Eastern Caribbean.

The minister, who is now on an official visit here, told newsmen that there were many areas in which his country could benefit through close cooperation with the Eastern Caribbean.

Noting that the Turks and Caicos Government felt that it could draw from the expertise of many of the region's institutions, Mr Missick said that in fact discussions have begun with the university of the West Indies as well as the Barbados and Antigua governments.

He disclosed that his government was seeking training in Barbados for Turks and Caicos' policemen and agricultural assistance in the case of Antigua.

Mr Missick attributed the interest of the Turks and Caicos Islands in regional activity to the election of a new government there.

"We have a different team with a new outlook, and it is this group which is now formulating a new policy," he declared.

When questioned about independence for the islands, the minister said it was not a priority for the new administration at the moment.

At present, the Turks and Caicos Government has set as its development priorities--tourism, agriculture, fisheries, light industries and tax haven facilities, he disclosed.

"We so far have had quite considerable success in attracting interested parties, he said."

CSO: 3025/1026 END

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No. 2368

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FORMER ECONOMY MINISTER ASSESSES CURRENT MEASURES

Buenos Aires SOMOS in Spanish 14 Aug 81 pp 14-17

[Interview with former Economy Minister Roberto Alemann by Roberto Fernandez Taboada; date and place not given]

[Text] [Question] How would you describe the business debt rescheduling announced on Friday? It is not a bond...What is it then?

[Answer] That's what I would like to know too. It's a "facility," but they aren't saying who's providing it. I would guess (this is my interpretation because the communique is not clear) that the Central Bank is advancing funds by creating currency to pay off the debts owed to the customers of banks backing the regime, and in order for this funding to be across-the-board, so that the banks can't say: this fellow yes and that fellow no, it has to be guaranteed by the government. Instead of issuing a physical bond in the form of a slip of paper, they will most likely use another kind of Treasury guarantee.

[Question] What about the previous attempt at a rollover? The claim is that it didn't work because rediscounting was underused...

[Answer] Does 12 trillion pesos seem too little to you? And this 12 trillion comes from estimating the average deposits in financial institutions in March, to which a rate of 4 percent was applied in both May, June and July. The figure was estimated at the time at 12 trillion pesos. Then the banks earmarked what they earmarked. I don't know how much it was, but it must have been quite a bit, to judge by the Central Bank's balance sheet, which as of 7 August showed credits to financial institutions of 25.2 trillion, compared to 11.8 trillion at the end of the year.

[Question] Does that include what was paid out in guarantees against the BIR [Regional Trade Bank] and the other liquidated banks?

[Answer] No, because that occurred prior to this. The Central Bank report says that the financial institutions were given 12.8 trillion on 7 August, whereas the figure stood at 2.4 trillion at the end of last year; in other words, there has been an increase of 10.4 trillion in 7 months, most of it since April. If you feel that that's not very much, well I don't know. I think it's a lot of money.

[Question] Noentheless, the man in the street has a different idea. People are saying that the banks refused to roll over the debts of companies that were in poor shape, and the rediscounting turned out to be very scant.

[Answer] I am assuming that in selecting their good risk customers to refund their money (because if the banks do not refund, they have to pay the Central Bank), the banks excluded the customers that did not deserve this sort of credibility. The argument that you have just presented to me could well come from the poor risk borrowers, who in fact were the ones who asked the government for a nondiscriminatory rescheduling system, which is what they have just come up with or are in the process of implementing.

[Question] Do you think that most people feel that the first rediscount was not enough?

[Answer] I don't know and I will not prejudge. When I don't know something, I do not offer an opinion. The banks are the ones that know and they have not released comprehensive information. What we do know is that the people who complained are very powerful politically and were able to lobby the government into expanding the other funding, the ill-termed rediscount, by extending it from 4 to 6 years for everyone, on the one hand, and, on the other, by making it indiscriminate so that the banks would have no say in the matter since it is government-guaranteed. Thus, if a poor risk client does not pay up, the government will ultimately assume the bad debt. This is the key to the whole thing. And this can be done with a physical bond or a guarantee. It's merely a question of technique. It's of no major importance. The essential thing is that the guarantees will boost government spending by at least 40 trillion pesos, assuming that all of the banks join the system.

[Question] What percent of government spending does that come to?

[Answer] The national budget for this year was around 70 trillion pesos, but it's going to be increased and amended in a few weeks. We now have to add 40 to this 70, but even before this there was another 12, plus 3 more earmarked for aid to provincial banks and to help harried borrowers.

[Question] Do you mean to say that we would be increasing the initial budget 70 percent?

[Answer] That's right, and by this subsidy alone. But look, the State will assume a debt or a guarantee, and the fact is that it cannot assume a debt on something that it has not spent. By definition, if the government assumes this debt and applies it to a subsidy, it is spending money. It's the same as when the government takes in the proceeds from PRODE [the lottery] and then apportions them among the soccer clubs. It takes with one hand and distributes with the other. In this case, it takes money from the Central Bank and redistributes it among debtors in accordance with certain conditions. This is public spending in the form of subsidies, just like all of the others that the government engages in. But it's still government spending even

though it's not recorded in the budget and not approved in the official budget act. This is the Central Bank's off-budget system, which can be used for anything. This is the same thing that the government does when it promotes exports. It pays exporters money that the Central Bank doesn't have. It creates it out of thin air and does it through the Treasury as the trustee.

[Question] How much inflation is all this going to cause?

[Answer] The Economy Ministry estimated inflation this year at 130 percent for retail prices and 150 percent in wholesale prices. But now, while the monetary base is growing steadily at 11-odd percent a month, the estimated budget revision is said to be based on the hypothesis that wholesale prices will rise 6 percent a month, which equals exactly 100 percent a year. I think it's going to be higher, but I don't know when the impact of inflation on prices is going to be felt. The currency printing that this ill-termed bond is going to lead to will have an additional impact. It works like this: there are two kinds of debtors receiving this funding: the good risks and the bad risks. The good risks do not need these facilities, because they are the ones who make their interest payments, pay their taxes and reduce their debts by paying off the principal as they raise funds to do so. This is the definition of a good risk. The bad risks are the ones that do not pay taxes and do not make their interest payments but instead ask the banks to add the interest on to their debts. These are the bad risks, the ones that do not deserve credit. Both groups are being bailed out. So then, what's going to happen with the money that the good risks have set aside to pay off the interest and principal on the debts that are now being converted to 7-year terms, with a 3-year grace period and interest payments that fall due every 6 months instead of every month as before? What's going to happen to the companies that set this money aside, reoutfitted their plants, trained their personnel, etc, as opposed to the ones that did none of this? But this bailout will have another effect in connection with the mechanics of banking and finance operations. The 40 or more trillion pesos that the government is guaranteeing over 7 years will cause the financial institutions taking part to be illiquid for 7 years. They are going to lend the money they receive for 7-year terms, but the money they receive is for 7 or 30 days. How are they to know what kind of spread they will be working with? This has to do with operations, but as far as the essence of the system is concerned, this amount of credit is going to be nationalized. Forty percent of credit is going to be nationalized.

[Question] Nationalized?

[Question] Of course, because the government is furnishing it. This kind of credit would never be provided for 7 years privately, on the free market.

[Question] But it is being provided through the banks. The banks, not the government, are the lenders...

[Answer] It's the government, the Central Bank that is giving it to the banks under government guarantees, and the banks extend the credit; they are agents.

[Question] In other words, if the debts are not paid off, the government is entitled to take over the company?

[Answer] Of course. If a borrower does not pay off, the bank can get the money from the government, and if it can, the government collects from the debtor company. It then becomes the company's main creditor and takes it over, forces it into bankruptcy or does what it feels like. But the credit arrangement is not the one set by the marketplace. Once this system is in place, they are suddenly going to have money available. What are they going to use it for? This is the big problem. If the cashier is the one in charge in the company, he will use it to pay off the biggest risk liabilities. And as every babe in arms knows, the biggest risk liabilities are the liabilities in foreign currency. What size reserves does the Central Bank have to cope with this?

[Question] At least $5 billion...

[Answer] How much of this is available, I don't know. The second effect: if the good risk borrowers do this with the greater liquidity they obtain, the Central Bank might lose reserves. And because the marketplace knows all, this is going to induce a marginal number of holders of time deposits to switch from fixed term to foreign currency, because if the debtors do not have confidence in the peso and pay off their liabilities in foreign currency, there is no reason why the creditors in fixed term pesos should know more than the big borrowers. The people with the most experience in the marketplace are the ones who regularly manage capital carefully and can assess the risks of each of the debts that they incur. The fixed term holders do not necessarily have this ability but they follow the people in the know. And many of these debtors also have fixed term deposits with cashbook surpluses. At any point we could have a situation similar to what we saw in April, May and June. The psychological consequences of a situation like that are well-known.

[Question] Could this make exchange controls necessary?

[Answer] It means we will have to do the proper thing. I'm only pointing out the consequences. It will have other effects later. Companies, especially the poor risks, are going to use part of their surplus liquidity to temporarily cut prices because right now they are in a tough spot and have to sell at more or less high prices because otherwise they don't make money. They are going to engage in unfair competition with the good risks in their own market, because the good risks have done everything necessary to stay in the market, to avoid the consequences of the inflationary situation and are thus on the verge of getting ahead. And with the forthcoming upswing in demand (which always comes by itself), they would have gotten out of their problems. But now they are going to be hurt. I call this the unfair competition effect of this bailout: the people who wagered their money are being punished. In our

market today, banks do not give 7-year loans because they have no way to roll them over. A bank lends money at a lengthy term like that as it obtains the funds in the marketplace. A bank is just a money middleman, not a creator of capital, and in this instance the banks are still taking in money at 7 or 30 days and are going to be lending it for 7-year terms, but not because they want to or because the market so permits, but because the government is interfering. This is a partial, albeit not total nationalization of lending. And I think that boosting government spending is not good and that creating money out of thin air and nationalizing credit is appalling.

[Question] There are business chambers that say that this has to be done because the government has done them so much damage in recent years that it somehow has to try to make up for it with this aid.

[Answer] This is the restitution theory that the Industrial Union formally invoked in the document approved at that plenary meeting a few weeks ago. It's a theory based on a sophism. If the government had such an obligation, we would first have to calculate back in time, and all of the borrowers would have to return what they took away from savers over many years through interest rates lower than inflation. The profit that they made by getting loans at 40 percent when our runaway inflation was at 600, 700 and 900 percent would then have to be quoted in current pesos by means of some monetary index, and the restitution would be made against that. I don't even want to think about who the winners and losers would be in this numbers game. Under the same theory, we would have to do the same thing between landowners and leaseholders. The leaseholders had their leases frozen by law, while the prices of their products increased a lot more than their leases, and thus they coldly expropriated the land from its owners. In this case too we would have to correct backwards and adjust for inflation. And we would have to do the same thing for landlords and renters in the cities. And if we were going to tally up these restitution accounts, we would probably also have to do it with all of the people who benefit from some sort of tariff protection, which is also an implicit subsidy. This would take us until judgment day.

[Question] How did you arrive at the figure of 40 trillion?

[Answer] It's a very simple calculation. The communique announcing the bailout, published in the papers last Saturday, says that as of 30 April (which is the key date) liabilities totaled 101 trillion pesos. Forty trillion are reportedly industrial liabilities and half of these would be rolled over, which comes to 20 trillion. Sixty-one trillion are not industrial, and 40 percent of these would be rolled over, which comes to 24 trillion. Adding the two together, we get 44 trillion.

[Question] Can we say or somehow infer whether or not Argentine companies are too much in debt?

[Answer] Some are and some are not. The ratio must never be in terms of GDP; it must be in terms of a company's net worth. That is the ratio: how

many pesos it owes in relation to its own net worth. Net worth consists of invested capital, accumulated reserves and undistributed profits. The world's economies are strong or weak to the extent that their companies are highly capitalized or highly indebted.

[Question] It so happens that in Argentina, because of inflation, businessmen operated until a short time ago on the theory that it was a good idea to work with borrowed money.

[Answer] And they were right while interest rates were substantially lower than the inflation rate. But that's not the case now, and it hasn't been for a long time.

[Question] Did businessmen in general fail to alter their thinking when this change occurred?

[Answer] Some did, and some didn't. This is what distinguishes good risks from poor risks, the people who deserve credit and the people who don't.

[Question] What does the international financial world think of us?

[Answer] I do not yet know how foreign bankers reacted, because this was announced on Friday. But based on prior discussions regarding the bond (which was what it was called for several weeks) with bankers visiting Argentina, I can say that they have all been bewildered. None of them could understand why a country would do such a thing. They can't understand how a country that has an extremely high inflation rate, the highest in the world once again, could be printing even more money in an attempt to solve the problem. No one can understand this, and I don't either.

[Question] But how can these companies be bailed out, or don't they have to be bailed out?

[Answer] Why does the government have to bail out all our companies? Where in the constitution does it say that?

[Question] Nowhere. But the political cost will be very high if the companies fold.

[Answer] Yes, but what is the political cost of the hyperinflationary impact of all this?

[Question] We've already experienced runaway inflation, but not the other thing.

[Answer] When we experienced it 6 years ago, we had negative interest rates. This time, interest rates are not negative, and if there are any, they're going to be very slight, not with a spread like before, from 40 to 1,000 percent. In those days, companies came in with debts and left without them. Inflation liquidated their debts, but not this time.

[Question] Inflation swept away their problems.

[Answer] That's why the big borrowers were the major proponents of inflation, because they kept their assets and eliminated their liabilities.

[Question] But the big borrowers are pressuring this time too...

[Answer] They don't realize. Perhaps they think that the past can be repeated, and the fact is that it can't...

[Question] What haven't they realized? Positive interest rates? Or are they going to advocate a controlled money market?

[Answer] There are a lot of people who do advocate one.

[Question] Can the assertion be made that over a period of many years, through subsidized credit, excessive protection, etc, money has been transferred from the average citizen to business via inflation?

[Answer] It has been transferred from savers, workers and retired persons to owners of industry.

[Question] In other words, the governments that have in general been classified as populist or of the masses have, in fact, helped the rich...

[Answer] They've enriched the "haves." That's right. That's why they're called populist, because they deceive the people.

[Question] To what extent have the rules of the game changed with the decontrol of interest rates?

[Answer] Look, when money is expensive, you have to use more of your own capital because in a business, capital has to yield a higher rate of return than the cost of money. Otherwise, it's not a business; otherwise, you're working for third parties. With a negative rate, your capital earns a lot when you borrow from third parties. With a positive rate, you have to borrow less. These are the signals that the market has been sending out for years now, since mid-1977, but some people did not understand them, wagered on the opposite and are now trying to take back their bets.

[Question] But they're coming out ahead...

[Answer] We'll see.

[Question] How can they not be?

[Answer] The rate of the bailout funding might be slightly negative, but hardly at all. It is going to exert upward pressure on all other loans, however, in my judgment. So then, on the average, they are going to pay more, not less.

[Question] Alright, but if, as we saw before, the dollar goes up, interest rates will too. Furthermore, if things turn out as you anticipate, there is also the spread factor, which could also help boost interest rates. This is inflationary and recessionary. What will have been resolved then?

[Answer] Nothing. On the contrary, things will have gotten worse. I contend that our recession, which is in its fourth quarter, is not going to last longer than a fifth and that there have long been signs of a recovery without any of this. If the government goes through with the bailout, there is going to be a downturn again because business can't afford that kind of interest rate.

[Question] Do you see signs of a recovery right now?

[Answer] Yes.

[Question] In what sectors?

[Answer] In export sectors. The sharp devaluation has revived exports, and the ripple effect has touched other activities. Everything takes time, but I talk with industrialists and look at statistics, and I can see that some sectors are beginning to pick up again. Recessionary crises are not surmounted all of a sudden, nor do all sectors enter and emerge from them at the same time. But we can now see that the crisis is hitting bottom and has probably already done so. Under normal conditions of stability, the economy would straighten out by itself next year, but if another runaway inflation is tacked on, it will come to a halt again.

[Question] But if everything were so simple...There's something here that I don't understand.

[Answer] It's a political problem, because harried debtors are the strongest force in the country today; they have the biggest lobby in the country.

[Question] And since there are so many of them too...

[Answer] According to the ADEBA [Argentine Bank Association] survey, it would seem that there are not. I know that there is strong opposition among banks. The Bank Association does not seem to be at all happy with this solution, and I think that the best thing they could do would be to distribute a circular to their associates recommending right away that they not join the system. Then, since this is going to take a couple of months to be implemented, in view of our legislative experience with the CAL [Legislative Advisory Commission] (consider the moratorium that has not yet been called), the concern that I am voicing in advance might have spread by that time and reached the Junta, and as you know, each member of the Junta is above his chief of staff. And the chiefs of staff are above the staff officers who sit on the CAL. So, if extreme concern spreads nationwide, the Junta might become the repository of that concern and instruct its staffs to order the CAL officers not to approve this, whereupon the whole thing would come to naught.

[Question] What, then, is the other way to deal with the current business situation?

[Answer] The normal way indicated by our commercial legislation. The Commerce Code has a section devoted to insolvency proceedings and bankruptcies. What I'm telling you is not at all pleasant, but it's the way to resolve things.

[Question] But this would cause major unemployment...

[Answer] Why? On the contrary, high inflation is what is going to cause major unemployment. That's a proven fact. The second procedure, which is already being utilized, is the so-called creditors' meeting. A harried borrower can't pay up; he calls together his creditors, and the commercial code judge sets a date within so many months. At that meeting, the debtor presents a payment plan that usually entails a scaledown of the debt, either a request for nonmarket interest rates or no interest at all. The creditors assess the situation and if they feel that the company is viable and if they want to continue providing goods or financial services, they agree to the scaledown or negotiate another with the company. It's then approved, and the company has a new lease on life. No new money is created in this case. Each creditor provides his own credit and takes his business risks. This is the system that our constitution establishes, unlike the one being set up now, and it is under this system that problems are resolved. And then there will be cases of very harried debtors who will go and talk with their financial institutions and tell them that they are not in a position to continue making payments and that they are having difficulties in the market. They will then assess the situation with their creditors before going before a commercial code judge. It could be that they are on the verge of introducing a product that will be very popular on the market and they might just convince their creditors that this item will make them enough profits; so the creditors will wait to see what happens. And then there might be other harried debtors who throw in the towel and say "I've had it with this business" and then look for someone to buy them out. This is called an outright sale; this is called bringing in a new partner; this is called merger by absorption, etc. These are the procedures that have always been utilized in Argentina and elsewhere to take care of these kinds of things.

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GOVERNMENT INERTIA, DIVISIONS THREATEN PROCESS

Buenos Aires SOMOS in Spanish 14 Aug 81 pp 4-6

[Article by Tabare Areas]

[Text] The man got on the subway at Miserere Plaza, heading downtown. He put his briefcase on his lap, opened up his paper and folded it closed again exactly three stops later, looking somewhat perplexed and wondering: "What's going on in this country?" And there was good reason for his musing: in the paper he had read remarks by three more than authorized spokesmen. "I'm not Mandrake the Magician" (Adm Armando Lambruschini, referring to how long the country's recovery would take); "People in Argentina eat 7 days a week" (Brig Omar Graffigna) and "If the Radicals or the Peronists were to assume power today, they would soon be kicked out by a military movement" (Gen Albano Harguindeguy).

On Monday, the former interior minister and current adviser to President Roberto Eduardo Viola went to Tandil and spoke for 45 minutes straight to the provincial delegates of the Conservative Union. What he said there was chronicled by the official agency itself, TELAM, in its cable number 48, prompting this essential question among people in the street and political circles: What, when all is said and done, is the government's political strategy, if in fact it has one? Harguindeguy himself pointed out that "it is becoming very difficult to express the government's thoughts on national policy," and those who are familiar with the inner workings of government also know that such remarks would not be made (or shared) by Viola's three other political advisers: Jose Antonio Romero Feris, Guillermo Acuna Anzorena and Francisco Moyano.

The next day, Peronist Nestor Carrasco, a member of the multiparty association, hastened to say: "I don't think that the government is playing the card that Harguindeguy has, but what I don't understand is why the former minister continues to speak out, and in that tone too." With these musings Carrasco was merely confirming something that political circles have been talking a great deal about in recent days: the different tacks within the government for pursuing its political strategy. In this regard, Casa Rosada sources are not denying that Harguindeguy is doing his political job in the center lane, trying to get all of the parties so inclined ideologically to join in a

centrist movement that can offer a comprehensive program for dealing with the nation's problems. Allegedly involved in this same task (though with some shades of difference) is Francisco Moyano from Mendoza, who served as a political adviser to President Jorge Rafael Videla. The same sources claim that Moyano and Harguindeguy are full-fledged spokesmen of former Minister Jose Alfredo Martinez de Hoz's political line.

According to original plans, Romero Feris, Acuna Anzorena and Moyano were supposed to move intelligently among the leaders of political parties in order to gather information, spell out intentions and "pave the way for talks free from ill-will and mistrust." The advisers were supposed to do their job silently while the Interior Ministry worked on the program that would eventually loosen the ban on political activity. The strategy that the government developed in March included another important point that it regarded as helpful in hastening the political pace: resolving the legal status of Maria Estela Martinez de Peron in order to relax tensions.

Amid all this hubbub, political minister Horacio Tomas Liendo has maintained a more than suggestive silence, prompting speculation and conjecture that can be summed up in this question: Does the government have an answer for this touchy political juncture? The fact is, sources stress, that the advisers deal directly with Viola, from whom they receive orders and suggestions; Minister Liendo reportedly attends only some of these meetings and goes about pursuing the government's strategy independently, but always in concurrence with the president.

Liendo's political team is made up of retired Gen Adan Alonso (undersecretary of the interior) and Doctors Eduardo Cesar Amaro Pourciel (undersecretary of institutional affairs) and Domingo Cavallo (technical undersecretary), as well as Rosendo Fraga, the young head of advisers. The comment has been made that with a marked degree of political introversion, Liendo directs the group in accordance with President Viola's orders. Sources close to this group say that the government did not take a definite and specific stand on the rally promoted by the Radical Civic Union because it wanted to wait and see how "the incident would settle out" and hear the views of the political sectors to be consulted so that it could then, and promptly, act on the basis of what it found out. All indications are, however, that the multisector gathering is filling the political vacuum created by the absence of an imaginative and convincing government program, to the point that someone went so far as to say: "It seems that the politicians are now playing with the white pieces..."

On Monday the 10th, Brig Omar Graffigna was in Mendoza, where he virulently attacked statism, charging that it was the "most serious of all the ills plaguing the Argentine economy." It was Air Force Day, and he said quite emphatically: "The disease has to be attacked at its causes, and to this end we must abandon the wishful thinking that we can defeat it with technical contrivances, regardless of how ingenious they might be." This assertion caused surprise, inasmuch as this point (reducing the size of government and

government spending) was one of the priority goals announced in 1976, when the Armed Forces took charge. Has anything changed 5 years later?

On Tuesday morning Bernardo Neustadt called former Finance Secretary Juan Alemann and went on the air (Radio Mitre, the "Nuevo Dia" program) with an interview that wasted no words. Alemann said in response to Graffigna that "actions speak louder than words" and recalled that the depots that Customs has at Ezeiza belong to the Air Force and that they are not exactly a model of efficiency and thrift "because every day I read that merchandise is ruined by exposure to the elements." Neustadt replied that he knew that Viola had instructed his ministers to speed up the return of companies to private hands, whereupon the former minister pressed the point that the president had the means at his disposal to furnish an example. He then cited the printshop that does the Official Gazette (it functions directly under the authority of the president's office), claiming that it is poorly printed, out-of-register and almost always late. He added that there were printshops in the country that could do a better quality job at lower cost.

In the wake of Graffigna's words many people looked to the economic sphere and noted that what was supposed to be a debate on a financial instrument (the bond to roll over business debts) had become a veritable shackle on the government and little less than a national priority. Thus, in recent days the notion persisted that in the absence of a clear-cut statement by the president, the economic ministers had become sector delegates and lost their overview without being able to reach an agreement, because what they were ultimately debating was who should receive the benefits and how and who would pay them and in what form.

This issue goes far beyond economics and reflects another of the government's political flanks as well. Economy Ministry sources are worried about the rise in prices, and LA NACION said in an editorial on Monday the 10th: "...inflation is a symptom of a political vacuum, of a government that cannot or does not want to say 'no' in the battle among sectors to take a bigger slice of overall national revenues."

After his speech in Mendoza, Graffigna found himself facing a group of newsmen, who questioned him about the economic situation. He said: "The problems are not as severe as people are saying. We are well-off in Argentina and we still eat 7 days a week. Few countries can claim that they eat 7 days a week." This unusual way of describing reality was not the only thing that caught people's attention. On that same Monday, Adm Armando Lambruschini made a morning visit to the Palermo country fair and did not try to evade the swarm of reporters. One of them asked him how long he thought the country's recovery would take, to which the commander in chief of the navy replied: "I'm not Mandrake the Magician." He then said that in order for the new economic measures to yield results "it will take 4 or 6 months, according to the economists, but this does not mean a recovery."

On Wednesday morning the top leaders of the intersector commission (CNT [National Labor Commission] and the 20) arrived at the Economy Ministry. They identified themselves at the front desk and went up to Minister Lorenzo Sigaut's office. Already there were the minister of labor, Julio Cesar Porcile, and members of the Argentine Industrial Union. Jorge Triaca, Ruben Marcos, Jorge Lujan, Juan Rachini and Enrique Venturini were there for a key meeting, both for organized labor and for the government. This was the second tripartite gathering aimed at hammering out a settlement between labor and management with government approval. The government is pushing this strategy at all costs as the most feasible way of "eliminating confrontations that could create social friction," according to a source very close to Minister Porcile's office.

No one would have predicted before stepping into the office that the meeting would last almost 5 hours. The door swung open at 1255 hours, and out came Jacques Hirst, the president of the Argentine Industrial Union, who said: "This will be over in 15 minutes." At 1630 hours, however, ministry staff arrived with sandwiches and soft drinks. At 1730 hours, Minister Lorenzo Sigaut emerged, looking somewhat tired, to outline what they had talked about over their four rounds of coffee. "We told the workers and employers about our program for the rest of the year and 1982. The rest of the meeting consisted of a lengthy, friendly and, to me, interesting, exchange of views," he said. Their contacts, which the General Labor Confederation is opposed to, so far seem to have generated solely a difficult string of talks, explanations and recesses without concrete results.

As this edition of SOMOS was going to print, Minister Horacio Tomas Liendo was reporting in full to the Executive Branch on the political situation. His report included two key points for shaping the political offensive that a number of government circles themselves are calling for: the start of a fresh round of talks with party leaders (this time without press conferences, tape recorders or stenographers) and the lifting of the political ban.

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FURTHER BIO DATA ON NEW NAVY COMMANDER ANAYA

Buenos Aires SOMOS in Spanish 14 Aug 81 p 10

[Article by Jorge Vidal]

[Text] When the meeting of the Council of Admirals began at 0915 hours last Tuesday on the 14th floor of the Libertad Building, all of the 30 vice and rear admirals kept their eyes on their chief of staff, Vice Adm Jorge Isaac Anaya, (trying to surmise what he was feeling). In contrast, Comdr Armando Lambruschini had been keeping his secret (the name of his successor) for a long time.

During the 4 hours that the admirals' meeting lasted, the command's telephones kept ringing with the same question: Has he appointed him yet? But the lines to the 14th floor remained silent, and the reply did not come until 1245 hours, when the suspense was broken, even though many already knew the outcome. Among the small groups huddled in the corridors, which were busier than usual, the "puff of white smoke" put an end to speculations. "It's over. Anaya is going to be our commander in chief for 3 years," men were heard to say.

But now that his appointment was a fact, another question arose. What is the new commander like? To those who know him, he is a professional through and through, almost 55 years of age, a light smoker, says what he has to and likes to drive his own car. (He had a serious accident on 6 November 1979.) But where Anaya appears remote is on a political level. According to navy circles, his opinions in this regard are unknown, and he is said to reserve them for his chats with a few superior officers. Nonetheless, the feeling is that in this sphere (and on some points) he will be much less flexible than Lambruschini.

Those who are monitoring the course that the navy might take recalled that at their meeting the admirals analyzed the development of the Process and set forth the groundwork on which the new commander will operate: "To continue implementing the necessary measures so that through suitable methods of coexistence and cooperation, we can fully create a government that has authority, that respects the rights and freedoms of citizens and that can protect the nation both from the demagogic and anarchic populism that has caused so much damage and from any sort of totalitarianism."

The council also asked him to continue exerting all the efforts under way with determination and vigor, qualities that reportedly have distinguished Anaya in his professional career, which has been his only sphere of action. This strict professionalism (a retired officer told SOMOS) raised doubts that Lambruschini would lean towards Anaya, whom some consider an officer lacking political experience.

Meanwhile, navy circles feel that Anaya, who is by nature reserved, will be much more so until 11 September, when he takes over the command. Within the Military Junta, Anaya will have something in common with Gen Leopoldo Fortunato Galtieri: they are both from the same graduating class (1948).

Where navy sectors do not expect changes is internally. For the time being, they said, he might not make any changes, considering that the retirements and promotions in the branch come at the end of the year.

8743
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GOVERNMENT TO TAKE CONTROL OF PUBLIC TRANSPORTATION

Poor Quality of Service

San Jose LA REPUBLICA in Spanish 16 Jul 81 p 4

[Text] Engineer Mario Fernandez, minister of transportation, announced the government's decision to take control of the transportation services in the metropolitan area. He made this announcement after a short meeting in his office with the principal officials of the Chamber of Transportation.

The reasons for such an agreement were explained by Fernandez in an official four-page document which supports the government's proposal to take temporary control of public transportation in order to operate i mder Transportes Metropolitanos [Metropolitan Transportation Service] (TRANSMESA).

According to Engineer Fernandez the reason for the takeover is the poor quality of the service provided, since of 600 existing units only 300 are operating, forcing the public to use the microbuses which are five times as expensive.

The text of the document covering these points reads as follows:

"The government of the republic is extremely concerned over the noticeable deterioration of mass transportation in the metropolitan area of San Jose. In view of the social and legal obligations which it has the duty of discharging for the benefit of the users, the government of the Republic, through the Ministry of Public Works and Transportation, announces the following to the holders of transportation concessions and permits:

a. That under the Motor Transportation Regulatory Law which authorizes the government to take all measures necessary to maintain the continuity and the efficiency of the transportation service, the government, in conjunction with the technical elements of the Ministry of Public Works and Transportation and other governmental agencies involved in the regulation and control of transportation, is considering various concrete solutions among which one of the possible alternatives would be a temporary governmental takeover of transportation.

b. That notwithstanding repeated requests made by the national transportation authorities to the current holders of concessions and permits to the effect that they restructure their businesses for the purpose of making them more efficient and regulate the service in accordance with the citizens' interests, all in conformity with the

Plan for the Sectoring of Routes, requests which were thoroughly discussed both individually and through their representatives, they have neither accepted nor complied with these administrative requirements.

c. That the fleet of vehicles assigned to the metropolitan area does not recieve the ordinary maintenance necessary for its service, causing a constantly growing deterioration, which makes the transportation service unsafe and inefficient.

ch. That the number of units which the users should count upon for reasonable daily transportation has decreased, there being reliable reports that the authorized and necessary number of buses is 600 units and that at the present time it has become reduced to 300; obviously, it follows that with such a proportion of buses in service the users are being forced to use the microbus system, the fare of which is five times higher than that of the bus service subsidized by the state.

d. That due to this irregular service, the schedules, the itineraries and even the assigned routes are day after day not being adhered to, all to the detriment of social welfare, a situation which can be seen in the long lines of users who stoically put up with the slow and late arrival of the buses.

e. That the preceding background facts together with others which are a matter of record in the files justify the initiation of cancellation actions as well as of administrative measures designed to protect the users' interests in an attempt to strengthen that service in the basic elements of safety and efficiency.

f. That though the government has the duty to resolve this situation in defense of the interests of the more than 300,000 users, in the event that it has to resort to a temporary takeover, the economic interests of the persons holding concessions or permits will continue to be recognized, in accordance with the law, the expenses incurred as a result of the government's intervention being, of course, subtracted. likewise, the rights of personnel who are now assigned to the enterprises engaged in the service would also not be affected.

g. That the government is willing to sign purchase-and-sale agreements with those holding concessions or permits for the metropolitan area who at this time wish voluntarily to renounce their concessions and to sell their units for their actual value, free of encumbrances, subject to an agreement on the timing of payment and the fixing of interest rates, on the basis of an offer which the National Transportation Chamber will present on these points.

h. That the government emphatically declares its intention to straighten out the metropolitan mass transit and to make it efficient with the participation of private enterprise. Therefore it is not its intention to nationalize that service.

Finally, the government wishes to declare its full determination to permit no further abuses to the detriment of the users and, in line with their interests, to solve within the shortest time possible the problem which has arisen.

San Jose, 15 July 1981.

For its part, the National Transportation Chamber, after an extended general meeting of associates last night resolved to initiate negotiations with the MOPT [Ministry of Public Works and Transportation] starting today.

Ricardo Acuna, secretary general of the Chamber, pointed out that a large number of businessmen (more than 12) are disposed to offer the government a formal option for the sale of their transportation units.

He added that it is expected that the negotiations will be completed as soon as possible, and that for this purpose a committee of three members was established which will be in charge of meeting with officials from the MOPT today starting at 800 hours.

Meanwhile, the transportation men will remain in continuous session at the Chamber.

Possible MOPT Scheme Denounced

San Jose LA NACION in Spanish 18 Jul 81 p 6A

[Article by Rodolfo Martin]

[Text] The board of directors of the National Chamber of Transportation yesterday denounced a possible government conspiracy abetted by several officials of the Ministry of Public Works and Transportation (MOPT).

The alleged purpose of this conspiracy was to create a chaotic situation that would make it possible to issue a decree immediately to establish a state of emergency in this sector and to gain control of all companies in the metropolitan area, in which connection police support could be expected.

These statements were made during a press conference which had been scheduled since day before yesterday by the bus operators' association.

Reporters were told that the main reason for the press conference was to release a document which refuted the statements made by MOPT Minister Mario Fernandez Ortiz last Wednesday.

According to the operators, this plan failed--for the time being--as a result of the position taken by the licensees and the outcome of a meeting with MOPT officials yesterday morning.

Later at about 5:00 pm yesterday, several chamber directors returned to the association's headquarters where they held another meeting with government representatives.

In MOPT circles, a source who did not wish to be identified emphatically rejected the accusations made during the press conference.

The source acknowledged the existence of a document bearing a certain similarity to the one released by the operators, but described it as "a proper legal study that could have provided support for one of the many alternatives for solving the public transportation problem." He insisted that this document--described as a preliminary plan--had not been discussed or approved and that although there are currently differences of opinion between bus operators and MOPT representatives, the intention was to bring the talks to a proper "Costa Rican" conclusion.

Tactics

The chamber's vice president, Mr Luis Gonzalez, stated that they had received information about the MOPT's tactics last Friday through a series of reports which they had gotten from a "deserter." "Now," he added, "we do not know whether they were relevant or not. At that time, we were told about the possible control of all companies in the metropolitan area."

Mr Gonzalez pointed out that Atty Rodrigo Carazo, the president of the republic, and MOPT representatives knw about this document--concerning the control--since last Tuesday.

Mr Carlos Quesada, another member of the chamber's board of directors, stated that the chief executive at that time rejected the idea of immediately publishing the decree. It was later decided to publicly reveal the document, which Minister Fernandez Ortiz released to the national press on Wednesday.

"The idea was," Mr Gonzalez explained, "that operators would become alarmed and would take a number of steps, such as refusing to allow the buses to operate.

"Then," he added, "with the reaction of riders, a chaotic situation would develop, which would enable the MOPT to rely on the police to proclaim an emergency and to seize control." According to the chamber's directors, this situation would have apparently taken place on Thursday, when the decree was expected to be published.

"However," Mr Quesada remarked, "operators did not fall into this 'trap,' the public did not turn against us and the plan had to be abandoned, at least for now."

The licensees described the appearance of this alleged decree as a "disloyal" act at a time when talks were being held to arrange the sale of buses by operators to the government.

Mr Carlos Quesada pointed out that they had not found out about this alleged plan before, because it was a matter of the "utmost secrecy." Even the Metropolitan Transportation Company, Inc. (TRANSMESA), which supposedly would have had charge of the routes, did not know about it.

MOPT

An MOPT spokeman emphatically rejected "any charge that even implies that we planned any action against the operators or their rights." This official added that if the chamber has any information, it should immediately divulge it so that the matter can be investigated.

Atty Juan Mena, director of the Department of Transportation, also said that the possible action devised by the MOPT to find some solution for those routes with poor service had no character of "nationalization, divestiture or confiscation."

"It was," he explained, "a legal hypothetical situation in which the operator was replaced by a government representative, without implying that the operator would have forfeited his ownership or his rights. He would also have continued to receive his funds."

Mr Mena described the document released yesterday by the operators as "the opinion of a group that wants to express its ideas and, although they are not the same as those of the MOPT, has the right to do so, since we live in a democracy."

He said that the most important thing was that "as a group of people trying to find a solution to the problem of bus service, each of us should express his opinion, but always in a decent manner."

Yesterday the operators refuted, one by one, Minister Fernandez' statements in which he submitted the reasons why the MOPT believes that poor public transportation service is being provided.

The bases for the talks which these two groups are holding to arrange bus sales were also confirmed yesterday. It is possible that a formal document in this regard may be signed as early as next Monday, beginning the final round of negotiations.

11915
CSO: 3010/1606

AGREEMENT REACHED BETWEEN MOPT, BUS OWNERS

San Jose LA REPUBLICA in Spanish 29 Jul 81 p 3

[Text] A total of 200 buses and 80 smaller buses will be sold to the government as a result of the negotiations between the National Transport Association and officials of MOPT [Ministry of Public Works and Transportation], which ended yesterday.

Shortly after 6:00 p.m. the two sides reached an agreement which calls for the establishment of an arbitral panel to resolve the dispute over the "Class B subsidy" that is limited to the Transmesa buses. This is the only point left unresolved.

Once this aspect has been cleared up, steps will be taken immediately to set up the negotiations for the government's payment of a total of 50 million colones to 11 owners over a period of 6 months and interest of 50,000 colones per unit.

The 200 buses and 80 small buses involved in these negotiations will be obtained with loans from the banking system, securities, and loans from international organizations; also, the idea of issuing bonds has not been rejected.

Meanwhile, some 110 owners who make up the rest of the bus fleet in the metropolitan area (with 550 vehicles) announced a revised version of the Zoning Plan drawn up by the Ministry of Transportation. Last weekend the plan's proponents gave the transportation director, Juan Mena, a document containing the general outline of the points that should be included in the plan.

The document, called the "Alternative Zoning Project," basically differs from the original version in that it discards the system of joint financial management and leaves finances and personnel management in the hands of the individual owners.

At the same time those operating under the plan would have the benefit of advice and contact with the ministry through an advisor.

One point that is the same as under the original plan is the acceptance of zoning. The zones would be set up by agreement and would have from 50 to 100 buses each.

Representatives of the buslines said this new plan was put forward with the idea of protecting the small metropolitan owners, while still recognizing the need to reorganize the bus system.

The new buses for agreement would mean considerable improvements in service, lower operating costs, maintenance more in line with the heavy service demanded of the buses, and finally integration of the lines for the benefit of the users.

Most important, operations conducted under these premises would avoid the necessity of the owners selling their equipment, thus heading off the threat of a partial halt in service.

The above recommendations have been set down in the document previously described by a group of approximately 110 operators, who gathered the opinions of the various sectors affected by the problem.

Among those affected are the Escazu, Guadalupe, Cocisco de Dos Rios, Quesada Duran, and Barrio La Cruz lines, which together with a similar number of companies make up 40 percent of the total number of lines in the metropolitan area.

All endorse the zoning concept with the object of obtaining mutual benefits while avoiding doing harm to private interests.

9015
CSO: 3010/1636

BRIEFS

REDUCTION IN COFFEE PRICES--The National Wage Council has agreed to reduce by 1.00 colon the price which it had set for coffee sales and has decided that the price per cajuela [16.66 liters] will be 11.00 colones. In its meeting of night before last, the council also changed the increase in the minimum wage for private companies, establishing increases of between 18 and 19 percent, depending on the job. It is hoped that the respective official record will be signed by next Tuesday and that it will be sent to the executive branch on 28 July for final approval. The council's decision of last Tuesday set the price of coffee at 12.00 colones per cajuela, which was an increase of 1.20 colones; the price was formerly 10.80 colones. [Excerpt] [San Jose LA NACION in Spanish 18 Jul 81 p 6A] 11915

CSO: 3010/1606

MALMIERCA'S MONGOLIAN VISIT DISCUSSED

Honored by Mongolian Counterpart

FL151810 Havana Domestic Television Service in Spanish 1700 GMT 15 Aug 81

[Text] Cuba's Foreign Minister Isidoro Malmierca has noted in Ulaanbaatar the superb development of Cuban-Mongolian ties. Malmierca made a speech at a banquet hosted in his honor by Mongolia's Foreign Minister Mangalyn Dugersuren and which was attended by Damingiyn Gombojab, member of the MPRP Politburo and Central Committee secretary, and Choynoryn Suren, deputy chairman of Mongolia's Council of Ministers.

Malmierca arrived in the Mongolian People's Republic yesterday on a 4-day official visit as part of a tour of several countries in Asia.

For his part, Foreign Minister Dugersuren said that the first visit to Mongolia by a Cuban foreign minister constitutes an important event for the friendship, fraternity and close cooperation between the two parties, states and peoples.

USSR Peace Initiatives Supported

FL182358 Havana Domestic Service in Spanish 2300 GMT 18 Aug 81

[Text] Cuba and Mongolia have reiterated their full support for the Soviet Union's peaceful initiatives aimed at improving the international situation. In a communique released in Ulaanbaatar on the official visit by Cuba's Foreign Minister Isidoro Malmierca to the Mongolian People's Republic, the two countries noted the strong bilateral development of the relations of friendship.

The document also points out the fraternal cooperation existing between Cuba and Mongolia, based on the principles of Marxism-Leninism and socialist internationalism. The communique underlines the decision of the two countries' governments to further strengthen and broaden unity and cohesion with the Soviet Union and other socialist sister nations.

The Cuba-Mongolia declaration criticizes the NATO plans of deploying U.S. intermediate range missiles in Eastern Europe and the U.S. administration's decision to begin the mass production of the neutron bomb. In addition, the document stresses,

the politico-military rapprochement between Washington and Beijing represents a threat to the security of the peoples and world peace. Socialist countries and all peace-loving forces should redouble common efforts and coordinate their actions directed at deepening the process of detente, peaceful cooperation, and an end to the arms race and the elimination of the danger of a nuclear war, the communique points out.

During the talks held by Cuban Foreign Minister Isidoro Malmierca with Mongolia's Foreign Minister Mangalyn Dugersuren, a cooperation program was signed by the two countries in the fields of culture, science and education for the 1981-1985 5-year period.

Malmierca concluded today his official and friendly visit to the Mongolian People's Republic. Malmierca was accompanied by ambassador Ricardo (Danza), deputy director of the Foreign Ministry Asia and Oceania Department. Malmierca also met with high officials of the MPRP and the Mongolian Government.

CSO: 3010/1756

NEUTRON BOMB DECISION CRITICIZED

Torras' Criticism

FL191235 Havana Domestic Service in Spanish 1000 GMT 19 Aug 81

[Excerpt] Cuba's most vigorous rejection of the U.S. decision to manufacture neutron bombs was voiced in Geneva by Pelegrin Torras, Cuban vice minister of foreign relations and chief of the Cuban delegation attending the present sessions of the UN Disarmament Committee.

The Cuban delegate said the decision to manufacture the bomb is part of a militaristic program that also includes other measures to step up international tension.

Torras reiterated the challenge to the U.S. Government to define its policy regarding the aggression, blockade, assaults and other attacks staged by the United States against the Cuban revolution and its leaders.

Meanwhile, the White House decision to build a neutron bomb continues to generate a veritable storm of protest worldwide.

MPSP President's Criticism

PA190002 Havana International Service in Spanish 0000 GMT 18 Aug 81

[Interview with Elena Gil, president of the Cuban Movement for the Peace and Sovereignty of the Peoples, by Nestor Nunez, presumably in Havana; no date given--recorded]

[Text] [Gil] If one recalls well President Reagan's views, those expressed during his presidential campaign, his decision [on the neutron bomb] cannot surprise us much because the major goal of his administration is to provoke a nuclear war, to unleash a nuclear war under the pretext of U.S. military supremacy. This decision about the neutron bomb is one step, perhaps the most dangerous, toward the Reagan administration's final objective. One thing that leads one to believe this is the fact that the United States made this decision on the neutron bomb without previous consultation with its NATO allies. Reagan must know that previously, when the Carter administration made efforts to deploy the neutron bomb in Europe,

world repudiation was so vigorous and so big that the order to manufacture the bomb had to be contramanded. So Reagan must know that he will encounter similar rejection, beginning with his own allies.

In addition, there is the cynicism of Reagan's attempt to deceive his own allies and the U.S. people by describing the neutron bomb as a defensive weapon, when it is really the most inhumane and destructive of all the weapons of mass destruction. He also describes it as a clean weapon because it annihilates human life but leaves material goods standing for the use of the so-called victor. However, there would be no victor in this kind of nuclear war or in any other. The idea is to make the people of the United States believe that a nuclear war against the Soviet Union is feasible, that it can be won. However, once unleashed, a nuclear war cannot be limited in any way because all the forces stored by both the attacker and the party which has to defend itself from the attack would be unleashed.

Reagan also makes the people of the United States utopically believe that by possessing such a weapon U.S. territory would be safe from such a war. The people of the United States are used to participating in wars outside their territory. They have never really experienced the horrors of a war on their own territory. In this case, however, the people of the United States must realize that a nuclear war would reach their territory, because the United States would be the principal aggressor in such a war.

It is also repulsive that Reagan should have announced his decision precisely on 6 August, when the 36th anniversary of the Hiroshima bomb--which is still taking lives in Japan--was being commemorated.

The WPC, which has already begun an offensive against this situation, has decided to stage a week of protest from 24 to 31 October 1981 to mobilize all national peace committees in a vigorous campaign against the decision to manufacture the neutron bomb, against the arms race and in support of the Soviet Union's peace proposals. These proposals not only include those agreed on at the 26th CPSU Congress, which are part of Leonid Brezhnev's appeal to the parliaments, but also the Soviet Union's last proposal that a ban on the deployment of weapons of any type in the space be included on the agenda of the next UN General Assembly.

[Question] Elena, I would like to know how the Cuban Movement for the Peace and Sovereignty of the Peoples [MPSP] will support this international struggle against the neutron weapon.

[Answer] Our MPSP is already mobilizing, making statements, releasing interviews with the top leaders of our movement and contacting national peace committees in both Latin America and the United States. I think we can launch a joint offensive by all our peoples. The details of this offensive will be prepared in due time. It will be a simultaneous effort of all the peace committees in Latin America, building toward the week of protest in late October. From now on the preparations will include a propaganda campaign with interviews, publications and explanations to the masses concerning the terrible threat posed by the manufacture of the neutron bomb.

MPSP Scores Bomb

FL211627 Havana Domestic Service in Spanish 1600 GMT 21 Aug 81

[Text] The Cuban Movement for the Peace and Sovereignty of Peoples [MPSP] has condemned U.S. President Ronald Reagan's decision regarding the mass production of the neutron bomb. In a statement issued in Havana, the MPSP says that the so-called clean neutron bomb reflects the criminal essence of imperialism since it is designed to kill man and save material wealth for the aggressor.

The MPSP thus joins the mobilization of the world's national peace councils to reject and condemn Reagan's decision. It also demands a dialogue on current issues affecting world security, detente and peace.

ANAP Scores Bomb

FL251745 Havana Domestic Television Network in Spanish 1700 GMT 25 Aug 81

[Text] The National Directorate of the National Association of Small Farmers [ANAP], has expressed, on behalf of all Cuban farmers, its most vigorous condemnation of the U.S. Government's decision to manufacture the neutron bomb.

An ANAP document states that this irresponsible and criminal decision to build a weapon to be used to kill human beings by exterminating them en masse without destroying property is one more indication of the Reagan government's contempt for humanity.

In addition, the document calls on farmers worldwide and on all organizations to make vigorous statements regarding this abominable decision and again state with all their strength: no to the neutron bomb.

CSO: 3010/1752

U.S. ACTIVITIES IN HAITI DISCUSSED

Base Installation Noted

PA211502 Havana International Service in Spanish 2310 GMT 20 Aug 81

["Our America" commentary]

[Text] Once again, U.S. imperialism and the Haitian regime are conniving to set aside a portion of Haiti's territory to install a U.S. military base.

According to reports, the places under consideration are the same ones that have been mentioned on other occasions, i.e., Tortuga Island, Mole-Saint-Nicolas, Gonave Island and St Marc Point. The U.S. attempt to seize part of Haiti is nothing new, but previous efforts in this direction were not successful because of the international scandal that arose in connection with the negotiations.

The plans to install the military base in Haiti are combined with plans to establish tourist centers, which are appropriate for gambling and drug trafficking activities and have thus whetted the appetite of U.S. businesses and unscrupulous Haitian dealers.

Having learned from previous failures, both the United States and the Haitian tyranny have tried to keep the negotiations for the yielding of Haitian territory to the United States under close wraps. According to a charge raised by the committee of solidarity with Haiti headquartered in Montreal, Canada, Mole-Saint-Nicolas, on the island's northeastern tip, has been chosen for this murky negotiation, the basic aspects of which have apparently been concluded.

The complaint adds that the relinquishment of sovereignty over this part of Haiti's territory would be covered up with a bilateral agreement that would actually consist of a sale of Mole-Saint-Nicolas for a price not yet agreed to but which ranges between $100 million and $600 million.

Several businessmen in this Haitian locality are promoting the unpatriotic negotiation in hopes of reaping huge benefits. To achieve their ends, the U.S. imperialists are not only making lavish offers of money but exerting political pressure. It has been learned that the recent visit to Haiti by Gen Vernon Walter, special envoy of the Washington government and former CIA deputy director, was closely connected with this illegitimate negotiation by which a strategically located portion of Haiti's territory would be placed in U.S. hands.

It is also known that the U.S. imperialists have threatened to suspend the aid they are giving to Jean Claude Duvalier's tyranny if, for some reason, any opposition is raised to this concession.

The growing revolutionary struggle in Central America and the Caribbean has prompted the United States to increase its military enclaves in the area as a way to smother the revolutionary movements. The imperialists are not satisfied with the many military bases they have in the colonized island of Puerto Rico, the usurped Panamanian territory around the Canal and the Cuban territory of Guantanamo, which the United States is holding against the express wishes of the Cuban people.

If this relinquishment of Haitian territory to the United States is consummated, not only will Haiti's sovereignty be further trampled upon, but the island will become one more base to be used by yankee imperialism against the struggles of the Central American, Caribbean and Haitian peoples. In addition, it would pave the way for the brothels, gambling casinos and other centers of corruption that usually go together with U.S. military bases.

Upon raising this charge, the committee of solidarity with Haiti asks for the support of progressive and revolutionary forces in the world in order to prevent this new affront to Haiti.

Part of Militarization Plans

FL221746 Havana Domestic Service in Spanish 1045 GMT 22 Aug 81

[Commentary by Roberto Morejon, read by announcer]

[Text] Three trips to Haiti by former U.S. General Vernon Walters in the past 6 months have aroused the interest of world opinion, especially because two of these visits were secret. Despite the strict secrecy, the democratic media have learned of the repugnant maneuver planned by Vernon Walters and the so-called president-for-life, Jean-Claude Duvalier.

The United States is trying to set a definitive price for the concession of Haitian land where a military base would then be built, designed to be used as regional gendarme. The Pentagon has offered $300 million but dictator Duvalier initially asked for more and consequently showed a certain amount of disgust. But as is known, this comic-opera clown is condemned to accept the offer in the end since he is nothing without the permanent aid of the White House.

Although the exact location of the base is still to be determined, several spots have been considered: the northwestern peninsula of St Nicolas, Gonave Island, the tip of St Marc and Tortuga Island, this last one a pirate haven in the 17th century. Today's freebooters again want to take the region as an interventionist bastion, especially because of the increase in revolutionary ferment in Central America, the victory of a people's government in Grenada and the long-standing interest in isolating Cuba.

Indeed, the selection of Haiti to build a military enclave there has not been an arbitrary choice. It is very close to our country--the two nations are separated only by the windward passage, which washes the eastern shores of Cuba.

Moreover, the United States is trying to obtain the free services of the Duvalier heir in order to watch all maritime movement in the Caribbean and the Gulf of Mexico and have a stronghold available to give support to like-minded neighboring governments such as the ones in the Dominican Republic, Jamaica and Haiti itself.

U.S. interventionist plans seem to be in the advanced stages because Reagan is giving signs of impatience to obtain the facilities requested from the regime in Port Au Prince. So much so that only a few days ago several Haitian radio hams landed in (Navaja) Island, 55 km from Haiti, and there unexpectedly ran into yankee marines who had violated the sovereignty of the cay and were getting ready for war exercises.

The militarization of the hemisphere is the immediate goal of U.S. imperialism and to this end it has profited from Jean-Claude Duvalier's territorial cession. It is the duty of world opinion to condemn these U.S. attempts to increasingly turn the Caribbean into a flaming sea. The forthcoming continental conference of solidarity with Haiti scheduled for September in Panama City should serve as an appropriate forum for a denunciation of this sort.

CSO: 3010/1756

COMMENTARY ON U.S. IN CENTRAL AMERICA

PA201909 Havana International Service in Spanish 2310 GMT 19 Aug 81

["Our America" Commentary]

[Text] There are increasing reports of a vast U.S. imperialist plan against the revolutionary movement of Central America, especially against the Salvadoran patriots and the Sandinist process in Nicaragua. In confirmation of the fact that preparations for that plan are being accelerated Gen Romeo Lucas Garcia, chief of the bloodthirsty Guatemalan tyranny, and Jaime Abdul Gutierrez and Jose Napoleon Duarte, the heads of the genocidal military-Christian Democratic Junta of El Salvador, paid surprise visits to Honduras last week within 24 hours of each other.

These executioners of their respective peoples met with a general of the same stripe, Policarpo Paz Garcia, chief of the Honduran regime, and afterward the press was told that they had discussed only economic relations among the three Central American countries.

Naturally, no one believed that, because it is a known fact that the subject of their meetings was quite different. According to a charge leveled by the Honduran Revolutionary University Force [FUR], the United States is coordinating the organization of a large-scale military action, initially to deal with the Farabundo Marti National Liberation Front [FMLN] in El Salvador and subsequently to be launched against the new Nicaragua.

This counterrevolutionary military operation will involve Salvadoran, Guatemalan and Honduran troops, under the direction of U.S. advisers; Puerto Rican mercenaries; former Somozist national guardsmen, already stationed in Honduras; and terrorists of Cuban origin.

The same day on which Gen Romeo Lucas Garcia visited Tegucigalpa, 20 additional U.S. Green Berets arrived in Honduras to, it was explained, advise the Honduran troops stationed along the Salvadoran border.

Also on the same day, the FUR charged that Honduran colonels Gustavo Alvarez, Leonidas Torres and [name indistinct] went to the United States to work out the details.

As an exercise in preparation for all of this, Salvadoran troops penetrated into Honduras in July and from there, with support from the Tegucigalpa regime, undertook antiguerrilla offensives against the FMLN positions in El Salvador's Chalatenango, Cabanas and Morazan departments.

These joint Salvadoran and Honduran military maneuvers failed, just as every offensive launched by the Salvadoran regime against the guerrilla bulwarks of Guasapa, Conchagua, Chinchontepec, Chalatenango, Moraza and many other regions of the country have failed.

Honduras has borders with Guatemala, El Salvador and Nicaragua and this strategic position has given it a preferential place in the aggressive U.S. plans against the revolutionary movement in Central America.

Washington will initially try to drown the Salvadoran people's desire for freedom in blood and then will attempt to do the same in Guatemala; next, it will try to squelch the emergence of the guerrilla struggle in Honduras and to subvert the revolutionary order in Nicaragua. It has been said that these large-scale military operations, the next dangerous step in the U.S. intervention in El Salvador, will begin this month and that, in an effort to deceive the people, it will be labeled the Eagle VIII maneuvers, sponsored by the Central American Defense Council.

The revolutionaries of El Salvador, Guatemala and Nicaragua will certainly know how to resist and to overcome the conspiracy being plotted in Honduras against them. It is urgent that all of the progressive forces of our America and the world mobilize to prevent the achievement of the U.S. imperialist goals.

CSO: 3010/1754

LIBYAN-UNITED STATES INCIDENT REPORTED

Mora Herman on Incident

FL220138 Havana Domestic Television Service in Spanish 0000 GMT 22 Aug 81

[Commentary by Carlos Mora Herman]

[Text] Last Wednesday's incident in the Gulf of Sidra, off the coast of Libya, in which two Libyan military aircraft were downed by U.S. combat aircraft, is an event which threatens peace and at the same time confirms the provocative and aggressive policy of the current Washington administration. The government of President Ronald Reagan this year began a destabilization campaign against the Libyan Government headed by Mu'ammar al-Qadhdhafi.

On 9 October 1973, the Libyan Government announced to all states and international organizations its right over the ancient Gulf of Sirte, known today as Gulf of Sidra, off the coast of Libya. At the same time, it fixed its maritime sovereignty over 200 miles from its coast. Washington does not recognize that sovereignty and since 1977 has conducted eight naval and air maneuvers in that area. In order to reinforce its plans against Libya, the United States has finalized an alliance with Tunisia, Sudan and Egypt, increasing military aid to those countries as well as selling spy planes to Saudi Arabia.

A while back, the CIA hatched a plot to assassinate al-Qadhdhafi and change Libya's policy, which is considered to be opposed to U.S. interests in the Middle East. The order to conduct these maneuvers in the Gulf of Sidra was given by President Reagan personally who, upon learning about the incident, said that he had done it to impress the Libyans.

This incident is considered to be a threat against oil-exporting countries and a demonstration that the United States has made international terrorism and violence its official policy. United States Secretary of State Alexander Haig confessed that his country had anticipated this incident. The daily NEW YORK TIMES revealed that the whole thing had been deliberate. Even two U.S. senators, one a Democrat and another a Republican, said they were convinced that the Sixth Fleet had been sent to the Gulf of Sidra to provoke an incident.

Secretary of State Haig himself acknowledged that the decision to conduct the maneuvers off the coast of Libya was political, and the expert in African affairs of that department, Chester Crocker, went further than that when he told a reporter of the WALL STREET JOURNAL that Washington is doing everything necessary to eliminate Mu'ammar al-Qadhdhafi.

The events in the Gulf of Sidra bring to mind the incident in the Gulf of Tonkin which was provoked by the yankees and which marked the beginning of the U.S aggressive escalation against Vietnam. In condemning this aggression against Libya, the Ethiopian Government stated that the United States has no reason or right to conduct war maneuvers in the Gulf of Sidra, which is under Libyan sovereignty. All this, as the U.S. daily CHRISTIAN SCIENCE MONITOR says, reveals Washington's harder and more aggressive posture in the world. The U.S. bellicose activity throughout the planet is aimed at installing the law of the jungle and a cowboy style of Hollywood films in international relations. For this reason, it is necessary to express solidarity with the Libyan people in the face of these hostile and intimidating acts of the United States.

As the declaration issued by the Cuban Foreign Ministry states, world public opinion must be alerted on the grave consequences that these acts of the U.S. Government could provoke in the world.

U.S. Middle East Policy Scored

PA260446 Havana International Service in Spanish 0000 GMT 26 Aug 81

["World Events" Commentary]

[Text] In a recent interview with this radio station, Elena Gil, president of the Cuban Movement for the Peace and Sovereignty of Peoples, affirmed that the final goal of the aggressive policy put into effect by Washington is to lead the world toward nuclear catastrophe with the vain hope that in an atomic conflict, capitalism will emerge the victor.

Steps such as the manufacture of the neutron bomb and the agreement to install new medium-range missiles in Europe demonstrate the validity of this theory.

Obviously, the United States is doing everything possible to aggravate international situation, provoke the unchaining of the war spiral and abort the liberation hopes of nations.

In the opinion of Pentagon strategists, one of the hot spots is the Middle East, where Ronald Reagan maintains the Camp David card in play. His predecessor in the White House put this card on the table in vicious alliance with the Egyptian regime and the Zionist state.

United States policy not only assures the existence of Israel as imperialist beachhead in the region but also welds the Zionists and traitors into a single front with the common goal of massacring the Palstinian people and weakening the progressive Arab nations.

A clear example of these designs is Washington's decision to send Tel Aviv a new shipment of F-15 fighter bombers after lifting the pharisaic embargo ordered by the U.S. State Department against Israel due to the use of similar equipment in the destruction of the Tamuz Iraqi nuclear center and the attacks on Beirut and the Palestine refugees camps in Lebanon.

Simultaneously, Washington is orchestrating the creation of a mixed military force, with U.S. numerical supremacy, to patrol the Sinai Peninsula under the pretext of maintaining peace according to the Camp David agreements.

To make up these troops, the United States obtained the efficient reply of Colombia and Uruguay, two of its Latin American alter boys, who agreed to send troops to that portion of Egyptian territory occupied by Tel Aviv since 1967.

This year Camp David has cost the Arab nations 1,679 dead and more than 5,200 wounded, and, according to the actions of its mentors, the price is still not high enough.

A few days ago Washington radio quoted the statements of a spokesman of the U.S. Department of Defense who, in commenting on the White House's decision to manufacture the neutron bomb, said that this weapon has not been conceived for its exclusive use in the possible battlefields of Europe. With appalling cynicism, the person being interviewed explained that, because of its placement on light missiles, the neutron weapon can be used in other areas of conflict on the planet such as the Middle East and Southern Africa.

We could then ask if the feverish minds that manufacture Washington's foreign policy are already contemplating the delivery of such a beastly device to Israel and South Africa, reactionary bulwarks in both geographic points? Occasionally, Washington has directed lukewarm public scoldings at them, while, behind the people's back it offers them thunderous applause and broad smiles accompanied by the most sophisticated and deadly weapons so that they may continue their aggressive and expansionist work.

Libyan F-14 Communique

PA201804 Havana International Service in Spanish 1600 GMT 20 Aug 81

[Text] The Libyan Foreign Ministry has issued a communique stating that the maneuvers of the 6th U.S. Fleet in the Gulf of Sidra are being carried out in waters that are under the jurisdiction of this Arab country and in the precise training area of their air force.

The communique was issued in relation to Wednesday's events when eight U.S. F-14 planes shot down two Libyan planes that were on a reconnaissance flight in the airspace over the Gulf of Sidra.

The statement from the Foreign Ministry underscores that these maneuvers violate Libyan sovereignty, endanger world peace and security, and violate the international rights recognized by the United Nations.

Toward the end of the communique, Libya said that it reserves the right to take the measures it considers necessary for the defense of its territory and jurisdictional waters.

U.S. 'Provocation' Scored

FL211140 Havana Domestic Service in Spanish 1100 GMT 21 Aug 81

[Text] The Ministry of Foreign Relations [MINREX] has issued a statement saying that a serious incident occurred in the Gulf of Sidra on Wednesday in which U.S. airplanes downed Libyan planes 60 miles off the coast of Libya, in an area which the government has declared part of its territorial sea.

The statement adds that this incident cannot be analyzed without taking into account that there have been hostile statements and actions in recent months on the part of U.S. official circles against the government of Col Mu'ammar al-Qadhdhafi, describing him as a terrorist, expelling Libyan diplomatic personnel from the United States and withdrawing U.S. personnel from Tripoli, and urging subversion against the legitimate Libyan Government.

The MINREX note goes on to say that the presence of a U.S. naval force in the Gulf of Sidra is an act of provocation designed to intimidate the Libyan Government and encourage the area's reactionary forces in plans of aggression against this Arab country because of its unfailing support of the anticolonialist and antineocolonialist struggles, the rights of the Palestinian people and the Middle East situation.

Lastly, the MINREX expresses the solidarity of the Cuban people and government with the Libyan people and government in face of these actions of hostility and intimidation. It alerts world opinion to the grave consequences of these actions by the government of Ronald Reagan.

Arab Union Scores Attack

PA230248 Havana International Service in Spanish 1800 GMT 22 Aug 81

[Text] In Havana, the Arab Union of Cuba condemned the U.S. attack against the Libyan planes and charged that the Egyptian, Sudanese, Israeli and other governments have plotted with the CIA to overthrow Libyan leader Mu'ammar al-Qadhdhafi because his revolutionary position affects yankee interests in the Middle East.

Arab Note to Fidel

FL251031 Havana Domestic Service in Spanish 1000 GMT 25 Aug 81

[Text] The International Secretariat of Solidarity With the Arab Nation has sent a message to Commander in Chief Fidel Castro in his capacity as chairman of the nonaligned countries movement in which it protests and requests some action from that organization because of the U.S. aggression against Libya.

The message states that the provocative maneuvers undertaken by the United States in Libyan jurisdictional waters are part of the current plots against the Libyan people and are conducive to consequences extremely dangerous. Large numbers of Egyptian troops are deployed on the Libyan border and U.S. aircraft have already attacked Libyan aircraft, the message sent to Fidel by the chairman of the International Secretariat of Solidarity With the Arab Nation, (Omar el-Sandhi), stresses.

AALAPSO Solidarity With Libya

FL272151 Havana Domestic Service in Spanish 2130 GMT 27 Aug 81

[Text] The Executive Secretariat of the Afro-Asian-Latin American People's Solidarity Organization [AALAPSO] has sent a message to Libyan leader Col Mu'ammar al-Qadhdhafi on the commemoration on 1 September of another anniversary of the triumph of the revolution in Libya.

Its successes in political, economic and social development and the firm anti-imperialist position upheld by the Socialist People's Libyan Arab Jamahiriyah are a blow to the aspirations of the yankees, Zionism and their lackeys to impose their domination over the area, the message stresses. It also condemns the maneuvers and threats of the Ronald Reagan administration and the plans of aggression perpetrated against al-Qadhdhafi and his people.

AALAPSO reiterates its militant solidarity with the just cause of this Arab nation and its certainty that Libya will go on to greater success.

CSO: 3010/1753

PUERTO RICAN ISSUE AT UNITED NATIONS

Discussion Proposed

FL191128 Havana Domestic Service in Spanish 1000 GMT 19 Aug 81

[Text] Cuba and Syria have presented to the special UN decolonization committee a draft resolution calling for the UN General Assembly to include the case of colonial Puerto Rico on its agenda for the next period of sessions.

The Cuban-Syrian proposal was presented to the meeting on Tuesday by Raul Roa, Cuban ambassador to the United Nations, who was one of the many persons to appear before the special decolonization committee in conjunction with its present discussion of the case of colonial Puerto Rico.

The draft proposal urges the U.S. Government to take all the necessary steps to completely transfer power to the Puerto Rican people.

Juan Mari Bras, secretary general of the Puerto Rican Socialist Party who also addressed the committee yesterday, emphasized that the most diverse political sectors of Puerto Rico agree that the issue should be included on the agenda of the 37th General Assembly.

Many other representatives of different countries and political groups also appeared before the committee on Tuesday to support the cause of independence for the Puerto Rican people, including many U.S. lawyers and political figures and Eloy Torres, vice president of the Venezuelan Chamber of Representatives.

Results Applauded

FL211210 Havana Domestic Service in Spanish 1000 GMT 21 Aug 81

[Text] The United States suffered a catastrophic defeat in the United Nations when the UN special decolonization committee decided by majority to approve a draft resolution presented by Cuba, Syria, Afghanistan and Iraq that places Puerto Rico within the group of colonies and requests that the general assembly include the case of colonial Puerto Rico on its agenda for discussion.

The bill proposed by Cuba and three other countries was approved with the following vote count: 11 in favor, 2 against and 11 abstentions. This was the first time that the committee has asked to have the general assembly discuss the problem as a separate issue.

The victory of the anticolonialist forces was even greater in view of the fact that the United States turned to active pressure and negotiations to have the proposal rejected.

Acting on behalf of the United States were Venezuela and Australia. Australia and Denmark were the only countries that voted against the proposal.

Charles Lichenstein, alternate U.S. ambassador to the United Nations, spoke with bravado after the voting, saying that Washington will never permit the topic to be discussed by the UN General Assembly.

For his part, Juan Mari Bras, secretary general of the Puerto Rican Socialist Party, said that the committee's decision constitutes a first important diplomatic defeat of the Ronald Reagan government. He noted that only 3 of the committee's 25 members opposed having the topic transferred to the general assembly; that is, a tiny minority.

In the case of Venezuela, Mari Bras said it is known with certainty that the U.S. Government threatened the Herrera Campins government with refusing to sell it military planes if it voted in favor of the independence of Puerto Rico.

Roa Kouri Remarks

PA221550 Havana International Service in Spanish 0000 GMT 22 Aug 81

[Statement by Raul Roa Kouri, Cuban permanent ambassador to the United Nations, to newsmen in New York; no date given--recorded]

[Excerpts] The resolution approved by the UN special committee for decolonization recommending that the UN General Assembly examine the Puerto Rican issue as a separate case during the ordinary period of sessions, was approved by 11 votes to 2; the other members of the committee abstained. The resolution this year has great importance, precisely because the Venezuelan delegation requested that each paragraph of the resolution be considered separately. The result was interesting and significative. The first paragraph deals with the Puerto Rican people's rights to self-determination and to independence, according to Resolution 1514 approved at the 15th UN General Assembly. This resolution contains the declaration on the concession of independence of countries and colonies. A total of 14 countries which are members of the committee voted in favor of including this paragraph in the resolution. This means that a greater number of the committee's member countries have supported this point of the resolution. As you may recall, last year, the resolution had 12 votes in favor. This means that there are more than 12 member countries of the committee firmly in support of this principle that Cuba has maintained as unequivocal example of our historic support for Jose Marti's position. Marti, the creator and founder of our independence, said that with the freedom of Cuba and Puerto Rico, he wanted to prevent the United States from [words indistinct] over the nations of our America.

Further on, paragraph 6 of the resolution requests that the committee continue to examine the case of Puerto Rico. A total of 16 countries voted in favor of including this paragraph in the resolution. This means that the majority of the

committee's members recognize the colonial nature of the case of Puerto Rico. This has been denounced at the UN and at other forums by the representatives of the Cuban Revolutionary Government.

Venezuela's requests for separate consideration of the paragraph of the expository part of the resolution, showed the interests of the Venezuelan Government in clarifying its position against the committee's recommendation to have the UN General Assembly include the colonial case of Puerto Rico on its agenda for the UN 36th period of sessions. Evidently, the Venezuelan position bows to certain pressures exerted on many committee members. We must admit, however, that the countries which still support this resolution have not submitted to any of the well-known pressures that the U.S. Government has exerted recently and through the years to prevent the case of Puerto Rico from being discussed.

It is clear that the imperialist U.S Government is extremely annoyed at having the case of Puerto Rico submitted to the UN General Assembly. The U.S. Government has always denied the colonial nature of the Puerto Rican case and has also denied the jurisdiction of the special committee for decolonization in the issue. The fact that the committee now recommends that the case of Puerto Rico be submitted to the UN General Assembly is a real defeat of the positions the U.S. Government has held.

It is clear that those who often act more as servants than as friends of yankee imperialist interests are trying to (?help) them in order to keep the UN General Assembly from reviewing the case.

CSO: 3010/1752

REPORTAGE ON AALAPSO ACTIVITIES

Meeting With OCLAE

FL141530 Havana Domestic Service in Spanish 1420 GMT 14 Aug 81

[Text] Members of the Standing Secretariat of the Continental Organization of Latin American Students [OCLAE] and representatives of the Afro-Asian-Latin American People's Solidarity Organization [AALAPSO] have met in this capital on the occasion of the 25th OCLAE anniversary. During the meeting a message was delivered which states that there has been no struggle of the Latin American and Caribbean peoples in which the student movement and OCLAE's solidarity have not been present alongside the working class, peasantry and other social sectors.

The document adds that the OCLAE has developed numerous activities and initiatives since its founding. The AALAPSO representatives and the OCLAE Standing Secretariat expressed the need for strengthening increasingly more the ties between the two institutions.

Meets Syrian Charge

FL181647 Havana Domestic Service in Spanish 1600 GMT 18 Aug 81

[Text] The Executive Secretariat of the Afro-Asian-Latin American People's Solidarity Organization [AALAPSO] and the workers at the organization's headquarters have bid farewell to (Nader Nader), charge d'affaires at the Syrian Embassy in Cuba and Syria's representative to AALAPSO.

Melba Hernandez, AALAPSO secretary general, emphasized that the senior member of the Executive Secretariat, who is concluding his mission in Havana, earned the affection and respect of Cubans.

For his part (Nader Nader) mentioned many of the activities in which he participated during the 5 years he spent in Cuba, noted the significance of the fact that his last activity should be to speak on behalf of AALAPSO at the ceremony marking the 20th anniversary of the founding of the Sandinist National Liberation Front in Nicaragua.

Statement on Namibia

FL251455 Havana Domestic Service in Spanish 1400 GMT 25 Aug 81

[Text] The Executive Secretariat of the Afro-Asian-Latin American People's Solidarity Organization [AALAPSO], has called on revolutionary, progressive and democratic organizations to stop imperialist actions that seek to thwart the independence of Namibia.

In a statement issued here in Havana, the organization states that, 15 years after armed struggle began in Namibia, its people, under the leadership of the South-West African People's Organization [SWAPO], are waging a determined battle to win their freedom.

The South African Government, with the support of the United States and other Western powers, is brutally repressing the movement for the liberation of Namibia, the declaration adds. It also maintains that U.S. imperialism and its gendarme, South Africa, through underhanded maneuvers, are trying to remove the so-called Namibia case from within the framework of the United Nations in order that, without the pressure of the international community, they may seek neocolonialist solutions that will safeguard their interests.

The AALAPSO Executive Secretariat calls on world public opinion to take measures to fulfill the international community's demand for effective sanctions against apartheid.

CSO: 3010/1757

BRIEFS

AGGRESSION AGAINST ANGOLA--Cuba has denounced a mobilization of South African troops in preparation for an attack against Angola as well as the support being given by Washington to the aggressive policy of the Pretoria racist regime. In a speech at a meeting of the UN decolonization special committee, which is discussing the Namibia problem, Cuban delegate Miguel Alvarez mentioned the repeated attacks perpetrated by South African troops against Namibian refugee camps in Angola. In addition, he stated that in recent months there has been a broad military movement with the concentration of 40,000 troops on the border for the purpose of conducting new aggressions against the Angolan population and provoking a large-scale conventional war in that part of Africa. In this respect, the Cuban delegate noted the evident economic, political and military support being given by Western superpowers to South Africa, stressing that of Washington which has been intensified by the present Reagan administration. [Text] [FL121041 Havana Domestic Service in Spanish 1000 GMT 12 Aug 81]

MOVES HINDERING INDEPENDENCE--Cuba has denounced activities by foreign economic and military interests which hinder independence of colonial territories, it has been announced by UN headquarters. Cuban delegate to the UN decolonization special committee Alfredo Garcia Almeida said during a debate on the topic that a direct consequence of the activities of foreign interests is the prolongation of the colonial status. After referring to military activities, Garcia Almeida cited the example of Namibia, which has been transformed into one of the potential centers of international confrontation by South Africa and its Western partners. [Text] [FL131234 Havana Domestic Service in Spanish 1100 GMT 13 Aug 81]

DEPARTING ENVOYS RECEIVED--Rene Rodriguez, member of the PCC Central Committee and president of the Cuban Institute for Friendship With Peoples [ICAP], has received at the ICAP headquarters Mongolian ambassador to Cuba Ochiryn Tsend, who will soon conclude his mission to our country. In the morning hours, Rene Rodriguez received at the ICAP headquarters His Excellency Mr Manuel Sanchez Ortiz, Spanish ambassador to Cuba, who paid a farewell visit. The talks were held in a cordial and friendly atmosphere in accordance with the relations existing between the two countries. [Text] [FL141713 Havana Domestic Service in Spanish 1600 GMT 14 Aug 81]

JAPANESE FRIENDSHIP DELEGATION--Raul Roa, member of the PCC Central Committee and acting president of the People's Government National Assembly, yesterday met with the delegation of the Japan-Cuba Parliamentary Friendship League, headed by deputy (Hiroshi Mitsusuka). The talks were held in a cordial atmosphere and dealt with bilateral relations between the two institutions. The current [municipal] electoral process was one of the topics taken up during the talks. The Japanese parliament members were briefed on our system of elections of representatives to the people's government at all levels. Present in the talks were Jose Aranaburu, secretary of the national assembly; Luis Mendez Morejon, president of the Cuban counterpart organization; and officials of the national assembly. The Japanese delegation also met with Jose R. Viera, minister of foreign relations ad interim, with whom the delegation members exchanged views on the international situation and on bilateral relations between Cuba and Japan. In addition, the members of the Japanese delegation visited the Central Planning Board, where they were received by its first vice president, Miguel A. Figueras, who explained the outlook for the economic and social development plans of the current 5-year period. [Text] [FL141659 Havana Domestic Service in Spanish 1600 GMT 14 Aug 81]

ISRAELI EMBARGO--The White House has announced the lifting of the embargo that it had imposed on the delivery of 16 modern F-15 and F-16 fighter planes to Israel. The shipment of 14 F-16 and 2 F-15 planes to the Tel Aviv regime was suspended after 7 June, when Israel bombed an Iraqi nuclear reactor with U.S.-made weapons, an act that was widely condemned internationally. The present U.S. administration refused to condemn Israel for this bombing and the decision to deliver the planes confirms the belief that the embargo was just a public gesture on Washington's part. [Excerpt] [FL181152 Havana Domestic Service in Spanish 1045 GMT 18 Aug 81]

SABOTAGING INFORMATION ORDER--United Nations--Cuba has denounced U.S. attempts to sabotage the work of the United Nations, especially of UNESCO, toward the creation of a new international information order. Addressing the information committee, Cuban delegate Enrique Gonzalez Manet said that the United Nations risks seeing its efforts thwarted. He called for unified support of the agreements already arrived at concerning the new order and an international communications development program. Gonzalez Manet hailed the consensus reached on a document of recommendations from the committee to the general assembly which, he said, affect more than 100 underdeveloped nations. He warned, however, about the aggression arranged by the multinational centers of power directed against UNESCO and, behind it, against the new international information order of its main sponsors, the nonaligned countries. [Text] [FL272228 Havana Domestic Service in Spanish 2130 GMT 27 Aug 81]

U.S. ENVOY TO GUATEMALA--The new yankee ambassador in Guatemala, Frederic Chapin, has arrived in the Central American nation to present his credentials to tyrant Romeo Lucas whose regime averages at least 30 murders a day. Chapin was chosen by the White House to replace U.S. ambassador to El Salvador, Robert White, when the latter criticized increased military aid to the genocidal junta. It was up to the now ambassador to Guatemala to coordinate the arrival in El Salvador of U.S. airplanes, helicopters, tanks, bombs and napalm along with yankee advisers. It has been reported that the fundamental mission of the new head of the U.S. Embassy in Guatemala is to do exactly the same in Guatemala as he did in El Salvador. [Text] [FL221330 Havana Domestic Service in Spanish 1000 GMT 22 Aug 81]

PCC ELECTORAL PARTICIPATION--Jorge Valdes, second secretary of the PCC Political Committee and president of the Electoral Commission in Havana City Province, has indicated that the achievement this year of record participation by electors in the nomination assemblies is an event of particular political importance. He emphasized that this participation reflects the firm support given by the residents of the capital province to their revolution. [Text] [FL201450 Havana Domestic Service in Spanish 1400 GMT 20 Aug 81]

JUDICIAL DELEGATION IN GDR--A delegation of the Supreme People's Tribunal headed by its president, Jose [as heard] Amaro Salup, has arrived in the GDR. The Cuban delegation was received by GDR Justice Minister Hans Joachim Heusinger and deputy general prosecuting attorney Guenter Wendland. [FL140049 Havana Domestic Service in Spanish 2004 GMT 13 Aug 81 FL]

NOMINATION PROCESS PROGRESS--Six provinces have concluded the process to nominate municipal delegate candidates: Granma, Guantanamo, Las Tunas, Ciego de Avila, Matanzas and Havana. The National Electoral Commission also reported that 131 municipalities throughout the country have concluded the nomination process with the participation of 4,914,513 citizens. [Havana Domestic Service in Spanish 1600 GMT 19 Aug 81 FL]

TRIBUTE TO O'HIGGINS--The Cuban Institute of Friendship With Peoples [ICAP] has hosted a cultural ceremony at ICAP headquarters to mark the 203d anniversary of the birth of Chilean forefather Bernardo O'Higgins. Featured speaker at the activity was Roberto Contreras Lobos, a member of the Chilean Committee of Solidarity With the Antifascist Resistance, who spoke in glowing terms about the Chilean patriot. [FL211537 Havana Domestic Service in Spanish 1400 GMT 21 Aug 81 FL]

SOLIDARITY WITH BOLIVIAN STUDENTS--The Federation of University Students [FEU] has sent a message to the Bolivian University Confederation [CUB] as part of the drive of solidarity with the people and students of Bolivia. The document says that Cuban students express their firm and militant solidarity with the just struggle of the people against the murderous military dictatorship. Through a bloody coup d'etat, this military dictatorship has snatched away the electoral triumph of the forces of the left. The FEU denounces the assassinations and outrages committed by the hired assassins of the regime against the combative Bolivian students and demands respect for the autonomy and normal functioning of the militarily-occupied universities. [Havana Domestic Service in Spanish 1421 GMT 21 Aug 81 FL]

TRIBUTE TO BORDER GUARDS--The banner of a socialist emulation initiating unit in the Revolutionary Armed Forces [FAR] has been given to the glorious border brigade by Div Gen Sixto Batista, alternate member of the PCC Politburo and chief of the FAR Central Political Directorate. The unit earned the prize for

having satisfactorily met all its commitments. The ceremony was held at one of the border brigade posts a few meters from the Cuban territory that is illegally occupied by the U.S. Government. The document granting the honor to the border guards, which was issued by Gen of the Army Raul Castro, minister of the FAR, congratulates the guards on their achievements in political and military preparation. [FL241153 Havana Domestic Service in Spanish 1045 GMT 24 Aug 81 FL]

TRIBUTE TO FAR VANGUARDS--A week of tribute to the chiefs and officers who have been vanguards of the FAR in the 1980-1981 instruction year begins today. Those honored will visit military, economic and historical centers and other sites of interest and will be tributed during fraternal meetings with political and mass organizations. [Havana Domestic Service in Spanish 1045 GMT 24 Aug 81 FL]

ANIR CONGRESS--The National Association of Innovators and Efficiency Experts [ANIR] is to hold its first congress on 8-9 December. [FL280133 Havana Domestic Service in Spanish 1807 GMT 27 Aug 81 FL]

INDER OFFICIALS' ACTIVITIES--Representatives of the CDR's Sports Organizations and Cuba's National Institute for Sports, Physical Education and Recreation [INDER] began talks today in Berlin concerning the 1981 plan and the 1982 exchange programs. The talks are headed by the GDR's Franz Rydz and Cuba's Reinaldo Gonzalez. INDER President Carlos Galvan Vila is scheduled to arrive in Berlin tonight from Tripoli. At the conclusion of the talks on Sunday, Galvan Vila and INDER official Ciro Perez will go on to Bucharest to take part in the meeting of socialist sports ministers. [Havana Domestic Service in Spanish 2008 GMT 27 Aug 81 FL]

PORT IMPROVEMENT NEEDED--Guillermo Garcia Frias, member of the Politburo and minister of transportation, has said at a meeting to evaluate the port-transportation-domestic economy network in Havana that the port of Havana must be made the most efficient in the country. The meeting was also attended by Politburo member Jorge Risquet. Guillermo Garcia referred to the economic importance of the port of Havana, considering the high levels of goods handled on their way in and out of the country, and therefore it must function at its very best so that it may come up to the level of the extraordinary work accomplished in the country's other ports. Analyzing the effects of delays versus prompt dispatching--which were, on balance, positive in the first 15 days of August--the minister of transportation stressed that this is fatal to the country's economy as is the length of time railroad cars and trucks are standing idle, because all these factors conspire against the circulation of merchandise. [sentence as heard] After dwelling on the need to eradicate delays in loading and unloading and improve organization and coordination 100 percent, Guillermo Garcia emphasized that when we all do our duty, the country's economy will benefit. [Text] [FL221353 Havana Domestic Service in Spanish 1000 GMT 22 Aug 81]

ASSEMBLY DEPUTIES NOMINATED--Jose Aranaburo, secretary [as heard] of the National Electoral Commission, has said that the process of nomination of candidates for deputy to the municipal assemblies of the people's government has been successfully completed and augurs well for successful elections on 11 October. Aranaburo met yesterday with members of the electoral commissions of Pinar Del Rio and Matanzas provinces, which had the highest percentages of participation in the nomination meetings: 93.8 and 93.6 percent, respectively. The leader noted that there had been an 86-percent attendance rate overall in the country during the nomination period, which began on 1 August. He said that such a rate had never before been achieved. Aranaburo said that the recent meetings were attended by over 700,000 more people than participated in the elections of February 1979 and by 1 million more than in 1976. Jose Aranaburo noted the efforts made in Havana, which resulted in the participation of over 1.12 million electors in the nomination meetings. The total national attendance at the 26,856 meetings, was over 5.5 million electors or 86 percent, the highest rate achieved so far. [Text] [FL211114 Havana Domestic Service in Spanish 1000 GMT 21 Aug 81]

U.S. MANEUVERS' THREAT--From the El Picote observation post near the U.S. naval base in Guantanamo, dozens of U.S. reporters and other foreign correspondents in Cuba watched the United States' warlike exercises in the Caribbean. These exercises are part of Ocean Venture 81, the largest naval maneuvers since World War II. Lt Col Angel Rodriguez, chief of the press, radio and television section of the Cuban Ministry of Revolutionary Armed Forced told the foreign reporters that those maneuvers underway in Cuba are part of the U.S. policy to increase international tensions and to threaten those countries of Central America and the Caribbean who have freed themselves from the imperialist domination. We have not taken special measures in view of these maneuvers, Lt Col Angel Rodriguez said, because our people are permanently on guard and ready to defend their revolution. [Excerpts] [PA200356 Havana International Service in Spanish 0000 GMT 19 Aug 81]

NICARAGUANS OBSERVE CENSUS PREPARATIONS--Nicaraguans from the Sociodemographic Research Directorate of that brother country visited the provincial census office in Havana, where they were received by Trinidad Mondejar, territorial delegate of the State Statistics Committee in the capital, and Jose Luis Morales, chief of the census office. Comrade Trinidad Mondejar explained to the visitors the organizational work that has been done in this province, from the preliminary registration of the population in October 1980 to the system we use today, such as the division of the capital into 14,099 sectors [segmentos], 3,332 districts and 217 census areas, thus making it possible to take the census in a timely and proper manner. Mondejar discussed the steps taken to establish a quality cartographic base and the period in which seminars were given to all the personnel involved in this statistical activity, which is of great economic importance. The Nicaraguan visitors displayed interest in all the tasks involved in organizing and publicizing the census, in view of the fact that they will be taking a census in their country next year. The delegation from the brother country of Sandino will also visit the municipalities of Playa and Diez de Octubre in the capital province, as well as the provincial offices in Villa Clara, Sancti Spiritus and Cienfuegos to acquire experience that will be useful to them for the population census scheduled to be taken in Nicaragua next year. [Armilda Caballero] [Text] [FL191604 Havana Domestic Service in Spanish 1400 GMT 19 Aug 81]

VENEZUELAN DISIP AID--Explosives supplied by Venezuela's Political Police Force [DISIP] were used to blow up a Cuban commercial aircraft while on flight near Barbados on 6 October 1976, a savage act in which 73 passengers were killed. This was revealed to the DIARIO DE CARACAS daily by Cuban counterrevolutionary Orlando Garcia, who was at the time an official of the Directorate of Intelligence and Prevention Services [DISIP], the political police of Venezuela's Interior Ministry. According to Garcia, the explosives were prepared by a DISIP technician whose name was Fabres, who delivered them to the directly responsible perpetrators of the brutal crime, Cuban counterrevolutionaries Orlando Bosch and Luis Posada Carriles and Venezuelan terrorists Freddy Lugo and Hernan Ricardo. Posada Carriles also was an official of the DISIP and acted as organizer of terrorist groups which perpetrated numerous attacks and crimes against Cuban consulates and embassies in Latin America. According to the DIARIO DE CARACAS, the then DISIP official Orlando Garcia is currently a bodyguard of former Venezuelan President Carlos Andres Perez. Garcia said the Argentine terrorist organization "Triple A" also cooperated with counterrevolutionary Posada Carriles in the perpetration of attacks and crimes against Cubam diplomats and diplomatic missions. [Text] [FL271031 Havana Domestic Service in Spanish 1000 GMT 27 Aug 81]

MAIDANA TORTURED--Antonio Maidana, first secretary of the Communist Party of Paraguay, and labor leader Emilio Roa are suffering savage torture and are kept hooded night and day so they will not be recognized by the other political prisoners in the dungeons of the Emboscada prison, some 40 km from the capital, Asuncion. This was reported in a press conference at Cuban Institute of Friendship With Peoples [ICAP] headquarters by Rogelio Gonzalez, representative in Cuba of the Communist Party of Paraguay. Gonzalez noted that 1 year after the kidnapping of the two leaders, the wave of protest and indignation has grown all over the world. He added that the disappearance of Maidana and Emilio Roa in Buenos Aires in broad daylight was the result of operation Condor, a secret agreement among the reactionary regimes of the southern cone organized by the CIA for the assassination and arrest of exiled opposition politicians. Gonzalez charged that neither the Argentine or the Paraguayan governments, both of which plotted the action, has responded to the worldwide outcry caused by that criminal action which violates all rights. Also present at the press conference were Luis Miguel Morejon, ICAP director for Latin America and the Caribbean, and newsmen from the various press media in our country. [Text] [FL280052 Havana Domestic Television Service in Spanish 0000 GMT 28 Aug 81]

CSO: 3010/1754

BRIEFS

AGREEMENTS TO CONGRESS--President Antonio Guzman has submitted to congress for approval several cooperation agreements signed by the Dominican Republic with friendly governments. Included in the package is the agreement signed on 30 June of this year between the Dominican Government and the U.S. Government through the agency for international development. This agreement deals with a project whose main goal is the improvement of the country's earnings and quality of life through an increase in agricultural production and rural development. It also includes an agreement signed by the Dominican Central Bank and Spain's official credit institute. The agreement signed by the Spanish Government establishes a line of credit with the Spanish state in favor of our country in the amount of 5.33 million pesos. This financing will [be] paid off by the Dominican Republic in 14 years with a 3-year grace period and a 5.5 percent annual interest. The government has submitted to the consideration of congress an agreement signed by the Dominican Republic and the FRG governing the participation of professional technicians of the German cooperation system in some of the country's development projects. In addition, there is another project signed by the country and the IDB by virtue of which that banking institute grants the Dominican Republic a loan of up to 7.2 million dollars. President Antonio Guzman also submitted to congress another agreement signed by the Dominican Republic and the IDB providing cooperation in financing the cost of a program for the technical strengthening of the education secretariat. In addition, this agreement will provide the means for training teaching personnel of the state's education system. [Excerpt] [FL261331 Santo Domingo Radio Mil Network in Spanish 1000 GMT 26 Aug 81]

CSO: 3010/1759

FATE OF 'OTHER' POLITICAL EXILES QUESTIONED

Letter to the Editor

Port au Prince LE PETIT SAMEDI SOIR in French 8-21 Aug 81 p 6

[Text] To the Editor: I have just read Issue No 394 of LE PETIT SAMEDI SOIR and in particular the piece of Myrtho on the exiled journalists. I note with satisfaction that LE PETIT SAMEDI SOIR is regaining a bit of its old spirit and is no longer afraid to speak about the country's problems.

But to read the article, one would think only journalists were in exile. It gave no news about anyone but them. It only argued their brief, and pled their cause. This tendency in fact largely ignores the position of all those who raised their voices after the unhappy events of 28 November 1980. Both Aubelin Jolicoeur and other as well.

Nevertheless, before 28 November, there were exiles--honest and capable citizens exiled in conditions equally deplorable. One need only cite the case of Dr Franck Joseph, deported almost exactly 2 years ago. In the ranks of the 28 November group, one could also mention Jean Jacques Honorat, the agronomist and economist, Gregorie Eugene, the jurist and party leader, among others. Not to forget those who are still in prison, in Haiti.

We are certain that you will not fail to raise your voice on behalf of all of them. I do not here plead "not guilty" on their behalf. I urge them to return to their own country. So that, whether they are guilty or not, they may have the chance to be judged and to defend themselves for the first time. And, if they are guilty, to be convicted. This, Mr Editor, is elementary in democracy. I do not underestimate the value of your journal. I only say that you have been too tepid lately in defending endangered democracy.

In the name of the fatherland, I extend my cordial salutations.

I am signing this letter, but request anonymity for reasons that you will readily understand. [Signed] Professor at the University of Haiti.

Response by Newspaper

Port au Prince LE PETIT SAMEDI SOIR in French 8-21 Aug 81 p 7

[Text] The letter from the professor at the University of Haiti published in our letters to the editor section is very typical of a certain mind-set. The professor has noble sentiments. He wants "the greatest good for the greatest number." He preaches liberty and democracy, but does not want to take any risks "for understandable reasons." A university professor, doubtless also an employee of the state, allied to the political class, still holding on to the ideas of the 1960's, he thinks that he should not make open statements of political opinion, should not get his hands "dirty." Behind his secure fortifications, the professor climbs up on his pedestal and magisterially delivers his lecture. He finds the PSS too tepid in the face of the threat to democracy. He reproaches it for not having taken up the cause of the others. And to top it all, the professor demands anonymity. We would have simply ignored a letter of this kind, if it did not provide us the opportunity to make several considered observations. Meanwhile, here is an answer for the professor.

Before and after 28 November, people from Haiti's professional classes were expelled from the country The newspapers reported it. In many cases, these individuals belonged to national professional associations (medicine, agronomy, law). And this always surprised us. Not a whiff of protest or request for information. Does this mean that team spirit and "esprit de corps" no longer exist here? Have we come to the point where, like the university professor, no one wants to take risks, except the journalists?

Journalism is a difficult field. Journalists are not heroes, but human beings like anyone else, with a sense of vocation that obliges them to take dangerous risks. And often, in order to dig more deeply, they need the help of the public they are defending. It is regrettable that the public in our country shows its solidarity by silence, anonymity, or "m'te oue sa pou yo" [Creole expression]. Those who have been exiled were working for the good of others. Not their own. They could have gone along with the stream, applauded, and made their way like anyone else; better, perhaps, than others, for it was their intelligence, their moral fiber, their humanism, which often led them to go against the grain and act as the spokesmen for the silent multitude. During these last 8 months, one might have expected some gesture on the part of those who were being defended by Marcus, Jean Dominique, Jean Robert Herard, Michelle Montas, G. Eugene, Pierre Clitandre, etc....

A respectful petition, signed by thousands of Haitian listeners and readers, asking for reconsideration of the expulsion decreed by the government on 28 November would certainly have had more effect than any positions taken in isolation by Aubelin Jolicoeur and PSS.

But who would sign that petition? Who, for a good cause, will take the risk? As an enlightened and responsible citizen one has the right, with due respect for the law and authority, to express one's opinions on the affairs of the policy. But where are the responsible men and women who take their citizenship seriously?

We will soon find out, for the professor's letter has led us to try a new experiment. A petition, for example, to the chief of state to ask for clemency for the Haitian exiles on the occasion of the 25th anniversary of Francois Duvalier's accession to power on 22 September 1957.

9516
CSO: 3100/918

PDCH CANDIDATE STATES PARTY VIEW ON ELECTIONS

San Pedro Sula LA PRENSA in Spanish 1 Aug 81 p 3

[Text] Tegucigalpa--Dr Hernan Corrales Padilla, presidential candidate of the Honduran Christian Democratic Party (PDCH), announced his party's position with regard to the present election campaign.

The Christian Democratic leader agreed with Ricardo Zuniga Augustinus, the Nationalist Party candidate, in that there is still time to bring the voting lists up to date as long as the objective is to provide free elections that would direct and convey the political will of the people.

Corrales Padilla stated that the future or political rejection of democracy that the people desire depends directly on the ability of the political parties and the government to provide a profoundly democratic content to the present election campaign. "This implies the widest possible participation in clean and free elections that will allow the majorities to participate in an organized and active way in the political and economic life of the nation," he added.

Corrales Padilla affirmed that his party does not oppose updating the voting registry because "there are abnormalities that could lead Hondurans into chaos; those who do not agree, for other reasons, are not aware of this or do not want peace in this country, which, under present circumstances, can only be free on the basis of dignity and clean elections."

He said that Honduras faces one of its last opportunities to continue with the democratic system, which by responding to the basic hopes and needs of the majority of the people will help them maintain credibility in the electoral process as a valid means of access to leadership.

Otherwise, he said, the only ones with responsibility are those who make the political decisions for the nation. The hopes of Hondurans rest with democracy; thus, an opportunity such as this must not be lost since the threats are constant and must be met by rising to the occasion, conscientiously, for the good of the nation.

In their speeches the PDCH leaders called for an end to administrative corruption, especially the use of government property for the benefit of certain political sectors, a traditional custom in Honduras.

9015
CSO: 3010/1636

PASTORA COMMENTS ON POLISARIO, REGIONAL ISSUES

Bogota EL SIGLO in Spanish 2 Aug 81 p 9

[Interview with Eden Pastora, "Commander Zero," by Spanish journalists in the Moroccan desert and Madrid; date not given]

[Text] (EFE)--Many different stories about the whereabouts of the Sandinist leader Eden Pastora, Commander Zero, have circulated as a result of his resigning his position in the revolutionary government of Nicaragua and his departure from the country. It was reported that Commander Zero might be in Colombia or in El Salvador. Latest news reports confirm that he is in Panama, where he met last week with former Venezuelan president, Carlos Andres Perez. For this reason we are publishing Pastora's most recent interview given to the Spanish press before he resigned his post in Nicaragua. The interview took place in Madrid, when Pastora was returning from having met with the POLISARIO guerrillas who are fighting in Morocco. He was accompanied thereby the Cuban ambassador to Angola and other leftist and communist leaders of the Third World. In these remarks Pastora declares that he is thinking of resigning his post in Nicaragua, which he did do later, and he expresses his solidarity with various subversive movements in Latin America. In one of the paragraphs of the report Commander Zero has the audacity to make the odd remark that Carlos Andres Perez is the most important Venezuelan of all time, except for Bolivar.

Eden Pastora, the popular Commander Zero of the Nicaraguan revolution, has been together with the POLISARIO during its celebration of the fifth anniversary of the creation of the Saharan Democratic Arab Republic. In the desert we had an opportunity to speak with Commander Zero at length. Later we were able to complete our interview at the airport in Madrid. The following is an extensive summary of the conversation held with Eden Pastora.

[Question] What are Commander Zero's plans as regards the POLISARIO, now that you have really been in contact with it?

[Answer] As soon as I arrive in Managua, I will write up a report for our national leadership so that we will be able to give aid to the Saharan people in the international political field. I think that these people have the right to live in peace, and to build their country freely and independently, without being invaded. We give moral and political support to all peoples who are fighting for liberty.

[Question] Will your support only be limited to the political sphere or will it extend to armed struggle?

[Answer] All we Sandinists are filled with revolutionary internationalism. If we happen to die in Nicaragua, we will die happy. If we should die in the Sahara, staining the sand of the Sahara with our blood, we will die happy... But in order for me to physically fight I would have to give up my responsibilities in the Nicaraguan Government, and lose my military rank as brigade commander; and then, like any other Nicaraguan, like any revolutionary, join the POLISARIO Front. And supposing I did this, in order to be able to fight in the desert I would first have to learn how to withstand those 60°C temperatures in the desert. Now I will have to think about whether a body accustomed to the temperature of the tropics can change its metabolism and withstand the high temperatures of the desert. And if it is possible, I will go off to the Sahara to fight with the Saharan brothers.

Desert Guerrilla War

[Question] Are we seeing the birth of a new Che Guevara, then?

[Answer] Not at all. I would like to resemble Che, even slightly. The fact is that all revolutionaries have many things in common, and one of the things we revolutionaries have in common is that those who are killed in the Sahara are the ones killed in El Salvador, are our dead.

[Question] What is your opinion of the POLISARIO guerrilla war?

[Answer] I can say that the best guerrilla fighter in Nicaragua would be the worst guerrilla fighter in the desert. Here the warfare is different. We need the forest and the jungle for our strategy. We would not be able to carry out an ambush if there were no forests. Here in the desert a different strategy is used. I cannot imagine how the POLISARIO guerrillas carry out ambushes in the desert and defeat their enemy. I am impressed with the way these people live and fight. When Commander Zero arrived in Madrid, en route to Managua, we took advantage of his stopover to continue the dialogue.

[Question] Is this the first time you have been in Madrid?

[Answer] Not the first time. I have been in the Spanish capital clandestinely on other occasions.

Eden Pastora speaks of the Nicaraguan revolution. He says that "in the Nicaraguan revolution there were no executions or lynchings, by decree of our Sandinist revolution, which was relentless in the fighting and magnanimous afterward."

"However," continues Commander Zero, "there are some people who do not want our revolution to go down in history as a bloodless one, and who are provoking us. I refer to the mean and egotistical spirits of the counterrevolutionaries at home and abroad."

[Question] What happened to the Somozist officials at the end of the war?

[Answer] They returned to Nicaragua, including Bernardino Lario, who was minister of defense. When he returned he was offered an ambassadorial post in Brazil, and did not accept it. He was offered loans, and did not accept them. Later he began to conspire, until he was discovered, arrested and jailed. At present he is serving his sentence.

[Question] Let's talk about the situation in El Salvador. How does Nicaragua view the events in that country?

[Answer] We are morally behind the people of El Salvador. Everyone knows the horrible crimes that the Junta has committed. They have murdered priests, a bishop during the Holy Mass. All this because they had preached the Church of Christ of the poor and not of the rich. They have even murdered nuns, and are committing genocide. Because of this we are morally assisting the people who are fighting a war inside El Salvador.

Praise for Carlos Andres Perez

[Question] You speak of moral aid; however, the Sandinists have been accused of bringing arms into El Salvador, and it is even said that they are the same arms which Venezuela sent you.

[Answer] That is not true. When the people fight, the forces of reaction always looks for justification. They have arms, as we did, and as all liberation movements always do.

[Question] And how did you procure the arms at the beginning of your struggle?

[Answer] We purchased arms in Europe. We also bought them from the "gringos"; not from their government, but secretly in Miami. I would suppose that, just as we did then, the companeros in El Salvador will do it. To say that we gave them the arms that we received from Venezuela is not true, because among other things, we need them for arming our own people.

Eden Pastora speaks of Carlos Andres Perez. He has words of praise for the former Venezuela president. He goes on to say that "only Bolivar is greater than Carlos Andres." According to Commander Zero, Carlos Andres was "the only one in Venezuela who raised his voice to point out the genocide that Somoza was committing in Nicaragua."

[Question] What do you have to say about the accusations which are being made that your government is close to Fidel Castro, and about the possibility of converting Nicaragua into a communist center?

[Answer] Those rumors, those fears arise from lack of understanding of Nicaraguan reality. Revolutions are neither imitated or exported, so therefore the case of a new Cuba can not reoccur.

[Question] How do you define yourself, and how would you define Sandinism?

[Answer] As for me, judge me by my answers and by my attitudes. If I say: I am this way, or I am not this way, you would begin to draw conclusions and begin to "confuse your left hand with your right," as the Spanish like to say. As for the Sandinist movement, I will say one thing, and that is that the Sandinist revolution is similar to Christianity. They both proclaim the giving up of material things, they both speak of love for ones neighbor and for moral values, and, if necessary, they both proclaim violence as violence was the death of Christ.

[Question] All that is very well. But, in a certain way, it is similar to what happened in Cuba.... In the end, didn't all the power end up in the hands of the Cuban Communist Party?

[Answer] I know, I know.... One person cannot fool a people. Fidel cannot fool them. What happened in Cuba is that the Cuban clergy wanted to fool the people, opposing the interests of the people, wanting to use Christianity as an instrument. And what happened was that the ones who came out the losers were the Cuban clergy, and Christianity lost.... However, I'm going to tell you...Christianity won in the end, because so far in Cuba they have been creating a Christian government that benefits the poor, the exploited, those on the margin of society, the Catholics, or the 12 men who followed Christ. So far, in Cuba, they have been constructing that kind of government.

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15 September 1981

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PERSISTENT OBSTACLES SLOW DOWN YACYRETA TIMETABLE

Buenos Aires SOMOS in Spanish 7 Aug 81 pp 52-53

[Article by Jaime F. Cespedes]

[Text] Work on the giant Argentine-Paraguayan hydroelectric complex will begin in early 1982, 1 year behind schedule. This article discusses the reasons for the delay, its impact on the pace of the national energy program and the projects already under way.

In recent years Argentina has begun a full-fledged development of its hydroelectric potential, which has entailed a rise in public investment inasmuch as a kilowatt of power in a hydroelectric powerplant requires several times more investment than a kilowatt in a thermal powerplant. To get an idea of what is on tap, it would be worth our while to dwell on some of the figures published in the Report of the Economy Ministry during the mandate of former Minister Jose Alfredo Martinez de Hoz. In 1978, the country's total potential electricity output was 9,340 megawatts (MW), broken down as follows: 6,060 from themal plants, 2,910 from hydroelectric plants and 370 from nuclear powerplants. The 1995 goal is 28,820 MW, of which just 7,030 MW will come from thermal, while hydroelectric plants will put out 19,840 and atomic plants 2,950. All of this will require investments of no less than $58 billion, in December 1978 values.

As part of these expansion plans, the Yacyreta Project, which consists of an enormous dam on the Parana River a few kilometers downstream from Posadas (in the Apipe rapids area) is especially important. According to the information furnished in 1979 by engineer Jorge Pegoraro, the former executive director of the bilateral (Argentina-Paraguay) agency, Yacyreta will put out 17,000 gigawatt-hours (GWh) when it is entirely completed (which in March 1979 was expected to be late 1989). To appreciate what this means, Pegoraro cited some numbers: the total electric power generated in the country in 1978 came to 29,000 GWh (in other words, Yacyreta will put out 58 percent of this); El Chocon-Cerros Colorados generates 4,900 GWh; Salto Grande, 6,400 GWh; Aswan (in Egypt) generates some 10,000 GWh, and Itaipu (Brazil, almost on the Argentine border) will put out some 70,000 GWh. Furthermore, however, the Yacyreta dam will perform other functions: it will irrigate some 100,000 hectares in Paraguayan territory and somewhat fewer in Argentina; it will enhance the navigability of the Parana River because it will raise the river level upstream and includes a lock for vessels drawing up to 12 feet; it will

be a major tourist attraction and it will lure industry. Hence, Yacyreta is important in every way, and therefore everything having to do with this project is of particular interest.

The project has been around for a long time. It took final shape in 1977 under an agreement with Paraguay that was amended in 1979 (at the request of our neighbor, which wanted a number of additional benefits, which were granted). Work proceeded from that time on according to a timetable, as the project became part of the national energy program. We now know that it is more than a year behind schedule.

According to information obtained by SOMOS from Paraguayan representatives, the project contracts can be awarded no later than August. The studies have been completed; the interest payments on the completed projects are already falling due, and Paraguay has to find jobs for personnel that are unemployed at Itaipu, the 5,000 or so workers and technicians who have been laid off there now that the peak work period is past. Furthermore, factories have already been set up to supply Yacyreta (most of them linked to construction) and they cannot be kept idle.

Five companies submitted the following bids: Dumez (24 percent Argentine, 16 percent Paraguayan, 24 percent French, 32 percent German firms and 3 percent Italian), $1.48 billion; Impreglio (Italian), $1.705 billion; Dragadez, $1.763 billion; ICA, $1.811 billion, and Morrison Knudsen, $2.39 billion. The consultants Harza and Lahmeyer noted that "all of these bidders are technically and economically capable of constructing the project," adding that "the three lowest bids are below estimates." The Paraguayan Government leaned towards Dumez, the lowest bidder. But business circles are commenting that Argentina has reportedly expressed a liking for Impreglio. Retired Gen Lino Montiel Forzano, who took over as executive director of Yacyreta 45 days ago, stated that the bids were opened on 2 June 1980 and that work was expected to begin in early 1981, adding that "the reasons for the delay are to be found in the bilateral status of the project, which obviously necessitates exhaustive studies by the two countries involved, as well as the magnitude and complexity of its construction and repercussions." Work is now supposed to begin in early 1982.

When SOMOS questioned Energy Undersecretary Bernardo Bronstein (the only undersecretary from Martinez de Hoz's team who is still around) about the consequences of the delay, he said that this and other delays (the Bahia Blanca Thermal Powerplant, 1 year behind, and the Tercero River Nuclear Plant, 6 to 9 months behind) are not important because energy consumption since 1980 has not increased as much as expected. Instead of the estimated 8.5 to 9 percent a year, it will be up 1 to 2 percent by the close of this year. This is a result of the recession, and while it does not justify the delays, it dampens their adverse impact. In any case, thermal powerplants will make up for the temporary absence of Yacyreta.

Rounding out the information, Bronstein explained that Yacyreta was budgeted at $2.6 billion, to which was added the fall in the buying power of the dollar during the period of construction (some $400 million) and the interest payments over this same time, which gives us a total of some $7 billion. "We have to keep in mind," Bronstein says, "that by the time Yacyreta is completely finished, it will have already yielded $1.8 billion from electric power sales." This is because the 20 turbines are being installed successively, while the project itself also concludes when the first turbines go on line.

Clearly then, the energy program marches on, despite the hitch. Towards the end of the decade (not by 1984, as Foreign Minister Oscar Camilion mistakenly said) the Yacyreta and Piedra del Aguila (final stages) plants should be well under way, plus Corpus, located upstream on the Parana, plus Garabi, on the Paraguay River (a joint project with Brazil) and Lichi Picun Leufu, in Limay. In addition, Atucha II will be completed, and another nuclear powerplant will be under construction (two, if the National Atomic Energy Commission gets its way). The country will then have to decide about the Middle Parana project, which is about twice as big as Yacyreta. But the studies in this regard have yet to be finished, and the problems involved are far from simple. This is one of them: in order to dam up the Parana River (near the city of Santa Fe), a saddle dam some 400 kilometers long has to be built along the Santa Fe side (the Entre Rios bank is naturally elevated). As a result, because the water level would be above the ground level, the ground water would rise and make large tracts of land in Santa Fe saline. If this problem can be resolved or if it turns out to be less serious than it seems, the Middle Parana will be the big project for the 1990's. If not, Argentina will go ahead with other hydroelectric projects among the many that are still open to it, as long as a more economical way of producing electricity has not been discovered by then, a hypothesis that should never be ruled out, given the quickening pace of technological progress that characterizes our times.

8743
CSO: 3010/1721

GOVERNMENT FREEZES FUEL PRICES

San Jose LA NACION in Spanish 1 Aug 81 p 4A

[Text] The government has decided to freeze fuel prices as of yesterday, bowing to a provision of the law which regulates the Costa Rican Oil Refinery (RECOPE) and provides that current petroleum derivative prices shall be maintained for a period of three months.

The anncuncement was made by Energy and Mines Minister Fernando Altmann Ortiz in commenting on the outcome of a meeting held yesterday morning at the president's offices and attended by President Rodrigo Carazo Odio, Jose Antonio Lara Eduarte, executive president of RECOPE, Economy Minister Jose Miguel Alfaro Rodriguez and other officials of the executive branch.

The session analyzed the scope of the congressional stamp of approval placed on the law regulating RECOPE activities. This law had been vetoed by the executive branch, which cited reasons of "inappropriateness" for its veto.

The law establishes, in addition, among other things, that the Office of the Controller General of the Republic must audit the refinery; that the National Electric Power Service (SNE) shall set fuel prices and that the first such price setting shall take place 3 months after the law becomes effective.

The regulation also eliminates the subsidies paid by RECOPE at the present time to various institutions in the country, public as well as private.

Government Complies

According to Altmann Ortiz, the government began yesterday to comply with all the provisions of the law, including the price freeze. To do this, he added, necessary adjustments are being made at this time in order not to affect fuels.

On the other hand, he warned that the agreement signed with the International Monetary Fund provides that RECOPE must operate without a deficit.

On 30 June the firm had a deficit outlay of 542 million colons, and if it had to pay its short-term debts immediately, this would mean an additional loss to the company of 732 million colons.

According to RECOPE President Lara Eduarte the refinery's present deficit is 1.14 billion colons.

With respect to RECOPE's failure to comply with the IMF's directive, Minister Altmann Ortiz said that because of that situation RECOPE will postpone some programs--without great sacrifice but certainly with some problems--which it will be able to carry out starting next year when the rules of the game with IMF have been changed.

Sharp Increase

On the other hand, President Carazo said the government respects the law and for this reason it will adhere to Parliament's decision.

According to Carazo, RECOPE's debts will accumulate and instead of a gradual increase in fuel prices, there will be one sharp increase later on.

President Carazo added that the most serious implications of the parliamentary action is that it prevents compliance with the commitments made to the IMF. Several attempts were made to locate the executive president of RECOPE, Lara, but this was not possible.

At the beginning of this week the official said that an increase in fuel prices was imperative for the refinery since, among other things, it is currently losing 65 million colons per month because of the exchange differential.

RECOPE is obliged to buy the petroleum derivatives at 15 colons, while the Central Bank exchange rate is 18.90 colons. This means that for every dollar it is losing 3.90 colons.

Smaller Farmers Petition

Meanwhile the National Union of Small Farmers and Livestock Producers (UPANACIONAL) of Cartago yesterday requested Lara Eduarte to freeze fuel prices.

At the same time the union requested that subsidies be eliminated to finance the 1.142 billion colon deficit, so that that cost does not fall on productive activities.

UPANACIONAL argued that in the last few years fuel prices have risen on an exaggerated scale and that this has had a negative effect on the various sectors of production at the national level.

"The agriculture and livestock sector, which is the very foundation of our economy, has been hit repeatedly by rising energy prices and increasing costs, causing reduced production and the eventual squeezing out of small producers."

8735
CSO: 3010/1694

SEAGA GIVES DETAILS OF IMMINENT OIL EXPLORATION PLANS

Kingston THE DAILY GLEANER in English 14 Aug 81 p 1

[Text] On-shore oil exploration will commence in Jamaica in the first week of November, Prime Minister, Edward Seaga announced yesterday.

Mr Seaga who returned home on Wednesday from London, where he stopped on his way from the United Nations Conference on new and renewable sources of energy in Nairobi, Kenya, announced this at a press conference at Jamaica House.

The programme called for the drilling of three wells, one in Savanna-la-Mar, one near St Ann's Bay and one near Manchioneal in Portland. The Petroleum Corporation of Jamaica will do the drilling, assisted by Petro-Canada, which is the petroleum agency of the Government of Canada.

Cost of the project is being met from an Inter-American Development Bank funding of U.S.$19 million, together with Jamaican counterpart financing.

In the second week of November off-shore drilling is to commence on the Pedro Banks, when the first well will be sunk by the two companies awarded contracts for exploration in a consortium, Union Texas, Petroleum of Houston, U.S.A. and AGIP, the state oil company of Italy.

Mr Seaga said that the off-shore programme had not been expected to commence until sometime next year, because it was proving impossible to obtain the Jack-up rig needed for drilling.

"We recently overcame that problem, when I took the initiative of approaching the President of Occidental Petroleum (Mr A. Robert Abboud) who is a member of the Rockefeller Committee, asking his assistance in obtaining for us a Jack-up rig in order to enable us to commence this drilling programme early," Mr Seaga said.

"I was advised last week, that through his instrumentality one of Occidental's rights has now been made available, on the basis of taking it off of one of their own projects at a sacrifice to them in order to assist Jamaica to undertake the drilling programme off-shore at the earliest possible stage."

Mr Seaga said the three towns named were selected on the basis of geological surveys which proved they were the best sites for oil potential.

The contractual arrangements between the Government and the two firms involved in the off-shore drilling provide a 12-1/2% royalty to the Government and a negotiated share of any oil discovered to be given to the Government agency, Petroleum Corporation of Jamaica, (PCJ), without the PCJ contributing any of the risk capital invested during the exploration activities.

In addition, the contract allows PCJ to acquire 20% equity in the development and production of any commercial oil finds. The World Bank has approved a loan to the PCJ which would allow the Corporation to take up this equity option if drilling meets with success.

The off-shore drilling was stalled by the unavailability of the jack-up drills, rigs which are suitable for shallow water operations, most of which are committed to operations in the Gulf of Mexico.

CSO: 3025/212

FUNDS EARMARKED FOR INTEGRATED WAR ON INSECT PESTS

Bridgetown THE NATION in English 18 Aug 81 p 2

[Text]

THE war on the insect pests of food crops and sugar cane in the Eastern Caribbean is being further intensified.

Barclays Bank International's Development Fund Committee has agreed to further fund a programme of work on integrated pest control in the area.

The sum of $325 000 will be disbursed over a three-year period, to the Caribbean Agricultural Research and Development Institute (CARDI).

This grant enables the continuation and expansion into the Eastern Caribbean's Lesser Developed Countries, of the project launched in August 1977, which was the provision of office and laboratory accommodation, staff and operating expenses.

The total cost of the programme over the next three years is estimated to be just over $1 million, of which CARDI will meet 40 percent, Barclays just over 30 percent, and the remainder furnished by the Barbados Sugar Producers' Association (18 percent), various institutions in St. Vincent (eight percent), and the National Agricultural Company of St. Kitts-Nevis, three percent.

During the four years the project has been in existence, it has made considerable progress, and is now contributing significantly to controlling crop losses in a number of territories, at the same time laying a foundation for further advances through its programme of research and training.

In Barbados, St. Vincent, St. Kitts and Antigua, there has been much work done on sugar cane pests; in Barbados, St. Vincent, Montserrat, St. Lucia, St. Kitts, Dominica, Grenada and Guyana, on food pests; and in St. Vincent on the arrowroot leaf-roller.

There has also been specialised training in all aspects of entomological work, such as recognition and identification of crop pests, the correct use of insecticides, and so on, provision for plant protection staff in Grenada, Dominica, Antigua and Guyana, as well as in-service training to personnel at the several ministries of agriculture.

CSO: 5400/7573

'POLITICAL WEEK' COLUMN DISCUSSES OFFICIAL-POLITICAL DIALOGUE

Buenos Aires LA NACION in Spanish 16 Aug 81 pp 8-9

[Text] The government, through its interior minister, has tried to recapture the political initiative. Now it is seeking to put itself in the position of convener, as the radicals did some weeks ago.

That will not be an easy task for the government. That is, it will be more difficult than it was to carry out a similar task last year. The military is aware that it has been steadily losing political ground since October 1980, largely because of administrative inefficiency. To say that that inefficiency is the fault of Martinez de Hoz or Sigaut is just one way of simplifying things. In other cases it is a mild, fawning and calculatedly discriminatory procedure based on the idea that while one may judge what is happening, it is better to avoid the risk of an embarrassing misunderstanding with the military officers, who besides having the force are the ones who have really been in power for more than 5 years. Doubtless that was not the style of the speech made this week by the president of Ford in Argentina.

Responsibility for the military government's taking up the political initiative again has begun to be laid at the door of the Interior Ministry. It is known, however, that Manrique, at his breakfast Tuesday in Olivos, asked the president something like, "How come Liendo isn't doing anything?"

Liendo's Activities

Strictly speaking, not a few observers have thought they perceived in these last few months a sort of disorientation on the part of the cabinet's political minister. If this attracted some attention, it was because General Liendo had previously demonstrated enough perspicacity to disentangle himself from public service. "By doing nothing," as they say, he had managed to emerge very well from his functions as labor minister.

What, then, has Liendo been doing? If he were a brigadier general hoping for a promotion to division general, it could be said that he had acted conservatively according to the classic rule, which is to lie low until things clear up: that is, until the promotions have been arranged. But he has been a division general for some time now, and therefore such is not the case with him.

One would say, on the contrary, that the interior minister has been a prisoner of a series of political suspicions regarding the behavior which might be expected of him in an essentially political assignment. He is, perhaps, the last of the generals who emerged on the national political scene with the 1976 coup and who is still powerless to shake off the stigma of populism or developmentism--the stigma varies according to the source--which has haunted him for five years.

It is possible that all this may have inhibited General Liendo, up to now, preventing him from initiating political operations of some magnitude. Without prejudice to what has already been said, it must also be said that the interior minister, in his function as a natural link of the executive power with the governors, has found himself, to date, forced to devote a considerable part of his time to extremely grave legal situations caused by some of the regional economic crises which existed prior to March.

Legitimization of Parties

Liendo's personal situation is well reflected in a question which arose on all sides as soon as he announced the policy of dialogue, not only personally with the political leaders, but with the parties. That question was: What does the military junta have to say to all this? Surely the minister would answer that if he was doing nothing it was, among other reasons, because he needed to know what the junta was saying.

Officially it is very important that the interior minister has said he will talk with the parties on behalf of the government. This represents the final point of a cycle within which not a few military voices and some of their civilian advisers had clamored, although in a rather reserved way, to "get rid of the old parties once and for all."

Not only have the old parties not disappeared, but in holding a dialogue with them, the government will hand them a certificate of legitimacy. Moreover, it will do so while some of those old parties are at the point of their greatest strength since the armed forces took over the government in 1976.

So much so, that the day the interior minister summons the leaders of the Radical Civic Union--for example--they will not immediately accept the call. In other times they would have been anxious to do so; now before accepting they will stop to consider the invitation to the multiparty table extended under Peronism, developmentism, Alenda's intransigents and the two social-Christian parties.

Obviously, Liendo will try to talk with the parties to discuss, in principle, the statute which regulates their existence and activities. Such a discussion is not outside, but rather within, the political calculations used by the military junta to instruct the executive branch on that subject some time ago. Furthermore, what is discussed at the Casa Rosada will have been preceded, this time, by all that has already been discussed in the general secretariats of the armed forces concerning the statute and other matters of a legal nature, so that as for what is important from the internal, military point of view, the only novelty in the interior minister's dialogues with the parties is that they will be held publicly and officially.

Working Breakfasts

The fact that the government's next political steps were announced at a national cabinet meeting and with unusual news coverage makes it obvious that an intense reaction was sought. At the same time, Lieutenant General Viola started a very American custom here: that of working breakfasts. He began with the president of the Federal Party, Francisco Manrique. If Manrique, in his conversation with Viola, showed himself to be highly critical of the multiparty group sought by the radicals, he was no less so with the idea, already prevalent in military circles, of creating a movement within which a political party emerges that is capable of taking over the government when the military step down. This is how Manrique also slapped down the former interior minister and now presidential adviser, Gen Albano Harguindeguy, this week.

Criticizing Harguindeguy as well as other presidential advisers bent on the promotion of a new political forces, several leaders of the multiparty organization --among them some radicals--this week joined Manrique.

Legislation Not Applicable

Liendo's revelations--one to the national cabinet and another to the governors--reflect precisely the caution with which a political minister must move, taking into account that the armed forces are behind him--behind, in the sense that the armed forces are constantly observing the ministers' actions. A single paragraph in Brigadier General Graffigna's speech on Armed Forces Day was enough to get across an implicit censure of the education minister for his recent statements about ideologies and the integration of university cadres. That then, explains why, in announcing something of so much significance as the government's willingness to dialogue with the political parties, the interior minister, with deliberate prudence, found it necessary to warn that such an action should not raise "hopes of an early political opening."

However, we wonder what else, if not a political opening, we can call the government's decision concerning the parties, which have been prohibited from carrying on their normal activities under threat of imprisonment for the leaders. The commander in chief of the air force told the press this week that that prohibition would not be lifted immediately. That is what Liendo told the governors. But unless within a reasonable time some standard is given which brings the suspension of party activities to the point of greater flexibility, the government's willingness to dialogue with the parties it has subjected to legislation which, although not used, was dictated for another time period, will be really contradictory. That is precisely why it is not used.

Massera's Party

Admiral Massara has entrusted leadership of the founding ceremonies of the Party for Social Democracy to the former navy secretary general, Vice Adm Eduardo Fracassi. Since there is no acronym to facilitate the mention of such a long name, it will be called "Massera's party."

There is a notable general tendency to give an essentially personal association to the first group which emerges, if not from within the military process, then

from the will and around the figure of the person who was one of the chief protagonists. The curious thing is that never before as since March, 1976, have the military applied themselves so diligently to exalting the good points about the depersonalization of power. They have done this even in reaction to some of the results of the 1966 revolution.

Massera's style may or may not be pleasing, but what cannot be denied is the ease with which he tackles any undertaking. He is a politician who works from the early hours of the morning, entirely devoted to his work. Perhaps he is not an innovator, but he has learned that it is through multiplication of the instruments of struggle that a politician succeeds in opening a path to power for himself. He is founding a party on the basis of the personal adherents he recruits along the way, and at the same time he is trying to encourage a "movement" whose beginnings are modest. To date the "movement" includes certain political structures whose leaders surely have been pleased to see that they are not being dissolved to enter a new nucleus. That group includes, among others, the socialist group headed by Jorge Selser, UDELPA [Argentine People's Union], the National Yrigoyenist Movement and the San Juan 12 October Movement headed by Angel Cantoni.

An Almost Heroic Achievement

But there is more. A "staff" has been organized under Rear Admiral Chevalier to contact the various sectors of national activity and as a separate appendage to the party and the movement. Fourth, the Foundation for the Study of Argentine Problems, headed by Dr Arias Pellerano, is going along with Massera's recruiting from the most comprehensive point of view possible in the world of culture. In this sense it is almost a heroic achievement to have begun a series on several subjects (it will conclude on 10 October), which will include participants from such diverse currents of political, philosophic and economic thought as Mario Justo Lopez, Vicente Massot, Eugenio Pucciarelli, Aldo Ferrer, Ataulfo Perez Aznar, Alieto Guadagni, Carlos Fayt, Natalio Botana, Ezequiel Gallo, Eduardo Zalduendo and others.

Judging from the names, the series reflects Massera's decision to act, while he can, within the broadest margins possible. That is one reason why it must not be hoped that he will claim some sort of affiliation with the Socialist International, in spite of established ties with some of its leaders and, even more important, in spite of the name he has given his party.

"Do you think it would be advisable to meet with Mrs Peron?" a LA NACION reporter asked Massera this week. "No," he said, "I believe the best thing is for everybody to leave her alone."

8735
CSO: 3010/1737

DELAYS IN FORMULATING ECONOMIC MEASURES CITED

Buenos Aires SOMOS in Spanish 7 Aug 81 pp 50-51

[Article by Ruben Chorny]

[Text] It took the five ministers in the economic sphere and President Viola himself almost a month to devise the business debts refinancing bond. Finally, the cabinet made the bond part of its package of exchange, fiscal, tariff and wage measures.

The hands on the economic clock stopped at a point as uncertain as it was expected: the time to announce how business debts would be refinanced.

Just when it seemed as if the lengthy deliberations among ministers in the economic sphere would conclude this week, a new delay prolonged the suspense. Neither the bond itself, which is the leading actor, nor the rest of the cast (consisting of exchange rate, monetary, financial, tariff, wage and fiscal guidelines) accompanying it reached the footlights, even after President Viola and his colleagues gave the impression that a basic uniformity characterized the script as a whole. "This time we have to be categorical, so that no one gets the idea that measures were left out, which would bring renewed calls for action," an authorized spokesman of Lorenzo Sigaut's team explained to SOMOS.

Nevertheless, the argument of precaution advanced by this official was interpreted in various ways in a marketplace as sensitized as Buenos Aires. "Since no one knew whether behind those feverish and silent moves there were subsidies, reshufflings or sweeping decisions feared by traders lurking in ambush, this uncertainty put the people managing short-term capital on their guard," said a banker with a foreign institution. The demand for foreign exchange was unusually strong again last week considering the high price that the financial dollar would hypothetically command now.

The delays heightened people's impatience. The traders, who were monitoring the ups and downs of the meetings among the five ministers of the economic area and their colleagues and who were reading in the papers about the lengthy talks between the officials and President Viola, decided to fall back. But the economy has been dampened by too many expectations. Even though a record crop has just been sold, earnings from exports are reportedly short some $500 million. The spread between the financial and commercial exchange rates is already more than 50 percent. In July, the Treasury saw its tax

revenues reduced because (people in the city are claiming) taxpayers thought that the tax moratorium would be extended until late June, and the latent expectations of rate and wage adjustments led to countless inflation hypotheses, which were further fueled by an alleged (the bond) and a real (the budget deficit) renewal of printing press economics.

It was within this overall framework that one development after another took place in the government's economic sphere. The business debts refinancing proposal advanced by the Argentine Industrial Union (UIA) was gradually joined by others, nine in all. What were they calling for? The computer in a private bank that processed them classified them according to whether or not they requested subsidies and whether they were immediate (partial or total debt remittances) or gradual (negative real interest rates). The score was six to two in favor of subsidies.

The members of the cabinet lined up behind the competing positions. Initially, according to reports, Jorge Aguado, the minister of agriculture, accepted only an expansion of the rediscounting, without bonds. His colleague in Industry, Eduardo Oxenford, advocated the proposal of the UIA, which consisted of deferring half of the debt to 10-year terms with payments to start within 7 years at a below average or neutral [at par with inflation] interest rate and without the principal being adjusted for the first 18 months. The technicians in the Economy Ministry and Central Bank, meanwhile, took the middle road: give some of the guarantees on a selective basis and share the risk with financial institutions.

Behind the dialectic give-and-take in defense of the various stands, it was clear what those who were speaking out wanted. Basically, they were all advocating a financial bailout (bonds) and profitability (tariffs and selective assistance so as not to revive competition and, moreover, so as not to bear too much of the burden of the sectors most in need). But inflation would ultimately be the price we would have to pay. "We have to realize that the printing of too much money shows up in prices, and since the private sector cannot set itself straight in this recessionary climate, the budget deficit will rise and concurrently resources will be transferred to the State," warned an economist involved in banking.

Another of the considerations taken into account in discussions of financial assistance (and each sector balked at the consequences) was that a subsidy represents a transfer of net worth from the companies or sectors that are least bad off to the ones that are in worse shape. Agriculture became a striking example when Minister Jorge Aguado downplayed the sector's reestimated indebtedness: $2.6 billion. So then, would farmers be willing to pay for a wideranging overhaul of industry? In the words of Horacio Gutierrez, president of the Argentine Rural Association: "If someone has to be subsidized, there has to be someone else doing the subsidizing, and at the moment no one (neither workers nor producers nor businessmen) is in a position to do that. We trust that the solutions will be long-term ones."

Of course, in order to inject funds into agriculture to contribute to the overall refinancing, the minister succeeded in having the 12 percent withholding on exports abolished. This was not the only shoring up of farm prices. This sector got refinancing for 40 percent of its liabilities (10 percent less than industry) and will probably see to it that tariffs are kept at zero for imported fertilizers and machinery.

Industry loans will be rescheduled at a rate slightly higher than the average (two percentage points above the rate in Circular 1,050), and the measure will involve a total of 50 trillion pesos. "It's not that liabilities are so heavy; it's just that profits are so low. Instead of remitting debts, we have to give companies time to become profitable again," said banker Leonardo Anidjar.

Describing the spirit of the soon-to-be-announced bond, industrialist Gilberto Montagna said: "I don't know what it will be like, but this helping hand is a way for the government to give back to business what it has taken away over the past 4 years." This approach (which is commonly voiced by industrialists) is based on the assumption that the government will be spending less and will thus be able to provide the requested blood transfusion. But if fiscal accounts are not straightened out, the printing press will have to invent blood (inflation) for the ravenous government so as not to dash the hopes raised by the bond. The suspense is held over until next week.

8743
CSO: 3010/1721

BIOGRAPHIC DATA ON NEW NAVY COMMANDER PUBLISHED

Buenos Aires LA NACION in Spanish 12 Aug 81 pp 1, 18

[Excerpts] The new commander in chief of the navy, Vice Adm Jorge Isaac Anaya, will take up his post after a brilliant military career during which, among other assignments, he served as chief of the Navy General Staff since 1980.

Anaya, who succeeded Vice Adm Antonio Vanek as chief of staff, is now replacing Adm Armando Lambruschini, who in turn succeeded Emilio Eduardo Massera, thus complying with the regulations of the National Reorganization Process regarding the term of office of the commanders in chief, which cannot exceed 3 years.

Remarks

To judge from the remarks he has made on various occasions, one of the most prominent traits of the new commander in chief of the navy, Vice Adm Jorge Isaac Anaya, is his practical view of reality, which he regularly expresses in clear and resolute comments.

In 1977, when navy forces captured Soviet fishing vessels in Argentine waters, he said that the Soviets "must have been thinking that this is a country where Idi Amin is in power. They've underrated us," he added, "so I'll just leave those three captured boats there while we tow in another one."

In December of that same year, in handing over the naval command of Puerto Belgrano to Rear Adm Humberto Jose Barbuzzi, Anaya spoke forcefully of Argentina's sovereignty along the Atlantic coast.

"I hope to God that no one kids himself and that we do not have to face the moment when we have to take action, because then the world will see all too clearly our determination to respond overwhelmingly to anyone attempting to tarnish our nationhood."

Military Career

Jorge Isaac Anaya was born in Bahia Blanca on 27 September 1926 and joined the navy on 26 January 1944 as a cadet in the general corps. He graduated as a midshipman on 10 November 1948 and after successive promotions he reached the rank of vice admiral on 31 December 1977.

He served in various naval units, in the Navy Communications Service, in the Naval Hydrography Service, in the Naval Military School and in the Naval War School. As a commander [capitan de fragata] he served in the General Office of Naval Personnel, in the Argentine Naval Attache's Office in France, on the Navy General Staff and in the Policy and Strategy Command.

After his promotion to rear admiral, he was naval attache and chairman of the Naval Commission in Europe, naval commander and director of the General Office of Naval Personnel. He also served in the Argentine Naval Attache's Office in Great Britain and Holland and later as director of Naval Training as of September 1979. He succeeded Vice Adm Antonio Vanek as navy chief of staff in February 1980

Vicealmirante Jorge Isaac Anaya

8743
CSO: 3010/1721

BARROW TAKES CULTURE PORTFOLIO AMID REORGANIZATION

Bridgetown THE NATION in English 20 Aug 81 p 1

[Article by Charles Harding]

[Text] Senator Nigel Barrow is taking over responsibility for cultural affairs in Barbados.

He will add culture to his portfolio from September 1, relieving Attorney General, Louis Tull of the department which was temporarily assigned to his charge, when he was switched from Education and Culture to his present ministry, following the June 18 general election.

Barrow's enlarged portfolio now embraces information and communication, including the print and broadcast media, the Government Information Service, the Government's Printery, the National Archives, public libraries, and culture and telecommunications.

It also means that the Division of Culture has been totally separated from the Ministry of Education.

That division is also being restructured, and according to reports, will become a separate entity under the aegis of the National Arts and Culture Council under a new director of culture.

The National Arts and Culture Council is under the chairmanship of retired Chief Librarian, Chalmer St. Hill.

It is understood that the planned restructuring in the Division of Culture is expected to be completed before the end of this month, or early next month.

The National Arts and Culture Council is to be made a statutory body, with powers to collect and distribute funds for cultural groups.

Local parish culture committees are to be established with support services from the Ministry of Culture; the island-wide summer vacation workshops in the arts for school children will be expanded, and there are long-range plans for the development of a National Culture Centre at Church Village, City, which, along with Queen's Park, will be designated as a cultural village for continuous daily activity.

MINISTER URGES FARMERS TO SET UP COOPERATIVES

Bridgetown THE ADVOCATE-NEWS in English 20 Aug 81 p 1

[Text] Government has called on local farmers to establish cooperatives in an effort to streamline their operations and boost output.

The call came from Agriculture Minister Dr Richard Cheltenham shortly after a meeting yesterday with top officials of one of the leading farmers' grouping the Barbados Agricultural Society (BAS).

"We are convinced in the Ministry that Agriculture has got to be a cooperative exercise. A government can structure the environment, we can provide incentives, we can assist with the opening of export opportunities, but in the end the farmers have got to grow the crops," Dr Cheltenham said.

He said that for cooperative undertakings to be feasible both Government and farmers must work together, and it was necessary for ongoing dialogue between the two sides.

He promised a new incentive package which he noted would be geared towards stimulating the lagging agricultural sector. He did not elaborate.

Dr Cheltenham also announced that a broad-based committee will be set up to enable farmers to take their problems while looking into a number of aspects which have continued to plague local agriculture.

The Minister said that the problem of marketing was one of the most pressing problems in the field of agriculture.

Speaking of other areas raised during the talks, Dr Cheltenham said: "We looked at the area of dairying and milk production in Barbados, and it was brought to my attention that the dairying industry was in a state of crisis."

He said they also looked at the question of black belly sheep, the production and marketing of food crops in the island, and the poultry and pig industries. He said the crisis within the dairy industry was as a result of high cost production in relation to final price given for milk.

He described the poultry and pig industry as the strong point in local agriculture and said that the problems which pig farmers were facing with the Barbados Association of Packers and Canners (BARPAC), which was not taking its quota of meat from the farmers was a short-term one.

CSO: 3025/211

BRIEFS

HIJACK EXERCISE--Police staged a mock hijack exercise at the Civil Air Terminal yesterday to test crisis contingency plans. The dummy run emergency which began at 9 a.m. was mainly a paper exercise to practice communications procedures and no aircraft were involved. Although other emergency services were informed the test was carried out mainly by Police who brought their rapid response team to the airport. The exercise was finished by about 11 a.m. [Text] [Hamilton THE ROYAL GAZETTE in English 19 Aug 81 p 1]

CSO: 3025/215

BELO HORIZONTE POLICE PREVENT BUS FARE PROTEST

PY020352 Buenos Aires TELAM in Spanish 2145 GMT 1 Sep 81

[Text] Belo Horizonte (Brazil), 1 Sep (TELAM)--The police of Belo Horizonte, capital of the state of Minas Gerais, reported today that they freed 16 people detained last night. The 16 had tried to carry out a demonstration prohibited by local authorities.

The demonstration protesting the announcement that public transit fares would be raised in the next few days was prevented by nearly 4,000 members of the military and civil police who took up positions in the downtown area and in strategic points in the city.

The police also invaded a commercial building where students had gathered on the main floor. The students were shouting down with the dictatorship and demanding a price freeze on staples.

Planned a week ago by the national movement against the rise in prices, student groups, and unions, the demonstration was prohibited by the secretary of public security of Belo Horizonte through an official note. The note asked for understanding and support for all measures intended to protect public order and tranquillity.

On his part, Minas Gerais Governor Francelino Pereira declared that peace will be maintained at any cost and that those who try to promote disorders will be detained. He also warned that the authorities would stay on alert. He emphasized that, until now, no decision had been made about the percent raise and the date when the new fares would go into effect.

In Salvador, capital of the state of Bahia, a city that last week was transformed into the scene of serious popular disturbances motivated by the 61-percent increase in transit fares, police yesterday violently suppressed a group of students which, after stoning a bus, tried to invade a school.

The students demanded the immediate readmission of six of their colleagues who were recently expelled from the Central High School. One of the students, whose name has not yet been released, was hit on the head with a rock while the student Marisa Nascimiento Santos suffered a fractured leg.

The secretary of education and culture of Bahia, Eraldo Tinoco stated that the students attacked police with sticks and stones and the police acted in self-defense.

CSO: 3010/1765

BRIEFS

OFFICIAL TO VISIT MEXICO--Brasilia, 31 Aug (TELAM)--Brazilian Foreign Minister Ramiro Saraiva Guerreiro will begin an official visit to Mexico on 16 September 1981. He has been invited by his Mexican colleague, Jorge Castaneda. On making the announcement, Brazilian Foreign Ministry sources said today that during the talks he will hold with Mexican authorities Saraiva Guerreiro will discuss the Central American situation and matters linked to the meeting of chiefs of state that is to be held in October at the Mexican resort of Cancun. At the bilateral level, Saraiva Guerreiro will make known Brazil's desire to increase its sale of iron ore to Mexico as a way of compensating for its imports of Mexican oil, which currently amounts to 60,000 barrels a day. [Text] [PY011604 Buenos Aires TELAM in Spanish 0020 GMT 1 Sep 81]

CSO: 3010/1765

MAGAZINE VIEWS IMPROVED FOREIGN RELATIONS

PY290011 Santiago Chile QUE PASA in Spanish 23-29 Jul 81 pp 51, 53

[Article by Lillian Calm]

[Text] The foreign ministry has been in the last few days the host of two important guests. The first to arrive was Dominican Foreign Minister Manuel Tavares Espaillat. Then came John William Middendorf, U.S. Ambassador to the OAS and Reagan's advisor. The latter, who was sent as a special ambassador, came to hold talks on different problems that affect the continent.

But these were not isolated visits. There are many others. Among them, the visits that are to be paid by the foreign ministers from a Central American and from an Oceanian country that have apparently been confirmed. John Ure, the foreign office's assistant under secretary of state for American affairs, will also arrive in Santiago soon. This visit will be very important for bilateral relations between Chile and England. Will the agenda include an eventual visit by Margaret Thatcher, who will probably travel to Peru? Another potential visit is U.S. Ambassador to the UN, Jeane Kirkpatrick. Several distinguished figures have visited Chile in 1981. Some of them are : Chinese Vice Foreign Minister Zhang Wenjin; Equatorial Guinean Vice President Florencio Maye; Salvadoran Government Junta Vice President Col Jaime Abdul Gutierrez; KOK Health and Social Affairs Minister Myong-ki Chon; Japanese International Trade and Industry Minister Rokusuke Tanaka; a special envoy of King Hassan of Morocco; and other figures who have come with different kinds of delegations.

In view of all of this it can be concluded that Chile has reached a stage of normality in its international relations. This has been achieved with the help of two important factors. First: The foreign policy that during the first years of the military government was guided by ideological considerations, has been left aside. Second: Recent international developments have provided the chance for improving the understanding between Chile and other countries. Among such developments are, for example, the electoral victories of Margaret Thatcher in Europe, of Ronald Reagan in the United States, and of Fernando Belaunde Terry in South America. But a potentially negative circumstance has also developed: the victory of Francois Mitterrand in France, a country which has maintained good relations with Chile and which has provided significant economic cooperation. Furthermore, it should also be considered that France has been one of our armed forces' most important suppliers of equipment and arms. What will happen now? Although it can be hoped that Mitterrand will not base his foreign policy on ideological considerations, what will happen is still unknown.

As far as borders are concerned, different situations have arisen with each of the three bordering countries. With Argentina, the border dispute has delayed a logical integration between the two countries. Nevertheless, if the mediation process is to be weighed, it should be concluded that after two years of talks a solution should be soon envisaged, although in Argentina they are even now trying to discredit Cardinal Antonio Samore, the Pope's representative in this negotiation. After the consolidation of the easing of tensions between the two countries, which has been achieved through the release of detainees (which has been interrupted by the recent arrest of Chilean citizen Jorge Diaz Carlin in Argentina), more definitive measures should be implemented after the European summer. Besides, the last Chilean who has been arrested is a ham radio operator from Concepcion who settled in Argentina, and who was openly taking steps to obtain from the Argentine authorities the authorization to operate his radio equipment. However, he has been charged with carrying out espionage activities because he had a clandestine transmitter.

With regard to Bolivia, Chile has reiterated that there are no pending problems. Besides, it was that country that decided to sharply break off diplomatic relations.

Chile and Peru have normalized an absurd diplomatic situation which, from the year of the 100th anniversary of the pacific war, has kept the relations between the two countries at the charge d'affaires' level. This situation has been finally overcome with the presentation of credentials by Ambassador to Peru Jose Miguel Barros and by Ambassador to Chile Jose Luis Bustamante Rivera. Even though the path to such a normalization had already been opened, the process was undoubtedly strongly accelerated by the position that Chile has maintained as guarantor of the Rio de Janeiro protocol (signed in 1942), regarding the Peruvian-Ecuadorean dispute. The Chilean position has been no more than another demonstration of Chilean compliance with treaties. Another important point for the improvement of relations between Chile and Peru is the agreement arrived at by the joint commission on free border transit between Tacna and Arica, which was implemented during a meeting held in Arica in April. Concerning other bilateral matters, there is understanding between the two nations within the southern pacific framework.

Apparently, Peru could also take the same steps that Chile took with respect to the Andean pact. Initially an economic organization, the pact has turned into a bloc supporting political aspirations; its strength has been weakened not only because of the war between Peru and Ecuador but also because of its failure as a supporter of Nicaragua. The international situation has once again strengthened the Chilean position regarding the Andean pact.

With regard to the Latin American scene, a significant improvement in the relations with Colombia, which were intensified during a recent visit paid by Foreign Minister Rojas, cannot be ignored. Will the Colombian foreign minister visit Chile in the near future? And relations with Venezuela have also improved; this country has appointed an ambassador to head its diplomatic mission (it had been headed by a charge d'affaires).

Several positive events have taken place in the relations with the United States: On the one hand, the Reagan administration, leaving aside its economic pressure on military regimes, has decided not to oppose nor to refrain from voting for the development bank's loans to countries like Chile, Argentina, Paraguay and Uruguay.

The progress accomplished in the human rights situation has also been acknowledged, in spite of Senator Edward Kennedy's continuous attacks. On the other hand, the State Department has issued a statement criticizing the reelection of Tom J. Farer, Edward Kennedy's friend, as President of the Inter American Human Rights Commission. It should be taken into account that Farer had written an article in the NEW YORK REVIEW OF BOOKS, where Chile was criticized and the human rights policy was questioned. This raised a strong protest by Ambassador Pedro Daza. The State Department undoubtedly refers to this incident when it says in its communique: "The administration regrets that Mr Farer has used his position to reveal his personal opinions."

And while bilateral relations with European countries seem to have been promoted more slowly, there is definite action directed toward Africa, and also toward Asia and Oceania. Chile has strongly condemned the Vietnamese invasion of Cambodia, during a recent meeting held on the subject. Not only has this signified for Chile acknowledgement of a legal consequence, but also it signifies the strengthening of its relations with China, Japan, Australia and ASEAN countries.

CSO: 3010/1767

TERRORISTS TO BE JUDGED BY MILITARY COURT

PY290251 Santiago Chile Domestic Service in Spanish 0000 GMT 29 Aug 81

[Excerpts] A communique released by the government Social Communications Agency reports that three detained terrorists are going to be judged by a military court. The text of the communique is as follows:

Terrorists Guillermo Aurelio Rodriguez Morales, Adalberto Munoz Jara and Eugenio Christian Pizarro Pena were detained during an action carried out by the investigation departments' assault brigade of the intelligence services. They have confessed that they committed 40 crimes against property and the lives of people.

Considering that the crimes include attacks against the lives of people, a crime that falls under decree-law No. 3,655 of 17 March 1981, the interior ministry will ask the 2nd Army Division commander in chief and Santiago's military judge to open the pertinent cases and to appoint a military court in order to try the terrorists.

CSO: 3010/1767

VATICAN DELEGATION CHIEF DISCUSSES MEDIATION

PY030132 Santiago Chile Diplomatic Information Service in Spanish 2346 GMT 27 Aug 81

[Text] In response to pessimistic reports about the fate of the mediation which the news agency ANSA has sent out from Rome, Col Ernesto Videla, foreign relations under secretary and chief of the Chilean delegation to the Vatican, told the news media that the Chilean Government has full confidence in Pope John Paul II and called for patience and calm because the mediation is being carried out in a very responsible manner, "it is going on, it is alive."

As to the publication by Argentine press of an alleged text of the Pope's proposal, Colonel Videla stated that there are clear-cut channels through which these affairs with the Holy See are being dealt and that he had nothing to say about this information, other than that it was just another factor which does not help create the atmosphere necessary for arriving at a solution, as the Pope himself had told the news media.

The under secretary added that "the important thing is that there is a mediator who is carrying the process out. He can see both sides of the coin. As far as Chile is concerned, its position is quite clear: we believe that we must come up with a solution as soon as possible for the good of both countries. Whatever Argentina may say it is up to its government and depends on the position it had toward this problem."

Regarding the suggestions made in certain circles about other options such as the international court of justice in The Hague, the under secretary stated that "at this point we are involved in a mediation and we will follow this course. We are giving our entire cooperation for reaching an agreement. This is what we are doing now and on this we are spending all our efforts. We have been working constantly, we have not stopped in August and the meetings of the commission continue."

The under secretary insisted that attempts to resolve the conflict with Argentina continue. "That is why we have resorted to a mediation and have asked the Pope to mediate. We believe that we must be patient and calm. The basic problem is to have confidence and I believe that the country is confident of the manner in which the president of the nation has been handling this affair."

CSO: 3010/1767

DEPUTY FOREIGN MINISTER ON CENTRAL AMERICAN TOUR

PY012246 Santiago Chile Diplomatic Information Service in Spanish 2339 GMT 27 Aug 81

[Text] At the end of his 23-day tour through Central America, Chilean Deputy Foreign Minister Col Fernando Arancivia emphasized the significance of having been able to learn the situation in Central-American nations first-hand, offering Chile's cooperation for resolving their problems, something which will result in the tightening of bonds with these nations.

He made it clear that there is quite a difference between the impression one can have of these countries through the news media and the impression resulting from personal contacts with their problems.

He said: "We have seen the efforts and felt the desire of their leaders to develop and overcome difficulties. This is a moving experience which prompts one to be part of and to cooperate with the crusade for the development of our peoples."

As to antisubversive struggle and communist infiltration in the area, the deputy minister indicated that Chile can cooperate by helping economic and cultural progress. "We believe that subversion can be eradicated by stimulating development," he added.

He pointed out that "military actions must be carried out together with efforts aimed at attaining progress and well-being for the people. We do not seek to sell our own recipe, but merely to show how things are going in Chile because this could help other countries."

On his meetings with Chilean ambassadors in the area, deputy Foreign Minister Arancibia explained that each diplomatic representative had briefed him on the situation in his host country and provided him with the guidelines for Chile's policy toward Central America, "an area which is very important for us and the entire hemisphere."

CSO: 3010/1767

ECONOMIC CHAOS WILL BE SOLVED WITH FOREIGN AID, SAYS MONGE

San Jose LA NACION in Spanish 15 Aug 81 p 6A

[Text] The present economic crisis will not be solved without foreign aid, declared the presidential candidate for the National Liberation Party, Luis Alberto Monge.

The liberationist candidate returned from a trip he took last Saturday to the United States, California and Los Angeles, in order to seek more North American support for national democracy.

Monge stated that it is urgent that the nation receive enough foreign financial aid in order to deal with unemployment, hunger and the harmful consequences of the present economic catastrophy.

He insisted the country is not asking for arms, nor military advisers to contain the Cuban-Soviet expansionist offensive here; we will undertake the task of defeating communist through elections.

He also said he spoke with officials of the World Alliance Against Hunger so that this organization can help with the situation that might be brought about by unemployment. Unemployment is equal to hunger, he added.

He confirmed that soon a delegation from this organization will visit the country to draw up policies.

Confidence

According to Monge, "we need the American market open to our production." In the same vein, he assured that the vice president of world operations of Bank of America, William Bolin, had expressed confidence that the country will overcome economic adversity.

He added that Standard Fruit Company conveyed their intention of increasing the productivity of each banana growing area, which would mean an investment of some 40 million dollars in 5 years.

Monge declared also that he had stressed to the American media the Coasta Rican democracy's need for understanding and support, now more than ever before. He admitted, however, that the financial atmosphere in the North American financial centers is not favorable to the present government. However, he said, "one cannot

punish the government without punishing the Costa Rican people."

Furthermore, he stated that the economic aid needed cannot wait until next May. It is a vital matter and it must take place now before the country plunges in a deeper economic crisis.

Monge stated that he declined the invitation to participate in a last round table of the 20th Congress on National Agrarian Policy and Legislation on the occasion of the Centennial of the Bar Association, since, in his opinion, these are not constructive. He expressed himself in the same way with regard to the debate challenge recently made by Rafael Angel Calderon Fournier, Unity Party presidential candidate.

CSO: 3010/1750

UNITY PARTY COALITION AFTER HISTORIC TSE DECISION

San Jose LA REPUBLICA in Spanish 5 Aug 81 p 4

[Interview with Eng Luis Manuel Chacon, head of the Unity Party campaign, by Wilmer Murillo; date and place not given]

[Text] What future do the three parties making up the Unity coalition (Republican Calderonist Party, Christian Democratic Party and Popular Union Party) have in the context of national politics? Does their future depend on the state's contribution to the campaign, now disputed by a series of legal consultations submitted to the Supreme Electoral Court [TSE] for study? Probably not. But, in the last few weeks, Unity leaders have placed great emphasis on their appeals that payment for it be divided between the Republican Calderonist Party and the Democratic Renewal Party, because the Democratic Renewal Party was excluded recently from the coalition.

The Unity coalition, consisting now only of the three parties mentioned above, has submitted a brief to the TSE indicating the points of view that it maintains with regard to payment of advance political debt. They point out, in that document, the need for dividing its payment in accordance with the number of deputies, whether the ones nominated or the ones elected from Renewal and the Republican Calderonist Party. And, if this point of view is accepted, the Unity coalition would collect 49 percent of the debt in the first case and 44 percent in the case of elected deputies.

The Election Code is not precisely a clear instrument with regard to party coalitions. A resolution that will lead the TSE to interpret, as it can do in election matters, that division of the debt is feasible depends considerably on this.

Engineer Luis Manuel Chacon, head of Unity's campaign, expresses the opinion, in this interview in the "Political Wednesdays" section, that a historic decision would not only set a precedent and would fill a gap in legislation, but would also be consistent with a feeling tied very closely to the country's history, namely state aid to parties to finance their campaigns.

We started the following interview with Engineer Luis Manuel Chacon on this and other matters:

[Question] The Unity Coalition, made up solely of three parties, is a different organization from the one in which you participated in the 1978 elections. What problems of a legal nature are raised by this situation?

[Answer] At this time, a brief has been submitted to the TSE by the three parties--Republican Calderonista, Christian Democratic and Popular Union--stating to it the points of view that we maintain with regard to the advanced political debt. We assume in this document that the debt is going to be divided in accordance with the number of deputies, either those nominated or those elected by the assemblies of the Democratic Renewal Party and the Republican Calderonist Party in 1978. If this point of view is accepted by the court, 49 percent of the debt would go to the coalition in the case of nominated deputies and 44 percent in the case of elected deputies.

[Question] Because it is a different party from the one in 1978 that won the right to the debt, do you not believe that the TSE will be inclined toward what would seem logical, to deny it?

[Answer] The Election Code is not clear with regard to coalitions. It has a large gap in this connection. Because it is not possible to assume that a large part of Costa Rica's voters may not understand about the political debt, we believe that the TSE, which can interpret matters pertaining to elections, will chose the course of authorizing its payment to the Unity coalition.

[Question] How does the change in insignia alter the coalition's legal situation?

[Answer] The red and blue insignia will continue to function. Perhaps something very important should be pointed out and it is that the rank-and-file of the Democratic Renewal Party is firm within the Unity coalition. Therefore, the possibility is not ruled out that this rank-and-file will demonstrate and that [P]RD [Democratic Renewal Party] will rejoin the coalition. But at any rate the red and blue insignia will be the insignia of the new coalition.

[Question] It is stated that, historically, the TSE has pronounced itself against changes of banners by political parties. Do you not believe that the same will happen this time?

[Answer] The banners that cannot change are the party banners. Not the banners of coalitions. And there is a very definite reason. In order to be recorded, political parties have to submit a number of memberships on which the party insignia is framed. Not so coalitions. It is a desire by some parties to form a coalition and because each of these parties has a sovereign authority--its national assembly--the mere fact that the assemblies change insignia is sufficient.

[Question] Do you not believe, as is now being repeated constantly, that the Unity coalition is now a definite party, with a legal status and a different banner?

[Answer] I would say that the coalition is not a definite party. It has some variants, but it is still the same coalition. The opinion of those of us who are in

the Unity coalition is that it serves as a vehicle for expressing our hopes, dreams and way to do things, and we believe that it is absurd for a group to try to exercise undue pressure by playing on the desire of other persons. And that is precisely what happened in some Democratic Renewal leadership. That party tried to impose conditions that were entirely unacceptable to the other three parties.

[Question] Do you believe that the decision of the TSE will prove to be historic from the point of view of setting a precedent in election matters pertaining to coalitions?

[Answer] It will tell us what the share of each member of the coalition in the debt is. It would be very interesting from the point of view of the future of coalitions. It would fill a gap in legislation and would establish a precedent.

[Question] It is usually said that the TSE will seek to adjust the law to favor the Unity coalition, in an effort to prevent a confrontation with one of the country's important parties. Do you believe that this is true?

[Answer] I would not put it that way. The country's situation is difficult and there is a series of problems, especially of an economic nature, weighing down on our people. And, if in addition to that a majority party is left defenseless through a lack of means that the other party has, it would bring about disagreeable consequences, because a large part of the people would feel extremely defrauded in not being able to pursue this campaign. And take note that this matter of political debts and government aid directed toward successful elections is very typical of Costa Rica. If I am not mistaken, the first assistance given to parties to finance their campaign successfully occurred in 1870. This whole process is not new, but rather it is tied very closely to our feelings.

[Question] If that favorable decision by the TSE occurs, how much of the political debt would be the share of the Unity coalition?

[Answer] Some 45 million colones. Up to now, 6.8 million colones have been withdrawn and this was done when the coalition consisted of four parties. The balance to be divided more or less for this purpose is about 45 percent for the present coalition and I must add that nothing goes to the PRD, because it could not be paid in advance for not having complied with the indispensable requirement of submitting a budget 11 months before election day. Renewal did not meet that requirement.

[Question] Is the Democratic Renewal Party in process of reorganization?

[Answer] I understand that it has already held new cantonal assemblies and that, on 8 August, it will hold provincial assemblies, precisely so that the party members may be the ones to choose the course that Renewal is to take and so that a small group will not be the ones to make that decision.

[Question] Will your party insist on modifying the interest rates on the political debt bonds to raise them from 8 percent to 19.5 percent?

[Answer] I imagine so. The truth is that the way in which this interest was set by the Legislative Assembly was not correct. The Election Code is very clear. It specifies, for the purpose of protecting parties from cases like the one that we

are experiencing, it specifies that political debt bonds must have the best interest of state bonds. Perhaps the deputies were unconcerned, because, in the 1974 and 1978 campaigns, the bonds were paid in cash. They were merely withdrawn at one window and cashed at another. In the belief that this procedure was going to be the same as in the two previous campaigns, they set an interest rate inconsistent with what is specified by the Election Code. Therefore, I believe that the parties are going to correct that error.

[Question] Would you attribute the government's attitude in obstructing payment for the bonds at the hgihest interest rates to a desire to interfere in the election campaign?

[Answer] No, I do not believe so. Although that is what the Liberation Party has been pointing out, I suppose, rather, that the problem is economic. The government is going through a very deep crisis. Its funds are depleted and hence its resistance against having an additional burden placed on it.

[Question] Do you believe that the national assembly of the Republican Calderonist Party contributed last Sunday to the formation of a better Legislative Assembly for the next term?

[Answer] I believe that a true demonstration of civic spirit was given. It was a celebration of the people in which excellent selections of persons were made with a great desire to do what is best for our beloved Costa Rica. I believe that the next assembly has an immense task and I personally believe that the first and most urgent thing is to stimulate our economy, which is rather battered at present.

I know of no campaign that has no economic problems. If we should be short of money, I believe that we can compensate for it with the loyalty of our party members. At this time, we are asking them to make their own banners and not to expect us to give ourselves gifts, in order to display those insignia that are so important as a demonstration of their preferences. At any rate, our movement is vigorous and, as I stated previously, we have come out of every trial strengthened.

[Question] How many deputies do you believe that the Unity coalition can bring into Congress?

[Answer] We are too early in the campaign to be able to make a prediction. But I must say that the rank-and-file of Unity that brought 28 deputies the last time is absolutely firm. It is said that Echandi may make us lose some voters, but I doubt that this will be true. Moreover, it would seem that his greatest number of voters come from dissatisfied Liberation Party members and apparently with much influence in his movement, because it is rumored that Gonzalo Facio, a prominent PLN [National Liberation Party] leader all his life, will head the ticket in San Jose. Something more. The other time, there was also a series of parties that said that they were going to weaken the coalition, including National Unification and the National Independent Party. The truth is that, at the end of the campaign it will be seen that there are only two strong parties: Unity and PLN. Costa Rica's voters will soon have to make a comparison between Luis Alberto Monge and Rafael A. Calderon and between the platform of Unity and of the PLN. And, speaking of platforms, the people of Costa Rica have to be very clear about which platform has been the cause of our impoverishment. These causes started with the

administration of Jose Figueres, in 1970, and were intensified in the Oduber Administration, in 1974. It has not been possible to correct them in this administration.

[Question] You are a relatively new figure in Costa Rica's politics. Could Luis Manuel Chacon tell me who Luis Manuel Chacon is?

[Answer] I am new in combat positions but not in work positions. I have worked in every campaign since 1966. I assisted former President Trejos as a member of the Finance Committee and I was treasurer for election day. I worked in the 1974 campaign with Dr Fernando Trejos and I was on the slate of deputies from San Jose as first alternate. I worked in the 19 March 1977 convention for Miguel Barzuna and I was in charge of the special inspector program consisting of over 3,000 persons, most of them professional persons who went everywhere in the country to assist in watching over the honesty of the voting. I held the post of director of the Bank of Costa Rica between 1966 and 1970. I was reelected for the 1970-1974 period and was removed from office when Law 4-3 was passed during the administration of Jose Figueres. My main activities have been carried out in private enterprise, but now I have decided to devote my best effort to the country in these next 4 years. As a construction engineer, I was responsible for building the Children's Hospital, Fertica, the water plant at Los Sitios de Moravia, the Las Gravillas Apartments, the Dr Rodriguez de Alajuela Hospital, the entire civil engineering part of Pacific Cements and I am completing construction of the Plaza de la Justicia.

10,042
CSO: 3010/1693

MRP DENOUNCES VIOLENT BOURGEOIS MEDIA ATTACK

San Jose LA NACION in Spanish 17 Jul 81 p 16A

[Article by Sergio Erick Ardon, secretary general of the People's Revolutionary Movement (MRP): "The MRP Denounces"]

[Text] Excerpts from a Communique by the MRP

The MRP is being subjected to a violent campaign by some propagandist media, especially the press, a press that obeys and responds to the interests of the most backward sectors of the Costa Rican grand bourgeoisie.

We have steadfastly confronted that campaign and more than once we have called for the large newspapers such as LA NACION to either prove their lies or reveal their true intentions. The remarkable evidence upon which the attack was based did not appear.

Nevertheless we know that there has been an attempt to weave a cock-and-bull story that would permit them not to show us linked with the terrorist group--which was impossible for them to achieve--but to present us as a "subversive" organization which must be removed from the country's political scene at the same time as the mass of popular forces is being struck.

Let us see the direction that the "campaign" has taken.

LA NACION, taking up the line upon which another morning paper had embarked by publishing a series of truculent articles, sent a "trusted" journalist to the Atlantic coast in order to "investigate" our participation in helping in the agrarian struggle undertaken by the landless peasants and small producers in that zone.

The "investigation" by the "trusted" journalist provided "impressive" evidence of our participation in those struggles and of our determined assistance to the peasants of Guapiles and Guacimo.

If they had read our main publication, EL TRABAJADOR, which we send to them every week, the traveling expenses of the "trusted" journalist could have been saved and they would have had a true and broad report on what is happening in the rich lands of the northern part of Limon Province.

The small corn producers in that area have been fighting for fair prices and a market for their product. Many thousands of poor peasants have dedicated themselves to the patriotic task of cultivating the idle land monopolized by a few large landowners.

Yes, here as well as in many other zones of the country we have been and we remain at the peasants' side in their just struggles. And this has nothing to do with terrorism.

The "trusted" journalist could not return empty-handed. Thus he discovered "MIR" and with alarm he presented this phantom born of his invention as a splinter of the MRP, involved in nothing less than organizing a guerrilla front on the Neguev estate. We observed these fantasies with interest and we waited.

Then, on Sunday, 12 July, an obscure character named Eligio appeared in the "Forum" of LA NACION, who, taking all the published deceitfulness as proven, called for the outlawing of the MRP. And then the purpose of the "campaign" gradually became clearer.

The 30 June LA NACION editorial was reproduced 2 days later in a paid ad (7,070 colons) with another unknown person named Juan Bautista signing.

The immediate objective would be to promote the proscription of the MRP, thus facilitating a repressive offensive against our party in order to then strike a blow at the United People Coalition, of which the MRP is a part.

The Costa Rican grand bourgeoisie and its allies in Central America and the United States view with concern the rise in the popular struggles in the country and they fear that "United People" could obtain a large vote in the upcoming elections and elect a significant number of delegates.

The intention of this crude campaign against the MRP would thus be to kill two birds with one stone.

By alerting the honest citizenry and working population, of which we are a faithful detachment, of the intentions lurking behind this "campaign," we reaffirm once more our firm decision to fight to the end for a just and fraternal Costa Rica under true democracy, where corruption, defeatism, demagogy, exploitation and lies become a thing of the past.

Meanwhile, we steadfastly await the attacks that the enemies of progress will launch upon us, and we repeat what we affirmed on other occasions: They will not silence us.

9746
CSO: 3010/1587

BRIEFS

TSE SETS ELECTION DATE--Magistrates of the Supreme Electoral Tribunal (TSE) yesterday signed the decree by which that agency calls on citizens to exercise their suffrage right in an obligatory, direct and secret election on 7 Feburary 1982. The decree also stipulates that, in conformity with article 106 of the Political Constitution, the 57 deputies to the Legislative Assembly shall be elected by provinces, the representation being assigned proportionately to the population of each province. According to the last general population census, the following number of deputies will be elected per province: San Jose (21), Alajuela (10), Cartago (6), Heredia (4), Guanacaste (5), Puntarenas (7) and Limon (4). A total of 495 councilmen and a like number of alternates will also be elected. The decree also stipulates that the period for registration of candidates will expire on 22 October 1981. The ceremony calling for elections was attended by representatives of all political parties inscribed in the Civil Register. The ceremony began with a prayer and concluded with a few words from TSE President Francisco Saenz Meza, who expressed his complete confidence in the electoral system and urged all citizens to check their registration in the national rolls and to adhere to their decision to exercise their vote with joy and in peace. Finally Saenz Meza thanked God for his goodness to the people of Costa Rica in guiding the country on the path of peace and freedom. [Text] [San Jose LA REPUBLICA in Spanish 6 Aug 81 p 3] 8735

CSO: 3010/1694

BASE IN HAITI SEEN AS PART OF U.S. MILITARY PUSH

FL211501 Havana Voice of Cuba in English to North America and the Caribbean
0800 GMT 21 Aug 81

["Spotlight on Latin America" commentary]

[Text] The Haiti Solidarity Committee headquartered in Montreal has revealed that the U.S. and the Haitian Governments are planning to set up a new U.S. military base in Haiti. Agreements on the major points concerning the land transfer have already been reached. Apparently, Mole-St Nicolas (?on) the northwest tip of the island has been chosen as the site.

The scene is not new. The island of La Tortue and the island of La Gonave and St Marc have previously been considered. The (?offer) fell short in the past because of the international outcry that resulted when the talks were made public. This time negotiations have been kept under close wraps.

Although the land transfer would be covered by a bilateral agreement, the deal amounts to the sale of Mole-St Nicolas. Price hasn't been fixed yet but it will probably be around 100-160 million dollars. Tourist centers adjoining the base have also been proposed. It's very likely that this will give rise to brothels, gambling casinos, etc, which usually spring up around U.S. military bases. Certain Haitian businessmen in the area have been pushing the deal in anticipation of huge personal profits.

Of course, the U.S. offer is accompanied by political pressure. Jean-Claude Duvalier's regime has been threatened with the suspension of aid if there should be any resistance to the concessions. The recent visit to Haiti by a special U.S. envoy, Gen Vernon Walters, former deputy director of the CIA, was linked to the negotiations.

A U.S. take-over of the strategically-located Haitian territory is part of the U.S. push to increase its military enclaves in the area (?in response) to the growing revolutionary movements in Central America and the Caribbean. Apparently, the U.S. feels its bases in Puerto Rico, Panama and at Guantanamo in Cuba are not enough to stem the revolutionary tide. (?Concession) represents more [words indistinct] Haitian territory, which means the conversion of the island into one more imperialist stronghold lined up against the liberation struggles of the Central American and Caribbean peoples.

The Haiti Solidarity Committee asks for the support of all progressive peoples to protect Haitian sovereignty.

CSO: 3020/146

REPORTAGE ON INDIAN DELEGATION

Education, Culture Talks Open

FL312307 Havana Domestic Service in Spanish 2130 GMT 31 Aug 81

[Text] Talks between Cuba and India for the purpose of signing a cultural and educational program for the years 1981-1983 began today at the main offices of the Cuban Foreign Ministry in Havana City. The Indian delegation is headed by Dr (N. D. Mithra), an advisor of that country's education ministry, and formed by Indian Ambassador to Cuba V. K. C. Khanna and (Partha S. Rais), first secretary of the Indian Embassy.

For the Cuban side, (Alberto Boza), ad interim vice foreign minister, Jose A. Orta and Eduardo Balbin, chiefs of department of the foreign ministry, and Emilio Pena, chief of department of the higher education ministry, are participating in the talks.

Meeting With Torras

FL030143 Havana Domestic Television Service in Spanish 0000 GMT 3 Sep 81

[Text] In his office at the foreign ministry in Havana, Vice Foreign Minister Pelegrin Torras today held talks with the Indian delegation headed by (N. D. Mithra), an advisor of that country's education ministry. The Cuban diplomat termed very important the relations with India, while the Indian official expressed gratitude for the welcome and courtesies. He added that with his visit to Cuba the cultural relations between the two peoples grow stronger.

The fraternal Indian delegation will depart for home tonight.

Delegation Ends Visit

FL031024 Havana Domestic Service in Spanish 1000 GMT 3 Sep 81

[Text] Dr (N. D. Mithra), adviser at the Indian education ministry, last night concluded his visit to this capital after signing a cultural and educational program with our country. Alberto Hidalgo Gato, acting vice minister of foreign relations, saw the friendly country's official off at the air terminal.

CSO: 3010/1772

BRIEFS

NUEVITAS THERMOELECTRIC PLANT--Politburo member Jorge Risquet has chaired a meeting to analyze the progress of expansion work at the 10 de Octubre Thermoelectric Plant in Nuevitas, Camaguey. In his visit to the plant, Risquet asked about the technological assembly of the boiler in unit four, which has been delayed because of weather problems, a lack of materials for the laboratory, and a shortage of skilled manpower. It was reported that unit four is 30 days behind schedule. It is expected the work will be completed by late 1982. [FL041631 Havana Domestic Service in Spanish 4 Sep 81 FL]

NAVY DAY CEREMONY--The main ceremony to mark the day of the revolutionary navy and the 24th anniversary of the 5 September uprising in Cienfuegos was held on 5 September at the center for the training of naval specialists. Presiding at the ceremony was Vice Adm Aldo Santamaria, representative of the Minister of the Revolutionary Armed Forces, chief of the Cuban Revolutionary Navy and a member of the Central Committee of the Communist Party of Cuba. [FL071430 Havana Domestic Service in Spanish 7 Sep 81 FL]

PINAR DEL RIO MEETING--The sixth extraordinary plenum of Pinar Del Rio's Party Provincial Committee has examined the fulfillment and development of the economy in that territory during the first 6 months of the year. The historic record setting tobacco harvest with more than 800,000 quintals and the biggest sugar harvest as well as completion of 99.2 percent of the economic plan were the outstanding points of the examination. Jaime Crombet, member of the PCC Central Committee and first party secretary in the province, stressed the successes of the first 8 months of the year in economic, political and social tasks, Crombet noted that weeds in the plantations require the mobilization of 2,600 workers during September, and called for giving a definite solution to the supply of vegetables for the population as well as improve efforts in the cattle industry. [Text] [FL081159 Havana Domestic Service in Spanish 1100 GMT 8 Sep 81 FL]

ESPIN IN PARIS--Vilma Espin, alternate member of the Communist Party of Cuba's Politburo and President of the Federation of Cuban Women [FMC], arrived in Paris today accompanied by Esther Veliz and Leonor Diaz, secretary of foreign affairs and member of the FMC, respectively. The Cuban leader will receive tomorrow the UNESCO Nadezhda Krupskaya award granted to the FMC. [FL081330 Havana Domestic Television Service in Spanish 1700 GMT 7 Sep 81 FL]

NEW IL-62-M JET--The Cuban Airlines Enterprise has incorporated the seventh Soviet IL-62-m jet plane into its fleet to cover international flights. The modern jet cost approximately 10 million pesos. [Havana Domestic Television Service in Spanish 1700 GMT 7 Sep 81 FL]

ENVOY TO LEBANON--Cuba's Council of State has designated Comrade Jacinto Vazquez (?de la Garza) ambassador extraordinary and plenipotentiary of the Republic of Cuba to the government of the Republic of Lebanon. Comrade Vazquez (?de la Garza) has been holding the post of political adviser at the foreign ministry. [Text] [FL012246 Havana Domestic Service in Spanish 2130 GMT 1 Sep 81]

AMBASSADOR TO INDIA--Cuba's Council of State has designated Comrade Jose Perez Novoa ambassador extraordinary and plenipotentiary of the Republic of Cuba to the Republic of India. Comrade Perez Novoa was chief of the economic department of the international organizations directorate of the foreign ministry. [Text] [FL312322 Havana Domestic Service in Spanish 2130 GMT 31 Aug 81]

CSO: 3010/1772

EDITORIAL RAPS BISHOP FOR FAILING GRENADIAN PEOPLE

Roseau THE NEW CHRONICLE in English 18 Jul 81 p 4

[Editorial: "The Agony of Grenada"]

[Text] Events in Grenada continue to bring into sharp focus the plight of a young Caribbean nation which has exchanged one form of tyranny for another.

Regardless of the pronouncements from St Georges, the island's capital, to the effect that its problems are all CIA-related, Prime Minister Maurice Bishop needs to be just a little more honest with the region, and of course, himself, since he knows better than anyone else, that the turbulence in Grenada is essentially of his own doing.

It is justified repetition to say all over again that the overthrow of Sir Eric Gairy by Bishop's New Jewel Movement (NJM) was welcomed by us, and the region.

At that time, we thought that Grenada's light at the far end of its tunnel would have been brought into its fullness as a just society--a free press, human rights--the works. We saw a model for the rest of the Caribbean.

This newspaper believed wholeheartedly then in Mr Bishop's visions to shower Grenadians with freedom and justice.

We have been fooled, and so have others.

Notwithstanding any possibilities of foreign interference in the Spice Isle, Mr Bishop has failed his people, the region, and himself.

Mr Bishop should ask himself: Whose puppet is he?

It is most revealing that many of the stalwarts who helped Mr Bishop take over from Gairy are either in prison, dead or being hounded and persecuted.

Mr Alister Hughes, the executive secretary of the Caribbean Press Council, and until recently, an ardent supporter of the Grenadian revolution, is Bishop's latest victim. Armed PRG soldiers keep tabs on Hughes' movements.

If Bishop is anything of a statesman and can quickly undo the wrongs he has done to his people, he may survive. Caribbean people tend to forget quickly.

In the meantime, the PRG should stop hollering "CIA" everytime something goes wrong or whenever Grenadian patriots seek to register a protest against an unjust society.

And while we condemn the deaths of the many innocent persons, we cannot help but see them as the desperate acts of a people crying out for release.

Mr Bishop can free his people. The question on the lips of all of us is: Will he?

CSO: 3025/212

BRIEFS

TERRORIST FUGITIVE--The most wanted man in Dominica is on the run and probably wounded. Information reaching this newspaper is that Leroy Etienne, the leader of the terrorist gang which killed Mr Ted Honychurch, was wounded when police raided a camp this week. It is suspected that Etienne is desperately seeking someone to remove a slug from his shoulder. Prior to the police action against the terrorists, Etienne and members of his gang did extensive damage to the home of Mr Graham Hopkins at Morne Lofty Estate close to Pte. Mitchel, before taking away a considerable quantity of personal items from the house. The police took off in hot pursuit and came across a camp in the Chateau heights, mid-way between Loubiere and Pointe Michel. The terrorists fled under police fire, and it is strongly believed that Etienne was wounded during the police operation. [Text] [Roseau THE NEW CHRONICLE in English 18 Jul 81 p 1]

TERRORISM CHARGE--A Dominican engineer employed by the Public Works Department was charged this week with supporting terrorists and withholding information. Vivian Trotter was taken into custody by police on Wednesday after an automobile chase which started at Snug Corner and ended at the village of Bellevue Chopin. Trotter, brother of Rasta Desmond "Kabinda" Trotter, appeared before Chief Magistrate Charles Wilson on Friday, and was remanded in custody. The accused is scheduled to make another court appearance on Monday, July 20, 1981. There are reports that Trotter has been assisting Leroy Etienne. [Text] [Roseau THE NEW CHRONICLE in English 18 Jul 81 p 1]

END TO STATE SUBSIDIES--Prime Minister Eugenia Charles has instructed that the rates and tariffs of all Dominica's Statutory bodies be continuously reviewed. Miss Charles said only those government Agencies that by nature are not revenue earners, will be exempted from the order. The Dominica Government has said it intends to end subsidies to state corporations by the end of 1982. Recently water and port rates in Dominica went up under an agreement with the International Monetary Fund. [Text] [Kingstown THE VINCENTIAN in English 7 Aug 81 p 9]

CSO: 3025/215

LAND USE, DEVELOPMENT COMMISSION ESTABLISHED BY PRG

Bridgetown ADVOCATE-NEWS in English 18 Aug 81 p 3

[Text] St Georges, Grenada, Monday. (CANA)--Grenada's People's Revolutionary Government (PRG) has announced the establishment of a Land Development and Utilisation Commission, to ensure that agricultural lands here are not left idle.

The Commission was set up following the recent enactment of "the land development and utilisation law 1981."

State-owned "Radio Free Grenada" reported that "where such agricultural land is 100 acres or more in area, and is left under-utilised by the occupier, the law entitles the Commission after hearing the parties concerned, to require that the lands is to be developed by persons responsible for it, according to a development plan approved by the Commission.

"Where, in spite of this, the land remains under-developed, the Commission may report to the Ministry of Agriculture.

"In such circumstances, the law gives the minister the power to acquire compulsorily a lease hold interest in the land at a rent fixed according to a formula set out in the law," the report said.

The radio report said that under the law, where the minister compulsorily acquires a lease-hold interest in idle land, a declaration to that effect would be published in two issues of the official Gazette.

It said that government may then enter and take possession of the land in the interest of Grenada's agricultural development.

"Radio Free Grenada" stated that the law does not provide for outright compulsorily acquisition of title to the land by government, but limits the period of use of any such lands acquired by the minister to a maximum of 10 years.

The establishment of the Commission comes against the backdrop of a report submitted to the Grenada Government last year by a Land Reform Commission, which surveyed all idle lands in the island.

The Commission obtained evidence from residents of various parishes regarding idle parcels of land, and investigated the best means by which such lands could be put into use.

CSO: 3025/211

CIVILIANS WARNED AGAINST WEARING MILITARY UNIFORMS

Bridgetown ADVOCATE-NEWS in English 18 Aug 81 p 3

[Text] St Georges, Grenada, Monday. (CANA)--The Grenada Government has threatened to take court action against civilians caught here wearing military clothing or any dress having the appearance of military uniforms.

A statement issued by the Ministry of Defence said that in recent weeks a number of persons had been seen in the streets here wearing such military clothing as shirts, jerseys, pants and caps.

The Defence Ministry said that persons involved in such acts are clearly violating the Military Defence Force Act, which was passed in 1976 by the former administration of Prime Minister Eric Gairy.

The Act stipulates that it is unlawful for any person not serving in the Force to wear without permission the uniform of the Force or any dress having the appearance of such a uniform.

Under the law, persons found guilty of violating the act are liable to a fine of not more than EC$300 (one EC dollar equal 37 cents US) or a three-month prison term or both.

The Defence Ministry said that it was "extremely dangerous" for persons to be involved in such acts and said that this "illegal practice" could be used as a "cover-up or disguise for both robberies and counter-revolutionary activities."

"Such an act therefore must be seen as a threat to national security," the statement said.

It warned civilians who are in possession of such military looking uniforms that they must no longer be worn and failure to comply with this directive will result in criminal prosecution.

CSO: 3025/211

REGIONAL OFFICIALS GET SPENDING, DEVELOPMENT AUTHORITY

Georgetown SUNDAY CHRONICLE in English 2 Aug 81 p 1

[Article by George Baird: "Regions Will Now Spend Own Money"]

[Text] Arrangements have been completed for the Chairmen and Vice-Chairmen of the Regional Democratic Councils and Regional Executive Officers to assume full responsibility for expenditure and developmental work in their Regions.

The important legal step paving the way for this was taken yesterday when the Secretary to the Treasury issued an instrument for the Regional Executive Officers to be designated as Accounting Officers and Principal Receivers of Revenue under the recently passed Amendment of the Financial Administration and Audit Act by the Miscellaneous Enactments (Amendment) Act, 1981.

These were among the major changes announced by Minister for Regional Development Oscar Clarke yesterday when he discussed the new regional system at a news conference. Others are:

--The decentralisation of the functions of the Treasury and the establishment of Sub-Treasuries in the regions.

--The decentralisation of the functions of Auditor-General and the establishment of external audit units in the regions.

--The centralisation of accounting functions in the regions and the establishment of Regional Central Accounting Units.

--The clerks of the Regional Democratic Councils have been designated Regional Executive Officers as Chief Administrative Officers in the regions and are charged with the general responsibilities of coordinating the whole work of the Regional Democratic Councils: and

--The appointment of Chairmen and full-time officers of the Regional Democratic Councils.

Minister Clarke said the REOs, under the general direction and control of the Regional Chairmen, will be responsible for the supervision of the work of the Council. As Accounting Officers, they would be answerable to the National Assembly, through the Public Accounts Committee, for all public funds placed at the disposal of the Councils.

Stressing the autonomy of the RDCs, Cde. Clarke said the Local Democratic Organs Act provide guidelines within which the Councils are expected to operate. The National Congress of Local Democratic Organs will supervise very closely the RDCs to ensure they operate within the ambit of the law.

On an observation by NCLDO Chairman Hulbert McGowan that the Regional Chairmen were not being treated with the respect they deserve, Minister Clarke assured that this problem would be short term. He pointed out that the NCLDO would have responsibility for the training which would improve the understanding and appreciation of the approach to the working of the new system.

"We believe that when the system is better known and understood, this unfortunate tendency will disappear," the Minister said.

Cde. Clarke expressed optimism that "our attitudes and performances now especially in the face of the covetous claim by Venezuela to five-eighths of our land, will be demonstrative of our will to build Guyana by working and producing together in the People's Cooperative Units, in the neighbourhoods, in the communities, districts, subregions and regions."

CSO: 3025/213

VENEZUELA TAKES 'TERRORIST' TACTIC TO IDB TO HALT LOAN

Georgetown GUYANA CHRONICLE in English 1 Aug 81 p 1

[Text] Venezuela has now carried her tactic of economic terrorism against Guyana into the Inter-American Development Bank (IDB).

An agricultural sector loan for Guyana was due to be considered by the Bank's Board of Executive Directors on Wednesday, 29th July last. This 20-million (US) dollar loan was intended to enable Guyana to purchase spares, machinery, fertilisers and other inputs for the agricultural sector. The IDB staff had prepared the loan document after spending over one year analysing the agricultural sector in Guyana, identifying the constraints and quantifying the needs of the sector.

During last week the Venezuelan Executive Director requested that consideration of the loan be deferred for one week. Under the rules of the Bank, a member country has a right to request such a deferment without assigning any reasons.

The Venezuelans gave no official reason for requesting the postponement. However, reliable sources have said that the Venezuelans have confessed that their request is part of their programme of harassment and terrorism against Guyana in pursuit of their ridiculous claim to five-eighths of our territory.

Moreover, according to these sources, the Venezuelans intend to use the time gained by the postponement to try to persuade other member countries of the bank to join them in opposing the loan.

The bank is prohibited by its charter from taking into account any political consideration in the disbursement of loans.--(GNA).

CSO: 3025/213

JAGAN SAYS VENEZUELAN CLAIM PART OF IMPERIALIST PLOT

Georgetown GUYANA CHRONICLE in English 1 Aug 81 p 1

[Text] Minority Leader Dr Cheddi Jagan has accused Venezuela of being part of an imperialist conspiracy to win Guyana over completely to the right.

Speaking at a public meeting at Buxton, East Coast, Demerara Thursday night, he said imperialists hoped to achieve their aim by opening up the Essequibo region with the help of large multinational corporations exploring for oil, uranium and gold.

According to Dr Jagan, Venezuela's interest in Guyana's territory is economic rather than military and the claim should be viewed in relation to the imperialists' design on the Caribbean and Central America.

The PPP General Secretary said the imperialists were again resorting to the days of the cold war with United States President Ronald Reagan's Caribbean policy of "no more Nicaraguas and no more Grenadas."

Dr Jagan said the PPP has a duty to defend Guyana's territory but he felt this could not be done by a big army but with a genuine people's militia.

Dr Jagan again called for a National Patriotic Front government which he said was necessary "if Guyanese are to survive the present economic crisis."

The Minority Leader said a national front government should be democratic, anti-imperialist and socialist oriented.

Dealing with the internal situation in Guyana, Dr Jagan said the People's National Congress Government was "very progressive up to 1977" with the nationalisation of the foreign-owned bauxite and sugar industries.

"This is why the PPP gave critical support to the Government," he stated.

He charged, however, that within recent years the PNC had been vacillating in its ideological stance, and the country has been retrogressing. He alleged that while the workers were finding tremendous difficulty in balancing their family budgets, the bureaucratic elite received fat salaries and allowances.

CSO: 3025/213

BRIEFS

MINISTRY REORGANIZATION--The functions of the existing Local Government and Hinterland Affairs Divisions of the ministry of Regional Development are being merged into a new division of Local Democratic Affairs. This will allow for more effective harmonisation of policy and goals, deployment of resources, and will minimise duplication of activities and organisational conflicts, Regional Development Minister Oscar Clarke explained yesterday. He told a news Conference the new division will have three sections Legal and Administrative Section, Planning and Development Section and Hinterland Affairs Section. The Hinterland Affairs Section will concentrate on improving traditional hinterland functions including the flow of goods and services. Minister Clarke said the old Hinterland Emergency Action Programme Committee has been revamped and has been replaced by the Committee for Monitoring Hinterland supplies/Services to coordinate activities of agencies on an ongoing basis so that the most rational use can be made of existing facilities to ensure a more predictable and satisfactory service both in terms of inward and outward traffic. The new Committee, to be chaired by the Minister will plan and coordinate supply and services to the hinterland to make them more effective and meet the needs of the people. [Excerpt] [Georgetown SUNDAY CHRONICLE in English 2 Aug 81 p 10]

CSO: 3025/215

MANLEY COMMENTS ON ECONOMY IN SPEECH TO JAYCEES

Kingston THE SUNDAY GLEANER in English 16 Aug 81 pp 1,2

[Text] Opposition Leader Michael Manley said on Friday night that foreign capital should never be the centre of Jamaica's economic strategy. Rather, the highest economic priority for Jamaica was the building of its local productive capacity in both Manufacturing and Agriculture.

Mr Manley made this statement while declaring open the 16th State Convention of the Jaycees of Jamaica at the Ocho Rios Inter Continental Hotel. He spoke about the role of foreign investment as a part of Jamaica's economic strategy.

Reviewing Jamaica's import and export statistics for the first four months of 1981, Mr Manley said:

"Our total domestic export was $635 million; out of that, $494 million came from bauxite/ alumina. That means that 78% of all of the export earnings of Jamaica were bauxite-alumina export.

So Fragile

"Everything else that we export--sugar, bananas, coffee, citrus, non-traditional agriculture, manufactured goods--totalled $141 million or a bare 22% of everything else exported from Jamaica in value.

"What came through to me, as a reminder, is the extreme fragility of the Jamaican export base. When one commodity like bauxite has a 3-1/2 to 1 predominance over everything else combined, that's a highly vulnerable situation to be in, and it is not new."

Mr Manley noted, that for the same period, food alone accounted for $148.4 million of $754 million of imports. This meant, he said, that all the exports from Jamaica, other than bauxite, had earned less than the nation's food bill.

This, he said, reinforced in his mind the view that if Jamaica had a 10% cut in bauxite export in the first four months alone it would cost Jamaica nearly $50 million in the country's foreign exchange capability. This would mean increasing all other exports by 34%--more than one-third--to make up for that little reduction.

This served as a reminder of how slender the margins of survival for the country were, and focussed the reality of the choices that Jamaica has to keep in mind at all times, he told the Jaycees.

"I also believe that the highest economic priority that this country can ever have as an independent, small country, suffering from that kind of fragile economic base, is the building of local production capability in both Manufacturing and Agriculture," he said.

Declaring that the question of the direct interest of the consumer has always to be high in priority and weighed against the interests of the local producer, he warned against the re-surfacing of a philosophy in which the most superficial interests and needs and desires of the consumer become a dominant factor in any economic equation.

"Merely to say the only thing we are ever going to look at is what we can get cheapest, and where, can be a disastrous, short-sighted policy" he said. "It is important to get the cheapest where we could but that should always be in the context of other national economic needs of which the critical one was our own production."

There had to be some element of sacrifice in nation-building, he said. Those who tried to argue to the contrary were selling the nation and the nation's future short.

Real Problem

Amidst the talk of deregulation, the philosophy of "pure superficial consumer satisfaction" and its concommitant deregulation should not be taken to the point where it eroded or endangered the local production base.

While the production base should be protected within reason, this protection should never be exploited, he stressed.

The real economic problem to be grappled with, he said, was the role of foreign investment in the country.

"Everyone agrees on the necessity and importance of foreign capital in Jamaica but there is a difference between rewarding foreign capital as that addition to your economic effort that gets you into the range of favourable developments, and where foreign capital becomes the dominant in economic thinking" he said.

Added to this was what he termed a philosophy of "unbridled consumerism," in which every member of the society felt entitled to the latest fads and fashions, however poor and whatever his situation.

This meant that Jamaica would forever be faced with the gap between foreign exchange earnings and foreign exchange appetites as distinct from needs, and the only thing to bridge the gap was inflows of foreign capital.

Critical Role

If this consumerism becomes greater and greater, with everybody wanting everything at every time, however extravagant, then it would need more than an ordinary amount of foreign capital inflow to close the gap and this would lead Jamaica into an un-natural dependence of foreign capital.

Speaking of the Jaycees Movement, Mr Manley said it represented "the new wave of the future."

A critical role for the Jaycees, in addition to their community work and leadership-training efforts, was to instill public education at all levels so that everyone understood "the equation of national economic development."

"While properly demanding quality and the best prices, the consumer should understand that there is a level at which they must sometimes be prepared to make sacrifices so that the national economic base grows under the appropriate protection," he said.

"Foreign exchange should not become the centre of economic strategy. We must always seek to preserve and build the greatest degree of genuine economic independence.

"Foreign capital should represent an important, even indispensable additional element to a national economic strategy which is planned by Jamaica and built with our own hands."

The convention ends today with the election of officers. The awards Banquet was held last night.

CSO: 3025/213

UNIVERSITY REACTOR FOR NUCLEAR RESEARCH TO BE INSTALLED

Port-of-Spain TRINIDAD GUARDIAN in English 20 Aug 81 p 5

[Text] Kingston Weds (CANA)--The Mona Campus here of the University of the West Indies (UWI) is to install a small nuclear reactor by the middle of next year, for use in research work in such areas as medicine, agriculture and geology, UWI Pro-Vice Chancellor, Prof. Gerald Lalor, has disclosed.

Prof Lalor, in a luncheon speech to Jamaican insurance underwriters, said the money for the reactor was being provided by the European Economic Community (EEC). He did not say how much it would cost.

"It will not be a reactor for energy or the generation of electricity or anything like that," Prof. Lalor said. "It is one for use as a research reactor in medicine and geology and what not."

Complete Survey

The university official said the first programme planned for the reactor was a complete survey of Jamaica's mineral potential.

It could serve, he said, as an accurate, high-speed analytical tool, and it was the university's intention to test several thousand geological samples, the results of which would be computerised and a contour map of mineral deposits plotted.

"It will give us a clear idea of what mineral potential there is," Prof. Lalor added.

He said such a survey would have immediate spinoff, with one benefit being the identification of areas with trace metals which could be of importance to agriculture.

Prof. Lalor said, too, UWI was actively looking into the possibility of using all forms of modern communication technology for a greater impact on education.

The university was convinced that the education system could not provide solutions to the region's problems working through conventional methods only.

CSO: 5100/7553

BRIEFS

TEACHERS' WAGE PACKAGE--The Jamaican Teachers' Association at its annual conference yesterday accepted Government's wage offer to the Public Sector of a $29 a week increase over a two-year period but registered "strong disappointment" that the offer was to take effect from July 1, instead of April 1, the beginning of the contract year. The association stated that its acceptance of the breach of contract in this instance was in no way to be regarded as a precedent and "it must not happen again." Agreement was also reached on some fringe benefits, with others subject to continuing negotiations, on condition that if any other sector received benefits or remuneration exceeding that made to the teachers, the J.T.A. had the right to reopen negotiations. The benefits now granted to the teachers include [1] pay in lieu of vacation leave in the case of teachers with scarce skills, who are unable to obtain faction leave because replacements are not available; [2] death benefits to the estate of teachers killed in the execution of their duty, comprising pay for all unused vacation leave and 50% of sick leave up to 14 days; [3] extension of the pre-trained scale to provide for persons having qualifications beyond those currently defined; [4] increase of the housing allowance to principals from $400 to $800 per annum; [5] increase of $160 per annum in the materials allowance to teachers. The package also includes a 10% increase in Third-Year teachers college students' allowances and agreement by the Ministry for the appointment of a committee to study and make recommendations for additional benefits to teachers with scarce skills. All of these are effective from July 1, 1981. Effective April 1, 1982, teachers who have reached the maximum of their scale and have obtained additional qualifications will receive additional increments. [Text] [Kingston THE DAILY GLEANER in English 20 Aug 81 p 1]

CSO: 3025/216

'OPPOSITION' PRESIDENTIAL CANDIDATES DISCUSSED

Mexico City EXCELSIOR in Spanish 29 Jul 81 pp 4-A, 30-A

[Article by Nidia Marin]

[Text] The "opposition" parties which will launch candidates for the presidency of the republic are presenting a total of 13 precandidates: among these, the respective militants and sympathizers consider the following as presidential hopefuls: Pable Emilio Madero, for the PAN [National Action Party]; Heberto Castillo or Demetrio Vallejo, for the Leftist Coalition; Juan Manuel Elizondo, for the PST [Workers Socialist Party]; and Ignacio Gonzalez Gollaz (former Sinarquist head), for the PDM [Mexican Democratic Party].

Meanwhile, there is an increasing probability that the PPS [Popular Socialist Party] and PARM [Authentic Party of the Mexican Revolution] will form an alliance and support the PRI [Institutional Revolutionary Party] candidate, despite the fact that the leaders of both parties have insisted that they will announce their decision some time after November, very likely at the beginning of 1982.

At present, many names of legislators and well-known party leaders or directors are being bandied about as possible candidates of their respective political organizations or alliances.

For example, the PAN has only two precandidates: the aforementioned Pablo Emilio Madero and Deputy Hector Teran Teran. Most of the PAN members are leaning toward the former since they believe--and have so stated in various meetings the PAN has held within the republic and in the federal district--that "he is the better known at the national level" and that the PAN members, meeting at the national convention to be held during the last week of September, will vote for him.

However, his detractors believe that Madero "is in a very favorable position since, in the last 6 years, he has been mentioned as a possible candidate."

In addition, polls made by members of the PAN directorate indicate that majorities in Nuevo Leon, Jalisco, Puebla, Baja California and Yucatan favor Madero's candidacy.

Five Coalition Precandidates

Up to now, the Leftist Coalition mentions the following as precandidates: Arnoldo Martinez Verdugo, leader of the Mexican Communist Party [PCM]; Heberto Castillo,

leader of the Mexican Workers Party [PMT] (not registered); Demetrio Vallejo, PMT militant and former railroad leader; Pablo Gomez, PCM deputy; and Alejandro Gazcon Mercado, leader of the Mexican People's Party [PPM].

It is said that it would not be convenient for Martinez Verdugo as leader of the principal "pillar" of the opposition to abandon his post to engage in a campaign; meanwhile, it is said that Pablo Gomez is too young and "lacks confidence among the coalition base" and that these factors prevent his being considered as a candidate.

With regard to Gazcon Mercado, it is pointed out that "he is not very well known at the national level." Thus, everything seems to indicate that Heberto Castillo or Demetrio Vallejo are the logical candidates. This is subject to the deliberations of the PMT meeting to be held on 14 and 15 August at the conclusion of which the Government Plan will be announced (in the second half of that month); the name of the candidate will be revealed in the first half of September.

This is due to the fact that agreement must be reached among the parties and organizations which make up the coalition before the results of the meeting can be revealed. Subsequently, information will be released with regard to the names of the political organizations which have decided to unite with the coalition to launch candidates for the presidency and for other electoral positions to be decided by the people at the beginning of 1982.

Alliances and Discussions

In addition to the following which make up the coalition (the PCM, PPM, PSR [Socialist Revolutionary Party], and MAUS [Socialist Action and Unity Movement]), it is almost certain that the coalition will be joined by the Social Democratic Party, the Workers Revolutionary Party [PRT], the Socialist Workers Party, the Marxist Workers League, the Unity of the Communist Left, the PMT and the Socialist Faction as well as other groups of a local nature.

There will be conversations with all of those groups just as with the PPS which, despite finding itself at cross-purposes in the discussions, does not plan to join the coalition. However, it has been offered the opportunity to hold its own campaign with its own candidate.

Discussions are being held with the rest of the leftist group on how to confront the ruling bloc and how to harmonize the mass movement with the action of the Chamber of Deputies where experience is still new, that is, how to rouse interest among the strong worker and peasant groups.

The principal problem under discussion is that of the type of government for which we should strive, for the PRT is planning a worker-peasant government, the PCM one of democratic renewal and the PMT a nationalist government if its decision to join the coalition is affirmative.

And while it is expected that a leftist discussion forum will be held on 20 August, as planned by its member parties, to discuss viewpoints and differences of opinion, the PRT is encountering serious stumbling blocks raised by some of its members who oppose the manner in which the campaign for legalization was conducted; they indicate that everything was done according to what was decided by the Politburo but that the party bases were not consulted.

PST To Present a Single Candidate

The PST is continuing to have internal squabbles; but, nevertheless, it seems to be determined to present a single candidate, Deputy Juan Manuel Elizondo, who was already mentioned in this connection by Rafael Aguilar Talamantes on two occasions.

This is the party which most recently decided to launch its own candidate for the presidency of the republic; however, in its past meeting it did not specify if it will have its own candidates for other electoral posts or will establish alliances.

According to their own admission, PST's leaders are in "constant assembly" and are continually scouring the country to organize PST's bases.

And it will not be until September during the National Assembly that it will announce the name of its candidate.

PDM Support for Gonzalez Gollaz

The PDM is preparing to hold its federal district congress on 2 August to decide which precandidate the capital's militants will support; however, according to Jesus Zamora Flores, PDM's official spokesman, 90 percent of that party's members at the district and city levels have expressed support for Ignacio Gonzalez Gollaz, nicknamed "El Gallo de Jalisco," who was head of the National Sinarquist Union [UNS] in the 1950's.

There is talk of three other precandidates with less chance of success: David Orozco Romero (also former UNS head), David Lomeli Contreras (another former UNS head) and Engineer Igancio Vital Jauregui.

For the moment, steps are being taken to present papers outlining what the government plan expects of each candidate.

8568
CSO: 3010/1723

SIDERMEX TO HAVE NEW IRON ORE TRANSPORTATION SYSTEM

Mexico City EL DIA in Spanish 2 Aug 81 p 2

[Article by Raul Ocampo]

[Text] SIDERMEX [Mexican Iron and Steel Corporation] announced yesterday that it will have a new system for transporting iron ore. It is a ferroduct of highly advanced construction which will convey 4.5 million tons from the mines in La Perla in Chiuahua and Hercules in Coahuila, to Mexican Steel Mills, Inc [AHMSA] in Monclova.

The ferroduct will be 381 km long and, with its first section, will be able to transport as much as 1 million tons annually from La Perla to Hercules; with the addition of the second section--which will extend from Hercules to the pumping station--the ferroduct will convey 3 million tons of concentrate and, from this station to Monclova, 4.5 million tons annually.

At present, about 25 percent of the civil construction is completed; the detail engineering is about 97 percent completed. About 66 percent of the construction of the opening to provide a direct route is completed, 13 percent of the excavation for the foundations, 32 percent of the laying of the pipe and 5 percent of the placement of the welded joints.

SIDERMEX adds that the ferroduct will represent a saving of as much as 30 percent in AHMSA's operating costs. However, it will continue to use the railroad to transport heavy material and pellets from Le Perla.

The speed of the iron ore through the ferroduct will be 4.5 feet per second, and it will operate with a system of microwaves for direct communications which will guarantee transportation without interference.

SIDERMEX also announced that AHMSA, the German Democratic Republic's Technocommerz and the National Finance Bank [NAFINSA] plan to set up a consortium with majority state participation to supply the domestic market with speed reducers for industrial application.

The new firm will be called ASUG Mexicana, S.A. de C.V., and the plant will be built in the industrial corridor of Xicotencati, Tlaxcala. Its annual installed capacity will be 3,000 reducer of various types.

This project will make it possible to replace imports of reducers which presently amount to $35 million annually. Investments of 2.2 billion pesos will be made, and the initial capital will be supplied by AHMSA and NAFINSA (65 percent) and Techno-commerz (the other 35 percent).

The degree of national participation will be 78 percent in the first year and 100 percent in the sixth year of production.

8568
CSO: 3010/1723

TRADE WITH JAPAN DISCUSSED

Mexico City EL SOL DE MEXICO in Spanish 13 Aug 81 p 4-B

[Text] In view of the rapid progress Mexico is achieving in the industrial field, it has become an ideal place for Japanese investments and exports.

In the first quarter of 1981 Japanese exports to Mexico rose to $352 million, while imports came to $319 million.

According to an official spokesman of JETRO (Official Japanese Economic Trade Organization), until the end of last year Japanese investments made directly in Mexico represented more than $730 million, while in 1979 they amounted to $515 million.

It appears that there has been a craze to invest in Mexico in the past 2 or 3 years since the economic upsurge experienced by Mexico in recent years is attracting attention throughout the world.

Promotion of investment in Mexico has facilitated an increase in interest in our country on behalf of Japan and has also brought about a better understanding of the Mexican investment sphere and regulation of foreign capital.

At the same time, this promotion has attracted Japanese participation in various projects connected with the National Industrial Development Plan and has stimulated investment in small and medium industries operating with joint capital.

With regard to the trade balance between the two nations, until 1974 Japan had a deficit; but since the beginning of this year and as a result of industrialization plans, exports of Japanese capital to Mexico have been much greater and have begun to show up in the surplus range.

In 1979, Japan exported $841 million worth of goods to Mexico and imported $483 million worth from Mexico; in 1980, exports rose to $1.223 billion and imports to $934 million.

In the first quarter of this year exports from Japan to Mexico amounted to $352 million and imports to $319 million.

Among the products Japan exports to Mexico are: steel pipe, steel plate and sheets, hydroelectric turbines, electric generators, industrial motors, automotive parts and other industrial products.

As for imports from Mexico, they are in the nature of oil, salt, cotton, shrimp, lead, tin and other raw materials.

However, it is expected that steps to increase and fix exports of Mexican oil to Japan will produce a turnaround in the trade balance and begin to yield a favorable balance for Mexico.

Finally, JETRO's official spokesman said that at present Mexico urgently needs capital and technology for its plans for rapid industrialization and that it is now time for Japan to help Mexico on its way toward industrialization.

8568
CSO: 3010/1723

STORMY SESSION MARKS RESUMPTION OF PARLIAMENT

Bridgetown ADVOCATE-NEWS in English 20 Aug 81 p 3

[Text] Castries, St Lucia, Wednesday, (CANA)--The St Lucia Parliament had one of its stormiest meetings ever as sitting resumed after a break of nearly three months.

Parliament had not met since the resignation of Speaker Clarence Rambally to become Minister for Community Development and Social Affairs.

Tempers flared after Prime Minister Winston Cenac proposed Mr Donald Alcee, an electrical engineer as speaker.

Opposition leader John Compton objected, pointing out that there was no information before the House to indicate that Speaker Rambally had resigned.

Mr Cenac said that Mr Rambally had in fact resigned in the manner provided by the constitution, but Mr Compton insisted the House could not entertain any nomination because no information of the resignation was before Parliament.

The matter was cleared when clerk of the House read the letter of resignation after which the two opposition parties put forward their nomination.

Mr Compton nominated Mr W. St Clair Daniel, who previously held the post of Speaker during Mr Compton's government. The Progressive Labour Party of George Odlum nominated Donald Blanchard, alias 'Dockey.'

Mr Compton then withdrew his nomination, allowing Mr Odlum's proposal to stand.

A secret ballot was requested by the Leader of the Opposition and Government's majority on one favoured Mr Alcee as Speaker.

Shortly before Mr Alcee entered the Chamber to take his oath of office, the Compton segment of the opposition walked out.

Throughout the remainder of the afternoon, government and Odlum Opposition members engaged in heated debate on a motion to allow the Prime Minister to borrow sums not exceeding eight million dollars from a commercial bank.

The government benches came in for heavy criticism before they were again able to use their one-vote majority to pass the motion.

The opposition claimed that it was because of government's financial mismanagement that the overdraft was so high.

Individually the opposition members said they were unable to support the motion to the extent being asked as government's record showed that funds were not being put to proper use.

In his reply, Mr Cenac said that government overdraft contrary to the impression cast by the opposition, was only $6.5 million.

He said measures were being taken to improve government's machinery for the collection of funds, with the reorganisation of the Ministry of Finance.

CSO: 3025/214

MIXED COMMISSION EYES IMPROVED TIES WITH COLOMBIA

Bridgetown ADVOCATE-NEWS in English 20 Aug 81 p 10

[Text] Castries, St Lucia, Wednesday, (CANA)--St Lucia and Colombia have decided to set up a mixed Commission as they move to improve their relations, Assistant Secretary in the Ministry of Foreign Affairs here, Earl Hunteley, has said.

The Commission was announced after talks here between the Colombian Foreign Minister, Dr Carlos Lemos Simmonds, and top St Lucia Government officials.

Hunteley said the Commission would monitor a technical cooperation and scientific agreement signed last week by the two countries.

It would keep tabs on "any other follow up agreement which may be enacted to determine and evaluate the priority sectors for the accomplishment of specific projects in scientific and technical areas," Hunteley said.

It would "decide on technical and scientific corporation programmes that will be implemented and to determine the guidelines for the execution of the programme and evaluate results of the project."

Hunteley said that the mixed Commission is due to meet at least once a year, in Bogota and in Castries. The first meeting is to be held no later than three months after the ratification of the agreement.

The two sides issued a joint declaration on their discussion. They stated their concern about the armaments race into which some states of the Caribbean were being drawn and agreed that it was imperative to support a general disarmament process.

The ministers so expressed their support for the right of states to establish jurisdiction over their marine and submarine areas.

Senor Lemos, in the declaration, expressed his support and the interest of his country in the strengthening of CARICOM (The Caribbean Economic Community).

Both sides gave their approval and support for the planned independence of Belize and Antigua.

CSO: 3025/214

PAPER FINDS MUCH TO APPLAUD IN BUDGET; HAILS OPPOSITION

Kingstown THE VINCENTIAN in English 31 Jul 81 p 4

[Editorial: "Budget"]

[Text] The 1981-82 budget was presented last week. Let us say at the outset that we fully understand the difficulty before the Government in the finding of necessary funds to meet essential expenses. For example the existing inflation has made it imperative that government employees get salary increases as a number one priority. The "sick out" staged by the police in June though it only lasted one day demonstrated conclusively the importance of increasing salaries in the interest of good government. We pause to note in passing that the police are not by any means the worst off financially among public servants.

But it is not just bigger salaries for its workers that have put financial pressures on Government. The astronomical rise in energy costs, the fact that we have a most unfavorable balance of payments are among the things that contribute to our economic predicament.

All this adds up to the unenviability of the government's task.

Now having admitted the difficulties let us have a look at the effects of the budget. What will it do to the living standards of the not-so-well off Vincentians? What incentives does it offer to development? What plans does it indicate for the taking of idle youth off the streets?

From an aerated water drink to entertainment the cost of relaxation to the man-on-the street will be more. From the registration of a birth to the price of an exit income tax clearance will cost more.

A progressive step recorded in the budget is the decision to separate the incomes of wives and husbands. The small increase in the taxfree allowance is also very welcome.

Another relief measure which we strongly endorse is the improvement in pension payments.

As far as incentive to increase production goes there does not seem to be much. An export tax of 10 cents on every coconut shipped does not appear to offer much encouragement for the reduction of the trade imbalance through producing more coconuts for export. The same can be deduced, from another angle, in the

case of arrowroot. The farmers are not receiving the encouragement that they should to increase their acreage under this currently very lucrative crop; neither are the variety of markets available being exploited to the full.

The budget includes expenditure on improved educational facilities and opportunities. It speaks of plans to provide more playing fields and so to assist sport, thus demonstrating a greater consciousness of its importance. We appreciate and in fact applaud these inclusions.

However, that does not seem to us to be enough. Some positive programme for putting youth to work should be indicated.

The budget refers to the putting of idle lands to use. We would like to suggest bringing into one cohesive effort unemployed youth; idle lands; agricultural overseas markets and local food shortages; and last, but by no means least, the crying needs in the country for skilled tradesmen: motor mechanics, radio and television technicians, refrigeration and air-conditioning repair personnel; plumbers, masons; carpenters, fishermen.

St Vincent and the Grenadines, like most Third World countries is currently receiving a great deal of assistance from the developed nations. Would none of these donors support specific programmes directly sighted on positive and comprehensive projects, involving training of personnel, conversion of the acquired skills into practical work, and provision of the tools and infrastructure to turn the workers and their knowledge into development?

The donor countries are very generous with the financing of training. However, much of that training ends in frustration for the trained. There is no niche for the skilled worker on his return home. No practical programme in which he can apply his skill.

The toughness of existence in St Vincent and the Grenadines would be greatly reduced, and there would be far fewer youngsters "liming on bridges" if there was fuller employment.

We would like to applaud the members of the Opposition for their unruffled, though critical, approach to the budget debate. Mr James Mitchell's contribution received considerable acclaim from many who heard him. We ourselves would like to thank him for breaking his long silence, and providing his fellow countrymen with an insight into the implications of the budget not easily discernible to the uninitiated.

In conclusion we must congratulate the young Deputy Speaker for a job on the whole well done. Mr Dennie Wilson must have been performing under considerable pressure. We think he stood up well to that pressure in his first experience of chairing the House of Assembly--especially when we consider that his initiation was in a budget session with all its habitual controversy. He will of course be criticised for occasional lapses but his performance on the whole was fair and dignified.

CSO: 3025/213

PNM TAKING SECOND LOOK AT UPCOMING ELECTION CANDIDATES

Chambers Decision

Port-of-Spain TRINIDAD GUARDIAN in English 16 Aug 81 p 1

[Article by Kit Roxburg]

[Text] Irregular practices by election hopefuls and party groups plus a system that has thrown up some candidates not expected to be popular with the voting public have forced the People's National Movement to review its initial list of nominees for the coming general elections.

Political leader of the ruling party and Prime Minister, Mr George Chambers, halted the screening last Thursday, pending a thorough investigation by his Screening Committee into the allegations of irregularities reported to the PNM's General Council.

At the time of the halt, all but three possible candidates had already been given the green light. Rep Errol Mahabir and Senator Desmond Cartey were among those who had not at the time signed their nomination papers.

The Screening Committee, headed by Mr Chambers, has called for additional information from the party's constituency groups on most of the candidates selected so far.

Starting tonight, this additional data will be evaluated by the committee and, where necessary, some of the 33 candidates already on the primary list of the party will be called upon for fresh interviews.

The final list should be ready by Thursday, although the exercise is seen in party circles as a complete revision of the earlier one.

Party stalwart Rep. Kamaluddin Mohammed is mediating in the situation that has caused rifts among opposing factions in constituencies.

Opposing Factions

One of the reasons for bitterness over the selection of candidates is that a quorum of only seven is enough for a constituency to decide on a final candidate. Basically the same people are said to be using the same criteria over

the years. Evidence of this occurred within the PNM in the last general elections in 1976 when party groups presented the PNM with candidates who the then Political Leader openly disfavoured but whom he and the Screening Committee allowed to contest the polls anyway.

Mr Chambers is not going to operate this way party sources assured yesterday.

The main criterion is still said to be based upon what contribution the aspiring candidate has already done for the party--and not, say opponents of the system, what potential the aspirant has as regards contributing to the country.

The allegations of corrupt practices, which include one constituency group not going through the complete election process but having a candidate who was only approved by the group's president and secretary, are being taken very seriously by Mr Chambers, as the PNM wants to ensure that no stigma is attached to any person the party puts up.

Another report reaching the top party hierarchy states that one possible candidate took possession of nomination papers without any authority, signing documents without warrant.

Apart from the current investigations, there is uncertainty over the preliminary list.

Arima Mayor, Ashton Ford, an early favourite in that area for a seat in Parliament, may be called upon to stay in his present position and Mr Felix Bellamy once more asked to face the polls in the coming elections.

Reason: Mr Ford is doing too good a job as Mayor of Arima for him to give up that post and be a backbencher in the House, party members in that constituency feel.

The San Fernando West seat is also in doubt with higher ranks of the party split over whether present incumbent, Rep. Errol Mahabir, should not call it a day and be asked to serve as a senator.

Then there is the general feeling that most of the candidates who have gone past the first hurdles will not measure up on a professional level with the candidates they're expected to fight from the opposing parties.

In the often hard fought bids for nomination, old stagers such as Mr Victor Campbell (up for Mayaro) have pipped younger rivals, and firsttimers such as Mr Farouk Warris, who was set to fight the St Augustine seat, may have to wait until 1986.

Meanwhile, the party inner circle views this week as crucial.

Registration Drive

Port-of-Spain TRINIDAD GUARDIAN in English 16 Aug 81 p 1

[Text] Official countdown to the upcoming general elections swings into action tomorrow morning. The Elections and Boundaries Commission (EBC) will set up some 103 temporary registration offices in the 36 electoral districts (constituencies) throughout Trinidad and Tobago.

Twelve of the offices will be located in Tobago. Establishment of the centres follows the proclamation by President Ellis Clarke for the compiling of the list of electors eligible to vote in this year's elections.

The centres will be opened daily for nine days up to Tuesday, August 25. Opening periods are 10a.m.-6p.m. (Monday to Friday) and 10 a.m.-2p.m. on Saturday and Sunday.

The nine-day session will be the final phase for the registering of electors. Some 38 photographic centres will also be set up for the taking of pictures as part of the official registration process.

The commission has sent out notices to about 30 political parties accorded election symbols, inviting them to each nominate a scrutineer to be assigned to each of the temporary registration centres.

Party scrutineers are paid by the Commission for the periods which they turn out at the centres. Payments will not be made, however, unless the political party 'nominates a candidate for the electoral district' in which the scrutineer was appointed.

The preliminary list of electors will also be posted in at least two places in all of the 1,000-plus polling divisions throughout.

This list will form the basis for the revised or final list to be used in the general elections.

CSO: 3025/214

BUDGET GETS $177 MILLION SUPPLEMENT TO PASS $7 BILLION

Port-of-Spain TRINIDAD GUARDIAN in English 15 Aug 81 p 1

[Text] The 1981 National budget has been increased by $177.2 million, pushing the figure past the seven billion dollar mark.

A supplementary appropriation for $177,233,756 was introduced in the House of Representatives yesterday by Rep Errol Mahabir, Minister of Energy and State Enterprises.

The original 1981 budget was $6,814,789,212. In April this year, additional funds of $42,718,819 were approved and yesterday's supplementary appropriation has now brought the 1981 budget to $7,035,740,787.

It is the first time that the country's budget has passed the seven billion dollar figure.

Rep. Mahabir explained that $13.6 million of the amount was for the Tobago House of Assembly.

Also included is $75,842,000 for the revised terms and conditions of service following the agreement between the Public Transport Service Corporation and the Transport and Industrial Workers' Union

Sugar Subsidy

Cost of subsidy for imported refined sugar to the end of January was $17,023,065. Included in the amount, too, is $2,500,000 for management operations, aircraft maintenance and training of the Air Division of the Ministry of National Security for a two year period.

The appropriation provides for $11.7 million for the Ministry of National Security; $10.3 million for the Ministry of Health; $21.6 million for the Ministry of Industry and Commerce, $12.1 million for the Ministry of Transport and Communication.

An amount of $11.6 million has been allocated to the Ministry of Education and Culture.

Also before the House yesterday was a Bill to vary the expenditure from various ministries to the Tobabo House of Assembly.

Debating the Bill, Rep. Panday pointed to amounts for the Elections and Boundaries Commission and said he felt that the forthcoming elections would not be free and fair. He claimed that if people became frustrated with the electoral process as a means of changing the Government they would resort to violence.

He questioned some of the expenses, and in drawing attention to transportation of the late Prime Minister's personal effects, he queried whether it was the late Prime Minister's personal effects or that of his daughter.

'Worst Ministry'

Mr Panday spoke, too, of conditions at the hospitals and explained that when his mother was taken to hospital recently, he was called upon to provide linens and a cup, plate and spoon.

He claimed that the Ministry of Health was the worst run ministry in the country.

On the legal profession, he said that there had been agreement between the two branches for fusion, but the Attorney General continued to sit and do nothing about the legal profession.

Mr Panday felt it was time that the capacity of the armed forces be incorporated to serve in the national life.

Government, he said, had the capacity to mamaguy, not to rule.

Rep. Nizam Mohammed noted that the supplementary appropriation was more than what some Caribbean countries has as their entire budget for the year.

He called for establishment of crematoria and charged that Government had refused to give the Hindus some sort of status.

CSO: 3025/214

BRIEFS

CANE FARMERS' CLAIM--Port-of-Spain, Trinidad, Wednesday (CANA)--The island-wide Cane Farmers Trade Union (CFTU) has submitted to Prime Minister George Chambers a request for compensation for unreaped canes on behalf of thousands of cane farmers in Trinidad and Tobago. ICFTU spokesman Donald Rajack said a reply was awaited and noted that the union was also waiting for an appointment with Energy and State Enterprises Minister Errol Mahabir to discuss the issue. The union is seeking compensation for unreaped canes for the 1980 and 1981 crops. The union estimated that over 100 000 tons of canes were left in the fields last year putting a financial strain on cane farmers. However, Caroni Limited, the big-state-owned sugar company responsible for processing the canes, said that its estimate of unreaped farmers was between 35 000 to 45 000 tons. This year, however, both company and the union agreed that the unreaped canes totalled 130 000 tons. [Text] [Bridgetown ADVOCATE-NEWS in English 20 Aug 81 p 3]

TELCO EXPANSION--Port-of-Spain--The Trinidad and Tobago Telephone Company (TELCO) is now finalising plans for a major rural development programme from which scores of districts in the country will benefit. The two-year expansion programme will take direct dialling to some 400 villages and small towns throughout the country and extend the telephone service to thousands of new subscribers. Prime Minister, George Chambers was told of the plan earlier this month at a Cabinet meeting in a report by Public Utilities Minister, Mervyn deSouza. TELCO officials are now working on a detailed breakdown of the expansion programme to Senator deSouza. Chambers had requested information on TELCO's plans for extending its telephone services to various districts in St Patrick, following his recent ten-day tour of the country. Senator deSouza explained that expansion of the telephone service in St Patrick was part of the multi-million dollar rural development programme on which the company was working. A TELCO spokesman said that by next month, a tender will be awarded for work to begin on the project. He said the rural development programme would be undertaken simultaneously with the on-going job of upgrading the service in key urban areas of the country. It is understood that adjustments have had to be made to the rural development projections in the light of recent complaints from various districts about inadequate or total lack of telephone services. During his tour of St Patrick, the prime minister heard complaints from several villagers who felt they had no hope of getting telephones. Similar complaints were made to TELCO officials during the accounting to the taxpayer meetings. [Text] [Bridgetown THE NATION in English 17 Aug 81 p 15]

CSO: 5500/7546

OFFICIALS STUDY TOURISM IN BERMUDA, COMMENT ON DEVELOPMENT

Hamilton THE ROYAL GAZETTE in English 19 Aug 81 pp 1, 2

[Text] Three top Turks and Caicos Government leaders kept on the move yesterday on the first leg of a whirlwind visit to Bermuda--the Island with a tourism success story they hope to emulate.

The trio met businessmen, tourism chiefs and the Governor, Sir Richard Posnett, during the day, and later discussed the prospects of the string of developing Caribbean islands with potential investors.

And they will keep up the pace today with more visits designed to make contacts and learn about the tourism business, before leaving tomorrow.

They plan to learn as much as possible as fast as possible.

For as the Hon. Stafford Missick, the Minister of Development, confidently predicted: "In a year or so, there is no question that things will really expand in our islands."

With Mr Missick, 40, are the Hon. Norman Saunders, 37, the Chief Minister and Minister of Tourism, and the Hon. Nathaniel Francis, 69, the Deputy Chief Minister and Minister of Works.

Their visit comes in the wake of a storm of protest in Britain about an $8 million handout from British taxpayers to help build an airport, roads and utilities on the island of Providenciales.

Opposition M.P.s in Britain have claimed the main beneficiary of the aid will be the French holiday firm Club Mediterranee which plans a 650-bed complex.

But Chief Minister (Premier) Mr Saunders dismissed the criticism. "The British, by putting up this money, will be putting us in a position where we will be economically independent," he said, "It is an investment for Britain in getting us able to pay our own way."

But Mr Saunders stressed that the islanders have no plans to cut all ties with Britain and go fully independent. Independence was one of the major issues in the General Election held last November.

Mr Saunders' Progressive National Party was firmly against it and romped home with eight of the 11 elected seats in the Legislative Assembly, taking 84 percent of the vote.

Thrown out of office were the pro-independence People's Democratic Movement which had headed a coalition government for four years.

Mr Saunders scoffed at the alleged three-way political plan for developing the Turks and Caicos through Canada's cash and Bermuda's expertise which caused comment in Bermuda about a year ago.

"Nobody knew anything about it at home--the first I read about it was a piece in the Bahamas newspapers," he said. "There is certainly no such plan."

But he admitted that Canada and Bermuda were the countries the Islands were looking to. "The Canadian Government were not too interested because we are still a dependent territory, and they might feel obligated to do the same for other countries in the Caribbean," he said.

"Our idea is to encourage Canadian investors. Unlike Americans, Canadians do not have a natural place in the sun to go to, such as Florida or Hawaii. We could fill that gap."

Mr Missick explained that the Islands were looking to Bermuda for help in becoming a thriving tourist resort. "We are studying Bermuda's success in attracting tourists, offshore business, the physical plant involved and so on," he said.

"The idea of this trip is to establish contacts. It is our first official visit and we hope it will lead to further cooperation so that we can study legislation and Bermuda's experience in practical aspects."

Mr Francis pointed out that there were long-standing links between Bermuda and the Turks and Caicos--back to the days of the late 17th Century when Bermudians sailed to the Islands to rake salt for preserving food. Many families carried the same names, and it was hoped that visits such as the current trip would forge even stronger links.

Mr Missick said that several Bermudian businessmen were keen on getting involved in Turks and Caicos. One was Mr Michael Marshall, of Marshall's Enterprises, with whom the three Ministers held a morning of discussions yesterday.

Mr Saunders said his Government had recently announced a $14 million budget, with the majority of the revenue coming from Customs. As in Bermuda practically everything is imported from foodstuffs to fuel, last year at a cost of $13,800.

The islands' only exports are from the sea--lobsters, conch, fish and sea fans--which brought in $2,160,000.

Last year the islands, with a population of less than 9,000, played host to 12,000 tourists, up from 9,000 the previous year. And this year's figures are 30 percent ahead of 1980.

There are a total of only 200 hotel beds on the islands at present, with the luxury Prospect of Whitby having only 37 rooms.

But things are really moving. And Mr Missick emphasised the point. "Three years ago you could have got an acre of prime property on the beach for $10,000," he said. "The last piece to change hands went for $45,000 an acre."

CSO: 3025/214

BUSINESSMEN CALL FOR URGENT SOLUTION OF CRISIS

PY012241 Paris AFP in Spanish 1444 GMT 31 Aug 81

[Text] Montevideo, 31 Aug (AFP)--The Uruguayan business confederation, which represents 12,000 business concerns, today called upon the government to provide urgent solutions to prevent a catastrophe, amid widespread discouragement and confusion.

The confederation which has among its members agricultural, commercial and industrial enterprises, claimed that the latter are experiencing severe strains which cause concern in the absence of measures aimed at changing the status quo.

Among the things these enterprises criticize most is the high cost of money which has risen to 70 percent per year, a rate of interest which they believe to be among the highest in the world.

The business confederation also scored huge public expenditures, the enormous foreign debt, the growing debts of agricultural, commercial and industrial concerns, the severe tax pressure, the staggering decline of sales and the ensuing lack of profit.

In conclusion, the confederation blamed the government for a sustained increase of imports and the slump of exports, a negative trade balance and an artificially depressed exchange rate.

Official sources have disclosed that the first measures which the new government, scheduled to take office tomorrow, will implement, will be designed to deal with the serious status of agriculture and industry.

CSO: 3010/1766

BRIEFS

TRADE WITH FRG--FRG legislators who are visiting Uruguay have held talks with Uruguayan agricultural and fishing sector authorities. The visitors have said that technical and commercial exchange between Uruguay and the FRG will be promoted in those areas. [PY311850 Montevideo Radio El Espectador Network in Spanish 1600 GMT 31 Aug 81 PY]

RETIREMENT OF FORMER NAVY COMMANDER--The executive branch has accepted the voluntary retirement of Vice Adm Hugo Marquez. The former navy commander has submitted his request for retirement during the past few days. [Text] [PY282043 Montevideo El Espectador Network in Spanish 1600 GMT 28 Aug 81]

CSO: 3010/1766

HERRERA, ZAMBRANO CRITICIZE FRENCH-MEXICAN ACTION

PA020138 Buenos Aires LATIN in Spanish 2348 GMT 1 Sep 81

[Article by Orlando Lizama]

[Text] Caracas, 1 Sep (LATIN-REUTER)--Salvadoran Foreign Minister Fidel Chavez Mena held a second meeting today with his Venezuelan counterpart Jose Alberto Zambrano. Encouraged by President Luis Herrera Campins' reiteration of his support for the Salvadoran Government, Chavez Mena again visited the foreign ministry at noon on the second day of his visit here. Zambrano awarded Chavez Mena the Order of the Liberator.

Later Chavez Mena visited the congress and the offices of the association of the Chambers of Commerce and Industry, Fedecamaras, which represents the private sector of the country.

Newsmen asked Chavez Mena about the situation of his government and about the Mexican-French declaration recognizing the leftwing opposition groups struggling against it.

He declined to make any comments, but merely nooded in approval of President Herrera's statement terming the French-Mexican decision as "very serious."

Yesterday the Salvadoran foreign minister accused the governments of France and Mexico of intervention and of supporting extremist groups who supposedly obey foreign orders.

"We energetically reject direct or indirect intervention in the domestic affairs of El Salvador," he said.

In a bitter reaction to the French-Mexican communique, President Herrera said last night that the communique took the Venezuelan Government by surprise, because Venezuela has traditionally maintained consultations with Mexico regarding foreign policy problems, diplomatic sources stated.

"In our opinion the decision made by the governments of these friendly countries is very serious. It came as a surprise," he said in a meeting with local newsmen.

The Venezuelan Government has reiterated its support for the Salvadoran Government headed by President Jose Napoleon Duarte despite the internal criticism.

Herrera requested explanations from the ambassadors of France and Mexico regarding the importance which their governments give to the declaration. He requested information from his diplomatic representatives in Paris and Mexico City on "what appeared to cover a purpose of intervention," according to him.

Herrera added that "just as we have opposed U.S. intervention in El Salvador, we oppose any intervention in El Salvador by countries within the hemisphere or elsewhere."

Meanwhile, Foreign Minister Zambrano reiterated today that Venezuela supports the premise that the conflict which has caused the deaths of thousands of Salvadorans must be solved by the people themselves.

Zambrano said that there must be no "direct or indirect intervention, much less pronouncements favoring one of the extremes in the conflict."

Tomorrow the Salvadoran foreign minister will end his visit to Venezuela after a meeting with President Herrera Campins.

On Thursday, he will hold a news conference before returning to El Salvador.

CSO: 3010/1767

'CHRISTIANS' DEMONSTRATE AGAINST CHAVEZ MENA

PA030335 Caracas Radio Continente Network in Spanish 1200 GMT 1 Sep 81

[Text] Some 50 Christians from the metropolitan area occupied the cathedral to protest the presence of Salvadoran Foreign Minister Fidel Chavez Mena in Venezuela. Let's listen to Father Bautista Santiago explain why are they protesting:

[Begin recording] [Bautista] We are protesting for two reasons: First because Chavez Mena does not represent the feeling of the Salvadoran people. He is an official of the genocidal junta which has violated human rights and murdered Christians, workers, peasants, priests and nuns. In second place, we are protesting because our country, Venezuela, is morally and materially supporting the Salvadoran genocidal junta.

[Question] Although you are making your protest by praying, the police have arrested two demonstrators. Have you done anything to obtain their freedom?

[Answer] Unfortunately, at first there were some incidents which tried to distort the way we were going to carry out our protest which consisted of praying and mediating. That is when the police entered the church, which was not the best thing to do. However, the pastor of the cathedral came out to see what was going on and we promised him that we would end our prayers at 1300 and leave everything clean. He agreed to leave the main entrance open so that other Christians who wished could join us in prayer. We also demanded that the companeros who were detained are released soon. [End recording]

CSO: 3010/1767

BRIEFS

PROPAGANDA BOMBS EXPLODE--Eight pipe bombs exploded today in various parts of downtown Caracas. The members of the Technical Judicial Police and the Directorate of Intelligence and Prevention Service [DISIP] also defused two other high-powered bombs. According to police reports, the pipe bombs exploded in the Nuevo Circo Arena, on various corners along Sociedad and in the exchange, [words indistinct] O'Leary Plaza, in the north building of the Simon Bolivar Center and another near the Arena. The bombs dispersed large amount of subversive propaganda. This afternoon the members of the bomb squad and the state security corps defused a high-powered bomb in the Capriles high-rise building. A similar bomb was defused at the LA PRENSA high-rise. According to reports the bombs were placed by a self-styled (Jesus Rafael Malaver) revolutionary command. [Text] [PA291344 Caracas Radio Continente Network in Spanish 2100 GMT 28 Aug 81]

BOMBING SUSPECTS ARRESTED--Caracas, 29 Aug (AFP)--The Venezuelan Security Corps have arrested three persons suspected of being connected with subversive groups that planted pipe bombs in different parts of the city last night. It was learned from police sources that the three subversives were arrested during Friday night searches but their names were not revealed. The pipe bombs, which contained propaganda leaflets against the national government, were dismantled in different places of central and eastern Caracas. However, three did explode, causing panic among the people. The propaganda recalled the disappearance of student Felipe Malaver, who died under strange circumstances several years ago; an organization called "The Group of Revolutionary Commandos" took credit for the action. [Excerpt] [PA300307 Paris AFP in Spanish 2251 GMT 29 Aug 81]

DISIP OFFICIAL SEEKS ASYLUM--(Jose Enrique Pacheco), an official of the Directorate of Intelligence and Prevention Service, DISIP, has sought asylum in the Mexican Embassy. (Pacheco) participated in the Venezuelan guerrilla movement, but then he decided to take advantage of the pacification policy. Later, he began working for the DISIP where he was employed until it was discovered that he was actually working for both sides. In view of this situation, today (Pacheco) sought asylum in the Mexican Embassy here in Caracas. [Text] [PA291650 Caracas Radio Rumbos Network in Spanish 2100 GMT 29 Aug 81]

CSO: 3010/1767 END

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DOMINICA TO GET VENEZUELAN AID IN VARIOUS AREAS

FL312121 Bridgetown CANA in English 2118 GMT 31 Aug 81

[By Peter Richards]

[Text] Roseau, Dominica, 31 Aug (CANA)--Venezuela has promised to assist Dominica in a number of areas including agriculture and the construction of two primary schools, Dominicas Communications, Works and Tourism Minister Henry Dyer said today. Mr Dyer led a high-level delegation to the South American country for discussions on funding for projects in Dominica and technical assistance.

My Dyer told a news conference today that the two countries would soon sign an agreement on a 500,000 (U.S.) dollar soft-term loan to be used on projects approved by the Venezuelan Government. Mr Dyer said the delegation presented a number of projects to the Venezuelans which they could finance on a soft-term loan basis. The projects would cost about 12.8 million dollars (U.S.), he added. The delegation had been told that "most of the projects could qualify for assistance under the Venezuelan investment fund but require a little more detail."

Mr Dyer said that there was a strong possibility that Venezuela would help reconstruct a portion of a road linking the villages of Loubiere and Scotshead on the southern part of the island. In this regard, an engineer would be arriving here within the next 2 weeks to assess the projects, the minister added.

Mr Dyer said that the Venezuelans had agreed to construct two elementary schools in the rural areas and provide scholarships for Dominicans in the fields of agriculture, sports, education and medicine. There would also be attachments by Dominica's tourism officials to Venezuela. The Venezuelan Government has also agreed to host a "tourism awareness seminar" to include delegates from the Caribbean region. The seminar would be held in Dominica at a date to be announced.

When the delegation left here, government said that it would be discussing the funding of an international airport. Mr Dyer said that there was a strong possibility of Venezuela providing assistance in this area.

The minister said that under the friendship and cooperation treaty with Venezuela, Dominica had decided to allow the Venezuelans to erect a bust of their national hero Simon Bolivar at the old mill art center, participate in an exchange of students and have radio time to help Dominicans understand Spanish.

CSO: 3025/1028

BRIEFS

MORE SENATE REPRESENTATION BY DLP--Bridgetown, Barbados, 30 Aug (CANA)--The Democratic Labor Party (DLP)--official opposition in the Barbados parliament--said tonight it would welcome additional representation in the senate offered by government, but not at the taxpayer's expense. A resolution to this effect was among those passed at the DLP's annual delegates conference--the first since the party's second consecutive defeat at the polls in last June's general election. There are two opposition members in the 21 member senate, of the other senators, 12 are nominated by the ruling party and the other 7 are appointed by the governor general. DLP spokesman Peter Morgan told CANA tonight that the DLP's position was that if there were to be any more opposition senators "this must reflect a reduction in government senators or in the nominees of the governor general, who are in any event appointed on the advice of the prime minister. We would not agree to have more opposition senators if this meant increasing the numbers in the senate, because this would mean an additional financial burden on the taxpayers," the former Barbados tourism minister said. [Excerpt] [FL311837 Bridgetown CANA in English 2316 GMT 30 Aug 81]

CSO: 3025/1028

BACKGROUND, FUNCTION OF PRESIDENTIAL SPOKESMAN CARLOS ATILA DESCRIBED

Rio de Janeiro MANCHETE in Portuguese 15 Aug 81 pp 116-117

[Report by Alexandre Garcia: "Carlos Atila, the Planalto Spokesman"]

[Text] Suddenly the highly informed private secretary of the president, Heitor Ferreira, stopped talking to newsmen. Deprived of that precious source, which helped them to better understand the facts, they began to engage in the most complex speculation to explain Heitor's silence.

But there is a simple reason for Heitor Ferreira's silence: he stopped talking to newsmen in order to centralize the source of information from the Presidency of the Republic in the new secretary of press and publication, Carlos Atila Alvares da Silva. A diplomat and native of Minas Gerais (from Nova Lima), 43 years of age, Carlos Atila started dealing with the press under then press secretary Rubem Ludwig. His awareness of the role of the press was summarized in a sentence voiced this Monday at a War College (ESG) lecture: "It is not coincidental that the democratic system began to emerge after Gutenberg's invention."

Carlos Atila entered the Rio Branco Institute in 1959 at 21 years of age, when he was pursuing the third year of law at the Pontifical Catholic University of Rio de Janeiro. He remained in Rio until 1965, working in the administrative and economic departments of the Foreign Ministry. In Brasilia, he was an administrative officer in the office of Foreign Minister Affonso Arinos and later in that of Hermes Lima. After that, he worked in the Trade Policy Division and in the Basic Products Division. He was married in 1964 to Dona Tania, with whom he had a couple of children.

In 1965, he went to serve in the economic section of the embassy in Buenos Aires, where he remained for 3 years. In the Latin American Free Trade Association (LAFTA) in Montevideo, he began to put into practice his study of logic and debating, since the association is a forum for debate and negotiation. He remained there until December 1970, keeping abreast of the Consul Gomide kidnaping episode. When Foreign Minister Gibson Barbosa decided to lend an impetus to the Trade Promotion Department, Ambassador Paulo Tarso Flexa de Lima sommoned Carlos Atila to head the Programs Division.

In February 1974, attracted by a salary six times higher, he requested a leave of absence and left to organize the foreign trade company of the Public Savings Bank in Bahia. Although he was appointed superintendent of the new company, his liking for diplomacy caused him to return to the Foreign Ministry where he became coordinator of the Cabo Frio Foundation.

When he was preparing President Geisel's trips to Mexico, Uruguay and Germany, the then press secretary, Colonel Toledo Camargo, asked the Foreign Ministry for a diplomat to help him in that task. In response to the verbal sketch provided by Colonel Carmargo, Foreign Minister Azeredo de Silveira named Carlos Atila for the mission. It was a revelation, including to the reporters who, like myself, covered those trips. Carlos Atila excelled in organizing press rooms, telex and telephone areas for the transmission of texts and photos. Everything worked to perfection. On his return to Brazil, Camargo praised him highly before the reporters, who applauded that discrete diplomat who had supported the work of the press in a highly professional manner. He was ready to return to the Foreign Ministry when Colonel Camargo summoned him, advising him that he, Camargo, had named him to work as the assistant to Colonel Ludwig, who would shortly assume the Press and Public Relations Office.

Reluctant to accept, Atila sought out Ludwig:

"I do not know you and you do not know me. Excuse my boldness but in order to work with you, I would like to know what you intend to do."

"We are going to do what our conscience dictates," replied Rubem Ludwig. And Atila accepted.

"It was an extraordinarily enriching period, because the man is an incredible personality," recalls Carlos Atila. In the Rubem Ludwig period, which we reporters usually remember as a model, a system created by Colonel Camargo was perfected and consolidated. Information flowed; the discussion of ideas flourished; Colonel Ludwig sparkled. And Atila went on enriching his apprenticeship in the relationship with the press and the technique of mass communication.

In the Figueiredo administration, Atila remained in the position of assistant a little more than 3 months. He was invited by Ambassador Nascimento e Silva to head the Trade Promotion Section of the embassy in Paris. In November of the following year, he was in Brasilia, accompanying a mission of French Businessmen when he heard on television of the departure of Portella and the appointment of Rubem Luidwig to the Ministry of Education. Shortly afterward, he received a telephone call from the new minister. "Come here to my apartment, I need to talk to you. Atila went to dinner and arrived at Ludwig's home around 2300 hours.

Ludwig Asked Him To Be His Office Chief

"You are going to be my office chief," Ludwig advised him. Atila was perplexed. "You have no choice," insisted the minister.

At 0830 hours the following day, while Ludwig assumed the teacher crisis even before he assumed the ministry, Atila drafted the minister's acceptance speech. And only a month later, after the teachers strike had been resolved, was Atila able to return to Paris, to get his family and make the move. But he did not remain in ministry very long. During that period, the Secretariat of Mass Communications (SECOM) was abolished.

In the first week of February, Minister Ludwig was summoned to the Planalto Palace for the first time. He left pleased because he thought he was going to receive the

additional funds he had requested. He returned furious because he had just lost his office chief. The Presidency of the Republic had notified him that it would need Carlos Atila to be its spokesman.

"The decision is yours," concluded Ludwig after relating the conversation to Carlos Atila.

"I was fascinated with the new job in the Ministry of Education. So much to be done. Then I told Ludwig: I believe that your administration is historic. I prefer to stay. My commitment is to you."

Three days later, Ludwig called Atila: "I do not want to be selfish, holding you here. I believe it is a good opportunity for your career. You are free to decide."

Figueiredo traveled to Paris and Lisbon and on his return, Carlos Atila received the invitation in the tone of a summons: "You cannot refuse." He ended up accepting. Ludwig took him to Minister Golbery, who asked him to think in terms "of a light structure, as in Ludwig's time." Atila spent the carnival period thinking about the matter. The name he suggested was the one adopted: Secretariat of Press and Publication.

"So I told Minister Golbery: It it has to be like in Ludwig's time, I believe I am going to pester you a lot," Atila recalls. In his opinion, it is not the function of the president to provide daily information to the spokesman. "The job of getting information for the press is mine. It is I who needs to get the information for the press is mine. It is I who needs to get the information wherever it may be. And my own opinions are not of interest but those of the government as a whole."

At the second meeting with Golbery, the minister advised him: "Keep calm."

"I have always been calm," replied Atila. "What I am is worried." Later, Golbery took him to the president.

"I like the press people very much," began Figueiredo, "but I know that it is a difficult task."

Carlos Atila then sought to reconstruct the political events that had occurred during the time he had been absent from the coutnry. "It was another Brazil I found when I returned: amnesty, multiparty system, return of the exiles. I had to read a lot. Heitor Ferreira helped me a lot, just as I was helped by talks with reporters."

In fact, the beginning was not easy. "I have already criticized him very much. To his face personally and in the newspaper," said reporter Aloysio Carvalho. "I do not take it back because I think my criticism was correct. But today I have changed my opinion because he has developed. He has a correct idea of his function. He is honest in his information. He is educated and has the background of what he talks about, and he has the potential to become even better. He is working very well and he does not deceive anyone in his correct way of operating."

In the opinion of reporter Joao Firmino Penna, one of those accredited the longest to the Planalto Palace, "Atila is good because he follows the example of Ludwig.

He does not evade, does not refuse to discuss. He says what he knows. If he does not know, he seeks to inform himself." Reporter Emerson Souza considers Atila "competent but he does not have aides on his level. I wish he were closer to the president. He is not afraid to expose himself. He takes on any discussion. And above all, he has never said: 'That is up to the president.'" Radio reporter Mario Nelson, on the other hand, believes that the radio reporters "have been misunderstood throughout the various Press Secretariat administrations because they are regulated in relation to their press and television colleagues. But." But he does not make any restriction for Carlos Atila. "I wish he were bolder in his responses but he is a diplomat by training. I admit that he had already faced tough encounters and has acquitted himself well, because he is a man of dialog."

The chairman of the press committee, photographer Adao do Nascimento, considers Carlos Atila an "intelligent, capable man but perhaps if he were not from the Foreign Ministry he would be looser." He said that he has shown "great interest in helping the photographers and he has received all of our suggestions well, including that of our accompanying the president during the election campaign. He is going to install everything we have asked for in the new press room. He is easy to talk to and he receives us at any time, whether it be a reporter or photographer. He left us with great expectations because of what he did when he worked with Ludwig."

He Noted That the Foreign Ministry Is Much Better Equipped

When he began his job in March of this year, Carlos Atila noted that the Foreign Ministry is much better equipped to respond to questions about foreign policy. So he agreed with Foreign Minister Saraiva Guerreiro and spokesman Bernardo Pericas to a division of labor: questions about foreign policy would be answered by the Foreign Ministry. Another measure adopted at once was to open his office doors to reporters at any time. They do not even go through his secretary. The only restriction is when Atila is talking to another reporter: the exclusiveness of the information, when the initiative was on the part of the reporter, is preserved.

The day of the man who speaks for the Presidency of the Republic begins at 0700 hours, when the radio-alarm clock at the head of his bed sounds out with the morning news report. In order not to get the news with the same editorial line all the time, he listens to a different radio station every day.

Even before breakfast, he receives the Brazilian News Agency (EBN) summary, which he reads and marks on the way to the palace. At 0815 hours at the latest, he is already in the palace, reading the newspapers. Then he goes up to the office of Minister Golbery. In the decree creating the Secretariat of Press and Publication, Carlos Atila was given the privileges of deputy chief of the Civilian Household.

In Golbery's office, he attends the minister's meeting with his aides and thus keeps abreast of what is being done. Somewhere along the line, Golbery will ask him: "What is going on?"

Atila opens up a red-covered book where he notes all of the questions of day after having followed TV the previous evening, listened to the radio news reports and read the newspapers. Together, he and Golbery go up to the third floor to receive the president at 0900 hours. There, Atila meets the ministers-chiefs of the Military

Household, General Venturini; of the National Intelligence Service (SNI), General Medeiros, and of the Planning Secretariat, Delfim Netto. Many times the final questions are answered on that occasions; however, on various occasions, the president is awaited for the final word.

Carlos Atila may enter the president's office several times a day, between one audience and another, if necessary. But he leaves that for the final reccurse because he believes that before pestering Figueiredo, he can resort to the ministers in each area. "I reflect a government position; I cannot fail to be precise in my information. The president is accessible, you know, but I cannot be interrupting his work all the time."

In the morning, Carlos Atila also talks to the private secretary, Heitor Ferreira, and to special adivser Paiva Chaves. He spends the rest of the time receiving reporters, reading and dealing with internal matters of the secretariat.

After lunch, work begins in the office of Minister Golbery, with whom Atila goes to talk about new matters, the most recent questions of the reporters. He also makes further contacts with the "house" ministers and the other ministers to prepare for the daily press meeting, between 1500 and 1600 hours. "If new questions come up for which I do not have any answer, I again seek information because I cannot nor do I pretend to be omniscient. That is very dynamic; events develop very rapidly." Then the rest of the afternoon, he is at the disposal of the reporters in his office, where there is a continuous coming and going.

"Only the national interest can be the limit for providing information," argues Atila, citing the current example of Project Jari. "Negotiations are going well, but I cannot now reveal what is happening in order to safeguard the national interest. And the press has understood that very well."

In his opinion, "the press is the guardian of its own freedom: the good press must overcome the bad. And when I call it bad, I do not refer to the press that attacks the government. I refer to the one that distorts facts, that gives half-truths, that does not make impartial investigation, that ignores ethics."

That is Carlos Atila, the man who speaks for the president at this historic moment through which the institutions of the republic are passing. A man who studied logic and debating; who learned how to be press secretary with Rubem Ludwig; and who mixed with that his integrity and education and the qualities of a diplomat and a "Mineiro" [man from Minas Gerais].

8711
CSO: 3001/227

JUSTICE MINISTER TO PERFORM POLITICAL FUNCTIONS

PY030336 Sao Paulo FOLHA DE SAO PAULO in Portuguese 28 Aug 81 p 5

[Text] Brasilia--Justice Minister Ibrahim Abi-Ackel has started to personally coordinate political activities both in congress and in the states as part of a reorganization implemented by presidential civilian household chief Leitao de Abreu.

The above functions, which had been exercised by Gen Golbery do Couto e Silva concurrently with this administrative duties and his role as the president's chief adviser, were specifically outlined at a long meeting held on Wednesday by Leitao de Abreu and Abi-Ackel. The two ministers agreed to have Abi-Ackel conduct political matters while Leitao de Abreu will act as a sort of a higher authority.

The justice minister will then meet with congressmen and governors to discuss with them those problems of an eminently political nature, a task in which Leitao de Abreu does not want to get involved because it is not in keeping with his personal style. Unlike his predecessor, the new presidential civilian household chief will coordinate ministerial activities to be able to provide the president with better counsel.

Thus Leitao de Abreu chose to entrust to a professional politician, who is better familiarized with political activities, those functions which Gen Golbery do Couto seemed to have exercised with so much dedication.

The justice minister will thus be the man who from now on will have to solve political problems in the states, listen to the demands of congressmen and coordinate the approval of bills in congress. Leitao de Abreu will only intervene in disputes and his task will be that of coordinating the functions of all ministers and the overall governmental policy in addition to his duties as the chief adviser of and the closest aide of the president.

CSO: 3001/243

ISOLATION, ROLE OF MILITARY IN LIBERALIZATION ANALYZED

Rio de Janeiro JORNAL DO BRASIL in Portuguese 2 Aug 81 Special Supplement pp 1-2

[Joao Rodolfo do Prado interview with sociologist Professor Alexandre de Barros]

[Text] The development of the political liberalization will soon stop short at a crucial point: what is the role of the military as a professional group in Brazilian democratic society? To respond to this question is an urgent problem for the civilian and military elite, asserts Professor Alexandre de Barros, 38 years of age, and author of a detailed (and unprecedented) study on the Brazilian military.

In his opinion, the pure and simple return to the barracks is impossible because the military have always had an intensive participation in practically all aspects of Brazilian life (notable exceptions: diplomacy and economy). Then the civilians ended up convincing them that they are the great moderating force by virtue of many invitations for them to turn the tables in favor of those who were in the opposition.

This concern of Prof Alexandre de Barros of the IUPERJ is based on the study on the military, practically unknown to the civilian elite. According to him, the military live in isolation, marked by a specific training, distant to the point of a retired general frightening actress Dina Sfat during an interview on the Canal Livre television program.

"The Brazilian Military: Professional Socialization; Political Performance and the Building of the State" is the title of the thesis that Alexandre de Barros, who majored in political sociology in the Pontifical Catholic University of Rio de Janeiro (PUC-RJ) prepared for the University of Chicago, which won him honorable mention for the Harold Lasswell Prize for works on sociology of the military, in the Interuniversity Seminar on Armed Forces and Society, in the United States.

Alexandre de Barros worked at the University of Brasilia in 1971 and 1972; for 2 years he was an aide at the War College (ESG) at the invitation of General Bina Machado--which enabled him to associate closely with the military--and in 1975 he returned to the United States to write the thesis that is currently being translated into Portuguese and will be published by the Graal Publishing Company. This interview reflects his basic points.

[Question] What is the basis for your study?

[Answer] The basic fact is the following: I believe that the military man is an unknown in Brazilian society, whether from the quasi-individual point of view--because people do not know the military man, they do not deal with the military man--whether from the point of view of social science. There is little literature on this. There are many impressionistic things that mention the military man in passing, as a type of political actor; but, specifically, no; not, for example, like the working or slum class, that is, it is a group about which everybody expresses an opinion but in reality nobody knows nothing about in a systematic manner.

In a part of my thesis, I took the process of the professional socialization of the military and related how it was; I dissected that process. Because my idea is that what the military do or do not do politically is not the result of social origin, or is not much the result of social origin. Because there is that idea that "because the general is the son of a plantation owner, he is going to defend the plantation owners; or the general is the son of a factory worker, so he is going to defend the factory workers." That is not so.

[Question] But is not the military man a typical product of the middle class?

[Answer] I do not believe he represents the middle class. I believe that the interests of the military often coincide with those of the middle class. But I do not believe that the military man is representative of the middle class; even though that rhetoric is used; that is, that is said outside the military: "The military represent the middle class." Frequently there are statements by military men that "we represent the middle class."

But I believe that the middle class is used in this way: virtue lies in the middle; therefore, if I represent the middle, I am all right. I believe that is much more an idea that became common through use and became a truism, rather than the result of analysis. Because I believe that an important characteristic of the military is isolation. If the military are not known, it is in part because they are isolated as a social group. And in fact, they also do not know much. That is where I got into the professional socialization and characteristics of the profession, which are very peculiar.

The first thing is that the military man is very mobile. During his professional life, he has to move often: he serves in Rio Grande do Sul, he serves in Ceara, in Rio, he goes to Brasilia. That is something that complicates the social relationships of the military: it is difficult to maintain a stable social relationship with a very mobile person. It is perhaps the most mobile profession in Brazil. So what happens? The military tend to concentrate their relationships among themselves.

Another fact is that the profession, therefore, needs to provide its members with an appropriate, agreeable infrastructure. Wherever the military man arrives, he has, for example, a garrison, the military installation, if the city is small. Or he has a home. It is there more or less ready for him. In general, he has the Military Circle, has a club, a place where he fits in. And he has a fantastic thing that nobody has in Brazil, namely, the Army Library. You pay so much and wherever you may be you receive a book every month.

So the military establishment has a number of mechanisms stemming from professional needs, which favor isolation. He gets to socialize very much with his group; that is a characteristic.

[Question] That is why people generally only get on with a retired military man....

[Answer] That is because this is the time when the military man stays in one place. Well, that also causes the military man to hold a position I consider to be very important and interesting: the military man lives parallel to the market in the economic sense. Like the civil servant and the priest, within limits. Those are careers you enter and find a definite plan. You rise by merit or seniority, or else by a combination of the two, and at a given time you retire. So there is not a series of market competitions. There is internal competition within the profession, in the courses, who is going to gain first place, who is not--but there is no market determination.

So, for example, the military man finds his home waiting for him in the garrison. In larger cities, it is a little different but he has the option of whether or not to enter the market. And there is another characteristic: he cannot change profession, cannot change employer and remain in the same profession. He does not have the option of saying: "I do not want to serve in this army and I am going to serve in another." Since we do not live in mercenary armies, he cannot do that. Once he enters, it is a choice for his whole life, if he wants to remain in the profession.

[Question] But he can be an engineer, doctor....

[Answer] Well, yes, but there you have two things: the military profession and the engineering profession, which is a little different. If he wants to remain a professional soldier, even though an engineer soldier, he cannot leave there. If he leaves, he is going to change his profession: he is going to be a private doctor or an administrator. But he cannot remain as a military man outside of there or change employer.

Another thing that contributes to the isolation of the military man is the question of salary. The military man is not well paid. Someone may say: "But colonel so-and-so, who is in such-and-such a position, is well paid." That is not the point. The military as a group are not well paid. And that is a very sensitive topic in Brazil because it was always much exploited politically. So, frequently, when someone wants to raise some point, he brings up "the question of the military: the military should be paid more." So it is a somewhat untouchable thing.

But the problem is, as a group, the military are not well paid if compared to groups of equivalent age and education. This makes social relations even more complicated. If you take a major and an economist, both the same age, you can assume that they have similar education, have everything to relate to one another, to be neighbors or to meet socially, but what happens? Since there is a difference of salary and the problem of mobility, it becomes difficult for the military man to be able to reciprocate in a number of things. It becomes complicated for him. This results in contributing toward the military concentrating their relationships even more among themselves.

[Question] Stereotypically, one goes to Ipanema, the other to Tijuca....

[Answer] Obviously. Because you have a pattern...that is, one part may be the taste, but there is another part that is life: the pattern of leisure determined by income. The same way that, for example, the military man goes frequently to the military club, which is cheap, good and is there waiting for him. Considering his mobility, he cannot join a club in Rio and pay the monthly dues during the years he is away. But the military, naval and air clubs are everywhere. The military club is in Rio, but there is the Military Circle.

All that generates another characteristic, which is a tendency toward intermarriage. The families go to the club, the boys and girls meet, court. They are probably children of other military men or perhaps cadets. A very common pattern of marriage among the military is that of cadets (not necessarily the children of military families) with the daughters of officers; the young lieutenants, who have recently graduated from the academy, who go to the interior and end up marrying the daughters of the lieutenant colonel, the major. It is natural for this to occur.

There is also the fact--less so today--that the military man is an excellent catch in the interior. I heard from various officers in interviews that the arrival in the interior causes quite a stir. The lieutenant is a good catch because he is an honorable person, belongs to a stable profession; from the viewpoint of a local father of the family, it would be good for his daughter to marry him. And there is even a certain ritual of organization in the small cities--or there was, according to the description in those interviews--upon the arrival of the new officers. You see that in the memoires of military men. Now that occurs often within the Military Circle itself.

And another important characteristic that I see in the military is a matter of training. It is one of the formally most trained professions; trained and retrained. Generally, in careers or professions people are educated for the rest of their lives and are under no obligation to study any more. They can get masters or doctoral degrees but that is not a professional obligation.

Among the military, it is. When he is a lieutenant he takes a specialization course. As a captain, he takes another course, that of the Officer Post-Graduate School. When he becomes a major or lieutenant colonel, he takes a course in the Command and General Staff School, which is essential to become a general in addition to other courses that he may take. But these three at least are obligatory.

Obviously, in each of these courses, he does not only learn the technical content. The service also transmits values to him. He is updated in the values of the service. So that causes the military to comprise one of the most homogeneous groups in Brazilian society, unlike the civilian elite, for example, which is extraordinarily heterogeneous. The latter has people who came from here and there and studied at this or that place...

One of the things that the military profession does is that it says (figuratively): "Look, once you cross the threshhold of the military academy, you leave the other things outside and you are going to be a military man." Because it does not go well in the military profession for you to bring prestige from the outside, family

name, that sort of thing. The idea is that at that moment everybody begins equal. It is an institution that cultivates equality, of starting equal, although it may be a highly competitive institution internally.

The people are always placed in classifications, rankings. He received such and such a grade in his course, first place, second.... The cult of being first in the class is something that is always mentioned when one talks about the military. It is a very important biographical fact. But the institution guarantees at the beginning: "Now you are all equal; you are going to compete under equal conditions."

[Question] Thus every minister, every president is first in the class?

[Answer] Because it is a very important thing. Because there is also something: that greatly determines his place, his progress in his career. You have the opportunity to progress by merit or by seniority. If it is by merit that is a combination of things, the appraisal of one's colleagues, the appraisal of one's superiors, in short, medals...; what may be termed a professional curriculum. Now a very important part in the curriculum is the ranking in courses. There is also, for example, the lowest rankings in the courses, and it is determined that those people are not going to progress in their career, are not going to advance, or are going to advance very slowly.

[Question] That is, the military manage to establish a clear and direct relationship between knowledge and power?

[Answer] That's right. If you study, if you do well and are ranked in first place, your probability of progressing more in your career is very high. Someone may say: "Yes, but when the time for promotion to general comes, the criterion is political." It is political yes, up to a certain point. But let us put it this way: the supply, the group of colonels who are presented for promotion to general -- when there is a margin of political, presidential, choice--represents the personnel who are capable, in terms of knowledge. There is no possibility,for example, of getting someone who is not knowledgeable and saying: "Look, it can be done." You do not have any arbitrary choice.

[Question] That means that the myth that power is dumb does not operate?

[Answer] Not at all. You can say the following: the criteria of profession X, in profession Y and in the military profession are different. The military man may not know anything about a number of things but he knows what he deals with.

[Question] What he is supposed to know, he knows well.

[Answer] Necessarily. If he attained a certain position, he knows it well. You may say: military knowledge is rigid; that it is not very flexible for a number of things. You can say that military knowledge does not gibe with politics. Those are statements that can be debated, that have some basis of truth. The only thing you cannot say is: the military do not know anything.

There is a fact, a key word of the military called doctrine. That is not the Brazilian military, it is all the professional military. Doctrine is a very important

matter for the military, it is a routine and common way of doing things. In reality, outside of the highest positions, the military man is a person who spends 80 percent of his time teaching or being taught. He has a didactic, instructional, pedagogic task. He goes there and teaches the soldier to use weapons, to perform military service; or he is taking course.

And since military education needs to transmit a very large number of ideas in a very short time, those doctrines are established. You have a way to handle the 45-caliber pistol, to handle the Ina machinegun. In the same manner, you have a way to deal with the problems of the world.

And the idea that runs parallel with doctrine--and I am speaking here from the intellectual point of view--is the idea of discipline. You have doctrine so follow the doctrine. If you do not do it that way, you are undisciplined.

For example, what is a hero from the military point of view? He is a successful undisciplined person. In the extreme situation, which is a situation of war, of battle, the hero is the one who does not follow doctrine. Doctrine says: "The platoon advances this way, crawling and waits,..." Suddenly in that platoon there is a fellow who gets up, runs out, throws a hand-grenade and destroys an enemy machinegun nest. From the strict point of view, he is undisciplined. And the battle itself is going to determine whether he is going to be a hero or an undisciplined person. If his breach of discipline does not work out, he will be wounded or killed. If it works, he becomes a hero and wins a medal.

[Question] It is as if the only way to permit a breach of discipline is to make it transcendental, heroic....

[Answer] That's right. And that is a possible mechanism of military innovation: A person suddenly does something and it works out, such as a tactic or a strategy, and it may be adopted. There are historical examples of that. I spoke about an individual breach of discipline but it is also exists at this level, that of the strategist, of the general.

[Question] The impression is that the world of the military is very static.

[Answer] It is predictable. That is the basic characteristic. It is a profession that in universal terms has a very specific rule for changes. The rate of change is very defined. The question of predictability is important because from the viewpoint of the professional military man, the only tolerable unpredictable situation is war. If the enemy does something you do not foresee, you are smashed.

Another fact for an understanding of the military is that they are a group that by their own definition can determine the limits of their installations, keeping out those who are not members of the profession. All over the world, military installations have a wall with a guard and you cannot enter, except with authorization. There is a study about Turkish military men which regards this as a very important factor: the fact that the Turkish Government decided to isolate Turkish military dissidents in a military college enabled them to conspire at will without anyone outside being able to check it out. Because they said; "No, this is a high-level military school, nobody, nobody [allowed]..."

That process occurred here in the War College (ESG). When General Lott decided to remove all his "enemies" from their commands, those people whom he defined as opponents of the Juscelino Kubitschek government, he began to put a number of those people in the ESG. So those people had time to think, reflect and plan the whole idea for the takeover of power; and not only the takeover of power but of the Brazilian state. General Golbery and General Geisel were there, and a number of others went through there at that time.

Another characteristic I consider important is that the group has a very peculiar mix of provincialism and cosmopolitanism; or of nationalism and internationalism. On the one hand, the military man is a state employee. He is employed by the state, he defends the state, has very strong national values. On the other hand, he is extremely international, in the sense that his reference groups, the groups to which he looks are other military outside the country, whether as enemies or as allies. So he follows the development of their strategy, the weapons, the industry, the military potential, the economic potential.

[Question] In short, the military are similar the world over?

[Answer] That's right, the same way. What happens -- and it was an American colonel who called my attention to this, a student in a course of mine--is that an army that is constantly involved in war, such as the U.S. Army, has much more available machinery for promotion through so-called heroism. If you had a Vietnam, you can have many people who expose themselves to becoming heroes. When the armies have not participated in wars recently, one notes the lack of more defined, more observed rules. It is war that permits you to breach the rules. An army such as the Brazilian Army is, therefore, very professional.

[Question] And how does it view the other side, the world of the civilians?

[Answer] I performed military service; my specialty was that of heavy weapons mechanic; I took a course as a mechanic for mortars, cannons, that type of thing. I was relating that once to a general and he told me: "What an extraordinary thing; you performed military service. The majority of Brazilian intellectuals have not had military service. They evade military service either because they know someone--'peixada' in military lingo--or because they are flatfooted or nearsighted."

So there is that strange fact: not many people in academic life have had any contact with the military at some point in their lives, even as a draftee, as a recruit. So they do not know the military. They are a mystery.

I studied the problem of the training of the military and nonmilitary elite and, for example, that homogeneity of the military. Once I was talking to an officer and he told me: "It is impressive. The academicians manage to sit around a table for 3 days, discuss and not reach any conclusion. When we sit at a table, we reach a decision in an hour because we need to have a policy, a line of action, no matter what it may be." So the problem is that you have given premises, the premises that military socialization provides.

A premise: we all know what the basic doctrine is. We are going to discuss for 1 hour what is the best line of action. Once the line has been determined, a command choice has been made, there is no more discussion. The idea is that military personnel

are prepared for war. And you cannot have the situation in a war of the subordinate saying: I do not think that is the best way to do that; there is another way. That is, the strategy of a battle is discussed within a limited time and the commander makes a decision and goes ahead. He cannot prolong it indefinitely as in parliamentary strategy. Thus the frequent difficulty of the military to understand the strategy of parliamentary obstruction, when a bill is held back and does not move ahead.

Another conclusion of the study of the training of the elite is that the military comprise one of the few groups that have a plan for Brazil. First it is one of the few groups capable of looking at their own history as an institution and projecting a future. In that sense, it is a very continuing institution. For example, there is the role of Caxias, of Osorio....

[Question] Is the role of the institution merged with that of the state?

[Answer] Yes, and it makes it possible to make a projection for the future. Which is something that the civilian elite, for example, do not have. The Brazilian civilian elite are extremely discontinuous. For example, intellectually, the people of today do not in any way feel themselves to be the continuation of the generations of 1930. That is something that counts impressively. And strangely enough, the military and the diplomats are two groups that do that. They look back and say: the Baron [Rio Branco]...the glories of the Itamaraty [Foreign Ministry] And they project for the future.

[Question] And the Church?

[Answer] The Church is macro in time. You say Jesus Christ...But I do not believe that the Brazilian Church has that. On the contrary, it is extremely split in that sense. Nowadays, what you have is a church that has rejected the church of 10 or 15 years ago.

[Question] One detail. In recent history, the diplomats have pursued a policy that constantly seems to contradict what is happening in the other fields....

[Answer] I believe the Foreign Ministry has a policy, or an idea of what is an appropriate Brazilian foreign policy. My theory is as follows: if what the diplomats believe should be the foreign policy coincides with what the central government believes, there is something I call creative foreign policy. If there is no coincidence, then, I believe that the Foreign Ministry does not implement decisions well.

For example, I believe that Janio's independent foreign policy, Geisel's responsible pragmatism and now the policy of Saraiva Guerreiro are times when there is extreme coincidence between what the Foreign Ministry and the central government want as a policy. The contrary example is that of the Castello Branco government, when the central government had a rhetoric of automatic alinement.

Regarding the statement attributed to Juracy Magalhaes--"What's good for the United States is good for Brazil"--what we can say in anecdotal terms is: the diplomat charged with keeping him from saying anything foolish had gone to the bathroom. That is a time when I believe the Foreign Ministry was not implementing foreign policy well.

[Question] So, are there good relations between the armed forces and the Foreign Ministry?

[Answer] I believe so. They are very similar careers and cases, in the sense of being very similar professions. First, they are professions in which you can only enter from below. You cannot be appointed a colonel or embassy counselor because you have a friend. In short, they are highly hierarchical, structured, disciplined and trained professions. And also isolated, but for different reasons. But there is an aspect in which they are different; the diplomat has the cosmopolitan living that the military man only learns about in books, although he can become an attache or serve an internship or take some course abroad.

So the military man has extreme resepct for the diplomat in terms of foreign policy. We were saying that the military consider complicated what can be termed the political disarray, parliamentary debate, obstruction, but that does not happen in the Foreign Ministry. There is a group of professionals who implement foreign policy.

Outside of the economic ministries, the Foreign Ministry is perhaps the only one since 1964 that was always administered by professional diplomats. The only military men in the Foreign Ministry are performing duties they already exercised in the demarcation of frontiers. A matter of technicians, topographers, etc. There are no military men in policy decision positions in the Foreign Ministry, which also enjoys great respect abroad.

But there is a strange, recent fact. I will cite a case: an increasing number of articles and books have been published recently attacking Brazil directly, ascribing imperialist and hegemonic aims to it involving harm to the other countries. In the majority of cases, those statements have not received an appropriate response. The diplomat knows about this, he knows that that is international politics. I believe that the Brazilian military man still becomes offended by it. He still believes that if the Argentines or the Peruvians speak ill of Brazil--or whoever--it is something you should become offended about. But he does not have to become offended, it is a matter of foreign politics.

As for not penetrating into the economic ministries, I believe the reason was different. It has much more to do with the fact that the military man does not understand macroeconomics, which is related to his living parallel to the market. His very living in the economy makes that difficult. It is not an area in which he moves comfortably. In fact, I found various patterns of military participation in the public administration.

One of them is that of national security, strictly defined. There are a number of areas in which you have the military because the matter is defined as security and you have had it historically. Another pattern can be called pioneering, which may or may not be merged with national security. I believe the best example of that is telecommunications. When I was a boy there was this thing about waiting 8 or 10 years for a telephone. At that time, from the persepctive of an engineering student, telecommunications did not enter into it, it was an area that did not exist. But there were a number of officers studying because communications are part of professional training. At the time the ownership of the communications companies was decided, the Brazilian Telecommunications Company (EMBRATEL), or the Communications Ministry, was created, what was the available manpower? It was the military.

Oil was somewhat the same. Before the Brazilian Petroleum Corporation (PETROBRAS), for military reasons defined as important, there were groups of military engineers who studied oil refining and drilling abroad. Then when PETROBRAS began, there was that group.

[Question] A technical staff formed by internal needs?

[Answer] Exactly. And, afterwards, they may or may not remain. I believe, for example, that they did in PETROBRAS. I do not know how many retired military men there are in PETROBRAS but, according to reports, there are many. But in telecommunications, for example, the area of nonmilitary personnel seems to be growing very much. I believe that the Federal University of Paraiba probably does not have any reason to create a course on telecommunications engineering but the Aeronautics Technological Institute (ITA) and the Military Engineering Institute (IME) do. And I believe that there are areas dealing with satellites, electronics, data processing with military men in them.

One area of national security, for example, is education. I believe that the presence of the military in that area is by a definition of national security. It was necessary to put things in order, and now it seems that it was to reform the ministry. Another area is the one that can be vaguely defined as administrative.

[Question] And nationalization?

[Answer] In my thesis, it was a transitory issue. There was all that debate about nationalization; whether or not to nationalize. I believe that there is no reason or way to denationalize. The military are advocates of nationalization by definition, by history. I do not see that as being different.

Strictly speaking, the strange fact is that there is a dissociation between the public rhetoric and the private practice of the post-1964 Brazilian governments, even on that subject. If you read the whole mass of speeches, statements, etc. immediately after 1964 and over the years, undeniably it was the salvation of Brazil, the preservation of freedom, of Western values, etc. But as for free enterprise, economic freedom, on that score, when you look at the facts, what was done must since 1964 was to nationalize.

[Question] From the outline you have given, I cannot imagine a capitalist military man....

[Answer] No. I do not believe the military man is anticapitalistic; I believe he is acapitalistic, because of the way he interprets ideas that a businessman would interpret, about profit.... I am speaking about a serious capitalist businessman, not of a capitalist who lives sucking on the government's tits. The idea that the military man finds the idea of profit, of excessive profit, of capitalist profit complicated is present even in the United States. The American military are also like that even though there is a bourgeois, capitalist, hegemonic ideology in the United States. It is a confusing notion for him, he does not know quite well how to deal with it; he is not used to that.

The idea, for example, of military pay, of military wages, is of money that is earned on the basis of work. The idea of people who earn excessive amounts of money without doing anything is a complicated idea.

[Question] Getting back to nationalization....

[Answer] I used some statistics published in the JORNAL DO BRASIL. Of a total of almost 6,000 companies surveyed by Gilberto Paim in 1973, more than 60 percent of the control of the companies belonged to the state. And I believe that that must have increased since that time. Now there is talk about eliminating state control, of establishing private control, but I do not believe in that. I believe that half a dozen things are going to be put under private control but I do not believe that it is going to change. The figure for the establishment of state enterprises is an impressive thing. During the Medici administration, if I am not mistaken, 99 state enterprises were established.

[Question] Is the state enterprise the economic expression of the military organization?

[Answer] That's right. So why are the military going to want to eliminate state control? Furthermore, the measure of success is defined internally. Since many of the companies are monopolistic, or almost so, you can have people like Professor Eugenio Gudin, or Admiral Macedo Soares, who are against state control, saying that they are inefficient. That they are monopolistic because that way everybody makes a profit, and a number of other statements. But it does not matter. The self-definition is that they are efficient.

[Question] And what is the Brazil project of the military?

[Answer] I do not believe there is a plan in anybody's drawer of what Brazil is going to be, but I believe that there is a basic idea: that of the building of the Brazilian National State. Reconstructing it historically, there are 12 tasks in building the national state, which range from establishing sovereignty in a territory, borders, even transferring the loyalties of the population, of particular groups, of the family, of religious groups, to the state; secularization of society, the establishment of bureaucracies, the creation of armies, of an administration, of an educational system. And the ideological organization of that, such as publicizing that in such a way that people will accept the idea of a state. And rationalize that new institution.

For example, as I recall, up to the Castello Branco government, up to the Dr Travancas government, only those who wanted to paid the income tax in Brazil. After that time, as I heard someone say, every Brazilian began to have a 5-year file of papers. So that is a job of building the national state. It is a job of establishing a bureaucracy connected with the central government, which it was not previously; it was a typical civil registry type of state.

The military want to build a national state, in which a number of things are going to be regulated. So you have to establish a modus vivendi with a number of groups. I do not believe, for example, that Brazilian nationalization was planned anew, in the sense of somebody having the plan in his drawer. But I believe that it was necessary to fill vacuums; the only thing is that after you go in and you have a state-control orientation, it is much more complicated to get out.

And there is another thing. What is the minimum wage? What is it to live on a minimum wage from the point of view of an economist? It is a statistic, a table. For the military, it is a very dramatic thing. The military lives it. Not he personally, because he has his salary, he lives a reasonable life. But he sees that every day. In the barracks he sees the illiterate soldier come there, who does not know how to use the toilet, cannot understand how to break down the rifle. In that sense, his experience is much more intense than that of the civilian. He sees that here in the military base, in battalion number whatever in Fortaleza, in the Amazonia Military Command. So I believe that he has, for example, a sensitivity for that type of problem. Up to the rank of captain, major, he has direct daily contact with the soldiers, sergeants. For the military, the Brazilian social problem is a daily thing and it has to do with his profession.

For all of that, he is in one of the few groups that has that plan, that vision of Brazil, and it is homogeneous--a group that, once certain parameters are defined, unites, and quickly.

[Question] And how is liberalization going?

[Answer] Now, here there is something. You hear the political rhetoric: Military, return to the barrakcs. Return to the barracks to do what? To polish their boots? The business of returning to the barracks is not that simple. You cannot eliminate 17 years of history, to count only from 1964 until now. If you take the historical participation of the military....

I believe that now, now in the next few years, there is going to be a problem that has to be faced by the civilian and military elite: what is going to be the role of the military in Brazil. Because, obviously, liberalization does not eliminate the military. It does not say: that business of the military has ended. It has not ended, no. It is necessary to find out through debate, through serious discussion, what is going to be the role of the military.

The political elite cannot find a role for the military, who must be a little disoriented. They must say: fine, now what? What are you going to do with us? The navy minister said the other day that he preferred that the next president be a civilian. But I believe that the role of the armed forces is a more serious and broader organizational and political problem.

I believe that is a very important debate in Brazilian society. What does Brazilian society expect of its military? Should they stay in their barracks shining boots? Should they have a role? How does that fit in with Brazilian foreign policy? What is the role of the military organization in a Brazilian democratic society? It is necessary to find a legitimate place for the military in the operation of the Brazilian state.

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SAO PAULO METALWORKERS UNION HEAD REELECTED FOR SEVENTH TERM

Rio de Janeiro JORNAL DO BRASIL in Portuguese 1 Aug 81 p 8

[Text] Sao Paulo--The victory of Joaquim dos Santos Andrade, "Joaquinzao," which had the support of the Brazilian Communist Party (PCB) and the 8 October Revolutionary Movement (MR-8), represented the defeat of the Workers Party (PT), of Lula, the Grassroots Communities, Socialist Convergence, the Movement for Emancipation of the Proletariat, of Libelu, and a faction of the Communist Party of Brazil (PC do B) that openly supported the other contender, Valdemar Rossi, to head the Sao Paulo Metalworkers Union.

At 2300 hours, counting of ballot box 138, which is subdivided into 10 smaller ones, indicated that Slate 1 had the advantage. It had 21,956 votes against 20,100 for Slate 2. Even if the latter were to get all the votes of the seven remaining ballot boxes, Slate 2 will not be able to make up the difference. The results were being reported to the Department of Political and Social Order (DOPS) by its agents in the union sector.

The Support

Joaquim dos Santos Andrade, for 17 years president of the Sao Paulo Metalworkers Union, a sector that has 424,000 workers, had the support of the Brazilian Communist Party and MR-8 and defeated Valdemar Rossi of Slate 2, which had the support of the Workers Party and the Grassroots Communities.

At 2100 hours, the partial results (only one ballot box with about 3,000 votes remained to be counted) indicated that Slate 1 was ahead with 21,921 compared to 19,958 for Slate 2. Joaquim dos Santos Andrade guaranteed his victory in the five ballot boxes installed in union headquarters, which gathered the votes of retirees, unemployed workers and members who did not vote in the factories.

In the 150 ballot boxes that covered the factories, Slate 1 received 14,066 and Slate 2 received 17,273. The atmosphere during the vote counting held at the All-Sports Complex was tense, with the two groups of rooters separated from one another and exchanging slogans; there were rowdy moments, the gates having been closed by the DOPS and the military police.

Charges

There were 2,000 Rossi supporters; Joaquim's were made up of people connected with the newspaper HORA DO POVO, of MR-8, and coming from Belo Horizonte and Rio de Janeiro. Counting began at 1000 hours and Valdemar Rossi complained about a number of irregularities.

The first disturbance occurred in the court of the sports gymnasium--with the poster still announcing the Bulgaria vs Brazil game. A person carrying cameras managed to get Joaquim and Rossi together for a photo, causing a reaction among members of Slate 2. The photographer refused to give his name, saying only that he was from Obore (a press outfit contracted by Joaquim) and the VOZ DA UNIDADE, a semiofficial spokesman for the PCB. There were threats of a fight, with the photographer even accusing some newsmen of "divisionism" when they tried to photograph the scene.

Slate 2 received a vote advantage of up to 1,000 votes in the initial ballot boxes, but as the union ballot boxes were opened, the advantage diminished. The secretary of the Retired Metalworkers Association, Urias Olibeira, said that the victory would go to Slate 1, supported by the organization.

Votes Challenged

Various demands to void votes were made by Slate 2. Valdemar Rossi charged that the "election was fraudulent, favored by the shortcomings of the union structure." His biggest complaint pertained to ballot box 138, which received votes in the union.

The refusal to disallow ballot box 138 at 2215 hours led Valdemar Rossi of Slate 2 to withdraw his poll-checkers, an action that was immediately followed by the Slate 1 checkers. The result was that ballot box 138, the last to be counted, was also left without the counters of the two slates, who stopped their work. Under that unforeseen circumstance, the labor proctors had to assume the positions of vote-counters.

Even without knowing the result of ballot box 138, Joaquim dos Santos Andrade's victory was assured. That ballot box, considered "Joaquim's ballot box," stays in the union headquarters on voting days, gathering the votes of the retirees, unemployed and the metalworkers who did not vote in the factories. In the first count, a week ago, that ballot box showed an advantage for Joaquim Dos Santos Andrade: Slate 1--1,315; Slate 2--337; Slate 3--139.

At 1700 hours, there was a disturbance in the bleachers occupied by Slate 2. Then the story was revealed: a DOPS agent was almost hit by a stream of spit; he spotted the culprit and went up to arrest him. In the confusion, his shirt was torn, according to a witness. Nobody was arrested but for 15 minutes those who were inside could not get out, and those who wanted to enter--newsmen, lawyers and even inspectors named by the Regional Labor Department (DRT)--were kept out.

Valdemar Rossi was downcast when the defeat was decided, while Slate 1 carried on, waving blue kerchiefs and shouting "Joaquinzao, Joaquinzao is going to put an end to division." The vote difference at that point was 1,500 in favor of Slate 1.

At 2030 hours, a demonstration surprised those present. Carried on the shoulders and hailed in unison by his 2,000 supporters, Valdemar Rossi paraded around the enclosure and spoke in behalf of the "free union, which is you."

Victor Believes That Good Sense Prevailed

At 2100 hours, Joaquim dos Santos Andrade considered his victory "the victory of good sense and of democracy. My proposition is unity and participation without revanchism." Valdemar Ross of Slate 2 admitted defeat. "I was defeated, yes, but defeated illegally."

"Ballot box 138 is completely irregular and there were also irregularities in ballot boxes 4 and 78. The proctor did not accept our challenges, which could have changed the result. When the law is in our favor, they do not observe it, but when it is against us, they apply it," Rossi said.

According to Joaquim dos Santos Andrade, "the working class today (yesterday) gave what it demands: participation. Our immediate goals are to struggle against unemployment and to fight to overcome the economic crisis." And he added that "the opposition has to participate. Opposition must end when the election ends.

At 2130 hours, ballot box 138--the one that was charged with being irregular by Slate 2--began to be counted under the supervision of the labor department. The votes were recounted one by one and counting was expected to be completed by about 2300 hours.

Assessment

"If Rossi had won, they would have said that it was the victory of the PT. Since he lost, the defeat is the church's. Since Joaquim won, the victory is that of the Brazilian Communist Party. If Joaquim had lost, they would then have said that it was the defeat of the henchmen."

That analysis, voiced in a sarcastic tone, was made by the chairman of the Justice and Peace Committee of the Sao Paulo archdiocese, attorney Jose Gregori, when the defeat of the candidate of Slate 2, Valdemar Rossi, supported by the PT and by members of the Grassroots Communities, was already being denied.

A war of slogans between the supporters of Joaquim dos Santos Andrade, made up of people connected with the newspaper HORA DO POVO, MR-8, and Rossi's supporters, summarized the political background of the metalworkers election. The PCB supported Joaquim dos Santos Andrade.

They excitedly exchanged slogans such as "HP (HORA DO POVO) and the Big Party (PCB) will bring joy to the bosses," [by Slate 2 supporters]. And in turn, the Slate 1 supporters, waving blue kerchiefs, shouted: "Joaquimzao will put an end to division." The response was: "Fascists and henchmen are dealt with a drubbing." At the table of Slate 1 (incumbent), Deputy Alberto Goldmann (Brazilian Democratic Movement Party (PMDB) for Sao Paulo), checked the figures, and on the side of Slate 2 (the opposition) Deputies Sergio dos Santos and Marco Aurelio Ribeiro (Workers Party) talked to Helio Bicudo, nominated by the PT as candidate for the governorship of Sao Paulo, observed:

"The results in the factories (Slate 1--14,066; Slate 2--17,273) shows that Joaquim won because of the union ballot boxes. I do not think we can say that the PT was defeated precisely because of that voting, which included the retirees and unemployment."

Slate 1 aides did not like that explanation and said that many people who voted for Slate 3 in the first voting (it received 7,000 votes and withdrew in favor of Slate 2) ended up preferring Joaquim dos Santos Andrade. Deputy Aurelio Perez (PMDB--Sao Paulo), who headed Slate 3, admitted that persons who had voted for our people may have voted now for Slate 1, but they are few. I believe that the political proposition of Slate 2 is bad but it is preferable to that of Slate 1."

Industrialist Paulo Francini, director of the Federation of Industries of Sao Paulo and member of Group 14--which embraces the management associations in the metallurgical sector--admitted yesterday that he had noted "feeble support" among industrial circles over the victory of Joaquim dos Santos Andrade as president of the Sao Paulo Metalworkers Union.

He expressed concern, however, over the division in the sector that was reflected in the elections. "That division may hamper the coming negotiations that are due to take place in October. Because, basically, instead of negotiating with one, you negotiate with two, and those two do not like one another," he observed. He considered that "it would be very good for the two sides to become reconciled because it is worse for the relationship between labor and management not to know with whom one is negotiating."

Paulo Francini has no doubt that the union movement is going through a process of transformation. In his opinion, the question of guaranteed employment will be posed more strongly in the next negotiations. "Two years ago, when guaranteed employment was talked about, the economy was growing and the industrialist was free to hire and fire the worker who, for his part, did not see any threat in that because he could even find a better job."

Now, he explained, the industrialist knows that those 200,000 unemployed that exist may remain unemployed for a long time. For that reason, he believes, the recession may bring the industrialists close to the workers in the search for satisfactory solutions for both. "The forthcoming negotiations will be very fruitful," Francini predicts.

Election Revealed Factional Dispute

Sao Paulo--The PT, its national president, Luis Inacio da Silva, "Lula," and the Grassroots Communities, who openly supported the opposition slate headed by Valdemar Rossi, the worker who greeted Pope John Paul II in Morumbi Stadium, were the big losers in the election of Joaquim dos Santos Andrade, "Joaquinzao," to serve his seventh term as president of the Sao Paulo Metalworkers Union.

Lula, his party and the Grassroots Communities of the Church considered that if the opposition were to win, that would be the most important political victory achieved in the country since 1964 because with the Sao Paulo Metalworkers Union in their hands--with 54,000 members and representing a base of 425,000 metalworkers, it is the largest workers union in Latin America--they could imprint a new line on all Brazilian unionism.

For that reason, despite the fact that he was involved in the election campaign for his union, the Metalworkers Union of Sao Bernardo do Campo and Diadema, from which he was ousted as president by Minister Murilo Macedo last year, Lula involved himself in Valdemar Rossi's campaign for the Sao Paulo Metalworkers Union. Thousands of letters in which he asked the Sao Paulo metalworkers to vote for the opposition were mimeographed and distributed in the metallurgical industries of the capital.

That defeat is the second that Lula and the PT have suffered this year in the union sector. Last May, although he did not become directly involved, he and his party lost the election in the Sao Paulo Professional Journalists Union to the opposition. In that election, the majority of the members of the defeated slate belonged to the PT and, although that union has a small membership, victory there would have been important because of the representativeness and mobilizing power that the Sao Paulo journalists union has.

Traditionally, until the emergence of the PT and the Grassroots Communities, and before the splitting of the left, union elections in Sao Paulo represented a political battle between the so-called right and the PCB, with the latter almost always winning. That tendency is confirmed once again in Joaquinzao's election since he was supported by the PCB--the wing that follows secretary general Giocondo Dias--and by MR-8. In addition to Lula, the PT and the Grassroots Communities, the radical left was also defeated. Groups such as Socialist Convergence, the Proletariat Emancipation Movement, Freedom and Struggle (Libelu), and a faction of the PC do B supported Valdemar Rossi.

Lula's new defeat, however, should not lead to the conclusion that he will lose the election next August in his biggest bastion, the Metalworkers Union of Sao Bernardo do Campo and Diadema, from which he gained national recognition 4 years ago. Although the margin of victory may not be as large as that Lula hoped for, all the surveys conducted in Sao Berdo do Campo indicated that the slate supported by him will beat the one opposing him, which is headed by unionist Osmar Mendonca and supported by MR-8.

Thus, despite the defeat in the journalists and Sao Paulo metalworkers unions, Lula will reaffirm his strength in the region that is considered the bastion of the most aware workers in Brazil--Sao Bernardo do Campo.

8711
CSO: 3001/227

BRIEFS

PLANNING OFFICIAL VISITS TOKYO, MOSCOW--Brasilia (O GLOBO)--Jose Flavio Pecora, general secretary of the Brazilian Planning Ministry, heads a mission consisting of nine persons who will arrive tomorrow in Tokyo to discuss with Japanese businessmen ways of expanding Japanese participation in the Carajas project and in the scrub land irrigation project. On 6 September, the mission will be in Moscow. In Moscow, Pecora will carry on the talks held in the USSR in July by Planning Minister Delfim Neto. Brazil is interested in expanding bilateral trade to promote the sale of Brazilian manufactured products. Brazil is willing to sign long term supply contracts (5 years) of agricultural products with the Soviets in exchange for the sale of manufactured products. Pecora will also make short stopovers in Frankfurt, the FRG; and in Paris. In these two countries he will meet with the general secreatries of the respective economy ministries. Pecora will return to Brazil on 15 September. [Text] [PY290328 Rio de Janeiro O GLOBO in Portuguese 28 Aug 81 p 19]

NEW 4TH ARMY COMMANDER--In a ceremony presided over by Armu Minister Gen Walter Pires this morning, Gen Enio Gouveia dos Santos assumed command of the 4th Army headquartered in Recife, Pernambuco. General Gouveia dos Santos replaced Gen Florimar Campelo who retired upon completing 12 years in the rank of general under provisions of army regulations. [PY010145 Brasilia Domestic Service in Portuguese 2200 GMT 31 Aug 81]

CSO: 3001/243

WEEKLY NAMES 50 KEY FIGURES IN PUBLIC LIFE

Santiago QUE PASA in Spanish 30 Jul-5 Aug 81 pp 13-15

[Text] For the 5th consecutive year, the "wizards" at QUE PASA (and some assistant wizards) gathered to ask the same question: Who are the key Chileans in this year 1981? And, as always, it is well to reiterate the foundations, the criteria of selection:

The "key men" pertain solely to the area of public affairs. They do not, then, include the singular figures in other fields which are as important or equally so--cultural, scientific, athletic, etc. Obviously, the "key men" are not only those who manage public affairs, but also those who, in various ways, influence the area. Therefore, the list includes churchmen, journalists, etc.

The "key men" are so classified because of the importance of their work or influence, without judgment as to whether they do it well or badly.

Because of their obvious "weight," neither the chief of state nor the members of the Junta (thus this year, for the first time, Gen Cesar Benavides is not included as a "key man"), nor the heads of the other branches of the state, nor the first lady, are included on the list.

And with these explanations (from those who "because they are wise keep silent, and because they keep silent, are forgotten"), we proceed with the 1981 list.

The Government

The economic team contributes Sergio de Castro, minister of finance, for the 5th consecutive year; the new president of the Central Bank, Sergio de la Cuadra (the 1981 replacement for Alvaro Bardon); Miguel Kast (who has also been on the list for 5 years), who is implementing the social welfare reform in the labor post, and continues to be the "sponsoring father" of his former responsibility, the ODEPLAN [National Planning Office]; Jose Pinera, who hopes to repeat his labor and welfare successes in the mining post; and Felipe Lamarca, the harsh taxman.

The political team at La Moneda continues to be headed by Sergio Fernandez, minister of interior (5 years), with another outstanding figure, Jovino Novoa, the dynamic undersecretary general of government.

In other government departments, Enrique Bernstein continues to symbolize the efficient group in charge of papal mediation on the dispute in the southern area; Alfredo Prieto, as minister of education, has implemented the bold and polemic reforms in education in these past two years; Foreign Minister Rene Rojas has achieved excellent success in normalizing our foreign relations; and Minister of Justice Monica Madariaga continues to be the leading voice in the area of justice.

Armed Forces

In the navy, Vice-Admirals Lopez and McIntyre are, as they were in 1980, the closest advisers of Admiral Merino.

In the army, the following have decisive influence institutionally or as government leaders:

General Washington Carrasco, vice-commander in chief;

General Humberto Gordon, who heads the much-harassed and debatable but undeniably active CNI;

General Roberto Guillard, in charge both of the CONARA [National Administrative Reform Commission] and the Advisory Committee to the Junta (COAJ), and who also, along with General Santiago Sinclair, minister and chief of the presidential general staff, symbolize a group of high-ranking military officers, a number of them lawyers, who have great influence in the legislative sector today...and not only on the technical level, but also in terms of what we could call "philosophy"--the spirit of the laws promulgated. Two other key men belong to the same generation of generals: Alejandro Medina, rector of the University of Chile, and Gaston Frez, president of the CODELCO [Copper Corporation], the largest state enterprise, and one of the largest in the world.

General Carol Urzua, intendant of Santiago, who has established a new concept of the relations between the majors and their regional intendant.

Politics

This sector is in recess, but it has not died. This field involves a politics of ideas more than what we traditionally call politics.

On the government side, three trends can be seen:

the trade union sector, represented on our list by Jaime Guzman (5th year), strong in the universities, youth groups and with some of the mayors;

the nationalist sector, in which the most outstanding figure continues to be Pablo Rodriquez (5 years on our list), a columnist for QUE PASA and LA TERCERA. However, this sector is gradually (Rodriguez included) finding its "home" in the National Studies Corporation headed by Lucia Pinochet Hiriart; and

the supporters of the pro-Pinochet civic-military movement, forcefully launched by journalist Federico Willoughby. Willoughby's idea has been attacked by the trade union sector and EL MERCURIO, but is believed to have won sympathy among the nationalists and in government and military sectors (see story on p 17).

On the opposition side, Eduardo Frei (5 years) and the combative ideologist Jaime Castillo are political survivors among the Christian Democrats, while on the other hand, the sociologist Claudio Orrego emerges as the possible "man of the future."

The clandestine and violent opposition, on the other hand, continues to cause problems with its never-ending series of attacks. For 1980, our choice as its symbol was Andres Pascal. This year we do not know if Pascal is still in Chile (if in fact he ever was), but terrorism continues to be a fact. Its mentor is XX, our key man No 32.

Trade Unions

Copper workers' leaders Guillermo Medina and Bernardino Castillo and the "rebel" leader of the farmers, Domingo Duran, retain their "weight," while the star of the leader of the controversial "coordinating body," Manuel Bustos, is rising with his bold attempt, through the "portfolio of Chile," to revive trade unionism of a national and politically oriented nature in the style of the CUT [Single Federation of Workers] of the past and not so happy years.

The Church

The dividing lines within this sector have become clearer and more definite. Cardinal Silva (5 years on the list) continues in harsh opposition to the government, as does his deputy, Monsignor Jorge Hourton, in still more vehement fashion, and in continuous and public contact with the political left. On the other hand, and equally clearly defined--perhaps taking a more extreme stand because of the very violence of his opposition--is the archbishop of the port, Monsignor Emilio Tagle. Two other churchmen who are friends of "the future" are navigating cautiously--the secretary of the Chilean bishops and a bishop himself, Monsignor Bernardino Pinera (5 years) and the vice-chancellor of the Catholic University, Monsignor Jorge Medina, who has important contacts in Rome. The entire Chilean church is looking toward 1982, when suddenly (due to the age of the incumbents) three archiepiscopal seats will be vacant: Santiago, Valparaiso and Concepcion.

The Press

Here the names have changed little. Arturo Fontaine has been on our list for 5 years, representing the power of EL MERCURIO. Alberto Guerrero, in turn, represents the rival power of LA TERCERA. Also representing that morning daily, and because of his own skill as a consummate navigator in all seas, German Pico Canas is a "key man." And finally, Hernan Garcia and Eleodoro Rodriguez symbolize the unchallenged weight of their respective television channels (National and Catholic) and the network in general.

Miscellaneous--Difficult To Classify

Finally, there are "key men" whose influence is little challenged but who are difficult to categorize. Jorge Alessandri continues in his returement to exert influence because of his experience and intelligence, and because he is admired and consulted by many who are themselves important individuals. Something similar occurs with Julio Philippi, if indeed he is of course much younger and fully active. However, his importance still transcends the serious specific tasks, such as for example

those involved in the mediation effort, which are his responsibility. Jorge Swett, rector of the Catholic University, continues to govern the second largest university in the country with skill, wisely balancing the influence of a state and a church which think little of each other. Horacio Gonzalez, the masonic leader, remains on the list for that reason, despite the internal conflict to which his style of leadership has led in the order. Javier Vial and Manuel Cruzat still head the most powerful and expansive economic groups: the present situation does not seem to affect them. Pablo Baraona, as an economist, publicist and key man for difficult tasks (the CRAV-CRAVAL agreement) is back on the list. And the public insists on assigning a role to General (ret) Manuel Contreras which goes beyond his physical activities in a private security agency, with the aid of numerous and competent retired generals and colonels: of these individuals who are miscellaneous and difficult to classify, Contreras, Cruzat, Vial, Philippi and Alessandri have been on our list for 5 years.

The 50 Key Men in 1981

1. Jorge Alessandri
2. Pablo Baraona
3. Enrique Bernstein
4. Manual Bustos
5. General Washington Carrasco
6. Bernardino Castillo
7. Jaime Castillo
8. General (ret) Manuel Contreras
9. Manuel Cruzat
10. Sergio de Castro
11. Sergio de la Cuadra
12. Domingo Duran
13. Sergio Fernandez
14. Arturo Fontaine
15. Eduardo Frei
16. Gaston Frez
17. Hernan Garcia Barzelatto
18. Horacio Gonzalez
19. General Humberto Gordon
20. Alberto Guerrero
21. General Roberto Guillard
22. Jaime Guzman
23. Monsignor Jorge Hourton
24. Miguel Kast
25. Felipe Lamarca
26. Vice-Admiral Raul Lopez
27. Monica Madariaga
28. Vice-Admiral Ronald McIntyre
29. Alejandro Medina
30. Guillermo Medina
31. Monsignor Jorge Medina
32. XX, MIR [Movement of the Revolutionary Left]
33. Jovino Novoa
34. Claudio Orrego
35. Julio Philippi
36. German Pico
37. Lucia Pinochet Hiriart
38. Bernardino Pinera
39. Jose Pinera
40. Alfredo Prieto
41. Eleodoro Rodriguez
42. Pablo Rodriguez
43. Rene Rojas
44. Cardinal Raul Silva
45. General Santiago Sinclair
46. Jorge Swett
47. Monsignor Emilio Tagle
48. General Carol Urzua
49. Javier Vial
50. Federico Willoughby

The Former Key Men

Of the names on our 1980 list, the following 13 have lost their places--and almost all of them were probably very pleased, because it is not amusing to find oneself always in the focus of public attention (and on the spot): Patricio Aylwin, seemingly less active or less influential than before in the old Christian Democratic sector; General Sergio Badiola, transferred from the Secretariat General of Government to the military mission in Spain; Alvaro Bardon, transferred from the

presidency of the Central Bank to the Concepcion Bank (with no effect on his well-read columns in EL MERCURIO); student leader Juan Antonio Coloma; the bishop of Chillan, Francisco Jose Cox; Hernan Garcia Vidal, who went from the rectorship at the University of Chile to the Institute of Regional Studies at that same university; Patricio Guzman, former mayor of Santiago and now manager of the Agsametal construction company; Alfonso Marquez, who retired from the Ministry of Agriculture to his private farm and export businesses; General (ret) Odlanier Mena, who went from the CNI to the embassy in Paraguay; Juan Carlos Mendez, who went from the budget office to the Public Studies Center; MIR leader Pascal, of whom nothing has been heard for many months; General (ret) Agustin Toro, former rector of the University of Chile, who is now working with General (ret) Contreras and preparing to take over the rectorship at the brand new Andalien University, organized by the Lions Club of Penco; and Andres Zaldivar, now in exile.

Future Glimpses

There are certain emerging elements in public life who are moving closer to being "key men." For example, there is the priest Raul Hasbun, whose newspaper and television reports speak for an increasing following; the controversial rector of the University of Concepcion, Guillermo Clericus, who has introduced a revolutionary variation in the field of student representation at that institution; Luis Valentin Ferrada, the spokesman for youth sectors situated between Jaime Guzman's trade unionism and the nationalism of Pablo Rodriguez (see main story); Genaro Arrigada, an emerging figure in the Christian Democratic youth sector; Hugo Rosende, dean of law at the University of Chile, another legal voice carefully heeded on the higher levels; General Fernando Lyon, of the "jurist generals'" group mentioned in the body of the article; Fernando Gonzalez, a nationalist who head the Teaching Academy, to which the former secondary and basic educational levels at the University of Chile have been transferred; Jose Luis Toro, minister of agriculture, who enjoys the very best of relations with the farm associations; Andres Chadwick, youth leader, and others whose names do not come to mind now.

J. Alessandri

E. Bernstein

M. Bustos

Gral. W. Carrasco

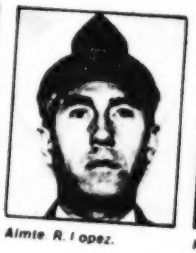
B. Castillo

M. Cruzat

S. de Castro

S. de la Cuadra.

A. Prieto

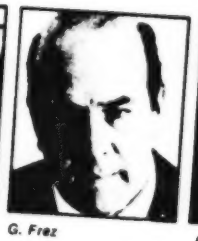

Almte. R. Lopez.

M. Kast.

D. Duran

S. Fernandez

E. Frei


G. Frez

Gral. H. Gordon

Gral. R. Guillard

J. Guzmán

5157
CSO: 3010/1692

CASTRO DECORATES POET GUILLEN WITH MARTI MEDAL

FL08041 Havana Domestic Service in Spanish 1000 GMT 8 Sep 81

[Text] Commander in Chief Fidel Castro, president of the councils of state and ministers, last night decorated Nicolas Guillen with the Jose Marti Order during a solemn ceremony held at the palace of conventions which was attended by members of the PCC politburo, secretariat and central committee, government ministers and leaders of mass and professional organizations well as the participants in the meeting of intellectuals for the sovereignty of our America's peoples.

Cuban Culture Minister Armando Hart read the resolution of presentation of the award, the highest conferred by the council of state. He said that Guillen is ours not only as a Cuban but also as a Caribbean and Latin American, and additionally as an exponent of that which is most progressive and popular of the movement of intellectuals in the entire world.

At the conclusion of Hart's speech, the chief of the Cuban revolution walked toward Guillen and placed on his chest the order bearing the image of the hero of Cuban independence, and subsequently embraced him.

Nicolas Guillen made a speech to express gratitude for the honor conferred on him and recalled that the enormous gains made by our people during these years of socialist work constitute the great poem which is the Cuban Revolution. Then, the Cuban national poet recited his poem "I Have," which was accorded a prolonged ovation.

Subsequently, those present in the ceremony attended a reception hosted by the president of the councils of state and ministers in honor of the participants in the largest meeting of Latin American intellectuals ever held in our country. During the reception the commander in chief chatted with the guests from all parts of the world.

CSO: 3010/1771

WEST ARMY CHIEF SETS OUR 1981-1982 TRAINING GOALS

FL021217 Havana Domestic Service in Spanish 1045 GMT 2 Sep 81

[Text] In connection with the beginning of the 1981-82 training period in the Revolutionary Armed Forces [FAR] units, the chief of the western army, Div Gen Ulises Rosales del Toro, addressed the members of his command. The speech discussed the main tasks and missions that the Army should undertake at this stage.

The new training period just beginning raises new requirements and tasks among which we consider the following as basic: to maintain a high level of combat readiness and campaign training of the larger and regular units so that they may be permanently ready to reject any enemy aggression; to continue to raise the level of training of chiefs, officers and staff in their mission to make the troops and forces completely combat ready, rapidly deplorable and trained for combat; to continue to raise the ideological level of training, combining the theoretical knowledge acquired with the practice of military work; to continue to raise the level of quality in the training of the troops, especially in basic subjects, consolidating the levels reached in (?firearms use), tactics and leadership; and to continue to raise the qualitative training of the reserves, particularly the training of territorial troops.

These objectives can be attained by means of the implementation of methods and styles of work designed to make education, consciousness, order and discipline more systematic and abundant. We must then continue to improve the methods of administering and controlling combative and political training, continue to increase the methodological training of our officers, continue to develop the material base of study, improving the application of regulations and direct work with the men.

Div Gen Ulises Rosales del Toro concluded: this training period is the first that follows the celebration of the second party congress, an event which appraised the work of the armed forces as satisfactory and showed that we are militarily stronger today. Hence, we shall strive to improve each day's results, increase exigency and salute the 25th anniversary of the armed forces with higher levels of combat readiness.

CSO: 3010/1771

HART'S ADDRESS TO INTELLECTUALS

FL051933 Havana Domestic Television Service in Spanish 0030 GMT 5 Sep 81

[Speech by Armando Hart, Member of the PCC Politburo and minister of culture, at the 4 September Opening Session of the Meeting of Intellectuals for the Sovereignty of the Peoples of Our America held at Havana's Palace of Conventions--recorded]

[Text] Comrade Fidel Castro, comrades all: There are many intellectuals in the honored legion of martyrs of our America. Many of them are in prison or have been kidnapped or murdered by fascist regimes. And there are some in the frontline of combat in several countries of our America. Our first words are addressed to them and to those who have in the course of history joined the best of revolutionary minds.

Casa de Las Americas, you well know, is your home. At its convocation, a very large number of writers, artists, researchers, critics and theoreticians of culture have gathered in Havana to meet and to reflect on the defense of the sovereign rights of the peoples of our America. Casa de Las Americas calls and gathers us here because it is convinced that Latin American and Caribbean intellectuals exert an important influence in the fulfillment of that great responsibility.

We welcome you conscious of the need to put into practice the precursory words of Jose Marti: the trees must close ranks so the seven-league giant may not pass. The time has come for taking inventory and marching together and we shall walk in tight formation as the silver at the bottom of the Andes [Hemos de Andar en Cuadro Apretado Como la Plata en Las Raices de Los Andes].

Just as Marti had feared, the seven-league giant seized Cuba and Puerto Rico and fell upon our American lands with greater force. The time to take inventory and march together, the time to walk in close formation as the silver at the bottom of the Andes, impels us today in 1981 not only to stop the seven-league giant but to make him leave our lands once and for all. And if our Cuban land was the initial strong point for his penetration, it will now be the moral strong point for his definitive expulsion. Through America, the world began to learn about itself in the 15th and 16th centuries. Through America, the world must advance to the definitive conquest of its freedom on the threshold of the 21st [century]. We, the peoples of Latin America and the Caribbean are not a closed world turned inward to itself. We are a beautiful combination of universal factors. What is looked

after and protected in terms of culture in America is our own creation and it is also a universal creation. The universal vocation of our America, born of the very wide diversity of its cultural components, is an extraordinarily valuable factor in a world where narrow nationalism, chauvinism and imperialist prepotency limit the expansion of creative freedom. That vocation can and should play an outstanding role in the struggle for world peace.

For economic, historical and cultural reasons, the liberation of our America will also influence the United States itself with whose people we shall reach an understanding on the basis of equality, mutual respect and the clear comprehension that over there, in the other America, there are a working people, exploited masses and honest and progressive intellectuals, many of whom share our cultural origins.

When we denounce imperialist domination in our America, we are defending a work of the universe for the benefit of the world. This denounciation is founded not only one the individual reflections of any honest and right-thinking man. It is also supported by reading the dramatic reports in the press or the studies our intellectuals are doing on the genocide and violence that the majority of the countries of the continent are suffering or on the terrible conditions in which millions of residents of the so-called villas miserias [slums] live and on the hunger, the lack of health and illiteracy suffered by tens of millions of peasants subjected to the most cruel exploitation and by those who live in vast regions of the continent on the fringes of civilization.

And while this is going on the imperialist country spends hundreds of billions of dollars in an arms race which, if not stopped by mankind, could fatally lead to a nuclear holocaust.

This denounciation is also based on the critical situation faced by the various disciplines of cultural creation and human knowledge in a continent in which, in addition to illiteracy and lack of culture, there are still regimes that burn books, assassinate artists and writers and persecute thousands of their most able citizens. And they do so as part of a plan of denationalization and subordination to foregin interests, a plan with which they deprive our peoples of their material resources and at the same time try to rob them of their capacity to create art and develop their own ideas.

The illiterate population 15 years or older in our area is over 40 million. As this is the official figure--reality is much more dramatic. When this figure is broken down into countries, the problem becomes extraordinarily distressing. The official rate of illiteracy in Bolivia is 37 percent. In Guatemala it is 54 percent, in Haiti, 77 percent. A very optimistic estimate allows us to assert that at least one out of every four inhabitants of our continent cannot read the pages of a book or the headlines of a newspaper and cannot write a letter or sign a document. Underlying this situation are the huge limitations of the educational systems which do not serve the great majority of the population, and the dropout rate which in our America is 60 percent. This happens in a continent where 41 percent of the population is under 14 years of age. In other words, where 150 million of children and adolescents live. What talent and effort have created for thousands of years is not available to the source of tomorrow's culture, i.e., those 150 million children and adolescents, but rather, at the whim of their executioners and murderers, of the same people who control the means of extermination and war.

Who knows how many artists, intellectuals and scholars are nipped in the bud, condemned to vegetating by regimes that are killing culture with impunity.

And this is not only a problem of our America. According to UNESCO figures, there were 814 million illiterates in the world in 1980. Given existing trends, it is estimated that this figure will be 884 million by 1990. These projections indicate that mankind will enter the third millenium with nearly 1 billion adult illiterates--1 billion adults who the civilized 20th century will leave bereft of culture. And this is happening in the last decades of the 20th century while the scientific and technical revolution extends the human universe in the age of computers and cosmic flight.

Artistic creation has given birth and development to a branch of material production with complex economic and technological demands. It has created in developed countries a strong cultural industry. This is an important basis for the development of the cultural movement in our times. What conditions do our countries possess to meet these technical and economic demands?

In our America, the United States has concentrated almost 70 percent of its foreign investments on our America. From investment profits and external debt service alone, it obtains approximately 40 billion dollars a year from this area. The external debt of Latin America and the Caribbean has increased more than 15 times between 1965 and 1980, when it reached 150 billion dollars. In 1 year alone, the United States takes out as much as all the gold that the European metropolises took during the conquest [of Latin America].

These figures are further aggravated by the multiplied burden of the petroleum crisis, recession, inflation and other phenomena of the world's capitalist economy. These are the resources and funds that are needed--and even then will not suffice--to develop education and culture in our America.

And it is not a matter only of present data but of the even more dramatic figures of the future.

Our region's population has been growing at a rate of 2.8 percent a year. In other words, a rate more than three times that of developed countries. The number of inhabitants, which was 368 million in 1980, will continue to grow signficiantly in the remainder of the century until it reaches 600 million in 2000. This means that at the end of this century, the population of Latin America and the Caribbean will amply exceed that of all Europe with the exception of the Soviet Union, and it will be nearly double that of the total population in the United States and Canada at present. These people will represent 1/10 of the 6 billion souls on earth by then. Eighty percent of the world's population will live in the new underdeveloped countries by then.

Concerning these demographic projections which require colossal economic, social and cultural efforts, one of the U.S. theoreticians of contemporary malthusianism came to write: "The Future Looks Gloomy, Very Gloomy."

The future may look gloomy to the imperialists, but the present is also gloomy for the peoples. The gross domestic product per inhabitant in Latin America and the

Caribbean is not even 1/4 of the average in developed countries, and this situation is further aggrevated by the fact that in some nations such as Haiti it is so low that it is beyond any possible comparison. In our America, 5 percent of the population gets 1/3 of the total income. Thus, this opulent minority has an annual income that is 40 times higher than that of the poorer strata.

At the beginning of this century sixty-five million people, a figure close to the number of inhabitants our America had to try to subsist--barely--with less than 50 dollars a year.

Can this immense population reach acceptable levels of culture? Can the problems of art and culture with the required modern technological and industrial demands be dealt with the poverty and very low income levels of Latin American and Caribbean societies?

Economic and socio-cultural budgets are so basic to structural reforms that it is impossible for such a significant group of intellectuals to analyze the continent's cultural drama without raising the need for deep social changes. As this inequality in the economic field is manifested in the rich becoming richer and the poor poorer, it manifests itself culturally both the rich and the poor becoming less cultured.

We must consider culture as an essential component of development. It is so because of its indirect but enormously significant effect on increased work productivity and also because of its influence on the improved quality of social life. The qualitative elements of social life substantially depend on cultural movement.

Our intellectuals--you--raise the banners of a genuinely and popular and humanist culture--which is to say, creative--and commit yourselves to its defense. You are assuming that commitment is something natural. You experience the social drama of America and are prepared to denounce it. That denounciation is the most important factor for unity among men and women of culture of this continent.

The search for an increasingly broader and deeper unity among intellectuals should lead us to reflect about what the topics are that we should subject to analysis and who our main enemies are.

The crucial problems of culture and the consistent struggle against our real enemies should be foremost in this analysis beyond any other consideration. We revolutionaries do not shirk from debating any topic, no matter how harsh it may be. Of course, we are not infallible nor are we unaware that we might have made mistakes in the development of cultural work, but the problem consists precisely in that the enemies, aided by the control they exert on the information and cultural propagation media, are employing tactics aimed at trying to divide us and to divert our attention to second-rate discussions so we will neglect the important discussions.

They are trying to erect a smoke screen to prevent the emphasis and study of the following: the system of imperialist exploitation exerts a ferocious tyranny on the creative capacity of the popular masses and the best talents of Latin America and the Caribbean.

What is so serious and hence complex about the matter is that they have available to them the most elaborate techniques afforded by the advances of civilization and culture in the world. They take these techniques and they employ them against culture and against the development of man's free conscience and they do so in a sophisticated, ellaborate and macabre manner.

At the core of the influence that the imperialist circles exert on the culture of our peoples is a problem that constitutes a vital question in the modern cultural world. The director general of UNESCO, Amadou Mahtar M'Bow, has noted that the struggle for economic autonomy and liberating culture hinges on the relation between communication and culture. This relation is evident in the imperialist control of the editorial processes, films and television, radio, press, advertising, and, in general, the flow of information.

The UNESCO's international commission for the study of communications problems says in its provisional report that the right to culture cannot be separated from the right to communication. It also notes that communication as a whole is one of the main instruments of cultural development, the imperialists' bombardment of false and distorded information leads to hundreds of millions of people living amid a great lie.

The United States controls 75 percent of international television and 50 percent of the films viewed in the world. In Latin American countries, 60 or 70 percent of television programming comes from the United States. Some years ago, the United States had 62 percent of the world's advertising budget. The 10 companies that dominate the international advertising market operate under the U.S. flag. The United States controls from 60 to 70 percent of the editorial market of the capitalist world. The monopoly that the big U.S. companies exert on textbooks makes it easier to introduce their pseudocultural plans among our people.

We can add to this, the system of scholarship, the funding of research and experimental projects in the most diverse disciplines that has been increasing in the United States in the course of the past few decades. In 1940, the foundations organized with these ends in mind, did not exceed 300. In 1968, the centers of this type amounted to 25,000. In recent years, their number has grown so much that according to reports it is not easy to arrive at their exact, very high figure. With this instrument, they penetrate the various countries of the world and carry out their brain drain policy.

Satellite computers and telex using ultra-fast peripheric circuits make it possible for the U.S. agencies UPI and AP to process and transmit 8 million words a day. By contrast, seven agencies from the underdeveloped world, among the most dynamic of them, scarcely exceed 50,000 words a day. AP and UPI dominate almost 70 percent of international information. The United States controls almost 30 percent of the mass media. In Latin America and the Caribbean, however, only 60 percent of the population have access to a radio and only 6 percent to the printed media. In our America, four of every 10 people are still without access to the communications and information media.

Can we talk culture to those four of every 10 people who are without communication? To what extent does our cultural movement feel pressured by this monopolistic control of the communications media which reveals a tyranny exerted in the name of and in response to the interests of the U.S. ruling classes?

Friends of Cuba outside the country often tell us that we should publicize more the achievements of the revolution. This healthy criticism may be justified but we also ask them to understand the enormous amount of falsehoods that we have to deal with when the information, communication and propagation means in the West are in the hands of the imperialist circles.

For this reason, allow me to briefly refer to Cuba's cultural policy. A topic of great interest is that of creative freedom and democracy in culture, never before in Cuba's history have our intellectuals had greater freedom and chances for creation and for broader participation in the state's cultural policy. Never before had there been in our country a popular participation as broad and deep in artistic creation and the formulation of cultural policy. These principles are enunciated in several official documents, including our laws, but they are not all inclusive. In addition to that legislation and to whatever we may say here, there are the facts. We invite you to meet with our intellectuals and with the main representatives of social and mass organizations and other institutions to analyze these problems. We invite you to visit our scientific and cultural centers, our universities, and there meet with intellectuals, students, teachers and ask about these questions.

Comrades, the figures we mentioned earlier and many more that you all know, highlight the following substantial fact: under the hegemony of U.S. imperialism, a process of internationalization of the technical means of information and communication has taken place to such an extent that none of our countries will be able to withstand it alone. But all our peoples, united, will not only be able to resist but also to defeat the process. A huge technocratic tangle has been created and the so-called U.S. mass culture model has established itself as the value standard. This model responds to the interests of the small economic and military groups which are at the center of imperial power.

Western countries find themselves subject to the influence of the ideological plan and dogma imposed by the U.S. consortia and multinationals. The political intent of this dogma consists in presenting as the truth the lie that the empire is the nation of democracy and that it protects individual rights and foments art and culture. That propaganda tries to ignore the fact that imperialism is by definition anti-democratic.

The times of pre-monopolistic capitalism are far behind us. A very high degree of concentration and fusion of economic, political and military power in the hands of a minority which owns the basic economic resources and the means of extermination and war has taken place. This minority uses these resources and means to impose its will and interests both within the United States and in the area of international relations.

Specific examples are numerous. Let us only mention some of them. A society such as the United States', where national minorities are discriminated against in a brutal manner, is no model of democracy. These minorities include a large popula-

tion of Latin American and Caribbean origin. Amid a great material and technological wealth, there still exists one of the most shameful, offensive and inhuman forms of racial--and hence social--discrimination in all history.

The right to work, education and culture are a substantial part of the democracy to which mankind aspires. What kind of individual rights can exist for the 8 million of unemployed U.S. citizens and for 10 percent of the U.S. population which, according to estimates done in the United States itself, are still illiterate and cannot write the word "democracy"? The imperialist system that spread over America, seized its material wealth and imposed economic, political and cultural [passage lost in recording] cannot give us a lesson in democracy.

Our America rejects a system which on one hand proclaims itself to be democratic and on the other maintains the colonial regime of Puerto Rico, the occupation of the Panama Canal and supports the tyrannies suffered by Chile, Uruguay, El Salvador, Guatemala and Haiti, among others.

The systematic effort to exterminate, crush or adulterate Puerto Rico's national culture against which that fraternal nation has and is heroically fighting, is one of the most eloquent examples that the imperialists represent the negation of the principles of cultural identity of our peoples. It is our duty toward Latin American and Caribbean culture to assert that the Puerto Rican fatherland belongs entirely to our America and should be supported in its independence aims.

Those who landed their marines in Nicaragua, occupied the country and after the Nicaraguan people defeated them by the force of arms assassinated Sandino and violently repressed the people's movement, have no right to portray themselves as democratic. Those who in 1965 destroyed the democratic government in the Dominican Republic, then bloodily repressed the people's movement which opposed this action and landed U.S. marines to impose their will, totally lack morals to speak of democracy.

Those who encouraged and organized the overthrow of the constitutional and democratic government of Salvador Allende in Chile have no right to portray themselves as democratic. Those who support the genocide and crimes against the Salvadoran and Guatemalan peoples in a vain attempt to halt the inevitable triumph of democracy and freedom in those fraternal countries have no right to portray themselves as democratic.

Those who illegally occupy the Guantanamo Naval Base against the will of our people and have kept up threats, aggressions and the criminal blockade of Cuba for more than 2 decades have no right to portray themselves as democratic. Those who hurl boasts and threats at Nicaragua, Grenada and Cuba and try to impose their will on Mexico because these countries have taken the independent path, have no right to portray themselves as democratic.

The ruling circles that were capable of organizing and maintaining a criminal war against a small nation located thousands of miles away such as the war that imperialism maintained against heroic and victorious Vietnam have no right to speak of democracy to us. Those who plot attempts on the lives of the leaders of other countries behind the shelter of power, those who support the Mafia and the CIA, those

who employ repression and violence against the democratic movement of our peoples and those who base their foreign policy on the threat of atomic war, totally lack morals to protray themselves as a model of democracy.

The peoples of Latin America and the Caribbean do not want that kind of democracy. That is not the democracy that we seek in the second half of the 20th century. The United States stopped being an example of a democratic system quite some time ago.

One day they raised the banner of human rights and their ignorance and prepotency was such that they did not notice that the slogan went against themselves. The dogma of U.S. freedom intoxicates them and they fail to understand the reality of a world that is struggling to win the freedom that the imperialists themselves have snatched away. Now they raise the banner of the struggle against terrorism and it is they who are the main promoters and executors of international terrorism. They use the tactics of the thief who following his theft cries: look for the thief!

The famous prophecy of the liberator, Simon Bolivar, who a year before his death said: "The United States seems destined by providence to inflict missery on America in the name of freedom, has been fulfilled."

Using the same means of communication and propagation with which it carries out its propaganda against Cuba and the countries of Latin America and the Caribbean that have taken the revolutionary path and portrays us as antidemocratic, the empire effects on the peoples of the continent and intolerable intellectual penetration which does affect the essential principles of our independence and our freedom.

If the powerful technical means are not at the service of our peoples and if we do not protect ourselves, technological dependence will be perpetuated as one of the great obstacles against our cultural identity, the very development of our culture and hence the creative freedom of the masses and individual talents. The defense of our cultural identity is not only an intellectual principle. It amounts to deciding whether we are going to have creative freedom in art and culture or not, and whether we are to be independent and sovereign countries or not.

For all these reasons, comrades, we feel it necessary that our peoples and their intellectuals join together to work on the international campaign against the monopolistic control of the technical means of cultural information and propagation. As in the times of Bolivar, San Martin, O'Higgins, Juarez and Marti: to break the chains of ignorance and intellectual slavery we must first break the chains of foreign exploitation.

Comrades: there is not an older, more deeply human or more universally supported ideal than the ideal of peace. Since Hiroshima and Nagasaki, the most eminent scientists have been pointing to the seriousness of the matter in the atomic age. It is a matter of the very survival of the human race. The atomic bomb dropped over Hiroshima in 1945 destroyed a city of 100,000 inhabitants and there are still people suffering and dying as a result of that crime. Today, there are thousands of hydrogen bombs in military arsenals that are capable of destroying all mankind, the most responsible and knowledgeable people are alarmed. All we have to do is look at what many of them write and say.

No one can imagine what the world will be like following a thermonuclear war. The concepts of art and culture will lose all their meaning. It is frightening to think what the world will be like, devastated by an atomic explosion.

In his work Guernica, Picasso portrayed the horrors of war. As usual, reality will be stronger than the artist's imagination. There will be no art able to portray it. There will be no human being to enjoy the sad privilege of contemplating this reality. There will be no art because art only exists for men.

How to stop the arms race? That is, how to stop the most incredible madness of all time? Can a force of public opinion and popular and social mobilization be developed on a world scale capable of preventing our plunge into the abyss of nuclear holocaust? It does not seem to us that there is an alternative. We must seek the means to join wills and actively mobilize nations against the war before it is too late.

In recent days, the U.S. Government's announcement that it would build neutron bombs has triggered ever growing protest. It seems to us that the intellectuals of our America can do a good deal to make this movement become a force capable of halting the criminal hands that are leading the world along the path to World War III.

You, gathered in Havana, will surely give a renewed cry of alarm. This is perhaps the most important topic that you will discuss in these days.

In the midst of the obstacles noted--and, unfortunately, these are not the only ones--there is something that can light our way. It is evident that in spite of its greater danger, U.S. imperialism has lost in recent decades its absolute hegemony in the world. Moreover, never before in history were the ideological, moral and cultural factors more likely to have universal influence.

Thirty years ago, the main influence over world events was exerted exclusively by a group of highly developed countries. Today, any nation can influence the course of events in some way or another. The world is, for the first time, politically universal. A powerful cultural and ideological system has been created on the international scale that links all the peoples of the earth, the most diverse communities, and within them, men of talent and culture. The system of international cultural relations that link you among yourselves and links you to the intellectuals of North America, Europe, the socialist countries, Africa and Asia, can be and should be an important means for the development of a consistent struggle for peace and for the ideals of social and cultural progress for our peoples.

World problems have become extraordinarily dramatic, complex and difficult. Their solution demands courage, imagination, intelligence and culture. Considering the spiritual life of our peoples, what man has created and is creating with his talent and imagination, what has made man a man, it is culture that ultimately differentiates man from animal. This is the authority that you represent. Together, nations and men require that you exert that moral authority, not only so you will influence today's intellectuals but also those of tomorrow. You are not alone. The intellectuals of America will follow you. The students in educational centers will hear your message of encouragement and hope. You, identified with the heroic

struggle of the exploited masses of our America, are in a position to influence the continent's intellectual strata and project yourselves outwardly to the world with the great banners of today's mankind. Your unity in the ideological and cultural battles of our age can some day create a wide trench of ideals, an army of principles whose ideological arsenals lie in the history of America and in the broadly universal culture of our continent.

Comrades: who will predominate may be decided on the very threshold of the third millenium of our era--whether man as animal or man as man. If the former, the result will be barbarianism. If the latter, the result will be culture. We are convinced that this meeting in Havana will be a step forward in the universal struggle against crime, barbarianism and imperialism and in favor of intelligence, culture and the peoples. In fulfilling this gigantic and beautiful task, you will be rendering a historic service to our America and the world. Thank you. [Applause]

CSO: 3010/1769

NICARAGUA'S CARDENAL CLOSES INTELLECTUALS MEETING

Cardenal Speech

FL090005 Havana Domestic Television Service in Spanish 2030 GMT 7 Sep 81

[Speech by Nicaraguan Culture Minister Ernesto Cardenal Closing the Meeting of Intellectuals for the Sovereignty of Our America Held at Havana's Palace of Conventions--live]

[Excerpts] Comrade Minister of Culture Armando Hart; Comrade Mariano Rodriguez, president of Casa de Las American; Comrades all: Comrade Minister Hart has charged me with making the closing remarks but I assume that neither he or any of you is expecting new words after all that has been said here already. There is nothing left for me to do but to repeat. But that is precisely what we all have to do when we leave here--repeat, and repeat some more.

Firstly, I am impelled to repeat once more how important this event is. It is important, first of all, because it is being held in Cuba. Everything that takes place in Cuba is important throughout Latin America and the world. The mere mention of the word "Cuba" says it all. This meeting is also important because of the ominous international circumstances, or better yet, pre-apocalyptic circumstances that we are living in. This is a movie in which the cowboy [in English] points his gun at the indian. But in this case, the movie is real life.

To cite only our own case, we Nicaraguans are threatened in all manners: with economic strangulation, with blockade. We are refused loans, wheat was denied to us, and former Somozist guards are training in Miami and in many other places in the United States.

I have just returned from Libya, where I went as part of a delegation led by Commander Daniel Ortega, coordinator of the Nicaraguan Government Junta, to attend the 12th anniversary celebrations of the triumph of the Libyan revolution. And shortly before we left, the Nicaraguan Government Junta received a message from Washington saying that Commander Daniel Ortega's trip to Libya would not be viewed in a favorable light and that if he did go he should face the consequences. Commander Daniel Ortega went to Libya and, in addition, told about this message from Washington in a public speech. This shows our determination to be independent regardless of the consequences and to fight to defend this independence to the last. [Applause]

This meeting is also important because of the many intellectuals gathered here. It is something that had never happened before in the history of Latin America. An interesting fact is that there are theologians attending this meeting. I believe it is very clear that the participation of Christians in the revolution is important, but this goes even further. We have many christians integrated into Marxism in Latin America--they are Marxists. In addition, there is going to be a union of revolutionary christians and revolutionary Islam that is going to be a union of the Arab world and Latin America as well. Christianity and Islam, which for centuries fought holy wars against one another, will unite. Revolutionary christians and revolutionary Muslims will unite for a holy war against imperialism, and the same goes for Buddhism. And this union will be one of christians, Muslims and Buddhists with Marxism. [Applause]

We must come to the defense of culture, which is the same as saying the defense of sovereignty, cultural cannot be complete without full sovereignty. With the triumph of the revolution in Nicaragua we have experienced an enormous cultural renaissance. And in El Salvador, many songs can now be heard. The clarions of victory, it is like hearing the cock crow in the darkness. The young are being killed there for the mere fact that they are young, as used to happen in Nicaragua. And peasants are killed for the mere fact that they are peasants, and Guatemala is living under the reign of the death squads, and imperialism is doing all this so that El Salvador and Guatemala do not become what Nicaragua is now. And there is something even worse: they are doing it against Nicaragua because they want things to be like they were before in Nicaragua and like they are right now in El Salvador and Guatemala.

Another crime of imperialism is that they are causing division among us in Central America, the small brother countries.

And speaking of crimes, the death of that great statesman, revolutionary and also an intellectual--and to me, a poet--Omar Torrijos, is evidently a crime. [Applause] It is evidently a crime and he is another martyr of the liberation of Latin America.

Nicaragua knows that we are simply a trench won, a territory liberated. The revolution is one and Latin America is one people. We have more unity than the Arab world, and we also have Latin America in the United States Chicanos demonstrated here.

What shall we do with our thoughts? We must give shape to our ideas, go from words to action. What has happened here is something that is barely beginning and shall continue from now on. The second meeting of intellectuals for the sovereignty of the peoples of our America may well be held in Nicaragua. [Applause]

Revolutions spring up everywhere. In Libya, where I have just been, al-Qadhdhafi threatened to bomb any ship carrying nuclear arsenals that came close to the shores of Libya and to burn the oil of Saudi Arabia and then of Libya itself. And it was declared there that Libya would be the center of worldwide operations against imperialist. The struggle, then, is more international. It is worldwide.

Ayatollah Khomeyni told me that all revolutions are one and when everyone, when the whole earth was liberated, then all men and women and children on earth would march hand in hand. We intellectuals have a great deal to do. It is a matter of defending Latin America and the human race. It is a matter of defending all living things on earth, of defending the earth. Defense is peace. Thank you. [Applause]

Final Declaration Read

FL081842 Havana Domestic Service in Spanish 2004 GMT 7 Sep 81

[Article Read by Colombian Writer Gabriel Garcia Marquez: "Final Declaration of the Meeting of Intellectuals for the Sovereignty of Our America's Peoples"--live]

[Text] The participants in the first meeting of intellectuals for the sovereignty of our America's peoples, convoked by Casa de las Americas and held from 4 to 7 September 1981, have reaffirmed the essential nature of our unity and determined the sense of our responsibilities in these difficult times. In order to give continuity to this action, we have considered to be necessary the creation of a standing committee formed by personalities representative of our culture.

Now, when the U.S. Government is threatening not only with reintroducing in our continent the anachronic policy of the big stick, but is also preparing its armed forces for a new war of world destruction. Our America's intellectuals are obliged to carry to the limit the commitment with our peoples and, especially with those who are facing with heroism rather than resources the immemorial oppression. Long ago our region ceased to have an open door to the metropolitan empires' outrages [Desafueros de Los Imperios Metropolitanos].

There are peoples who are now gaining their right to speak out and it is our very high responsibility to articulate and defend it. The enemy knows it and that is why it has placed all the might of its imaginative repression at the service of an inhuman operation of cultural genocide. This is the sense of the systematic campaign of slanting [the news] with which the imperialist monopolies, with the cooperation of local oligarchies and its own methods of informational imposition, are attempting to denature the cultural identity of our countries to facilitate their domination. In the face of this plot, we will defend truth, justice and beauty and not in an abstract manner, but with the determination and sentimentality required and deserved by the original personality of our nations.

Only the full exercise of sovereignty, which will make it possible to increase their immense wealth and cultural capabilities for their own good, will give our lives a solid base and a valid raison d'etre. With this creative spirit, we welcome the imminent sovereignty of Belize and pledge to see to it that the people's interests, which made it possible, will not be weakened by others who are foreign to its destiny.

With this same spirit, we repudiate most energetically the support the Reagan Administration is giving to the most barbaric regimes on the continent and denounce with indignation that the perpetrators of the cruelest acts of terrorism in the world are attempting to call terrorists the patriots who are struggling for the happiness of their peoples and for their identity and culture. As in the case of El Salvador and Guatemala whose best sons are determined to gain forever their right to be themselves at the price of the most painful sacrifices.

It is not the design of an international intrigue, as it has been made to appear, but the internal conditions of hostility and poverty to which imperialist oppression has subjected our America. The deceitful accusation of terrorists made against the

patriots of these nations seeks, among other objectives, the approval of U.S. intervention and prepare the spirits by means of the most diabolic propaganda apparatus in human history for an open aggression against Cuba, Nicaragua and Grenada, including Mexico whose independent foreign policy deserves our recognition.

Imperialism is not an external reality foreign to the essence of underdevelopment. It is the exploitation of our resources and peoples, illegal intervention in our domestic affairs, enormous foreign debts which mortgage national sovereignty, inflation, monopolistic control of production, markets and means of information, and attempts to divide us at a time when our unity is an essential condition to make our fundamental rights valid and to make others respect them. They know this from colonized Puerto Rico to Argentina, Bolivia, Chile, Paraguay, Uruguay, Haiti, whose peoples are enduring genocide under military tyrannies. In addition, this is known in the few remaining colonial enclaves in the Caribbean.

But, the present aggressive policy of imperialism reveals its weakness and not its strength. Today's world is not the one they wish for and that is why they have failed in their attempt to impede by force the liberation of the peoples, as demonstrated by the wars unleashed and lost by imperialism. The peoples are opening new paths and are reqriting their own histories, repression and violence will not stop them.

We have come from diverse lands and our views are not unanimous but these differences are far from being antagonistic and are, on the contrary, one more proof of our wealth of creation. We set aside our secondary differences and proclaim what has to unite us for the benefit of our America's peoples. From our trench of ideas, to which millions of men and women who not yet have access to culture are giving their flesh and blood, we energetically condemn the terrible arms race which is reaching never thought of limits, and in rejecting it we join all peoples on the planet, including of course the U.S. people who gave an admirable proof of courage and solidarity when they opposed the criminal aggression of their own government against Vietnam.

The decision to produce the neutron bomb, which was significantly announced on the same day of the commemoration of one more anniversary of Hiroshima, has intensified the pesimism of many sectors of international public opinion, not only with respect to the future of peace but with respect to the destiny itself of all mankind. The intellectuals, writers, and our America's artists, in the face of this serious risk of holocaust, assume with full responsibility our option for life, will not abandon it and will struggle with all our convictions, our strength, with the best reserves of the spirit to make peace reign as the only possible victory against death.

Neither the neutron bomb nor any other device of collective annihilation can be fired by itself, men are the ones who decide their mission of death. But those men, even those who have at their disposal a possibility of total destruction, can also be stopped by the peoples' clamor. It is now, therefore, when the word and image must intensify their capability of persuasion, their power of recruitment of creative forces, their sharpness in convincing all that the extermination of the human being can be avoided and must be avoided with the invincible power of intelligence. [Applause]

CSO: 3010/1769

PLO REPRESENTATIVE NOTES U.S. AGGRESSIVENESS

FL011920 Havana Domestic Television Service in Spanish 1700 GMT 1 Sep 81

[Text] The PLO representative to the United Nations is presently in Havana for the fourth UN seminar on the Palestinian issue. Our reporter, Pedro Ventura, has interviewed him for this newscast.

[Question--in progress]...and as a form of support for the Palestinian people's struggle?

[Answer] Well, it is very important that the seminar to disseminate information on the just cause of the Palestinian people, on the Palestinian struggle and on the rights of the Palestinian people should be held here in Havana, Cuba, for the Latin American area. Cuba heads the progressive and peace-loving forces that are struggling for the inalienable rights of all peoples. That is why we are very pleased that this seminar should be held here in Havana, Cuba, with the participation of a large number of thinkers from various parts of the world.

[Question] Do you think that this seminar will lead to any specific action to support the Palestinian people's struggle?

[Answer] It is another way to disseminate information and mobilize world public opinion to support the Palestinian people's cause.

[Question] Undoubtedly, there has recently been an intensification of Israeli aggression against the Palestinian people. What, in your opinion, is the cause of this escalation of Zionist attacks on the Palestinians?

[Answer] First of all, it is simply another manifestation of the plan of the United States, of the Washington government, to increase the possibility of war over the possibility of peace. Therefore, this is completely within the framework of increased U.S. aggression and war. However, at the same time, it has a very important significance. The more we Palestinians are successful on the field of battle, in information and in diplomacy, the more the United States, through its agents, the Zionists in occupied Palestine, tries to neutralize our achievements through aggression.

CSO: 3010/1770

VIERA SPEAKS AT OPENING SESSION OF UN SEMINAR

FL312237 Havana Domestic Service in Spanish 2130 GMT 31 Aug 81

[Text] Jose Raul Viera, acting Cuban foreign minister, today called to order at the palace of conventions in Havana City the fourth UN seminar on the inalienable rights of the Palestinian people. On behalf of the Cuban Government and people, Viera welcomed the personalities participating in the event and expressed Cuba's satisfaction for having been selected host of this meeting dealing with the defense of a cause it feels as if it were its own.

Viera said that after more than 30 years the tragedy of the Palestinian people today more than ever before needs solidarity, and stressed that imperialism not satisfied with having thrown those people out of their fatherland, today actively supports Israel in the physical liquidation of the Palestinians. The acting foreign minister denounced the vandal actions of the Zionist state, especially the attack against the Iraqi nuclear plant. He added that since President Reagan assumed power, Israeli has stepped up its criminal and expansionist actions in the Middle East.

Yasir 'Arafat, chairman of the executive committee of the Palestine Liberation Organization, has opened the fourth UN seminar on the inalienable rights of the Palestinian people, which began in our capital today, will have a positive impact on international opinion. In a message to the seminar, he denounces the Nazi-type terrorism being exercised by Israel against the Palestinian and Lebanese peoples as well as the aggression against Iraq. He says that Israel does not respect UN resolutions or of other international organizations which recognize the rights of the Palestinian people who, despite these circumstances, are determined to fight until victory. The message refers to the thousands of tons of bombs dropped over populated areas in Beirut, Lebanon, and exhorts all progressive forces in the world to denounce these crimes.

In his message, 'Arafat condemns the unlimited U.S. support to Israel.

CSO: 3010/1770

CTC CALLS FOR SOLIDARITY WITH ANGOLAN PEOPLE

FL291531 Havana Domestic Service in Spanish 1402 GMT 29 Aug 81

[Text] In a communique addressed to all workers and unions in the world, the Central Organization of Cuban Trade Unions [CTC] has called for sincere actions of solidarity with and support for the struggle of the Angolan workers and people against the South African aggressors and their imperialist instigators. The document states that in defiance of world public opinion, once again the abhorrent Pretoria's racist regime has perpetrated one more treacherous crime by invading the People's Republic of Angola.

The communique reiterates that the CTC energetically condemns this criminal terrorist aggression of the apartheid regime at a time when the Angolan people are devoted to the reconstruction of the country. The Cuban organization demands from the racist regime and imperialism the immediate withdrawal of the troops which penetrated Angolan territory.

In another part of the communique, the CTC notes that the international community, in general, and the United Nations, in particular, have the duty to give their support to the courageous Angolan people. After stating that the Angolan people's struggle is an inseparable part of the common fight of the peoples of Asia, Africa and Latin America in an effort to consolidate their independence and sovereignty, the CTC asserts that to help Angola today is an unavoidable duty.

Elsewhere, the document indicates that the CTC supports the decision of the revolutionary government to be once again, without vacillation, at the side of the Angolan people in defense of their integrity and independence. In closing, the CTC asserts that together with the Angolan people, the Cuban workers are ready to spill their blood if necessary in the fight against the invaders.

CSO: 3010/1771

PROTOCOLS ON FISHING SIGNED WITH VIETNAM

Havana GRANMA in Spanish 19 Jun 81 p 3

[Article by Jose A. de la Osa]

[Text] The protocols produced by the working subcommittees on fisheries and science and technology of the Fifth Session of the Cuban-Vietnamese Intergovernmental Commission, held in Havana, were signed yesterday in the Simon Bolivar room of the Academy of Sciences of Cuba.

Also an agreement was initialed between the ACC [Academy of Sciences of Cuba] and the National Center for Scientific Research and the Vietnamese Committee on Social Sciences, as well as a protocol covering the 3 years 1981-83 in the fields of biology, soils and social sciences.

The working plans in the fields of fisheries and science and technology--which include communications, public health, light industry, domestic trade and others--cover a period of 2 years: 1981 and 1982.

It was divulged that the number of agreements signed between our country and the sister country of Vietnam have been increased with respect to last year and the scientific and technological collaboration in all spheres has become more profound.

Ismael Clark and Manuel Anderez, both of them vice presidents of the ACC, and Aldo Malgolles, vice minister of the fishing industry, signed the documents; Vu Dinh Cu, vice president of the Vietnam Institutes of Science, and Nguyen Van Dan, vice minister of public health, signed for Vietnam.

Manuel Anderez and Nguyen Van Dan spoke during the ceremony. Both emphasized the happy ending of the conversations and the close bonds of fraternal friendship which unite Cubans and Vietnamese.

Wilfredo Torres, president of the ACC and member of the Central Committee of the party; Ramon Darias, minister-president of the State Committee for Standardization and chairman of the Cuban delegation to the Fifth Session, were present; Faure Chomon, Cuban ambassador to Vietnam and member of the Central Committee, and Manuel Torres, vice chairman of the State Committee on economic collaboration, were also present.

Nghiem Xuan Yem, Vietnamese minister in charge of agricultural science and technology, was also present along with other companions.

12116
CSO: 3010/1644

ECONOMIC, SOCIAL DEVELOPMENT ACCORD SIGNED WITH MEXICO

Havana GRANMA in Spanish 26 Jun 81 pp 1, 4

[Excerpt] Commander in Chief Fidel Castro, president of the Councils of State and Ministers, was present last night at the signing of an accord on technical cooperation for planning the economic and social development of Cuba and Mexico.

Carlos Rafael Rodriguez, vice president of the Councils of State and of Ministers, and Isidoro Malmierca, minister of foreign relations, were also present at the act of initialing the document, which was signed by Humberto Perez, vice president of the Council of Ministers and chairman of the Central Planning Board and Licentiate Miguel de la Madrid, Secretary of Programing and Budget of Mexico.

The accord calls for exchange of experience between the state organisms of the two countries in such working areas as the system and the process of planning, the evaluation and control of plans, the organization and administration of state enterprises, censuses and statistical inquiries and the definition of prospects for complementarity in medium and long-range plans.

Humberto Perez indicated that this accord will be of great utility in a joint examination of the possibilities of cooperation, which can be converted into a gradual integration of our economies. He added in this sense that "it is certain that there are differences in our economies but it is also certain that there is a community of interest, of mutual confidence and will."

As he analyzed the similarities between the two countries, Humberto Perez emphasized the geographical possibilities, the existence of strong public sectors in both countries, the common political stability, factors which promote an integration of our economies.

He also said that the unity achieved in the course of the revolutionary process with the sister people of Mexico has been secured by the proper and firm attitude of the government of that country which has maintained relations in the most critical moments and has been the only government of Latin America with which we have had access throughout the revolutionary process in Cuba.

Miguel de la Madrid, for his part, declared that this accord is one more act to confirm the unbreakable friendship between Mexico and Cuba. He added that the Mexican Government has upheld a foreign policy based on the principles of self-determination of peoples and of rejecting all intervention.

Miguel de la Madrid explained that in his country a system of planning development is being carried out to permit rationalizing and executing economic, social and political improvements.

The Mexican secretary of programing and budget praised Cuba's planned system and called its results excellent for the well-being of social and economic development. He added that Cuba's spirit of solidarity for economic aid to other countries is noteworthy.

Also present for the signing ceremony were Jose R. Fernandez, vice-president of the Council of Ministers and minister of education; Asela de los Santos, vice minister of education; Cuban Ambassador to Mexico Fernando Lopez Muino; Mexican Ambassador to Cuba Gonzalo Martinez Carbala; and the other members of the delegation from the Mexican Secretariat of Programing and Budget.

12116
CSO: 3010/1644

PROBLEMS NOTED IN KEEPING MINERS IN MOA

Havana TRABAJADORES in Spanish 10 Jun 81 p 4

[Article by Rebeca Antunuez]

[Text] Coincident with the advent of the revolution itself, action was taken--and is being taken--to introduce the most effective techniques to protect the life and health of the workers and, as is known, this represents a cost of millions and millions of pesos which are invested in social programs that are not directly productive.

However, at present and in spite of the funding available for worker safety, and hygiene, such activities can be described as inadequate.

According to the Central Report made by Commander in Chief Fidel Castro to the Second Congress of the Communist Party of Cuba there are limitations and deficiencies in meeting safety and hygiene standards and supplying means and equipment to the workers, which in large measure are the responsibility of state organizations.

Today it is easy to detect numerous infractions of work safety and hygiene laws, and there is much testimony thereof.

For example, workers in the housing sector of the Mining Services Enterprise located in Moa, a place of great economic importance because of its nickel ore resources, are not interested in remaining there for any length of time.

Only the high political conscience they have acquired keeps them on their jobs, in the hope that their most pressing needs will be met.

This is not a question of obtaining living standards above the present economic realities; what is involved is reaching solutions which will make it possible for them to have a more respectable sojourn while they are laboring "at the bottom of the ladder."

During a simple tour of the living quarters of the enterprise's workers, one is struck by the difficult living conditions of those men who for months or years work far from their homes.

Such a situation is all the more incomprehensible since it is the Mining Services Enterprise itself which is responsible for hundreds of facilities to house the men and women who work in Moa.

The modern buildings which that collective is constructing for those living in the housing facilities of other sectors cannot be compared with the accommodations they build for themselves.

During a brief conversation with Marquis Toisac Carcasses, secretary general of the trade union office of the Maintenance and Mining Services Enterprise, we learned that this economic entity has construction resources and specialized personnel capable of renovating or building new facilities to improve the living conditions of the workers; however, in practice neither is being done.

"In each division of the living quarters, which we pretentiously call rooms," Toissac said, "up to 10 workers sleep on beds with mattresses that are in bad shape and springs that are worse."

That situation is becoming increasingly more difficult, as the enterprise has about 800 lodger-workers.

The standard of living of those workers is worsening along with the social conditions of the town of Moa, which, in spite of its economic importance, has only one movie, one pizzeria and one boat which transports hundreds of workers to the beaches; logically the constant use of the boat often results in its being inoperable.

After the workday, the only thing left for the people of Moa is to open their domino boards which are almost the only diversion they have until bedtime.

The conditions in which the lodgers of the Mining Maintenance and Services Enterprise live are readily observable and are mentioned in letters to family members. The workers sit on the floor using their legs as tables to write their letters.

Before concluding these remarks, we must add a few final words from Marquis: "The board of the enterprise is doing everything it can to keep its technicians and managers from deserting the mining projects; and, to this end, the workers are given houses. Before that, we asked ourselves one question: 'Is no one interested in the fact that our workers are leaving? Is no one going to try to stop the exodus which has existed for years?'"

It would be an oversimplification to think that these problems can be easily and quickly resolved; however, we feel that it is possible, without investing large sums of money, to offer better living conditions to those who are responsible for the well-being of personnel, including miners working on one of the revolution's most important projects.

8143
CSO: 3010/1684

PERSONNEL HEAD URGED TO REDUCE BUREAUCRACY

Havana TRABAJADORES in Spanish 2 Jul 81 p 1

[Article by Caridad Lafita]

[Text] "Every bureaucratic mechanism must be eliminated from personnel work. Austerity, restraint and rigorous discipline should make the chief of personnel a guardian of labor legislation in his center." These statements were made by Comrade Osmany Cienfuegos, member of the party Politburo and secretary of the Executive Committee of the Council of Ministers, in his summary of comments to the First National Meeting of Chiefs of Personnel.

Referring to the important functions of this sector which applies labor and social legislation intimately linked to the country's economic and political development, the party Politburo member emphasized the need for directors in this function to be duly qualified and to have the class feeling which derives from their dealings with workers.

The following persons shared the speakers platform: Joaquin Benavides, alternate member of the Central Committee and minister-chairman of the CETSS [State Committee for Labor and Scoial Security]; Euclides Vazquez, section chief in the Economic Department of the Central Committee; Belisa Warman, chairwoman of the Meeting Organizing Committee; and Constantino Hermida, member of the national CTC [Central Organization of Cuban Trade Unions] secretariat; and government and trade union leaders.

During the meeting, special presentations were given by Col Armando Truti, deputy chief of the General Staff for Organization and Mobilization, who spoke about application of the Military Registration System, and Comrade Orlando Carnota, member of the advisory group of the Council of Ministers Executive Committee Secretariat, who explained aspects of the General System of Working With Cadres.

The plenary session approved the resolutions adopted by the four committees which debated the subjects of functions: employment and labor resources, discipline, wage legislation, social security and welfare; structure: whose principal proposition was integration of an area of human resources with organization of work and wages, safety and hygiene, personnel, cadres and training; advisory services and propagation and the training of these administrative heads.

8143
CSO: 3010/1684

MAIN POINTS OF GENERAL WAGE REFORM NOTED

Havana TRABAJADORES in Spanish 9 Jun 81 p 2

[Article by Jaime Gravalosa]

[Text] On 14 February 1980, the Executive Committee of the Council of Ministers approved the General Wage Reform, a measure which, complemented by the General Price Reform, will constitute the basic pillar in the establishment of the material-technical base of the Cuban socialist society.

As regards wage reform, all workers, service personnel in the administrative sector, technicians and directors will receive an increase of about 600 million pesos, not including in this figure extra income received as bonuses.

This event in itself is unprecedented in the history of countries in the Western Hemisphere: workers did not have to strike and the trade unions did not have to make demands. Only a socialist revolution can take a step of this kind.

While the Reagan government is decreasing social security payments to be unemployed, socialist Cuba is rasing the incomes of workers and, in spite of the fact that the American press is concealing Cuba's wage reform, the truth will unfailingly come out.

In our country, we have publicized this aspect of wage reform, although its objectives and unusual characteristics and the manner in which they will impact on the national economy have not been adequately brought out.

The reform is not only a legislated increase in wages but also a realignment of the wage system which derives from the socialist principle of rewarding everyone on the basis of his contribution to society in terms of quantity and quality.

Independently of wages for regular work, which can rise or drop depending on whether or not the goal is met, general categories are established, such as pay for unusual or special working conditions of particular occupational specialties, through the use of special regulations.

Therefore, without denying that the economy is a whole made up of interrelated categories to a greater or lesser degree, there is a need to weigh the relative importance of every industry to the economy and the role in economic development in 1981 and subsequent years.

It is also necessary to be familiar with the production process in each of the sectors, their various interrelationships and the figures [Indices] of the technical-economic plan of the enterprise to place the principal accent where it is needed.

An example of this is references to the degree to which final agricultural yield figures measure up to the goals set when we are dealing with the regulation on wage bonuses to workers in sugar enterprises.

Another example is maritime workers of the Mambisa Navigation and Caribbean Navigation enterprises. Among other factors, account is taken of the increase for years of service and the bonus for touching port farthest from home base during international crossings.

In both cases, there has been a significant increase in the efficiency and productivity of sugarcane and sugar mill workers; and there has been more signing-on and discipline in the work of ship crews.

Wage reform is also an incentive to technical improvement, as the wage scale pays more to a worker who acquires new skills.

Workers will benefit not only from wage increases, bonuses and material incentives; they will also get better quality goods at stores, thanks to the impact of wage reform on other production sectors.

Although in some work sectors, particularly the technical sector, wage reform is still in the process of application, its effects can already be seen in the results of the recently concluded sugar harvest.

8143
CSO: 3010/1683

ACTION URGED TO SAFEGUARD SOCIAL SECURITY SYSTEM

Havana TRABAJADORES in Spanish 9 Jun 81 p 1

[Editorial: "We Must Take Energetic and Drastic Action Against Violations of the Social Security Law"]

[Text] Experiences acquired and changes made in the political-administrative division and in the Economy Direction System, in short, the development attained by our socialist state, have made it possible for all of us to be protected by a really advanced social security system.

The social security program and the social welfare program make up the system which offers generous protection to the worker in the event of illness, off-the-job or job-related accidents, maternity, disability, old age and, in case of death, to his family.

The legal basis of the Social Security System is to be found in the Constitution of the republic and Law 24 (1979). When both applicable documents were in their draft stage, they were analyzed, discussed and approved by virtually all the country's workers.

Therefore, our Social Security System expresses the will of our party, our government and our people.

Is there then a single administrative official who can feel blameless if in the sector under his direction some of the basic precepts of Law 24 are not complied with? Is there a single trade union leader who can feel that he has done his revolutionary duty if he calmly lives with failures to comply with the terms of Law 24? Is there a single member of the institutions which maintain, reinforce and control the socialist legality who can feel satisfied if an important constitutional mandate is not complied with? No one can feel blameless, satisfied or calm.

In the application of the new Social Security System, and more specifically in the social security administration, situations have arisen which must be eradicated as soon as possible.

Let us summarize the problems: in many cases the forms for certification of periods of service and wages earned up to 1979 have not been completed in the specified time

frame or with the required exactitude months after the legal deadline. There are administrations which maintain an attitude of unconcern and neglect, which take up this problem with exasperating slowness and, on occasion, do not collect existing information, interpret the methodology poorly and make mistakes which result in certification of less service time than that really earned by the worker.

Something similar is happening with respect to certification of periods of service and wages after 1980, with the further irritation in this case that the administrations only had to fill in a card with the most recent information. However, this was not done in all cases, was done poorly on many occasions and worst of all there are many units, enterprises and establishments in which the administrations have not presented this document to the workers so that they can review it and sign it.

Such documents are far from being a simple bureaucratic procedure; they are instead the most effective means the Social Security System has of eliminating, in the future, problems and difficulties workers have had to face in the last few years in the processing of their pensions because in many cases it has been impossible to obtain the documents substantiating time and wages. It is not relevant to analyze the many causes of that phenomenon; however, it is still sad and inappropriate that at the end of a long life of work one at times has to be subjected to an exhausting process to retire. Or what is worse, one has to resign himself to losing part of his service credit, with the consequent effect on the amount of benefits he is to receive.

It is relevant to say, however briefly, that the National Archives, which has the responsibility inter alia of handling certifications of claims for Social Security purposes, is far from able to respond to the existing demand, including cases pending classification. Steps must be taken to prevent the just irritation the National Archives causes among the workers for providing deficient service in this regard.

There is also many violations of the deadlines set by Law 24 for the processing of pension cases, particularly the time frames established for the processing of pensions based on the death of a worker.

Last year, the trade union movement uncovered 1,566 death cases in which the administrations had failed to meet the [illegible]day deadline set by the law for the preparation and presentation of pension cases. In Havana city, during the first quarter of this year, in only 15 percent of the death cases did the administration complete the processing in terms of time and form.

These negative phenomena appear logically in the budgeted enterprises and units; however, there is a general impression that the organizations have poorly structured this activity and that they have not adequately conferred upon this sector the get-the-job-done policy which activates our party.

In the last 6 months of this year, trade union inspections will determine in detail where, how and to what point the violations we have mentioned are having an impact.

Now we must work endlessly to remedy the situation. There should not be a single collective agreement which does not include strict fulfillment of the requirements of the Social Security and Social Welfare Systems, particularly in the areas we have pointed out.

Proven failures to comply with the Social Security System should be discussed immediately by the trade union organization with the higher administrative office which is responsible for such failures; and, when no satisfaction is obtained to file the complaint called for with the public prosecutor's office for violation of socialist laws.

The complaint should be taken to the highest level necessary to prevent negligence, lack of capability, irresponsibility and lack of sensitivity to prejudice satisfaction of the rights granted to workers, who, by their efforts and sweat, as activists of socialist construction, have made possible the advances expressed in the same Social Security Law 24.

8143
CSO: 3010/1683

BRIEFS

WORLDWIDE SOLIDARITY WITH LIBYA--Melba Hernandez, president of the Afro-Asian-Latin American Peoples Solidarity Organization [AALAPSO], read an AALAPSO communique at a special event here in Havana, urging all of the world's progressive and democratic forces to reaffirm their solidarity with the Libyan people, who are faced with the hostile policy and destabilizing plans of the United States. The document says that this campaign includes the many CIA plots to assassinate Libyan leader Mu'ammar al-Qadhdhafi, the U.S. 6th fleet's repeated maneuvers in the Mediterranean and the recent downing of two Libyan fighterplanes by aircraft from this U.S. force. Also present were (Ali Ojaikli), secretary of the people's committee of the (Libyan People's Bureau) in this capital, and Claudio Ramos of the General Department of Foreign Relations of the Cuban Communist Party Central Committee. [Text] [PA291854 Havana International Service in Spanish 1600 GMT 29 Aug 81]

SOLIDARITY WITH CHILE--The executive secretariat of the Afro-Asian-Latin American People's Solidarity Organization, AALAPSO, has called on revolutionary, progressive and peace-loving men and women to double their solidarity with the Chilean people. This is stated in a declaration read by Melba Hernandez, secretary general of AALAPSO, during a ceremony held in this capital at AALAPSO offices to mark the beginning of the worldwide drive of solidarity with the Chilean people. The declaration says that the last appeal made by President Salvador Allende on 11 September 1973 acquires new form in the actions of the anti-fascist resistance. It adds that the cry for unity and intransigent combat against the military Junta led by Augusto Pinochet is louder than ever. [Text] [FL051405 Havana Domestic Service in Spanish 1309 GMT 5 Sep 81]

TOBACCO PRODUCTION GOALS SET--In an evaluation of nationwide emulation in the tobacco sector, Jose Ramon Machado, member of the Communist Party of Cuba's politburo, has said that the historic feat achieved in the latest harvest by the Pinar Del Rio Tobacco producers should be regarded as an example. He noted that the results achieved in the oipaqoiq period in tobacco sowing, production and yield by the Pinar Del Rio producers should be considered as the basic indicators for future harvests. He expressed the need to plan, to save resources and to enhance the organization and productivity of this sector. He said that some crops yielded up to 562 quintales of light sun-cured tobacco per caballeria and up to 521 quintales of Virginia tobacco per caballeria. He noted that these average production goals can be achieved through better cropping and care and a collective effort. [Text] [FL08641 Havana Domestic Service in Spanish 1000 GMT 7 Sep 81]

SUGARCANE HARVESTING MEETING HAILED--Pedro Miret, member of Cuba's Communist Party politburo, has termed the first national meeting on mechanization of the sugarcane harvest, which concluded yesterday at the Maj Gen Calixto Garcia Politechnical Institute in Holguin, as very positive for promoting the development of sugar production. He noted that both the meeting and the process that preceded it were marked by massive participation through nearly 800 assemblies held in the provinces and through sound proposals designed to make the best possible use of available sugarcane-cutting equipment. On reporting that the mechanization of the sugarcane harvesting has increased by 40 percent nationwide. Miret lauded the assistance of Soviet technicians and experts who work at the Holguin Harvester Factory, which was built with Soviet cooperation. Discussed at the meeting were, among others, issues related to technical problems, work organization, equipment maintenance and repair, supplies and working conditions stemming from increased mechanization in sugarcane harvesting. [Text] [FL071500 Havana Domestic Service in Spanish 1000 GMT 7 Sep 81]

U.S. SUPPORT FOR SOUTH AFRICA CONDEMNED--Today Cuba condemned U.S. support for South Africa in its aggression against Angola and demanded the withdrawal of the racist troops raiding Angolan territory. Cuban delegate Carlos Zamora made a speech in Berlin's seminar on mass communications means and the international mobilization against apartheid. Zamora referred to South Africa's aggression against Angola and noted Cuba's position reflected in the declaration of the Cuban Revolutionary Government of 27 August of this year, in which our country's solidarity with the Angolan people is reiterated. After pointing out the coincidence of the commemoration of the international day of peace and the 20th nonaligned countries movement anniversary, the Cuban representative noted the world role played by the movement and its struggle against imperialism, colonialism, neocolonialism and apartheid. Zamora stressed the nonaligned countries' solidarity with the South African people in their struggle against the apartheid regime. He also denounced that the support given by the United States and other Western superpowers to Israel contribute to make possible the existence of that opprobrious regime. [Text] [FL012347 Havana Domestic Service in Spanish 2300 GMT 1 Sep 81]

U.S. VETO OF UN RESOLUTION--Once again the U.S. Government has run to the aid of the criminal, racist regime of South Africa by vetoing a resolution at the UN Security Council condemning the armed invasion by Pretoria forces against Angola. The U.S. veto was Washington's last-ditch resort on seeing itself completely alone in the voting, which was 13 in favor of the resolution, 1 abstention and the U.S. vote against, which invalidated the decision. [Excerpt] [FL011110 Havana Domestic Service in Spanish 1000 GMT 1 Sep 81]

SPEEDY SANCTIONS AGAINST S. AFRICA URGED--Cuban Foreign Minister Isidora Malmierca has urged the UN General Assembly to move rapidly in applying obligatory global sanctions against South Africa, including an oil embargo. Speaking at the eighth session of the Organization of African Unity and the nonaligned countries movement to analyze the Namibian situation, Malmierca stated that the assembly should demand from all UN members to stop economic, political and military cooperation with South Africa. The Cuban foreign minister noted the alliance between the United States and the racist South Africans, openly declared with unheard of cyncism and as a brutal challenge from imperialism to African governments, the nonaligned countries movement and the overwhelming majority of the states that belong to the United Nations. Malmierca also referred to the "Ocean Drive 81" naval maneuvers and noted that the only need to hold such showy naval exercises off the African Coast was to vainly try to intimidate African countries. [Text] [FL051351 Havana Domestic Service in Spanish 1100 GMT 5 Sep 81]

SEMINAR PARTICIPANTS APPROVE FINAL REPORT--The final report of the Fourth UN Seminar on the Palestinian issue, which concluded today in this capital, was approved after being extensively discussed by the participants. The document states that a large part of Latin America is either poorly informed or misinformed with respect to the Palestinian problem and only receive news favoring Israel, due to that, the seminar has recommended that concrete measures be taken to change the situation through a greater dissemination by the United Nations of news on the reality and nature of the Palestinian people's struggle and their raison d'etre as a people. The seminar concluded with expressions of gratitude by the participants to the Cuban Government for the assistance and cooperation lent so that the conclave could be successfully held in Havana. [Text] [FL042041 Havana Domestic Service in Spanish 2007 GMT 4 Sep 81]

VECINO ALEGRET CLOSES PALESTINIAN SEMINAR--Fernando Vecino Alegret, member of the Communist Party of Cuba Central Committee and minister of higher education, ratified Cuba's solidarity with the struggle of the Palestinian people for the conquest and exercise of their inalienable rights. In his closing remarks to the UN seminar on the Palestinian question, Vecino Alegret said that the defense of peace includes solidarity with Palestine and the defense of its legitimate rights. The party leader said that the Palestinian drama is nothing more than an attempt to turn the Arab countries into neocolonies at the service of U.S. imperialism, which uses Zionism as a spearhead. Vecino Alegret underscored that only the solidarity of the Arabs with their Palestinian brothers indissoluably linked to the socialist and progressive forces of the whole world has been able to halt imperialist domination over that area of the world. He emphasized that those who deny Palestine its inalienable right as a nation are the same ones who are trying to perpetuate colonialism in Puerto Rico and supporting South Africa in its racist and aggressive policy. Lastly, Vecino Alegret issued a call to close ranks with the PLO to efface the crime against Palestine and make it possible for its children to regain the luminous future they have earned with their heroism. [Text] [FL051334 Havana Domestic Service in Spanish 1100 GMT 5 Sep 81]

MONTANE MEETS WITH UN OFFICIAL--At this capital's palace of conventions, Jesus Montane Cropesa, alternate member of the PCC politburo, has received (Masamra Sare), chairman of the UN special committee on the inalienable rights of the Palestinian people. The also ambassador of Senegal to the United Nations and chairman of the fourth UN seminar on the Palestinian people's rights, which began in Havana today, thanked the Cuban Government for hosting the event as well as the courtesies and services offered its participants. [Text] [FL312251 Havana Domestic Service in Spanish 2130 GMT 31 Aug 81]

INTELLECTUALS TO DEFEND CUBA, NICARAGUA--The intellectuals currently meeting in Havana are ready to once again come to our territory or to sister Nicaragua in case of an imperialist aggression against either of the two countries. This was one of the agreements adopted at this morning's plenary session of the meeting of intellectuals for the sovereignty of the peoples of our America. The participants of this important cultural meeting also approved declarations of solidarity with the struggle for national liberation of the Salvadoran, Ecuadorean and Puerto Rican peoples. Press conferences will be held this afternoon concerning the possibilities of imperialist intervention, the internationalization of the conflict in Central America, the Haitian regime and present U.S. policy toward Caribbean. Gabriel Garcia Marquez' new book, "Chronicle of an Anticipated Death" [Cronica de una Muerte Anunciada], will also be released this afternoon. The closing ceremony is scheduled for 1600 hours. The Jose Marti Order will be awarded to our national poet, Nicolas Guillen, this evening. [Text] [FL071814 Havana Domestic Service in Spanish 1700 GMT 7 Sep 81]

REACTION TO U.S. DENIALS OF INVASION PLANS

FL281842 Bridgetown CANA in English 1827 GMT 28 Aug 81

[Text] St Georges, Grenada, 28 Aug (CANA)--Grenada's People's Revolutionary Government (PRG) has dismissed as "without substance" denials from two American diplomatic mission in the region that the United States was planning an invasion of the island.

The American embassies in Barbados and Guyana on successive days denied that recent U.S. military exercises on the Island of Vieques, off Puerto Rico, were in any way connected with any planned invasion of the island.

In a statement last night, the PRG said that yesterday's denials sharply contradicted assertions it attributed to U.S. Rear Admiral McKenzie, commander of the Caribbean contingency joint staff force.

The PRG said that Rear Admiral McKenzie had spoken of the "U.S. capability to respond in the Caribbean," adding that "he emphasized that Cuba, Grenada and Nicaragua are practically one country and that the situation in respect of those countries is a political-military one."

"The denials...contain nothing of substance which refute the charge we have made that the exercise on the Island of Vieques is a practice run for the direct invasion of Grenada by U.S. troops," the PRG said.

The PRG said that it was well known that the pattern of stating objectives, initiating aggressive activities and then officially denying the statement of the objectives and the carrying out of the activities was typical of the international conduct of the United States.

Citing U.S. dealings with Guatemala as an example of this "international conduct" the PRG said that from 1950 to 1954 the United States was engaged in a massive destabilization of the government of Guatemala. Following this, the PRG continued, the CIA moved in mercenaries and counterrevolutionaries and overthrew the government while the U.S. Government issued emphatic denials of any complicity in these actions.

The overthrow of the Chilean Government of Salvador Allende by the United States was accomplished by similar methods in 1973, the PRG added, while the U.S. Government continued to deny involvement until that involvement was exposed by investigations of the U.S. Senate. The statement said that Grenada had been experiencing similar destabilization as was suffered by the progressive governments of Guatemala and Chile and "the present events, therefore, fit into a logical and consistent pattern."

CSO: 3025/1028

BRIEFS

MILITARY EXERCISES--Georgetown, Guyana, 29 Aug (AFP)--Military exercises are under way today throughout Grenada, whose prime minister recently warned that the United States was planning to invade the Caribbean Island-state. Monitored reports said that the military, the peoples' militia and the police were all involved in the maneuvers, "in order to be prepared for any emergency in the event of an attack by imperialist forces." Prime Minister Maurice Bishop and members of his cabinet have said that the United States planned to invade the 133-square-mile island, which has a population of about 100,000. U.S. ambassadors in Guyana and Trinidad and Tobago have denied Grenada's charges. The Bishop Government, which took power in Marcy 1979 after Prime Minister Eric Gairy's elected pro-west government was overthrown, has close ties to the governments of the Soviet Union, Nicaragua and Cuba. [Text] [PA300350 Paris AFP in English 0239 GMT 30 Aug 81]

CSO: 3025/1028

PPP SAYS U.S. LOAN DENIAL DUE TO CORRUPTION

FL311951 Bridgetown CANA in English 1709 GMT 31 Aug 81

[Text] Georgetown, Guyana 31 Aug (CANA)--Guyana's official opposition has charged that corruption in government here was the real reason for the U.S. decision to block a 20 million dollar (U.S.) loan to the local agricultural sector. The money was to come from the Inter-American Development Bank (IDB) for the People's National Congress (PNC) government of President Forges Burnham.

The Marxist People Progressive Party (PPP) said in a statement that the American decision showed that "even the United States, which brought the PNC to power, is aware that there is no proper audit and control of public funds, that corruption is a way of life from top to bottom." The PPP referred to a release from the U.S. International Communication Agency (ICA) which said the U.S. objections were that the loan would have been used primarily to spur rice production, and it could not be effectively monitored by the Inter-American Development Bank.

The PNC has accused the United States of inconsistency and hypocrisy, arguing that Washington was sponsoring agricultural development and yet blocking the loan. Supporting Guyana's International Monetary Fund (IMF) extended fund facility and world bank loans and yet vetoing the IBD loan.

The PPP said it "is aware that the United States is pushing private instead of state enterprise, and agricultural instead of balanced industrial/agricultural development." The PPP said it "has consistently warned that no doubt imperialism is beginning to realize that racial and political discrimination, corruption, lack of democracy and minority rule cannot produce results." The PPP again called for a broad-based truly representative national patriotic front government with a democratic anti-imperialist and socialist oriented program.

CSO: 3025/1028

DECREE 14-54 BRINGS COUNTRY TO BRINK OF ECONOMIC DISASTER

San Pedro Sula LA PRENSA in Spanish 4 Aug 81 p 4

[Article by Miguel C. Bendeck: "Decree 14-54 Keeps Us on the Brink of Economic Disaster"]

[Text] More than 50 million lempiras were lost in exports.
It would be a serious mistake to close the border with Guatemala.
The Constituent Assembly must review the effects of the decree.

Tegucigalpa-- Honduras has failed to export about 50 million lempiras since the measures included in Decree 14-54 took effect and the administration is having tremendous economic problems in meeting its commitments due to the drop in revenues.

At the end of the first 3 months of implementation of this government measure, industrialist Miguel C. Bendeck prepared a competent analysis of the economic consequences of those measures. Speaking first of the results of Decree 14-54, he said: "Unfortunately I must tell you that the results, now that Decree 14-54 has been in effect for 3 months, have been negative and unfavorable and the benefits which we expected to derive from it did not materialize. On the contrary, instead of benefits, that decree has made the crisis worse; it increased unemployment, it paralyzed our exports to Central America, and it increased our commercial deficit. I can tell you with complete certainty that there is trouble among the population."

"On top of all that I must point out," the former government official said, "that, contrary to what we had been hoping for, treasury revenues have declined and the government is short of funds in coming through on its most urgent obligations; the customs office is jammed with goods while importers cannot or do not want to retrieve them. This quite logically has caused a decline in the supply of very many daily necessities; on top of that, the cost of living has risen at an annual rate of more than 25 percent. Even more seriously, industrial production has been severely affected and, even though one might try to conceal this, It has been necessary to discharge vast numbers of workers. The spread of strikes and strike threats, which we have seen lately, are the consequences of this same inflationary phenomenon."

"As the days pass," commented Bendeck, "the problem is getting worse and the situation is becoming more critical; if corrective measures, as required by the situation, are not taken, then we may see convulsive phenomena of a social and political character."

"Our international reserves continue to be in a critical state and domestic savings have shrunk while private and government banks continue in a state of insolvency," the industrialist added.

"The total paralysis of our exports to Central American can be termed to be extremely serious and during the months that Decree 14-54 has been in effect, we failed to export no less than 50 millions lempiras. To illustrate that situation, I can tell you that, before Decree 14-54 took effect, commercial relations between Honduras and Guatemala revealed a ratio of 1:1.50; now, following the paralysis of our exports in that direction, the ratio is 1:40, in other words, for every lempira which we export, they now sell us 40 lempiras," the former deputy minister pointed out.

If the decree we are talking about has been so negative for the country's economy, what, do you believe, should be the solution that would enable our economic system to return to normalcy?

The former government official replied:

"Before answering your question, allow me to point out that I have read that some high public administration officials declared that the solution to the problem is 'to close the border to products coming from Guatemala.' As it turned out, this 'closing' is supposed to prohibit imports of products from Guatemala totally. If a measure of that magnitude were to be taken, the consequences for Honduras would be disastrous not only in economic terms but also in political terms. This would be a kind of declaration of economic warfare against a country with whom we have maintained cordial and mutually necessary relationships of all kinds.

"In economic terms, this would be harmful to Honduras because we would fail to export something like 100 million lempiras per year to Guatemala. Quite logically, with its border closed to its products, Guatemala would not simply stand by and watch and Nicaragua and Costa Rica would exploit the economic situation to take similar measures against Honduras."

Bendeck added that "closing the border to imports from Guatemala would force us to import from third countries those medicines, raw materials, and daily necessities which, before that, we got from Guatemala and we would have to pay for them in dollars instead of lempiras, as we did before Decree 14-54 took effect; this would cause a further decline in our international reserves. Closing the border to imports from Guatemala would produce a frightfull state of smuggling which would require an army of inspectors and customs officers along our entire border with Guatemala and even then we would not manage to stop smuggling."

"But perhaps the most harmful effect to Honduras deriving from the closing of the border to products from Guatemala would come in political terms. In view of the current convulsion which Central America is experiencing and by virtue of our geographic location, bordering on three countries, from the geopolitical angle, it would be advisable for Honduras to keep Guatemala as an ally and not as an adversary since there is a very close connection between the economic aspects and the political aspects."

"Now, to answer your question, it seems to me that the solution to this deadlock lies first of all in the recognition, by the executive branch and the National Constituent Assembly, of the fact that the promulgation of Decree 14-54, as it was drafted and applied, was a mistake because, in addition to violating international treaties, such as bilateral trade agreements, it did not yield the hoped-for benefits or results.

"Allow me to quote a Chinese proverb: 'The man who makes a mistake and who does not correct it is making another mistake.' In a similar manner, a mistake is not corrected by making another, more serious mistake, in other words, the closing of the border to products from Guatemala.

"As I see it, the solution would be to take the following measures or adopt the following resolutions:

"1. Immediately reduce public spending as recommended by the IMF.

"2. Immediately implement true government austerity and cut waste, extravagance, bureaucracy, and everything that signifies an increase in the rate of inflation.

"3. Drastically raise import duties on all those articles which are superfluous, luxurious, or unnecessary.

"4. Through practical and realistic measures stimulate everything that would signify production and adequately protect that production.

"5. Revise Decree 14-54, dropping the implementation of the 10-percent duty on imports coming from Central America.

"6. Revise Decree 14-54, dropping the collection of the 5-percent duty on imports of machinery and equipment currently interfering with production activities, both industrial and agricultural.

"7. Apply an additional 5-percent on top of the current income tax."

"In conclusion, I want to take this opportunity," the industrialist said, "to urge the National Constituent Assembly to appoint a commission as soon as possible to investigate the real way in which Decree 14-54 has negatively affected the country's economy; I would also like to urge the National Constituent Assembly, finally, to assume its proper responsibility."

"Maintaining silence or continuing with the current situation of indicision would only bring more trouble among the population and a deterioration in the already stifling economic, social, and political situation in the country."

Should the border with Guatemala be closed, as a businessman said recently?

The interviewee answered: "The reader knows that this report, to the effect that businessmen support the idea of closing the border, was 'planted' and perhaps paid for by a single businessman. The truth is that businessmen cannot support a measure of this kind, such as the closing of the border to products from Guatemala, because it would in every way be harmful to the economic and political interests of Honduras."

5058
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SHEARER, LESOTHO DIPLOMAT DISCUSS CURRENT ISSUES

FL281822 Kingston DAILY GLEANER in English 24 Aug 81 p 20

[Text] Jamaica's firm commitment to the antiapartheid struggle was again re-emphasised by Deputy Prime Minister and Minister of Foreign Affairs Hugh Shearer, during discussions with Lesotho's first high commissioner to Jamaica, Mr Mothusi T. Mashologu.

The meeting took place at the ministry of foreign affairs, New Kingston, on Wednesday.

During the meeting, Mr Shearer referred to Jamaica's opposition to the recent tour of New Zealand by the South African rugby team, as well as Jamaica's ban on trade with South Africa. He emphasised Jamaica's strong stand against apartheid and Jamaica's support for the struggle for Namibia's independence as also the efforts for better economic terms for third world countries.

Discussing Jamaica'Lesotho relations, the foreign affairs minister made special mention of his personal association with representatives of that country during meetings of the ACP [African, Caribbean Pacific countries]/EEC and nonaligned movement, as well as the support for landlocked countries in the law of the sea negotiations.

Mr Mashologu told the deputy prime minister that his country was most appreciative of Jamaica's support. He spoke of the need to strengthen relations between Jamaica and Lesotho and raised the question of cooperation in the areas of tourism and public information.

Earlier in the discussions, Mr Mashologu brought the minister of foreign affairs up to date on current events in Southern Africa as they affected his country.

The high commissioner, who is resident in Ottawa, left the island last week, a news release from the foreign affairs ministry said.

CSO: 3025/1028

JAMAICA 'OUTRAGED' AT S. AFRICAN INVASION OF ANGOLA

FL281816 Bridgetown CANA in English 1649 GMT 28 Aug 81

[Text] Kingston, Jamaica, 28 Aug (CANA)--Jamaica says it is outraged at South Africa's invasion of Southern Angola and was supporting the Angolan call for a meeting of the UN Security Council to deal with the crisis and the threat posed to international peace.

South African troops moved into Angola Monday in what Pretoria claimed was an operation to destroy bases of the South-West African People's Organization (SWAPO)--the recognized representative of the Namibian people. South Africa today said that it had begun to withdraw its troops, and in New York there were expectations that the security council would convene.

In a statement last night, the Jamaica foreign ministry said that the South African incursion had again demonstrated the disregard of the country's white racist government "for international opinion and its open defiance of the United Nations and the principles enshrined in its charter.

South Africa continues to defy UN resolutions that it give up Namibia (South-West Africa) which it had administered under an old League of Nations charter.

The statement noted that South African intransigence had blocked arrangements for Namibian independence agreed on by the United Nations. And the use of Namibian territory as the channel for the last "aggression" against Angola compounded South Africa's defiance and the illegality of its action.

Said the statement: "The Jamaican Government is outraged by the current invasion of Angolan territory by the military forces of the facist regime in South Africa, and strongly condemns this latest act of aggression which is a flagrant breach of the territorial integrity of Angola." The invasion, Jamaica said, "unquestionably poses a threat to international peace and security."

In 1975 Angola, with the aid of Cuban troops, successfully fought off a South African invasion. Since then the South Africans have made sporadic forays into Angola, but nothing of the magnitude of this week's invasion.

CSO: 3025/1028

CONSUMER PRICE INDEX RISES 1.4 PERCENT IN FIRST HALF OF 1981

FL022339 Bridgetown CANA in English 2253 GMT 2 Sep 81

[Text] Kingstown, Jamaica, 2 Sep (CANA)--Jamaica's consumer price index rose by a mere 1.4 percent for the first half of this year compared to a 16.1 percent for the corresponding period in 1980, Minister of State in Finance Ministry St Claire Shirley said today. Mr Shirley was outlining to Caribbean Community (CARICOM) finance ministers and their representatives now meeting here the economic strategies being implemented by the 10-month-old Seaga government, and the successes to date. Said Mr Shirley: "The most tangible success so far achieved by the new policies is in the area of prices. The consumer price index shows that prices rose by just 1.4 percent for the first half of 1981 compared with an increase of 16.1 percent in the first half of 1980." Inflation last year was 28 percent, he added.

Mr Shirley said that estimates of gross domestic product for 1981 indicated a halt in the continuous downward trend of the past years. The economy declined 5.4 percent during fiscal year 1980-81. He said that output in the manufacturing sector would be the same as in 1980.

Non-traditional manufacturers grew by 15.4 percent last year to reach 156.6 million dollars (U.S.), and this was despite the fact that factories were producing at 40 percent capacity. The reason for the slow growth in the manufacturing sector, Mr Shirley said, was because the 698 million dollar (U.S.) balance of payments agreement with the international monetary fund (IMF) had been finalized only in April.

"As a consequence, the raw material requirements of the manufacturing sector could only begin to be addressed since about mid-year," Mr Shirley said. He said, however, that agriculture was projected to register an advance over 1980 while the construction industry would show "reasonable growth."

The major agricultural crops, sugar and bananas, were in a sling. This year only 216,000 tons of sugar was expected to be produced against 247,000 tons last year. Bananas were expected to be no more, and maybe even less than last year's 33,000 long tons, the minister disclosed.

CSO: 3025/1028

BRIEFS

INVESTMENT CLEARING HOUSE LAUNCHED--Kingston, Jamaica, 2 Sep (CANA)--Jamaica's Prime Minister Edward Seaga says that his government has received 408 investment proposals, with a projected capital outlay of 1.1 billion dollars (one JCA dollar: 56 cents U.S.), since it came to office 10 months ago. Mr Seaga made the disclosure last night when he spoke at the official launching of Jamaica National Investment Promotions Limited (JNIP)--a newly-created agency which is to be the central clearing house for all private investment proposals here. The agency will move investment projects from the point of inquiry to implementation, directing investors to appropriate channels along the way. Mr Seaga told the launching ceremony that the proposals were 100 more than a month ago, and that 13 producing garments, plastic, furniture, ceramic tiles and horticulture had actually been implemented. Fifteen other projects had received approval and should be implemented within the new one to 5 months. Mr Seaga said that of the total projects, 244 were foreign for which the capital investment outlay was estimated at 737 million dollars. The 164 put up by local entrepreneurs represented a projected investment of 433 million dollars (J). If all the projects were implemented there were employment possibilities for 25,000 people. However, the prime minister warned that it would take up to 3 years for some of the projects to be implemented. [Text] [FL022333 Bridgetown CANA in English 2308 GMT 2 Sep 81]

U.S. 'HOSTILITY' TOWARD GRENADA DEPLORED--Kingston, Jamaica, 29 Aug (CANA)--The official opposition, the People's National Party (PNP) today said that it was alarmed by "the continued threats and hostile language" being used by the United States against Grenada. Its concern, the party said, had grown more grave with reports of a U.S. military exercise on Vieques, a small island off Puerto Rico. The PNP said it hoped that the exercise was not a practice run for the invasion of Grenada. Grenada has said that the exercise was part of the buildup for its invasion, but the Americans denied this. Said the PNP: "We condemn all intimidatory practices in the Caribbean and elsewhere and urge all governments to respect the principle of noninterference by one state in the internal affairs of another. "We reject most fervently even the contemplation of the use of force by a metropolitan country to overthrow the government of a small state in the Caribbean." [Text] [FL311340 Bridgetown CANA in English 1944 GMT 29 Aug 81]

CSO: 3025/1028

CTV SAID TO CONTROL LARGE BUSINESS INTERESTS

Caracas RESUMEN in Spanish 9 Aug 81 pp 7-9

[Article by H. J. G.: "The Democratic Action 'Trade Unionists'--A Party Within a Party: 'Something More Than a Bank'"]

[Text] The decline of the Democratic Action, the more incredible because since the 1973 triumph (with more than 50 percent of the votes) it has managed more money than the three governments which preceded it together, has placed the party in the hands of a group which by occult and extraordinary means has amassed a vast fortune. Are they the apostles of the party? No, the so-called "trade union faction." Workers' leaders, without any workers to follow them, politicians and enterprises, control an economic power factor which is the last remaining vestige of the "Party of the People."

The Confederation of Venezuelan Workers (CTV) can be regarded as one of the most powerful workers' organizations in the world, if not thanks to the control it exerts over the workers' movement (rather limited and politically rather than "worker" oriented influence), at least because of the large number of enterprises it has succeeded in establishing in the past 15 years, laying the foundations for an economic empire of a capitalist rather than a workers' nature, enabling it to take its place alongside traditional economic groups.

Despite the fact that all parties are represented within the CTV, it is the Democratic Action which has succeeded in controlling the Workers Confederation most effectively, and above all, the enterprises which have resulted therefrom are under the firm control of the AD trade union faction. Thanks to the decline of the AD, the trade union faction has come to be the most powerful internal power group. These are the "rich men" of the AD. It is as a function of the weight of this economic force, more than their influence as workers' leaders, that they can impose their points of view.

This is a journalistic analysis. But a more profound scientific study would lead to the dissection of one of the most repulsive aberrations of democracy, of trade unionism, and if you wish, even of capitalism, as understood and practices in this sui generis fashion by the worker-capitalist-political leaders. Until 1980, when RESUMEN undertook an exhaustive study of the matter, in "CTV--An Economic Empire Worth 450 Million Bolivares" (No 361, 5/10/80, pp 12-21), the most important Venezuelan Workers Confederation controlled a holding company of 15 enterprises with capital totaling 150 million bolivares through the CORACREVI [Housing Savings

and Loan Corporation]. Through the Workers Bank, it controlled another 25 companies which together had capital totaling 250 million. And there was yet another enterprise, the Oil Financing Corporation, with company capital of 50 million bolivares. These 42 enterprises together have capital totaling 450 million bolivares, modest if viewed from the purely economic point of view, but gigantic if one takes into account the diversification of commercial activity.

In principle, the CTV based its action theoretically on the concept of joint management by business and labor, as the principal and basic aspiration of the new organized workers' movement. "Comanagement" or "joint management" is simply participation by the worker in the decision-making process at the enterprise, be it private or state-owned.

Obviously, the ownership of some enterprises by the workers themselves who run it would be a more ambitious goal. This would not be the same as ownership of all the enterprises by the state. The former might be the more refined form of joint management. One must wonder what kind of joint management occurs when the enterprises are created by the trade unions and/or the trade union leaders, many of whom become stockholders therein at the very moment the enterprises are established, either by purchasing their stock or by contributing capital for the formation of the companies.

In any case, the result is a group of worker-bureaucrats, members of the boards of capitalist enterprises, with workers who are treated the same and/or worse than the employees of companies whose owners are capitalist stockholders.

We ask again, would a more serious and profound study of this "Democratic Action" style of capitalist socialism or workers' capitalism yield as a result functional and productive organized enterprises in which the workers enjoy better conditions, better wages? From all appearances the answer is no. Corruption, waste, and poor management seem to be the general trends. More or less mitigated scandals with the BANTRAB, negotiations such as those with the BTV, very difficult to term successful, and many other cases seem to indicate that the enterprises of the worker-businessmen have all the vices of capitalism and few of its virtues.

The CTV Enterprises

The CTV is active in a wide range of economic and industrial activities through three great financial centers: the Housing Savings and Loan Corporation (CORACREVI), established at a general meeting of the CTV on 2/9/65 as a "nonprofit civil company," and its two derivatives, the Venezuelan Workers Bank (BTV), registered 3 years later, on 14/3/68, and the Oil Financing Corporation, C. A. (COFIPECA), registered 9 years later, on 5/2/74.

Through the CORACREVI, the CTV succeeded in creation 13 enterprises in addition to the BTV and the COFIPECA in 15 years, providing jobs and creating economic power, with capital totaling more than 150 million bolivares, in activities including construction, industry, services. urban development, sales and real estate management, navigation enterprises and others.

As of October 1980, the following enterprises were known to belong to the CORACREVI holding company:

Coramatic, C. A. Registered and recorded by German Manzo Gonzalez on 23/3/71 with company capital of 100,000 bolivares, for the purpose of operating dry cleaners and laundries. Augusto Malave Villalba underwrote stocks worth 99,000 bolivares in the name of CORACREVI, making an initial contribution of 46,000 bolivares in washing, drying, water heating and other machinery.

La Candelaria Industrial Park, C. A. Registered on 28/8/74 with a million bolivares in underwritten and paid-up stocks. Original participants in the enterprise included Ignacio Andrade Arcaya, Tony A. Lovera, T. E. Carrillo Batalla and Andres Galdo. On 8/2/80 the board of directors changed to include Sergio Leon Morales, as president, Juan Herrera, president of CORACREVI, and Pedro Jose Lander, the director of Pubrel, C. A.

Margarita Tourism, C. A. Registered on 1/9/75 with company capital totaling 2.625 million bolivares, its purpose is the operation of a maritime passenger transportation business.

Fifteen-Forty Housing, C. A. (Viquicua). Registered on 10/12/76 with company capital of 100,000 bolivares, its purpose was the construction of urban developments and subdivisions. Eleazar Pinto signed on behalf of the CORACREVI, and Juan Herrera purchased 1,000 bolivares worth of stock in its name.

Venezuelan Tinderboxes, C. A. (YESVENCA). Registered on 29/9/77 with 2,24 million bolivares in capital, its purpose was the manufacture of tinderboxes. Juan Herrera purchased type A stocks worth 1.568 million bolivares on behalf of CORACREVI, and Alfonso Ferretti, as managing director, purchased type B stocks worth 672,000 bolivares.

El Encantado Residential Park, C. A. Registered on 5/12/77 with company capital of 40 million bolivares, its purpose was the subdivision and development of a housing complex in El Carpintero, Petare. Juan Herrera purchased stocks worth 25 million bolivares on behalf of CORACREVI, and Eleazar Pinto purchased stocks worth 25 million bolivares on behalf of Bantrab Investments. CORACREVI contributed lots it owned in Jardines la Suiza to the company for the building of the complex.

Createrol, C. A. Registered on 17/1/78 for the purpose of engaging in advertising, radio, film and television programming, market planning and other related activities with the Hermes Advertising firm. Jesus Graterol Sandander ("Graterolacho") is its president, holding 75,000 bolivares in stocks. CORACREVI purchased 100,000 bolivares worth of stocks and Bantrab purchased the balance for 75,000 bolivares. Later, the company capital was increased to 1.35 million bolivares, with stocks distributed as follows: CORACREVI purchased stocks worth 550,000 bolivares; Bantrab Investments purchased stocks worth 405,000 bolivares; and Graterol purchased stocks also worth 405,000 bolivares. On 31/12/79, this enterprise declared capital totaling 15,663,288.25 bolivares, and accounts receivable totaling 14,500,454.23 bolivares.

Caribbean Plot, C. A. (PADELCA). Registered on 7/3/78 with company capital totaling 3.472 million bolivares, the purpose of this company is the leasing of real property for the docking, anchoring, dispatching and maintenance of ships. On behalf of CORACREVI, Juan Herrera contributed a plot of land it owned located in the El Morro tourist complex, Sotillo District, state of Anzoategui.

Venezualan Maritime Freight Corporation (COMARVENCA). Registered on 7/7/78 with company capital totaling 3.66 million bolivares, its purpose is the loading and unloading of vessels anchored on the high seas, the transportation of freight to the port dock and warehouse facilities. Juan Herrera, on behalf of CORACREVI, bought stocks worth 3.659 million bolivares, and one in his own name worth 1,000 bolivares. The CORACREVI contributed two ferryboats with a total value of 3.66 million bolivares at the time of the establishment of the enterprise.

South-Twenty-five Tower, C. A. Registered on 8/3/78 with company capital totaling 3.69 million bolivares, this company drafts studies and plans and builds, subdivides, rents and sells housing properties. Juan Herrera, as acting president of CORACREVI, purchased stocks worth 3.680 million bolivares and stock worth 1,000 bolivares in his own name. The CORACREVI contributed 2,626.67 square meters of land in La Candelaria.

Corpoban, S. A. Registered on 15/6/78 with capital totaling 30 million bolivares, its purpose is to buy, sell, trade and promote real and chattel properties, and to build housing and urban developments and manage real estate. As acting president of the CORACREVI, Juan Herrera purchased stocks worth 15 million, while Eleazar Pinto, president of Bantrab Investments, purchased stocks worth 15 million on its behalf. When the enterprise was established, the CORACREVI contributed 23.33 percent of the housing production units which it owned, with a capacity for the production of 10 housing units per day, using a design patented by the French SUPAE firm, the price of which totals 38,800,707.72 bolivares.

Integral Recreation, S. A. (RECREINTESA). Registered on 15/9/78 with capital totaling 2.5 million, its purpose is to promote, plan, build and manage tourist, vacation and recreational facilities. Lino Morales, acting for the INCRET [Workers Training and Recreation Institute] purchased stocks worth 500,000 bolivares. The Workers Bank purchased stocks worth 1 million, and CORACREVI purchased stocks worth 1 million. The INCRET contribution was a building located in the Barlovento urban development, Rio Chico, state of Miranda, in the Guaiqueri recreational settlement, and 16 housing units under construction.

Housing Administration, C. A. Registered on 18/8/79 with capital totaling 500,000 bolivares, the purpose of this business is to engage in real and other property transactions, urban development, brokerage, subdivision and loan operations. As acting president of CORACREVI, Juan Herrera purchased stocks worth 100,000 bolivares, and Eleazar Pinto purchased stocks worth 50,000 bolivares on behalf of Bantrab and stocks worth 350,000 bolivares on behalf of the Valle Arriba in Charallave.

Machine and Engine Parts Construction (COMAPASA). This company was registered with capital totaling 1.8 million bolivares for the purpose of engaging in the construction of special electromechanical machinery, the design, repair, installation, sales and production of engine parts and dies, and the rebuilding of heavy machinery. As acting president of CORACREVI, Juan Herrera purchased stocks worth 1.799 million bolivares, and stocks worth 1,000 bolivares in his own name. CORACREVI contributed a vast inventory of almost 100 machines and other equipment such as lathes, cutting and grinding machines, platforms, drills, milling machines, hydraulic presses, electric kilns and compressors.

La Tumerena Development, C. A. Registered on 29/11/78 with company capital totaling 53 million bolivares, its purpose is the urban development of plot of land in the Pitahaya sector of the municipality of Charallave, formerly the El Zamuro estate, in the Urdaneta district of the state of Miranda, including the distribution of housing of social interest, and projects, studies and all other aspects related to construction. Juan Herrera, as acting president of the CORACREVI, purchased stocks worth 52.999 million bolivares, along with stocks worth 1,000 bolivares in his own name. The CORACREVI contributed 3 plots of land totaling 269 hectares at the site now known as La Tumerena, formerly known as El Zamuro.

Apart from these enterprises, the Workers Bank controls these others:

Bantrab Investments, with company capital totaling 5 million bolivares, for the purpose of the purchase, sale and management of real estate. Its offshoots include three other enterprises designed to support the development of the mother company.

Bantrab Promotion, registered on 30/3/76, with capital totaling 500,000 bolivares, for the purpose of leasing, purchasing, selling and promoting housing.

Bantrab Administration, registered on that same date with capital totaling 500,000 bolivares, with the purpose of managing real estate.

Bantrab Computers, registered on 26/4/76, with capital totaling 5 million bolivares, for the purpose of engaging in computer transactions.

In addition, in the record time of 28 days, Bantrab Investments registered 20 enterprises between 20/9/77 and 18/10/77 (Bantrab-1 through Bantrab-20), each with a capital of 100,000 bolivares, for the purpose of purchasing, selling, managing and developing real and other property. The immediate goal is the housing development of the areas near the Caracas Metro, in which activities Bantrab is affiliated with contractor Enrique Delfino for the implementation of these programs.

There remains, finally, the Oil Financing Corporation (COFIPECA), an enterprise registered on 5/2/74 with company capital totaling 10 million bolivares, for the purpose of engaging in financial activities. At the beginning it was thought that the COFIPECA would focus on the granting of loans and financing to the smaller enterprises in small and average industry, as well as other sectors requiring financial support. Its paid-up capital totals 20 million bolivares.

Apparently, the Venezuelan trade unionists have learned a lesson from businessmen and have decided to place as many enterprises as can be controlled financially in the hands of the trade union movement. It remains to see what benefits are yielded by these enterprises to the ordinary worker, the man who has put the labor leaders in the positions they occupy today, and who with his humble dues gives strength and force to the workers' organizations. Time will tell if so much sacrifice was worth his while.

[Explanation of chart: With the central caption "Capitalists' or Workers' Trade Unionism?" chart shows key figures in CTV-controlled enterprises at top and bottom, and arrows indicate chain of command linking corporations and companies identified and described in the article.]

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BELAUNDE ANNOUNCES CONSTRUCTION OF NEW OIL REFINERIES

Lima EL COMERCIO in Spanish 1 Aug 81 p 1

[Text] President Fernando Belaunde Terry yesterday announced the construction of new oil refineries in several areas along the coast, such as Mollendo, Matarani and Eten.

He emphasized that the construction of those refineries has become extremely necessary now that the government has embarked on an aggressive program of petroleum exploration and development.

Belaunde made his statements to newsmen at the end of his visit yesterday to La Pampilla Refinery, where he was received by the firm's manager, Carlos Repeto, and the president of the board of directors of PETROPERU [State Petroleum Agency], Victor Montori Alfaro.

After visiting the installations, he said that many years ago, during his first administration, he had had the satisfaction of dedicating this plant and that now he felt that same satisfaction on seeing the technological advances made during these years.

Decentralization of the Petroleum Industry

He indicated that what the government must do now is take another, equally important step, that of decentralizing the petroleum industry.

"This refinery depends on crude which comes from a border zone. We must free the country from this dependency (of depending solely on petroleum from the border zone) and to do this we are encouraging the production of petroleum in the country's central area," he emphasized.

He indicated that at the present time the situation in the central zone is already being studied by Shell, in the area near Atalaya, Pongo de Naynique, Istmo de Ficarral and Codo del Tambo.

Asked whether the construction of new refineries has also been proposed, he said that actually the work to be done also involves the construction of new refineries.

"We are in need of other refineries in other coastal zones, especially in Mollendo and Matarani in the south, and at some point in the north, such as Eten," he said, pointing out that Pampilla will play an important role.

The Pampilla Refinery started up in 1967, producing 1,000 barrels per day. At present it has a daily crude production of about 95,000 barrels. It therefore meets more than 60 percent of the domestic and export market needs.

During President Belaunde's brief visit to the plant, the manager of the firm pointed out to the chief of state the technological advances made by the refinery. He also thanked the president on behalf of all the workers for having achieved the construction of the Pampilla Refinery during his first administration, providing an opportunity to begin "modern refining" in the country.

8735
CSO: 3010/1711

NEW OIL WELLS DISCOVERED IN NORTH JUNGLE

Lima EL COMERCIO in Spanish 5 Aug 81 p A-3

[Text] Two new petroleum discoveries, described as being of "moderate size" have been made recently by Occidental Petroleum Corporation (OXY) under contract with PETROPERU in Field 1-B of our north jungle.

The two wells are part of a program of five wells and several other investments the aforementioned firm proposes to make during the current year to increase available reserves under D.S. 005-81-EM/DGH, statutes of Law 23231, according to a communication from the Energy and Mines Ministry received by our editorial offices yesterday.

The announcement specifies that exploratory well Ceci 1, in Field 1-B, confirms the possibility of producing 1,700 barrels daily of lightweight petroleum of 44 and 42.4 degrees API specific gravity from the two zones in the Chonta Formation, respectively.

The structure is 12 kilometers from the nearest collection point, which is in turn connected to the northern branch of PETROPERU's Nor-Peruano pipeline, which begins in Andoas.

PETROPERU is now working on reinforcing the pumping system of the northern branch so that before the end of 1981 it will be able to increase its transport capacity by 10,000 barrels daily.

It is also studying the feasibility and design of an increase in the capacity of 25,000 additional barrels daily, according to the communique.

Occidental will begin the confirmatory wells immediately to measure the exact size of the new deposit, Ceci 1 (the name honors Cecilia Newton de Malaga, first secretary of OXY in Peru).

In addition it is indicated that the new Jibarito 1 structure (also in Field 1-B) 18 kilometers east of Ceci 1 has produced 1,200 barrels daily of medium heavy petroleum of 14.1 degrees API from the Vivian Formation.

It will be determined in the next few weeks whether this discovery can be commercially exploited.

The well is 6 kilometers from the closest collection point, meaning that the drilling rig will soon be brought to Jibarito Sur, 10 kilometers away, to start a new exploratory well.

The results of this new exploration will confirm whether Jibar'to 1 is commercially exploitable, along with a possible new discovery, the Energy and Mines Ministry communication emphasizes.

Finally, it is confirmed that although the new discoveries are of relatively modest size, they mean the successful beginning of a new stage of exploration in the north jungle, made possible by the provisions of Law 23231 approved by Congress in December 1980.

8735
CSO: 3010/1711

BRIEFS

OIL RESERVES UP--Proved petroleum reserves amount to 850 million barrels of available plus 1 billion barrels of heavy petroleum, Pedor Pablo Kuczynski, minister of energy and mines, has announced. Saying that figures which indicate that there are 50 billion barrels in reserve are "pure fantasy," he predicted that the available petroleum will last between 10 and 12 years and the heavy from 12 to 13 years. He also indicated that the petroleum discovered by Occidental in Field 1-B will raise our reserves by five percent, but, he explained, it does not change the situation dramatically. In addition, he indicated, the importance of the discovery is not known exactly because they are test wells. He said that he is going to have to see the official newspaper EL PERUANO to read the tale about reserves of 50 billion barrels, adding that that information does not seem to be based on any scientific data since, he said, they are not proved reserves. He also announced, in addition, that negotiations are also under way with the French petroleum enterprise to explore the continental shelf opposite Pacasmayo and with two U.S. groups to explore two fields in the north jungle, as well as with Belco for offshore exploration opposite Talara. [Text] [Lima EL COMMERCIO in Spanish 31 July 81 p A-4] 8735

CSO: 3010/1711

BRIEFS

LAGOVEN GAS DISCOVERY--Quiriquire, 4 Aug--A well which completed today in this old town yielded very good tests results and indicate great potential for gas and condensates. Well QQ-654 reached a depth of 9,480 feet and was completed in the Jabillos formation. "It produced 23.3 million cubic feet of gas per day and 780 barrels of 57.7 degree API condensate per day," said Roman Ruiz, an engineer who is supervisor of well rehabilitation for LAGOVEN. He said that the three wells drilled previously yielded satisfactory results and will supply 30 million cubic feet of gas for CORPOVEN, which in turn will distribute it in the developing industrial zone at Maturin around the end of the year. Ruiz believes that Well QQ-654 may eventually reach a daily production of 45 million cubic feet of gas and 1,200 barrels of condensates, using an inch reducer and with a flow pressure of 2,000 pounds per square inch. By 1983, LAGOVEN must supply CORPOVEN with 200 million cubic feet of gas a day from this field, which is 65 years old and was the pioneer in the Eastern oil industry. [by Ruben Ferrer Rosas] [Text] [Caracas EL NACIONAL in Spanish 5 Aug 81 p D-13] 8587

CSO: 3010/1698

BRIEFS

CHILE-PERU COPPER AGREEMENT--One factor which may be involved in the recent increase in the price of copper is the chance for an agreement between Chile and Peru to protect the price of ore, and the proposition by the National Mining Association [SONAMI] that all producer nations decree simultaneous mass vacations throughout their mining fields. This was announced by SONAMI representative Alfredo Araya, who stressed that the international price of copper rose from 76.29 cents per pound (the average price for July) to 80.67 cents yesterday. Although the informant felt it was rash to give exact reasons for the price increase, the phenomenon can be attributed to the international market's sensitivity to any measure which might change it. He observed that an international increase in the price of copper is always paralled by increases in the price of gold and silver. But gold and silver prices have stayed the same or have even decreased, he said. He indicated that Chilean and Peruvian government circles are considering the possibility of an agreement to protect the price of copper, and, moreover, SONAMI's proposition to the government, recommending in the headquarters of the Intergovernmental Committee of Copper-Exporting Countries that producer nations decree simultaneous mass vacations at their deposits. According to Araya, the price of copper is artificially low now because consumers are not maintaining stocks of copper at the present interest rates and because they can depend on a very steady supply. "For this reason," he said, "SONAMI believes that the producer nations should regulate their production in such a way that the supply is more in balance with demand and that the market should be managed to favor a rise in prices to reasonable levels." [Text] [Santiago EL MERCURIO in Spanish 8 Aug 81 p C-1] 8587

BOLIVIAN EXPORTS TO PERU--La Paz, 17 Aug 81 (TELAM)--Bolivian manufacturers have denounced difficulties they are experiencing in exporting their products to the Peruvian market. They stated that this has caused a serious deterioration in the economic and commercial balance between Peru and Bolivia. The manufacturers demanded the compliance with the commercial exchange agreements and covenants that fall within the scope of complementation and integration of the Latin American Integration Association and the Andean group. [Text] [PY270330 Buenos Aires TELAM in Spanish 1100 GMT 17 Aug 81]

CSO: 3010/1785

GOVERNMENT TO SEND 'PEACEFUL AID' TO EL SALVADOR

PY012356 Buenos Aires HERALD in English 1 Sep 81 pp 1, 11

[Excerpts] Washington (NA)--Argentine Foreign Minister Oscar Camilion said yesterday that his country is ready to provide Central American countries with all the peaceful aid it can, particularly in the case of El Salvador, where he said, "An important battle for the future of the hemisphere is being fought."

Camilion said after a nearly 1-hour-long meeting with U.S. Secretary of State Alexander Haig that cooperation could involve food, technology "and even some multinational aid, but nothing more than that."

Although it was not mentioned today, Camilion hinted as he arrived here on Saturday at Argentina's opposition to the recognition by Mexico and France of Salvadoran guerrilla troops as "legitimate" participants in a dialogue to restore peace in that country.

Diplomatic sources said yesterday the meeting between Camilion and Haig focussed mainly on the Salvadoran subject, adding that the situation of Bolivia, whose government has not been recognized yet by the United States because of alleged links between some officials and drug traffickers, had also been discussed.

On his way to the White House, where U.S. Vice President George Bush was awaiting him for an impromptu meeting, Camilion stated that Haig and he had "agreed on every topic, especially on the need to strengthen the links between both countries."

Camilion disclosed later in the evening that Bush had accepted an invitation extended in the name of President Roberto Viola for Bush to visit Argentina shortly.

Diplomatic sources said later one of the main topics discussed by Camilion and Haig had been the setting up of stronger economic links between both countries, mainly by means of a steadier flow of U.S. investments towards Argentina.

Talking to the press after meeting with Haig, Camilion said he had stressed that the aim of the current military government is "to build a democracy in Argentina and to contribute to the defence of democracy throughout the hemisphere."

Camilion also said they had not discussed the eventual sending of Argentine troops to the Sinai peace-keeping force, although, he said, the Humphrey-Kennedy Amendment banning arms sales to Argentina had been discussed.

CSO: 3020/149

FOREIGN MINISTER SATISFIED WITH WASHINGTON TALKS

PY030011 Buenos Aires TELAM in Spanish 1558 GMT 1 Sep 81

[Text] Washington, 1 Sep (TELAM)--Argentine Foreign Minister Oscar Camilion last night stated that the main course of his talks with Reagan administration officials has developed along purely bilateral lines, dealing mainly with how the U.S. views Argentina and vice versa.

"They have made it very clear that the Reagan administration is favorable to Argentina," the foreign minister said last night to journalists who attended a barbecue at the Argentine Embassy.

"The Reagan administration sees Argentina as playing a specific role and the executive branch has a great interest in Argentina," Camilion added. "The development of the Argentine process is considered very significant."

Minister Camilion said that the Reagan administration fully agrees that Argentina has a role to play within the hemisphere and that so far his talks have served to confirm Argentina's role.

The Argentine foreign minister confirmed that he had not discussed the subject of human rights in Argentina at any great length, and made it very clear "that we never believed that the Reagan administration was not interested in human rights, but rather disliked the harmful and aggressive shape which the human rights policy had taken."

Camilion added that "the tone of the talks has been constructive and positive. These talks will be resumed in a few weeks when we hope Vice President (George) Bush pays us a visit, as soon as his agenda allows him to."

Foreign Minister Camilion reiterated to Vice President George Bush the invitation to visit Argentina which was conveyed to the latter by President Roberto Viola during his trip to Washington in March.

The foreign minister reaffirmed that he had found U.S. officials to be most receptive to Argentina's situation and that they do not regard photographs of the past as representations of today.

"They support the efforts toward coexistence within the framework of the law that other countries, which share the U.S. way of seeing the world, may be making," Minister Camilion emphasized.

CSO: 3010/1783

FOREIGN MINISTER HOLDS PRESS CONFERENCE

PY022347 Buenos Aires TELAM in Spanish 2055 GMT 2 Sep 81

[Text] Washington, 2 Sep (TELAM)--Argentine Foreign Minister Oscar Camilion today condemned the Mexican-French declaration granting the status of a legitimate counterpart to the Salvadoran guerrilla movement. Camilion termed the declaration a direct intervention in the domestic affairs of El Salvador.

The Salvadoran internal situation and its impact on the security of the hemisphere was one of the issues that was more widely discussed by Camilion during the contacts he made here with Vice President George Bush and officials of the State Department and the Pentagon.

Camilion also discussed the Salvadoran conflict at a press conference he held here today shortly before returning to Argentina.

Commenting on the French-Mexican declaration, Camilion said that the need for the principle of nonintervention to be fully observed must be understood. There can be no more precedents of countries passing judgment on the internal processes of other countries.

Camilion said: One must show respect for the government installed in the capitals of those countries with which one maintains relations because the precedent of recognizing movements formed outside one's own territory would mean clearing the way for chaos.

He said Argentina helped the Salvadoran Government with food and with financial aid by opening a line of credit for the purchase of Argentine industrial goods. He added that Argentina will extend this financial aid as much as possible.

He added that Argentina also has a moderate availability of human resources that can contribute to promoting Salvadoran developing taking into account the number of idle technicians existing in his country.

Camilion said he has evidence of some form of foreign interference in El Salvador but declined to say whether his government shares the U.S. belief that Cuba is the main supplier of arms to the guerrillas and Nicaragua, the main channel through which those arms are supplied.

Camilion also discussed the following issues with the journalists:

Bolivia: Like the United States, Argentina wants a prompt stabilization of the Bolivian domestic situation.

Uruguay: Camilion provided the U.S. officials with additional information on the Uruguayan political process and expressed the satisfaction with which the Argentine Government is viewing the continuation of that process which yesterday produced a change of government and which must culminate with the return to a fully democratic system of government.

Chile: Information was given on the current status of the papal mediation aimed at solving the Beagle conflict.

Sinai: The request made to the Argentine Government to have its troops join the peace-keeping force was not discussed. The subject is still pending and it is being studied by the Argentine Government.

Soviet Union: Camilion made it clear that Argentina is interested in preserving and, if possible, in increasing the current level of its trade with the Soviet Union. Although Argentina purchased heavy water from the Soviet Union some time ago, no further purchases of this material is being considered. If in the future we need materials, such as enriched uranium, we will buy them from any market that makes us an offer, Camilion said.

Yacyreta: The eventual participation of the U.S. enterprise Allis Chalmers--an issue in which the U.S. Government is obviously interested--was discussed only from the standpoint that it could be a good starting point--although not the only one--for intensifying U.S. investments in Argentina.

Namibia: There was no time to discuss this issue as thoroughly as the minister would have wanted. Argentina has a great interest in Namibia because it would mark the end of the decolonization process in Africa and because it involves security matters that concern the future of a country which, like Argentina, has a coast on the South Atlantic.

Cuba: No formula for reestablishing the blockade that had been imposed to this country was discussed.

CSO: 3010/1783

CHANGE OF MINISTERS, ECONOMIC POLICY VIEWED

PY252208 Buenos Aires HERALD in English 25 Aug 81 p 10

[Editorial: "Industry's Minister"]

[Text] The government has not wasted its time in finding a successor to Eduardo Oxenford, who cannot be accused of keeping his intention of leaving the cabinet a secret until the very last minute. Within hours of his long expected decision to quit because of his inability to get what he wanted for industry, he was replaced by someone from the same stable, Livio Guillermo Kuhl. The new minister, moreover, appears to share Oxenford's views on most important matters, being a supporter of special privileges for industry, including high tariff barriers, lower interest rates than the market at present sees fit to supply, and a bail-out engineered by the "refinancing" of the enormous debts that have been piled up.

That a representative of industry should try to imagine a better environment for his sector and recommend ways of bringing it into being is reasonable enough. For a cabinet minister to do so, however, is not the same thing at all. It is the cabinet's job to work out an overall economic policy in which the interests of all specific sectors are firmly subordinated to the general welfare. If Argentina were a country without much farming potential and without a vast public sector it would make sense to stress industry above all else because there would be no alternatives to it. In the present circumstances, however, industry is as much a problem as a hope. Whatever is given to it must, for a certain period at any rate, be taken away from others. Higher tariffs will transfer resources from the consumer--that is the population as a whole--into the pockets of the industrialists; a bail-out will increase the number of people who have to carry industry through this difficult period; a reduction in taxes for industry will merely mean an increase in taxes for others, as there is no indication that the government has any real intention of reducing its expenditures.

Although a subsidy of this nature--because it is a disguised subsidy that Kuhl, like Oxenbord before him, is talking about--would no doubt be welcomed by industry leaders, there is no guarantee that it would be put to any good use. Instead of serving for investment in new plants to increase productivity, and hence the standard of living of the country as a whole, it would, almost certainly,

be used merely to restore the status quo that existed before the present crisis, enabling a manufacturing sector to exist behind high protectionist walls that effectively isolate Argentina from a world economy that may have its unpleasant characteristics but is the only one that exists.

Argentina has always been a country of rich businessmen and poor businesses. Far too many industries manage to keep alive not because of their own merits but because the state grants them what is necessary for their preservation. A policy designed to change this is bound to cause a great deal of difficulty and to be intensely unpopular among individuals who did very well under the old order. Accepting it as the lesser evil, however, is bound to ensure that Argentina will remain in a permanent state of political and economic crisis. The make-up of the economic cabinet, which is composed of spokesmen for the different sectors of the economy, is designed to encourage conservatism in areas where drastic changes are clearly necessary. It may have its advantages from a political point of view: coopting the opposition is a useful defensive tactic. But as the last five dreadful months have surely demonstrated, it is a recipe for paralysis.

CSO: 3020/149

NEW INDUSTRIES MINISTER SUPPORTS PREDECESSOR

PY272115 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1410 GMT 25 Aug 81

[Text] Buenos Aires, 25 Aug (NA)--The brand-new industries and mining minister, Livio Kuhl, today called for "the establishment of medium- and long-term objectives" in order to "overcome as best we can and as soon as possible" the current industrial crisis but added that this policy must be in keeping "with government guidelines."

He also said that as long as interest rates continue to increase "even if they do so only nominally, industry will be unable to overcome its current stagnation."

Kuhl made these remarks at Government House shortly after taking oath as minister of industries and mining before President Roberto Viola during a ceremony held in the White Hall and attended by ministers, secretaries general of armed forces branches and other government officials.

During the ceremony Kuhl expressed total support for the policy of his predecessor, Eduardo Oxenford by saying that "I fully and totally support what he has done," and explained that "I will start where he left off guided by general principles and the same business philosophy." It is worth pointing out that the two men, Oxenford and Kuhl, were leaders of the Argentine Industrial Union (UIA).

At the same time Kuhl stated that the essential thing is to work in harmony "with the cabinet" because "each one must lose some of his own identity to somehow merge with the group."

As to the measures soon to be implemented, which were announced on 19 August by Economy and Finance Minister Lorenzo Sigaut for the industrial sector, Kuhl said that "if they can be promulgated soon industry will receive breathing room."

In response to a question he said that "the problem of import custom tariffs has been discussed too much," and that he believes that "this is not one of Argentina's problems" within the framework of the current financial and economic crisis.

When asked about interest rates, Kuhl said that in his opinion "this was indeed a problem" and that even though he was neither an economist nor financial expert "as industries minister I believe that interest rates are a basic problem for industry."

He warned that "if the interest rates remain high, even if they do so only nominally, industry will be unable to overcome its current stagnation."

He also announced that his attitude will be "one of dialogue" with all sectors "without exceptions" and recalled that he and his predecessor have always been advocates of a policy based on agreement and exchange of opinions.

CSO: 3010/1783

COMMENTS ON U.S.-LIBYA INCIDENT

PY262132 Buenos Aires LA PRENSA in Spanish 24 Aug 81 Section 2 p 1

[Editorial: "An Air Battle Over the Mediterranean Sea"]

[Excerpts] The air battle waged over the Mediterranean Sea by two planes of the Libyan Air Force and two planes of the carrier "Nimitz," of the U.S. Sixth Fleet, has a far greater significance than one might conclude through a quick review.

The incident, which may have further repercussions, has already surfaced the tensions that have been marking the Washington-Tripoli relations, especially since the American Embassy in the Libyan capital was attacked and set afire.

While President Reagan has not added anything new to what everyone knows, his remarks on Colonel al-Qadhdhafi have acquired great significance and impact--which became evident in recent days. During the past 4 years at least Libya has become a warehouse of Soviet weapons by stockpiling arms in quantities which clearly exceed its needs and the capacity of its army, whose size can be figured out taking into account that the desert country has a population of slightly over 2 million people. Such a large supply of war materiel--planes, missiles, cannons, tanks, machine guns, rifles and their respective ammunition--leads to the belief that Libya is actually "the wholesale distributor" of Soviet weapons in the northern part of Africa and in the Middle East, including the Palestine Liberation Organization (PLO) and international guerrilla groups.

In keeping with his submissive subordination to Soviet hegemonic goals in the vast region surrounded by the Mediterranean Sea, the Indian Ocean and the Persian Gulf, al-Qadhdhafi has performed the role of a daring gorilla, availing himself of bravado, threats, boastful and derisive remarks against "imperialism." Recently, in the face of France's surprising silence, he meddled in Chad's domestic affairs and was able to cause the ouster of the pro-West government by sending troops to that country.

By the middle of last week, a few hours after the air battle over the Mediterranean, al-Qadhdhafi signed a military alliance with Ethiopia and South Yemen, two states which openly adhere to the "cause" of the Soviet Union.

From the picture outlined above one cannot conclude that al-Qadhdhafi has succeeded in his efforts to become the leader of the Arab world. He has been trying to attain this role since the death of Nasser, despite the fact that the latter never came close to even envisaging this goal. Al-Qadhdhafi is obviously trying to obtain a victory which would put him at the crest of the wave in the eyes of the Arab world. Two other men are also seeking the same objective: the Syrian and Iraqi presidents. The former has failed in his effort to defeat Israel to become "the undisputed leader." Similarly, the Iraqi president has failed by being unable to control the war with Iran, the stalemating of which reflects his limitations and shortcomings.

In the present circumstances al-Qadhdhafi may have believed that his "time" has come because shooting down a U.S. plane--even just one--could have allowed him to appear with the clout of a Muslim Caesar before the Arab world he wants to lead. Instead, al-Qadhdhafi and his Muscovite master have received a clear warning. A few days ago the latter himself received a warning with the announcement of President Reagan's decision to make the neutron bomb.

CSO: 3010/1783

IGLESIAS ROUCO COMMENTARY ON TRIP TO UNITED STATES

PY301913 Buenos Aires LA PRENSA in Spanish 23 Aug 81 p 1

[Commentary by J. Iglesias Rouco: "New Explorations in Washington"]

[Text] Among other things, the forthcoming trip that Mr Camilion will make to the United States will help the State Department get a broader picture of the issues General Galtieri recently discussed with the two U.S. State Department officials and with Reagan advisors and also obtain answers on some issues that the Foreign Ministry has yet to answer to the Argentine people. It is hoped, however, that when he returns, Camilion will leave ajar the cabinet files where he sometimes keeps the very juicy reports he usually writes.

According to our sources, the United States—like Argentines in general--is centering its attention on the following points:

1. Why is Mr Camilion so decidedly against the sending of troops to the Sinai and why in his meetings with political party leaders is he encouraging a campaign against this project? In this regard, Washington would like to know whether it is true that our Foreign Ministry has unofficially informed the governments of Uruguay, Brazil and Colombia among other Latin American countries that in the end Argentina will abstain from sending troops to the Middle East; and whether it is true that this information was issued 1 month before the Uruguayan Government issued a positive decision in this regard.

2. What is the state of the Beagle negotiations in the Vatican. They will also discuss a plan to hold direct negotiations between Buenos Aires and Santiago to achieve a "cooperation and peace" draft agreement that Washington supports.

3. What are the real disagreements--we repeat, real disagreements--between Argentina and Paraguay over Yacyreta and what are the reasons for the strange delay in awarding the construction work and the supply of turbines and generators; why was an agreement that was practically settled with the U.S. Company Allis Chalmers suddenly blocked (it is likely, however, that the Yacyreta issue will be cleared up before Camilion's trip).

4. Why was the Argentine Government so receptive to the negotiations carried out last week in Buenos Aires by the Saudi foreign minister for Argentina to recognize

the PLO and to grant diplomatic status to the Arab League, which is controlled by the enemies of the Camp David agreements; what were the conditions imposed by Riyadh to invest $2 billion in Argentina--an investment which among other things will help to decontaminate the Salado River region.

5. What are the precise commitments that Argentina made to the Soviet Union regarding the trade and development of nuclear energy; and is it true that Moscow offered Argentina elements and aid to manufacture an atomic bomb. What is the scope of the basic understanding through which the Soviet Union will be in charge of the middle Parana project or at least a significant part of this undertaking.

6. In what context of its present foreign policy will the Argentine Government place an eventual official visit by Mr Haig to Argentina before the end of 1981.

7. What is the political projection of the recent Argentine-Brazilian nuclear agreements and the existence of an alleged agreement between the two nations to oppose at the OAS any intervention of the United States in Central America.

It is possible that during his stay in Washington, Mr Camilion will also discuss the possible candidacy of Alejandro Orfila for UN Secretary General, but this is still far-fetched. The chief of Orfila's cabinet, Alberto Salem, was in Buenos Aires for a few days to revitalize his boss' candidacy and to obtain more support from the Foreign Ministry.

From what we know the Beagle issue is among the few issues about which Mr Camilion will give "specific" answers in Washington. In this regard, the Argentine Government will avoid an increase of tensions with Chile at all costs and even more so any kind of armed conflict since--as we have already noted--according to the United States this would strengthen the position of the Soviets in the South Atlantic.

According to our sources, Camilion will also inform Washington about the Argentine Government's alleged intention to bring to an end the Beagle negotiations by complying with the "proposal" the Pope submitted on 12 December. This "proposal" will reportedly be "modified" in favor of Argentina only in those chapters referring to its presence on Evout and Barnevelt islands and to the exclusive 6-mile territorial sea limit for all Beagle islands that originally--on 12 December--the Vatican granted Chile. The signing of the treaty, however, will be reportedly postponed for several months until the proper domestic "political conditions" exist in Argentina. The church and the majority of the political parties, moreover, will shortly start promoting a campaign in support of the basic guidelines of the "proposal." But unfortunately Mr Camilion will be unable to give Washington further details about a definitive Argentine decision on the sea of "peace" to which both Argentina and Chila "will have access in a joint or individual manner." In addition to the issue of Argentine settlements on the islands--an issue which the Vatican is willing to expand on--the sea of "peace" is one of the issues confronted with much apprehension by the Argentine Government. What is more, Cardinal Samore has already warned that the basic aspects of the "proposal" will not be modified.

Bolivia will be another one of the issues to be discussed by Mr Camilion in Washington. According to our sources the U.S. State Department "appreciated" the attitude shown by the Argentine Government in the recent Bolivian crisis during which--for the first time--it did not openly support the ousted Garcia Meza. The U.S. State Department believes, moreover, that the Argentine Government will refrain from exerting any opposition to those great changes that the United States wants to see taking place in Bolivia at the government level and in its domestic politics. From what we know after the recent military coup there has been a considerable easing of tensions between the Argentine and Washington governments in this regard despite the talk held between Generals Galtieri and Garcia Meza.

The refinancing of Argentine's foreign debt will be undoubtedly another one of the issues that the foreign minister will discuss in Washington with U.S. officials, since the U.S. Federal Reserve has a lot to say in this regard. Since the domestic and international policies--if they can be referred to as such--of the military regime will surely be one of the issues discussed in this meeting, there is no doubt that Camilion and Haig will also discuss the "democratization" plans of the Viola administration and the probable electoral "openings" that many personalities of the "process" foresee--but without openly saying so--for 1984. We have been assured that the Washington government still believes that the most valid formula for an institutional "opening" will be the holding of a presidential election with a military candidate to be chosen "jointly" by the political parties and the armed forces. But it will reportedly view with apprehension an "abrupt" interruption of the present process, although it disapproves the Third-World and populist connotations of the present government, the ambiguity of its economic policy and its relations with the Soviet Union. In general, the U.S. insistance in favor of "democratization" has a great influence on the top-ranking members of the "process." It should come as no surprise then that General Galtieri stated precisely at the end of his visit to the United States--that it is hoped that "moths" will not get fat in our ballot boxes. This statement is even more significant if we consider that it was issued by the same person who believed that the ballot boxes were "well stored away."

Mr Camilion will undoubtedly have many issues to discuss in Washington. It will be interesting to watch the reactions that this trip will have in a diplomatic and political circle that is still disappointed with the negotiations--or better yet with the results of the negotiations--on Cuba and the Punta Del Este conference that Camilion himself carried out 20 years ago during the Frondizi administration.

CSO: 3010/1783

DIRECTOR DISCUSSES YACYRETA PROGRESS

PY220022 Buenos Aires HERALD in English 21 Aug 81 p 11

[Text] Posadas (NA)--The executive director of the Yacyreta Dam Authority (EBY) said he has "well-founded hopes" that the civil works contract will be awarded before the end of the year, but declined to estimate when the award will take place.

In an interview published yesterday by the local daily EL TERRITORIO General (ret) Lino Montiel Forzano said that if the bi-national authority is unable to reach agreement on the award, the matter will be decided by President Roberto Viola and Paraguayan President Alfred Stroessner.

He denied that replacement of some of the Argentine representatives on the EBY board of directors would bring further delays in building the dam, as "the delay was under the previous directors."

When asked about the increase in costs that the delay would bring, he said that "every project under construction that gets delayed shows differences between budgeted and final costs. That will certainly happen at Yacyreta, which is at least one year behind schedule."

[The Buenos Aires HERALD in English on 20 August carries on page 11 a NOTICIAS ARGENTINAS report saying that: "Argentina and Paraguay have asked the United States Export and Import Bank (EXIMBANK) for an extension of its time limit to supply funds for the financing of the bi-national Yacyreta hydroelectric complex. The bank offered to supply the two countries with a loan of $700 million to finance the construction of the civil works and the installation of the turbo-generators. The time limit lapses on September 15. Unofficial sources report that the whole project is at least 6 years behind the original schedule."

[The report then goes on to note: "The Paraguayan undersecretary for foreign affairs, Rodney Acevedo, admitted yesterday that his government is concerned at the prolonged delay in starting work on the complex."]

CSO: 3020/149

'EL ECONOMISTA' VIEWS NEUTRON BOMB WITH CONCERN

PY262225 Buenos Aires EL ECONOMISTA in Spanish 14-20 Aug 81 p 4

[Editorial: "The Neutron Bomb"]

[Excerpts] All signs indicate that despite most forecasts President Ronald Reagan is reasonably successful in holding on to a certain degree of support from the people of his country.

However, politics is a balancing act as well. Following--paradoxically enough--the Republican traditional introspective approach, Reagan is more worried about the domestic political impact of his decision to produce the neutron bomb than about its political effects abroad. Because of this Europe could turn away from the United States, thinking that the latter is trying to turn it into a battlefield. Thus, the reaction to the neutron bomb could be Europe's progress toward social democracy, somewhat along the lines France has followed in this direction.

The neutron bomb has been devised for use in Europe by non-Europeans. The reaction of European people to this situation is easy to foresee. The U.S. claims that it will have greater dissuasive power, but this claim is certainly arguable because as soon as Reagan announced that the project will be implemented, the Soviets hastened to say that they will not be left behind.

In any case, the order to produce the neutron bomb, followed by similar Soviet actions will have serious political effects in Europe and will further complicate the discussion about the installation of medium-range missiles. Thus the difficulties which the United States has been having in its quest for allies could worsen and the anti-American feelings which unfortunately have not ceased to grow recently, could gain strength.

CSO: 3010/1783

COLUMNIST DISCUSSES VIOLA'S PRESSURES

PY240024 Buenos Aires HERALD in English 23 Aug 81 pp 3, 7

[From the "Politics and Labor" feature by James Neilson:"Viola's Days Are Still Numbered"]

[Excerpts] One question that has been bothering a lot of people for some time now is: How long will President Roberto Viola last in the Casa Rosada? And the usual answer is: Not much longer unless he manages to get a grip on things and imbue the country with a sense of purpose within a few weeks. Although he succeeded in getting through the first dreadful period when the peso collapsed like a punctured balloon and rumors of his imminent downfall chased one another through the streets of Buenos Aires, he still has some way to go before he reaches safety and can look forward to a reasonably secure term of office. So the NEWSWEEK report that General Leopoldo Galtieri, the commander-in-chief of the army and therefore the most powerful man in the country, had told him back in July that he had 60 days in which to "solve the crisis" or be sacked, sounded plausible enough. Galtieri, however, rallied to the presidential banner and denied he had said any such thing. During a stop-over in Panama after his tour of military installations in the United States he insisted that he had never set Viola any deadlines.

As Viola's political base consists of the armed forces and nothing else at all, Galtieri's views are a matter of considerable importance. For some time he has managed to convey the impression that he is a spit-and-polish authoritarian with no time for civilian-style shilly shallying. After seeing how the United States works, however, he seems to have mellowed somewhat.

Galtieri's more conciliatory mood no doubt comes as a comfort to Viola and the many people who think that, bumblingly ineffective though his government may be, a new military regime headed by Galtieri or anyone else would probably be a good sight worse. But whatever the views of the army commander-in-chief, there can be no question that the time at Viola's disposal is limited. The crisis pervading the nation has been disturbing many officers who feel, understandably, that their honor is directly involved. After all, the armed forces have been ruling the roost for over 5 years and must accept responsibility for the state of the nation today. Friendly efforts to shift the blame from their shoulders and onto their hired civilian technocrats offer little consolation because they are based on the

assumption that senior officers are nincompoops who are easy prey for any glib hawker of economic policies who happens to catch their ear. The crisis, moreover, is not merely economic. It is affecting the nation's political structures, its place in the world, its education system, its culture and, most damaging of all, its morales. In the last few months many people seem to have lost faith in Argentina's future. Instead of this inspiring a thoroughgoing reappraisal of the state of the nation and a determination to do whatever is necessary to put things right, the effect has been to spread defeatism and despair. Talented and energetic people, especially professionals, are deciding that their prospects here are dim and are leaving. These are, of course, precisely the kind of people that Argentina cannot afford to lose, and the more like them who go the bleaker the country's prospects become.

The manifest failure of the people who took power in March 1976 to give the country the capable government they promised, and their inability to achieve any of their principal objectives apart from the elimination--at a frightful cost they are only now beginning to pay--of leftwing terrorism, must have caused many officers not totally identified with the "process" to think a great deal about the role of the armed forces. Some, of course, will have reached the conclusion that the military should have been far more drastic than it actually was. Others, politically more sophisticated, may have appreciated that whatever else an authoritarian regime may do it is unlikely to raise a generation of dedicated, responsible, and experienced democrats. The need for the officer corps to subject its corporate performance to a rigorous reassessment is obvious. The conclusions it is coming to could in large measure determine the country's political shape in the next few years.

Viola's political future will depend in large measure on the way he handles the economic crisis that is affecting so many people's lives. If the government manages to haul the economy out of the trough and get things going again its chances of surviving until 1984 will be much better than they now appear. So far, however, there have not been many signs of it agreeing on a coherent and realistic program promising enough to revive confidence.

Lorenzo Sigaut was supposed to present such a program on Thursday night and in the weeks that preceded his frequently delayed speech to the nation expectations ran high. But, although his words presumably represented the distilled essence of the dozens of high-level meetings he had with his advisors and his fellow economic ministers and, on occasion, with President Viola himself, plus a great many meticulous studies and position papers, they proved sadly disappointing.

Last week a group of the "friends of General Juan Carlos Ongania" issued a statement excoriating the "process" regime and demanding that interest rates be reduced by decree, jobs be created, currency controls be established, and imports be banned for between "30 to 60 days." Ongania's friends also charged that the regime was rotten with corruption and this was one of the main reasons why it was so reluctant to see anything change--a point of view that has become quite common these days. The populists, of course, have been saying much the same sort of thing and making similar recommendations for years, but they did not rush to clasp the "Ongania group"

to their bosom. On the contrary, they accused it of trying to prepare the ground for a new military coup. The previous week General Albano Harguindeguy was charged by the same people with the same crime, so the populists are evidently getting the jitters. And well they might. Although they are currently elading in the race to pick up whatever is left over after the "process" clanks to a halt there are many people who are appalled by the prospect of seeing the country ruled by them, even if a large majority of the electorate greatly desires this, and they are prepared to do virtually anything to prevent it.

The danger of a new military coup which would not merely sweep aside the officers associated with the "process" but would also block the road leading to elections has helped soften the opposition of the civilian political establishment towards General Viola's government. In the last few months the populists' rhetoric has become decreasingly strident, as though they sensed that whether they like it or not they and Viola happen to be in the same boat, and if it sinks the chances are that they will go down with it. Ricardo Balbin, the leader of the radicals and until recently much given to making scathing remarks about the military regime, is on his best behavior and so are the Peronists.

CSO: 3020/149

BRIEFS

UNEMPLOYMENT RATE--(NA)--Unemployment has reached "an estimated 5.5 percent" of the working population, with 600,000 unemployed, three times more than 10 months ago, according to an article in EL CRONISTA COMERCIAL. The information was obtained through "surveys among business circles" who said unemployment was 2.3 percent last October, reached four percent in April and is now 5.5 percent. Of the 605,000 to 610,000 unemployed, EL CRONISTA COMERCIAL says 240,000 live in the greater Buenos Aires. Provincial economy minister Pablo Berenguer had recently said there were only 200,000 unemployed in that same area. [Text] [PY25228 [as printed] Buenos Aires HERALD in English 25 Aug 81 p 11]

VIOLA RESIGNATION REQUESTED--(NA)--Cordoba--The resignation of President Roberto Viola has been demanded here by former Justicialist deputy Carlos Palacios Deheza. The Peronist has demanded that Viola be replaced by "another high-ranking officer" of the armed forces to lead the country to "national unity." The politician said in the local daily EL TIEMPO yesterday that he has the "authority" to demand Viola's resignation, because he was one of the few to demand the resignation of former President Maria Estela Martinez De Peron in 1975. [Text] [PY252231 Buenos Aires HERALD in English 25 Aug 81 p 11]

SINAI FORCE OPPOSED--(NA)--Political leaders from different parties yesterday released a statement opposing the sending of Argentine troops to the Sinai peace-keeping force. The statement to voice their opposition to a measure that would imply "a break of the laissez-faire and self-determination policies traditionally maintained by our country" was signed by Peronists, radicals and representatives from the popular conservative, intransigent, unified and popular socialist parties among other smaller political groups. [Text] [PY220020 Buenos Aires HERALD in English 21 Aug 81 p 11]

PAKISTANI TRADE DELEGATION--(NA)--A Pakistani trade mission arrived to Argentina yesterday for a week long unofficial visit to discuss prospects for increasing bilateral trade between the two countries. The delegation, headed by the president of the Lahore Industry and Trade Council, Prince Mian Shahzada Monnoo, was met at Ezeiza airport by Pakistan ambassador to Argentina Ahmed Pasha. Pakistan is hoping to work out an agreement to purchase soybean oil among other commodities. The current bilateral trade balance between the two countries is lower than in 1980, when Argentina imported $3 million worth of Pakistani goods, while Pakistan imported $10 million worth of Argentine goods. Other goods

which the Pakistani are interested in include textile products, machines and sporting goods. Next week the mission will visit other South American countries. [Text] [PY220030 Buenos Aires HERALD in English 19 Aug 81 p 11 PY]

NIGERIAN PARLIAMENTARIANS--(NA)--The Nigerian delegation of parliamentarians that visited this country to study local anti-smuggling legislation left for Madrid yesterday after holding meetings with customs authorities and foreign relations officials. [Text] [PY220030 Buenos Aires HERALD in English 20 Aug 81 p 11 PY]

SUPREME COURT PRESIDENT--Supreme Court President Adolfo Gabrielli has been reelected for another term. He will be sworn in tomorrow. [PY14251230 [as printed] Buenos Aires Domestic Service in Spanish 2000 GMT 24 Aug 81 PY]

DIVERGENT INTERESTS HAMPER PROCESS--The air force commander in chief has traveled to Santa Cruz with the purpose of dedicating a new airport. On the occasion, air regions commander air force Maj Gen (Francisco Salinas) said that there are divergent interests that are trying to destabilize the process that was started in 1976, because their intentions to not agree with our intentions and also because they are not used to living in peace, tranquility, order, justice and full freedom. [Excerpts] [PY282223 Buenos Aires Domestic Service in Spanish 2000 GMT 28 Aug 81]

NEUTRON BOMB DECISION--President Ronald Reagan's decision to manufacture the neutron bomb, after President Jimmy Carter turned it down in 1979, seems to be the proper reaction to the USSR's overwhelming conventional superiority in Europe in comparison to NATO. According to recent studies Moscow's advantage over Washington as far as "Eurostrategic" weapons go, has reached 4 to 1. NATO sources recently stated that this advantage has reached "an alarming degree." Strictly speaking, no one can be surprised by this decision of President Ronald Reagan even if the announcement has been sudden. It simply means the implementation of the new U.S. nuclear strategy in Europe outlined by President Carter in August 1980 through the (secret) "59th directive." Should it be implemented immediately, as the order to manufacture neutron bombs makes us believe, this strategy will lessen the dangerous current imbalance between NATO and Warsaw Pact forces. Thus Washington is moving toward the strengthening of its defensive capabilities. This predisposition to stop Soviet expansion contrasts with Carter's policy of barely 2 years ago when he suspended the production of neutron bombs, rejected plans to manufacture the B-1 bomber and suspended the setting up of a chain of Minutemen III missiles and refused to sell arms to the PRC. Everything seems to indicate that the U.S. decision has been timely. Recent analyses show that Soviet military superiority would reach its point of utmost danger between 1982 and 1985, unless it is countered. [Excerpts] [PY270038 Buenos Aires LA PRENSA in Spanish 15 Aug 81 Section II p 1]

CSO: 3010/1783

DIALOGUE BETWEEN GOVERNMENT, OPPOSITION DISCUSSED

PY270121 La Paz PRESENCIA in Spanish 13 Aug 81 p 3

[Editorial: "Toward Dialogue"]

[Text] A government infrastructure, that is worthy of analysis, has been set forth by means of interesting ideas which were included in a speech, given in the name of the junta, that was delivered when the new cabinet members were sworn in. If put into practice, such a scheme could provide useful outlets for the serious political and socioeconomic crisis that Bolivia is going through.

One of the main points refers to the purpose of normalizing institutional life in as short a time as possible, so that there can be a constitutionally appointed government. This purpose is adhered to by the overwhelming majority of citizens, including the armed forces members, who are aware of the wear and tear suffered by the person who governs and who have had their own internal problems.

It is promising that there has been a lot of talk lately on the implementation of a process for dialogue through which the people's aspirations can be achieved: a fully normal life, under the rule of the law and order. Dialogue is certainly the great expedient that leads to understanding, not through making everybody recoil from his ideas but through merely allowing for the peaceful coexistence of opinions. It is the great expedient for convincing, not for conquering. It is the great civilized resource with which to achieve peaceful coexistence, free from impositions, threats and abuse. These are truths that, unfortunately, we Bolivians have frequently neglected, with the results that we have had to bear throughout our history.

The dialogue will not be easy, given the existing wrong traditions. But those who hold or who wish to hold leading posts in the government should be asked to open new courses, and to be patient and tolerant in order to achieve an understanding among all Bolivians, at least on basic matters. Whoever says that he is a supporter of democracy and who does not make his very best effort for the dialogue to be held and to succeed, will be a man who, although he may not admit it, is not a supporter of democracy. Under the present circumstances, with such a heavy load of hate and internal division, he who does not to do everything he can to overcome this situation and change it can call himself a

patriot, but he will not actually deserve that designation. We should eagerly strive for achieving understanding, for otherwise we would destroy ourselves. The people want peace, order and freedom. What we should strive to eliminate, because of an ever elementary instinct of self-preservation, is that domestic infighting which has brought about even bloodshed and which has so much impaired our prestige and our progress.

The dialogue will certainly be difficult: old habits are hard to break and there will always be those who think that the best course is that of imposition. But those difficulties will have to be contended with and be overcome, in the name of God and in the name of Bolivia.

The greatest problem will not be, of course, the one that will be posed by persons or groups who have affinities among themselves or who do not hold opposed positions. The most serious problem will arise from something that, however, should be done: the dialogue to be held by those who are radically divided; for example the government and the opposition, which may be abroad. Since this has seldom happened in Bolivia, such a situation could even cause alarm. However, it should be given a try and it should be successful if we want to return to a long-lasting democratic, peaceful and tolerant life, doing away with fears that eight generations of Bolivians have had to experience.

Those who enter into a frank dialogue, those who sponsor and support it, will certainly have served the nation.

CSO: 3010/1785

FINANCE MINISTER COMMENTS ON IMPROVING BALANCE OF PAYMENT DEFICIT

PY272026 La Paz Radio Illimani Network in Spanish 1130 GMT 27 Aug 81

[Excerpt] Yesterday afternoon Finance Minister Javier Alcoreza Melgarejo and Planning and Coordination Minister Adolfo Linares Arraya held a press conference to explain subjects related to the Bolivian economy.

Finance Minister Alcoreza Melgarejo started the conference by stating:

[Begin Alcoreza recording] The Finance Ministry intends to adopt measures aimed at decreasing the balance of payment's deficit which has increased gradually during the past few years.

Structural problems in the government-owned enterprises--which affect the [words indistinct] directly--the deficit of the central government and the increase in contraband are some of the causes of this deficit.

It is believed that these problems should be overcome through implementing an emergency plan with regard to economic policy which will include coherent adjustments at the import-export level, the control and refinancing of the foreign debt as well as achieving an effective reduction in the fiscal deficit. [end recording]

He then referred to issues relating to public administration and announced a reorganization of the customs general directorate.

[Begin Alcoreza recording] The reorganization of the customs general directorate will help reduce contraband and increase customs income. At the same time carrying out immediate adjustments in the state-owned enterprises which deal with the main items that are exported will allow in the short term the improvement of current accounts, and this, together with international financial support, will allow a reduction in the balance of payment deficit and the maintenance of the exchange rate. [end recording]

He ended by stating that other measures which will contribute to promoting a medium-term improvement of the balance of payment will be adopted, encouraging exports in all sectors. Let us hear what he has to say.

[Begin Alcoreza recording] In addition, measures which will contribute to promoting a medium-term improvement in the balance of payments will be adopted. This will encourage and reactivate exports in all sectors, especially those of the agriculture sector, and will help in the reorganization of the list of priority imported goods necessary for the national economy.

It is our intention to carry out a coherent economic policy in order to reestablish the external economic balance by improving the balance of payments, recovering the level of international monetary reserves and achieving an internal balance through the (?control) of money supplies, avoiding inflation and allowing the country's economic reactivation in order to protect the sectors of lower income especially. [end recording]

CSO: 3010/1785

INTERIOR MINISTRY WARNS TERRORISTS

PY272124 La Paz Radio Illimani Network in Spanish 1700 GMT 27 Aug 81

[Text] The Interior Ministry has warned that the state security organization will be merciless toward perpetrators of terrorist attacks and those guilty of such attacks will be punished to the full extent of the law.

The Interior Ministry warned that it has instructed state security organizations to double their efforts throughout the nation. The communique released today stated:

The Interior, Immigration and Justice Ministry has instructed the national security organizations such as the national guard, the investigative police and others to double surveillance throughout the nation in order to prevent terrorist attacks which are harmful to persons and society in general.

This measure has been ordered by Interior Minister Rolando Canido in view of the attacks which took place near the Ballivian School and the Bolivian Catholic College in the El Alto District of La Paz.

According to investigations conducted so far the explosions of sticks of dynamite damaged both institutions. Investigations have been stepped up in order to find the persons responsible for these attacks. Initial reports indicate that they are extremists who are trying to disrupt the tranquillity of the people. Surveillance measures are aimed at protecting the people and providing them with the tranquillity necessary to carry out their daily tasks.

The Interior Ministry communique stated that state security organization will be merciless toward these criminals who will be punished to the full extent of the law.

CSO: 3010/1785

COCA AGUIRRE CALLS FOR RESIGNATION OF JUNTA

Resignation of Junta

PY261326 Paris AFP in Spanish 0130 GMT 25 Aug 81

[Text] La Paz, 24 Aug (AFP)--Col Ariel Coca Aguirre, former minister of education and culture under Garcia Meza's administration, today said that the persons responsible for and guilty of drug trafficking are the very members of the government "who protect, stimulate and conceal it in exchange for millions of U.S. dollars."

Coca Aguirre, whose expose caused an uproar in local political circles, had been charged with complicity in cocaine trafficking during the U.S. TV program "Sixty Minutes" directed by journalist Mike Wallace.

Col Coca Aguirre today issued a public statement of defense during which he said that "these charges have not been made by the ultraleft, as had been originally thought, but by certain generals on God knows whose nefarious advice."

The document released by the former minister charges Gen Waldo Bernal Pereira, senior member of the ruling junta of commanders, and former President Alberto Natusch Busch, with having conspired to overthrow President Garcia Meza on 4 August.

The document explains that Coca was appointed minister of education against his will on 17 July 1980, after the overthrow of Mrs Lidia Gueiler Tejada. At that point he was told that the new regime would implement concrete plans of action.

However, as time went by and no government plans for concrete action appeared, Coca reached the conclusion that no such plans had ever existed.

He added that several attempts were made to remove him from the government, especially through intrigues staged by General Bernal, who accused him of trying to overthrow Garcia Meza.

Coca Aguirre states that after he was discharged from his ministry because of Wallace's accusations, he did not accept either diplomatic posts or new assignments in the armed forces until the charges against him were totally disproved.

He adds that he does not acknowledge Bernal Pereira's authority to give him new assignments and reports that the former has appointed him own relatives to posts in customs and in consulates [as received] such as in Brasilia, Miami and Washington. He also laments that all his claims addressed to the armed forces general staff, the supreme military court and the president of the nation proving his innocence of drug trafficking charges, have never received so much as an acknowledgement.

Coca believes that General Bernal has betrayed the junta presided over by Garcia Meza, of which he was a member, in order to fulfill personal ambitions.

He further warns that "the junta of commanders in chief cannot and must not remain in government because of the corruption of two of its members (Bernal and the navy commander in chief Oscar Pammo) who are accused of exploiting the Anahi (amethyst) mine, drug trafficking, humiliating nepotism and the Pakistani ride deal which threatened the lives of thousands of Bolivians.

The latter charge is related to imports of weevil-infested rice made by Pammo Rodriguez when he was minister of industries and commerce under President David Padilla (1978-1979).

Coca warns the third member of the junta of commanders, Gen Celso Torrelio Villa, "against playing into the hands of corruption and government anarchy."

Coca Aguirre points out that "no one is unaware that the economic and social status quo is desperate, that the people are hungry, that we are on the brink of total bankruptcy and that this carnival within the armed forces must end."

The former minister then emphasizes that "the partners are still working together to destroy Bolivia and that various special security forces are still operating regardless of the interior minister's statements to the contrary, and the paramilitary groups have not been disbanded."

He concludes by saying that the junta of commanders must resign and turn over the government to whomever the armed forces may appoint on the basis of general consensus.

Aguirre Statement Rejected

PY261435 La Paz Radio Illimani Network in Spanish 1130 GMT 26 Aug 81

[Text] The Bolivian Air Force--FAB--informs the public opinion the following:

In view of the insulting paid advertisement which was published on Sunday 23 August in a Santa Cruz newspaper signed by Col Ariel Coca Aguirre who, enjoying an indefinite leave of absence, is subject to the military laws and regulations in accordance with Article No 12 of the Law of Military Courts, and taking into account that this type of attitude harms the honor and dignity of the higher-ranking authorities, out of respect for its superiors rejects the attitude of the aforementioned officer and will demand the enforcement of the military laws, because this type of publication goes against the most elementary principles of discipline of the armed institution.

Signed: Public Relations Department.

CSO: 3010/1785

ANALYSTS REVIEW WEEK'S POLITICAL EVENTS

PY241715 Buenos Aires TELAM in Spanish 2130 GMT 23 Aug 81

[Text] La Paz, 23 Aug (TELAM)--According to sources close to the seat of power, the situation in Bolivia has not changed despite the fact that social tensions have eased with the return to work of the Catavi and Siglo XX miners, who were on an indefinite general strike.

Three events, which apparently have nothing in common but which are related to the atmosphere that is being experienced by the Bolivian people, seized the attention of public opinion and of the analysts of internal and external policies.

On one hand the Bolivian foreign minister, Mario Rolan Anaya, was categorical when he asserted that Bolivia does not need any type of mediation for its foreign policy, on the other, the refusal of the U.S. Government to recognize the junta of commanders was not less categorical. The United States has maintained this attitude over the past 13 months when it turned its back on Luis Garcia Meza's government, and the more than-[illegible]-year hectic negotiations of the Foreign Ministry to achieve the support of the Reagan administration were of no avail.

Another event that contributed to reducing the maneuverability of the government of the three commanders in chief that replaced Garcia Meza due to the uprising of Natusch Busch in Santa Cruz was the joint declaration of the Federation of Press Employees of Bolivia, the Association of Journalists and the Association of International Media Correspondents, in which they denounced the repressive policy against the media that is being carried out by official organizations and the irregular groups that have acted under an umbrella of an abuse of power. This was specified in the document released by those organizations.

But, maybe the most important event occurred when the commander of the military college, Col Faustino Rico Toro, talked to the press. He stated that he supports the position that someone who has a popular consensus should be selected for the presidency. This indicates that his position is closer to that of the generals who revolted, Natusch and Anez; although military spokesmen indicate that it is the same position, this is not necessarily so.

Rico Toro, who was interior minister under former President Juan Pereda Asbun and chief of the military household during Garcia Meza's regime, has proposed in his statements to the press that bases he prepared for a new democratic process without committing the errors of the past. [sentence as printed]

According to spokesmen who are close to Rico Toro, he presumably represents, or heads, a generational movement within the armed forces.

In view of all these events and even acknowledging the government's success in lifting the miners strike that was declared due to the death of the union leader, Cossio--with the promise of an exhaustive investigation into the cause of his death--in circles close to the government it is believed that the junta of commanders has not yet been able to consolidate its political position.

CSO: 3010/1785

NATION WILL COMPLY WITH IMF, WORLD BANK COMMITMENTS

PY201434 La Paz Radio Illimani Network in Spanish 1130 GMT 20 Aug 81

[Text] The finance minister, Col Javier Alcoreza Melgarejo, has said that the government junta will take into account the recommendations and suggestions of the IMF and the World Bank.

During the course of his statements, Alcoreza also said that there is the best of intentions to comply with all contracted commitments with international financial organizations.

Following are the highlights of Alcoreza's statements:

[Begin Alcoreza recording] The government junta of the armed forces sincerely desires to maintain unchanged the best of relations and understanding with the IMF, the World Bank and with all other international financing organizations of which Bolivia is a member. [end recording]

Later on the finance minister stressed that the junta is very willing to comply with all commitments that have been contracted with financial organizations of which Bolivia is a member.

[Begin Alcoreza recording] It is very necessary that we announce that we are well disposed and very favorable to responsibly take into account the recommendations and suggestions formulated by the IMF and the World Bank. And we will comply with all the commitments we have contracted with international financial organizations to which the country belongs. [end recording]

CSO: 3010/1785

'PRESENCIA' DISCUSSES LACK OF RECOGNITION, AID

PY270041 La Paz PRESENCIA in Spanish 11 Aug 81 p 3

[Editorial: "Recognition and Foreign Aid"]

[Text] No one can deny that Bolivia's situation is very serious and that it could get worse unless swift and effective measures are taken, especially regarding obtaining diplomatic recognition and economic aid and cooperation from foreign governments and international organizations.

As far as diplomatic recognition goes, everything seems to indicate that since the succession of the government has not taken place in keeping with standing legal requirements, there could be countries which feel that it is necessary to go through the usual channels of recognition. This would have been difficult to do last week because the junta was unable to comply with one of the rules: control of the nation's territory. Now the appropriate approaches have been made but we do not know when the favorable answers will be coming in. In any case this temporary vacuum is especially harmful in the present critical conditions.

These conditions acquire a darker tinge as far as aid from foreign countries and international organizations is concerned. We need this aid urgently and this fact has more weight than certain empty attitudes or statements which are inconsistent and have no hold on reality.

Mere diplomatic recognition and the ensuing exchange of ambassadors--although this initial step could hasten negotiations of other aspects--is not and could not be enough for us. We must go beyond the regular statements such as, for example, that the relations with the United States are about to be normalized without this ever happening. Maybe now this possibility is farther from our grasp than ever.

The situation of our economy and balance of payments is very serious. Our status as a country which has been unable to pay off its debts within the stipulated deadline has lowered our credit rating, but the loans themselves are of little interest to us because they are given under the usual banking conditions; high interest rates and short terms. Resorting to these loans means jeopardizing our future in such a way that we could soon declare ourselves bankrupt. This course of action cannot be followed in other than very exceptional cases when large amounts of money are not involved.

Thus, we must resort to development loans, the only kind that can provide us with a breathing space until the time for repayment comes; the only ones that will let us work without feeling the anxiety of impending payments. These loans can only come from developed countries among which Japan is the only one which has not severed its aid. The others, whether having relations with Bolivia or not, have turned their back because of events which we all know about.

Still another source of development loans is the proper international organizations. However, since developed nations wield considerable weight in them, here too we have met restrictions as everybody knows.

It is worth pointing out that even if diplomatic recognition abides by certain relatively permanent rules, aid is the result of free choice on the part of the giver, at least this is the way the world operates right now.

At this time aid is being received only for those projects which have been underway for a year and for humanitarian purposes. No new accords have been signed. This means that there has been a 1-year vacuum which may have tremendous effects on the immediate and far-away future.

We believe that both tasks are huge and difficult. The less difficult of them is that of obtaining diplomatic recognition, at least from those nations which have already recognized the preceding government. As far as the economy and aid goes, the problems will be greater and they will not be overcome unless there is honest and in-depth cooperation between authorities and people aimed at alleviating the current crisis and creating the conditions necessary for the country's progress.

CSO: 3010/1785

COUNTRY REPORTEDLY ON EDGE OF BANKRUPTCY

PY211206 Buenos Aires LATIN in Spanish 2249 GMT 19 Aug 81

[Excerpts] La Paz, 19 Aug (LATIN-REUTER)--A specialized economic publication today stated that the Bolivian Central Bank has had to issue rubber checks abroad due to the country's reaching the edge of bankruptcy.

Today's issue of the newspaper HOY carries an economic analysis of the confidential ABC newsletter which is edited in this capital and which contains one of the most cruel and revealing aspects of the economic crisis which the country is experiencing.

The publication maintains that Bolivia has reached the edge of bankruptcy due to the unstable political situation on one hand and the unrestrained administrative corruption during the past few years on the other.

It revealed that during the first days of this month dollar checks drawn on the Bolivian Central Bank have been returned by the recipient banks abroad due to lack of funds.

It pointed out that on 30 July the Central Bank had exhausted its foreign exchange reserves which apparently forced former President Luis Garcia Meza and his ministers to decree a strict control over foreign exchange.

The ABC newsletter asserted that former President Garcia Meza's government had failed to obtain a $50 million hard credit, of the swap type, from the Paraguayan Government and that the Argentine Government had postponed the granting of an additional $39 million credit.

It pointed out that Bolivia contradicted the International Monetary Fund (IMF) principle on the control of foreign exchange since the IMF regulations state that no country may adopt such measures without its approval. The IMF has been holding back a $200 million standby credit for Bolivia.

The newsletter accuses former President Gen Hugo Banzer Suarez' government of having worsened the critical Bolivian economic situation. It says that with the excuse of development his government endebted the country to the point of default.

It pointed out that this country's foreign debt, which amounts to more than $3.5 billion is more disorganized than ever and that now we don't even know who and how much we owe.

It stated that many international credits obtained with the endorsement of the State Bank and the Bolivian Central Bank have been transferred to the private sector, thus increasing the foreign debt and in many cases with unrecoverable funds which have been invested in nonprofitable projects.

Referring to factors of private economic sectors, to which it attributes the cause of the crisis, the newsletter states that eminences of the economic groups which were the economic advisers of Banzer, (Juan) Pereda, (David) Padilla and lately (Luis) Garcia Meza's governments, have led the country's economy to ruin. They have forced the Central Bank, the maximum guarantor of a country in normal situations, to issue rubber checks.

According to the confidential newsletter, whose publication today was the main subject of commentaries, the greatest Bolivian discredit in the international sphere took place during the last year due to the uncontrolled boom of drug trafficking and corruption in the public administration.

CSO: 3010/1785

ASBORA JOINS IN DEMAND FOR FREE EXPRESSION

PY212333 Buenos Aires LATIN in Spanish 1715 GMT 20 Aug 81

[Report by Gerardo Irusta]

[Text] La Paz, 20 Aug (LATIN-REUTER)--Directors and owners of radio stations today added their support for demands for freedom of expression to those made earlier this week by press editors.

Representatives of the Bolivian Radio Broadcasting Association (ASBORA) and the National Association of Newspaper Owners (ANP) signed a joint statement stating their agreement.

This week the ANP protested the restrictions and abuses the news media have suffered since July 1980 when the current military rule began. The ANP also declared it would fight for freedom of expression.

In the document signed today both organizations ratified the press-radio accord, established in 1971 as a means for concerting action for improving information and defending freedom of expression.

In previous years the press-radio accord adopted pressure tactics, such as temporary stoppages, against what were considered government abuses of the communications media.

The two organizations resolved to demand that the military junta governing Bolivia promptly normalize radio news broadcasting and suspend the restrictive measures imposed since July 1980.

Last 17 July the government headed by former President Gen Luis Garcia Meza ordered radio stations into an information network which is still in effect.

Radio stations are obliged to broadcast news reports prepared and read by the state radio. Some radios in the interior of the republic maintain their own news services, however.

Recently the interior minister, Rolando Canido, said that the radio information network would still be maintained for an indefinite period.

In La Paz practically all private radio stations cut out their news broadcasts and laid off reporters and news broadcasters, an ASBORA source has said.

The source added that the imposition of the radio information network also caused economic losses to radio concerns.

We join the crusade for press freedom, said the Association of Foreign Correspondents accredited in Bolivia in a note addressed to the ANP.

ANP leaders promised they would hold meetings in the next few days to coordinate efforts with other journalistic groups in defense of freedom of expression.

CSO: 3010/1785

BRIEFS

PADILLA AS PRESIDENT--La Paz, 29 Aug (AFP)--Former Bolivian President Gen David Padilla Arancibia (1978-1979) today stated that he is prepared to take over as chief of state if there is military and civilian concensus in this regard. A similar statement was made 48 hours ago by former president Gen Hugo Banzer Suarez (1971-1978). Talking to the Bolivian Fides News Agency (ANF) Padilla accused the junta of commanders of having fallen back on its commitments to the Santa Cruz rebel movement and urged his comrades in arms to demand an immediate meeting of commanders of small and large units in order to appoint a president of the nation. Padilla expressed concern over the country's economic bankruptcy, the administrative corruption, the schisms within the armed forces and the outrages perpetrated against military hierarchy. He indicated that the current junta of commanders in chief is merely an extension of Gen Luis Garcia Meza's regime and added that the present power structure is no different from the preceding one. He lamented the fact that paramilitary groups are still in operation and said that they cause unnecessary expenditures from the nation's budget and undermine the prestige of the armed forces. In conclusion, Padilla said that in his opinion the junta of commanders in chief must put an immediate stop to cliques and seek the unity of the armed forces instead. [Excerpts] [PY 021906 Paris AFP in Spanish 0544 GMT 29 Aug 81]

LIFTING RESTRICTIONS DEMANDED--La Paz, 23 Aug (LATIN-REUTER)--Three press organizations today demanded amnesty for exiled newsmen and expressed their firm decision to preserve freedom of the press. The Federation of Press Workers, the Association of International Press Correspondents (ACPI) and the La Paz Association of Journalists released a joint document here today in which they regard as unjustified the treatment the press has received since July 1980 when a repressive policy was imposed on the mass media and all journalists. Earlier, the National Press Association [ANP]--which is made up of directors of newspapers from the whole country--proclaimed the need to defend an unrestricted freedom of the press and to have all of the journalists who had been sent into exile by the government which took power on 17 July 1980 return to the country. The document charges that the government policy was marked by "torture, persecution, detention, banishment to unhealthy places and exile," in addition to "intimidation and pressure to prevent the free exercise of the journalistic profession." The three organizations also noted that armed raids had been conducted against the installations of newspapers and radio stations in the country, including attacks on executives and workers of the respective enterprises. In its resolution the document states that

the three organizations have agreed to adopt "the firm decision to preserve...the unrestricted freedom of the press and information." It also demands an immediate general amnesty, the immediate suspension of the radio network, the reopening of all closed radio stations, guarantees for job security and personal security to all newsmen. [Text] [PY272002 Buenos Aires LATIN in Spanish 2308 GMT 23 Aug 81]

GOVERNMENT ENTERPRISE LOSSES--Abel Martinez, general manager of the Bolivian Mining Corporation [COMIBOL], has told the Huanuni miners that of the 14 government-owned production enterprises only COMIBOL makes profits while the other 13 have losses. [Excerpt] [PY252007 La Paz Radio Illimani Network in Spanish 1700 GMT 25 Aug 81]

AGRICULTURE MINISTER TO DPRK--Colonel Julio Molina Suarez, the Bolivian minister of agriculture and campesino affairs, has left for North Korea where he will attend a meeting of developing nonalined nations. Minister Molina Suarez has left together with under secretary (Jaime Cejas), [PY251226 La Paz Radio Illimani Network in Spanish 1700 GMT 20 Aug 81 PY]

CSO: 3010/1785

GRIEVANCES LEAD GOLBERY TO RESIGN FROM GOVERNMENT

Sao Paulo VEJA in Portuguese No 675, 12 Aug 81 pp 20-33

[Unattributed Article: "The Sorcerer Quit"]

[Text] "There is a thing called a spring. The spring broke. When the spring breaks it is useless to want to continue the march, working Saturday and Sunday until late at night. There is no point to it." (Statement by Gen Golbery do Couto e Silva in 1966, when as chief of the SNI [National Intelligence Service] he lost interest in the future government of Castello Branco).

Gen Golbery do Couto e Silva cleaned out his desk drawers in the Civilian Household Office of the Presidency of the Republic last Friday because the spring which had insured his movements since March 1974, when he returned to Planalto Palace in the company of President Ernesto Geisel, was irreparably broken. He ascertained that it was useless to subject it to repairs at least two months ago, and he certainly understood that the last act of his long stay in power, or the last "play by General Golbery," should be a perfect epitome of the quiet and cerebral methods which were always his style and made of him a legendary figure in Brazilian politics.

Until it appeared early Thursday night to provoke a rumble which disconcerted and eventually led to panic among the old foxes in national life, the resignation of the chief of the Civilian Household made a stealthy trip that escaped the vigilance of the most sensitive political sensors. Some friends were bestowed with coded messages which were difficult to decode. For example, Golbery told Bahia Governor Antonio Carlos Magalhaes two months ago that he intended to buy an apartment hotel in Brasilia and he revealed his desire to "even go to Luziana," a municipality in the interior of Goias, 50 kilometers from Brasilia, where he has a place. Magalhaes did not believe him. Last Tuesday, finally, during one of his routine telephone calls to the minister, the governor of Bahia was surprised by another puzzle: a musical message from Golbery.

Interrupting the conversation, the general sang him a portion of an old song by Carlos Gomes titled "Who Knows." "So far, so far away from me, where do your thoughts go, where do they go? I would like to know now." Antonio Carlos took a few minutes to identify the sad song, but it took him two days to note that Golbery had not just had an attack of brilliant humor. He simply was saying,

using a metaphor, that his thoughts were already far removed from the conversation. That is an old characteristic of the general. On 11 October 1977, in the midst of another conversation, he made the advanced revelation by means of a roundabout telephone metaphor that on the following day Gen Sylvio Frota would be dismissed from the Ministry of the Army. Does he have a mania for metaphors? No, Golbery, the creator of the SNI, has a declared horror of telling secrets over the telephone and he lived faithful to his habits until the last minute of his uninterrupted 7 years 4 months and 21 days of power.

"It is a Revolution"

Reactions to the departure from the scene of that specialist in secrets demonstrated that very few Brazilians foresaw that the government of President Joao Figueiredo would last week undergo the most serious crisis of its still short history. Minister of Labor Murillo Macedo was dining at the home of businessman Dilson Funaro in Sao Paulo when he was given the news. Minister of the Navy Maximiano Fonseca was at a moving picture in Brasilia when the rest of the country was suddenly faced with a drama that could change the course of its history. The president of the Senate, Jarbas Passarinho, was involved in political activities in Para. Senator Jose Sarney, president of the PDS [Social Democratic Party], received the news late Thursday night. And the rumble of the revelation was delayed in reaching the Congress, which was deep in the somnolence which marks the prolonged weekeneds in the federal capital.

Late in arising, the country awoke startled, above all because there immediately exploded stories which attributed the departure of Golbery to either clashes with Gen Octavio Medeiros, chief of the SNI, over differences on electoral reform, or to clashes with Minister Delfim Netto brought about by the crisis in social security. "It is a Revolution!" exclaimed the usually calm Cardinal Avelar Brandao Vilela, archbishop of Salvador. To the amazement of reporters, who are accustomed to his telegraphic evasiveness, Minister of Foreign Affairs Ramiro Saraiva Guerreiro came out with one of the most objective statements of his public life. "General Golbery will be greatly missed," said the minister of foreign affairs. "All one had to do was to say one word and he would understand the rest. Any person who comes to replace him, no matter how competent he may be, will take some time to understand everything. It is too bad," concluded Guerreiro, who at that time did not know the name of Golbery's successor.

It is Professor Joao Leitao de Abreu, an attorney from Rio Grando do Sul, who as chief of the Civilian Household of the Emilio Medici Administration showed disdain for extremely liberal ideas (see the article on page 28), as did the entire government of that period. The appointment of Leitao de Abreu, revealed last Friday night, made the circle of Golbery admirers grow suddenly when it was joined by the opposition. Up until dark Thursday, the opposition said that Golbery was the great Satan of Brazil--and they made believe they believed it. Before the cock crowed three times that same night, they denied everything and suddenly yearned for "the plays of Golbery." From fierce enemies of the general they began to praise his efforts advocating the process of political opening (see square on page 23). He had already foreseen that, when on the 2nd, the first Sunday in August, he wrote two letters addressed to President Figueiredo, which put an end to his long experience in power.

List of Grievances

One of the letters was short and formal. The other was long and couched in much more intimate terms. Last Monday, Doctor Guilherme Romano, an old friend of Golbery, and the private secretary to the president of the republic, Heitor Ferreira, learned of the letters and the imminent denouement, but they kept mum. It is known, however, that the second letter to the president consists of an inventory of the grievances accumulated by Golbery during his time in the Figueiredo Administration.

At least four of them were expressly mentioned, according to Romano:

His failure to convince the government to forget the nuclear program.

The refusal by Planalto Palace to include the 13th payment in the payroll of the government bureaucracy.

The rejections of some measures he advocated in discussions on the destination of the funds of Social Security.

The lack of control over state companies and the defeat of his theories that the process of decreasing state participation should obey political criteria.

If they hastened the political retirement of one of the most brilliant contemporary Brazilian strategists, it is probable that those reasons may have had a lesser influence over Golbery's decision than other problems elegantly omitted in the messages formally delivered to Figueiredo last Wednesday. The president understood that any attempt to keep Golbery in his post would be useless, and a farewell ceremony was scheduled for Friday. A resounding number of leaks, however, preceded the announcement of the most serious defection suffered by the Figueiredo government up to now, by 24 hours.

Thursday evening, an SNI agent whispered to a Sao Paulo newsman that Golbery was resigning. The information was passed on to the editorial offices of JORNAL DO BRASIL in Rio de Janeiro and a reporter was detailed to check it with Doctor Guilherme Romano. Reached at his office at the Santa Lucia Clinic in Rio de Janeiro, where he had his bags packed prior to leaving for Brasilia once more, the general's friend confirmed the story. Unfairly accused of having been responsible for leaking the story, Romano who restricted himself to confirming a fact, actually proved that he was able to keep secret for four days one of the most sought-after secrets of the republic. Friday morning, finally, an official note from Planalto Palace announced that which was already being shouted by all the headlines of the country's newspapers.

Lighted Clues

The Planalto note said that "around the middle of July" Golbery told President Figueiredo in confidence about his decision to leave the government. Prior to that, at least one other person, former President Geisel, showed misgivings on the subject: "Any day now, Golbery is going to chuck everything and leave," warned Geisel. One of the ministers who sits at the "meeting at 0900," noted

intriguing changes in the general's behavior. "It could be noted that Golbery had changed a month ago," commented that minister. "He gave the impression that he was nolonger interested in maneuvering, he preferred head-on clashes, something which was not his style."

Finally, lighted by the spotlights of the resignation, some clues which Golbery himself scattered here and there in recent weeks, came to light. Fifteen days ago, in a walk at his place in Luziania, he explained to a friend that he felt some difficulties in the government and that he had already decided not to remain at the palace until the end of Figueiredo's term. Last Tuesday, when the two letters had already reached the addressee, he told an aide that on the 21st of this month, when he reached 70 years-of-age, there would be no party at all. "I do not even know where I am going to be," he said. It is probable that even before the inauguration of Figueiredo, Golbery knew that he would not last out the 6 years of the presidential term at the same address.

Friday morning, while vans of the Bordon Cold Storage Plant drove to the Ipe Estate, his official residence in Brasilia, to collect the belongings of the Golbery and Esmeralda Couto e Silva couple, and the general opened his almost inaccessible office at Planalto to groups of reporters for the first time in more than 7 years, friends of Golbery searched for the roots and the origins of the resignation. In February 1979, for example, a few days before the inauguration, Governor Antonio Carlos Magalhaes made a somber forecast to the general: "I believe that you are going to lose power in the new government," he warned. Golbery asked why. "Everyone says that you manipulate Gen Ernesto Geisel, but the picture of the president beating his fist on the table does not encourage that story," explained Magalhaes. "In the case of General Figueiredo that story is going to continue and it is going to stick."

Slim Clue

Former Minister of Education Eduardo Portella had a talk with Figueiredo early in 1980 in which pointed out a certain discomfort of the president with the image of Golbery. Figueiredo appeared to be somewhat concerned and Portella tried to encourage him. "Your image is very good in public opinion," said Portella. "That of the government is poor but people believe in the opening, they believe in you." Figueiredo pointed to a photograph of Golbery on the front cover of VEJA and replied: "What good is that if Golbery receives the credit for doing everything?"

Neither has the story been denied for the time being that Figueiredo told Golbery in the midst of a meeting that he accepted "suggestions but not instructions." In principal the phrase clases with the level of relationship between the two, as evidenced in the letter, filled with praise, with which the president accepted the Golbery resignation. If perhaps the phrase was spoken, it is improbable that it was not softened by an apology. Moreover, having coexisted for many years with Gens Sylvio Frota and Hugo Abreu, Golber proved to be a formidable swallower of insults--he is not easily offended--nor would he have resigned over problems of style. Incidentally, at the entrance to his office is the picture of a huge toad titled "The unknown toad" [To "swallow a toad" means to swallow an insult].

Therefore, these small episodes are a weak clue. The cup filled up as time went by. It was filled to the brim by the events of Riocentro (see the square on page 26), an episode which if it had depended on Golbery, would have had a different outcome than that which was approved by Gen Gentil Marcondes Filho, commander of the 1st Army, and it overflowed with the recent military reshufflings. An ingredient of the cocktail of bitterness served to Golbery was the selection of Gen Jose Luiz Coelho as chief of the Ministry of the Army. On various occasions, Coelho Neto, commander of the 4th Military Region, made quiet criticisms of Golbery, who more than once expressed his disagreement with the frequent political talks by the general.

Dangerous Hypothesis

Indeed, Golbery is an old enemy of any type of military pronouncements. In a lecture he gave at the Superior War School [ESG] in July 1980--it was just published as a preamble to the republication of his famous book "Geopolitics of Brazil--he said very clearly: "We all have to reeducate ourselves for democratic coexistence." He was convinced that on the military front a halt should be made to unsuitable statements which could be interpreted as a sign of government weakness or divisionism within the armed forces. The halt was not ordered, on the contrary, a succession of statements was recently made by military men who advocate elections in 1982. In the opinion of Golbery, those speeches, even if well-intentioned, are something which backfires. After all, if a troop commander says that there should be elections after the president has guaranteed that they will be held, there is implicit in the statement, that despite the position of the president, some other military commander may be against them.

For Golbery it would be much easier to defend such theories if there were perfect agreement in the "meeting at 0900." There was not. In the early months of the Figueiredo government, Gen Octavio Medeiros, in a talk with a legislator friend, did not include Golbery when speaking about who were the most intimate advisers of the president. Later on, the same legislator would personally note that the presence of Golbery in those morning meetings was marked by something unusual: All the military men who participated in the meetings, including Figueiredo, called him "Mister" Golbery, who in turn always addressed the president as "President."

Since the end of last year, moreover, General Golbery advocated a ministerial reform that would give logic to the government and abolish four ministerial positions, those of Ervane Galveas (Finance), Camilo Penna (Industry and Commerce), Cesar Cals (Mines and Energy) and Jair Soares (Social Welfare) and carry along with them the president of the Central Bank, Carlos Geraldo Langoni. In February, in a meeting with a second echelon technician, he went as far as to say that those necessary changes would be made "by the end of April." According to Golbery, some ministers should be replaced because of incompetence and others because of the simple fact that they were strong candidates for the governorship in their states, for example, Jair Soares in Rio Grande do Sul and Cesar Cals in Ceara.

Countdown

Those candidacies, according to the general, would lead the ministers to cultivate programs and positions which inevitably would cause more expenditures. That ministerial reform lost momentum within Planalto and exploded definitively on the night of April 30 together with the Riocentro bomb, where an army sergeant was killed and a captain of the DOI-CODI [Department of Domestic Operations-Internal Defense Operations Center] was wounded. In that episode, right from the beginning, the chief of the Civilian Household advocated the theory of an absolute fixing of guilt for the explosion. Such a line, however, was then undermined within the government, primarily by the actions of the security community headed by Gen Octavio Mediros. In the days following the incident of Riocentro, Golbery adopted a behavior from which he would never deviate: He refused to speak about the subject. General Golbery knew exactly what the real target was. In August 1980, when a bomb exploded at the OAB [Brazilian Bar Association] building in Rio de Janeiro, Golbery said positively that "the attacks are aimed at sabotaging the opening process." After Riocentro he did not even say that. At least two ministers of the Figueiredo government aver that it was there, the bombing of Riocentro, that the countdown which ended last week with the resignation of Golbery should begin. "I do not know if there was one decisive fact. I believe, however, that his decision is more the result of the sum of the facts, said former Minister Mario Henrique Simonsen last Friday, who also left the Figueiredo government in August 1979 when he lost respect because of the way the country was heading.

Different Temperaments

With the Riocentro crisis, a collision course between Medeiros and Golbery was set. A former minister, who today holds a high post in the administration, reveals that Golbery told him in confidence, in a talk around the end of July, about his displeasure with the formula which finally predominated in the government to deal with the affair. In his understanding, it would be a "regression in the opening." Indeed, since the beginning of the government, there were speculations about tensions between the chiefs of the Civilian Household and the SNI because of the role which each of them represented in the government: Golbery pushing the opening and Medeiros looking to see where it was moving too fast. Initially, those differences were accepted as logical and "even the results of differences in temperaments." After the Riocentro explosion, however, the game became brutal. Pressures were brought to bear on the private secretary of President Figueiredo, Heitor Ferreira, political confidant of Golbery, pressures which resulted in his disappearance in the past 90 days from the political scene of the country, where his most recent feat of arms was managing the election of Deputy Nelson Marchezan to the presidency of the Chamber

Spokesman in Exile

Heitor was removed from the first string of the government team after Gen Medeiros and Gen Venturini, chief of the Military Household, expressed the opinions of military men opposed to the prestige enjoyed in political circles and in the press by the president's private secretary--many officers persist

in viewing him as a former captain--he left the army with that rank in 1966. Disciplined, Heitor disappeared into the vastness of his office; he avoids politicians and he stopped talking to newsmen, who had in him the most accessible spokesmen among the inhabitants of Planalto. His exile as a spokesman led Marchezan to ask Medeiros if the measure was suitable. "He needed to lower his head," replied the chief of the SNI. In exchange, Golbery told trusted politicians that he did not agree with Medieros with respect to the process of opening. Moreover, he was not willing to cooperate with a possible candidacy of Mediros to the presidency of the republic.

While he remained in the footlights, Heitor Ferreira heard from Medeiros with a certain frequency about restricting the good will with which he treated newsmen. "Did you have to give that detail?" was the usual complaint of the SNI chief. "They already knew it, I just corrected it," explained Heitor. "But how did they know?" retorted the general. Medeiros won the series of debates of that type with the explosions of Riocentro. The matter was, according to Medeiros, very delicate and Heitor was formally warned to "cease acting as a center forward and play as a back."

On the defensive, Heitor, and Golbery even less, had no means--or perhaps no willingness--to strengthen their flanks, and the seige continued. Last month the secretary of the Civilian Personnel Administrative Department (DASP), Jose Carlos Freire, engaged in the creation of the new public official statutes, consulted his friend Golbery on the suitability of including a reference to the 13th salary payment in the text. This was a matter of a promise made by the ARENA [National Renewal Alliance Party] candidate, Joao Baptista Figueiredo, which could increase the electoral chances of the PDS in 1982. Golbery approved the idea--as an idea which could be put into effect when it were materially possible--and had to withstand the shot fired in that respect by Delfim Netto. "There is no money in the budget," said Delfim in public. "And if it were for helping the PDS, perhaps it would be better to give a 19th salary payment."

Differences Denied

Always convinced that the opening process depends on the maintenance of a government majority in the electoral college that will elect Figueiredo's successor, Golbery made another recent and unsuccessful effort to help the PDS. The general believes that the increase in the rate of social security tax will have disastrous effects on the work of the party and he suggested that before any increase, the administration of the INPS [National Social Security Institute] should be swept by the winds of moralization. Still last Wednesday, in a telephone conversation with Nelson Marchezan, he appeared to have hopes of reversing the government trend.

"Minister, many deputies are worried about that increase," complained Marchezan. "But worried about what if it has not yet been decided?" was Golbery's surprised answer. "Forgive me, my intention is only to help and several of them told me that they will vote against it," explained Marchezan. "That is ridiculous," replied the general in a gruff tone, "It has not yet been decided " The position of Golbery throughout the INPS crisis encouraged rumors that insurmountable differences with Delfim Netto were at the bottom of his resignation. Although Netto considers the increase in the percentage of the

tax a disaster caused by neglect, he considers it worse not to impose it, given the monstruous deficit in Social Security (See page 92). "That is an absurdity," guaranteed Delfim Thursday, "The minister and I have more convergent than divergent points of view." In the field of the rational, in fact, they understood each other--one always knew that the other was incapable of uttering foolishness and for that very reason often stood side by side.

In other times, Golbery would have easily swallowed those minor insults and back in his office would continue to ponder greater questions. He spent a good part of the past 7 years going around obstacles of assorted sizes; he never forgot that the goal was to help the country return to democracy. Lately, however, Golbery appeared more and more dissatisfied with the rate of progress of the opening, rate he considered slow. Perhaps he may have concluded that it would be useless to try to hasten it and, therefore, it was not worth undermining his health even more.

Gains and Losses

It is unlikely, therefore, that General Golbery left, essentially, because of something that was--but probably he left when he saw, with the help of what there was, what there could be. Although it was said jokingly some weeks ago that his crystal ball was broken, Golbery knew that he functioned enough to see within the government a future that was not worthwhile helping to design. For example, he had noted in past months the first signs of military efforts to exert influence in the electoral reform and create the successor to President Figueiredo.

In view of such prospects, plus a gentle pressure from his undermined health, which forces him to undergo sessions of pysiotheraphy to expel a cold from his bronchial tubes and to frequent inhalations to decongest them, the sorcerer quit--even when he believes that for a military man such as he "to ask for retirement is somewhat more complicated than for a civilian."

Hours after the resignation of the Brazilian politician, who after Getulio Vargas was longer in power without ever having obtained a single popular vote, Planalto was shaken by settling of the ground which could cause deep changes in the field of power. Without the protective cloak of General Golbery, Minister Ibrahim Abi-Ackel, for example, loses stature, just as Deputy Thales Ramalho will encounter more difficulties in finding palace intermediaries. Governor Marco Antonio Maciel of Pernambuco will suffer a decline in the number of visits he makes to the 4th floor of Planalto Palace, and Governor Pedro Pedrossian of Mato Grosso do Sul will have to reduce the margin of risk of his maneuvers.

Others acquire space with the political resurrection of Professor Joao Leitao de Abreu. Such is the case of Governor Paulo Maluf or of Senator Jarbas Passarinho, who maintain special relations with the remnants of the Medici government. It is also unlikely that Deputy Nelson Marchezan and Governor Antonio Carlos Magalhaes will have to wait in line when they request an audience with the chief of the Civilian Household. However, it is still too early to count the gains and losses of the country with the fall of the main

promoter of the opening process. President Figueiredo complained of Golbery's decision to one of his ministers, saying that he abandoned his government with the same semiceremony attributed to former Minister of Planning Mario Henrique Simonsen and that he felt hurt because he had not received, in his understanding, the reasons for his departure. Thus, Golbery left power under a chorus of laments which range from that of the president to that of the most obdurate opposition to him, who finally fear that without the general they may be worse off than with him. Friday night, while he strolled through the gardens of the Ipe estate with Dona Esmeralda, on the eve of his final departure for Luziania, Golbery smiled. The sorcerer quit when they were beginning to lose trust that his magic would work, but he knows, and that is why he laughs, that there is no better magic than his. Perhaps this is the last "play of General Golbery."

[Box on Page 23]

The Resignation Brings Fear to the Midst of the Opposition

The opposition is afraid. For the outside public, the opposition always endeavored throughout long years to blame Gen Golbery do Couto e Silva for everything bad that happened in the country. For the internal public, it murmered praises for the architect of the political opening. The opposition had a relationship with the general that was at the same time one of hate and admiration--hate because they knew he was competent, and admiration because they knew that basically their interests were better attended to with him than with anyone else in power. The hate began to be buried Thursday night of last week. It was the hour of truth, and because it had deceived the public for so long, the opposition surprised it by demonstrating a vast feeling of bereavement and dispair.

"We are all lost," summed up Senator Tancredo Neves, president of the Popular Party [PP]. Tancredo, who has already said he "never knew another man who had such a hunger for power than Golbery," was incapable of foreseeing that one day Golbery would spontaneously abandon the power "he exercised with so much competence and pleasure," as the senator himself believed. The reaction by Tancredo was shared by the majority of the principal leaders of the opposition. Accustomed to pointing to Golbery as the personification of an evil genius, Senator Franco Montoro of the Sao Paulo PMDB [Brazilian Democratic Movement Party] lamented his resignation: "He was the one who sustained the political opening." Former Governor Leonel Brizola, chief of the PDT [Democratic Workers Party], pretended he attached no importance to it: "It is now simply a matter of a simple replacement of a minister." Deputy Ulysses Guimaraes, president of the PMDB, preferred not to say anything: "I have nothing to do with that." Since he did have something to do with it, he broke an old habit and did not leave Brasilia on Friday. Deputy Magalhaes Pinto of the PP, Golbery's comrade in the 1964 conspiracy but his enemy since the Castello Branco government, was the only politician to praise the resignation of the general: "It was very good for the country, now Figueiredo will be the president of Brazil."

[Box on page 24]

A New Routine among Books, Goats and Seriemas

Since Friday evening, Gen Golbery do Couto e Silva, the quintessence of a palace personality, abandoned the status of an urban Brazilian and adopted the status of the rural population. He lives at his place at Luziania in Goias, 50 kilometers from Brasilia, in the neighborhood of an old ranch belonging to President Juscelino Kubitschek. That property of nearly 200,000 square meters, has a small house, where Golbery has not yet managed to install his 10,000 books, surrounded by gardens and a veritable zoo managed by his wife Dona Esmeralda.

There are cows, horses, seriemas, goats (one is called "Deputy," name received in the Brasilia zoo where he was born), monkeys and thousands of small birds. In the midst of these gardens which are crossed by a stream, can be seen a rarity: the figure of the general, eternally wearing a tie at the palace, now wearing jogging clothing with a cap on his head. In the house at the place live he, his wife and his youngest daughter, 12. In a small guest room there is a captive customer, Doctor Guilherme Romano of Rio de Janeiro, the steadfast friend of Golbery.

Golbery will live on 220,000 cruzeiros per month from his retirement as a major general, since he cannot combine it with the pension to which he would have the right as the former minister of the Comptroller General's Office, post he occupied from 1967 to 1968. Last weekened, he renewed his obsessive reading habits while listening to a sound system which carries classical music. The government lost a minister, the bookstores gained a good customer.

[Box on page 26]

The Minister Wanted a New Investigation on Riocentro

Concerned about the direction the IPM [police-military inquiry] was taking on the Riocentro explosion, General Golbery allowed some measures which would guarantee the legal survival of the investigation. The process was laid to rest last Tuesday when the hearing judge, Edmundo Franca de Oliveira, asked for the shelving of the IPM and suggested the opening of another investigation to look into the explosion of the bomb which damaged the organization's building in Riocentro. When it lands on the desk of Military Justice magistrate Celio de Jesus Lobao, the question would be forwarded to the Superior Military Court, where according to the previous inclinations of some judges, the IPM would be reborn from the ashes.

Golbery blessed those measures because from the beginning he disagreed with the blunderings of the investigation. The first office in charge, Col Luiz Antonio de Prado Ribeiro, wound up in the 1st Army Hospital as soon as his intentions to intensify the investigations were made clear. In one of the first depositions he collected, he heard from the chief of the DOI, Lt Col Julio Miguel Molina, that Capt Wilson Machado, his subordinate, was in Riocenter to supervise his team and that an "accident" happend then. Molina pronounced the word "accident" literally.

The IPM therefore, had a strong sponsor, Minister of the Army Gen Walter Pires and, directed by Col Job Sant'Anna, it concluded by finding Captain Machado and Sgt Guilherme Pereira do Rosario innocent. On that same day, when the conclusions were presented to the press, General Pires sent a copy of the investigation to Planalto and a firm request: He wanted a statement favorable to the government in 24 hours. Since the statement was not forthcoming, the minister wrote a public commendation in his own handwriting to the army about the way the IPM was handled.

The Man of Discipline

Every time that the Porto Alegre soccer team lost a game in the Rio Grande do Sul championships at the beginning of the 60's, the students at the PUC [Pontifical Catholic University] Law School knew that awaiting them at the classroom of the Administrative Law on Monday would be a professor in a foul humor who called the International team "the snappers" instead of the "reds," and with ill grace withstood the sound of footsteps or the rustle of papers. But that professor, the former seminarian, lawyer and jurist Joao Leitao de Abreu, successor to General Golbery as chief of the Civilian Household of President Figueiredo, on days of victory also consented to cutting short his ramblings about Austrian jurist Hans Kelsen and to taking off with the students for some beers at the nearest bar.

Those are, in order, the great rule and rare exception in the always methodical behavior of Leitao de Abreu. Once more raised to a key post in the government, from the heights of which he viewed the country during the four and one-half years of the Medici government, that 68-year-old man from Rio Grande do Sul--four daughters and six grandchildren--rekindled once more on the political scene with his sudden rise last Friday, the almost extinct memories of a phase when Planalto Palace was ruled by the strictest discipline.

"I will give the same cooperation that I had the honor to give to President Medici," he declared in the first interview with newsmen at 2000 on Thursday, after they invaded his apartment on block 316 at the end of the Southern Boulevard in Brasilia. If in fact it were to be the same, that cooperation will be marked by profound changes in the political routine of Planalto: With a timid manner, few gestures and a tiny circle of friends, Leitao reveals above all traces of a temperament at times just the opposite of his predecessor. While Golbery coordinated the ministers, administering differences patiently, the new coordinator of the Figueiredo government will do so with repeated lessons in discipline. If there are important changes in the characteristics of the political opening from here on, they will begin precisely in the degree of freedom--less of it-- of the other ministers.

With a Recorder

The style will certainly undergo changes. "The Brazil of today," he admitted in the interview, "is much more complex, just as the entire world is much more complex, than it was in the times of the Medici government." However, it is not difficult to foresee in his mental approach to his new duties, some strong points, old and well established, such as his adherence to order, his marked Catholicism, his academic admiration for the French classicists and his devotion

to the philosophy of law. That devotion, which even today makes him study a great deal and drove him in the past to publish some legal works, concluded by introducing a strange machine into his daily routine. The new minister is accustomed to carrying a recorder in his car and uses the time during trips through the streets of Brasilia listening to lectures by European jurists on tapes, which he orders from France and West Germany. It is also inevitable that there will be a resurrection of the old habits of the times of the Medici government, when he was the first to arrive in order to have time to read the DIARIO DE JUSTICA.

The selection of Leitao interrupts what had promised to be a tranquil end to the career of the jurist in the Federal Supreme Court (STF), where he would have surely assumed the presidency next year and retire mandatorily in 1983. He would thus end a devoted career as a lawyer--he received his degree in law in 1946 in Porto Alegre. Twenty years later, he undertook public office as chief of the Civilian Household of the Ildo Meneghetti government. Brother-in-law of former Minister of War Aurelio Lyra Tavares, a traditional military man of the old Rio Grande do Sul Libertador Party, Leitao de Abreu from then on lived a political career which went in cycles. He arrived in Federal politics through the efforts of the minister of justice of the Castello Branco government, former Senator Mem de Sa, in 1965. A rare example of a minister who maintains his liberalism to the end--he resigned shortly thereafter to avoid signing the cassation of Rio Grande do Sul deputies who were preparing to defeat the candidacy of Peracchi Barcellos to Piratini Palace--Mem de Sa, by removing himself from the political life of Leitao de Abreu, exposed it to some marked changes. As chief of the Civilian Household of the Medici government, who brought him up from the south once more to the central plain, primarily because of his legal knowledge, he was one of the proponents of a government diametrically opposed to one with the concepts of Mem de Sa.

His long life with the law was demonstrated in a small but significant episode on Friday afternoon: At the end of the session of the Federal Supreme Court, where he routinely distributed 63 cases--he was replacing absent president Minister Xavier de Albuquerque--he shut himself up in his office and needed no more than 5 minutes to write the 97 words of his request for retirement addressed to the president of the court. It was less time than was spent by his nervous secretary in typing it.

That skill as a writer, however, bore more acid fruits in recent Brazilian history. The most remembered of his writings was undoubtedly Constitutional Amendment No 2, which Leitao de Abreu wrote at Planalto Palace in April 1972. There are no indications as to how long it took. It is only known that he had the help of Minister of Justice Alfredo Buzaid and of the leader of the Senate, Filinto Muller. The amendment, establishing the rules of the electoral game for 1974, changed the elections for governors into indirect elections.

Liberal in the STF

The episode which shredded the career of important oppositionists, cost him some bitter moments. The approval by the senate of his name for the STF two years later in another government depended on the scant 25 ARENA votes against 16

negative votes and four abstentions. The MDB [Brazilian Democratic Movement] had seven senators at that time. With the counting completed, in the early days of the relaxation of tensions, Leitao accumulated 13 enemy ARENA members in the Senate. Assuming the position of minister of the STF in June 1974, he went on to exhibit greater tolerance. He refused to accept the charges made against Deputy Florim Coutinho, who was accused of defaming a prefect of the state of Rio de Janeiro in 1976. He also disagreed with the attempt at criminal charges made by former Senator Clodomir Milet against Senator Alexandre Costa, by invoking legislative immunity in the case. He won praise from the opposition when he voted against Governor Paulo Maluf, in an action brought against Maluf by a Sao Paulo attorney for having donated automobiles to players of the Brazilian team.

That liberal phase of his life led many politicians to believe that Golbery's successor may show a new face in the present government. "We hope that Leitao has not undergone the same recycling to which Figueiredo subjected himself," said opposition Deputy Fernando Lyra from Pernambuco hopefully, hours after the announcement of the new selection was made. A long distance away, former Rio Grande do Sul Governor Sinval Guazzelli prophesied with some optimism: "He is a man with enough sense to understand that the political time is now another." Pointing out the love Leitao de Abreu has for the legal career, Guazzelli added: "I am not worried. He is a civilian who has already held office twice at the state and federal levels."

However, the division among oppositionists in their reaction to the new key figure in the government was not long in coming. "The triumvirate of the Medici government is present once more: Figueiredo, Leitao and Delfim," said the PMDB leader in the Senate, Marcos Freire from Pernambuco. "But is he not too old for the post?" asked the president of the PMDB, Ulysses Guimaraes, 64 years-of-age, somewhat inappropriately. Apparently it is an unnecessary concern of the Sao Paulo deputy. At 68, accustomed to sleeping not more than 4 hours a night, Leitao has always shown a great penchant for work and he boasts of rising early every day "to think."

An old difference with Leitao led Senator Paulo Brossard to maintain a thoughtful silence. "That belongs to another area. I am not going to talk about him," he said shortly. It was a foreseeable reaction. Having declared his vote in 1968 against the appointment of President Medici in the Congress, he was removed in 1972 from his position in the Federal University of Rio Grande do Sul, where he taught constitutional law. Leitao being a central figure in the administration which removed him, Brossard reduced his relationship with him as of that time to mere and unavoidable formalities.

The Medici Group

The chief of the PDT, Leonel Brizola, admitted that there is more than enough "room for work if he wants to," and uttered some doubts as to the return of the group that ruled during the times of Medici: "I do not even know if a Medici group exists," he said. "I trust in the national conscience which is stronger than any group." Brizola was not in the country at that time, but he cannot be unaware that the group did in fact exist. Until 1973, Leitao de Abreu

emerged as the strongest candidate among the ministers of the Medici government to the presidency of the republic via a complicated stratagem: Ministers such as Delfim Netto and Mario Andreazza, now present in the ministries, believed it was possible at that time to obtain the prolongation of the term of General Medici for some years so that then they could pose the candidacy of the civilian Leitao in his place. Such maneuvers had one obvious goal: that of blocking the candidacy of the man who was then president of PETROBRAS [Brazilian Petroleum Corporation], Ernesto Geisel. The movement failed when it came to the attention of Minister of the Army Orlando Geisel, who personally ended the terms of the ministers-electors of Leitao.

Negotiator

The most important question emerging with the political resurrection of Leitao de Abreu--his possible willingness to negotiate with politicians who are a little less docile than those he usually ignored during the times of Medici--finds in a few of the past experiences some fragile points of comparison. One of them arose with his enthusiasm for soccer and for the Gremio team, of which he has already been president, vice president and up to now, counselor. In an active electoral campaign within the club, he went to Porto Alegre to be what some friends called "the Golbery of candidate Helio Dourado." Gathering associates, speaking loudly or negotiating with discretion, he led his favorite to victory. One of the four votes in his winning margin was that of former Governor Peracchi Barcellos, also a Gremio fan, cast at a hospital where he was a patient.

Three months previously, Leitao de Abreu obtained another good result, this time in a much more important matter: a brief but delicate misunderstanding arose between President Figueiredo and former President Medici in August last year. During a meeting between Figueiredo and a group of PDS politicians, the president declared that the difficulties being faced by Minister Delfim Netto were due to the existence now of a more democratic government. What was subsequently circulated was that the president described the Medici period as a dictatorship. Planalto denied this the following day but Medici in his apartment on Julio de Castilhos Street in the Rio de Janeiro district of Copacabana, was not convinced. Leitao de Abreu was then called: In a two-hour trip between Brasilia and Porto Alegre--where he met with Argentine president Rafael Videla--Figueiredo discussed with Leitao a way to resolve the problem. Only one person witnessed this talk: Gen Danilo Venturini, chief of the Military Household. Leitao accepted the mission, went to Rio de Janeiro, and resolved the problem. In December, Medici's 75th birthday--Figueiredo was one of the happy guests, among whom was Leitao himself wearing a sash, celebrating the double championship won by the Gremio team in 1980, with the group.

Against Telephones

In the ranks of the government itself, reaction to the return of Leitao are far from being harmonious. One of the supporters of this choice, undoubtedly, is the president of the Chamber, Nelson Marchezan. A personal friend of the professor, the Rio Grande do Sul deputy carried him off last month, for example, to a dinner at his official residence, at which a former opposition member from Rio Grande do Sul, today a member of the PDS, Candido Norberto,

was honored. During the Castello Branco government, Norberto was cassated and the episode caused the resignation of Minister of Justice Mem de Sa, along with whom Leitao himself as chief of his office, also fell. At the dinner, Leitao spoke for the first time about the political program of Figueiredo, assuring that he would support the process of opening. An influential governor of the PDS, on the contrary, admitted hours later that Golbery's successor represented "a curb to the bringing" of liberalization to the country. "What has been achieved," confesses that governor, "will be maintained: freedom of the press, functioning of parties, the 1982 elections. However, little or almost nothing will be advanced beyond that."

One of the questions posed by reporters in their first contact last Friday--the Rio-centro IPM--was answered by Leitao simply, with a smile. The country can now begin to accustom itself to such an attitude: Leitao has known how to be as discreet as Golbery was, exceeding him in isolation because of his introverted temperament. He rarely makes an opinion known. Even more rarely are stories told about his talks with presidents. He almost never allows a working office meeting to slide into repetitive or aimless comments. Leitao de Abreu also has another characteristic in common with General Golbery and many other authorities: He does not like to speak on the telephone.

While his political career is not as extensive as Golbery's, he brings an advantage the general lacked: Faced with any impasse with legislators with respect to legal subjects, he only needs a few minutes to come up with a legal text. After all, in 1972 he patched and changed the backbone of a constitution in a little more than a week.

In the exchange of Golbery for Leitao, the regime showed the difficulty it has in finding new heads. After all, if the professor stays until the end of the Figueiredo term, those two men of different activities but of similar habits, both from Rio Grande do Sul, both bearing similarities to the monk, "the grey eminence" of English writer Aldous Huxley, will have occupied the Civilian Household of the Presidency for more than 15 years, more precisely from October 1969 to March 1985. Since Brazil is a country of the young, it can always be said that while men do not change, the offices change. In fact, the old office which Golbery occupied and received from Leitao, was redecorated a few months ago.

[Box on Pages 30 and 31]

Old Scenery as in the Times of Medici

With the resignation of General Golbery and the assumption of his post by Leitao de Abreu, there disappeared from the Figueiredo government the last member of the ministries of President Ernesto Geisel and, at the same time, there was a trend anticipated since 1979: The strengthening of those who came from the government of Gen Emilio Garrastazu Medici. When Figueiredo was inaugurated, he had two superministers brought from the Geisel team: Golbery himself and Minister of Planning Mario Henrique Simonsen, who ceased to guide the economy of the country in August 1979. In addition to them, in an inferior position as minister of finance, was the former president of

the Bank of Brazil under Geisel: Karlos Rischbieter, who was removed at the beginning of 1980.

With the most important of the Medici government ministers, Antonio Delfim Netto, the opposite happened. He became, after the fall of Simonsen and Rischbieter, the czar of the national economy. Meanwhile, two other collaborators of Medici, Andreazza (former minister of transportation) and Eliseu Rezende (former director of the DNER [National Highway Department], remained solidly installed up to now in the Ministries of Interior and Transportation.

President Figueiredo himself was always among those two groups. He was, in his turn, the chief of the Military Household of Medici and chief of the SNI under Geisel. Since rarely have there been such dissimilar governments in Brazil--Medici glorified the AI-5 [Institutional Act No 5] while Geisel abolished it--it is natural that the members of each group clash. Unlike Golbery, the team most linked to the Medici period was characterized by the willingness to maintain the best relations with the community of security agencies led by Gen Octavio Medeiros, a leftover of the Medici government, where he served under the orders of Figueiredo in the Military Office. With the appearance on the scene of Leitao de Abreu, one of the most powerful men of the Medici period, that group wins even more infleunce, and Planalto Palace today once more presents a scene very similar to that of the early 70's.

A Return to the 70's

As of this Monday, the government of President Joao Figueiredo will begin to be ruled by what is called the "First Law of Medici," the first sign of how things are going to change from now on in Brasilia. Under the present situation, the law reads like this: "The president may plague the life of all the ministers; no minister may plague the life of the president. The chief of the Civilian Household, Professor Joao Leitao de Abreu, may plague the life of all the ministers, but no minister may plague his. Minister of Planning Antonio Delfim Netto may not plague Professor Leitao de Abreu, but may plague all the other ministers."

With the departure of Minister Golbery do Couto e Silva, and his replacement by Professor Leitao de Abreu, the Planalto administration system of the first half of the 70's is once more in effect. After all, with one new face, President Figueiredo's administration became nominally similar to that of Gen Emilio Garrastazu Medici, who applied that law in his government, except placing Minister of the Army Orlando Geisel at the top of the list of those who were not to be plagued. That criterion is used in relations with Gen Walter Pires, undoubtedly one of the strongest ministers and one of the closest to the president. In the 0900 morning meetings, when the agenda for the days work which begins at the palace is decided, at the table will be well-known persons of the Medici government. Figueiredo, the former chief of the Military Household, is the president; Delfim, the former minister of the miracle economy, is today the powerful minister of the seven plagues of recession. Leitao de Abreu, former chief of the Civilian Household, is the new chief of the Civilian Household, and will only change offices. Gen Octavio Aguiar Medeiros, who worked in the Military Household, is now chief of the SNI.

There is only one brand new man: Gen Danilo Venturini of the Military Household, who in the Medici government was one of the closest collaborators with Minister of the Army Orlando Geisel.

Finger in the Electrical Outlet

In addition to those physical similarities, from here on in the difference between the Figueiredo style and that of former President Ernesto Geisel will become more and more obvious. In two and one-half years of government, using the system left by his predecessor of many joint meetings, Figueiredo was under fire from two sides. He was accused of not being in charge, because supposedly General Golbery did everything, from one side, and from the other, he was accused of not resolving the matters which Golbery, precisely so as not to appear to be a grey eminence, delivered to him for his decision.

As of now it is probable that the importance of joint meetings will decline and, to the general surprise, it is true that the new chief of the Civilian Household because of his style, will do things that Golbery could never have done without giving the appearance of assuming the presidency. Frequently, in the Medici government, for example, Leitao de Abreu told a minister that a certain matter should remain on his desk for a few days before being presented to the president. Faced with that statement, the ministers had one recourse: confer with the president. In the majority of cases that conference meant sticking a finger in an electrical outlet where a shock awaited. It is not that it is Leitao who wants to make decisions for his chief but rather it is his chief who does not want to make a decision without discussing the matter with Leitao alone.

A metamorphosis occurred with Professor Antonio Delfim Netto at the 0900 meeting table also. He had a good relationship with Golbery, but always perceived that his economic limits were restricted by the political activity, which the chief of the Civilian Household did not share. Delfim, therefore, could freely make decisions in his area but had to adapt himself to Golbery's plans, plans which the general never showed in their entirety. In the last days of last week, when he already knew that Leitao would take Golbery's place, Delfim radiated happiness at the renewal of an alliance which in the time of Medici functioned perfectly. Moreover, Leitao and Delfim were always friends, while Golbery blocked the path of the minister of planning to the governorship of Sao Paulo on two occasions.

"We Shall See"

The rise of Leitao de Abreu despite his logical nature, will cost Figueiredo almost all his bridges to former President Ernesto Geisel and even to Golbery--the two never had good relations with the present chief of the Civilian Household. Outside of the Palace peerage, Leitao represents a new order in which as far as the eye can see, there is more severity than opening. On one hand, it is true that Minister Delfim Netto will arrive in Brasilia with all his kitchen knives. "Now we shall see what it is to cut," he guaranteed last Friday after having defeated his adversaries in the battle over the monetary budget, which is now with the president.

In the economic field, the new Figueiredo government, which began with the departure of Golbery, should show a strictness unconcerned with political consequences. This justifies renewed speculation around the theory, according to which Delfim never lost his fascination for a less open regime. In exchange, the period of ministerial democracy during which rival ministers undermined him, freeing funds with the president which Delfim believed he had frozen, has ended. Therefore, it is believed that it will be possible to heal the economy by means of an extremely rational containment of expenditures and, therefore, of the recession.

In the political field, a veteran such as the governor of Bahia, Antonio Carlos Magalhaes, already foresees "some changes in the opening." Read this to mean instantaneous repression of strikes and illegal actions, more demands by the government of the PDS and a more brutal game in relations with the opposition. The government is going to challenge the balance of the system of opening, forcing the opposition more and more to give way to insure the holding of elections. After all, in a reasoning from a position of strength, the government knows that faced with the prospect of a serious military crisis, the so-called "civilian society" backed off, accepting the debatable theory that the Riocentro bomb insured the continuation of the opening process.

Under the Canvas

These changes in the Figueiredo government in the foreseeable future, do not result solely from the replacement of Golbery. They are the product of more than two years of ferment and internal struggles in the government, which ended with the obvious prospect of the defeat of Golbery's plans. On various occasions Delfim Netto described the former chief of the Civilian Household as "a circus pole," in an allusion to the hypothesis that with his departure the canvas would lose its support and collapse on the circus ring. In 48 hours last week, he must have certainly become convinced that they do not make circuses like they used to. He now believes that the canvas is well supported with the new friendly trunk, his friend Professor Leitao.

Beneath the canvas, however, there is a government which is much different than the one which took over in March 1979 at the end of one of the stormiest presidential successions in the history of the country. The list of casualties of Civilian Household ministers is extensive, more extensive probably than in any other post 1964 government. Mario Henrique Simonsen, who was the guide of the economy of the Figueiredo government, spent the week cocking an ear to learn of the departure of Golbery and the other to the premier this Sunday of the opera "Tristan and Isolde." Karlos Rischbieter, minister of finance, was run over by Delfim and is now managing a Volvo truck plant in Curitiba. Eduardo Portella of Education was eliminated in the first assay at ministerial cannibalism by the intelligence community. Said Farhat, the inventor of "Joao," fell, and with him disappeared his own Ministry of Social Communications [Ministry of the Media]. Petronio Portell, the skillful political manipulator, died of a myocardial attack, with presidential ambitions (see the article on page 81). And of them all, the most designing was Mario Castro Lima of Bahia, a placid doctor who quickly tired of the work, of the title of "Minister of Health,"of Brasilia, of the government, and everything else.

He passed by the cashier, collected his pay and silently went home without even speaking ill of anyone.

All together, counting Golbery, there are seven fewer in the civilian team which began, the sign of a government which up to now has not managed to establish itself solidly. The "First Law of Medici" could finally give it the discipline which it has not yet learned.

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OPPOSITION TO REGIME SAID TO BE GROWING

Havana JUVENTUD REBELDE in Spanish 15 Jun 81 p 4

[Interview with Ricardo Cortes, member of the OCLAE Secretariat, by Elsa Claro]

[Text] This year, 80,000 students were left out of universities in Chile, with little or no possibility of entering centers of higher education in the future. The problem, which is rooted in the fascist essence of the regime itself, has peculiar features which make the situation more dramatic and tense at the present time.

In discussing the matter with Ricardo Cortes, member of the permanent secretariat of the Continental Latin American Student Council [OCLAE], he told us that student protests in his country are extremely important political events. On one hand, the growing manifestation of the student movement as a force in opposition to the regime, must be established and on the other hand, the harmful measures that have forced this sector to take action must be studied.

To those measures we must add the unprecedented action by the repressive forces in searching the Metropolitan Cathedral, in order to take prisoner students who were conducting a hunger strike.

The law which has provoked this wave of protests is intended to give the regime a voice within the sphere of the university, Cortes tells us. The dictatorship must seek a model that would be favorable to it and fit the economic mold it is setting up. In addition it is an attempt to silence nonconformist voices and to whisk the truth away from the public, giving an appearance of legality to what is nothing more than militarizing education and giving it, in content and form alike, an elitist nature in accordance with the long and short term plans laid out by Pinochet and his imperialist advisor.

The process was begun by talking of self-financing, which in reality meant reducing registrations and the number of scholarships, as well as fewer teaching materials, among other things. Then they go on to eliminate a group of courses, and give them new entrance requirements, that is, according to the kind of course, one pays more for the right to take it. The amount depends on the social prestige, importance, and occupational demand for them. Thus the fixed fees for the 12 courses of study from which one may choose range from 15,000 to 60,000 pesos (39 Chilean pesos to the dollar).

So thousands of students are unable to enter the university. This is precisely one of the reasons for that law.

In addition, there is the dismissal of hundreds of professors, some highly respected personalities in the culture, who have been "purged," or subjected to unemployment because their facilities have been closed.

In a parallel action, the regime has imprisoned or exiled thousands of young people, above all those who stood out in rejecting the constitutional farce which included among its filthy webs laws and regulations such as the one that is affecting so many students.

While the young hunger strikers in the Metropolitan Cathedral were demonstrating their rejection of that which is limiting their lives and futures, other groups are still making the same kind of protest. Young workers and trade union sectors have supported these demonstrations, which is what they are, against the regime itself.

And that is what the military junta wished to avoid, which is why they invaded the church, violating standards and rights, influencing the priests themselves to side with the youths and join the strikes. But it has not been able to silence the repudiation of the new garments in which a shameful regime, which was born stained with blood and foul crimes, which is an insult to the human condition, is attempting to clothe itself.

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THIRD TENDENCY EMERGES WITHIN DEMOCRATIC RENOVATION

San Jose LA REPUBLICA in Spanish 16 Aug 81 p 3

[Text] There was a meeting last Thursday of leaders of the controversial party, Democratic Renovation, in the home of the former minister of public security, Juan Jose Echevarria Brealey.

Three principal subjects were discussed at the meeting. According to a witness, the first point was the possibility of not "delivering" the Democratic Renovation party [PRD] to the Calderonist Republican Party [PCR] inside the Unity Coalition and to enter the election campaign with an independent slate of candidates for national deputy, county supervisor, and town councilman.

The second subject dealt with setting up a plan to bring pressure on the new deputies of the PRD, who are in the majority followers of Rodrigo Carazo, in order to obtain from them a decision supporting the previous point. And as the third point, a report was read which said that full financing for this latter tactic was available and ample.

In view of what was said and discussed, political observers consider that the idea is to form a third force or group within the Democratic Renovation Party headed by Echeverria Brealey.

The other groups are as follows: one supported by Roberto Tovar Faja and Oscar Aguilar Bulgarelli, which favors complete cooperation with Unity through strong ties with the Calderonist Republican Party; and the other is the so-called "dissidents," which is headed by Alberto Lorenzo, Enrique Madrigal Montealegre, Rolando Romero, and Alvaro Monestel Arce, and advocates more or less what the new group advocates but excluding former minister Echeverria Brealey and all those leaders who, in one way or another, follow the thinking of Rodrigo Carazo. The "dissidents" are also struggling to unify the opposition to the National Liberation Party [PLN], without discrimination or exclusiveness.

It should be remembered that 8 years ago these dissidents were eliminated as national deputies for Democratic Renovation by the provincial conventions led by Oscar Aguilar Bulgarelli and Roberto Tovar Faja.

It was learned that among Democratic Renovation leaders attending the meeting on Thursday were Guillermo Vidal, Jose Montero, Hernan Bravo, Flor Monge de Bravo, Olinda Alfaro, Juan Elias Lara, Mario Esquivel, Enrique Segura, and Roberto Delgado, and others, whose presence was not officially confirmed.

Right now the probability is quite high that the new group will go into the PRD convention, convoked for the 22nd of August by Oscar Aguilar Bulgarelli (who occupies sixth place for deputy on the Unity ballot) with these tactics.

9015
CSO: 3010/1740

ECLJN: INTERNATIONAL COMMUNISM BEGINS DESTABILIZATION PLAN

San Jose LA REPUBLICA in Spanish 16 Aug 81 p 3

[Text] The Christian Army for the Liberation of Nicaragua, a group that has been formed in our country to fight the Marxist regime in Nicaragua, states in a manifesto that there is indeed a plot against Costa Rica.

The communique states the following:

The Christian Army for the Liberation of Nicaragua (ECLJN) makes known to the public that the dark forces of international communism, in macabre and criminal complicity with many bad Costa Ricans, have set in motion a plan of economic, political, and social destabilization in Costa Rica. Included in this plan are armed actions in Limon, San Carlos, San Jose, and other provinces, the blowing-up of bridges and the assassination of political adversaries and key business figures. To this end tons of arms have been unloaded in Ciudad Neily, Jicaral, and Barra del Colorado.

We also denounce the physical presence of over 400 Argentine Montoneros in Costa Rican territory, 200 Uruguyan Tupamaros, and many members of the EPS (Sandinist People's Army), who come to Costa Rica daily by bus in three and fours dressed as civilians. They are met by companeros at the respective bus terminals and later transported to different safehouses. We state that the international terrorists, Mario Fermeninch Boca Narvaja and Hugo Spadafora, move about openly on Costa Rican territory as does Commander Eden Pastora, the coordinator of the plan, who does so more surreptitiously.

The Christian Army for the Liberation of Nicaragua considers it a moral obligation to alert the citizens of Costa Rica and the nations of the whole world to this new expansionist intent of international communism which has as its objective the conversion of the Central American isthmus into an immense battlefield.

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PRINCIPLES OF REVOLUTIONARY FOREIGN POLICY DISCUSSED

Managua EL NUEVO DIARIO in Spanish 19 Aug 81 p 2

[Article by Gilberto Ortega]

[Text] The bourgeoisie try to foster credence in the possibility of a policy that is "above the classes," without a solid social context, and we know that in the capitalist countries it is the bourgeoisie with their selfish interests as a class which determines policy contrary to the aspirations of the workers. Looking at our history, Nicaragua was a nation where the Yankee marines could depose and impose presidents. Part of our territory was sold in perpetuity, we lacked control over customs, banks, and transportation. The budget was arranged by private bourgeoisie in New York and by the State Department. In short, a real backyard of Yankee imperialism.

To top it off, we had a capitulationist dominant class that is now visible in the traitorous and counterrevolutionary bourgeois sectors.

And so it was that Sandino came on the scene, during that unpleasant and depressing political situation, synthesizing the best patriotic traditions, for he revived the pride, dignity, and the national honor of Nicaraguans.

On 19 July 1979, that national historic process, for which Sandino, Carlos Fonseca, and all our martyrs and heroes fought, assumed power.

The task of our foreign policy is to avoid the isolation which imperialism, is trying to bring about through various methods, and to prevent the undermining of international solidarity.

We reject any conditions. Thus the imperialists have responded by canceling loans, promoting warlike policies in Central America, permitting the training of Somozists and mercenaries on U.S. territory, and cutting off the delivery of wheat. But our revolution has responded calmly, without being provocative, but at the same time without showing signs of weakness.

In this way we have obtained the respect of other nations, and at present we have good relations with all the countries that respect our independence and sovereignty. And this has created the internationalism and solidarity that has rallied many countries together behind us.

Examples:

--The Libyan loan, without conditions.

--The donation of wheat from the USSR, East Germany, Canada, Belgium, and the militant support of Mexico, Venezuela, France, and the Socialist International.

This is to mention only the latest demonstrations of friendship for our nation. Our revolution will always be at the side of the nations that struggle for equality, respect for life, and the self-determination of peoples.

In the nonaligned movement we support the struggle against colonialism, neo-colonialism, racism, zionism, apartheid, and, in short, we are against all kinds of oppression.

Our relations have been broadened because Nicaragua is now sovereign and develops its own foreign policy. Thus a series of agreements for technical and financial assistance have been signed that redound to the benefit of our people in this stage of national reconstruction. We advocate the peaceful solution of international conflicts and condemn all kinds of intervention.

In other words, all our efforts are directed to the struggle for Peace because we are free and will never be slaves again. In the face of the warlike policies of the imperialists our embassies have become veritable trenches in defense of our popular Sandinist revolution.

9015
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OBSERVATIONS ON NATIONALITY LAW

Managua EL NUEVO DIARIO in Spanish 25, 26, 27, 29 Jul 81

[Four-part serial by Augusto Cesar Zamora: "The Exercise of Sovereignty"]

[25 Jul 81 p 2]

[Text] The State Determines Ways of Access to Its Nationality

Each state, we have said, will specify who are its nationals because of origin. Duncker defines nationality of origen or natural as "that nationality assigned by law to an individual at the moment of birth" (Duncker, "Private International Law," in Guzman y Millan). "At the moment of birth," which may not be the nationality for the place where the birth takes place. The child of a Nicaraguan father is a Nicaraguan by origin, whether he is born in Sweden or Australia.

The formulas to which the state may have recourse are many. We can simplify the problem by stating that some states have adhered to the principle of blood (ius sanguinis) and others to the principle of place of birth (ius soli). Reality shows us, nevertheless, that there are no pure systems. (Sorensen and others). At this point, we can only talk about systems granting greater predominance to one or the other principle, picking up parts of the other to a greater or smaller extent.

Thus, countries traditionally of emigrants--like Italy, Spain and here Nicaragua would have to be included only in connection with emigration--have given greater preponderance to the ius sanguinis. On the other hand, countries receiving those emigrations--Argentina, United States--are inclined toward giving greater preference to the ius soli.

In Nicaragua, our traditional systems have maintained a diffuse set of rules, obscure at times and generally not very technical when it comes down to taking up the problem. If we refer to our codes and laws on the subject, it is possible only to imagine a melting pot of codes and laws coming from the greatest variety of sources, in order to extract, like a druid from his pot, a "Nicaraguan" system.

In the new Nicaragua, there is no doubt, the improvisation and lack of scientific criteria of the previous regimes must be abandoned, and a nationality law must be established from several points of view. The first, by making an analysis of the national situation in the economic, political, social and cultural fields, and with broad vision, by thinking not only about Nicaraguans residing in Nicaragua,

but also about the century-old migratory phenomenon of our people, aggravated by foreign interventions and by the exploitation of the Somoza system. The case of Somoza-regime criminals and delinquents and their accomplices who left Nicaragua and are fugitives from justice, who abandoned the country not out of hunger--because they stole much--but rather precisely in order to evade that justice, is a separate case. All in all, the Nationality Law will not fail to take them into account.

In this context, the first provision of the Nationality Law must be based on the ius sanguinis, specifying that "children of a Nicaraguan father or mother" are Nicaraguan. A very broad formula that, in addition to covering all those born on the nation's territory, would also protect the nationality of the children of Nicaraguan emigrants, including the children of followers of Somoza--the penalty does not go beyond the person of the criminal--favoring the return of many Nicaraguans born in emigration or in exile, not only to come to die on their native soil, but also to participate as full-fledged Nicaraguans in the Constitution of Revolutionar icaragua.

Next e case of those born in Nicaragua of foreign parents would be taken up. The bil by the Council of State simply states than "persons born on the nation's territory of foreign parents" are Nicaraguan by origin. This is essentially a territorial-oriented rule, basically ius soli, in which the criterion of actual national tie is ignored. This radical way of applying the ius soli has been criticized by doctrines and writers, even in countries like Mexico (article 30A I and II of its Political Constitution) that maintain a similarly radical formula (Perez-nieto).

Ius soli, with great reminiscences of feudal times--the territory lays claim to those born on it--was adopted by the Latin American countries as a means of ensuring that the large masses of emigrants arriving at their respective countries would not perpetuate foreign lineages on the country's soil. Ius soli, feudal in Europe, became, in Latin America, a "guarantee of territorial independence and the very source of freedom" (La Pradelle, in Miaja). Undoubtedly, this criterion was valid in the nineteenth century and up to middle of the present century, when the cycle of large-scale emigrations was closed.

At present, because those circumstances have changed almost radically and in view of the fact that Nicaragua never has been a country of large-scale immigration, but rather a "land for passing through" in which some foreigner or other is writing his books on the flora, the fauna or the customs (Squier, Gage, Oviedo himself) of Nicaragua, it does not make much sense to adopt so broad a formula. It is applicable to Argentina, with its 3 or 4 million emigrants or Venezuela or Mexico, but not to Nicaragua.

Moreover, as I pointed out above, European and Latin American doctrines, writers and legislatures are revising this formula, because it has been abandoned already by a large number of countries, owing to the numerous conflicts of nationality to which it gave rise. It is agreed that the mere fact of birth is not sufficient grounds for granting nationality of origin.

Countries having requirements other than birth for granting nationality are, for example, Spain (article 17 Civil Code), Costa Rica (article 13.3 of the Constitution),

France (article 44 of the Nationality Code), Dominican Republic (Article 22.2 of the Constitution), Chile (article 5 of the 1925 Constitution), and so on.

The principal interest of the state lies in having these human groups truly aspire to becoming assimilated in the state's population, to being incorporated in its population nucleus. Obviously, the declaration of the interested party matters, but it must never be the sole factor to be considered by the legislator. In order to lessen the effect of insecurity, recourse is usually had to various mechanisms by means of which the intention of the foreigner to become incorporated is expressed more clearly: domicile, the habitual residence or place in which the person is socially incorporated (Winter); the living center (Van Hoofstraten), or a social domicile as real, practical concretion, as Aguilar Navarro puts it.

In our opinion and following those writers, doctrines and legislation, in their endeavor to lessen nationality conflicts, the following would be Nicaraguans by origin: "persons born within the national territory of foreign parents, if the parents are domiciled in Nicaragua at the time of the birth."

Therefore, the domicile would be the connection, the link, the sure bond that would express the foreigner's intention, desire to be incorporated in the central nucleus of the state's population. This, together with the fact of birth, entitles a person born in Nicaragua of foreign parents to have nationality of origin. In addition, there is no doubt that the state cannot impose its nationality on foreigners residing on its territory for a short time (in Oppenheim).

The other provisions of the law would pertain to cases of infants born or found in Nicaragua of unknown parents. The law would specify a legal waiting period in favor of the infants until their real relationship is determined, at a given time, and with it the appropriate effects. These provisions do not merit further comment, because international agreements and treaties and our own laws specify that every person has a right to a nationality. In this case, because the relationship of the children is unknown and, therefore, what their nationality may be, Nicaraguan nationality covers them ipso iure.

The case of children of stateless persons deserves special attention. They would not be subject to the requirement of residence or domicile of their parents, both out of respect for the recommendations of the United Nations, requesting states to facilitate acquisition of a nationality to stateless persons, and for the fact that, because the father lacks a nationality, no conflict of nationalities can come up.

Moreover, the children of diplomats and of foreigners in the service of their governments are excluded from these considerations, because that is what is imposed by the rules of international law. As the first article of the 1930 Convention of The Hague specifies on certain matters pertaining to conflicts in nationality laws, each state decides who its nationals are "insofar as they are compatible with conventions, international customs and principles of law general sanctioned in matters of nationality.

[26 Jul 81 p 2]

[Text] We already know who make up the basic nucleus of the state's population, that is to say, who its nationals by origin are. Now then, the population of

states is not static, because there is mobility of human groups between states. This social phenomenon obliges states to establish or to assimilate certain forms, so that part of these groups may be incorporated in its body of population. These forms are the ones known as "naturalization." Acquired nationality--also called juridical or elective--that Albonico defines as the nationality acquired by persons during their lifetime in replacement of their nationality of origin or previous nationality. An individual exercises his right to change his nationality.

In general, the state offers two ways for access to nationality, a regular, or ordinary, way and another one that, with some writers, we shall call privileged, divided in turn in two kinds. Since the change of nationality can take place for various reasons (transfer of territories, imposition of a state), we shall limit ourselves to treating individual nationalization, the act by which a person requests a new nationality voluntarily.

Let us look at the regular way of obtaining nationalization. This is the case of foreigners without any previous tie to the estate. These human groups arrive in two ways: emigration and exile. Exile has become an endemic disease in many regions of the world. Just as so many thousands of Nicaraguans were expelled from their native land by a system of exploitation and repression, other thousands of human beings daily leave their countries in search of better opportunities (Neruda, with reference to the first colonizers of America, the Spaniards, calls them "children of Castilian abandonment"). There was a process of immigration to Nicaragua at the end of the nineteenth century and beginning of the twentieth century, cut off by civil wars, interventions and the greed of the Somoza regime. The great European wars and capitalist overexploitation forced millions of Europeans to move to America, the promised land for them. Likewise, the imperialist wars in the Third World and the same phenomenon of poverty imposed on Asiatics and Africans a series of emigration to Europe and the American continent.

At this point, a clarification should be made. Regardless of how profoundly humane the problem of displaced persons (emigrants, exiles, refugees) is, whose magnitude is shown by the fact that the United Nations has programs and offices for aiding in solving this drama, which belongs to all mankind, there is no intention of advocating an indiscriminate policy of open frontiers. That kind of proposal would be not only unrealistic but also irresponsible up to a certain point.

Each country has its own special problems and the assistance that it provides to these human groups must be in proportion to its capability of assimilating them. An evaluation of the economic situation, unemployment rates, study of needs (we need physicians, architects, geologists, for example) enters into this field and, based on the results of that evaluation, of that analysis, a selective immigration policy must be established directed toward favoring the country's most depressed sectors and not those sectors that are already saturated, because that kind of immigration would only lead to increasing the number of unemployed and to potential conflicts in the state's body of population.

For these reasons, most of the legislatures establish mechanisms of "sifting" or of "selection" in an attempt to give priority to a certain kind of immigrants. These mechanisms prevent, among other things, the introduction of doubtful elements, opportunists, delinquents and so on into the state's population body, made possible by a misdirected immigration policy, because of the principle of

"troubled waters, fishermen's gain." The point of view of the Revolutionary State, entirely humane, does not adopt wrong considerations that distract its good judgment and turn our nationality into a devalued nationality.

Moreover, selective immigration is the constant practice of states--France, the United States, Mexico, to mention a few--and Nicaragua will not be the exception.

The residence time required of a foreigner would become the first criterion of selection that we can regard as the most usual and widespread one. Each country obliges a foreigner to reside in it for a certain period of time, in order to have the right to request nationality. That period varies, sometimes considerably, from one country to another. Nevertheless, the average is close to 10 years for the nationalization that we have called regular. Ten years are a prudent time for the state to judge if the foreigner has acquired sufficient merits for deserving nationality, on the one hand. On the other hand, it will be deduced, from a sum of objective facts, if the foreigner actually has established his center of interests, his living center, in the country.

Moreover, the regular way is not in opposition to the other, the privileged way, because it is susceptible to many combinations. Let us go on to examine this second way.

Privileged ways are the ways structured by the state to favor various interests: marriage, adoption, mere birth in the territory, blood ties, in the cases covered by the right of option, or else reasons of social or economic interest or of recognition of the foreigner's work in behalf of the nation.

In the cases covered by what is known as right of option, we see that the privilege is based, by broad interpretation, on the two great principles of ius soli and ius sanguinis. The bill states that Nicaraguan nationality may be chosen, once age majority is reached, by those who are born in Nicaragua of foreign parents, those who are born abroad of a father or mother who were originally Nicaraguan, and foreigners married to Nicaraguans, after residing in Nicaragua for 1 year, as well as persons born on board Nicaraguan aircraft and ships. We shall devote special attention to these two last-mentioned classes.

It is a question, then, of persons with a tie, although weak, with the state but a tie that concerns and must be taken into account. In the first case, we are talking about the child of a transient foreigner who does not acquire our nationality ipso iure. That tie, just as in the other assumptions, can be strengthened or weakened. In this last-mentioned assumption, the legal rule does not operate. In any case, assuming strengthening of the tie, the child of a transient foreigner has that course for being incorporated in the Nicaraguan community.

This reasoning is applicable to the child of a father or mother who, although they were Nicaraguan, have renounced our nationality. This is no obstacle to a strengthening of their children's ties with Nicaragua.

With regard to persons born on Nicaraguan flag aircraft and ships, it is planned, in the bill, to include them in the chapter on nationals by origin. This has been rejected, almost overwhelmingly, by writers, doctrine and legislation, because it gives rise to more anomalies than to the benefits it grants.

In a world in which communications have developed as never before, an age in which a universal disposition has made itself better evident, man's supranational spirit, and in which flags of convenience are multiplying (Seara Vasquez, 1958 Geneva Conference, Reuter), it is only appropriate to recognize a right of option to the nationality of that ship or aircraft to those born on them.

When passenger transportation was mostly by sea, on long, calm voyages, births were common during the voyage. This lent sense to the provision. Because at present transportation is mostly by air, the basis of a sufficient custom for resolving it is lacking. Some writers speak of a congress to deal with this problem. We might simplify them by referring the issue of the nationality of a person born on aircraft to what is stated by the law of the parents' domicile (Visscher, Mapelli), or, which would be more logical, to be governed by the rational system of ius sanguinis (Miaja). Cases to which this provision might give rise would be like an anthology: a child born of an Italian and a Nicaraguan on a Mexican aircraft parked at a United States airport would be Italian because of his father, Nicaraguan because of his mother, Mexican because of the aircraft and a United States citizen because he was born in an airport of that country.

Moreover, ships and aircraft are mere objects of a legal relationship, lacking personality in which the capacity of national or foreigner cannot be a source or assumption for the acquisition of legal rights and obligations. Therefore, the craft is incapable of possessing a nationality status and of being subject to a legal relationship with the state, that is to say of having a nationality (Miaja de la Muela). And as Pereznieto points out, excessive use of the concept of nationality is based on the interest that state has in the object, not on any other kind of considerations.

In summary, the fiction of regarding this kind of craft as "national territory" is improper and it is still more improper to regard, at present, a child born on them of foreign parents as nationals of Nicaragua by origin.

Because of a question of legal technicality and in order not to leave any gaps, these persons should only be granted a right of option, a right that some writers even deny or that they restrict to times when a ship--and only a ship--is outside the jurisdiction of another state, both on the high seas or in territorial waters of the state whose flag the ship flies (Accioly, Guszman). If we recall the notion of actual tie, these statements will prove to be more clear.

We shall examine separately option because of marriage.

[27 Jul 81 p 2]

[Text] We are now going to enter upon a consideration of the other privileged way of acquiring nationality based on social or economic reasons or on recognition of a foreigner's work. We point out that almost every legislation takes this course into account. In many, they are in agreement, In others, more or less special formulas are adopted.

The bill takes two assumptions into account: foreigners with outstanding services to the nation and foreigners with extraordinary merits in behalf of the nation's community. Let us examine the first assumption--"outstanding services"--by means

of comparative law. Mexico--for example--favors foreigners who establish an industry, enterprise of socially useful business and with considerable social benefit on national territory; settlers in accordance with laws on settlement by relationship, and so on (article 21 of the Nationality and Nationalization Law). If a similar provision had been set up here, we would possibly be accused of favoring disloyal competition or of turning the country's economy over to foreigners. The reality goes beyond imagination, according to Cortazar. In Ecuador, the 1978 Constitution grants nationality to a foreigner "who has obtained Ecuadorean nationality for having performed important services for the country" (article 7.1). Costa Rica: the Legislative Assembly has the power of granting "honorary nationality" (article 14.6 of the Constitution). In Bolivia, the 2 February 1967 Constitution takes several assumptions into account: foreigners with a Bolivian spouse or Bolivian children, foreigners engaging normally in industrial agricultural work, foreigners performing educational, scientific or technical functions, foreigners performing military service for the time being and, finally, foreigners who obtain nationality from the Senate because of their services (article 47, paragraphs 2, 3 and 4).

The Spanish Code selects a broader formula, specifying that "5 years residence will suffice when the petitioner has performed outstanding services, by means of any activity or work that has been of considerable benefit to Spanish interests" (article 20, paragraph II). The Spanish Code reserves to the chief of state the power to grant naturalization status when "exceptional circumstances" apply to the petitioner in the opinion of the chief of state (article 20).

French and United States laws are also generous in this connections, especially with regard to prominent individuals. United States nationality was graciously granted to Kelsen and Einstein.

It is obvious that Nicaragua cannot aspire to that much--among other things, because the imperialist domination bequeathed us only debts and underdevelopment--but we do need skilled personnel: physicians to help reduce our very high mortality rate, engineers, intellectuals, geologists, but not attorneys; we are exporting them now.

Therefore, the state is obliged to promote the immigration of skilled personnel and to favor incorportation of this kind of foreigners into the state's population. Mexico and Argentina were generous with European exiles and emigrants and the effects have left their mark on those countries. There are cases of collective nationalization, like the ones that took place by law in Chile, in the last century.

It should be realized that, although the formula selected in the law is broad, adequate mechanisms will be established by means of regulations in the law for being able to select what foreigners will be the ones benefited. Thinking the contrary amounts to casting doubt on the very nature of the Revolution.

Nicaragua's present situation makes it necessary to promote selective emigration and to adopt those privileged courses, for the sake of overcoming our deficiencies in human resources, resulting from those governments that closed schools, in order to pay the invading army or that invested the people's money in their ostentation, at the expense of reducing to the minimum investments in education infrastructure.

If the revolutionary state should neglect this aspect, it would be performing a bad service to our people.

The last of the privileged courses follows the channel of the Government Junta, which, by virtue of its prerogatives, as supreme authority of the nation that it represents, can grant nationality of origin to foreigners with extraordinary merits to the benefit of the nation.

Of all the courses, this is one least used, owing to its nature. As some writer has pointed out, this course "amounts to the greatest distinction that can be awarded to a foreigner by a state desiring to express its gratitude to him." Likewise, another writer believes that "it is no less true that it is also a great honor to the nation granting it to incorporate as one of its members a worthy, meritorious person who has his own nationality."

The other ways of acquiring nationality are the ones determined by relationship. Thus, in application of the principle of favoring family union, by extending to those children who are under parental authority the nationality of the parent exercising it. An exception is taken into account for cases of adoption of foreign children by Nicaraguans. In view of the fact that adoption does not imply, for many legislations (for example, French legislation), the fact that the adopted child acquires the nationality of the person adopting him, a foreign child will only acquire the nationality of the person adopting when, by virtue of his national law, the foreign child retains his nationality of origin, in spite of adoption. In the contrary case, when the adopted child loses his nationality of origin, he will be covered ipso iure by Nicaraguan nationality.

[29 Jul 81 p 2]

[Text] The State Determines How Nationality Is Lost and Recovered

A human being, man, can maintain, break and recover his tie with a state. Multilateral pacts, conventions and treaties and the state itself recognize the right of an individual to change his nationality, because this essentially affects human freedom. This right is part of the sphere of very personal rights, that is to say, those rights that can only be exercised by the person himself. Thus, the bill specifies that "voluntary acquisition of another nationality is cause for loss of Nicaraguan nationality, except as prescribed in agreements on dual nationality," (renunciation).

The article, which recognizes the right to change nationality, imposes a limitation and contains an exception. The limitation is elementary in nature: pure and simple renunciation of our nationality does not suffice, if it is not accompanied by acquistion of another. The objective of the limitation is to prevent a Nicaraguan from being left stateless. The exception takes the opposite assumption into account: the concurrence of another nationality not compatible with Nicaraguan nationality, but we shall develop that below.

As we have seen above, the national tie implies duties and rights for the individual and for the state. Legislatures establish certain rules of behavior that their nationals must respect and observe and that are a fundamental expression of the national tie. When these rules are broken or violated voluntarily by an individual, the state is empowered to punish the violator. One of these punishments is deprivation of nationality, which, like everything that has presented above, has a histroy and application in a large number of laws in the world.

Before proceeding, it is advisable to update some notions. Being a national of a country, belonging to its central population nucleus--one of the pillars on which the state is based--is something more than having a passport or traveling abroad. A national tie involves duties and obligations. When a national transgresses against those obligations, the state acts and defends itself, defending the whole social body, the nation, the country. Those rights and obligations should be discussed here, but, because the topic is more appropriate to political or constitutional law, we shall restrict ourselves to our field.

In order to understand these prerogatives better, international law recognizes the right of states to deprive their nationals of nationality (Sorensen), basing themselves on various causes that each country establishes taking its own circumstances into account. International instruments, like the 1930 Protocol of The Hague on Statelessness, the Universal Declaration of Human Rights (article 15.2) or the United Nations Conference for eliminating or reducing statelessness, only prohibit or refer to the arbitrary deprivation of nationality, without affecting the state's right in the matter. What these instruments establish is a prohibition of abuse of right (Verdross).

Concretely, states recognize different reasons for depriving members of their community of nationality. The reasons are often influenced by the circumstances being experienced by the state. Thus, for example, by reason of the world wars, Russia, Italy, Germany, France decreed the denationalization of a large number of their citizens owing to disaffection, uninterrupted residence abroad, and so on (Oppenheim). That is to say, for not having gone to defend their nation when it required the effort of all its nationals.

The 1952 United States Law on Immigration and Nationality stipulates that United States citizens can lose their nationality by serving and accepting employment in the armed forces of foreign powers, by voting in political elections of a foreign country, by deserting from the armed forces in wartime, by committing acts of treason against the nation, by remaining outside its jurisdiction in wartime or national emergency or by holding any post in a foreign government (Section 349-a).

In its article 17, the Constitution of Ecuador lists the causes for which Ecuadorean nationality is lost. We are extracting two of them from it: for treason against the nation, declared legally, and "in other assumptions declared by law," a broad formula, because constitutionally the possible is left open both of restricting and of expanding the assumptions for depriving Ecuadorean nationals of their nationality.

In Italy, Italians are deprived of their nationality if, without prior authorization by the state, they enter the military or civil service of a foreign government (in Camargo).

Finally, the Spanish Code (article 23) specifies the assumptions for deprivation of Spanish nationality: "Those who enter the armed service or exercise a public office in a foreign state against the express prohibition of the chief of state," as well as "those who are condemned by firm sentence to loss of their Spanish nationality, in accordance with what is specified in criminal laws."

The bill on nationality, at present in Council of State, stipulates the following as causes for deprivation of nationality: individual condemned by firm sentence for treason against the nation and Nicaraguans serving the armed forces of a foreign country in violation of express prohibition by the Nicaraguan Government. Likewise, Nicaraguans who refuse to come to defend the nation in case of outside aggression can be deprived of their nationality.

The first assumption--treason against the nation--is covered in the present Penal Code, inherited from the dictatorship (article 528 and following), with provisions of military nature that omit other criminal behaviors amounting to real treason, in view of the fact that "treason is an attack against the vital interests of a nation, committed by its own naturals, regardless of whether by birth or by naturalization" (De Pina), vital interests that exist and must be protected in peacetime or wartime.

With regard to the prohibition against performing armed service in a foreign country, in violation of express prohibition by our government, the interpretation given to this rule by a certain political party is extremely curious, stating that this provision leaves the possibility open for Nicaraguans to go out to fight in other countries, paying more attention to the fact that countries like the United States and Spain have similar provisions. This is an unscientific and slanted interpretation, because, in the first place, the interests desired to be protected are forgotten. The state has jurisdiction over its inhabitants. At the same time, "the individual is under the personal jurisdiction of the state of which he is a national and he owes loyalty to that state regardless of where he may be (Sorensen). Thus, the state can, in view of various interests, prohibit its nationals from performing armed service for one of several powers. Thus, the 1925 Chilean Constitution forbids the performance of services of any kind to enemies of Chile or their allies. "Military service," Accioly states, "more than any other service, requires subordination and loyalty to the authority of the government on which it depends. Because that is so, it is natural for voluntary acceptance of that service, without permission from the government of the country of origin, to cause a loss of nationality."

Nevertheless, the provision in the bill leaves Nicaraguans free to enlist in any army, that is to say, that the interpretation made by a certain political party is exactly contrary to what the rule specifies, because, if that express prohibition by the government does not occur, there is no obstacle preventing Nicaraguans from going to Bhutan, Lesotho or Papuasia as soldiers in any foreign legion.

There remains the provision pertaining to Nicaraguans who refuse to come to defend the nation in case of outside aggression. Some have asked "ingenuously" And what if we are not militiamen? With that kind of limited question they demonstrate very little legal knowledge. From so limited a point of view, the conclusion would also be reached that old men, children and handicapped persons, who cannot be militiamen for elementary reasons either, would be deprived of their nationality.

From another point of view, restricting the concept of defense of the nation to the single notion of military defense, which is one of the acceptances of the term--see the "Diccionario de la Lengua"--seems to be rather a question of nearsightedness. Defense of Nicaragua against outside aggression implies mobilization of all its inhabitants capable of performing the large number of measures that

would be adopted. In the face of an aggression, the state mobilizes not only its armed forces, but also its diplomacy, its food and medical resources, its basic services--water and light--domestic law and order, and so on and within that mobilization each Nicaraguan must occupy his post, either in hospitals, food distribution centers, communications centers. Refusal to do this involves incurring disloyalty to the nation and disobedience of the state. This is punished in every legislation in the world. By way of proof, see the Constitution of Argentina (article 30), the 1969 Brazilian Constitution (article 18), the 1978 Spanish Constitution (article 30), the 1977 Mexican Constitution (article 22), the 1967 Paraguayan Constitution (article 125), and so on.

With regard to what is understood by foreign aggression, I believe that the "Diccionario de la Lengua" is sufficient for clarifying it. If we add the adjective to the feminine noun, we obtain the exact notion of what the provision means to express. This is what is known in law as a grammatical interpretation factor--the first one to which recourse must be had--mentioned in article XVI of the preliminary title of of the Civil Code ("in applying the law no other meaning can be attributed to it than the meaning re[illegible]ting explicitly from the words used").

Explanation remains to be made of the fact that loss of nationality owing to renunciation, incompatibility or punishment would not go beyond the person affected. Its effect would be strictly individual, especially in cases of loss as a punishment (Accioly, 1933 Montevideo Agreement).

Recovery of Nationality

Here, a distinction must be made between three assumptions: renunciation, deprivation and case of naturalized citizens. In the first assumption--voluntary renunciation--a Nicaraguan by origin recovers his nationality by means of a simple declaration before competent authority. Decision by the Government Junta would be required for those who have been deprived of their nationality for having incurred in the cases specified in the law.

Naturalized citizens can only recover it by decision of competent authority (revocation). It is not possible to be more specific, because naturalization papers can be withdrawn from naturalized citizens for a large number of reasons (treason, common crimes, assimilation defect, and so on), whose determination will be the subject of regulations.

10,042
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COLUMNIST DISCUSSES RULES OF REVOLUTIONARY GAME

Managua EL NUEVO DIARIO in Spanish 25 Jul 81 p 2

[Article by Felix Navarrete: "The Rules of the Game"]

[Text] Every Nicaraguan has heard them. Some have not been able to understand them. And others believe, ingenuously, that actually our Revolution is a game. I am referring, of course, to the rules postulated by the Revolution to continue building the framework of our process. And Commander Ortega said them clearly, so that no one might be mistaken, so that no one might have doubts on their functioning and on their social significance. He said them clearly. Why, then, is there "panic" among the ranks of those who do not understand the rules of this game? That matter of game is nothing but pure rhetoric. That matter of rules refers to the political-economic system within which our people's entire activity has to flow. That is the way it is.

But who are benefited by these rules? The answer is clear: the majorities, our working people, our city workers, our rural workers, all those who, as a result of a dictatorial, arbitrary regime, were the dispossessed, the breadless, the roofless, those who never had enough with which to cover their precarious nakedness. They benefit all those who solely felt in their blood the pride of being Nicaraguans. They are benefited by them. And I have heard it said around here, on the street, that this measure, these rules postulated by our Revolution are unjust. "It is not possible for this to happen, because all those confiscated enterprises were acquired with the sweat of the brow of their owners." I have that said on the street. And it is logical for many persons to express themselves in that way. It is to be expected. But the truth is that those who express themselves like that are conditioned to playing another kind of game, with other rules framed in another kind of justice. Not in revolutionary justice. They are accustomed, conditioned, to expect benefits from a justice that was prepared for meeting their interests. And the sad thing is that those who express themselves in that way are precisely the ones who, in one way or another, have undergone exploitation, have experienced poverty, have suffered hunger, have lived with illnesses and have wept over their misfortune and poverty deep in a hovel. Why, then, do they say that the rules are unjust? Why do they feel obliged to defend the "boss"? Do they not realize that one more cordoba that the employer keeps in his vaults is a part, directly or indirectly of the sweat of the working people? Are they not aware that the decapitalization maneuvers by some unpatriotic, dishonest businessmen enemies of the Revolution go against the interests of all Nicaraguans, of our heroic people of Nicaragua? Are they not aware?

These rules are conditioned by revolutionary justice. They are not arbitrary measures. No. These rules are the product of thorough analyses, of many questionings and of long periods of meditation. The rules of the game are the answer given by the Revolution to the demands of our working people. It is not a game. It is, logically, the adequate answer to our social and economic situation. It is a historical answer that, far from being utopian, is part of the social structure in which our revolutionary process is taking place. The Revolution is not a game. The statements by Commander Ortega served to illustrate the matter, so that it might be understood better, so that all of us might be clear with regard to the legal, revolutionary intention of the measures being taken. No one is dispossessing anyone. It is solely a question of recovering for our people what has logically belonged to them rightly and historically. These, then, are and these will be the rules of the game.

Managua, July 1981.

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BAYARDO ARCE: 'THE PEOPLE ARE TIRED OF BEING GENEROUS'

Managua EL NUEVO DIARIO in Spanish 9 Aug 81 NUEVO AMANECER Cultural Suppl. pp1, 12

[Interview with Commander Bayardo Arce Castano, by Irene Selser; date and place not specified]

[Question] Commander Bayardo Arce, the Sandinist revolution is celebrating its first 2 years of existence at a very special time for Central America and for the continent as a whole. How do you evaluate what has been accomplished to date?

[Answer] In 2 years of revolution, I believe that the greatest achievement is learning. We have learned many things, because revolutions are merely changes and changing is not an exclusively evolutive phenomenon. It is not a question of wanting to do it, but rather of actually being capable of doing it. These 2 years have served us to learn, first of all, that it is very difficult for us to have realistic relations with imperialism. We always base ourselves on the belief that the revolutionary nature of our process established an almost natural conflict with U.S. imperialist. Nevertheless, in trying to be realistic, we wanted to try out a new political relationship with the United States, not for us exclusively, but also in an attempt to open up the possibility of a new kind of relationship of Latin America and the Third World with the United States. Because, after all, the United States is a reality that is there and that is going to be there for a long time. It was worth while to make an effort to try to lay the groundwork for a new kind of relationship based on mutual respect. We made efforts in this connection to draw away from the past, the history of aggressions, of interventions that had occurred in Nicaragua in which the United States played a decisive role. Never theless, there is to much accumulation of arrogance, of imperial philosophy in the United States to understand that a small country must be treated as an equal. But the attitude of the United States has been to freeze financial assistance which was precisely the essence of that new kind of relationship.

[Question] Would this mean that you will stop trying to maintain relations of respect with the U.S. Government?

[Answer] Not exactly, but some formal variants are imposed necessarily. There is a definitely aggressive policy in the new American administration, which has been taking shape even since before Ronald Reagan became president of the United States. We realize that his administration represents only 26 percent of the voters. In the United States, there are very many people who are friendly toward the Nicaraguan revolution and there are many others who perhaps are not friendly

toward our revolution, but who do not agree with Reagan's interventionist policy. In that connection, we cannot abandon the possibility that the United States will actually have a new policy with regard to our country and to the people of Latin America, because it may happen that the aggressive attitude of his administration may be neutralized through certain representatives in Congress, through the church, university people, the press, and so on. That is why we do not give up the possibility, but, at the same time, we must not think solely in terms of that possibility, but rather we must be prepared in every field to cope with that kind of imperialist agggression.

[Question] To what extent are you preparing?

[Answer] First of all, by expanding our sphere of international relations and, secondly, by strengthening some old or new friendships that will enable us to have the economic and technological assistance required by our country, after having been plundered in the past and after having gone through a war. We are preparing ourselves militarily, politically and ideologically to be able to cope with an aggression that may be sponsored by the Reagan Administration, either through counterrevolutionary Somoza groups in the United States or in other countries in the area, or through hostile governments or, even, directly. That matter of being prepared does not mean taking care only of our domestic front, but also alerting the international community through a more definite, frank denunciation activity.

[Question] Some days ago, Spanish Socialist leader Felipe Gonzalez assured in Nicaragua that, in case of aggression against your country by the United States, the Socialist International would oppose its entire moral and political force. What is the far-reaching importance of that statement and to what extent can the solidarity of social democracy be effective against American intervention?

[Answer] We value the desire of the Socialist International not to yield in the face of the threats, pressure and blackmail used by the United States to divide the international community. We believe that, at this time, the Reagan Administration is trying to impose the "law of the jungle" policy among peoples and governments and the best way to oppose that policy is with a consistent attitude of solidarity. In that connection, we appreciate enormously the desire of all those who are not inclined to let themselves be manipulated by the United States. But in the terms of effectiveness in that kind of attitude, I believe that they are relative, because they depend considerably on the correlation of international forces, because, obviously, the declarations of the Socialist International have an important value that is added to a series of facts that are telling the United States that we are not alone. The United States took away our wheat, for example, and then Sweden, Canada, the GDR and the Soviet Union responded. The United States cut off financing and Libya, Holland and others responded.

Plans of the Counterrevolution

[Question] What are the plans of the counterrevolution in Nicaragua?

[Answer] The counterrevolutionary conception that the United States has outlined with regard to our process and with which we are familiar, is based on two facts. On the one hand, a policy of economic destabilization that will create for us a series of domestic difficulties and that is leading us to such complexities that it will

find expression in the people's dissatisfaction, with a favorable atmosphere for the people to become counterrevolutionary, joining a campaign of international isolation through lies, distortion, discredit. Along with this, coordination of certain forces with sectors opposed to the revolution that are within the country and with Somoza sectors removed from power and now outside the country. We believe that they have progressed considerably in their drive to discredit and in the destabilization aims, taking advantage of the weak situation of our production infrastructure. In order to be able to reconstruct Nicaragua, we vitally need outside oxygen. The assistance that we have received is very valuable, but it has not been sufficient to cope with the economic and social destruction of our country.

Besides, our economic structure is so weak that it needs available resources on time. In that connection, the fact that the United States has made a commitment to provide us with certain assistance for an X-period of time and that it suspended it suddenly damages us, because, although we may obtain some replacement of the aid at this time, it no longer reaches us in the time required. Logically, this has had an effect on economic destabilization, because there are programs in which we are running behind schedule, programs that we have had to abandon or that we have not even been able to start.

[Question] When the Sandinist revolution triumphed, there was a slogan accepted practically by all the people: "Implacable in battle, generous in victory." Nevertheless, the counterrevolutionaries seemed to be taking advantage of that gesture of revolutionary altruism and they did not hesitate to organize armed bands, for example, ooperating from Honduras or even within Nicaraguan territory, like the Chico Carreta Band, which was dispersed a few days ago in Masaya. In this connection, do you not believe that the people are regretting having been generous in victory?

[Answer] I know that the people are beginning to regret it and it is logical and predictable for the people to feel tired at a certain time. On the day when the people tire, we also shall tire, because as leaders we are merely their expression. If we are still keeping our patience, it is because the people are remaining patient, although we are the ones who persuaded them to remain patient. But when the time comes when we can no longer persuade them, we shall have to be the definite expression of our people. Therefore, in the case of acts of provocation by certain business sectors, we have said that we intend to pursue our plan with them, without them or in spite of them.

[Question] What may modify the desire of the Sandinist Government to reconstruct the country on two assumptions that seem to be essential at this stage: mixed economy and political pluralism?

[Answer] The objective impossibility of doing it. We can do possible, realistic things. What is impossible does not depend on us. If mixed economy fails, it will be the almost sole responsibility of thos businessmen who persist in continuing to get rich at the expense of the people.

[Question] Precisely, international social democracy is supporting the Sandinist process by stressing respect by the revolution for political pluralism and mixed economy, that is to say, for respect of dissidence by the Reconstruction Government. Moreover, the Socialist International has pointed out that Nicaragua's

model might be repeated in other countries on the continent. In your opinion, what would become of this support, if the possibility of implementing a mixed economy in Nicaragua should disappear?

[Answer] We did not make the revolution with the social democrats in mind, or the businessmen, but rather our own people. We bore in mind the fact that of every 1,000 children born 200 die. We thought about the 52 percent illiteracy, about the thousands of young persons without schools, about the 300,000 families without housing, about the 30 percent of the economically active population without work, about the hunger, about the poverty of our people and we shall respond to that.

We believe that in the framework of the international situation and owing to the peculiarities of our struggle it was feasible to try to fight against all that on the basis of national unity. That is what gave rise to an attempt to promote a mixed economy, because there were businessmen in the nation and not businessmen, exploited persons and exploiters. Of course it is not easy to reconcile all that and definite rules have to be established, so that those people may know that we who head the struggle and who were its backbone, its heart, its driving force and its energy, did so motivated by that economic and social situation of exploitation. But the thousands of fighters who gave their life and are still doing so did not die so that the businessmen might live better or so that they might be content. Therefore, we have said that the fact that the private sector remains does not depend basically on us but rather on the business sector itself. When we manage international solidarity and when we made the revolution, we never said "Help us to defend the businessmen," but rather to get rid of a dictatorship that is killing us. We do not underestimate anyone's aid, least of all the aid of the Socialist International and if it should, at some time, have to suspend its aid, we should regret it very mcuh. It is not something that we are wanting, but neither is it something that can lead us to a renunciation of what led to the shedding of so much blood.

We discussed this extensively with the representatives of IS [Socialist International] in Nicaragua and the stand of both was clarified. Consequently, I do not believe that the IS will defend the right of Nicaraguan businessmen, or their interests, because then it could not support the revolution.

10,042
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REPORT ON U.S.-PARAGUAYAN RELATIONS

PY291147 Asuncion HOY in Spanish 27 Aug 81 p 11

[Editorial: "A Promising Meeting"]

[Excerpts] The visit that Foreign Minister Alberto Nogues is paying to the United States is an event which is obviously dominating our current foreign policy scene. At this point in his trip, there can be no doubt that it has been successful and that it has thus set guidelines basic to restoring the spirit of mutual confidence, friendship, cooperation and pan-Americanism which has traditionally inspired relations between the two countries.

The meeting of Nogues and Secretary of State Alexander Haig has led to focusing attention on points which will be undeniably useful for opening a new stage in the relations between the two countries. The reports that have been published by the international press, although incomplete, allow for an optimistic view of the future, as far as relations with the United States are concerned.

Significantly, the visit is in response to an invitation of the U.S. secretary of state. This gesture, in addition to being a courtesy, emphasizes the interest that the United States has in our country and the U.S.' obvious purpose of resuming the White House's historical policy toward the southern hemisphere in general and, particularly, toward Paraguay. The Paraguayan foreign minister's trip which is more than mere protocol permits us to await confidently further development of the ties with the United States. It is clear that former reservations and misunderstandings, which had arisen during President James Earl Carter's administration and which had been evident and particularly irritating on certain occasions, have been overcome.

The reservations and misunderstandings caused by those situations are now being overcome. Fortunately, the United States abandoned for only a short time its traditional southern hemisphere policy, which had been adhered to for several decades.

The heedlessness of the pan-American idea and the concepts of alliance, confidence and cooperation, in force over several years, could have negatively affected the century-old Paraguayan-American friendship. But, fortunately, steps have been promptly taken to reflect on the recent past and to promote a rapid return to the best traditions in these matters.

It is hoped that the Nogues-Haig meeting will soon show its results and that the old spirit of brotherhood and pan-Americanism will soon be fully enforced again. Such a spirit is actually the permanent foundation of the ties between the two nations and it endures over contingencies and changing policies of those who govern.

CSO: 3010/1786

NOGUES TRIP TO UNITED STATES VIEWED

PY 221407 Asuncion LA TRIBUNA in Spanish 21 Aug 81 p 7

[Editorial: "An Important Mission"]

[Text] The trip of Foreign Minister Alberto Nogues to the United States with the stated purpose of meeting for talks with the secretary of state, Alexander Haig, has been officially announced.

This will be the first time that the two high-ranking officials will hold official talks and it is also the first contact between the Paraguayan Government and the new U.S. administration, at this level.

From whatever point the question is considered, there is no doubt that this is of great importance for our country and it is to be presumed that, although there are no important U.S. economic interests involved, still the Americans must watch our country's development attentively, above all due to the fact that our country has energy sources that do not exist in other parts of the world so abundantly.

But more than the indubitable importance of the mission, one must remember the fact that in the United States there is a very deep-rooted propensity to consider the inhabitants south of the Rio Grande as if they were all the same, which, of course, is very far from the truth.

By way of example, lately President Reagan has put substantial emphasis on U.S. relations with Mexico. And it is fitting that the United States should always treat their closest neighbors so. But to think that Mexican problems are representative of all Latin American problems is really very far from the truth.

And it is this fact which has not always been pointed out. Without denying that Mexico could turn out to be an important interlocutor, the point is that South America has other problems, which are frequently very different. For example: Venezuela's problems, with its huge petroleum resources, are quite distinct from those of Uruguay or Bolivia.

As far as our country is concerned, its problems cannot be evaluated in the light of general rules. In addition to its geographical location as an inland country without seashores, it has a political institutional regime quite different from

the regimes in surrounding countries. Our country has never had guerrillas, but its geopolitical position is rather important considering that it will soon possess energy sources which by their nature are unique in the world.

Therefore, these aspects which lend a particular profile to our country should be clearly noted so that nobody will harbor misconceptions about it.

From another standpoint, it should be noted that the bilateral relations between the two countries have experienced changing alternatives throughout the years. Such alternatives have caused contradictions with old norms of relations due to new outlooks stemming mainly from changes which have been implemented in U.S. foreign policy.

A point of conflict turned out to be the question of human rights raised by the Carter government with showmanship rather than effectiveness. A question raised as a banner turned out in practice to be a point of misunderstanding and friction.

The truth is that Latin American countries have characteristics which are totally alien to the mentality of the common American. This brings up the urgent need for conversations in order to define problems and point out positive solutions. Now that the Republican administration has been in power for some time, one can expect that some well-defined ideas have already been worked out as to the manner in which relations will be conducted with countries such as ours which have their own individuality.

On the other hand, our government needs to know exactly what to expect from its relations with the United States. For instance, it should be noted in this regard that economic relations with the United States have experienced a considerable decline while such relations with other industrialized countries have been on the rise.

Therefore, this mission is important from any standpoint, and it has raised justified expectations. It can be expected now that many questions will be more clearly defined over the short term.

CSO: 3010/1786

'LA TRIBUNA' FEELS NEUTRON BOMB DECISION 'REALISTIC'

PY262216 Asuncion LA TRIBUNA in Spanish 13 Aug 81 p 7

[Editorial: "Balance of Terror"]

[Excerpts] Undoubtedly President Reagan's decision to go ahead with the production of neutron bombs has caused an uproar. The Europeans are facing a difficult situation: Even though these devices will be stored in the United States, they cannot neglect the fact that these devices have been conceived for use in Europe. Therefore, they have unleashed a wave of protest.

Obviously the decision gives rise to justified concern. Should the neutron bombs be installed in Europe, like other nuclear missiles, the European countries would certainly become the target in any clash with the Soviet bloc.

But it is also true that should these military devices not be installed in Europe, the Europeans will be practically left at the mercy of the Soviets which is not a happy prospect at all. There is Poland by way of an example.

In a world disturbed by tensions it would seem that humanity's natural aggressive instincts have failed to come up with a way to neutralize themselves. In view of the prevailing unquestionable ideological opposition, despite the various euphemisms which have been invented such as the detente doctrine or peaceful coexistence, the truth is that confrontation between the blocs prevails.

This confrontation has now become global and radical. There are no middle positions. That is why Mr Reagan's decision is remarkably realistic even though it must surely have not been easy to make and is bound to have painful consequences.

However, if peace is to be maintained in the world, man knows of no other way than balance, even if it is a balance of terror, teetering on the brink of nuclear holocaust, of catastrophe.

Thus, even though from a strictly objective point of view the stockpiling of destructive devices which use nuclear energy is insane, there is no denying that the decision of the U.S. Government is remarkably realistic.

It is obvious that every state seeks to attain a predominant position among nations and the United States has been a leader for a long time. But it is also obvious that thanks to hesitation and weakness, the Soviets have made considerable headways. Therefore, painful as it may be, there does not seem to be any other option than a balance of terror.

CSO: 3010/1786

BRIEFS

DRAFT ELECTORAL LAW--"The way I see it, there are two viewpoints within the Colorado Party regarding the draft electoral law. I received a telephone call at 0700 this morning telling me about a meeting which was later suspended, proving that there is quite some displeasure among the Colorados themselves. In sum, they have yet to reach an agreement," liberal deputy Fulvio Hugo Celauro said yesterday afternoon at the congressional building, where he had come for a meeting of the Constitutional Affairs Committee, which was suspended at the last moment. The liberal deputy added that "the document approved by the Colorado Party Executive Board has obviously not been drawn up by the Colorado deputies who submitted the bill in congress. It seems that the document was prepared by a few pro-government senators. I say this because no sooner was the bill submitted than they started making amendments contrary to the usual proceedings. It appears that now there is some desire to make still other amendments about which the Colorados themselves are unable to agree," Celauro said. [Text] [PY021910 Asuncion LA TRIBUNA in Spanish 1 Sep 81 p 2]

HOTEL REGISTRATION CONTROL--The municipal police yesterday issued edict No 3. By that order a new norm is established for the control of persons who stay in hotels and other such establishments. The measure includes both citizens and foreigners. The edict carries the signature of the chief of the municipal police. It is stated in its first article "that the proprietors of hotels, guest houses and other such establishments will daily turn in a copy of the registry of those coming and going to the investigations department (D-8), regardless of whether they are Paraguayans or foreigners." Article two provides for "requiring of those concerned to keep a register in which will be listed the complete description of the persons: full name, date and place of birth, nationality, whether married or single, profession, date of entering that establishment, number and type of identity document presented, and the date and place of entry." This edict also says that "the investigations department will arrange for the control of the movement of transients in the affected establishments and which are within the jurisdiction of the municipal police in order to fulfill the provisions contained in this edict. Violators of the provisions of this edict will be subject to the punishments provided in the penal code." The edict went into effect yesterday. [Text] [PY241515 Asuncion HOY in Spanish 11 Aug 81 p 17]

SALVADORAN SUBVERSIVES--The French-Mexican recognition of Salvadoran subversive movements, made under the pretext of helping to achieve a political solution to the current problem, is an international action totally alien to law and it sets a truly unfortunate precedent which calls for proper explanation. The fact is that, above and beyond the fact that this recognition is a clear-cut violation of valid principles of international law which prevent any state from intervening in the domestic affairs of other nations, it is also true that it brings a new set of totally unforeseeable threats into the already serious status quo of the area. With this recognition as a precedent, any subversive movement which at some point or another could capture and control a given portion of any nation could use this to demand "belligerent" status, which implies the aid and even the direct participation of other states. It could, for example, ask the USSR for military aid and even direct offensive alliance. This gives us an idea of the true scope of this unfortunate precedent. At least for us Latin Americans, avoiding the interference of alien powers in our domestic affairs has been a fundamental and traditional issue. Thus, this declaration of recognition fills us with fear and amazement and poses the need for the strongest condemnation.[Editorial] [Text] [PY021830 Asuncion LA TRIBUNA in Spanish 2 Sep 81 p 5]

STROESSNER ILLNESS DENIED--Paraguayan Foreign Minister Alberto Nogues yesterday refuted before news media representatives in Washington the report published by the Brazilian magazine VEJA about an alleged illness of President Alfredo Stroessner and his possible trip to the United States to undergo medical treatment. A spokesman of the Paraguayan Embassy in the U.S. capital whom this newspaper contacted by telephone--in view of the absence of Ambassador Lopez Escobar who is accompanying the foreign minister during the latter's talks--confirmed that Nogues met with several journalists accredited to the State Department and that he categorically refuted the report before all of them. The foreign minister stated: "This report is groundless as is the much-ballyhooed presidential trip to the United States. In its latest issue, VEJA revealed that "Stroessner is suffering from a severe circulatory disease," and added that he would go to the United States to receive medical treatment for this illness. [Excerpt] [PY271623 Asuncion ABC COLOR in Spanish 27 Aug 81 p 12]

CSO: 3010/1786

PIP DIRECTOR REPORTS ARREST OF SEVERAL TERRORISTS

Lima EL COMERCIO in Spanish 4 Aug 81 p A-7

[Text] Only six suspects have been arrested for the terrorist attacks which took place here during the Independence Day festivities. However, 16 persons arrested in Andahuaylas Province and brought to Lima have been charged by the PIP [Peruvian Investigative Police] with the terrorist acts which took place in Apurimac Department.

This was announced yesterday by the director general of the Peruvian Investigative Police, Lt Gen Eduardo Ipinze Rebatta, during a brief ceremony held in his honor on the occasion of his first anniversary as head of the PIP.

He added that recently two men and two women have also been arrested in Arequipa and in Ayacucho on charges of carrying out several terrorist attacks in recent days.

With regard to the 16 prisoners from Andahuaylas, he added that police investigations point to their alleged responsibility for a series of terrorist dynamite attacks at several places and against electric power system towers in Apurimac. Those individuals, the director general said, are now in the Lurigancho jail at the disposition of the proper legal authorities.

At the same time, Ipinze thanked newspapers, radio and television for their cooperation with the Peruvian Investigative Police during his first year in command of that agency. He pointed out that during this time the new PIP Antiterrorism Division and the Narcotics Directorate have played an important role.

Four Terrorists Attacks in Lima Yesterday

Four terrorist attacks, resulting in property damage, occurred yesterday in Lima. Two of the attacks took place at ELECTROLIMA facilities in Chosica and San Juan de Miraflores.

The others occurred at Super Epsa in the Tupac Amaru settlement in San Luis and at the Union glass factory in block 17 of Argentina avenue, whose people are on strile.

The doors, windows and walls of the ELECTROLIMA installation in Chosica, on 28 July avenue, were damaged in the explosion. Similar damage occurred in that firm's offices in San Juan de Miraflores. The explosion, which took place at 0100 hours, damaged equipment and blew out the metal entrance door.

At almost the same time the glass factory was ripped by another explosion which partially destroyed the wooden door and a telephone booth nearby.

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CSO: 3010/1711

BRIEFS

AIR TRAFFIC CONTROLLERS' MEETING--More than 250 delegates from the 20 member countries of the International Federation of Air Traffic Controllers Associations (IFATCA) will meet in September in Lima to analyze their own union problems. At this meeting, called the Fourth North, Central and South American Regional Conference of IFATCA, the conferees will draw up a document to be presented to the proper authorities which will symbolize their united stand at the international level, according to a spokesman for the organizers. The conference will be held from 9 through 12 September, during which time it will examine, evaluate and make recommendations for the improvement of the professional quality of the organization, which includes air traffic controllers from the entire world. The central theme of the deliberations will be: "The Civic and Personal Responsibilities of Exercising One's Profession." It will also review licenses, obligations and responsibilities and legal, administrative, medical and technical implications, as well as training aspects, the spokesman added. All sessions will be held at the Hotel Crillon. [Text] [Lima EL COMERCIO in Spanish 29 Jul 81 p A-7] 8735

CSO: 3010/1711 END

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21 September 1981

Latin America Report

No. 2372

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21 September 1981

LATIN AMERICA REPORT

No. 2372

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OIL EXPLORATION PROSPECTS IN ARGENTINA, PERU, CONGO

Rio de Janeiro GAZETA MERCANTIL in Portuguese 30 Jul 81 p 11

[Text] BRASPETRO [Petrobras International, Inc] intends to increase the number of countries in which it operates from 7 to 10. This week, while its vice president, Joel Mendes Renno, was returning from Argentina, four of the company's experts embarked for Brazzaville, People's Republic of Congo, and next week another team of four experts will go to Lima, Peru.

In Argentina, Renno went to look at technical details about bidding to explore an area of 13,000 square kilometers offshore at a depth of 100 to 120 meters, to the east of the Strait of Magellan. Only two groups of companies submitted bids. One is made up of BRASPETRO, along with Deutsche Erdolversorgungsgesellschaft MBH (Deminex, FRG), Hispanica de Petroleos S.A. (Hispanoil, Spain), Hudson's Bay Oil and Gas Company Ltd (Hudbay, Canada) and Bridas, S.A. Petrolero, Industrial y Comercial (Argentina). The other is from Atlantic Richfield (Arco) with Mobil, Cities Service and two Argentine partners.

In Congo and Peru, the BRASPETRO technical teams will examine, with the personnel of Hydrocongo and Petroperu, the possibilities of joint exploratory work. As Joel Renno explained to this newspaper, BRASPETRO does not necessarily have to win bid competitions and get areas for exploring alone or with partners. In Ecuador, for example, it has a team of three experts stationed permanently to assist the Ecuadorian State Petroleum Corporation (CEPE).

In Guatemala, however, it is different. BRASPETRO and Elf Aquitaine, led by Hispanoil, found oil in the Peten Basin--from which Guatemala is now getting all its oil production of 6,000 barrels a day. In October, according to Renno, production from this field will begin, with some 2,500 barrels daily. The money earned will be used for measuring and developing the field. Each foreign firm is entitled to 15 percent of production, with the remaining 55 percent going to the Guatemala government. The same arrangement is valid for another area, to the North, nearly at the border with Mexico, where the seismic survey is concluded and the first well will be drilled at the beginning of next year.

In Trinidad and Tobago, BRASPETRO only provides technical assistance to the state enterprise Trintoc (Trinidad and Tobago Oil Corporation). Half a dozen of its technicians are stationed there and specialized teams spend 3-month assignments there. In Angola, the partnership with Total (France) and Sonangol (Angola), in which

Texaco acts as operator, discovered petroleum some time ago in the North region most on the border with Cabinda at the mouth of the Congo River (called the Zaire River there).

The field is already producing 3,500 to 4,000 barrels a day. BRASPETRO is entitled to 17.5 percent of production and has already sent Brazil 180,000 barrels of oil from there. Renno hopes to bring another 250,000 barrels here by the end of this year. By the middle of next year the field will be producing 20,000 barrels a day, of which 3,500 will be for BRASPETRO.

In Iraq--after negotiating with the Iraqi government the giant fields of Majnoon and Nahr Umr discovered by the Brazilian company--BRASPETRO is now limiting itself to providing technical assistance in measurement and development of these two and of other fields. It had had 55 technicians living there, but when war with Iran broke out, the work in the areas of conflict slowed down and Baghdad asked BRASPETRO to keep only 8 technicians there.

In China, BRASPETRO, along with 30 multinational companies, made seismic surveys of 7 regions and they have just delivered the last reports to the China National Oil and Gas Exploration and Development Company, which will later divide the work among them. In Algeria, the Ras Toumb field discovered by BRASPETRO in 1976 has not been producing much recently: 800 barrels a day (40 percent for BRASPETRO and 60 percent for SONATRACH [National Company for the Transport and Marketing of Hydrocarbons]).

However, BRASPETRO has high hopes for another area, where it is just finishing the seismic surveys and intends to begin the first well in the first quarter of 1982. This area is between Hassi M'Assoud (the largest Algerian oil-bearing zone) and Hassi R'Mel (the largest gas producer). In Libya, work in the field BRASPETRO discovered in 1977 in the Murzuk Basin has been halted, waiting for a decision by the National Oil Company (NOC). Meanwhile, it is prospecting in another area, contracted in 1980 to begin drilling early in 1982.

BRASPETRO is not currently working in Colombia. Its discovery is still producing, but it sold its share in the venture. Because the country is not self-sufficient, the government is not permitting the oil to leave Colombia. And as the domestic price was set very low, it was not paying for itself. In any event, Renno believes BRASPETRO will obtain revenues of $40 million abroad this year, with the petroleum it brings in, with the drilling rig it leases to AGIP [National Italian Oil Company] in Libya and with the technical assistance it sells.

8834
CSO: 3001/228

RISK CONTRACT AREAS EXPANDED; PRE-QUALIFIED FIRMS LISTED

Cals Optimistic in Interview

Rio de Janeiro GAZETA MERCANTIL in Portuguese 30 Jul 81 p 11

[Text] Areas contiguous to those where Petrobras is exploring are being put up for bidding, to be explored by the risk-contract method, as in the case of Ceara, Rio Grande do Norte and Maranhao. This was reported yesterday by Mines and Energy Minister Cesar Cals in a long interview with the official news agency, EBN [Brazilian News Agency]. "We are hoping that a risk contractor will eventually find petroleum," the minister added, recalling that there are now 99 in operation. (The latest was signed with Reading and Bates and the day before yesterday 33 more companies were pre-qualified.)

In the interview the minister spoke optimistically about Brazil's energy policy. He said, for example, that in September he will be in a position to propose to the National Energy Commission (CNE) a reduction of the petroleum import ceiling from the current 750,000 barrels a day to 700,000 barrels. And that uranium should be included among the nation's major export items. He did not specify when. (See article on preceding page [as published].) He also took the occasion to explain the Brazilian Government's policy position regarding petroleum imports.

"We wanted Brazil, which has available technology in terms of energy in general, to start out with the principle that petroleum was a valid instrument for development of the producing countries. We do not quarrel with the prices. We know they cause us problems, but we recognize that the petroleum-producing countries have a right to develop. So Brazil decided to participate in the development project of each petroleum-producing country and each supplier of Brazil, in the present or in the future, through bilateral agreements," he said.

Gasification

Another matter addressed by the mines and energy minister was redirection of funding for coal-gasification projects by the Energy Mobilization Program.

"There have been reports that the gasification programs had been canceled. There was no cancellation. What happened is that some programs, especially from Parana and Santa Catarina, were stretched out due to the relationship between costs and financing.

"And the medium-heating-power gasification plants for Rio de Janeiro and Sao Paulo are still technically feasible. Our priority for the Southeast (Sao Paulo, Rio de Janeiro and Minas Gerais), the Central West and Mato Grosso do Sul is to use natural gas from Bolivia, Argentina and the Santos Basin. Coal is only for places that do not have gas pipelines.

"But the priority for the Southeast is natural gas. For that reason, since some gasification projects were not begun this year, we transferred the excess funds from gasification to natural gas and shale," he reported.

In addition to recalling the policy of regionalization of sources, reiterating the guarantee of supply to owners of alcohol-powered cars and repeating that in the nuclear program "timetables are not important," the minister spoke of large projects such as Tucurui, Carajas and Itaipu. After graranteeing that Tucurui will be operating by the latter part of 1983 and Itaipu, at the beginning of the same year, while Carajas should be installed in 1984, he asserted:

"We have kept up to date with our timetables. With the collaboration of the SEPLAN [Planning Secretariat], through Minister Delfim Netto, we have managed to provide scarce resources for what is essential and we are not behind schedule on any construction."

Pre-Qualified Companies Listed

Rio de Janeiro GAZETA MERCANTIL in Portuguese 29 Jul 81 p 8

[Text] Petrobras yesterday revealed the list of 33 international companies that were pre-qualified in the sixth bid competition for petroleum exploration through risk contracts. Of the total, 20 are from the United States; there are 2 each from Japan, Canada, the United Kingdom and Argentina, and 1 each from Italy, Spain, FRG, France and the Netherlands.

The sixth round of bids covers an area of 2 million square kilometers located in the nation's onshore sedimentary basins. In a similar fashion to previous bids held by Petrobras, the companies had to prove their technical and financial capacity, experience and background in exploration and development of oil fields.

The following companies are pre-qualified: AGIP SpA [National Italian Oil Company] (Italy); Allied Chemical Corporation (United States); Atlantic Richfield Co. (United States); Bridas S.A. Petrolera, Industrial y Comercial (Argentina); Cities Service Co. (United States); Compania Naviera Perez Companc Sociedad Anonima Comercial Financeira Inmobiliaria Minera Forestal Agropecuaria (Argentina); Conoco, Inc. (United States); Deminex--Deutsche Erdolversorgungsgesellschaft MBH (FRG); Ensearch Corporation (United States); Exxon Corporation (United States); Gulf Oil Corporation (United States); Hispanica de Petroleos S.A.--Hispanoil (Spain); Hudson's Bay and Gas Co. Ltd (Canada); Idemitsu Oil Development Co. Ltd (Japan); Japan Petroleum Exploration Co., Ltd--JAPEX (Japan); Kerr-MacGee Corporation (United States); Marathon Oil Co. (United States); Mobil Corporation (United States); Nova, An Alberta Corporation (Canada); Occidental Petroleum Corporation (United States); Phillips Petroleum Co. (United States); Reading and Bates Corporation (United States); Royal Dutch Petroleum (Netherlands); Shell Oil Co. (United States); Societe Nationale

Elf Aquitaine (France); Standard Oil Company (Indiana)--Amoco (United States); Standard Oil Company of California--Chevron (United States); Tenneco Inc (United States); Texaco Inc (United States); The British Petroleum Co. Ltd (United Kingdom); The Burmah Oil Co. Ltd (United Kingdom); The Louisiana Land and Exploration Co. (United States); Union Oil Company of California (United States).

8834
CSO: 3001/228

GOVERNMENT DECREE ON PETROLEUM EXPLORATION AREAS

Guatemala City DIARIO DE CENTRO AMERICA in Spanish 5 Aug 81 p 1421

[Decree No 36-81 of the Secretariat for Mines, Hydrocarbons and Nuclear Energy published under column heading for this Secretariat]

[Text] Selected petroleum exploration and exploitation areas of the national territory are modified as stipulated for each.

Decree No. 36-81

Secretariat for Mines, Hydrocarbons and Nuclear Energy

Palacio Nacional: Guatemala, 29 July 1981.

The Secretary for Mines, Hydrocarbons and Nuclear Energy

Whereas:

Under Decree Number 2981 of this Secretariat, dated 22 June of this year, certain areas identified in the text of the said decree were selected for petroleum explorational and exploitative activities, excluding from such activities certain areas mentioned therein;

Whereas:

The period specified for the submittal of suggestions and comments by interested persons with regard to the selected and excluded areas having terminated, the General Directorate for Mines and Hydrocarbons has submitted its report regarding the suggestions and comments received, from which report it is concluded that it is desirable to modify certain ones and ratify others of the areas selected and excluded in the cited decree;

Therefore,

Based on Article 5 of the Government Decree of 20 February 1976 containing the Norms for Calling for Bids and Awarding Areas Designated for Hydrocarbons Exploration and Exploitation Activities and on the sense of Articles 2 and 4 of Congress of the Republic Decree 57-58,

Decrees:

Article 1. The areas of the national territory selected for petroleum exploration and exploitation activities are modified as follows:

Area FF: Starting at the point where the 16°50'00" parallel intersects with the Usumacinta river, the international boundary between the Republics of Guatemala and Mexico, proceed east along the parallel to its intersection with the 90°34'00" meridian, from which point proceed south along the meridian to its intersection with the 16°42'00" parallel, from which point proceed east along the parallel to its intersection with the 90°20'00" meridian, from which point proceed south along the meridian to its intersection with the 16°30'00" parallel, from which point proceed east along the parallel to its intersection with the 90°07'00" meridian, from which point proceed south along the meridian to its intersection with the 16°17'00" parallel, from which point proceed west along the parallel to its intersection with the Usumacinta river, from which point proceed downstream along the Usumacinta river to its intersection with the 16°50'00" parallel, which is the point of origin.

Area: The boundaries described above delimit an area of one-hundred-ninety-six thousand, nine-hundred-forty-five, and one one-hundredth hectares (196,945.01 hectares).

Area KK: Starting at the point where the 17°20'30" parallel intersects with the international boundary between the Republics of Guatemala and Mexico, proceed east along the parallel to its intersection with the 90°49'30" meridian, from which point proceed south along the meridian to its intersection with the 16°50'00" parallel, from which point proceed east along the parallel to its intersection with the Usumacinta river, from which point proceed downstream along the Usumacinta river to the Usumacinta summit, proceed east along the international boundary between the Republics of Guatemala and Mexico to the El Ceibo summit, from which point proceed north along the international boundary between the Republics of Guatemala and Mexico to its intersection with the 17°30'00" parallel, which is the point of origin.

Area: The boundaries described above delimit an area of one-hundred-ninety-four thousand and twenty-three, and six-tenths hectares (194,023.6 hectares).

Article 2. The area of the national territory excluded from petroleum exploration and exploitation activities is modified in the sense of selecting certain areas for such activities as follows:

Area CC: Starting at the point where the 15°45'00" parallel intersects with the 89°31'30" meridian, proceed north along the meridian to its intersection with the 16°05'30" parallel, from which point proceed east along the parallel to its intersection with the departmental boundary with the national territory of Belize, from which point proceed southwest along the departmental boundary to the Gracias a Dios summit, from which summit proceed downstream along the Sarstun river to its mouth at the intersection of the 88°54.50'23" meridian with the 15°53'55.26" parallel, from which point proceed east along the parallel to its intersection with the 88°52'09" meridian, from which point proceed north along the meridian to its intersection with the 15°55'17.48" parallel, from which point proceed east along the parallel to its intersection with the 88°45'00" meridian from which point proceed south along the meridian to its intersection with the

15°50'00" parallel, from which point proceed west along the parallel to its intersection with the 89°00'00" meridian, from which point proceed south along the meridian to its intersection with the 15°45'00" parallel, from which point proceed west along the parallel to its intersection with the 89°31'30" meridian, which is the point of origin.

Area: The boundaries described above delimit an area of one-hundred-ninety-three thousand, three-hundred-ninety-five, and thirty-six-hundredths hectares (193,395.36 hectares).

Area L: Starting at the point where the 90°49'30" meridian intersects with the 17°20'30" parallel, proceed east along the parallel to its intersection with the 90°17'00" meridian, from which point proceed south along the meridian to its intersection with the 17°01'50" parallel, from which point proceed west along the parallel to its intersection with the 90°49'30" meridian, from which point proceed north along the meridian to its intersection with the 17°20'30"parallel, which is the point of origin.

Area: The boundaries described above delimit an area of one-hundred-ninety-eight thousand, four-hundred-fourteen hectares (198,414.00 hectares).

Article 3. The following areas of the national territory selected for petroleum exploration and exploitation activities are confirmed:

Area J: Starting at the point where the 15°45'00" parallel intersects with the 91°04'39.18" meridian, proceed north along the meridian to its intersection with the boundary between Guatemala and Mexico (the 16°04'30" parallel); proceed east along this parallel to its intersection with the 90°54'00" meridian; proceed south along this meridian to its intersection with the 15°52'00" parallel; proceed east along this parallel to its intersection with the 90°15'00" meridian; proceed south along this meridian to its intersection with the 15°45'00" parallel; proceed west along this parallel to its intersection with the 91°04'39.18 meridian. (Starting summit).

Area: The boundaries described above delimit an area of one-hundred-fifty-seven thousand, eight-hundred fifty hectares (157,850.00 hectares).

Area H: Starting at the point where the 15°48'15" parallel intersects with the 91°53'30" meridian, on the boundary between Guatemala and Mexico, proceed along this boundary to its intersection with the Santiago summit, from which point proceed east along the boundary between Guatemala and Mexico to its intersection with the 91°04'39.18 meridian, from which point proceed south along the meridian to its intersection with the 15°30'30" parallel, from which point proceed west along the parallel to its intersection with the 91°40'15" meridian, from which point proceed south along the meridian to its intersection with the 15°48'15" parallel, from which point proceed west along the parallel to its intersection with the boundary between Guatemala and Mexico, which is the point of origin.

Area: The boundaries described above delimit an area of one-hundred-seventy-four thousand, one-hundred-eighty-one hectares (174,181.00 hectares).

Article 4. Area to be excluded and durations of exclusion: Selected for exclusion for a period of one year is the rest of the national territory not included in the the areas referred to in the preceding article and those identified by the letters "AA," "D," "E" and "I," which were already awarded by contract under the National Petroleum Regulatory ACT, while it remains totally or partially in effect, during the indicated period, [this passage as published], whereas in the contrary case, they will automatically become part of the excluded national territory. Exception is made in the case of the area pertaining to the Parque Nacional Tikal, whose proposed period of exclusion is of indefinite duration.

Article 5. Publication of areas in map form: The edition of the DIARIO OFICIAL in which this decree appears shall include an illustrative map showing the general locations of the areas definitively selected for the petroleum activities of hydrocarbons exploration and exploitation.

Article 6. Effective date: This decree becomes effective on the day following its publication in the DIARIO OFICIAL.

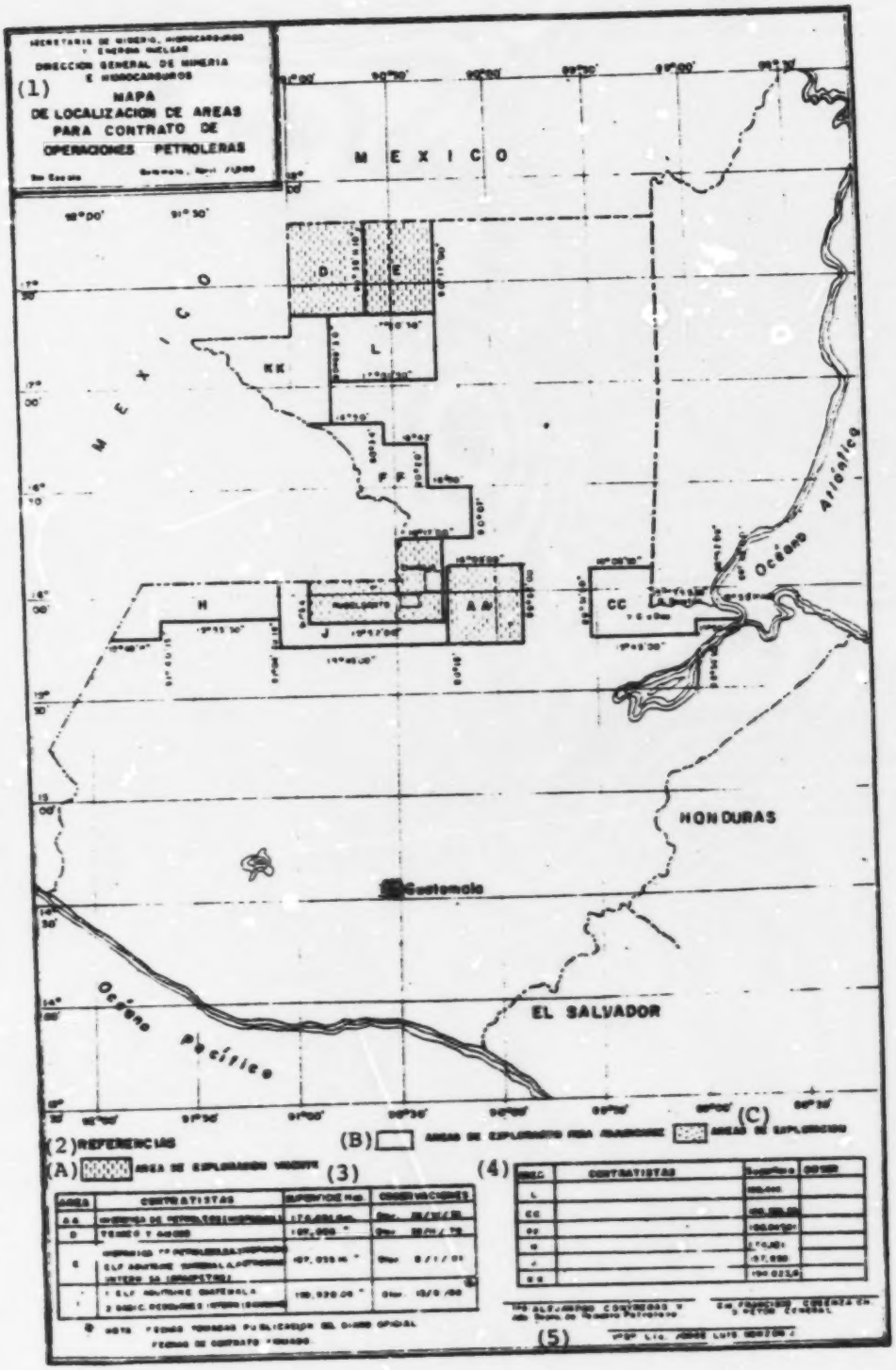
Let it be known.

Monzon Juarez

The Undersecretary for Mines, Hydrocarbons and Nuclear Energy.

[signed] Eric Meza Duarte, Attorney

[Map on next page]



[Key on facing page]

Key to map on facing page:

1. [Box at upper left];

   Secretariat for Mines, Hydrocarbons and Nuclear Energy.

   General Directorate for Mines and Hydrocarbons.

   Map Showing Areas Available under Petroleum Activities Contracts.

   Not to scale. Guatemala, April 1980.

2. Legend:

   A. Areas under current exploration contracts.

   B. Exploration contract areas to be awarded.

   C. Exploitative areas.

3. [Box at lower left]:

Area	Contractors	Hectares	Remarks
AA	Hispanica de Petroleos (HISPANOIL)	174,091	Awarded 26 Jun 1976
D	Texaco and Amoco	197,036	Awarded 26 Feb 1979
E	Hispanica de Petroleos (HISPANOIL) ELF Aquitaine Guatemala BRASPETRO [PETROBRAS [Brazilian Petroleum Corporation] International, Inc]	197,036.14	Awarded 8 Jan 1981
I	1. ELF Aquitaine Guatemala 2. Basic Resources International (Bahamas)	199,920.08	Awarded 13 Aug 1981 *

* Note: Dates taken from DIARIO OFICIAL publication of dates on which contracts signed.

[Key continued on next page]

Key to map (cont'd):

4. [Box at lower right]:

Area	Contractors	Hectares	Remarks
L		198,414	
CC		193,395.36	
FF		196,943.01	
H		174,181	
J		157,850	
KK		194,023.6	

5. Alejandro Contreras V., Engineer
   Chief, Dept of Petroleum Development

   Col. Francisco Cosenza Ch.
   Director General

   Approved:

   Jorge Luis Monzon J., Attorney

9399
CSO: 3010/1748

OIL PRICE REDUCTION ALLEGED, DENIED

Price Reduction to United States

[Mexico City EL SOL DE MEXICO in Spanish 5 Aug 81 p 16-A]

[Text] Mexico, D.F., 4 Aug (AP)--Last June, Jorge Diaz Serrano, who at the time was director of the government enterprise Petroleos Mexicanos [Mexican Petroleum] [PEMEX], ended his career abruptly when he ordered a reduction in the price of oil. PEMEX has again lowered prices but this time Julio Moctezuma Cid appears to be secure in his post as director.

Yesterday PEMEX announced a new price policy which offers the United States better conditions for the purchase of crude than those in effect for sales to Europe and Japan.

PEMEX announced in a communique that its light crude, which is used to produce gasoline, will be sold to the United States in August at $34.50 per barrel.

The same light crude will cost the European countries $36.00 per barrel and it will cost Japan, which buys 100,000 barrels per day, $36.60.

The announcement said that there will be a similar variation in the price of the Mexican heavy bituminous "Maya," at least during August. According to the announcement the United States will pay $29 per barrel while Europe and Japan will pay $30.00 and $31.00, respectively.

At this time no explanation is given for this preferential treatment. In the past PEMEX spokesmen have stated that the price of Mexican petroleum does not vary substantially from one country to another.

However, observers speculate about the possibility that in the case of Japan PEMEX is taking reprisals because Japan had rejected the PEMEX offer to sell Japan 200,000 additional barrels per day.

Diaz Serrano resigned from the post of director of PEMEX on 6 June in the midst of the criticism by the government economic office of his decision to reduce by $4.00 the price of heavy crude "Maya."

The former PEMEX director did not, however, change the price of light crude which was then being sold at $38.50 per barrel.

Diaz Serrano was replaced by Moctezuma Cid who was appointed by President Jose Lopez Portillo, and he raised the price $2.00 per barrel.

The announcment that prices were being lowered caused speculation that the criticism of Diaz Serrano may have been motivated by the presidential ambitions of other officials.

PEMEX said that the Mexican August sales of crude totaled 1.4 million barrels per day, which is an increase of about 300,000 barrels over the sales in June when exports were adversely affected by the worldwide petroleum glut. PEMEX added that by the end of 1981 oil exports will total $15 billion which is an increase of 50 percent over last year's exports.

PEMEX Denies Report

Mexico City EL SOL DE MEXICO in Spanish 6 Aug 81 pp 1-A, 15-A

[Article by Guadalupe Diaz Silva]

[Text] Vigorously denying the international AP news agency's report to the effect that Mexico lowered the price of its oil for export to the American market, PEMEX has asserted that this type of news item falls into the category which President Jose Lopez Portillo has called journalistic terrorism and has the effect of damaging this country.

EL SOL DE MEXICO has been informed that this type of news item is completely fabricated and is intended to cause a scandal and a sensation.

The AP report caused displeasure at PEMEX which has started an investigation to determine who had written the article.

AP claimed that an American editor had left his report in English and that the translator might have mistranslated it. This seems doubtful since the entire news item could not have been misinterpreted.

It has been said that AP juggled the figures used in the cable sent by PEMEX to all the newspapers last Monday.

PEMEX pointed out that the "Istmo" crude is sold at $34.00 per barrel and the "Maya" at $28.50 and that with each of them sharing 50 percent of the production, the average price will be $31.25 per barrel, whereas AP stated that this month it will be sold to the United States at $34.50 per barrel.

The PEMEX news release did not mention these marked differences in the price of oil from one country to another since the announcement was in very general terms.

In its report PEMEX even mentioned that after having established its foreign oil sales price structure, because of the deterioration of the market and its instability, it decided to adjust its oil export trade practices.

It added that if changes in the world oil market are taken into account, exports based on oil will be progressively increased.

9204
CSO: 3010/1722

OIL INCOME UP 50 PERCENT OVER 1980

Mexico City EXCELSIOR in Spanish 4 Aug 81 p 1-A

[Text] Mexican Petroleum [PEMEX] reported yesterday that Mexico has recovered its petroleum market and that by this month 1.25 million barrels per day will have been sold; the figure will continue increasing during the rest of the year.

It was specified that at an average price of $31.25 per barrel and with fixed prices at American, European and Japanese ports, the foreign sales of crude in 1981 will amount to $15 billion, which is a 50-percent increase over the income obtained in 1980.

It was indicated that after having revised its foreign oil sales program because of the deterioration and instability of the international market, PEMEX has decided to adjust the terms of sale of export crude.

It was said that in order to meet its clients' refining specifications and the high cost of money and of transportation which threaten the diversification of markets, during August it will, within the possibilities of the production program, sell Istmo crude separately at $34.00 per barrel and Maya crude separately at $28.50 per barrel. Under the new plan of producing 50 percent of each, the average price will be $31.25 per barrel.

As a reference, it was indicated that such prices under contract CIF will present the following picture:

Port	Maya API [American Petroleum Index] Grade 22 Dollars per barrel	Istmo API Grade 32 Dollars per barrel
United States	29.00	34.50
Europe	30.00	36.00
Japan	31.00	36.50

9204
CSO: 3010/1722

CHICONTEPEC PROJECT GETS 'GREEN LIGHT'

Mexico City EL SOL DE MEXICO in Spanish 30 Jul 81 pp 1-A, 19-A

[Article by Jose Valderrama]

[Text] Before the end of this 6-year period the Chicontepec project will be given a "green light". This will open for exploitation this enormous petroleum area and at the same time enormous farming, stock raising, industrial and urban projects will be developed which will relieve pressures on the nation's capital and provide opportunities for hundreds of thousands of Mexicans.

"What is involved is the largest project which Mexico has ever faced in its entire history," Eng Jesus Gaytan Rangel, PEMEX general oordinator of the project, told EL SOL DE MEXICO in an exclusive interview.

Surrounded by a group of technical experts in PEMEX headquarters he added that Julio Rodolfo Moctezuma Cid, director of PEMEX, is working hard these days on the project and that in view of its importance and its nature he described it a few days ago as "building a country inside of Mexico."

Eng Jesus Gaytan Rangel, who is also manager of PEMEX Exploitation and Planning, disclosed the objective which President Lopez Portillo had communicated to them, "of having the Chicontepec project take root during this 6-year period".

More precisely, the PEMEX official said that the president intends to assign funds to the project "and to give it such momentum that it will enter the next 6-year period in full force".

The president also said to the PEMEX technicians "This project deserves the final supreme effort of my administration".

Gaytan Rangel said that the project will not be initially "attacked" in its entirety "because we are not ready for this," nor do we have that much money.

The Chicontepec project could be summarized as follows:

-In the Chicontepec basin (a broad strip of Veracruz which borders on the north of the state of Puebla) 16,000 oil wells are planned which will be the third richest petroleum area after the Reforma area in the southeast and the Campeche area in the sea. In two areas (Soledad and the north of Alamo near the Tajin ruins) about

600 wells have been dug and about 15,000 barrels per day of crude are being obtained from only a part of those wells.

-Plans are made for the largest irrigation region of the country (210,000 hectares) and an area of almost 15 million hectares which has seasonal rains after which a part will be irrigated, principally through the use of the waters of the Tecolutla, Cazones and Tuxpan Rivers.

-Industrialization of the entire region will be promoted. The PEMEX food industries will be the first to be located there.

-The cities of Tuxpan, Poza Rica, Cerro Azul, Alamo, Papantla and Martinez de la Torre will be "practically rebuilt."

The entire Chicontepec basin, 3,300 square kilometers, will be crisscrossed by asphalt roads so that the peasants in the area may have good means of communication. "We will have as many roads as Germany has and there will not be a peasant who does not have a road within 5 km of his home. They will be paved roads. The entire valley will have light and water. Hydroelectric plants and dams will be built to take advantage of the water of the rivers."

-A new four-lane highway will be built from Mexico City to Tampico by a short route through Tulancingo and Alamo.

-A railroad will be built from the port of Veracruz to Altamira, Tamaulipas, along the entire coast which will also serve to carry agricultural and industrial products from one end of the country to the other, from the north and the southeast.

-A railroad will be built from Mexico City to Tuxpan through Alamo.

-The industrial port of Tuxpan will be built on the Juan Gonzalez inlet, at the present time an abandoned stretch of coastline a few kilometers from that city, for PEMEX needs and for agricultural and industrial transport.

-An interdisciplinary group of scientists from the UNAM [National Autonomous University of Mexico] is putting the finishing touches on all the plans.

-During the remainder of the century, the investment will be, in terms of current prices, 1 trillion pesos, but the returns from the petroleum exploitations could yield results that will make the project pay for itself from the very early stages of large-scale exploitation of the Chicontepec stratum.

-A general coordinator of the Chicontepec Project at the internal level of the federal government has already been appointed but a waiting period has been instituted due to the falling off of foreign sales. The coordinator is the engieer Guillermo Blacke.

-The project involves the development of petroleum, petrochemicals, agriculture and stock raising, industry, education, fishing, transportation, human settlements and infrastructure with scrupulous ecological care.

The areas of the Chicontepec project and of those that will be affected, right up to the coastline, offer the finest climate, and residential urbanization is feasible, but territorial reserves should be established in advance by decree in order to avoid speculation and anarchy. The beauty of the landscape far surpasses the best areas of Florida, and this is popular with investors.

-Sugar mills will be built in Chicontepec and Espinal.

-An effort will be made to develop intensive stock raising, since agriculture in the entire region has decreased by 40 percent during the last decade. Agroindustry will be promoted throughout the area in order to develop it into a supplier of food for the entire country. The project will salvage land that has deteriorated and deforested areas. The intensive production of foodstuff will be one way to fight inflation which in times past has stricken other petroleum areas of the country.

-Within 13 years 450,000 housing units will be built to house the population which will arrive from other parts of the country. PEMEX will provide housing for all of its workers in the area.

-All of the federal agencies which are joining in the Chicontepec project have already begun to bring plans for their participation to maturity.

-Productive industries will be provided facilities for obtaining investments and capital goods.

-The project covers the states of Veracruz and Puebla but an effort is being made to extend its influence to the Huasteca (Huejutla) area of the state of Hidalgo in order to put an end once and for all to the agrarian conflicts and to promote production and employment. The governor of Hidalgo, Rossell de la Lam, is participating in the project. The Huasteca area of Hidalgo will be another supplier of food for the country and not a source of conflict.

-It has been calculated that the entire area will produce sufficient food in this decade for some 5 million Mexicans in other regions of the country.

The petroleum in the entire Chicontepec basin is not very cheap (1 kilometer or somewhat more) whereas the petroleum obtained in other parts of the country is 2,000 or 3,000 meters below the surface. It has taken between 5 and 12 months to dig a well in the southeast whereas in Chicontepec it takes less than 1 month because the soil is not rocky. It is because of this that it will be possible to dig the 16,000 wells. In coming years in many areas of Chicontepec it will be possible to see many thousands of valves and oil pipelines but contamination will be avoided as much as possible. Thousands of wells will be slanted in order to avoid disturbing agricultural fields and cattle breeding areas. Agriculture and petroleum will be exploited side by side with the greatest cleanliness. It is expected that the greatest agricultural yields of the country will be obtained because it does not freeze there even once during the 365 days of the year. The area will have its own fertilizer plants.

-A school system at all levels is planned for the whole area in order to settle the population and so that those who come to live there may be educated.

-The national plans,--the Global plan, SAM, the Industrial Development plan, the Human Settlement plan and so forth--welcome the Chicontepec project as a unique experience for the country. No other area of the country offers so many natural resources so near the nation's capital.

Eng Jesus Gaytan Rangel concluded by saying, "We are awaiting a political decision."

1. Gulf of Mexico
2. Azul Mountain
3. Tuxpan
4. Alamo
5. Chicontepec paleocanyon [basin]
6. Poza Rica
7. Papantla
8. Martinez de la Torre

In the Chicontepec basin (a broad stretch of Veracruz which touches the north of Puebla) 16,000 oil wells are planned which will constitute the country's third richest oil deposits.

9204
CSO: 3010/1733

PEMEX TO MARKET BONDS IN ASIA

Mexico City EL SOL DE MEXICO in Spanish 8 Aug 81 pp 1-B, 4-B

[Text] Singapore, 7 Aug (EFE, AP - DOW JONES)--The Asian Wall Street Journal says that this week in Singapore PEMEX will sign a $100 million (2.47 billion pesos) bond issue at a floating rate of interest.

The bonds will mature in 7 years and it is one of the largest issues of bonds ever signed in Singapore. They will bear a floating interest rate 0.25 percent above the interbank rate offered in Singapore. The minimum annual interest rate on these bonds will be 5.25 percent. The denomination of the bonds is $10,000 and there is a clause for investors to the effect that the maturity date can extend to 1991, '92 or '93.

This is the second time that a Mexican firm has issued bonds in this market this year. Another bond issue by Nacional Financiera Corporation [NAFINSA] for the same amount is expected soon. Bankers report that the Japanese firm Daiwa Securities Ltd will manage the NAFINSA bond issue.

On another subject, the Spanish petroleum firm PETRONOR [Northern Petroleum] has already signed a contract for the initial construction work on a plant for the conversion of heavy crude into light (FCC) in Somorrostro (Vizcays) which entails an investment of 35 billion pesetas ($350 million).

The Mexican Petroleum Institute and the U.S. firm Kellogg received the first contracts for the construction of the plant for PETRONOR, an enterprise in which Petroleos Mexicanos [PEMEX] is participating. The construction should be completed by the end of 1984.

PETRONOR sources informed the EFE news agency in Madrid that the plant will allow the conversion of 40,000 barrels of crude per day (2 million tons per year) and will be completed by the end of 1984. Once the plant is built the PETRONOR refinery will be in an excellent position to compete in Spain and all of Europe since its total capacity will be 140,000 barrels per day.

9204
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BACKGROUND OF NEW CIVILIAN HOUSEHOLD CHIEF REVIEWED

Rio de Janeiro MANCHETE in Portuguese 29 Aug 81 pp 16-18A

[Alexandre Garcia interview with new Civilian Household Chief Joao Leitao de Abreu, in mid-August, in Brasilia]

[Text] "Another Native of Cachoeira in Power," is how the JORNAL DO POVO of Cachoeira do Sul (Rio Grande do Sul) headlined the selection of Joao Leitao de Abreu, born on Andrade Neves Street on 6 July 1913. "Leitao de Abreu Replacing Golbery," added the newspaper in a subtitle, proudly noting the name of its former chief editor and grandson of its founder, Virgilio Abreu.

"I was a journalist and I like having been one. For that reason, I have great affinity for those who exercise that profession and am emotionally bound to them," the new minister-chief of the Civilian Household of the Presidency of the Republic told me.

He was pleased with the JORNAL DO POVO headline since he is proud of being a native of Cachoeira and of having the friends he had and has. On the day following his selection, Minister Leitao de Abreu told me, impressed:

"Do you know that Radio Cachoeira interviewed me last night? Imagine that, only 2 hours after I had been invited [to assume the position]...

Leitao de Abreu was thrilled at the opportunity to speak to his regional countrymen. I recalled how much the old ZYF-4 [radio station] had developed since its establishment in 1946, when I carried a lunch-pail to my father, who read the noontime news report between Picot Grape Salt commercials. Professor agreed to talk to me on the condition that it was a matter between "two Cachoeira natives." And last week we went on recalling the paths he trod from Andrade Neves Street to the Presidential Palace.

He spent the first period of his childhood in his granfather's plantation. His mother's father, Joao Augusto Leitao, was a major in the 1893 Federalist Revolution and introduced extensive rice planting in Rio Grande do Sul. (Today, Cachoeira is called the rice capital).

In the 1923 Revolution, the 10-year-old boy was studying in the Santo Antonio College run by the Marist Brothers in Garibaldi, where only "the echoes of the revolutionary skirmishes" reached it. According to his grandfather, his father was on the side of the "maragatos" [federalists]. He completed his secondary education in the Minor Seminary in Sao Leopoldo and in Roque Goncalves College in Cachoeira.

He was 17 years old when the 1930 Revolution broke out and he enlisted as a volunteer in the then 3d Engineers Battalion in Cachoeira.

"I enlisted because I believed it was necessary to change that state of affairs in the country. I believe that the 1930 Revolution was the most important event--especially in the social field--in contemporary Brazilian history. It marks a new era in Brazil. I have not lost the enthusiasm of the youth who hurried to enlist as a volunteer and I do not regret having done it."

Among his superiors in the battalion were his uncle, Ciro Carvalho de Abreu, Orlando Geisel and Gilberto Marinho. When they began to leave for Sao Paulo, one of the officers invited soldier Joao Leitao de Abreu to ride in the officers coach. He refused. In Santa Barbara, the string of cars, which were stopped, was hit by another train. Many persons were killed and the officers coach was particularly affected, Gilberto Marinho, among others, being injured. "I had stayed in another coach and I helped remove the injured from the wreckage. I keep thinking what would have happened to me if I had accepted the invitation."

Soldier Joao went on foot with the troops along a muddy road from Curitiba to Capela do Ribeira at the border with Sao Paulo. He had already entered that state when Getulio assumed power on 3 November.

"I supported Vargas but I stopped supporting him when he launched the 1937 coup (Estado Novo). So much so that I was imprisoned in the house of correction in Porto Alegre. I was an opponent of Vargas and on the eve of a visit by him to the state, I was put in prison. I stayed there incommunicado for about a month. So I learned how the prison system worked. There were two dungeons, ironically called Republican and Democrat--or something like that. I recall one day, looking through the wicket that had been opened so they could pass the food in to me and recognizing in another cell a prisoner whom I had known as a child in my grandfather's plantation. He then began to give me the prison news. At night, I was awakened for interrogations in police departments that never took place. It was a sort of mental torture. I do not know how long I would have remained in prison if my brother-in-law, Aurelio de Lyra Tavares had not passed through Porto Alegre and intervened with the chief of police. When I got out, it was a cloudy day but even so the light of day caused me physical pain. The light hurt me."

Leitao de Abreu interrupted his recolletions of prison to conclude: "That enabled me to know the other side of the wall."

Joao Leitao de Abreu returned to Cachoeira to be editor of the JORNAL DO POVO. Last Sunday, the newspaper published the grades of its former chief editor at the Roque Goncalves secondary school in 1929: Portuguese 10; French 10; arithmetic 10; general geography 10; drawing 5.

One of My Great Experiences Is Public Administration

"That's right. Even today I do not know how to draw," he observed, smiling, when he read the grades on the front page of the JORNAL DO POVO.

Young Joao was so close to his paternal grandfather, the founder of the newspaper, that he repressed his desire to go to Porto Alegre to study law. He only decided to do so in 1939, some time after the death of Virgilio Abreu. After his grandfather died, he was left publishing the newspaper practically alone.

Since then his heart has been bound to Cachoeira, to the steep banks of the Jacui River. In 1973, Mayor Pedro German hung the pictures of two illustrious natives of Cachoeira in a place of honor in his office: General Carlos Alberto da Fontoura (then chief of the National Intelligence Service) and Professor Joao Leitao de Abreu (then chief of Medici's Civilian Household). The minister asked me to note his pride in having his picture in the city hall. But he cautioned: "See if it is still there." I smiled at his humility. I phoned Mayor Julio Cesar Caspani and Federal Deputy Pedro Germano. "Of course it is, as bright as ever," they informed me. Professor Leitao de Abreu was pleased with the report. He explained to me: "You know. I like to talk about Cachoeira, about my friends."

He did not engage in student politicis at the law school. "I wanted to study." He graduated in 1946, the year of redemocratization and the emergence of the new parties, but he did not join any of them. He was invited to become director general of the Secretariat of Education and Culture by Secretary Eloy Jose da Rocha, a brilliant professor in the law school and "very brilliant in the Supreme Court."

He was a professor in the law school. "I had the honor of being assistant to the chair of administrative law which was held by one of the greatest Brazilian jurists, Professor Ruy Cirne Lima, to whom I became bound by strong bonds of friendship and admiration, which remain unchanged.

[Question] Administrative law?

[Answer] One of my great experiences is public administration.

In the Revolution of 31 March 1964, Leitao de Abreu was lecturing in the law school. "I did not have the opportunity to repeat the gesture of 1930 because the revolution was victorious immediately, but it had my complete support. I felt that the revolution prevailed for circumstances that are well known; I do not need to repeat them." In the revolutionary period he has already been made chief of the Civilian Household of Governor Ildo Meneghetti.

"There was a crisis in the state government and the next thing I knew, I was chief of the Civilian Household because they were looking for apolitical people. Under those circumstances, Professor Ruy Cirne Lima entered the secretary of finance, while Professor Paulo Brossard de Souza Pinto, a militant politician and outstanding jurist, went into the Interior and Justice Secretariat."

In 1966, during the Castello Branco government, he became office chief of Justice Minister Mem de Sa. "Mem de Sa revealed to me that he had accepted the invitation to become minister on the condition that I be selected as office chief. He performed his duties in an impeccable manner and with characteristic magnanimity. And Castello was a man without blemish. We had a solidarity that was based on an identity of views."

In his book of memoirs, "Time to Remember," Mem de Sa reveals that he suggested the name of Leitao de Abreu to Castello to succeed Meneghetti. However, in the Rio Grande do Sul succession episode, there occurred cassations with which Mem de Sa disagreed and he left the portfolio. With him, Leitao de Abreu returned to his professorship in the Federal University and in the Pontifical Catholic University in Porto Alegre. At that time, he was elected president of the Porto-Alegrense Gremio [soccer club] of which he is still today a member of the board and a fanatic rooter.

When he went to Rio, Professor Joao sometimes stayed at the Laguna Palace, the residence of the army minister, his brother-in-law "and fraternal friend," Aurelio de Lyra Tavares. In October 1969, he was staying at the house of his father-in-law, General Pantaleao Pessoa, when he received a telephone call from Lyra Tavares. The minister, who was a member of the military junta, informed him that the commander of the 3d Army, General Emilio Medici, asked how much longer Leitao was going to be in Rio. "He wants to invite you to [accept] something."

"But I am not going to accept it," interrupted Leitao de Abreu, remembering the rumors that mentioned him as the future minister of education or of justice.

"First let us see what he wants," replied Lyra Tavares.

That night, the army minister called again.

"Medici asked me to convince Dr Leitao de Abreu to accept the position of chief of the Civilian Household."

"I already said that I am not going to accept it," insisted Professor Joao.

"You have to accept that position. You cannot refuse because at this moment your cooperation in that position is essential," argued his friend and brother-in-law.

Medici Sighed When He Learned That He Would Serve Only 5 Years in the Presidency

"I finally agreed," recalls Leitao de Abreu.

Medici had already decorated Professor Leitao de Abreu, in the 3d Army area, but until then they had not had much personal relationship. The general, already lodged at the Galeao Airport, called him.

"Until now, I have not given you a formal invitation and that is what I am doing now," said the president.

"Mr President, I had many reasons not to accept that position...," began Leitao de Abreu, being interrupted by Medici:

"What reasons?" asked the president.

"After reflecting on the invitation, I decided to accept it and I am not going to say what those reasons were. We are going to begin working," concluded Leitao de Abreu who, to this day, prefers not to reveal the reasons for this initial refusal.

At that time, there was already a constitutional amendment text practically ready since the Costa e Silva government. In its temporary provisions, one article established the length of the term following that of Costa e Silva. It said that the successor would serve the almost two remaining years of Costa e Silva's term plus the 5 years of the regular term.

"But the length of President Medici's term was modified," recalls Leitao de Abreu. "Instead of almost 7 years, the term was made less than 5 years, at the general's suggestions."

In his first meeting with Medici, the future president asked: "How did the term of office come out?"

"Here it is," said Leitao, showing him the text of the amendment. "It ends in 1974."

"Thank God," sighed Medici, in relief.

Minister Leitao de Abreu recalled that in the Medici government "there was great harmony among us three: Generals Figueiredo, Fontoura and myself. There was never any shadow over that relationship, which was formed around the president, who became my friend."

Upon the termination of the Medici government, Leitao de Abreu had his nomination approved by the senate and assumed the position of justice of the Federal Supreme Court, in July 1974. For 4 years, he was also a member of the Superior Electoral Court, becoming its president. In the supreme court, his performance gained him the reputation of being a liberal. He prefers, however, not to talk about the classification the public has given him. "By virtue of the position, I became neutral in political matters. I was a judge." He has good memories of the supreme court. The most recent include praise for the president of that institution, Justice Xavier de Albuquerque.

He was already the third oldest judge in the supreme court when a telephone call took him away from the life of a magistrate, which included the production of a book. It was 0800 in the morning of Friday, 7 August. It was General Danilo Venturini, minister chief of the Military Household of the Presidency of the Republic. The general asked the judge how he would receive an invitation from the president to again become chief of the Civilian Household. Leitao de Abreu asked for time to think about it and they scheduled a new meeting for 1130 in Minister Venturini's house on Peninsula Sul.

"I had time to reflect and I decided. I had reasons to accept and not to accept. Since I decided to accept, the reasons against it are not relevant."

At 1130 on Friday, 2 and 1/2 hours after the official confirmation of the departure of Minister Golbery, Leitao de Abreu informed Venturini that he would accept the president's invitation.

"But," Leitao de Abreu informed Venturini, "I would like President Medici to know about it because I do not want him to learn about it through the press. I want to act with Medici the same way that General Figueiredo did; upon receiving the position, he called me to Rio and asked me to advise Medici."

On the afternoon of the same day, the special adviser of the presidency, General Paiva Chaves, called Leitao de Abreu in the supreme court, asking him to go to Torto [the presidential residence]. They would go together but had to observe discretion. They arranged a place to change cars. Leitao de Abreu left the supreme court Galaxie No 3 and went to an unidentifiable Opala, where Paiva Chaves was waiting for him. They entered Torto through a secondary entrance.

There, Leitao de Abreu informed the president that he was acting with Medici the same way that he, Figueiredo had done when he received the call from Geisel. It was an emotional and serious discussion. The president did not make his usual good-humored remarks. They talked about the problems of the country for more than an hour. Later, they came out openly through the main entrance.

"It is a great pleasure to work with General Figueiredo again. We always got along well. We worked very closely together during the Medici government. He knows my way of thinking and I know his style. We are close, so that there are no barriers of initial formality to overcome."

Before Going to Bed He Reads Foreign Magazines and Simenon Novels

President Figueiredo and Minister Leitao de Abreu have never interrupted the relationship they had in the Medici period. Just a few months ago, they traveled together in the presidential plane to Porto Alegre and talked the whole way in the president's cabin. Last week, I was very close to the two at the installation ceremony of the new minister. When Leitao de Abreu concluded his speech, citing Medici, his voice choked. Afterwards, the president embraced him strongly, in an emotional embrace of a friend and I saw that both had tears in their eyes. Later, Leitao de Abreu confirmed to me the emotion of that moment, of that meeting anew.

At 0900 this Monday, Minister Leitao de Abreu participated in the first meeting of the house ministers with the president. He was among old friends, without exception. It did seem to be a first meeting in terms of the relationship between the members of the group.

"It was a meeting anew. General Venturini worked with General Orlando Geisel at that time; General Medeiros was in the office of the deputy chief of the army in the Military Household; Minister Delfim Netto was in finance. We are all old friends."

He has already spent this last weekend in the Ipe farm, surrounded by his Brasilia grandchildren (of whom he is a devoted and doing grandfather), by his daughters and sons-in-law, and caring for his wife, Dona Iracema, who is recuperating from eye surgery.

"Who said I am a doting grandfather? Just look, aren't they really beautiful," he declares, calling his grandchildren for picture-taking.

Going to Ipe is also a return. During the last 6 years, Leitao de Abreu occupied an apartment at 316 Super-block South, from which he moved Friday. But he is not going to change his habits. He is an early-riser. At a little after 0500, he is already up. "I work better in the morning." At night he goes to be at 2300 hours "to read things that permit me to sleep better." He likes general literature, foreign magazines, but as a sedative he prefers detective stories. His favorite detective story writer is Georges Simenon (he has already read all his books). He likes music but he cannot reconcile work with music. He prefers Beethoven. "I like German culture in general. In the juridical area, moreover, the Germans are unsurpassed."

He does not fail to keep up with the games of the Gremio soccer team. Last week, on the day of his installation, he was constantly asking his friend, reporter Jesus Afonso, to inform him about the game in Guatemala. He is an ardent radio listener, especially of German, French, British and American stations. Leitao de Abreu records programs so he can listen to them in his car; he uses a large number of recorders for this purpose. It is a way of making use of the time during his half-hour trip between Ipe and Planalto Palace, which is made four times a day, inasmuch as he has lunch at home. He is buying a "walkman" so he can listen to his tapes while he is walking. "I am a great walker. For me, walking is restful."

[Question] But after all, is Joao Leitao de Abreu a politician or a jurist?

[Answer] Every man is a politician. Man is a political animal, isn't he?

[Question] And how do you define yourself? A centralizer? An organizer?

[Answer] I prefer the definition of others, who have the qualification of impartial observers.

Finally, I asked him what will be his style in the Civilian Household. Leitao de Abreu smiled. In the supreme court, he liked long office hours and organization, which made work more productive and better. In Ipe, he plans to work even on weekends, free from the routine interruptions of the presidential palace.

He is a former judge who again has a political position during the period of President Figueiredo's government. But he only smiles and explains, succintly,

"Now, we are going to work. There is much to do."

8711
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REASONS FOR CIVILIAN HOUSEHOLD CHIEF CHOICE; BIOGRAPHIC DATA

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 8 Aug 81 pp 1, 7

[Text] Brasilia--What reasons led President Joao Figueiredo to choose Minister Leitao de Abreu to succeed General Golbery do Couto e Silva as chief of the Civilian Household?

First, the need to have at his side someone with acknowledged administrative experience. A man who, in the same position throughout the Garrastazu Medici presidency, not only coordinated federal administration but practically ran it. It was with him that the cabinet ministers really transacted their business, dropping by the president's office only to discuss amenities and soccer with General Medici. Leitao de Abreu also looked after politics--which, of course, was nonexistent. He had to keep the ARENA [National Renewal Alliance] under quarantine and the MDB [Brazilian Democratic Movement] under threat of the cudgel, even though no congressman was cassated during the Medici regime. In his office, Filinto Muller had to revise a memorandum, disowning and abandoning the idea he had just proposed for gradual repeal of AI-5 [Institutional Act No 5]. He also produced the solution that finally made a new construction consortium for the Rio-Niteroi bridge feasible, after the first one collapsed.

In choosing the incumbent Supreme Court justice, Figueiredo was also taking into account the importance of having someone with practical experience who could be relied upon to command the respect of the other cabinet ministers.

Another reason was also being aired yesterday to explain the appointment of Leitao de Abreu: annoyed by Minister Golbery's attitude, despite all the nice things he wrote about him in accepting his resignation, Figueiredo deliberately sought, among the ranks of the "Medicist group" someone to replace the major figure of the "Geiselist group." It is no secret that a great number of things still divide the partisans of the third and fourth revolutionary presidents. When Figueiredo took office, he recruited members from both sides, but the majority were from the Ernesto Geisel regime, due largely to his retaining Golbery himself as Civilian Household chief. From the Medici group came Mario Andreazza, Delfim Netto and Eliseu Resende. Faced with what to him seemed like a desertion--and for another reason--Figueiredo now sought for his principal aide one who, ironically, could be called "Medici's Golbery."

The question being asked in Brasilia, amidst the turbulence and the dust raised by the events of the last 2 days, is whether the Leitao de Abreu who will take over

the Civilian Household Monday is the old one or the new one. The "old" Leitao was distinguished by the most extreme positions in conducting the nation's affairs. He supported press censorship, repression, restrictions on human rights, AI-5 and even, at one point, became enamored of the outlandish idea of keeping General Garrastazu Medici in office for another term. But no one at that time could stand in the way of the Ernesto Geisel candidacy, even though it emerged as a liberalizing strain opposed to the absolute despotism of Medici times. Hence, Leitao de Abreu considered himself, if not ostracized, at least removed from the center of decision-making when he was appointed to the Federal Supreme Court.

In the highest court of the land, the "new" Leitao emerged. His votes and opinions were marked by profound respect not only for the law but for individual rights. When the entire Figueiredo administration, even before taking office, was hoping that Laudo Natel's claim against Paulo Maluf, who had prevented his succession to Sao Paulo governor, would be heeded, it was Leitao de Abreu who cast the deciding vote guaranteeing what the law, even the emergency law, allowed the current governor to do: take office without mentioning how he had bought the Sao Paulo ARENA convention. In a number of opinions he expressed ideas differing from those held when he was head of the Civilian Household, as in the decision regarding ineligibilities: he did not allow candidates for elective office to be considered ineligible due to having been accused under the terms of the National Security Law. They had to have at least been indicted.

Between the old and the new--the former a comrade of Figueiredo on equal terms in the Medici government (the current president was chief of the Military Household), the latter a liberal judge of the Supreme Court and now chief of the Civilian Household--who would risk a prediction?

First Federal Post in Castello Period

When Mem de Sa was appointed as justice minister in 1966, in the Castello Branco regime, he sought a Rio Grande do Sul friend, a lawyer and professor of administrative law and of introduction to legal science to head his cabinet staff: that was how Joao Leitao de Abreu--better known as Professor Leitao--entered public life at the federal level.

When the Castello Branco administration ended, Leitao de Abreu returned to his activities in the South. Costa e Silva was president and, with the 1968 crisis over, he gambled on a bill for constitutional reform coordinated by Pedro Aleixo, which would even have overturned the AI-5. Seven days before the bill was to have been signed, Costa e Silva took sick and the military junta--made up of Gen Lira Tavares, Air Force Gen Marcio de Souza Melo and Adm Augusto Rademaker--took power.

These circumstances led to another change in the life of Leitao de Abreu. Married to a sister of Gen Lyra Tavares, he was called upon by the military junta to make the constitutional amendment planned by President Costa e Silva take on a quite different aspect, to the point of retaining AI-5 on the books.

This legal magic was the first big political job for Leitao de Abreu, who went on to produce the 1969 constitutional reform. As an almost immediate byproduct, the Rio Grande do Sul professor was chosen as chief of the Civilian Household by President Emilio Garrastazu Medici.

In this position he showed a taste for power, divided at that time among three persons: Delfim Netto headed the economy, Gen Orlando Geisel took care of national security and Professor Leitao de Abreu took charge of politics and administration, dealing with all the cabinet ministers.

When Medici ended his presidency and his successor was being discussed, the chief of the Civilian Household was in such a solid position that he was even considered for the succession, which was not accepted by the armed forces, who decided upon another four-star general. Even so, Medici took care to help the man who worked so closely with him and when Gen Ernesto Geisel was preparing to take power he asked him to put Professor Leitao de Abreu on the Federal Supreme Court, inasmuch as a vacancy would arise 2 months after the new administration took office. "Of course, Mr President, he will be appointed," promised General Geisel--and he kept the promise.

This arrangement between Medici and Geisel generated a political problem. As the professor had to have his nomination approved by the Senate and the senators had vivid memories of his aloofness and slight regard for politicians, government leader Senator Petronio Portella had a job to do in the erstwhile ARENA so the government would not have any problems. Everyone was spoken to and Professor Leitao was approved. But the senators expressed their position: Petronio made a speech praising the new Supreme Court justice and his peers made not a single comment--no one ratified his choice orally.

Thus, in the last 12 years Joao Leitao de Abreu, now 68, was intimately familiar with power, first as chief of the Civilian Household under President Emilio Garrastazu Medici and later, until yesterday, as Federal Supreme Court justice. Born in Cachoeira do Sul, Rio Grande do Sul, he has remained so close to the centers of power that, besides being considered as a civilian option to succeed Medici, more recently his name reappeared in speculation about a replacement for Justice Minister Petronio Portella.

When he was mentioned to succeed Medici, the new chief of the Civilian Household was associated with personages such as Filinto Muller and Alfredo Buzaid and was, as were they, an important part of that government. It was being said at that time that his choice as president would represent a guarantee that political reform, timidly initiated in the ARENA by Filinto Muller, would be implemented.

Later, in 1976, already as a Federal Supreme Court justice, Leitao de Abreu surprised the nation's political circles by charging: "Today the law is an instrument of the government used to meet the pressure of momentary circumstances," which was interpreted in two ways: it could have been a confession of guilt or it could have been a spontaneous criticism of General Geisel's government, which was already straying far from the conduct of the Medici period.

Two years later, in 1978, Leitao de Abreu, then considered th leading ideologue of the process of political reforms, said at the University of Brasilia that "the more democratic the system, the more exposed it becomes to intrinsic threats, more serious than the extrinsic ones."

He felt, furthermore, that "democracy, if it is to remain strictly loyal to its principles, puts in the hands of its adversaries the weapons with which they can

destroy it." And, further: "Democracy, founded upon social and political freedoms, in addition to being able to abuse such privileges, runs the risk of becoming ungovernable in view of the contradictions aroused by its procedural model."

At the tme he arrived at Medici's Civilian Household, it was said that he had two passions: soccer and the law, an area in which he himself claimed to be a scientist. Considered a brilliant jurist, he was professor of Introduction to the Science of Law in the Porto Alegre law school, at a time when he was chief of the Civilian Household of Rio Grande do Sul Governor Ildo Menegheti.

A Latinist and student of the German language, in his classes he always espoused the "normative theory" of Hans Kelsen, constantly used to combat the Marxist theory of the state.

Former president of the Porto Alegre Football Association, where he became famous for his enthusiasm, Leitao de Abreu only relaxed his sober professorial demeanor when his team won. The great (and rare) opportunity for his students to reduce the severity of the vigilance the professor imposed during exams arose only when they left near him a copy of the FOLHA ESPORTIVA. Then it was easy to cheat.

Joao Leitao de Abreu has received all the official government decorations, including the National Order of Merit, the degree of the Grand Cross; among his published works are "The Profession of Legal Adviser," "Administrative Description" and "Prescription for Administrative Law."

'Provincial Legal Adviser'

Senator Paulo Brossard, a critic of Professor Leitao de Abreu, liked to call him the "provincial legal adviser." And newsmen who associated with him at Planalto Palace also considered him provincial, especially because he showed great interest in persons with extensive and brilliant careers and adopted rigorously formal attitudes, never showing treatment that was not serious and solemn, never addressing persons by first name, always using "mister": "He was always impressed with important people," one reporter recalls.

Another aspect of Professor Leitao de Abreu in the Civilian Household was his competitive spirit. So much so that he vied with General Otavio Costa for editing President Medici's speeches and eventually won his point.

Even so, he lost out on a smaller issue: he wanted to approve the Law of Cooperatives, of importance for the economy of Rio Grande do Sul, but ran into resistance led by then Finance Minister Delfim Netto and supported by two others--Pratini de Moraes of Industry and Commerce and Costa Cavalcanti of Interior. The law, which has not yet been passed, would allow only individuals to form cooperatives. It it were passed there would be no COPERSUCAR [Sao Paulo Cooperative of Sugar and Alcohol Producers], for example.

Professor Leitao de Abreu left the Medici cabinet with the reputation of being a hard-liner. He even became the "sponsor" of Justice Minister Alfredo Buzaid, who put together the strictest censorship legislation in the nation's history. He went on to the Federal Supreme Court and surprised many with his transformation into a liberal judge.

Appointed to the Supreme Court by Geisel, his successor as chief of the Civilian Household was General Golbery do Couto e Silva, whom he now replaces.

Leitao de Abreu with his grandchildren: at age 68, he again becomes chief of the Civilian Household

8834
CSO: 3001/230

JULY TRADE SURPLUS IS $100 MILLION; CACEX COMMENTS

Galveas Announces Preliminary Figures

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 6 Aug 81 p 17

[Text] Brasilia--Brazil's trade balance last month probably showed a surplus of about $100 million, with exports of about $2 billion and imports of about $1.9 billion, according to preliminary data reported yesterday by Finance Minister Ernane Galveas. That would reduce the trade deficit so far this year to $182 million, compared with a $2.3 billion deficit in the first 7 months of 1980. The trade balance also had a surplus in May and June.

Should the "offhand" estimates announced by the finance minister be confirmed, there would be a 21 percent increase in the value of exports compared with July of last year ($1.654 billion), while there would be a decrease of about 2.4 percent in imports, which were $1.964 billion in July 1980. In July of last year the trade deficit was $292 million.

The finance minister attributed the slight improvement over the $1.962 billion exported in June of this year to higher prices for coffee, soybeans, sugar, cocoa and orange juice. He also reported that petroleum imports in July were about $50 million higher than the $799 million spent in June, which would have increased imports from the $1.766 billion reported in June to about $1.9 billion in July.

Stronger Dollar

The strength of the U.S. dollar is not harming Brazilian exports of manufactured goods, said Galveas. He explained further that the greatest appreciation of the dollar took place in March and the export credit of 15 percent put into effect in April compensated for that increase in relation to European currencies. The minister asserted that the impact on commodity exports is very slight, as most European countries do not produce these products. Furthermore, commodity prices have sunk about as low as they can go.

According to Galveas, when currencies appreciate exports of manufactured goods face competition from the same products from other countries as well as from products manufactured by the importing countries. In these cases, however, the amount of Brazilian exports is quite small, so that currency appreciation did not strongly affect exports, the finance minister stressed.

Dollar's Strength Worries CACEX

Rio de Janeiro O GLOBO in Portuguese 7 Aug 81 p 17

[Text] The director of the Foreign Trade Department of the Bank of Brazil (CACEX), Benedito Moreira, said yesterday that Brazil is likely to have a trade surplus this year of $1 billion "at the most."

He then added that, as the strength of the dollar is greatly weakening the performance of exports, he would be happy if a balance could be obtained between imports and exports:

"If the trade account is in balance by the end of the year, I'll throw a party and invite you," he told reporters good-naturedly.

'Out of Luck'

Benedito Moreira said that this year Brazil is "out of luck":

"First, there was the drop in commodity prices. Now, the strength of the dollar is creating serious problems for our industrialized products in general," the CACEX director said.

He explained that Brazil sells its products on the basis of the dollar and, as the U.S. currency appreciated, two types of obstacles were created: prices of Brazilian products went up in Europe and European competitors, previously forced out of the market, are now competing with Brazilian products in other parts of the world.

8834
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BRIEFS

WHEAT, RICE PRODUCTION DROP--Brasilia--Wheat production this year will be 40 to 45 percent less than last year, due to reduced harvests caused by frost, the Agriculture Ministry announced yesterday. The eighth forecast of the 1981 crop indicates production of 1.5 million tons of wheat, compared with 2.8 million in 1980. There will be a 5 percent drop in rice production. The crop will be 9.1 million tons, whereas last year it was 9.6 million tons. There will be, however, a 30 percent increase in the bean crop. Production rose from 1.9 million to 2.5 million tons. According to the Production Financing Commission (CFP), there will also be a 37 percent reduction in peanut output. The crop is estimated at 328,000 tons, compared with 524,000 last year. [Text] [Rio de Janeiro O GLOBO in Portuguese 8 Aug 81 p 15] 8834

JULY INFLATION RATE--Inflation in July was 5.1 percent, the Getulio Vargas Foundation announced yesterday. That is higher than in June (4.5 percent), but well below July of last year (8.4 percent). Inflation over the last 12 months thus fell from 117.3 percent in June to 110.6 percent in July. The foundation's notice explains that the cost of living index, which increased 7.5 percent in July, was mainly responsible for July's inflation. In the last 12 months the cost of living increased 108.5 percent (it was 106.3 percent as of June). In July of last year the cost of living index rose 6.4 percent and the 12-month rate was 85 percent. From January through July of this year the index increased 56 percent. Public services led the advance in July: 16.9 percent. Personal services were second highest (up 10.1 percent), followed by health services and hygiene (8.1 percent). [Text] [Rio de Janeiro O GLOBO in Portuguese 7 Aug 81 p 15] 8834

CSO: 3001/230

BRIEFS

PRESIDENT TO VISIT COLOMBIA, VENEZUELA--It was officially announced that following several contacts carried out by the Ecuadorean Foreign Ministry with its counterparts in Colombia and Venezuela, it was agreed that the trip Ecuadorean President Oswaldo Hurtado Larrea is going to make to those two countries will take place in November 1981. The Foreign Ministry also confirmed that the president's trip to Brazil will take place on 13 October 1981, as scheduled. [Text] [PA282213 Quito Voz de Los Andes in Spanish 1230 GMT 27 Aug 81]

BUSINESSMEN COMPLAIN OF 'INTIMIDATION'--The Chamber of Industries of Guayaquil has decided to declare itself in permanent session following a special meeting lasting approximately 4 hours. The chamber's president presided over the meeting which discussed the emergency resulting from the Finance Ministry's mass indictment of Guayaquil businessmen. The session approved the steps taken by the chamber's president, lawyer (Lopez Abando), to defend private enterprise in Guayaquil. The government's measures, which were described as intimidation against the production sectors, were rejected. According to a news bulletin issued by the chamber, the board decided to report to the country that the government has avoided using dialogue to solve Ecuador's serious economic problems. Furthermore, the government is destroying the economy with its plan of state takeovers leading to socialism. The chamber voted to ask the minister to specify the legal grounds for ordering the indictment of 5,000 persons and/or legal entities in the country since the legal basis for such action is unknown. The board of the National Confederation of Chambers of Commerce of Ecuador headed by Jose Plaza Nuque will meet on Monday in Guayaquil. Directors (Modesto Casajuana Donoso) from Cuenca, (Alfredo Gallegos) from Quito, (Miguel Rossignoli Anselmi) from Milagro and (Fernando Villacres) from Jipijapa, have confirmed that they will attend. [Text] [PA291550 Quito Voz de Los Andes in Spanish 1230 GMT 29 Aug 81]

CSO: 3010/1791

GUEVARA NOMINATED CANDIDATE BY THREE PARTIES

Guatemala City DIARIO DE CENTRO AMERICA in Spanish 14 Aug 81 p 2

[Text] No Political Statements Until Transfer of Functions Tomorrow

We Guatemalans who hold democratic views--and I consider that we all do--must think of Guatemala before our other interests

In the event he accepts nomination as a candidate for president of the Republic, Gen Angel Anibal Guevara Rodriguez said this morning, he will invite all political sectors, regardless of ideological distinctions, to join this unitary movement.

General Guevara today received the secretaries general of the FUN [National United Front], attorney Gabriel Giron Ortiz; the PR [Revolutionary Party], attorney Jorge Garcia Granados; and the PID [Democratic Institutional Party], attorney Donaldo Alvarez Ruiz.

The three leaders handed to General Guevara Rodriguez the resolutions of their respective political organizations, each nominating him its candidate for the presidency of the Republic.

The act took place in the official residence of the minister of defense. General Guevara replied to the words of the secretaries general, saying he would first consult with the president of the Republic as to whether the latter had accepted his resignation as minister. This consultation took place immediately by telephone. The general returned a few minutes later and said that the chief executive had told him his resignation had been accepted. Tomorrow at 1000 hours, the general will transfer his functions to his successor. General Guevara said that until he has thus transferred the Ministry he is legally committed to make no political statements and invited the members of the press to talk with him tomorrow after the mentioned transfer.

Replying to questions put to him by reporters, General Guevara stressed the fact that his present position prevents him from expressing his views on political matters. He said that tomorrow, as a civilian by then, he will state whether or not he accepts the offer. Since the question had been put to him in hypothetical terms, he replied that if he accepts the nomination he will seek the backing of all sectors, without ideological discrimination, but within a democratic framework, for his proposed candidacy.

The FUN Document

The secretary general of the FUN, attorney Gabriel Giron Ortiz, made public his organization's resolution, which reads:

The FUN, cognizant of the historic responsibility devolving upon it at this fateful juncture in the nation's life, resolved on Thursday the sixth of this month to join with the PID and the PR in an effort to bring about an electoral coalition for the general elections to be held within 205 days, and with this act honored the name of our institution, which is precisely the Nationalist Front. We the leaders of this institution are specifically complying with the first paragraph of Article 3 of our constitution and by-laws, which says: "It is the FUN's highest aspiration to foster every initiative tending toward the unity of the Guatemalan people as a family, as a means of achieving the well-being and peace of mind of the nation." Thus, on this day we have come together with the mentioned parties to avow our faith, in that, we shall struggle, using all means within our reach to maintain our nation's republican and democratic representational system, and to achieve as well the peace of mind and the integral development of all Guatemalan citizens. We are cognizant of the fact that a union of various political entities to mold a pluralistic government for the period 1982-1986 is the sole solution for confronting the enemies of democracy that today threaten our nation with an annulment of democracy and, with it, an annulment of the personal pursuit of individual human rights, freedom, security and justice. On the basis of wide-ranging deliberations among the leaders of the PID, the PR and the FUN, we have arrived at the conclusion that the man most fitted to govern our nation during the period 1982-1986 is Brigadier General Angel Anibal Guevara Rodriguez, and we therefore proclaim him on this day the presidential candidate of the Popular Democratic Front [FDP] which we are forming and which we hope will be joined by other political parties, since our goal is to address Guatemala's problems from the standpoint of the national interest, and never from that of any one private personal or group interest. We therefore hold responsible, from this moment on, those who do not heed this call to unity, for the dire consequences our nation may suffer as a result of their incomprehension and lack of response to our patriotic call.

The PR Statement

The secretary general of the PR, attorney Jorge Garcia Granados, at the press conference held this morning in the Hotel Conquistador Sheraton, discussed the resolution adopted by his party, which reads:

To the newsmen:

Exactly 1 week ago a press conference was called to let you know that with a group of parties we had reached an agreement to back a single candidate for president of the Republic. We told you on that occasion that the name of the person selected would be made known the following week, which is the current one.

We can now say with satisfaction that the name of the person on whom we--the Pr, the PID, and the FUN--have reached agreement is Gen Anibal Guevara.

Throughout the time I pressed my candidacy for the nomination within the PR, I never ceased indicating privately and publicly that I was not being motivated by a personal interest of any kind, but that my sole desire, like that of all my political colleagues, was to find the best solution to the acute problems that confront Guatemala.

We found ourselves facing the serious danger that eight parties might launch eight different candidates, which would have produced a chaos and we would thus have contributed to our falling into the clutches of a dictatorship of the Right or of the Left. By we three institutions under public law having come to an agreement on one name such as that of Gen Anibal Guevara, we are helping to clarify the nation's political scene, and I take this occasion to invite other parties and political groups to join us for the good of our nation.

We the PR also insisted throughout that our center-leftist posture, distant from both extremes and with a strong nationalist flavor, is the political orientation Guatemala needs for its salvation, and that our principal desire was the unification of the largest number of Guatemalans around that position.

We are convinced that by having achieved agreement around the person of General Guevara, we have also achieved the fulfillment of that pursuit of moderation and nationalism.

General Guevara is a man risen from the people with a sharpened social sensitivity and a deep desire to serve his country. We are certain that, as has occurred with President Lucas Garcia, in General Guevara we have found a person who will know how to interpret in their fullest meaning the aspirations of our revolutionary people, who for the most part constitute our large masses of farmhands and wage-earners. We too will struggle, shoulder to shoulder, by way of a sound and constructive nationalism, to prevent our country from falling under the thumb of a dictatorship of the Left or the Right.

As all Guatemala knows, we are enduring a situation of violence, in which political groups outside the law are merging with common delinquents. We firmly believe it is the duty of all Guatemalans at this moment to cooperate so that chaos and civil war do not tear our country apart, and I therefore repeat our invitation to other parties and political groups to join the PR-PID-FUN triple alliance around Gen Anibal Guevara.

The die is cast and we are certain that the people of Guatemala will join en masse this alliance with General Guevara for moderation and progress, and that they will flatly reject the methods of the extreme Right and of the extreme Left, which are the cause of of the misfortunes currently plaguing our country.

The PID Resolution

On the occasion of the proclaiming of Gen Angel Anibal Guevara Rodriguez, the secretary general of the PID, attorney Donaldo Alvarez Ruiz, made known the text of the resolution adopted by the Political Council of the PID, which reads:

We have been drawing up a joint platform responding to the aspirations of all Guatemalans, so that the next president of the Republic can actualize a government having as its base those aspirations, which have taken shape under the observation, study, analysis, experience and decisiveness of the political entities that at this time in our history are rallying around an FDP, in a way that has never before occurred in the political history of Guatemala or of Central America.

The PID said last Friday 7 August that we would make known to the people of Guatemala the PID resolution, passed by its Political Council, on the agreement reached with other political institutions under public law, with the noble aim of joining with all the other Guatemalans in a great political alliance of an electoral and governmental nature. The electoral train that will carry the people of Guatemala to victory by way of the FDP is now under way and its momentum will not be slowed until it reaches its destination, which is to establish for Guatemala the continuity of our institutional and democratic system on 1 July 1982.

We have called this political grouping a "Front" because we have formed the spearhead of this great electoral struggle, in which the most important thing is the solidary and continued unity of all Guatemalans so that by way of a firm alliance we can fight the battle necessary to guarantee Guatemala its present and future prosperity. We have called it "Democratic" because this process will produce a government that is genuinely representative of the people of Guatemala. And we have called it "Popular" because our political institutions are made up of people of the masses, whose aspirations are based on the most intimate concerns of that noble people who make up our country whose name is Guatemala.

This far-reaching decision that we share with the PR and the FUN rallies us around an agreed candidate for president: Gen Angel Anibal Guevara Rodriguez, a man who personifies the unity of Guatemalans, and with him as our leader we shall march toward the conquest of the peace so deeply desired by each and every one of the inhabitants of our beloved country and shall speed the growth so needed to thus ensure a better future for our children.

We pray that God may shed light upon General Guevara Rodriguez and that the people will support him as a majority in March 1982, so that an avalanche of votes and genuine nationalism, devoid of any tricks or exaggerations, will be our best response to foreign intervention and to those who seek to destroy the foundations of our nationhood.

We therefore, this day, propose the candidacy of General Guevara for president of the Republic, so that upon his acceptance he shall be our candidate, and consequently the future president of all Guatemalans.

9399
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INDUSTRY MINISTER DISCUSSES NEW GENERAL INDUSTRY LAW

Lima EL COMERCIO in Spanish 5 Aug 81 p A-4

[Text] The new General Law on Industry will be passed by Parliament "very soon" and will be eminently "decentralizing and promotional" in nature because the country needs a decentralized industry and the necessary support in order to help solve the problem of unemployment.

This announcement was made yesterday by Minister Roberto Persivale Serrano, who stated that the policy to be followed by his ministry will be the same as that of his predecessor, but with one difference: greater action. "It was his (Roberto Rotondo) task to lay the way and set up equipment. Now comes the action," he added.

In his first meeting with newsmen following the swearing in ceremony, Persivale Serrano asked industrialists to "have faith and confidence" because President Fernando Belaunde Terry and the Cabinet "are making every possible effort to overcome the economic crisis.

"The following step will be to get the economy back on its feet and industry will play a fundamental role here," the minister said categorically during his dialog with newsmen in the Gold Room of the Government Palace.

Persivale Serrano also said that in about 2 weeks, a program of action for the industrial sector will be published. It will have the support of Prime Minister Manuel Ulloa Elias and President Fernando Belaunde Terry.

The minister went on to thank his party (the PPC [Popular Christian Party]) "for having supported me and given me the opportunity to contribute to the very difficult task of leading Peru onward." He said that he would "do effective and efficient work."

The minister added that working with President Belaunde will be very positive. "I shall learn a great deal from him, as I did years ago when he was my teacher," he said.

Cirriculum Vitae

Persivale Serrano, currently deputy from Lima, was a disciple of Belaunde Terry at the National University of Engineering, from which he graduated with a degree

in engineering. He was born in Lima 51 years ago, is married to Elia Rivera and they have six children.

The minister of industry, tourism and integration did postgraduate study in Peru and abroad, specializing in energy and oil in the United States. Between 1964 and 1968, he was director of urbanization and public works of the municipality of Lima.

During his service in Lima, he coordinated the Expressway and Central Market projects. He also completed studies for the installation of supermarkets and the Lima Master Plan. He served as national undersecretary of government planning of the PPC.

11,464
CSO: 3010/1720

CENTRAL RESERVE BANK GIVES 1981 ECONOMIC FIGURES

Lima EL COMERCIO in Spanish 3 Aug 81 p A-16

[Text] An economic summary made by the Central Reserve Bank of Peru contained in the economic report up to July 1981 shows that the economy did not experience optimum growth during the first quarter, but a reactivation is expected during the remainder of the year because of a series of factors, including improvement in the private sector as a result of public investments, better credit opportunities, tax incentives and growth in demand. There will also be a reactivation of agriculture, mining and oil activity.

The Central Bank indicates that productive activity rose 3.3 percent during the first three months of the year compared with the same period last year.

The following is a summary of the economic picture.

The delay in the recovery of the gross national product was mainly due to labor problems in mining and fishing, the interruption in highway traffic due to flooding and an insufficiency of raw materials for the industrial process from the sectors indicated.

Greater imports of consumable expenditures and capital goods, especially during the second half of the year, are an obvious symptom of a rapid economic recovery.

Inflation

Inflation rose significantly after July 1980 (as expected). The unfreezing of prices subject to governmental control, accompanied by the corresponding adjustments in wages, exchange rates and interest, were the main causes.

Beginning in April, the rate of inflation began to slow down. The average for April and May was 4.2 percent, compared with 8.3 percent as an average from January to March. In June, the figure dropped to 3.1 percent.

Interest Rate

The interest rate, which was increased beginning in January 1981 in order to correspond to the level of inflation, began to drop in May and a similar trend can be noted in the rate of inflation.

Rate of Exchange

The rate of exchange rose beginning in August 1980 and with greater emphasis from January to March of 1981, as a result of the higher rate of inflation caused by the unfreezing of prices. A consistent exchange policy was thus maintained. The minidevaluation is mainly guided by the relative inflation (internal-external), which provides the greatest possible stability in the relation between internal costs and external prices.

Beginning in April, the speed of devaluation of the rate of exchange began to diminish. This decision by the board of directors of the Central Reserve Bank was based on the expectation of lower domestic inflation as a result of having nearly completed the unfreezing of prices and on accordance with the July-December Plan of Concertation. In addition, the lower inflation registered from April to May was also taken into account.

Remuneration

On an average, real wages in February 1981 demonstrated greater purchasing power than in August 1980 or the month of February of last year.

Monetary Area

In the monetary area, one could observe the beginning of real growth in financial savings in national currency as a result of a transfer of deposits in dollars and new savings, all promoted by suitable levels of exchange rates.

This increase in savings has generated a greater lendable base, aided by the program to reduce cash reserves. This began a process of rehabilitating and expanding the financial system with greater activity and fewer privileges.

Credit to the private sector has been increasing, especially since January, at a faster rate.

It should be emphasized that the mandate of Article 156 of the constitution, which grants top priority to the agricultural sector, is being carried out monetarily through the approval of an 83-percent increase in the line of credit from the Central Reserve Bank to the Agricultural Bank between December 1980 and May 1981. In addition, preferential interest rates of 30.5 percent have been established and for hard hit regions, 24.5 percent.

Public Sector

During the first quarter of the year, the public sector showed a manageable deficit that was adequately financed, mainly domestically, through the sale of bonds by the Mortgage Bank and the National Bank, with no inflationary pressure due to the type of financing.

Likewise, the income/spending imbalance contains no noteworthy inflationary ingredient due to the fact that the pressure of demand beginning to be generated is offset by the ability to react of the industrial sector, greater production of food and higher imports.

Foreign Sector

In the month of June, the foreign sector showed a drop in international reserves of $660 million, of which $377 million correspond to payment advanced made to relieve a very onerous debt, the result of refinancing the public debt in 1978.

The difference of $283 million is partially explained by the reduction in price as well as volume of mining exports. Another fraction is attributed to the recovery of imports, basically generated by the economic reactivation and the opening up of trade. Some 76 percent of the major imports during the first quarter were capital goods for the private sector and productive consumable expenditures, which is symptomatic of a rapid economic recovery.

11,464
CSO: 3010/1720

OPPOSITION SEEN AS DOMINATED BY COMMUNISTS

PY062020 Lima EXPRESO in Spanish 13 Jul 81 p 19

[Article by Julio Garrido Huaynate]

[Text] On the eve of the closing of the civil regime's first year, the time has come to make an evaluation of the parties, of their function under our legal structure and of their projections in the country's political spectrum.

It is unquestionable that the overwhelming majority that emerged from the general elections held last year meant that the recently born government would be composed by a majority from the popular Action Party [AP]. The offer made to other political sectors to share responsibilities in the new cabinet and at decision-making levels in the administration elicited an answer only from the Popular Christian Party [PPC].

Twelve years of military government had displaced civilians, the civilian politicians, to second and third category positions, and even to plain lobbying status. The intention to form a government of civilian unity was then, in a way, understandable. Let us welcome, though from a distance, the contents of this proposal with the good will of a democratic believer. The behavior of the APRA [American Revolutionary Popular Alliance] militants has undoubtedly been inappropriate, to say the least, not because they rejected the cabinet-posts that were being offered, but because their rejection is based on a personal decision, which was supported by PAP (Aprista Party of Peru) due to campaigning inertia and also not without a bit of thoughtless bitterness. All of us recall that the rejection was made after Villanueva's answer which was then endorsed by a plenum.

Bedoya's PPC "consulted" with its organizations and decided to participate in the government under the terms that are known. What is left of the two communists sectors, still under the effect of their electoral defeat, outlined the idea of a front that, after rejecting the president's request, tried to show political unity, without much hiding of their internal contradictions.

The last municipal elections have shown a somewhat decreased support for the AP and some increase in the support for the PPC in Lima. They have also confirmed APRA's electoral disaster that took place in the presidential elections and the consequent worsening of APRA's internal crisis with its corresponding two headed situation and the threat of divisions.

AP's internal problems, although at times under control, give rise to predictions of confrontations which are hard to hide. The political wearing down of the regime that some observers dramatize seems to be, in large measure, due to the inherited burden.

Certain zigzagging in the handling of the economic and financial aspects, caused by political pressure, can cause weakness in the measures taken in that field.

In appearance the PPC participates in the government, but in fact it does not seem to meet its responsibilities stemming from its commitment to the alliance. At least, this is the appearance that the PPC is really trying to demonstrate.

Given APRA's full retreat after two subsequent defeats and based on what they have done so far, APRA cannot be considered as an alternative for power, as a really fruitful and concrete opposition that could serve as the tangible counterweight and become an alternative for governing that is involved in the democratic game.

The communists, who emerged stronger from the last municipal elections, seem to be the only presently operating, clear-cut opposition. For the purpose of this analysis their domestic problems and whether their position is feasible are unimportant matters. They have learned May's lesson and today they have even turned into true interlocutors with whom the regime must get in touch and at least listen to their concerns and claims, however unreal and exotic they may be.

It is still to be known whether the PPC will decide to follow its own definite course, and whether the APRA will stop entangling itself in the unsolvable game of individualism that has spoiled its chance to become an alternative for power which, in case of failure by the present government, could afford a solution. Besides, APRA is the only movement that is able to oppose the communists.

The communists' unity--precarious, stuck together with chewing gum and spit and suffering from all limitations common to fronts--thus emerges as the master of an opposition which has surrendered to communists, who have started using palace language as they did when they were the "military fan club" lobbyists.

CSO: 3010/1791

CONSTRUCTION OF NEW HOMES INCLUDED IN NATIONAL PROGRAM

Lima EL COMERCIO in Spanish 28 Jul 81 p A-12

[Text] Between 1980 and 1983, 100,768 housing units will be built in the country for families in some 50 cities. The total investment will amount to 270,380 sols.

Of the total, 14,185 units have been completed or are underway. Among the most important projects are Torres de San Borja, with 2,284 apartments, Limatambo, with 3,100 apartments, and Santa Rosa, with 4,348 apartments. These are in Lima.

In Trujillo, the Monserrate program will include 2,413 housing units.

The government is also endeavoring to meet the needs of low-income groups by carrying out projects on lots with basic services and housing centers and supervised loans.

Through this program, over 95,000 minimum housing units will be built in Lima and other provinces, using foreign loans and domestic resources.

In this field, the Pachacamac project is being completed with 9,699 units and the Canto Grande project has 17,000.

Generally speaking, the government is engaging in urban planning and administration, water supply and sewer systems, construction of housing and conservation of the environment, as announced by the Ministry of Housing and Construction.

Urban planning has made it possible, by March of this year, to authorize 20 million square meters of land in Lima for urban living. Of this total, 78 percent is for housing, 19 percent for industry and the remaining 3 percent for other uses.

Concerning the decongestion of metropolitan Lima, a multisectorial commission is studying ways of checking urban growth.

Its activities are aimed at establishing economic poles in the Huacho to Pativilca corridor in the north and the Canete to Pisco corridor in the south. In both sectors, part of the population migrating to Lima will be settled by the year 2000.

Pollution

In connection with environmental pollution, a project to plant trees on 6,300 hectares from San Juan de Miraflores to San Bartolo has been initiated, using grey water from the city, which will no longer pollute beaches on the Lima coast.

This project requires an investment of $55 million. Works underway cost 332 million sols. Similar projects have been begun in Tacna, Piura, Trujillo, Ica, and so on.

For the same purpose, recreation and housing areas are being set up on the Costa Verde de Lima.

Drinking Water and Sewer System

This plan, financed out of domestic resources and IDB [Inter-American Development Bank] loans, will help 660,000 persons in 26 cities and urban areas throughout the country during its third phase. The total investment will be on the order of 28 billion sols.

The fourth phase of the plan will help 1.2 million persons in 53 cities, among them Cuzco, Ica, Piura, Huancayo, Trujillo, Ayacucho, Puerto Maldonado, and so on. Also included are another 44 urban centers in the country. The estimated investment for the fourth phase will be some 85 billion sols.

Also underway is an emergency plan in Lima and 11 other cities. Beginning in 1982, work will begin to improve the drinking water supply for a population of 1.29 million, at an estimated cost of 50 billion sols.

The emergency plan also includes the laying of pumping lines, measuring systems, water purification systems and the installment of 100,000 meters.

Mantaro

This project is fully underway. It will make it possible to solve the drinking water supply problem for metropolitan Lima until the year 2000 and expand the energy potential of the region of the Sheque and Carapongo hydroelectric powerplants. Surplus water will go to agriculture.

The establishment of the social mortgage and the Materials Bank has also made it possible to promote housing programs.

In only 8 months, the bank has granted 1,600 loans for housing construction for a total of 710 million sols.

It is hoped that the goal of 30,000 loans will be reached by 1983.

11,464
CSO: 3010/1720

BRIEFS

MULTINATIONAL LOAN--Lima, 19 Jun (AFP)--Brazil, the UK, Sweden and the USSR are prepared to loan Peru $850 million for the execution of a big irrigation project on the Northern Peruvian coast, it was announced here today. The Olmos Project is designed to irrigate 32,000 hectares and to generate 400 megawatts of hydroelectricity in Chiclayo Department. Brazil proposes to provide $100 million, the UK $100, Sweden $65 million and the remaining $575 million would come from the USSR. Prime Minister Ulloa said the credits would be repaid over 16 years with a 6-year grace period. In recent years Soviet experts have carried out feasibility studies of the project. [Paris AFP in Spanish 1819 GMT 19 Jun 81]

NEW CHIEF OF STAFF--Maj Gen Luis Cisneros Vizquerra has been appointed chief of the army general staff. Maj Gen Ramon Miranda Ampuero has been appointed inspector general of the army, filling the position that Miranda Ampuero vacates. [Lima EXPRESSO in Spanish 2 Jul 81 p 7]

NEW DESTROYER--Lima, 11 Jul (TELAM)--The Peruvian navy today incorporated a new destroyer, named "Diez Canseco," which it acquired from the Netherlands. It was formerly named "Rotterdam" in the Netherlands navy. It replaces a ship of the same name which has been declared obsolete. [Buenos Aires TELAM in Spanish 2050 GMT 11 Jul 81]

CANADIAN COPPER LOAN--Lima, 22 Jun (AFP)--Peru and Canada have reached agreement on financing the exploitation of the richest copper deposit in the nation. Minister of Energy and Mines Pedro Pablo Kuczynski said that through this agreement the Canadian government will loan $100 million to Peru for the exploitation of the Tintaya mine in southeast Peru. A Canadian bank syndicate will loan another $115 million and the rest of the funds, to a total of $270 million will be provided by Peruvian state enterprises. [Paris AFP in Spanish 0031 GMT 23 Jul 81]

RADIO STATION TAKE OVER--Lima, 29 Aug (TELAM)--The police reported today that five youths, firearms in hand, took over a local radio station today and broadcast a proclamation after subduing the announcer and the operator. The group broke into Radio El Sol in downtown Lima and after threatening Carmen Rosa Pizarro, 41, the announcer and her brother Juan, 38, the technician, forced the latter to broadcast a 5-minute recording in Spanish and Quechua, the local Indian language. The announcer said that one of the youths pointed a pistol at her head and told her to lie on the floor while another one was mumbling "we want to send a message to our brothers all over the country." She said that she did not listen to the recording because she was frightened but her brother told her that the recording called upon the people to wage an armed struggle against the government because of the latters bad economic policy. [Excerpt] [PY312223 Buenos Aires TELAM in Spanish 0005 GMT 30 Aug 81]

COST OF LIVING UP--The National Statistics Institute (INE) revealed in its monthly report yesterday that the cost of living in metropolitan Lima rose 3.7 percent in July compared with the previous month. The report states that during the first seven months of this year, the accumulated increase is 44.5 percent and between July 1980 and July 1981, the variation is 80.9 percent. The percentages mentioned correspond to the consumer price index for metropolitan Lima revealed by the INE, in which the food, beverage and tobacco group showed a 3.8-percent increase over June. The accumulated increase so far this year is 47.1 percent and from July 1980 to date, the increase is 87.3 percent. The seven remaining major consumption groups show these increases: housing, fuel and electricity, 4.6 percent; other goods and services, 4.2 percent; transport and communications, 3.6 percent; relaxation and entertainment, cultural services and education, 2.2 percent; clothing and shoes, 2.4 percent; furniture, equipment and home maintenance, 3.9 percent; health care and medical services, 4.5 percent. [Text] [Lima EL COMERCIO in Spanish 4 Aug 81 p 1] 11,464

CSO: 3010/1720

END

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Latin America Report

No. 2373

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22 September 1981

LATIN AMERICA REPORT

No. 2373

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GUYANA'S JAGAN SCORES BURNHAM, VENEZUELA

FL050058 Bridgetown CANA in English 0001 GMT 5 Sep 81

[Article by Reudon Eversley]

[Text] Bridgetown, Barbados, 4 Sep (CANA)--Guyana's opposition leader Dr Cheddi Jagan charged here tonight that the Guyana Government was overstating the country's present border dispute with neighboring Venezuela for domestic and international purposes. Speaking to the Caribbean News Agency (CANA), Dr Jagan acknowledged that the Venezuelans claim to 5/8's of Guyana was real but said it was not as serious and imminent a threat as the ruling People's National Congress (PNC) has been stating at home and abroad. He said that because of the government's "international isolation," it has been using the issue to win sympathy abroad as well as to divert the attention of Guyanese at home to the country's serious social and economic problems.

The Marxist People's Progressive Party (PPP) leader was passing through Barbados from Grenada on his way to London. From there, he will go on to the Soviet Union and Czechoslovakia.

"They are using the issue not to admit that the International Monetary Fund (IMF) is putting pressure on them to put pressure on the people. So they say the Venezuelans are threatening us. Therefore we ought to tighten our belts and pay more taxes," Dr Jagan said. He pointed out that the PNC was also using Venezuela as a scapegoat for its failure to get the massive Mazaruni hydroelectric project on stream, by saying that Venezuela has been going around and blocking the necessary loans.

The Venezuelans too, the opposition leader continued, were using the issue for their purposes. He noted that the ruling party in Venezuela, COPEI, was unpopular and was using the issue for political gain. "There is a threat from the Venezuelan point of view for two reasons: They have been calling for joint development (of the disputed area) for a long time. So far, the government has rejected that. Secondly, the ruling party in Venezuela is weak and is facing elections," Dr Jagan said.

The former Guyana premier said that standard of living of Guyanese was on the decline with salaries not keeping pace with the cost of living. He said unemployment was running at about 30 percent, though among the youth it was as high as between 40 or 50 percent. "The working people are in a desperate plight where they have to beg, borrow, steal or just don't eat enough food," Jagan stated. He pointed out that as a result of the economic hardships, crime has risen in Guyana.

CSO: 3025/1029

BRIEFS

NICARAGUAN SEEKS ASYLUM FROM VENEZUELA--Venezuela Foreign Minister Jose Alberto Zambrano Velasco today confirmed that a top Nicaraguan official and former combatant of the FSLN Southern Front, has sought asylum at our embassy in Nicaragua. [Begin recording] [Zambrano Velasco] It is true. A top Nicaraguan administrative official and former combatant of the FSLN Southern Front in the struggle against the Somozist dictatorship who asked [name indistinct] for asylum has been granted temporary asylum. [Question] When is he coming to the country? [Answer] Of course, we have to meet all the requirements to give him asylum but he is now under temporary asylum, that is the first stage of the procedure. [words indistinct] [Question] What does the Foreign Ministry think about the Nicaraguan situation? Are there (? any chances) for a coup d'etat? [Answer] We do not state opinions [words indistinct] as this might be interpreted as an intervention. Therefore, we are very (?respectful) about nonintervention. [Passage indistinct] [End recording] [Ernesto Vega report from Miraflores Palace--live telephone relay] [Excerpt] [PA070026 Caracas Radio Rumbos Network in Spanish 2100 GMT 7 Sep 81]

CSO: 3010/1819

PRESIDENTIAL SPOKESMAN ON ARRESTED MISSIONARIES

PY101925 Paris AFP in Spanish 0214 GMT 9 Sep 81

[Text] Brasilia, 8 Sep (AFP)--Carlos Atila, the presidential spokesman, today here said that "only a proper investigation will allow us to know whether the two French missionaries who have been arrested in Araguaia, northern Brazil, have indeed incited squatters to ambush government officials."

Fathers Aristide Camio and Francois Gouriou are charged with having incited the peasants to set up an ambush, the spokesman added and pointed out that "there is no proof of this and only an appropriate investigation will establish whether the charge is true."

The French missionaries have been held incommunicado since their arrest on 31 August in Sao Geraldo do Araguaia, Para State. French diplomats visited the detainees last Saturday to check upon their imprisonment conditions and reported that the missionaries are not compalining of mistreatment.

Atila emphasized the difference between the church as a whole and certain radicals within it, whose attitude is criticized by the church leadership.

"Social-minded ideas are perfectly compatible with those of the government" Atila said and expressed the concern which the government feels over the land-ownership conflicts which are taking place in Brazil. He explained that the government tries to peacefully resolve these problems giving land to squatters and enforcing the right to private property which is provided for in the Brazilian constitution.

It has been pointed out that Brazilian law acknowledges the right of squatters to occupy land which is not valuable to its rightful owners.

CSO: 3010/1811

PCB LEADERS ACCEPT FIGUEIREDO'S OFFER OF COOPERATION

PY090150 Rio de Janeiro JORNAL DO BRASIL in Portuguese 3 Sep 81 p 2

[Text] Sao Paulo--On publishing the resolution approved by the National Board on Friday, Givaldo Siqueira, member of the National Board of Communist Leaders--made up of members of the Brazilian Communist Party [PCB] Central Committee, stated yesterday that "for the communists it is not a good policy to reject the hands which President Figueiredo on repeated occasions had extended to the opposition."

The resolution recommends that the workers, businessmen, political parties and other organizations and institutions not reject the proposal of a national agreement made by President Figueiredo. Yesterday, for the first time since the reorganization following the dismissal of Luiz Carlos Prestes from the PCB Secretariat General in July 1980, the National Board of Communist Leaders released to the press the issues discussed in one of their meetings.

In their resolution, the communist leaders state that "in view of the repeated proposals presented by Figueiredo and by high-ranking military officers, the communist leaders do not believe that the best attitude would be that of a hasty rejection. The document also includes criticism of the "radical sector of the Catholic Church."

The resolution was prepared during a meeting held last Friday in Sao Paulo, with the participation of 14 of the 26 members of the National Board of Communist Leaders. Before its publication, the resolution had been approved by all members of the PCB Central Committee, including by those who are abroad, such as Armenio Guedes who is in Paris, and PCB Secretary General Giocondo Dias who is in Moscow.

On recommending against rejection of President Figueiredo's proposal, the communist leaders state that the political-institutional solution to the socioeconomic crisis lies on the democratization of the country's life. They added: "For this very reason, the communists propose to the workers, to businessmen affected by the political and socioeconomic situation, to political parties, to organizations and institutions that are engaged in the struggle for public freedom, a discussion of a political agreement designed to prevent the aggravation of recession, to pull the country out of the economic crisis and to guarantee and expand the exercise of democratic freedoms."

The communist leaders also warn that "the national problems require a prolonged consensus which cannot exclude the armed forces, in order to find favorable solutions to democracy and to development."

In the document, the communists indicate that at the meeting held on Friday they discussed the international political situation, the Brazilian crisis, the resignation of Golbery de Couto e Silva, the results on CONCLAT--the first national conference of working classes.

On discussing the international situation, the communists praise the Brazilian foreign policy and state that "the military build-up orchestrated by U.S. imperialism aims at reestablishing 'cold war,' at blackmailing the dependent countries and at intensifying the systematic provocations to socialist countries, especially the Soviet Union."

The resolution of the communist leaders also discusses the Brazilian crisis and the resignation of Golbery de Couto e Silva, former chief of the civil household. According to them, the former civil household chief wanted the political opening policy to be conducted with the participation of civilians, and therefore he clashed with the group that defends the maintenance of the protection of the regime by the military. Golbery de Couto e Silva represented in the government a faction that supports a trend of not alternating the political forces in the central government, but sought a more important role for politicians and congress, under the command of a 'government palace group' as a form and means of conducting the opening process."

With this objective--the resolution adds--the armed forces ought to have more discretion, to preserve its unity and the intervention possibilities. This position had clashed with sectors of the regime opposed to the opening policy, and with those who, although favorable to the self-reform project, do not want to give up the initiative and the command of the project, and do not accept a mere background role for the high military command, fourth in power, but only that of the main actor, a role which must belong to the government and the forces which support it.

In another passage of the resolution, the communists feel that "the solution to the crisis (the resignation of the former civil household chief) has indicated that the army high command maintains its hegemony within the regime."

On discussing CONCLAT, the communist leaders feel that the policy they defend regarding the union sector has been successful in achieving "unity and diversity," and that this success is reflected in the formation of the national commission of CUT--the Single Workers Federation.

The resolution states that "several ultra-leftist organizations sheltered within the PT [Workers Party] and a radical sector of the Catholic Church have been defeated at the CONCLAT. It also praises Lula [Luis Inacio da Silva] with these remarks: "The PT faction led by Lula has been highly sensitive throughout the debates, to the arguments of the most united leaderships and ended up marching side by side with the policy of unity and diversity."

CSO: 3001/245

ENVOY TO UN CRITICIZES U.S. POSITION TOWARD NAMIBIA

PY102213 Rio de Janeiro O GLOBO in Portuguese 9 Sep 81 p 14

[Text] Brazilian Ambassador to the United Nations Sergio Correa da Costa warned yesterday that time is running out to prevent the "serious threat" posed to the structure of international relations by the situation in southern Africa from materializing, and criticized the United States for "immobilizing" with its veto power the UN Security Council so that it cannot condemn the South African intervention in Angola.

Speaking to the UN General Assembly, which has been meeting in emergency session since 3 September to adopt new measures in favor of Namibia's independence, the Brazilian diplomat expressed skepticism at the U.S. promise to initiate negotiations with South Africa for the independence of that territory.

Ambassador Costa said: "The problem at this time is not to establish whether we are in favor or against a negotiation process, because we must first know if there is any possibility of conducting positive talks." He then voiced the Brazilian Government's conviction that South Africa has no interest in a prompt solution of the question.

The Brazilian ambassador asked: "Who can continue to hope that South Africa is willing to negotiate in a responsible manner, after tiresome demonstrations that there is no interest in putting an end to its dominion over the Namibian territory?"

Costa affirmed that "South Africa does not want to admit the possibility that Namibia may one day be independent under a government not appointed by South Africa," and then blamed the Pretoria regime for the failure of the Geneva talks in January 1981 which were intended to implement UN Security Council resolution 435 whereby Namibia would be granted independence through UN-supervisied elections.

Stressing his government's position that Pretoria should be sanctioned, the Brazilian ambassador asked these questions of the General Assembly: Is there any expedient left to the international community other than sanctioning? Is there any prospect for a future free of disorder and chaos if opposition to prudent actions and peaceful negotiations is not removed?

CSO: 3001/245

MARIO SOARES SUPPORTS DEMOCRATIC PROCESSES IN LATIN AMERICA

PY091844 Rio de Janeiro JORNAL DO BRASIL in Portuguese 8 Sep 81 p 2

[Excerpts] Sao Paulo--In the first interview granted during his present visit to Brazil, Mario Soares, secretary general of the Portuguese Socialist Party (PS) and former Portuguese prime minister, said yesterday that "Brazil must continue with its political opening process since the present social contradictions that it is experiencing can only be overcome through democratic coexistence." He also noted that "it is inherent to Brazilian nature to find a peaceful solution to this situation."

The former leader of the Portuguese Government expressed his concern over the "still undefined" foreign policy of the new U.S. administration, noting that: "I believe President Ronald Reagan should continue enforcing a policy in support (of democratic opening processes) in Latin America. If he does not enforce a coherent policy in defense of human rights and in support of democratic changes in Latin America, I would view developments in Latin America with concern."

After praising the position upheld by Brazil during the South African invasion of Angola--"the position upheld by the Brazilian Foreign Ministry is the correct one since it categorically condemns racism and the invasion of Angola"--Mario Soares noted that the election of the socialist Mitterrand as president of France will have an impact in all countries, "but particularly" in African and Latin American countries.

Mario Soares criticized the Democratic Alliance (AD) coalition--made up of the three Portuguese rightist parties--that assumed the Portuguese Government last week.

He noted: We do not believe that the AD is capable of solving the problems our country is experiencing. The monetary policy chosen by the new government--which is similar to those unsuccessful measures enforced in the United Kingdom by Mrs Thatcher--lead to the same results, that is workers having to carry the burden of the international crisis economic stagnation and multiple social tensions.

CSO: 3001/245

POSITIONS ON EL SALVADOR DISCUSSED

No New Position Taken

PY021902 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 1 Sep 81 p 12

[Text] Brasilia--Itamaraty spokesman Bernardo Pericas stated yesterday that Brazil refrains from adopting any kind of position regarding the Salvadoran civil war. "The Brazilian position is of a general nature, without singling out support to any of the groups involved in the fighting."

Pericas denied that Brazil may be granting any kind of support "to this or that group." As he explained, the Brazilian position has been made quite clear in the communiques released during the visits of the Venezuelan president and of the Honduran foreign minister to Brazil.

Though trying to avoid the subject, Pericas stated that the joint declaration issued by France and Mexico does not involve "necessarily" the nonrecognition of the government junta, or the nonrecognition of the "state of belligerence." He explained that "despite all this, Brazil is against any kind of intervention in El Salvador."

French Envoy Explains Document

PY121912 Sao Paulo FOLHA DE SAO PAULO in Portuguese 10 Sep 81 p 9

[Text] Brasilia--French Ambassador to Brazil Robert Richards met yesterday with Foreign Minister Saraiva Guerreiro to present the French Government's account of the French-Mexican declaration which considers the Salvadoran guerrillas as a "representative political force" in the context of the crisis in El Salvador. The diplomat tried to show, according to Foreign Ministry sources, that it was not the intention of Paris "to interfere in the internal affairs of another country."

The French-Mexican document was released 15 days ago. Last week nine Latin American countries, led by Colombia and Venezeual, violently condemned the French-Mexican position, saying that aside from signifying interference in the internal affairs of El Salvador, the document was promoting the recognition of guerrilla movements in other parts of the world.

Faced with the Latin American reaction, the French Government decided to instruct its ambassadors in the main capitals of Latin America to explain the motives which led France to sign the document. At no time, it was reported, has the French Government had as its objective those denounced by the nine Latin American countries.

CSO: 3001/245

TECHNOLOGY EXPORTS TO THIRD WORLD: $15 MILLION THIS YEAR

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 18 Aug 81 p 35

[Text] Rio de Janeiro--Brazil will sell a total of $15 million worth of technology and services in the mining sector to African, Arab, and Latin American countries this year. After visiting several countries under the new national export plan, a group of experts from the CPRM (Mineral Resources Prospecting Company) will be in Libya today to negotiate the sale of technology for obtaining underground water and building artesian wells.

The above was announced in Rio de Janeiro yesterday by a CPRM expert. In his opinion, the most important thing is not the first contracts to be signed, but the fact that a wide market is being conquered in competition with the Germans, French, and British.

The CPRM expert explained that after tomorrow the CPRM group will be in Saudi Arabia to negotiate the transfer of technology and sale of services for extracting subsoil water. Last week in Nairobi, the Brazilian experts concluded several contracts permitting the CPRM to begin its activities abroad. A $10-million contract was signed with Guinea for evaluating the minerals in its territory. Guinea possesses one-fourth of the world's bauxite reserves (2 billion tons).

According to the expert, Guinea's bauxite has become a captive market for the Soviets, and the country decided to have the potential of its deposits evaluated by a firm from a nation considered neutral, which Brazil is.

According to the expert, Guinean authorities, like those in many African countries, do not view Brazil as an imperialist nation. For that reason, our technology and national services are well received on the African continent, unlike those of developed countries that once played a colonizing role in that region.

The CPRM signed a $3.5-million contract with Benin to carry on prospecting in the latter's subsoil. Negotiations are currently underway for peat exploration in Senegal and subsoil prospecting in Somalia. A $3-million contract has been signed with Angola. It will run for 3 years and covers the exporting of technology and the training of human resources.

The expert said that Brazil has signed contracts totaling $8 million to supply technology and provide services for the following Latin American countries: Nicaragua, Costa Rica, Paraguay, and Uruguay.

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POLITICAL RIGHTS OF CHURCH REAFFIRMED, SUPPORTED BY OPPOSITION

Church Reaffirms Political Rights

PY141748 Paris AFP in Spanish 1905 GMT 10 Sep 81

[Excerpts] Brasilia, 11 Sep (AFP)--It is obvious that the attack launched by Brazilian Government officials on a sector of the Catholic Church is prompted by the approaching elections which will be held in 1982, a crucial date in Brazil's political agenda.

The Church is standing up to defend itself against accusations to the effect that it wishes to get involved in the 1982 elections. However, it is not prepared to curb its criticisms against the government.

Thousands and thousands of grassroots Church communities (CEB) regularly meet throughout the country to discuss Brazil's political and social problems.

The members of the CEB constitute a powerful electoral force which has no connections with the political parties, which are mostly small groups of well-known figures.

Certain Church leaders have also protested the attempts of a certain political opposition party to infiltrate the Church communities.

Jarbas Passarinho, the chairman of the senate, on Wednesday severely criticized the so-called progressive sector of the Church. He accused certain parish organizations of publishing leaflets clearly opposing the pro-government Social Democratic Party (PDS) and favoring the opposition like the Brazilian Democratic Movement Party (PMDB) and especially the Workers Party (PT) headed by union leader Luis Inacio da Silva (Lula).

To prove his charges the PDS senator quoted passages from these leaflets in which the PDS was described as a party of the bourgeoisie, the owners of large land holdings and factory owners. According to the leaflet, the PT is a rank and file party created by struggling union leaders.

Passarinho stated that certain foreign or Brazilian missionaries are advocating class struggle and inciting and organizing squatters to invade privately owned land which leads to social tension especially in the Amazon area.

The National Conference of Brazilian Bishops (CNBB) has rejected the position of those who seek to restrict the mission of the Church to that of a mere disseminator of spiritual principles.

The CNBB made it very clear that it has no political-partisan ambitions or goals, but this does not mean that the Church is apolitical because in practical terms being apolitical means tacit approval for a given political power, whatever it may be.

When asked by the government to keep away from what does not concern it, the Church said that it cannot remain indifferent to the severe social and regional schisms which, in its opinion, are "an outrage against the conscience and a constant threat to domestic peace."

Opposition Parties Support Church

PY141623 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 11 Sep 81 p 11

[Excerpt] Ulysses Guimaraes, president of the Brazilian Democratic Movement Party [PMDB] yesterday delivered a document stating the solidarity of his party with Mario Sampaio, under secretary of the National Conference of Brazilian Bishops (CNBB). On that occasion he said that the slander and harassment which the Church has been experiencing are the result "of the great independence and courage with which it has been struggling against every kind of abuse, and of its pastoral efforts aimed at correcting severe social problems." Meanwhile, Deputy Alceu Collares, leader of the PDT [Workers Democratic Party] bloc in the Chamber of Deputies also delivered a document, in which his party supports the Church, to the under secretary of the CNBB and said that "by attacking the Church in the senate and as chairman of this house, Senator Jarbas Passarinho has involved the congress as a whole."

Alceu Collares said that the attacks on the Church "seem to be part of a plan designed to divert attention from the country's economic crisis. Noting the similarities between the senator's speech and a document released by Major Curio, we have the impression that there are persons interested in creating an atmosphere of social agitation, an agitation promoted by the right." He added: "In civilized countries problems between the Church and the state are always resolved through dialogue, without attacking each other."

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INTERVIEW WITH RECIFE ARCHBISHOP HELDER CAMARA

Sao Paulo FOLHA DE SAO PAULO in Portuguese 16 Aug 81 p 6

[Interview with Helder Camara, archbishop of Olinda and Recife, by Carlos de Oliveira in Olinda; date not specified]

[Text] Olinda--As he completes 50 years in the priesthood, the 72-year-old archbishop of Olinda and Recife, Dom Helder Camara, believes that the measures aimed at democratizing the country "will be worth nothing or very little as long as we have the ideology of national security" expressed in the LSN [National Security Law]. And he suggests to General Golberi do Couto e Silva, who is "clearly the ideologist of national security," that the latter now devote his time, using the experience he gained in the government, to "rethink" that ideology and "safeguard what is indispensable."

Dom Helder observed: "It is obvious that each people must think of its right and even its duty to defend itself, but national security must not crush individual or group security, which are indispensable. No national security must ignore the common good; it must not crush human beings or natural groups."

In an interview with FOLHA DE SAO PAULO, Dom Helder said he has no reason to doubt the sincere desire to democratize the country, and he acknowledges the existence of a political relaxation. "But when someone has an interest in seeing a strike considered illegal, it is considered illegal in the name of national security, and the discussion is over." He also cited the case of Father Vito Miracapillo's expulsion from the country "because he was defending the rural workers."

"Politics--my God in Heaven, what is not politics?" That is the archbishop's reaction when priests and bishops are accused of political action. According to Dom Helder, the role of the bishops is "to encourage our laypeople, as far as possible, to be active politically." He explains: "We are in no way attempting to establish Christianity--to go out and set up Christian political parties or Christian unions--nor are we attempting to turn the Basic Community into a political party."

The archbishop added: "The hierarchical church, and this is the general desire, must remain more in the area of guidance as to principles and encouragement of our laypeople by stimulating them to give up the very dangerous attitude that politics are dirty."

As for the 1982 elections, Dom Helder says: "If they adopt legal tricks, and some sort of concoction is worked up for insuring that the government does not lose--if that is the concoction we are going to have--if the election is going to be cuckolded, it would be better not to spend all that money on holding an election. Brazil does not need those lies."

The archbishop warns: "The people are much more alert than they are thought to be. If the government acts well and respects the common good, and if there is no arbitrariness, no getting tied to multinationals, no bleeding of our raw materials, and a cost of living that does not become stifling, there will be nothing to fear. A good government has nothing to fear. And the opposition wins only to the extent that it also does not come up with demagogic promises."

Bishops' Role: Encourage Laypeople in Politics

FOLHA DE SAO PAULO: How do you define the role of the basic communities?

Dom Helder: The layman is also the church. There is often a temptation to believe that the church means the bishops and priests. That is the hierarchical church. The hierarchical church has its own role. Its job is to help the Church of Christ advance and also to help, very especially, our laypeople. For example, we in the National Conference of Brazilian Bishops [CNBB] were able to outline the "Christian Requirements for a Political Order" (CNBB Official Document, February 1977). It is not impossible that someday we will be able to outline the "ethical requirements for a political order." That would be for those who are not Christians, but who wish to be human beings. Now our role as far as politics goes--the role of the bishops--is to encourage as much as possible our laypeople to be active politically. We are in no way attempting to establish Christianity--to go out and set up Christian parties or Christian unions, not at all. What we are trying to do is help our laypeople have the courage to participate in the country's political life--clearly by helping them analyze programs and also analyze the conduct of people and then make their own choices. Now then, the basic communities are a Christian way of living. We are not at all trying to turn the basic communities into a political party, but we do want them to be places where the situation of the people can be examined, where major human problems can be studied, and where there will be a clear concern for the common good. After that, it will be up to each one to choose as his conscience guides him.

FOLHA DE SAO PAULO: We are approaching November 1982, when we will have elections in this country. Along with the politicians, the church too, in its own way, has launched its own campaign with elementary readers designed to guide the layman into political participation. How do you view those readers?

Dom Helder: I approve, provided that the readers help to form the political awareness of our laypeople so that they learn to examine more than party programs. But

they are very important, especially for our long-suffering people, who in some cases cannot even read--they have to listen to the radio or watch television with their "television neighbors" and sometimes hear the news programs--and they must learn to read between the lines. Many times what is said is contrary to the truth. So we try to help our people--our folks--but I do not see in the CNBB or among the bishops with whom I associate any idea of restoring established Christianity. I don't see any idea of forming Catholic or Christian political parties or any idea of pushing for a party. I feel that those readers are extremely important because they contribute to the political awareness of our laypeople.

FOLHA DE SAO PAULO: Some of those readers, such as the one in Sao Paulo, talk about the parties in symbolic language. Others, such as the one in Juazeiro (Bahia), go so far as to make a critical appraisal of the parties and put the PP [People's Party], the PDS [Social Democratic Party], the PTB [Brazilian Labor Party], and the PDT [expansion unknown] in a clearly unfavorable light in comparison with the PMDB [Brazilian Democratic Movement Party] and the PT [expansion unknown]. Is the church making an analysis of the parties? Is the church competent to do so?

Dom Helder: I don't have those readers at hand. Now, it is clear that there may be human shortcomings from time to time. The church declares itself to be both holy and sinful. So here and there, with the best intentions in the world, there may be an error--someone jumping the gun. What I consider ideal is for us to guide consciences in such a way that the layman himself will then be able, in his own conscience, to examine the programs and the men who embody those programs. But if here and there, with the best of intentions, there turns out to be a reader that goes too far--well, that is human.

FOLHA DE SAO PAULO: Concerning the attempts to manipulate the Basic Church Communities [CEB] by groups, parties, and ideologies, it is certain that the lobbying is going to become more intense as we come down to the wire. What must the church do in that case, since the CEB is defined as "essentially the church"?

Dom Helder: "Church" does not necessarily mean the hierarchical church. The layman is also the church. The hierarchical church, and this is the general desire, must remain more in the area of guidance as to principles and of encouragement of our laypeople by stimulating them to give up the very dangerous attitude that politics are dirty. Since the basic community is there with its laypeople, I don't know how long one can continue to always say that candidates or even parties that visit the basic communities are manipulating them. If the laypeople are being trained and prepared not only to judge and evaluate the programs, but also to judge and evaluate the intentions of the candidates, well then....

I remember all the times I have heard complaints about parties and candidates that visit the people only when an election is coming up. Frankly, I believe that since there is an effort to guide our laypeople and since we want our laypeople to participate actively in party politics--we ourselves are in politics much more from a concern for the common good and for protecting human rights, but we want our laypeople to learn how to participate in party life as well--why should we continue to feel that the politicians only come around at voting time, considering that sometimes they want to come and get better acquainted with reality and discuss problems with the people? Now we always feel that they necessarily come only to manipulate. Obviously, there will also be the temptation to try to obtain votes. A candidate wants to be

elected--that is natural. But I don't know if people shouldn't put some trust in the basic communities, which, if they are preparing themselves to judge programs and candidates, must be prepared for a face-to-face meeting with the candidates who show up. And even if it is the intention of some candidates to manipulate, that provides a test of how prepared the communities are to examine what is proper and to choose what seems best.

People Reject Development Only for Privileged

FOLHA DE SAO PAULO: Do you feel that the CEB is openminded toward the opposition parties but prejudiced against the government party?

Dom Helder: I feel that the problem is not properly stated in terms of being for the opposition or against the government from the very start. The issue is that that is where reality is. The people are much more alert than folks imagine. Anyone who thinks he is going to come here with personal campaigns and try to malign candidate A, B, or C, as the fashion is today.... I remember the presidential campaign in France. So, the people are much more alert than they are thought to be. The people want to know about the cost of living. The people want to know about the big human problems. What the people reject is a form of development which means primarily economic growth for privileged groups. The people want a development that is for the whole man and for all men. And let no one think that just because there are many folks who cannot read and write, they do not know how to think. I feel that if the government acts well and respects the common good, and if there is no arbitrariness, no getting tied to multinationals, no bleeding of our raw materials, and a cost of living that does not become stifling, there will be nothing to fear. A good government has nothing to fear. And the opposition wins only to the extent that it also does not come up with demagogic promises. Because the people must be alert enough to know whether the promises made can reasonably be kept.

FOLHA DE SAO PAULO: Is there at the moment any party that can reasonably be expected to keep its promises?

Dom Helder: I believe that if people were to examine only the programs--well, my God in Heaven! The programs of the former PSD [Social Democratic Party] and the UDN [National Democratic Union] were tremendous programs, but the letter of a program is not enough. We must find out what they are. And that, in great part, ought to be a matter of political publicity, provided that the notorious Falcao Law does not come back. If there really is freedom for the parties--freedom for the candidates to express themselves--then I believe that there will be room for the people themselves to choose. I am not the one who is going to say which party or which candidates to choose. Actually, I feel that our people, even without knowing how to read and write, are often capable of achieving political maturity. And they are already demonstrating political maturity. If you take any of those government programs, it is impressive how our people can analyze them right off. For example, go ask the people what they think of the BNH [National Housing Bank] program, and see whether they can't say immediately. You can even ask them about more serious problems. For example, the Law on Foreigners or the National Security Law itself. The people can analyze those things right off.

FOLHA DE SAO PAULO: In your opinion, what is the importance of holding the 1982 election?

Dom Helder: First of all, we will have to see the extent to which the election law, which is going to be debated, turns out to be a decent law. Because if they adopt legal tricks, and some sort of concoction is worked up for insuring that the government does not lose--if that is the concoction we are going to have--if the election is going to be cuckolded, it would be better not to spend all that money on holding an election. If it is going to be cuckolded, Brazil does not need those lies. If that is the case, let it be said once and for all that Brazil is not mature enough for elections--and that is a serious error and a most deplorable deception and something that can be said only by someone who fears elections. So then, I believe that if--especially--Congress is free to debate and we get a valid election law, the experience of 1982 will be worthwhile.

FOLHA DE SAO PAULO: What will the elections demonstrate for the future?

Dom Helder: Well, that will depend a great deal on the election law we get. Because what we have there are not only chemists--alchemists who know how to square accounts. We have a very clear example in the famous "bionic" senators. That was a very interesting initial experiment in electoral chemistry. But if there is time to debate the election law, anything that smacks of electoral alchemy can be denounced. And in my opinion, anyone who sincerely wants a political opening-up must take care to see that there is a decent and honest election law, not a cuckolding.

FOLHA DE SAO PAULO: You used the expression "political opening-up." What is your opinion of Brazil's democratic opening-up?

Dom Helder: I have said several times that as long as the ideology of national security continues to assign supreme value to national security, they can open up all the doors, windows, gates, and everything else in the name of national security. Because if it is a supreme value, anything can be justified on the grounds of safeguarding that supreme value. In my opinion, that is idolatry. No human value can be absolutized. The absolute and infinite is God and no one else. Anything can be justified on the grounds of defending the supreme value. When I saw Minister Golberi resign as chief of the Civilian Household of the Presidency and watched that chorus of acclamation for Golberi, I started thinking: who knows?--maybe the minister, who is clearly an ideologist of national security, will have time and enough experience--after all, he can observe all those years from inside, from close up--to rethink national security so as to safeguard what is indispensable. Because it is obvious that every people must think about its right and even duty to defend itself, but national security must not crush individual or group security, which are indispensable.

FOLHA DE SAO PAULO: In that connection, how would you situate the political relaxation in Brazil today?

Dom Helder: I will say only this: I have no reason at all to doubt anyone's sincerity. I am not saying that efforts have not been made or that steps have not been taken, but we have specific examples. There is a political relaxation, but when someone has an interest in seeing a strike considered illegal, it is considered illegal in the name of national security and the discussion is over. I have no doubts about the fate of any newspaper that might appear to be harming national security. There is

all that relaxation, and sometimes the press goes pretty far. As long as it does not harm national security, everything is just fine. We have a specific case right here. When Father Vito was expelled, we saw that all the bishops and the entire Brazilian church were on his side, because they knew, especially from the testimony of Dom Acacio of Palmares, who was Father Vito's bishop, that the only reason he was expelled was that he was defending the rural workers. But that is what happened. Under the Law on Foreigners, a foreigner cannot engage in politics. It does not say party politics. If it said party politics, we could talk about that. But politics--God in Heaven, what is not politics? What cannot be interpreted as politics, when I feel that politics, in the broad sense of a concern for big human problems--the defense of human rights, which were established by God Himself--is not only a right but a duty of every human being, chiefly of a Christian and even more of a pastor? Well, then. When Father Vito was being expelled, one of our priests, who is a poet and who has written several of the most beautiful hymns we have, wrote a poem about Father Vito. And at that moment he was reflecting an outcry not only of the Catholic conscience but of the Brazilian conscience. And our priest was tried for an offense against national security. I offered to defend the priest, and I recalled, since I was appearing before a court for the first time, that in my opinion it was serious--extremely serious--to assign an absolute value to any human value. It is idolatry. I denounced idolatry. And throughout the church's history, incidentally, the prophets have always denounced idolatry.

Safeguards Must not Crush Human Beings

FOLHA DE SAO PAULO: A few days ago Vicente Scherer (cardinal archbishop of Porto Alegre) said that a complete return to a state of law is necessary because it is a national aspiration. What is the importance of returning to a state of law?

Dom Helder: That is like asking whether it is important for a person to be healthy. Is it important for a person to be delivered from a disease? Because democracy--genuine democracy--is health. Since the disease must be gotten rid of, it is clear that this is a matter of national interest; it is a national yearning.

FOLHA DE SAO PAULO: There is talk about the constitutional assembly. Do you consider it indispensable to call a national constitutional assembly in order to achieve a state of law?

Dom Helder: I feel that the wisest measures and the broadest and most thoroughgoing measures will be worth nothing or very little as long as we have the ideology of national security. If it continues as the supreme value, the constitutional assembly itself could be closed down in no time.

FOLHA DE SAO PAULO: What do you see as an alternative to national security?

Dom Helder: Well, I feel that that is a matter which in fact deserves debate--it deserves examination. I don't want to be an ideologist of the new national security, but I would remind you of this: first, it cannot be a supreme value. And second, there must obviously be a safeguarding of the country's right and duty to defend itself. But no national security must take precedence over the common good. It must not crush persons or natural groups. Well now, the one who knows how to do that is perhaps the ideologist of Brazilian national security himself; he now has the time and leisure and has acquired enough experience to reexamine it.

FOLHA DE SAO PAULO: Is national security the only obstacle to a political relaxation?

Dom Helder: No. I am talking about the main obstacle, which seems to me to be the major obstacle and the one that gives rise to various other obstacles.

FOLHA DE SAO PAULO: For example?

Dom Helder: I do not want to set myself up as a superexpert. That is not the mission of a bishop. Nor am I a specialist in any of those matters. I am a pastor, and I see the consequences for my people. It is in that context that I speak.

FOLHA DE SAO PAULO: How do you see the issue of unemployment?

Dom Helder: Here we have a workers organization that some time ago--when things were less serious than they are today--issued two publications that have still not been answered by SUDENE [Superintendency for Development of the Northeast]. The first was "Northeast: Development Without Justice." And later, during a public assembly, another publication was issued with the title "Northeast: Man Prohibited." Its point is that the way things are now, the situation is not human: it is subhuman. If that was the case when there were more jobs, what are we to think today, when there is mass unemployment? I feel that this situation is extremely serious and extremely urgent, and all the while we are involved in this business of opening up the country--flinging open the doors--to the multinationals. It is funny that there is so much talk about the law on foreigners. What I would like to see is a law concerning that foreigner called the multinational.

FOLHA DE SAO PAULO: Do you regard the multinational as an evil in itself?

Dom Helder: I don't say an evil in itself, but the way things look now, it comes in all full of promises and then does nothing but make our situation worse. And also, the truth is this: our situation is closely tied to a worldwide situation. The Brazilian problem cannot be solved by looking only at our own country. Fortunately, we have specialists for that purpose. And the young people see this with extraordinary shrewdness.

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PIRES AFFIRMS MILITARY'S ROLE IN POLITICAL, SOCIAL AREAS

Brasilia CORREIO BRAZILIENSE in Portuguese 21 Aug 81 p 4

["Exclusive" interview with Army Minister Walter Pires de Carvalho e Albuquerque by Brazilian News Agency [EBN]: "Pires Reaffirms Security Concept"; date and place and name of interviewer not given]

[Text] Army Minister Gen Walter Pires de Carvalho e Albuquerque, in an exclusive interview granted to EBN (Brazilian News Agency), emphasized the role of the armed forces in the process of improving the regime, asserting that their constitutional mission "is to defend the nation and guarantee constituted powers, law and order.

"The Army, united, coordinated and linked in its ideas with the Navy and Air Force," said the minister, "provides the government legal and unconditional support so that it may achieve its aim, which is that of all good Brazilians: to consolidate true democracy in our land."

In the interview, General Pires calls attention to the Army's activities in the fields of national development and national security, saying that a less careful reading (of Article 91 of the constitution) "can lead to the erroneous idea that the armed forces are to limit themselves to strictly military activities.

"This conclusion is not correct," the Army minister emphasized, "when one considers that national security must include action--mainly preventive action--in all fields of national power: political, economic, psychosocial and military, which are interdependent and react with each other."

He further pointed out that the current strength of the Brazilian Army is about 180,000 men, although acknowledging that this figure, compared with the nation's continental dimensions, is relatively small.

He said that, for the present, there is no plan to increase the size of the Army, in view of the limitations imposed by the nation's current economic and financial situation.

"Today's army is much better equipped and for the most part is supplied with materiel manufactured by domestic industry, but the spirit remains the same. The dedication, the comradeship, the unity, the professional competence and allegiance to the nation of the Army's components remain immutable. Let us remember that the dissensions which arose during the pre-revolutionary period, to be expected on the part of those who were not strong-minded, who did not have firm democratic convictions or sufficient discernment to resist the Machiavellian communist propaganda, were so relatively weak as not to shake the institution's unity. After all," asserted Walter Pires, "it was the Army that made the revolution before the Revolution!"

The army minister also called attention to the festivities commemorating Soldier's Day and Army Week, stressing that "the memory of the great national figures should be exalted and revered," discoursing further about the process of democratic training in military recruitment.

At the end of the exclusive interview with the EBN, Minister Walter Pires addressed a message to Brazilians, particularly to our soldiers who are serving in the remote corners of the nation.

The Interview

The entire interview with the army minister is as follows:

Reporter: We are approaching the festivities of Soldier's Day and Army Week. In view of this, I ask Your Excellency what is the significance of Army Week for the nation's institutions and, in the broader sense, for the Brazilian people?

Minister: The date of 25 August is the birthdate of Marshall Luis Alves de Lima e Silva, the Duke of Caxias, the patron of the Brazilian Army.

We believe the memory of the famous figures of our history must be exalted and revered, not merely as a requirement of citizenship and national gratitude, but also to provide the younger generations with the edifying example of their deeds.

We also believe that the admirable life of Caxias, all of it dedicated to the highest interests of the nation, deserves to be evoked as a constant source of inspiration for all Brazilians, who will find in the incomparable figure of this great patriot the perfect example of the citizen and the soldier.

That being the case, the dignifying role of the Brazilian soldier--legitimate successor to the work of Caxias in constructing the greatness of Brazil--must be commemorated on the date that is dedicated to him, to demonstrate to the nation the worthiness of the anonymous and unheralded work of its devoted servants, misunderstood at times, in fulfilling their arduous duty.

For these reasons, 25 August, the natal day of the Duke of Caxias, is commemorated as the Day of the Soldier, in the course of Army Week, making possible ample contact

between the military and the public, as well as commemorating episodes in the full life of Luis Alves de Lima e Silva.

Reporter: The Brazilian Army is proud of the democratic training in recruitement of youth for military service. Can Your Excellency go into detail about this?

Minister: The Brazilian Army, as everyone naturally recognizes, is an institution characteristically representative of our people.

Within its ranks class distinctions are lost, social differences and inequality disappear, as everyone is made equal in the comradeship of the barracks.

The army is, so to speak, the point of convergence at which our patriotic youth from all backgrounds come together annually to render military service.

It is the nation itself, constantly renewing its permanent vigil, guarding all parts of the national territory.

This heterogeneity of backgrounds, creeds and races that are fused in the fellowship of the barracks gives the aspect of democratic training to the army, to its homogeneity of procedures, to its unity and its strength.

This is the heritage of those who wear the olive-green uniform, that of belonging to an institution that does not distinguish the rich from the poor, the black from the white, Catholics, Protestants or Spiritualists, but is proud of its origins and of its authentically popular nature.

The army is, in fact, the armed people themselves.

Reporter: What is the role of the armed forces in improving the regime?

Minister: The constitutional role of the armed forces is to defend the nation, and guarantee constituted power, law and order.

Hence, it is the duty of the army, along with the other armed forces, to guarantee to the powers of the republic the necessary conditions for improving the regime, maintaining the state of security indispensable for development and democracy.

The army, united, coordinated and linked in its ideas with the navy and air force, provides the government, in keeping with its constitutional mission, legal and unconditional support so it can achieve its aim, which is the aim of all good Brazilians: to consolidate an authentic democracy in this nation.

Meanwhile, there is another way in which the armed forces contribute to the people's civic and democratic education, essential to the institutional improvement of the nation: performing military service, to which I have just referred.

Reporter: What is the army's action in the field of national security? And in the nation's development?

Minister: The army devotedly fulfills its constitutional mission, prescribed in Article 91 of our magna carta: "The armed forces, essential to executing national

security policy, have the responsibility of defending the nation and guaranteeing the constituted powers, law and order."

A less careful reading of this legal provision can lead to the erroneous idea that the armed forces must restrict themselves to inherently military actions. This conclusion is not correct, as national security must cover actions--mainly preventive actions--in all fields of national power: political, economic, psychosocial and military, which are interdependent and react with one another.

In the military field, which, as the end-purpose, must predominate, the army guarantees the nation's defense through the presence of its units throughout the national territory as a means of effectively assuring--in the domestic sector--politico-social stability, while also being a basic factor of national integration. Furthermore, a suitable operational level must be maintained so that the army is ready to fully perform its constitutional duty, at any moment and under any circumstances.

The army's contribution to national development was in supplemental activities. It seized the opportunity to enumerate the principal tasks to be carried out in the various fields.

In the educational sector, the army contributes to improving the level of scholarship through its regimental schools; it trains a large number of recruits for civilian occupations, many through an agreement with the Labor Ministry; it organizes summer camps at a great number of its posts; it provides aid to middle-level education through nine military academies located from the north to the south of the nation and to higher education through the Military Engineering Institute (IME). In regard to these academies, I should like to point out that they currently have about 8,000 students, the majority of whom will follow civilian careers upon graduation. As for the IME, this scientific and technological center of international renown graduated during the last 5 years, besides 800 military, about 1,500 civilian personnel, from both undergraduate and graduate levels.

In the field of social welfare, I point to the assistance to needy populations, particularly the civic-social action known by the acronym ACISO and the aid in event of public calamity.

In the field of transportation, our military engineers have accomplished works of large size and significant cost, in the highway sector and the railway sector as well, in addition to building dams, landing fields, water-supply systems, thousands of houses, and much more.

In cartography, I cite the survey and mapping in the Central Plateau, in the South, in the West and in the Amazon region, and the aerial photography and special surveys of border areas.

In industrialization, we are transferring military technology to the civilian sector, assigning all priority to Brazilian industry in orders for equipment and thus seeking the maximum incentive to develop the nation's civilian ordnance industry.

Finally, I could not fail to mention the highly significant social work done by our units in the most far-flung regions, breaking ground, establishing settlements and aiding, with medical, cultural and other resources, the people living near the post.

Reporter: Is the current strength of the army sufficient to meet the nation's needs or is there a plan to increase it?

Minister: Our strength is about 180,000 men. We admit that this strength, compared with the continental dimensions of the nation, the importance of its geostrategic location, the length of our borders, Brazil's role in international relations and the current population, is quite small. However, thanks to an efficient organization, it covers the whole national territory adequately and, thanks to effective planning, is able to quickly concentrate forces where necessary. The units have an appropriate operating level and the troops have great professional competence. For all these reasons, these 180,000 men are able to provide a sufficient degree of security.

At present, in view of the nation's current economic and financial situation, there are no plans for increasing the army's strength.

If needed for the nation's defense, strength can be greatly increased through the draft.

Reporter: What are the major differences between the army before the 1964 Revolution and the army today?

Minister: In material terms, I see differences. Today's army is much better equipped and, for the most part, supplied with material made by domestic manufacturers, unlike the army of those days, whose purchasing, supplies and maintenance of ordnance were almost completely dependent upon foreign sources. Our organization today has a more efficient structure, in modern administrative terms, with specialized elements and established objectives, all as a result of administration.

However, the spirit remains the same. The dedication, the comradeship, the unity, the professional competence and love of country of the army's components are immutable. Let us recall that the dissensions arising in the pre-revolution epoch, natural on the part of those who did not have a strong spirit, firm democratic convictions or sufficient discernment to resist the Machiavellian communist propaganda, were so relatively few that they did not shatter the institution's cohesion. After all, it was the army before the Revolution that made the revolution.

Today, as yesterday, unity, comradeship, discipline and respect for rank characterize the Brazilian Army.

8834
CSO: 3001/242

INDUSTRIAL GROWTH DOWN 3.1 PERCENT IN FIRST 6 MONTHS

Rio de Janeiro O GLOBO in Portuguese 17 Aug 81 p 14

[Text] Brasilia--The growth rate in the Brazilian industrial sector during the first half of 1981 was down 3.1 percent in comparison with the same period last year, according to surveys conducted by the Planning Secretariat.

The sector that pulled the rate down was the processing industry, in which growth over the past 6 months was down by 3.4 percent. The result was that the country's real product for the period from June 1980 to June 1981 came to 4 percent. In the same period, the real agricultural product registered 8.8 percent, while for industry it was 2.7 percent and for the service sector 4 percent.

In 1981, the average cumulative growth in the industrial sector by month was as follows (in percentages): January: 1.8; February: 2.8; March: 0.2; April: down 0.1; May: down 1.3; and June: down 3.1. Last year the rates were: January: 6.5; February: 8.6; March: 8.6; April: 7.0; May: 6.7; and June: 7.1.

Industrial Sector

The Planning Secretariat estimates that the average cumulative growth for the industrial sector during the first half of this year was down 3.1 percent. Construction was down 5.7 percent, processing was down 3.4 percent, mineral extraction was up 1.8 percent, and public utilities were up 6.4 percent.

For the first half of last year, industrial growth was 7.1 percent, with construction up by 4.8 percent, processing up 6.9 percent, mineral extraction up 21.2 percent, and public utilities up 11.6 percent.

Only food, tobacco, clothing, and footwear showed positive industrial production in the first half of this year.

The other products, such as metallurgical products, chemicals, plastics, transportation equipment, paper and board, electrical and communications equipment, beverages, mechanical engineering, nonmetallic minerals, and textiles, showed declines for the 12 months ending in June 1981.

For the automotive industry, the first half showed a drop of 26.4 percent in the production of light trucks and utility vehicles, while auto production dropped by 24.2

percent. Production increased in the case of buses and minibuses (49 percent) and trucks (17 percent).

Public utilities were up by 6.4 percent in the first half of this year (compared to 11.6 percent in the first half of last year). The Southeast Region (up 6 percent) was the main contributor to that weak performance, since growth was above average in the other regions. In the Southeast Region, the main component of that small increase in electricity consumption was industrial use, which rose by 5 percent. The main power producing companies in the Southeast (ELETROPAULO [Sao Paulo Power Plant], the CESP [Sao Paulo Electric Company], LIGHT [Light Electric Services, Inc], and CEMIG [Minas Gerais Electric Power Plant, Inc]) showed less growth in industrial use than in overall consumption.

Electric power consumption by industries located in the metropolitan area rose by 0.8 percent in the first half of the year, compared to the same period last year. In June, the decline was 3.8 percent, while for the latest 12 months it was down by 10 percent.

According to the government survey, the slowdown in the Brazilian economy is due to the process of adjusting to the new conditions imposed by the worldwide economy following the second oil crisis. The basic tools used to restrain development are monetary and tax policies aimed at checking overall demand as well as expenditures by the government itself. Their objective is to improve the economy's external sector and reduce inflation in the midst of an international panorama of recession and high interest rates.

11798
CSO: 3001/240

EDITORIAL VIEWS SIGNIFICANCE OF STATEMENTS BY MILITARY

PY101744 Sao Paulo FOLHA DE SAO PAULO in Portuguese 27 Aug 81 p 2

[Editorial: "Filling Spaces"]

[Excerpts] The newspaper pages devoted to political news have in recent weeks been filled with statements by military chiefs. The importance of such statements and attention focused on them by the press and public opinion are not simply due to their content but, to a large degree, to the fact that the barracks' usual discretion is being replaced by statements obviously intended to make an impact on public opinion.

The political tone of declarations by several army generals should not be surprising, including those by Army Minister Gen Walter Pires, and particularly the one by Navy Minister Adm Maximiano da Fonseca on soldier's day. The differences in shade and at times even the frank divergence in views should not be surprising either. And it should not because, although the armed forces are united and in unison on the question of principle--as was emphasized in all statements--the speeches could not but express differences on strictly political questions.

In this regard, the speech made by Maximiano da Fonseca pointedly said that "the struggle for the conquest of power by different factions is in reality the history of nations." For that very reason, the appropriate space for politics--ruling out violence as the minister quite correctly stressed--encompasses necessarily differences in conceptions and interests, precisely because it is to contain the struggle for power. Struggles, by the way, are also present in closed regimes and even in regimes with a strong identification in ideology and long-term interests--as has been the case with the factions which have come to power since 1964.

Thus the latest pronouncements by the army minister and the navy minister--who, it is worth noting, also spoke on behalf of the air force--seem to have political lessons of highest importance. The first lesson is that the armed forces' unity and cohesiveness are unquestionable from the constitutional standpoint and as a matter of pricniple, and stand above the political interests of factions. Admiral Fonseca made this lesson clear by emphasizing the cohesiveness of the armed forces in the nation's historic struggles. He praised "the strong unity of Brazil's militarymen as the best touchstone of the very unity of the nation." Just as clear were the references made by Gen Walter Pires to "the identity of sentiments

and ideals of colleagues in uniform who share equal responsibility, bear similar concerns and pursue the same objectives."

The second lesson is also clearly stated in the navy minister's soldier's day speech when he said that the divergence of opinions is proportional to the relevance of the issues in the context of a transition toward democracy. By the way, it can also be said that the expression of divergence is also permitted by the greater margin of action available to different factions not only to struggle for power but also to struggle for more freedom or greater protection for their interests.

CSO: 3001/245

GOVERNMENT POLICY ON UNEMPLOYMENT EXAMINED

PY050248 Rio de Janeiro BRAZIL HERALD in English 4 Sep 81 p 2

["Employment Situation": Summary of editorial from Sao Paulo O ESTADO DE SAO PAULO of 1 Sep]

[Text] Although the reliability of unemployment statistics--giving widely divergent figures--is questionable, no doubt can exist any more about the fact that the problem becomes now highly disquieting. With welfare subsidies and guarantee fund, a jobless worker can sustain himself and his family during no more than 3 months. From the fourth month onward, he will depend on private charity or have recourse to actions of despair, generally criminal activities. The unemployment problem affects many countries currently but Brazil evidently has failed to prepare itself for this contingency.

In highly industrialized countries, unemployment insurance and indemnities for dismissal are easing the problem. It is evident that Brazil at the present moment cannot think of introducing such systems. Anyway, it is more advisable to channel resources toward creation of employment opportunities than to spend money on labor indemnities. Should money be available, it should be used for public investments.

Should the present level of unemployment persist or grow further, the government may have to institute new forms of taxation. But this would be a last expedient at this time of efforts to put the public finances in order. Any decisions will depend on whether unemployment is only temporary or structural and therefore not likely to disappear quickly. It seems, however, that both reasons work together. In some sectors, activities may increase very soon, improving the labor situation. In some other sectors, including the automotive industries and the industries depending on them, the employment levels will not reach the former figures in the foreseeable future. This should motivate efforts to direct workers who have lost jobs to other activities.

It should not be forgotten that the present wage policy is a factor of unemployment. This policy should be revised before it causes a social drama.

The government thinks of transferring jobless workers to regions of Brazil where big projects are underway, like Carajas. This seems to be a dream without any reality. These projects will employ many workers, but in the states concerned, Maranhao for instance, where people never had many employment opportunities and should therefore be the first to benefit.

In any case, the government should have a clear notion of the preponderance of the social problems currently, which, if not tackled, may impair the process of democratization.

CSO: 3020/151

ELECTORAL REFORM INTENDED FOR BENEFIT OF PDS

PY071958 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 4 Sep 81 p 3

[Summary] The government is adopting new electoral rules for the presumable benefit of the PDS [Social Democratic Party]. Some of these rules have already been defined by the executive branch and others are being suggested by congressmen who are eager to serve the government. The government will soon submit to congress rules referring to the creation of "intra-party subgroups" [sublegenda] in elections for governors; the reduction of time of residence requirement for electoral purposes; the prohibition of candidacies of those who have been sentenced or indicted under the national security law; and the creation of three new states. Other rules such as the adoption of the dictrict vote and the optional vote should be added by government friends in congress. Next year, rules to hinder party coalitions should be enacted.

Each rule is specifically intended to help the PDS close the margin of defeat or to win elections at the various levels.

"The 'intraparty subgroups' in the elections for governors should ensure the coalescence of the PDS in various states by lumping together the votes of its different factions, namely in the states of Parana, Sao Paulo, Minas Gerais and Pernambuco where victory of the opposition was secure."

"With the reduction of residence time requirement, governors such as Paulo Maluf could become candidates for deputies or senators in the new states to be created."

"The prohibition of candidacies of even those who have been indicted under the national security law is a juridical and democratic distortion, but it will put an end to the aspirations of Luis Ignacio da Silva and any other undesirable candidates who the government wants to put out of the competition right up to election time in November 1982. This rule amounts to a death blow to the Workers' Party [PT] which will stay organized as a party only if figures such as Lula participate in the elections.

"The creation of the state of Rondonia, Roraima and Amapa will serve the government to establish candidates and to elect another nine senators (three for each new state) and another 18 deputies (six for each new state) in a victory over the opposition which should not be difficult for various reasons."

Holding the elections in two stages could simplify matters for the elector who, otherwise, would have to vote at once for mayors, vice-mayors, state deputies, governor, vice-governor, federal deputy and federal senator--including the "intra-party subgroups" which complicate the process threefold. Holding municipal elections where the PDS has a strong margin in its favor in a first stage could not only influence the elections for governors and congressmen, but also hurt the opposition in campaigning for the second stage elections.

The district vote would demoralize the parties by doing away with the so-called party vote, a vote which the party can apportion to its various candidates. The district vote will ban the transfer of excess votes from one candidate to another candidate of the same party, and it will hurt the opposition which happens to have the top vote drawers. It may also make small parties such as the PT and the Democratic Labor Party [PDT] unviable, considering that they can only grow through the party vote.

The optional vote should also benefit the PDS since in the interior voters will continue to be brought to the polling places on trucks, enticed by the promise of food, while in the large urban centers where the opposition holds the majority, many of the voters may prefer to go to the beach or stay in bed, depending on the weather on elections day.

So these rules to manipulate the electorate should be passed into law during this year. The rule banning party coalitions and other rules which may be considered necessary should be passed in the first half of 1982. The constititutional mechanism whereby a bill is automatically passed whenever congress fails to vote on it within the time allowed for its discussion should serve the government's purpose quite well.

CSO: 3001/245

POLITICAL, ECONOMIC MODEL WILL NOT BE CHANGED

PY050126 Buenos Aires TELAM in Spanish 1745 GMT 29 Aug 81

[Text] Belo Horizonte (Brazil), 29 Aug (TELAM)--Brazilian Finance Minister Ernane Galveas has warned that the political and economic model established by the Brazilian Government is untouchable.

This remark of his was disclosed today in this city as being part of an impromtu talk Galveas held last night with the journalists of Belo Horizonte, capital of Minas Gerais State.

"The possibility of turning power over is being handled by the Brazilian Government from the standpoint of a natural outcome of the process of political normlization," Galveas said. He added, however, that "any attempt at changing the current political and economic process is inadmissible."

After warning that should such an attempt take place, the reaction would be difficult to predict, he added: "For example, no one will allow an opposition party, should it take over power, to try and expel the multinationals and place the economy under state control."

He emphasized that "this would mean a severance with democratic capitalism which we view as the most appropriate social model for our country."

Gen Henrique Beckman Filho, acting commander of the II corps said in Sao Paulo that the government has yet to decide whether the presidential candidate for the 1984 elections will be a civilian or a military officer. He indicated that the nation does not belong to civilians or military men alone and that the revolutionary period required that the president be a general. However, within the current process of political relaxation any honest citizen, whether in uniform or not, could be the president if he has the necessary qualifications for it.

In a reference to recent popular demonstrations in the capital of Bahia State, General Beckman said that it is obvious "that certain events worry us, but nothing will disrupt congressional elections scheduled for the coming year."

He concluded by saying that "certain individuals take advantage of any pretext at all to disrupt order at the very moment when President Joao Figueiredo wants to reinstate democracy. Instead of cooperating, these persons are professionally advocating violence which can in turn degenerate into anarchy."

CSO: 3010/1811

AMENDMENTS TO SOCIAL SECURITY, WELFARE LAW

PY040344 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 3 Sep 81 p 19

[Excerpt] The bill sent by President Figueiredo to congress proposes six amendments to the urban social security and welfare laws No 3807 of 26 August 1960 and No 6205 of 29 April 1975. The first one instituted the service of social security and welfare, and the second one exempted salary contributions for retirement on minimum salary, and created the reference salary as half the value of the highest minimum salary in force in the country.

The main two amendments which are to be passed by congress and which will immediately boost the finances of the social security and welfare program are these: eliminating the 110 percent of the NCPI [National Consumer Price Index] paid to retirees on up to three times the minimum salary; and raising the ceiling of salaries subject to social security and welfare contribution from 15.5 to 20 times the minimum salary, doing away with the reference salary.

By stipulating that the factor for readjustment of maintenance benefits paid by the INPS [National Social Security Institute] will be the NCPI current during the month new minimum salaries go into effect, the Social Security and Welfare Service [SSWS] will no longer have to pay every 6 months for readjustment of the minimum salary plus 110 percent of the NCPI to the 6 million retirees who collect up to three times the minimum salary and who did not make any contribution, thus saving more than 37 billion next year.

With the higher ceiling for salaries subject to contributions from 15.5 to 20 times the current minimum salary (133,540 to 169,296 cruzeiros), the SSWS will have receipts of 75 billion cruzeiros in 1982.

The bill's article number 2 provides for collecting contributions on retirees who accept paying jobs and for suspension of pension payments.

The resources of the Social Assistance and Welfare Fund [FPAS] will no longer be apportioned by ministerial resolution, but by presidential decree.

A Consultation Council for Health Assistance Administration [CONASP] will be created. The CONASP will have full management of medical assistance.

[Editor's note: Sao Paulo FOLHA DE SAO PAULO in Portuguese on 3 September, page 1, states that "the real 'hole' in the social security and welfare program would be 17 billion cruzeiros, as previously reported by FOLHA, not 150 or 200 billion as it has been announced by some government sources. This has been confirmed by the fact that the measures now taken by the government will add no more than 80 billion cruzeiros to the program's till in 1982."]

CSO: 3001/245

COMMUNISTS OPEN CAMPAIGN TO LEGALIZE PCB, ISSUE DOCUMENT

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 20 Aug 81 p 4

[Text] Formally established yesterday in the press room at the Legislative Assembly, the Sao Paulo Committee for the Legality of the Brazilian Communist Party [PCB] issued a document proposing solutions to the Brazilian crisis, which it considers "the most serious in the history" of this country. After proposing the struggle for democracy as an alternative to recession, the committee suggested the launching "immediately of the campaign and candidates of the democratic parties and the building of the indispensable unity for defeating the enemies of freedom, employment, and bread for the Brazilians."

The committee to legalize the PCB is made up of David Capistrano Filho, Irineu Luiz Moraes, Joao Guilherme Vargas Neto, Jose Carlos do Carmo, Jose Ferreira da Silva (Frei Chico), Marco Aurelio Nogueira, Marcos Andreotti, Marco Moro, Sebastiao Francisco, and Ubiratan de Paula Santos. Its launching was lent prestige by the presence of deputies from the PMDB [Brazilian Democratic Movement Party] and the PT [expansion unknown].

Former union leader Luis Tenorio de Lima attended the launching of the committee and said that if necessary, his members will go to Brasilia "to request personally of the president of the republic that the PCB be legalized, since anyone who wants to lead the country to democratic normalcy cannot discriminate among political movements." And David Capistrano emphasized that while the government does not recognize the party's existence, the military court has issued a notice calling on communists or CP leaders to collect a high sum of dollars which it says belongs to the party. Capistrano protested: "That proves that there is blatant inconsistency. Instead of money, what the Communists are demanding, at the least, are the bodies of comrades who died beginning in 1964."

"Democracy Without Adjectives"

During the interview in the Legislative Assembly, the members of the committee emphasized: "We are radically in favor of democracy, without concessions and without adjectives. We are certain that it is only within the democratic context that we will be able to overcome the country's serious problems."

They continued: "Precisely because of that, we defend party pluralism and the free expression of ideas and concepts. In that context, we regard as unjustifiable the action taken decades ago to prohibit the Communists from organizing as a political

party. The discrimination against the PCB--the only one of Brazil's parties to remain permanently alive and active since the Old Republic--represents an anachronism that is incompatible with our modern society."

Document

In the document distributed during the interview (entitled "Time for Initiative and Clearheadedness"), the committee members analyze the current moment in Brazilian politics. The manifesto emphasizes: "The bombs and the result of the IPM [Police-Military Inquiry] in downtown Rio de Janeiro affronted the nation. At first, the consequences of the episode were underestimated, and the democratic camp turned to the 1982 elections as an exceptional opportunity to express the country's indignation. But the departure of General Golbery ripped away the veil concealing reality and laid bare the extremely serious crisis in which we find ourselves."

After emphasizing that "the tactics designed to cover up terrorism are occurring at a time when the economic crisis is worsening," the committee for legalization of the PCB proposes the following: "A public investment policy aimed at reviving the economy and generating jobs; renegotiation of the foreign debt; a new energy and transportation policy that will include a freeze on the nuclear program and give priority to railroads and waterways; stimulation of the production of essential items; continuation of the 6-month wage adjustments; establishment of unemployment pay; and a resolution of the crisis in the INPS [National Social Security Institute] without increasing contributions and with a continuation of the length-of-service retirement."

The committee members also stressed that "the alternative to recession is inseparable from the struggle for democracy," and they warned: "We must avoid despair. Giving in to the temptation to engage in isolated, extremist, and reckless acts amounts to putting rocks in our own shoes. It is a time for optimism and for a willingness to join the united struggle against recession and the threat of political retrogression."

11798
CSO: 3001/240

INNOVATIVE MACHINEGUN INTRODUCED; IMBEL FORMS EXPORT FIRM

Machinegun Could Revolutionize Market

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 23 Aug 81 p 34

[Text] Rio de Janeiro--The international ordnance market is likely to feel an impact in the next few months from introduction of the Brazilian Uirapuru 7.62-NATO-caliber machinegun developed with domestic technology by army engineers and the technical staff of Mekanika Industria e Comercio Ltd of Rio de Janeiro.

The new machinegun, which will be mass-produced by the end of the year, is intended to revolutionize the light-weapon market with a number of innovations: sturdiness of tripod, ease of maintenance and precision of long-range firing. Supply contracts for nations of Africa and the Middle East are already being studied by the National Security Council and the Foreign Affairs Ministry, the agencies responsible for the National Exporting Policy for Military-Use Materiel (PNEMEM).

The Maria Bonita--as it was initially christened--should soon become an important item on our list of exports. Various specialized foreign publications have requested information from the Army Ministry about its main characteristics. Even China displayed an interest in obtaining details about its operation.

"The concept of the projected Uirapuru puts it in a privileged position compared with its American- and European-made counterparts, which require great technical mastery of the equipment and highly sophisticated maintenance. Relatively light (13 kilograms) and of versatile use, the Uirapuru became a sort of Fusca of the universal machineguns, so easy is it to handle and maintain," explains economist Eduardo Guinle, one of the directors of Mekanika.

The Uirapuru, due to its characteristics, dispenses with lengthy training and permits the user to become familiar with the weapon quickly. Its basic use is as an infantry-support weapon in the bipod and tripod version, but its versatility lets it be used coaxially in combat cars, reconnaissance vehicles, helicopters, aircraft and small vessels. In the tests of performance and durability under adverse conditions made at the army proving grounds in Restinga de Marambaia, Rio de Janeiro, the Uirapuru was outstanding for its exceptional stability and the precision of its long-range fire (about 1,000 meters) with Brazilian-made ammunition.

"But its major advantage is its sturdiness, together with the simplicity of handling and maintenance, which even dispenses with use of special tools to disassemble the

weapon. Unlike its counterparts, the Uirapuru has 65 percent less parts than any American or European equivalent, which require, for example, special calibers to regulate "head space." Another advantage is provided by the change of barrels, one of the most rapid in the world, that can be accomplished in a little more than 3 seconds. This factor is very important under combat conditions," remarked designer Olympio Vieira de Melo, Mekanika partner, considered by experts to be one of the nation's leading authorities on light-armament materiel.

Technology for the Uirapuru is completely mastered by Brazilians and its patents are the property of the Army Technical Center (CTEX) and the company responsible for its manufacture. The first project of this type of machinegun was developed by the Army Research and Development Institute beginning in 1968 and transferred 4 years later to Mekanika, which completed its studies in 1979, when the first prototype was constructed under the supervision of CTEX.

"The Uirapuru uses 7.62 mm x 51 caliber ammunition (NATO standard), is gas-operated and is fed by attached or disposable cartridge belts. Its rate of fire is 650 to 700 bullets per minute, which develop a velocity of 850 meters per second. Assembly and disassembly of the weapon is very easy, requiring only one tool, which is a great advantage for the equipment, compared with the competing Mag (Belgium), M-60 (United States), MG-56 and HK (FRG), which are very sophisticated machineguns. The Uirapuru is the only universal machinegun made anywhere in Latin America, which should put Brazil in an exceptional position in the export market, besides making the nation independent in regard to this type of weapon, which is now being imported," economist Arnaldo Guinle added.

Mekanika Industria e Comercio Ltd turned to research and developmnet of light arms in 1975, when it began working on the design for a submachinegun, the 9-mm Uru Luger, a pioneering initiative that was characterized by a multiple-head production line that could manufacture 3,000 weapons at once. An extremely simple concept, the Uru has only 17 parts, including the butt and the clip, and can be disassembled by hand in 6 to 8 minutes, which does not happen with the competing HK (FRG), Uzi (Israel) and Bereta (manufactured in Brazil with Italian technology). It has been manufactured on a mass-production basis for the army, navy, air force, military police and security agencies for 1 year.

"It is one of the weapons now used the most in the Pantanal region in Mato Grosso, where climatic conditions are more adverse. There, the dust, the humidity, the mud mar the performance of more sophisticated weapons that require constant attention to maintenance, which has not been the case with the Uru, which does not require oil and grease for maintenance and lubrication," Arnaldo Guinle pointed out.

Mekanika, in order to gain the confidence of the international market, sent several units of the Uru submachinegun to be tested in the United States, Belgium and Great Britain. The results were so good that some European industries wanted to become partners of Mekanika in Brazil in order to produce this weapon on a large scale. But the position of the Brazilian government was to preserve the integrity of the undertaking, developed with domestic technology, promising to assist the company to expand without the need to enter into partnership with foreign firms.

The Uru has a firing rate of 780 bullets per minute and at a distance of 25 meters penetrates pine wood 110.4 meters [as published]. Tests made on carbon-steel sheets

1/16-inch thick showed perforations at a distance of 50 meters. But one of its most appreciated advantages is the silencer developed by Mekanika, which uses conventional ammunition and has a low noise level. The capacity of its double-track cartridge clips is 30 rounds each.

IMBEL Forms Export Firm

Rio de Janeiro JORNAL DO BRASIL in Portuguese 21 Aug 81 p 13

[Text] Brasilia--IMBEL (Ordnance Industry) is creating the Foreign Trade Company CODECE), which is to operate in the international market with priority for ordnance materiel. The Mayrink Veiga and Paembra companies, specialists in marketing this materiel, are partners of the state enterprise.

This information is contained in a report published by the Army Mass Media Center as a part of the Army Week commemorations. It was also announced that IMBEL has become associated with two companies specializing in producing materiel for military use: DF Vasconcellos (manufacturer of high-precision optical goods and machinery) and Xtai (manufacturers of oscillating crystals for receivers and transmitters).

Billing

The financial report of Ordnace Industry of Brazil, created in 1976, attached to the Army Ministry, reported that in 1980 it had billings of 2,410,600,000 cruzeiros, exporting the equivalent of 931,472,000 cruzeiros. From an initial capital of 1,720,607,000 in December 1980 [sic; 1976?], the net worth of the company became 3,062,457,000 cruzeiros, generating, according to the report, about 2,500 jobs.

The Army Mass Media Center announced that IMBEL has been following the policy of domestic manufacture of ordnance materiel. It resorts to foreign sources of financing only when necessary, although always keeping up with changes in the technological process of more advanced countries. IMBEL has been expanding and modernizing its production capacity, carrying out projects for nitrocellulose in the Presidente Vargas factory (a project for the acid system and a project for industrial water), besides research and development projects for upgrading and diversifying its products, especially the artillery ammunition that is most used by the army: 40.105 and 155 mm shot.

8834
CSO: 3001/242

TIGHT CREDIT MAY REDUCE PARANA FARM OUTPUT

Rio de Janeiro JORNAL DO BRASIL in Portuguese 23 Aug 81 p 30

[Text] Curitiba--Jucundino Furtado, president of the BANESTADO conglomerate, said that a drop in Parana farm production could occur as a result of the new restrictive measures on operating loans for large producers. "After the frost and the drought, the producers were taken by surprise by the new measures and are apprehensive right on the eve of planting the states's third large crop," he asserted.

BANESTADO relent this year over 7 billion cruzeiros in loans to small and mini-producers, exceeding by over 1 billion cruzeiros the 25 percent of demand deposits required by the Central Bank. There are no forecasts about how much the bank is to apply by the end of the year. According to the bank's president, the large producers who reinvested the funds obtained from marketing their crops will have trouble getting loans from private banks, as they are already mortgaged to the Bank of Brazil.

Inflation and Investment

In the opinion of the BANESTADO president, no one would hold money with the high rates of inflation in hope of a change in the rules of the game. According to Mr Jucundino Furtado, the most important thing now is that there not be a shortage of money at the time of planting.

"If the farmer invested to increase his area and expand the agricultural frontier, he will have to have a loan for planting. I hope the rules will not be so rigid this year so the farmer can be aware that he must retain funds for planting."

He thinks that demand for agricultural credit could even diminish starting this year, on the assumption that the farmers decide the interest rate (45 percent a year) does not make the crop profitable. The president of the Farm Workers Federation of the State of Parana (FETAEP), Agustinho Bukowski, agrees with the assumption, because the cooperatives of the regions where small and mini-producers predominate are showing a smaller demand for subsidized credit this year.

"When credit was subsidized at rates of 19 percent a year, the small and mini-producers did not have access to it. Now they feel that the cost of production is increasing very much due to the interest rates and they prefer to run the risk of planting less and not applying fertilizers," said Mr Agustinho.

Haley Santo Pisato, president of the Francisco Beltrao Rural Cooperative--in a bean-producing region--believes at least 50 percent of his 1,000 affiliates will not resort to bank credit this year. According to him, the Bank of Brazil links the granting of loans to use of fertilizer, prices for which are beyond the reach of his region's producers.

Alceu Porres, acting superintendent of the Bank of Brazil in Parana, explained that the requirement for applying fertilizer in granting credit is not a rule of the bank, but a "requirement of technique," because a producer who does not apply fertilizer will not have a satisfactory response in terms of production.

He does not expect less demand for credit by small and mini-producers, because there is the guarantee of minimum prices, which cover costs of production. So far, the Bank of Brazil agencies are continuing to receive the same number of farm-credit applications as in previous years.

8834
CSO: 3001/242

BRIEFS

BANK AGREEMENT WITH COLOMBIA--Brasilia--The Colombian and Brazilian Central Banks have signed an agreement for the granting of reciprocal credits for $40 million aimed at covering trade between the two countries. The banks pay their country exporters up to that limit and at the end of every 4-month period they make an adjustment of accounts. The previous agreement only provided a limit of reciprocal credits up to $7 million. "That amount has been considered insufficient, however, to meet the amount of trade between the two countries which reached approximately $200 million every year," Rafael Gama Duijano, president of the Colombian Central Bank, stated. According to Gama, Colombian President Turbay Ayala has expressed to the Brazilian Government the desire to participate more intensively with trade at the free port of Manaus, purchasing Brazilian products and selling some of the products from his country. The president of the Colombian Central Bank has expressed support for the idea of turning his office in Bogota into an agency. He stated: "We do have restrictions on foreign banks, but they are not applicable to the Bank of Brazil and of other countries where the interest for regional integration prevails. The Banco Real has branches in four Colombian cities, and similar to the Bank of Brazil, it is very active in its operations." [Text] [PY071737 Rio de Janeiro JORNAL DO BRASIL in Portuguese 3 Sep 81 p 18]

ITAMARATY REACTION TO REAGAN'S REMARKS--Itamaraty stated yesterday that it will not comment on President Ronald Reagan's remarks that he will "certainly" not resort to Brazil to solve U.S. economic-financial problems. Reagan made this remark during a press conference when a reporter asked him how he intends to reconcile the general reduction of expenditures with growing expenditures in the area of armaments. Some U.S. newspapers, including the New York TIMES, had stated that they do not exactly know what Reagan wanted to say when he stated that he will certainly not resort to Brazil in case of economic-financial difficulties. [Text] [PY021925 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 1 Sep 81 p 7]

MOZAMBIQUE'S FOREIGN MINISTER TO VISIT--Mozambique's Foreign Minister Joaquin Alberto Chissano should visit Brazil sometime between 13 and 30 September to reciprocate Foreign Minister Saraiva Guerreiro's visit to his country last year. This visit will provide an occasion for exchanging ideas on issues of international politics and for promoting trade relations. Brazil's balance of trade with Mozambique has been favorable for our country since 1976. In this year's first quarter, the trade balance favored Brazil by $10.99 million. [Text] [PY050139 Brasilia Domestic Service in Portuguese 2200 GMT 4 Sep 81]

ARNS' APPEAL FOR PARAGUAYAN'S RELEASE--Sao Paulo, 3 Sep (LATIN-REUTER)--Brazilian Archbishop Do Evaristo Arns today made a call for the release of a Paraguayan shoemaker incarcerated without trial for more than 2 and 1/2 years. Cardinal Arns, of Sao Paulo, sent a telegram to Paraguayan President Alfredo Stroessner asking him for the release of Remigio Jimenez--56 years of age--as a humane gesture. Jimenez has a Brazilian wife and lived in Brazil for 17 years, but now has been held imprisoned in Asuncion since 1978. According to a Brazilian group linked to human rights, Jimenez was captured by Brazilian police near the border in 1978 and illegally turned over to the Paraguayan security forces. Several Brazilian opposition deputies have presented the case to the government in congress. [Text] [PY080030 Buenos Aires LATIN in Spanish 1133 GMT 3 Sep 81]

MANAUS STUDENT DEMONSTRATION DISBANDED--Senator Evandro Carreira, Brazilian Democratic Mobilization Party from Amazonas State, denounced today police repression against teenagers who met at a public square in Manaus to peacefully protest bus fare increase. He criticized Amazonas Governor Jose Lindoso, saying that the deployment of policemen against the students was surprising. The students were attacked even inside a church where they had taken shelter. Senator Carreira said that the government has to adopt a more understanding attitude toward popular demonstrations which are caused by dispair, not by agitators or inciters. Senator Carreira expressed his disagreement with Jose Lins, Democratic Socialist Party, who interrupted him to say that the government had to put a stop to organized demonstrations to avoid the repetition of acts of violence like those which occurred in Salvador, Bahia. [Text] [PY040118 Brasilia Domestic Service in Portuguese 2200 GMT 3 Sep 81]

POPULAR PARTY REGISTRATION--Brasilia--The Supreme Electoral Court yesterday unanimously agreed to grant definite registration to the Popular Party (PP), since the latter has fully proven the status of its organization in 17 states, where it has established executive boards in more than one fifth of the counties. However, the PP yesterday lost a senator: Gilvan Rocha (Sergipe State) has notified the PP bloc in the senate of his withdrawal from the PP. In a letter sent to bloc leader Evelasio Vieira he explained that he is not leaving for ideological reasons, but merely because of his desire to join a broad front whose objective is to "oust the people who currently hold power in Sergipe State because they are carrying out a massacre of the people." [Excerpt] [PY141628 Sao Paulo FOLHA DE SAO PAULO in Portuguese 11 Sep 81 p 4]

PIRES SCORES COMMUNISM--After taking over as the new commander of the 2d Army yesterday, Gen Sergio de Ary Pires stated that he is willing to accept any political faction "except communism." He made this remark during a press conference which he granted at one of the offices of the general staff. He explained his dislike for communism by saying that "it goes against the very grain of my religious and professional convictions. It will never accept this political faction. We all know that the international communist movement is still hard at work. We are watching its actions closely." The general said he was prepared to answer the journalists' questions but asked them to avoid political matters, because "I have come here on a military mission and not to occupy a political post." [Excerpt] [PY141626 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 11 Sep 81 p 5]

NEW ESG COMMANDER--Gen Alzir Benjamin Chaloub has taken the post of commander of the Superior War College [ESG]. General Chaloub has been appointed to fill this post temporarily held by Vice Adm Jose Maria do Amaral Oliveira. [PY040101 Brasilia Domestic Service in Portuguese 2200 GMT 2 Sep 81]

CEARA EARTHQUAKES INVESTIGATED--Three geologists are studying the possible causes of earthquakes which have been frequently occurring on the region outlined by the municipalities of Itapage, (Iraucuba) and Sobral in the state of Ceara. These earthquakes have been occurring over the past 15 days, and the latest took place yesterday. [Text] [PY142357 Brasilia Domestic Service in Portuguese 2200 GMT 14 Sep 81]

CONCERN OVER PROTESTS IN BAHIA--Regarding the acts of violent protests in Salvador, capital of Bahia State, Planalto Palace spokesman Carlos Atila said today that President Joao Figueiredo is always concerned about such episodes, adding that the moment calls for tranquillity to prevent undesirable events such as those in Salvador. [Text] [PY050122 Brasilia Domestic Service in Portuguese 2200 GMT 4 Sep 81] Salvador, Brazil, 3 Sep (AFP)--Antonio Carlos Magalhaes, the governor of the state of Bahia, said today that the incidents that occurred in Salvador last Wednesday in which there was one dead and 10 injured were caused by leftist agitators. In Porto Alegre, the capital of the state of Rio Grande Do Sul, chief of the National Intelligence Service Gen Octavio Medeiros said this afternoon that these incidents were organized by persons interested in causing disorders. According to the Bahia governor, members of the Brazilian Communist Party, with Maoist leaning, and of the 8 October Revolutionary Movement (MRB) are responsible for the incidents that occurred in Salvador last Wednesday evening. [Excerpt] [PY041922 Paris AFP in Spanish 0303 GMT 4 Sep 81]

LOANS TO POLAND DISCUSSED--Belo Horizonte (Brazil), 27 Aug (TELAM)--Like the United States and other nations, Brazil is interested in avoiding Poland's being turned into a country directly ruled by Soviet imperialism, Brazilian Foreign Minister Ramiro Saraiva Guerreiro said. "Concerning this, the problem of our trade relations with that country is much more complex than is thought since it concerns a question that is more political than economic," the foreign minister explained last night in statements in the city of Ouro Preto in the interior of Minas Gerais State. "Consequently, our trade with Poland is not irresponsible," Saraiva Guerreiro emphasized in response to recent statements by former Brazilian Ambassador to Warsaw Jose Meira Penna, who asserted that Brazil is running the risk of losing millions of dollars in credits which it has extended to Poland whose economy is on the verge of insolvency. Meira Penna, who has just left his assignment in the Polish capital, also claimed that Brazil, which has not become one of Poland's principal creditors, has been practicing an irresponsible policy in its trade relations with that country. [Text] [PY031810 Buenos Aires TELAM in Spanish 1345 GMT 27 Aug 81]

CSO: 3010/1811

RIGHT TO PEACEFUL DISSENT LIMITED

Santiago HOY in Spanish 26 Aug-1 Sep 81 p 5

[Editorial by Emilio Filippi: "Right to Peaceful Dissent"]

[Text] In a recent speech, the president indicated that peaceful dissent is admissible in Chile but joint actions that mean the acceptance of Marxist ideas or strategies are not.

Although we do not agree with the political restriction, we understand that we are living in a different stage of Chilean tradition and, therefore, it is necessary to face reality. It is said, with reason, that politics is the art of the possible. We are going to discuss the indicated point of view within this context.

The presidential statements tend to make a distinction between what is disagreement and what would be, let us say, sedition--in other words, a distinction between the right to be in disagreement and actions designed to destabilize the government or violently replace it.

Those of us who believe in nonviolence, who believe in the dynamics of democracy, naturally completely reject terrorism and any method of violence from any source. To aspire to live in democracy, it is necessary to believe in the ability of human beings to understand each other, to dialogue, to seek roads that can lead to a certain degree of consensus. That is one side. On the other side, it is always necessary to be alert to defend the essential values of man, his basic rights. Otherwise, it is not even possible to conceive of peace, security and justice as basic pillars of any democratic system.

Although the president of the republic clearly stated that peaceful dissent is acceptable, the lack of definition and real conditions for the free expression of this disagreement mean that the idea has been interpreted their own way by certain apologists of the regime.

The guideline used by the government to declare the right to disagree legitimate or illegitimate must be made known.

A person cannot just be accused of committing a crime and then be considered a criminal. This is especially true when a punishment is imposed administratively, especially if the punishment is the harshest that can be imposed on a citizen--exile.

Some time ago, a columnist opened fire by denouncing the formation of a so-called Broad Front that would include people from communists to those who advocate an "opening." The maneuver seemed strange enough then. It was an attempt to make it appear --in the midst of the battle between the hard and the soft--that there was a group of government followers mixed with opponents, especially with Marxist opponents, to destabilize the regime. It was a lie but it had an additional objective: if the opposition was capable of combining oil and vinegar, they argued, why isn't it possible for followers of the present government to be grouped in a civic movement?

It seemed like a convincing argument but it was based on a lie. The infamous Broad Front did not exist, does not exist nor has any prospect of existing. Furthermore, none of those exiled for that reason were or are promoters, leaders or accepters of that nonexistent combination. Consequently, the endorsement that they gave to the imprisoned union leaders only showed the natural solidarity created when this type of situation occurs. There was nothing else involved.

To show solidarity with a person considered unjustly persecuted and to do so peacefully and appropriately according to the system could not result in punishment or a label as dangerous to internal security. The ambiguity requires a clear explanation.

The fact that the tendency to discredit dissent, attributing it to Marxist origin or infiltration, is growing merits attention. The right to be in disagreement which the government recognizes is restricted in this way which makes its exercise merely illusory. That excuse can be overused and all demands can be imputed to Marxism, unduly polarizing debate. In the long run, as recent history demonstrates, that is the most dangerous game.

7717
CSO: 3010/1751

HEAD OF BEAGLE DELEGATION DISCUSSES STATUS OF MEDIATION

PY111607 Santiago Chile Domestic Service in Spanish 1100 GMT 11 Sep 81

[Text] Chile is awaiting to be notified by the Holy See to begin drawing up a treaty aimed at providing a lasting solution for the southern border conflict. This remark was made yesterday by Col Ernesto Videla, Foreign Ministry under secretary and head of Chilean delegation to the mediation process.

Videla has spent 10 days in Europe. In Geneva he met with two international legal experts who are acting as advisers to the Chilean delegation to the Vatican talks and in Rome he held three meetings with Cardinal Antonio Samore.

Videla said that his trip has had positive results and emphasized that Chile has complied with all demands posed by the mediator.

[Begin Videla recording] The pope has submitted a proposal and the Chilean Government has complied with all three demands, or, better to say, with the three requests of the holy father. One of them was to give our answer as soon as possible and we have done so. Another request was to stimulate an atmosphere helpful for the development of the mediation process and, as I have said many times, the news media understood this very well and have done their best in Chine to create this atmosphere. The final request was to keep the negotiations confidential and this has been complied with as well. [End recording]

The under secretary said that the Holy See is interested in arriving at a solution as soon as possible, and this interest is shared by Chie which has the welfare of the two countries in mind.

He stressed that current efforts are not aimed at expediting the process because the emdiation has never stopped. Videla said that the holy father has made the main step of the mediation by submitting his suggestions to the parties on 12 December last year.

[Begin Videla recording] The proposal is quite complex and turning this proposal into the appropriate instruments, treaties, is a very technical problem which requires a lot of work and that is what we have been discussing with the pope. Chile has complied with his requests in full and we are now awaiting his instructions to proceed with this process. [End recording]

The head of the Chilean delegation refused to discuss the trip recently made by Argentine Foreign Minister Oscar Camilion to the Holy See and his talks with the highest Vatican authorities. He stressed that "Chile's relationship with the mediator has been straightforward and whatever the other party may do is its own concern, a sovereign action which is up to the mediator to evaluate and not us."

Regarding reports carried by a foreign news agency to the effect that Camilion had reportedly proposed that the Vatican make an overall reassessment of the problem, Videla said a proposal has been received and answered by Chile.

[Begin Videla recording] You should know that the Chilean Government always issues its statements through the appropriate channels. It never relies on strange sources or on reports which appear suddenly from nowhere. Whenever the Chilean Government has something to say it speaks through the appropriate channels. We have nothing to say, there has been a proposal and Chile has answered it. [End recording]

Videla rejected any possibility of Foreign Minister Rene Rojas Galdames making a trip to Rome. He said that the minister traveled to Rome on 12 December last year to receive the proposal from the hands of the pope, a proposal which has been analyzed by the government and an answer has been sent to the holy father accepting his suggestions. From our point of view there are no problems so far, now this proposal has to be turned into the appropriate treaties.

CSO: 3010/1322

DIFFICULT PERIOD FOR CHRISTIAN DEMOCRATS DISCUSSED

Santiago QUE PASA in Spanish 20-26 Aug 81 pp 7-9

[Passages enclosed in slantlines printed in boldface]

[Text] From October 1977 to August 1981 is almost 4 years and the former DC [Christian Democracy] is like it was then or perhaps before then, not in strength (its leaders say it has gained ground) but in achievements on that road to "the turn toward democracy." Our point of reference is QUE PASA No. 392: "The little success achieved seems to have led to what Andres Zaldivar calls 'the third stage' which would be an 'inducement' to advance quickly toward new political conditions with broad exercise of all or almost all public freedoms." However, this strategy has not yielded results and its advocate was expelled.

In June and July, QUE PASA talked with several distinguished DC leaders. They were still reeling from the government measure against Andres Zaldivar. Imagine how they feel now! Before that wound healed, the expulsion of Jaime Castillo Velasco opened a new one.

"I feel soiled, I feel dirty, filthy, because I am not brave enough to go out into the streets and scream about this awful injustice," a man from the dissolved party told us.

The Christian Democrats are very weary, discouraged, lost. The leaders do not confess this ("put up a good front") but the large number of former members and sympathizers who continue their "ghetto" social life reveal otherwise.

The classic question is: "And what are you doing?"

"Well, here I am, working, earning money, passing time" is the classic response of most of those who used to support the Frei government.

This life is meaningless to them. To work just to work, to maintain a family, to earn money if possible, to work in private enterprise--all this is merely existing.

"We were educated to work in 'public life,' to participate and create from public positions. We were always told that private enterprise was something speculative, done by a certain type of people who only sought personal enrichment. I recognize that there are serious conceptual errors but you must also recognize that the training that we have received and the life to which we have applied that education cannot be easily erased." (The speaker was 42 years old.)

DC Ghetto

Everyone recognizes that they were isolated and nothing else existed for them. They married each other, went to soccer games and to Mass together, studied together, thought and governed together. They did so many things together that today it is difficult for them to leave the ghetto that they have created with their own hands. Perhaps that is the reason they did not find that desired "consensus." Who knows if the new generations can carry a different stamp--that is, if the "old guard" does not insist on its own stamp.

The institutes, corporations and centers where the DC philosophy is created and re-created strive for pluralism among their members or, at least, among their guests but that is not easy. Who wants to be a member of the Academy of Christian Humanism or ICHEH [Chilean Institute for Humanistic Studies] if he is not in the DC? There is no place to hide. In a country where etiquette reigns, belonging to one of those centers brands one forever.

It is hard to find followers, even in its own ranks. Compliments are free but many times do not succeed. There is the case, for example, of the problem that arose because of the creation of two very similar groups in the academy and ICHEH. The first established the "International Studies Circle" and the second set up the "International Studies Council." The first won by "two bodies," two bodies that were in the sights of the second--a president, Hernan Santa Cruz, and a member, Gabriel Valdes. Both received large offers from the ICHEH but it was already too late and they had signed up with the academy. They were only members of the "council" since Jorge Edwards was put in as president. Gabriel Valdes did well with both Moors and Christians ("Turks" and "Chascones" as we will see below). He also had time left over for his Corporation for Development Studies where he is trying to form the broadest front possible.

"Tomic Is Irresponsible"

The people who arrive suddenly from abroad (like Valdes and Tomic recently) do not fit in easily with the national "potpourri." After several years of living outside the country, they arrived renewed and happy to return to their fatherland. They were quickly pulled into the DC ghetto. They do not seem depressed yet and give the feeling--at least in Valdes' case--of looking for their group, rethinking their past and future.

Gabriel Valdes' arrival has frightened some people but he does not seem to want to replace anyone at the moment. However, Tomic's arrival was like a "kick in the head." During an interview shortly after his return, he struck a low blow against the political parties: "The great challenge of our time is to find a new expression of democratic values, a new way of organizing the national consensus on some other basis than the traditional basis of political parties."

The Christian Democrats were crushed by this. The governing board thought about issuing a statement but, although they say that Tomas Reyes (the president) is slow to act, we think it never was issued.

"Tomic is irresponsible! Crazy! And to think that I worked and voted for him," said a DC professional.

Alvaro Bardon abruptly ended the interview as if a bug had bitten him. He sai' that Tomic's statements were very similar to those of people branded as fascists. In passing, he struck out at his former party: "Our centrist parties have always suffered from a leftist complex so that those who kicked with their right foot or with both were always the object of suspicion. However, the same was not true about the alleged leftists who have always had license to say whatever they want."

An interesting theory arises from this "leftist complex" as Bardon calls it. How do those who graduate from the UCH [University of Chile] and the UC [Catholic University] view the left? According to a university professor (a UCH graduate), they are two completely different worlds. Those with a UC tradition have known a very special left like MAPU [Single Popular Action Movement] or the Christian Left whose members generally belong to high social classes. They maintain close ties through physical or social relationship (they drink tea on Sunday with the same aunt and go together to Miss So-and-so's party). The UCH tradition is different. The students from that university had to face real members of leftist parties in the past. They know the danger and they know, without complexes, that it is necessary to keep them in check. They do not have a feeling of "social guilt."

"Turks," "Chascones" and Others

Differences of opinion about closeness to the left could arise from those different "traditions." The governing board calls itself anticommunist and rejects any understanding with that group but this could change. Possibly on this point, though, its position would never change.

A change in the governing board is expected in the coming months. "Tomas Reyes (president) unifies but is not a mover." That has been explained to us. The candidates might be Claudio Orrego and Raul Troncoso, Freists very similar in line, although the former is more renovating. Other names are also mentioned: Juan Hamilton, Patricio Aylwin (although there would not be much agreement to continue with the old guard), Genaro Arriagada (considered very valuable, his radical past would hurt him) or Eugenio Ortega (Frei's son-in-law who has little interest in that position).

At this time, there are three groups in the DC: the "Turks," the "Chascones" and the "businessmen."

The /Turks/ are a group within officialism (the Frei group) of relatively young people whose basic plank would be the modernization of the party and the need to have a replacement generation. The main leaders of the "Turks" are Andres Zaldivar, Carlos Figueroa, Raul Troncoso, Genaro Arriagada, Enrique Krauss, Claudio Orrego and Eugenio Ortega. They are called Turks because of their similarity to the Turkish leader, Kemal Ataturk, who introduced modernization in his country. This group, according to the information gathered by QUE PASA, wants to modernize the party through new techniques, an administration under them and--the most revolutionary--an updated doctrine, untying it from traditional social Christian philosophy and incorporating new elements like national security and human rights.

The "Turks" naturally have a "daddy" to present for their image, especially outside the country, and would maintain good contact with U.S. /liberals/.

The /Chascones/ constitute the left wing of the party. They are the heirs of the "old Chascones" who started MAPU and the Christian Left. The majority of the members of the Academy of Christian Humanism are in this group. They have elected a leader, Gabriel Valdes--with or without his consent--because, according to them, he would impress Frei. Valdes could have been influenced by his son Juan Gabriel (a member of the academy) although we have learned that he maintains excellent contacts with Frei and would not want to stir things up right now.

"But D'Etigny is not a 'Chascon.' He is an academician and accepted that work because it seemed interesting to him, not for political reasons," one of our informants stated about the academy director.

There are basic differences between "Turks" and "Chascones." Primarily, the former are opposed to any understanding with the left, especially with the Communist Party, while the latter would be willing to form a broad democratic front and to work in certain sectors with that party.

Apart from that, the "Turks" would agree to have some relationship with the government which would permit them to negotiate or use pressure in some way. For the "Chascones," naturally, anything that smells of government smells bad. Therefore, they openly reject any turn in that direction.

As always, one of the main problems is the illusive cash, especially for the "Turks" since "modernizations" are not carried out with trinkets. The Church has helped them but it also helps the "Chascones" which arouses the wrath of the "Turks" who would like to see the academy disappear. At this time, they are strongly pressuring the Cardinal to close the magazine ANALISIS, a publication of that academy. The archbishop, according to them, has more confidence im the "Turks" but he cannot avoid helping the others who, due to their leftist tinge, would hardly have any place to work at this time.

The third group is that of the /businessmen/ who are a little withdrawn from the party today, involved--and sometimes bewitched--by that market economy that is still tempting to those who play with it. This group follows Frei's line--now surely that of the "Turks"--but they are not active members. They include Francisco Fluxa, the Concepcion Bank group (Ascui, Zavala and Villarzu and Bardon who returned to the fold), Edmundo Perez and others.

Major Questions

There are no definite answers to them. Under a hypothetical DC government of "consensus" or "center" or whatever it is called, what would happen to the Communist Party, the military who govern now and the economic policy?

The local professionals and intellectuals with whom QUE PASA talked are very realistic. To achieve "consensus," they say, the best thing would be to stay away from the Communist Party, to respect the Armed Forces and to keep whatever is valid in the present economic model. This group--which has its feet on the gr nd since it is not at the top--presents the absolute need to keep contacts (at the professional, cultural and social level) with other groups like the Social Democrats, radicals and "progressive liberals" alive--and, in fact, does. What about the soft? "They

are very rare but it is also possible with some of their sectors." Their hope is that a new group, basically homogeneous, will arise without the old vices, hatreds and weaknesses.

Thus this "DC culture" moves with difficulty, with fear, recognizing errors, reproaching frailties and seeking new roads that are not found overnight. In spite of the fact that there are people who think that the role of the DC today "is almost nil" (like Fernando Castillo) and in spite of the fact that the depression has already lasted more than 10 years, there are still people who continue to believe in it.

7717
CSO: 3010/1751

JOURNALISTS' BOARD PROTESTS CENSORING OF MAGAZINE

PY101736 Paris AFP in Spanish 1930 GMT 4 Sep 81

[Text] Santiago, 4 Sep (AFP)--The Journalists Association has issued a statement noting that the government decision prohibiting the Chilean magazine APSI to report on national events is an illegal measure since it undermines freedom of the press and freedom of expression.

APSI, which maintains a critical position against the military regime presided over by President Augusto Pinochet, suspended its editions by the end of August and it submitted a court appeal after the Interior Ministry had notified it that it was only able to publish foreign material.

The National Journalist Board added in its statement that it categorically protests this decision and it appeals for the strict enforcement of the law.

Clause No 12, Article I of the recently approved constitution "assures all persons the right of freedom of speech and of reporting anything by any means without being previously censored but without detriment of having to answer to those crimes and abuses that may be committed."

The communique adds that the Journalists Board reasserts its purpose to struggle for the enforcement of its basic principles of defending the rights of men and respect for the human being.

The Chilean Government censored APSI, which has a nationwide circulation, on the basis of a law authorizing the president to abolish certain rights and freedoms whenever the state of emergency is in force for reasons of national security.

It has been noted that the state of emergency has been extended every 3 or 6 months in the past 7 years within the struggle that the military leaders are presently waging in Chile against Marxism.

CSO: 3010/1322

BRIEFS

BANKS CONCERN OVER GOVERNMENT MEASURES--Santiago, Chile, 1 Sep (AFP)--Chilean bankers today expressed their disagreement and extreme concern over a number of government regulations which, according to them, restricted freedom and the good progress of their enterprises. The new regulations, promulgated last week, allow the government to suspend the activities of the banks when they show some financial instability or deficient administration and when they grant credits to persons or institutions linked to their financial management. Moreover, the law has forbidden the banks to acquire shares within industrial incorporations or to own agricultural goods. The association which groups 41 private banks and 17 financial institutions which operate in Santiago stated today that such broad and discretionary powers are not in keeping with the contribution they have made so far to the progress of the country. In this regard, the bankers stressed Chile's economic growth and the increase of foreign credits since the establishment of the liberal policy 8 years ago, replacing the centralized system which had been in effect until 1973. Before that date, the banks have been gradually turned over to state ownership by the overthrown leftist regime of Salvador Allende. [Text] [PY072304 Paris AFP in Spanish 0353 GMT 2 Sep 81]

EXTREMISTS REPORTEDLY IN COUNTRY--An Interior Ministry source reported at La Moneda Palace at noon today that the report published by the Buenos Aires newspaper LA NACION, that approximately 400 extremists had entered our country, is absolutely groundless. He added that the Chilean Government does not know of anything like that happening before. The Buenos Aires newspaper states that Montonero guerrilla groups recently reentered Argentina, but that a subversive group--made up of men and women from different nationalities, including Cubans--had entered Chile. [Excerpts] [PY071839 Santiago Chile Domestic Service in Spanish 1730 GMT 7 Sep 81]

FORMER DEPUTY'S HOUSE ATTACKED--Santiago, Chile, 7 Sep (AFP)--Unknown persons threw four molotov cocktails today at the residence of sociologist and former Chilean deputy Claudio Orrego. One of them exploded without causing any casualties, the police reported. Orrego, who was a parliamentarian and a leader of the Christian Democratic Party until the enforcement of the political recess in Chile 8 years ago, is considered one of the opposition figures to Gen Augusto Pinochet's government. The perpetrators of the attack threw many pamphlets which appear to be signed by the proscribed MIR (Movement of the Revolutionary Left) in front of his house. Orrego said: I don't want to make any judgment; it might have been the MIR, but it also could have been a provocative maneuver. Perhaps they are trying to push me to one side or the other. The latest attack of this nature

in Santiago happened on 11 July when a bomb exploded in the residence of a lawyer of the Vicariate of Solidarity, of the Catholic Church. [Text] [PY080022 Paris AFP in Spanish 2127 GMT 7 Sep 81]

ASSAULT ON JOURNALISTS--Police experts are investigating an alleged attack against journalist (Silvia Pintos). The event took place some days ago, but it was learned only yesterday what type of hole was found in the roof of the car belonging to (Silvia Pintos), vice president of the Journalists Association, a labor association. The journalist reported that last Friday, while she was in her car which was parked on the corner of (Andres Bello) Street and (Pedro de Valdivia) Avenue, she heard a crash inside the car. Some days later she commented on the event with her colleagues who, after carefully examining the upper part of the car, realized that the hole could have been made by a gunshot. The bullet had hit almost exactly where the driver was, but it ricocheted off the car's chassis. The well-known journalist has said that she would submit a complaint to the pertinent criminal court, so that an investigation of what could turn out to be an attack can be started. [Text] [Santiago Chile Domestic Service in Spanish 1100 GMT 3 Sep 81]

UNION LEADERS' PETITION REJECTED--The 8th Court of Appeals has rejected the third petition submitted by Alamiro Guzman and Manuel Bustos, pseudoleaders of the National Union Coordinating Board, to release them from jail. Both of them are charged with false impersonation of union representativity. The previous judge in charge of the case, (Sergio Valenzuela), had also rejected their petition; therefore, since the Santiago court of appeals has unamiously confirmed this decision the two pseudoleaders will continue to be under arrest. [Excerpt] [Santiago Chile Domestic Service in Spanish 1100 GMT 9 Sep 81]

ARRIVAL OF SPANISH AIRFORCE CHIEF OF STAFF--General Matthei received Lt Gen (Javier Alfaro Aregui), chief of staff of the Spanish Air Force, at the (Alfredo Merino Benitez) Airport a few minutes ago. The high-ranking officer has come to this country on an official invitation from the Chilean Air Force command. He will stay in this country until Sunday, 20 September, and begin his official program tomorrow, Tuesday, when he will go to the Defense Ministry to greet Defense Minister Carlos Forestier and the commander in chief of the Chilean Air Force, Gen Fernando Matthei. He will then proceed to La Moneda Palace where he will greet and have a meeting with President Augusto Pinochet. [Text] [Santiago Chile Domestic Service in Spanish 1730 GMT 14 Sep 81]

CSO: 3010/1322

GUERRILLAS ESTABLISH HEADQUARTERS IN SOUTHEAST

PA140358 Paris AFP in Spanish 2253 GMT 10 Sep 81

[Text] Bogota, 10 Sep (AFP)--The existence of a general headquarters composed of 250 guerrillas of the Communist Revolutionary Armed Forces of Colombia, FARC, was revealed today by the army intelligence to the "Colprensa" news agency.

The guerrillas, who have their main center of operations in Meta Province in the southeastern part of the country, are being trained by veteran guerrilla leader Manuel Marulanda Velez, known as "Tirofijo" and are apparently receiving economic assistance from well-known drug traffickers.

Investigations revealed that members of the San Juan de Arama Church and other regions in the Colombian eastern plains are indoctrinating the faithful in the region in favor of subversion.

This task is under the supervision of a German priest by the name of Vicente who has been identified as the head of the revolutionary clergy in this region.

The pro-Castro Army of National Liberation, another group operating in the country, is also active in this Colombian region with a group of 30 men.

The group has entered the Meta southeastern region in agreement with the FARC general staff and will work jointly in the future, the military source informed Colprensa.

A third movement the 19 April Movement has entered with 60 men into an extensive region in San Vicente del Caguan, bordering with the Meta and Caqueta Provinces in the southern part of the country, in order to support the FARC activities.

The army security services reported the existence of an arsenal composed of 250 revolvers, 80 carbines, 40 rifles, 40 German machineguns and 100 shotguns.

One of the strategies used by the guerrillas to remain operational is to distribute their personnel in neighboring farms where they farm and tend cattle. After participating in a guerrilla operation they conceal their weapons in the peasant dwellings.

Most of these farms have been purchased by the guerrillas with funds from Cuba and the Soviet Union for an amount that has not been determined.

To corroborate recent charges made by the Colombian army high command regarding the links existing between the Colombian Communist Party and the guerrillas, it was learned that several party members visited the guerrilla region recently and were awarded military honors.

The guerrillas also compel farm owners to "deliver" their children to the movements, so that they can receive military and ideological training twice a week.

In view of the aforementioned situation the Colombian army has begun gigantic military operations to dismantle the subversive organizations.

CSO: 3010/1809

BRIEFS

FOREIGN MINISTER TO PRC-JAPAN--Bogota--Foreign Minister Carlos Lemos Simmonds will pay an official visit of several days to the PRC and Japan at the end of September 1981. The announcement was made by the foreign minister himself, who said that the purpose of the tour is to expand the bonds of friendship with the governments of both countries, taking into consideration their great importance in the industrial field. On the scope of the visit, Foreign Minister Carlos Lemos Simmonds said: [begin recording] We attach great importance to this visit to China and Japan. We have had relations with Japan for many years, the relations with China are more recent, but both countries have immense importance for Colombia due to their specific weight [as heard], due their importance in Asia, due to the extraordinary commercial exchange and industrial vigor of Japan. Therefore, this visit is also a way to cover a new front in Colombia's diplomatic life, which fortunately is daily more explicit due to the desire to maintain relations, to expand them and make them more productive with all the countries of the world. Probably at the end of next month [as heard] I will be leaving for the Peoples China, to repay the very friendly visit paid to Colombia by Foreign Minister Huang Hua. Then I will visit Japan and later I will be present for a few days at the UN General Assembly and will speak there, probably on 9 October. [end recording] [Text] [PA080328 Bogota Radio Sutatenza Network in Spanish 1200 GMT 7 Sep 81]

M-19 PANAMANIANS SERVE SENTENCE--Bogota, 10 Sep (EFE)--Colombian Justice Minister Felio Andrade Manrique affirmed today to EFE that the five Panamanians sentenced in a military trial of the guerrilla group M-19 will have to serve their sentence, and after which they will be expelled from the country. Andrade Manrique also noted that there is no extradiction treaty between Colombia and Panama that would allow the early release of the Panamanian youths. Reports from Panama City say that President Aristides Royo is negotiating the release of the prisoners with the Colombian Government. Andrade Manrique refused to comment on this subject. Panamanians Mario Alexis Concepcion Lopez, Pablo Fernandez Brumel, Roberto Garrido Bisuit, Teodoro Hunt Helsop and Ricardo Quintero are serving a total of 22 years and 5 months imprisonment in the Ipiales jail in the south of Colombia. They were captured by the Colombian army in March when, accompanying an "M-19" coloum coming from Cuba, they tried to invade [invadir] the south of the country. This situation prompted the severance of diplomatic relations between Cuba and Colombia. Fidel Castro's government was accused at that time of training the Colombian guerrillas. [Text] [PA111758 Madrid EFE in Spanish 1743 GMT 10 Sep 81]

'DELICATE' LABOR SITUATION--The country's labor situation became very delicate today with the strike of 10,300 national railroad workers, who are demanding

payment of their last three bimonthly salaries totalling 400 million pesos, according to the company's manager, [name indistinct]. In another development, the teachers, through the Colombian Teachers Federation, will begin meeting with Education Minister Carlos Alban Holguin and other ministry officials today to try to find solutions to the problems they are having throughout the country. As has been announced, the teachers stopped all work on Friday, demanding an adequate budget by which to solve their economic difficulties and those of the educational sector throughout the country. In addition, today is the labor minister's deadline for the workers of the Gran Colombiana Merchant Marine to return to their duties, in order to begin legal discussions of their salaries and of other issues they have brought up through the ministry and through their union. Labor Minister Maria Stella Sanin de Aldana has offered full guarantees to the workers who return to their duties. That is, he has agreed that their list of petitions will be negotiated directly with the company, while other points at issue will be negotiated through the [word indistinct] court appointed by that ministry. [Excerpt] [PA141835 Bogota Radio Sutatenza Network in Spanish 1200 GMT 14 Sep 81]

ATTACKS IN MEDELLIN--Medellin--The city of Medellin and several municipalities of the metropolitan area have been placed under strict control measures after several high tension towers were dynamited by subversive elements. The Defense Ministry report on this says that the first attack was against tower No 1 located in the sector of the (de Bello municipality) known as (Manga de) [word indistinct], which connects with the Guatape and Miraflores sectors. The second attack, which caused more than 3 million pesos' worth of damages, was against tower No 4 in the municipality of Itagu. The third dynamite charge was deactivated by members of the state's security forces a few minutes after the terrorists placed it against the Miraflores tower. One of the persons who participated in this operation was arrested, while the others managed to escape. She was identified as (Alicia Sanchez de Mira) and was turned over to the authorities. [Text] [PA142003 Bogota Domestic Service in Spanish 1730 GMT 14 Sep 81]

CSO: 3010/1809

PLN REQUESTS CENSURE OF CENTRAL BANK DIRECTORS

San Jose LA NACION in Spanish 18 Aug 81 p 4A

[Text] The National Liberation Party (PLN) requested a censure vote against the ministers who make up the Board of Directors of the Central Bank, when debate began yesterday on the currency devaluation bill. That matter is considered to be the most serious economic and monetary decision the Legislative Assembly has had to make in many years.

The proposal for the censure vote was made by Deputy Carlos Manuel Castillo, and today it will be formally introduced by the chief of that political group's legislative caucus, Armado Arauz.

According to Castillo, the ministers of economics, industry and trade, planning and finance are to blame for the inept handling of the current administration's monetary policy.

"Furthermore," he added, "in the debate on a censure vote the ministers will have to explain to the nation and to Congress why, as directors, they ignored the recommendations of the Central Bank experts who 2 years ago requested that the currency be devalued between 12 and 12.50 colons."

He also asserted that the Central Bank's Board of Directors is responsible for the deficient handling of the national currency.

Bill

The bill states that the external value of the colon, in terms of U.S. dollars, will be US $0.666666 per colon, so that one U.S. dollar equals 15 colons.

It adds that the Central Bank must submit a quarterly report to Congress, beginning when the law takes effect. This report should contain details about the exchange, credit and foreign debt situations, and the financing received by the government and the autonomous agencies of the Central Bank and commercial banks, along with whatever recommendations and suggestions it deems pertinent.

Article 2 states that no later than 4 September 1981, the Central Bank must submit its recommendations to the speaker of the Legislative Assembly in the form of a bill. The speaker is to incorporate that text into proposed legislation, through the appropriate regulatory channels, concerning the following issues:

--The treatment the bank will accord obligations contracted in foreign currency, in order to deal fairly and equitably with matters between debtors and creditors.

--The regulation of the foreign currency market, whether it be centralized in the hands of the Central Bank and the banks it names, with very specific exceptions, or left in relative freedom, with the regulation of the activities of the physical or juridical persons that intervene in it.

8.60 Colons

Immediately following is a transitory provision authorizing the Central Bank to continue drawing on its foreign reserves at an exchange rate of 8.60 colons, for the following items:

--The servicing (amortization or interest) of the obligations which the state banks have with foreign financial institutions at the time the law comes into effect, as long as such obligations have been accepted by the Central Bank and those resources have been used for the financing of private productive activities.

--Payments made to cover the needs of Costa Rican students who are taking university courses abroad, on the condition that the students were duly registered with the Central Bank before 26 December 1980.

--Expenses incurred for surgical procedures or medical treatment obtained abroad, as long as they took place or began before 26 December 1980, and with the understanding that this benefit will only be granted if it was not possible to obtain that kind of service in this country.

--Finally, the outlays included in the 1981 Budget for the servicing (amortization and interest) of the government's foreign debt, as well as the external expenditures for salaries, representation expenses and travel costs of officials abroad, incurred by the Ministry of Foreign Relations, as long as those expenses have been included in the 1981 Budget.

Serious Decision

In introducing the devaluation bill, the chairman of the Financial Affairs Committee, Ramon Aguilar Facio, asserted that this measure constitutes the most serious decision taken in recent years, because a parity is established that has a fiscal effect but no real effect on the value of the currency.

"The fact that we accept the devaluation proposed by the Central Bank does not mean in any way that the dollar will be worth 15 colons, because it is not known whether there will be enough foreign currency available to meet Costa Rica's needs," warned the deputy.

Citing some of the causes of the country's present crisis, Aguilar Facio stated that the government bureaucracy has mushroomed, and now we are paying for that uncurbed expansion.

He stressed that solving the country's problems does not require devaluation alone. "We must spend less, because the country has become poorer, and we must face up to this new situation," he remarked.

Long Road

Dr Carlos Manuel Castillo stated that we are reaching the end of a road that seems very long, but in fact it has been short: the duration of the current administration.

He assailed the lack of foresight, ineptitude and errors of the Carazo administration, which "have led us, as in our worst nightmares, down a long road."

He recalled that since 1970 a series of changes has taken place in the history of humanity, and the country has suffered the consequences. Such is the case of the new international economic order, and of the 1974 food crisis and the burgeoning of fuel prices.

He related everything the two previous PLN administrations had done to overcome the problems that stemmed from this situation, in which, he said, "the inflationary phenomenon was successfully combatted."

Later he commented on what he felt were the mistakes of the present government; first he asserted that for the first time prices will have increased more than 40 percent over the previous year's levels.

"Moreover," he claimed, "for the first time national production will not grow; on the contrary, it will fall. The slump in the economy is unprecedented in our economic history; it reflects the pernicious actions of the government in the area of production," he commented.

He also criticized the increase in public spending, as well as the current make-up of the Central Bank Board of Directors. He stressed that the institution must be given genuine autonomy.

No Longer Exists

According to Castillo Morales, the colon is not battered or sick; it has actually ceased to exist. "It was destroyed by the government," he claimed.

He asserted that at this time we are witnessing the "dollarization" of the Costa Rican economy, because that currency is now being used as a unit of exchange instead of the colon.

He added that our currency is not being used as a unit of accounting either, nor as a unit of deposit.

"The destruction of the colon has resulted in the disappearance of sources of foreign financing, since no one can lend money to the country in confidence," he emphasized.

Motion

A group of Unity deputies presented a motion to amend the bill presented by the committee, so that the dollar accounts with banks in foreign countries or in Costa Rica may be paid at 8.60 colons to the dollar.

However, that motion has no place in the plenum.

8926
CSO: 3010/1779

MORA HERMAN CHASTISES REAGAN 'REACTIONARY' POLICY

FL111401 Havana Domestic Television Service in Spanish 0000 GMT 1 Sep 81

[Commentary by Carlos Mora Herman]

[Text] It is necessary to continue to insist on the danger that for humanity represents the irresponsible, aggressive and unscrupulous direction being followed by the present U.S. Administration in its international policy. The Washington government attempts to make us believe that such a policy of military escalation, threat, aggression and blackmail has the support of the majority of the U.S. people. Nothing could be farther from the truth.

The assumption of power by the most reactionary forces in the United States took place under very special circumstances. President Ronald Reagan was elected by only 27.3 percent of the votes in an election which was characterized by the highest rate of absenteeism in that country's electoral history. But, that is not all.

When Labor Day was commemorated in the United States last Monday, more than (?100,000) persons paraded through New York City's Fifth Avenue to protest Reagan's policies and, for the first time in the last 13 years, a U.S. President was not invited to the workers' festivities. It is interesting to note that during the first 6 months of his presidency, Reagan has placed the country's economic future between the characters representing doubt and anxiety.

One of that country's union leaders, AFL-CIO President Lane Kirkland, openly criticized the President's policies which, according to him, will lead to the elimination of 1.25 million jobs. The disporportion ate increases in the military budget, the production of arms with enormous destructive power such as the neutron bomb and the MX missile, interventions in other countries and the brutal and cynical aggressions such as the one recently carried out against Libya, the arrogance displayed by officials such as Secretary of State Alexander Haig, capable of cynically lying to justify his government's meddling actions in Central American and the Caribbean as well as in other places of the world, reveal a high degree of political adventurism by Washington.

Reagan is acting like a neurotic trucutu [monkey], as if he were in a hurry to carry out all the sinister aspirations of Yankee neofascism. Imperialism has reached such a degree [of arrogance] that it is capable of doing anything. Faced with a future of decadence and collapse, its most reactionary brains are attempting to give

humanity one big blow with its claws. The neutron bomb, whose production has been ordered in the United States giving rise to a wave of protests worldwide, has been termed a genetic device, since the genetic mutations and deficiencies it would cause will prevail in the affected populated area for generations.

All that monstrosity the U.S. Government has set in motion under the pretext of the communist threat and, in reality as a desperate attempt for the survival of its political, economic and social system, it is a terrible boomerang which imperils U.S. integrity and the life of its people. Learning to what degree of abjection, cruelty and lack of scruples the U.S. imperialists are capable of reaching provokes indignation. The use of bacteriological means to attack small nations is such a colossal crime that the human brain refuses to accept it.

Cuban President Fidel Castro's denunciation in his 26 July speech in Las Tunas on the responsibility of the Washington government and the CIA in the hemorrhagic dengue epidemic in our country and the government declaration published in today's GRANMA on the new hemorrhagic conjunctivitis epidemic recently detected in Cuba are revealing elements of the brutal, inhumane and criminal nature of the U.S. leaders. Stopping that madness is a common task of all peoples, including the U.S. people who are also threatened by the boomerang of that policy.

CSO: 3010/1813

'OUR AMERICA' COMMENTS ON FRENCH-MEXICAN ACTION

PA031630 Havana International Service in Spanish 2310 GMT 1 Sep 81

["Our America" commentary]

[Text] The recognition by France and Mexico of the FMLN and the Democratic Revolutionary Front [FRD] as representative political forces capable of assuming their responsibilities in El Salvador has stirred a general reaction of support on the part of the international community, placing in a critical position the open support to the regime by the Venezuelan and U.S. governments.

Washington has said on three occasions in the past few hours that it will continue to support the genocidal junta of El Salvador with arms and advisers for that country's army in an effort to smash the popular movement. A State Department note upholds the stubborn position of the U.S. Government to favor an electoral process in that country, excluding the leftist organizations.

The U.S. press described as a serious diplomatic blow against the Salvadoran Government, supported by the United States, the official announcement by France and Mexico to recognize the belligerence [as heard] and the need to take into consideration the opposition revolutionary organizations of El Salvador to end once for all the suffering of the people of that Central American country.

To the U.S. Government, of course, it is unacceptable that France and Mexico should have declared it legal for the FMLN and the FDR to participate in establishing the mechanisms of rapprochement and negotiation required for a political solution of the conflict.

To the White House, the French-Mexican communique is a hard blow to its hegemonic policy in Central America and the Caribbean, which also seeks to isolate the revolutionary governments of Cuba, Nicaragua and Grenada. That is why the United States is opposed to the recommendation of the French-Mexican communique to initiate in El Salvador a total process of political solution, which will establish a new internal order, including the reorganization of the armed forces and the creation of the necessary conditions to guarantee respect for the people's will to be expressed through authentically free elections and other mechanisms earmarked within a democratic system.

Referring to this, the New York TIMES said that the French-Mexican recognition of the FMLN and the FDR creates the possibility of summoning the UN Security Council

to discuss the Salvadoran case. According to the paper, diplomatic sources expect U.S. opposition to any UN debate on the Salvadoran situation, fearing debate would bring out U.S. interference in the internal affairs of that Central American country by sending arms and advisers to that country's genocide regime.

In Mexico, meanwhile, the entire press has described the French-Mexican joint document as a courageous and historic decision, agreeing with journalistic organizations in other countries that this decision constitutes strong support for the heroic movement of struggle for the true freedom of the Salvadoran people.

In France, all papers referred to the document. LE MATIN of Paris published the information under a headline stressing that Mitterrand recognized the guerrillas of El Salvador, while L'HUMANITE described the news as of utmost importance.

In fact, as affirmed in the Mexican capital by Salvador Samayoa and Jose Napoleon Rodriguez, members of the politico-military committee of the FMLN and the FDR, the French-Mexican communique is an issue of special interest in the world which shows the nature of the firm determination of the Salvadoran people and a setback to the policy of the incumbent U.S. Government.

CSO: 3010/1812

BRIEFS

MEETING IN NICARAGUA--Cuba will take part in the third meeting of labor, agricultural and farmer organizations of Latin America and the Caribbean to be held in Nicaragua in November. The announcement was made by Rene Penalver, member of the Central Committee and secretary general of the agricultural and forestry workers trade union. One of the objectives of the meeting is to promote international solidarity against the renewed surge of capitalist exploitation in area countries. [Havana Domestic Service in Spanish 1600 GMT 1 Sep 81 FL]

ASSESSMENT MEETING--Jose Ramon Machado Ventura, member of the Politburo [of the Communist Party of Cuba] and a deputy to the National Assembly of the people's government, presided at a meeting to assess the course of preparations for the 68th IPU conference to be held in Havana from 15 to 23 September. Also present at the meeting were Raul Roa Garcia, acting president of the National Assembly; Vilma Espin, alternate member of the Politburo and president of the Federation of Cuban Women and Jose Miyar Barruecos, secretary of the Council of State, as well as other deputies and leaders. [Text] [Havana Domestic Service in Spanish 1400 GMT 3 Sep 81 FL]

CLAIMED PUERTO RICANS ABUSED BY U.S.--Robert (Koone), a former U.S. navy officer, now an official on the Puerto Rico's Viequez island, is now seeking money to contract terrorists to murder Viequez leaders, the newspaper, CLARIDAD, said today. The accusation say that Robert (Koone) intends to physically eliminate Carlos Zenon, president of the fishermen's association and of the crusade to rescue Viequez, as well as Victor Amelio, chairman of the Puerto Rican Socialist Party on this island. Meanwhile Angel David Gonzalez, president of the police association, admitted that this military corps has a secret section to spy and keep tabs on the various Puerto Rican political leaders. The bar association and medical and journalist associations in Puerto Rico have challenged police chief (Desiderio Cartageno), to present proof of his accusations that among those professionals who are striving for Puerto Rican independence, there are persons linked to terrorist organizations. The United Committee Against Repression has also protested abuses of two [as heard] victims. Jorge Algizu (Orta), who is proindependence, is in the U.S. prison in Fulton where he has even been threatened to death. [Text] [PA130323 Havana International Service in Spanish 0000 GMT 13 Sep 81]

DEFICIENT UN MISSIONS PROTECTION--Cuba has reasserted that the U.S. Government does not fulfill its obligations and duties as the host of the United Nations and that it allows constant attacks against Cuban officials and diplomatic missions. The accusation was made by Cuban Foreign Minister Isidoro Malmierca in a ceremony held

in Havana on the occasion of the first anniversary of the murder of New York of Felix Garcia Rodriguez, a Cuban official of the permanent Cuban mission at the United Nations. The young diplomat was shot to death as he drove an automobile in New York City by Cuban counterrevolutionaries, members of the Omega 7 group operating with impunity in the United States. Referring to this attack, Malmierca said that the killers acted aware that they could act with the impunity granted by U.S. officials. He said that terrorist groups living in the United States are repulsive representatives of the scum of society. Malmierca emphasized that if the United States is trying to scare us with crimes like this, it must now be aware that far from scaring us, our people, revolution and representatives are today more decided than ever to defend our principles. [Text] [PA130253 Havana International Service in Spanish 0000 GMT 13 Sep 81]

ARTILLERY SCHOOL CONGRATULATED--A message of greetings from Army Gen Raul Castro, second secretary of the PCC and minister of the Revolutionary Armed Forces [FAR], was conveyed to officers, warrant officers, cadets, soldiers and civilian workers on the occasion of the 20th founding anniversary of the Comdr Camilo Cienfuegos Artillery School. The message was read by Brig Gen Jose Morfa Gonzalez, who made the closing remarks at the ceremony which was chaired by Div Gen Sixto Batista Santana, alternate member of the PCC Politburo and chief of the FAR Centrpolitical Directorate. [Text] [FL121231 Havana Domestic Service in Spanish 1000 GMT 12 Sep 81]

HERRERO CHAIRS MATANZAS CEREMONY--In Matanzas, PCC Politburo alternate member Antonio Perez Herrero last night chaired a ceremony ending all activities in honor of the day of journalists. Ernesto Vera, secretary general of the Union of Cuban Journalists [UPEC], made a speech at the event in which he praised the work of Matanzas' journalists in UPEC local offices, in the movement of volunteer correspondents and in professional improvement. He said these efforts had resulted in the decision to hold the national ceremony celebrating the day of journalists in Matanzas. After congratulating them, he exhorted them to continue to be an example of what journalism should be in socialism. [Text] [FL091438 Havana Domestic Service in Spanish 1000 GMT 9 Sep 81]

CASTRO MEETS L.A. INTELLECTUALS--Fidel Castro Ruz, president of the Councils of State and Ministers, has met with members of the Standing Committee of the first meeting of intellectuals for the sovereignty of the peoples of our America. The following members of the committee were in attendance: Mario Benedetti, Juan Bosch, Ernesto Cardenal, (Sussy Castor), Gabriel Garcia Marquez, Pable Gonzalez Casanova, (George Lamin) and Mariano Rodriguez. Minister of Culture Armando Hart Davalos also attended the meeting. At their meeting with Castro, the members of the committee discussed the measures they have adopted in order to implement the agreements approved at the recent meeting of intellectuals. Castro also met with other intellectuals who attended the meeting. A fruitful, broad dialogue was held on the development of the meeting, on the intellectuals' decision to defend their culture, sovereignty and peace and their steadfast opposition to the reactionary forces which are threatening to bring war and destruction. [Text] [FL111515 Havana Domestic Service in Spanish 1400 GMT 11 Sep 81]

W. SAHARAN TALKS 'CORDIAL, FRIENDLY'--Ibrahim Hakim, minister of foreign relations of the Saharan Democratic ARab Republic [SDAR], who began an official visit to our country today, has met with his Cuban counterpart, Isidoro Malmierca Peopi, a

member of the Central Committee. The struggle of the Saharan people and the current international situation were discussed during the talks, held in a cordial and friendly atmosphere. Also present were Giradol Mazola, Cuban vice minister of foreign relations, SDAR Ambassador Bulahe Mohamed Fadel, Cuban Ambassador Raul Barzaga and foreign relations officials. Representatives of the diplomatic corps accredited to Cuba welcomed the Saharan foreign minister prior to the talks. [Text] [FL102159 Havana Domestic Television Service in Spanish 0000 GMT 11 Sep 81]

MALMIERCA MARKS NONALIGNED ANNIVERSARY--Cuba's Foreign Minister Isidoro Malmierca Peopi today chaired a solemn ceremony at the United Nations on the occasion of the 20th anniversary of the founding of the nonaligned countries movement. In a speech at the ceremony on behalf of the chairman of the nonaligned countries movement, Fidel Castro, Malmierca stated that the path traversed by this group of countries during the past 20 years has been saturated with difficulties, encountering numerous and continuing attempts to sow division in its ranks. He asserted that the organization has been strengthened, broadening its ranks, winning new members and attaining the status of an independent and authoritative force in the world scene. Malmierca noted that the struggle against colonialism has cost enormous sacrifices to the peoples and that the liquidation of the aftermath, the battle against neocolonialism and imperialism, for peace and national independence and for the establishment of just and equitable international economic relations, has been and is bitter and difficult. [Text] [FL032253 Havana Domestic Service in Spanish 2130 GMT 3 Sep 81]

19 LEAVE PERUVIAN EMBASSY--Havana, 3 Sep (EFE)--EFE has learned that 19 of the 32 persons who had remained at the Peruvian Embassy here for more than a year have left the diplomatic mission. The 19 persons turned themselves over to Cuban authorities voluntarily on Monday, but this had been kept a secret until now. EFE learned that this is the first effective result of a visit to Cuba by a high-level Peruvian delegation. This trip received no publicity. [Text] [PA031719 Madrid EFE in Spanish 1633 GMT 3 Sep 81]

CSO: 3010/1812

OPPOSITION PLANS FRONT TO CHALLENGE GOVERNMENT

FL071608 Santo Domingo Radio Mil Network in Spanish 1000 GMT 7 Sep 81

[Text] Santiago--Francisco Augusto Lora, president of the Democratic Integration Movement [MIDA] has reported that details are being finalized for the signing of a protocol that will serve as the basis for the establishment of a front that will demand that the Electoral Council and the government guarantee free elections in 1982.

Lora said that after deliberations and prolonged debate, positive steps in this regard have been taken by the democratic groups of the opposition.

Lora said the organizations that are meeting for this purpose are the Reformist Party, the MIDA, the National Action Party, the [words indistinct] Party, the National Civic Union as well as the National Party of Civilian Veterans, the Republican Party, the People's National Movement, the Movement of National Conciliation and the 24 October Independent Movement.

Lora said that both the Electoral Council and the government should guarantee completely free elections that express the legitimate desires of the people. He expressed hopes that the planned democratic unity group will later become a broad political movement that will permanently bury the Dominican Revolutionary Party's expectations of remaining in power.

CSO: 3010/1810

COMMENTS ON FRENCH-MEXICAN COMMUNIQUE ON EL SALVADOR

Condemned by Guzman

PA100307 Buenos Aires LATIN in Spanish 0659 GMT 8 Sep 81

[Excerpt] Santo Domingo, 8 Sep (Latin-Reuter)--President Antonio Guzman commented last night that in condemning France and Mexico for their recent recognition of the Salvadoran guerrillas, the Dominican Republic has not ignored the master lines of its foreign policy.

According to Guzman, his government respects the principle of nonintervention in other nations' domestic affairs. He added that it is exclusively the Salvadorans' task to resolve their domestic conflicts.

"El Salvador must resolve its own problems. For our part, we try to solve our own problems and we neither want nor need anyone to intervene in our affairs."

The president defined his position in the wake of a ceremony inaugurating the work to expand Haina Port, 15 km southwest of this capital. The Inter-American Development Bank has granted a $59 million loan for this project.

Newsmen asked the president about the original Dominican foreign policy in connection with the Salvadoran case. He answered: "From the very beginning, our line has been one of nonintervention in the domest affairs of other states."

Pena Gomez Statement

FL041535 Santo Domingo Radio Mil Network in Spanish 1000 GMT 4 Sep 81

[Text] Dr Jose Francisco Pena Gomez has described the declaration signed by the Dominican Government along with eight other countries accusing Mexico and France of interfering in El Salvador's affairs as a joke. The secretary general of the Dominican Revolutionary Party [PRD] said that accusing France and Mexico of interventionism was a joke.

The Dominican Republic, along with Venezuela, Argentina, Chile, Bolivia, Honduras, Paraguay, Colombia and Guatemala, signed a declaration condemning the decision of Mexico and France to grant political recognition to El Salvador's revolutionary democratic front.

Pena Gomez was emphatic in his disapproval of the position adopted by the Dominican Government rejecting the stand taken by France and Mexico concerning the Salvadoran people's struggle. Dr Pena Gomez disassociated the PRD from the condemnation of France and Mexico signed by the Dominican Government. This is a government policy I do not agree with, one which the PRD has no reason to agree with, Dr Pena Gomez said. The PRD leader said he disagreed with any kind of interference in El Salvador. He added: To say that this is interference is absurd because it is the United States that is interfering by sending tanks, helicopters and money.

He said that everyone knows that the government has one foreign policy and the PRD another, which is one of identification with the socialist international and the parties that helped the PRD gain power.

CSO: 3010/1810

BRIEFS

CUBAN BOAT SEIZED--Santo Domingo, 9 Sep (EFE)--It was learned this afternoon that three crewmembers of a Cuban boat are being interrogated by the naval intelligence service following their arrest in Dominican territorial waters. A navy spokesman said that the boat was taken to the Port of Haina, 16 km southwest of this capital, and that the crewmembers were taken to the naval base close to the Haina. So far the authorities have not released any information on the type of boat involved, the names of crewmembers or the area in which the Cuban boat was detained. [Text] [PA111824 Madrid EFE in Spanish 0139 GMT 10 Sep 81]

NEW SPORTS SECRETARY--President Antonio Guzman yesterday named Dr Julio Ibarra Rios secretary state for sports, physical education and recreation to replace Vincente Sanchez Baret, who is devoting himself wholly to politics. [FL021736 Santo Domingo Radio Mil Network in Spanish 1000 GMT 2 Sep 81]

CSO: 3010/1810

NEW UK ENVOY DISCUSSES BELIZE'S INDEPENDENCE

Mexico City NOTIMEX in Spanish 1330 GMT 10 Sep 81

[Article by Enrique Alvarez Manilla]

[Excerpt] Mexico, D.F., 9 Sep (NOTIMEX)--After presenting his credentials to President Jose Lopez Portillo at the ambassadorial room of the National Palace, Crispin Charles Cervantes Tickell, the new British ambassador to Mexico, has said that the British army will stay in Belize to guarantee Belize's independence.

Cervantes Tickell said Mexico and the United Kingdom share the same position on Belize and on the right of the Belizean people--who will obtain their independence on 21 September--to self-determination.

He conveyed the regret of the British Government over the recent Guatemalan decision to cancel consular relations with the UK, which will make it more difficult to conduct the dialogue and negotiations the UK is willing to resume. He added that there was no reason to believe that Guatemala will invade Belize but noted that in any case the British forces will stay in Belize to protect the Belizean people. He made it clear, however, that the British forces will leave Belize the minute the Belizean independent government asks them to leave.

Announcing that Switzerland will look after British affairs in Guatemala, Cervantes Tickell said that it was easier to sever relations than to reestablish them.

CSO: 3010/1808

NEW COLOMBIAN ENVOY ON RELATIONS WITH EL SALVADOR

FL092133 Mexico City NOTIMEX in Spanish 2041 GMT 9 Sep 81

[Text] Mexico City, 9 Sep (NOTIMEX)--The new Colombian ambassador to Mexico, Ignacio Umana de Brigard, has acknowledged that the Salvadoran conflict could affect other countries and said that his government had disagreed with the Mexican-French declaration on El Salvador because this kind of thing happens in a democratic climate. The diplomat was interviewed following the ceremony at which he presented his credentials to President Jose Lopez Portillo at the National Palace's Hall of Ambassadors.

He explained that the Colombian Government does not agree with all that the Mexican-French declaration says: "I believe it is a matter of interpretation and that the opportunity to dissent exists in a democracy."

He declined comment on any possible solution to the Salvadoran conflict since, in any event, he said, it would be his government and not him who would be in a position to propose a solution.

He said that he did not touch on the topic with President Lopez Portillo and that he told him of Colombia's desire to revitalize the first agreement signed between the two countries at the time of independence concerning the eternal friendship between the two nations.

Umana de Brigard denied knowing whether the governments which voiced disapproval of the Mexican-French declaration on El Salvador would also say anything about U.S. interventionism in the Central American nation.

Concluding, he said that there is optimism regarding the conflicts in the American area. He added that disapproval of the Mexico-France declaration does not affect the North-South dialogue.

CSO: 3010/1808

GOVERNMENT ANNOUNCES IT WILL MAINTAIN ORDER

PY062225 Paris AFP in Spanish 2236 GMT 3 Sep 81

[Excerpts] Lima, 3 Sep (AFP)--The Peruvian social situation continued to deteriorate today with a series of strikes and the announcement of others, but the government announced that it will maintain order and put the police on alert.

The 6,000 copper miners in the south have also been on strike since 17 August, the 15,000 fishermen of edible fish since last week and the 5,000 municipal workers of Lima since last Friday.

Moreover, the potable water workers of greater Lima have stopped working for the past 4 days and the postal workers complete their third day of striking tonight.

Meanwhile, the 35,000 workers attached to the Health Ministry throughout the country have announced a 24-hour preventative strike for tomorrow, Friday, as have those of the Agriculture Ministry in Lima.

The 24,000 social security workers have said they would start an indefinite strike on 8 September, and the 40,000 mining-metallurgical workers reported that they would carry out a 72-hour stoppage on 10-12 September.

For his party, Prime Minister Manuel Ulloa warned those who are trying to create disorder and chaos, altering the democratic order; and he emphasized that order would be maintained no matter what happens, and no matter who is involved.

Moreover, the interior minister said that the three arms of the police have practically been alerted to suppress the criminals who attack public and private property.

Indicating that these attacks go against democratic order and social peace, he said that starting from today leaves, vacations and rest hours have been suspended for the police.

The copper miners of the Southern Peru Copper Corporation, in the south, are demanding salary increases and the annulment of various laws.

The stoppage, according to the corporation and the authorities, is causing the nation $1 million per day in lost production and exports.

The Federation of Mining and Metallurgical Workers have said that its next 72-hour stoppage is aimed at solidarity with their southern colleagues and other minor matters.

The other current social problems and those which have been marked for the coming days originate in demands for bigger salaries and other social benefits.

The regime of President Fernando Belaunde, for its part, has said that funds are lacking to meet their claims and that the republic demands sacrifices from everyone.

Finally, it reiterated that, as has already been programmed, the fourth wage and salary raise will be passed which will be enforced starting 1 October, favoring the state workers and the non-unionized private enterprise workers, in order to compensate them for the inflationary process.

CSO: 3010/1815

ULLOA ASKS OPPOSITION TO JOIN ECONOMIC ADVISORY COMMISSION

Lima EL COMERCIO in Spanish 13 Aug 81 p A-4

[Text] The president of the Council of Ministers and minister of economy, finance and commerce, Manuel Ulloa Elias, spoke in the Senate yesterday to repeat his appeal to the different sectors to cooperate in the country's economic recovery and to ask the opposition to name representatives to be part of his ministry's advisory commission.

"I believe this would be a tangible, serious and democratic way of participating in the government's discussions and helping to resolve national problems" Ulloa said in his response to criticisms of his administration by leftist representatives and members of the PAP [Aprista Party of Peru].

In his 45-minute response (from 0350 to 0435 hours), the minister emphasized that the rate of inflation is "stationary" and that by the end of the year, it may reach 54 percent. However, it could go down to 45 percent next year. Ulloa emphasized that the government "is not doing anything behind the back of the nation or of Parliament."

He said that he had gone to Parliament spontaneously, in a "democratic and humble spirit, rather than in an arrogant manner, as I have been accused of doing, to seek help, advice and to hear constructive criticisms in order to gather experience and correct our heading if necessary," he said.

Disenchantment

Nevertheless, he said that he had to "confess a certain disenchantment" because there is still a failure to participate in the task of helping and sharing the work of governing a country in crisis.

The minister emphasized that he hoped for a serious analysis of his presentation, but "I have only received criticisms and accusations of having taken unconstitutional measures and abused legislative decrees." He indicated that a defense of the previous regime was made and that in July of 1980, the country's conditions were better.

Manipulation

He explained that in July of 1980, the administration inherited a country with a paralyzed economy and "manipulated index figures." However, he added, we are providing real figures not subject to political pressure.

Ulloa indicated that if the government were insensitive, as the opposition claims, to the people's pain and needs, "we would have applied a monetary policy and halted inflation once and for all, causing greater recession and higher unemployment. We would now have the pseudosatisfaction of saying, 'We have reduced inflation to 20 percent.'"

Opposition

In referring to the leftist opposition, he emphasized that it has chosen the alternative of inflation and economic unreality. "It has chosen a political economy that in one way or another leads us to a dictatorship," he said.

The minister emphasized that this apparent decision of the left to sponsor policies of subsidies, price freezes, import reductions, the freezing of the exchange rate and large increases in wages in order to regain purchasing power in short-range terms, would be equivalent to "destroying the productive apparatus of the national economy."

Ideas

Ulloa pointed out that he was hoping for concrete suggestions for correcting the deficit, increasing the country's income and expanding national wealth, thereby creating the conditions for solving national problems as a whole.

In this sense, he asked for more serious reflection because "I believe that there has not been sufficient response to the request for help, but our doors will always be open."

He also criticized the suggestion of dismantling the armed forces in order to bring about a revolution in Peru, which "could be used by others to establish another type of dictatorship."

The minister also addressed those claiming the existence of a confrontation and disagreement with Javier Alva Orlandini, currently president of the Senate, because of the presentation of an economic report. "That was a contribution and not a discrepancy, especially since there are two factions in the government, What we have is an authentic democracy," he said.

Ulloa explained that the government's measures are not dictated by the IMF, "as was the case in other times," but rather, that they respond to experience and a government program worked out before the elections.

He asked those who doubt the growth of the GNP to go to the MEFC [expansion unknown] to verify the accuracy of the figures given.

CERTEX

Concerning CERTEX [Export Certificates], he emphasized that the result of exports will be similar to those of last year, with the difference that "we have eliminated the cheating and swindling" that existed before.

He called CERTEX a "fundamental instrument" that will be maintained, but that will not cover any kind of fraud.

Concerning Decision 24, he said that Peru proposes a revision in keeping with its interests.

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CSO: 3010/1741

ULLOA OUTLINES MEASURES TO ACHIEVE FINANCIAL STABILITY

Lima EL COMERCIO in Spanish 13 Aug 81 p A-4

[Text] A gradual reduction in the public sector deficit, selective adjustments in government administration and a periodic revision of passive and active interest rates are, among others, the measures being considered by the constitutional government "in order to achieve relative financial stability" in the country.

The measures were detailed last night by Manuel Ulloa Elias, president of the Council of Ministers, who went before the Chamber of Deputies to speak about the Executive Branch's compliance with Law 23230 and the achievements and difficulties of the regime headed by Fernando Belaunde.

In his report, lasting an hour and 20 minutes and following that given to the Senate two nights ago, Ulloa Elias summed up the measures as follows:

1 -- Periodic price adjustments with respect to the goods and services of public enterprises, demanding at the same time standards of efficiency and quality which can only be obtained with skilled and well-paid administration and management. This can be done through the measures set forth as a result of the powers contained in Law 23230.

2 -- Complying with the mandate of the budget and our own government program in the direction of gradually eliminating indiscriminate subsidies to food products and fuel. The elimination will be compensated for by specific subsidies aimed at the needier population groups by reducing, for example, increases in the price of domestic kerosene and, in the case of food, through food stamps, the Job Promotion Fund, the school lunch program and public cafeterias with subsidized prices.

3 -- Gradual reduction in the public sector deficit through the tax reform already provided for by legislative decrees and by an appreciable improvement in tax administration through mechanisms set forth through that very legislation. We do not exclude the possibility of taking special measures to obtain more income or achieve greater savings helping to solve this budget crisis. We intend to present a bill to Congress in order to reduce tax exemptions existing in those activities where they are not justified, simplify their administration and increase taxes when the national interest justifies our doing so.

Selective Adjustments

4 -- Strict control of public spending, although we recognize the need to increase it substantially in the areas of the social sector, mainly for health, education, housing and certain activities related to agricultural development and maintenance or expansion of the road system.

5 -- We shall maintain selective adjustments in public administration based on the same criteria used since January, in order to protect the purchasing power of wages facing the inflationary process.

6 -- Gradual reduction in and restructuring of public administration personnel with strict compliance with existing legal provisions or those set forth in the future.

7 -- Maintenance of the policy of strict control of the intervention of the Central Reserve Bank in order to finance the public and private sectors, trying to ensure that the needs of both shift more and more to the financial system, which will in turn force the effective mobilization and promotion of domestic saving.

8 -- Periodic revision of passive and active interest rates in order to promote saving and channel it toward productive activities, reducing or increasing them depending on the inflationary process.

9 -- Continuing an aggressive policy aimed at improving prices for farm products in order to stimulate production, while introducing when necessary protective prices and trying to gradually free domestic trade in farm production in order to eliminate costly government intervention and the speculation that results from the chronic scarcities of certain products, whether because of the inadequacy of the transportation system or the lack of storage.

Tariff Policy

10 -- Maintaining the current tariff policy, modifying it only in order to protect situations of verified scarcities in the industrial sphere or to protect new industrial activities requiring a process of maturation in order to be competitive nationally and internationally.

11 -- We propose to adhere firmly to priorities established in our development strategy, mainly referring to agriculture, the agroindustry, oil, energy, mining, fishing and other industrial activities.

Inflationary Situation

The president of the Council of Ministers said that some of the measures indicated have already been taken by the government, while others will soon be taken in order to achieve the desired results.

He stressed the fact that actions aimed at controlling the inflationary process are yielding good results, despite the adverse circumstances that exist, and said

that the inflation rate for 1981 will reach 54 percent, "disregarding the effect of the payment of prices contained in 1980 by the previous government and using as an average figures that represent the real situation under the control of the constitutional administration."

In order to realize the scope of the effort made, Ulloa Elias said that one should consider the fact that in 1978, the rate of inflation was 74 percent; in 1979, 67 percent; and in 1980, it was on the order of 80 percent. "This percentage includes the freezing of prices and the manipulation of figures so as to hide the truth from us," he added.

He then went on to comment: "We have managed to achieve our goal announced in August 1980 of beginning to gradually reduce the inflation from which the country is suffering." He stressed the fact that by following the policy set forth, the goals announced by the constitutional government will be achieved.

Ulloa was emphatic in stating that the figures given "are not deceiving and hide nothing in order to win ephemeral popularity." He added that the figures are available to all representatives who wish to verify them.

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CSO: 3010/1741

ECONOMY MINISTER GIVEN VOTE OF CONFIDENCE

Lima EL COMERCIO in Spanish 14 Aug 81 p A-1

[Text] Following a lengthy session lasting over 17 hours, the Chamber of Deputies gave a vote of confidence to Manuel Ulloa Elias, president of the Council of Ministers, after hearing his economic report. The report set off an exhausting and fiery debate over 12 hours long and forced members of the Chamber to remain on their benches through the night, despite the intense winter cold.

The Chamber also voted down a motion of censure proposed by the PAP [Aprista Party of Peru] opposition and the communist left, which alleged that Ulloa's report had not convinced them. In their opinion, the policy outlined by the head of the Cabinet was not a solution to economic problems.

The session began at 1730 hours two days ago. Ulloa's report ended at 2000 hours, when the debate began that was to last until 0830 hours yesterday morning, at which time Ulloa left the chambers.

The session ended two hours later, during which time the motions of censure and confidence were debated.

In the debate on the minister's report, 18 representatives spoke out of the 41 who had asked to speak.

During the debate, the president of the Cabinet faced his opponents in an exchange generally characterized by serene, lofty language, sometimes interrupted by ironic expressions of a political nature.

Ulloa used a new method in responding to each one of his critics at the close of their speeches, a new style which, according to seasoned representatives, is a parliamentary innovation in our midst. At least, it has not been practiced for 50 years.

Ulloa used vigorous but lofty language in his replies. He sometimes smiled at the criticisms, seated on a bench facing the dais. When he left the chambers, he was applauded by deputies of the majority.

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CSO: 3010/1741

EDUCATION MINISTER ANNOUNCES 4-BILLION-SOL CREDIT

Lima EL COMERCIO in Spanish 14 Aug 81 p A-4

[Text] Trujillo--Minister of Education Jose Benavides Munoz announced at a press conference today that his sector will have credits amounting to over 4 billion sols to be used this year as part of the 5-year plan.

He stated that 1.8 billion sols were already obtained from the Federal Republic of Germany and will be distributed in the rural areas of Pasco, Huanuco and Junin.

At the same time, 220 million will go to Huancavelica, 219 million to Cajamarca, 260 million to Piura and Sullana and 155 million to the Washington School in Lima. Another 8 million will be used to upgrade the premises of Our Lady of Guadalupe School.

The minister said that 440 million sols will be invested in Trujillo: 60 million to complete the Marcial Acharan School and 380 million to build an educational complex in the La Noria Development. He added that these two projects will be put up for bids on Sunday and that work will begin within 30 or 40 days.

Benavides also said that the first steps are being taken for a Finnish credit of 1.7 billion sols, which will go to the Piura mountain range and some provinces of Cajamarca.

He said that agreements had been signed with Caritas for the installation of workshops in the Condevilla, Cantogrande, Lurin and Collique parishes in Lima.

An agreement has also been signed with the University of Trujillo for a special training course for teachers on the education of the disabled, the mentally retarded and children with hearing and language problems.

Concerning the possible teachers strike, the minister emphasized that the people should close ranks in order to defend the democratic government they elected last year. He stressed that "everyone can see how hard we are working and a strike would be illogical. It would only upset the democratic order of the country."

He added that political leaders in the field of education will go into the streets and that work must be done in the classrooms to help our young people, the future of our country.

The minister signed three agreements with the municipality for the concession of land for education facilities to be built by the ministry. One is in the Torres Araujo development, another where the former auditorium of the San Juan School was located and the third in the area where the Santa Ana Elementary School is operating, so that each may have its own facilities.

Concerning Marxist infiltration in school textbooks, the minister said that the license to circulate some of the books has expired and that in the future, his office will be much more careful before renewing such authorizations.

The minister of education arrived on his working visit at 1735 hours yesterday and returned to the capital today at 1700 hours.

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CSO: 3010/1741

FOREIGN AFFAIRS ADVISORY COMMISSION TAKES OFFICE

Lima EL COMERCIO in Spanish 14 Aug 81 p A-4

[Text] In a special ceremony presided over yesterday by Minister of Foreign Relations Javier Arias Stella, the advisory commission was installed yesterday. Among other activities, it will give advice to the ministry "in areas related to the country's foreign policy."

The advisory body, headed by senator-for-life and former President Luis Bustamante y Rivero, is made up of 21 persons, including diplomats, intellectuals and senators. The installation ceremony took place in the Torre Tagle Ministers of Foreign Affairs Room.

In his brief address, Arias Stella expressed his thanks to the members of the commission for their positive response "to the appeal which we made to you to join this important advisory body, which is called on to perform an important patriotic function in the government of President Belaunde."

He recalled that in August 1872, during the administration of the then President Manuel Pardo and under Minister of Foreign Relations Jose de la Riva Aguero, the first advisory commission was installed, presided over by former Minister of Foreign Affairs Jose Antonio Barrenechea.

"Today, 109 years later, we are complying with Article 223 of the Political Constitution and with laws and regulations that have continued that constitutional mandate, by installing a similar commission," Arias Stella said.

He then went on to say that the functions of the commission include: issuing an opinion on all matters when requested to do so by the minister; informing the ministry on missions that may have been entrusted to one or several members.

At the same time, the commission may draft bills, legislative decrees and other provisions required. It may propose legislative measures or regulatory provisions it deems suitable to the foreign minister.

Arias Stella said that "all the work, opinions, recommendations and projects requested of the commission and those it presents when acting on its own initiative will be of an advisory and confidential nature."

Patriotism and Dedication

The head of the advisory commission, Jose Luis Bustamante y Rivero, then commented that the measure taken by the minister of foreign relations in calling on a group of men to give advice is a good one. He emphasized "the patriotism and dedication" of those making up the group.

He also explained that in times like these, the commission will give ideas or elements helping the Foreign Ministry "to guide the steps taken in the international field" because "that is both delicate and difficult."

Members

The Foreign Relations Advisory Commission, created by Supreme Decree No 005 on 9 March, is made up of the first vice president of the republic and Peru's ambassador to the United States, Fernando Schwalb Lopez Aldana; senators Oscar Trelles, Sandro Mariategui, Jose Carlos Martin (AP [Popular Action]), Luis Alberto Sanchez (PAP [Aprista Party of Peru]) and Angel Castro Lavarello (UNIR [expansion unknown]).

Other members are: Aurelio Miro Quesada, David Aguilar Cornejo, Luis Alvarado Garrido, Arturo Garcia y Garcia, Luis Edgardo Llosa, Jorge Vasquez Salas, Emilio Romero, Hector Lopez Martinez, Bolivar Ulloa Pasquette, Delia Revoredo de De Bakey, Andres Aramburu Menchaca, Felix Denegri Luna, Javier Pulgar Vidal and Nicolas de Pierola y Balta.

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CSO: 3010/1741

BRIEFS

TERRORISM IN CENTRAL REGION--Huancayo, 25 Aug--Terrorists returned to the charge for the fourth time in less than three weeks in the central zone. This time, in the vicinity of Morococha a charge of dynamite exploded in the Morococha Production Unit of Centromin Peru [Central Peruvian Mining Enterprise]. The explosives were detonated in the Social Services building, alongside the seat of the Office of Industrial Relations, completely destroying the windows, mirrors, doors, and furnishings. It also cracked the structure of the building. The deafening sound and the shaking of the earth caused by the violent explosion created panic among the mining workers. This is the fourth time in less than 20 days that the central sierras have been struck, which has led the police to presume that it is the same persons or the same group which caused the damage, especially when they blew up an electricity pole belonging to the Mantaro Hydroelectric Center, leaving the city of Huancayo without electricity for more than 15 hours. On 24 August there was a strong explosion in the office of the Subprefecture of Huanta, destroying doors and windows but without causing any injuries. The explosion occurred at 1000 hours yesterday. The subprefect and the personnel normally working in the office were not present when the explosion occurred. A gang of terrorists yesterday morning dynamited the regional office of the Ministry of Agriculture in iyacucho, Cangallo Province. In their flight from the scene the terrorists attempted to kill two persons who got in their way. Police investigations by the local intelligence office reportedly brought out the fact that those responsible for this new act of terrorism were also implicated in the assassination of Civil Guard Sergeant Ramos Flores, which took place a week ago in La Quinua district. The dynamite attack in Cangallo destroyed the door and the glass in the windows of the office. The strong explosion, which awoke the townspeople, fortunately caused no personal injuries. [Text] /Lima EL COMERCIO in Spanish 26 Aug 81 p A-12/ 5170

CUZCO POST OFFICE BOMBED--Cuzco, 23 Aug--A powerful explosion of a dynamite charge thrown from the street into the Post and Telecommunications building destroyed a large part of the glass windows and damaged installations and offices. The attack took place at 1435 hours when the second half of the Peru-Uruguay soccer game was about to begin. According to regional Postal Service chief Jorge Salazar, the doorman, Juan Pablo Calluco, heard a noise and noticed a woman running through the street. On seeing smoke coming out of the building, he ran into the street to look for help but found no one. As he hurried back into the building, the explosion occurred, throwing him to the ground and causing him subcutaneous hemorrhages. On the first floor mezzanine another guard, Angel Allasi, suffered severe shock. The three-story building with its large windows was strongly shaken by the explosion. Doors and glass windows were destroyed, as were fluorescent lamps and stamp-vending

booths. The postal franking machine was also damaged. The terrorists took advantage of the Peru-Uruguay soccer match and the fact that the Fourth Regional Office of the Civil Guard, which used to be 50 meters from the building attacked, was moved to another location this morning. A street vendor also said that he had seen a woman running after the explosion. It is reported that the Post Office will be closed for two or three days while repairs are made. [Text] [Lima EL COMERCIO in Spanish 24 Aug 81 p A-18] 5170

LABOR MINISTRY BUILDING BOMBED--An unruly mob threw "molotov" cocktails at the Labor Ministry, causing slight material damage. This happened at 2015 last night, according to members of the Republican Guard detachment. The rioters went so far as to throw seven homemade bombs at Office No 104 of the conciliation division, which fronts on Pablo Bermudez Boulevard. The policemen immediately intervened in order to deactivate the incendiary devices, achieving their objective in a few minutes in order to prevent the offices from catching fire. After committing these acts of vandalism, the rioters fled in different directions. The bombs destroyed some window panes, sofas and a filing cabinet. [Text] [PY051828 Lima EL COMERCIO in Spanish 29 Aug 81 p A3]

TERRORISM IN INTERIOR--Huaral, La Orolla and Huancayo were shaken yesterday by five more terrorist attacks. Terrorism has escalated in the interior during the past few days. Sticks of dynamite exploded in the agencies of the Credit Bank and Bank of the Nation in Huaral, causing damage to the windows, furniture and documents. The damage has been estimated at 3 million soles. A member of the Civil Guard who was on guard duty, had the chance to fire at a yellow vehicle from which the explosive charge was thrown at the bank, but the terrorists answered him with a burst from a submachinegun. The guard member was not wounded. A CENTROMIN-Peru [Central Peruvian Mining Enterprise] electricity pylon was knocked out by two charges of dynamite. This attack took place in (Jatco), on the highway that leads to Cerro de Pasco. In the latter city, a bomb that had been placed against the door of the labor court did not explode. The last attack took place in Huancayo, where the premises of the justice of the peace were badly damaged. [Text] [PY021826 Lima Radio Union in Spanish 1130 GMT 2 Sep 81]

PHYSICIANS STRIKE ENDS--Lima, 6 Sep (AFP)--The strike by 13,000 Peruvian physicians, which lasted for 30 days, was lifted early this morning by the agreement of a general meeting, which ordered the doctors to immediately return to their work sites. The stoppage, which practically left all the hospitals in the country without medical attention, both in the health sector and in the social security system, was solved through an agreement signed by a mediation commission presided over by the labor minister, Alfonso Grados Bertorini, and the Peruvian Medical Federation. A mixed commission was in charge of putting into effect the agreed points and resolving others raised by the doctors, such as the free treatment of poor people and the extension of the social security system to the family members of workers. The agreement to resolve the stoppage--which in recent days had been radicalized with the hunger strike of at least 38 doctors throughout the country,

of which 9 in Lima were in critical health--also won substantial increases in the doctors' salaries, although the amount is not known. [Text] [PY062208 Paris AFP in Spanish 1329 GMT 6 Sep 81]

ANDEAN PACT OFFICIAL TO EUROPE--Lima, 12 Sep (AFP)--Ambassador Jose de la Puente, coordinator of the Cartagena Agreement Board, left today for Madrid where he will discuss the present stage of development of the Andean group with members of the EEC Council. De la Puente, who is one of the coordinators of the [words indistinct], --technical body of the Andean Pact--also noted that he will hold meetings with members of the Spanish Government with whom he will discuss issues pertaining to Andean-Spanish cooperation. During a 15-day tour that will take him to several countries the high-ranking Andean Pact official will also stay in Paris, France where he will meet with French officials with whom he will discuss ways to strengthen ties between European countries and those within the Andean Pact. [Excerpt] [PY140330 Paris AFP in Spanish 2012 GMT 12 Sep 81]

MINERS, METALWORKERS STRIKE--Lima, 10 Sep (AFP)--The Federation of Peruvian Miners and Metalworkers began a 72-hour strike today, with the exclusion of important unions of the state sector. Among those excluded are: Centromin Peru (former Cerro de Pasco), Hierro Peru (former Marcona), Sider Peru (steel industry), and Cerro Verde (copper). The strike--declared unacceptable by labor officials--seeks to support the southern copper workers who have been on strike for 3 weeks. [Excerpt] [PY120303 Paris AFP in Spanish 0137 GMT 11 Sep 81]

MEXICAN-FRENCH DECLARATION HAILED--Lima, 4 Sep (AFP)--Peruvian opposition leaders have congratulated France and Mexico for having recognized the Salvadoran rebel movements. The Peruvian Government 3 days ago criticized the decision of these two nations on the grounds that it violates the principle of nonintervention in domestic affairs of other nations. Meanwhile, the metropolitan dailies, with the exception of a leftist one, have published editorials supporting President Fernando Belaunde Terry's attitude and condemning the Mexican-French declaration. APRA [American Revolutionary Popular Alliance] deputy and leader Carlos Roca described the French-Mexican decision to recognize the Farabundi Marti Front and the Democratic Revolutionary Front as an act of courage. Alfonso Barrantes, leader of the leftist unity which is made up of several Marxist parties, expressed satisfaction over the fact that France and Mexico have reaffirmed their independent foreign policies. Other leaders of the above-mentioned leftist unity like Jorge Del Prado (communist), Javier Diez Canseco (Marxist), and Antonio Meza (socialist), hailed the timeliness of the Mexican-French action. [Text] [PY091603 Paris AFP in Spanish 1911 GMT 4 Sep 81]

GOVERNMENT TO FIGHT TERRORISM--A wave of violence shook this city on Tuesday when dynamite attacks were perpetrated against eight factories, a filling station and a monument. Meanwhile, congress is about to earmark higher economic resources for the police. These attacks were perpetrated just after the three police branches--the Civil Guard, the Republican Guard and the Investigations Police--decided to join efforts to eliminate the scourge of terrorism. In order to implement this measure, which foresees surprise antiterrorist actions, the government decided to provide the police with the necessary material for that struggle. For its part, congress is about to provide the funds needed to fulfill that goal. [Excerpts] [PY092333 Paris AFP in Spanish 1508 GMT 9 Sep 81]

JUNGLE COLONIZATION PROJECT--After 2 years of planning, the agricultural services cooperative Satipo Ltd., No 183, will soon begin its project of colonizing 500,000 hectares of land in the central jungle of the country, sending from 200 to 300 families to the jungles of Alto Urubamba. The project is the largest colonization effort in Peru. The announcement was made at a press conference yesterday by the chairman of the colonization committee, Juan Cristobal Geronimo, who said that after 2 years, over 500,000 families will benefit from the project. Cristobal Geronimo expressed his thanks to Minister of Agriculture Nils Ericsson Correa, who offered his help for the execution of the project following the evaluation and classification of the productive potential of the land. Cristobal Geronimo said that the minister has promised to immediately send a committee of experts from the 12th agricultural region of Huancayo to join with settlers in determining the best way to get them settled. During the process of colonization, advanced techniques in farming, livestock raising and forestry will be applied, scrupulously respecting the rights acquired by native communities. The colonization project has been called Earthly Paradise in memory of Gen Rafael Hoyos Rubio, who said on a visit to the area: "This is truly a paradise on earth." [Text] [Lima EL COMERCIO in Spanish 21 Aug 81 p A-7] 11,464

CSO: 3010/1741

UNIONIST CHARGES U.S. 'INTERFERENCE' IN TRINIDAD

FL041954 Bridgetown ADVOCATE-NEWS in English 28 Aug 81 p 1

[Text] A Trinidad and Tobago trade unionist has charged here that there was massive interference in the internal affairs of his country by the U.S. Government.

Mr Michael Als, president of the Bank and General Workers Union and also general secretary of the Council for Progressive Trade Unions in the twin island republic, made the allegation at a news conference here yesterday.

He explained that the interference was manifested in what he said was the support being given to the Organization for National Reconstruction (ONR) which is one of the parties expected to contest the upcoming general elections in that country.

Mr Als pointed out that an American public relations firm which had successfully assisted candidates in the U.S. and Jamaica presidential campaign and general elections respectively had been giving professional advice to the ONR.

He said that the ONR was currently spending enormous sums of money in newspapers advertisements, adding that this money was being raised externally.

Mr Als who is also chairman of the political organization calling itself the People's Popular Movement (PPM), said the U.S. assistance to the ONR had prompted the Trinidad and Tobago Government to complain to the United States about the matter.

He said the threat from what he called the rightwing forces had also prompted a number of organizations in the country to become united against the ONR. These include the National Joint Action Committee (NJAC), the official opposition, the United Labor Front (ULF), the PPM and other people's organizations.

Mr Als said it was in the interest of Trinidadians to block the ONR from coming close to the corridors of political power.

Mr Als added that the ONR was getting the bulk of its support from certain sections of the business community, upper middle class and sections of the police, army and coast guard officials.

CSO: 3025/1029

BRIEFS

NEW UNDER SECRETARIES--The new president of the nation has appointed the following under secretaries: Enrique C. Ferri Stabile, interior; Filiberto Ginzo Gil, foreign affairs; Juan Antonio Chiarino, economy and finance; Hector Furgone Schiavone, national defense; Luis Antonio Menafra Rodriguez, education and culture; Werther Nogueira Irigoyen, industry and energy; Ramon Nelson Malvasio, labor and social welfare; Armando Lopez Scavino, public health; Juan Carlos Jorge Hiriart, agriculture and fishing; Juan Bautista Schoeder, justice; and Jose Mario Puppo Rivero, planning coordination and information, [Montevideo LA MANANA in Spanish 3 Sep 81 p 2 PY]

RAPELA VISIT TO MEXICO, PUERTO RICO--Gen Julio Rapela [commander of 1st Uruguayan Army Division] is about to go abroad for visits to Mexico and Puerto Rico. The following is a report from Carrasco airport: [Begin relay] Gen Julio Cesar Rapela will leave this afternoon from Air Force Base No 1 here in Carrasco; he will be accompanied by his wife and Lt Col (Horacio Raconi). He will participate in the national day celebrations on 16 September as representative of the Uruguayan Armed Forces. On 24 September he will travel to Puerto Rico on a special invitation by the National Guard of that country which cooperates with the Uruguayan Armed Forces on various levels. General Rapela's return is planned for 26 September in the afternoon. [end relay] [Excerpt] [PY121816 Montevideo Radio El Espectador Network in Spanish 1600 GMT 12 Sep 81]

EXCHANGE POLICY RATIFIED--The central bank has ratified the maintenance of the current exchange policy as repeatedly reported by government officials. The central bank has established the new values for February at 1.175 percent. The U.S. dollar will cost 11,700 new pesos as of 1 February, and will be sold at the price of 11,737 pesos. [Montevideo Radio El Espectador Network in Spanish 1600 GMT 5 Sep 81 PY]

DELEGATIONS TO INTERNATIONAL EVENTS--The national delegation to the annual meetings of the IMF and IBRD [International Bank for Reconstruction and Development] has been appointed. It will be headed by Valentin Arismendi. The Uruguayan delegation to the UN General Assembly has also been appointed, and it will be headed by Foreign Minister Estanislao Valdes Otero. [PY040107 Montevideo Radio El Espectador Network in Spanish 1600 GMT 2 Sep 81]

BEEF SALE TO GHANA--Uruguay has sold 25,000 tons of beef to Ghana, thus opening a new market. According to the agreement, closed between the National Beef Insititute and two visiting Ghanaian ministers, Uruguay will make a first 6,000-ton delivery in November, a second delivery in May 1982 and a third in September 1983. [Montevideo Radio El Espectador Network in Spanish 1600 GMT 11 Sep 81 PY]

CSO: 3010/1821

MEP LEADER CLAIMS PACT BETWEEN U.S., VENEZUELAN GOVERNMENT

PA050406 Caracas Radio Rumbos Network in Spanish 1530 GMT 4 Sep 81

[Report by Ernesto Vega]

[Text] At a press conference a few minutes ago Jesus Angel Paz Galarraga, secretary general of the People's Electoral Movement [MEP], said that it is the opinion of the MEP that there is a pact at the international level between the U.S. and Venezuelan governments.

[Begin Paz recording] The Social Christian [COPEI] government is betraying the feelings of the Venezuelan people when it supports the Salvadoran junta, headed by the Social Christian Napoleon Duarte, a puppet of that country's military and oligarchy. These groups would already have been wiped out by the Salvadoran people's gun were it not for the shameless military intervention by the U.S. Government--even criticized by the U.S. people, who have felt the [word indistinct] of the Salvadoran junta with the murder of U.S. nuns in that country--and the military intervention by the Venezuelan Government, which [word indistinct] and supports it and adopts absurd and disproportionate reactions in criticizing the attitudes of Mexico and France, including the recall of the Venezuelan ambassadors and the eventual cancellation of the minister of interior's trip to Paris.

These friendly nations are trying, in a humanitarian festure, to call the attention to the international community to a search for a solution that will end the prolonged slaughter of the Salvadoran people, while the visit of the Salvadoran foreign ministeris intended to gather even more support from the Venezuelan Government and to involve it with other governments, to justify the U.S. intervention in El Salvador and the Caribbean.

The aforementioned circumstances reveal something more: that there is a common stand between the U.S. and Venezuelan governments. From the MEP's point of view, there is a pact or understanding, express or implied, by which Venezuela supports the U.S. militaristic policy in this country; and Washington, in turn, commits itself to favoring the expansion of Social Christian governments in the area.

We conclude by stating that Venezuela must separate itself from the policy of force and hegemony that the Reagan government has outlined for the world and applies in the Caribbean. It should return to an international policy that defends the rights of the people to their liberation and to safety from intervention by foreign powers, and to reliance on international cooperation for its development and welfare. [end recording]

CSO: 3010/1819

END

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PEMEX OFFICIALS: CONDITIONS FAVORABLE FOR OIL DISCOVERY

San Jose LA NACION in Spanish 21 Aug 81 p 2A

[Text] Three top officials from PEMEX [Mexican Petroleum] yesterday said that Costa Rica has the favorable conditions required for finding a commercial deposit of petroleum in its subsoil.

This statement was made after completion of an analysis of a series of geophysical and geological studies done in Costa Rica over the past 8 months.

The officials from PEMEX were: Jesus Chavarria, advisor to the director general of PEMEX; Felipe Espinoza, director of exploration; and the engineer Octavio Mejia.

Nonetheless, they said that not until the subsoil is drilled in the Atlantic region to the south of the country will they be able to determine whether petroleum exists there in commercial quantities.

The minister of energy, Fernando Altmann Ortiz, and the Mexican petroleum experts have therefore agreed to drill two oil wells near the town of Bribri and in the coastal lowlands near Limon.

The drilling will begin in December 1981 and will reach a depth of 4,000 and 6,000 meters.

The drilling program may conclude 4 or 5 months later.

Statement

The PEMEX officials yesterday released an official statement, saying that: "based on the geological and geophysical data analyzed, including superficial manifestations of hydrocarbons found in various areas of the country, the existence of hydrocarbon-generating rocks has become evident."

They added that "the seismology of the areas studied indicates the presence of large layers of sedimentary rocks and of structures which may contain hydrocarbons."

They also said that "a study of the surface geological profiles and of the electrical profiles of some of the wells drilled indicates the presence of porous rocks."

They then pointed out that "all these factors combined form the three basic indications of the existence of deposits of a commercial type."

The PEMEX officials said that exploratory drillings are expected to begin before the year's end. These drillings will be able to confirm the validity of their evaluations.

The officials yesterday held a press conference in which they did not hesitate to say that the geological conditions observed in Costa Rica are similar to those in Mexico, where petroleum in commercial quantities has been found for quite a long time.

To carry out this drilling program, a 12-kilometer road will have to be built in the Atlantic area in order to bring in heavy drilling equipment.

They will also establish a small unloading point on the Atlantic coast so that the drilling equipment can be set up on the coast; this equipment will be leased from PEMEX.

PEMEX now provides technical assistance to India, China, Cuba, Jamaica, and Costa Rica. But the first joint drilling program is the one to be conducted in Costa Rica.

Potential

The Mexican experts also said that there are good possibilities of finding petroleum in commercial quantities in the first two wells drilled.

Nonetheless, they added that the fact that they may not find any petroleum in these wells does not mean that the area should be given up. They recalled their experience in Baja California, where 26 exploratory wells were drilled in search of oil, and not until well 27 did they find huge quantities suitable for exploitation.

PEMEX will not charge Costa Rica for the commercial work. Costa Rica will only have to pay the operating costs for each well; this comes to about $2 million, explained the minister Altmann Ortiz.

The Costa Rican official and the Mexican visitors yesterday agreed to extend the technical collaboration agreement between PEMEX and RECOPE [Costa Rican Oil Refinery] until 3 August 1982.

This agreement was signed on 6 November 1980.

7679
CSO: 3010/1780

RECOPE LACKS MONEY TO PAY FOR OIL IMPORTS

San Jose LA NACION in Spanish 22 Aug 81 p 8A

[Text] RECOPE [Costa Rican Oil Refinery] has no money to pay for crude imports, and at this time talks are being held with Venezuela and Mexico to induce them to send fuel shipments while the form of payment is still being negotiated.

According to the executive director of the refinery, Jose Antonio Lara Eduarte, the present situation with both nations, our fuel suppliers, is somewhat unclear.

He said that talks are now in progress so that Costa Rica will not lack petroleum. One tanker is to sail from Mexico next week.

Credit

In the meantime, the minister of foreign relations, Dr Bernd Niehaus, and the minister of energy and mines, Fernando Altmann Ortiz, are attempting to obtain loans from international banks for petroleum purchases.

According to Mr Lara Eduarte, crude is sold "strictly for cash." This means that the ship is loaded when the importer pays.

The executive director of the refinery recognized the work that is being done to obtain loans, but so far, he said, nothing has been definitely settled.

Debts

Lara Eduarte reported that as of 31 July RECOPE's cumulative short-term debts amounted to 3.262 billion colons.

This means, he said, that RECOPE will have to obtain additional resources to pay off its debts. This could be done, he said, by increasing fuel prices or by eliminating subsidies.

The RECOPE director explained that this could provide the basis for a resolution of the situation by the mid-term period--about 7 years. After that, the refinery would again be free from debt.

Nonetheless, the official warned that the elimination of subsidies would not mean a price decline, but he said that this money would have to remain in the business.

According to Lara Eduarte, RECOPE's short-term debt, including some now past due, amounts to 2.587 billion colons.

7679
CSO: 3010/1780

BRIEFS

RECOPE MAINTAINS FUEL PRICES--Even in the hypothetical case in which RECOPE [Costa Rica Oil Refinery] is able to eliminate the subsidies it now grants for different activities, the company will work to preserve and even increase fuel prices in order to discourage consumption. According to RECOPE's executive director, Jose Antonio Lara Eduarte, the refinery now grants subsidies of approximately 800 million colons a year, and even if these subsidies can be eliminated, the firm's position is that high prices must be maintained. He did say, however, that the real price of gasoline would remain at 7 colons per liter, which will still give RECOPE a profit. RECOPE provides subsidies for buses in an amount of 450 million; subsidies to help solve the government's fiscal problems, amounting to 80 million; to fishermen, 40 million; and for the Moin port complex, 90 million. In addition, RECOPE also subsidizes the price of bunker fuel, to the amount of approximately 150 million colons. All together, this come to approximately 800 million colons. [Excerpt] [San Jose LA NACION in Spanish 16 Aug 81 p 8A] 7679

CSO: 3010/1780

BRIEFS

JAMAICAN OFFICIAL VISITS VENEZUELA--Caracas, 11 Sep (CANA-REUTER)--Jamaican Prime Minister Edward Seaga said today he hoped moderation would prevail over extremism in violence-racked El Salvador where he said external factors has complicated the search for a political solution. But Mr Seaga refused to comment to reporters at the end of the first day of an official 2-day visit here on recent Franco-Mexican recognition of guerrillas fighting to overthrow the Salvadoran civilian-military junta. We still hope that the moderate forces will prevail and that there will be a settlement in that country which will...eventually allow elections so that the people can choose the kind of government they want, he said. I would not want to make any comment with regard to the position of other countries, he added when asked about the general Latin American condemnation of the Franco-Mexican declaration. But he said the situation is complicated by other problems that are arising externally to El Salvador. Mr Seaga was greeted on his arrival this morning by President Luis Herrera Campins, which official spokesmen said showed special deference towards the Jamaican leader. Protocol would normally require a prime minister to be met by the foreign minister, Alberto Zambrano. Diplomatic sources said the gesture was made to reinforce Venezuelan support for Mr Seaga who came to power in Jamaica in elections last year and whose government maintains close links with Venezuela. [Excerpt] [FL110140 Bridgetown CANA in English 0032 GMT 11 Sep 81]

CSO: 3025/1030

BRIEFS

OPPOSITION PARTIES--There will be no merger between the Social Democratic Party [SDP] and the Free National Movement [FNM]. This was confirmed by the leader of the opposition, Mr Norman Solomon, at a news conference yesterday. [Reporter] Mike Smith explains the SDP's reasons why they are not hopeful of a merger: [Begin recording] Mr Norman Solomon, the SDP leader, said that his party submitted, upon request of the FNM, a concrete proposal in which the SDP clearly proposed an exploratory meeting between both parties. Mr Solomon said that the elected leadership of that party agreed 5 months ago that the party should put the welfare of the Bahamian people above all else, and that is why, Mr Solomon said, that efforts were made to unite the two parties. Today he said all attempts towards a merger with the FNM to find a combined opposition have failed. The party, Mr Solomon said, sympathizes with the concern and questions of the sector which has been asking: Why can't you people get together? At the news conference, Mr Solomon released the text of his party's correspondence to the FNM to the public. Only 2 days ago, he said, Mr Kendal Isaacs, leader of the FNM, refused to release his letters to the public. The SDP, Mr Solomon said, started corresponding with the SDP [as heard] on the matter as far back as 1 April. Mr Solomon said that it is not the intention of the SDP to waste talent and energy to attack the FNM. The Progressive Liberal Party, PLP, he said, will deal with that. [Excerpt] [FL041230 Nassau Domestic Service in English 1200 GMT 4 Sep 81]

CSO: 3025/1030

SOUTH AFRICA STRONGLY CONDEMNED

FL032307 Bridgetown CANA in English 2218 GMT 3 Sep 81

[Text] Bridgetown, Barbados, 4 Sep (CANA)--Barbados tonight issued a strong condemnation of last week's South African military incursion into Angola and restated its call for mandatory economic sanctions against the racist Pretoria regime. A statement from Barbados' Foreign Minister Louis Tull described the South African action as a flagrant violation of international law. "This latest act of aggression is another manifestation of the inflammable situation that exists in southern Africa, because of the refusal of the racist South African regime to give up control of Namibia (South West Africa)," Mr Tull said.

South Africa launched its incursion into Angolan territory from Namibia, which it occupies illegally in defiance of international opinion.

The Barbados minister called for the immediate and total withdrawal of South African troops from Angola and said this should be supported by all freedom-loving nations. He said that Barbados felt that the matter should be dealt with by the United Nations. In the Security Council this week, the United States vetoed a resolution condemning the South African action. "It is unfortunate that a superpower whichhas the political and economic leverage to influence South Africa should have seen fit to veto such a resolution," Mr Tull declared.

He added: "South Africa's claim that it harbors no aggressive intentions against Angola is belied by the fact that its bombardment of civilian targets in southern Angola and raids carried out by its troops against villages have resulted in heavy loss of life and damage to property. Barbados' position is that this act of aggression must be dealt with through the provisions of the UN Charter, and joins in the call for mandatory sanctions against South Africa and for the payment of compensation by South Africa to Angola," Mr Tull said.

Barbados, he added, supported the sending of a commission to investigate the situation and report to the UN Security Council. "Barbados calls on all nations, especially the major powers of the world, to bring adequate pressure to bear on South Africa to force that country to relinquish its illegal occupation of Namibia, thus removing the likelihood of war in southern Africa," Mr Tull said.

CSO: 3025/1030

NEWSPAPER CRITICIZES HIGH U.S. INTEREST RATES

PY161526 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 11 Sep 81 p 3

[From the "Notes and Information" page: editorial: "The International Responsibility of the United States."]

[Excerpt] It was obvious that the president of the U.S. Federal Reserve--a U.S. institution equivalent to the Brazilian Central Bank--will not change his economic policy after noting the serious problems Brazil is confronting because of high U.S. interest rates. At the recent Ottawa summit, President Reagan stated--despite the harsh criticism issued by the other industrialized countries--that the United States will continue to enforce this policy until there is a significant or a permanent decrease in the U.S. inflation rate.

In the lecture he delivered in Brasilia in response to an invitation extended by the Central Bank, Paul Volcker, the president of the U.S. Federal Reserve, categorically stated: "Our objective is quite clear: to combat inflation by restricting credit. We will maintain our restrictive policy. I could not say, at this point for how long the U.S. interest rates will remain high. They will start declining only after our fiscal and monetary policy begins to produce lasting results." The lecturer did not make any allusion to the criticism he has been faced with. In his own country--even from the treasury secretary--for enforcing a policy that is leading the United States into a strong recession due to the incompatibility of a severe monetary policy with a budget deficit that forces the treasury to rely on the market and raise interest rates.

Brazilian Finance Minister Ernane Galveas expressed the Brazilian position on the U.S. economic policy by noting that Brazil loses $500 million a year every time the United States increases its interest rates by 1 percent. He added that the loss is even greater since in addition to the fact that increases in U.S. interest rates result in a decline in international prices for commodities, there is an increase in interest rates (resulting from a decrease in activities) in other industrialized countries. He said, moreover, that the value of the dollar in relation to other currencies poses a difficulty for those Brazilian products that are exported to other industrialized countries. It can be estimated, therefore, that the high interest rates in the United States represent an additional expense of about $5.5 billion in currency.

The president of the federal reserve has not challenged these facts and he regrets them. He believes, however, that a decrease in the U.S. inflation rate will have long-term advantageous effects on the world economy. It is interesting to note that Carlos Langoni, the Brazilian Central Bank president, was in an uncomfortable position during the dialogue between Paul Volcker and Ernane Galveas. As president of the Central Bank he was certainly envious of the independence exercised by the president of the federal reserve in relation to the executive branch, and he had to admit that this monetary control is absolutely necessary. He also had to note that despite this being a function of the Central Bank, the situation is different in the United States, which because of its currency it has to face certain international responsibilities that increased in 1971 when the U.S. Government--in violation of the Breton Woods agreements--imposed "the dollar standard" on the Western world but without accepting the burden of this international responsibility.

CSO: 3001/248

EDITORIAL ON FOREIGN POLICY, ANTICOMMUNISM

PY161726 Rio de Janeiro JORNAL DO BRASIL in Portuguese 10 Sep 81 p 10

[Editorial: "Intolerant Practice"]

[Summary] Apparently the intelligence of some of the critics of the Figueiredo Government's foreign policy is not sufficient for them to understand that policy. A well thought out lecture like the one delivered by Foreign Minister Saraiva Guerreiro to the Superior War College [ESG] seems to have been unsuccessful in bringing light to a type of thinking vitiated by automatism.

"Let us just recall that if anticommunism did not ooze out of the text read by the foreign minister at the ESG, the reason does not lie in any mental reservation on the part of our foreign ministry, but on the fact that people with good taste do not usually keep repeating what is obvious. Because it is free of any inappropriate personal influences, our current foreign policy reflects the interests and general attitude of the government which pieces that policy together. Nobody should doubt that this government, by instinct and option, is opposed to communism. So Itamaraty takes that position as a premise to work from and sees no need to keep referring to it all the time--more so when professional diplomats erase from their language anything that smacks of opinion, subjectivity and emotionalism.

"It could not be otherwise, and it would be ignorance of the essence of diplomacy to believe that Brazil sympathizes with communism because it maintains trade relations with the Soviet Union." "The West is what it is because it has never allowed itself to concentrate on being just an anticommunist crusade. Playing such an antithesis--anticommunism versus communism--would directly lead to narrowmindedness. And narrowmindedness is not the hallmark which distinguishes the West from the gray communist universe."

Itamaraty has demonstrated that a well conducted foreign policy will never assist the Soviet Union. In Africa the practice of professional anticommunism or the simple polarization of ideas can become trumps of Soviet policy, because, whenever issues are reduced to such terms, the ghosts of the past favor the east bloc. The trauma of colonization in Africa hurts the West more than the East, for the simple reason that the latter has not yet imposed its colonization.

Soviet attempts at colonization have met with thundering failure in Egypt and the Sudan--as they did earlier in the PRC. And because the Soviet Union has acted

like a "superpower," it proved incapable of understanding the peculiarities and meeting the needs of the countries it has approached.

A policy without preconceptions such as the one Brazil practices can work into the gaps left by the confrontation between the two superpowers. Professional anti-communism is an outmoded practice which developing countries have known in the past, a practice which they never accepted because they could not see how it could benefit them.

"It would be difficult to demonstrate that the sophisticated and modern diplomacy of President Figueiredo is not in tune with Brazil's most legitimate interests, just as it would be difficult to demonstrate that the Figueiredo Government harbors secret sympathies for communism."

CSO: 3001/248

MOZAMBICAN FOREIGN MINISTER MEETS SARAIVA GUERREIRO

PY160148 Brasilia Domestic Service in Portuguese 2200 GMT 15 Sep 81

[Text] Thanking him for the luncheon given by Mozambican foreign Affairs Minister Joaquim Chissano, Foreign Minister Saraiva Guerreiro today condemned any vertical relationship in international politics as well as automatic alignments, expressing his hope that Brazil and the African countries will be able to insure respect for their own sovereignty.

Guerreiro said that he expects that both Brazil and the African countries will present their own profile in foreign affairs, free of rigid alignments, political blocs and arbitrary hierarchies. He spoke of Brazil's policy toward Africa, stating that it draws inspiration from three sources, namely: the peaceful nature of the Brazilian people who reject violence and aggression; the sentiments Brazilians harbor for fraternal people, particularly for those who speak the same language; and the fact that Brazil is a Third World and Western country at the same time.

The luncheon was served at the Club of the Nations. Joaquim Chissano, Mozambique's foreign minister, replied by saying that his country not only seeks trade, but also mutual assistance for development in cultural, sociotechnical and technological fields. Speaking of Brazil, Chissano said that for many in his country Brazil was a dream for a mystery, and to others a hostile country. However, today we can say that Brazil and Mozambique can work together to build paradise here on earth.

Chissano then said that his trip was to complement negotiations initiated during Foreign Minister Saraiva Guerreiro's visit to Mozambique last year.

CSO: 3001/248

SCRUBLANDS IRRIGATION PROJECT ANNOUNCED BY NETTO

Rio de Janeiro O GLOBO in Portuguese 20 Aug 81 p 23

[Text] Brasilia (O GLOBO)--The scrubland irrigation project announced by Minister of Planning Delfim Netto, under study by the Ministry of Agriculture, could produce 1.3 million tons of wheat in that region immediately, equalling the present production of Rio Grande do Sul, the state which produces the most wheat in Brazil.

For this it will be necessary to irrigate an area of 250,000 hectares. The ministers of agriculture and planning are already negotiating for loans with the IDB for the execution of that project, which in the first phase--4 years--seeks to irrigate a million hectares (that is 250,000 hectares per year).

Emphasis will be placed on wheat in this first phase--an imported product which weighs heavily on the balance of payments--rotated with corn, which will be sold on the foreign market.

According to technical studies, the scrublands in Brazil cover an area of 180 million hectares, of which 50 million are suitable for agricultural crops. Of these, 10 million hectares can be irrigated. The full use of this irrigable area would result in a production of 30 million tons of grain per year (60 percent of present Brazilian production).

At this time the scrubland region produces 7.5 million tons of grain, 1.2 million tons of meat and 300 million cubic meters of lumber.

The interest shown by the government in accelerating the occupation of the scrublands, according to Minister Delfim Netto, results from the fact that investments are smaller than inother sectors and the returns more rapid. At the same time, the country has the need to increase its exportable surpluses and to generate more employment.

8908
CSO: 3001/238

SOYBEAN EXPORTS BRING REVENUE OF $3 BILLION

Brasilia CORREIO BRAZILIENSE in Portuguese 14 Aug 81 p 7

[Text] Minister of Agriculture Amaury Stabile, speaking in Santa Rosa yesterday during the Fifth National Soybean Festival, pointed out the fact that Brazil is the third largest world producer and the second largest exporter of soybeans, product which provides almost 12 percent of our export revenues and which this year will occupy first place in sales among agricultural-livestock items, with an exchange revenue of around $3 billion.

Stabile declared that the increase in soybean production, the driving force behind the process of modernization of Brazilian agriculture, is a reflection of the correctness of the choice made by President Joao Figueiredo, who gave priority to agriculture in his administration. He also pointed out that such growth shows that when the farmer is offered support and the conditions required so that he will have trust in the government guidelines, that same farmer knows how to produce and face possible adverse conditions in the market.

The minister of agriculture also said that in the past decade soybeans underwent an average annual increase of 20.6 percent in the area planted and 26 percent in the volume of production. In 1970 that crop occupied 1.3 million hectares and yielded a little more than $70 million in foreign exchange for the country. Now, with Brazil as the second largest soybean exporter in the world, the product should yield nearly $3 billion for the country.

The minister also pointed out that it is important for the Brazilian farmer to understand, however, that the irreversible priority given by President Joao Figueiredo to agriculture should be adapted to the present conditions of the Brazilian economy as a whole during the present process of adjustment, whose effects on the other sectors of activity are much more severe.

He said that within that context, the mobilization has begun for the planting of a third great harvest in the 81/82 agricultural year, "convinced that the national awareness is growing as to the advantages of investments being made in agriculture and livestock raising on the basis of a businesslike approach which takes into account the proper selection of land, seeks the support of research and technical aid, uses quality seeds, irrigates and uses the meadowlands where they exist."

Stabile averred that the government wants the farmer to make more money. He also emphasized that the country needs the rural businessman to increase his production even more and for this it is offering the greatest support on the basis of a constant dialog with the most representative leaders of the rural area, studying constant improvements in those instruments of support.

He pointed out the need for the rural producer to concern himself to the maximum with an increase in yield and the elimination of waste so that they can face and overcome the natural difficulties of a more difficult economic time.

8908
CSO: 3001

CROP FINANCING INCREASED FOR THIS YEAR'S PLANTING

Brasilia CORREIO BRAZILIENSE in Portuguese 12 Aug 81 p 6

[Text] A special incentive is already being provided for the next agricultural harvest, the third under the Figueiredo administration: The National Monetary Council increased the basic amount of agricultural expenses by 126 percent. It will be on the basis of those amounts that almost all the main crops of the country will be financed.

The financing of agricultural expenses and sales are today the largest of the open accounts in the monetary budget. The principal lender, the Bank of Brazil, had a total of applications in agriculture and livestock raising at the end of March for no less than 660 billion cruzeiros, today already nearly 700 billion cruzeiros. The account for the expenses in agriculture on the basis of the basic amounts, which are established by the Monetary Council every year, that month reached 350 billion cruzeiros, thus becoming the largest of them all.

The basic amount of expenses, derived from floor prices, appeared formally in May 1979 at the beginning of the present federal administration. It was noted that the granting of financing on the exclusive basis of floor prices, as had been done up to then, concluded by causing some distortions.

In a note addressed to the National Monetary Council, the ministers of finance and agriculture showed that cases had been identified of products which demonstrated that not enough credit had been granted to the farmer within the parameters represented by the floor price. On the other hand, there were also cases in which financing, which was established on the basis of budgets prepared in an inflated manner, reached levels which were much higher than the real need for resources to pay for the costs of cultivating the intended crop. Moreover, problems of a technical order did not always allow the establishment and dissemination of floor prices with enough lead time for the timely release of credit, although this did not happen very often.

Based on that, the ministers proposed, it was necessary to create a new standard of reference which, in their words, should be "more in accordance with the actual spending on cultivation costs, discontinuing the linkage of those operations with floor prices." However, what would that pattern of reference be like?

In the first place, the criteria for the makeup of the financing basis was changed. No longer was the expected future price used to seek an indicator of the actual disbursement for cultivation costs per unit of cultivated area. That indicator from that time on was established on the basis of technical studies on that cost of production throughout the country, using a uniform methodology.

Annually, now, a master list of production costs is prepared, representative of the real costs to the farmer. In its preparation is considered, not only the cost of the land, but also the cost of labor, use of the land, the need for fertilizers, the cost of fuel, among several other variables.

Throughout the country, in a joint work with agencies of the Ministry of Agriculture, branches of the Bank of Brazil collect information on the real costs of production per hectare of all agricultural producers. In a subsequent phase, those figures are merged by region and the pertinent adjustments are made. That is what happened this year, for example, when an increase in the prices of fuel also led to a readjustment in the amounts of costs shortly before they were sent to the National Monetary Council.

That final commonsense work is prepared jointly by technicians of the Bank of Brazil, the Ministry of Finance, Ministry of Agriculture and the Secretariat of Planning of the Presidency of the Republic. Its preparation concluded, those agencies propose in a joint note the National Monetary Council, the costs observed in financing the costs of cultivation. That is how the basic amount of costs, known throughout the country as the VBC, is determined.

The master list which leads to it now considers the costs to the producer in the four main phases of the crop, from the preparation of the soil and planting, to cultivation operations and harvesting, disregarding only those costs considered as being those of sales and those of the presale phase. Therefore, the following items are considered: machine operations, including the costs of tractor drivers, fuels, lubrication and maintenance; seasonal labor, covering those operations that have to be done manually; draft animals, including feed and medicines; investments in such large-cost items as seeds, fertilizers and protective items [insecticides, pesticides, and so forth], and finally, fixed manpower costs with expenses for foremen or salaried administrators.

To those elements is added another variable, which assumes exceptional importance: yield. All products have their table for the VBC established in accordance with yield areas, with a number which varies for each of them. In the tables current for 1981-82, for example, corn has nine production belts, rice has four, soybeans and beans have five and so forth. The lower yield belts receive a VBC in cruzeiros which is also lower.

This will attend appropriately to farmers with different cultivation techniques. The most productive crops will receive greater financing, since they use more advanced techniques and use a great amount of modern equipment. In addition to establishing parameters of costs, however, the attempt is being made to attain another objective: increase agricultural productivity so that the grower can be better renumerated without prejudicing the consumer.

Taking into consideration the most common yield, the average increases in the VBC to be current for the next crops were: 128.6 percent for dry land rice; 128.1 percent for irrigated rice; 127 percent for soybeans; 121.9 percent for corn; 120.2 percent for beans; 133.3 percent for cotton; 114.1 percent for peanuts; 140.7 percent for sunflowers; 138 percent for castorbeans; 102 percent for manioc and 131.4 percent for cashews.

For associated crops, that is, the growing of more than one product in the same area, there is a special criterion. The amount of financing in those cases will be the sums of the VBC's for each crop planted together and taking the most common belt of yield. For example, if a farmer plants beans and corn together, it is natural that the yield of each crop by itself will fall somewhat, placing it in a lower strata of financing. Altogether, however, it will have its costs financed adequately.

Let it be said in passing that the VBC was not the only system of offical incentives to productivity. The Bank of Brazil itself decided to institute another mechanism for this purpose: to give to the agencies, which are members of the Brazilian System for Technical Aid and Rural Extension, more attractive conditions than those in existence by allowing an increase of one percent gross above the amount actually used in financing of crops raised under technical orientation.

A requirement will be--in addition to bimonthly visits by technicians to those financed fields--that the expected yield for the undertaking being financed be equal or greater than the overall regional yield (without counting in the years of crop failures) and higher than the highest already obtained previously by the borrower. With that type of incentive--which carries with it no additional onus for the farmer--the Bank of Brazil seeks to change the aspect of the technical assistance given in the traditional form, linking it to the results obtained.

It was on the basis of methods such as those that a record harvest was recorded in 1980, showing the reaction by farmers to government incentives such as the VBC, floor prices and complementary measures such as premiums for productivity. The grain harvest of 1978-79 registered 40,605,000 tons collected; for 1979-80, this production increased to 50,579,000 tons. Rice in that harvest, for example, reached 9.8 million tons, an increase of 28.5 percent over the amount reached in the 1978-1979 harvest. That was due not only to an increase in the area planted--6.2 million hectares (an increase of 14.1 percent)--but to an increase in yield.

That increase in yield was also shown in other products such as corn. With an increase of only 3 percent in the area planted, that harvest reached a record 20,212,000 tons, higher by a fourth than that harvested the year before. Similarly, soybeans increased in yield. A harvest of 14,887,000 tons was collected, an increase of 48 percent by comparison with 1979. That percentage in itself should not have its importance stressed too much since the 1979 harvest was considered small. The harvest last year, however, was a record, beating the 1977 production, the largest up to that time, by 21 percent.

To provide incentives for those two crops, the increase in credit granted to them was substantial. In rice alone the Bank of Brazil lent out 38.7 billion cruzeiros, 121 percent more than in the previous year. The largest amount lent, however, was in incentives to corn, reaching 154 percent more. Together, corn and soybeans received 64 billion cruzeiros in loans

Agricultural Harvests (in 1,000's of tons)

Products	78/79	79/80	80/81
Peanuts	462.3	524.6	355.4
Rice	7,574.9	9,637.7	9,544.5
Oats	66.1	75.5	75.5
Rye	16.9	10.6	40.6
Barley	102.0	85.0	85.0
Beans	2,279.5	1,895.2	2,454.4
Sunflowers	8.2	23.4	121.5
Castor beans	368.8	302.3	346.8
Corn	16,457.0	20,212.5	23,414.0
Soybeans	10,200.0	14,887.4	15,729.0
Sorghum	228.4	182.3	270.0
Wheat	2,841.0	2,742.7	2,400.0
TOTALS	40,605.1	50,579.2	54,836.7

The importance of the VBC's can be observed in the incentives to the various products. An example is beans. It is a product very susceptible to climactic problems; it actually suffered a crop failure in the 1979-1980 crop. However, the incentives granted to its cultivation prevented the failure from prejudicing supplies significantly. The 11 billion cruzeiros lent by the Bank of Brazil to finance plantings, guranteed a relatively high production, barely 15 percent lower than that of the previous year.

A still greater ratio of financing was guarantee this year with an upward adjustment of the VBC. It was precisely because of that--the amount of loans for beans by the Bank of Brazil on 31 March 1981 stood at 22,509,000 cruzeiros [as published] on 31 March 1981--the first forecasts on the present bean crop created a climate of optimism in the specialized agencies of the government.

There were actually some crop failures, such as the one that took place in Irece in Bahia. Despite that, production is exceeding the forecast of 2.4 million tons, to which will be added another 300,000 tons from the winter crop. In addition to the area cultivated in the states of the Center-South, there were increases in yield. Therefore, Brazil, after several years, will be able to stop importing beans to attend to the domestic demand.

Crop Loans--(Main Crops)

Crop	Amounts in millions of cruzeiros	Percentage of total		Variation in percentage	
	March 81	March 80	March 81	in 12 mos	in 3 mos
Cotton	26,591	7.0	8.0	106.0	49.0
Rice	43,568	11.3	13.1	108.5	14.6
Cocoa	5,889	1.6	1.8	94.4	6.4
Coffee	68.822	19.9	20.7	87.6	10.2
Sugarcane	37,796	9.9	11.4	107.5	24.0
Beans	22,509	4.5	6.8	171.9	107.7
Tobacco	1,711	0.9	0.5	2.6	34.7
Manioc	9,208	1.8	2.8	176.4	13.5
Corn	27,620	5.6	8.3	168.1	11.9
Soybeans	45,627	15.1	13.7	64.5	23.6
Wheat	2,651	12.9	0.8	-88.8	-78.6
Others	40.245	9.5	12.1	130.5	14.4
TOTAL	332,237	100.0	100.0	80.4	16.5

8908
3001/238

BRIEFS

STEEL PRODUCTION--Rio de Janeiro, 12 Sep (AFP)--The Brazilian Iron and Steel Institute today reported that during the first 8 months of this year Brazil produced 9,155,000 tons of steel which represents a 10.5 percent decline compared to last year's production in the same period. [PY Paris AFP in Spanish 1112 GMT 12 Sep 81]

NAVY OPERATIONS COMMANDER DIES--Adm Newton Braga de Faria, commander of naval operations and director general of navigation of the navy, will be buried today in Rio de Janeiro. He died of a heart attack while at work in his office. [PY Sao Paulo Radio Bandeirantes in Portuguese 1600 GMT 16 Sep 81]

GENERALS RETIRE--President Joao Figueiredo has signed a decree pensioning generals who have reached statutory age limits. These officers are Maj Gen Emmanuel Pedrosa, Maj Gen Henrique Fernando Fritz, Brig Gen Candido Leite Villas Boas, Brig Gen Carlos Camuyrano, Brig Gen Carlos Paes Leme Cangucu, Brig Gen Jose de Jesus Lopes, Brig Gen Jose Octaviano da Silva, Brig Gen Mercio Caldas, Brig Gen Moacyr de Oliveira Duarte, Brig Gen Oldemar Domingues dos Santos, and Brig Gen Ruyter Demaria Boiteux. [PY Paulo O Estado de Sao Paulo in Portuguese 29 Aug 81 p 5]

NEW OIL FIELD--The Petrobras has discovered another oil field, the Bicudo, in Campos Basin. The new oil field holds reserves estimated at between 100 and 120 million barrels, which stands for approximately 7 percent of Brazil's overall oil reserves estimated at 1.3 billion barrels. [Rio de Janeiro JORNAL DO BRASIL in Portuguese 9 Sep 81 p 1]

MILITARY MATERIEL TRADING COMPANY--Brasilia--Brazilian Ordnance Industry (IMBEL) chairman, Gen Arnado Calderari yesterday announced that the Foreign Trade Company (CODECE) [Companhia de Comercio Exterior] is being created to handle exports of military materiel and related technology. General Calderari said that the new trading company will operate in areas where there is receptivity toward conventional materiel such as light weaponry, ammunition and supplies, namely Latin America, the Middle East and Africa. IMBEL plans to channel all its foreign sales through the new trading company. [PY Rio de Janeiro JORNAL DO BRASIL in Portuguese 24 Aug 81 p 12]

IRON TO SAUDI ARABIA--Brasilia, 23 Jun (AFP)--Brazil today signed a contract to supply Saudi Arabia with 1 million tons of iron pellets valued at $50 million. The contract was signed between the Saudi Iron and Steel Company and the Rio Doce Valley Company. The iron will be used at the Al Jubail Iron and Steel compile which will begin operating in 18 months. Shipments will begin in 1982. [PY Paris AFP in Spanish 1823 GMT 23 Jun 81]

CSO: 3001/248

HUNGARIAN PAPER INTERVIEWS CHILEAN CP MEMBER

LD112322 Budapest MTI in English 1055 GMT 11 Sep 81

[Text] Budapest, 11 Sep (MTI)--NEPSZABADSAG correspondent in Havana has interviewed Volodia Teitelboim, member of the Chilean Communist Party Central Committee, about the characteristic features of the Chilean [word indistinct] and the tasks of the democratic forces. The Friday issue of NEPSZABADSAG covers the interview.

"A year has passed since the self-approval of the Pinochet-constitution. A small circle of the regime's supporters and some members of the bourgeois opposition thought at that time that Chile would set off the way of bourgeois-democratic evolution. We, the left wing, have never agreed with this opinion. Unfortunately, our stand has been proved: the possibilities of a progressive change are unknown for fascism," pointed out Teitelboim.

Then we emphasized that "the Reagan Administration speaks highly about the Chilean model and Pinochet.... Chile has become the ideal example for Latin America. It is not by change: it unconditionally submits itself to Washington's military-strategic plans and gives a way to U.S. monopolies.

"Pinochet loftily says that Washington 'conforms to him.' At the time of the coup, on behalf of the 'conquerors,' Pinochet promised six months to be enough for the pacification of Chile. However, 16 times six months were not enough to manage it. Violence is more merciless now, than it was in the beginning. Thirty thousand Chileans were murdered during eight years, and new dead bodies show every day the unchanged character of fascism," stressed Teitelboim.

"But a country, a nation cannot live locked from freedom for ever. We know that fascism will not give up power. Though conditions of changes are unripe, we are gathering our strength. A day does not pass in Chile without a fighting action. Discontent increases day by day, unemployment is growing and workers' living standard is down by 50 percent compared to what it was under the Allende Government.

"All forms of the fight against fascism have gained ground, including political and economic (?strikes), mass mobilization as well as armed actions. Success against the dictatorship can only be achieved by united actions, not by the activity of a small but heroic group. That is why we attach great importance to unity in this long and laborious struggle," said the Chilean communist leader.

"The unity of the Chilean left wing, as it is known, has suffered from a serious crisis. It is partly reasonable, as fascism desimated it and tens of thousands were forced to leave their homeland. However, the popular unity still exists. Moreover, eight Chilean progressive parties held a meeting abroad last year, and they will meet again soon to survey the measures to be taken in the new situation. Otherwise, our opinion is that the popular unity, which was not wide enough in its original form against right wing is not an overall alliance even now to overthrow fascism. We think that present conditions offer the formation of a wider anti-fascist unity. Consequently, our stand is based on two elements: the Chilean Christian Democratic Party should also play a part in the struggle for the reinstitution of democracy, and the wide-range unity should be led by the left wing," emphasized Volodia Teitelboim in the interview.

CSO: 3020/155

BRIEFS

EXTREMISTS' RELATIVE BANISHED--Concepcion--Eduardo Acosta Hernandez, brother-in-law of extremist Lisandro Sandoval Torres, killed in a clash with security forces at the end of August, and of Juan Sandoval Torres, currently at the Concepcion jail charged with political activities, has been banished to Alto del Carmen. It has been reported that Acosta Hernandez was arrested on 27 August after leaving the Concepcion jail where he had gone to pay his condolences to his brother-in-law. When searched he was found to be in possession of a political leaflet. His bandishment has been ordered by the interior ministry. [Summary] [PY152040 Santiago Chile El Mercurio in Spanish 3 Sep 81 p C7]

DEAD TERRORIST IDENTIFIED--The dead man who was found last Sunday in front of Pudahuel's (Cristo de Emaus) church has been identified as (Juan Jara Munoz), 35. Reportedly he was in agony for 30 days after being wounded by Carabineros corporal (Pedro Nelson Cubillo), who shot him in self-defense. (Cubillo) was posted in front of the house of court of appeals justice (Efren Araya) when he was attacked by a group from a passing bus. [Excerpt] [PY151846 Santiago Chile Domestic Service in Spanish 1100 GMT 15 Sep 81]

AGITATOR UNDER ARREST--Copiapo--Pedro Miguel Sepulveda has been arrested by Carabineros while distributing propaganda calling for strikes in the Llanta Mining District, and placed at the disposal of the zonal officer charged with enforcing the state of emergency. [PY Santiago Chile El Mercurio in Spanish 29 Jul 81 p C3]

INDUSTRIAL PRODUCTION--Sergio Chaparro, director of the National Statistics Institute has reported that Chilean industrial production has increased 5.2 percent during the first half of 1981. [PY Santiago Chile El Mercurio in Spanish 3 Sep 81 p C1]

CHILEAN-ASSEMBLED PLANES'FLIGHT--The first military planes assembled in Chile have made their initial flights successfully. The planes are the Chilean-designed (PIYAN) and the 101 fighter, a Spanish jet trainer. The test flight took place at the (Capitan Avalos) air force school and was observed by Chilean air force commander in Chief Brig Gen Fernando Matthei, by Spanish air force chief of staff Lt Gen (Emiliano Alfaro) and by Spanish Ambassador Salvador Bermudez. The (CASA) jet trainer was built by the Chilean and Spanish air forces and fully assembled in Chile. The (PIYAN) plane was built with the cooperation of U.S. technicians. It has also been fully assembled in Chile. [Excerpt] [PY Santiago Chile Domestic Service in Spanish 1100 GMT 16 Sep 81]

JAPANESE DEPUTY VISITS--Japanese liberal democrat deputy (Kishisho Osawa) has arrived in Chile. He is the head of a delegation made up of eight legislators who are touring Latin America. The visitor said that the rest of the delegation will arrive today in Santiago. He has also said that the visit is aimed at gaining an insight into the actual Chilean situation. [PY Santiago Chile Domestic Service in Spanish 1100 GMT 15 Sep 81]

CSO: 3010/1825

BRIEFS

CASTRO ON BELIZE INDEPENDENCE--On the occasion of the upcoming proclamation of Belize's independence, the chairman of the nonaligned countries movement, Fidel Castro, has sent a message to the chiefs of state and government of nations belonging to that institution. The message states: The nonaligned countries movement, a loyal and active fighter for the elimination of colonialism and neo-colonialism, today feels very proud and satisfied with Belize's imminent emergence into independent life next 21 September, when its independence will be proclaimed during the 36th period of sessions of the United Nations. During all these years, the intense activity of the nonaligned countries movement in favor of decolonization and, especially, in the Caribbean area, has played a relevant role through an effective solidarity which has contributed in a very important way to this historic and just cause of the Belizean people, the message adds. It goes on to say: Belize was admitted into the nonaligned countries movement as a member with special status during the fifth conference of chiefs of state or government held in Colombo. The movement has stated and reiterated consistently in all its declaration Belize's inalienable right to self-determination, independence and territorial integrity, warning against the denunciations and foreign threats to which it has been subjected during the entire process. The message concludes with this exhortation: Taking into consideration the foregoing, I appeal to all nonaligned countries to offer their rapid recognition of the new state of Belize. [Text] [FL121129 Havana Domestic Service in Spanish 1000 GMT 12 Sep 81]

MEXICAN GOVERNOR VISITS--Pedro Joauin (Codwell), governor of the Mexican state of Quintana Roo, is visiting Pinar Del Rio in the company of Osmani Cienfuegos, member of the PCC Politburo. The high-powered Mexican delegation visited the new hospital under construction in San Cristobal and the national superhighway along with Jaime Crombet and Jose Lopez Moreno, first party secretary in Pinar and minister of construction, respectively. [Havana Domestic Service in Spanish 1807 GMT [no date Sep 81 FL]

INDIAN, CANADIAN ENVOYS--Comrade Carlos Rafael Rodriguez, vice president of the Council of State, this morning received Vino Kumar Chand Narain Khanna, who presented his credentials as ambassador of the Republic of India. Comrade Carlos Rafael Rodriguez also received James Karl Bartleman this morning. Mr Bartleman presented his credentials as ambassador of Canada. Comrade Isidoro Malmierca, minister of foreign relations of Cuba, took part in both ceremonies. [Havana Domestic Television Service in Spanish 0000 GMT 1 Sep 81 FL]

SOLIDARITY WITH SWAPO--A ceremony to commemorate the 15th anniversary of the beginning of the armed struggle of the South West African People's Organization [SWAPO] was held at the Maximo Gomez electric plant in Mariel. The second secretary of the Communist Party of Cuba for the Havana Province reiterated the solidarity of the revolutionary people of the world with SWAPO. [PA141649 Havana International Service in Spanish 1600 GMT 9 Sep 81 PA]

NEW RADIO STATION--Telecommunications technicians of the Cuban Institute of Radio and Television are working on the final details for the dedication--on 10 October--of Radio Sandino in the municipality of Sandino, Pinar Del Rio Province. Radio Sandino, which will be the third radio station in the area, will have a 0.5 kw power and will be audible at Mantua, Guane and Sandino. It will broadcast its own programs 8 hours daily and the rest of the day it will join Radio Pinar musical network. Its broadcasts will be primarily directed to young students of three teams stationed in Sandino. Its dedication will mark the 113th anniversary of the beginning of our struggle for independence. The announcement was made during a ceremony held by provincial party and government officials to honor the Pinar Del Rio press workers on the occasion of the international day of the journalist. [Text] [FL091935 Havana Domestic Service in Spanish 1829 GMT 9 Sep 81 FL]

CSO: 3010/1830

BRIEFS

U.S. MEDDLING--Bridgetown, Barbados 3 Sep (CANA)--A leading academic here, Dr Neville Linton, today urged regional governments to speak out against U.S. "interference" in the area, if they truly wish to see the Caribbean remain as close as possible to a zone of peace. In an article in the Barbados NATION newspaper, the University of the West Indies (UWI) lecturer accused the Reagan administration of trying to undermine the Maurice Bishop government in Grenada, while, at the same time, supporting "dictatorial, oppressive, murderous" regimes in El Salvador and Guatemala by giving them a wide range of economic and military assistance. "None of these terms can be seriously applied to the Bishop regime," he said, "while it is constitutionally nondemocratic (it came to power in a 1979 coup), arbitrary, and holding power through force of arms, it is also a government which has instituted a series of imaginative social and economic programs which demonstrates a consistent concern for the welfare and development of the people." Dr Linton's comments followed recent U.S. military maneuvers in the Caribbean on Grenada allegations that the exercises constituted a practice run for an American invasion of the leftist-ruled island. Dr Linton said that if the people's revolutionary government were to be overthrown tomorrow, it would undoubtedly be with U.S. assistance. He called on Caribbean governments to ask themselves seriously whether they wished the region to move into American hands. "If not, the time for solidarity and a firm stand on regional security vis-a-vis Washington is now," the scholar warned. He added that though Grenada may be somewhat exaggerating its dangers, there was a need for some concern about U.S. policing of the region under the present Reagan administration. [Text] [FL031900 Bridgetown CANA in English 1839 GMT 3 Sep 81]

MESSAGE TO DPRK PRESIDENT--St Georges, Grenada, 13 Sep (CANA)--Grenada's Prime Minister Maurice Bishop has sent a congratulatory message to President Kim Il-song of North Korea on the occasion of his country's 33d anniversary of independence. The message expressed Grenada's full support for the people of North Korea in their struggle against "imperialist aggression" and for their continuing efforts towards reunification with South Korea. It also wished that the friendly relations which exist between Grenada and North Korea would develop to the benefit of the peoples of the two countries. Grenada established diplomatic relations with North Korea at ambassadorial level in 1979. [Text] [FL141455 Bridgetown CANA in English 1750 GMT 13 Sep 81]

CSO: 3025/1030

BURNHAM CALLS FOR END TO U.S. INTERFERENCE

FL311532 Bridgetown CANA in English 1733 GMT 30 Aug 81

[Report by Edwin Ali]

[Text] Georgetown, Guyana, 30 Aug (CANA)--President Forbes Burnham charged last night that the United States wanted Guyana to denationalize a number of industries and to end the republic's socialist thrust.

Mr Burnham spoke at a mass rally to mark the end of the fourth biennial delegates congress of his ruling People's National Congress (PNC).

He was giving what he said were the reasons for the U.S. decision to veto a 20-million-dollar U.S. loan from the IDB for Guyana's agricultural sector.

"They want us, comrades, to take GUYMINE and hand it back to Alcan and Reynolds," he said. (GUYMINE is the government-run agency responsible for the nationalized bauxite/alumina industry formerly owned by the American companies Alcan and Reynolds.)

Mr Burnham said: "They want us, comrades, to have another colony like we once were, at MacKenize (now the bauxite center renamed Linden). They want us to hand over the industries which we have taken over. We did not take those industries without compensation accepted by and acceptable to both sides.

"They want us to hand over to the private sector the Guyana Rice Board. They would have us hand back sugar to whom I do not know, because (former British owners) Lord Campbell of Eskan and his friends no longer want sugar: they're writing books now.... They want us basically to denationalize our industries, they want us to change direction, they want us to end the socialist thrust.

Outgoing U.S. ambassador to Guyana, George Roberts, at a news conference last week, denied allegations here that the blocking of the loan was done in collusion with Venezuela, which is claiming 5/8's of Guyana.

Roberts said the reasons for the U.S. decision were in fact economic and that Washington had since made provisions for Guyana to benefit from additional U.S. funds in the Caribbean Development Bank.

But President Burnham told the thousands at the rally that he saw no reason why the United States "should have gone to that trouble."

They have the blocking vote and all they needed to say was "we have got enough money in this bank to say whether you get the loan or not."

"All right, it is their money. But to insult our intellect. Do they think that we are as stupid as we are black, comrades. That was the major consideration of the congress. A combination of the hostility of Venezuela and the technical reasons of the United States of America," Mr Burnham said.

President Burnham said the withholding of the loan will cause some problems for the Guyana sugar industry and the rehabilitation of the rice sector.

He contended that Guyana's struggle "to be independent is likened to the struggle with other people in other parts of the world to be independent, whether they be in Angola, Libya or Grenada.

"We are part of a world fraternity, that fraternity which does not seek to rule, but...which insists on its members being able to pursue their own paths of development, to apply their own carefully considered philosophy and ideology. This is all that we ask."

President Burnham asked that Guyana be left alone, pointing out that its territory was not used as a hostile base against any country.

"Leave us alone for Christ's sake. Did we thief your fowl cock or did we kill a priest. We stepped on no one's corn. We did not steal the resources which we nationalized. We have not made Guyana a hostile base against any country in the hemisphere or close by, unless to believe in socialism and to pursue it with fervor and determination is to be a hostile base. Who made you the arbiters of mankind?"

Earlier President Burnham said there were conspirators against Guyana and that the forces of counterrevolution were working.

He said there was an attempt to chop up the country and he urged Guyanese to exercise the determination to fight these attempts.

CSO: 3025/1030

BURNHAM CALLS FOR TALKS WITH VENEZUELA ON CLAIM

FL311625 Bridgetown CANA in English 2117 GMT 31 Aug 81

[Report by Edwin Ali]

[Text] Georgetown, Guyana, 30 Aug (CANA)--President Forbes Burnham has said Guyana is not interested in military or physical confrontation with Venezuela, which is claiming 5/8's of Guyana's territory, but is prepared to enter into or to continue dialogue with its neighbor aimed at resolving the claim.

Mr Burnham was speaking on Saturday at a rally to mark the end of the fourth biennial congress of the ruling People's National Congress (PNC).

Mr Burnham dealt at length with talks which he had with his Venezuelan counter part in Caracas and the subsequent statement by the Venezuelan president that that country would not renew the protocol of Port-of-Spain which has shelved their claim for 12 years.

Mr Burnham called for the mobilization of the Guyanese people for defense in the relevant services and for the deployment of some of the nation's forces at strategic points of the country.

He said Guyanese will have to make more sacrifices and curtail some of the consumer goods which are still imported.

The president referred to Venezuela's purchase of some F-16 planes--"the same type of birds that were used to bomb the reactor site in Baghdad."

He also said a letter was sent to the World Bank urging that institution not to be part of any arrangement to finance or to help finance the upper Mazaruni hydropower scheme.

Mr Burnham told of the visit to Guyana by Venezuela's former President Sr Carlos Andres Perez and said the then-Venezuelan leader discussed the building of a hydropower complex and the possibility of Guyana selling power to Venezuela.

On the U.S. Government's vetoing of a 20-million-dollar (U.S.) loan to Guyana and the Venezuelan claim he said "they are both after the same thing...the destruction of Guyana and the humiliation of the Cooperative Republic of Guyana."

He described as "hogwash and poppycock," the technical reasons which the United States advanced for blocking the loan.

Mr Burnham added: "The term technical reason was used to hide political and ideological reason, because the United States does not see any movement on our part.

"What movement do they want? The United States has its own ideology and philosophy. We do not criticize that ideology and we do not criticize that philosophy. For we hold that it is their right to choose their path of development. It is their human and national right to hold the ideology which they want."

He declared: "We are not told that every country has the right to seek its own path or development." [sentence as received]

The president charged that the United States wanted Guyana to change its ideological course and alter its direction.

President Burnham said Guyana must prepare to defend itself and also decide that the country must be willing to enter into or continue dialogue with the Venezuelans.

"We are not warlike, we don't want a war, though we know that Venezuela cannot beat us in this world..."

"What we are faced with today, what Venezuela poses to us today is a destruction and a dismembering of Guyana. Take away Essequibo, you take away where all our gold and diamonds are, where our oil is, our uranium is. Take away Essequibo in fact, and you take away the basic resouces of Guyana," the president said.

CSO: 3025/1030

BRIEFS

ROMANIAN PARTY DELEGATE--Georgetown, 31 Aug (AGERPRES)--Linden Forbes Burnham, leader of the People's National Congress [PNC], president of the Cooperative Republic of Guyana, received Ambassador Marin Argint, RCP representative to the fourth PNC congress. During the talk, reference was made to the political, economic and cultural relations between the Socialist Republic of Romania and the Cooperative Republic of Guyana, the wish being manifest to develop them on all planes. [Text] [AU312006 Bucharest AGERPRES in English 1825 GMT 31 Aug 81]

BELGRADE YOUTH MEETING--Georgetown, Guyana 5 Sep (CANA)--Executive member of the Young Socialist Movement, Leroy Scotland, has left for Belgrade, to attend a 5-day international youth and students conference which is underway. The conference will examine the role in youth and students and other organizations in politics. Mr Scotland will present two pages, one on "The Venezuelan claim to Guyana" and the other on "the role of youth and students in Guyana and Latin America." Venezuela is claiming 5/8's of Guyana under a long-standing territorial dispute. [Text] [FL051412 Bridgetown CANA in English 0915 GMT 5 Sep 81 FL]

GOVERNMENT MAPPING SURVEY--Georgetown, Guyana 5 Sep (CANA)--The Guyana Government and British firm, B.K.S. Surveys, are conducting a mapping survey here with the help of a specially-designed Piper Navajo aircraft which takes aerial photographs. The survey, budgeted at 200,000 dollars (1 Guyana dollar : 30 cents U.S.) is aimed at upgrading the country's maps. It could be completed in another 10 to 12 weeks' time. [Text] [Bridgetown CANA in English 0912 GMT 5 Sep 81 FL]

CUBAN TROOPS--Georgetown, 15 Sep (AFP)--Guyanese President Forbes Burnham has flatly denied that there are Cuban troops in Guyana, as reports from Venezuela have said, a presidential spokesman has announced. Burnham emphasized that "there are definitely no Cuban troops here; there never have been any Cuban troops here; and there is no reason for there to be any Cuban troops here." Venezuelan newspapers and radios had broadcast the reports denied by Burnham. [Text] [PA151554 Paris AFP in Spanish 1516 GMT 15 Sep 81]

CSO: 3025/1030

PNP URGES CHANGE IN REAGAN POLICY ON ANGOLA

FL031750 Bridgetown CANA in English 1537 GMT 3 Sep 81

[Text] Kingston, Jamaica, 3 Sep (CANA)--The opposition People's National Party (PNP) here has called on the Jamaica Government to use its "good relations and influence with the Reagan administration to help change U.S. policy in Black Africa.

The PNP's call came in a statement here in which the party condemned the U.S. veto of a UN Security Council resolution condemning South Africa's incursion into Angola last week, and calling for an immediate withdrawl of Pretoria's troops and for restitution.

The United States was the only country opposing the resolution, causing a split in the ranks of the Western nations on the South Africa/Namibia/Angola issue. Angola is one of the frontline African states bordering South Africa attempting to secure Namibian independence.

The PNP commended France's support for the resolution. The party's statement said the United States had used its veto power to block measures aimed at "countering the aggression of the racist South Africans against Black Africans."

South Africa claimed that it went into Angola for an operation against guerrillas of the South-West African People's Organization (SWAPO)--the recognized representative of the people of Namibia, the vast mineral-rich country that South Africa continues to hold in defiance of the United Nations.

However, Angola and SWAPO have said that there were no guerrillas in the areas the South African attacked, the only Namibian presence being refugees.

In its statement the PNP said that the Jamaican Government should act in a manner consistent with its condemnation of the South African invasion and should therefore attempt to persuade a change in Reagan's African policy.

Silence by the government on this issue, the party said, "will serve to confirm the view that the Seaga government is impotent as a result of its dependence on U.S. economic and political support for its survival."

CSO: 3025/1030

BRIEFS

AFRICAN DISPUTE--Kingston, Jamaica, 3 Sep (CANA)--The Jamaican DAILY NEWS today described as "callous" this week's U.S. veto of a UN Security Council resolution condemning South Africa for its invasion of Angola. The paper predicted the eruption of a Vietnam-style "limited war," with the U.S. supporting South Africa and the Soviet Union and Cuba backing Angola. The DAILY NEWS editorial said that the U.S. argument that the resolution blamed only South Africa was, to it, "an extremely weak excuse aimed at covering the unprincipled economic relationship which that country United States continues with South Africa, despite UN dictates." The real danger of the U.S. callous act," the DAILY NEWS said, was that Angola, having been refused collective international support, would now be forced "to seek the assistance of individual nations to repel the racist onslaught." It added: "In any event, we are fairly certain that a 'limited war' of the Vietnam kind will ensue with the United States increasing its military support to South Africa (even to the extent of sending troops), while the Soviet Union and Cuba will provide the main backing for Angola." The old argument of "protecting the people from the threat of communism" would again be raised to cloud the issue, the paper said. [Text] [FL031645 Bridgetown CANA in English 1631 GMT 3 Sep 81]

U.S., UK POLICIES--Kingston, Jamaica, 1 Sep (CANA)--The Jamaica DAILY NEWS today lashed the monetarist policies being pursued by the U.S. and British governments and warned of the possibility of state force being used to contain protests by citizens who would suffer falling standards of living. Along with the diminishing living standards in the two countries, the paper said, the Reagan administration's and the Margaret Chatcher government's chances of affecting recovery appeared slim. "Thatcher has spoken only in generalities about such hope, while Reagan has conceded that improvement is unlikely in his first term of office," the DAILY NEWS said. It said that the consequences of the hardline programs could open "the door for the use of police and military force against sections of the populations which oppose these policies." Said the DAILY NEWS: "Already Thatcher is moving towards increasing police powers while Reagan's neutron bomb decision seems to be aimed at as much as distracting attention from internal difficulties, as the new bogey--international terrorism." It said that if steps were not taken to deal "in a practical and rational way" with the problems being created, then increasingly legal, first, and then illegal force would be used to keep the people quiet. [Text] [Bridgetown CANA in English [no time given] 1 Sep 81 FL]

CSO: 3025/1030

AGRARIAN REFORM LAW PUBLISHED

PA062147 Managua EL NUEVO DIARIO in Spanish 25 Aug 81 pp 6, 7

[Text] Agrarian Reform Law

Chapter 1

Article 1. The following law guarantees the ownership of land to all those who work it in a productive and efficient manner.

Article 2. The following land is hereby declared affected by the agrarian reform:

A. Fallow land or land that is not being properly exploited by natural or legal persons who own more than 500 manzanas in Zone A and more than 1,000 manzanas in Zone B;

B. The lands that on this laws' date of issuance are leased or encumbered under any other arrangement, and whose owners own more than 500 manzanas in Zone A and more than 1,000 manzanas in Zone B;

C. Other land that on this laws' date of issuance is not being worked directly by its owners but by peasants through half-partnership [medieria], partnership by parcels, [aparceria], tenant ownership [colonato], or as squatters, or other similar forms of peasant exploitation, as well as through cooperatives or other forms of association. The only exceptions are those cases in which the owner of the land owns less than 50 manzanas in the departments of Chinandega, Leon, Managua, Masaya, Carazo, Granada, and Rivas or less than 100 manzanas in the rest of the country;

D. Land that has been abandoned.

Article 3. In the enforcement of this law, the maximum amount of 500 or 1,000 manzanas will be estimated by adding the area of all of the properties owned by a given natural or legal person, although these may be situated in different geographic locations.

Article 4. The rural farms that have been transferred by any title between spouses, or between spouses and their children and/or their brothers and sisters who are currently dependents are hereby considered to belong to the same natural person.

Article 5. For the effects of this law, Zone A includes the following departments: Managua, Masaya, Carazo, Granada, Rivas, Chinandega, Leon, Matagalpa and Jinotega. Zone B is all of the area in the other departments of the country. In the event that an owner has land in various zones, the maximum established for Zone A will be enforced.

Article 6. For the implementation of Article 2, the following is established:

A. Fallow land: Land that, although suitable for agriculture or cattle-raising purposes, has remained idle during the last 2 consecutive years;

B. Land exploited in a deficient manner:

1) A parcel of land whose area devoted to permanent crops, natural or artificial pastures or seasonal crops is less than 75 percent of the total surface suitable for agriculture or cattle raising. The area specifically devoted to forestry exploitation or reserves will not be taken into consideration when determining total surface;

2) Cattle farms that have less than one steer per two manzanas in Zone A, and those having less than one steer per three manzanas in Zone B;

3) Those areas in which the soil, water and other natural resources are exploited inadequately;

C. Land that has been abandoned: 1) land with perennial crops where the indispensable chores to maintain those crops are not being completed; 2) farming land or annual crops that for two successive cycles has not been prepared in due time or where such preparatory care has been interrupted; 3) cattle land that has deteriorated for lack of maintenance of fences and pasture grounds, or because of a considerable reduction in its herd; 4) land whose equipment and machinery cannot properly perform farming chores due to lack of maintenance or of replacements. Those cases in which the situations described above are not attributable to the owners are excluded.

Article 7. The effect includes all possessions related to the affected land, whether chattel, real estate or any other type. Cases of partial effect may be considered when, in the opinion of the Ministry of Agricultural Development and Agrarian Reform, there exists sufficient reason to merit it. Efforts shall be made, however, to avoid dismembering productive units.

Chapter II

On the administration and assignment of the land and other assets affected by the agrarian reform:

Article 8. The land and other assets affected by the agrarian reform shall be administered by the Ministry of Agricultural Development and Agrarian Reform until they are assigned. In addition to the land declared affected for the application of this law, any other land that may become or becomes the property of the state through other means, as well as national and common land (ejidales), shall also be subject to assignment.

Article 9. According to the plans and priorities established for the zone in which they may be located, the land and other assets declared affected by the agrarian reform and others set forth in Article 8 shall be assigned:

A. To peasants and half-partners [medieros], parcel partners [aparceros], land tenants [colonos] and squatters [precaristas], or to the cooperatives and other forms of production associations active at the time the land is declared affected. Allocation in these cases may be made on the same land or on land of better quality, always striving for bloc integration in order to facilitate the creation of associated forms of production.

B. To other peasants with no land, insufficient land or land of poor quality, who are dependent on farming activities and who may organize in cooperatives in order to be assigned land, and to cooperatives already organized that do not have sufficient land or have land of poor quality.

C. To individual producers or family units who may guarantee the efficient use of the land. In this case, as well as in the cases mentioned in the previous paragraph, priority shall be given to those who fought in our war of liberation and to the relatives of heroes and martyrs, with the intent of establishing associated forms of production.

D. To agrarian reform entities already established on in the process of being constituted.

Article 10. The area assigned in the cases mentioned in paragraphs 1, 2 and 3 of the previous article shall be of sufficient size to assure the beneficiaries an income at least equivalent to the established minimum. This size will vary according to soil quality, geographic location, mode of production and other factors, and it shall be established in the provisions that this regulatory dictates.

Article 11. In the cases mentioned in paragraphs 1, 2 and 3 of Article 9, the Ministry of Agricultural Development and Agrarian Reform will grant, free of charge, an agrarian reform deed, which cannot be revoked in any way. It is transferable only through undivided inheritance and can be used as a guarantee to obtain farming equipment. This deed will be issued by the Ministry of Agricultural Development and Agrarian Reform through an agreement.

Chapter III

On the appropriation procedure:

Article 12. The declaration of property appropriation considered in clauses A, B and C, of Article 2 of this law, will be issued by the Agricultural Development and Agrarian Reform Ministry and will be based on proposals from the ministry's regional delegation.

Article 13. In the cases considered in Clause D of Article 2 of this law, the property appropriation declaration will be made by the Agricultural Development and Agrarian Reform Ministry. The ministry will base its declaration on a technical report from a qualified organization of the national finance system.

Article 14. Once the appropriation has been declared, the owner will be notified in writing. The notification will include the following information:

A. The reasons for the appropriation;

B. The date when the appropriated farm will be taken.

Article 15. When the owner is not present, the notification mentioned in the previous article can take place by means of a note that will be given to any responsible person present on the appropriated farm. If there is no such person on the property, or if the note is not accepted, then the note will be fixed to the door or in any other visible place on the property.

Article 16. In the cases considered by clauses A, B and C of Article 2 of the present law, once the owner is notified of the appropriation, he will have 30 days to appear before a regional delegation to declare under oath the area and assets connected with the property. If the affected person fails to tell the truth under oath or fails to appear within the established period, he will have forfeited the indemnity to which owners are entitled. In the case of abandoned properties, once an owner is notified, the corresponding regional delegation will make an inventory of the assets. The inventory will be signed by the owner, manager or administrator of the farm, or, in their absence, by the regional director of the ministry. In all cases, if the affected person removes assets from the appropriated real estate, this person could be guilty of stellionate, a fraud specified in the penal code.

Chapter IV

On indemnity and the form of payment:

Article 17. The land and other assets appropriated by the agrarian reform will be paid for with agrarian reform bonds. The amount of bonds, their form, interests and conditions will be established in the regulations of the present law. Land and other assets appropriated because of abandonment will pass to the state without indemnity.

Article 18. Once the Agricultural Development and Agrarian Reform Ministry resolution is signed, this ministry will agree on a declaration based on the appropriation or seizure. A certificate of this agreement will re registered in authorized public records.

Article 19. The indemnity will be established within 90 days of the appropriation, after the transfer is satisfactory. The basis for this payment will be the average value declared for fiscal purposes during the past 3 years. If the owner has made no declaration of property value, it will be established by agricultural development and agrarian reform experts.

If the assets appropriated by the agrarian reform have been mortgaged, and if this was properly done, the state will assume the mortgage payments whenever the mortgaged property is an agricultural and livestock enterprise and whenever this enterprise represents the only guarantee given for money received.

If several properties have been offered to guarantee payment, and these properties are not agricultural enterprises or if the property is to be expropriated or appropriated only partially, or if the property is appropriated because of abandonment, then, without having to go through any additional special proceeding, the Agricultural Development and Agrarian Reform Ministry will determine what portion of the debt it will pay.

For the purpose of mortgages and other real guarantees, debts will be considered to be divisible. The certification of the resolution of the Agricultural Development and Agrarian Reform Ministry will serve as a public record that will register the division of the debt.

In cases where this situation applies, the portion of the debt assumed by the state will be deducted from the indemnity to be paid.

Article 21 [as published]. Persons affected by Article 2 of this law who have no other source of income will be given a monthly pension that in no case will be less than 1,000 cordobas.

Chapter V

The National Council of Agrarian Reform:

Article 22. The National Council of Agrarian Reform is hereby created. The council will advise the Agricultural Development and Agrarian Reform Ministry on the development of agrarian reform policies. The National Council of Agrarian Reform will be constituted as follows:

A. The agricultural development and agrarian reform minister, or his delegate, who will preside over it.

B. The president of the National Union of Farmers and Cattlemen, or his delegate.

C. The secretary general of the Agricultural Workers Association, or his delegate.

D. The general director of the Directorate for Peasant Promotion.

E. The director of the Agrarian Reform Research and Study Center.

F. The director of the Financial Corporation of Nicaragua, or his delegate.

G. A delegate from the Planning Ministry.

Article 23. The National Council of the Agrarian Reform can create regional or departmental organizations responsible for helping the National Council carry out its duties whenever the council deems necessary.

Chapter IV

On agricultural development and agrarian reform areas:

Article 24. It is understood that an agricultural development and agrarian reform area is a specific geographical area of the country where special production, a territorial arrangement [ordenamiento territorial], irrigation or population settlement program is being carried out.

Article 25. The proper minister will identify the agricultural development and agrarian reform areas in places of the country which are considered adequate for successfully and fruitfully carrying out the plans and projects referred to in the preceding article.

Article 26. Within an agricultural development and agrarian reform area, the proper minister may issue special regulations regarding landholding and determine the appropriateness of the use of the soil and other natural resources related to agriculture and cattle breeding, in light of the specific plans and projects established for the area.

Chapter VII

On agrarian courts:

Article 27. Agrarian courts are hereby created to act as jurisdictional administrative bodies in charge of hearing and resolving, in definitive instances, all suits filed by persons affected by resolutions issued by the Agricultural Development and Agrarian Reform Ministry pursuant to this law.

Article 28. The agrarian courts will be composed of three members appointed by the junta of the government of national reconstruction. The organization, operation and territorial jurisdiction of the courts will be subject to the provisions of the regulations to be issued by the junta of the government of national reconstruction for such purpose.

Article 29. The affected party may file an appeal with the proper agrarian court on the third day [as published] against a resolution of the Agricultural Development and Agrarian Reform Ministry. Agrarian court rulings cannot be appealed and admit no filing for remedies, not even habeas corpus [amparo].

Chapter VIII

Special provision:

Article 30. The state may dispose of any amount of land which may be necessary for the Miskito, Sumu and Rama communities to farm them individually or collectively and to enjoy the benefits of their natural resources in order that the inhabitants may improve their standard of living and contribute to the Nicaraguan nation's social and economic development.

Chapter IX

Final provisions:

Article 31. Following the promulgation of this law, acts or contracts to modify, alter or transfer the holding or title to properties whose owners hold more than 500 manzanas in Zone A and more than 1,000 manzanas in Zone B may only be carried out with authority from the Agricultural Development and Agrarian Reform Ministry. The limits of 500 and 1,000 manzanas are established in accordance with the provisions of Articles 3, 4 and 5 of this law.

Article 32. De facto actions to modify the holding or ownership of land are hereby prohibited. Any land request or claim will be funneled through the Agricultural Development and Agrarian Reform Ministry.

Article 33. No breaking up of rural properties which may result in the creation of plots with a smaller surface than that stipulated in the regulations of this law, bearing in mind the size required to provide peasant families with a level of income equivalent to the minimum wage, may be carried out following the enactment of the present law.

Article 34. The Agricultural Development and Agrarian Reform Ministry may directly exploit or lease as well as receive the respective rental payments for all lands not affected by Article 2 of this law which, as determined by the Agricultural Development and Agrarian Reform Ministry, remain fallow during the respective agricultural season or whose owners do not positively express a determination to till them. If the owner subsequently evidences a desire to till his land, these will be turned over to him at the end of the respective farming season.

Article 35. Whether or not their contract is in effect, tenants of lands not affected by this law will have priority in extending their rights to receive from their lessors the same lands they tilled previously. Lessors may not deny the lands to them. The Agricultural Development and Agrarian Reform Ministry will resolve all cases involving conflicts regarding the application of this provision through its regional offices.

Article 36. Should lands be under lease at the time of expropriation, the Agricultural Development and Agrarian Reform Ministry guarantees the contract, always provided the tenant is tilling them efficiently.

Article 37. The Agricultural Development and Agrarian Reform Ministry is empowered to determine the amount of rent for all rural lands throughout the country.

Article 38. There will be no right to invoke constitutional guarantees [recurso de amparo] against agrarian reform rulings.

Article 39. Following the promulgation of this law, owners of rural lands subject to Article 2 of this law may not withdraw any properties of any kind and will otherwise face losing the indemnity payable to them once the appropriation is declared.

Article 40. The Agricultural Development and Agrarian Reform Ministry will issue special regulations on national and common lands.

Article 41. A certificate from the Agricultural Development and Agrarian Reform Ministry that the repsective property is not affected by the agrarian reform law

will be an indispensable requirement to continue suits in process over rural lands or to file new ones at the common courts.

Article 42. The issuance of documents connected with this law will be exempt from the payment of stamp taxes [or the use of] stamped paper.

Article 43. Public registrars of real estate properties are empowered to register, in accordance with the laws, all documents or titles issued by the Agricultural Development and Agrarian Reform Ministry pursuant to this law and its regulations.

Article 44. The Agricultural Development and Agrarian Reform Ministry is empowered to issue the regulations of this law. As long as this is not issued, the law will be enforced by means of resolutions issued by the Agricultural Development and Agrarian Reform Ministry.

Article 45. This is a law of public order and it repeals all laws and regulations contrary to it.

Article 46. This law will enter into force as of its publication in the "Official Gazette," the official newspaper.

Issued in the city of Managua on this 19th day of July 1981, "year of defense and production."

Junta of the government of national reconstruction.

(Signed) Sergio Ramirez Mercado, Daniel Ortega Saavedra, Rafael Cordova Rivas.

CSO: 3010/1823

SUPPORT DEMANDED FOR ROYO'S STAND ON TREATY

PA031501 Panama City CRITICA in Spanish 31 Aug 81 p 31

[Article by Carlos Rangel M. "The Canal Commission"]

[Excerpts] As had been expected by all Panamanians aware of the political bad faith of the American reactionaries--who to our misfortune have handled Panamanian-U.S. affairs--and as we publicly admitted by General Torrijos when he said that the new treaty put us under "the umbrella of the Pentagon," the public has learned about the many maneuvers, tricks and shady deals being executed by the [Panama Canal] Commission's majority group to destroy the concessions agreed upon by the two nations which should consider themselves friends. In us, at least, the United States has always had a loyal and unmistakable ally. We learned of these moves through the courageous and outspoken statements of Ricardo Rodriguez, a member of the canal commission's minority group.

Rodriguez' statements show that in 22 months the canal commission has only met five times, only to be entertained with the reading of the administrator's report, which is so obsolete it is often obvious and only puts the Panamanian representatives in the mere role of "listeners," depriving them of any kind of initiative, something that is so necessary in any collegiate body such as the so-called commission.

Rodriguez also denounced the interference of the U.S. Congress. Several members of this Congress were recently tried for their involvement in the "Abscam" operation (a trap prepared by the FBI to discover those who accept bribes). Mr Murphy, one of the country's fiercest enemies and slanderers, has been pulled out of this Congress as a rotten apple. Rodriguez' statements have caused an impact among the citizens, who can remain alert in the face of the abusive, immoral and unethical tactics of the politicians who now represent the shock force of the main cowboy, sitting on high in the White House, to develop the movie action of a government that is willing to return to the practices of the Far West.

I must repudiate the arrogant, cynic and brutal attitude of the American politicians who look at their neighbors with contempt and use power to back their blatancy.

For this reason I ask my fellow countrymen to give full support to the government of President Aristides Royo in its efforts to see that these rights that were legally obtained in the treaty are respected. I urge the president to take his vibrant and restained speech to the United Nations General Assembly, as has been announced, to reveal the villainous origins of these contractors, who violate all the rules of the game when it comes to keeping the promise made to a small, defenseless and trusting country which still believes in the praiseworthy values of decency.

CSO: 3010/1823 END

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28 September 1981

Latin America Report

No. 2375

FBIS FOREIGN BROADCAST INFORMATION SERVICE

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28 September 1981

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No. 2375

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ARIAS STELLA'S CANDIDACY FOR UN SECRETARY GENERAL LAUNCHED

Lima EL COMERCIO in Spanish 23 Aug 81 p B-2

[Text] Paris, 22 August (AFP)--For the first time since the UN was established in 1945, a Latin American representative has a real opportunity to be designated secretary general at the end of the year, when the successor to Austrian Kurt Waldheim, who has been harshly challenged by the United States, will be considered.

The Latin American campaign to win the secretary general's post was without a doubt the most important political event on the continental level last week because of the regional and international repercussions this battle may have.

With only four months of Waldheim's term remaining, this political battle intensifies this week with the confirmation of the aspirations of the Peruvian foreign minister, Javier Arias Stella.

Arias Stella emerges as the consensus candidate, with the hope of obtaining general support from all over the continent.

The supporters of Arias Stella's candidacy launched the campaign with the argument that the Peruvian minister of foreign relations represents a democratic government, a member of the movement of nonaligned nations and one with moderate third-world views.

The aspirations of the Peruvian foreign minister, however, will within the Latin American context have to triumph over the ambition which some diplomatic circles in Washington attribute to Alejandro Orfila, the Argentine representative who is presently secretary general of the Organization of American States (OAS).

Although Orfila has not to date officially confirmed his desire to be Waldheim's successor, it is known that in recent months he has been discreetly sounding out the representatives of the major powers to determine the reaction his possible candidacy might arouse.

The participation of two Latin American representatives in the battle for the post of secretary general of the UN is apparently based on the existence of an agreement reached in 1977, when Austrian Kurt Waldheim was reelected for a second term.

On that occasion, the two leading powers--the United States and the USSR--agreed on the need to reelect Waldheim in order to block, at any cost, the candidacy of former Mexican president Luis Echeverria Alvarez, who had the support of Latin America, and a large part of the Third World, and the sympathy of China.

In order to encourage a change in this balance of forces, Washington and Moscow agreed to support the candidacy of a Latin American representative at the end of 1981, when the successor to Waldheim would be chosen.

Since its founding in 1945, the UN has never been headed by a representative of Latin America.

For the time being, the present secretary general of the UN seems to be planning to run for reelection again.

However, according to diplomatic circles at the UN, his aspirations will come up against a United States veto.

5157
CSO: 3010/1781

WESTERN NAVAL DISTRICT CONSTRUCTION PROJECT CONTINUES

Havana VERDE OLIVO in Spanish 16 Aug 81 pp 34-37

[Article by Pablo Noa]

[Text] "We are very pleased to know that our work on this project is improving the standard of living of hundreds of comrades dedicated to the defense of the fatherland!"

These words were spoken by Lt Lavin Banos Valdes, of the steel-workers group of the 10th Brigade, Enterprise No 5, of the Directorate for Military Construction and Housing, FAR [Revolutionary Armed Forces].

We talked with him and several construction workers representative of various generations of workers in that sector. All of them share the optimism proper to these years of socialist dedication in our country. Their remarks are the most eloquent proof of this.

Men and Machines

In an immense area, where the irregularity of the terrain had raised the question of whether it could ever be dominated, a complex of buildings is being constructed which is destined for the combatants of the Revolutionary Navy of the Western Naval District.

Integrated harmoniously with the countryside for several years, men and machines are transforming the landscape in this region.

Important construction projects have been completed, some of which are now being used. Several projects are in the completion stage and others are being started.

During a tour of the construction site, we observed the spirit and interest of all workers to finish their assigned tasks with the required quality and in the scheduled time frame. Workers with long years of experience, together with young men who are virtually starting in construction, are making an effort to meet the proposed objectives.

That Is Why They Are There

Although we had initiated our talks with Lieutenant Banos, during our visit we had the opportunity to become acquainted with many outstanding comrades. They, with their comments, made a point of complementing the general idea we had of work they are doing.

We heard Pablo Valdes Diaz speak frequently. The young man is about to complete his military service in an MGR [Cuban Revolutionary Navy] unit, and has requested permission to remain in it, as he wants to be a naval officer.

He, like other sailors, is providing support to the enterprise's construction workers to expedite completion of the task. He has been outstanding on the job to the point of now being the foreman of a concrete mixing crew.

"We are pleased with the work we are doing. We know that by doing this work we are helping improve our living conditions and those of the rest of our navy comrades," Pedro Pablo said, coming to a stop in front of a "mountain" of cement, gravel and sand.

"In the group I am supervising," he added, "all of the crew are about my age. However, there is a high feeling of collectivism, respect and discipline. Here we do our jobs with the operating methods to which we have become accustomed in the FAR [Revolutionary Armed Forces]."

Trucks and power shovels are moving around us indicating that concrete pouring will begin in another part of the construction site. Pedro Pablo prepared to leave us but before joining his crew he says: "Recently, management congratulated us. The work we did to complete the flooring of one segment of a programmed construction project made history in the brigade,...."

The young man returns to his job. Next we are told about his crew, of how they continually apply creative initiative to resolve any problem that arises. That is characteristic of them.

Maj Manuel Medina Sabigni recalls how on one occasion, when there was great urgency in completing the concrete pouring operation on one job, among other problems there was an electric power outage which made it impossible to use the concrete mixer. What is more, visibility was limited, as it was night. However, to avoid a work stoppage, which would entail the loss of manhours and materials, the young men decided to light the area with several torches which they had made themselves. In this way they continued to pour concrete, using an internal combustion engine powered concrete mixer. The day was saved, and the crew successfully finished the job assigned them on that occasion.

"Really, the whole group is outstanding," Major Medina concluded.

These Opinions

"In a situation like this, it is not easy to single out one or two comrades," explained Eduardo Rodriguez Castaneda, secretary general of the party cell. "I would say that it is impossible to talk about the project without mentioning Luis Alarcon Cabrales, combatant of Column 1 of the Rebel Army, who has been working on military construction since 1968. Here he is a crane mechanic. Or Antonio Perez Nodarse, crane operator, who previously was a sapper with an FAR unit, and who, as soon as he joined the brigade, became the best socialist emulation worker."

"I could also tell you about the example of Victor Soroa, the best worker of the quarter in the region, who is proud to belong to a small but good group. Like him are Vicente Ganzalez Tapia, with 31 years in construction, who knows all there is to know about this work; Regino Diaz Valdes, a helper in the steelworkers' brigade; Marcellino Soler, along with his earthmover since 1967, prior to which he was a good tankman."

"Another comrade who has contributed his know-how and brawn is Julian Ruiz Machin, who has been in this work 20 years and can boast of being a charter member of military construction. He was present for the building of the Silvio Caro community, the Mausoleum of the Soviet Internationalist Soldier and the preparation and reconstruction of areas for the Fourth Spartakicidas of Friendly Armies in 1977. He knows his job and does it."

"Even with these names, I have mentioned only a few. In these activities, the role of the individual is the decisive factor in achieving collective successes. That is why I said that even though it would be a brief account I had to mention those names."

And Rafael Izaguirre adds: "When the members of the 10th Brigade arrived here, from the very beginning they did not have suitable living quarters.

"They had to get along with what was available. The situation did not affect the spirit of any of them and even less their work. Later a module was built to provide temporary facilities; it had the basics to take care of the housing needs and activities of our comrades. I want to make it clear to you that the members of the brigade live together as a unit. They remain at the work site all week and on Saturdays and Sundays visit their families."

Aguirre, who is secretary general of the trade union section, took it upon himself to offer us information about the living and working conditions of the construction workers. To conclude his remarks, he emphasized the close connection between the party, command and trade union in the accomplishment of the dissimilar tasks arising out of fulfilling the requirements of the work plan.

Noelia Diaz, organizing secretary of the UJC [Union of Young Communists], gave an extensive account of the participation of young people -- and they are many -- in getting the job done, raising production and fighting against absenteeism.

Once again we were told about the valuable assistance given by a group of sailors and officers. On this occasion the remarks were made by Jorge Luis Concepcion, the Brigade's chief engineer, as he corrected the work done by the sailors on the roof of a building.

We listened to his instructions and praise of the group. Then we talked with Raimundo Castillo Mesa, converted into a C bricklayer, a vanguard in emulation who recently was given the honor of becoming a UJC activist. The other sailor referred to was Pedro Rodriguez Martinez, whom we had seen in the concrete pouring group.

"In the construction of the camp," the engineer said, "we have taken the greatest care to create an agreeable and modern ambience. Those details can be observed in the structure proper of the installations and in the combination of colors applied to the walls. We are sure that the combatants will be pleased with the facilities."

"By doing this," he continued, "we are collaborating in giving the unit pleasant living quarters at the same time as we are making a reality of one of the agreements of the First and Second Party Congresses with respect to the progressive improvement of living and working conditions of FAR combatants."

'We Laid It on Thick'

It might be thought that "we laid it on thick" when we selected several outstanding workers and gave an account of their work in this project. Without wishing to justify ourselves, one has to visit the site and see what is being done by those self-sacrificing men and women working for the Directorate of Military Construction and Housing.

For them, neither day nor night matters. They are only interested in completing the job on time and with the prescribed quality. It is enough for them to know the reason they are doing this.

8143
CSO: 3010/1802

LACK OF WORKER ENTHUSIASM FOR INCENTIVES NOTED

Havana TRIBUNA DE LA HABANA in Spanish 7, 10, 17 Jun 81

[Article by Raul Palazuelos: "Elementary Question: To Earn Reward Or Not"]

[7 Jun 81 p 2]

[Text] There are a lot of elementary questions. They abound in literature, music, art and, also, in economics.

Who has not at some time heard or used Hamlet's famous speech in that work by Shakespeare: "To be or not to be, that is the question." There is another well-known expression in detective literature: "Elementary, my dear Watson." It is not even necessary to give the name of the speaker, is it? You know it--Sherlock Holmes.

It is similar with an economic factor enjoyed by Havana workers today, the Material Stimulation Fund. The elementary part is that it is earned or not earned but it is not lost. How can something be lost if it has not been earned, possessed, created?

A definable criterion, also elementary and essential, prevails in the economic development of society. Although efforts are recognized, society only rewards tangible results. In the production economy, this means ignoring subjective, emotional and affective considerations to reward those achievements represented by social and collective benefits for the country rather than the individual. However, it is definitely the individual, the social being, who enjoys these benefits.

The Material Stimulation Funds represent one of the ways to increase individual and collective workers' interest in increasing work productivity and the volume of production, to improve quality, reduce production costs, increase the earnings of the socialist enterprise and increase the profitability of production. In other words, it should carry work efficiency in the enterprises to superior levels since the enterprise is precisely the basic cell of the socialist economy.

Stimulation funds were formed experimentally in some 200 enterprises im the country in 1979. In 1980, the total increased slightly and in 1981 the experience accumulated in that motivational process and in the implementation of the SDPE [Economic Management and Planning System] permitted the extension of the benefits of direct material stimulus to 440 enterprises.

The Havana provinces contain an appreciable percentage of these enterprises this year: 147 production and service enterprises which is 25.9 percent of the total. There are 33 enterprises included in Havana Province and 114 in Havana City.

The above information was published in TRIBUNA DE LA HABANA a few weeks ago. This article will go into some aspects of the modifications introduced by JUCEPLAN [Central Planning Board] regulating the formation and use of the decentralized material stimulation funds.

These modifications would gradually extend that mechanism of economic calculation to all the enterprises in the country in the course of the 5-year period 1981-1985.

What does this mean? It is a way to continue improving the application of economic calculation as a means to increase economic efficiency, to make sure that each centavo invested by society in production is repaid with an equivalent counterpart in material and spiritual goods and to continue purifying the socialist principle of reward and distribution based on work quantity and quality.

In the coming segments, we will comment on some of those regulation modifications.

Their application in the Havana enterprises, as in the rest of the country, will permit thousands of workers in Havana and Havana City to verify the elementary proposition that a stimulation fund is earned or not earned but it is not lost. It is all a matter of firmly "tackling" the job to become more productive, decrease the cost per peso of production, increase the estimated earnings, increase value of production and produce more in exportable products.

[10 Jun 81 p 2]

[Text] Speaking of elementary questions and of material stimulation funds, one question is obvious. There are about a dozen new modifications to the JUCEPLAN method. They are the expression of experience gained in almost 3 years of work with stimulation funds--those with rewards as well as those with sociocultural measures and housing construction.

This year 114 enterprises in Havana City, including three of the people's government enterprises, are authorized to form these funds. In Havana Province, authorization has been given to 33 enterprises, including two local government enterprises.

It must be seen that this really is an expansion. Last year there were 17 authorized enterprises in Havana Province and 60 in Havana City. Now 16 enterprises have been added to one and 54 to the other.

The recently added enterprises in Havana Province include: Maximo Gomez Generation, Confecciones Ariguanabo, the Gregorio Arlee Manalich Agroindustrial Complex, Havana Milk Products, Construction of Industrial Projects No. 2, Alquizar Multiple Crop Enterprise and the Genetic Fish Enterprise in Este and in Valle de Peru. The people's government enterprises included are the Provincial Havana Bus Transportation and Rental Car Transportation.

As to the capital, those newly authorized include: the Havana Electricity Transmission and Distribution Enterprise, Havana City Electric Generation, Powerplant

Maintenance, Antex Textile Factory, Confecciones Juveniles, Modistura, Cuban Tuna Fleet, Regla Industrial Fishing Enterprise and Albert Kuntz Crackers. The three people's government enterprises are: the Provincial Cracker Enterprise, the Havana Municipal Bread and Candy Enterprise and the Provincial Cracker and Candy Distribution Enterprise.

Also included are the Havana Urban Bus Enterprise, Construction and Assembly, the Central Wholesale Office Equipment Enterprise and the Serum and Hemoderived Products Factory.

Profitable enterprises will have the actual profits that they earn as the source of their funds.

Nonprofitable enterprises--that is, those that, due to their social function, operate at a planned loss--will form these funds by decreasing the planned subsidy based on the cost per peso of production achieved the previous year.

The profitable enterprises will form the reward fund based on the following indicators: a) increase in work productivity calculated on net production; b) decrease of cost per peso of production; c) increase in estimated profit; d) increase in value of production; and e) increase in value of export production.

Only three of these five indicators will be used in the formation of the fund. Nonprofitable enterprises will only take two into account: increase in work productivity calculated on net production and increase in production.

There has been an important modification in the new method. Now the organisms of the central administration and the people's government are authorized to plan up to 5 percent of the reward fund as a reserve to stimulate those establishments, shops, brigades or individual workers who have fulfilled or overfulfilled their technical-economic plans even though their enterprise has not been able to form a material stimulation fund due to poor management or other factors beyond their control.

In that way work heroes, distinguished innovators and efficiency experts, collectives with good work, etc., can be rewarded.

One of the most interesting modifications explains that, when there is lack of fulfillment of the supply contracts, the planned reward fund will be decreased by 1 percent for each percent of lack of fulfillment. In other words, keep an eye on fulfillment of the supply contracts! That is also an elementary proposition.

[17 Jun 81 p 3]

[Text] Improvement of the SDPE and its expansion provide an inexhaustible source of experience about how to continue improving the organizational and economic mechanisms. This increases the interest of the workers in the work results of their enterprise, their factory, their brigade, their own individual work.

Since the mechanism of material incentives --represented by authorization for the formation of material stimulation funds in the economic entities--was put into practice, much good has been achieved.

There have been noticeable increases in work productivity, decreased production costs, improved labor discipline and an increased number of products available to society.

Also the number of workers who receive direct material and moral benefits from the results of their creative work has slowly increased. Everyone recalls that when the mechanism of material stimulation through reward was first used, few enterprises --barely 200--were included in the program.

The accumulation of experience in the creation of funds yields broader and more educational results. This year 440 enterprises throughout the country will form reward funds, carry out sociocultural measures and construct housing. The reader will recall that a fairly large percentage corresponded to the Havana provinces--144 enterprises or 33.4 percent of the national total.

A sizable number of enterprises throughout the country are now authorized by JUCEPLAN to form funds--18.2 percent of all enterprises or about 2,412 enterprises.

New enterprises will be included in the remaining years of the present 5-year period with all, or at least most of them, forming funds to some degree by the end.

Progress in improving the mechanisms and regulations for the formation of stimulation funds led to some modifications. Some of those modifications have served as the basis for this columnist's previous two articles.

They led to a conversation a few days ago with a veteran worker in the mechanical industry, a very skilled turner. After many years of working in almost all the jobs in this sector which processes means of production, this old worker felt, correctly, that material reward is also moral reward. He argued: "Isn't it perhaps social recognition of the quantity and, especially, the quality of the products that one has made to strongly encourage one's factory to fulfill the most beautiful duty--to fulfill the economic and technical duties of our state of workers and peasants?"

Of course, receiving material reward for quantified efforts in production also represents a moral award because it is already known--and it has been the title of these articles--that the reward is earned or not earned but it is not lost. In other words, to help with one's own efforts to create stimulation funds means creating an important moral phenomenon under socialism--creating moral values. Isn't it perhaps participating in the satisfaction of the ever growing needs of society?

Socialist emulation plays a basic role in this process of formation of material stimulation funds. There is emulation to be one of the best producers, those who achieve the most and the best quality in production and services. There is emulation to see one's factory or enterprise come in first, pushing society forward, uphill, with the strength of a giant, with the constant desire to reach the higher steps where the new man of the communist society stands proud, happy, given up entirely to work with disinterest and love.

7717
CSO: 3010/1760

PROBLEMS IN TEACHING DISCUSSED BY NEW TEACHERS

Havana JUVENTUD REBELDE in Spanish 9, 15, 17 Jun 81

[Article by Dulce Maria Hernandez]

[9 Jun 81 p 3]

[Text] Do our young teachers have problems with their attitude?

JUVENTUD REBELDE took notes as a group of intermediate education teachers debated the matter at the National Conference for the Analysis of the UJC (Union of Young Communists) Effort with Young Teaching Staff.

Xiomera Hernandez, who teaches classes at a basic secondary school in San Antonio de los Banos, La Habana, frankly felt that there really are problems of attitude among the young teachers, who show no interest in methodological training, and the spirit of some of them indicates that they do not want to be teachers.

Before that, Dagoberto Guzman of the Reinaldo Diez Municipal School in Havana said that the young teacher's attitude toward methodological training to a large extent depends on its quality and emphasized: "The UJC has to keep watch over and check out these aspects of the situation at each school and appropriately concentrate on those that suffer from these problems."

Let us note what Luis Rodriguez of the Julio A. Delgado Technical and Vocational Training School in Guantanamo points out: "These problems encountered by young people in connection with methodological training and other important tasks in this sector crop up everywhere and are due to the fact that they do not like to do this kind of work, although I agree that there are some who do not have the proper attitude."

Ismael Laborde of the Technical and Vocational Training School in Santiago de Cuba expressed concern over this generalization of young teachers' attitudinal problems, saying: "I feel that some comrades could show more enthusiasm, but it is unfair to make absolute statements since we would then have to doubt the exemplariness of this group of young people who are ready to give their all for the triumph of the educational revolution."

Rosa Fernandez of the Isle of Youth, Omar Rodriguez of the Granma Preuniversity Institute (IPU) and Miriam Garcia and Ines Maria Leon of the Martires de Pino III

Polytechnical School and Teachers Training School, respectively, in Camaguey also participated in the discussion.

All of them agreed that problems of attitude are to a greater or lesser degree to be found in a minority of the young teachers, but that generally speaking and in conclusion it can be affirmed that our young teachers are exemplary with regard to methodological training and the work they do.

This national conference for the purpose of exchanging ideas, which summarized the results of those held by the rank and file, enabled them to comprehend the difficulties that affect the mission entrusted to the UJC rank and file organizations of which these teachers are members.

The Third UJC Congress indicated the need for directing the organization's work toward the attainment of exemplary behavior among the teachers, especially UJC members, and for seeing to it that they acquire a conscientious discipline and an attitude consonant with the ethical, moral and revolutionary principles with which they are striving to inculcate their students.

This is why the UJC is making a systematic effort in its search for solutions to avoid anything that might constitute an obstacle to the progress of the educational process and why it receives, evaluates and channels concerns, experiences, suggestions or recommendations at the appropriate echelons and agencies.

Small as it may be, one behavioral problem, a teacher's lack of exemplariness — all the more so if he is a UJC member — is much more serious if this problem arises with a large group of students.

There are factors that exert a negative influence on the work of and results achieved by the young teachers, but what can certainly not be permitted is the case where behind the objective difficulties lie concealed a poor attitude, a lack of interest, the lack of a spirit of self-denial and sacrifice. The organization feels that it has to wage a constant battle against these problems of the UJC rank and file organizations.

Does anyone else want to express an opinion in these columns?

[15 Jun 81 p 2]

[Text] "I feel that the young teachers' attitude is exemplary and that they definitely are interested in methodological training. What happens is that sometimes this does not motivate the young people," says Eduardo Garboy, of the Jose Marti IPU in Havana, who does not particularly agree with certain previously published opinions.

Jesus Garcia, a teacher at the Bandera Roja Technical and Vocational Training School in the province of La Habana, said that the UJC ought to involve itself more deeply in the work performed by those young people who enter the teaching field for the first time and pay special attention to their methodological training, and added that he, however, had to admit that negative attitudes were apparent among some young teachers who should exhibit the attention technical advancement demands.

A recently held national conference for the analysis of the UJC's effort with young teaching staff has made it possible for us to understand how the inexperienced teachers live and perform, their concerns and experiences, and to listen to their ideas and suggestions for solving certain problems, since many of those who attended the conference had only graduated a year or two before, which is why they spoke about how they in practice were dealing with errors due to inexperience.

Discussion of this issue succeeded in commanding everyone's attention:

"There is no reason for our methodological training program to be ineffective, since it is provided with a director, an assistant director, a technical advisory council, etc., whose job it is to see to it that the proposed objectives are achieved and to adopt the appropriate measures for it to develop with the required quality," Jose A. Garcia of the Van Troi IPU in Havana said.

"In my rank and file committee the difficulties incurred in the methodological training program were analyzed and we came to the conclusion that there is a shortage of textbooks and that we have a very limited number of other books, which is why we, in conjunction with the administration, felt it necessary to adopt measures in an attempt to adapt the program to the particular characteristics of each school."

This statement by Ismael Laborde, a teacher at the Technical and Vocational Training School in Santiago de Cuba, points out how the exchange of experiences in this sector is of interest for the job being done by the UJC which with its effective effort is supporting the progress of the educational revolution.

Olga Gonzalez, also a teacher in technical and vocational training, but in Matanzas, added: "In addition to the lack of textbooks, the technical teachers guidance program is affected by the little amount of time the young graduates who are assigned to the center have to spend on it."

With regard to this, Alfredo Reyes and Luis Alvarez of the Institute of Economy of Playa in Havana, who enumerated the problems those recently graduated have and the little effort devoted to them in the methodological training program, expressed similar opinions.

A Conclusion

One main conclusion was arrived at following the various opinions that were expressed: There are problems with the teaching materials as regards students and teachers and this makes the learning process and the quality of the classes that are taught difficult.

Since the last course of studies difficulties in the methodological training of teachers have been mentioned, such as: errors in organization, planning and systematization, failure to complete study plans and programs, the insufficient mastery of course contents and methodologies some teachers demonstrate, as well as the lack of attention to constant study and repeated absences — on the part of some — from orientation sessions.

However, when some teachers explain the shortcomings of the educational teaching process at their schools, they offer as a reason for them the lack of specific

materials, such as textbooks and reference works, chemical reagents for laboratory and workshop exercises, blackboards and chalk, and problems of school organization among others.

Actually, while progress is being made in solving each of these problems, many of them persist and become obstacles that have to be overcome in the course of affairs because they certainly have an effect on things, but these problems cannot be allowed to form a backdrop behind which real flaws of inconsistent attitude are concealed.

At the 308 UJC rank and file organization teaching centers that were visited the evaluations of inexperienced teachers without distinction indicated that the following deficiencies exist: failure to take into account the educational principle of the class, failure to make use of existing educational resources and disregard of students' individual difficulties. While we are convinced of the fact that these methodological errors are harmful to the learning process, what should the rank and file committee do about them?

Each UJC rank and file committee must more thoroughly evaluate the real causes of these problems and determine when an error of this kind is committed through the inexperience or insufficient technical and teachers training of the teachers, when it is related to a lack of education or insufficient utilization of the methodological training program, whether this is the result of the teacher's individual attitude or because he has not achieved the objectives set for him, and when other factors influence the situation.

It will then be possible to determine whether it is necessary to discuss the young teacher's attitude, or whether the right thing to do is to confer with the administrative council of the center on the steps to be taken so that the methodological training and technical assistance that is provided for the inexperienced teachers will exactly correspond to their needs or what other step is to be taken so that the shortcomings natural to the inexperienced young teacher's performance are not added to the objective difficulties involved.

What is at issue is the achievement of a controlled effort that will eradicate negligence, passivity and other inconsistent attitudes, a lack of effort and initiative.

Because most of the educators — teachers and instructors — are young and about 60 percent of them are UJC members, the organization's political effort in this sector is of special significance.

In this course of studies firm steps are taken and direct attention to young teaching staff is intensified to preserve and maintain their exemplariness, which requires of each rank and file organization that it perfect its operational methods and internal life, which must assume a concrete form in the individual and collective effort of UJC members.

Does anyone else want to express an opinion on this subject?

[17 Jun 81 p 2]

[Text] "When in organic chemistry class I speak to my students about a compound with aromatic properties and we do not have it on hand, I substitute for it a mixture of castor oil with a few drops of benzoin," said the young teacher at the plenary session and captured everyone's attention.

At the National Conference for the Analysis of the UJC's Effort with Young Teaching Staff Dagoberto Guzman, president of the BTJ [Youth Technical Brigades] at the Reynaldo Diaz Basic Secondary School in Alamar, Havana, related that, due to the lack of chemical reagents, they have been looking for substitutes in the form of readily available common pharmaceuticals. Dagoberto, how do you obtain a neutralization reaction? If a hydroxide and an acid are needed, one of his students brings a bottle of milk of magnesia, which contains hydroxide, and salfuman, which contains hydrochloric acid, is added to it.

All one has to do to obtain gaseous emissions is to heat oxygenated water, which contains a large concentration of oxygen, in order to observe the desired reaction.

After watching the experiments, the children go home to practice them.

Dagoberto said that he was very interested in the effort that is being made at his school in quest of a suitable method for handling overactive adolescents who do not cause enough disturbances for them to be assigned to special schools.

But more than once at the conference the question arose as to why BTJ action in the educational sector has declined.

There, before the 235 people attending the plenary session, they came to the conclusion that the effort made by the brigades was very limited because they did not know how to look for the content of their work. Some agreed that there is little guidance, little in the way of publication of the results of research, a lack of motivation. It was suggested that JUVENTUD TECNICA extend priority to positive experiments, some of which have been rewarded.

What Is Happening to the BTJ?

There can be no doubt that the lack of a practical approach in the orientations at the schools has an influence on the rank and file and a vigorous assault on problems, the creative spirit that comes first in the country's other sectors in which the forgers of our future are distinguishing themselves, is also lacking.

Nor have the administrations of some of the teaching centers in practice understood the need for stimulating this effort and the benefits it could produce in the solution of problems and in the elevation of the quality of its educational function as an institution.

The mistaken opinion — rather widespread — of those who feel that "everything is regulated in education," "there is nothing to be invented," "we cannot innovate," also makes progress difficult. There is nothing farther from reality than these opinions which block creativity and retard solutions that could be provided for some of our objective material limitations and others of a subjective nature that crop up during the present phase of development.

New Initiative Is Needed

The claim that orientations are lacking is debatable since, if we look back on the debates of the Fourth BTJ Conference (1979), we observe positive appraisals of the support that was being extended to the Improvement Plan and to an increase in educational quality, an objective that is still number one on the list among the principals.

In the educational sector the BTJ can go on lending their aid to the teachers training process, specifically in those areas of the Improvement Plan where problems have been encountered during its introduction, as well as independently reinforcing the interest of students through more effective teaching methods.

The BTJ can contribute to raising the quality of teachers training, encouraging the designing and elaboration of educational media and seeing to it that these are really used to advantage by teachers according to the specific needs of each school and helping in the solution of problems at many of the country's schools.

Rejuvenation or organization of laboratories, determining how they are to be organized, the compilation of useful materials for the construction of media that will contribute to the improvement of basic study materials could be other initiatives to be developed.

The same applies to the nooks and crannies of methodology, the little museums, charts and files full of problems and exercises and expositions, in order to complement the learning system.

Another domain of endeavor for these BTJ could be the extension of effective support to the vocational guidance of students through special interest clubs where they become involved in the teaching profession, special priority fields like mathematics, physics and chemistry or other fields in which skilled or semi-technical workers or higher-echelon specialists are needed.

They can contribute a great deal to the better scientific and technical, political and ideological, pedagogical and cultural training of those recently graduated teachers who fall within the scope of their activities.

In the field of scientific research the educational BTJ have an unlimited horizon to explore, one they can probe with the aid the Ministry of Education (MINED) and its experts can offer the collectives for the purpose of proposing ways and means of helping to improve the paths toward the integral, multifaceted and communist edification of our youth.

For the remainder of this course of studies and for the next one, the UJC plans to provide the BTJ with a special initiative so that this movement will become stronger and be able to come up with a specific, large-scale response to meet educational needs.

The MINED, the MES [Ministry of Higher Education], conjointly with the National Council of Youth Technical Brigades, and the UJC with an eye to the new course of studies plan to establish a program of specific measures that will permit them to achieve the goals that have been set.

The UJC has taken under consideration the teachers' demand that a BTJ scientific and pedagogical conference with delegates from the schools themselves be held in order to encourage the movement, one that will put the young teachers in a position to learn the activities of the teaching profession in Cuba and become familiar with current-day experiences, the chief characteristic of which is to impart to them the zeal for advancing in the face of all sorts of difficulties.

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CANO ADDRESSES FAR TRAINING CENTER GRADUATION

Havana GRANMA in Spanish 24 Jul 81 p 5

[Speech by Miguel Cano, alternate member, Party Political Bureau, at the graduation of FAR Military Training Center Students held on "Jose Marti" Revolution Square on 19 July 1981, "Year of the 20th Anniversary of the Bay of Pigs":""The Solemn Oath which You Swore Is the Highest Commitment which You Have Ever Undertaken and which Hereafter Will Serve as Guide and Orientation for Your Entire Conduct"]

[Text] Comrades:

The solemn oath which you just took a few minutes ago is the highest commitment which you ever undertook and which hereafter will serve as guide and orientation for your entire conduct and which will govern your entire action as FAR officers, as revolutionaries, and as citizens. This oath, whose strength springs from your revolutionary convictions, furthermore is significant in that it was taken in this Square of the Revolution, the scene of great political battles, on the eve of 26 July, during the year when the FAR celebrate their 25th anniversary and before the figure of the National Hero, Jose Marti, the very model of a real man and revolutionary.

The action at Moncada [barracks], which the FAR commemorate each year with a similar ceremony, was the clarion call that pointed the way to the fatherland's definite independence. From it emerges, strong, as one man, a vanguard of youth who, with our commander-in-chief at the head, combines our people's revolutionary and patriotic traditions with the ideas of Marxism-Leninism, correctly linking the national liberation objectives with the requirements of the historical moment, fighting the revolutionary war, and opening the ways to the construction of socialism in our country.

Moncada was the immediate antecedent of the landing of the expeditionary groups from the Granma which signalled the birth of the Rebel Army whose true he[illegible] the FAR are.

Just 28 years after that glorious action and almost 25 years after the Granma landing, we realize ever more strongly that the ideas sustained by that seasoned vanguard were then shared by the working class and the peasantry in order today to form the ideological and political establishment of our people which expresses them and enriches them in the heat of the battle to advance the aspirations of those who fell throughout the struggle to achieve liberty for the fatherland and build socialism.

The young individuals who today receive their first rank as officers are a part of the generations that were born after the events of Moncada and the revolutionary war, individuals who, after completing their professional training, will take up important responsibilities as command personnel and specialists within the FAR, carrying out duties in connection with which they must use everything they learned and in the course of which they must match with their efforts the efforts which the country made in giving them everything they need so that they may be useful to society, to their families, and to themselves. Never before in our fatherland have young people been able to chart their own future paths, as you can do today in a society of workers in which the only things that count are merit and hard work and where every young person, such as you, can realize his aspirations and get to where he wants to.

Your joining the units of the FAR at the start of our 1981-1982 training year will constitute an important boost to our command personnel, engineers, and technicians in the various specialties who will contribute to the successful accomplishment of the complex missions and tasks which the party has assigned to our military establishment.

In facing the enemy--who threatens us once again--the FAR continue to perfect their operational, combat, and political training, improving the campaign skills of their entire personnel who are getting stronger by becoming increasingly effective in handling the complex technical equipment and weapons issued to them, thus improving their combat readiness, further enhancing the preparedness of our reserves and their mobilization capability, and contributing to the better and faster training of Units of Territorial Troops so that they may in this fashion contribute to a substantial increase in the country's defense potential.

The accomplishment of these tasks demands absolute devotion to duty as far as the cadres and fighting men are concerned, plus a high level of discipline, sustained hard work, and a high sense of responsibility.

These conditions, under which you will start your life as officers, will become powerful incentives for learning, for adjustment to life in the field units, and for accomplishing the assigned missions with every possible degree of enthusiasm.

Our party's confidence and certainty to the effect that you will rise to meet these demands are based on the revolutionary quality of this graduating class, on the combined training which you received at the Military Training Centers and on the experience of the commanders and officers, the political organizations and the organizations of the party and the UJC [Union of Young Communists] in the military units, where you will find your strongest support.

Keep in mind that schools prepare you to face the specific and practical problems of work. But never forget that no school, no matter how perfect it may be in its classrooms, can reproduce real life which will always be infinitely richer and more varied. Under your command you will have men who expect precise orders from you, who expect the right solution and the educational example from you; it is your responsibility to train them as loyal, strong, and consistent defenders of the socialist fatherland. You must teach them but above all you must also learn from them; you must learn from your commanders and from everyday practice so as to

perfect your skills as cadres, your capabilities as commanders and your firmness as soldiers.

The tasks you take up require the development of qualities which are necessary for revolutionary cadres in any type of activity, and even more so in military life. You must be demanding and at the same time you must be humane and respectful in your treatment of others; you must display firmness of character to maintain single command and the proper chain of command in the military establishment while at the same time you must be accessible to the others and plain and straight-forward. As the Army Gen Raul Castro pointed out, "We see the military cadre of the revolution as an educator, primarily, by virtue of the mobilizing force of his personal example, by virtue of his technical capacity, and by virtue of the exercise of command in a demanding and humane fashion."

From today onward, you are officers of these FAR who have played such an outstanding role throughout the revolutionary process in our fatherland. It is the oldest establishment of our revolutionary state; it was born and it grew linked to the people during the hard fighting against the tyranny and its participation in the defense and consolidation of the revolution has been decisive.

The people feel linked to their FAR, they feel that they are their own, they love and admire them, they expect them to display an attitude and a response worthy of what they symbolize. We are sure that the members of this graduating class on the 28th anniversary of the assault on the Moncada barracks will be the worthy perpetuators of the best traditions of the FAR.

The working class, the peasants, all working people are clearly aware of the importance of guaranteeing a strong defense for the country; they have tackled that task as their own and they are expressing it through the effort connected with the accomplishment of the economic tasks and by joining the Militia Forces of Territorial Troops with the slogan of "Production and Defense."

The entire country attentively follows the international situation which has been rendered more acute since a group of millionaires, representing the most aggressive and reactionary forces, has come to power in the government of the United States, a group whose policy is aimed at stimulating aggression and armed conflicts in various parts of the world.

They are developing a virulent campaign of threats especially against Cuba but the lies are the same they have been coming out with for more than 20 years; the corrupt and sellout governments which bow to their pressures are the same counterrevolutionaries, they are the same who kept up sabotage and crime like a profitable business and there is essentially nothing original in their acts of boastfulness; they are identical to those of the preceding six Yankee administrations.

We are quite familiar with that policy and our attitude toward it is also the same: we will stay calm and serene, we will adopt the measures necessary to strengthen our position more and more, we will use every minute to organize ourselves and to prepare ourselves and to increase our readiness to fight and win.

This promising future, which we are going to build, through hard work, boldness, and valor, with the strong aid of the brotherly Soviet Union and the other countries of the socialist community, is a future which we will defend at any price.

Dear Comrades:

An important phase in your lives has come to an end. Much hard work was necessary to get to this point and to become officers with a high level of professional skill. Now you are entering the stage of practical application of the knowledge you acquired and you are beginning a phase of likewise hard and constant learning in a field where you have unlimited possibilities for development and personnel improvement.

Dedicate yourselves to military work with pasion and enthusiasm; teach with devotion and learn with concentration; accept as your own the experiences of the officers who have many long years of service with the troops; always work in close coordination with the organizations of the party and UJC as the strongest and most effective means for accomplishing the missions and tasks assigned to you.

The life and the work you have ahead of you--for which you have trained for so many years--offers numerous attractions but it is also the life of one of the professions that demands the utmost dedication, determination, initiative, character, valor, and spirit of sacrifice and steadfastness.

In the name of the Party Central Committee, in the name of Commander-in-Chief Fidel Castro and FAR Minister Army Gen Raul Castro, I congratulate you on the success you achieved and on your being commissioned as officers.

I urge you with firmness to carry out the oath you have taken and at any moment and under any circumstances to do what is expected of you during the particular historical epoch in which you live: the epoch of the socialist revolution, of the triumph of the ideas of Marxism-Leninism, of the full liberation of man.

Long live the 28th anniversary of the attack on the Moncada barracks! Long live our Revolutionary Armed Forces! Long live the Communist Party of Cuba! Long live our commander-in-chief! Fatherland or death! We shall win!

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PEREZ GONZALEZ SPEAKS WITH ACCOUNTING, ECONOMICS STUDENTS

Havana JUVENTUD REBELDE in Spanish 19 Jul 81 p 1

[Article by Luis Hernandez Serrano on the speech by Humberto Perez Gonzalez, alternate member, Party Political Bureau, president of JUCEPLAN [Central Planning Board] to the graduates of the schools of accounting and economics, Havana University]

[Text] "The first half of this year is possibly the best economic half-year from the viewpoint of growth and the degree of accomplishment of the national economic plan throughout the history of the Cuban revolution."

This statement was made by Humberto Perez Gonzalez, alternate member, Party Political Bureau, and president of JUCEPLAN, in talking to some 300 graduates of the schools of accounting and economics at Havana University in the MINCEX [Ministry of Foreign Trade] auditorium in the capital.

He explained that the national economic plan is being overfulfilled during the first half of this year which revealed noteworthy growth when compared to the same period of time in 1980 and he noted that we expect all targets to be attained for this year, keeping in mind, for example, that out of the 21 basic branches of industry during this half-year mentioned, only one is declining in comparison to the preceding year.

He indicated that we can already detect the first major fruits deriving from the system of economic management and planning; to illustrate that he mentioned the fact that, thanks to an increase in labor productivity throughout the country, during the first 6 months of this year, it was possible to save 215,000 workers.

He mentioned construction activities where output went up 27 percent while the average wage grew 14 percent.

"The harvest is an extraordinary example," he said, "since we attained our targets with some 30 00 [as published] men less; industrial capacity was utilized more than ever before, the agricultural output was greater than during earlier years, productivity per machete cutter was greater, and we consumed much less petroleum than during past milling operations."

He said that the sector plans are being accomplished during this half-year, such as in agricultural and livestock production and in construction activities; he noted

that urban transportation has improved tremendously not only due to an increase in the number of units but also their utilization in terms of the frequency of trips and the utilization coefficient of the existing motor pool.

In answering questions from the graduates, he recalled that around 200,000 housing units were to built in the country during this 5-year term.

He said that the nation already has some university careers in which the graduates are beginning to exceed the demand; he reported a skilled labor force census telling us what we need to know about the location of university graduates in the country and he indicated that another census will be conducted to obtain further data.

He added that the available labor force would be used to the fullest extent over the next 10 years not only by tapping the reserve of female labor but also due to the explosion in the labor force resulting from the fact that more and more young people reach working age in the country; the idea is to use those new workers in achieving various objectives, such as the establishment of new industries which will be started up, etc.

He pointed out that the demand for university-trained economists for this 5-year term involves something like 15,000 and that around 10,000 will be graduated and that the required figure will rise to another 10,000 over the next several years.

"I must emphasize," he said, "the aspect of economic and financial discipline in terms of consciousness and in relation to what is demanded today, as noted by our commander-in-chief Fidel Castro.

"The mechanisms of the economic management and planning system are already working in all of their components and the creation of economic incentive funds is underway in 441 enterprises. We must now soundly develop the contradictions in the system itself and we must apply its general principles according to the specific conditions in each enterprise or workplace."

He also explained that all mechanisms applied so far are aimed at greater efficiency and that one of the areas that must be stressed during this 5-year term involves the improvement of planning, making sure that the plans will increasingly be in line with practical implementation possibilities, keeping inventories up today, keeping control of them, and using the standards of consumption and the production resources with greater efficiency.

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HANDAL ON PEOPLE'S LIBERATION FRONT, EVENTS IN EL SALVADOR

Moscow LATINSKAYA AMERIKA in Russian No 6, Jun 81 (signed to press 6 May 81) pp 5-12

[Interview with Shafiq Jorge Handal, secretary general of the Central Committee of the Communist Party of El Salvador and member of the Supreme Command of the Farabundo Marti People's Liberation Front, on 24 January 1981 in El Salvador: "The Salvadoran People Will Continue Fighting Until They Win"]

[Text] Shafiq Jorge Handal, secretary general of the Central Committee of the Communist Party of El Salvador and member of the Supreme Command of the Farabundo Marti People's Liberation Front (PLF), gave newsmen an interview in El Salvador on 24 January 1981 (14 days after the beginning of the PLF's general offensive).

The situation in El Salvador has changed since the time this talk took place. Nevertheless, the full text of the interview, received by our editors and published below, will help our readers gain a better understanding of the situation in El Salvador, which is distinguished by complex developments.

Question: What is the reason for the PLF's present general offensive? What are the forces backing it up?

Answer: To understand the nature and purpose of this offensive, we must consider the situation that had taken shape when it began. In May 1980 the enemy army took the offensive with the intention of encircling and destroying our rear regions, which, from the political standpoint, represent our bases of support because our armed forces are deployed there and the civilian population which has collectively and actively supported the front lives there. These support bases do not merely allow us to exist but also, and most importantly, promote the consolidation of our forces over a large area. We have such bases in the departments of San Vicente, Chalatenango and Morazan, where the enemy has already lost control while we are acquiring stronger and broader influence. To regain lost positions, the enemy launched a broad-scale offensive, which became more intense in the final months of last year, when these departments were subjected to armed attacks.

This was the situation until 10 January, when the supreme command decided to move from a defensive strategy to a general offensive in order to immobilize the enemy and seize the initiative. We worked out a plan whose very name defines its purpose: "Plan for the Commencement of a General Offensive."

Question: What are the major objectives of the general offensive?

Answer: From the military standpoint, our primary objectives are the extension of combat operations to all parts of the country and a move from separate, purely partisan actions to planned military operations with the use of large military subunits and more powerful weapons, including artillery, combining partisan and regular methods of warfare. Besides this, other objectives of a political and military nature were also envisaged. One of them was the establishment of the preconditions for stronger international support for our movement. We wanted to attain the kind of solidarity that would promote the creation of alliances of international forces, including alliances on the governmental level, capable of frustrating imperialism's plans for intervention.

Within the country we wanted to establish the necessary conditions for rebellions in various regions, with the prospects of their evolution into a nationwide rebellion.

Another objective was the creation of the kind of military and political atmosphere that would promote combat interaction by the armed revolutionary movement headed by the PLF and the democratic and patriotic segment of the enemy army.

Besides this, we hoped to lay a basis for the further development of our offensive at its highest level.

Question: Does this mean that the fall of the junta was not an objective of the plan during this stage?

Answer: We realized that we did not yet have enough strength to overthrow the dictatorship and that the general offensive would continue for a fairly long period of time. To a considerable degree, this could be promoted by such objective factors as the reinforcement of the enemy army by means of assistance from the United States or intervention by other foreign armies. We are striving, however, for the continuous and constant growth of the offensive.

In connection with this, I would like to say that we took an excessively victorious tone in our propaganda during the first days of the offensive, particularly in regard to the final goals of the offensive, and this brought about a situation in which the international public is confused and uncertain about events in our country.

Question: What are the specific results of the general offensive?

Answer: The supreme command summed up the results of the initial period of active military operations by the front, which have affected the entire country. They proved that our armed forces have acquired considerable combat experience, "have received their baptism of fire" and have become stronger in all respects. We have been successful in the command of large military units, capable of nationwide combat operations. The armed forces have increased in number because we were able to recruit new volunteers during the course of our offensive and ensure the growth of our ranks.

We strengthened our rear on all four fronts of combat operations, and in some cases--on the western front, for example--we created new rear regions and new support bases. Our base on the eastern front was considerably enlarged, particularly

in the north of the departments of Morazan, La Union and San Vicente, in the departments of San Miguel and Chalatenango and in the regions surrounding the Chichontepec volcano. We also enlarged and strengthened the support bases that were beginning to take shape in the department of La Paz. These were the specific advances we made during the course of the general offensive.

Question: What was the reason for the front forces' retreat from the administrative centers of departments and other important cities? How did this affect the plan?

Answer: As I already said, the plan for the offensive right up to the complete victory of the revolution will depend on various factors, including stronger military support of the junta by the U.S. Government. The situation will also be affected by important domestic factors, such as the involvement of democratic and patriotic forces in the army in combat on the side of the people and their unification around the PLF.

From 10 through 13 January at least, and in some cases through 15 and 16 January, we were conducting offensive operations in almost all departmental administrative centers, we had encircled the fortifications and barracks in these centers and had occupied the cities. Therefore, we were on the offensive and the enemy was on the defensive. But the situation was such that both we and the enemy had extremely limited possibilities for maneuvering because neither the enemy nor we had mobile forces to conduct new operations. On the other hand, the plan for combat operations during the initial stage of the offensive had been fulfilled and we had to move on to new operations. For this reason, it was absolutely essential to withdraw our units that had encircled the enemy fortifications in the administrative centers of departments to our rear regions for the redeployment of our forces. This is what we are doing now.

Enemy forces have been displaced throughout the country. And we, who have the strategic initiative on our side, are attacking them and are able to freely maneuver our forces. This is already a stage of transition to new combat action, to new operations within the context of the general strategic offensive. The siege in the administrative centers of departments could not have gone on indefinitely, and this was not our objective. In false propaganda, the junta is trying to depict the strategic redeployment of our forces within the country as our defeat and its victory. The junta's false reports of victory will not continue for long. Reality will prove that those the junta has called the defeated are actually stronger.

Question: What kind of actions did the plan envisage in San Salvador and its environs? What was the purpose of the strike and how effective was it?

Answer: We could not say, as the junta did, that the strike was a failure. But it was not a success either. The strike began on 13 January, just as planned, at the main industrial enterprises of San Salvador and stopped the work of several ministries and banks. But since trade enterprises in San Salvador continued to operate under the control of the military establishment and martial law was imposed in the transportation sphere, keeping most bus stations opened, it appeared that the strike had failed, and the junta is trying to exaggerate and make use of this apparent failure.

Our analysis of this strike objectively led to the following conclusions. Large-scale combat operations would be necessary in the capital for a strike of larger dimensions. In 1980 the working public of San Salvador was hit by a wave of brutal terror. Many activists and leaders of organizations were killed, particularly in the last months of the year. The enemy's crack strategic forces are concentrated in the capital, as well as the junta's repressive detachments. Under these conditions, the masses did not support the strike actively enough.

We feel that one of the weak spots in our implementation of the plan was our failure to launch crushing attacks in San Salvador, which would have led to the successful spread of the rebellion in the capital.

Rebel uprisings in other parts of the country were successful. For example, in Chalchuapa, the second most important city in the department of Santa Ana and one of the largest cities in the country, the rebellion was carried out with the broadest participation by the masses and its goals were attained. Part of the enemy's garrison was destroyed and the remaining troops were scattered.

Speculating on the weaknesses in the organization of the strike in the capital, the junta is spreading false propagandistic statements, alleging that the Salvadoran people, the masses, are not following us or supporting us but, on the contrary, support the governnment. Anyone who has visited San Salvador recently must have noticed that no remarks either directly or indirectly in support of the government are made by the inhabitants of the capital.

Question: How do you feel about the Archbishop of San Salvador's assessment of the present situation in the capital?

Answer: According to the Archbishop of San Salvador, Monsignor Rivera y Damas, the strike in the capital demonstrated that the masses support neither the PLF nor the junta. All of this is reminiscent of the theory of the silent majority or something like that. We categorically state that the Archbishop's assessment of these events is incorrect and that future events will corroborate this. The popular masses of San Salvador have made a tremendous contribution to the revolutionary movement in our country and will display revolutionary vigor and fighting ability in new stages of the general offensive.

Question: What are you doing to stimulate mass demonstrations, particularly in San Salvador?

Answer: We conducted a thorough and painstaking analysis of past events. I have already told you some of our general conclusions. On the basis of this analysis, we have appealed to the masses in the capital to prepare for new battles. Besides this, we are improving the leadership of the organizations making up the PLF and we are improving the coordination of our actions, our organizational structure and our planning. I do not want to say that we are appealing for an immediate strike. I am referring to future battles in San Salvador, which will become part of the general plan of the nationwide offensive.

Question: How does the continuation of military operations relate to the front's declared willingness to engage in dialogue and negotiations? Will there be a dialogue with the junta? Will there be negotiations with the United States?

Answer: We do not draw a contrast between offensive and negotiations. From the very beginning, particularly after our announcements in November 1980 and later, we expressed our willingness to conduct a dialogue and, if certain terms were met, to negotiate with the U.S. Government. We feel that we must negotiate with the United States because the junta and the army's fascist command are illegal and do not express the wishes of the Salvadoran people. After all, this is a government of murderers conducting a policy of genocide. The junta has weak and contradictory support even among ultrareactionary forces in the country and has only remained in power with the aid of American weapons and the military advisers who are constantly coming to our country. We must talk with those who are actually in command and pay the bills--that is, with the government of the United States.

During the very first days of the offensive, the U.S. Government expressed its willingness to speak with us and even specified the topics for discussion. We consented to the talks but the U.S. Government then retracted its proposals and simultaneously decided to increase military aid to the junta.

In reality, the so-called American military aid to the junta did not cease for a single day, and it is not actually aid, but open military intervention by the United States in our country. The Hercules cargo planes of the U.S. Air Force, which fly here from American bases in the Panama Canal zone, deliver huge quantities of equipment to the Salvadoran Army. Judging by the carrying capacity of the Hercules planes and the number of flights they make (there have been days when the number has reached 10), it would seem that the United States is making much larger deliveries than it will admit to publicly. Therefore, U.S. aid has been far in excess of the 5 million dollars allocated by the Reagan Administration soon after the inauguration.

The United States has embarked on a course of military escalation similar to the one it employed in Vietnam: weapons, advisers, helicopters....

The United States has blocked all avenues to dialogue and negotiations and, on the contrary, has intensified its intervention in our country's affairs.

Question: Is there the danger that the conflict could spread beyond this region?

Answer: By choosing the course of military escalation, the American imperialists have endangered the cause of peace in Central America and the rest of the world. It must be borne in mind that Central America is located in the explosive Caribbean zone, where socialist Cuba is also situated. After they refused to negotiate, the imperialists began to exert extremely brutal pressure on the Nicaraguan Government, accusing it of sending partisans to our country and of giving us aid in the form of military equipment. All of this is false. The so-called landing of Nicaraguan partisans was invented by the head of the junta, Napoleon Duarte, and the U.S. ambassador in El Salvador, R. White, who have completely discredited themselves by supporting the fascists.

The United States is urging the governments of Honduras and Guatemala to mobilize and render military assistance to the Salvadoran Army of murderers. A subunit of the Guatemalan Army has already been responsible for the first invasion in the western part of our country, which was not very large, but it was not very small either, and it endangered our forces from the rear. We feel that the United

States' policy line of escalation, its attempts to involve the armies of neighboring countries in the conflict and its exertion of stronger pressure on the Nicaraguan Government with the simultaneous arming of Salvadoran fascists and the offer of unlimited assistance to them could lead to the "regionalization" of the conflict. What is more, the "internationalization," or, more precisely, the "regionalization" of the conflict would obviously threaten the stability of peace throughout the world.

In spite of the U.S. efforts to escalate the conflict, we are reaffirming our willingness to negotiate. We have advised the new Reagan Administration of our position and we believe that there is no contradiction between our offensive and negotiations. We will develop the new stages of our general strategic offensive resolutely and without the slightest hesitation, but we will simultaneously, I repeat, reaffirm our willingness to commence dialogue and negotiations. We do not want the conflict to spread to the entire region and we do not want fraternal neighboring peoples to be involved in our conflict.

We want peace. Although we are now at war, it is only because our people have no other way of achieving real peace and attaining justice. The Central American people know from their own experience that fascists must be overthrown, murderers who have seized power must be discarded in the "wastebasket" of history, because there can be no peace as long as they govern a country. This is exactly what happened in Nicaragua, where a similar situation existed until July 1979. Murder, genocide and violence! It was not until after the Somoza dictatorship was overthrown on 19 July 1979 that peace was secured in the country.

Fascists and reactionaries cannot secure peace in our country. Duarte calls himself a "champion" of peace. But his brand of "pacification" is backed up by American guns and bullets and the help of U.S. advisers. The Salvadoran people, who sense the support of the entire world public, can win the peace they deserve, a just, strong and lasting peace. To pave the way for this, the rotten government of murderers must be overthrown and a popular, democratic and revolutionary regime must be established.

Question: What role does the PLF assign to international solidarity in its efforts to stop the growing intervention by the United States?

Answer: Considering the present situation in the country and the role the United States is playing in our conflict, I would like to issue an appeal to the entire world public: More active solidarity must be displayed and the American military aid to the junta must be curtailed. Nine out of every ten American bullets that come here as part of this aid murder children, women, the elderly and the defenseless, and not the fighters of the PLF. The losses inflicted on the enemy by revolutionary armed forces are quite insignificant. The civilian population is the first to suffer as a result of punitive expeditions.

We are appealing for heightened international solidarity, focusing our efforts on two demands: Firstly, the military aid to the Salvadoran junta must be curtailed and, secondly, the people of Nicaragua must be supported. Solidarity with the revolutionary movement in El Salvador and solidarity with the Nicaraguan revolution are now inextricably connected. The steps taken by the U.S. Government have underscored this connection and have made it obvious to everyone.

We are certain that international public opinion must realize that this indissoluble connection exists and will simultaneously oppose imperialist threats to the revolution in Nicaragua and support the revolutionary movement in El Salvador, headed by the People's Liberation Front.

The movement for international solidarity should not be limited, however, to the demand for the immediate curtailment of aid to the junta. Imperialist intervention in any form must cease, including the infiltration of our country by foreign troops.

Question: Little is known about the internal structure of the PLF leadership. Could you tell us something about this?

Answer: The Supreme Command of the PLF is a collective body. In May 1980 the Unified Revolutionary Leadership (URL) was established. It is the supreme organ in charge of the Salvadoran revolutionary movement, formed within the PLF framework. This is a military-political leadership.

The URL, which is already known within the country and abroad, is made up of 15 members: 3 from each of 5 PLF organizations. The five leaders of the organizations make up the executive body of the URL. The Supreme Command is also under the jurisdiction of this executive administration.

One of the members of the Supreme Command, Comrade Marcial, the leader of the Popular Liberation Forces (FPL), is in charge of the internal coordination of command operations. But the command functions as a collective body and, in this capacity, supervises the general offensive and the war being waged by the entire population against its oppressors.

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INTERIOR MINISTER DISCUSSES STRIKES, TERRORIST ESCALATION

Lima EL COMERCIO in Spanish 26 Aug 81 p A-4

The country is experiencing a campaign designed to destabilize the democratic system, and the government has considered the possibility of taking certain steps, if this threat becomes more acute, Minister of Interior Jose Maria de la Jara stated yesterday.

He indicated that if the panorama of strikes and terrorism, with outbreaks in recent hours at various points in the country, becomes more serious, "the government would have to consider adopting certain effective measures at the proper moment."

He termed the terrorist attacks on the foreign ministry and more recently in Tacna and Trujillo abominable unpatriotic acts. "They are cunning blows by the destroyers of our national territory," he stressed.

More Funds

De la Jara announced that his ministry has asked for 330 billion soles as urgent budget requirements, while it has been allocated 154 billion, a quantity he termed inadequate.

He said that he planned to visit the National Defense and Internal Order Commission today, Friday, "to make an anguished appeal" for the expansion of the sum allocated to his ministry.

The minister also said that it does not suffice to say that "steps must be taken," because such steps cost a great deal of money and, without the necessary resources, it is impossible to make them functional. "With the limited resources we have available, we are making a great effort to combat the elements ranging throughout the national territory at all hours of the day and in the most desolate corners," he said, and he also said that with the increased budget allocation for which he will ask, the three police forces will be strengthened.

5157
CSO: 3010/1781

IRRIGATION PROJECT INVOLVES 101,870 HECTARES, 2,400 MEGAWATTS

Lima EL COMERCIO in Spanish 23 Aug 81 p A-22

[Text] Ica, 22 August--For more than 50 years, institutions in the Ica area have been calling for an irrigation project on the Pampas River, requiring the overflow of the waters in the Atlantic Basin to the Pacific Basin, in an estimated volume of 1.848 billion cubic meters, to irrigate 101,870 hectares. Of this total, 57,470 will be newly irrigated land expanding the agricultural frontier, in the first stage, while 10 hydroelectric plants will generate 2.4 million kilowatts to be used in the national electrical network.

The ambitious project, which will place the Ica project first among our national hydroelectric projects, was proposed on 20 April 1968 by two Spanish companies specializing in hydroelectric projects.

Characteristics

The project, which has become the hope of this region, involves basically diverting the surplus water in the Pampas system toward the Pacific.

The project has two parts: Pampas North and Pampas Center, and it calls for the construction of a 38-km tunnel between Quero and Urancancha.

First Stage

In the first stage, the waters from the Pampas rivers as such and Urancancha will be utilized to create the Libertadores and Urancancha reservoirs, with a storage capacity of 274 million cubic meters and 801 million cubic meters, respectively.

Second Stage

The second or Pampas Center stage involves the use of the Caracha and Urubamba rivers, which will in turn serve to create two reservoirs by those names with a storage capacity of 140 and 760 million cubic meters of water, respectively.

In other words, the four reservoirs will have a total storage capacity of 1.848 billion cubic meters of water, the largest volume of water for hydroelectric purposes.

Ten Power Plants

As the project calls for the transfer of water from one basin to the other, it should be made clear that the Atlantic Basin is 1200 meters deeper than the Pacific Basin. For the purpose, 10 hydroelectric plants will be needed. There will be 4 along the Ica route, 3 along the Grande route and 3 along the Aja route.

The project has great hydroelectric advantages, as it will transform Ica into the producer for electricity for a large part of the country through the national network.

5157
CSO: 3010/1781

CHAMBER OF DEPUTIES SUSPENDS APRA CONGRESSMAN

Lima EL COMERCIO in Spanish 26 Aug 81 p A-1

[Text] The Chamber of Deputies decided last night by a majority of votes to suspend APRA [American Revolutionary Popular Alliance] representative Alan Garcia Perez from his functions for a period of 15 days, upon his third refusal to retract statements regarded as offensive to the president of the Council of Ministers, Manuel Ulloa Elias.

Reliable sources reported that 79 members of the AP [Popular Action]-PPC [Popular Christian Party] bench voted for the suspension, with 58 votes against it. These latter votes included those of representatives of the Aprista Party and the United Left, as well as Manuel Arce Zagaceta and Ruben Soldevilla (AP) and Miguel Angel Mufarech Nemy (PPC).

It was also learned that the secret session which began at 1855 hours and ended at exactly midnight was characterized in general terms by a dignified atmosphere, although there was tension at certain moments, because the 15-day suspension was regarded as excessive by the opposition.

Garcia Perez is the second deputy to be suspended from his legislative functions, since a similar penalty was imposed last April upon Manuel Dammert (UNIR-PCR), although for only 5 days. Last night the government bench also rejected a motion submitted by the PAP [Aprista Party of Peru] and the IU [United Left], asking for reconsideration of the penalty against representative Manuel Dammert.

During the secret session, an CPA [Aprista Parliamentary Bloc] document was read, the substantive portion of which said: "The undersigned deputies, members of the CPA, express their solidarity with Deputy Alan Garcia, and adopt as their own the statements he made, which they do not regard as offensive."

After the secret session, the national representatives continued their work on the discussion of the budget for the lower chamber. The session was still in progress as this edition went to press (0100 hours).

5157
CSO: 3010/1781

BELAUNDE DISCUSSES 1982 BUDGET ALLOCATION, STRIKES

Lima EL COMERCIO in Spanish 24 Aug 81 p A-4

[Text] President Fernando Belaunde Terry yesterday confirmed the fact that the federal budget of the republic for 1982 will come to about 3 billion soles and the draft thereof is expected to be dispatched Tuesday morning during the special Council of Ministers meeting. He said that the budget resources will be allocated mainly toward the needs of the education, agriculture, energy, highway, housing and health sectors.

In connection with the education sector, the chief of state explained that it will receive "gradual" budget increases, although it is not as yet possible to measure up to the requirements of the constitution. He said that plans call for continuing to support the reorganization and maintenance of the local schools on the national level.

He stressed that the distribution of budget funds is being carried out in as balanced a form as possible, "since a half must go to the payment of the foreign debt and national defense and the other half to the support of many programs."

"We are not sending people home, as other governments have often done. We are trying to keep the government employees in their posts, sometimes transferring them, but avoiding problems of unemployment or support," he commented.

Wage Increases

Belaunde, who invited journalists to attend mass at the palace after talking with them, reiterated that the wage increases will be effective in the month of October and that they will be consistent with the devaluation indices recorded since the earlier increase decreed in June.

"If we maintain discipline and contain inflation, limiting ourselves to the increase which must be made in wages, I believe that we can end this year successfully and embark upon 1982 under favorable conditions," he said in this connection.

Strikes

In discussing the strikes by medical and banking workers, he said that they are worrisome labor conflicts, but that he hopes with confidence that they will shortly be resolved.

He mentioned that the Bank Association has made a proposal and that even yesterday the talks continued, although it was a Sunday.

Concerning the medical strike, he commented that "there is a little intransigence," since he has often stated as chief of state that the country is experiencing an acute fiscal crisis, "which forces us to ask for the cooperation of all sectors, since we must all make sacrifices and carry a part of the burden if the country is to move forward and if we are to have promising future years."

Emergency

The president stated that for now, despite the labor problem mentioned and the other strikes reported, there is no need to adopt the emergency measures for which the constitution provides, while at the same time he again praised the sense of responsibility which led the CGTP [General Confederation of Workers of Peru] and the CTP [Confederation of Workers of Peru] to suspend the strikes they planned in recent days.

Belaunde said in this connection that the government "will maintain calm."

"I had this experience here for 5 years the last time, and now 1, i.e., more than 6 years, and I have learned something, above all to maintain calm," he stressed.

U.S. Ambassador

In answer to a question from the press about the position of the government on the possible appointment of Frank Ortiz as U.S. ambassador to Lima, Belaunde explained that all of the rumors which circulated about the earlier activities of this diplomatic official in Peru have been investigated.

He said that information was even sought from members of the preceding administration, and that "the rumors which have been circulated about his activities have been proved unfounded."

He noted that "diplomats sometimes are the victims of baseless criticism, and in this case Frank Ortiz enjoys the full confidence of the U.S. government. The only thing I regret is the withdrawal of Ambassador Edwin Corr, who is a great friend of Peru."

Purchase of Aircraft

In speaking of the reported purchase of K-Fir aircraft by Ecuador, Belaunde explained that "governments always assume the responsibility for defense," and that where ours is concerned, "we do not have aggressive, but dissuasive, armed forces, since all of our effort is devoted to safeguarding our frontiers and sovereignty."

"We do not threaten anyone," the chief of state remarked.

5157
CSO: 3010/1781

END

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No. 2376

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29 September 1981

LATIN AMERICA REPORT

No. 2376

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'UNO MAS UNO' REPORTS HAITIAN OIL SCANDAL

PA150403 Madrid EFE in Spanish 1935 GMT 14 Sep 81

[Text] Mexico City, 14 Sep (EFE)--The leftist newspaper UNO MAS UNO reported here today that a group of Haitian businessmen diverted an unknown amount of Mexican crude and sent it to South Africa.

In a dispatch datelined in Port-au-Prince, the newspaper stressed that in the wake of a charge made by Alexandre Lerouge, a Haitian deputy, "the rumors concerning the largest diversion of crude in recent times have become what has been known here (Haiti) as 'the Mexican petroleum scandal'."

It added that Ernest Bennet, father-in-law of Jean Claude Duvalier, Haitian president-for-life, heads this group of businessmen.

According to UNO MAS UNO, the group "diverted and sold to South Africa all the oil allocation that Haiti receives from Mexico at preferential prices even before it reached Haitian territory."

"The rumors about the Mexican oil began to circulate in early June," it added.

The newspaper noted that the Haitian Government and its officials who were interviewed by its correspondent, "claim that they do not know anything about the matter. They accused the international press of lying and of wanting to mar Haiti's image..."

UNO MAS UNO noted that a "known oligarch" informed it that "the kind of oil we get from Mexico is not of much use to us, so why not think of exchanging it for other things we do not have or even why not resell it and somehow alliviate the most serious economic crisis in our history with that money?"

In citing Leopold L. Joseph, a Haitian exile in New York, the paper stated that the Interpol "was beginning its investigations in view of the inability of the Haitian authorities to offer a satisfactory explanation for the disappearance of the oil shipment."

Joseph told UNO MAS UNO that "we know that the Mexican Government must know about this scandal, has asked the Haitian regime for an explanation and has made demands regarding this matter."

"What we do not understand," he said, "is why Mexico has not adopted a harsh decision in this regard. For example, why hasn't it definitely suspended the shipments of crude to Haiti?"

The delivery of Mexican crude to Haiti consists of approximately 3,500 barrels per day which, accompanied by a similar quantity of Venezuelan oil, make up the assistance that these two main Latin American oil producers give to Central America and the Caribbean.

CSO: 3010/1841

ARGENTINE ARMY COMMANDER'S VISIT TO BRAZIL

Preparations for Visit

PY172210 Buenos Aires TELAM in Spanish 1310 GMT 17 Sep 81

[Text] Brasilia, 17 Sep (TELAM)--The Brazilian Army Ministry reported today that the head of the ministry, Gen Walter Pires, has assigned Gen Rondon de Oliveira Guimaraes to accompany the commander in chief of the Argentine army, Lt Gen Leopoldo Fortunato Galtieri, who will arrive in this capital next Sunday night. The army minister also put at the disposal of the member of the military junta governing Argentina a group of officers formed by Lt Col Jose Roberto Eichler, Maj Decio da Silva Gonzalves, Maj Marco Antonio Savio Costa, Maj Roberto Amorim Gonzalves and Capt Flavio de Cunha Vianna.

The high Argentine military commander will stay for 1 week in Brazil on an invitation by Gen Walter Pires who recently visited Argentina. In addition to a special audience and a luncheon given for him by President Joao Figueiredo, General Galtieri's official schedule includes visits to the cities of Salvador (capital of Bahia state), Sao Paulo, Sao Jose dos Campos (Sao Paulo industrial center) and Rio de Janeiro.

Commander's Arrival

PY212015 Sao Paulo Radio Bandeirantes in Portuguese 1600 GMT 21 Sep 81

[Text] Gen Leopoldo Galtieri, commander in chief of the Argentine army and member of the junta of commanders, is visiting Brazil.

Galtieri stated that he believes that stronger relations and understanding between the Argentine and Brazilian armies will contribute to consolidate a tradition established by men such as the Duke of Caxias, Tiradentes, San Martin and Belgrano.

General Galtieri, who is a member of the military junta which rules in Argentina, added that we are determined to find in (the attitude) of friendship and understanding strong reasons for the common reassertion of our peoples' principles and values, which are their freedom and dignity.

CSO: 3001/249

BRIEFS

GRENADIAN PRIME MINISTER VISITS--Mexico City, 17 Sep (AFP)--Grenadian Prime Minister Maurice Bishop will pay an official visit to Mexico from 23 to 26 September, the Mexican foreign affairs secretariat reported today. Bishop's visit is in reply to an invitation extended by President Jose Lopez Portillo to the Grenadian prime minister to discuss matters of bilateral and multilateral interest, said the foreign affairs secretariat. [Text] [PA180407 Paris AFP in Spanish 0053 GMT 18 Sep 81]

CSO: 3010/1841

PURPOSE OF WALTERS VISIT ANALYZED

PY080036 Buenos Aires TELAM in Spanish 1215 GMT 5 Sep 81

[Report by Mario Carrizo]

[Excerpts] Buenos Aires, 5 Sep (TELAM)--Information on the mission carried out, in great secrecy, by Gen Vernon Walters confirms the increasing strength of Argentine-U.S. bilateral relations.

Argentina has clearly aligned with the nations which have rejected the interference of the Mexican and French regimes in the Salvadoran domestic affairs. This has been a fully legitimate decision, since the Mexican and French interference presupposes support to one of the extremist groups against which the civilian-military junta of that nation--which intends to restore democracy--has to fight.

Argentina has done right in aligning itself with what today in El Salvador represents the most moderate expression of a society shaken by violence and hate because, as Foreign Minister Oscar Camilion pointed out during his recent visit to Washington, Argentina is marching toward the restoration of its institutional life.

The U.S. Government has clearly understood and respects the Argentine position because, in view of the current events, it now realizes the reasons which drove the Argentines to fight a war without mercy against terrorist subversion for which the only possible objective is to conquer the nation's leadership and eradicate all democratic political expression.

Venezuela and Colombia, which in the Nicaraguan civil war supported the forces which struggled against Somoza at the risk of establishing Marxist extremism in that country, have adopted a different attitude in the Salvadoran problem, in the first place because the option is not between a family dictatorship and the rest of the community, but between a moderate civilian-military sector and the antagonic extremes. In the second place it is because they are aware of the danger which the possibility of El Salvador falling into the hands of ultra-leftist guerrillas represents for the stability of the democratic regimes of the Caribbean. If this purpose should be achieved, Honduras and Guatemala followed immediately after by Costa Rica and Panama would be the next objectives of subversion. In the north Marxism would be near the Mexican border and in the south near the Colombian and Venezuelan borders.

The White House feels supported by the Andean countries and the nations of the southern cone whose implicit spokesman, in view of the development of events, is Argentina. The most important thing is, as various analysts have pointed out, that it is a spontaneous reaction of the nations of the region and not an imposition of northern big brother.

CSO: 3010/1857

CAMILION'S RECENT VISITS REVEAL CHANGES IN POLICY

PY152036 Paris AFP in Spanish 1140 GMT 12 Sep 81

[Text] Buenos Aires, 12 Sep (AFP)--The successive personal contacts which Foreign Minister Oscar Camilion held in Washington and the Vatican during the first 10 days of September revealed the Argentine Government's desire to approach its most prickly foreign problems from a different angle.

On Wednesday Camilion was received, in a personal audience, by Pope John Paul II to analyze the current state of the Vatican's mediation in the Argentine-Chilean conflict over the Beagle Channel and to meet the local foreign ministry's desire to take the initiative in the matter which up to now has been in Chilean hands.

Camilion's trip and meeting with the Pope open a new path in the mediation process which had reached an undeniable state of stagnation. Camilion himself asserted that the mediation is now experiencing a different stage due to the fact that there is a new trend in the talks and, therefore, it requires new data.

According to observers, the minister's trip seems to reveal that the military government has altered its procedures.

Although the responsibility for making decisions is still the exclusive prerogative of the Argentine military committee--comprised of the president and the junta of commanders--the task has been entrusted to the normal diplomatic channels, doing away with the special resources which for several years the periodic trips to Rome by the secretaries general of the army, navy and air force represented.

The observers have pointed out that if the foreign minister's trip can be interpreted as the first step in a possible change in the mediation process, then the Vatican's decision to open the doors of the secretary of state for an overall examination of the mediation process should also be considered as a new subject of analysis.

The silent steps which the Argentine Foreign Ministry slowly took to obtain an interview with the Pope yielded their results when Camilion was in Washington, and his return to Buenos Aires barely gave him [time] to repack his bags and leave for Rome 48 hours later.

Later on it was learned here, through reliable sources that in Washington Camilion listened to Secretary of State Alexander Haig and Vice President George Bush's similar comments regarding Argentina.

The U.S. authorities' main concerns dealt with the following subjects: the United States desires the consolidation of the democratic process which the military have promised and any attempt to interrupt it would not be well looked upon.

The White House also pointed out that it does not desire any conflicts in the southern cone, a direct reference to the Chilean-Argentine border conflict, which at the end of 1978 led the two countries to the brink of war.

The last warning Camilion heard referred to El Salvador conflict.

Haig told him that neither of the two parties can win the war, therefore, it is necessary to maintain the status quo until elections in 1982.

At this point Camilion reiterated his government's position: Whatever the situation in El Salvador may be, Argentina will cooperate with the United States with foodstuffs and financial aid but not with military aid.

CSO: 3010/1857

COMMUNIST PARTY LEADER INTERVIEWED BY HUNGARIAN PAPER

LD161854 Budapest MTI in English 1705 GMT 16 Sep 81

[Text] Budapest, 16 Sep (MTI)--The Argentine Government, sometimes extremely reactionary in its home policy, gives proof of flexibility by one or another foreign political decision. The reasons for the above, the impact the military administration's economic policy produces on the country's political life, and characteristics of the Argentine armed forces were among the subjects which Athos Fava, secretary-general of the Argentine Communist Party, discussed in his statement to NEPSZABADSAG. (Athos Fava visited Hungary at the head of a delegation from September 2 to 10 at the invitation of the Hungarian Socialist Workers' Party Central Committee.) The interview was published on Wednesday.

Athos Fava reminded that the junta's policy had long been confined to attempts of reckoning with ultra-leftist movements. "These groups used the method of individual terror and armed provocations against the junta, with which we, communists, could not agree, of course. Though the government knew that well, it felt not in the least disturbed to strike a blow on the workers' movement and democratic organizations too. Thousands of trade union activists were dismissed from the companies. A lot of worker leaders were imprisoned, and hundreds were reported to have disappeared 'with no trace behind.' The cruel oppression, however, could not break the action unity of the political and social movements of Argentina, but deadlocked instead the junta itself.

"The failure of fascism to win in Argentina as it did in Chile is also to be thanked to the presence of conflicting currents in the army," said Athos Fava. "There are in fact two major trends: the liberal wing and what we call Pinochetists. They carry on a desperate right for the full possession of power allowing to shape the country's political profile. We, communists, along with other democratic political forces of the country, side with the liberal wing of soldiers in the face of the Pinochetists. The junta's choice of the liberal-wing General Viola for president in March is no small a result in our view. Viola did move at once to realize his programme which naturally serves bourgeois interests but is still beneficial to the country."

"Our country finds itself face to face with the United States on international markets, and often loses in those duels. The junta--though within small limits--tries to establish its own trade policy, which sometimes emphasizes the interest

of Argentine economic units against that of Washington. It will be fatal mistake to renounce such an important market as the Soviet Union. Moreover, Washington has to swallow the pill in our matters, too.

"General Viola, while hesitating, has refused the U.S. plan concerning the formation of the South-Atlantic Military Pact, and is reluctant to send Argentine soldiers to the 'international peace-keeping' forces to be deployed on the Sinai. He raises his voice against the racist policy of South Africa, acknowledges the rights of the Palestinian people as well as recognizes the movement fighting for Namibia's independence," concluded the interview [with] Athos Fava.

CSO: 3020/157

NEWSPAPER OWNERS ASK GOVERNMENT TO LIFT STATE OF SIEGE

PY202340 Buenos Aires HERALD in English 19 Sep 81 p 9

[Text] Santa Fe (NA)—The Association of Argentine Newspaper Owners (ADEPA) yesterday called once again on the country's military rulers to lift the repressive state of siege decree and other restrictive norms which tend to obstruct freedom of the press across the nation.

Representatives of ADEPA meeting here for the organizaton's 19th general meeting yesterday released a statement on freedom of the press in Argentina and accompanied it with a series of resolutions which were approved by the delegates. The first of the resolutions was the reiteration of an earlier call by ADEPA for the lifting of the state of siege, a repressive decree which suspends certain rights and guarantees granted to the country's inhabitants under the terms of the constitution.

In explaining insistence on this point, ADEPA states in the resolutions that "the suspension of constitutional guarantees conflicts with the republican system of government which the current national reorganization process has promised to restore."

The delegates at the meeting also resolved to reiterate their call for the repealing of an article of the national security law and of Article 212 of the penal code, since both pieces of legislation threaten freedom of the press by exposing newspaper editors to the risk of having to serve a term in prison for reporting on any type of terrorist action.

The resolutions also aimed at the repealing of the 48 percent importation tax which the government has levied on newsprint, a measure which was originally introduced by the government to protect local paper production, which the newspapers have attacked as uneconomical and of questionable principles since the major Argentine newsprint producer is a company owned jointly by three mass circulation (ostensibly independent) newspapers and the national government.

ADEPA is also seeking the lifting of paragraph of [as published] article 45 of Law 22,285, which it qualifies as contrary to the letter and the spirit of the constitution. This piece of legislation prohibits the granting of broadcasting licenses to anyone forming part of another radio broadcasting firm and/or has links with journalistic firms.

The ADEPA representatives say that this is contrary to the constitutional principle which grants the right to anyone to enter into any enterprise for (legal) profit and to carry out any legal activity or industry.

With regard to Central Bank regulations requiring a 180 [day] lapse for the payment of imports, ADEPA resolved to call on the government to permit the payment in cash of invoices on graphic equipment spares when the total was under $5,000.

CSO: 3020/157

'HITLER YOUTH' RUMORED IN CORDOBA

'Hitler Youth' Group Described

PY180133 Buenos Aires HERALD in English 17 Sep 81 p 11

[Text] Cordoba (NA)--An ultra-right-wing group known as the "Argentine Hitler Youth" has been operating a training camp near this capital, according to the local daily LOS PRINCIPIOS.

The newspaper article contained detailed information on the group's financing, place of operations, and structure, and claimed that the group has international links in Western Europen countries.

No sources were named in the article attributing information to "reliable sources." According to them, the group was formed at the end of 1980 by "an obscure middle-man, identified with the extreme right, who has been involved with several religious groups of extravagant ideas, which have nothing to do with the Catholic Church."

Group members "are from very good families in the Cordoba, Rosario and Santa Fe City areas," the article said.

The adolescent army supposedly operates secretly out of a building in the Colon Department, north of this city, which was previously owned by a German immigrant, who was hunted by Jewish commandos, according to the article.

Group financing is provided by "wealthy Argentine financiers, who believe that towards the end of the century, an international Nazi movement will arise and seize power," the [article] said.

The sources explained that the power structure of this movement is organized identically to the German army during World War II. Thus, the article says, Argentine Hitler youth are divided into small command groups including "the feared SS and the Gestapo," and that they sport SS-style uniforms.

The organization reportedly has branches in Spain, Italy, France and Germany. "Should an emergency develop," the article said, "the group has a red alert prepared in which members can disappear without a trace."

Existence Denied

PY210003 Buenos Aires HERALD in English 19 Sep 81 p 9

[Text] Cordoba (NA)--Highly placed provincial officials denied reports of an alleged "Argentine Hitler Youth" movement in Cordoba, as published in the local newspaper LOS PRINCIPIOS.

Yesterday morning the newspaper in a frontpage rectification said that it had sent reporters to the area where training operations were allegedly being held and they found no trace of any military training ground.

Last Wednesday LOS PRINCIPIOS reported that it had information to the effect that in a locality known as Colon, north of this city, an extreme right group was training young people dressed in World War II Nazi uniforms.

CSO: 3020/153

BRIEFS

POLITICAL PARTIES STATUTE--The political parties statute will be made known in the first half of 1982. This statement was made by the interior minister before he boarded the plane in which he went to Mendoza Province, where he had a meeting with members of the Democratic Party. Regarding civilian participation in the national reorganization process, Liendo said that it takes place through the six civilian provincial governors and through the members of their respective cabinets. He also said that the individual participation of the citizens takes place through the activities of the political parties. [Excerpts] [PY182131 Buenos Aires Domestic Service in Spanish 2000 GMT 18 Sep 81]

FORMER PERONIST MINISTER--Buenos Aires, 10 Sep (NA)—Jorge Taiana, former education minister during the last Peronist government, was transferred today from the Magdalena military jail, located 70 km south of Buenos Aires, to his house located in the Retiro neighborhood. Although Taiana's present situation could not be established, family sources have said that he is reportedly under house arrest. The former education minister is 70 years old. He has been under arrest under the control of the executive branch since 5 April 1976 but no specific charges were submitted against him nor was he tried during this time. [Excerpt] [PY140342 Buenos Aires NOTICIAS ARGENTINAS in Spanish 0058 GMT 11 Sep 81]

OIL WORKERS DISCHARGED—Jose Montani, the secretary general of the Argentine Oil Workers Union Federation, has stated that a total of 1,700 oilworkers have been fired in the last 4 months while the fate of another 8,000 is still uncertain. He noted that this situation is caused by the unprecedented delay in the renewal of drilling and exploration contracts between YPF, government oil deposits, and private enterprises that work with YPF. Montani said that this is taking place in Santa Cruz, Chubut, Mendoza, Salta, Rio Negro, and Neuquen, which are oil drilling and exploration areas. He reported that there are 250 discharged employees in Santa Cruz, 450 in Chubut, 260 in Mendoza, 260 in Salta, and almost 500 in Rio Negro and Neuquen. [Excerpts] [PY092004 Buenos Aires CRONICA in Spanish 8 Sep 81 p 8]

FOOD TO MALVINAS—Buenos Aires, 14 Sep (TELAM)--A communique of the Argentine Foreign Ministry states: In accordance with its policy of giving special attention to the interests of the inhabitants of the Malvinas Islands, and aware of the current shortages of certain foodstuffs, the Argentine Government has decided to use an air force plane in order to help resolve the problem. A Hercules C-130 plane belonging to the 1st Air Brigade flew to Port Stanley on 12 and 13 September carrying 24 tons of foodstuffs. These flights were made in addition to the regular weekly flight of the state air lines (LADE). [Excerpt] [PY141422 Buenos Aires TELAM in Spanish 1255 GMT 14 Sep 81]

ONGANIA RELEASED--(NA)--Retired Lieutenant General Juan Carlos Onganía returned home a day early from military arrest in Campo de Mayo yesterday. The retired officer, who headed a military government from 1966 to 1970, received 10 days arrest from the army high command after he made statements criticizing the present military administration in Junin on August 18. It was not explained why he had been released from Campo de Mayo a day early yesterday. The former president made no comments to the press on returning to his home in Santa Rita, Bolougne, some 20 kilometres north of the federal capital, leaving for mass at a nearby church shortly afterwards. [Excerpt] [PY071931 Buenos Aires HERALD in English 7 Sep 81 p 9]

CSO: 3020/157

MOZAMBIQUE MINISTER'S VISIT CONSIDERED 'POSITIVE'

PY180340 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 17 Sep 81 p 7

[Excerpt] Mozambican Foreign Affairs Minister Joaquim Chissano's visit to Brazil is being considered "quite positive" by Itamaraty, which sees it as a "green light" for closer contacts with southern African countries.

However, the Mozambican foreign affairs minister's speech at the dinner given to him by Foreign Minister Saraiva Guerreiro, voicing criticisms which were considered excessively strong against the United States, left Brazilian diplomats embarrased because they were addressed to a country with which Brazil tries to maintain the most friendly relations.

Despite that diplomatic embarrassment, the importance of which Itamaraty tries to play down with the explanation that Chissano's attitude is understandable because his country still lives in the "heroic phase of the struggle for liberation," the Mozambican foreign affairs minister's visit should open channels for Brazil's greater presence in southern Africa. This should be so in economic terms, considering the success of preliminary understandings for the joint development of a program for coke exploration in Mozambique, to be financed by the OPEC fund.

Itamaraty feels that Minister Chissano came to Brazil with the firm intention of "defrosting" relations between the two countries, and everything seems to indicate that his objective was fully accomplished. In his talks Chissano maintained a moderate and conciliatory tone, clearly contrasting with the tone of his speeches. Diplomatic circles interpret that behavior as intended for domestic consumption, not for the purpose of creating difficulties in the relations of Brazil with the United States.

CSO: 3001/249

BRIEFS

FOURTH ARMY DIVISION COMMANDER--Gen Moacir Ferreira this morning assumed the post of commander of the 4th army division. This division is headquartered in Belo Horizonte, Minas Gerais. [PY191747 Brasilia Domestic Service in Portuguese 2200 GMT 17 Sep 81]

CSO: 3001/249

STATUS OF COMMUNIST PARTY ACTIVITIES DISCUSSED

Santiago QUE PASA in Spanish 27 Aug-2 Sep 81 pp 22-25

[News commentary by Elena Vial: "Communist Party: Alive and Kicking"]

> [Text] They adapt to the underground and work patiently behind the scenes. They have a sporadic printed press and use the radio extensively ("Katia, the voice of the people, friend and comrade..."), a popular subsculture and a tightly knit organization. They seek alliances with non-Marxist sectors, and it is assumed that they have infiltrated every group. They feel that conditions are right for violent struggle; however, reportedly their number one objective is a Single Opposition Front.

"EL SIGLO is coming back, the old and beloved newspaper is coming back. It is coming back to stay. More unassuming in appearance but filled by the same spirit with which the seminal words of Luis Emilio Recabarren infused the bloody soil [of Chile]."

This EL SIGLO, which was remembered with such nostalgia, is none other than EL SIGLO which Chileans knew so well until September 1973, the official organ of the Communist Party [PC] now banned by the constitution. Last year EL SIGLO appeared clandestinely and quite irregularly, replacing another PC publication called UNIDAD ANTIFASCISTA.

Rather poorly put together, literally trimmed by hand and embellished by not-too-clear photos, EL SIGLO is not, of course, the only clandestine Marxist publication. EL REBELDE is published more regularly by the MIR [Movement of the Revolutionary Left], and two publications are much more impressive in appearance: the multilingual ANCHA [Chilean Antifascist News Agency], which is published in France, and the pamphlet SELSO, which is printed in Luxembourg. In addition to these, there are many leaflets and press communiques, including one issued by the PC, dated June 1981, which calls for total confrontation to overthrow the government.

Marxist propaganda which is broadcast over Radio Moscow is also more penetrating; for example, on its new schedule there is a program called "Escucha Chile" [Chile Is Listening]; but it still has its regular stars:

"Every Tuesday and Friday, this music which many of you know and remember announces the arrival of Volodia Teitelboim with his regular program of political commentary. Voldia comments...musical bridge...here he is, Volodia."

The radio program, in addition to its regular political commentators, is a miscellany of news reports and political slogans, interlaced with cultural information of "particular" interest ("Tres Marias y Una Rosa" [Three Marys and One Rose], a great success in Brazil. In Santiago, there are presentations of "Fulgor et Muerte de Joaquin Murieta" [Life and Death of Joaquin Murieta], songs by the Inti Illimani group, analysis of the "Canto General" of Pablo Neruda.

The male announcer changes. The female announcer is always the same. ("Katia, beloved voice of a people, that thou are, friend and comrade..." one admirer writes to her.

The announcers use journalistic style:
"Tell me, Jose Miguel, what is this about Easter Island approaching?"
"It is approaching, Katia; it is approaching the continent."

"You don't say. Is that possible? Then, it is a floating island, an island which navigates...?"

And the commentators give instructions for the day.

"No, Pinochet, it has not ended. It has barely begun. The struggle for the National Plan (the one presented by the National Trade Union Coordinating Committee) which is becoming a real program of the principal social forces, is going to continue more and more and is going to be developed better." (Pedro Correa, 7 August)

Certainly, Radio Moscow has greater resources; however, the appearance of EL SIGLO, although very sporadically, has a symbolic value. It reminds us of the clandestine but active presence of the communists inside Chile. According to the undersecretary general of government, Jovino Novoa, they have kept their structure intact, 8 years after the military declaration. They can conceal themselves in the present situation and can also develop new forms of struggle at any moment.

An Important Change

What meaning do the communists have today in Chile? How do they operate?

Last year (see QUE PASA, 501) they boasted of having kept their stuucture of cells and committees intact; and their activist ranks have increased to 280,000 members, a figure which is probably exaggerated. Its principal leadership organizations have been decapitated twice by the Security forces; however, they now seem to be newly restructured.

Basically, the position of Luis Corvalan, which was published in "Nuestro Proyecto Democratico" [Our Democratic Party] in July 1979, has not changed. He supports understanding among all democratic forces, most particularly with the DC [Christian Democratic Party]. The objectives of this understanding would be three in number: overthrow the government and put an end to "fascism"; form a provisional government; and develop a common labor agreement for a longer period of time.

His international position continues to be loyally pro-Soviet: Secretary General Luis Corvalan approved the invasion of Afghanistan by the USSR, and this position is not questioned internally, as happened in other parts of the world.

An important change: at present the PC feels that conditions are right for violent struggle. It approves of some actions taken by the MIR (not all of them) and, in fact, in Concepcion, both clandestine groups, the MIR and PC, published a joint communique. This new approach would ensure that the PC does not lose the violent youth sector, which previously swelled the ranks of the PCR (Revolutionary Communist Party). It is still losing youths today but for other reasons, as will be seen farther along.

Osvaldo Rivera, engineer-agronomist and professor of biology, is a student of Marxism. He is now working with Jovino Novoa. According to him, it is particularly easy for the PC to operate underground because it is always prepared to do so and maintains an alternative as well as a legal structure. In five-member cells there is one control, one secretary, one treasurer and two ordinary activists. In the event a new cell is formed, one of these activists moves into it.

The Single Front

Today, with certainty, those who really "give orders" in the Chilean PC are completely anonymous figures, although the old hands [Tercios] are kept up front.

For Rivera, the most important objective of the current PC is the formation of a Single Opposition Front; and revolving about this objective are activities such as that of the National Trade Union Coordinating Committee, its National Plan and subsequent events. He structures this objective in accordance with the well-known process: thesis, antithesis and synthesis, and says that the process was initiated in November 1980 with the discussion of the National Plan. After that the legal action taken by the government against the leaders of the Coordinating Committee brought a reaction in the form of a meeting of a group of persons and establishment of a Trade Union Defense Committee. Distinguished noncommunist leaders were noted among the committee. According to Rivera, this is a key point in the Marxist modus operandi: general alliances involving front organizations. What is more, this meeting early in July was held at the Trade Union Pastoral Vicariate. Assembled there, inter alia, were: Juvencio Valle, actress Maria Maluenda and former PC minister, Pascual Barraza. However, also present were: Jaime Castillo Velasco (and) the three other men expelled from the country); former President Eduardo Frei; former DC Foreign Minister Gabriel Valdes; Federico Mujica; Tucapel Jimenez; Ernesto Vogel; former political leaders and present trade union officials for a total of 40 persons. At the time, very few were members of the PC.

In Rivera's view, the PC at present is indifferent to the fate of the Coordinating Committee. He is much more interested in the possible unity which could develop in the face of the reaction caused by the expulsion of four of the signers of the letter of support for this organization.

He says that infiltration in Chile is taking place in several sectors. One is the trade union sector, particularly in some peasant federations in the central part of the country and the Eighth Region; and in the mining sector, especially at this time, with the beginning of the coal negotiations. In this he is backed up by Radio Moscow when it shows its interest in the subject:

"Our editorial office has received a letter which has shaken us. It is postmarked Lota....

"...That combative town of coal miners, there on the Gulf of Arauco, if I am not mistaken..." (this is Katia, and therefore, is presumed to be somewhat confused).

Another sector in which infiltration is being attempted is the Catholic Church, at the rank-and-file level, and the Armed Forces. Of the latter, Rivera could not give conclusive proof; however, it has been a constant target of the PC in all countries in which it has operated. As poet Nicolas Guillen put it: "I do not know why you think /soldier, that I hate you..."; and so on until the last stanza, all of which is an invitation to change leaders.

The fact that infiltration is taking place in certain sectors does not mean that these are the only ones. On the contrary. Every activist is supposed to discover conflict in his district or work center and show up there.

A Subculture

But who are these activists? Generally they are anonymous persons with a low profile. We read the following in another clandestine newspaper:

"You cannot forget that you are the son of old Torres, a Tome textile worker; of skinny Ramirez, a Coihaque carpenter; of Lucho, a Santiago lathe operator; of Gonzalez, a Licanten primary schoolteacher; of Romero, a San Fernando peasant..."

A source close to the Christian Democratic Party explained the phenomenon of the PC in this way: "It is a subculture within society. A very organized group which also has a family tradition. The fathers were relegated to Pisagua; the sons are now working underground. They intermarry; have their parties; their "cookouts"; their revolutionary music cassettes; their martyrs; and their closely knit organization. The party's rigid regimentation causes the exodus of many youths; however, on the other hand, today they are the only united group in the Chilean Marxist sector. As many as 11 socialist factions have been detected! What is more, the profound crisis now being experienced by international Marxism (Afghanistan, Poland) is not to be found in Chile. This is the "besieged citadel"; therefore, it is not the time to discuss what is happening in the world or the lack of attractiveness of Soviet leaders.

This Christian Democratic source goes on to say that the PC has a stable activist sector (it neither increases or decreases in number); however, at present they are not at all interested in raising their heads. They are counting on time and their patience in continuously polishing their instrument: the party, the cells. For example, in the plebiscite they did practically nothing.

The Christian Democrats think that the PC is particularly concerned with infiltrating government organizations. They are in the neighborhood advisory councils, in mothers' centers; they are seeking new avenues to reach the municipalities.

"The old ladies never miss a meeting in the mothers' center, and they show up there in the front row!"

There is a book by Andre Fossard, a French newsman, entitled "Dios Existe; Yo Me Lo Encontre" [God Exists; I Met Him] which closely agrees with this interpretation of

the subculture. Frossard, son of the PC's first secretary in France, who was later converted to Catholicism, recalls his childhood as a communist boy who learned to read from a book entitled "Pedrito Sera Socialista" [Little Peter Will Be a Socialist] and went to sleep every night under a picture of Karl Marx.

At the age of 5, he accompanied his parents to the Wall of the Federates, a traditional cite for revolutionary gatherings.

"I had learned to remain discreetly seated for hours at the foot of the speakers platform, while above my head passed speeches which left me with the remembrance of long, stormy outbursts, over which misery and flags hovered. Before me, countless faces, lifted above a field of blackberry bushes, listened to the recounting of their problems."

Social Democracy

Among the sympathizers with Social Democratic thought there are those who believe that an authoritarian regime over the long-term tends to strengthen the PC: first, because a polarization is produced which destroys the political alternatives of the center; and second, because communism has great experience in clandestine operations and has a powerful ally such as the USSR. On the other hand, the rest of the Marxist left has disintegrated. According to this thesis, a factor of an economic kind would be given, as current policy has widened the social gap.

As for armed struggle, Corvalan has called for the expanding of the fronts of struggle; and the USSR has the means to promote a possible guerrilla operation. In fact, it seems to have been proved that the USSR is financing the so-called "operation return" of terrorists to various Latin American countries. However, most of these guerrillas are not from the PC properly speaking but from other Marxist sectors. Moreover, a document dated April 1981 which, according to Radio Moscow, was signed by the PC and the Socialist Party, stated that "the prospects for insurrection are more than probable."

The Social Democrats think that the PC has lost many people. It has areas of influence in the mines, in the port and now, with less intensity, in the textile sector. As for the students, it continues to be present in the Academy of Pedagogical Studies and in some faculties at the University of Santiago and Santa Maria de Valparaiso, in the Pedagogical Faculty of the University of Valparaiso. This preference for teachers and future teachers is constant and here, according to a teacher with much experience, the PC preferentially uses the tactic of rumor, as this is a sector which is sensitive to such a method of operation.

'Caupolicanazo,' Alliances, Phantoms

One political analyst, of a faction close to the government, told QUE PASA that the Coordinating Committee was a key factor in the work of the PC, although de facto many of its leaders were neither communists nor Marxists. Another important event, although of a different kind..."Caupolicanazo," in support of Frei, in the plebescite. "However, that action was a tactical mistake. Too much was left uncovered and a reaction was triggered." This analyst is notoriously optimistic and says that the PC is not important in number, does not have influence and does not have the

capabilities for armed struggle. There are sectors which tend to enlarge the stature of the PC, its "phantom quality," and thereby to prevent any kind of political opening up. Its force really lies in its ability to form alliances.

Therefore, its future depends in large measure on the attitude of opposition democratic groups toward it.

As for alliances and infiltrations, something strange is happening. Just as the Christian Democrats believe that the PC is infiltrating government organizations, government analysts are of the opinion that Christian Democracy is the sector most susceptible to the search for alliances by the communists.

A high security official gave us his reasons: the DC was the principal political party, and its image is now deteriorating; it also has influence in informed sectors of the populace, connections with leftist-leaning groups within the Catholic Church and has already suffered from an exodus of activists to the left and right. Finally, it has an international character which would be very useful and, moreover, Corvalan himself has on many occasions reiterated his offers to the party.

Print Media, International Networks

As for infiltrations, all sectors are in agreement that the PC is not seeking the masses but rather the leaders; it is not looking to take their places but rather to maintain a discreet and influential position in the background. Government analysts say that the working Chilean wants security and stability in an ambience of internal peace. To the degree that the state is able to provide him with these things, the PC will have its lines of action cut off. Jovino Novoa said in his speech that there is also interest in intellectual knowledge of what Marxism is, so that it can be confronted in the fields of history, science and philosophy.

The high National Security official to whom we referred adds an important point to his analysis. According to him, there is a PC presence in the printed media "for the timely exploitation of national and international events on a coordinated basis."

He also gave us a list of international entities which are said to be "front organizations" for Marxism and which are in a position to supply funds to the local PCs.

These include the World Federation of Democratic Youth, Women's International Democratic Federation, World Federation of Trade Unions and others of a similar kind, all of which are interrelated and, still according to our source, financed by Moscow. In this instance, the paymaster is reportedly Comrade Boris Pomarev who heads the International Department of the Communist Party of the Soviet Union.

8143
CSO: 3010/1784

TECHNICAL ASSISTANCE FROM JAPAN BEGINS

Santiago EL MERCURIO in Spanish 8 Jul 81 p C-10

[Article by Dania Guelfand]

[Text] Coquimbo--Dr Shizuo Akaboshi, an expert in technical and scientific aspects of raising marine mollusks of commercial interest, has arrived in this city and will be working for 2 years with the Coquimbo center marine research department of the Universidad del Norte, thanks to a Chilean-Japanese technical assistance agreement.

The Japanese scientist will develop a number of research projects related to raising oysters, preferably the smaller variety, including a study of microplankton, the food for this species, so that larvae can be produced in the laboratory.

These projects are part of the primary activities of the center, whose basic purpose is reproductive biology and the development of marine invertebrates of economic importance.

The Coquimbo main office has located its work area in the coastal waters. In this area the extinction of some species and an evident reduction in others have been observed with alarm.

The most important resource in the coastal waters is mollusks, and the only way of increasing their numbers, saving what exists and managing it rationally is to create shoals in their natural environment. To do this, it is vital to conduct analyses in the laboratory and in the actual environment.

It is also considered a prime importance to inform the private sector, both industry and tradesmen, of the results of these studies to encourage its interest in the growth of this activity.

Improve Systems

The author of some 15 scientific publications on his speciality and a consultant to the Brazilian government on the technological transfer of marine cultures for the past 9 years, Shizuo Akaboshi will apply his knowledge to working with Japanese and Chilean oysters. Basically he will try to refine and improve the systems used by the marine research department.

It is worth noting that young samples of Japanese oysters have already been obtained. Chilean oysters have not been spawned yet, however, since the program was started only a short time ago with 500 samples brought from the south of the country, donated by the national fishery service.

At the same time, the specialist will continue experiments with another mollusk, the abalone, using new techniques to further the progress achieved to date.

The center's expert, Andres Hoyl, said that for the time being they are not contemplating the cultivation of coastal fish, because "we do not have the technology and it is also much more complicated than for the mollusks since they are prey to diseases and are more difficult to feed."

9805
CSO: 3010/1545

MINERAL DEPOSITS IN REGION XI TO BE EXPLOITED

Santiago LA NACION in Spanish 8 Jul 81 p 8A

[Text] The Toqui mining company has committed a total investment of almost 20 million dollars to exploit six deposits of zinc, silver, gold, copper and lead located in the inhospitable mountainous area of Region XI.

According to what its executives reported in a technical journal, the area to be mined lies 110 kilometers to the east of Puerto Chacabuco, Aisen Province, in the zone bordering Argentina.

According to the mining company management, the firm began working on this large mining project shortly after its initial partner, the German company Metalgesselschaft, decided not to invest about 50 million dollars in a deposit of the same name.

Nearly a year after that decision, the Chilean company completed its feasibility study for the project. According to engineer Arnaldo Leppe, the company's superintendent, the study showed that, among many other factors, given the production level and costs of the operation, "even if the prices for our products were to fall by half, it would still be a success."

Reserves and Production

During an initial stage, the 1,502,000 tons of proven reserves of copper, silver, gold, zinc and lead will yield 500 tons of ore a day for processing, or 165,000 tons a year. According to studies conducted by the firm, the anticipated annual production, in the form of concentrates, will be as follows: 36,000 tons of zinc, 3,000 tons of lead, and 300 tons of copper, while the gold and silver will be sold in conjunction with them.

The investment commitment for the project totals exactly $18,726,119, out of which $6,726,285 has already been disbursed.

The management added that the low copper yield "does not bother the company, since it is only a byproduct of the process, and therefore does not cost it anything." Consequently, the Chilean company's expectations focus on the silver, gold and zinc in the six deposits.

According to the grades observed for each metal, the investment is assured of being profitable, as the zinc grade is 18% in the Estatuas vein, the silver content amounts to 290 grams per ton in the Concordia vien, and the Katerfeld lode shows a gold content of 3 grams per ton and a copper grade of 1.7 percent.

The average grade for the San Antonio, Zuniga, Estatuas, Antolin, Concordia and Katerfeld deposits is 0.7 percent for copper, 3 percent for lead, 12.5 percent for zinc, and 64.3 grams per ton for silver. The location and interpretation of the proven, probable and possible reserves of these six mineral deposits shows a stock of 5.2 million tons, and an estimated potential of a further 5 million.

Industrial Outpost

As the company's executives indicated, the commencement of mining operations in an area where almost the only means of support has been farming will transform Toqui into a true industrial outpost in the southern part of Chile.

9805
CSO: 3010/1545

BRIEFS

FOREIGN MINISTER LEAVES FOR UN SESSION--Chilean Foreign Minister Rene Rojas Galdames has left for New York. He is heading the Chilean delegation that will attend the 36th UN General Assembly. During his stay in New York the Chilean foreign minister will hold meetings with colleagues from about 15 countries among which is one scheduled with Argentine Foreign Minister Oscar Camilion for 24 September. Rene Rojas Galdames will also hold separate meetings with the foreign ministers of Singapore, Thailand, Israel, Canada, Brazil, Paraguay, Peru, Dominican Republic, Italy and Portugal. [Excerpts] [PY211449 Santiago Chile Domestic Service in Spanish 1100 GMT 21 Sep 81]

TERRORISTS SUBMITTED TO MILITARY COURT--The third military prosecutor's office has reported that the three detained terrorists Guillermo Rodriguez Morales, Adalberto Munoz Jara and Eugenio Pizarro Pena have been summoned to military court. The prosecutor has requested that Rodriguez and Munoz be sentenced on several charges and he has also requested that Pizarro be tried by a military court under peace time provisions. The military council, made up of six members from the armed forces, will decide on the prosecutor's recommendation. [Excerpts] [PY171857 Santiago Chile Domestic Service in Spanish 1100 GMT 17 Sep 81]

ARMS SALES--Santiago, Chile, 19 Aug (AFP)--It was reported here today that the Chilean Army Ordnance (FAMAE) will sell torpedoes, grenades, revolvers, pistols and tools to African and Middle Eastern countries. Llamil Jorrat Gaete, adviser to FAMAE will travel abroad at the end of the month to contact interested parties. He reported that nations like the Ivory Coast, the Arab Emirates, Senegal, Nigeria and Kenya are interested in purchasing these Chilean goods. [Paris AFP in Spanish 0513 GMT 20 Aug 81]

FOREIGN CAPITAL INFLOW--Santiago, Chile, 8 Aug (TELAM-DPA)--The metropolitan daily LA SEGUNDA has reported that Chile received $2.5 billion from abroad during the first half of the year. The exact figure is $2.506 billion, which is slightly higher than the $2.48 billion received from abroad for the entire last year. [Buenos Aires TELAM in Spanish 2035 GMT 8 Aug 81]

TRADE DEFICIT--Santiago, Chile, 14 Aug (AFP)--The Chilean Central Bank today reported that Chile's trade deficit surpassed $1.5 billion during the first half of the year. The official report states that while Chilean exports amounted to $2.032 billion, imports amounted to $3.56 billion. [Paris AFP in Spanish 1928 GMT 14 Aug 81]

AMBASSADOR TO BRAZIL--Javier Illanes Fernandez, the new Chilean ambassador in Brazil has presented his credentials to Brazilian President Joao Baptista Figueiredo. [Santiago Chile Diplomatic Information Service in Spanish 0046 GMT 20 Aug 81]

PRC CULTURAL AGREEMENT--Rene Rojas Galdames, minister of foreign affairs, and Tang Haihuang, ambassador of the People's Republic of China, will exchange memoranda on a cultural and sports agreement between the two countries. The ceremony, to take place at 12:15 hours today in the Salon Rojo of the foreign ministry, will be attended by Alfredo Prieto, minister of education, Brigadier General Ivan Dobud, director of the sports and recreation department (DIGEDER), and university presidents and directors from the ministry of foreign affairs, among others. [Text] [Santiago LA NACION in Spanish 8 Jul 81 p 7A] 9805

CSO: 3010/1545

FOREIGN CREDITS TO COVER BUDGET DEFICIT

Bogota EL SIGLO in Spanish 26 June 81 p 1

[Text] The national government will resort to special allocations and counter-credits to be able to make up the fiscal deficit and to boost the various development programs. Sources in the Finance Ministry revealed yesterday that the cabinet approved new projects worth more than 50 billion, with funds to be supplied by various foreign banks.

Finance Minister Eduardo Wiesner Duran submitted the new decree drafts to the Council of State and these documents will be studied by that body so that, following their approval, further steps may be taken in the pursuit of this undertaking through the international banking system.

The figure of $50,261,600,000 will be added to the 1981 revenue and capital assets budgets and the latter's implementation will begin during the second half of this year to guarantee the development of all projects contemplated by the various ministries and decentralized agencies.

If these new projects should materialize, then the figure of 50,261,600,000 would be added on top of the figure of 201,638,600,000 in the revenue and capital assets budget for the current fiscal year, giving us a total of 251,900,200,000 for this year.

The cabinet decision to resort to foreign loans was based on the country's borrowing ability which in turn springs from the high volume of international reserves which today come to $5.39 billion, a figure that will be reduced by about $300 million for the rest of the year.

Here are the essential objectives of this refinancing transaction regarding the national accounts: to resolve the growing fiscal deficit, to finance the public debt, to pay for interest rate adjustments abroad, to comply with immediate financial obligations, and to promote the development projects planned for this fiscal year.

5058
CSO: 3010/1511

SPONGE IRON PLANT PLANNED FOR ATLANTIC COAST

Bogota EL ESPECTADOR in Spanish 23 Jun 81 p 11-A

[Text] The sponge iron plant, which the government is planning to build on the Atlantic Coast to supply the semi-integrated steel industry, will cost an estimated 5 billion pesos, at current prices, according to official figures.

The financing of this project, which is part of the complex of industrial plants promised by the government for the north coast, will require help in the form of foreign funds in which connection the National Planning [Agency] has launched negotiations in an effort to obtain $56.3 million for this purpose.

The project's total estimated cost, in U.S. dollars, comes to $86.1 million and the executive agency will be the IFI (Industrial Development Institute), as well as Ferrominara, S.A. [Inc].

The project is justified by the availability of natural gas on the Atlantic Coast which will permit the establishment of a sponge iron plant to provide the raw material necessary for the semi-integrated steel enterprises.

The output capacity of the complex will be 250,000 tons of iron per year and it is expected that it will become operational starting in 1985, with the possibility of doubling the figure in a short period of time.

Planning [Agency] emphasized that the completion of this project will result in the utilization of natural resources in an extensive area of Colombia, as well as the substitution of imports, the creation of new jobs, and the full utilization of the installed capacity of the semi-integrated steel mills.

Currently, the project is in the definition phase regarding the alternatives for the placement of the port and the plant design studies. It is estimated that the feasibility studies, now being conducted by the Italian firm of Techint, will be completed by the end of the first half of this year.

The plant will be built in the jurisdiction of the township of Cienaga, in the Department of Magdalena, according to the promises made by the current administration. In addition to that project, the Atlantic Coast will get the Andean camper [jeep] plant, the Palomino petrochemical complex, and the El Cerrejon coal project.

The foreign financing plan, which will be submitted to the consultant group, includes the sponge iron project and the disbursements for it will be handled in the following manner: $26.6 million, including 5.7 million in domestic funds and 18.9 million in foreign funds; 1982: 42.5 million; and 1983: $19.0 million, for a total of $86.1 million.

Also, the contract to finance the feasibility study for the ammonia-urea project, which will also be located on the Atlantic Coast, has been signed.

5058
CSO: 3010/1511

ECONOMIC EXPANSION DECLINES IN 1979-80

San Jose LA NACION in Spanish 20 Aug 81 p 8-A

[Article by Lafitte Fernandez R.]

[Text] The Costa Rican economy registered a sharp slowdown in its expansion in 1979 and 1980, which international experts attributed to both internal and external factors.

The Secretariat of Central American Economic Integration (SIECA) conducted a study on the economies of the five countries in the region, in which it noted that the problems are not exclusive to this nation.

It mentioned that there has been an ongoing decline in the rate of economic expansion in Guatemala, Honduras and Costa Rica since 1978.

It clarified, however, that the trend worsened more in Costa Rica and Honduras in 1980 than in other nations.

The report does not fail to mention, nonetheless, that the economies of Nicaragua and El Salvador were in a serious recession during the period.

Perhaps the main concern of the SIECA technicians is that the gross domestic product of Central America (in constant 1970 values) grew at a much slower pace than the natural increase in the population.

The study clearly asserts that in spite of the economic problems in Guatemala, Honduras and Costa Rica, it was the performance of the Nicaraguan and Salvadoran economies that prompted the slow growth of regional output.

Costa Rica

The SIECA experts examined the country's agricultural output since, as in the other Central American nations, this is the sector that generates the most jobs and foreign exchange,

Costa Rica and to a lesser extent Honduras succeeded over these 2 years in reducing dependence on coffee, banana, beef and sugar exports by boosting sales of other, nontraditional farm products.

This increased independence is also attributed to a larger share for manufactured goods in exports.

In commenting on this development, the study mentions the case of Guatemala, which in spite of attempts to reduce its dependence, saw it rise by 2 percent. Nicaragua and El Salvador are becoming less dependent on traditional farm exports.

A breakdown by product shows that Costa Rica is the region's third largest coffee producer (15 percent of the total) and along with Honduras the leading exporter of bananas.

We are also the main meat producer in the area, replacing Nicaragua in 1979 (29,400 tons).

With regard to sugar cane production, the study notes only that it dropped in the region because of less acreage in El Salvador, Nicaragua and Costa Rica.

Grains

Rice, corn, beans and sorghum are the domestic staples in Central America.

With regard to rice, which Costa Rica consumes less of than the other nations in the area, we had a shortfall of 6 percent (only El Salvador was self-sufficient over the 2 years under study).

We also recorded the highest shortfall in beans in the region (62 percent). Costa Rica was, however, the largest rice producer in Central America (51.3 percent of total regional output).

Industry

There was a downturn in industrial production in Costa Rica in 1979 and 1980, and the local sector was battling to emerge from an impasse created by cyclical limitations and a stagnation of effective demand built up over the last 20 years).

In connection with the current account, the study points out that the Costa Rican economy recorded the highest negative balances, "accounting for 39.4 percent of the total Central American current account deficit in 1980."

It also mentions that Costa Rica, like Guatemala and Honduras, significantly improved its trade balance within Central America, as its exports rose by 91 million Central American pesos in 1980 while imports were kept quite low.

"This enabled Costa Rica to record a surplus totaling 47 million Central American pesos, thus shifting from its almost traditional status as a debtor country to a creditor country," the report adds.

Background

The study says that since 1970 the Costa Rican economy has been affected by major domestic developments, compounded by the imbalances caused by the world economic situation over the last few years.

It asserts that domestic supply has fallen short of demand and that the country therefore resorted to foreign supply in 1979 and 1980.

The experts say that another factor in the slowdown of the local economy was "uncertainty about the sociopolitical situation in the other countries of the region."

"After having risen slightly in 1979," SIECA says, "overall demand came to a virtual standstill the following year because of less gross investment in fixed capital and also because both private and public consumption levels were practically the same as the year before."

It also disclosed that exports of goods and services also dropped 2.7 percent in 1980, in spite of higher sales to the Central American Common Market, mainly Nicaragua, which has been Costa Rica's leading client since 1979.

It also mentions that the large budget deficits recorded during the period under study were financed by domestic borrowing and that the share of this borrowing rose from 49.3 percent in 1979 to 80.6 percent in 1980.

Industrial Sector Growth Rates (in constant 1970 values, 1978-80)

Guatemala, 5.9
El Salvador, -10.3
Honduras, 6.7
Nicaragua, -9.0
Costa Rica, 1.6

Farm Sector Growth Rates (in constant 1970 values, 1978-80)

Guatemala, 2.9
El Salvador, -3.4
Honduras, 2.7
Nicaragua, -10.7
Costa Rica, 1.9

Gross Domestic Product Growth Rates (in constant 1970 values, 1978-80)

Guatemala, 4.2
El Salvador, -5.0
Honduras, 4.4
Nicaragua, -6.1
Costa Rica, 2.5

8743
CSO: 3010/1775

RURAL ORGANIZATION IS BASE FOR AGRARIAN REFORM

San Jose LA NACION in Spanish 17 Aug 81 p 6-A

[Text] "One of the bases for a comprehensive agrarian reform is the formation of a broad and democratic peasant farmer organization that is committed to the process as its prime mover." This was one of the conclusions of the First National Congress of Agrarian Law, held on the occasion of the 100th anniversary of the founding of the Bar Association.

Costa Rican and foreign jurists, as well as specialists in related areas, took part in the congress. The main points taken up, all of which had to do with the agrarian reform, led to the conclusion that "the system of land ownership, use and development in Costa Rica is marked by deep-seated imbalances."

"In contrast to the concentration of land in large estates, the phenomenon of squatter settlements [precarismo] is expanding with each passing day because of the needs felt by (landless) peasant farmers," the document says.

The attorneys defined a comprehensive agrarian reform as "a drastic and massive political and social process directed and implemented by the State in order to radically reform the economic, social, legal and political structures of farming."

They say that they are aware that such a transformation requires a redistribution of production resources and, therefore, of real income and political power, in order to thus raise the social level of rural residents and incorporate them into the national community.

Parallel to these steps, they consider this the right time to amend Article 45 of the constitution so that it can be tailored to the country's new historical realities.

Legal System

In this regard, they felt that our legal system has been highly discriminatory against farm workers in comparison to others. For example, the Labor Code focuses on the "workers in general" and makes distinctions as to special contracts according to the activities that individuals are engaged in (domestic workers, women, minors, etc).

The attorneys considered the legislation unjust because it discriminates against the worker in terms of work shifts, work breaks, days off, wages and constitutional guarantees in the event of a strike.

Farm workers "are unprotected" by 38 years of labor legislation because the only gains that have been made boil down to some degree of protection in the form of social security and a vacation reform.

They contend that the current level of peasant farmer wages is far below that of municipal and service sectors, which is compounded by the periodic unemployment stemming from the temporary hiring of laborers. This has an impact on other areas such as nutrition, education and recreation, as well as the inability of peasant farmers to take advantage of the benefits of society.

The fact is that only through union efforts and collective bargaining have farm workers improved their economic and social conditions, they assert.

Given this outlook, they are contending that farm workers ought to receive the same treatment as other sectors and should even be given greater economic, social and legal incentives. These goals would be accomplished through a structural agrarian reform that again made labor law a champion of the working class.

They mentioned that the regulations on agrarian contracts are in our country's Civil Code and are not at all in keeping with protection for businessmen farmers and with farm activities because these regulations stem from a period of history that is out of step with the demands of our times.

With regard to farm business ventures, they felt it was a good idea to establish a true legal system for working farm operators that would guarantee at least all of the gains made by other workers. Under such regulations the peasant farmer community enterprise ought to become the basic tool for spurring on the agrarian reform in Costa Rica.

Lastly, they analyzed agrarian jurisdiction, in relation to which they felt it was necessary to draft a policy-setting, up-to-date law "that would take into consideration the status and development of the jurisdiction movement in Latin America, especially its second phase, as in countries like Peru and Venezuela."

Their conclusion was that "a modern agrarian jurisdiction under the aforementioned terms would be a magnificent vehicle for guaranteeing respect for and protection of the rights of peasant farmers, farm workers and businessmen farmers, who have thirsted after social justice for so many years."

8743
CSO: 3010/1775

JOURNALIST CHARGES 100 KILLED IN BUTCHER SHOP

PA170437 Paris AFP in Spanish 2032 GMT 15 Sep 81

[Text] Mexico City, 15 Sep--A Mexican correspondent disclosed today that more than 100 Salvadorans were murdered in a butcher shop by Salvadoran security organizations.

According to Alberto Pipino, UNO MAS UNO correspondent in El Salvador--who had to seek asylum at the Mexican Embassy after he reported this, because of several attempts to kidnap him--butcher shop workers charged that "the security organizations used the installations of El Rastro Quality Meats to kill more than 100 Salvadorans during evening hours, protected by the curfew."

Pipino commented that Guillermo Valdivieso, manager of El Rastro Quality Meats, held a telephone conversation with him in which he said that "these things do not occur" during his working hours.

El Rastro occupies an area of 2,000 square meters in Ateos, La Libertad Department, Pipino reported.

The correspondent noted that during the second half of August, several foreign correspondents were wondering where almost 120 persons could be beheaded without any witnesses and without flooding the walls and floors of any installation used with blood, and how 15-40 bodies could be moved from one place to another without drawing any attention.

The workers, who described Quality Meats as the "cold-storage plant of death," said, according to Pipino's story, that "the metal and tile walls allow the blood to be cleaned up in a few minutes and that the cold-storage trucks permit the quick and clean movement of the bodies."

Pipino added that while the Salvadoran security forces were trying to capture him, other foreign correspondents received threatening calls from a so-called "death-squad," warning them not to publish anything about El Rastro Quality Meats, on pain of death.

CSO: 3010/1852

JUDGE'S RULING ON SOL MEZA RELEASE PUBLISHED

PA040214 San Salvador EL DIARIO DE HOY in Spanish 3 Sep 81 pp 2, 41

[Text] Because of its legal importance, we hereby publish justice Dr Jose Albino Tinetti's ruling in favor of Ricardo Sol Meza. Dr Jose Rene Barillas was the court secretary assisting Judge Tinetti. The ruling, based on existing evidence, in favor of Sol Meza says:

"Honorable Supreme Court of Justice:

"I, Jose Albino Tinetti, a lawyer who resides in this city, whom you appointed to examine the evidence submitted in the case of Ricardo Sol Meza, with due respect, hereby submit a report in accord with the law: I have read and carefully analyzed the 505 pages of the 3 volumes containing the proceedings of this case, handled by the fifth district criminal court and identified as No 26 of 1981, against defendants Ricardo Sol Meza and Hans Achim Rudolf Walter Christ, also known as Hans Christ, on the charge of the homicide of Jose Rodolfo Viera Lizama, Michael Peter Hammer and Mark David Pearlman.

"After examining the evidence, it is my opinion that despite great efforts by the parties involved and by the court, the only evidence that should be used to determine if there are legal grounds for detaining the defendant is the legal testimony given by witness Mrs Teresa de Jesus Torres Lopez, beginning on page 117 of this case.

"The other witnesses are either indifferent or are witnesses for the defense and, therefore, their testimonies are irrelevant to the point we are trying to determine.

"Neither can we take into consideration the photocopies of alleged testimony given by those witnesses. I base my opinion on the following details: The testimonies rendered in the presence of the U.S. consul in El Salvador on 27 March 1981, presented in two photocopies attached to page 170 by Jorge Carlos Figeac Cisneros, special agent and representative of the attorney general of the republic, and also to pages 171 and 172; and other testimony submitted by Dr Jorge Vitelio Luna, attorney for the defense, attached to page 476, in original and copy and in other annexes, also appear attached to pages 477-497, which it is said were presented in Washington, D.C., on 9 June 1981. It was signed and issued under oath before Notary Public Barbara R. F. Zsydla. Neither document can be accepted as legal evidence, because our penal code establishes that the testimony of a witness must meet the following requirements:

"A) It should be submitted to a competent judge, either personally or through a representative, but, in the latter case, it can only be accepted during the period of inquiry (Article 209 Pr. Pn.) and not during the plenary session (Article 307 Pr. Pn.); B) it should be submitted at the corresponding trial; and C) it must meet all of the requirements demanded during the period of inquiry, as established by Articles 210 to 213 Pr. Pn.

"I do not think it is necessary to dwell any longer on the foregoing. I believe my opinion is shared by the judge, who, despite the photocopies submitted as part of the initial testimonies, did not abide by the testimony to order the provisional detention of the defendant. I also believe that my opinion is shared by the three district attorneys who participated in this case and who, based on testimonies taken outside the court (page 459), say: These 'testimonies' are not legally valid unless made before a competent judge. They only serve as additional information.

"It could seem as if the foregoing is a longstanding habit: a slovenly application of the obsolete principle that says: 'What you do not submit during the inquiry does not exist.' The truth is that in this case there is no other way to act. The aforementioned principle demands that testimonial evidence be guaranteed to be authentic, true and impartial, for the benefit of those involved. Only by complying with this principle can we answer the question that a prisoner submits to the musician Virata in one of Stefan Zweig's works: 'How can you tell what is real and what is false just by looking at things from a distance and by basing your thoughts on what you hear people say?'

"Consequently, in accord with the above, what must be established is whether the testimony of Mrs Teresa de Jesus Torres Lopez provides sufficient evidence to indicate if Ricardo Sol Meza participated in the willful homicide, with aggravating circumstances, of the persons of Jose Rodolfo Viera, Mark David Pearlman and Michael Peter Hammer.

"To do this, we must examine the witness' knowledge of the crime or of the circumstances preceding, accompanying or following that crime.

"1. The testifier said that she was not an eyewitness to the commission of the crime ('that she neither saw who fired the shots or the number of persons,' page 117 V);

"2. In her testimony, there is no reference to any circumstance preceding the commission of the crime that indicates the participation of Sol Meza;

"3. As to the circumstances accompanying the commission of the crime, Mrs Torres Lopez said that 'several shots were heard,' although she could not establish their caliber...from which no evidence can be obtained to suggest that Sol Meza participated in the crime; and

"4. Regarding the circumstances that followed the commission of the crime, it is important to examine three of them mentioned by the witness, which involve actions of or references to Sol Meza.

"A) Later, the testifier, with Miguel and Sofia, went to the site of the murder to see what had happened and saw Viera and his companions lying on the floor. Someone who claimed to be a doctor--whom the witness did not know--arrived at the same time; however, the testifier believes the man works in a new building at the Sheraton Hotel known as '24 Hours.' The man was a hunchback, and despite repeated summons to this alleged doctor, nobody has done the least thing, as recorded in the trial, to locate him. As the room began to get crowded, the hotel manager asked them to clear the room. The witness explained that on their arrival to see the corpses, Mister Christ was talking through a device in English, while Sol Meza was curled up, watching the bodies.

"The transcribed paragraphs fail to imply that Sol Meza participated in the crime. Had there been any suspicion of direct participation, a cross examination should have posed the question: Was there anyone else at the site of the crime when the witness arrived there? How much time lapsed from the time the witness heard the shots, proceeded to the kitchen and later to the room? Was there more than one door in the room, and if so, did anybody leave by them after the shooting, as only Sol Meza and his companion were in the room when the witness reached it? In this respect, she said: 'The testifier did not see anyone leaving las Americas' room at the time of the shooting as she ran toward the kitchen.' The witness was asked if Sol Meza was armed and answered: 'The testifier did not see Sol Meza or Mister Christ carrying arms or briefcases.'

"In other words, these facts fail to imply with certainty any participation in the commission of the crime on the part of Sol Meza, or even the presumption of such participation.

"B) The witness said that she had not previously testified in any court for fear that her secret would be revealed; and that, in addition, she had not done so because Mister Sol Meza had told her it was better not to say anything, as the hotel would be seriously affected. (page 118)

"This statement also fails to prove that Sol Meza participated in the crime charged against him and for which his freedom has been restricted. At the most, he could be charged with some type of violation against the administration of justice. In such a case, Mrs Torres Lopez would be disqualified to testify against Sol Meza (Article 499, 3d, Pr. Pn.) as both are coauthors or accomplices of the same crime of fault.

"C) Finally, the witness said 'that Miguel Marroqui and Sofia de Ramirez never told her they had witnessed the crime; they did tell her they suspected Christ and Sol of the crime, although they were more inclined to believe it was Hans Christ...that the persons who told her that Sol Meza had the courage to go there were Sofia and Miguel...as to the above, Mrs Torres Lopez becomes a second-grade or indirect witness, because she tells not what she experienced but what she was told by others. Such testimony in our midst is no cause to arrest anyone. Elsewhere, even if it could be argued that there was threat, bribery and so forth, of which there is no evidence in the process, it is necessary to note that Sofia de Ramirez, in her original testimony (page 18), or in the expansion of her testimony (page 124), does not support Mrs Torres Lopez' story in this point: The same is true of Miguel Marroquin or Miguel Gregorio Marroquin Lara (pages 122-123).

"In view of the above, based on my knowledge and the provisions of the laws of our republic, I believe that there is no legal foundation for the arrest decreed; thus, Sol Meza must be released.

"That is my report.

"San Salvador, 25 August 1981"

CSO: 3010/1836

EDEN PASTORA'S FRIENDS, RELATIVES ARRESTED

PA091948 Panama City ACAN in Spanish 1833 GMT 9 Sep 81

[Text] San Jose, 9 Sep (ACAN-EFE)--Relatives and friends of Eden Pastora, Commander Cero, have been arrested and imprisoned in Nicaragua, according to a report published by the evening newspaper LA PRENSA LIBRE of this capital.

The report indicates that Nicaraguan private businessmen who arrived recently in San Jose revealed that there is a relentless persecution against "the heroes" who fought alongside Commander Cero in the southern front near the Costa Rican border.

They said that the relatives and friends of the Sandinist revolution's legendary Commander Cero, Eden Pastora, have not escaped this persecution, according to the report announced here.

The report reveals that since last Thursday slogans have begun appearing on walls and buildings of Managua indicating that "Eden will return," "Pastora will return" and so forth.

As a reaction of the armed forces, since Friday morning the army has been arresting people close to Pastora in their own homes and a long list of persons are imprisoned. It is possible that there are many others whose names are not known.

Commander Leonel Poveda Sediles (Comanche), who fought alonside Cero during the struggle against Somoza, is in prison.

After the war poveda was chief of customs at Penas Blancas, general administrator of customs and deputy minister of foreign trade until his arrest.

Mario Aviles Saenz (Commander Federico), another one of the arrestees, was Pastora's lieutenant on the southern front. After the struggle he was successively appointed military chief of the Las Mercedes airport, director of the insurance, institute, and commercial chief of the Nicaraguan Fishing Institute. He held this last post at the time of his arrest. All of this information is from the evening newspaper PRENSA LIBRE's report.

Another prominent person arrested is Hector Sanchez Arguello, son-in-law of Leonte Herdocia. Leonte Herdocia heads the Nicaraguan Human Rights Commission. Sanchez Arguello was deputy commander of the southern front, where he was seriously wounded in a clash with Somoza's national guard.

Sanchez Arguello was a high-level official of the agrarian reform at the time of his arrest.

Adolfo Chamorro Cesar, deputy commander of transportation of the southern front during the insurrection, was arrested on Friday. He is a brother-in-law of Sandinist Commander Richard Lugo, who is currently in Libya, the PRENSA LIBRE report adds.

According to the information available, two brothers-in-law of Eden Pastora were also arrested during Friday's raid. Their names are Emilio and Raymundo Torres. They fought as heads of columns in the southern front.

Other men who fought beside Pastora have been imprisoned: Carlos Abaunza Cabezas, Alfredo Mendieta, Secundino Chavez, Julio Ramirez, Vicente Godoy and Mauricio Castillo, who was security commander of the southern front.

PRENSA LIBRE does not identify its sources, "for obvious reasons."

CSO: 3010/1836

CST'S JIMENEZ URGES BATTLE AGAINST DECAPITALIZATION

Managua BARRICADA in Spanish 2 July 81 p 12

[Text] Supported by the applause of a thousand labor leaders of Managua, Lucio Jimenez, secretary general of the Sandinista Workers Central [CST] called for a nationwide war against decapitalization at the first meeting of labor union boards of directors and UNE [National Employees Union] committees held last night at the Maestro Gabriel Institute.

There the workers coined a new slogan: "Confiscation: The Weapon Against Decapitalization."

The meeting was presided over by the National Executive Committee of the CST and a representative of the FSLN [Sandinist National Liberation Front].

Companero Lucio Jimenez, secretary general of the CST, gave the principal speech of the event in which he emphasized the role the workers should play against decapitalization.

The labor leader affirmed that there is a basic form of decapitalization--noninvestment.

Starting with the last meeting of the National Union Coordinating Council of Nicaragua, he explained the problem of decapitalization thus:

"We are witnesses to the conscientious participation of the workers, even at times engaging in the tasks of management. We appreciate the immense sacrifice of the working class and all the workers, but in opposition to this effort and sacrifice is the criminal hand of imperialism and its lackeys, the treacherous bourgeoisie which in a thousand and one ways is completely decapitalizing the economy.

"The great number of private firms that we were able to consult with indicated that there are two basic forms of decapitalization. The first and most important is noninvestment in spite of the surpluses it generates. And if this were not enough, after robbing the public through loans made to banks, they indulge in the luxury of decapitalizing their companies either through over billing or by exchanging local currency for dollars, which they send to Miami, probably to arm the counterrevolutionary groups there or on our northern border."

We Cannot Continue on the Defensive

Continuing this idea in his speech, Jimenez said that his patience has been exhausted.

"We are of the opinion that we workers cannot continue on the defensive, because the future of the revolution is upon our shoulders and we must go on the offensive immediately in a clear-cut struggle, not against any one group or against one or two bourgeois managers or against one or two entrepreneurs; but to go on the immediate offensive by hitting hard the bourgeoisie as a class."

FSLN Support

Companero Agustin Lara, member of the CDD [expansion unknown] of the FSLN in Managua, who expressed the support of the Sandinist Front for the workers' position also spoke.

He said the enemy employs weapons of various types in Nicaragua.

Companero Lara said:

"Things are not going too well and the enemy is conspiring, arming, sharpening its tongue, and the communications media broadcast ever more furiously and systematically their slanderous and lying messages that seek to distort reality and sell an image abroad.

"We have witnessed innumerable charges made by the unions and attempts to undermine the revolution. On many occasions we have seen unions present piles of evidence showing that in their plants they are being manipulated with "flattery" by the company, that old articles are bought that are good for nothing."

Finally, Companero Lara said:

"We have had to say: Companeros, let us be patient, let us turn this around, let us gather evidence, but the truth of the matter is there is an obstacle, which consists of a legal judicial structure and the workers have sensed this. If only this were the only problem. There is, in addition, constant and systematic political action which seeks to divide the people. It consists of provocations against people's organizations, of disrespect for the laws of the people, and as a result has brought about enormous popular reaction which we are seeing now in fields and factories. And we can be sure that what we are witnessing here in this assembly and in the various districts of Managua and in the thousands of men who are joining the militia, we can be sure that we are witnessing a movement of our people, conscious that it will surely make this revolution move ahead."

9015
CSO: 3010/1581

BRIEFS

HABEAS CORPUS FILED--Yesterday the Masaya appeals court appointed Dr Agustin Aviles Sediles executive judge [juez ejecutor] in connection with the writ of habeas corpus or of personal appearance that has been filed on behalf of defendant Adolfo Chamorro Cesar. Chamorro Cesar and several others were captured last weekend in Managua. Mrs Maria Luisa Rodriguez de Chamorro filed the writ through her legal adviser, Dr (Antonio Tijerino Medrano). The writ of habeas corpus is against Lenin Cerna, who is in charge of state security, and any other Interior Ministry authority. Chamorro Cesar has been mentioned in connection with the most recent conspiracy. [Text] [PA092345 Managua Radio Corporacion in Spanish 1200 GMT 9 Sep 81]

CSO: 3010/1836

SALVADORAN PROBLEM SEEN AFFECTING ENTIRE AREA

PA101240 Panama City MATUTINO in Spanish 5 Sep 81 p 6A

[Article by Adolfo Benedetti: "Repercussions of a Conflict"]

[Text] In addition to dangerously threatening hemispheric peace, the diplomatic confrontation between Mexico and Venezuela regarding the Salvadoran conflict directly threatens the assistance plan for Central America and the Caribbean, a kind of mini-marshall plan at the regional level, because the countries involved in the conflict are essential parts of this program, together with the United States and Canada.

All of this creates serious questions as to the economic future of the area's countries, which were supposed to receive vital funds to recognize their fragile economies, to strengthen the most vulnerable points of their development plan and to help, at least partially, in meeting the most pressing needs that overwhelm their respective peoples, who are trapped in spiraling inflation and the scourge of violence.

This means that the Salvadoran problem goes beyond borders, thus becoming a source of unrest in the region and frustration for the peoples that live there. This regional unrest has become an unbearable chain reaction that may result in a true crisis, which may be hard to avoid if we do not heed logic and reason, which call for a peaceful and negotiated solution to end the unspeakable genocide that the Salvadorans are enduring.

Our country, which adhered to the mini-marshall plan as a praiseworthy initiative of its sponsors will also be affected if the plan fails because of the quarrels that have appeared in regard to the Central American drama which constitutes the most dangerous and bloody experience that has occurred in this part of this continent which has not been able to become stable due to the effects of the fratricide.

CSO: 3010/1834

DUARTE SAYS SALVADORAN SITUATION 'IMPROVING'

PA181312 Panama City CIRCUITO RPC TELEVISION in Spanish 2300 GMT 17 Sep 81

[Interview with Salvadoran junta President Jose Napoleon Duarte by Justo Fidel Palacios on 17 September 1981; place not given--recorded]

[Excerpts] [Question] What is the present political climate in El Salvador?

[Answer] I think that the situation is improving everyday. It is enough to say that the large rally on 15 September is a demonstration of the Salvadoran people's will to seek a solution and to agree with the methods that we are following in the government to solve the problem through the political, and democratic way and not through violence.

[Question] A few months ago, on the occasion of the signing of the peace treaty between El Salvador and Honduras, we had a chance to talk to you. Back then, there was talk of a plan for the country's democratization and pacification. Now 8 or 9 months later, do you think that advances have been made in this regard?

[Answer] I think so. The advances are truly significant. You must recall that back then the crisis was complete and that the terrorist elements were staging an offensive which was planned for around 10 January. On that date they launched a military, political, insurrectional and international offensive. This offensive was defeated in every aspect and we have been gradually consolidating the country's internal situation, particularly the attitude of the Salvadoran people and the military belligerence of the leftist elements has been decreased. These elements have returned to the theory of terrorism and violence. Since they no longer receive the people's support, they are now causing problems for the people.

[Question] What is the position of the civilian sectors in reference to the military sectors? Some of the military sectors have been accused of assuming extremely repressive positions, which are interpreted by press dispatches as systematic in El Salvador.

[Answer] I think that sectors with vested interests have disseminated this interpretation throughout the world. Obviously, the idea is to isolate, divide and pit one sector of the government against the other. I think that the government in the country is made up of disciplined armed forces which are willing to seek a

political solution and that the civilian and military members of the government are working together on this. However, this does not mean that there have been no abuses of authority. This does not mean that there are not certain people who do not recognize or understand what we are doing and what is occurring. However, the people who are behaving this way are not those in power or those with influence. Those who deserve punishment are being punished according to the law.

[Question] Engineer Duarte, if we quote you when you said that the government issued a call to a dialogue to these leftist groups in El Salvador, how then do you justify the fact that the Franco-Mexican declaration--which recognized these same groups in the Salvadoran political struggle--was termed intervention in the domestic affairs of El Salvador?

[Answer] It is one thing for the Salvadoran people to decide their destiny and make their own decisions and another for foreign forces and nations to interfere in our internal problems. Consequently, this is the difference: The Franco-Mexican declaration is intervention. It is intervention for one simple reason: It places conditions on the situation. It even discusses the country's institutions. These countries called for a change in the armed forces, the destruction of the... [changes thought] and a change in the government as a basic condition. This is intervention. You cannot ask one country from another country to change its government. This is intervention in any language. The country and the citizens can ask their government for a change in the nation's internal condition. It is their free and sovereign expression. Therefore, we cannot confuse the internal position of a nation with the intervention of another nation.

[Question] Has this been a topic in the conversation with President Aristides Royo?

[Answer] No, I basically devoted myself to explaining our position concerning the 15 September speech in which we established our theory and political position. President Royo listened carefully and of course, he will draw his own conclusions. I will not try to interpret his feelings. I am too respectful of the position of others and in this regard, my duty was to bring Royo a message so that he would learn about it personally so that he would not have to get news on what we think, what we want and where we are going, indirectly.

CSO: 3010/1852

TIMING OF WALTERS VISIT TERMED 'INOPPORTUNE'

PA162234 Panama City LA PRENSA in Spanish 15 Sep 81 p 8A

[Article by Gloria Guardia: "A Visit, A Political Mistake"--passages in slantlines published in boldface]

[Text] The recent visit by (retired) Lt Gen Vernon A. Walters, special envoy of the U.S. State Department, has undoubtedly had consequences. At a glance, the first thing observed, even by those without keen eyesight, was the high priority and lengthy meeting that Walters held, not with the president of the republic, as established by protocol when he carries out the duties of chief of state, but with Col Florencio Florez, commander in chief of the National Guard. Neither should it be overlooked that during the meeting, held in the National Guard headquarters, Colonel Florez was accompanied by Lt Col Manuel Antonio Noriega (G-2) of the general staff, who also escorted Walters during a visit that he made to the Presidential Palace several hours later.

The important thing here is to stress that this confirms recent reports by correspondents of THE NEW YORK TIMES and THE WASHINGTON POST, known spokesmen of the State Department and the Pentagon respectively, who said that after the unexpected death of Torrijos Herrera, the Reagan administration seems to be inclined to recognize the general staff of the National Guard as a collective leadership capable of leading, without any weakness, the state of this strategic nation of the Central Isthmus. And, as a result--also reflecting the conservative policy governing Washington--the figure of Dr Royo Sanchez has become further displaced within this area, to the point where he is described in the U.S. Capital as "merely a figurehead" or as "an inefficient puppet" of the vested interests of a class that has been allowed to cling to power (for reasons nobody ignores) for 13 years and to enjoy the barefaced privileges inherent in that power.

Now: If it is ture--as appearances and testimonies seem to indicate--that Alexander Haig, leader of U.S. foreign policy, has been dodging the opportunity to recognize and stress the fact that it should be civilian authority that guides the destiny of this country of the Central Isthmus, then analysts Fay Willey, John Walcott and Beth Nissen of NEWSWEEK are right in saying that the U.S. position in Central America has already been "destroyed." This is so. Very little or nothing can be expected from those who offer, due to shortsightedness or because they forget history, unrestricted support for what ranges from a Caudillo-type government to an autocracy, and then regresses to an even more primitive phase: military dictatorship.

Perhaps it is better to explain that the line of our arguments /does not derive/ from support for the illegitimate autocracy that has been in effect in this country since 1978. No. We simply believe that in order to reach a representative democracy of /complete/ participation, which most of us seek, we must--as stated by Gino Germani, the political expert--respect the rights and functions of the civilian authority, in order to pass through the two necessary stages of political evolution: Representative democracy with limited participation and representative democracy with amply participation.

The powers of the East and West--and this has been thoroughly confirmed in Central America and Panama--seem to be accustomed to seeing that this region is exclusively ruled by a vicious circle that goes from a Caudillo-type government, through autocracy and a crisis of succession to, finally, a military dictatorship.

Unfortunately, the transfer from regimes without public liberties to a representative democracy with full participation is difficult. In addition, democracy must be made by those who have a democratic structure, discipline and intention. For this reason, one gets shocked, if not irritated, when those who call themselves defenders of the most advanced forms of government give indefensible support to the Somozas, Trujillos, Torrijos, etc., and then do not understand how this Caudillo-type of government, supported by the most repressive cadres of the army, generates widespread social discontent and a process of deterioration that results in interference by Cuban-Soviet totalitarianism.

The moment chosen by special envoy Vernon A. Walters to demonstrate his scale of political priorities has been--to say the least--not too opportune. If a political, rather than military, solution is being sought for the Central American conflict, the first thing that must be strengthened and consolidated is the party system in Panama and throughout Central America, and this can only be accomplished through a civilian government structure. It must be understood that we, the civilians, must concentrate on strengthening our political organizations, in order to gradually achieve a system of parties with similar goals that work well together and contribute to the creation of a climate of free and democratic coexistence.

Edmund Burke, an English pragmatist, wrote about the way of thinking that promotes "the groups of intrigue" and supports their implementation in the most coercive cadres of the armed forces: "They are groups of men that have gathered, openly, without any common public principles, in order to sell their joint concern at the highest price...these are groups that should never be allowed control in a state, for they are useless as tools of a popular government because they have no relation with the feelings and opinions of the people."

What Burke said is unfortunate but historically correct.

CSO: 3010/1835

U.S. DISTRICT ATTORNEY ACCUSED OF VIOLATING SOVEREIGNTY

PA160437 Panama City LE PRENSA in Spanish 15 Sep 81 p 1-A

[Article by Emerson Moreno]

[Text] Renato Pereira [secretary general of the Popular Broad Front] yesterday confirmed to LA PRENSA that he is the custodian of $2 million involved in the "Raulerson" case. At the same time, he questioned the actions of U.S. District Attorney [Fiscal] Sam Smargon, whom he accused of violating the sovereignty of Panamanian law by attempting, on behalf of the U.S. Government, to prevent the transfer of the money within the sovereign territory of the Republic of Panama.

Pereira said that Smargon, by his action, is threatening Panama's stability as an international banking center, because he is not only attempting to disregard the free movement of capital and privacy but is also scaring off international depositers.

Although Smargon maintains that the U.S. Government contracted a Panamanian lawyer, in this case Eduardo Ferrer, to make sure that the money would not be transferred by judicial or any other action, Pereira said that no Panamanian court has any record of an attachment by the U.S. Government.

Referring to the position of [Panama's Attorney General Olmedo] Miranda, Pereira said Miranda could not consider himself to be a state department employee to the extent of accepting attachment proceedings that do not meet the terms of Panamanian law, which requires presentation of a bond in a property attachment suit, just in case the suit should turn out to be without foundation.

Pereira said in closing that he believes the return of the $7 million belonging to the Jim Jones People's Temple (of the Guyana massacre) violated Panamanian law, because the money was turned over without a ruling of any kind by Panamanian courts.

CSO: 3010/1835

ROYO TO CITE TREATY VIOLATIONS IN UN SPEECH

PA211618 Panama City LA REPUBLICA in Spanish 20 Sep 81 p 4-A

[Editorial: "A Call to Unity"]

[Text] President Aristides Royo will soon be going to the United Nations. He will take advantage of the UN General Assembly sessions to speak to the UN members and to the world about the problems of our country, the Central American area, the Caribbean and the world in general. According to reports, in his message to the world, the Panamanian president will expose the conflict that has arisen with the United States in connection with noncompliance with the Torrijos-Carter treaties and especially with the Panama Canal treaty.

President Royo will be speaking about these problems as the second anniversary of the implementation of the Torrijos-Carter treaties nears. These past 2 years have been very disappointing for the Panamanian people because interpretations of the canal treaty by the other side have twisted the letter and spirit of what was agreed on. These have been unilateral and capricious interpretations based on the 96-70 law or the Murphy Law, which was conceived and approved for the specific purpose of denying Panama the legitimate rights it secured with the treaties.

The violations to the Panama Canal treaty have been denounced almost daily during the past 2 years by both the national government and the persons directly affected by the violations, in this case, the Panamanians who work in the canal area for the Canal Commission and the U.S. Armed Forces in Panama. So far, however, the United States has not changed its attitude.

President Royo will also analyze Panama's foreign policy, a policy that is in line with Latin American interests and with the thinking of Simon Bolivar, the liberator, and of Americans such as Juarez, Marti and Omar Torrijos.

There, in that world forum, the president of Panama will make "a small country with the voice of a giant" heard and the Panamanian truth, the truth of the Central American people--especially--the truth of the nations suffering the horror of bloody internal conflicts, of nations that do not find the way to satisfy the true aspirations of their people, will be heard.

The mission of President Aristides Royo to the United Nations represents the desire of Panama and the Panamanian people to have the United Nations seek a peaceful and just way to solve the conflicts that disturb the Central American area. The objective is also to have the world receive a truthful message on what is happening due to the interpretation of the Torrijos-Carter treaties, which have not been correctly implemented, thus seriously harming our economy, our workers and our national dignity.

This is why an appeal is being made to give President Royo national backing for his mission in the United Nations. This backing should be equal to that chiefs of state have always been given whenever they are defending the interests of the country, sovereignty and respect for our honor as a nation. The world must know that when President Royo speaks at the United Nations, he will be speaking on behalf of all the Panamanian people, of a monolithically united people who at moments such as this, set aside divisions to achieve national unity and defend our legitimate rights.

CSO: 3010/1802

UNITED STATES URGED TO REPEAL 'SO-CALLED' MURPHY LAW

PA211535 Panama City LA ESTRELLA DE PANAMA in Spanish 20 Sep 81 p 4-A

[Editorial: "The So-Called Murphy Law"]

[Text] It is well known that in multilateral treaties; that is treaties among three or more states, the parties may express reservations, either at the time of the signing, at the time of ratification, or at the moment of depositions the instrument of ratification. These reservations, which can refer to one or more articles of sections of the treaty or even to a portion of one article--unless such reservations have been declared inadmissible in the original text--produce diverse effects, both with respect to the state making them and to the other participating states, whether such states accept or reject the reservations. However, as is obvious, in bilateral treaties; that is, treaties signed by only two states, as is the case of the Torrijos-Carter treaty, neither party can formulate reservations to the agreed text or alter it in the slightest way. It is accepted or not accepted and, once the negotiating phase is over, there is nothing more to discuss or change, otherwise one would be faced with a different text that would have to be subjected to new negotiations.

It is true that the United States did not express reservations to the aforementioned treaty since it could not do so legally. However, it adopted a law called the Murphy Law, which we consider to be a "law of the funnel," one that is wide for the United States and narrow for us, thus permitting the United States to apply the provisions of the treaty however it sees fit. This is not legal, much less ethical, and has already caused controversy and friction that do nothing to promote the atmosphere of cordiality and mutual understanding that should prevail between the two countries.

The United States has the ineludible moral duty to revoke the Murphy Law, or at least to modify it substantially, eliminating the stumbling blocks that hinder the correct and harmonious interpretation and application of the existing treaties. This should be done, not only to duly ensure the normal development of our relations for the defense and protection of mutual interests, but also to safeguard the international prestige of the United States itself. That country cannot continue to proclaim itself to be the ardent defender of democracy, human rights, the freedom and independence of nations, the equality of all states under the law and the rules of international law, while digging in its heels with regard to an obviously unjust law that places our country in a position that is not in line with those rules.

As President Aristides Royo, an eminent jurist, announced during a recent news conference, he will soon address the UN General Assembly to outline, with his customary clarity and brilliance, what our country feels and thinks about this problem, as well as about matters that affect the two peoples, matters to which we cannot be indifferent.

CSO: 3010/1852

GOVERNMENT CHIDED FOR COMPLACENCY TO CRITICISM

PA141903 Panama City MATUTINO in Spanish 10 Sep 81 p 4-A

[Column by Luis Restrepo Rosas: "Paralyzed Defense"]

[Excerpts] The offensive of those who joined the opposition against the national government is becoming more aggressive and extensive every day. Those who attack the government's work have become aware that the government or its human components are paralyzed. Inexplicably they do not intelligently or vigorously defend the government's projects. One might think that fifth columnists from the antigovernment forces have infiltrated the administration. They have had tremendous success in effectively squelching the defensive capacity of the government's team at every level, especially at the summit of civilian power, where the watchwords are to stop any attempt to reply in kind to the continuous offensives.

The watchword is to give in, withdraw and leave the field to the others. The bill to establish the family institute is typical of this defensive government paralysis. The people's power received the support of many of the country's progressive sectors which attempted to continue debating the project. Now it has been learned that the people's power has disappointed its defenders by abandoning the trenches to its detractors. In withdrawing the bill it offered reasons which are nothing more than a clear demonstration of political weakness.

The Panamanian Construction Chamber [CAPAC] is opposed to the Cerro Colorado copper mine project on grounds of protecting the environment in the area of the copper deposit. No one in the government has dared ask the CAPAC what its members think of the contamination of the Curundu River, the Matasnillo River, the stagnant waters of Samaria, the contamination of Chilibre's drinking water...and what they can and must do to solve these ecological problems.

CSO: 3010/1835

PRD REORGANIZATION TO END IN DECEMBER

PA111504 Panama City Televisora Nacional in Spanish 2245 GMT 10 Sep 81

[Interview with Gerardo Gonzalez, secretary general of the Democratic Revolutionary Party, at breakfast meeting hosted by Panamanian President Toryo at the Soloy Hotel on 10 September--recorded]

[Excerpts] [Question] What type of restructuring or reorganization are you promoting within the Democratic Revolutionary Party [PRD] now that the party's foremost figure is dead and given that, before him, another equally valuable figure, Ascanio Villalaz, also died?

[Gonzalez] Ascanio died 3 months after we had initiated the campaign to reorganize our party. After Ascanio's death, the PRD political committee designated this 1981 organizational effort as the Ascanio Villalaz organizational period. During this period, which will end on 16 December, we installed cadres in virtually all of the provinces, districts and corregimientos.

There are corregimientos that have reached the convention stage; that is, they have established the rank-and-file cadres. The last phase of this organizational period will take place here in the capital and in the Colon Province. We began this organizational effort in the most remote places, in order to come in toward the city and to be finished by December of this year.

We will be ready to hold the second PRD congress--a congress of approximately 6,200 delegates elected democratically by the rank-and-file cadres already organized in our party--on 13 February, to mark General Torrijos' birthday.

On 11 October, after the sessions of the assembly of corregimiento representatives are opened, we will hold a vast rally in which the president, of course, will speak, as will our leaders, to relay the message of unity, confidence and trust that the nation needs at this crucial moment of our history. Some may think, especially outside the country, that with Torrijos gone, Panama has lost stature. The fact is that Panama gained stature because of Torrijos, and his thoughts will prevail as long as there are Panamanians like those of the current generation, who understood him and shared so many struggles and hopes with him.

CSO: 3010/1835

PRD SCHISM ACCENTUATED AFTER TORRIJOS' DEATH

PA142339 Panama City LA PRENSA in Spanish 13 Sep 81 p 1 A

[Article by Emerson Moreno]

[Text] A scoop obtained by LA PRENSA indicates that some branches in the interior are rebelling against the leadership of the Democratic Revolutionary Party (PRD).

In the province of Los Santos, the PRD directorate has declared a political strike, believing that both the executive as well as the foremost party officers have shown total disregard for their true militants, while elements alien to the party are considered for important posts within the government.

This attitude seems to have become accentuated with General Torrijos' death.

The displeasure and attitude of the Santeno PRD members will be the topic of thorough consideration on the part of the central province leaders in a joint meeting which may be held soon, the report indicates.

The grass roots rebellion has come to the immediate attention of the top levels of this political organization. At this moment they are working arduously so that the crisis--a product of the discontent expressed by prominent figures of the ruling party--will not become known by its supporters, the opposition parties and citizenry in general.

The PRD leaders of the provinces of Veraguas, Cocle and Herrera have been summoned to the meeting planned by the rebels of Los Santos in an invitation sent by the provincial directorate of Los Santos.

It has been commented that other provincial directorates are opposed to the policy outlined by the foremost leadership, which they describe as arrogant, ignoring the rights of the true militants of the party.

Another of the complaints made by the PRD rebels is the manner in which the executive ignores the true leaders of the party in decision-making, imposing on them persons who, although they are part of the government team, are the ones less called upon due to their lack of true militancy within the PRD.

As an example of their complaints they note the relegating of functions to a secondary level by the ranking party leadership in the organization of a political activities scheduled for this coming 11 October. A commission selected by the executive within his cabinet will be in reality responsible for organizing the event. According to reports, once again the party is left out of the organization of important activities of the so-called process.

CSO: 3010/1834

PRD URGES MEMBERS TO UNITY, MILITANCY

PA031841 Panama City CRITICA in Spanish 31 Aug 81 p 7

[Message issued by the National Directorate of the Democratic Revolutionary Party on 31 August 1981]

[Excerpts] This party is made up of all of us who believe in Omar [Gen Omar Torrijos] and are willing to pick up his flag. For this reason, the Democratic Revolutionary Party, PRD, must comprise all the Torrijos followers in every community in the country. They must discuss and agree on what we are going to do and achieve together.

This is what the PRD means: the participation of all to meet new revolutionary goals. These are goals of national development and independence with social peace and security, work and progress with opportunities and justice for all. These goals include land and production for the peasants, jobs and better salaries for workers, support for new creative initiatives of the businessmen, schools and improvement for youths, full dignity for women and tranquillity for the old and the underprivileged.

This revolutionary process inspired by Omar Torrijos democratized the distribution of lands with agrarian reform, democratized the opportunities of education and health by making them accessible to everybody and democratized communications, housing and electricity by spreading them throughout the nation. He rescued the territorial integrity of our nation and its effective sovereignty over its natural resources. He democratized development, giving the communities and all the social sectors representation and participation.

For this reason, we will double our militancy in the ranks of this party because we must defend and boost these gains in order to consolidate and continue them.

We will defend the people's power with this militancy by activating local and community boards in each corner of the fatherland, because they are the groundwork of our democracy. We will activate the policy of consultation and participation with every sector in order to expand in every way the people-government team and to solve our own problems. We will defend unity and cooperation among the people, the organizations and the National Guard, which is committed with our people to implementing the Torrijos idea.

We will carry the flag and will move forward with it by supporting the government of President Royo with new initiatives to solve the problems of the people, advance in the country's development and defend Panamanian sovereignty by demanding full compliance with the Torrijos-Carter treaties and their decolonization program. Consequently, the party urges all its members to remain united, strengthen our internal discipline and speed up the process to organize the PRD rank and file. It urges the people to make every productive effort to definitely overcome the country's economic difficulties and consolidate the independence of our fatherland.

[Signed] Gerardo Gonzalez V., secretary general for the PRD National Directorate

CSO: 3010/1835

FEP LEADER ON STATUS OF PRISONERS IN COLOMBIA

PA161418 Panama City LA PRENSA in Spanish 15 Sep 81 p 1-A

[Article by Jose Quintero de Leon]

[Text] In an exclusive interview with LA PRENSA, Mario Panther, secretary general of the Federation of Panamanian Students [FEP], complained that "it is an irresponsible attitude to tell the citizenry that the five Panamanians arrested in Colombia are well when that it not true."

Panther said that the efforts to reach a bilateral treaty for the exchange of prisoners with Colombia are at a standstill because of the pre-electoral period in that country. Notwithstanding, the Panamanian Foreign Ministry states that negotiations are underway.

He noted that relatives of the five Panamanian students visited them in their respective prisons and that the relatives were again harassed by Colombian military officers who subjected them to a harsh treatment before they were allowed to visit.

"We have not been able to get the Colombian Government to guarantee their physical and psychological security," Panther said. He added that this is because of a deterioration in the internal situation of that country.

In referring to the legal procedures initiated to solve the situation of the five prisoners, Panther noted that some of the lawyers for the former members of the 19 April movement had been arrested and even tortured but that the most serious thing is the disappearance of Dr Carlos Pantoja, who coordinated the defense of the five Panamanians during their trial.

This means that there is no guarantee for the legal procedures, Panther said. He noted that the FEP will give special consideration to this topic during its upcoming national congress during which the FEP will ask President Royo to guarantee the security of the five prisoners. The FEP will also request that a Panamanian lawyer go to Colombia to confirm that the legal procedures are being carried out.

However, the FEP leader stated that solution continues to be political and that it will be found to the extent that the Panamanian Government intercedes before the Colombian Government and army on behalf of the prisoners because the statements about their alleged well-being are false.

In this regard, deputy Foreign Minister Jose Maria Cabrera told this newspaper that the Panamanian proposal to the Colombian Government regarding the exchange of prisoners calls for a serious and calm study and that the study is only in the first stage preliminary to then beginning consultations which will finally result in the negotiations.

CSO: 3010/1835

WORKERS SEIZE SUPREME COURT BUILDING ON WAGE ISSUE

PA182030 Panama City TELEVISORA NACIONAL in Spanish 2245 GMT 16 Sep 81

[Text] The single national union of construction workers and workers in related trades today occupied the Supreme Court justice building to protest the approval of a resolution that voids a government decree giving wage increases to construction workers.

The workers occupied the court's offices, closed the doors and would not let court officials or judges leave the offices.

Eduardo Rios, the union's secretary general, was not received by Gonzalo Rodriguez Marques, president of the Supreme Court, who said that he maintains his legal stand and this stand cannot change.

The magistrate would not receive the news media, noting that he had said everything that he had to say. After the demonstration, the workers left the court offices and remained outside the court house.

Justice Rodriguez said that the action was a kidnapping, an action punishable by law. Rios spoke with TELEVISORA NACIONAL:

[Begin recording] [Question] Rios, could you tell us about the reasons for your action of today at the Supreme Court?

[Answer] Let's explain that. We had planned a protest at the Supreme Court first, because the court has granted a habeas corpus that should not have been granted at all. This statement is backed by the votes of the three justices. We also had planned to protest because we were aware that concealed maneuvers were taking place. We had specific information that money was being used to secure a ruling against us. The court should not make such rulings because they violate the law and the constitution. [end recording]

CSO: 3010/1852

PAREDES DISCUSSES CERRO COLORADO ISSUE

Interview with Paredes

PA111354 Panama City TELEVISORA NACIONAL in Spanish 2245 GMT 10 Sep 81

[Interview with Lt Col Ruben Dario Paredes, chief of staff of the Panamanian National Guard, by station correspondent Luz Maria Noli on the Cerro Colorado copper mine issue; place not given--recorded]

[Excerpts] Following a 5-hour meeting with the Indian communities close to the Cerro Colorado project, Lt Col Ruben Dario Paredes told this station that the National Guard will retreat a little on the Cerro Colorado topic so that its presence on the high-level commission studying the feasibility of the copper mine project will not be misinterpreted.

[Question] When you first became involved in this project, it was because of the arguments of the committee for the defense of Chiriqui, which is in complete disagreement with this project. What is your opinion of these gentlemen's statements?

[Paredes] When I heard them at the general command office, with the entire general staff present, I was very concerned. I think their claims are truly honest. They are not people who just now started to worry; they have been worried about it for a long time. I have known some of them personally for more than 5 years. They are truly concerned about the ecology. They are also farmers and producers. However, it would be good if they would accept a scientific debate with experts, whom we are requesting from the United Nations, the World Bank, Who and Aid. These are experts who are very familiar with the issue of the contamination of the environment in this kind of project.

[Question] The political parties met in David about 2 weeks ago and spent an entire day discussing the Cerro Colorado project. What did you think of this meeting of political leaders?

[Answer] I followed the meeting on a station that carried it live and I felt it consisted of two stages, an informative stage and a question and answer period. When the question and answer period came, to clarify any doubts these political leaders had, I was surprised to hear that there are no questions about what had been explained. They took the path that must be taken by any politician, particularly if he opposes the government--they merely made political statements.

Politicians in the opposition have to do that and one shouldn't be bothered by it. The important thing is for the government to understand this situation and to cope with it by using truth and serious argument to convince the citizens, the community, the common man, the Indian, the worker, the professional and the politician himself.

[Question] On five or six different occasions you've met with people to discuss the Cerro Colorado project. You have represented the National Guard General Staff on this. What are the conclusions of the high-level commission to which you belong?

[Answer] No definite conclusions have yet been reached. I can tell you that we have held five meetings. They were very professional, thorough and serious. The commission members thoroughly analyzed the issue. We made a summary of all questions put by the country's various sectors, as if we were undertaking an examination. We have received some categorical answers, while others contain certain doubts. I feel that the commission views the project as one that must continue to be considered as possible. However, the commission warns that we must be careful, that no hasty decisions should be made and that further analysis is needed, especially in terms of the economic aspect.

[Question] What is the opinion of the general staff? What is its consensus?

[Answer] The general staff feels thus far that the topic must become more familiar to the people, organizations, civic entities, professionals and peasants and that everyone should express his opinion.

[Question] It seems that Cerro Colorado is no longer a technical issue but a strictly political one. What criteria do you think will prevail in the decision on this project?

[Answer] One of the Indians explained this today in his own way, but it was perfectly understood. Further, that great Panamanian who died, General Torrijos, once said: When the facts are at hand, this project must be decided upon with the attitude of a statesman and not with that of a politician. Torrijos' philosophy was and still is valid. He meant that if this project is good for the people and it can be proven that it will create wealth, jobs, better education and more resources to boost other sectors of the country's economy that need development, then the decision on it should not be linked to the possibility of winning or losing the elections. If it is good it must be developed, so that the people can enjoy its fruits. After all, the Panamanians are the ones who will take advantage of it, regardless of who is in power at the time. This was Torrijos' philosophy and I share it. I don't know what the others think.

Discussion with Indians

PA141851 Panama City LA REPUBLICA in Spanish 13 Sep 81 pp 1-A, 2-B

[Speech by Lt Col Ruben Dario Paredes, chief of the general staff of the Panama National Guard, before the Guaymi Indian community of Cuernavaca, Hato Chami Corregimiento; date not given]

[Excerpts] "After listening to you and taking into consideration who you are--Indians, mostly Guaymi Indians--I can tell you that you are not the same Indians we knew in 1968."

"There has been a change. There has been evolution. There has been advance, an improvement and that, gentlemen, is due to the revolutionary process which the Panamanian people have supported in various ways.

"It is important that we have begun the information campaign on the gigantic 'Santa Ana project' right here in the very heart of Cerro Colorado. When this project begins to generate wealth, when it begins to promote and stimulate the national economy, when it begins to provide education, food, housing, health, if it is approved; when it has been discussed sufficiently, not just here in the Guaymi community, but in David, in Boquete, in Cerro Punta, in Puerto Armuelles, in Remedios, in Santiago, in Ola, in Penonome, in Aguadulce, in Chitre, in Las Tablas, in Bocas del Toro, in Almirante, in Colon, in San Blas, in Coclesito and everywhere else in the country; when it is converted into real wealth, there is a group of Panamanians who agree that it is you, the Guaymi Indians, who will be the first to benefit from this project."

"I can understand the questions and concerns you have on what benefits this project will bring for the Guaymi race or population. This means that it has to be guaranteed today: it has to be guaranteed starting now."

"Many things will also be new to you here, even if we take the greatest precautions which science can provide in the world today. The Indians in this region will experience some change, at least the push of development. Even when it is beneficial it has consequences for human beings."

"I repeat: If the project is approved, because it has not been approved yet, we must not disregard its impact on the Indian. The Indian is ahead of anything else. He has priority. All else being equal, the Indian must have first priority. The Guaymi Indian must have priority because he has been living on the reservation for hundreds of years."

"I do not know the status of the negotiations for the reservation. From what I have heard, even from the chiefs, there are not only good intentions that the reservation be granted and become law of the country, but this process is well advanced. One of the youths who spoke earlier said it. I promise to speak to the president and with the government and justice minister so that priority will be given to the reservation. It is true that the 'Santa Ana project' and the reserve should move together; however, the reservation should win out over the project. You must maintain the position that the reservation comes first and the project second, even if only by a nose."

"You must avail yourselves of the advantages of the modernage and the future while maintaining your traditions and customs and always being dignified Indians and good Panamanians. However, if you do not study or your children do not study, for which we are always constructing more schools closer to you, when we are no longer here bad Panamanians will return. Hopefully there will be few left but some will remain and they will try to abuse you. They will again try

to beat you like animals. Therefore, as long as we have this opportunity and as long as we have this respect for the humble and poor man who is still very needy you must avail yourself of this moment to educate your children."

"Finally, I wish to tell you that we should hold four or five more meetings. I don't know how many we need. We have to visit every large Guaymi community and hold an assembly with all the chiefs, all the leaders and the common Indian, as well as the Indian women and the young people in Cerro Colorado so that the Cerro Colorado project can be explained to them. You have to make your concerns and comments known."

CSO: 3010/1834

BANANA LABOR UNION REVEALS ANTIGOVERNMENT PLOT

PA070350 Panama City CRITICA in Spanish 31 Aug 81 p 2

[Text] The National Federation of Panamanian Workers [CNTP] has revealed the existence of a "plot" against the revolutionary process and the national government, and has appealed to all forces involved in the defense of the legitimate rights of the people. The CNTP issued a national communique protesting "the arrogance of the Chiriqui Land Company which provoked the recent banana strike." The CNTP also emphasizes that "some independent producers are seeking shelter under the shadow of the United Fruit Company and are plotting in Bocas Del Toro against legitimate organizations."

"The CNTP document is signed by Ruben D. Caceres and Angel Gonzalez, defense and organization secretaries, respectively, and members of the executive. The document says that besides these violations, these independent producers have retained union fees taken from the workers' salaries, used trusted personnel and needy poor workers to unleash a number of provocations and used them as shock troops against the regular workers, (perhaps) with the intention of provoking a clash with the national guard and thereby breaking the 'people, government, national guard union.' This union has been expressed by the high command in the continuation of the line established by Omar Torrijos Herrera."

The CNTP also says that those who stridently oppose the correct exploitation of 'Cerro Colorado' copper mine, are the same ones who support the more reactionary sectors of the United Fruit Company and the antilabor union independent sectors.

At the end of their accusations the CNTP expresses its opposition to: "The oligarchic-imperialist plot against all the Torrijist people."

CSO: 3010/1834

BRIEFS

STUDENT VIOLENCE CAUSES--The endemic violence affecting public education is not, as some pretend, the result of incomprehensible student rebelliousness; it is the natural result of so many years of irresponsible political manipulation, institutional distortion and perversion of civic values. We all recall the speech on television in which [former presidential adviser and former canal treaty negotiator] Romulo Escobar Bethancourt justified FEP [Federation of Panamanian Students] violence. No one is unaware that many generously financed student groups are sent out on the streets whenever it suits the interests of the "process." The slander and insults with which the government, its newspapers and even Education Ministry officials sought to tarnish the honor and undermine the authority of the teachers and professors who rejected the educational reform are still fresh. Meanwhile, the glorification of the national guard's institutionalized violence against public life teachs our youth that force lies above talent and that opportunism is superior to civic values. The students, victims of a system that has destroyed all values without being able to create others to replace them, rebel for any reason against everything, rediscovering that sterile violence that made European anarchism so sadly renowned 80 years ago. The problem, however, will not be solved through the education minister's solution of force. Power must strengthen authority, but it can never replace it. And this is precisely what our rulers lack: authority. [Text] [PA082322 Panama City LA PRENSA in Spanish 6 Sep 81 p 1 A]

ATTORNEY GENERAL INNOCENT--The Judiciary Commission of the National Assembly of Corregimiento Representatives has ordered the closing of the investigation being conducted against Attorney General Olmedo Miranda regarding a bribery charge stemming from a drug trafficking case. The special commission, after carefully studying testimony, ordered the case closed because "there are no grounds to proceed" against the attorney general. He can only be arraigned by the plenum of the National Assembly of Corregimientos Representatives, according to article of the 1972 constitution. The representatives had been investigating the attorney general regarding an alleged $100,000 bribe. The case, which originated in U.S. courts, is known as the Donald Raulerson case. Raulerson is a drug trafficker against whom the court had ruled the freezing of $2 million which finally were returned to him. The ruling by the assembly judiciary commission closes the case against Olmedo Miranda. It was also reported that the testimony of witnesses does not establish any guilt on the part of Panama City Municipal Mayor Roberto Velasquez. [Text] [PA182008 Panama City MATUTINO in Spanish 18 Sep 81 pp 1A, 8A]

CSO: 3010/1852 END

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30 September 1981

Latin America Report

No. 2377

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30 September 1981

LATIN AMERICA REPORT

No. 2377

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NEW OIL WELL TO BE SUNK IN FACE OF DECLINING OIL OUTPUT

Bridgetown ADVOCATE-NEWS in English 26 Aug 81 p 1

[Text]

Barbados' oil exploration programme is expected to be intensified with the sinking of an additional well at Foursquare, St. Philip.

The new well, expected to be sunk in another two weeks, is a continuation of efforts here to find oil in commercial quantities, and hence slash the island's galloping oil bill estimated last year at well over US$50 million.

A spokesman from the Mobil Oil Company which is conducting the exploration, said yesterday the search was being carried out on the basis of the findings of seismic surveys carried out by a team of Americans last year.

He said the well will be sunk at a depth of about 8 000 feet. It will be the 50th to be sunk in the island, and will be the latest in the sprawling Woodbourne-Foursquare oilfield which accounts for the bulk of local production.

Workmen from the company are currently setting up their drilling rigs.

Other wells in the area are currently turning out some 650 barrels of oil a day, and this figure represents some 20 per cent to 25 per cent of the local oil requirements.

The sinking of the new well has come in the wake of a recent Central Bank announcement that the production of crude oil for the first quarter of this year was a whopping 37 per cent below the level of the corresponding period for the last year.

The Bank put production for the three-month period at 56 307 barrels.

However, it noted that the drop was as a result of the reduced servicing of existing wells to allow exploration to be carried out.

Oil exploration has been going on throughout the world at a greater-to-lower dependence on imported crude, the price of which has brought severe economic disruptions especially in developing countries.

CSO: 3025/222

BARBADOS, JAMAICA SIGN 11-POINT EXPORT COOPERATION PACT

Kingston THE DAILY GLEANER in English 1 Sep 81 pp 1, 12

[Text] An 11-point mutual cooperation agreement has been signed between the Barbados Export Promotion Corporation and the Jamaica National Export Corporation (JNEC).

This agreement formalises a previous one to promote trade between Barbados and Jamaica; to facilitate training; to exchange research facilities and to provide assistance in facilitating each other's export trade missions in each other's country.

This was announced by the Rt. Hon. Hugh Shearer, Deputy Prime Minister and Minister of Foreign Affairs and Foreign Trade yesterday afternoon, as he declared officially open an exhibition of Barbadian products at the Jamaica Pegasus Hotel in New Kingston.

Mr Shearer said that the signing of the agreement was "a step in the right direction." However, he noted that Barbados had always been helpful to Jamaican trade missions to Barbados.

Stating that the Jamaican Government has been working actively to strengthen trade links within the Caribbean and particularly between CARICOM countries, Mr Shearer said it was important for Jamaica to support the export initiatives of neighbouring countries and to ensure that there was a balance of trade among countries.

Imports from Barbados had been increasing steadily over the last few years moving from J$4.6 million in 1978 to J$11.6 million in 1980. This trend, he said, had continued into 1981, as for the first six months of this year, imports from Barbados had totalled approximately J$9 million.

On the other hand, Mr Shearer was pleased that Jamaica had continued to maintain a steady flow of exports to Barbados. According to the most recent CARICOM export figures Jamaica's exports to Barbados increased by 24.5 per cent during the period January to July 1981 over the same period last year. In Monetary terms it had moved from $10.3 million to $12.9 million.

Obligation

Mr Shearer said that by their presence here, the Barbadians had shown that they want to increase regional trade and the Jamaican Government was glad to be able to support them to this end.

Each country, Mr Shearer said, had an obligation to develop its own export earnings so as to be able to afford the goods it has to import. This is why, he said, Jamaica could appreciate the desire of Barbados to develop its export trade. The same, he said, applied to Jamaica.

"That is why we believe that cooperation in selling to extra-regional markets is an area we must pursue. Such action is very much in keeping with the policy which we firmly support in international forums--a policy of economic cooperation among developing countries. We regard this as a positive means of strengthening our development efforts to secure a better quality of life for our people," Mr Shearer told his audience.

He encouraged Jamaican buyers to view the exhibits of garments, food and drink, furniture, engineering products and building materials and to support the efforts of the trade mission.

However he reminded the businessmen present that it was the consumer who in the final analysis determined whether business in fact took place. He expressed pleasure at seeing the number of business interests who had turned out for the opening.

Also speaking was the leader of the Barbados Trade Mission, Mr Phillip Williams, who said that Barbadian businessmen were heartened by the reports of economic recovery in Jamaica and said he regarded the mission as a continuing effort by Barbados to increase trade within the region and with Jamaica in particular.

Mission members will hold discussions with the Jamaica National Export Corporation and representatives of the private sector.

The Barbados exhibition ends on Thursday.

CSO: 3025/218

WORKERS PARTY LEADS BURNING IN EFFIGY OF PINDLING

Moncur on Grievances

Nassau THE TRIBUNE in English 17 Aug 81 p 1

[Text] For the first time in his political career Prime Minister Lynden Pindling tonight will be burned in effigy.

The event is a protest led by the Workers Party and young people of Black Village against social and economic problems faced by the people of southern New Providence.

The effigy of Mr Pindling is on display in Black Village. The Guy Fawkes-like structure is dressed in coat and tie with straw hat and dark shades. A sign at its feet declares: Bozo the clown Pindling.

"We have invited the Prime Minister to address us this evening on the burning issues of the day," Workers Party chairman Rodney Moncur said. "The Prime Minister has failed to accept our invitation. Not only that, he has not given us any reason.

"Therefore, we have decided--the young people of Black Village--to burn Mr Pindling in effigy, in that we are opposed to his Government because they have failed to guide the youth, comfort the sick, and bring peace to every heart."

Young people in Black Village--a community living off Hospital Lane/Wulff Road intersection--are now taking the political lead in showing the country and other black belt communities "that we are opposed to the wicked regime of Lynden Pindling and we will do our part in ridding this country of his inefficient regime."

A "cordial invitation" is extended to all Bahamians to attend tonight's rally 8 o'clock in Black Village, said Mr Moncur.

"We will deal with unemployment, the high cost of living, the failure of the Prime Minister's social revolution and the fact that crime is escalating in this country on a daily basis and the Government is not doing anything to curb the problem," Moncur said.

The police are expected to be out in full force. That does not bother Moncur and other executives of the Workers Party.

"The police are welcome to attend," Moncur said. "The only thing I hope is that their presence will not be seen as a sort of provocation or as a means of exciting the grassroots people of this community, particularly the young people.

"We will deal with the fact that the police have not had any major increase in salary, and the police, as working class people, are experiencing the same economic and social hardships that people in Black Village and other blackbelt communities are experiencing. So, we would welcome the Commissioner of Police sending down policemen, especially young policemen."

Moncur promised that tonight's rally will be peaceful as the party is opposed to violence of any form. Placards will be given out to those attending.

Rally at Burning

Nassau THE TRIBUNE in English 18 Aug 81 p 1

[Article by Anthony Forbes]

[Excerpts] Black Village residents burned a substitute effigy of Prime Minister Lynden Pindling last night as Workers Party leader Rodney Moncur and other speakers urged youth to register and vote him out of office in the next general election.

Chanting "Burn Pindling, burn; burn Pindling, burn," the residents, mostly teenagers, watched as a stuffed dummy, barely resembling the Prime Minister, was set ablaze against a coconut tree.

Mr Moncur himself led the burning of the effigy, which was kept in the trunk of a car.

Several weeks ago Mr Moncur invited the Prime Minister to address the residents of Black Village but Mr Pindling turned down the invitation.

The refusal was called "an insult" to the people of Black Village.

Mr Moncur said the event was a protest against the insult and the social and economic problems faced by the people of southern New Providence.

Among the speakers at the rally were Free National Movement member Derek Simms, Cassius Moss, Mr Moncur, and Neil Stubbs of Black Village.

Mr Moncur reminded those in attendance of the Prime Minister's pledge at the start of the "social revolution" to report to the people every three months.

He also noted that the Prime Minister had pledged to restore full employment by 1980 and charged that all Mr Pindling told was "lies after lies after lies."

Mr Moncur, Mr Simms and another speaker called Brother Rolle, all urged the Black Village youth to get registered to vote in the next general elections.

CSO: 3025/217

BRIEFS

NORMAN'S CAY RAID--Police again kept silent today about their surprise raid on Norman's Cay at dawn Saturday. Police Commissioner Gerald Bartlett said he still hadn't seen an official report on the raid this morning. "The officer responsible for that went back to Norman's Cay with an Immigration officer. I don't know if he's returned yet," Mr Bartlett said. He said he would give a press statement as soon as he was in a position to do so. The TRIBUNE learned that police detained a group of Colombians at the cay. However, it is not known whether any arrests were made as the Colombians were not brought to Nassau when police returned to Nassau aboard five Defence Force vessels Sunday afternoon. It is understood that the immigration status of the Colombians is being looked into. Questions that arise are: Are the Colombians in the Bahamas legally? How long have they been here? Have they been issued work permits? Mr Enoch Backford, a top Immigration Department official, did not appear too eager to answer questions on the Colombians presence at the cay today. After being briefed on the nature of the enquiry by a TRIBUNE reporter, Mr Backford abruptly left the telephone, leaving his secretary to explain that "Mr Backford is engaged, somebody just stepped in...." [Text] [Nassau THE TRIBUNE in English 18 Aug 81 p 1] Police Commissioner Gerald Bartlett today said he was unable to give the press an account of what took place during the surprise raid on Norman's Cay at dawn last Saturday. "All the action on Norman's Cay is an immigration matter," he said, adding that police found "less than a gram" of marijuana at the cay and "nobody to press charges against." Mr Bartlett referred the TRIBUNE to immigration authorities who have already made it clear that they do not want to talk to the Press about the raid. [Text] [Nassau THE TRIBUNE in English 20 Aug 81 p 1

CSO: 3025/223

CRACKDOWN EXPECTED ON ILLEGAL INDIAN IMMIGRANTS

Bridgetown SUNDAY SUN in English 23 Aug 81 p 1

[Text] The Barbados Government is preparing stringent measures to tighten up on its policy against illegal Indian immigrants and to seal off their "backdoor" entry.

The fresh initiatives come amid investigations into certain irregularities, suspected to have gained an unknown number of Indians resident status here.

Authoritative sources said Government was finding it difficult to get illegal Indian immigrants to adhere to what was required by the country's immigration laws.

"Many Indians prefer to enter through the backdoor...than to make straightforward applications," a Government official said.

The official disclosed that investigations were now being conducted into one case, in which the passport of an Indian immigrant contained a false stamp, dated in 1972, in which the holder was identified as a resident of Barbados.

The holder of the passport, the source indicated, was at school in India in 1972, and the stamp with which the passport was marked, did not come into being in Barbados until 1975.

"Government is investigating the matter," the source confirmed.

"Government is concerned that Indians seek to deal with individual immigration officers than apply through the proper channels," sources stressed.

According to broad hints in Government circles, it is likely that the administration would re-introduce the monitoring programme it started two years ago to keep tab on the movement of Indians in and out of Barbados.

It might also be necessary for Government to forbid the issue of permits for Indians to stay in Barbados, by any immigration officer, one official said.

Although no specified reason was given for the discontinuation of the monitoring programme which came at a time when Indians were suspected to be flooding

into Barbados, sources said Government had been able to bring that development under control.

"Now it is getting out of hand again," it was reported.

However, although it is a cause for concern, sources intimated that the number of illegal Indian immigrants in Barbados was small and "posed no threat in Barbados."

A figure was not given for the suspected number of illegal Indian immigrants, but one estimate put the total Indian population in Barbados at no more than 1,500, with Hindus from the Sindhi" stock, numbering "about a few hundred."

CSO: 3025/217

EDITORIAL FINDS U.S. POLICY DESTROYING AREA PLURALISM

Bridgetown THE NATION in English 21 Aug 81 p 4

[Editorial: "Nightmare for the Region"]

[Text] At the dawn of the decade of the 80s, which in the Caribbean was heralded by the phenomenon of a former English colony effecting political change through armed revolt, regional politicians decided [at least verbally] that this strange event would not break up CARICOM but that the Caribbean would co-exist in "ideological pluralism."

Even though no one has successfully defined "ideological pluralism" under former United States President Jimmy Carter's Human Rights foreign policy, even the United States ambassador, then Sally Shelton, agreed to the need for "ideological pluralism" in the Caribbean.

However, the new strong arm politics of the Republican Ronald Reagan administration will not let "sleeping dogs lie," and it would appear from recent developments in the region that the several ideologies ranging from Guyana's national socialism through Barbados' democratic socialism to Grenada's Marxism will not coexist in peace.

Even so, one could argue that differences existed with the "isms" themselves and thus outsiders to the Caribbean have become confused and therefore impatient. For surely there was a vast difference between Jamaica's democratic socialism as practised and preached under Michael Manley, and that of Barbados under Tom Adams. Trinidad, under the late Eric Williams, of course wisely kept away from "isms."

All of this leads to one point--namely, that at the beginning of 1980 we in the Caribbean "agreed to differ on the subject of ideology"; now in mid-1981, we are "agreeing to disagree"--and volubly.

The first hint that the concept of "ideological pluralism" within the region was not to be permitted came when the United States attached certain strings to aid to be given to Grenada and the Eastern Caribbean through the CDB. The region then stood up as one man and said "no" to the strings.

This initial unity is now showing grave signs of weakening. Very recently, Dominica's Prime Minister Eugenia Charles stated bluntly that "Grenada could have accepted Washington's strings on the aid and allowed countries which badly needed it to benefit."

This pronouncement must surely affect the tenuous harmony among CARICOM States far less among the OEC states, which have embarked on integration on very shaky beginnings.

Previously, of course, Miss Charles did not mince words on the subject of Grenada's People's Revolutionary Government which she accused of bad human rights practices, and the need to return to constitutional government. Grenada has claimed that attacks such as Miss Charles' are the work of the United States.

But if Grenada has been a source of concern, it seems from recent reports, which we have already discussed in the NATION's editorial that Guyana now presents a new problem. It has become clear with the United States veto of an IDB loan to Guyana that Washington is displeased also with policy as it emanates from Georgetown.

Thus the myth of "ideological pluralism" in the region is being exploded from without--if not within the Caribbean.

It would appear that we in the Caribbean can no longer blithely ignore the global issues which clearly are thrusting their effects upon us.

The political commentaries at the global level tell us that the super powers are bent headlong on a collision course. These predictions seem realistic taken in the light of events in the tortured Middle East, and the spectre of the United States creation of the neutron bomb.

The region cannot avoid the nightmare ahead by self-delusion or evasion of problems which stare them in the face.

CSO: 3025/217

GOVERNMENT DEFENDS BERMUDIANIZATION JOBS POLICY

Hamilton THE ROYAL GAZETTE in English 22 Aug 81 pp 1, 2

[Text] Government has hit back at criticisms that it is merely paying lip-service to the concept of Bermudianisation.

The record shows that Government has been successful in promoting its Bermudianisation policy, a statement released yesterday said.

It produced figures covering Government departments and industry in a bid to demonstrate that the policy is being actively pursued.

Government's statement follows accusations made earlier this week by Mr Eugene Cox, Shadow Minister for Home Affairs. Mr Cox filed the "lip-service" charge after the row over the method of appointing non-Bermudian the Wor. Gerald Price to the post of Senior Magistrate without the job being advertised.

But Government said that at least 15 of its departments were completely Bermudianised.

In addition, the Customs Department and the Tax Commissioner's Office were now close to the 100 percent Bermudian mark. Of the 65 senior public service posts only 14 were held by non-Bermudians.

Government admitted however that its policy was progressing slowly in the Judicial Department. Some six of the 14 public service posts which were not filled by Bermudians, required legal qualifications (Puisne Judge, Registrar of the Supreme Court, Senior Magistrate and three Parliamentary Counsel).

Moreover there were only five Bermudians out of a total of 15, in legal posts with the Judicial Department and the Attorney General's Chambers.

This had happened, the statement said, despite "concerted efforts to train and attract" Bermudians.

"Recruitment is in hand for two posts of Crown Counsel and it is not anticipated that they will be taken up by Bermudians. Bermudianisation of legal posts is obviously a specific problem in the light of attractions of the private sector and should not be taken as indicative of the general situation."

The top senior posts held by non-Bermudians were only a "handful," the statement continued, which usually required specialist qualifications. Economic adviser, Chief Statistician, controller of data processing, assistant accountant general, principal marine surveyor and senior dental officer were some examples.

"In all areas efforts were being made to identify Bermudians to succeed to these posts. That this policy is being actively pursued it demonstrated by the appointments made in recent years. [as published]

"Such examples would be: the Commissioner of Police, the Chief Justice, the Commissioner of Prisons, the auditor, the Solicitor General, Collector of Customs, Registrar of Companies, Senior Medical Officer, Director of Social Services and the Director of Transport Control."

In the hotel industry too Government believed its policy was gaining ground.

Of the 400 top positions about 51 percent were taken by Bermudians. "There is every reason to believe this figure will increase as more and more qualified Bermudians graduate from the Department of Hotel Technology of Bermuda College and return from overseas universities and colleges."

CSO: 3025/217

CHARLES COMMENTS ON AREA ISSUES, AID TO GRENADA

Radio Interview

[Kingston THE DAILY GLEANER in English 18 Aug 81 p 7

[Interview with Eugenia Charles, Dominican prime minister, by Dominica Broadcasting Corporation; date and place not given]

[Text] Roseau, Dominica, Aug 17 (CANA): Dominica has taken issue with Grenada, which recently objected to being excluded from an American government 4 million dollars (US) aid package intended for the Caribbean.

Roseau stand on the issue and a number of other foreign policy matters--including the Guyana-Venezuela territorial dispute--was detailed by Prime Minister Mary Eugenia Charles in an hour-long interview on the state-owned Dominica Broadcasting Corporation.

Miss Charles said Grenada could have accepted Washington's strings on the aid and allowed countries which badly needed it to benefit.

The package was intended for the Caribbean Development Bank (CDB) for on-lending to some of its Eastern Caribbean members. The Bank later said it found the conditionality unacceptable and the package was abandoned.

The planned exclusion of Grenada, where a left-leaning Government seized power in a March 13, 1979 revolution, was another sign of soured relations between Washington and St. Georges.

Cuba

On radio yesterday, Miss Charles raised the question of the Grenada Government's refusal to hold general elections. She also called for a peaceful settlement to the Guyana-Venezuela dispute.

The Dominica leader talked about relations with Cuba, saying she suspected Cuba was a destabilising influence in the Caribbean.

The Caribbean's first woman Prime Minister said that her Government was of the opinion that the Guyana-Venezuela conflict "must be brought to the United Nations for settlement."

Miss Charles said that her government was aware that there were documents allowing for the settlement of the conflict "through the U.N. machinery" adding, "They must be forced to do it that way.

"I can see absolutely no reason for violence. I am against violence on either side and I believe we must as other sister countries of CARICOM (the Caribbean Economic Community) insist that their own regulations and agreement must be brought to the U.N. for settlement," she remarked.

Miss Charles, who is also Foreign Affairs Minister, said she did not believe that Venezuela was trying to colonise the region through its programme of economic aid a charge made by Colombia.

"If she is doing it, she is doing it very slowly and only in words," Miss Charles said. "I have told the Venezuelans themselves that they are always promising.

Miss Charles took issue with the People's Revolutionary Government (PRG) in Grenada, noting that her administration may very well take the same point of view--in condemning the alleged human rights violations there--as her Dominica Freedom Party (DFP).

The DFP, in a statement last month, criticised the Grenada Government's decision not to hold promise free and fair general elections, as well as outlined alleged human rights violations there.

Miss Charles said: "If Grenada wants to belong to the Organisation of Eastern Caribbean States (OECS), she must understand that the other members are going to find fault with her when it affects us, and I can't see why they can be annoyed about this.

"They must understand that they belong to a grouping that you do not only praise the people..."

Both Dominica and Grenada belong to the OECS, an integrationist grouping comprising seven small Caribbean territories which was recently launched.

Miss Charles said that although she was not speaking on behalf of other members of the OECS she was of the opinion "that most of us in the OECS feel that the way to correct things in Grenada is to belong in groupings with her and try to get things back to normal for the people in Grenada."

She added: "They are not normal now and nobody can say that they are."

On the 4 million dollar (US) aid package, she said that she was blaming the Grenadians for its abandonment "because the Grenadians could have said we don't want any of this money, we don't like the Americans, we don't want the money and we don't want to deprive our sister islands of this sort of help, so we will withdraw from it and let them be able to accept the money."

She added "There is no such word from Grenada. Grenada did not care enough about us that require the money so badly so as to withdraw from the scheme so that the others could benefit from the scheme."

DFP Convention Address

Bridgetown ADVOCATE-NEWS in English 25 Aug 81 p 3

[Article by Peter Richards]

[Text]

ROSEAU, Dominica, Monday, (CANA) — The ruling Dominica Freedom Party (DFP) has again called on Grenada to hold general elections and legitimise the government so that other Eastern Caribbean countries could benefit from foreign aid they badly need.

The Maurice Bishop regime in Grenada came to power in a coup two and a half years ago.

Addressing the 13th annual convention of the ruling Dominica Freedom Party in Roseau Sunday Prime Minister Eugenia Charles said that her government had not been able to meet one of its campaign promises to Dominicans because of the decision by the Grenada government not to hold general elections.

Miss Charles was apparently referring to the decision by the Barbados-based Caribbean Development Bank (CDB) to reject a US$4 million aid package to the region because the United States wanted Grenada to be excluded.

Miss Charles told delegates that a housing scheme for residents of the capital Roseau had to be halted temporarily.

"It was part of that four million dollar package that we were not able to get because Grenada refuses to have an election," Miss Charles added.

"Those people who think I am wrong to criticise Grenada must understand that when Dominica is suffering I feel I have a right to criticise...because Dominica is losing by the fact that Grenada refuses to have an election and Grenada had promised to have an election," the Prime Minister siad.

Miss Charles said that she was merely asking the Peoples Revolutionary Government of Prime Minister Bishop to adhere to its promises following the March 13 1979 coup "and thus take all of us off the hook so we can enjoy the things other countries will give us if they (Grenada) conform to the usual democratic moves."

Miss Charles, who is also the Foreign Affairs Minister, said that she was aware of many Dominicans not agreeing with her government's decision to be a member of the Organisation of Eastern Caribbean States (OECS) because of Grenada's participation.

She said: "Many of the aid donors want to see us close together and you can't in fact have any say in things unless you are inside of there to make your say."

But she added "that will not prevent me criticising people that are in OECS, when the country thinks they are wrong we say so, when we think they are right we also say so."

Miss Charles was the principal speaker at the party's convention after the organisers said that former Barbados Foreign Affairs Minister Henry Forde could not travel to Dominica due to illness.

Mr. Forde, a lawyer now back in private practice, was due to have addressed the convention on "Terrorism and the role of citizens in combating terrorism," the DFP said.

Miss Charles, in her 55-minute address, urged Dominicans to unite in order to ensure that the country moves forward together and as one.

She called for a unity with people "who are in opposition to us."

She added: "despite one or two people who like to live backwardly I am sure that the majority of people in Dominica have seen in one year that unity is essential to us and are agreeing that we must have unity."

She called for unity with the trade unions, the private sector and political parties on the island. "We must be able to sit down and argue our different thoughts..we must learn to serve the country because when the country goes forward everybody goes forward with it."

Yesterday's convention was the first by the Freedom Party since its election victory on June 21 1980 when it won 17 of the 21 seats in Parliament.

CSO: 3025/218

PNC CONGRESS OPENS, EMPHASIS ON ECONOMY, ESSEQUIBO

Ramsaroop Keynote

Georgetown SUNDAY CHRONICLE in English 23 Aug 81 pp 1, 24

[Text] Stirring calls for the PNC membership to work to strengthen the economy, to deepen the Regional System, and to fight racialism in all quarters climaxed the formal address of Party Chairman Cammie Ramsaroop at the opening ceremony of the Fourth Biennial Congress of the People's National Congress at the Sophia Auditorium.

In a speech punctuated by applause from the 5,000-odd delegates and observers, Cde Ramsaroop analysed the social and economic concerns of the society, the imperfections of certain Party comrades, the Venezuelan claim, Guyana's role in the international community, and the capacity of the PNC to continue to spearhead the socialist revolution.

After listing a number of delegations and observers from fraternal communist parties, the Party Chairman welcomed President Forbes Burnham on his presence at the Fourth Biennial as an Executive President of Guyana.

The Chairman called on Party comrades to brace themselves for challenges of the most diverse and portentous nature "for the times," he said, "are troublous and difficult."

"Our economic structure is being assailed by vicious forces, both external and internal.

"Our social structure appears in some ways to be undergoing a subtle and debilitating erosion; our new political structure and new Constitution are still growing still young, and have not reached their full potential.

"In our foreign relations, we have a terrible threat from our powerful western neighbour to our territorial integrity, nay, our very existence."

Cde Ramsaroop said it was well-known that Guyana was suffering a severe balance-of-payments problem. The problem was caused by external factors such as the steady and enormous increases in the prices of petrol products.

He said the economic crisis was partly of our own making because Guyanese had not been producing anything near their capacity.

Thus, it was "most necessary for us to analyse our situation and to have consumption habits related to, or being a manifestation of, the Guyanese society."

On what he termed socially adverse trends in the social structure, Cde Ramsaroop said the three main concerns are "the continuing drain of Guyanese skills, the growth of violent crime, and the growing attack on our morale, on our very spirit by the forces of Imperialism and Counter-revolution."

The Party was conscious of the problem of the brain drain and has already begun to take action.

He said the PNC looked upon violent crimes with great seriousness. "But the upsurge of crimes of violence is, of course, not confined to Guyana, but we of the People's National Congress, both as Party and as a Government, are determined to stamp out such crimes.

"The law enforcement machinery is being strengthened and stress is laid upon the reform and rehabilitation of those who have fallen into unsocial behaviour."

"But," the Party Chairman continued, "probably the greatest social threat we have to meet are the subtle and insidious attacks upon the very soul of the Socialist Revolution. The forces of reaction and Imperialism have regrouped, and they are trying to exploit the country's present economic problems to falsely discredit Socialism."

He said that the majority of the working class have not been taken in, but there are some people who, through ignorance or weakness, have been succumbing.

"We need to be vigilant and protect our Revolution and our hard-won gains. Socialism in Guyana can never be stopped; it is our destiny, as it is the destiny of the entire world."

Cde Ramsaroop hit out at those people who are using the Local Democratic Councils as vehicles for personal power. He said they are betraying the Party and its ideology, and even the Constitution, by their speech.

"Let it be known here and now," Cde Ramsaroop warned," that these Democratic Councils, in the execution of their work and programmes, must involve all people of the Region and not only the Chairmen and their immediate circles. Involvement must be of all persons of goodwill in the Region, though such persons may sometimes not be PNC members or supporters.

"Regional Chairmen and others who may be guilty of such dereliction or misconception of duty must immediately put their house in order. Forthwith after this Congress would have concluded, we will be taking forceful action in this matter."

The PNC Chairman also warned Party members and supporters who have been exploiting their positions by interfering in various organs of Government, either for personal benefit, or merely to throw their weight around. Such behaviour, he said, had grave, far-reaching effects.

"My Vice-Presidency is determined to stamp out such unauthorised interference and will not tolerate the exploitation of our Party or People in this way," he declared.

Cde Ramsaroop said that, since the last Biennial, a new portfolio had been created on Party-State Relations. His Vice-Presidency had among its many functions the duty to ensure there was proper balance between Government and Party.

"The management of that balance is essential, as each organ must operate within its legitimate boundaries, each must reinforce the other without either one encroaching on the rights and prerogatives of the others, and either one being kept, within its legitimate sphere of influence.

"Therefore, at this conjuncture of events of the nation's history, the management of these Party-State Relations is critical to good order and good government," he said.

The PNC Chairman said that one important aspect of Party-State Relations is that the Vice-Presidency's work was designed to facilitate and ensure equality of treatment for all citizens through government organisations.

He called on delegates to resolve to have a new Congress Place by the 1983 Biennial; to resolve to deepen the process of democratic and participatory government through the Regional System; to resolve to strengthen the economy in order to achieve greater growth rates; to resolve to strengthen the Party; to resolve to fight racialism anywhere it rears its ugly head; and to let discipline transcend self during their deliberations at Congress.

He ended with this plea. "We must renew our faith and understanding in the ideology of our Party; we must renew and resolve to keep on acting and working and resisting the infection of lethargy and complacency.

"We must keep on the struggle, for victory is within our grasp--And win we must."

Burnham Remarks

Georgetown GUYANA CHRONICLE in English 24 Aug 81 p 1

[Text] President Forbes Burnham yesterday called for efficient employment and deployment of human resources to maximise production. And this is pivotal to Guyana's survival in the face of threats to dismember the country and to destabilise the economy.

He said at this moment Guyana is the object of attempts at destabilisation by powerful and rich countries and he pointed out that the blocking of the $60 million loan from the Inter-American Development Bank was part of a series of moves to bring Guyana "to its senses." The President said the moves would continue necessitating a revision of plans and programmes and the postponement of projects in some sectors.

"Ours is an agricultural country, two of whose main exports are agricultural commodities. Are our levels of husbandry and efficiency in harvesting satisfactory in the sugar and rice industry?" he asked.

The President detailed instances of inefficiency in the main industrial sectors--rice, sugar and bauxite--but noted the same could be said of Ministries, Corporations and public sector agencies.

"The point is that, however well we might have done, we can do much better especially if we are to survive and prosper in the hostile environment which is ours," he said.

"The Government has taken certain diplomatic initiatives with undoubted success. But here again an important and pivotal element is production." He agreed that the party must educate the masses as to the facts, and must raise the level of national consciousness and patriotism. But the very act of deployment of personnel offers a real opportunity to develop by human efforts certain significant areas, producing crops and commodities in abundance where none were produced before.

"These will be not only for consumption of the producers, not only for the consumption of our nationals, but also for export," he explained.

While these were tasks for the nation, it was the specific task of the Vanguard Party, the PNC, to give leadership by example and precept, the President said. He added that all agencies and energies of the Party must be mobilised to, in turn, mobilise the nation.

The President referred to overstaffing at some government ministries and public enterprises, and to understaffing in vital productive areas.

"There are carpenters employed as watchmen when there is a shortage of carpenters to complete the Secondary Education Programme for building schools. There are clerks in some offices whose daily routine is water drinking, newspaper reading and clock watching. There are in some places office assistants piled up on each other," the President said.

The President said periodic targets should be set by the public corporations and once they are finally agreed on, after consultation with the State Planning Commission, they must be met.

"Failure to do so must be the exception rather than the rule and henceforth, if not satisfactorily explained, will incur severe sanctions," President Burnham warned.

He went on: "The planning of the economy will be an exercise in futility if targets and plans are not adhered to. Disregarding targets and plans lightly is an indication of gross indiscipline and disqualify those responsible for continuing to hold responsible posts.

President Burnham also called for the working out of incentive schemes without delay, and he urged managers and supervisors to monitor them so that performers are rewarded in accordance with the agreed system of material and moral incentive.

"On the other hand, slipshod performance or work at any level must not be tolerated or accepted," the PNC Leader said, as he outlined the general attitude and code of behaviour necessary for higher production.

He said his remarks applied with equal force to the entire public sector including the Public Service, "which is not a haven for the lazy, dishonest, inefficient and the disloyal."

Party Changes

Georgetown GUYANA CHORNICLE in English 24 Aug 81 pp 1, 12

[Text] P.N.C. Leader, President Forbes Burnham, Sunday hinted at some far-reaching changes, intended in part to cleanse and strengthen the party, which the current Fourth Biennial Congress will undertake.

Speaking at the second session of the eight-day Congress, the President observed that certain constitutional amendments are to be tabled for consideration during Congress deliberations.

"Some of these" he said, "are intended to create parallel party organs to those already legislated for in the regional system." And on a terse note, he added, "But others have as their object the cleansing and strengthening of the party and monitoring performance and conduct, especially at the leadership at all levels."

The fifty eight year old leader got more than a nod of approval when he pointed out that the party needed to maintain its ability for self-criticism and self-discipline if it was to execute duties in keeping with its vanguard role.

"Prevarication and indiscipline any form whatsoever," he added "cannot be countenanced."

And he put his finger on the need for much more than lip service.

Still on the need for corrective action by the party, Cde Burnham indicated that the ideological training and education especially at the party's ideological college, would be expanded.

The P.N.C. Leader was both firm and unapologetic when he said that party membership must be recognised as transcending all other affiliations and must be the golden thread that links all wherever we operate.

He reminded his audience that party membership was voluntary. But he quickly rejoined that once that voluntary act was omitted, certain behaviour and attitudes followed. "If these cannot be accepted," he said, "the relationship can be voluntarily terminated with rancour."

Jackson Report

Georgetown GUYANA CHRONICLE in English 26 Aug 81 pp 1, 6

[Text] Guyana and Suriname can settle all outstanding questions. This says Foreign Minister Rashleigh Jackson, arises from the fact that a good infrastructure of agreements and understanding has already been created, with patience and dedication.

"Our party and Government should always stand ready to build bridges of friend ship with the people and Government of Suriname," the Foreign Minister told delegates at the Fourth Biennial Congress of the PNC Tuesday.

Cde Jackson, in a full account of relations between the neighbouring countries over the last few years, said that during meetings last month, he and Foreign Minister Naarendrop of Suriname "reiterated the unshakeable determination of our governments to resolve all outstanding matters by consultation, on the basis of sovereignty, equality and mutual respect."

"With regard to the common border, it has been agreed that official discussion should take place on all aspects, and that the provisions of the Agreement of 1971 be utilised for this purpose," he added.

Cde Jackson, dealing with neighbourly relations, also pointed out that the question of the settlement of the boundary between Guyana and Suriname was now properly a matter for the Governments of the two countries.

He noted that the boundary question was, however, not the only one that affected relations between the two countries, their governments and peoples.

Cde Jackson told a plenary session that over the last three years, the Party and Government had made strenuous efforts to remove and curtail actual or potential areas of friction between Guyana and Suriname, and to expand the areas of existing and possible patterns of cooperations.

Between April and November 1979, the heads of government of the two countries met on three occasions in Barbados, Guyana and Paramaribo, "an unprecedented level of summitry aimed at finding an irreversible basis for the continuous and progressive development of harmonious and mutually beneficial relations between Guyana and Suriname," the Minister reported.

Minister Jackson described the results of the summit meetings as "good," and said they served as "confidence-building mechanisms."

"But they have done more than that. For at these meetings, a number of agreements for bilateral cooperation in the fields of Culture and Science, Fisheries and Economics and Technology have been signed," he added.

Cde Jackson said that outside the framework of the formal agreements, understandings in a number of other matters were reached. He reflected: "Indeed, some of these understandings were reflective of a close people-to-people contact that had steadily grown up over the years. So close were these relations that it was necessary for us to agree on modalities for dealing with such activities as smuggling.

"In other fields, as for example trade, much more can be done. In this respect Suriname's manifestation of an interest in Caricom is welcome."

Since the 1979 Party Congress, and as a result of Summit agreements, a Suriname Embassy had been established in Georgetown.

Minister Jackson recalled: "We have agreed to establish a proper and suitable ferry across the Corentyne River.

It is hoped that when the feasibility studies are completed--Guyanese and Surinamers are involved in that process--funding for the implementation will be obtained from the EEC. A feasibility study of a bridge link is also being undertaken."

From the Suriname point of view as well, Minister Jackson said, there are other important agreements and undertakings.

Suriname wished to build a hydro-electricity project in Western Suriname at Kabalebo, he observed, and for the Kabalebo Project to be implemented, Guyana's concurrence or non-objection was required.

"This is so because principally, for the project to come on stream, it will have to use waters which originate entirely within our territory. There is, of course, a difference with Upper Mazaruni, which relies, for its waters, entirely on sources within our exclusive sovereignty."

He went on: "We have always supported the Kabalebo Project; and we do so again at this Congress; for our policy is to assist other developing countries in their development tasks for their own advancement and for mutual benefit."

But he reported some "unforeseen differences" which had surfaced in finalising a formal agreement on Kabalebo.

The process of dialogue, however, had not been abandoned and the Minister expressed confidence that with goodwill on both sides, a mutually agreed solution can be arrived at which will not only secure the interests of the Guyanese people but will also enable Suriname to accelerate the pace for the further elaboration, if necessary, but certainly the early implementation of the Kabalebo Hydro-electricity Project.

Referring to government relations, the Minister observed that there had been political changes of a far-reaching nature within Suriname.

He mentioned the military coup of February 25, 1980 and the establishment of a National Military Council and a civilian Government.

"Since the establishment of the latter, there have been changes in both the Government and the Military Council.

Continuing his report, Minister Jackson said that from the beginning of these changes occasioned by the coup, the Party and Government had reiterated their clear position of principle regarding relations with neighbouring Suriname.

"We have never wavered from that position. Indeed we have studiously sought to expand the bases for understanding and the further development of friendly and harmonious relations between our Governments and our peoples.

Minister Jackson said his July 3 and 4 visit to Suriname was part of a programme of cooperative activities agreed to with the former Suriname Foreign Minister last year,and which had been accepted by his successor.

Under the programme, Suriname and Guyana, agreed to regular contact at the Foreign Minister level, as indeed at other levels, perhaps twice a year, to discuss in a friendly and neighbourly way "the relations between our people and countries, the state of the region and international relations generally."

Commenting on the visit, Cde Jackson said: "It was, I believe, a mutually beneficial visit and we were able to agree on a number of mechanisms which, if implemented, will advance cooperation between us, and enable us to face, with astuteness and courage, the most intractable problem between us, that is the question of the border."

Ties With Brazil

Georgetown GUYANA CHRONICLE in English 26 Aug 81 p 24

[Text] Evidence of the development of trade between Guyana and Brazil, through the lines of credit from Brazil, stand as testimony to the manifold possibilities of cooperation between developing countries, if pursued with seriousness and purpose.

Delegates attending the current Fourth Biennial Congress at Sophia were told so Tuesday in a presentation on relations with Brazil by Foreign Minister Rashleigh Jackson.

He noted that Brazilian-made tractors and bus engines were now quite common in Guyana and cooperation with Brazil was expanding in the areas of Health, Culture, Geology, Science and Technology, and in the development of alternative renewable sources of energy, including hydropower.

"Our experts and Brazilian experts are increasing by exchanging information and sharing experiences. Agreements have been signed with Brazil for the construction of a border bridge across the Takutu River, for the establishment of free; port facilities in Georgetown; and we are in discussion on the construction of a road from Lethem to Georgetown, an enterprise that has been for too long, a dream of the Guyanese people.

Minister Jackson disclosed all this to show how Guyana had built on the "early beginnings," since General Secretary Ptolemy Reid led a goodwill mission to Brazil, initiating a process of contact at Ministerial and other levels which contributed to the development of relations with Brazil.

He said that the Party and Government had sought to develop, in a structured manner, friendly and harmonious relations with Brazil, based on the principles of good neighbourliness, sovereign equality mutual respect and mutual benefit. Similar steps had been taken with Venezuela and Suriname.

"Except for a period in 1975/1976, our relations with Brazil have moved steadily forward," Cde Jackson said.

The Minister told Congress that already, as a result of a visit earlier this year by the Governor of the Federal Territory of Roraima, Guyana Airways Corporation planned to expand its services to Boa Vista, providing an excellent opportunity to increase export earnings.

Earlier, he had mentioned that Guyana's Minister of Health also paid "a successful visit" to Brazil this year, and concluded an agreement on cooperation in the health field, as well as other arrangements on such matters as will be beneficial to Guyana.

Minister Jackson recalled that when his predecessor visited Brazil over five years ago, "the communique issued afterwards reiterated the adherence of their Governments to the norms of international law and stressed the principles relating to sovereignty and security of states, self-determination of peoples, non-intervention in the internal affairs of other states, interdiction of threats or use of force, the territorial integrity of States and the inviolability of their boundaries as legally recognised by international treaties and agreements."

Brazil's position towards the Venezuelan claim to Guyana's territory, Cde Jackson said, remains as expressed in that communique.

"Secondly, Brazil maintains a position of friendship with both Guyana and Venezuela, and wishes to see any differences of opinion between the two countries settled peacefully.

"Thirdly, it is our understanding that Brazil is desirous of continuing in an uninterrupted manner, a programme of economic and technical cooperation which has been agreed upon between our two countries, and indeed to expand upon these forms of cooperation on the basis of mutual agreement and for mutual benefit," Minister Jackson said.

The Guyana and Brazil boundary was settled and demarcated in 1926 and 1938 respectively, and is fully respected by the countries and the international community.

The Brazilian Foreign Minister has accepted an invitation to pay an official visit to Guyana. Consultation is going on about the time of the visit. When this materialises, Minister Jackson is confident that it will make a further contribution to the consolidation and strengthening of the already friendly relations between Guyana and Brazil.

Soviet Delegate's Remarks

Georgetown GUYANA CHRONICLE in English 26 Aug 81 p 7

[Text] The Soviet Union's presentative [as published] at the Fourth Biennial Congress of the People's National Congress has stated that the "Soviet people have deep sympathy and understanding" for Guyana's "noble and difficult undertaking of building a new and just society."

He said that "Guyana owes its independence to the struggle of many of its progressive and dedicated sons and daughters unwaveringly faithful to the ideals of freedom, national independence, and social progress."

The Soviet representative noted that the "unity of all the progressive forces, of the entire people of independent Guyana is the guarantee to further advances, and of all problems being solved in the interests of the working people." He said that the Soviet people appreciated and understood Guyana's problems and aspirations and sighted the October Revolution of 1917, undertaken by the workers and peasants of Russia which ended exploitation of man by man, poverty and lack of rights and national and social inequity.

Thus, within a short time, the Soviet Union "overcame its age-long backwardness and became a highly developed socialist state that now confidently follows the path of communist construction."

The representative explained that at the 26th Congress of the Communist Party of the Soviet Union, attended by PNC representatives, General Secretary of the Central Committee of CPSU Leonid Brezhnev, and other Congress documents, gave distinct answers to crucial problems facing Soviet society.

In attempting to raise the well-being of the people emphasis is being placed on chiefly intensive economic growth factors, rational use of the productive potential, and saving resources and improving quality.

A ten-year social programme has been implemented covering consumption, housing, culture, leisure, working conditions and life style. As President Brezhnev stressed, "Concrete concern for concrete people, for their wants and requirements" is the Alpha and Omega of CPSU's economic policy.

The representative also drew attention to US imperialism and the 'Washington administration' which "has identified the struggle of peoples for national and social emancipation with terrorism," and is openly aggressive in "combating revolutionary movements."

This is especially manifested in Latin America and the Caribbean where liberation movements and progressive regimes are being suppressed.

He noted that the Soviet Union's foreign policy, with peace as an organic element, focuses on internationalist solidarity with peoples fighting for their freedom and independence.

Sealey Departure

Georgetown GUYANA CHRONICLE in English 27 Aug 81 p 3

[Text] Mr Eric Sealey who came to the Fourth Biennial Congress of the ruling People's National Congress, left Guyana Tuesday after being advised that it would not be in his interest to remain at the Congress or in the country, according to a statement from the Congress Media Centre.

Mr Sealey, a Barbadian, was one of the persons assisting the Barbados police in their investigations into the Cubana disaster in Barbados in October 1976. Among those killed in that disaster were 11 Guyanese.

He was advised that in the circumstances, it would not be in his interest to remain at the Congress or in the country, the statement said.

Before leaving Guyana, Mr Sealey thanked security officials who dealt with him for the way in which they treated him. He left on a Guyana Airways Corporation flight. (GNA)

Party Reorganization

Georgetown GUYANA CHRONICLE in English 28 Aug 81 pp 1, 2

> [Text] The Fourth Biennial Congress of the People's National Congress yesterday unanimously approved a number of amendments to reorganise the structure of the Party in the regions to coincide with that of the Local Democratic System.

The Party will be organised into Ten Regions. Each region will be sub-divided into Sub-regions, Districts, Communities, Neighbourhoods, and People's Cooperative Units. The boundaries of the regions and their sub-divisions will be the same as those demarcated in the Local Democratic System. The group will remain the basic unit of the Party, of the comparable Party Region or Sub-division.

Chairmen of Local Democratic Organs will be the Chairmen of the comparable party region or subdivision, but the vice-chairmen could be from among members of the relevant Regional or Subdivisional Committee.

Vice-President Desmond Hoyte, who led discussions on the amendments before they were approved, explained that the system would allow the Local Democratic Organs and the Party Organisation to work closely and in harmony to achieve the developmental objectives of the nation.

The new structure of the Party also spells out the way how the regions will be managed, times for annual conferences and the business of the conferences. Cde Hoyte said it was envisaged that in promoting the work of the party and Government, the various committees would be active in organising production and economic activity. "The lines of authority have been clearly set out and leave no room for disputes," he added.

The Women's Revolutionary Socialist Movement, and the Young Socialist Movement whose membership age limit is now 35, will also be represented at the many levels of the hierarchical structure.

Cde Hoyte stressed the opportunity being provided for rank and file members to serve on Regional and Subregional Committees. He noted that the annual conferences of the People's Cooperatives have been fixed for the month of August to enable the mobilisation of members and the build-up of enthusiasm just prior to Congress which is usually held in the same month. The other annual conferences, he said, would give a good opportunity for the continuous involvement of Party members.

The amendments also include provision for regions to be established outside Guyana and such regions would draft rules for regulating their organisation and procedures subject to the ratification by the Central Executive Committee. The Central Executive of the Party has also been given the power to vary the boundary of a party region or subdivision and to make special arrangements with respect to the organisation of any town or other geographical area in the country.

According to the newly amended constitution, the committees shall, within their respective jurisdictions, be responsible for:

--Giving effective leadership by example.
--Planning party activities.
--Implementing the policies and programmes of the Party.
--Enforcing Party discipline.
--Promoting cooperation between the Party on the one hand and governmental and other organisations and the people on the other, and ensuring the necessary coordination of programmes and activities; and
--Generally, ensuring the proper and efficient management and functioning of the Party organisation.

The Supervisory Jurisdiction shows that:

--People's Cooperative Committees will supervise and be responsible for the proper and efficient functioning of the Party Groups.

--Neighbourhood Committees will be responsible for People's Cooperative Committees.

--Community Committees will supervise the neighbourhood Committees.

--District Committees will have supervisory jurisdiction over Community Committees.

--Sub-Regional Committees will supervise District Committees; and

--Regional Committees shall have jurisdiction over Sub-Regional Committees.
The Party has therefore been organised in hierarchical principles in the regions.

Regional and Sub-Divisional Committees will have the power to employ full time staff and each Region must have a full-time Supervisor.

Constitutional arrangements have also been made for the various arms of the Party to be represented on all Management Committees within the Regions and at all levels of the Party right up to General Council.

Disciplinary System

Georgetown GUYANA CHRONICLE in English 28 Aug 81 p 20

> [Text] The disciplinary machinery in the ruling People's National Congress has been decentralised in keeping with the new party structure. The new arrangements confer the power of sanction to the various management committees in the regions, including the group committees.

With this decentralisation, the regions will have greater powers to enforce party discipline throughout the hierarchical system. The procedures allow for appeals against penalties. In the case of suspension for over one year of expulsion from the Party, an aggrieved person will have a right of appeal through the severe disciplinary authorities right up to Biennial Congress.

Vice President for Economic Planning and Finance Desmond Hoyte who explained the new system before it was unanimously approved by the Fourth Biennial Congress said the amendments were intended to place responsibility for discipline squarely on the membership of the Party through their various management Committees in the Regions. Committees of other Party organs will exercise similar powers. An appeal from one Party organ will be dealt with finally by the organ immediately above.

In response to a point raised by a floor delegate, Cde Hoyte said it would be represented by a "friend" from any group or region, provided the "friend" is a party member.

In the disciplinary system existing before the amendments were approved at yesterday's plenary, the Party's Disciplinary Committee did not have power to impose sanctions: it could only make recommendations to the Central Executive Committee which imposed the sanctions. Moreover the power of sanction conferred on group Committees and other Management Committees was limited. Now, however, persons accused of misconduct can be tried by their group and other Management Committees in the Region, all of which have full power to impose sanctions, including expulsion.

The membership of the main Disciplinary Committee has been expanded to enable it to sit in panels and like other disciplinary authorities, it has full power to impose sanctions.

Misconduct

Cde. Hoyte also told another delegate that a party member who has been removed from his office as Party Regional or Subdivisional Chairman would automatically be removed from his office as Chairman of the corresponding local democratic organ.

The new arrangements preserved, the provisions inserted in the Constitution to ensure that comrades accused of misconduct have their cases dealt with in a just way, the Vice-President assured.

The jurisdiction conferred by the new arrangements on the general disciplinary authorities does not exclude the right of Congress, the Central Executive Committee, the Party Leader or Deputy Leader or the General Secretary from exercising disciplinary authority. It does not prevent the appointment of a special person or committee to investigate and adjudicate upon any disciplinary matter. Cde. Hoyte told Congress the purpose of the amendments dealing with discipline was to tighten up the system of discipline and, in keeping with the policy of decentralisation, to give greater powers to the organs within the regions to oversee, and enforce party discipline.

Accountability Committee

Georgetown SUNDAY CHRONICLE in English 30 Aug 81 p 1

[Text] The People's National Congress will appoint an "accountability committee" by September 15 in a move to ensure that Party members act in accordance with the oath they took. President Forbes Burnham announced this yesterday.

This was in response to a decision taken at the Fourth Biennial Congress, he told the closing session of the eight-day meeting of the Party's highest forum.

The PNC Leader stressed the need to "monitor" the Party to ensure that members' actions are consistent with the decisions taken at the Congress.

He said the monitoring was important in ensuring the kind of leadership which is obligatory on Party members.

The President said it was for the purpose of monitoring at all levels that the regional system was introduced. It was intended to bring about more effective performance and supervision at the Party and national levels.

In his charge to Congress, the PNC Leader reminded members that they had an obligation to work, together with the right to work, with no task being too lowly, and no task so difficult that it was shunned.

Cde. Burnham said Party members had a duty to develop their own skills and faculties, and to assist in developing those of others.

"The term 'taking five' should disappear from our vocabulary and culture. Take no more fives. If you have to work at seven, we must arrive at such a time to be able to start at seven," he urged.

The President observed that some people got married without understanding the implications of marriage, but there should be no reason for people to be divorced from the Party because of negligence in respect of decisions taken by the Party.

He said the "accountability committee" was intended to both cleanse the ranks and to help people to remember their duties by either exercising the supreme sanction of removal or by bringing about change by exhortation and explanation.

The Party Leader assured Congress, however, that the committee would not just go around "wielding the axe."

"In many cases there will be need to encourage and give explanations to those guilty of neglect of duties. It is better to act firmly and objectively with a relative than to let the Party disintegrate," the PNC Leader said.

The President said the image of the Party would be even better if people realised that "when we call for performance we have an even hand of justice."

"When the time comes to apply sanctions there can be no milk of human kindness," he declared.

The President disclosed, too, that the Party would monitor the carrying out of the Congress decision, that members to give one day's pay per month towards defence of Guyana's territorial integrity.

Guyana's response to the threat from Venezuela should be firm, he said.

He agreed that the issue should be settled peacefully, if possible, but emphasized that "Peaceful settlement must not imply that we are pacifist. We are not going to offer the other cheek."

The President spoke of large numbers of persons registered for the People's Militia and other services, and told the recruits that consistency demanded that they undertake the necessary training.

Burnham on Corruption

Georgetown GUYANA CHRONICLE in English 31 Aug 81 p 1

> [Text] Accountability Committee named to monitor Party Members and Public Sector employees, to correct irregularities and to weed out corruption.

President Forbes Burnham has warned public servants to be more conscientious and to perform with credit or face the disciplinary axe.

Cde Burnham said a ruthless campaign is to be carried out in the public sector from this month to remove all square pegs in round holes.

The inefficiencies of those "square pegs" will no longer be tolerated, he added.

The President gave the warning at the site of the 1763 Monument Saturday night, when reporting to the nation on the major decisions taken at the just-concluded Fourth Biennial Congress of the ruling People's National Congress.

He announced the appointment of an Accountability Committee, due to become operational from September 15, to monitor Party members and public-sector employees, to correct irregularities and to weed out corruption.

He said corruption was a serious problem in the country as a whole and warned that stern action would be taken against offenders.

President Burnham spoke at a Mass Rally at the 1763 Monument to mark the conclusion of the historic eight-day Congress.

Addressing cheering thousands who thronged the Rally site to witness a significant occasion, President Burnham also issued a warning to those managers of public corporations who he said "have exhorted themselves above the political government."

"They will be cut down to their ankles," he warned.

He said government was not in a position to be bullied and urged the Accountability Committee to be firm in its dealings with those found to be incompetent.

Other decisions taken at Congress included amendments to the new People's Constitution to have the Party and agencies correspond to and with the recently establish Local Democratic Organs. The amendments are designed "to make the Party a more effective instrument for the development of the masses," Cde. Burnham noted.

CSO: 3025/220

HOYTE ANNOUNCES PLAN TO MONITOR STATE, PRIVATE PRODUCTION

Georgetown GUYANA CHRONICLE in English 25 Aug 81 p 1

[Text] Government has begun implementing a programme aimed at monitoring the performances of State corporations and private sector agencies with a view to accelerating national production and productivity.

Vice-President Desmond Hoyte told the nation Sunday night the PNC administration intends to stamp out inefficiency in the public sector by taking what action is necessary to boost the country's thrust towards self-reliant development.

Cde Hoyte was declaring open the National Exhibition of the North Ruimveldt Multilateral School. His feature address was broadcast live.

The Vice President, speaking before a crowd of thousands, including fraternal overseas delegates to the PNC's current Fourth Biennial Congress, said government will also be taking a closer look at the performance of private enterprises which have been granted millions of dollars of foreign exchange to intensify output.

Cde Hoyte spoke against the background of growing international pressure to thwart the nation's economic programmes, continuing threats to the country's territorial integrity and disappointing levels of domestic output.

Said Vice President Hoyte: "We have to produce more. The objective which our Constitution requires of us is high levels of sustained and efficient production."

The Constitution directs all Guyanese, be they in the public, private or co-operative sector, to ensure that individuals and agencies produce to the highest level possible to enable the nation to translate into reality the various rights set out as ideals in the Constitution, Cde Hoyte noted.

Government has already identified the Guyana Timber Export Board as an example of inefficiency and Vice President Hoyte said the scrapping of the Board shortly will represent a determination on government's part to ensure that organisations operate in line with governmental policy.

The Board was set up some years ago to promote the export of Guyana's vast timber resources for the earning of much-needed foreign exchange. Cde Hoyte said efficient performance is the criterion by which individuals and entities will be judged for continued existence in the governmental structure. The safety of the State and the prosperity of the country depend on greater production and productivity, he added.

CSO: 3025/220

U.S. BLOCKING OF IDB AGRICULTURAL LOAN ASSAILED

Reid Remarks

Georgetown GUYANA CHRONICLE in English 15 Aug 81 pp 1, 2

[Article by George Baird]

[Text] Prime Minister Cde. Ptolemy Reid said yesterday that the blocking of the Agriculture Sector Loan by the United States was a dangerous sign to show Guyanese that they must begin to make sacrifices to save the nation from the acute world economic crisis.

He called on Guyanese to help cut down imports by beginning to eat only locally produced food so that the country could continue on the right road to genuine development.

In a 90-minute discourse with participants from the public and private sector, he declared that Guyana could save itself if Guyanese develop the will-power to do so and put it into practise.

Cde Reid said, the US action meant that the money would not be forthcoming to buy fertiliser and tractors.

"When the going gets hard no holds are barred and their behaviour has shown us we must begin to make sacrifices," the Prime Minister told his audience at the closing session of the 14th leadership course for supervisors and trade unionists.

Cde Reid, speaking about "Maximum involvement of workers," emphasized the role of workers' education to help Guyanese to interpret danger signs.

He said once the workers could interpret the danger signs, they would begin to conduct themselves for development.

He warned that the road to genuine development was not the path of least resistance.

Cde Reid pointed to the pressures that are on and said the US was demonstrating that they control the finances of the world but if Guyanese took the path of least resistance and gave up genuine development "we would be pawns."

The Prime Minister pointed out that the situation called for hard work, sacrifices, honesty, knowledge and performance.

And he called on the workers to make their work places, centre of collective learning so that they could develop the will to make sacrifices.

"If you have not been accustomed to eating local food for an entire day, it is time to begin. We must begin to make sacrifices and if we do it seriously and honestly, then with the resources of our country we can feed ourselves."

According to Cde. Reid, another danger sign was the introduction of Green Construction Company at Guymine. It could mean purchasing not only the people's service, but their culture and way of life.

"We have options. One is to give up genuine development which is development through our own efforts. The other is to work honestly with knowledge and prepare ourselves for performance," he urged.

He added that to give up genuine development was to give up facilities for the betterment of ourselves but the other option called for new and harder sacrifice.

Earlier, Workers' Education Director Kenneth Denny pledged to carry "workers education" to every nook and cranny in the country.

He however joined some of the course participants in appealing for a more suitable building.

Cde Reid told them he hoped that someday they would be able to operate from another building with better facilities but they should not make education a burden.

"We must learn to come to terms with work so we can learn from the work and see how much more we can get out of our work," he suggested.

He said Guyanese should dedicate themselves for a 24-hour work day and there should be no retirement.

"We have reached the stage of our development where illusions must give way to the moment of truth. We are now faced with the obstructions in the way of development because of the unjust economic system," he noted.

Hypocrisy Charge

Georgetown GUYANA CHRONICLE in English 20 Aug 81 p 7

[Article by Ian McDonald: "The American Veto of $60M Loan to Guyana"]

[Text] America's vetoing of the $60 million I.D.B. loan for agricultural development in Guyana is so shocking that even after several days I cannot yet believe it.

I know as well as the next man that a feature of world affairs today is hypocrisy in high places. The preamble of a hundred treaties solemnly declare their aim to be the building of a hundred heavens when we all know what hell is hidden in the fine print.

And helpless onlookers in the Third World are accustomed to attend, because we cannot help it, that long-playing theatrical farce called "Disarmament Negotiations" to hear week-in, week-out, the leading players cynically mouth "Peace for all Mankind" while around them as they speak the lethal nuclear stockpiles grow.

But we know these things as general rules. And it is easy to believe that general rules do not apply to you and me, just as we know that crazy driving causes accidents but feel we are safe until the madman comes to ram our car.

Now this veto brings home the truth to us. That loan met every requirement. It was not lightly considered. It went through the mill. It had the blessing of the technical experts. It was for producing food in a hungry world which all the manuals of development assistance say should give it top priority.

And it was not alms-giving--it was to support programmes based on self-reliance, another big plus in the aid-donors' book of rules. It involved no politics--it was simply part and parcel of Guyana's economic strategy discussed at length with both the I.M.F. and the World Bank in cold, objective terms.

You can see why approval should have been a formality. In fact the I.D.B. directorate was overwhelmingly in favour. There was only one vote against the loan. But democracy's precious gift is not so easily bestowed when it comes to spending money on the poor--one vote was enough to cancel all the others.

And so the American view prevailed, over-riding expert scrutiny, technical advice, the need for food, and even a democratic vote.

Reason

What compelling reason could possibly provoke this decision against the odds of common sense and world opinion? Perhaps, unknown to me or you, mighty Guyana had surreptiously been at work to undermine the fragile fabric of America's economy?

Let us therefore listen to R. T. McNamara, Deputy Secretary in the U.S. Treasury, as he reveals the plot. He says--listen carefully--that the decision to veto the loan arose because America reckoned that Guyana "was not moving rapidly enough towards free-market pricing in agriculture."

When I read that I could not believe my eyes. This was like the Great Train Robber scolding a child for snatching sweets. This was Jack the Ripper chastising me for keeping a scissors to cut my nails.

There is no free-market pricing in American agriculture. American agricultural policy is a hodge-podge of subsidies, support schemes, farm loan programmes, and

complicated pricing compromises fixed up by White House power-brokers in Congressional back-rooms during every legislative session. And yet they deprive us of our loan for food because we do not adopt the free-market pricing they regularly subvert at home.

I come back to hypocrisy in high places. It would surely be better to say, "look, we don't like you so you won't get this money." But the transparent humbug, these weasel words put in the mouths of little spokesmen pushed out in front, really sticks in the gullet.

America is such a great country. Men everywhere have put faith in her because they have seen so much strength in her for food in the world. In two hundred years, more than most nations, she has had a shining vision.

But now I cannot be the only one to note with shamed disgust the mounting evidence of a bullying decline.

God forbid it, but it looks to me as if the power of America is fast becoming the power of an ignorant top dog and not the redeeming power of a leader of the world.

And now when smooth spokesmen in the State Department talk of America's "close and constructive relationship with the Third World." I will keep a cynic's silence. And those speeches pouring oil to soothe the tempers of the poor I will not believe.

And more and more, as America's vision fades, a resentful world will quote to her and quote again the African proverb that is beginning to say it all: "What you do speaks so loudly that I cannot hear what you are saying."

CSO: 3025/221

BRIEFS

ESSEQUIBO LAND DEVELOPMENT--Thousands of areas of land in Essequibo that were made available for rice and other crop cultivation as a result of the $150 m Tapacuma Irrigation Projects have been taken up by farmers. This will bring greater yield and greater production to the Rice Industry. Phases three and four are behind schedule but are expected to be completed within the next 18 months. The completion of Phases one and two also means that miles of fair weather roads are now available to farmers, providing ingress and egress to the new and old rice fields. Those farmers who are already seeing the benefits of the completed phases through proper drainage and irrigation see a bright future for themselves and the country. The others who have to endure with poor irrigated lands and bad roads until the entire Tapacuma Project is completed are calling on Government to urge the contractors to get on with the job. Phases one and two have been contracted to Reid and Malik while three and four have been contracted to Taylor Woodrow. Regional Chairman for No 2 Region Cde Kenneth Hopkinson said that the cut backs in Phases 1 and 2 were due to shortage of funds and inflation. But that, he explained, posed no problem as the World Bank Mission promised to provide money to complete that phase. The chairman did not go into details about the reason for Phases 2 and 4 being behind schedule, but he explained that the contractors were at present constructing a new conservancy, and main drainage and irrigation trenches. A supervisor of Taylor Woodrow, John Stevenson confirmed that Flat Box culverts were being constructed throughout the coast. [By George Barclay] [Text] [Georgetown GUYANA CHRONICLE in English 15 Aug 81 p 10]

MESSAGE TO ROMANIA--President Forbes Burnham in a message to President Nicolae Ceausescu, of Romania on the occasion of that country's Liberation Day, yesterday, said that the years ahead will see the future strengthening of the friendship between the two Governments and peoples. Following is the message: "The Government and people of Guyana join me in sending fraternal greetings and congratulations to you the Government and people of Romania on the occasion of Liberation Day. The cordial and friendly relations between our two countries have been developing steadily to our mutual benefit. The years ahead will see the future strengthening of the friendship between our two Governments and peoples. Please accept my best wishes for your health and happiness and for the continued prosperity of your country and people." [Text] [Georgetown GUYANA CHRONICLE in English 24 Aug 81 p 16]

HEALTH MONITORING--A Standards Policy Committee has been established within the Ministry of Health to monitor the operations of public and private health institutions throughout the country. The setting up of the Committee was disclosed Wednesday by Health Minister, Dr Richard Van West Charles, in a feature address to mark the opening of a health centre at Melanie Damishana. Dr Van West Charles, who appointed the Committee, said its objectives would include the appointment of leaders of health centre teams, the procurement of adequate supplies of drugs and the maintenance of high standards of service in medical institutions. The Committee is headed by Chief Medical Officer Dr Walter Chin, and includes Dr Enid Denbow, Medical Superintendent of the Georgetown Hospital; Dr Latchman Singh, private medical practitioner; Dr Claudette Harry, Project Director of the Health Ministry's Guyana/Inter-American Development Bank (IADB) Unit; and Cde Enid Hall, Principal Nursing Officer. The Committee arose out of government's commitment to providing all Guyana with a high quality of basic and primary health services, Health Minister Charles said. He said he hoped the Committee would take the message of cooperativism and team spirit to the various health missions and take or recommend whatever action it thinks necessary to ensure that Guyanese receive the best possible primary health-care service. [Text] [Georgetown GUYANA CHRONICLE in English 28 Aug 81 p 20]

MESSAGE TO TRINIDAD AND TOBAGO--President Forbes Burnham yesterday sent a message to Trinidad and Tobago's President Sir Ellis Clarke on the occasion of that country's 19th independence anniversary. The President's message said "On the occasion of your country's 19th anniversary of independence, it gives me great pleasure to extend to you, the government and people of the Republic of Trinidad and Tobago, warmest congratulations and best wishes on my own behalf and on behalf of the government and people of the Cooperative Republic of Guyana. The deep spirit of friendship and cooperation between our countries and peoples and our close association as members of the Regional Integration Movement have positively contributed to the cause of regionalism and enhanced the lives of our peoples. May the close friendship of our two countries and peoples continue to flourish in the years ahead and provide further avenues of cooperation for us regionally." The twin-island republic which gained its independence on August 31, 1962 is a member state of the Caribbean Community. Guyana has an Honourary Consul-general in Trinidad who is Cde A.M. Querino. Trinidad's High Commissioner to Guyana is Mr Maurice St John. (GNA) [Text] [Georgetown GUYANA CHRONICLE in English 28 Aug 81 p 20]

AGRARIAN REFORM--Government is considering the establishment of an Agrarian Reform Authority (ARA) to boost its policy of making land available to Guyanese for productive purposes. This is one of 14 areas of action proposed in a Report on Land Distribution submitted Saturday to Prime Minister Cde Ptolemy Reid. The Report was compiled by an 11-member committee appointed by Cabinet and headed by Cde Gavin Kennard, Agricultural Adviser to the President. According to committee secretary, Cde Ivelaw Griffith, the proposed Agrarian Reform Authority would be designed to make indepth studies of land reform in Guyana, deal with the acquisition of holdings, recommend legislation, provide back-up services and give relevant advice to effect government's "land-to-the-tiller" programmes. The committee also recommended government's filing of an application to the United Nations Food and Agriculture Organisation (FAO) for promised

U.N. assistance for the nation's agrarian reform projects. The FAO had promised in 1979 to provide Guyana with relevant aid to bring its land reform programmes in line with government's new policy of making land available to Guyanese for genuine productive purposes. Prime Minister Reid, in receiving the Report in his office Saturday morning, assured the Land Reform Committee members that government planned to deal speedily and effectively with the proposals set out in the document. The full text of the Report will be published after the relevant Party and State institutions have had the opportunity of acquainting themselves with its contents. [Text] [Georgetown GUYANA CHRONICLE in English 25 Aug 81 p 9]

CSO: 3025/224

MINISTER CALLS UNEMPLOYMENT NATION'S WORST PROBLEM

Kingston THE DAILY GLEANER in English 31 Aug 81 p 2

[Text]

The Minister of Local Government, the Hon. Pearnel Charles, has described unemployment as the greatest problem facing the nation and has appealed for tolerance and understanding as the Government moves to correct the situation.

Mr. Charles was addressing the Island Life annual conference at the Mallards Beach Hyatt Hotel, Ocho Rios, on Friday afternoon.

"The rebuilding of Jamaica will take some time, and I appeal for patience and hard work. A country cannot move from economic chaos to recovery in a year. Rebuilding takes time, and impatience will create disruption," he declared.

Mr. Charles said it was important to develop an atmosphere of co-operation between management and worker, "if we are to get the production we need to rebuild our economy."

Regarding the unemployment problem, Mr. Charles said the "the creation of jobs, and finding suitable and qualified people to manage the country's recovery programme, was to my mind the worst problem."

He said no tangible long-term employment programme had been pursued for the last ten years "and almost with malice, the last Government set the stage for thousands of our skilled people to become refugees abroad," he said. And while Jamaica can borrow money, without managers "we cannot hope to properly manage money and put it to work to generate the jobs to put our people to work.

"We plead for tolerance and understanding," he said, "but we understand the pressure on the youths of the country." The Government was "concerned and fundamentally committed to help the poor and unemployed. And we are trying to put order, leadership and management back in Government," the Minister said.

"The poor and the unemployed cannot help themselves: this Government is committed to see that they receive at least survival share of the pie," he said.

CSO: 3025/218

BRIEFS

JLP COUNCIL VICTORIES--The ruling Jamaica Labour Party retained both parish council divisions in Sligoville, St Catherine, and Glenislay, Westmoreland, in by elections held yesterday. In the Sligoville Division, the JLP candidate, Mr Joshua Williams, farmer, polled 846 votes in the preliminary count, to the PNP candidate, Mr Leslie Grant's 817. In this division, both parties increased the number of votes they polled, compared to the March elections when the JLP got 822 votes and the PNP 563. In the Glenislay Division, Mr Albert Clarke, hotel worker polled 1,045 votes to win from his brother, David Clarke, a builder who ran for the PNP and got 594 votes. Here again there was an increase in votes cast, compared with the March elections, when the JLP polled 1,041 votes to the PNP's 533. [Text] [Kingston THE DAILY GLEANER in English 26 Aug 81 p 1]

CSO: 3025/223

CENAC HITS LACK OF INVESTMENT CONFIDENCE IN PRIVATE SECTOR

Bridgetown SUNDAY ADVOCATE-NEWS in English 23 Aug 81 p 3

[Text] Castries, St. Lucia, Saturday (CANA)--Prime Minister Winston Cenac has accused St Lucia's private sector of not taking advantage of his government's "goodwill" and investing in the industrial and manufacturing areas of the economy.

The charge was made during a luncheon-seminar hosted by the National Development Corporation (NDC).

Mr Cenac also accused the private sector of "creating shortages" and charged that foreign commercial banks here were "deliberately restricting credit."

Cenac, who was speaking on government's policy towards supporting the business community in industrial development, lauded the part played by farmers and agriculturalists in restoring the agricultural sector which was wiped out by Hurricane Allen a year ago.

But he lamented: "While our farmers were toiling and sweating in the fields to ensure the survival of our country, it would seem that the commercial and industrial sectors were twiddling their thumbs and moaning about lost opportunities, rather than responding to the dynamic prospects inherent in the situation."

Cenac said that development problems in St Lucia had been aggravated by the overwhelming dependence on the government, the quasi-public sector and foreign aid to generate the resources required for investment. The public sector investment programme was itself largely financed from externally generated resources.

He added: "One is to ponder: What of the local private sector? Must one assume that they are content to be a coterie of complacent, passive unimaginative shopkeepers whose principal concept of efficiency and performance is the inflation of sales margins? While prices are spiralling, shortages are rampant.

"Is this not a critical manifestation of the inefficiency and indifference in the private sector?"

Cenac said that as long as the private sector continued to confine its perspective to the "narrow limits" of the distributive trades, the country would continue to be dependent on foreign investment for its growth and development "unless government intervenes actively in both commerce and industry, a role which it hesitates to play."

He called for a "dynamic imaginative and progressive" private sector, saying that there were no restrictions or limitations on the scope of their activities. Further, government, the NDC and the St. Lucia Development Bank were making many incentives available to local investors, he said.

Cenac said: "Is this not sufficient evidence of the government's goodwill and desire to boost domestic private investment? A government can provide the means, incentives and the climate for domestic investment: it cannot respond for the private sector."

He said it was for local entrepreneurs to determine whether they would take the necessary initiative and investment, allow foreign investors to grab the abundant opportunities for investment, whether they preferred the government to intervene decisively to exploit the neglected opportunities or whether they would prefer to enter into joint ventures with the government or private foreign investors.

CSO: 3025/221

PRIEST HEADS PARLIAMENTARY INTEGRITY COMMISSION

Georgetown GUYANA CHRONICLE in English 25 Aug 81 pp 9-10

[Text] Castries, Saint Lucia (AP)--A priest has been appointed to head a five member integrity commission which is to keep tabs on members of parliament and other public officers.

Fr. Patrick Anthony a Parish Priest in Castries, will preside over the commission which is to periodically obtain declarations in writing of the assets, liabilities and income of public officials in an effort to eliminate alleged corruption within the government.

Since the Labour Party came to power two years ago, there have been calls for the appointment of the commission amid widespread allegations, some from within government itself, of corruption in the administration.

Although appointment of the commission is required under the island's 1979 independence constitution, Prime Minister Winston Cenac is known to have been under renewed pressure from several groups, notably the Civil Service Association, to name the commission.

Cenac became Prime Minister on May 5 following 21 months of internal bickering within the government forcing the resignation of Allan Louisy who led the party to a massive general election win in July 1979. Louisy headed the government from that time until April 30 of this year.

Allegations of corruption within the labour administration figured prominently during that long power struggle with the then opponents of Louisy persistently charging that Ministers were engaging in malpractices.

Cenac first announced his government's intention to appoint the commission during his May 26 budget address when he said his administration saw the need to protect the integrity of the country's political servants from "wanton and unwarranted accusations" and to ensure that those servants used the authority of their office "with discretion, prudence and propriety."

Anthony and other commission members, a retired Comptroller of Inland Revenue, a Castries businessman, and an accountant took their oath of office Friday before acting Governor-General Boswell Williams.

Cenac has announced that the government will shortly appoint a parliamentary commissioner or ombudsman another appointment mandatory under the constitution.

CSO: 3025/221

BRIEFS

UPM ON POLITICAL 'CRISIS'--Kingstown, Tues (CANA)--General Secretary of the small left-wing United People's Movement (UPM), Renwick Rose has charged that a serious political crisis is developing in St Vincent. Addressing delegates at the first congress of the movement, since its inception two years ago, he said it was the popularly-held view that the ruling administration of Prime Minister, Milton Cato was incapable of further democratic rule, and was "resorting to dictatorial measures and tactics. Less than two years after its seemingly overwhelming election victory of December 1979, opposition to the Cato administration is in the majority," Rose said. "How could a Government, elected with 11 of the 13 parliamentary seats, so rapidly lose its support," the general secretary questioned. He said: "If we are to correctly characterise the present political situation, and plot the way forward for our party and country, we must examine the decline in popularity of the Government and point to the alternative to its decadent rule." The congress, which concluded on Sunday, unanimously elected former lecturer in Government at the University of the West Indies (UWI) Cave Hill, campus Dr Ralph Gonsalves, as political leader. The movement posthumously honoured five patriots for their "valiant contributions" to the Vincentian society: Carib Chief Chatoyer, Capt. Hugh Mulzac, Samuel "Sheriff" Lewis, George McIntosh, and Dr Ronnie Saunders. The UPM reiterated its call for October 21 to be celebrated as "National Day," to honour "these great fighters." [Text] [Port-of-Spain TRINIDAD GUARDIAN in English 26 Aug 81 p 5]

END

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U.S. ACTIVITIES IN INTERNATIONAL ARENA SCORED

CIA's Domestic, Foreign Activities

Havana PRISMA LATINOAMERICANO in Spanish Jul 81 pp 6-8

[Article by Yolanda Gomez: "The CIA: Dirty Jobs, Political Crimes Inside and Outside the U.S."]

[Text] An airplane with the prime minister of India, Indira Gandhi, is ready to take off from New Delhi Airport.... Security agents inspect the plane with a fine tooth comb as is usual with flights of this kind.

A later inspection enabled them to discover that four of the plane's cables had been cut. At the start of the trip the plane would have gained altitude, but at a given point the pilot would have lost control and the plane would have fallen to earth.

The incident, characteristic of detective stories or Sherlock Holmes stories, was denounced by the Indian press as a conspiracy instigated by the U.S. Central Intelligence Agency (CIA).

According to the daily HINDUSTAN TIMES, the saboteurs were trained by members of the CIA and received precise instructions from the United States.

The agency, NEWS SERVICE, said that George Griffin, an important CIA official and responsible for raids in Afghanistan, infiltrated into Pakistan to coordinate espionage actions in India and direct Afghan counterrevolutionaries in their preparations against the New Delhi government.

Other conspiracies that give substance to reports in the local press of those responsible for the frustrated attack on the Indian chief of state indicate that concrete proof exists that the United States has fomented separation of the northeastern part of the country with the intention of creating an independent state in Punjab.

The objectives appear to be clear: the division of India and the physical elimination of the prime minister of a country whose progressive policy interferes with American interests in the region.

The End Justifies...

Toward the end of the 15th century and the beginning of the 16th a Florentine politician and historian named Machiavelli wrote the work, "The Prince," in which he elaborated a social theory about the methods that should be used by a ruler to achieve his goals.

The protagonist would resort to any means, including crime, to achieve his objectives. The theory that "the end justifies the means" was the basis for the Italian historian's political thinking.

In the course of time the theory set forth in "The Prince" was transformed into a director of policy in various countries. It was said of Metternich that he was an admirer of Machiavelli, while a similar opinion was later expressed regarding former American Secretary of State Henry Kissinger.

The justification for using any means for the purpose of achieving a given end has been passed on from one administration to another in the United States and has become a visible procedure in CIA plans.

This U.S. espionage agency was created in 1947, almost at the start of the so-called "cold war," when witch hunts against and imprisonments of progressive citizens were becoming more common in that country.

In 1975, in the face of continual reports of the shocking attacks and other crimes perpetrated by this agency, a Senate committee began to hold public hearings.

A report later issued by that legislative body confirmed the reports that had for years been made by foreign governments and organizations and citizens inside and outside the United States about the conspiracies engineered and executed by the CIA against other countries.

This document related how in the fall of 1960 two CIA officials had a conversation with their superiors regarding a plan to assassinate Congolese leader Patrice Lumumba, at that time a leader who enjoyed great prestige because of his efforts for political independence on the African continent.

The report described how powerful poisons were sent to the Congo and exploratory steps about the people close to Lumumba were taken by the espionage agency in order to promote the macabre plan.

In early 1961 the Congolese leader was assassinated by "opponents," apparently without there being any proof of participation by the CIA or any other U.S. agency.

Another resounding success in which the CIA did not appear to be publicly implicated but which, nevertheless, seems to have been another plan instigated by this U.S. espionage agency was the shocking kidnaping, murder and later disappearance of the Moroccan leader, Ben Barka, shortly before the inauguration of the Tricontinental Conference in Cuba.

In January 1966, in an article by its correspondent in Rabat, the capital of Morocco, the BRITISH DAILY EXPRESS reported that "the CIA gave instructions to the kidnapers and presumed murderers" of the prestigious African leader.

These statements were published even though the fate of Ben Barka, whose body or the remains of whose body were never found since it is supposed that they were burned or dumped into the sea near some part of North Africa or Southern Europe, was unknown.

Officials of the Moroccan security service publicly acknowledged that the participants in this success, most of whom were paid killers or underworld and mafia figures, were trained by the U.S. CIA.

Aims? To behead the unity movement of the countries of the so-called Third World, of Africa, Asia and Latin America, which in early 1966 were to meet in Havana.

Mahdi Ben Barka was then chairman of the organizing committee for the conference and a prestigious leader of the national liberation movement on the African continent.

The Senate committee's own reports also confirmed CIA participation in attacks on heads of countries that were U.S. allies. Thus, for example, its instigation of the attack on Rafael Leonidas Trujillo in the Dominican Republic and on Ngo Dinh Diem, when the latter no longer served American interests in the Saigon regime, were mentioned in these reports.

Attacks on Fidel Castro

Among the most shocking of the projects for attacks on foreign political leaders was the drafting of at least eight plans for the assassination of the Cuban revolutionary leader and president of the Councils of State and Ministers, Fidel Castro.

One of the attempts made on Fidel Castro's life was the one that was carried out on 21 November 1963, just on the eve of the assassination in Dallas, Texas, which ended the life of then president of the United States, John F. Kennedy.

The CIA had previously worked out another plan, for the execution of which it associated with U.S. underworld figures, even though the plan for an invasion of the Bay of Pigs (Playa Giron) by mercenaries had not yet been developed.

They contacted Robert Maheu, a former CIA agent who was close to oil magnate Howard Hughes and who, in turn, was entrusted with the task of talking to John Rosselli, an American underworld figure.

As acknowledged in the Senate committee report, the cover for Maheu's plans was that he would represent groups of influential American businessmen who needed to physically eliminate the Cuban leader who had launched profound changes on the island.

Others to be involved in the plan were Sam Giancana, Santos Traficante and other well-known American mafia figures.

But the CIA uses these methods on U.S. soil too.

A December 1978 report issued by a Senate committee that had investigated political assassinations in the United States, especially that of President John F. Kennedy in 1963, asserted that the president had been the victim of a conspiracy.

After 2 years of investigations the legislative body confirmed that the assassinations of black leader Martin Luther King and Sen Robert Kennedy, both of which occurred in 1968, were also the results of a conspiracy and that they were not simply bloody acts committed by "lone assassins," as determined by the nation's courts.

The report on the death of Kennedy rejected an investigation by the so-called "Warren Commission" conducted in 1964. That commission had discounted conspiracy, its conclusion being the only one concerning the assassination that had been officially accepted.

As a result of the 1978 Senate committee report, the CIA publicly confirmed that it would maintain secrecy on documents relating to the assassination of Kennedy. The then assistant director of that agency, Frank Carlucci, at present undersecretary of defense and former ambassador to Portugal, at that time said "that the disclosure of certain documents would have an affect on the protection of highly sensitive sources" used by the espionage agency.

But the daily NEW YORK TIMES had already revealed that the presumed sole assassin of Kennedy, Lee Harvey Oswald, had worked for the CIA in Japan at the end of the 1950's at a radar base in that Asian country.

In August 1978 a U.S. House of Representatives committee on administrative affairs rejected the investigations of political crimes conducted in the 1960's, which included those against the Kennedy brothers and Pastor Martin Luther King.

In the opinion of the NEW YORK TIMES of 10 August 1978, this decision was made when new details on the assassinations, which might throw some light on these political crimes, became known.

Despite these facts about the CIA's dirty role inside and outside of the United States, in April 1981 reforms introduced into the agency's code of behavior revoked a 1978 executive order. Now the CIA can pursue its secret actions abroad and within the country without any legal problems. From now on the agency's dirty jobs will be regarded as "matters of national security."

Relations With Third World

Havana PRISMA LATINOAMERICANO in Spanish Jul 81 pp 59-61

[Article by Hector Danilo: "Raw Materials: Confronting Plunder; U.S. Maneuvers With Third World Exports"]

> [Text] American interests are working to the detriment of international efforts aimed at procuring stable markets for the underdeveloped countries.

The Reagan administration's recent decision to block the negotiations on maritime rights the United Nations is sponsoring is fully consistent with the line Washington will be pursuing as regards raw materials and basic products exported by the developing world.

Various international public opinion media agree in noting that the American attitude toward maritime rights is dictated by the transnational companies, which are eager to take possession of the mineral wealth of the oceans, and official American circles that are trying to impose maritime military supremacy on the world.

Without intending to do so, yet confirming this evaluation, the daily WASHINGTON POST early last March revealed that U.S. opposition to the Maritime Rights Treaty comes from companies committed to mining programs on the high seas, companies led by the Lockheed Aircraft Corporation, the U.S. Steel Corporation and the Kennecott Cooper Corporation.

The attitude the current American administration has assumed toward the Third Conference on Maritime Rights, which was about to reach final agreement on an issue that has been debated since 1958, leads us to anticipate that the United States will in future adopt a position opposed to any negotiation which involves the establishment of remunerative prices in raw material and basic product trade.

The Republican Party platform favors strong protectionism in the U.S. market as well as absolutely free competition in the rest of the world, which places the interests of the transnational companies foremost to the detriment of international efforts aimed at seeing to it that developing countries will have stable markets.

The Reagan administration has so far refused to assume commitments as concerns aid for the Third World and problems of development, and this is unquestionably of importance in the domain of raw materials.

Such a philosophy emerges as practically a threat to the immense majority of the developing countries, which announced their decision to defend the purchasing power of their exports during the Sixth Summit Conference of Chiefs of State or Government of the Movement of Nonaligned Countries held in Havana in September 1979.

Proof of the fact that the United States now intends to more stubbornly than before obstruct protectionist policies adopted by producer countries has become evid nt not only during the negotiations on maritime rights.

Against Associations

In early March the United States and other market economy industrial nations were severely criticized by Mexico, which rejected the various maneuvers engaged in by these nations to keep the cotton-exporting countries from founding a producers association that would protect their interests.

The statement was made by Mexican Undersecretary of Foreign Trade Hector Hernandez at the inauguration in Mexico City of a technical seminar for cotton-producing, developing countries, sponsored by the UN Conference on Trade and Development (UNCTAD).

UNCTAD recently reported that the textile fiber market is increasingly being dominated by a small group of oligopolies.

The UNCTAD study reports that between 85 and 90 percent of the world cotton market is in the hands of some 15 transnational companies, eight of which are American, five Japanese and two European.

The manipulations these companies conduct make it — as the official who wrote the report describes it — "very urgent" for us to create a bloc of producer countries to offset the dominant position of the industrial nations, put an end to their speculative maneuvers at the international level and achieve stabilization of fiber prices.

With cacao exporters, which are chiefly African and Latin-American countries, Washington maintains an attitude of intransigence.

The chief difficulty in the way of effective functioning of the cacao agreement lies in the fact that the United States and other EEC countries are trying to force the exporters to accept a minimum price of $1.10 a pound, thus taking advantage of the current surplus supply.

It is a known fact that the International Monetary Fund, which not long ago issued a loan of $580 million to Ivory Coast, one of the world's chief producers of cacao, is pressuring that country to break off relations with the rest of the producers.

Elsewhere too, the silence the American State Department has maintained concerning the boycotts United Brands and its subsidiary, the Chiriqui Land Company, have been engaging in against the Multinational Banana Marketing Company (COMUNBANA), composed of Panama, Nicaragua, the Dominican Republic, Costa Rica, Colombia and Honduras, is suspicious.

According to COMUNBANA sources, that transnational company's dual purpose is to hinder organizational operations and, at the right moment, make it difficult to freely market the bananas, which are hoarded by its members at a time when the fruit is being sold at a good price on international markets.

Raw Materials and Cold War

The American Government has declared that it will do everything in its power to lessen American industry's dependence on foreign supplies, alleging that this is a national security requirement.

However, this plan, which injects an atmosphere of tension into the field of international trade, is calculated to exercise control over the natural resources of the developing countries in the face of their efficient Japanese and West European industrial competitors.

American politicians are still of the opinion that with every passing day the developing countries have a greater effect on the economic life of the United States through providing it with its fundamental supplies of raw materials. They therefore support the assumption that the situation forces the White House to shape the political fate of these nations.

Consequently, this would explain why one of the basic objectives of the present administration would be to try to reverse the progress made by the developing countries during the past decade when, taking advantage of the current balance of power, the so-called Third World took important steps in the struggle to obtain its economic demands through the Movement of Nonaligned Countries, the 77 Group and the producer associations which reduced the freedom of action the transnational companies enjoyed in operating in the raw material trade with the developing nations.

One way of reducing the negotiating power of the developing countries that seems to interest the present administration in Washington has to do with the purchase of strategic minerals to build up large, long term reserves.

This solution would make it easier for the American transnational corporations to capriciously manipulate the raw material market while the federal government would be in a position to exert pressures on one country or given groups of countries whenever Washington's foreign policy needs required it.

The economic impact that this line of action can have is already intimidating countries, including some that are U.S. allies.

Governments that enjoy the favor of the White House, like Malaysia and Bolivia, have publicly reported the adverse consequences the decision made last year by the United States to dump 35,000 tons of tin on the international market would have for their countries.

Paradoxically, these reserves were accumulated by the United States during World War II when Bolivia and other exporters sold it large quantities of the mineral at less than a dollar a pound.

To advance his program for the building up of strategic reserves, last 13 March President Reagan ordered an initial investment of $100 million for the first purchases of basic minerals. "This," said Reagan, "is the beginning of my overall program to lessen U.S. industry's dependence on problems involving reductions in raw materials."

The Military Factor

The militaristic connotation of the plan can also be sensed. Federal agencies responsible for the American reserve programs have already revealed plans for acquiring 540,000 kg of cobalt, a metal that is indispensable for the military equipment industry.

The American Government plans to in the near future buy bauxite, columbium, nickel, platinum, rubber, tantalum, titanium and vanadium.

With these purchases African, Asian and Latin-American producers will be exposed to vulnerable situations.

In view of the current international economic crisis, Washington apparently feels that ideal conditions for the building of reserves of key minerals are again appearing due to the decline in price of some raw materials.

With the exception of oil the general price index of raw materials exported by Latin America has dropped 7 points during the past 12 months, whereas quotations for manufactured goods which Latin America imports from the United States, Western Europe and Japan rose from 154 to 174 points during the same period according to official figures from the Organization of American States (OAS).

The stocking of oil, primarily for military purposes, occupies a predominant priority in this strategy, particularly in terms of an economic situation in which specialized American organizations like the Rand Corporation assert that the United States has already consumed most of its oil stocks and that it has only enough crude oil left for some 20 years.

At the beginning of this year the American Government was storing an average of 100,000 barrels a day in the salt mines of Louisiana and Texas, but this figure rose to 160,000 last February.

According to the Republican Party platform, the Reagn administration intends to have a billion barrels stored in the not too distant future with which it will avail itself of a pressure factor that can be applied against the OPEC countries.

Energy Autonomy

Inside Latin America U.S. authorities have focused their sights on the oil of countries like Venezuela which, in the words of the Reagan Cabinet's secretary of interior, James G. Watt, is "a very important supplier of the United States in terms of meeting its defense needs."

American authorities are right now making a determined attempt to force Mexico to join a so-called energy common market in which Canada would also participate, while the United States would act as the predominant member.

The recent reduction of customs privileges for Mexican products that enter the U.S. market has been interpreted by specialists at the National University of Mexico as a Reagan administration reprisal against President Jose Lopez Portillo's position favoring the maintenance of autonomy in the domain of energy. A military alternative against Mexico has also been planned. Regarding this, in its Thursday, 11 April 1981, edition the Mexican daily, EL DIA, reproduced the text of a press conference held by an American expert last December in which a plan for an invasion of the Mexican oilfields that had been proposed to the Reagan government is sketched.

The specialist was Clyde Mark of the Division of Foreign Affairs and National Security of the Library of Congress Research Service.

According to this specialist's plan, to take the Mexican oilfields a surprise force capable of preventing any sabotage action, capturing everything intact, without incurring any damage and controlling the country's army would be needed.

Mark said that the idea surfaced as the result of a study that demonstrated the practical impossibility of the U.S. Army's occupying the oilfields of Saudi Arabia, Iran, Iraq or Kuwait.

"It does not require much imagination to think where those areas are that are closest to us: Venezuela, Canada and obviously Mexico," the Washington expert maintained.

The consequences the Reagan team's raw materials policy could have for the developing countries are worrisome.

This government's approach to these problems will only work against the negotiation of agreements on raw materials and basic products while it offers ample room for maneuvering to those companies that speculate with the natural wealth of the developing world.

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ELPIDIO VALDIVIA COMMENTARIES CRITICIZE U.S. POLICIES

State Terrorism

Havana VERDE OLIVO in Spanish 19 Jul 81 pp 14-15

[Article by Elpidio Valdivia: "Father of State Terrorism"]

[Text] Some time since 1974, the multinational enterprises in the so-called "Trilateral Commission," concerned by the effect that the U.S. lack of international prestige had on their objectives of world domination, drew up new guidelines for U.S. foreign policy.

Those guidelines were designed to create the feeling that a new stage was beginning which would coincide with the image that the Carter administration had to project when it came to office. This was true internally as well as externally after the Vietnam fiasco and Nixon's Watergate scandal.

The cornerstone on which that image would rest was the hypocritical campaign "in defense of human rights," a typical example of ideological subversion planned and coordinated by the United States, the leader of imperialism.

What background did the United States have for that campaign? More than 100 years ago--on 28 July 1868 to be exact--the 14th Amendment to the U.S. Constitution was ratified by the majority of the states in the union and became a consubstantial part of that fundamental law. It granted citizenship to the blacks and stated that all those born in that country, with the exception of the Indians, had equal rights.

Examples of how that constitutional amendment is respected include the shocking police repression of the blacks during the "hot summer" of 1967 in Detroit and Newark and last year in Miami. Little has changed for the 25 million blacks in spite of the official statements on human rights. Racial discrimination lies on their shoulders like a heavy tombstone.

While overall unemployment reached 6.7 percent in June 1980, it was 14 percent among the black population and has continued to grow. It is the same with the Indian minorities whose rights are continually violated by the authorities. Other examples of the U.S. Government's respect for human rights are the massacres of women, children and old people at Song My and My Lai in Vietnam and the treatment of illegal Mexican workers, the "wetbacks," rounded up like wild cattle on the Mexican border.

The alleged defense of human rights was difficult to reconcile with the excellent relations with the dictatorial and antipopular regimes like Somoza's in Nicaragua, the South Korean regime, Stroessner's in Paraguay and the South African racists. Administration spokesmen modestly tried to hide these actions under the wilted fig leaf of public condemnations of the most spectacular human rights violations by the military regimes in Argentina and Chile.

The U.S. voters who went to the polls in 1980 expressed their discontent with the results of the last Democratic administration.

Parodying the simile used in the March 1981 issue of the magazine AFRICA-ASIA based in Paris, the new president Ronald Reagan, a former actor in cowboy movies, entered history like a cowboy who comes into a Western bar, rustling his spurs, to challenge the "villain." In this case, the villain is the USSR which, in one of his first speeches from the White House, Reagan accused of "killing, cheating and lying" and "exporting terrorism to the Western hemisphere."

The human rights doctrine was immediately attacked in public. Jeanne Kirkpatrick, U.S. ambassador to the United Nations, stated that it was "utopian to practice without taking the political and historic context into consideration and, being ineffective...it became a selective hostile policy toward authoritarian regimes." She persuades us: "It is like boasting of affected virtues to follow a hypocritical political path."

It was an attempt to demonstrate to the U.S. public that this had been one of the main causes for the deterioration of the positions of "friendly governments"--read proimperialist dictatorships--and had intensified the liberation process in Africa, Latin America and, especially, Central America.

A statement given in Montevideo by the assistant secretary of state for Latin America, John Bushnell, and spread to the world by the Spanish news agency EFE said that President Reagan's policy will change emphasis concerning Latin America and human rights compared to Jimmy Carter's policy.

Secretary of State Alexander Haig specified these changes. In a speech before the Trilateral Commission last 31 March, he emphasized that, concerning the topic of human rights, "we want to point out that we must be analytical in our actions, taking into account the source of the violation and the impact of our protest on the violator. We must distinguish between the so-called totalitarian and authoritarian regimes."

His language could not be clearer. According to imperialist propaganda, the communists are accused of being totalitarian. Authoritarian regimes are a euphemistic name for the bloody dictatorships which are "friends" due to their strong anticommunism. The general turned diplomat continued: "Concerning the violation of human rights, we must not only weigh international repercussions (whether the regime helps or hurts international aggression) and the background of those who are in power but the background and the program of those in the opposition. We have seen in recent years how a policy not based on these principles can contribute to an eventual failure: the overthrow of a bulwark against aggression and the replacement of an authoritarian regime by a totalitarian regime."

This language means bluntly that the triumph of the revolution in Cuba should have been prevented by helping the Batista regime more. In Nicaragua, the Sandinist victory should have been prevented by helping Somoza much more. It also means that Stroessner, Pinochet and the fascist Christian Democrat junta in El Salvador will not be abandoned. That put the human rights doctrine in its "proper" place, according to the Republican administration.

Instead, the propaganda of U.S. foreign policy has concentrated on the new campaign to "fight international terrorism" announced by Reagan himself.

Terrorism is a serious crime under international law.

State encouragement of terrorism is considered a form of aggression and a crime against the peace and security of the peoples. The Cuban Penal Code punishes someone who commits the crime of terrorism with imprisonment for 10 to 20 years or death. Article 111 to Article 114 inclusive of that legal code are devoted to describing different forms of that crime.

Nevertheless, imperialist propaganda does not refer to this terrorism. To the Republican administration, "terrorism" is the fight for national liberation of the peoples, their legitimate right to choose the social development that seems best to them.

To Marxism-Leninism, to communists, it is a basic principle that revolutions are not exportable, the people themselves make revolutions. This does not exclude international solidarity with the national liberation movement of the peoples.

Using fear of Soviet-Cuban aid, President Reagan approved increased military and economic aid to friendly dictatorships to combat "Cuban-Soviet subversion in Central America," according to information in the NEW YORK TIMES.

An analysis published by the Political Studies Institute in Washington entitled "Fighting future wars: the new counterinsurgency" states: "Throughout the Third World, U.S. aid again flows toward the right-wing dictatorships which face indigenous guerrilla movements....After years of concentrating on strengthening NATO, the Pentagon has silently stepped up training troops involved with guerrillas."

At this time, the fight against "terrorism" has particular urgency in Central America, especially in El Salvador where more and more millions of dollars are invested in military aid and mercenaries like the Green Berets, helicopter pilots and other technicians are sent. It is like the beginning of the filthy Vietnam War. All of them are covered under the mantle of counterinsurgency (read counterrevolution) specialists. This is all done to keep the fascist Christian Democrat junta in power, the cause of more than 22,000 murders of noncombatant civilians during the 18 months that it has misgoverned that country.

A lie will always be a lie, whether it is wielded by alleged defenders of "real human rights" or by staunch defenders of "the victims of international terrorism." According to a report in the NEW YORK TIMES citing sources in Congress and the administration, a preliminary report written by the CIA concludes by saying that there is not sufficient evidence to back up the administration's accusations that the Soviet Union directly encourages international terrorism.

The Spanish news agency EFE, in a dispatch dated 29 March 1981, commented on this news, stating that the CIA report, in its final preparation stage, openly contradicts the repeated veiled and direct accusations of the Reagan administration that Moscow trains, equips and finances international terrorist groups. It added that when CIA director William J. Casey learned of its conclusions, he revealed administration pressure that the CIA "adapt" its analysis to the political opinions of the government.

The effectiveness of this "pressure"--whose economic or extraeconomic nature remains "mercifully" unspoken--to twist the possible professional integrity of the analysis is revealed in a statement by the ARF news agency based in the Pentagon on 17 June 1981. It pointed out that a report issued by the CIA the day before stated that "the Soviets are deeply involved in supporting revolutionary violence which frequently includes acts of international terrorism."

The father of international terrorism is the United States itself. Members of the terrorist group Omega 7 made up by Cuban expatriates who were trained by the CIA itself find shelter there. There are also those who, through open terrorist actions, support the activities of the mercenary bands that fight the popular government in Afghanistan, giving them chemical weapons with which they recently attacked defenseless students in Kabul.

There also are those who encourage "raids" by the South African Republic against its neighbors in which children, women, old people and noncombatant civilians are indiscriminately massacred in SWAPO [South-West African People's Organization] and ANC [African National Congress] refugee camps. There are those who supplied Israel with sophisticated weapons that are used against the peaceful inhabitants of Lebanon and the Arab territories and who openly tell the world that this will not affect the ties between the United States and Israel in spite of the use of those weapons.

This is the worst form of terrorism, state terrorism.

Abraham Lincoln, U.S. president who abolished slavery in the last century, said: "We are living in a time that demands that we think in a new way because the world has changed." This statement which was valid in the middle of the 19th century acquires greater validity now. Today there is a socialist bloc which must be taken into account.

The nonalined countries make their voice heard in the international arena. They speak for peace, self-determination of the peoples and a new international economic order.

The world is different and the propaganda campaigns cannot go back to the past. The same thing that happened to "the human rights policy" will happen to "the fight against international terrorism."

Huge Defense Budgets

Havana VERDE OLIVO in Spanish 26 Jul 81 pp 16-17

[Article by Elpidio Valdivia: "Fire Will Put out the Firemen"]

[Text] Like some Charlie Chaplin film, the Pentagon strategists developed an assembly-line assortment of military doctrines, differentiated in form and alike in objective.

This is the case of the so-called Rapid Deployment Force which, a little more than a year since its creation, occupies the attention of the Republican team.

The "Soviet threat" seems to be an exotic disease that deprives Reagan and his closest collaborators of sleep.

Strong anti-Sovietism, one of the basic pillars of his electoral campaign, is the cornerstone of U.S. foreign policy. This has caused more than one quarrel with the allies in Western Europe and the Caribbean countries.

Revitalization of the work to put the Rapid Deployment Force or Rapid Intervention Force, occasionally defined as the "Firemen's Brigade," into complete combat readiness is part of the Republican foreign policy to make voters and allies believe that it is the bulwark of defense of "national interests" and Western interests.

This is the way they justify the incredible military budgets, the constant growth of the military industry and the dizzying development of the arms race.

The "Firemen's Brigade" is not a new idea but the evolutionary result of other variants tried by previous Washington administrations.

Its predecessors were the Strategic Army Corps, the Riot Command and, lastly, the Top Combat Readiness Command, created in 1972 and still in existence. All had the mission of acting in any part of the world.

The formation and equipping of these new firemen have not been finished yet. A period of 3 to 5 years for their formation as a unified command--until 1985--is planned and at least 6 years--until 1987--for their complete equipping with modern air and naval transport, now being planned and constructed.

The general staff of that mobile brigade is at McDill Air Base in Florida. Gen Robert Kingston has just been named chief of the strategic unit.

The principal mission of this unit is to arrive quickly and enter into combat immediately, basically in the Middle East and Indian Ocean area.

The nature and content of its missions are clear to any observer who briefly analyzes the statements of Gen David C. Jones, chairman of the Joint Chiefs of Staff of the U.S. Armed Forces.

At the beginning of 1981, he told Congress:

"The problems of security are no longer merely regional problems; they have worldwide consequences....We live in an era when a coup d'etat, an important strike, a terrorist attack or a war between neighboring countries in a remote place can start worldwide repercussions that affect the well-being and the national security of the United States and its allies."

He fallaciously analyzed the geographic proximity between the Soviet Union and the main oil-exporting countries in the Middle East as well as the uncertainty whether the USSR might become strictly an oil importer or exporter and the "danger" that either of these two cases represented for U.S. "security."

With the strong anticommunism that characterizes the Republican team, Jones emphasized that if the Soviets achieved domination in that area, they could "bring the West to its knees without moving one soldier." He added that "the most critical vulnerability for our collective interests (the United States and its allies) is in the southwestern Arabian gulf region."

In the light of this political argument, it would be fitting to ask: What really are the "vital interests" that must be so zealously defended by the "Firemen's Brigade"?

The answer is very simple: to maintain control of the sources of oil supply and to prevent the appearance, development and consolidation of revolutionary movements that endanger traditional control over strategic raw materials.

Some data will help understand this better.

Since the beginning of the last decade, the United States has faced a fuel shortage while its internal demand has increased.

Five of the "Seven Sisters," multinational firms that control the production, refining and marketing process of the precious fuel in the West, are U.S. firms.

According to 1977 statistics, the world produced 3,017,900,000 tons of oil. Of these, 1.104 billion spouted from Middle Eastern wells, a region that held 57.1 percent of the world reserves in 1978.

Most oil exports from the Middle East flow toward the United States, Western Europe and Japan. They received 69.2 percent of that oil in 1977, excluding shipments from Algeria and Libya.

To defend its "vital interests" and those of its allies, the Republican hawks in the White House provided about 200,000 men for the Rapid Intervention Brigade, organized to act in groups of a few thousand--a reinforced battalion--up to four or five divisions with the ability to land from the air or the sea and fight without reinforcements for up to 30 days.

To date, two airborne divisions, three Marine amphibious brigades, two infantry divisions--one of them mechanized--and up to 100,000 reservists have been assigned to it. It also has combat, transport and exploration ships and airplanes and other equipment needed to make war.

To guarantee fulfillment of the basic concept--rapid deployment--they need appropriate opportunities and means in times of peace.

Near Diego Garcia, they maintain all the materiel of the Seventh Marine Brigade on board seven freight ships. In the Mediterranean, the Pacific and the Indian Ocean they have three Marine battalions and their combat equipment on board transport and landing ships, ready to intervene in defense "of the well-being and national security of the United States."

The creation of special units is also intended to keep the military industry, one of the most important in the country, expanding so that it does not lag behind in its fabulous profits. Where others wade, it dives in.

This industry is working on various projects for the Rapid Deployment Force which pays it billions of dollars from the pockets of the U.S. workers.

To equip the Rapid Deployment Force, 15 especially designed roll-on/roll-off ships will be built by 1987 at a cost of $337.8 million. All the heavy equipment and other supplies for these troops will be kept on board these ships.

A new transport airplane temporarily called "C-X" is being manufactured to carry tanks and other heavy equipment great distances. The C-X's costing $253.3 million should be operational by 1984.

Also 26 sophisticated KC-10 airplanes that combine resupply and air transport capacities will be supplied.

Defense Secretary Caspar Weinberger defined the new Republican military doctrine, explaining that it is necessary to establish conditions to fight two major wars at the same time instead of one and a half and to guarantee the intervention of U.S. armed forces in the Middle East which includes the Arabian gulf.

That region, located on the southeastern flank of the Soviet Union, is a point of contact for Europe, Asia and Africa and serves as a bridge between the Mediterranean Sea, the Red Sea and the Indian Ocean. This, along with the tumultuous political and military situation in the area, shows its extraordinary economic, political and military importance in the international arena.

Therefore, it is no accident that the present Republican administration plans to carry out one of the two wars planned in its new military doctrine in that area.

This explains the stir about the reactivation of the Rapid Intervention Force whose leadership has been openly disputed by different generals. It also explains the pressure by the United States on different countries to obtain military bases near the Soviet Union.

The governments of Egypt, Somalia, Kenya and Oman have compromised their sovereignty by handing over military bases in their territories to the United States for the aggressive "Firemen's Brigade."

The United States will spend hundreds of millions of dollars to establish the conditions to use those military bases for their armed forces. They plan to quarter up to two infantry divisions in Ras Banas, Egypt, and they are also interested in a network of Saudi Arabian air bases and airports.

These objectives of U.S. military penetration in oil country were criticized a few weeks ago when a conference of all the Arabian gulf countries concluded that the security of that water corridor corresponded only to the Arabian nations that surround it.

At the recent 26th Congress of the Communist Party of the USSR, these dangerous actions of the Reagan-Haig binomial were answered. It was explained that the Soviet Union feels that peace is the most beautiful and necessary legacy of mankind.

On 23 June, the Supreme Soviet of the USSR approved a "call to the parliaments and peoples of the world" which stated:

"Political tension has intensified. The achievement of military superiority is again stressed and the language of threats is used. There are open attempts to intervene in the affairs of other countries and peoples. All this is done under the clumsy invention of a 'Soviet military threat.'

"The Supreme Soviet of the USSR solemnly proclaims that the Soviet Union does not threaten anyone and does not want a confrontation with any country in the West or the East. The Soviet Union did not try and does not try to achieve military superiority. It was not and will not initiate escalations in the arms race. There is no type of armament that it is not willing to limit or ban based on reciprocity, mutual agreement with other states.

"Peace is the common heritage of mankind and, in our era, it is also the main condition for its existence."

Reaffirming the Soviet decision to defend world peace, Nikolai Ogarkov, marshal of the Soviet Union, first vice minister and chief of staff of the armed forces, indicated last Thursday that "the tentacles of U.S. imperialism extend toward all regions of the world and carry out provocations and sabotage mainly against socialist countries, those that liberate themselves and movements of national liberation."

Marshal Ogarkov added: "If there was an attack against the USSR or its allies, it would be answered with strong defensive actions by their armed forces which would know how to take the offensive on land, air and sea."

The Rapid Deployment Force is a foreign policy anachronism of the Republican hawks who daily increase the danger of a world conflagration.

Support for the need for these military forces is the "philosophy" that tries to convince the peoples, among other fallacies, that the Soviet Union and not Israel is the enemy of the Arab world.

Increasingly broader sectors of the United States disapprove of this road to war and defend peace. Those same people are beginning to rise up against the unpopular

economic measures of the White House which mercilessly cut allocations for social programs, education and public health and open the purses for military expenditures.

The Rapid Deployment Force, a symbol of crisis more than power, will go down in history as the "firemen" who failed in their mission by colliding with the unquenchable fire of reality.

The Rapid Deployment Force is the latest innovation of those who feel that the spread of progressive movements will force them to wander around the world like inept policemen. They are firemen until the fire of reality frustrates their boasts as conquerors.

Arms Sales Abroad

Havana VERDE OLIVO in Spanish 9 Aug 81 pp 12-13

[Article by Elpidio Valdivia: "The Hidden Face of the Enemy"]

[Text] The White House has just made good its motto to pay for loyalty with loyalty by opening wide the floodgates of military and economic aid for governments that have challenged the decency of world public opinion for years with an impressive record of torture and crimes.

A few days ago, the U.S. Republican administration repeated its disapproval of the so-called human rights policy of President Jimmy Carter which prohibited selling arms and giving economic aid to those regimes including the regime of Chilean traitor Augusto Pinochet.

That coup government as well as the authorities in Paraguay, Uruguay and Argentina received $483.8 million from the World Bank and the IDB with U.S. support.

The legal barriers that impeded arms and advice for these allies whose Ministries of War and Interior gloat over these awards were also knocked down.

Paradoxically, the ridiculous Republican logorrhea claiming to be do-gooders and protectors of mankind is the same as saying: judge me by what I say and not what I do.

According to the hawks in the White House, the sale of arms abroad is an "essential element" of the global defense position facing the Soviet threat and an "indispensable component" of U.S. foreign policy.

As a result of this dangerous doctrine, the leaders of the arms industry will increase their funds by the astronomical sum of $23 billion in the 1982 fiscal year which begins in October. This is merely for military sales abroad, reaffirming it as the top exporter in the world.

They will also receive some $100 billion for research, development of projects and construction of armaments under the military budget for the same period and tens of millions more for the same thing for other government agencies.

The largest military budget in U.S. history--$136 billion which is 11.3 times the 1945 budget--was approved a few days ago by Congress in order to remain the primary military power in the world.

Of this, $72.4 billion are devoted to research, development and purchase of armaments and the rest to maintenance and operations of the armed forces. It includes mass extermination weapons, nuclear weapons and chemical and bacteriological weapons.

It could be asked why the tens, hundreds or thousands of millions of dollars spent for research, development, manufacture and use by the CIA and other similar organs of subtle and extraordinarily harmful chemical, biological and bacteriological weapons are not publicized.

The unrestrained arms race, the transfer of arms and military advice to dictatorships which other U.S. presidents did not dare do and the accusing silence to the challenge presented by our commander in chief, Fidel Castro, on 26 July concerning the use of chemical and bacteriological war against Cuba are unmistakable signs of the cynical policy of the U.S. administration.

"We challenge the U.S. Government to define its policy in this field, to say whether the CIA will be authorized again or not--or is already being authorized--to organize attacks on the leaders of the revolution and to use diseases against our plants, our animals and our people," the president of the Council of State stated at that time.

The sale of arms to other countries and the funds for military expenditures for 1982 increased by 31.4 and 24 percent respectively, breaking all the records of previous administrations. This can be compared to the drastic reductions in the allocations for social sectors.

The light of human understanding helps us comprehend who benefits from the Washington arms race by converting the resources necessary to save lives into fatal instruments. They threaten the rest of the world and force them to spend enormous sums for defense.

It would be fitting to ask why, in a world where, according to UN statistical data, hundreds of millions of people have low standards of living infant deaths occur every minute and there are 800 million illiterates and 500 million undernourished, imperialism squanders billions of dollars on military machinery instead of saving a similar number of human lives.

The U.S. industrial complex, characterized by an immeasurable selfishness and great degree of monopolization, sees its existence and lucrative development conditioned by the construction of increasingly more fatal weapons and does not stint its efforts to encourage wars and local conflicts.

There are thousands of contracting and subcontracting enterprises in the United States devoted to war production. The main firms, less than 100, control almost 70 percent of the specialized orders while 25 of the most powerful monopolize 50 percent of the contracts.

Statistics show that the Pentagon gave them orders for $55.6 billion in 1977. In 1979, this increased 12.5 percent ($13.8 million more) and the first Republican military budget will double this.

They are opposed to total and general disarmament because, in a world free from the danger of war, weapons would turn into resources for the peaceful and integral development of society. If that dream materialized, it would cause the collapse of the war profiteers.

We will use facts and figures to better understand the basic reasoning of the arms manufacturers. According to Pentagon statistics, Lockheed Aircraft sextupled the contracts it received from 1957 to 1979--from $308.7 million to $1.797 billion. General Dynamics and General Electric tripled theirs from $1,127,400,000 and $916,400,000 in 1957 to $3.042 billion and $2.042 billion respectively.

McDonald-Douglas, United Technologies, IBM, Boeing, North American Aviation, Chance Vought Aircraft, General Motors, Northrup and Sperry Rands--to mention only a few--also benefit from the production of mass extermination weapons.

The net profits from military production are much higher than those of civil industry and keep growing. Each year the percentage of the million-dollar profits increases with the perpetual increase of expenditures for war production.

The 1957 U.S. budget allocated $17 billion to the Pentagon; of this, $5.815 billion or 34 percent was paid to 12 monopolies in the industrial military complex which had an average of 17.9-percent profit or $1,049,900,000.

In 1973, the profits were estimated at more than 56 percent compared to civil industry which barely reached 10 percent.

The sale of arms abroad is part of the U.S. world strategy to confront the so-called "security problems" presented to the Armed Services Committee of Congress in 1981 by Gen David C. Jones, chairman of the Joint Chiefs of Staff of the U.S. Armed Forces.

"Military power counts in a world where the use and potential use of decisive military power can influence policies, alignments and actions," Jones said.

This explanation permits us to easily understand the objectives of the Republican team when, using all available means, it tries to militarily strengthen its friendly governments despite their "criminal record" toward mankind.

Analyzing the situation in our hemisphere to support his request for more military funds, General Jones emphasized: "Cuban military ties with the Soviet Union and the development of the Soviet air and naval presence in Cuba represent the most significant military threat to U.S. security interests in the hemisphere."

According to this Pentagon leader, this "threatens the collective security of the region." To defend it in the Western style of contemporary "armed cowboys," surrounded by their dreams and nightmares, the present administration hurries to increase economic and military aid to the Christian Democrat junta of Jose Napoleon

Duarte--which has murdered thousands of Salvadoran patriots thanks to the flow of arms, explosives and U.S. "counterinsurgency" advisers--and to other dictatorships in the hemisphere.

The increase in military sales will be directed basically toward the areas whose security is of primary importance to the Republican team: the Middle East, Central and South America, the Caribbean and parts of Africa and the Far East.

The CIA plans recently denounced by distinguished Colombian writer Gabriel Garcia Marquez are equally dangerous. These are related to Yankee interventionist negotiations between Venezuela and Colombia in order to reconcile their mutual interests and to have each one permit arms to be shipped to the other. In that way, they can "balance" Cuban military power in the Caribbean.

Could there be another explanation for Venezuela's acquisition of 24 to 36 F-16 fighter-bombers and interceptors?

The human, scientific, energy and economic resources squandered by the United States and other allies on the arms race could solve the evils that afflict mankind, especially in the so-called Third World where there is not enough food, medical care, sanitary installations, educational facilities, mass transportation, housing, recreational means, etc.

The amount spent on only one strategic bomber--$80 million--could build more than 60 preuniversity schools with capacity for 500 students each like the Eusebio Sanchez Dominguez School in Abreus, Cienfuegos. Or it could build five surgical and training clinic-hospitals like the Celia Sanchez Manduley Hospital which opened this year in Manzanillo, each with 630 beds and the capacity to treat 1,584 patients a day.

UN statistical data show that $40 billion are needed to eradicate hunger, disease and illiteracy from the face of the earth.

In 1982 alone, the Pentagon will waste three and a half times that figure on the arms race. This would be enough to eliminate those evils and build schools, hospitals, houses and factories that would solve the problems of more than 200 million needy people.

The United Nations and the peace-loving countries headed by the USSR try to achieve general and complete disarmament while Washington races on and drags other nations along in its frantic military competition.

From World War II until today, the United Nations has adopted about 300 resolutions devoted exclusively to the problem of disarmament, seeking--among other objectives --to free funds and resources for humanitarian projects.

The war pyre fed by the hawks is a good example of their military doctrines that deprive mankind today of the necessary resources to eliminate the apocalyptic evils that afflict it.

There is an undeniable truth: times change. The present international reality is no exception to that philosophical maxim. It is a new version of a well-known children's story. Now the ferocious wolf is afraid and seeks help from the other beasts of the jungle to protect it from peaceful Little Red Ridinghood.

Anti-Cuban Campaign

Havana VERDE OLIVO in Spanish 23 Aug 81 pp 14-15

[Article by Elpidio Valdivia: "Essay on a Strategic Failure"]

[Text] Once more the strategists in the White House, the Pentagon and the CIA combine plans to justify the increased diplomatic, military and political campaigns against Cuba.

A few days ago, top U.S. representatives were very concerned because--according to them--the Soviet Union was delivering unprecedented quantitites of weapons to Cuba. They included a conventional submarine, a 2,300-ton frigate, 15 gunboats and airplanes. They added that this increase changed the FAR, giving it offensive capabilities beyond the coasts, endangered stability in the Caribbean and other arguments along that line.

They added the opinion that Cuba creates "two strangulation points" on the two entrances to the Gulf of Mexico and dominates the Straits of Florida on the north and Windward Passage on the east. They also said that the ocean routes in the area are vital for the United States because 65 percent of its oil, 60 percent of the bauxite and almost 100 percent of other very important elements and minerals cross the Caribbean Sea.

Earlier, when testifying before a congressional committee, Gen David C. Jones, chairman of the Joint Chiefs of Staff, said: "As a result of Cuba's proximity to vital maritime routes, the Soviets and the Cubans might feel tempted to impede the movement of troops, supplies and raw materials in the Gulf of Mexico or in the Caribbean in times of war and attack key installations in the area."

Leading another angry anti-Cuban attack by the Republican team, General Haig, in a speech to the U.S. Bar Association in New Orleans, Louisiana, last week, repeated speculations about the "excess" of weapons received by Cuba and developed a new thesis.

He said: "That armament level is in no way designed to serve only the needs of the Cuban Armed Forces" nor is it justified "facing any potential threat (against Cuba) from this hemisphere."

The secretary of state's rhetoric demonstrates that he has a very bad memory or suffers impaired faculties which keeps him from seeing and hearing reality which is diametrically opposed to what he says.

The 20-year history of harassment and aggression against the Cuban revolution leaves no room for mistakes about who threatens whom in this part of the world.

If two decades are not enough, it would suffice to recall only the most recent U.S. military activities that directly or indirectly include Cuba among its potential objectives.

Aren't the constant U.S. military activities around our island and in the illegally occupied territory of Guantanamo--like "Defex," "Reader," "Unitas," "Ocean Venture," "Solid Shield" and many other secret maneuvers, all with great deployment and demonstration of force--serious provocations, threats and dangers for Cuba?

Data from the Institute of Strategic Studies in London indicate that in 1980, the U.S. Armed Forces had more than 2 million men in arms, counting reservists. There were up to 30 different divisions, more than 1,650 intercontinental ballistic missiles with nuclear heads emplaced on land and submarines, thousands of airplanes of every type, more than 1,000 warships including dozens of nuclear ships, more than 300 transport and landing boats and many other military resources.

Isn't it ridiculous to state that the top imperialist military and nuclear power in the world feels threatened by one small frigate, a conventional submarine and the armed forces of a country whose economic potential, territory and population are incomparably less than its own?

It is obvious that the United States has no right to get involved in the internal affairs of Cuba, a sovereign and independent state, and to dictate what arms and how many arms it can have to defend itself from the hostile policy of a powerful and aggressive neighbor.

So far this year, hundreds of warships and several aircraft carriers, along with thousands of U.S. Marines, carried out training programs near Cuba.

These troops include the Caribbean Sea Contingency Force created in October 1979 after the failed pseudocrisis promoted by the Carter administration concerning the presence of a small contingent of Soviet military instructors on Cuban soil.

Based in Cayo Hueso with the principal mission of "defending U.S. interests and controling and directing" the actions of its armed forces in the region, its chief, Rear Adm Robert P. McKenzie, is now carrying out aggressive programs in the multinational maneuver "Ocean Venture-81."

Now they are carrying out the combined air-naval maneuvers "Unitas XXII" in which they sail around the Americas with the armed forces of Colombia, Venezuela, Brazil, Argentina, Uruguay and Chile, among other countries. These maneuvers will last until October.

With seven members of NATO, Spain, Portugal and some Latin American countries, they are carrying out the largest U.S. military maneuver since World War II: the mentioned "Ocean Venture-81."

A spokesman for the Atlantic Command announced that that multinational practice would involve 120,000 soldiers, 250 ships and some 1,000 airplanes in demonstrations and a massive movement of amphibious troops from the Atlantic to the Mediterranean and vice versa. It has the double objective of carrying out the planned

relief of the forces presently assigned to the Sixth Fleet in that area and testing its ability to make naval reinforcements.

The date of the naval exercise is from July to September. It reached its greatest intensity on 1 August and its maximum point this week when it extended to the Caribbean, the Mediterranean and the Baltic Sea, the waters off Norway near Soviet territory, the North and South Atlantic and the coasts of some participating countries.

It has just essentially completed the Caribbean stage of this dangerous war game which is a provocation against the progressive forces of Central America and the Caribbean--primarily Grenada and Cuba. This is clearly established in the tactical idea for the exercises.

According to the feverish imagination of the Pentagon strategists, the invented "situation" focuses on "Amber" Island which has an army of 2,200 soldiers and sovereignty over the "Amberine" Islands. It exports terrorist activities and holds 30 "honorable" U.S. citizens hostage, condemned to death by the government of that ficticious country.

Another expansionist nation, "Orange," has regional goals supported by "Red" which allegedly promotes political instability in the region.

The similarities are obvious. Grenada has an army estimated by Pentagon intelligence and the CIA at some 2,000 men. It has sovereignty over the Grenadine Islands and U.S. officials have repeatedly accused it of exporting terrorist acts.

Cuba shows up as the country that maintains excellent relations with Grenada ("Amber") and the Soviet Union ("Red"). The dynamics of the mock battle could not be more obvious. By publicizing it, U.S. news agencies like the AP unintentionally offer unequivocal proof of the aggressive plans of the Pentagon against Cuba, Grenada and other sovereign countries in the area. The need for the Cuban FAR to have modern and effective means to resist, repel and defeat aggression that can only come from the Pentagon and the CIA is also obvious.

On 6 August, the naval component of the Caribbean Contingency Force went to sea from its bases on the U.S. eastern coast and met the British and Dutch ships participating in "Ocean Venture" in the Atlantic. They went in convoy--some 20 warships--toward the Puerto Rican area.

Continuing the ficticious situation, when the naval detachments approached the Puerto Rican beaches--including the island of Vieques--3 days later, more than 300 special troops, Green Berets, in the 75th Army Ranger Battalion flew from California to Vieques. It was selected for its geographic similarity to "Amber." They landed by parachute with the mission of rescuing the "hostages" about to be executed after diplomatic negotiations for their release had failed.

After the Marines landed, they would be relieved by a regular army contingent and the National Guard which would land by helicopter. They "overthrew" the government and installed a new team favorable to Washington and opposed to those who permitted the alleged hostage crisis.

A detachment of Dutch "Marines" also participated in the naval landings on the Puerto Rico-Vieques range.

"Amber" was defeated and controled, according to their fantastic plans, through actions that were filled with errors and fatal accidents in spite of the fact that they were carried out on beaches and territories that no one was defending. Then another chapter in their freakish political fiction began: the capture of "Orange."

Last Saturday night, an amphibious group that included the LPH-9 helicopter carrier "Guam," a landing dock, two tank-landing ships, a reinforced Marine battalion and the covering naval units advanced "secretly" toward Guantanamo Naval Base. It was already mobilized under combat alert and in complete combat readiness in the third and largest defense exercise this year--"Defex 3-81"--as part of "Ocean Venture."

The invasion and dreamed-of conquest of "Orange" began at dawn on Sunday with an amphibious landing of a Marine company on Playa Molino on the eastern coast of Guantanamo. Three other companies, launched from helicopters at different points in the interior of the Cuban territory illegally occupied by the Yankee government, participated.

In order to protect the lives and property of U.S. citizens threatened by "Orange," a pretext already used in its punitive aggression against many countries, they simulated an evacuation.

They transferred some 400 civilians to the dock area of Guantanamo Base, made them board the helicopter carrier "Guam" and take an unwanted trip along the Cuban coasts of the illegally occupied area, pretending that they were going to Jacksonville, Florida.

The details of the invasion of Grenada and Cuba, expressed with apparent calm by the chief of the Guantanamo Base, Captain Fitzgerald, and the chief of the contingency force, Rear Admiral McKenzie, do not constitute any potential threat to Cuba "from this hemisphere" according to the proclaimed concepts of the Republican team.

Nevertheless, their innocent war games have as loud a tone as the colors attributed to their hypothetical rivals.

Since the United States has considered the Caribbean a U.S. lake where its gunboats repeatedly imposed the law of the strongest for about a century, "Ocean Venture-81" has the sad result of reminding the peoples in the region that this policy of the big stick--this time without a carrot--is being reactivated at its worst by the Republican administration in the White House.

Facing these threats which are much more real than the dangers that the arms acquired by Cuba can represent for the United States, it is unnecessary to explain the obligation of the Cuban revolution to be prepared to defend the conquests of its people.

In Fidel's words, "the enemy that comes here will not have a front. The front will be everywhere: over, under, behind, in front, wherever."

Because of this determination--already demonstrated in each previous attempt to destroy revolutionary Cuba--it is not unusual that the United States is testing a certain strategic failure--"Ocean Venture-81"--ahead of time.

7717
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AFGHAN POLITICAL PROBLEMS BLAMED ON U.S., CIA

Havana VERDE OLIVO in Spanish 23 Aug 81 pp 18-19

[Article by Armando Lopez Rivera: "Who Directs Conspiracy?"]

[Text] Give a liar a chance and he will try to change a jackal into an eagle, according to an old Afghan saying. This folk wisdom is usually evoked when the inventions of imperialist and Beijing propaganda intended to distort the reality of the Democratic Republic of Afghanistan are heard or read. Or when they try to present the criminal actions of the counterrevolutionary bands that infiltrate from the border areas of China and Pakistan as a "popular movement."

Proimperialist news media call the seditious scum--landowners, some clan and tribe leaders, bourgeoisie and usurers, mercenaries and illiterate peasants deceived by propaganda--"patriots." They present dynamite attacks on hospitals and schools, the shooting of students and members of the People's Democratic Party of Afghanistan and other terrorist activities as "heroic" actions. The Chinese press, in chorus with the Western media, calls the efforts and peace initiatives of the USSR and Afghanistan "pure hoax" and "propaganda maneuvers."

These propaganda attacks are nothing new.

The April 1978 revolution destroyed the feudal system in Afghanistan, a Central Asian country which is considered among the poorest and most backward in the world. The process of revolutionary transformations aimed at overcoming the backwardness inherited from the deposed regime started immediately.

At the same time, feudal and bourgeois forces resisted losing their privileges. After fruitless attempts to subvert the newly established order, they fled abroad where they received political, military and financial aid from imperialism, Chinese hegemonism and Arab reactionaries.

As a prelude to the Beijing animosity toward democratic Afghanistan, Hua Guofeng visited Iran in 1978 and asked the Shah, who was still in power, to oppose the consolidation of popular power in the neighboring country.

It was perhaps one of the first signs of the international conspiracy aimed at destabilizing the regime and restoring the feudal-monarchical order. Washington was leading the subversive plan as the main organizer and inspiration and, as was to be expected, the leaders of Beijing were at its right hand. A special CIA group

directed by Robert Lessard and based in the U.S. Embassy in Islamabab was in charge of coordinating anti-Afghan actions.

Peshawar: Center of the Counterrevolution

Peshawar, a Pakistani city near the Afghan border, became the center of the counterrevolution and base for military actions against the Kabul regime. Some 30 camps and 50 support points were quickly organized where Chinese, U.S., Pakistani and Egyptian specialists train and arm the seditious groups which then infiltrate into Afghanistan.

A torrent of modern weapons for the counterrevolutionary bands started to flow from China to Pakistan: "ground-air" missiles, mortars, recoilless rifles and guns including the AK-47 automatic. The main supply routes are the Karakorum highway, a strategic highway that joins northeastern Pakistan and the Chinese province of Xinjiang, and the Pakistani ports of Cachemira and Gwadar.

In Xinjiang, Chinese instructors train bandit groups, saboteurs and spies for the "undeclared war" against the Afghan regime. Two pro-Maoist groups, Shoaleye Djawid and Sorkha, and two reactionary organizations, Musulman Brothers and Hezbe Islami, are also involved. They all participated in the organization of the bloody events of Herat (March 1979) and in Kabul (February 1980).

Behind the anti-Soviet and anti-Afghan hysteria exacerbated by Beijing lies the expansionist intention of the Chinese leaders at the expense of Afghan territory. Afghan lands have always been one of the main objectives of the expansionist policy of the feudal sovereigns of the Celestial Empire along the so-called "silk route" that connected eastern Asia with central Asian countries.

Therefore, it is not surprising that the mainland Chinese chauvinists consider that territory "land lost by China." They include it on the maps as part of their fiefs and demand "ancient historic rights."

They show special interest in the Afghan province of Badakhshan which borders the USSR and China. Its border with China extends along 70 kilometers, each kilometer a base of aggression against Afghanistan.

Afghanistan was the main topic in the talks held in January 1980 between Chinese leaders and former U.S. Defense Secretary Harold Brown. On that occasion, U.S.-Chinese actions against Afghanistan were negotiated. Beijing promised to increase arms supplies to Pakistan and to the counterrevolutionary bands and, in exchange, Washington gave permission to sell its new allies technical equipment for military use.

Although the Carter administration tried to camouflage this interference, the new tenant in the White House, Ronald Reagan, defiantly removed the mask and announced the decision to increase arms supplies to the rebels.

When security organs in Kabul have arrested saboteurs or defeated the counterrevolutionary bands that infiltrated Afghan territory, they have confiscated U.S. and Chinese weapons, explosives, portable radio transmitters, false documents, leaflets,

magnetic tapes with antigovernmental recordings and large sums of U.S., British, West German and Pakistani currency.

Chemical weapons made in the United States have been confiscated. The authorities showed the international press grenades filled with a gas known as C-S which is fatal to humans and pollutes the environment. Only a very small concentration is needed to poison and kill: 1/10,000 part of a milligram. They were marked "made in USA" and some prisoners admitted that they had been given to them before they infiltrated.

At the beginning of July, security forces and the militia deactivated a terrorist band in Kabul tied to Hezbe Islami in Peshawar. Other important counterrevolutionary bands were wiped out in the middle of July in the mountainous territory of Pagman some 30 kilometers from the capital and in different parts of the provinces of Herat, Semangan, Ghor and Tekhar. This frustrated the plans of Washington and Beijing against democratic Afghanistan.

Pakistan in Strategic Plans

Why did Pakistan become the spearhead of the aggression against Afghanistan? Its selection was certainly no accident. It has a favorable geographic position bordering Iran and Afghanistan, close to the Soviet Union, connected to China through the Karakorum highway and with close ties between Islamabab and Beijing. This leads to the conclusion that it was impossible to find a more ideal place.

Different reactionary emissaries came to Islamabab to strengthen military ties with General Zia-Ul Haq and increase the arms supply to the Afghan counterrevolutionaries in the border region. These emissaries included: the foreign ministers of the United Kingdom and China, Lord Carrington and Huang Hua respectively, and former president Carter's adviser, Zbigniew Brzezinski.

More recently, Zhao Ziyang, premier of the Council of State of the People's Republic of China, went to Islamabab and promised "firm support" to Zia-Ul's regime. In deciphering this statement, observers indicate that it means agreement about the creation of the "atomic bomb of Islam," classic arms supplies, the construction of new military installations in the Karakorum highway area and adaptation of a Chinese naval base, according to the Indian press, in the port of Karachi. There is also coordination of actions against Afghanistan which was revealed during the tour by Zhao Ziyang and Zia-Ul Haq through one of the Afghan counterrevolutionary camps. Zhao Ziyang told them about "China's solidarity."

The United States and China are paying generously for the Pakistani president's selling out. During Foreign Minister Agha Shahi's recent visit to Washington, a plan was made for the supply of $2.5 billion worth of U.S. arms to reequip and modernize Zia-Ul's army. Deliveries will be made over a period of 5 years and are aimed at converting Islamabab into the policeman of the Middle East and Southeast Asia and filling the vacuum left by Iran in the Pentagon's plans. Part of this will be used for the acquisition of modern F-16 fighter-bombers and M-60 tanks.

Beijing does not lag behind. China has supplied armaments worth $2 billion to Pakistan since 1965.

According to the specialists, the strategic objectives of this "aid" are summarized as: arming this country to the teeth and encouraging the nuclear ambitions of General Zia-Ul; opening the way to the Indian Ocean basin through Pakistani territory; playing Washington's game of establishing military bases in the region; and using the geographic proximity between Pakistan and Afghanistan to deploy counterrevolutionary subversion against Afghanistan.

The Indian newspaper PATRIOT said: "General Zia-Ul Haq promised that he would permit his country to be converted into a more active military base for operations against Afghanistan on the condition that Pakistan received sufficient military aid. In other words, he said he was ready to intensify the conflict on the Afghan-Pakistani border if the United States guaranteed the success of the military adventure."

There are plenty of arguments to demonstrate that the so-called "Afghan problem" is a fable created by Washington and Beijing for their mutual interests in the region. Their diatribes and frantic propaganda campaigns are aimed at deflecting attention from their interference and aggressiveness toward Afghanistan as expressed in the popular saying: "The liar tries to turn the jackal into an eagle."

7717
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U.S. POLICIES IN AID TO EL SALVADOR CRITICIZED

Havana VERDE OLIVO in Spanish 5 Jul 81 pp 16-17

[Article by Roberto Morejon]

[Text] Unceasing resistance and armed harassment by the guerrilla fighters and genocidal and political shortsightedness on the part of fascism's supporters--that is the most recent panorama that presents itself when recent events in El Salvador are analyzed.

Strong positions in more than half of the country's 14 departments [political subdivisions] have been maintained by the members of the Farabundo Marti National Liberation Front [FMLN]. That aspect is enough to demolish the civilian-military junta's lies aimed at making people believe that the insurgents have been hit hard.

Surprise attacks, timely retreats, ambushes, sabotage, and sporadic head-on encounters with troops from the killer army are a few manifestations of the struggle as carried on recently by the FMLN.

Chalatenango, Morazan, areas near the Honduran border, Suchitoto, and the Chichontepec Volcano have been the scenes of action by the patriots. Especially worthy of attention is the resistance they showed in the last of those places despite the heavy artillery and air fire directed at the location.

In fact, the troops sent to dislodge the detachments from the hill were forced to turn aside to Guazapa in view of the uselessness of their effort.

It is useful to emphasize those partial victories, because U.S. officials are continuing to "advise" their local counterparts, the massive entry of U.S. military equipment is continuing, and the genocidal forces continue to enjoy a logistical advantage in the form of resources, transportation, communications, and armament.

Such superiority seems to have emboldened the army's top leaders. Following Yankee orders, they have undertaken actions designed to dislodge the front's members from their supposed locations.

For every six local officers, there is one sent by the White House, and among them they agreed to order thousands of soldiers forward with the difficult mission of tracking through the thick mountain vegetation in search of some telltale trace.

The United States disregards the question of whether this costs a lot of dollars. While denying its credit assistance to Nicaragua, it opens its coffers to the greedy hands of the criminals Napoleon Duarte, Colonels Jaime Abdul Gutierrez and Jose Guillermo Garcia, and the rest of the high-ranking officers.

Contributions even turn up for the battered economy. Through the intermediary of AID, Washington will provide El Salvador with $105 million in 1981, including a big share for the private sector. A $27.2-million loan on soft terms has also been granted.

Deane Hinton, the ambassador to El Salvador, said recently that the Reagan administration is "committed to seeing that the junta is not overthrown by an armed insurrection." The human rights situation is a trivial matter--but "very bad," according to the diplomat himself. He will not engage in public activities "to denounce anyone," even when U.S. citizens are being threatened.

Considering such a lack of scruples even where its own compatriots are concerned, it is not surprising to note the attitude adopted by the State Department toward the political future. Secretary of State Alexander Haig has been one of those behind the thesis that supports "elections" scheduled for March 1982 by the civilian and military ruling assassins.

The former general in command of NATO forces has adopted the issue of El Salvador as his own. His opinions are amazingly similar to those of Napoleon Duarte. He often promotes his protege and provides "disclosures" concerning the secret goings-on in the Central American nation. Mr Haig seemingly rules the roost within the Republican cabinet when it comes to handling that situation.

It is obvious that holding elections is the biggest joke that can be played on such a massacred people. The Christian Democrats themselves predict that it will be a success if 50 percent of the inhabitants vote. It is clear from the estimates by the politicians that the other half may be dead by 1982. The prediction is not a preposterous one. We should remember the 22,000 murders committed between January 1980 and June 1981.

It is hardly likely that public opinion and the international organizations will ratify a "consultation of the people" in the midst of a situation of internal war, where there is a state of siege, a suspension of constitutional rights, a curfew at 2300 hours, a ban on meetings, the destruction of factories and stores, high unemployment, alarming emigration, and so on.

Those elections have been scheduled for the sole purpose of "pronouncing a blessing" over the fascist military who are in power behind a Christian Democratic facade. For some reason, one of the regime's spokesmen, Jose A. Morales Erlich, said: "We will hold those elections even if we do so under a hail of bullets."

Beyond the tradition of fraud, the citizens are wondering what democratic purpose is served in inviting the political parties to join the show and identify 25 of their founders and 3,000 of their members. Anyone doing such a thing would be giving the death squads--made up of members of the army--carte blanche to murder most of them.

Alexander Haig, Napoleon, and Abdul are stooping to gain time, their assumption being that while preparations are being made for the elections, they may be able to put

together suitable mechanisms for crushing the guerrilla fighters for good. But there is quite a distance between the minds of those men and reality.

That is why those same brains have opposed certain attempts at mediation by specific groups. The secretary of state and his puppets--pursuing strategies prepared by the Reagan administration--are proving reluctant to sit down at a negotiating table and implicity recognize the FMLN.

Speaking in Chile about the elections after participation by the Revolutionary Democratic Front (FDR) had been banned, Colonel Abdul Gutierrez hinted that if any political group abandoned the armed option as a means of solution--and changed its name as well--it could take part in the election.

The officer-despot was trying to create a rift in the opposition and was also following the advice of his host, Augusto Pinochet, whom he decorated, by the way, in recognition of the latter's "achievements in the defense of democracy."

Lacking international support, the civilian-military junta had sent the above-named ringleader to Chile and Uruguay to seek support for the indiscriminate slaughter. Minister of Foreign Affairs Fidel Chavez Mena flew to Argentina and obtained economic aid there.

There may have been talk of the so-called mini-Marshall Plan, a harebrained mixture of the Alliance for Progress and "justified" intervention that was thought up at the White House by advisers under Haig's command.

Drawn up essentially for El Salvador and approved by Napoleon and his accomplices, the plan is meant to resemble the plan of the same name which was implemented in Europe after World War II--but which was nothing more than an anticommunist campaign hidden behind the facade of an influx of monetary contributions. In practice, it was a massive inflow of investment capital.

Suddenly the Reagan administration is noticing the unbearable poverty in Central America and, ignoring its real causes, wants to send several thousand dollars--while also facilitating the work of monopoly capital.

In so doing, it would also be insuring political preparations for and even the "justification" of later military intervention in case the persistent Yankee interest in neutralizing the area's national liberation movements were to fail.

For some reason, Mexican President Jose Lopez-Portillo stated that he would agree to help with contributions to the development of the areas in question--but with no prior conditions--if the contributions would satisfy the hopes of the peoples.

To date, that seems to be the latest revelation concerning Yankee machinations in the attempt to interfere even further in that convulsed region. Again the brains of Haig and his advisers and the approval of Napoleon, Abdul and other puppets are joining forces in a stratagem directed against the true and just aspirations of millions of human beings.

11798
CSO: 3010/1803

U.S. DESTABILIZATION EFFORTS IN GRENADA

Havana VERDE OLIVO in Spanish 2 Aug 81 pp 18-19

[Article by Roberto Morejon]

[Text] The facile use of tendentious adjectives is a congenital defect of capitalist press agencies. In the case of Grenada, that small spot of land in the eastern Caribbean, the cloak-and-dagger correspondents are working the game of facile labels to death in their constant inclination to confuse the reader and tell him indirectly who is "bad" or "good" according to the AP, UPI, AFP [FRENCH PRESS AGENCY], and so on.

When the ordinary analyst observes a reiteration of that sort of epithet--which violates the strict rules of journalistic grammar--he must immediately associate that fact with the internal situation of the country or government in question. Imperialism is surely working to discredit it.

That is what is happening in the case of Grenada. While the multinationals of misinformation confuse things, the CIA tries out different variants of destabilization, interfering openly in the internal affairs of a sovereign nation.

The press media and the crime organization have recently stepped up their actions against the tiny island. Prime Minister Maurice Bishop has denounced a plan prepared in all its particulars by the central espionage organization and aimed at overthrowing his government. The prime minister drew attention to the special features of that foolhardy attempt in comparison with others before it.

According to the investigation, this time the local reactionary agents did not seek external support for their machinations. Instead, the Yankee agency itself sought out the local pawns.

A group of 26 people--landowners, merchants, exploiters, reactionary lawyers, and corrupt union officials--sponsored the publication of a weekly newspaper calling itself THE VOICE OF GRENADA. Its purpose was to become a fifth column in the midst of the revolutionary process.

According to Bishop, the first part of the plan consisted of publishing libel, and then, following the government countermeasures that were sure to come, of encouraging strikes and disorders capable of sowing violence and thus clearing the way for a mercenary invasion.

The rapid closing of the publication, the people's demonstrations in support of that decision, and the determined statements by the prime minister in denouncing the plot took the wind out of the conspirators' sails, several of whom could hit upon nothing better than accusing the authorities in St George's of alleged violations of "freedom of the press."

That story has been seen in too many other places to be considered original. The individuals involved in the maneuver belonged to something called the Grenada National Party for Reconstruction and Freedom. Despite its pompous name, they have not reconstructed anything in recent months--on the contrary, they have, with their counterrevolutionary pamphlets, done quite a bit to destroy the existing order.

Before the weekly newspaper was launched, Ashley Wills, first secretary in the U.S. Embassy in Barbados and identified by many as chief of the regional CIA station, visited Grenada's capital and made known his government's conditions for a supposed improvement in bilateral relations. He also held suspicious meetings with several of the newspaper's publishers.

All of that background information reveals how Washington has been working around the island's authorities in recent months. The movements mentioned throw light on the most recent attitude in the White House in connection with measures aimed at implementing the so-called mini-Marshall Plan. That name has been given to blossoming cooperation aimed at Central America, but the United States obviously wants to restrict it solely to its friends and to deliver it after being convinced of the recipient's loyalty.

When the White House approached Canada, Venezuela, and Mexico for help in making up the contributions, it found objections to the design of the project. Mexico, with the characteristic honesty of its foreign policy, agreed to help the region's underdeveloped nations, but without attaching any political requirements.

A meeting of foreign ministers from the four countries, held recently in the Bahamas, revealed the differences on that point and emphasized the failure of the Yankee machinations aimed at eliminating Grenada and Nicaragua from the list of recipients.

Not a month passes without the White House ideologists rehearsing plans to besiege the small island, which is "guilty" solely of choosing a government that defends independence and nonalignment. They want to stifle the example, but they cannot.

After objecting to the idea of contributing to construction of a new airport--which is indispensable for economic development--the Reagan administration promised last June to deliver $4 million to the CDB (Caribbean Development Bank) only if it was guaranteed that the authorities in St George's would receive no part of it. The CDB finally refused the aid on such terms.

The concern to cut off Grenada's sources of funds stands out in contrast to the specific instructions being received by Yankee bankers and tycoons to invest in Jamaica following the delivery of some $980 million to Prime Minister Edward Seaga, in whom Ronald Reagan himself has exceedingly great confidence.

But all those measures aimed at asphyxiating Bishop's government economically and politically have been checked by certain obstacles located in Washington's path--basically the visible increase in citizen support for the measures decreed by the prime minister.

In addition, the recent holding of a conference of CARICOM foreign ministers in St George's marks an important step by the tiny Caribbean states toward refusing to let ideas of external or internal policy be imposed on them by imperialism.

Rumors of various kinds were started by the reactionary forces to the effect that the conclave would be suspended. The opposite occurred, and those attending renewed their commitment in favor of the community and of regional exchange. They also favored the reopening of dialogue following the indefinite postponement of a similar meeting that was to have been held at the end of 1980.

That favorable Caribbean context formed the setting for the establishment of the OECS (Organization of Eastern Caribbean States), which was set up recently by Saint Vincent, Saint Lucia, Dominica, Montserrat, Saint Christopher-Nevis-Anguilla, Antigua, and Grenada.

Urgent economic needs, inflation, and unemployment have led the English-speaking islands to set up another structure--which does not exclude CARICOM--capable of formulating urgent solutions in view of the unequal trade with their traditional markets.

For Grenada, such measures constitute a path destined to overcome a certain lack of confidence on the part of its neighbors based on Yankee lies concerning the revolutionary process there.

It is certain that the small states will be able to solve some of their many problems if they group themselves around their common aspirations. In that way as well, they will stand up to the imperialist diversionary tactic of "divide and conquer."

11798
CSO: 3010/1803

WORK OF FAR'S SPECIAL ELECTORAL COMMITTEE REVIEWED

Havana VERDE OLIVO in Spanish 19 Jul 81 pp 56-57

[Text] The work done by the Special Election Commission of the FAR, with a view to the election of delegates to the municipal people's government assemblies in the special election districts of the FAR was analyzed recently in the presence of FAR personnel who are members of the provincial election commissions and members of the election process support commissions in the various commands.

During this activity, the representatives of the various provinces and the special township of the Isle of Youth made announcements regarding the number of special election districts in the FAR which were created in their respective territories and reported the number of election areas and boards that will be created on the basis of the principle of bringing the board to the voter in order to avoid unnecessary travel.

The members of the election process support commissions, which had been created in the various commands, then reported on the organizational measures which are being taken to guarantee the success of this important task and they stress the extensive work of agitation and propaganda which is being done in all units with a view to mobilizing the personnel to achieve their conscious participation in the process of electing delegates to the local people's government organs.

In addressing the meeting, held in the Central House of the FAR, Lt Col Eustaquio Izquierdo Miranda, the vice chairman of the Special Election Commission of the FAR, talked about the main task that must be accomplished between now and the time the elections are held.

He noted that the students at the Military Training Centers will participate in the election process in their respective places of assignment in September when they return from their vacations; this is why they should not turn up right now on the voter lists in their places of residence.

Elsewhere in his address, he talked about the candidate nomination meetings which will be held between 1 and 20 August and he stated that these meetings must have a high attendance percentage which is why it is necessary to step up the agitation and propaganda work so as to mobilize all personnel.

Two Opinions

During one of the breaks in the course of the meeting, we managed to exchange some opinions with lt cols Fernando Udaeta and Alfredo Alvarez, both of the Central Army.

Concerning the propaganda and agitation work relating to the election process, Lieutenant Colonel Alvarez informed us that all pertinent measures have already been taken to carry out a broad activity program so as to make sure that the message will reach every fighting man.

"The election process," he told us, "is very important for the entire country and therefore also for our Revolutionary Armed Forces.

"This is why our army from the very first moment on decided meticulously to do the entire job of propaganda and agitation, employing various forms in accordance with our possibility.

"For example, the political sections in our units have begun to hold conversations, talks, question-and-answer sessions, etc., where we analyze each of the aspects of the election process for delegates to the people's government organs in a nice but at the same time thorough fashion."

"How is graphic propaganda being used?"

"In accordance with the agitation and propaganda plan drawn up by the Central Political Directorate of the FAR, we are preparing photo exhibits which in a synthetic fashion will show some of the most relevant experiences in earlier elections."

"But that is not all," he added. "Our army's information organ, the periodical EN GUARDIA, has already begun to disclose everything relating to this important activity which is approaching, through its pages.

"This effort is furthermore being boosted through the use of posters and slogans as well as through the reading and study of articles in our Socialist Constitution which mention the election system."

Lieutenant Colonel Udaeta talked to us about the organizational work that was done: "Since the month of June, when we began to work on everything dealing with the preparation and organization of the elections, we have been carrying out a series of efforts in that direction.

"Initially we tackled the task of making the corresponding proposals with a view to the creation of special election districts. We established the election process development commission of the army and we designated the activities on the various echelons on which we have already held several meetings in the course of which we spelled out the most important guidelines for our work. During the meetings held with the chiefs of the political sections and the deputy chiefs for political activities, we took up topics dealing with the indications given by the Central Political Directorate and other questions relating directly to the entire process. As part of our initial organizational effort we also drew up specific guidelines intended to guarantee the best possible attendance at and quality of the candidate

nomination meetings and we are currently working to make sure that the personnel movements, resulting from the accomplishment of various combat training tasks, will affect the successful development of these meetings as little as possible. We believe that the work we must do demands great organization and cohesion on the part of all of us who are involved in this effort.

Nevertheless, the Central Army, as in handling all other tasks, will likewise accomplish this task with the kind of quality and enthusiasm that has always characterized all of its personnel.

5058
CSO:3010/1805

FAR CIVILIAN WORKERS MEETING ON EDUCATION GOALS

Havana VERDE OLIVO in Spanish 2 Aug 81 p 56

[Article by Hilario Pino y Brizuela: "Ninth-Grade Education for Military Construction Workers"]

[Text] The auditorium of the "Angel A. Aballi" Hospital was the scene for the general education meeting of the SNTC-FAR [National Union of Construction Workers--Revolutionary Armed Forces] in the Military Personnel Construction and Billetting Sector. The central topic of this event was the development of the battle for the ninth grade.

The report presented on that occasion was characterized by its profound critical and self-critical approach. The delegates enthusiastically and aggressively in the course of various remarks expressed their determination victoriously to accomplish this important educational task.

Several pledges were adopted in this connection and the most important ones included the following: to develop an extensive propaganda effort aimed at making sure that all workers will be familiar with the ways and possible alternatives through which they can obtain a ninth-grade education; in each center, to analyze the possibility of opening classrooms, including review sessions; to update the school attendance census for 1979 and to involve all labor union leaders, who do not have a ninth-grade education, in this study effort.

Lt Col David Publio Morales, as well as the leaders of the SNTC-FAR in that sector, Hector Suarez Lopez and Juan Arrieta Lopez, also occupied seats at the head table.

Graduation

A large group of militants from the party and the UJC [Union of Young Communists], from the Military Personnel Construction and Billetting Units, recently completed studies corresponding to the basic and middle levels of the party education system.

During the simple graduation ceremonies for the third middle course, Capt Juan Carlos Garcia Rodriguez told the graduates: "The course you have just completed will enable you to do much more efficient work in the struggle against the manifestations of bourgeois ideology and in the effort to educate our militants and the masses as a whole, in addition to doing more efficient organizational and practical work."

The number of comrades who will register for the courses scheduled to start in September will constitute an overfulfillment of the target in accordance with the pledges made by the militants for the second year of the 1981-1985 5-year term.

5058
CSO: 3010/1799

WORK OF ANTIAIR DEFENSE TROOPS DESCRIBED

Havana VERDE OLIVO in Spanish 19 Jul 81 pp 28-29

[Article by Domingo Orta Vera: "Sleepless Shilka Operators"]

[Text] "It doesn't matter if the enemy gets up early because the antiair defense forces do not sleep." This paraphrased expression has become a symbol. It goes further than that laconic aphorism and shows its full magnitude when it is spoken as the motto of the guardians of the national sky.

Actually this sky, this land and this flag will never be unguarded. The men who have been assigned the noble mission of preventing an air attack from the enemy and combatting one if it occurs are untiring in their duty. They prefer to sacrifice their hours of rest to guarantee the sleep of all the people.

The 57-mm guns, the "four mouths," the Shilkas and the entire arsenal of the Antiair Defense Forces of the Land Troops always watch the horizon.

Greeting to Each New Dawn

The members of a Shilka battery greet the new day well before the last rooster crows or the dew on the camouflage leaves disappears.

Their morning greeting goes out on the radar waves that meet the rising sun and embrace it. They return quickly to their starting point when there is an intruder, bringing the necessary calculations to destroy it. The rest is the work of the automatic systems and trained personnel willing to give their all so that our sky is not violated.

The automatic accompaniment of the target until it enters the firing zone can be ordered. Then the four guns, in unison and with an incredible speed, will spit out their hatred of the invader.

Giving orders in such cases when time is marked in seconds and supersonic speeds do not even permit "blinking" is a great responsibility. That is the reason the Antiair Defense Force must have great mastery of themselves and quick reactions.

As the brain of the battery, a young officer at the command post receives telephonic signals, communicates with the installations and starts the rest of the

corps operating. He is the chief. His name is Omar Triana and his creed is to be demanding and make the best use of the technology and personnel.

Our conversation verified the tactical ability of this graduate of the Com Camilo Cienfuegos FAR Artillery School. We "initiated combat" with several questions in the same direction. The answer came quickly.

"I maintain three firing stations and have one guard to keep an enemy maneuver from surprising us from behind."

We "withdrew" in time, convinced that military cunning is as important in a chief as basic knowledge.

Without Wasting a Minute

Today is a clear, sunny day, typical of our Cuba. In a sky devoid of clouds, there is a faint sound of airplanes maneuvering. They are ours. It is necessary to use this opportunity to train the operators in search and location of targets!

This is a practical and appropriate solution to approximate training conditions to combat conditions.

While one installation remains on combat guard, the remaining equipment stays camouflaged. There is practice for time standards, classes in the material and firing part and the political training program.

At any given moment, it is possible to hear the sound of a turbine being connected, the "clack" of the gun barrels taking combat position and see the turret turn quickly and the "four mouths" go up and down.

It is also possible to hear orders to uncover the installation and take combat positions. Muscles are mobilized, movements are coordinated and the equipment is in hand.

Throbbing Memory of Bay of Pigs

When talking of synchronization and good work, the No. 4 team must be mentioned.

Felix, Carlos, Tomas, Alberto and their beloved machine are ready to show what they have learned, not only for the camera but for any aggressor.

Their young and determined faces on which the hair on their upper lip is barely visible make us involuntarily go back 20 years.

Only a few weeks ago, the antiair forces celebrated the 20th anniversary of their specialty, created in the midst of the Bay of Pigs fighting. The unanimous response to a question on this topic is no accident. "We are proud of our appointment; we will try to be faithful continuers of the traditions of the founders of this branch."

Sgt Third Class Carlos Borreli Rivero told us: "I have assimilated the technology well and I feel confident with it." This brings a nod of approval from 2nd Lt Felix

Stable Cesar, installation chief. Referring to Sgt Third Class Tomas Perez Ulloa, the youngest on the team, Felix exclaimed:

"He is a good soldier and an example of how much can be done in a little time."

PFC Alberto Beltran Varona, mechanical driver and member of the UJC [Union of Young Communists], referred to the support the youth organization gave to the tasks of the small unit.

"Life in our base committee thrives under field conditions. This is necessary. We will offer the greatest support possible to the camouflage and combat guard tasks. In this way, mobilization of soldiers to fulfill the assigned mission is achieved."

Our stay with the guardians of the sky came to an end. The refrain of a children's song came to mind:

"Let the sun always shine.
"I want there always to be sun
"And also sky."

There will be sky over our fatherland, a clean sky devoid of enemies, because the Antiair Defense Forces do not sleep.

7717
CSO: 3010/1806

MANEUVERS OF COMMUNICATIONS TROOPS SUCCESSFUL

Havana VERDE OLIVO in Spanish 2 Aug 81 pp 34-37

[Article by Pablo Noa: "Signal 'Proton'"]

[Text] Sea, Sun, QSA, over.

Sun, Sea, QSA 5, receive radiosignal "Proton," over.

Sea, Sun, received radiosignal "Proton," over.

A few minutes later, the complete unit formed a column to quickly reach the point of departure. This was the beginning of the special tactical maneuvers to end the instruction period.

The maneuvers of the communications troops have specific characteristics based on the duties that these troops carry out in combat actions.

"When there is a march and when engaging in combat in the case of encounter, the communications troops must guarantee transmission to the superior chiefs. They must also obtain timely information about the combat security and the existing situation.

"The assignment of missions to small vanguard units and the firm and uninterrupted command of combat actions are two main things that communications must ensure."

Maj Jesus Tabares Hernandez explained this to us. He has been in this specialty for several years and studies constantly "because I always have something new to learn."

This maneuver ended the study meeting of a large group of reservists in this communications unit of the Western Army.

While he drove his vehicle to the assigned area, reservist Alberto Borrego told us: "It becomes something like a final exam in which it is necessary to demonstrate the theoretical and practical knowledge received in the classes they gave us."

"The attitude of the mobilized reservist comrades has been very good," added Major Tabares. He immediately pointed out that, during the study meeting, work relations

between reservists and permanent members of the unit were strengthened as was coordination leading to improvements in different aspects of the unit.

We Are in the Field

The order to deploy the equipment and establish radio and wire communications came as the entire unit settled in. For many, this is the decisive moment in the maneuvers.

"If skill and ability are not used in the deployment of the stations and other equipment, the correct fulfillment of the stipulated jobs and norms will be endangered."

Sgt Third Class Rodolfo Landin Banzo stated this while moving carefully from one side to another with the rest of the crew. Then they reported that they were ready.

Sergeant Third Class Landin, a 21-year-old man from Havana, stated that he greatly appreciated communications, particularly because of the work it was doing.

He indicated: "I have been in communications units since 1976 when I entered the FAR. In that time, I have not only been an equipment operator but I have held positions as station and platoon chief. Nevertheless, although these have been stimulating factors for me, there have been other moments that are unforgettable. I am referring to when I was elected a member of the UJC, an organization in which I have held leadership positions, and the times I have been named vanguard in socialist emulations. This has happened three times at the army level and once in the FAR. Now I hope to do it again. They already chose me in the first period."

To a question about his stay in the FAR, Sergeant Third Class Landin explained his satisfaction in the knowledge attained and "the positive effect on general formation and the military training of Cuban youths."

After Deployment

After all the communications were established, systematic work with security, under difficult conditions with the direct influence of "enemy forces" and the indiscriminate use of mass extermination weapons and aviation, among others, began.

There is a lot of activity at the command post. Maps and the necessary documents to undertake the leadership tasks that might come up are on the tables.

Orders, communiques, reports and every type of communication arrive by telephone or radio. Here we talked with Capt Alfredo Estanque and Capt Pedro Ramon Vargas.

Captain Estanque said: "Without question, the maneuvers are the best way to test the real training of the troops and their ability to carry out their assigned combat missions."

He continued: "The soldiers are taught and trained to deploy and withdraw the radio and wire communications equipment. It is coordinated by the chiefs of the small units under conditions similar to real combat."

Almost without completing the idea, Captain Estanque returned to the work table because of a communique just received.

Captain Vargas, secretary general of the base organization of the party, stayed with us. He spoke to us about the preparatory activity and the plans for measures drawn up by the party and the UJC to offer all their support to the command tasks and make the maneuver successful.

"We have done many activities: for example, talks with the personnel explaining security measures, radio discipline, rules for the march and the emulation. This was done before starting. During the alert, in the column and until reaching the place for equipment deployment, oral and written propaganda work intensified, aimed at improving the quick establishment of communications, rapid deployment and withdrawal and increased radio discipline.

"The plan for political support for the field activities includes the selection of distinguished crews and individual soldiers after the maneuver and, of course, the immediate work of cleaning, maintenance and preservation of the equipment used," Captain Vargas concluded.

End Approaches

During the combat actions, the mastery of the radiotelephonic and radiotelegraphic operators, using teletype as well as radio connections and lines, was demonstrated.

The maneuver also offered the opportunity to test the preparation and possibilities of field repair groups.

Another outstanding aspect was the participation of a group of cadets from the Military Technical Institute who practice command in this unit as squad chiefs and chiefs of radio and wire stations.

One of them, Juan Rosales Villarreal, studies the specialty of engineering for radiocommunications command. He told us: "The tie between theoretical work and practical work offers the opportunity to expand knowledge and look at what we learned in the classrooms from another angle."

Cadet Rosales ended: "We felt very good about the maneuver. The comrades in the unit offered valuable support that will lead to our better exploitation of their experiences."

During the march and in the development of combat actions, mobile communications equipment was used. During the march, the liaisons carried the orders for the small units that advanced in the main column. In the hills, liaisons were made on foot.

It was done through BTR armored transporters during defense actions and, occasionally, with liaisons.

The integral use of the communications equipment guaranteed uninterrupted command of the unit that was defending itself, greatly contributing to the success achieved in the fulfillment of the assigned missions.

End

The maneuver ended satisfactorily to the joy of the members of the unit.

Before we left, we learned that the joy and enthusiasm had a double reason. The unit had thus fulfilled part of its commitment in salute to the 25th anniversary of the FAR. At this time, they are dedicating it to the next celebration of the attack on the Moncada barracks.

Therefore, it was not strange to hear Major Hernandez, Captain Vargas, Captain Estanque, Sergeant Third Class Landin, reservist Borrego and any officer, sergeant, soldier and reservist that we met on the field repeat that phrase which is the motto of this unit: "We will always communicate; we will always fulfill!"

7717
CSO: 3010/1806

GEN CASAS REGUEIRO PRESIDES OVER MILITARY SCHOOL GRADUATION

Havana VERDE OLIVO in Spanish 26 Jul 81 p 56

[Text] Div Gen Senen Casas Regueiro, alternate member Party Political Bureau, and first deputy of the FAR minister, presided over the graduation ceremony for a large group of officers belonging to various military specialties who completed their studies at the "General Maximo Gomez" FAR Academy.

After reading the order from the FAR minister, in which he congratulates the graduates and pays tribute to the work done by the instructors and command personnel, the diplomas and medals were awarded to the most outstanding students. They are: Lt Col Alfredo Lopez (Command school), Capt Luis Borge Delgado (Command School), Maj Jose Vazquez (School of Directed Studies), and Capt Amado Moya Enrique (School of AA Defense).

Next, Capt Luis Borge Delgado spoke for the graduates.

He mentioned the effort and devotion involved in accomplishing the assigned task in the best possible fashion in keeping with the first and second congresses of the Communist Party of Cuba regarding advanced training for officers and cadres of the FAR.

"We accomplished that task and we are ready to accomplish any other tasks which our party and government may assign to us," said Captain Borge.

He stressed the role of the instructors and the support personnel who, through their self-sacrificing and patient work, contributed to the great success achieved in this course.

He concluded his remarks by expressing the readiness of each and every member to apply the knowledge acquired during the activities that will guarantee the elevation of the combat and political training level of the troops as well as care and maintenance of equipment and weapons and regarding everything else that has to do with unit activities.

The graduation ceremony summation was presented by Brig Gen Armando Choy Rodriguez who stressed the high theoretical and practical training level achieved during the course and the fact that the four best students received the reward of having their names shown on the Honor Plaque of this military training center.

"Founded 17 years ago, the Academy has long experience in training officers for our FAR," the speaker said later on and he added that "its large and highly professional body of instructors is capable of training officers and command cadres in accordance with the multilateral development demanded by the FAR."

He briefly sketched the fundamental issues which the units face at this time, including preparations to commemorate the 25th anniversary of the establishment of the FAR, the work with the equipment and weapons, and constant activities aimed at improving the general training level of the troops.

He assured his audience that "your arrival in the units is being looked forward to with enthusiasm because of the contribution which that signifies."

He also paid tribute to the work done by the Soviet military specialists who, in accord with the internationalist principles of the CPSU and the legacy of the ideas of Lenin, contributed their experience and knowledge.

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Brig Gen Armando Choy concluded his remarks by congratulating the graduates in the name of the Cuban Communist Party's Central Committee, the commander-in-chief, and the FAR minister.

5058
CSO:3010/1805

MTT COMMAND, POLITICAL OFFICERS GRADUATION HELD

Havana VERDE OLIVO in Spanish 2 Aug 81 p 55

[Article by Jorge Luis B.: "New Officers Graduated"]

[Text] The graduation exercises were held at the "General Antonio Maceo" Interservice School of the FAR for a women's course and another men's course of command personnel and political workers for the MTT (Militia Forces of Territorial Troops).

Comrade Nelida Barreto read the oath for the new officers which was ratified later on by all graduates, as they knelt on one knee.

During another part of the ceremony Lt Col Norge Gutierrez Utria announced the results achieved by the militia members, giving figures demonstrating the successes achieved by them.

Next, awards were presented to the comrades who were most outstanding during the period of instruction. They are: Lt Maria Estela Martinez and 2nd lts Hortensia Leon, Andres Hernandez, Belkis Calderon, Raul Miranda and Juana Cruz.

The concluding remarks were presented by Col Jose Palacios Suarez, commandant of the "General Antonio Maceo" Interservice School, who said that "we are highly satisfied and we feel rewarded by your stay at this school and by the knowledge that we have made our modest contribution to your knowledge as men and women capable of carrying out the assignments given by our party and government leaders."

"This graduation exercise," he added, "is of special significance because it is being celebrated in connection with the 28th anniversary on the attack on the Moncada barracks. You must march on toward the accomplishment of new missions with the same spirit as the youth of the Centenary, with valor, dedication, and selflessness."

In conclusion, he congratulated the graduates in the name of the school directorate, the political section, the organizations of the party and the UJC [Union of Young Communists], as well as the bureau of civilian workers of the FAR in the CEM [Military Training Center].

The head table also included Lt Col Alvaro Lopez, alternate member Party Central Committee, and other commanders and officers of the "General Antonio Maceo" Interservice School.
5058
CSO:3010/1799

CENTRAL UNIVERSITY'S MILITARY TRAINING PROGRAM REVIEWED

Havana VERDE OLIVO in Spanish 26 Jul 81 pp 32-33

[Article by Ramon Barreras Ferran]

[Text] To acquaint ourselves at firsthand with the military activity of a group of young people in higher education, we visited the Marta Abreu Central University's Military Training School in Villa Clara.

Thanks to the effort and dedication displayed in its daily work, the school earned the rating of "good" in the inspection of the Central Army by the Ministry of the Revolutionary Armed Forces [MINFAR].

The training of university students to be reserve officers is very recent. Established only 5 years ago, the movement now has a numerous student group eager to learn the fascinating secrets of military life.

The Villa Clara school has already graduated four classes and will soon graduate the fifth. The first group has completed its 6-month tour of active duty in central command units with satisfactory results.

Five specialties are taught, as well as several cycles of military subjects and a course in civil defense for all women students and men declared medically unfit. The work is assured by a solid group of FAR [Revolutionary Armed Forces] officers who, according to their own statements, feel very stimulated by the work they do.

Concerning the good marks awarded during MINFAR's inspection, Lt Col Rafael Sanchez Veitia, head of the school, said:

"Basically, that result was achieved thanks to correct compliance with the governing documents issued by our ministry and the efficient methodological and psychological training and high sense of responsibility among the instructors."

And he added:

"Throughout this period we have had the important support of the military command, the units stationed in the territory, the teaching authorities, and the various political and mass organizations at the Central University."

The head of the military training school emphasized that 22 classes were inspected during the checkup and that most of them earned marks of outstanding and good. Those terms refer, of course, to the training and professional level of the comrades in charge of teaching the various military subjects.

Another encouraging indicator is the fact that 96 percent of the students were rated as satisfactory during the examinations, and the quality was rated at 70 percent, meaning that that percentage of students scored more than 85 points on each test.

The head of the school continued: "Our numbers include fighters with many years of experience as fighters in the underground, at Giron Beach, and in Angola and Ethiopia and most of them have been awarded the medals commemorating the 20th Anniversary of the Attack on Moncada Barracks, the FAR, and the Victory of Giron Beach."

One aspect stressed by Lieutenant Colonel Sanchez Veitia is the preparation and didactic use of the study materials program--judged satisfactory by the Supervising Committee.

Later on he said: "Something that insures us of encouraging results is the constant methodological training of the instructors, since we have a duty to master not only the technology but also the methods for making the information available more clearly.

"In conclusion, we want to present an eloquent example of the level achieved by our students. In an exercise in pistol practice corresponding to one of the teaching levels, all the marks were either outstanding or good."

Objectively, the graduates of military training in the higher education centers are qualified to occupy important posts of responsibility during their active service.

11798
CSO: 3010/1807

TRAINING OF TERRITORIAL TROOP MILITIAS IN EASTERN REGION

Havana VERDE OLIVO in Spanish 9 Aug 81 pp 28-29

[Article by Roberto Varona Fleitas]

[Text] The leading edge of the enemy blended with the mud and the artillery-blackened earth. The moments passed under the action of the shrapnel and the passing of the regular units supported by the Territorial Troop Militias.

At the conclusion of the simulated offensive being held as a practical exercise, the fighters returned to their starting point to analyze the shortcomings detected during the hypothetical action that had been planned according to the tactical ideas of the instructor.

The instructor guided the discussion so that the participants could acquire the habits of control and the didactic elements that would help them pass on the knowledge acquired to their future subordinates.

Such activities take up most of the time devoted to training officers and sergeants at the school for commanders of small units in the Camaguey Territorial Troop Militias.

Speed and Efficiency

At the ceremony marking the 20th anniversary of the proclamation of the socialist nature of the revolution, Fidel said:

"...proof of our advances in the areas of organization and experience [is to be found in] the record time in which the territorial troop militias are being organized and their cadres trained...."

The Camaguey school is an example of that. Lt Col Rene Rivera Garcia says: "It is no exaggeration to say that everything here is the result of the combined efforts of trainees and instructors."

He adds: "The original group chosen to organize it received the order only 10 days before it was scheduled to start. This happened because of the need to rapidly produce the commanders of small units for the units established at that time."

The stage preceding the start of the instruction period was a race against time for those specialists.

Every working day lasted from 16 to 18 hours and was divided among the tasks of planning, ideology, methodological improvement, and establishment of temporary quarters. Later participation by the trainees made it possible to set up the current facilities.

Comfortable dormitories, showers, sanitary facilities, dining hall, kitchen, rest areas, semirustic classrooms, and every kind of study materials program were set up without affecting instruction.

Initiatives by the trainees and the experienced work of the instructors--most of them reservists in the FAR [Revolutionary Armed Forces]--made it possible for the center to receive high marks from the higher command in less than 4 months.

History Lives Again

As an exceptional witness to more than a century of the forging of wills, fighting ability, and resistance in rebels of yesterday and today, the arid plain forming the FAR National Training Ground is the site where militia cadres in the eastern provinces are trained.

The red and green landscape with its sparse vegetation is rough ground for the future officers who are being trained in tactics, gunnery, engineering practices, action against mass destruction weapons and incendiary weapons, infantry, and troop duty.

As workers who have become soldiers by their own will, they daily subordinate their own interests to the sacrifice required for their training in the principles of contemporary combat.

Age does not matter when one wants to keep abreast of the circumstances imposed by imperialism's aggressive threats. That is the case with Edilberto Tobar Sanchez, who is probably the oldest of all those militia members.

During a halt in the exercise being carried out by his detachment, the agile "oldster" said: "I feel like I am starting to live when more needs to be done to strengthen the defense of the fatherland."

A party member, his 62 years do not keep him from performing as well as his younger comrades in training--one reason why the school considers him one of its most outstanding trainees.

Following Tobar's example are hundreds of men and women fighters representing a range of generations who demonstrate in unison what a people is capable of in the face of imperialist threats.

Workers who daily strengthen the country's economy with an ever-increasing production of material goods are acting with equal persistence to create a strong shield to protect their gains.

As emulators of those first units that filled the pages of history with glory in the battles of Giron Beach, the officers and sergeants graduating from the Camaguey

school return to their workplaces with the same conviction as that emerging from this statement by the commander in chief:

"Again we can repeat the words of that 16 April: let us swear to defend this cause of the humble, by the humble, and for the humble; let us swear to defend our socialist revolution to the last drop of blood!"

11798
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INCREASE IN GUERRILLA ACTIVITIES IN GUATEMALA NOTED

Havana VERDE OLIVO in Spanish 9 Aug 81 pp 17-18

[Article by Roberto Morejon: "Romeo in Trouble"]

[Text] The increased military and political capability of the Guatemalan guerrillas is an obvious fact noted by different news media in the first 6 months of this year.

The FAR [Rebel Armed Forces], EGP [Poor People's Guerrilla Army], ORPA [Organization of Armed People] and the cell of the PGT [Guatemalan Labor Party] redoubled their efforts to combine men, arms, strategy and tactics. Now the four revolutionary vanguard groups are uniting.

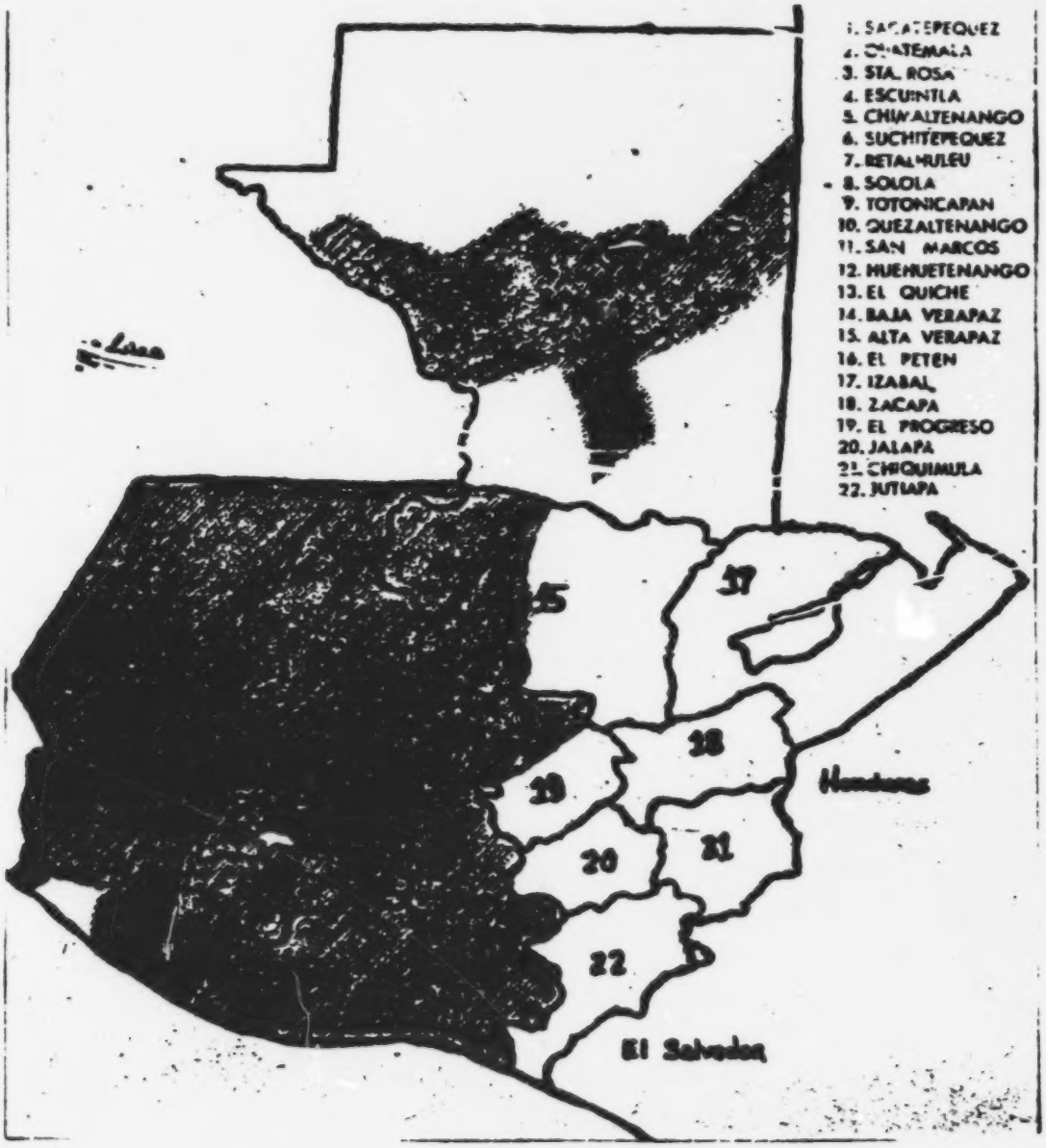
This led to an increase in armed actions and other actions since there is fighting now in 19 of the 22 departments in the country. For example, from 29 [as published] to 18 May, 662 of the enemy died. In the month of April itself, there were 92 propaganda operations, 41 executions and 21 attacks on military convoys and barracks.

The EGP created a new front--Augusto Cesar Sandino--shortly after opening a similar one in Verapaz Department called Marco Antonio Yon Sosa. With these two, it has a total of five fronts in national territory.

News like this keeps the repressive government of Romeo Lucas Garcia in check. All his military and police forces are at war after the rebels occupied cities, destroyed barracks, blew up municipal government headquarters, carried out frontal clashes, harassments and robberies, executed informers and henchmen and confiscated military equipment.

While the armed vanguard progressively increased its attacks, the mass organizations also found points of agreement and formed the FP-31 [31 January Popular Front] with the idea of channeling its affiliates' opposition to the genocidal regime. FP-31 is made up of labor, peasant and student representatives and representatives from other local sectors.

Together with the FDCR [Democratic Front Against Repression], it constitutes a representative column of the national interests of people who, in increasing number, suffer in one way or another from the outrages of the Guatemalan fascists under the command of Romeo Lucas.



National Presence of Guerrillas

The different strata of society increasingly view unification as a starting point toward superior goals. The FDCR has summoned all progressive forces and those opposed to the dictatorship to form a national political front to channel democratic aspirations.

Perhaps as a result of this polarization--and facing the fact that Guatemala seethes from the revolutionary point of view--the United States has sent several top delegations to talk to Lucas Garcia. They have instructions to determine his strength and encourage him in his extermination campaign against insurgents and others.

Since the public suspension of military aid decreed by President Jimmy Carter (because of human rights violations), Washington has had to maneuver to cover up the constant shipment of war materiel. Israel became a very effective bridge. Through it, Arava airplanes, light artillery, mortars, rocketlaunchers, grenadelaunchers, Galil rifles, communications systems, radar, transport vehicles and other equipment of Zionist or U.S. manufacture reached the tyrants.

In addition to coordinating the training of Guatemalan officers in Tel Aviv and approving the delivery of Kfir airplanes, the White House sent supplies, including trucks, by other routes. At the same time, it made it known to the puppet regime that it was necessary to improve its deteriorated external image a little.

There is pressure for it to reach an agreement with Belize and propaganda filled with praise, orchestrated by State Department spokesmen, about the March 1982 presidential elections sponsored by Romeo.

In no way can these old Yankee games be considered a demand for accounting from the Guatemalan regime. Internally, the official repressive machine and its parallel--military gangs like the ESA [Secret Anticommunist Army]--continued their implacable persecution, with U.S. consent, of all those suspected of being opponents.

The army and the police are proud of their record of about 5,000 people arrested without warrant and then murdered. If you read the capital newspaper LA NACION on any given day, you will see news like this: "Find body on San Felipe Reu," "Publicly ask for release of missing relatives," "Body found in Rio Siguacan but cannot be identified because its face was completely destroyed." The names change but the deeds do not.

At first glance, most of the victims seem to have been selected at random among the poorest people. Nevertheless, the arrests, disappearances and crimes are not random since they are committed after accusations by employers or security agents about the possible "subversive" involvement of certain citizens.

The result of this official violence which is obvious in the cities as well as in the country is that about 3,500 peasants secretly crossed to Mexico, also fleeing the overwhelming poverty in the rural area.

Some of the emigrants told about killings and burning of villages by Lucas' soldiers. One of the victims who was treated in Aztec land stated that he had been tortured for 8 days.

This accuser, named Bonifacio Rodas, saw soldiers and members of the ESA together. He said they looked drugged as they beat entire families with their hands and guns. They put plastic bags over some people's heads to suffocate them. They also twisted cord around their necks with gloves which they later burned.

As can be seen, there is nothing more antidemocratic than the fascist corps under Romeo's orders. In spite of everything, he is seriously thinking about running in the 1982 elections he has convoked.

Continuing the game, the rightist parties announced their candidates to see if the White House is going to order Lucas to run and then cooperate with him in one more fraud as occurs traditionally in Guatemala every 4 years.

Nevertheless, because of the continual guerrilla operations and the discredit of the present regime, there could be a change. Perhaps the prefabricated electoral mechanisms will guarantee the rise to power of archreactionary Mario Sandoval Alarcon, ringleader of the fascist MLN [National Liberation Movement].

Whoever is elected, it is a reality that the masses and the armed vanguard do not expect anything from these elections. As proof, the fighting methods of the guerrilla groups are being improved with their constant strikes against the genocidal forces of the dictatorship, aimed at ending the existing exploitation and repression.

7717
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COLOMBIA'S PRESIDENT, M-19 PROBLEM DISCUSSED

Havana VERDE OLIVO in Spanish 23 Aug 81 pp 20-21

[Article by Roberto Morejon: "Stone Face"]

[Text] At the beginning of his term, Colombian President Julio Cesar Turbay Ayala, a democrat to the core according to him, used less demagoguery and lied sporadically.

These ailments have become chronic in the latest executive stage. In recent months, his speeches came dangerously close to treachery and the strong anticommunism characteristic of Augusto Pinochet in spite of the differences they say are between them.

Now Turbay has unreservedly applauded an award from the National Congress to the clown Jean Claude Duvalier for "outstanding merits as a democrat." He also said that there is no less poverty or greater respect for human rights in present-day Nicaragua than in the Somoza era.

While the president assails listeners with praise for the gifts of "justice, peace and reconciliation"--inherent in his government according to him--dozens of guns spit out bullets in the fields and soldiers break down doors, imprison, torture and kill.

"All through dialogue and not action," Julio Cesar assures us. Perhaps these pretentious phrases are put in his speeches by the scribes of the armed forces under order by the top generals, the real power in Colombia.

Gen Luis Carlos Camacho Leyva, minister of defense and consummate soldier, sometimes has "democratic" fits. At those times, he recommends that his colleagues in arms and Turbay himself speak with a "soft" voice in particular situations.

The military ranks are filled with officers with Prussian educations based on the standards of their U.S. Ranger teachers, skilled advisers for everything that is "subversion."

Certainly the power cadre in Colombia increasingly resembles the one in Uruguay where a civilian governs "in jest" while the military go out and do as they please. Here and there the prescriptions are classic: repression, anticommunism, absolutely no union protests, state of siege, economic depression, etc.

Admiration

A little while ago, Thomas Enders, assistant secretary of state for inter-American affairs, visited Bogota. He brought precise orders to congratulate the president for playing the White House's game of regional politics so well, especially through his anti-Cuban stands.

Washington assigns an important role to Colombia in its projections toward Central America and the Caribbean. The Turbay regime is willing to go along with the interventionist attitude of the Republican administration. For that reason, it called a special conference of its ambassadors in the area to instruct them that it was more plausible to penetrate the different neighbors by offering "aid for development."

Carlos Lemos Simmonds, foreign minister for some months, will tour Guadaloupe, Dominica, Guyana, Curacao, Santa Lucia and Barbados. He is interested in exhibiting the model of his country as an appropriate standard for the realities of these islands. The good observer will note the exclusion of Grenada from that list.

It is an attempt to make the idea of the so-called Mini-Marshall Plan--sponsored by the United States and questioned by other nations--viable. It is designed to distribute a few crumbs under the indispensable condition of adhering to the points of view formulated by Washington. Colombia can offer little to its neighbors by itself since it must preserve its resources for its internal problems. That leads to the suspicion that the emissary carries foreign offers.

Bogota approves of the aggressive U.S. policy toward the Sandinist revolution and, especially, the Senate approval of the Saccio-Vazquez Carrizosa Treaty which grants Colombia jurisdiction over the Roncador, Serrana and Quitasueno islets disputed with Nicaragua.

Open Road to Coercion

The reactionary positions of Mr Turbay and his powerful uniformed "advisers" have a notable effect on Colombian foreign policy and internal policy.

Instability, tension and violence are intrinsic factors of the official activity as demonstrated by the frequent roundups in search of guerrillas and their cooperators or, simply, union leaders or critics of the authorities.

In spite of the touted representative democracy, raids and mass arrests are increasing in this coffee country. Released prisoners have stated that they suffered physical and mental mistreatment, according to the Standing Human Rights Committee. Artists, public figures, officials and the people are victims of the antiguerrilla hysteria.

The armed forces and the cabinet have just rejected offers from the M-19 movement to find a solution to the serious problems. The organization proposed the end of the state of siege--which has existed in different forms for 30 years--repeal of the security statute and coordination of a dialogue to solve the institutional crisis.

Days later, the insurgents and other forces opposed an amnesty promulgated by the president and the generals which they considered limited and demeaning. Turbay himself recognized the failure of the demagogic measure when he said: "We raised a white flag of peace without success."

Nevertheless, the government intention was clear. It tried to divide the armed opposition through promises that would never be kept while it conditioned real application of the law through dozens of tricks.

If that trap had been successful, the army would have struck the support bases of the different armed groups. The regime improved its war arsenal for this even though it resorted to pretexts as always.

Dozens of revolutionary soldiers wait for their trials while they are held under intolerable conditions in jails like La Picota, a kingdom of rats and diseases. There they view with apprehension the arrest of several of their defense lawyers, suddenly accused of being "contacts" for the armed detachments. This occurs in the country of "democracy."

Outside La Picota, the social situation is no less urgent. There is no attention from the brand-new liberal or conservative ministers; they are all the same.

Alms and Robberies

The streets in the capital and in other cities are filled with beggars, many of them living in "pirate" areas--that is, constructed from scraps and without any sanitary facilities. The qualitative housing shortage affects 10,478,013 residents.

Robberies, rapes, murders and attacks explode in the populous Bogota business district of Chapinero and in the more aristocratic districts in the north like the exclusive El Chivo. A thief attacks or kills in order to steal an expensive watch or merely a pen.

Attractive young girls take the place of male criminals. They stop vehicles, initiate intimate conversations with the drivers and then offer them "doctored" gum in order to rob their victims of every object of value.

These crimes have increased in spite of the fact that it is difficult to get into the drug business. Although it is true that Colombia is the top world producer, the trade already has its connections with U.S. markets. The house is full.

The drug money does not help end the stagnation of the formerly flourishing textile industry nor does it fill the vacuum left by the multinational companies when they extract their fantastic profits.

Other panderers have preferred to devote themselves to the sale of children between 2 months and 3 years of age. They have sold 2,000 to foreign families which could not have children. Doctors, lawyers, notaries and immigration officials have been implicated in this.

As can be seen, corruption and crime are daily acts. While there are effective strikes or threats of strikes by the workers in different sectors, thousands of citizens seek refuge in illegality, accentuating the reigning confusion and giving the future of the nation in the hands of ultraconservative politicians a gloomy note.

Guerrilla forces with different names and tactics confront confusion in their opinion. The soldiers react hysterically to actions like the mortar attack on the presidential palace, harassment of patrols, attacks,interception of television signals, publication of rebel communiques, etc.

Spectacular counterinsurgent operations did little for the army except for increasing terror in the rural and urban areas. This is the true democracy behind Turbay's sugary speeches. In 1982, this man will complete his term. It looks like he wants a monument made by then to his stone face which is capable of any type of expression depending on the diatribe.

7717
CSO: 3010/1801

RISQUET ADDRESSES COMMUNICATIONS WORKERS MEETING

Havana GRANMA in Spanish 22 Jul 81 p 2

[Speech by Jorge Risquet, member of the Party Politburo, at the closing ceremony of the National Plenum on the Quality of Communication Services, on the occasion of Communications Workers Day, at the Luis A. Turcios Lima Theater of the Communications Ministry, on 16 July 1981, Year of the Twentieth Anniversary of Giron]

[Text] Today we celebrate Communications Workers Day.

All work is important; all jobs together make up the values of daily life and determine our society's standard of living.

You make sure communication takes place.

Can you imagine contemporary life without mail and telegraph services, without telephone communication among neighbors in a single city, or between different cities and towns, without telephone links with other cities in the world?

Without rapid, automatic, instantaneous communication, could the pace and efficiency of our production, and the functioning of transportation, be maintained?

Could modern man lead a full life without the news, the musical, theatrical or sports programs we get from the radio, or without enriching that message with the images of television?

How much would our intellectual horizons shrink if we did not have the written press each morning, with its hard information about local, national and world events?

More than 25,000 Cuban workers, with their modest daily efforts, ensure that our people enjoy these services, which have become indispensable in civilized life today.

On this day, on behalf of the entire nation, we express our most heartfelt congratulations and most sincere appreciation to communications workers.

This day, 16 July, was chosen to honor the workers in this important area of production because it was on this date 10 years ago that your national union was founded.

We also could have chosen 8 October, because on that day in the glorious year of 1868, a telegraph worker alerted Carlos Manuel de Cespedes that the colonialist authorities knew of the independence conspiracy, a sublime patriotic service which precipitated our first war of independence.

Nine decades later, the brave revolutionary members of the Santiago de Cuba Telephone Exchange, repeating many times the memorable feat of the Bayamo telegraph worker, intercepted the murderous orders of the henchmen of tyranny and alerted Frank Pais of danger.

Like the comrades in the mail, telegraph and telephone services, those who worked at radio stations also gained inspiration from those who operated Radio Rebelde during the last liberation war. From the Sierra Maestra, that radio broadcast kept people informed of the progress of the Revolution, and transmitted Fidel's directives.

In the Sierra, on the Second and Third Fronts with Raul and Almeida, and in Escambray and Yaguajay with Che and Camilo, the Revolutionary network filled the airwaves each night; millions of Cubans heard the voice of combat, and dozens, or perhaps hundreds of patriots made that broadcast possible.

Those who are responsible for the distribution of the Revolutionary press always remember the beautiful example set by the people who from the jungle of redemption distributed CUBANO LIBRE among the rebel troops; the people who defied the repression of Machada to bring LUCHA DE CLASES and EL TRABAJADOR to the factories; and the people who braved Bautistan terrorism to distribute tens of thousands of copies of underground publications such as CARTA SEMANAL, REVOLUTION and MELLA, sounding the call to arms against the tyrant and his Yankee masters.

Our revolutionary history is replete with the heroic examples of revolutionary messengers, who went behind enemy lines to bring letters bearing battle orders, combat reports and the laws of the Republic at Arms.

We will never forget the moving story of Lydia and Clodomira, the heroic messengers of the Rebel Army who remained true to the cause of the Revolution through torture and death.

Today, at this time, these communication services are rendered during peacetime, which facilitates the efforts of the workers. But the work may have to be done under wartime conditions, in a war imposed on our people by the imperialist invader. At that time, the glorious tradition of communications workers will be rejuvenated, and we will see the truth in the slogan so well known to all workers in this sector: "In war as well as peace, we will maintain communications."

Frank Discussions

But what brings us here today is our concern for making daily improvements in the quality of communications services in our country.

This National Plenum that is drawing to a close marks the culmination of a vast and deep process of discussion, in which all workers of the Communications Ministry have participated.

Of the 25,000 people who work for the ministry, 20,000 have attended the assemblies.

Communication services are provided 24 hours a day, so it is never possible to have everyone present at the assemblies; but those who have to work at the time of the assembly participate through their comrades, and learn from them the results of the discussion.

There were 591 local assemblies, and at them 2,601 agreements were adopted and sent on. Of course, there was much overlapping in those agreements.

It is interesting to note that 780 of those agreements deal with eliminating deficiencies at the lowest level, and that the solution to these problems lies in the local workers themselves. These agreements are designed to improve organization and to strengthen efforts, dedication, and service to users. Another 1,146 agreements are at the level of territorial and national enterprises; and the remaining 675 agreements are matters which the Ministry must deal with.

The discussion in the committees and at the plenary sessions was frank, strong, demanding and wide-ranging.

Without a doubt there are many problems of an objective nature, revolving around the shortage of material resources. Given the limitations of our economy, these problems cannot be solved overnight, but must be overcome gradually. But many other difficulties pointed out at the assemblies--and at this Plenum--do have a solution, and it depends on the will of men. Not a few problems have been brought up that have not been resolved due to a lack of proper planning, a lack of action, management, control or discipline.

The unfortunate deterioration of most of Havana's communication centers was stressed repeatedly. There are some 150 centers, postal and telegraph offices, telephone offices, workshops, warehouses and other offices.

It is obvious that we must take immediate steps to reinforce the maintenance brigade and to give it more skilled manpower, equipment and resources so that it may undertake to repair those centers. An order of priority must be established according to the physical state of the centers. One undeniable prerequisite is that the brigade and the resources must be used for maintenance, not for building new centers; they are for maintaining and repairing the old facilities to prevent those dilapidated places from coming down around our ears.

The weaknesses of the Administration of the Integral Communications Enterprise in the capital have been pointed out. Various workers and union leaders gave equal attention to the damaged reputation of the enterprise's board of directors.

And this is an enterprise that has no fewer than 6,000 workers. There is an urgent need to strengthen the enterprise's executive levels.

These assemblies have served to revitalize the workers' desire to strive for improved quality in communications services. The outcome can already be felt. It has also spurred more dynamic leadership on the part of the management personnel of the territorial and national enterprises, as well as the ministry itself.

This series of agreements forms a magnificent working plan. Some agreements call for immediate action, others for short-term action, and still others for medium-term action. Many must be completed this year, others next year, and so on. . .

For our Party, for its 3,300 members who belong to 235 grassroots organizations and for the municipal and provincial organizations as well as the corresponding Central Committee Department, there is one clearly defined task: to mobilize workers and cadres to carry out the agreements, to demand that the administration take action wherever necessary and to oversee that action, and to cooperate as much as possible.

All that should translate into a significant increase in the quality of service. The people will judge the work of communications workers, of their unions, of the administration of the enterprises and of the executive personnel of the Ministry, in terms of the quality of service rendered. In this public service activity, the people themselves exercise quality control.

Promote Repair and Expansion of Post Offices, Build New Centers

How are efforts to improve service coming along?

Let us look at current indicators and their behavior over the first 5 months of 1981.

National mail: The plan calls for 70 percent of letters to be delivered within 48 hours. Last year during the same period, 68.6 percent was achieved, near the goal. Between January and May of this year, the figure dropped to 66 percent. Here we have seen losses instead of gains.

Another goal for this kind of correspondence is for 100 percent of letters to be delivered within 96 hours. Between January and May, that figure has been 94 percent, which means that 6 percent of letters reach their destination after 96 hours, or 4 days.

Telegrams: The goal is for 70 percent of telegrams to be delivered within 2 hours. Between January and May 1980 we achieved 68.6 percent. In 1981, the figure has been 67 percent. Again we have lost ground.

One hundred percent of telegrams should be delivered within 5 hours. This year that figure has been 97 percent.

These shortfalls mean that millions of letters and telegrams arrive late, with the resultant inconveniences and damages for the addressees.

It would not be fair to ignore the difficult working conditions that exist in the vast majority of postal and telegraph offices in this country.

With the triumph of the Revolution, literacy, the increased level of education and the enhanced buying power of the populace, the volume of letters and telegrams that are sent has been multiplied many times.

Last year 83 million letters and 15 million telegrams were sent.

The increased volume of correspondence has not been backed up materially with the expansion of existing facilities or the construction of new ones, or with adequate equipment including automation.

In addition, post offices now provide many new services that were not available before, such as:

1. Social Security payments
2. Social Assistance payments
3. Urban Reform collections
4. Telephone Service collections
5. Gas service collections
6. Day Care collections
7. Personal Identification fines
8. Sale of Postal Identification Coupons
9. Customs collections
10. State Agency Direct Mail Pouch Service
11. Special Mothers Day Message Service
12. Sale of franked envelopes
13. Bank documents service

Imagine: Thirteen new activities, in addition to the increased volume of letters, telegrams and money orders, often in facilities that are 30 or 40 years old, which have deteriorated due to lack of maintenance.

During the present 5-year period we must make a serious effort to promote the repair and expansion of post offices, and to build new centers. And, of course, we must carry out the constructive maintenance of all centers.

The local Peoples Government agencies must pay more attention to this need, including post offices in their annual plans for construction and maintenance. They must not forget this service when they plan new communities.

For its part, the Ministry is stepping up the production of auxiliary units for postal operations. Even more encouraging is the fact that the school for postal workers and mid-level technicians has already been founded. It will lay the groundwork for graduating the first postal engineers in our country.

Despite the real difficulties that we have pointed out, at the assemblies a combative spirit was noted among the postal and telegraph workers; agreements were made which will yield benefits in terms of increased service. These agreements deal with quality control, the eradication of incorrect delivery of letters, key sheets for money orders, the goal of having no correspondence left to deliver or transmit at the end of the day, proper review of money orders before turning them over to the operator, updating of guides and directories, and finally carrying out tasks with precision, organization, enthusiasm and punctuality.

As for the telephone offices, that service was the subject of much debate at the Provincial Plenums and this very Plenum. The result was 888 agreements regarding this matter. Twelve different aspects of this complex field were analyzed:

The Automatic Switching Center (CCA), the installation and maintenance of switchboards, the Maintenance and Transmission Center (CMT), teleprinters, the maintenance and construction of networks, telephone traffic, energy activities, the telex and TGX [expansion unknown] plant, telephone and test desk maintenance, telephone workshops and cable workshops. In each of these fields agreements were made relating to the lower levels, the enterprise levels and the national levels.

Many of these agreements, especially the national ones, will require considerable time to be implemented, because most revolve around improving and expanding installations that come from capitalist countries, which will require that the country dip into its foreign currency reserves.

This situation is particularly evident in Havana, which has 63 percent of all the facilities in the country, and has the highest telephone density, with 11.1 telephones per 100 inhabitants. Its telephone lines have been in use for an average of 30 years, and 83 percent date back to the capitalist period.

Some of the agreements will take the entire 5-year period to be fully implemented.

Despite this objective situation, thanks to the effort of telephone workers, the actions of the union and the work of the administration, three of the four basic quality parameters have been exceeded.

Answering 00 signals within 10 seconds: The plan calls for 95 percent; the actual figure is 92.1 percent. Our goal still eludes us.

With such a huge volume of calls, and considering the above-mentioned technical difficulties, there is no doubt that telephone workers have done an admirable job which deserves our recognition.

Calls made or notified in less than 10 minutes: Plan, 77 percent; actual, 79 percent.

Average delay in repairing interruptions of automatic service: Plan, 11 hours; actual, 6.4 hours.

Average number of automatic telephones in service: Plan, 99.5 percent; actual, 99.7 percent.

Look at this figure: In 1980, 63 million long distance phone calls were made!

At the plenums, those in attendance expressed the need to overcome problems with public telephones (coin collectors), especially those located near hospitals, airports and isolated neighborhoods where there is no extensive phone network, so that the expected service can be provided. It is naturally annoying to have interruptions in service for days at a time on phones that must be shared by the local populace.

Another issue brought out by workers at the assemblies is the need to eliminate telephone billing errors. Although many mistakes have been taken care of, there are still cases in which long distance calls are charged to people who did not

make them, and they must go personally to customer service offices to have the necessary corrections and adjustments made.

Although similar problems were noted in the rest of the country, of course they are less complex than those in Havana. In the past almost all telephone development took place in Havana, since the Cuban Telephone Company was more interested in investing in the capital, to the detriment of the rest of the country.

In the past 20 years, investment, modernization and expansion have focused primarily on the interior provinces, with technical assistance from the German Democratic Republic. During this 5-year period, 60,000 GDR lines will be installed to continue expanding service. This has meant an extraordinary surge in direct dialing from municipalities to the provincial capitals, and to Havana.

Once the coaxial cable project is completed, direct dialing will be possible from Havana to all areas covered by the installation project, including the capitals of all the provinces. The coaxial cable will make possible a much more reliable system for television transmission, national radio networks, data transmitting systems and national direct dialing. I will go into further detail about this aspect later on.

The common points brought up at the assemblies, aside from the need to make general environmental improvements, included increased productivity, strict compliance with the maintenance program, and the elimination of all absenteeism, especially in the traffic rooms, where absenteeism has a considerable impact in reducing the number of calls made because demand cannot be met if operators' posts are not covered.

As Guelmes stated, we must eradicate the practice of cannibalizing new technology. That remedial method provides an apparent solution to the immediate problem, but it conspires against the future in that it bankrupts technology.

In the Radio Communications Branch there were also many agreements, more than 250, covering all levels. They ranged from national radio and television activities to international services.

We have seen that the results of the two basic indicators in this area, the reliability of national radio networks and that of national television networks, have not reached their respective goals of 98 percent and 99 percent, although they have come close. These figures are high, but what else are we to expect if the country has made sizable investments in this field in recent years?

New Microwave Network

We now have a new microwave network capable of sending radio and television signals from one end of the country to the other with efficiency and quality. Numerous radio and television transmitters have been installed, using the latest technology, both to replace old equipment and to expand service to new areas. Thus, the message of the Revolution can reach the entire nation through the most popular of our mass media.

Why not expect the feat of the Soviet-Cuban space flight to be broadcast with high fidelity from outer space to the most remote corner of Cuba?

This was ensured, and well it should be, by the communications workers and the Cuban Institute of Radio and Television (ICRT) workers. That brilliant accomplishment must become a daily feat, maintaining the same levels of reliability in all transmissions, without exception.

It is true that these indicators have been affected by certain external factors, such as occasional problems with electrical fluid and some deficiencies stemming from radio or television studies. These problems have been on the decline, but there are still some difficulties at the Ministry of Communications which were discussed at the plenums. The result was agreements that the Ministry, the enterprises and the workers in this sector must implement.

The maintenance plans have not been fulfilled 100 percent; supplies are not as efficiently organized as one might hope; and in many provinces there are still no supervision and control centers to monitor all signals that are transmitted, or existing centers do not function properly, so that the percentage of modulation or the percentage of harmonic components in a given transmission can be determined.

In terms of the distribution of the written press, the goal of delivering 85 percent of issues before 1300 hours has been exceeded during the first 5 months of 1981. The actual figure was 87.5 percent. There was evident progress over the same period of 1980, when only 75.9 percent was achieved.

During the period in question, 154 million copies were sold, 10 million more than during January-May 1980. In addition, 2.1 million copies remained unsold, 700,000 less than during the same period of 1980.

Although the quality parameter was achieved and the percentage of unsold issues is minimal, there are still problems getting the press to sugar mills, rural areas and areas where access is difficult, such that external means must be used, and a more efficient and innovative system must be developed.

For example, at the units of the Peoples Government commercial network in many rural areas, a given number of newspapers are sent on an advance paid subscription basis. However, the peasant or farmworker who goes to the units to make purchases never receives his copy, and the newspapers remain in storage.

The existing number of kiosks must be increased, and efforts must be made at the appropriate levels to ensure adequate maintenance. Some kiosks have visibly deteriorated.

Concerning publications in general, national and foreign magazines, demand and existing reading habits must be taken into consideration to ensure better distribution.

There are problems with transportation, because maintenance and repairs are not carried out with the necessary quality and frequency. Although there is almost always a shortage of parts, there is also negligence in caring for the equipment on the part of its users. Some drivers, however, perform their work meritoriously.

All these deficiencies must be overcome; the high standards imposed by our Party leadership must be kept up; the workers' enthusiastic compliance with the quality indicators must be even more rigorous; and the enterprises and the executives of the Ministry must increase their vigilance to make sure established procedures are followed, while they impart clear guidance at all times and take the necessary administrative actions.

Only in this manner will we be able to guarantee the efficient utilization of the new technology to be installed during this 5-year period, such as the microwave link for television in the Province of Granma, more than 60 transmitters for medium-wave radio, the expansion of international services and the capacity of the maritime mobile system, and others. Thus, our people will benefit from these services and will gain true satisfaction from them.

Pinar del Rio-Guantanamo Coaxial Cable

I would like to refer briefly to the development of the greatest investment undertaken by the Ministry of Communications, since it represents an important milestone in this field. It will improve the quality of services, mainly in long distance communications. I am referring to the installation of the coaxial cable.

This project is being carried out in cooperation with our Soviet brothers, and involves the installation of more than 1,700 kilometers of cable from one end of the island to the other, as well as the corresponding ancillary equipment and numerous civil construction projects. To date 570 kilometers of cable have been put in, including 60 communications channels with the city of Matanzas.

The work the Cuban and Soviet laborers and technicians must perform is arduous; throughout the island, they labor under the burning sun, or in the rain, on soft ground or in hard rock that must be destroyed with dynamite. They are advancing step by step, rock by rock, crossing mountains and rivers. They know that as a result of their efforts our people will be able to communicate better, which means that they will be able to manage the economy better, give necessary orders faster and more reliably, or receive required information. The country will be better prepared for emergencies.

This investment will undoubtedly have a repercussion on the activities of communications workers, and for this reason it is also essential that this work be carried out with the highest quality standards.

All the technical standards must be met; linkages must be made with extreme care; the cable must not be allowed to get wet; the cable must be laid at the required depth; and measures must be taken to guard against future interruptions as much as possible. Similar care must be taken with the civil construction projects and the assembly of technical equipment. If we observe all the established methods, we will be able to create the conditions for the optimum quality that our people deserve.

The first stage of the coaxial cable is scheduled to be completed by the end of the 5-year period.

Our Party leadership has given orders for the project to proceed as fast as the availability of external supplies permits.

We assert here today that we should and can finish the first stage of the Pinar del Rio-Guantanamo coaxial cable by 1983.

For this purpose we urge communications and construction workers to make every effort to achieve this objective.

Similarly, the Ministries of Communications and Construction should adopt all necessary measures to provide the projects with the supplies, equipment and manpower needed to carry out this schedule.

Our words would be incomplete if we did not mention the economic efficiency indicators.

Let us look at production, productivity, cost per peso, and earnings.

Value of Goods Production: As of 30 May 1981, 74,283,000, for a projected yearly total of 178 million, 2 million more than the plan and 16 million more than the actual 1980 figure.

Cost per Peso: The figure is 0.605 less than the 1981 plan, which is 0.643, and less than the actual 1980 figure of 0.608.

Productivity: As of 30 May, $3,060 per worker, for a projected total of $7,343 for the year. The 1981 plan calls for $7,036, and the actual 1980 figure was $6,800.

Calculated Earnings: The 1981 plan calls for $62,237,000, and as of 30 May the total was $23,124,000. The actual figure for 1980 was $56,681,000.

As you can see, the Ministry's economic efforts are going well, and congratulations are in order for everyone.

Comrades: Socialist Emulation should play a more important role in the labor efforts of communications workers. The union is taking steps in that direction, but the results have been insufficient.

One aspect that necessarily has an impact on the quality of service is the general training and requalification of all workers in their respective positions, without forgetting the battle for the ninth grade, which will make our working class one of the most skilled in all of Latin America.

We must also raise productivity through better organizational efforts.

We would like to mention the transportation problem again, since it is so important.

It is undeniable that exterior plant repairs, the distribution of mail, the press and all activities in general require transportation support to respond adequately to all the requirements of service.

In the past 5-year period, some transportation was assigned to the Ministry, although it was not enough. Given that this is the Achilles heel of the Ministry's service, we must redouble our care and attention to the planned maintenance, and the adequate and strict use of resources in service tasks. We must also step up efforts to improve quality in repairs.

Before closing, we would like to emphasize and publicly recognize the merits of our comrades in this Ministry who have attained the position of National Vanguard: Comrades Argelio Valdes, Domingo Gonzalez and Santiago Rivero.

We would also like to cite Comrade Constantino Miguez for having been selected as the best innovator.

Also deserving of mention and recognition are the National Vanguard collectives, the Technical Projects Unit of Havana Province.

The Claudio Arguelles cable and line maintenance unit of Havana and the Placetas Telephone Center.

We would like to extend to these comrades and national collectives a warm greeting and a brotherly embrace.

We should also emphasize the massive incorporation of men and women of this Ministry into the Territorial Troop Militias, and the economic contribution made for their provisions.

Long live the communications workers!

Long live the Communist Party of Cuba!

Long live our Commander in Chief, Fidel!

Fatherland or Death, We Shall Win!

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CSO: 3010/1794

CAMACHO SPEAKS ON TRANSPORTATION MINISTRY ANNIVERSARY

Havana GRANMA in Spanish 4 Aug 81 p 2

[31 July speech by Julio Camacho Aguilera, member of the Politburo and first secretary of the party in Havana City, on the 20th anniversary of the creation of the Ministry of Transport]

> [Text] The following speech was delivered by Julio Camacho Aguilera, member of the Politburo and first secretary of the party in Havana City, on the 20th anniversary of the establishment of the Ministry of Transport, held at the Lazaro Pena Theater of the CTC [Central Organization of Cuban Trade Unions], on 31 July 1981, "Year of the 20th Anniversary of the Bay of Pigs."

Fellow comrades at the speakers table, comrades:

Today we are commemorating the 20th anniversary of the establishment of the Ministry of Transport.

When we recall the historic circumstances under which this organization was created, the events that took place in those days and the causes leading to them, we cannot fail to feel satisfied over the steady progress of our revolutionary process in the past two decades, over the results achieved and the radical transformations that have taken place.

The creation of this Ministry of Transport on 1 August 1961 fits into the framework of all the measures adopted by the Revolutionary Government during that decisive phase in order to carry out the Moncada Program and consolidate the power won on 1 January 1959.

Those were the early years of the Revolution, when the imperialist enemy staked its enormous resources on destroying our democratic, liberating, anti-imperialist process. In those days, a sharp class struggle was being waged in all fields, a struggle involving the very survival of the Cuban Revolution and with it, the conquests won by our people in their century of struggles.

Sabotage was carried out against our industries and plantations in order to paralyze production, affect our economy and promote popular discontent over the scarcities of basic commodities. The criminal economic blockade imposed by the

imperialists against our country was intensified in a vain attempt to starve us into submission. Counterrevolutionary bands, armed and trained by the Yankee CIA, proliferated in nearly all the provinces of the country, engaging in all kinds of villainous deeds in order to sow terror and insecurity, killing teachers, literacy teachers and farmers. The Revolution, backed by the strength of the masses, faced the provocations and aggression of the outside enemies, their diplomatic blackmail and threats of all kinds, while within the country, we waged a bitter struggle against the national bourgeoisie, which could not accept the loss of its privileges.

In 1961, the period during which the ministry was set up, extraordinary historic events took place and important decisions were adopted that would have a decisive influence on the future march of the Cuban Revolution and its consolidation as the first socialist state in this hemisphere.

That was the year of the historic literacy campaign, when over 100,000 brigade members invaded our rural areas and cities in order to teach our workers and farmers to read and write, thereby beginning the takeoff of the Revolution's educational program. It was a period of constant mobilization of the people in order to rebuild our economy on new bases, when tens of thousands of workers were organized in the National Revolutionary Militias (MNR) in order to defend the country against imperialist aggression.

That was the year of the mercenary Bay of Pigs invasion, when our fighting people pulled off the first major military defeat of imperialism in America, the year of the proclamation of the socialist nature of the Cuban Revolution, an event whose political and social importance went beyond the borders of our nation and went down in the history of our continent as an immortal fact.

It was within that context of incessant struggle that the Ministry of Transport was set up, by Law No 960, on 1 August 1961.

It was not an isolated decision. Rather, it was one of the many measures adopted in order to consolidate the Revolutionary Government, destroy the bourgeois state apparatus, and in its place, gradually set up a new administrative structure in keeping with the changes that were occurring within society and in accordance with the people's interests. It was established at the proper time, emerging as the result of the expansion of the state transport sector, a result of the nationalizing process laid out at Moncada and the appropriation of the property of the exploiters who were opposing the revolutionary process.

With the triumph of the Revolution, there was total anarchy in the transport sector because of the infinite number of private companies and individual owners who fought among themselves in order to increase their profits. Some transport systems, such as the railroad, aviation and the buses, were under the control of mixed enterprises or foreign companies that monopolized the means they controlled in keeping with their interests.

The development achieved by some branches of transportation during the period of the pseudo republic was stagnant or frankly deteriorating, as in the case of the railroad, because of the fact that the international companies that controlled

them had lost interest in their development and modernization beginning in the 1930's, when they completed the network connecting the sugar mills with the ports from which goods were shipped abroad, and the central highway was built, leading the way to the development of overland freight transport by road.

Because of these factors, plus the fluctuations in sugar prices on the international market, these companies confined themselves to making the minimum investments in rail transport. Cuba was the first country in Latin America to have this means of transportation and the eighth in the world, an undertaking that was financed in the past century by the English and American sugar interests. Our rail system is over a century old and it was a source of work in which a strong and fighting working class developed.

Merchant Marine

At the time of the triumph of the Revolution, the Merchant Marine and coastal fleet was practically nonexistent. This country, surrounded by water on all sides, with magnificent natural ports on both coasts, a privileged geographic position for commercial navigation, dependent to a great extent on foreign trade to meet its basic needs and exports its sugar, mineral and agricultural production, had only 14 ships for international traffic, with a displacement of 58,000 tons. Coastal traffic had little significance in national traffic and the old boats had only 16,000 tons dead weight.

In addition, port activity was totally stagnant, without any development, basically devoted to exporting our sugar production in bags. Imports were almost exclusively limited to the port of Havana.

Passenger transport by bus had been developed somewhat, especially in the capital, and 47 urban and interprovincial bus companies were operating throughout the country, linking the most important cities. The equipment, all from the United States, passed into the hands of the government as a result of the nationalizations and expropriations carried out in 1960 and 1961. The imperialist blockade imposed on our country immediately created serious difficulties, halting the supply of spare parts and accessories throughout the 1960's. This created serious difficulties that could only be relieved through the action and initiative of our transport workers.

In the main, this was the picture that greeted the Revolution in its early years with respect to transport. Our officials had to make a great organizational effort in order to structure this state sector in the midst of the difficulties enumerated and outline an overall development plan that would respond to the country's needs in each of the branches of the sector.

It was not an easy task, especially if we consider the fact that those officials designated to assume the responsibility did not have the administrative experience to do so. For the most part, they were comrade soldiers from the Sierra and the plains, ready to give their all for the Revolution, with infinite faith in victory and wishing to fight for the interests of the people. They faced the difficulties together with the masses, hearing the opinions and suggestions of the workers, promoting the new values that were emphasized for the different posts and advised

by the small group of technicians who stood firm in the country and refused to yield to the offers from their old bosses, who encouraged them to betray their nation in those crucial moments.

As an organic antecedent to the creation of the Ministry of Transport, the bourgeois, proimperialist state created an institution called the National Transport Corporation in the middle of the 1950's. It was to coordinate, standardize and try to regulate the activities of the many existing private companies.

As the order creating it stated, its purpose was to try to coordinate the competitive struggle in which the different private entities and groups were engaged, in the interest of society. However, once it was set up, like all institutions of the bourgeois state, the corporation became one more instrument for the enrichment and profit of the professional politicians, one after the other, at the cost of the nation's budget.

Concessions for new lines of service, income for the registration of vehicles, fines from drivers violating traffic laws and other functions inherent in the corporation all constituted a source of personal enrichment, corruption, misappropriation and bribes between representatives of the regime and their official solicitors.

In order to have a better understanding of the differences between that bourgeois institution and the Ministry of Transport that emerged from the Revolution, it is of interest to point out the following:

On the lists of that institution were hundreds of persons with sinecures, including officials from the Batista regime, hit men, thugs, document counterfeiters, paid assassins, members of the gangster paramilitary bands and the infamous Tigres de Masferrer and many others who did not work for the organization. In addition, some 96 percent of those on the payroll were relatives of or persons receiving patronage from the Batista tyrant or his wife or ministers, senators, military men and other officials in the regime. Very few were workers truly employed by the institution, persons who would have reached their positions by virtue of their personal efforts, work experience or efficiency in carrying out their work responsibilities.

The triumph of the revolution put an end to this state of affairs and the institution began to be reorganized. Zealous investigations showed the truly corrupt nature of the so-called corporation, supposedly in charge of contributing to the development of transportation in the country.

It should not be surprising that the working class would face up to the situation prevailing in the capitalist transport sector and take a stand against the exploitation and the administrative and social corruption.

History of Struggle and Combat

The Cuban workers movement nourishes its history of struggle and combat against the capitalist system with the names of many worker leaders in the transport sector, who gave their lives in defense of the rights of the workers and who waged

intense battles against the bosses and their official representatives, battles whose leaders are inscribed in the history of the workers struggles in the sector as symbols of their action for the economic and labor demands of the workers in the different branches of the sector. Employment in those enterprises and private entities was generally occasional, with the always latent threat of dismissal.

Hunger, poverty, corruption and unemployment were the weapons used by the bourgeoisie in order to plunder the working masses, who hoisted their battle flags and demanded an end to massive layoffs, application of the right to seniority, higher wages, elimination of arbitrary dismissal, elimination of secondary tasks by the same wage, the right to an annual paid vacation, reduction in the work day of 14 and 16 hours, maternity benefits and other economic and social benefits.

Under those conditions, when the means of production were not socially owned and did not meet the country's needs, but rather, served the profit-making interests of the owners, it was not possible to achieve any identification between the workers and their means of work. It was unthinkable that the capitalists would give up their profits in order to help their workers economically and socially. On the contrary, to the same extent that they could get more out of their workers and give them less, their individual wealth grew.

That is why the contradiction between the bourgeoisie and the working class was, is and will remain antagonistic and irreconcilable. The crumbs that could be wrenched out of management under certain circumstances were only a transitory, limited victory not providing solutions to our people's basic problems. There was only one way to put an end to that state of affairs: bringing about the Revolution, taking political power by the workers and turning that corrupt society into a just society.

The workers struggles to achieve solutions to their demands in the sector were a decisive help to our workers in acquiring class awareness and uniting to face the battle before them. One must not forget the role played by transport workers, headed by Jose Maria Perez, in the 1930's. They were the first to begin the general strike that would finally overthrow the tyrant in power. Nor can the battles waged by Aracelio Iglesias at the head of the port workers defending their rights, to give but two examples, be forgotten.

With the triumph of the Revolution on 1 January 1959 and the process of nationalization that followed it, the means of transportation passed into the hands of the working people. They would then be operated in the country's behalf and the main cause giving rise to those contradictions disappeared.

We had left behind exploitation at work, the spectre of unemployment and hunger, social and family insecurity, the moral deterioration and humiliation to which the bourgeoisie and its Yankee masters subjected the workers, but their lessons will always remain as elements helping us to appreciate what we now have more, to have a better understanding of our new role in the socialist society, so that that tradition of struggle will deepen the revolutionary and class awareness of our workers.

Today, the workers movement in the sector is based on all the working people and their socialist state in order to carry on the work of the Revolution. There are

now other motivations carrying us on in the struggle: We are the masters of our destiny, owners of the means of production. We are fighting to develop the country, to consolidate socialism, to raise ever higher the standard of living of the people in all areas.

Comrades:

In analyzing the situation in the different branches of the transport sector and in comparing it with those times, it is easy to see how far we have come.

Overall Development Plan

There is already an overall plan to develop the different branches of transport, which is a harmonious part of the rest of the national economy.

In the Merchant Marine, the Cuban international fleet has been expanded and we now have 75 modern vessels representing a quantitative growth of more than five times what we once had. Our capacity has been increased with general freighters, refrigerated vessels, container ships, grain ships and school ships.

The coastal fleet increased from 16,000 tons to 35,000, which is an increase of over eight times what we had. In other word, on the whole, the Cuban Merchant Marine has already reached a capacity of nearly 1 million tons dead weight, with two enterprises specializing in maritime shipping.

Our country has ships specializing in container transport and it is systematically developing trade with all ports in northern Europe and on the Black Sea. The most modern navigation techniques are being used, which increases safety. Our fleet is one of the best in Latin America and its sailors enjoy well deserved international prestige.

There have been major investments in our ports in order to humanize work and achieve greater productivity. The introduction of mechanization and the expansion of our ports, along with the fight for greater efficiency in connection with organizations of the domestic economy, constitute an important advanced providing us with the possibility of making maximum use of our natural conditions.

Nevertheless, we must point out that in this important task of the ports, we have faced serious organizational deficiencies, although there have been changes in recent years.

We have built and improved ports and improved the process of loading and unloading with the acquisition of equipment, such as overhead, traveling and floating cranes, fleets of freight elevators, containers, specialized transport for bulk goods and a mechanized terminal for the export of refined sugar in bags. New freight, passenger, fishing and fuel terminals have been built, along with new wharves and and underwater pipelines. We have expanded the capacities of the mechanical industry for naval repair, maintenance and construction, both for ports as well as for fishing, tourism and maritime works.

Over the past 5 years, we have invested over 80 million pesos in maritime projects and created a capacity of over 300,000 square meters of warehousing, which improved the situation without totally solving it, given the growing volume of our foreign trade.

For the years to come, we plan to invest over 400 million pesos in the maritime-port branch in a program that will culminate at the end of the 1980's. This will increase our loading and unloading capacities and step up international and coastal traffic, with the acquisition of 30 more vessels.

At the present time, the efforts being made to improve the efficiency of the ports are beginning to bear fruit. We must intensify our maintenance of equipment, improve the quality of repairs and constantly improve work organization in order to achieve greater productivity in the loading and unloading of goods, in close connection with the domestic economy, so as to avoid paying demurrage fees and turn results around with income for quick dispatches.

There could be no better homage to Aracelio Iglesias, Jacinto Garcia Espinosa and the pioneer of our Merchant Marine, Andres Gonzalez Lines, than to move forward on this path, which is the way to reward their struggles, desires and sacrifices, on this 20th anniversary of the Ministry of Transport.

Rail Activity

Rail activity is a top priority task of this ministry because of its decisive importance to the country's economic development. Rehabilitation of the system has been one of the tasks to which we have devoted our attention in recent years.

We have activated 140 diesel electric locomotives and increased the freight capacity with 2,000 new cars, 50 percent of which were hoppers used to haul bulk sugar, a new method put into practice by the Revolution.

Investments in the early years of the Revolution were aimed at restoring and repairing American rolling stock and extensive maintenance of the most important lines in order to be able to guarantee our ability to handle the growing freight and passenger traffic.

Beginning in 1972, the process of rehabilitating and modernizing the railroad got underway, consisting of the construction of the rapid central line between Havana and Santiago de Cuba, substantially reducing the time involved and thereby helping passenger and freight traffic.

Nevertheless, it is now that the largest investments in the history of the Cuban railroad are being made. It is a huge undertaking requiring a serious, sustained effort, but it will enable us to have a rail system on a par with the most modern in the world.

Not only will the material and technical base make it possible to achieve this development, but it is necessary that the valuable experience of the railroad workers be assimilated by the young people now being trained to operate the modern equipment and learning discipline, responsibility and the traditional efficiency.

It is necessary to create an efficient and safe railroad and the railroad workers must feel proud to belong to this branch which has so much tradition in the struggles of our workers. The new railroad generations have the duty of preparing to hold on high the spirit of sacrifice and struggle of those who have come before us.

At the present time, a broad range of equipment makes up the truck transport stock. In the past 20 years, we have invested large resources in the acquisition of thousands of trucks of all kinds. There are now over 2,500 and they handle 60 percent of the truck-hauled freight of ministry's public services.

This important means of freight transport has a major effect on the country's domestic economy because the improvement in efficiency represents a constant struggle on the part of the workers. In the heat of this 20th anniversary, we can say that during the first five months of this year, this system has hauled 2 million more tons of freight than during the period from January to May of last year, a favorable balance that we must maintain and improve.

In the past 20 years, our truck pool has more than quadrupled. Likewise, the number of buses has tripled.

Expansion of the means of communications has registered a leap in quality and quantity, which favors the operation of equipment and connects regions that had previously been practically isolated. We have built nearly twice the amount of kilometers of highways and roads that existed at the time of the triumph of the Revolution.

We have also made investments to expand the vehicle repair bases and at the present time, it is possible to completely repair motors, differentials, transmissions and other parts that result in better operation and maintenance of equipment. At the same time, we have moved forward in the restoration and production of spare parts and replacement parts, saving foreign exchange previously used for imports.

Urban Transport

Urban transport has expanded to over 60 areas throughout the country, tripling the services available at the time the ministry was created. A decisive role in this expansion of bus passenger service has been played by the production of buses in our country using imported chassis, which has enabled us to save enormous resources. This has been an undeniable achievement in these years of intense struggle and we shall continue to make progress in the future.

Urban transport in the capital has improved substantially in recent years. That can be no doubt that the growth in the population, which increased 38.5 percent in Havana City in the past two decades, and the increased mobility of the population, which has tripled, has affected the inadequacies observed in urban transport in the capital somewhat. Nevertheless, the experience of recent years shows us that not only must we resolve the problem by increasing the number of vehicles, but above all, by improving efficiency with organizational measures and by being more demanding.

At the present time, in our capital alone, 132 bus routes are in operating, doubling the number existing at the time of the Revolution. This service must continue to improve because it is a necessity so that all the workers can efficiently meet their work responsibilities and at the same time, contribute to the recreation and scattering of our population.

The transportation service by state automobiles was an activity created by the Revolution. It emerged in 1961 as a response to the critical situation created in urban transport as a consequence of the imperialist blockade.

It began in the country's capital and gradually extended to the 18 largest cities. The vehicles have been replaced on several occasions and management has gradually improved, both in the taxi service and the special services unit.

Under the pseudo republic, aviation was always a luxury means of transportation, reserved for tourism and only accessible to the privileged classes. During the first 30 years of its existence in Cuba, it operated under the country of foreign companies and in 1954, it remained in the hands of the tyrant in power and was militarized under Tabernilla, who at that time was head of the army of the tyranny.

The equipment basically came from the United States, as a result of which it was a target of the imperialist blockade, and a gradual change to Soviet equipment was necessary.

This change in technical equipment also made it necessary to overhaul workshops and to train skilled technical personnel within the shortest possible time in order to perform the different operations of this complex transport technique.

At the present time, the Cuban Aviation Enterprise, which only flew to Latin American countries and Madrid, links Cuba with 18 countries on the four continents, quadrupling the number of passengers carried on international routes and doubling its capacity on national routes.

We have built new airports and modernized those already in existence, and we have acquired modern technology, thereby guaranteeing the safety of air navigation.

In the past, agricultural aviation was nonexistent. It now oeprates with over 160 AN-2 Soviet-made airplanes and a vast system of runways and airborne chemical services. It provides services to over 3 million hectares as a means of increasing agricultural production through more advanced techniques.

In the future, we plan new and greater investments in the aviation branch, which will continue its overall development and contribute to our national economy.

On this occasion, it is worthwhile and necessary to point out the internationalist aid supplied by the Cuban Aviation, Merchant Marine and other workers, on the occasion of the imperialist aggression into Angola and Ethiopia. This was a brilliant homage to the revolutionary soldiers who fought for years in this sector for the happiness of peoples and they deserve our recognition on this occasion.

Material and Technical Aid from USSR

It is also impossible to mention this progress in all branches of the sector without referring to the material and technical aid that we have received from the country of Lenin, from the workers and all the Soviet people, without whose aid we could not have successfully faced the imperialist challenge of the economic blockade.

In the development of our Merchant Marine, its aid and solidarity are present. In the production of our Bay of Pigs buses, the modern road transport equipment, our repair bases, our aviation technology, in every achievement, every advance, every victory, the unselfish help and support of that great nation, which shares our ideals and objectives, are present.

Comrades:

The principal goal of this assembly is to stimulate the thousands of comrades throughout the country and in the different branches of transportation to perform their daily work with self-sacrifice in order to contribute to the economy and guarantee such necessary service to the people.

These achievements that we have mentioned are the fruit of the work of the Moncada, of Granma, the fight in the Sierra Maestra and the plains, of the sweat of our workers. They are the result of over 20 years of relentless efforts to carry the work of the Revolution forward, to consolidate our socialist economy and contribute to the happiness and welfare of the people.

In recognizing these achievements, we are not forgetting the deficiencies we still have. They force us to perfect our work and to take the demand for efficiency and performance to all orders.

On this 20th anniversary, let us propose to make our greatest efforts to optimize our work in the country's ports, to make our work even more efficient, to eliminate demurrage fees, and to systematize rapid turnarounds and make them routine.

Let us set the firm goal to carry out the modernization of the railroad, with efficiency and discipline, until it is on a par with the most highly developed in the world.

Let us continue to work to improve truck transport figures, to increase their productivity, reduce breakdowns and improve economic efficiency.

Let us rigorously and energetically systematize the urban transport service, conscious of what it represents for the operation of our economy and the welfare of the people, both with respect to buses and cars for hire.

Let us daily improve the efficiency of our air transportation for passengers and our agricultural aviation services.

Let us do everything within our power to carry out the overall transportation development plan in each of the branches included.

In our lives, let us materialize the desires and hopes of Aracelio, Varona, Jose Maria Perez and so many other martyrs who have fallen for what we now have. Let us be worthy of the tradition of struggle and combat of the workers in our sector.

Long live the 20th anniversary of the Ministry of Transport! Long live the Socialist Revolution! Long live Fidel! Fatherland or death! We shall win!

11,464
CSO: 3010/1764

BRIEFS

FAR VANGUARDS HONORED--After completing a period of instruction full of important activities in terms of combat and political training, all those who, through their personal effort, outstandingly contributed to the attainment of the significant successes in the units, were given proper recognition. This is what happened on 26 and 29 July to the commanders, officers, sergeants, and enlisted men who came out as vanguard members in socialist competition during the 1980-1981 training year in the units of the EMG [General Staff] and the RAM. Brig Gen Jose A. Moria Gonzalez in the name of the commanders, officers, sergeants, enlisted men, and civilian workers of the MINFAR [Ministry of the Revolutionary Armed Forces] and the EMG, warm congratulations to those honored on this occasion. The function of socialist competition, as a valuable instrument for educating personnel in the principles of communist and proletarian ethics, was evidenced once again in the selection of this large group of vanguard members. They are the comrades who demonstrated a high sense of responsibility toward the accomplishment of their duties by displaying initiative and continually improving their work methods, styles, and habit with a view to becoming evern more efficient in the execution of their work. [Excerpts] [Havana VERDE OLIVO in Spanish 9 Aug 81 p 57] 5058

CSO:3010/1799 END

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2 October 1981

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No. 2379

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YACYRETA DIRECTORS ACCEPT BIDS FOR PROJECT

Directors Interviewed

PY120229 Asuncion Teledifusora Paraguaya Television in Spanish 2300 GMT 11 Sep 81

[Interview with Yacyreta Binational Hydroelectric Project Executive Directors Gen Lino Domingo Montiel Forzano (Argentina) and Eng Zoilo Rodas Ortiz (Paraguay) in Asuncion on 11 September--recorded]

[Text] [Announcer] Yacyreta Executive Directors Gen Lino Domingo Montiel Forzano for Argentina and Eng Zoilo Rodas Ortiz for Paraguay held a meeting today, the results of which are very important for the execution of the Yacyreta binational project. During the meeting they discussed the question of civil engineering works and the bid submitted by the U.S. company Allis Chalmers which was declared the most advantageous for supplying the turbines to be installed in the future hydroelectric plant on the Parana River. As the meeting of the Executive Committee ended, General Motiel Forzano briefed the press on the resolutions adopted and Engineer Rodas Ortiz reported that a wire was sent to the Eximbank, which will finance the Allis Chalmers' offer, on the important resolution adopted today to speed up the Yacyreta construction timetable which has fallen behind lately.

[Begin Montiel recording] As a first measure we have accepted, that is, we have decided to propose to the council the acceptance of the bid of the Japan and Voith consortium to supply 10 generators; and we have also proposed awarding the contract for another 10 generators to the Yacyreta-Apipe consortium which is headed by the Siemens Company. Also, we have declared as the most advantageous offer regarding turbines the one submitted by Allis Chalmers which will be awarded the job of supplying the 20 turbines referred to in the bid. This is, let's say, the content of the resolutions in a nutshell. [End recording]

[Begin Rodas Ortiz recording] I want to explain that the Allis Chalmers turbine offer has been declared the most advantageous. The final award depends on some factors which should be clarified so that the Executive Committee may propose to the Administration Council the awarding for actual purchase. [End recording]

[Question] When will that be, sir?

[Begin Rodas Ortiz recording] In a few more days, 10 to 15 days. [End recording]

[Question] The intention to make that award has already positively been established then in the first stage?

[Begin Rodas Ortiz recording] The declaration by the Executive Committee as the most advantageous offer is a very positive first step. [End recording]

[Question] Is the declaration also accepted by the Eximbank?

[Begin Rodas Ortiz recording] Certainly. Today we informed the Eximbank, via telex and note, of the decision of the Executive Committee, as well as the decision to purchase material and machinery in the United States. And this, we are sure, will be enough for the Eximbank to maintain the 7.75 percent interest rate. [End recording]

Report on Awards

PY151614 Asuncion ABC COLOR in Spanish 12 Sep 81 p 13

[Text] [No dateline given] During the meeting it held yesterday in this capital, the Executive Committee of the Yacyreta Binational Enterprise decided to award the bid for generators to two international consortiums: Japan and Voith, which will provide 10; and Yacyreta-Apipe, which will provide the other 10. The bid called for a total of 20 generators.

The Executive Committee decided to declare the bid for turbines submitted by the U.S. firm of Allis Chalmers as the most convenient one, thus the first step in the awarding of equipment has been taken. The directors of the binational enterprise also announced that three of the turbines will be manufactured by the Argentine consortium of METANAC [expansion unknown] and another two will possibly be manufactured by another Argentine consortium: AFNE [State Shipyards and Naval Factories]. Moreover, all of this will be decided within the next few days through the negotiations to be held between Yacyreta and Allis Chalmers.

The Executive Committee held a lengthy meeting yesterday afternoon at the headquarters of the enterprise, located in the Humaita Building of this capital. At the conclusion of the meeting, Executive Directors Gen Lino Montiel Forzano (ret) and Eng Zoilo Rodas Ortiz met with the Buneos Aires and Asuncion media in order to announce the important decisions.

The awarding of the generators was made in the following manner: 10 to the firm of Japan and Voith, which had submitted a bid amounting to $46,234,100. This consortium includes: Mitsubishi Corp (the head of the consortium); Mitsubishi Electric Co; Hitachi Ltd; Toshiba; Fuji Electric Co; and Mitsubishi Heavy Industries, all from Japan; and the FRG firm of J.M. Voith.

The other 10 generators will be manufactured and supplied by the Yacyreta-Apipe consortium, which includes Siemens AG of the FRG (the head of the consortium); Energomachexport from the USSR; and GIE [expansion unknown] from Italy. This consortium submitted a bid amounting to $51,051,286.

Regarding the bid for the turbines, the directors stated that having declared which is the most convenient offer, that submitted by Allis Chalmers, "is the first very positive step for awarding it." The final decision depends on some details that must be clarified within the next few days.

These decisions have already been reported to the Eximbank by telex and a note. The IDB and the PBRD (World Bank) will also be informed in a similar way.

Yacyreta having thus informed the Eximbank, the latter organization will maintain the 7.75 percent yearly interest rate that has been set for the financing of the components of the electromechanical equipment to be used in the construction of the future hydroelectric plant on the Parana River.

Rodas emphasized that "today has been a truly productive day and very good for the progress of Yacyreta." In principal it has been clarified that Allis Chalmers has practically been assured that it will directly manufacture 15 turbines, while 3, and maybe 4, will be built by METANAC (which is part of the PECARMONA [expansion unknown] complex of Mendoza Province), and the other 2 will be built by AFNE. These turbines will be built under the responsibility of Allis Chalmers at the price submitted in the bid. If by any chance there are surcharges, these will be absorbed by the U.S. firm.

Regarding the generators, they said that taking into account the face values, the firms that were awarded the bids placed third and fourth on the list.

The Yacyreta directors were asked if the presence of a Soviet firm in one of the consortiums that has been awarded a bid for the supply of generators had not been questioned or whether it had been an obstacle. Rodas answered that "the offer of the Yacyreta-Apipe consortium was made by the FRG firm of Siemens, the Soviet firm of Energomachexport and the Italian firm of GIE, and each of them has a participation in the group. On awarding the bid for the generators we are awarding it to Siemens (the head of the consortium), because it is going to provide the equipment, with the help of GIE, provided for in the consortium's bid. Thus, it can be said that we have awarded the firms of Siemens and GIE."

Regarding the civil engineering works, it was stated that the final decision will be made known very soon, "but at this time there was a pressing reason regarding the electromechanical equipment due to the fluctuation in the interest rates for the financing loans. This is why we hurried with the decision regarding the electromechanical equipment, but it alters nothing regarding the tender for the civil engineering works."

Regarding the civil works, Rodas explained that "within a few days we are again going to discuss them in order to reach a decision, but at this time we must definitely conclude with everything that pertains to the turbines and the generators. I do not know ecactly when the tender will be awarded, but I believe it could be next month," he announced.

Regarding local participation in the undertakings, Rodas said that "Paraguayan participation will amount to 10 percent in the manufacture of the turbines and Argentina's will amount to 15-16 percent. The percentages will be approximately the same in the manufacture of the generators."

Rodas stressed that "the legal 50-50 [given in English] has a lot of influence regarding local participation, but the industrial capability of each of the countries also has a lot of influence if an important participation is to be obtained. The percentages that were arrived at, conceded and granted are, in this case, the correct ones."

The Administrative Board should also have met yesterday, but the meeting was suspended suddenly; it may be held next week. The board must approve the resolutions that were adopted yesterday by the Executive Council.

U.S. Firm Accepts Award

PY221400 Buenos Aires Noticias Argentinas in Spanish 2258 GMT 21 Sep 81

[Text] Buenos Aires, 21 Sep (NA)--The U.S. consortium Allis Chalmers today accepted the participation of the Argentine consortium Metanac for the construction of four of the 20 turbines for the Yacyreta Dam. The officials of the Yacyreta Binational Enterprise have been notified of the decision.

Allis Chalmers has conditioned the Argentine company's participation as a direct contractor on a series of requirements which the METANAC Company will begin to study tomorrow.

Canadian Firm Complains

PY151832 Buenos Aires Noticias Argentinas in Spanish 1428 GMT 15 Sep 81

[Text] Buenos Aires, 15 Sep (NA)--The representative of Canadian General Electric (CGE) in Argentina has denounced to President Roberto Viola, the three commanders in chief and other officials the decision to award the bid for the generators of the future Yacyreta binational hydroelectric complex to two consortiums, one of them Japanese and the other one from the FRG and the Soviet Union, as "completely illogical and groundless." At the same time the CGE asserts that its offer was the best of the lot.

The note, which was submitted by Imacsa S.A.--CGE's representative--and signed by its chairman--Jorge Sackmann Saka, also reviews the work that the Canadian firm has carried out in the hydroelectric complexes it has participated in and mentions that several of its machines are, within their type, the most powerful in the world.

The note was learned of here after the members of the Yacyreta Executive Council decided last week in Asuncion to award 10 of the 20 generators to be built to the Japan-Voith consortium (of Japanese origin) and the other 10 to the Yacyreta-Apipe consortium, which includes the FRG's Siemens and Soviet enterprises.

After giving details of an interview the representative had with Yacyreta's Argentine executive director, Lino Montiel Forzano, in order to prevent "erroneous technical considerations" when the bids were to be awarded, the note reveals the deficiencies the Japanese and Soviet generators presumably experienced in complexes similar to that of Yacyreta.

In this respect the note states that "in the case of the Japanese generators there have been failures due to design" on several occasions, and it states that the most recent failure is that of the Kpong Rapids Dam (Ghana) in a 4 mw generator. This fact is known in the enterprise.

Referring to the German-Soviet consortium, the note states that there have been failures in the machinery "at Paulo Alfonos, El Chocon, Planicie Banderita and Racoon Mountain, which already has a 5-year delay in putting it into commercial operation, despite the fact that it has a 300 rpm design (all the above mentioned were provided by Siemens)."

Regarding the Soviet generators, the note states that "Soviet presence is scarce in works outside its area of influence. Nevertheless, we believe that the problems experienced at the Salto Grande Dam are sufficient proof."

Referring to the financing, the note states that CGE also "submitted the best offer, without conditions and which not only covered the manufacture, services, expenses and installations 100 percent," it also includes the expenses, interests and payment of services during the construction period.

"In the financial alternative it (CGE) offers a 13-year grace period, in other words, the plant can operate commercially for 3 years without any type of reimbursement. On the contrary, the Japanese consortium has offered only the basic financing demanded by the organization."

Referring to the other bid, the CGE believes that on being accepted by Yacyreta "it is not frameworked within the demands of this agreement."

Finally, the note refers to the prices and states: "While the CGE offer was 20 generators for 81.4 and 98.9, the Japanese consortium bid was 92.5 and 116.4 and the Yacyreta-Apipe consortium's was 95.9 and 100.7--all quotations in millions of U.S. dollars--for the A and B alternatives respectively (depending on whether there is a greater or lesser participation of Argentine and Paraguayan industries in the construction)."

Awards Confirmed

PY190322 Buenos Aires TELAM in Spanish 2110 GMT 18 Sep 81

[Text] Buenos Aires, 18 Sep (TELAM)--The Administrative Council of the Yacyreta binational has resolved on the awarding in the bidding for the designing, production, delivery, installation and starting up for commercial operation of 20 generators in the future Argentine-Paraguayan power plant.

The award went to the offers submitted by the Japan-Voith consortium for the first 10 generators in the amount of $46,291,000 and by the Yacyreta-Apipe consortium for the remaining 10 in the amount of $51,350,601.

The two consortiums are headed by Mitsubishi Electric Corporation and Siemens AG, respectively, and the decision made in this capital this afternoon confirms the resolution made by the Executive Committee in Asuncion last Friday.

The meeting was chaired by Col (ret) Roberto Jose Ruveda and attended by the Argentine advisers Isidoro Paradelo, Raul Estrada, Jose Alvarez and Adolfo Navajas Artaza and their Paraguayan counterparts Guillermo Haywood, Francisco Solano Benitez, Jorge Krsch, Alcides Gimenez and Elpidio Acevedo.

Executive Director Lino Montiel Forzano and Deputy Director Zoilo Rodas Ortiz were also present, as well as Ambassador Felipe Alberto Dumont, representative of the Argentine Foreign Ministry.

CSO: 3010/1866

PAPERS SCORE FRENCH-MEXICAN STATEMENT ON EL SALVADOR

'Surprising' of Mexico

PY100331 Buenos Aires LA NACION in Spanish 4 Sep 81 p 8

[Editorial: "The Perception of American Reality"]

[Text] The situation that Central America is going through, particularly the Salvadoran case, is raising concern beyond the region's borders. Continental governments are no longer the only ones that express their opinions and suggest measures aimed at putting an end to that funereal daily parade of dozens of dead and wounded, which is the tragic balance of a war that the Salvadoran population is enduring and that has been inspired and logistically and ideologically supported from other regions. Nobody can deny that Cuba is the direct source and that it plays a commanding role in such a chronic and cruel confrontation. Neither should anybody dare to state that well or ill-intended foreign intervention could put an end to it.

However, it is surprising to see that Mexico, which is an American country whose diplomatic initiatives have often been original and impractical, has joined France, a European country which holds territories in America under a metropolitan relationship that is hardly different from a colonial regime, in order to voice its solidarity with rebel guerrilla groups. According to a document, the coalition has won the support of Norway, which is another European socialist country. The European position stems from an evident ignorance of Latin American realities, and it could have been adopted for the purpose of showing the Soviet orbit something like an independent policy with regard to the United States. Or, according to another interpretation, the European position could be aimed at translating that demagogic halo which has been encouraged by Mr Mitterrand's electoral victory as if it were a panacea that could erase the mistakes made in the past. The Mexican participation also merits another strong judgment. In addition, it is unforgivable that Mexico's closeness to the stage where the events take place has not helped in shaping Mexican foreign policy, which has been so blind about facts which have such a great impact. Therefore, it will be necessary to admit that Mexico and its cosigners are seeking to appear as sympathizers of the so-called Farabundo Marti National Liberation Front in El Salvador. Consequences will not be few nor simple. They lead to the breaking of the inter-American system, since several of the other American countries have denounced the French-Mexican declaration through a document that was signed last Wednesday by nine foreign ministers. The Bolivian, Paraguayan, Chilean, Honduran, Guatemalan, Dominican, Colombian and Venezuelan

foreign ministers and, of course, our country's foreign minister, have signed the document. The Argentine foreign minister has made known in Washington that the Argentine help in the sanitary, food and financial areas will comply with the fraternal duties of understanding and support for the Salvadorans. At the same time, he stressed that the political confrontation that is taking place in the Central American country is a matter that should be dealt with and solved exclusively by its own citizens.

The nine countries have categorically expressed their opinion in the declaration they signed. Despite its somewhat confusing style and phrasing, the declaration clearly criticizes the French-Mexican position. It calls attention to the bitter experience that the Latin American peoples have undergone, and it points out the danger involved in the French-Mexican determination to recognize the representativity of the Farabundo Marti National Liberation Front. The submission of the French-Mexican resolution to the United Nations and the support by an extracontinental country aggravate the conceptual mistake made by the two countries. As has been clearly stated in the document that Argentina and the other eight countries have put out, both French and Mexicans have pledged their support for violence and the hampering of the democratic process.

At a time when the surreptitious use of force poisons world peace, an attitude like the Mexican one seriously disqualifies a fundamental principle of American continental life; this principle has been frequently referred to with rhetorical eloquence by that country, and it has been left aside when its ratification was most badly urged by the circumstances. As for France and the Norwegian support, even though they do not involve too serious a risk, they are very inappropriate and untimely and they set inadmissible precedents.

Finally, future events will give a fair testimony to the validity of the principles that define the declaration signed by the nine foreign ministers and that involve a position against violence, the call for Salvadorans to achieve internal peace by themselves and a formal warning against foreign intervention.

'Unacceptable Interference'

PY101727 Buenos Aires LA PRENSA in Spanish 7 Sep 81 p 1, Section II

[Editorial: "France, Mexico and El Salvador"]

[Text] The joint decision of the French and Mexican foreign ministries to recognize the Salvadoran Farabundo Marti National Liberation Front and the Democratic Revolutionary Front as "representative Political forces" is an unacceptable interference in domestic affairs of the latter country. This has been denounced by the Salvadoran Government which has also submitted the appropriate diplomatic protest. No matter how one may call it, what France and Mexico have done is to give broad support to Salvadoran guerrillas whose ideological and military ties with Havana and Moscow have been repeatedly proven.

In order to understand the full meaning of this significant act carried out by two countries separated by thousands of kilometers--this being the lesser of the differences worth mentioning--one must take into account recent international

developments and the political and military events which have been taking place in Central America over the last 5 years.

Whether France wants to become the third most influential party in the power struggle between the two superpowers, or whether Mexico--as the WASHINGTON POST has cleverly stated--is trying to set up a balance between the authoritarian nature of its government and its calculated support for "liberating movements" in the neighboring countries, the fact is--and this we must stress--that the French-Mexican decision favors both ideologically and militarily the strategy of the Soviet Union and Cuba in this area.

It is obvious that nothing is as naive and pointless as it seems. While Mexico is seeking to improve its position in its struggle with Venezuela over the political supremacy in the region, France is letting the Soviet Union know that it has in Europe a trustworthy partner as far as "detente" and talks aimed at placating the Kremlin's fury goes.

In this regard Mexico's foreign policy over the past 20 years has been one of friendly rapprochement with Cuba by keeping silent about everything it should have criticized and by seeking support among "Third World countries," especially during President Luis Echeverria's administration. Now, France has reaffirmed, under Mitterrand's administration, the friendly feelings toward the Cuban dictator and his "experience." It has been so zealous in preserving this friendship that Antonio Blanca, charged with France's Latin American foreign policy, recently said that "the French Socialist Party is under no circumstances prepared to tolerate aggressions on Cuba, economic blockades or any type of direct or indirect discrimination."

Thus, we are now seeing a situation which goes far beyond friendliness or political preferences. France's position is clearly favorable to the strategy which Cuba and the Soviet Union have been pursuing in Central America. By favoring it and stimulating it, France has given its approval to guerrilla methodology.

This kind of attitude merely goes to prove that there is no desire to resolve the Salvadoran conflict but rather to spread it throughout the region and even the world. The Mexican Government, blinded perhaps by its lust for a leadership which in the best of cases will be short lived, pays no heed to the situation, unaware that it is part of the Soviet-Cuban plan.

CSO: 3010/1856

TWO PROMINENT PERONISTS KIDNAPPED, FREED

Peronists 'Kidnapped'

PY051350 Buenos Aires HERALD in English 4 Sep 81 p 1

[Text] (NA)--The federal police announced last night that they were investigating the kidnapping of two prominent Peronists on Wednesday afternoon, and had already taken action in the case.

The police communique did not specify the results of these actions, but said that eyewitnesses had given testimony and that provincial police force had been asked to help with the investigation.

Peronist leaders said last night that 16 heavily armed men claiming to be policemen had kidnapped former Justicialist National Deputy Julio Barbaro and university Professor Juan Gallego in Barbaro's office at Libertad 434 late Wednesday afternoon.

At a press conference held in the office of former Catamarca Governor Vicente Saadi, newsmen were handed a statement saying that the kidnappers had told four other persons who were in Barbaro's office to wait 2 hours before doing anything. The statement quoted the kidnappers as saying: "We are taking them to have a little talk with Federal Security Chief Arias Duval."

The Peronist statement demanded the immediate return of the kidnapped men and investigation of who was responsible. Leaders of the Radical, Intransigent, Christian Democrat, Popular Conservative, Socialist, Communist and Popular Leftist Front parties backed the appeal.

In an earlier communique, the federal police said that the kidnappers, who claimed to be policemen carrying out orders, had told the victims' families that they were not to inform the Interior Ministry of the kidnappings, that they were to contact the Permanent Assembly for Human Rights (APDH) and the media, and that they should present writs of habeas corpus today.

The APDH later issued a statement denying that the kidnappers had told the victims' families to contact the organization.

At the press conference Jose Sarrabayrouse said that the men's families were not present in the office where the kidnapping took place, and had not mentioned the APDH to those who were present.

The wives of the kidnap victims, Marta Danses de Barbaro and Elisa Bejas de Gallego, claimed at the press conference that the police communique had been released before eyewitnesses had had time to testify.

Federal Police Communique

[Editorial Report] Buenos Aires TELAM in Spanish at 1000 GMT on 5 September carries a federal police communique saying that at 0045 on the morning of 5 September former Deputy Julio Barbaro and sociology Professor Juan Carlos Gallego, "who had been kidnapped by an armed group on Wednesday" "were abandoned at the intersection of Libertador Avenue and Vedia Avenue" in downtown Buenos Aires. Police who found them there took them immediately to the 35A precinct offices, and from there they were taken to the federal police offices, where statements were taken and a court doctor examined them and found "no bodily injuries, only noting their fatigue resulting from the length of time they were in captivity."

The communique goes on to say that neither Gallego nor Barbaro were able to identify their kidnappers. From the depositions of the victims, it was deduced that they had been held at a site quite distant from Buenos Aires "in what appeared to be an uninhabited area, since they did not notice any vehicles or people passing by."

The judge assigned to the case is reported to have issued orders for investigating the case. The communique says that the two victims said that they had been blindfolded and taken in a van to the above location, where they were set free.

Serious Incident

PY051415 Buenos Aires HERALD in English 4 Sep 81 p 10

[Editorial: "Cause For Alarm"]

[Text] The kidnapping, by a considerable body of well-armed men who claimed to belong to the federal police, of the former Peronist Deputy Julio Donato Barbaro and sociology Professor Juan Carlos Gallego, is the most serious such incident to occur in Argentina for well over a year. The police have denied that the gunmen involved were acting on their behalf and have said that they are doing everything they can to clear up the episode. For the sake of Argentina we must pray that they are soon successful. This daylight kidnapping brings back terrible memories of the kind of procedure that gave Argentina a reputation as sinister as that of any other country on earth in the final years of the 1970's and unless the people involved are found within a matter of hours and the two men kidnapped are released unharmed, the Argentine "image" will suffer a devastating blow. More important than this, of course, is the damage crimes of this nature do to the country itself. All prospects of a reasonably peaceful transition from the rule of force to the rule of law will be destroyed if once again political differences--and given the background of the two kidnap victims it is reasonable to assume that political factors were involved--are settled by gangland methods.

There are no reasons at all for thinking that the two men were kidnapped by gunmen acting on behalf of the military regime. The government, and the leaders of the armed forces, are no doubt fully aware that they have nothing whatever to gain and a great deal to lose by allowing people associated with them to seize two relatively

obscure political militants. Indeed, this being the case the probable explanation of this disgraceful and disquieting incident is that it was expressly designed to hurt the regime. It occurred just after the return of the foreign minister from an apparently successful visit to the United States, where the Reagan administration is doing its best to persuade congress to remove Argentina's Government from the black list. Nothing could be more calculated to undermine their efforts than a resumption of political kidnappings in this country.

But, even though official or quasi-official participation in this kidnapping looks extremely unlikely, critics of the military government will inevitably take it for granted that the men were seized as part of a campaign to intimidate the Argentine population and to slow down the movement towards legality. The only way they and the uncommitted can be persuaded that they are wrong is by the prompt discovery of the people responsible and their subsequent punishment. Until this is done suspicions of government involvement, however unjustifiable they may be, will be impossible to dispel. It is therefore in the government's interest to throw every force it can dispose of into the search for the two missing men and their kidnappers.

The possibility, no matter how slight, that the kidnappers were in some way associated with the regime is alarming. Just as alarming is the probability that they were not. If a reported 16 men armed with pistols and submachineguns can kidnap people in the heart of Buenos Aires the maintenance of law and order in the city is clearly less effective than most people assume. Argentina has suffered quite enough from political gangsterism in the past. Perhaps this incident will prove no more than an ugly reminder of a tragic period that is now over. If it is the first manifestation of a new upsurge of barbarism, however, the country's political prospects are even worse than the most pessimistic had imagined.

Kidnapped Peronists' Statements

PY081620 Buenos Aires CRONICA in Spanish 6 Sep 81 p 10

[Text] Julio Barbaro, former National Peronist deputy, and Juan Carlos Gallego, sociology professor at the University of El Salvador, as CRONICA reported yesterday, were released early yesterday morning at the corner of Libertador Avenue and Vedia Street by those who kidnapped them on Wednesday. Last night they held a press conference at which they revealed details of their kidnapping.

During this press conference, held at 537 Castro Barros Avenue, Barbaro said: "I am a staunch opponent of the government but I am forced to admit that the official position has been clearly in favor of our release." The former parliamentarian said "I believe that our kidnapping has done more harm than anything else to the government; the role played by the government has been clear-cut; its communiques have been straightforward and objective."

The victims of the kidnapping said that they were taken away at 1730 last Wednesday from Barbaro's office at 434 Libertad Street by a group of 15 persons of which only five entered the building while the others remained in the cars parked nearby.

Barbaro and Gallego explained that "we believed them to be members of the federal security" since that is what they claimed to be. They explained that the group took them in a Ford Falcon car along the Panamerican Highway to General Pacheco where they were blindfolded with adhesive tape and taken away in separate vehicles in which they had to lie on the floor. They further explained that the travelling seems to have been done in circles in order to cause them to lose their sense of direction, and that the cars had traveled on dirt roads--Barbaro and Gallego believe that they traveled approximately 800 or 1,000 kms--until they arrived at a small house or farm on the outskirts of some town. There was no power and they could hear the noise of a stream nearby.

They had traveled for 9 or 10 hours before arriving at this place. Their wrists had been bandaged to prevent the handcuffs from leaving marks on them. At the house "they started the interrogation, which dealt with the current status of the country. These interrogations lasted hours. We would rest for a couple of hours and we would be interrogated again about economic, philosophical and political subjects. We were also asked about what we would do if the Peronists took over the government, what measures we would implement, whether we would have a government open to all, free from hate. They also asked for our opinion about Rogelio Frigerio, Camilion and Martinez de Hoz."

Barbaro said that "in general, the treatment we received was good, although there were some minor blows." Barbaro and Gallego stated their conviction that the interrogations had been recorded. They explained that on Friday they were put in a pickup truck and on Saturday they were finally released at the corner of Libertador Avenue and Vedia Street.

CSO: 3020/152

BIOGRAPHICAL DATA ON NEW PRESIDENT TORRELIO VILLA REPORTED

PY041558 Paris AFP in Spanish 1350 GMT 4 Sep 81

[Excerpt] La Paz, 4 Sep (AFP)--Gen Celso Torrelio Villa, the Bolivian army commander who will assume the presidency of Bolivia today was born in Sucre.

He studied at the Jesuit Sacred Heart School and entered the army military school in 1953. He is, therefore, a member of the first class of the army military school which was reopened by the National Revolutionary Movement (MNR) after the coup of 9 April 1952.

Torrelio Villa was a student at the Chief of Staff and Command School in 1968 and immediately thereafter was appointed aide-de-camp of Gen Luis Reque Teran who was army commander during the government of Gen Juan Jose Torres Gonzales (1969-1971).

While in that post he commanded the military operation that freed French intellectual Regis Debray, who is at present serving as advisor to President Francois Mitterrand.

From 1971 to 1974 he was appointed commander of several small units and in 1975 he was awarded a scholarship to Fort Gullick in the United States.

In that same year he was appointed commander of the Challapata Rangers regiment in Oruro, located in the southeast of Bolivia, and in 1977 he was appointed chairman of the II Corp General Staff located in that same district.

During the Garcia Meza government he served as commander of the army military school, interior minister and army commander.

CSO: 3010/1863

POLITICAL SECTORS PRIVATELY CRITICIZE NEW CABINET

PY101930 Buenos Aires TELAM in Spanish 1920 GMT 8 Sep 81

[Excerpts] La Paz, 8 Sep (TELAM)--Various political sectors have cast veiled criticisms against the cabinet which President Celso Torrelio Villa swore in last night, charging it with being an extension of the regime launched on 17 July 1980 by Gen Luis Garcia Meza and claiming that the appointments had been a disappointment to those who had expected an overall reshuffling of the Bolivian military government which has passed through three different stages and will be 14 months old on 17 September.

These criticisms have not been voiced publicly and could only be gleaned from private talks with spokesmen of various sectors and remarks made by analysts and observers who had expected that the president sworn in on Friday would appoint to his team representatives from all sectors involved in the power struggle and not just those of the conservative sector which has been struggling to retain power ever since General Garcia Meza's resignation on 4 August.

Meanwhile, military observers have assigned special significance to the trip which Air Force Commander in Chief Waldo Bernal made to Miami (United States) on Saturday and to the fact that Air Force Chief of Staff Sen Natalio Morales has been confirmed as minister of aeronautics. The observers recalled that according to the decree creating the Ministry of Aeronautics, approved at the end of 1980, the air force commander in chief should be the minister of aeronautics as well.

In response to questions in this regard, air force spokesmen have indicated that according to the hierarchical order of the air force, the chief of staff is empowered to replace the commander in chief when the latter is engaged in tasks which entail greater responsibility, and explained that this seems to be the only reasons for Morales' confirmation as aeronautics minister.

In the meantime, political analysts have been maintaining the position stated after Torrelio was appointed president of the nation, in the sense that his government will gain strength depending on the swiftness with which friendly countries begin to recognize the regime and especially on the final recognition of the United States which has not had normal diplomatic relations with Bolivia ever since July 1980.

Another essential requirement for the strengthening of the regime launched on 4 September is the swift supply of foreign economic aid which could enable Bolivia to provide urgent solutions to the severe economic crisis which it is currently experiencing.

CSO: 3010/1863

COMIBOL PRESIDENT SEES COUNTRY NEAR BANKRUPTCY

PY062344 Buenos Aires LATIN in Spanish 2045 GMT 26 Aug 81

[Text] La Paz, 26 Aug (LATIN-REUTER)--"The country finds itself in a critical situation and on the verge of bankruptcy," affirmed the president of the Mining Corporation of Bolivia (COMIBOL), Gen Abel Martinez, in drawing a dramatic picture of the state of that enterprise.

Martinez' statements were made Friday [21 August] in the mining town of Huanuni and published yesterday in the local press.

On that occasion, he said only 1 of the 14 mines that COMIBOL controls is profitable and that the other 13 were operating at a loss, placing COMIBOL also "on the verge of bankruptcy."

The mines minister, Col Carlos Morales, in referring to the statements of the COMIBOL president, noted that only the Finance Ministry is empowered to define the economic situation in the country.

"We cannot arrive at simple definitions without first making an analysis of the external and internal situation which affects the profitability of COMIBOL," he added.

General Martinez, referring to COMIBOL, said that "We have received bankrupt enterprise" where "certain personnel have created a farce and have damaged the enterprise in order to satisfy their personal appetites or by their administrative incompetence."

COMIBOL is the state enterprise that controls all the tin mines, which were nationalized in 1953. The number of workers in that enterprise is calculated at 20,000. Its deposits at Catavi and Siglo XX "have virtually been exhausted," according to Martinez. He explained that in order to obtain a pound of refined tin it is necessary to move a great amount of material and equipment in those two tin mines.

He added that the state of COMIBOL is not attributable to the current government but is the consequence of a process that has been dragged out over a long time.

CSO: 3010/1863

DECREES IMPLEMENTING AUSTERITY MEASURES APPROVED

PY171458 La Paz Radio Illimani Network in Spanish 1130 GMT 17 Sep 81

[Text] The government has issued a decree prohibiting both the public and the private sector from contracting foreign loans directly and ordered that whenever these loans require the backing of the Central Bank they should be channeled through this institution. This decree, along with four others, was approved at yesterday's cabinet meeting. The other decrees are intended to complement those approved on 26 August this year and targeted at implementing a public administration austerity plan. All these decrees have been drawn up by the Finance Ministry and evaluated by the National Economy and Planning Council before submitting them for the approval of Gen Celso Torrelio Villa's administration.

At the end of the cabinet meeting at Government House, which lasted almost 5 hours, Information Minister Jaime Humerez Seleme made the following statement:

[Begin Humerez recording] The cabinet has approved five very important decrees. One of them reinstates the emergency customs clearance system applicable to machinery, raw materials, inputs [for further processing] and seeds for legally established industrial and agricultural enterprises.

Still another decree increases the taxable proportion of corn liquor production and sales, while keeping the [word indistinct] tax at 50 percent. [End recording]

The official presidential spokesman also said that the three other decrees are aimed at fulfilling the government's objective of improving the financial status of public administration.

[Begin Humerez recording] The third decree establishes that vehicles, which have been exempted from paying customs duties, such as those for the diplomatic corps and other organizations, can be sold to third parties only after paying the exempted duties according to a depreciation scale.

The fourth decree is intended to complement Resolution No 192764, dated 2 June 1980, dealing with payment of per diem for fieldwork.

The fifth decree prohibits both private and public sectors from contracting foreign debts directly, and orders that whenever these loans require the backing of the Central Bank, they should be channeled through this institution. [End recording]

CSO: 3010/1863

INTEGRATION MINISTER COMMENTS ON ANDEAN MEETING

PY111600 La Paz Radio Illimani Network in Spanish 1130 GMT 11 Sep 81

[Text] The relations among the Cartagena Agreement member countries will strengthen their coexistence and integration. This is the opinion of the representatives who participated in the meeting of the Cartagena Agreement Commission that was held in Colombia at the beginning of this month. Regarding this matter, Integration Minister Edgar Millares explained:

[Begin recording] I can say with the greatest [word indistinct] that the countries enriched by this idea of foreign policy have the strong wish that international relations should strengthen the Andean group so that it will function well and all of us will be able to operate effectively within the Andean group. [End recording]

Millares then referred to the study made of the common exterior customs tariff and the impact it may have on the subregion in general and Bolivia in particular. It has been proposed that the subject of the common exterior customs tariff should be dealt with at the next meeting, to be held in Caracas, Venezuela, in (?October). [Recorded passage indistinct]

Millares also said that the meeting of the Andean Development Corporation is planned for the same date and that the new executive of the Subregional Financial Organization will be appointed on that occasion.

He concluded by referring to the need for preferential programs for Bolivia and Ecuador with new goals for their industrial programs.

CSO: 3010/1863

'EL DIARIO' CRITICAL OF MEXICAN POLICY ON EL SALVADOR

PY161905 La Paz EL DIARIO in Spanish 13 Sep 81 p 2

[Editorial: "Interventionism"]

[Text] The Latin American media, in addition to the decisive position adopted by nine governments of the continent, unanimously criticized the Mexican Government's agreement with France to recognize the guerrillas in El Salvador who are struggling against Jose Napoleon Duarte's regime. From the point of view of international law and principles of nonintervention--universally accepted and respected--the French-Mexican agreement, despite the hollow diplomatic language which disguises it, represents a convert intervention.

It is obvious that the French Marxist government, with its policy which will gradually be exposed, is aimed at disturbing democracy in every country which is considered a key country for the insidious penetration of the extreme left. This behavior could be included in its short-term and long-term plans. For the time being it has concentrated on the Central American region where the guerrilla, encouraged by Marxism, disrupts the social situation with Cuban aid. Later on it could go further and try to penetrate the Latin American southern cone.

But we cannot say the same about Mexico, whose international policy has always been against intervention in the domestic affairs of other states. We should recall that the firmness of its position is summarized in a phrase by Benito Juarez: "The respect for others' rights represents peace." Due to the French-Aztec agreement, the Mexican Government is straying away from that skillfully established policy.

We have at hand a communique which the Mexican Embassy in Buenos Aires released to the media. After the usual language used in this kind of document it states that the "Mexican Government is also convinced that only the Salvadorans will be able to find a durable solution to the current crisis. Because of this belief it has issued a joint declaration with the French Government in which it points out the principle of nonintervention, the concern of the two governments as responsible members of the international community, the deterioration of the social, economic, political and judicial order and the need for all representative groups of that society to participate in the seeking of a solution to the crisis. The opposition has not been recognized as a legitimate nor belligerent government, but as a representative political force which should take part in the negotiations..."

The text of the declaration leaves no doubt despite the fact that it talks about the free determination of the peoples or that the belligerency of the guerrillas has not been recognized. Naturally, it does not point out--although it would have been enlightening if it had done so--who stirs up war, who orchestrates it and who finances it. This was revealed by the Colombian president when he stated the need to "uninterruptedly unmask the Cuban intervention in Central America and the very Colombia."

The way Mexico defends its new international position clearly shows that it is trying to do away with gains in international law achieved over several hundreds of years.

Intervention has been decided on and is a fact, but Mexico does it in the name of "nonintervention." The hollow language of justifications justifies nothing and only serves to demonstrate that the mutations of its policy, which this time has taken a 180-degree turn, give a pitiful impression. With this change it strays away from the doctrine whose main principle is: "The respect for others' rights represents peace."

CSO: 3010/1863

BRIEFS

FOREIGN MILITARY OFFICERS' PRESENCE--A note issued by the Foreign Ministry states that the presence of foreign military missions in the country is regulated by agreements signed by the state with friendly nations for the granting of technical aid in subjects of their speciality. The Foreign Ministry adds that this is not an innovation nor an isolated case peculiar to our country and that military missions have existed before. It then points out that the armed forces, in great part, owes its modern organization to these missions. The note points out that in this regard it is proper to recall that technical missions from Germany, the United States as well as other countries of the continent have worked in Bolivia. The Foreign Ministry states that the Argentine military missions which have been serving in the country do so in two specific areas: In the national army these missions act as instructors at the Superior War School and other institutes for advanced training. With regard to the Bolivian Navy, the Argentine Navy has an important and effective role in the academic studies of the future Bolivian sailors as well as in their training and practical work. Officer graduates and cadets take part in cruises carried out by the Argentine Navy which helps their professional training. [Text] [PY161834 La Paz Radio Illimani Network in Spanish 1130 GMT 16 Sep 81]

ADMINISTRATIVE DISORGANIZATION CITED--Gen (Antonio Ovando Rojas), comptroller general of the republic, has asserted that the administrative apparatus of the country has become disorganized over the last few years which has led not only to a slowing down of the economy but also to immorality. He said that both trends have become institutionalized to such an extent that the citizens do not seem to expect anything better from the future but have sunk into pessimism. General (Ovando Rojas) made this statement when he swore in Deputy Comptroller (Alfredo Villa Ugarte Rico) at a ceremony held at the office of that state branch. As a result of the administrative disorganization, he said, there is an exasperating slowing down of justice, a lack of a coherent economic policy, the defrauding of the state by private businessmen and tax evasion. The comptroller stressed the concern of his office over the shocking growth of smuggling and also over the conditions of many industries which exist thanks to protection through government subsidies. General (Ovando Rojas) said that in all those cases the lack of fiscal control is conspicuous and added that the government is striving for a change toward a dignified society, respected among the nations. The comptroller asserted that new fiscal measures will be enforced according to the organizational law of the comptroller's office. [Text] [PY221331 La Paz Radio Illimani Network in Spanish 1130 GMT 22 Sep 81]

CHURCH'S SUPPORT TO GOVERNMENT--La Paz, 9 Sep (LATIN-REUTER)--The Bolivian Catholic Church promised to cooperate today with the new military government, but warned that it will summon the officials if they try to abuse power. This promise was made public today by Cardinal Jose Clemente Maurer, primate of the Bolivian Church, at the end of a mass he celebrated in the office of Bolivian President Celso Torreilio Villa who assumed power 5 days ago. The cardinal stated that we must all make an effort to put an end once and for all to rancor and hatred among Bolivians. He also asked for the disappearance of immoralities in any sector of our society and that the needs of the poor be met. Cardinal Maurer stated that the church is not identified with any regime or political ideology and asked the president and his ministers to be guided according to the principles of morality and justice. He said that the church will cooperate with your noble effort to achieve the common good. But the church will also take the liberty, if necessary, to admonish you with evangelical freedom if you someday abuse power, if you become negligent or withdraw from the right path, the primate added. The mass was celebrated at Government Palace, less than 24 hours after a protocol visit made by the church official to President Torrelio Villa. After that first meeting Cardinal Maurer told the reporters that church-state relations were normal, though not cordial because there are many things yet to be changed. [Text] [PY120316 Buenos Aires LATIN in Spanish 2346 GMT 9 Sep 81]

INFORMATION MINISTER'S HOSPITALIZATION--Information Minister Jaime Humerez Seleme is currently receiving medical care at the (Rojas Mejia) Hospital in Cochabamba. Dr (Leon Rojas Antesana), contacted by telephone, has reported that the information minister was urgently hospitalized at 1900 on Wednesday. According to the doctor's explanation the minister suffered a heart attack while on an official mission in Cochabamba. The doctor explained that the minister is getting better but full recovery requires permanent attention. Therefore, Minister Jaime Humerez will have to stay for at least 20 days in the hospital because permanent control of the evolution of his disease must be maintained. The doctor added that all visits have been curtailed because absolute rest is necessary in these cases. [Text] [La Paz Radio Illimani Network in Spanish 1130 GMT 18 Sep 81]

LABOR FEDERATION'S OPEN LETTER--La Paz, 14 Sep (TELAM)--The Bolivian Labor Federation (COB) today published an open letter in local newspapers asking the government to decree a general and unrestricted amnesty, suspend the curfew and guarantee respect for the constitution. The currently outlawed COB also asked for more press freedom and called for solutions to the economic problems of the country. "Prompted by our desire to protect national and popular interests, we, the workers, propose certain minimum requirements which could help bring about the unity of all Bolivians," the open letter signed by leaders Gonzalo Guzman, Victor Lima, Edgardo Basquez, Aldo Flores and Justo Perez Garcia, stated. The workers' leaders hailed dialogue as the proper way to resolve the various problems, but indicated that this dialogue must be held on a straigthforward basis, amid full freedom and without any exclusions. Additional proposals by the COB are: effective measures to reduce unemployment, reinstatement of workers fired for political and union activities, and enforcement of the autonomy of the universities. [Text] [PY141921 Buenos Aires TELAM in Spanish 1420 GMT 14 Sep 81]

NEW TRANSPORT, COMMUNICATIONS MINISTER--La Paz, 10 Sep (AFP)--Air Force Col Hector Caballero, the new Bolivian transport and communications minister, was sworn in today during a ceremony held at the Quemado Palace. Thus, the 18-member cabinet is now complete. Seventeen ministers were sworn in on Monday. At the end of the ceremony, President Gen Celso Torrelio indicated that the government is studying the problems that are being experienced by the country. [Text] [PY110246 Paris AFP in Spanish 0211 GMT 11 Sep 81]

EXILE OF PEASANT LEADER--La Paz, 15 Sep (AFP)--Oscar Cespedes, former executive secretary of the Bolivian Peasant Workers Confederation, will be exiled within the next few hours, Interior Minister Romulo Mercado Garnica announced today. Cespedes was detained on 28 August, accused of maintaining contacts with former President Hugo Banzer Suarez, according to an unofficial explanation. The minister also said that six active ultraleftists were detained in the last few hours, but he refused to give their names. He concluded by saying that he had no knowledge of a request from the Inter-American Human Rights Commission, published by the press throughout the nation, for an investigation of the death of eight leaders of the Movement of the Revolutionary Left (MIR) which took place on 15 January during a clash with the police, according to the official report on the event. [Text] [PY160140 Paris AFP in Spanish 2139 GMT 15 Sep 81]

SUSPENSION OF AIRCRAFT PURCHASES--The negotiations for the purchase of both Fokker F.27 and Boeing 707 planes for the Lloyd Bolivian Airline have been suspended through a government decision, according to Aeronautics Minister Natalio Morales Mosquera. The minister said that the decision has been made because of the financial deficit of the national air company. He said, however, that the negotiations have not been definitively canceled, adding that it will soon be necessary to acquire new planes. Gen Natalio Morales concluded by explaining that news reports regarding the purchase of planes of type 104 [as heard] are mere speculations. The air force has constantly been studying the acquisition of better means of defense, but the economic situation of the nation rules out this purchase, he said. [Excerpts] [PY170312 La Paz Radio Illimani Network in Spanish 0100 GMT 17 Sep 81]

SANTA CRUZ PREFECT'S RESIGNATION--President Celso Torrelio Villa has accepted the resignation of the prefect of Santa Cruz Department because of his poor health. The news was provided for the radio network by Vice Adm Horacio Ugarteche Coronado, the Santa Cruz prefect himself, when he was interviewed by Radio Illimani. The new Santa Cruz prefect will be Air Force Lt Col (Maximo Garcia), according to Ugarteche. [Excerpts] [PY181212 La Paz Radio Illimani Network in Spanish 0100 GMT 19 Sep 81]

GOVERNMENT STATEMENT ON ECONOMIC PLAN--1. The supreme government has learned about a short, medium and long term economic program through its publication in a La Paz daily. The aforementioned document will be analyzed and made compatible with the economic programs which the ministries of the economic sector are carrying out. 2. It deeply regrets that the mentioned program was only made public recently and not implemented during the long period of time during which the persons who sign it were responsible for the nation's economic, financial and monetary policy. Signed: Public Relations Department of the Information Ministry. [Text] [Official communique released by the Information Ministry--no date given] [PY191517 La Paz Radio Illimani Network in Spanish 1130 GMT 19 Sep 81]

CSO: 3010/1863

UCR PROFESSORS OPPOSE PARTY INTERFERENCE

San Jose LA NACION in Spanish 18 Aug 81 p 2A

[Text] Opposition to all interference by political parties in university affairs was the position taken yesterday by the University Council [CU] and by Dr Fernando Duran Ayanegui, acting president of the University of Costa Rica (UCR).

This position was expressed by both authorities shortly after receipt of a report made by professors of the College of Sociology and Anthropology that, during a general assembly held by the university, an official document was presented and read by the communist party, Popular Vanguard.

The council members unanimously agreed to ask the Board of Regents to make an immediate investigation of precisely what happened at that meeting, held on 22 July.

On that occasion, a statement was read by Dr Carlos Araya Pochet, dean of the college of social sciences, relative to the future of that faculty. However, Prof Isabel Wing Ching also presented a document entitled: "Facing the Challenge of the College of Social Sciences, Position of Popular Vanguard."

The council asserted that this document "is a clear violation of university autonomy."

It also called upon the diligence and responsibility of the Advisory Council of the College of Social Sciences, chaired by Dr Araya, to see that this autonomy is not subjected to the slightest intervention by nonuniversity organizations or other entities.

President Duran, in turn, revealed in a communique that the Board of Regents considers the act of presenting a proposal to the assembly on behalf of a political party to be an assault on university autonomy and faculty freedom.

"Therefore," he declared, "as president of the university, I am herewith expressing my disapproval of the act performed at the meeting of the College of Sociology and Anthropology and directing my personal admonition to the person or persons who sponsored that act."

He also promised the university community that he would "see to it that all political parties maintain absolute respect for our academic freedom and autonomy at all times."

In expressing its position about this incident, the CU reasoned that autonomy is a principle consecrated in Article 84 of the Political Constitution. "University life is sustained by a multiplicity of ideas, mutual tolerance and freedom to express those ideas; to achieve its goals, the university requires freedom of thought and academic and administrative independence to avoid nonuniversity influences," it added.

It considered that autonomy is the framework within which all other guarantees of academic freedom are defined, including that of the faculty chair, a basic principle of higher education. However, the freedom of that chair does not authorize the university professor to engage in indoctrination or use his position as the rostrum of a political party and, even less, to become a spokesman for a nonuniversity political group within any administrative organization of the institution.

The council said it is "inadmissible" for any political party to intervene in the determination of academic or administrative policies.

Therefore, the council's communique expresses disapproval concerning the event which occurred at the sociology meeting of 22 July and rejects any intention of the Popular Vanguard Party to intervene in UCR's affairs.

The council has decided to convene the Representative Collegiate Assembly to study the principles involved in the autonomy concept. The meeting will be held at an opportune time.

In this connection, President Duran stated that it should be clearly understood that the UCR is not trying to escape criticism or the influence of sectors or institutions of Costa Rican society made through valid and respected procedures. "Every citizen or group of citizens has the right to express opinions about the university and its faculty; but in no case is that expression acceptable if it proposes or results in an attack against the institution's basic principles."

Among those principles he cited academic freedom and university autonomy.

The school official said that presenting opinions or proposals concerning the university's academic affairs before a student or faculty group is an unacceptable practice, and he went on to say that, "Intervention by a political party is contrary to our autonomy and must be rejected regardless of the circumstances."

8568
CSO: 3010/1778

TSE SUSPENDS PAYMENT OF UNITY COALITION DEBTS

San Jose LA NACION in Spanish 20 Aug 81 p 2A

[Excerpt] The Supreme Electoral Court (TSE) decided yesterday that, in view of its present arrangement, the Unity coalition is not entitled to receive the stipulated payment of its political debt.

On 19 July the Democratic Renewal Party [RD] withdrew from the coalition, reducing the number of parties from four to three. This led the electoral organization to suspend payment of Unity's portion of the political debt.

According to the TSE resolution, officially approved by magistrates Juan Rodriguez Ulloa and Manuel Francisco Yglesias Echeverria, if the coalition is changed with regard to the four parties, its right to participate in the financing specified in Article 96 of the Political Constitution is no longer valid inasmuch as that payment was granted to the coalition on the basis of the four parties of which it was originally composed.

According to the TSE, there is no way to know how many of the total valid votes received by the coalition in the 1978 elections belong to each of the four parties in question.

"In case of the dissolution or partial separation of one of the groups making up the coalition, there is no way to know how much of the debt is incurred by each of the parties," TSE said.

The electoral organization's resolution makes it clear that the coalition will not be entitled to the financing in question unless in future elections candidates are presented who will represent the coalition's four parties.

It goes on to say that the coalition's parties are not individually entitled to the payment in question "inasmuch as that payment is stipulated exclusively for the financing of a coalition of groups, the coalition being considered a single political party, and that no legal provision has been made for payment to individual members."

Rafael Angel Calderon Fournier, Unity's candidate, was not disturbed upon hearing about the decision reached by the electoral organization.

He acknowledged the decision but said it is possible that the situation might return to normal next Saturday, since it is probable that RD will rejoin the coalition.

However, other sources of information have indicated that Calderon has become greatly concerned in that it has been learned that the RD meeting, to decide upon its possible return to the coalition, is being contested before the Civil Registry and TSE by another group of members of that coalition who plan to hold a separate meeting on the same date.

This opposition would further delay the payment of money to Unity and might even cause TSE to decide that the RD meeting should not be held. In that case, the coalition would continue to comprise only three parties and would not be entitled to payment of its portion of the political debt.

Meanwhile, in another resolution passed yesterday, TSE confirmed the position taken by the Civilian Registry to reject a request made by Olman Vargas Bolanos, chairman of the National Republican Progressive Liberalism Party [PLNRP], aimed at contesting Unity's present situation.

The request made by Vargas implied that the Unity coalition no longer existed, since one of the parties which signed the coalition agreement had dropped out and the group's objectives had been altered.

However, yesterday TSE rejected PLNRP's position.

Candidate Calderon was pleased with this resolution and said that institutionality and the democratic system were thereby preserved.

He added that the request made by Vargas hoped to bar the electoral route from a party which had shown great strength and that, if his position had been accepted, it would have been catastrophic for the democratic system.

According to Calderon, weakness in opposing Vargas would have jeopardized his own participation in the next campaign and this, in turn, could have eliminated one of the country's two largest parties.

8568
CSO: 3010/1778

NICARAGUAN MINISTER PRAISES CUBAN HELP IN EDUCATION

FL181134 Havana Domestic Service in Spanish 1000 GMT 18 Sep 81

[Text] Cuba is the country that has most generously helped Nicaragua, Nicaraguan Education Minister Carlos Tunnerman has said in Camaguey. He was addressing a meeting of Higher Education Institute Workers to which he was invited.

During his open dialogue with leaders of high-level Cuban party and government organizations, Dr Tunnerman expressed satisfaction in being able once more to observe revolutionary participation in the educational process. He noted that Nicaragua had reduced illiteracy, inherited from the bloodthirsty Somoza regime, from 50 to 12 percent as a result of the literacy campaign, which profited from the expertise gained by Cuba's in its own campaign of 1961.

Tunnerman praised the selfless work of the 2,000 Cuban teachers of the Augusto Cesar Sandino contingent who practiced their internationalist mission in the most remote areas of Nicaragua where there had never been teachers or schools. He added that these teachers engraved the name of Cuba in Nicaraguan memory for all time.

Speaking at the plenum, Jose Ramon Fernandez, member of the Central Committee and vice president of the Council of Ministers, said that efficiency in education would be increased, adding that this was not an abstract problem but a reality that had to be demonstrated in the professional and civic conduct of teaching personnel. It is imperative, the education minister stressed, that effectiveness and exigency be raised to higher levels.

CSO: 3010/1850

CASTRO EXPRESSES DESIRE TO VISIT NIGERIA

AB211039 Lagos NAN in English 1358 GMT 20 Sep 81

[Article by Sani Sambo]

[Text] Havana (Cuba) 20 Sep (NAN)--President Fidel Castro of Cuba yesterday in Havana expressed his desire to visit Nigeria in the near future.

The Cuban leader was exchanging views at a reception organised by the Nigerian Embassy in Cuba for Nigerian participants at the Inter-Parliamentary Union Conference.

He said that Cuba fully appreciated Nigeria's leading role in Africa and the Third World. He expressed the hope that Nigerian leaders would step up this role in Africa and the Third World.

He expressed the hope that Nigerian leaders would step up this role wherever they were in order, to alert the world of the Third World's aspirations.

President Castro said: Somebody had asked me the other night if I could keep quiet for a second. I replied, no "the developed colonialist world have all the publicity machinery, so I will shout and voice out my feelings about their injustices to the developing nations, at any opportunity I have." [passage indistinct]

The Cuban leader had earlier told the Nigerian charge d'affaires [words indistinct] he had granted permission to purchase landed property in Cuba.

This, he said, was enough gesture of his appreciation of the relationship between his country and Nigeria.

CSO: 3020/154

BRIEFS

VILLA CLARA AGRICULTURAL MEETING--Arnaldo Milian, member of the Politburo and minister of agriculture, has said in Villa Clara that livestock must be guaranteed the required fodder and water in order to increase milk and meat production. He said that tests had shown that on the average cows produced an additional 1/2 liter of milk when they were allowed to drink as much water as they required. He added that this means an additional 200,000 liters of milk a day. Milian was closing a meeting in Santa Clara to evaluate the economic and productive work in the province in the first 6 months of the year. He described this work as positive. He also said his ministry has assigned priority status to the unrationed supply of tubers to the population and that it is a matter of honor for workers, administrative officials and trade union leaders. [FL151137 Havana Domestic Service in Spanish 1000 GMT 15 Sep 81]

FOREIGN TRADE WORKERS--Carlos Rafael Rodriguez, member of the Politburo and vice president of the Councils of State and Ministers, has said that breaking the trade blockade imposed by Yankee imperialism is one of the achievements of the Foreign Trade Ministry workers in their 20 years of service. He made the statement at a ceremony to present the second party congress flag, a bronze plaque and a certificate signed by Commander in Chief Fidel Castro to this outstanding collective. [FL151137 Havana Domestic Service in Spanish 1000 GMT 15 Sep 81]

GRENADA AGRICULTURE MINISTER'S VISIT--George Louison, member of Grenada's New Jewel Movement Politburo and minister of agriculture, was received at the offices of the Fishing Industry Ministry by first Vice Minister Rene Fernandez, with whom he held fraternal talks. The two sides discussed topics dealing with technical assistance and other aspects in the fishing sphere. [Text] [FL162359 Havana Domestic Service in Spanish 2130 GMT 16 Sep 81]

MIRET, VEIGA AT MEETING--Pedro Miret Prieto, member of the PCC Politburo, this afternoon chaired the closing session of the fifth national metallurgical industry workers union congress, which held working sessions the past 2 days at the central organization of Cuban Trade Unions [CTC] headquarters. Roberto Veiga, alternate member of the PCC Politburo and secretary general of the CTC, made the closing remarks. During the final session, the members of the union's national committee were announced. After holding its first meeting, the national committee announced that Angel E. Villareal had been elected secretary general. Marcos Lage, minister of the steelworking industry, this morning made a speech in which he referred to industry efforts as well as to the future of various branches, among them that of equipment for agriculture. [Text] [FL170051 Havana Domestic Television Service in Spanish 0000 GMT 17 Sep 81]

PUERTO RICO SOLIDARITY WEEK--On 23 September 1883, the Puerto Rican independentista forces, their hearts brimming with the purest love for their fatherland, raised their liberating arms against the Spanish domination exploiting the brother country. A statement by the Cuban Movement for the Peace and Sovereignty of Peoples [MPSP] to mark the international week of solidarity with Puerto Rico says that those strivings for freedom and independence were cut short by the opprobious yankee intervention. Nevertheless, the document adds, this did not mean that the Puerto Ricans gave up their struggle for full and authentic emancipation because new generations assumed the legacy and example of their forefathers. The MPSP joins in the universal clamor for the fulfillment of the agreements of the UN decolonization committee and condemns the maneuvers to annex the Caribbean Island. [Text] [FL211823 Havana Domestic Service in Spanish 1808 GMT 21 Sep 81]

BILATERAL COOPERATION WITH CSSR--The vice ministers of foreign trade of Czechoslovakia and Cuba, Alois Hloch and Jose de la Fuente, today examined in Prague matters dealing with bilateral cooperation. The agreements signed by the two countries for the current 5-year period provide for an increase in trade of 55 percent compared to the previous 5-year period. [Text] [FL160053 Havana Domestic Television Service in Spanish 0000 GMT 16 Sep 81]

NICARAGUA, ANGOLA-BOUND TEACHERS--Education Minister Jose Ramon Fernandez, vice president of the Council of Ministers, has met with 483 members of the Third Augusto Cesar Sandino Internationalist Teachers Contingent and will leave for Nicaragua in the next few days. The education minister explained the nature of their teaching mission to this first group of the 2,000 that will go to Nicaragua and urged them to fulfill their teaching goals. Fernandez conveyed greetings from his ministry and wished them great success in their work in keeping with the importance the Sandinist Front and the Cuban Government attach to this mission. The education minister also met with the group of 90 teachers and professors who will leave shortly for the People's Republic of Angola. [Text] [FL161222 Havana Domestic Service in Spanish 1152 GMT 16 Sep 81]

AIRPORT INSTALLATIONS--Cubana de Aviacion is spending more than 4 million pesos in the remodeling and improvement of its installations, specially air and port facilities. The work executed by the end of the first half of 1981 was worth 2.23 million pesos, equivalent to 51 percent of the annual plan. Overfulfillment was registered in the work at the Manzanillo, Antonio Maceo, Jose Marti, Camaguey and Varadero airports. Other work is underway at the airport in Varadero, the new one in Sancti Spiritus and the one in Ciego de Avila. [FL161457 Havana Domestic Service in Spanish 1420 GMT 16 Sep 81]

MEXICAN LABOR EXHIBIT--Roberto Veiga, alternate member of the Politburo and secretary general of the Central Organization of Cuban Trade Unions, has inaugurated an exhibit on the history of the Mexican labor movement to commemorate the 171th anniversary today of the Grito de Dolores which led to the independence of Mexico. Mexican ambassador to Cuba Gonzalo Martinez Corbala attended the inauguration. Joaquin Benavides, alternate member of the Central Committee and president of the State Committee for Labor and Social Security, made the closing remarks, highlighting the fraternal relations between Cuba and Mexico. [FL161457 Havana Domestic Service in Spanish 1428 GMT 16 Sep 81]

GRENADA FINANCE MINISTER'S VISIT--Bernard Coard, member of Grenada's New Jewel Movement Politburo and minister of finance, trade, industry and planning, today visited the offices of the central planning board, where he was received by its president, Humberto Perez, alternate member of the PCC Politburo and vice president of the Council of Ministers, and Jose Fernandez Cossio, vice president of the State Committee for Economic Cooperation. The talks were held in an atmosphere of fraternity and cordiality, which characterize the relations between Cuba and Grenada. They discussed topics dealing with bilateral cooperation and other matters of mutual interest. [Text] [FL162347 Havana Domestic Service in Spanish 2130 GMT 16 Sep 81]

POLISH, SDAR MINISTERS' VISIT--Isidoro Malmierca, member of the party's Central Committee and minister of foreign relations, has said goodbye to Jozef Czyrek, member of the Polish United Workers Party Politburo and foreign minister of Poland, and Ibrahim Hakim, minister of foreign affairs of the Saharan Democratic Arab Republic. During his stay in our country, the Polish foreign minister signed a cooperation and exchange plan between the Cuban and Polish foreign ministries for 1981-85. [Text] [FL181042 Havana Domestic Service in Spanish 1000 GMT 18 Sep 81]

COOPERATION ACCORD WITH KAMPUCHEA--Cuba and Kampuchea signed an agreement on bilateral cooperation for 1981-85 today in Phnom Penh, the capital of this Indochinese nation. Sergio del Valle Jimenez, member of the Communist Party of Cuba Politburo and minister of public health, and Chea Soth, vice chairman of the Council of Ministers and minister of planning, signed the document covering cooperation in the areas of culture, education, science, sports, mass communications and journalism. The agreement also provides for exchanges of reciprocal visits by teachers and experts, artists, dancers and musicians, and exhibits on art and other subjects. [Text] [FL191811 Havana Domestic Television Service in Spanish 1700 GMT 19 Sep 81]

DELEGATION VISITING JAMAICA--Cuba will be advising Jamaica in its campaign against disease affecting the sugarcane crop, specifically mildew and smut. According to an official Jamaican communique the offer was made by a high-level delegation headed by Cuba's deputy minister of foreign trade, Manuel Estefania. It adds that a Jamaican expert has been invited to visit Cuba, noting the progress here against the plague which recently hit the cane crops. [Text] [FL151310 Havana Voice of Cuba in English to North America and the Caribbean 0800 GMT 15 Sep 81]

CSO: 3020/154

EDUCATIONAL PROBLEMS CONTINUE IN GUAYAQUIL

PA182020 Quito Voz de Los Andes in Spanish 1730 GMT 17 Sep 81

[Excerpt] The educational problems continue. The Education Ministry's decision to suspend classes at the primary and secondary levels in public and private schools in Guayaquil was fully complied with.

The provincial authorities had to adopt this measure because of an increase in outbreaks of student violence. The students have been involved in violent demonstrations and disturbances and were disrupting the peace and tranquillity in the city.

The students of the various secondary schools and universities seized several parts of the city. They caused traffic jams and damaged cars and buildings. These disorders resulted in large property damages.

The Guayas police and traffic commission members were very busy, some trying to establish order and others to reroute the traffic on Kennedy, Delta, 25 July and 5 June Avenues, which were paralyzed by the students.

Students of Guayaquil University along with the leaders of various school organizations and delegates to the university council will stage a student demonstration after 1800 today to demand a larger budget for the university because the petitions of Guayaquil University have been ignored.

CSO: 3010/1849

BRIEFS

MPD BLAMED FOR DISTURBANCES--Guayaquil--University students provoked new incidents along Kennedy Avenue and on the 5 June bridge, near the university campus. Jaime Polit Alcivar, rector of Guayaquil University, said the recent incidents are promoted by elements of the Popular Democratic Movement, MPD, who are trying to sow chaos and disorganization in the university. [Excerpt] [PA181412 Quito Voz de Los Andes in Spanish 1200 GMT 18 Sep 81]

HURTADO WILL VISIT VENEZUELA--Ecuadorean President Oswaldo Hurtado will visit Venezuela from 23 to 25 November. Hurtado, who assumed the presidency of Ecuador following the death of Jaime Roldos in a plane crash on 26 May 1981, will also visit Brazil and Colombia. Hurtado's visit to member countries of the Andean Pact and his talks with his colleagues springs from his desire to strengthen the integration of the subregional pact. [Text] [PA180405 Caracas Radio Continente Network in Spanish 2100 GMT 17 Sep 81]

CSO: 3010/1849

POLICE CHIEF INTERVIEWED ON SOMOZA ASSASSINATION INVESTIGATION

PY171650 Asuncion ABC COLOR in Spanish 17 Sep 81 p 11

[Interview with Investigations Police Chief Pastor M. Coronel on the occasion of the first anniversary of assassination of former Nicaraguan President Anastasio Somoza Debayle, in Asuncion on 16 September]

[Text] [Question] Has the investigation into the assassination of the former Nicaraguan president been closed?

[Answer] The case has not been closed. Ours is the kind of work which never ends because we are never satisfied with what we have accomplished. Undoubtedly there are things missing in this case, such as the statement of Hugo Alfredo Yruzun who was unable to make one because he died. He would have been able to give us additional information on this matter. The thing is that we have to know who are the other two persons he [as published] told us about, the ones who according to him left through Clorinda. He confirmed that he had participated in the attack. We have no doubt that the weapons came from Nicaragua. The weapons have been fully identified. They are the kind the Sandinists had used. They have certain special characteristics which have been confirmed.

[Question] If it is true that the Chilean Alejandro Mella Latorre was involved in the attack, why isn't he standing trial?

[Answer] Because there are still details missing, details which we believe we can find out. He says something and we start looking for the evidence. Sometimes it eludes us, we cannot find some house or another. He says he does not know the city very well. There are many details missing. We cannot send something to court unfinished because this would allow him to regain freedom almost immediately. We do not want this to happen. We want to supply all the evidence regarding his involvement in these events.

[Question] Is there at least half-conclusive evidence that he was filming the attack?

[Answer] Undoubtedly: because of the way it was done. He worked with the Sandinists, he acted as a double agent. General Somoza himself had reported him when he saw him in town and asked for his arrest because he was a very dangerous man. We looked for him and he disappeared. There are many other things. At the

same time, Mella himself told us who had entrusted him with the mission and what this mission was.

[Question] The Chilean news media have the impression that Mella is a fake. Do you share this impression?

[Answer] He was a Chilean agent, he went to Nicaragua as a Chilean agent, according to his own words. It seems that the Chileans wanted to know what was happening with President Somoza and it seems that later on, the others [presumably Sandinists] had wanted to know about the other side of the coin.

[Question] You mean to say that it would be in the interest of the Chilean news media to show Mella as a fake?

[Answer] Of course, naturally. Besides, Mella had told his superiors about what he was doing.

[Question] Has it ever been confirmed whether the pictures Mella had allegedly taken were ever disclosed?

[Answer] They were disclosed. What is not known is whether these photographs were the ones he had sent out or whether they were photographs sent out by someone else. [as published], You will recall that after the attack it was said that someone had filmed it. [as published] Many people confirmed this to us.

[Question] Is journalist Hernando Sevilla still under arrest?

[Answer] That one is a Marxist. He was also involved. He also was entrusted with missions such as watching General Somoza's residence. He had a mission assigned to him. This was reported by Mella.

[Question] Has he been handed over to the security unit [of Tacumbu Prison]?

[Answer] No, I do not think so. We are waiting for the indictment to send him there.

[Question] Is Mella Latorre at the security unit?

[Answer] I believe so, we have sent him there.

[Question] There is one detail that draws attention, why is the house from where the attack was perpetrated still under surveillance?

[Answer] No, it is no longer under surveillance. It has been officially turned over to its owner, Pacifico Montero de Vargas.

[Question] What do you know about Dinorah Sampson? Where is she?

[Answer] All we know is that she has traveled abroad.

[Question] Are there any Nicaraguans in Paraguay? There is some talk to the effect that high-ranking figures of Somoza's regime are staying here.

[Answer] I do not believe so. They come frequently, they come and go.

[Question] Is anybody else under arrest in connection with the attack?

[Answer] No. No one else is under arrest.

[Question] How many persons have been expelled as a result of Somoza's assassination?

[Answer] We expelled approximately 100 Argentines and several citizens of other nations: Uruguayans, Chileans, Brazilians, etc.

[Question] Why are dragnets continuing?

[Answer] Because they ease the people's minds. We also try to keep our security people trained. I believe that we all benefit from anything that can be done to bring tranquillity to the people and to avoid this kind of thing.

[Question] Has the Ita Enramada Port remained closed ever since Somoza's murder?

[Answer] Yes because it was unthinkable that in our very city there could be several checkpoints through which people could enter the country. This had to be unified. We must not forget that checkpoints require experts, technical manpower...

[Question] Is Ita Enramada a commercial or military port now?

[Answer] It has been totally closed. The only checkpoint open right now is Falcon.

[Question] The three officers who acted as Somoza's bodyguards have been dismissed. Why? Have they made mistakes?

[Answer] They made mistakes because we found out that there could be an attack. We were perfectly aware of this. We warned them that we had received information. They were given precise instructions. They were told, for example, to stay away from Espana Street because it could be a dangerous route.

[Question] This means that they were supposed to compel the former president to avoid that street? Wouldn't the blame be Somoza's as well?

[Answer] I asked the general to leave the city for at least 2 months so that we could investigate, so as to give us time to arrest the persons who we knew had entered the country. He was asked to travel to rural areas. He was prepared to go to the Chaco. At the time of the attack he was getting ready. Bad weather postponed his trip. The officers were punished because we carried out an in-depth investigation of the behavior of the security personnel and found that even the full detachment which had to follow Somoza that day of the attack had not been there. General Somoza was a difficult man to protect, this is something which no one has

said so far. Despite our warning he was a difficult man to protect. Every possible precaution was taken for his safety. Nothing escaped us in our quest for giving him protection. He had been warned and his bodyguard had been warned of the possibility of an attack. We had precise information.

[Question] What happened with Somoza's property?

[Answer] I have no idea. I do not know about his investments. All I have read is that he had purchased some land in the Chaco.

[Question] About the photographs of the persons who you said were responsible for the attack, in your opinion, are you convinced that these persons were involved in the crime?

[Answer] These photographs had been identified by witnesses, just as Yruzun had been identified. We have statements from people who saw them. These men probably arrived beforehand and studied Gen Anastasio Somoza's movements.

CSO: 3010/1865

GOVERNMENT TO CONTINUE MONETARY STABILITY POLICY

PY090136 Asuncion ABC COLOR in Spanish 29 Aug 81 p 13

[Excerpt] "The government is going to continue its monetary stability policy," Central Bank President Dr Cesar Romeo Acosta categorically affirmed on being consulted yesterday about a story of a possible devaluation of the Guarani. "The country at this moment is fine, because it has followed a firm policy of stability and development. Thus, the government is not thinking of modifying its monetary stability policy," he emphasized.

The bank head categorically denied that the government is thinking of devaluating our currency, in the face of probably purposeful rumors which coincide with the arrival of the International Monetary Fund mission, which discussed this topic the night before last in the Finance Ministry.

Dr Acosta said that the national government will continue its monetary stability policy "because we have sufficient proof that it has brought good results," he said.

With respect to the rise of the dollar in the free market, Acosta affirmed that this is not just a local problem, but the result of a worldwide problem and that it is not a purely monetary problem, but one of exchange. "It lies within the world exchange markets, with a hefty dosage of speculation, and this is the problem that we are also having now. The dollar has become a strong currency, by the high rates that are being paid in the world market and by the impact which we have received from the devaluations of the Argentine and Brazilian currencies. But we believe that this is going to be normalized," he noted.

He said that the situation is not the result of bad administration in this country. "We have balanced the budget, there is a surplus in our balance of payments, we have good reserves, our economic growth is 10 percent, which other countries do not have. This is not occuring due to bad conditions in Paraguay, and it is only happening in the exchange market. The problem comes from outside, from the foreign policy of the dollar and those of the neighboring countries, and from the exchange area, he observed.

CSO: 3010/1865

BRIEFS

NATIONAL ACCORD GREETING--The Coordinating Board of the National Accord yesterday issued greetings to all Colorados, and especially the members of the Colorado Popular Movement (MOPOCO) on the anniversary of their party and demanded at the same time the return of Colorado leaders who have been sent into exile. The communique issued by the National Accord states that one of the goals of this organization is to seek the return to the fatherland of politicians in exile. "Since this would be a significant step forward toward the attainment of national reconciliation, much desired by the citizenry, we demand the return of Paraguayans who have been forced to emigrate for political reasons, most of whom have had to endure for a great many years the bitterness of banishment, an unfair punishment for which amends should now be made." The communique further added that "to live in one's fatherland is a natural and inalienable right which cannot be curtailed without essentially violating the human rights which every civilized society must respect." The National Accord hopes that the government will allow the politicians in exile to return freely to their homeland "out of a sense of humanitarianism, patriotism and fairness." The communique concluded by stating that "nationalism calls for the unity of all fellow countrymen without painful exclusions, under the magnificent sun of the fatherland and the protection of its flag." [Text] [PY111602 Asuncion ABC COLOR in Spanish 11 Sep 81 p 10]

PRESIDENT CANCELS SOUTH AFRICA TRIP--A high government source has told ULTIMA HORA that the president will not go abroad this year and that the planned trip to South Africa has now been canceled. According to an advance report by this newspaper, President Alfredo Stroessner had received an invitation from the South African president for a visit and that, in principle, the invitation was favorably received. The source has confirmed to ULTIMA HORA that the South African Government has in fact invited the Paraguayan president to visit that country. The possibility of a presidential trip was kept open until, in the end, it was decided to "cancel this visit," according to the words of our high-placed source. [Excerpt] [PY170111 Asuncion ULTIMA HORA in Spanish 16 Sep 81 p 9]

ARGENTINE LAWYER'S ENTRANCE PROHBITED--The police would not permit Dr Saina de Weiss, an Argentine lawyer, to enter our country. She had intended to carry out a professional mission here, according to the announcement of the Paraguayan Commission for the Defense of Human Rights and of opposition deputy Ligia P. de Centurion. The Police Investigations Department, when it was consulted about this, said that it had no information on the case. According to the reports of the mentioned sources, Dr de Weiss arrived in Asuncion via Aerolineas Argentinas from

Buenos Aires last Saturday. At Presidente Stroessner International Airport she was held back by policemen, who presumably seized the correspondence which she had brought for the local human rights commission and also for persons who work in that field. It was reported that Dr de Weiss is a member of the Committee of Solidarity with Paraguayan politicians who are detained in Argentina and is also a member of the Rights of Man League and of the Human Rights Assembly. The police authorities reportedly informed her that she would not be permitted to enter the country, due to her having been in Asuncion in 1958 with the aim of visiting the political prisoners of that time. [Text] [PY062207 Asuncion ABC COLOR in Spanish 24 Aug 81 p 11]

GOVERNMENT ACCUSED OF MISUSE OF LAW--"The pretension of attributing to Perla Yore the violation of Article 8 of the sadly famous law 209 forms the hateful introduction of ideological crime," says a communique of the Authentic Radical Liberal Party (PLRA). After indicating that Perla Yore was detained as a consequence of a dragnet operation, the statement says that the habeas corpus "dealt with slowly, had, as in so many cases, no results. On two occasions the supreme court of justice set up an audience for the appearance of the detainee without the police authorities complying with the judicial order, in open disrespect and violation of the law." It adds that after 18 days of imprisonment "outside of the terms demanded in the national constitution, Perla Yore is accused by the government of supposedly breaking law 209, once more using it in a capricious form as a weapon of persecution against the citizenry." The directorate of the PLRA claims that Perla as well as her sister Noyme are affiliates and militants of this party "worthy of the full confidence and solidarity of its officers." It emphasized that despite these facts "there are some, such as the U.S. secretary of state, who see in Paraguay a dramatic improvement in human rights." [Text] [PY070030 Asuncion ABC COLOR in Spanish 20 Aug 81 p 9]

CSO: 3010/1865

DYNAMITE ATTACKS CONTINUE THROUGHOUT COUNTRY

PY220359 Paris AFP in Spanish 1850 GMT 20 Sep 81

[Text] Lima, 20 Sep (AFP)--Another series of attacks with explosive devices occurred during the past 24 hours throughout the country. Meanwhile, the non-uniformed police have requested, through Interpol, information from neighboring countries on any possible links that these attacks may have with extremist organizations.

The most serious attack was perpetrated yesterday, Saturday, against the home of the prelate of Juli, Puno, located 1,314 km from here in the southeastern region of the country, Alberto Koeningstenecht, when a stick of dynamite exploded against the door, destroying it and causing serious damage inside, according to the police.

Police agents found an anonymous letter in the neighborhood threatening the bishop of Puno, Jesus Calderon, with death and accusing the Maryknoll priests of stealing religious objects, an accusation that was rejected by the police.

During another attack that occurred yesterday in Huaras, 400 km northeast of Lima, a high explosive charge destroyed the front of the house of the prefect (political authority) of Ancash department, which caused alarm throughout the neighborhood.

During the early morning of last Friday, a two-stick dynamite charge was thrown against the house of the criminal judge of the city of Chiclayo, 752 km north of Lima, which ripped the door out and broke the windows of the house. Meanwhile, at approximately the same time another explosive device exploded in the regional office of the Agriculture Ministry in Jaen, causing serious damage. This is the eighth time that this office has suffered attacks, according to the police.

Meanwhile, in Huancayo, 311 km southeast of here, the house of the mayor of the neighboring district of Tambo and a warehouse of the Housing Ministry were also dynamited.

It was also reported that in Tacna, 1,336 km southeast of here, another two attacks partially destroyed the soft drink bottling plant belonging to the businessman, Tomas Parodi and the front of the townhall of the neighboring district of Pacollay. All these attacks caused damage, but no one was injured.

The director of the investigative police (PIP), Gen Eduardo Ipinze, revealed yesterday that information has been requested from the police of neighboring

countries on the possible links that the perpetrators of the attacks in the country may have with extremist organizations that operate in other countries.

He also recalled the charge made a few days ago by President Fernando Belaunde to the effect that the terrorists that are operating in the country are being financed from abroad.

On their part, the members of the civil guard maintained yesterday at noon in all garrisons throughout the country a silence of 1 minute in memory of Corporal Segundo Paz, who was killed by a group of alleged terrorists in the locality of Tupac, Cerro de Pasco, 3 days ago.

CSO: 3010/1848

ANTITERRORIST PATROL SYSTEM INITIATED IN LIMA

PY181309 Lima EL COMERCIO in Spanish 14 Sep 81 p 4

[Text] In order to combat the wave of terrorism in this capital the Interior Ministry has ordered the three police forces to maintain an exclusive and permanent patrol service with many radio-equipped vehicles.

It was learned yesterday that this antiterrorism patrolling of the city was in fact initiated last Friday. About 150 vehicles are participating with a crew of three men armed with submachinegun per vehicle.

It is also known that this new surveillance system (morning, afternoon and night) which is being carried out separately by the civil guard, the republic guard and the investigative police [PIP], follows a plan called "Plan-Conte-81," elaborated by the Interior Ministry. It also coordinates the efforts of the three police institutions to realize an antiterrorist action plan. This plan comprises all the territory of the nation, particularly the departments where acts of terrorism have occurred.

A police source confirmed yesterday that the PIP and the civil guard have detained over 400 individuals, suspected of having committed the terrorist acts that have taken place in the central region of the mountains. The source said that a large majority of them have been released by court officials. It appears that the same individuals have repeated their acts of terrorism.

CSO: 3010/1848

GOVERNMENT RADIO DENOUNCES CGTP STRIKE PLAN

PY211626 Lima Domestic Service in Spanish 1200 GMT 21 Sep 81

[Station editorial]

[Text] Using the authority granted him by the law and the constitution, Labor Minister Alfonso Grados Bertorini has declared that the national strike, scheduled by the General Labor Confederation of Peru [CGTP] for Tuesday, 22 September, is illegal.

The strike plan shows that the native Marxist-Leninists believe that the great moment has arrived to attack the democratic regime which the people have freely and sovereignly elected and achieve its destabilization so that chaos and street violence will again reign in the country. As on other occasions they need the useful fools, they need to have dead and wounded, the well-known martyrs, [passage indistinct].

The objectives pursued by the CGTP leaders are clear: to put pressure on the state to compel it to assume an attitude of violence, a response which the current urban terrorism has not been able to call forth through its campaign of detestable attacks. This whole maneuver, widely announced and proclaimed by the CGTP leadership, is undertaken in the belief that the situation in Peru is ripe for both local and foreign disturbances and for (?bringing down) the government.

They have forgotten that the present regime is based on the free vote of a majority of the citizens and also on the constitution and the laws, over which international communist adventurism does not prevail and will not prevail.

CSO: 3010/1848

BRIEFS

MEASURES ON SILVER SALES--Prime Minister Manuel Ulloa Elias said yesterday that the inflation rate has been curbed. He said that although there are certain aspects that are difficult to measure "the September indicators show that the inflation rate will be lower than that of August." Ulloa also expressed his concern for the measures enforced in the United States regarding the sale of silver but he noted that "we are studying the possibility of enforcing the necessary measures so that exporting countries will not be harmed by silver sales. [Excerpts] [PY181256 Lima EXPRESO in Spanish 10 Sep 81 p 3]

CSO: 3010/1848

PRESIDENT REAFFIRMS SUPPORT FOR SALVADORAN GOVERNMENT

PA211827 Caracas Radio Rumbos Network in Spanish 1530 GMT 21 Sep 81

[Text] Venezuela today reaffirmed its support for the Salvadoran Government and its condemnation of Mexico and France for recognizing the Salvadoran guerrillas. Speaking before the UN General Assembly, President Herrera Campins came out in favor of Puerto Rican independence. He said Venezuela believes that the challenge of the future lies in the cultural, scientific and technological development of the so-called Third World countries. Only that way can they face their development on autonomous bases.

Herrera Campins condemned colonialism. He said that as long as it exists we cannot attain a new international economic order. He referred to the deteriorated international situation and deplored the horror of the neutron bomb.

Finally, he summarized in five points the principles which guide Venezuela's policy in the United Nations. According to Herrera Campins, Latin American problems must be solved by the Latin Americans without foreign intervention. He said that Latin America's position on the great and grave world problems must be autonomous, not connected or integrated with the interests of bloc policies. He also posed the need to find coincidence of views with Africa and Asia in the framework of north-south cooperation. He added that together with Africa and Asia, Latin America must seek structural reforms of the international institutions in order to obtain democratic control of the international community.

CSO: 3010/1848

BRIEFS

PRESIDENT LEAVES FOR UN SESSIONS--Caracas, 20 Sep (AFP)--Venezuelan President Luis Herrera Campins left at 1405 GMT for New York, where he will participate in the UN General Assembly sessions tomorrow. The chief of state will take advantage of his stay in that city to meet with U.S. Secretary of State Alexander Haig and with the foreign ministers of Mexico, Brazil, France, and Argentina, it has been learned here. [Text] [PA201455 Paris AFP in Spanish 1438 GMT 20 Sep 81]

CSO: 3010/1848 END

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NICKEL-PROCESSING PLANT BEING BUILT IN MOA

Havana GRANMA WEEKLY REVIEW in English 6 Sep 81 p 5

[Article by Lino Luben Pérez]

[Text] A VERY large nickel-processing plant is now being built with Soviet technical assistance in Punta Gorda, Moa, in the northeast of the eastern province of Holguín. Strip mining is widely used in this region to remove the ore easily and cheaply from some of the world's largest laterite deposits.

By the end of 1985, the plant will be producing 30 000 tons of this valuable mineral ore annually. Nickel commands a high price on the world market and it is mainly used in the chemical and food industries.

Construction of the plant began in 1976, after Cuban experts had drawn up the blueprints and Leningrad's Gipronickel Institute completed the plans. The project involves the investment of hundreds of millions of pesos in Soviet equipment and engineering.

In charge of construction is Integral Building Enterprise No. 3, which employs some 10 000 workers from all over Cuba. In Moa, they are contributing to the industrial development of their country, in the vital mineral sector.

Known as Project 304, the new nickel plant is the country's most complex industrial project, surpassing even the huge Karl Marx cement plant in Cienfuegos. The nickel investment program includes constructing another nickel plant with the aid of the Council for Mutual Economic Assistance. (CMEA)

In 1978 construction began on the Nuevo Mundo reservoir, capable of impounding 141 million cubic meters, in an exceptionally difficult mountain region.

Other supplementary projects include a machinery complex, housing program and port enlargement. Lesser projects are the road from Moa to Punta Gorda, a 220-kilowatt substation, a cement block factory. Sifters and crushers also had to be transported to the site.

Also included in the blueprint drawn up by chief engineer of the nickel plant, Julio César Prandía, are cement silos, social and educational premises, a 120-room hotel, currently being built, and a floor tile factory.

The Ministry of Basic Industry plans to invest more than 30 million pesos this year in the entire project, which contains 11 installations and covers an area of 1 020 000 square meters.

At the beginning of 1981 the work was advancing at an encouraging pace, owing to the dedication of the men and women involved in it. Thanks to the help of the USSR, this could perhaps be called the most important industrial project of this five-year period.

CSO: 3020/1

CITRUS PRODUCTION TO INCREASE TO 2.5 MILLION TONS

Leading Supplier for CEMA

Havana GRANMA WEEKLY REVIEW in English 6 Sep 81 p 3

[Text] A GENERAL agreement on the overall development of citrus fruit production and processing in the Republic of Cuba, signed in early July in Sofia, Bulgaria, on the occasion of the 35th meeting of the Council for Mutual Economic Assistance (CMEA), envisages bringing Cuba's annual citrus fruit production up to 2.5 million tons by the year 1990.

As in the case of the sugar agreement, this document has exceptional economic and historic significance. The basis for the agreement is Cuba's special and favorable conditions for growing citrus fruit, conditions that do not exist in any other socialist country.

The general agreement and the complementary bilateral agreements were signed by Bulgaria, Hungary, the GDR, the Soviet Union, Czechoslovakia and Cuba.

According to the various agreements, Cuba will be able to supply the other five countries with an annual total of 1.5 million tons of fresh citrus fruit by the year 1990. Part of these shipments will be composed of orange, lemon, tangerine and grapefruit by-products.

By the end of the present five-year period Cuba should be exporting around 800 000 tons of fresh citrus fruit a year to the socialist countries.

The production and export levels envisaged for the next ten years represent a tremendous leap in the production of citrus fruit, which, in prerevolutionary Cuba, ran to only a few thousand tons. In 1960 Cuba exported 1600 tons of citrus fruit; 20 years later, in 1980, the figure had risen to 200 000 tons.

The agreements give Cuba the preferential treatment normally granted by the CMEA, which includes favorable, steady prices throughout the 1981-85 period.

The signatories of the general agreement are to supply Cuba with the material and financial means for increasing our country's production and export capacity. In the present five-year period the aggregate value of the technical and material supplies provided by the five countries will run to 272 million rubles (300 million pesos).

For the next five-year period, 1986-90, the figure is estimated at 295 million pesos. However, it's quite likely that another socialist country may join the present six in the negotiations for that period.

In keeping with the agreements, Cuba is to receive part of the resources in the form of freely convertible currency, which can be used for the purchase of supplies from capitalist countries.

These funds will be provided in the form of low-interest (2 percent) credits payable in up to 17 years with a four-year period of grace.

This citrus fruit program is the largest agro-industrial program sponsored by the CMEA. With the sugar agreements, it guarantees the development of two of Cuba's most important food products. Cuba will be able to consume and export more citrus fruit and, at the same time, the other five countries are guaranteed the supply of a type of fruit rarely grown there and universally known for its nutritional value.

The credit and price terms and the guarantee of the investments needed to develop Cuba's

citrus fruit industry in the next ten years will result in higher productivity, higher yields and more jobs. Such agreements are characteristic of socialist trade relations. The agreements attest to development of citrus fruit production and processing.

The growth in production, exports and domestic consumption

● CUBA'S PROGRAM for the development of citrus fruit production has two main objectives: greater export production, providing convertible currency to be invested in the development of the country's economy, and greater domestic consumption.

The goal of 2.5 million tons of citrus fruit a year by 1990, with 1.5 million tons earmarked for export to the signatories of the general agreement, represents a remarkable increase in the amount of fresh citrus by-products destined for domestic consumption.

The amount of citrus and citrus by-products exported by Cuba has been growing steadily in the last few years and is expected to reach 65 percent of the total production by 1990.

BASIC INVESTMENTS FOR THE CITRUS FRUIT PRODUCTION AND PROCESSING PROGRAM, 1981-1985

Increased irrigated area	
Semi-stationary irrigation	63 000 has
Portable irrigation	27 000 "
Development of new areas	40 000 "
Treatment plants	15
Industrial complexes	5
Jagüey Grande	
Ciego de Avila	
Expansion of Jagüey	
Expansion of Isle of Youth	
Remodeling of Libertad Plant	
Dock facilities	
Havana	2
Nuevitas	
New construction in Isle of Youth	
Cold storage plants	3
Cardboard container factory	1
Glass container factory	1
Housing	3200
Roads	500 km

Developing Citrus Industry Growth in Production

Havana GRANMA WEEKLY REVIEW in English 6 Sep 81 p 3

[Text] ● THREE INDUSTRIAL complexes will participate in the citrus fruit development program between 1981 and 1985 agreed on by Cuba, the Soviet Union, Bulgaria, the German Democratic Republic, Hungary and Czechoslovakia. One is already in operation on the Isle of Youth, one is under construction in Jagüey Grande, and a third is to be built in Ciego de Avila province.

The last of these, which will be acquired by Cuba with convertible currency provided by the GDR in the form of credits will produce plain and concentrated juice, concentrates for soft drinks, essential oils, marmalade and other preserves, and concentrates for fodder.

The credit payments will be made by Cuba with fresh citrus fruit and derivatives produced at the plant.

The five European signatories to the general agreement will be supplied with fresh fruit and by-products from these three complexes, which will be in operation by 1985, and the Libertad plant in Matanzas province, which will be expanded by the Cuban Government.

The GDR will also provide laboratory equipment, tractors and steam boilers and equipment and components for the automation of the sugar industry.

Bulgaria is to supply three complete 32 000-cubic-meter cold storage plans — to be charged to the sugar industry program, which is covered by a general agreement of its own — and one 48 000-cubic-meter cold storage plant. Pumping stations for irrigation systems will also be sent.

The Soviet Union's contribution will be to equip a large glass container factory to be built in Pinar del Río province, a cardboard container factory in Ciego de Avila province and material for the construction of 14 processing and packing plants throughout the country. It will also participate in the construction of wharves in Havana, Nuevitas and the Isle of Youth, and in irrigation and drainage projects for the citrus fruit industry.

Czechoslovakia will supply Cuba with 2030 high-power, four-wheel-drive tractors and some fork lifts.

Hungary will provide pesticide sprayers; irrigation systems and equipment for their automation; hoeing, drilling and pruning machines, and equipment for the preparation of pesticides.

The five European countries will also give technical assistance, contribute to the training of personnel, and cooperate in research.

Cuba, in turn, will provide material, financial and human resources, and will see to the organization, implementation and day-to-day operation of the projects.

CSO: 3020/1

BRIEFS

MAJES PROJECT GRANTED--Lima, 12 Sep (TELAM)--The Libra Bank Ltd together with other banks have granted Peru a $26.5-million loan to finance the construction of the Majes hydroelectric and irrigation project, in Arequipa Department. The loan will be disbursed in 13 installments and will draw an interest rate adjusted to the current supply rate of the London interbanking market. [Buenos Aires TELAM in Spanish 1910 GMT 13 Sep 81]

CSO: 3010/2

FOREIGN MINISTER ATTACKS CUBAN INTERVENTION

Bogota EL TIEMPO in Spanish 27 Aug 81 p 6-A

[Article by Roman Medina]

[Text] The Colombian Government yesterday again justified breaking diplomatic and trade relations with Cuba and reasserted that at no time did Cuba deny that the guerrillas captured in the southern part of the country had been trained on the island.

Foreign Minister Carlos Lemos Simmonds told the second committee of the House of Representatives that that was the reason why he suspended diplomatic relations, adding that he was never motivated by ideological reasons.

Lemos joined in the foreign policy debate that began yesterday in the House Foreign Relations Committee on the initiative of legislators Ricardo Ramirez Osorio and Ricardo Barrios Zuluaga.

Among other things, the minister had to answer a lengthy series of questions from Representative Barrios in connection with the breakoff of relations with Cuba; Colombia's stand on the critical and explosive situation in the Caribbean; Colombia's presence in the Middle East as part of a multinational force and the status of the Colombian-Venezuelan dispute.

With regard to the first point, the breakoff of relations with Cuba, Foreign Minister Carlos Lemos Simmonds said that the government made the move because Cuba had interfered in Colombia's internal politics, which was conceived as an affront to our "national dignity."

Lemos recalled that the confession of the guerrilla captured during the operation in the southern part of the country, to the effect that the M-19 group had been trained in Cuba, was the clincher among the pieces of evidence that the Colombian Government had gathered. He pointed out, however, that there was additional evidence, such as the following: "The individuals who took over the Embassy of the Dominican Republic traveled to Cuba at the initiative of Fidel Castro, which the government was grateful for. From that time on, nothing was heard about the people involved in the embassy takeover. When I personally told the Cuban ambassador in Colombia about the decision that our government had made and the reasons for it, he (the ambassador) denied that the guerrillas had been armed or transported by Cuba. But he never denied that they had been trained in Cuba."

He went on to say that the Cuban Foreign Ministry later officially denied that the country had armed the guerrillas, "but it sidestepped the training question, and as the saying goes, silence gives consent."

Lemos Simmonds underscored that the Cuban Government made no reference whatsoever to the evidence of the subversive group's training, stating that this was additional evidence to that effect.

Furthermore, however, the foreign minister contended that Cuba reaffirmed that it felt "morally obliged" to continue supporting this kind of movement. "And of course it would be logistic, not just moral support."

He acknowledged that it was "painful" to give notice of a suspension of relations, because he recalled that when he was a practicing journalist he had written many articles calling for a reestablishment of relations when they were broken off.

"Unfortunately, Cuba did not act with level-headedness nor did it respond with the same sincerity and friendship that Colombia showed it," he said.

Specifically concerning the motives for the suspension of relations, Lemos repeated that the information gathered by the Executive Branch constituted ample evidence that Cuba was behind these movements. "And our national dignity, not only the existence of our legitimately elected constitutional government, was at stake in connection with the assault by these subversive groups." He went on to say that the policy of recruiting foreigners and training them in Cuba is an affront to a country's national dignity, "and I sincerely believe that Colombia could not have done otherwise when it verified Cuba's involvement."

Countering these remarks by Foreign Minister Carlos Lemos, opposition representative Mario Montoya challenged the government's view, attacked its foreign policy, accused it of acting as a "pawn" of the interests of U.S. President Ronald Reagan and in passing denounced the "open-door policy" towards the Caribbean that was recently initiated.

Minister Lemos said that he did not share these views, stressed that the evidence against Cuba was conclusive and added that rarely had a decision by the government been so widely hailed as its move to suspend relations.

With regard to the "open-door" to the Caribbean, the foreign minister stated that it is an attempt to make close contact with the new nations that have emerged in the region, particularly because new independent governments have been formed.

"Colombia's posture towards the region should not surprise anyone. We have to get along with these nations in many ways, among others, because Colombia is geographically part of the area and because its development has been among the most spectacular in recent years."

Responding to some of the attacks by Representative Montoya, the foreign minister defended Colombia's democratic model and contended that it could be an attractive example for the recently established nations in the Caribbean. "Our model is a good one and is preferable to many others that some people naively think are paradises when in reality they are hells in disguise."

In addition, he referred to relations with Nicaragua, especially in the wake of the passage of the treaty signed by Colombia and the United States. He commented that Nicaragua's claim to certain Colombian territories (such as San Andres and the keys) could obviously cause some concern, but he noted that the status of mutual relations has in no way changed.

In conclusion, Lemos commented on the government's decision to send Colombian troops to the Sinai. He argued that the United Nations has nothing to do with the establishment of an international force in that zone; it is, rather, an initiative by the countries that signed the peace accord: Israel, Egypt and the United States.

He said that Colombia agreed to be part of this international force because it felt that as a friend of peace it had to help one of the world's most conflict-ridden regions return to normalcy.

"Colombia decided that decisive action had to be taken, and that is why it decided to join the multinational force." Lemos commented that the initial idea was to send a battalion, but the government has not yet determined how many men it will consist of. He remarked that for reasons of national dignity Colombia will defray the maintenance and salary costs entailed in keeping a troop presence in the Sinai.

Facilities and equipment costs might be borne by the countries that are party to the agreement.

At the next debate, 15 days from now, Foreign Minister Lemos will discuss the status of relations with Venezuela and the status of the border dispute.

8743
CSO: 3010/1790

ARMY CHIEF PLEDGES LOYALTY

Bogota EL TIEMPO in Spanish 29 Aug 81 pp 1-A, 3-A

[Text] Gen Fernando Landazabal Reyes, commander in chief of the army, has reaffirmed his faith in the democratic system and pointed out that the attempt to portray the army "as a government alternative is nothing but a clear-cut demonstration of absolute ignorance of the institution and its men."

In an editorial in the magazine EJERCITO, which will be out within the next few days, the commander tacitly rejects the suggestions advanced recently by Conservative presidential hopeful Belisario Betancur, stating that "to question the loyalty of the institution is to show the poverty of feelings of those who do not know whether to serve subversion or the system."

"The army will never be a bidder in the political exercise of power, but it will always continue to be a bidder in showing loyalty to its government, to the destinies of the people and to its laws," he points out.

The following is the text of the editorial, in which Landazabal evinces his concern over the crisis besetting Central America:

The contemporary era in our peoples' history offers the natural upheavals of a juncture at which ideologies, buffeting our nations like gale-force winds, are attempting, with every means at their disposal and with various concepts of what is moral, to dominate all thought and to enthrone themselves in all hearts, thus forcing the various segments of society to help select the most appropriate course to guarantee its best future.

The peoples of the Third World and now in particular the ones that are enduring the hot gales of the Caribbean, are exhausting their hopes of self-determination as outside powers face off in a struggle in the very midst of their tormented territory. We could say that Central America has become the burning flame of a given evaluation of existence, of a standard of government, of a form of society, of the concept of what is transcendent, of the presence of the spirit, of the divine inspiration of the beyond, mounted on the pillars of a prosperity that would glorify in perpetuity the meritorious actions of men. The volcanoes on the isthmus are like the yawning mouths of crematories into which the hatred and vengeance of the foes are hurling, minute by minute, the last longings for freedom, brotherhood, equality and

understanding, which were enshrined in the hearts of its peoples ever since they began their independent life. The signs there point, at the very least, to an uncertain future, as we are not sure whether we will be dragged along by the violence there or, on the contrary, whether we will be able to stop short of such violence by hurling at it with the necessary force the traditions of our past, which since the dawn of our history, has nourished our spirit with the lucid concepts of democracy and freedom.

But this endeavor will have little chance for success if the driving element behind it is not the clear-cut consensus of our entire nation and if all our hands and hearts do not push the center of gravity of our destiny along the clearest path of freedom with the strength of our sinews and the clarity of our consciences, and if we do not make this driving element the interpreter of the will of a nation that grows, spurred on by its own progress, and that bears in the heart of its people, like a torch illuminating its path, the vote of the people, which has become the trademark of its democratic system, identifying it unmistakably within the unchangeable criterion of its own sense of the national will.

Our efforts must not be in vain. Colombia must continue to forge its destiny calmly and firmly. Its traditions and beliefs will never be cremated in the volcanoes of its own geography. The loyalty of its army, derived from the very core of its people paves the way for, insures and guarantees this. The nation realizes how its command personnel think. Its historic tradition shows that the institution is free from any desire for power other than what our legislators have assigned it from the very beginning in the articles and paragraphs of our laws. The attempt to portray our army or its natural commanders as a government alternative is nothing but a clear-cut demonstration of absolute ignorance of the institution and its men. To take its approaches and doctrines regarding subversion as meddling in partisan politics is to offer clear proof of ignorance regarding the phenomenon plaguing us. To look for political partiality in the thoughts of military commanders is to be completely unaware of the outlook of those whom the nation has distinguished with the insignia of command, and to question the loyalty of the institution is to show the poverty of feelings of those who do not know whether to serve subversion or the system, while waiting for things to clear up, we might crudely say, before joining the ranks of the highest bidder.

The army will never be a bidder in the political exercise of power, but it will always continue to be a bidder in showing loyalty to its government, to the destinies of its people and to its laws. In contrast, those who are trying to distort the essence of its patriotic conduct will continue to see their aspirations thwarted by the strong-willed men who have placed their homeland above all passions and the security of their fellow citizens above all other interests.

Gen Fernando Landazabal Reyes, Commander in Chief of the Army

8743
CSO: 3010/1790

LIBERAL UNIONS BACK BARCO CANDIDACY

Bogota EL TIEMPO in Spanish 27 Aug 81 p 7-A

[Text] The National Association of Liberal Labor Unions, which is headed by Jose Corredor Nunez, has backed the presidential candidacy of Dr Virgilio Barco in the following declaration:

"We the undersigned, active members of the National Association of Liberal Labor Unions, after a thorough analysis of the situation that the Colombian Liberal Party is in and of the expectations prompted in connection with the presidential candidate who will be nominated at the convention that will convene in the city of Medellin on 19 September, hereby declare:

1. That we do not agree with the discriminatory treatment that the National Liberal Directorate accorded the trade unions and associations by limiting the participation of their spokesmen in the party's foremost arena, its convention, which must spell out its platform and nominate its official candidates.

2. That despite the absence of our spokesmen from the convention, we are hereby supporting Dr Virgilio Barco Vargas as the Liberal Party's presidential candidate for the 1982-1986 constitutional term of office, because we regard him as the man best suited to hold the highest office in the republic.

3. That we are summoning Liberal unionists to a great national assembly on 11 Septmeber of this year in the city of Bogota to express our official support en masse for Dr Barco Vargas and to outline our ideas about political organization and our course of conduct during the upcoming electoral debate."

Bogota, DE, 25 August 1981. National Association of Liberal Labor Unions, Jose Corredor Nunez, president; Samuel Cortes C., vice president; Rafael Cortes, secretary; Rafael Mayorga, treasurer.

Cundinamarca Chapter. Alfonso Carreno Rincon, president; Jose Andres Pena, secretary general; Gustavo Cortes B., treasurer; Jose Ignacio Ochoa, controller.

Bogota Chapter. Alvaro Herrera, president; Blanca Marina Vera, vice president; Cerbulo Bautista, secretary general; Dario Forero, treasurer.

Coordinators: Jaime Maldonado, Elvira de Otalvaro, Laureano Rodriguez, Enrique Duque, Elvira Clavijo, Jaime Bautista, Jorge Mosquera, Pedro Antonio Cuellar, Victor Hugo Ramos, Jaime Paez, Gilberto Arias, Alvaro Corredor, Boris Savila, Fabio Leon, Fabio Rocha, Carlos Ponce R., Augusto Alvarez G., Jose Manuel Espindola, Jorge Mosquera, Gilberto Salazar, Onofre Pinilla, Eduardo Rincon, Enrique Cardenas, Ana Dolores Paez, Eduardo Mora, Jose Maria Sierra, Jeronimo Roldan, Fulgenio Munoz, Luis H. Villamil, Alfredo Hernandez, Manuel Dario Bernal, Victor Bermudez, Jose Solis, Consuelo Chacon, Rodolfo Lopez, Pablo Tenjo, Yolanda Gonzalez, Ligia Vargas, Luis Daniel Melo Cortes.

From Espinal

Many Liberals from Espinal, Tolima also sent Virgilio Barco a message supporting his candidacy. Prominent among the signers were former leaders of the Santofimio faction and individuals with links to activities such as business and agriculture. The message from Espinal backing Barco was signed by the following Liberals:

Benicio Arce Vela, Carmenza Acosta Amorocho, Carlos Suarez, Felix Ortiz Gaitan, Miguel Angel Cartagena, Jorge Enrique Medina, Eduardo Tello, Carlos Alfonso Vasquez, Guillermo Sanchez Bernal, Yesid Navarro, Marco Antonio Calle Alvira, Enrique Manotas, Jesus Guzman Castro, Jose Leonel Bueno, Calixto Guzman, Rafael Navarro, Carlos Melo, Pedro Nel Saavedra, Roque Gabriel Aya, Jaime Robles, Ernesto Borda Palma, Efrain Munar Rozo, Raul Arango, Carlos Julio Bernal, Jaime Gutierrez Lara, Gilberto Sanchez Diaz, Ricardo Herrera, Lucy de Ucros, Gloria Ucros de Saiz, Lucila Guevara de Aya, Ines Perdomo Avila, Soledad de Munar, Rosaura Perez, Leonor Russel de Tamayo, Maria Clemencia de Perdomo, Rosalba de Suarez, Edelmira Arce Vera, Dora Perdomo, Miguel Rozo, Marco T. Lima, Edilberto Sanchez, Carlos E. Bohorquez, Guillermo Leal, Marco Tulio Rodriguez, Gumercindo Suarez, Gustavo Alberto Morales, Alberto Diaz, Guillermo Rozo, Pedro Villa, Nestor Felix Ortiz, Gumercindo Suarez, Cenon Alfonso Sanchez, Efrain Oliveros, Roberto Maldonado, Maria Dolores Arce, Marta Isabel Suarez, Olinda C. de Navarro, Mercedes de Maldonado, Marta Isabel Suarez.

From Southern Bolivar

The following message of support was sent to Virgilio Barco from Magangue:

"The southern part of the Department of Bolivar cannot remain indifferent to the fact that Dr Virgilio Barco has agreed to put his name before public opinion as Colombia prepares to elect its next president. We are pleased to express this spontaneous manifestation of sincere satisfaction that he has submitted his name and that he has a good chance to be enthusiastically accepted by the Colombian people. Virgilio Barco's personal record is clean and admirable, for both the future of Colombia and of this region in particular. He produced an extremely thorough study on the status and future of the Magdalena River and the coast. This is the time not to list his accomplish-

ments, but to stress his ability, his honesty, his dedication, his good sense, his efficiency and his responsibility. All of the above justifies the enthusiasm with which we lend him all of our warmest personal support for his success and we would like to invite him to visit Magangue and southern Bolivar so that we can personally express our feelings to him."

Signed: Saul Carrera Chirola, Gabriel Zea Sierra, Ricardo Botero Maya, Rodolfo Estorino Iriarte, Heriberto C. Maza, Alberto Arrieta Valente, Luis Poveda Solano, Carlos Cabrales Ardila, Gustavo Eskaff Nasser, Eduardo Butron Hamburger, Abraham Guerra Cure, Emilse Lopez, Luz Dary Jimenez, Silvio Restrepo, Pablo Galvis Mendez, Hugo Gomez Caseres, Saul Carrera Dura, Filiberto Patron, Benjamin Garcia Manjarres, Arturo Butron Buelvas, Samuel Bustamante Posada, Esther Sierra, Gil Blas Turizo and Pablo Colon C. Two hundred more signatures follow.

8743
CSO: 3010/1790

GOVERNMENT PROHIBITS IMPORTS OF EQUIPMENT, MACHINERY

San Jose LA NACION in Spanish 27 Aug 81 p 2A

[Text] The importation of capital goods will be prohibited for at least 6 months according to an agreement of the Executive Branch, announced yesterday by President Rodrigo Carazo Odio.

From now on, the leader stated, no buses, agricultural equipment or capital goods in general may be imported. Furthermore, public institutions must repair, rehabilitate and overhaul their machinery in Agroindustrial Services Cooperative (COOPESA) repair shops.

Carazo explained that the Executive Branch "is shocked" at the large amount of equipment that has been attached by banks, and that "is turning into scrap at customs."

Thus, he plans to send to the Legislative Assembly a bill to streamline procedures for auctioning off and repairing the equipment so it can be put to use.

There will also be other means to put the government's decision into effect, commented Vice-President Jose Miguel Alfaro. However, he did not elaborate.

He added that the measure was taken in order to save foreign currency outlays, to provide more jobs for Costa Ricans in the repair shops, and to utilize idle equipment. He said that according to calculations, 38 percent of the machinery's capacity is idle.

Moreover, he claimed, the measure will provide an "enormous stimulus for bringing the country's trade balance into equilibrium."

The government has announced drastic restrictions on imports since last April, and it has been said that the government is looking into various methods that are more compatible with the International Monetary Fund's position on this matter.

Last year the country imported $1,370,366,000 in goods, and exported goods worth only $877,973,000.

8926
CSO: 3010/1832

FOREIGN DEBT HAS ALMOST TRIPLED IN 3 YEARS

San Jose LA NACION in Spanish 28 Aug 81 p 4A

[Article by Lafitte Fernandez R.]

[Text] Costa Rica's public foreign debt has almost tripled in the past 3 years, and the $1.597 billion increase which has been noted in this short period is now "strangling" the local economy, according to some economists.

A study conducted by Dr Fernando Naranjo, formerly minister of development under the previous administration, shows that while in 1977 these obligations reached $833 million, in 1981 they have been pegged at $2.430 billion.

These figures were analyzed at a round table discussion held by the members of the Inter-American Federation of Students of Economic Sciences, at the University of Costa Rica.

Participants included Economics Minister Jose Miguel Alfaro, Thelmo Vargas, Eduardo Lizano (moderator) and Dr Fernando Naranjo.

During the discussion, the problem of the public debt and its impact on the national balance of payments were examined.

Numbers

Dr Naranjo did not deny that a poor nation such as Costa Rica needs to contract foreign debts in order to stimulate its economy.

However, he recalled that in 1970 those obligations amounted to only $164 million, whereas in 1977 they reached $833 million.

The economist mentioned that by 1981 the foreign debt had reached a total of $2.430 billion, an increase of $1.597 billion over 3 years, for an average annual debt of $532 million. That figure for earlier years was only $95 million.

The former minister also spoke of the servicing of the public debt (the payment of interest and amortization). He stated that in 1970 $24 million was needed to service the debt; in 1977 that figure was $104 million, and in 1981 it reached some $[illegible]0 million.

According to these figures, in 1970 only 10.3 percent of our export earnings was earmarked for paying off the foreign debt, while in 1977 that figure was 10.9 percent, and in 1980, 24.6 percent, nearly one-fourth of the total value of local exports (some $1.200 billion).

Naranjo said that in 1982 about $740 million will have to go toward servicing the debt, which means 50 percent of the value of all estimated exports.

Problem

The main question asked by Dr Naranjo was why a fictitious exchange rate was maintained, given the critical situation we have faced for 3 years.

He recalled, along these lines, that in 1977 net international reserves in the country amounted to $233 million, while in 1980 they dropped to less than $95 million, a loss of $328 million.

Furthermore, he added, the country did not pay for $270 million of the foreign currency reserves accumulated at the Central Bank, and it obtained short-term loans of $350 million and received $50 million from the International Monetary Fund.

He explained that according to that, there is a total of $1 billion "that Costa Rica let slip through its fingers or that left the country because an exchange rate of 8.60 colons was maintained."

Response

Economics Minister Jose Miguel Alfaro replied that the country did not devalue its currency for several reasons: the war in Nicaragua, labor-management problems which were a front for subversive efforts (in 1980), and other reasons.

He recalled that the current administration has had to combat negative external factors (the rise in oil prices and the drop in coffee prices). He also mentioned that part of the external resources have been used to build the Moin wharf, to compensate for the drop in coffee prices, to pay for contracts signed by the Costa Rican Development Corporation (CODESA), and to undertake infrastructure projects designed to maintain social order.

He stressed the government's efforts to curb unemployment, to balance the trade deficit, to achieve energy independence and to rationalize public spending.

Thelmo Vargas presented an analysis of the foreign debt and balance of payments problems, and stated that a series of short-term measures must be adopted.

Among the measures he mentioned were renegotiating the foreign debt, changing the make-up of the Central Bank's board of directors, and limiting the importation of capital goods rather than preventing the entry of finished goods.

He also claimed that it is necessary to change Costa Rica's development model and eliminate the excess protectionism that now exists.

8926
CSO: 3010/1832

INTERNATIONAL COFFEE PRICE FLUCTUATIONS CAUSE LOSS

San Jose LA NACION in Spanish 24 Aug 81 p 2A

[Article by Ricardo Quiros Saenz]

[Text] Fluctuations in international coffee prices during this year have caused losses of more than $20 million to this country, although 322,000 more sacks of coffee, 60 kilograms each, have been sold so far this in comparison with the same period of last year.

As of last 15 August, our country had exported 1,459,000 sacks, valued at $203,945,000 (on the rails).

Last year, during the same period 1,137,000 sacks were sold abroad, with a value of $224,108,000. However, the difference in prices between 1980 and 1981 (first half) was unfavorable, so the country lost more than $20 million.

Mario Fernandez Urpi, executive director of the Coffee Office (OFICAFE), stated that "it is felt that as a consequence of the frost that damaged the principal coffee producing states of Brazil, in the near future there will be a better balance between supply and demand, which will result in improved international prices for the product in the coming months."

Costa Rica's harvest has been estimated at 2,445,000 fanegas [1.6 bushels] this year.

Search

To search for a more positive stance on the part of the consuming nations, the coffee bloc of Central America and Mexico will meet today, Monday, with coffee officials of the U.S. Department of State.

Fernandez Urpi, who will represent our country along with Energy and Mines Minister Fernando Altmann Ortiz, stated that the purpose of the meeting is to urge the United States to adopt a more flexible position to permit producing countries more favorable conditions on the coffee market, "such as negotiating a fairer price range, so that nations such as Costa Rica, and Central America in general, can earn more remunerative prices."

He also reported that the talks with U.S. officials are a regional preamble for the coffee negotiations that will take place in London, England next September, where the United States is considered the principal consumer in the world.

After the meeting, the representatives of the coffee bloc of Mexico and Central America will go to Brazil to hold talks with authorities there.

The dialog with Brazilian officials will be held "for the purpose of arriving at formulas to reach an understanding among the producing countries, so that the negotiations in September will not be so difficult."

September

In addition, OFICAFE revealed that at the meeting of the International Coffee Organization (OIC), Costa Rica will be represented by Vice-President Claudio Castro, Fernando Altmann Ortiz and Fernandez Urpi.

The trade associations in the coffee sector will send Arnoldo Lopez, president of the Chamber of Coffee Growers; Nautilio Monge Alvarez of the Federation of Coffee Cooperatives; and Otto Kloti, of the Chamber of Exporters.

8926
CSO: 3010/1832

'DER SPIEGEL' INTERVIEWS CUBAN VICF PRESIDENT

DW291227 Hamburg DER SPIEGEL in German 28 Sep 81 pp 187-194

[Interview with Cuban Vice President Carlos Rafael Rodriguez; date and place not given]

[Text] SPIEGEL: Mr Rodriguez, some 22 heads of state and government will meet in October in Cancun to begin North-South dialogue. Why was Cuba excluded although Mexico, the host country, had approved its participation?

Rodriguez: The only reason is the spiteful opposition of U.S. President Reagan. It was said in Washington that Reagan would not appear if Fidel Castro were present. The presence of the United States, however, is important for the developing countries. The so-called North-South dialogue would have been senseless without the presence of such an important part of the north.

SPIEGEL: Will Cuba be represented somehow, maybe through Mexico?

Rodriguez: We do not want to burden Mexico with this responsibility. Mexico has demonstrated its good will to represent all our standpoints.

SPIEGEL: Aren't you bitter?

Rodriguez: Just because we do not want to burden friendly countries by making our presence a prerequisite for the conference does not mean that we are happy. We will continue to state that the attitude of the United States is arrogant and arbitrary. The United States still believes it can decide the problems of the world because it has military and economic power.

SPIEGEL: The United States accuses Cuba of supplying arms to the guerrillas in Central America.

Rodriguez: These false accusations are intended to create the impression that the origin of Central American developments lies in Cuba and other countries. The United States wants to justify to itself and its allies its own increasing military presence in Central America and its aggressive policy toward Cuba. It pretends that Cuba must be suppressed by force and called to order.

SPIEGEL: Your side recently called the U.S. secretary of state and the U.S. government "liars." Are the fronts becoming harder again?

Rodriguez: When the aggressive approach of the United States began to emerge, we had a proper political answer. In addition, we have set up territorial militia forces. We are making preparations for the total defense of the country. Cuba will not give up its principles. You can destroy Cuba, but you cannot make it yield.

No one will be able to force Cuba to change its foreign policy. We will follow a line in accord with Cuban interests.

SPIEGEL: In the United States there is talk of a "Haig plan": withdraw Cuban troops from Angola and Ethiopia, and discontinue aid to Latin American guerrillas, otherwise Cuba will experience a demonstration of strength that could extend from blockade to invasion. How does Cuba plan to react?

Rodriguez: The United States has said that it does not yet have a Latin American policy. Haig is the spokesman of those who want to let us live if we follow the norms they consider correct.

We strongly reject such a claim. Fidel concluded the second party congress by saying: "Principles are not a matter of negotiations." We become involved according to our principles such as, for example, in the defense of Angola's territorial integrity...

SPIEGEL: ...and Ethiopia?

Rodriguez: Exactly. We will be involved there as long as the respective governments consider it necessary.

SPIEGEL: Will South Africa's invasion of Angola result in intensified Cuban action?

Rodriguez: Our governments have taken into consideration the fact that stationing Cuban troops close to the Namibian border could be misused by the South Africans to confuse the issue. But as things are, nobody can say that Cuban troops in Angola support Namibian SWAPO revolutionaries.

SPIEGEL: Once again, will you reinforce your troops?

Rodriguez: We have sufficient forces to fulfill out tasks.

SPIEGEL: It is said there are between 20,000 and 40,000 men. How many are there really?

Rodriguez: We cannot give you a figure. The North Americans are perfectly aware of the figures since they keep track of movements back and forth.

SPIEGEL: Cuba takes care of the territorial integrity of Angola and Ethiopia. What commitments do you think you have in Latin America?

Rodriguez: We are involved with principles that are older than our revolution: the solidarity of all people of Latin America fighting for their independence.

SPIEGEL: ...so you are prepared for everything?

Rodriguez: If the United States violates international law and sets up a naval blockade of Cuba, we will defend ourselves with our own forces. If the United States goes even further and undertakes military aggression we are prepared to pay the price.

SPIEGEL: Would the answer to a U.S. blockade of Cuba be even more Cuban support for other revolutionaries and a stronger leaning toward the Soviet Union?

Rodriguez: Our commitments to revolutionaries do not basically depend on our relations with the United States. If U.S. policy changed, we could have normal relations with the United States while simultaneously maintaining solidarity with the revolutionaries in Latin America who are fighting for democracy and national independence.

SPIEGEL: And the pressure from the United States?

Rodriguez: You cannot establish a connection between our approach to the revolutionaries and our relations with the United States. We do not maintain solidarity with El Salvador because we are quarreling with the United States.

SPIEGEL: Your assessment of the Central American situation is similar to that of the Socialist International (S.I.). Are there any contacts?

Rodriguez: We have officially mentioned in our party documents our relations with the S.I. We believe that the analyses of Socialists and Social Democrats are of importance for all parties aiming for changes and for peace in the world, including the Cuban Communist Party.

SPIEGEL: Is there any possibility of cooperation with the Socialist International?

Rodriguez: We in Latin America deem it worth aspiring to. We believe that we are largely agreed in the assessment of the problems of Latin America. This contributes toward throwing the limelight on the struggle of the peoples of Central America, just as France and Mexico have done just recently by recognizing the opposition in El Salvador as a "legitimate political force." Cuba's attitude, too, thus becomes plain to the world public. Such relations strengthen our position.

SPIEGEL: Have your relations with the Social Democrats in Latin America helped achieve that SPD Deputy Chairman Hans-Juergen Wischnewski met with Fidel Castro last April?

Rodriguez: Definitely, though there are also contacts between the SPD and the Cuban Communist Party and between leaders of the two parties. They existed even prior to the present situation which Wischnewski discussed with Fidel Castro. The crisis in Central America allowed us to find harmonious positions--which is not intended to mean that full accord exists between the Social Democrats and the Cuban Communist Party.

SPIEGEL: Are there any other points of contact?

Rodriguez: Just recently an SPD delegation from Bremen visited us. On the occasion of Tito's funeral I met with Willy Brandt. The meeting has not materialized to date.

SPIEGEL: Didn't you invite him to Cuba?

Rodriguez: We do not want to force anything which might not be in harmony with the interests of all parties involved.

SPIEGEL: Did the contacts with the SPD produce any practical result?

Rodriguez: Considering the S.I. policy in El Salvador Cuba has said that it will offer a modest cooperation in the search for a political solution, provided the oppositional forces FMLN ("National Liberation Front Farbundo Marti") and the Frente Democratico Revolucionario agree. Fidel told Mr Wischnewski that in no uncertain terms.

SPIEGEL: Is there any political solution for El Salvador?

Rodriguez: All those in the country itself who consider a political solution proceed from a change in the official leadership of the country, from some sort of a transitional government. I personally deem a political solution very difficult under the incumbent military junta.

SPIEGEL: But the junta is still in power.

Rodriguez: Because the United States supports and arms it. If it would cease doing that...

SPIEGEL: ...there would be a military solution.

Rodriguez: Not necessarily. In keeping with the proposals by the Social Democrats, or also by Mexico, a broader solution could be found without the struggle being waged until the complete defeat of the armed forces. Representative elements of these forces could negotiate with those oppositional forces which France and Mexico have recognized as being representative.

SPIEGEL: Cuba claims that it never lies and that it has never sent either arms or advisers to El Salvador. How do you support the guerrillas of the FMLN anyway?

Rodriguez: By our international solidarity, by our close relations with various organizations. And also by other, well-known, oft-commented ways of cooperation.

SPIEGEL: What do you mean by "well-known" and "oft-commented?"

Rodriguez: Help for their travels, for instance. Not all aid to guerrillas, to democratic forces, consists of advisers and arms. We have helped in all other fields.

SPIEGEL: When Columbia froze relations with Cuba it accused Cuba of having granted M-19 arms and training to the guerrillas of the movement. Cuba categorically denied the arms aid but not the training. Are the guerrillas of the FMNL trained here as well?

Rodriguez: We did not deny this because in the past few years many people came to our country for various reasons to ask for training. We did not deny this desire. If a revolutionary for Latin America wishes to learn the technique and organization of resistance for his own self-defense, we cannot refuse in view of the brutal oppression. This also holds true for the Salvadorians.

SPIEGEL: "Proletarian internationalism" makes Cuba dispatch troops to Angola and Ethiopia. In El Salvador there is talk now about the plan to form a government in the liberated areas. Would Cuba comply with a request for help?

Rodriguez: Revolutions are made by peoples. It is necessary to differentiate between the support to a revolution and aid for the preservation of national sovereignty. Angola and Ethiopia had been established states which requested aid against military attacks from outside.

In El Salvador the situation has not yet been so clearly fixed. We cannot predict what our position will be in view of a situation which we do not know.

SPIEGEL: The United States supports dictators but also resistance movements such as the followers of the former dictator of Nicaragua, Somoza, in Miami. Aren't you doing exactly the same, only vice versa?

Rodriguez: You cannot export revolution nor import it. It must emerge from the roots of the people. The people's forces must insure that their revolutions will be victorious and stable. Then it will be possible to prevent the export of counterrevolution by means of international solidarity.

SPIEGEL: Are normal relations conceivable between the United States and Cuba in the foreseeable future? Castro has said that he would accept a live branch.

Rodriguez: On a long-term basis this possibility exists. Yet Reagan is not holding an olive branch but a "big bludgeon." On a short-term basis we do not see any option of negotiations. But we are receptive to an honorable agreement.

SPIEGEL: What could it be like?

Rodriguez: Above all the blockade of Cuba must be lifted.

SPIEGEL: What would you offer in return?

Rodriguez: We do not have to offer anything, for we were the ones that were attacked. We have neither severed relations nor instituted the blockade, nor have we carried out any acts of military aggression. First of all the unequal conditions must be eliminated, then we can negotiate.

SPIEGEL: On what?

Rodriguez: Mutual respect.

SPIEGEL: Castro said at the party congress that the emigration by Cubans has not been concluded but just suspended. Will the gates be opened again?

Rodriguez: The United States is waging a continuous campaign, depicting its country as paradise. In our inadequately enlightened public opinion this fans readiness to leave Cuba.

SPIEGEL: What is the effect of the emigration of 120,000 Cubans on the revolution?

Rodriguez: The way the press described this exit it provides a highly negative picture of Cuba. But it was not explained who was going, and why.

SPIEGEL: What does that mean?

Rodriguez: One was able to see in Peru and in the United States what kind of people have gone away.

The less prosperous people in our country were made to believe that paradise was waiting for them just 90 miles away, the trip was arranged for them, and they were induced to believe that they would be placed in good positions directly after their arrival.

SPIEGEL: Cuba itself permitted visits by members of the Cuban colony of Miami. Was this wrong?

Rodriguez: Unfortunately we failed to prepare our people for this shock. Not that we were not prepared politically; the matter was just inadequately discussed. We had to make a decision, and we failed to make proper allowances for various criteria among the people. But it was not so much the prosperity of these people which hit us. What hurt our people was their arrogance.

We called the 120,000 people who went away antisocial. It may be that this does not apply to 20,000 or 30,000. They simply made use of the opportunity and had relatives over there with whom they wanted to get together.

SPIEGEL: So not all of them were antisocial after all...

Rodriguez: Not all of them--but the whole thing was antisocial. More than 100,000 had a record of previous convictions.

SPIEGEL: Many emigrants said that they believed in Fidel Castro's word and praised the achievements of the revolution. But they lamented the surveillance in Cuba.

Rodriguez: It depends what is meant by surveillance. Here, the people participate very much in the revolution. Anyone having counterrevolutionary intentions does not have any easy stand because the vast majority of the people sticks to the revolution.

SPIEGEL: There are still counterrevolutionaries even 22 years after the revolution?

Rodriguez: I think so, yes. You cannot possible expect the approval of all if 10 million people are involved.

SPIEGEL: Fidel Castro's report to the party congress mostly was a listing of the revolution's successes. Were no mistakes made at all?

Rodriguez: Strategic mistakes, yes, in the mode of leadership, idealistic criteria were used for solving economic problems. This resulted in serious mistakes. But we frankly admitted our mistakes too.

SPIEGEL: Measures aimed at increasing production were announced last December: more money for the one who works more. This means that the "new human being" has not yet been created in Cuba.

Rodriguez: We are still far away from that, of course. When I spoke of idealistic mistakes of our leadership a while ago then I did so because formerly, spurred on by our enthusiasm and that of the people, we regarded the development too subjectively.

The new human being will emerge from a combination of the remuneration for his work and the political education which inspires a production increase. This is how the basis emerges for a Communist distribution of the goods.

Until then the new human being will exist partially. It develops continually rather than emerging in perfect shape like Athene did from the head of Zeus.

CSO: 3103/2

MALMIERCA CALLS U.S. RADIO STATION PLANS 'AGGRESSION'

FL291033 Havana Domestic Service in Spanish 1000 GMT 29 Sep 81

[Text] Addressing the UN General Assembly, Cuban Foreign Minister Isidoro Malmierca has described Washington's decision to set up a radio station to air anti-Cuban programs as another U.S. aggression. This decision, Malmierca said, is evidence of the provocative and aggressive stance of the U.S. Government. However, he added, Washington should not delude itself because the Cuban people are now stronger and are determined to defend their revolution and repel any aggression.

The Cuban Foreign Minister noted that the new U.S. administration makes no attempt to negotiate on any subject unless it can do so in conditions that guarantee its superiority in all areas. As long as the U.S. Government maintains its present position both militarily and economically, the Cuban leader added, the work of the United Nations will be in crisis because cooperation and dialogue cannot coexist with the hegemonic and warmongering policy of the U.S. Government.

Isidoro Malmierca reiterated that the United States has not yet responded to our country's demand, voiced by Council of State President Fidel Castro. The top Cuban leader had said that the United States must answer clearly whether the Central Intelligence Agency had been forbidden or not to use biological warfare against Cuba.

The Cuban foreign minister refuted the claim made by the yankee delegate, who told the General Assembly that hemorrhagic dengue had been introduced into Cuba by Cuban internationalists. The World Health Organization, Malmierca said, has confirmed that the virus, which appeared in Cuba in a suspect manner, was not present in any of the 30 countries where Cuban internationalists serve.

CSO: 3010/6

NONALIGNED FOREIGN MINISTERS' COMMUNIQUE AT UN REPORTED

FL291112 Havana Domestic Service in Spanish 1000 GMT 29 Sep 81

[Text] At the United Nations, the foreign ministers of nonaligned countries have condemned the U.S. Government's hostile stand concerning the legitimate and inalienable rights of the Palestinian people and their sole representative, the PLO.

A communique approved by the foreign ministers and heads of delegations of nonaligned countries attending the 36th UN General Assembly also expressed the movement's deep concern over Israel's aggressions against Lebanon, the Palestinian refugee camps and the destruction of the nuclear plant for peaceful ends in Iraq. This zionist escalation, the document adds, would have been impossible without the massive U.S. assistance to Israel which intensified following the Camp David accords.

Instead of participating in the efforts to find a global solution to the Middle East conflict, the United States has just concluded a strategic alliance with Israel, a fact which the nonaligned view with concern, the declaration adds. In addition to demanding the zionist withdrawal from occupied territories, the foreign ministers of nonaligned countries called on all states to help and facilitate all efforts by the Palestinian people under the leadership of the PLO to pursue their efforts and legitimate struggle to achieve their inalienable rights.

CSO: 3010/6

COMMENTARY STRESSES 'FASCIST' NATURE OF U.S. LEADERSHIP

PA271727 Havana International Service in Spanish 0000 Sep 81

["World Events" commentary]

[Text] The fascist nature of the leading nucleus of the present U.S. Government, as denounced by Cuban President Fidel Castro during the opening session of the 68th IPU Conference, has its roots in the political and economic interests of the men involved.

It is not a coincidence that, in a little more than 9 months in power, the U.S. Government has placed the world into such a difficult situation that the chances of maintaining peace have been tangibly diminished.

The former California governor and the group who accompany him at the summit of power are well-known and self-confessed supporters of the most unpopular currents. They are linked to the powerful international consortiums whose most lucrative business is war and the exploitation of other peoples.

Reagan was chosen by the so-called new U.S. right to represent that group in the White House at a time of profound internal crisis and at a juncture that is most unfavorable toward imperialist policies.

The so-called new U.S. right is made up of the most conservative corporate sector, the ultrarightists of the Republican Party, a self-styled new right which holds extremely reactionary positions within the government and the so-called moral majority, representing by the most reactionary religious sectors.

The recovery of the predominance that yankee imperialism has been losing as a result of the peoples' successful struggle for liberation and the power of the socialist countries has become the obsession of the U.S. President and his main aides, just as the desire for world domination obsessed Adolf Hitler.

Without our leadership, there can be no peace in the world, Reagan told the French paper L'EXPRESS last January. On taking power, the present government gave carte blanche to internal repression, authorized a witch-hunt against all those suspected of professing progressive ideologies, received with sympathy the proposals of the ultrareactionary heritage foundation to restrict civil rights and permitted the Ku Klux Klan full sway.

However, there are other symptoms of fascism within the present U.S. Government. To confront the severe economic crisis, the President has asked the Congress for special powers as if the country were in a state of war. He has raised the banner of bread at gunpoint, cut the budget for social programs for the benefit of rearmament and the arms race and reiterated a ban on strikes.

In addition, the foreign policy followed by the present Reagan government shows clear and alarming signs of fascism. This is seen, for example, in the all-out effort to have the U.S. allies increase their military budgets; the open alliance with the South African racists and with all the fascist regimes in the world; the blackmailing attempt to intimidate mankind by the manufacture of the neutron bomb; the constant threats against Cuba, Nicaragua and Grenada; the attempts to interfere in Poland, Southeast Asia and Afghanistan; the increase in the military budget; participation in the genocide in El Salvador; and the strategic alliance with Israel and Egypt in the Middle East.

As can be seen, the adventurist and demented U.S. policy is a threat to peace. That is why Fidel Castro has expressed his conviction that a fascist leadership has been superimposed on the structure of an imperialist bourgeois democracy.

CSO: 3010/6

'DAYS OF SOLIDARITY' WITH PUERTO RICO END

FL242208 Havana Domestic Service in Spanish 2130 GMT 24 Sep 81

[Text] The days of solidarity for the independence of Puerto Rico which began on 12 September ended yesterday with a political-cultural ceremony at the Cuban Institute of Friendship With Peoples [ICAP]. Felipe Cirino, member of the Puerto Rican Socialist Party Central Committee and party representative in Cuba, denounced U.S. Government maneuvers to boycott the study of the case of Puerto Rico in the forthcoming period of sessions of the UN General Assembly. He noted how the administration of the University of Puerto Rico decreed the expulsion of 14 of the students currently on a hunger strike over an increase in tuition fees, and expressed interest in mobilizing youth forces to support the protest and condemn the aggressive and deceitful policy of the colonial government.

ICAP Vice President Jorge Gallardo delivered the closing remarks and recalled the words of Commander in Chief Fidel Castro when he said that the Cuban people's support for Puerto Rico was a historic and moral duty, as well as an inescapable need because as long as there was a single Puerto Rican to defend the cause of independence our solidarity would go out to him.

The ceremony was also presided over by Francisco Pividal, president of the Latin American and Caribbean Historians Association; Jesus Escandel, member of the Central Organization of Cuban Trade Unions National Secretariat, and other officials.

CSO: 3010/6

WESTERN NAVAL DISTRICT CONSTRUCTION PROJECT CONTINUES

Havana VERDE OLIVO in Spanish 16 Aug 81 pp 34-37

[Article by Pablo Noa]

[Text] "We are very pleased to know that our work on this project is improving the standard of living of hundreds of comrades dedicated to the defense of the fatherland!"

These words were spoken by Lt Lavin Banos Valdes, of the steel-workers group of the 10th Brigade, Enterprise No 5, of the Directorate for Military Construction and Housing, FAR [Revolutionary Armed Forces].

We talked with him and several construction workers representative of various generations of workers in that sector. All of them share the optimism proper to these years of socialist dedication in our country. Their remarks are the most eloquent proof of this.

Men and Machines

In an immense area, where the irregularity of the terrain had raised the question of whether it could ever be dominated, a complex of buildings is being constructed which is destined for the combatants of the Revolutionary Navy of the Western Naval District.

Integrated harmoniously with the countryside for several years, men and machines are transforming the landscape in this region.

Important construction projects have been completed, some of which are now being used. Several projects are in the completion stage and others are being started.

During a tour of the construction site, we observed the spirit and interest of all workers to finish their assigned tasks with the required quality and in the scheduled time frame. Workers with long years of experience, together with young men who are virtually starting in construction, are making an effort to meet the proposed objectives.

That Is Why They Are There

Although we had initiated our talks with Lieutenant Banos, during our visit we had the opportunity to become acquainted with many outstanding comrades. They, with their comments, made a point of complementing the general idea we had of work they are doing.

We heard Pablo Valdes Diaz speak frequently. The young man is about to complete his military service in an MGR [Cuban Revolutionary Navy] unit and has requested permission to remain in it, as he wants to be a naval officer.

He, like other sailors, is providing support to the enterprise's construction workers to expedite completion of the task. He has been outstanding on the job to the point of now being the foreman of a concrete mixing crew.

"We are pleased with the work we are doing. We know that by doing this work we are helping improve our living conditions and those of the rest of our navy comrades," Pedro Pablo said, coming to a stop in front of a "mountain" of cement, gravel and sand.

"In the group I am supervising," he added, "all of the crew are about my age. However, there is a high feeling of collectivism, respect and discipline. Here we do our jobs with the operating methods to which we have become accustomed in the FAR [Revolutionary Armed Forces]."

Trucks and power shovels are moving around us indicating that concrete pouring will begin in another part of the construction site. Pedro Pablo prepares to leave us but before joining his crew he says:

"Recently, management congratulated us. The work we did to complete the flooring of one segment of a programmed construction project made history in the brigade,..."

The young man returns to his job. Next we are told about his crew, of how they continually apply creative initiative to resolve any problem that arises. That is characteristic of them.

Major Manuel Medina Sabigni recalls how on one occasion, when there was great urgency in completing the concrete pouring operation on one job, among other problems there was an electric power outage which made it impossible to use the concrete mixer. What is more, visibility was limited, as it was night. However, to avoid a work stoppage, which would entail the loss of manhours and mateials, the young men decided to light the area with several torches which they had made themselves. In this way they continued to pour concrete, using an internal combustion engine powered concrete mixer. The day was saved, and the crew successfully finished the job assigned them on that occasion.

"Really, the whole group is outstanding," Major Medina concluded.

These Opinions

"In a situation like this, it is not easy to single out one or two comrades," explained Eduardo Rodriguez Castaneda, secretary general of the party cell.

"I would say that it is impossible to talk about the project without mentioning Luis Alarcon Cabrales, combatant of Column 1 of the Rebel Army, who has been working on military construction since 1968. Here he is a crane mechanic. Or Antonio Perez Nodarse, crane operator, who previously was a sapper with an FAR unit, and who, as soon as he joined the brigade, became the best socialist emulation worker.

"I could also tell you about the example of Victor Soroa, the best worker of the quarter in the region, who is proud to belong to a small but good group. Like him are Vicente Gonzalez Tapia, with 31 years in construction, who knows all there is to know about this work; Regino Diaz Valdes, a helper in the steelworkers' brigade; Marcellino Soler, along with his earthmover since 1967, prior to which he was a good tankman.

"Another comrade who has contributed his know-how and brawn is Julian Ruiz Machin, who has been in this work 20 years and can boast of being a charter member of military construction. He was present for the building of the Silvio Caro community, the Mausoleum of the Soviet Internationalist Soldier and the preparation and reconstruction of areas for the Fourth Spartakiadas of Friendly Armies in 1977. He knows his job and does it.

"Even with these names, I have mentioned only a few. In these activities, the role of the individual is the decisive factor is achieving collective successes. That is why I said that even though it would be a brief account I had to mention those names."

And Rafael Izaguirre adds:

"When the members of the 10th Brigade arrived here, from the very beginning they did not have suitable living quarters.

"They had to get along with what was available. The situation did not affect the spirit of any of them and even less their work. Later a module was built to provide temporary facilities; it had the basics to take care of the housing needs and activities of our comrades. I want to make it clear to you that the members of the brigade live together as a unit. They remain at the work site all week and on Saturdays and Sundays visit their families."

Aguirre, who is secretary general of the trade union section, took it upon himself to offer us information about the living and working conditions of the construction workers. To conclude his remarks, he emphasized the close connection between the party, command and trade union in the accomplishment of the dissimilar tasks arising out of fulfilling the requirements of the work plan.

Noelia Diaz, organizing secretary of the UJC [Union of Young Communists], gave an extensive account of the participation of young people--and they are any--in getting the job done, raising production and fighting against absenteeism.

Once again we were told about the valuable assistance given by a group of sailors and officers. On this occasion the remarks were made by Jorge Luis Concepcion, the Brigade's chief engineer, as he corrected the work done by the sailors on the roof of a building.

We listened to his instructions and praise of the group. Then we talked with Raimundo Castillo Mesa, converted into a C bricklayer, a vanguard in emulation who recently was given the honor of becoming a UJC activist. The other sailor referred to was Pedro Rodriguez Martinez, whom we had seen in the concrete pouring group.

"In the construction of the camp," the engineer said, "we have taken the greatest care to create an agreeable and modern ambience. Those details can be observed in the structure proper of the installations and in the combination of colors applied to the walls. We are sure that the combatants will be pleased with the facilities."

"By doing this," he continued, "we are collaborating in giving the unit pleasant living quarters at the same time as we are making a reality of one of the agreements of the First and Second Party Congresses with respect to the progressive improvement of livng and working conditions of FAR combatants."

'We Laid It on Thick'

It might be thought that "we laid it on thick" when we selected several outstanding workers and gave an account of their work in this project. Without wishing to justify ourselves, one has to visit the site and see what is being done by those self-sacrificing men and women for the Directorate of Military Construction and Housing.

For them, neither day nor night matters. They are only interested in completing the job on time and with the prescribed quality. It is enough for them to know the reason they are doing this.

8143
CSO: 3010/1802

BRIEFS

CDR ANNIVERSARY COMMEMORATED--Commander of the revolution Ramiro Valdes, member of Cuba's Communist Party [PCC] Politburo and minister of the interior, has presided at Havana City's national commemoration of the 21st anniversary of the Committees for the Defense of the Revolution [CDR], held at the Lazaro Pena Auditorium of the Central Organization of Cuban Trade Unions Building. Also present at the ceremony were Julio Camacho Aguilera, member of the PCC Politburo and first party secretary in Havana City Province, and Armando Acosta, alternate member of the PCC Politburo and national coordinator of the CDR, who made the closing remarks. In his speech, Armando Acosta proposed to the CDR members, who approved it unanimously, to convey to Commander in Chief Fidel Castro Havana City's CDR members' unconditional support for his pronouncements in the opening remarks at the 68th Interparliamentary Conference. After noting the importance of the courses of study at the Combatiendo al Enemigo Vigilance schools, he announced the creation of support brigades attached to the Interior Ministry at all CDR offices in the country. [Text] [FL261153 Havana Domestic Service in Spanish 1000 GMT 26 Sep 81]

BELIZE, ECUADOR IN NONALIGNED--Belize and Ecuador have been admitted into the nonaligned countries movement as full members during a meeting held at the United Nations by the foreign ministers of member countries, which was chaired by Cuban Foreign Minister Isidoro Malmierca. The movement also agreed to support the candidacy of Tanzania's Foreign Minister Salim Ahmad Salim to the post of secretary general of the United Nations. It was also learned that Belize had been admitted into the United Nations, becoming member country No 156. The nonaligned countries' foreign ministers will continue their meeting next Monday to discuss the topics to be taken up by the 31st meeting of the UN General Assembly which are of interest to the movement. [Text] [FL261505 Havana Domestic Service in Spanish 1000 GMT 26 Sep 81]

WFTU PRESIDENT'S ARRIVAL--Sandor Gaspar, WFTU president and Hungarian Socialist Workers Party Politburo member, arrived in Havana today, where he was welcomed by Roberto Viega, Central Organization of Cuban Workers secretary general and Cuban Communist Party Politburo alternate member. The top WFTU leader traveled to Cuba to discuss issues related to the organization's 10th congress, which will be held in this capital 10-15 February. [Text] [PA280218 Havana International Service in Spanish 0000 GMT 28 Sep 81]

GUINEA-BISSAU ANNIVERSARIES--The 25th anniversary of the African Independence Party of Guinea-Bissau and Cape Verde and the 8th of the proclamation of that

republic have been commemorated at a political-cultural ceremony organized by the Cuban Institute of Friendship With Peoples [ICAP] and the Cuban-African Friendship Society. The ceremony was held at the Ariguanabo textile plant and speeches were made by (Constantino Lopes da Costa), charge d'affaires of the African country in Cuba, and Guillen Zelaya, vice president of the ICAP. [Text] [FL260130 Havana Domestic Service in Spanish 2130 GMT 25 Sep 81]

NONALIGNED STANDARDIZATION MEETING--A program of joint action to determine various guidelines, means and ways of cooperation was submitted by Cuba today at the first meeting of experts on standards, weights and measures and auality control of the nonaligned countries movement as well as other developing countries. The proposal was made by Ramon Darias, minister-president of the State Committee for Standardization, during his opening remarks. In his speech, Darias, who was elected chairman of the meeting, summarized our country's efforts to establish a system of standardization in an economic structure deformed by imperialist penetration until 1959. Darias asked the delegates to strengthen the relations of economic cooperation among states with a significant factor in the economic and social development of the peoples. [Text] [FL290053 Havana Domestic Service in Spanish 2300 GMT 28 Sep 81]

ACCUSATION AGAINST VENEZUELA--Cuba has accused the present Venezuelan Government of allowing itself to be used as a tool of U.S. imperialist strategy against the Central American peoples. The accusation is part of a speech made at the United Nations by Cuban delegate Rosario Nava who, using the right of reply, responded to the criticism unleashed against Cuba by the Venezuelan delegation. The Cuban delegate called despicable anyone who, using someone else's voice, attempts to ridicule the Cuban revolution's solidarity with the Salvadoran combative people. She was referring to the Venezuelan delegate who made a fiery speech against Cuba a few days ago. [Text] [FL261223 Havana Domestic Service in Spanish 1100 GMT 26 Sep 81]

CSO: 3010/7

GOVERNORS, SENATORS SAY SOCIALISM NOT VIABLE IN NATION

Mexico City EXCELSIOR in Spanish 4 Sep 81 Sec A pp 4, 30

[Text] Yesterday, the presidents of the Chambers of Deputies and Senators, as well as the governors of five states, agreed in stating that socialism is not viable in Mexico. In commenting upon the unification of five leftist parties, they noted that the people have chosen a system and a way of life wherein they enjoy freedom and social justice.

During a poll taken at the banquet which the governors tendered President Lopez Portillo as a sign of solidarity, those interviewed declared that socialism is not the path for Mexico.

They also stressed that the Mexican revolution is seeking to provide the national population with all satisfactions, and that the fact that we do not need to look for alien models is due to this. "Nor do we want an authoritarian government," stated the leader of the Lower Chamber, Luis Marcelino Farias, who added that, according to the socialists themselves, socialism is viable in the future, "but I definitely do not believe that our country is heading toward that type of system. Of course, there is an increasing concern for solving social problems; there is increasing concern for trying to meet the needs of the population groups which are underprivileged." Farias noted: "The Mexican revolution is attempting to resolve all these things."

And he stressed that, with the passage of time, "democracy is being entrenched more in Mexico."

Upon being questioned in this regard, Joaquin Gamboa Pascoe, leader of the Senate, said that, for socialism to become established in our country, "they must first win in the elections, and I don't think that they can do so."

The nation's social doctrine is established in the underlying principles of the Mexican revolution, "and it is in this that all of us born in this country believe." He also remarked that the great popular forces of Mexico are convinced of the principles of our social movement of 1910. The senator repeated: "This doctrine is the one which I practice, and if others believe in something different, that is their business."

The Nuevo Leon governor, Alfonso Martinez Dominguez, who was one of the first to arrive at the meeting, which took place at La Hacienda de Los Morales, said that

Mexico "has its revolution, and has its political systems; it has produced social peace, progress, individual guarantees, liberty and social rights; and, therefore, this is the only course of action for the country."

He immediately emphasized: "The Mexican revolution is the only path that we have, and there is no reason to go about seeking another one."

He also maintained that the underlying principles of the revolution must be improved constantly, "in order to seek greater harmony and social justice in our country."

RLA: 'I Withhold My Opinion'

Subsequently, Dr Rosa Luz Alegria, secretary of tourism, upon hearing the question regarding the possibility of Mexico's heading toward socialism, confined herself to responding, "I withhold my opinion."

Similarly, the governors of Sinaloa and Baja California Norte, Antonio Toledo Corro and Roberto de la Madrid, respectively, explained that they could not discuss the issue.

However, the governor of Baja California Norte gave assurance that, "Our country is democratic, one wherein all the political parties participate in the elections." He then admitted that he is not affiliated with the left: "I am of the center, and I belong to the PRI [Institutional Revolutionary Party]."

The Sinaloa governor, in turn, commented: "It is impossible to tell whether socialism is viable until we see the results of the elections." He also expressed happiness that the political parties which represent different ideological movements are taking part in Mexico's democratic life.

Carlos Jonguitud Barrios, governor of San Luis Potosi, also discussed the topic, indicating that a change in system "is difficult, especially for us who must observe it from the standpoint of many factors, such as the geographical and economic ones, as well as that of the people's own idiosyncracies."

The state governor of Aguascalientes, Rodolfo Landeros Gallegos, claimed: "This measure is not the path for Mexico, nor is it the time for reaching socialism."

He added: "This measure is something that all of us Mexicans must take into account in responding whether it is viable or not." He then remarked: "In our country, a system and a way of life have been established wherein we enjoy liberty." The Aguascalientes governor stressed: "And this is what the majority of Mexicans want."

"We need more time," claimed the governor of Morelos, Armando Leon Bejarano, who added: "Socialism is not viable in our country at the present time." He noted that one of the most compelling reasons for saying so is that the leftist parties, "instead of becoming larger and stronger, have become weak; and for this reason socialism is not feasible at the present time."

The Morelos governor emphasized that the opposition parties have not understood the political reform.

He also declared: "It is not utopian, but this is not the time for Mexico to head toward socialism." And he cautioned that, perhaps in the future, "with the worldwide trend toward humanization and socialization, we may come to be in that situation."

The governor of the state of Mexico, Jorge Jimenez Cantu, commented: "In my view, socialism is not viable in Mexico; social democracy is viable. In my opinion this is what the people want. They are demanding increasingly greater social justice, greater democracy and greater liberty."

He explained that the Mexican population "will always be opposed to totalitarian regimes of any kind;" claiming: "A social democracy with Mexican features is what we need."

He stressed that our country has its own social and revolutionary structures available.

Backing for the President's Policy

Moreover, Joaquin Gamboa Pascoe, head of the Grand Commission of the Chamber of Senators, in speaking about the events that have occurred on the international level as a result of Mexico's position toward El Salvador, explained that the policy of President Lopez Portillo has already been established, "one which we back completely;" claiming that the other opposing views that have been expressed are "mistaken."

The leader of the Chamber of Deputies, Luis Marcelino Farias, also emphasized: "Our only concern is the policy of Mexico, whether it be on the national or international level; and not that of other countries, such as Brazil."

When asked about the reaction on the part of certain Latin American countries upon learning that Mexico and France recognized two Salvadoran rebel organizations as a representative force, Luis M. Farias said: "We are not concerned about the position of military regimes."

In this connection, the governor of Jalisco, Flavio Romero de Velasco, declared that the military "have a very pecular way of regarding things; they are authoritarian regimes. Mexico has a democratic regime." And he said that Mexico's position with respect to El Salvador "was by no means interventionist."

2909
CSO: 3010/1842

GARCIA PANIAGUA: NOMINATION WILL COME IN NOVEMBER

Mexico City EL SOL DE MEXICO in Spanish 9 Sep 81 Sec A pp 1, 17

[Text] The chairman of the PRI's [Institutional Revolutionary Party] CEN [National Executive Committee], Javier Garcia Paniagua, announced that the PRI's notice for registration of candidates for the presidency of the republic will be published during the first 2 weeks of November, and that the PRI's candidate will be introduced any day thereafter.

He added that there is, at present, a lack of "precandidates," explaining that, in order for them to exist, "there must be a movement established by a sector, and thus far there has been none."

The Institutional Revolutionary Party leader made the foregoing statement upon being interviewed moments after attending the opening of the lecture series entitled "Five Years of the Mexican People's Accomplishments," which was organized jointly by PRI, CNOP [National Confederation of Popular Organizations] and the Mexican Society of Engineers.

Garcia Paniagua was asked whether there was a possibility that, with the forthcoming change in government, there may be an interruption in the programs started under the present administration, such as the Energy Plan.

With regard to the energy program in particular, the political leader declared: "It is ambitious for the people, and what is ambitious for the people is valid."

Subsequently, in response to a question about the status of the electoral process, insofar as the coming change of administration is concerned, he simply said: "It is progressing."

One of the reporters asked him whether "there is anything afoot under the surface," and he flatly replied: "No."

When the PRI leader was queried about the date on which the "unveiling" of his party's candidate would take place, he explained that this "requires the notice which is going to come out."

As for the date on which the introduction will occur (he added), this will be published "in mid-November."

He was asked whether that means that the "unveiling" will have to wait until then, and with a grimace that may perhaps have been sly or one of annoyance, he repeated: "The notice will come first." Thereafter, there will be a candidate at any time. There may just be a difference of hours, or less, between the two, depending on the records.

Amid a dozen tape recorders and television cameras, Garcia Paniagua remarked that, for a precandidate to exist, there must be a movement established by a sector, and thus far there has been none. This was in answer to a question relating to the number of precandidates for the presidency that exist at present.

He was asked: "Does that mean that the "veil" is very carefully affixed?" and his only response, with a broad smile, was "Now, yes."

In an attempt to obtain some "direction" it was commented to him that the important lecture series the opening of which he attended was headed by "technicians" (Jose Andres de Oteyza, Julio Rodolfo Moctezuma and Alberto Escofet), and he explained: "Those delivering reports are patriotic individuals concerned about their people and about the area that they control." He said: "PRI admires them greatly for their patriotism, their dedication to popular causes and their management."

Changing the subject, the discussion turned to international policy, and the possibility that national stability might be endangered by external influences. He declared that the nation's stability is firmly established on the patriotism of the Mexican people, and that there is nothing that can jeopardize it.

As for the possibility that the North-South meeting may be debilitated by the recent acts of terrorism that have occurred against Mexican delegations, he remarked: "Being on the side of the oppressed does not debilitate."

Matter of Time

Moreover, President Lopez Portillo's adviser, Manuel Marcue Pardinas, declared yesterday that the presidential succession has already been decided, and that the "unveiling" is only a matter of time.

Interviewed during the tour that the chief executive made of the Federal District, he said that the status of Latin America will not affect the process of the presidential succession in Mexico, precisely because that is a matter which "has already been settled" at this point.

He denied that the Mexican Government has violated the Estrada Doctrine, claiming that it has only recognized forces in El Salvador to establish peace in the Central American area, which is so important to all of Latin America at the present time.

The well-known dissident who, as an adviser of the president of the republic, now participates in all the tours made by the chief executive, said that, in the next elections, the Mexican left will without doubt be the second political force in the country.

He predicted success for the unified leftist group that is being sought to create, which will be of great significance to the country's public life and to political reform.

He explained that this party can be restrained only if there are difficulties with governors and authorities who attempt to put up opposition to that organization, something that would not be healthy for the Mexican political system.

He claimed that the unification of the left cannot be achieved overnight, because there are many problems posed.

He expressed the view that the effort being made by the member entities will be definitive on this occasion, in achieving that unification; explaining that he has been observing Mexican politics for 50 years, especially from the leftist standpoint, and that such serious intentions have never been carried out as they are now.

And the fact is that there is no other solution, because otherwise the left could not cooperate in Mexico's progress.

He also mentioned the sensible international policy being implemented by the Mexican Government, and described the position that Mexico and France have had with respect to the internal conflict in El Salvador as exemplary.

In conclusion, he said that the nation's leftist groups definitely back this international policy of Lopez Portillo, which is definitive and defined, and did not begin yesterday, but rather has been present for several years in the country's democratic systems.

2909
CSO: 3010/1842

BRIEFS

HUGE GOLD DEPOSIT--Franco Venegas, director of the Gold Promotion Department of the Peruvian Mining Bank yesterday reported that deposits holding approximately 7,130 tons of metallic gold, whose value on the market would be $96 billion, has been discovered in the Amazon region. Venegas indicated that current gold production is approximately 2,573 kg per year. The largest deposit is located in the basin of the Madre de Dios River and its tributaries. This deposit holds 16 billion cubic meters of gold ore whose estimated content of metallic gold is 4,000 tons. [PY162219 Lima EL COMERCIO in Spanish 3 Sep 81 p A1]

ROK DELEGATION--The Peruvian Senate has honored the members of the visiting delegation of members of the South Korean National Assembly. The delegation is made up of (Lee Tai-gu), vice chairman of the Democratic Party, who is heading the delegation, and (Lee Sang-il Chung Dong-Sung,) (Yoo Yong-keum), (Lee Nak-hoon), and (Lee Seung-hoon). [PY162219 Lima EL COMERCIO in Spanish 29 Aug 81 p A8]

TOWER DESTROYED--Lima, 16 Sep (TELAM)--The State Power Company Electroperu last night reported that a high-tension tower of the Mantaro-Pomacocha powerline in central Peru has been blown up leaving Lima and several other cities without power for several hours. The tower is located near Huancayo, 400 km of Lima, and its destruction is viewed as yet another terrorist attack of the wave of violence which the country has been experiencing. [Buenos Aires TELAM in Spanish 1040 GMT 16 Sep 81]

CSO: 3010/2 END

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7 October 1981

Latin America Report

No. 2381

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7 October 1981

LATIN AMERICA REPORT

No. 2381

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BRIEFS

BRITISH INTEREST IN GASAHOL--Sao Paulo, 19 Sep (LATIN-REUTER)--British Agriculture Minister Peter Walter last night told journalists that Great Britain would like to participate in the Brazilian program to produce sugar cane alcohol for fuel to replace gasoline. The president of the Booker Company Board, Jonathan Taylor, said that a year ago his company formed a consortium of British and Brazilian companies with the intention of participating in Brazil's alcohol production program. After completing a 2-day visit to Brazil last night, the British agriculture minister said that Brazil could export more soybeans, tropical fruits and flowers to Great Britain which, in turn, could sell to Brazil machinery, technology, consulting services, irrigation and drainage know how, distilleries, seeds, and animal husbandry. [Excerpts] [PY240323 Buenos Aires LATIN in Spanish 0937 GMT 29 Sep 81]

CSO: 3001/1

BRIEFS

INFORMATION MINISTER HOSPITALIZED--Information Minister Jaime Humerez Seleme is currently receiving medical care at the (Rojas Mejia) Hospital in Cochabamba. Dr (Leon Rojas Antesana), contacted by telephone, has reported that the information minister was urgently hospitalized at 1900 on Wednesday. According to the doctor's explanation the minister suffered a heart attack while on official mission in Cochabamba. The doctor explained that the minister is getting better but full recovery requires permanent attention. Therefore, Minister Jaime Humerez will have to stay for at least 20 days in the hospital because permanent control of the evolution of his disease must be maintained. The doctor added that all visits have been curtailed because absolute rest is necessary in these cases. [Text] [PY181728 La Paz Radio Illimani Network in Spanish 1130 GMT 18 Sep 81]

OPEN LETTER PUBLISHED--La Paz, 14 Sep (TELAM)--The Bolivian Labor Federation (COB) today published an open letter in local newspapers asking the government to decree a general and unrestricted amnesty, suspend the curfew and guarantee respect for the constitution. The currently outlawed COB also asked for more press freedom and called for solutions to the economic problems of the country. "Prompted by our desire to protect national and popular interests, we, the workers, propose certain minimum requirements which could help bring about the unity of all Bolivians," the open letter signed by leaders Gonzalo Guzman, Victor Lima, Edgardo Basquez, Aldo Flores and Justo Perez Garcia, stated. The workers' leaders hailed dialogue as the proper way to resolve the various problems, but indicated that this dialogue must be held on a straightforward basis, amid full freedom and without any exclusions. Additional proposals by the COB are: effective measures to reduce unemployment, reinstatement of workers fired for political and union activities, and enforcement of the autonomy of the universities. [Text] [PY141921 Buenos Aires TELAM in Spanish 1420 GMT 14 Sep 81]

NEW TRANSPORT, COMMUNICATIONS MINISTER--La Paz, 10 Sep (AFP)--Air Force Col Hector Caballero, the new Bolivian transport and communications minister, was sworn in today during a ceremony held at the Quemado Palace. Thus, the 18-member cabinet is now complete. Seventeen ministers were sworn in on Monday. At the end of the ceremony, President Gen Celso Torrelio indicated that the government is studying the problems that are being experienced by the country. [Text] [PY110246 Paris AFP in Spanish 0211 GMT 11 Sep 81]

PEASANT LEADER EXILED--La Paz, 15 Sep (AFP)--Oscar Cespedes, former executive secretary of the Bolivian Peasant Workers Confederation, will be exiled within the next few hours, Interior Minister Romulo Mercado Garnica announced today. Cespedes was detained on 28 August, accused of maintaining contacts with former president Hugo Banzer Suarez, according to an unofficial explanation. The minister also said that six active ultraleftists were detained in the last few hours, but he refused to give their names. He concluded by saying that he had no knowledge of a request from the Inter-American Human Rights Commission, published by the press throughout the nation, for an investigation of the death of eight leaders of the Movement of the Revolutionary Left (MIR) which took place on 15 January during a clash with the police, according to the official report on the event. [Text] [PY160140 Paris AFP in Spanish 2139 GMT 15 Sep 81]

AIRCRAFT PURCHASES SUSPENDED—The negotiations for the purchase of both Fokker F.27 and Boeing 707 planes for the Lloyd Bolivian Airline have been suspended through a government decision, according to Aeronautics Minister Natalio Morales Mosquera. The minister said that the decision has been made because of the financial deficit of the national air company. He said, however, that the negotiations have not been definitively canceled, adding that it will soon be necessary to acquire new planes. General Natalio Morales concluded by explaining that news reports regarding the purchase of planes of type 104 [as heard] are mere speculations. The air force has constantly been studying the acquisition of better means of defense, but the economic situation of the nation rules out this purchase, he said. [Excerpts] [PY170312 La Paz Radio Illimani Network in Spanish 0100 GMT 17 Sep 81]

SANTA CRUZ OFFICIAL RESIGNS--President Celso Torrelio Villa has accepted the resignation of the prefect of Santa Cruz Department because of his poor health. The news was provided for the radio network by Vice Adm Horacio Ugarteche Coronado, the Santa Cruz prefect himself, when he was interviewed by Radio Illimani. The new Santa Cruz prefect will be Air Force Lt Col (Maximo Garcia), according to Ugarteche. [Excerpts] [PY181212 La Paz Radio Illimani Network in Spanish 0100 GMT 19 Sep 81]

PROPOSED ECONOMIC PLAN--1. The supreme government has learned about a short, medium and long term economic program through its publication in a La Paz daily. The aforementioned document will be analyzed and made compatible with the economic programs which the ministries of the economic sector are carrying out. 2. It deeply regrets that the mentioned program was only made public recently and not implemented during the long period of time during which the persons who sign it were responsible for the nation's economic, financial and monetary policy. Signed: Public Relations Department of the Information Ministry. [Text] [PY191517 La Paz Raxio Illimani Network in Spanish 1130 GMT 19 Sep 81]

CSO: 3010/1864

PLANNING MINISTER DELFIM NETTO ON AGRICULTURE, INFLATION

Rio de Janeiro MANCHETE in Portuguese 12 Sep 81 pp 12, 13

["Exclusive" interview with Planning Minister Antonio Delfim Netto, by Milano Lopes: "Delfim Netto Exclusive"; date and place of interview not given]

[Text] In 1982 the government will reduce its subsidies to agriculture, either through a lower rate of inflation--which is hoped for--or an increase in the interest rate for rural credit, as society can no longer afford to pay subsidies, asserted Planning Minister Delfim Netto in an exclusive interview with MANCHETE during which he discussed the new guidelines for farm policy to be followed by the government next year, the major point of which is inducing large producers to invest their profits in their own businesses.

Delfim pointed out that reducing subsidies does not mean reducing the government's high priority for agriculture, asserting that having no beans at all is more inflationary than subsidized interest rates for bean producers. He adds, however, that we have gone far beyond the golden years of agriculture--in 1970-73--when the interest rate was 15 percent and inflation was 20 percent. Today, the negative rate of interest benefiting rural credit is up to 60 percent.

The planning minister expressed enthusiasm about the project for irrigated production on 1 million hectares in the central savanna [cerrado] region, saying that it will be open to thousands of independent producers, who will have easy credit terms to develop their production. Domestic industry will be invited to furnish the equipment, but the project will also be open to foreign capital, as the government is in a hurry and wants to produce corn, soybeans, wheat and beans immediately.

The text of the interview with the planning minister is as follows:

Mechanics of Inflation and Price Increases

MANCHETE: A frequent criticism is that the government decided to give priority to agriculture with the intention of reducing the rate of inflation. We have now had

2 consecutive years of good crops, but inflation remains at an annual rate of over 100 percent. How is this explained?

Delfim: The shortage of foodstuffs was, without doubt, one of the causes of inflation. Suffice it to mention that in 1979 we imported rice, beans, meat and milk. In 1980 we imported a little corn and in 1981 we are no longer importing anything, and this proves that farm output really increased. But prices increased also, partly because costs increased drastically, especially for inputs tied to the price of petroleum. Furthermore, there was a transfer of resources from the other sectors to agriculture, and this transfer was made through inflation.

Of course, there was another way to make this transfer without creating inflation: a tax increase equivalent to inflation. People complain about the government when there is inflation, but they do not associate inflation with an increase in taxes. And when one tries to raise taxes--a better solution than inflation because it is selective and progressive--society revolts and does not want to pay, which leaves the government only one alternative: to use inflation, which is an extremely inefficient and unjust tax, to accomplish the same purpose. And all this is related to the false notion that the government creates resources. People have a hard time understanding that the government can create money but it cannot create resources. Moreover, when it creates money, with this money it is creating, which is a kind of counterfeit money--it will not be arrested only because it has the police on its side--it buys some of the product. And some people think that this portion of the product it bought is a resource it created: no, it is a resource it took from the private sector. And, because it is buying, it prevents the private sector from doing so. Immediately, either it inhibits consumption or it inhibits investment. But as the private sector has income in hand, the private sector tries to buy what the government has already bought, and as this is a physical impossibility, prices simply rise.

[MANCHETE] Many farmers think there will be less area planted due to restrictions recently imposed on rural credit, including virtual prohibition of the Bank of Brazil to make loans to large producers. Is this a possibility?

[Delfim] It isn't true. There is no restriction on the small and medium-sized farmers, who produce 70 percent of the food. There is no difficulty in the case of the large producers. I even suspect they will have some advantages. Of course, I understand that a large producer is unhappy because he cannot have all his VBC [basic operating costs] financed at subsidized rates. We would, of course, like to do this, to continue giving agriculture everything it needs, to continue promoting the income distribution that has been carried out in the last 2 years. But it just so happens that to give a subsidy to someone I have to take it away from someone else, and the people from whom we have been taking resources to provide the subsidies haven't anything left. Before, it was agriculture that didn't have anything. So we took a little from each of the others and gave it to agriculture. But to continue this same process would be to leave society without anything. And a society with nothing left would not even be able to buy what the farmers produced. So, in order to function, there has to be a certain balance: there has to be supply and there has to be demand.

Large Producer Should Invest His Own Money

[MANCHETE] Does this mean that next year there will be another reduction in subsidies to agriculture?

[Delfim] It means that, just as in the other sectors of the economy, we must work toward elimination of subsidies. When the subsidy exists, it must be clearly identifiable. I believe the subsidy should be clearly a part of the proposed budget, so the nation can decide whether or not it wishes to give the subsidy. That is why we are working toward, and the president has insisted upon, the idea that this part of the budget must be transparently clear, so society can decide what it wants to do, or at least know what is being done.

[MANCHETE] Will interest rates for agriculture be raised again next year?

[Delfim] It's this way: The golden years of agriculture in recent times were 1970 through 1973, when the interest rate for agriculture was 15 percent and prices rose 20 percent, with a negative interest rate of less than 5 percent. Now, what is not possible is to have a negative interest rate of 60 percent. We believe that agricultural credit should always have privileged interest rates, but not so privileged as we had to make them in 1979, 1980 and 1981. We had to do this because agriculture had dropped off completely and we were importing everything. That is the proof that agriculture had dropped off drastically. This year I hope that, if everything goes normally, we will have a very good crop. Some people are always asking: Well, what if the weather is bad? If the weather is bad the crop will be poor and inflationary pressures will again come from agriculture. And this saddens many people, to whom the government seems powerless, but it is well to recall that Saint Peter is not a cabinet minister in the Figueiredo government. Nor do I expect any difficulty for the large producers, because we are greatly increasing funds for agriculture and I even think that, to the extent that the large producer invests more of his own money, there is no reason to believe he will reduce productivity. What he will do is rigorously measure out his inputs. I even suspect there will be an increase in productivity. If I do not invest any of my own money, my concern is minimal; if I have to put up almost half of the money myself, my concern is eight times as great. The law that governs this is not strictly proportional. So the fact that the large producer will put up some of his money will cause him to study his alternatives even more carefully and my expectation is that the price system will ultimately cause the principle of higher productivity to function.

Agriculture Can Reduce Inflationary Pressures

[MANCHETE] The interest rate for agricultural credit is 45 percent for small and medium-sized rural producers. In 1982 will it rise to something around 60 percent?

[Delfim] That depends upon how successful we are in fighting inflation. Depending upon the level of inflation, which we hope will be declining, a level of interest rates for agriculture will be estimated. It must be recalled that the amount of subsidy to agriculture strongly influences the extent of monetary expansion. And, as we want to control monetary expansion, the subsidy to agriculture must also be under control. But if inflation falls some 20 percent in 1982 the subsidy will fall by half. Hence, if inflation falls substantially it will not be necessary to

change the interest rate; but if it does not fall sufficiently it will then be inevitable because, although the subsidy is an aid to agriculture, it is also an aid to money-supply expansion. But, in any case, a shortage of beans is more inflationary than credit to the bean producer, and this is the basic problem that guides government policy.

[MANCHETE] What is the government's expectation in regard to agriculture as a means of combating inflation?

[Delfim] If agriculture continues growing 6 to 8 percent a year there will be no additional inflationary pressure and it will become a neutral instrument. It is not possible to achieve large decreases in inflation through agriculture: what can be obtained is a drastic reduction of inflationary pressure, not to mention its contribution to the balance of payments. The truth is that the factory worker in Sao Bernardo does not realize that his job depends upon the farmer in Rio Grande do Sul producing soybeans. A bunch of fools are holding a conference and, instead of clarifying this, they are concealing it.

[MANCHETE] What contribution will the Program for Irrigating the Cerrado make toward increasing food supplies?

[Delfim] If everything works out right, in a first stage we shall have 100,000 hectares, which is a lot, and from that point on we want to move rapidly, as we have a little more than 1 million hectares available, which we hope to occupy within 3 or 4 years. And all this will be done by the private sector: we will supply the credit, provide easy terms for buying irrigation equipment; we will make full use of domestic industry, but we will permit imports. We want a great deal more competition in this than there has been in other big projects, where the government puts up all the resources and the private sector is greatly benefited by a protected market.

[MANCHETE] Does this mean that foreign companies can also participate in the project?

[Delfim] It does. But I hope the domestic firms that enter bids will increase their production. They will be invited. We will give them the 3-year program, so they can organize their production and they will make a commitment to us as to what they can furnish and the rest will have to be imported, because we must complete the program as soon as possible. The government's intention is to provide the right conditions for the private sector and let thousands of independent farmers start producing, making their investments, each one providing his own coordination, because only by the efforts of thousands of independent farmers can a project such as this be carried out. Otherwise, as soon as a special bank is created, with 8 departments, 4 buildings are bought in Brasilia, 8 boards of directors are appointed, 180 secretaries are hired, 80 limousines are bought, a restaurant is set up where you can meet your friends, all the program's funds are spent just on these things.

[MANCHETE] How much investment does this initial step of 100,000 hectares represent?

[Delfim] About $150 million. Part of it the government has and the rest will be foreign loans. The program is ready and the infrastructure is nearly finished. Electric power is already installed and everything will be much easier.

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PCB LEADER SEES NO CHANGE RESULTING FROM GOLBERY RESIGNATION

Sao Paulo VOZ DA UNIDADE in Portuguese 14-21 Aug 81 p 3

[Interview with Givaldo Siqueira, member of the National Group of Communist Leaders; date and place not given]

[Text] Givaldo Siqueira, member of the National Group of Communist Leaders; spoke to VOZ DA UNIDADE and analyzed the recent political events connected with the resignation of General Golbery do Couto e Silva from the government. Following is the interview:

Question: How do the communists view the fall of General Golbery? Was it the result of the economic crisis or simply an aspect of the power struggle among the groups in Planalto Palace?

Answer: Without doubt, there are a great number of causes including the one implicit in your question. The essential point, however, is that Golbery's resignation stems from a serious government crisis and it is nothing more than a sharp reflection of the historical decline of the regime, which has been developing for a long time, since 1974 at least.

The economic crisis and its intensification compound that picture but they do not constitute its principal cause. That lies in politics, derived from the liberalization process itself. The fact is that the democratic resistance, along with the contradictions among the dominant classes and among the "immediate" holders of power and the positive influence of the international situation, have created in the country a new dynamics and a new liberalizating political process aimed at democratization, known as the "opening." That process always tends to further isolate, disintegrate and defeat the regime, including the erosion of its already very narrow political base by various means and for various reasons, jolting the "mandarins."

Realizing that fact but seeking to change it, to consolidate the regime and maintain power for the longest time possible, the strategists of the "system" have sought to anticipate it and have formulated plan of a self-reform, also one of the factors of the liberalization but the purpose of which is "to change in order not to change," to restrict the liberalizing process and divert it into the institutionalization of an authoritarian regime. That authoritarian plan by itself created many contradictions during all of those years among the men at the top.

In view of the aggravation of national problems, of political issues and the economic and social crisis, those contradictions by themselves tend to create impasses and crises in the government and to paralyze its action. However, those contradictions are not the principal cause of those impasses and crises; the cause lies in the fact that that plan, in any of its variants, clashes with the liberalization process and is contrary to majority national aspirations, which seek freedom and democracy.

The liberalization is the main determining factor of the political evolution of Brazil. Insisting on the plan of the regime, doing everything to maintain the present economic-financial policy, especially by the aristocratic and authoritarian methods that are used, prevents the government from gaining a consensus and a large support base that are so necessary to really resolve national problems and democratically reorganize Brazil--that, that contradiction with national demands, is what generates political crises and aggravates the economic and social crisis. And the situation will become much more serious if the regime tries to retrogress or simply put liberalization on a mark-time status.

Only fools will believe that Brazilian society will continue to permit a small group to decide and control its destiny, even contrary to the degree of freedom that has already been gained. That is not the indication of the facts. Furthermore, what are the results that those gentlemen present us, mysterious and conspiratorial as they may be but whose thinking and action are manifest in their handiwork? Democratic restrictions, the constant danger of retrogression, the country hanging in the suspense created by their maneuvers, the political crises, instability, the economic and social crisis, unemployment, hunger, corruption, patronage, and the absence of austerity.

Those contradictions, thus, are at the root of the political crisis that led to the resignation of Golbery. He was not the first nor will he be the last.

Question: Can that political crisis create the climate for coups?

Answer: There is no reason to hide that. The plan of the regime, its contradiction with liberalization and with the majority aspirations of our people, the coupist traditions, the reduction of the government's political base reflected in the resignation of Golbery, the past of the government team, all of that and much more can create temptations to solve the political situation via a coup. Those temptations may even find allies also in the opposition. But that is not the main trend; rather it is that of continuation of liberalization which, nevertheless, will never proceed in a straight line. Like every political process, liberalization will have impasses, crises, breaks and may even suffer defeats and violent restrictions. However, it is the strongest trend and has the greatest possibilities of winning provided that all of us democrats know how to conduct ourselves.

In view of the serious economic and social crisis of Brazil, of the actual dangers that assail our present and our future, of the very important national problems we have to solve, what is essential above all is a responsible attitude. None of those problems can be confronted and resolved by small groups, by closed condominiums, by a class or political party by itself. What is required is the national will, its mobilization and cohesion, a strong commitment among all concerned. That immediately implies the need for the broadest democracy.

The solution of the economic and social crisis thus demands a commitment capable of guaranteeing the reorientation of the "model," and guaranteeing liberalization, the gains already achieved, elections and the democratic reorganization of Brazil via the most favorable way for the nation, the way of the Constituent Assembly.

Question: According to some, if the people mobilize, struggle, apply pressure, it will create one more culture medium for the justifications of the right. What do you think about that?

Answer: That absurd argument unfortunately reflects the state of mind of some people, including some among us. The democratic alternative is built in the everyday struggles of the people. That responds not only to all historical experience but also to liberalization. The latter was begun on the basis of the resurgence of the struggles of the ABC workers, in some factories, even in 1972-73, and of other classes of workers. It became strengthened after the 1974 elections with the peaking of strikes in 1977 and 1978 with the amnesty campaign and others. And it experienced difficulties from the negative influence on popular mobilization of the defeat of the ABC strike last year. I am obviously speaking of struggles conducted with correct tactics, which understand the need to accumulate forces, to unite the democratic field and avoid confrontation.

For that very reason, we greet the forthcoming holding of the Conclat. We hope it will draft a common program and a plan of struggles. Thus, the union movement can have its proper place in building the political-social instrument capable of achieving democracy and redirecting our economy, if it overcomes its divisions.

Question: Are the democratic freedoms already gained, such as the freedom of action of the communists and freedom of the press, more threatened now than before the fall [of Golbery]?

Answer: For all the reasons I have mentioned, I do not believe so. But it is not a matter of belief but of throwing ourselves with dedication into the application of the policy of unity and mobilization of the workers and other democrats, based on the daily activity of the popular masses and our establishment of deep roots in the factories. All freedom will be precarious as long as politics does not have its base in the factories.

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CNBB OFFICIAL VIEWS GOVERNMENT-CHURCH RELATIONSHIP

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 6 Sep 81 p 4

[Interview with Dom Albano Cavallin, auxiliary bishop of Curitiba and coordinator of the CNBB [National Conference of Brazilian Bishops] Catechism Section, by Dirceu Martins Pio, Jose Laurentino Gomes and Teresa Furtado in Curitiba: "CNBB Coordinator Calls Criticism 'Electioneering'"; date of interview not given]

[Text] Curitiba--"I assure you that if there were not going to be an election in 1982 the newspapers would not be so full of criticism about the work of the church." Resorting at times to direct responses such as this, Dom Albano Cavallin, auxiliary bishop of Curitiba and coordinator of the CNBB Catechism Section, talked with reporters of the O ESTADO DE SAO PAULO branch office in Curitiba about the major issues that currently cause strained relations among politicians, the government and the church.

For the CNBB, Dom Albano heads the section that, as he himself explains, develops the basic principles that guide the catechism, in terms of both doctrine and methodology. His interview with reporters Dirceu Martins Pio, Jose Laurentino Gomes and Teresa Furtado is marked by a constant concern to discuss the educational function of the church. This function, he says, led to a search for more appropriate methods for conducting effective popular education, which has its high point in the work of the Basic Church Communities [CEB's]. "The CEB's," says Dom Albano, "are the prime work of education conducted by the church in Brazil." The political involvement of the 100,000 basic communities throughout the nation merely reflects, according to Dom Albano, "the natural result of human unrest in the face of clearly unjust situations."

The entire interview is as follows:

[Question] Could you explain how the basic communities came about and estimate their extent in Brazil today?

[Answer] The Basic Church Communities began their work, at least according to current methods, in the 1950's. They arose for various reasons. One of them, for

example, was formed in Barra do Pirai and is a very interesting case: On one Christmas day, a little old lady came up to the bishop, who was Dom Agnelo Rossi, wondering why all the Protestant churches were lit up but our church locked up. The bishop had a brainstorm and said: Why not use laypeople to carry out work along with the priests? That led to the Basic Education Movement, when the radio-broadcast schools developed that now reach about 800,000 people in the Northeast. Grass-roots leaders emerged. The value of the layperson was rediscovered. Along came a third movement, with the various pastoral plans of various dioceses. All this was a broth that created a methodology and--more than a methodology--a new manner of being for the church. A church not so dependent upon the priest--not to detract from the priest--but rediscovering the layman and the Christian multitude. Its energies were multiplied. Today there are CEB's in nearly 100,000 small communities throughout the nation.

[Question] But didn't Senator Jarbas Passarinho speak of 200,000?

[Answer] That is because we do not include "basic groups," the first meeting of persons who are beginning to cope with problems of sewage disposal, of land tenure. There comes a time when it takes shape, when a protesting group feels it should be a social group, a group for prayer and faith. When they reach this level they have full status.

[Question] The Catholic Church had two possible paths for building up community life: that of faith itself and that of viewing the community in real life. This choice of the latter path seems to be what is causing the biggest problems. Why was this path chosen?

[Answer] This choice came about because our church itself is in a process of self-definition. The Vatican Council made a 180- or 360-degree change of course. It happened when the church, in all good faith, was speaking about the rights of God and it rediscovered that the rights of God include the rights of man. There are two basic documents to define the church after the council: the church with God and the church also with man. The "culprit" for this choice for man was Jesus Christ, who, being a son of God, became flesh as man. This is the basic theological and religious root of the reason why we chose a model of the complete church. Otherwise, it would be an alienated church.

[Question] You spoke of 100,000 basic communities throughout the nation. Is it possible to get a more precise idea of how many persons are involved in this work?

[Answer] We are not greatly concerned about statistics, because the CEB's are as the flowers of the field that emerge spontaneously. Some include godparents, others are among sisters, others are laypersons and others are persons who travel. But, as a general basis, there are tens, hundreds of thousands who are in one way or another involved.

[Question] The government seems to be particularly concerned about the fact that politicization of the basic communities is inevitable. How does this politicization take place?

[Answer] The CEB begins in various ways. Some begin for a purely religious reason. The 1,000 or more CEB's of Palmas, in the interior of Parana, for example, began for

a religious reason. There were immigrants from Rio Grande do Sul who wanted their children to have a first communion service, as they had done in Rio Grande do Sul. So the priests said: Only if you get together 15 families and arrange catechism classes. And while they were arranging for the children's first communion the diocese began asking them: Besides the communion service for your children, how is your situation? How do you as migrants, as landowners (and there were many problems about land ownership in southwestern Parana at the time) deal with your problems? And, little by little, they came to discover in the Gospel what was really the message of Christ. Was it merely spiritual--"be good"--or was it a message about justice and all that? There is a perfect example, not of analyzing facts with labels from the Gospel, pretty phrases, but of trying to see, in the history of God's people, what were the eternal attitudes of God about the facts. How did the Children of Israel react against the pharaoh, against injustice, and problems of land? In this way you have a perfect example to compare with and it will show that this is the way of God. He loves the simple man; he loves children.

Hence, we have two aspects: one, spiritual and the other, social. The social must merge with the spiritual, because we are not forces in any other sense. We are spiritual forces.

'There Are No Pure Communities'

[Question] There are members of the clergy who are sure the function of the basic communities must not be changed. This principle seems to have undergone substantial change with the Goias Primer.

[Answer] I feel there can be several methods of teaching within the communities. You know the dangers caused by absolutism in having only one way of teaching. I just now mentioned the two aspects. There is no chemically pure community. There must be pluralism of method. I think this is healthy pedagogy, provided the goals of human dignity and respect for the person are safeguarded.

[Question] You speak of tens or hundreds of thousands of persons involved in the work of the CEB's. Assuming that many of them are still doing the work of the former church, strongly welfare-oriented work, what portion of the CEB's are not yet in agreement with the new methodology?

[Answer] In the major convocations that the CEB's hold, they all but fight against the welfare approach. Of course, we cannot deny that when a hungry person comes along, you have to give him something to eat. But if you were to ask me whether there is still a welfare mentality among the CEB leaders, I should say there is not. But in the overall context it must exist; somewhere along the way, it must be there.

[Question] Wouldn't the main target of the criticism the church has been receiving from politicians and government officials be right there, in the fact that the church is forsaking welfare methods?

[Answer] Exactly. This is a problem of education, of popular education. But I believe that to educate is precisely this: to promote the potential within man. Our type of education is a transforming education. Now, I should think that someone who has been minister of education must have read something from UNESCO that speaks about

permanent education and what permanent education of a people would be. He must have seen all the models of community spirit--already old--of the late [Mahatma] Gandhi, and a world of things, and should not be greatly shocked, because he has held some high public offices. As the former minister of education, he (Senator Jarbas Passarinho) should be well-informed and the church should not have to write many pages to demonstrate the beauty of educational theories better adapted to the world of today.

[Question] Senator Jarbas Passarinho is, however, clearly charging that in the interior of Para the CEB's were inciting the people to take possession of privately-owned land.

[Answer] I was in Para and in Araguaia twice. I saw the many injustices that are being committed there. I picked up documents of some banks that are using the idea of "clearing the area" for creating new farms. The settlers who cultivated the land had to be evicted so the large farms could be established. I also saw the obstacles that were being created for elections of new union leaders: polling places located 350 kilometers away, a 3-day journey by boat. In this caldron of injustices you will understand the attitude of the people. And I ask you: there in Para, is it the church that is going there or is it the church that is denying the injustice? I do not believe the church is provoking the seizure of land; it is going along with the people who do so. But one encouraging thing is that they have raised the subject, so it is clear that now it will be discovered. And Brazil will be made aware of what is happening in that region.

[Question] Could you give an idea of the educational material that is made available to the CEB's? How is it prepared and what is its orientation? The Goias Primer, which has just been published, seems to have been edited in more advanced terms than the current proposal of the church.

[Answer] My background is in catechism and that is what we deal with. We made a survey of the types of official catechisms that exist in Brazil for transmitting the message. There were over 100 types, some well-edited, others more rudimentary. This material is not put together by experts, but originates at the grass roots.

[Question] Then why is a primer such as the one from Goias published?

[Answer] Of course, coming from the grass roots, the primers reflect certain things. In a region of much war, they will have to speak of gunpowder.

[Question] In recent times and even right at the present moment, there are some cases in which the church has been accused of supporting and conducting violent reprisals. There are, for example, Para, Ronda Alta in Rio Grande do Sul and recently at Itaipu in Parana. If the settlers whose consciousness has been raised by the church decide to resist violently, how would this attitude appear in the light of the Gospel?

[Answer] It is not the church. We cannot blame the church for either the glory or the danger. Today it is not the church alone. It is only one of the channels the people have to express themselves. I assure you, there are other channels, other institutions. I hope violence does not occur in those cases you mentioned, as this

is not what the church is preaching. But in certain cases, when violence occurs it is a legitimate defense. It would be in response to a provocation. Let us be careful with the terms: the church is not preaching violence; it is preaching a right. If the right, due to error, is violent, intrinsically the fault is with the right.

[Question] Isn't there a risk of losing control; that is, of awareness leading to acts of suicidal violence?

[Answer] In the Brazilian situation, I don't think so. Look at what happened in the case of the Itaipu settlers. The church always enters into these matters to reconcile and assist. In Itaipu the church helped to keep tempers from flaring, using every available resource to do so. As a result, that episode was eventually responsible for suitable legislation and it introduced a good formula for action in similar cases.

[Question] Then why is there so much criticism now about the work of the church?

[Answer] It is because there will be an election on 15 November 1982 and those who have not taken the time, as the church has done, to work at the side of the people are using these occasions to criticize those who have. I assure you, if it were not for the election of 15 November 1982 the newspapers would not be so full of these topics.

[Question] But the government seems to fear that the church will be the great instrument of the opposition in 1982. Don't the members of a basic community ultimately take a stand against the government? And couldn't that be the cause of much tension?

[Answer] If there are great tensions, this would not exactly be the fault of the church. It would be due to the reality of events. In the latest document published by the CNBB, which should eventually become the magna carta of the church's thinking and will be transmitted in many primers, one may perceive the impartiality with which the church deals with political questions. Neither the opposition nor the government party will be able to put the work of the church to its own advantage. Because the church says it is not fighting for a party. Its party is that of man.

[Question] If you were the bishop in Sao Felix do Araguaia, would you be recommending to church members that they vote for opposition parties in 1982?

[Answer] I am very reserved in that respect. Even my family does not know for whom I vote. As a pastor, responsible for coordinating the communities, I do not define my party allegiance in front of people. I must be a man for all people. I study documents I receive from all parties in order to judge them, but I am not going to make recommendations.

[Question] What happens if one of these basic communities strays politically from the course recommended by the church? In other words, what control does the CNBB or the church have over the work of these communities?

[Answer] A short while ago we had the case of a community that adopted an inadvisable political course. Some of the members were acting on the basis of very irresponsible leftist ideas. Three bishops then met with the members of this CEB and gradually the members discovered for themselves that the road they had taken was not the right one or that it was not within the scope of a basic community to do what it had intended to do. And eventually they gave up the idea.

8834
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PALESTINIAN GROUP FORMED IN RIO; GUERREIRO SEES NO THREAT

PLO Connection Denied

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 6 Sep 81 p 12

[Text] Rio de Janeiro--In asserting during a recent interview with O ESTADO DE SAO PAULO that he had heard about creation of a civilian Palestinian society in Rio, Foreign Affairs Minister Saraiva Guerreiro said he was unaware that there are Arab-Palestinian-Brazilian associations in the nation's major cities whose objective is to defend the interests and the cause of the Palestinians. Created 2 months ago in the Rio de Janeiro municipality of Barra Mansa, the Rio group--as nearly all the others--was inaugurated by and now has the encouragement and support of Farid Sawan, PLO representative in Brazil.

The Rio de Janeiro group, whose president is pharmacist Ribhi Hamad, 35, does not have political ambitions or ideological positions. According to Hamad, "it was created solely and exclusively to serve the interests of Palestinians living in Rio de Janeiro State and, of course, will always defend those interests within the laws of the nation and without offense to anyone, whoever they may be."

Hamad, who has been in Brazil for 6 years and speaks Portuguese fluently, says he has worked almost everywhere in the Arab world, always as a pharmacist. As he has relatives in Barra Mansa, that is where he stayed during his first visit to Brazil. Today he is the owner of a prosperous drug store and is leader of a community that now numbers about 150 persons. The Jewish community of Barra Mansa does not seem worried about the rise of the Palestinian community: "After all, we are cousins...," says one of its members.

Located almost 150 kilometers from the city of Rio de Janeiro, Barra Mansa used to be an important municipality in the Paraiba Valley. But 27 years ago it separated from Volta Redonda, which took on a life of its own and became the most important metallurgical center locally. While the latter was growing rapidly, Barra Mansa became reduced to the status of a dormitory town. Trade fell off, local leaders left for more promising lands and politicians of the region concentrated their efforts and speeches on neighboring Volta Redonda.

The Arab presence in the region is not recent. The first families settled there more than 30 years ago, coming from several nations of the Middle East. Street peddlers for the most part, the first Palestinian refugees began arriving in

Barra Mansa about 10 years ago, when conflicts between Arabs and Jews in the Middle East intensified. They came to Barra Mansa because they had relatives or friends there, which made it easier for them to become quickly integrated culturally. Such was the case of Hamad, for instance, whose brothers Fakheri, Shukri and Mohamed had been living in Barra Mansa for 25 years.

Nucleus Develops

Palestinians living in Brazil want to avoid problems. They say little, work hard and shun publicity. They are afraid of being used as "cannon fodder" and this fear results in their avoiding strangers. It is a struggle to get permission to interview or photograph them. They fear that the government will misinterpret anything they say and deport them. In some cases they seem to be frightened and suspicious, an attitude assumed even by their leader, Ribhi Hamad, or Roberto, ad he is better known. A pharmacy graduate of the University of Alexandria, in Egypt, Roberto is willing to be interviewed only if promised "absolute fidelity. We are tired of lies." The interview takes place in a restaurant, far from curious local eyes.

Above all, Hamad explains that the Rio de Janeiro group is not the only one, nor the first. And he is surprised that only he knows this. "The associations exist almost nationwide. They function in the same way that many other associations of foreigners in Brazil do, governed by the laws of the land. Ours is no different from the rest. It has the purpose of taking care of Palestinian interests, whatever they may be. We are not involved in politics or in ideologies." According to Hamad, the idea of forming a group in Rio de Janeiro to look after the Palestinian cause and interests did not arise suddenly, but had been "discussed theoretically" for some time. "Palestinian families keep pretty much to themselves, as they are somewhat unaccustomed to a culture different from their own and so they need more systematic and organized support."

At the moment the Arab-Palestinian-Brazilian Association does not have a meeting room of its own. The community discusses its needs at each other's homes until it will have collected enough money to lease some rooms in downtown Barra Mansa. The presence of the PLO representative on the day the Rio de Janeiro group was formed does not seem to have any special significance.

"Mr Farid Sawan is a Palestinian. He is a man who supports the Palestinian cause in Brazil. Therefore, he is important to us." Hamad denies that the Palestinian group in Rio de Janeiro State is an offshoot of the PLO. In fact, he does not want that organization's name associated with that of his own group. "They are two different things." Which does not mean that the association refuses systematic help from the PLO. But Hamad also denies, and this more vehemently, that the group is really becoming a source of revenue for the PLO within Brazilian territory. "That is not true. But we cannot prevent a Palestinian individually from giving his money to the organization. He has a right to use his money any way he pleases."

One of the first initiatives of the Arab-Palestinian-Brazilian Association is to make a census of all the community living in Rio de Janeiro State, as the other associations did in their respective states. Once he has this information, Hamad will know how many they really are, where they work, where they study, the needs and problems of each Palestinian individually and each family. He believes that in the

whole state there are about 2,000 Palestinians, most of them in Caxias, where the brisk trade for street peddlers helps them survive.

In Barra Mansa, at least, the Jewish community does not seem to be frightened or even annoyed by the rise of the Palestinian community, as in the case of the city of Rio de Janeiro. Arabs and Jews live together peacefully, although separately, each looking after its own interests and concerns. Several Jews are customers of Hamad's drug store, which is not the only nor even the largest one in town. When they meet, they are quite cordial toward each other. But the Jewish community, which numbers about 100 families, is alert. They do not fear support for the Palestinian cause--"a right they have"--but the anti-Zionist propaganda that may eventually arise. "We will not let that happen without resistance," predicts a member of the Jewish community. The latter, however, has been observing the activities of the Palestinians living in Barra Mansa and seems unconcerned.

Interview With Guerreiro

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 29 Aug 81 p 5

["Exclusive" interview with Foreign Affairs Minister Saraiva Guerreiro in Brasilia: "Guerreiro Says PLO Does Not Threaten Nation"; exact date and name of interviewer not given]

> [Text] Brasilia--Foreign Affairs Minister Saraiva Guerreiro said in an exclusive interview with O ESTADO DE SAO PAULO that establishment of a Palestine Liberation Organization (PLO) office in Brazil "is not unreasonable," nor is it any threat to the nation's security. During his recent trip to Brasilia, Prince Saud Faysal of Saudi Arabia stressed that "he would view with pleasure" the opening of a PLO office, the foreign affairs minister revealed, adding that at the time he replied that the matter was being "considered" by the Brazilian Government.
>
> The entire interview with Foreign Affairs Minister Saraiva Guerreiro is as follows:

[Question] Prince Faysal, when he was in Brazil, mentioned during his conversations an interest in the opening of a PLO office in Brazil and this matter was discussed. I should like to know how the matter came out, whether the government will authorize the opening of an office or whether it has backed away.

[Answer] No dates were ever mentioned. Prince Faysal had a long talk with me without translation, as he speaks excellent English. We spoke about bilateral affairs and the world situation, and in regard to the Middle East he gave a very clear and well-organized view from the Saudi angle, although quite well-balanced. Within this broad framework he eventually got around to this issue and mentioned that he would view with pleasure the possibility of a PLO office being opened here. Even an information office, without diplomatic status, would be useful for the Palestinians to present their point of view.

I told him that the matter was being considered by the Brazilian Government and we had a position on the question of the Middle East, in regard to the Palestinians,

that the Arab countries themselves understood and considered correct. Finally, this matter of the office was a question to be considered in practical terms because there is now an employee in the office of the Arab League who takes care of Palestinian matters. But that, in any event, I would take up the subject again at a suitable time. I have not yet gone back to the president about this matter because I don't even have a summary of the explanation he gave, which was very good.

Naturally, there are various Jewish groups and Brazilians of the Jewish faith who are opposed, who send telegrams and are fearful. However, in France, in the FRG--where there is a German-Palestinian Society--and in Italy, that has not been the result. There is such an office in the United States, although any group may register in the Department of Justice as a propagandist for foreign governments.

In France and Italy, it has an unofficial but nondiplomatic character. Strictly speaking, there is no reason of principle--of a legal nature, of a moral nature, of a political nature--that must make it impossible for this office to be opened. I read the other day, by the way, that a civic association was formed in Barra Mansa to support the Palestinian cause. As long as they keep within the laws of Brazil it cannot be prohibited. The office has been severely attacked, more for the symbolic meaning it has than for any practical significance it would have.

The greater or lesser effectiveness of the office will depend upon the degree of understanding that the people in charge of it have about the complexity of Brazil and their degree of sophistication. But this is not the problem; it applies in any kind of public communication. There is no point trying to do things in a coarse or crude manner.

[Question] Are we now closer to the opening of this office than we were some time ago?

[Answer] I never discuss this matter of timing, because when the time comes for it to be decided, it will be decided, and I am not the only one who decides. What I am saying is that I see no obstacles. From the first moment we have been willing to consider the possibility and it is not an unreasonable thing; there is no danger to our security.

[Question] If Farid Sawan were to establish a society of this sort in Brazil and appoint its leader, would the government view this in a good light?

[Answer] It is a purely legal problem. Any group of Brazilians can go to a notary's office, draw up a contract, set up a nonprofit organization for the purpose of expressing points of view, as long as their actions do not violate the laws of Brazil.

[Question] Does that mean there is a green light?

[Answer] That is not for me to say, but for the laws of Brazil, and they must have something to say about this. In the FRG there is a German society formed by Germans and Palestinians. As for freedom of expression here in Brazil, provided it does not violate the Penal Code and the penal laws, we have nothing to do with this, whether we like it or not.

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CSO: 3001/247

LANGONI SAYS RENEGOTIATION OF DEBT WILL LEAD TO RECESSION

Rio de Janeiro JORNAL DO BRASIL in Portuguese 4 Sep 81 p 14

[Text] Brasilia--"The quickest way to recession is renegotiation of the debt," Carlos Langoni, president of the Central Bank, said in the Senate yesterday after listening for about 30 minutes to very harsh criticism of the government's economic strategy during a debate with economists. The criticism culminated with the proposal by Luiz Gonzaga Belluzo, UNICAMP [Campinas State University] professor and member of the Superior Council of the Sao Paulo Federation of Industries, that Brazil renegotiate its debt.

After asserting that it was now time to clear up this matter once and for all, the Central Bank president recalled that 90 percent of Brazil's imports, which are limited to what is essential for assuring operation of the economy, depend upon foreign credits. "To renegotiate the debt would be to cut off these credits or limit them to a level that would virtually paralyze the economy."

'Naive Fallacy'

The president of the Central Bank said that over 50 percent of Brazil's petroleum imports are now being financed for periods of 2 to 4 years. He noted that renegotiation would also affect exports--as in the international market the country that does not buy does not sell either--and even foreign investments in Brazil, which would be substantially reduced.

In the opinion of Carlos Langoni, "the proposal for renegotiation may be quite well intentioned, but it is a naive fallacy that has been presented as a miraculous solution to resolve the nation's problems without cost. No country in the world ever adopted recession as a strategy, but rather as a measure of desperation. Poland now has to ration even foodstuffs, simply because it hasn't the credit to import them."

After renegotiation, which would plunge the nation into a deep and lengthy recession, Carlos Langoni emphasized, the government would have to resort to the IMF under extremely unfavorable conditions. To arrive at these conclusions, he pointed out, it is not necessary either to use the imagination or to make computations: it suffices to look at the countries that reached this extreme situation, which is not that of Brazil.

'Less Painful'

"Brazil will neither renegotiate nor go to the IMF, because it does not have to. We must have greater faith in our country and have a more positive attitude. Renegotiating and going to the IMF would be giving up the battle."

During the Symposium on Alternatives for the National Economic Crisis sponsored by the Senate Economic Committee in conjunction with the Federal District Association of Economists, the debates between the president of the Central Bank and economist Luis Gonzaga Belluzo became quite spirited. The UNICAMP professor believes there could be a reduction in Brazil's credit but not a complete cutoff, as the country is not going to fail to pay its debts. He stressed that "renegotiation is not the proposal of an idle or full-time professor, but a responsible proposal by one seeking a less painful alternative for the economic crisis resulting in part from the government's blind economic policy in recent years."

As Professor Gonzaga Belluzo sees it, the nation since 1968 has simply approached the international situation in a passive manner, failing to adopt a long-term economic strategy that reflects the national interest and gives the nation a prospect of less foreign dependency. He noted that 8 years after the petroleum crisis not even a transportation policy consistent with the new reality has been adopted, but policy has simply been limited to financing the trade deficit, due to excessive foreign borrowing. As a result, expenditures for debt payment are now a major determinant of the nation's economic policy.

The UNICAMP economist believes that Brazil is already in a recession and there is no wave of bankruptcies only because of informal agreements--a kind of tacit moratorium in which late payment is forgiven. He emphasized, however, that a great number of companies are now in a state of near-bankruptcy as a result of the liquidity crisis brought on by monetary policy which, in addition to decontrolling interest rates, restricted credit and made it even more expensive by adding the IOF [Financial Transactions Tax].

New Realities

In his speech, the Central Bank president said economic policy has been quite successful in terms of avoiding hyperinflation and restriction of funds from abroad, through combining monetary, fiscal and exchange measures. He sees the main problem now as one of bringing short-term measures into line with long-term policies, which should enable Brazil to overcome its difficulties within 2 or 3 years and become less vulnerable to outside disturbance.

The priority given agriculture, energy and exports, he commented, will produce much greater medium-term structural changes in the Brazilian economy than we can imagine.

Redefinition of priorities, Langoni added, put an end to the idea that development means industrialization at whatever cost. This erroneous idea led to excessive urban and regional concentration at high social and economic cost and was sustained by incentives, subsidies and protectionism that can no longer be afforded.

This redefinition will, in his opinion, lead to substantial reduction of the growth rate of some industrial sectors, such as durable goods and the automobile industry, which will have to adapt to the new energy situation.

What the country needs now, Langoni believes, is a more solid institutional base capable of providing more reliability in administering economic policy. He pointed out that public investments now represent 65 percent of the total and the nation needs an institutional mechanism to reconcile this allocation of resources with the preferences of society in order to have, in the future, an economy that responds to Brazilian interests.

In addressing this aspect, economist Gonzaga Belluzo advocated strengthening democracy in order to permit public control of decisions, especially regarding allocation of resources to combat the crisis. The Central Bank president agreed with the proposal, emphasizing that "the burden is too heavy to be carried by the government alone."

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TRADE BALANCE SHOWS SURPLUS OF $188 MILLION IN AUGUST

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 10 Sep 81 p 34

[Text] Brasilia--Last month Brazil's trade balance had its fourth consecutive monthly surplus, $188 million according to data reported yesterday by the secretary general of the Finance Ministry, Carlos Viacava, who considers it "quite realistic" to expect a surplus of "close to" $1 billion by the end of the year. He thinks it is very unlikely, however, that exports will reach the goal of $25 billion, and will "probably" be about $24 billion, with imports of $23 billion, practically the same as last year.

With this result--the largest monthly surplus since November 1977--which Viacava called "good"--the trade deficit for the first 8 months of this year is only $37 million, which the Finance Ministry secretary general calls, not a deficit, but a "virtual surplus." From January through August last year the trade deficit was $2.476 billion. In August 1980 the deficit was $143 million.

The first report that the trade balance had shown a surplus of "almost $200 million" last month was made by Finance Minister Ernane Galveas at the Central Bank seminar on prospects for the world economy, which had as a participant the chairman of the U.S. Federal Reserve Board, Paul Volcker. He had praised the Brazilian approach of trying to resolve the current balance-of-payments crisis by increasing exports. Viacava believes "this $1 billion surplus this year will be a big help to the problem of the deficit in current transactions, as it will give a much healthier appearance to the balance of payments."

From January through August Brazil's exports were $14.918 billion, compared with $12.599 billion in the first 8 months of 1980, representing an increase of 18.4 percent, hence well below the expansion goal of 25 percent, which would lead to exports of $25 billion this year.

Viacava attributed the "less than desired" increase to the strong "negative impact" resulting from coffee exports, which were only $110 million last month, compared with $207 million in August 1980. This represents a reduction of 35.9 percent, whereas exports of other products increased 26 percent. "Had it not been for the effect of lower coffee sales, the projection of $25 billion would have been exceeded," the Finance Ministry secretary general asserted. Compared with the results of last year, coffee sales are $680 million lower.

Brazilian exports in August were $2.010 billion, less than the $2.053 billion of July. Viacava believes, however, that from this month until the end of this year exports will be $2.250 billion per month, which would result in $24 billion for the year. "To close above this level would require a very great effort, which is difficult but not impossible," he pointed out.

He also believes that imports for the rest of this year will not average more than $1.9 billion monthly. Last month they were $1.822 billion, compared with $1.895 billion in August 1980. Also helping fulfill this estimate are petroleum imports, which are unlikely to exceed $900 million per month through December. They were $900 million last month, a 10.7 percent increase over the $795 million bought in August last year.

Brazil's imports from January through August cost $14.954 billion, which is 0.8 percent less than the $15.075 billion spent during the same period of 1980. Of this total, 46.7 percent was spent for petroleum, imports of which were $6.985 billion, but Viacava does not believe they will exceed $12 billion by the end of the year.

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INFLATION RATE OF 75 PERCENT, OUTPUT GAIN OF 5 PERCENT ARE 1982 GOALS

Rio de Janeiro JORNAL DO BRASIL in Portuguese 2 Sep 81 p 19

[Text] Brasilia--The government is working with an inflation goal of 75 percent and a PIB (Gross Domestic Product) gain of 4.5 to 5 percent in 1982. These were the parameters used in drafting the Federal Budget bill for next year, it was revealed yesterday by the secretary for finance and budget of the IPEA (Applied Economic-Social Research Institute), Frederico Bastos.

Hence, the government is planning on a decrease of about 20 percentage points in the inflation rate compared with 1981, for which the forecast--again, according to Frederico Bastos--is 93 percent. The projected PIB increase is the same as forecast for 1981, which means the government intends to restrain the rate of economic expansion and hence is not expected to adopt any less restrictive measures.

Less Subsidies

According to data announced yesterday by the finance and budget secretary, the federal budget will contain 240 billion cruzeiros of subsidies--without, of course, computing the credit subsidy. This amount of funds for subsidies represents 5.3 percent of overall fiscal budget expenditures, which, in effect, means the government is providing less subsidized funds.

Although there is a nominal increase in absolute terms of 71.4 percent in the amount of budgeted subsidies compared with 1981, their share of total expenditures is reduced, as the 140 billion cruzeiros of subsidized funds this year represents 6.7 percent of the 1981 federal budget.

The largest volume of subsidies in the 1982 budget will be for paying ORTN (Indexed National Treasury Bonds) charges of almost 53.5 billion cruzeiros. In second place are subsidies for wheat consumption, which will be 45.425 billion cruzeiros, followed by income-tax refunds of 42 billion cruzeiros collected on remittance of interest abroad.

Obligations involving unpaid foreign debts of state enterprises which must be paid by the federal government as guarantor of these transactions through the Bank of Brazil, which uses the heading of "GB 588 Notice," are expected to be 13.233 billion cruzeiros. Another large amount of subsidies in 1982 will be for equalization of prices for sugar and alcohol, which will consume 17.035 billion cruzeiros of tax money.

According to the data announced by Frederico Bastos, subsidies for building buffer stocks will be 6.665 billion cruzeiros, while funds for subsidizing minimum agricultural prices will be 8.1 billion cruzeiros.

Charges related to borrowing from the Housing Finance System will consume 12 billion cruzeiros of subsidized funds and will come to $20 billion cruzeiros in transactions for loans granted by the BNDE [National Economic Development Bank] at a predetermined monetary correction of 20 percent, already paid but still reflected in the budget. PROAGRO [Agriculture and Livestock Activity Support Program] will consume 4.1 billion cruzeiros of subsidies.

No Excess Revenue

The finance and budget secretary revealed that, for the first time in the modern history of Brazilian budgets, it is quite likely that in 1982, as a result of the inflexibility and reliability of budget estimates, there will be no excess revenue.

Ordinarily, during the months of July or August there is always an excess of revenues over budget projections, which are always underestimated. This year, for example, that excess amounted to 430.7 billion cruzeiros. As it is quite likely there will be no excess in 1982, Frederico Bastos warned the cabinet ministers to keep their expenditures strictly within the appropriations authorized for them, avoiding making expenditures for the account of future surplus revenue as occurred every year in the past.

Also eliminated in the 1982 fiscal budget was the heading "Adjustment of Claims," under which 108 billion cruzeiros were provided in the 1981 budget for paying overdue debts of state enterprises. Money for this purpose is included in the regular ministerial appropriations.

Performance

Within the perspective of there being no excess revenue in 1982, the IPI (Finished Goods Tax), for the first time since 1978, will again become the tax providing the most revenue, exceeding the Income Tax [IR]. According to budget projections, the IPI will bring in 1.4 trillion cruzeiros, 83.7 percent more than this year, whereas income-tax revenue will be 1.022 trillion cruzeiros, an increase of 70.5 percent.

The smaller volume of IR revenue was explained by the finance and budget secretary as due partly to the monetary correction of fixed business assets. The IPI on tobacco, in turn, which is responsible for about 40 percent of the total revenue from this tax, will have a real increase of less than 2 percent, whereas it has generally risen 4 to 5 percent.

The tax with the greatest increase, however, according to the 1982 fiscal budget draft, will be the Single Tax on Electric Energy, with an increase of 118 percent, representing revenue of 133 billion cruzeiros, compared with 61 billion cruzeiros during the current fiscal year.

That estimate leads one to believe that the policy of large price increases in electric rates, which rose 120 percent in 1981, will be continued. This policy

is explained by the need to obtain a 10-percent return on the sector's investments as soon as possible, to comply with legislation and with the requirements of the World Bank, the major financier of Brazil's electrical energy program.

Other taxes that will increase at high rates will be the Single Tax on Fuel and Lubricants, up 89.1 percent to 111 billion cruzeiros despite the continuing decrease in gasoline consumption, and the Tax on Conveyance of Real Estate, rising 82.6 percent to 35 billion cruzeiros. The import tax will bring in 280 billion cruzeiros, 80.6 percent more than this year, while IOF (Tax on Financial Transactions) will have 404 billion cruzeiros of revenue in 1982, which is 64.9 percent more than this year.

On the opposite side, the only tax that will bring in less revenue will be the export tax, which is explained by its being of a cyclical nature; that is, it varies in accordance with price changes abroad, with domestic supply shortages and with the effort to avoid surcharges on foreign sales.

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CFP REDUCES CROP FORECAST TO 53 MILLION TONS

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 30 Aug 81 p 54

[Text] Brasilia--The last surveys conducted by the Production Financing Commission (CFP) in June on the current agricultural crop indicate a production of 53,713,500 tons, which represents an increase of 3.8 percent over the last crop when an increase of about 5 percent had been forecast. However, that reduction is explained by the experts mainly as a result of the frosts that hit the southern part of the country, especially hurting the wheat crop. The wheat harvest originally had been estimated at 2,326,000 tons but ended up at 1,634,000 tons, according to recent estimates.

The planted area is expected to increase about 5 percent compared to the previous year, which, according to the figures supplied by the CFP, will go from the 37.2 million hectares of the 1979-1980 crop to 38.8 million hectares for the present crop. And that is counting only the areas planted in peanuts, rice, beans, cotton, jute, mallow, corn, sisal and soybean, and excluding winter crops such as wheat, castorbean and sorghum from that survey.

According to Ministry of Agriculture experts, agricultural production growth indices are good. They point out that although the 1979-1980 crop showed an increase of about 24 percent over the previous crop, it should not be forgotten that the great difference was due to the incentive given to planting beginning that year, which was preceded by two disappointing crops.

In addition to wheat, which decreased 30 percent compared to the initial forecast, beans, rape and cotton also were below the July estimates. Beans were down 1 percent; that is, up to June, it was expected to be 2,473,000 tons and in July the surveys indicated 2,455,000 tons. Cotton decreased 2 percent; that is, from 1,252,300 tons to 1,232,900 tons. However, rape suffered a much greater drop, 38 percent, going from 44,000 tons to 27,500 tons because of the weather, according to the experts. The other products remained at the levels forecast or are a little higher.

Rice and peanuts are the two principal products that will fall below last year's level. Whereas 9,637,700 tons of rice was harvested last year, the forecast for this year is for 9,118,900 tons; that is, 5 percent less as a result of crop failures in Mato Grosso. As for peanuts, the difference is even greater--37 percent; in 1979-1980 production was 524,600 tons, but only 328,900 tons will be harvested this year.

INDUSTRIAL OUTPUT UP 2.3 PERCENT IN 12 MONTHS ENDING 30 JUNE

Rio de Janeiro O GLOBO in Portuguese 3 Sep 81 p 24

[Text] The annual growth rate of industrial production for the 12-month period ending 30 June was 2.37 percent, "the lowest annual rate of growth in recent years," according to the Brazilian Institute of Geography and Statistics (IBGE). This is less than the lowest growth rate since 1976, which was the 2.62 percent recorded in December 1977.

The IBGE also points out that, besides the production decline in the first half of 1981 compared with the first half of 1980 of 3.29 percent, the decline in the first half of this year compared with the second half of last year was even steeper: 5.97 percent. It is, according to the IBGE, "the lowest level of recent years (since 1976) and the first time there has been a negative result in this type of comparison."

'Widespread Slowdown'

"In a context of widespread slowdown," asserts the document about Current Industry Indicators, "the major industry groups whose performance in the January-through-June period contributed the most to the aggregate decline of the manufacturing sector (3.44 percent) compared with the same period last year were: transportation material (down 13.87 percent), metallurgy (down 8.14 percent) and chemicals (down 7.95 percent).

Within the major industry groups, the following product segments have the most negative rates: passenger automobiles (down 24.27 percent), tin cans (down 18.34 percent) and artificial and synthetic filaments and fibers (down 15.12 percent).

According to the IBGE, the growth of the food products group (up 7.99 percent) contributed to a certain moderation of the sector's declining aggregate rate due to its heavy weighting. In this group, crystal sugar production increased 59.49 percent and powdered milk production increased 47.71 percent.

The retraction of industrial activity had discernible impact on the level of employment in manufacturing industry. According to the IBGE data, of the 16 major groups that make up manufacturing industry, 12 had less labor employed. Comparing the monthly indicator for May 1981 with that of May 1980, employment declined 6.04 percent, with all major groups showing a decrease.

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Beans will show an increase of about 30 percent, from 1,895,200 tons to 2,455,000 tons. According to CFP statistics, such winter grains as oats, rye and barley (which were not affected by the frosts) should show the largest production increases if weather conditions are favorable until the end of the harvest; the forecast for the increase of rye production is around 117 percent, from 10,500 tons to 28,500 tons. For oats and barley an increase of 56 and 61 percent, respectively, is forecast. Soybean production should increase 4 percent over the last crop; 14,887,400 tons were harvested at that time, and now it is expected to reach 15,484,800 tons.

According to Ministry of Agriculture experts, these results indicate a good growth level in response to the incentives that were given the agricultural sector, especially the subsidized interest for all planting costs. Since the situation is going to be changed after this crop (only the small farmers will get 100 percent financing of their costs), the experts believe there will be some anticipation regarding the next crop. They point out, however, that the repercussion of the changes in the crop credit system will not begin to be felt until September or October because that is when work begins in the countryside on the first surveys of planting plans.

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CSO: 3001/244

BRIEFS

MEETING WITH LIBYA--Mines and Energy Minister Cesar Cals is to open the third meeting of the Brazil-Libya Joint Commission on 4 October in Tripoli. Cals is going to discuss matters pertaining to bilateral cooperation in the fields of oil and iron minerals. [Text] [PY242337 Brasilia Domestic Service in Portuguese 2200 GMT 24 Sep 81]

PRIESTS' HABEAS CORPUS REJECTED--Porto Alegre--The Superior Military Court has unanimously rejected the habeas corpus writ that had been submitted in favor of the French priests, Aristides Camio and Francois Gouriou. It is the court's understanding that the prosecutor in charge of the investigation can request that they remain in prison while the investigation lasts. The military court barely guaranteed that the priests' lawyers had the rights to talk indirectly with their clients. [Text] [PY232337 Porto Alegre Radio Guaiba in Portuguese 2150 GMT 23 Sep 81]

MILITARY POLICE MEMBERS EXPELLED--Maceio, 24 Sep (TELAM)--The director of the security department of Maceio, northern Brazil, expelled 30 soldiers of the military police today for participating in criminal acts. The 30 policemen were until about a year ago members of the so-called special tactical command who were repeatedly accused of carrying out criminal acts with complete impunity. The delegate of security, Lincoln Gomes de Almeida, took command of the security department a week ago. He said that he would clean up the police to get rid of the elements who discredit the institution. [Text] [PY242030 Buenos Aires TELAM in Spanish 1610 GMT 24 Sep 81]

CSO: 3001/1

GOVERNMENT REPORTS SEVEN DEAD IN CLASHES WITH POLICE

PY232030 Santiago Chile Domestic Service in Spanish 1730 GMT 23 Sep 81

[Government house report by Graciela Contreras]

[Text] A little after 1300 this afternoon, the Chilean Government issued a communique in which it reports that a total of seven extremists have been killed in clashes between security forces and terrorist groups discovered in the (?Neltume) area, in the Valdivia mountain range.

The communique first reports on incidents that took place last July when a terrorist camp was discovered in (?Neltume). Immediately after the communique notes that a reserve terrorist camp [campamento de alternativa] was discovered on 11 September in the (Gliquine) sector. It was later established, moreover, that the camp had been abandoned about 24 hours earlier.

Later in the early morning of 13 September, security forces discovered another reserve terrorist camp. Terrorist (Raul Rodrigo Obregon Torres), alias (Pablo) or (Antonio), was killed during the clash that ensued in the area between security forces and terrorists. Terrorist (Raul Obregon) at the time was carrying a FAL rifle and 150 bullets. He was wearing an olive-green uniform having military characteristics.

The communique issued by Dinacos [government social communications directorate] adds: On 16 September, a new camp was discovered in the sector called (La Perla). A strong clash took place between the national security forces and an armed terrorist group but there were no casualties or persons arrested.

The communique adds: On 17 September, in a sector located 2 km from the (Indio) bridge, and 500 meters from the (Kuaja) River, a new clash between security forces and terrorists ensued. Killed in this clash was subversive (Pedro Juan Yanez Palacios), alias (Jorge). He was carrying a FAL rifle and 130 bullets and a large survival kit. He was also wearing an olive-green combat uniform having military characteristics.

The communique also notes: On 20 September, there were two other clashes between national security forces and a terrorist group in the sector called (Remeco Alto). Extremists (Prospero Del Carmen Guzman Soto), alias (Victor); and (Patricio Alejandro Calcujil Henriques), alias (Pedro), were killed in the clash. Like

the other terrorists who were killed, both of these terrorists were carrying FAL rifles; abundant ammunition, shot guns, survival kits and they were also wearing olive-green uniforms. Moreover, the two subversives had taken over the house of a local farmer and demanded food and shelter. But one of the inhabitants was able to escape and provided the necessary information that enabled the security forces to surround the area.

The second clash took place in the sector known as (Puente Cortado), in (Remeco Alto). Extremist (Jose Eugenio Gonzalez Sandoval), alias (Camilo), was killed in this clash. Security forces found that the extremist was carrying many guns and much ammunition. He was also wearing a uniform.

The communique states: In the late hours of 21 September, two extremists were killed in the area called (Jasquin Alto) as they were trying to escape from the security forces that had surrounded them. They have been identified as (Rene Eduardo Bravo Aguilera), alias (Oscar), and (Julio Cesar Riso Figueroa), alias (Rigo).

It is noted that most of these persons had been punished by the proper national courts for crimes against the established order but were later pardoned and banished abroad. Moreover, government officials had not allowed them to reenter the country because they posed a threat to national security as has been proven by these regrettable incidents.

In addition the Dinacos communique notes that the security forces will continue to enforce a strict control with the objective of capturing other terrorists who were able to escape and who may still be in the area.

The government also reasserts that with the same insistance it has done so far it will continue to confront the many aggressions of international Marxism since it is convinced that it is the worst threat for the enforcement of peace, security, justice, and freedom, in our country.

CSO: 3010/9

REACTION TO FRENCH-MEXICAN DECLARATION PRAISED

PY232124 Santiago EL MERCURIO EDICION INTERNACIONAL in Spanish 3-9 Sep 81 p 3

[Editorial: "America's Complaint"]

[Text] The most representative Latin American countries raised their voices in protest against the declaration of the Mexican and French foreign ministers recognizing the opposition guerrillas in El Salvador. A joint declaration issued by the Colombian and Venezuelan foreign ministers has been supported by the governments of Argentina, Bolivia, Chile, Guatemala, Honduras, Paraguay and the Dominican Republic. The Brazilian and Peruvian governments, on their part, have issued communiques criticizing the Mexican-French decision, in addition to other official diplomatic protests which have been made individually by some governments starting with El Salvador, which is the country directly affected.

It has been a long time since there has been a massive diplomatic rejection, such as the current one, which is a natural reaction against a measure which violates one of the most sacred principles of the hemisphere's policy. The Latin American defense of the principle of nonintervention has been one of the most constant and systematic factors of the foreign policy of each of these countries which has been carried out in an individual or joint manner. Moreover, it is surprising that Mexico should have strayed away from such an essential behaviour, especially in view of its difficult republican history.

The nine Latin American foreign ministries have voiced their "surprise at that attitude which establishes a very serious precedent" and "point out with great concern that the declaration made by those two governments in favor of one of the subversive factions which, through violence intends to detour the democratic future and the free determination of the Salvadoran peoples...far from contributing to solve the problem worsens it by trying to make it an international problem." At the same time they recall the unfortunate experience of foreign intervention, by countries inside and outside the region, south of the Rio Grande and ratify "the support of their governments to the efforts made by the Salvadoran peoples and their civilian and military democratic leaders to attain peace and social justice within a pluralist and democratic system."

The context of the individual declarations issued by Brazil and Peru is similar, thus demonstrating through this package of declarations that the Latin American nations, despite their different policies and ideologies, have deemed it necessary

to react jointly in view of an act which threatens the stability of their international relations' system. As we have stated in previous editorials the problem not only affects the Salvadoran domestic policy but also affects the region on a whole.

The French and Mexican governments' purpose in engaging in an act of intervention of this nature evidently has an ideological purpose, since it is aimed at supporting one of the groups engaged in the struggle for power in El Salvador. This is the same objective sought by the Cuban Government which has been the only one to approve the French-Mexican declaration. The Mexicao foreign minister's ideological leanings are well known and have been previously revealed regarding Central American and other regional problems. However, the cautious attitude maintained by the French Foreign Ministry up to date in its foreign policy made it difficult to foresee that it would make a mistake of this magnitude.

The fact that the South American countries have maintained a united policy regarding this annoying diplomatic incident has been very important. Many times the regional policy has been jeopardized by disagreements voiced from Central America and the Caribbean, without the South American countries having reacted in a uniform and influential manner. On this occasion the old tradition of unity, which would be convenient to maintain, seems to have been practically revived.

CSO: 3010/9

DAILY COMMENTS ON DELAY OF BEAGLE SOLUTION

PY222050 Paris AFP in Spanish 0253 GMT 22 Sep 81

[Text] Santiago, 22 Sep (AFP)--EL MERCURIO today said that a possible delay in the solution of the Chilean-Argentine Beagle Channel conflict proposed by some Argentine sectors will introduce elements which would complicate the process of the Pope's mediation.

In this regard the dean of the Chilean newspapers recalled that several recent Argentine declarations and commentaries suggest that the basic Beagle problem should be delayed until a more appropriate time in accordance with the Argentine political situation.

It is believed that in the meantime multiple cooperation projects could be carried out aimed at creating an appropriate environment for searching out a solution.

In its main Tuesday editorial, the influential newspaper said that this type of thinking, far from contributing toward reaching a realistic solution, introduces elements which would complicate the overall process.

The newspaper added that no form of cooperation will adequately succeed if it is not based on a prior solution of the basic problem which is the aim of the Pope's proposal delivered to the two countries on 12 December 1980.

EL MERCURIO indicated that the idea of discussing nonessential matters first would cause a continuous delay in the negotiations which in turn would create greater difficulties in searching for a solution.

The newspaper also stated that the possibility of excluding, in the future, the 1972 treaty about judicial solutions to conflicts--apparently considered by some Argentine sectors--is clearly not favorable to Chile.

In conclusion, the newspaper said that all the ideas and efforts toward cooperation should not obstruct the progress of the Pope's mediation in search for a final solution to the hundred-year-old southern conflict, but should be a part of it.

CSO: 3010/9

NEW LAW ENCOURAGES INVESTMENT IN COPPER MINES

PY251230 Paris AFP in Spanish 1704 GMT 24 Sep 81

[Excerpts] Government sources reported here today that Chile is planning to reopen the path that its own constitution had closed for multinational enterprises, to awaken their interest in the development of new and large copper mines, for which an investment of over $6 billion will be needed.

According to Allende's nationalization law, which was unanimously passed by congress, "the state has the exclusive, absolute, inalienable and unrescindable ownership of all the mines," and these terms have been included in Article 19 of the new constitution that Pinochet put in force last March.

Therefore, Chilean officials have faced up to their own inability to develop the new copper deposits due to their lack of capital, whereas the path for foreign investment has been kept closed by this drastic constitutional rule.

The problem was apparently overcome by drawing up a constitutional law on mine concessions, that will permit the government to grant permission to private parties for the development of these resources, under certain conditions without surrendering the ownership of the mines.

The sources said that this law is fully supported by the armed forces because it encourages foreign investment while preserving the interests of the country.

The sources also added that something similar will happen to strategic resources like uranium, whose exploitation by private enterprises will also be permitted by the Chilean Government, which will retain the right to buy the production before it is exported.

Although this law has not been enacted yet the Anaconda Company has already made plans for a $1.8 billion investment in the Los Pelambres Copper Mine, while its competitor Exxon is planning to invest $2 billion in the La Disputada deposit, which is close to Santiago.

The Utah enterprise has already started preliminary works at La Escondida, in Chile's northern area, while another foreign company is doing the same in the Quebrada Blanca deposits.

The two other new copper deposits are Andacollo and El Avra, which will also be put under concession, while the government will maintain control over the four mines which it is presently exploiting and which are its main source of income.

CSO: 3010/9

BRIEFS

STUDENTS ARRESTED IN TALCAHUANO--Concepcion--Concepcion lawyers were drafting a habeas corpus appeal yesterday to be submitted to the Concepcion Appeals Court in favor of five persons, four of whom are university students. The students who attend the Catholic University and the Federico Santa Maria University (King Baudouin of Belgium Center), both of which are in Talcahuano, were arrested by police personnel on Colon Street near the Callejon 120 Street in the port area. According to police sources, the university students were carrying communist party printed material and had attended a meeting held at a chapel in which they discussed the present situation on coal workers who are involved in a collective bargaining process. According to what sources told LA TERCERA, the police arrested Patricia Eugenia Pinto Penailillo, a fourth year student of biology at the Talcahuano Catholic University; Victor Alejandro Saavedra Chandia, a student at the King Baudouin of Belgium Center, (University of Santa Maria), Victor Hugo Pena Tapia, with residence in Coronel; Walter Abraham Jara Kessl, a student at the Santa Maria University, and Manual Sergio Quezada Villegas, a student at the Catholic University. The detainees will be sent to jail as soon as police officials determine their future fate. [Mario Aravena] [Text] [Santiago Chile LA TERCERA DE LA HORA in Spanish 8 Sep 81 p 5 PY]

PHILIPPINE INVITATION TO PINOCHET--Manila, 21 Sep (LATIN-REUTER)--The Philippine Government extended another invitation to Chilean President Augusto Pinochet to visit the Philippines 18 months after having abruptly cancelled a similar invitation. Pinochet had left for Manila in March 1980 when the government reported that the visit had been cancelled for security reasons. The Chilean authorities were very annoyed over this disrespect, but bilateral relations have improved since then to the point that the Philippine Government will open an embassy in Santiago in September. Acting Foreign Minister Manuel Collantes reasserted the invitation during a speech he delivered last Friday at a reception held to commemorate another anniversary of Chilean independence. Diplomatic observers here believe that the policies enforced by the Chilean president and the consequent criticism issued by the international community led the Philippine Government to cancel the presidential visit. Collantes, who reasserted that the visit was cancelled to safeguard President Pinochet, did not specify when the Chilean president will visit the Philippines. [Text] [Buenos Aires LATIN in Spanish 0730 GMT 21 Sep 81 PY]

SALVADORAN OFFICIALS VISIT--High Salvadoran government officials are in Chile. They are Salvadoran ambassador to Panama Col Julio Gonzalez and Foreign Ministry vice director for Latin American affairs (Sara Denosiglia). They will explain the present Salvadoran domestic and international situation. On Monday they will give a press conference and they will meet Acting Foreign Minister Col Fernando Arancibia. [Text] [PY260309 Santiago Chile Domestic Service in Spanish 0000 GMT 26 Sep 81]

BRITISH PARLIAMENTARIAN--British parliament member (Elton Griffith) yesterday held a meeting with Interior Minister Sergio Fernandez at La Moneda Palace. (Griffith) came to our country to learn about the real situation in the country and later to give lectures and write articles for several international publications. To gain an overall idea of the situation he will hold meetings with ministers, press and church representatives and other organizations. [Santiago Chile Domestic Service in Spanish 1100 GMT 26 Sep 81 PY]

EMBASSY IN SWEDEN--The Chilean Foreign Ministry has denied the charges that have been made against the Chilean Embassy in Stockholm. It has been reported in the Swedish capital that the Chilean Embassy has been accused of operating as an espionage center against Chilean refugees. Foreign Ministry general director Fernando Zeggers has termed the rumor as false and baseless. He reiterated that the report was baseless and he added that our embassy in Stockholm performs its normal diplomatic duties. [Text] [Santiago Chile Domestic Service in Spanish 0000 GMT 23 Sep 81 PY]

JAPANESE LOAN--The Japanese Import and Export Bank will grant a $4.3 million loan to the Bank of Chile. The loan will be earmarked for the purchasing of Japanese equipment and services. [Santiago Chile Domestic Service in Spanish 0000 GMT 23 Sep 81 PY]

CSO: 3010/9

COMMENTARIES STRESS IMPORTANCE OF PROTECTING STATE SECRETS

Procedures To Be Taken

Havana TRIBUNA DE LA HABANA in Spanish 4 Jul 81 p 6

[Commentary by Jaime Gravalosa]

[Text] "The defense of our country is not an exclusively military phenomenon. Above all, it is a complex of measures of a political and economic character, aimed at creating the conditions necessary to confront all dangers and achieve victory."

This view was expressed by Comrade Fidel in his speech made in the ceremony establishing the Territorial Militia Troops [MTT] in Granma Province on 20 December 1980.

That means that, together with the strengthening our Revolutionary Armed Forces and the Ministry of the Interior, the creation of the MTT, and the revitalization of the work of the Committees for the Defense of the Revolution, there must be added physical protection and maintenance of state secrets.

This is because the imperialist enemy, having engaged unsuccessfully for more than 20 years in efforts to choke the Cuban revolution, is developing plans on the political, military, and economic front, using all means, both direct and indirect, to serve his purposes. The enemy tries to learn our plans on materials in short supply, data which would facilitate collection of information referring to production teams, the preparation of economic agreements of interest to ensure the functioning of a vital industry, for the purpose of paralyzing it by means of the breakdown of an essential part of the machinery.

In the same way ciphers, dates, reports of foreign business firms, imports, exports, reports on projects or needs that must be met--finally, there are thousands of questions which would take too much time to mention. All of these form a part of the espionage activity of CIA agents.

This is because the economic and commercial blockade imposed by Yankee imperialism consists not only in what concerns North American companies, but extends to the whole world in its plans to make us surrender because of hunger. Taking advantage of its power, North American imperialism has made us the object of its criminal action.

There is an open war and another, secret war. Those carrying on the secret war are those who work in the service of the enemy in the most subtle and supple way, determined to pick up every kind of information government officials and employees do not consider important.

In 1973 the State Secrets Law was promulgated: its provisions set out the norms to be followed regarding organization, control, and security in the preparation, handling, registration, shipment, custody, maintenance, and destruction of documents classified secret.

Each ministry or central government organism has a control office for classified information (OCIC), responsible for designated security measures established throughout the area under its jurisdiction and for supervision of subordinate OCIC elements in the various branches of the organization.

The regulations require that documents be classified, that authority be designated to authorize access to information, that appropriate personnel be identified. The regulations also concern the security of offices and other locations, contain prohibitions and provide for inspections, and set forth the kind of handling and the responsibilities of those who work on such materials.

The OCIC procedures must ensure that in the preparation of any document the person working on it is required to use specifically a special work notebook and not just any kind of notebook or loose piece of paper. The notebook must be kept sealed with wax and locked up.

The secretary who transcribes the document must destroy the carbon paper and typewriter ribbon used, as well as keep the roller of the typewriter and certify and number the copies prepared.

Documents must be compartmentalized, because not all authorized persons have access to the contents of all documents, which cannot be removed from the building by any official to be worked on at home.

This last-mentioned measure has been adopted to prevent theft of documents from a briefcase of loss as a result of accidents which may occur to the vehicle used by officials or employees for transportation.

Logically, and as a complementary measure, files, windows, and doors must remain closed and sealed with wax at the end of the working day. The messenger who takes classified documents to an addressee will also take security measures in the course of delivery.

The Penal Code provides for penalties for officials and employees who reveal secret information, directly or indirectly, deliberately or through carelessness, which range between 6 months and 10 years in prison.

Protection of Secrets: Everyone's Duty

Havana VERDE OLIVO in Spanish 19 Jul 81 p 13

[Text] The protection of military secrets involves essentially a permanent and direct struggle against all the efforts of the enemy to obtain information on the daily activity of the Revolutionary Armed Forces [FAR], their technical condition, and their armament.

Carrying on this struggle against the enemy shows itself in a practical manner in the professional work done by officials assigned to secret work in all elements of the FAR. Nevertheless, it must be realized that this work is a part of the duty of every military or civilian official who, in one form or another, is carrying out or, for purposes of the service, has knowledge of some secret military matter.

This means that the protection of military secrets is a permanent, additional task, not only for specialized officials but for all military personnel.

This work, which has such importance, cannot be underestimated under any circumstances, for it has extraordinary importance in the timely and successful accomplishment of the missions assigned to the FAR.

The protection of secret information is a part of the daily activity of each soldier, and the manner in which this duty is carried out demonstrates the conviction he has regarding the need to do this. It also means discharging his responsibility for not divulging a secret and for the consequences which may be involved.

The fact of knowing or handling military secrets in the course of our work shows the degree of confidence which the high command and the party have in us. Hence the obligation we have to be demanding with those who, in one way or another, divulge a secret improperly. Hence also the need to keep our revolutionary vigilance high.

Lowering our vigilance and a demanding attitude in the protection of secrets means creating conditions favorable for the enemy to carry on his intelligence work. Hence the need to understand that secrets must be protected and that, by observing the established rules on this, the duty can be carried out easily.

The protection of secrets cannot accept carelessness, violation of the regulations, shiftlessness, or other acts incompatible with the revolutionary vigilance which must be maintained at a high level by any soldier with access to such information.

The enemy continues to intensify his efforts to destroy the revolution and uses any method or means for this purpose. This factor, confirmed by practice, establishes the need to ensure that the protection of secrets is always present in our daily work.

Constant vigilance against the conduct or action of those who out of a sense of irresponsibility or lack of knowledge divulge military secrets, discretion, and compartmentalization in our daily activity are the three fundamental principles whose continuing practice guarantees the protection of secrets. To assume or tolerate passive conduct in the face of a violation of these principles amounts to contributing to the divulging of a secret.

Revolutionary vigilance in the interest of protecting military secrets must aim at closing the possible channels for the escape of secret information. Among these channels the following may be noted as fundamental to the problem:

--Preparation of documents without proper determination of the extent of protection required by their contents.

--Preparation of documents with excessive, unnecessary use of secret data.

--Incorrect transmission of correspondence.

--Failure to comply with security measures in the handling of documents.

Maintaining vigilant conduct toward these negative aspects of behavior means avoiding them and thus contributing to keeping the secrets involved. Further, discretion and compartmentalization constitute aspects which we must keep in the center of our attention in the interest of protecting secrets. This can be done by bearing in mind the following recommendations:

--Correctly using technical means of communications for service conversations.

--Not practicing or permitting the practice of gossiping.

--Not carrying on conversations about the service in the presence of strangers or in places not equipped for the purpose.

--Avoiding access to secrets which are not within our own competence.

--Reducing to the minimum the number of people with access to secrets.

The Revolutionary Armed Forces are continuing their determined and certain development, and there is no place in them for lack of discipline, irresponsibility, and laziness in the performance of duty.

The protection of secrets has a singular importance at this time. Let us be capable of reflecting on this task and of deciding to what extent we are doing our duty. Let us bear in mind at all times that the protection of secrets is everyone's duty.

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CEMA COUNTRIES TO PROVIDE AID IN DEVELOPMENT PROGRAMS

Aid to Citrus Industry

Havana TRABAJADORES in Spanish 12 Aug 81 p 4

[Article: "Large-Scale Agro-Industrial Program Within CEMA Will Be Organized in Cuba According to a Multilateral Agreement"]

[Text] AIN—Cuba will develop the agricultural production and industrial processing of citrus fruits with the cooperation of the Council for Mutual Economic Assistance (CEMA) in accordance with a multilateral agreement signed in the Bulgarian capital during that association's 35th session.

The Soviet Union, the GDR, Hungary, Bulgaria and Czechoslovakia will participate in it.

This is the large-scale agro-industrial program within the CEMA which will be in effect until 2010 and will guarantee Cuba stable and profitable prices as part of the preferential treatment extended our country.

It will enable the Cuban economy to develop and in this way succeed in more closely approaching the level of development of the European countries that are members of the integrationist association.

The nation will have 13 years to pay off the loan at an annual interest rate of 2 percent and will begin payments 4 years after the loan is used.

In 1981-1985 investments will amount to some 300 million pesos, including payments in the form of money readily convertible for Cuban purchases of equipment and citrus processing plants in Third World countries.

This part of the program includes the recent agreement signed with the GDR for the acquisition of one of these plants, which will pay for itself with its production. It is to be built in Ciego de Avila and will be similar to the one at Jaguey Grande.

The program will allow for consideration of Cuba's natural characteristics for citrus production and specialization and anticipates that the island will produce over 2.5 million tons of fresh fruit in 1990 and export about 1.5 million of all the various kinds to the signatory countries in that year.

According to the bilateral agreements that have been signed, Bulgaria will supply horizontal pumping stations and cold-storage plants and Hungary fumigators, irrigation systems, automation equipment, weeders, drills, pruners and equipment for the manufacture of pesticides.

The GDR will send laboratory equipment, trailers and boilers in addition to its contribution to the above-mentioned plant, while Czechoslovakia will deliver hoists and over 2,000 tractors.

Equipment will be received from the USSR for a bottle-manufacturing plant in Pinar del Rio and for a carton-manufacturing plant in the Avila area.

The Soviet Union will also send equipment for 14 citrus-fruit packing plants and for shipping docks for the fruit in the ports of Havana, Nuevitas and the Isle of Youth, as well as carrying out irrigation and drainage projects.

The five signatory nations have contracted for the purchase of fresh and processed citrus fruits.

They will also lend technical assistance, train Cuban specialists, contribute to scientific and technical research and provide experience in the utilization of technological teams.

To meet its obligations, Cuba will promote planting and develop technical projects and the necessary documentation, develop agricultural and industrial objectives and guarantee their normal operation while it is supplying the product.

Along with the huge export program, an increase in the amount of citrus fruits available for public consumption is anticipated.

Before the revolutionary victory, there were small, isolated citrus-fruit plantations in the country which all told did not produce any more than 60,000 tons, while in 1980 over 400,000 tons were produced.

At present citrus-fruit plantations are being developed in 10 provinces, particularly on rocky, clayey or sandy soil, and the biggest, which cover over 2,500 caballerias [1 caballeria = about 33 1/4 acres], which figure it is anticipated will be doubled, are to be found in Jaguey Grande and Matanzas.
At the end of the 1960's the first steps were taken in this country to promote the development of citrus fruits as part of an overall program that would provide the nation with one more way of expanding its economy, taking into account the favorable climatic conditions for these crops and the needs of the CEMA countries.

They began to develop citrus varieties and plant nurseries, and technical standards and the basis for research as well as the training of technical personnel and investments in the farm sector were introduced.

We have seedlings that are free of a number of viruses that affect these plants and they are 100-percent native to Cuba, particularly located in the Sierra Maestra, Escambray, Pinar del Rio and Guantanamo.

In 1980 80 percent of the citrus-growing area benefited from irrigation and all of it was fertilized. At the present time about 9,000 caballerias have been planted and the goal for this 5-year period is 12,000.

Aid to Sugar Industry

Havana TRABAJADORES in Spanish 14 Aug 81 p 2

[Article by Alberto Martinez: "CEMA Contribution to Growth and Modernization of Sugar Industry"]

[Text] AIN—The CEMA is to contribute to the overall development of sugar production in Cuba through a multilateral program to last until 1990, one which was signed in Sofia, Bulgaria, and which recognizes the island as the chief supplier of that commodity.

According to this document, during the next 10 years the integrationist association will promote Cuban sugar industry growth as part of a policy of preferential treatment which this country is to receive in order to attain the level of development of the European member-nations of CEMA.

This will be done "in recognition of Cuba's traditional specialization in the production of sugar and taking into account Cuba's favorable natural conditions therefor."

As concerns Cuba, it constitutes an extension of the CEMA Complex Program and provides for loans, more profitable prices than those of the world market and the supplying of equipment and machinery for industry.

It also provides for the raising of sugar production during the decade, whereby the country will increasingly be able to meet the demands of the signatory nations and continue supplying the other members of the council.

The Soviet Union, the GDR and Bulgaria have signed bilateral agreements with Cuba on collaboration and economic integration in this industry until 1990 which specify the amounts of sugar to be delivered and the loans Cuba is to receive for 1981-1985 during the initial phase.

These nations will contribute over 470 million pesos during the current 5-year period in equipment including horizontal pumping stations and cold-storage plants from Bulgaria and machine tools and turbogenerators from the GDR.

As for the USSR and the GDR, they are to send equipment for the construction of 11 sugar mills, the modernization of another 23 and the automation of the industry as well as for the purpose of updating the railroads.

The three nations will increase their purchases of sugar from Cuba and grant the country easy terms for paying off the loans over a period of no less than 10 years at a low rate of interest and starting from the time they begin to use the loans.

The supplying of sugar during 1981-1985 will be significantly increased to the People's Republic of Bulgaria, the GDR and the Soviet Union on the basis of what was agreed on for the previous 5-year period.

As part of the agreement, our country will contribute material, human and financial resources as well as technical documentation with an eye to the application of existing capabilities.

Over the past few years the Cuban Government has made use of numerous investments for the development of our chief industry, among them modern equipment and methods that provide assistance for effective, productive management.

In 1976-1980 our industrial capacity increased by 5.2 million arrobas [1 arroba = 25 pounds] of cane a day, without including the new mills, which is the equivalent of new sugar mills similar to the Battle of Las Guasimas in Camaguey and the 30 November in Pinar del Rio.

In that 5-year period 41 mills were also modernized and expanded, thus now adding to the 21 that benefited from these measures in 1970.

At present four are under construction, in the provinces of Las Tunas, Villa Clara, Camaguey and Pinar del Rio, each with a milling capacity of 600,000 arrobas a day, and during the next season one is to go into operation in Cienfuegos and another one in Granma.

In 1981-1985 work will begin on the construction of 11 modern mills, including the four now in progress.

Of the total number of new mills, two will be erected in Camaguey, the same number in Las Tunas and Villa Clara, one in Matanzas, Sancti Spiritus, Ciego de Avila, Granma and Pinar del Rio, and five of these are to go into operation during the current 5-year period.

Our sugar harvests are constantly and increasingly gaining in efficiency. An example of this is the 1980-1981 harvest during which the mills ground 89 percent of the potential norm, unprecedented in Cuba, for over 140 harvest days and 85.31 percent of the crop was harvested, the highest recovery rate in the past 15 years.

Another achievement was the machine cutting of approximately 50 percent of the cane, while manual cutting resulted in a productivity of 252 arrobas, 46 more than during the previous harvest.

To meet the requirements of the commitments it has contracted for, Cuba is applying systems to improve efficiency in the industry, including the introduction of parabolic strainers, small grinders and hydraulic engines in tandem.

Through their use the impurities will be eliminated and all the juice extracted from the cane while at the same time the old centrifuges will be replaced by modern ones in most of the mills.

In comparison with 1975 production of equipment for the sugar industry, including combines, cane cars, pans, grinders, evaporators, cane-mill rollers and other items, has tripled.

This year boiler and tandem factories are to go into operation and we will start to produce centrifuges and rail hoppers for sugar.

Rail transport is being renovated with the arrival of heavy diesel locomotives of Soviet manufacture for the maintenance of which the MINAZ [Ministry of the Sugar Industry] has built seven workshops and will complete work on another two this year.

During the 5-year period, 1976-1980, four bulk sugar terminals were built in addition to the three that existed. In 1976 72 percent of our export volume went through these installations and 82 percent of last year's.

Each of the new terminals can ship 750 tons of sugar an hour to the holds of ships.

With efficiency on the rise in our mills, conspicuous cane planting going on throughout the entire country and ever-increasing mechanization of cane harvesting, Cuba will successfully meet its commitments to the CEMA.

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CSO: 3010/1817

FOREIGN TECHNICAL ASSISTANCE PROBLEMS DISCUSSED

Havana JUVENTUD TECNICA in Spanish Apr 81 pp 22-24

[Article by Lucy Gispert]

[Text] Our country's economic budget for foreign technical assistance is hundreds of thousands of pesos, which is absolutely necessary considering the technical levels we have reached. However, this large investment could become a mere flight of foreign exchange if we do not know how to make use of it. Here is where the counterparts play their role.

We all agree that if we are able to import knowledge, we should create conditions for assimilating it. This is the essence of the counterparts. We have a young engineer, graduate or middle-level technician who has the minimum of already established qualifications to work side by side with a foreign technician who has been contracted or who is working in an activity established by his country as part of cooperation agreements that Cuba enjoys.

The most important mission of the counterpart is that he be able to replace the foreigner when the latter leaves.

Of course, we deal not only with replacing him, but with having the work continued with similar efficiency. In this way there is guarantee than when there is a breakdown of a machine or there is need to continue some research, this young person will be able to continue the work properly.

Technical Commissions

To supervise the organizational portion of the counterparts, technical commissions were created in every important center where foreign advisers work. According to this principle, wherever there is a foreign technician working, there should be a technical commission among whose functions is that of placing the counterpart from the beginning of the work of the technician.

To make the task viable and properly guided, technical commissions were created on the national and provincial levels, and in work centers. They must meet periodically with the participation of the representatives of the State Committee for Economic and Scientific-Technical Cooperation (the guiding organization of the functions of technical assistance) and the presidents of the Youth Technical Brigades connected with the work of assimilating the knowledge of the advisers.

Especially, the CT [Technical Commissions] corresponding to every center will work with the technician to increase his knowledge in the period, and will evaluate the result of the assistance determining its quality and efficiency.

The CT also has the responsibility of judging the technical contribution of the specialist, as well as the apprenticeship of the counterpart.

Complementary work to be evaluated by the commissions consists of programming of talks, lectures, seminars and other scientific-technical activities.

To give legal status to this important objective, instructions were issued, such as No 2 of 1978 which provides that within 15 working days following the arrival of a foreign technician, the corresponding Cuban counterpart will be assigned to him.

It is obvious that all the organizational measures are taken for the purpose of making effective the linkage of the chain counterpart-adviser; however, there are other factors that intervene acting as catalyzers without which the mechanism does not function. We are speaking of the administration of some centers that have foreign technical advisers.

Lack of Understanding

Since this is a relatively new task and the time that should be used by the young man in the process of apprenticeship often is not included in the economic estimates of the entity, the administration can adopt a rigid position on the matter. In other cases the participation of the presidents of the BTJ [Youth Technical Brigade] in the meetings of the technical commissions is not allowed, especially when they are held in places far from the work centers.

The treatment that the BTJ may receive depends on the status of the technical brigade, according to the work carried out, and also on how effectively it can demand facilities for the participation in the work by the counterparts.

Of course, what is being attempted here is to point out the places where notwithstanding the strong activity of the BTJ there has been lack of cooperation on the part of the administration. This is translated in lack of authorization to appoint counterparts, in delay in compliance, or lack of support.

Therefore, we should not let 2 or 3 years of the period of contracts of a specialist adivsor pass without replacing him with a counterpart.

Constant Transfers

The same negative effects are caused by the fact that once the counterparts are placed, they are transferred from the center of work after being exposed to a variety of tasks; in the end this is unproductive, precisely because of these constant changes. This example was found in the Center of Naval Projects (CEPRONA) in the city of Havana.

Not Enough Young People

A similar thing occurs in the centers where there are problems that could be called subjective. We are referring to the Rene Ramos Latour Mining Enterprise of Nicaro, Holguin Province.

In its periodic reports the enterprise states that there are not enough young people there to place as counterparts.

Similar difficulties occur in the Santiago de Cuba Petrochemical Complex and in the Diaz Brothers Refinery in the same province.

We hope that in the future these centers will be able to report to the readers of this magazine what has been done and how they were able to overcome the difficulties that hinder this valuable activity, where the Youth Technical Brigades are committed to the development of the country in its future projection.

11635
CSO: 3010/1798

MANZANILLO BATTERY FACTORY FAILS TO FULFILL PLAN

Havana TRABAJADORES in Spanish 8 Aug 81 p 6

[Article by Jorge Rivas Rodriguez]

[Text] At the central assembly celebrating the 28th anniversary of the attack on the Moncada Barracks, our commander in chief revealed the economic results achieved during the first 6 months of the year in the country's different fields of production. Speaking about the production of batteries for automotive equipment, Fidel said: "The production of batteries increased by over 20 percent, but we failed to produce 98,000 units planned for the period. The Manzanillo factory will have to make a maximum effort to fulfill this year's plan."

A few days before our chief of state delivered his major address in Las Tunas, TRABAJADORES visited the 20th Anniversary of the Triumph of the Revolution Battery Factory in Manzanillo, where we learned that since its founding in 1978, the workers in that important industry have never fulfilled their annual production plans.

We were also able to ascertain that ineffective administration on the part of previous management personnel at the center and weak trade union work were the main causes of the situation.

In this report, we propose to demonstrate in an objective manner how a lack of organization, irresponsibility and the negligence and incompetence of some administrative and trade union officials can undermine the efforts and productive achievements which our workers propose to accomplish in the building of socialism.

Some of the situations described here have already been corrected and in some cases, urgent steps are being taken to eradicate them. After a far-reaching and serious evaluation of the problems and the cadres working there -- some of whom have been replaced -- we believe that it is timely to tell of this experience so that our workers will be able to analyze the factors that in one way or another might obstruct the successful march of production or services in any establishment or unit and derive the proper conclusions.

Necessary Clarifications

The Manzanillo battery factory, located on the outskirts of that city on the southeastern coast of our country, cost over 20 million pesos to build.

The facility has modern Japanese technology and this equipment is housed in three large workshops, where the different parts that finally make up the batteries are put together.

Over 870 workers are employed there. Some 85 percent are young people, whose ages range between 23 and 26. This labor force is affiliated with the 13 trade union sections of the metallurgical trade union bureau in the enterprise.

Only a few months after its startup in December 1978, the plant produced over 20,000 batteries, which guaranteed the operation of a considerable part of the machinery involved in the 1978-1979 sugar cane harvest.

Likewise, during the last quarter of 1980, battery production at the plant exceeded 96,000 units, going beyond the commitment made to party leaders and the government to surpass the production plan of that period and provide the batteries needed for the 1980-1981 harvest.

However, these were partial production achievements. In other words, they corresponded to certain periods of the year when the enthusiasm of the workers prevailed, for despite the enormous difficulties facing them, they worked conscientiously so that the harvest would not be checked in any way.

Inefficient Management

At the 20th Anniversary of the Triumph of the Revolution Battery Factory in Manzanillo, socialist laws governing work hygiene and safety were indiscriminately violated. The most basic measures for protecting workers have not been taken into account since the factory went into operation.

"The head of work safety and hygiene does not care about the safety of the workers. He has never been interested in our problems, since he has rarely been at the plant. We were told that it was because he was involved in business related to his post, but we still do not have the necessary safety means," we were told by Edilberto Benitez, secretary of social and labor affairs of the enterprise's trade union bureau, who now also serves as secretary general of that rank-and-file organization, replacing someone else.

In all areas of the battery factory, workers are exposed to impurities and toxic substances in the air because of the gases given off by equipment during the production of batteries. Likewise, temperatures at several work stations are very high and in more than a few cases, the steam is so heavy that it can cause burns.

Of all the violations of Law No 13 on work safety and hygiene, the most alarming one is the one we observed in the workshop where the electrical formation of the batteries is done. There, workers handle acid without adequate means of protection. The concentration of that substance in the air is so strong that several meters before entering the area, one can hardly breathe.

Not only is it a matter of lazy administrative and trade union management in the face of the lack of necessary equipment to protect the workers. Rather, we noted that some of our comrades work without shirts and none uses the uniforms provided at the center for working with acid. No one has required their use!

At the Manzanillo battery factory, the regulations established by Resolution 406 of the CETSS [State Committee for Labor and Social Security] concerning the handling of harmful chemical substances are not complied with either.

There is little air in the grid workshop, which is the result of the gaseous substances given off by the crucibles located there. Nevertheless, there are four toxic gas ventilators there, standing in a corner for months waiting to be installed. The few windows are kept closed because the wall in question was being used to store various products. The heat and impurities in the air are also intolerable.

Nor do the welders in the lead recovery workshop do their work with the gloves made to protect them.

Another equally critical situation is faced by workers in shop 02, who have to wear as many as three cloth gloves on each hand in order to be able to withstand the steam given off by equipment used in the process of manufacturing the boxes, covers, stoppers and separators. It should be pointed out that the gloves they use are made for working at low temperatures.

In the face of this problem, the workers assigned thought up a cotton sleeve which, according to them, relieves the problem of the heat on the skin.

"Enterprise officials have never considered work safety and hygiene as a matter of vital importance. Nor has the trade union been very strict in seeing that such measures are obeyed," said Jesus Vargas, organizer of the party cell in the enterprise.

It is obvious that inadequate supervision by the safety and hygiene official and by administrative and trade union personnel has caused all of these abnormalities at the battery factory. These measures which workers are demanding in order to protect themselves are available to the economic entities that request them.

According to one study made at the center in order to carry out the supplemental monetary compensation established by the law for workers forced to face abnormal work conditions, that measure has been applied by work station rather than by areas, meaning that all workers employed in the shop but who do not handle or operate the equipment that emit toxic substances do not receive the benefit.

Naturally, this results in discontent between maintenance and quality control personnel, inspectors, lubricators, persons working with instruments and janitors, who remain in the shops for hours without receiving what is coming to them according to Resolution No 8 of the CETSS.

"At this center, there is not a single document serving as a guide as to how to carry out the CETSS regulations and orientations and those of other organizations that have to do with work safety and hygiene. The comrade who previously occupied the post had no copy of any law or resolution helping him in his work," we were told by chemical engineer Adolfo Vazquez, who is now responsible for industrial safety at the enterprise.

Disgraceful Hygiene

"Hygiene at the plant is a disgrace," Hector Lopez, now director of the industry, told us.

Back of the shops, in an area that visitors cannot see at first, grass is over a meter high. Tanks, battery crates, garbage and puddles of water turn this part of the factory into an extraordinary breeding ground for mosquitoes.

Inside the facility also, in an area next to the waste water treatment plant, is another garbage dump perfect for reproduction of the carrier of dengue and into which industrial and other waste is placed. A large quantity of pulverized lead is scattered there, meaning that every time there is any wind, that toxic substance is carried everywhere.

At the same spot, in an area next to the industry, the boxes of batteries rejected for technical defects since the plant opened in 1978 are dumped. A visit to the site verified our concern: It was the largest breeding ground for mosquitoes we had ever seen!

Workers also complain that the bathrooms build in the shops are used as storerooms, which prevents their normal use. The comrades protested about the deplorable hygiene and environmental conditions.

"Since this plant opened up, it has always been the same. No one has ever been interested in any of these problems, since other aspects were considered more important than protecting the workers and preserving the hygiene and beauty of the center," said Francisca Naranjo, organizer of the trade union section in shop 02 and a member of the UJC [Union of Young Communists] rank-and-file committee.

"For 3 years I have asked that they create minimal working conditions," Francisca added, "because along with my comrades, we have to work under circumstances that affect our health. If you will talk with all the workers in the factory, they will tell you the same thing, but here, we have continued to produce in order to turn out the batteries that our country needs."

Manzanillo Metallurgists

It is not only work hygiene and safety problems at the plant that have kept the workers from meeting their respective production plans.

"Here, the production plans for every year have never been discussed with the workers. After they set commitments that objectively speaking, we cannot meet, they inform us when the guideline figures have already been lowered. In other words, the economic figures were never analyzed with those who have to guarantee production," emphasized Luis G. Pereira, currently deputy technical director of the enterprise.

The workers say that the plans were set up without taking into account the organizational factors such as maintenance and equipment repair. "The production plans

are not worked out in keeping with the development of the factory. They are theoretical, not objective, since the opinions of the workers and the real problems of the plant have never been taken into consideration in their drafting," Jesus Vargas told us.

We also learned that the lack of organization at the center has reached such proportions that many workers have lost their custom of arriving at the factory on time.

Another problem affecting production was the poor condition in which raw materials are often received, due to the fact that the industry's laboratory does not have the means to analyze these products before they are processed.

One question that concerns workers greatly has to do with application of Decree Law No 56, which establishes pay for work interruptions. "To date, that document has been violated indiscriminately and it is applied according to the whims of the administration," Edilberto Benitez said.

There are also problems with maintenance of equipment. "One machine has been paralyzed for over a month because when the operating tests are conducted, the products come out poor and when the mechanics who repaired it are questioned, they say it is the problem of the electricians, that the situation is the responsibility of other technicians participated in maintenance. Consequently, no one wants to take responsibility for the flaw and the equipment stands idle. No one demands quality of them in their work," says Silvia Arias, chemical engineer in the separator shop.

Many other problems were outlined by the workers, all caused by inefficient administrative management and lax union requirements.

This year, the Manzanillo factory was to put out 435,000 batteries, a figure which would demand extraordinary efforts on the part of the workers. At an unprecedented assembly held on the day we visited that important industrial facility, the new administrative and trade union management and the workers expressed their willingness to work with revolutionary fervor to immediately solve all these problems in the shortest possible amount of time.

We are convinced that great transformations are taking place in the Manzanillo battery factory. The workers are sparing no effort to carry out their plans and declare that their center has conquered the 26 tasks set before them by the Granma trade union movement so that the province would be chosen as the site of the central assembly on 26 July 1982.

Whatever the case, we pledged to visit that industry when things are going well, as required by socialist law in defense of those who create the foundations for the building of communist society, on behalf of the country's economic and social development. The metallurgical workers at the 20th Anniversary of the Triumph of the Revolution Battery Factory now have the floor.

11,464
CSO: 3010/1816

AGRICULTURAL, FORESTRY WORKERS UNION'S TASKS DISCUSSED

Havana TRABAJADORES in Spanish 14 Aug 81 p 2

[Article by Rene Penalver, secretary general of the National Agricultural, Livestock and Forestry Workers Union: "Everyone to Perform the Tasks of Strengthening Union Rank and File"]

[Text] Among the most significant and important agreements reached at our union's recently held third congress, the one that sets the policy we must pursue in the strengthening of our rank-and-file organizations, especially the union locals, stands out from the rest.

This decision, which comes in response to a need specifically appraised and evaluated by the congress, commits union cadres at all levels, from the secretariat and the national committee to the locals themselves, which will come out of the process we have just initiated throughout the country truly strengthened and revitalized.

In tackling problems of an internal nature concerning the operation of and work performed by our rank-and-file organizations, the congress arrived at very serious conclusions about the efforts of the enterprise union administrations to strengthen themselves, but especially to pay greater attention to the union locals and perfect the administrations' techniques for the management and supervision of the locals.

In talking about rank-and-file organization problems, we will chiefly discuss the union locals, keep in mind the union committees and also concern ourselves with those places where the number of workers in the group is very small and is represented by a union delegate.

The strengthening of the union rank and file — and we will return to this point with the necessary emphasis — is the most critical aspect of our work. The situation is not an alarming one, but we are all aware of the fact that the greatest difficulties are rooted in the union local as a consequence, among other reasons, of the inevitable dispersion of our districts and blocks at times display, with leaders who have to perform their daily production tasks, enforce the rules, contribute to the execution of plans and, as is only right, not receive any wages for doing so.

The CTC [Central Organization of Cuban Trade Unions] recently rated the work done last year by the union as good in connection with the socialist competition program. We would be irresponsible and conformist if we were satisfied with this evaluation, if we did not strive to go on improving on our practical results. But we must point out that the program is progressing better than ever before.

But the competition program is not acquiring its real meaning nor is it gaining ground in the administrative councils of the enterprises, in the provincial committees or at national union meetings. The program thrives and is carried out by the worker himself, as is the case with the raising of levels of production and productivity, advances in the degree of involvement and economic efficiency in general. The same is true of job discipline, which really exists among the workers themselves, with whom the union local has closer and more primary relations.

Because of all this, so that its tasks may be related to the essential revolutionary content of the union, so that efficiency does not become a mere slogan, a watchword, but rather that it constitutes a reality of the practical effort, the rank-and-file organization must of necessity be strong, one in which the union administration performs its irreplaceable role through well-drafted directives and the establishment of appropriate controls over the results achieved in the union locals.

We have uncovered improper working methods in the execution of the plan agreed on, and which constitutes a real organizational offensive, in some union administrations, especially in terms of how the work is oriented, verified and supervised in the union locals. In the first visits we made to 13 locals in Jobabo, 9 in Amancio, 41 at a Pinar del Rio cattle enterprise and 23 at the coffee and vegetable enterprise on the north coast of this province, we found some of them incomplete. In others the executive committee does not meet as such and, therefore, its work falls on the shoulders of the secretary general and the organizer.

Analyzing problems having to do with the makeup of the executive committee, which is a somewhat widespread activity, we are taking steps to change the situation. Frequently, the administration is surprised by the mobilization of union local cadres by the Territorial Troop Militias or by absences of some other sort.

Belated awareness or ignorance of this situation is the result of the defective management techniques we have noted and of the failure to hold union and joint committee meetings which the administration and municipal committee ought to organize and direct.

These cadre movements are a current necessity in this country where production and defense form an indispensable unit to meet the threats and attacks of Yankee imperialism. Our union movement must generate the forces that contribute to victory in this confrontation, but there can be no justification in this effort for incomplete union locals with no internal life of their own.

To face and help resolve this situation, we must organize and develop a strong activist movement that is dynamic and capable, an activist movement that really exists, capable of temporarily or definitively replacing cadres that have been internally mobilized, transferred or are on internationalist missions.

A permanent source of union cadres, inherent in the activists is an element of multiplication of the work, a guarantee of continuity and the very form of existence of the union movement.

We must point out that in some places activism is practically unknown and in others activists do not dominate union work but are merely names without practical functions. For every 10 workers there ought to be at least one activist, but a real

activist in a powerful movement that can include outstanding workers and leaders who, by their personal example, can positively influence the work of all.

Our work with the rank and file should make of the union a useful and necessary organization with a revolutionary and class purpose. Not as a mere extension of the administration, but as a counterbalance interested in improving each worker's living and working conditions, in the organization of the work, safety and hygiene and many other tasks the union is responsible for.

By September or October we will finish the first part of the process. Then we will know who has been disciplined and who has carried out organizational tasks. Members of the provincial secretariats must at all times participate in each enterprise's union meetings or at least in the balancing process that each union local has to conduct every 6 months. Through the application of this package of measures, we will be able to come to the /first plenary session of our national committee/ [in boldface] with positive results in our effort to strengthen the union locals.

With the reports that are delivered on that occasion, the national committee will make an appraisal of union life among the rank and file and reach important decisions on this, which has been its essential task since the congress was held.

In the second round, scheduled for the coming year, we will be able to verify whether we have done our job well, whether we have a good rank-and-file organization, whether there is discipline and a sense of purpose for what we have to do, how and with whom we have to do it. At that time we will demonstrate to ourselves what we are capable of, we will know whether we have accomplished what the masses entrusted us to do and achieved what the revolutionary government and the party expect of us.

11,466
CSO: 3010/1817

PROBLEMS IN PORT WORK, INTERNAL TRANSPORT DELAYS

Risquet on Port Work

Havana TRABAJADORES in Spanish 13 Aug 81 p 1

[Text] Dock workers of the central provinces obtained four first-places, two among the brigades and an equal number in ports, in the National Review of the Al Rojo Vivo Emulation corresponding to the first 6 months of the year and presided over by Jorge Risquet, Politburo member.

The best middle-sized port in mixed cargo was Isabelia, and Cienfuegos was best among the intermediate ports in general cargo.

Among other winning ports were zone five of the City of Havana in general cargo for large ports, and Carupano in Las Tunas for small general cargo. Manati, also in Las Tunas, was best in sugar among small ports, whereas in fertilizers Felton, Holquin, was tops in the large category and zone three in Nuevitas among intermediate ports.

The port of Cardenas obtained first place in mixed cargo among large ports.

Risquet stated in concluding that the party leadership highly values the labor of dock workers, who were able to respond to the June 1980 call declaring an emergency in the sector.

Risquet indicated that it is necessary to work to cut demurrage payments to zero, which requires a struggle to achieve rapid dispatch in all maritime and terrestrial transport means.

He indicated that there are organizational and negligence problems that are working against this objective and that in many instances debase the great work of the longshoremen, and he exhorted them to eliminate these problems for the benefit of the country's economy.

Risquet Praises Eastern Ports

Havana TRABAJADORES in Spanish 14 Aug 81 p 1

[Text] Jorge Risquet, Politburo member, noted here today the favorable situation of the eastern ports during the first 10 days of August, and he appealed to the components of the transportation network in central and western zones to exert greater efforts in the face of the imminent arrival of a large number of ships.

Risquet, accompanied by Guillermo Garcia, Politburo member and transport minister, presided over the emulation plenum of the internal port-transport-economy network of the eastern provinces.

During July all of the regional maritime terminals exceeded the loading and unloading plan by 5 percent with the exception of Felton in Holquin, which more than 20 days with no ship arrivals.

Moa was most outstanding in its export program, handling 4,886 metric tons of merchandise more than planned and the rest was affected.

Stocks of goods were diminished by some 7,000 metric tons. Guillermon Moncada of Santiago de Cuba gave the best results by reducing its inventory in port warehouses or in the open air by almost 9,000 tons.

Participating in the meeting were political, union and administrative leaders from Guantanamo, Santiago de Cuba, Granma and Holquin, and it was reported that the railroad branch attained one of the best indicators so far this year, growing by 46 percent and exceeding its plans.

Granma occupied first place in the Al Rojo Vivo Emulation of the network and received the flag prize from Guillermo Garcia, whereas Holquin obtained second place, followed by Guantanamo and Santiago de Cuba in that order.

Risquet called their attention to the necessity of maintaining the system of daily consultation in the municipalities, and he praised their success in completing all of the steps of the internal port-transport-economy network.

Havana Transport Delays

Havana TRABAJADORES in Spanish 14 Aug 81 p 1

[Article by Pedro Vallardes]

[Text] The system of merchandise transport in the City of Havana has had a negative balance in the last 7 months, according to data computed by EXPEDITRANS, indicating that the country's capital is the province with the highest index of delays among cargo transport crews.

In the sample for the month of July, 15 enterprises were selected. These enterprises caused the economy losses of 83,039 pesos due to the retention of 2,570 trucks without proper and timely unloading.

The total time lost was 8,976 hours, which represent 6.1 hours per truck, or sufficient time to make three additional trips per truck.

Between the months of January and July capital losses due to delays remained above 25 percent, significantly higher than the national average of 11.65 (certainly high enough). After Havana, the province reporting the highest index was Matanzas, with 13.86 percent due to delays.

Comrade Emilio Sangronis, director of EXPEDITRANS, said that the factor most important in the delays is the lack of merchandise reception in the majority of depots, many of which work with inadequate schedules not in harmony with the working hours of the merchandise transport crews.

"We work 24 hours," he added, "and many depots finish their work at 4:00 or 5:00 in the afternoon, and in these cases the crews suffer greater delays."

Who Understands This?

When they told the TRABAJADORES reporter about the case, there was no alternative than to ask them to repeat it. It seemed so strange--something that has to be seen to be believed. It has to do with a problem of double transportation.

The situation is that here in the City of Havana there is a certaim amount of caustic soda which is being sent to Villa Clara. But from Cienfuegos they are also sending caustic soda to us in the City of Havana. Is that clear? That is, we are sending the soda to a central province, and the same product is coming to us from another central province.

This is also occurring with tire shipments from Cienfuegos to the capital, at the same time that the capital is sending tires to the central provinces. Is that a game? No, it is more serious than a play on words. Now the most difficult thing is to find an explanation for it.

9746
CSO: 3010/1818

IMPROVEMENT IN ATTENDANCE AT HAVANA NOMINATION MEETINGS

Havana TRABAJADORES in Spanish 13 Aug 81 p 1

[Article by Antonieta Cesar]

[Text] In accordance with totals accumulated since the process began, the province City of Havana has substantially improved its average attendance at nomination meetings, reaching 78 percent in that fundamental indicator.

In an informal talk with journalists, once the assembly of the 1st and 2nd CDR [Committee for the Defense of the Revolution] of District 10 of Playa was concluded, Jose R. Machado Ventura, member of the Politburo and president of the National Electoral Commission, who had participated as elector of the area, declared his certainty that the City of Havana would raise the average attendance at the meetings.

Machado analyzed the factors incident in the results of the capital province and reiterated that the organization measures that may be enacted will be the key to success.

In relation to that he indicated the cases of the provinces of Pinar del Rio, where the work displayed is decisive in the numbers attained, and Granma, whose mountainous territory did not prevent it from beginning and ending the process ahead of the others, an effort which he considered very laudable.

Evidently the measures adopted in the City of Havana are bearing fruit. The rising tendency that had been noted in previous days is continuing; of the 15 municipalities, 6 reached or exceeded an 80 percent average attendance.

Arroyo Naranjo, considered one of the large municipalities, achieved an overall 79 percent, followed by Marianao and East Havana, 78 percent; Playa, 77 percent; and Old Havana and Plaza, 75 percent.

The one that had been farthest behind, Central Havana, was able to raise its attendance to 70 percent, which lets one hope that the results of 1 day may possibly be continued in the future.

In an important meeting held at the Municipal Electoral Commission attended by Jorge Valdes Rodriguez, Central Committee member, second party secretary in the province and president of the Provincial Electoral Commission, the strategy to follow for raising attendance in Central Havana was analyzed.

Also present were the zone coordinators for the CDR, the mass organization which has contributed most in mobilizing the electors to attend the meetings.

Valdes recommended that a count be made of the notices not only at the beginning, but also at the end of the meetings, and he called for work among the youth sector, which does attend, but could do so in greater numbers. He likewise emphasized that the labor movement can also assist in this process.

9746
CSO: 3010/1818

MONTES DE OCA DISCUSSES GOVERNMENT POLICIES, 1983 CANDIDACY

Caracas EL UNIVERSAL in Spanish 14 Sep 81 p 1-12

[Interview with Interior Minister Rafael Andres Montes de Oca, by Alfredo Palacios; date and place not given]

[Text] The minister attended the La Salle School in Barquisimeto. At the desk beside him he met a young man from the plains who was not yet wearing a "guama fur hat." He never challenged him for his seat; on the contrary, he saved it for him. His classmate became the president of the republic, and now he does aspire to replace him in the seat, but with his colleague's consent, of course.

Now he does want to be head of state, and if he competes for his party's presidential candidacy he says, "I shall do so to win."

"Thus far, I have always run to win, because no one runs to lose. No one can take action, unless it is under exceptional circumstances, merely to be recorded in history for having done so."

Rafael Andres Montes de Oca, minister of interior, one of the "Naguaras" from Barquisimeto, is convinced that there will never be in COPEI [Social Christian Party] an instrument that would impede the achievement of what best suits the party and the country."

The minister has administrative experience. He was chairman of the Iribarren District Municipal Council, and secretary general and governor of the state of Lara, having held the latter post during Dr Rafael Caldera's presidency. He now occupies the policy-making ministry, in which he has implemented the following policies during the past 2 and a half years of government:

1. Policy of coexistence and dialog with all sectors of the nation;

2. Policy for regionalization of development;

3. Policy for regulation of residence in the country and orderly arrangement of the population;

4. Policy of security and public order.

Government Action

Montes de Oca gives a summary of each one of these points.

"We have started dialog with all the private, political and cultural sectors. This has unquestionably brought benefits to the government and the nation, because there is a system for reporting and exchange of ideas that is inherent in the policy of coexistence and dialog begun by President Herrera in his election campaign."

[Question] You mention democratic dialog. Recently, there were demonstrations and strikes in several states, and the government made some attempts to prevent those actions.

[Answer] The government has not prevented any democratic demonstration. What we do not accept are illegal strikes, because they are not democratic demonstrations. We do not believe that democracy can mean that everyone does what he pleases; because that would be an anarchistic country. No one can claim that a demonstration which comes within the bounds of Venezuelan laws has been hampered or prevented by the government.

[Question] But don't you think that people have a right to protest against what they describe as excessive increases in the rates for basic services?

[Answer] Completely. That is a constitutional right.

Obstacles to the Execution of Projects

In the area of regional development, he created the office on the sectorial level in the Ministry of Interior, initiated the regional governors' conventions, lent significance to the National Governors Convention and started the phase of administrative decentralization.

[Question] What is the situation with the governments which are assigned budgets but which do not execute the projects?

[Answer] The governments do a job that is often ignored by the national community. They invest about 4 billion bolivares per year in projects. However, the coordinated budget management creates a series of procedures which at times hamper or delay the initiation of a project of public interest.

Nevertheless, Minister Montes de Oca stated that those problems are being solved through the regional development office.

"I would say that the management of the regional budgets and particularly that of the coordinated budgets has improved substantially."

Another point relating to his administration is that of regulating the residence of foreigners in the country.

"All of the nation's sectors had been anxiously citing the presence of persons without identification papers. The national government, through the Interior

Ministry (MRI), implemented a program and eliminated that problem. No one in the country mentions the people without identification papers any longer."

He claims that they set up a system and a procedure which are unique in the world, and which have served as a model for other countries.

"We say with gratification that the regulation of the residence of foreigners in the country is one of the ministry's major successes."

He announced that they would supplement that program by submitting a new law on foreigners to the Congress within the next few days.

There Is No Crisis Among the Police

In his opinion, the fourth important aspect of the administrative action of the ministry that he heads is the one relating to security and public order.

"We have achieved success with a system of coordination for the maintenance of personal security, implemented in what is called the Union Operation."

He also notes that high priority has been given to the police institution, with a system of information and control for the state police forces. Police schools have also been financed to train the officials of public order.

"Without everything arranged yet, we think that the implementation of the Union Operation in national time and space will bring obvious benefits to the country."

It was commented to him that, recently, all the security agencies have been involved to some extent in criminal acts, which reflects a serious crisis.

The minister hastened to respond: "There is no crisis; nor are all of them involved."

He was told: "All of them have been mentioned in one way or another. The Mamera case, the case of the businessman Nelson Alvarez, and the robbery in the PTJ [Judicial Technical Police] itself."

The minister proceeded to defend the police forces, and claimed that they have improved under the present government.

"Nowadays, the DISIP [Directorate of Intelligence and Preventive Services] is an institution of public order respected by the community. An attempt has been made to give them, not an image, as people say, but rather functions and a control thereof, which have created an important instrument for security and public order."

He claimed that the metropolitan police and the state police forces have improved enormously, both in the professional training of the individual and in their institutional betterment and backing. "The fact that there has been a Mamera case? That has nothing to do with the institution, from any standpoint; because the police were never accomplices in any criminal act."

[Question] But it appears that there was something of the kind.

[Answer] There was not. It was only said that he was the gentleman, and you know where and how that is.

In the case of the disappearance of the businessman Nelson Alvarez, the minister made a vehement defense of the action taken by the PTJ director.

"Dr Sosa Chacin, who is an asset to Venezuelan legal science, was appointed by the president, with the mission of raising the morale of the PTJ, and he has succeeded therein. He personally ordered the investigation of the Maracay case, and he has said that he is ready to do so in any part of the country."

In his opinion, it is understandable, among the police of Venezuela and the world, that one of their members might take advantage of his position to commit criminal acts.

[Question] But is it not proof of the moral crisis that robberies are committed even among the police forces themselves?

[Answer] No, never, because what occurred there has already been sufficiently explained. That was not the force, but some individual who has connections with the PTJ in one way or another. But there is no police crisis.

[Question] Then there is no need for the intervention proposed by some congressmen?

[Answer] No. What is needed is intervention among the individuals who are committing crime, and the police themselves are acting in that direction.

It Is Not Running Smoothly

[Question] According to what you have stated thus far, the country is running smoothly....

[Answer] No, I am not telling you that the country is running smoothly. The country is running on the responsibility of its people, with difficulties and problems, but with an absolute awareness on the part of the government that it is steering the nation's life toward a dimension that is really compatible with reality. That has been the government's great strategy.

[Question] Nevertheless, Carlos Andres Perez and other leaders of the opposition are constantly claiming that the country is in a state of crisis and that the government seems unwilling to take note of this.

[Answer] I have listened very attentively to the speeches of former President Perez. I think that he often delivers them more as a personal regret, because he could not do such things in his government, than as a criticism of President Herrera's government.

Minister Montes de Oca remarks that the government has admitted that there is opposition to it, and that, "this is no reason for us to be converted into ill-bred boys and arrogant rulers."

He adds: "Furthermore, this is the first democratic government that has not gone about inquiring in the polls what course of action it should pursue in its administration. The government is fulfilling its obligation, even though the decisions that it makes may affect its image in the eyes of the public in a circumstantial way."

[Question] The polls, precisely, reflect the discontent with this government, and if this situation continues, they might lose the next elections.

[Answer] I think not, because the people understand. For example, there are people who tell us that we must cut the cost of living; but at the same time they go to the rural areas and tell us that we must raise the prices on the level of the agricultural and livestock producer. Then, because Venezuelans are not dolts, the people realize that there is opportunism in the proposal. We prefer to leave the scene, face the problems and give them the solutions which suit the country.

[Question] But don't the people who are lining up at the headquarters to sign up for the military conscription feel that the problems are being solved?

[Answer] That has been complicated greatly by the people's impatience, because we have informed the public of what it must do. I don't think that people are going to lose hope in the country now on that account.

[Question] But they will in the government party.

[Answer] I don't think so. A party which can submit to the public the credentials of having fulfilled its obligation, although that may have disagreeable to some individuals temporarily, could never be denied the opportunity to continue guiding Venezuelan life.

There Will Be No Fireworks

[Question] Many people are expecting the government to adopt measures during the remainder of the term which would tend to improve the situation. This is also a desire of many who backed the present officials. Montes de Oca has announced that no special measures will be adopted.

[Answer] We hope and believe that we shall not adopt any special measures with which to decorate ourselves and present us with a visage different from the one that we have shown the country during the past 2 and a half years. That would be like saying that, for 2 and a half years we would carry out a serious, reliable government, and for the other 2 and a half years we would clown about. We shall have an improvement in the area of public opinion, but not on account of political innovations, rather, because of the results of what we have implemented.

[Question] Then can it be said that this government has fired all the shots that it had?

[Answer] No, never. This is a government which has not devised a special strategy for playing with fireworks at the end of the term. Furthermore, the communities are not inflexible; they are active and dynamic, and in their constant transformation now realities appear, which must be dealt with using new initiatives. So, telling you that we have already designed a suit in which the country fits is really doing a poor job of tailoring.

I Shall Run To Win

The question in the government party is whether the policies implemented by the government will guarantee them victory in 1983. Montes de Oca believes that the people will support those in politics who have a single face and act in a single direction.

[Question] Would you be that card for victory in 1983?

[Answer] I am not playing this personal card in politics. But I can say the following: There are many Venezuelans who have told me that they sympathize with the notion expressed in your question.

[Question] But there is the impression that you have given up your aspirations because of the "darkness" that Dr Caldera has brought you.

[Answer] No, I have neither given up nor expressed my aspirations. I cannot go about the streets promoting an extemporaneous presidential candidacy, when I have the responsibility of directing the government's policy.

[Question] In a way, you have the country, your party and former President Caldera on edge, because you have not yet taken a stand as to whether you will launch your candidacy.

[Answer] I must take a stand at the time that befits the law and the national interest. You cannot tell a boy studying for a degree in the first semester to take the final examination; it would be crazy.

[Question] In all the political parties, they are hastening to take that final examination which you have mentioned.

[Answer] Politics teaches us that one should not be awaiting what another does, so as to assume his same speed. The speed of events and of those moving therein must be set by oneself, and not by others.

[Question] Some leaders of your party have voiced concern that, when you establish your presidential aspirations you will no longer have an opportunity to obtain the nomination in view of the advantage that others have. Then would you run to lose?

[Answer] I do not believe that the process for selecting presidential candidates in COPEI, because of the fact that we can advance it artificially, has created a level of commitments which makes a healthy and beneficial internal controversy impossible. What I am absolutely convinced of, and it is my practice, is that I shall never be an instrument in my party that would impede the achievement of what best suits it. Therefore, I don't think that anyone is bound to anyone else in a party which has a democratic style of solving its problems, selecting its officials and designating its followers.

[Question] Would you run to win or lose?

[Answer] Thus far, I have always run to win, because no one runs to lose. No one can take action, unless it is under exceptional circumstances, merely to be recorded in history for having taken that action.

[Question] Will you run?

[Answer] What do you think (Minister Montes de Oca smiles); there is no need to be impatient. These are matters requiring great calmness.

The minister goes and sits in the seat , but in the one of his office.

909
CSO: 3010/1859

AD PRESIDENT INTERVIEWED ON PARTY'S FORTIETH ANNIVERSARY

Caracas EL UNIVERSAL in Spanish 14 Sep 81 p 1-13

[Interview with Dr Gonzalo Barrios, president of Democratic Action, by Sofia and Carlos Rangel; date and place not given]

[Text] Dr Gonzalo Barrios, president of AD [Democratic Action], claims that there is a very extensive awareness in Venezuela, not only in AD but also among many sectors of COPEI [Social Christian Party] and in other opposition parties, such as MAS [Movement for Socialism], of the fact that it is essential to reach agreement concerning certain achievements, certain programs of a physical, financial and economic nature, but also on those of a political and social type. Upon being interviewed by Sofia and Carlos Rangel on the Venevision program "Good Day" the white canopy party leader stated: "Democratic coexistence should not be pressed too much, and in this regard I am not so pessimistic as you are."

[Question] How would you summarize AD's contribution to the Venezuelan political process over the past 40 years?

GB: An opinion of mine might seem self-interested or prejudiced but, assuming a vantage point outside the realm of AD, as a Venezuelan, it appears to me that the contribution has been extraordinary, and that, in the light of historical research and with a broader perspective, it will stand out as something highly significant; because, for the first time, it succeeded in compiling and organizing evidence regarding the national society and inferring from those studies and analyses the underlying truth about the country's potential, its politics and its public life. It established itself as a party including all social classes, the majority of which were not adherents nor beneficiaries of the Gomez dictatorship, organizing them with a single or central viewpoint, namely, political democracy, and with programs implicit in that premise, involving economic nationalism, social justice, the abolishment of the large estate system, etc. That entire revolution has been accomplished under the direction of, and with its impetus and leading contribution from AD.

[Question] AD had dreadful enemies, and I believe that it still retains those who said and still say that the Venezuelan political process was developing quite well, and that the coup d'etat or October revolution cut short that process, and that everything unpleasant and negative that has happened in Venezuela since then has been due to that thwarting of a process which had harmonious dynamics of its own.

GB: At best, assuming that a political process in the direction of democracy did, in fact, begin with the Lopez Contreras and Medina regimes, the pace that they considered appropriate for that process, and the bias accompanying those convictions demonstrate that it would have taken about 200 years to reach complete democracy. The step would not be a really firm one, because a great deal of prejudice still existed in Venezuela: in the first place, to the effect that the people of Venezuela were not fit to vote, and that if elections were called, there would not necessarily be anarchy alone, but also possibly a kind of slaughter or civil war around the election polls. The difference with respect to AD is that AD did, indeed, believe in the people of Venezuela.

[Question] In a discussion held here in Caracas on the subject of "Democracy, Authoritarianism and Totalitarianism" Romulo Betancourt said that nearly all the failures of democracy in Latin America have been due to the political stupidity of the civil leaders. This serves partially to underscore the merit of AD, but also to ask a slightly insidious question: Was that what happened on 24 November 1948?

GB: Several factors were involved in the events of that time, first of all what you have in mind: the mistakes of AD. There was a sort of revolutionist spirit among many of our members, especially those who were for the first time viewing direct political concerns, and who believed that a kind of subversion had cropped up in Venezuela, disregarding the position, interests and prejudice itself of many people who are also part of the nation, who also have a voice and a chance to take action (legitimate interests as well, said CR)....Legitimate and illegitimate interests. That contributed to the removal of a base from the party, a base of opinion, and perhaps substantially; because if it had had the backing of opinion that the democratic governments have had, perhaps this would not have occurred, because some of the participants in the movement would have abstained. It must also be considered that, at that time, there were still political interests which were not personal, but which might be called classist, represented in the government that was overthrown on 18 October, and which had not been neutralized nor converted to democracy sufficiently. So, there are two factors, acting rashly, and acting rashly in an area not completely cleared of difficulties.

[Question] From 23 January 1958 until a few years ago, Venezuelan democracy was very strong, because there was a basic consensus between the two major parties; but that consensus has been lost, and we are observing constant confrontation. Is our democracy strong enough to make it possible for us to disregard the lessons of the past?

GB: There is, actually, confrontation, especially during this period; because the current president of Venezuela has a certain personal proclivity toward controversy and even for reciprocal blaming for mistakes. But, at the moment of truth, essentially, both AD and COPEI are fully convinced that they are united on the need to uphold the democratic system. Last Wednesday, a relatively important incident occurred, namely, our visit to Miraflores at the invitation of President Herrera, on the occasion of AD's 40th anniversary.

[Question] What is the political significance of that event?

GB: Its political significance is that the government, for its part, by inviting us wishes, and we, upon accepting the invitation, wish to prove to the public,

and especially to those who may be speculating about the advantages or opportunities offered by that constant opposition for some kind of disregard for the regime, we want to prove to them that we abide by certain rules, and that we believe that there is, above all, an obligation to coexist in order to uphold the system.

[Question] Romulo Betancourt has just said that the government is leading us to the brink of danger, and you claimed that there was a slab of pessimism weighing on Venezuelans which was too heavy to lift.

GB: We do, in fact, believe that the government is leading the country to the brink of danger, and we claim that this government must be replaced, must be displaced, through the electoral expedient which, as I said in the message on behalf of the party, is the only means authorized by law and the one one which will guarantee the wholesomeness of the change.

[Question] From that perspective, which is correct, what is being said, and we did not invent it, is that AD has confused its membership and harmed itself politically when it accepted that invitation from the government.

GB: Not its membership, but perhaps a few members, and perhaps a few leaders who are motivated by different interests or by emotions other than this very clearcut one of the defense of the democratic system. The function at Miraflores was very serious, as was to be desired. There was not even a glass of whiskey, just a drink of champagne. Something simple and brief was precisely in order, and we remained from 1100 hours until before 1200 hours.

[Question] One would wish that all this reflected a real state of harmony, and that that cordiality was not fictitious or fleeting, but lasting and genuine. It so happens that, on the same day as that invitation, COPEI's leading spokesman on international affairs, with the possible exception of Dr Calvani, I am referring to Jose Rodriguez Castro, said that Carlos Andres Perez is a tool of Fidel Castro, almost a spy, and that he also must have had a hand in the French-Mexican communique; and that he is in a conspiracy to prevent El Salvador from holding elections.

GB: That is an ill-tempered way for Rodriguez Iturbe to express his admiration for Carlos Andres Perez, when he attributes to him all that potential for action and influence. So he is, rather, to be thanked for those statements.

[Question] It is worrisome that the relations between the two parties are being conducted in that dreadfully acrimonious manner. Carlos Andres Perez is one of AD's fundamental leaders. He did not go to the reception, something wherein he may perhaps have acted correctly, because it would have been very unpleasant to leave Miraflores and then find out that a COPEI leader was accusing him of being a spy for Castro.

GB: It was not compulsory for anyone from the AD leadership to attend the Miraflores reception. And there was actually a reason. On the same day, we had our own reception to celebrate the anniversary, a public party at noon; and, of course, many of the leaders were at the AD residence receiving the guests. That was the main reason for some of the absences at Miraflores. There is something important

in AD: The party's growth and the change that the country's political mentality has undergone have caused us to lose that type of disciplinary inflexibility that the early Christians had at the time of the Roman circus and wild beasts. Hence, we even have a certain personal freedom of speech. Carlos Andres Perez was not in agreement, and did not attend. There are many remarks which, if they were submitted to the CEN [National Executive Committee] for consideration, surely or possibly would not be approved; but they are not submitted to the CEN, because we recognize that there are certain freedoms of speech or personal expression, just as we also recognize an unusual participation by the independents, not only in the representation per se, but even in the AD's actions and decisions.

[Question] Recently, that evolution in the area of the relations between AD and COPEI has been, rather, an involution, a retrogression.

GB: I do believe that there is some of that. But I do not think that, in reality and substantially, the controversy between AD and COPEI is more bitter than during other periods. The fact is that there has never been a COPEI government so opposed to the public interest as the current one. We also had our clashes with the Caldera government, but President Herrera has a very marked desire for clashing.

[Question] Does that invitation from President Herrera to AD cancel the president's speech at San Antonio de los Altos, the one of which Ricardo Escalante, through diligent effort, obtained the tape recording that you heard?

GB: It does not cancel it, because that statement was so serious that it would be difficult to eradicate it with a gesture of a social nature; but it is possible. At the Miraflores function, he said that he recognized the fact that AD was a very powerful party, that it is not invincible, but very powerful indeed. Now at San Antonio de los Altos I don't think that he considered AD to be a weak party, but if he did have that view we would now be witnessing a major change in the president's opinion. If he believed it to be destructible and possible to intimidate at that time of euphoria over the victory that he had won, his thinking has changed, because he is now saying that it is a very powerful party. There are many aspects of temperament and personal taste as well involved in this. I think that in the conflict between AD and COPEI, 60 percent is on the part of COPEI, and 40 percent is added to it by the president's temperament.

[Question] There is the matter of foreign policy, which is usually an area of consensus. But what we are observing in Venezuela is AD claiming that the government has made its foreign policy COPEI-oriented, and that it is acting, not on the basis of Venezuela's national interests, but rather on behalf of the interests of international Christian Democracy.

GB: You cite the area of international policy as one of usual consensus; and, in fact, for our part we have always sought and we believe that we should present a single image abroad, especially if there are conflicts or a discussion of interests pertaining to us. For example, our clash with the government did not appear in the case of the dispute with Colombia, because the present government has not dealt with it from an exclusively COPEI viewpoint. Now, in Central America, it has made domestic policy applied to foreign policy; so that it considers the action in Central America to be a clash of an internal nature also; because

Calvani's ideal, and I mention Calvani because he personifies COPEI's international action and that of the government in those republics, the ideal is to establish COPEI's political influence in those countries. It is a part of the foreign policy which is being handled with a criterion of domestic policy.

[Question] Another area of drastic differences is the management of the economy. AD not only radically challenges the government's economic policies, but claims an alleged COPEI-orientation of the Central Bank, and states that the president of the BCV [Central Bank of Venezuela] is pathologically anti-AD. Can that be settled with a party at Miraflores?

GB: No, I don't think that it could be settled with a party by any means; but that difference can indeed coexist with gestures such as the one at Miraflores.

[Question] There is something more serious. AD maintains that the government is not only politicizing the oil industry, but also preparing to deplete its capital, to remove reserves from PDVSA [Venezuelan Petroleum, Inc] in order to finance running expenses.

GB: Actually, AD's observations in that area are based on a true fact: The tax policy which the government wishes to apply to the oil industry reveals the intention of making up for the lack of funds in the regular budget with a higher tax levied on the oil industry. In other words, if its taxes are paid off through the device of posted prices, official export prices which do not coincide with the liquidation prices, and there is a great disproportion between the two, it could and will inevitably happen that the profits, the gains that PDVSA might accumulate would be cut substantially; and that is the capital depletion to which AD refers. But I do not think that it is a deliberate policy aimed at harming the country; it is a policy aimed at saving it from the financial crisis being caused by the excessive running expenses and superfluous bureaucracy that COPEI has fostered.

[Question] When Carlos Andres Perez said that, COPEI responded quite violently. Now you are saying it, and one wonders anxiously whether a minimal bipartisan consensus can still exist when there are differences on such essential matters.

GB: I would say that the consensus, that understanding which is of so much concern to you, could decline, and could be reduced; but has not disappeared. And if there is anything on which we always agree, it is the need to maintain the democratic system, the system of liberties. Now, for a series of events to damage it, undermine it and even destroy it would be a serious political error; but it could happen.

[Question] Another very serious claim made by AD is that a plan is under way to weaken and subjugate the news media, so that they will be intimated during the coming election campaign. Can it state that seriously, and later hold those talks which you sometimes have with COPEI?

GB: It is perfectly compatible. One can claim the most serious things, believing them, but realizing that the other has the power, because it won that in elections and the power must be taken from it in elections; but matters must be kept within the bounds of minimal respect, and we wish to keep it there insofar as possible.

Now we believe in that plan. You know everything there is to know about spot commercials and regulations associated with television and radio, the purchase of stations by officials from COPEI or the government; because one doesn't know to whom they belong, whether they belong to COPEI or the government, whether one part of COPEI or the other part of COPEI; but, anyway, people with a view toward the election campaign.

[Question] What impact does AD expect to have on the political process during the 2 and a half years remaining to this government? Because AD appears to be really impotent, asleep or overly troubled internally to do anything but cry.

GB: The government has given the answer, when Luis Herrera states, and he has so stated on many occasions, that he cannot do anything because AD does not allow him to; so it would appear that AD has some power to tie the government's hands. You mention something that the government has done, and what it is thinking of doing; but it thinks of what it would like to do, and does not even attempt it. The things that COPEI would like to do! (Such as what? asked CR). Well, imagination enters into it here; from the shooting of someone (Indeed? said CR). I say it as a metaphor; the fact is that all of us in Venezuela actually want to shoot someone (Whom would you like to shoot? asked S). That is a very indiscreet question.

[Question] If the conclusion were reached that the relations between AD and COPEI will never again be what they were, and that, instead of striving together to support democracy, what they are doing is making it deteriorate with their clashes, isn't it necessary to formulate new ideas to replace the systems with which the country operated well for a few years?

GB: I think that the matter of systems can be associated with that of agreement. There is, actually, a very extensive awareness in Venezuela, not only in AD but also among many sectors of COPEI and in other opposition parties, such as MAS, of the fact that it is essential to reach agreement concerning certain achievements, certain programs of a physical, financial and economic nature, but also on those of a political and social type. So the idea is not so abandoned, nor so much up in the air. I shall be the devil's advocate; I say that not all of this bristling attributed to COPEI is related to COPEI, or all of COPEI. There are many COPEI members who also regret certain provocations from the government against AD, and it is important to point that out. The awareness that democratic coexistence should not be pressed too much is more widespread than you think. I am not so pessimistic as you! I think that more or less peaceful coexistence does have some value, and there is really no reason to be pessimistic, because one cannot demand a kind of constant, mutual joint celebration among all parties, those of the government and the opposition, so that it will be thought that democracy is progressing; because what happens then is that we give the people the impression that we are some sort of actors playing a game. That proves, and may I be excused by the good and lofty judges who think the opposite, that proves a narrow view among those with such opinions.

[Question] What likelihood is there that, if AD wins the elections in 1983, it can reverse the pessimism that you cited in your statements, but with deeds and not with rhetoric?

GP: I believe that there is a possibility, because experience has shown us that many of the current ills have a name of their own, and are even linked with certain whims of individuals in COPEI, in the government. Of course, I don't believe in miracles, and there are negative factors conspiring against the general prosperity on a world-wide scale, such as inflation, etc.; but with sincere action and acknowledgment of immediate or previous mistakes, confidence and optimism can be reestablished among the people of Venezuela to a large extent; to be sure, making it known that they cannot expect miracles, because miracles do not exist, and that not everything can be gainful and pleasant, but that there must also be sacrifices made, and work and discipline contributed as well.

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No. 2382

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CDB SEEKS ADDITIONAL $1.4 MILLION FOR ENERGY ASSESSMENT

Bridgetown THE NATION in English 7 Sep 81 p 3

[Text] The Caribbean Development Bank (CDB), needs another US $1.4 million to complete its five-year assessments of the wind and solar potential of seven Eastern Caribbean islands, authoritative sources said recently.

The sources said the bank would be seeking to raise the additional funds needed to complete all phases of the assessments.

The CDB had obtained US $512 000 to cover the first two years of the project which started in January.

The programme involves studies and data collections of solar radiations and wind speeds in Barbados, Antigua, Montserrat, St Kitts-Nevis, Barbuda and St Lucia.

A spokesman for the Caribbean Meteorological Institute (CMI), which is coordinating the project, said it is on schedule. Work has begun in Barbados, Antigua and Montserrat.

The CMI has set up five control stations in Barbados. The stations are basically 30-foot masts with equipment that measures solar radiation and wind speeds.

CMI teams conduct studies of the data at these stations. CMI officials said the project in Barbados should be completed in another two weeks and control stations have already been set up in Antigua and Montserrat.

The project is aimed at providing governments with studies on the most suitable locations for solar and wind energy systems which could be set up to reduce the high costs of imported fossil fuels.

A CDB official said the seven islands had been chosen first because they did not have significant hydro potential and it was important "to get some energy resource assessments going in these islands."

CMI officials said it is hoped that all of the CDB's member countries will have their solar and wind potential studies. (CANA)

CSO: 3025/01

GOVERNMENT, AMOCO AGREE ON PRICE, SUPPLY TERMS FOR GAS

Port-of-Spain TRINIDAD GUARDIAN in English 10 Sep 81 p 1

[Text]

GOVERNMENT and Amoco Trinidad Oil Company have agreed on a new price and terms for the supply of natural gas to the National Gas Company.

The agreement is expected to result in the development of gas reserves off the East Coast.

Signing of the agreement will take place this evening at the Hilton Hotel in Port of Spain.

Announcement of the new agreement was made by Rep. Errol Mahabir, Minister of Energy and State Enterprises, at the commissioning yesterday afternoon of the Oxygen Nitrogen Plant constructed by Trinidad and Tobago Oil Company Limited (Trintoc) at Point Lisas yesterday evening.

Minister Mahabir said that agreement had been reached on the price and other terms for the supply of natural gas to the National Gas Company.

He said: "As a consequence, a new gas field will be developed. A 20 slot drilling platform is to be installed in the South East Galeota area to be ready for production of natural gas in 1983."

The Minister also revealed that the National Gas Company had been directed to take immediate steps to design, construct and install a new 30 mile off shore pipeline from the South East Galeota field to Point Galeota.

SIGNING TODAY

The White Paper on Natural Gas which was the subject of parliamentary debate earlier this year noted that a substantial portion of the total proven gas reserves of Trinidad and Tobago lies in the area held under licence by Amoco off the East Coast of Trinidad.

The licence provides a small royalty interest to Government and through the NGC — Amoco gas supply contract reserves were for the supply of gas for local industrial and domestic use.

Amoco has been claiming that at the prices established under the contract, almost all of the reserves were not economical to develop and were therefore not available to the NGC unless the gas prices were renegotiated.

Details of the new prices and terms are expected to be given at today's signing ceremony in which Minister Mahabir will participate.

The new plant opened by the Minister yesterday is situated within the Point Lisas Industrial Complex and is primarily to provide the Iron and Steel Company with a continuous supply of gaseous oxygen and nitrogen.

It will also supply Fertrin with nitrogen.

Minister Mahabir explained that Cabinet had agreed that Trintoc, which had experience in the manufacturing of oxygen and nitrogen, should erect the plant to meet the needs.

He said: "The new plant, designed primarily to meet the ISCOTT's needs, would not be in direct competition with existing local manufacturers but will, nevertheless, be in a position to expand, if necessary, in order to protect the local market from the present monopoly situation."

Establishment of the plant was a step towards diversification of Trintoc, and at the same time introduce the company to the Point Lisas Complex.

STORAGE PLAN

Pointing out that the plant was coming on stream at a significant stage in the country's economic transformation. Mr Mahabir said that steps were being taken to enhance the conservation and use of energy resources, particularly natural gas.

"National Energy Corporation, Trintoc, NGC and the Ministry of Energy are now evaluating bids to award the contract for the storage of natural gas in underground reservoirs in the Penal area", he said.

Minister Mahabir stated that the NGC had completed installation of a second "jacket" as part of the project to collect 100 million cubic feet per day of natural gas currently being flared off the East Coast.

The plant, which will produce both liquid and gaseous oxygen and nitrogen, has a daily production capacity of four tonnes of liquid oxygen-nitrogen, 30 tonnes of gaseous oxygen and 20 tonnes of gaseous nitrogen.

It has a built-in storage capacity of 98 tonnes liquid oxygen, 64 tonnes liquid nitrogen and 8.7 tonnes gaseous oxygen.

The installation is to ensure that in the event of emergency shut down supplies to ISCOTT and Fertrin would continue.

CSO: 3025/01

DETAILS GIVEN ON CARICOM FOREIGN MINISTERS MEETING

Report on Seaga Speech

Kingston THE DAILY GLEANER in English 5 Sep 81 pp 1, 16

[Text]

PRIME MINISTER, THE RT. HON. EDWARD SEAGA, told CARICOM Foreign Ministers yesterday that the strategy for economic development in the Caribbean in the 1980s must be a dynamic export thrust to earn foreign exchange.

Mr. Seaga was giving the main address at the opening session of the extraordinary meeting of the CARICOM Foreign Ministers' Standing Committee at the Kingston Inter-Continental Hotel, downtown Kingston.

"Economies which could previously survive by treating foreign exchange earnings as secondary in importance, must now elevate export earnings to the place of primacy in any development thrust to keep pace with the rapid growth in the price of fuel and other imports," the Prime Minister said.

"The dominant strategy of the '80s therefore will have to be in a different direction, a dynamic export thrust to earn foreign exchange.

"This thrust can only mean increased trade, new exports with some flow-back into new imports to enlarge the two-way traffic in trade.

"A Caribbean policy to be meaningful must examine the means of accommodating increased trade, and particularly the structure of tariffs, quotas and preferences which can be adjusted to induce greater exports from the Caribbean region."

• LOGICAL MARKETS

Mr. Seaga said that the logical target markets for such exports are inevitably the giant North American economies of the United States and Canada.

Two other CARICOM Heads of Government are attending the meeting. They are the Hon. Miss Eugenia Charles, Prime Minister of Dominica, and the Hon. George Price, Premier of Belize.

Other heads of delegations attending the meeting are, Mr. Lester Bird, Deputy Premier of Antigua, and Minister of External Relations, Mr. Rashleigh Jackson, Guyana's Minister of Foreign Affairs, Mr. Charles Skeete from Barbados, Mr. Unison Whiteman, Grenadian Minister of Foreign Affairs, Mr. Barry Auguste from St. Lucia, and Mr. Basil Pitt representing Trinidad and Tobago.

The meeting, which continues today is being held at the invitation of Deputy Prime Minister, the Rt. Hon. Hugh Shearer, who is also Minister of Foreign Affairs. It was preceded by a CARICOM Finance Ministers' Meeting which started Tuesday and ended on Thursday.

• CARIBBEAN BASIN PLAN

On Monday the CARICOM Foreign Ministers will be joined by Foreign Ministers and representatives from the Dominican Republic, Haiti, Suriname, and other countries in the Caribbean Group for Co-operation in Economic Development. They are aiming towards negotiations with the United States, Canada, Mexico and Venezuela on the formulation of a "Caribbean Basin Plan" for economic development.

Chairman of the opening session was Dr. Kurleigh King, CARICOM Secretary General. Mr. Bird spoke on behalf of the Lesser Developed Countries (LDCs) and Mr. Jackson on behalf of the More Developed Countries (MDCs). Mr. Whiteman, the Chairman of the Standing Committee also spoke.

Mr. Seaga told the meeting that there was a greater commonality of interest currently in the Caribbean which should make it easier to frame a common policy to deal with common problems.

He said that the chief problem of the region is unemployment. As a whole the region had a 15% unemployment figure. To reduce the level to the 5% enjoyed by industrialised countries would require U.S. $6 billion worth of capital investments, and US $1.5 billion per annum of investment to keep it at the 15% level.

"It need hardly be said that these resources are not available entirely from within the region," Mr. Seaga said. "Conversely, if the Caribbean region cannot fully subscribe the capital required to reduce unemployment

levels or to stabilize them, then the choice which confronts us can be logically deducted: Do we allow unemployment to deteriorate because of insufficient resources or do we devise policies to supplement those resources to enable the best efforts to be made to maximise opportunities for the labour force?

• THE ONLY RECCURSE

"To proceed, I act on the assumption that the Caribbean policy-makers are resolved to mobilise external resources as a supplement to domestic investments as the only recourse to meaningfully tackle unemployment and raise the standard of living.

"The investment channel which largely preoccupies Governments is the flow of official aid. Aid-flows to the public sector are vital to establish the infra-structure for development, utilizing concessionary financing not generally involved in the market place.

"But aid-flows to the public sector are comparatively small in relation to the size of investment packages needed to create meaningful growth. Increases in aid are essential to any framework of new policies because of the type of friends which aid provides and the purposes to which it can be put.

"But such increases as increments on already small packages are still likely to be small aggregates compared to need. Aid flows alone cannot generate the increments we seek for development and growth. At best official flows must be considered essential to create the primary infrastructure required to attract and generate productive secondary investments.

"In Caribbean economies for the great part the dynamic sector which produces most of the real growth is the private and not the public sector.

• PRIVATE INVESTMENT

"In contrast to the limited resources of public investment channels, the real sources of big financing are private investment flows, which, aside from magnitude reach the sector which generate most of the productive growth.

"A Caribbean policy should therefore move beyond the question of aid-flows only, to examine how to induce greater private investment flows and in a manner sensitive to national needs and feelings.

"Private investment has been guided largely by the strategy of import substitution, creating industries to produce locally what was previously imported. This strategy has served its purpose well, it has been the engine for the development thrust of the last three decades. But it has run its course by exhausting most of the possibilities for import substitution.

"Some economies are too small to sustain this type of industrialization at all. A new strategy must emerge for the '80s. Bearing in mind the crippling increases in the price of oil, and depletion of foreign exchange balances that strategy is not difficult to identify.

• FIVE-FOLD INCREASE

"The cost of oil to the Caribbean region in 1973 was US$384 million. This has increased nearly five fold in seven years to US $1,700 million in 1980. Economies which could previously survive by treating foreign exchange earnings as secondary in importance must now elevate export earnings to the place of primacy in any development thrust to keep pace with the rapid growth in the price of fuels and other imports.

"The dominant strategy of the Eighties, therefore, will have to be in a different direction, a dynamic export thrust to earn foreign exchange.

"This thrust can only mean increase trade, new exports with some flow-back into new imports to enlarge the two-way traffic in trade.

"A Caribbean policy to be meaningful must examine the means of accommodating increased trade, and, particularly the structure of tariffs, quotas and preferences which can be adjusted to induce greater exports from the Caribbean region.

"The logical target market for such exports are inevitably the giant North American economies — the United States and Canada.

Mr. Seaga said that recent tariff liberalization by the U.S. authorities have resulted in 85% of all exports from the Caribbean to U.S. markets entering duty free in 1979.

A further list of 85 items now before the U.S. Government for approval for G.S.P. treatment, if approved, would lift the list of duty-free items to a value of more than 90% of the total U.S. imports from the area.

He said that though little room remained for improving the tariff arrangements, two of the most critical categories of production with the greatest potential for employment — shoes and garments — still presented high tariff barriers to imports from the region.

He said that it may be contended, however, notwithstanding the need to shelter certain industries, that total Caribbean output and meaningful expansions of this output is too small to offer any effective competition to current levels of U.S. domestic production.

He said that reduced tariffs to expand trade and private investment flows is not the only mechanism for adjustment, as quantitative prohibition plays a very important role in the prohibition of imports into the U.S. market.

Mr. Seaga noted that an Act of Congress permits components parts of a product to be exported from the U.S.A. to an external destination where it is assembled and re-exported back to the U.S., paying duty only on part of the production completed off-shore.

He said, however, that there may be room for further benefits even without lifting the quota levels, if collectively it is proposed that only the component of work accomplished overseas should count towards the quota and not the entire garment, the bulk of which originated in the U.S.

"Hence, if only 25% of a garment is the value of the work added in the Caribbean, the size of national quotas could be increased four-fold if only that external value was assessed by quota," the Prime Minister said.

He said that many more such devices could be discussed, but unnecessarily so in that the comments on tariff and quota barriers will illustrate the directions to which the region must look as a positive means of creating a new development dynamic through expanding export earnings and new employment opportunities.

• MEANINGFUL DIFFERENCE

The transfer of resources by private investment include financial flows in addition to mechanisms of trade, he said. Improved credits and arrangements all make a meaningful difference to the quantum of financial investment.

"The mechanism, for the most part already exists. Both the EX-IM Bank and OPIC are valuable financial intermediaries in the expansion of credits and the provision of insurance cover for new credits.

Mr. Seaga said the countries of the region would have to acclimatize their own economies to effective strategies to induce capital and convert into productive gain.

"An hospitable environment is the basic condition which any capital importing country must supply," the Prime Minister said. "If we fail in that basic prerequisite we lose the opportunity to increase our own limited resources, to extend the growth of our economies and to expand opportunities for employment and improved standards of living for our people.

• SUCCESSFUL STRATEGY

"The Caribbean has had success in its development strategy of attracting capital in-flows, converting them to productive enterprise and accomplishing all this without prejudicing sovereign rights or national interest."

He said he hoped that the current meeting would resolve to support a "Caribbean Basin Plan" and to convene a technical committee as soon as practicable.

"Thereafter the way would be clear for the Caribbean and Central American Communities to meet with the United States, Canada, Mexico and Venezuela, first at the technical level then at a Foreign Ministers Conference. From that point on the end would not be far, providing harmony prevails".

Kingston THE DAILY GLEANER in English 7 Sep 81 p 16

[Text]

Guyana's Foreign Minister, Mr. Rashleigh Jackson, told Friday's opening session of the Caricom Foreign Ministers' Standing Committee meeting at the Kingston Inter-Continental Hotel, that one of the "axiomatic" positions for the forward movement of Caribbean countries must be the recognition of ideological pluralism.

Mr. Jackson was speaking on behalf of the More Developed Countries of the region, (MDCs), at the Foreign Ministers' meeting, where plans for a programme of developmental assistance for the Caribbean and Central America are being discussed.

He said that there are clearly several fundamental and axiomatic positions which must be the basis of any new plan for the economic and social development of the Caribbean, and the peoples of the Caribbean basin.

"We live in a plural world," Mr. Jackson said."We live in a world in which there are ideological differences between the giants and there are no answers to the differences even between such systems in the international system. Therefore, it seems to me that one of the axiomatic positions for moving forward must be a recognition of ideological pluralism.

Respect for integrity

"A second axiomatic position must be respect for the integrity of our institutions and their autonomous character, as well as respect for the integrity of our states and their right to pursue their own political social and economic development.

"If the efforts of the international community are designed to build a regime in which we can have peaceful co-existence between different systems, we in the Caribbean should do no less. Indeed, I think our history enjoins us to set the lead in this direction.

Mr. Jackson said that the meeting had made a good beginning. The process of consultation has just begun and the basis of consultation would need to be widened once the region was certain of its own internal cohesion, and the contradictions between the positions removed.

Responding to the speech given at the start of the conference by Jamaica's Prime Minister, the Rt. Hon Edward Seaga, Mr. Jackson said on behalf of the MDCs, that the Prime Minister's speech had set the correct ambiance for discussions.

"Let me conclude Mr. Chairman by reiterating our deep gratitude for the warmth and comfort that has been extended to us," he concluded.

On behalf of LDCs

Mr. Lester Bird, Deputy Prime Minister and Minister of External Relations in Antigua, speaking on behalf of the Lesser Developed Countries (LDCs) expressed the view on behalf of the LDCs that the Caribbean Basin Plan being discussed at the meeting should contain the same types of agreements as those which made the Marshall Plan succeed.

Mr. Bird said that he could not help being "a little skeptical of another plan by our friends, the United States, Canada, Mexico and Venezuela, for a joint approach to Caribbean development aid.

He said that the LDCs of the Caribbean community have had the experience of the Caribbean Group for Co-operation in Economic Development, which after four years has realised no additional benefits.

"Indeed, the four years have been characterised more by frustration than by success," Mr. Bird said. "We therefore are naturally wary that talk on social and economic development is essentially for public relations purposes.

"Of course, we welcome any serious initiative to hasten the process of tackling the problem created in our economies largely by external influences, and in that context we are grateful to our friends for their apparent interest. However, it is not without significance that apart from a communique issued at the end of the Nassau meeting (of the U.S., Canada, Mexico and Venezuela) little is known about the development aid plan being discussed by our four friends.

Mr. Bird said that the LDCs wanted to fully participate in the development of the programme. He said that too often in the past plans have failed because the planners failed to take consideration of the priority concerns of those for whom the plans are made.

He said that the delegates should not leave Jamaica without establishing arrangements for compiling their own development priority areas for transmission to the U.S., Canada, Mexico and Venezuela. Those areas should be guided by the original concept of a real "Mini Marshall Plan" which inspired the Nassau meeting.

Marshall Plan

He said that the original Marshall Plan was formulated on a concept of independence, a recognition that the future of the U.S. and the future of the Western European nations were "inextricably intertwined."

"Is their any real difference now between the relationship of the four countries which met in Nassau and the rest of the Caribbean basin? For instability in any of our countries starts a ripple whose resulting wave affects all those whose shores are washed by the Caribbean sea".

He said that the Marshall Plan for Europe was dramatically successful because of three principal reasons: the volume of aid was large; the paths were clearly defined within a fixed time-frame; the recipients joined together in the Organization for European Economic Co-operation to exercise some responsibility for the allocation of aid.

Piece-meal basis

He said that the most important principle involved in the agreement was the concept that U.S. economic aid should not be on a piece-meal basis, but on a regional plan drawn up by European countries.

"I respectfully submit that we should strive to ensure that the Caribbean development aid plan embraces the following: a comprehensive approach which tackles development on a long-term as well as a short-term with the fullest participation of the Caribbean territories; a fixed time-frame of no longer than five years to achieve well defined goal; a large volume of aid with its greater proportion allocated to permit the LDCs to develop the infrastructure so that they may take advantage of access to preferential tariffs.

Solidarity

Another speaker at the meeting was the chairman of the opening session. Dr. Kurleigh King, secretary-general of CARICOM.

Dr. King said that the Caribbean had now entered into the period where there is need for a higher degree of political co-ordination and solidarity.

"Our objective should be the reaffirmation of our unique development needs and the formulation of a plan permitting them effectively. That must indeed be the primary objective of our consultations, and as I venture to think it is only aftr we have done this that we can define our reaction to the ideas which are being canvassed in the context of the current Caribbean Basin proposals".

Mr. Unison Whiteman, Foreign Minister of Grenada and chairman of the Standing Committee of CARICOM Foreign Ministers called on the Caribbean countries to continue to maintain the honour, dignity and spirit of co-operation.

He said he looked forward to a serious meeting. He paid tribute to the Jamaican Government for hosting the meeting. He said that the Caribbean was pleased to welcome any initiative towards solving the problems facing the region.

CSO: 3025/02

BRIEFS

JAMAICA-TRINIDAD TRADE--Jamaica imported $151.6 million worth of goods from Trinidad and Tobago during 1980 and exported $91.7 million to this country. Imports during the first five months of this year by Jamaica were $81.8 million while exports to Caricom countries totalled $45.4 million. According to a release from the Jamaican High Commission, the figures showed that Jamaica was interested in buying from Caricom countries and not only in selling to them. The release stated that over the five-year period--1976 to 1980--that country's exports to Trinidad amounted to $353.6 million while Trinidad and Tobago's exports reached $416.6 million, a balance in favour of the twin-island state of $63.0 million. It noted an article in the TRINIDAD GUARDIAN on August 20 stated that Jamaica's exports to Caricom countries increased by 11 per cent for the first seven months of this year. "This is heartening news for Jamaican at home and overseas responsible for export promotion." [Text] [Port-of-Spain TRINIDAD GUARDIAN in English 25 Aug 81 p 4]

BARBADOS-ANTIGUA COOPERATION--The Tourism Ministers of Barbados and Antigua yesterday made moves towards joint tourism and aviation initiatives for the two islands. Ministers Bernard St John of Barbados and Lester Bird of Antigua met for two hours yesterday, as immediate prospects for the tourism industry in the Caribbean remain under a cloud. After the meeting, Mr Bird told the Caribbean News Agency (CANA) that Barbados and Antigua decided to come together because of the commonality of their problems and the need to decide jointly on moves to meet the negative impact of recession in North America on Caribbean markets. He said issues discussed included servicing of the Eastern Caribbean by Caribbean Government-owned Liat airline, the state-run BWIA of Trinidad and Tobago and other airlines, methods of sales to the region and air fares. "We are looking at a number of areas, including double taxation agreements signed by most CARICOM member states....we are aware that this matter can cause some friction, among the pilots as well," Mr Bird said. Another topic Mr Bird raised was the sale of products of the West Indies Oil Refinery in Antigua, which is expected to resume operations later this year. Antigua wanted to sell some of the refineries products here, but Mr Bird said that certain arrangements Barbados had already made with Trinidad and Tobago would make it difficult for some of his islands' refined petroleum products to be sold in Barbados. [Excerpts] [Bridgetown ADVOCATE-NEWS in English 2 Sep 81 p 1]

CALL FOR REGIONAL SUMMIT--Port-of-Spain Trinidad, Wednesday, (UPI)--A cabinet-appointed Trinidad and Tobago team has endorsed a call for an urgent Caribbean summit conference the SUNDAY GUARDIAN reported. The appeal, first recommended

by a group of Caribbean experts, was made by several member states of the eight-year-old Caribbean Common Market and Community. The experts were commissioned to prepare a strategy for the region during 1980 and their recommendations were submitted to regional governments earlier this year, the newspaper reported. The committee's interim report, stated that while the treaty establishing the Caribbean trade block provided the necessary framework for furthering the goals and objectives of Caribbean integration, there were several recommendations, issues and problems still outstanding. [Text] [Bridgetown ADVOCATE-NEWS in English 3 Sep 81 p 3]

CSO: 3025/06

WEBSTER BACK FROM UK, CONSTITUTIONAL CHANGES TO BE MADE

Bridgetown ADVOCATE-NEWS in English 3 Sep 81 p 3

[Text]

THE VALLEY, Anguilla, Wednesday, (CANA) — Motion is soon to be introduced in the Anguilla Legislature seeking a formal request from Britain to amend the colony's present constitution, it has been announced here.

The announcement followed the return from London of a government delegation headed by Chief Minister Ronald Webster. The team was in Britain last week for constitutional and development aid talks with the conservative Thatcher government.

The delegation, which included the island's Social Affairs Minister Victor Banks, Financial Secretary Franklyn Connor, British Commissioner on the colony, Charles Godden and the government's Constitutional Adviser William Herbert, met with British Minister of State in the Foreign and Commonwealth Office Nicholas Ridley and Overseas Development Minister Neil Martin.

Arising out of the discussions, agreement was reached with Mr Ridley on proposed changes to be made to the island's constitution, details of which are to be announced soon. A motion will then be put before Parliament to enact the changes.

In the area of development, British Minister Neil Martin promised that all the requests made by the delegation would be considered within the context of the five-year development plan which Anguilla was now preparing.

Improvement to the island's airport, better facilities at the local hospital and port, increased electricity generating capacity, water supplies and new schools were among proposals for development aid presented to the British government.

Martin also promised the Anguillans his government's willingness to assist the island's development based on the expansion of tourism.

British development aid to the tiny island for the fiscal year 1981-82 is expected to amount to over 900,000 pounds sterling, including an additional 60 000 pounds which was agreed during the talks in London.

Mr. Martin also welcomed the Anguilla governments' expressed intention of achieving a balanced budget as soon as possible and discussions are to be held to reach agreement on a timetable in the regard.

CSO: 3025/02

BRIEFS

EDF DAM LOAN--St John's Antigua, Tuesday (CANA)--Antigua which often suffers severe water shortages, has secured a $50 million loan (one EC-dollar-37 cents US) to build a huge dam here, it was officially announced yesterday. Deputy Premier Lester Bird told the House of Representatives that the money would come from the European Development Fund (EDF). Mr Bird gave no details of the project. [Text] [Bridgetown ADVOCATE-NEWS in English 2 Sep 81 p 3]

CSO: 3025/06

MINISTER UNVEILS PLP PLANS FOR LOCAL GOVERNMENT ROLE

Friendly Islands Commissions

Nassau THE TRIBUNE in English 27 Aug 81 pp 1, 8

[Article by Anthony Forbes]

[Text] GOVERNMENT announced plans Wednesday for local government in the Family Islands by creating Commissions out of existing Boards to consult residents before implementing local government.

In a communication to the House of Assembly yesterday, Minister of Agriculture, Fisheries and Local Government George Smith also announced that there will be no Local Board elections this year to avoid undue delay of the commissions' work.

"Whatever we do, we must govern ourselves so that nothing would interfere with or destroy the national unity of our country and the solidarity of the Bahamian people," Mr Smith said.

He said the government has always been committed to extending to the people the opportunity to play a more responsible and meaningful role in the affairs of their local communities.

"However, it is the government's view that the manner and method by which this role is developed must come about only after the widest possible consultation with the people who would be directly involved in and affected by any decisions made with respect to the implementation of Local Government," he said.

He said that existing statutory boards would form the basis for Local Government Commissions and would be expected to come together to form a series of Local Government Commissions for this purpose only.

"These Commissions would be expected to hold meetings in their respective islands and the resident communities would be invited to submit views on the subject of Local Government under the guidance and direction of the Department of Local Government to ensure that every citizen has the opportunity to seriously consider, discuss and make an input for the implementation of Local Government," Mr Smith said.

He said the consultation should provide the appropriate form for determining the proper course of action that ought to be taken in this matter.

Mr Smith said that there are many factors that need to be taken into consideration ranging from the scattered nature of "our geography to marked differences in the economic and cultural life styles of Family Island residents.

"At the same time the preservation of national unity must be regarded as the principal consideration in these deliberations," he said.

The Minister said the commissions would have to seriously consider whether administrative districts should be determined on a geographical basis and whether it is advisable for each Family Island to be treated as a separate unit within the one system.

He added that it might be necessary to examine data on the distribution of population in certain areas and other similar types of information when addressing these questions.

"No system of Local Government, however well planned, could operate without well defined financial procedures and policies," he said. "It might be that certain revenues now collected in the Family Islands should become the responsibility of the local authority either wholly or in part."

He said that funding Local Government authorities might therefore include a combination of direct subsidies from the central government and fees collected in certain pre-determined areas.

"These are some of the broad questions that the

commissions would have to consider," he said.

He said the commissions would also need to address the question of whether each district ought to have the power to raise revenue and noted that the power to raise revenue also carries the responsibility to manage the funds prudently.

"With regard to the specific areas to be administered by Local Government authorities, the commissions would be asked to consider which areas of responsibility, either in whole or in part, might effectively be administered locally such as local utilities and facilities, licensing, and any other areas that might appropriately be the responsibility of local authorities," the Minister said.

He added: "It might well be that as a result of the consultations, commissions would have to discuss other areas of specific concern to certain islands and the implications of those concerns to the respective local community."

Mr Smith said that related questions regarding the size of each authority and the method of ensuring full representation of all settlements or groups of settlements would also have to be taken into account.

"The government would also wish to be guided with regard to a time-table in the event that a recommendation for the transfer of additional responsibilities to the local authorities is forthcoming," he said.

He also said the government would wish to emphasise the importance that it has attached to a speedy resolution of this matter and Local Government Commissions, therefore, "would be expected to complete their work within the next six months."

"Upon completion of the exercise, the government will examine the contributions with a view to arriving at a concensus of opinion on the matter at an early date," he said.

He said: "For the purpose of this exercise and to avoid any undue delay, the various Boards would remain as presently constituted. Accordingly, there would be no Local Board elections in 1981.

"The government is confident that the people would express their views in a responsible manner and, as in the past, the voice of the people would direct the path which this government would take."

NEW DELHI, India – An overloaded bus plunged into a roadside ditch killing 40 passengers and injuring 50 others, the United News of India reported today.

The domestic news agency said the incident occurred Wednesday in the Siwan district of Bihar state, about 360 miles northwest of Calcutta.

FNM Platform Statement

Nassau THE TRIBUNE in English 22 Aug 81 p 1

[Excerpts]

A FREE National Movement Government will promptly extend local government to the Family Islands because it is confident they can manage their own affairs, the minority opposition party said in a platform statement today.

The FNM also charged that the ruling PLP Government "betrayed" the people by its failure to implement promised local government and has sought to impose "dictatorial control" across ever-widening aspects of the lives of Bahamians.

The FNM said that in 1968, the PLP Government tabled in the House of Assembly a White Paper on Local Government promising to establish in certain Out Islands local authorities with clearly defined powers and responsibilities to act on matters affecting their own communities.

"After 13 years the PLP Government has not yet implemented the terms of this White Paper which solemnly promised the establishment of local government in the Family Islands," the FNM said.

According to the FNM, some of the responsibilities of local government authorities would include maintenance of local roads, water works, electrical plants and other facilities as well as licensing and the provision of certain health, educational and social services.

"We believe that many Family Island settlements would have water and electricity by now if the people had the authority to arrange for these things instead of waiting while the PLP Ministers play politics with their welfare," the FNM said.

CSO: 3025/03

NEW RESIGNATIONS HIT SDP; PARTY LEADER SOLOMON UNDER FIRE

Sands Remarks

Nassau THE TRIBUNE in English 25 Aug 81 pp 1, 8

[Article by Athena Damianos]

[Excerpts]

CHARGING that the SDP is "an experiment that has failed," ex-senator Dr David Sands said he decided to support the FNM under the leadership of Kendal Isaacs because it has a better chance of defeating the PLP.

He said the only solution to the problem of a divided opposition is for the SDP to disband. He said this should be done because the FNM is the stronger of the two parties.

"If the PLP is returned to power in the next general election, I anticipate an economic and social crisis in the Bahamas," Dr Sands said at an afternoon press conference in his Centreville Medical Clinic.

"They have no long term plan to solve any of the nation's major problems. The PLP has no vision for a future Bahamas. The nation is run on a day-to-day basis, from crisis-to-crisis...

"We must declare war on the PLP...This may be our last chance to change the government by a peaceful democratic process," he said.

"In view of the short time left before the next election and recognizing that the FNM is the stronger party, and that there is no major philosophical differences between both parties, the only solution to a divided opposition is for the SDP to disband," he said.

He called on Mr Solomon to give up the leadership of the SDP and run as an independent candidate.

Thompson 'Dismissal'

Nassau THE TRIBUNE in English 25 Aug 81 pp 1, 8

[Excerpt]

OFFICIAL Opposition Leader Norman Solomon said today a replacement will be named "within ten days" to fill the vacant Senate seat left by former Social Democratic Party Senator David Thompson, who, with Dr David Sands, was dismissed Monday by the SDP leader.

Mr Solomon, whose party has been rocked by a number of resignations since the beginning of this year, has already named insurance salesman Basil Christie to take the seat vacated by Dr Sands, who unsuccessfully contested the Rock Sound bye-election last year for a seat in the House.

Thompson Explanation

Nassau THE TRIBUNE in English 25 Aug 81 pp 1, 8

[Article by Anthony Forbes]

[Excerpts]

THE DISMISSAL of Social Democratic Party senators Dr David Sands and lawyer David Thompson by opposition leader Norman Solomon "was intended to minimize the impact" of their resignation from the party, Mr Thompson said today.

Mr Thompson said both he and Dr Sands have been meeting with FNM officials, including party chairman Cecil Wallace Whitfield and leader Kendal Isaacs on a "personal basis."

Mr Thompson, who resigned from the SDP because of the "seemingly hopeless possibility" of a unification with the FNM, said he conferred with Dr Sands on August 10 on steps to be taken to join the FNM.

He said he and Dr Sands met after the cancellation of the party's parliamentary meeting. He said Mr Solomon was advised that unless a compromise was reached with the FNM, both he and Dr Sands would leave the party.

Branch Resignation

Nassau THE TRIBUNE in English 25 Aug 81 p 8

[Text]

ANOTHER member of the Social Democratic Party's Action Committee announced his resignation from the party today.

Miles Yallop, the SDP's prospective candidate for the St Agnes constituency said he was not prepared to sacrifice himself for an organisation that does not understand the Bahamian people.

Also resigning from the SDP were St Agnes branch chairman Ricardo Clarke, treasurer Anthony Johnson, assistant treasurer Wilbert Romer, secretary Tanya Yallop, and assistant secretary Willamae Crovak.

"There is no branch in St Agnes anymore," Yallop said.

Actually Yallop's resignation was handed in to SDP leader Norman Solomon last month, but he said he chose to make it public today because of the attitude Mr Solomon had taken with regard to the resignation from the party of Senator David Sands.

"This was something I predicted a long time ago," Yallop said with reference to Sands, "but Norman Solomon doesn't listen to anybody. It is obvious that Dave Sands had been trying (to make a contribution to the party). But under a system with an individual who doesn't understand Bahamians his (Sands') contribution has been hindered."

Yallop saw Dr Sands and lawyer David Thompson, also resigned, as two of the best men in the SDP. He was annoyed that Mr Solomon had said that their leaving the party was of "no great loss."

"There is no freedom of speech in the SDP," Yallop said. "All the orders just come from one man – Norman Solomon. You can't say something that is obvious to the public outside and you can't say it in the SDP. I don't think the small man has any representation in there (SDP) at all.

"As far as the nomination for St Agnes is concerned, I am not going to accept it from Norman. I made certain proposals to him about St Agnes, but he was not prepared to go along with it. I can see from what is happening within the SDP that nothing is going to change. They have to first change the leadership if they want to accomplish anything."

Yallop did not say whether he would join any of the other political organisations.

Solomon Interview

Nassau THE TRIBUNE in English 26 Aug 81 p 1

[Article by Athena Damianos]

[Excerpt]

EMBATTLED official Opposition leader Norman Solomon today had no intention of disbanding his Social Democratic Party and running as an independent candidate in the next general elections.

"It is not in my nature to roll over and play dead for either Mr Pindling (Prime Minister) or Mr Kendal Isaacs (Free National Movement leader) as Dr Sands would wish," said Mr Solomon, who lost two of his party's Senators Monday.

His remarks came during a telephone interview today in response to statements made by former Senator Dr David Sands.

"The SDP's existence and survival never has been in doubt and in my considered opinion never will be in doubt as long as there exists ... a body of public opinion which values highly a government, or if it is to be in the form of an opposition, then an opposition which is of honesty, integrity, courage and ability," he said.

If such a body exists, "the SDP will not only survive, but will grow," vowed Mr Solomon.

"Not being quite as dictatorial as some people believe," he said he proposed that he step down as leader at a Council meeting Agust 15 "and it was absolutely unanimous that the Social Democratic Party not even for a moment seriously considered the proposition.

"Contrary to what Dr Sands may believe, the party will continue to exist if Norman Solomon goes."

And, in a separate matter, Mr Solomon said he would release copies of his correspondence to Mr Isaacs relative to proposed unity talks between the two parties if Mr Isaacs would release his letters of response.

Mr Isaacs declined to do so.

"There is this sort of cry, and moan and groan and appeal by people in the public that goes something like this – 'Why can't you people (meaning the FNM and SDP) get' together'," Mr Solomon said.

"I am fed up with this question because Mr Isaacs is the person to whom the question should be put. Not to Mr Solomon at all."

Mr Solomon said he initiated correspondence with Mr Isaacs on about April 4, suggesting that both leaders get together for unity talks.

To date, he said, he has received neither a sensible nor sincere answer from Mr Isaacs.

"Two people are well qualified, or have expressed the view that Mr Isaacs has not responded as he should," Those people, he said, are former Senators Dr Sands and David Thompson who, along with other parliamentary colleagues, were shown the correspondance.

Mr Solomon added that he had yet to receive Mr Thompson's letter of resignation.

"Somebody ought to be asking Mr Isaacs why he has not been responding properly ... answers like he will give the matter serious thought and then weeks go by without hearing from him.

"It's time the general public began to learn some of the truth behind this opposition matter.

"We approached the FNM, through its leader, in sincerity and good faith."

CSO: 3025/03

BRIEFS

HOTEL UNION PULLOUT--It is official! The Bahamas Hotel Catering and Allied Workers Union has pulled out of the Trade Union Congress (TUC). TUC secretary-general A. Leonard Archer confirmed receipt of a letter from the hotel union confirming a press release the union issued earlier. "We have been notified by the (hotel) union that they have suspended their membership," Mr Archer said. "The TUC can't stop anybody from leaving," Archer said. "If the union decides to withdraw from the TUC there is nothing the TUC can do to stop them." Attempts were made to keep the hotel union in the TUC. "We have spoken to them," Mr Archer said. "We are waiting a response from them. The TUC would be very happy if they did remain." Mr Archer admitted that the loss of the hotel union would affect the TUC. "They are a large union and any large union which leaves an organisation weakens it. That wouldn't mean that the TUC wouldn't function." [Excerpts] [Nassau THE TRIBUNE in English 24 Aug 81 p 1]

CSO: 3025/06

BRIEFS

BWU POLITICAL RESOLUTION--The Barbados Workers Union (BWU) has passed a resolution aimed at establishing a committee with a view to participating in political activities. This was only one of four major resolutions submitted to the 40th Annual Delegates' Conference at the Labour College last Saturday. The meeting also called for an economic, political and social programme to be devised for the orderly development of the Labour Movement. The Rules and Regulations of the BWU allow for the furtherance of the lawful political objects affecting the interests of the members by representation in Parliament, Local Government bodies and all other such bodies. The delegates pointed out that the present politico-economic situation indicates the need for the trade union movement to be directly represented at the level of the highest decision-making bodies in this country. [Excerpt] [Bridgetown ADVOCATE-NEWS in English 2 Sep 81 p 1]

CSO: 3025/07

ESCANDEL DISCUSSES PREPARATIONS FOR WFTU CONGRESS IN HAVANA

Havana VERDE OLIVO in Spanish 23 Aug 81, pp 28-29

[Interview with Jesus Escandel, member of the CTC [Central Organization of Cuban Trade Unions] Executive Secretariat and vice chairman of the National Preparatory Committee for the 10th WFTU Congress, by Jose Cazanas Reyes; date and place not given]

[Text] The 10th Congress of the World Federation of Trade Unions will meet 10-15 February 1982 in Havana and will confront and respond to the great contemporary challenges in social, economic, political, cultural and international life which are facing the workers of our earthly planet.

Some of the main subjects to be treated by this great meeting of the world's unions are unemployment, which affects about 500 million human beings in the capitalist countries, the serious dangers of war, the malnitrition and hunger suffered by half the world's population and the policy being carried out by imperialism, colonialism, neocolonialism, racism and fascism, as well as the struggle for peace and unity among the workers.

VERDE OLIVO interviewed Jesus Escandel, a member of the Executive Secretariat of the Central Organization of Cuban Trade Unions and vice chairman of the National Prepatory Committee for the 10th WFTU Congress, concerning the preparations being made by the Cuban worker movement for the 10th WFTU Congress, their results, the workers organizations which will attend, the call by the 32d session of the General Council of the WFTU and other aspects.

"Among the preparations being developed by the Cuban union movement in salute to the 10th congress we can emphasize this year's emulation in our country, which is called the '10th World Trade Union Congress Emulation.'

"This activity," Escandel said, "in addition to giving impetus to our production plans, is at the same time a very important instrument for publicizing the congress and having the working masses of our country identify with that important event.

"The holding of this congress," he added, "has been received with much enthusiasm by the Cuban workers, and it is without a doubt the most significant contribution of our unions in honor of the success of the 10th congress."

Among the organizational and propaganda steps being taken by the Cuban unions are the following:

--The printing of tabloids with informational sketches about the WFTU to be read in the country's work centers.
--The preparation of a huge 'suitcase of friendship' containing gifts made possible by contributions from the CTC and the national unions, to be given to the delegates to the 10th congress.
--Preparation of a film documentary on the development of our union movement and the World Federation of Trade Unions and on the Congress itself.
--A contest sponsored by Radio Habana Cuba concerning the WFTU for the American area, with different material and moral inducements for the winners.
-An internal contest in the newspaper TRADAJODORES, organ of the Central Organization of Cuban Trade Unions, about the WFTU and its activities.

"The holding of the 10th World Trade Union Congress in Cuba," Jesus Escandel emphasized, "is of extraordinary importance not only for our country, but also for the workers and peoples of America and of the international trade union movement. With their example our people have won the admiration and solidarity of all the progressive forces of the world for their firm positions of principle against the actions and aggressive policy of the most powerful imperialist nation in the world.

"The selection of Cuba as the site of the 10th WFTU Congress," he added, "is an honor and at the same time a commitment for the Cuban workers and their union movement, who know how to handle such a great responsibility."

Asked how many organizations will be represented at this congress, the member of the Executive Secretariat of the Central Organization of Cuban Trade Unions replied:

"Although at this time we cannot say exactly how many, we can indeed assure you that more than 300 union organizations, both affiliated with the WFTU and nonaffiliated, will participate in the 10th congress."

The WFTU includes some 80 organizations in 70 countries. It was founded in October 1945. The Cuban CTC is one of the founding members. Lazaro Pena, the beloved leader of the Cuban working class, headed the Cuban delegation to the organizational and later when the structure of the workers organization was changed at the seventh congress, he became a member of the Bureau of the WFTU, a post he held until his death.

"The WFTU", Escandel said, "is the most important international organization in existence, because in the course of the 36 years since its founding it has been a firm and unwavering standard-bearer in defense of the interests and hopes of the workers of all continents.

"The WFTU has continued to adapt its actions to the new conditions of struggle determined by the play of social events, without altering in the least the principles which led to its formation. It has confronted decisively the offensive of the monopolies against the rights and gains of the working class, supports the latter's strikes and claims, organizes solidarity campaigns and contributes moral and material support."

The other two world labor organizations are the World Confederation of Labor (WCL) and the International Condederation of Free Trade Unions (IFCTU), founded in 1920,

continues to exist under the name of the WCLA. The World Confederation of Labor is closely linked, ideologically and historically, to Catholicism and more properly to Christian unionism. It denies the principles of class struggle and defines itself as a reform-oriented international union organization.

The ICFTU is a social democratic and reform-oriented union organization. This organization was the result of a split from the rank and file of the WFTU by the union reform movement and represented a step backward in the development of the international trade union movement. The ICFTU was founded in 1949 in London. Its leaders have announced its goals of isolating the unions of the USSR and the other socialist countries, taking the union movement down the path of reform and slowing down the development of the revolutionary union movement in the recently liberated countries which have achieved their national independence, as well as in those still struggling for liberation.

After clearly describing the three most important world union organizations, Jesus Escandel then outlined briefly the agenda for the 10the WFTU Congress, supreme organ of the World Federation of Trade Unions.

"The basic questions to be discussed at the 10th World Union Congress in February 1982 in Havana have been established in accordance with the call of the 32d Session of the WFTU General Council held in Budapest 1-3 July 1981. The 10th congress will try to answer the problem of the economic crisis, the questions of war and peace, the problems of underdevelopment, illiteracy, the struggle against imperialism, the transnational enterprises, the unity of the international trade union movement and other points of importance for the working classes of the world.

Escandel recently returned from Budapest, Hungary, where he participated in the 32d Session of the WFTU General Council as representative of the Cuban union movement. There he reported on the progress of the preparations being made by Cuba for the 10th congress. Evaluating the meeting's activity, he said: "It was very positive in encouraging our preparations for the 10th congress. Most of the speakers, who came from all continents, participated in the general discussion and expressed their support for Cuba as the site of the congress. The 32d session of the Council received several suggestions for improving publicity about the 10th congress and the encouragement of participation therein. It was suggested that unit committees of sponsorship for the congress be created in each country. We estimate that this General Council, the most important organ of the WFTU after the Congress itself, with its central theme of the 10th congress, has already meant great publicity for the congress.

"In addition," Escandel said in conclusion, "the documents adopted, all of them unanimously, have a positive content and are a good contribution to the achievement of a formidable climate on the eve of the 10th World Trade Union Congress. The 32d Session of the General Council approved a call inviting participation in the 10th congress, among other things."

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CSO: 3010/1804

COLONEL DISCUSSES FAR PARTICIPATION IN ELECTIONS

Havana VERDE OLIVO in Spanish 19 Jul pp 38-39

[Interview with Col Armando Saucedo Yero, member of the Central Committee, first deputy chief of the FAR [Revolutionary Armed Forces] Central Political Directorate and chairman of the FAR Special Election Committee; by Jorge Luis Blanco; date and place not given]

[Text] [Question] What has been the experience of the Revolutionary Armed Forces with the election of delegates in the FAR special electoral districts?

[Answer] Since the local organs of the People's Government were established in Matanzas Province in June 1974, members of the FAR who lived or were stationed in that province have taken an active and outstanding part.

The FAR special electoral districts were first created at that time so that the comrades who resided permanently in the military units might participate in the election process. As is known, the rest of the military voted in their places of residence, the result being that many men and women af the FAR were elected delegates in their respective regular districts, as one more example of the respect, affection and confidence the people have for and in the members of the FAR.

When in 1976 the formation of the organs of the People's Government was extended to the entire country, fulfilling the recommendations of the first Party Congress, the same thing that happened in Matanzas with the FAR members was repeated in all provinces in the country and in the special municipality of Isle of Youth. It can be affirmed that our experiences in the FAR with the electoral processes have been positive; on every occasion the members of the FAR have participated in an organized, conscious and enthusiastic manner; worthy comrades have been elected in the regular as well as the special districts. In the latter, elections have always been important events which have helped to mobilize the personnel toward fulfillment of the missions and tasks planned, especially those related to the improvement of combat readiness and political training.

I want to emphasize, however, that we still have a long way to go both with respect to the organization and holding of the elections and in everything concerning the functioning and results of the steps being taken by the delegates from the special electoral districts. There are still many aspects of the work which need to be improved, and in general it is necessary to continue learning and acquiring experience

about that difficult sphere of popular government. The Revolutionary Armed Forces are young, and within that body the exercise of this right given it by the constitution is even younger. There are modest achievements which only serve as a base for continuing to advance in the improvement and further development of the task.

Another experience we have had in the FAR is that at election time we have always been able to count on the full support of the chiefs, agencies and political workers, the party organizations and the UJC [Union of Young Communists], who have helped, by their work, to guarantee the success of the project.

[Question] What measures are being taken in the FAR to guarantee the success of the upcoming elections?

[Answer] Our work is aimed principally in two directions: the organizational aspect and the work of propaganda and agitation.

On the organizational level we can say that the FAR Special Electoral Committee has been functioning since its designation by the National Electoral Commission. It is charged with organizing and directing the electoral process in the special FAR electoral districts in close coordination with the electoral committees in the provinces and municipalities since, as everyone knows, the same steps and procedures are taken in the FAR as are established for the entire country and within the same time periods.

The number of FAR special electoral districts to be created has already been determined, while respecting the principle of territoriality. Now we are working on defining the location of the polling places, so that we may bring the polling place to the voter and thus avoid unnecessary transportation.

Later we will have to hold assmmblies to nominate candidates, publish the photos and biographies, equip the polling places and train the comrades who will work at the election tables and hold, throughout the country, the first election round on 11 October and the second on 18 October.

Internally, the minister of FAR has ordered that in the various commands election committees be created which will contribute all support necessary for the success of this task.

The other aspect, that of agitation and propaganda, will be directed to all members of the FAR, including both those who vote in the special election districts and those who do so in regular districts. With this project we hope to make our contribution to the task of informing the entire country, so that all our personnel participating in the election process will be more deeply aware of the importance and significance thereof.

But in addition, we hope that in the heat of the election process the comrades will learn more deeply about the structure and functions of the organs of the People's Government in each district, with emphasis on the functions of the delegates, and about the right of the voters to bring up any doubt, complaint, criticism or suggestion concerning the activities of the local governments, so that these can be discussed and resolved and, if this is not possible, that the voter in question may

be given a well thought out and convincing explanation. Finally, we hope to have all the personnel deepen their knowledge of the principles which rule a socialist democracy.

[Question] Our constitution, unlike those of the rest of the countries of America, gives the military the right to vote and to be elected to office. What can you tell us about this?

[Answer] Bourgeois constitutions, in denying the military the right to vote, seek to present the armed forces as apolitical entities supposedly charged with maintaining justice and order, enforcing compliance with laws, etc., or in other works, present the military as an impartial body above the social classes. It is not worth our while to stop to refute the falseness of those ideas. Suffice it to recall Chile under Pinochet.

For that reason when our constitution and the electoral law give members of the armed forces the right to vote and to be elected to office, they are doing no more than confirming the class character of our armed forces, an integral part of the working people, their shield of steel, and proclaiming that under socialist conditions the military is indeed political and does serve on the side of the just and noble cause of building the revolution. For that reason from now on until the date the elections are held we will see the military in the nominating assemblies and studying the biographies of the candidates proposed, so that they may vote for the one who has the most merit and attributes, and on 11 October the uniformed military will surely be the first to arrive at the polling places, whether in their units or in their residential localities, so that with their free and secret ballots they may elect the best and most capable of carrying on the affairs of local government.

[Question] Do you wish to add anything?

[Answer] I think it would be a good idea to offer the pages of VERDE OLIVO to its readers as a forum to answer their questions about the election process and the general functioning of the organs of the People's Government.

If the publication agrees they can create a sort of section which will discuss these important subjects periodically until the elections are held.

8735
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PCC HISTORY, DEVELOPMENT DESCRIBED

Havana VERDE OLIVO in Spanish 23 Aug 81 pp 38-40

[Article by Lt Col Cristobal Marrero Leon]

[Text] Looking back over the historic path covered by the Communist Party of Cuba (PCC), one can see the stages in its formation, growth and strengthening to the present time, when it constitutes a powerful united force which has multiplied in the process of growth and boasts more than 400,000 members. In this period, our party has consolidated the organic stability of its ranks and has constantly enriched the forms and methods of its activity.

In undergoing these quantitative and qualitative changes, the PCC has maintained the class nature which makes it stand out as the political vanguard of the Cuban workers' class, and has retained and strengthened its revolutionary spirit, its intransigence when it comes to principle, the purity of its ranks and internationalism, as the qualities inherent in it.

The path the party has covered in its development clearly shows that the progress achieved is not the result of accidental factors, but that a strictly objective process is involved.

The process of the formation of the PCC crystallized in the course of long years of struggle. Its development followed a rising line which brilliantly revealed the interconnection existing between the political and ideological physiognomy of the revolutionary vanguard, on the one hand, and the concrete historical conditions under which it had to act and the tasks which confronted it at each stage, on the other. In other words, its development came about in accordance with the demands of each new historic stage and with the objective laws which are inherent in it as a form of sociopolitical organization.

This experience has revealed new paths for the formation of the Marxist-Leninist vanguard and a new potential for the anti-imperialist and socialist revolution in the third stage of the general crisis in capitalism.

The process of our party's formation and its crystallization as a leading and guiding force for Cuban society occurred in specific fashion. However, against the background of the particular aspects inherent in this process, the correctness and the vital force of the Marxist-Leninist doctrine on the communist vanguard became more plainly visible.

The statutes of the PCC which were approved at its first congress state: "This party was formed from union and concept, from unity and doctrine, in the crucible of a revolutionary process."[1]

Faithfulness to Marxist-Leninist doctrine, its creative development and its consistent application were the premises of the triumph of the Cuban revolution and of the entire process of the formation of its political vanguard. Fidel Castro and the main leaders of the 26 July Revolutionary Movement were capable of conceiving a strategy and tactics for the rebel struggle which led to the 1 January victory, because they had sufficient ideological and political maturity, as well as mastery of the dialectics governing the general laws and their specific application. Thus equipped they were able to adopt decisions consistent with the objective means of social development and to open up new horizons for revolutionary energy and the struggle of the workers' class and the people's masses.

In this connection our commander in chief, Fidel Castro, said: "The Marxist concept of class struggle allowed us to see clearly, in the midst of the complex situation, in the midst of the complexity of the world, of society the country in which we live. No other theory, no other political doctrine, no other philosophy would have allowed us to begin to understand even the society in which we live.

"The Leninist principle set forth in 'The State and the Revolution' made us see absolutely clearly what a revolution consisted of, not only basically, but in form: the role of the party, the role of the masses, the role of the state in the revolution."[2]

In the course of the rebel struggle, unity of action among the revolutionary forces developed. The very development of the struggle was such that the need to unite efforts emerged as an indispensable premise of triumph, and coordination of actions imposed itself in practice as a continuing factor in the development of the revolutionary process.

The mutual relations which the 26 July Revolutionary Movement, Popular Socialist Party and 13 March Revolutionary Directorate consciously pursued had as their objective basis the level of coincidence found in the basic guidelines of a strategic nature which the three organizations had marked out for the stage of struggle for national liberation.

When we speak of strategy, we are referring to the general political line for a whole historical stage, oriented toward accomplishing the basic tasks of that stage.

The three revolutionary organizations had conceived the immediate goal of struggle in clear fashion and with similar viewpoints: national liberation. In addition, it was perfectly clear to all that the main objective in this stage was the defeat of Batista's pro-imperialist military dictatorship. As to allies, under the specific conditions of Cuba, and for a consistently revolutionary struggle, they could only be found among the most humble and exploited classes, as well as in the radical sectors of the petit bourgeoisie.

As will be understood, the coincidence on the fundamentals of the strategic line of the revolutionary organizations constituted the objective basis of all united effort. The differences on tactics and forms of struggle were the basic factor hindering the potential for achieving unity of action among the revolutionary organizations in the course of the rebel struggle.

The very dialectics of the revolutionary process gave rise to lessons, thanks to which the wise path was gradually found. The pressure of the course of events itself made it necessary to pursue that path, and saw to it that mistaken reasoning was discarded, thus eliminating the effects of the different viewpoints as to tactics. At the same time, it made it possible for differences to be overcome and unity of action to be achieved, a decisive factor in the revolutionary triumph of 1 January 1959.

The unity of action in the revolutionary forces which developed in the course of the armed struggle and were strengthened in the course of the democratic phase of the revolution, under the direct influence of revolutionary practice in the struggle for the achievement of profound socioeconomic and political changes, was the crucible in which the conditions necessary for the unification of the revolutionary organizations were finally forged. As the first secretary of our party, Comrade Fidel Castro, stated: "Throughout the revolutionary process, the conditions which made possible this structuring of all the revolutionary forces which exist today, and this organic unity of the revolutionary forces, were maturing. In other words, this union was forged, precisely, and had inevitably to be forged through the revolutionary process."[3] (Author's underlining.)

In the midst of the contradictory environment inherent in any revolutionary process, in the stage of profound changes preparing the ground for the transition to socialism, the sustained efforts of the main leaders of the revolutionary organizations with a view to the consistent maintenance of unity played an extraordinary role.

As the program platform of the PCC approved at its first congress stated: "The unity of all the revolutionary sectors and leaders and between the leaders and the people, was a decisive factor in the strengthening and solidity of the process of our revolution. It was achieved and constantly maintained thanks to the rallying capacity of the highest leader of the revolution, Comrade Fidel Castro, who has waged a constant struggle to safeguard and develop that unity."[4]

In the course of the democratic phase of the revolution, the conditions essential for the unification of revolutionary organizations were created. One of them was the unity achieved in the trade union and youth movements, among women and other mass and social organizations.

The increase in the coordination and unity of the mass and social organization, and in particular those with greatest collective force created by the revolution, were the main supports making it possible to achieve these overwhelming successes under such complex circumstances. This made it possible to resolve problems and to carry out tasks which seemed impossible given the time and the conditions under which they were undertaken. At the same time, an important condition for the unification of the revolutionary organizations was provided.

The objective mutual relations within the struggle of the basic revolutionary forces was consolidated during the very process of the rebel struggle. The unification of the revolutionary organizations was the result of an understanding of the mutual relations, of the community of interests, of the need for unity as such and the consistent struggle for its consolidation.

At the same time, the increase in the coordination and unity of the leadership and in all spheres represented an objectively necessary stage, a condition for succeeding in forming the essential foundations of ideological unity without which it was not possible to launch the creation of a single party which would group within its ranks all the truly revolutionary forces, on the basis of Marxism-Leninism.

When the revolution entered into the socialist stage and made the need to create a Marxist-Leninist party more forcefully apparent, the real foundations for it were prepared.

As our commander in chief said: "The socialist nature of our revolution was proclaimed at the Bay of Pigs. Our party was forged in practice at the Bay of Pigs.... Therefore 16 April is regarded as the date of the proclamation of the socialist nature of our revolution, the date of the founding of our party."[5]

The workers' class, the battalions of the workers' militia, participated actively at the Bay of Pigs, playing an important and decisive role along with the rebel army. The workers' class, in close alliance with the political forces of the socialist revolution formed in the very heart of the political army of the democratic revolution fought for the dictatorship of the proletariat, for the socialist revolution. This double military and ideological victory forged our party.

No political movement which claims to be truly revolutionary can avoid the problem of how to organize in order to put its ideas in practice. Marxism-Leninism, in addition to providing the ideology and the program of struggle for the new society, had defined the nature of the organizational weapon capable of clearing the path for this program.

In response to those who believe that the party should begin with the work of organization, Lenin asked: "And isn't it the other way around that one should reason, my 'literate and practical' comrades? Think carefully: is it possible to unite the work of organization if the understanding of the interests and the tasks of the class is not united? If you think about it, you will become persuaded that it is not possible."[6]

The revolutionary theory of Marx and Engels which eliminated the path of the future preceded the upsurge of the workers' vanguard. Generally, the Marxist-Leninist party has begun to be formed in each country on the basis of a nucleus of individuals united by recognition of the revolutionary theory and the need to put it into practice.

In Cuba, the process had already covered that path during the formation of the first Marxist-Leninist party founded in 1925. In the formation of the new revolutionary vanguard, in view of the expansion of its ranks with the unification of the revolutionary organizations, the process was to be continued in essence. It could not be a short one. It had necessarily to include as its elements gradual advance and the constant perfecting of the forms and methods of its structure and activity.

Life has demonstrated that the formation and development of the Communist Party of Cuba was not a spontaneous process, but one consciously directed on the basis of a knowledge of the action of the objective laws and the concrete historical conditions. At each stage, the new Marxist-Leninist vanguard rose to a higher level, which enabled it to manifest more fully the effect of the objective regularity inherent

in it. It dialectically rejected everything which blocked its advance and guaranteed the growth of the role of the party and the enrichment of the content of its work.

In the course of the rebel struggle, unity of action among the revolutionary forces was formed as the premise of all united effort. During the democratic stage of the revolution, the conditions necessary for the unification of the revolutionary organizations were created. With the entry into the stage of socialist construction the formation of the party was begun, and in 1965 it reached a high point with the establishment of the Central Committee. The party, created on the basis of Marxist-Leninist principles, adopted "Communist Party of Cuba" as its name.

"The Communist Party of Cuba," as Fidel Castro said, "is the product of the revolution itself. The revolution gave the world the party, and now the party carries the revolution forward. The party is its vehicle par excellence and the guarantee of its historical continuity."[7]

The wealth of the historical experience revealed by the specific aspects of the path of the formation of the Communist Party of Cuba makes it possible to assess the strength and the worldwide scope the Leninist doctrine on the party has today.

FOOTNOTES

1. Statutes of the PCC, Politica Publishing House, Havana, 1981, p 2.

2. GRANMA, 23 June 1972, p 5.

3. Castro, Fidel, "The United Party of the Socialist Revolution," in the book "The Marxist-Leninist Party," published by the leadership of the PURSC [United Party of the Socialist Revolution of Cuba], Havana, 1963, p 98.

4. Program Platform of the PCC, published by the DOR [Revolutionary Orientation Department] of the CC of the PCC, Havana, 1967, p 47.

5. Castro, Fidel, address on the 20th anniversary of the Bay of Pigs victory, GRANMA, 21 April 1981, p 2.

6. Lenin, V. I., "Complete Works," Vol 15, p 178.

7. Statutes of the PCC, Politica Publishing House, Havana, 1981, p 2.

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RECREATIONAL FACILITIES AT MILITARY CLUBS DESCRIBED

Western Army Noncommissioned Club

Havana VERDO OLIVO in Spanish 9 Aug 81 pp 34-37

[Article by Jorge Luis Blanco]

[Text] Formidable! This is the only adjective to describe the Sergeants and Soldiers Club of a motorized infantry unit in the Western Army which VERDE OLIVO reporters visited.

When the acting chief for political work welcomed us at the unit, he immediately began to speak in words full of admiration about the installation going up today, as a concrete example of the improvement of living conditions seen in the unit in recent years.

And there are in fact reasons for this entire military collective to feel satisfied with the project going up today for the benefit of the combatants, who are making every effort to be better trained with every passing day for the defense of the socialist fatherland.

A tour of the zone where the installation is located not only reveals the functional nature of each of the premises, but also answers the visitor's natural and most important question about the enthusiasm felt by each of the sergeants and soldiers about the new advantage being provided to them with the club.

The building occupies an area of approximately 500 square meters, and its construction, by the prefabricated system, was carried out by specialists from the FAR [Revolutionary Armed Forces] Construction and Housing Office, and soldiers from the unit itself.

It has the areas needed for the pursuit of all of the combatants' political, cultural and recreational activities.

They, the noncommissioned officers and soldiers, talk with pleasure about their club, which apart from offering healthy periods of recreation will contribute to strengthening military discipline and to political-ideological development.

Some have now discovered their aptitude for drawing and one can often see soldiers, brushes in hand, at work in the art appreciation room. Others prefer to visit the

discotheque to enjoy the boleros by Manolo del Valle or the fine music of the Irakere. There are also those who prefer the reading of spy novels or who sit at the tables at one of the neverending chess games.

And yes, there is also a dance floor, where the noncommissioned officers and soldiers test their skills to delightful Cuban rhythms. Just a few weeks ago a group of female students from the Ciudad Libertad technological establishment were invited guests, and the members of the unit say they are sure that that day they outdid the scheduled program "For Dancing."

The large and comfortable theater which is a part of this complex has witnessed the performances of the performing group of the FAR on more than one occasion, providing a varied repertoire to delight the men who are making a daily effort to improve the military training, and who enjoy periods of merited entertainment during activities of this kind.

In this same facility, films to satisfy the most demanding tastes are shown four times a week. Also musical and theatrical groups from the unit perform frequently on its stage.

But let us yield the floor to the graphic images, which in the final analysis will show the readers the reason for the new happiness felt by the noncommissioned officers and soldiers in this motorized infantry unit in the Eastern Army.

Central Army Officers Club

Havana VERDE OLIVO in Spanish 23 Aug 81 pp 34-37

[Article by Mario Rodriguez: "Central Army Officers Have a Place by the Beach"]

[Text] Near Matanzas Bay, at a site known as Cabarroca, the Central Army Officers Club is going up in a monumental effort.

This colorful and beautiful site is without a doubt one in which time passes unnoticed in healthy amusement and recreation.

Despite the fact that not all of the facilities have been built, the officers club has offered a wide range of choices since the month of April.

Currently some visitors prefer to visit the curious caves, a whim of nature which shelter bathers or those who simply want to delight in the ingenious architecture of Mother Nature.

Others, young people above all, can spend all of their time in swimming, miniature golf, basketball or volleyball, while for the very young the doors to the children's park with all its distractions are open.

But this is not all. The modern cafeteria with its balcony overlooking the bay provides customers with a wide choice of refreshments and meals, apart from the enjoyment of an impressive landscape. And what can be said about the bar where at any time one can enjoy a cooling beer or any one of the wide range of our favorite cocktails?

In a word, the effort of all has made it possible for the Central Army officers and their families to enjoy a beautiful and welcoming environment now.

Inception of an Idea

The building of the Central Army Officers Club became a priority task from the very first, taking shape through a solemn pledge made by the entire collective in salute to the second party congress and the 20th anniversary of the military institution which was celebrated last 4 April.

The undertaking was at the same time a need more than a necessity, since its implementation would require the contribution of innumerable factors.

This of course did not dampen enthusiasm, which in the long run triumphed over all the difficulties. And so it was that in the month of April 1980, the first steps toward implementing goals set were taken.

One of the basic requirements to be considered at the beginning was precisely the choice of a site which thanks both to its location and its natural characteristics would meet the requirements which had been established for the club.

Thus after a number of studies and analyses undertaken in the field, a definitive decision was reached: Cabarroca was the best qualified site.

This was justified first of all by the beauty of the landscape and on the other hand by its proximity to the military community where many of the officers live with their families.

Thanks to tenacious work and long productive days, often ending late at night, the topography at Cabarroca changed substantially.

The sight and aroma of dogstooth violet disappeared from the scene and in its place were planted the beautiful framboyan, linden, oak and cocoa palm trees and wild grape suited to the site.

Along with the refurbishing of the green areas, the modernization of the two buildings, which because of their rather ancient construction would certainly be an attraction to visitors, was undertaken. One of them would be the central building which would house the administrative offices, while in the other the present cafeteria, capable of serving 80 customers simultaneously, took shape.

Later the bar, the lounging areas, the dance floor, stage, children's park and athletic areas were built, along with the parking lot, access road and paths for pedestrians.

And so it was that by the month of December the Central Army Officers Club could open its doors for the festive celebrations in connection with the 22nd anniversary of the triumph of the revolution.

Then, after a brief lapse of time, it was possible to undertake such other major projects as the jetty which descends to the beach and the access stairway to it, along with the building of the control point.

And by the month of April, coinciding with the 20th anniversary of the founding of the army, the officers club was ready to receive its first visitors.

Some of the Prospects

Lt Col Pablo Chau Jardines, in charge of the club, is one of those directly involved in all of the efforts put forth.

Seated now in his little office with pointer in hand, he was prepared to give us an overview of what the army officers club will be in the future.

"This construction," he told us, "has been the product of our own efforts, although naturally we have had the enthusiastic cooperation of the provincial organs of people's government, the party, the MICONS [Ministry of Construction] and the social and mass organizations."

"The bulk of the work was done between October and April, with excellent participation by the personnel.

"Naturally, we must add to this the decisive contribution of our officers, who came with their families to engage in real productive marathons wherever necessary. This allowed us to achieve the planned process goals by the scheduled date."

Lieutenant Colonel Chau gave half a turn and, gazing at the map hanging on the wall, added:

"All of the areas and facilities you have visited account for only about 50 percent of what we actually plan to build.

"When we have finished, the officers club will in fact have become a recreational complex.

"By then the restaurant, the motel-type lodgings, the olympic swimming pool, the bowling alley and the sociocultural buildings will be providing service, and also a number of individual cabins will have been completed.

"In other words, we will have every possibility of offering much broader and better service.

"However, as you have already been able to see, we have established as a simultaneous goal the work of construction with the offering of services to the clients who are coming in greater numbers every day."

Later, Lieutenant Colonel Chau explained to us that in accordance with this policy, the officers club is already offering a series of activities for adults and children.

For example, activities involving puppets, clowns and the street plans themselves are already finding wide favor with the children, while the Saturday and Sunday afternoon dances are a real attraction for adults and adolescents.

Currently the club is increasingly becoming the favorite place for officers and their families to spend their vacations and enjoy their free hours.

"This, if you will," the officer added, "is the best stimulus for our work. See how our effort is turning into concrete results!"

"Every one of us who has worked without sparing either time or effort so that our institution will bear its best fruit feels proud to see how all of what was one day a mere suggestion has become a reality."

An Opinion

After a brief tour of the various areas we decided to visit the cafeteria.

We settled at one of the tables located in an angle of the balcony, with supports of precious woods through which one could glimpse the horizon blending with the deep blue sea, and farther over, the coastline embellished with slender pines, wending its way toward the east in search of Playa Azul.

We were not the only customers that Saturday evening. A number of families were engaged in animated talk. Finally we chose one and after presenting ourselves, found ourselves prepared to engage in a brief dialogue with one of the customers.

"Your name, please."

"Capt Modesto Hernandez Noguel."

"How do you feel here at the officers club?"

"Well, you can imagine, this is a marvel to which we have always aspired--a place where we can come with our families and spend a little leisure time.

"Obviously, not all of the buildings are completed, but this does not prevent either us or our children from enjoying it fully.

"And believe me, it is a great help, above in this season of the children's school vacation."

"Do you come often?"

"Whenever I have a chance, and particularly on Saturdays and Sundays."

Ana, Modesto's wife, was smiling. We could see that she, too, had something to say, and so we immediately gave her an opportunity.

"I want to tell you that just today we are celebrating an important event. Within a few days we will be moving to the community where we have been given a comfortable apartment.

"Therefore, my husband and I decided to come to the officers club today. This solves our problem--the children enjoy themselves as they wish, while we too get our bit of recreation."

We had just finished our chat when three beautiful girls--Isel, Sonia and Osmana, the youngest in the family, returned from the children's area.

For Capt Modesto Hernandez and for the other officials of the Central Army, this club broadens their recreational opportunities. Finally, an old dream has been realized.

5157
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IMPORTANCE OF AFRICAN CULTURAL LINKS NOTED

Havana PRISMA LATINOAMERICANO in Spanish Jul 81 p 43

[Article by Raul Rivero: "I have Seen These Men Elsewhere"]

[Text] Africa was a wild dream. An untamed landscape, unusual, almost bordering on fiction, where veteran white explorers imposed the joys of civilization with pen and fire.

Africa was a bit of the world in which Tarzan and his family (Jane and Boy) had been trapped for the delight and thrills of thousands of children, and to make Edgar Rice a little richer--Edgar Rice who put the embodiment of life in the jungle on the pages of the Sunday papers.

In the movies, Africa appeared primitive and brutal, overflowing with its ferocious sons, its unbelievable animals, and its enormous rippling killer rivers.

That land, those people who are so closely related to us, so close in suffering and in the flesh, and even--we discovered later--in hope, reached Latin America in the distorted, sick, and criminal image offered us by the white explorers and their masters.

In recent years, Cuban publishers have made progress toward eliminating the gap between Latin America and Africa created by the mass media in the United States and other countries.

Thus the names of great African writers suddenly began to be familiar in bookstores, the specialized press and the private libraries of Cuban readers.

The name that became most popular during the 1970's was Amos Tutuola, who enthralled the public with his "Bebedor de vino de palma" [Palm Wine Drinker].

That acceptance was the result of the author's technical mastery, and in another element suggested in the title of this note, Tutuola entwines legends and traditions of the Yoruba, important stock in the Cuban nationality.

Around the end of 1968 a selection of poems also appeared: "Poesia anonimal africana" [Anonymous African Poetry]. This book is in its second printing.

Another key step taken by the Ministry of Culture was the publication of an anthology: "Narrativa Africana" [African Narrative], a collection of works by 43 authors from 13 African countries, translated into Spanish for the first time.

In 1975, Art and Literature Publications created an editorial section specializing in African authors. In the first 5 years, they have given the Cuban reader 21 volumes of 60 authors from Algeria, Nigeria, Kenya, Sierra Leon, Ghana, Uganda, Senegal, Benin, the Congo, and Cameroon.

Moreover, two works by Alex La Guma, a prestigious South African writer, have recently gone on sale. His works express a denunciation of the injustice the apartheid regime has imposed upon that country.

There is another African country that has received special attention as a result of the dissemination of its literature in Spanish: Angola. Besides a selection of the poems of the late president Agostinho Neto, "La sagrada esperanza," books by Manuel Rui, Luandino Vierira, and most recently and very successfully, Castro Soromenho with his "Tierra Muerta," a true classic of Angolan letters, have been published.

Everyone in our area is now familiar with the names of Henri Lopes, Kateb Yacin, Mongo Beti, Fernandin Oyono, Usman Sembene, Chinua Achebe, Thomas Mofolo, Costa Andrade, T.M. Aluko, and Ngugi wa Thiong'o, among others.

Very soon the first volume of "Diwan Africano," an anthology of African poetry to be published in four volumes, will be in the bookstores.

Thanks to this work by men of these peoples, we have learned a little more about an important area of our origin: he who in chains crossed the sea in dramatic galley ships, as the poet said.

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NEW CANE PLANTING METHOD BEING USED IN VILLA CLARA

Havana TRABAJADORES in Spanish 28 Aug 81 p 4

[Article by Eraclides Barrero]

[Text] Here in the Camacho district of the Jose Maria Perez Sugar Cane Enterprise in Villa Clara are the pioneers in the planting of cane in raised furrows, an innovative system whose advantages were emphasized by Commander in Chief Fidel Castro at the closing session of the 16th Congress of the Sugar Cane Union.

Fidel said: "I talked with Comrade Rodriguez, first secretary of the party, and asked him exactly how many caballerias [1 caballeria = 33.2 acres] Villa Clara had lost and he said that 38 out of the 2,554 caballerias planted in cane had been lost. In other words, they lost less than 2 percent of the cane planted. Less than 2 percent, when a loss of 10 percent was normal!" He added: "What helped the most in Las Villas was planting the cane in raised furrows."

Since that time, planting in raised forrows or beds has become a nationwide practice, following Fidel's instructions: "We must not fail to apply the method wherever we have low land."

Why should it be used in the lowlands? What is this type of planting after all? Many questions arise with the use of this innovative method and in order to answer them, we went to the precise spot where the method was used extensively in our country for the first time.

One definition of planting in raised beds could be: a method consisting of planting the cane in a raised row in order to protect it from the effects of water in areas of very low land or of low filtration, where excessive rainwater drowns the new plants.

The difference between the traditional method and planting in raised beds is that in the first case, the cane is planted in the furrow itself and in the second, it is planted in the ridge of earth rising on both sides of the furrow.

Planting in raised beds is not a Villa Clara or even Cuban invention. It has been used previously in other countries and the recommendation of experts that it be used in our country dates back many years.

Because of the urgent need for a sugar cane recovery, following the harmful effects of the Barbados 4362 variety, its massive application was decided upon in our country.

"The first time we planted in raised beds was in 1977," said Rene Morales Sanchez, director of the Jose Maria Perez enterprise, "when we planted 8 caballerias. Despite the fact that we obtained good results, it was not until 1979 that it was done extensively."

It began here, just as it could have begun on any other plantation, he modestly says, "but we are proud to be the pioneers."

In the spring planting, the Jose Maria Perez enterprise put in 348.4 caballerias, 236 using the new method. It goes without saying that there are no losses; the word has been struck from the vocabulary of the Villa Clara cane growers. If it is necessary to replant at all, the amount is so small that it does not bear mentioning.

The number of shoots per field corresponds exactly to the number planted and yields have increased steadily with the use of the new techniques.

The fact is that not only is the raised bed method used, but rather, it is combined with deep cultivation.

These two productive techniques together make a perfect symbiosis and furthermore, there is no contradiction between them. They complement one another perfectly.

Deep cultivation means plowing very deeply in order to foster the root growth of the plant and help it to better absorb the nutrients in the soil. After plowing, one has but to make the raised furrows and then plant the cane.

It was not easy for the Jose Maria Perez enterprise to recover from the effects of rust because 60 percent of its plantations were the Barbados 4362 variety, the one affected. The enterprise paid dearly for violating what is actually an old rule: not having over 40 percent of the entire cane area planted with one variety.

In 1979, the plantations were practically decimated and this year, they produced only 24 million arrobas [1 arroba = 25 pounds] of cane. In 1980, the harvest level began to rise and reached 37 million arrobas. In 1981, there was a considerable leap, to 50 million.

In the last harvest, the yield was 62,000 arrobas per caballeria and this year, according to the July estimate, with the rising trend, 70,200 arrobas per caballeria will be harvested.

According to the 5-year plan, the Jose Maria Perez enterprise should have some 82,000 arrobas per caballeria by 1985. With the annual increase, which now amounts to some 10,000 arrobas, it is almost certain that that figure will be reached much sooner.

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CSO: 3010/1838

ANAP LEADERS IN VARIOUS PROVINCES DISCUSS TASKS

Agricultural Production in Granma

Havana ANAP in Spanish Jun 81 pp 14-15

[Interview with Luis Perez Verdecia, ANAP president in Granma Province, by Chongo Leiva; date and place not specified]

[Text] [Question] What is the province's strategy to undertake all the planned tasks for the Sixth Peasant Congress?

[Answer] We are doing innumerable concrete tasks in the province to salute the Sixth ANAP [National Association of Small Farmers] Congress and to make our province the site for the 26 July 1982 celebration, in answer to the call that our commander in chief made during his visit to this territory at the beginning of the year. Both events commit us even more to do our best at this time for the leadership of the revolution.

We have divided our work for both events into three major stages which we are analyzing in each peasant home. They cover from 1 January to 26 July of this year, from this date to 2 December--the 25th anniversary of the historic landing--and from that date to 26 July 1982. There will be a break before 17 May for the Sixth ANAP Congress.

[Question] How do you evaluate the work developed in the CPA [Agricultural and Livestock Cooperatives]?

[Answer] Concerning these superior forms of production, we recognize that we did not achieve great progress during the past year since we only formed 20 CPA. However, we have the bases to advance this year and we have a commitment to the ANAP National Directorate to form 30 CPA by the end of the year. Already 11 have been formed with an average of more than 20 caballerias and we will reach more than 20 by the end of April. There is great enthusiasm among the mountain peasants for these cooperatives; more than 50 percent of our CPA are in the mountains and those that are being organized now are in those areas. Niquero has two CPA with more than 60 caballerias, Bartolome Maso can end the year with two more, Guisa will have the same number before 17 May and Pilon has one CPA with 60 caballerias. During this quarter, 354 peasants including 116 women have joined the CPA.

After the commander in chief's visit to those places, the peasants' enthusiasm for the CPA was contagious. If we add the close ties to and the support of the Ministry of Agriculture, the National Bank and other related organisms, we can be sure that our plans will be successfully fulfilled.

[Question] Could you mention the production of the Granma peasantry now?

[Answer] There are 887 peasants in the cutting force for the sugar harvest. As of the end of March, we had fulfilled 97 percent with some 12 million arrobas of cane. We have two million-arroba brigades and we have sown 297 caballerias of spring cane. This commitment will be fulfilled. About 760 caballerias produced more than 70,000 arrobas. Many municipalities have yields of more than 80,000 and different CPA have yields of more than 100,000 arrobas per caballeria. Now we are involved in cane cultivation activities to insure the next harvest. Concerning coffee, we have sown more than 4 million plants. There was good cultivation work in all the CPA. We work in two directions: sowing and replanting. We have 65 caballerias under development and I think that this figure will increase with the formation of CPA in the mountains. This year we should harvest 30,500 quintals and another 1,700 quintals of cacao. There is good flowering which makes us think that there will be an excellent coffee harvest. This did not occur in the previous harvest, mainly due to climate and scant flowering. As to tobacco, we had a sowing plan of 100 caballerias but we sowed 4 more, a figure which had never been achieved here before. We should harvest 14,100 quintals but it would not be hard for us to produce 19,000. Although we have problems with irrigation and we do not have all our resources, there was a good sowing and we expect high yields. The total delivery to warehouses was discussed with all the harvesters to insure fulfillment. We also have a sowing plan for 409 caballerias of produce; 112 have already been planted during the first quarter. We will fulfill the 417,000 quintals planned which means a 38-percent increase compared to actual production in 1980. In the mentioned quarter, we were supposed to harvest 80,278 quintals but we delivered 108,671 which represents an increase of more than 12,000 quintals compared to the same period last year. In grains, 583,000 quintals will be delivered; we already overfulfilled by 24,000 quintals in the first quarter.

[Question] Would you like to give us an idea about the fulfillment of the other tasks that ANAP does in the province?

[Answer] Well, there were problems in educational tasks in the first half of last year since there was no in-depth or systematic work. However, that situation changed and now there is a positive situation. More than 3,000 peasants graduated from sixth grade and there is a noticeable increase in recreational, sports and cultural activities, study circles, etc. In spite of the fact that there are delays, there is work on subscriptions to the magazine which is distributed on time. The 20th anniversary teams work on their proposals, publicity on the CPA has increased and campaigns are adapted and carried out on time and in the proper form. During the last national plenum, only two or three criticisms were made in this sphere which shows its recovery. I feel that there are serious and sustained steps in the organizational sphere which is the core of the organism. The participation of the members in the general assemblies has improved and there is interest and discipline in the meetings of the governing boards. Particular attention is given

to the monthly and quarterly reviews of the emulation which is going well. We are now in the process of political evaluation of the cadres for the Sixth Congress; more than 80 percent achieved excellent ratings. We need to collect 160,000 pesos to pay for the expenses of the Sixth Congress. This work has not been very satisfactory but we will have more than 50 percent of this figure as a salute to 17 May and 26 July. There is also the commitment to collect 140,000 pesos to finance the MTT [Territorial Militia]; we are close to 40,000 pesos now.

[Question] After this broad overview, I have one last question. How do the ANAP Provincial Bureau and the Granma peasantry feel about this great number of achievements?

[Answer] We feel good about the fulfillment of our tasks but not satisfied. By agreement with our bureau, congratulations were sent to our peasantry for overfulfillment in all the productive branches during this quarter compared to the same period last year and success in the emulation and other assigned tasks. We reaffirmed that we are marching in step for the Sixth Congress and 26 July. We will not fail. We told the party and ANAP that we are preparing ourselves for the defense of the country as well as for increased production. We are convinced of the success of the Sixth Peasant Congress and convinced that we will celebrate 26 July 1982 here in Granma Province, a land filled with legends and a heroic history.

Santiago de Cuba Tasks

Havana ANAP in Spanish Jun 81 p 17

[Report on interview with Sigifredo Ramirez Torres, ANAP president in Santiago de Cuba Province, by Cornelio Batista Almaguer; date and place not specified]

[Text] In an interview with Sigifredo Ramirez Torres, ANAP president in Santiago de Cuba Province, he pointed out some of the main activities that the peasants in that province are developing to salute the Sixth ANAP Congress.

"The predecessors of ANAP were the National Peasant Association, the Peasant Regional Committee of the Frank Pais Second Eastern Front and all the peasant struggles throughout our fatherland. They played an important role in our revolutionary process. It is obvious that the Santiago peasantry is ready to successfully undertake present and future tasks.

"Since its constitution, ANAP has made great efforts to fulfill all the guidelines issued by the revolution. Without trying to mention all of them, we can say that it began with the development of the agrarian reform, continued with the literacy campaign and had its share of heroism in the fight against bandits and in defense of the revolution. This stage culminates with progress toward socialist forms of production.

"Progress toward superior forms of production by the peasants, as agreed on at the First Party Congress and ratified by the Fifth ANAP Congress, has been and is a basic daily task. Satisfactory results have been achieved. Along with the other tasks, this permits us today to speak about the future plans of the peasants in this province and to say that we are redoubling efforts to fulfill the agreements

of the Second Party Congress and the Fifth ANAP Congress and to salute the coming Sixth Congress with a series of activities in production, defense, study and the progress and growth of the cooperative movement.

"For 1981, our peasants propose to sow 160.9 caballerias of cane, keep all the fields clean and have them cultivated and fertilized. There must be a great effort to sow 160 caballerias of coffee and to give these fields more attention. This means cleaning, pruning, stripping the plants of suckers, regulating the shade and fertilizing. For the next harvest, ANAP members have proposed to extract pulp from 75 percent of all the coffee that is harvested in the province.

"We must also sow 799 caballerias of produce, grains, fruits and citrus and harvest more than 1.5 million quintals of agricultural products. There is a plan to sell ECIL [Dairy Industry Consolidated Enterprise] 2.5 million liters of milk, 13,400 head of cattle, 3,976 quintals of honey and wax and 934 sheep and goats.

"It is the peasant families' intention to pay their social dues and for literature and to contribute 172,000 pesos to help pay for the expenses of the MTT and make a similar contribution for the Sixth ANAP Congress.

"Concerning improvement of ties with other organisms, we propose to strengthen our joint work with the FMC [Federation of Cuban Women], UJC [Union of Young Communists], CTC [Central Organization of Cuban Trade Unions], CDR [Committees for the Defense of the Revolution], Civil Defense, the people's government, the Ministry of Agriculture and the Ministry of the Sugar Industry.

"There is also work to achieve the incorporation of capable peasants in the classrooms and for political and ideological development through study circles.

"There is good work being done in the construction and reconstruction of clubs and primary schools, encouraging technical training of the peasants and giving better attention to the protection of the flora, fauna and environment.

"The task of continuing the growth of the cooperative movement continues to be one of the priority activities of our organization on all levels this year and for the rest of the 5-year period. To advance all these tasks, we have incentives like, for example, the 20th anniversary of the Bay of Pigs Victory, the 20th anniversary of the founding of ANAP, 26 July, the Second CDR Congress and the Sixth Peasant Congress as well as other important events that will serve as stimuli in the daily work to win this new battle."

Cienfuegos Agricultural Tasks

Havana ANAP in Spanish Jul 81 p 18

[Report on interview with Edilio Gonzalez Martinez, ANAP vice president in Cienfuegos, by Chongo Leiva; date and place not specified]

[Text] "I think we must give some information on the work done in the first quarter of this year and, in this way, we will give a general idea of how our tasks are progressing. Concerning cane sowing during this period, 72 percent of land

preparation was done, 68 percent of cultivation and 61 percent of fertilization. We want to point out that we are working hard to raise these figures and to fulfill the steps of our cane program. In general, we are not facing impossible problems and, as always, the cane peasants will fulfill their commitments for the success of the next harvest. In the 1984-85 harvest, we will achieve yields of more than 80,000 arrobas per caballeria.

"Coffee production shows positive advances in its different stages. There are some delays in the regulation of shade, 78 percent of which is done, and there is 88 percent in pruning. Nevertheless, in fertilization we did 21 caballerias more than in the same period last year. In harvesting, 104,828 cans of the 120,000 planned were stored. In plant production, we had 967,000 for the sowing of 13 caballerias this year and 195,000 for next year.

"We are taking all appropriate measures at this time to fulfill the sowing plan for produce. There are some delays for different reasons. Nevertheless, we have fulfilled the plan for sales to the state by 339 percent and we delivered 2,649 quintals more than in the same period last year. There was no plan for grains but 1,209 quintals were harvested. There was 104 percent production of vegetables, harvesting 23,377 quintals more than in the same period last year. The plan for pigs was fulfilled by 116 percent, 106 percent for sheep and 82 percent for poultry. In all these cases, the figures were higher than in the first quarter of 1980.

"We proposed to end this year with 43 CPA; therefore, we must form 12 during this period. We are doing serious work in growth by area and by member. As to unification, we should have two or three cooperatives this year under the principle of 60x60, basically in the municipalities of Palmira, Rodas and Cruces. We think that these CPA will reach at least 90 caballerias. There is a coffee development plan that extends to the year 1990 in which the locations of the cooperatives and communities have been defined. We received collaboration from the Ministry of Agriculture, our highway comrades, the Electrical Enterprise and other organisms that have made commitments. The plan covers the creation of 14 CPA in the mountains. There is real enthusiasm among the peasantry and the cadres of the organization to fulfill this work.

"At present, we have 29 CPA which cover 387 caballerias and have a total of 641 members. This historic task of ANAP demands our greatest efforts and absolute dedication. We are optimistic about fulfilling each stage of the plans.

"As to the internal life, we can report that 98 percent of the general assemblies and 97 percent of administrative councils were held during that period. Development of the emulation was strengthened with the guidelines of the organization as well as with the recommendations of our party. The quarterly and semiannual assemblies are held with quality and the winners receive awards. During this quarter, there were also the corresponding reviews done with the same quality as the provincial assembly.

"The study circles had 75 percent attendance. During the 6 months that ended in February, 35 peasants were incorporated in the SOC [Workers and Peasants Secondary School] classrooms and 30 finished. In February, we incorporated 86 members into the EOC [Workers and Peasants Education]. The municipalities of Cumanayagua and

Rodas excelled in this work. We sponsored 260 primary schools in which there is an ANAP delegate to the school council. Also the province has 44 amateur groups and, during this period, there were many recreational, cultural and sports activities.

"Concerning the Sixth Congress, we can report that we have completed all the organizational processes indicated. To date, we have collected 35,172 pesos of the planned 81,585 pesos. The 7,031 members in this province feel the congress is theirs and they are enthusiastic and happy about it. To carry out the motto of defense, more than 40 percent of our peasantry is in the MTT. Of the planned 79,348 pesos to pay for its expenses, we have already collected 60,192 pesos.

"In general, this is some of the work that the Cienfuegos peasantry is doing in salute to 26 July and the Sixth ANAP Congress and as an important part of the fulfillment of the agreements of the Second Party Congress."

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CSO: 3010/1840

ARGENTINE ECONOMICS, MARTINEZ DF HOZ CRITICIZED

Havana PRISMA LATINOAMERICANO in Spanish Jul 81 p 58

[Article by Jose Bodes Gomez: "Time Passed Judgement"]

[Text] Five years is long enough to be able to analyze the results of an economic policy. This is the case in Argentina, and its experience should be borne in mind by other countries in Latin America which are using similar models in directing their economies.

The "Memorial" recently published by the Argentine Ministry of Economy, at the end of the official term of the government team led by Jose Alfredo Martinez de Hoz, indicates that the basic pillars of the current program have been to make the government a subsidiary and to open the economy to the outside.

Regarding the former point, the report states that 120 government companies were transferred fully or partially to the private sector. In addition the government divested itself of all the shares it held in 207 mixed companies.

The two basic goals of the economic program were thoroughly applied in the petroleum industry. According to the official document, the private sector's participation in petroleum exploration and exploitation increased from 25 percent in 1976 to 39.5 percent in 1981.

The Risk Contracts Law allowed the private petroleum companies to be awarded a 110,000 square kilometer area, distributed between land area and the continental shelf.

The report adds that "national and foreign private companies have also been invited to participate in the development of known deposits in which additional investments must be made to achieve better recovery of hydrocarbons." That is, in this case there is no risk at all for private capital since they are being given proven resources in which the government funds were invested first.

The energy policy also affected the institutional structure which Argentina had managed to create over a period of 4 decades despite several previous attempts to change it. In 1976, as the official report admits, the production, refining, and transportation of energy were mainly done by government companies. Now the

structure of those companies has been modified to place their management in the hands of multisectorial boards of directors, and to top it off, in 1979, government control over the industrialization and sale of petroleum derivatives was abolished.

The argument used in favor of putting the Argentine economy into the hands of private enterprise was the "inefficiency" of government companies, while in arguing the reduction of tariffs the musty old principle of "free competition" was invoked.

This apparently liberal philosophy, as several Argentine economists have said, is highly pro-monopolist, and is inspired by the most reactionary economic theories of today. They are the ideas of Milton Freidman and Freidrich von Hayek, conceived as a solution to the capitalist system's crisis, from their lecture rooms in the United States.

The practice comes hand in hand with the theory, and the report of the Ministry of the Economy notes support for that economic policy from the World Bank and the Inter-American Development Bank, "which have granted a record number of loans for developing various areas of the Argentine economy."

However, such an injection of dollars was not enough to prevent a deficit in the balance of payments for the last 2 years, while the foreign debt tripled during the 1976 to 1980 period. As a corollary to this situation, international monetary reserves began to drop during the past year, and so far this year the drop has increased dangerously.

The administrative machinery also underwent serious readjustments intended to achieve maximum efficiency. Ferrocarriles Argentinos, one of the companies in which this policy was applied most widely, cut its trackage by 25 percent and fired 60,000 workers. Nevertheless, the nation's fiscal deficit for last year was over $4 billion, according to international methodology.

Inflation might be reduced from triple to double digits, but without reaching the rates predicted by the Ministry of the Economy. We are in the presence of a very peculiar phenomenon here: in recent years prices have risen to levels that make a long list of consumer goods inaccessible to the majority of Argentines; this makes it impossible for inflation to rise even farther because of the extreme contraction of the domestic market.

The Richard Allis real estate company of Britain recently published a study revealing that renting an office in Buenos Aires is more expensive than in London, New York, or Paris. Rents were also included in the "free competition" system, and today housing costs absorb over half of the average salary.

"The only thing that is cheap in Argentina is dollars," a Spanish journalist commented sarcastically upon showing that the peso had become a sort of "monetary fiction" because of the exchange rate system in force until March of this year.

The results of a 5-year period of an economic policy inspired by the neoliberal model that relegates the government to a subsidiary role and almost

unconditionally opens the door to the transnational companies is that the structural crisis from which Argentina has been suffering since the 1930's has been worsened; in addition, its has unleashed a joint crisis that manifests itself most severely in financial chaos, stagnation of production, and a rapid drop in the people's standard of living.

The other Latin American countries, such as Chile and Uruguay, which are following the same model, cannot expect better luck.

8587
CSO: 3010/1795

BRIEFS

DEATH OF MARTIN HERNANDEZ--Following a lengthy illness, Col Edel Martin Hernandez, pilot 1st class in the Revolutionary Armed Forces, died in the capital on 18 August. Martin Hernandez came from humble origins. He was born on 16 March 1938, on the La Carolina ranch in Zaza del Medio, now Las Villas Province. He attended rural elementary school No 86, located in the area. In 1952, upon the completion of the eighth grade and lacking the money to continue his studies, he went to work with his father as a farm worker. In 1957, he found a job in a drugstore in Santa Clara. He began his revolutionary activities around May 1958, performing underground tasks. A month later, he joined the Rebel Army in Escambray. He participated in the battles of Caracusey, Pacetas, Fomento, Santa Clara and Guinia de Miranda. With the triumph of the Revolution in 1959, he completed his training as a liaison pilot and later was trained as a fighter pilot, becoming skilled in the handling and mastery of the Mig aircraft. In 1965, he joined the ranks of the Communist Party of Cuba. Two years later, he went to Vietnam on a special mission. He completed military courses at the War College of the Revolutionary Armed Forces and the Voroshilov Military Academy in the USSR. His merits and qualifications caused him to be promoted to various posts and the leadership of units in the Revolutionary Armed Forces. He received the 20th Anniversary of Moncada and the 20th Anniversary of the Revolutionary Armed Forces medals. [Text] [Havana VERDE OLIVO in Spanish 30 Aug 81 p 56] 11,464

JOINT CONSTRUCTION AGREEMENT WITH LIBYA--In Havana, Libya and Cuba have exchanged documents ratifying an agreement between the two countries concerning the establishment of a joint construction company. The document was signed at the Cuban Ministry of Foreign Affairs by 'Ali Muhammad Al-Ejili, secretary of the People's Committee of the People's Bureau of the Socialist People's Libyan Arab Jamahiriyah in Cuba, and Oscar Oramas, deputy minister of foreign relations of Cuba. The agreement between Cuba and Libya concerning the establishment of the joint enterprise for construction was signed on 20 September 1979 in Habana. In keeping with the Technical, Economic and Commercial Cooperation Agreement between Cuba and Libya, signed in Tripoli on 9 March 1979, and in compliance with the protocol between the two countries signed on 12 February 1979, authorization was given for the creation of the Arab Libyan-Cuban Enterprise, with headquarters in the Libyan capital, for the construction of buildings and their maintenance. The enterprise will be empowered to undertake import and export operations and other commercial activities. Following the signing of the document, Oscar Oramas and 'Ali Muhammad Al-Ejili gave strong speeches emphasizing the bonds of sincere friendship and cooperation between the two nations and the common fight against American imperialism. [By Arnaldo Musa] [Text] [Havana GRANMA in Spanish 27 Aug 81 p 3] 11,464

CSO: 3010/1838

UPM RAPS CHARLES' CRITICISM OF GRENADA, U.S. AID POLICY

Bridgetown ADVOCATE-NEWS in English 7 Sep 81 p 3

[Text]

KINGSTOWN, St. Vincent, Sunday (CANA) — A Dominica Government statement that Grenada, by its refusal to hold elections to legitimise the revolutionary regime there was holding up foreign aid to the other Eastern Caribbean islands, has come under attack here.

The small left wing United Peoples Movement (UPM) has accused the Dominica Prime Minister Miss Eugenia Charles, who made the statement of trying to be deceptive.

The controversy followed a recent Caribbean Development Bank (CDB) decision not to accept a US$4 million grant for the Windwards and Leewards, because its donors — the United States — stipulated that Grenada, which has a leftist revolutionary government, should not benefit.

Said UPM general secretary Renwrick Rose: "If the U.S. is really interested in giving four million dollars to Caribbean islands and wants to exclude some, Rose said, all it has to do is not to go through the CDB, but to divide up the money among those it considers its friends in the region and give them without asking them to exclude any other country."

"What they are trying to do by trying to use the CDB, is to create division among the Caribbean countries" he added.

Rose also attacked Miss Charles' decision to refuse a number of scholarships offered by the Cuban Government on the grounds that the students would be indoctrinated in communism.

Said Rose: "It's nonsense and a blatant lie to talk about students being indoctrinated."

"The students are purusing academic courses, he asserted.

He said there were no compulsory political studies in the scholarships. "They are free to go to church or to carry on whatever social activities" he said.

Rose deemed Miss Charles' statement as one which is trying to discredit the Cuban Government and trying to see what little funds she can get from her American masters by trying to carry out such propaganda."

CSO: 3025/02

MINISTER RETURNS WITH PROMISES OF AID FROM VENEZUELA

Bridgetown ADVOCATE-NEWS in English 2 Sep 81 p 3

[Text] ROSEAU, Dominica, Tuesday (CANA) — Venezuela has promised to assist Dominica in a number of areas including agriculture, and the construction of two primary schools, Dominica's Communications, Works and Tourism Minister Henry Dyer said yesterday.

Mr. Dyer led a high-level delegation to the South American country for discussions on funding for projects in Dominica and technical assistance.

Mr. Dyer told a news conference yesterday that the two countries would soon sign an agreement on a US$500 000 soft term loan to be used on projects approved by the Venezuelan Government.

Mr. Dyer said the delegation presented a number of projects to the Venezuelans which they could finance on a soft term loan basis. The projects would cost about US$12.8 million he added.

The delegation had been told that 'most of the projects could qualify for assistance under the Venezuelan Investment Fund but require a little more details.'

He said that there was a strong possibility that Venezuela would help reconstruct a portion of a road linking the villages of Loubiere and Scotshead on the southern part of the island.

In this regard, an engineer would be arriving here within the next two weeks to assess the projects, the Minister added.

Mr. Dyer said that the Venezuelans and agreed to construct two elementary schools in the rural areas, and provide scholarships for Dominicans in the fields of agriculture, sports, education and medicine. There would also be attachments by Dominica's tourism officials to Venezuela.

The Venezuelan Government has also agreed to host a 'Tourism Awareness seminar' to include delegates from the Caribbean region the seminar would be held in Dominica at a date to be announced.

When the delegation left here government said that it would be discussing the funding of an international airport. Mr. Dyer said that there was a strong possibility of Venezuela providing assistance in this area.

The Minister said that under the friendship and co-operation treaty with Venezuela, Dominica had decided to allow the Venezuelans to erect a bust of their National Hero Simon Bolivar at the Old Mill Art Centre, participate in an exchange of students, and have radio time to help Dominicans understand spanish.

CSO: 3025/02

BISHOP SAYS ECONOMY IS BUFFETED BY EXTERNAL PRESSURES

Kingston THE SUNDAY GLEANER in English 13 Sep 81 p 4

[Text] St George, Grenada, Sept 10 (CANA): Grenada is losing millions of dollars because of the economic recession in the western industrialised nations, according to Prime Minister Maurice Bishop.

Mr Bishop said that the country's economy is facing a severe threat because four of its five major foreign exchange earners are under tremendous pressure.

The government reported this week that the agriculture sector, primarily bananas, nutmegs and cocoa, suffered almost $1.2 [as published] in damage from last month's freak storm.

Grenada had been forced to store a large quantity of nutmegs because of its inability to find markets for the product, Mr Bishop said.

He added that a recent 55 percent drop in the price of cocoa on the world market was affecting the Grenadian economy.

Bananas

Mr Bishop noted that the situation was similar in the banana industry and said "our farmers are questioning whether it is at all feasible to continue to produce bananas."

"The agricultural export earners have been in for a battering and there is no immediate signs that things are about to improve," he said.

The Grenadian Prime Minister said that the threat posed to the Grenada economy was severe because the country's tourism sector was also being hampered by the recession.

Mr Bishop charged that a propaganda destabilisation campaign aimed at Grenada was also ensuring a drop in foreign exchange earnings from tourism.

CSO: 3025/04

PPP CENTRAL COMMITTEE STATEMENT ASSAILS PNC ADMINISTRATION

Bridgetown ADVOCATE-NEWS in English 7 Sep 81 p 3

[Text]

GEORGETOWN, Guyana, Sunday (CANA) — The Peoples Progressive Party (PPP), the official opposition here, has accused the ruling Peoples National Congress (PNC) of failing to come to grips with worsening social and economic conditions here.

The PPP issued a statement at the end of a meeting of its Central Committee at which "the worsening conditions of the Guyanese working people under the undemocratic and corrupt rule of the "PNC were subjects of broad discussions."

The Central Committee reviewed particularly the process of the deepening of the political, economic and social crisis engulfing the nation and the inability of the ruling party to solve the most vital questions facing the people and the country," the statement said.

According to the PPP, the inability stems from the nature of the petty bourgeois, nationalist regime which seeks only to keep itself in power contrary to the wishes of the vast majority of the people.

"Its pro-imperialist position and its lack of internal support, together with the PNC's demagogic postures of socialism have paved the way for imperialist agencies like the International Monetary Fund to dictate anti-working class policies," the PPP charged.

The opposition party contended that there is a lack of democracy, which has led to a sharp decline in production, steep rise in the cost of living, inflation, devaluation of the Guyana dollar and consequently, political repression to suppress the struggles for betterment.

"The Central Committee unanimously resolved to continue the fight for a Government of national consensus based on democracy, anti-imperialism and socialist orientation as a sure and realistic solution to the plight of the country and the working class," the PPP said.

"For the removal of the regime, the party has decided to strengthen itself and use every possible avenue available to organise the toiling masses," the statement adds.

CSO: 3025/04

VISA POLICY ON CUBANS ENROUTE TO HONDURAS UNDER REVIEW

Bridgetown ADVOCATE-NEWS in English 7 Sep 81 p 3

[Text]

KINGSTON, Jamaica, Sunday (CANA) — The Jamaican Embassy in Havana might have to review its procedure for granting visas to Cubans passing through Jamaica in light of recent problems with those who had come here expecting to go to Honduras, Foreign Minister Hugh Shearer, has disclosed.

Over the past month, scores of Cubans have come here expecting to get visas from the Hunduran Consulate in Kingston to go to that country where they would await entry to the United States.

However, most have run into difficulties, as the Consul has only been able to grant a few visas based on names received from the Foreign Ministry in Tegucigalpa.

Sources close to the Cubans had said that 500 Cubans had been granted intransit visas by the Jamaican Embassy in Havana, and were in fact in Jamaica.

But in a brief meeting with reporters on Friday, Mr. Shearer said that figure was high, though he could not say how many had been granted.

He also said that Jamaica did not categorise the Cubans as refugees, but rather people intransit in Jamaica going elsewhere.

They must have been able to satisfy the Havana Embassy that they already had onward visas or were certain to collect them here to have been granted Jamaican visas, Mr. Shearer said.

Pressed on the failure of most of the Cubans to acquire their visas to leave Jamaica, Mr. Shearer said: "We might have to review the procedure of granting visas to Cubans. If you have a system that does not work the obvious step is to seek to change it."

CSO: 3025/04

MINISTER SAYS SUBVERSIVES STIR TROUBLE IN WORKPLACE

Kingston THE DAILY GLEANER in English 10 Sep 81 p 1

[Text]

"THE COUNTRY has got to find strategies to deal with the small band of subversive elements which are stirring up trouble in the workplace", the Minister of Labour the Hon. J.A.G. Smith said yesterday at the Jamaica Pegasus Hotel, New Kingston.

Speaking at the quarterly meeting of the Institute of Chartered Accountants, Mr. Smith said that much of the industrial unrest in Jamaica was being stirred up by subversives who were often times not connected to the particular work place.

Citing a case in point, the Labour Minister said that during the National Water Commission strike last week the people who had turned off the valves were not employed by the commission.

Mr. Smith warned that the attitude of some top management in staying aloof from what is happening in their organizations was not a good one as it did not foster good work relations.

"This gives the appearance of a big-man syndrome", he said. He also noted that many firms needed to update their industrial relations system in order to stem the rising incidence of industrial conflicts.

MR. SMITH SAID JAMAICA WAS SUFFERING a severe shortage of accountants with only 360 registered at the Institute up to April 1. Between 1978-80 some 235 work permits were granted to expatriate accountants with some 55 being issued from the beginning of the year to August.

He congratulated the Institute of Chartered Accountants on the work done to keep business enterprises open during the economic depression over the past years. He also stressed that all accountants had a vital role to play in the Jamaica's new trust for economic survival.

CSO: 3025/04

BRIEFS

PNP ON U.S. POLICY--Kingston, Jamaica, Thursday (CANA)--the Opposition People's National Party (PNP) here has called on the Jamaica government to use its "good relations and influence with the Reagan administration" to help change U.S. policy in black Africa. The PNP's call came in a statement here in which the party condemned the United States veto of a United Nations Security Council resolution condemning South Africa's incursion into Angola last week, and calling for an immediate withdrawal of Pretoria's troops and for restitution. The United States was the only country opposing the resolution, causing a split in the ranks of the Western nations on the South Africa-Namibia-Angola issue. Angola is one of the frontline African states bordering South Africa attempting to secure Namibian independence. The PNP commended France's support for the resolution. The party's statement said the U.S. had used its veto power to block measures aimed at "countering the aggression of the racist South Africans against black Africans." [Excerpt] [Bridgetown ADVOCATE-NEWS in English 4 Sep 81 p 3]

RAID ON WPJ OFFICES--Several films and tapes were taken from the office of the Workers' Party of Jamaica, 50 Lady Musgrave Road, St Andrew by the police on Monday. "A quantity of pharmaceutical drugs was also taken from a clinic established on the premises. These are held pending further investigations," a news release from the Police Information Centre yesterday said. Dr Trevor Munroe, General Secretary of the WPJ and his attorney were present when the office at 50 Lady Musgrave Road and at his home in Mona were visited and searched by the police, the news release said. The police had intensified their investigations following the arrest of Dr Munroe's bodyguard, Michael Gordon, last week, on a charge of illegal possession of firearm, and the discovery of "certain documents." "The C.I.B. has now taken over certain aspects of the investigation. On the afternoon of Monday, September 7, Dr Munroe and his attorney upon request of the Police, attended the office of the Assistant Commissioner of Police C.I.B. headquarters. "Dr Munroe was interviewed with respect to the documents and other things found in the car. The office at W.P.J. headquarters, 50 Lady Musgrave Road and at his home in Mona were visited and searched in the presence of his attorney and himself by the police. At Lady Musgrave Road, a number of tapes and films were taken and examined. A quantity of pharmaceutical drugs was also taken from a clinic established on the premises. These are held pending further investigation," the release said. [Text] [Kingston THE DAILY GLEANER in English 10 Sep 81 p 1]

CSO: 3025/07

DONALDSON NOTES RECENT ILLEGAL FOREIGN OVERFLIGHT

Port-of-Spain TRINIDAD GUARDIAN in English 21 Aug 81 p 1

[Article by Francis Joseph]

[Excerpt]

NATIONAL SECURITY Minister, Senator John Donaldson, told 131 recruits of the Trinidad and Tobago Regiment yesterday at Teteron Barracks, to prepare themselves to defend their country in times of emergency and danger.

This call came shortly after Senator Donaldson told the recruits of the presence of an unidentified military aircraft passing over Trinidad two or three days ago.

The Minister said that the aircraft, which comes from another country which he could not name, came into contact with the air traffic base at Piarco International Airport earlier this week.

He said the presence of the aircraft over Trinidad was a disrespect to the nation's sovereignty, and it was therefore endangering the welfare of the society.

The National Security Minister told the recruits that they must be ready to assist the community in times of emergency and in the period when the public services or utilities were not available.

Senator Donaldson said because of this, the Community Services Division (CSD) had been established and together with the Defence Force establishment, the Ministry of National Security was appropriately enlarged.

CSO: 3025/05

STATE-OWNED ENTERPRISES SHOW BIG LOSSES OVER 5 YEARS

Bridgetown ADVOCATE-NEWS in English 5 Sep 81 p 3

[Text]

PORT-OF-SPAIN, Trinidad, Friday, (CANA) — Three state-owned enterprises in Trinidad and Tobago have run up losses of close to $1 billion in the five years, a Cabinet Minister has told Parliament.

State Enterprises Minister Errol Mahabir, replying to a question from Opposition Leader Basdeo Panday, said that Caroni (1975) Limited the largest sugar producing company here, lost $299.5 million between 1975 and 1980 and if new wage demands were taken into account, the losses would total $338.6 million in 1981.

"Caroni moved from a profit of $9.4 million in 1975 to a loss of $19.4 million in 1976. Therefore the company lost $28.8 million in 1977, $76.6 million in 1978, $60.4 million in 1979 and $123.6 million in 1980," the Minister said.

He said that Caroni's estimated loss in 1981 is $259.9 million.

BWIA, the national airline, lost $294.5 million over the five-year period 1975-1980. The airline, he said, lost $30.1 million in 1975, $5.8 million in 1976, $8.9 million in 1977, $57.8 million in 1978, $75.9 million in 1979 and $115.9 million in 1980.

BWIA's estimated loss for this year is $73.8 million.

The Public Transport Service Corporation (PTSC) which runs the state-owned bus system lost $298.9 million in the five year up to 1980. The money was government subventions to cover the difference between the officially controlled fare structure and actual costs.

Those subventions totalled $20.8 million in 1975, $26.6 million in 1976, $44.5 million in 1977, $56.9 million in 1977, $69.3 million in 1979 and $80.6 million in 1980.

In response to another question from Mr. Panday, Mr. Mahabir disclosed that former Caroni Limited managing director, Gordon Maingot had been paid $233,750 in severance benefits amounting 27 ½ months salary.

Mr. Mahabir explained that when Caroni shareholders appointed a new board of directors in May 1980, Mr. Maingot's post was made redundant.

As an interim measure, Mr. Maingot was subsequently made acting Chief Executive Officer. But it was then decided that Mr. Maingot's services should be served with effect from March 31, 1981.

Mr. Maingot's compensation was negotiated between himself and a committee of the board, which agreed that Mr. Maingot would be paid only severance benefits.

CSO: 3025/05

BRIEFS

FOREIGN RESERVE GROWTH--Port-of-Spain, Trinidad, Wednesday (UPI)--The oil-rich Caribbean state of Trinidad and Tobago now has foreign reserves of US$3.5 billion, according to Central Bank Governor Victor Bruce. Bruce said the economy is so buoyant that banks have reached local majority ownership and at the end of last year, the local banking system had accumulated financial assets of US$2.6 billion, a ten-fold increase over 1970. In an attempt to "Trinidadianise" banking institutions, the Government of Prime Minister George Chambers has instructed banks operating here to divest shares to nationals. The result is that several banks, including those of Nova Scotia, Royal Bank, Canadian Imperial and Citibank have sold majority shareholdings to nationals. It is important, Bruce said in a speech at the opening of Royal Bank's 16th brand, to ensure that the financial institutions make an efficient contribution to economic development. Bruce said the present rate of inflation is unacceptable and Trinidad ought to pursue "well known fiscal and monetary policies to restrain the price rise." Inflation peaked in 1974 at 22 per cent, then suffered a decline and rose again in 1979 and in 1980 has not deviated from 17.5 per cent. Bruce said Trinidad is today the fourth wealthiest nation in the western hemisphere. [Text] [Bridgetown ADVOCATE-NEWS in English 3 Sep 81 p 3]

PAY DISPUTE SETTLEMENT--Port-of-Spain Trinidad Saturday (UPI)--The Government of Trinidad and Tobago has settled a four-year-old pay dispute with the all Trinidad Sugar and General Workers Trade Union, which represents workers at the government-owned Caroni Limited sugar mill. State Enterprises Minister Errol Mahabir said the 1 000 workers will receive wage increases totalling US$10.5 million for the three-year period retroactive to January 1980. Mahabir said the new agreement would be signed next week. Among the issues resolved were sick leave, holiday with pay, public holidays and severance pay. A pension plan for workers based on average pay in the last five years of work is to be worked out at a later date, Mahabir said. [Text] [Bridgetown SUNDAY ADVOCATE-NEWS in English 6 Sep 81 p 3]

CSO: 3025/05 END

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OIL EXPLORATION, PRODUCTION TO COST $15 BILLION IN 1981-85

Goal for 1985 'Imperative'

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 11 Sep 81 p 28

[Text] Rio de Janeiro--Petrobras will invest over $5.1 billion, or 533 billion cruzeiros, next year in oil exploration and production as part of its effort to achieve daily production of 500,000 barrels by 1985, it was announced in Rio de Janeiro yesterday by Orfila Santos Lima, the company's production director. This investment budget is 83 percent higher, in real terms, than this year's expenditures on oil exploration and production.

According to Orfila Santos Lima, the goal of 500,000 barrels of oil a day "is an absolute imperative for Petrobras" and must be reached by 1985.

The proposed funds, Orfila explained, have already been requested from the Special Secretariat for Control of State Enterprises (SEST), which will have to consider the matter within the overall Petrobras budget. Of the 533-billion-cruzeiro total, 315 billion cruzeiros will be for production development and 218 billion cruzeiros will be for exploration. This represents a real increase of 27 percent for production development and 42 percent for exploration.

Since 1977, Orfila said, there was also an effort made regarding the activity of companies having risk contracts with Petrobras. Throughout this period 48 wells were dug and 10 more are being drilled, resulting in investments of $735 million. Nationwide, there were 463 wells drilled in 1980 and 418 through August 1981. During 1980 Petrobras spent, according to Orfila, the equivalent of 67.7 billion cruzeiros for production development and exploration and in 1981 will spend about 190 billion cruzeiros.

Domestic Production

The Petrobras official further revealed that domestic petroleum production is now 234,000 barrels per day, but the objective is to reach 280,000 by February or March next year. It is possible that during the second half of next year a peak of 300,000 barrels per day will be reached.

Orfila announced that by the end of this year or the beginning of the next, 5 systems in the Campos Basin will begin to operate, producing an additional 32,076 barrels

per day, which, added to the current 60,000 barrels, will show a volume of 90,076 barrels a day. This represents an increase in Campos Basin production of 53.3 percent.

Daily production from the new systems will be divided among the various fields as follows: Garoupa, 15,725 barrels; Bicudo, 6,916 barrels; Pampo, 1,887 barrels; Badejo, 5,661 barrels; and Enchova (exploratory), 1,887 barrels. To give an idea of the amount of work accomplished by Petrobras, Orfila pointed out that Brazil now has 2,030 wells in production, whereas in January of this year it had only 1,800. But his contention is that this effort will have to be intensified in order to compensate for declining production in Bahia, which now has 47 producing fields, with an output of 78,000 barrels per day, whereas previously 150,000 barrels a day were being produced. For this reason, secondary-recovery methods are being used constantly, with 150,000 cubic meters of water injected daily. The production director mentioned that 75 percent of Bahia's oil production comes from 6 wells and 25 percent from the other 41.

Domestic Industry

Petrobras announced that, in accordance with its policy of supporting domestic industry, it permitted Confab Industrial S.A. to double its production capacity for oilwell casing pipe. It will manufacture 48,000 tons of piping per year. Petrobras said this same company, in addition to its domestic supply, signed contracts amounting to $40 billion [as published] for delivery to foreign markets, mainly those of the United States and Mexico.

Investment Details

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 15 Sep 81 p 35

[Text] Rio de Janeiro--Petrobras will invest about $15 billion to carry out its program for exploration and production of petroleum and natural gas in Brazil between 1981 and 1985, when the goal of 500,000 barrels of oil per day must be met, generating a foreign-exchange savings of $4.5 billion per year. Brazil's existing reserves permit production of 400,000 barrels of oil a day by 1985, without taking into account additional production resulting from new discoveries.

This announcement was made in Rio de Janeiro yesterday by the Petrobras general superintendent for production, Mauricio Medeiros de Alvarenga, during the Third International Symposium on Offshore Structures. He added that the $15 billion will absorb during the period 90 percent of all investment made by Petrobras and foreign currency will account for 30 percent.

Mauricio Alvarenga announced that surveying 330,000 kilometers in water deeper than 200 meters and about 50,000 kilometers of seismographic profiles in onshore basins is already planned. This will make possible efficient exploratory drilling of about 3 million meters offshore and 2 million meters onshore. This program will require about $4.5 billion. The exploration effort, Mauricio Alvarenga continued, will probably require drilling 2,516 wells, onshore and offshore, calling for a substantial increase in the number of drilling units, which at present is 73 rigs (45 onshore and 28 offshore).

Offshore Exploration

The Petrobras superintendent made a thorough analysis of petroleum exploration in Brazil. In regard to offshore drilling, he said that 13 years after exploration was begun 600 exploratory wells have been drilled and 330,000 kilometers of seismic lines have been laid. Thanks to this work, according to Mauricio Alvarenga, it was possible to identify 20 oil-bearing fields off the Brazilian coast in the states of Rio de Janeiro, Sergipe, Rio Grande do Norte, Alagoas, Bahia, Ceara and Espirito Santo. He also spoke of the potentialities of the Brazilian continental shelf, mentioning that 968 million barrels have been found there, more than 80 percent of it located in the oil-bearing province of the Campos Basin.

The definitive Campos production system, Mauricio Alvarenga pointed out, calls for operating seven large stationary platforms similar to those installed in the North Sea. Through 1980, $2.1 billion was invested in developing these systems, and an additional $3.4 billion is to be invested by 1987. According to the superintendent, the system should begin operating during 1983.

Equipment

Meeting the goals for offshore and onshore exploration (2,516 wells) will require considerable quantities of equipment. For this purpose Petrobras has under construction 10 offshore drilling platforms (6 semi-submersible and 4 "jack-up"). It is also procuring 15 onshore and 15 offshore "self-contained" drilling rigs. Mauricio Alvarenga also estimated that 35,000 to 45,000 drilling bits and 700,000 to 900,000 tons of casing pipe will be used.

"The amount of material needed," Mauricio Alvarenga noted, "consists of more than what has just been mentioned. Reaching the goal of 500,000 barrels a day in 1985 also requires building 40 to 50 permanent steel platforms in addition to those being built for the Campos Basin and the 32 already in operation; building 6 mobile platforms; installing 10 to 15 preliminary production systems and 30 to 40 wet Christmas trees; and building 4 plants for producing LNG (liquid natural gas)."

Mauricio Alvarenga explained that high winds have been hampering the work of repairing the hydraulic and electric cables of the provisional Garoupa system. Yesterday, however, divers managed to get into the manifold (central control system), wearing gas masks, to do the necessary work. The superintendent believes that, unless the weather gets worse, the field's production system will begin operating again this morning.

Exploratory Wells

Year	Offshore	Onshore
1981	121	121
1982	147	159
1983	166	197
1984	179	235
1985	193	263
[Total]	806	975

Seismic Surveys

Offshore: 330,000 kilometers
Onshore: 666 team-months

Investments

Offshore: $3.5 billion
Onshore: $1.0 billion
[Total] $4.5 billion

Trend of Production

Year	Cubic Meters/Day	Barrels/Day
1981	12,824	221
1982	14,338	247
1983	19,430	335
1984	25,128	433
1985	29,019	500

Petroleum production in Brazil, excluding any possible contribution from indirect exploration (risk contracts), is expected to increase from 221,000 barrels a day in 1981 to 500,000 barrels a day in 1985.

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PETROBRAS DISCOVERS NEW OIL RESERVE IN CAMPOS BASIN

Rio de Janeiro O GLOBO in Portuguese 9 Sep 81 p 17

[Text] Carlos Walter Marinho Campos, Petrobras exploration director, announced yesterday that more petroleum was discovered in the Campos Basin in the development well of the Bicudo field, which could raise the reserves of that field from an estimated 4.7 million barrels to between 90 million and 120 million barrels.

According to Marinho Campos, with the new discovery, the Bicudo reserves represent at least 15 percent of the total of the 600 million barrels currently existing in the Campos Basin. He announced that the first stage of activity for this field is planned for November, with 10,000 barrels of oil daily.

Drilling

The Petrobras exploration director explained that this discovery occurred in the Rio de Janeiro Submarine well 158 (7-RJS-158), at various depths between 2,205 and 2,577 meters at a water depth of 132 meters and 85 kilometers from the coast.

He announced that drilling of this well has extended to 2,743 meters and indicates a significant increase in the thickness of the oil-bearing rocks in that field, the average for which had been 20 meters and in this well was 7 times as much.

Production

Marinho Campos said that Petrobras is preparing the well for production and will not test it first, as its rocks are already well-known. The flow will be determined only when the well enters production, which will occur by the end of this year, using a preliminary production system with two or three wells.

In June of this year, Bicudo's measured reserves were 4,749,000 barrels of petroleum and it was planned to begin production there in 1982, with 10,000 barrels daily. However, after additional studies are made, a more exact evaluation of the new production will be made.

Bicudo was discovered in 1976 through the Rio de Janeiro submarine exploratory well number 28-A. Two more wells were drilled in the field last year (Rio de Janeiro submarine wells numbers 134 and 161). Petrobras is now drilling another well (Bicudo No 1) to develop the field.

More Discovery

The Petrobras exploration director revealed that domestic reserves are now 1.3 billion barrels and the current 600 million barrels in the Campos Basin "could increase considerably because its location indicates a possibility of more discoveries," He revealed that 566,000 meters had been drilled nationwide by last July and that this year's goal is 1 million meters.

He added that there is no advantage to Petrobras in opening the Campos Basin region to risk contracts and that the company will spend 13 billion cruzeiros for exploration and about 110 billion cruzeiros for drilling this year.

Petrobras President Shigeaki Ueki received a telegram from President Joao Figueiredo saying: "My congratulations to you and all the Petrobras technicians for the new discoveries of oil in the Bicudo field and of gas in Alagoas."

Gas

Marinho Campos also reported that Petrobras struck natural gas in the Pilar Pilar exploratory well number 1, about 30 kilometers off the Alagoas coast. The gas-bearing zones are 70 meters thick and are located at a depth of about 2,300 meters. Technical difficulties prevented estimation of the well's flow and the extent of its reserve.

The announced volume of 4 billion cubic meters is an initial estimate based upon the thickness of the gas-bearing zone and the assumption that the structure contains gas throughout its area, which is 10 square kilometers. The exact volume of the discovery cannot be ascertained until after drilling the delimitation wells, which will begin during the next 30 days.

Garoupa

In an official note, Petrobras announced yesterday that, as a preventive measure, it decided to temporarily halt production of 37,800 barrels daily at the Garoupa provisional system this weekend due to high winds of up to 80 kilometers per hour in the Campos Basin area. The purpose was to avoid damage to equipment. Production should return to normal by the end of the week, Petrobras said.

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CAVALCANTI NOTES POSSIBILITY OF MORE TURBINES IN ITAIPU

Rio de Janeiro O GLOBO in Portuguese 7 Sep 81 p 16

[Text] Brasilia--General Costa Cavalcanti, director general of the Itaipu Binational enterprise,acknowledged publicly the possibility of a new agreement between Brazil and Argentina for the Itaipu hydroelectric station to operate all 20 of its turbines instead of 18 with 2 in reserve, as stipulated in the tripartite agreement.

Speaking in Foz de Iguacu to a group of deputies invited by Itaipu to observe the hydroelectric plant constuction first hand, General Costa Cavalcanti said it is possible for the hydroelectric plant to operate 20 turbines without jeopardizing shipping on the Parana River, which is vital to the Argentine economy.

These two turbines will add 1,400 megawatts to the energy produced by Itaipu.

Cavalcanti stressed, however, that this possibility would be considered by the Brazilian Government only if there is an agreement with the Argentine Government.

Next year the task of filling the Itaipu reservoir will begin. It must be completed within a period of 12 days during September, October or November.

"If, for any reason, Itaipu construction is delayed," Costa Cavalcanti told the deputies, "we shall have to wait until 1983, and this will incur a loss of $600 million in interest alone to be paid by the binational company to its creditors."

During the 12 days of filling the reservoir, Brazil will have to divert part of the waters of Foz de Areia and Salto Santiago reservoirs and of the Iguacu River in order to assure navigability of the Parana River in Argentine territory.

Contract

This week Itaipu signed a contract with the National Economic Development Bank (BNDE) amounting to 42 billion cruzeiros for installing the hydroelectric plant's heavy mechanical equipment. The money will be relent in 8 years and, according to General Cavalcanti, is the largest contract ever signed by the BNDE, except for the one dealing with the Carajas Project.

The Itaipu director also told the federal deputies that before 1983 Brazil and Paraguay will arrive at the contracts for furnishing energy generated by the hydroelectric plant, which will amount to 7 billion kilowatt hours annually, which is more

than half the energy produced in Brazil last year. Cavalcanti called attention to the fact that this energy will be divided equally between Brazil and Paraguay. The latter country now consumes 200,000 kilowatts annually.

Starting in 1983, when the first three generating units of the Itaipu hydroelectric plant begin operating, the energy will be distributed through two direct-current and one alternating-current systems to Sao Paulo (Sao Roque region) and from there to Rio de Janeiro, Vitoria, Belo Horizonte, Brasilia and part of the nation's Center-West region, as well as throughout Paraguay, which will sell its excess energy to Brazil.

From the beginning of construction until last August, the Itaipu Binational company purchased Brazilian and Paraguayan equipment worth 123 billion cruzeiros and has already paid about $4 billion in interest.

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GOVERNMENT, INDUSTRY PLAN MINI HYDROELECTRIC PLANTS

Rio de Janeiro JORNAL DO BRASIL in Portuguese 7 Sep 81 p 12

[Text] Sao Paulo--About 20 government entities, research centers and industrial firms held a series of conferences during August to work out guidelines for the first National Program to Develop Small Hydraulic Power Plants for Rural Energy, which will even include a mechanical definition of mini power plants.

The basic philosophy of the study will be to establish the energy needs of the rural producer, varying according to national regions and productive systems. When the research is finished it will be submitted as a part of the CNPq (National Scientific and Technological Development Council) energy program to be included in the third National Scientific and Technological Development Plan.

Obstacles

In producing the first Brazilian kilowatt in 1889 at a hydroelectric plant of the Minas Gerais Electric Company in Juiz de Fora, the nation entered a new energy era, with mini power plants. This policy of operating small hydroelectric plants, later abandoned in favor of larger units, has a potential in Sao Paulo State alone that could be as much as 2.25 million kilowatts per year.

The obstacles preventing use of this potential until now are mainly political and legal. The first step recommended by the working group was to empower the mines and energy minister to authorize operation of small power plants having a potential of less than 5,000 kilowatts. This would be accompanied by a simplification of the administrative process of delegating powers to the state agencies for the sector.

In case of projects having a potential to generate energy beyond local needs, selling the excess electricity directly to other consumers or to the regional franchisee itself will also be considered. In order to carry out this plan, the suitability of rate-structure legislation is also being studied.

Machinery

All these studies are being made through the combined efforts of the CNPq, the Society for Agricultural Engineering and CENEA (National Agricultural Engineering Center), with headquarters in Sorocaba, at Ipanema Ranch. This agency of the Agriculture Ministry trains pilots for agricultural aviation and mainly carries out experiments, tests and technological development for agricultural machinery, equipment and systems.

With this infrastructure, the CENEA will help test the miniturbines, whose technology is fully mastered by domestic industry. The electrical equipment is standardized, but the goal of the working group is to achieve standardization of all the hydromechanical elements, which can be accomplished only through increased demand for such machinery.

Meanwhile, it was agreed during the first two meetings, certain universities and other centers of scientific and technological development should take part in the program. They will improve the technology of small power plants, at first up to 100 kilowatts, and systems for transmitting and distributing electricity. In addition, they are to hold technical meetings, train manpower and establish courses in rural energy.

Definition

It is estimated that Brazil has the capacity to generate through mini power plants more than 100 million kilowatts, a little more than 10 times the power to be produced by Itaipu. To make development of this potential compatible with generating machinery, the research group will first define the characteristics of a hydroelectric plant of this type.

This detail is essential for planning studies, projects, construction and operation of the machinery within each power category.

For the technicians involved in the project, however, the main problem is still the political one. An example: how to force the large franchisees to give up their monopoly of generation and distribution? Or, more than that, how to reconcile them to the moment when the real costs of the whole electrical operation will be revealed, through operation of these independent power plants?

In regard to this last item, other types of impact are expected. Such as, for example, establishment of special rates, because the rural producer will have to either sell his surplus energy to the franchisee or distribute it to adjacent areas. There is also the question of the location and specifications for these hydroelectric plants in such a way as to prevent flooding and not harm irrigation, navigation or even the supply of foodstuffs for the population.

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FRENCH FUNDS RELEASED FOR BUYING HYDROELECTRIC EQUIPMENT

Rio de Janeiro JORNAL DO BRASIL in Portuguese 7 Sep 81 p 12

[Text] Sao Paulo--French financing of about $1.5 billion for buying equipment for the Corumba, Nilo Pecanha and other hydroelectric plants is now being disbursed, it was announced by the director general of Brown Boveri do Brasil, Franz Voegeli, who acknowledges it is a victory for domestic industry to have an 80 percent share in production of this electromechanical equipment.

To him, "the French were also wise to succeed in keeping so much basic industrial activity in their own country. It was a clever move to provide the loans and still manufacture 20 percent of the equipment." These agreements were reached during the visit by the president of the republic and Planning Minister Delfim Netto to France. He also announced that Brown Boveri is hiring about 250 employees to join the 3,200 workers it now has.

More Jobs

He said the new jobs in Brown Boveri were created as soon as CACEX [Foreign Trade Department] permitted entry into the country of equipment for producing made-to-order capital goods. This equipment was ordered by Brown Boveri 1 year ago, but because of problems in 1980 for foreign purchases it was not possible to import it until this year.

"It is equipment that is worth 350 million cruzeiros and, furthermore, we have an average of 25 million Swiss francs in annual investments programmed for the company. Our order backlog can be considered good: a workload that will last until the end of 1983 or the beginning of 1984," he asserted.

He also said that the government is now paying its debts to the company more promptly. "The situation is better today than it was 6 or 8 months ago. And the trend is toward even more improvement," he said.

He explained that Brown Boveri now has orders from the Itaipu Binational enterprise that represent 40 to 50 percent of its capacity. "But there is the rest of the plant, which is essential, where we have fewer orders. We also have production for Tucurui, Porto Primavera and others," he said.

Brown Boveri's latest balance sheet showed gross revenue from sales and services of 7.218 billion cruzeiros, compared with 3.443 billion cruzeiros in 1979. The

company's gross profit was 2.577 billion cruzeiros compared with 1.312 billion cruzeiros in 1979.

Among the orders in Brown Boveri's backlog are: hydrogenerators for Porto Primavera; single-phase transformers for Itaipu Binational; motors and generators for Petrobras platforms; 800-kilovolt transformers for FURNAS [Furnas Electric Power Companies, Inc] (Itaipu system); generator for Foz de Areia; electrical equipment for FEPASA [Sao Paulo Railroad, Inc] and the Federal Railway Network, and others, besides the generators for Itaipu.

The company delivered to FURNAS 7 of the 15 transformers of 800 kilovolts it produced, the largest yet built anywhere, that will be used for the line connecting Sao Paulo to Itaipu at Foz do Iguacu.

"These transformers made possible development of higher technology in the sector domestically. Today we are the most advanced nation in this area. We are not aware of other advances in this area as significant as ours."

Mr Voegeli also acknowledged that "there are good prospects for the domestic capital-goods industry to export electromechanical equipment to Peru. It is also the result of the services provided by domestic engineering companies that are operating in Latin American countries.

"We also have other potential future clients, which are Mexico and Venezuela. As for Argentina, it is all a matter of understanding. There is a possibility of our exporting there, but it is felt that more dialogue is needed between the manufacturers and the buyers," he asserted.

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OIL, HYDROELECTRIC POLICIES VIEWED

Paramaribo DE WARE TIJD in Dutch 15 Aug 81 p 13

[Article by S.E. Jharap]

[Text] After World War II most Third World countries became officially independent and could theoretically decide on policies in agreement with the economic development they envisioned. With hardly any exception these countries have a dual goal:

a. They want fast economic growth,

b. with a maximum of political independence.

The pattern of economic development in many Third World nations is characterized by a relatively fast growth of industry and a more or less stagnating agricultural production. This has far reaching consequences for their energy policy. The amount of energy needed per unit of production is much higher in industry than it is in agriculture.

Brake on Development

Most Third World countries have certain energy and oil problems in common. They are the result of several related vicious circles. Underdevelopment of the energy sector (and possible oil wells), for instance, works as a brake on economic development.

In the first place, industrialization and modernization demand growth in the use of energy which is even bigger than the growth of the total production of the economy.

In the second place, many Third World countries have insufficient energy sources; sometimes there are really no sources of energy, sometimes there is also a lack of knowledge of what is in the ground: or there might be inability to develop proven deposits.

In the third place, most countries have insufficient foreign assets to import extra energy, especially in the form of oil.

In the fourth place, most Third World countries depend more or less on foreign assistance to supplement their shortage of foreign assets.

In the fifth place, their domestic energy sector, whether well or badly developed, is generally speaking dominated by international concerns.

Serious Threat

The development of the energy resources of many Third World countries was neglected and their energy policies were based on energy sources under foreign control. The dangers and inherently weak spots of such an energy policy remained hidden from these countries by declining oil prices in the 60's. The declining prices cancelled out the biggest part of the cost of increasing amounts of crude oil and importing it remained a manageable burden to the economies of these countries. However, because of the sharp price increase of oil at the start of the seventies and especially after the October war of 1973 they were placed in dire circumstances. It can generally be said that the enormous increase in expensed for imported oil resulted for Third World countries like India in a shattered balance of payments, greatly reduced use of fertilizer, and a severe threat to industrial growth and the very existence of many people in the Third World.

Vicious Circles

Since economics is still dominated by market forces and since governments are not very well equipped to counter their adversities, the energy crisis became a catastrophe of depression and stagnation. Under the caption: "India's torment: The country is plagued by a multitude of miseries" the WALL STREET JOURNAL says in an intelligent article: "The oil problem, accompanied by interruptions in coal deliveries and shortages of hydroelectric power (because of low water levels in some reservoirs and breakdowns of equipment) caused a general rural shortage of energy."

The demand for energy is in the meantime still growing. The Indian economy is confronted by higher import prices for capital goods and reduced demand by consumers caused by inflation. On top of all these troubles there are transportation problems, strikes, and the traditional difficulties under the limitations and time consuming procedures imposed by the Indian bureaucracy. Not suprisingly the end result is stagnating productivity. Many plants operate far below capacity, unemployment is on the rise, shortages of production goods fan inflation and export opportunities are unfortunately lost. The situation led to all kinds of painful paradoxes. Fertilizer plants operate far below capacity while India is forced to sell foreign assets for expensive fertilizer. The steel industry operates at less than 50 percent of its capacity while steel is being imported. Vicious circles are abundant. Steel plants receive inadequate coal deliveries. Coal mines complain that they are unable to persuade the railroads to carry coal to the steel factories. The railroads complain that they get insufficient freight cars to transport coal. Factories producing freight cars complain that they do not get enough steel to produce. Where I mention India, it can be replaced by nearly all oil importing countries of Asia, Africa, Latin America and the Caribbean.

Attention Needed

Up till now, Suriname escaped this crisis because of the enormous development assistance and we are almost beginning to believe that we are unique and not part of the Third World.

The present situation in our country is comparable to the situation before the October war. If the development assistance is used up, our foreign exchange position will quickly deteriorate and we will not be able to pay for imported oil.

Now that we are still able, it is imperative to give first priority to development of our own energy sources. Our energy policy is an important part of our general policy and greatly influences other aspects. In formulating an energy policy we have to keep a number of factors in mind.

The following aspects are especially important:

1. Changes in the production structure of the economy as a whole which can be expected during the development period or which are planned.

2. Costs of the various energy sources.

3. The flexibility of the energy sources.

4. The location of ownership and management of the energy sources.

5. The economic political and social consequences of various instances of increasing energy use.

Oil Politics

It is essential to a Third World country trying to develop an energy and oil policy in accordance with its other goals in the area of general economic development to pay attention to these five points.

Moreover, every economic development plan is directly influenced by the energy and oil policy and the development plan itself also greatly affects a nation's energy and oil policy. An intelligent energy policy must also heed the important economic consequences which can come up as "extra phenomena." The development of hydroelectric power for instance also serves other purposes in addition to energy, like irrigation. As regards extra economic phenomena, a consideration most likely taken into account when designing an oil policy is that one's own petrochemical industry can become an important base for economic development.

In conclusion, every oil and energy policy has, in addition to economic consequences, all kinds of important political and social economic consequences which must be given attention. A government should therefore consider the following:

Is a nation, because of its energy policy, vulnerable to an energy boycott, and to what degree? What will be the influence of a solution to the problem of the choice between a government and a private sector on the political forces in the country?

Social Consequences

In the long run the social consequences of the various concepts for the development of the energy sector can also be of great importance. Development of an important hydroelectric project including irrigation could ultimately completely change the circumstances in a region. Such a project could result in a big increase of productivity, a big improvement in a standard of living of the local population,

and a radical change in social relations between the various groups of the region. Moreover, most rural areas do not have electricity and oil lamps are the only source of light. Organizing a campaign to teach the people reading and writing could make it necessary to permit and stimulate an increase in the use of oil.

On the other hand, lack of compliance with an increase in the demand for oil could have harmful effects on literacy and consequently slow down the growth in productivity and improvements in social relations. It is therefore evident that the possible results of an energy and oil policy could affect many areas and exert its influence on both domestic and foreign relations. For this reason development of an oil policy is simultaneously affected by domestic and international forces.

Hydroelectric Power

In Suriname we have two potential sources of energy at our disposal, namely hydroelectric power and oil. I believe that both should be developed with utmost priority. By establishing the Central Study Group Kabalebo, the government took an important step in the right direction. Kabalebo's hydroelectric power potential is a powerful national asset which should only be developed with the utmost professional participation of our available national sources of expertise and leadership to arrive at the best possible results for our people. Intelligent management can make this national resource a splendid economic weapon to bring our present economic activities in better alignment with our national goals and simultaneously reduce (oh,paradox) the influence of multinational enterprises on our economy to acceptable proportions. A wavering attitude can only weaken our position; we would miss an important chance to establish our economic and consequently our political independence.

Command Post

The other potential source of energy is fossil oil. Oil is, generally speaking, the most flexible fuel for Third World countries. It can be used immediately for heat energy (industrial boilers, home ovens, etc.), all forms of transportation, lighting, and for generating that very important second source of energy: Electricity. Oil can satisfy several demands which, under the present state of technology, cannot be satisfied by other sources of energy (for instance, this is the case with fuels derived from oil which are used in road and air transportation). Certain oil products can also be used for different purposes (kerosene is used to light homes but also as fuel for airplanes, and diesel oil is used for locomotives and stationary engines). Moreover, oil products are essential for defense purposes which clearly explains why refineries are "command posts" of the economy.

Suriname's oil potential is in the North in a sediment basin which extends over more than 165,000 km^2. Of this area about 25,000 km^2 is on land, the rest is on the bottom of the sea, and is divided in two parts, namely a shallow basin (to a depth of 200 m) of about 65,000 km^2 and a deep water basin larger than 75,000 km^2.

Aspirations Stated

The establishment of the State Oil Company Suriname N.V. at the end of last year is another important step by the government to find the answer to increasing depletion of our foreign assets as the result of rising oil bills. With the

foundation of the State Oil Company our government expressed at the same time our people's legitimate aspirations: That the income from our natural resources and, in particular from potential deposits of oil, should to its fullest extent be used for the social, economic, and political development of our people and that this resource must only be developed while maintaining full sovereignty and power of management.

With this strategic idea in mind the State Oil Company, in the name of and on behalf of the state, alone or with the help of third parties should begin the exploration of our fossil oil.

Systematic

In the execution of its tasks the company should make rational evaluations and comparisons of cost and income of potential deposits of oil. This should be done systematically and consistently, as:

a. Compiling all relevant data on the territory in question. Here can be used: Data of earlier exploration activities; one's own execution of certain (relatively inexpensive) seismic explorations;

b. Drafting various outlines for oil production based on the above mentioned data;

c. Computing estimates of annual exploration, development, and production costs including the duration of possible production for each field;

d. Establishing annual yields for each field under various outlines by estimating a number of parameters;

e. Establishing the net cash flow for each field.

When these studies are done the company considering available funds and the risk factor must decide on the best method to conduct research and start eventual production: "Alone, or with the help of third parties."

Cooperation

If the company is by itself unable to begin the exploration and exploitation, it will enter into cooperation with other companies (service contracts). This creates the following tasks for the company: Drafting model contracts, inviting contractors, and opening discussions leading to the following goals:

a. To see to it that the role of contractors is reduced as much as possible to "performing technical services" for the company. In other words, expanding the power of management over the oil industry and securing that most advantages from the oil are for our country;

b. Internal spontaneous control through active participation in operation and management.

Such control must exert its influence on: Determining production; establishing prices; degree of continued exploration and development activities; the role of the oil industry in the national economy; policy concerning conservation; etc.;

c. Acquiring missing technical and leadership expertise to reach the final goal: Getting the most out of oil revenues by doing ourselves the exploration, production, refining, and marketing.

d. By sharing the production results in kind the company can explore the market with its share of the crude, find lucrative outlets little by little for its share of the oil, and acquire real understanding of the international oil market and the way in which prices of crude oil are established.

Sixty Million

During the past 20 years the exploration of oil in our country was mainly done by foreign private companies under the Colmar and the Shell agreements. Government participation was almost negligeable. It was nevertheless the Department of Geology and Mines which first proved the existence of fossil oil in our country in the Saramacca District.

Under the above mentioned concession agreements a total of between 60 and 70 million U.S. dollars was spent in Suriname.

It resulted in: 30 wells on shore; 7 wells at sea and 20,000 seismic profiles at sea.

A temporary analysis of the existing onshore data shows the advisability of reserving this territory for the State Oil Company itself to manage the oil found in Saramacca itself, and to work on further developments as a risk-bearing enterprise.

The company made some intelligent moves and earned at the start of this year the funds to secure an evaluation program for three wells and the missing technological expertise.

Top Priority

The Colmar agreement is still in force in the deep offshore area.

The partners are now: Esso 45 percent; Shell 27.5 percent; Elf 25.5 percent; Eurafrep 2 percent.

Since the deep sea drilling of 1978, the activities were stopped and the companies are now evaluating their positions.

In the shallow offshore basin Gulf Oil Corporation has a service contract for about 14,000 km^2.

Evaluation of this basin's potential is the company's top priority but lack of national experts and funds are big obstacles.

This basin is very similar to the oil-producing East Venezuela basin. Exploratory discussions are underway with oil companies about exploration contacts in other parts of this basin.

In spite of the present state of modern technology there is still a big risk factor in oil exploration. However, with government and private support the company will at the end of this year begin with a modest commercial production of oil; not economic results but acquiring technology are here most important.

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CSO: 3105/176

BRIEFS

PERUVIAN CONCERN OVER CHILEAN PRISONERS--Lima, 22 Sep (AFP)--It was disclosed here today that the Human Rights Commission of the Chamber of Deputies has voiced its concern over the possibility that three Chilean political prisoners could be sentenced to death at a summary trial in their country. This concern was expressed in a message sent to Chilean President Gen Augusto Pinochet by the president of the aforementioned commission, deputy Rafael Vega Garcia. The message voices concern over the fact that Guillermo Rodriguez Morales, Adalberto Jara and Eugenio Cristian Pizarro have been summoned for court martial. After pointing out that the three political prisoners could be sentenced to death in a summary trial, the message states: therefore, we resort to you to request that judicial guarantees and the internationally recognized human rights be observed in order to safeguard the lives of the aforementioned political prisoners. [Text] [PY241544 Paris AFP in Spanish 0413 GMT 22 Sep 81]

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DROUGHT IN CENTER-SOUTH REGION, WHEAT PRODUCTION DISCUSSED

Comparable to 1975 Drought

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 24 Sep 81 p 35

[Text] The problems faced by the Northeast, after more than 1,000 days without a steady rain (the occasional heavy rains that cause flooding and burst dams increase the problem rather than solving it), are beginning to be faced by the developed states of the Center-South, where the drought of over 3 months is being compared to that of 1975, the worst in a period of 20 years.

In recent days there has been considerable rain in Rio Grande do Sul and in Santa Catarina, because of special atmospheric conditions: the center of the tropical-air mass dominating the Center-South has very high pressure, preventing the cold-air masses from Argentina from penetrating the region, remaining over only the two southern states.

The drought occurring in the Center-South, like that of 1975, follows a frost during the month of July (in 1975, the severe frost was on 18 July; this year, on 20 July) and is creating rather unprecedented situations: the governor of Parana will ask the federal government to provide 8 billion cruzeiros for opening work fronts in the state to take care of workers forced from the field. The frost resulted in eradication of coffee plantations and it is estimated that about 100,000 workers will be unemployed because of the drought.

A survey of the situation in major states indicates that, at the least, the government's goal of progressively larger harvests is threatened. Without taking into consideration the Northeast, where the problem is also one of drought, planting of all crops is delayed in Mato Grosso, Mato Grosso do Sul, Minas Gerais, Rio de Janeiro State, Parana and even Rio Grande do Sul and Santa Catarina. The common characteristic in the rural parts of these states is the forest fires that affect large areas. In Mato Grosso, for example, the municipality of Colider was almost totally affected by fire, which destroyed about 300,000 coffee trees. In Mato Grosso do Sul, a rain that occurred Monday served only to put out fires in the rural area.

In Minas Gerais, scattered rainfall occurring in July benefited pastureland, but was not sufficient to permit planting at the usual time. Prospects are optimistic, however, as specialists hope the situation will return to normal later this month. Planting, they say, can begin as late as the beginning of October without jeopardizing agriculture.

Emergency

From Bahia to Maranhao, the Northeast is one big picture of unemployment, poverty and hunger. The worst drought in 10 years. In Bahia, 184 municipalities are in a state of emergency declared more than 2 years ago; in the state's northeastern region, the hardest hit, the rivers are dry and water is supplied by a tank truck from a distance of over 100 kilometers.

In Sergipe, 32 of its 74 municipalities are in a state of emergency and from the backlands comes word that refugees are fleeing en masse, because work fronts employ only 4,000 of the 12,000 needy workers.

The semi-arid region of Pernambuco, which constitutes 80 percent of its area, has had no rain for over 3 years, as is the case throughout the Northeast (the exception is the humid coastal zone of Pernambuco); they say there are 70,000 unemployed. In Paraiba, 114 municipalities in a state of emergency are losing an estimated 4.34 billion cruzeiros in uncollected ICM [tax on movement of merchandise]; politicians yesterday began accusing each other of using the anti-drought emergency program, which is making another registration of workers, for election purposes.

Ceara has 94.9 percent of its territory within the anti-drought emergency plan, constituting 140,533 square kilometers and 128 municipalities, most of which are being supplied with water by tank truck. About 200,000 workers are being helped by the emergency plan; emigration is massive.

Rio Grande do Norte has 114,000 unemployed in its assistance plan and is already counting the losses: of the expected crop, only 40 percent of the cotton crop, 20 percent of the bean crop and 5 percent of the corn crop will be harvested.

Wheat Production Decline Stemmed

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 24 Sep 81 p 35

[Text] Brasilia--Losses from this year's wheat harvest will probably not be so bad as forecast in August by the Production Financing Commission (CFP); that is, whereas it predicted a decline of about 700,000 tons, the drop is now expected to be only 400,000 tons. This means that Brazil's wheat crop could be 1.9 million tons, and not 1.6 million, as was predicted previously. Until June 2.3 million tons were expected.

In reporting the information yesterday, the Agriculture Ministry explained that it was based upon the judgment of its experts and that of the Bank of Brazil's Wheat Marketing Department, which based its estimate on purchases made so far in the states of Sao Paulo and Parana.

According to the data supplied by the ministry, production in Sao Paulo is exceeding expectations. The Bank of Brazil has bought about 85,000 tons and it is hoped that production will reach 100,000 tons, whereas the previous forecast for Sao Paulo wheat was between 50,000 and 60,000 tons.

As explained by the wheat analyst in the Agriculture Ministry, Renato Zadonade, this change in the forecast may have come about precisely because of the very frost which

itself was responsible for the lower production of wheat, as it is quite difficult to make forecasts under the influence of this type of climatic condition. He believes that, despite the very significant reduction in the area planted to this crop, producers paid greater attention to improving their technique. Hence, the product's yield was much higher than in previous years.

In Parana, whereas 450,000 to 550,000 tons were forecast, a total of 800,000 tons are now expected, as 600,000 tons have already been purchased. In Rio Grande do Sul, 1 million tons are now expected, rather than 900,000 tons. The rest of the output will come from the cerrado [savanna] region.

8834
CSO: 3001/2

FOREIGN DEBT REACHES $56.15 BILLION BY END OF JUNE

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 23 Sep 81 p 26

[Text] Brasilia--The Central Bank reported yesterday that Brazil's foreign debt reached $56.15 billion by the middle of this year, an increase of 4.3 percent for the 6 months. Reinaldo Domingos Ferreira, spokesman for the bank's president, characterized as "absurd and unfounded" the report by the weekly bulletin ANALISE that the International Monetary Fund (IMF) approved a stand-by credit to Brazil for a total of $9 billion, in three equal installments of $3 billion.

During the first 6 months of this year, Brazil recorded entry of $6.59 billion in currency loans plus $1.1 billion, which together were insufficient to cover the current-account deficit of $5.86 billion plus foreign-debt repayment of $3.35 billion.

With entry of a favorable balance of $394.8 million under the heading of errors and omissions in the nation's balance of payments, compared with a negative balance of $588.5 million during the first 6 months of 1980--a difference of $983.3 million--the aggregate foreign-accounts deficit fell from $3.61 billion to $831.3 million in the first 6 months of this year.

Important in the current-transactions deficit was the negative balance of $5.67 billion which included net payment of $4.42 billion in interest to foreign creditors. Reduction of the trade-balance deficit to $316.2 million prevented the current-account deficit from being even greater.

To cover the deficit of $831.3 million in the balance of payments for the first 6 months of this year, Brazil reduced its exchange reserves from $6.91 billion in December 1980 to $6.15 billion in June 1981. Net foreign debt increased 6.5 percent during the 6 months and reached $50 billion, compared with an expansion of 4.3 percent for the gross debt.

8834
CSO: 3001/2

AIR MINISTRY APPROVES CONSTRUCTION OF DIRIGIBLE PLANT

Rio de Janeiro O GLOBO in Portuguese 22 Sep 81 p 17

[Text] Belo Horizonte--The Air Ministry yesterday told Jose Justino Braga Netto, president of Pegaso Industry for Aerial Devices and Special Heavy Transport, Ltd, that it has approved constuction of a factory for building dirigibles in Divinopolis, 120 kilometers from Belo Horizonte. The ministry declined, however, to participate in the company's financial structure.

With this approval, the Pegaso president and one of its directors, Abelardo Bruning, will go to Mulheim, FRG, in the next few days to sign a final contract with the West Deutsch Luftschist (WDL) for forming the binational entity Pegaso-German Industry for Special Aerial Devices and Heavy Transport. The initial capital of the company will be 400 million cruzeiros and is to be fully paid up by the partners by next February.

The dirigible company had made two other requests of the ministry: a market monopoly for a period of 10 years and permission to import two WDL-I dirigibles, with a capacity to carry 2 tons. Control of the market was left open, as the ministry, according to its communique, has no such power. The import license will be given by CONTATC [expansion unknown], the interministerial agency that controls importation of airships.

Participation

The Air Ministry's refusal to participate in the enterprise will not affect its installation. In fact, at no time did Pegaso ask for such participation.

"What we wanted," said Braga Netto, "was the ministry's approval; as we will be building flying objects, we will have to have its authorization."

Pegaso should begin building its dirigibles after the beginning of 1983. Four WDL-I models will be built the first year. They are 60 meters long and 18 meters high and can carry 2 tons. One model WDL-III, which is 120 meters long and 37 meters high and can carry up to 60 tons, will also be built. The smaller models will be used for publicity and the WDL-III will be used for hauling freight.

8834
CSO: 3001/2

BRIEFS

AMAZON REGION GOLD PRODUCTION--Brasilia--Gold production in the Amazon region reached 9.8 tons in 1980 and 7.3 tons from January to September of this year, due in part to beginning operations at the Cumaru field in March, according to information from the Mines and Energy Ministry. So far Tapajos production has reached 4 tons (average price is 1,461 cruzeiros per gram), while Cumaru produced 1,3 tons. The estimate for the entire year of 1981 is that gold production in the Amazon region will exceed 11 tons. This is despite lower production at Serra Pelada, where 6.5 tons were produced in 1980, whereas this year the total has not yet reached 2 tons. The goal of Mines and Energy Minister Cesar Cals is for national production to reach 60 tons annually by 1985. According to experts of the Mines and Energy Ministry, Serra Pelada, because it is alluvial, "has already given what it has to give." At the height of operations last year it was felt that the site would be promising for several years. But that belief is now fading. Last year 25,000 prospectors were working at Serra Pelada, but today it is estimated that there are only 10,000 there. It is also mentioned that smugglers are operating with impunity, buying gold for a price 50 percent higher than that offered by the Federal Savings Bank [CEF]. The CEF is buying a gram of gold for 1,330 cruzeiros. [Excerpt] [Sao Paulo O ESTADO DE SAO PAULO in Portuguese 22 Sep 81 p 17] 8834

CSO: 3001/2

FRENCH-MEXICAN STATEMENT ON EL SALVADOR SCORED

Bogota EL TIEMPO in Spanish 31 Aug 81 p not given

[Article: "The Debray Doctrine"]

[Text] The French and Mexican decision to give tacit recognition to the Salvadoran guerrillas, giving them status as a political movement and adding a measure more of confusion to the difficult Central American situation, is not surprising, but it is unexpected. With the naming by President Mitterrand of the extremist who participated so extensively in the consolidation of the Castro regime and later with his proven and open intervention in support of the Bolivian uprising, everything points to the supposition that his designation as adviser for Latin American affairs may chart a course different from that traditionally followed by the French in dealing with the Latin American problem.

The Franco-Mexican decision is important because it encourages subversive movements. It is one more indication of the way Europeans look at our countries. Basically they feel a certain disdain for the Spanish-American countries, perhaps rooted in their traditional antipathy for Spain. For the French, we are all "banana republics" where oligarchic castes, dependent on imperialism, manipulate Argentina the same as El Salvador, Colombia like Guatemala, or Venezuela like Haiti. They are ignorant of the dissimilarity of our problems and are unaware, because of laziness and arrogance, of the abyss which exists, for example, between Costa Rica and Nicaragua.

What we call the "Debray Doctrine" will, if accepted, institutionalize revolutionary movement by ignoring and by severing with one stroke the tradition of the democratic Spanish-American countries. It opens a breach between Mexico and Venezuela, countries which, thanks to their economic superiority, were beginning to have some influence in the volcanic Caribbean, and paradoxically it will serve to support the guerrillas. In addition, it will encourage supporters of a strong policy in the United States to reinforce the present governments and defend that country against the possibility of a European influence which goes against the principles of the "Monroe Doctrine".

The Franco-Mexican attitude is also illogical. France keeps absolute silence concerning the atrocities committed by the Soviet Union in Afghanistan, does not express solidarity with the Afghan rebels and tries to appear, hypocritically, neutral in the fact of the threats and atrocities committed by the Soviets in that country. It gives asylum to former minister Bani-Sadr, but on the other hand does not recognize as a political movement those who today are fighting the Ayatollah and are his daily victims, guilty only of opposing the fury of the Islamic dictator. France, where

there are separatist movements with guerrillas like those of Corsica, should, rather, take into account the recognition of these ardent fighters against the central French Government and give them the same status granted the Farabundo Marti movement.

The unreality of the Franco-Mexican statement is not good news for the republican governments of America, victims of guerrilla groups who are enemies of the democratic system and friends of totalitarian regimes such as exist in Castro's Cuba or in Nicaragua today, slowly transformed into systems of oppression, where each day freedom of opinion is eclipsed a little more.

8735
CSO: 8048/1749

ECHANDI'S PROPAGANDA CAMPAIGN CHALLENGED, ORDERED SUSPENDED

PLN Complaint to TSE

San Jose LA NACION in Spanish 19 Aug 81 p 6A

[Text] The political propaganda currently being published in various news media by the National Movement Party, which is backing the candidacy of atty Mario Echandi, was challenged yesterday before the Supreme Electoral Court (TSE) by the National Liberation Party (PLN).

The dissident Democratic Renewal Party [PRD] faction also appeared before the Electoral Court yesterday and denied the existence of the Unity Coalition, claiming that the coalition was specifically composed of the PRD and the Calderonist Republican Party, whose national assembly expelled the PRD from the coalition on 19 June.

The National Movement Party also announced yesterday that a list of so-called candidates for parliament, published in various media, was not submitted by that political group.

Challenge

The PLN general secretary, Dr Oscar Arias Sanchez, its legal adviser, Dr Fernando Mora Rojas, and the party's legal counsel, atty Antonio Tossi Bonilla, appeared before the TSE to challenge the Echandist propaganda.

The PLN members repudiated the use of the word "farce" in the National Movement's propaganda to refer to a series of situations which have recently developed in the PLN camp.

In its allegation, the PLN stated that the dictionary of the Royal Academy of the Spanish Language defines the word "farce" as a seriously offensive expression: "Name formerly given to plays. Company of actors. Disorderly, vulgar, grotesque dramatic work. Intrigue, scheme to simulate or deceive."

"Moreover," it added, "in keeping with the moral and legal principle of integrity in the proceedings themselves, the use of an emblem comprised of a television screen framing the photograph of Mr Luis Alberto Monge with the caption 'The Policy of Truth' is an act of unfair propaganda which cannot be tolerated by the TSE."

The TSE was finally requested to ban such publications.

Nonexistence

In other proceedings, the so-called Democratic Renewal dissidents, led by atty Rodrigo Madrigal Montealegre, appeared before the magistrates of the Electoral Court yesterday to refute the claims of Unity Coalition presidential candidate Rafael Angel Calderon Fournier.

According to Madrigal Montealegre, the claim that the Unity Coalition exists is false, since the original signatories of the coalition are the Democratic Renewal and Calderonist Republican parties, and with the expulsion of the former party, the coalition ceased to exist.

"Possibly," the political leader stated, "a new coalition could have been formed, but at this time the one originally established by the Calderonist Republican and Democratic Renewal parties no longer exists."

Atty Madrigal Montealegre also pointed out to TSE magistrates a series of irregularities, in his opinion, which have occurred in the assemblies recently held by the Democratic Renewal Party, during which a series of leaders were ousted because they refused to submit to atty Calderon Fournier.

According to Madrigal Montealegre, those who claim that they wish to eradicate the country's vices of the last 30 years really mean that they wan to introduce those of the 1940's.

"We will therefore," he said, "provide evidence of the irregularities committed in the provincial assemblies recently held by Democratic Renewal and convoked by its chairman, Dr Oscar Aguilar Bulgarelli.

Two Assemblies

Democratic Renewal's situation has again become one of confusion and thus at the present time there are three factions, perhaps two of which are convergent.

One of these factions is led by Dr Oscar Aguilar and is supporting atty Calderon Fournier. Another group is headed by atty Madrigal Montealegre and is seeking a candidate to compromise with forces opposed to the PLN. The third faction is led by atty Juan Jose Echeverria Brealey, whom it is backing because Democratic Renewal will participate in the upcoming elections with candidates for parliament and municipal councilmen and officials. According to atty Madrigal Montealegre, the last two groups have certain views in common.

The first two factions will hold national assemblies on Saturday. Dr Oscar Aguilar's group will try to rejoin the Unity Coalition and to replace Oscar Mario Rodriguez and Madrigal Montealegre as political leaders.

According to atty Madrigal, this position consists of yielding to the interests of atty Calderon Fournier. Such a view is rejected by Legislative Assembly member Roberto Tovar Faja, however, who believes that Democratic Renewal will not surrender to Calderonism and will remain a worthy member of the coalition.

The second assembly to be held is that of the dissident group. Its agenda is not yet known.

National Movement

In the meantime, the Echandist group yesterday circulated a communique stating that its leadership has not yet submitted the name of any candidate for parliament and that it expects its national assembly to perform that task.

The communique added that everyone mentioned by the news media as a possible candidate is an honorable and distinguished citizen who respects that party and would be worthy representatives of the people.

The party also announced that its national assembly, which will nominate the candidates, will be held on 5 and 6 September.

TSE Suspension Order

San Jose LA NACION in Spanish 21 Aug 81 p 4A

[Text] The Supreme Electoral Court (TSE) yesterday ordered the suspension of the National Movement's propaganda campaign against PLN presidential candidate Luis Alberto Monge Alvarez.

Monge meanwhile issued an appeal against inciting either a class war or open conflict between political parties. Presidential candidate Rafael Angel Calderon Fournier also cautioned that his party, the Unity Coalition, might possibly be prevented from participating in the February elections. The National Concordia Party announced the names of its parliamentary candidates from San Jose and Cartago.

With regard to the complaint filed by the PLN general secretary, Dr Oscar Arias Sanchez, concerning propaganda published in the press by the party backing presidential candidate atty Mario Echandi, the TSE magistrates agreed with the PLN's arguments.

The Echandi supporters had published a notice in which they used an emblem containing a photograph of Monge Alvarez and described the PLN candidate's statements as a "farce."

It was the opinion of the magistrates that the publication in question did not conform to the requirements of the Electoral Code and that "one political party cannot be permitted to use another party's emblems in its propaganda."

Monge

Candidate Monge Alvarez also said yesterday that the current political debate is not considering the possibility of a class war and open conflict between participating political parties.

Speaking before members of the American Chamber of Commerce of Costa Rica in the Kamakiri Room, Monge stated that although he recognized the seriousness of the economic crisis, he was still optimistic and said that "we have reasons to believe

that Costa Rica can be added to the list of countries which have emerged stronger and revitalized from other serious political and economic crises."

He pointed out that he is concerned about three basic issues: the uneven balance of payments, inflation and unemployment.

Monge Alvarez said he was in favor of increasing production, but that he felt it was necessary for the public and private sectors to work together.

He offered to establish a tax policy that would view private enterprise as a source of jobs, production and capitalization rather than as a source of tax revenue.

He also mentioned the need for an economic stabilization plan that would include setting a definite rate of exchange for the colon and gradual support for industry "so that it can become more competitive in ever broadening markets and without forcing it to cope with abrupt changes which hurt the economy in the short term."

Monge urged the businessmen to "improve and refine" human relations in their companies.

Before answering questions, he announced that his party plans to introduce a bill designed to attract major banks to establish offices in Costa Rica, but he explained that in view of the fact that his party supports the policy of bank nationalization, he was offering neither mixed banking nor abolishment of the banking monopoly.

He nevertheless criticized the national banking system, which he believes has become "negligent" concerning financing for production and announced its reorganization under a possible PLN government.

With regard to the debate concerning the need to make the Central Bank independent, the presidential candidate said that coordination between its board of directors and the government will continue but that "maximum" autonomy will be granted in the case of its administrative and technical policies.

Monge announced that he will try to strengthen the areas in the hands of the private sector. Although he said that he could not offer to repeal laws authorizing the government to act as operator of the Costa Rican Development Corporation (CODESA), he said that the government will sell its consolidated companies to the private sector and that he will fight for the reorganization and restoration of the Central American Common Market (CACM).

Inconsistency

The Unity Coalition's candidate, atty Rafael Angel Calderon Fournier, meanwhile stated that there was an inconsistency in the decisions which the TSE handed down on Wednesday concerning his party.

He said that the first of those decisions granted the Unity Coalition legal status and "upheld our view that the coalition still exists, that it could be modified and that it now consists solely of three parties, whereas the second decision, issued in the afternoon and in spite of the coalition's right to be composed of three parties, which was recognized in the morning, eliminated our prior financing for participating in the elections."

Calderon Fournier also said that although no problems are anticipated concerning the decision of the PRD national assembly on Saturday to rejoin the coalition, in the event that it does not do so, then one of the major parties, with a large debt, would be left without financing, which would prevent it from participating in the elections. "They would be barring the war for a major political group to fully participate in the election," he said.

He added that if the PRD does not rejoin the coalition, "we will continue to fight" and denied that his party is suffering from lack of financing, since before the political debt fund was frozen, it had withdrawn 7 million colones, enough to meet expenses until September.

Candidates

Finally, the Costa Rican Concordia Party announced that its national assembly has selected its parliamentary candidates from San Jose and Cartago.

Atty Estela Quesada, Emilio Piedra Jimenez, Oscar Saborio Alvarado, Liana Gonzalez Alvarado, Dr Miguel Eduardo Alfaro Davila, Andres Borrase Sanou and Edgar Cardona Quiros will participate as parliamentary candidates from San Jose.

The candidates for Cartago are Messrs Roberto Salazar Madriz and Rolando Alberto Pacheco.

The chairman of Costa Rican Concordia, Mr Emilio Piedra, said that his party's candidates constitute a "parliamentary ticket capable of defending our democracy."

In conclusion, he noted "the spectacle of domination which three communist representatives currently exercise in the Legislative Assembly, manipulating 53 representatives at will." He said that reminded him of the need for legislators such as those nominated by Costa Rican Concordia.

11915
CSO: 3010/1777

MINISTER OF PLANNING DISCUSSES ECONOMIC SITUATION

San Salvador LA PRENSA GRAFICA in Spanish 22 Aug 81 pp 4, 25

[Excerpt] The fall of the price of coffee, the reduced exportation of sugar and the suspension of commercial credit are some of the more important reasons for the decline in our country's foreign exchange.

Atilio Vieytez, minister of planning, reported this yesterday. He also gave a general explanation of the national economic policy.

He said that credit had been suspended by the Bank as well as by the suppliers of raw materials. He said that previously credit had been extended to merchants and that because of the situation in the country it had been suspended.

The official stated that in order for El Salvador to obtain foreign exchange "since we cannot count on the price of coffee rising enough to achieve a trade balance for the country, the only possibility is for us to look for financing. The government has been able to get large amounts of financing," and he added, "only a week before the August fair the government got $37 million from the IMF [International Monetary Fund] and $24.9 million from USAID [United States Agency for International Development] all earmarked for the industrial sector. That makes $61 million.

He stated that in the last few days the money situation has improved for the production sectors and that it will continue improving from now on because the banks are beginning to have faith in the country, and they are starting to loan money to our banks and they in turn, to the users.

He talked about economic stability and some of the causes of inflation. In this country things can take place such as those which took place in 1980, especially before the nationalization of the Bank. The deposits in the banks, which are the important factor in the money supply, decreased, then people withdrew money in the form of cash and kept it under the bed.

Then, in order to maintain production, to compensate for this drop, the Central Bank produced the money and lent it to the banks. But as the deposits have gone up, the Central Bank has been withdrawing the money. What is important is to maintain at all times a balance between the supply and demand of money, Vieytez asserted.

On the subject of the increase in prices, he said that when more money is available than is needed to buy what the country produces, that excess of money shows up in an increase in prices.

He said that El Salvador has an average rate of inflation of 1.5 percent per month, which is an annual rate of 18 percent.

9204
CSO: 3010/1827

MINISTER BOBADILLA DISCUSSES FOOD SELF-SUFFICIENCY

Guatemala City DIARIO DE CENTRO AMERICA in Spanish 27 Aug 81 p 4

[Text] Dr M. V. Francisco R. Bobadilla Palomo, minister of agriculture, attended the third Animal Health Conference in Buenos Aires, Argentina. It was organized by the Interamerican Institute of Agricultural Cooperation. He also attended the first regular meeting of the Institute. Both meetings took place during the first two weeks of August 1981. He informed the media that in comparison to many of the countries of the world, including some of the great powers, Guatemala is and will continue to be envied with regard to its production of proteins of vegetable and animal origin. Our country can now speak of proteins and minerals coming from our oceans, lakes and rivers, with reference to the production of fish and other forms of aquatic life.

It can be said that Guatemala, in spite of the small size of its territory, has a strong and solid economic potential and the security of its food supply is notable.

The minister said, " I would like many Guatemalans to travel outside the country so that they could see what is taking place in other countries where inflation reaches 110 and 190 percent, where it is almost impossible to live."

"If it is true that certain people of bad faith have discredited Guatemala on an international level it is also true that thousands of foreigners recognize the work that is being done in this country. There are times when some people comment about the Guatemalan agricultural and animal raising policy. I ask myself if it would not be better for them to send a note to or come to my office to make suggestions instead of talking nonsense.

The minister of agriculture concluded by saying that in the agricultural and livestock sector, whether it be in the centers of production of basic grains or in the centers of production of food of animal origin, there is an appreciation of the effect of the policies contained in the government plan of Gen Lucas Garcia, president of the republic. Finally, Doctor Bobadilla said, "Today the people have food."

9204
CSO: 3010/1827

INDUSTRIALISTS SUPPORT EFFORTS TO SOLVE TRADE PROBLEMS

Guatemala City PRENSA LIBRE in Spanish 28 Aug 81 p 2

[Text] The Chamber of Industry of Guatemala (CIG) yesterday declared its full support for the efforts that Valentin Solozano, minister of economy, is making to find a solution to the trade problem between Guatemala and Honduras.

The CIG states that the tax of 10 percent (tariff surcharge), levied by Honduras on the imports coming from other countries in the area, violates the 1973 bilateral trade agreement signed by our country and Honduras.

The CIG also states that before the surcharge was imposed the business sector of Honduras had stated that the establishment of the tax would be harmful because, as they pointed out, it would create problems with the Central American countries with whom Honduras has signed bilateral trade agreements, which has in fact occurred.

--After the Honduran tax was levied, Nicaragua established a similar one for Honduran products; in this way free trade between Honduras and Guatemala and between Honduras and Nicaragua has been suspended.

--The suspension of this trade is adversely affecting production in Honduras and in Guatemala. Unfortunately, the Honduran Government has not accepted any of the proposals presented by Guatemala and it remains firm in its position of charging 10 percent.

Roberto Velasquez Oliva, head of the Chamber stated:

--The Guatemalan Government and the CIG do not accept this tax and with good reason. In addition to violating the bilateral trade agreement signed by the two governments it places Guatemalan products at a serious competitive disadvantage.

--We must bear in mind that most Guatemalan products must pay a tax of from 5 to 25 percent in order to enter Honduras while Honduran products enter Guatemala without paying any tax. To accept the additional 10 percent tax would put Guatemalan industry in a worse position.

In conclusion, Velasquez Oliva said that the Chamber is strongly supporting Gilberto Gorzo Illescas, vice minister of economy, who is in charge of economic integration affairs, and is urging him to continue in his search for a satisfactory solution.

9204
CSO: 3010/1827

ARUBAN PARTY REPLACED IN GOVERNMENT COALITION

Rotterdam NRC HANDELSBLAD in Dutch 4 Sep 81 p 3

[Article: "Antillian Cabinet Crisis Quickly Resolved"]

[Text] Curacao, 4 September--The crisis in the Martina government of the Antilles is solved. The Democratic Party of the Windward Islands (Saint Martin) decided to support the government.

The government got in trouble when the three MEP (Aruba) ministers resigned. They did not agree with the so-called Oil Protocol which regulates how income from exploration and exploitation of oil will be divided between the central government and the islands separately.

Martina can now count on a majority consisting of 12 seats in a parliament of 22 seats. Except for the already mentioned Windward Islands party, this majority exists of the Curacao based parties MAN and DP, and Bonaire's UDP. As soon as possible it wants to solve the problems surrounding the political structure of the Antilles. It also intends to realize Aruba's political aspirations within six months.

MEP Reaction

Bettico Croes, MEP's leader (who left the government) reacted fiercely when he learned of the Winward party's decision to support the government. He thought it very likely that Aruba will ask the Netherlands to make its independence a point of order based on the so-called island arrangement.

Plans

The four coalition partners declared that a number of questions should quickly be resolved, like the Tax Protocol with the United States, and that steps ought to be taken to arrive at a summit conference of the realm. Moreover, all parties represented in the Antillian parliament will be invited to attend a discussion on the present situation.

Martina said also that, for the time being, he will manage the departments of the MEP ministers who just resigned. The support of the Windward Islands party did

not include a claim to a cabinet post. Discussions will be held to take care of the cabinet vacancies.

Governor Leito returned in the meantime from the Netherlands to the Antilles. He consulted already with his deputy, Lope Beaujon, and with Prime Minister Martina.

10319
CSO: 3105/177

PUBLIC OPINION POLL ON REPUBLIC, ANALYSIS

Gallup Poll

Panama City THE STAR AND HERALD in English 13-15 Sep 81

[13 Sep 81 pp A-1, 10]

[Text] Editor's Note

The Star & Herald Company has acquired the exclusive rights of publication of a novel study or public opinion poll regarding political, social and economic aspects of the Republic of Panama. The effort was made by Gallup International Research Institute.

This is the first of a projected series of studies that will be conducted by the Institute during the forthcoming months, which will serve as a guideline to determine the socio-economic behavior of the Panamanian people and its leaders.

The polls shall be taken three times a year and no political organization or official institution will take part in their elaboration.

Today we persent in a summary newspaper manner the partial result of the first poll study which comprises the metropolitan group including the areas between Panama City to the south and Colon to the north, with the city of Chorrera to the extreme west and Tocumen/Chepo at the extreme east.

The poll included a total of 766 Panamanian adults representing all socio-economic types. It must be pointed out that among the most important problems encountered in the realization of this study was the fear of persons interviewed to offer this type of opinion, as well as their distrust of the interviewer regarding a breach of confidence an anonimity. The interviewers however surmounted this difficulty by pressing those interviewed for trust and cooperation thus helping to avoid rejection of the interviews.

The Gallup Institute points to the strict supervision under-lining the entire development of the study. One of every three interviews was rechecked in the field through a re-interview in order to confirm that the subject had given the correct information, and also, in order to verify that the facts were in agreement with his or her opinion.

Today we begin publication of the result of the study, referring specifically to major news events during the month of August; political parties and important political persons of the country. In the forthcoming editions we will take up themes regarding the communist influence, military bases, foreign investment and the reaction of those interviewed regarding family planning services supplied by the government, foreign investments, President Royo's activities, the high cost of living, corruption in the government, the National Assembly of Community Representatives and other interesting topics.

The death of General Omar Torrijos Herrera "means an era of changes in the future of Panama, according to some Panamanian citizens, however others consider that it does not mean anything as regards the socio-political-economic situation of the nation".

A public opinion poll conducted by the Gallup International Research Institute, a well known U. S. Firm, reveals also that the other political parties who wish to compete with PRD, (Revolutionary Democratic Party) "must develop much more activity in order to become known inside the

Panamanian political system."

The results of the study that will circulate starting this week throughout the country points out that the best known and most mentioned political figures in Panama are Aristides Royo, Tomas G. Altamirano Duque, Arnulfo Arias, Ricardo de la Espriella and Raul Montenegro.

Referring to the death of General Torrijos, the most important news event of the month of Augsst, the Gallup Research Intitute gathered from several of the interviews in its poll, that the more educated the person, the stronger her belief in the probability that Torrijos death would bring about changes; while those less educated "believed that the death of the General meant changes". However the largest group interviewed, does not believe that the death of the General could mean changes or they don't know".

On the other hand, when the study dwelled on political parties and political situation in Panama, the subjects where asked to quickly mention four political parties".

The best known political party — the poll reveals — is the PRD (Revolutionary Democratic Party), since 81% of those interviewed were able to mention that political party without hesitation".

The four most known parties following the PRD were: Liberal, Christian Democracts and Panameñista".

The poll reveals that the political figures of Panama are not very well known, a fact that will certainly not please many politicos."

The political figure receiving the most favorable opinions in the poll was President Royo, while the one receiving the most unfavorable opinions was Alonso "Bucho" Pinzón.

"The fact that a majority of Panamanians have a positive attitude towards President Aristides Royo" —according to the study— "may have its foundation in several factors which will be analyzed in future studies."

The Gallup International Research Institute investigation will shock many who have political aspirations, and who according to the report do not enjoy mass popularity and are not considered as leaders. The points they received in the poll's scale is unfavorable.

To give an example: of the 32 names of political figures who were mentioned in the poll as regards popularity, two of them, Winston Robles and Juan Ramon Porras received little mention by the subjects interviewed. It also was very surprising that legislator Raul Montenegro projected such a positive image over and above such political figures as Demetrio Lakas, Ernesto Perez Balladares, Carlos Ivan Zuñiga, David Samudio, Ricardo Arias Calderon, "Toty" Suarez and others. Montenegro stood in fifth place in the favorable public opinion poll.

Taking into consideration the effects which political opinion polls may have on the citizens of the country, Gallup International Research Institute points out that it is not a member of any political party or group in Panama and that "this public opinion study has not been financed by any of the Panamanian political groups not government institutions." It also reveals that among the problems confronted by the Institute during the data-gathering stage the most important it had to face was the fear by persons interviewed, when it came to offering this type of opinions, as well as the distrust and wariness of the person interviewed that the interviewer would not keep the confidential and anonymous character of the interview." To the political figures who may be disillusioned by the results of the poll, GIRI (Gallup International Research Institute) recommends that "the first steps that should be taken in order to generate public opinion among fellow citizens is to make ourselves sufficiently known."

[14 Sep 81 pp A-1, 6]

[Text]

To the majority of Panamanians the influence exerted by communism in the Republic of Panama is on the increase, and also there exists a relation between this ideological tendency and local unionism.

The above statement represents some of the conclusions arrived at by a public opinion poll conducted in Panama by the Gallup International

Research Institute, the partial results of which we began to make public in yesterday's edition of the Star & Herald.

The study under consideration indicates that among the persons interviewed, very few believe that the communist influence is diminishing, with the particularity that the higher the education of the subject interviewed, the more he or she finds a relation between Communism and Unionism in Panama exists.

In the chart that describes the distribution of those interviewed according to the increase of the communist influence and the relation Communism-Unionism, 52% were of the opinon that communist influence is on the increase, 27% thought the degree of influence exerted by Communism in Panama is the same, and 5% answered that the influence of Communism here was decreasing.

Among the nearly 800 persons interviewed by the Gallup people during the data-gathering process, referring to the Metropolitan Group including Panama and Colon, a marked concern was observed regarding the communist influence, and also the tendency to identify the affinity between communism and unionism.

39% of those interviewed said the Communism Unionism relation does exist, while 32% thought there was little relation between these phenomena, and 7% believed there was no relation at all.

Among the subjects interviewed, 385 were males and 381 were females; 382 of the subjects were less than 30 years of age and 384 were over 30 years of age; 189 had finished primary school, 457 had finished secundary school and only 120 had measured college.

Among these, those who reported earnings of less than B/.600.00 per-month, 51.9% believed in the growing influence of communism in Panama; while 62.5% interviewed who reported earnings of more than B/.2,000 per month, believed communist influence is on the increase in this country.

The study revealed that the higher the family earnings the more affirmative the opinion as to the relation between communism and unionism shown in higher percentages. For instance: among those persons interviewed with earnings of less than B/.600.00 per month, only 36.8% believed there was much relation between communism and unionism; 54.8% in the group of interviewed subjects with earnings of less than 2,000 had the same opinion. However among those interviewed with earning of B/.2,000.00 or more, 75% were of the opinion that there is very much relation between communism and unionism.

This public opinion poll is based on segments established by the National Directorship of Statistics and Census of the National Controllers Office.

These segments were selected so as to insure a maximum of democraphic representation, by the use of advanced scientific techniques, according to the Gallup International Research Institute report.

One of every three interviews was re-checked during the data-gathering stage, in order to verify if the person interviewed was really the one who had given the information, and also in order to ascertain whether their opinions and the data supplied by them coincided; all this with the guarantee of maintaining the anonimity and confidentiality of the subject interviewed. There was also a very close and analytical supervision of the poll forms in the office and in the field.

But the communist theme is not the only heated topic revealed by the GIRI (Gallup International Research Institute Public Opinion Poll) exclusively acquired by the Star & Herald Company for its two dailies Star & Herald and "La Estrella de Panama". Panama's foreign policy as well as foreign investment here were also themes that generated much interest. Let us see:

U.S.: the country who has most benefited Panama

Which is the foreign nation that has benefited Panama the most during recent years?— To those persons interviewed during the public opinion poll, this was one question that caused much discussion and diversity of opinions. The result was that 68.9% of those interviewed answered that the nation

which had benefited Panama the most was the United States of America. 6% answered in favor of Venezuela, and only 7% chose other nations including Mexico.

The poll makes emphasis in that the higher the education of those interviewed, the higher percentage that choseed United States of America as the nation that most benefited Panama in recent years.

Among those interviewed with only primary education, 63% picked United States; among those with only high school education, 69% picked United States, while 71% of those with college education answered the "United States is that country". The poll did not obtain well defined results in the theme of military bases in our country and the attitude of Panamanians towards the US bases in RP territory.

29% considered that the bases were of benefit to Panama, 42% answered "neither good nor bad" and 22% answered that it was "disadvantageous". However it must be pointed out that the higher the education of the subject interviewed the more his or her inclination towards the belief that the bases were disadvantageious: 36% of those with college education so opined about the US bases in Panama; 21% of those with high school education answered in the same manner, while 13% of those interviewed with primary education answered in like manner.

But the surprising aspect of this matter is that the poll showed 42% of those interviewed had ambivalent views and think that the military bases are "neither good nor bad for Panama."

The Torrijos-Carter Treaties

In the distribution charts of those who were interviewed regarding the Torrijos-Carter Treaties, 44% answered that they were beneficial of Panama while 36% thought they were "neither good nor bad", and 13% thought the relation was "disadvantageous".

The higher the education of the interviewed subject the more he was inclined to agree that the relation was beneficial to Panama. For instance, 45% of those with primary school education thought the treaty relation was beneficial; 44% with high school education answered that the relation was beneficial, while 46% with college education answered in the same manner.

Communists, Homesexuals, Alcoholics Rapped

Panamanian parents would not place their children's education in the hands of Communists, homosexuals or alcoholics, according to the results of the public opinion poll, following questions posed to the subjects interviewed regarding formal education in Panama.

A considerable percentage of those persons interviewed considers that education in Panama is the same or better as during the past years, but they evinced disgust at the possibility of placing their children in the hands of communists and homosexuals for their education. The more dramatic tendency evident in this aspect of the poll is the growing rejection of these "types", by those interviewed in direct proportion to higher earnings in the family.

According to the poll charts, 25% said they would not accept as educator for their children a persons with communist tendencies; 24% reacted in the same manner towards a homosexual, and 8% answered that they would not leave their children's education in the hands of an alcoholic.

Tomorrow:

Cost of living, employment and unemployment, corruption in the government, democracy in Panama, National Assembly of Community Representatives, new constitutional drafting assembly. The president's activities.

[15 Sep 81 pp A-1, 6]

[Text]

Skepticism about the stability of employment, concern regarding the continued increase in the cost of living, a significant importance attributed to the problem of unemployment in the Republic of Panama and a solid criticism of the government's attempts to curb partially or totally the increase in the cost of living, were some of the more outstanding topics of the Gallup International Research Institute's public opinion poll for Panama, economywise.

The majority of those interviewed consider that the increase in the cost of living could have been avoided by the government", partially or totally", according to the poll.

In this first poll study Gallup included three questions dealing with economic topics, resulting in some significant differences in the answere, in accordance with the education level of the interviewed subject.

An attempt to link this problem with the high cost of petroleum products in the international market, those interviewed who had a college education reacted against this relation between the problems and considered less probable that the cost of petroleum was the most important factor in the increase of the cost of living in Panama. the tendency opted for a theory according to which the problem is seen from the viewpoint of the economic situation of the world in general, as more important than the specific factor of the cost of petroleum.

A significant percentage of those interviewed blamed government activities for the increase in the cost of living, especially in reference to government spending, taxes and the absence of proper economic planning. When Gallup poll interviewers asked those with college education about the reason for the specific high cost of food, 47% of them answered unhesitatingly that it was due to the "lack of price controls", which is a function of government. Regarding the increase in the cost of living, 82% considered that the government could have avoided the hike in part or totally; only 13% thought the government could not have avoided it.

The questions posed by the interviewers aimed at determining the causes of the increasing in living costs were: a) — cause of increase in living costs; b) — main cause of the increase in food prices; c) — could the government have curbed or avoided the increase in living costs?

As regards the principal casue of the high cost of food staples, 20% of those interviewed said it was the result of a low agricultural production, while 44% answered that they believed it was due to the lack of proper price controls; 18% attributed the cause to marketting factors and still 11% blamed farmers high prices for the increase.

The poll results point out how little or no importance was attributed by the subjects interviewed to profits by entrepreneurs; only 5% blamed them for the high cost of living.

At the time when the poll was conducted (in August), 13% of those interviewed revealed that the head of the household was unemployed. The figure became still more dramatic when 11% pointed out that there was a high probability that the head of the household would lose his or her job in 1981. By consolidating both answeres it can be determined that 24% of those interviewed was in the midst of an uncertain and skeptical situation regarding the question of employment. This problem-the most crucial to Panamanians — revealed notable differences, especially when it came to estimating the economic condition of the interviewed subject.

Those situated at low earnings levels answered in a 12% total that there was much probability that the head of the household would lose his or her job while those in the high earnings level thought the same but only in a 6% total.

It is therefore conclusive that there is labor insecurity in Panama and that this insecurity is concentrated among the groups with low family

earnings; and this is so because 81% of those interviewed, with high earnings, answered that "there was no probability that the head of the household would lose his job". The majority of those interviewed believe that there is more unemployment in Panama in 1981 than in 1980.

The high cost of living, employment and unemployment in the public opinion poll were related with the results attained in the topic regarding President Royo in the exercise of his function as chief executive of the nation. The poll resulted in very positive figures regarding President Royo in the fulfillment — of his presidential tasks. "35% thought he works well or very well", and only 10% thought he does" badly or very badly". The result reflects the opinion the interviewed subjects had of Royo regarding the carrying out of his tasks as President; it contrasted very noticeably with the results attained by the same personage, in his activities in the face of the unemployment problem. The results in this topic were: 20% answered that he copes with this problem badly or very badly, while only 12% answered that he handles the problem of unemployment adequately.

In the chart which shows the distribution of the opinion of those interviewed regarding teh manner in which Royo handles the problem of unemployment, 2% though he handles it very well; 10% answered well, 48% answered regular and 13% answered badly...70% of those interviewed, with low earnings said Royo's government handled the problem of unemployment, regular, badly, very badly. While 38% of those interviewed situated in jobs with earnings of B/.2,000 or more per month said that he handled the problem of unemployment badly or very badly.

The topic of President Royo's relation with the workers of the Republic and their problems was tackled by the Gallup Public Opinion Poll surveyors: the result was that 61% of the interviewed persons considered Royo's handling of the problem as regular, 5% answered "very well, and 14% answered regular.

The more earnings the more the inclination of the interviewed subjects to consider that Royo handles the probelm badly, but in general those interviewed in the topic of how the President handles all problems in general, the answers were favorable for Royo.

CORRUPTION

It is very noticeable that the Panamanian people are very concerned about corruption in public institutions. The Public Opinion Poll conducted by Gallup so revealed; however the study shows that the higher the earnings level of the persons interviewed the more they are inclined to believe there is more corruption now than in former years.

However Gallup points out that it is very difficult to interpret this information. One possible explanation is that those persons interviewed, situated in the high earnings bracket consider that they have more basis to opine in this manner. Another explanation could be that persons in higher earnings bracket are more against the present government and thus have that unfavorable opinion.

Anyway, a significant percentage of those interviewed believed there was corruption within the government of Panama. This percentage was 53% for those with family earnings of less than B/.600.00 per month; 63% for those with monthly earnings of less than B/.2,000, and 69% for those with earnings of B/.2,000.00 or more. Only 22% of those interviewed believed there was no corruption in the government and 24% said "they did not know" or "did not answer". The comparison between the present corruption as to whether it is greater or less than in former years gave the following statistics: 31% answered it was greater; 16% answered the same, and only 7% considered that it was less.

POLITICAL STRUCTURES

The poll has shown that there is a deep divison of opinion among Panamanians as regards the system of legislation with the National Assembly of Community Representatives; however a great percentage of the subjects interviewed agree on the need for a new Constituent Assembly.

Is there more or less or no Democracy in Panama? This was another question posed by Gallup

Institute of International Research to the subjects interviewed in the Public Opinion Poll for the Republic of Panama, and the answers given were as follos: 41% said there is little Democracy in Panama, 27% said it was adequate and 18% said there was none or they did not know. Only 14% said there was ample Democracy.

The largest group 34% of interviewed subject was opposed to the Assembly as it is today in Panama, while 32% was for the Assembly; 24% showed indifference. The higher the education of the interviewed subjects, the more the disagreement with the type of Assembly we have at present. 48% of those interviewed, with higher education are against the Assembly and 23% of the same group are in favor of the Assembly.

While 7% of the interviewed said they did not know what a constituent assembly was, 64% of the group interviewed agreed that there should be a call for elections to choose representatives for a new Constituent Assembly.

The Gallup questionnaire posed the question as follows: Do you think the government should call elections for a new Constituent Assembly? 62% of the male subjects interviewed answered yes, and 62% of the females interviewed answered yes.

The Gallup Public Opinion Poll was conducted during the days immediately following the death of General Omar Torrijos Herrera, and according to the interviewers since poeple of Panama by a great majority considered that the state of their country was the same or better than in the past year, this event — Torrijos' death — may have profoundly influenced the decision of the people of Panama by a great assembly call. This is evident from the poll study that considered the death of Torrijos as the most important news item of the month of August.

A majority of the interviewers considers that the welfare of the people of Panama will remain the same or better in the forthcoming years: and Gallup points out that the change is not one of great significance but that it does exist. "There is less faith in the future than in the past".

The study emphasizes that this being the first public opinion poll of a series on Panama, "it is hard to identify the cause or causes of a change in the attitude among Panamanians, and indeed even to determine if there has been a change". Maybe a Panamanian is more pessimistic when he looks upon his future, the Gallup poll analyst: points out in the study.

One of the main causes for the marked skepticism of those interviewed about the state of their country, welfare and the future of Panama, could be attributed to the fact that a significant percentage of the subjects interviewed" live in a household wherein the head is unemployed or many lose his or her job during the year 1981".

This may contribute to increase the degree of insecurity. Besides, these factors — the high cost of living etc. which have been blamed on the government may influence the person interviewed to consider that his future is not under his personal control. However it will be very interesting to compare the forthcoming polls with the present one, taking into consideration that in all studies of this type, the question of the welfare of the people is always included.

The study is conclusive when it points out that a public opinion poll is looked upon as a photo of a certain period in the life of a people. Two studies in a row provide the dynamic element for those interested in the themes. With three, four and five poll studies in a series, then the results begin to show a certain fluidity that will permit interpretation and perhaps even forecasts changes in those people".

Gallup stresses the need to interpret this first poll study within the abovementioned context, and to make a deeper analysis of the Panamanian situation "when more studies and data are available".

Those in charge of this first poll study of public opinion in the Republic of Panama —CID-Gallup— are companies known internationally for their sobriety CID (Centro Interdisciplinario En Desarrollo, S.A.) was founded recently in

Pamana after several years of successful work in Central America, the Caribbean area and Costa Rica. In Costa Rica, outstanding newspapers like La Nacion, have published similar poll studies, and other media in the area has done the same. CID is affiliated to the Gallup International Research Institute, GIRI with home offices in London, England. It was founded by Dr. George S. Gallup to allow for scientific exchange regarding conditions of marketing and public opinion throughout the world. It is a federation of independent enterprises with certain common professional characteristics and organizational goals. GIRI (Gallup International Research Institute) owns no stock in CID, but rather CID is a part of GIRI.

TOMORROW: CONCLUSIONS

Editors Conclusions

Panama City THE STAR AND HERALD in English 16 Sep 81 pp A-1, 6

[Article by Juan Carlos Duque M, and Jose Gabriel Duque V, of THE STAR AND HERALD]

[Text]

For the past three days we have been publishing in an exclusive manner for the benefit of Star & Herald readers and the people of Panama in general, the partial results of a report linked with the present administration and its people, and the reaction of public opinion towards vital aspects such as the economy, political structures and other important topics. The poll, which was conducted by the famous firm of GID-Gallup International Research Institute, specialized in such public opinion polls. Because of the poll's novelty, the published results produced many and diversified comments in different sectors of the country, and many individuals are known to have challenged the study, obviously because the statistics of the charts showed them in an unfavorable light. But these circumstances however, are typical of all poll studies, since usually that which favors one group is unfavorable to another.

We may conclude, that the people of Panama expect few changes in the near future, but that in the other hand, it is evident that Panamanians are in the clutches of labor and economic insecurity, which could be indicative of some distrust of its political leaders and government officials.

The study showed that there is growing concern regarding economic problems, which are dependent on government functional activity; it showed also the incidence of foreign market behavior on local business activities. It dealt with political stability in Panama and also showed partially that there is a need for greater understanding between political leaders and the masses in order that they may attain a more effective identification.

The CID-GIRI poll as presented, cannot be considered as a solid base regarding government behavior and the people's opinion, but it is without doubt an excellent indicator of what is going on in this relation-government-people, and surely the forthcoming polls now being conducted will necessarily be of greater value in analyzing this behavior. The political system of Panama, in August, 1981, was not as agitated as it might have been expected after the unexpected death of General Omar Torrijos Herrera. According to the poll, an important and large group of people in the nation evinced the opinion that conditions were the same as in the past and that they will continue to remain the same in the future.

This holds through, according to the poll, not only as regards the welfare of the people of Panama, but also as far as other everyday things as services supplied by buses and Social Security medical services.

The people of Panama view its President with favorable eyes in a considerable majority, and according to the study are positive regarding his administration in general.

The people are not satisfied with the way Royo is handling the problem of unemployment, and should this problem grow, as it would seem from the opinion of the interviewed subjects, the people's support of the government could decrease.

The many personages in local Panamanian politics are not very well known according the investigation conducted by the Gallup people in this first of a series of poll studies acquired exclusively by the Star & Herald Company for its two dailies "La Estrella de Panama and the Star & Herald. The people interviewed answered, that many people who consider themselves as political figures within select circles, are not really well known by the popular masses.

The pollsters advise, that as long as future panamanian leaders are elected by the people, these personages must strive to make themselves better known or forget their aspirations: and Gallup adds, that the same is true of several political parties in this country.

A public opinion poll, they stated, must be recognized a photograph of a specific period in the life of a people. Two polls in a row provide a dynamic element for those interested in those themes. With three, four or five additional poll studies in a series, the results begin to show a fluidity that allows for interpretation and perhaps even forecast changes in the people.

The interpretation of this study must be made within the context described above, Gallup adds; this being so when additional poll studies are available, they will make possible a deeper analysis of the panamanian situation.

It is important to point out the convenience for institutions, international and financial organizations and political groups to have a complete version of the sampling and others that will be made.

It constitutes a very accurate manner of getting an idea of the "pulse" of the nation. Also very convenient is the fact that future surveys should include more specific questions and issues of deeper intensities, especially in those areas where the positive contribution of the government presents itself.

The fact that some groups and central figures were not favored in some way, does not mean that it implies a definite trend and in this sense it should be pointed out that, for example, with regard to the president, and negative event felt by the population will have direct repercussions upon him, because in his position he is considered the depository, in times of concretions and policies that really pertain to other sectors of the central government. This was made clear in the first CID-Gallup poll when the president received the accolades of those surveyed when they said he was doing a good or very good job, while attributing certain negative aspects to him in other areas of his government.

In conclusion, the study is amply convenient. It illustrates, guides and sums up persons that perhaps are ignored both by the government and the politicians, and gives them the opportunity to introduce corrective measures in the future, results that should become evident in the next survey.

CSO: 3020/3

LABOR MINISTER LABELS STRIKE AS TOTAL FAILURE

PY231758 Lima Domestic Service in Spanish 1200 GMT 23 Sep 81

[Text] Labor Minister Alfonso Grados Bertorini has labeled a complete failure the strike called for yesterday by the General Confederation of Workers of Peru [CGTP].

He said that the call for strike was clearly politically oriented and that this shows once again that there is no union democracy because efforts were made to manipulate the working class but without any results.

The following is a reporter interview with the minister:

[Begin Grados Bertorini recording] [Question] Mr Minister, considering the clearly politically oriented attitude of this strike and the extensive absenteeism in the main working sectors, would you consider that this strike call was a complete failure?

[Answer] As a strike this is a complete failure. As a demonstration that the democratic regime can permit the truth to prevail, this is a great success for democracy. We have said that democracy in Peru should not only function when we go to vote, but also in the unions. The best demonstration that there is no union democracy is that a group of union leaders dare speak about a national strike without getting in touch with their grassroots, and this is why the grassroots have disobeyed them by massively going to work not only in Lima, but in the entire country in an environment of open freedom, without repression, without having to imprison union leaders, without having to put troops on the streets, that is, only by using the simple arms of democracy. The police have protected the people who wanted to work by preventing those who called themselves representatives of the people from stoning buses, burning tires and stopping workers from getting to their jobs and thus hurting the country and democracy.

The facts are now clear. I believe that once and for all people must realize that in this country, just as there is political democracy there must also be union democracy and the groups who try to manipulate the workers must disappear.

[Question] Regarding the demands made by the CGTP, what are your points of view, particularly the demands not to privatize public enterprises, the nationalization of industry and other aspects of the demands?

[Answer] I believe that these demands are nothing more than perfunctory material that extremists normally use to try to justify, in political terms, what in democratic terms are unjustifiable. All of these claims [words indistinct] and the programs of the left presented to win this type of reform were not approved by the Peruvian people. The people made the decision in the elections when President Belaunde was elected by a great majority. Therefore, what has been lost at the polls cannot be won through the workers, and this is why the workers have said no.

[Question] This is a last question. Many workers did not go to work, perhaps because of fear of repressive actions by some picket lines. Would you make an appeal to the Peruvian people who want to work?

[Answer] Instead of making an appeal, I would like to thank the Peruvian people and convey to them the democratic government's profound recognition and admiration. We do not necessarily have to think in terms that we have great living conditions, but should realize that workers have no right to those claims. The Peruvian people have certainly shown a great example by massively going to work, showing that they do not want to be manipulated and that they want to make their own decisions. This is why, instead of making an appeal, I would like to convey the Peruvian Government's recognition to the large masses of Peruvian workers. [end recording]

CSO: 3010/12

BRIEFS

BOMB ATTACK KILLS WOMAN--Yesterday noon a terrorist bomb exploded violently in an avenue of San Borja urban district, instantly killing a woman and wounding a construction worker who was about 30 m from the place. The explosion took place at about 1240 at the sixth block of the North Carpac Park Avenue, and the victim was identified as Maria Eugenia Paniora who leaves three orphaned children.[Excerpt] [PY221954 Lima EXPRESO in Spanish 16 Sep 81 p 6]

CIVIL GUARD ARRESTS TERRORISTS--Five of the 20 extremists who participated in the attack on the civil guard post at Quinua (Ayacucho) and killed Serg Ramon Flores Sulca have been arrested by personnel of the civil guard post at San Jose de Secce, an official source reported last night. The source identified those detained as Dante Cruzat Cardenas, alias Gilberto Huamani, 20; Juan Quispe Loyza, 18; Nelly Palacios Leon, 18; German Ore Enriquez, 30, and Gedeon Orellana, 28. The source said that it is believed that the five arrested persons have some links with the Shining Path, the terrorist group which has committed dynamite attacks in many parts of the country. [Excerpts] [PY222039 Lima EL COMERCIO in Spanish 15 Sep 81 p 1]

ELECTRICAL SUBSTATION ATTACK--A terrorist attack almost left Lima without water yesterday when unidentified individuals were taken by surprise putting charges of dynamite in the electrical substation which supplies energy to the (La Targea) water treatment plant. The event took place at 0400. The attack failed thanks to the courageous intervention of a lieutenant and a guard who immediately deactivated the charges. The fuse of one dynamite charge was already lighted and exploded in the air. To enter the substation, the terrorists broke through a wire fence near the (Bella Caja and Universal) cooperatives in (Agustino). When Lt (Juan Diaz) and republican guard (Victor Rodriguez Salas) arrived to the scene, the terrorists escaped in a Volkswagen which was hit with a submachinegun burst fired by the republican guard. [Text] [PY231851 Lima Domestic Service in Spanish 1200 GMT 23 Sep 81]

CSO: 3010/12 END

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MAJOR OIL FIND IN ARAUCA ANNOUNCED

Bogota EL TIEMPO in Spanish 22 Aug 81 pp 1-A, 14-A

[Article by Fernando Barrero]

[Text] President Julio Cesar Turbay Ayala yesterday announced the largest oil discovery in Colombia during the past 18 years.

This find was made in the Arauca I well, which could begin normal production within 2 years, reaching a maximum of 35,000 barrels a day within 5 years.

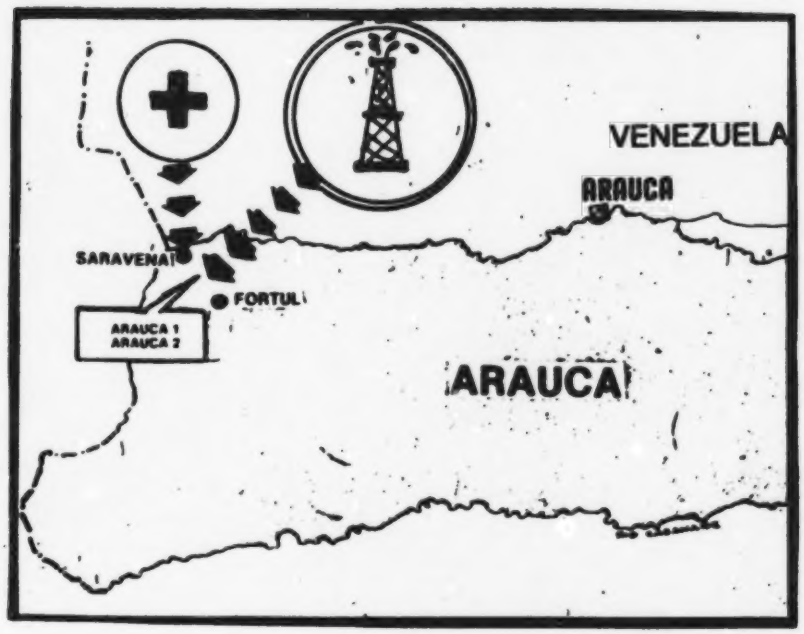
Based on Colombia's present imports of 55,300 barrels a day, including both petroleum and gasoline, this discovery is equivalent to 63.2 percent of these foreign purchases.

Along with the announcement of this major oil find came news of the approval of the increase in Colombia's present oil production. It is now 129,644 barrels a day, and may reach 133,000 barrels a day by the end of 1981.

The minister of mines and energy, Carlos Rodado Noriega, reported that the Arauca I and Arauca II wells may contain reserves of approximately 75 million barrels of petroleum, whose quality may be among the highest in the world.

Rodado Noriega calculated that the first production may come in 3 years, since the wells have to be drilled down to a depth of 20,000 feet (over 6 kilometers). He said that in another well, Arauca III, "the prospects are very good and foreign firms are optimistic."

The minister of mines and energy told EL TIEMPO that these fields justify the construction of the Llanos pipeline, which can also be used to transport 13,000 additional barrels found in Casanare.



Arauca has been a leading news story this week because of the disaster which left a large number of victims. Today it is again in the news because of the discovery of one of the largest oil-fields in Colombia, as shown in this map.

The minister stated that Colombia has a refining capacity of 205,000 barrels a day. It is now refining 155,000 barrels a day from both its national production and imported petroleum. By August 1982, the Cartagena refinery will be enlarged to a capacity of 230,000 barrels.

"Any plans for a new refinery for the Huila or the Llanos area will depend on future conditions in those fields," said the minister Rodado, adding that this discovery does not mean there will be no more price increases for fuels.

"The government is not now thinking of any immediate increases, but we have to remember that Colombia is still importing at international prices and selling at subsidized prices," said Rodado.

He reported that in 1980 the subsidy for ECOPETROL [Colombian Petroleum Enterprise] was $19 billion, and in 1981, imports are expected to be US $800 million. In addition, ECOPETROL last year paid $11 billion to the National Highway Fund.

"After a phase of reasonable optimism, we are now entering a new phase, this one of positive results," summed up the minister Rodado Noriega.

The new large field, located in the jurisdiction of the municipality of Saravena, in the Arauca district, was discovered through the association contract between ECOPETROL and INTERCOL [International Petroleum (Colombia) Limited]. INTERCOL has invested $1 billion during 325 days of continuous work.

INTERCOL stated that this production is coming from the greatest depth ever in the petroleum history of South America. It has announced that in order to develop all of the new field it will have to drill nearly 50 additional wells to depths close to 20,000 feet. THis will require investments of about US $1.2 billion, in constant dollars, over the next 5 years.

President Turbay Ayala, in closing a speech on the occasion of ECOPETROL's first 30 years, made the official announcement of this new field. He pointed out that if the other wells are successful, production may be even larger, and reported that this fully justifies the Llanos Orientales [Eastern Plains] pipeline, which could also handle crude discovered earlier in the Casanare area, which is estimated to be an additional 13,000 barrels a day.

The director of the CIIP [Petroleum Industry Information Center], Simon Martinez Emiliani, said that the news about the new field is excellent; he added that from an international point of view, it will attract many additional firms.

He explained that Colombia now imports 30,600 barrels a day of petroleum and 24,700 barrels of gasoline. These figures would have been higher if there had not been an increase in our national production starting in 1980.

In addition, the rate of increase of demand declined from between 5 and 7 percent a year to 2 percent in 1980, and it is expected that until 1990 growth will hover at about 2.7 percent.

"This shows a little more discipline on the part of the Colombian people. And it necessarily reflects the increases in domestic prices," said Martinez Emiliani.

He mentioned Resolution 58 which established incentives for incremental production. These incentives brought about an increase from 125,800 barrels a day in 1980 to 129,644 barrels in July of this year, and an expected production of about 133,000 barrels a day by the end of the year.

Martinez said that in order for Colombia to be able to speak in terms of self-sufficiency in petroleum, we would need to find another field similar to Arauca, and he said: "It is possible there may be one."

The Official Announcement

President Turbay's official announcement about the field was as follows.

"This week testing of the Arauca II well was completed; this well was drilled under the association contract signed by ECOPETROL and INTERCOL.

"In correlating the results of Arauca II with the positive results we got from Arauca I last year, it was found that a major oil field exists in Colombia. It is estimated that production will reach 30,000 barrels a day; if new reserves are found with the Arauca III well, this figure will be substantially higher.

"This discovery fully justifies the major project of the Llanos Orientales pipeline to the existing refineries with a capacity to process this additional domestic crude. Also, this pipeline will be used to develop the earlier discoveries of crude in Casanare; its production is estimated at 13,000 barrels a day.

"In these conditions, during the next 5-year period Colombia will be able to process this crude in its refineries, thus significantly decreasing the expected volume of imports.

"The development of the Arauca production will require that nearly 50 wells be drilled to depths close to 20,000 feet, along with investments of about $1.2 billion during the 5-year period.

"I feel it is important to emphasize the fact that this new field is the most significant oil discovery made in Colombia during the last 18 years, and the drilling there is deeper than any done in all of South America's petroleum history. The well is located in the vicinity of Saravena in the district of Arauca. Petroleum found in the deepest interval was 34-grade petroleum, and 41-grade petroleum was found in a less deep interval. These characteristics indicate that these are top-quality hydrocarbons," Turbay concluded.

INTERCOL

INTERCOL released the following statement on this discovery.

"In May of last year in the Arauca section under the association contract between ECOPETROL and INTERCOL, INTERCOL completed the

drilling of the Arauca I well to a depth of 19,750 feet; this was a significant oil discovery for the nation. The well produced 1,500 barrels a day of excellent quality petroleum. Still, indications suggested only limited reserves, and therefore it was essential to drill other wells to better determine the extent of the reserves. In addition to this productive interval, there were also in the Arauca I well some possibilities of a lower horizon which could not be tested because of mechanical difficulties.

"Now INTERCOL, acting under the same contract, has just completed drilling the exploratory well to confirm these finds: Arauca II to a depth of 20,581 feet (over 6 kilometers). Its tests produced excellent quality petroleum in a good quantity from two intervals which were not productive in Arauca I. This makes this field the most significant discovery in Colombia in the last 18 years, and the production is at the greatest depth obtained throughout all of South America's petroleum history.

"This new well is located in the Arauca district near the town of Saravena; its drilling began on 23 September 1980, and after 325 days of continuous work and an investment of 1 billion pesos, the final objective was reached, and tests were made with the following results:

"The deepest interval produced 1,858 barrels a day of 34-grade petroleum, and the shallower interval produced 2,112 barrels a day of 41-grade petroleum.

"In order to test the oil potential of this region and to define in detail its very probable market value, INTERCOL proposes to begin drilling additional wells within the next 6 months.

"It will take about 9 months and cost $20 million to drill each of these future wells, given the exceptional depth and the high risk of mechanical failure.

"This suggests that in a period of not less than 5 years Colombia will be able to use this crude in its refineries, thus decreasing its volume of imports.

"The development of this field will require drilling nearly 50 wells to depths close to 20,000 feet; it is estimated that it will be necessary to invest approximately $1.2 billion in constant dollars during these 5 years in order to refine and consume this petroleum."

Production Increase

President Julio Cesar Turbay Ayala, in speaking at the ECOPETROL ceremony held in Bogota on the occasion of the 30th anniversary of the company's founding, said that if exploration continues at the 1981 rate, in a few years Colombia will be able to define its reserves clearly, and what would be even better, to decrease its energy dependence or even achieve a state of self-sufficiency in terms of energy.

Turbay said that in 1980, for the first time in the last 10 years, the rate of petroleum decline was halted and even reversed, with a 1 percent increase over the 1979 production.

In addition, during the first 7 months of 1981, the rate of increase of production came to 4.8 percent, which compares quite favorably with the 7 percent decline during the previous decade.

In 1979, also for the first time in 10 years, the reserves discovered increased, and have continued to climb in 1980. There are sufficient grounds to say that this trend will continue in 1981, because of the boost given by ECOPETROL's direct and associated exploration activities, reported the chief of state.

Turbay defended the system of associated contracts used by ECOPETROL, saying that despite the fact that the system has only been in use for a decade in Colombia, and actually only got off to a real start in 1976, when the price system for crude produced in this way was determined, it has already led to some concrete achievements.

The reserves discovered amount to over 700 million barrels of crude equivalent, 508 of which are gas reserves. In addition, last July the first commercial operation conducted under this system in the nation begain in the Huila area, and as the president said, it is a source of satisfaction to note that ECOPETROL is obtaining these initial results of the association with a company formed with Colombian capital.

Turbay said that the drilling of 44 exploratory and stratigraphic wells in 1980 has brought the nation closer to the goals assigned in the PIN [National Integration Plan] and in 1981 it is expected to surpass the 62 wells set as goals by the government plan.

The investments allocated to these projects have been large, said the president, pointing out that in 1978 over $100 million was invested in direct and associated exploration, and this year the cost of this exploration will exceed $200 million.

He added that the new price structures and technological advances in the field of heavy crude, combined with a clear policy to stimulate production, have led to two important results: the Cocorna Association and the secondary recovery from Casabe.

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CSO: 3010/1789

OIL IMPORTS EXPECTED TO INCREASE

Bogota EL ESPECTADOR in Spanish 23 Aug 81 pp 1-A, 14-A

[Article by Jose Suarez]

[Text] Next year Colombia will increase its petroleum imports by an additional 25,000 to 28,000 barrels of crude a day, said the minister of mines and energy, Carlos Rodado Noriega.

At the same time he rejected the idea of a possible paralysis of work at various hydroelectric power plants in the nation, terming the rumors about this "sensationalism." He revealed that last week the government approved two loans for over $2.1 billion that will alleviate the financial situation of the ISA [Interconexion Electrica S.A.].

The government announcement about the increase in the volume of next year's imports of crude petroleum contrasted with the confirmation of the discovery of huge deposits of petroleum in the Arauca district.

This year the import of hydrocarbons comes in all to 55,000 barrels a day, of which 20,000 barrels are of crude, and the rest consists of gasoline, diesel fuel, and ACPM.

With the 28,000 additional barrels, the total crude petroleum that Colombia will import in 1982 comes to 48,000 barrels a day. This additional volume will of course have an impact on Colombia's balance of payments for that period.

The government figures themselves estimate the total cost of hyrocarbon imports this year at US $800 million.

The additional crude that the government plans to buy abroad will be refined in the plants of Cartagena and Barrancabermeja. In this way the government officials hope to decrease by a large percentage gasoline and diesel fuel imports, especially the diesel imports.

In this way the cost of the crude petroleum will be offset by what is not being spent on imports of the other two fuels, but the government itself is pessimistic about achieving any considerable savings.

The new purchases will be from Mexico or Iran; talks are now in progress with both countries. In both cases the sales prices range between US $32 and US $36 per barrel.

At the same time, the minister Rodado Noriega said that the president of ECOPETROL [Colombian Petroleum Enterprise], Jose Fernando Isaza, last week made an official visit to Venezuela, where he made contacts with the oil officials of that nation in order to ensure the extension of the agreement by which Venezuela sells us 20,000 barrels of crude a day.

As stated earlier, the value of our hydrocarbon imports this year comes to US 800 million. Of this amount, by last July US $363 million had been spent, an increase of $113 million over the same period of last year, according to the Bank of the Republic.

Colombia's own petroleum production, which is also increasing, is now 135,000 barrels a day. In addition, the rate of fuel consumption is showing a strong tendency to decline.

Imports are differentiated into the 20,000 barrels that are purchased from Venezuela and the remaining 35,000 barrels coming from Peru and the West Indies. These imports are mostly gasoline.

About the construction of new refineries in Colombia, specifically in the Llanos Orientales, Mr Rodado Noriega said that for the time being it is not feasible to engage in projects of this nature. This is primarily because the nation's refining capacity is sufficient and will increase next year.

At present this capacity is 205,000 barrels a day, and it is barely 75 percent used. In 1982 it will be 230,000 barrels a day, much above the refining needs of Colombia, even including the imported crude.

On the subject of domestic fuel prices, the minister said that it is possible that action may be taken in this area, but that at the present time the government does not intend to change prices.

He cited the following arguments in support of changed prices. The oil producing and exporting nations are readjusting their domestic prices as part of a long-term policy attempting to rationalize consumption. If the producers are doing this, it seems

logical that an importing nation like Colombia should have a sensible price policy.

He also stated that ECOPETROL is subsidizing fuel prices by paying high international prices for petroleum abroad and selling it for lower prices at home. This is costing 19 billion. In addition, it has to pay the National Highway Fund 11 billion, another expense for ECOPETROL.

In pointing out the significance of the Arauca II well, he said that its reserves are estimated at 75 million barrels. The daily production and reserves will be even larger when the results of Arauca III are known. Production will start in approximately 3 years, after the infrastructure work, requiring an investment of US $1.2 billion, is completed.

He also noted the quality of the petroleum found, which may be one of the best in the world. This justifies the large investments needed for working at a depth of 20,000 feet or more.

The pipeline which will be built to transport the crude from Arauca, Casanare, and other areas of the Llanos Orientales to refineries will start from Arauca, going through Casanare and Bucaramanga, and will reach Barrancabermeja.

INTERCOL [International Petroleum (Colombia) Limited], which is conducting this exploration in association with ECOPETROL, released the following technical report on this discovery.

"In May of last year INTERCOL completed the drilling of the Arauca I well to a depth of 19,750 feet; this was a significant oil discovery for the nation. The well produced 1,500 barrels a day of excellent quality petroleum. Still, indications suggested only limited reserves, and therefore it was essential to drill other wells to better determine the extent of the reserves. In addition to this productive interval, there were also in the Arauca I well some possibilities of a lower horizon which could not be tested because of mechanical difficulties.'

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"The deepest interval produced 1,858 barrels a day of 34-grade petroleum, and the shallower interval produced 2,112 barrels a day of 41-grade petroleum.

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"It will take about 9 months and cost $20 million to drill each of these future wells, given the exceptional depth and the high risk of mechanical failure.

"This suggests that in a period of not less than 5 years Colombia will be able to use this crude in its refineries, thus decreasing its volume of imports.

"The development of this field will require drilling nearly 50 wells to depths close to 20,000 feet; it is estimated that it will be necessary to invest approximately $1.2 billion in constant dollars during these 5 years in order to refine and consume this petroleum."

As for the status of some hydroelectric power plants which reportedly might be paralyzed because of a lack of resources, Mr Rodado Noriega said that these sensation-seeking tales are not based on reality.

He explained that the ISA debt to its contractors is barely 100 million pesos, and not 800 million, as has been alleged.

He said that the government has been taking a series of steps to overcome its difficulties, including the following: a loan authorized for the CVC [Autonomous Regional Corporation of the Cauca Valley] for 800 million, of which 400 million will be used for the ISA; and a direct loan to the ISA which the council of ministers approved in its latest meeting; this loan is for 1.3 billion.

He said that every month 350 million has to be invested in the San Carlos and Jaguas projects.

Concerning the general situation of the electric power industry, he reported that next week the government will introduce a bill in congress to establish the National Electric Fund.

This fund will channel the greater part of the resources needed to finance the sector. It will be supported through the placement of bonds or securities in the financial market, thus relying largely on domestic savings. These securities will bear fairly attractive interest rates. In addition, the fund will receive payments from the national budget, foreign credit resources, and payments from agencies acting as partners.

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CSO: 3010/1789

NATURAL GAS SALES TO U.S. COULD DOUBLE

Mexico City EL SOL DE MEXICO in Spanish 3 Sep 81 p 12-A

[Article by Arturo De Aquino]

[Text] During the fourth quarter of this year, Mexico will be in a position to increase its exports of natural gas to the United States by up to 100 percent.

This will be the result of being able to exploit almost the total productive output of the offshore oil platforms located in the Campeche Gulf, by the use of gas pipelines that will eliminate the need to flare this energetic substance.

The foregoing was disclosed by PEMEX [Mexican Petroleum] engineers, who explained that the 300 million cubic feet now being exported to the government of the United States can now be increased to 500-600 million, thanks to the ability now to exploit the Campeche Sound's natural gas.

Special platforms are now under construction and tests are being completed on the the gas pipeline that connects the offshore platforms with land, and it is estimated that before the end of this year almost 100 percent of the associated gas from oil production can be recovered.

In accordance with the energy programs, the Secretariat of Patrimony and Industrial Development, as head of the sector, has carried out the plan to increase the use of natural gas by our national industries, especially the electric power industry, thus substituting it for other hydrocarbons, such as fuel oil, that can be put to better use.

Much of the production of this fluid obtained aboard the Campeche Gulf platforms will therefore be used to satisfy the needs of the industries that have modified their fuel consumption systems and are now equipped to use natural gas.

Nevertheless, according to reports, we will have large gas production surpluses and will therefore be in a position to raise exports to the United States.

Unofficially, it has been learned that certain adjustments are also already being made in the gas pipeline that connects Mexico with the American Union to enable it to transport larger volumes than at present in the very near future.

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CSO: 3010/1843

URANIUM FINDS IN OAXACA, GUERRERO CONFIRMED

Mexico City EL SOL DE MEXICO in Spanish 1 Sep 81 pp 1-B, 6-B

[Article by Arturo De Aquino]

[Text] Mexico's uranium wealth could rise significantly with confirmation of the studies currently being worked on that would seem to indicate that Oaxaca and Guerrero uranium deposits are one and the same.

According to studies made by URAMEX [Mexican Uranium], some evidence of this possibility already exists, and it is considered likely that the size of these deposits will be confirmed more exactly within the next few months.

As of now, under what has come to be called the "LPW [expansion unknown] Project," Oaxaca's proved reserves of uranium oxide have reached 5,000 tons.

Second to Chihuahua, the LPW is one of the uranium industry's largest deposits, and if the correlation that is thought to exist between this deposit and those of Guerrero is confirmed, then the figures will increase severalfold, putting this zone certainly above Chihuahua, whose proved uranium oxide reserves now total around 10,000 tons.

According to the government enterprise's engineers, work is proceeding on an accelerated basis on quantifying the national territory's uranium resources.

The idea, it was explained, is to submit to President Jose Lopez Portillo, during the second half of 1982, what will be known as a "Uranium Map of Mexico," a document that, obviously, will provide fully detailed data with regard to this mineral.

Basically, it will make known the progress achieved by the current administration, but it intended to provide a fully detailed general report giving exact data on proved, probable and potential uranium reserves.

It will also provide exact volumes and zones in which these resources are located, steps that must be taken to exploit them, data on the need for beneficiation plants, etc.

The entire study has already been started, they say, with aerial prospection operations using helicopters purchased in France and equipped in the United States.

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PEMEX CRUDE EXPORTS TO INCREASE 52 PERCENT

Mexico City EXCELSIOR in Spanish 9 Sep 81 pp 1-A, 12-A

[Article by Federico Ortiz, Jr: "PEMEX: 'No Country Will Benefit Unilaterally From Our Oil'"]

[Text] The head of PEMEX [Mexican Petroleum], Julio Rodolfo Moctezuma Cid, said yesterday , at the opening of the series of conferences on "Five Years of Achievements by the People of Mexico," that hydrocarbons cannot be used as a foundation for the building of privileges and that much less can they be considered a resource to be exploited, unilaterally or unjustly, for the benefit of any other nation.

The head of PEMEX asserted that "We are not oil-bound, nor are we going to be oil-bound," because hydrocarbons--he said--are not mere merchandise. They represent a source of leverage through which we can raise our productiveness to higher levels. They are a resource that we are not squandering on the acquisition of goods but that we are using to create other renewable sources of wealth.

Crude exports--he added--have recovered and it is estimated that by year-end our sales will have increased by 52 percent in volume and by 82 percent in value.

He affirmed that President Lopez Portillo, with exemplary vision and as far back as his preelectoral campaign, had seen in oil one of our most solid economic strong points. Oil could in fact strengthen our finances, restore our foreign credit, stimulate the production of goods, accelerate the creation of jobs and, in a word, contribute vigorously to the overcoming of our crisis, the consolidation of our economy and the start of our growth.

And the secretary of Patrimony and Industrial Development, Jose Andres Oteyza, said that until a World Energy Plan is put into effect, the disorder that currently prevails in the world hydrocarbons market will continue, producing wild fluctuations in the marketplace, inordinate price rises and plunges.

Mexico, the official asserted, does not sell below OPEC prices. He explained that the Middle East sells the so-called light Arabic crude at $32/bbl and the "isthmus" crude at $34/bbl. Thus, he said, we are actually selling at a price higher than that at which most of the world's crude is being marketed.

The necessary corrections have been made in PEMEX's export policy, he said, and today we can state that the accidental break has been repaired. We have recovered our oil export footing and can now count on a more stable, hence a more reliable, market on which to base our development plans and programs.

He said that, in accordance with our new hydrocarbons export policy, the list of clients is being purged and government-to-government operations, such as those we have been conducting with countries like Brazil, Canada, Spain and Japan, are being strengthened. Recently, we concluded a negotiation with the U. S. Department of Energy. Agreed prices are those of the marketplace and will be updated quarterly.

There were no special prices or conditions, and furthermore there will not be any, such as we, on the other hand, do have with the Central American and Caribbean countries, he said.

We have said and we reiterate, he continued, that we are not and shall not be an oil economy. Oil is the spearhead, the detonator, that must necessarily be up front in our economy. But since its use is appropriately circumscribed by our national development plans, the other sectors will have to fall into step with it.

The overriding objective of our Energy Program is to make use of the energy resources with which we are so richly endowed to strengthen, modernize and diversify Mexico's economic structure.

First, this requires that the production of energetic raw materials guarantee a balanced economic growth. Secondly, it also requires a rationalization of demand. Mexico, like many other countries, materially squanders energy. Our consumption per unit of production is comparable to and in some cases greater than that of highly industrialized countries. The rationalization of consumption is therefore a high-prioritied objective to be attained within the next very few years.

A considerable effort must be made, he said, to diversify our energy sources. Only in this way can we avoid increasing our dependence upon hydrocarbons.

The head of PEMEX, Moctezuma Cid, added that use was made of the recent lull to gain ground in some key organizational aspects. A closer relationship has been established between PEMEX's different divisions, such as between production and marketing. Foreign sales have taken on more movement. We have reorganized our foreign sales--Moctezuma Cid indicated--and have instilled in the buyers on our list a sence of confidence in our solidity by applying sales criteria that are at the same time aggressive and selective.

Recalling, at another point in his remarks, what President Lopez Portillo had said concerning the cause of the international oil market's instability, Moctezuma Cid affirmed that oil is being manipulated--wielded, it might be said--as a pressure weapon and an instrument of penetration. Instead of serving as a balance wheel to coordinate the development of those countries that have not yet reached the stage of industrialization and to maintain within reasonable limits the prosperity of the wealthier nations, it serving only to promote imbalances and injustices.

The World Energy Plan proposed by Mexico continues being the sole key, the surest way, to the solution of the many problems--some of them critical--the world faces today with respect to energy raw materials.

Energy Demand Will Be Met

Engineer Alberto Escoffet Artigas, head of the CFE [Federal Electricity Commission], said that the government of the Republic has provided the necessary resources to ensure a sufficient supply of energy for the development of the country and for the entire population to attain higher standards of living.

The head of the CFE said that electric service has been extended to almost 60 million Mexicans living in more than 22,000 localities; operating capacity has been increased to more than 17 million kilowatts; the high-voltage transmission line network totals more than 190,000 kilometers; more than 10 million electrical service contracts are being administered; workers productivity and the energy output of the thermoelectric plants have both been increased; the sector has been restructured to enable it to meet future energy demands; energy diversification has begun; the national electrical network has been integrated having interconnected the entire continental network [as published]; the manufacture of capital goods has been given an impetus and imports substituted for; and better preparation for the analysis and solution of the problems being posed by the high growth rate of this sector has been attained.

The "Five Years of Achievements of the People of Mexico" series was organized and sponsored by the PRI [Institutional Revolutionary Party], the CNOP [National Confederation of Popular Organizations], and the Mexican Society of Engineers. Humberto Lugo Gil, secretary general of the CNOP, inaugurated the series in behalf of Javier Garcia Paniagua, president of the political party, who presided over the meeting held in the Hotel Maria Isabel, accompanied by engineer Jose Aguilar Alcerreca, president of the Mexican Society of Engineers, and by the coordinators, engineer Manuel Cadena Morales, head of the state sulfur enterprises, engineer Rodolfo Dominguez Calzada and Fernando Sosapavon E.

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CSO: 3010/1843

SEPAFIN: PETROLEUM MARKET HAS BEEN RECOVERED

Mexico City EL SOL DE MEXICO in Spanish 1 Sep 81 pp 1-B, 6-B

[Article by Nora Hilda Gomez]

[Text] After indicating that Mexico has recovered its petroleum market, SEPAFIN [Secretariat of Patrimony and Industrial Development] reported that August sales reached the level of 1.25 million barrels per day.

The Secretariat also indicated that this figure will continue rising throughout the rest of this year owing to the success the country has had in marketing its petroleum, having received positive responses from its best clients.

SEPAFIN said that the policy of adjusting the terms and conditions of sale of exported crude will continue.

This means, as Mexican Petroleum has in fact announced, that the basis of foreign oil sales has been restructured to conform to changes in the world oil market. Foreign sales will increase progressively based on the Energy Program.

The price of Isthmus crude was also confirmed at $34/bbl and that of Maya crude at $28.50/bbl.

Price for Mexican oil will be reviewed every quarter as in the past, but rather monthly from now on [as published], and any changes taking place in them will be made known forthwith.

As regards the results of separating the sales of Isthmus and Maya crudes, which was done in response to its clients' refining requirements, based on the high costs of money and of transportation, the Secretariat said the results obtained were excellent and that separate marketing of the two classes of hydrocarbons will be developed.

9399
3101/1843

PEMEX: PRODUCTION COULD REACH 2.75 MILLION BARRELS

[Mexico City EL SOL DE MEXICO in Spanish 1 Sep 81 pp 1-B, 6-B

[Article by Arturo De Aquino]

[Text] Mexico, as of now, could reach its planned oil production level of 2.75 million barrels per day; for reasons of a marketing nature, however, it will not do so for approximately another 6 months.

Current crude oil production is approximately 2.5 million barrels per day and extraction operations will be conducted basically in conformity with world market developments, not only as regards prices but also as regards consumption.

The foregoing information was released by officials of PEMEX [Mexican Petroleum], who said that, in agreement with the policy laid down in this respect by President Jose Lopez Portillo, the raising, lowering or maintaining of crude production levels will be timed to occur as closely as possible at the most opportune moments from the standpoint of the national interest.

Extraction, it was said, will be based neither on whim nor on solely unilateral considerations that could at a given moment result in damage to the economies of other countries whose primary source of foreign revenues is oil.

Therefore, although the wellhead valves could be opened at any time and the planned level for 1982 reached--namely, 2.75 million barrels a day--this will not be done until it is absolutely certain that to do so is totally beneficial to the nation and will situate it within a proper global context among the nations that market crude.

In conclusion, with respect to the date around which the cited volume can be reached as a normal level, it was stated that everything will depend on the world situation, but that it is estimated this could take place around 6 months from now, possibly by the first quarter of next year.

9399
CSO: 3010/1843

SOLIDARITY CONFERENCE OF HAITIAN EXILES ENDS

PA221716 Panama City MATUTINO in Spanish 21 Sep 81 p 6-A

[Article by Adolfo Benedetti: "Solidarity with Haiti"]

[Excerpt] The first conference of continental solidarity with the people of Haiti that ended yesterday in Panama City demonstrated the solidarity hospitality offered by our country to those representatives of the Caribbean nation who, from all latitudes, converged on the isthmus to celebrate an historic encounter in defense of human rights which have been despotically trampled upon in this Caribbean island by the different henchmen who have succeeded each other in power.

Headed by Damian Castillo Duran, president of the sponsoring committee, and well-known Panamanian and international figures such as Marcelino Jaen and Monsignor [Sergio] Mendez Arceo, archbishop of Cuernavaca, who have been acclaimed for their campaigns against tyrannic rulers on the continent, the solidarity meeting was characterized by its fraternal atmosphere and the denunciations regarding the tragic situation in which the Haitian people live.

The conference was a faithful reflection of the different [political] currents that exist among the Haitian exiles, whose common denominator is the intention of eliminating the pathological regime that today rules the island, backdrop to the most aberrant esoteric practices in combination with disguised forms of slavery, and the misery and economic collapse that make Haiti the most suffered and deprived corner of the continent contrary to all its traditions of freedom that originate in the late 18th and the 19th century.

CSO: 3010/13

WEST EUROPE GROUPS EXPRESS SUPPORT FOR COUNTRY

PA301227 Havana International Service in Spanish 0000 GMT 30 Sep 81

[Station commentary]

[Text] The second meeting of the West European Associations of Friendship with Cuba was held recently in Madrid, Spain. The conclave was attended by 14 nations of the area as well as a delegation of West Berlin.

Rene Rodriguez, president of the Cuban Institute for Friendship With Peoples, ICAP, said at the opening session that Cuba will never conceal its gratitude to those who from the past century to the present days have always extended to that small besieged country a friendly hand free of prejudice. He noted that Europe has always offered evidence of love for that Caribbean island and of solidarity with the Cuban people's struggle for their independence, as well as in the defense of its conquests and efforts to emerge from its underdevelopment. [Passage indistinct] in the naval base maintained by Washington on the Cuban territory of Guantanamo.

It goes on to denounce the bacteriological war unleased by the U.S. Government against our country and points out that this has not only caused considerable damage to our economy, but it also caused the loss of human lives.

The declaration expresses the satisfaction of the West European Associations of Friendship With Cuba for the firm response of the Cuban people to the aggressions and threats directed against the Caribbean island and its revolutionary process. In that respect it points to the creation of the territorial troops militias as well as the exemplary stand of the people in their struggle to eradicate the diseases imported into the country and the progress achieved in the sectors of economy, education and public health, among others.

The document emphasizes the cooperation offered by Cuba to 36 nation- of the world in the fields of education, health and technology.

Further on, it notes that the West European Associations of Friendship With Cuba have committed themselves to carry out an informaton campaign to reveal the true Cuban situation with confidence and determination while they repudiate any attempt of direct intervention against our country.

The participants to the Madrid meeting sent a message to the president of the Councils of State and Ministers, Fidel Castro, expressing their support for the speech he delivered at the 68th IPU conference which recently adjourned here in Havana.

That is why in the closing of the second meeting of the West European Associations of Friendship With Cuba, the president of ICAP Rene Rodriguez, pointed out that the final declaration as well as the message sent to Fidel Castro constitute gestures that commit our eternal gratitude toward these entities.

CSO: 3010/21

BRIEFS

GROUP OF 77 MINISTERS STATEMENT--Foreign ministers of the Group of 77 have expressed their deep concern over the alarming deterioration of the international situation both in the political and economic sectors. They concluded their annual meeting at the United Nations in which they reviewed the developments that have taken place since their previous meeting held in September 1980 and coordinated their positions on various issues to be discussed at the present UNGA period of sessions. In a communique released at the end of the meeting, the ministers expressed their regret over the fact that no progress has been made toward establishing a new international economic order. They emphasized the need to urgently conduct global negotiations and, in a clear allusion to the United States, they expressed their concern over the fact that this country continues to jeopardize the possibility of negotiations. [Text] [FL301542 Havana Domestic Service in Spanish 1400 GMT 30 Sep 81]

CSO: 3010/21

AGRICULTURAL PRODUCTION: ECONOMIC BASE OF COUNTRY

San Salvador LA PRENSA GRAFICA in Spanish 28 Aug 81 p 64

[Commentary by Oscar Monedero]

[Text] "Since the turn of the century, the country's economy has been based on agricultural production, depending principally on three sectors: coffee, cotton and sugarcane."

This was stated to LA PRENSA GRAFICA by Oscar Monedero; the full text of his words follows:

"The 21,000 square kilometers (8,200 square miles) that make up overpopulated El Salvador's area made it one of the most productive countries in Latin America, in terms of population density.

"In 1977 the per capita gross domestic product (GDP), according to the Inter-American Development Bank (IADB), was $603.00. In a simple comparison, that is the lowest figure in all of Latin America, with the exception of Haiti and Bolivia. However, if we take into consideration the overpopulation factor, we obtain a more realistic result. If El Salvador had the population density of Mexico, its GDP would be nearly $4,000 per inhabitant, while Mexico's per capita GDP was $991 in 1977. If El Salvador had Venezuela's population density, its GDP would be nearly $4,500 per inhabitant, while Venezuela's was $2,083. (Source: Council for Inter-American Security.) El Salvador's productivity has thus been very high.

"Since the beginning of this century, the country's economy has been based on the productivity of the agricultural businessman, depending basically on three sectors: coffee, cotton and sugarcane, all market commodities subject to international supply and demand fluctuations. The minimum wage scale in El Salvador moved only upward, and very quickly. Thus, in 1962 the legal process of redistributing wealth began. Current prices for those products are comparable to those of the early fifties, while the wages are four or five times greater today.

"As is to be expected, the businessmen (large, medium and small) saw the need to develop other sectors of the economy. Thus began the industrial development program in the fifties, as well as that of agro-industrial development, livestock development (implemented by businessmen on a national scale, including several modern slaughterhouses and dairies in a single decade), tourism development (without question the most spectacular: private business investment in hotel capacity,

in terms of hotels built and put into operation, increased by 257 percent between 1970 and 1977; a US $800,000 private tourist development project portfolio was formed, only 5 percent of which has been implemented, putting this sector in third or fourth place in terms of exports in 1977/78). All this reflects the responsible actions taken by the private business sector to further the country's economic development.

"Moreover, in a spirit of patriotic collaboration, without any thought of personal benefit, we private businessmen organized, planned and implemented the best government enterprises. That is, the capacity of private businessmen (large, medium and small) developed the best public enterprises in existence and operation today: CEL (national electrification), CEPA (maritime ports and railroads), ANTEL (telecommunications), Central Reserve Bank (ensuring the stability of the economy since 1934, thus allowing the development that took place between 1950 and 1977), the Coffee Company (today INCAFE), the Sugar Cooperative (today INAZUCAR), and all the banks in the country, in foreign trade, etc.

"All the boards of directors of these institutions have been made up of and chaired (with the exception of ANTEL) by private businessmen. Some members of the army and central government ministry personnel also served as directors. The basic intellectual infrastructure of those boards of directors was always made up of private businessmen (large, medium and small), serving as chairmen and directors.

"Salvadoran statesmen should understand, after they leave demagoguery aside, that the development of this country was due to businessmen (large, medium and small). So the question arises: Why haven't they passed a moratorium law to prevent the bankruptcy of these businessmen (large, medium and small)? Do they want the productive sector to cease producing? Is that how they intend to justify to the ignorant and gullible the implementation of communalism, as discussed by the president in his book, which presents it as the ideal form of government?

"The problem is not one of wealth but of poverty; of the economic poverty of the country, not through lack of effort by Salvadorans, but because the monopolies in developed countries do not allow us to reach the consumers more directly with our traditional products, mainly coffee.

"The main thing the Reagan Administration can do to help Central America and the Caribbean is to help underdeveloped countries reduce the role of middlemen and process their products further, eliminating restrictions on the importation of semi-finished goods such as roasted and ground coffee. Thus, not only could we offer the American consumer lower prices, but the producing country would earn more income (in coffee, the difference between what the producer receives and what the consumer pays is 10,820 percent, while the producer runs unfathomable risks because of the weather, rains, etc.).

"The problem is not one of wealth but of poverty; of poverty in the integrity of the moral principles not only of those who use demagoguery, but also of those Salvadorans who sell out, who tolerated and continue to tolerate the infringement of the basic rights of private businessmen (large, medium and small)."

8926
CSO: 3010/1861

COMMENTARIES CRITICIZE INDEPENDENCE OF BELIZE

Economic Offensive Urged

PA232306 Guatemala City Radio-Television Guatemala in Spanish 0400 GMT 22 Sep 81

[Editorial by Mario David Garcia, newscast director]

[Text] As had been announced, on 21 September the UK officially announced the independence of the Guatemalan territory of Belize in an action which our government, without hesitation, called an additional farce of British colonialism.

The British puppet, George Price, today requested Belize's admission to the United Nations. In outrageous contempt of Guatemala Secretary General Kurt Waldheim hurriedly congratulated the so-called new country.

Tonight, joining the civic protest begun by the morning newspaper PRENSA LIBRE, "Here's the World" refrains from reporting on the events in Belmopan, in line with the clear and open rejection of 7 million Guatemalans for the stripping of one-fifth of the national territory. For this reason, we shall only report on the reactions in our country to show the world the dignity and determination of all Guatemalans to maintain the integrity of their territory.

Nevertheless, and despite Guatemala's repudiation of the attempt to sever Belize from it, we cannot ignore the fact in view of future implications.

If, on the one hand, Belize can become a dangerous zone for Guatemalan stability due to the influence of nations such as the USSR, Cuba or Mexico, on the other hand we should remember that we must take steps to achieve the reintegration of our legitimate territory.

Timidly, the so-called Merchants General Association [Asociacion General de Mercaderes] of Guatemala has sent an open letter to the minister of economy requesting that trade with Belize continue. The request is based on the fact that, for various reasons, trade among the Central American countries has decreased, openly affecting Guatemalan industry while Belize, as a market, is acquiring growing importance for Guatemalan products.

The idea is good and today it is imperative not only to accept it but to conveniently broaden it: our government should immediately begin what might be termed an

economic offensieve, seeking trade integration with Belize. This offensive should be intensified and taken into other fields such as the mass communications media. For example, several radio stations could be established in El Peten. These could broadcast to the people of Belize to teach them Spanish, music, and Guatemalan traditions. This effort could be converted into a development axis to spread Guatemalan influence toward Belize.

In the 100 years that it has been claiming territory illegally taken by England, Guatemala's actions have almost always been haphazard. The majority of occurrences have been a product of our lack of willpower or of our negligence.

However, we now paradoxically find ourselves in an advantageous situation. Nothing and no one can keep Guatemala from influencing a pseudoindependent Belize, from seeking out economic integration and later, political integration.

Today the British said that Belize was independent and today Guatemalans can start working for the effective recovery of that territory which is legitimately ours. Everything depends upon the determination and intelligence with which we act.

Reasons for Loss Explained

PA221727 Guatemala City Radio Nuevo Mundo in Spanish 1200 GMT 21 Sep 81

[Commentary: "Belize's Independence and the International Isolation of Guatemala"]

[Text] An event with great repercussions in the country's political and legal life will occur today. It is the loss of Belize, which represents one-fifth of the national territory. Today the British Government will grant independence to that portion of land which Guatemala has claimed as its own based on historic and legal facts. For many years our country had the solidarity of America in its claim on Belize. Of special importance were the resolutions of several international organizations which included Belize in the category of territories occupied by an extracontinental power.

That solidarity always included the enthusiastic support of the Central American countries, which always rejected the survival of colonialism in American and recognized Belize as an integral part of Guatemala. Almost every political forum reaffirmed the support of the Latin American countries for Guatemala's claim over part of its territory improperly occupied by Britain.

Unfortunately, the policy of Guatemalan diplomatic representatives before international organizations on the question of Belize included many mistakes, which led to the progressive loss of support of many countries of the continent, ending in complete international isolation of its claim.

Now we don't even have the support of our neighbors in Central America. Some political leaders have criticized the sectarian manner in which our foreign policy was conducted, which weakened Guatemala's position abroad. One of the presidential candidates said recently that one of the great political mistakes in our Belize policy was the lack of honest social relations with the people of Belize and the Maya-(?Quechi) population which has migrated to that territory.

Suggestions to win the confidence of the people or to demonstrate that Guatemala had no intention of looting the land were ignored. No programs were developed for rapprochement and cooperation, which would have improved Guatemala's negotiating position if they had been started at the proper time. The truth is that we lost time in developing a vigorous diplomatic action. It is probable that there was lack of foresight in the evolution of international policy. Those responsible for foreign policy did not have sufficient vision to promote a realistic, constructive, integrationist and nationalistic program. Their position was completely blind and sectarian.

Therefore, we today mourn the loss of a large part of our national territory. The people's time and money were wasted instead. The last big mistake was to tell the students from Belize who were here to leave the country by 14 September, forgetting that until the constitution is changed Belize is part of Guatemala and the people of Belize must be treated like Guatemalans.

However, the most important thing now is that, in the face of the declaration of Belize's independence, the Guatemalan people will not permit this problem to continue to be used as a subject for electoral improvisions and opportunism.

CSO: 3010/22

PRESS SECRETARY REPORTS ON TRIP TO UNITED STATES

PA292216 Guatemala City DIARIO DE CENTRO AMERICA in Spanish 24 Sep 81 p 2

[Text] Carlos Toldeo Vielmann, secretary of public relations of the presidency of the republic, made important statements for the country's tranquillity in a news conference held at his office in the National Palace yesterday.

Asked about his trip to Washington, he reported that he went there for health reasons, but that he took advantage of this trip to meet with U.S. officials and representatives of other sectors.

He added that he was able to confirm that the credibility given to opponents of Guatemala in their international campaign against our country, has dropped considerably. He said that he met with senators and other officials as well as with other persons of other U.S. sectors who showed a great interest in thoroughly learning about the Guatemalan problems and getting to know the other side of the coin of the campaign against Guatemala. He also said that it can be noted that reports which do not exaggerate negative aspects about Guatemala but stress the positive ones are beginning to appear in the U.S. media.

In referring to the country's latest violent actions, Toledo Vielmann noted that "any act of violence is repulsive and must be repudiated especially when national problems can be solved through dialogue and popular consultation."

He added that we are on the verge of general elections in Guatemala. All eight legally registered political parties will be able to participate so there is no need to resort to violence.

Regarding the well-known guerrilla attack against the Tikal ruins, Toledo Vielmann said that this was an attack against universal culture because the ruins are relics of a very high archeological value. He added that they are also part of Guatemala's heritage and so it was also an attack against Guatemala as a whole.

Referring to the case of Roquelino Recinos, the health and social welfare minister kidnapped early this month, he said that the government is firmly determined not to negotiate with his captors because it knows nothing about the things they demand and does not even know their identity. He said, however, that his family is free to make whatever arrangements it thinks fit to obtain his release.

He reiterated the government's wish for a happy conclusion to the case, adding that Recinos is a knowledgeable and experienced professional who has been active in social work and has selflessly served the need classes and this makes him a valuable member of Guatemalan society.
CSO: 3010/23

BRIEFS

FAR TAKES CREDIT FOR TERRORISM--The Clandestine Rebel Armed Forces [FAR] has taken credit for the latest terrorist actions, especially the explosion of a bomb which destroyed the installations of the National Financial Corporation, the Guatemalan Bonding Company, the Mortgage Bank and other buildings located on 8th Avenue and 11th Street, Zone 1. This information reached this office by telephone in three separate calls. Therefore, we make public the contents of the anonymous calls and their credibility will depend on the results of the investigations being carried out by the authorities. [Text] [PA262009 Guatemala City PRENSA LIBRE in Spanish 18 Sep 81 p 8]

LAND TITLES TO PEASANTS--President Romeo Lucas Garcia has distributed state lands. As a result, 51,000 land titles have been issued to benefit 1 million Guatemala peasants. [PA300306 Guatemala City Domestic Service in Spanish 1500 GMT 29 Sep 81]

CSO: 3010/23

BRIEFS

AMAPALA NOT U.S. BASE--"They are crazy!" was the response of Col Mario Flores Theresin, minister of national defense, when he was asked to comment on the accusation by a Nicaraguan official that Amapala will be converted into an American naval base. Yesterday a vice-minister of that neighboring country announced that the United States is trying to establish a military base on the island of Amapala to protect Central American nations from the advance of international communism. According to the Nicaraguan official, that military base is already a fact. However, when the minister of public security and national defense, Col Mario Flores Theresin, was asked about this story, he said: "They are crazy!" That, he said, was the logical and clear reaction the Nicaraguan vice-minister's statement deserved. [Text] [San Pedro Sula LA PRENSA in Spanish 28 Aug 81 p 4] 8926

CSO: 3010/1861

GOVERNMENT ISSUES STATE OF EMERGENCY LAW

Managua LA PRENSA in Spanish 10 Sep 81 pp 1, 5

[Text] The critical conditions in the world economy, which have dealt a severe blow to the Central American economy, in addition to the legacy of the Somoza dictatorship, mean that Nicaragua is not in a normal state. Furthermore, other factors have stifled production and investment, such as decapitalization, lack of labor discipline, bureaucracy, lack of control over the parallel market, etc. All these factors justify the declaration of a State of Economic and Social Emergency throughout the nation, announced last night on the radio and television networks by Cmdr Daniel Ortega, coordinator of the National Reconstruction Government Junta (JGRN).

"These 2 years," said Ortega, "have witnessed great efforts on the part of the revolutionary government to rebuild the country and reorient the economy toward a new model of development, consistent with the social change and justice sought by the Sandinist People's Revolution. Despite the progress we have made, the difficulties are still enormous, and we must come to grips with them in a realistic manner."

The State of Economic and Social Emergency that was announced--in the words of Cmdr Ortega, "after consulting with the most diverse sectors of the population"--includes an Economic and Social Emergency Law, and the adoption of a series of measures for order and control. It also includes the promulgation of some laws that will help the JGRN better manage the national emergency.

In the fiscal sphere, a 5 percent cut in current account expenditures in the National Budget was announced (covering salaries and wages, administrative costs, etc.). There is a hiring freeze, which means that people leaving their jobs will not be replaced. In addition, government subsidies will be cut by 10 percent. According to the announcement, all this will lead to a saving of 438 million cordobas over the remainder of the year. There will also be hikes in selective consumption taxes of between 30 and 100 percent for imported goods that are not vital to the population. Nationally produced goods are exempt from this taxation, and there will also be a rebate on the increased consumption taxes paid for raw materials or inputs needed to manufacture the product.

Cmdr Daniel Ortega also announced that the JGRN is sending to the Council of State a law that will set forth penalties for the crime of fiscal fraud. It will provide for sanctions against those who engage in tax evasion.

The texts of the Emergency Law and the financial control measures appear in this edition.

At the end of his message, the JGRN coordinator called upon everyone to close ranks and dedicate themselves to production with decisiveness, discipline, austerity and efficiency.

"Only in this way will we realize the goal of the Sandinist People's Revolution, which is to tranform Nicaragua's social, economic and moral climate," said Ortega.

Emergency Law

Law on the General State of Economic and Social Emergency

The National Reconstruction Government Junta of the Republic of Nicaragua,

CONSIDERING:

1. That the economic reconstruction of our country requires a genuine climate of internal stability and order to promote production efforts and positive attitudes toward work and discipline;

2. That the maintenance and strengthening of social peace is the primary obligation not only of the government, but of all Nicaraguans, so that our model of mixed economy and political pluralism will not be undermined and can actually achieve full development;

THEREFORE,

In accordance with its faculties,

DECREES

Article 1. In accordance with Article 49 of Decree 52 of 21 August 1979, and subparagraph c) of Article 28 of Decree 388 of 2 May 1980, a State of Economic and Social Emergency is declared throughout national territory, for a period of 1 year beginning with the date when this Decree is promulgated.

Article 2. The Government Junta will in each case authorize the corresponding ministers of state to undertake the necessary administrative measures to enforce this law.

Article 3. For the purposes of this law, the following people commit crimes against the Economic and Social Security of the Nation, and will be sentenced to 1 to 3 years in prison:

a) Those who engage in a concerted effort to interrupt public or private transportation.

b) Those who destroy raw materials, agricultural or industrial products, tools of production, or infrastructure, causing damage to the wealth of the nation or to

consumers, regardless of the criminal liabilities they incur as a result of the commission of other crimes.

c) Those who spread false information for the purpose of causing changes in prices, wages, foodstuffs, supplies, merchandise, stocks, bonds or currency.

d) Those who commit acts of sabotage against Production Centers, markets or warehouses for the purpose of interfering with production or supply activities.

e) Those who promote price increases or decreases on the market, hoarding any kind of goods, products or stocks and shares, or engaging in other kinds of speculation.

f) Those who incite, assist or participate in the initiation or continuation of a strike, stoppage or takeover of workplaces.

g) Those who promote or participate in invasions or takeovers of land in violation of the Agrarian Reform Law.

h) Those who incite foreign governments and international credit institutions to undertake actions or make decisions that will damage the National Economy.

Article 4. The sanctions contained in the above article shall be applied by means of the procedure set forth in Decree 5 of 20 July 1979 and its amendments.

Article 5. The right set forth in Article 50 of Decree 52 of 21 August 1979, is hereby suspended throughout national territory, with respect to the enforcement of this law by the competent authorities and the provisions of Article 32. Therefore, the right to obtain an injunction against administrative actions taken to enforce this law by the authorities indicated in its Article 2, is suspended.

Article 6. This law is within the realm of public order, and shall become effective today, the moment it is published in any mass medium, without prejudice to its later publication in the Official Gazette.

Given in the city of Managua on the ninth of September in the year nineteen hundred eighty-one.

"Year of Defense and Production"

National Reconstruction Government Junta
Sergio Ramirez Mercado
Daniel Ortega Saavedra
Rafael Cordova Rivas

8926
CSO: 3010/1861

SAAVEDRA'S ANALYSIS OF NATIONAL RECONSTRUCTION ACHIEVEMENTS

Havana PRISMA LATINO AMERICANO in Spanish Aug 81 pp 10-12

[Report of interview with Cdr Daniel Ortega Saavedra, coordinator of Nicaragua's Government Junta for National Reconstruction, on achievements to-date, in Managua; date not given]

[Text] Managua--Revolutionary Cdr Daniel Ortega Saavedra, coordinator of Nicaragua's JGRN, [Government Junta for National Reconstruction] asserted that the so-called U.S. Cooperation Plan for Central America and the Caribbean is trying to serve as an answer to the crisis U.S. policy is experiencing in the Central American area.

In an exclusive interview granted to PRISMA, the Nicaraguan leader said that "from this plan of isolation and aggression directed toward Cuba, Nicaragua and Grenada one can also expect military attacks."

"That scheme," he said, "has its precedent in the so-called Alliance for Progress of the 1960's, as an answer to what was an example of the Cuban Revolution on the Latin American continent."

The Nicaraguan leader--member of the National Directorate of the Sandinist Front for National Reconstruction [FSLN]--called that proposal a tremendous failure "and its objective was not achieved inasmuch as the Cuban Revolution is still going on and has become stronger despite the attacks."

Daniel Ortega said he believes that the Latin American countries will not support the plan and called attention to the firm position of Mexican President Jose Lopez Portillo in the interview he had in Washington with Ronald Reagan.

"In any case," he said, "Mexico speaks of aid for all countries and without the condition of any type of military interference."

The process of economic reactivation which the JGRN is developing is analyzed by Ortega, who is also coordinator of the government Junta, a consulting organization composed of the principal ministers of the productive sector.

"Although the plan is being sabotaged by the big Nicaraguan industrialists, considerable progress has been made to-date," the Sandinist commander emphasized,

stating that, while the Revolutionary Government, people's organizations, workers and farmers responded with great enthusiasm, "the Nicaraguan middle class, which controls big industry and the large estates, has been totally opposed to the reactivation effort."

In referring to the results of the efforts being made, he particularly mentioned the last cotton crop which ended up with a production of 339,000 bales of which more than 300,000 bales will be exported, affecting the small and medium private producers and nationalized farms that make up the People's Property Area (APP).

As an example, he stated that the owners of enormous agricultural expanses are reducing their planting area with a subsequent decrease in the number of wage earners and added that there is a similar phenomenon in the industrial sector.

"We found a group of industrialists who did not reinvest, who made it a point to distribute all the surplus capital among their financial partners, many of whom are abroad, and this is having a negative impact on the effort being made with regard to economic reactivation.

"Large firms are operating with credit from the nationalized bank so that, practically speaking, it can be said that these people have become administrators of factories subsidized by the state but with the major disadvantage for the revolution that they are investing a part and removing the rest from the country, thus reducing the country's overall capital."

Pressure by the People

The young Sandinist--25 years old and with a long history of struggle against the Somoza tyranny--pointed out that the JGRN is being subjected to great pressure by the people to take severe measures against the big business sector and stressed that the workers and farmers are demonstrating with increasing vigor against the outflow of capital and asking the government to take appropriate measures.

He said that the Sandinist government will give answers to these petitioners "which will be compatible with the interests of the revolution and with that of reactivating the economy to the benefit of the working class and Nicaraguan people."

Daniel Ortega disclosed that coffee production in the APP area turned out well last year, and in referring to the outlook for the sugar industry he said that through investments in that sector a sugar refinery will be built capable of refining 7,000 tons of sugar cane daily.

That project, he said, "which has all the support and experience of the Cuban people," is one of the major tasks of the economic reactivation.

Daniel Ortega praised the cooperation offered by the Mexican Government in exploiting our domestic wood resources through the establishment of a joint firm which will set up an industrial complex on the Atlantic coast.

The JGRN coordinator spoke enthusiastically about the production of gold and silver which, last year, reached a total of $38 million, whereas during the Somoza regime the annual income from that production was $600,000.

Ortega emphasized the advances of the "difficult and complex" process of reactivation and cautioned that the program needs great internal effort and also an abundance of international support.

In analyzing the Nicaraguan economy, Daniel Ortega said that we must consider the Somoza pillage, the damage caused by war and the natural crisis of the Central American countries the direct result of its total dependence on the United States.

In referring to U.S. economic aggression (loans of $50 million were canceled), the revolutionary leader said that this attitude is in keeping with that established during the U.S. electoral campaign by Reagan's present advisers.

The Nicaraguan leader said that the president's attitude is in keeping with the U.S. policy of "trying to recover land within the international framework through aggressive positions, threats, violence and dictatorships."

He was positive in stating that countries "strategically allied with the United States" do not go along with that aggressive policy and do not accept the accusations made against Nicaragua by the State Department.

The JGRN coordinator said that the alleged traffic of arms through this country, destined for El Salvador, was a pretext to reactivate the support of the Christian Democratic junta.

"It appears to me," he said, "that the United States needed domestic and foreign justification to achieve this military and economic support for El Salvador."

The training of thousands of former Somoza guards in Florida is part of the campaign of the U.S. Government against the Nicaraguan revolutionary process.

He said that the West German magazine, STERN, disclosed that 6,000 former National Guard members are being trained in the United States to launch themselves against Nicaragua in mid-1982.

Daniel Ortega pointed out that the State Department did not respond to a protest note and that, meanwhile, those units are "calmly" continuing to train there; he also reported that those former guard members are going to go from the United States to Guatemala and from there to Honduras where they "are swelling the ranks of gangs who are penetrating our territory and murdering men, women and children."

He said that the United States is an accessory to those aggressions "in that it is not deciding to end the training of those gangs once and for all."

Border Situation

Constant attacks by counterrevolutionary gangs on Nicaraguan territory at the Honduran border are continuing to take lives.

Daniel Ortega spoke of the meeting he had on 13 May with Gen Policarpo Paz Garcia and other top Honduran officials who "showed an inclination to want to help him solve that problem" and said that the Honduran Government is being strongly pressured by the Guatemalan regime, pledged to thwart any atmosphere of peace with Nicaragua.

"The government of Gen Romeo Lucas Garcia sabotaged a meeting of Central American foreign ministers which was to be held in Tegucigalpa where they would be discussing important subjects relative to that geographical area," he said.

Ortega warned about the possibility that Somoza gangs, "supported by some of the people in Honduras," may try to provoke armed skirmishes, firing from Nicaraguan territory.

"We cannot disregard the possibility of military undertakings in the mind of more than one adviser to the present U.S. administration, tempted to repeat an improved version of the undertaking of Playa Giron (17 April 1961) in Nicaragua," cautioned the revolutionary leader, who fought against the Somoza dictatorship on the northern front (Carlos Fonseca Amador) and the southern front (Benjamin Zeledon), among other activities.

He defended the revolutionary government's right to obtain arms for its defense and said, in this connection, that it is obliged to obtain them anywhere in the world.

The JGRN coordinator stressed that it is necessary to arm the people to enable them to defend themselves against any large-scale aggression which might be launched against Nicaragua and stated that his country has very limited military means, with an air force which is almost nonexistent and a few old tanks from the Somoza regime, whereas, in contrast, the Governments of Honduras, Guatemala and El Salvador are armed to a more advanced degree.

The revolutionary leader stressed the importance of combative readiness on the part of the people as exemplified by the Sandinist Popular Militias, since "we could have the best weapons in the world, but those weapons would mean nothing if the people did not have the necessary determination."

Moreover, he rejected the accusation made by the United States that the Sandinist process is a destabilizing factor in the Central American area.

"We know," he said, "that they (the Americans) are the destabilizing factor in the area with their policy and behavior. They were such a factor when they supported Somoza and now when they are arming the Salvadoran army...when they are permitting the training of gangs (Somozist) in Miami..."

Daniel Ortega pointed out that, whereas the United States has cut off loans to Nicaragua, Western European countries and the socialist community have come to the aid of this Central American country being attacked economically.

He mentioned the donation of 20,000 tons of wheat given by the Soviet Union "which arrived just at the time when we were using up our last reserves" and added that other donations of wheat were also made by the German Democratic Republic, the People's Republic of Bulgaria, Sweden and Canada.

He expressed appreciation for the cooperation of Mexico and Venezuela, which have furnished and are continuing to furnish aid on the economic level and spoke of a loan of $100 million made by Libya.

"Cuba's solidarity," he said, "surpasses the availability of that country, since it has given more than it could materially give to Nicaragua."

Concerning the U.S. Senate's possible ratification of the Saccio-Vazquez Carrizosa treaty whereby Washington "would grant" rights to Colombia over the Nicaraguan keys, Roncador, Serrana and Quitasueno, Daniel Ortega said that this "would be a colonialist manifestation by the United States."

8568
CSO: 3010/1776

FSLN URGES DISSIDENT PARTY TO DEFINE ITS POSITION

Managua BARRICADA in Spanish 23 Aug 81 pp 1, 5

[Text] The bloc of revolutionary parties has said that "it is the responsibility of those parties (those which disagree with the government) to use their judgment and come up with a proposal for a new vehicle for communication that will allow the effective completion of the common tasks involved in strengthening the revolutionary process." The delegates of the bloc issued a proclamation yesterday in which they criticize the "dissident" parties for their efforts to sabotage the Forum, and set forth their position on the future of that body.

Here is the text of the proclamation:

Right Should Take a Definitive Stand

The delegation of the Revolutionary Parties has met today, Saturday 22 August, in order to study the situation of the Forum for the Discussion of National Problems. We have always considered it our duty to present our positions publicly, so we are hereby addressing the heroic people of Nicaragua to communicate the following:

1. It is the unanimous opinion of our organizations that the parties which "disagree with the government" have tried in various ways to undermine and distort the specific objectives that lead us to participate actively in all the activities of the Forum. In communiques issued by our organizations which have been published by the different media, we have outlined all the completely unjustified elements that have contributed indirectly to undermining the Forum. That body has attempted in a healthy and creative manner to find commonalities between the forces of the Revolution and the parties that "disagree with the government," to promote the defense and consolidation of our revolutionary process and thus eliminate the traditional excuses used by those sectors to avoid participating in the tasks of National Reconstruction.

2. Immersed in their own contradictions, the organizations that make up the dissident delegation have tried in vain to hide their differences behind allegations of our delegation's lack of interest in pursuing public debate. The truth is that each of these organizations has a different view of the Forum, and they cannot reach agreement. While the spokesmen for the Constitutionalist Movement and the Social Democratic Party have been focusing their attention on destroying the

Forum and periodically threatening it since before the Second Anniversary of the Revolution, the other representatives of that sector have been unable to come out and justify this frequent disloyalty.

3. While we regret that the efforts made have not been completely successful, due to the persistent unpatriotic attitudes mentioned above, we feel that we have an obligation to continue trying to establish a permanent vehicle for communication that will allow us to assume our joint responsibilities in terms of the strengthening of the Revolution, one that will help guarantee the achievements made by our people to date, as well as further advances in the process. For this reason it is necessary to speak of the search for that communication. No one will be able to accuse us of inflexibility and intolerance.

4. Because we made a specific proposal at the meeting of Thursday 13 August, a proposal which was tendentiously distorted in public statements by leaders of the parties that "disagree with the government;" and because we would like to continue making an effort to achieve joint action on behalf of the Revolution and our people, we hereby declare that it is the responsibility of those parties to use their judgment and come up with a proposal for a new vehicle for communication that will allow the effective completion of the common tasks involved in strengthening the revolutionary process.

5. We would like to take this opportunity to inform all Nicaraguans that the interests of the Revolution have been well served by the rapprochement among the leftist parties that make up the forces of the Revolution. Convinced of the need to strengthen that rapprochement even further, we are carrying out a series of activities with those noble objectives, beginning with the specific premise that what our Revolution seeks is to meet the material and spiritual needs of all Nicaraguans, especially the secularly underprivileged sectors: the workers, peasants and other working sectors of our nation.

Sandinist National Liberation Front
Independent Liberal Party
Popular Social Christian Party
Nicaraguan Socialist Party
Communist Party of Nicaragua
Popular Action Movement

8926
CSO: 3010/1861

NUNEZ ON SUCCESS OF IPU CONFERENCE

PA262121 Managua BARRICADA in Spanish 22 Sep 81 p 12

[Text] According to commander of the revolution Carlos Nunez, State Council president, the IPU's democratic positions triumphed when the motion introduced by the United States, Canada and New Zealand to exclude the Salvadoran situation from the agenda were rejected.

Upon arriving at the Augusto Cesar Sandino airport, commander of the revolution Carlos Nunez said that there had been "a big controversy" with the reactionary delegations within the IPU. These delegates were defeated, however, by the "increasing and extraordinary force of the nonaligned and socialist countries and by the representatives of social democracy," who supported both El Salvador and the speech delivered by Fidel Castro.

Commenting on President Castro's speech, Commander Nunez indicated that it dotted the i's and crossed the t's. His speech reflected the underdeveloped countries' crisis, affected as they are by the disorders currently causing the world economy's stagnation.

Referring to the antagonistic positions taken at the 68th IPU Conference, the leader noted that the democratic countries' delegates rejected the diversionary topics that the U.S. delegation, backed by Canada and supported by New Zealand, sought to introduce. According to Nunez, New Zealand held a totally recalcitrant position.

He added that at the initiative of both Nicaragua and Panama, a resolution was introduced at the conference on human rights in El Salvador, where they have been trampled upon by the Christian Democratic junta.

The United States did not like this and, alongside other countries, sought to sabotage the IPU. A clear case of this occurred when an Australian delegate answered a question about the world's problems and described Commander Fidel Castro's masterful speech as "an insult." He also suggested that "a more decent IPU should exist."

According to Nunez, it could be said that these extreme rightist positions led to a heated debate, which created expectations similar to those at the IPU's inaugural ceremony. It was seen there that certain delegates (extreme right) sought to introduce a motion to remove the topics of El Salvador, Chile, Uruguay

and the recent nuclear bombing of Iraq from the agenda. Nigeria's position, however, crushed those delegations' maneuvers. Nigeria indicated that motions contrary to the struggle of the Salvadoran and other democratic peoples would not be accepted.

In addition, the nonaligned and socialist countries--along with Italy, France and strangely enough, Haiti--endorsed Nigeria's position on refusing any extreme positions against El Salvador. Commander Nunez added that he expects the resolutions on El Salvador and the condemnation of South Africa for its attacks on Angola to be ready at the last working session (on Wednesday).

After this conference, everything will be different, Nunez asserted in conclusion.

CSO: 3010/13

RIGHTS LEADER CALLS PANAMA CONFERENCE 'FARCE'

PA251627 Panama City LA PRENSA in Spanish 24 Sep 81 p 4C

[Article by Jose Montano]

[Text] While President Aristides Royo was heatedly defending the Panamanian authorities' position on human rights, Otilia Arosemena de Tejeira, president of the Panamanian Human Rights Commission, yesterday accused the government of conducting a "tremendous farce" by sponsoring an international conference on human rights here.

The president of the Panamanian Human Rights Commission, after saying that this was an inter-governmental conference, said that she represents citizens "who defend human rights from the only one who has any power over them, the state, which has often misused this power."

Arosemena de Tejeira mentioned a study made by the OAS Human Rights Commission which she said, "Proved to everyone's satisfaction that the Panamanian Government is responsible for the disappearance, murder and unjustified imprisonment of people."

She said that the commission that she heads is linked to Amnesty International. She regretted that "people of good will who do not know what is going on," have been brought here to participate in the international conference of human rights.

Meanwhile, President Aristides Royo yesterday attended the conference which opened here on Monday. He said that "Panamanians are aware of the significance of holding this conference here in one of the few places in the so-called New World where human rights are not violated, nor is there disruption of domestic peace through repression."

Royo said that "the armed forces should no longer serve for social discontent and oppression, nor to defend backward and unjust structures and privileges."

The president asserted that "the Panamanian revolutionary process respects human rights and has opened the doors for the first time to an authentic democratization."

The International Conference on Human Rights and Peace, sponsored by the Panamanian Government and the Latin American Association of Human Rights supported by the Ecuadorean Government, adjourned here last night.

CSO: 3010/13

BRIEFS

HUMAN RIGHTS CONFERENCE BELITTLED--The "Conference on Human Rights and Peace," sponsored jointly by the Panamanian Government and other organizations, is now being held in Panama. According to the organizers, the agenda "includes the analysis of the increasing arms race throughout the world and its effects on human rights." The Revolutionary Democratic Party [PRD] is representing Panama at the conference. If it were not because the matter is so serious and tragic it could even be called black humor. To begin with, the PRD is the political, or should we rather say, the bureaucratic, arm of a government born of a coup, and kept in power by the national guard, which is armed to the teeth. The guard's upkeep is far beyond the country's needs and resources. As far as human rights are concerned, the government's record could not be worse. The memory of fellow-citizens murdered, tortured, and exiled by the process--whose main political expression is the PRD--is still fresh in the minds of Panamanians. This process has created a system which excludes the people's direct election of their rulers and representatives. Undoubtedly no one is going to take this meeting seriously, because it is merely the geopolitical instrument of the imperialist superpower which is footing the bill. [Text] [PA221754 Panama City LA PRENSA in Spanish 22 Sep 81 p 1]

VENTURES, STATE OF DISARRAY VIEWED--With terrifying regularity, international dispatches carry reports which implicate Panama in the supply of weapons to the guerrilla groups subverting public order in countries with which ours maintains apparently normal diplomatic relations. With equal frequency, the Panamanian Government has become the generous host of stange international meetings in which "liberation movements" of obscure political significance but extremely clear subversive persuasion are encouraged. As if this were not enough, with the Panamanian Government's knowledge and consent, Panamanian citizens participated in the Nicaraguan civil war and have already announced that they harbor similar intentions in El Salvador. Five Panamanian students are currently in Colombian jails, sentenced because they were members of an invading M-19 [19 April Movement] contingent. The M-19 is a subversive organization, which used Panamanian territory to prepare this invasion. Barely 2 days ago, M-19 leader Jaime Batteman sent a message to the FEP [Federation of Panamanian Students] Congress, thus compromising this student organization and even the president of the republic, since the message was read in his presence. In Guajira, the Colombian army has seized an arsenal sent in from Panama. These very serious developments, which have been denounced both here and abroad, have not deserved even the most superficial investigation. Intent as it is on saving its battered image, the Public Ministry doesn't have the will, or even the authority, to take charge of these matters. The legislature

exercises no control over the executive branch; nobody has any control over the national guard and the latter lacks the necessary coherence and determination for its commander to put an end to the dangerous ventures begun by his predecessor. [Text] [PA271847 Panama City LA PRENSA in Spanish 27 Sep 81 p 1]

CANAL COMMISSION SEEKS BUDGET INCREASE--The canal commission's board of directors will propose to the U.S. Congress an increase in the Panama Canal budget for the next fiscal year which begins 1 October. The canal commission's board of directors is asking for $560 million. Sources in the canal administration said that this will be sufficient to cover the cost of improvements, maintenance and administration of the canal. It also includes the yearly payment which the United States makes to Panama for the use of the canal. Meanwhile, Canal administrator Fernando Manfredo, is making a tour of South American countries to solicit opinions on a possible increase in canal tolls. During a visit to Lima, Fernando Manfredo announced that the canal will increase its tolls next year. Manfredo said the decision is based on rising costs and inflation. Manfredo also said that the canal will lose $30 million in income next year with the inauguration of the transisthmian oil pipeline. He added that the tolls have not been increased since 1979, when they were raised 29.3 percent. He said that trying to forecast the amount of the new increase would be adventuresome. Manfredo concluded by saying that this plan is aimed at increasing the transit capacity from 37 to 42 ships per day. He said that the income from toll increase will be used to finance the expansion. [Text] [PA261613 Panama City Televisora Nacional in Spanish 2245 GMT 25 Sep 81]

CSO: 3010/13 END

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BRIEFS

NEW YACYRETA OFFICIAL--Buenos Aires, 25 Sep (NA)--The National Executive Branch has designated Rodolfo Ricardo Torella as the new financial director of the Yacyreta Binational Enterprise replacing Hugo Lamonica whose resignation has been accepted. Lamonica who is undersecretary of finance will remain in the Yacyreta entity as member of the administrative council. [Buenos Aires Noticias Argentinas in Spanish 1500 GMT 25 Sep 81 PY]

YACYRETA TURBINE CONSTRUCTION--Buenos Aires, 25 Sep (TELAM)--The director of the Yacyreta Binational Enterprise, Lino Montiel Forzano, has confirmed that the Argentine Government will have to pay for the participation of the Argentine consortium Metanac in the construction of 4 of the 20 turbines for the hydroelectric project. Metanac will act as subcontractor of the U.S. firm Allis Chalmers. He said that the amount to be paid has not yet been determined. [Buenos Aires TELAM in Spanish 1620 GMT 25 Sep 81 PY]

CSO: 3010/46

BRIEFS

OIL WELL DISCOVERED--Mendoza, 18 Sep (TELAM)--A new oil well has been discovered in southern Mendoza in an area located 7 kilometers north of Malal del Medio and 10 kilometers west of Pampa Paluauco in Malargue department. The well as been named Cavaos X-1 and has an initial production of 200 cubic meters per day through a 16 millimeter pipe. [Buenos Aires TELAM in Spanish 2315 GMT 18 Sep 81 PY]

CSO: 3010/46

CONTINUING DECLINE IN ELECTRIC ENERGY USE NOTED

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 2 Sep 81 p 27

[Text] Rio--According to the assessment released in Rio yesterday by the market department of the Brazilian Electric Power Corporation (ELETROBRAS), the overall growth of consumption of electric energy from January to July of this year was 5.8 percent. That growth represented half that for the same period in 1980, when it amounted to 11.2 percent.

The ELETROBRAS monthly bulletin for July shows that in the Southeast Region, growth in the first 7 months of 1981 was 4.5 percent compared to 10.1 percent for the same period last year. The bulletin points out that during the last 12 months, the overall growth of electric energy consumption in Brazil was 7.3 percent and observes that there was a decline in that expansion since for the 12 previous months the figure was 11.6 percent.

With regard to the Southeast, the bulletin shows that the growth for the last 12 months was 6.4 percent compared to 10.4 percent in the previous 12-month period.

In making an analysis of the Southeast for the first 6 months of 1981, the bulletin explains that the regional market, which represents about 70 percent of the total consumption of the country, increased 4.7 percent compared to 10.7 percent during the first half of the previous year. According to the bulletin, the reduction observed in the industrial market from January to June 1981 is due in part to the transportation material, electrical material, paper and cardboard and textile sectors. Those sectors, which represent 29 percent of the industrial category in the concession area of ELETROPAULO, show negative rates compared to the first half of 1980.

The ELETROBRAS bulletin also refers to the rate of growth of the Southern Region during the first 6 months of 1981, namely, 7.9 percent and well below that for the same period the previous year. The publication points out that although of all the concessionaires in the region, Copel showed a rate of growth closer to that for the same period the previous year, that company's industrial class, which represents 45 percent of its total consumption, was the one that most contributed to the reduction of the market rate of growth.

According to the bulletin, of the sectors that consume the most electrical energy in the region, the highest rates were in the chemical and food products sectors, which increased 2.9 and 2.6 percent, respectively, whereas they had increased 18.8 and 28.3 percent, respectively, during the same period last year.

The bulletin also showed the percentage growth of production in other energy sectors, taking as a basis the periods July 1980-June 1981 and July 1979-June 1980: oil, 9.3 percent; liquefied petroleum gas (LPG), 3.9 percent; diesel oil, 3.8 percent; fuel oil, (-6.6) percent; gasoline (-13.5) percent; coal HP, 24.9 percent.

8711
CSO: 3001/248

PETROBRAS DISCOVERS GAS RESERVE IN ALAGOAS

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 6 Sep 81 p 62

[Text] Maceio--Yesterday in Maceio, the superintendent of the Brazilian Petroleum Corporation (PETROBRAS) exploration district in the Northeast, Otacilio Raulino, announced the discovery of "a gas reserve estimated at 4 billion cubic meters in the Alagoas city of Pilar," 37 kilometers from the capital. The report pleased Alagoas Governor Guilherme Palmeira so much that he called a press conference yesterday.

The reserve was found 12 days ago by PETROBRAS and, according to Raulino, "the presence of gas is an indication that there is oil." Consequently, PETROBRAS will deepen its drilling to 5,000 meters, where it expects to find oil. The PETROBRAS superintendent for the Northeast also revealed that "the area is included in the so-called oil-bearing area that goes from the drilled well that is in production in the Alagoas municipality of Sao Miguel dos Campos to 68 kilometers from Maceio, as far as the northern coast of the capital." PETROBRAS is also intensifying its drilling in that region on the basis of "excellent probabilities of finding oil."

One of the Biggest

Identified as I-PIR-I/AL, the well in the city of Pilar is regarded by Otacilio Raulino was "one of the biggest in the country, with a quantitative estimate of 4 billion cubic meters of gas, found at 2,320 meters and a base of 2,450 meters, which represents the existing gas column. The thickness of the liquid segment that is going to produce gas extended 50 meters."

But Raulino showed caution and concern about making too many predictions, saying that gas samples collected "gathered with some difficulty" because of the escarpments had already been sent to the PETROBRAS research center and that in order to expand the drilling, the company will now conduct the work of delimiting the deposit, and measuring the volume and potential daily production.

According to him, the cost of a 2,500 meter well runs around 3 million cruzeiros. He conceded that that cost is cheap, taking into account the country's needs and the production estimate. He explained also that the company waited to apply a new prospecting policy at this time only because of the lack of a more adequate technology, "which had been in the process of development since the end of the sixties, culminating in the seventies."

8711
CSO: 3001/248

PROALCOHOL TO FINANCE MICRODISTILLERIES IN 1982

Rio de Janeiro O GLOBO in Portuguese 3 Sep 81 p 23

[Text] Brasilia--Beginning in January of next year, the government will finance the installation of microdistilleries through Proalcohol. That information was provided yesterday by the chairman of the National Executive Commission for Alcohol (CENAL), Marcos Jose Marques.

A study conducted by the Secretariat of Industrial Technology and analyzed by CENAL reached the conclusion that it is already possible for a microdistillery, using 100 percent of its own sugar cane, to be competitive with the large plants. The studies based on equipment manufactured in Brazil with national technology revealed that those microdistilleries can produce from 53 to 55 liters from a ton of cane.

The cost of installation of a microdistillery at May 1981 prices would be 12.3 million cruzeiros (13,218 ORTN's) for a unit with a production capacity of 2,500 liters of alcohol per day. For a 5,000-liter per day plant, the total cost would be 20.02 million cruzeiros (21,514 ORTN's). To produce 2,500 liters per day, it is necessary to have 108 hectares of sugar cane; the production of 5,000 liters per day requires 212 hectares.

Within the financing limits of Proalcohol, the government finances up to 80 percent of the total value of the microdistillery, if it is autonomous (devoted exclusively to the production of alcohol) and 70 percent if it is an annex (connected to a sugar plant). For cooperatives and small farmers, financing amounts to 90 percent of the total value of the undertaking.

According to the CENAL chairman, the government is going to establish the areas where those microdistilleries might be located. They will be basically to take care of local demand and also to supply fuel to the trucks and tractors which, as soon as they are operating, will create greater demand for fuel alcohol. The cities in the interior of the Amazon, Mato Grosso, the Northeast and north Minas Gerais or others far from the gasoline or alcohol fuel-producing centers will be given priority in the installation of microplants.

When those microplants reach 500 in number, they will be able to produce a minimum of [illegible] million liters per year. At the present time, there are 7 microdistilleries in operation, 2 being tested, 35 under construction and 2 have been exported to Guinea-Bissau.

The National Petroleum Council (CNP) is studying the possibility of extending to the states of Rio Grande do Sul, Para and the southern part of Santa Catarina the mixture of 12 percent alcohol to gasoline, the alternate chairman of that agency, Colonel Hilton Vasconcelos, revealed yesterday.

In those two states and southern Santa Catarina, the mixture of alcohol to gasoline was eliminated in April of this year and, because they were far from the alcohol-producing centers, the CNP did not plan to resume it. But with the failure of the forecasts regarding the growth of the consumption of hydrated alcohol, the agency is studying the possibility of reestablishing the mixture.

Colonel Hilton Vasconcelos denied that the CNP is studying increasing the mixture to 18 percent, as was announced by the planning director of the Brazilian Petroleum Corporation (PETROBRAS) Carlos Santana. According to him, that measure would only be adopted by decision of the National Energy Commission.

8711
CSO: 3001/248

BRIEFS

OIL PRODUCTION RISE--Oil production during August amounted to 1.13 million barrels per day which gives a daily average of 230,000 barrels, representing an increase of 13.3 percent compared to August of last year, when average production was 203,000 barrels per day. Those figures were revealed yesterday by the Ministry of Mines and Energy. Between January and August, oil production amounted to 52.5 million barrels, equivalent to a daily average of 217,200 barrels. That volume represents an increase of 12.8 percent over production for the same period last year, when the daily average was 192,600 barrels. [Brasilia CORREIO BRAZILIENSE in Portuguese 5 Sep 81 p 5] 8711

CSO: 3001/248

GUYANA, CARIBBEAN COUNTRIES OFFERED CANADIAN AID

FL231044 Bridgetown CANA in English 1002 GMT 23 Sep 81

[Text] Georgetown, Guyana, 23 Sep (CANA)--Newly-accredited Canadian High Commissioner to Georgetown Julian Payne has said Canada is interested in providing development assistance to all Caribbean countries, including Guyana. Speaking to Gyuana's Vice President Desmond Hoyte shortly after presenting his credentials, Mr Payne referred to Canada's Foreign Minister Mark MacGuigan's statement that good relations with the Caribbean is a priority for the Canadian Government.

"More explicitly, Mr MacGuigan stated that priority would be accorded to the Commonwealth Caribbean in Canada's external policy. This priority includes among other things, development assistance, trade, investment, and increasing regional cooperation," he said. "While we have long been at opposite poles of the Commonwealth, in terms of our location on the American continent, our size and our populations, a kinship has evolved between Guyana and Canada, born of our Commonwealth heritage and ever increasing exchange of ideas, goods and people," the Canadian diplomat added.

Mr Payne said Guyana and Canada had the capacity and the opportunity to advance their relationship. "If we work together in harmony and frankness, our interchange will continue to exhibit that spirit of mutual trust which has characterized our relations in the past," he said.

Mr Hoyte responded by stating that relations between Guyana and Canada have been good over the years. "This bond of friendship and mutual cooperation that ties our nations together derives from our history, and our pursuit of common objectives," he said.

Mr Hoyte observed that Canada was in the forefront of the fight for a just and equitable international economic system and had been a good example of bilateral economic cooperation. "The valuable contributions of assistance and cooperation which you have offered us in the forestry, fishery, agricultural and technical sectors, are true expressions of friendship and the desire to work for mutual benefit," Mr Hoyte said.

The Guyana vice president expressed the hope that the good relations enjoyed by both countries would continue, not only in the traditional areas but also in others. Mr Hoyte added that Canada and Guyana had much to share and learn from each other and should any problem or differences arise, "I am quite positive that

together we are capable of resolving them." He noted that both Gyuana and Canada are members of the Commonwealth, they are both participants in international organizations, like the United Nations and the World Bank, and they are both pursuing the problems of development of their respective land mass and their natural resources.

Mr Hoyte also said the two countries share the same goals of peace and freedom... "Thus, distance has not been any barrier in the development of our relations," he declared.

CSO: 3025/1001

CUBAN COMMENTARY ON RESULTS OF SOLIDARITY CONFERENCE WITH HAITI

PA260217 Havana International Service in Spanish 2310 GMT 24 Sep 81

["Our America" commentary]

[Text] The continental conference of solidarity with the Haitian people concluded Sunday in Panama City. Some 80 delegates of almost 40 countries met in the Panamanian capital to analyze and debate ways in which to implement a permanent campaign of solidarity with the people of that Caribbean nation, which has been subjected for decades to one of the bloodiest, most despotic and backward dictatorships in our America.

Haiti's economic and political history, which was analyzed at the conference, reveal the Haitian people's dramatic situation: More than 500,000 people have died of starvation during the last 5 years; there have been 40,000 political assassinations and 3,000 disappearances during the 24 years of Duvalierist dynasty; two thirds of the economically-active population are unemployed and almost 1.2 million landless peasants live in subhuman conditions.

To that terrible picture of misery and repression we must add other data, which are no less dramatic and shameful: The almost complete economic control exerted by U.S. imperialism on Haiti's principal natural resources, and the existence of a discredited and bloody government led by cruel oligarch Jean-Claude Duvalier, who is president for life.

One of the objectives of the conference of solidarity with the Haitian people was the denunciation of this terrible situation, thus tearing the curtain of silence imposed by imperialism and its news agencies on that country's true situation. In this connection, the delegates gathered in the Panamanian capital agreed to create a permanent bureau, to divulge the human rights violations committed in Haiti and to forward the people's struggle for liberation.

In the conference's final document, known as the Panama Declaration, Duvalierism is defined as a regime of terror, which has the economic, political and military support of the U.S. imperialist government and carries out systematic and constant genocide against the people.

The document also denounces Washington's efforts to annex a part of Haitian territory to install a military base, which would become a new entrenchment for aggressions and threats against the Central American and Caribbean peoples.

As for Haitians who migrate to the Dominican Republic in search of work, the Panama Declaration denounces the conditions of slavery in which those people live. It also demands that the Santo Domingo Government improve the living conditions of those citizens, who carry out heavy tasks for a pittance, working as many as 18 hours in plantations and ranches owned by big Dominican landholders.

Finally, the Panama Declaration urges the progressive international community to intensify its solidarity with the Haitian people, to condemn the genocidal Duvalierist regime and to demand the immediate release of all political prisoners, among them Silvio Claude, president of the Haitian Christian Democratic Party. Claude was recently sentenced to 15 years in prison, under charges of carrying out activities against the dictatorship.

The international conference of solidarity with the Haitian people constituted a forceful tribune from which the area's progressive and revolutionary sectors reasserted their determination to continue and intensify their solidarity with the Haitian people's struggle for the reestablishment of democratic freedoms, total unconditional amnesty for political prisoners, the end of Jean-Claude Duvalier's presidency for life and the return of exiles.

CSO: 3025/1001

BRIEFS

HAITIAN AMBASSADOR IN JAMAICA--Kingston, Jamaica, 11 Sep (CANA)--Haiti has stationed its first ambassador in Kingston, upgrading its diplomatic representation here from that of a consular officer. The ambassador, Pierre Pompiee, the first named to Jamaica, has already presented his credentials to Governor General Florizel Glasspole. [Excerpt] [Bridgetown CANA in English 2045 GMT 11 Sep 81]

E. CARIBBEAN STUDENTS IN CUBA--St Georges, Grenada, 23 Sep (CANA)--Nearly 300 students from the Eastern Caribbean are now in Cuba to take up middle-level and university scholarships provided by the Cuban Government, a release from the Cuban Embassy in Grenada said this evening. The youths come mainly from St Vincent, St Lucia, Grenada, Guyana, Dominica, Guadeloupe and Antigua. Students from other countries in the region, such as Curacao in the Netherland Antilles, are also included in the program. The release said about 130 of the students are beginning their first year in fields ranging from veterinary science, industrial electronics, public health, diabetics, vegetable production and medical equipment maintenance--all at middle level. Some are also studying medicine, architecture, agronomy, civil engineering and education at university level. [Excerpt] [Bridgetown CANA in English 2340 GMT 23 Sep 81]

CSO: 3025/1001

IGLESIAS ROUCO VIEWS NEW ALLIANCE WITH UNITED STATES

PY241624 Buenos Aires LA PRENSA in Spanish 20 Sep 81 pp 1, 4

[Article by J. Iglesias Rouco]

[Text] If the situation in Poland and in El Salvador does not worsen--and nobody can be sure it will not--U.S. Vice President Bush will pay an official visit to Argentina before the end of the year, probably in October or November. According to our sources, with this trip Washington will reportedly try to consolidate the gradual rapprochement that is taking place between the United States and the Argentine military regime, with a view toward the formation of a strategic bloc within the continent. This bloc will reportedly also include Chile, and it will counter the "leftist" group headed by Mexico and Brazil's "Independent" or "Gaullist" aspirations with regard to the White House's present foreign policy.

In the opinion of the State Department, in the last few weeks the power structure of the "process," and particularly the relations between General Viola and the military junta, have reportedly shown a greater relative stability than they did in June or July. U.S. experts seem to believe that the changes that are about to take place in the three forces (promotions and retirements) will not imperil that incipient stability.

According to our sources, the army has already reportedly decided on the promotion to the rank of general of at least three infantry, two artillery, two cavalry and two communications colonels. Teofilo Saa, Sanchez Avalos and Suarez Nelson are reportedly included among these officers. In general, the American and European observers think that the future changes will mark the beginning of a process aimed at "depoliticizing" the armed forces or at strengthening the trend toward "professionalism," thus making the exercise of internal military power run more smoothly and gently.

Beyond all doubt, Mr Bush's visit will mean an endorsement for the "process" and, above all, it will show Washington's further assurances regarding the Argentine government's willingness to preserve a minimum of individual guarantees and respect for human rights. If the trip actually takes place, it will also show the trust that the State Department has in Viola's continuity, since should Washington foresee an immediate political crisis, it would not be reasonable for a leader such as Bush to be sent to Buenos Aires. Bush gained remarkable significance in U.S. political life after his victory over Haig at the time of the attack against Reagan.

After 4 years of tensions, we are close to an unfreezing stage whose evolution or regression according to a well-known diplomat, still depends "fundamentally" on "the alternatives for the Argentine path to democratization." As far as we know, the White House wants "that path not to be interrupted," although no dates nor terms for an electoral solution have been established, and this is a "matter in which there is no White House intervention now, nor will there be any in the future." The diplomat has told us that "As for this point, Washington's aspirations are aimed only at the liberalization of the regime and at the enforcement of the law." Judging by the enthusiastic steps that are being taken to prepare Bush's trip, and by the cordial dialogue held by the U.S. Embassy and Argentine officials--Mr Shlaudeman [U.S. ambassador to Argentina], for example, participated the day before yesterday in a party given by Mr Pico Estrada in honor of well-known military chiefs--it turns out to be clear that the Americans believe that the prospects for "liberalization" have by no means been reduced. They believe this despite the ups and downs and uncertainty of recent times, including the mysterious kidnapping of Mr Barbaro, over which, we know for sure, the State Department has expressed its "concern." The U.S. support for Viola has not faded either, as was shown by General Walters' recent visit, which was paid at the President's specific request.

[PY241720] But, actually, the benefits derived from Mr Bush's visit will have their strongest influence on the international scene, not only because of the lessening of Argentine isolation but also because that visit will surely help to redirect the "process" toward the Western alliance. In this regard, the government's declaration against the French-Mexican recognition of the Salvadoran guerrillas, and its apparently strong determination to cooperate with the United States in its struggle against Soviet penetration in that country and in the rest of Central America have partly made up for the Argentine unwillingness to send troops to the Sinai. The importance that the White House attaches to the Central American question can be realized by considering that Mr Bush has postponed, in principle, a trip to Europe in order to come to Argentina.

In addition to Argentina's substantial economic and diplomatic support for the Salvadoran government, a continental strategic commitment in the southern cone headed by Buenos Aires and Santiago has reportedly been foreseen, in keeping with the U.S. comprehensive continental approach in its struggle against Soviet penetration. By the end of this year, this agreement will reportedly positively influence the Beagle dispute. The implementation of a solution to it could start with a general cooperation agreement between Chile and Argentina, followed by a definitive settlement through the signature of a specific agreement for the southern area, based on the "proposal" of 12 December, in which only slight amendments would be included. As far as we know, Camilion and his Chilean counterpart will talk about this matter in New York. There must be some reason why the Nuncio in Argentina yesterday voiced "optimism" over a "rapid" settlement of the dispute.

The formation of such a sizeable bloc would directly influence both the Malvinas Islands' future and the relations between Argentina and the Soviet Union. According to our sources, for the first time Washington would be ready to openly support

the efforts by Buenos Aires to get London to return the islands to Argentina under a program of successive steps. This program would reportedly start with the recognition of Argentine sovereignty together with British administrative rights. The program would clarify, among other issues, the International Hydrocarbon Exploitation System on the Malvinas' continental shelf and, at the same time, it would facilitate Argentine concessions to Chile in the southern area.

As Washington sees it, the alliance between Argentina, Chile and the United States, together with the regaining of the Malvinas by Buenos Aires, would stop Soviet penetration in the southern Atlantic, and Brazilian "hegemonism" in the entire hemisphere. This redistribution of power could later be completed with the creation of a new Latin American energy pole, if the wealth of the underwater oilfields that have been discovered in the southern area is confirmed. The United States would give technological and financial support for the exploitation of these oilfields. This new pole would counterbalance the Venezuelan one which, although now close to Brazil, is ever more threatened by the Central American pro-Soviet guerrilla.

However, Buenos Aires should still clarify some matters with the United States, such as its nuclear development and international grain sales. The recent lifting of the U.S. grain embargo against the Soviet Union has caused a price slump which can seriously affect Argentina, since even though it is true that this year the Soviet crop has been one of the smallest throughout its history--a little over 160 million tons, while minimum needs are 220 million--it is also true that the Soviet ports cannot handle larger volumes of grain than they did last year and that U.S. sales will now be a stronger competitor with Argentine sales. But Washington seems to be willing to make an effort also regarding this issue, and such an effort would be aimed at reintroducing Argentine grain and meat into the European Economic Community. This step would be facilitated by the British and FRG's growing opposition to the subsidizing of French agriculture, and by the fact that the political interests of Mr Mitterrand's socialist government in the French agricultural areas are substantially smaller than those of Giscard d'Estaing.

Finally, if Buenos Aires gives up its Third World fantasies and if it profits without absurd hesitation from the historical chance that has arisen--what happened to the Sinai project justifies all doubts--not only can it still break its isolation, but it can also gain a promising position in Latin America.

CSO: 3010/44

MASSERA'S PARTY MEETS WITH OTHER SECTORS

PY231405 Buenos Aires TELAM in Spanish 0355 GMT 21 Sep 81

[Text] Buenos Aires, 21 Sep (TELAM)--The leaders of the National Movement for Change [Movimiento Nacional Para el Cambio—MNC], headed by Adm (Ret) Emilio Massera, last night met with the authorities of the Integration and Development Movement (MID), at the headquarters of the latter on 49 Ayacucho Street in this capital and, according to what was disclosed, agreed that we are already to make the republic function.

The meeting which started at 1900 and lasted up to almost 2000 also served to introduce Massera's movement to former president Arturo Frondizi's party. According to MID spokesmen, Frondizi did not attend the meeting due to other engagements.

The meeting was attended by the following members of the MNC's provisional board: Armando Molina Zavalia (former deputy of the UDELPA [Argentine People's Union]; Jorge Seltzer (former socialist deputy); Nelida de Miguel (former Peronist deputy); Juan Bilmezi (former governor of La Rioja); Dolores Ayerbe (former secretary of Maria Estela Martinez de Peron); and Raul Vivas. The MID was represented by its sound vice president, former San Juan senator Americo Garcia, Secretary General Francisco Aguirre, Blanca Stabile and Carlos Zaffore.

At the end of the meeting the leaders of the MNC disclosed that their party has started visiting political parties in order to voice its desire to resume political activities and to make the party known.

Vivas also disclosed that at 1900 next Wednesday they will visit the National Radical Leadership at its office on 1786 Alsina Street and on Thursday morning they will visit Deolindo Bittel, vice president of the Justicialist Party.

Seltzer on his part said that the MNC is a new party which has great respect for the already existing parties and that the civilian sector should seek a dialogue, concurrence and synthesis with the armed forces.

Bilmezi also pointed out that there was total agreement on the basic ideas which will unite the well-intentioned Argentine citizens, whether civilians or military men, who are "married" to the country.

Seltzer pointed out that their joining the multiparty organization still remained to be decided on since: We are a new movement which only started a few days ago and we intend to meet with all the political parties and the labor union sectors.

He also stated that they started their meetings with the Radical Civic Union (UCR), the MID and the Justicialist Party because they represent the most important political parties.

Aguirre, the MID representative, on his part only stated that they had met with the MNC because the MID advocates talks with all the sectors and, we coincided on the diagnosis of the national problems.

SO: 3010/44

MULTIPARTY GROUP MEETS TO DISCUSS PROGRAM

PY242039 Buenos Aires HERALD in English 24 Sep 81 p 11

[Text] (NA)--"Tremendous government contradictions are threatening the dissolution" of the military process, declared the multiparty grouping yesterday while at the same time affirming that it would remain faithful to the principles which initially brought the five parties together.

In the first meeting of the grouping since the death of radical leader Ricardo Balbin, the foundations were laid for a programme of "political action" designed to promote a speedy return to democracy and the resolve was upheld to extend the dialogue "to all sectors" without omissions "of any kind."

A multiparty commission will today begin work on setting out the details of the proposed "political action programme" and will present its results to the party chiefs within 20 days.

It is the grouping's intention to put this programme before "all the country at the end of October or at the beginning of November" enjoining the military government "to fix an election timetable which will facilitate a rigid and ordered transition toward democracy."

Acting as spokesman for the grouping Carlos Contin, the new radical party leader, said that contacts would immediately be made with all national sectors, the unions included, "in order to establish a common ground" in the peaceful search for "the solutions to the emergency situation in which the country finds itself."

Asked to comment on recent government statements concerning the election of the next president in 1984, Contin said, "that problem is far off, we are more concerned about what is happening in 1981." He added that in a document issued last July, entitled "Call to the Nation," the grouping had already made clear the need for a prompt return to democracy but that the issue today was the "present economic and social situation, the worst crisis the country has had to bear."

On the question of a dialogue with the government, Contin remarked: "We shall see whether we dialogue with the government, or whether the govenrment dialogues with us."

Present at yesterday's multiparty meeting, besides Contin, were former President Arturo Frondizi and Rogelio Frigerio, leaders of the Integration and Development Movement (MID), Oscar Alende, leader of the Intransigent Party, Francisco Cerro, leader of the Christian Democrat Federation, and Deolindo Bettel, vice-president of the Justicialist Party.

CSO: 3020/4

FORMER NAVY CHIEF ON GOVERNMENT 'COMEDY OF ERRORS'

PY272326 Buenos Aires HERALD in English 27 Sep 81 p 11

[Text] Olavarria (NA)--Former Navy Commander Admiral Emilio Assera expressed concern yesterday over the existence of so much insubstantial debate such as "for example," he said "this latest comedy of errors over which method to be used for the replacement of the president in 1984."

Speaking at a meeting of the local branch of the Commerce Employees Association (FEC), in the Buenos Aires Province the former junta member said that his political movement (the National Movement for Change--MNC) strives for a better social balance "since options in this modern world are but few: either a social democracy or else anthropofaghy--be it socialist or individualistic," he said.

Of the current political situation the MNC leader said he wondered whether "behind all this there is not the intention to keep Argentines from (getting down to a) debate over that type of nation they wish to have and through which type of government, a predicament which called "the sole key to everything."

"The government cannot rectify its mistakes simply because it does not know how to do it," he said, adding that, based on that incapability, he believed that "it just isn't worth criticizing the government, since those who make it (the government) up seem to be locked up into a vacuum chamber, and there, busily engaged in irritated domestic squables, while carefully avoiding basic definitions."

"I believe that if we asked the president what kind of state he is managing," Massera said, he would not be able to give a definite answer."

CSO: 3020/4

BRIEFS

JOINT COMMUNIQUE ON TRADE--Buenos Aires, 23 Sep (NA)--Argentina and the United Kingdom agreed today on the fact that "there are great possibilities for a substantial improvement" of bilateral trade in the areas of agriculture and food. In this regard, British Secretary of State for Agriculture, Fisheries and Food Peter Walker and Argentine Agriculture and Livestock Minister Jorge Aguado signed a joint communique which summarizes the negotiations that the two officials have been holding in the last few days. Thus, Walker ended a 4-day visit to Argentina, where he had come invited by Minister Aguado. The communique states that "the problems affecting Argentine exports as a result of the EEC's present common agricultural policy," have been analyzed. It also says that "a detailed discussion was made of the possibilities for promoting bilateral cooperation in the fields of fruit and vegetable farming, wine industry and cattle raising and dairy technology." The communique also reports that an agreement was arrived at regarding "the first program of scientific and technological cooperation between Argentina and the United Kingdom," and regarding the intentions of countries "to facilitate as much as possible their bilateral trade of agricultural products, foodstuffs and wines." [Text] [PY250220 Buenos Aires Noticias Argentinas in Spanish 2105 GMT 23 Sep 81]

OFFICIAL PENSION FOR ESQUIVEL--Buenos Aires, 22 Sep (NA)--The Ministry of Social Action officially reported today that the National Government has granted Adolfo Perez Esquivel, 1980 Nobel Peace Prize winner, the official pension that Argentine citizens are entitled when they get this honor. According to a communique, Perez Esquivel was notified that the pension was granted in the headquarters of the Social Security Under Secretariat last Friday. The Nobel Peace Prize winner had requested the payment of a special pension because he believed there was a delay due to political matters. The official communique states that the pension request was made by the executive branch on 20 May 1981 and that the ministry gave the authorization through resolution No 920 on 3 June 1981. The communique also states that Perez Esquivel was cited to appear on 19 August and 15 September to fulfill some procedures but that "he did not appear on either date." In conclusion, the communique indicates that when the Nobel Peace Prize winner was notified, he also received copies of the laws and regulations for this type of benefit. The pension is over 17 million pesos a month and Perez Esquivel said that he will use it for projects of common good. [Text] [PY241524 Buenos Aires Noticias Argentinas in Spanish 2055 GMT 22 Sep 81]

WAGE HIKES AT 30 PERCENT SET--An inter-ministerial commission yesterday approved 25 percent hikes in minimum and collective contract wages as of October 1 and further increases of 5 percent in November and December. It was also decided that workers who were fired or suspended during May-September will receive family allowances, official sources said. However, a project to establish a subsidy for suspended workers was scrapped, they added. The CNT-20 labor grouping was advising the commission which comprised the ministers of economy, labour, social action and transport and public works. [Text] [PY231810 Buenos Aires HERALD in English 23 Sep 81 p 11]

CSO: 3020/4

BRIEFS

NEW CABINET MINISTERS--Hamilton, Bermuda, 16 Sep (CANA)--Earnesto Decouto and his sister-in-law Ann Cartwright Decouto were last night sworn in as ministers in the Bermuda Government. Mr Decouto, a 55-year-old real estate agent, becomes minister of youth and sport--a new portfolio--while Mrs Decouto, a 36-year-old lawyer, is the minister of community affairs. Mrs Decouto, previously parliamentary secretary in the Community Affairs Ministry, replaces Senator Quinton Edness who resigned earlier today to devote more time to his job as managing director of ZBM, one of the islands two radio and television stations. [Excerpt] [FL162013 Bridgetown CANA in English 1540 GMT 16 Sep 81]

CSO: 3025/1001

GUERREIRO, ADVISERS REAFFIRM COURSE OF FOREIGN POLICY

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 13 Sep 81 p 8

[Article by Carlos Conde]

[Text] Brasilia--Minister Saraiva Guerreiro and his chief advisers have said throughout this week in talks with reporters that President Figueiredo's foreign policy is a continuation and, in new situations, a further development of the foreign policy pursued by former President Ernesto Geisel.

The very choice of Guerreiro is pointed to as the best proof of that. It was chiefly for that reason that two other serious candidates for the Itamaraty [Ministry of Foreign Affairs] post--Ambassador Roberto Campos and the late Ambassador Expedito Rezende--lost out in the homestretch. As they came down to the wire, Guerreiro won by a head because Gen Ernesto Geisel used his veto to reject Roberto Campos and reaffirmed to Figueiredo his desire to see his basic approach to foreign policy retained. At that point, the choice of Guerreiro became the natural one. For 4 years he had been secretary general to former Minister of Foreign Affairs Azeredo da Silveira, and that being the case, he was deeply committed to the approach to foreign policy known as "ecumenical pragmatism." Other factors favored Guerreiro in the homestretch: his competence in dealing with Itamaraty's inner workings was unanimously acknowledged, he had easy access to the military, and, like his competitors, he too had a powerful sponsor: Gen Octavio Medeiros.

Universalism

Guerreiro and his advisers say, therefore, that from the very beginning, Figueiredo's approach to foreign policy has been a continuation of Geisel's, with adaptations to suit the well-known changes in the internal and international situations. On the domestic level, Figueiredo introduced the political relaxation proclaimed beforehand by the Geisel administration. And on the international level, significant events on the world scene are said to have led Itamaraty to make tactical--but never strategic--changes.

Guerreiro defines Figueiredo's approach to foreign policy as "universalist," just as Geisel's was. In that context, it is intended to be a sort of opening up of Brazil's diplomatic doors to all countries, with the well-known exceptions of Cuba, Vietnam, and Cambodia. History is already beginning to show, although subtly, that Gen Ernesto Geisel did more than just endorse the Third-World policy suggested to him by Ambassador Azeredo da Silveira. The Germanic general is the legitimate father of that

controversial child. As chairman of PETROBRAS [Brazilian Petroleum Corporation], he became familiar with the interplay of international pressures and counterpressures, and he resolved to change Brazil's external image. The changes were to be thorough, and they altered some of the basic postulates of foreign policy that had been in effect since 31 March 1964. Brazil came to acknowledge the existence of the so-called Third World, which had been formally and expressly denied under the Medici administration by the then minister of foreign affairs, Gibson Barbosa. And it established what it considers a "perfect marriage" between the West and the Third World, which it no longer views as mutually exclusive entities.

Interests

Geisel took office just as the so-called energy crisis was breaking in earnest and during a complicated phase of the decolonization process in Africa. Because of that, he considered it opportune to begin immediately the "indispensable reordering," which is how he described the changes to come when he delivered his first speech at the ministry. In that same speech, Geisel said he was hoping for Arab investments.

OPEC's use of oil as a political weapon led Brazil to abandon its middle position with respect to the Middle East--a position well established during Medici's term--and to throw itself into Arab arms. It was in that context that the anti-Zionist vote was cast in the United Nations and that formal support for the Palestinian cause was announced. The next step may be the opening of a PLO office in Brasilia.

The sudden independence of Portugal's former African colonies in conjunction with the events of 25 April 1974 in Portugal forced Brazil hurriedly to correct its former support for Lisbon's colonialism and swear its love for the emerging African nations. Its immediate recognition of the Marxist-leaning MPLA [Popular Movement for the Liberation of Angola] brought strong internal and external reactions and threatened the Geisel approach to foreign policy. In that episode and in the one arising from the anti-Zionist vote, the general was to use his position of leadership in the army and his special talent for the indisputable exercise of power to back Silveira and keep the latter from losing his balance in the barbed wire of foreign policy.

The political changes were brought on by the economic changes that were deeply altering the profile of Brazil's foreign trade. The figures show that as a consequence of that change in course, the value of manufactured goods exceeded that of basic products for the first time in 1979. In 1980, Brazil's exports were divided up as follows: 35 percent to the European Economic Community, 25 percent to the Third World, and 20 percent to the United States. In the 1960's, Washington had occupied a hegemonic position in Brazil's list of exports, while the developing nations combined absorbed less than 5 percent of our sales. Trade with the Third World rose from $120 million in 1960 to $1 billion in 1973 and to $3 billion in 1979. Last year, Brazil's South-South trade accounted for 44 percent of the total. And for the first time, exports to Latin America exceeded those to the United States.

The new direction in foreign policy provided a guarantee of oil supplies on reasonable payment terms and the sale of goods and services to the developing countries. The other leg of the tripod indicates a strengthening of diplomatic and economic relations with Latin America, since Asia, because of the geographic distance involved and other special conditions, does not have the same degree of importance for Brazil as that attributed to our regional neighbors, Africa, and the Arab world.

Objectives

Geisel, Figueiredo, Silveira, and Guerreiro have always said that their goal for Brazil was an external position in which its image would be its own without harming its basic commitments to the West, but one identifying it with the group of countries--the underdeveloped nations--to which it feels related in the closest degree. By that line of reasoning, the ideal would be to maintain essential loyalty to the West while retaining ample elbow room for action in other areas. Since its recognition of the MPLA, Itamaraty has been engaged in patient and apparently successful work to persuade the Brazilian military to visualize the world other than from within the strict parameters of East-West confrontation. That proselytizing activity has become practically institutionalized as a result of the invitations Itamaraty receives with great regularity to speak at the War College and at the other military schools. In the Geisel administration, the president himself was the sole guarantor of his own foreign policy. Under the Figueiredo administration, in which the decisionmaking process is relatively diffuse as a result of the political relaxation, Guerreiro has two permanent interlocutors in the military area in addition to the president--Gen Octavio de Medeiros and Gen Danilo Venturini--not to mention his periodic contacts with the heads of the respective branches of the armed forces.

It is to the military and, by extension, to the country that Itamaraty is selling the idea that it is not to Brazil's advantage to be automatically committed to the United States or to have a body-and-soul alliance with the West in which other alternatives are excluded. That thesis was easily assimilated by the military when Carter was President, since the military were embittered by the nuclear pressures on Brazil and a human rights policy that challenged the security organizations. Carter's defeat was greeted with a noisy ovation among the military and opened up the possibility of a complete restoration of dialogue with Washington. The only thing is that in the opinion of Itamaraty--and the government as a whole has adopted its view--the rapid and forceful return to bipolarity diverges from Brazilian interests in various regions. The Figueiredo administration thus says that it seeks to keep the way open to courses of action that are beyond the direct control of Reagan or Brezhnev.

That is where clear disagreement between the official position and important segments of national life arises: the concept of an alliance with the West and all the well-known consequences of formulating and implementing that concept. Itamaraty, saying it is supported by the president, states that it does not intend to change the established strategy. But it is aware that two basic obstacles could rise up in its path. One is internal: if, for any reason, the current context of political negotiation were to become restricted, the result could be a situation like the one which arose just after March 1964 and which was well characterized by the Medici administration. The other is external and would result from a possible escalation of pressures that would place Brazil in a position that the late Ambassador Araujo Castro liked to describe this way: "We are the dentist's patient, and we are convinced that he has many instruments, all of them capable of causing us a lot of pain."

11798
CSO: 3001/251

TWELVE-MONTH ECONOMIC GROWTH THROUGH JULY: 2.1 PERCENT

Rio de Janeiro O GLOBO in Portuguese 16 Sep 81 p 19

[Text] Brasilia--Brazil's economy grew by 2.1 percent from August 1980 through July of this year. That rate was heavily influenced by the rate of industrial growth during the same period, which totaled only 0.7 percent.

At the start of the year, Minister Delfim Netto of the Planning Secretariat of the Presidency predicted economic growth of between 5 and 6 percent. On Monday, Minister of Finance Ernane Galveas made a new estimate, calculating that the rate would be 4 percent. Delfim admitted yesterday that it would be between 4 and 5 percent.

The economy grew by 8 percent in 1980. In January of this year, based on the preceding 12 months, the rate of growth fell to 7.7 percent, in February to 7.6 percent, in March to 6.5 percent, in April to 6.1 percent, in May to 5.3 percent, in June to 3.9 percent, and in July to 2.1 percent, according to documents prepared by the Planning Secretariat of the Presidency.

The industrial sector, whose production during the first 7 months of this year fell by 4.9 percent, had the strongest influence on the country's rate of economic growth as calculated in July.

Brazilian Economy: Cumulative Real Growth, Average for 12 Months (percent)

Sector	1980	1-81	2-81	3-81	4-81	5-81	6-81	7-81
Farming	6.8	7.9	10.5	8.9	9.5	9.5	8.4	6.9
Agriculture	8.7	10.5	14.3	11.8	12.0	11.4	9.3	7.1
Stockraising	3.5	2.3	2.5	2.9	4.3	5.4	6.4	6.5
Industry	8.0	7.6	6.9	5.8	5.2	4.2	2.7	0.7
Construction	7.7	7.7	7.4	6.5	4.9	3.6	2.5	0.2
Processing	7.6	7.3	6.6	5.3	5.0	3.7	2.3	0.3
Mining	12.6	11.4	8.5	7.3	5.2	4.2	3.6	2.6
Transportation, communication, energy, etc.	11.2	10.5	9.4	9.5	9.3	8.5	7.8	7.3
Services	8.2	7.7	7.6	6.5	6.1	5.3	3.9	2.1
Real product	8.0	7.7	7.6	6.5	6.1	5.3	3.9	2.1

11798
CSO: 3001/251

INDUSTRIAL PRODUCTION DOWN 4.67 PERCENT THROUGH JULY

Rio de Janeiro JORNAL DO BRASIL in Portuguese 15 Sep 81 p 16

[Text] The first 7 months of 1981 showed a drop of 4.67 percent in industrial production compared to the same period last year, according to indicators published yesterday by the IBGE [Brazilian Institute of Geography and Statistics]. The rate of growth for the latest 12 months (August 1980 through July 1981) was 0.38 percent compared to the preceding 12 months (August 1979 through July 1980).

Compared to July 1980, industrial production in July dropped by 10.1 percentage points for industry as a whole and by 10.44 percent for the processing industry, while it rose by 1.53 percent in the case of mining.

The average nominal wage for industry as a whole rose by 117.36 percent between June 1980 and July 1981. During that same period, the INPC (National Consumer Price Index) rose by 101.83 percent. This indicates a real increase in the average wage of 7.69 percent.

The employment indicators show a drop of 2.71 percent in comparison with the same period last year. The drop occurred in the processing industry (2.91 percent), since mining activity showed positive growth.

The general indicator for 12 months in comparison with the preceding 12 months shows a decline of 6.44 percent in energy consumption. The indicators also show a drop in electric energy consumption during the period from January to June.

The following branches of the processing industry maintained positive growth, according to the indicators for the latest 12 months in comparison with the preceding 12-month period: nonmetallic ores, mechanical engineering, rubber, pharmaceuticals, perfumery, textiles, clothing, footwear, food products, and tobacco.

Transportation equipment showed a sharp decline during the period in question and also during the first half of 1981 in comparison with 1980. In that industry, the drop is especially noticeable in the production of vehicles (cars and trucks).

The regional indicators show growth for the 12-month period compared to the preceding 12 months in the Northeast (3.02 percent) and the South (1.02 percent). In Sao Paulo, the drop was 0.96 percent, in Rio de Janeiro 2.03 percent, and in Minas Gerais 1.29 percent. In Rio Grande do Sul, there was positive growth totaling 1.27 percent.

11798
CSO: 3001/251

IBEA ESTABLISHES CENTER IN PREPARATION FOR ANTARCTIC TRIP

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 15 Sep 81 p 11

[Text] Porto Alegre--With its basic purpose being to organize an expedition of experts and scientists to Antarctica, the Brazilian Institute for Antarctic Studies (IBEA) last week established a center in the city of Rio Grande, 312 kilometers from Porto Alegre in the state of Rio Grande do Sul. Its executive director, historian Pericles Azambuja, expects the expedition to get underway as early as 1982. He says the government is supporting the project informally, but does not want to give it an official character in order to avoid international controversies regarding claims to Antarctica. According to the historian, Rio Grande was chosen as the site of the IBEA's regional center because of the strategic location of that municipality's port. It is from there that the institute intends to start the trip in a ship to be provided by the navy. Azambuja said that the navy would also provide personnel and the technical equipment needed to conduct research in the frozen territory.

As its first task, the group will initiate contacts next week with the International Institute of Antarctic Studies in Cambridge, the body to which planned studies of the region are submitted. The IBEA's plan is to carry out research in Antarctica concerning the similarity of its swampy lowlands and its biological content to the swampy lowlands and biological content of Mato Grosso.

According to the historian, confirmation of that theory will reinforce Brazil's right to a part of Antarctica, which will be claimed at the next Antarctic Treaty meeting, scheduled for 1990. Azambuja anticipates that by invoking the principle of geological continuity, "one of the foundations of territorial law," Brazil will be able to insure its legal right to part of the region.

The IBEA's center in Rio Grande includes representatives of the institute, the local university, the Oceanographic Museum, and the Atlantic Base. Its inauguration was attended by the institute's chairman, Joao Aristides Wiltgen, and the chairman of the corresponding Uruguayan organization, Julio Musso. Like Brazil, Uruguay has no rights over the southern continent, and it will use the Brazilian expedition to send a small Uruguayan delegation to the region.

To insure any claim to Antarctica, each country must conduct an expedition and present its studies to the Treaty Organization, which revises the treaty every 30 years. The IBEA advocates making the trip quite far in advance so that the research will be more complete. Its initial idea was to visit Antarctica in 1981, but as the group's executive director admits, that is "practically impossible, since the end of the year is only 3.5 months away."

11798

CSO: 3001/251

JOINT VENTURE WITH FRG TO BUILD DIRIGIBLES PROPOSED

Dirigible Plant in Minas Gerais

Rio de Janeiro JORNAL DO BRASIL in Portuguese 10 Sep 81 p 18

[Text] Belo Horizonte--The West German firm of WDL (West German Airship) and Pegaso Germania, Ltd of Parana have presented the government with a proposal to form a joint venture for building a plant in Divinopolis that would produce dirigibles capable of carrying up to 60 tons of cargo. The planned investment is 160 million cruzeiros, and each dirigible would cost about $2.5 million (260 million cruzeiros). The plant could be operating within 6 months.

The project was submitted a week ago to Minister of Air Delio Jardim de Mattos, who "was very enthusiastic, and it should be approved within 2 weeks," according to a statement made yesterday by Jose Justino Braga Neto, who resigned a week ago as manager of transportation and international contracts for USIMINAS [Minas Gerais Iron and Steel Mills, Inc] to take part in the dirigible project.

Capital

Pegaso Germania, Ltd's know-how will be provided by the WDL itself, which will own 30 percent of the undertaking. The remaining shares will be divided among transportation companies in Parana--COTRASA [Vehicle Transportation Trade, Inc], TRANSPESCA [Transportation and Distribution of National Fishing Products, Inc], and Tapajos (all representing Pegaso)--and HIPERMODAL [Supermodal Transportation and Navigation, Ltd], a marine transportation firm, in addition to Jose Justino Braga Neto. The firm's current capital of 1 million cruzeiros will be increased to 30 million cruzeiros as soon as the project is approved.

In Divinopolis, 120 kilometers from this capital, the municipal government has already set aside an area of 60,000 square meters next to the local airport for construction of the dirigible plant. The former USIMINAS official said that 60 days following approval of the project, Pegaso Germania will have assembled two small dirigibles imported from the WDL at a cost of 120 million cruzeiros each. They will be used to demonstrate the applications of dirigibles and to train pilots.

The material and equipment for manufacturing the WDL-3 will all be ordered from Brazilian manufacturers--chiefly those in Sao Paulo as far as the plastic for the outside covering and the ordinary aviation engine are concerned. Assembly will be done by technicians trained in Minas Gerais.

According to the plan presented to the minister of air, the WDL-3 can attain a cruising speed of 106 kilometers per hour when carrying 60 tons of liquids. When carrying the maximum planned load, its fuel consumption will total 50 liters of gasoline per hour for both engines.

Jose Justino Braga Neto, who is coordinator of the project, will contact the managers of the Minas Gerais Development Bank next Monday to study ways of financing the project. Before the project was sent to Gen Delio Jardim de Mattos, the entrepreneurs from Pegaso Germania met with Francelino Pereira, governor of Minas Gerais, who instructed the state Secretariat of Industry and Commerce to provide the necessary support through the Industrial Districts Company.

The uses to which the WDL-3 can be put range from postal service to the transportation of nuclear waste and of parts for nuclear power plants. It can also be used for maritime surveillance, search and rescue missions, and aerial photogrammetry. In the case of the two small dirigibles that will be imported, Jose Justino Braga Neto said they will be used to open up the market by carrying small loads and providing advertising services.

In addition to being the first dirigible plant in Latin America, the Pegaso Germania facility will be the second in the Americas after Goodyear, which has had a unit in the United States since World War II. To start with, Pegaso Germania will employ about 100 persons.

Background on Dirigible Project

Rio de Janeiro JORNAL DO BRASIL in Portuguese 11 Sep 81 p 17

[Text] Curitiba--Nuclear waste from Angra dos Reis, lumber from the area around the Tucurui mill in Para, and steel plate for ships will be among the first loads carried by the two German dirigibles that will arrive in Brazil within 60 days. Their importation and establishment of the plant in Minas Gerais are awaiting only approval by Minister of Air Delio Jardim de Mattos, who will give his final answer on Monday. That information was provided by Abelardo Bruning, manager of the Pegaso Germania Aerial Products and Special Heavy Equipment Industry, Ltd, which is forming a joint venture with the WDL (West German Airship) of the FRG to build a plant in Divinopolis for the production of dirigibles that will carry loads of 60 tons. The plant will be able to produce two dirigibles per year with a capacity of from 60 to 400 tons.

Government Interest

Pegaso was established in December 1980 for the express purpose of building the dirigibles. The firms that own it--TRANSPESCA, Ltd, COTRASA, and Tapajos--are the same firms that established Supermodal Transportation and Navigation, Ltd, which introduced the roll-on/roll-off system to Brazil 2 years ago. That system, which consists of the direct offloading of trucks and their loads from ships, has made it possible to remove 1,200 long-haul trailers from Brazilian highways.

The interest of the firms in dirigibles--which in the FRG carry nuclear waste, bulk cargoes, and advertising--emerged 2 years ago, when the Aerospace Technology Center (CTA) in Sao Jose dos Campos abandoned the project for lack of funds. Pegaso's manager explained: "From that point on, we who were already interested stepped up our

research and our contacts with the WDL." He believes that the minister of air will approve the importation and construction of dirigibles. Two weeks ago, when the project was submitted, the minister asked for a few days in which to examine it and find a way for the CTA's experts to cooperate in setting up the plant in Minas Gerais.

Initially, Pegaso will use the two imported dirigibles for tests, technology transfer, and the transporting of loads that still present problems. This is the case, for example, with lumber from Tucurui, which is located in a spot difficult to reach by road or waterway. The firm has already sent a document to NUCLEBRAS [Brazilian Nuclear Corporations] as well, informing it of the feasibility of using dirigibles to transport nuclear waste.

Bruning says: "How is NUCLEBRAS going to transport its nuclear waste, which will have to be taken to a remote desert island? It will have to build a port or an airport. Dirigibles don't require any of that." According to him, all that is needed is 100 meters of clear space in which the vehicle can land.

Fuel

The dirigible, which currently burns gasoline as fuel, can be converted to diesel or even alcohol. The gas that fills the airship body is nonflammable helium produced in Brazil. Pegaso's manager recalled that the Zeppelin, which exploded in 1937, contained helium gas, which at at that time was still flammable. The dirigible can remain aloft for 24 hours at a stretch. As an example of its uses, it can be pointed out that transporting a transformer for the Itaipu power plant from Paranagua to Foz do Iguacu--a distance of 700 kilometers--requires special trucks, low speeds, and the reinforcement of bridges. The trip takes an average of 20 days. With a dirigible, it could be done in 6 hours.

If the project is approved, Pegaso will import the first vehicles using its own funds. The cost of importing them will be about 360 million cruzeiros. It will then set up the plant with equipment produced in Brazil and begin producing dirigibles within 6 months. The Parana transportation companies believe that after meeting the domestic demand, they will be able to export to the Latin American countries and even to the United States.

11798
CSO: 3001/251

BRIEFS

PCB UNION ACTIVITY SCORED--Recife--Luis Inacio da Silva, national chairman of the PT [Workers Party], said yesterday that the Brazilian Communist Party [PCB] "wants to achieve power by the bureaucratic path" and that it "practices the policy of mud-slinging." According to him, the PCB wants to turn the unions into "transmission belts for the party." Luis Inacio da Silva came to Recife to participate in the meeting by the Rural Workers Education and Culture Center (CENTRU). In his speech, he made several criticisms of the PCB, the PCdoB [Communist Party of Brazil], and MR-8 [8 October Revolutionary Movement]. He said: "Today, those saying that the PT is a divider of the opposition belong to the CP. I have already said that those who speak ill of the PT do not have the courage to admit that they belong to a party. We want them to come out and say: 'I am against the PT because I belong to the CP. That is why I favor legalization of the Communist Party.'" Lula mentioned a discussion he had had with Arnaldo Goncalves, chairman of the Santos Metalworkers Union and his childhood friend. He said: "At the CONCLAT [expansion unknown] meeting, Arnaldo Goncalves said that he liked me as long as I did not hold a political position. I am sorry I did not say that he did not like me because I belong to the PT, while he belongs to the CP. I didn't say it at the time because I didn't want to be called a stool pigeon." At a press conference following his speech, Lula said that the Catholic Church "has the right to recommend this or that party to its members." [Text] [Rio de Janeiro O GLOBO in Portuguese 14 Sep 81 p 2] 11798

CSO: 3001/251

INTERIOR MINISTER ANNOUNCES LARGER CIVILIAN ROLE IN GOVERNMENT

Santiago EL MERCURIO in Spanish 5 Sep 81 pp A1, A20

[Text] Interior Minister Sergio Fernandez said yesterday that "we will seek to increase civilian involvement in the Armed Forces Government," inasmuch as an authoritarian regime and such a contribution are not incompatible.

He also reiterated that the government would not hesitate to rigorously enforce all permissible legal measures against those who attempt to violate the current political recess.

He emphasized that the government attaches the "utmost importance" to the development of young people because it trusts that they will be taking up government responsibilities in the future, imbued with new ideas on democracy and freedom.

He highlighted that the government "has the best of intentions" to "reach a fruitful understanding with thr Catholic Church," which it fully respects.

The head of the cabinet made these and other remarks on domestic developments during the luncheon that he offered yesterday for the reporters who cover Moneda Palace.

Also present at the get-together were the minister undersecretary of the interior, Air Force Brig Gen Enrique Montero; the director of the Mass Media Division, Jorge Fernandez, and the assistant director of the division, Ignacio Astete.

The following is an outline of the issues broached by the interior minister in response to questions from the newsmen.

Deportees

Thw government made its decision under clear-cut existing laws, on the basis of the exclusive jurisdiction of the Chilean authorities and in a sovereign manner. Therefore, it can ignore any reactions that have arisen or might arise overseas. He reaffirmed that the "whenever necessary, the government will take the measures that legislation allows it, because its primary duty is to guarantee the peace among all citizens, independently of what might be said overseas."

With specific regard to the so-called "Chilean Human Rights Commission," Under-Secretary Montero pointed out that "an entity that lacks legal capacity does not have jurisdiction."

They both clarified that "so far" none of the deportees (Castillo, Briones, Jerez and Cantuarias) has filed an appeal with the nation's authorities to return to the country.

Lech Walesa

The government will not intervene if any "legally established" union invites him to visit the country, inasmuch as the authorities "do not interfere" in labor issues. He did not specify what measure the government would take if Walesa accepted an invitation from a group that does not meet the requirements set forth in labor legislation.

APSI Magazine

In this regard, the head of DINACOS [Mass Media Directorate], Jorge Fernandez, was emphatic in pointing out that since 1979 the authorities have been notifying the magazine's directors that they must seek the appropriate authorization to change APSI's primary purpose, which is to report only on international issues, inasmuch as its permit was granted on this basis.

He pointed out that DINACOS notified them that they should request the permit from the Headquarters of the Emergency Zone, pursuant to Edict 104, to comply with current legislation, but that the publishers of APSI ignored this, "suspended operations and filed an appeal for protection with the courts."

Jorge Fernandez said that the statement issued by the AG Association of Journalists does not tally with the facts because DINACOS has never said that it could enforce sanctions against the magazine of its own accord, merely that it could transfer the particulars of the case to the Interior Ministry.

Hard- and Soft-Liners

"As the president of the republic has repeatedly pointed out, under the new institutional system the government will not allow itself to be carried away by extreme stands, in other words, neither by the do-nothings, who want strong-arm measures and an extension of the current regime beyond its goals (which would only help our enemies), nor by the people in a hurry, who want to skip stages, which would put us back in the same situation."

"The fact is that we have not accepted, nor will we accept labels such as 'advocates of change' [aperturistas] or 'opponents of change' [no aperturistas], 'hard-liners' or 'soft-liners,' which have been thought up by those who traditionally sway with the prevailing political winds; rather, we will continue moving forward along the path of the new institutional system, in the spirit of a government with a just and balanced authority that is making prudent but real progress."

"Hastening our political progress," Sergio Fernandez cautioned, "could bring serious consequences for Chile by precipitating a return to the past, with all of its vices. On the other hand, stagnation would prevent us from trying out the new system and its institutions, which are in keeping with the legitimate ambitions of the citizenry."

He stressed that the citizenry's demonstrations of backing and support "give the government greater strength in continuing its progress towards a regime based on freedom, justice and order."

Transition

"The construction of this new political system on such deep-seated, reliable foundations has caused such a momentous change in the country that all Chileans grasp it. Therefore, it is increasingly unlikely that someone would dare want to return to the former political arrangement. Chileans realize and appreciate the changes that the government is bringing about for their benefit and security. This is the confirmation," Fernandez stressed, "of an entire way of life."

Exiles

"I deny as categorically as I can that one million Chileans have gone into exile under this government, as people are saying overseas. The number isn't even remotely close to that."

Calama and Covema

Loyal to its principles, the government does not interfere when situations such as these are in the hands of the justice system and at best conveys the particulars in its possession directly to the courts.

Church-Government

"Both sides have been giving ground. The government has always been interested in this rapprochement and maintains the best of relations with the Church. You are always going to find the government prepared to reach a fruitful understanding with the Church, which we respect and with which we want an increasingly harmonious coexistence."

Civilian Involvement

"There is no conflict between the government's being authoritarian and its sharing duties with civilians, which is very useful, and we will seek to boost civilian involvement in a way that benefits all Chileans."

"For some time now the government has not been making a distinction between civilians and military officers; rather, it has been seeking the best person at the right time for the job that has to get done."

Terrorists

"There are indeed few of them, but this means that they could do damage, in spite of the successes that the security services have been scoring. This forces the government to remain permanently on the alert and to take all legal measures at its disposal, because the terrorists receive training and generous financial support from overseas. Terrorism is one of the armed tools that the Communist Party does not dare reveal, for tactical reasons."

He declined to say whether the court-martial of three extremists, as requested by the government, would diminish terrorist activity. "But I can assure you that this measure will be applied to any terrorist activity envisaged in the law."

"I would also like to make it clear that the government requested a court-martial because we are at war, as are all Chileans, against terrorism and violence. Therefore, when the time comes, there will be no hesitation in cracking down, under the entire legal system, on those responsible as well as their accomplices. We include among the latter those who for political reasons, out of naivete or because of other invalid considerations, directly or indirectly offer to work with those whom we define as enemies of our country. As I pointed out in La Serena, the dupes of communism will have to answer for their actions." He thanked the Chileans who have reported terrorists to the authorities and the mass media that have dealt with this kind of news in a restrained manner.

Accomplishments

"The reestablishment and consolidation of peace and order; the modernizations and the establishment of a new institutional system."

Development of political leaders: The government is channeling a great deal of its efforts towards young people because it sees them as the country's future. When their time comes, they will continue the task begun by this government.

In conclusion, the interior minister reaffirmed that the so-called National Union Coordinator is a Marxist front, "which they themselves acknowledge," and stressed that social outlays to help lower-income sectors totaled $200 million last year and have already surpassed $140 million so far this year.

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CSO: 3010/1826

INTERVIEW WITH MINISTER SECRETARY GENERAL GENERAL JULIO BRAVO VALDES

Santiago EL MERCURIO in Spanish 6 Sep 81 pp D1, D2

[Interview with Brig Gen Julio Bravo Valdes, minister secretary general of government, by Blanca Arthur; date and place not given]

[Text] He is one of the military officers who have been called upon to serve in government. At age 48, the recently promoted Brig Gen Julio Bravo Valdes took over the Secretariat General of Government, a ministry that as of 11 September 8 years ago found its own decisive function in the process that began on that date: "To be the channel of communication between the government and the citizenry." Through various channels, particularly the organizations under his ministry (DINACOS [Mass Media Directorate], the Secretariat of Women, Youth and Trade Unions, among others), he seeks to publicize the government's policies and to determine and listen to grassroots concerns.

Calm and without grandiloquence, General Bravo speaks with conviction. He does not accept doubts that the steps that the government has taken and is taking will lead to the sought-after goal and will give the country "a stable and genuine democracy." Like a good military officer, he does not conceal his devotion to the function of the Armed Forces. When challenged, he reacts emphatically but without losing his calm.

[Question] What guarantees are there, general, that after 8 years in power and with several more to go, the Armed Forces are not or might not become politicized?

[Answer] The fullest guarantees (he says, settling into his chair and with a serious look). The Armed Forces are not politicized nor will they become politicized. A group of us were called on to serve in government, but the overwhelming majority of the members of National Defense are in their barracks or performing their specific professional tasks.

[Question] And where do you feel most comfortable?

[Answer] The truth is that I feel comfortable wherever I can do the job that I have been entrusted with.

[Question] But as a military officer, do you like being in charge of a ministry like this one or do you sometimes miss commanding your troops?

[Answer] I have to spell it out more clearly. I feel comfortable, happy. I have tackled situations that I had no occasion to come up against before, and this has meant new know-how and new challenges, which I like. Now then, any other military job proper I would also like very much. Of course I would like to serve at my rank of general, for example.

[Question] One of the aims of the phase that has begun was to achieve increasing civilian-military integration. How would you say this has been coming along?

[Answer] I think that it has come along very well and spontaneously. There is teamwork, unity, which is very positive, and it is important for this to increase. But we must not forget that this is a military government.

[Question] Do you think that people are forgetting this?

[Answer] What happens is that sometimes people begin confusing concepts and demand the features of a civilian government. And if this is a military government, the first thing that we have to bear in mind is that it has to be authoritarian. You cannot have a military government that does not exercise its authority wherever it has to and the way it has to.

[Question] How would you define the government in the transition stage that has just begun?

[Answer] I would say that it is a military government, an authoritarian government, that is in the midst of an institutionalization process through joint efforts with civilians and under a constitution approved by a majority of the citizens.

Why a Political Recess?

[Question] General, the government has recently stressed the need to maintain the political recess during this period while grassroots participation is being developed. To what extent do you think that this arrangement will lead to the democracy that we hope to have?

[Answer] In the first place, I think that it is important for us to keep in mind that with the politicization of national life the parties became monopoly channels that prevented the independent functioning of the unions, the neighborhood organizations and, in general, the various national groups, by causing them to abandon their own functions. To counter this, the government began creating the conditions for their strengthening as channels for

true participation, a task that is fully under way and that would be adversely affected by a premature renewal of political activity. The strict maintenance of the political recess is a fundamental condition for the effective development of this stage in our institutional evolution, so that once the unfettered operations of the various social organizations are consolidated according to the timetable established by the constitution, we will have political activity that does not aim at subjugating the other forms of participation and that conforms with the constitution. With this arrangement we will achieve a true democracy.

Participation and Communication

[Question] Would you say that the citizenry is responding and showing interest in the channels for participation that you have mentioned?

[Answer] I think that for some time now Chileans have realized that their contributions are necessary to build a free society. Through town councils, for example, the community has gradually been taking on responsibilities in such important areas as education and health care and has been organizing to tackle the local problems that are within its jurisdiction.

[Question] This ministry's function is communication between the government and the citizenry. How effective would you say that the channels of communication that have been established are?

[Answer] I think that the volunteers and the various civilian organizations are doing an important job publicizing the government's efforts, as well as determining and listening to the concerns of citizens. Of great significance also are the periodic meetings at which various segments of society, such as young people, workers and intellectuals converse with the president of the republic, outline their views and express their concerns.

[Question] But aren't these contacts with just one sector? A lot of people say that just a few get to be heard...

[Answer] The only people who might feel left out are those who are not interested in getting involved or those whose proposals are not constructive and merely reflect an interest in engaging in political activities, which, as I told you, are banned.

Civilian Movement and Split Among Government Backers

[Question] A short while ago the government rejected the formation of a civilian movement that, according to its proponents, sought to channel citizen involvement. To what extent would you say that it violated the political recess, as the government argued in banning it?

[Answer] As I was telling you, the government will never allow the political recess to be broken. This is why we are emphatic in pointing out that the

recess applies to everyone equally, whether they support or oppose the government.

The government feels that the avowed intention of grouping people together in organizations or movements outside the current channels of participation, with their own directorships, different as well from the directorships of trade and labor unions or neighborhood organizations, clearly showed signs of a party structure.

[Question] A split among government supporters came to light after the civilian movement was turned down. To what extent do you think we can achieve the monolithic unity that the president himself recently underscored as important for this period?

[Answer] There is and always has been unity among the government's supporters. Otherwise, it would have been impossible for us to accomplish all we have in the economic, political and social spheres.

What there might be, and this stands to reason, are differences of opinion on specific matters, but this in no way affects the heart of the matter, which is support for the government and for the president of the republic.

Now then, what we cannot lose sight of in this analysis is that when someone criticizes all of the important steps that are taken in the various spheres, that someone is closer to opposing the government than backing it.

Political Parties and Their Future

[Question] Some of the differences of opinion are over basic issues involving precisely the channels for participation, inasmuch as some people, for example, are against the future formation of political parties...

[Answer] With regard to what you are saying, I think it is clear that the overwhelming majority of Chileans came out last year in favor of a constitutional arrangement providing for the functioning of political parties.

Reflecting our experiences, the constitution provides for political party activity withing its legitimate framework, assuring that they do not fall prey to the same vices that we saw in the past. They are required to have internal democracy so that they do not become top-heavy and unrepresentative; external financing is prohibited; their accounting books have to be a matter of public record, and they are prohibited from taking part in activities other than those inherent to them. Under this arrangement, under the provisions of the constitution, there will come a time when the political parties are going to function again, with the exception of Marxist parties. When? We cannot specify dates. As I pointed out to you earlier, we will maintain the recess as we gradually move forward under the stipulated institutional arrangement and bring about the conditions for them to organize and begin operations once again.

Statists?

[Question] Aren't there also disagreements over reducing the role of the State and private enterprise, which are elements that you yourself have described as fundamental to consolidating a true system of freedom?

[Answer] In the first place, I take issue with the tone of your question in the sense that there are "also" disagreements, because this would be implicitly acknowledging other disagreements, which do not exist.

I should recall here that the government's Declaration of Principles is based on the principle of the subsidiary role of the State, whereby it engages in only those activities that private individuals, alone or in groups, are unable to perform. This postulate is basic to a free society like the one that we are constructing, in which the State is there to serve the individual and must recognize and protect the intermediate groups in society.

Furthermore, this concept has been fully backed by all Chileans. In opting for a free market economy, the constitution recognizes the right of the individual to perform any legal economic activity and only as an exception provides for State management under specific circumstances and in specific areas that so require.

[Question] But some people think that the government is taking steps that are not entirely in keeping with this system of private enterprise.

[Answer] I think that in a free system like the one I was talking about, there must be an impersonal and energetic government that sees to it that the legal system is strictly complied with and that engages in the tasks or supervision that the circumstances require. This is not at odds with our definition of a free society; rather, it is its necessary complement. Our efforts over these 8 years of government clearly indicate that there is no disagreement over this important issue. The government's policies and actions remain strictly within these bounds, and their promising results are acknowledged both here and abroad. Chile was bequeathed poverty and backwardness by decades of government intenvention and mistaken policies that mistrusted individual effort and discouraged private enterprise.

[Question] Aren't there differences of opinion among the military, general, considering that it has been in power for 8 years and has as many left?

[Answer] Among the military? Absolutely not. We are very clear as to what we want, what we think and where we are headed.

[Question] Aren't some of you more statist than others, for example?

[Answer] You cannot talk about being more or less statist. Individuals as such can have given opinions on one or another specific action, which in no

way means that they can be termed "more or less one thing or another." This is quite alien to the military. When a decision is made, it is supported by all, because the person making it has taken into account aspects that not everyone can be familiar with.

Change of Course?

[Question] Would you say, in any case, that each step being taken is in the direction of the goal that the government has set and that certain measures in the economic or political sphere, such as the expulsions, do not represent a change of course?

[Answer] The goals and courses are clearly established. What you're telling me is that at times it would seem as if we are changing directions in terms of procedures, and what I am telling you is that if there is an ultimate objective to be achieved, we have to gradually achieve partial objectives to that end. And here is where special situations could arise that also have to be tackled in a special way. I think that every government, like every leader, must be flexible enough to take certain steps in accordance with the circumstances that might arise, which rather than altering the course, could be precisely for the sake of achieving the ultimate objective harmoniously and rationally.

Reasons for Expulsions

[Question] Some people have interpreted the recent expulsion of four Chileans from the country, because of violations of the political recess, as a counterbalance to the ban on the civilian movement to achieve unity among supporters. Is there any truth to this, or did signs of ferment really prompt their expulsion?

[Answer] Interpretations about some sort of "counterbalance," which by the way I have heard for the first time here, are just groundless, unrealistic musings. As the government has repeatedly said, it will not allow the political recess to be violated in any way and much less will it abandon its efforts to prevent communism from meddling in our country, as our constitution clearly stipulates. We have recently seen how front organizations, such as the so-called Coordinating Commission, which was clearly communist inspired and, what is more, pursuing a strategy formulated and decided on overseas, have tried to create a climate of political ferment that would adversely affect the natural unfolding of our institutional process and violate the current recess. Furthermore, certain individuals with well-known political affiliations tried to support or make common cause with the illegal actions of the Coordinating Commission and were therefore guilty of violating existing law.

Opposition Actions

[Question] The president recently pointed out that the government will permit peaceful opposition during this period. How would you describe its framework of action in accordance with all these circumstances?

[Answer] The people who oppose the government have never halted their activities and will continue them, inasmuch as they have the means and the chance to do so. But here we have to make a clear-cut distinction between the illegal, Marxist, subversive opposition and the opposition that expresses its disagreement within the legal framework that we Chileans have provided.

Now then, this distinction has not been fully established, and the blame falls on those sectors that call themselves non-Marxist but that keep trying to incorporate communism into the democratic system, thus becoming allies of communism and, therefore, an opposition force as illicit as Marxism.

[Question] To what extent do you feel that these non-Marxist opposition sectors can publicize their opinions or viewpoints?

[Answer] I think that the press is free enough so that the range of opinions can be expressed in it.

[Question] Are you merely acknowledging that the press should exist or do you feel that it might be important during this period to find out what sectors that disagree with the government in one way or another are thinking?

[Answer] I think that all views that are well-intentioned and do not violate the recess are welcome.

My impression is that these sectors have made a serious mistake. They have refused to face the facts. They have refused to understand the process that our country has gone through, a process that, moreover, is understood by the overwhelming majority of the country and that backs a system of democracy and freedom like the one we are building, but without the involvement of its enemies, in other words, the communists.

Combating Marxism

[Question] There are those who feel that this violent opposition to Marxism and communism is not the best way to combat them and that in addition to prompting a political polarization, encourages them and challenges them to act...

[Answer] I think that's a mistake. An enemy like Marxism needs no incentives or challenges to act. Marxism must be defeated on all fronts, and the government will act resolutely and unindulgently in this struggle. Meanwhile, it will continue to move forward in its institutional process, in which sustained economic development and the strengthening of our intrinsic values are major elements in defeating Marxism. We will continue along this path in the certain knowledge that it is the proper one for establishing a true democracy and a system of freedom.

[Question] Are you denying that there might be others?

[Answer] There might be others. But let's not forget that Chile kept choosing paths until 1973 and we arrived at chaos and destruction. At that point the overwhelming majority of the country asked the Armed Forces and police to take over the government, and honoring that mandate, we are giving the country back its institutional system, with a deep-felt sense of patriotism.

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CSO: 3010/1[illegible]

POLITICAL, TRADE RELATIONS OUTLINED

Political Relations Good

Santiago EL MERCURIO in Spanish 9 Sep 81 p C7

[Text] Brazil's outgoing ambassador to Chile, Raul de Vincenzi, yesterday stressed that during his mission in our country bilateral relations could not have been better, especially as far as political matters are concerned.

He added that proof of this was the series of official visits to Chile by his country's highest authorities, culminating with the arrival of President Joao Baptista Figueiredo.

He made his remarks shortly after concluding a meeting with Foreign Relations Minister Rene Rojas Galdames, whom he said good-by to since he is leaving for Montevideo, Uruguay this Friday, where he will take over as ambassador.

In his talk with the press the ambassador denied that Brazil is taking protectionist measures against any Chilean product.

He explained that trade between the two countries is governed by the regulations of the former LAFTA, which provides for the so-called safeguards that enable a country to apply temporary restrictive measures if it feels that it has surplus output.

He pointed out that within this framework Brazil can apply protectionist measures in relation to all its imports but never aimed specifically at Chilean goods. "We have never said anything against the regulations of LAFTA, which is now LAIA [Latin American Integration Association]."

His remarks were made in response to questions concerning complaints by Chilean exporters about Brazilian protectionism, which was intensified by the recent renewal of the safeguard clause that halts the importation of Chilean peaches and nectarines in all forms.

In this regard, exporters pointed out that whereas the trade balance between the two countries showed a surplus of $22 million for Chile in 1979, there was a $155 million deficit in 1980 and the estimates this year are for a $310 million deficit.

Trade Statistics

Santiago EL MERCURIO in Spanish 7 Sep 81 p C12

[Text] From January to June 1981 trade between Chile and Brazil totaled $493.1 million.

According to figures furnished by the Central Bank, Brazil exported $333.7 million worth of goods to Chile during the period and imported $159.4 million worth from our country.

If the current trend holds, bilateral trade could reach some $1 billion for all of 1981.

The import-export lists include farm products, basic inputs for industry and industrial goods.

The total amount (FOB) of bilateral trade was around $20 million during the 1950's, rose to $50 million by the end of 1960, inched up to $56.3 million in 1970 and then jumped to $741.5 in 1979 and $923.3 million in 1980.

Despite the extraordinary rise over a 9-year period, trade between Chile and Brazil could continue to expand appreciably in terms of value, due to the economic potential of the two countries and because each of them has export goods that the other needs.

Brazil is currently one of the main suppliers of goods for the Chilean market, just behind the United States. Brazil is also one of the main import markets for Chilean products, holding first place in Latin America and fourth place overall, after the FRG, Japan and the United States.

Chilean Exports

Copper is Chile's main export to Brazil. In 1979, crude refined copper accounted for more than half of the value of Brazilian purchases on the Chilean market.

The list of Chilean exports to Brazil is quite diversified. It ranges from legumes and vegetables, roots and tubers to manufactured items such as newsprint, paper and cardboard for manufacturing punch cards for statistical machines; sodium chlorate, sodium and potassium nitrate; gas turbojets, etc.

Brazil

Brazil's exports to Chile are also very diversified. They include farm products (coffee,cacao, raw cotton, raw sisal, etc) and manufactured goods (tools and cutlery; aluminum, cast iron and steel; boilers, machines and electrical and mechanical devices, bodies for trucks, buses and minibuses, as well as aircraft, tractor and motor vehicle parts). In terms of value, these items have headed up the list of Brazilian exports in recent years.

Brazilian-Chilean Trade (in millions of dollars)

Period	Brazilian Exports to Chile	Brazilian Imports from Chile	Total
1977	109.7	283.1	392.8
1978	253.1	253.4	506.5
1979	361.8	383.7	745.5
1980	475.0	448.3	923.3
1981*	333.7	159.4	493.1

Source: Central Bank of Chile
*From January to June

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NEW UN AMBASSADOR DISCUSSES PRIORITIES, FRANCE-MEXICO DOCUMENT

Santiago EL MERCURIO in Spanish 5 Sep 81 p C3

[Text] Chile's new ambassador to the United Nations, Manuel Trucco, said yesterday that one of our country's priorities in the UN is to cooperate actively in resolving the problems and meeting the needs of other countries in order to bring about a similar attitude towards Chile.

Trucco presented his credentials to UN Secretary General Kurt Waldheim the day before yesterday; he replaces Sergio Diez.

In a telephone conversation with EL MERCURIO, he explained that "it is important for us to show our solidarity and desire to help, because we are certain that this will make other countries interested in our particular problems."

"We have many problems in common with dozens of nations throughout the world, and it is therefore urgent for us to work together," he said.

With regard to Chile's standing in the UN, Trucco pointed out that the feelings towards our country are "of respect based on the desire to undertake joint action. There is an awareness of the progress that has been made in recent years."

He pointed out that "we are seeking to work together, leaving aside everything that might separate us. That is the goal of this forum."

Ceremony

Ambassador Trucco noted that the credentials presentation ceremony was "very business-like and brief." He explained that after the ceremony, however, he held a talk with UN Secretary General Kurt Waldheim, which he described as "very frank, cordial and friendly."

"He told me that he was pleased with the cooperation that Chile has lent the United Nations in recent years and praised the work of my predecessor, Sergio Diez," he said.

In this connection, he indicated that "I am extremely honored to return to this organization. I was here for the first time in 1947, and during the Korean War I was even on a special committee set up to deal with the problem."

El Salvador

With regard to the joint statement by Mexico and France recognizing the rights of guerrilla groups in El Salvador, he said that "it has prompted strong reaction from the representatives of Latin American countries."

"It's a strange stand, inasmuch as it sets forth guidelines for how an independent, sovereign country ought to resolve its own problems."

He reported that next Tuesday a joint statement would be released in New York "repudiating intervention in the internal affairs of states and support for terrorist elements."

"It's obvious," he explained, "that all countries have joined together in rejecting this move. France and Mexico are quite isolated because only one country, Norway, endorsed their statement."

"It is a painful thing to see when a Latin American country turns to a power outside the continent to address a problem that should be studied exclusively in our Americas."

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ANTARCTIC SEEN PROVIDING NATURAL RESOURCES

Santiago EL MERCURIO in Spanish 7 Sep 81 p C5

[Text] "The Antarctic will play an extremely important role in the not too distant future since it is a potential source of abundant natural resources, which mankind will soon need. If Chile succeeds in developing a real center of attraction by providing the appropriate funds, settlements and infrastructure, we will be reaffirming our undeniable sovereignty." This was the view voiced by Professor Oscar Gonzalez-Ferran, from the Department of Geophysics at the University of Chile, who is one of the leading experts on Antarctica.

He later pointed out, in general terms, that now that the country has completed two stages in its study of the continent, it should undertake what he called the "exploration and development of its natural resources."

He received EL MERCURIO in his austere office on Encalada Avenue. He declined to provide his curriculum vitae ("What is of real interest is what you do, not the person").

Gonzalez-Ferran has the privilege of having one of Antarctica's peaks named after him. "It's in Marie Byrd Land, between the Antarctic bases Byrd and McMurdo, at 77 degrees latitude and 144 degrees longitude west," he said. Married and the father of two sons, 14 and 15, he took his first trip to the frozen continent in 1957, during the International Geophysical Year. Since then he has periodically visited those inhospitable latitudes on the missions planned each summer by the Armed Forces ("I really don't remember how many trips I've made there").

"The continent has a surface area of 14 million square kilometers, but it's the highest, most inhospitable and most isolated land on earth. About 95 percent of it is covered by a thick layer of ice that occasionally reaches 3,000 meters."

"Because of the world energy crisis, the depletion of hydrocarbons reserves, the high price of fuel, the surmounting of logistic and technological difficulties through experience gained in the Arctic and in 20 years of scientific exploration in the Antarctic, and finally, the decision of the signatory countries of the Antarctic Treaty to establish a 'regime,' we can envisage the Antarctic continent as a source of petroleum in the near future."

"We have uncovered some evidence that large-scale deposits of petroleum could be found there," he indicated.

He mentioned that the FRG, taking these possibilities into account, "decided to earmark $140 million for research in the Antarctic Peninsula zone over the next 3 years. Moreover, it allocated $3 million to investigate oil resources."

Economic Potential

He observed that regional geological research has uncovered a wide variety of minerals, but not enough is known about their characteristics, grades and concentrations to talk in terms of potentially commercial deposits today.

"The potential mineral resources detected in the Antarctic can be divided into metals (iron, copper, molybdenum, gold, silver, nickel, cobalt, platinum, chromium, manganese, etc), nonmetals (mica, beryl, quartz, graphites, phosphates, limestone) and construction materials such as sands and gravel. Among fuels, we can mention geothermal power, hydrocarbons, coal and uranium."

He mentioned that hydrocarbons are perhaps the most attractive of the detected nonrenewable resources. "Sediments of great thickness from the Cretaceous to the Tertiary age have been discovered in western Antarctica, in particular in the regions of the Ross Sea, Weddell Sea, Bellingshausen Sea and some spots near the Antarctic Peninsula such as James Ross Island."

"Scientific drilling revealed the presence of ethane and methane gases in these sediments (Ross Sea). We do not know enough as yet to predict what volumes of oil or gas are contained in the region, but they do correlate with other areas such as southwest Australia, western New Zealand and the southern tip of South America. The sedimentary deposits in the Antarctic look like a highly attractive oil exploration zone for the future."

Three Stages

Gonzalez-Ferran observed that the Antarctic continent and its adjacent islands and seas have always been in man's forward sights. It is easy to distinguish three watershed stages in its discovery and development: "The romantic era of the great expeditions of discovery, which lasted for almost two centuries, until the 1950's; the second stage began with the International Geophysical Year (1957-58), which represented the first cooperative scientific effort among several nations to investigate and quantify this corner of the world, a key piece in many scientific mysteries about the evolution of the earth. The findings made over those two decades have shed light on its geological evolution and the origin of its mineral resources."

"Today," he went on to say, "we are on the verge of the third stage: the commercial exploration and development of its natural resources, given added impetus by a world seeking to meet its food and energy needs. Is this perhaps the startup of a company or enterprise to administer the development of the Antarctic under the Antarctic Treaty?"

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COMMENTATOR SEES BELIZE PROBLEM AS UNSOLVED

PA221725 San Jose Radio Reloj in Spanish 1730 GMT 21 Sep 81

[Station commentary]

[Text] The birth of the new nation of Belize is cause for rejoicing for all Latin American countries. The idea of self-determination of peoples and free democratic elections is the ideal of not only the whole American continent, but the whole world. Although many substitutes have been tried, there is nothing like democracy for a good political regime. Only free elections can guarantee order and good relations among citizens.

The birth of Belize today at midnight is the act of legitimate sovereignty due any country in the world. A country cannot claim sovereignty over another merely because it is more powerful. The truth is that all peoples are entitled to choose their own form of government and their right to freedom as a symbol of social dignity. Everything that can be said today about Belize could have been said 150 years ago about Guanacaste [province of Costa Rica]. It is the people themselves--and not their neighbors, nor anyone who believes that according to tradition he is the legitimate owner--who determine their own future.

In its first day as a free nation, Belize has been warmly welcomed by the inter-American community. We wish to express our recognition of and support for the people and government of Belize. We wish to express our congratulations to the British Government and our deep concern over the Guatemalan attitude. Many months ago when we congratulated the British and Guatemalan Governments for having reached a joint agreement, we felt that an agreement had truly been reached. Now we see that there was no agreement and that the problems seem to persist through the Guatemalan Army. This is one more mistake on the part of the Guatemalan Government.

CSO: 3010/34

'HAWK VIEW' MANEUVERS SEEN AS U.S. MISTAKE

PA292211 San Jose Radio Reloj in Spanish 1730 GMT 29 Sep 81

[Station editorial]

[Text] The maneuvers to be conducted by the U.S. navy off the Honduran Atlantic coast are, we repeat, a serious political mistake on President Reagan's part.

The Republican U.S. Government has made so many mistakes in relation to Latin America. Today it warned the poor countries about the so-called need for them to put their economies in order. As if a poor country can eat by putting its economy in order.

In addition, the World Bank president, speaking at the IMF, says that there are not enough funds available.

The 7-9 October maneuvers to be conducted by the U.S. and Honduran navies are very dangerous, no matter what they say. This is not the best time to stage them. Today, a navy commander said in Puerto Cortes that those military maneuvers should not alarm anybody much less provoke adverse reactions from the governments of Central America.

Despite those statements, these are very dangerous maneuvers in our opinion. They are provocations at times of an ongoing cold war. The hawk view operation has been approved in Honduras to guarantee respect, sovereignty and territorial integrity.

The U.S. navy should never participate in warlike operations in Central American waters, much less under the present conditions of each of these governments.

There is great instability and today more than ever the United States needs friends. One cannot provoke others to make accusations of interventionism. One cannot create a negative image because of big political mistakes.

Today more than ever the United States needs to have good neighbors, good friends. These maneuvers are creating unrest, uneasiness and presenting the wrong idea of what the true relationships with the United States are.

CSO: 3010/34

BRIEFS

PRICE INCREASE OF STAPLES--Starting today, there will be an increase of one-half a colon in the price of a kilo of rice, Daniel Herrera, executive director of the National Association of Rice Growers, confirmed. A new price per kilo of margarine has been in effect since yesterday, rising from 12 colons to 15.20 colons. In other words, an eighth of a kilo will cost 1.90 colons instead of 1.50 colons, according to the decree of the Ministry of Economy, Industry and Trade (MEIC). In addition, the Price Control Board last night began studying a possible increase in the price of African palm oil; however, it decided to postpone a decision until Monday. Forty 6-kilo bags of rice will cost wholesalers 380 colons, that is, 20 colons more, while the price for the consumer will be 9.70 colons, instead of 9.20. This is an increase of 5.43 percent. The new price is for whole grain rice--first quality--and the price of "broken" rice is frozen at 5.05 colons a kilo. MEIC Executive Decree 12843 records an increase of 3.20 colons a kilo of Margarine; the Price Control Board said that the company recently presented a new petition for a price adjustment. At the same time members of the board stated that they will study an application for a rise in the price of milk Monday. The application proposes an increase of .90 colon a liter, which would bring the rpice up to 6.00 colons a liter. [Excerpts] [San Jose LA NACION in Spanish 21 Aug 81 p 8A] 9015

NICARAGUAN TRANSIT RULE CRITICIZED--Chief immigration officer (Manrique Duran) has said that Nicaraguan authorities are placing many obstacles in the way of Central Americans deported from Costa Rica who want to enter that country. The Nicaraguans are demanding that persons deported to other Central American countries carry $150, to be spent while they are in transit through Nicaragua. Mr Duran said that this situation is unprecedented. For this reason, Costa Rican foreign relations officials met with the Nicaraguan ambassador to discuss this. (Manrique Duran) said that several citizens of Honduras and El Salvador were only able to return to their countries because of special assistance extended to them by Ticabus [Costa Rican Inter-American Bus Company]. Otherwise, he added, they would have had to return to Costa Rica. [Text] [PA250223 San Jose Radio Reloj in Spanish 1730 GMT 24 Sep 81]

MISSION FROM BELIZE--A Belizean Government mission arrived here yesterday seeking advice from the Costa Rican Government in connection with the manufacture of gasohol. During President Carazo's visit to Belize, negotiations reportedly began in connection with the signing of several trade agreements. The Belizean Government has also requested technical aid in various fields. [Text] [PA261300 San Jose Radio Reloj in Spanish 1200 GMT 25 Sep 81]

NEW POSTS ANNOUNCED--Public Security Minister Arnulfo Carmona Benavides has announced that 24 security posts will be built in the country's northern region with the funds obtained from the police (?stamp). He said that these posts will cost approximately 1 million colones. This will also include the salaries of personnel, their mobilization and food and the purchase of horses, fuel and supplies for the civil and rural guards. The personnel have been duly trained for sometime. In addition to ground control units, launches will patrol the Sarapiqui and San Juan Rivers. [Excerpt] [PA301617 San Jose Radio Reloj in Spanish 1200 GMT 30 Sep 81]

PREPARATIONS UNDERWAY FOR CENSUS IN SEPTEMBER

Havana VERDE OLIVO in Spanish 30 Aug 81 pp 4-5

[Report on interview with Fidel Vascos Gonzalez, minister and chairman of the State Committee for Statistics, on the progress of preparations for the 1981 census, in Havana, by Jose Cazanas Reyes; date not given]

[Text] "Preparations for the 1981 population and housing census are being carried out satisfactorily and on time," Comrade Fidel Vascos Fernandez, minister and chairman of the State Committee for Statistics [CEE], told VERDE OLIVO upon being interviewed at the publication's headquarters.

To plan for the people's well-being and development, it is necessary to know the characteristics of the country's inhabitants and the place in which they live.

How many are we? Where do we live? How do we live? In what type of dwelling do we live? What do we do? What do we know? The answers to those questions, among other things, will enable us more scientifically to develop housing, schools, hospitals, food supply, industry, the economy, commerce, work, services and culture.

For any country to obtain all this basic information, it is necessary to take a population and housing census which is no more than a series of operations making it possible to compile, process, analyze and publish data on all the country's population and housing status at a given moment.

The census is a photograph which encompases the entire national territory and is the most important, complex and costly statistical survey which most of the world's nations make regularly, once every 10 years.

The last census in Cuba was taken in 1970. The 1981 census, the most complete in the country's history, differs from the others, among other things, in the fact that it will be taken from 11 to 20 September, a period of 10 days, whereas the preceding census was taken in a single day with the people remaining completely idle.

September was chosen for this project inasmuch as the principal vacation months have passed and it is a time when most of our people have not yet begun to harvest the sugar crop, an activity which always requires great concentration of effort and resources.

"Preparations for taking the population and housing census, to occur in September, have been underway for almost 3 years. The preparation began in October 1978 and

will end on 11 September with the beginning of visits to homes to fill in the census questionnaire. We can say that up to now the work is progressing satisfactorily and on time; many tasks have been completed in these 3 years," said Comrade Fidel Vascos Gonzalez, who went on to describe the more significant accomplishments in detail.

"We have completed the country's entire cartographic work," he said. "To take a census, it is not sufficient to have organized a particular administrative political division; I am referring to provinces and cities; rather, we must create census-taking subdivisions. We have completed all that subdivision work and the pertinent information is shown on the cartographic documents, maps and other papers now in the hands of all our cities.

"Through this means we have subdivided each city into areas, and the total number of areas in the country is 1,140. Each area, in turn, is subdivided into districts. There are 14,117 districts, and each district, in turn, is subdivided into segments; the entire country has 55,577 segments. All this work is completed and the information is ready to be used in taking the census."

The CEE minister and chairman then said that the methodology has been worked out and the documents printed. He also stressed the outstanding role played in this work by the Ministry of Culture and the Ministry of Light Industry and, in the case of the drawings and maps, that of the Institute of Geodesy and Cartography. "All this work," Vascos emphasized, "has been completed and the papers distributed to their proper places."

A task of exceptional complexity, recently completed, is the mobilization and selection of all census personnel who will participate in visits to homes. About 100,000 persons, mainly retirees, housewives, and a certain number of workers whose work schedule will permit them to take on the census activity, will be hired in advance by the CEE. Seminars will soon be held to convey all instructions required in connection with the census. These are the people who will visit the homes.

"Thus," he said, "we have hired about 12,000 area clerks, 17,000 supervisors, who will be district heads, and about 70,000 actual census takers who will have the specific task of visiting the homes and interviewing our people. In the organization of the seminars, steps were taken to engage the services of the nation's teachers, from the provinces and cities as well as from the area in question. We have now only to begin the seminars for the personnel who will visit the homes, that is, the supervisors and census takers per se. We have also completed the preparatory work for plans which will materially assure the successful taking of the census. I am referring to the plans for communications, transportation, supply and publicity."

The following tasks are presently underway: We are completing documentation for what is called the compilation of the district proceedings. This refers basically to the preparation and typing of guides to aid in visiting the homes. Each census taker, who will have 40 to 50 homes to visit in the 10 days of the census, will be given a precise list of the number of homes he will visit, their addresses, the name of the family head and the like. More than 2.2 million homes with corresponding addresses and other information are being listed on typed sheets.

Another task now being completed is the preparation of the 1,140 census quarters. Before 25 August these facilities were to be opened and have the appropriate personnel. Beginning 24 August and, perhaps, after 1 September, seminars will be held for those who will serve as supervisors and census takers. All material conditions for carrying out this task have been arranged; we are now awaiting only the date to summon the personnel.

"One important matter we want to take care of and to which we have been devoting more effort these days is the publishing of everything connected with the questionnaire and the contents of the census list. The people must know precisely what they will be asked when the census taker visits their home. And they must know this now--not when the census taker arrives. Therefore, we want to make a detailed disclosure of the contents of the census package," the CEE minister and chairman emphasized. He then went on to say:

"We want to make known that, during the present census preparations, five provinces have had exemplary performance--namely, Villa Clara, Matanzas, Camaguey, Cienfuegos and Pinar del Rio. This does not mean that they were the only ones which performed well. All provinces have completed their tasks with merit, but these five have been the most outstanding, particularly in completing their tasks on time.

"Now," Vascos added, "we have only to prepare the last details to take the census which, as we have said, will occur between 11 and 20 September, 10 days, After 20 September we shall begin to revisit about 40,000 homes to verify the quality and accuracy of the census. This quality verification will extend from 25 September to 5 October.

In continuing, Vascos Gonzalez said that after 5 October all area, city and provincial facilities will be rapidly dismantled and the census information will be sent to the National Census Bureau to be processed by computer. The first data to be available is scheduled for 40 days after the close of the census-taking. It is planned that on 30 October the CEE will issue a communique giving preliminary information relative to some of the more important questions covered by the census. After this period, another period of two years will begin in which to process electronically all information gathered via the census and concluding with a definite issuance of the points to be taken up in October 1983.

"In May 1982," Fidel Vascos Gonzalez said, "we shall give certain statistics before the final period. There will be a release of preliminary information, also produced electronically, in which we shall not take up all the questions of the census but enough to supply important data. It should be pointed out that the final results will not be forthcoming until October 1983 but that, since the electronic processing will occur province by province, it will be possible to give information concerning specific provinces as early as 1982 as each province is completed.

"Generally speaking," he concluded, "these are the tasks which are now underway and will soon be completed. As I said previously, we can assure you that this great volume of work is being carried out satisfactorily. Mention should be made of the support and actual work performed by party and government organizations at all levels as well as by political and people's organizations, all of which contributed greatly to the successful accomplishment of the preparatory work of the 1981 population and housing census."

8568
CSO: 3010/1839

EDUCATION GAINS MATCH PRODUCTION, DEFENSE EFFORTS

Havana TRIBUNA DE LA HABANA in Spanish 4 Jul 81 p 2

[Speech by Antonio Perez Herrero, alternate member of the Politburo and member of the Secretariat of the party Central Committee, at the first plenary meeting to intensify the "Battle for the Ninth Grade" in Havana Province]

[Text] Men and women comrades:

In the course of this important meeting we have had the opportunity to learn--from the reports presented by the CTC [Central Organization of Cuban Trade Unions], the Federation of Cuban Women and the Association of Small Farmers--the current organizational status of the effort being made in Havana Province to conduct, and win, the "Battle for the Ninth Grade," just as they previously succeeded in winning the "Battle for the Sixth Grade."

To achieve this goal, the province is relying strongly on the high degree of understanding--on the part of the workers and the people in general--of /the necessity for intensifying the Educational Revolution/ [in boldface], the further development of which is an imperative for progress in the nation's economic and social development.

We have been pleased to see that the plenary meeting has been characterized by a critical and self-critical analysis of the current situation and of the measures that are designed to make attainment of the proposed goals possible.

The seriousness and enthusiasm with which you have reached agreement on the emulation commitments enable us to affirm that you will struggle diligently until you have achieved success in the Battle for the Ninth Grade.

Our views in this regard are confirmed by the experience that the province has acquired in educational work, in connection with one of the largest concentrations of new-type educational centers--centers which have a large enrollment from the province itself and from the capital, with which they maintain a close working relationship. Another aspect to be emphasized in this connection is the fact that 32.3 percent of the population is engaged in study--a fact that says a great deal about the spirit of self-improvement which exists in this region.

Before continuing to analyze those aspects which are the object of our attention today we wish to emphasize the effort and dedication of the workers in the education sector, who in concert with the political and mass organizations are striving

for a solution of the problems encountered in the previous course of study--effort and dedication which are reflected in the positive results achieved in the current course of study and verified by the inspection carried out recently by MINED [Ministry of Education].

These achievements by the province cannot be viewed separately from the successes achieved in other sectors, especially in the sugar industry and in agriculture. In the most recent sugar harvest season the technical economic plan was fulfilled in respect to sugar production, cane grinding, utilization of installed capacity, recovery of industrial by-products, minimum consumption of petroleum, and optimum utilization of the labor force--achievements which have earned the recognition of the people and the national leadership. Moreover, in connection with the preparations for the coming sugar campaign, appreciation has been expressed for the overfulfillment of the planting program and for the attention given to cultivation of the plantings, all of which is serving to create the conditions for achievement of a superior harvest in 1983.

For its part, agricultural and stock-raising activity is progressing favorably, with overfulfillment of the technical economic plan in respect to the production of tuberous and other vegetables and especially in respect to the potato harvest. Similarly, tobacco production has surpassed the results achieved in the previous crop years.

With respect to stock raising, the most outstanding results are reflected in the fulfillment of the commitment to produce more than 1 million liters of milk per day during the current season and 1.2 million liters per day in mid-spring--a victory won thanks to the efforts of the workers.

These same workers--aware of the necessity for their self-improvement as an integral part of the entire population of the province and in concert with the housewives and farmers--are setting for themselves a new goal in the effort to raise their cultural level and complete the ninth grade.

The introduction of new technologies into industry and agriculture, the automation and mechanization of the production processes, the modern investments that have been scheduled, our participation in socialist integration through the CEMA [Council for Mutual Economic Assistance], and the rational implementation of the system of planning and management of the economy demand of all of us a continuing enhancement of our stock of knowledge, with a view to assimilating the experiences and advanced accomplishments of today's world while simultaneously developing the creative initiatives of our working population.

These processes cannot be translated into the general welfare unless we have, at every machine and in every production unit, men and women who are capable of undertaking with lucidity, efficiency and excellence the labor that our society is demanding in order to achieve new successes in the construction of socialism and communism.

It is for this reason that the cultural and political self-improvement of the working population has been a task of primary importance--one that has been carried out in unison with the efforts being made in the sphere of production and defense, and with an awareness of the historic role that has been ours to play in the frontal struggle against underdevelopment and imperialism.

This year we are celebrating the 20th anniversary of the Literacy Campaign, the event that initiated the struggle against illiteracy and that has served as the basis for the most recent achievement, namely completion of the sixth grade by the majority of the workers--a feat the magnitude of which was fully recognized by the Second Congress of our party.

As a continuation of this process, the trade-union movement proposes that we have by 1985 at least 700,000 ninth grade graduates, in response to the requirements of our economy for the training of additional skilled workers and efficient intermediate-level technicians as a requisite for increasing production and labor productivity, 50,000 of whom would be from this province. This commitment obliges us to seek creative and revolutionary solutions to the problems that arise and to overcome all obstacles through practical and intelligent action. To accomplish this objective we must emphasize the necessity of fulfilling the commitment, based on maximum utilization of the opportunities existing for the enrollees and on recognition of the advisability of creating the necessary subjective conditions for their utilization.

Enrollment in this study program is an initial step which takes on special importance. It is logical that we should not graduate or promote students if we do not have them in the classroom, and in this sense it is advisable for the political and mass organizations--in conjunction with the organizations of the state and the corresponding directives of the People's Government--to coordinate their action in order to achieve the goal we have set for ourselves. The proposal to enroll--between September and February--70 percent of the students needed to fulfill the target of the 5-year plan requires serious organizational efforts, but it is an essential and timely step.

To achieve this objective we must keep well in mind the extraordinary impact of the personal example of the respective trade-union and administrative leaders and of the members of the party and the UJC [Union of Young Communists], who should be the first to enroll in the classrooms and be promoted each semester until completion of the ninth grade. Enrollment of the leaders will be the best--and the most convincing--example for the purpose of obtaining the enrollment of the rest of the workers.

The initiative of the province is a very good one, namely that by the year 1984 all its trade-union leaders--where appropriate--will have graduated from the ninth grade, and also the suggestion that the boards of directors and administrative councils of enterprises and institutions should include the topic of "Education and Training," in which the Battle for the Ninth Grade would be analyzed.

In connection with this commitment, the work of the Education Union and of the local organs of the People's Government takes on special significance with respect to the selection and evaluation of teachers, while at the same time enterprises, organizations and trade unions should select the master workers that will be required.

We value positively the considerable contribution that the Federation of Cuban Women can make among housewives and that the National Association of Small Farmers can make among the farm population. In both cases the conditions exist for participation in this battle in accordance with the specific circumstances of each case.

As in every great battle, it is essential to plan what we may refer to as the strategy to be employed by each municipality and each union in accordance with the conditions and characteristics of the workers and the complexity of the work they perform. For this reason it is advisable to utilize the various forms and methods of study that the Ministry of Education and the Central Organization of Cuban Trade Unions have established by mutual agreement.

It has therefore been determined that the CTC and its unions should effectively combine the methods and forms of study that are to be employed and should assist in the determination of the requirements for teachers and for technical material resources, in order that the Directorate of Education of the People's Government may--in conjunction with the CTC and its unions--plan the correct response to these requirements in accordance with the decisions made. It is appropriate to reaffirm the necessity of utilizing to the maximum the educational centers that comprise the regular system of Workers' and Farmers' Secondary Schools and the technical training advantages which it offers.

Expansion of the network of classrooms and assembly halls, both at the work centers and in the municipalities, is indispensable to success in this endeavor. Creativity is another aspect which we should take into account in setting up these classrooms and assembly halls, from the standpoint of their structure and scholastic organization. Of great importance because of their practical application, those centers that are on a rotating schedule offer solutions to workers whose working conditions make this necessary. Other methods and forms help to support this effort.

It is necessary, moreover, to link all this activity to technical training and to utilize another important resource for study--the polytechnic centers--where training is imparted beginning with the sixth grade to produce skilled workers, and also to utilize the training courses of the various organizations. Enrollment of workers in the "skilled worker" courses should be intensified in order that these workers may attain the ninth grade level and raise their level of technical skills in accordance with the requirements of production and the various services.

Enrollment in the study program is an indispensable prerequisite for achieving high indices of graduation with high marks, and in this connection the anti-dropout campaign is truly decisive. Studies have shown that there are difficulties in this respect, and that the index of retention achieved in recent semesters /is not satisfactory and is far below what it should be in order to make possible the high percentage of graduations that is needed./ [in boldface] Constant promotion of the pro-retention campaign (the basis of which--from the very first day--is daily attendance) is of primary importance in the overall work of the trade-union leaders in the various jurisdictions; the personnel and officials of Adult Education; the officials of the administrative organs; the trade-union representatives in the classrooms; the instructors; the master workers; and all those who in one form or another participate in this historic and splendid work.

In this struggle for retention and for excellence it is necessary to devote very close attention to the instructors and to encourage them in their daily effort to achieve greater efficiency, in order that their classes will be a factor for the stability and retention of the enrollees. Organization of the seminars to enable them to respond to the different situations they present is also a matter that demands careful attention.

It is also advisable that related measures be adopted to guarantee optimum utilization of the technical-material study base, and especially of the textbooks that have been placed at the disposal of all the students. There must be a continuing effort to see that these books are used appropriately and to implement procedures at the conclusion of classes that will ensure return of the books and thereby make it possible for other students to use them in the upcoming courses of study.

We do not wish to overlook the role that the boards of directors of the enterprises and administrative organs play in the systematic promotion and monitoring of the progress of this "battle," which if successful will undoubtedly be reflected in greater economic efficiency in their administrative activities.

The necessary effort has not yet been put into the development of socialist emulation, and the plan relating to the Battle for the Ninth Grade has not been sufficiently popularized among the workers.

The Emulation Plan should be learned and taken to heart by all the students, instructors, qualifying officials of administrative organs, trade-union leaders and educational leaders. To this end it is advisable that an extensive and effective publicity effort be made in which priority will be assigned to propaganda that is directed toward the individual worker; in conjunction with this effort, we cannot fail to utilize a basic factor, namely selection of the most outstanding workers with a view to motivating them. /To make emulation function efficiently is to create a solid foundation for the continuing promotion--and success--of the Battle for the Ninth Grade./ [in boldface]

In honor of the important event of the international working class that will be held in our country next year, the enrollment and incorporation campaign will be entitled, "Enrollment and Promotion in Honor of the 10th Congress of the World Federation of Trade Unions." This should, moreover, help to accentuate the enthusiasm for emulation and execution of the program of measures proposed by the CTC and the Directorate of Education of the People's Government.

On the basis of the fulfillment of these conditions, our wish for Havana Province is that it will be among the first to declare itself victorious in the Battle for the Ninth Grade. We also hope that it will continue to score new successes in the areas of education, production and defense.

Thank you very much.

10992
CSO: 3010/1793

PEOPLE'S GOVERNMENT DELEGATE RESPONSIBILITIES EXPLAINED

Havana GRANMA in Spanish 24, 29 Jun, 8, 10 Jul 81

[Article by Susana Lee: "Thoughts About Work of People's Government Delegates"; passages enclosed in slantlines printed in boldface]

[24 Jun 81 p 2]

[Text] One of the most widely discussed aspects of the functioning of the local organs of people's government in the 4-1/2 years since they were created is the work of the delegates in the districts.

This has been a burning question, especially during rendering of accounts meetings. Since we are in the midst of one of these periods and since the Council of State recently announced elections in October for the third term for these organs--the first began in October 1976 and the second in April 1979--we are writing about some thoughts and experience in this.

No one questions the role and the importance of the institutional mechanisms derived from the organs of people's government in solving many of the residents' problems. Almost everything about this has already been said, written and regulated.

The deputies discussed several aspects of this topic during the first regular sessions of the national assembly in 1978.

What needs to be analyzed and discussed? Basically, the meetings where the delegate renders account, receives his electors' statements and gives the answers to those statements from the appropriate entities--administrative offices, enterprises, etc.

If when the reader reaches this paragraph he thinks about his own personal experience--in his area and with his delegate and the experiences of his relatives, friends and work comrades--it could almost be guaranteed that some of his thoughts will include:

Poor organization in rendering accounts in some cases, poor attendance and participation by the electors, dull reports by the delegates, transmission of meaningless answers, statements that remain not only unsolved but unanswered or with an unsatisfactory answer from one assembly to the next and the delegate's ignorance

about regulations, methodologies and general problems in the country or particular problems in his area.

It is true and it should be explained that the above cannot be applied to the more than 10,600 delegates to the 169 municipal assemblies. That situation, to a greater or lesser degree, occurs more frequently in the provincial capitals and the more urbanized areas. To go even further, many electors in Havana City will see themselves "portrayed" in that set of considerations.

There is an explanation. The urban areas, especially the larger ones, have a larger infrastructure of houses, highways and services and, therefore, have more problems. Of course, solutions that have been obvious in some municipalities and districts are not equally appropriate for others with a greater density of installations and population in spite of the proportionality established in the allocation of resources, for example.

The Diez de Octubre Municipal Assembly in Havana City with its 87 delegates who answer to more than 256,000 inhabitants is not in the same position as the Ranchuelo Municipal Assembly in Villa Clara with the same number of delegates but with a population of about 62,000.

The electors most affected could think: "Yes, but as the saying goes, 'that does not take away the validity.'" We agree. It is not a matter of justifying the poor work of some delegates. It is a matter of arguing that much of the key to success in this government task, doing the work for which they were created, rests on the actions of the delegate, first, and on the municipal assembly as a whole.

Otherwise, who is responsible for the proper preparation of the rendering of accounts meeting? Who is responsible so that the information presented does not deceive the electors? Who is responsible for convincing answers to the statements formulated in previous meetings? In short, who is responsible so that this assembly is not just one more assembly but the most important event in the district with increasing attendance and more enthusiastic participation by the residents?

We repeat, it depends on the /delegate/ primarily and on the support that he receives from the organ he belongs to--the corresponding municipal assembly--for which his electors gave him his mandate.

[29 Jun 81 p 2]

[Text] The delegate meets with his electors every 4 months to account for his actions and report on the general decisions of the municipal assembly and its executive committee. There is a provisional methodology approved by the national assembly based on documents governing the work of the local organs of people's government, the regulations of the provincial and municipal assemblies and the experiences of the first term--October 1976 to April 1979.

Part of these meetings is devoted to statements by the electors, either new ones, ones pending solution or response or unsatisfied ones.

As is known, there is another way to give opinions, complaints and suggestions since these are important in the participation of the masses in government decisions

concerning their community. There can be personal meetings with the electors between assemblies. All delegates have one day a week when they meet with their electors. Residents can also present them in letters.

There are objective problems that do not have a final solution yet--for example, those related to housing or other problems that do not correspond with the total reality of the country or the area. For example, someone demands a daycare center in his district when there are several in the municipality. There is another broad range of statements that can be solved or answered quickly. This is precisely where, at times, the mechanism "breaks down" and the electors are disappointed.

Many of us recall comrade Raul's words when, at the beginning of the experiment in Matanzas in August 1974, he pointed out that, in each contact with the electors, the delegate had to report about the activities of the municipal people's government and its diverse responsibilities, /"about his personal activity as a delegate, about the way the electors' statements that he presented to the people's government had been handled, about those which have solutions and about those which do not have solutions or have long-range solutions and about the reason for each solution and each measure. Nothing should be left unexplained to the masses."/

Again we presume that some reader might think about what happened in the last or second last assembly. His statement or another resident's did not receive an answer--or solution. Perhaps he recalls that the same situation was again expressed and that the delegate explained that he would again "pass it on." Or someone repeated a problem like, for example, the quality of bread in Havana City. Although there is always an explanation, it is not solved. One example is road repairs where the recent quantitative effort is recognized but the quality of work is a problem. There are main arteries that have been repaired but soon are back in the same condition as before. More isolated roads deteriorate rapidly. As one comrade said in an assembly the other day, "The problem is not that many are involved but they work less but, rather, that the repairs do not last."

It is no less true that, in some municipalities, the administrative directors--either due to the number of their sometimes urgent tasks or due to other reasons--take too long to answer or solve the statements that come to them through the delegates. This places the delegates "between the devil and the deep blue sea" with their electors.

At times, the responses to one rendering of accounts meeting reach the delegate a few days before the next. As is obvious, that makes it hard for him to analyze, verify or contact the elector who presented the complaint in order to assure him--before the meeting--that there is an acceptable explanation.

There are also delegates who, due to the number of their tasks or due to other reasons, delay taking the minutes to the secretariat of the executive committee and delay presenting the statements.

As can be inferred from the above, the work of the people's government does not depend on one delegate or on the president of the municipal assembly--to name two cases--but on collective leadership, concern and action by all involved. The municipal and provincial executive committees have a basic responsibility.

Although the action of each one is important, other auxiliary instruments like organization, control and demand in the fulfillment of the established precepts cannot be forgotten.

[8 Jul 81 p 2]

[Text] With the exception of the National Assembly Regulation, the Regulatory Norms for Provincial and Municipal Assemblies and the provisional methodology for the preparation and development of rendering of accounts meetings, the rest of the provisions to achieve greater efficiency in the work of the local organs of people's government depends on their creative initiative.

We recently toured Sancti Spiritus Province. One experiment that attracted our attention was related to control of electors' statements, the forms established to expedite them and to increase demand on the delegates and directors of enterprises.

About 76 percent of the electors attended the meetings to render accounts in the first term--October 1976 to April 1979. This rose to about 82 percent in the second term--until February 1981.

As of 28 February, 37,847 statements had been formulated by the electors in the eight municipalities. There were material (that is, physical) solutions to 16,052 (42.4 percent), responses to 16,948 (44.7 percent) and 4,847 remained pending (12.8 percent).

The people's government in the province is working to end the present term with at least 50 percent of the statements solved materially.

It is possible to achieve this--and even surpass it--since three major problems repeated throughout the territory--grave digging, road maintenance and problems with the electrical service--are receiving priority solutions from the provincial assembly based on allocations from the central government and local decisions.

However, we will not limit ourselves to statistical information which, in spite of its importance, is usually dull for the readers. Let us give a concrete example of the most noticeable: delivery of construction materials.

In 1980, cement, bricks, nails, tile, latticework and electric cable worth 3,474,000 pesos were distributed to the people in the province. Neighborhood committees in the districts themselves analyze needs and establish priorities for the allocations. This list is analyzed again by a municipal assembly committee and, in at least two of its regular sessions per year, the list of those who will receive these based on available resources will be determined.

In a tour through several districts in the provincial capital, we could verify the results of this work in dozens of repairs, remodeling and even housing construction.

The priorities that the provincial organ of government has given to local production of construction materials, including incentives for the workers in their tile works, have a decisive influence. With greater effort and the use of innovations, they have multiplied their productivity.

Clinical History of Each Statement

Hipolito Rodriguez and Alicia Crespo, president and secretary of the provincial assembly respectively, explained the method that they have used since April 1979 for the electors' statements as a result of an analysis of the experiences of the first term and a discussion with all the delegates.

In essence, it consists of making up a card or "clinical history" for each elector's statement, whether at a rendering of accounts meeting, in his office or even formulated "in passing"--that is, at his home, during volunteer work, etc.

The card is recorded at the secretariat of the municipal assembly and also in the Delegate's Book. Between the 20th and 30th of every month, each delegate has a meeting at the secretariat of his assembly with the official in charge of this control and a member of the executive committee.

At this meeting, the delegate reviews his book and the official reviews the cards, the standing of past statements--whether they have been solved or not--and starts new ones.

There are two cards for each statement, one that will remain at the secretariat and the other which will be sent to the member of the executive committee involved with that situation.

Neither the card nor the meeting replaces the action that the delegate must take with the directors of the enterprises. The function of the director is not replaced by the member of the executive committee since the latter is not empowered to give a solution or response to the problem. However, one of his duties is to check its progress with the official involved.

The /delegate/ is the one who /has to transmit the statement/. The /director of the enterprise/ is the one who /must give a response/ to the delegate. To facilitate the work of the delegates, it has been established provincially that all the directors remain in their offices every Tuesday to meet with the delegates.

The steps taken are written down on the card and it remains active until the statement has received a solution or at least a convincing explanation.

In meetings with several delegates to the Trinidad Municipal Assembly and with the members of the Yaguajay municipal executive committee, we asked about the system. There were many questions because there were many variants.

We could conclude that it is efficient, it ensures an optimum level--as far as we know--of organization and information on the problems that the people complain about, guarantees control of the statements formulated in different ways by the electors and raises the level of demand by the delegates on the administrative directors.

The most important thing is that it expedites the transaction of each statement and, therefore, its response.

We conclude today's thoughts with a summary of the advantages of this method as expressed by a Trinidad delegate:

"There has been progress with the card. Our work and the results of our work have improved. There is a better relationship between delegates and directors. As long as a problem has not been solved, the card is there 'hitting us' both; we both feel pressured. Justification responses have been eliminated to a great degree as have delays. Of course, our rendering of accounts is much better and the electors are more satisfied with the confidence that they have placed in us."

[10 Jul 81 p 2]

[Text] According to the schedule approved by the National Electoral Commission, the nomination assemblies for candidates to be delegates to the municipal people's government assemblies will be held between 1 and 20 August. The election will take place in October of this year.

We must reflect about this important event in the life of the nation. It will be the third time when all citizens over 16 years of age will go to the polls to vote for those who they feel can best represent them in the local organs of people's government.

It is not like the first time when there were no precedents; now there are. There have been almost 5 years of national experience (7 years for those in Matanzas which had the responsibility of being the "pilot" area in 1974). Each elector has gained in knowledge and mastery of these institutions of people's government.

In August 1976, the motto of "electing the best" had to be limited naturally to revolutionary, labor, social and moral merits since there was no previous experience in the exercise of this type of government. On this occasion, it is necessary to add new qualifications to all those: being capable of effectively representing electors, having the necessary "knack" for work with the masses and possessing the appropriate aptitude and characteristics for this work.

Each elector might think about those who would have the qualifications to be proposed at the nomination assemblies.

These 5 years of experience in the organs of people's government will facilitate the analysis in each district because it is certainly true that sometimes excellent comrades with extraordinary revolutionary merits were not the most effective in their work as delegates. There are many reasons for this. We will mention only a few.

There were comrades with many labor responsibilities which kept them from devoting enough time to this task. There were others who, due to personality problems, were not suited to this work which demands so much in the vast area of communication. There was also a very small number who committed errors in method or other errors and who were recalled or replaced by their own electors. Obviously, there were those who, even under the best conditions, paid in the second term for their natural lack of experience in the first period.

The objective situation that affected the country at the time of the birth of these organs cannot be forgotten in this brief summary. This greatly affected the work of the delegate because it was not possible to give a practical response to the innumerable problems accumulated.

Every new thing--like the installation of people's government--has its share of inexperience.

Those conditions had changed substantially by the second term and, of course, there were 2-1/2 years of experience and regulations, norms and provisions which made the work more feasible.

On the eve of the third term, the situation is again different and presents an unquestionable improvement in every way. It is not that there are no problems and will not be difficulties. However, there is no question that those who are elected in October will face a different objective and subjective situation. We know this because each one, in his position, has been a factor in that positive transformation.

On 10 June when the National Electoral Commission was formed, the preparatory work for the elections to the organs of people's government was begun. That work will increase in every corner of the country.

Let us prepare, with the seriousness and maturity acquired in these first 5 years of experience with the people's government, to nominate the best candidates and then elect the best of the best in October.

7717
CSO: 3010/1847

'TRABAJADORES' BEGINS LABOR LEGISLATION REVIEW SECTION

Havana TRABAJADORES in Spanish 21 Jul 81 p 4

[Article by Irene Reyes]

[Text] Dear reader:

> Recently, the First National Meeting of Chiefs of Personnel was held. One of the objectives of this meeting was analysis of topics relating to advice about and dissemination of labor legislation. As a result of this meeting, which took into consideration the views of personnel chiefs in municipalities, provinces, enterprises and organizations, every 2 weeks beginning 21 July, this newspaper TRABAJADORES, in coordination with the Department of Information of the CETSS [State Committee for Labor and Social Security], will offer various commentaries on labor legislation. You can write to the newspaper or to the above-mentioned Department, located at 23d and P, Vedado, and suggest subjects of interest to you which we should deal with in the new section entitled "Labor Legislation." We hope that this section will be interesting and meet with your approval. (Editorial Office, TRABAJADORES)

The evaluation of a worker's qualifications is for the purpose of assuring that every position is filled by a person who has the requisite knowledge and experience for the position.

Satisfactory performance of the duties of the position will contribute to improving work and productivity, savings in materials and raw materials and, in the economic distribution sector, will make it possible to interlace the general goals of the socialist society with the individual aspirations of the worker.

However, evaluation is nothing new. Nineteen years ago, a resolution was promulgated for the first time--No 5758--which anticipated this important subject and expressed the concern of the Revolutionary Government for our worker class, and to desire to leave behind countless decades of capitalist oppression in which the worker's advancement depended upon the fickle whims of the middle class.

The socialist principle of distribution--which states from each according to his ability, to each according to the quantity and quality of his work--requires the

proper organization of the worker evaluation system in such a way that it is able to reveal the inadequacies of his qualifications and provide the basis for the preparation of plans to improve his qualifications and advancement to more complex positions.

The swift development of our economy and better organization of work permitted progress in the fulfillment of this maxim, as the result of which Resolution 24 was put in effect in 1976 and later its supplements, Resolutions 79 and 146, which established the principles and objectives for implementation of the system for evaluation of the qualifications of workers in a more scientific manner.

On 10 June 1981, the State Committee for Labor and Social Security issued Resolution 765 in which the preceding resolutions that are still in force were combined in a single legal document, as was the experience accumulated during that period, which is compatible with present labor legislation.

Some of the provisions of Resolution 24 and its supplementary resolutions which are still in force are: the circumstances in which evaluations are made to fill vacant positions that are not abolished and newly established positions; there is also the situation in which there is a request from management to replace a worker, after prior consultation with the trade union section, because of the worker's inefficiency or low productivity; and, finally, cases in which the employee feels he has qualifications superior to those required for the position he occupies.

Management has the obligation of assuring the legitimate right which every worker has; therefore, every vacant or newly established position should be posted and candidates should be evaluated. Of the qualified candidates, the worker with the greatest seniority at the work site will be given priority.

Contributions to the Evaluation System

CETSS Resolution 765 covernig the organization, implementation and subsequent control of worker evaluations and promotions, without claiming to be a perfect labor legislation legal instrument, is doubtless a selective compendium of past experiences.

Resolution 765 makes significant contributions, compared to Resolution 24, including the following: application of the qualifications evaluation system beginning with Group III (inclusive) of the present wage scale, in the occupational categories of laborers, service and administrative workers. Agricultural and forestry manual activities will be excluded.

The resolution states that there will be no evaluation of workers in specified cases, such as drivers--when additional skills are not required--who are evaluated for a position of greater qualifications and complexity which they would perform within the same occupation and personnel whose occupations change group, occupational category or nomenclature but the nature of their work and the qualifications requirements remain unchanged.

Also excepted are secretaries, typists, stenographers and office clerks who have bilingual stenographic certificates at the middle technician level, as well as

workers who are employed as accountant assistants A and B, statistical assistants A and B and planning assistants who are midlevel technical graduates in the specialties of economic information, finance, statistics, planning and planning accountant.

The fundamental elements which serve as the basis of the evaluation are knowledge and skills, whose maximum values are 30 and 70 points, respectively. Resolution 765 gives the worker an opportunity to buttress his knowledge evaluation with credit for experience. Proof of experience must be demonstrated.

Importance is given to a decision made with respect to graduates of worker qualification courses of the National Education System, who, when they join the labor force, sign a work contract with management for 9 months after which they are evaluated. If they receive passing marks, they will be placed in the position at the wage established for the occupation.

Some Important Definitions

Exempt from the requirement that their skills be demonstrated are workers who have accreditation certificates showing their educational level issued by the Ministry of Education or by state organizations, if their programs are recognized by the ministry and the certificates correspond with the requirements of the job in question.

On the other hand, those who are evaluated for a position of lesser qualifications and aspire to one with higher qualifications, within the same family and the knowledge requirements are equal for both positions, they will be evaluated solely on experience. Members of skills and training courses in the production sector, if the training takes place under a system of work standards and the worker meets the standards in a sustained manner, will not have to take tests.

Management has the obligation of making an evaluation within a period of 90 days of workers who, at the time this resolution became effective, had not been evaluated. To this end management will have the valuable help of evaluation committees established for this purpose in the selfsame workplaces.

Finally, it should be noted that stimulation of worker interest in his qualifications should be a daily task of management and the worker movement in every production center of the country.

8143
CSO: 3010/1845

ROLE OF TRADE UNION ACTIVIST EXPLAINED

Havana TRABAJADORES in Spanish 17 Aug 81 p 2

[Article by Jose Reyes]

[Text] In our workplaces and service centers there are activists who perform many duties and help to improve the operation and organization of the trade union sections as a whole.

But do we really know what a trade union activist is and what role he palys within the trade union?

The trade union activist is defined as a member working in a trade union section or office who, without having been elected in the rank-and-file organization or in the intermediate or higher organization, gives part of his free time to the performance of tasks entrusted to him in the trade union management sector.

The incorporation of thousands of workers in the performance of tasks via trade union activism, in addition to the practice of the revolutionary principle of using the masses as the basis for successfully undertaking tasks, is a formidable source of future trade union cadres whom the masses must identify and encourage.

Thus activism is one of the best ways to incorporate members into trade union work. It makes possible the harmonious and integral performance of all the tasks conferred upon the Workers Movement and contributes to the gradual and effective development of a better cadre policy.

Activism: Its Organization

Trade union activism can and must be well organized to ensure performance of the most simple, but important, task of a worker correspondent or of an activist collector of trade union dues and of tasks involving assistance and advice on the preparation of specialized documents, reports and plans of higher organizations, which may be levied upon many members who have sufficient knowledge and the required skills to perform them.

Let us always keep in mind that the Trade Union Movement includes all the country's workers; therefore, no matter what task is at hand, no matter how difficult it may

be, we have dozens of members who have the skills and knowledge the utilization of which will help us perform the task successfully.

However, we should not lose sight of the fact that these comrades are not professional cadres and that they can only make a part of their free time available to the Trade Union Movement. Failure to clearly understand this fact can give us mistaken ideas about Trade Union Activism. It is preferable to have many activists with few tasks rather than few activists with many chores.

Our activism must be efficient. To this end, we must make use of the attitude, skills and availability of trade union workers, offer them such tasks as are to their liking and of which they have knowledge and make them responsible for specific tasks which are understandable to them and easy to accomplish.

Under no circumstances should we underestimate the importance of the vouuntary contributions made by thousands of trade union workers enlisted in strong activism, the foundation of the trade union movement.

8143
CSO: 3010/1845

GENERAL BATISTA PRESENTS BANNER TO FAR BORDER BRIGADE

Havana JUVENTUD REBELDE in Spanish 23 Aug 81 p 1

[Article by Pablo Soros Fernandez]

[Text] Guantanamo--The solemn ceremony of presenting the banner of Initiator Unit of Socialist Emulation [UIES] in the Revolutionary Armed Forces [FAR] to our glorious Border Brigade was held within a few meters of our national territory illegally occupied by the Caimanera Yankee naval base.

Shortly after presenting the symbolic award to Troop Commander Col Orgelino Perez Pena, Div Gen Sixto Batista Santana, alternate member of the Politburo of the party Central Committee and head of the FAR Central Policy Directorate, stressed the rich and brotherly combative tradition possessed by this brigade, pride of the Eastern Army and country.

In summarizing the activity, Batista Santana declared that it is truly symbolic that the presentation of this award is occurring on the same spot where the Border Brigade combatants valorously and stoically stood up to many provocations and attacks during more than four 5-year periods.

He pointed out that with considerable tenacity and risk and with a great sense of honor this group developed high combative spirit and its members distinguished themselves through their firmness, determination, courage, love of fatherland and limitless loyalty to the revolution and socialism.

The alternate member of the Politburo stated that, due to this exemplary attitude and the successful completion of the principal assigned tasks, the Border Brigade earned the distinction of being declared by the FAR minister: Initiator Unit of Socialist Emulation for the past instructive year 1980-1981. He also noted that, at the conclusion of this work period, he was presenting them the honorable banner of this emulative movement. The decisive and enthusiastic assistance given by the Border Brigade troops to the training units of the Territorial Troop Militias [MTT] and the fact that this was the first FAR unit to pledge one day's wages per month during 1981 to help defray the expenses of this new popular force were aspects stressed by the division general.

"The movement of initiators of socialist emulation, which arose within the FAR and was warmly supported by all commanders, officers and combatants, is a bulwark of

the politico-ideological and party effort being made by the troops; it is contributing to the successful development of the combative missions assigned to the military unit and is the inspirational force which is manifesting itself in a constant increase in combative and motivational inclination on the part of the FAR."

After reporting that anti-Cuban imperialist hysteria is now being combated more forcefully and that new aggressive measures against our country are being repelled, the Politburo alternate member repeated that "in face of that situation the tireless combatants of the Border Brigade, calm and determined, are keeping watch over our national threshold within a few kilometers of where the fierce Yankee is sinking its claws."

He emphasized how important it is to our FAR and, particularly, to the Border Brigade combatants that this award was received on the 20th anniversary of Giron and the proclamation of the socialist nature of the revolution, and only a few months from the 25th anniversary of the launching of the "Granma," FAR Day.

Finally, he urged the combatants of this vanguard point "today more than ever to take up the task of safeguarding our frontiers; this is a duty imposed upon us by the fatherland and our fallen comrades who live in the heart of each combatant of this brigade and in this banner which is also part of their lives and work."

The ceremony began with a bugle call summoning everyone to attention. Then came the presentation of the national flag and the unit's combat flag, carried and attended by four specially selected combatants to the front of the troops standing at attention and subsequently reviewed by Brig Gen Elio Avila Trujillo.

Raul's Message

Frig Capt Ovidio Sopena, representing the General Staff, read a congratulatory note sent by Army Gen Raul Castro, minister of FAR, to the commanders, officers, noncommissioned officers, sergeants, soldiers and civilian workers of the brigade.

In the note he warmly congratulates all the combatants who, with their effort and dedication, made the success achieved by the Border Brigade possible, "the good results obtained in combative and political training in the use of weaponry and technique in general as well as in other aspects of military life."

The following were also present at the ceremony: Div Gen Julio Casas Regueiro, member of the Central Committee and substitute for the FAR minister and troop commander of the DAAFAR [Antiaircraft Defense and Revolutionary Air Force]; Col Arnaldo Tamayo Mendez, alternate member of the Central Committee and first Latin American cosmonaut; Alberto Martinez, second secretary of the party in the province; and other party leaders, people's organizations, commanders, officers and vanguard combatants of FAR.

8568
CSO: 3010/1839

DUARTE SHOULD HAVE USED HARD LINE IN U.S.

PA291437 San Salvador EL DIARIO DE HOY in Spanish 28 Sep 81 p 13

[Editorial: "Government Junta President Visits United States"]

[Excerpts] Jose Napoleon Duarte has revealed the Communists conspiracy against El Salvador. He spoke to U.S. news media and noted that Nicaragua gives direct assistance to terrorist groups operating in El Salvador. Duarte's visit comes at a time when the Central American and Salvadoran case is gathering new importance in the United States, mostly because of pressures for a "negotiated solution" to the problem.

However, it is regrettable that the opportunity to influence U.S. public opinion in our favor was not fully exploited because of incompetent advisers and the error of supporting, there as well as here, political positions that do not reflect the antiterrorist struggle and that served to confuse his listeners.

Duarte fell into a trap when he dedicated most of his eloquence to the injustices and "horrors" of the past 50 years, forgetting that the Communist conspiracy predates the era of Don Pio (Pio Romero Bosque), Salvadoran president [1927-1931], one of those who served to justify the continuation of cliques in power. It is a well-known fact that one of the main tactics of subversives is to provoke repression and military coups, so as to justify their actions. An example of this was the Tupamaro program in Uruguay.

Horror in Central America is an Attack on the United States

It is obvious that Duarte's refusals to ask for help directly relates to the present policy of budget cuts promoted by the Reagan administration, in that he thought it would be unwise to request aid. However, sooner or later the U.S. Congress will discuss programs of aid to El Salvador without having really convinced the people of our legitimate demands. The junta must reassert, once and a thousand times, that the horror confronting Central America, along with the tragedy of Iran and Afghanistan and the debacle in Africa, is the result of a Soviet attack and not of domestic situations. He should have left other domestic matters to be discussed at home. Also that this phase Communist expansionism is to a great extent the result of the clumsy and abetting policies of the Carter regime (referring to the Carter administration).

To many of the U.S. information media which constantly publicize the idea that the United States must abandon El Salvador or reach an agreement with terrorism to avoid being dragged into "a new Vietnam," Duarte could have said that--setting aside what happened in Indochina--if Communism is not halted in Central America, the next war will be on the banks of the Rio Grande River. This is why the military and economic assistance which can be established by specialists such as Duarte is not so much for our benefit as for the benefit of the United States.

CSO: 3010/34

MERCENARIES REINFORCE GUERRILLA FORCES

San Salvador EL MUNDO in Spanish 27 Aug 81 p 3

[Text] The Salvadoran guerrillas have been receiving new supplies of arms and ammunition and mercenaries from Cuba and Nicaragua, according to the minister of defense, Col Jose Guillermo Garcia, and the chief of the General Staff of the Armed Forces, Col Rafael Flores Lima, who spoke at a press conference yesterday before foreign correspondents and local reporters.

Col Flores Lima stressed that military intelligence has learned that new and heavy shipments of war supplies have been made to the guerrilla groups operating in different areas of the country to enable them to continue, he added, with their plans to murder peaceful citizens and destroy job sites, etc.

Col Garcia explained that the presence of Cuban and Nicaraguan mercenaries was detected in Perquin. Together with Salvadoran extremists, they fled to the area near the Honduran border, where, it was indicated, there are heavy concentrations of subversives. Both officials stated that the Cuban and Nicaraguan mercenaries, according to confidential reports, infiltrated the country by means of clandestine landings along the Gulf of Fonseca coast and at other places in the past few weeks.

Finally, they said that despite this kind of foreign intervention, the armed forces held control over the disputed areas, which they described as follows: northern Chalatenango, northern Cabanas, northern Morazan, the eastern section of San Miguel, and sections of San Vicente and Usulutan.

The minister of defense said that the armed forces did not recognize the existence of prisoners of war held by the extremist organizations. He reiterated that this is one of the falsehoods that Radio Venceremos broadcasts daily.

9015
CSO: 3010/1829

PARTIES SEEN AS OBSTACLE TO FAIR ELECTIONS

PA270147 San Salvador DIARIO LATINO in Spanish 25 Sep 81 pp 2, 17

[Words between slantlines published in uppercase]

[Text] This morning Dr Ricardo Jimenez Castillo gave us the following opinion of the nation's political problems. The esteemed professional says:

"I have had the chance to consult many sensible, patriotic persons, who have no personal interest in the upcoming elections. All of them agree with me in the fear--well-founded, to be sure--that the 'solution' of elections could easily become the beginning of a real civil revolution in our country. The reason is obvious; it is self-evident. It suffices to peruse the list of 'new and old political parties' that want to speak for the people in the constituent assembly, even though all of them are organized and, most important, are directed by persons who are known for their 'political' background in the nefarious governments we have endured in recent years--some of these backgrounds shamelessly open, while others are hidden (some of these 'leaders,' as well as all of their colleagues, have paid 'well-deserved' dues, giving their 'contributions' to the party by the calendar, not with a check that leaves tracks, but in cash, which leaves 'memories' but not documentation).

"One result of trying to force the people to seek their constituents within these parties could be that the 'electorate force' remains at home, as I would do, in very high numbers, clenching their teeth in anger. No threat of a fine or anything like it would make them go to the polls, simply because we Salvadorans who love our country sincerely--the great majority of the population--want nothing to do with the past that brought us to this hecatomb, planned and executed by forces that are alien to El Salvador; but they are an explosive force that, in a political sense more than anything else, has been building here as a result of government action--erroneous management, to say the least...

"The elections could in fact be a solution (without quotation marks) as long as our people are offered an adequate means of proper representation in the constituent assembly. In that case, they would be willing to confront any danger that voting may bring. The experience of the 13 provinces in North America, which were represented in the wisest constituent assembly in the history of mankind, could be our guide--certainly never anything recommended by persons who act as if they are proconsuls in a contemporary imperial Rome. Those 13 provinces did not seek their representatives through parties--there were only tendencies in

those times--and yet achieved a constitution that, after 200 years, remains in full effect a shining example. Here, it should be the 14 departments that elect their constituents, without discredited /go-betweens/ (or not, whatever the case). The way to do it? This is what the central electoral council is for, to wrack its mind to find a practical solution that would also disprove the repeated charge that the Christian Democratic Party wants to impose itself, using the old methods: over, under or behind the back of the honest Dr Bustamante (who, following the steps of [U.S. Ambassador] Hinton, works at a one-way correspondence: he writes to them and they don't reply). It should not be forgotten, in case it is not yet clear: massive absenteeism in /repudiation of the old politicians/ would be presented to the whole world by the formidable Muscovite propaganda machinery /as a 'vote' in favor of the guerrilla-terrorists; and immediately, this 'success' would be taken maximal advantage of to augment, also maximally, support for the terrorism of the guerrillas. Only the blind or the guerrillas' accomplices do not see this."

CSO: 3010/34

BRIEFS

PDC REGISTERS FOR ELECTIONS--A Christian Democratic Party [PDC] delegation led by Dr Julio Alfredo Samayoa went yesterday before the Central Electoral Council to register for the March elections. Among other things, Dr Samayoa said that it was decided, in line with electoral law and party statutes, to continue to participate as a political party and to draft the necessary documents. These documents are now being presented in public, he added. He also noted that the other political parties will probably imitate the PDC, since the government has summoned them to participate in the elections. "The PDC has always defended pluralism and believes in the registration of each and every party. By our contribution to this democratic process, it will be the people who, with their vote, will make the final decision." In reply, Dr Jorge Bustamante, president of the Central Electoral Council, said: "We are pleased that the PDC has fulfilled the necessary prerequisites for its registration and the council acknowledges receipt of the corresponding documents. There will be no obstacles to this registration, since it is a demonstration of patriotism by the PDC." [Excerpt] [PA252317 San Salvador DIARIO DE HOY in Spanish 24 Sep 81 p 2]

FMLN REJECTS REGIME'S CAMPAIGN--At this moment we are receiving at Radio Venceremos a report from the Varilla Negra region, in the Francisco Sanchez northeastern front. The report is signed by Commander Chano. The report tells the Salvadoran people and the people of the world that it is untrue that FMLN forces were responsible for the murder of two national water and sewer administration, ANDA, employees, (Jose Luis Gomez) and (Francisco Mejia Orellana), who were employed in the city of San Miguel. We deny having any responsibility in this criminal action perpetrated on 20 September by the death squad, which is directed by the Christian Democratic junta and the armed forces high command. We take advantage of this opportunity to reveal the campaign to discredit the FMLN that the enemy has launched in the zones of Lislique, (Veraneros) and the nearby cantons of Carbonal, Las Pilas, El Derrumbado and so forth. In these cantons, the enemy has armed counterrevolutionary bands composed of informers, reserves, soldiers and national guards, who kidnap and kill humble peasants and then accuse our revolutionary organizations of having committed these human rights violations. Signed: Commander Chano. [Text] [PA301516 (Clandestine) Radio Venceremos in Spanish to El Salvador 1200 GMT 30 Sep 81]

CSO: 3010/36

RELATIONS WITH UNITED STATES RETURN TO NORMAL

Guatemala City PRENSA LIBRE in Spanish 22 Aug 81 p 16

[Text] "With the arrival of the new U.S. Ambassador, Mr Frederick Chapin, diplomatic relations between Guatemala and the United States are now completely normal," the secretary of public relations of the presidency, Carlos Toledo Vielman, told PRENSA LIBRE yesterday.

He said that relations between the two countries had always been cordial. However, it must be recognized that during the Carter administration, especially during the past 2 years, relations had deteriorated.

"Mr Carter tried to intervene in the internal affairs of our country and the Guatemalan Government could not accept that by any means."

With the assumption of Ronald Reagan to the presidency of the United States relations have improved significantly, notwithstanding the pressures that have been brought to bear against the present U.S. Government by enemies of Guatemala which are still embedded in the new U.S. administration.

"Diplomatic relations will be normalized with the arrival of Ambassador Chapin in Guatemala. His presence is important to us inasmuch as the U.S. Government will have the opportunity to learn what the Guatemalan people's real situation is, through the eyes of the new ambassador.

"We are aware of the professional and dimlomatic capabilities of Mr Chapin and we are likewise pleased at his good will toward Guatemala which he has demonstrated by statements made to the press in his country.

"As a representative of a friendly nation, we welcome him with a friendly embrace, and we hope that his mission as head of the U.S. Embassy will help to improve and strengthen the friendship and cooperation that exists between Guatemala and the United States."

9015
CSO: 3010/1829

GOVERNMENT LAND PURCHASE SCANDAL EXPOSED

Attorney General Accepts No Blame

PA302230 Tegucigalpa Voz De Honduras Network in Spanish 1145 GMT 30 Sep 81

[Telephone interview with Attorney General Serapio Hernandez--live]

[Excerpt] [Question] First of all, we would like your opinion of the report carried by TIEMPO newspaper [implicating him in land purchase scandal].

[Answer] I was just now listening to the newsman Canales, from San Pedro Sula, reading from the San Pedro Sula TIEMPO, the charge being made against me, the attorney general.

On this subject, I wish to say that this is the first time that I have been mentioned in that scandal. I used that word because that is the term used by the press, and it is indeed accurate.

I would like to say--because I could not let more time go by--that from my early years I have been accustomed to telling the truth. I inherited this from my ancestors, peasants who never imagined that I would ever be in these straits.

However, true to these principles, I wish to say something about this information. Under the presidency system which governs us, there is a fact of which we should all be aware: In this country, the sailors do not rule; the admiral rules and we do what he says, even though we have developed a legal system.

The attorney general's role in this matter is only a formality. In other words, he legalizes an operation that was contracted for and negotiated by others. The president prepares an agreement which, to a certain extent, is an order that the attorney general has to execute. This was the case with this and other operations. Its purpose is to legitimize the operation. The attorney general has no part in the negotiations or the actions that culminate in the issuance of this agreement. Therefore, I consider myself free of any sin, if one exists, in this operation.

Under Secretary Denies Involvement

PA302009 Tegucigalpa Voz De Honduras Network in Spanish 1145 GMT 30 Sep 81

[Report by Salvador Canales from San Pedro Sula]

[Text] The newspaper TIEMPO on page 15 carries the following report: [headlined]: "Attorney General Involved in Land Purchase; Finance Under Secretary Says: I Am

Innocent," while implicating Attorney General Serapio Hernandez Castellanos in the signing of the contract to purchase controversial land located 12 km from Tegucigalpa.

Serapio Hernandez Castellanos signed the sale documents, Under Secretary (Hernan Galeas) said. He was surprised by the official decision to appoint a commission to investigate alleged maladministration by Minister Valentin Mendoza, who is abroad at present.

The first thing the under secretary said on learning of the case was: I am blameless in this matter. I had nothing to do with it. I had no idea of whether or not the land was community [Ejidal] property. I believed the transaction to be normal.

The official noted that Serapio Hernandez Castellanos, attorney general of the republic, signed the respective contracts to ensure that the action was not illegal. He added, we are ready to respond to questions in any investigation since we acted properly. He reiterated that he was aware of the purchase of some land from the company known as Immobiliaria Soledad. However, he said that in his opinion everything was normal.

The official said that in situations like this one, all officials responsible for an office are subject to investigation; therefore, he said, he was surprised to discover that he had been publicly singled out by the government.

Finance Secretary Interviewed

PA020438 Tegucigalpa Radio America in Spanish 1145 GMT 1 Oct 81

[Excerpts] Secretary of State for Finance and Public Credit Valentin Mendoza returned to the country yesterday at the urgent request of President General Paz Garcia. The secretary of state said that too much publicity had been given to the land purchase, which was a simple matter.

Mendoza said description of his operations as illegal was propaganda. He considers the appointment of a committee to investigate him as routine, probably because he trusts the investigation will not reveal anything.

It was also learned that besides purchasing the land at a much higher price than its true value, he planned to obtain a profit of millions through a transaction with the IDB which only institutions owning land in Tegucigalpa for low-cost housing are eligible to conduct.

The following statement by Secretary of State for Finance and Public Credit Valentin Mendoza sheds more light on the fact that these purchases involved many more millions than had been revealed, and that an exhaustive investigation of these dealings will reveal the scope of the entire operation. Here is an interview with Valentin Mendoza:

[Begin recording] [Question] Mr Mendoza, was the purchase of the La Soledad land legal?

[Answer] As far as I know, the purchase is legal. It complied with all legal procedures. That is why I cannot understand the excessive publicity given to such a simple matter, when similar purchases have been made in the past and nothing was said. In fact I suspect there is something behind this attempt to involve me personally and the Ministry of Finance and Public Credit.

[Question] The attorney general said he was carrying out orders from the president to purchase that land.

[Answer] Generally there is a procedure for signing contracts exceeding 60,000 lempiras. This is a resolution, an agreement, from the executive branch where by the attorney general is authorized to sign contracts exceeding 60,000 lempiras. This being so, through such a resolution the attorney general is authorized to undertake this type of transaction.

[Question] Do you still enjoy the support of Gen Policarpo Paz Garcia?

[Answer] The fact that I continue as secretary of state for finance and public credit, appointed by the army, means that I do have such support. Otherwise, I would definitely no longer be holding that post. [end recording]

Attorney General's Statement

PA020443 Tegucigalpa Radio America in Spanish 1145 GMT 1 Oct 81

[Excerpt] Attorney General Serapio Hernandez Castellanos said President Policarpo Paz Garcia is mainly responsible for the scandal involving the sale of land to the state. The attorney general maintains Paz Garcia was ill-advised to order the appointment of the investigating committee since, according to the law, such an investigation should have been conducted through the National Constituent Assembly. He adds that the deputies must name a committee to investigate the supposed participation of Paz Garcia and establish responsibilities.

Hernandez Castellanos claims the secretary of state for finance, Valentin Mendoza, duped the president in the purchase of the land, and notes that he certainly would not like to be in the secretary's shoes.

CSO: 3010/33

FIRST INDEPENDENT NEWSPAPER GOES OUT OF BUSINESS

San Pedro Sula LA PRENSA in Spanish 18 Aug 81 p 3

[Text] Tegucigalpa--The first independent newspaper founded in Honduras, the daily EL CRONISTA, finally went out of business yesterday after toiling for 83 years in the field of domestic journalism.

The newspaper had suffered a lengthy period of decline following the introduction of the "offset" system in our country, which modernized printing nationwide and put the respected local papers, EL CRONISTA and EL DIA in a precarious situation.

The latter succumbed several years ago, to the disappointment of journalists in general.

EL CRONISTA appeared for the first time on August 26, 1898, under the direction of the revered writer, Juan Ramon Molina. In 1912 Paulino Valladares took over the reins and under him it enjoyed its greatest renown.

The learned Rafael Heliodoro Valle, in his "History of Journalism in Honduras," said that EL CRONISTA under Paulino Valladares was the newspaper with "the best ideological content and the best editorial style."

Yesterday the newspaper closed its doors and its owner, Margarita de Valladares, said that the company had been declared bankrupt.

9015
CSO: 3010/1829

CANDIDATES MEET TO DISCUSS CENSUS PROBLEMS

PA251705 Tegucigalpa Voz de Honduras Network in Spanish 1145 GMT 25 Sep 81

[Excerpt] The correction of the national electoral census drew the attention of the four presidential candidates who jointly analyzed several proposals made by the advisory commission of the four political parties in the presidential race.

The presidential candidates may meet with Gen Policarpo Paz Garcia and the superior council of the armed forces.

Here we have a report by (Francisco Valeriano Giron) with Miguel Andonie Fernandez:

[Begin recording] [Valeriano Giron] The verification of the national electoral census has occupied most of the attention of the four presidential candidates who met yesterday to analyze the proposals made by the coordinating commission of the four parties. Here is what Andonie Fernandez has to say about this. Andonie Fernandez has been appointed spokesman of the four presidential candidates for this.

[Andonie Fernandez] We have just ended the first meeting of the four candidates after we heard a report given by the commission, made up of members of the four parties, so the meeting held this morning was simply a meeting to analyze the proposals made by the commission members. We will continue to work in this regard.

[Question] What are the proposals?

[Answer] Everything boils down to the correction of the census. This is basically the main issue. So far we have the consensus of the four candidates on the need to find a formula to correct the census.

[Question] Could you tell us about some of the alternatives that were presented?

[Answer] They are simple. They consist of eliminating the claims of fraud or leaving them. In the end we decided to propose that the government continue reviewing these claims.

[Question] However, according to the electoral law, there are only 7 days left in the deadline for this review.

[Answer] One of the possibilities proposed was to have the constituent assembly issue a decree extending the deadline. This is one of the existing obstacles, but it seems that this is being solved according to the decision of the experts in this matter.

[Question] Does this mean that the day of the elections will be postponed?

[Answer] We are holding to 29 November as the day of the elections and the four candidates are trying to prevent a postponement. It seems that future events will determine this. So far the date of the elections remains the same. However, there is a lot of work involved. The only thing I can say is that the four parties are very interested in having the best elections in order to obtain the trust of the Honduran people. [end recording]

CSO: 3010/34

ARMY CHARGES CAMPAIGN SEEKS TO HINDER ELECTIONS

PA271827 Panama City ACAN in Spanish 1605 GMT 26 Sep 81

[Text] Tegucigalpa, 26 Sep (ACAN-EFE)--The Honduran army charged today that a campaign exists which seeks to destabilize the electoral process and internal peace.

At the same time, the Honduran army reiterated its commitment to guarantee the electoral process "to its culmination with the holding of free and honest elections which will faithfully reflect the sovereign will of the people."

The army also explained that members of its organization and the police have in no way participated in illegal arrests of citizens who are reported missing and whose relatives claim that they were arrested by members of the state security organizations.

The army announces that all the arrests by its security officials have been made with judicial warrants or in some cases to prevent crime.

It specifies that in view of the complaints made by relatives of missing persons who blame the army and its security organizations for arresting them and denying their whereabouts, "the high command ordered an exhaustive investigation which has shed the results mentioned above."

The army indicates that the reports which accuse it of irregular actions are part of a campaign against the electoral process and to destabilize internal peace.

The Honduran armed forces also deplore the fact "that there are Hondurans who, in collusion with foreign extremists, seek to create a schism between the people and its armed branch and sow a climate of social upheaval through assaults, bombings and other crimes which have caused justified alarm among the society."

Last Wednesday in Tegucigalpa a high-powered bomb exploded on the third floor of the Legislative Palace and minutes later two U.S. military advisers were machine-gunned.

The latest charges against the army were made by Marco Virgilio Carias, the president and founder of the Honduran Socialist Action Party (PASO), who was kidnapped and subjected to torture for 2 weeks.

CSO: 3010/34

NAVY CHIEFS DISMISS FEARS OF JOINT MANEUVERS

PA292150 Panama City ACAN in Spanish 1851 GMT 29 Sep 81

[Text] Tegucigalpa, 29 Sep (ACAN-EFE)--Col Ruben H. Montoya, commander of the Honduran navy, today described the military maneuvers to be carried out jointly with U.S. forces in October as "not dangerous because they are for training purposes."

The maneuvers are part of the hawk view series begun by several Latin American armies in the late 1970's. The exercises to be held in Honduras are designed to train the navy in the interception of and search for enemy vessels.

Three each Honduran and U.S. patrol boats, Honduran air force fighter planes and U.S. reconnaissance planes are involved in the exercises.

U.S. personnel involved number 160, who will be supported logistically by an LSD amphibian craft that will not participate directly in the maneuvers, but will be anchored in Puerto Cortes, on the Honduran Atlantic coast.

Col Edmundo Torres Chavez, chief of the Puerto Cortes naval base, said that "the maneuvers should not alarm anyone and should not provoke adverse reactions from the governments of the Central American area."

This was Torres Chavez' response to charges of "intervention" made by spokesmen of the Nicaraguan Government, who have strongly opposed the joint U.S.-Honduran maneuvers, despite the fact that they will take place in Honduran territorial waters.

"The maneuvers do not reflect a bellicose attitude on the part of Honduras and the U.S. navy. We need to train and to become more professional and these maneuvers will help us to attain that objective," Torres Chavez explained.

Torres Chavez said he does not understand the fear of the Sandinists who govern Nicaragua and "who choose to see as aggression a lesson that Hondurans wish to learn from the Americans in the area of naval strength."

"The charges of interventionism and of plans to invade Nicaragua are unfounded and childish," Colonel Torres Chavez said in closing.

CSO: 3010/34

BRIEFS

RELEASE OF SALVADORAN GUERRILLAS--"Sources close to Honduran groups in solidarity with the liberation struggle of the Salvadoran people announced yesterday that, following mediation by the Mexican Government, led by Jose Lopez Portillo, the Honduran Government has agreed to release shortly some 50 Salvadoran prisoners detained in our country over the past 3 months." The sources, who refused to give dates and procedures for the release of the Salvadorans, said that the release was agreed upon during the Honduran president's recent trip to Mexico. The Mexican request was based on the French-Mexican recognition of the FMLN and the Revolutionary Democratic Front (FDR). Honduras will give the Salvadoran prisoners "political prisoner" status prior to their liberation, while Mexico will offer them asylum on its territory so that they can leave for that country, as FSLN guerrillas used to do. [PA270345 San Pedro Sula TIEMPO in Spanish 21 Sep 81 p 11]

CSO: 3010/36

BRIEFS

PEMEX DIRECTOR'S TOUR--London, England, 28 Sep (NOTIMEX)--Mexican Petroleum (PEMEX) Director Julio Rodolfo Moctezuma Cid arrived here today on a working visit that will also include Italy and Spain. His aim is to strengthen and broaden PEMEX relations with European countries. Moctezuma Cid leaves 1 October for Rome and is scheduled to arrive in Madrid on 4 October. [FL291439 Mexico City NOTIMEX in Spanish 0250 GMT 29 Sep 81]

NAVY SECRETARY TO ROK--Mexico City, 28 Sep (NOTIMEX)--Navy Secretary Ricardo Chazaro Lara left today for the ROK to attend the 33d anniversary celebrations of the Korean armed forces. Chazard Lara will be in the ROK from 1 to 4 October. [FL291439 Mexico City NOTIMEX in Spanish 0215 GMT 29 Sep 81]

PURCHASE BY SHELL OIL--London, 29 Sep (NOTIMEX)--Mexico gained one more market for its petroleum when Mexican Petroleum [PEMEX] Director Rodolfo Moctezuma Cid and Shell Oil President Peter Holmes signed an agreement today. PEMEX will sell to Shell a mixture of heavy (Maya) and light (Isthmus) oil, which the company will sell through its world network. PEMEX has pledged to supply the oil at a rate of 50,000 barrels daily during the last 3 months of this year. According to oil industry sources, the agreement gives Mexico a sizable market for its growing production at a time when it is not easy to find new clients due to surpluses in the world market. Shell announced that it is making great efforts to diversify its sources of supply, even though it has gained regular access to a source having vast reserves and which is politically stable and practices a policy of moderate prices. It was learned that a study is being conducted on the possibility of increasing the supply to a rate of 100,000 barrels for next year and the possibility of developing it even more. [Text] [FL292339 Mexico City NOTIMEX in Spanish 2304 GMT 29 Sep 81]

CSO: 3010/32

ARCE CRITICIZES U.S. POLICY ON CENTRAL AMERICA

PA261711 Managua Radio Sandino in Spanish 0300 GMT 26 Sep 81

[Text] Commander Bayardo Arce spoke in Paris on the mistaken U.S. policy in Central America. The effects of the world economic crisis on Central America and the mistaken U.S. policy towards the area could lead the Central American countries to the brink of war in a few months, warned Commander Bayardo Arce, coordinator of the political commission of the Sandinist front.

Commander Arce headed a Sandinist National Liberation Front [FSLN] delegation of observers at the socialist international bureau meeting which ended in Paris today.

He said that U.S. policy considers the Central American problems and the solutions which the peoples are giving the crisis situations as conflicts between east and west. Therefore, poverty, backwardness and the great difficulties which the countries of Central America and the Caribbean are experiencing today motivate the oppressed peoples to rise up and fight with gun in hand, as in El Salvador and Guatemala, while the United States considers this struggle in advance of communist bloc, he said.

The Sandinist commander said that the Salvadoran revolutionary struggle is the center of tension, but explained that the basis of the regional problems in general is economic. To support this he cited the desperate situation of Costa Rica and the economic restrictions which have been adopted in Honduras and Guatemala.

CSO: 3010/35

HUMBERTO ORTEGA CALLS ON YOUTH TO MOBILIZE

Humberto Ortega Speaks to Youth

PA302327 Managua Radio Sandino in Spanish 1800 GMT 29 Sep 81

[Text] At the meeting that the Sandinist army held at noon today with the Central American youths and students, commander of the revolution Humberto Ortega Saavedra, chief of the Sandinist armed forces, asked the Central American youths to be more responsible at this time of danger that the Central American region is experiencing. Commander Humberto Ortega Saavedra told the youths that the hawk view naval maneuvers that will be held by the North Americans in cooperation with the Honduran Government in the Atlantic near Nicaraguan territory are a threat to the whole Central American isthmus and the Nicaraguan people and revolution.

The defense minister indicated that the Central American youths have the responsibility to denounce those actions by issuing appeals to the people just as the Nicaraguan revolutionary government is doing. During the current month [as heard] the government will mobilize all sectors to prevent any aggression promoted by the reactionaries who would like to intervene in our territory. They won't achieve this goal because the vanguard, the FSLN, its army and all the people will take up the liberation rifles at the decisive moment. Here is Commander Humberto Ortega Saavedra addressing the Central American youths at noon today:

[Begin recording] [Words indistinct] less defensive and passive. Although it continues to be a youthful struggle, it must also be more serious and important. This is what we are demanding from our Central American youth in these very dangerous moments for all the brother Central American peoples. We are really demanding a more responsible position considering your duty as students and youths to your people first of all and, if we consider ourselves internationalists, to the Central American peoples.

You have to be [words indistinct] in the denunciations and the mobilizations which must be carried out in Central America against, for example, military maneuvers such as the ones on the Caribbean coast, on Central America's Atlantic coast and other military maneuvers which the yankees are promoting with allied governments to create instability in the region and to prepare [words indistinct] for an intervention.

Only with the organized and dynamic activity of the youths at the head of all sectors of the Central American nations can we tie the hands of the (?most radical

ones) who want to intervene and in a bloody manner resolve Central America's problems with weapons and the marines as in the past.

We here in Nicaragua, even as we have power, even as we are organizing our people for defense, even as we are forging an army, a police [words indistinct], even as we are strengthening the Sandinist militias, even as we strengthen the mass organizations for defense, we don't disregard political protest, the expression of the combative determination of the masses, the workers, the children, the youth, the students, the technicians, the government workers, in sum of all the people. We don't disregard this.

We have called for a permanent mobilization in October of all the workers, youth, women, old people, in sum, all the people. [Words indistinct] to mobilize in the streets, in the factories, in the neighborhoods, villages, in the (?ports), in the mountains, on the farms, in sum, to mobilize throughout the country to express their support for the revolutionary government, the FSLN and more than their support, their decision to take up the liberation rifles and to shed our last drop of blood defending the last inch of our fatherland's territory. [end recording]

Military Leaders Meet

PA302333 Managua Radio Sandino in Spanish 1800 GMT 29 Sep 81

[Excerpt] Leaders of the Sandinist People's Army [EPS] today greeted the delegates who are participating in the Central American youth and students meeting at the Carlos Aguero military school. Commander of the revolution Humberto Ortega, defense minister; brigade commander Joaquin Cuadra, chief of staff of the Sandinist armed forces; brigade commander Hugo Torres, Carlos Carrion and Father Fernando Cardenal of the 19 July Sandinist youth participated in the dialogue between the Sandinist military men and the representatives of the vigorous Central American revolutionary youth.

On addressing the Central American student delegates, Commander Hugo Torres stressed that the meeting was being held in the place where the basic infantry training school, an elite group of the genocidal Somozist guard, used to be located. These facilities have not been turned into a school for the people's soldiers, who are defenders of the national sovereignty and the Sandinist people's revolution. The Nicaraguan leader told the delegates of the countries of the area that their stay in Nicaragua has had very positive results and that the experience will be reflected in the struggle of their respective peoples.

CSO: 3010/35

WHEELOCK ON REGIONAL AGRARIAN REFORM COUNCILS

PA250230 Managua Sistema Sandinista Television Network in Spanish 0200 GMT 24 Sep 81

[Text] This afternoon, the fifth regional agrarian reform council was formed for the second region of Managua. Jaime Wheelock Roman, commander of the revolution and minister of agricultural development, had this to say about the importance of that body:

[Begin Wheelock recording] Although it is true that the regional councils participate in a basic way in the ministry and in the mass organizations, we wanted to include the municipal juntas--a delegate from the departmental and municipal juntas--in order to allow the residents of those municipalities and departments to participate directly, by voicing their questions and their demands as formal representatives of the community.

However, the basic issue--and this is established in the regulations that we are going to approve in the immediate future--is the power, the functions of the council.

The council is not really responsible for implementing agrarian reform. Agrarian reform is formally implemented by the state. Logically, in practice it will have to be carried out by the people themselves, the organized people. What the council does, initially is to advise the regional delegation, in order to subsequently support the proposals for agrarian reform that are remitted to the Ministry of Agricultural Development and Agrarian Reform.

Secondly, the council has various forms of action, of participation, that can be listed in the following order. First, it participates in the formulation of plans for development and agrarian reform. Second, it is its duty to supervise the implementation of those plans and programs. [end recording]

CSO: 3010/35

BRIEFS

FRG MINISTER'S VISIT--FRG Foreign Affairs Minister Hans-Dietrich Genscher is expected to come to Nicaragua sometime during the first two weeks of October. According to reports, the minister will be accompanied by 50 persons who will form technical and economic commissions. [Managua Radio Sandino in Spanish 1800 GMT 25 Sep 81]

CSO: 3010/36

AMBASSADOR TO UNITED STATES INTERVIEWED

PY291933 Asuncion ULTIMA HORA in Spanish 26 Sep 81 pp 10-11

[Interview with Mario Lopez Escobar, Paraguayan ambassador in Washington, by ULTIMA HORA in Asuncion; date not given]

[Text] ULTIMA HORA: What is the current status of bilateral relations between the United States and Paraguay?

Lopez Escobar: The visit of Mr Luther Holkins, U.S. trade undersecretary, heading a commercial mission to Paraguay, then Minister Ugarte Centurion's visit to the United States which was a very positive step, and finally the recent visit of our foreign minister have been highly positive milestones in our bilateral relations with the United States.

We should not forget the auspicious event of U.S. Representative to the OAS Middendorf's visit as an envoy of the U.S. Government to talk on various topics of bilateral relations with our government. He returned greatly impressed. And I want to emphasize this impression because, at a lunch the day before my trip to Asuncion and in front of Latin American ambassadors, he made an extremely positive declaration, saying that he was a sincere admirer of President Stroessner's government and the Paraguayan people; that he considers the situation in our country as a miracle, both economically and socially. Ambassador Middendorf talked at length about the Paraguayan miracle and said that, despite its geopolitical difficulties, despite its distance from the ocean, despite all its problems, Paraguay is in a prosperous situation, a better one not only in Latin America but anywhere else in the world in the economic aspect. This was for me a true reflection of the current U.S. attitude toward Paraguay, considering that Middendorf is not only a diplomat but also a highly qualified businessman who had been a navy undersecretary until not too long ago; and considering that he was talking officially for the United States at a semiofficial event.

ULTIMA HORA: What does the U.S. military assistance to our country consist of, and what is done with it?

Lopez Escobar: The Carter administration had canceled the funds for military assistance. That military assistance ends up being social assistance, because our country has ever since I can remember used that military assistance mainly

for the development of the people. With the so-called military assistance tractors, agricultural equipment have been bought, never rifles or cannon. At this moment I consider that assistance very scanty in relation to current necessities. It seems to me that it has to be renewed on the basis of our armed forces and the utilization of such funds for social assistance. I believe that, as a friendly country and as a loyal ally of the United States in all difficult situations, Paraguay deserves substantial aid, different from the symbolic aid it is receiving now.

ULTIMA HORA: How are U.S. official circles, and even the American people, taking the current situation of Soviet military superiority?

Lopez Escobar: For a long time Russia has been a rather continental power. Now it seems that Russia intends to present itself in the international arena with a new dimension as a naval power.

The Soviets have nuclear submarines and ships on all oceans of the world--some of them nuclear-powered--competing for the first place as world power with the United States. This is the Soviet Union's new dimension, with the conviction that throughout history naval power has been the determinant of superiority in all areas. So I think that the U.S. Government, fully conscious of past errors about "detente"--which has been nothing but a ruse to buy time for the communist cause--is now determined to maintain peace at all costs, except through surrender or submission or humiliation, such as some that the United States has experienced on many occasions in the past. I am sure that the United States is now studying a way to coexist peacefully, with due respect for the interests of the two powers, but never by surrendering.

[PY291946] ULTIMA HORA: What will the United States do in case of an eventual Soviet invasion to Poland?

Lopez Escobar: I sincerely believe that we will never see such an invasion because I believe that the Russians are quite aware of the present situation. This is a most inappropriate time for the Russians and its satellites to provoke the United States.

ULTIMA HORA: What will be the outcome of the social concerns that the United States is now experiencing regarding the economic policy enforced by the Reagan administration?

Lopez Escobar: We are all aware of President Reagan's successful election campaign which was like a sort of electoral revolution because of his overwhelming victory. But there is at present an obvious discontent regarding the government's economic policy and the possibility of having to confront a recession. But if President Reagan is able to avoid this recession, if he is able to curb what many call the galloping inflation rate, he will have certainly assured, if not his own reelection, the election of whomever his party decides will be its next presidential candidate. This is obviously a difficult situation that the Reagan administration and the Republican Party are confronting at present.

ULTIMA HORA: Sir, is there any possibility that Paraguayan President Stroessner and U.S. President Ronald Reagan will hold a meeting?

Lopez Escobar: Any good friends like President Reagan and President Stroessner can hold meetings at any time, but from what I know there is nothing in this regard yet. But such a meeting can take place at any time. There is nothing planned in this regard, but since a president can extend an invitation to his colleague, I believe that President Stroessner may well visit the United States just as the U.S. President or the vice president may visit Paraguay. The possibility of such a meeting is opened and it may take place at any time.

ULTIMA HORA: What is the attitude on the Yacyreta Hydroelectric Dam project in the United States?

Lopez Escobar: It is very important. At the U.S. Government level, Paraguay has maintained a clear and well-defined position regarding the execution and acceleration of the Yacyreta undertaking. It also earned the respect of the United States regarding the bid offered by Allis Chalmers for the sale of turbines, because the United States understood our decision of not only accepting the cheapest offer but also one that would comply with the suggestions submitted by the consulting firms. All of this has been looked on favorably by the United States, which believes that Paraguay has once again shown its friendship toward the United States and its good sense in choosing the best of all the offers that had been submitted. Moreover I believe this will be the beginning of a series of U.S. investment in Paraguay.

CSO: 3010/45

FOREIGN MINISTER'S UN SPEECH PUBLISHED

PY011958 Asuncion LA TRIBUNA in Spanish 27 Sep 81 p 3

[Text of speech delivered by Alberto Nogues, Paraguayan foreign minister, on 25 September 1981 at the UN General Assembly]

[Text] Peace, which is the reason for being and the ultimate goal of the 1945 Charter, demands our constant attention. It is the main subject that dominates all our discussions and it is unceasingly demanding the most of our creative capacity.

But this is only natural since we are all here to speak of peace, to exalt it, to struggle for it, and to defend it. All of us, absolutely all of us, are irreplaceable protagonists in this joint undertaking and in the light of this inevitable fate in which all ceremonialism falls through. Everyone of us has the right to issue his opinion on how to achieve peace in this world.

But today, the world is still experiencing shock after shock in this regard. War, terror, and crimes cast a shadow, intimidate, and even erase all hopes of achieving peace. We need only to cast a quick glance at the world to find that violence is enthroned on our planet. We have raised our voices in this forum to denounce this as in the case of Afghanistan, which has been trampled by the invasion of Soviet troops; or Kampuchea, which is militarily occupied by Vietnamese forces. Moreover, the Middle East and several regions in Africa are the scene of tense situations that pose a threat to world peace.

But America is also experiencing the scourge of violence. For more than 2 years El Salvador has been experiencing the ravages of a genocidal war supported by well-known sinister plans. In compliance with its tradition of respecting the principle of nonintervention, Paraguay repudiates any effort that tries to subject El Salvador to any other power than that which is freely expressed by the Salvadoran people through democratic means. Because my country has always categorically upheld the principle of nonintervention--like in the case of Nicaragua when in 1979 Paraguay issued a solitary vote in this regard--we repudiate any type of foreign intervention in El Salvador. I am pleased and proud to say that Paraguay's international position in this regard has not wavered or changed an iota. We are faithful to the fulfillment of our international commitments and to those principles that are the basis for the dignity of nations.

Mr President: My country has shown an explicable interest for everything that concerns the Law of the Sea from its very beginning 25 years ago. It is well known that we are a landlocked country, but this has been a challenge that we have confronted with undaunted will. We have the obligation of overcoming those obstacles that block our access to the sea and of obtaining other benefits from the sea. This is why at the proper time Paraguay will request its legitimate rights at the forthcoming Conference on the Law of the Sea.

For many years this landlocked situation has severely undermined my country's development but today we have fortunately overcome this situation thanks to the patriotic and excellent leadership of President Alfredo Stroessner.

At present Paraguayans can brandish the following facts: A 10.4 percent annual growth rate; a less than 16 percent inflation rate; a balance of payments that has been registering a surplus in the past 10 years; a per capita income over $1,000; the guarani and the dollar have maintained an almost invariable rate in the past 20 years; a national budget that does not register a deficit, and an important increase in exports.

[PY012010] As President Stroessner has accurately stated in his message to congress last April, "Our thriving development is the result of the peace we have been able to achieve; something which we are willing to defend with all our might without surrendering in the struggle against those factors that are opposed to national causes. We have been able to replace shameful anarchic regimes with freedom and order. We are not interested in any democracy that will weaken free institutions and support sterile demagogy. For us, democracy is the enforcement of the will of the people within the framework of the law. For us, freedom means making human rights compatible with the achievement of well being."

Mr President: The government presided over by President Stroessner enforces a foreign policy that upholds international coexistence and promotes ties that uphold international coexistence and promotes ties of solidarity with those countries that share with us the same ideals of independence, democracy, and freedom.

Paraguay has traditionally maintained a clear position in support of American integration and during this century it has actively participated in all political and economic organizations that have been established in this continent to which it belongs because of its geographic situation and trade relations.

In keeping with these principles of solidarity and integration, Paraguay is also a member of the so-called River Plate Basin System with the objective of accelerating the social and economic development of one of the richest regions in Latin America. Moreover, my country has undertaken the construction of two hydroelectric dams on the Parana River; the first, which is being built jointly with Brazil, will have an installed potential of 12.6 million kw; and the second, which is being built jointly with Argentina will have an installed potential of 4.2 million kw.

Mr President: I cannot end this brief address without answering the impudent statement--one more of impudent, truculent and common verbiage--issued yesterday (Thursday) by the Cuban foreign minister.

The overt policy and criminal interference in the affairs of other nations that is practiced by Fidel Castro, a very well-known satellite of a superpower, was felt by Paraguay in 1959 and 1969 when Cuban weapons and equipment were found in the hands of international bandits who had entered Paraguay over the extensive border that it has with Argentina. That invasion attempt, which had the sinister intention of making my country a communist one, was severely repressed by the Paraguayan people themselves, who were in arms, and by the regular forces of the nation.

Paraguay severed diplomatic and consular relations with Cuba in 1960 and since then it has repudiated Fidel Castro's bloodthirsty tyranny. My country has never achieved a compromise with the Castroite regime, something which has proven to be fatal for other American nations.

This is why we are neither astonished nor fearful of the loutish statement issued by this arrogant minister.

CSO: 3010/45

DAILY HAILS FOREIGN MINISTER'S UN SPEECH

PY011511 Asuncion LA TRIBUNA in Spanish 27 Sep 81 p 5

[Editorial: "Clear-cut Positions"]

[Text] Paraguayan Foreign Minister Alberto Nogues has made a speech at the UN General Assembly. He did so with moderation and propriety, and this alone is worth mentioning.

In fact, from the strictly political point of view, his speech dealt with two basic issues: the first was the defense of principles. In this regard he reiterated the generally accepted but not always implemented doctrine of nonintervention in domestic affairs of other nations.

Within this context the foreign minister had the opportunity to take a good stand by reminding many people that Paraguay had been the only country to remain faithful to principles and to vote against the intervention in Nicaragua. Time has proven that Paraguay was right and this is a source of embarrassment for the many who now decry the presence of communism in that country.

In keeping with its prior attitude, Paraguay is currently upholding the same position toward the serious problems in El Salvador. It is only right that it should do so at this high forum because it evidences a coherent international policy of which few can boast.

However, Cuba is involved in this issue and its foreign minister did not miss the chance to make sensationalist remarks against the Paraguayan government.

Refuting them turned out to be easy for our foreign minister. To counter the stream of invectives from the Cuban foreign minister, Nogues merely exhibited the figures which prove Paraguay's growth at every level. Tied to the yoke of Soviet imperialist interests, Cuba can hardly boast of the same.

Furthermore, it would be difficult for it to explain, much less justify, the shedding of Cuban blood in Angola, Somalia and other African regions.

Thus, here we have totally opposite positions. Paraguay displays its growing development, while Cuba, in addition to the hunger of its people who escape every time they get a chance, can only boast of its sorrowful task of bringing war to various parts of the globe.

Therefore, it is worth stressing these attitudes, which are not prompted by opportunism or nationalistic chauvinism, or aimed at gaining circumstantial advantages, but to make us Paraguayans make ever-increasing efforts for following the right path of development in freedom and peace.

It is true that we still have a long way to go. The improvement of the nation's institutional framework must be a task for all of us. However, our achievements to date, which allow us to speak clearly before the world, must provide the incentive for reaching out after greater goals every day.

CSO: 3010/45

BRIEFS

SECURITY LAW VIOLATORS SENTENCED--Judge Jose Francisco Apleyard of the Fifth Criminal Court has sentenced Alfonso Silva Quintana, 52 years of age, and his wife Saturnina Almada, 57 years of age, to 4 years' and 10 months and 3 years', respectively, imprisonment for alleged violation of Law No 209--Defense of Public Peace and Freedom of People--because there was evidence of the crimes committed by the two individuals. Judge Jose Francisco Apleyard said that the crimes committed by Alfonso Silva Quintana can be punished in accordance with Article No 8 of Law No 209 and those committed by Maria Saturnina Almada in accordance with Articles No 42 and 98 of the Penal Code. The sentence also indicates that when Alfonso Quintana was called to make his plea, he did not deny the charges made by the investigations police department. [Excerpts] [PY222104 Asuncion LA TRIBUNA in Spanish 21 Sep 81 p 13]

COLORADO PARTY MEMBERS--The Colorado Party has elected its new members during a regular meeting held yesterday. They are: honorary presidents: Gen Alfredo Stroessner and Tomas Romero Pereira; president: Juan Ramon Chavez; first vice president: Sabino Augusto Montanaro; second vice president: Carlos Augusto Saldivar; third vice president: Juan Manuel Frutos; general accountant: Marcial Samaniego; assistant accountant: Juan Esteche Fanego; political secretaries: Pedro Hugo Pena, Adan Godoy Jimenez and Mario Abdo Benitez. [Asuncion ULTIMA HORA in Spanish 24 Sep 81 p 7 PY]

CSO: 3010/45

BRIEFS

CHINESE ASSISTANCE--Kingstown, St Vincent, 10 Sep (CANA)--St Vincent and the Grenadines is to receive technical assistance from the Republic of China in the fields of agriculture, fisheries and light industries, it has been officially disclosed here. The official release issued today said that in this connection a team of Chinese officials and experts will be visiting St Vincent shortly. Last month, Prime Minister Milton Cato paid official visits to South Korea and Taiwan, at the invitation of their respective governments, during which he signed bilateral agreements. It is expected that those governments will provide assistance in the fields of agriculture, fisheries and light industries. [Text] [Bridgetown CANA in English 1727 GMT 10 Sep 81]

CSO: 3025/1001

CHIN A SEN ON PROPOSED CONSTITUTIONAL LAW

Rotterdam NRC HANDELSBLAD in Dutch 12 Sep 81 p 4

[Article: Requirements To Be Met by Political Parties in Suriname]

[Text] The draft of a Surinamese constitution leaves room for diverse political ideologies but political parties will have to meet certain requirements. They will otherwise be excluded from elections. The Surinamese President Chin A Sen said this yesterday when he explained the draft in a press conference in Paramaribo.

For instance, the leadership of political parties must be democratically elected and financial matters must be open to inspection. Every year the leaders will have to publish a review of their financial situation in a government publication. They are permitted to represent exclusively certain ethnic or religious groups.

Chin A Sen said that the new constitution which will go into effect in about a year was inspired by the French presidential system. The most important government bodies will be:

-A president with sweeping powers directly elected by the people. He appoints and dismisses the government which is nevertheless also responsible to the parliament.

-A parliament with a directly elected political chamber and a "social" chamber composed of representatives of district councils, labor unions, etc. This chamber will be appointed by the president from nominations by the participating groups.

Furthermore there will be a revolutionary council acting as adviser to the government. In addition there will be an audit department and an independent judiciary, also empowered to test the constitutionality of legislation.

The army is also entrusted with some important tasks. In addition to national independence it will guarantee that the democratic institutions function properly. It is furthermore instructed to guarantee the conditions for a peaceful transfer to a democratic, social, and just society.

The draft of the constitution is now under discussion in the Beleids Centrum [Management Center], the highest civilian and military government body. It will later be disucssed in people's committees, districts councils, and special interest groups. It will afterwards be subjected to a referendum by the people.

The previous constitution dating back to independence in 1975 was suspended in August of last year. From that moment the emergency situation has been in effect.

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CENTRAL AMERICAN INTERPARLIAMENTARY FORUM ISSUES STATEMENT

Guatemala City DIARIO DE CENTRO AMERICA in Spanish 10 Sep 81 pp 2, 3

[Text] The delegations of the legislative bodies of the republics of Costa Rica, Honduras and Guatemala, meeting in a joint session in this capital, have drafted what could be described as a landmark statement acknowledging the efforts of the Government of the Republic of Guatemala in pursuing its National Literacy Plan, as well as the participation of government and private agencies in achieving the plan's noble objectives.

The delegations also acknowledged the nation's involvement in incorporating indigenous groups into the country's ongoing educational program.

The declaration contains nine points and addresses essential issues such as the incorporation of Honduras's legislative body into the entity made up of the legislative bodies of Central America; the rejection of any decision by a government or organization according recognition to subversive or terrorist groups; not allowing extremists to wrongly decide the destiny of Central America's peoples through violence; rejection of all forms of political and social terrorism and violence aimed at seizing power in Latin America; meaningful education for children and young people in rural and underprivileged areas, laws to prevent spectacles fostering violence or terrorism, and other issues, each one of which warrants special attention and commentary.

The meeting of the delegations of the aforementioned legislatures was held pursuant to an invitation from the Congress of the Republic of Guatemala, and the valuable Interparliamentary Forum stemmed from a suggestion by the president of the Congress, Jorge Bonilla Lopez.

The forum was divided into four parts, as follows:

Agenda, Part I

1. Speech on the formation of the entity comprising the legislatures of Central America, by the representative of the Congress of the Republic of Guatemala, Manuel Salvador Polanco Ramirez.

2. Foreign meddling in the Central American region, by the representative of the Congress of the Republic, Hector Napoleon Alfaro.

3. Violence and terrorism, by the representative of the Congress of the Republic of Guatemala, Jorge Bonilla Lopez.

Part II

1. The electoral process as a democratic manner of exercising political power, by the honorable representative of the Legislative Assembly of Honduras, Carlos Montoya.

2. The socioeconomic structure of Central America, by the representative of the Legislative Assembly of Costa Rica, Federico Villalobos V.

Part III

1. Peace and development, by the representative of the Congress of the Republic of Guatemala, Jose Trinidad Ucles.

(Fifteen minute recess)

Part IV

1. National Literacy Plan, run by the Education Ministry

2. Final declaration

The important declaration, signed "ad referendum," reads:

The honorable delegations of the legislative bodies of the republics of Costa Rica, Honduras and Guatemala, meeting in a joint session in Guatemala City on 9 September 1981,

Whereas:

When the Central American Community Agreement was brought before the congresses of these nations, meeting in 1981, at the request and initiative of the Congress of the Republic of Guatemala, the representatives of the legislative bodies of the sister republics, convinced that they were faithfully interpreting the will of the peoples they represent and solemnly acknowledging the real nature of the indestructible ties linking the republics of Central America, felt that because of their geographic continuity, historic traditions, sameness and equality of interests and single social and spiritual conscience, they ought to exert joint efforts to benefit the common good, peace and justice; and

Whereas:

Central American unity must be extended to all levels of national and regional interest by coordinating criteria for addressing and solving common problems; and

Whereas:

When Central American interparliamentary meetings are held, they should seek to pass resolutions to realize the ideal of restructuring the Central American nation, as well as to discuss and reach agreement on anything conducive to the progress, peace and well-being of Central America's citizens and, basically, to establish unity in defending our national interests and in upholding the principles of nonintervention and the self-determination of peoples,

Therefore declare:

First: Their satisfaction with the incorporation of the legislature of the Republic of Honduras into the entity comprising the legislatures of Central America;

Second: Their absolute rejection of any decision by a government or organization according recognition to subversive or terrorist groups or acknowledging that they might have a role to play in resolving the internal crises of the nations of the area, inasmuch as this constitutes a dangerous form of intervention in the internal affairs of another country;

Third: Their determination not to allow extremists of whatever ideological leanings to wrongly decide the destiny of the peoples of Central America through violence, and in contrast to seek to institute and strengthen, through their legitimately established organizations, dialogue and tolerance as forms of political conduct and practice;

Fourth: To urge the peoples of Central America to become aware of their obligation to help achieve the region's coveted peace, so that all, without exception, will contribute to the area's comprehensive development under the law, so that elections represent the democratic path along which ideological and political stands can be expressed, so that the votes cast by our peoples provide the best answer to foreign intervention, which is trying to impose systems that are alien to us;

Fifth: Their rejection of any form of political and social violence and terrorism aimed at seizing power in Latin America by taking advantage of our young people and other segments of the population to achieve their reprehensible objectives, regardless of their inspiration or provenance;

Sixth: To recommend that programs of instruction and programs within the system of education in general be designed to provide the opportunity of a meaningful education to the children and young people in rural and underprivileged areas, as members of the lower-income segment of the population, in a bid to democratize the essence and fundamental activities of schooling.

Seventh: To recommend to the legislators in each country that they push for the passage of laws prohibiting the presentation of events and programs that publicize, glorify or promote violence and terrorism;

Eighth: To acknowledge the efforts of the Government of the Republic of Guatemala in pursuing the National Literacy Plan and the involvement of government and private agencies in achieving its noble objectives;

Ninth: To acknowledge the nondiscriminatory nationwide participation in incorporating indigenous groups into the country's ongoing educational program.

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CSO: 3010/27

OCLAE HEAD DISCUSSES MOVEMENT'S PROSPECTS

Havana JUVENTUD REBELDE in Spanish 6 Aug 81 p 6

[Report on interview with Fernando Ramirez, chairman of the Continental Organization of Latin American Students, by Elsa Claro; date and place not given]

[Text] The maturity of an organization is measured not only in years but also in actions that confirm its importance, as well as when its objectives are reflected in its achievements and it receives widespread recognition. This is true of OCLAE.

On 11 August, the Continental Organization of Latin-American Students (OCLAE) will mark its 15th anniversary. Because of this, we interviewed its chairman, Fernando Ramirez. The first question, almost a required one, concerned the assessments of work done that can be made on this anniversary.

"One of the general achievements among the most important ones," he said, "is the growth and consolidation of the OCLAE as representative of the continent's student movement, demonstrated by the fact that right now it has a membership of 27 unions in 23 countries in Latin America and the Caribbean, including several secondary-level organizations.

"That means that in actuality the OCLAE's membership has doubled between its founding and today. Only 15 organizations attended the first review meeting. At the fourth, which we held as a part of the commemorative activities for the 15th anniversary, there will be approximately 30.

"Another significant achievement," the OCLAE chairman went on, "is the strengthening and developing of bonds of solidarity and cooperation among Latin-American and Caribbean student organizations. I should note, first of all, that throughout these years, the continent's students have consistently and militantly reaffirmed their solidarity with the Cuban Revolution, condemning the imperialists' aggression and blockade.

"At the same time, there have been the massive, concrete demonstrations of solidarity with the Nicaraguan and Grenadan revolutions. One of the most striking examples was the formation and specific work of an OCLAE medical brigade, providing its internationalist aid to our brother Nicaraguan people.

"The same can be said, concerning solidarity, of the actions in support of all the peoples who are combating imperialism and its various forms of domination, the backing given the patriots in El Salvador, Guatemala, Chile, Uruguay, Bolivia, Paraguay and Haiti being particularly noteworthy at this time.

"Third, and no less important than the items already cited, it must be stated that by means of the OCLAE, the students of Latin America and the Caribbean have, throughout these 15 years, strengthened their ties with the international student movement and the organizations representing it, especially the IUS [International Union of Students]. This has been seen in both the joint carrying out of many activities and the performance of shared tasks; and they have repeatedly stated their solidarity with the young people and peoples of not only our continent but also others, such as Vietnam, Palestine and South Africa."

As an example of the activity and significance of the gestures of solidarity rendered during these 15 years, Ramirez told us about the "highest embodiment, who was the Puerto Rican comrade Jose Rafael Varona, a member of the OCLAE's Permanent Secretariat; he fell during a criminal Yankee bombardment of the Vietnamese people."

Regarding the widespread recognition of the Latin-American students, Ramirez spoke of the growing participation in international activities and their recognition by various specialized United Nations agencies, as well as the fact that the OCLAE was accepted as a UNESCO affiliate.

The youth leader also noted the importance of informational work, especially with respect to mobilization of opinion about current important problems. These include the students' struggle for reform and democratization of education, for student rights, and against imperialist penetration of education, particularly right now, when some reactionary governments are trying to impose retrogressive laws to offset student victories achieved during many years of heated battle.

Although he does not consider it a merit of the OCLAE, Fernando Ramirez referred--owing to its unquestionable importance--to the fact that young people's struggles in our geographical area are increasingly involved with the working class and other popular sectors. Consequently, the objectives are broader because of higher demands, which "will be met only when the second, final, independence of all the continent's people is attained."

Concerning future work of the OCLAE, its chairman told us that among its major tasks is expansion of the campaign of solidarity with the people of El Salvador and the reopening of the Central University, closed by the genocidal military-Christian Democrat junta.

The OCLAE's energies will also be focused on efforts to achieve democratization of education. To that end, a continent-wide seminar is planned, to be held at the end of this year in Ecuador. It is considered equally important to continue strengthening the ties among international students' and young people's organizations. Moreover, it is especially important to strengthen the unity soundly based on anti-imperialist principles, which lead to unobjectionable acts of solidarity with the people of Latin America, the Caribbean and other continents.

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CSO: 3010/1846

CENTRAL AMERICA POWDER KEG: RISK OF ESCALATION, CONTAGION

Paris LE MONDE in French 30-31 Aug, 11 Sep 81

[Article by Francis Pisani]

[30-31 Aug 81 pp 1-3]

[Text] Risk of Escalation

Mexico City--The recent operation in Honduras by elite Salvadoran troops, followed by the installation of 21 U.S. military advisers on the Honduran side of the border between the two countries, shows that El Salvador's neighbors are in danger of being drawn into the Central American upheaval. A diplomat told us recently: "The region is headed inexorably for a state of nonpeace." In fact, that cautious wording covers a disturbing reality. The internationalization of conflicts is a logical result in a region where the situation in each separate country is a factor for instability in all of them.

Seven months after American military aid to the junta headed by Christian Democrat Napoleon Duarte was resumed and increased, the results in the field appear slim. In recent weeks the insurgents have even shown a capacity for action that they had never shown previously. For example, they seized several small towns such as Arcatao, in the Department of Cabanas, and Perquin, in the Department of Morazan. They have also resumed their activities in the capital.

The junta and its American allies still refuse to negotiate and still believe they can win a military victory. Not having won it from the inside, they are seeking to do so by taking the insurgent positions, which are backed up against the Honduran frontier, from behind. Available information indicates they have had little success.

As for the presence of American military advisers, its objective is to check possible attempts to supply the revolutionaries through Honduras.

Lastly, the FMLN (Farabundo Marti National Liberation Front) claimed on 22 August that Honduran troops had moved into the northern part of El Salvador's Department of Morazan to support the counteroffensive launched in the south by the junta's soldiers. In each of the cases considered, the risks incurred are perhaps greater than the gains achieved. This is because the actions undertaken give the guerrilla fighters justification for also operating militarily in Honduran territory, something they have so far refused to do, no matter how great the temptation.

Since a political solution is out of the question for the moment, and since it has not been possible to break the insurgents with available military means, it appears that only one solution remains for the United States; escalation. That could be effected by sending equipment or by sending in outside troops. The first possibility is unsatisfactory because the Salvadoran Army does not seem capable of absorbing efficiently and quickly the sophisticated equipment that might be provided. Moreover, the Reagan administration, which would probably hesitate to send in U.S. troops because of the political cost, seems to be encouraging the formation of a regional field force. Lastly, there is always the possibility of recourse to direct "air cover" (accompanied perhaps by the use of new weapons). Its effectiveness is open to discussion, but at least it would not endanger the lives of GI's.

A more subtle possibility would be to "freeze" the military situation in El Salvador by counting on an interruption in supplies to the insurgents and their gradual weakening. Meantime, an attack would be made on what many consider the source of the evil--the Sandinist revolution--before it becomes too strong.

Nicaragua: Difficult Moments

For reasons that are both structural and related to the economic situation, Nicaragua is going through some especially difficult months which its enemies are tempted to take advantage of to do it in. Since almost all foreign exchange and employment depend on the growing of cotton, coffee, and sugarcane, the social situation in general is poor between April and November--that is, between harvests. (The first Sandinist insurrection occurred in September 1978, with the second in June and July of 1979.)

Those customary problems are being made worse this year by the start of a blockade set up by the United States, difficult economic relations with the rest of Central America, border tensions with Honduras, and armed action by former members of the National Guard.

Inside the country, the regime must cope with opposition from the private sector, the church, and the opposition parties, which alternate between accepting the dialogue offered by the authorities and attempts at open defiance. The country suffers from the problems posed by natives on the Atlantic coast, among whom the influence of Somozaism has remained considerable. This latter problem is one that the new leaders have not managed to tackle diplomatically.

The population has already realized that revolution is not paradise, and some of the citizens are showing clear signs of disenchantment. In the political area, the determination of the Sandinists to establish a radical revolutionary system while respecting the structures of a mixed economy sometimes creates a confused situation in which some people--both workers and employers--have trouble getting their bearings.

There ha recently been persistent rumors concerning the content of the talks held on 12 a.. 13 August in Tegucigalpa between General Paz Garcia and his opposite numbers in Guatemala (General Lucas Garcia) and El Salvador (President Napoleon Duarte). The official purpose was to discuss trade problems. But given the importance of the men taking part in the talks, there is reason to doubt that they stopped there. The Honduran left claims that the three heads of state agreed on the establishment of a joint rapid deployment force that could be used either against the Salvadoran guerrilla fighters or against the Nicaraguan revolution in combination with Somoza's

former National Guard. According to the same sources, that deployment force would receive total support from the United States, which in the same spirit has just organized the Atlacatl Brigade in El Salvador and, in recent months, considerably stepped up its military aid to the three countries in question.

Honduras: Key Country

Honduras, which served as the base of operations for the 1954 operation against the progressive regime of Colonel Arbenz in Guatemala, appears to be the key country in this context. The prospect of revolutionary upheaval there is remote despite the vast poverty, since the country's military regimes have sometimes been more progressive than those elsewhere, and the hope of change by electoral means is still very strong among the inhabitants. General elections are scheduled for 29 November this year. Some officers take a dim view of them, either because they fear the results or because they are afraid of losing power, the long exercise of which has enabled many of them to enrich themselves substantially. A coup d'etat with no justification other than halting the electoral process would be difficult to impose, both inside and outside the country, and even within the armed forces. But an open conflict with Nicaragua would make it possible to postpone the election date "decently." One part of the military institution opposes that option, either because it is concerned by the strength of the Sandinist army or because it feels that the country's only chance of avoiding the crises all around it is to stay out of other people's disputes. Opposing that group are those who feel that the Central American countries have so much in common that fundamentally different political regimes cannot survive for long, whence the necessity to do away with Sandinism. The Honduran Army, which already has the region's best air force, has just received 10 U.S. helicopters and 16 British-made Scorpion tanks, and those additions considerably increase its combat capability.

The attempt to set up a triangular military structure among the three northern countries (Guatemala, El Salvador, and Honduras) rests primarily, however, on Guatemala, which is simultaneously the most populated, the richest, and the most powerful. Its government is the most resolutely anticommunist and the most willing to use every available means to eliminate subversion.

The Guatemalan right has long proclaimed that it would fight the communist threat outside its own borders. For its part, the U.S. administration seems convinced that if any country must be defended at all costs, that country is Guatemala. The country has promising oil deposits, and if it fell, only Mexico would remain between the revolutionaries and the United States.

Guatemala: Guerrilla Movement on the Offensive

Long considered stable, Guatemala is showing signs of fragility. The ruling circles, remarkably homogeneous until now, are not all reacting in the same way to the economic crisis and the growing pressure from the revolutionary forces. Those differences are assuming relative importance because of the proximity of elections, which are scheduled for the spring of 1982.

What is new is the accelerating rise of the insurrectional movement. Following the failures of the early 1970's, it has managed to take root among the native inhabitants, who account for half of the total population. Militarily, the guerrilla organizations claim to have inflicted casualties of 2,000 dead or wounded on the army

during the first 6 months of this year. If true, that would represent more than 10 percent of the genuinely active personnel in the security forces. Two facts are beyond dispute: the revolutionaries now operate regularly in 19 of the country's 22 departments, including the capital, and in recent months they have conducted operations involving several hundred guerrilla fighters and have set up ambushes resulting in several dozen dead among their enemies.

[11 Sep 81 p 5]

[Text] Risk of Contagion

Judging from the latest events, the Salvadoran civil war could lead to a regional conflict jeopardizing not only that country but also Honduras, Nicaragua, and Guatemala. The other Central American countries--Belize, Costa Rica, and Panama--are not currently experiencing armed tension comparable to that of their neighbors. But in the present situation, some of their problems may suddenly take on new importance and contribute to destabilization. It is a delicate situation that neither Mexico nor Cuba can ignore.

Mexico City--Belize is not yet on the list of Central American countries. A former British colony of 150,000 inhabitants, it has been autonomous since 1964 and will achieve independence on 21 September. On that same day, it will constitute a new focus of regional instability. In recent months, disagreement as to how its change in status should take place has degenerated more than once into confrontations serious enough to lead the authorities to impose temporary curfews. Internal tensions are threatening to become even more violent very rapidly.

For its part, Guatemala is apparently not renouncing its claim to Belize, which is, "constitutionally," an integral part of its territory. Moreover, the former colony could have an abundance of petroleum, and its geographic location insures it of control over outlets to the Caribbean. Lastly, since all the progressive forces in the region support independence, President Lucas' regime fears that the new entity will quickly become a sanctuary for guerrilla fighters. That is no doubt why his government no longer recognizes the protocol that it nevertheless approved in London on 11 March with Great Britain and Belize. The British claim, however, to have received assurances that Guatemala was not contemplating any military venture. Lord Carrington is therefore justified in deciding that the British contingent overseeing the transition will not exceed 1,000 soldiers and that it will be withdrawn after 1 year.

A military venture in Belize would be risky, however, because of the international reactions it would certainly provoke, notably on the part of Mexico. Not all of Guatemala's leaders seem to have realized that fact, and neither have some candidates in the presidential election. Since January, the Guatemalan Army has undertaken a systematic "cleanup" of all the guerrilla fighters it could find in the Department of Peten on the Belize frontier.

Costa Rica: an Army?

Costa Rica was able to provide itself with democratic institutions before its neighbors, and for several decades it has remained free of the turbulence buffeting the

region. Today it is in danger of losing that considerable privilege. A number of violent actions have taken place in San Jose in recent months, and it is not yet known whether they should be attributed to revolutionary movements in the process of formation or to extreme rightwing agitation groups. The economic crisis is particularly serious, and very severe strikes, notably on the banana plantations, were rife throughout all of last year.

For several months there has been renewed talk in some circles of [copy missing] of a real army. Costa Rica is the only country in the region, and one of the few in the world, that relies only on a relatively small police force to maintain internal order as well as defend the territory. The United States appears determined to go further. Mrs Kirkpatrick recently aroused President Carazo's ire by offering her government's aid in setting up an armed force worthy of the name.

It is in that unsettled context that the campaign for the presidential election, scheduled for March 1982, is taking place. By all logic, it should bring the Social Democratic Party's candidate to power [copy missing].

The death of General Torrijos, Panama's strong man since 1968, is in itself an aggravating factor within the framework of Central America. Torrijos was the guarantee of internal cohesion in his own country, whose economic future remains bleak. As a nationalist, he maintained contacts with Cuba as well as with the United States, and he was an indisputable element for regional security. In El Salvador, for example, his friendships among the revolutionaries did not prevent him from maintaining excellent contacts with the officers in the junta with whom he had attended military school in that country. Torrijos was one of the key pieces in any process of negotiation. He could also contribute to the pluralist direction of the revolutionary movements, to which he did not hesitate to make military facilities available from time to time.

Mexico: Active Diplomacy

Lastly, there is Mexico, which, while not part of what is commonly called Central America, nevertheless plays a key role in that region because of its new power as well as because of the historical ties linking it to the countries in question. Incontestably a member of the Western camp, but taking care to keep its distance from the United States, Mexican diplomacy is extremely active in the region. No serious attempt at dialogue is made without its participation. But unless he succeeds in finding sizable support abroad, President Lopez-Portillo's scope for maneuver and initiative is limited, since his term of office is approaching its end just as the crisis seems likely to assume dramatic proportions.

So each country in the region--without exception--is passing through a phase of instability and more or less serious uncertainty, the causes of which are the economic crisis and the challenging of traditional models of domination. Thomas Enders, U.S. under secretary of state for Latin America, has just admitted in connection with El Salvador that poverty has played some part in the regional agitation. And Washington is trying hard to establish a cooperation program with the participation of Canada, Venezuela, and Mexico. Officially, it is a matter of helping the Central American and Caribbean countries out of a bad situation. But rather than seeing it as a plan truly aimed at fostering development, the plan's detractors view it as a political ploy that would benefit primarily friendly regimes and private U.S. firms.

The resumption of military aid to Guatemala in recent months, the sending of 21 advisers to Honduras, and the authorization given to Salvadoran troops officered by Americans to cross their borders seem to indicate that the United States has no intention of abandoning its tough line.

It is true that the proposal for economic cooperation shows that the Reagan administration has, in the space of a few months, gained a more complete view of regional problems and that it is developing a more complex and more sophisticated policy. But this does not mean that Washington is seriously thinking of looking for a negotiated solution. On the contrary, the military preparations underway from Honduras constitute a message. And in case it is not clear enough, Thomas Enders said during his recent trip to Nicaragua that his government would not tolerate a victory by the left in El Salvador, that it has the means to prevent it, and that if necessary, it would not hesitate to use them.

By retaining "military logic" as the core of its policy in the region, the Reagan administration is also forcing the revolutionary countries to stiffen their positions. The risk of conflict is sufficiently probable that Cubans and Nicaraguans are deciding to make preparations--which means training their people and arming their countries. Such a trend can only help to increase the risk of confrontation.

According to the current logic, the Nicaraguans may even feel obliged to aid the Salvadoran revolutionaries. If the latter are eliminated, the Sandinists are convinced that their own regime would be the next target, with U.S. blessing, for the forces ruling El Salvador, Honduras, and Guatemala. Statements to justify their fears are not lacking on the part of their opponents.

Cuba the Target?

Cuba itself is involved in this chain of circumstances that could very rapidly become dramatic. First of all, because some members of President Reagan's entourage dream (and they admit it) of making their President "the man who will retake Cuba." Their basic argument runs as follows: if the United States wants to see tranquillity again in Central America and the Caribbean, which it continues to regard as its own preserve, it must eradicate the evil at its source--that is, on the island.

It could find (or create) an excellent pretext by encouraging military action against Nicaragua. If the Sandinists resist, nothing serious will happen. But if they look like collapsing, will Fidel Castro stand idly by while his enemies finish off a government and country to which he is linked by so many ties? The United States would then have the best of reasons to go after Cuba directly, and that, in the final analysis, would present the problem of Soviet solidarity.

Reality is obviously too complex for anyone to say that history will follow such a catastrophic path. It is clear that the Reagan administration has a duty to find a new framework of relations with the region closest to it. If it fails--meaning a continuation of "military logic"--there is the danger that at least Central America and the Caribbean will be set ablaze.

At the conclusion of a trip that took him to Mexico, Costa Rica, Nicaragua, and Honduras, [French] Minister of Foreign Affairs Cheysson felt justified in saying that all the ingredients for the explosive are in place.

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CSO: 3100/964

BRIEFS

FRG-ICAITI AGREEMENT--Yesterday the Government of the FRG and ICAITI [Central American Industrial Research and Technology Institute] signed a technical assistance agreement to conduct studies on environmental problems in the capital cities of Central America. Ambassador Walter Isledbe signed for Germany, and Francisco Aguirre B. for ICAITI. Under the agreement, German technicians and experts will be sent here to conduct various environmental studies along with ICAITI researchers and technical personnel. Among other projects, they will study and categorize water pollutants, catalog the various industrial wastes and hold technical and working meetings as well as roundtables on recycling techniques, waste treatment and methods of measuring and preserving air quality. The agreement states that when the studies are completed, enough information will be available so that the governments of Central America and organizations involved in this field can take appropriate steps to safeguard urban environments. [Text] [Guatemala City PRENSA LIBRE in Spanish 12 Sep 81 p 8] 8743

CSO: 3010/25

MARITIME UNIONS REJECT NEW LABOR LAW

PY060249 Buenos Aires LATIN in Spanish 1916 GMT 30 Sep 81

[Text] Valparaiso, 30 Sep (LATIN-REUTER)--Today the powerful Chilean maritime unions also rejected the new labor law by asserting that it favors the enterprises and "deprives" the workers of acquired benefits.

The Chilean Maritime Confederation (COMACH) and the Bay Longshoremen Federation [Federacion de Empleados the Bahia], the main organizations of the Chilean dockworkers, last night decided to establish a sole front representing this sector to defend their interests.

A previous declaration issued by Comach, after a meeting of the confederation's rank and file, stated that the new labor law for this sector "deprives the maritime workers of their legitimate rights, destroys their labor union structure, generates unemployment and stirs up hate among the workers."

The maritime workers' main claim is the elimination of the registration (matriculas) system by which the unions supplied the shipping companies with squads of registered workers.

The new law provides for a registry for the new workers who will be hired privately by the companies.

Comach declaration also stated that the new law, which was implemented on Saturday, "deprives" the workers, "because we no longer have the right to negotiate and we lose what we had acquired regarding remunerations through many years of sacrifice."

Eduardo Rios, president of the Bay Longshoremen Federation, sustained that the workers lose benefits which decrease their income by 24.48 percent.

Comach has sent President Augusto Pinochet a note requesting the modification of the law by "including in it issues... like those he has stated in public many times, such as the respect for the acquired rights of the workers."

The unions also announced their decision not to resort to strikes but according to union sources the number of workers who reported to work yesterday had decreased by more than 50 percent.

The Comach declaration stated that the elimination of the registration represents "outright unemployment of the maritime workers" because the shipping companies are given the freedom to hire whoever they desire.

Other [words indistinct], recently complained about the new labor laws, but the government asserted that they favor the workers and they constitute a new code which will do away with sectorial privileges.

The union's main criticism was the lifting of the ban on massive dismissals and other acquired rights.

CSO: 3010/57

BRIEFS

BOMBS FOUND IN SANTIAGO—The carabineros found various explosive devices during an operation carried out together with security service personnel in the Vivaceta Street and Bisquert Street sector [in Santiago] yesterday afternoon. The sector was fully cordoned off and the circulation of people and vehicles was precluded. The first reports released by sources involved in the investigation have indicated that antitank bombs, various kinds of explosive devices, wire barbs for puncturing tires and other unspecified devices were found. [Text] [Santiago Chile Domestic Service in Spanish 1100 GMT 2 Oct 81]

SHELL STORAGE TANKS ATTACKED--Unknown persons have perpetrated an attack against gasoline tanks in Vina Del Mar. The group got as far as the (Las Salinas) sector on a (Peugeot) cab. The Shell Company has a large gasoline storage in this area. From the street the group shot at one of the tanks which stored 10,000 liters of premium gasoline, hitting a rail at the base of the tank, but causing no damage. A little later, the vehicle used in the attack was found. The car's owner and driver, who was not identified, explained that he had been held up, bound and put inside the car's trunk. All police from the fifth region and security service personnel are carrying out the necessary investigations to identify the authors of the attack. [Text] [PY301955 Santiago Chile Domestic Service in Spanish 1730 GMT 30 Sep 81]

PRC, CHILEAN OFFICIALS MEET—Foreign Minister Rene Rojas Galdames and PRC Vice Foreign Minister Zhang Wenjin have considered the possibility of Chile and the PRC exchanging visits at the highest governmental level in the near future. Rojas has been invited to the PRC's office on the fifth floor of the UN building, and he was very pleased by the dialogue that was held there. [Text] [PY011420 Santiago Chile Domestic Service in Spanish 1100 GMT 1 Oct 81]

ARMY OFFICER TO URUGUAY—Army Chief of Staff Maj Gen Julio Canessa Robert has traveled to Montevideo in order to participate in the celebrations of the anniversary of the death of Uruguayan hero Jose Artigas. During the stopover he made in Buenos Aires he met with his Argentine counterpart, Maj Gen Jose Antonio Vaquero. [Santiago Chile Domestic Service in Spanish 0000 GMT 22 Sep 81 PY]

CSO: 3010/57

REAGAN ECONOMIC PROGRAMS DISCUSSED

PA020323 Havana International Service in Spanish 0000 GMT 2 Oct 81

["World Events" Commentary]

[Excerpts] U.S. President Ronald Reagan's much debated and strongly challenged economic program goes into effect with the new month of October. That is, what was up until now a sad possibility for millions of Americans, those of low income or those dependent on social assistant programs, has become a somber truth as of Thursday.

The Republican administration's economic program is criticized primarily because it excessively increases the budget appropriations for military expenditures at the expense of those earmarked for social assistance, unemployment subsidies and other benefits. There is also harsh criticism of the reduction of taxes for large businesses, while the citizens with less income are removed from this benefit.

President Reagan's domestic policy is further aggravated with measures that limit freedom of speech, such as those that prohibit the denunciation of the Central Intelligence Agency's excesses and that accentuate a return to the times when progressive intellectuals were persecuted and outstanding personalities in science and culture in that nation were brought before the famous Anti-American Activities Committee for voicing dissatisfaction with that state of affairs.

If we add to all of this the wanton warlike offensive that has created centers of tension or worsened those already existing in different parts of the world, the arms race and unlimited support for the most reactionary and antipopular regimes in Asia, Africa and Latin America, we must conclude that the present U.S. Government is one of the most dangerous in the history of imperialism.

Less than 10 months after his ascendance to power, President Ronald Reagan and his team of close collaborators have created one of the most difficult and complex international crises of recent times and broad sectors of the American people are already manifesting a growing concern over the risky adventure their rulers have begun.

It is not difficult to predict that in the near or not too distant future, there will be a resurgence in the United States of popular protest demonstrations against the government that is guiding the nation toward grave conditions, which could endanger both its future and that of all of humanity.

CSO: 3010/52

U.S. BILL GUARANTEEING CIA CLANDESTINITY NOTED

PA011916 Havana International Service in Spanish 0000 GMT 1 Oct 81

["World Events" Commentary]

[Excerpts] The U.S. House of Representatives has just approved a bill releasing the CIA from any public or private scrutiny. This measure must still be approved by the Senate and sanctioned by President Ronald Reagan without which it cannot become a law. However, these are steps that will be carried out for sure.

To many political observers, this maneuver is clearly designed to guarantee the absolute clandestinity of the U.S. espionage apparatus and to put a stop to the scandalous revelations of former CIA agents who have disclosed many of CIA misdeeds.

The purpose of this measure, adopted amid the present international situation which is characterized by the most obscurantist and aggressive positions of the Washington government, enables one to predict there will be a greater increase in the provocative and adventurous foreign policy being carried out by the Reagan administration.

If one views this in an allegorical way, one could say that the CIA's sinister submarine is again sinking in search for deep waters in order to prepare for the onslaught.

The new law is also a reply to those who are asking themselves if the Reagan administration is planning to return to the sinister agency of espionage and subversion all the impunity it enjoyed during the administrations of Richard Nixon and Lyndon Johnson when it was evident that it could do anything it pleased.

These steps of the present U.S. Government clearly support those who have compared present times with the dark stage of McCarthyism, the witch hunt and the terrible anticommunism with which yankee imperialism started the postwar period.

This measure represents a total regression to time which were believed to have been fully overcome. However, we must not forget that that imperialist policy failed loudly and led to important changes in the world balance of forces in favor of the revolutionary and progressive movements. The medieval political era which included the Hiroshima and Nagasaki crimes was followed by the height of the national liberation movements and the subsequent defeats of imperialism in its counterrevolutionary efforts.

This new reactionary offensive will have no other result than new victories for the peoples.

CSO: 3010/52

CONSTRUCTION WORKERS' PROJECTS IN LIBYA REPORTED

Havana JUVENTUD REBELDE in Spanish 1 Sep 81 p 1

[Article by Pedro Rodriguez Gutierrez: "Cuban Builders Work on Contracts in Libya Worth 128 Million Pesos"]

[Text] Tripoli--Cuba has contracted to do 128 million pesos of work for the Popular Socialist People's Libyan Arab Jamahiriya.

About 3,000 workers are involved in the construction of housing, highways and other minor projects. They probably face the most difficult missions of all those assigned to different construction companies here.

The Cubans closest to this capital work on a project 1,200 kilometers in the desert under climate conditions that force work to stop at 1100 hours and begin again generally at 1700 hours, with the sun still blazing.

The El Araneeb-Gatrum highway project in southern Libya covers 150 kilometers. In addition to the adverse climate conditions, a large part of the road must cross over quicksand and sand dunes.

This was a challenge to the technology and tenacity of the construction workers. The first ones who arrived here in 1979 built temporary facilities; the highway construction began in 1980.

Another asphalt road is being built for the Sebha-Obari segment; it covers 180 kilometers in the desert.

These segments are part of the road infrastructure in those areas and part of a highway network covering some 2,000 kilometers during a 10-year construction period.

Although they go through isolated areas, these roads connect different villages to each other. Electricity, or "civilization" as one foreign journalist commented, will soon arrive here.

The Cuban workers will also build 1,042 housing units, already under construction in Libya.

Jorge Domenico Cabrera, a doctor specializing in febrile diseases for the Cuban branch of UNECA [Union of Caribbean Construction Enterprises], explained the

careful surveillance over the workers' health here, given the physiological changes caused by a different climate and a different schedule.

He is part of the main Cuban medical commission in Libya which evaluates any situation of this type and makes decisions about them.

Alcides Arteaga Capote heads the UNECA branch in the outskirts of this capital.

The quality of Cuban projects abroad is considered very good. When asked why by Nicaraguan colleagues, Arteaga explained that it is a duty and a moral commitment by the Cuban construction workers.

7717
CSO: 3010/3

SIXTH ANAP CONGRESS TO BE HELD IN MAY 1982

Havana GRANMA in Spanish 2 Sep 81 p 3

[Article by Orlando Gomez: "Sixth ANAP Congress Will Work to Consolidate Strong Peasant Cooperative Movement"]

[Text] The Sixth ANAP [National Association of Small Farmers] Congress which will be held in May 1982 will work hard to consolidate and develop the peasant cooperative movement. This was announced at a press conference yesterday. It was also learned that the local peasant assemblies to elect their nominees are already in progress.

Orlando Barrios and Julio Pascual, vice presidents of the peasant organization, explained to reporters how this important congress will review accomplishments of the Fifth ANAP Congress, especially progress toward superior forms of production among our more advanced peasants, in order to strengthen the strong cooperative movement as much as possible.

They reported that about 1,000 local delegates—approximately 73 percent with voice and vote—direct delegates and some 300 national and foreign guests will attend this most important meeting of the Cuban peasants. One delegate for each CPA [Agricultural and Livestock Cooperative] which exceeds 60 caballerias will have the right to participate in the congress in recognition of the effort made for growth. At this time, there are already more than 1,000 cooperatives of that superior socialist type in the country, 90 of which have more than 60 caballerias.

Barrios and Pascual recalled that the municipal assemblies to elect nominees for the Sixth ANAP Congress will begin this month. The first two are planned for 19 September in Yara, Granma Province, and Sandino in Pinar del Rio. The provincial assemblies where the final delegates to the congress will be chosen—through direct and secret vote—will begin on 27 November with the one in Holguin Province and will end 24 February in Camaguey Province.

They reported at the press conference that volunteer contributions of money by the ANAP masses to pay for the expenses of the congress already reach 58 percent. Almost 1.3 million pesos have been collected from the small farmers. Havana and Ciego de Avila Provinces as well as the special municipality of Isle of Youth were the first to meet their contribution quotas. The province furthest behind in this is Guantanamo which has only met 10 percent of its quota.

The spokesmen explained that the National Organizing Committee for the peasant congress decided to invite the ANAP professional cadres in the municipalities that achieve 50 percent or more of the peasant area incorporated in the CPA by the time of the congress. At this time 11 municipalities surpass that 50 percent and, therefore, have the right to send their professional cadres: Limonar, Marti, Perico, Jovellanos and Los Arabos in Matanzas Province; Bolivia, Ciro Redondo and Venezuela in Ciego de Avila; Colombia in Las Tunas; Remedios in Villa Clara; and Yaguajay in Sancti Spiritus.

They reported that the main motto of the ANAP Congress will be: "To the Sixth Congress for the development and strengthening of the cooperative movement."

7717
CSO: 3010/5

VEGETABLE, FRUIT, RICE PRODUCTION FIGURES GIVEN

Havana GRANMA in Spanish 11 Sep 81 p 3

[Article by Ariel Rojas: "Sales of Vegetables, Produce to State Totaled More Than 20 Million Quintals This Year"]

[Text] Varadero--Sales of vegetables and produce to the state during the first 6 months totaled more than 20 million quintals to overfulfill the plan for that period, reported Carlos Perez, vice minister for the noncane section of MINAG [Ministry of Agriculture]. He was at the opening of the National Emulation Plenary sponsored by SNTAF [National Union of Agricultural and Forestry Workers] and MINAG and attended by about 400 delegates from the entire country.

During the plenary which Julian Rizo, member of the party secretariat, closed, there was a report on production in the first half of the year of vegetables, produce, grains, citrus, fibers, fruit and other agricultural products.

The state was sent 10,301,000 quintals of vegetables with 7,379,000 corresponding to the state sector. It was emphasized that potato production reached more than 5 million quintals--that is, 500,000 more than harvested in the previous campaign. It totaled more than 50 percent of the vegetable shipment.

The vice minister of agriculture said that all the provinces achieved yields of over 5,000 quintals per caballeria with the exception of Villa Clara. The provinces of Pinar del Rio, Sancti Spiritus and Ciego de Avila had more than 6,000 quintals as an average although Matanzas did best with 6,914,000 quintals. The work in Havana to harvest 558 caballerias and achieve averages of 5,896 quintals was pointed out. One interesting fact is that Havana, with 39 percent, and Matanzas, with 9 percent, produced almost 50 percent of the total shipment of vegetables in the country.

The produce shipment totaled 9,834,000 quintals of which 5,384,000 corresponded to the peasant sector. Sales to the state in this category equaled 2,635,000 quintals more than in the same period last year. Records were set in winter harvests of tomatoes, onions and cabbage; they were characterized by high yields.

As to citrus, there were shipments of 148,000 metric tons, some 28,000 tons more than the plan but 29 percent less compared to the same period last year.

Also the result of the 1980-81 winter rice campaign was pointed out: yields of 1,301 quintals per caballeria which is 184 quintals more than the record campaign in 1979. The three basic indicators of the rice plan--sowing, yield and production --were overfulfilled. The Fernando Echenique Enterprise in Granma Province was outstanding in this.

At the end of his report, Carlos Perez said the important tasks in noncane agriculture are the fight to increase yields, increase work productivity, apply and gradually improve the features of the SDPE [Economic Management and Planning System] and increase demand in the fulfillment of plans and technology.

At the end of the opening report, the delegates divided into seven work committees to analyze concrete problems in multiple crops, citrus, rice, fibers, citrus marketing, seeds and choice fruits.

During the afternoon, incentives for the first 6 months were presented to 36 vanguard workers in SNTAF and to the 21 winning enterprises and establishments in this stage of the emulation.

Also presiding were: Rene Penalver, member of the CC [Central Committee] and secretary general of SNTAF; Felix Duque, member of the CC and director of agriculture in Matanzas; Esteban Lazo, alternate member of the CC and first secretary of the party in the province; and other leaders of MINAG and the secretariat of the agricultural union.

7717
CSO: 3010/5

CANE WINTER SOWING IMPORTANT TASK AT PRESENT

Havana GRANMA in Spanish 10 Sep 81 p 3

[Article by Juan Varela Perez]

[Text] The winter planting of cane, one of the six decisive tasks of this semester in the sugar sector, demands a great and steady effort during the remainder of September.

The ground preparation that remains to be done for planting must be completed by the end of the next 10-day period. Experts feel that this is the ideal date to achieve the 6,294 caballerias on this month's calendar.

The figures indicate that on the average, no fewer than 150 caballerias per working day must be prepared for planting.

Speaking last 26 July in Las Tunas, our commander in chief set forth a series of tasks to be done during the second half of the year, calling them urgent. Among them is winter cane sowing, which is of the utmost importance in terms of raw materials for the predictions of the 1983 harvest.

The Agrotechnical Office of the Sugar Agriculture Department of the Ministry of the Sugar Industry (MINAZ) has just released a series of recommendations which we feel are important now that the winter season is at its peak.

The recommendations stress that quality should prevail in the preparation of land and in sowing; there should be no sloppy work, that is, there should be no sections left undone, and none of the established procedures should be omitted.

Although it may seem obvious to everyone after so much insistence, the seed should be pricked in groups that have three to four buds and should be covered with the amount of dirt specified in the technical letter. Furrows should be kept 1.60 meters apart, and no fewer than eight to ten buds should be placed in each linear meter, with selected, high quality seed. The master furrow should be planted correctly with a double row.

These are factors and recommendations about which we have written on other occasions. Unfortunately, however, this pattern is not followed in all enterprises, and on many control and assistance visits by the Sugar Department of the

Communist Party Central Committee, there has been criticism due to lack of compliance with some of these indications.

Let us look at another interesting paragraph in the document in question: "We should plant the 6,294 caballerias that correspond to September, taking full advantage of the optimum season, so that by the thirtieth of this month we will have reached 8,219.6 caballerias. Thus we will not have to achieve any more between September and October, a traditionally rainy month which makes sowing difficult."

Sugar experts feel that the winter planting is one of the most important tasks at hand.

By the end of August, the rains appeared to be one of the factors limiting higher yields. The 2,977.5 caballerias sown represented 65 percent of the plan for that time period.

Now the area corresponding to September must be planted, totalling 5,465.9 caballerias. This is the largest monthly plan of the season, and when the remainder of the August quota is added, the total comes to over 6,294 caballerias. If that goal is achieved, the month could end up with a total of 8,219.6 caballerias, or 79 percent of the area planned for this season.

Cuban sugar growers, say MINAZ experts, have asserted that the best time to plant sugarcane is the "early cold season," or July, August and September. Within that period, the best month is the present one, so it is necessary to launch a vigorous planting effort to make sure the fields have enough plants in them to ensure high yields during the 1983 harvest and those that follow.

8926
CSO: 3010/4

REPAIRS UNDERWAY AT 113 OUT OF 152 SUGAR MILLS

Havana JUVENTUD REBELDE in Spanish 1 Sep 81 p 1

[Article by Luis Hernandez Serrano]

[Text] As of the latest report on 17 August, 113 of the 152 sugar mills in the country were undergoing repairs for the next sugar harvest, JUVENTUD REBELDE learned in a brief interview with Rafael Seoane, who is in charge of the Maintenance Control Room of the Ministry of the Sugar Industry (MINAZ).

He explained that as of that date, with the exception of the provinces of Matanzas, Pinar del Rio and Cienfuegos, which did not report their results, 101 percent of the repair and investment plan for our primary industry had been completed. This means that a good job has been done to prepare the sugar mills that will begin operations for the 1982 harvest; it is even good in comparison with the same period of last year.

The mills undergoing repairs had to carry out 18.75 percent of the total work planned for that activity by the above-mentioned date, and they performed 18.90 percent. This reflects a great effort, particularly in the case of the mills where this important task is a greater burden.

The MINAZ report for the period in question singles out the provinces of Santiago de Cuba, Sancti Spiritus and Havana, which achieved the highest percentages of their respective repair and investment plans.

The lowest figures at the time corresponded to Holguin, with 71 percent completion of the plan; Camaguey, with 80 percent; and Villa Clara, with 96 percent. The other provinces in the country achieved more than 100 percent.

Because they exceeded certain standards, the sugar mills that were most successful in fulfilling their plans were, in descending order: Candido Gonzalez and Sierra de Cubitas, with 260 and 250 percent, respectively, both in Camaguey; followed by Obdulio Morales, in Sancti Spiritus; Guatemala in Holguin; and Benito Juarez of Villa Clara.

According to MINAZ specialists, the repairs are generally done as indicated, to a greater extent than specific investment criteria. In the latter activity, the top three in the country are Ciego de Avila, Havana and Las Tunas.

8926
CSO: 3010/4

PREPARATIONS FOR SUGAR TECHNICIANS' CONGRESS UNDER WAY

Havana JUVENTUD REBELDE in Spanish 6 Sep 81 p 2

[Article by Luis Hernandez Serrano: "Preparations for 18th ATAC Congress, 2nd ATALAC Convention Accelerate"]

[Text] Preparations for the 18th ATAC [Cuban Association of Sugar Technicians] Congress and the 2nd ATALAC [Latin American and Caribbean Association of Sugar Technicians] Convention which will both be held in the Palacio de las Convenciones in our capital from 12 to 16 October are progressing rapidly, according to the organizing committee.

About 1,000 delegates have already confirmed their attendance; 930 Cuban technicians and about 100 foreign technicians will participate in the discussion of the agenda.

At this time, the 328 technical papers that will be discussed at this important sugar meeting are being printed; 244 will be submitted to oral discussion while the remaining 84 will be presented to the participants through posters--that is, expressed in murals in places easily visible to the delegates.

Program

The congress will open the morning of 12 October. Starting at 1200 hours, several groups of delegates will visit sugar centers like the Camilo Cienfuegos refinery in Santa Cruz del Norte, ICINAZ [Cuban Sugar Research Institute] in Quivican--both in Havana--and INICA [Sugar-Cane Research Institute] of the Academy of Sciences in Havana City.

On 13, 14 and 15 October, there will be discussions of the technical materials that the Cuban and foreign sugar specialists have sent to the event. On the morning of 16 October, four instructional lectures will be given by distinguished people in this branch.

In the afternoon, the General Council of Members will be held and then the congress and convention will close.

On Sunday, 11 October, a new exhibit of products made by many internationally recognized commercial firms involved in sugar production will open.

According to the organizing committee of this important meeting, the attendance of more than 25 foreign firms has been confirmed. It is expected that that figure will increase in the next few days due to the scope of the meeting and the renown that our country has achieved in its primary industry.

Two Associations

ATAC now has more than 2,000 members throughout the country. It was founded in 1927 and is the oldest association of this type in Latin America, the Caribbean and in Cuba and is one of the oldest in the world.

ATALAC was created in Mexico in 1979 during the 10th Plenary Meeting of GEPLACEA [Group of Latin American and Caribbean Sugar Exporting Countries]. It is made up of representatives of the sugar sector in Mexico, Nicaragua, Honduras, Panama, Venezuela, Peru, Costa Rica, Brazil, Dominican Republic and Cuba.

It actually consists of the associations of sugar technicians in those countries and its executive committee is formed by their respective presidents.

Cuba holds the presidency and is the headquarters for ATALAC for 1 year. It was elected in September 1980 at the 10th ATAM [Mexican Association of Sugar Technicians] Congress which was also the first ATALAC Convention.

7717
CSO: 3010/3

VILLA CLARA CTC HEAD DISCUSSES CANE HARVEST, OTHER PROJECTS

Havana TRABAJADORES in Spanish 21 Jul 81 p 4

[Report on cane harvest, including interview with Manuel Cordero, secretary general of the Central Organization of Cuban Trade Unions, by Eraclides Barrero]

[Text] As could be expected, "the sugar-producer of the center," the vigorous province of Villa Clara, marked the 26th of July with fulfillment of its cane-cleaning plan. This triumph, however, preceded by the victorious days of the spring sowing, has particular significance because it has been achieved without neglect of the effort needed in the other productive sectors.

When this interview is published, the people of Villa Clara will be enjoying their celebration, more than deserved after work with heroic highlights.

In an interview with TRABAJADORES, Manuel Cordero, secretary general of the CTC [Central Organization of Cuban Trade Unions] and member of the party's provincial committee, jubilantly spoke of the labor of Villa Claran workers; but at the same time he displayed the spirit of self-criticism that has characterized that province's work.

"With sound revolutionary pride we can say today that our workers fulfilled, overall, the commercial plan by 103.5 percent, which represents having produced 129 million pesos more than during the same period last year, with favorable results in all economic indicators."

[Question] What sectors have been outstanding?

[Answer] The best, without a doubt, were the sugar workers, and, generally speaking, all of them, although at the end of the semester those in light industry, the food industry, the SIME [Steelworking Industry] and the MINAGRI [Ministry of Agriculture] had not fulfilled their plans.

[Question] To what do you attribute the province's good economic results?

[Answer] Unquestionably to the financial expedients used in cane, and even non-cane, agriculture, the new forms of payment, which have combined with enthusiasm to celebrate the 26th of July, and they've made these achievements possible.

One of the tasks on which we've worked with extraordinary intensity during 1980 and 1981 has been application of the different payment systems in cane and non-cane agriculture and in industry. This is a vital premise for a consistent increase in productivity and, therefore, substantial improvement of the efficiency of this important sector of the economy.

The reinstitution of the finished field in cane agriculture was consolidated during 1980 and what there's been of 1981. We have managed to bring into this payment system all the agricultural workers in the province, obtaining highly favorable results in the use of the working day, in increasing productivity, and in the effectiveness of the economy in the enterprises.

Advancement to superior forms of organization of work is seen in the linking of the man with the area, which is now applied in the El Yabu Various Crops Enterprise. Moreover, similar experiments are being carried out in other enterprises under the MInistry of Agriculture through application of Resolution 630.

[TRABAJADORES] The large amounts of cane processed at mills in Villa Clara in the last harvest were news during much of the campaign, but we had a question, which we asked Manuel Cordero.

[Question] Besides grinding a lot, they did it well. Was the harvest efficient?

[Answer] We should say first that the first condition for carrying out an efficient harvest is to process a lot in the mills, steadily. We did that, and by doing so the province overfulfilled its sugar-production plan and surpassed its total recovery goal by 2 percent, as well as all the indicators of efficiency in the industry, and we consumed less petroleum.

The triumph in the industry was made possible by magnificent work done in cane agriculture. All types of cutting overfulfilled their delivery plan, and the most significant was that of volunteers, who surpassed it by 3 percent.

In plowing, the farm-machinery workers made an extraordinary effort to do some 4,000 caballerias when their plan called for 3,800. Thus, they overfulfilled that task by some 4 percent. They've worked day and night to reach that figure, the second highest in the entire country.

The same enthusiasm and spirit of work characterized the great spring sowing. The effort made by the workers and all the people made it possible to attain the high figure of 3,787.6 caballerias on 14 June.

As people know, we fulfilled and overfulfilled the July cleaning plan, which surpasses 108 percent, with over 1,900 caballerias. Also, in June we had cleaned 2,129 caballerias.

[Question] Other outstanding sectors?

[Answer] The construction workers. As always, they've been equal to our economy's demands and during the 6 months that recently ended, reached 56.4 percent.

That fulfillment by the Construction Workers Union and its affiliates hadn't been achieved in this province for 2 years. Our assessment is that it has been possible because of the construction workers' desire to meet their production commitments in honor of the 25th anniversary of the landing of "Granma" and also in an effort to obtain the central site for celebration of Construction Worker's Day, which will be held on 5 December.

For these reasons, they are working very enthusiastically on such important works as the tandems building and concrete railroad ties. The former will manufacture complete tandems, and the latter will supply an important item for the central railroad.

High priority has also been given to construction of some 1,300 housing units, among other important projects. What is significant is the drive, the energy, that has been inspired by the 10th World Labor Congress Emulation Program and the tight coordination of work between the union and the administration, as well as the support from the party and the UJC [Union of Young Communists].

[Question] And defense?

[Answer] We're working to expand inducement of voluntary labor, which is the way we can increase collections to meet our commitment regarding purchase of equipment for the Territorial Militia.

Fulfillment as of 13 July was 55% altogether, with 1,059,790 pesos collected, in a plan calling for 1,894,585 pesos.

The unions doing the best work in this task are those in health, culture, education and metallurgy, and those lagging farthest behind are those in light construction, sugar, tobacco and farming.

[TRABAJADORES] During the days that we TRABAJADORES reporters were visiting some municipalities in Villa Clara Province, we were aware of a joy that could be termed complete, for combined with the relaxation that follows 6 months of hard work and a sequel of exuberant festive joy is the satisfaction of having fulfilled a duty.

Even amid the partying, however, there is talk of work. A plow operator for the Jose Maria Perez Cane Enterprise told us:

"What we did in preparing for the spring sowing was nothing compared with what we're doing now in plowing for the cold-weather sowing."

Manuel Cordero, secretary general of the CTC, concluded the thought:

"That doesn't mean that, although we express our optimism about carrying out these activities, we don't recognize that there are still administrative deficiencies which, combined with lack of drive in unions in some places, lead to difficulty in attaining economic objectives that have been set.

"These situations are discussed by our unions, and the issue will be the object of extensive analysis during the productivity meetings we've begun to hold at enterprises. They'll end in August with a provincial summing-up.

"In short, we're in a position to make the first year of this 15-year period one of major victories."

9085
CSO: 3010/1846

UNLOADING DELAYS BY TRUCK ENTERPRISE AFFECTING PORTS

Havana TRIBUNA DE LA HABANA in Spanish 3 Sep 81 p 1

[Article by Nieves Alvarez Sisto: "One Basic Cause of Port Problems"]

[Text] The basic cause for the increased inventories in the port warehouses of the capital was the 28,900 tons which were the result of the 1,640 trips not made by the Havana Truck Enterprise due to problems unloading 1,170 trucks.

Knowing the importance of transportation in the results achieved by the port, it is necessary to analyze the main causes for these results.

Transportation rates during the past month indicate that the daily rotation of equipment was only 1.5 percent due to its reception.

Many organisms were involved in loading and unloading problems. The most significant were ECME [Cuban Metal Enterprise] and the chemical and rubber enterprise.

In the first, a total of 237 trucks were left unloaded during the month which represents a loss of 1,652 hours; in other words, 330 trips equivalent to 7,200 tons were not made.

Because of different problems, the chemical and rubber enterprise did not unload 54 trucks which represents a loss of 376 hours and 76 trips with a possible tonnage of 1,700 tons.

The above data show that the transportation losses caused by these two enterprises alone by not doing the pertinent work affected transportation of 8,900 tons or 32 percent of all merchandise to be transported.

In addition to the problems indicated above, there have also been problems in the organisms responsible for documentation. This led to the situation where some trucks which were loaded on time were late in arriving at the reception point.

Another factor that caused transportation problems is the decrease of about 40 trucks belonging to the Freight Operating Enterprise. Although it has new equipment with greater capacity including double trailer trucks, some receivers have difficulty assimilating the merchandise from these trucks.

Independent of these external factors, there are also internal factors in the enterprise that have caused transportation problems. These include the failure to provide enough equipment at the port which causes stoppages and lack of economic fulfillment, basically because of organizational problems in the enterprise.

The lack of demand and control by the port and the Havana Truck Enterprise have also contributed to problems because of underutilization of the equipment capacity.

It should be pointed out that with the Transportation Scale System, the enterprise increased rotation of equipment from 0.8 to 2.0. This figure has decreased now to 1.5 due to problems in reception at some internal economy warehouses which do not meet the established schedules.

In the last check made with representatives of the port-transportation-internal economy chain, problems were detected in the transportation plans. The Havana Truck Enterprise only reached 76 percent of the plan, the Truck Freight Enterprise 81 percent and Railways 58 percent.

There are many factors that have affected the rise in inventories at the port warehouses, especially poor organization of the transportation enterprises and reception in the internal economy warehouses.

The facts show that when there is good coordination between the unloading at the port, transportation and reception, the inventories decrease noticeably. Proof is that they were reduced to 43,000 tons in December through proper coordination.

The transportation enterprises and the internal economy enterprises must improve efficiency to respond to the effort of the port workers.

7717
CSO: 3010/3

NEW DOCK FOR LOADING MINERALS BEING BUILT IN NICARO

Havana GRANMA in Spanish 2 Sep 81 p 1

[Article by Alexis Rojas Aguilera: "Construction of New Dock for Loading, Unloading Minerals, Other Merchandise Begun in Nicaro"]

[Text] Nicaro--A new dock for loading and unloading minerals and other merchandise, part of the integral rehabilitation and modernization program of the Com Rene Ramos Latour Nickel Enterprise worth almost 5 million pesos, began to be constructed here.

This important project is being done by the Levisa enterprise for maritime projects of the Ministry of Construction. It is presently involved in the indispensable work of driving 845 Larsen-type piles on which the transversal and longitudinal beams will rest. These, in turn, will support the prefabricated slabs that will make up the floor of the dock.

The new dock which is being built at the northwest end of the Lengua de Pajaro Peninsula (Nicaro) will have a berthing length of 227.3 meters and a width of 16.5 meters; it is 2.7 meters above sea level. As a special characteristic, this dock will be connected to the coast by a bridge 81.4 meters long and 9.85 meters wide where two railways will run.

According to Leonel Granjel Rodriguez, project investor, the dock can receive Leninski Komsomol ships of up to 22,000 metric tons. Its technological equipment will include two port cranes Model 10-20-6, 1-K, a self-propelled railroad with TEM-2-K locomotives and tire-mounted cranes. It will also have three interior technical networks and will be protected by an anticorrosive system in the tidal change area and a collision protection system (rubber cylinders).

Construction of this new port installation in Nicaro also requires complex land projects to create storage areas, administrative installations, an area for construction materials, etc.

Granjel Rodriguez explained to GRANMA that it will be necessary to advance some 50 meters toward the sea, shoring up the coastline to protect it from sea erosion. An area of 4,400 square meters will be recovered.

He indicated that it is also necessary to dredge the inner harbor of the port and its access canal which will cost 693,536 pesos. This includes the extraction of rock and clay from some 944,000 cubic meters of the seabed.

This project should be finished by the end of 1982.

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CSO: 3010/5

CONSTRUCTION OF NEW IRON, STEEL WORKS BEGINS IN HOLGUIN

Havana GRANMA in Spanish 4 Sep 81 p 3

[Article by Alexis Rojas Aguilera: "Installation of Construction Support Base for Cajimaya Integral Steel Works in Holguin Begins"]

[Text] Mayari—The construction work for the support base for the installation of the Cajimaya Integrated Steel Works began near the site where the most powerful metallurgical industry of the country will be erected about 12 kilometers from this small Holguin city.

Construction of the base will cost 32,749,000 pesos and will be done in collaboration with the Soviet Union. About 12.5 million pesos will be allocated for construction and assembly and 16,475,000 pesos for technological equipment. This will also guarantee the supply of the necessary construction materials for the steel plant.

According to what was reported, 45 percent of the earth movement has been done which means 506,000 cubic meters in excavations and 419,323 cubic meters in refilling and leveling. There is also work on the construction of temporary facilities for the construction workers and excavations for the construction of the materials transportation area which is the primary work objective of the construction.

Once the support base is finished around 1984, 325,000 cubic meters of concrete, 25,000 cubic meters of preformed concrete, 20,000 metric tons of reinforced steel, 242,000 square meters of wood planks, 13,000 metric tons of metallic structures and 9,800 tons of prefabricated pipes and tinware will be produced. This will give it a productive capacity similar to the Las Tunas Metallic Structures Factory.

The support base will go into operation as its main shops are completed; these include: prefabricated assembly shop, metallic structure shop, shop to repair automobiles, construction machinery and equipment, batching plant, reinforced concrete shop, wood plank and carpentry shop, laboratory and storage base. About 3,000 workers in different specialties will be employed.

This project is being constructed by ECOI [Industrial Projects Construction Enterprise] No. 9 of Holguin. Its brigades will cover 390,000 square meters including the shops and other facilities, the earth movement, production of 45,000 cubic meters of concrete, the assembly of 11,496 cubic meters of preformed concrete and 406 tons of metallic structures, the construction of 11.2 kilometers of interior water and sewerage networks and a railway 1.5 kilometers long and the assembly of technological equipment, nonstandard equipment and technological metallic structures weighing 4,751 metric tons. The base will have a roofed area of 65,000 square meters.

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CSO: 3010/5

HYDRAULIC PROJECT BEING BUILT IN HAVANA PROVINCE

Havana TRIBUNA DE LA HABANA in Spanish 4 Sep 81 p 4

[Article by Felix Simon]

[Text] Like a liquid snake slowly winding through Havana Province from east to west, the Mamposton-Pedroso-Guira de Melena Hydraulic Complex will eventually be 57 kilometers long. Its waters will make approximately 26,000 hectares fertile for different crops.

Considered the most complex construction project in the province, and possibly the most important of its kind in the country, this complex will serve 8,000 hectares of pastureland, 11,000 hectares of sugarcane and 7,000 hectares of fruits and vegetables once it is completed, after going through four municipalities in Havana Province.

Planned by Cuban specialists in conjunction with Bulgarian hydraulic engineer Venelin Dragonov, the complex will make possible the irrigation of major agricultural holdings in San Jose de las Lajas, where it begins, as well as Guines, Quivican and Guira de Melena, part of whose lands will receive its waters.

But what is the nature of this hydraulic factory, capable of supplying between 10 and 12 cubic meters of water per second, and requiring the construction of an average of four masonry structures for every kilometer of canal?

The Mamposton-Pedroso-Guira Complex, at a cost of approximately 45 million pesos, is made up of the Mamposton Dam, with a capacity of 155 million cubic meters of water, and the Pedroso Dam, capable of storing 4.9 million cubic meters. It also has a 7.8-kilometer reversible canal between the two dams, in San Jose de las Lajas.

During the rainy season, part of the water accumulated by the Pedroso Dam is transferred to the Mamposton Dam (137 meters above sea level) using the pumping stations alongside them. When the rains stop, the water is carried in the other direction, and the Pedroso Dam (bypass) channels the water into another canal, which carries it by gravity to Guira de Melena.

At present a 10-kilometer stretch of the project is in use, irrigating the lands of the Miguel Soneira Produce Enterprise of Guines. Soon 5 more kilometers will

be added, to irrigate some 120 caballerias of sugarcane at the Gregorio Arlee Manalich Agroindustrial Complex.

Gustavo Silva Galiano, vice-director of hydraulic production of ECOI 4 in Havana, is in charge of the project. He has announced that this year 20 more kilometers of the canal should be completed, so that a total of 35 kilometers will be in use. By 1983 the complex should be entirely finished.

To show us the problems encountered on the project, Silva reported that along its 57-kilometer length, the canal will require hundreds of additional structures, including canal, highway and pedestrian bridges, aqueducts, culverts, siphons, spillways and distribution works.

Among the most difficult projects was the construction of the Rio Guanajo Aqueduct, near Guines, which necessitated the use of posttensioned concrete caissons measuring 174 meters in length, under which the natural riverbed runs.

"A project of this type is very complex," he stated, "but the obstacles have been overcome because we have a collective of hardened workers who have paid no attention to the passage of days or hours in their effort to make as much progress as possible on this important task which is so vital to the national economy."

Rings of Snake

To give an idea of the effort demanded by such a project, let us say that the canal is lined with prefabricated concrete, with slabs 4.20 meters long, 2 meters wide and 10 centimeters thick, over more than 50 kilometers.

For this reason, the builders must lay approximately 56,000 of these sections, because each kilometer of canal requires 1,000 slabs, 500 on each side, in addition to nearly 3,000 prefabricated caissons which will be buried in places where the irrigation channel cannot be aboveground.

Silva recalled that in some places along the canal joining the Mamposton and Pedroso Dams it was necessary to use a lot of dynamite, because 80 percent of the soil is rocky. Nearly half of the part where earth movement must be undertaken for the Pedroso-Guira canal, is also rocky.

Another difficulty encountered by the builders is the roughness of the terrain. Where there are depressions, the topography of the location must be altered by building embankments, from which the canal will be excavated later.

Vanguard Collective

A single ECOI 4 brigade made up of 270 men, 90 of whom are members of the Party or the Union of Young Communists (UJC), is building what is called the "Artificial River." The men are divided into 11 earthwork and masonry crews, each containing 8 to 15 members.

The vice-director of hydraulic production spoke with satisfaction about this collective, which he termed the vanguard, because "they have spared no effort to

ensure the progress of the project. They obviously take special care to build the structures as required and to guarantee high quality in their work," he said.

We toured an extensive area of the 10 kilometers of canal that are in use, and although earth and concrete prefabricated "in situ" are the primary raw materials used by these men, the project appears to be carefully finished. Paradoxically, it constitutes a beautiful anachronism amid the rough terrain where it is located.

The watery snake continues to acquire new rings of concrete as it winds its way west, in search of the fertile land of the municipality of Guira de Melena. It is there that one of the most important hydraulic projects of the revolution will culminate.

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BRIEFS

CUBAN, BULGARIAN TELEVISION AGREEMENT--In Sofia, a cooperation protocol between the Cuban and Bulgarian television for the 1981-1982 period was signed by Cuban Ambassador to Bulgaria Jose Alvarez Bravo and Ivan (Blackus), director general of the television of that fraternal European socialist country. [Text] [FL030108 Havana Domestic Television Service in Spanish 0000 GMT 3 Oct 81]

WFTU ANNIVERSARY--The historic importance of the 10th congress of the World Federation of Trade Unions [WTFU] to be held in our country in February 1982 has been highlighted in Havana by Roberto Veiga, alternate member of the Communist Party of Cuba Politburo and secretary general of the Central Organization of Cuban Trade Unions. Speaking at a ceremony honoring a Hungarian trade union delegation visiting Cuba and marking the 36th anniversary of the WFTU, Veiga highlighted the WFTU's support for the Cuban people's struggle. [FL021234 Havana Domestic Service in Spanish 1100 GMT 2 Oct 81]

CTC MESSAGE TO URUGUAYANS--The Central Organization of Cuban Trade Unions [CTC] has sent a message of congratulations to Uruguay's National Convention of Workers [CNT] on the 15th anniversary yesterday of this combative labor organization. The document conveys the admiration of Cubans and the international public toward the members of the CNT in their confrontation with the most barbaric repression and torture from a regime supported by U.S. imperialism. The CTC renews its total support for the CNT and demands the release of Gen Liber Seregni, the symbol of all imprisoned patriots. [Havana Domestic Service in Spanish 1100 GMT 2 Oct 81]

AWARD TO ESPIN--Commander of the Revolution Ramiro Valdes, member of the Politburo and minister of interior, yesterday awarded Vilma Espin, alternate member of the Politburo and president of the Federation of Cuban Women, the 20th national revolutionary police anniversary decoration and presented her with a certificate of service. [FL011650 Havana Domestic Service in Spanish 1000 GMT 1 Oct 81]

CEMA SILVICULTURE PROTOCOL--The final protocol of the 19th CEMA meeting for silviculture cooperation was signed last night at the Palace of Conventions. (Bolswa) Aleksandrov, CEMA silviculture section chief, said he was pleased with the work of the meeting and noted the fraternal atmosphere that prevailed. Also participating in the signing ceremony were Francisco Gonzalez, Cuban vice minister of agriculture in charge of silviculture, coffee and cacao; other

ministry officials, and representatives of the CEMA countries. It was reported that a similar meeting at the ministerial level will begin on Monday at the Palace of Conventions. [Havana Domestic Service in Spanish 1600 GMT 1 Oct 81]

WORKERS TO CZECHOSLOVAKIA--More than 2,500 young Cuban workers will go to Czechoslovakia next year to train and qualify as technicians in trades most necessary to our country's economic development. This is one of the agreements contained in the protocol signed yesterday after several days of talks between Cuba's state committee for labor and social security and Czechoslovakia's Ministry of Labor and Social Affairs. The workers should be over 16 but not yet 35 years old, have completed their general military service or have been proposed by a work center. More than 5,000 Cubans are currently training in 66 Czechoslovak enterprises. Eight hundred of them will finish their training in 1982. [FL031533 Havana Domestic Service in Spanish 1000 GMT 3 Oct 81]

COLOMBIAN COUNCILMEN--A delegation of Colombian councilmen has arrived in Havana at the invitation of the Havana City People's Government. Oscar Fernandez Mell, member of the party's Central Committee and president of the Havana City Provincial Assembly, received the delegation at the Jose Marti International Airport. They are (Mario Upegui), Carlos Saavedra, Alicia Cuervo de Barrero, Hernando Bernal (Duzan), Julia Castro Delgado and Melquiades (Carrioza). [Havana Domestic Service in Spanish 1100 GMT 3 Oct 81 FL]

RADIO FESTIVAL--Thirty-five countries will participate in the second radio festival of the nonaligned countries 5-10 October at Havana's convention center. Manuel Yepe Menendez, vice president of the Cuban Radio and Television Institute, says the festival aims to raise world consciousness about the need to establish a new internationalist information order. It also hopes to facilitate an exchange of experiences and set up new links among participants. Yepe says the festival will consist of a general discussion on the role of radio in promoting economic and social development in the nonaligned countries. [Havana Voice of Cuba in English to North America and the Caribbean 0800 GMT 3 Oct 81 FL]

MESSAGE TO AL-QADHDHAFI--Tripoli, 2 Oct (JANA)--The commander of the revolution has received a message from Cuban President Fidel Castro, the current chairman of the nonalignment movement, concerning the Egyptian-Sudanese-American provocations against the Jamahiriyah people. In his message, President Castro condemned these provocations and denounced the American imperialist designs against the progressive countries and the liberation movements struggling against American imperialist hegemony. The Cuban President also expressed the Cuban people's solidarity with the people of the Socialist People's Libyan Arab Jamahiriyah against the provocations of American imperialism and reaction. [Text] [LD022124 Tripoli JANA in Arabic 2000 GMT 2 Oct 81]

MALMIERCA, PORTILLO MEET--Jose Lopez Portillo, president of the United Mexican States, has received Isidoro Malmierca, our country's foreign minister, at the official Los Pinos residence. Various aspects of the international situation and bilateral relations were discussed in the course of the meeting. Malmierca conveyed the greetings of commander in chief Fidel Castro, president of the Councils of State and Ministers, to Lopez Portillo, who reciprocated. The Cuban foreign minister returned to our country after participating in the 36th period of sessions of the UN General Assembly and following an intensive agenda of talks and meetings at the UN headquarters in New York. [Text] [FL031220 Havana Domestic Service in Spanish 1045 GMT 3 Oct 81]

AGREEMENT WITH INDIA--The Cultural and Educational Exchange Program between the Cuban Government and the Indian Government for 1981 to 1983 was signed yesterday in the protocol room of MINREX [Ministry of Foreign Relations]. Alberto Boza, director of the program, and N. D. Misra, adviser from the Indian Ministry of Education, signed the agreement for Cuba and India respectively. The program establishes that the two countries will exchange three specialists in order to develop contacts to familiarize themselves with the respective educational systems, to exchange ideas and to give lectures. It also includes the participation of doctoral candidates in lectures, seminars and other academic events as well as the exchange of publications, books, academic magazines and other literature related to higher education. India will send a curriculum expert to analyze the educational programs of Cuban basic secondary farm schools. As to culture, there will be exchanges of dancing and musical groups, art publications and specialized reports on the culture in each country. Both officials referred to the importance of the agreement for the expansion of the mutual knowledge of both peoples and mutual relations. They pointed out that the two countries are both founders of the Movement of Nonaligned Countries and have the mutual desire to uphold the original principles of the movement. Others present were: Pelegrin Torras, vice minister of MINREX; other MINREX officials and officials from the Ministry of Higher Education; V. C. Kanna, Indian ambassador; and Partha S. Ray, first secretary of the embassy. [By Georgina Jimenez] [Text] [Havana GRANMA in Spanish 3 Sep 81 p 3] 7717

COSMONAUT TAMAYO'S STATEMENT--Havana (AIN)--Col Arnaldo Tamayo, first Cuban and Latin American cosmonaut, stated here yesterday that, a year after the joint Soviet-Cuban space flight, several of the experiments are ready for application. Others are being analyzed for subsequent application. In a press conference, Tamayo pointed out that that feat, carried out from 18 to 26 September 1980, stamped on space the eternal friendship that Cuba and the USSR forged on earth. He said that much of the research done during that flight was prepared by Cuban scientists, specialists, engineers and workers advised by the Academy of Sciences. It was aimed at the development of medicine, technology and other branches. He added: "This was a flight with peaceful objectives to benefit the national economy and mankind." He revealed that those are the characteristics of all the experiments that the Soviets carry out in space. He said that, on the contrary, the Americans do military experiments. He cited the last ship launched by the United States as an example. One of its objectives was the use of space for military purposes. He emphasized that the USSR is creating the conditions to go on to a more advanced research stage which would include the active participation of women. A female

detachment is being readied in our sister nation which leads us to believe that women will again be represented in space flights in the near future. Concerning the possibility that another Cuban will go out in space, he said that the program includes the repetition of joint flights which would be a little more complex and advanced than the previous ones. [Text] [Havana GRANMA in Spanish 9 Sep 81 p 1] 7717

CSO: 3010/3

FDP CANDIDATES DISCUSS DOMESTIC, INTERNATIONAL ISSUES

Visit to 'PRENSA LIBRE'

Guatemala PRENSA LIBRE in Spanish 14 Sep 81 p 14

[Text] Yesterday afternoon, Gen Angel Anibal Guevara Rodriguez and Ramiro Ponce Monroy, candidates for the presidency and vice-presidency of the republic, respectively, visited our editor, journalist Alvaro Contreras Velez, with whom they conversed for several minutes regarding matters of national and international concern.

The candidates were accompanied by Deputy Hector Napoleon Alfaro, a high-ranking leader of the Revolutionary Party; Dr Jose Trinidad Ucles, from the Democratic Institutional Party, present director of the political committee of the Guevarist coordinating entity; architect Luis Alberto Cobar, leader of the Popular Democratic Front [FDP], an entity in which he holds the position of chief of planning; and journalist Willy Sanchez, in charge of public relations.

The Unilateral Independence of Belize Is Not Accepted

During the course of the conversation, General Guevara said that the unilateral independence of Belize should not be accepted, and predicted that the deception perpetrated by Great Britain against the good faith of Guatemalans will undoubtedly be a source of border problems and those of other types in the future.

He illustrated his assertion by discussing the military conflict currently involving two Middle East countries: Iran and Iraq. He expressed the view that this war is a result of border problems which those countries inherited upon obtaining their independence.

In essence, he voiced his agreement with the measures that the government of President Lucas Garcia has adopted to safeguard Guatemala's rights to Belizean territory.

The People Are Not Apathetic

General Guevara exchanged views on the widespread notion that there is apathy among the Guatemalan electorate, and that many people with the ability to vote may possibly prefer to abstain from exercising their suffrage.

He commented: "The people are not apathetic; they are concerned about the problems that affect them."

He was asked: "And what about you, General Guevara; what is the national problem of most concern to you at the present time?"

He replied: "I am concerned about finding the way to restore Guatemala to the peace that it needs. I am concerned about the security of both business owners and workers."

He was asked: "Do you think that, if you become the next president of Guatemala, you have any chance of restoring the peace that you mention to the country?"

He answered: "You must realize that to put an end to violence is not a problem incumbent on the government alone. It is also incumbent on private enterprise, who knows,perhaps to a greater extent than on the state. But so that private enterprise may be able to play its role, it must have the essential security, so that investors will know that, if they promote a plan, it will bring them results, and they will not be hampered in their endeavors."

General Guevara then turned his conversation toward the guerrillas, saying that they are not only a national problem, but an international one. He cited the universities (without specifying which of all of them he was referring to), concretely, as a source of problems, with the idea that there are individuals in them associated with the guerrilla movement.

He was asked: "General, do you think that the guerrillas constitute a real danger?"

He responded: "Of course. If they did not constitute a danger, we would have no reason to be concerned."

He was asked: "As a military man, do you think that the guerrillas are a threat to the Army's security?"

He answered: "From a military standpoint no, they are not a threat for the time being. But the guerrilla fighters engage in publicity actions which instill the idea of a threat."

He was asked: "Do the guerrillas represent a threat to the government's security?"

He replied: "No, not to it either; but it is a fact that we must combat them."

Appeal to the Voters

He said: "I wish to make an appeal from PRENSA LIBRE to the voters to go en masse to the polling places and in that way foster a democratic change. It is the opportunity that Guatemala has to demonstrate its faith in the electoral system; and I believe that democracy is the most appropriate system to enable people to become completely fulfilled and to enable the country to embark on new stages of its economic, political, social and cultural development."

After the visitors enjoyed a cup of coffee and spent a few more minutes holding a pleasant, interesting chat, they took their leave, but not before first expressing confidence that the people would vote for them.

Electoral Rallies

Guatemala PRENSA LIBRE in Spanish 22 Sep 81 pp 9, 77

[Text] Gen Anibal Guevara Pledged Aid for Agriculture and the Development of Jalapa

In a beautiful display of civic spirit and love of country, the people of Jalapa turned out in large numbers to receive the candidates of the Popular Democratic Front, Gen Anibal Guevara and Ramiro Ponce Monroy; and several popular gatherings and demonstrations were organized in support of the Running Mates of Hope.

To the people of Jalapa, a high percentage of whom are revolutionary, General Guevara expressed his gratification at the unity of the PR [Revolutionary Party], PID [Democratic Institutional Party], FUN [Nationalist United Front] and Guevarist National Coordinating entity.

He stressed the fact that little is promised in his campaign, but that great accomplishments will be made during his administration. Among other things, there will be an impetus for the drinking water programs, because there is a shortage of the vital liquid in several Jalapa settlements; agriculture will receive special support, with large-scale, ambitious programs for irrigation and financing for activities associated with the diversification of crops; and, generally speaking, the necessary support will be given for the complete development of the department.

'A Vietnam Will Not Be Permitted in Guatemala': Ponce Monroy

Ramiro Ponce Monroy, the Popular Democratic Front's vice-presidential candidate, for his part, recalled the great noble figures from Jalapa, such as Clemente Marroquin Rojas, the Professors Bonilla Ruano and Sandoval, Manuel Maria Avila Ayala and Dr Antonio Carias, and stated emphatically that foreigners and bad Guatemalans will not be permitted to convert Guatemala into a Vietnam.

Ponce Monroy declared: "The intruders who have come to subvert order should leave as soon as possible, because we Guatemalans are ready to oust them or bury them here forever."

The PR's Unity Is Reaffirmed With a Fraternal Embrace

Gen Anibal Guevara, the FDP's presidential candidate, appealed for the unity of the revolutionary family gathered in the Revolutionary Party, and a response to his remarks was given by Deputies Otto Rolando Ruano, a Jalapa leader, and Dr Ramiro Faillace de Leon, of the Blue and White Wing, who embraced Jorge Garcia Granados, the PR's secretary general.

Deputy Faillace de Leon stated that, during the current campaign, everyone would work together for the victory of the Running Mates of Hope, consisting of Gen Anibal Guevara and Ramiro Ponce Monroy.

Jalapa pledged publicly to vote en masse for General Guevara and Ponce Monroy, and to bring them to power in March 1982.

General Guevara Ready to Seize a Rifle and Defend the Nation's Dignity in the Belize Conflict

"Guatemalans, Santa Rosans, I make an appeal for patriotism from all of you. I am even ready to decline my presidential candidacy, so as to take my place at the head of my people, to defend the interests of the nation, now when there is a crude affront of an international type against Guatemala, when Great Britain unilaterally granted independence to the territory of Belize." This statement was made by Gen Anibal Guevara in the Central Park at Cuilapa, Santa Rosa, where he was acclaimed by thousands upon thousands of people, who gathered to express their support for him.

The Popular Democratic Front's presidential candidate, Gen Anibal Guevara, mentioned in his address the "artificial" independence that the British have given to the Guatemalan territory of Belice. General Guevara stated emphatically: "That independence will not be recognized by any well-bred Guatemalan, and is flatly rejected by the people."

The Parks Inadequate to Hold Thousands of Symapthizers of the Running Mates

The streets and avenues of the departmental capital of Santa Rosa were filled with sympathizers of the Popular Democratic Front and its candidates, Gen Anibal Guevara and Ramiro Ponce Monroy.

Placards identifying the delegations from all of the department's municipalities stood out on those streets and avenues which resembled human rivers among decorations with colored borders in all of Cuilapa, as a sign of festivity and rejoicing over the presence of the candidates of the Popular Democratic Front, comprised of the PR, PID, FUN and Guevarist Coordinating entity.

We Shall Engage in an Unprecedented Achievement

"We know what the intense problems besetting our people are: problems of an internal, political and economic nature; problems involving increased common crime; and those in the international realm; problems created by organizations and persons who want to destroy the stability of Guatemala and to convert us into an isolated country, a country of wretched people and beggars," declared the candidates.

"But this is where the response from all of us must lie...among you courageous Santa Rosans; the categorical response saying 'no'....Guatemala does not want to succumb to slavery. Guatemala wants to dignify its liberty; Guatemala does not want hunger; Guatemala wants bread; Guatemala does not want ignorance; Guatemala wants education; Guatemala does not want disease; Guatemala wants health; Guatemala does not want uncomfortable shacks; Guatemala wants comfortable housing for all its children in all the cardinal points of the country; Guatemala does not want its farmers to continue being exploited; Guatemala wants all the farmers to have a plot of land as property for producing their own food and that of their entire family."

They said: "We, the Running Mates of Hope, are ready to work on behalf of all Guatemalans. We are sure that we shall engage in an unprecedented achievement, and that it will be engraved in indelible letters in the nation's history."

The youth of Santa Rosa was on hand with a special greeting to the Popular Democratic Front's candidates. The expert accountant, Julio Cesar de Leon, greeted the candidates Guevara and Ponce Monroy. He said: "We, the youth, are with the Running Mates of Hope, because we want peace and we want work, so that Guatemala will once again assume a peaceful path on which all its children can travel, without the pain of being attacked at the side of the road at any hour of the day or night."

After his warm message to the Santa Rosans, who cheered and applauded him, General Guevara personally greeted all the political representatives of the department's municipalities who headed their delegations.

A working session was to conclude today's political activity in Cuilapa, which exceeded the bounds of enthusiasm and emotion over the presence of the Popular Democratic Front candidates.

Escuintla Will Begin a Victory March to Celebrate Gen Anibal Guevara's Triumph

In Escuintla, Gen Anibal Guevara, the Popular Democratic Front's presidential candidate, stated: "Liberty is reserved for those who fight, and therefore, whatever be the cost, we shall fight to maintain the liberties that were won on a glorious morn of 20 October 1944."

While, throughout the country, the candidates backed by the PID, PR, FUN and Guevarist National Coordinating entity have been received triumphantly, in Escuintla the people's enthusiasm exceeded all estimates; because it involved the reception of two native residents of La Democracia, General Guevara and Aurita Carranza de Guevara.

Escuintla received the Running Mates of Hope candidates, Gen Anibal Guevara and Ramiro Ponce Monroy, legitimate representatives of the revolutionary movement and, as a logical consequence, ideal recipients of the old banners of the revolution and faithful guardians of the conquests which cost our ancestors grief and bloodshed, in a triumphal manner.

The residents of Escuintla pledged before the nation's altar that, after the first Sunday of March, when the Running Mates of Hope, Anibal Guevara and Ponce Monroy, win a resounding victory at the electoral polls, they would begin a mass-scale victory march to the capital city, to celebrate and back the victory of the people, of the revolution, of justice, of national dignity and of our children's future.

The residents of Escuintla responded to General Guevara by saying that they are ready to fight for the liberty won on a glorious morn in October 1944, and that they will follow the candidates of the Popular Democratic Front, Gen Anibal Guevara and Ramiro Ponce Monroy; because they are certain that they are the heirs of the glorious principles for which our fathers fought and died, and that they will not deceive the people, because both national leaders are a product of that magnificent sociopolitical movement which offered the people wonderful freedoms, such as those of expressing opinions, of enterprise, of ownership, social security, university autonomy, municipal autonomy; freedom of voting and movement; and, in particular, the dignification of the human being, giving the farmer, the laborer, women, students, professional people and small businessmen an opportunity to work for the progress of Guatemala in an atmosphere of liberty.

The people of Escuintla responded to candidates Anibal Guevara and Ramiro Ponce Monroy by saying that they will support them, because they are sure that social justice will prevail in Guatemala, since they have promised it during these uncertain times. Ponce Monroy said: "Escuintla, the scene of 100 glorious battles of the October revolution, the anvil on which the progress of the present Guatemala and the nation of the future was forged with pain, has kept the torch of the revolution of October 1944 lighted." He added: "Escuintla has been a revolutionary bulwark, in which the people, forged in pain, learned to reject and combat the dictatorships."

The candidacy of the Running Mates of Hope has upset the working sessions held behind closed doors, because the overflow of people cannot be restrained, and the parks, streets and squares are inadequate to allow the people to voice their support for the candidates of the Popular Democratic Front, Gen Anibal Guevara and Ponce Monroy.

22 September 1981.

2909
CSO: 3010/24

CAN PRESIDENTIAL CANDIDATE DISCUSSES COMING ELECTIONS

Guatemala City PRENSA LIBRE in Spanish 13 Sep 81 pp 6, 33

[Interview with Gustavo Anzueto Vielman, presidential candidate of the Authentic Nationalist Federation Party (CAN), at his home on 12 September]

[Text] "The people aren't apathetic; they're just afraid their wishes won't be respected, because the current situation in Guatemala is different from what it was 4, 8 or 12 years ago. The country has evolved; the traditional political systems are obsolete, and the people can no longer be talked at demagogically. They are demanding the truth," said Gustavo Anzueto Vielman, an architect by profession and the presidential candidate of the CAN.

"The country's degree of organization is very high," he added, "and it is very aggressively demanding what it needs. It no longer accepts promises; it wants to see action. I think that this is the foundation of the upcoming political campaign."

We visited Anzueto Vielman yesterday evening at his home, just after he had returned from Quezaltenango, where he was invited by the mayor to attend the opening of the independence celebration.

He was wearing his "fatigues," jeans and a blue sweater. He flew his own light plane by himself to Quezaltenango, which he said caused quite a bit of surprise because the people expected him to arrive with a large entourage of security guards.

The CAN candidate gladly agreed to answer the series of questions that we posed to him on the national and Central American political panorama.

"The current situation is difficult," the candidate reiterated, "because we are talking to a people plagued by unemployment, inflation and insecurity. In addition,

there is guerrilla fighting, and I thus feel that a calm political process is impossible, much less a change of government.

[Question] Do you think that the people are apathetic about the elections?

[Answer] No, I don't that it's apathy; I think it's fear of having something imposed on them, fear that the choice they make at the polls will not be respected. Their attitude is that if their wishes are not going to be respected, it would be better not to go and vote.

This apathy is beginning to change, in the sense that the people are prepared to defend their votes. We must not forget that our people have defended their votes on other occasions and have never been defeated. Look at the recent example of Gen Miguel Ydigoras Fuentes when he defended his election victory with the so-called "bicycle demonstration" and later became president of the republic. In defending their triumph, the people can rest assured that the CAN will be standing beside them.

Central America

[Question] What about the political outlook in Central America?

[Answer] We live in an era of hypocrisy. I say this because Rodrigo Carazo, the president of Costa Rica, is now portraying himself as the great champion of nonintervention in the affairs of other countries, when he was the main culprit in the disaster in Central America.

[Question] Why do you say this?

[Answer] Because he was the one who allowed his country to be used as a springboard for communism to enter Nicaragua. The episode is so recent that I need not explain further.

With regard to Mexico, which along with France has recognized the Salvadoran guerrillas, we see that Mexico betrayed Guatemala in connection with its claim to Belize, because it believes in the self-determination of peoples (he said sarcastically).

Moreover, the guerrillas are shamefully and shamefacedly acknowledging that they are killing Central Americans. We have to keep in mind that all of the countries in the area, except Nicaragua, are holding elections in 1982.

It bears pointing out that Nicaragua is the only Central American country that will not venture to consult its people.

The remainder of 1981 and next year are crucial to Guatemala and to Central America in general both politically and economically (he said, after a brief remark about France's recognition of the Salvadoran guerrillas). Let's just remember that it has a socialist government.

[Question] Getting back to the ideology of Guatemala's political parties, who would you say has a rightwing or a leftwing ideology?

[Answer] My party, the CAN, is primarily nationalistic (he replied firmly). Under the current circumstances, the description rightwing or leftwing is valid only for the extremists.

Our concerns must revolve around what is preferable or advantageous for the country, without thinking about doctrines or subservience. Guatemala is one, and given the current situation it will either be saved or destroyed.

8743
CSO: 3010/25

CAN SAYS MEMBERS BEING FIRED FROM GOVERNMENT JOBS

Guatemala City PRENSA LIBRE in Spanish 12 Sep 81 p 8

[Text] The firings of CAN [Authentic Nationalist Federation] members from their jobs in government agencies are unjust because the only reason for their dismissal is that they belong to the party, the CAN Public Relations Department says in a press release.

"The party's National Board of Directors," the statement adds, "ordered each dismissal investigated and found that these people were fired just because they were members or supporters of CAN. They thus deserve to be honored and recognized by the party's authorities."

The individuals so honored are Leonel Rigoberto Villeda, Victoriano Vicente Perez, Hector Tulio Porta Hernandez, Jose Longino Icu Xocop, Oscar Rolando Briones Lobos, Col Jose Domingo Arevalo, former Deputy Hector Emilio Sandoval y Sandoval, Bernardo Solares, Hidalgo William Maldonado Lopez, Ramiro Humberto Orellana Chacon, Carlos Roman Espana, Victor Manuel Queme, Justo Mazariegos Gramajo and Rene Castaneda.

Charges

Former Deputy Hector Emilio Sandoval y Sandoval, who worked as an asphalt pavement assistant in roadway zone No 2 in Jutiapa, charged that last 4 August he was called in by Mr Hugo Elmer Pacay y Pacay, the supervisor of the aforementioned roadway zone, who told him that he had received instructions the day before from the director of roadways, Carlos Rosenberg, that he had to resign from CAN or be dismissed from his job.

"As he did not resign, on the 17th of the same month he was again called in to zone headquarters, where the supervisor told him that pursuant to instructions from the general directorate of roadways, he was to paint the initials PID [Democratic Institutional Party] along all of the roads he was in charge of. His response was that they should not pester him like that and could take their job back.

"Thus, on 21 August, he received a radio message from the director of roadways informing him that he was being released for failing to perform the jobs that he had been assigned at his various work places."

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PID LEADER REPORTS ON PARTY'S ACTIVITIES AT ASSEMBLY

Guatemala City EL IMPARCIAL in Spanish 22 Sep 81 pp 1, 7

[Text] Donaldo Alvarez Ruiz, the director general of the PID [Democratic Institutional Party], presented a comprehensive report on the party's activities in 1980-81 at its regular national assembly, which was held at its headquarters and attended by all departmental delegates.

Among the accomplishments Alvarez Ruiz mentioned the opening of a printshop, which provides a very useful service; the distribution of 1,280 gifts on Mothers Day; the celebration of Journalists Day; 18,000 Christmas greetings to directors all over the country, which confirms that the party has been growing; several political work sessions; polls on whether the people prefer a civilian or a military candidate; installing PID members as president of Congress and in two secretariats; the reorganization of 36 affiliates, 14 subaffiliates and 14 blocs within the country; the forging of an alliance among the PID, PR [Revolutionary Party] and FUN [Nationalist United Front] to back a single candidate for president and vice president, and other activities.

He called on the delegates to redouble their efforts during this campaign and expressed satisfaction with the work done in the interior of the country, inasmuch as more than what was planned has already been accomplished. He also said that the PID's organization and support are reflected in the thousands of people who accompany the candidates on their swings through departments. He concluded by saying that at the upcoming elections the PID would elect its fourth president because the PID is not used to losing.

The chairman of the Political Council, Dr Jose Trinidad Ucles, pointed out that this was a political year that demanded a redoubling of efforts and that even though the previous 3 years brought no rest, efforts had to be maximized this last year with people working 24 hours a day. He also indicated that this was a crucial year for Guatemala, the first such juncture in 100 years, inasmuch as our enemy is not from Guatemala but in the form of outside intervention that seeks to sow destruction and destroy freedom. The PID will band together as one man to defend our principles, our faith and our freedom against this enemy, communism.

He added that development and peace are necessary for progress. Peace is not just the absence of war; it is a state of cultural well-being, of happiness for all, not just a few. When there is economic development, there is health, education and work, he stressed.

He later mentioned the importance of the family, the unity that fosters democracy and the destruction of democracy under the communist doctrine.

He said in conclusion that the programs of the Guevara-Ponce ticket provide for a comprehensive development that will benefit all Guatemalans.

Dr Ramiro H. Alfaro, the man in charge of minutes and resolutions, read the minutes from the previous session, which were approved.

The speech welcoming the delegates was delivered by Lionel Lopez Rivera, the assistant chairman of the Political Council.

Speaking on behalf of the departmental delegates was journalist Arnoldo Nunez, the director general of the El Quiche affiliate of the PID, and the closing speech was delivered by Ramiro H. Alfaro.

8743
CSO: 3010/25

BANK REPORTS DECREASE IN COUNTRY'S FOREIGN RESERVES

Guatemala PRENSA LIBRE in Spanish 17 Sep 81 p 15

[Text] On 21 August, the level of the country's unlimited international reserves dropped to 414.2 million. There was a reduction of 113.1 million in comparison with the 527.3 million that existed at the beginning of 1981.

This is official information from the Bank of Guatemala, and it is contained in a document procured by PRENSA LIBRE wherein an analysis is made of various factors in the country's present financial situation.

According to this document, the Bank of Guatemala has had to resort to external financial resources to bolster Guatemala's international reserves.

For this purpose, the bank has attempted to arrange loans with foreign banks, which it justifies by indicating that those funds are necessary for providing sufficient credit backing to the country's productive sectors, with a simultaneous attempt to prevent that measure from resulting in a large drain on monetary reserves.

Some Loans

It is noted that, last May, the Bank of Guatemala obtained a loan of 54 million quetzales, payable on terms of 5 and 7 years.

Another loan, for 90 million, has now been arranged with institutions abroad, to be paid on terms of 6 months, because it involves financing preceding the contracting of longer term funds, to consolidate the short term financing.

According to the Bank of Guatemala, those funds allocated to strengthen the country's internal liquidity are serving their purpose, as they are procured and transferred in the form of loans to the banks in the system, which are experiencing a heavy demand for credit from the productive sectors.

The Central Bank is of the opinion that these funds will offset the decline that occurred in the ulimited international reserves, which amounted to 113.1 million during the nearly 8 months that elapsed from January to (21) August of this year.

The Status of the Quetzal

According to the same analysis, the flight of capital plus the drop in monetary reserves owing to negative impacts on foreign trade for Guatemalan products has had a negative effect on the factors which serve as a support for the quetzal.

However, mention is made of major factors for solving the elements of imbalance, including the recovery of the coffee market and a moderation of the inflationary pressures.

In the case of coffee, it is noted that, after the crisis in June which caused the price to drop below $100, the recent prices indicate a level exceeding $125 per quintal of green coffee on the international market.

It is commented that a price increase of nearly 25 percent is having a major impact on the receipt of foreign exchange from exports, on the payment of the costs incurred by the harvests and, generally, on the activities in which the investors are engaged, considering the importance of the nation's coffee growing.

Another comment is made to the effect that the relatively small size of our country has caused the Guatemalan economy to evince a high degree of openness to other nations.

According to the document, the foregoing means that the value of the exports and imports represents a high proportion of the economic activity and, as a result, the country has a high degree of vulnerability to international monetary events.

In this regard, it is explained that, since Guatemala lies within the economic sphere of the dollar, and a fixed ratio of exchange with respect to that currency is maintained, it is logical that the fluctuations that the United States dollar undergoes with respect to the value of other currencies should wield an influence on the Guatemalan economy.

According to the analysis, in previous years wherein the exchange value of the dollar showed a tendency to decline in comparison with other currencies, concretely, in comparison with the Swiss franc, the German mark and the yen, the price of Guatemalan imports from those countries tended to increase.

Moreover, the price of oil also tended to rise, but, since it was paid for in devalued dollars, the monetary income of the oil-producing countries was reduced, although they maintained a high level of sales in volume.

Under the current circumstances, wherein the value of the dollar is rising in comparison with the majority of European currencies and the yen, according to the Bank of Guatemala it is to be expected that the price of the imports coming from those countries, whose currencies have observed a reduction in their rate of exchange with respect to the American monetary unit, will decline.

It is pointed out that most international monetary analysts are agreed that the strength of the U.S. dollar warrants reasonable expectations of greater stability in oil prices.

According to this analysis, international monetary events could result in an easing of the inflationary pressures that the country has been experiencing.

2909
CSO: 3010/31

NEW REGULATIONS FOR FOREIGN EXCHANGE PURCHASES

For Trips Abroad

Guatemala EL IMPARCIAL in Spanish 12 Sep 81 p 4

[Text] Purchases of Foreign Exchange for Traveling Abroad

The Bank of Guatemala Reports:

The Exchange Department of the Bank of Guatemala notifies individuals who wish to purchase foreign exchange to travel abroad of the following: Starting on 14 September 1981, sales of foreign exchange for travel abroad will be authorized in the following manner:

1. Persons residing in the country will be authorized up to the equivalent of 100 quetzales per day and up to 3,000 quetzales per trip in foreign exchange for travel abroad, but the amount may not exceed 6,000 quetzales as a maximum annual sum, which includes the price of excursions abroad, contracted for and paid for in quetzales, and the price of the payments for use of credit cards during the traveler's stay abroad. To reckon the days of stay abroad, the days of departure from and entry into the country will be counted.

When the travelers are persons under 18 years of age, the authorization per day and per year will be reckoned thusly:

a. Children up to 12 years of age: up to the equivalent of 25 quetzales per day, and 750 quetzales per trip, and up to a maximum annual amount of 1,500 quetzales; and,

b. Persons from 12 to 18 years of age: up to the equivalent of 50 quetzales per day, and 1,500 quetzales per trip, and up to a maximum annual amount of 3,000 quetzales.

2. For trips to Central American countries, up to 50 quetzales in U.S. dollars per day may be authorized, and the rest until the daily quota of 100 quetzales is completed may be authorized in Central American currency or check, denominated in quetzales, payable through the Central American Clearing House.

The cash requirements will be subject to the terms of Number 10 of this communique.

3. The authorizations cited in the preceding numbers will be granted upon presentation of a duly vised passport and tickets issued by the transportation companies; excepted are travelers who are not using the services of transportation companies, in which case they will be required to present only the respective passport.

4. Guatemalans and foreign residents who purchase foreign exchange for tourist travel must furnish a deposit of 25 percent of the foreign exchange purchased when the latter exceeds 500 quetzales. That deposit may be furnished in cash, or with government bonds with a repurchase guarantee.

5. To obtain the refund of the guarantee deposit, the party concerned must present to the Exchange Department of the Bank of Guatemala (Investments and Bonds Section) the pertinent passport and the duplicate of the record of deposit, for the purpose of determining the number of days' stay abroad and the amount of foreign exchange to which he is entitled.

6. The Bank of Guatemala will refund the deposit in the following manner:

a. 100 percent of the deposit if the number of day's stay abroad is equal to or in excess of the number that had been declared to obtain the respective foreign exchange;

b. 100 percent of the deposit if, not having remained abroad for the total number of days planned, the person returns the foreign exchange pertaining to the number of days that he did not remain abroad;

c. In the event that a repayment is not made of foreign exchange cited in the foregoing paragraph, the refund of the deposit will be subject to the decision in this regard handed down by the Ministry of Economy, in accordance with the terms contained in Articles 55 and 64 of the Regulations on Administration of the Emergency System for Control of International Transfers Through Capital Turnover.

7. Any request for foreign exchange for travel abroad must be handled by the party concerned himself. Therefore, requests handled by third persons or travel agencies may not be heeded.

8. Requests for foreign exchange for tourism, the air fair for which is that of an "excursion", "tour", etc., will be dealt with in the Exchange Department of the Bank of Guatemala.

9. The annual period for purposes of determining the maximum annual amount to which a tourist is entitled according to Number 1 will begin on 14 September 1981.

10. Persons residing in Guatemala who want cash to travel to the Republic of Mexico will be authorized Mexican currency only up to the equivalent of 300 quetzales. For trips to any nation of the world except the Republic of Mexico, the amount of cash to be authorized in United States dollars will be that up to the equivalent of 200 quetzales.

Bank of Guatemala

Guatemala City, September 1981

Personal Remittances

Guatemala EL IMPARCIAL in Spanish 12 Sep 81 p 4

[Text] Personal Remittances Which Do Not Constitute Family or Study Remittances

The Bank of Guatemala Reports:

The Exchange Department of the Bank of Guatemala notifies persons who send foreign exchange to the order of persons residing abroad, in the form of rent, right of use, interest or dividends produced by assets located in the republic or by funds invested in the country which do not constitute a foreign investment , or pensions, retirement or other items categorized by the Exchange Department, of the following:

Starting on 14 September 1981, such authorizations will be given as follows:

1. Up to the equivalent of 500 quetzales per month per beneficiary, and 1,250 quetzales per month and family.

2. The Exchange Department will request that, in each instance, the residence of the beneficiaries abroad be verified.

3. Exchange permits authorized before the foregoing regulations go into effect will retain their validity until their expiration.

Bank of Guatemala

Guatemala City, September 1981

Family Remittances

Guatemala EL IMPARCIAL in Spanish 12 Sep 81 p 4

[Text] Family Remittances Abroad

The Bank of Guatemala Reports:

The Exchange Department of the Bank of Guatemala notifies persons who send foreign exchange in the form of a family remittance of the following:

Starting on 14 September 1981:

1. Foreign exchange will be authorized for family remittances to parents, spouses, children and other relatives who constitute a family dependent of the requester. These remittances may not exceed the equivalent of 500 quetzales per month, and up to 1,250 quetzales per month and per family beneficiary, depending on the economic capacity of the requester. In each instance, the Exchange Department will verify the residence of the beneficiaries abroad.

2. Exchange permits authorized before this regulation goes into effect will retain their validity until their expiration.

Bank of Guatemala

Guatemala City, September 1981

Remittances to Students

Guatemala EL IMPARCIAL in Spanish 12 Sep 81 p 4

[Text] Remittances Abroad for the Support of Students

The Bank of Guatemala Reports:

The Exchange Department of the Bank of Guatemala notifies business firms or individuals who remit foreign exchange in the form of support for students abroad of the following:

Starting on 14 September 1981:

1. Foreign exchange will be authorized for:

a. Paying tuition and other expenses that must be paid directly to the educational centers;

b. Lodging, food, and other personal and miscellaneous expenses, up to the equivalent of 300 quetzales per month, in advance, for students on the non-university level, and up to the equivalent of 500 quetzales per month, in advance, for students on the university or equivalent level;

c. Expenses of becoming settled, up to the equivalent of 1,000 quetzales, on just one occasion;

d. In duly justified cases, the Exchange Department may authorize sums in excess of those cited in this number.

2. Exchange permits authorized before the foregoing regulations go into effect will retain their validity until their expiration.

Bank of Guatemala

Guatemala City, September 1981

Remittances of Foreign Technicians

Guatemala EL IMPARCIAL in Spanish 12 Sep 81 p 4

[Text] Remittances of Foreign Technicians

The Bank of Guatemala Reports:

The Exchange Department of the Bank of Guatemala notifies foreign technicians working in the country who send foreign exchange abroad of the following:

Starting on 14 September 1981, the remittances of foreign technicians working in the country will be authorized in the following manner:

1. Those who reside with their families in Guatemala, up to a third of the monthly salary, provided the remittance does not exceed the equivalent of 500 quetzales per month.

2. If their family, or part of it, resides abroad, and depends on them, two thirds of their salaries, provided the remittance does not exceed the equivalent of 1,250 quetzales per month.

3. Exchange permits authorized before this regulation goes into effect will retain their validity until their expiration.

Bank of Guatemala

Guatemala City, September 1981

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END

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Latin America Report

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20 October 1981

LATIN AMERICA REPORT

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VENEZUELA, MEXICO REAFFIRM ENERGY COOPERATION TO CENTRAL AMERICA

Caracas EL UNIVERSAL in Spanish 14 Sep 81 p 1-19

[Text] Acapulco, Mexico, 13 Sep--Today, Mexico and Venezuela ratified effectiveness of the energy cooperation agreement with Central America and the Caribbean.

The representatives of both countries who are attending the special meeting of the Latin American Energy Organization (OLADE) confirmed the decision to continue implementation of the agreement.

The OLADE meeting is studying energy programing for Latin America in the coming decades.

There had been speculation recently on the possible negative effect that the oil relations between the two countries might have had, owing to the recent diplomatic confrontation resulting from the declaration by Mexico and France on El Salvador.

The Mexican secretary of Patrimony and Industrial Development, Jose Andres Oteiza, said that "I have said repeatedly that the agreements signed with Venezuela in the framework of the San Jose de Costa Rica Agreement for supplying oil under favorable conditions to the countries in the area are disassociated from any kind of political consideration."

He stated that "differences like this are discussed by my government in the proper forums, especially in the United Nations."

He said that Mexico in no way feels that oil can be used as a weapon for negotiation or political pressure, but, on the contrary, as an aid to the well-being of the inhabitants of the receiving countries who are, in the final analysis, the ones benefiting directly from that aid.

The Venezuelan minister of Energy and Mines, Humberto Calderon Berti, stated that "when President Herrera Campins and President Lopez Portillo signed the energy cooperation program in San Jose de Costa Rica on 3 August 1980, we decided to apply it to every country in the region, independently of political circumstances that might prevail in them at a specific time."

Calderon said that the agreement was ratified by President Herrera Campins, in a message addressed to President Lopez Portillo, "who responded affirmatively."

He added that "this morning, we heard the affirmation of the Mexican secretary of Patrimony and Industrial Development, Jose Andres Oteiza, who repeated his country's political commitment to stay within the scope of the San Jose Agreement."

He pointed out that Venezuela will continue to act so that the commitment acquired to supply oil to the countries in the region will be financial cooperation for payment of their bills.

He added that "also for development of their energy programs," independently of any political circumstances that there might be at a specific time.

Calderon Berti stated, finally, that Venezuela maintains a very clear stand with regard to international cooperation, "and that is that it is not subject to considerations of a political nature and it does this with all the countries in the region, in a spirit of international solidarity."

10,042
CSO: 3010/1

BRIEFS

JAPAN DECLINES OIL OFFER--Guadalajara, Jalisco (Mexico), 6 Oct (NOTIMEX)--Japan today declined Mexico's offer to increase its oil deliveries. According to statements by the vice president of the Japanese Petroleum Association, (Choei Furusahua), Japan will continue to buy 100,000 barrels a day. The basic reasons put forward for this decision are, among others, the drop in oil consumption in Japan, the current shortage of storage facilities, difficulty in the processing of Mexican oil of the "Maya" type, and others. (Furusahua) spoke today during the second day of sessions of the 13th plenum of the Japan-Mexico Businessmen Committee. He was replying to the Mexican ambassador to Japan, Francisco Javier Alejo, who yesterday asked the official Japanese representatives about Mexico's offer to up its oil sales to 300,000 barrels a day. The Japanese businessman said that his country found itself in the obligation to say that the "Maya"-type crude does not lend itself to the production of articles suitable to national needs because it is too heavy and contains excessive amounts of sulphur. He also said that because of its abundant metal content, it is difficult to refine and process in keeping with Japan's environmental protection standards in its installations. [Excerpt] [FL072020 Mexico City NOTIMEX in Spanish 0135 GMT 7 Oct 81]

CSO: 3010/62

POWERPLANTS TO GENERATE MORE THAN 2 MILLION KW BY 1982

Caracas EL NACIONAL in Spanish 10 Sep 81 p D-7

[Article by Cayetano Ramirez]

[Text] When the electricity generating units under construction go into operation and the first heightening of the Guri dam is completed at the beginning of 1983, the nation's demand for electricity will be covered and no serious crises or deficit are in sight in this field of energy in the near future.

The situation appears as follows: by that same year, Unit 3 of Planta Centro (with 400,000 kilowatts) and Unit Tacoa 9 (with 400,000 kilowatts) will become operational. They should cover the increase in demand for electricity during 1982, because by the middle of that year Planta Centro 4 will go in operation adding another 400,000 kilowatts to cover further demand during the second half of 1982 and the beginning of 1983.

In order to outline this situation, we conducted a survey that began at Guri, where we visited several persons in charge of constructing the final step of the large hydroelectric powerplant, including Engineer Pascual Sarubbi Diaz, inspection manager, and, in Caracas, where we talked with the general manager of EDELCA [Caroni River Electrification Project], Engineer Efrain Carrera and some of his assistants.

The point is that there was earnest expectation concerning two dark years with regard to the country's supply of electricity. This period was identified by experts in the electricity sector, in industry and the Engineers Association as the period between the middle of 1981 and the end of 1982. It was said that not only some delays in construction of Guri and Planta Centro would contribute to this deficit in the supply of electricity, but also the runaway growth in demand that had been projected on the basis of increases occurring in the recent past.

Now the time made up on the construction jobs, making the time for the new generating units to go into operation closer, and the fact that demand for electricity has slowed down and is not experiencing the runaway growth that had been forecast previously, are contributing to a more optimistic estimate of the situation.

First 10 Meters of Guri Heightening

It is difficult for many to understand that, in order to raise the Guri Dam only 10 meters, it has taken 2 years of work and that almost two more are still needed.

What is actually involved is construction of a another wall 230 meters high (the previous dam was 220 meters high, but it will practically be incorporated in the new wall), which has over a kilometer of concrete and 6 kilometers of rock and earth. The wall is not really a wall, but rather half a pyramid, very wide at the base and narrowing to around 10 meters at the top. When it is completed, in 1986, and is 282 meters high, it will be possible to walk on its crest, which will be an avenue with two lanes for automobiles, sidewalks and all the rest.

Description of the technical situation occuring as the dam increases in height indicates that the first 10 generating units installed (the first three with 175,000 kilowatts, the fourth, fifth and sixth with 220,000 kilowatts, the seventh with 360,000 kilowatts and the eighth, ninth and tenth with 400,000 kilowatts) did not generate their full potential owing to the height of the water in the reservoir, 215 meters. When the dam is increased in height to 230 meters, the water level will be 225 meters and the thrust of this enormous additional volume will increase the production potential of the 10 units installed in the first stage by approximately 15 percent. This means that by raising the water level only these 10 meters additional energy amounting to 1 million kilowatts will be obtained.

This is what will be completed in May 1983. The dam will have risen to a height of 230 meters. But by that same time installation of the first two generating units (13 and 14) of the final stage of Guri will have been completed. They will have a generating capacity of 700,000 kilowatts, but, owing to the height of the dam, they will only generate 350,000 kilowatts for a time. In short, Guri will incorporate only about 2 million kilowatts of power during 1983. To this should be added the two additional units of Planta Centro and one unit of Tacoa to obtain a figure amounting to almost 3 million kilowatts incorporated, according to conservative estimates by the experts.

For this reason and in view of the fact that demand is remaining at a rate lower than the forecast rate, it is thought that, if there are no unexpected delays, we shall be able to have the required supply of electricity. At any rate, attention is called to the fact that we shall go through a period until 1983 in which there will not be sufficient reserve capacity and repairs will have to be rationed in each case in which it may be necessary to shut down a machine for maintenance.

EDELCA Handled Construction of Dam

As a result of the crisis causing the known delays in construction of the Guri Dam and that brought about direct intervention by EDELCA, the state electricity company, in handling the construction job, important changes have occurred. The first change was that EDELCA was able to restore the pace in the work and succeed, at the beginning of this year, in pouring 140,000 cubic meters of concrete in the wall. Progress was also made on all the other fronts. The labor front merits special mention, because not only was action taken on grievances pertaining to working conditions themselves, but also food, recreation, sport, housing and other facilities (we visited messhalls and facilities with Engineer Michel Drossos, who is handling the matter), in addition to organization of visiting time for family members and other factors affecting the quality of life and the working conditions of the personnel force of over 10,000 men bruilding the Guri Dam in this region considerably below the Orinoco.

At present, the new contractors are already on the job, working on construction. EDELCA is organizing its inspection and supervision teams and when the contracts are finally signed, they will be responsible for construction until its completion, in 1986. By that time, 10 new turbines will have been installed and the final capacity of Guri--9 million kilowatts--will have been attained.

10,042
CSO: 3010/1

PEREZ SUPPORTS CASTRO'S POLICIES, COPEI SPOKESMAN CHARGES

Caracas EL NACIONAL in Spanish 10 Sep 81 p D-7

[Text of statements by Deputy Jose Rodriquez Iturbe, international spokesman of COPEI and chairman of the Foreign Relations Advisory Committee, accusing Carlos Andres Perez of being Castro's instrument]

[Text] Deputy Jose Rodriguez Iturbe, chairman of the Foreign Relations Committee (CARE) and international spokesman of COPEI [Social Christian Party], accused former President Carlos Andres Perez of going along with the strategies of Cuba's Castro regime. The accusation states that CAP [Carlos Andres Perez] and the secretary general of the Dominican Revolutionary Party, Francisco Pena Gomez, "are docile instruments of Castro's policy with regard to Central America and the Caribbean."

In a long statement sent in writing to EL NACIONAL, Deputy Rodriguez Iturbe accused former President Perez and Pena Gomez of having discussed, in Madrid, at the end of last year, the so-called "final offensive" of the Salvadoran guerrilla movement. He also accuses CAP of trying to prevent a democratic outcome in elections both in El Salvador and in other Central American nations by supporting guerrilla movements and the recent Franco-Mexican communique on the Salvadoran situation.

In response to an accusation by CAP of the policy of the present government, the Social Christian leader states that the only democratic president praised sweetly as "adviser and friend" by the United States Government is precisely Carlos Andres Perez who won that kind of description from former President Carter.

The following is the text of the statements by Deputy Jose Rodriguez Iturbe in reply to former President Perez:

Heads of the America Department of the Central Committee of the Communist Party of Cuba, Farabundo Marti guerrilla leaders in El Salvador and Sandinist leaders discussed with Perez, at the end of last year in Madrid, the plan of the so-called "final offensive" that started on 10 January 1981 in El Salvador. We know this, because Perez himself has told us it. Then, how can he say that he does not support the guerrilla movement in El Salvador? How far do CAP's connections with the

America Department of the PCC [Communist Party of Cuba] go and how far do the Marxist-Leninist guerrilla fighters all over Central America trust him, when they discuss future action plans in great secrecy?

CAP said the following, without any sign of shame in his statements in Maracay: "I refer to my conduct in the case of Nicaragua." We answer that, precisely, because of the stupidity of his conduct in the case of Nicaragua--whose effects are obvious to anyone who refuses to close his eyes to so sad a reality--patriotic attitude prevents a repetition of similar mistakes, tragic for Sandino's people and tragic for Latin America. Nicaragua is today--increasingly-- a docile instrument of Cuba's foreign policy. It is symptomatic that the only country, aside from Cuba, in the entire hemispheric community, backing Mexico's maneuver, inspired by Cuba, was Nicaragua. Several leaders of the Socialist International, including Carlos Andres Perez and Pena Gomez, participated in and are participating in that maneuver into which France was dragged. The maneuver attempts to bring about, by any means whatsoever of international pressure, frustration of the election process in El Salvador and obstruction of the other election processes underway in Central America. When the people can choose their destiny by the civic, peaceful means of voting, the armed course of totalitarianisms is left without spirit.

What does Perez want? For the same thing to happen in the other countries of Central America that is happening at present in Nicaragua where there is not even a remote possibility of free elections with several alternatives? That is also what Cuba wants. It is not superfluous to point out that Castro is about to equal in years the time that the Gomez dictatorship lasted. And no one better than the Cubans knows that some time ago he exceeded the most savage and longest of our autocracies in affronts to human dignity.

CAP can hardly complain about the Latin American communique with regard to the Cuban-Mexican maneuver that he supports. The leaders of his party--in which the sensible majority do not share his criteria on foreign policy--or those who were members of his administration cannot complain either. We Venezuelans do not forget that the summit meeting of continental dictators was the one assembled by CAP in Puerto Ordaz for the sole purpose of supporting them economically. His best interlocutor there was Somoza. When that happened, neither Gonzalez Barrios, who was president of Congress and president of AD [Democratic Action], nor Jose Maria Machin, who was ambassador to the OAS, protested against the bad company kept by the chief of state. CAP says that he met with dictators, but not to justify crimes. Our reply to that is: the explanation is simplistic.

Concerning the supposed alignment of the foreign policy of the administration of LHC [Luis Herrera Campins] with the policy of the United States, we remind him that the only democratic president praised sweetly as "adviser and friend" by the government of the United States is precisely CAP who won that description from former President Carter.

On my first trip to Nicaragua--and Luis Esteban Rey bears witness to this--the present minister of Tourism (at that time chief of protocol of the Sandinist MRE [Ministry of Foreign Relations]) told us that when he came to Caracas in search of economic aid for the Sandinists, CAP stated that "between a rightest and a leftist dictatorship, I prefer a leftist dictatorship." My response to that--Luis Esteban Rey is witness--was that it seemed to me an absurd statement, because

between choosing to die from arsenic or by hanging, we would prefer to say that we do not choose either method. We prefer to live!

Because CAP cannot overlook the fact that the whole Central American crisis whose guerrilla movements are sponsored and supported by Cuba is occurring in Venezuela's vital area from political, economic, cultural and strategic points of view, we challenge him to answer the following questions before national and international public opinion:

Does CAP think that the solution to Latin America's problems lies in the violent method of Castrolist guerrilla movements? Yes or no.

Does CAP think that the solution lies in the peaceful, civic, democratic course of free, plural elections? Yes or no.

Does CAP think that Latin America's problems can be solved only by the Latin Americans? Yes or no.

Does CAP think that the interference of foreign powers contributes to solving Latin America's problems? Yes or no.

Does CAP think that the alliance of some sectors of the IS [Socialist International], represented by him, with Castro's Cuba and its policies benefits Social Democracy? Yes or no.

CAP had a very close experience with violation of the nation's sovereignty by Castroist guerrilla fighters. He contributed to their crushing political and military defeat. Therefore, his absolute bending before the policies drawn up in Havana is so amazing.

We are sure that former President Betancourt and the sensible majority of AD, a party with a fundamental role in our democracy, do not share the pro-Castro stands taken by former President Perez. COPEI does not share them either. COPEI and the large sensible majority of AD, as well as all the National Armed Forces, form Venezuela's overwhelming patriotic majority.

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SALVADORAN OFFICIALS IN PARAGUAY EXPLAIN GOVERNMENT PROPOSAL

PY010328 Asuncion ABC COLOR in Spanish 30 Sep 81 p 13

[Text] The solution to the acute problem which El Salvador is enduring is eminently political and the government is determined to seek a peaceful and convenient outcome to this crisis. This is what can be gathered from the statements made here yesterday by Col Julio Gonzalez Palomo and Sara de Nosiglia, officials of the Salvadoran Government, who met with acting Foreign Minister Sabino Augusto Montanaro.

The envoys of the Salvadoran Government junta, on behalf of the junta, conveyed greetings to Minister Montanaro and through him to President Alfredo Stroessner and expressed their gratitude over the "positive attitude of the Paraguayan Government which was against the French-Mexican declaration on El Salvador."

At the same time they explained to the acting foreign minister the proposal of the Salvadoran Government which seeks to find a solution to the crisis of violence which affects El Salvador.

The interview, which lasted half an hour, was also attended by Foreign Relations Under Secretary Rodney Elpidio Acevedo and Salvadoran Ambassador to Paraguay Salvador Rovira.

The two high ranking Central American officials after remaining in Asuncion for a few hours left for La Paz where they will continue to carry out the mission they have been entrusted and which is directed at Brazil, Uruguay, Argentina, Chile, Paraguay and Bolivia according to their statements.

During a press conference after the private meeting by the Salvadoran official mission with Minister Montanaro, Sara de Nosiglia referred to the most outstanding points of her country's government's proposal which urgently seeks a definitive solution to the conflict which that nation has endured for years.

Sara de Nosiglia stated that seven highlights of this proposal are:

"1. That, according to the revolutionary junta of the government, the crisis is strictly political.

"2. That the main purpose of this proposal is the electoral process which includes all political parties engaged in a multiparty dialogue.

"3. That the process has the necessary guarantees to achieve its objectives of justice and freedom.

"4. The invitation which President Jose Napoleon Duarte has made to all the political parties to engage in a dialogue which will be sincere, constructive and free of any type of selfishness.

"5. In a speech made recently President Duarte invited the National Democratic Union and the National Revolutionary Movement to give up their hostile attitude towards the junta.

"6. The request that the Revolutionary Democratic Front legally register as a political party before the electoral process begins.

"7. The Salvadoran Government will not negotiate with any armed group, and independent from the decision of the Revolutionary Democratic Front and the National Democratic Union, will call for elections next year, first for the establishment of a national constituent assembly and later on for the elections of the future president of the republic."

In response to a question Colonel Gonzalez Palomo emphatically stated that Marxist penetration in Central America is a fact, "It is the Salvadoran's problem, something which has the entire Latin American continent concerned because the attack which starts in Central America has future plans directed to the entire American continent."

He was also cautious regarding the character and influence of the governments of neighboring countries to El Salvador by stating that his government "maintains an attitude of expectation toward these countries."

He then accused the Cuban Government of being directly involved with the supply of logistic support to all the movements which have been responsible for the crisis which the Central American nations endure.

CSO: 3010/60

SALVADORANS IN BOLIVIA REPORT ON SITUATION

PY071109 La Paz Radio Illimani Network in Spanish 0100 GMT 7 Oct 81

[Text] The present internal conflict that the Salvadoran people are enduring can only have a political and peaceful solution that should be found by the Salvadoran people themselves. This statement was made at a press conference by members of a Salvadoran ministerial commission.

The Salvadoran delegates met this morning with Foreign Ministry Under Secretary (Moises Fuentes Ibanez) in order to explain the situation in their country, which has been disturbed by the action of extremist leftist and rightist forces. They also explained the Salvadoran Government's goals aimed at overcoming this situation which has caused 30,000 dead over the last 3 years.

Salvadoran Education and Labor Ministers Carlos Duarte and Julio Samayoa talked with Under Secretary (Ibanez) for over 1 hour and then they gave a press conference where they mentioned several details on the Salvadoran situation. They said that the regime headed by Jose Napoleon Duarte has summoned all sectors involved in the power struggle to form political parties in order to hold a plebiscite that would take place in March 1982, in order to restore Salvadoran democracy. They stressed that the government and the armed forces will absolutely respect the results of the ballot boxes.

At the press conference, the ministers said that the extremist leftist movement inteids to establish Marxism-Leninism in El Salvador and that the extreme right in seeking to recover the hegomonic power that it exercised during 50 years, mainly in the economic area.

They accused the USSR and particularly Cuba of supporting the leftist movements and they said that the U.S. military advice is aimed at avoiding the establishment of a communist system in El Salvador.

CSO: 3010/60

FORMER BOLIVIAN OFFICIAL ON ARGENTINE INTERVENTION

PY070229 La Paz PRESENCIA in Spanish 30 Sep 81 p 9

[Text] (ANF)--The statement made by former Bolivian Foreign Minister Eduardo Arce Quiroga on the meetings that have been held by U.S. and Argentine officials in order to discuss the Bolivian political situation suggested that Argentina has been clearly intervening in Bolivia since 1979.

As is known to the public, a mission from the U.S. State Department arrived in the country last Thursday, and after holding meetings with national officials it left for Buenos Aires on Saturday, in order to discuss "the Bolivian affair" with Argentine officials. The meetings that the mission held with Bolivian officials were regarded as "steps that are essential for the normalization of diplomatic relations."

The Argentine intervention in Bolivian internal political affairs has been reported by the Argentine press itself and it stirred up trouble between Jorge Rafael Videla's military regime and his U.S. counterpart Jimmy Carter, after the coup d'etat led by Gen Luis Garcia Meza on 17 July 1980.

Foreign Minister Arce Quiroga expressed the hope that "the understanding that Argentina and the United States have arrived at on the Bolivian case will have the same purpose as the French-Mexican declaration on the situation in El Salvador."

He added that "since no explanation on this matter has been given so far, the Bolivian people are awaiting the explanations to which they are entitled in keeping with their status as a sovereign nation."

Arce Quiroga explained that Argentine intervention was first detected in 1979, when Argentina voiced its displeasure over a joint declaration supporting the nonintervention principle which was issued at a meeting of presidents in Panama (Panamanian sovereignty over the canal).

He also referred to the Bolivian diplomatic achievements at the international level, accompanied at the ninth OAS assembly held in La Paz during a period of democratic life in Bolivia, which drew wide international support.

Before and after that international meeting, two military uprisings took place (10 October and 10 November) and both opposed Bolivian international policy.

He concluded by saying that "it is a group from the Argentine military sector" which is intervening in Bolivian internal affairs, and that this intervention reached a critical point on 17 July when Garcia Meza took over the government, with Argentine "not only political but also financial" support.

CSO: 3010/60

MEXICAN EMBASSY GRANTS ARGENTINE ASYLUM

PY222043 Asuncion ABC COLOR in Spanish 22 Sep 81 p 9

[Text] Authorized sources confirmed to this newspaper yesterday that a young Argentine, Roberto Horacio Eguia, has requested and obtained asylum in the Mexican Embassy in this capital. Eguia went to the Mexican ambassador's residence on 7 September to request asylum. He indicated that he was being persecuted by the police because police officers have reportedly come to his house on two occasions probably to summon him for investigation.

The authorized sources indicated that the Mexican ambassador carried out an appropriate investigation checking on the background of the Argentine citizen. When he found out that there were no charges against him, he decided to grant him asylum on 9 September. It has been learned that Eguia has no relatives in this capital, that he has been living here for 4 years and that he is in business selling bathroom fixtures and agricultural products.

The request for asylum was made because the Argentine is afraid of being arrested by the Paraguayan police and then handed over to Argentine officials for having been linked to a union movement of the Argentine Justicialist Party 7 years ago. This is why he reportedly came to live in Paraguay. The same sources revealed that "he has no record of subversive activities in Argentina and that he was only associated with Peronism at a very early age."

Eguia is 25 years of age. The Mexican Embassy has already requested his safe-conduct from the Foreign Ministry so that he can leave the country. It should be recalled that another Argentine, Juan Jose Augulleiro, was also granted asylum in the Mexican Embassy last year. He stayed there for 143 days but was finally able to leave the country after the government granted him safeconduct.

CSO: 3010/60

BRIEFS

CHANGES IN ANDEAN PACT--The alarm call sounded in Caraballeda by the president of the Venezuelan Council of Industry concerning the bad operation of the Andean Subregional Pact seems to have produced an effect, because the Cartagena Agreement Commission decided on a change in the sectoral programs, in the automotive, petrotrochemical and metalworking fields. The Andean Pact members--Bolivia, Colombia, Ecuador, Peru and Venezuela--approved, in Bogota, a thorough revision of the various commercial activities on the subregional level. The commission believed it necessary to promote studies pertaining to incorporation of the Andean Pact with the Latin American Integration Association, SELA [Latin American Economic System], Argentina, Mexico, the United States, the European Economic Community, Brazil, the Central American countries, the Amazon countries and the socialist countries. In this way, an attempt is made to redimension the framework of the sectoral agreements to a macrolevel, so that common trade will have other possibilities just like the various goods subject to the Subregional Agreement. But not everything is good. the commission was unable to come to an agreement with regard to the debatable common foreign tariff and it decided to postpone its discussion to the next meeting of the body to be held in Caracas. As of now, there is expectation on this meeting, because the idea of getting the Cartagena Agreement out of stagnation or, otherwise, of withdrawing our country from the pact originated in Caracas. [Text] [Caracas BOHEMIA in Spanish 21 Sep 81 p 22] 10042

CSO: 3010/1

'TELAM' CRITICIZES REAGAN IMF SPEECH

PY072142 Buenos Aires TELAM in Spanish 1200 GMT 3 Oct 81

[Commentary by Cecilio Jack-Viera]

[Text] Buenos Aires, 3 Oct (TELAM)--The meeting of the International Monetary Fund and the World Bank is being held in Washington at the same time as the sessions of the UN General Assembly are being held. This means that parallel to the political meetings and speeches those of an economic nature are taking place. It is almost unnecessary to point out that these coincidences are not fortuitous: in the current type of civilization which revolves around economic issues, the political and strategic issues, those which are the UN raison d'etre, cannot be handled without taking economic issues into account.

This logical conclusion, which in itself anticipated an interesting debate, has been boosted by the fact that President Reagan for the first time would make a speech and voice his opinions on these tough economic matters. In addition to this, Jose Napoleon Duarte, president of suffering El Salvador, simultaneously or almost simultaneously, would state before the UN that misery and oppression were present in the origin of the Salvadoran drama.

We are all aware that Pope Paul VI, in his encyclical Populorum Progressio published in March 1967, almost 15 years ago, had warned that a dangerous dichotomy was opening between the rich and poor nations. He warned that the characteristics of trade exchange between one and the other, had the tendency to favor the richest nations. He warned that all that could be an omen of greater problems. In the meantime, almost none of the pope's suggestions have been implemented.

Therefore, we should not be surprised now that problems like that of El Salvador have taken place. Because probably the great current problem of the world is that some few countries have managed to reach acceptable development levels and others, postponed by an endless number of reasons, indefinitely struggle with underdevelopment and misery, which are the origin of rebellion, which are then skillfully channelled by destructive Marxism.

The rich and powerful nations' responsibility is great: it does not mean, as some believe, that they should organize international charity. Above all, as the classics used to preach, they should be just in the political order.

In the world economy there are subtle ways, financial mechanisms by which those countries which are mere producers of raw materials are the eternal debtors of those which, on the other hand, sell highly elaborate products. The more sophisticated the elaborating technology is, the higher the prices of the finished products are. Therefore the imbalance between the nations is due, to a large extent, to the technology gap. This is the real truth, many times accompanied in the underdeveloped countries by the problems of an unstable policy, guerrillas, the consequences of decolonization, etc. In view of this reality, the tone of Reagan's speech before the aforementioned financial organizations caused surprise. He termed this reality, denounced in the Populorum Progression encyclical, as the North-South secessionist rhetoric. It is quite possible that his historical recollection of the division between the two sectors during the United States' own civil war unconsciously surfaced. Without meaning to do so Reagan's historical recollections have betrayed him. Otherwise it cannot be explained how it can be believed that such problems, which for 15 years have been the concern of the Holy See, could have been termed as simple rhetoric.

In another passage of the aforementioned speech Reagan requested that the developing countries straighten out their economies. He also stated that those countries which have made more progress are those which believed in the magic of free trade. Ever since Adam Smith's times, it has been the classic Anglo-Saxon thesis to make believe that free trade has been the magic wand which has made them progress.

But we find nowadays, contradictorily, that the developed countries have imposed a package of protectionist measures, so that so-called free trade, which in reality has never been practiced loyally, turns out to be an expression of a desire. Let us recall the obstacles placed by the EEC on our agricultural products or those which the United States and some European countries are placing on the cheaper Japanese products.

Anyhow, we should be greatful that Argentina is capable of bearing these difficult times in the world economy because the cost of energy has no great influence, thanks to our petroleum and our nuclear plants. At the same time we could be an example of unselfishness in this field: Argentina is giving Peru, Uruguay and even Brazil a hand in starting their atomic programs. This is the concrete and just way to help the other countries, not by placing obstacles before them or giving them sound advice.

CSO: 3010/61

BRIEFS

COEDS ARRESTED--La Paz, 2 Oct (AFP)--Two Bolivian students of the big San Andres University have been arrested on a public square, relatives of the coeds reported to the press today. The two students arrested are Olga Flores Bedregal of the pedagogy school and Clara Flores Ayarivi of the philosophy school, and they were taken to the office of the Special Security Service (SES). Two other coeds were arrested at a downtown coffee shop 10 days ago. One of these was Debra Pereira who had been leader of the Bolivian University Confederation. [Text] [PY051745 Paris AFP in Spanish 1556 GMT 2 Oct 81]

CSO: 3010/61

BRIEFS

THREATS AGAINST OPPOSITION DEPUTIES--Rio de Janeiro, 30 Sep (TELAM)--Opposition Deputy Paulo Cesar Gomes stated today at the Rio de Janeiro legislative assembly that he and several other legislators have received death and kidnapping threats over the phone. Gomes stated that the kidnapping of Mrs Magali Abrao a week ago for cooperating with the political campaign of Senator Saturnino Braga has been followed by a wave of threats to several legislators. There is an attempt to unleash terror in the political field seeking to break up the democratic process, Deputy Gomes stated. [Text] [PY010223 Buenos Aires TELAM in Spanish 1352 GMT 30 Sep 81]

FORMER COMMANDER SCORES CHURCH SECTOR--Porto Alegre--Senator Jarbas Passarinho has been quite right in his remarks that the church in itself is everlasting but that there is quite an extremist minority group that plays politics. This remark supporting the Senate leader has been made here in Porto Alegre by Gen Antonio Bandeira, former commander of the 3rd Army, who added that he goes to church to attend mass only where the priest does no political preaching; when this happens, I simply leave, he stated. General Bandeira feels that the role of the revolution has not ended, and that direct elections for the president of the republic will only be possible through a general consensus. In his opinion, this consensus is difficult at the moment because there is still retaliation and the opposition is intransigent. General Bandeira has reaffirmed that he is against the legalization of the Communist Party, arguing that communists in general fight for a dictatorship of classes, and Brazil has no desire for a dictatorial regime and is now heading toward a stage of democratic improvement, the main objective of the revolution, he concluded. [Text] [PY010102 Porto Alegre Radio Guaiba in Portuguese 2150 GMT 30 Sep 81]

1980 CENSUS STATISTICS--Rio de Janeiro, 24 Sep (TELAM)--According to the Brazilian Institute of Geography and Statistics, 88 percent of the working population of Brazil (43 million people) earn between $40 and $400 per month. These statistics were derived from last year's census. Ten percent of the working population earn between $400 and $1,600 per month, while only 1.6 percent earn more than $1,600 per month. The statistics also revealed that the average age of Brazilians has increased as a result of the declining birth rate, currently 2.49 per 100. Brazil's population is 122 million, of whom 67.57 percent live in urban areas and 32.43 percent live in rural areas. Only China, India, the Soviet Union, the United States and Indonesia have populations greater than Brazil. The official document reveals that 24.7 percent of all Brazilians between the ages of 15 and 69 are illiterate. [Buenos Aires TELAM in Spanish 1145 GMT 24 Sep 81]

CSO: 3010/58

PRICES INCREASE 31.2 PERCENT FROM DECEMBER TO AUGUST

San Jose LA NACION in Spanish 16 Sep 81 p 6A

[Text] The general price index, which includes food, clothing, housing and miscellaneous expenses, grew by 31.2 percent between last December and August of this year, according to data supplied by the General Office of Statistics and Census.

During the same period of the previous year (December 1979 to August 1980), that index grew by only 11.1 percent. This shows that during the first months of 1981 there was "a greater acceleration of the growth of consumer prices."

The data are the result of the monthly study done by that institution concerning prices for consumers of middle and lower incomes in the metropolitan area. As indicated earlier, items are grouped into four sectors.

The food category includes meat, grains, produce, dairy products, sweets, fats, condiments, non-alcoholic beverages and other items consumed outside the home.

The clothing sector includes garments and shoes for men, women and children. Housing covers rent, cleaning and maintenance, lighting, fuel, water, telephone, furniture, textile goods for the home, and dishes and kitchen utensils.

The miscellaneous category includes health care, personal items, entertainment, education and transportation.

Moreover, the index for August 1981, when compared with that of August 1980, reveals an annual growth rate of 39 percent. In August 1980, the annual rate was 19.4 percent, which "confirms the acceleration of the growth of consumer prices."

The increases, by group, in August 1981 and August 1980, are as follows: 37.1 percent and 24.6 percent for food; 35.6 percent and 7.7 percent for clothing; 41.7 percent and 15.2 percent for housing; and 40.1 percent and 18.3 percent for miscellaneous expenses.

Finally, the general price index in August 1981 was greater than that of July of this year by 1.65 percent. The increase, by group, was: 1 percent in food, 0.8 percent in clothing, 1.5 percent in housing and 3.3 percent in miscellaneous.

In the miscellaneous category, the one with the greatest increases, the principal price hikes were found in cigarettes, newspapers and beer.

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CSO: 3010/17

GOVERNMENT OPPOSES FAMILY PLANNING POLICIES

San Jose LA NACION in Spanish 16 Sep 81 p 10A

[Text] The government has from the beginning avoided formulating a comprehensive "population policy" because it believes there could be profound repercussions in the nation's population and economy.

This is stated in a manifesto released by the National Planning Office (OFIPLAN) which also states that the idea is to lay the groundwork for such a policy with preliminary studies and analyses.

The OFIPLAN report adds that the government has let it be known "that the population and development plan Costa Rica will eventually need cannot and should not be confused with or restricted to such limited concepts as that of 'family planning.'"

The government opinion also indicates that the above idea also "involves a priori the conviction that the country does not need a demographic policy whose objective is to drastically modify the population growth rate; rather, its goal should be to promote economic development and the fair distribution of such development by means of the humane and rational use of human resources."

Furthermore, the OFIPLAN study states that "until 1978 there was no population policy within the broad context that it is being placed in today," and that in the past many foreign resources and local human resources were used to carry out family planning programs, at a cost of $13 million, through private institutions.

In the OFIPLAN study, the government rejects the goal of international organizations "to continue a restrictive policy of family planning." For example, it notes that it did not accept a proposal in that regard presented by the Agency for International Development (AID); nor was that proposal approved by the United Nations Population Fund (FNUAP). It also cites the recent declaration formulated in Washington.

Finally, the OFIPLAN report claims that in government programs special attention is given to "the mother and child, before and after childbirth. . . ; to continuing with the family planning information and services to which couples who desire them are entitled, but limiting drastically the interests and activities of some institutions in the utilization of these programs, for the obvious purpose of reducing the nation's fertility."

According to the projections studied by OFIPLAN, by the year 2000 Costa Rica will have a population of 3.4 million, nearly 67 inhabitants per square kilometer. This is 8.5 percent of the total projected population of Central America, estimated at 39.7 million.

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ARRIVAL OF OIL DRILLING EQUIPMENT CONFIRMED

San Jose LA NACION in Spanish 15 Sep 81 p 10A

[Text] Mexican Petroleum (PEMEX) officially confirmed that two deep drilling rigs for oil exploration will arrive in this country, stated Minister of Energy and Mines Fernando Altmann Ortiz.

The official reported from Mexico that the cost of bringing in the equipment will be financed over a 20-year term at a 2 percent annual interest rate. The cost itself will depend on how deep the drilling goes and how long the equipment is used. It is estimated that the total cost will be about $10 million.

The rigs will be used at two different sites: first in Baja Talamanca, in the Watsi Valley, 4 kilometers to the east of Cocoles, where exploration has already been carried out.

The second site is in Limonal, to the north of Cahuita, south of the La Estrella River. The exact site of the drilling has not been chosen yet, although an approximation has been made.

According to Altmann, PEMEX is optimistic about the drilling its equipment will perform. "They are so optimistic," he added, "that to lease these two rigs they are willing to cut down on their exploration activity in Mexico."

The minister of energy asserted that as soon as a 13-kilometer access road is finished, the equipment will be brought to the country.

He claimed that special equipment will be brought in in the next few days in order to finish the road as soon as possible.

The road is expected to be completed by the end of this year, so that drilling can begin by early next year. Perhaps by July it will be known whether the subsoil contains oil.

Coffee

Altmann also mentioned the political negotiations that will begin on 17 September in London to determine coffee quotas for producing countries.

Altmann, who is also chairman of the board of the Coffee Office, stated that Costa Rica will remain firm in its insistence that last November's quota not be reduced by a single sack.

Before that time, the quota was 1.8 percent of the world allotment; after November, it rose to 2.6 percent, which means 1.5 million 60-kilo sacks.

Trade Agreement

Altmann Ortiz remarked that during his stay in Mexico he managed to negotiate a trade agreement that is enormously favorable to Costa Rica. They agreed on the sale this year of 15,000 tons of fertilizer, an amount which will go up to 24,000 in 1982.

He stated that on 16 September an official delegation from the Mexican Government will arrive to arrange for the purchase of 10,000 to 12,000 tons of meat, and to negotiate long-term rice, sugar and cement contracts.

"This cooperation is designed to improve our balance of payments," he said in conclusion.

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CSO: 3010/17

FMLN, FDR START PUBLICITY CAMPAIGN IN UNITED STATES

San Salvador EL MUNDO in Spanish 11 Sep 81 p 2

[Text] Leaders of the FMLN and FDR began a well-orchestrated political and publicity campaign in several U.S. cities to garner support for guerrillas in our country through the sale of buttons, T-shirts, bumper stickers, posters and other propaganda items, according to reports to official agencies in this capital city by people in other countries who sympathize with the Government Junta.

It is said that the FMLN and FDR have initially opened 80 offices in various U.S. cities for the distribution and sale of "propaganda for solidarity with the Salvadoran revolution." The main office is in San Francisco, California, it was reported. The campaign is run from there.

Among the articles being sold are red and white buttons, sold for 75 cents, depicting a woman with her fist raised, and the phrase: "El Salvador: The People Will Overcome." Other buttons, colored blue, green and black, have this phrase on them: "U.S. Out of El Salvador." There are also blue, green and black bumper stickers reading: "USA Out of El Salvador," with an outline of a map of Central America and a helicopter.

Informants add that three-color posters bear the slogan: "FDR--El Salvador--Revolutionary Democratic Front." The bumper stickers for cars are sold for $1.00, and they read: "Stop U.S. Intervention in El Salvador." The posters, sold for $3.00, say "El Salvador Will Overcome," and depict guerrillas with their fists raised.

The 80 offices also sell T-shirts in four sizes and four-color posters that say: "Solidarity with El Salvador. The People Will Overcome." Finally, it was reported that the "business" the FMLN and the FDR have undertaken in the United States is part of the political propaganda "offensive" announced for this month. It will culminate with the showing of an "arranged" film, portraying guerrilla actions in our country.

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SIGNIFICANT ACCOMPLISHMENTS ON ATLANTIC COAST

Managua EL NUEVO DIARIO in Spanish 8 Sep 81 p 7

[Article by Arilo]

[Text] Bluefields--The vice-minister of the Nicaraguan Institute of the Atlantic Coast (INNICA), Cmdr Lumberto Campbell, talked extensively with EL NUEVO DIARIO about the achievements that have been made during the more than 2 years since the Revolution, in the department of Zelaya. Since 19 July, that department has been known as the Waking Giant.

Cmdr Lumberto Campbell, in addition to his post as vice-minister of INNICA, is also political secretary of the Sandinist National Liberation Front (FSLN) in that area. He is in charge of all projects designed to benefit the entire Atlantic coast of our nation.

The achievements of the Sandinist Peoples Revolution during the more than 2 years that the people have held the reins of power here, can be listed as follows, according to the young guerrilla commander: the National Language Literacy Crusade (in Miskito, Sumo and English, the latter having been spoken by residents of this area since the imperialist occupation by England), the infrastructure that has been installed since the triumph of the Revolution, and progress in the political consciousness-raising of the inhabitants of the Atlantic coast.

Language Literacy Crusade

Cmdr Campbell pointed out that the literacy campaign launched in the department of Zelaya is very complex, since four languages were involved. Thus, the indigenous culture of the area was respected, pursuant to an undeniable tenet of the Sandinist Peoples Revolution. In other words, the Sandinist National Liberation Front, since its infancy, has always respected indigenous cultures, and was thus able to expose the lies perpetrated the Somozaists, both here and abroad, to the effect that the FSLN intended to destroy the cultural values of the Atlantic coast.

The vice-minister of INNICA indicated that the same Language Literacy Crusade was useful in the cultural sphere, in that it rescued the folklore of the region, not totally but about 70 percent. Brigades of Miskitos, Ramas and Creoles have been sent abroad to friendly countries to teach people personally about their unique cultures. They represented our country, something Somoza never permitted; on the contrary, claimed Commander Campbell, these cultures used to be shunted aside.

Economic Infrastructure

"We must be clear and realistic," noted Commander Campbell. "The Sandinist Peoples Revolution has spent millions of dollars since its victory to put an end to the ostracism of the Atlantic coast in terms of infrastructure. Communication with the interior of the country, after being prohibited by Somoza, can become a fact and not just rhetoric, as it was in all the election propaganda that was designed to elect Somoza himself."

Commander Campbell indicated that among the infrastructure projects is the highway that will link the Pacific with the Atlantic. It should be completed by May 1981 [as published]. "We are talking about the Waslala-Siuna Highway," said the guerrilla commander, "which is about 15 to 20 kilometers away from completion."

Other accomplishments include the communication routes that have been constructed, both by river and by air, as well as facilities for rapid communication with the interior through telephone and television. Work is also being done to bring electric lighting to nearly 60 percent of the region.

The vice-minister noted with satisfaction that the Revolution's plans include the completion of the Bluefields Hospital. That hospital, according to Commander Campbell, will be a regional facility meeting the needs of more than 150,000 residents.

The millions of dollars that have been spent for the construction of the new infrastructure of the Atlantic coast have made possible the purchase of new vessels and the repair of old ones, to make transportation more effective.

"I would like to make it clear, however," stated Commander Campbell, "that the work being done on the Atlantic coast has just begun, and that it will be many years before the department of Zelaya has progressed as much as the Pacific coast. There are still serious problems that remain to be solved. For example," explained the INNICA vice-minister, "access roads to bring the harvest to market are still on the drawing boards."

Politics

"We will not deny that in this are we are just beginning," said Commander Campbell, "but we are working hard to respond to the Yankee imperialists and their accomplices, who dream of returning to Somozaism someday.

"Speaking of beginning, that is the way we need to tackle the needs of the region.

"We have our own political cadres, and work is being done on all facets of the problem so that the mass organizations can consolidate themselves while still including the local ethnic groups, the Miskitos, Ramas and Sumos.

"To give you and EL NUEVO DIARIO's readers the necessary orientation," said Commander Campbell, "I will say that within the youth organizations there is an organization specific to the coastal area, known as 'Trouble Shooters.' This group is supposed to solve any kind of problem that may arise, whether it be social or political."

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GOVERNMENT TO TAKE MEASURES TO STRENGTHEN ECONOMY

Managua LA PRENSA in Spanish 5 Sep 81 p 6

[Text] Drastic measures of different kinds will be taken by the revolutionary government in the near future to try to overcome the serious economic crisis that is wracking the country, it was reported here today.

Ismael Reyes, interim president of the Higher Council of Private Enterprise (COSEP), confirmed that report, noting that he did not know what the measures would be.

The COSEP president stated this morning that yesterday he met with members of the National Reconstruction Government Junta and delegates of the Sandinist National Liberation Front (FSLN) at the old Nejapa Country Club, from 1700 to 2100 hours.

Reyes stated that the businessmen who attended the meeting did so as individuals and not as representatives of COSEP. The following people were present: Enrique Bolanos, Federico Lang, Antonio Lacayo, Ramiro Gurdian, Carlos Pellas, Alfredo Pellas, Alberto Chamorro and himself. He indicated that also present at the meeting were Dr Sergio Ramirez, for the National Reconstruction Government Junta, and Cmdrs Jaime Wheelock and Henry Ruiz for the FSLN.

Talks

When asked about the meeting, Reyes Icabalceta answered: "We were invited personally, eight members of the private sector. We had a meeting with Cmdr Henry Ruiz, Cmdr Jaime Wheelock and Dr Sergio Ramirez.

"During the conversation we learned that the government is concerned about the grave economic crisis the country is undergoing, including the lack of foreign reserves that could cripple the productive sector. We had a frank and clear exchange of ideas.

"We expressed the problems that we felt were preventing us from achieving and stimulating production and investment in the country."

Points

Reyes Icabalceta went on: "The points we indicated would be helpful for spurring production and productivity were the following:

"A policy of economic austerity on the part of the government; a legal-juridical framework to guarantee private enterprise; the upholding of the principle of owner authority, to allow businessmen to manage their own businesses in order to achieve greater efficiency; the elimination of takeovers and interventions in plants, which are killing productive enterprises; the definition of a mixed economy (for no one knows what it is in Nicaragua), so that foreign investment can be promoted; the implementation of laws to encourage the repatriation of skilled labor, professionals and technicians who have left Nicaragua; the promotion of productivity, putting an end to 'labor sloth' and absenteeism; the creation of an intelligent international policy, so urgently needed; equal treatment for the private sector as for the enterprises of the People's Property Area.

"We do not really know what measures they are going to take; all we did was express the problems of the business sector.

"In sum, what we requested was support for everything that will help increase production and avoid unemployment."

Emergency Law?

When Ismael Reyes was asked whether there was any response to those points, he stated: "As I said before, we only presented the problems we have. We believe they are very concerned. They will certainly take some steps, but we don't know what they will be."

Then the reporter said: "Look, Don Ismael, in three or four speeches or statements by commanders of the Revolution or members of the Government Junta, I have noticed that they have said the worst mistake they made was repealing the Economic Emergency Law.

"They have stressed that, and I think Cmdr Daniel Ortega emphasized it during his speech at the Hotel Camino Real, when he spoke before the International Organization of Employers (OIE). I think he made it very clear. That is why I ask you if an Economic Emergency Law could be implemented here, given the circumstances."

The acting president of COSEP responded to the reporter's query in this manner: "We don't know what measures they are going to adopt. We are certain that they are aware of the serious situation in this country.

"COSEP was the first one to fight to have the Economic Law repealed in 1980. I think that under the present circumstances such a law would not be appropriate, because it would not promote the necessary climate of confidence for investors, and what the government is doing now is taking steps to promote production and investment in this country."

When asked if political matters were discussed at the meeting, Reyes Icabalceta replied: "We did not talk of any political issue."

"With regard to what COSEP will do, we cannot venture an opinion until we know what the laws will consist of and what decisions are finally made. However, it

appears that the government is perfectly aware of how serious the country's plight is, and is willing to take measures to stimulate production in Nicaragua.

"Nonetheless, I can't tell you what those measures will be. I believe I presented a list of our demands, along with the juridical framework that will be necessary to guarantee private enterprise."

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PEREZ SEEN AS AD CANDIDATE IN 1983 PRESIDENTIAL ELECTION

Caracas RESUMEN in Spanish 13 Sep 81 pp 3-13

[Article: "AD, It Will Be Perez"]

[Text] Between July and October of this year of 1981, a political event has been occurring which cannot and should not be examined in comparison with its limited time frame (4 months); rather, it must be inserted into a far more extensive period of time, so as thereby to be able to understand the intrinsic seriousness of the drama that it contains. What has happened and is yet to happen during these 4 months (the event of the nomination of the Democratic Action [AD] candidate for the 1983 elections) has such power for hallucination, confusion and amnesia regarding the immediate past that it is advisable for anyone who meditates on (and hence worries about) the present and future of Venezuela to try to reconsider what has occurred during the past 2 or 3 years. This recommendation is particularly significant inasmuch as it is almost certain that the historians who study this current period within 20, 50 or 100 years will be better equipped to understand (and, consequently, to judge with commensurate severity) these confused days being experienced by those of us living today. Hence, so as not to be prophets of the past, nor worry within a few years about what we might have said or done, we recommend that those who are acting at present refresh their memory of the immediate past, in order to become fully aware of the terrain that we are treading, and of the abysses ahead of us. Only by so doing shall we be able to calibrate the degree of moral eunuchism that has been reached by Venezuela, bloated by the highest tax receipts in its history. Only by so doing shall be be able to properly categorize our disputes, our rights and wrongs, our grudges, our quarrels and our altercations as "emptiness." We may be asked: "What does the event of the selection of the AD candidate for the next elections have to do with the entire country? Isn't it confined to that party itself? Why burden the entire country with the decadence of one party, albeit a very important one? The responses to these objections are self-evident: because it is not the decadence of one party that is at stake; it is, rather, that of a system. And, therefore, it is important, before going into detail, to do a little refreshing of our memories of some of the "times" that we have experienced. Only by so doing shall we be able to calibrate, in all of its depth, the dreadful factor for upheaval, corruption and perversion that Mr Perez has been, and still continues to be. Perez is, and he continues to be, a personage whose carcinogenic harmfulness is of such magnitude that it is impossible to comprehend except through a sufficiently extensive chronological comparison, to ascertain what he is, has been and will continue to be. No one has had more than he; and no one has done less (proportionately). In 1974, Perez declared himself lord and master of the country. He requested, and obtained

dictatorial powers for legislating in the economic area by decree. At that time, he controlled the highest income in history: for times higher than what had been estimated 9 months previous. In addition to that, the country's enthusiasm was willing to accompany him in an unprecedented task. The tax receipts quadrupled, the international reserves tripled and the GDP doubled. Three years later, in 1977, he had to resort to the subterfuge of sumitting a dishonest budget, because it had a deficit, something that is expressly banned by the Venezuelan Constitution. In 1978, for the first time in 50 years, Venezuela had a deficit in its balance of payments. What was worse, the service on the foreign debt for 1978 was larger than the last budget of the Caldera government. By 1979, the most frightful fiscal and administrative disorder prevailed in the country. And Perez had spent in 3 years more than Betancourt, Leoni and Caldera combined, in 15 years. But what was even worse, the shameless display of ill-gotten wealth, and of the most ridiculous illegal amassment of wealth ever recorded in the nation's history, was and is something impossible to conceal. In July 1979, the "Sierra Nevada" case erupted. Proportionately infinitessimal in comparison with other instances, the affair showed some of the symptomatic features of the government: abuse of authority, administrative vice, hypocrisy, unwarranted haste; but it was concentrated completely on one small group: Carlos Perez Norzagaray, Cecilia Matos and a consortium of unscrupulous businessmen, the Hatchwell-Toledano group, with a network of firms operating in areas ranging from bringing in Chinese to selling docks, milk, ships, kidney beans, telephone exchanges and financing services. The matter examined by an AD Ethics Committee had its most dramatic point in October 1979 (just 2 years ago), when this body determined Perez' liability in the sordid business. From that time to this, Perez has not only emerged unscathed, but has become the virtual owner of Democratic Action. Today, the "proper" one is caught up in his contradictions. Betancourt is away on a trip, Arturo Hernandez Grisanti is convalescing from a serious operation in Houston, Cristobal Hernandez is going about with his tail between his legs and Alfredito Coronil is emitting shrieks of "Lusinchista" euphoria, abetted by his crony, Carmelo Lauria, who set the trap for CARIVEN. Meanwhile, Ciliberto is busy offering ministries, governorships and embassies. Manzo Gonzalez is oiling his machinery at "Las Delicias." Gumersindo Rodriguez has taken the liberty of writing to Luis Herrera about the Sixth Plan of the Nation; Diego Arria is the godfather of Cecilia Matos' daughter in New York; and his associate , Luisito Nunez, dares to harass Caldera and back Perez. All this is happening in a country which, while having its highest oil income, has for 2 years been in a state of economic paralysis; and the general destitution is of such magnitude that the AD members claim that they will win the elections with any candidate. They give assurance of it, and the polls attest to it. Day by day, the problem with Perez is not his salvation, as was the case in October 1979, but rather how to curb the excess power manifested within AD, with the two major candidates his closest followers. Today, his problem is again that of 1974. He must administer his abundance of political power with a criterion of poverty. He cannot and must not fall flat on his face, proposing himself as a candidate for the party's secretary general post, something that he does not need, because he is the one controlling the party. But now, as in the past, there is the hope that he will administer his abundance with a poverty of criterion. Let us recall these "times."

First Time

Amid the election campaign, the country witnessed the assassination of Ramon Carmona, and observed with increasing alarm the extremes that had been reached in the corruption

of the judicial authority and the police authority. While that was happening, Perez started a campaign based on his personality paralleling that of the candidate Pinerua, and, through Resolution 34 of the CEN [National Executive Committee], succeeded in taking over the party.

At 1435 hours on the afternoon of Friday, 28 July 1978, 11 bullets pierced the body of attorney Ramon Carmona Vasquez. The incident occurred on Andres Bello Avenue in Caracas. Thus, the most dramatic police and political case in the contemporary history of Venezuela began. Many of its angles, perplexities and complexities have not yet been explained. The next day, the PTJ [Judicial Technical Police] claimed that Ramon Carmona's murderers were "common criminals." The head of the corps, Manuel Molina Gasperi, who was in Margarita at the time of the murder, flew to Miami, to meet there with the minister of justice, Dr Juan Martin Echeverria, and with Deputy David Morales Bello. The presence of the latter in the United States had been a secret up until that time, and has not been completely explained to date. On 30 July, the attorney general of the republic ordered the ninth penal judge of the first instance, Dr Alberto Martinez Moncada, to draw up the file on the case and to begin the investigation of the murder. On 2 August, Ramon Carmona's widow requested a "no action" suit against Minister Juan Martin Echeverria, for violation of the summary secrecy. On 4 August, an assembly of 300 lawyers requested of the attorney general of the republic the appointment of a special prosecutor for the case. During the days that followed, an attempt was made to accuse Carmona's own widow of having had her husband killed for emotional reasons. The PTJ, for its part, continued to claim that it was a case involving common criminals. The entire month of August elapsed amid confused reports, obviously issued by the PTJ in order to divert attention and cause confusion. On 17 August, a burned corpse appeared in the vicinity of Ocumare del Tuy. It was that of Oswaldo Isaias Ferrara, alias "Watusi." This was immediately connected with Carmona's murder, and attorney Claudio Gorsira, "Watusi's" defender, was implicated. On 21 August, Cleobaldo Ramon Martinez, who had also been accused of being Ramon Carmona's murderer, appeared at the PTJ headquarters. But the affair began to become complicated, rather than clarified. The superior penal judge, Francisco Cumare Nava, ordered an investigation conducted against a certain Renato Campetti, which Judge Martinez Moncada (the one investigating Carmona's death) had declared closed, to be continued. On 21 August, Ramon Carmona's brother created a suspicion which up until then had been merely a rumor, in the form of a request for the investigation of six employees of the PTJ in the murder of Ramon Carmona Vasquez. The month of August 1978 ended amid great confusion but, on 1 September, the Italian entrepreneur and builder, Renato Campetti, arrived in Caracas from Paris. On this occasion, he arrived under the protection of Manuel Molina Gasperi. However, during June and July he had been brutally harassed by the PTJ, and defended by Ramon Carmona. The newsmen put two and two together. The early days of September were confusing to the public at large. Campetti arrived accompanied by a certain Piero de la Corte. The presence of these two Italians began to be linked with the Carmona case. Judge Martinez Moncada "disappeared" and it was claimed that he was in Curacao or Aruba. On 8 September a ban was issued forbidding Campetti and De la Corte to leave the country. On 10 September, Manuel Molina Gasperi, violating this ban, allowed them to leave the country, in a clearcut case of abuse of authority. This incident focused the attention of the public at large on the past and present links between Molina Gasperi, Campetti and the murdered Ramon Carmona. Magistrate Gonzalo Rodriguez Corro began to play an active role in the case. On 12 September, the most dramatic incident occurred: Dr Manuel Molina Gasperi was dismissed as head of the PTJ. Attorney Pedro Torres Agudo assumed the leadership of the corps.

On 19 September, the 10th penal judge, Omar Arenas Candelo, summoned the former head of the PTJ, Manuel Molina Gasperi, to make a deposition in the "Playa Moreno" case. Meanwhile, the trial judge, Rafael Rodriguez Corro, continued the investigation to establish the connections between the Playa Moreno case (extortion) and the Carmona Vasquez case (homicide). At the end of September, Judge Guevara Sifontes took over the records of the Carmona case.

In early October, matters started to be clarified, and by then the PTJ's attempts to blame common or organized crime were forgotten. Individuals associated with the Playa Moreno firm began making statements to Judge Guevara Sifontes and, finally, on 6 October, Judge Guevara was given a manuscript describing the extortion of Renato Campetti by the wife of the PTJ chief, who on that occasion had been defended by Ramon Carmona Vasquez. On 10 October, a report prepared by the attorney general of the republic concerning the so-called "judicial terrorism" was made public; and, at 2300 hours on 11 October, at a press conference in the Ministry of Justice, two PTJ agents were cited as material perpetrators and concealers of the Carmona Vasquez crime. The material perpetrator turned out to be Anouel Pacheco, and the concealer, Gilberto Castillo. Finally, the witnesses to the crime appeared, and were questioned again by Judge Guevara Sifontes. The public started obtaining details about the "Gato Group" and were terrified that those were its police.

On 16 October, the prosecutors Gomez Romero and Rendon Oropeza were suspended through disciplinary measures, and different prosecutors were named to intervene in the Carmona case. October 1978 ended with increasingly significant details about the crime: the vehicle used, the weapon, the witnesses and, in particular, the sinister "Gato Group." While all this was going on, there was an election campaign in the country. On Sunday, 10 September, Romulo Betancourt ended his campaign in the state of Aragua in support of the candidacy of Luis Pinerua Ordaz. The only mention that he made of Perez was the following: "It is a matter of history to credit the administration of Carlos Andres Perez with the nationalization of the oil industry." But his mysterious "messages" to Carlos Andres Perez came later. Reminding Venezuelans that Perez was a star on the way to disappearing, he made the following comment: "You have heard me speak about my faith in and optimism about Venezuela, and that faith has firm foundations. It is a country in which the people elect and give themselves their rulers; it is a country in which the one spending 5 years in Miraflores, which is the period established by the Constitution, does not seek reelection, and anyone who attempted it would leave there by a narrow escape." To what did this refer? Obviously, no one thought that Perez could be reelected. However, another little known fact must have had enormous subsequent implications which have lasted until our time. During 1977, Romulo Betancourt had started a campaign for moral reform within AD, the immediate goal of which was the nomination of Luis Pinerua Ordaz as a candidate for the presidency of the republic, and the end goal of which was the severe punishment of those within the government of C.A. Perez, and not excluding the latter, who had illegally amassed wealth under the protection of their power. In 1977, Romulo Betancourt was seriously considering the possibility of prosecuting at least Diego Arria, Hector Silva and Gumersingo Rodriguez, and quite possibly Perez himself.

On that Sunday of 10 September, Romulo Betancourt gave a reminder of it. An action to which he had been forced by the faintheartedness and indecision of Pinerua, and by the tremendous clout of the economic power of the government, which had started

a campaign parallel to that of the candidate Pinerua, as if the candidate were Perez, prompted him to speak in that manner. In fact, Resolution 34, adopted by the AD's CEN in the middle of 1978, was the price that Pinerua paid: the party for the government. The CEN's Resolution 34 established an unidentified "incompatibility" between the functions of general secretaries of the CES (Sectional Executive Committees) and the respective candidacies for deputy or senator. This was how 19 of the 25 sectional secretaries were dismissed, with Perez' followers replacing Pinerua's followers. In 1979 and 1980, when the "Sierra Nevada" affair and that of the election of the secretary general were involved, this action would be decisive. Pinerua exchanged the party for the government. But he did not win the government; and he could never retrieve the party. On that 10 September 1978, Romulo Betancourt returned to his same old tune from the year before, making the following comment, among other things: "I have stated without fear that an opposition which is sometimes scurrilous has distorted my remarks, and that our democracy has flaws and even scars. Administrative corruption exists there, using the garrote; public services operate in a defective manner; and in centers as vital as those for public health, hospitals and other treatment agencies, the shortcomings are obvious. Along with many efficient public servants there is an arrogant, lazy, evasive bureaucracy, which considers the citizen not one demanding a service paid for by the state, but rather a second-class person. For this reason, Venezuela needs a strong government."

While all this was happening, where was the interest and the time of the political realm? It was totally engaged in the crude struggle involving the lists of members on the slates of candidates for the deliberative bodies. The "representative" democracy which does not represent those represented was selecting, in the struggle of the parties' inflexible oligarchies, the candidates that the people should have been choosing, on lists wherein the voter's opportunity for selection is nil. The interesting part of this is to recall now, not those who were included on the lists, but rather those who were excluded. For example, on the AD lists, the following were excluded: Jose Gonzalez Navarro, Guillermo Salazar Meneses, Miguel Angel Contreras Laguado, Angel Farinas Salgado, Gumersindo Rodriguez, Eleazar Pinto, Fernando Baez Duarte, Alberto Federico Ravell, Luis Gonzalez Herrera and Ivan Pulido Mora. Excluded from the COPEI [Social Christian Party] lists were: Hugo Briceno Salas, Alfredo Rodriguez Amengual, Oswaldo Osorio Canales, Milagros de Gonzalez, Rangel Quintero Castaneda, Manuel Selva, Lorenzo Eduardo Fernandez, Julio Cesar Moreno, Guido Diaz Pena and Rodolfo Jose Cardenas. Finally, in November 1978, the explanation of the Carmona case was forthcoming. Numbers 263 and 264 of RESUMEN were critical in this regard. In them, with great meticulousness, there were the details of the cases of the extortion of Campetti, the defense of Carmona, and the deal involving Playa Moreno; Guillermo Salazar Meneses' report about it was published; the presence of a mysterious "lady" friend of the president was cited, as a beneficiary of some plots of land involved in that urban development of Margarita; mention was made of her presence at Campetti's elegant country house in Portofino; and, finally, on 3 December 1978, belying the polls which had indicated Luis Pinerua Ordaz a few days earlier as the winner, the country voted against the entire insufferable corruption of Perez and his government, without reaching the conviction that the "proper" one could do anything else or different. Just a few days after the elections, in early December, the Council of Ministers approved a strange "barter" transaction to exchange some floating docks for the ship "Sierra Nevada" which had been purchased in 1977 from a company in the same group that was now offering the barter. No one knew anything about that. In December 1979, everything would be known.

Second Time

In July 1979, Leopoldo Diaz Bruzual disclosed the matter of the ship "Sierra Nevada." After having accused John Raphael of the deal, and incriminating himself in a public letter to the editor of EL NACIONAL, Perez offered to commit suicide or to go into voluntary exile if the Ethics Commission did not make his "decision" public. In December 1979, the CIEI [Committee Investigating the Illegal Use of Public Funds by Public Officials and Employees] declared him "under investigation."

The drama took place in the residence of Reinaldo Leando Mora. The month was October 1979. The issue: the decision of the "Party Ethics Committee" of Democratic Action regarding the matter of the purchase of the refrigerated ship "Ragni Berg." In this report, finally, the following satement was made: "From all that has been explained, it is our moral conviction that the purchase of the refrigerated ship 'Sierra Nevada' was hasty and seriously detrimental to the national interests. Those who decided on that purchase did not act as good administrators; they did not request other bids; on the contrary, the transaction had a name of its own since its beginnings. In other words, the refrigerated ship was the 'Ragni Berg', the one offered by HICE SA. Nor was the matter of the ship's purchase taken to the Council of Ministers, when it involved a transaction with 86 million bolivares, payable cash down to a seller who exercised a purchase option, and from whom no bank reference or references of any other commercial type were requested. There was no bidding and, finally, a ship was bought which has not been used. There is a moral and administrative responsibility involved in this, and we declare this to be so. In our opinion, this moral and administrative responsibility is borne by the former president of the republic, Mr Carlos Andres Perez; the former minister of development, Dr Luis Alvarez Dominguez; and, to a lesser extent, by Dr John Raphael, because even though he carried out the instructions of the minister of development, he should have been more diligent with regard to the analysis and evaluation of the offer. We have reason to believe that there were involved in the transaction for the purchase of the ship 'Sierra Nevada' persons who acted dishonestly, and who accrued illegal gains; but the Ethics Committee is not in a position to mention names or indicate those to blame." Caracas, 10 October 1979. Marcos Falcon Briceno, Luis Gonzalez Herrera, Juan Herrera, Blas Bruni-Celli, Andres Eloy Blanco.

The text of this report had been leaked to the public. At the interment of Eugenio Mendoza, on 17 October, the rumors were circulating like wildfire. EL MUNDO of 18 October announced on its front page, "AD Ethics Committee Sought Penalties for Several of Carlos Andres Perez' Ministers." It was known that the Ethics Committee, in an act of magnanimous courtesy, had visited Carlos Andres Perez to give him a copy of the report. One of those present described the Greek scene as a "fainting spell" in which Perez lost control of his emotions: he shouted, threatened, begged and offered to go into voluntary exile; and when none of that seemed to have an effect, he suggested a preference for "the fate of Alirio," implying thereby that he might end his life by firing a shot at his head. Ridiculous episodes were not lacking. For example, on the Venevision Reporter program on Friday, 19 October, Dr Bruni-Celli admitted to the reporter that he had already given the report to the secretary general, Alejandro Izaguirre. But, on another occasion, Dr Alejandro Izaguirre claimed that he had not received it. But it was at the residence of Reinaldo Leandro Mora that the drama was truly terrifying. There, Perez whined,

wept, shouted, offered to shoot himself, complained about the leaking of the report and then ended up asking that it be made public. His lies and contradictions had assumed an increased rate. Far earlier, in May 1978, when the COPEI members, not certain of what was involved, exposed some evils in Corpomercadeo [Marketing Corporation], including the purchase of the "Sierra Nevada", Perez had, in the presence of the full Council of Ministers, ordered his Minister Celestino (not Arria, but Armas) to deny the "COPEI lie." Later, on 15 August 1979, Cesar Messori, then with EL NACIONAL, reported that Perez had said that Diaz Bruzual's charge had put them in a compromising position. On that occasion, he remarked for the first time that the purchase of the ship had been a mistake, and that he had ordered the vessel exchanged for some floating docks. On 12 September 1979, he lied again, attempting to put the blame on John Raphael, and claiming that he had ordered Raphael's dismissal for this reason. In August, Raphael had already explained, with numerous documents,that the one who had ordered the purchase of the ship was Perez, and not he; and all this had been confirmed by the minister of development, Luis Alvarez Dominguez. But it was on 27 September 1979 that Perez made the most serious mistake, by confessing, in an open letter sent to the editor of EL NACIONAL, his guilt in the matter, as well as the commission of many deceptions. In any event, the Ethics Committee had received a large amount of testimony, including that of Carmelo Lauria, who described in detail how the deal had been planned at the La Lagunita residence of Cecilia Matos by Carlos Perez Norzagaray and Mauricio Hatchwell-Toledano.

While all this was happening, on 29 September President Luis Herrera went before the country to explain various administrative aspects associated with the state in which public finances had been found. Mentioning a debt of "a hundred billion," the president cited the so-called "Bolinaga Report," embellishing all of this with some examples illustrating the frightful disorder that he had discovered, including that involving the port workers' resting places and the forging of records of the Council of Ministers by the secretary of the presidency of the republic, Carmelo Lauria, which caused the misappropriation of over 90 million bolivares, through the Ministry of Information, for a so-called "institutional advertising," but this was nothing but Perez' parallel advertising for the candidate Pinerua. It is strange now to note that, in Perez' response to Herrera, he mentions "rescuing the country from optimism."

Third Time

The Conspiracy, the Antihistorical Alliance

The reaction was not long in coming. At first, it was gross, rash, senseless and stupid. Perez claimed at a CEN meeting that the one behind the entire "Sierra Nevada" affair was the multinationals; the multinationals, he claimed, "beaten" by their nationalist, Third World policy. In view of the grossness of this, it was Gumersindo who gave him the little word that he needed: "conspiracy." "Every conspiracy has conspirators," he remarked.... And who is more of a conspirator than Caldera? While that was going on, the public was removing the veils that concealed the ship transaction. A minute analysis was made of the assessment of Gibbs & Cox, which turned out to be not an assessment, but rather an expert appraisal. Access was obtained to the bill of sale, which showed that there was no doubt that the seller received only $11.9 million, whereas the nation had paid $20 million. It was found out which person and persons comprised HICE, a phantom company, like so many others of the Hatchwell-Toledano group. But this was all surrounded by police

ineptitude, judicial inefficiency, and lack of speed and cooperation on the part of the government, nevertheless. Little by little, the situation appeared increasingly evident. Finally, there came the decision of Judge Marcano, which was the introduction to the debate in Congress. And, lastly, the "Tenorio Report" with its aftermath, the confused voting with an unexpected result: Perez was "acquitted of guilt by a single vote." Today, it is worth the trouble, and "trouble" is the word, to reread the speeches of Alvarez Paz, Salom Mesa and Tenorio Sifontes...and those of Perez and Morales Bello.

Fourth Time

Lusinchi won the secretary general position. The "consensus" candidate was defeated. Perez emerged as leader of AD while the Herrera government became steeped in discreditation.

In April 1979, a month after Luis Herrera took office, Jaime Lusinchi made public a document in which he stated that he wanted to be secretary general of AD. At that time, the same arguments were used against Lusinchi which Lusinchi's adherents are now using against Morales Bello: It is not feasible to subject the party to an internal dispute. What was really not feasible was to subject the Perez sector to a confrontation wherein they would run the risk of losing what they had gained as a result of the famous "Resolution 34." Therefore, Lusinchi's ambition remained brooding during all of 1979. One of the results of the "Sierra Nevada" affair was the cohesion around Perez of the group which found its very existence within the party threatened, in the event that the former president should be convicted or expelled.

All of this helped to solidify Lusinchi's ambition, and to make it materialize. The opposing sector, on the other hand, was divided by considerations of all types about the handling that should have been given to the "Sierra Nevada" case; but its most serious mistake was attempting to counter Lusinchi with a consensus candidacy, which had neither a first name or surname, and which did not achieve cohesion with anything or anyone. The candidacies of Arturo Hernandez Grisanti and Humberto Celli, if they had had the backing (either of the two) of Barrios or Betancourt or Pinerua, might have gotten off the ground. Particularly tragic is the case of Hernandez Grisanti, who was the one that was really "diminished" in his confrontation with Perez, and, on the contrary, was left alone and without support by the man to whom Hernandez Grisanti had been most loyal: Gonzalo Barrios. The country as a whole, and the system specifically, with its constitutional mechanisms, certainly lagged behind the courageous step taken by the AD Ethics Committee. After it had declared Perez under investigation by the CIEI, he was acquitted. After Judge Marcano Battistini put the charge against Perez into the hands of the attorney general, he did nothing. After he had been investigated by Congress, Congress ended up acquitting him. Then came the Ortega affair, the Canacho affair, etc., and, meanwhile, Lusinchi's candidacy grew without opposition, because the "orthodox" sector had never created it and could not agree to back one of its own members. Thus, Lusinchi became secretary general of AD. But he had not been sworn into office when David Morales Bello made it known quite clearly that the group's unity, essential for saving it from the storm of "Sierra Nevada," went only that far, and the matter of the candidacy for the president of the republic had to be danced to a different tune. While all this was going on, the Perez sector not only became consolidated but, on account of the tremendous decline of COPEI and the Herrera government, acquired an increasing

impetus. In a poll taken by Gaither International SA, published in June 1981 and relating exclusively to that CPEI stronghold, Maracaibo, this evolution was quantified in a dramatic fashion. For example, in September 1979 26 percent disapproved of the government program. In September 1980, it was 58 percent; and in July 1981, it was 73 percent.

In any event, what is important to stress is that Lusinchi's victory, which was unquestionably Perez' victory, represented for the latter a new, although now enviable problem: that of the almost complete hegemony within AD. The result of this is evident today. The potential AD presidential candidates who do not belong to the Perez movement have no great chances. It is Perez' two deputies who are now vying to be the AD candidate in the 1983 elections.

Fifth Time

The Blow From the Trade Union Bureau

Since this time is recent, we need not give a reminder of it. It is only important to consider that what at the outset appeared to be an overwhelming wave no longer is such. But, what is most important is the fact that the Perez sector has won its most decisive victory. It has succeeded in confusing the adversary, making the latter embark on contradictions and succumb to disloyalty, quarrels and resentment. The "orthodox" sector of AD is in a state of obvious retreat. The trade unionists are at the brink of the ridiculous; and Pinerua is making statements and retracting them in a matter of days. Perez' candidacy for the office of secretary general was only a trial balloon of the clever Andean. He made people run, threatened them with a phenomenal severe reprimand, and made them see what the entire country nowadays accepts as a fact: AD, it will be Perez.

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END

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22 October 1981

Latin America Report

No. 2388

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22 October 1981

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No. 2388

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BRIEFS

OIL SEARCH RESUMPTION--Nassau, Bahamas, Thursday (CANA)--Oil exploration in the Bahamas will resume within a few days, President of Chevron Oil Bahamas, D. W. Callahan said yesterday. The announcement followed the grant of a permit to the company by the Ministry of Economic Affairs. Ministry officials here have expressed 'guarded optimism' about the possibility of discovering oil in the Archipelago. A previous survey has indicated reserves of natural gas in the blake plateau in the Northern Bahamas. Other preliminary surveys have hinted of a possibility of finding oil since the geological conditions in some areas are considered appropriate. Chevron's exploration represents the second time in 1981 that a major geophysical survey has been conducted within the Bahamas. Earlier this year, the Texas-based Geophysical Services Incorporated, acting on behalf of five major oil companies, carried out a 4,000 kilometre seismic survey of the Western Bahamas from Cay Sal in the South to Grand Bahama in the North. That survey Fort Getty, British petroleum, Shell and Arco was completed by mid-June but to date, the government has not disclosed any information in connection with its outcome. However, Economic Affairs Ministry officials said that other companies had applied for exploration permits, including Breco Limited, a company incorporated here. They added that three permits were granted, but did not give their names. [Text] [Bridgetown ADVOCATE-NEWS in English 18 Sep 81 p 3]

CSO: 3025/09

BRIEFS

IDB WIND ENERGY GRANT--Bridgetown, Barbados--A technical co-operation agreement, under which the Inter-American Development Bank (IDB) will provide most of 1.5 million dollars (US) for a wind energy programme in Barbados, has been approved by the Bank, authoritative sources said today. The IDB is expected to provide about 1.4 million dollars (US) of the money required to set up a 200 megawatt wind turbine here aimed at eventually saving the country millions of dollars in foreign exchange spent on imported fuel for domestic electricity generation. Stephen Manning, manager of the Wind and Solar Energy Project being co-ordinated by the Caribbean Meteorological Institute (CMI) in the eastern Caribbean, said Barbados could produce 25 per cent of its electricity requirements towards the end of the decade from wind energy. (CANA) [Text] [Kingston THE DAILY GLEANER in English 18 Sep 81 p 13]

CSO: 3025/09

SECOND PHASE IN OIL SEARCH SCHEDULED FOR NOVEMBER

Georgetown GUYANA CHRONICLE in English 8 Sep 81 p 9

[Text]

THE second phase in the search for oil in the Takutu Basin of the Rupununi region is expected to continue in November according to Dr. Waldron, Deputy Commissioner, Geological Surveys and Mines.

This phase, involves drilling operations, undertaken by the Canadian Home Oil Company in co-operation with Norcen International Limited and Sabra Petroleum Limited, also of Canada.

Dr. Waldron said that the oil rig will be imported from the Middle East and will reach the Guyana interior by way of the Amazon River.

The Home Oil Company is among the first to have approached the Guyana Government on the subject of oil exploration.

Following some months of seismic work, the Government and officials of Home Oil have been encouraged to continue exploration.

Dr. Waldron confirmed that a contract had been signed between the two parties in which Home Oil has been given exploration rights over 7 976 Sq Kilometres of land in the interior.

The discovery of oil in economic quantities will help the economy a great deal, since the country is faced with an oil bill of some $420 million. One Government official observed.

It is felt that there are vast and heavy oil deposits in the Oronico basin. Prospecting in Belize has shown similar evidence of rich oil reserves which could be more extensive than those in Mexico and Trinidad.

CSO: 3025/08

OIL CRISIS: EVEN RESERVES ARE EXHAUSTED

San Pedro Sula LA PRENSA in Spanish 4 Sep 81 p 2

[Text] Tegucigalpa--Gasoline tank trucks from the Texaco Refinery of Puerto Cortes started to make deliveries yesterday at several filling stations in the capital, and it is hoped that the serious gasoline crisis which is being experienced in Tegucigalpa will thus be partially relieved.

When some of the managers of the gasoline companies were asked they said that if the rationing of gasoline is not decreed during the next week the consequences for the consumers will be great.

Gilberto Morazan, manager of the DIPPSA [Petroleum Products Distributor] gasoline company of Tegucigalpa, stated that he "hopes that the problem will become normal within the next few days since the demand has increased. Since gasoline is scarce the citizens' needs cannot be met, to the point that sales to clients are made only to prevent the breakdown of business."

He stated that they will only sell filling stations 500 gallons a day but yesterday they did not receive the 200 gallons of kerosene so sales are continually limited.

He said that the distributing company had promised them that it would supply them starting tomorrow but that he cannot guarantee that it will keep its promise.

Jose Reyes described the supply of fuel as skimpy since last week he only received 40 percent of the normal requirement. He explained that the volume of sales has decreased due to the fact that they have received no gasoline and that they have sent only 4,000 gallons of kerosene during the last 10 days. "The reserves are exhausted and we cannot keep the filling stations open if the distributor does not supply us," he concluded.

9204
CSO: 3010/1855

JPS DIESEL GENERATORS WILL CUT OIL CONSUMPTION 60 PERCENT

Kingston THE DAILY GLEANER in English 17 Sep 81 pp 1, 15

[Text] The Jamaica Public Service Company is planning to acquire modern slow speed diesel generating units to replace most of the outdated Hunts Bay A Units, Public Utilities and Transport Minister Alva Ross said in the House of Representatives yesterday.

Mr. Ross said that it was projected that the introduction of the slow speed units will reduce oil consumption by over 60 percent, and the consequent saving in oil costs would not only be sufficient to pay for the new units, but would leave a substantial amount that will help to reduce the cost of electricity to consumers.

"It is not expected, however, that these units can be ordered, installed and be ready for operation before 1984. On the basis of the experience with these units, a decision will be taken in regard to the replacement of the Old Harbour and other units," the Minister said.

Mr. Ross was making his contribution to the first sectoral debate on the Government's policies and performance.

Funds for the diesel units are expected to be provided by the suppliers (not yet decided), Mr. Ross said, or by lines of credit provided by creditor countries.

The rest of the capital development--the rehabilitation of the generating plants, the improvements to transmission and distribution lines--will be financed mostly by the World Bank, under a Third Power projects which will provide funds totalling about $110 million over the period of 1982/86.

He said that in accepting the World Bank loans, the country should be aware that certain conditions have to be satisfied.

"As I have indicated one of these conditions is the return on the value of its assets. Until the J.P.S. can maintain a higher level of efficiency in its operations, the price for electricity will be somewhat high. We just have to face that fact."

The alternative to that would be either: the company being reduced as a result of the lack of finances to a stage where it would be unable to provide the power

requirements of the country, or, the shortfall in revenue would have to be met by taxpayers.

"I do not support either of these alternatives," the Minister said. "My policy, therefore, is for the company to proceed with the necessary capital and operational improvements and to be in a position to provide by 1984 an efficient service to the country."

He said that the company was currently losing about 21 percent of its generated current as against a normal loss rate of 11 percent, and a large proportion of the 10 percent loss was due to dishonest practices.

"It is not only the small man that is stealing current," Mr. Ross said. "Many big men are also doing the same thing--tampering with meters and so on. I must give a clear warning that I view such practices with the greatest seriousness. This must stop. Anyone found stealing current will be dealt with to the fullest extent of the law.

Urgency

"I have directed the J.P.S. to work out and submit to me as a matter of urgency a programme to put an effective stop to these practices. When the dishonest steal, it is the honest ones who have to pay," the Minister said.

In regard to the proposed improvements to the plant and equipment, he said that it was expected that the Old Harbour Units will be rehabilitated and that the excess loss of power will be eliminated and that by 1984 the slow speed diesel should be in operation.

Mr. Ross said that the company was facing a very serious financial crisis, which could mean increases in electricity rates. The Government, however, has decided to "cushion the shock" by providing an increased contribution to the company of about $14 1/2 million in 1981 as equity, and possibly a further $7 million in 1982.

Since 1979 the company has been incurring heavy losses--$3.5 million in 1979; $23.4 million in 1980 and a projected $32.69 million in 1981. At present over $50 million was outstanding on electricity bills representing roughly 70 days collection.

Mr. Ross said that the series of losses and the high level of outstanding bills naturally affected the working capital position of the company, with the most serious implication being the extent to which external relationship with its principal lenders, the World Bank, could be affected.

The company had signed an agreement with the Bank in 1973 under which it borrowed U.S. $20 million, as part of a J$200 million five-year programme to carry out capital works involving transmission and distribution and one of the conditions of the agreement was that the company should make 8 percent to 8 1/2 percent based on the replacement of cost of its assets.

What was happening was an increasing proportion of the Company's revenues has been going into payments for fuel, leaving too small a proportion to meet operating, administrative and other expenses, Mr. Ross said.

CSO: 3025/08

TALKS ON WITH SWEDEN FOR AREA'S FIRST OCEAN THERMAL PLANT

Kingston THE DAILY GLEANER in English 26 Sep 81 p 15

[Text] Government is now holding talks with Swedish energy authorities with a view to establishing the first Ocean Thermal Exchange Conversion (OTEC) plant in the region.

This announcement was made by the Prime Minister, the Rt. Hon. Edward Seaga, on Tuesday when he spoke at the dedication ceremony for the largest solar water heating system in the Caribbean, at the Cornwall Regional Hospital.

An API report quoted the Prime Minister as saying that the OTEC plant would be a demonstration unit and that, following its installation, Jamaica would be able to determine the further needs that that particular source of renewable power might be put to in generating new sources of energy.

Explaining how the principle of OTEC could be used to generate electricity, the Prime Minister said that it involves using the differences in temperature in the sea in areas where the shelf falls off to deep levels close to the shoreline, and he described this as "one of the bright hopes for the future in generating new types of renewable power."

Mr. Seaga re-emphasised the need for developing countries to find alternative sources of energy, and said that various experimental demonstration projects were to be established in Jamaica. He also mentioned the establishment of photo voltaic cells which convert sunshine directly into electric current. He added, however, that the photo voltaic system was expensive, but that it was expected that with the development of new processes, by 1985 it would be a cost effective system.

"Solar ponds--the conversion of saline ponds with the intensity of solar radiation into electricity" the Prime Minister continued, "will be the subject of an Israeli project which is to commence soon at Yallahs and is another area of experimental and demonstration work."

Mr. Seaga appealed to the more developed countries to give their technological support to the alternative sources of energy which could be utilised by rural dwellers in the poorer nations.

He said that, by far, the greater population of the world were the rural poor, and the "absolute poor," who would never see one form of electricity or another. The only hope that those people would have of deriving power to assist them in their daily domestic needs Mr. Seaga said, was if rural technology was advanced to a stage where power could be derived from rural sources such as the sun, wind, burning of various types of rural products, vegetable matter, animal dung and trees.

The Prime Minister re-iterated a plea he made at the recent energy conference in Nairobi, Kenya, for the setting up of an international exhibition centre, where he said, the alternative energy sources of both the developed and developing countries could be exhibited.

CSO: 3025/08

OFFSHORE OIL EXPLORATION CONTRACT SIGNED WITH ITALIANS

Kingston THE DAILY GLEANER in English 28 Sep 81 p 1

[Text]

A contract for oil and gas exploration and exploitation in Block B in the offshore Pedro Bank area was signed on Friday between the Petroleum Corporation of Jamaica (Petrojam) and Union Texas Petroleum Corporation and Agip, the Italian state-owned oil corporation.

Two other agreements were also signed. They are a joint operating agreement between Union Texas and Agip in which Petrojam will participate as a 30% partner when a commercial discovery is made, and a memorandum of understanding between the contracting parties and the Government of Jamaica. The aim of this agreement is to encourage and promote the exploration for and development of Jamaica's petroleum resources.

THE SIGNING CEREMONY, took place at Jamaica House. Prime Minister Edward Seaga signed the memorandum on behalf of Jamaica while the oil contract was signed by Mr. Headley Bryce, secretary of Petrojam and Mr. William Saunders, managing director of Petrojam. Mr. John Cox, Union Texas vice-president for international exploration, signed for his company and Mr. Jeancancarlo Baldassarri, executive vice-president of Agip, signed on behalf of his company.

Mr. Saunders said at the signing that this contract was a major step in offshore oil exploration in Jamaica and resulted from a continued interest shown by the contracting parties in conducting oil exploration activities in Jamaica.

GIVING DETAILS of the contract, Mr. Saunders said that in the event of a commercial discovery, the Government of Jamaica would receive 12½% of the net production of royalties in addition to the income taxes paid by the consortium and Petrojam.

The contracting parties would be allowed to recover their investment and operating costs and the balance of the production would be shared between Petrojam and the contractors according to a prescribed rate set out in the contract. He said that an annual rental for the area would be paid by the consortiums and for a production average of 50,000 barrels a day for 120 consecutive days, a bonus of $2 million would be paid to Petrojam. According to Mr. Saunders, one well must be drilled in each of the fifth and sixth year of the contract which terminates at the end of the sixth year unless a commercial discovery is made.

The consortium will donate US$50,000 annually for the training of Jamaicans in various aspects of the petroleum industry. In addition, Jamaican nationals will be given assistance in learning to conduct petroleum operations and if a commercial discovery is made a full on-the-job training programme will be implemented.

The contract would enable Jamaicans to achieve maximum benefit from any petroleum production that takes place in Block B.

BACKGROUND

PRIME MINISTER SEAGA in giving background to the signing said that the consortiums had signed an agreement in May last year to explore one of the blocks designated in the Pedro Banks area. However they later indicated that one of the areas they wished to explore was situated at the boundaries of another block and therefore wished to secure operations in that

block so that in the event they were successful they would not lose the benefits.

The memorandum of understanding which he signed was to agree on the terms under which the consortiums would be allowed to carry out explorations in the second block.

The main difference between the two agreements he said, was in the carried interest provision which had been increased to 30%. Mr. Seaga said that in the original agreement Petrojam had a carried interest of 10% which allowed them in the event of a find to take up a 10% equity. The agreement also provided that if there was no find it would not cost them anything in respect of the 10% equity. In the new agreement the carried interest had been increased to 30% so that in the event of a find Petrojam would be able to take up a 30% equity interest.

He expressed pleasure in signing another agreement with the consortiums and said it indicated their confidence in the explorations they were about to undertake as well as their confidence in the investment climate in Jamaica. He said that explorations should begin at an early date.

The Prime Minister also mentioned that on-shore oil explorations in the Savanna-la-Mar region of Westmoreland would begin in the first week of November.

Mr. Cox said that his company had 36 on-going oil exploration activities taking place in 26 countries.

CSO: 3025/08

SAUDI ARABIA BACKS OIL PROJECT, LOCAL DEVELOPMENT BANK

Castries THE VOICE in English 12 Aug 81 p 1

[Text]

ST. LUCIA is to be the site for a regional bank, predominantly controlled by Saudi Arabian interests who plan to set up an oil project on the island.

The St. Lucia-Saudi National Development Bank, as it will be known, will be mainly designed to recycle petrodollars from the oil-rich Middle East state into the Eastern Caribbean in the form of development aid.

According to the London-based publication, INSIGHT, a monthly newsletter of the West India Committee, the bank will be located in St. Lucia if the proposed oil terminal goes through.

Trade Minister Peter Josie told newsmen last Friday that work on the oil project — which will involve oil blending, storage and transhipment — is expected to begin towards the end of the year.

Negotiations for the bank were completed by former Prime Minister Allan Louisy who went to France in May to sign the agreement for the project. Further agreements relating to the petro bank project are expected to be signed in October.

INSIGHT said it had learnt that the islands of the Eastern Caribbean would be invited to take shares in the bank.

It said that those concerned with establishing the project in St. Lucia envisaged that the bank would turn the island into a major financial centre for the region. It was also expected to offset what certain regional governments saw as the tardy disbursement of funds by the Caribbean Development Bank, the newsletter said.

INSIGHT said it understood that royalty payments from the terminal to the St. Lucia Government would be in the form of oil, amounting to as much as 15 percent of the facility's throughput. This would be refined locally to offset a significant part of the island's current need for imported oil.

It added that sources had revealed that the storage and transhipment facility would be built at a cost of US$200 million and construction, probably by a Swedish firm would begin in September.

According to INSIGHT, diplomatic sources in the Caribbean had been suggesting that there were two main reasons for the project: (a) that Saudi Arabia needed to disperse its oil storage away from the politically and militarily volatile Gulf region, and (b) that the Saudis wanted to economise on oil shipments to the U.S. by transhipping into smaller tankers near the U.S. eastern seaboard.

INSIGHT quoted St. Lucia Government Ministers as saying that Hess, which is also building an oil complex here, had welcomed the new project, but added that there was growing scepticism as to whether Hess would now construct the refinery which it is committed to under the agreement with the St. Lucia Government.

CSO: 3025/08

CARIBBEAN PRESS COUNCIL CONCERNED ABOUT GRENADA SITUATION

Fraser, Ryan Statement

Bridgetown ADVOCATE-NEWS in English 19 Sep 81 p 3

[Text]

PORT-OF-SPAIN, Trinidad, Friday (CANA) — The Caribbean Press Council has voiced concern about "the rights and liberties" of Grenadian citizens.

A joint statement, following the council's recent annual general meeting in Barbados, has been issued by chairman Justice Aubrey Fraser and deputy chairman Dr. Selwyn Ryan.

"While recognising the government of Grenada, it was nevertheless felt that there was no justification for the government's denial of basic rights to so many of its citizens."

The council noted "particular concern for the suppression of Press freedoms and the continued detention of well over 250 persons, some of whom since March, 1979, and many of whom do not appear to have been engaged in activity which could remotely be considered as being subversive."

Particular reference was made to Lloyd Noel, a former acting Attorney-General of Grenada in the Bishop regime.

The council said that some of the detentions appeared to have been pre-emptive or designed to signal to the population that the government would deal firmly with anyone, however, well-positioned such a person might be, who disagreed openly with it.

"The refusal of the government to have detainees brought before a tribunal so that reasons for their detention could be made public and considered judicially, was particularly condemned by members of the countil," it was said.

The council said that it was also concerned about reports that some detainees had been brutalised by guards.

It said that the Caribbean Press and electronic media, "had a grave responsibility to keep alive the concern which all right-thinking people in the Caribbean have about the continuous erosion of freedom in Grenada, and in particular to highlight the plight of those who languish in Grenada's prisons and makeshift detention camps merely because they dared to differ with the Bishop regime as to what was acceptable or not acceptable in the name of the revolution."

The statement said that it was concerned "about the lack of information regarding the identity of the detainees and recommended that at the earliest possible time a list of the names of the detainees be compiled, together with the dates of their detention and the reasons given for such detention (if any), and that this list be given the widest possible publication in the hope that "world opinion in general and a Caribbean opinion in particular would be brought to bear on the denial of human rights being pursued by the Government of Grenada."

Grenada Rejoinder

Bridgetown SUNDAY ADVOCATE-NEWS in English 20 Sep 81 p 1

[Text]

ST GEORGE's Grenada Saturday (CANA) — The People's Revolutionary Government (PRG) has repeated its charge that Grenadian journalist Alister Hughes, Executive Secretary of the Caribbean Press Council (CPC), conspired with the United States Central Intelligence Agency (CIA) to over-throw the PRG.

The charge came in the course of a statement broadcast today over Radio Free Grenada (RFG) in reply to a release issued on Thursday by CPC Chairman Aubrey Fraser to the CPC annual general meeting held in Barbados on September 9 and to discussions held there on the Grenada situation.

"While recognising that the Government of Grenada had achieved certain positive things for the people of Grenada," the release said, "it was nevertheless felt that there was no justification for the government's denial of basic rights to so many of its citizens."

In its statement on RFG, the PRG charged that CPC is "headed "by Hughes who "by his own actions is well known as someone who does not support the revolution."

"It is the same Alister Hughes who is a member of the infamous gang of 26 who published the counter-revolutionary "Grenadian Voice newspaper as part of a CIA inspired plot to overthrow the revolution earlier this year," the PRG said.

The statement of RFG referred to CPC's particular concern relative to detention of Lloyd Noel, former acting Attorney-General and Minister of Legal Affairs in the PRG. Noel resigned from the PRG in June 1980 because of "differences of opinion" and, following the closure of the Grenadian Voice three months ago, has been held in jail since July 11 last.

The PRG said Noel was arrested for "counter-revolutionary activities" and was a member of the "CIA backed gang of 26," the PRG's name for the 26 shareholders in the company which published the Grenadian Voice.

"Birds of a feather flock together," the PRG said," and therefore the PRG is not the least surprised that Alister Hughes would use the Caribbean Press Council to defend Lloyd Noel and make it appear that he is some innocent Grenadian citizen who was detained for nothing at all."

The PRG said that knowledge of Noel's "counter-revolutionary activities outside and inside Grenada" is widespread and CPC "seems to be the only set of people who think that he is innocent and patriotic."

"It must also be noted that the meeting at which CPC made the statement took place several months ago and the question must be asked, "why has the council taken so long before publishing this statement?

CSO: 3025/10

SANDINISTS ACCUSED OF LANDING ON HONDURAN ISLAND

San Pedro Sula LA PRENSA in Spanish 1 Sep 81 p 2

[Text] Tegucigalpa--There has been a very tense situation during the last 24 hours in Honduran territory inside its boundaries on the Gulf of Fonseca because of the frequent incursions of the Nicaraguan patrols along the Honduran coastline.

The inhabitants of places such as Amapala, Punta Raton, Cedeno and others said yesterday at noon in Tegucigalpa that the incursions by Sandinist patrols inside the Honduran boundaries on the Gulf of Fonseca are a "provocation and a lack of respect for our national sovereignty..."

All of those actions concern the Honduran inhabitants of the area, especially those who are engaged in fishing or who have fishing rights, since this activity cannot be carried out normally because of the constant attacks and threats to which they are subjected by the Sandinists, including those in waters under Honduran or international jurisdiction.

Yesterday it was reported that the Sandinist patrols had reached the height of abuse when it became known that the occupants of one of those vessels made a brief landing on an island near Zacate Grande.

According to that account, the Nicaraguans arrived at the island, landed, remained for a relatively short time and then left, presumably when they found out that the Honduran patrols were approaching the area.

The inhabitants of the area feel that the navy should increase its protection and make sure that the national sovereignty is not violated by the Sandinists all the time.

They concluded by saying that the penetrations by the "Nicas" into the Honduran national waters are so frequent that they can be considered acts of provocation with the purpose of damaging relations between the Nicaraguan and Honduran Governments.

"These confrontations provoked by Nicaragua have some purpose or pursue an objective and one doesn't have to be clairvoyant to guess what it is," one of the inhabitants of Amapala reported.

9204
CSO: 3010/1855

GUYANA'S ATTITUDE IN TERRITORIAL DISPUTE WITH VENEZUELA CRITICIZED

Caraces EL DIARIO DE CARACAS in Spanish 21 Sep 81 p 7

[Commentary by Rafael Sureda Delgado: "Guyanese Intransigence"]

[Text] The recent statement by Guyana's prime minister threatening Venezuela with a declaration of war, with taking the territorial dispute to the United Nations, and asserting that Guyana will not return even an inch of the Esequibo region, stolen from our country and inherited by Guyana in 1966, is one which we do not characterize as bravado or as an impudent posture, but simply as the continuation of a policy followed by the former colony, British Guiana, today Guyana, expounded in 1963 at the time of the First Ministerial Conference in London. There the British and the Guyanese asserted that everything ended in 1899 in Paris, where five irresponsible arbitration judges usurped from Venezuela its 159,500 square km of the Esequibo region, and that therefore they do not have to return anything to us. The Guyanese maintained this attitude in 1965, at the Second Ministerial Conference, as well as in 1966 when the Geneva Agreement was signed which established the "practical" settlement, and finally during the discussions of the Joint Committee which lasted from 1966 to 1970, the year in which Dr Rafael Caldera, not knowing what to do, overlooked the claim and signed the Port of Spain Protocol.

At the present stage there is an unfreezing of the Geneva Agreement, a decision made by President Luis Herrera, but the situation remains the same, aggravated by the statement of President Forbes Burnham to the effect that as long as Venezuela cannot show that the Award of 1899 and the Arbitration Treaty of 1897, which led to the arbitration award usurping our territory, are worthless no "practical" solution whatever will be possible. This is the thesis which brought about the failure of the Joint Committee's negotiations inasmuch as Venezuela has always considered that the Geneva Treaty does not require an international decision on the Treaty of 1897 or the Award of 1899 but rather that it called on both countries to seek an alternative solution that would be "practical" for the parties involved.

Since this is the way things are, today more than ever there is justification in the suggestion of the College of Internationalists to appoint a committee made up of experts from that organ, the Bar Association, the Venezuelan Institute of Geopolitical and Strategic Stidies, the National Security and Defense Council, the communications media, the political parties, and the Front for the Defense of Territorial Integrity and National Sovereignty, among others, to study the future of the territorial claim.

On its part, Venezuela's central government should challenge the official statements of our neighboring country described here since they represent the prelude to the failure of any dialogue with Guyana within the framework of the Geneva Agreement. We would dare to assert that it shows its uselessness if we are unable to nullify the Award of 1899 and its Treaty beforehand, as Dr Lara Pena held on numerous occasions, despite the fact that in the Agreement of 1966 Britain and Guyana recognized that we were making territorial claims on the Esequibo region.

Furthermore, the "practical" settlement of the Venezuelan claim through the implementation of Article 4 of the Agreement (use of peaceful means to solve controversies through negotiation, inquiry, conciliation, good offices, arbitration, or resort to the International Court of Justice) is made almost impossible because of failure to mention deadlines for the selection of one of these means and we could take forever in this endeavor. And let it be known that we who have made this observation are not the only ones to criticize the Agreement. Experts such as Father Hermann Gonzalez-Oropeza and Dr Pablo Ojer, who until recently were advisers at the Foreign Ministry and took part in all the discussions that led to the Geneva Agreement, recognize that the Treaty of 1966 prolongs the discussions indefinitely.

The government cannot continue opening opposition fronts, struggling with all the segments of Venezuelan society, and turning a deaf ear to the suggestions made to it to solve various problems. That of the Esequibo region is serious, especially when we are being threatened with war even though we leave this aspect to our armed forces which must be in a state of readiness before any eventuality.

In concluding, while the Guyanese Government continues to be intransigent by refusing to discuss the "practical" solution, we must prepare ourselves to use drastic, indirect means to solve controversies which are recognized by international law, such as retaliation, reprisals, blockade, a break in diplomatic or consular relations, or any other means that would protect the interests and security of the Venezuelan state.

We hope things won't reach such extremes, but in the life of nations everything has its limit and this is reduced if we are threatened with the support of another country which does not have good relations with us.

2662
CSO: 3010/11

GUYANA PROTESTS CREDIT BLOCKADE BY VENEZUELA IN WORLD BANK

Caracas EL UNIVERSAL in Spanish 28 Sep 81 p 1-7

[Text] Georgetown, 27 September (AFP)--The diplomatic war between Venezuela and Guyana has reached international lending agencies, as the Guyanese vice president, Desmond Hoyte, lodged an official protest with the World Bank over Venezuela's blocking of loans that his country wants for the Mazaruni hydroelectric project, it was learned today.

Venezuela lays claim to 159,000 square kilometers of Guyana's territory, which comes to almost 5/8 of the total area of this English-speaking South American nation that won its independence from Great Britain 15 years ago.

Venezuelan Foreign Minister Jose Alberto Zambrano had written to the World Bank 2 months ago asking it to refuse the loan for the Mazaruni project.

Zambrano felt that because of its location in the disputed Essequibo region the project was unwarranted as long as the governments of Caracas and Georgetown do not reach a final agreement on their border dispute.

The Guyanese authorities have repeatedly pointed out that Venezuela's claim is illogical and clearly demonstrates the Latin American nation's expansionist ambitions in the Caribbean area.

"Venezuela has no right whatsoever to lay the groundwork for Guyana's priorities in the field of our own development, and therefore Venezuela's position is inconsistent," Hoyte noted in his letter.

In addition to being a vice president in the Forbes Burnham administration, Hoyte is minister of planning and finances. "We not only reject Venezuela's claim but we emphatically protest our neighbor's meddling in Guyana's internal affairs, in relation to the credit we have requested for a major national development project," Hoyte's letter added.

Hoyte charged that Venezuela hopes to find oil in the Essequibo region of Guyana, and according to the Guyanese vice president's letter, this was the reason for its efforts to prevent a hydroelectric project from being built there.

According to Hoyte, "we Guyanese have proceeded with the aforementioned hydroelectric project in the full and thorough knowledge of our Venezuelan neighbors, who in 1978 pledged to cooperate in financing the hydroelectric complex."

This is an indirect reference to the remarks by former Venezuelan President Carlos Andres Perez during his visit to Georgetown in 1978.

According to Hoyte, the Mazaruni project, and all that it involves, is vital to the economic future of his nation, which is a member of the nonaligned group.

The diplomatic war between the two nations grew more intense after Guyanese President Forbes Burnham's visit to Caracas last 4 April, when Venezuelan President Luis Herrera voiced his government's intention to revive the country's claim to the region northeast of the Essequibo River.

8743
CSO: 3010/47

TEXT OF CALDERA'S CONVERSATION WITH FIDEL CASTRO

Caracas EL NACIONAL in Spanish 26 Sep 81 p D-2

[Article by Alfredo Pena on conversation between Rafael Caldera and Fidel Castro]

[Text] Fidel Castro took the podium at the World Inter-Parliamentary Conference and delivered a fiery, long-winded speech. Most of the audience applauded him, some wildly. The representatives of the United States, England and China remained motionless or got up and left in protest.

Seated on the speakers' platform was Rafael Caldera, the president of the international parliament. The Christian Democrat leader did not applaud Fidel Castro. He listened in silence and when the applause came, he folded his arms. He gave Castro a reproving glance. The revolutionary commander had harshly attacked the United States and Social Christian parties and governments.

Caldera summoned newsmen and branded Castro's speech strange and out-of-place, defending Christian Democracy. Castro had said that criminal dictatorships were being supported in the name of democracy and of Christ himself.

In the very birthplace of the revolution, Caldera had reproached the Cuban leader for his behavior in front of guests from all over the world, who, as we know, profess a wide range of hostile ideologies. Previously, in China, he had disagreed with Peking's leaders and argued in favor of maintaining diplomatic relations between Caracas and Havana.

Three-Hour Talk

The initial impasse between Caldera and Castro led some observers to conclude that there was no chance for a dialogue between the two leaders on this occasion. That was not the case. At a later meeting with Caldera, who countered Castro with dignity, not brazenness, the communist leader was very deferential to the former Venezuelan president.

Castro headed over to the former residence of the owners of Bacardi rum, where Caldera was staying, and began discussing today's most interesting issues. The two statesmen chatted in total privacy, without witnesses. We have

ascertained most of what they discussed, and here is our version of how this summit meeting basically went.

Castro: The Reagan administration has turned out to be a lot more reactionary than we thought...

In his response Caldera quoted a remark by President Kennedy to the effect that fear of negotiating cannot hamper the objective of the negotiations themselves.

Castro: You know Napoleon Duarte well. He shares your politics and ideologies. They say he is a democrat...But Duarte is not the one calling the shots in El Salvador. He's a prisoner of the military dictators...

Caldera: Action by the people, as happened in Venezuela, can lead to the isolation of the most rightwing segments of the Armed Forces. This is a process...Napoleon Duarte is striving to guarantee elections in which the people can decide...A struggle is going on, and Duarte is in the center, between the two extremes of the Left and Right...

Castro: We have to realize that the revolution in Central America and El Salvador is a result of the extreme social injustice that these peoples have suffered. I want a social system for those countries that does away with this shameful situation once and for all...

Caldera: We all want international social justice, but the Salvadorans have to resolve their situation autonomously and independently...

Castro: I am not intervening in El Salvador. I give advice, when I am asked for it. How can I not advise people who think about revolution as I do? Furthermore, you can't talk about free elections under the conditions that prevail in that country today...

Caldera: Duarte can't accept people who carry machine guns during an election campaign. What does experience show us? That when the Armed Forces are destroyed, as happened here in Cuba, the new Armed Forces install a government that outlaws all dissidents and pluralism. That's what happens when you fellows win, whereas when we are the victors (the guerrillas lost in Venezuela), we guarantee freedom for all. There is no Christian Democratic Party here; in my country, the Communist and Marxist parties are represented in Congress. El Salvador is faced with the option of a rightwing or leftwing dictatorship or the establishment of a democracy. The latter is what we want.

Castro: The right wing is already in power. Napoleon Duarte is, I repeat, a prisoner of the military dictators.

Caldera: What stand will you take on our just claim to the Essequibo territory?

Castro: A rumor has been started that I am going to send 20,000 Cuban troops to Guyana. That is untrue! We won't get involved in this dispute. We aren't going to butt in. Burnham is not a man with whom I agree on everything, and I will not alienate the feelings of solidarity of the Venezuelan people, with whom we want the best of relations. We are not going to enter the arms race either.

Caldera: Venezuela has a demonstrably just claim. And we are updating our combat equipment to the extent that defense of our sovereignty requires.

Castro: When you became president of Venezuela, we were told that the COPEI [Social Christian Party] right wing had come to power. Nevertheless, you pursued a very intelligent policy...Herrera, who we were told was on the Left, has complicated things now...It would be unacceptable to our people if the murderers who blew up the Cubana plane were released...

Caldera: Each person governs under different circumstances. Every individual, like every fingerprint, is different. There is a genuine division of powers in my country. The president of the republic cannot interfere with the rulings of judges. The courts and no one else will rule on the case that you mentioned.

Their conversation over, Castro ordered the escorts and chauffeurs away and drove Caldera to Jose Marti Airport himself. He stood by until Rafael Tudela's plane took off back to Caracas. The magnetic figure of the Cuban leader made an impression on Caldera.

8743
CSO: 3010/47

BRIEFS

CONCESSIONS TO BOLIVIA, ECUADOR--Venpres--The special treatment regulations in the Andean Pact will be radically amended to make it more effective in the interest of the harmonious and balanced development of Bolivia and Ecuador. To specify and clarify the alternatives proposed by his government, Bolivia's minister of integration, Edgard Millares, arrived in Lima and will meet with the members of the Board of the Cartagena Agreement. The Andean Pact Committee recommended the adoption of measures that would make preferential treatment effective through the promotion of specific projects, especially in the industrial and agricultural and livestock sectors, taking the interests of the two above-mentioned countries into account. An effort will be made to promote joint investment and financing for the realization of projects favorable to Bolivia and Ecuador, possibly through the formation of Andean multinational corporations. Under the new arrangement, investments and resulting trade exchanges will be pursued and the participation of both countries will be enhanced. In the meantime, the Cartagena Agreement committee considered that industrial programming is basic to achieving the economic integration of the Andean subregion. However, in analyzing the sectorial programs serious difficulties and limitations have been found which impede the achievement of the desired objectives, so the Committee will continue to discuss the topic in its next series of meetings to be held in Caracas in October 1981. It was decided to evaluate the sectorial programs in the automotive, metallurgical, mechanical, and petrochemical sectors in order to improve them. The analysis should also lead to pragmatic programs that would bring results, taking into account the advantages and limitations of the countries concerned. The Venezuelan industrial sector is particularly interested in revising and amending preferential regulations in the automotive, metallurgical and mechanical, and petrochemical sectors and fitting them into the Agreement. [Text] [Caracas EL DIARIO DE CARACAS in Spanish 21 Sep 81 p 26]

2662
CSO: 3010/11

BIRD STATEMENT TO BARBUDA COUNCIL ON INDEPENDENCE ISSUE

St Johns THE WORKERS VOICE in English 1 Jul 81 pp 3, 6

[Statement by Lester B. Bird, acting premier, State of Antigua, at talks between Antigua Government officials and Barbuda Local Government Council on 22 June 1981 in Barbuda]

[Text]

Mr. Chairman and Members of the Barbuda Council

I would like to thank you for responding so promptly to my proposal that your Council and officials of the Central Government should meet to discuss areas of mutual interest.

The dispatch with which you responded to my letter provided me with the opportunity not only to continue dialogue which we began in London last December on development in Barbuda, but also to visit my maternal home where I spent many enjoyable days during my boyhood.

This meeting is between brothers: men tied not only by culture and history, but also by birth and by blood. A number of the officials of the Central Government here are Barbudan by birth or descent. Many of us on this side are related to you on that side by blood.

We are not met as adversaries; nor are we met as strangers. We are met as family. And it is in a spirit which recognises our strong bonds that I hope we will conduct this meeting today. The Barbudan people are proud and able. They have always been so, and I have been pleased to proclaim to all, my own Barbudan heritage. Equally, I have been proud of my Antigua forebears, and nothing would give me greater personal satisfaction than to advance the development of the people of the State of Antigua and Barbuda on a collective basis.

Last Thursday, June 18th, I had the great honour of signing, on behalf of my Government, the Treaty establishing the Organisation of Eastern Caribbean States (OECS). By that act of signature, I committed the people of this State to a deepened relationship with their cousins in the Leeward and Windward Islands. Every Government representative, who signed the Treaty, acknowledged that his own country was to small and lacked the human resources and financial capability to survive individually. Each of those Government representatives recognised that we, the smaller islands of the Caribbean, have to pool our resources in order to survive the pressures of the international environment. We either joined together to strengthen our individual positions or we continued alone and so impaired our already weakened condition.

In that context, Barbuda is no different from the other small islands of the Caribbean. Montserrat has ten times the population of Barbuda and considerably more natural resources, and yet, as the smallest of

the Caribbean countries it acknowledges and pursues the benefits of a close relationship with its sister-States in the region. Antigua cannot seek to give support to its cousins in the region and ignore its brothers and sisters in Barbuda; nor can Barbuda sit idly by without giving support to Antigua.

Ours is not a war with each other. We have a greater battle to fight. It is a battle for improved conditions for all our people; it is a struggle for survival; it is a fight to secure adequate assistance and better terms of trade from the developed world. In a war with each other, we only make it easier for those who would divide us throughout the Caribbean in pursuit of their own objectives which are our continued subjugation and exploitation. We cannot afford to fall victim to that trap. If we are truly interest in the development of our people, then we must marshall them together in common cause for common benefits.

Since the London Constitutional talks in December 1980, the Central Government has carried-out all of the undertakings it gave to devolve greater autonomy to the Barbuda Council in the running of Barbudan affairs. In April 1981, we amended the 1976 Local Government Act to devolve additonal powers on the Council. The revised Act now devolves exclusive powers upon the Council for: Administration of agriculture, forestry, public health, medical and sanitary facilities; administration and regulation of the provision of electricity and water services and other public utilities; construction, improvement and maintenance of roads; raising and collection of revenue necessary to enable the Council to meet the expenses of carrying-out its responsibilities.

In addition, at the request of the Barbuda Council, the Central Government abolished the Ministry of Barbuda Affairs and gave the Council the right to deal directly with any Government Department or Ministry on any matter relating to Barbuda.

Further, the Central Government accepted all the recommendations of a Financial Expert sent by the British Government to devise financial arrangements between the Central Government and the Barbuda Council. Among those recommendations were the following: The Central Government would pay to the Barbuda Council 31% of the cost of Administrative and Consumer Services, 44% of the costs of the Spring View Hospital and 56% of the costs of other Public Health, Medical and Sanitary Services. In other words, the Central Government devolved power for these matters to the Council, but yet it still pay a considerable portion of the costs. Moreover, the Government has agreed to pay to the Council the sum of $300,000 per annum or 40% of the net revenue from the sale of stamps bearing the word "Barbuda", whichever is the higher sum of money.

The Central Government will also continue to pay the cost of Government development projects on the island. What is more, the Central Government will continue to subsidise the cost of electricity to Barbudans until a more acceptable arrangement can be devised. At the moment the highest electricity bill for anyone on Barbuda is $20 per month since there is no system of meters to measure usage. Most people are charged $5.25 per month for electricity and Government revenue on an annual basis is approximately $20,000. But the running cost for electricity in Barbuda is in the vicinity of $200,000 Meanwhile, Antigua consumers are paying eight times as much for the same units of electricity used in Barbuda.

Since the London talks, the Government has also agreed to make Codrington Airstrip and the river, from the Martello Tower to the Mole, points-of-entry. We are now awaiting the drafting of the legislation before this decision is effected.

There has, therefore, been an attitude of compromise on the part of the Government, there has been a genuine attempt to satisfy the concerns of the Barbuda Council. The Government has sought to provide the best it can for the people of Barbuda. This is not a time for anyone to be unfair and to simply bury his head in the sand without acknowledging that the

Government has addressed the desires of the Barbuda Council in a meaningful way. To do so would be a deception, and any who would pursue such a course will be caught in the end.

If the concerns of the Barbuda Council genuinely reflect a desire to promote the interests of Barbudans, then the Council must be big enough to tell the Barbudan people when those concerns have been satisfied.

I look forward to meaningful and fruitful discussions here today. I expect the talks to be frank and honest. But, I urge a spirit of flexibility and of compromise for when we talk today, we talk not only for the Antiguans and Barbudans of today, but for those who shared our country before us and those who will inherit it after we have gone.

Thank you Mr. Chairman

CSO: 3025/10

BRIEFS

UK GRANT--Bridgetown, Mon. (CANA)--The British Government today announced a grant to Antigua of $1.5 million. A British Information Service (BIS) statement here said the money was to provide Antigua with 10 tipper trucks, a road roller, an excavator, a dozer, a loader, five concrete mixers and a hoist, all "urgently" needed by the public works department. [Text] [Port-of-Spain TRINIDAD GUARDIAN in English 15 Sep 81 p 5]

CSO: 3025/17

EDITORIAL SETS FORTH POSITION ON GRENADA, U.S. POLICY

Bridgetown CARIBBEAN CONTACT in English No 4, Aug 81 pp 1, 3

[Editorial: "Our Stand on Bishop's Grenada; Questions of Civil Liberties and American Aggression"]

[Excerpts]

THIS newspaper has no intention of joining the current anti-Cuba, anti-communist hysteria over Grenada that's being spearheaded by some of the most reactionary spokespersons and media interests in the USA and the Caribbean. We remain committed to exposing and opposing the Reagan Administration's plans that are designed, not too subtly, to remove by whatever means, the People's Revolutionary Government (PRG) in St. George's. We see Washington's destabilisation campaign against the PRG, clouded with calls for "election now", as an extension of America's war against Cuba and as part of its own overall scheme to prevent socialism from spreading its influence in this region where, we are officially told, ideological pluralism is to be respected.

At the same time we would like Prime Minister Maurice Bishop to clearly understand that this newspaper does not countenance denial of civil liberties in any country, and that we strongly favour the Rule of Law and the right to dissent. Consequently, we are anxious that:

1. The PRG produce its promised Constitution and establish the machinery through which the people of Grenada, a member of the Caribbean Community, can have the opportunity to endorse or reject a government at free and periodic elections.

We are not asking the PRG to uncritically accept the Westminster parliamentary system of government or to adopt any particular model. We are not making a simplistic call for the "restoration of democracy" in Grenada. We are well aware that under the very corrupt regime of Eric Gairy, democracy was not a viable entity. In contrast to the problems being created for Bishop's PRG, Gairy's staunchly anti-communist government, that was linked with Pinochet's Chile, suffered no pressures from the USA, Britain or *any* of our Caribbean governments to mend its ways during the misrule of the mystic knight now safely ensconced in the USA.

2. Failure by the PRG, since its closure of "The Torchlight" in October 1979, to formulate its promised media policy.

We can understand the siege mentality that pervades the PRG today, because of the intense US pressures, including, naturally, the CIA and the US International Communication Agency. These pressures have included the blocking of post-hurricane rehabilitation aid and development assistance for the new airport at Point Saline, as well as crude attempts to prevent the IMF and the CDB funding PRG programmes.

What has heightened our concern about the absence of the promised media policy, is not that we are unaware of the PRG's fears of the roles played by *El Mercurio* in Chile under the murdered Salvadore Allende, or by the *Gleaner* under the electorally defeated Michael Manley. But if, as the PRG says, a group of Grenadians it has dismissed as "The Gang of 26", violated its "People's Law No. 81" by the publication of a 16-page stencilled newspaper *(see last month's Contact)*, then it should institute legal proceedings against those involved rather than simply adding to the population of political prisoners at Richmond Hill and Fort Rupert.

3. Our third area of concern has to do with the need for the PRG to create the necessary conditions for the trial of at least 120 Grenadians who have been in prison for periods ranging from 28 months—the life of the PRG—to one year.

A vulnerable island state like Grenada must appreciate how a policy of un-checked political detention can be exploited by its opponents and used as an excuse for external aggression.

Those elements in Grenada who are behind the spate of unsigned, scurrilous, hate-filled pamphlets, threatening the life of Bishop and his PRG Ministers, must bear much of the blame for the mood of siege in the Spice Isle at this time.

The Reagan Administration, with its hypocritical policy on human rights, has said and done much to promote an atmosphere of instability in Grenada. Its attitude towards this small Caribbean island is that of a bully. Mr. Reagan's bedfellows include the rulers of racist South Africa, Chile, Haiti, Guatemala, and El Salvador. But he insists, as a condition for the "normalisation of US-Grenada relations", on the holding of elections by the PRG. Let us not be deluded. The Reagan White House is not really interested in the civil liberties of the Grenadian masses, or else, it would have been advocating free elections in the countries where they do not exist, including Guyana, which, like Grenada, is also a member of the Caribbean Community.

Reagan's "shuttle diplomat" for the Middle East, PHILIP HABIB, has stated in a "position paper" on the Caribbean that Grenada under the PRG represents "the first non-democratic change of governments" in CARICOM. Mr. Habib is badly misinformed. The first such example in the Caribbean Community is the Republic of Guyana under Forbes Burnham's PNC Government. That is the government which the CIA and British intelligence initially helped to bring to power. Crooked elections that involved the hi-jacking of ballot boxes by the security forces, as happened in Guyana, are not what should be considered a "democratic change" of government.

IN BURNHAM'S GUYANA

In Burnham's Guyana the right to freely choose a government died twelve years ago. Today, US intrigues and help from the IMF have assisted the PNC in associating socialism—in the minds of a great many Guyanese—with electoral fraud; a muzzled press; food lines; state repression and political murder. For his anti-socialist contributions, the USA, heartland of capitalism, is understandably grateful to Mr. Burnham. We know of those in and out of CARICOM who are silent on Burnham's Guyana but never reluctant to attack Bishop's PRG.

Yet, the Reagan White House can live with Burnham's brand of "co-operative socialism", Duvalier's Haiti, or South Africa's apartheid system, but not, apparently, with Bishop's PRG.

In Grenada, where Washington is not convinced that it can bend the knees of the NJM in the way it and the IMF have clearly succeeded with the PNC in Georgetown, what the Reagan team is hoping to achieve before the next round of US presidential elections, is to destroy Grenada-Cuba friendship—even if it means mounting an invading force of mercenaries and liquidating the PRG's leadership.

But one Cuba is seen in Reagan's Washington as one too many. It sees it as a threat to the interests of the USA which has arrogated to itself the role of the global policeman.

If any harm should befall the PRG's leadership, this newspaper will be in no doubt about US involvement. Although some ruling parties and private sector groups in the region are also critical of current developments in Grenada, it is to be noted that the CARICOM Foreign Ministers have come out in strong support of Grenada against US aggression (*Page 13*); and that the Socialist International continues to give support to the PRG, as do various representative organisations around the Caribbean. For the good of the region, in the interest of bridges of friendship between the peace and freedom-loving PEOPLE of the USA and the Caribbean, we sincerely hope that:

(a) *All* of our Caribbean governments will demonstrate a healthy respect for civil liberties; and

(b) That some new initiative will be taken in both Washington and St. George's to end the politics of confrontation that poses a threat to the stability not only of Grenada but the entire region.

CSO: 3025/10

BRIEFS

TIGHTENED CREDIT--The Barbados Central Bank yesterday announced a five-point package of tight credit measures aimed at strengthening the country's balance of payments position. The measures include a directive to commercial banks to reduce personal and consumer instalments credit outstanding by 10 per cent over the period ending March 31, 1982; an increase in the domestic deposit liabilities which commercial banks are required to hold with the Central Bank, and an increase in the prime and average lending rate. In addition the minimum interest payable on savings deposits at commercial banks has been increased from seven to eight per cent, while the discount rate payable by commercial banks for short-term borrowing from the Central Bank to meet liquidity needs has been raised from 10 per cent to 18 per cent. [By Jewel Brathwaite] [Excerpt] [Bridgetown SUNDAY ADVOCATE-NEWS in English 20 Sep 81 p 1]

IMPORT CONTROL MEASURES--Central Bank Governor, Dr. Courtney Blackman, said yesterday that about two-thirds of all expenditure by Barbadians is on imports, and every time a Barbadian spends one dollar, the Bank is forced to find 67 cents equivalent of foreign exchange. Dr. Blackman was speaking to newsmen shortly after outlining new credit measures to improve the island's balance of payments position. The Central Bank Governor said that one way of curbing that, when the island was in such a balance of payments position, was to make it more difficult for Barbadians to spend money. He explained that many of the more substantial items like motor cars, refrigerators and electronic equipment, were usually purchased with credit. "So therefore if we are able to reduce the credit available to people who want to purchase foods from abroad, we will then be able to reduce significantly the quality of imports and so strengthen our balance of payments position," the Central Bank governor declared. He said that credit was related to imports, and if Barbados can reduce credit especially to the personal sector, and to the consumer sector in general, the country will hopefully be able to reduce imports. In the measures announced by Dr. Blackman, no restrictions were imposed on credit to the productive sectors--tourism, manufacturing and sugar. This was because, he added, these sectors will enable the country to earn foreign exchange since according to him "we have to earn foreign exchange to come out of our present difficulties." He went on: "At the same time we should like businessmen to be economical in the uses of that credit, so we have made credit a little more expensive for them, but we have left it more or less open so that they can obtain the credit to continue exporting to keep Barbadians at work, and to earn foreign exchange for us." [Text] [Bridgetown SUNDAY ADVOCATE-NEWS in English 20 Sep 81 p 1]

WAGE RESTRAINT OPPOSITION--The Barbados Union of Teachers (BUT) has rejected the suggestion made by Central Bank Governor, Dr. Courtney Blackman, that wage restraint be employed in the light of the present economic situation in Barbados, a BUT statement said yesterday. "Dr. Blackman warned that what he termed high wage increases would cause hardships as well as massive lay-off of workers," the statement said. It added: "However, the BUT President Victor Hutchinson has described Dr. Blackman's pronouncements as the kind of prelude to salary-revision negotiations for Public Workers, which the Public of Barbados has become accustomed to by now." The statement quoted Mr. Hutchinson as saying that pronouncements of this nature by Dr. Blackman "were becoming a feature of the period immediately preceding negotiations for salary revision for public workers and therefore would have surprised few people." The BUT President added that rather than help, a policy of wage-restraint could worsen the present economic situation in which the spending power of workers was being steadily weakened by the increasing level of inflation and the unrelenting rise in prices. The statement pointed out that Mr. Hutchinson was of the opinion that efforts were being made to psychologically prepare the public for a policy of wage restraint and very low salary-increases "by the steady bombardment of propaganda of the type recently exhibited." Mr. Hutchinson added it was difficult to reconcile "the high praises being sung of the economic health of the nation with the wailing which follows so closely behind these praises." [Text] [Bridgetown SUNDAY ADVOCATE-NEWS in English 20 Sep 81 p 1]

CSO: 3025/17

VIERA RESIGNS AS WHIP, UNDERCUTS GIBBONS' AUTHORITY

Hamilton THE ROYAL GAZETTE in English 15 Sep 81 pp 1, 3

[Text]

Former Cabinet Minister Mr. Harry Viera has resigned the Government whip and is refusing to recognise the authority of the Premier.

The outspoken backbench M.P. confirmed his shock decision yesterday after informing United Bermuda Party leaders at the weekend. Mr. Viera, who has now declared himself "Independent U.B.P.", said he will not rejoin the parliamentary group until a new leader is chosen.

"I am leaving because of the lack of leadership," the 46-year-old former Minister without Portfolio said. "I have no personal quarrel with any politician and I believe that there are a lot of hard workers in the party. It is a good party but I see some members altering the truth to suit their own ends. I am very tired of it. I am very tired of predicting what will happen and not being listened to."

Mr. Viera added that he would not do anything to bring the Government down and he has not called on other M.P.s to join his revolt.

"I will continue to serve my constituents (Southampton West) and hope that they will understand why it was necessary for me to pursue this course of action."

Mr. Viera, U.B.P. M.P. since the 1960s, declined to specify his reasons for quitting. But he is known to have been disgruntled by Government's handling of the lengthy strike in April and about the direction of Premier the Hon. David Gibbons' leadership.

"It is not one issue," he said. "We have been making too many mistakes. I am trying to force us into working like a team again and stop behaving like a bunch of people from kindergarten. It is no use talking inside party caucuses."

Mr. Viera's decision comes about six months after he told The Royal Gazette there was no question of him trying to oust Mr. Gibbons. "I do not go round making or breaking Premiers," Mr. Viera said in February after charging that Mr. Gibbons, also Minister of Finance, has taken on too much power and work for one man.

Mr. Viera has had an often stormy and controversial career within the U.B.P. He created a hard-line image as Minister of Community Relations in his first Cabinet post, and was later switched to Minister without Portfolio.

He was believed to have been dropped from Cabinet after last year's election because his outspoken views had embarrassed the party too many times. Mr. Viera was also a member of the reform group which ousted Mr. Gibbons' predecessor, the Hon. Sir John Sharpe.

His latest bombshell does not affect his membership of the U.B.P., only his relationship to the parliamentary group, and it will reduce the party's majority in the House of Assembly to two.

Mr. Viera stressed that his decision had nothing to do with the expected resignations of Senator Quinton Edness as Minister of Community Affairs and Mr. William Cox, as Parliamentary Secretary for Government and Commercial Services.

The U.B.P. remained tight-lipped yesterday over Mr. Viera's decision. In a two-sentence statement, party chairman, Sir John Plowman said: "The U.B.P. regrets that Mr. Viera has decided to sit, as he states, as an independent U.B.P. member in Parliament and will not be attending caucus meetings. We note that Mr. Viera expects to rejoin the caucus in due course."

CSO: 3025/11

BRIEFS

CABINET CHANGES--Senator Quinton Edness yesterday resigned as Minister of Community Affairs--making way for Mrs. Ann Cartwright DeCouto to become Government's only woman Cabinet Minister. Within minutes of Senator Edness stepping down the 36-year-old lawyer was sworn in at Government House. With her was her brother-in-law Mr. Ernest DeCouto, 55, who swells the Cabinet to 12 by taking up the newly-created post of Minister of Youth and Sport. "Family Affair," commented Premier the Hon. David Gibbons as the two DeCouto's took the oath from Acting Governor Mr. Peter Lloyd. Mrs. Cartwright DeCouto said afterwards that she hoped she could live up to the record of Senator Edness who had quit the Cabinet post to concentrate on his position as managing director of Bermuda Broadcasting Co., operators of ZBM. "I am delighted," said Mrs. Cartwright DeCouto, adding that it was too early to make public any plans she intended to initiate. The Premier said it had been decided to split Youth and Sport and Community Affairs to separate the work load which had grown in recent months. [Excerpt] [Hamilton THE ROYAL GAZETTE in English 16 Sep 81 pp 1, 2]

CSO: 3025/17

BRIEFS

TIES WITH VATICAN--Diplomatic relations were established between the Vatican and the Commonwealth of Dominica this week. The relations are at ambassadorial level. The papal legate in Trinidad & Tobago, the most Reverend Paul Tabet, will be accredited to Dominica. A few weeks ago, a representative of the Papal Nunciature in Port-of-Spain was in Dominica to deliver an official note signifying the agreement of the Vatican to the establishment of diplomatic relations with Dominica and to finalise minor details in that regard. [Text] [Roseau THE NEW CHRONICLE in English 5 Sep 81 p 6]

CSO: 3025/17

BRIEFS

LOAN TO CEPA--The Autonomous Executive Ports Commission (CEPA) has received a loan of 2,328,000 colones to develop the final designs for the Container Terminal Project of the Port of Acajutla. According to the official announcement, the contract in question was signed at the Ministry of Planning and the appropriation was authorized by the Salvadoran Fund for Preinvestment Studies (FOSEP). The final engineering designs for the project will be done by the U.S. firm of Frederick R. Harris, Inc., of New York, which conducted the project feasibility study, it was learned. It was also stated that the terminal will increase ship berthing capacity, eliminate the need for additional wharves to handle container cargo until at least the year 2000, and promote foreign trade and national development in general. The project will be started next year and the estimated date of completion is December, 1983. The announcement said that FOSEP, which provided the funding, is an autonomous financial institution established within the planning sector to support investment project studies in both the public and private sectors in cooperation with qualified consulting firms. [Text] [San Salvador EL MUNDO in Spanish 11 Sep 81 p 2] 9015

CSO: 3010/16

BISHOP: ECONOMIC RECESSION IN WEST AFFECTS OUR ECONOMY

Bridgetown ADVOCATE-NEWS in English 11 Sep 81 p 6

[Text]

ST GEORGES, Grenada, Thursday, (CANA) — Grenada is losing millions of dollars because of the economic recession in the Western industrialised nations, according to Prime Minister Maurice Bishop.

Mr Bishop said that the country's economy is facing a severe threat because four of its five major foreign exchange earners are under tremendous pressure.

The government reported this week that the agriculture sector, primarily bananas, nutmeg and cocoa, suffered almost EC$1.2 million (one EC Caribbean dollar equal 37 cents US) in damage from last month's freak storm.

Grenada had been forced to store a large quantity of nutmegs because of its inability to find markets for the product, Mr. Bishop said.

He added that a recent 55 per cent drop in the price of cocoa on the world market was affecting the Grenada economy.

Mr. Bishop noted that the situation was similar in the banana industry and said "our farmers are questioning whether it is at all feasible to continue to produce bananas."

"The agricultural export earners have been in for a battering and there is no immediate signs that things are about to improve," he said.

The Grenadian Prime Minister said that the threat posed to the Grenada economy was severe because the country's tourism sector was also being hampered by the recession.

Mr. Bishop charged that a propaganda destabilisation campaign aimed at Grenada was also ensuring a drop in foreign exchange earnings from tourism.

CSO: 3025/11

COMMISSION ESTABLISHED TO OVERSEE LAND DEVELOPMENT LAW

Kingston THE SUNDAY GLEANER in English 20 Sep 81 p 4

[Text] St. George's, Grenada, Sept. 15 (CANA)--The Grenada Government has set up a seven-man commission with special powers to ensure that occupiers of 100 acres or more land fulfil their responsibilities under a land development and utilisation law passed last month.

Under the law it is the responsibility of the occupier to farm his land "to such extent as may be practicable having regard to the character and situation of the unit and other relevant circumstances."

If the commission is satisfied, that the land is not being so farmed, it may, after giving the occupier an opportunity to be heard, declare that land to be "idle."

An appeal against the commission's decision may be made to the Minister of agriculture. If the appeal fails, the commission may call on the occupier of the land to submit a development plan for the land which has been declared idle.

If the occupier fails to submit such a plan, or after submitting a plan which is approved by the commission, if he fails to carry out that plan to the satisfaction of the commission, the minister of agriculture "shall have the power to acquire compulsorily a leasehold interest in the land or any part there of under the provision of this law to the exclusion of any other tenancy, lease, license or other right to use or occupy the land."

Such a lease may be for a maximum of 10 years with the minister having the power to renew it for a further 10, the annual rental being "on the basis that each year's rent shall be the equivalent of one per cent of the unimproved value of the land as agricultural land at the time of commencement of the lease..."

Should there be a mortgage on the land, unless there is an agreement with the minister otherwise, interest payments on the mortgage must be paid by the minister while the occupier is responsible for payments towards the capital.

Other provisions of the law forbid the owner or occupier of "agricultural land of any size whatsoever," without the approval of the commission, to "sell, lease, let out otherwise, charge or encumber or subdivide the land or any part thereof;

or transfer or assign his interest therein or in any part thereof, whether or not for consideration."

In this law, agricultural land means land used for agriculture or land declared by the commission to be agricultural land.

CSO: 3025/11

INITIAL DREDGING PHASE IN AIRPORT CONSTRUCTION COMPLETED

Bridgetown SUNDAY ADVOCATE-NEWS in English 20 Sep 81 p 3

[Text]

St. George's Grenada Saturday (CANA) — PROJECT Manager of the Grenada International Airport Construction Project, Ron Smith, has said here that the first phase of the dredging operations at the airport site was now completed.

The airport, with massive Cuban aid, is being built at Point Saline, a project which has aroused opposition from the United States.

The course of the runway runs directly across an inlet of the sea, Hardy Bay, and the first phase of the $6 million dredging job, which was undertaken in July by the American firm of Layne Dredging Ltd, was to remove a layer of four to six feet of mud from the bed in the bay.

Smith said that on the way to Grenada, the dredging company lost a barge at sea with certain vital equipment, and that replacements were being awaited so that the second phase could start.

That phase is the pumping of sand from offshore to build a causeway across the 20-foot deep Hardy Bay, and this operation is expected to be completed towards the end of November.

Another development taking place at the site, Smith said, was the concreting of the western end of the runway, the point at which aircraft will turn around and get ready for take-off.

"This has to be constructed of concrete," Smith explained "because there is a likelihood of fuel spillage when these aircraft turn around prior to take-off, and fuel will affect asphalt whereas it does not affect concrete."

Smith said the asphalt-mixing plant has now been assembled and is undergoing trials and adjustments prior to starting work on the runway.

It was announced earlier this year that it was hoped that enough of the runway to the West of Hardy Bay would be completed by November to permit landing by Liat's Avro-48 aircraft.

CSO: 3025/11

BRIEFS

EEC GRANT FOR AIRPORT--St. George's, Grenada, Sept 15 (CANA)--The Grenada government is to receive a grant of about six million EC dollars (1 EC dollar 37 cents US) from the European Economic Community (EEC) to go towards the construction of the island's new international airport. This was announced here by the head of the EEC mission in Trinidad and Tobago, G. C. Watterson, who is now on an official visit to Grenada. He said the grant was coming from the European Development Fund, to which Grenada is affiliated through the Lome 2 convention which links European to developing countries in Africa, the Caribbean and the Pacific (ACP). [Text] [Kingston THE SUNDAY GLEANER in English 20 Sep 81 p 4]

CSO: 3025/11

DEPUTY SAYS: 'WE WERE NAIVE WITH REGARD TO BELIZE'

Guatemala PRENSA LIBRE in Spanish 19 Jun 81 p 7

[Text] "I believe that we were naive in regard to the bases for agreement on the settlement of the problem of Belize, which was signed by delegates from Belize, Braitain and Guatemala a few months ago and which were the points of reference to arrive at a treaty," said Deputy Napoleon Alfaro (PR) [Revolutionary Party], the former secretary of the Congress.

"I said when these bases were made known that the British were going to promote international pressure. This pressure has appeared in Belize, we have learned.

"It is curious that Ben Lindson, who formerly led the opposition, before requesting status and independence for Belize, reminded us that they had no economic or military resources and that the independence which Price was demanding was dubious."

"He said this in 1978 at the Fourth UN Commission. I personally heard him. And when the bases for agreement were made known, it was the same opposition led by himself which pointed out that these bases were prejudicial to the territory because it should be given complete independence.

"There is a heavy hand around and I believe it comes from England to bring the negotiations to a standstill, because they do not accept the points of agreement.

"In the second place," continued Deputy Alfaro, "public opinion in Guatemala did not make itself clear on this matter. We realize that the 'the birds fire upon the rifles' and that it is in Belize that they are demonstrating against these points.

Guatemalan opinion must be brought together so that a clear decision can be made as to what will be most beneficial for our country; that the bases for agreement be revoked in the talks,--which are not understood--so that they can be analyzed by the people in order that they may express their opinions and thus know how to defend the aforementioned bases.

8956
CSO: 3010/1474

PPP CENTRAL COMMITTEE MEETS, ISSUES STATEMENT ON PNC

Georgetown MIRROR in English 6 Sep 81 p 1

[Text]

THE People's Progressive Party, in a week-end press statement reported on a recent meeting of the Central Committee:—

The aggravated situation in the international arena and the worsening conditions of the Guyanese working people under the democratic and corrupt rule of the PNC were subjects of broad discussions at the recent meeting of the Central Committee of the People's Progressive Party.

The Central Committee reviewed particularly the process of the deepening of the political, economic and social crisis engulfing the nation and the inability of the ruling party to solve the most vital questions facing the people and the country. This inability stems from the nature of the petty bourgeois, nationalist regime which seeks only to keep itself in power contrary to the wishes of the vast majority of the people. Its pro-imperialist position and its lack of internal support, together with the PNC's demagogic postures of socialism have paved the way for imperialist agencies like the International Monetary Fund (IMF) to dictate anti-working class policies. This, coupled with the lack of democracy, has led to a sharp decline in production, steep rise in cost of living, inflation, devaluation of the Guyana dollar and consequently political repression to supress the struggles for betterment.

The PNC's use of the border dispute with Venezuela, as a scape goat for not paying workers a living wage, and the spineless ness of the Guyana Trades Union Congress were examined. The Central Committee unanimously resolved to continue the fight for a government of national consensus based on democracy, anti-imperialism, and socialist-orientation as a sure and realistic solution to the plight of the country and the working masses. However, it was decided that the PNC does not possess the support, political will or capacity to take such a path. The PNC has become an obstacle to progress and must therefore be removed.

For the removal of the regime the Party has decided to strengthen itself and use every possible avenue available to organise the toiling masses. Lengthy discussions were held as to the state of the various Party bodies, Commissions and its youth, mass organisation and women arms. The Party continues to agitate on all fronts around the slogan of 'ORGANISE AND RESIST' — to organise means the people will be better prepared to resist the tyranny.

The aggressiveness of the Reagan administration has led, on the international scene, to the re-introduction of cold-war and big-stick methods in fighting against national liberation and socialism under the pretext of combatting 'Soviet Terrorism'. The escalating arms race, taking the world on the brink of a nuclear confrontation, seems to be the corner stone of the United States adventurism. The open support to fascist and other tyrannical regimes such as El Salvador, Gautemala, Chile, South Africa, etc., has characterised the new policies of the US administration.

Out of the discussions the Central Committee unanimously agreed to continue the fight for peace which today has become a most vital question as the very existence of the human race and our planet is at stake.

Two resolutions were passed condemning the United States for its provocation against the Grenadian revolution and its plans to invade the island; and the invasion by racist South Africa of Angola. The resolutions expressed full support to the peoples of Angola and Grenada.

CSO: 3025/12

CHRISTOPHER JONES NEW ENVOY TO SURINAME; CHAN HONORED

Decoration in Paramaribo

Georgetown GUYANA CHRONICLE in English 16 Sep 81 p 1

[Text]

GUYANESE diplomat Phillip Chan who was until recently Guyana's Ambassador to the neighbouring Republic of Suriname was last Thursday decorated with that country's highest award for foreigners — the Grand Master of the Honourable Order of the Palm

The conferment took place at Paramaribo's Presidential Palace. In bestowing the decoration, Surinamese President Dr. Henk Chin-A-Sen stated that he had been always impressed with the dedication of the Ambassador in the execution of his duties in all areas, including sports.

The President expressed appreciation of the contribution made by Cde Chan in increasing and intensifying the co-operation between the two South American republics. His entire government and the Surinamese people were pleased with the decision to confer the honour on the Guyanese Ambassador.

In replying to the President Cde Chan noted that ever since his appointment as Ambassador in 1979 he had sought to fulfil one of his greatest desires — the strengthening of ties between the two governments and peoples.

He referred to a recent statement by Guyana's Foreign Minister Rashleigh Jackson on Guyana-Suriname relations and said "Like my Minister, I believe that with patience and dedication, we can settle all outstanding questions with Suriname. A good infrastructure of agreement and understanding has already been created."

Ambassador Chan who is now home before going to Moscow to take up the post of Ambassador to the Soviet Union, served for some five years in Suriname during which he rose from the rank of First Secretary to that of Ambassador, a fact noted by the Surinamese President. [GNA]

Jones Assignment

Georgetown GUYANA CHRONICLE in English 16 Sep 81 pp 1, 6

[Text]

CDE CHRISTOPHER ["Pryor"] Jones has been appointed Guyana's new Ambassador to neighbouring Suriname following the reassignment of Ambassador Phillip Chan.

Cde Jones whose last assignment was in Toronto as Consul/ General, did several public service administration courses before pursuing studies in administration and personnel management at New York's Fordham University in 1969.

A former Administration Officer of a UN sponsored programme, Cde Jones was also Personnel Officer in the Ministry of Education and Social Development and an acting District Commissioner in the Ministry of Local Government.

Upon entry into diplomatic service in 1968 he was Executive and Administrative Officer of Guyana's Permanent Mission to the UN. He was also Regional Information Officer responsible for Toronto and Ontario and Consul General in New York.

The 51-year-old diplomat who hails from Linden also served in Washington as Minister Counsellor before going to Toronto.

No date has been fixed for his presentation of credentials to the Suriname Head of State, President Henk Chin-A-Sen.

CSO: 3025/12

WPA CALLS FOR OUTSIDE PROBE OF HUMAN RIGHTS VIOLATIONS

Bridgetown SUNDAY ADVOCATE-NEWS in English 20 Sep 81 p 3

[Text]

GEORGETOWN, Guyana, Saturday, (CANA) — A GUYANA Opposition party called on the Caribbean and the world to probe human rights violations in this country, shortly after some of its top members had appeared in court yesterday on charges.

The Working People's Alliance (WPA) sent its appeal through cables to regional governments, the United Nations Human Rights Commission, Amnesty International and the British Human Rights Group.

A WPA spokesman said the cables urged that the recipients make inquiries about what is happening in relation to human rights in Guyana.

The move was made after 25 WPA members appeared in court accused of taking part on Thursday in an unlawful procession.

Guyana Police are saying that they give the WPA permission to hold a meeting, not to march on the streets.

Six were released on their own surety, while 19 others were granted bail.

Two of the accused were absent — co-leader Eusi Kwayana, who is said to be in custody in Berbice County, and John Williams, injured in hospital, allegedly from police beating.

The WPA spokesman said Kwayana's wife Tschaiko Ruramai also was treated at hospital, as were a number of other persons.

One of the accused released on bail was rearrested shortly afterwards for what the police said was loitering in the vicinity of the court. She was identified as Karen Desouza.

Anoth leading member, lawyer Moses Bhagwan, was released by police yesterday after overnighting in custody. He had been arrested at the home of co-leader Dr. Rupert Roopnarine which police raided under the National Security Act, explaining they were searching for arms and amunition.

CSO: 3025/12

SABOTEURS BLAMED FOR CANEFIELD FIRES OVER 100 ACRES

Georgetown GUYANA CHRONICLE in English 8 Sep 81 p 9

[Text]

SABOTEURS have again struck in the sugar belt in Berbice over 100 acres of cane were destroyed by fire in two sugar estates in Region Six over the weekend.

The latest act of sabotage was reported at Skeldon Estate on the upper Corentyne where management said that between 80 and 100 acres of cane were destroyed last night.

The blaze which was discovered by estate security was put out by workers before it spread to other fields.

And at Rose Hall Estate, Canje, Guysuco management said that 45 acres of ripe cane were set afire at Providence, East Bank, Berbice on Sunday night.

This incident was also described by the police as an act of arsonists and a number of persons have so far been questioned by the lawmen.

These acts have been described by the National Congress of Local Democratic Organs (NCLDO) as deeds of violence against the economy of the country.

In a recent statement signed by NCLDO's President, Hulbert McGowan, the organisation called upon village leaders throughout the country to exercise greater vigilance in their respective areas so as to put an end to such practices.

The police in Berbice along with Guysuco security have introduced certain measures which should bring to justice those involved in what was described as efforts to destabilise in the sugar industry.

(GNA)

[Editor's note: The GUYANA CHRONICLE in English on 11 September 1981, page 1, reports that: "The Chairman of the state-run Guyana Sugar Corporation (GUYSUCO) Cde. Harold Davis, has called for an end to arson in the country's sugar industry. Cde Davis made the call yesterday after disclosing that 678.6 acres of sugar canes have been burnt so far this year by arsonists."]

CSO: 3025/12

BRIEFS

POLICE DETENTIONS--The Guyana Bar Association (GBA) has expressed its deep concern over reports that large numbers of persons have been detained by police for 'unclear or unspecified reasons' and held under harsh conditions. The Association's statement follows: 'Reports have reached the Guyana Bar Association that several hundred persons have been detained by the Police at Police Stations in Guyana. Since Thursday 20th August 1981, allegations were made that a large number of persons were being held at the Brickdam Police Station for unclear or unspecified reasons without being given adequate food and without any right to receive meals from their relatives and friends. In the issue of the DAILY CHRONICLE of Tuesday 25th August 1981 it was reported that in Berbice 812 persons had been arrested for allegedly petty traffic offences; the size of this number is unprecedented. The Police were reported in many cases to have stated that the detainees were being held pending enquiries. The G.B.A. expresses its deep concern over these reports and strongly deprecates any attempt to make inroads into the right to personal liberty which can have traumatic effects on the society, the preservation of democracy, and the Rule of Law.' [Text] [Georgetown MIRROR in English 6 Sep 81 p 1]

KIM IL-SUNG GREETINGS--President of the Democratic People's Republic of Korea (DPRK) Cde. Kim Il Sung, has sent a message of congratulations to President Forbes Burnham on his recent re-election as leader of the ruling People's National Congress at the party's recent fourth Biennial Congress. The text of the message reads: "I on behalf of the Central Committee of the Workers' Party of Korea and all Party members, extend my warmest congratulations to you on your re-election as the leader of the People's National Congress of Guyana at your historic fourth Biennial Congress. Your re-election as the leader of the People's National Congress of Guyana is the expression of high respect and trust of all members of your Party towards you who are correctly leading the struggle to consolidate the national independence and build a new society under the banner of anti-imperialism and independence. I wish you great successes in your work to implement the decision of your Party Congress as well as good health". Cde Kim Il Sung is also General Secretary of the Central Committee of the Workers Party of Korea. [Text] [Georgetown SUNDAY CHRONICLE in English 6 Sep 81 p 1]

1980 TRADE DEFICIT--Guyana's balance of payments deficit increased by $1 million in 1980 over the 1979 figure, according to the recently published annual report of the Bank of Guyana. In 1979, the deficit on the current account was $G 209 million representing 17 per cent of the Gross National Product (total value of all

goods and services produced in the country). In 1980, this increased to G$ 300 million, representing 21 per cent of the country's Gross National Product. To finance this balance of payments deficit (the gap between money earned and money spent by the country), the country had to draw G$ 215 million from the net international reserves of the banking system. This forced the international reserves position to a "negative level" of G$ 396 million. The report also stated that the international reserve position was adversely affected by a G$ 6 million accumulation of commercial arrears in 1980. The deterioration of the balance of payments resulted from an increase in the importation of goods and services which was two per cent more than the 31 per cent growth in the value of imports. The situation was further aggravated by the fact that net capital inflows to the country were way below targeted levels. The value of exports in 1980 increased by G$ 249 million or 31 per cent mainly through an increase in the prices of exports and not from the expected increases in production. In fact, production levels in rice, sugar and bauxite were below expectations by approximately 15 per cent. Further, merchandise imports increased by G$ 274 million or 34 per cent, contributing to a 44 per cent growth in the trade deficit as compared with 1979. The trade deficit in 1979 was G$ 64 million. In 1980 it rose to G$ 92 million.--(GNA). [Text] [Georgetown SUNDAY CHRONICLE in English 6 Sep 81 p 12]

NEW SECRETARIES--Three new Permanent Secretaries were recently sworn in at a simple ceremony in the Presidential complex at New Garden Street. Cde Victor Nemdhari was sworn in as Permanent Secretary, Ministry of Light Industries, Cde Cecil Baird as Permanent Secretary, Ministry of Forestry, and Cde John Browman, Permanent Secretary, Ministry of Agriculture. The Oath of Office was administered by Cde C.E. Douglas, C.C.H., head of the Presidential Secretariat. (GNA) [Text] [Georgetown SUNDAY CHRONICLE in English 6 Sep 81 p 13]

PPP DEFECTION--Cde Bhola Persaud, a former People's Progressive Party (PPP) Member of Parliament and manager of GIMPEX a trading arm of the PPP has resigned from the party. A former member of the PPP General Council for 13 years, he was also a senior member of the PPP-backed Rice Producers Association, and member of the Rice Marketing Board. In a statement to the Press Cde Persaud declared: "I have spent the major portion of my life-span toiling effortlessly, honestly and risking my physical stature and today I am a poor, disillusioned person. I met thousands of well-wishers who are anxious to stand by me and also resign from the PPP." Born at Adventure, Essequibo Coast, Cde Persaud, who claimed that he was with the PPP since its inception, was also an organiser of his party. Since leaving the PPP he has pledged his support to the ruling People's National Congress. Cde Bhola Persaud was among the first persons to be detained and among the last to be released at Sibley Hall. According to Cde Persaud, he was in detention for three years and 16 days. [Text] [Georgetown GUYANA CHRONICLE in English 3 Sep 81 p 1]

MESSAGE TO DPRK--President Forbes Burnham yesterday noted that the Guyanese and Korean people are drawn ever closer together by the ever-growing ties of friendship and co-operation. Cde Burnham was communicating his sentiments to DPRK leader, President Kim Il Sung, on the thirty-third anniversary of the founding of the Democratic People's Republic of Korea to be celebrated today. The message said: "It is with pleasure that I send warm fraternal greetings and congratulations on behalf of myself, the ruling People's National Congress, the Government

and people of Guyana to you and to the Workers' Party of Korea, the Government and people of the Democratic People's Republic of Korea on the occasion of the founding of the Democratic People's Republic of Korea. Our two peoples, sharing as we do similar aspirations for our economic and social well being, are drawn closer together by the evergrowing ties of friendship and co-operation between Guyana and the Democratic People's Republic of Korea. At this time we wish to reiterate our support for the peaceful reunification of Korea on the basis of the joint communique of 4th July, 1972, and the recently put forward ten-point programme. I am convinced that in the years ahead the friendship and co-operation between our two countries will continue to strengthen for the mutual benefit of both countries. With our hopes for the further strengthening of these good relations go our best wishes for your good health and for the continued prosperity and progress of the Democratic People's Republic of Korea". Diplomatic relations between the two countries were established on May 18, 1974, and both countries have ambassadors accredited to each other's governments. The D.P.R.K. Ambassador here is Cde Pax Ri Hyon while Guyana's Ambassador designate to the People's Republic of China is Cde. Altaf Mohamed.--(GNA). [Text] [Georgetown GUYANA CHRONICLE in English 9 Sep 81 p 2]

MESSAGE TO BRAZIL--President Forbes Burnham has expressed confidence that Guyana's and Brazil's participation in the Treaty of Amazonian Co-operation will contribute to the continuing friendship, development, and prosperity of the two countries and the region. Cde. Burnham's sentiments were expressed in a message sent to his Brazilian counterpart, President Joao Baptista Figuieredo on the occasion of Brazil's National Day which was celebrated on Monday. In his message, Cde. Burnham said: "It gives me great pleasure to extend to you, to the Government and people of the Federative Republic of Brazil warm felicitations and best wishes on my own behalf and on behalf of the Government and people of the Co-operative Republic of Guyana on the occasion of your National Day. As neighbouring countries Guyana and Brazil have developed close ties of friendship and co-operation over the years. I am certain that our participation in the Treaty of Amazonian Co-operation will contribute to our continuing friendship and to the development and prosperity of our countries and the region. May the years ahead see the further strengthening of these close ties for the mutual benefit of our countries. May I take this opportunity to wish you good health and happiness, and continued prosperity for the people of the Federative Republic of Brazil." (GNA) [Text] [Georgetown GUYANA CHRONICLE in English 9 Sep 81 p 2]

COASTAL MAPPING--Aerial photography of the Guyana Coast is to begin shortly, with a view to producing a revised series of maps. A Piper Navajo aircraft, owned by the British firm of BKS (Surveys) Ltd., is now in Guyana for the three-month project. The plane is equipped with an advanced computerised navigation system and a high resolution camera which uses infra-red film to ensure that all irrigation channels and water courses are photographed clearly. The tab for the exercise is to be picked up by the British Directorate of Overseas Surveys. The maps will be drawn at a scale of 1:50,000. The Guyana Coast was originally mapped 20 years ago by the Directorate. Subsequent developments in the region have made these maps out of date. Attempts were made to photograph the coast in 1979 and 1980, but persistent clouds hindered the project. [Text] [Georgetown GUYANA CHRONICLE in English 9 Sep 81 p 3]

AID FROM CANADA--Guyana is among a number of Caribbean countries earmarked by Canada for receipt of priority development assistance. Canada's new High Commissioner Julian Payne gave this assurance to Guyana yesterday when he presented his credentials to Vice-President Desmond Hoyte at State House. Mr. Payne, who replaces Mr. John Graham, was reaffirming what he said was Canada's "clear and unequivocal" commitment to providing Commonwealth Caribbean countries with development assistance as part of that country's external policy. Mr. Payne said Canada's priority aid programme to Guyana and other Commonwealth Caribbean states would include development aid, trade, investment and increasing regional co-operation. The new Canadian High Commissioner said Guyana and Canada face similar challenges in developing and exploiting their tremendous resources to realise their potential, and he offered further assistance from Canada in developing this country's technological skills. Vice-President Hoyte acknowledged Canada's offer and he praised Canada for its efforts in supporting the struggles of developing countries to achieve a just and equitable international economic system. Canada had also been a good example of bilateral economic co-operation, Cde. Hoyte noted. [Text] [Georgetown GUYANA CHRONICLE in English 15 Sep 81 p 16]

PNC MESSAGE TO ETHIOPIA--The Central Executive Committee of the People's National Congress of the Co-operative Republic of Guyana has sent a message to the Provisional Military Administrative Council of Ethiopia on the Seventh Anniversary of the Revolution. Following is the message. The Central Executive Committee of the People's National Congress would like to express to the Provisional Military Administrative Council of Ethiopia its greetings and best wishes on the occasion of the seventh anniversary of the Ethiopian Revolution. The People's National Congress supports the efforts of the Provisional Military Administrative Council to develop the economy and improve conditions of life for the people of Ethiopia. Guyana shares the view of the Organisation of African Unity that the territory and borders inherited from the colonial era should remain unchanged. The People's National Congress therefore supports fully and unreservedly Ethiopia's efforts to maintain its territorial integrity. The Central Executive Committee of the People's National Congress also expresses the hope that the Provisional Military Administrative Council would achieve greater successes in its attempts to establish Socialism in Ethiopia. [Text] [Georgetown GUYANA CHRONICLE in English 16 Sep 81 p 12]

MESSAGE TO MEXICO--President Forbes Burnham Monday despatched a message to his Mexican counterpart Jose Lopez Portillo on the occasion of Mexico's National Day which is being celebrated today. In his message the President said: "On the occasion of your National Day, I extend to you, the government and the people of the United Mexican States, warm congratulations on my own behalf and on behalf of the Government and people of the co-operative Republic of Guyana. May the existing friendly relations between our two countries be further strengthened as we strive to utilise our efforts for the realisation of the common aspirations of both our peoples. Please accept also my best wishes for your good health and personal well being." Guyana and Mexico established diplomatic relations on March 1, 1973. The Mexican Ambassador to Guyana, Juan Antonio Merigo Aza is based in Jamaica while Guyana's Permanent Representative to the United Nations, Noel Sinclair is this country's Ambassador to the oil rich Republic. (GNA) [Text] [Georgetown GUYANA CHRONICLE in English 16 Sep 81 p 24]

POLICE FIND--The police in Berbice have seized several articles including transmitting sets, binoculars, candles and a spent cartridge for a shot-gun from a house at Williamsburg, on the Corentyne, the Ministry of Home Affairs has said in a statement. The statement, released Tuesday said "The police in Berbice in their usual weekend anti-crime vigilance stopped a hire car driven by Wilbert Hamilton of Fyrish Road, Corentyne in which the sole passenger was Riaj Bacchus of Williamsburg, Corentyne. In the car was found certain articles which led the police to the home of Ann Madramootoo and other premises at Williamsburg, Corentyne. On these premises were found several articles including transmitting sets, binoculars, quantities of candles, spent cartridge for a shotgun and other equipment which made it necessary for the police to detain the persons in whose possession they were found for further enquiries. Documents taken away are being studied by the security forces. Enquiries into these matters were carried out on the instructions of the police administration." [Text] [Georgetown GUYANA CHRONICLE in English 17 Sep 81 p 9]

CSO: 3025/14

ARTURO RENDON COMMENTS ON LACK OF UNITY IN LIBERAL PARTY

San Pedro Sula LA PRENSA in Spanish 11 Sep 81 p 56

[Text] Tegucigalpa--"The Liberal Party [PL] of Honduras is completely disorganized," Arturo Rendon, designated presidential candidate, said yesterday in Tegucigalpa. He added that "to close our eyes to this fact is like trying to block out the sun with one finger."

Rendon stated that "the Liberal Party is risking the clear-cut victory that we have been hoping for on 29 November."

Rendon called for realism on the part of his colleggues when he said that the Liberals must come down to earth and "take far-reaching steps to forge effective unity against its strongest adversary, the Nationalists."

He stated that a rock-ribbed unity is needed and criticized factional strife, particularly the internal decision of the Rodist Liberal Movement which, according to him, is a symptom of the poor leadership prevalent within liberal ranks.

He evinced skepticism toward the decisive victory some liberals are expecting when he stated categorically, MM "I do not think we can win a decisive victory like that expected on 29 November."

The leader said that the deep division in liberal ranks brought about by the People's Liberal Alliance (ALIPO), the Liberal Unity Front (FUL), and the internal split within the Rodist Liberal Movement was obvious to all.

Rendon stated that "these are facts that cannot be hidden from domestic and foreign public opinion. We are disorganized, but this could lead the PL to adopt a more courageous attitude, such as has occurred in the Department of Copan."

According to the presidential candidate, the grassroots in that department are ready. "We have worked out slates that furnish a worthy example and are made of people of merit from both the Rodists and the ALIPO who enjoy the unanimous support of the liberals of that area."

9015
CSO: 3010/16

ACQUISITION OF OIL REFINERY NOT ADVISABLE

San Pedro Sula LA PRENSA in Spanish 16 Sep 81 p 5

[Report on interview with Ruben Mondragon, minister of economy, by reporter Mirta Torres de Mejia on 15 September 1981, aboard a Honduran Air Force aircraft en route from Mexico City to Tegucigalpa, "The Purchase of the Refinery is not Good for the Country"]

[Text] Tegucigalpa--"The problem of the refinery is as follows: they have antiquated equipment. Even when they process Saudi Arabian oil, which is $2.00 cheaper than Venezuelan and Mexican crude, they lose money, according to what they have said in the past. Also, they have stated that they obtain profits by importing refined products since they get gasoline at prices that are very low in relation to the prices prevailing on the Honduran market," Ruben Mondragon, minister of economy, stated Tuesday while returning from Mexico with other members of the official delegation sent by President Policarpo Paz Garcia.

The exclusive interview for LA PRENSA was conducted aboard a Honduran Air Force flight by our colleague, Mirta Torres de Mejia.

Mondragon gave this answer to the question on what was the actual problem of the Texaco refinery and the situation with regard to constantly rising prices.

"In the case of diesel oil, prices are more or less the same in the foreign and domestic markets. But in the case of the bunker the price is higher than the domestic market because we are subsidizing the latter. They want to obtain an adequate return on investment, but they have told us that this return is at such and such a rate, which we feel is very high considering their investment. Consequently, they try in every way possible to avoid importing Mexican and Venezuelan crude oil and import only refined products," the minister of economy explained.

And he added, "Actually, they buy refined products in dollars and sell them in lempiras and logically these lempiras are converted to dollars so that they can continue buying with dollars, but given the financial situation of this country, and not only Honduras but all the countries of Central America, we have requested them to prepare a plan for payment in dollars."

Elaborating on the plan for payment in dollars, the minister of economy explained that "actually, an agreement was reached with the Central Bank of Honduras to pay approxiamtely $38.5 million, the Central Bank agreed to pay $1.5 million twice a month, with an initial payment of $5 million. This agreement stipulates that the refinery must provide schedules of its purchases because besides paying them $38

million in the manner I have described, a $5 million initial payment, and then $1.5 million twice a month, they are making purchases every 20 days on the order of $7 million and they have not sent us their schedules. In order for them to be paid in dollars, the refinery must present the invoices or final contracts.

"They can also present tentative contracts and with these tentative contracts the Central Bank can continue giving them what they require."

Asked whether there was ever an intention to nationalize the refinery, Mondragon stated that "there are some officials in the government who feel the refinery should be nationalized, but I am not one of them, because, as I told you, the refinery's equipment is inadequate and now obsolete. If the government nationalized the refinery, we would have to pay for it and undoubtedly we would have to pay for it in dollars; if we had that refinery and imported crude oil, we would lose money, if the data given us is correct. I feel it would not be in the interest of the nation. Rather, it is better to seek an agreement regarding return on investment so that they can continue importing crude oil and obtain a 30 percent return on the oil contracts."

[Question] Will there be an increase in prices in the near future?

[Answer] "No. I stated there would be no price increase this year. We are searching for the necessary means by which the refinery can realize a satisfactory profit for the last 4 months of the year without a price increase. Price increases are only justified when OPEC or the international market increases the price of crude."

[Question] Did your visit to Mexico achieve anything positive?

[Answer] "I was certain we would be successful from the moment I left Honduras because I know the Mexicans. I know their idiosyncrasies. We did not go to ask for money because Mexico is actually an importer of money. They have a very large foreign debt. We went to ask them for something they can actually give us--their market. In other words, that they open the Mexican market for Honduran products.

We asked Mexico for assistance in the petroleum field, for training and scholarships for Hondurans to specialize in that field in Mexico.

We went to request credit lines to finance the purchase of their equipment and raw materials and above all agricultural loans for the National Development Bank (BANADESA). We also asked for technical assistance in the mining field. They have granted us all of this, so that everything we requested of Mexico has been granted us. Thus, I feel the visit was a success."

With respect to future projects, Mondragon said that although he may not be minister of economy in 1982, he had to prepare new projects. For instance, one such project is the construction of oil storage tanks with at least a 2-month capacity. Another project the minister intends to get started is the building of a gasohol plant to produce 36 million gallons a year. This would permit a reduction of 10 percent in fuel imports and represent savings of some 35 million lempiras in foreign exchange.

9015
CSO: 3010/16

BRIEFS

ARMY COUNTRY'S MAIN SUPPORT--Tegucigalpa--Gen Policarpo Paz Garcia, president of the republic, reaffirmed over the weekend that the armed forces constitute the real mainstay of the Honduran state. Paz Garcia mentioned the military power in the country when he opened the commemorative ceremony of the 17th anniversary of the Second Infantry Battalion, which has its headquarters in Tamara, Francisco Morazan. He also said that the welfare and security of the nation is based on the soldiers' heroic devotion, as has been demonstrated throughout history. At the celebration a demonstration was again made of the military aid which has been received in the last few years as modern military equipment, which exemplifies the capability the country has acquired in that field, was displayed to those present. The troops made a series of demonstrations of the equipment and of their combat training which guarantees us a defense in the face of any problem which might confront the republic in unstable times such as we now have. [Text] [San Pedro Sula LA PRENSA in Spanish 24 Apr 81 p 5] 9204

NICARAGUAN VIOLATIONS OF TERRITORIAL WATERS--Tegucigalpa--Sandinist patrol boats violate Honduran territorial waters a minimum of 4 times a day, a Navy spokesman charged yesterday. The spokesman said there have been no armed encounters the past few days between Honduran and Nicaraguan coast guard patrol boats but violations of territorial waters "have begun to occur again almost every day." The duty officer of the Amapala Naval Base indicated that Honduran patrol boats have intensified their patrols of territorial coastal waters in order to prevent violations of national sovereignty. "The only problem presented by these foreign incursions, apart from the violation of our territorial waters, is the concern the Sandinists have caused among domestic fishermen who venture far out from the coast," the source added. He said that relations with Salvadoran naval forces are more cordial to the extent than when a Nicaraguan patrol boat violates Honduran waters, the Salvadorans alert the Honduran vessels. Finally, the source said that clashes with the Nicaraguan Navy have diminished, but that anxiety among Honduran fishermen is still present. [Text] [San Pedro Sula LA PRENSA in Spanish 10 Sep 81 p 3] 9015

CSO: 3010/16

EDITORIAL ASSESSES VENEZUELAN AID, CARIBBEAN BASIN PLAN

Kingston THE DAILY GLEANER in English 17 Sep 81 p 8

[Editorial: "Seaga and Venezuela"]

[Text]

The 48-hour official visit made to Caracas last weekend by Prime Minister Seaga appears to have been a major success. In addition to a U.S.$25 million balance-of-payments support which Jamaica is to receive from the Venezuelan Investment Fund as a result of the Prime Minister's discussions with President Herrera Campins the joint Jamaica-Venezuela communique re-affirmed the strength of bilateral relations and the mutual understanding on the important international and regional issues. A consolidation of the increasing co-operation between Jamaica and Venezuela is, as Mr. Seaga has asserted, very critical to the strength of the Caribbean Basin, a position reflected in the joint communique.

With Jamaica's current account deficit deteriorating further by over 42 percent in 1980 and energy imports and debt servicing accounting for over 47 percent of exchange earnings the balance-of-payments support should help to ease the strain on the reserves. But what of the conditions under which the Government will have access to the credit? A press release issued on the return of Prime Minister Seaga stated that the money will be deposited in the Bank of Jamaica while the conditions are to be determined later. It may be that the mutual understanding between the two Governments extends to the fact that with a legacy of bulging short-term liabilities Jamaica cannot afford additional short-term loans which will only aggravate the already severe pressure on repayment.

The accord on an early formulation of a Caribbean Basin Development programme forms another high point of the discussions between the two heads of Government. Venezuela, as President Herrera stated in a banquet speech in honour of Prime Minister Seaga, is enthusiastic about an expansion of economic and developmental co-operation with the countries of the Basin. This enthusiasm has been demonstrated in Venezuela's rise to the position of largest aid donor (U.S.$4.0 billion since 1975) to the region. In the words of Venezuela's Minister of Energy, that country's oil resources is a "main stabiliser" of the democratic system, which reinforces the influence of that country in any formulation of regional economic and financial priorities.

While Venezuela, in spite of its substantial petrodollars, has its own social problems with unemployment estimated at 12 per-cent, co-operation with CARICOM could mean immense mutual benefits. The possibilities for greater trade links open the way for Jamaican producers to penetrate the Venezuelan market which imports over 50 per cent of food supplies. The prospects of expansion of co-operation in the area of alumina also appears hopeful. These are prospects with inestimable economic pay-offs which, it is to be hoped, will be developed with great vigour.

We believe that the long-term economic co-operation desired in the Caribbean Basin is achievable, once there is a will on the part of the participating Governments; the recent meeting in Nassau of the American Secretary of State along with the Foreign Ministers of Canada, Mexico and Venezuela, suggests a ray of hope. The discussions between Prime Minister Seaga and President Herrera have served to increase regional expectations. At the domestic level the reactivation of the Jamaica-Venezuela Mixed Commission is vital, for the private sector must have a pivotal role in the investment thrust which must be a main element in the economic co-operation.

CSO: 3025/15

SEAGA PROMISES SHAKE-UP OF THREE GOVERNMENT DEPARTMENTS

Dissatisfaction With Performance

Kingston THE DAILY GLEANER in English 19 Sep 81 p 1

[Text]

A "SEVERE SHAKE-UP" of the Trade Administrator, Collector General and Income Tax Departments is coming because of "grave dissatisfaction" with certain areas of performance within those departments, Prime Minister Edward Seaga said yesterday.

Stating in a press release issued from Jamaica House that the "grave dissatisfaction" had been the basis of serious complaints by the public, the Prime Minister said that he had on more than one occasion warned these departments that the misconduct of certain officials would not be tolerated by the Government.

He had reached the end of his patience, the Prime Minister said, and did not propose to issue further warnings. As a result a severe shake-up of these departments would now follow and intensive computerisation introduced to speed up the work as well as to detect those officers engaged in misconduct in their duties.

Mr. Seaga's announcement was made in a report by him of a "monthly breakfast meeting" Thursday with representatives of the Private Sector Organization of Jamaica. In the statement the Prime Minister said he had advised the PSOJ that import licences issued this year were 50% more than last year and that it was proposed to change the system of allocation of licences for imports in 1982 on the basis of computer study now being done to determine the precise level of imports of each importer.

FOLLOWING IS THE TEXT OF THE STATEMENT:

"Prime Minister Edward Seaga has advised the P.S.O.J. that import licences issued so far this year total US$2038 million as compared with US$1356 million last year, an increase of 50 percent. This statement was made by the Prime Minister on the occasion of the monthly breakfast meeting with the P.S.O.J. on Thursday morning.

"As a result, Mr. Seaga said, imports this year from January to August totalled US$956 million as compared to US$737 million for the same period last year, an increase of 29.7 percent.

"The ability of the Government to marshall greater foreign exchange has enabled this increase in imports to take place, Mr. Seaga advised. This has resulted in the following increases in imports by categories during January to August this year by comparison with the same period last year.

Increased Imports

Food	75.3%
Other consumer goods	29.2%
Raw Materials	40.5%
Capital Goods	33.8%

"As can be seen, the greatest increases, apart from food, have gone to raw materials and capital goods, which conforms with Government policy.

"Even 'No Funds' licences, he indicated, have shown an overwhelming proportion devoted to raw materials and capital goods in 1981 compared with 1980, as set out in the following increases:

Food	US$26.5 million
Other Consumer Goods	US$23.98 million
Petroleum	US$9.94 million
Raw Materials	US$67.09 million
Capital Goods	US$66.73 million.

"Notwithstanding these increases, the Prime Minister said there were still a number of firms seeking additional licences for imports of raw materials this year. As a result, instructions had been given to the Trade Administrator's Department and the Bank of Jamaica to issue the overwhelming proportion of the remaining US$90 million in lines of credit not yet allocated, to the purchase of raw materials.

CHANGE PROPOSED

"The Prime Minister advised the P.S.O.J. that it was proposed to change the system of allocation of licences for imports next year on the basis of a computer study now being done to determine the precise level of imports of each importer. He invited the P.S.O.J. to make recommendations to be considered for devising the new system as well as make proposals on allocations of foreign exchange to each category of imports for next year.

"The Prime Minister also spoke to the P.S.O.J. of his grave dissatisfaction with certain areas of performance within the

Trade Administrator, Collector General and Income Tax Departments which have been the basis of serious complaints by the public.

"HE SAID HE HAD ON MORE THAN ONE OCCASION warned these departments that the misconduct of certain officials would not be tolerated by his Government.

"He had reached the end of his patience, the Prime Minister said, and did not propose to issue further warnings. As a result a severe shake-up of these Departments would now follow and intensive computerisation introduced to speed up the work as well as to detect those officers engaged in misconduct in their duties.

"These departments, the Prime Minister said, have always had a good history of service despite difficult conditions, and he was not going to allow the record of the departments or the Government to be prejudiced by any group with in the organizations."

Initial Personnel Actions

Kingston THE DAILY GLEANER in English 26 Sep 81 p 1

[Excerpts]

THE PROMISED SHAKE-UP in three top Government Departments began yesterday with the appointment of a new Acting Trade Administrator, a new Commissioner of Income Tax, and the transfer of the Collector General to the Ministry of Mining and Energy.

The new Acting Trade Administrator is Mr. Hugh Bonnick, a senior director in the Ministry of Industry and Commerce; appointed Income Tax Commissioner is Mr. Winston Clarke who was promoted from Deputy Commissioner. There has been no appointment as yet to succeed Mr. Lionel Lawrence as Collector General.

Industry and Commerce Minister Douglas Vaz announced yesterday that Mr. Bonnick had been appointed to replace Mr. Vernon Allen as Acting Trade Administrator. Mr. Allen will proceed on leave of absence, pending a new assignment at the end of the leave, the Minister said in a press release.

A GOVERNMENT SPOKESMAN CONFIRMED yesterday that the new Income Tax Commissioner is Mr. Winston Clarke who will succeed Mr. U. J. Daley. The spokesman said that Mr. Daley had applied for pre-retirement leave which was granted. He will go on leave on October 1, prior to retirement from the Civil Service.

THE SPOKESMAN ALSO CONFIRMED that Mr. Lawrence, former Collector General, was transferred to the Ministry of Mining and Energy with special duties in the administration of the Bauxite Levy. Mr. Lawrence reported for duties at the Ministry yesterday.

In announcing Mr. Bonnick's appointment as Acting Trade Administrator, Minister Vaz said that he saw his appointment as the "first step that needed to be undertaken to implement other urgent wide-ranging reforms needed in the operations of the Trade Administrator's Department."

CSO: 3025/15

MINISTER WARNS 'BIG MAN' ON SELFISHNESS, EXPLOITATION

Bridgetown ADVOCATE-NEWS in English 21 Sep 81 p 3

[Text]

KINGTON, Jamaica, Sunday (CANA) — The so-called "big man" in Jamaican society has been warned by local Government Minister Pearnel Charles that he will not be allowed to exploit the poor and engage in corruption.

In Jamaica, the term "big man" refers to leaders in the economic and decision-making sphere and is often used in a pejorative sense by leftwing politicians.

In a speech to members of the Jamaica Shipping Association, Mr Charles said that citizens were beginning to query the appearance here of millions of dollars worth of luxury goods which were not brought in by small buyers.

It was a type of selfishness and lack of concern for the poor by the "big man", Mr. Charles said, which would not find favour with the public or with the government.

Said the Minister: "This type of selfishness and exploitation will breed more (Peoples' National Party Leader) Michael Manley and (marxist Workers Party of Jamaica General Secretary) Trevor Munroes in the country."

The "Big man" who was caught engaging in corrupt activities would be penalised, Mr. Charles warned.

Mr. Charles' rightwing Jamaica Labour Party (JLP) came to power nearly a year ago after ousting Mr. Manley's Democratic Socialist Administration.

The Labour Party is usually associated with the Jamaican middle and upper classes and a recent opinion survey here showed that only 38 per cent of the people interviewed felt that the party cared about the interest of the poor, compared with 54 per cent for the PNP.

Mr. Charles has been clearly attempting to erase this perception and recent speeches by him have emphasised the government's commitment to all classes.

He has also been warning the rich that they must show concern for the poor lest tension develop in the society.

CSO: 3025/16

DEVELOPMENTS IN IMPORTS, EXPORTS SUBJECT OF ATTENTION

Shearer Report to JMA

Kingston THE DAILY GLEANER in English 18 Sep 81 pp 1, 20

[Text]

Deputy Prime Minister and Minister of Foreign Affairs Hugh Shearer, has informed exporters that all import debts scheduled for payment up to the middle of June this year, had been paid.

Mr. Shearer, told the annual general meeting of the Jamaica Exporters' Association yesterday that payments had been achieved against the background that at the end of March there were total arrears of US$79.2 million — US$52.7 million was for imports and US$26.2 million for other costs such as interest, dividend, education, maintenance and such other charges. That balance had been reduced to US$49.5 million, of which US$26.3 million was for exports.

Mr. Shearer also issued a warning to those importers who used licences to import illegal goods. He said: "The Government acknowledges and applauds the response of all those businessmen who have put foreign exchange allocations to productive use. The Government does not appreciate nor applaud those who use licences to import illegal goods and thereby sabotage the economic recovery programme. We are taking action to stamp out that offensive practice wherever and whoever. When you hear howls of protest and orchestrated criticism you will know why."

EARLIER MR. SHEARER summed up export activity since January this year to show that for the period January to July, domestic exports totalled $1.079 million or some $45 million more than the amount for the same period last year.

Exports to the CARICOM from January to August this year, showed a total of US$38,057,805 compared with US$32,234,160 for the same period in 1980 — an increase of US$5,523,645 or roughly 18 percent. "There has been a steady increase of export earnings from CARICOM since June this year", he said.

However, Mr. Shearer continued, happy as the Government was to be able to record this increase in export earnings, "we must resolve to improve on that increase so that the wide trade gap may be narrowed. We must produce more so that we may purchase our goods, drugs, raw materials, spare parts, machinery, consumer goods from money which we have earned not borrowed. That must be our goal."

WEAKNESS

One of the weaknesses in the statistics at this time, he said, was the unavailability of information on volume of products to each destination to determine the basis of the increased export earnings — whether it was based on increased prices or on increased volume or a combination of both. In the national interest, both statistics were needed.

While Government recognized that there was demand for more foreign exchange for raw materials, spares and equipment than was available, it also found that some of the lines of credit were not fully used. At the same time, demand for more foreign exchange for raw materials, spares and equipment were still being made "although the records show substantial increase in foreign exchange availability this year over the same period last year.

AS A RESULT OF new financing arrangements made, imports of raw materials had increased by 53 per cent from January to June compared with the same period last year. In dollar terms, this represented some $542 million worth of licences.

In a sense, it was encouraging that demand for funds for raw materials, spares and equipment were in excess of supply, because it was evidenced, that the manufacturers and exporters want to participate in the economic recovery programme and were gearing themselves for such participation.

"We interpret the increased demand for foreign exchange to mean that the businessmen want to put factories into full production, recall work staff who were laid off early last year because of the economic down-turn, expand existing businesses and invest in new fields to produce more goods, employ more people and earn more for the country. This is a positive encouraging response for us, and for the country a positive signal of return of confidence," Mr. Shearer said.

GOOD USE

It was at this point of his speech that the Deputy Prime Minister said that Government recognized the need for more foreign exchange for productive use, and went on to state: "It must be borne in mind however, that at the end of March there were total arrears of US$79.2m of which US$52.7m was for imports and the balance of US$26.2m for other costs such as interest, dividend, education, maintenance and such other charges. That balance has been reduced to US$49.5m of which US$26.3m is for imports. I am pleased to say that all import debts scheduled for payment up to the middle of June this year have been paid by this country."

He urged exporters to make greater use of opportunities for marketing, especially in the various markets for which preferences had been negotiated such as the European market under the Lome Convention, and the United States market through the Generalized Scheme of Preferences. There was a long list of items which could be produced for these markets and capable of production here. There were, in addition, a list of 27 products which Jamaica had submitted of mainly agricultural products, for inclusion for preference treatment under the US GSP.

He called for examination of the National Export Plan with its possibilities for non-traditional exports. This category had grown over the years and at present accounted for about 20 percent of export earnings. It had been identified as a sector with the capacity for rapid expansion for the generation of foreign exchange earnings. In some categories, projected compound growth for the period 1981-85 was as high as 44.8%.

ISOLATION

Among the areas of non-traditional exports which they could handle, he said, were processed foods, beverages and tobacco, garments, furniture, plastics, footwear, electrical appliances, building products, minerals, paper products and petroleum products.

Finally, Mr Shearer said that the export industry could not be seen in isolation from the rest of the economy. It was both vital for its recovery and to a certain extent, depended on the economy for its survival. He then appealed to them to play an active part in investment, whether in joint ventures or otherwise.

They should pay attention to proper feasibility studies for investment and production, should pay satisfactory prices to farmers and provide incentives to their workers. He urged them to explore joint venture propositions for international markets and to pay full attention constantly to quality and presentation of goods for the market. Also, they should take steps to expand training facilities for staff at all levels, bearing in mind that competition in the market-place was stiff for consumer purchases.

THEY SHOULD AIM TO BE COMPETITIVE with their CARICOM partners as also with other Third World countries who were competing in the international market and had access to the same preferences.

Mr. Shearer concluded with an appeal for exporters to build up good, healthy relations with their workers, and to work out incentive payment schemes with Trade Union representatives, using acceptable norms.

The Deputy Prime Minister was given a standing ovation. He was introduced by the outgoing President of the association, Mr. Prakash Vaswani, who earlier delivered the presidential address.

Export Development Fund

Kingston THE DAILY GLEANER in English 18 Sep 81 p 1

[Text]

The Export Development Fund (EDF) has received additional resources of US$56 million, as a result of a new loan agreement between the Government of Jamaica and the World Bank, the Bank of Jamaica said in a news release yesterday.

US$22 million of this amount represents a second tranche to purchase raw materials and spare parts. US$4 million is to be used for rehabilitation of the Banana industry, and the remaining US$10 million is to be used for a medium-term financing window for the purchase of capital equipment and permanent working capital for inventories.

The disbursements for the purchase of capital equipment, the resease stated, represent a new lending window in the E.D.F. The maximum period of the medium-term financing will be four years, including a one year moratorium. The interest rate will initially be 15 per cent, but this will be reviewed periodically by the E.D.F., in consultation with the World Bank.

THE E.D.F. WAS ESTABLISHED IN MAY, 1979, as a wholly-owned subsidiary of the Bank of Jamaica, and is managed by the Jamaica Export Credit Insurance Corporation (J.E.C.I.C.). The fund is a revolving had currency foreign exchange facility and was established to assist in the importation of raw materials, spare parts and components needed by Jamaican firms for incorporation into export products.

Initially, the resources of the fund were derived from a World Bank Loan of US$50 million. Subsequently, the resources were supplemented by an I.A.D.B. loan of US$7.5 million. These resources have now been fully committed.

The revolving nature of the E.D.F. helps to assure that the Fund will be self-sustaining, and a reliable and growing source of foreign exchange to cover the import needs of the non-traditional export sector, the BOJ news release said.

Raw Materials Imports

Kingston THE DAILY GLEANER in English 18 Sep 81 p 19

[Text]

Raw material imports by the manufacturing sector during the first six months of this year amounted to U.S. $268 million, or less than half of the U.S. $600 million, for which licences were issued by the Administration since the beginning of the year.

The figure was also U.S. $132 million less than the minimum of U.S. $400 which the Jamaica Manufacturers' Association had recommended in November last year as the level below which raw material imports should not fall within the first six months of this year.

This information emerged in the monthly statement, by the president of the JMA, Mr. Anthony Williams, to Wednesday's monthly meeting of the JMA's board of directors in Kingston and during discussions which followed.

Mr. Williams said that when one subtracts the figures for raw materials for the bauxite industry, fertilizer, etcetera, from the U.S. $268 million, it is clear that a less than desirable amount of raw materials for the remainder of the sector was imported in the first six months of 1981", said Mr. Williams.

The JMA president recalled that an economic analysis made by the association in July, pointed to "a serious situation" with regard to licences and financing to these because of the very tight foreign exchange situation. Early last month, he said, the association was advised that provision had been made for U.S. $15 million to be utilized for the issuance of new cash licences and U.S. $39 million for open account licences. The association was not, however, aware that the US$15 million had been put in place.

During subsequent discussion of this point, a board member, Mr. Clive Morin, said it seemed that the U.S. $15 million did not any more exist, for the Minister had informed the association that it had been used to import sugar — "a contingency which had not been bargained for", he said.

Secure credit

So far as the provision for the U.S.$39 million for open account licences was concerned, the JMA president said that in order to utilize this open account provision, importers were being asked to secure credit terms from suppliers for payment in June to September 1982.

"There are few manufacturers who are able to get these credit terms. I am appealing for a provision of U.S. $15 million to be put in place to issue new cash licences. This U.S. $15 million provision is not a new idea since it was in fact promised a month ago. The need is even greater now since so many more reports have been coming to us especially from small manufacturers of their inability to produce individual licences for raw materials valuing U.S. $20,000 and less. It is not necessary for me to remind of the grave implications for our workers and ourselves."

Another JMA board member, Mr. Peter Blake, supported the President's point, adding that many manufacturers had no raw materials to make goods for the upcoming Christmas season.

CSO: 3025/15

BRIEFS

HAITIAN MISSION--Kingston, Jamaica, Saturday (CANA)--Haiti has stationed its first Ambassador in Kingston, upgrading its diplomatic representation here from that of a Consular Officer. The Ambassador, Pierre Pompiee, the first named to Jamaica, has already presented his credentials to Governor General Florizel Glasspole. The rightwing Duvalier regime has been attempting to gain wider acceptance in the Caribbean, and earlier this year when Jamaica's Junior Foreign Minister Neville Gallimore, visited Haiti the Press there said the Haitian Government was looking to Jamaica in this regard. Jamaica's affairs in Haiti are conducted by an Honorary Consul. A Foreign Ministry source said that Jamaica had no immediate plans to upgrade its representation in Port Au Prince, mainly because of economic constraints. [Text] [Bridgetown SUNDAY ADVOCATE-NEWS in English 13 Sep 81 p 3]

SUGAR LOSSES--Kingston, Wed. (CANA)--The Jamaica sugar industry lost $80 million because of the big shortfall in targeted output for this year, Parliamentary Secretary in the Ministry of Agriculture, Astil Sangster, has said. The pre-crop forecast was for sugar production of 260,000 long tons, nearly 20,000 more than last year, but final output was a mere 201,000 tons. Mr Sangster did not give the projected earnings from the industry nor a breakdown of the loss. But he told sugar growers that in addition to the direct $80 million shortfall the island had to import 12,000 tons of refined and 6,000 tons of brown sugar. Jamaica uses about 105,000 tons of sugar a year, because the island had to meet its 1981 European community export quota of 125,000 tons, sugar had to be imported to fill the breach created by the low production this year. [Text] [Port-of-Spain TRINIDAD GUARDIAN in English 17 Sep 81 p 5]

UNION WORK FOR MANLEY--The National Executive Council of the People's National Party, at a meeting at the Kingston Intercontinental Hotel last week Sunday unanimously supported the decision of the President of the Party and Leader of the Opposition, Mr. Michael Manley, to resume trade union activities. A resolution passed by the NEC said that the government of the PNP under the leadership of Mr. Manley in its eight and a half years in office, "more than any other in our history, passed laws to expand and protect the rights of workers". It said that he had served with distinction in the trade union movement at home and in the Caribbean between 1952 and 1972, and the NEC of the People's National Party endorsed and supported the decision of the Party Leader to resume active trade union work. [Text] [Kingston THE DAILY GLEANER in English 21 Sep 81 p 11]

VENEZUELAN VISAS--As Jamaica continues to foster closer tourism links with the Republic of Venezuela, the government has now made it easier for Venezuelans to enter this country. On September 8, the Ministry of National Security and Justice waived the visa requirement for Venezuelan citizens who enter Jamaica as tourists. Venezuelans with valid passports are able to visit the island for a period not exceeding 14 days, and should hold a return ticket whether by sea or air. A passenger in transit should possess a ticket to some other destination. While in Jamaica, tourists are not allowed to take up employment, conduct any business or attend any educational institutions. VIASA, the national airline of Venezuela, resumed scheduled weekly flights to Kingston in February of this year and in July increased the flights to twice weekly into Montego Bay only. In the meantime, the Jamaica Tourist Board, in an effort to prepare Jamaican tourism workers to deal with non-English speaking visitors, is running its language training programme in Spanish as well as German at Turtle Beach Towers, in Ocho Rios. The programme is scheduled to begin in the Montego Bay area in October.--JTB. [Text] [Kingston THE DAILY GLEANER in English 19 Sep 81 p 2]

MINERALS FOR VENEZUELA--Venezuela has been identified as a potential market for a number of industrial minerals found in abundance in Jamaica. This was stated by Mr. Simon Rodriquez, chief geologist in the Mineral Resources Branch of the Venezuelan Ministry of Mining, during his presentation to the first session of the Industrial Minerals Symposium being held at the Jamaica Pegasus Hotel, New Kingston. Speaking on mineral deposits in Venezuela, he said that Venezuela was in the process of building a steel mill and an aluminium smelter, and would require large amounts of limestone. (Jamaica's limestone potential exceeds 6 billion tons.) He said that at present Venezuela imported limestone from Europe for the cement industry, as deposits found in Venezuela were not in sufficient quantities or were located in national parks and could not be mined. [Excerpt] [Kingston THE DAILY GLEANER in English 28 Sep 81 p 9]

CSO: 3025/16

MEXICAN REPORTER DENOUNCES 'LA PRENSA'

Managua EL NUEVO DIARIO in Spanish 26 Aug 81 p 10

[Text] Luis Gutierrez Esparza is the Mexican reporter who wrote an article on his interview with Father Miguel D'Escoto Brockman which was distorted by the transnationals but even so was accepted as true and valid by the newspaper of infamy [LA PRENSA]. Yesterday Gutierrez sent EL NUEVO DIARIO a copy of his article "Freedom With Responsibility" which will appear today in the newspaper EL PERIODICO for which he works in Mexico, and in which he completely unmasks LA PRENSA which insists it is the victim of persecution by the Sandinist government.

This stands as a new example of proof that the wickedness of LA PRENSA is now limitless and that this newspaper will never again be the one which was founded by Dr Pedro Joaquin Chamorro Cardenal, the "Martyr of Public Freedom."

We repeat, Luis Gutierrez Esparza himself, the person LA PRENSA said was going to sign "a duly notorized statement" to prove that they had said the truth, is going to refute them and is not only going to refute them, but will reveal that the infamous newspaper attempted to bribe him.

This, then is the Revolutionary Truth, face to face with the Reactionary Lie.

With his captions we print the text of his article:

Beyond the news.

Freedom With Responsibility

By Luis Gutierrez Esparza

Individual and social rights cannot be exercised without restrictions: personal freedom, for example, ends where the freedom of another person begins; and the interests of the community, of the social conglomerate, should prevail over those of the individual. To speak, for example, of a freedom of the press that does not recognize either limits or patterns of behavior is as irresponsible and harmful as suppressing it on a whim or by means of force.

In the final analysis the media of social communication must form part of the entire development process. Their personality, their characteristics, even their form of ownership, should never be used as a pretext justifying actions and attitudes against society, the nation and justice.

It is worth pausing on these thoughts, because in Nicaragua there is a daily confrontation between the National Reconstruction Government Junta and the Sandinist National Liberation Front (FSLN), and in the final analysis the people on the one hand and the newspaper LA PRENSA, the representative and spokesman for the bourgeoisie and the reactionary forces, supported by the oligarchs, on the other hand.

The Nicaraguan Government has just suspended for 3 days publication of the newspaper LA PRENSA--it started being published again last Saturday--due to a problem which, in part, was caused by EL PERIODICO and more specifically by the undersigned. It happens that last February in New Delhi, as a special correspondent of a Mexican magazine to cover the meeting of the Foreign Ministers of the Non-Alined Countries, I interviewed Miguel D'Escoto, minister of foreign affairs of Nicaragua, who is a Catholic priest and an exemplary revolutionary.

Due to certain technical problems--some batteries which were almost worn out and insufficient tape--it was not possible to tape the entire interview; a part of it was recorded but was virtually inaudible and another part was only a few sounds. Several factors caused the interview not to be published at that time, and it finally appeared on the first page of EL PERIODICO on 15 August.

Though I was faithful to the substance of what Father D'Escoto said, I was not able to reconstruct word for word some of his comments; these were transmitted to the entire world by two international agencies; one of them the Spanish agency EFE to which this newspaper is subscribed. LA PRENSA of Managua printed them, flavoring them with its traditional manipulative style of yellow journalism. In view of the emphasis given by the news agencies--partial, out of context, simplistic and not very faithful to the version which appeared in EL PERIODICO--the Nicaraguan Government, in conformity with the laws in effect, warned LA PRENSA that it would be harmful to print that information. The warning, naturally was disregarded. LA PRENSA also interviewed Alfonso Robelo, Violeta Chamorro and Archbishop Miguel Obando y Bravo, who were mentioned in the interview. It once again fired its guns with impunity in its campaign of aggression and destabilization, in the service of the Nicaraguan ultraright and of imperialism. This was what caused the suspension which the managers of LA PRENSA are making use of to present themselves as champions and martyrs of freedom and expression.

LA PRENSA attempted by every means to compromise EL PERIODICO and me personally as elements in its counterrevolutionary work. Obviously, the response was negative for two basic reasons; in the first place, I do feel and always will feel solidarity toward the Nicaraguan people's struggle and admiration for the heroic drama of Sandinism. This newspaper, for its own part, has declared itself committed to the fight for freedom of the peoples. And, in addition, LA PRENSA's kind of journalism is the antithesis of ours; its zeal for manipulation and sensationalism and its surrender to the oligarchy and the interests of imperialism place it in the opposite trench.

What LA PRENSA printed regarding the interview with Father D'Escoto is a manipulated provocation. To give expression and prestige to the enemies of the people is one proof more of the great generosity of Sandinism; but everything has its limits, and that newspaper exceeds them with alarming frequency.

9204
CSO: 3010/1855

BRIEFS

USSR DONATES VEHICLES--The USSR Ambassador, Guerman Shliapnikov, delivered yesterday, in the name of the Central Committee of the USSR All-Union Central Council, two NIVA automobiles and one bus, to the Sandinist Workers Federation. In a simple ceremony full of the spirit of solidarity and of proletarian internationalism, Ambassador Shliapnikov delivered to Lucio Jimenez, the secretary general of the CST [Sandinist Workers Federation], the keys to the NIVA automobiles and the bus. "I am grateful for the kind invitation of the Central Committee of the USSR All-Union Central Council," said Shliapnikov, "which appointed me to deliver this gift." "It is a testimony to the solidarity of the workers of the USSR with the Nicaraguan people and working class who are fighting for peace and the independence of their country, with the Sandinist National Liberation Front in the Vangard," he added. For his part, Lucio Jiminez was thankful in the name of the Nicaraguan workers for the gift made by the Central Committee of the USSR All-Union Central Council. He invited his Soviet brother workers to visit our country and to attend the second anniversary of the Sandinist Revolution and the 20 years of the founding of the FSLN [Sandinist National Liberation Front]. [Experts] [Managua BARRICADA in Spanish 13 Jun 81 p 6] 8956

CSO: 3010/1474

TEXT OF COMMUNIQUE ON SIMMONDS' VISIT TO COLOMBIA

Basseterre THE DEMOCRAT in English 15 Aug 81 pp 2, 7

[Text] In response to the invitation extended by the Government of Colombia, the Premier of St. Christopher Nevis, Dr. Kennedy Simmonds, who is responsible for Foreign Affairs in his country, visited the Republic of Colombia on the 4th, 5th, 6th and 7th of August, 1981, accompanied by a high level Delegation.

During his visit, Premier Kennedy Simmonds was received by the President of the Republic of Colombia, Dr. Julio Cesar Turbay Ayala, and he conveyed a special greeting on behalf of the Government and the people of St. Christopher Nevis.

The Minister of Foreign Affairs of Colombia, Dr. Carlos Lemos Simmonds, and the Premier of St. Christopher Nevis, Dr. Kennedy Simmonds, held friendly discussions on various aspects of the international politics and on the situation in the Caribbean region, with particular reference to the Eastern Caribbean, as well as to the bilateral relations between the two countries. During the discussions the similarity of perspective and the high degree of friendship existing between the two countries were clearly seen.

At the end of the visit they agreed to sign the following:

Joint Declaration

The Minister of Foreign Affairs of Colombia and the Premier of St. Christopher Nevis reaffirmed their adherence to the principles enshrined in the Charter of the United Nations particularly those of sovereign equality of States, territorial integrity, nonintervention in the internal affairs of other states, peaceful settlement of disputes, the condemnation of the use of force or any other coercive measures in the conduct of international relations and the right to the self determination of all peoples.

They expressed their utmost respect for the principle of inviolability of treaties and they considered that this principle of International Law is the basis of peace, and an essential requirement for the realization of harmony among states, including those belonging to the Caribbean Region.

In analyzing the problems affecting the Caribbean Region they stated their concern with the disturbing developments which threaten the peace of the area. In

this regard, they expressed the desire that adequate solutions should be arrived at through peaceful means which respect the free will expressed by the people and the sovereignty and territorial integrity of nations.

They deplored the increasing tendency towards the use of arms in the Region and agreed that this is not consistent with the urgent needs of developing countries in the area, for whom it is indispensable, on the contrary, to secure peace and acquire the necessary resources to enable the development of their people.

The Premier of Saint Christopher Nevis emphasized the important, serious, and profoundly democratic role that Colombia is playing in the Caribbean area, and expressed his satisfaction with the approach that has been made towards the region. He pointed out that the Colombia's association with the majority of States in the Area, constitutes an additional element in the continuation of a close and harmonious relationship.

The Minister of Foreign Affairs of Colombia emphasized, in his turn, the prominent role of Premier Kennedy Simmonds and in general of Saint Christopher Nevis in the Eastern Caribbean. In this regard, he underlined the importance of the recent signing of the Treaty of the Organization of Eastern Caribbean States in Saint Christopher Nevis.

They reaffirmed the right of States to the utilization of the resources of the marine and submarine areas belonging to them, pursuant to the principles of International Law.

They expressed their concern over the constant increases in oil prices and the consequential effects on the economic and social development of the States in the Caribbean Region and urged the establishment of mechanisms to find a solution to this problem.

In dealing with the aspects regarding the cooperation between the two countries, the Minister of Foreign Affairs of Colombia expressed the decision of his Government to offer scientific and technical assistance to Saint Christopher Nevis in the fields contemplated by the Agreement of Scientific and Technical Cooperation signed during the visit.

In order to increase the commercial relations between the two countries, they agreed to study the early establishment of a transportation service between Colombia and the Eastern Caribbean, particularly with Saint Christopher Nevis as a fundamental factor in the development of trade and tourism between the two States.

Premier Kennedy Simmonds and the Minister of Foreign Affairs Carlos Lemos Simmonds agreed to maintain frequent consultations for the purpose of strengthening the relations between the two countries, and discussing significant developments in the Caribbean Region.

The Colombian Minister of Foreign Affairs offered the Premier of Saint Christopher Nevis scholarships so that Officials of that country could pursue specialized courses due to begin next year in the Marco Fidel Suarez Institute of Colombia.

Premier Kennedy Simmonds indicated his appreciation of the offer and agreed to explore the possibilities of participating in this project.

The Minister of Foreign Affairs of Colombia expressed the support of his Government for the initiative taken by Premier Kennedy Simmonds to convene the Columbus Commemoration Conference, so that the celebration of the five hundredth anniversary of Columbus' voyages to the Americas will not only constitute an honour to the memory of Christopher Columbus, but also an opportunity to embark upon a new stage in the development of cooperation between countries of the Caribbean Basin.

They underlined the fact that the discussions held in the course of the visit of Premier Kennedy Simmonds to Colombia meant an important step in the development of friendship and cooperation between the Governments and peoples of Saint Christopher Nevis and Colombia. The Premier of St. Christopher Nevis expressed, on behalf of the members of his Delegation and on his own behalf, his sincere gratitude to the Government and people of the Republic of Colombia for the friendly reception and for the excellent hospitality shown them during their visit, at the end of which he extended a cordial invitation to his Colombian colleague to visit Saint Christopher Nevis. The invitation was received and accepted with pleasure.

Signed in the City of Bogota on the 7th of August, 1981, in two copies in the Spanish and English languages, both texts equally authentic.

For the Government of Saint Christopher Nevis

Kennedy Simmonds, Premier and Minister of Foreign Affairs

For the Government of the Republic of Colombia

Carlos Lemos Simmonds, Minister of Foreign Affairs.

CSO: 3025/18

SPREAD OF COMMUNISM THREATENS; LABOR CALLED SUBVERSIVE

Basseterre THE DEMOCRAT in English 15 Aug 81 p 8

[Text] A recent news report out of Antigua reflects concern over what is thought to be a dangerous prediction that the Grenada Revolution, now in its third year, can "go island-hopping."

The prediction is attributed to Mr. (?Tom) Hector, the leader of the Communist A.C.L.M., which contested the last general elections in Antigua. Mr. Hector, a regular contributor to a leading weekly newspaper in Antigua OUTLET, is said to have elaborated this thought at a recent gathering of like-minded Socialists.

The Antiguan Government is said to be regarding Mr. Hector's remarks as a possible threat, and has ordered a report to be laid before the Director of Public Prosecutions of Antigua on his advice.

Mr. Hector's words have aroused a fear which is taking root in the minds of some of the leaders of the Caribbean, that the Cuban advisers in Grenada are bent on "exporting" Revolution and subversive activity throughout the region.

This fear is shared not only by the small islands, but by the big countries like Venezuela and Colombia.

The trouble is that there is always a bunch of rejects and misfits in every country whose lust of political power can be manipulated by "revolutionaries."

Right here in this State, we have the spectacle of a defeated Labour Party, who in their frustration are not now interested in stability in the country, who are not above attacking the police force, and all of the institutionalised forces of law and order, with the object of subverting the established values of peace, order and good government.

A defeated Labour Party which desperately "predicted" the fall of the PAM/NRP Coalition in two weeks, two months, six months, and an insecure ex-Premier who could publicly vow to utterly and completely destroy his political opponents, are dangerous to this society.

Time and time again, the Opposition here has uttered threats and incitements, and have planned conspiracies and violence.

Now we hear that Opposition members (?Lee) Moore and Charlie Mills are in Antigua. Let us hope that the police and security forces are just as vigilant and watchful of these desperate people as all law abiding persons expect.

CSO: 3025/18

EDITORIAL FINDS REGION'S IDEOLOGICAL PLURALISM ERODING

Castries THE VOICE in English 26 Aug 81 p 2

[Editorial: "Nightmare for Region"]

[Text]

AT the dawn of the decade of the 80s, which in the Caribbean was heralded by the phenomenon of a former English colony effecting political change through armed revolt, regional politicians decided (at least verbally) that this strange event would not break up CARICOM but that the Caribbean would co-exist in "ideological pluralism."

Even though no one has successfully defined "ideological pluralism" under former United States President Jimmy Carter's Human Rights foreign policy, even the United States ambassador, then Sally Shelton, agreed to the need for "ideological pluralism" in the Caribbean.

However, the new strong arm politics of the Republican Ronald Reagan administration will not let "sleeping dogs lie," and it would appear from recent developments in the region that the several ideologies ranging from Guyana's national socialism through Barbados' democratic socialism to Grenada's Marxism will not coexist in peace.

Even so, one could argue that differences existed with the "isms" themselves and thus outsiders to the Caribbean have become confused and therefore impatient. For surely there was a vast difference between Jamaica's democratic socialism as practised and preached under Michael Manley, and that of Barbados, under Tom Adams. Trinidad, under the late Eric Williams, of course wisely kept away from 'isms'.

All of this leads to one point — namely, that at the beginning of 1980 we in Caribbean "agreed to differ on the subject of ideology"; now in mid-1981, we are "agreeing to disagree" — and volubly.

The first hint that the concept of "ideological pluralism" within the region was not to be permitted came when the United States attached certain strings to aid to be given to Grenada and the Eastern Caribbean through the CDB. The region then stood up as one man and said "no" to the strings.

This initial unity is now showing grave signs of weakening. Very recently, Dominica's Prime Minister Eugenia Charles stated bluntly that "Grenada could have accepted Washington's strings on the aid and allowed countries which badly needed it to benefit."

This pronouncement must surely affect the tenuous harmony among CARICOM states far less among the OECS States, which have embarked on integration on very shaky beginnings.

Previously, of course, Miss Charles did not mince words on the subject of Grenada's People's Revolutionary Government which she accused of bad human rights practices, and the need to return to constitutional government. Grenada has claimed that attacks such as Miss Charles' are the work of the United States.

But if Grenada has been a source of concern, it seems from recent reports, that Guyana now presents a new problem. It has become clear with the United States veto of an IDB loan to Guyana that Washington is displeased also with policy as it emanates from Georgetown.

Thus the myth of "ideological pluralism" in the region is being exploded from without — if not within the Caribbean.

It would appear that we in the Caribbean can no longer blithely ignore the global issues which clearly are thrusting their effects upon us.

The political commentaries at the global level tell us that the super powers are bent headlong on a collision course. These predictions seem realistic taken in the light of events in the tortured Middle East, and the spectre of the United States creation of the neutron bomb.

The region cannot avoid the nightmare ahead by self-delusion or evasion of problems which stare them in the face.

CSO: 3025/18

CENAC UNABLE TO CONTROL CONFLICTING JOSIE POLICY REMARKS

Castries THE WEEKEND VOICE in English 5 Sep 81 p 12

[Article by Willie James]

[Excerpts]

PRIME Minister Winston Cenac is certainly no fool. He is a barrister. But there are times when even skilled barristers can become victims of their own clever devices. Cenac's administration is an adhesive device that holds on to power.

This administration has the legislative authority but is nonetheless powerless. It is ineffective as a Government to attract employment and economic development for people and State to any remarkable degree.

Moreover, any new investment that has come to this State is not as a result of Government's persuasion. Rather it is an investor's speculation that equilibrium must at sometime come to St. Lucia.

As I see it, Cenac is in trouble as he seems unable to contain his Ministers.

For example, he is head of Government, yet policy statements seem to come rather freely from the loquacious Foreign Minister Peter 'Pan' Josie. And, the real danger lies here, in being unable to restrain this intractable Minister.

While Ministers of Government are allowed periodic airings to the media to articulate progress and clarify clouded issues, of individual Ministries, the Prime Minister is the sole authority to advance statements embracing the entire Government.

During the 21-month-old struggle-for-power-torn Allan Louisy-regime, the then foreign affairs Minister and Deputy Prime Minister frequently up-staged Louisy. It embarrassed the State and humiliated the Prime Minister.

Today, all the ills with which the Louisy regime was plagued are repeating themselves.

While Prime Minister Cenac is clearly leaning towards the right, his Foreign Minister Josie is clearly leaning left. It seems a diametrical position.

As I see it, if Josie's Government is left, then he should look to the left for development aid. Unfortunately, the aid of note that comes from the powerful left would be arms. This is not economic development.

And lately he seems preoccupied with Maurice Bishop's Grenada. He seems to be Grenada's Ambassador to St. Lucia.

Vigorously, he defends Bishop's posture in not holding general elections. He insists that the democratic process is not necessarily the best. Is that saying that he is not for calling elections in St. Lucia also?

Meanwhile, what is the Prime Minister's reaction to Josie's indiscretions? A Cenac spokesman intimated:

"The Prime Minister has spoken to Josie about his rashness but he defended his action by saying that the Foreign Affairs Ministry is one of his portfolios therefore he talks when the occasion demands it."

This could be interpreted to mean that no one can stop Josie from issuing government policy statements and holding press conferences. Not even the Prime Minister.

Again there is danger here. And Cenac is not unaware of it. But he can do nothing about it. He can neither fire nor discipline Josie. If he does he courts the collapse of his Government and the inevitable elections at which they are all sure to suffer defeat.

This tenuous one-man majority government must make heading such a government bothersome for Cenac, who can do much better as Prime Minister than Allan Louisy did.

His problem of running his Government is the rightists' investors uncertainty over St. Lucia, while Josie's leftists' pronouncements will not lessen that uncertainty. Josie is now the sole leftist element that taints the Government with that dubious direction. It's a paradox but he appears to be enjoying it.

As it relates to Grenada, it would be a clarification of the St. Lucia Government position, if Cenac issues a policy statement. And one does not expect an inane cliché as: "We are not interfering with Grenada's internal affairs". That is a negative escapist view.

We can't avoid Grenada which shares the same institutions as we do.

It is now incumbent upon the Prime Minister to refute or associate himself with his Foreign Minister's statement on the Grenada elections and other leftist breathings.

CSO: 3025/18

BRIEFS

UK AID--Britain is to make EC$5 million available to St. Lucia for development projects over the next year. This has been revealed by Keith Woolverton, Head of the British Development Division for the Caribbean. He said the programmes envisaged included one to reduce the island's dependence on the banana industry by making funds available to help increase St. Lucia's coconut production. There was also the possibility of developing less traditional crops or the expansion of others, including the cocoa industry, mangoes and avocadoes which could fetch good prices in the European markets. Another aspect of this aid package, he said, was the development of a proper water system for St. Lucia, low cost housing schemes and a new primary school. [Text] [Castries THE VOICE in English 26 Aug 81 p 1]

NEW 'PEACE COMMITTEE'--Castries, St. Lucia, Sept. 23 (CANA)--A new organisation has been launched here with its main objective being to investigate and generate public discussion and debate on all matters affecting the territorial integrity of Caribbean nations. The St. Lucia Peace Committee, as it is known, is headed by city Barrister Hildord Deterville. Its formation was prompted by "recent developments that appear to seriously threaten peace and stability of Caribbean nations and beyond," the committee said in its first public statement. The statement said that the Peace Committee has three central areas of concern: the preservation of territorial integrity as an inviolate principle, independent and proper development and use of Caribbean resources and the monitoring of possible areas of threat to peace in the Caribbean basin and beyond. [Text] [Kingston THE DAILY GLEANER in English 26 Sep 81 p 3]

CSO: 3025/20

UPM ATTACKS 'MILITIA' UNIT AS VIGILANTE FORCE

Gonsalves Press Conference

Kingstown THE VINCENTIAN in English 14 Aug 81 p 1

[Text]

"A vigilante force under the imposing title of the people's Militia is being formed with the approval of persons at the highest levels within the government of St. Vincent and the Grenadines." This was the opening statement made by Dr Ralph Gonsalves at a press conference at the United People's Movement headquarters on Monday last.

This vigilante force, Gonsalves said is made up of about twelve persons including people with great familiarity in arms and who have met on about three or four occasions. Their main aim is to train and arm a sizeable contingent of faithful foot soldiers. The leadership of this vigilante force, said Gonsalves has three common elements: they come from within the business community, they are Labour Party fanatics and they are drawn mainly though not solely from a tightly knit social group within the Villa and Indian Bay area.

Gonsalves said that, the purpose of this force is to preserve the Labour Party government in power at all costs including use of violence and to rival the lawfully constituted police force which is looked upon as an unreliable defence unit by the self appointed vigilantes.

He stated that, establishment of such a force, which he termed to be illegal, is a serious threat to peace, democracy and tranquility in St. Vincent and the Grenadines. In his view the mortal danger to our society comes presently from such groups and not from phantom. Such a force is subversive of the constitution and a fundamental theat to law and order the UPM executive declared.

He noted, "As the way forward the Cato government has chosen the path of repression and creeping dictatorial rule, and as the government becomes incapable of solving the basic social and economic problems so has its undemocratic and bullying behaviour become more intensified."

"All what is being heard from the government is the talk of repression with appropriate hard line policies such as training security police personnel in the military dictatorship of South Korea, the increase of military and intelligence surveillance of the local population, the strengthening of the political wing of the security forces, the summoning of foreign troops to our soil, the introduction of undemocratic legislation to crush trade unions and muzzle opposition parties and now the promotion of this illegal vigilante force to booster its decaying over-rule," Gonsalves explained.

He stated that the number one political question in our country today concerns the preservation of basic democratic rights and made an appeal to the government to reverse its trends before it is too late.

Dr. Gonsalves observed that since the announcement of the attempted coup by the acting Prime Minister, no one has been arrested and charged though the net of the criminal lies sufficiently wide for people to be apprehended charged and jailed.

On the question of identifying the people associated with this force, Dr Gonsalves declared that the U.P.M is not prepared to call names though some had been indicated to the police. He said however that it was not in their place to identify names but to pass on the information to the police and to inform the country about the gravity of the situation.

Gonsalves said that, he believes that there is a link between the alledged coup spoken about by the acting Prime Minister and the formation of this vigilante force. Also in his view the coup is linked to an attempt to resurrect the Essential Services Amendment Bill and the Public Order and Public Safety Bill. He felt that the vigilante force is a form of a substitute to provide law and order (as seen by the Labour Party) if the Police Force again goes on strike and if such demonstrations as previously, happens again in the streets protesting the above mentioned Bills.

"The talk of such a force emerged when the police went on a sick-out At the

time of the Union Island uprising in 1979, there were certain individuals who took it upon themselves to offer support of a military kind to the government and they were complimented by the Prime Minister," stated Dr Gonsalves.

"The U P M is propagandising on the question, informing the community and will use all lawful means to see that the vigilante force does not come into operation," Gonsalves concluded.

THE OTHER SIDE OF THE COIN

The Vincentian sought to obtain a release for publication from one of the people who had been persistently rumoured to be one of the leaders and originators of the so-called vigilante group. The person, whose identity cannot be disclosed, was loath to supply information as the group has not been finalised and "cannot be until the permission of government is obtained". However, it was admitted that recent events -- before the alledged coup — had prompted certain concerned citizens to consider the formation of a non political volunteer group, ready to protect their country and their property from outside intervention or inside subversion and betrayal.

The volunteers, as envisaged, would come from "every walk of life", from every town and district of St Vincent and the Grenadines, it was explained.

THE POLICE CONSIDER ISSUE

Meanwhile the Police went into a conference yesterday to discuss, what one spokesman said was a wide range of issues confronting them.

One of the main issues was the reported establishment of a vigilante Force name the people's militia. The Government denies any knowledge of the so-called people's militia.

The police also expects to consider what they will do to force government — into making them a more acceptable wages offer. They are said to be dissatisfied with not getting a three hundred dollars tax free duty allowance.

Editorial Opposition

Kingstown THE VINCENTIAN in English 21 Aug 81 p 4

[Editorial: "Non Government Defence Force Won't Work"]

[Text]

The news of the spearheading of the establishment of a defence force by a group of private individuals has caused a great deal more anxciety to Vincentians than the story of an alleged coup, as far as this paper can make out.

It is easy to see the reason for this. To arm a non-government section to protect the community -whether you call them vigilantes, militia or volunteers-is to provide an opportunity for the use of arms in conflicts between two groups,both of which legitimately carry arms.

If it is felt that the police cannot protect the community from criminals because they are too few, the logical thing would seem to be to increase the size of the police force, or to establish an auxiliary arm.

If it is believed that a group to protect the nation from external aggression is required,then the members of that group should be appointed by the country's government-whether they are paid or not - and be strictly servants of the state, subject to the dictates of official authority. They should be part of an overall plan for the country's defence, involving police and any other armed units.

If in fact the reason behind the force is mistrust of the existing police and a desire to, have protection against the

possible defection ensured ,then Prime Minister Milton Cato should take aleaf out of the book of his Dominican counterpart Eugenia Charles, and disarm the lawmen as she did her army, before ithey can turn their guns in the wrong direction.

To us it seems a bad place the protection of the nation in hand other than a national body.

We are not prepared to argue at this moment about he composition of the force. Any force that gets the nod to operate outside the established securityforces of anation is, we think ,ill conceived and misplaced. We want neither the English Wars of the Roses, the American Civil War , nor the conflicts between the Liberation Groups within both Zimbabwee and Angola to be repeated in our little islands.

Once there is a channel paved with arms to disunity and thing can happen. Unity in the use of armsis very important in the life of a nation, if that nation aims to hold on to democracy

When we say unity in the use of arms we mean a common will, to protect the country against a common enemy , under the guidance of a democratic government, strong enough to take full responsibility for its citizens, secruity , without fear or favour , and confident in the bulwark of a united nation behind it.

A government cannot do every thing' The people must support it and in many cases show initiative, But in the matter of security the role of the individual can only be effective, efficient and responsible, if it is part of an overall pattern We cannot have pockets of power, with the ability to take the law into their own hands and disrupt the 'tranquility' of the country

Was it not out of determination fo a group to defend, whatits member doubtless regarded as their devine right', to superrouty,that the Klu Klux-Klan was born?

As we see it, socialism is unimpeachable if democracy is its keynote. But inserting the word Democracy or Democratic with a capital D) into the name of a country or political ideology does not alter totalitarianism When we speak of democratic socialism, we mean just that' Socialism that respects the democratic rights of individual. The term Social Democracy is not quite so easy to explain However the the caps indicate that it is a name something chosen by politicians which confuses rather than clarifies not a simple fact.

We repeat our apeal to the people and government to keep democracy real in St Vincent and the Grenadines. Please think of these things.

CSO: 3025/19

EDITORIAL EVALUATES TANNIS STORY OF COUP ATTEMPT

Kingstown THE VINCENTIAN in English 14 Aug 81 p 4

[Editorial: "Where Was Mr. Cato When a Coup Threatened the Country?"]

[Text]

It is all very well for Deputy Prime Minister and Minister of National Security, Hudson Tannis, to tell the people of St. Vincent and the Grenadines, via a press conference, that he had advised Prime Minister, Milton Cato, that it would be best for him to continue with those important plans to visit Korea and Taiwan on behalf of St. Vincent and the Grenadines, in spite of the "coup" described by Mr. Tannis as something serious and real in the country whose government Cato heads.

When there is an attempted coup there is usually bloodshed. Fear and uncertainty racks most of the population — especially those loyal to the threatened leader. If at all possible is not the place of that leader with his people?

Very little in the way of detail was given to the nation by our Security Minister. Yet vigilance was advised. All we know is that the business community was not involved in the overthrow attempt, but there was no glimmer illuminating the area on which we should focus our attention

The reaction of Vincentians to the Deputy Prime Minister's announcement that the plans of five Vincentians to overthrow the government had been frustrated was most casual. No one seemed the least bit perturbed. Even Mr. Tannis himself could hardly have regarded the threat to his government as drastic. Otherwise he would surely have urged Mr. Cato's instant return, before realising that the coup had been foiled.

And what of the Prime Minister? The personal adulation which he receives from so many of his followers would certainly have brought him rushing home to reassure them if he had regarded the situation as serious.

It looks as if the powers-that-be themselves must have had scant regard for the purpose, determination and revolutionary acumen of the five mysterious men!

All this leaves us to believe that the question, Where was Mr. Cato when a coup threatened the country? Is not really relevant. The leader of the government would surely have been here to bolster the courage and provide the confidence needed by a people under such circumstances.

In this case the Prime Minister was at one with practically all Vincentians. He had no fear for their safety or the integrity of his government.

Of course we are delighted that whatever happened to prompt Mr. Tannis' address to the nation was not drastic enough to produce fear. This, and the Deputy Prime Minister's avowal of his fatih "in the right of the press to free association and the right to publish freely what it wishes critically and uncritically of the government" have buoyed our confidence. On the one hand there is no danger at the moment of an undemocratic overthrow of the government, on the other hand the press has received a direct promise that it will not be censored in the performance of its duty.

CSO: 3025/19

UPM HOLDS FIRST CONGRESS SINCE ITS INCEPTION 2 YEARS AGO

Kingstown THE VINCENTIAN in English 28 Aug 81 p 3

[Article by Ted Roberts]

[Text]

Last Sunday the United people's movement held their first Congress in their two years of existence in the Political area as a Party. It took place at the Memorial Hall

At the Congress, five persons were honoured, namely: Carib Chief - Chatoyer. Capt Hugh Mulzac. Samuel 'Sheriff' Leis - hero of the 1935 Uprising; Dr. Ronnie Saunders - Poet Dramatist, and George Mc Intosh. Dr.Ralph Gonsalves

declared in the opening session it was the duty of the Party to note and honour prominent persons who have made a meaningful contribution to our society.

Party Chairman Oscar Allen, in his oening remarks , welcomed partymembers and supporters for their contribution to the challenge to the decaying system of Government that existed." He said thatit is the voice of the people that will determine the position of our country. Allen noted that everyone has a chance to make a contribution. He urged, the members to fight the good fight in thenational interest and commit themselves to the struggles, of the party."It is a congress of struggle unity and progress," he said, andsuccess could only be achieved by the unity of forces among the masses.

Solidarity messages came from local, regional and international organisations who all pledged their support in strengthening the efforts of the UPM.

General Secretary Renwick Rose read the report of the UPM National Executive

The report noted that a crucial moment exists in the country and the people are faced with bitter struggles against depression and injustice.

Rose said in an economic review(of the country) that a "Coamouflage castrophe" is existing.

He admitted that some economic growth had been achieved, but the Government was still incapable of sitting up a proper plan, or structure for the economy. He noted that the Government still import more than the y export, thus creating an economic depression.

He claimed that production was failing rapidly in the agriculturalsector and that there was no progress in the fishing industry and very little in thePrivate Sector. The Diamond Dairy Co. and the Sugar Industry were under tremendous pressure and have so far been a liability to thecountry Rose said. He declared that there was an excessive amountof tax increases and deplored -use of tax payers' money.

TheUPM official said that the Labour Party is steadily coming under intense pressure and noted a decline in party membership.

The Government will never eliminate the problems of unemployment because of their Anti-democratic policies Rose declared cited as an example the Public Order and Public Safety Bills. He said that the U.P.M. will never allow the Cato regime to encourage terrorist acts by way of a "Mongoose Gang" or Tannis' phantom Coup

Also, in his report, he observed that the Richmond Vale Estate Workers' strike action had suffered because the forces mobilised to strengthen their efforts had been insufficient.

The report criticised Government policy towards the police, and theLabour Party's record of management, especially in times of disaster. He referred to the pension allocated to politicians after only two terms,and described the Russell-Calder Williams Parliamentary agreement as an opportunistic one, Rose claimed that while the other oppositionparties may have Paliamentary representation, the U.P.M. would striveto control the people on the streets. In closing he declared that his partyhad not misled the people since its formation and that it would continue progress among the masses

CSO: 3025/19

BRIEFS

RELATIONS WITH TAIWAN--St. Vincent and the Grenadines will establish diplomatic relations with Taiwan at non-resident Ambassadorial level. This was agreed at Cabinet on 14th August. Acting Prime Minister Hon H.K. Tannis said that according to Rt. Hon. Prime Minister Milton Cato, very useful, fruitful and beneficial discussions have been held with the Taiwanese officials. Mr. Cato and party returned to St. Vincent early this week. [Text] [Kingstown THE VINCENTIAN in English 21 Aug 81 p 3] Kingstown, St. Vincent, Saturday (CANA)--St. Vincent and the Grenadines is to receive technical assistance from the Republic of China in the fields of agriculture, fisheries and light industries it has been officially disclosed here. The official release said that in this connection a team of Chinese officials and experts will be visiting St. Vincent shortly. Last month, Prime Minister Milton Cato paid official visits to North Korea and Taiwan, at the invitation of their respective governments, during which he signed bi-lateral agreements. It is expected that those governments will provide assistance in the fields of agriculture, fisheries and light industries. [Text] [Bridgetown SUNDAY ADVOCATE-NEWS in English 13 Sep 81 p 3]

CSO: 3025/19

EDITORIAL CALLS FOR CARIBBEAN SUMMIT FOLLOWING ELECTIONS

Port-of-Spain TRINIDAD GUARDIAN in English 2 Sep 81 p 8

[Editorial: "Full Speed to Caricom Summit"]

[Text]

BACKING by a Cabinet-appointed committee for the call by the Demas Committee on Caricom strategy for the 1980s for an early meeting of the Caricom Heads of Government should garner full support from the majority of people in our West Indian family.

For years this newspaper has been consistently requesting the various Governments to come together in this way and we believe the request had become so disconcerting to the late Prime Minister that he was moved to do and say certain things.

He initiated and defended the principle of bilateral arrangements between this country and certain other West Indian countries and also developed with his Government's backing a list of criteria to be applied in providing technical and financial assistance to other members of the West Indian family.

Even this we heartily welcomed but, in our view, such arrangements were never a satisfactory substitute for meetings and consequent exchange of views among WI Heads of Government.

PROTOCOL

It would seem that the most propitious time for the meeting would be within the first three months after the Trinidad and Tobago general elections, a period which would give the new government time to identify the issues and develop its views.

The collation of any agenda for the Caricom Heads of Government must always be a matter of give and take if we are to avoid the spectacle of seemingly interminable discussions of trivia as well as insoluble matters.

High on the list, however, should come in any case certain issues, for instance, the role and development of the University of the West Indies, the need for study and possible establishment of a West Indian Court of Appeal, the need for revision and improvement of the Caricom protocol and development of ongoing economic initiatives, the study of regional defence and security, the development of procedures affecting the movement of currency and of our people

regionally which will promote neighbourliness and economic benefits, and the establishment of a programme for the co-ordination, if necessary, of a regional foreign policy.

Fears have been expressed up and down the Caribbean about the fate of the University. If isolation is allowed to seep into the conduct of its affairs when different governments are pursuing different patterns of development, the lesser developed countries may well find their interests disregarded. We think the Heads of Government can best set such fears at rest.

The study of the West Indian Court of Appeal idea would necessarily involve looking at the cost and benefit of the objective as well as inviting the Heads of Government to consider certain diplomatic niceties.

Immediately, there come to mind the position of Grenada and the wisdom of setting a precedent, whatever action is taken.

Grenada is most definitely not being administered according to the rule of law.

In these circumstances, the first order of business would be to encourage Grenada to return to the rule of law before the Spice Isle can participate in any West Indian Court of Appeal, assuming a decision is taken to set up such a potentially useful regional institution.

With rumours of attempted coups and imminent invasions flooding the region at this time, the question of regional defence becomes another urgent matter for discussion.

No doubt as we get nearer the reality of holding the conference matters of equal or greater importance will suggest themselves and enough regional discussion should arise to persuade the Heads of Government about merits for their inclusion in the agenda.

As firm believers in Caribbean integration, we welcome the response from the Trinidad and Tobago Cabinet committee and we look forward to prompt support from other Caricom partners. So much has happened within and without the Caribbean that urgently demands a united regional approach and opinion and we believe a Caricom summit could not be called too soon.

CSO: 3025/20

CORRESPONDENT DESCRIBES NATION'S PRE-ELECTION ATMOSPHERE

Bridgetown CARIBBEAN CONTACT in English No 5, Sep 81 p 5

[Text]

WRITING from Port-of-Spain on the possible outcome of the election, Correspondent TONY FRASER filed this report:

The possible outcome of the election?

A sizeable proportion of the electorate of this oil-rich Republic is steeped in the political culture created by the PNM. This has had a kind of anaesthetic effect on Trinidadians, who have become numb in the face of the PNM Government's history of mismanagement of public funds.

The many charges of corruption, graft and nepotism, have been a permanent feature of PNM reign. But no one of note has yet been brought to justice.

The non-functioning of the public utilities is a standard joke among citizens. Just before the death of Dr. Williams, the middle-class professionals took to pounding the pavement outside Parliament. One group was pressing its claim for recognition as the industrial unit to bargain for all teachers, while doctors and nurses protested the horrible conditions that exist at the nation's hospitals.

Agriculture has continued its downward plunge in the absence of any serious concerted effort geared towards agricultural development, while the food import bill grows by the millions.

The state of housing is just as scandalous. Ordinary middle-class units cost TT$ 120,000 (US$1 = TT$2.40), while rent on apartments average $800 to $1,000 a month. The prospect for the worker in the lower income group of acquiring his own home is simply dismal.

Taken as a whole the government's economic bluprints have failed to work or have not been implemented, and the economy continues to be plagued by runaway inflation as the government spends millions on unproductive welfare in a bid to appease those who are left out of the National Patrimony.

In spite of all this, and the fact that since the general elections of 1961, the percentage of voters who have chosen to exercise their franchise has gradually diminished to the point where only 28 percent of the eligible electorate voted for the PNM in 1976.

The opposition parties have failed for twenty-five years to create a viable alternative as they dissipate their energies in sterile internecine struggles among themselves.

The tenuous nature of the three-party alliance has done little so far to excite the imagination of that segment of the electorate on the lookout for change. As individual parties they have little chance of drawing support on a national basis. And there is a real possibility of the ULF losing ground to the ruling PNM in its traditional strongholds.

Support for NJAC is very likely to be of a sectional nature insufficient to put it into office.

ONR with its US-style campaign, is striving to attract those disgruntled members of the 1956 National Movement, all the while dragging the country back into neo-colonialism. It is being freely rumoured that this party is favoured by forces in the USA.

CSO: 3025/20

BRIEFS

LOAN TO CARONI--The Government proposes to grant Caroni Ltd another $100 million. The money is to be used to cover the first two years, 1980 and 1981, of the recently negotiated wage agreement with the All Trinidad Sugar and General Workers Trade Union. The Finance Committee of the House of Representatives is to be asked at a special meeting tomorrow to approve the loan to the company. The overall wage bill for the three year period is $210 million and Cabinet has agreed that the $100 million would be paid out of the Participation in Commercial Enterprises Fund. If approved by the Finance Committee, the loan will fetch 6 1/2 per cent interest per annum for 25 years, with a five year moratorium on capital repayments. Last week, it was announced in the House that the company had lost $299.5 million between 1975 and 1980, and the total for 1981, is estimated to be $338.6 million. [Excerpt] [Port-of-Spain EXPRESS in English 6 Sep 81 p 3]

MAHABIR ON POLITICAL AIMS--Port-of-Spain, Trinidad, Thursday (CANA)--Energy and State Enterprises Minister Errol Mahabir has said he is not involved in any struggle for the leadership of the ruling People's National Movement (PNM). Mr. Mahabir, one of two deputy leaders of the party and a long-standing Cabinet Minister was commenting on charges that supporters had been seen wearing t-shirts stamped "Mahabir for Prime Minister." Making the accusation was Deputy political leader of the Organisation for Nation Reconstruction (ONR) Surujrattan Rambachan, who claimed to have seen the shirts at a meeting of his party. Mahabir said supporters of his attended the meeting which was held in section of the Southern Trinidad constituency he represents in Parliament. "I am involved in no struggle for Prime Minister. I have not laid down any conditions for anybody and the alleged jerseys are a figment of a malicious imagination," Mr. Mahabir said. The energy Minister said he was not yet ready to say whether he would be a candidate in the next elections which Prime Minister George Chambers must call this year. He has been under some pressure from his wife to quit. Mrs. Mahabir made public her dislike of her husband's participation in politics in an interview with the EXPRESS newspaper. However, his constituents are reportedly keen on him running again. [Text] [Bridgetown ADVOCATE-NEWS in English 18 Sep 81 p 3]

CSO: 3025/20

LUSINCHI DISCUSSES AD PRESIDENTIAL ELECTION

Caracas EL NACIONAL in Spanish 21 Sep 81 p D-12

[Article: "A Government with Major Political Backing Is Established in Venezuela"]

[Text] Barquisimeto, 20 Sep (special)--"In Venezuela there are no plans for creating a government of integration. Here we need a government with major political support and I believe that Democratic Action [AD] enjoys it and will secure it in the coming presidential elections of 1983." This was asserted here at a press conference held in this city's central office of AD by Dr Jaime Lusinchi, the party's national secretary and the presumed presidential candidate of that political organization.

Dr Lusinchi made the statement in referring to other declarations by the national secretary general of COPEI [Social Christian Party], Dr Eduardo Fernandez, to the effect that it would be very appropriate to arrive at a dialogue with Democratic Action to reach an agreement for the complete fulfillment of the government program in the next constitutional period.

"The observation of Dr Fernandez is interesting in the sense that a coincidence of goals may be reached in fundamental projects for the country and we would have no objections whatever to participating in the launching of some programs. However, to go from there to achieving an identity of government programs is not possible because it presupposes a program with an ideological content which would never coincide. However, I am not familiar with the parameters of the formula suggested by Dr Eduardo Fernandez even though any position of Democratic Action will have to be decided by the party's CEN [National Executive Committee] because it is my understanding that what would be involved would be issues not merely of a programmatic but also of an ideological nature. There can be agreements between the two major parties to undertake projects of major national interest but it must be very clear that in Venezuela it has been shown that it is possible to govern without Democratic Action but not in opposition to Democratic Action," Jaime Lusinchi noted.

AD's national secretary general, who was accompanied at the press conference by members of the regional CES [?CEN] headed by Dr Guillermo Luna, later referred to internal matters of the party in regard to the selection of the presidential candidate and he said that a study is being made of the proposed changes in the bylaws in which criteria for the selection of the candidate and the date when this will occur will be set up.

"I sincerely and unquestionably believe that it is indeed necessary to promote such a process because the party additionally has many tasks to accomplish and these cannot be further postponed. Furthermore, there is a nearly universal agreement among the party leaders at all levels who feel that we must accelerate this process of the selection of the presidential candidate because we cannot afford the luxury of waiting any longer," Dr Lusinchi asserted.

2662
CSO: 3010/11

AD LEADER INTERVIEWED ON PARTY'S POTENTIAL CANDIDATES

Caracas EL NACIONAL in Spanish 21 Sep 81 p C-1

[Interview with Jose Angel Ciliberto, executive secretary of the National Executive Committee of Democratic Action, by Alfredo Pena: "Even If CAP Runs for Secretary General I Will Vote For Manuel Penalver"; place and date of interview not given]

[Text] Jose Angel Ciliberto left AD [Democratic Action] while he was undersecretary general of that party. Betancourt was at the head of the government at the time, and Ciliberto together with Raul Ramos Jimenez, Jose Manzo, Elpidio La Riva Mata and others of his companions founded AD-OP [AD-Opposition], in other words, the opposition party. The old guard was left with AD-GOB [AD-Government], the government party. Later Ciliberto campaigned under the orange-colored banner. Then came the hour of his return. He returned to the maternal fold and is now executive secretary of the CEN [National Executive Committee (of AD)].

Today, Ciliberto proclaims his undying friendship with Betancourt, Barrios and Perez. He admits that there may be certain differences of opinion among them, but insists that a social democratic split is not in the cards.

Our interlocutor is fully seasoned politician. For his AD capers he suffered persecution, torment and exile. Presently, he is closely linked to Jaime Lusinchi and is undoubtedly giving him his full cooperation. Some say he could become the AD candidate's campaign manager if Lusinchi were finally to be named the party's candidate. It will not be easy for him to capture that eagerly sought-after spot, which will be doggedly fought for by orthodox and heterodox figures alike among members of the party leadership.

[Question] Although all of you deny it, the confrontation within AD between Betancourt and Perez can no longer be kept a secret. It came into the open again recently when one of them publicly supported Penalver's candidacy and the other that of his opponent. How can this rivalry for the leadership be prevented from leading to another split-up of the party?

[Answer] I am not aware that Carlos Andres Perez [CAP] opposes Manuel Penalver's aspiration--certainly a very legitimate one--to becoming the secretary general of

AD. But in any case, assuming the validity of what you are telling me and admitting the fact, which it is, that Betancourt supported Penalver's candidacy, I must say the possible existence of different views does not mean--in any way whatever--that a confrontation exists between these two great leaders of the party. Nothing is involved that could lead to a split-up of the party.

[Question] The fact of the matter is that differences definitely exist--and very serious ones--between Betancourt and Perez. When a dispute centers between leaders of a party, the party's unity is unavoidably placed in jeopardy.

[Answer] Even admitting that there could be some differences with respect to specific problems being faced by AD, I can assure you that these could never lead to a party schism.

[Question] The report of the Ethics Commission on President Perez's conduct is common knowledge. We know that the Congress--by a margin of one vote--absolved him. Now Pinerua has again pointed up the Sierra Nevada matter and says that it is hardly one to be ashamed of.

[Answer] What occurred with respect to the purchase of the Sierra Nevada cannot fail to deeply shame any Venezuelan who feels concern for the decent handling of public matters. But this in no way means that ex-President Carlos Andres Perez soiled his prestige and his honor in the entire proceeding of the Sierra Nevada purchase. When Luis Pinerua says that in the next AD government there must be no repetition of cases like these, he is referring to all the manipulation there has been around a case that is still pending in the courts of justice. Carlos Andres Perez--in the proceedings of all the state bodies having competency in the matter--came out clear of all administrative and ethical wrongdoing in the purchase of that ship. Pinerua did not want to implicate Carlos Andres Perez in that dirty business. Neither AD's finding nor that of any of the party's leaders can supersede the common-law findings of the Venezuelan state's judicial system.

[Question] Only a very short time ago, Pinerua said he had not lost the election by way of the primaries and warned that the governments of France and Costa Rica had lost because of acts of corruption.

[Answer] I cannot deny that in Carlos Andres Perez's administration there were cases of corruption. This is a blemish on Venezuelan public administration. What I could never accept is any charge that President Perez as a governing executive was corrupt. That is an offense no AD member can tolerate toward one who is a leader and head of state whom history will eulogize for his work of a sociopolitical nationalist nature. And as of today, in the COPEI [Social Christian Party] administration, corruption is rampant. This, however, would not for example lead me to say that President Herrera sponsors the corruption or is himself corrupt.

[Question] Was Pinerua a good candidate or a bad one?

[Answer] Pinerua was a good candidate. And I am convinced he would have made a good president, a better president than a candidate.

[Question] I think Perez has said he would not have lost that election...

[Answer] I don't know... I do know that Pinerua was a good presidential candidate.

[Question] Had the candidate been Perez, would the outcome have been the same?

[Answer] I believe it would have been. To analyze the causes of that defeat would be very time-consuming... But the circumstances involved were many. Our policy of alliances was a failure. There was no reason to create unnecessary adversaries.

[Question] Like which ones?

[Answer] I would have liked for Dr Villalba to have been on AD's side.

[Question] How do you feel now, you backers of Lusincha, about being backed by people who always opposed you within the party?

[Answer] We never had any ideological or doctrinal differences with our colleagues.

[Question] Only a very short time ago, in the fight for secretary general, did Pinerua oppose your group?

[Answer] He did not oppose Jaime for secretary general.

[Question] Did he support him?

[Answer] He voted for him.

I Did Not Consult Dr Barrios

[Question] You spearheaded a split-up of AD. Then you returned to it and were closer to Perez than to Betancourt. Now, it seems that you are close to Romulo and distant from CAP.

[Answer] Together with other colleagues we led the split-up into AD-GOB and AD-OP. That was a mistake. We never differed on the doctrine and the principles of the party. On that occasion we dissented over certain governmental decisions because, in our opinion, they were contrary to the party's essential doctrine.

[Question] An example?

[Answer] The alliance with COPEI. That party is AD's historic adversary.

[Question] Does Betancourt think the same?

[Answer] I do not know... I am expressing my own thoughts.

[Question] It is said that Romulo is unforgiving toward those who have left the party. Do you think he has forgiven you?

[Answer] I don't know... I know President Betancourt quite well and I consider myself his personal friend. I have seen nothing on his part to indicate that the regard he has always had for me--testimonials of which I certainly cherish in the form of very gracious letters, documents and dedications of his books-- has changed.

[Question] And as for President Perez, whom you also opposed at the time of the split-up, do you think he has forgiven you?

[Answer] I am a very good friend of ex-President Perez. I defend his performance in government and have been his close collaborator. The position I took was politically based; I never broke off my friendship with the leaders of the party. At my family reunions, even though I was outside the AD-GOB, my old friends were always my guests.

[Question] Were Betancourt and Perez present at that time at those reunions?

[Answer] Yes, they were.

Neither Gumersindos Nor Diegos!

[Question] The labor section backed Lusinchi on condition that he back Penalver. It made very clear its position that if Jaime reaches Miraflores he is to have freedom of action only in the handling of international and military matters. Now, Pinerua says that in that government there will be no place for Diegos or for Gumersindos. Another reproach toward President Perez...

[Answer] The only political leader present not belonging to the labor section when the labor delegation came to announce to Jaime Lusinchi its decision to him was I. At no point was any such give and take introduced into the discussion. The backing of Jaime and the statement by Manuel Penalver of his aspiration to be secretary general coincided, and that was all there was to it. What was in fact discussed with regard to the conduct of the presidency by the candidate, our next president certainly, Jaime Lusinchi, was how he is to fit his governance in office to the party platform. I am in agreement with that. The political responsibility for public administration rests with the governing party. A division within the governing party, finding its policy not being rightly interpreted or actualized by the one who in its name governs the country, results in a real let-up in party discipline, dedication and popular prestige.

[Question] Did such a division exist during President Perez's governance?

[Answer] No, it did not exist, but AD would have wanted a more active direct participation in certain policy decisions made by President Carlos Andre Perez.

[Question] And why does Pinerua say that he is determined that in a Lusinchi government there will be neither Gumersindos nor Diegos?

[Answer] That is the view of my friend and colleague Pinerua, for whom I sincerely have a high regard , but which I am not in a position to interpret and/or analyze. You would have to ask him what he had in mind with his reference to Diegos and Gumersindos.

[Question] Would you be in agreement with there being Diegos and Gumersindos in Jaime's government, were he, of course, to win the election?

[Answer] I know many friends of Dr Lusinchi named Diegos and Gumersindos. And I would have no reservations about his, Venezuela's next president's, using them in his administration.

[Question] Are you referring to Diego Arria and Gumersindo Rodriguez?

[Answer] Not exactly to them...

[Question] It is with regard to them that Pinerua warned...

[Answer] He did not add any surnames to those names.

[Question] It is entirely obvious...

[Answer] It is you who say that, not I.

CAP and Penalver

[Question] How would you see David Morales Bello as secretary general of AD?

[Answer] I don't see him..., because he is not a candidate for the secretaryship. The secretary general of the party will be Manuel Penalver.

[Question] And what if President Perez were to sponsor David's candidacy?

[Answer] He would have to compete with Manuel Penalver.

[Question] And what if President Perez were himself to run for secretary general?

[Answer] I do not believe that one who in AD holds the hierarchical position of ex-head of state, a much higher political position than that of secretary general, would want to step down from that status.

[Question] But if CAP were to run, would you vote for him or for Manuel Penalver?

[Answer] I would vote for Manuel Penalver.

[Question] Persons very close to Lusinchi are saying that you will be the campaign manager. Dou you think the candidate will place that trust in you?

[Answer] That is a decision Dr Lusinchi must make. I am his friend. I will work in any spot in which I am placed. Venezuela desperately needs that the election be won by AD and that the president of the Republic be Jaime Lusinchi.

[Question] Gonzalo Barrios is seen as a leader who in AD brings about understanding and harmony. He is seen as being centrally positioned with respect to the differences between Betancourt and Perez.

[Answer] Gonzalo Barrios succeeds in everything he undertakes. Even beyond the supposed differences between Romulo Betancourt and Carlos Andres Perez, he has always been a cohesive element, a conciliator and a political and intellectual leader within the party.

[Question] Why was Gonzalo Barrios unsuccessful in persuading you not to leave and divide the party?

[Answer] Perhaps if I had consulted Dr Barrios on the decision I took at that time I would not have chosen the road I traveled.

[Question] Romulo Betancourt says he has no blood bond with Carlos Andres Perez. Do you think he does have one with Gonzalo Barrios?

[Answer] I don't believe so. Between figures of that stature there can be no blood bond, because that would mean an identity of views, of likes and dislikes, decisions and even mannerisms.

David Must Remain in Parliament

[Question] If Jaime Lusinchi were to become president of the Republic, what role would you assign to David Morales Bello?

[Answer] I cannot talk for Dr Lusinchi.

[Question] And if Jaime were to ask your advice?

[Answer] I would say David must continue in Parliament because there can be no doubt that David is an excellent parliamentarian.

[Question] In the fight for the presidential candidacy, Carlos Andres Perez has proclaimed his neutrality, yet on David's campaign staff one finds the figures

most closely linked to the ex-president, including his wife, Blanca, who is with the legal expert.

[Answer] I honestly believe that in the campaign for the AD presidential candidacy President Perez has been scrupulously neutral. The fact that his highly esteemed colleagues are backing David Morales Bello does not mean that Carlos Andres is backing that candidacy. No one doubts the political gravitational force of President Perez in his home state. There not a leaf stirs but Perez wills it. The Tachira Sectional Executive Committee has endorsed Jaime Lusinchi's presidential candidacy.

Caldera and Lusinchi

[Question] You have expressed your belief in polls. Let us take a look at the latest results. Winners: AD and Caldera; losers: the government, COPEI and Lusinchi.

[Answer] I will take for granted what you say about the results of the poll. Jaime Lusinchi is as yet not AD's official candidate. Dr Caldera has been COPEI's candidate since the day Luis Herrera Campins took office as president. The COPEI candidate has been able to utilize his international investiture to create for himself a world standing. He comes across as a person far removed from the inoperativeness and nonsense of the government. When AD comes forth to remind the people of the Caldera government's performance in office and demonstrates clearly that he is responsible for this national disaster, Dr Caldera's candidacy will founder. Dr Caldera has a choice of two roads, neither of which will lead him to victory: He must either come right out into the open and say the the government is no good, or he must stoically accept the regime of Luis Herrera. As regards the polls, Caldera has now reached a plateau; for months he has remained at a level of 35, 36 or 37 percent. On the other hand, Jaime Lusinchi--who started at zero--is already nipping at Caldera's heels. Once Jaime has been vested with the AD candidacy and the party as a whole turns its attention toward winning the election, I am certain he will reach twice Caldera's percentage figure.

[Question] This was once a nation of caudillos; now it is a clearly presidentialist country. Now that Venezuelans must choose on the basis of the talent, honesty, wisdom, credibility and experience of two men who aspire to command the ship of state, why should they opt for Lusinchi and not for Caldera?

[Answer] For two reasons: 1) The country has already tried Caldera, who is unquestionably a COPEI caudillo, and come out the the worse for it. 2) It now has the option of trying out a team player. Jaime has neither the claim to nor the requisites for being a caudillo. Jaime is the expression of the AD collective leadership's political will to transform and renovate. Therein lies his success within the party and his future success as a candidate for president of the Republic. Jaime is the expression of a strong desire to renovate the party and reaffirm AD's popular image. He will turn in a governmental performance in complete accord with the dictates of conscience demanded by a country in the full process of political, social and economic development--that is, the New Venezuela.

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END

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BRIEFS

FUEL PRICE REDUCTION--Yesterday the government, through a decision adopted by the National Economic Coordination Council, authorized the reduction of the prices of gasohol and premium gasoline by 10 guaranies per liter. The measure will be enforced in the entire local market and will affect products processed by Paraguayan Petroleum, Inc (PETROPAR). [Asuncion LA TRIBUNA in Spanish 6 Oct 81 p 9]

HYDROCARBON EXPLORATION--Yesterday afternoon the minister of public works and communications, Gen Juan Antonio Caceres and Finance Minister Gen Cesar Barrientos signed a contract for the prospection, exploration and exploitation of hydrocarbons in the western region of Paraguay--covering more than 2,060,000 hectares--with the Piper Oil Company. The agreement provides for a 4-year term for prospecting and exploring, which can be extended for 2 more years. It provides for a 40-year period for exploiting the petroleum which is found. The firm is to invest $2 million for exploration in the first 4 years, and if the contract is extended for 2 more years, it will invest a further $1 million. [Asunction PATRIA in Spanish 27 Sep 81 p 4]

CSO: 3010/69

PERU-BOLIVIA SIGN AGREEMENT FOR BILATERAL COOPERATION

Lima EL COMERCIO in Spanish 20 Sep 81 p A-4

[Text] In Lima yesterday the governments of Peru and Bolivia, represented by their ministers of industry, adopted the first steps to achieve a stronger tie in the development of their economic programs.

In a joint statement signed by Minister Roberto Persivale Serrano for Peru and Minister Edgard Millares for Bolivia, they emphasized the need to encourage the formation of binational enterprises in different economic and production sectors.

They also stated the desire to expedite customs on both sides in order to facilitate commercial trade.

The document also refers to the urgency of organizing lumber and fishing complexes for a rational and planned exploitation of these resources.

There is also a need to encourage the agroindustrial programs in the respective areas in order to place the greatest quantity of food on the markets at prices within the reach of the majority.

The joint statement was signed during what has been called the "First Peruvian-Bolivian Meeting of Ministers of Industries," part of the reactivation of the Andean subregional process.

After the agreement was signed, Minister Persivale stressed that the Peruvian constitutional government and its president want integration. He also stressed the need for closer relations with Bolivia.

Edgard Millares indicated the scope of the document signed with his Peruvian colleague at this first meeting and also spoke out for more direct air traffic between La Paz and Cusco.

The Bolivian minister also advocated improvement of the Ilo-Desaguadero highway.

In other statements, Millares said that when he met with President Belaunde, he expressed some common problems of both countries as well as his satisfaction in the way the Andean process was being reactivated.

Bilateral Meetings

Minister Persivale announced that more meetings will soon be held at this level in the different capitals of the member countries of the Cartagena Pact.

There will be meetings in our capital between Peru and Ecuador and between Bolivia and Colombia in La Paz. He explained that they will provide new incentive to the integration process and improve its mechanisms.

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CSO: 3010/20

BRIEFS

INDUSTRY MINISTER OPENS ALADI MEETING—Last night Roberto Persivale, minister of industry, tourism and integration, opened the first meeting of high-level government delegates from the member countries of ALADI. Representatives of the 11 member countries attended this meeting of the rejuvenated integration organization, the first since the historic meeting in Montevideo last May to evaluate and change LAFTA to ALADI. Minister Persivale said that this meeting is important because it will define the corrections needed in the earlier integration plan which became inoperative because of the mechanisms that only permitted bilateral negotiations. The minister asked the delegates present to work hard and achieve the common objectives because integration is necessary for the progress and development of our peoples. He also pointed out that Peru has been chosen as the site for this first meeting of high-level government experts after that transitional stage when the Latin American countries reaffirmed their desire for integration. The Lima meeting which will last until next Saturday elected Jorge Vega Castro, head delegate from Peru and vice minister of integration, as president of the meeting. The vice presidents were the delegates from Mexico and Paraguay. As was reported in Lima, the member countries of the Cartagena Pact will present a joint position, establishing criteria, scopes, procedures and tasks to incorporate multilateral negotiations in the new ALADI. [Text] [Lima EL COMERCIO in Spanish 22 Sep 81 p A-3] 7717

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MALVINAS INVASION REPORTEDLY CONSIDERED IN 1978

PY112030 Buenos Aires HERALD in English 11 Oct 81 pp 3, 13

[Article from the "Politics and Labor" column by James Neilson: "Invertibrate Politics"]

[Excerpt] According to Admiral Massera's mouthpiece Cambio, in 1978 the admiral had proposed a military invasion of the Malvinas/Falklands "to accelerate the diplomatic negotiations." The operation was, however, shelved, perhaps because rumors of it had leaked out and Britain would have had time to send some of those very wicked warships it possesses into the zone. A surprise invasion would meet no resistance at all: the British garrison could be fitted inside a black Maria. A preannounced invasion's fate would depend on just how much damage Britain, a nuclear power which even in decadence has very sharp claws, would be prepared to inflict on an otherwise reasonably friendly country in a quarrel over some islands the foreign office desperately wants to discard in a dignified fashion. Just why that dispute was thought "intolerable" in 1978 is a matter for speculation. Perhaps, after finishing off the Montoneros, the ERP, and anyone who seemed connected with them in any way, the admiral was looking for new worlds within this capacity to conquer. Perhaps, as a military man, he wanted to solve the problem in a purely military style. Perhaps he wanted to distract attention from the "dirty war," which was not doing the regime's reputation much good, or the economic situation. Maybe he will tell us one day.

As it happens, even without Massera's naval talents being employed the Malvinas tug-of-war is going this country's way. The foreign minister, Oscar Camilion, was plainly encouraged by what Lord Carrington said to him a couple of weeks ago and he is convinced that new talks on the subject will start before the year's end, which is less than 3 months away. Britain is plainly aware that this is one it cannot win so the intelligent thing is to cut its losses. One of the principal obstacles, of course, is that the government here is an unrepresentative dictatorship with a somewhat grim reputation in Europe—it is not merely "right-wing" but it is also white, which puts it beyond the respectable pale. (If Viola were to rub boot polish on his face and to start reciting the Marxist litany, progressive opinion would oblige Britain to hand him the islands within a week). But as there is no prospect of a placid democratic government taking over here for some time to come the Brits will just have to deal with the government there is.

CSO: 3010/61

'LA NACION' ON AL-SADAT AFTERMATH

PY091738 Buenos Aires LA NACION in Spanish 8 Oct 81 p 8

[Article from the "National Politics" column: "Al-Sadat: Local Repercussion"]

[Text] The assassination of al-Sadat has given top priority here to comments on the consequences of the crime for world peace.

The more intellectual ones have wondered whether we are not at last facing another Sarajevo. The death of Archduke Ferdinand, [head of] the throne of Austria, in Serbia, was the drop--the drop of blood--that prompted the first great war in 1914.

The ordinary man, who does not know about this and other stories, is, however, aware of the extremely serious level of current international tensions. He also knows that it will be very difficult not to be influenced by a conflict between the great powers, if such a conflict suddenly breaks out as a result of the Middle East situation.

The pictures published in yesterday's papers and the television pictures sent by satellite have dramatically and instantaneously drawn the ordinary man close to the bloody attack which ended the life of a leader who was full of courage. These pictures have made him feel that he is also a part--although anonymous and helpless--of the tragic course that humanity's fate has been following in recent years.

But not everything can be seen clearly. There are also heavy shadows blinding the eyes of those who follow the course of world events and who try to reflect on them based on the Buenos Aires perspective. Nobody, not even the most experienced observer, could say that he has no questions to ask regarding the interpretation of the Argentine official position in the face of the Middle East crisis. After the cruel crime Foreign Minister Camilion said al-Sadat "has been a symbol of peace, harmony and dialogue for the benefit of his people." However, few issues of Argentine foreign policy have raised more controversy in official circles lately than the invitation extended to Argentina in the name of al-Sadat by the Egyptian foreign minister for Argentine troops to participate as overseers of the actual and total Israeli withdrawal from the Sinai peninsula.

The communists have undertaken the task that was objectively most advantageous to Soviet interests, and they have attacked with all available means Argentina's active participation in that issue, which concerns the Camp David agreements between Israel and Egypt. But the communists have not been alone. The lack of resolution—which broad Argentine political and military sectors show when a specific decision must be unhesitatingly made regarding foreign policy issues—has hampered, at least in the beginning, al-Sadat's desire. This symbol "for peace and harmony" that was al-Sadat, wanted we Argentines to cooperate in implementing a solution that had been agreed upon concerning the future of Sinai.

Like in several other issues, the responsibility for this hestiation rests not only on the government, but also on the military junta. In other words, the two of them share the responsibility, as in any other delicate government issue—ranging from the economic area to individual guarantees. This is so because the difference between the actions that each one of them performs—one of them governs and the other one supervises—is purely theoretical and it appears only in the written statements of the current institutional system.

Here we now face the loss of another valuable man where the overall political interests of the world to which we genuinely belong, are concerned. We voice our "deep pain" over the assassination of a man who has unhesitatingly been referred to by President Viola, in an official statement, as a "statesman." Yet we do not know what measures we could take in keeping with the alignment of our foreign policy to counter the gangs which are justified, supported and protected by the Soviet Union and its allies.

We will be flying our flag at half mast for 5 days as a testimony to our grief for the Egyptian tragedy, but we will surely continue adopting a timid policy toward the PLO and the Arab countries which oppose a definitive peaceful settlement between Israel and Egypt. The fact that some of the subversive groups operating in Argentina have been trained in the military training camps of those Arab countries seems to be a matter of little importance. This situation is countered by several arguments. One of them is that the influence which is exercised by the numerous Arab, African and socialist countries at international forums is a matter of genuine interest for our country. Another argument is that we could spoil the dream of good petrodollar investments in our country. We should not forget that the team of advisors to the president includes one who is an expert in those issues. [Not further identified]

As for the first argument, instead of worrying too much about the adverse result that such an international vote may have, the process ought to worry about the respect for individual rights and guarantees in our country. In other words, instead of paying attention to the good will of madmen like al-Qadhdhafi, the process should care for the deep significance of protests like the one staged the day before yesterday by practically all Argentine lawyers in support of the restoration of the full enforcement of the law.

As for the second argument, we can say frankly that potential investment in Argentina by one or two multimillionaire sheiks involves the situation which has most closely resembled in recent years the famous sale of a streetcar to a

provincial newcomer in Buenos Aires [a traditional swindle]. And this does not mean that, between coming and goings, the negotiators involved may not make sizeable earnings.

It is commendable that Foreign Minister Camilion, who has just made successful trips to the Vatican and to the United States, be present at al-Sadat's burial in the name of the Argentine Government. It would have been as much or even more commendable if the president had undertaken that mission. But no formality will be enough to make up for the ambiguity involved in the fact that we continue as members of a bloc [nonaligned] which is by chance presided over by the Cuban dictator, where some of our fellow members are the main countries involved in the search for the treacherous methods and ways aimed at wrecking the western world.

Getting over the Argentine policy will not be easy at all. It will require the correction of the course to which the opinion of the military has been committed and it will demand a reformulation of the position of the political parties which have a significant following in our country. Those parties have opposed Argentina's agreement to the request made by al-Sadat concerning the Sinai affair. Have they done so because al-Sadat did not represent well enough the desire for worldwide peace and harmony in the world?

CSO: 3010/61

FOREIGN MINISTER PLEDGES RETURN TO DEMOCRACY IN 3 YEARS

PY101151 La Paz Radio Illimani Network in Spanish 0000 GMT 10 Oct 81

[Text] Relay for Bolivia from the 36th session of the UN General Assembly. (Jorge Reiner) reporting.

The Bolivian foreign minister, Gonzalo Romero Alvarez Garcia, has just delivered a speech at the UN General Assembly. In his speech he noted that the world's security is precarious because of frictions between the great blocs. He noted that these frictions are increasing day by day.

The Bolivian foreign minister reviewed the present situation of international affairs and noted the presence of colonialism in Latin America.

[Begin Romero Alvarez recording] We also express our wholehearted support for Argentina in its demands over the Malvinas. [End recording]

Foreign Minister Romero Alvarez Garcia also requested the resumption of negotiations [over the Malvinas] and noted the need to achieve regional agreements for the just exploitation and trade of resources. He added:

[Begin Romero Alvarez recording] We must note once again that the present international economic order is based on colonial and neocolonial attitudes which have been categorically condemned throughout history and that there are still those who want to perpetuate it. But it is obvious that if peace is to be achieved in this world we must first enforce justice and establish a new international economic order that must prevail in the relations of all countries in the world.

We must, therefore, lift protectionist barriers and avoid the practice of dumping, a measure through which some developed countries use their non-commercial reserves to cause the artificial collapse of prices of certain basic products. This is what Bolivia has periodically experienced regarding tin. [End recording]

The law of the sea is an issue of extreme importance for Bolivia, and therefore it is concerned over the deadlock in the negotiations that have been taking place since 1974 and which it was hoped would end in 1981.

[Begin Romero Alvarez recording] We regret that the long and fruitful debates aimed at achieving an international agreement regarding the new law of the sea

have been discontinued just before they were advancing to an end. We hope that those who had experienced circumstantial difficulties in achieving this agreement are now able to make their position compatible with the general interest of these negotiations which, because of their nature are of international importance.

Like other gifts of nature, the sea is inherent to the power, freedom, well-being and destiny of all peoples and it is also the common patrimony of all humanity. [End recording]

Then the Bolivian foreign minister dedicated a passage of his speech to Latin American integration.

[Begin Romero Alvarez recording] Bolivia, which is located in the heart of South America and which has been at the crossroads of continental history, has fulfilled an important role in Latin American integration in keeping with its tradition and good will. Bolivia's territory extends from the River Plate basin to the Amazon River basin and to the coast of the South Pacific. In addition to being a territory that links many regions, Bolivia is, therefore, an area inevitably influenced by issues inherent to the geopolitical balance of the continent.

In keeping with this integrationist tradition, Bolivia is an active member of ALADI [Latin American Integration Association]; the Andean Pact; the Amazon Cooperation Treaty; the River Plate basin; URUPABOL [Permanent Joint Commission of Uruguay, Paraguay, and Bolivia] and other integration organizations. But it is obvious that since these regional and sub-regional integration agreements have been established in keeping with our aspiration to achieve the development of our countries, they do not tolerate any ideology that will violate the principle of nonintervention in the domestic affairs of other countries or their pluralism, which are basic to achieving international coexistence. [End recording]

[Begin Romero Alvarez recording] I wish to mention once again at this exalted forum the landlocked situation which Bolivia has been enduring for a century now, and to make a call for international solidarity toward the quest for a peaceful solution capable of fulfilling Bolivia's inalienable and permanent right to recover its captive outlet to the sea.

Maintaining this unfair situation, taking into account the moral and material damage which it inflicts upon our people, is tantamount to maintaining a degree of tension in the area which could jeopardize Latin America's peace and security.

Bolivia's demand for a geographically connected sovereign sea outlet without any territorial compensations has received considerable support; among them is that voiced by the 9th OAS assembly. [End recording]

Further on, Gonzalo Romero Alvarez Garcia said that in 3 years his government would return to the path of democracy.

[Begin Romero Alvarez recording] The current landlocked situation of the country is hampering its overall development. Because of this, as well as other temporary reasons, we are facing economic and financial problems which give rise to social frustration that in turn lead to political unease. Recently we experienced

certain institutional upheavals, which have been overcome without bloodshed thanks to the patriotism and calmness of the armed forces and the maturity of the people.

A firm government with considerable prestige now rules the nation. Public order prevails in Bolivia and the right to work is being guaranteed. We believe that the people, the Bolivians are the leading actors of national history and that the human element is the nation's most valuable asset. In this regard, every activity of the state and every effort at developing the economy is aimed at the well-being and fulfillment of the persons.

Within the framework of this great political project that is heavily social-oriented, the Bolivian working class--peasants, miners and city workers--is ranked very high. Both public freedoms and the essential rights of man are being respected. There are no political prisoners in Bolivia. A special UN envoy will pay us a visit in response to a spontaneous invitation issued by our government in order to see for himself the peaceful, free and secure atmosphere which the Bolivian people carry out their activities.

On behalf of our government, we can announce that within 3 years Bolivia will return to the path of democratic institutionality. [End recording]

The foreign minister also discussed drug addiction.

[Begin Romero Alvarez recording] So as to protect the moral standards of our people and to fulfill the universal desire to eradicate drug addiction, our government is currently conducting a difficult but unfaltering struggle against clandestine manufacture of narcotics and their criminal marketing. [End recording]

The Bolivian representative concluded his speech by saying:

[Begin Romero Alvarez recording] Bolivia, a landlocked nation, wishes to reiterate its faith in justice and in this international organization as well as its conviction that evils like war, poverty and discrimination will be defeated one day thanks to our spiritual strength and universal solidarity which is our hope for progress and peace. Thank you. [End recording]

CSO: 3010/69

LIBERAL PARTY CAMPAIGN HEATS UP, FORMER PRESIDENTS ACTIVE

Three Barco Books Published

Bogota EL ESPECTADOR in Spanish 3 Sep 81 p 19-A

[Text] The last three books by candidate Virgilio Barco will be presented by the Carlos Valencia Publishing House at a ceremony to be held in Casa de Moneda today at 1900.

Prominent figures in politics, industry and literature will attend the ceremony. Publisher Carlos Valencia and the author, candidate Virgilio Barco, will be the speakers.

The first of the Barco books is titled "Economy, Planning and Social Policy." It is a collection of technical essays written by Barco during past years and others of more recent date.

The second book, "Party Struggle and International Policy," contains speeches and documents of the last 30 years, during which Barco has been the protagonist and participant in important political events. This volume also contains a collection of writings on the participation by the candidate in various international missions and his opinions on the border controversy between Colombia and Venezuela.

"Administrative Action" is the title of the third book and it contains a review of the activities by Barco in the various public posts he has held throughout the 35 years he has served the country. Prominent in it is the work he performed as minister of public works and of agriculture, city magistrate of the capital of the republic, international diplomat and official in the World Bank and as a member of several important missions abroad.

Barco Movement Issues Statement

Bogota EL ESPECTADOR in Spanish 16 Sep 81 p 11-A

[Text] The headquarters of the Barquista Movement yesterday issued a document in which it establishes the position of Liberalism with respect to the convention to be held in Medellin on Saturday.

The text of that statement is as follows:

Upon his arrival in the country at the end of October last year, Dr Virgilio Barco said that before speaking of presidential candidacies the greatest importance should be given to the reorganization of the party which is underway; that the Liberal Party should acquire an awareness of the need for it and for its unity as a majority and governing party and in view of the problems of the world and nation which become more serious every day. He also said that he considers the formula of a direct election in the selection of the party candidate for the Presidency of the Republic as excellent and that he was willing to submit his name for public consideration under such a procedure if it is adopted within the framework of the organization the party is creating for itself.

Liberal Organization Process

The Liberal organization process was begun when the former presidents, together with the National Liberal Leadership of that time, sent an important message on 25 July last year in which they traced the bases to be submitted to the consideration of the Legislative Board. Those bases were approved unanimously by the Board and in compliance with them the process of organization the convention was accelerated, convention which met in December of that same year to approve the rules of the game for the selection of a single candidate of the party for the Presidency of the Republic and for the election of new leadership.

Exceptional Leadership

Liberals of all shadings joyously received the acclamation by the convention of 13 December of the names of former Presidents Lleras Camargo, Lleras Restrepo and Lopez Michelsen to make up the new party leadership and to lead the process which should conclude in the convention to be held 19 September this year in Medellin. The satisfaction of the Liberals at this decision derived from the fact that the destiny of the country was being put in the hands of the highest figures of the party, beyond personal ambitions, as the result of impartiality in the candidacy process. The three men had repeatedly expressed their opposition to reelection and there was even the precedent that Dr Lopez Michelsen, as president of the republic, had presented a bill to Congress forbidding it.

As a result, the former presidents came to insure compliance with the rules of the game, full guarantees for all who would want to forward their names for consideration by the party, the preparation of a program in which all sectors will participate and the selection of a presidential candidate representing an authentic unity. In this manner, Liberal policy would be free of confusions and errors and, therefore, of surprises and advantages for some of the contestants. On 2 July 1981, Dr Alfonso Lopez declared in Armenia: "I am a member of the National Leadership of the Liberal Movement responsible for helping his party by contributing with his neutrality in matters of candidacies. I do not know how there can still be people who believe that I can take advantage of a position within the National Liberal Leadership to obtain advantages of any type."

This would be the only way to insure the holding of a Convention, whose decisions are heeded and respected unanimously by the party and which would select a candidate who would not arouse resentments or oppositions in some sectors and lead them to withdraw from the debate or not give the necessary help for the victory of the Liberal Movement.

Reelection Hinted

The Liberals began to note how this action of neutrality was deteriorating in the degree that one of the members of the leadership was indicated and pushed by his political friends as a possible party candidate despite the repeated declarations by former President Lopez that he would not be a candidate and that he was not in favor of reelection. On 9 April 1981, Dr Lopez, when asked about the proposing of his candidacy, maintained that "it is a very wornout subject." However, on the 22nd of that same month he compared his position toward candidacy like that of the "15-year-old, who despite the fact that she is not in love must accept a suitor because of pressure from her parents."

Withdrawal of Lleras Restrepo

This change of position began to have its effects and former President Lleras Restrepo withdrew from the Liberal Movement leadership for the express purpose of recovering his freedom of analysis of public and party problems. In the exercise of this freedom he has said that a period as dramatic as that which began in 1942 and ended in 1946 could begin for the Liberal Movement, with the added aggravation that in his opinion the party today is more confused and less dynamic than at that time.

Request for Definitions

Former President Lleras Camargo tried to clear up this ambiguous situation of the supporters of reelection and in an editorial in the daily EL TIEMPO he asked former President Lopez for a categorical definition as to the objectives of his political followers, which had not been very well explined in an interview granted a few days previously by Dr Lopez.

As far as former President Lleras Camargo is concerned, it was obvious that the nomination of Dr Lopez could only be accepted if he withdrew from the leadership and went through all the formalities required for nominees pursuant to the norms established by the last convention. He said at the time: "The campaign for reelection, apparently against the will of Dr Lopez, would nullify the good and great efforts by the National Leadership to defend the legitimacy created by the last convention and would encourage the conviction among the supporters of that policy, and among its opponents even more, that the game had been played with marked cards and, unequivocably, new candidates from everywhere, except from the National Liberal Movement, would appear to be taken to Medellin."

Self-Serving Interpretation

The reply to this request for an urgent clarification of Liberal policy was the rejection by a group of senators in a message in which they declared "The convention was sovereign and had no other restrictions than those it established itself through a decision of the majority of its members, and the convention which approved the rules and elected the leadership did not create, nor could it do so, inelegibilities or disqualifications of any type." Moreover, they considered the petition a veto and defended the autonomy of the Regional Conventions convoked for the election of delegates and proclamation of nominees, and freedom of the National Convention to select the best suited candidate without any interference of any type.

Disintegration of the Leadership

Former President Lleras Camargo, in view of the lack of definition of such an important matter, resigned from the leadership in a letter dated last 17 August because his presence in it would be uncomfortable for him. It is to be supposed that it would also be uncomfortable for former President Lopez, who in turn considered that it was a matter of a threat to "force me to make a decision which only concerns the Party Convention, the only authority which can offer me the candidacy or offer it to the signer, who independently considering interests which are higher than his own, can either accept it or refuse it."

Violation of Bylaws

When the leadership disintegrated because of the withdrawal of two of its members, the Central Political Committee had the specific mandate of Article 37 of the bylaws for immediately convoking the convention to fill the vacancies. The article states specifically: "In the case of an absolute lack, the Central Political Committee shall convoke the National Convention to extraordinary sessions so that it may elect the new leadership. It is understood to be an absolute lack in the Plural Leadership when only one of its members is in the exercise of his post." Everything indicated that the proper thing to do was to elect a new impartial and legitimate leadership which would preside over the process of selection of the presidential candidate until the convention and during its deliberations. The committee, giving a lax and excessive interpretation to the bylaws, became the leadership on its own and labeled the Medellin Convention as "extraordinary." It could have very well, if the spirit of maintaining impartiality had existed, remitted the problem to the Board of Legislators, which on many occasions has appointed the leadership of the party, or it could have postponed the Medellin Convention or held it in two phases.

Actions by Virgilio Barco For Unity

In view of the dangers which these events represented for the unity of the party and the success of the Medellin meeting, the legislators who support the candidacy of Dr Barco issued a statement in which they rejected the procedure used by the Central Political Committee and issued a warning on the subject.

Subsequently, Dr Barco, in a message dated 29 August, addressed the same political commission and once more pointed out the irregularities that were being presented emphasized that the victory of the Liberal Movement next year depends on unity, a good program and the fervent enthusiasm which can be awakened in the Liberal masses so that they will mobilize around the great interests of the country and the party without reticense or misgivings among persons or groups. In that message he requested that the committee grant an audience to a delegation from his movement which would consist of Senators Jaime Posada, Enrique Pardo Parra and Jaime Vidal Perdomo and Representatives Pedro Martin Leyes and Julio Cesar Sanchez, so that a study can be made of the way to return credibility to the rules of the game of the convention, in large part lost, an agreement on some procedures that will insure full safeguards for all sectors, and seek to make the Medellin Convention fully successful, not only within the framework of its deliberations but in the broader sense of national support for its decisions.

Explore New Avenues

The delegates of Dr Barco carried out his instructions of asking whether the political committee was willing to explore other avenues for restoring the impartiality of the process which would insure participation of public opinion in the selection of the candidate, and the preparation of new guidelines which would be a proof of guarantees for all sectors of the party in view of the fact that the rules of the game had been undermined by events which are of public knowledge and of unquestionable evidence. They also asked the committee that other procedural aspects aimed at guaranteeing the success of the convention be examined.

The proposals made by the delegates of Dr Barco received a negative reply in all their aspects. First, it was answered that it was impossible to call a Convention before 19 September and, second, it was said that any initiative must be presented to the consideration of the National Convention.

Lopez Michelsen Letter

The dialog which had been initiated in the first meeting was cancelled by the unfortunate missive sent by former President Lopez Michelsen dated 7 September, which is a list of many complaints and is a real rejection of the efforts at Liberal unity.

In the letter, its author already speaking as a chief of a group and a nominee and with a tone used by the majority of the members of the Political Committee, introduced elements of discord difficult to overcome.

In the first place, he decided to give a self-serving interpretation to the candidacy of Dr Barco, presenting it as something without support within the Liberal Movement and arbitrarily calling it a "hammer against the political country," knowing full well that such candidacy has broad popular backing, which was proved by public demonstrations and opinion polls, and knowing full well also that it has the support of important political leaders in all regions of the country and a considerable number of delegates with the right to attend the Medellin Convention.

On the other hand, using the terms employed by Dr Jorge Eliecer Gaitan 35 years ago, but with an entirely different perception, he tries arbitrarily to pit the Liberal political class, who are members of the movements of all the nominees, against the national country, from which nothing other than confusion and antagonisms, which will make difficult the good progress of the party and the nation, can result.

The letter by Dr Lopez also poses an unacceptable position because he withdraws his name prior to any possible popular election and denying to the Liberal Movement the right to analyze--in view of his new aspirations--the actions of government and the advisability of reelection.

Finally, it must be pointed out that the aforementioned letter shows a lack of consideration and fairness to former Presidents Lleras Camargo and Lleras Restrepo, which does injury to the liberal sentiments because the party respects their illustrious lives and fully recognizes the great service they have performed for the people and republic for more than 50 years of effective and clean public life.

Proposal for a Great Accord

Despite that the delegates of Dr Barco insisted on the need for promoting a great accord, with the cooperation and encouragement of the Political Committee, before the convention so as to reestablish trust in the liberal organization and they said that in order to study that accord an attempt will be made to obtain the collaboration of the former presidents and if necessary that of the president of the republic himself, Dr Turbay Ayala. This was not favorably received by the members of the Political Committee either.

The neutral sector of the party, which according to the words of its members "is not an option for competition but a diligent action for promoting cordiality and liberal good sense," has in turn made some important efforts to save the process of unity, which have also been ignored. One of its members has responded intelligently to the reelectionist arrogance saying: "We liberals must beware of a passive division" and a "damaged candidate," taking into consideration that the convention nominates the candidate but the president of the republic is elected by the Colombian majorities and that a lack of consensus on the management of the convention would cause a part of liberalism to abstain from voting and from helping to make a success of the presidential mandate.

As a consequence, due to the moral conviction we have that the procedure for impartially selecting the candidate of Liberalism to the presidency of the republic has been changed, the name of Dr Barco, who will moreover be absent from the Medellin meeting, will not be presented there as a candidate and no one is authorized to present it.

The promoters of presidential reelection, who violated the rules of the game, must fully assume the responsibilities of the convention, whose results will be in keeping with the will and objectives of one sector of the party.

Once the Medellin Convention is over, Dr Barco will gather the representatives of the forces which have stayed with him in the campaign to study and decide on the way the movement will advance with a view to insuring that Liberalism will have the right to express itself freely with respect to the presidential candidacy of the party, on reelection and with respect to the campaign for forming the collegiate bodies. Bogota, D.E. 15 September 1981.

Barco's Letter to 'Neutrals'

Bogota EL ESPECTADOR in Spanish 16 Sep 81 p 11-A

[Text] Dr Virgilio Barco Vargas yesterday sent a message to the neutral legislators, whose text is as follows:

Bogota, D.E. 15 September 1981

Honorable Senators Jorge Tadeo Lozano, Guillermo Plazas Alcid and other members of the neutral group.

City,

Distinguished fellow party members and friends:

I answer your esteemed communication of yesterday and in doing so I wish to express my appreciation of your praiseworthy attempts to secure for Liberalism the ideal means for overcoming the crisis which affects it.

As can be seen from the contents of your important document, the process followed for organizing the party and preparing it for the electoral contest of 1982 today appears perturbed and confused. For myself, I have been participating in the field established for competing for the liberal candidacy, subjecting myself strictly to the standards established with persistent good faith. At no time, however, have I set aside the concept that the controversies of the competition are subordinated to the high interests of the party and primarily its unity. This area, whose deterioration deeply concerns you, has been, and continues to be the guiding light of my actions and statements.

Thus, through delegates from my political movement, an insistent demand for obtaining a political accord which would remove interference from the internal process and reestablish Liberal credibility at the party convention was sent to the Political Committee after the disintegration of the National Liberal Leadership.

The majority decision by the Central Political Committee did not allow the possibility of that accord. On the other hand, the 7 September letter from Dr Alfonso Lopez Michelsen has placed a categorical opinion of Liberal division in the path of the convention. Moreover, in the letter the writer has decided on the limits of the competition and the Liberal people are given restrictions on the contenders. Such antecedents and conditions become difficult barriers to the praiseworthy objectives of the neutrals.

My decisions, and those of those who have been sharing this campaign with me, continue to be guided by an intransigent aspiration for Liberal unity and an overwhelming party victory.

Accept my cordial expressions of friendship and esteem. Virgilio Barco.

Lopez Nominated by Liberals

Bogota EL TIEMPO in Spanish 20 Sep 81 pp 1-A, 15-A

[Article by Gabriel Gutierrez: "Lopez, Candidate and Only Chief"]

[Text] Medellin, 19--Former President Alfonso Lopez Michelsen tonight accepted the presidency of Liberalism when he was elected by the party National Convention, which met after two days of intensive work and great controversy.

"A candidate once more, I place myself under the sponsorship of Antioquia just as it happened to me in the 1973 Convention when I attended with the delegates of the mountain in representation of the municipality of Concordia," said Lopez in his acceptance speech.

He indicated that he fully accepts the task given him by the convention and he said: "I will go out, not only to defend my name as an inspiration, but to defend the legitimacy of this assembly."

The candidate set himself the initial and priority task of seeking Liberal unity and said that "I make an invitation to unity, an invitation I extend equally to the highest personalities of Liberalism, the natural chiefs and the rank and file." Lopez also proposed a "truce" in the ranks of Liberalism while the campaign for legislative elections is promoted "and then the waging of the presidential campaign with all vigor." The holding of the convention was preceded by an entire day of intensive political maneuvering in the Intercontinental and Nutibara Hotels. There was even the posing of a difficult situation when the sector headed by nominee Alberto Santofimio Botero threatened to withdraw from the contest.

Espinosa and Santofimio, the Chiefs of the Debate

The Santofimio adherents conditioned their presence at the convention to the election of a new DLN [National Liberal Leadership] (without giving full powers to Lopez as was suggested by other sectors), the inclusion in it of Dr Santofimio, the creation of the new Central Political Committee and the voting of the popular election as the first item of the agenda.

After many meetings and goings and comings of the negotiators, an accord was sought through the direct mediation of former President Lopez Michelsen and deliberations took place at the exhibition center under a strong guard of secret and uniformed agents.

At the last moment, a hard line headed by Jose Name Teran and German Bula Hoyos made its appearance in the Santofimio sector, a group which asked for certain conditions for prior agreements on different matters.

Here there was great regret that nominee Virgilio Barco was not present and it was said by several delegates that if he had come things would have been different as in the case of popular election, theory which at a certain time appeared to have a good number of votes.

The convention was called to order by former President Victor Mosquera Chaux after 1700. Former Minister German Zea was acclaimed chairman of the contest by a prior agreement. The convention brought together around 450 delegates from the entire country in representation of the various Liberal factions.

By invitation of important legislative delegates, Senator Augusto Espinosa was responsible for proposing the presidential candidacy of Dr Lopez Michelsen. Espinosa said that he did not propose his own candidacy for consideration and that in turn he asked his friends and other delegates at the convention to support Lopez Michelsen.

The New Government

In his speech, former President Lopez Michelsen said that he hopes the next government will be "a bridge between the present version of democracy and a full democracy; they are alternatives and options without conditions." [as published]

As to what his style of government would be, Lopez indicated that greater autonomy will be given to the work of the ministers and he said: "There will be a change of tutelage toward powers and persons who for many years led us by the hand." With respect to the program, he emphasized the conquest of peace, jobs and the struggle against concentration of wealth by the financial sector.

Lopez said he has won the presidential candidacy, not as a common ambitious man or through deals, but because the people saw in him the best choice of the moment. He said: "In the highly improbable case that in the March elections the number of voters who oppose me justifies my withdrawal, I will not hesitate to support Dr Barco or anyone."

In his 13-page speech, former President Lopez replied to EL TIEMPO for the publication of several editorials and he added that the general climate "is not proper for adding an escalation of insults within Liberalism."

Position of Groups

Before the holding of the convention the various sectors attending it established their positions:

The Barco faction decided to cast blank votes for the presidential candidate, repeated its support for President Turbay and demanded firm action in favor of unity "without boastful winners or excluded losers."

The Espinosa faction faced an internal difference and while some asked for the election of the DLN at the convention, others demanded full powers for Lopez. The majority of them were also against popular election [of candidates].

The Santofimio faction was always ready to vote in favor of popular election and to present the candidacy of Alberto Santofimio at his request. This faction conditioned its presence to the assurance that popular election of candidates would be voted upon, the election of the DLN and the change of the Central Political Committee either by the convention (improbable) or by the legislative board.

Some of the neutrals were in favor of popular election and others were not. As far as candidacies are concerned, many preferred Lopez and a small group preferred Santofimio. Some neutrals wanted their mediation work to show up in the makeup of the DLN.

Finally, the Lopez faction was in favor of giving full powers to the former president so that he could name the leadership of the party and it was against popular election, whether or not Dr Lopez Michelsen advocated it here today as he did in his Isla Arena letter.

Barco Followers Vote Blank

Bogota EL TIEMPO in Spanish 20 Sep 81 p 15-A

[Article by Leonel Fierro: "Barco Faction Votes Blank"]

[Text] Medellin, 19--The Barco faction cast blank ballots during the presidential candidate elections.

That position was decided in a document read by Minister of Foreign Affairs Diego Uribe Vargas and signed by Abelardo Forero Benavides, Armando Rico Avendano, Jose Guerra Tulena, Carlos Martin Leyes, Alvaro Perez Vives, Hernando Turbay Turbay, Gerardo Leon Peedroz, Pedro Martin Leyes, Julio Cesar Guerra Tulena, Luis Pupo, Julio A. Hernandez and Guillermo Cuy.

The text of the statement is as follows:

"The undersigned delegates to the liberal convention of Medellin wish to repeat once more the urgency of the unity of the party as the only guarantee of victory in the presidential elections of May 1982. [This must be] a unity, which respecting the various sectors of the population, achieves the united action of Liberalism without discriminations in the defense of its programs and ideological platforms and the determined support of the work of the present government headed by Dr Julio Cesar Turbay Ayala.

For several months, we who sign the present statement have enthusiastically supported Dr Virgilio Barco Vargas as a guarantee of a victory for Liberalism. Th personality of Dr Barco has been emerging as one of the statesmen with the most profound knowledge of the national and international situation, as well as the leader who has surrounded himself with Liberals of all strata and whose style and vigor guarantees full compliance with the social and economic programs of the party.

In the past hours Dr Virgilio Barco has publicly declared that he will not present his name for the consideration of the Medellin Liberal Convention and that he will not authorize his supporters to do so either. In view of this circumstance, those of us who are supporting his candidacy can find no other solution than that of casting blank ballots when we are asked to vote for the selection of the candidate. Such an action is a new homage to Dr Virgilio Barco and his eminent figure as a Liberal leader.

We have come to this convention with the objective of defending the unity of the party, contributing to its internal harmony and maintaining the institutions. We interpret in that way the feelings of all the Liberals, who view with horror the prolongation of a division which could very well poison spirits and make them willing to engage in irrevocable confrontations.

If the Medellin Convention decides to proclaim a presidential candidacy, we hope that conditions can be established which will make possible the cohesion of all the people to support it and insure his victory without boastful winners or excluded losers. We understand that during the campaign, which now begins for finding the support of public opinion for the Liberal candidate, it will be necessary to spare no efforts for acquiring the support of the people and obtain the best conditions for success. For that objective, whether it be during the elections for creating the public corporations or through whatever authentication instruments may be established, we shall always be at the service of unity and of everything that means the survival of Liberalism in power."

Press Comments on Nomination

Bogota EL TIEMPO in Spanish 22 Sep 81 p 9-A

[Text] The press throughout the country reacted in various ways to the selection of former President Alfonso Lopez Michelsen as the presidential candidate of Liberalism.

The newspapers stated their positions in editorials which appeared yesterday, two days after the selection of Lopez at the Medellin Convention. Some excerpts of those editorials appear as follows:

EL ESPECTADOR, Liberal, of Bogota

Editorial titled "After the Fair." "We have nothing to add for our readers [apparently a line was dropped at this point] since none of the usual considerations in politics affect us so that we have to praise the candidacy of Dr Alfonso Lopez Michelse, approved by the Lopez-favoring Medellin Convention. There is no doubt that there was a quorum present there and that he won more than enough of the votes required. However, that is not our point as persons who fulfill the duty of uttering opinions, whether the powerful like it or not. Historical errors do not always depend on majorities or minorities. The majorities may be mistaken and the duty of commentators is to say so. However, in Medellin within the recent 'philosophy' or 'strategy' of the winner, the criterion of the club, guild or union of the professional politicians won over that of service to the Colombians.

"...We are not public relations sponsors or agents, nor do we manipulate anything in politics. We report with truth and we comment with freedom. Those present at Medellin made a mistake with Lopez, that is the main thing, almost the only thing, that we should say today. As journalist we have the right to minimal safeguards for which we are ready to fight, and we shall do so, even if the case were to appear in which the struggle becomes unequal because of the arrogance of power and arbitrariness. Even in democracies as mature as that of the United States the institutional controls fail and it is then, as happened at Watergate, that newsmen are the promoters of justice and the moral demands of society. That is what we want to be and that is why you must not count on us to be part of the chorus."

EL SIGLO, Conservative of Bogota

Editorial: "The Candidacy of Lopez." "Liberalism has resolved the problem of the presidential candidacy. We do not know whether for good or evil. Perhaps no one knows because in the ranks of this party opposed opinions are also resounding. Some think that the only selection possible was made and others believe that a historical mistake has been made. The arduous polemic this process of selection has aroused had no convincing elements for these unprepared opinions. It is possible that those who were not involved in the political game today think the same as they did from the beginning.

"...When it was noted that there were serious reservations of a moral order among the top Liberal echelons, the candidacy of Dr Virgilio Barco was favored. The strategists of that candidacy did not note that one after the other the anti-Lopez and anti-Turbay elements were coming to that conclusion. At a given moment, without trying, that banner acquired a challenging meaning for the political class which today controls Liberalism.

"It is possible that this may have been the reason for the failure of Dr Barco, not only, as is said, because that candidate lacks oratorical skills or because he unpardonably failed to take advantage of the marvelous opportunities given to him to express an opinion. Dr Barco showed a great fear of committing an error, which let him to propose nothing at any time; he did not commit himself to any theory and he never expounded any ideas. This was an excess of prudence which left him with only the halo of being a good man."

"...We shall oppose the candidacy of former President Lopez Michelsen, as we did 7 years ago. The only thing is that then we only supposed that his way of governing would be inadequate for obtaining the development we proposed and now we know it from experience. The great transformation the country needs was at no time a matter of concern for the Liberal spokesmen of the various factions. The result obtained does not mean anything for the future unless it is the compilation of averages obtained on the basis of the performances of the last two administrations, which gives a very low coefficient and which makes it impossible to base any illusions on it."

LA REPUBLICA, conservative, of Bogota

"The Squall of the pro-Lopez Convention." "The comedy of manipulations and fake decisions ended Saturday night in Medellin, as had been foreseen. The final results were characterized by the prattle of a late night malevolent tango with deceived swains, calculated felony and many melancholy frustrations. By itself the pro-Lopez assembly was the most obvious demonstration of the chaotic and lamentable situation which today afflicts the government party."

"...Under those circumstances, which obviously contain a serious threat to the country, the national candidacy of Belisario Betancur will perforce gain strength and a final direction before the conscience and clear vision of the Colombians.

At this crucial moment it is a patriotic duty, in view of the national emergency and as an elementary movement of defense and sense of self-preservation, to support without vacillations the broad principles which Dr Betancur has been tenaciously preaching throughout the country. He is a candidate free of hates, with a clean and tranquil record of struggle and service to the country."

EL MUNDO, Liberal, Medellin

"The historic National Liberal Convention culminated happily with the election of Dr Alfonso Lopez Michelsen as the official candidate for the presidency of the country, the appointment of the leadership for Liberalism and the approval of the ideological platform with which the party will enter the electoral contest and which will be their program after the victory."

"...However the Liberal Party has managed to put things in their place with the Medellin Convention. The elected candidate has all the qualities for performing the task of president with more than enough competence. He is an experienced statesman, profoundly aware of the country's problems, obviously intelligent and with an irreducible will to serve. The platform required of him by Liberalism when it chose him as its decisive card in its aspirations to govern is the result of a long discussion initiated at the beginning of the year with the "Preamble to the Liberal Forum" as a guideline, which resulted in specific ideas proposed in the six forums held."

EL PUEBLO, Liberal, Cauca Valley

"Heading Toward the Future" "With the candidacy of Dr Alfonso Lopez Michelsen, the leadership of the debate in the hands of Alberto Santofimio Botero and Augusto Espinosa Valderrama and the new three-member leadership of the party made up of Abelardo Forero Benavides, Victor Mosquera Chaux and Gustavo Balcazar Monzon, the union of the absolutely majority forces of Liberalism was stamped and sealed at the Medellin Convention.

"We cannot hide the satisfaction we feel at having been the first to proclaim Lopez even when there were still certain vacillations and when some still harbored doubt and discouragement. We had the authority born of the respect we always had for Drs Santofimio and Espinosa, two outstanding values of Liberalism, the former being the victim of an ignoble persecution and the latter now on the pillory of the media for being steadfast and loyal to this party."

Lopez Letter of Acceptance

Former President Alfonso Lopez Michelsen declared he accepted everything pertaining to Liberal policy and issued the following document, which he wrote last weekend in Cartagena:

Doctor Victor Mosquera Chaux, Gentlemen members of the Political Central Committee, Colombian Liberal Party

City

Dear fellow party members and friends:

Some weeks ago in Bucaramanga, when the National Liberal Leadership elected in the last convention had not yet disintegrated, I allowed myself to say with the approval of the legitimate authorities of the party, that what was losing for Liberalism was not so much division as confusion. I wish to repeat this diagnosis once more, pointing out certain facts from whose evaluation beneficial results may be obtained on the path to casting light on the present policy. It is of public knowledge that as of years past to the present an abyss has been dug between the leaders of the Liberal Party in the regions and the directors, editors and columnists of the capital's Liberal press. Generically, those who do not agree with the initiatives orientations and antipathies of this media are labeled "the political country" and "patronage seekers." All those who second the media objectives are exempted from all antagonistic epithets even though they belong to the same class. It also happens that those who have a column in those publications and are, or were, in turn part of that so-called "political country" use them to promote their legitimate aspirations or their disillusions, downgrading their recent colleagues because they are part of the detestable legislative class.

It is an old squabble, with which I have nothing to do because, as the country knows, my late-coming political activity had little to do with conventions, lists or public employment in reaching the objectives of my political thinking. I arrived, 15 years after Dr Virgilio Barco, to the House of Representatives as a dissident, without a share of power of any kind for my followers, proscribed by an iron curtain which shut off our access to the press and television so that we could express our dissent.

I still recall with tenderness the obligation imposed on me in some television program to submit to censorship beforehand and my presentation was restricted to the origins of the flowers of the Bogota Savannah.

Upon my arrival in government, just in case some do not remember it well, I was labeled a "technocrat" and a "bad friend" because I placed the state above my feelings and did not choose my advisers with the criterion of "patronage." I am, therefore, by nature and background, alien to that squabble which has become aggravated with the years between the so-called "political country" and the "national country." Despite everything, I cannot ignore the services to democracy, the country, Liberalism and its leaders of bygone days by the regional leaders, who with their activity and self-sacrifice have maintained the values of our political and cultural heritage.

The candidacy of Dr Virgilio Barco, appearing originally from the editorial offices of a local newspaper, from the beginning was one of the banners of confrontation to which I am referring. Welcomed by some sectors of the party, I myself viewed the aspirations of Engineer Barco with support since I had already hinted at such a candidacy on previous occasions. I had shown my trust in him by appointing him to the first among the embassies of the country and I, in turn, owed him many favors such as his help in my presidential campaign. I have no rivalry of any kind with Dr Virgilio Barco and, on the contrary, there are many who have joined his movement: former ministers, former ambassadors, former governors, former officials of my administration and, at the same time, some close friends who supported his candidacy after they learned in advance, directly and personally, that I had no intentions of running for reelection. As I recalled in recent statements, I asked them to go with the candidate they liked, who generally was Dr Barco. One single example proves that I had no presidential ambitions. Contrary to the story disseminated, according to which President Turbay was the remote agent who caused the resignation of Dr German Zea Hernandez so that he would be available, withdrawing from his post before the deadline for his ineligibility arrived, it was some of my friends who requested him to do so in view of my refusal to be a candidate for the presidential nomination.

I have not sought any candidacy and if those who dislike me do not know it from me personally, it is because usually one is closer to ones friends than to his enemies.

As everyone should remember, the Barco candidacy, used as a "hammer against the political country" within the context I have pointed out, did not "catch fire," did "not take off, did not prosper," or whatever you may want to call the lack of enough support in the activist world of Liberalism. His first sorties were not fortunate either. He became the captain of minority sectors which took advantage of Barco political gatherings to insult the leaders of the regions.

The concept that he was not "taking off" became generalized to the extent that there were rumors that President Turbay was secretly the author of the electoral freeze that was noted and when he made statements that he would be pleased to see the acceleration of the candidate selection process, its lack of success was attributed to the advantage enjoyed by Dr Santofimio and, finally, to a lack of definition of the undersigned, as if true prestige grew or declined because there were still third parties who could overshadow him. Obviously, the candidacy of Dr Alberot Santofimio Botero began gaining force. He became, until the elections ordered by the Council of State for the department of Bolivar, a source of serious concern for the Liberal leadership, who were receiving the most alarmist reports on the course of his struggle against his opponents who supported the National Liberal Leadership. I then explained in Armenia that the advantage of Dr Santofimio Botero over his opponents was due to the fact that none of them yet had the appearance of a candidate but rather that of a nominee and I said his numerical superiority was insured as soon as Dr Barco and Dr Espinosa became official candidates. The rest is known by the country. It was demonstrated in Bolivar that neither the smoothness nor eloquence of Dr Santofimio is reason enough for ignoring the political class, whose services to the community maintains loyalties which are almost impossible to replace between the voters of each party and their traditional spokesmen. The natural resistance of the politicians to a candidacy emerging from among their permanent critics and in some cases from their

unsuccessful rivals, suddenly polarized as support of my candidacy without my seeking it. It was an elementary phenomenon of self-defense against the division between the regional leaders and the media, which says it speaks for a national country and indiscriminately condemns regional leaders who do not follow their line but who have served the cause of our convictions for 30, 20 or 10 years.

My name emerged, not because I performed any type of maneuvers or because I was a "hidden" candidate, in the dark, crouching, awaiting the moment to jump into the arena. Paradoxically, not 6 months after I left the presidency, at a banquet for 250 people in Cucuta, the possibility of my candidacy, which I declined, was mentioned for the first time. My name has been mentioned, despite my constant refusals, in all surveys for three years now, as a possible candidate against official candidates and obviously with highly unfavorable numbers compared to those who had already made a decision to be candidates, primarily Dr Barco, who some considered the favorite of the National Liberal Leadership. When the regional conventions met last year, I learned at the last moment about the intention of proclaiming my name at the Valle de Cauca Convention, the department which casts the most Liberal votes in the country, and in the late hours of the morning I had to seek those involved in that objective to dissuade them from that endeavor. The same thing was about to happen in several departments of the coast. That situation changed radically some weeks ago when I was invited to clarify positions and the interviewer himself declared that the manner in which I focused on the problem of my refusal was not satisfactory. Unfortunately, I am accustomed to writing my political documents personally despite being fully aware of my rhetorical shortcomings.

In Mexico, the candidate selected in a conclave of the president in office and the former presidents who are members of the government party, is called "hidden." Truly a great effort of imagination and confusion is needed to describe the name of whoever arises from the hinterlands against the candidate of the press and the former presidents, who has been kept in the show window for more than a year as if he were an official candidate, as "hidden."

I say all this to reaffirm to the members of the Central Political Committee, as I have already done privately to some of you, that I have no advice to give you with respect to the recent threats by Dr Virgilio Barco and his friends, nor am I thinking of participating in the Central Political Committee, as I have been doing since the session in which I informed you of your duties as a provisional leadership of the party, nor do I aspire to preside over the National Convention of Medellin if the party bylaws could grant me such an opportunity, rather I intend to leave it in the hands of the former presidents who attend, beginning with Alberto Lleras. It is all the same to me, as long as it contributes to unity, whether the vote is secret or public, whether there are public and private sessions, as I proposed in view of the disintegration of the leadership; whether a joint committee is created for the distribution of ballots; whether the convention is postponed or advanced; whether a popular plebescite be held for the selection of the candidate, and so forth. I would complain if after such a great effort to be, if not united at least gathered, in the Medellin Convention, certain minority sectors would abstain from attending using the tactic of conditioned threat, which so much harm has been causing Liberalism and therefore to the good nature of the Colombians.

When responsibilities on the various behaviors during these weeks are established, it will be seen how the tactics for causing a crisis and the stories on what has happened are not always in keeping with the truth. The press is trying, after the fact, to identify the reasons for the withdrawals of former Presidents Lleras from the National Leadership and it will be necessary to begin by establishing that Dr Carlos Lleras explained that his withdrawal was caused because of differences with the government after the appointment of the last cabinet, when he said that he was recovering his freedom to criticize and he used my observations of a few months back. Doctor Alberto Lleras relates his withdrawal to my reply as to my nomination as a candidate, which he wanted to know about before those who have the authority to offer it to me. The editorial writer of EL TIEMPO who says both situations were the same in order to discredit the Political Central Committee acts in bad faith or is poorly informed.

On the other hand, it should be clear that not being a part of the confrontation between the political class and its critics, I would refrain from lending my name, which is only an accident, for primaries in which the forces of former presidents Lleras and the newspapers who follow their orientations are going to test their strength against the provincial leaders. By doing this I am only accepting the opinions of Dr Carlos Lleras Restrepo, who rightfully believes that local controversies rather than national candidacies are decided in the elections for Congress, assemblies and councils. I have nothing to do with the testing of strength between the press, which says it represents a silent majority, and the activists of the party who in an abstentionist country are the people who with resources and constant deployments have maintained the hierarchies of the party during these years. If the latter win, and together they demonstrate that they are the real Liberal Party as I believe they are, they can think of my name or that of many other fellow party members of the political class who have shown ability and honesty in the handling of the state without resorting to the trite expedient of presenting themselves as pure and unsullied to their colleagues. If the Barco movement wins, I will accept its victory without resentment or bitterness. Winning and losing are part of democracy. The rules of the game were not meant so that those who propose them always win. In no way can my position be called instransigent when the only thing I refuse to accept is that some proven majorities abdicate in favor of some minorities which call themselves the spokesmen for some silent majorities.

In summary, three situations may present themselves and perhaps others which I cannot perceive. None of them will make me falter in my purpose of accomplishing the unity of the party.

a. Dr Virgilio Barco obtains a majority at the Medellin Convention. I accept the decision of the majority and support him without reservations of the Chirac type, who left his followers free to oppose the winning candidate.

b. The convention chooses primary elections in March next year on the occasion of the congressional elections and I observe from the sidelines to see if it is true, as it is said, that the Liberal majorities have the name of Dr Barco as a watchword and are in a position to smother the political class under an avalanche of votes. If this happens, Dr Barco will be my candidate also. However, if the

regional leaders with renewed mandates show they manage the voters, since they would have the decisive forces,they could elect the candidate they want at that moment in keeping with their best judgement.

Obviously, if this procedure is adopted, the convention would appoint a Liberal Leadership with representatives of all factions so that it could come to an agreement with the government and the Conservative Party. My name would be excluded from that leadership.

c. In the case the Barco Movement does not attend the Medellin Convention, a similar situation could present itself in the sense that the definition of the political power between the two forces which are competing for it would be postponed until the elections next year and in which my name, as I have said, is an accident which allows the press to make certain charges against me when I am not in agreement with it and to load me with praise when I appear on the outside to be a hard worker for its objectives.

It was my intention, as I declared in Villavicencio after I called for several regional conventions, that a broad debate be initiated on the subject of re-election before the Medellin Convention. I believe it would not be too late to do so in one of the private meetings of the convention if it is attended by the sectors who use such a pretext against the name of one of the candidates. My presence in the respective debates or my absence from the convention itself, if that is what is required for the success of the meeting, I leave to your will and to the commitments of the Barco movement. That is the reason why up to now I have not accepted any social honors or any Liberal demonstration before the convention without first having established the day of my presence in Medellin.

I would only ask the press that in an act of mental honesty it moderate the language of its zealous reporters on an alleged position of mine and moral duplicity in the 1973 campaign. I challenge any Colombian to show that I made use of the argument of nonreelection against the hopes of Dr Carlos Lleras Restrepo when we competed for the Liberal candidacy. My subject was that of prolonging the National Front, proposed by Dr Carlos Lleras in a letter to his wife, letter which became known as the "Brussels Letter." I could not very well, as the son of the only former president reelected in this century, flaunt such a banner against my opponent. The one who initiated the campaign against nonreelection was Dr Turbay when I was not participating in the struggle because I was in office as president of the republic. I proposed that reelection be banned on the basis of my own case and national opinion was against an initiative that at the time was not aimed against anyone but only against myself.

Regardless of how the supporters of Dr Augusto Espinosa Valderramas learned of the preference of former presidents Lleras for Drs Virgilio Barco and Otto Morales Benitez and that as of that time my name was mentioned by some legislators, demonstrating once more that there was no "hidden" candidate, it was proposed that the authority of the National Liberal Leadership, which consisted of the former president, be restricted. By an overwhelming majority the term "without conditions or restrictions" was used in the substitute proposition, as is recorded in the respective minutes and as is remembered by those who attended the meeting.

I trust that despite the length of my communication it is made clear in this final instance that just as it has been during all this process, which culiminates with the Medellin Convention, my goal has not been my presidential candidacy but the delivery to those who will succeed us of a strong party, united despite its natural differences, once the task entrusted to us by the convention held in Bogota in 1980 is completed.

Your friend and fellow party member Alfonso Lopez Michelsen, Isla Arena, Archipelago of the Islas del Rosario, 7 September 1981.

8908
CSO: 3010/19

GOVERNMENT TAKES OVER PUBLIC TRANSPORTATION SYSTEM

San Jose LA NACION in Spanish 1 Sep 81 p 2A

[Text] Effective today, the MOPT [Ministry of Public Works and Transportation], will intervene in all bus services in the metropolitan area. This was announced yesterday in a press conference held by the minister of public works and transportation, the engineer Mario Fernandez Ortiz.

Today LA GACETA will publish this executive decree establishing that this administrative action will be applied "depending on the seriousness of the firms' record of noncompliance" with the laws and regulations covering mass transport.

In some cases the MOPT will act only as an inspector, in order to determine that the state subsidies designed to maintain buses and equipment are being used properly.

In others the intervention "will have to be extended to cover the administration and operation of the equipment" because of the advanced stage of deterioration of the services provided by these companies. There may be five of these firms, said Mr Fernandez, adding that the routes these companies operate will be announced today.

The purpose of this step, according to the decree, is "to help, by providing state support, in finding solutions for the serious problems affecting public transportation services, especially in the maintenance and operation of equipment." "This is not a state takeover of transportation," said Mr Fernandez, who explained that this decree does not change the present mass transportation model, as the purchase of equipment and other actions which are included in the MOPT's plan to improve services will be postponed until the bill is studied by the legislative assembly.

The congress recently passed a temporary provision in Law 6588 which regulates the activities of RECOPE [Costa Rican Oil Refinery] establishing that the MOPT must submit before 13 September a bill entitled "plan to improve public transportation services."

The resolution is based on a series of considerations contained in a seven-page document which Mr Fernandez distributed to the press yesterday. This document mentions a number of laws and articles of the constitution which grant to the state and the MOPT the exclusive authority to provide this public service or to exercise it through intermediaries, on the condition that certain standards of efficiency, control, and quality are complied with.

In the opinion of the minister, however, these standards have been violated as, "since the present model of transportation services has been in operation, there have been innumerable transgressions of the law and service has become so poor that it has been unbearable for users of mass transport services."

Although the MOPT will formally act as "intervenor," it will delegate these functions to a person whose name was not released. The decision will be made known to the owners of the bus companies today, said Mr Fernandez, adding that the decree gives a period of 24 hours so that they can determine the level of intervention to be applied in each of the bus concessions.

He also reported that yesterday he met with representatives of the National Chamber of Transport, and with another group of bus company representatives. They met yesterday evening in the headquarters of the Chamber in order to analyze the proposals and resolution of the ministry.

The bus companies, said Mr Fernandez, will maintain their rights to operate their routes for the time being, and will receive their profits, after demonstrating that they are investing the money needed for maintaining buses and other items.

7679
CSO: 3010/1833

ICE CONTRACTS ADVISORS TO DESIGN LA CUEVA DAM

San Jose LA NACION in Spanish 31 Aug 81 p 6A

[Text] The ICE [Costa Rican Electricity Institute] has hired the services of the Wahler Associates and Bel Engineering, S.A. to advise them on the design of the La Cueva dam which is to be built as part of the Arenal-Tempisque irrigation project.

The contract stipulates that the agreement will last for 1 year, and the cost will be approximately $170,000.

In this project the ICE will participate only in the design, since the construction is to be handled by the SNE [National Electricity Service].

The dam will rise above the waters of Tempisque and will be located 15 kilometers northeast of Liberia; it will have a reservoir with a capacity of 80 million cubic meters. From there water will be channeled via the La Cueva canal which will be 40 kilometers long and will provide a flow of 15 cubic meters per second, giving water to an area of 15,000 hectares.

The Arenal-Tempisque irrigation plan came about as a result of the Arenal project, which will release a large volume of water in the dry Pacific coast region of Guanacaste; this will in turn irrigate a territory of approximately 125,000 hectares in the districts of Abangares, Canas, Bagaces, Liberia, Carrillo, and will probably reach Santa Cruz.

The ICE specialists said that the institution has already built the Magdalena dam, considered the center of the project. From this dam will be built two large canals, one to the south, 50 kilometers long, and the other to the west, 100 kilometers in length. The first will irrigate 30,000 hectares, and the second, 40,000 hectares.

Present during the signing of the contract were: Kenneth V. Roda from Wahler Associates, Ricardo Echandi from Bel Engineering, the engineer Teofilo de la Torre, deputy manager of energy development, the engineer Jorge Figuls, head of the engineering division of ICE, and the engineer Carlos Obregon, head of the department of administration, contracts, and design of ICE.

7679
CSO: 3010/1833

NUMBER OF FARMERS IN COUNTRY DECLINES RAPIDLY

San Jose LA NACION in Spanish 15 Aug 81 p 2A

[Article by Ricardo Quiros Saenz]

[Text] In 7 years, the number of farmers has declined by 12 percent as a result of "urbanization and the rise of other fields of activity," reported a study conducted by the OFIPLAN [National Planning Office].

The analysis shows that "Costa Rica, essentially an agricultural nation, has been changing," because of the rise of industry, commerce, transport, and construction.

The study done by the population department of OFIPLAN stresses that "over a period of time, the farmlands allocated for permanent crops and pasturage could decline, thus considerably reducing the agricultural contribution to the PIB [Gross Domestic Product].

Because of this situation, the report suggests that a larger proportion of the Costa Rican people be encouraged to work in farming, especially those persons now engaged in nonproductive and marginally productive activities "with minimum advantages for themselves and for society in general."

The report notes that sufficient incentives will have to be provided to keep the rural population from emigrating to the cities, "by creating in rural areas new agricultural and livestock-related jobs," by giving the peasants "their own lands, by using irrigation to make land and pasturage productive during the dry season, and by applying the technology needed to increase food production."

The report states that in order to improve the diet of the Costa Rican people, over the next decades the nation's agricultural productivity should be increased so that it can supply food at a rate equal to or above the population growth rate.

Population

On the subject of population growth, the OFIPLAN report says that under the previous government this problem was not treated properly, and was too much affected by external policy considerations, by indifference, and by lack of definite policies.

"It was characterized by an absence of definite policies, thus creating a 'laissez-faire' attitude, and leaving it up to private organizations, international financial organizations, and other governments to create a de facto definition of a Costa Rican population policy. This policy was designed to decrease the birth rate, despite the fact that no demographic study had been done indicating an ideal population size and its placement in space."

According to the OFIPLAN report, "an estimate of the external funds coming into Costa Rica to aid these family planning programs comes to $13 million. This is 113 million colons for the 1974-1979 period. The purpose of these funds--as it was in other developing countries--was to decrease population growth and to avoid the hunger and poverty that would supposedly afflict these countries."

"In Costa Rica," the report continues, "these funds, if used in accordance with our national interests and given to state institutions, could have provided great support for health care, and could have enabled us to make better plans for demographic needs in areas such as jobs, housing, education, etc."

"Nonetheless, despite the achievements made in the field of health, these funds were restricted basically to one aspect of population policy, and were a marginal factor in an area of such vital importance to the nation's development."

In the judgment of OFIPLAN, the impact of all these funds has become apparent in the acceleration of the decline in birth rates. Along with some other phenomena, this has led to the recent demographic trends which have been recorded.

7679
CSO: 3010/1833

BRIEFS

CARAZO'S POLICY PROTESTED--The Chamber of Commerce has requested an explanation from the president, Rodrigo Carazo, about the recent visit to Costa Rica by the ambassador from North Korea accredited to Managua. They told the president that the government should reveal the policy that will be followed during the course of the next 9 months "with regard to governments that do not respect the sovereignty and free determination of the Costa Rican people and which, in an underhanded way, meddle in our affairs." Is this visit the prelude to the opening of an embassy from the communist nation of North Korea in Costa Rica, asked the businessmen. They told the president that the Costa Rican people are not prepared to accept any imposition of a system unlike the one created by their ancestors. [Text] [San Jose LA NACION in Spanish 28 Aug 81 p 8A] 7679

CSO: 3010/1833

BRIEFS

INCREASE IN SUGARCANE CULTIVATION--Sugarcane cultivation showed an increase this year compared with last year, according to the Ministry of Agriculture and Cattle [MAG]. It is estimated that for the 1981-1982 period there will be a recovery in the harvest with the surface cleared for grinding increasing from 38,000 manzanas [1 manzana = 1.7 acres] in the 1980-1981 period to 42,330 manzanas in the 1981-1982 period. MAG points out that, considering the implementation of the development policies being carried on at the national level, it is also contemplated to incorporate 20,000 manzanas between the replacement of stalks and newly cultivated areas to reach a total cultivated area of about 53,000 manzanas. According to MAG's forecasts, experts of that organization believe that the sugar refineries will have enough raw material to satisfy domestic sugar demand and have a surplus for export. Since sugarcane plays a major role in our country in the Gross National Product in the agricultural and cattle-raising sector, the importance of that crop is all the more pronounced not only as a source of foreign exchange but also as an activity which generates jobs for the rural population and as a provider of raw materials for many industries as well as being an integral part of the diet of our citizenry. MAG adds that within the Three-Year Agricultural and Livestock Development Plan for 1981-1983 there are specific plans for increasing the sugarcane crop. [Text] [San Salvador EL MUNDO in Spanish 20 Aug 81 p 2] 8568

CSO: 3010/1862

PRESIDENT CLAIMS BELIZE STILL PART OF NATIONAL TERRITORY

Relations With Britain

Guatemala PRENSA LIBRE in Spanish 9 Sep 81 p 6

[Text] "As long as no understanding has been reached on Belize, we shall continue to consider it a part of Guatemala," Gen Fernando Romeo Lucas Garcia, president of the republic, declared emphatically yesterday.

"The problem is being solved, since the basic agreements have been signed. If the British had accepted them, we would not be in the present situation, but if they themselves reject the proposals, the situation will continue as it has to date, since the constitution states that Belize is part of Guatemala.

"We have no relations with the Belizean people," he indicated, "even those who live in the Toledo district--it is more than 35 years since they left the Alta Verapaz region, and their children were born in Belize; that is, they are Belizeans. Even if some of them were born in Alta Verapaz or in some department of Guatemala, after such a long time they no longer think of returning.

"The Guatemalan consul in Belmopan--I do not know if he is already in Guatemala--" he said, "has already been told to set his affairs in order and return home.

"British possessions will not be impounded, because we are not cavemen who want to grab things that do not belong to us.

"With regard to Belizeans living in Guatemala," he said, "if they are just in transit they will have to leave. This will be arranged by immigration authorities in the usual manner. Belizean students will also have to leave Guatemala; they will have to go home.

"The withdrawal of the consuls means the breaking of consular relations; trade relations will no longer be carried on by a Guatemalan consul there. There are officials of other embassies who will take charge of Guatemalan affairs in Great Britain.

"Should talks between the two nations be resumed, these rules could be rescinded, provided that the bases of understanding are complied with. The British are not doing so, and that is why we are in this situation.

"Certainly Guatemala has no reason to invade Belize, as I have said repeatedly, but it is logical that it should be vigilant of its borders. It will always have its immigration and police officials."

Concerning any petition Guatemala might make to the United Nations in the Belize case, the chief executive said that there has not yet been any discussion of this because we are holding talks with the British Government. Nor have we come to a decision as to who will take charge of Guatemalan affairs in Belize.

Congress Supports Decisions

Guatemala PRENSA LIBRE in Spanish 9 Sep 81 p 6

[Excerpt] The congress of the republic has given its total support to the government in the measures taken yesterday with regard to Belize, that is, the breaking of consular relations with Great Britain and Belize.

That support is contained in a resolution approved unanimously by all deputies present and introduced by the chairman of the foreign relations committee, deputy Jose Trinidad Ucles, of the PID [Democratic Institutional Party] and supported by all the representatives of the other parties.

The resolution in question also expresses the congress's total support of any measures, statement or regulation which may be adopted by the president of the republic regarding the unilateral declaration of independence of the Guatemalan territory of Belize, since it is the subject of a still-unresolved territorial dispute with Great Britain.

Finally, it expresses on behalf of the people's representatives the need to adopt adequate measures to support the Guatemalan position before international agencies and such measures as may be adopted in the future by the president of the republic in exercise of powers expressly conferred upon him by the constitution.

Recommendation

The congress issued another resolution yesterday, recommending that the parliaments of Latin America adopt suitable measures to support the "Declaration of the Nine Countries" honoring the maintenance of freedom of the peoples and the strengthening of the principle of self-determination regardless of the political line they may support.

This declaration of the nine was issued by several Latin American countries in response to the joint Mexican-French statement and censuring those two countries for recognizing the Salvadoran guerrillas.

The resolution was introduced by deputies Jose Trinidad Ucles, Oscar Rivas, Raul Ovando Santiago, Oscar Vega, Ruben Ayala and other members of the PID.

8735
CSO: 3010/1854

GOVERNMENT ISSUES STATEMENT ON INDEPENDENCE OF BELIZE

Guatemala City PRENSA LIBRE in Spanish 21 Sep 81 pp 2, 80

[Article: "Guatemala Maintains Its Rights Over Belize"]

[Text] "The proclamation of the independence of Belize is still another example of a British colonial farce, an attempt by Great Britain to avoid its responsibilities, leaving behind a disagreeable memory," according to a governmental communique that was issued yesterday in connection with the so-called independence of the territory of Belize.

The government document states:

"That the constitution of the republic clearly and categorically indicates that Belize is part of the territory of Guatemala, and the unilateral proclamation of its independence in no way changes our position, nor lessens our rights over this portion of our fatherland that was usurped by Great Britain many years ago.

The proclamation of the independence of Belize is another example of a British colonial farce, an attempt by Great Britain to shirk its responsibilities, leaving behind a disagreeable memory, and a Belizean state that leans upon British military strength. In this manner, and under the hypocrisy of apparent respect for the right of the self-determination of nations, Great Britain maintains its neocolonial presence on the American continent.

In observance of the constitution of the republic, that ordains that the Executive must exert all possible effort to resolve the situation of Belize in accordance with national interests, the Guatemalan Government has been consistent with the way it is trying to resolve this problem, and judges that the best way to protect the interests of the fatherland is to preserve peace and to conduct itself in accordance with the standards and principles of International Law.

The process of direct negotiations with Great Britain culminated with the signing of the so-called Bases of Understanding. As the public knows, Great Britain tried to undermine a clear agreement. The government of the republic rejected this unworthy action, because of the Bases of Understanding have not yet been executed or fulfilled.

In the face of Great Britain's announcement regarding the unilateral granting of independence to Belize on 21 September, the government of the republic decided to end consular relations with Great Britain. It ordered the closing of Guatemalan

consulates in Belize, revoked the recognition of the British consul in Guatemala, and decided to close British consulates in the republic. It ordered the borders that have been garrisoned by British military forces to be closed. It banned all air or maritime traffic between Guatemala and Belize, and established an absolute time limit for the departure of British consular officials and employees and of Belizean students who are recipients of government scholarships.

By means of this farce, Great Britain is trying to avoid its responsibility with respect to the spoliation of Guatemala, by favoring a state that is weak in every way, and pretends that the latter is the one that is seeking just demands from Guatemala.

Guatemala will continue to firmly fight for its claim to this part of its territory through all the peaceful means that international laws and practices place at its disposal.

Guatemala has the best of intentions with respect to the people of Belize, whom it regards as a brotherly people, and therefore deplores that it is being cheated by being led down the wrong path which, let us hope, will not result in even greater harm to it.

The government repeats its solemn and patriotic commitment not to tolerate anything that might tend to violate the rights of the Guatemalan people, and will continue to protect all national interests.

The government formally declares Guatemala's rights to that territory and does not recognize the so-called borders with that territory. It confirms its decision not to invade Belize but, in exercising its right of legitimate defense, will adopt and implement any action that it deems appropriate to repel any aggression which under the false pretext of defending Belize's independence might endanger the tranquillity, peace, and security of the Guatemalan people.

Finally, the government of the repulic is certain that our indisputable rights and our trust in God will lead us to a just solution, which is the desire of all the people of Guatemala.

Guatemala, 20 September 1981"

8255
CSO: 3010/26

ARCHILA: BELIZE FLIRTING WITH SOCIALIST COUNTRIES

Guatemala City EL IMPARCIAL in Spanish 23 Sep 81 pp 1, 2

[Text] "If Belize continues to flirt with the socialist countries, it will tilt the scale, and will endanger the Latin American countries, and obviously its neighbors, the Central American nations, replied Maj Rolando Archila, assistant secretary for the Public Relations of the Presidency.

The official was enterviewed regarding all kinds of assistance from Cuba. "This was to be expected, inasmuch as the contacts that Price initiated with the socialist sphere were heading in this direction. And let us not forget that Cuba for years has tried to meddle in the internal affairs of these countries and has declared that it is the military support of subversion," said the official.

Then he mentioned the future establishment of a Soviet embassy in Belmopan. "Everyone knows that those diplomatic missions are the vanguards of subversive activities in the world. They make use of the freedom granted by democracy for their own political ends, with the connivance of 'useful fools,' like Price," said Major Archila.

The Press

On another plane, the assistant secretary for the Public Relations of the Presidency, in answer to a question, referred to the attitude of the Guatemalan press--in general terms--regarding the divesting of a fifth of our territory through the unilateral independence granted by Great Britain to Belize.

"For all Guatemalans, 21 September was a sad day. It was a day we will never be able to forget, because it marks the historic milestone in which the colonial power of Great Britain granted independence to a territory that is lawfully Guatemalan. It ignored our unquestionable rights and our struggle for possession of that small part of our native land.

What is even more painful--we have been ignored in the face of the present trend that advocates self-determination for nations, without considering circumstances that generated the problem of Belize which, as everyone knows," added the official, "fell under British domination after the first act of piracy and later because Great Britain did not live up to the agreements made with Guatemala in 1856, which had the courage to negotiate with a great power, even though it was a weak country, but one that was strong in civic valor when it came to protecting its rights."

"All of that patriotic sentiment," he added, "was reflected in an admirable manner through the social means of communication, which is worthy of praise and this attitude."

Dr Recinos

With respect to the appeal made by the family of Dr Recinos--having to do with the petition of the kidnapped professional, himself--that various persons supposedly imprisoned in two departments be set free, Major Archila recalled that recently President Lucas Garcia had told newsmen that these persons are not being held by the authorities.

Likewise, he stressed that the governor had already stressed the government's position of not dealing with subversive factions, "nasmich as this endangers the operation of governmental insititutions."

However, he lamented the situation of the Minister of Health, and said that it was to be hoped that those who seized him will not harm his, keeping in mind that he is an honest official, a man of great social standing, whose family is suffering the consequences of an action that is obviously difficult, totalitarian, and incompatible with the principles of the observance of human rights.

8255
CSO: 3010/26

HEAVY FLOODS IN PETEN; EMERGENCY MEASURES TAKEN

Guatemala PRENSA LIBRE in Spanish 29 Aug 81 p 6

[Text] "The flooding in Peten has been serious, but we are prepared to limit the damage done by this phenomenon," Col Jorge Mario Reyes Porras said yesterday, commenting on the rising waters of Lake Peten Itza.

Three years ago the waters of the Chaltuna began to rise to an abnormal level. Several homes have been swallowed up by the floodwaters, public buildings have been damaged, and nobody can predict what will happen tomorrow.

Natives of the island of Flores say that the problem in cyclic. Some say it occurs every 20 years; others say every 3 decades. The fact is, nobody agrees, and the waters continue to rise unchecked.

Government Concerned

The head of FYDEP [National Agency for the Economic Promotion and Development of El Peten], in an interview with PRENSA LIBRE, said that although natural phenomena are practically uncontrollable, President Lucas Garcia has demonstrated his concern in the matter and has heard the call for help of the people of Peten. Therefore FYDEP has several times repaired the bridge connecting Ciudad Flores with San Benito, in view of the fact that this road is used by thousands of children and youth who attend school.

"I have seen fathers cry when their houses were swallowed up by the flood. The Petenero loves his land, and it grieves him to lose the home where his own parents lived.

"But the current situation is harsh and severe; something must be done to halt the effects of this disaster. The agency has shored up the coastline of Ciudad Flores, Santa Elena, San Benito, El Remate, San Jose and San Andres."

The promises made by President Lucas Garcia less than a year ago is being kept. Homeless families are being provided with low-cost housing with many facilities.

"First, 45 wooden houses were constructed. Now the second phase of the Itzatenango settlement is under way, but these houses will be built of block and will have all services, including drinking water.

"On the other hand, plans are ready for the drainage project and the improvement of water sources, to decontaminate Lake Peten Itza and avoid epidemics.

"The government," he concluded, "is doing everything humanly possible to limit the effects of the flood. It is working in good faith, and we trust in God that Peten Itza, which has already caused so much damage, will stop rising."

8735
CSO: 3010/1867

GOVERNMENT GIVES LAND TO PEASANTS IN JALAPA

Guatemala DIARIO DE CENTRO AMERICA in Spanish 21 Aug 81 p 3

[Text] In an outpouring of enthusiasm unprecedented in the agrarian history of Guatemala, 20,888 peasants in the community of Santa Maria Xalapan, in the Department of Jalapa, received last Friday morning from the hands of Gen Fernando Romeo Lucas Garcia, president of the republic, the documents naming them legitimate owners of 286 caballerias [106 acres approximately] of fertile land which has been in litigation for 227 years.

The Ceremony

After the entrance into the national pavilion and the singing of the national anthem, Isaac Rolando Paiz, departmental governor, gave a welcoming speech on behalf of the community.

Then agricultural expert Braulio Villatoro, first vice president of INTA [National Agrarian Transformation Institute], spoke, referring to the problem of Xalapan and to its happy solution by the government of the republic.

Historical Review

Luis Escobar, president of the National Agrarian Transformation Institute, reviewed the Santa Maria Xalapan problem and its solution by General Lucas Garcia's administration to the benefit of 20,000 persons, thus ending the conflicts which have plagued the region continuously.

The next speaker was Ruben Castellanos, second vice president of INTA, who on concluding his speech gave President Lucas Garcia a copy of the Royal Seal granted by King Ferdinand of Castile.

Kept His Word

Prior to the delivery of the document, which was duly registered in the real estate records, the president of the republic gave a brief history of how he discovered the problem, an explanation of the conflict, which he in turn had received from the well-remembered journalist, Clemente Marroquin Rojas, and finally, the work carried out by the National Agrarian Transformation Institute to solve the conflict.

The promise to solve the problem for you has been kept, the governor said, and this document revalidates the title which was given you more than 200 years ago.

The residents who have received land are from El Durazno, Sanyuyo, La Paz, Tatasire, El Paraiso, Sashico, Palo Verde, El Carrizal, Los Izotes, Hierbabuena, La Fuente and El Rodeo.

Candelario Gonzalez Elias, president of the community of Santa Maria Xalapan, spoke in conclusion, thanking General Lucas Garcia for his administration's manifest interest in solving the conflict definitively.

Also present, in addition to the officials already mentioned, were newsman Carlos Toledo Vielmann, the president's secretary of public relations; Maj Rolando Archila Marroquin, assistant secretary of the same agency; Gen Mario Lopez, commander of the Jutiapa military base; Msgr Angel Garcia Arauz, bishop of the Jalapa diocese, and other high-ranking national and municipal government officials and special guests.

8735
CSO: 3010/1854

BRIEFS

BELIZEANS LEAVE, BORDER CLOSED--Melchor de Mencos, Peten--"All Belizeans who used to reside in Guatemala have left Guatemala. With the closing of the border, we are not allowing even a needle to get through," said Juan Hernandez, migration chief of this city." He said that the government's orders are being carried out literally. Only Belizeans who are married to Guatemalans are permitted to remain, but they must keep their papers in order. He added that until yesterday no Peten family residing in Belize had been expelled, but it was known that they were the object of aggression from the black police. He also indicated that foreign tourists were also barred from crossing on that side. "We will be radical and strict. We will not allow Belizeans to transit," he concluded. [Text] [Guatemala City PRENSA LIBRE in Spanish 13 Sep 81 p 4] 8255

INACOP LITERACY PROGRAM GOALS--About 200,000 Guatemalans will be taught to read and write during the remainder of this year by the National Institute of Cooperatives (INACOP) and by CONACO, the coordinator of operation, according to Col Fernando Castillo Ramirez, head of the cooperative organization in Guatemala. He said that many cooperatives in various sections of the country have described the national literacy campaign as sacred. "For that reason," he said, "the leaders of these groups have devoted themselves entirely to teaching not only their relatives, but their neighbors and other communities scattered throughout the most remote regions of the country. INACOP and CONACO have joined efforts to train many young people, who are already working in the literacy campaign. These teachers will, in turn, train the cooperative leaders, as well as many of the peasants, so that these people will also be able to join in the work of teaching in the future. Of course there will be constant supervision, so that the goal may be achieved. We are sure," Castillo Ramirez concluded, "that by the end of this year, INACOP and CONACO will have taught no fewer than 200,000 of our countrymen to read and write." [Text] [Guatemala PRENSA LIBRE in Spanish 29 Aug 81 p 12] 8735

CSO: 3010/1854

BRIEFS

MARXIST FACTORY INFILTRATION--Businessmen from the north coast will meet soon in order to work together to avoid communist infiltration in their businesses. They will carefully investigate all agitators in order to keep them from infiltrating their businesses in order to spread disorder and anarchy. The sources reporting this to LA PRENSA pointed out that the communists are only one group of irresponsible people who can be easily identified. What has happened is that businesses have not worked together to obtain reliable information about all those persons who want to infiltrate their businesses for ideological reasons. According to these sources, it will be easy to identify these people, because although there are very few marxist agitators, they are bold and have the evil talent of being able to stir up the workers for their own purposes, by means of promises which in the end they do not fulfill. The list of marxists will be made available to all the businessmen in order to keep them from infiltrating among their personnel. This has happened a number of times in the past because of lack of information about these people. [Text] [San Pedro Sula LA PRENSA in Spanish 4 Sep 81 p 4] 7679

CSO: 3010/1833

'LA PRENSA' DEFENDS ITSELF AGAINST MEXICAN REPORTER'S ACCUSATIONS

Managua LA PRENSA in Spanish 26 Aug 81 pp 1, 14

[Article refuting accusations made against LA PRENSA's reporting of Gutierrez de Esparza interview on New Delhi foreign ministers meeting. Paragraph numbering as published.]

[Text] We want to respond to an article published by END [El Nuevo Diario] in which Luis Gutierrez de Esparza wants to do us harm. We shall adhere strictly to the truth without considering the insults that newspaper customarily hurls at us.

[Gutierrez] Last February while in New Delhi as special envoy of a Mexican magazine to cover the meeting of foreign ministers of nonaligned countries, I interviewed Nicaragua's Foreign Affairs Minister Miguel D'Escoto, Catholic priest and exemplary revolutionary.

[LA PRENSA] D'Escoto asserted that he had not given that interview, as we shall see in the reproduction of his defense which we are herewith publishing. According to Gutierrez de Esparza's statement, it was LA PRENSA which told the truth and not D'Escoto.

[Gutierrez] Due to certain technical problems--batteries almost exhausted and insufficient tape--it was not possible to record the entire interview; part of it was recorded, but almost inaudible; and another was expressed in a few notes. Various factors prevented the interview from being published at that time; and it finally appeared on the first page of EL PERIODICO on 15 August.

[LA PRENSA] On 22 August LA PRENSA called attention to the existence of EL PERIODICO, to the fact that it had published the interview on 15 August. It was D'Escoto who denied the existence of EL PERIODICO and any such interview. We shall both begin at zero, the truth being on our side.

[Gutierrez] Faithful to the essence of Father D'Escoto's statements, I could not reconstruct some of his comments textually.

[LA PRENSA] LA PRENSA has never said that he published anything said verbatim by D'Escoto but, rather, statements attributed to him by EFE [Spanish Press Agency] which appeared in EL PERIODICO. Thus, we are promising our readers to publish the entire interview as it appeared in EL PERIODICO so that the people can judge the essence of D'Escoto's statements.

4. [Gutierrez] (Referring to the publication of the cable by LA PRENSA): This information was sent throughout the world by two international agencies, one of them being the EFE, to which this newspaper is subscribed, and the other, LA PRENSA of Managua, which reproduced it, embellishing it with its traditional manipulating and yellow journalistic style.

[LA PRENSA] LA PRENSA limited itself to publishing the cable as received from the EFE, reproducing it in the manner in which it had been presented by EL DIARIO DE LAS AMERICAS. We did this to inform our people that the news had spread throughout the world and that three persons had been accused who, consequently, had the right to defend themselves against those accusations.

There, LA PRENSA did not "embellish, neither did it employ yellow journalism, nor did it manipulate anything."

5. [Gutierrez] In view of the approach taken by the agencies--partial reporting, out of context and, being oversimplified, not very faithful to the version which appeared in EL PERIODICO."

[LA PRENSA] In the preceding paragraph, the international news agencies being accused and condemned by Gutierrez are the EFE and the UPI. In any case, they would be the ones which oversimplified and gave a NOT VERY FAITHFUL version.

Moreover, the decree to close LA PRENSA down for 3 days says: "For having published a TOTALLY FALSE interview."

6. [Gutierrez] In accordance with its current laws, the Nicaraguan Government notified LA PRENSA about the impropriety of printing that information."

[LA PRENSA] The Nicaraguan Government did not speak to us of the IMPROPRIETY of printing the interview; rather, it spoke to us of its total lack of truth; therefore, what we are investigating is not whether it was improper to publish the interview but whether it even existed; that is the crux of the matter.

In continuing, we are copying the most important paragraphs of the closure decree, so that our public will know the TRUTH.

We are also showing what D'Escoto said about the cable.

"Communications Media Directorate. Managua, 1100 hours, 19 August 1981.

Whereas:

1. In edition No 16,063 of Tuesday, 18 August 1981, the newspaper, LA PRENSA, with great ostentatious publicity reproduces on its first page an article entitled: 'Archbishop Obando of Managua Is the Principal Force Behind the Counterrevolution: D'Escoto'; the same as a series of interviews on that subject.

2. It is absolutely false that Foreign Minister D'Escoto has made statements in accordance with the above article.

3. The preceding was brought in due time to the attention of Jaime Chamorro, General Manager of LA PRENSA, by a member of the Government Junta for National Reconstruction, as acknowledged in that newspaper; the same as in the case of the statements which the foreign minister himself granted it.

4. It is a serious matter to publish false news in open defiance of the Communications Media Law after government sources at the highest level had been consulted.

5. Despite the fact that LA PRENSA knew perfectly well that Foreign Minister D'Escoto had never made the statements contained in the article in question, it not only prints the article but also publishes interviews held with Monsignor Miguel Obando y Bravo, Mrs Violeta Barrios widow of Chamorro and Alfonso Robelo in which it not only fails to advise them that the contents of the article are false but also leaves the impression that the interviewer expressly considers them as fact; it thus fails to abide by the ethics of good journalism not only with regard to the public but also with the persons interviewed.

Director of Communications Media

D'Escoto's Statement

This morning LA PRENSA held an interview with Foreign Minister Miguel D'Escoto to obtain information about the statements attributed to him by the newspaper, EL PERIODICO, supposedly published in Mexico.

According to the foreign minister's assertions, he did not make those statements. He does not know a newspaper of that name and is astonished to learn that his statements appeared in Mexico when he gave only television interviews and a speech before the president.

The foreign minister declared that he does not share any of the ideas expressed in those statements, that he has never spoken anywhere in that manner, that the language used does not correspond with what he uses and that he therefore strongly denies everything stated by the newspaper, EL PERIODICO.

The foreign minister told us that he will send a protest to the editors of that publication through the Nicaraguan Ambassador in Mexico inasmuch as he does not even know if the newspaper exists and that he will do the same with the agencies which supplied the news.

The foreign minister read the cable and then, one by one, denied the statements attributed to him.

D'Escoto deplored the fact that other parties had commented on the cable as though he had made the statements in question and not on the basis that he had not made them.

In this regard, LA PRENSA says it has had the cable since Saturday without publishing it and that on that day "we wanted to contact Foreign Minister D'Escoto but could not do so as he was in Honduras."

After the cable was published in Costa Rica's LA NACION and in the DIARIO DE LAS AMERICAS as well as the preceding comments relative to D'Escoto's statements, those publications made the same comments on the cable as those published herewith by LA PRENSA.

7. [Gutierrez] "The warning, naturally, was not heeded; furthermore, LA PENSA also interviewed Alfonso Robelo, Violeta Chamorro and Archbishop Miguel Obando y Bravo, mentioned in the interview; and, without risk, it fired one more shot in its campaign of aggression and destabilization at the service of Nicaragua's far right and imperialism. This is what motivated the sanction of which LA PRENSA's directors are taking advantage to present themselves as paladins and martyrs of freedom of expression."

[LA PRENSA] In the preceding paragraph the Mexican newspaper is openly meddling in Nacaragua's domestic policy and making it clear whose hand is guiding its pen; we do not know if this is through political conviction or through what General Obregon said, that he did not have one general who could hold up under fire.

8. [Gutierrez] LA PRENSA tried every way possible to compromise EL PERIODICO and me personally as a part of its counterrevolutionary operation. Obviously, the answer was negative for two basic reasons: first, I am and always shall be involved in the struggle of the Nicaraguan people and am an admirer of the Sandinist epic. This newspaper, in turn, has declared itself compromised by our people's struggles for liberation. And, moreover, LA PRENSA's type of journalism is the antithesis of ours; its manipulative and sensationalist zeal and its surrender to oligarchy and the interests of imperialism place it in an opposite trench.

What LA PRENSA published regarding the interview with Father D'Escoto is a manipulative provocation. To give expression and acknowledgement to the enemies of the people is one more proof of the abundant generosity of Sandinism; but everything has a limit; and that newspaper goes beyond the limit with alarming frequency."

[LA PRENSA] After Gutierrez de Esparza had promised LA PRENSA by telephone to furnish the tape and give a sworn statement, it now develops that the tape is not valid since it is integral with the Nicaraguan process and since LA PRENSA has a type of journalism which is the antithesis of his. Neither of these two reasons has anything to do with the truth of the matter; rather, they are purely political reasons and irrelevant to what transpired in the interview.

If EFE and UPI have not told the truth, the best way to prove this is to reveal the contents of the recorded tape. However, it does not matter; a copy of the newspaper in which the interview appeared is already in our hands and, through his article, Gutierrez de Esparza, with the aid of the new newspaper, has authenticated it. Very soon the Nicaraguan people will be able to read everything D'Escoto said in New Delhi.

The truth always prevails, and LA PRENSA never lies.

8568
CSO: 3010/1862

CANADIAN MILITARY MEN SAID GRATEFUL FOR OPPORTUNITY TO HELP

Managua BARRICADA in Spanish 28 Aug 81 p 7

[Text] A group of 54 Canadians, who recently succeeded in helping the country, sent BARRICADA a copy of a note directed to our people expressing thanks for "this experience we have been privileged to have in Nicaragua."

The document is a worthy testimonial of the solidarity our revolution has inspired among the Canadian people.

The verbatim text of the note is given below.

First There Were Twenty

A few days after our return from your country, we, 54 members of a Canadian brigade, are using the newspaper to express our thanks to the heroic Nacaraguan people and their organizations and, especially the workers and farmers, for the fraternal and revolutionary welcome we received from your representative organizations or in individual and spontaneous manner during the 6 weeks of our sojourn in the country of Sandino.

The 54 members of our group are workers from different sectors and different provinces who, through their own initiative and expense, formed a group to take part in and develop the solidarity of the Canadian people with that of the Nicaraguan people.

Already in the 3 months of preparation for our trip, we obtained results which surpassed the goals we had set; a few advertisements in the leftist progressive weekly and a few bulletins put out by people's organizations and unions helped us very much as evidenced by the fact that in the beginning we were 20 brigade members and, through the publicity measures, our number tripled; however, there were other volunteers who encountered difficulties which prevented them from coming along.

Discussing the subject with our family members, friends, fellow workers and various organizations, we succeeded inraising about $12,000 and preparing 200 boxes of clothing, school supplies and medicines. A sizable amount of these donations was delivered to the International Secretariat of the CST [Sandinist Workers Federation] and the remainder to various institutions with which we worked in the departments, in Leon (Public Health Campaign); in Masaya (the CDI [Industrial Development Council]), (the home for the elderly, hospitals, etc.); in El Crucero (CST's national school); and in Managua (intourism, the rehabilitation hospital, etc.).

We have made a general check of these tasks but shall prepare a detailed account of them in Canada.

We are aware and sure that this experience we were privileged to have in Nacaragua is valuable and worthwhile and will provide a better basis on which to develop solidarity between Canada and Nicaragua; we are sure that our exploited classes will always have a feeling of solidarity with the working classes of this new Nicaragua.

We are expressing our gratitude to the workers and farmers who patiently explained to us and taught us the reality of their living conditions and the new reality they are now facing, to the families who affectionately welcomed us in their homes and to the various organizations and institutions which helped us in thousands of ways to carry out our tasks.

Her is our internationalist salute!

Long Live Sandino! The Struggle Continues!

Peoples of Canada and Nicaragua, solaridarity!

8568
CSO: 3010/1862

PRESS REPORTS ON MEETINGS WITH SERVICE

Meetings With Opposition

PY080214 Asuncion ABC COLOR in Spanish 7 Oct 81 p 11

[Text] Contrary to expectations, Robert Service, director for southern cone affairs of the U.S. State Department also met with representatives of the opposition which has not been recognized by the Paraguayan Government. He also spoke with Carmen de Lara Castro, chairman of the Commission for the Defense of Human Rights.

The U.S. official held talks with the representatives of the National Accord Coordinating Board: Romulo Perina, Jorge Dario Cristaldo and Perla de Resck (of the Christian Democratic Party); Euclides Acevedo and Oscar Diaz Vellacich (of the Febrerista Revolutionary Party) and Domingo Laino and Juan Manuel Benitez (of the Authentic Radical Liberal Party).

According to Euclides Acevedo, president of the Febrerista Revolutionary Party, Mr Service was basically interested in getting the politicians' opinion about U.S. foreign policy.

He said that Paraguay's future was also discussed along with the most remarkable aspects of the electoral law, its draft amendment and the manner in which this amendment will affect the opposition political parties.

Acevedo also said that during his meeting with the National Accord they discussed the country's economic growth and the prospects of the National Accord. Asked about his opinion of the U.S. official, Acevedo said: "I believe that he is an efficient information-gatherer." As to the envoy's wish to speak with the opposition, Acevedo said that it had probably been prompted by the desire to convey to the U.S. State Department the current political status of the country.

The National Commission for the Defense of Human Rights was represented at the meeting with the U.S. official by its Chairman Carmen de Lara Castro and Jeronimo Irala Burgos.

It was reported that the meeting dealt with subjects related to the status of human rights.

Mr Service also met with representatives of the Paraguayan Workers Confederation (CPT) and with members of the independent news media who spoke "off the record" [given in English] with the U.S. State Department's envoy. Mr Service will also speak with representatives of Itaipu and Yacyreta binational corporations and his return to the United States is scheduled for today.

Opposition Leader Comments

PY062103 Asuncion LA TRIBUNA in Spanish 6 Oct 81 p 2

[Text] Leaders of the Radical Liberal Party [PLR], on a special invitation from the U.S. Embassy in this country, yesterday had a meeting with Mr Robert Service, director of the State Department Office for Southern Cone Affairs, who arrived in our capital recently.

Liberal sources said that the meeting between German Acosta Caballero and Enzo Doldan, representing the PLR and Mr Robert Service was held in a cordial atmosphere. They also said that Mr Service showed great interest during the meeting for the functioning of the various political opposition parties in this country.

Enzo Doldan who participated in the meeting said that "Mr Robert Service showed, in fact, a lively interest in the institutional functioning of the political opposition parties in this country. We had a broad dialogue which comprised topics related to U.S. policy and Paraguay." He added: "We also analyzed what the general conditions of the country should be for the United States to give smoother economic support to Paraguay."

Mr Doldan also said that "during our talk with Mr Service, which lasted for about 2 hours, the cordial relations between our country and the United States were stressed as the basis for promoting a greater rapprochement between the two countries."

The radical leader further said that human rights was another subject discussed during yesterday's meeting and in this connection he stated that "Mr Service understood our point of view on human rights perfectly, just as we understood his."

Mr Enzo Doldan concluded by asserting: "Our meeting with the American leader developed in a climate of friendliness and understanding. It leaves a balance of optimism among political opposition leaders. I believe that frequent visits of this nature by representatives of the United States will create a favorable climate between the two countries."

The meeting was also attended by U.S. Ambassador Lyle F. Lane and members of the diplomatic corps.

Colorado Party Leader Comments

PY071937 Asuncion ABC COLOR in Spanish 7 Oct 81 p 11

[Excerpt] Yesterday and the day before Robert Service, director of the State Department Office for Southern Cone Affairs, talked with all the political sectors

of the country, as well as with representatives of the workers sector, the media and the Commission for the Defense of Human Rights. Robert Service himself met with members of the Colorado, Liberal and Radical parties, of the National Accord as well as the Commission for the Defense of Human Rights and the media.

According to the persons who met with the U.S. representative the invitations were made by U.S. Ambassador Lyle Lane who also attended the meetings together with other authorities of the U.S. Embassy such as Robert Ford Cooper, Roger McGuire and Robert Luaces.

Yesterday Leandro Prieto Yegros, Colorado Party deputy, stated that "yesterday we held a wide-ranging dialogue with Robert Service on the political, economic and historic reality of our country. Deputy Prieto Yegros as well as Ruben Stanley, Pedro Hugo Pena and Bernardo Ocampos Arbo met with the director of the U.S. State Department Office for Southern Cone Affairs.

Further on Prieto Yegros pointed out that "the meeting with Mr Service was very cordial and pleasant and during the course of it we discussed our country's historic reality in the first place and then referred to the economic reality and lastly to the political reality."

Prieto Yegros added that "during the meeting many political commentaries on our country, the United States and other countries of the world were made. We held a fluid dialogue and the exchange of opinions was very productive for the two parties because it allows one to gather information."

Prieto Yegros also stated that "during the meeting we also discussed the draft law which will modify the electoral law and the system of the political parties in our country. We answered Service's questions and expanded on some of the data he himself had at hand."

CSO: 3010/69

EDITORIAL LAMENTS WEAPONS EXPENDITURES

PY072103 Asuncion LA TRIBUNA in Spanish 4 Oct 81 p 5

[Editorial: "Terrifying Competition"]

[Text] U.S. President Ronald Reagan has just announced a giant undertaking which will reportedly cost billions of dollars, to be spent on the manufacture of the most refined weapons that can be conceived of at the present time.

Some time ago, various strategic studies were given wide publicity; they seemed to show that the Soviet Union possesses another arsenal, just as colossal as the American. This means that the world is laboring under the tremendous burden of armaments which are so colossal that they can destroy the world.

The amounts spent for this are simply staggering. According to official analysts, the Soviet Union has had to postpone all aspirations of giving its people prosperity, because it has to maintain such a colossal nuclear arsenal. In fact, bread has given way to the manufacture of guns there.

Under the present circumstances not even the U.S. economy shows any reassuring signs of solidity. The protests from various sectors deprived of social services are a reality reflected in numerous demonstrations all over the United States.

The thing is that the resources needed to build up these enormous arsenals must come from somewhere, and there is no doubt where they are going to come from: the people, at the expense of their well-being. This will affect not only the peoples directly involved in this arms race. The Soviets are wringing their satellites dry in order to obtain these funds. This has a lot to do with the Polish upheaval.

Meanwhile, things in the western part of the world are hardly better. The latest meeting of the IMF and the World Bank served to show that the countries whose economies are tied to U.S. influence have little to expect from these institutions. All this means that in getting ready for a hypothetical conflict, even at the expense of suffering humanity's most terrible scourge; hunger, we are marching along the edge of an abyss.

Undoubtedly, the U.S. reaction was only to be expected. One of the fighters can hardly sit down and twiddle his thumbs while the other one is constantly building

up its arsenals. In the specific case of the Soviet Union, it is not only building up its arsenals but also creating severe tension throughout the rest of the world with its desire to impose its imperialist yoke riding on top of communist ideology.

Being far from the core of the conflict and having no possibilities whatsoever to exert any influence on this painful confrontation, little can be accomplished. But at least one can retain his faith in ethics by clearly pointing out the threats looming over our world today. If at least every dweller of this planet could be made aware of these facts, one could perhaps harbor a glimmer of hope that the four horsemen of the apocalypse would ride the world no more.

CSO: 3010/69

BELAUNDE ON TERRORISM, INFLATION, INDUSTRY, CUBAN REFUGEES

Lima EL COMERCIO in Spanish 21 Sep 81 p A-4

[Text] Yesterday the chief of state reiterated that this government will not play the game of those who claim that violence should be answered with violence.

"We have not come to claim victims or cause deaths. We only want the people to be reasonable," he added.

President Fernando Belaunde Terry was referring to recent terrorist attacks.

He explained that the government position on the situation created by those actions is difficult and complicated. "When there is a scratch or a person slips and falls, there are immediate claims that human rights are being violated," he pointed out.

He said that he was making a new call to all Peruvians, especially those who are not aligned with him politically, to cooperate in a "government of dignity and security for all."

Measures

After pointing out that the minister of interior was capable of handling the problem, Belaunde indicated that the terrorist attacks respond to a strategy and an investment. He pointed out that those actions are costly for their perpetrators. Measures have been taken that, in the short term, will permit the arrest of the perpetrators.

He said that when he referred a week ago to "a neighboring country" as the alleged base for the terrorist actions, he did not specify any nation because "6 years in government have given me enough experience to say what I should and nothing more."

Belaunde recalled the recent Civil Guard victims of the terrorists, indicating that they were in a worse position. He said: "Inside that uniform is a poor citizen, as poor or poorer than the one who killed him."

Inflation

After pointing out that inflation was about 39 percent in the first 6 months, he said that it must not go above 20 percent in the second half. This would mean no more than 60 percent by the end of 1981.

He said that there will only be an inflation rate of 45 percent in 1982.

To support those percentages, he said that there is excellent news about new oil discoveries by PETROPERU [State Petroleum Agency] and Occidental, in addition to the secondary recovery on the northern coast of the country.

Referring to the mining sector, he made a renewed call to the striking workers to help solve the problems that persist.

Industry

As to the industrial sector, he said that the Tripartite Commission is going to consider the problem in depth in order to propose legislative measures to create new jobs.

With respect to the demands of the Industries Association, the president said that they are partially justified but that the government cannot act on the position of a single sector since there are other sectors like the exporting sector that have other demands.

He stated that, because of low industrial investment and high commercial activity, the encouragement of production is fundamental. One example is the agrarian sector which will yield good results this year, especially in rice production.

Enterprises

Concerning the state enterprises that might be deactivated or become joint enterprises, Belaunde said that none of their workers should feel threatened. "I have not become president to leave the people in the street but, rather, to create jobs."

He pointed out that that topic which Prime Minister Manuel Ulloa referred to 3 days ago will be handled carefully.

In the social ownership sector, he stated that a good professional like Ruben Sanabria is in charge. They are studying which enterprises had losses.

Tribes

Belaunde denied that the habitat of some tribes is affected by the work in the jungle. He stressed that the government and he personally are very careful not to violate their rights. He added that, on the contrary, they are trying to help them in the fields of employment, health and education, contributing to improve their standard of living.

Cubans

Referring to the Cuban refugees, President Belaunde said that they have had a year to incorporate themselves into Peruvian society. He said that although some have done this in this capital, it would be good for others to live in the interior.

He said that the government is willing to provide the necessary support because it is time they had a stable home, not remain in tents.

7717
CSO: 3010/20

BRIEFS

PROPOSED COOPERATION AGREEMENT--The PAP [Aprista Party of Peru] last night asked for a "national agreement" with the AP [Popular Action] and the PPC [Popular Christian Party] to solve the problems of the country and to support the democracy. There was a rally in front of the PAP main office on Avenida Alfonso Ugarte but it was diluted by a steady drizzle. Fernando Leon de Vivero, PAP secretary general, said that all the political forces in the country must pledge to uphold the present state of law and not return to a de facto regime. Leon de Vivero, a member of the Chamber of Deputies, said that a "national agreement" with all the democratic and popular parties is necessary. He especially wanted the AP and the PPC to participate. Referring to a speech by Cesar Lopez Silva, president of the Peruvian Medical Federation, who practically called for a popular uprising, Leon de Vivero said that it was necessary to support President Fernando Belaunde Terry and not destroy the democracy. Leon de Vivero's speech was moderate, in general, compared to Lopez Silva's speech. PAP deputies Jesus Guzman Gallardo and Guillermo Larco Cox also spoke. Before the rally on Avenida Alfonso Ugarte, different PAP committees paraded through the main streets of this capital, shouting antigovernment slogans. Then the different groups gathered in front of the main office, filling a large part of that block. Nevertheless, shortly after the rally began--about 2200 hours--people started to leave because of the drizzle. The rally ended an hour later. [Text] [Lima EL COMERCIO in Spanish 22 Sep 81 p A-4] 7717

CSO: 3010/20 END

JPRS 79306

27 October 1981

Latin America Report

No. 2390

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27 October 1981

LATIN AMERICA REPORT

No. 2390

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AMERICAN ANTI-IMPERIALIST TRIBUNAL OFFICIAL IN CUBA

Holds Press Conference

FL151558 Havana Domestic Service in Spanish 1145 GMT 15 Oct 81

[Text] Our reporter, Rolando de La Rivera, will now tell us about the press conference held last night at the Habana Libre Hotel by Freddy Balzan, executive secretary of the Central American Anti-Imperialist Tribunal and vice president of the International Organization of Journalists, who is passing through our country:

Yes, the executive secretary of the Central American Anti-Imperialist Tribunal made a few statements for the national and foreign press last night explaining that the tribunal was set up in view of the high degree of danger posed by U.S. intervention and interference in Central America in recent times. The Central American Anti-Imperialist Tribunal was officially organized on 23 September in Managua with the participation of several prominent figures who had previously attended the meeting of intellectuals for the sovereignty of our America here in Havana.

In his talks with newsmen, Balzan referred to the Central American area, noting that the victims of imperialist intervention in El Salvador now amount to more than 30,000 persons while the CIA and Pentagon step up their intervention in Guatemala and threaten the Sandinist revolution. Freddy Balzan noted that one of the principal activities of the Central American Anti-Imperialist Tribunal is to denounce the crimes of the U.S. intelligence services in the area. In this connection he mentioned the CIA's aid to counterrevolutionary groups operating in the border with Nicaragua. Among the many destabilizing actions of imperialism against this brother country Balzan said that only 2 days ago, a high-ranking functionary of the U.S. Embassy in Managua called Nicaraguan leaders and told them of a presumed aggression being plotted against the diplomatic mission. For this reason, the yankee representative said, there were U.S. planes ready to rescue the endangered diplomatic personnel. On this subject, Balzan said: [Begin recording] Of course, this report was received with great indignation not only by the revolutionary government but also by the people of Nicaragua because no aggression of any kind has ever taken place there against that embassy or any other. The Nicaraguan people, aside from having a revolutionary national leadership, are a people who have been slowly acquiring a very high degree of political awareness and they know that any action of this kind would only lead to an aggression which is possibly what the enemies of the revolution are waiting for.

Therefore, Commander Humberto Ortega himself warned last night at Revolution Square that the people had to be on the alert because motives could lurk behind that call unknown to the Nicaraguan revolution and the people had to be alert to any provocateur who would not only try to create a difficult situation with that embassy or but also with any other. He called on all the militias, the armed forces and the revolutionary people to be on the alert to any provocation that might arise in this connection. [end recording]

More on Statement

PA160607 Havana International Service in Spanish 0000 GMT 16 Oct 81

[Text] The executive secretary of the Central American Anti-Imperialist Tribunal, Freddy Balzan, said here in Havana that a campaign was began on Wednesday to collect more than 100,000 signatures to support a document that will be sent to the UN. The document supports the peace proposal of the (?Salvadoran) revolutionary organizations and the condemnation of the U.S. interventionist policy in those countries.

Balzan charged that since the beginning of the Sandinist revolutionary process, the United States, through its intelligence organizations, has supported the counterrevolutionary gangs in Nicaragua and has fomented separatist movements among Nicaraguan Indian communities.

The executive secretary of the Central American Anti-Imperialist Tribunal said that the tribunal was created not only to denounce the economic pressures against Nicaragua but to denounce all U.S. interventionist maneuvers in Central America, such as the economic blackmail against Costa Rica, the violations to the canal treaties signed with Panama and the U.S. arms race underway in El Salvador and Guatemala.

He concluded by saying that the talks between the dictatorial regimes of El Salvador and Guatemala which are supported by Washington are a new aggression against the Sandinist revolution and world peace.

CSO: 3010/87

ATAC, ACTALAC MEETING CONCLUDES IN HAVANA

FL170143 Havana Domestic Service in Spanish 0000 GMT 17 Oct 81

[Text] After 5 days of fruitful exchanges of knowledge, the 43d congress of the Cuba's Association of Sugar Technicians [ATAC] and the second convention of the Civilian Association of Latin American and Caribbean Sugar Technicians [ACTALAC], which were held concurrently at Havana City's Palace of Conventiones, concluded today.

With the attendance of more than 1,000 delegates and guests, including 100 foreign specialists, 331 reports on diverse topics of the sugar industry sector were examined during the working sessions of four committees, which constitutes a record both because of the high number of papers and the high degree of scientific and technical meticulousness, that is the quality demonstrated.

In his closing remarks, first vice minister of the sugar industry Raul Truuillo valued very highly the importance of the congress and convention which made it possible for an exchange of experiences and contributed to the strengthening of the two organizations, ATAC and ACTALAC, as well as afforded us the opportunity to prepare ourselves better in all aspects for the 18th congress of the International Society of Sugarcane Technicians, ISSCT, in February 1983 in Havana City.

Referring to that, the sugar industry vice minister stated: [Begin recording] The preparatory tasks for the 18th ISSCT congress have reached a very advanced phase. However, during 1982 it is essential to work intensely to find a solution to the most varied problems which the organization of an event of such magnitude requires, especially to achieve a great success in accordance with the trust placed on us by the sugar technicians of the entire world. [end recording]

Referring to the number of young technicians in the ministry of the sugar industry, Raul Truuillo announced that 2,489 graduates from diverse university specialties in recent years are already working in the ministry.

On behalf of the foreign specialists, Eng (Alfonso Miaja), president of Mexico's Association of Sugar Technicians, made a speech during the closing session. [Begin recording] Lastly, I wish to reiterate my recognition to the ATAC for the organization of the event. I also wish to express best wishes for the organization of the 18th ISSCT and the follow-up congress in Mexico. I thank the Cuban people for the hospitality accorded us. [end recording]

CSO: 3010/86

ARMY SOURCES REFUTE REPORT ON LIST OF MISSING PERSONS

PY190241 Buenos Aires CLARIN in Spanish 17 Oct 81 p 3

[Excerpt] A high-ranking military source yesterday indicated that Argentine Army Commander in Chief Leopoldo Fortunato Galtieri has not issued any instructions to prepare a list of persons missing as a result of antisubversive actions.

The high-ranking officer thus refuted reports to the effect that the army commander in chief had given orders to prepare an official list of missing persons, a list which might have been released by the end of this year or the beginning of next year.

The military source stated: "It is a fact that General Galtieri is closely following the status of persons arrested and held at the disposal of the executive branch."

The commander in chief of the army has issued precise instructions to army corps commanders to supply updated information on all arrests which take place within their jurisdiction or any other pertinent data concerning the status of persons under arrest.

In this regard it is hoped that approximately 200 persons will be released from prisons and military units.

If we take into account that 30 persons were released yesterday, approximately 750 persons have been released so far.

The military source indicated that reports, concerning the possibility of official information being released concerning the fate of persons whose whereabouts are unknown as a result of the antiterrorist struggle which has taken place in the country, are totally incorrect.

The source also recalled remarks on this subject repeatedly made by General Galtieri and other officials to the effect that these cases have been definitely closed.

CSO: 3020/6

BRIEFS

GEN NUTTING'S VISIT--Army Commander in Chief Lt Gen Leopoldo Fortunato Galtieri said goodbye this morning at 0800 to Lt Gen Wallace Nutting, chief of the U.S. Army's southern forces. After reviewing the troops at the Libertador building, the U.S. military chief had a 20-minute meeting with Galtieri. After this meeting, Nutting departed for the Jorge Newberry Airport in order to return to his country. At the airport Nutting had a chat with the press. During his talk with the press he stated that he had been very taken with the natural beauty of our country and that he is leaving with a very good impression of the Argentine Army. It is very well trained, he said, and has great military spirit. He added that the technological and professional quality of the Argentine armed forces is optimum, and he lauded the TAM combat vehicles which are manufactured here. Finally, Nutting expressed his desire that the exchange of technology and men be increased between the two armies, which have a lot in common. [Text] [PY141812 Buenos Aires Domestic Service in Spanish 1600 GMT 14 Oct 81]

AERONAUTIC CONTROL SYSTEM--Cordoba, 3 Oct 81 (TELAM)--Air Force Air Defense Commander Brig Gen Antonio Jose Crosetto, has announced the start of the operation of an integrated air space control system based on radars and a modern communication circuit that will also increase the security of flights. [Buenos Aires TELAM in Spanish 1415 GMT 3 Oct 81]

IBRD LOANS--Buenos Aires, 2 Oct 81 (TELAM)--The executive branch has granted its approval for two loans that will be granted by the International Bank for Reconstruction and Development (IBRD). The two loans, that will amount to $300 million, will be earmarked for financing the project to modify the Lujan de Cuyo and La Plata refineries, and for projects involving oil and gas production. [Buenos Aires TELAM in Spanish 2050 GMT 2 Oct 81]

DETAINEES RELEASED--Buenos Aires, 6 Oct 81 (TELAM)--The Interior Ministry reported today that the following detainees have been released on parole: Carlos Luis Almiron, Jose Martin Niztzschman, Nestor Silvio Navarro, Jose Luis Sande, Manuel Horacio Pilan, Juan Pablo Valenzuela, Carlos Abel Azcona, Norma Beatriz Nassif Canz and Jorge Eduardo Rulli. [Buenos Aires TELAM in Spanish 1955 GMT 6 Oct 81]

CSO: 3010/80

BRIEFS

NEW DEFENSE CHIEF--A new commander of the Bahamas Defense Force has been named to replace Commodore William Swinley who leaves the Bahamas on 13 December upon completion of a 5-year tour of duty here. His replacement, Commodore C.P.R. Belton, is scheduled to arrive on 28 November. Commodore Belton will be on loan from the Royal Navy. [Excerpt] [FL092042 Nassau THE TRIBUNE in English 5 Oct 81 p 1]

CSO: 3025/1002

DAILY CRITICIZES GOVERNMENT AUSTERITY PROGRAM

PY151259 La Paz PRESENCIA in Spanish 5 Oct 81 p 3

[Editorial: "Reorganization and Austerity"]

[Text] The public is practically hearing all the time about government plans to reorganize state enterprises. As a result of unexpected changes (in government, ministries or managers of state organizations), announcements have been made that studies are being carried out for "complete reorganization" without paying any interest to cost and efforts.

In most cases the studies end, but the person responsible for the reorganization has already resigned because of political or other reasons. Therefore, the project is filed away. The new official feels he has been entrusted with the truth and the most appropriate solutions, therefore he feels it is his duty to disregard prior projects and will then announce with pomposity that his administration "will carry out studies for reorganization, rationalization, etc."

For example, the Mining Corporation of Bolivia (COMIBOL) and the Bolivian Development Corporation (CBF) are subject to these political ups and downs. They function but their deficit is chronic. As usual the people must suffer the consequences of bad administration, high costs, people under special contracts and the lack of effective and responsible work.

This situation is also affected by contradictory behavior which has recieved adverse comments on several occasions. From the government house, the leaders who happen to be in power--in accordance with the situation of the country--demand a policy of austerity which is a utopia in reality. Minor expenditures are eliminated, recently created measures are cancelled, trips planned for the following week are also cancelled and other expenditures of secondary nature stopped. But in reality, these institutions--the most important government organizations--continue with high expenditures that benefit some people but harm the country. Commissions travel abroad to carry out negotiations of little value. Useless "inspections" throughout the country are made. New vehicles are purchased to replace, without any need, the not so used ones. The purchasing departments disregard the bidding system and regulations for purchasing the necessary articles (commissary supplies, tools, etc) and other products.

A recent example of this absurd waste is that COMIBOL has designated delegates in two countries, disregarding the fact that for 2 years other "delegates" have been in charge of the affairs of this corporation. These officials are absolutely expendable because the work they are suppose to do is a direct duty of the accredited embassies.

The country is aware that state enterprises must be administered with complete solvency, ethics and responsibility. It also knows that there is currently a need for an honest and austere balance within these enterprises. In other words, the country demands effort and ability in putting into practice the appropriate measures for their recovery.

It is not possible to continue the policy of bargaining for minor things and at the same time have a free hand for greater expenditures having no benefit for the community. Austerity must begin with big things: the high positions and the people who have responsible jobs. Economizing should not only affect those occupying lower positions and deciding matters of lesser importance. This is how the publicized "austerity" is prevented from creating political privileges.

CSO: 3010/81

BRIEFS

INCREASED TIN PRODUCTION--The National Smelting Enterprise (ENAF) has reported that tin production increased 17.8 percent in the period January-August 1981. [PY142100 La Paz Radio Illimani Network in Spanish 0100 GMT 10 Oct 81]

LOANS FOR BOLIVIAN BANKS--The Andean Development Corporation (CAF) has granted two $500,000 loans to the Santa Cruz Bank and the Livestock and Industrial Bank of Beni. The loans are earmarked for financing purchases of nontraditional products. [PY142100 La Paz Radio Illimani Network in Spanish 0100 GMT 8 Oct 81]

POPULATION IN 1985--La Paz, 3 Oct (AFP)--The National Statistics Institute (INE) reported here today that the Bolivian population will be of 6,429,226 in 1985. The approximate average rate of natural growth of the population is 4 percent per annum, which is one of the highest rates in the continent. [Paris AFP in Spanish 1457 GMT 3 Oct 81]

DETAINEES' ACTIVITIES CONTROLLED--La Paz, 15 Oct (AFP)--It was reported here today that more than 300 persons are obliged to present themselves daily at the offices of the Special Security Services (SES) in La Paz so that their activities can be controlled. A newspaper has indicated that several of these persons have visited its offices in order to request that the government lift this measure, in compliance with its promise to govern within the law. In the majority of the cases the persons are people who have been detailed for political or labor reasons and they belong to various social sectors, including men, women, children and old people. [Text] [PY151553 Paris AFP in Spanish 1532 GMT 15 Oct 81]

CSO: 3010/81

REPORTAGE ON ENTRY OF EXTREMISTS INTO NELTUME AREA

Daily Reports on Events

PY090018 Santiago Chile EL MERCURIO in Spanish 30 Sep 81 p C4

[Text] Thirty five extremists have been able to cross the Chilean border in the last few months and have entered the country in order to increase terrorist actions in the jungle areas of Neltume.

This is one of the main conclusions that can be arrived at after studying the documents to which EL MERCURIO had exclusive access at ONI (National Intelligence Center) headquarters yesterday.

Most of the 35 terrorists have been already identified.

The following terrorists are now being eagerly searched for: Miguel Cabrera Fernandez or Juan Carlos Miranda Torres or "Paine," who is the base leader in the Neltume operation; French doctor Pierre Charles Raoul Cardyn Dejen, or Michelle Mandon--MIR's regional leader, connected with the French Government and member of a French political party; Jorge Enrique Duran Delgado or J.L. Chavez Contreras or A. Andrade Padilla or "Hugo," in charge of the group's logistics; Ramon Segundo Pezo Jara, the commando's scout; J.A. Rios Lemus or F.O. Soto Perez or Juan Angel Ojeda Aguayo or "Alex" or "Gabriel," the group's medical assistant who has been specially trained for rendering medical services.

These are highly dangerous individuals who have fled with arms and explosive devices. They are part of the militia plan that Andres Pascal is directing from the underground.

Sixty terrorists have been trained for attacking Chilean military targets, specifically: Temuco's "Tucapel" and Valdivia's "Maturana" regiments.

The "militia army" were supposed to meet in December. The resistance movement has publicly admitted its defeat, blaming the failure of its plans on "the sinister security team that dismantled its organizations."

The military search for the above terrorists is still under way. EL MERCURIO has the records of the extremists, who are formerly expelled citizens who have returned to Chile--together with a group of about 30 persons--with the help of the European ultraleft.

Personnel from the security services have devised a plan called "second Pilmaiquen operation" which permitted the arrest of seven extremists and the identification of the others. "All of them, according to a report released by the CNI department heads, are formerly expelled citizens who have received subversive and criminal training and who have participated in operation come-back, reentering the country with clear-cut goals."

These goals involved a plan whose first stage was the return to the country with forged papers. This stage was called "operation come-back." The second stage consisted of the "settlement, adaptation to the environment and plotting of their own routes." To this purpose, they traveled to the southern area, they plotted routes inside the thick woods, they built hideouts or shelters which were fully supplied for emergencies, and they sketched maps of the area.

The Frenchman, P. Raoul Cardyn Dejen, knew every inch of that region. The third stage consisted of "securing various supplies." During this stage they improved their facilities, they accumulated sanitary material that Cardyn could obtain given his professional status certified by Register 359,077 from the Chilean medical Association, and they gathered documents and food. The fourth stage was "the paving of the way" for the operations, and during this stage they were caught by the intelligence and security services. The extremists were building death traps, they were mining some areas and they were placing dynamite to blow up the bridges. There were drawings of the main roads sprinkled with explosive devices and of hundreds of targets stuffed full of bombs. CNI sources have reported that, fortunately, all of this material was taken away before any accident could happen.

When the subversive action was interrupted, the militiamen were waiting for the return of a selected group of their army, which--in its first stop--was comprised of 60 individuals who were ready for launching the attack in December. The 12 Neltume men were reportedly the leaders and they were to gain followers either through conviction or force. All these actions were aimed at surprising the morning troops review of Tucapel and Marturana regiments in Temuco and Valdivia, ensuring in this way the expansion of the movement.

In the opinion of a high CNI official, who has experience in the antisubversive struggle, "the extremists were betrayed by their peculiar behavior, which, instead of drawing supporters, made the people reject them. They have never been supported by the rural population."

He added that leftists and extremists always behave in the same way. If they settle in a city they do not receive visitors. They have no children. The husband does not arrive after 2100. They stay for 6 months at one house and then they move on. They stay up late typing. They do not share the community's life. Papers in their garbage cans have usually been burnt. When they make use of vehicles they never get out of them at the corner next to their houses, because they "case the field" before they go to their houses. These traits make them stand out.

The CNI official also said that there is an increasing number of leftist defectors, especially those who feel that they are being used by Pascal Allende's maneuvering. The following is a statement made by a MIR member at a time when his weight

went down to 42 kg because of his precarious economic situation and food shortage: "When I recall the demands made by Andres Pascal and the times I asked for help without receiving any answer from my comrades I felt like dying. Later I felt very angry because Pascal was still fond of eating pie at tea hours on Sundays while I was starving."

The self-styled "national command of the popular resistance militias" yesterday issued a communique which was delivered to communications media and which states that "starting on 11 September, about 10 clashes, skirmishes and confrontations" have taken place between militiamen and armed forces detachments in the Neltume area, in Valdivia Province.

In a typed document with a mimeographed headline reading AIR (Resistance Information Agency), the national command of the popular resistance militias states that "in the area known as La Pera, the guerrilla militiamen" have attacked a detachment of the 4th Army Division, wounding soldiers and "killing several others."

They admit that in those clashes "our forces had seven casualties" who "were mostly wounded and taken prisoner."

The communique was left by unknown persons at the men's room of a restaurant in the Vicuna Mackenna and Irarrazabal sector. This newspaper had been previously informed about the communique through a phone call made by a woman who identified herself as a member of the Resistance Information Agency (AIR).

The name of Andres Pascal Allende appears at the end of the note, but there is no signature.

The government Social Communications Agency [DINACOS] has referred to the communique issued by the self-styled "Resistance Information Agency" as "a typical maneuver for propaganda purposes."

A spokesman has said that such a version was easy to disprove since "if those casualties have actually happened, the relatives of the dead would have noticed their absence and would have asked for the bodies of their beloved ones, and this, of course, has not happened."

The source added that "the sole purpose of this action is to confuse the public opinion and to try to have free advertising."

Alleged Guerrilla Collaborators Arrested

PY141630 Santiago Chile TERCERA DE LA HORA in Spanish 4 Oct 81 p 4

[Text] Temuco--Three alleged "collaborators" of the Neltume guerrilla group were arrested here by security forces at the beginning of this week and are reportedly being held in the Temuco penitentiary and the Buen Pastor women's prison. They are at the disposal of the military prosecutor of this city which is under the jurisdiction of the Valdivia military court.

Requests for habeas corpus have been submitted on their behalf to the Temuco court of appeals.

It has been learned that the people arrested for complicity with the Neltume guerrilla group reprtedly are Edinson Chihuailaf Arriagada, professor of basic education; Jose Gabriel Cuevas Reyes, professor and taxi driver, both being held in the Temuco penitentiary; and Irnalda Jimenez Vergara, housewife, held in the Buen Pastor prison.

These three persons were reportedly listed in documents found in the possession of Chilean in exile who illegally returned to the country through the Huahum pass, Panguipulli Community, Valdivia Province, 10th region and who were killed in Neltume.

The function of these people was reportedly described by the security forces as "collaborators," that is, people whom those in exile might have found of some help here in the country.

There is also a report about a list of extremists which was reportedly found in the possession of those killed or in their "hideouts."

CSO: 3010/77

EXTREMIST HIDEOUT DISCOVERED

PY082342 Santiago Chile LA TERCERA DE LA HORA in Spanish 3 Oct 81 p 81

[Excerpts] A "hideout" of the proscribed MIR [Movement of the Revolutionary Left], located in the neighborhood of Conchali, has been discovered and raided by the police. It has been established that it had been occupied up to a few days ago, when three women and two men fled leaving behind explosives, "tirebursters" ["miguelitos"] and documents that have been considered important by those in charge of the investigation. The hideout of the extremists was found casually when the owner turned up for last month's rent.

LA TERCERA was in the neighborhood of the house, 1665 Manco Capac St, when, at the request of the owner, the house was raided at 1730 on Thursday. It has been established that the inhabitants of the house disappeared at the beginning of the week without leaving any apparent trail.

The person who had rented the house was a woman of medium height (not more than 1.65 meters high, blond and approximately 35 years old), who had told her neighbors that she worked in an artisans fair. Two young girls lived with the woman, a young girl of 15 and a little girl of 10, both of them students, "because they were seen with uniforms."

Through the investigation carried out by the reporters, it has been established that two individuals visited the house, but they always only stayed for a short time and then disappeared quickly. One of the individuals is considered to be "important" within the extremist sector, it was confidentially leaked yesterday.

According to the investigation carried out by LA TERCERA, the house was occupied on several occasions in order to hide runaway terrorists after they had carried out attacks in Santiago. It is also suspected that at the beginning of the year several guerrillas, who had a camp in the Neltume area, stayed at the house.

The "important" person who usually resided at 1665 Manco Capac St disappeared from the neighborhood approximately 45 days ago and it is believed that he is linked to Guillermo Rodriguez, the extremist who planned and perpetrated 40 terrorist actions.

It is known that the two individuals who resided at the house on Manco Capac St participated in December in the triple attack against banks located in the sector of Irarrazabal St where it meets Macul St. In the middle of this year they also participated in the attacks against two police units and the Manquehue Agency of the State Bank, which was precisely where the extremist, Charles Ramirez Caldera, was killed.

The following were found in the house: "tirebursters," similar to those used in recent subversive propaganda actions; "Vietnamese" type bombs, the same as those that were used in the attacks against the 19th Carabineros Precinct and the Las Condes investigations unit; aluminum powder; and materiel for manufacturing detonators.

All the explosive materiel and documents were taken from the house and the latter are now being perused to find clues for the capture of the fugitive extremists.

CSO: 3010/77

DAILY COMMENTS ON APPEAL BY LEFTIST PARTIES

PY072242 Santiago Chile EL MERCURIO in Spanish 23 Sep 81 p A3

[Text] After meeting for several days in Mexico City, the United Chilean Left--which is made up of the Movement of the Revolutionary Left (MIR) and former Popular Unity, both banished--has issued a document proposing to join efforts with the Christian Democratic Party, now recessed, in order to "overthrow the dictatorship."

Eight Chilean leftist political parties have concluded in the Mexican capital that "all social and political forces--including the Christian Democratic Party--share the responsibility for overthrowing the dictatorship in order to permit our people to freely decide their fate."

This appeal agrees with another one that was made days before by the local Communist Party through Radio Moscow, to the effect that "democratic forces" should unite to prevent a turnabout on 20 issues (nationalizations, expropriations, governmental takeovers, etc). The former appeal, however, is hardly in keeping with the terrorist inventory that EL MERCURIO published in its Monday issue.

"To permit our people to decide freely on their fate" and to unite "democratic forces" are statements that would sound strange if said by those who are directly responsible for 92 terrorist actions that were carried out last year. They sound even stranger when they are said by instigators, intellectual authors, "fellow travellers" and MIR collaborators.

There are 47 extremist commandos that are currently operating in our country, and all of them are MIR cells. Under various denominations, they have claimed responsibility for most of the attacks, setting off explosive devices, sabotage, stealing vehicles, stealing cabs in order to carry out their actions with greater impunity, pamphlet distribution, etc.

These cells make up the Santiago regional command of the Resistance Militia, which is the name that the MIR has now adopted. They keep in touch with the public through EL REBELDE.

Several commandos are named after MIR's "heroes," some of whom were killed "while on duty." The citizenry will not forget the actions by the slippery Andres Pascal--who is still clandestinely at work--by Miguel Henriquez, Luciano Cruz and others who have followed a violent path since 1967.

The Resistance Militia has been paying tribute to those "heroes" by attacking the members of the armed forces, the guardians of order or innocent victims from the very people that they claim to be defending.

In recent years, starting in 1974, 17 persons died as a consequence of MIR's terrorist actions. There have been at least 100 seriously wounded persons.

Some of the victims, fatal or otherwise, of local terrorism are: Carabinero Cpl Ramon Castillo Concha, Army Cap Osvaldo Heyder Goycolea, Carabinero Sgt Tulio Bereira, Carabinero Jose Sandoval Fonseca, engineers brigade Lt Luis Carevic, Sgt Nicomedes Inostroza, Carabinero Cpl Bruno Burdiles, Carabinero Heriberto Novoa Escobar, Lt Col Roger Vergara Campos, CNI [National Intelligence Center] agent Humberto Tapia, Maj Ingrid Olderock and Carabinero Pedro Leyton.

It is this local terrorism and its friends from the united left which are making a call for restoring democracy in Chile.

CSO: 3010/77

DAILY OPPOSED TO ANDEAN PACT INTEGRATION

PY152106 Santiago Chile EL MERCURIO in Spanish 5 Oct 81 p 3

[Editorial: "Andean Aspirations"]

[Excerpts] Members of the Andean Pact periodically express their hope for a possible return of Chile to the organization.

Chile did indeed make valuable contributions to the Andean Pact, according to the other members of this organization. Since it was the most industrialized country in the Andean Pact and had the highest per capita income after Venezuela, it was not only a good purchaser but one that could make offers in the area of inter-regional production.

But it became obvious shortly after the change in government that occurred in Chile in 1973 that while the economic policies established by the new government were aimed at an increasing economic opening, the Andean Pact hesitated and--to a certain extent--it even repudiated this possible trade opening.

Nevertheless it is not practicable now for Chile to think about reentering this organization at this stage of its development. If it did our country would have to take a step backwards in many aspects that have been overcome and that have enabled it to achieve an economic growth rate superior to that of other member countries. Bilateral trade with these member countries has not only not been affected, but in some cases it has visibly improved. Moreover, the so-called "political cost" that our country would allegedly experience when it withdrew from the Cartagena agreement was never experienced, and what is more, it is very likely that Chile has even avoided its involvement in difficult international political conflicts.

The Andean group is, therefore, a stage that has been overcome by Chile. It was conceived as a tool to achieve integration, but facts made it obvious that it helped more to block it than to promote it. Chile is today fully integrated into the world economy and its incorporation into this sub-regional agreement will only weaken this long-sought favorable position.

CSO: 3010/77

DAILY SAYS GOVERNMENT NEEDS CONSTRUCTIVE CRITICISM

PY140052 Santiago Chile EL MERCURIO in Spanish 4 Oct 81 p A3

[Article from "The Political Week" editorial column]

[Text] The country, at least during this century, has not felt the government's authority as it does so now. It is not only a vigorous authority but also one which is tenacious and has clear objectives. We are not faced with a power which acts in one way today and another tomorrow or which adjusts to personal suggestions or to those made by groups. The authority has a well-defined strategy which seems to be implemented with a new rhythm but without straying away from any of its objectives.

It seems unnecessary to recall the development of this process. The fact is that at present there is no force, group, party, or center of power in condition to defy the government authority.

A substantial part of that strategy is to revitalize the national values and to improve the country's potential. The government's economic plans, which form part of President Pinochet's very thoughts and actions, are included in this goal. Therefore, there is no possible difference--as his excellency has stated--between the economic team or certain ministers and what is decided by the chief of state. The power is indivisible and whoever believes that opposing the ministers in their specific fields of actions finds, in fact, that he is opposing the government.

It is a positive thing, for more than one reason, that the nation should be able to trust in one unquestionable leadership, in order to center greater efforts on working unitedly for one purpose. Many times the best projects and the most brilliant ideas have not been successful here due to vested interests which seek various channels to make themselves heard. It could also be mentioned that our material development has been delayed and that our political situation became critical due to the imbalance between all there is to be done in the country and the excess of detailed discussions held on some occasions.

We should also mention the fact that the deeprooted and fast changes within a society normally require a stronghanded main authority. It is quite possible that without it the reconstruction and the modernizations which today distinguish Chile as a new reality compared to that which existed in September 1973 would not have taken place.

On the other hand, it must be pointed out that an authority without social limitations misses its opportunity to timely correct its mistakes. Open criticism and the need to dodge political obstacles are well known methods to detect errors.

A realistic combination of vigorous authority and honest criticism at the same time should prevent obstructions from the bewildered opposition and hasty actions through impatience which lacks any counterweight.

CSO: 3010/77

BRIEFS

EARTH TREMOR IN CENTRAL REGION--Santiago, Chile, 16 Oct (EFE)--A strong earth tremor was felt tonight in Santiago, Chile. Strong noises were heard during the prolonged quake which alarmed the people. According to the first reports, the quake occurred at 0025 (0325 GMT) and rocked the central part of the country. Apparently the quake registered between 6 to 7 on the International Mercalli Scale. The earthquake occurred at a time when most of the population was sleeping. [PA160420 Madrid EFE in Spanish 0350 GMT 16 Oct 81]

MALVINAS INTERFERENCE DENIED BY ENVOY--Buenos Aires, 7 Oct (NA)--The Chilean ambassador to Argentina, Sergio Jarpa Reyes, has denied that the Chilean Government is trying to interfere in the problem of sovereignty over the Malvinas Islands, and he maintained that "that situation should be resolved exclusively by Argentina and the UK. The Argentines should be assured that Chile is not trying to interfere in the Malvinas problem," Jarpa said when he was asked about an article that appeared in a Chilean newspaper, in which it says that the question of that archepelage could not be a matter of indifference for Chilean foreign policy. He ended by saying that "the problem in the south between Chile and Argentina is distinct from the question of the sovereignty over the Malvinas Islands and only concerns these two countries, but any solution which has an impact on the problems of the region is going to contribute to the progress of relations in the negotiations." Jarpa was accosted by journalists at Ezeiza airport, where he went to see off a family member. [Text] [PY071658 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1217 GMT 7 Oct 81]

COPPER PRODUCTION--Santiago, Chile, 29 Sep (EFE)--Official sources here today reported that the government will freeze copper production and that in 1982 it will sell the same volume as in 1981, i.e. 890,000 tons. [Paris AFP in Spanish 0416 GMT 30 Sep 81 PY]

INDUSTRIAL DEVELOPMENT INDEX--The National Statitsics Institute (INE) and the Industrial Development Association (SOFOFA) have reported that the accumulated growth of the industrial sector between 1977 and 1981 is of about 41 percent. However, the two institutions have reported considerably different data on some sectors, as in the case of "textile production" and "leather and leather products except shoes," for which INE's indexes reported a decrease of 17.1 and 34.8 percent respectively, while SOFOFA's indexes reported a growth of 31.6 and 14.8 respectively. [Santiago Chile EL MERCURIO in Spanish 22 Sep 81 p B1 PY]

BALANCE OF TRADE DEFICIT--The Central Bank has reported that in the first 7 months of 1981 Chilean exports reached $2,349,800,000 while imports reached $4,342,100,000, thus giving a $2 billion deficit. It has also been reported that the main reason for the decrease of exports was the decline of prices of minerals, which caused a 20 percent slump in the value of mineral exports. [Santiago Chile EL MERCURI in Spanish 23 Sep 81 p B1 PY]

NEW NAVY SHIP--Talcahuano, Chile, 26 Sep (AFP)--The navy incorporated today a new warship to its fleet. The ship, named Maipo, was built at the navy's shipyard; it displaces 1,409 tons and can carry helicopters, tanks, amphibious vehicles and 100 equipped soldiers. The ship has been built under French licence. [Paris AFP in Spanish 1902 GMT 26 Sep 81 PY]

LABOR LEADERS REFUSED NEW TRIAL--Sergio Valenzuela Patino, trial judge of the Court of Appeals, has decided for the second time not to go along with the proceedings requested by Leticia Contreras, prosecutor of the court, and has refused to reopen the trial against 10 leaders of the self-styled National Labor Union Coordination Board [Coordinadora Nacional Sindical]. They have been found guilty of breaking decree No 2,347 by assuming the representation of a labor sector without having the legal status for doing so. Eight of those leaders have been released on bail. The remaining two--Manuel Bustos and Alamiro Guzman--are in detention at the Santiago public penitentiary. It has been reported unofficially that the trial judge returned the dossier of the case to the prosecutor in order for her to recommend an acquittal or make an accustation against the labor leaders. It was said that the prosecutor could take recourse to rules established by law against the decision of the trial judge in this process. [Text] [PY101831 Santiago Chile EL MERCURIO in Spanish 2 Oct 81 p C3]

SUMMONS AGAINST NEWSPAPER DIRECTOR--The Chilean Government has issued the director of newspaper LAS ULTIMAS NOTICIAS a summons on charges of violating government regulations which restricts the media from reporting on terrorist activities. According to the government, the newspaper violated this measure by reporting in headlines the attack against a train perpetrated near [word indistinct]. As it is well-known this regulation establishes that these incidents cannot be reported by the media. A government spokesman noted that a summons has been issued for (Fernando Diaz Palma), director of the newspaper LAS ULTIMAS NOTICIAS. [Text] [PY100203 Santiago Chile Domestic Service in Spanish 0000 GMT 10 Oct 81]

COURT MARTIAL SENTENCES TERRORIST--A court martial has sentenced a terrorist to life imprisonment. The court martial for time of war headed by Col (Tulio Pedrero) passed the sentence after almost 14 hours of deliberations at the Tacna Regiment. The deliberations started at 0930 with the reading of the decree ordering the court martial to try Guillermo Rodriguez Morales, 29 years of age, single, university student and member of the proscribed Movement of the Revolutionary Left--MIR. The court martial sentenced Rodriguez for the murder of Carlos Tapia Barraza, member of the National Intelligence Center, on 6 July 1981. Gen Osvaldo Hernandez, commander of the 2d Army Division, will make the final judgment on the court martial sentence. The military judge can modify or accept the decision made by the court martial. [Exceprts] PY101318 Santiago Chile Domestic Service in Spanish 1100 GMT 10 Oct 81]

TRAIN ATTACKED, LEFTISTS BLAMED--Valparaiso, Chile, 9 Oct (AFP)--The police reported today that six hooded men with machineguns set a passenger train on fire last night that was coming to this port in Central Chile. The group intercepted the train at a small, semi-deserted station 30 kilometers from Valparaiso and threw incendiary and explosive devices into the train's cab after overpowering the conductors and about 50 passengers who were forced to get off the train. Fire spread to four cars causing serious damage. Press reports attributed this action to leftist clandestine armed organizations which sporadically act in Chile in opposition to the government of Gen Augusto Pinochet. This attack, without precedent in the country, was linked to two other subversive actions in this area recently. [Excerpt] [PY091451 Paris AFP in Spanish 1345 GMT 9 Oct 81]

CSO: 3010/84

INDUSTRIALISTS OPPOSE TAXATION ON EXPORTS

San Jose LA NACION in Spanish 13 Sep 81 p 2A

[Text] The Costa Rican Chamber of Industries opposes the initiative of the legislative assembly to increase the tax on exports by 3 percent.

The council's interim president, Mr Carlos Araya Lizano, yesterday sent a message in this sense to Mr Ramon Aguilar Facio, the president of the special committee that is studying the currency devaluation project.

Central Bank experts recommended increasing the export tax from 6 to 9 percent as a measure to allow regulating with "fairness and justice" dealings between debtors and creditors once currency devaluation comes into force.

According to Araya Lizano, a measure such as this would only have harmful results on the export sector and the national economy.

For his part, the executive director of the Chamber of Industries, Rodolfo Alvarado, said that the group's members agree with the return of the National Stock Exchange to the foreign exchange market.

Alvarado stated that because of the difficult economic situation that Costa Rica is undergoing and given the conflicting and unstable exchange situation, the return of the stock exchange to the sale and purchase of foreign currency was wise and logical, since the stock exchange is a legally regulated instrument and subject to institutional controls, contrary to what is happening at the present time on the commodity exchange, where the transactions that are made are not inspected, to the detriment of the country's entire business sector.

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CSO: 3010/15

MONGE: PEACE THREATENED DUE TO LACK OF PRODUCTION POLICY

San Jose LA NACION in Spanish 15 Sep 81 p 4

[Text] Peace is endangered because there is no production policy and because, due to the lack of growth in wealth, hunger is looming over thousands of Costa Rican homes, said the presidential candidate of the National Liberation Party, Luis Alberto Monge, in a speech at La Cruz de Guanacaste.

Monge said that poor youth in other Latin American countries lost faith in democracy and hurled themselves into the adventure of trying other ideological influences because freedom was denied them, social justice was denied them and because poverty was not fought against.

"Now peace is endangered because there are no production policies, there is no growth in wealth, because the towns have become impoverished and because poverty is already looming at the door of thousands of Costa Ricans," Monge said.

Monge stated that Costa Rica and its youth are lucky because, despite the crisis and the difficult days that the country is going through, the youth remain steady and are hopeful in the trench of democracy.

Monge said this is possible because of the existence of National Liberation, a party with which the youth believe it will be possible to confront the crisis, confront poverty and promote production, while upholding unyieldingly the framework of freedom and democracy.

Speaking before the residents of La Cruz, Monge said that north of there "the people are unsettled and undergoing genuine bloodbaths. We do not want this for Costa Rica. We are deeply saddened to see that our brother nations of Central America are not finding a path to national liberation without the need for a bloodbath, without the need for the great upheavals that our unfortunate brother nations of Central America are suffering."

Monge Alvarez stated, "We feel solidarity with the sorrow of these peoples," and added that the government "which we will begin in 1982 has the responsibility of responding to the extremely important challenge that Costa Rican democracy faces."

"We have learned in the political school of National Liberation that social justice and the struggle against poverty cannot be successfully achieved if there are no successes in production policies, if there are no sensible efforts to raise the country's production, to increase the wealth of Costa Rica," asserted Monge.

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CSO: 3010/15

NEW TAX SYSTEM ATTEMPT TO ESTABLISH SOCIALIST REGIME

San Jose LA REPUBLICA in Spanish 16 Sep 81 p 6

[Article: "Claudio Alpizar: Socialist Regime Wants To Be Established Quickly in Costa Rica"]

[Text] With the tax package that is in the legislative assembly they are trying to establish--sooner or later--a socialist regime, not by force of arms, but through economic means, said the lawyer Claudio Alpizar Vargas, former minister of finance.

This reform does not conceal an aim of massive dispossession. Alpizar adds they are seeking to tax lottery prizes; inheritances; legacies; prizes that are obtained in contests; the wretched pensions that keep the recipients on the edge of starvation,the solid product of their years of honest labor; the profits that can be obtained from the sale of exchange of real estate or personal property; as well as any other hereditary income.

All of this, says Alpizar, not only discourages saving and kills personal effort, but also aims at transferring, gradually but persistently, private property to the state. We cannot allow them, Alpizar said, to destroy the foundation of a society that we have built, in the course of many years, by effort, labor and sacrifice. We must reject this so-called reform and embark with courage and steadfastness on a system of frugal living that will restrain demand, thus fighting the scourge of inflation, which is the number one enemy of progress.

Mr Claudio added that the most serious problem of taxes is their transfer. The one who pays them originally tries to transfer them to others in such a way that the tax finally falls on another person, for whom it was not specifically established. With the situation that Costa Rica is facing, it is not advisable to impose greater sacrifices on the pepople. Moreover, with this new burden, whose purpose is to try to obtain an additional revenue of 1 billion colons for the treasury, the situation will deteriorate, since a country's needs have no limit, for which reason they have to be reduced with determination. With 1 billion more in the treasury, with the pressures that would immediately emerge and with the known political practices which are difficult to root out, expenditures would increase, at least, to double what they are trying to collect. The 5-billion colon deficit that the treasury now registers would increase to 6 billion, so that the abyss into which we have fallen would continue to deepen, Alpizar concluded.

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CSO: 3010/15

DELEGATES TO UNITED NATIONS CRITICIZE U.S. POLICIES

U.S. Strong-Arm Tactics

FL091354 Havana Domestic Service in Spanish 1100 GMT 9 Oct 81

[Text] At the United Nations, Cuba has accused the United States of intensifying its policy of threats and using strong-arm tactics against countries in Asia, Africa and Latin America. In a speech before the sixth committee on the topic dealing with the efficiency of the principle of nonuse of force in international relations, Cuban delegate Juana Silvera Nunez asserted that the international situation is becoming increasingly more gloomy, worrying and uncertain. The cause of this, she added, is due, among many other factors, to the arms race in search of military supremacy, to the arrogant economic superiority and to the alleged U.S. technological advantage, based on which it arrogates the right of proclaiming itself indubitable gendarme in diverse geographic regions.

With respect to Cuba, Silvera Nunez noted the increasingly more aggressive and arrogant tone of the threats, using as part of its policy an intense rhetorical campaign in all U.S. broadcasting means. She recalled the invasion at Playa Giron, the plots to murder leaders of the Cuban revolution and the provocations conducted from the Guantanamo naval base. The aggressive plans against our country, the Cuban delegate added in her speech, include overflights by the SR-71 spy-plane, the establishment of a subversive radio station and the hardening of pressures on its allies to block Cuba's bilateral relations.

Silvera Nunez stated that the United States is continuing its plans of infiltration of Central Intelligence Agency's agents into Cuba. Finally, she called the attention of the sixth UN committee to the threats of direct attack and naval blockade launched by Washington and the use of biological weapons against Cuba.

Removal of Guantanamo Base

FL091525 Havana Domestic Service in Spanish 1400 GMT 9 Oct 81

[Text] United Nations--Cuba has once again demanded the return of its territory where the United States still illegally occupies the Guantanamo Base and the cessation of the unilateral blockade the United States has imposed on Cuba for more than 20 years.

(Diana Carmenate Perez), the Cuban delegate to the UN Commission for Social, Humanitarian and Cultural Affairs, has denounced the occupation by the United States of part of Cuban territory as being in flagrant violation of the peoples' right to self-determination.

In a speech before the commission, the Cuban delegate reviewed problems stemming from colonialism and from violations of international laws by the United States, South Africa and Israel and emphasized that the Guantanamo Base continues to be a permanent affront to Cuban sovereignty. She also demanded that the overflight of Cuban territory by U.S. SR-71 spy-planes be discontinued.

Foreign Meddling in Africa

FL091423 Havana Domestic Service in Spanish 1100 GMT 9 Oct 81

[Text] Cuba has denounced foreign economic interests and military bases and activities which impede the free self-determination and independence of the peoples of Namibia, South Africa and various other small territories. In a speech before the UN Committee on Decolonization, Cuban delegate Alfredo Garcia Almeida referred to U.S. and Western European economic interests, particularly in the exploitation of uranium, which determine the tolerance of Pretoria's Western partners vis-a-vis the South African intransigence of maintaining its domination over Namibia.

Likewise, Garcia Almeida noted the vast U.S. and European investments in South Africa as well as the large number of transnational companies which maintain subsidiaries and obtain profits in close cooperation with South African enterprises.

CSO: 3010/89

ITALIAN CP LEADER BERLINGUER VISITS CUBA

Met by Fidel Castro

PM161501 Rome L'UNITA in Italian 11 Oct 81 pp 1, 22

[Dispatch by Ugo Baduel: "Berlinguer in Cuba: First Cordial Meeting with Fidel"]

[Excerpt] Havana--It was almost 0100 Saturday by the time the Cubana line aircraft taxied to a halt in front of the Jose Marti airport arrivals building. At the foot of the steps [Cuban Communist Party (PCC) first secretary] Fidel Castro--in his khaki uniform and with cigar in hand--was waiting for [PCI secretary general] Comrade Enrico Berlinguer, whom he kissed on both cheeks. This was the simple and friendly start to a visit that will certainly go down in history--the first by a PCI secretary general to Cuba (and Latin America). Fidel Castro's presence at the airport--unusual in the case of the arrival of a party secretary or delegation--underlined this element. So too did the prominent headlines and detailed commentaries in the press and on radio and television on Berlinguer's visit seen over the past few days, yesterday and today.

After handshakes at Jose Marti airport with the comrades, some of whom had previously been met on several occasions, there was an initial, very informal meeting in a room at the airport, around a tray of colorful fruit juices. Berlinguer's welcoming party included, apart from Fidel, Carlos Rafael Rodriguez, PCC Politburo member and vice president of the Council of Ministers; Armando Hart, PCC Politburo member and minister of culture; Jesus Montane, PCC Politburo candidate member and general department of foreign relations chief; J. Enrique Mendoza, Central Committee member and director of GRANMA; and Javier Ardizones, chief of the PCC European section. Italian ambassador to Cuba Salvatore Porcari was also present. As is known, the PCI is represented by, apart from Berlinguer, comrades [foreign section chief] Antonio Rubbi and [foreign section aide] Renato Sandri.

As I have said, there was a brief and entirely informal meeting to establish initial contact. "I do not want to tire you too much after your long journey," Fidel Castro said. Including a stopover amid the mist and sleet of gander in Canada, the entire journey took 20 hours from Rome. Some calculations were made regarding the differences in time zones, which were complicated also by the new and different daylight saving time systems, and Fidel said that he had long been well acquainted with the timetables of travel from Europe. "Following the 1959 revolution several comrades came immediately from Europe, the first being the old civil war fighters. But now many of them are dead: 22 years have gone by..."

"In our party," Berlinguer said, "there are several from the Spanish civil war era."

"We have several in our country too," Castro explained. "Cuba contributed 1,000 men to the defense of the Spanish Republic. No less than 40 years ago we were already learning the first lessons in internationalism."

"That was a most important experience for us Italians too," Berlinguer replied. "Many of the leadership cadres in our own resistance struggle against the fascists and the Germans gained their experience precisely in Spain."

Fidel discussed Italy and said that just a few days ago he had the opportunity to meet in Havana with the Italian parliamentary delegation to the world inter-parliamentary union conference. "The Italians contributed a great deal to making possible a constructive conclusion to that conference, which was highly polemical," Fidel said. He added, with regard to our country, that unfortunately it is better acquainted with ancient Roman history than with modern history: "But it is always very important to know ancient history."

"What is difficult is to build contemporary history," Carlos Rafael Rodriguez rejoined.

Berlinguer told Castro that he should visit Italy.

"I would do so with great enthusiasm," he replied. "I want to see Sicily, the south, Rome and also the industrial capitals of our north--Milan and Turin." There was talk of industry, the crisis in the automobile industry, Italian cars ("they have a low consumption and run well," Fidel said) and Japan's penetration of the automobile sector in Italy and Europe. There was also discussion of economics with a few references to the world crisis, and of political problems, which were touched on with a mention of the Middle East following as-Sadat's death.

Berlinguer Statement

PM161307 Rome L'UNITA in Italian 14 Oct 81 pp 1, 14

[Dispatch by Ugo Baduel: "Berlinguer-Castro: Hours of Talks on North-South Relations, Detente Crisis"]

[Excerpt] Havana--The moments of greatest political interest on this visit to Cuba by Comrade Enrico Berlinguer--who on Sunday and Monday morning gained an insight into interesting and new experiences in various parts of the island--were Saturday evening's official dinner at [Cuban Communist Party (PCC)] Central Committee headquarters and the talks that began Monday afternoon with the Cuban delegation.

During the dinner there were entirely informal talks, mainly about Latin American problems, and it was basically (PCC first secretary) Fidel Castro, of course, who presented his analyses and assessments regarding the most inflamed situation in this part of the American continent.

As we have said, the talks began Monday afternoon at Central Committee headquarters and were attended by Fidel Castro, [PCC Politburo member] Carlos Rafael Rodriguez, [PCC Central Committee member] Armando Jesus Montane, [GRANMA director] J. Enrique Mondoza and [general department of foreign relations chief] Javier Ardizones on the Cuban side and comrades [PCI secretary general] Berlinguer, [PCI foreign section chief] Rubbi and [foreign section aide] Sandri on the Italian side.

It was a broad exchange of views which broached the principal international issues: It lasted from 1630 to 2330. A little later, while Berlinguer was dining, Fidel Castro appeared at the residence where the Italian comrades were staying with a suggestion to alter the detailed schedule prepared for the next day. Instead of visiting a model factory and an agricultural genetics plant 70 km from here, he invited Berlinguer and the other comrades to spend a day at Playa Giron, the well-known Bay of Pigs. "During the car journey and during the day," Castro said, "maybe on a boat trip along the coast, we could carry on talking: I am keen to talk some more." We will give an account of the day in a future dispatch.

Let us now say something about Monday's meeting, which was sincere, cordial and most interesting. During the conversation Comrade Berlinguer presented the PCI's lines on the major topics of the world situation, as he will do throughout this visit to Latin America, in which Cuba is the first port of call. It is an important one partly because during the meeting with Castro the significant fact was borne in mind that he is not only Cuban president and PCC first secretary but also chairman of the nonaligned movement.

Berlinguer presented the PCI's positions, beginning with a general examination of the causes of the worsening crisis now affecting the world. The causes are complex and manifold and must be sought in various directions. In this connection Berlinguer cited the aspects that have most strongly influenced the deterioration in the international situation, including the Soviet military intervention in Afghanistan.

With regard to the present U.S. administration's policy, Berlinguer confirmed the alarm of the Italian communists, other progressive Italian forces and all peace-loving forces at the renewed thrust to the nuclear arms race and the attempts to intervene in a number of areas of the world--the areas of so-called "vital interest"--and particularly in Central America, the Middle East and the Gulf area.

Apart from the resumption of the U.S.-USSR dialogue, a major autonomous role in the reopening of negotiations and in initiating specific political negotiations aimed at resolving the current conflicts and tensions can be played by Western Europe, its governments and primarily its workers movement. An equally prominent role can be played by the nonaligned countries.

The other subject discussed by Berlinguer was development, that is, the most grievous problem of our time, which concerns the tragic disparity between the north and the south of the world, the cruel poverty of two thirds of the world's population, the death by starvation of hundreds of millions of individuals, especially children and old people, on the one hand the plundering and on the

other the wastage of resources, the tragedy of the mechanism of unfair trading. On these subjects Berlinguer presented the line along which the PCI intends to make its contribution to tackling and starting to resolve these terrible problems. These are the lines just approved by the PCI Central Committee session. For such action to have a chance to develop it is necessary to promote in every way and shape the creation of a new international economic order, and this is the aim of the PCI's task of analysis and formulation.

Among the major protagonists of this challenge facing mankind a major role belongs to the advanced capitalist countries' workers movement forces and the Third World countries' progressive forces. The PCI is exerting its utmost commitment on this subject in Western Europe with a view to carrying forward a major process of regeneration and transformation in a socialist direction. This is in fact one of the principal objectives at which Eurocommunism aims and is linked with the issue of the "third way" and therefore the efforts to achieve a greater unity of West European leftwing and people's forces.

Another topic has been and still is the solidarity of the European workers movement and the PCI with the peoples fighting for independence and freedom in their own countries. Especially El Salvador--where a heroic people's struggle is under way against the junta and the extreme right, which are backed by the United States--and Nicaragua, which is defending its revolution: these countries are subjected to grave threats from the United States.

There was also discussion of several other issues, including the situation in Poland, China, the latest papal encyclical and the issue of catholics in Latin America and Africa.

In conclusion Berlinguer expressed the Italian Communists' sincere appreciation of the major process of beginning socialist building made under such difficult conditions in Cuba since the 1959 revolution. This meeting confirms the usefulness of developing friendly relations and frank and fruitful exchanges of ideas between the PCC and the PCI on the basis of mutual respect and autonomy.

CSO: 3104/20

DEVELOPING COUNTRIES SHOULD NOT EXPECT U.S. AID

PA171357 Havana International Service in Spanish 2310 GMT 14 Oct 81

["Our America" commentary]

[Text] Demagogy and only demagogy is what lies behind the U.S. official statements which assert that Washington is interested in helping the developing countries economically and those of Latin America and the Caribbean in particular.

As is well known, the United States leads the industrialized Western world opposition in the establishment of a just and equitable international economic order. All presumed U.S. economic aid to our America and to the Third World in general has a closely-linked goal which is to contribute to the imperialist objectives, whether economic, political or military.

Besides, there have been countless cases of U.S. economic aggression against countries which stand in the way of the rapacious U.S. consortiums interests or against those who refuse to obey Washington's orders.

The criminal blockade of Cuba which has been going on for two decades and which includes even medicines, the repeated economic aggression against new Nicaragua, are eloquent examples, not the only ones by the way, of what we assert.

But aside from Cuba and Nicaragua, countries which determined bravely to end the imperialist exploitation of which their respective peoples were victims, there are other cases of nations that have suffered the consequences of U.S. economic measures. This repeatedly demonstrates that Washington is incapable of the smallest sacrifice to help even its proclaimed friends of the continent.

As occurred not too long ago with tin, the United States has now announced its decision to sell every week one million ounces from its silver reserves, which will cause the prices of that mineral to drop even more on the world market and seriously hurt the economy of Peru and Mexico.

Mexico and Peru, as well as Ecuador have suffered in the recent past U.S. reprisals, including economic ones, for having seized U.S. trawlers fishing illegally in jurisdictional waters of those three countries.

Another hard blow to the Latin American economies was given recently by the United States when it established a new $.01 tax for each pound of sugar imported by the

U.S. market. This measure affected differently 20 countries of the area who in 1980 alone exported more than 2.5 million tons of that sweet product to the United States.

This decision takes even larger dimensions for the Latin American and Caribbean sugar exporting countries because it comes at a time when the world prices for sugar are again dropping.

One is reminded that it is the Dominican Republic, whose government has unconditionally supported the imperialist orientation from Washington, that is one of the most affected by that U.S. protectionist policy regarding the sugar imports.

As we were saying, there is only demagogy behind the U.S. promises to the Latin American and Third World countries for economic aid.

It would be deception to believe something else and to expect a disinterested contribution from Washington or effective support in the establishment of a new international economic order, much less under the government of President Ronald Reagan which has presented numerous obstacles and worse than negative conditions in the approval of loans to the underdeveloped countries.

The Third World and the countries of our America cannot expect an altruistic economic aid from a state and a government which have made of the slogan "business is business" their national foreign exchange.

CSO: 3010/86

BUSH TOUR OF LATIN AMERICA CRITICIZED

FL141223 Havana Domestic Service in Spanish 1100 GMT 14 Oct 81

[Text] The repression and indignation that Yankee Vice President George Bush left in his wake in the Dominican Republic continued yesterday in Bogota, Colombia, where an exceptional deployment of security forces protected him from the people's hostility. Hundreds of Dominican students and workers were beaten up, injured or arrested by the police in Santo Domingo during hostile demonstrations against Bush which lasted several days. Authorities even closed down the Autonomous University of Santo Domingo and prevented the student body from entering the premises.

Both in the Dominican Republic and Colombia, Bush hurled slanderous attacks against the Cuban people and their leaders. In Bogota, the Yankee vice president went so far as to claim that the Yankee government supports the Salvadoran junta because it was democratically elected by the people there. As is known, elections have not been held in El Salvador for many years, much less democratic ones. However, in his anxiety to justify the Yankee military intervention in El Salvador, Bush resorted to this flagrant lie during a press conference in Bogota.

The Yankee vice president will travel to Brazil today. Extreme security measures will also be adopted there to protect him from the people's indignation.

CSO: 3010/89

BRIEFS

CZECHOSLOVAK EXPORTS--Sheet metal, pipes, industrial netting [mallas industriales] and electrodes are articles that Czechoslovakia will export to Cuba according to a contract signed by foreign trade enterprises from the two countries. The agreement covers items with a cost exceeding 6 million rubles. [Text] [FL131423 Havana Domestic Service in Spanish 1100 GMT 13 Oct 81]

TRIBUNA ANNIVERSARY--Julio Camacho Aguilera, member of the Politburo and first party secretary in Havana City Province, has chaired the ceremony in Havana to mark the 1st anniversary of the newspaper TRIBUNA. Also present were alternate Politburo member Antonio Perez Herrero, TRIBUNA Editor-In-Chief Roberto Pavon Tamayo and Havana City Province executive bureau member Orestes Gispert, who delivered the closing remarks. [FL131423 Havana Domestic Service in Spanish 1200 GMT 13 Oct 81]

MEXICAN ECONOMIST'S VISIT--The president of the International Economic Association and director of the Mexican Economists Association, Victor Urquidi, has visited the Institute of Physical Planning, where he was received by the institute's director, Rene Saladrigas, and other officials. The prominent Mexican economist was briefed on the process of physical planning and the institute's activities. [FL131826 Havana Domestic Service in Spanish 1510 GMT 13 Oct 81]

POLISH ARMY ANNIVERSARY--Polish Embassy personnel yesterday laid a wreath at the tomb of Maj Gen Carlos Roloff on the 38th anniversary of the Polish army. A protocol unit from the Havana garrison took part in the ceremony honoring Roloff, who for many years fought for Cuba's independence. The ceremony was presided over by Jan Janiszewski, Poland's charge d'affaires in Cuba. [FL131826 Havana Domestic Service in Spanish 1700 GMT 13 Oct 81]

FOREIGN TRADE CADRES--The fifth international conference of directors of institutions in charge of raising the level of skills of foreign trade cadres in CEMA countries has begun in our country. The opening session was presided over by Cuban Minister of Foreign Trade Ricardo Cabrizas, vice ministers and other officials. Representatives from Bulgaria, Hungary, GDR, Mongolia, Poland, Romania, Soviet Union, Czechoslovakia and Cuba are attending the conference, which ends 15 October with the signing of a final communique. [Text] [FL141938 Havana Domestic Service in Spanish 1700 GMT 14 Oct 81]

RADIO AGREEMENT WITH LAOS--The first cooperation agreement between the Laotian and Cuban radio broadcasting organizations was signed yesterday in Havana. The

documents, which include technical assistance and exchange of information over the next 3 years, were signed by Chaleun Vongsam-ang, director general of the Lao National Radio Department, and by Manuel Yepe, vice president of the Cuban Institute of Radio and Television. The signing ceremony was attended by (Kamfon Vutsava), first secretary of the Laotian Embassy in Cuba. [Text] [FL141938 Havana Domestic Television Service in Spanish 1700 GMT 14 Oct 81]

RAILROAD ACCIDENT--A railroad accident in Cabaiguan, Sancti Spiritus Province, has caused the death of two passengers and injuries to 81 others, of which 62 were in serious condition and 19 slightly hurt. One of the dead was Felipe Rodriguez Salinas, 35 years old, a resident of kilometer No 3 of the central highway in Las Tunas. The accident occurred at 0700 hours when the Havana-Las Tunas train No 3 ran against the Havana-Holguin train No 5 which had stopped due to a breakdown of the engine. The national revolutionary police and railroad officials are conducting an investigation to determine who are responsible for the accident. [Text] [FL081629 Havana Domestic Service in Spanish 1100 GMT 8 Oct 81]

MIR CEREMONY--Chile's Movement of the Revolutionary Left [MIR] began a ceremony a few minutes ago in Havana to honor the memory of MIR leader Miguel Enriquez and several other militants who died fighting a few weeks ago in the rural area of Neltume, in southern Chile. Miguel Enriquez died in October 1975 in a one-sided fight against the repressive forces of Pinochet. [FL100102 Havana Domestic Service in Spanish 2300 GMT 9 Oct 81]

CAMILO-CHE DRIVE--The cave in Portales, Pinar Del Rio, the historic locale where the heroic guerrilla had his command post during the October crisis was the scene of the national ceremony to launch the Camilo-Che drive. The ceremony was chaired by Ramiro Valdes, member of the Politburo and minister of the interior. Pinar Del Rio labor leader Daniel Marrero presented Jaime Crombet, member of the Central Committee and first party secretary in Pinar Del Rio, with the pledges of workers involved in the sugar and tobacco harvests. Closing the ceremony, Jaime Crombet said that the best tribute to the heroic guerrilla on the 14th anniversary of his fall in Bolivia was day-to-day work. [FL100102 Havana Domestic Service in Spanish 2130 GMT 9 Oct 81]

RODRIGUEZ, PORTILLO HOLD TALKS--The vice president of the Council of State, Carlos Rafael Rodriguez, has held talks in Mexico with the secretaries of foreign relations, patrimony and industrial development and tourism. It was reported that topics of interest for the bilateral relations between the two countries were discussed in all these meetings. Carlos Rafael Rodriguez arrived Monday in the Mexican capital and met with President Jose Lopez Portillo, to whom he delivered a message from our commander in chief, Fidel Castro. He also met with PRI presidential candidate Miguel de La Madrid Hurtado and left for Havana last night at the end of his visit, made within the framework of closer relations between Mexico and Cuba. [Text] [FL151338 Havana Domestic Service in Spanish 1203 GMT 15 Oct 81]

ICAO PRESIDENT'S ARRIVAL--Dr Assad Kotaite, chairman of the International Civil Aviation Organization, ICAO, last night arrived in our country at the invitation of commander of the revolution Guillermo Garcia Frias, member of the Communist Party of Cuba's Politburo and minister of transportation. Ladislao Baranda, vice minister for aviation in the Transportation Ministry [as heard], and other officials of the transportation and foreign ministries welcomed Dr Kotaite at the airport. At his arrival, Dr Kotaite said he felt honored for being the first ICAO president to visit Cuba and emphasized the Cuban Government's positive contribution to the development of international air traffic. [Text] [FL152020 Havana Domestic Televisonservice in Spanish 1700 GMT 15 Oct 81]

VILMA ESPIN'S SPEECH--Vilma Espin, president of the Federation of Cuban Women, has noted the role being played by the female population in the general struggle of the peoples for their national independence, development and peace. In a speech at the Women's World Congress being held in Prague, the capital of Czechoslovakia, the Cuban leader asserted that women's first duty is to work for the eradication of all forms of domination and exploitation in the world and to struggle for peace and social progress. In a comprehensive analysis of the world's most fiery and grave problems, she stated that in the underdeveloped countries some 1,173,000,000 persons are unemployed [as heard] and that women, who are half of the world population, have the highest unemployment rate. Referring to the liberation movements, Vilma Espin stated that their victories constitute a valuable and mightly encouragement for the peoples who are waging a tenacious battle in Asia, Africa and Latin America to liberate themselves definitively from imperialist, colonialist and neocolonialist exploitation. [Text] [FL091454 Havana Domestic Service in Spanish 1100 GMT 9 Oct 81]

INTERNATIONALIST AWARD--During a solemn ceremony, the medal "Internationalist Combatant, First Class" was presented to a group of comrades who had an outstanding participation in the struggle against fascism in defense of the Spanish Republic during the years 1936 to 1939 and who have maintained a consistent attitude with our revolutionary process. The ceremony held at the Universal Hall of the Ministry of the Revolutionary Armed Forces [FAR] was chaired by army Gen Raul Castro, second secretary of Cuba's Communist Party [PCC] and minister of the FAR, and other members of the PCC Politburo. The keynote address was delivered by Brig Gen Juan Escalona Reguera, member of the PCC Central Committee and deputy FAR minister. [Excerpt] [FL101827 Havana Domestic Service in Spanish 1700 GMT 10 Oct 81]

ELEMENTARY TEACHERS TO NICARAGUA--Jose Ramon Fernandez, member of the Communist Party of Cuba's Central Committee, minister of education and vice president of the Council of Ministers, has bidden farewell in this capital to 323 elementary teachers who are taking part in the Augusto Cesar Sandino internationalist contingent. This is the last group of a total of 2,000 teachers who will work in Nicaragua. Groups of this contingent will start leaving today for Nicaragua to render their services during the present and the next school year in that brother country. This is the third contingent that will work in that country. At the ceremony, which was held at the Alquizar Motel, the minister conveyed to the teachers a farewell greeting from Commander in Chief Fidel Castro and emphasized their important teaching mission to which the FMLN, the party and the

governments and peoples of Cuba and Nicaragua assign a high priority. [Text] [FL121605 Havana Domestic Service in Spanish 1100 GMT 12 Oct 81]

FARAH IN LUANDA--Cuban and Angolan delegations today began in Luanda talks on bilateral cooperation in the construction field. The Cuban delegation, which is headed by Minister of Government for Overseas Construction Levi Farah, arrived yesterday in the Angolan capital. [Text] [FL142008 Havana Domestic Television Service in Spanish 1700 GMT 14 Oct 81]

MOZAMBIQUE DELEGATION IN SANTIAGO--Headed by (Jorge Rebelo), member of the Mozambique Liberation Front Politburo, the delegation of that fraternal African country today arrived in Santiago de Cuba. At the headquarters of the party provincial committee in Santiago de Cuba. The members of the delegation were received by Jose Ramon Balaguer, member of Cuba's Communist Party [PCC] Central Committee and first party secretary in the province. The Mozambique delegation is being accompanied by Orlando Fundora, alternate member of the PCC Central Committee and chief of its Revolutionary Orientation Department. During the meeting, which was held in an atmosphere of sincere camaraderie, Balaguer explained to (Rebelo) the main tasks being undertaken by the Province of Santiago de Cuba as well as the successes attained in various branches. During its stay in Santiago de Cuba, the delegation of the Mozambique Liberation Front will tour centers of historical and tourist interest as well as ongoing social projects. [Text] [FL142023 Havana Domestic Service in Spanish 1912 GMT 14 Oct 81]

TELEVISION PROGRAM ANNOUNCED--Beginning 19 October, television channel six will present a new program titled "Morning Review of Cuban Television." In a press conference chaired by Nivaldo Herrera, president of the Cuban Institute of Radio and Television, and Ovidio Cabrera, director of the national television newscast, it was announced today that the "Morning Review of Cuban Television" will be broadcast Monday to Saturday from 0700 to 0830 hours. During those 90 minutes, the new channel six program will present news bulletins, commentaries, weather reports, tips on fashions and other topics. It will also continuously show on the screen the time of day. The "Morning Review of Cuban Television" will open the program on Saturdays with a segment on ornithology which will have a special section for children's mail. Those children sending the best letters will win a pair of parakeets or canaries. During the press conference, an appeal was made to the viewers urging them to write to television channel six suggesting a name for the new program, which will be known at the beginning as "Morning Review of Cuban Television." [Text] [FL150047 Havana Domestic Service in Spanish 0000 GMT 15 Oct 81]

VEIGA BACK FROM BUCHAREST--Roberto Veiga, alternate member of Cuba's Communist Party Politburo and secretary general of the Central Organization of Cuban Trade Unions, returned home a few minutes ago after participating in the 26th WFTU Bureau meeting held in Bucharest, Romania. During the meeting, the participants discussed the preparations being made for the 10th WFTU Congress, which will be held in Cuba next year. [Text] [FL160144 Havana Domestic Television Service in Spanish 0100 GMT 16 Oct 81]

RODRIGUEZ LLOMPART TO MOSCOW--Hector Rodriguez Llompart, minister president of Cuba's state committee for economic cooperation, left Paris today for Moscow following a visit of approximately 1 week to France. During his stay in the French capital, Rodriguez Llompart headed Cuba's delegation to the sixth meeting of the Cuban-French intergovernmental committee for economic cooperation which ended Wednesday with what were described as satisfactory results. [Text] [FL171839 Havana Domestic Television Service in Spanish 1800 GMT 17 Oct 81]

GDR MINISTER'S, YOUTH LEADERS' ARRIVAL--Herbert Weiz, a member of the Socialist Unity Party of Germany [SED] Central Committee, deputy chairman of the Council of Ministers and minister of science and technology of the GDR, has arrived in Havana at the invitation of the revolutionary government. During his stay in this country, Weiz and Cuban officials will discuss matters of interest concerning bilateral cooperation in the areas of science, technology and tropical agriculture as well as aspects of management and planning. Egon Krenz, first secretary of the Free German Youth [FDJ], has arrived at Havana's Jose Marti International Airport where he was received by Luis Orlando Dominguez, a member of the party Central Committee and first secretary of the Union of Young Communists. The delegation headed by Egon Krenz is coming from Nicaragua in transit to Berlin and is comprised by Wolfgang Herger, a member of the SED Central Committee and other FDJ leaders. [Text] [FL161240 Havana Domestic Service in Spanish 1200 GMT 16 Oct 81]

CSO: 3010/86

GOVERNMENT SPOKESMAN: 1982 ELECTIONS WILL BE HELD

Guatemala City EL IMPARCIAL in Spanish 24 Sep 81 p 1, 4

[Excerpt] "No human power will be able to stop the electoral process which will culminate in the general elections of March 1982," according to the journalist Carlos Toledo Vielman, secretary of presidential public relations.

The official was making reference to the acts of violence which have taken place in the capital and in some of the departments of the republic which evidently are intended to create an adverse climate so that the citizens will become frightened and will abstain from making full use of their right to elect and to be elected.

"But we are certain that the majority of Guatemalans, who reject violence as a formula for solving our problems, are confident that the electoral process is an adequate means of solving differences of opinion which are normal under a government which thrives on democracy," the official added.

On the other hand, he recalled that those who for some reason are not satisfied with the actions or policies of the government have eight alternatives represented by the same number of political parties which are on the ballot and which will go into action in the electoral campaign as soon as the general elections are called.

These alternatives are representative of the way of thinking of the Guatemalans who have enjoyed freedom under the protection of democracy. The political groups which form these parties, he added, range from left center to right center; that is, there are practical ideological alternatives available to the politically conscious citizenry.

In addition, the secretary of presidential public relations indicated, Gen Lucas Garcia's government has reiterated that it intends to extend complete freedom in the campaign and in the elections of 1982 so that all the participants may have the same opportunities and so that the people, with their vote, freely and spontaneously given, may select the persons who are to govern the country during the next period.

"Gen Lucas Garcia has categorially stated," the public relations man continued, "that he is determined to hand over power on 1 July to the person who has received the majority of votes in the popular election so that the institutional process may continue its course for the benefit of the integral development of Guatemala."

9204
CSO: 3010/28

UNIVERSITY RECTOR EXPLAINS STATUS OF BELIZE STUDENTS

Guatemala City PRENSA LIBRE in Spanish 11 Sep 81 pp 4, 80

[Text] A group of 57 Belizeans who are attending the University of San Carlos, the majority in the medical school, must leave the country before 14 September but they will not lose credit for their studies and they will be able to return in the future. Mario Dary, rector of the University of San Carlos, reported that the situation of that group of university students was studied in the meeting of the superior council of the university last Wednesday, 9 September.

At that meeting the dean of the Humanities School, Dr Raul Osegueda Palala and Juan Jose Navas, legal adviser of the rectorate, were assigned the task of discussing the case at the Ministry of Foreign Affairs.

The two members of the committee met yesterday morning with Alfonso Alonso Lima, deputy minister of foreign affairs and the following conclusions were arrived at in those discussions.

The government ruling that orders citizens of Belize to leave the country is of a national and constitutional character for which reason the application of the ruling is general and the University of San Carlos must act accordingly.

In view of this, the citizens of Belize who are studying at the university, whether or not they have scholarships, are also obliged to abide by the national sovereign ruling and must leave national territory within the period specified by the government.

This fact does not affect the validity of the studies carried out by the persons affected, who will be able to return in the future, depending on the particular circumstances and a review of each case by the competent authorities.

Meeting With Belizean Students

A delegation of students from Belize went yesterday afternoon to the rectory of the University of San Carlos and had a discussion with the rector, Mario Dary, and his secretary, Dr Edgar Leiva Santos.

The students were informed of the steps taken by the university authorities to determine precisely how they should proceed under the present circumstances in relation to Belize.

The delegation of university students from Belize left the rectory shortly before 1700 hours after a lengthy exchange of views with the university authorities.

It came to light that some of the Belizean students have received anonymous threatening phone calls.

Dary said that such threats are entirely out of place and that if the students from Belize leave the university and the country it is due to reasons that have nothing to do with them.

"As far as we are concerned," he said, referring to the university, "we will always open our doors to them and we will give them all the support they need to continue and complete their studies when circumstances allow it."

The situation of these young people concerns us," he added, "but what is involved is a problem that we are not in a position to solve."

9204
CSO: 3010/28

PRESIDENT EVALUATES RESULTS OF LITERACY PLAN

Guatemala City DIARIO DE CENTRO AMERICA in Spanish 9 Sep 81 p 2

[Text] Gen Fernando Romeo Lucas Garcia, president of the republic, stated during yesterday afternoon's press conference in the Hall of Mirrors of the Presidential House that the estimates contained in the National Literacy Plan have been fulfilled.

The president was accompanied by Jorge Bonilla Lopez, president of the legislature; by Col Clementino Castillo Coronado, minister of education; by Prof Lisandro Sierra Coronado and Leopoldo Colom Molina, deputy ministers; and by the journalist Carlos Toledo Vielmann, secretary of presidential public relations.

Major Rolando Archila Marroquin, under secretary of public relations, and the directors of the Guatemalan literacy campaign were also present.

During the conference the president of the legislature stated that he had received a bill from the Ministry of Education to the effect that 7 September of each year should be declared National Literacy Day, a proposal which has received wide acceptance within the legislature and hence will undoubtedly be made into law.

Results of the First Stage of the National Literacy Plan

Achievements

1. Population served--467,461. 2. Persons who learned to read--283,483. 3. Persons in the process of learning how to read--183,978. 4. Centers organized--26,598. 5. Cost of the first stage: Total--Quetzals 10.418 million. Per Person: Quetzals 36.75. 6. Decrease in illiteracy--from 54.4 percent to 47.43 percent.

Population Served, by Area

Population served--467,461 (100 percent). Rural area: --322,548 (69 percent. Urban area--144,913 (31 percent).

Population Served, by Sex

Population served--467,461 (100 percent). Women--245,370 (52 percent). Men--222,091 (48 percent).

Instructor Participants

The contingent of instructors of reading and writing included 26,598 persons, consisting of teachers, students and religious workers.

Locations Used

The 26,598 facilities used for teaching reading and writing were located in markets, prisons, military centers, municipal buildings, churches, schools and private homes.

9204
CSO: 3010/28

EXILE GROUP SAYS MILITARISM REACHING DANGEROUS LEVEL

San Jose LA REPUBLICA in Spanish 5 Sep 81 p 15

[Text] The Christian Army for the Liberation of Nicaragua, a group that has been organized in Costa Rica "to fight against the communist Sandino government of Nicaragua" points out in a manifesto the seriousness of the militarism that Nicaragua is reaching and the fact that a large part of the national budget is spent to support a gigantic army.

The text of the manifesto points out the following:

The program of the National Reconstruction Government anticipated substituting the genocidal National Guard with an army that was patriotic.

When the new armed forces were organized, the Nicaraguan military sector was made up of the Sandinist Peoples Army (EPS), the Sandinist Police (PS) and the Sandinist Air Force (FAS), to which we have to add the bodies answering to the Ministry of Interior, namely, the Department of State and the Domestic Order Police (POI).

The epithet of "Sandinist" is a fundamental element that affects the very nature of the Nicaraguan armed forces, since, by virtue of the law of 13 September 1979, the use of the name "Sandinist" in a political sense is exclusively reserved for the Sandinist National Liberation Front (FSLN).

Partisan Army

This circumstance caused a serious national debate set forth in this way: either the above-mentioned law is repealed and Sandinism is acknowledged within its true, overall nationalist--and not strictly partisan--character, or the name "Sandinist" must not be used in the official name of the army and the police, which should be called the Nicaraguan Peoples Army, Nicaraguan Patriotic Army or National Police, etc. If one or the other is not done, we will have to conclude that the Nicaraguan armed forces are a partisan military body and not part of the Nicaraguan state. In short, they are the armed branch of the FSLN party and not of the Nicaraguan community. The Nicaraguan soldiers are receiving a Marxist-Leninist political education to the total exclusion of other ideological and political concepts.

Repressive Force

This partisan politicization of the Nicaraguan armed forces has serious domestic and international repercussions. Domestic because the Nicaraguan armed forces are being used to repress the democratic sectors, the independent trade unions and political opponents, and, in some cases, members of the armed forces have been seen taking part in actions of fascist terrorism recently perpetrated by FSLN mass organizations.

Pro-Soviet Attitude

In the international sphere, concern is being aroused by the frankly pro-Soviet and pro-Cuban tendency of the Nicaraguan armed forces, which day by day are growing disproportionately to Nicaragua's real needs.

Excessive Militarism

The present Sandinist Peoples Army counts among its ranks approximately 45,000 regular soldiers, besides about 100,000 militiamen. If we consider that the Somoza regime, universally known as a military dictatorship, never counted in its ranks more than 15,000 men, the question of whether there is an excessive militarism in Nicaragua is superfluous.

Military Aid

The Nicaraguan Government has been receiving regularly and systematically massive quantities of sophisticated war material from Russia, East Germany and Cuba. At the present time there are more than 1,500 Cuban advisers and about 5,000 "internationalists" of recognized Marxist tendency in their own countries.

There are areas on the Atlantic coast where they are working in an atmosphere of absolute privacy and military secrecy, and because of the size of the project being carried out and the machinery used in this work, one is almost certain that they are building bases in this area to install missiles, which Nicaragua's size does not justify.

Bad Use of Resources

A brief calculation of the Nicaraguan Government's military expenditures places them at about $15 million a month, that is, about $180 million yearly only for wages, maintenance and other essential expenditures, which means that a substantial quantity of resources necessary to promote production and finance programs for health, housing, education, etc., are being absorbed by this gigantic army.

They Are Depleting the Country

Approximately $1,300,000 daily in essential grains, coffee, sugar, wood, gold and fish products are sent to the Eastern Bloc countries through Cuba, which, besides affecting the already weak Nicaraguan economy, is destabilizing the Central American common market, thus worsening the conditions of poverty in the whole region.

By Force

To conclude with this theme, we want to point out that the subordination of the Nicaraguan armed forces to the political interests of the FSLN party has been creating a forced retention in the ranks of the army, which flagrantly violates individual freedom.

There are innumerable cases of youths who, on applying for their discharge or simply for having expressed their intention to do so, are jailed and treated like potential enemies of the regime, whom the government fears all the more because they know how to handle weapons.

It is equally important to point out that the absorption by the military power of resources necessary for social programs attacks the racial and economic rights of the have-not classes in Nicaragua.

9545
CSO: 3010/15

PRIME MINISTER ULLOA SATISFIED WITH VISIT TO U.S.

PY122324 Paris AFP in Spanish 1911 GMT 11 Oct 81

[Text] Lima, 11 Oct (AFP)--Peruvian Prime Minister Manuel Ulloa voiced his confidence that the United States will not put tin reserves on sale in the coming days as had been announced.

Ulloa, who returned from the United States where he participated in the International Monetary Fund and World Bank meetings, said that he had discussed this subject with high-ranking members of President Ronald Reagan's administration and that he had found great receptivity and is sure that his talks will be successful.

After pointing out that the financial meetings had been successful Ulloa stated that nevertheless the economic picture for the developing countries next year looks difficult. He said that it will be particularly difficult for the developing countries due to the anti-inflationary policy being implemented by the United States and other important world powers.

He then pointed out that the first 6 months will be especially difficult and that the most affected areas will be those of trade, loan availability and actions aimed at development.

In referring to Peru he said that his meetings had been fruitful, since he had managed to obtain the World Bank's support for 15 Peruvian projects for 1982 and for five to be carried out this year and another five are to be supported by the Inter-American Development Bank.

He also pointed out that the Peruvian economic situation is improving since inflation is being controlled. It is believed that by the end of this year inflation will have reached a peak of 60 percent and that during 1982 it will reach 45 percent.

When he was asked about the appointment of the new U.S. ambassador to Peru, Frank Ortiz, who is said to be an expert in the antiterrorist struggle, Ulloa pointed out that the country's problems are solved by Peruvians and we have no reason to tie them to the appointment of an ambassador.

He then deplored Egyptian President Anwar al-Sadat's assassination which disrupts the peace of the peoples all because of religious fanatism.

CSO: 3010/79

BRIEFS

ARMY COMMANDER ON ARMS PURCHASE--Lima, 8 Oct (LATIN)--Commander of the Army Gen Otto Elespuru said here today that the announced purchase of war materiel by Ecuador "is a normal purchase." He added: "There is always renewal of armaments and war materiel to replace obsolete equipment." Elespuru told the press that the Ecuadorean purchase of airplanes and other types of armaments "is similar to what we do (Peru)." The general talked to journalists at the conclusion of a ceremony celebrating the creation of the navy. "All countries have the right and duty to maintain their armed forces so as to guarantee the security and sovereignty of their borders," said the general. "What they do (Ecuador) is normal, just as we do it. This situation obliges us to maintain the country's security," he added. Peru and Ecuador were involved in a brief armed confrontation on their border at the beginning of this year. Elespuru said he believes that "countries must look after this matter (arms) and their border problems constantly." [Text] [PY091747 Buenos Aires LATIN in Spanish 0202 GMT 9 Oct 81]

PEREZ DE CUELLAR ON SENATE'S REJECTION--Lima, 9 Oct (AFP)--Peruvian diplomat Javier Perez de Cuellar--whose appointment by the government as ambassador to Brazil was rejected by the Senate last Wednesday--said here today that even if the Senate changes its decision he will not accept the appointment. The vote by the Senate rejecting Perez de Cuellar's confirmation took by surprise all circles of opinion, firstly because the diplomat was UN undersecretary general and also held the position of Peruvian vice foreign minister and secondly because the government bloc has a large majority in congress and the vote against him only indicates that there is a rebellion among the senators of Popular Action (AP), the party of President Fernando Belaunde. Asked about the possibility that the Senate--under pressure from the executive branch--may change its position or that the cabinet may insist on submitting his name as Peruvian ambassador to Brazil, Perez de Cuellar today said that he will no longer accept the position. This morning personnel of the Foreign Ministry held a demonstration of support for Foreign Minister Javier Arias Stella who, in view of the Senate's rejection of the appointment, submitted his resignation to President Belaunde, which he did not accept. [Text] [PY101612 Paris AFP in Spanish 0300 GMT 10 Oct 81]

STRIKERS OCCUPY MEXICAN EMBASSY--Lima, 2 Oct (AFP)--Four of the workers of the Agriculture Ministry who have been on strike for 3 weeks now, occupied the local Mexican Embassy this afternoon and went on hunger strike to force Agriculture Minister Nils Ericson to pay heed to their demands. Approximately 400 other strikers and many policemen are watching outside the diplomatic mission. The

14,000 workers of the Agriculture Ministry went on strike on 10 September calling for salary hikes, job stability and the return of the assets of their union. The workers who are inside the Mexican Embassy, located in a residential neighborhood in southern Lima, have been identified as Zacarias Flores, Bernardino Benavente, Cesar Gonzales and Antonio Davalos. The Mexican ambassador in Peru, Ismael Moreno, is trying to find a peaceful solution to the incident. [Text] [PY031500 Paris AFP in Spanish 0204 GMT 3 Oct 81]

LEFTIST PROPOSES CONTINENTAL SECRETARIAT--Several Latin American democratic organizations will hold conversations in the near future to form a continental secretariat, Alfonso Barrantes, president of the Leftist Unity, UI, of Peru, said in Mexico City. He said that the establishment of a Latin American leftist secretariat would allow unified and coordinated action against U.S. intervention in the region. He added that the UI plans to increase its contacts with Mexican organizations of the same nature as well as with the parties of the Popular Unity of Chile and the broad front of Uruguay. Barrantes criticized President Ronald Reagan's arms race policy. He said that the leftist forces in Peru support the liberation struggles of the people of Latin America and particularly the Nicaraguan and Cuban revolutions and the insurrectional movement in El Salvador. [Text] [PA082200 Havana International Service in Spanish 1600 GMT 8 Oct 81]

SOVIET DESERTER SENT TO MIAMI--Lima, 10 Oct (AFP)--It was learned here this afternoon that a Soviet sailor who sought asylum at the U.S. Embassy in Lima 45 days ago left for Miami today on board a plane of the Peruvian state owned airline. Yacov Kirilovich Mazur Zibac, 44 years old, had deserted from the Soviet fishing boat "Leningrad" during a stopover to resupply in the neighboring Callao Port. [Excerpt] [PY122037 Paris AFP in Spanish 0152 GMT 11 Oct 81]

CSO: 3010/79

BRIEFS

STUDENTS TO CUBA--St Georges, Grenada, 6 Oct (CANA)--Ten St Lucian students have left Castries for Cuba to take up university scholarships there, the Cuban Embassy here has announced. The ten were selected by the Government of St Lucia as the most promising candidates among applicants for the awards. They will join a similar number from their country who won scholarships last year, and a total of some 300 students from the Eastern Caribbean who are currently studying in Cuba. The ten scholarships offered this term include degree courses in medicine, dentistry, agronomy, veterinary medicine and engineering. Sixteen-thousand students from 81 countries are participating in the program, 2,600 of them at university level. Each receives free tuition, books and other materials, food and lodging, clothing, plus a monthly stipend of 60 pesos (EC 214 dollars), the embassy said. [Text] [FL062054 Bridgetown DANA in English 1540 GMT 6 Oct 81]

CSO: 3025/1002

AD LABOR UNION EXECUTIVE COMMITTEE SCORES COUP

Caracas RESUMEN in Spanish 9 Aug 81 pp 2-6

[Text] The decision of the labor union executive committee of AD [Democratic Action] to make a "switch" of its support for the Lusinchi candidacy in exchange for the secretary generalship for one of its own people (Manuel Penalver) seems to have decided the candidacy issue in AD. In this first study by RESUMEN's political analysis "Alpha Group," some of the enigmas behind this decision are cleared up. Was it a maneuver by Betancourt? Has Morales Bello been defeated? Does the labor union executive committee have the power to take over the office of the secretary general? Does this ensure the victory of Rafael Caldera?

In the midst of the uproar now going on, with an incoherent, inept, and deaf government; in the midst of an extremely serious economic crisis brought about by the inability of the president to grasp the world's financial interdependence, and in a disturbingly pro-coup environment, there has taken place inside AD what is technically nothing more nor less than a "coup d'etat." Who? How? Why? When? And where?

We are going to try to answer these questions, one by one. The "coup" was brought about by the labor union wing of AD. How? In reality it has taken place and is still going on now more in the non-AD world outside than inside AD's human universe or structural mechanisms. Of course, it did not happen that Jose Vargas proclaimed himself dictator of AD; nor did Manuel Penalver, an assistant to party lieutenant Eleazar Pinto, start to pillage the office of the secretary general and force Jaime Lusinchi out at gunpoint. The matter is more subtle, more delicate, more "Florentine" in style. But it is still a coup.

What has happened, for now, is a simple statement. A statement approved by Gonzalo Barrios as being "unobjectionable." In that statement the labor union group--which from outside AD seems

omnipotent, but from inside is not--announced that it supported the nomination of Jaime Lusinchi as AD's presidential candidate. And it also proposed a "switch" in the position of secretary general, which Lusinchi now holds, in exchange for Manuel Penalver, an old and respected oil union leader. "I accept the exchange," Lusinchi is reported to have said, but how is such a switch being worked? How is it taking shape? Is it really possible for elected officials in a political party to switch jobs back and forth among themselves? Isn't that a grotesque mockery of everything that is said and done and of all the votes cast? Of course, that is the case. But the switch is technically possible. And it is almost certain that it will take place at the CEN [National Executive Committee of AD] meeting to be held this week, on Tuesday, 4 August. How? The CEN of Democratic Action does have the option of "filling" the position of the secretary general when he resigns.

And now that the agreement has been reached, has been termed "unobjectionable" by Barrios, has been backed by Pinerua, and has apparently been accepted by Romulo Betancourt as a "fait accompli," the communications media have swallowed the apparently "overwhelming" superiority of the union group, and have conceded Lusinchi to be the virtual victor in the race between Lusinchi and Morales Bello for the nomination for the presidential candidacy. So the first objective of this "coup" has been achieved successfully. Now the second objective awaits--to actually replace Lusinchi (with the promise of support for his presidential candidacy) as the secretary general of the party, and to put Manuel Penalver in that position. This is going to look more like a "coup d'etat," since, while in one sense it is a formally legal step, in another sense, it is a politically reprehensible action. In fact, the union group, which has "switched" its support (apparently its "overwhelming" support) for Lusinchi's presidential candidacy in exchange for the secretary generalship for Manuel Penalver, does not now have, nor did it ever have the strength to have done this in a direct way by appealing for votes from the party convention, which is the most genuine way of representation for the AD people.

The most convincing proof of this is that the union group supported Pedro Tabata Guzman for the position of organization secretary. But the man who won was Luis Alfaro Ucero. If they couldn't even manage to do that, it is clear that they couldn't bring off an even bigger coup--by the open and democratic way of counting the votes of the grassroots AD members. Furthermore, Mr Lusinchi himself is a demonstration of this. And--how paradoxical--it was Manuel Penalver who opposed the Lusinchi "consensus" thesis. But he too was defeated. So, defeated twice in open confrontation, the union group has now managed to consolidate this first phase

of their "coup d'etat," which should bring them to control the party machinery, by the rather ignoble means of deals made behind closed doors.

Secrecy and Surprise

The first step of this "coup"--the announcement of support for Lusinchi, and the switching of the post of secretary general to Manuel Penalver in exchange for this support--was conceived and carried out within the greatest secrecy. This enabled the union group to enjoy the advantages of the surprise factor.

Armed with this factor, they gave Lusinchi the opportunity--which he of course did not let slip through his fingers--to present himself and talk like the actual Democratic Action candidate for the presidency. This was, it would seem, a magistral coup that left everyone dumbfounded, from Lusinchi himself to Morales Bello. So far, we have been answering the question: who? The "how" is more complicated. But as far as we have managed to determine, this was a maneuver conceived within the tightly knit circle of the AD union group. As this group has apparently been very loyal to Betancourt, many people thought almost automatically that it was the old fox of Pacairigua himself who planned this move. That was not the case, though. Amazingly enough, Betancourt was as surprised as Barrios, Pinerua, Morales, Canche, and Lusinchi himself. What happened is that Barrios thought the move came from Betancourt and Pinerua was stopped dead, thinking the same thing. Of course, those who were not in the inner circle also thought that this was another masterly stroke from Romulo, and Romulo, in order not to dispel the myth that surrounds him, kept silent. Particularly as the event, for a complex series of factors which we will endeavor to explain later, did not seem too preposterous.

In any event, RESUMEN's political analysts who have combined their information in this report, have managed to determine, without the slightest doubt, that the "coup" of the union group was not known in any way, at least by Pinerua. In fact, the person who told Pinerua about the union group's decision to support Lusinchi and replace him as secretary general by Manuel Penalver was Senator Pedro Paris Montesinos. When the robust and likable Paris was on the point of telling the "news" to Pinerua, while actually suspecting that Pinerua "already knew it," and which he was doing more as a comment than as a revelation, Pinerua was about to have a cup of coffee, which, as it was still very hot, he had left on top of the table. When he heard the news, its impact made him forget the heat of the coffee, and he tried to gulp it down nervously; this produced the natural reaction of anyone who burns himself, and he spilled the hot coffee on his white suit. He immediately called

Romulo Betancourt. Betancourt already knew about it--not from having been in on the plan, but because he had been told.

What Romulo told Pinerua will remain in our files for the time being. In any event, when he--Betancourt--was informed of this "fait accompli," the union group's statement, he joked that "the same thing had happened to him as happened to deceived husbands--he was the last one to hear about his wife's infidelity." Whether joking or not, Betancourt made it clear with this remark that the union group, once again, had been unfaithful to him. But following the philosophy contained in the French saying, "Horns are like teeth; they may hurt when they're coming in, but they can be of use," he thought of using this infidelity, instead of getting angry about it.

The "Morales Bello" factor (analyzed later in this article) would barely carry any weight in this resolution. As for the C. A. Perez reaction, there are a good number of doubts about it. Some days before the union "coup," Perez told a person who had asked him about the problem of the AD candidacy that he thought that among the AD orthodoxy, the one who was "best prepared" to be a candidate was Lepage, "but," he added, "he has no support." "As for Lusinchi," he added, "he is the one who meets the least opposition from all sectors, but he is a poor candidate to run against Caldera." "And as for Morales Bello," he concluded in a tone of excuse, "I can't tell him not to run because he has always been very loyal to me." From this we find that between the candidate with no support, and the one with too much, Perez would prefer Lusinchi. In any event, it is true that Perez was not in Caracas when the union committee's announcement was made. Was this planned? There are some who think that the person behind this plot is no other than Jose Manzo Gonzalez. In any case, the "touch" in the "Carlos Andres [Perez] style" was quite clear, when at the close of the meeting of the national union executive committee, convened for Wednesday, 29 July to approve what the committee had already decided and announced, the supporters of the Lusinchi presidential candidacy in exchange for the party secretary generalship for one of their own people turned out "en masse" and were wined and dined at the "Casa Mar" in La Florida; the organizers and hosts of this feast were Jose Manzo Gonzalez and Carmelo Lauria.

Gonzalo Barrios was not in Venezuela when the announcement was made by the union committee, but when he returned, he also went off on a tangent, terming the decision "unobjectionable." This hardly considered the "collapse of the system" factor (analyzed later). As for Canache, it is known that he did not know about it, and as for Leandro Mora, he is never told about anything.

On Tuesday, 28 July, the anniversary of the assassination of Ramon Carmona and the national day of Peru, an emergency session of the national union committee of AD was held, convened by the union executive committee (a real party within a party). This was the second part of the "coup," absolutely natural since the first part--the announcement of the switch of the secretaryship for the candidacy--had left all the factors carrying any personal weight within AD stunned, immobile, silent, and imprisoned by their own contradictions or indecision.

Pinerua Joins in the Coup

At the national headquarters of AD in La Florida, about 200 people, including delegates from the national union committee and special guests, met to confirm formally the "pronunciamiento" of the union executive committee. We want to make it clear that we are using the term "pronunciamiento" not in the sense of pronouncing, of issuing a decision, but rather in its political-historic connotation, as an uprising, a rebellion, a coup d'etat. For a careful study of some of the remarks made there reveals that their subconscious betrayed many of them. For example, the national agrarian secretary, Armando Gonzalez, spoke of Manuel Penalver's "candidacy" for the secretary generalship, when in reality there is no such "candidacy" because no one is going to vote for Penalver, there will be no convention. What there will be is a CEN that will accept the resignation of Lusinchi and will automatically appoint Penalver. At the same time, the word "switch" began to displease those who had been using it, and they did some juggling to avoid it or explain it. In any case, the new pro-coup assembly was installed by Manuel Penalver, and ratified the "pronunciamiento" of the executive committee. Jose Vargas, president of the CTV [Confederation of Venezuelan Workers], continued to use the term, though, and spoke of the Lusinchi candidacy as a "fait accompli," speaking of his program, of the need to emphasize social aspects, and all the rest of the traditional political propaganda, the same that we heard when Barrios was a candidate, when Perez was a candidate, and when Pinerua was a candidate.

Armando Gonzalez was the one who "put his foot in it," trying to make himself seem more important, and making his support for the switch "conditional." He spoke of the "candidacy" of Manuel Penalver for the post of secretary general ("the election of the Peasant Federation is coming and this issue may be cause for concern... but still, the peasants do back the "candidacy" of Manuel Penalver). But as this so-called candidacy of Penalver can not be subject to any "buts," since it is a trade for support for the presidential candidacy of Lusinchi, such support must either be given or not given. It would be funny if Lusinchi were to resign his position as secretary general, being replaced by Penalver, and

then were not selected as the presidential candidate. What no one mentioned, of course, is that to make this switch official, they will have to annoint Lusinchi as a candidate. But this can only be done by the CDN [National Leadership Committee of AD], by a special convention, or by means of primaries. Devastating as the coup certainly was, and so well planned that many people thought they glimpsed the ineffaceable figure of Manzo Gonzalez behind it, they took for granted that the union group could do what it was doing, and later events (the "pronunciamientos" of the CES of Caracas, of some highly unrepresentative "committees," etc.) have confirmed this and proved right those who calculated that after the statement of the labor union executive committee, ratified by the national union board, the others would drop one by one, like a deck of cards.

Lusinchi's speech was mediocre, sentimental, and in poor taste, but it did fit quite well what was being served up to him on a silver platter. When he was in the middle of his peroration, Luis Pinerua Ordaz came in. There was a discreet murmur in the room, and the speaker, for the benefit of the person who had just entered, gave a summary of what had been said, as an act of courtesy. At that time, though, Pinerua's position had already been made clear, and was no mystery at all. The night before, on the program "Foreground" on RCTV, Pinerua had thrown in the towel and had joined in support, discreetly but certainly, of the "pronunciamiento" of the labor union executive committee, letting it be seen without the slightest doubt that his efforts would now be directed toward blocking Morales, even at the cost of his own aspirations. So an accidental instrument such as Jaime Lusinchi, with nothing resembling the famous "speaking self-portrait" of Pinerua, had undergone a metamorphosis and had become "orthodox" through an act of verbal juggling, which is the swan song of Luis Pinerua in Venezuelan politics. The night before Pinerua had told Granier that "he was not a candidate," despite the fact that several days earlier he had announced that he was a candidate. In attacking head on the problem of internal democracy (a problem in which, no matter what may be said, Morales is on the winning side, and Lusinchi on the losing side, even though he is now an ally or instrument of orthodoxy on retreat), he expressed his opposition to primaries, even though not long ago he supported them. Whether he changed because he is certain that not only would he be defeated in primaries, but also Lusinchi, even supported by him and by the "orthodoxy" would be defeated, or whether because he feels that the AD primaries would endanger the democratic system which is disintegrating quite openly, is irrelevant, and in any case, both possibilities coincide. Confirming that he did not know about the statement from the labor union executive committee and that he had burned himself on his coffee that was too hot, he excused this, saying that: "When the

labor union executive committee supported me, it didn't consult with anyone." "I then had the good luck that after receiving this support, other groups joined in to support me: agrarian, youth, educators, professionals, and above all, the party base." "I sincerely hope that my comrade Lusinchi would have the same good fortune."

After saying this on the preceding night, there was little doubt about Pinerua's position. After Lusinchi spoke, he asked for the floor and said, among other things, that his reason for being there was to state that "he was not competing with Lusinchi," and in reference to his "speaking portrait," he made an indirect attack on Morales Bello, saying that Lusinchi, Canache, and Leandro Mora "all were perfectly acceptable to him," but leaving Morales Bello outside this list. He spoke of Morales Bello's "execrable" image as a candidate. In that instance, the mysterious crystal that breaks when the level of political cynicism reaches high decibel levels gave a great cracking sound! According to Pinerua, Morales Bello's record is "execrable," though it was Morales Bello who received the largest number of votes in the last convention, and he described Lusinchi as having the "highest orthodox ethics." But Lusinchi's ties with the "apostles," with Perez, with the Sierra Nevada, with Cecilia Matos, and with her alter ego, Blanca Ibanez, are notorious, as are his liking for whisky, his traditional laziness, and his recognized inaptitude for anything resembling administration. In any event, Pinerua termed the "pronunciamiento" by the labor union executive committee a "legitimate decision" "which has all my respect and if it comes about, as it seems it will, it will have my support."

With this being said, the union board of AD closed the session and went on foot a few meters farther to Los Jabillos, to the festive "Mar" house where they were awaited by their hosts, Manzo Gonzalez and Carmelo Lauria. If they had gone a few meters farther, they could have gone into the Valles Funeral Home to hold a wake for another unburied corpse: that of the moralizing campaign of Pinerua the "correct."

"Betancourt is Guaranteeing a Victory for Caldera"

Now that we have tried to clear up the questions "who," "how," and "when," we will attempt to systematize the reasons why. Without any doubt, these are the most difficult and interesting to analyze. In this analysis, we always have to avoid falling into the illusion of confusing procedures with motivations and results with causes. By systematizing them, we meet with the version--apparently discarded, but only apparently--that behind the "pronunciamiento" of the labor union committee is the master hand of Romulo Betancourt. It seems hard to believe that the committee would take a step of this

magnitude without consulting with Romulo. Nonetheless, everything indicates that this was the case... but. An acute observer of the Venezuelan political scene argues that this maneuver did come from Romulo, saying: "In this way, Betancourt is guaranteeing a victory for Rafael Caldera." Cynical, even witty, this comment does have some appeal. If on one hand, it is hard to believe that the union executive committee would act behind Betancourt's back, on the other hand it is equally hard to believe that Betancourt would thus suddenly favor a candidacy as weak and vulnerable as Lusinchi's is. Betancourt must have heard stories about highly censurable situations in the administration of some of the enterprises connected with Labor Union Power (see the analysis in this issue entitled "Something More Than a Bank") and the rumor that the office of the superintendent of banks has a very voluminous file on the credits and payments issued by the BTV [Venezuelan Workers Bank]. It is said that there is a credit for Jose Vargas to which objections have been raised by the office of the superintendent of banks. And there are some people who think that the surprising attack of the Bufalo against the BND [expansion unknown] came about because of the need to establish a precedent justifying a similar intervention in the Workers Bank when the time is right, which will be during an election period. In such a case, the one with feet of clay would not be just Lusinchi, but also his sponsors: the entire labor union executive committee!

All this lends credibility to the version that they acted behind Romulo's back in order to force the selection of the candidate, to unite behind Lusinchi, and then to cry "retaliation" when the Central Bank does intervene in the BTV. Still, the story that Betancourt was "guaranteeing a victory for Caldera with the Lusinchi candidacy" does refer to the undoubted inferiority of Lusinchi in a race with Caldera or in a race with the candidate finally selected by the left. And of course, the reason for the rise in support for Morales is that the AD members see in the attorney an opponent worthy of being matched with Caldera. Nor can there be any doubt that the greatest strength of the AD candidate (whoever it may turn out to be) lies in the terrible and dramatic situation of the government. This is a negative strength. "This situation could drag down the party and the candidate with it, even if Simon Bolivar himself were running," a member of the national leadership of COPEI [Social Christian Party] told RESUMEN. The COPEI reaction, for example, the reaction of Curiel, was of frank relief when it seemed that the candidacy of Lusinchi was imminent and inevitable. There is no doubt that COPEI fears Morales Bello. When his name is mentioned they become serious, but when they hear about Lusinchi they laugh. Another factor, which can not be disregarded, is that Jose Vargas, and with him, the rest of the executive committee, are seriously

concerned about the stability of the system and think, with good reason, that a decision made on the AD candidate and on the candidate of the left might help to slow down or prevent the collapse of the government or an attempted coup.

"We have to get rid of this mess of precandidacies," said Jose Vargas on Saturday, 25 July, while speaking in Maracaibo. There at the Fetra-Salud assembly he spoke out in favor of the executive committee's support for the Lusinchi candidacy. Of course, in Maracaibo Lusinchi was accompanied by the "AD national leader, Beto Finol," and it is also a fact that the ovation for Lusinchi in the assembly was deafening. A COPEI member present commented: "That applause was not for Lusinchi, but against the government." In any event, the main factor that seems to have prompted the executive committee's "pronunciamiento" is the David Morales Bello factor.

The Morales Bello Factor

There can not be the slightest doubt that the Morales Bello candidacy helped to win considerable advantages for Lusinchi in the party base. Of course, Morales is lost in the CEN, but in the immediate organization, the CDN, Morales has already won 723 votes from the convention to be elected first political secretary of the party. This has begun to carry some weight, and of the 204 votes remaining, he seems to have over 100 in his pocket--a sort of snowball effect! Stopping this snowball seemed to be the immediate objective of the union coup, which would abort the entire internal candidate selection process, which Morales was on the verge of winning, even though his candidacy might be quite premature, weak, and vulnerable against a candidate like Caldera, Petkoff, or Rangel. The secretive nature of the union statement supporting Lusinchi led everyone to believe something that had not actually happened. Pinerua believed that it was a move by Romulo; Romulo thought it came from Pinerua; Barrios thought the move came from both Betancourt and Pinerua; Canache thought it originated with Perez, and Perez believed it came from Betancourt. So everyone kept quiet, and Barrios declared that the statement was "unobjectionable." In the meantime, Morales Bello was in the interior of the country. At the party he gave at his home on Wednesday, 29 July, to celebrate the law degree his wife, Muneca, had just received, Morales was approached by friends and supporters who urged him not to be out of Caracas while this power struggle was going on. "You don't know the AD world," the attorney is reported to have answered. "My strength lies in the base, and the base is in the interior."

"The CDN has to be convened. The CDN has to approve the procedure for selecting the candidate; the union sector has neither the strength nor the authority to impose a candidate in this way." Speaking in San Sebastian, Aragua state, Morales Bello attacked in depth the aspect that might most irritate the grassroots members of AD, those in the interior, and those who do not belong to the "union clique"--in essence, the majority of the AD people. "It is not possible for us to consider ourselves leaders of democracy if we are afraid to apply democratic principles in our own party," he said, adding: "When we try to act in accordance with these principles, there is a tremendous outcry in the party, and they try to impose on us a system in which four men, meeting behind closed doors, are the only ones who have the right to tell us what course to follow, and try to impose their personal opinions on us in this way." Despite this, the communications media, impressed by the overwhelming and surprising nature of the coup, have begun to treat Morales as the loser and Lusinchi as the Democratic Action candidate for the 1983 elections. So in this sense, so far at least, the coup has been a success. And yet, if its essential purpose was to stop Morales Bello, he has come out fighting and hard-hitting. He has said and repeated that he was going to continue in the battle and that he is AD's true "winning card" for the next elections. We will come back to this topic in the future.

From Cecilia to Blanquita

The "Cecilia Matos" case has always been viewed by RESUMEN without any false hypocrisy. We have never made any attempt to meddle in the private life of C. A. Perez. But what this case has been and is now is that a political club has grown up around the president's "friend," like an organization for enriching the pals of those in power. This has unleashed a disgusting race by businessmen, especially in the construction industry, to wine and dine, entertain, fawn over, and pamper in every way possible this "friend," the president's "weakness." One of the leaders in this "race" has been Diego Arria. But he has been competing with Enrique Delfino, Arturo Perez Briceno, with the Hatchwell-Toledano, and with Renato Campetti, who set up the modest secretary of the parliamentary group of AD in his elegant mansion in Portofino during one of his "business" trips to Switzerland and Italy. This is what deserves blame. Cecilia Matos has become a center of corruption; this will go down in the history of Venezuela as one of the most revealing episodes of the moral degradation of the time when the Venezuelan state became intoxicated to the point of folly, with an overabundance of money which then corrupted all levels of society. Despite the obvious nature of this, the Venezuelan democratic system has been unable to touch Cecilia Matos, even lightly. She was ordered to appear before the CIEI [Committee Investigating the Illegal Use

of Public Funds by Public Officials and Employees], the congressional commission, and she was also asked to appear in court concerning the "Sierra Nevada" case. But the lady, secure in her olympian heights, ignored these summons and did not deign to appear.

The sharpest financial wizards made their services available to her to manage her fortune, to acquire real estate property for her in New York, to receive her, entertain her, take her here and there. The Cecilia Matos-C. A. Perez case is the shame of Venezuela's AD world. It is the most clearcut and unforgettable indictment of the cowardice of an entire system and of the decadence of a party. And Cecilia Matos has emerged with flying colors from the reaction that RESUMEN began--not against her as a person, but as a symbol. There is nothing unusual about this, since the case is being repeated over and over again and is becoming the norm in this system. And there is nothing strange in the fact that the party which put up with Cecilia Matos and everything she meant--Delfinos, Perez Bricenos, Arrias, etc., etc., etc.,---should now choose Jaime Lusinchi as its presidential candidate. Jaime Lusinchi's Cecilia is named Blanca Ibanez. But unlike Cecilia Matos, who never tried to play a leading role and to have a personal and direct influence in the party, Blanca Ibanez is playing such a role. Against all odds. It doesn't matter about the incidents caused by the family friction created by this situation; this is a matter of private life, as long as it stays confined to private life. But when it goes beyond private life and spills over into scenes in which family scandals are mixed with party scandals, it becomes a matter for public concern.

"The Blanca Ibanez case is much, much more serious than the Cecilia Matos case," RESUMEN was told by a top AD leader, who was appalled about the party's imminent selection of Jaime Lusinchi as its man to oppose Caldera. When Lusinchi was elected secretary general, he set up Blanca Ibanez in the party headquarters, but he then had to send her to a branch office on the Pajaritos corner. There she is the virtual head of the CES of Caracas, acting through Luis Guevara. So the AD members of Caracas are being ruled by Blanca Ibanez.

Some weeks ago, at the Jockey Club in Miami, she was overheard telling Franco D'Agostino: "I got it from Beto Finol. I have just bought a better plane, one I like bettter than Beto's." And whom was she talking to? Franco D'Agostino, the proto-apostle of Lusinchi, who competes with the other proto-apostle, "Beto" (Alberto) Finol, in providing financial backing for the Lusinchi candidacy. And it is known that Carmelo Lauria is involved in attempts to raise funds for the Lusinchi candidacy. Paradoxically, the argument he is using is that they have to stop Morales Bello.

Has Democratic Action come to this? Is this the party of the people? Is this the organization of Gallegos and Andres Eloy Blanco, and of Betancourt? This is not a matter of getting involved in anyone's private life. But when a public person takes his private life into the public eye, he has to subject it to any criticism it may arouse. Or should arouse, if there is any sense of shame and decency left. So far, we at RESUMEN have not lost that sense.

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No. 2391

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28 October 1981

LATIN AMERICA REPORT

No. 2391

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BRIEFS

NEW OIL DISCOVERY--Rio de Janeiro, 1 Oct (AFP)--Petrobras today announced that oil has been discovered on the continental shelf of Bahia State. The discovery has been made in an area where the U.S. companies Pecten, Chevron and Union Oil have been prospecting. Petrobras indicated that the drills hit oil at 2,369 meters, but there is still no information whether exploitation will be commercially feasible. [Paris AFP in Spanish 1447 GMT 1 Oct 81 PY]

GAS RESERVES INCREASE--A new evaluation of oil deposits in the Jurua basin, upper Amazonas have revealed that recently discovered gas deposits in that area hold at least 10 billion cubic meters of gas. Until recently, Jurua reserves had been estimated at 4 or 5 billion cubic meters. However, Petrobras attaches even more significance to the fact that the new seismic survey which it has just launched in Jurua indicates many geological structures which could hold still larger gas deposits and also oil. [Rio de Janeiro O GLOBO in Portuguese 26 Sep 81 p 18 PY]

CSO: 3001/9

GOVERNMENT OFFICIALLY ANNOUNCES OIL DRILLINGS

San Jose LA REPUBLICA in Spanish 21 Aug 81 p 4

[Text] The national government yesterday officially announced that everything is ready to begin drilling for petroleum in the Atlantic area of Baja Talamanca. The decision was confirmed by the technical mission from Mexico's Pemex which is presently in our country.

As LA REPUBLICA revealed in its exclusive report on the 19th of this month, the sites for stratigraphic and deep drilling have been located. Fernando Altmann, the minister of energy, yesterday delivered an official press bulletin. The following is the text:

On this, the 20th of August of 1981, on the occasion of a visit by the Pemex technical mission composed of Engineers Jesus Chavarria, Octavio Mejia, Felipe Espinoza and Alonso Ruiz, the following agreements and conclusions have been reached:

1) Based on the spirit of solidarity which marks the Energy Cooperation Program signed in this city by the presidents of Mexico and Venezuela, an agreement has been reached to extend the Technical Cooperation Agreement between Mexican Petroleum (Pemex) and the Costa Rican Oil Refinery (RECOPE), originally signed on 6 November 1980, until a new expiration date of 3 August 1982.

2) After 10 months of intensive work, with direct participation by Costa Rican and Mexican technical personnel, a decision has been made to begin drilling one or two deep stratigraphic exploration wells which will serve to determine the possible existence of hydrocarbons on a commercial scale.

3) Sites of interest for future deep drilling have been fixed upon, steps will be taken immediately to prepare a docking site and construct access roads. To that effect, the Mexican mission, together with Costa Rican technical personnel, will go to Baja Talamanca to make a visual inspection tour of the area tomorrow.

4) All steps necessary to be ready to begin deep drilling before the end of the current year will be coordinated.

5) The national government hereby reiterates once more its thanks to the Mexican Government for the invaluable cooperation it has offered and will continue to offer to the petroleum exploration program so important to our country.

9839
CSO: 3010/1853

IAPA SCORES UNESCO'S MEDIA POLICY

PY141513 Paris AFP in Spanish 1849 GMT 13 Oct 81

[Excerpt] Rio de Janeiro, 13 Oct (AFP)--IAPA [Inter-American Press Association] formulated a call here today to all journalists of the Free World asking them to struggle against the conspiracy that the UNESCO is cooking up against the freedom of expression and information.

This call was formulated in the report of the chairman of the IAPA's Executive Committee, which also states that this private organization has continued its watchful attitude in view of the conspiracy that the UNESCO has been cooking up for years against freedom of the press and expression.

The document adds that the struggle must continue, no matter how difficult it is, and it is difficult because there are a large number of governments that are trying to regulate freedom of expression in order to get, under any pretext, newspapers, television and radio to publish and say what the regimes that are in power at the time want to be disseminated.

According to the IAPA's report, "The regimes with a totalitarian ideology are the most interested in this conspiracy" and it stresses that "it must regretfully be stated that some democratic governments, due to socialist demagoguery or orientation, have joined the actions of the communists, who basically support the UNESCO project, which has the intention of controlling the media through the state."

The IAPA stresses the importance of the declaration of principles of the voices of freedom of the independent media conference that was held in May 1981 in the city of Talloires, France, in which the UNESCO was urged to abandon its attempts to regulate global information and instead to make efforts "to seek practical solutions that will promote the development of the Third World's media."

According to the report, these principles are of value if they are used constantly as a banner for the struggle of the Free World's journalists and if they are also used by all those, who not being journalists, are aware of the danger that this campaign represents.

IAPA believes that the support that has been given to the Talloires declaration by U.S. President Ronald Reagan is very important, and it expressed the hope that other chiefs of free states will adopt an identical attitude.

The document also states that the critical situation that the Managua newspaper LA PRENSA is facing--its freedom has been restricted through temporary suspensions--merits the special attention of all the journalists of the Free World.

CSO: 3010/96

BRIEFS

LAIA TRADE--Jorge Vega Castro, deputy minister of integration, has called a press conference to report on the meeting of LAIA [Latin American Integration Association] experts held in Lima from 21 to 26 September. He reported that in 1980 Peru exported to LAIA members $186 million worth of goods and imported from them $107 million. He also said that the meeting agreed to increase support and aid to countries of lesser relative development within the association. [PY042249 Lima Domestic Service in Spanish 1200 GMT 30 Sep 81]

GROMYKO, ARGENTINE OFFICIALS TO PERU--Lima, 2 Oct (TELAM)--Foreign Minister Javier Arias Stella has announced that Argentine Foreign Minister Oscar Camilion and Spain's chief of government Leopoldo Calvo Sotelo will visit Peru, and that there is the possibility that Soviet Foreign Minister Andrey Gromyko may also visit. Minister Stella said that, in talks he held with them in New York during the UN General Assembly, Camilion and Sotelo assured him that they will visit Lima before the end of the year. [Text] [PY051645 Buenos Aires TELAM in Spanish 1720 GMT 2 Oct 81]

CSO: 3010/94

IMPACT OF BALBIN'S DEATH ON POLITICAL MOVEMENTS

Intraparty Struggles

Buenos Aires ULTIMA CLAVE in Spanish 15 Sep 81 pp 2-6

[Text] Balbin's Death: Impact on the Radicals (I)

Without intending to, we have brought up the issue of the future leadership of the UCR [Radical Civic Union], in other words, the internal struggle that began at least 6 months ago when Dr Balbin's health began to become a major concern for many.

One episode was to gradually bring this out. We are talking about the barbecue at Dock Sud early last autumn, which was attended by ("entente cordiale") Vanoli, Troccoli, Alfonsin and Leon and at which the issue that is now starting to take definite shape was left hanging. On that day, the "entente" that we mentioned could have been interpreted as the outline of a "nonaggression pact" among the aforementioned leaders. On that occasion, Vanoli and Troccoli were operating under the inspiration of the old caudillo who passed away last week.

The "pact," however, was not among equals. It is a known fact that neither Vanoli nor Troccoli could have ever lent sufficient weight of their own to the "internal struggles." For his part, Alfonsin, though his backing in the party has diminished, enjoys a good image outside it, in the inner circle of the Left. Meanwhile, Leon, from Chaco, holds a substantial majority in his district and is in quite good shape in others, and this does not include his followers in a number of populist sectors.

Since that barbecue in Dock Sud several months ago, rapprochements have taken place between various figures in step with victories and defeats, which are so common in political battles (one example is the tough and difficult rapprochement with Dr Angeloz, as well as the slow rapprochement with Dr Juan Carlos Pugliese, so slow that it is practically nonexistent). In all, the main success of the members of the "entente" was that Dr Balbin did not deactivate the multiparty group, which did not give definite signs either of a drift away from the initiatives of Dr Troccoli, who in recent years had shown himself to be Bittel's strongest link within Radicalism.

The "entente" is faced with opponents who disagree strongly with their views, tactics and strategies. We are talking about Drs Cesar Garcia Puente, Fernando de la Rua and Arturo Mathov, among others. Neither of these three men was included originally on the list of speakers that we mentioned above. As we explained, de la Rua was put on the next list. Mathov was unquestionably one of the most visible leaders of the opposition to Ricardo Balbin. But there was no ill-will between them, because the deceased caudillo sent a message of support for the homage that was recently paid to Mathov (we reported several suggestive details in these columns). Arturo Illia did likewise.

It has been learned that the Garcia Puente-de la Rua-Mathov group will proceed at footsoldier pace, allowing the adversary, the "entente" in other words, to move ahead (hastily, perhaps foolishly, they believe) until it reaches a dead end.

As far as the Sabatino movement in Cordoba is concerned, all indications are that in spite of major internal differences, it will join forces with the holdovers with the same leanings in the Federal Capital (they were calling for a National Convention even before Balbin's death) and in several provinces. One of the movement's major figures is Dr Benjamin Zavalia, from Santiago del Estero, who was not included in the 21-speaker marathon.

Nevertheless, it is not easy to see how the bulk of the Sabatino movement can coordinate for the battle that is taking shape in the wake of the "putsch" on Wednesday the 9th, in other words, the meeting of the advisory committee, the proceedings and details of which we talked about above. For the time being, Dr Angeloz, although a circumstantial participant in the "putsch," would surely not be able to adopt that attitude if he is forced to consult with men like Victor Martinez, for example. If Angeloz might look like a spontaneous associate of the Alfonsin-Troccoli-Leon-Vanoli quartet, Victor Martinez would surely take a wait-and-see approach, perhaps remaining silent, which would place him beside Garcia Puente and de la Rua (closer still to the latter), though we should not fail to mention that he agrees with many aspects of Benjamin Zavalia's position. The Sabatino movement could thus split into two factions, except if Dr Illia tries successfully to prevent this, and we should not rule out the possibility that the loser will eventually close ranks with the ultimate winner.

Meanwhile, what will Perette and Pugliese, the withered Santa Fe cadres (putting Dr Damiani on the list of speakers should be seen as a bid by "putschism" for closer, though not very close, ties with that province), etc, do?

An assessment (provisional, of course) of the forces at work should make it clear that so-called "Balbinaje" has come to an end. Its reason for being has vanished (we should differentiate sharply between "Balbinaje" and "Balbinism").

At the moment, Balbinism will barely be able to survive, unless it moves towards a wider range of options, like the ones that the Sabatino movement should have offered when it had the chance. The end of "Balbinaje" could

leave the door open to a sort of stock-taking within the hard-line Balbinist movement, stripped of emotional overtones and in full-fledged evolution towards (in the near future) more modern positions than the ones that have so far characterized it.

In the case of Dr Perette, who was closely associated with Balbin's steps and strongly identified with a silent acquiescence in the "sui generis" methods cultivated by Enrique Vanoli, a sort of extension arm of Dr Antonio Troccoli, his probable move towards stands such as those held by Arturo Mathov and his people will certainly be risky. The costs that such a move might demand of him could jeopardize his current bases of support. His very good relations with other factions on the political spectrum (democratic socialists, some democratic sectors and, in general, those most consistently opposed to Peronism) might eventually turn out to be stronger and more valid than his ties within his own party.

The "putschists" of Wednesday the 9th (the ones who drew up the list of the score of speakers) seemingly have control of the party apparatus at the moment, a factor that we should keep very much in mind in assessing the steps that will be taken very soon. In light of the experience with "what happened" after the deaths of Alem, Yrigoyen, Alvear and Peron, all indications are that in terms of taking over a political legacy, "he who strikes first, strikes twice."

But not everything has been decided. In June of last year, the radical movement succeeded in postponing, not surmounting, internal squabbling. For its part, the current leadership is surrounded by developments that were unforeseen a year ago, among them the death of Dr Ricardo Balbin.

Impact on the Peronists (II)

No one can doubt that Bittel the notary will be one of the non-UCR leaders most affected, most harmed (we should stress) by Dr Balbin's death. Our reason for making this assertion is that a year ago (the former Chaco governor hastily recalled this a few days ago) the by then ailing radical caudillo had promised him that they would "reach" an electoral alliance (there were emissaries who reminded him of this confidentially), and he made this pledge in the presence of an unchallengeable witness, to be exact, a person who had attended the last private meeting that the two party leaders had. Some accounts have it, perhaps maliciously, that under the circumstances, just to make sure, Bittel suggested that the remarks be tape-recorded, a sort of plastic notarization.

Bittel and Balbin had been in contact for 2 years when the radical caudillo passed away. Bittel had proceeded at the urging of Antonio Troccoli, in whose home the first steps towards a Radical-Peronist rapprochement took place. It was also Troccoli who a month before the Bittel-Balbin meeting in mid-1980 cleared all obstacles from the path that would lead to their encounter, by taking advantage of his close friendship with Julio Barbaro, the Peronist leader who was kidnaped a few days ago and then returned to his home.

In light of all that we have said about this topic, it should not surprise anyone that the "putschists" of Wednesday the 9th moved decisively to designate Bittel as a speaker, not in the neutral site of the La Plata Cemetery but rather in the inner sanctum of Radicalism's National Committee, in other words, the scene of the "putsch."

We should recall (because it is a very important point) how Bittel managed to survive at the head of the Peronist party leadership when General Harguindeguy, the former interior minister, initiated the political dialogue in 1980. At what he thought was the opportune moment (and he hit the nail on the head), the deceased Radical leader advised the government that his party would not attend the dialogue unless the top echelon of the UCD (the members of its National Committee) was allowed in the minister's office. Quick on the uptake, the remaining parties to be invited echoed this demand as their own.

Balbin thus very skillfully paved the way for a recognition of Peronism by making its leaders acceptable to certain sectors of the government. His death might weaken the situation that he helped to bring about. Perhaps this is why Bittel was so quick to remind everyone that Balbin had promised him a Radical-Peronist alliance a year ago. Thus, it is not surprising that by including his name on the list of speakers, the "putschists" have moved to consolidate the step taken by Balbin. That, at least, is what they believe.

Given the current climate, a climate that always precedes a realignment of forces, the more pessimistic among us would perhaps be justified in wondering whether the perceived Radical strategy of tinkering with the fickle remnants of the Peronist political capital is not going to be turned around now (in light of the clear-cut leadership struggle in the UCR) in a direction that very few people would have anticipated, that is to say, a shift of Radicals (we will not say how many or who) to the diminished ranks of Peronism.

Impact on the Multiparty Group (III)

Balbin's death was like "an outstretched hand" to the multiparty group just when it was close to paralysis. His passing was quickly taken as a suitable pretext for postponing the meeting that had been called for the 8th (it would have been very stormy). As a matter of fact, the multiparty group had announced that the meeting would be put off even before Balbin passed away. Given the difficult issues it had to take up, including the exclusive union representation demanded by Lorenzo Miguel's CGT [General Labor Confederation], the postponement was a last resort. If it had not employed this strategem, Bittel, Contin, Frondizi, Alende and Cerro, in other words, the top leaders of each of the five factions forming the group, would have met for the second time since its creation.

These leaders were not preparing to meet just to take up something futile or fleeting, but rather to get their teeth into an issue that had been around for weeks without an end in sight. As we indicated above, we are talking

about the invitation that had to be extended to the union sectors of Peronism, a complicated matter that, depending on how it is resolved, will determine whether Radicalism withdraws from the "pentagon" or not. If the idea of accepting the exclusive representation requested by the CGT prevails, the Radicals will leave the multiparty group. In contrast, if the view that "all" union sectors should be invited wins out, as the Radicals advocate, such a move will provoke the wrath of the hardest-line Peronist faction, thus hastening the definitive decapitation of Deolindo Bittel.

This is how things stood a few hours before Balbin's death. It was a perfect occasion to postpone the debate. Perhaps the "mourning" would last for several days. But a mere postponement cannot conceal the fact that it is the survival of the multiparty group that is at stake.

The exclusive representation (vis-a-vis the multiparty group) of the CGT has been pushed by Lorenzo Miguel, Herminio Iglesias, Sarboli and others. They speculate that if they have the approval of the Radicals, they will "in practice" also have the approval of the government and in passing bring about the demise of the CNT [National Labor Commission]. Miguel quite obviously wants to become the hub of the Peronist union-Casa Rosada dialogue (through the multiparty group).

Perhaps this dispute made Bittel think that "Isabelita's" trip might resolve it in some way and facilitate the formation of a broader front in support of his strategy. But as we know, Isabel did not take the trip. If she wanted to show up in Buenos Aires, the right time would have been before Balbin's death. She had stated that "for my part, there is no difficulty whatsoever." Just as she had traveled from Marbella to Madrid, she would have merely changed planes and continued on to Buenos Aires, she added. To her, the idea was "brilliant." She could reassume the leadership of the party (and what about the institutional document's ban?) by attacking the weakest link in the arguments against her: she would travel to Buenos Aires on the grounds that she wanted to see Dr Ricardo Balbin before he died. Realizing that the government would be unlikely to stop her, Isabel would thus become the "prima donna" on the Peronist stage, the star who would take the place of the fading Bittel. She anticipated that the government would, in practice, acknowledge her primacy in the Peronist leadership, while all doubts would be dispelled as to "who's who" in the realm of the caste-like legacy left by Peron. It was taken for granted that Bittel would follow two paces behind her like a prince consort. He would be a mere accessory. According to these bizarre forecasts (that is the proper word for them at this point in the story), Isabel would join in Liendo's "dialogue" within 4 or 6 months, at the most.

But a timely piece of advice helped her get her feet back on the ground. This was what she was betting on: "I travel to Buenos Aires, settle the CGT-CNT affair, consolidate Bittel's presence in the multiparty group by firmly embracing Balbin...while the Superior Council, beginning with Bittel himself and followed by Robledo, Arauz, Castex, Anchorena, Camus, Unamuno, Saadi and all the rest, issues a declaration expressing unequivocal support for me as president of the movement and Peron's heir."

Mrs Peron was asking for so little! When she emerged from her reverie, a few voices whispered in her ear that a matter of such consequence could not be taken care of, as she, ever ignorant, thought, in just a few hours and amid the special circumstances prompted by Balbin's death. Peron's widow thus stayed in Madrid. One after another, the dispatches bounced back from Buenos Aires to Madrid in the form of news items from the peninsula when in reality the entire mess had been concocted in this city of "the good airs," as Pedro de Mendoza had described it...

The fact is that above and beyond Isabel's dreaming, Balbin's death will force the multiparty group to examine carefully and in detail the strategy that it has pursued so far. The going will get "tough" because everything boils down to determining which policy or what force prevails over the others. We know that Balbin was the one encouraging opposition to exclusive CGT representation. Pugliese had to step in to stop the Vanoli-Troccoli duo from lobbying against the deceased caudillo's stand. But now that he is dead, it is hard to say whether the opposition will continue with equal force. There are those who feel that the influence of the Radicals in the multiparty group will diminish from this point on. This feeling is so strong, in fact, that circles close to the "pentagon" conjectured on the night of Friday the 11th that from now on the negotiations among its components would be smoother to the extent that the Troccoli-Alfonsin duo managed to keep something of a handle on the internal situation in the UCR, at least as long as necessary so that a number of steps and decisions to be taken could become "accomplished facts," that is to say, irreversible.

Impact on the Government (IV)

General Viola was surely somewhat pleased with the applause that he heard as he left the headquarters of Radicalism's National Committee after standing for a few minutes in front of Dr Balbin's coffin, although he very likely did not hear the other shouts about the Process that were not that supportive. Such outbursts were more audible during the burial ceremony at La Plata Cemetery.

Nevertheless, General Viola's decision to attend the wake at Radicalism's headquarters was a well-thought-out move. The government examined several options. The strongest show of support would have been to sign a decree declaring the day of Balbin's death a national day of mourning. This would have meant granting him a status just slightly below that accorded deceased presidents. Others suggested that representatives of the three branches of the Armed Forces be officially present at his interment. The government also considered whether it was proper to station a detachment of grenadiers by the coffin (as long as the wake took place outside party premises, that is to say, at the National Congress, as had been mentioned), and there were also those who pushed the idea that the president could designate a permanent honor guard in which his 19 advisers would alternate. Of course these suggestions, some of which were expressed in just a few lines, received little consideration. As we said, the nation's president merely showed up for a few minutes.

Above and beyond the protocol, Balbin's death obviously had an immediate impact on the feasibility of several plans having to do with the "political initiative" that the government is promoting. By the time Dr Balbin passed away, no observer of the national political scene could fail to sense the increasing activity and ties between the five parties and some of the Casa Rosada's political vehicles.

To those who think that the multiparty group could represent an electoral option in 1984, Balbin's death poses question marks that are not easy to erase. Any rapprochement with the government in the direction that we talked about earlier is now tied to the course of events within the Radical movement and, consequently, in the multiparty group. In short, all forecasts have to be revised.

With Balbin alive, the course seemed easy enough to chart. The deceased caudillo was prepared to reach a common ground that would make possible a pact under which Radicals, Peronists and members of the Integration and Development Movement (MID) would support a man from the Process as president in 1984, a man with enough power to fill his cabinet and the intermediate levels of his administration with people from their political factions. More than one presidential adviser probably heard that "idea" from the lips of Dr Balbin himself. But now that Balbin is dead, which ears will retain the memory of the idea and attest to these potential agreements?

Balbin's Legacy

Buenos Aires A FONDO in Spanish Sep 81 pp 6-7

[Article by Mariano Grondona: "The Belated Lesson of Harmony"]

[Text] We are beginning to explore post-Balbin Argentina. And no sooner do we take a spin around this unknown landscape than we realize one essential fact: that Balbin's death, though less important "in itself" than Peron's death 7 years ago, is more important than Peron's death "to the system" that the two embodied.

The Argentina of Peron and Balbin (and of Frondizi), which was born in 1946, did not die on 1 July 1974 when Peron died. Balbin prolonged it for 7 more years. But on 9 September 1981, that Argentina began its march into the past, because the only survivor of the 1946 troika, Frondizi, can no longer support it alone on his shoulders.

Something similar had, in fact, occurred in 1942. During that fateful year, the three figures who dominated the Argentine political system, President Ortiz, and former Presidents Alvear and Justo, passed away almost simultaneously. The Justo-Alvear-Ortiz triumvirate or troika meant three things to Argentina in 1942: reconciliation between conservatives and radicals, a return to democracy and sympathy for the Allies in World War II. But Kronos, who devours his children and plays with history "like a child with toy soldiers"

(in the words of Heraclitus), swept them from the stage. There was a long intermission. The curtain rose again in 1946. The new leads were Peron, president, and Balbin and Frondizi, the natural leaders of the opposing Radical bloc. Unlike the Argentina of 1942, the Argentina of 1946 was antagonistic, not too democratic and anti-Western.

It is only now, looking back with today's perspective, that we can see to what extent Peron-Balbin-Frondizi formed the new troika for 30 years. They were...a "system," in the sense of an order of interrelationships. From 1946 to 1955 they held their places: Peron in power versus Balbin and Frondizi as the rising stars of the opposition, a fervent, moral opposition in Balbin, and a rational, ideological opposition in Frondizi. The 1951 presidential election pitted Peron against the UCD ticket, Balbin-Frondizi. The troika's second configuration took shape between 1955 and 1959: a Frondizi-Peron pact, with the former assuming the presidency, and extremely strong opposition from Balbin. Between 1958 and 1962, however, the break between Frondizi and Peron led to a third configuration for the troika: each man for himself. There were fresh schemes in 1962 and 1963: while Balbin offered Peron an institutional pact with an eye towards a joint preservation of the republic (the Assembly of Civilians), Frondizi formed the abortive National and People's Front with Peron. Illia was victorious on the only occasion when Balbin could have and should have become president.

In 1966, both Peron and Frondizi unleashed an avalanche against Illia, and the military coup followed. The year 1973 was something of a repeat of 1962-63: Balbin offered Peron the institutional pact of a shared, competitive democracy with mutual respect between Radicals and Peronists, while Frondizi joined a election front dominated by Peronism, the Justicialista National Liberation Front (FREJULI). During that year's time, Balbin essayed his third and fourth presidential candidacies. He was the eternal bridesmaid. The other two members of the troika had their ups and downs. Balbin remained in the middle, like an axis or reference point.

In a way, the opportunity that Ricardo Balbin lost in 1963 marked a turning point in his life. Up to then he had been a man "of" the party; emotional, he was in the forefront of the various phobias of his time: he was, successively, an anti-Conservative, an anti-Peronist and an anti-Frondiziite. As of 1963, his presidential prospects gone, he began to play the role of universal mediator, operating "out of" the party: among UCD factions, among parties, between parties and the military.

This is why I feel that Balbin's death is even more important to the Argentine political system than Peron's death. The troika lost its first member in 1974, but the system did not cease to exist. Let's make ourselves clear. Peron's death deprived Peronism of a realistic chance to govern; 2 years later, the party's powerlessness was beyond question. In this sense, 1976 was the result of 1974. But the 1946 troika, though diminished, continued to influence the heart of the system because Balbin, its central figure, was still performing his functions as universal mediator. He finally "called"

"Peronism" into the Interparty Commission and took a step towards consolidating the process of convergence by reaching a reconciliation with Arturo Frondizi. Balbin kept the system flying like the primary engine in an aircraft. With one engine out, the plane continued to fly. On 9 September, the entire interplay of actions and reactions that we have known since 1946 fell to earth. Frondizi, the sole survivor, will no longer be able to preserve what remains of the system. Argentina is back to 1942 again. Another cycle begins. Balbin's death, rather than Peron's death, is the dividing line between two eras.

In 1946, Peron was 51, Balbin 42 and Frondizi 37. It was the beginning of an era. In 1974, Peron was 78, Balbin 70 and Frondizi 61. The era was nearing its twilight. In 1981, Balbin is dead at 77, and Frondizi is in his 72nd year. The twilight has arrived. The troika of Peron-Balbin-Frondizi that was formed in 1946 under the sign of the passions that Peron aroused and that continued in 1958 under the sign of the passions that Frondizi aroused, has reached its end under the sign of the reconciliations that Balbin promoted. But they had fought each other for too long; when it came time to build things together, they arrived in time only to say good-by.

Strangely enough, the same thing happened to the members of the previous troika. The 1930's were filled with the chronicles of Radical-Conservative hostility. At the outset of the 1940's, reconciliation was in the air. Justo and Alvear, through Ortiz, imagined a reconciled, democratic Argentina "victorious" through its wager on the Allies in the Second World War. They came too late. Death snatched them, paving the way for the second troika, its phobias and its belated acquisition of wisdom as well.

We can therefore perhaps conclude that 1981 marks the end not only of the cycle of squabbling among Peronism, Radicalism and the MID but also of that other cycle of squabbling between Radicals and Conservatives that Justo and Alvear had embodied in the 1930's. These are the 50 years of our institutional instability. When it arrives, might the new troika, the one we do not yet know, employ the wisdom that its forerunners eventually developed as its starting point? Would it be asking too much this time to have the lesson of harmony put before the unfolding of the new era, instead of becoming its belated fruit, to have the knowledge of the past genetically transferred to the immediate future? Perhaps eras transmigrate. If this is possible, it is not unreasonable to hope that the third era and the third troika of contemporary Argentina will be born, now that Balbin is gone, with an innate, inherited wisdom: the wisdom of reconciliation.

Instability is the fruit of discriminatory systems. When a major portion of the country is left out, it eventually returns with the resulting upheavals. This country, any country, is the sum of the few who have much and of the many who have little. Man has known this ever since Aristotle wrote down his theory of revolutions in Book V of "Politics." If we design the country only for the many who have little or only for the few who have much, the revenge of today's losers will be tomorrow's instability. We have to design

a complete country. Balbin was proceeding towards the light of this teaching and after arranging a reconciliation with Peron and with Frondizi, he was perhaps aiming at a reconciliation with the military and with that whole, big, scattered "conservative legacy," as we might call it. Death took him by surprise, as it did Moses, before he reached the promised land. After Moses, however, the Jews reached their destination.

Effects on Multiparty Efforts

Buenos Aires SOMOS in Spanish 11 Sep 81 pp 4-11

[Excerpts] As the medical reports disclosed that his death was unavoidable, his political succession became an issue for analysis and speculation inside and outside Radicalism. In 1974, the plenary session of the National Committee elected Ricardo Balbin its chairman for the fifth consecutive time (the first was in 1959), and the caudillo said that evening: "I swear on my honor that this is the last service that I will perform for my party and the country." Seven years later, few things (or names) had changed in the party's internal structure.

In discussing his possible successor, we should recall that the Radical command structure rests on two pillars: the Board of Directors of the National Committee and the Advisory Commission, which comprise the party's notables. The former is chaired by Carlos Contin, from Entre Rios (who replaced the now deceased Raul Zarrielo as first deputy chairman), and is made up of secretaries Francisco Rabanal (Buenos Aires), Luis Leon (Chaco), Victor Martinez and Horacio Garcia (Cordoba), treasurer Alfredo Mosso (Mendoza) and assistant treasurer Raul Galvan (La Rioja).

The Advisory Commission consists of Antonio Troccoli, Carlos Perette, Juan Carlos Pugliese, Juan Trilla, Eduardo Angeloz, Raul Alfonsin and Rodolfo Garcia Leyenda. To many UCD watchers, it is the real seat of power because its members have the most political influence. In March 1978, the arteries in Balbin's right leg were found to be blocked (a result of his chronic smoking), and he decided to undergo an operation. Prior to it, however, he wanted to fashion his strategy to avoid confrontations or personal hostilities among the leadership during his convalescence and with his eye on the complex times that lay ahead. This was why he formed the Advisory Commission, which guaranteed stable leadership under men of consequence who supported his policies (Troccoli and Perette were presidents of the blocs of deputies and senators, respectively, in the last Congress), but while leaving room for the opposition, as represented by Raul Alfonsin from Buenos Aires. By that time Balbin was already telling his closest friends who came to visit him in La Plata that a group system was the best way to contain personal ambitions or the interests of opposing factions.

Now that Balbin is dead, the formal leadership has passed to Carlos Contin, and even the people closest to Balbin deny that the Radical chief has left behind a political document or testament "other than his austere lifestyle

(he bought his La Plata house with the proceeds from one of the first loans that the Bar Association granted him), his ethical sense and his republican struggle." Moreover, the top Radical echelon has stressed that great men can be replaced only by good organizational structures, and there is no dissent as to the presidency of Carlos Contin. Carlos Perette told SOMOS that "There won't be any sort of one-man rule now, because we didn't even have that under Balbin. He was a charismatic leader within the party and he devised the impersonality of the system that a group mandate will assure."

Of course this will be until the Political Parties Statute is approved and the stage is set for internal party elections. From that point on, all indications are that it will be a different party. The fact is that no matter how much top Radical leaders try to avoid discussing the issue when newsmen or strangers are around, all of the levels of Radicalism (as well as the offices of the president and the Interior Ministry) are talking about the men with the best chance to place their own seal on party decisions and to show that they are right choice for the dialogue with the military government and the other political parties. In these circles there is a great deal of talk about Antonio Troccoli, Juan Carlos Pugliese, Raul Alfonsin, Carlos Perette and Eduardo Angeloz as the men with the best chances.

Those who are most familiar with the inner workings of Radicalism say that its top leaders tended in recent years to move towards the middle of the road, which grew under Balbin's shadow. To put it differently, with Balbin at the center, there is a left wing and a right wing, both predisposed to lean towards the point of equilibrium marked by the old caudillo, and where Pugliese and Troccoli stand out. The leftist Radical faction allegedly includes men like Raul Alfonsin and Carlos Perette, stubborn antimilitarists who have taken the hardest-line stance vis-a-vis the military government. Our analysis should not overlook, however, that whoever becomes president of the Radical Civic Union will have to garner a consensus in three key election districts: the Federal Capital, Buenos Aires and Cordoba.

Carlos Contin has inherited the leadership of the party, but Radical circles say that his biggest political liability is his lack of association with the various factions, although all of the people around him are Balbinists. Eduardo Angeloz and Fernando de la Rua are still regarded as young politicians, and although (as in Angeloz's case) they are acknowledged to carry their own political weight, they are not yet seen as having sufficient national standing to head up the party. It is said that Angeloz will have to acquire this seasoning by becoming governor of Cordoba, for example, and that de la Rua (even though he was a senator) will have to undergo additional stiff tests before he can aspire to high-level posts in the party structure. Luis Leon has a great deal of strength in Chaco, and he is backed by many dissident members, but his fault-finding stands in recent times (especially against the government) caused him to lose a lot of points.

Also on the list of likely successors are the two men who have the best chance and who apparently enjoy the broadest consensus within the party: Antonio Troccoli and Juan Carlos Pugliese. The chairman of the Buenos Aires

provincial committee, it is said, does not have the makeup of a born caudillo, but he is respected for his ability to offer clear and consistently Radical solutions to the most acute problems, although some circles say that his very impulsive nature could diminish his chances. Antonio Troccoli is not recognized as a caudillo either, but he enjoys enormous prestige within the party and along with Pugliese, he is responsible for formulating the economic policy that the party advocates. According to the comments being made behind the scenes in the UCR, the only man who might successfully oppose them is Raul Alfonsin, the fiery orator from Chascomus who waged a hard-fought election battle with Ricardo Balbin in 1972 and who is regarded as a very strong figure in the provincial committees of Buenos Aires and Misiones. The undisputed boss of the Renovation and Change Movement is perhaps the leader who visited the most committees around the country in recent times, and he will be a major factor in the negotiations at the top echelon of Radicalism. Some UCR watchers do not even hesitate to assert that he already has the number two spot (after Troccoli) guaranteed. The people who say this are looking closely at the great numbers of young people who are reportedly in a position to return to (or begin) party activities when the Interior Ministry declares that the ban on political organizations is over.

Many people are wondering whether that will mark the start of a caudillo-less era in our country. Antonio Troccoli, who has the best chance to replace the deceased head man, told SOMOS: "Countries need to promote the development and consolidation of outstanding figures who by virtue of their political authority can bring people together and coordinate and guide political processes. Some believe that the presence of such figures is counter-productive; they do not realize the leading role that they play or the need for them to be present to preserve the orderly functioning of the political process."

One thing remains certain. In spite of the tact and discretion that Radicalism showed during the gravely ill Balbin's last days, the prospect of his permanent absence sent tremors through its ranks. A feature writer who spent several days making his way through La Plata disclosed that one group of Radicals could not resign themselves to losing the leadership, guidance and counsel of their chief and clung to the hope that Balbin would recover. Someone from another group said: "There's no hope. Even if he survives, he won't be able to engage in politics anymore."

The reply spelled out an entire philosophy: "That doesn't matter. Balbin ought to be our leader even if he's in a wheelchair. We would go and see him at home and consult with him on basic issues."

How did Ricardo Balbin get to be the public figure that we was?

In 1931 a group of Radical youths were walking the streets of La Plata looking for a candidate for president of the first section. Since the likely prospects were not around or refused to run, one fellow came out and said: "Why don't you do it, Ricardo?" It was Balbin's first party post. He was 27 years old.

Some months later he was a candidate for deputy. He won his seat, but the administration of Gen Jose Felix Uriburu annulled the election. He was a candidate again in 1940, but this time for the Buenos Aires legislature, and he was much criticized for running in an election that was presumed fraudulent. Balbin responded: "Just behave the way you ought to in an election, and if there is fraud, I will renounce my seat." He renounced his seat, along with Crisologo Larralde, who had won a senatorial race.

In 1946, he finally assumed a post to which he had been elected and joined the famous group of 44 deputies who opposed Juan Domingo Peron. "Although it was my debut," he recalled years later, "I was appointed president of the bloc. I trembled like a schoolboy being tested by tough teachers." In those days there was already talk of his magnificent voice, his mastery of metaphor and the impact of his oratory. Another deputy who was beginning to put himself through his paces was Arturo Frondizi. While Balbin attacked Peronism because of its mass media monopoly, the lack of freedom of expression, its police-state tactics, the Peron personality cult and Eva Peron's handling of Foundation funds, Frondizi took aim at the regime's economic blunders.

Such criticism prompted serious confrontations with the ruling party bloc, which resolved the problem by expelling Balbin from the House in 1949. Without congressional immunity and with several suits pending, Balbin was arrested and taken to Olmos Prison. The physician there was a young otorhinolaryngologist by the name of Carlos Di Rago, who was to announce his death 32 years later.

At the 1951 elections the Peron-Quijano ticket garnered 4,744,803 votes, to 2,416,712 for Balbin-Frondizi. While government repression grew more harsh, the opposition of the Radicals represented an annoying thorn in Peronism's side, and Balbin was the target of its attacks. His appearances in public (in city squares or parks) were accompanied by incidents triggered by government die-hards and eventually resulting in the arrest of the speaker and his followers. Recalling those times, Balbin said years later: "That's a forgotten chapter. I only remember that they expelled me from the House and that I was arraigned several dozen times."

Frondizi took over as chairman of the National Committee in 1951, while Balbin began his lengthy wanderings from house to house to avoid arrest. On 27 July 1955, the Peronist government, held in check, allowed Frondizi to deliver a radio address. Other political leaders also talked on radio (after 9 years); Peron replied with a stinging speech and banned the opposition from the airwaves. On 16 September he was toppled by the Liberating Revolution.

On 9 November 1956, Ricardo Balbin faced off with his former running mate. Frondizi summoned the party's National Convention to Tucuman to nominate the ticket for the upcoming presidential election, and he was chosen to head it up. This caused Balbin to withdraw, because he had wanted the ticket to be chosen by a direct vote of the members.

A break was unavoidable. While Frondizi founded the Intransigent Radical Civic Union, Balbin remained with the existing trunk of the Radical Civic Union and added the words "of the People." At the Constitutional Assembly elections of 1957, which Americo Gholdi described as "a rough tally," Balbin got 2,117,160 votes, to Frondizi's 1,821,459. But the blank votes (ordered by Peron) were to decide the next election, which was held in February 1958. Balbin's presidential hopes were frustrated for the second time. The Frondizi-Gomez ticket (with Peronist backing) won by more than a million votes.

The enmity between them grew. The Radicals attacked the government over the oil contracts. Frondizi was overthrown in 1962, and elections were called in 1963. Balbin did not run. Skeptics said that it was because "he doesn't think his party can win." Nevertheless, the Radical ticket headed by Arturo Illia won the election by a plurality.

Balbin defeated Raul Alfonsin in the party elections of 1972 and drifted away from his disciple.

According to political observers, this marked the beginning of the other period in Balbin's life. The coalition of Radicals and Peronists was in the works, and it resulted in the "Hour of the People," which demanded that the Lanusse government call elections immediately. Balbin made a political mistake: he failed to realize that immediate elections were more to Peron's benefit than his.

Peron returned to the country on 17 November 1972 and spoke with Balbin at the Nino Restaurant and at his home on Gaspar Campos. He praised him: "I'll go anywhere with Balbin." Balbin ran for president again but was defeated by Hector Campora. Campora's resignation forced another election, and Peron bested him by almost five million votes.

During Isabel's time in office, the power vacuum and corruption became intolerable.

Balbin, however, said: "We are advocates of stability and democracy, which at times makes us look ridiculous in light of the tremendous blunders that are being made on a daily basis. Our institutions are irreplaceable, however. This administration must complete its term, even if on crutches..."

In spite of this stand, which brough rage and ill-will down on him, Americo Gholdi, a political adversary, said of him as he stood by his coffin:

"A lot of people ask me in the street what I gained from my political dealings with Ricardo Balbin. This is not the time for confessions. But I can say that we had major methodological differences with Balbin, in spite of which I thought highly of him as an embodiment of the noble, romantic, moderm political caudillo, as well as of his idealism and political persistence. As far as political activism is concerned, I met him in the

1930's, when the Argentine people started to become mentally and politically confused, that is to say, when we saw the first systematic workings of what we could call the beginning of Argentine fascism and a regression from our traditional, democratic views. This was also the start of a bleak period for Argentine elections, as universal suffrage was muddled and doctored. More than 50 years have passed, a half century. The bottom line for me on Ricardo Balbin was that he was an eminent citizen, a representative of a political movement that is firmly established in the country. And I'm not talking only about Radicalism as a party, as an institution, but also about a modus operandi in Argentine life, a movement that has been around since 1890, operating in every channel and dealing with every problem in the republic and having its own individual personality, a personality that made possible the emergence of what we could call the modern, up-to-date, responsive caudillo."

As an endless line of people paraded through the Pedro Duhalde Room at Radical headquarters, many sidestepped the irrelevant and posed key questions: Will Balbin's death affect the march of the Process? Has the government lost a master key for assuring that its political strategy is executed? Could the formation of a civilian pole that cannot possibly coexist with the military now be hastened?

To many observers, the first signs will come from the multiparty group, which will now have to act (and enhance itself politically) without its promoter's ability to rally the troops. All of the Radical sources consulted say that Carlos Contin will not alter the spirit that Balbin had implanted in the political pentagon made up of Radicals, Peronists, MID-ites, Intransigents and Christian Democrats, while others comment in a low voice that "Radicalism won't allow its status as the summoning party and, therefore, as the leading voice to be snatched from it."

Moreover, there are those in the administration who say that in the wake of the caudillo's death, the problem will be with Peronism, not Radicalism, because more than a few political advisers saw Balbin as a skillful bargainer in dealing with, and controlling, the impulses of the hardest-line Peronist factions. Casa Rosada sources are concluding for now that there will be no changes or jolts in relations with Radicalism and the multiparty group, although they hasten to add: "For now."

These spokesmen have their attention focused on next March, inasmuch as the government could issue the new Political Parties Statute in February, and along with internal party elections, this could give rise to systematic attacks on the military government, which would make it difficult to achieve a controlled coexistence so that the country could make it to March 1984 in one piece. For the time being, however, government strategists are wagering that the structure set up by Balbin to run the UCR will not alter its tack and, above all, that it will not form a common front with Peronism to put pressure on the government.

But there are other unavoidable questions: did the latter-day Balbin (the Hour of the People, the talks with Peron, his quasi-support for Isabel, the rapprochement with Frondizi-Frigerio, the multiparty group) serve the country, his party, genuine democracy, the republican purpose? Perhaps history will furnish the definitive answers. One thing is undeniably certain, however: There was a glaring gap between the Balbin who spoke out against tyranny in the 1950's with arguments of morality and the Balbin who in the face of the flagrant rape of the republic (republic as de Tocqueville and Montesquieu meant it, the virtuous models of Sebastian Soler) stubbornly kept up his conciliatory dialogue, perhaps without realizing that a true democrat cannot and must not sit down at the same table with those who reject the most elementary ground rules of democracy. The political analysts who are fond of shadings, nuances and very deep subtleties will say until the end of time that the latter-day Balbin was a pragmatist who adapted his philosophy to his times and to his country's circumstances. The others, the more rigid, will prefer (rightly or wrongly) to remember him as firm, intransigent, rebuking and never willing to come to terms with ideas or men whose back is turned to democracy.

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CSO: 3010/59

FORMER PRESIDENT CRITICIZES U.S. FOREIGN POLICY

PY132246 Rio de Janeiro JORNAL DO BRASIL in Portuguese 9 Oct 81 p 4

[Text] Sao Paulo--"For God's sake, believe me: I am a socialist," former President Janio Quadros stated yesterday during a chat with reporters while he was awaiting a report from deputies Rafael Baldacci and Jose Storopoli who presented his affiliation request to the National Board of the Brazilian Democratic Mobilization Party [PMDB] in Brasilia. Quadros told passages of his life, especially with "Che" Guevara, because the anniversary of the death of the guerrilla leader was celebrated yesterday.

The former president revealed that he dislikes two things: stupid men and ugly women. Regarding his meetings with former civil household chief Golbery do Couto e Silva, he stated: "Golbery is one of the most brilliant men I know. His little books are antological."

Guevara was an idealist, a saint, a type of Saint Francis of Assisi, a profoundly intelligent man. One day he told me that he had been given the task of liberating the peoples who are subjugated on this side of America. When I was told that he was in Bolivia, I feared for his death, because that was a U.S. "Ranger" [given in English] country. "It was the United States that led Fidel Castro to Marxism-Leninism," Quadros stated.

He said he was for the legalization of the PCB "as long as they accept the many party system, as it exists in France, Great Britain and Italy." He added: "If that multi-party system is accepted by the PCB, then I will dispute with Sobral Pinto the right to be the first to sign a document asking for the legalization of the PCB." The former president reaffirmed that "there is no possibility for him to join the PDS [Social Democratic Party] in case he is rejected by the PMDB, although he did not deny that if that is the case, he might even run for the state government under a different party membership such as the PTB [Brazilian Labor Party].

Quadros criticized the U.S. foreign policy, and stated that "they are imbeciles in this field." They ended up pushing Castro toward the socialist world. "The impression one has is that the earth was thrown into the hands of the U.S. people and they, in turn, think that it is a ball with which American football is played, and what is worse, we Brazilians are in that ball."

CSO: 3001/7

PAPERS COMMENT ON U.S. VICE PRESIDENT'S VISIT

PY202127 [Editorial Report] Sao Paulo O ESTADO DE SAO PAULO in Portuguese in its 18 October edition publishes on page 3 a 900-word editorial on U.S. Vice President George Bush's visit to Brazil under the title "Bush and the Hemisphere." The editorial focuses on Bush's speech to the Inter-American Press Association [IAPA] assembly and praised it for its "combativeness, its ease in going straight to the point, its frankness in arguing with little concern for pleasing, but rather defining a position."

The editorial then notes that "if Bush used in his diplomatic talks language similar to that he used in his speech to the IAPA, he may have made some impression, because from the affirmation that the time of weakness and confusion has ended and that no country ever went to war because it was too strong, he quite naturally went on to affirm that the United States will not dictate policy to anyone, but it will consult with everyone. The bluntness with which he outlined the problems and announced solutions is the same for the question of rearmament, defense of the dollar, and stopping the expansion of Soviet-Cuban influence on the continent."

The editorial then mentions Bush's call on the Sandinists to practice political pluralism and to really choose the path to democracy so that they can find friends on the continent, including the United States at the top of the list. It goes on to say that the gesture toward the Sandinists perhaps reflects the general orientation of the policy which Reagan wants to practice on a worldwide scale: never give in and never preclude the opportunity for negotiation. The editorial concludes by saying that Bush's speech to the IAPA session explained, in many points, the reason for his visit to Brasilia.

Rio de Janeiro O GLOBO in Portuguese on 16 October carries a 600-word front page editorial entitled "Equitable Partnership"--a phrase with which Vice President Bush expressed the U.S. wish to maintain with Brazil an association of equals.

The editorial then argues that such a wish runs afoul of directives and procedures of the new U.S. administration: "One cannot say that either the White House or the U.S. Congress harbors any specific ill-will against Brazil. However, the Brazilian interests, which have been so adversely affected by the successive impacts of the world economic crisis, have run into new difficulties stemming from a U.S. policy basically addressed to dealing with internal problems, an individualist and protectionist policy whose greater burden of sacrifices falls on members of the Western alliance.

"In view of that policy with such broad effects, this question must be asked: Up to what point will the search for a better understanding between Brazil and the United States spare us, for instance, from the disastrous effect of the high interest rates caused by Reagan's monetary program, or save us from losing IBRD favored credits as the result of Reagan's 'graduation' thesis for application to the granting of international loans?

"It is quite obvious that, other than eventual changes brought about by the evolution of the U.S. economy or Reagan's program, improvement prospects through the bilateral route are practically nil."

The O GLOBO editorial ends by saying that, although the problems in bilateral relations have greater or lesser probabilities for solution, they are neither so serious or complex as to jeopardize the normal workings of a partnership, even though it is not yet equitable.

Rio de Janeiro JORNAL DO BRASIL in Portuguese on 17 October 1981 publishes on page 10 a 500-word editorial entitled "Talk Between Friends," saying that Vice President Bush's visit to Brazil was only natural because the change of government in Washington made necessary a redefinition of U.S. objectives in essential political geographical areas.

The editorial states: "The most fruitful debates take place between friends. Whenever there is no friendship nor common interests, the exchange of ideas runs into one or two impassable roadblocks right at the start. Then no exchange of ideas can take place, and rhetoric, subterfuge and finally hypocrisy comes into play--as can be often seen in certain types of joint communiques making references to 'the undying friendship of peoples,' 'the unswerving dedication to the cause of peace,' etc.

"Fortunately, Brazil and the United States do not need that kind of rhetoric. Their basic interests are common interests and their relationship is based on geographic, cultural and economic facts. Upon this foundation, the variety of those interests and of that relationship opens a spectrum of options for permanent and joint discussion. This is the explanation for so many visits and for the fact that they are conducted in a discreet and natural atmosphere," JORNAL DO BRASIL concludes.

CSO: 3001/8

QUESTIONING OF REAGAN'S MIDDLE EAST STRATEGY NOTED

PY121702 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 9 Oct 81 p 3

[From the "Notes and Information" page: "Reagan's Strategy Being Questioned"]

[Excerpt] The assassination of President al-Sadat left Washington in stunned surprise and forced the executive branch and Congress to pause to reflect about U.S. policy in the Middle East. At a moment when a little-known figure such as Husni Mubarak is elected president, some senators in the Capitol, the chairman of the Foreign Relations Committee among them, are betting on the prediction that another man will be ruling Egypt within 6 months. When a prediction such as this can be made there are reasons to ponder about the opinion of those who believe that the U.S. policy in the Middle East should be revised. Up until not too long ago that policy was anchored on four pillars, namely, Israel, Shah Pahlavi's Iran, al-Sadat's Egypt and the Saudi Arabia of the Wahhabite monarchy.

Iran is ruled today by the Islamic revolutionaries of the Ayatollah Khomeiny who see the United States as the embodiment of satan. Egypt is entering a difficult period when the forces responsible for the killing of al-Sadat will try to lead the country into the Arab fold. At a moment of tension enhanced by the discussion over the AWACS system's sale promised by Reagan, Saudi Arabia is anxiously watching the unfolding of that discussion between the U.S. executive and legislative branches, the outcome of which is vitally important for the Saudi Government as to whether it can trust U.S. promises and leadership. And Israel seems to be more isolated in the Middle East. It seems, at this pause for reflection, that Reagan's entire military strategy--the sale of the AWACS system and the nuclear rearmament program with its MX missiles and B-1 bombers--is being questioned.

A bad omen for that strategy is the fact that 1 day after the assassination of al-Sadat, the U.S. Senate Foreign Relations Committee rejected the AWACS system sale by 28 to 8 vote. The question now is whether the Israeli lobby will be powerful enough to mobilize the overwhelming majority to vote in favor of Israel. The argument can be made for avoiding the repetition of what happened in Iran where the most sophisticated U.S. weapons fell in the hands of enemies. The question is extremely delicate because, as intended by those who propose it, the sale is designed to prevent the repetition of what happened in Iran. Reagan is engaged in a hard struggle with the Senate and he is mobilizing the support of all former presidents, former secretaries of state and former Pentagon's heads while calling for the need to maintain party discipline in the Republican bloc (the majority in the Senate) in order to save his strategy as well as domestic and foreign credibility in his leadership. The outcome of this struggle is as yet unpredictable.

CSO: 3001/7

AL-QADHDHAFI ATTITUDE ON AL-SADAT DEATH SCORED

PY091956 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 8 Oct 81 p 3

[From "Notes and Information" page: "Affront to the Community of Nations"]

[Text] While thousands of Libyans took to the streets of Tripoli--as other people did in Damascus, Beirut and Tehran--to celebrate the death of "the tyrant and traitor of the Egyptians," the government of Mu'ammar al-Qadhdhafi practically assumed responsibility for the attempt against the Egyptian president by warning that it will eliminate any and every chief of state who tries to follow al-Sadat's political line. In view of this confession, which sounds like a slap in the face of the international community which abides by international law, there is no need for the suspicions and speculations raised by knowledgeable observers of the world arena such as Kissinger and Brzezinski who said that very likely (!) al-Qadhdhafi's Libyans were involved in the assassination of Anwar al-Sadat.

The Tripoli government's official declaration dispels any guarded manifestation of suspicions, because it amounts to a confession that terrorism is the basis of the political action of many in the Middle East and Europe. In the official declaration carried by the Libyan Government's press agency JANA, al-Qadhdhafi promises and vows to continue with his policy of terrorism--this is a contradiction in terms because policy as the exercise of legal power does not recognize terrorism as a means of action, and terrorism as a senseless and illegal practice is not a policy approved by the laws of states and the international community. Al-Qadhdhafi said: "At this time we congratulate all Arab revolutionaries who oppose Israel, racism and the Camp David treaty and we warn that all those who should try to follow al-Sadat's path will have the same fate of the Egyptian president."

We are facing a state which proclaims that its reason for existing and acting on the international stage is the practice of terrorism. According to the testimony of al-Sadat himself--given in the last interview he granted, an extensive interview which O ESTADO carries elsewhere in today's issue--Libya's map is speckled with numerous camps where terrorists are trained, where "outlaws" come from various parts of the world and polish their skills in using the most refined and modern means afforded by present technology. It is time for the "outlaws" to be placed in quarantine and for "outlaw" states to receive sanctions from the civilized nations that are organized under the aegis of international law. It must be understood that we are dealing with individuals--and also states now--who not merely violate international law, but place themselves "outside the law,"

and consequently outside its protection. International law came into being in the era of Europocentrism--a synonym for colonialism and imperialism--through the coalescence of norms that civilization imposed on the dominant nations of that time which were alternately in peace or at war.

The juridical concepts of peace and war, aggression and intervention, national security and international security were thus formulated. Wars among states were not a crime. However, the dominant states acted against the pirates who were "outside the law" by resorting to force, intervention and raids on their hiding places and then by throwing them into the seas or tying them to galleys.

Political terrorism--modern-day piracy--is the distinctive mark of our time. Political terrorism is a modern scourge which has to be eradicated by the concerted action of all civilized nations. After all, terrorism does not only kill individuals but chiefs of state as well--and with the institutionalized support of terrorist regimes.

How long will the international community tolerate the existence of regimes and even states which with impunity adopt terrorism as their distorted rationality so as to destroy regimes and statesmen whose true rationality stand for peace and reconciliation?

CSO: 3001/7

BRIEFS

PROSECUTION OF CHAMBER MEMBER REJECTED--The Brazilian Chamber of Deputies has remained faithful to its tradition and rejected by 168 votes against 70 and 12 abstentions the request submitted by the Supreme Federal Court to prosecute Deputy Gilson de Barros (PMDB-MT) [Brazilian Democratic Movement Party--Mato Grosso State] for assaulting watchman Marcos Nazario da Silva on 4 December last year. This decision was reached in a secret session. Otherwise known as the Incredible Hulk, Gilson de Barros was moved by the applause which shook the plenary meeting of the chamber and said that the 70 votes against had been cast "by the PDS [Social Democratic Party], the government." PMDB bloc leader Odacir Klein had defended his party comrade by saying that he had already been punished by a warning of the Executive Board. Every one of the speakers mentioned the need to protect parliamentary immunity. [Text] [Rio de Janeiro JORNAL DO BRASIL in Portuguese 8 Oct p 1]

DESIRES RIFLES SALE TO NATO--Brasilia (O GLOBO)--The Brazilian Ordnance Industry [IMBEL] has begun studies of the 5.56 caliber rifle with the objective of producing them. In a report to O GLOBO yesterday, Gen Arnaldo Balderari, president of IMBEL, an enterprise linked to the army, stated that the North Atlantic Treaty Organization is willing to change its rifle to the 5.56 caliber. Given the possibility of producing them, IMBEL will be able to supply this weapon to that organization. [Excerpt] [Rio de Janeiro O GLOBO in Portuguese 13 Oct 81 p 16]

FOREIGN LOANS--Jose Carlos Serrano, director of the Central Bank's foreign trade department, has reported that in the course of the first 9 months of this year Brazil has managed to obtain $13.25 billion and contracted for $673.3 million more to be disbursed in the coming years. Brazilian foreign exchange reserves have continued to grow and reached $6.34 billion in September. The source added that by the end of November Brazil will have received loans worth $15.5 billion, the amount required to adjust the 1981 balance of payments. [Sao Paulo O ESTADO DE SAO PAULO in Portuguese 6 Oct 81 p 1 PY]

BRAZILIAN-PORTUGUESE TRADE BALANCE--According to the Portuguese news agency ANOP the Brazilian-Portuguese trade balance greatly favors Brazil. During 1980 Brazilian exports to Portugal increased from 291,714 tons to 394,000, while Portuguese exports to Brazil dropped from 112,000 tons to 65,000 tons. During the same year Brazilian exports to Portugal amounted to 7,643,000 escudos, while Portuguese exports to Brazil amounted to 2,621,000 escudos, which represented a record deficit of almost 5 million escudos. Despite these figures, Brazil

continues to be Portugal's main trade partner in Latin America absorbing 45.7 percent of Portugal's exports in 1980. [Brasilia Domestic Service in Portuguese 2200 GMT 14 Oct 81 PY]

INFLATION FALLS--Brasilia, 2 Oct (TELAM)--Inflation in Brazil fell again in September, the Finance Ministry announced today. The index for September was 4.9 percent, for a cumulative rate for the past 12 months of 109.2 percent. These figures show that the yearly inflation rate, which had reached 121 percent last March, might fall under 100 percent by the end of 1981, in accordance with official predictions. [Text] [Buenos Aires TELAM in Spanish 1347 GMT 2 Oct 81 PY]

TRADE DELEGATION TO JAPAN--A Brazilian trade delegation comprised of about 60 businessmen and headed by Porto Alegre Governor Amaral de Souza left for Japan today. During their stay in that country they will meet with members of the Confederation of Japanese Confederations which is comprised of organizations of agriculture, trade, industry and banking fields. [Brasilia Domestic Service in Portuguese 2200 GMT 14 Oct 81 PY]

IRAQ REDUCES PETROLEUM PRICE--Iraq has reduced the price of petroleum imported by Brazil by $1.50 per barrel. Brazil is currently importing 210,000 barrels daily from Iraq, and this reduction will represent a saving of $315,000 daily, or $9.4 million monthly. [Sao Paulo Radio Bandeirantes Network in Portuguese 1000 GMT 6 Oct 81 PY]

MONTEIRO EXPERIENCING HEART PROBLEMS--Gen Dilermando Gomes Monteiro, member of the Superior Military Court, is experiencing coronary problems. However, according to his cardiologist (?Julio Mattos) the general is recovering well at a hospital in Brasilia. The general is responding satisfactorily to a pacemaker implant. [Text] [PY201800 Sao Paulo Radio Bandeirantes Network in Portuguese 1600 GMT 20 Oct 81]

CNBB DOCUMENT ON PRIEST'S TORTURE--Tomorrow's newspapers will also carry a report issued by the National Conference of Brazilian Bishops (CNBB) on the arrest of church officials last weekend in Sao Geraldo de Araguaia, Para State. The CNBB document asserts that Father Peter McCarthy, who was arrested together with nuns Helena Soares and (Heldera Soares Bedendo), was tortured. The Irish priest was reportedly tortured at the office in charge of land distribution as well as at the parish house. The CNBB document also states that the nuns were also tortured because they were forced to remain standing, facing a wall, during a 3-hour interrogation with guns pointing at them. [Text] [PY201045 Sao Paulo Radio Bandeirantes in Portuguese 0230 GMT 20 Oct 81]

IRON ORE TO BELGIUM, LUXEMBOURG--Minister Delfim Neto today participated in a ceremony in Brussels in which a contract was signed for approximately $500 million, close to 55 billion cruzeiros. Through this contract, the Caraja project will export iron ore; it was signed by the Vale do Rio Doce Company, represented by its chairman--(Elias de Baptista), and a consortium of importers from Belgium and Luxembourg that supply the EEC steel market. [Excerpt] [PY210033 Brasilia Domestic Service in Portuguese 2200 GMT 20 Oct 81]

REOCENTRO CASE REOPENING SOUGHT--General Cabral Ribeiro, minister judge of the Superior Military Court [STM], during a session yesterday accused his colleague Adm Julio de sa Bierrenbach of having "blatantly offended the institution to which we so honorably belong, with serious and frivolous remarks" on voting last Friday for the reactivation of the Police-Military Inquiry [IPM] on the Reocentro explosions. At the end of the session, Bierrenbach stated that in casting his vote he did not make "any criticism on the Brazilian Army, by which I was decorated on one occasion. I confirm everything I said upon casting my vote. I respect the opinion of my colleagues, who certainly do not know the records as well as I do." [Text] [Sao Paulo FOLHA DE SAO PAULO in Portuguese 6 Oct 81 p 1]

CSO: 3001/7

BRIEFS

MONGE OPPOSES GOVERNMENT INTERFERENCE--Presidential candidate, Luis Alberto Monge, has said that he does not believe in nationalizing transportation, in speaking with representatives from that sector. He said that his party has plans which it will unveil in the next few weeks that combine the activity of private enterprise and cooperatives. Monge issued a call to this sector to maintain national unity and avoid factionalism over partisan issues. "I have been fiercely and vulgarly attacked while defending ideals that others have often failed to understand," he said. Concerning the negotiations now going on to nationalize the transportation sector, Monge said that he has plans in that regard which he will soon make known. And he said that he only wanted to make known now that his plans combine the activity of private enterprise and cooperatives. [Text] [San Jose LA REPUBLICA in Spanish 31 Aug 81 p 3] 9839

CSO: 3010/1853

UNITED REVOLUTIONARY FRONT ISSUES STATEMENT ON ELECTIONS

Guatemala City PRENSA LIBRE in Spanish 21 Sep 81 p 6

[Text] The United Revolutionary Front (FUR) has declared that the present party platforms offered by the rightist parties and the government candidates do not in any way guarantee a solution to the social, political, and economic problems of the nation, and therefore it has made no commitments or alliances with these parties or candidates.

The FUR leadership declares in a 5-point statement that in view of the distressing situation in Guatemala and because of its concern over finding solutions to the Guatemalan people's difficulties, it has been studying the alternatives it considers needed to launch an era of recovery that would rescue the citizenry immersed in certain obscurantism.

"It is necessary to note," the communique adds, "that because of the merciless repression suffered by the Guatemalan people, especially those identified with a popular cause, as the FUR is, it has not been possible to make immediate decisions, due to the dangers faced by our comrades throughout the country. In view of this, the study of these problems has been divided into several stages, beginning with the present statement, in which we set forth our unshakeable position."

The five fundamental points established by the FUR in its statement are as follows:

1. The present electoral platforms offered by the rightist parties and the government candidates do not in any way guarantee a solution to the Guatemalan problem. Therefore, it emphatically declares that it has made no commitment or alliance with any of these parties or candidates.

2. The position of the FUR is deeply nationalistic and working class oriented but it enjoys the real and effective support of progressive elements of the private sector, which, along with the professionals and working class people in general, help solidify the Guatemalan family. Thus, with the high degree of credibility the FUR enjoys, it affirms that it is ready to forge ahead and participate in the coming elections and will offer a real option for the consideration of the Guatemalan people that will initiate the change that is so earnestly sought.

3. The FUR also realizes it is not alone in this struggle and therefore calls upon all the democratic parties, associations, and entities to join ranks so that together we may realize the far-reaching changes that Guatemala needs; at the same time we

reiterate that our position has always been open to dialogue with those who represent the vital economic forces of this country.

4. It asks its allies and the public in general to maintain the peace so that all can make common cause in defending liberty and dignity. It also asks them to be attentive to the call that the FUR plans to issue to join with it as good citizens and participate in its activities in order to establish an intimate union which will serve as a framework for the goals of the Guatemalan family.

5. It demands that the government guarantee elections, that it bring a halt to the violence prevailing throughout the country, which has restricted the free expression to which all have a right because without it there cannot be a spontaneous expression of the popular will and effective application of the law against those who break it.

9015
CSO: 3010/29

EDITORIAL STRESSES IMPORTANCE OF VOTING IN ELECTIONS

Guatemala City PRENSA LIBRE in Spanish 21 Sep 81 p 10

[Editorial in the "Cactus" column by Alvaro Contreras Velez: "The Right to Vote"]

[Text] As the election campaign culminating in March, 1982, gains momentum, the concern of politicians and candidates has become more pronounced in view of predictions that attendance at the polls for this race will be marked by a rate of absenteeism much greater than in the elections of 1974 and 1978, which themselves had a higher rate of abstention than in previous years.

According to information from our files, the number of voters in the last four elections declined from 56.27 percent in 1966, to 42.49 percent in 1978 despite the fact that the population rose from 4,754,262 to 6,835,866 inhabitants during that period of time.

In 1974 an official report revealed that 300,000 citizens eligible to exercise the right to vote abstained. Nevertheless, in an apparent incongruity that is explained by the growth in population, these elections had the highest total vote (727,000 ballots) of any since Guatemala became a republic.

In 1977 the number of citizens carried on the Electoral Registry was officially estimated at 1,200,000. However, as noted above, only 42.49 percent of the population eligible to vote went to the polls in March, 1978.

To date, we have had no official report with reliable figures that could indicate the number of citizens who will vote next year. Unofficially, after consulting with leading politicians, we have estimated a figure of 1,500,000.

The above could lead us to the optimistic conclusions that, despite the absence of over a quarter of a million voters, the elections of '74 were the largest ever in the history of the republic, and the same thing could happen in '82 as a natural consequence of the demographic growth.

For this reason, both the political parties and the personalities chosen by them to participate in the race, have made the decision to motivate the citizen to vote. That is, that he exercise what is not only a right but an obligation which, in terms of civic duty, has been and continues to be a matter of responsibility and conscience.

According to our observations, influential opinion sectors represented by industrialists, businessmen, professionals, farmers, students, and other Guatemalans of various socio-economic levels are demonstrating the same commitment.

Although it is true there is no denying the fact that because of the twin scourge of violence and inflation the man in the street is more concerned with the problems that affect him and his family than with politics, it also cannot be denied that abstaining from voting does not help the situation.

In the same measure, it is no news to anyone that the politicians have lost credibility and respect with many people of the working class, who are tired of false promises and the burden of poverty and insecurity. But the damage caused by bad policies is not going to be cured by absenteeism at the polls. It could even get worse in the future.

In summary, if there are options to choose from among the best that are offered in order to have successful elections, the destiny of Guatemala depends now more than ever on that choice. In one of the most explosive and critical moments of its history Guatemala presents this gripping choice: sink or swim. And the correct vote could be a lifesaver.

9015
CSO: 3010/29

BRIEFS

NEW ACR LEADERS--Important changes have taken place in the leadership of the Revolutionary Civic Alliance [ACR], one of the groups that support the presidential candidacy of Alejandro Maldonado Aguirre. Efrain Arriaga Mendez was named secretary general of the organization, and Sarbelio Azurdia was named assistant secretary general. Others appointed to leadership positions were Gustavo Adolfo Estrada Elizondo, Israel Palacios, and Hugo Galisaire, who will be the recording secretary, propaganda secretary, and youth affairs secretary, respectively. The positions of regional offices director, treasurer, and sports and public relations secretaries have been taken over by Juan Jose Galindo, Benito Jolon, Arturo Giron, and Luis A. Hurtado Aguilar. According to this report, Oscar Luna Alpirez, who was president of the organization, has been permanetly removed from the position and no longer belongs to the Alliance. At the same time, it was indicated that the women's auxiliary of the group is now headed by Mrs Juana Robles Granillo. [Text] [Guatemala City PRENSA LIBRE in Spanish 14 Sep 81 p 16] 9015

CSO: 3010/29

TRADE WITH GUATEMALA SAID TO BE AT STANDSTILL

San Pedro Sula LA PRENSA in Spanish 25 Aug 81 p 2

[Text] Tegucigalpa--Guatemala's vice minister of the economy, Gilberto Corzo, declared that negotiations between Honduras and Guatemala to solve the problem that has arisen in commercial relations are at a total standstill.

Corzo spoke clearly, saying that unfortunately negotiations have not been reopened, but he was still hopeful that talks would continue next week between the two country's ministers of the economy in the search of an understanding which is becoming necessary. "Meanwhile, the repercussions grow worse daily, above all in the two countries' industrial sectors," emphasized the statesman.

He specified that, due to the above situation, his government has not yet set its final position. He added that events could not forge ahead here because what is needed is to find a solution which in the long run will create an agreement between both countries.

The vice minister of the economy, who arrived here on a special mission, said that unfortunately Decree No 14-54 cannot be altered, although it was the factor that caused the break in commercial relations. The Guatemalan vice minister recalled that the Free Trade bilateral agreements are based on Decree No 97, which empowers the executive branch to negotiate and which has not yet been repealed.

In any case, he said, it is not a question of arguing over legal formulas, but rather of finding solutions to save the situation. The vice minister questioned Decree No 14-54, saying that it raises the cost of selling products on the Honduran market.

Apparently talks between Gen Policarpo Paz Garcia and Guatemala's President Romeo Lucas did not contribute much to finding a solution, since Corzo maintained that not even he had heard of what the two leaders had talked about. "Perhaps they spoke of influencing their ministers to find a solution to the problem," he added.

He said it was curious that the only proposal from Honduras has been that Guatemala accept 10 percent, and consequently they offer the same percentage in exchange.

9839
CSO: 3010/1853

MYSTERY SURROUNDS GUATEMALAN PEASANTS MIGRATION

Continuing Migration

San Pedro Sula LA PRENSA in Spanish 24 Aug 81 p 4

[Text] Guatemala--A mystery surrounds recent emigrations of Guatemalan peasants into neighboring Honduran territory since the information available is insufficient to permit a clear explanation of why the peasants are moving.

While local authorities stated that they are unaware of the situation, sources in Honduras insist that Guatemalan peasants are continuing to come in,and there is talk of them being settled in camps. In fact the United Nations representative for refugees in Honduras visited the camp where Guatemalan immigrants are being held.

The present migration comes on top of three earlier movements that took place some time ago from Peten territory into Mexico, when cooperatives were established on the other side of the border. On these earlier occasions, it was said that the peasants were abandoning their homes and land in order to seek protection against armed confrontations between the national army's regular forces and leftist guerrillas. It was later established, however, that the peasants who crossed the border had been manipulated, and they were later repatriated.

Two hundred of those Guatemalan immigrants remained in the neighboring country as refugees since Mexico granted them asylum. But where the current migration into Honduras is concerned, nothing exists to permit clarification of the ongoing mystery.

Three Possible Explanations

San Pedro Sula LA PRENSA in Spanish 24 Aug 81 p 4

[Text] What is the truth concerning recent migrations into Honduras? At the moment, there seems to be no concrete answer. Nevertheless, three theories exist which may give at least a partial glimpse of the truth.

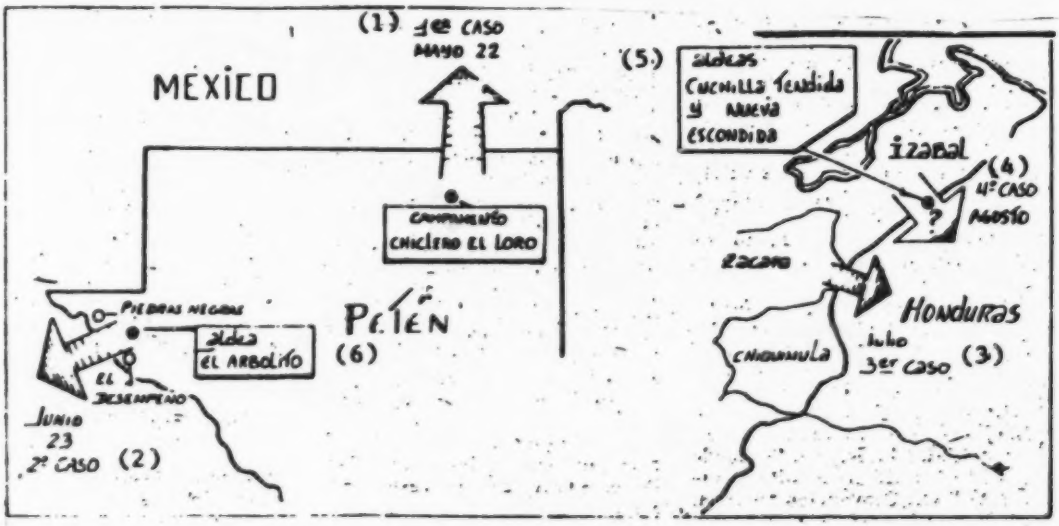
Theory 1: There are in fact anti-guerrilla struggles going on in the country's northeast, and peasants have chosen to seek the safety of the border. But a security officer at the military base of Puerto Barrios rejected this theory. Interviewed by telephone, he explained that no guerrilla activity has existed in the Department of Izabal for a long time. He also said that the villages mentioned in international cables do not exist in that department.

Theory 2: Shrinking employment opportunities have forced the peasants to seek other territories where they can find work as field laborers, cutting bananas or harvesting cotton and coffee. This theory may have some validity, in view of the fact that employment opportunities have in fact declined in the area, especially in the Department of Izabal.

Exmibal [Izabal Mining Exploration and Exploitation Inc] for example, has reduced its operations and consequently layoffs have occurred there. Bandegua [Guatemalan Banana Development Company, Ltd] is still operating, but one of its officers admitted that there are problems and layoffs have been necessary. Other firms, such as Ferropazco or Fegua [Guatemalan National Railways], for example, have reduced their operations in the area and this had led to a decrease in the use of labor.

Theory 3: On the other hand, there has been speculation that the immigration into Honduras is real, but may not be coming from the Department of Izabal, but rather from the western highlands. It might be a case of peasants moving out of the Department of Peten or out of areas where guerrilla activity is strong, explained some security authorities consulted here in the capital.

However, others refute this theory by pointing out that it is very risky for the peasants to move long distances and then cross a border.



At left are recorded the peasnat migrations from El Peten into Mexico; at right the recent migrations into Honduras.

Key:

1. May 22: 1st Case
2. June 23: 2nd Case
3. July: 3rd Case
4. August: 4th Case
5. Villages: Cuchilla Tendida and Nueva Escondida
6. Village: El Arbolito

What the DPA Report Says

San Pedro Sula LA PRENSA in Spanish 24 Aug 81 p 4

[Text] Tegucigalpa (DPA)--Between 1,800 and 2,000 Guatemalan refugees have entered Honduran territory through western zone communities, reported the director of migration, Col Leonel Gutierrez Minera.

The government official said that Honduras has become a nest of political refugees from El Salvador, Nicaragua and Guatemala, without taking account small groups of Haitians who have also taken refuge in Honduran coastal settlements.

The Guatemalan refugees have entered the country through the Department of Copan, and are being surveyed rapidly in order to organize them and give them the necessary assistance. The Honduran Government is already aiding Salvadoran refugees and Nicaraguan Miskitos, and will now have to do the same for Guatemalans who continue to arrive into Honduras.

9839
CSO: 3010/1853

BACKGROUND ON THE 'DESTAPADO' GIVEN

Text of MMH Acceptance Speech

Mexico City EL DIA in Spanish 26 Sep 81 p 2

[Text] A stenographic copy of the remarks delivered by Mr Miguel de la Madrid Hurtado, during the demonstration in support of his precandidacy for the presidency of the republic, at a function held on the central grounds of the National Palace this afternoon.

"Mr Chairman of the National Executive Committee of the Institutional Revolutionary Party, Javier Garcia Paniagua;

"Mr Chairman of the Labor Congress, Fidel Velazquez;

"Mr Chairman of the National Confederation of Popular Organizations, Humberto Lugo Gil;

"Mr Chairman of the National Peasant Confederation, Victor Cervera Pacheco;

"Messrs leaders of the PRI deputy group and the Chamber of Senators;

"Comrades from the party:

"I receive your support for my precandidacy with emotion and a full awareness of the obligations that it entails.

"With our party's internal process under way, which will culminate in the national convention to elect a candidate for the presidency of the republic, I wish to tell you that I accept your support because, since I have devoted my life to serving the revolutionary movement converted into a government, in the tasks that it has assigned to me, my party's candidacy represents the continuation of my profession in the service of the nation. This candidacy represents the most lofty opportunity to work for the cause to which I am indebted, and to which I have dedicated myself and shall always dedicate myself: the cause of the Mexican Revolution.

"I accept your support and backing because, as a member of a new generation educated in the Revolution, trained in its ranks and prepared in its endeavor, we have the emotion, the capacity and the responsibility to continue the great task that the

Constituent Assembly of 1917 clearly designed in Queretaro, one which is and will be continuing until its supreme values have been fulfilled in their entirety.

"I trust in my ability to make use of and project the lessons and experience of the generations that have preceded us in this endeavor. I trust that I shall have both their historic vision, and the modern design of the current process of change, thanks to the opportunity that I have had, to be honored by being a member of the government of President Lopez Portillo, and collaborating with him in the great plan for revolutionary management, and in the devising and implementation of that democratic, participatory project, the Total Development Plan, which is merely the consistent definition of the fulfillment of the goals which are recorded in the declaration of principles and the program of action of the Institutional Revolutionary Party.

"Party comrades, I trust that, starting with this design, and with the active, very active participation of the sectors of our party, in dialog with the popular classes, with all Mexicans, we shall be able to determine more clearly what the people want, and what the people can do during the next government term.

"I accept your backing because I know that, with your ideological and moral support, and with the majority force representing all the nation's dimensions and tasks, we shall be able to continue winning victories as a revolutionary government; Party comrades, we shall be able to continue surmounting problems, finding solutions and increasingly expanding the effectiveness of our values and our social goals.

"We shall progress along the path of democracy; we shall intensify the people's participation in policy decisions, to strengthen our movement; we shall intensify the people's participation in all social activities, to strengthen the nation.

"We shall intensify the people's participation in culture, to strengthen our community; and we shall expand the people's participation in production, and in the distribution of wealth with greater social justice.

"In short, combined and united, we shall strengthen the sectors of the Party, the majority classes of the nation, and the people's participation in development, so as to pursue the proper path, the one decided on by the people, the one directed by the people and the one that must benefit the people of Mexico.

"We shall progress upholding liberties, to increase their benefits and to make the liberties of the individual coincide with the liberties of groups, in a just and free democracy.

"We achieved our independence in the last century, and we have remained independent in order to be free, and to continue to be free. We Mexicans cannot conceive of justice without liberty.

"We shall progress in the strengthening of our nationalism, so as to passionately preserve all the social activities related to our political, economic and cultural independence, and make them flourish. Nationalism is a requisite and mainstay of the Mexican Revolution; nationalism must be a requisite and mainstay of our actions. Our nationalism is a fundamental policy decision of the people; because we have a sense of history and solidarity at present, and a call to an indestructible common destiny.

"We shall, indeed, progress, to continue the democratic, popular and nationalist course of our movement, whose brilliant current phase is being directed with exemplary patriotism, total dedication, rationality and social conviction, by the present leader of the Mexican Revolution: Jose Lopez Portillo.

"Owing to that historical continuity, a twofold, combined function is incumbent on the Institutional Revolutionary Party at the present time: to engage, as we are doing now at this starting event, in a vigorous campaign that will lead to another victory for the majority of the Mexican people, and for the ideology of the Mexican Revolution; but it is also incumbent on our Party to continue supporting the head of state and the head of the Party: Jose Lopez Portillo.

"This government, with its progressive endeavor, will continue to work until the last minute for the benefit of the people. The Party will continue to back Jose Lopez Portillo.

"We shall pursue the great effort to modernize public administration, and to plan democratically to consolidate and advance in organization for social progress.

"Now, as always, the Party will continue to uphold the unyielding principles of our foreign policy: self-determination of peoples, non-intervention, peaceful solution of controversies, international cooperation for development in world peace and construction of a more just and balanced world economic order.

"In that respect, our participation, Mexico's participation with Lopez Portillo in Cancun, will receive the most complete solidarity and the most steadfast support from our Party.

"In view of the prospects opening up at present for Mexico, a nation of young people, I wish to make a strong appeal to the youth: I summon the youth to a new period of the Mexican Revolution.

"Together, but with special backing from the youth, based on their unsullied hopes and the enthusiastic acceptance of a challenge, let us create a new image of politics, anchored in ideological conviction, authenticity, faithful dedication and moral integrity.

"The presence of women is indispensable in these tasks, in our campaign tasks and our Party tasks. Let us continue to implement the political and legal principle of the equality between men and women.

"Party comrades: popular, labor and peasant leaders; members of the middle class; we shall progress united with Mexico toward independence, with Mexico toward liberty, with Mexico toward democracy and justice, and with Mexico for the total fulfillment of the philosophy in force, the valid philosophy, the philosophy of the Mexican Revolution.

"We Mexicans have won our independence; we Mexicans established a liberal state during the 19th century; we Mexicans have reaffirmed independence, liberty and democracy with the Mexican Revolution, and we have been building the firm path to justice.

"But now the Mexican Revolution has, as a great challenge based on independence, democracy and liberty, that of taking the path toward a more egalitarian society.

"Party comrades: the struggles of Mexico's history are struggles of illustrious men, the struggles of exemplary heroes, the struggles of a political class which managed to build a system that is an example to the world. But Mexico's struggles are not merely those of men or individuals; they are struggles of the entire Mexican people who, so long as they are united, will not have any obstacles that we cannot surmount.

"Party comrades: we are now engaged in a campaign, the campaign of the Revolution, for the Mexican Revolution.

"Let us create together this new phase in the Revolution.

"Thank you."

The precandidate for the presidency of the republic, Miguel de la Madrid Hurtado, celebrates with his wife, Paloma Cordero de De la Madrid Hurtado, his nomination announced by the three PRI sectors

Speech at Planning and Budget

Mexico City EL SOL DE MEXICO in Spanish 28 Sep 81 Sec A pp 1, 13

[Text] Yesterday, Miguel de la Madrid remarked: "It is an unavoidable moral obligation to expend a great effort to rescue many Mexicans from social deprivation."

The precandidate also told the workers from Social Security who visited him yesterday at the Planning and Budget offices that unity is indispensable to prevent hidden dangers from flourishing.

He urged them to be "persistent and passionately persevering" in pursuing the implementation of the ideals of the Mexican Revolution; and said that, so long as liberty is upheld and justice fulfilled, the unity of Mexicans will be more efficacious.

With regard to the underprivileged groups, he stressed that the country will not forge ahead until they have been incorporated and given the minimal welfare to which they are entitled.

He emphasized: "We must admit that, despite the progress that has been made by the Revolution's governments, there are still groups, classes and regions which are not fully incorporated into the country's modern development."

He told the workers from IMSS [Mexican Social Security Institute] that they represent a particularly significant expedient for making the principles of the Mexican Revolution a reality.

De la Madrid declared that he agreed with the praise expressed by President Lopez Portillo in his presidential report for the director of Social Security, Arsenio Farell Cubillas.

Moreover, the PRI precandidate told the leaders of the National Confederation of Cooperatives, headed by Manuel Lozano Jimenez, that there are no private interests nor any class that can take precedence over the national interest.

With regard to cooperativism, he noted that its shortcoming is that it is sometimes mere formula and, on occasion, has served as a tool for exploitation.

"We shall not allow that," stated Miguel de la Madrid categorically, calling on the members of the Confederation to "be on guard, you and I with you, to prevent any pretense in cooperativism, much less any type of exploitation."

Lozano Jimenez had stated that the cooperativist movement fits perfectly into our concept of pluralist democracy and a mixed economy, and the presidential hopeful agreed to that.

Speech at CNOP Headquarters

Mexico City EL SOL DE MEXICO in Spanish 28 Sep 81 Sec A pp 1, 13

[Text] Yesterday, the PRI's precandidate for the presidency of the republic, Miguel de la Madrid, issued a condemnation of reaction of any type: "The reaction of those

who look backward, and the reaction of those who look to the side." Addressing the popular sector, he added: "Those looking ahead are we from PRI;" stating: "We have never offered happiness around the corner; we are not demagogs, we are revolutionaries."

Yesterday, De la Madrid recalled the anniversary of the winning of independence, "which was due mainly to the patriotism of Vicente Guerrero and to the political opportunism of Iturbide."

Addressing the various organizations that comprise the National Confederation of Popular Organizations [CNOP], which confirmed to him its mass support on the central grounds of the National Palace, led by Humberto Lugo Gil, the PRI's precandidate also remarked:

"The strength of the Mexican libertarian movement, gathering the purest essence of the independence movement, was such that it managed to oppose that reaction of the time, as we now shall oppose the reaction against our Revolution."

De la Madrid also gave a reminder that yesterday marked the celebration of the nationalization of the electric industry, which the party of progress had achieved with the strong popular leadership of Adolfo Lopez Mateos.

Regarding the popular sector of the Institutional Revolutionary Party, he said that "it is vigorous and alert, not blinking;"and he announced that he would conduct the political campaign with its leaders.

Jorge Flores Vizcarra spoke again on behalf of the popular sector.

Time to Time

Yesterday, the precandidate Miguel de la Madrid decided to conduct business in the PRI until it makes the statutory declaration between 15 and 16 October. Meanwhile, starting today, he will use the house located at No 2 Arturo, San Angel, to receive groups and hold the first meetings with those who will be his collaborators in the campaign.

As we reported at the time, he will meet today with the PRI's National Executive Committee [CEN] to convoke the National Council that will state when the issuance of the convocation is to be authorized.

In connection with the PRI's CEN, the resignations in several undersecretariats, particularly in the organization area, caused great surprise.

A misunderstanding and the uproar created yesterday by the crowds caused a press photographer to be struck by a security official.

Ciro Hurtado Oldenvog, uncle of the precandidate, announced that Bob de la Madrid, governor of Baja California Norte, is a relative of Miguel, "but in the third degree," he noted.

Yesterday, there was much interest among the press representatives in repeating the information regarding the visit (on Friday) by the secretary of labor, Pedro Ojeda Paullada; and therefore many reporters thought that he was visiting for the second time.

The announcement that his government plan would be the result of an extensive democratic consultation was interesting, particularly because, as the statutes stipulate, the Institute of Political, Economic and Social Studies will introduce its basic government plan at the PRI's National Assembly.

Yesterday afternoon's rain did not interfere with the popular groups that visited the National Palace, nor with the musical ensembles that performed all day.

Yesterday, Miguel de la Madrid dined at about 1700 hours, and at 1800 hours resumed his interviews with organizations and popular groups.

At No 9 Pimentel, also in San Angel, the press room in which the reporters will have closed circuit television to watch what happens inside residence No 2 on Arturo Street, was prepared.

The CNOP youth who expressed their dissatisfaction over neglect and poverty asked De la Madrid not to drop the cause of social justice. The precandidate's response was that he accepts that challenge, and he said that he too was dissatisfied with the unjustice.

He stressed that political activity is the individual's loftier task, because it combines the others. He confirmed to them his confidence in the nation's youth, which is the essence of the revolution.

De la Madrid gathered for the meal with his sons, Enrique, Federico and Gerardo, two friends of theirs and 11 guests. The menu was rice, fried chicken, peach pie, coffee and white wine.

Enrique remarked goodnaturedly: "The peaceful Sundays are over;" and announced that they would join in their father's work when needed, without neglecting their activities.

Enrique claimed that his family has always been very close, and he stressed that the communication between parents and children in the family has always existed.

Yesterday, Federico helped his father receive cards, envelopes, folders, etc. Enrique was very attentive to the precandidate's talks with groups and individuals.

In the board room where De la Madrid received his supporters, there are two oil paintings, one of Carlos Tello and the other of Ricardo Garcia Sainz, who preceded the precandidate in the position of secretary of planning and budget. Both paintings are signed "Oteyza 81".

Rigoberto Lopez, head of the National Union of Press Writers, whom those preparing the bulletins called "president of the union", told the precandidate yesterday that the reporters and photographers who will accompany him in his campaign would

not only perform their professional function, but would participate as members of CNOP, "as PRI members, because we have backed him since his nomination." This evoked the memory that, on a certain occasion, Gustavo Carvajal "formed" the "seventh opposition party" with journalists.

The members of the Vanguard of Engineers and Architects of Mexico requested the presidential hopeful, through Eduardo Sanchez Anaya, to officiate at a work meeting held for the purpose of turning over to him the studies made in 31 states of the republic.

The air traffic controllers, for their part, promised not to "go out of control" again.

Carlos Valderrabano Ojeda, chairman of the National Political Confederation of Professional Graduates of the Polytechnical Institute, remarked yesterday that this organization came into existence in response to the appeal made by Luis Echeverria, when he was president of Mexico, and asserted that it has been typified by its institutional work and its respect for the authorities.

However, many assume that, when a candidate comes out, those who saw him first or visualized possibilities will be the ones elected for the next 6 years; and this does not always happen, because politics is not a matter of friendships, but rather of ability.

Furthermore, during the campaign individuals emerge precisely because of their ability. It is possible that those who visualized will start the new cabinet, but others will emerge from the campaign. It must be remembered that, at the beginning of the present 6-year period, Miguel de la Madrid was undersecretary and, with Luis Echeverria, he served as director of credit in the Finance Secretariat, and Carlos Tello served as deputy director, and yet he began as secretary.

It was noteworthy that, in a televised interview yesterday morning, the precandidate stressed his admiration for three of his former teachers: Jose Lopez Portillo, Mario de la Cueva and Jesus Reyes Heroles. It was the latter who directed Miguel de la Madrid's thesis. Mario Moya, Porfirio Munoz Ledo and Gabriel Garcia Rojas were his classmates; however, the first two pursued different paths.

In the matter of the succession to Adolfo Ruiz Cortines, Senator Alfredo del Mazo was the only one who made it open for Adolfo Lopez Mateos; and today, something similar has occurred with Gabriel Garcia Rojas, senator from Zacatecas.

The PRI's National Assembly will last for 2 days: one to submit the basic plan, and the other to ratify Javier Garcia Paniagua; something that will dispel any rumor about another castling of the king.

The PRI's precandidate for the presidency of the republic, Miguel de la Madrid, poses with two of his sons in the garden of his residence in Coyoacan, before yesterday's activities began.

'I Will Not Promise, Only Do'

Mexico City EL SOL DE MEXICO in Spanish 28 Sep 81 Sec B p 7

[Text] The tension has ended, or perhaps it is now beginning for some; but what is certain is that the country has gathered around Miguel de la Madrid Hurtado, the man who summarizes his thinking in this way: "I will not promise, only do."

There have, in fact, been 3 days of signs of support and jubilation, both from the most high-ranking representatives of the various sectors and from young girls seeking an opportunity to see personally the man who, they claim "looks so handsome in the photographs."

And there is a point of coincidence in the opinions: The thorough understanding that he has of the country will make Miguel de la Madrid the proper guide for the times in which we are living.

The analysis was swift, and the man who is still a precandidate withstood all the tests.

His colleagues in the cabinet, who competed with him for the PRI nomination, also claimed to be convinced of the virtues of the one who is still secretary of planning and budget, and immediately came to voice their solidarity to him.

The same thing happened starting at 1000 hours last Friday morning, when the decision of the PRI's three sectors was announced, in the case of businessmen, labor leaders, peasants and even representatives of the Church.

The latter, after stressing that Miguel de la Madrid "is an intelligent man," expressed its wish that, if he is elected president of the republic, he will prove successful with the "extremely heavy responsibility that it represents."

The people's enthusiasm has turned the central grounds of the National Palace, where the Secretariat of Planning and Budget is located, into the meeting place of all those who wish to congratulate the precandidate and to express their solidarity to him.

There has been music of all kinds, mariachis from Jalisco as well as marimbas from Yucatan; dances, wooden rattles, claques, shawls and songs.

The same thing has occurred in front of the precandidate's residence, where thousands of people have arrived in order to see him.

The majority, to be sure, are only seeking to reach the precandidate to express their support for him, but there are also some who want to convey to him what they consider problems requiring priority attention, which are surely well known by the man who, in recent years, has been responsible for handling the budget and both preparing and carrying out basic programs for the country's growth, noteworthy among which is the Total Development Plan, which in a way includes all the others.

But they must talk with the precandidate, and point out to him what he certainly knows best. He is willing to listen, and he has proven this; he shakes hands, and pays attention to what he is told.

'Meteoric Career' Outlined

Mexico City EL SOL DE MEXICO in Spanish 28 Sep 81 Sec B pp 7-9

[Text] A meteoric career in the public sector, achieved on the basis of genuine effort, efficiency and integrity, deserved a crowning point such as that attained by Miguel de la Madrid Hurtado, upon being selected by the three sectors of PRI as its precandidate for the presidency of the republic.

The country may have been surprised by the time (there had been a great deal of comment that the selection would not be made until after the North-South meeting),

but not the name which has filled the front pages of newspapers since last Friday, and which is consuming most of the time on radio and television.

A thorough expert on the national economy because of his studies and the positions that he has held in that sector, a successful leader at key junctures in the economic takeoff, with a severe disposition clearly reflected by his almost perpetual stern expression, Miguel de la Madrid is a man who has never needed theatricality to stand out.

His statements to the news media have always been fitting, and evoked by the circumstances of the time, in addition to which he has often been designated as a speaker at public functions, at which he has spoken representing the three branches of government.

We recall, for example, one of his most recent statements, in which he announced the reduction of the budget.

His more than clear views on corruption have also been recorded, and his warnings to the effect that there would no longer be any tolerance of those who mismanage funds or the power that the country has put into their hands still hover over some, now more than ever.

His capacity for response and political training were fully demonstrated last year in his submission of the budget to Congress, during which he had to confront the onslaughts of the opposition and the sharpness of some leading members of his own party, PRI.

Another example of his political training and his deepseated revolutionary calling is the speech that he delivered during a recent public appearance in his native area, Colima, during the report by Governor Griselda Alvarez.

Among other things, he said: "It is a revolutionary imperative, in the context of democratic principles, to have a strong state, with strong federated entities, and also equally strong and genuinely free municipalities."

Miguel de la Madrid Hurtado, the man born in Colima on 12 December 1934, about 2100 hours, is also a kind man and an affectionate father and husband. In this respect, he seems to embody the ideals of the majority of Mexicans, who have made their homes a shrine and their families an object of worship.

He also has a vast general culture, wherein the mastery of techniques and subjects on which he is an expert does not, however, overshadow his humanistic training and his understanding of the arts.

We are told that, until recently, he played badminton often with his sons in the garden of his residence in Coyoacan; and the practive of that sport was not given up because he wanted it so, but because of the commitments that his five children assumed with the passage of time.

Those who have dealt with him closely claim that he has managed to combine his remarkable activity in the public sector with a quiet family life, in the company

of his wife, Paloma Cordero de De la Madrid, and his children: Margarita (the only girl), Miguel, Enrique, Federico and Gerardo.

The current PRI precandidate (he will not be the official candidate until the party convention so decides) took the course leading to a law degree at the National Autonomous University of Mexico, where he received his degree, with honorable mention, in 1957, with a thesis on "Economic Thought of the Constitution of 1857".

From September 1964 to May 1965, he pursued post-graduate studies in public administration, obtaining a master's degree in that field at the Graduate School of Public Administration of Harvard University.

From 1965 to 1970, he held the position of deputy director of credit in the Secretariat of Finance and Public Credit; and from 1970 to 1972, he was deputy director of finance for Mexican Petroleum.

Between 1972 and 1975, he served as general director of credit in the Secretariat of Finance and Public Credit; and from 1975 until 1979, he was undersecretary of the same entity.

Since 17 May 1979, he has held the post of secretary of planning and budget.

He has also been a consultant for various state financial institutions, such as the Bank of Mexco, National Financing, the National Rural Credit Bank, the National Bank of Public Works and Services and the National Foreign Commerce Bank; as well as for their overseeing organs, such as the National Banking and Insurance Commission and the National Securities Commission. He served on the administrative councils and boards of directors of parastate companies, primarily Mexican Petroleum, the Federal Electricity Commission, Mexican Iron and Steel, the National Basic Commodities Company and National Railroads.

As a representative of the Government of Mexico, he has attended various international meetings specializing in economic matters, particularly those of the International Monetary Fund, the World Bank, the Inter-American Development Bank and the Inter-American Economic and Social Council.

He has published various essays on subjects of a legal and economic nature in specialized journals, including the book entitled "Studies in Constitutional Law".

Miguel de la Madrid has also given courses and lectures on economic and legal topics at the Institute of Comparative Law of the National Autonomous University of Mexico, the School of Political and Social Sciences, the Center for Latin American Monetary Studies, the Technological Institute of Mexico, the National Institute of Public Administration and the National Association of Economists, as well as in various institutions of advanced culture and both academic and professional associations.

De la Madrid has also been a regular professor of constitutional law at the UNAM Law School, and professor of comparative law at the Institute of Comparative Law (now the Institute of Legal Research) at the UNAM.

He is a member of the Mexican Bar, and also a member of the Bar Association since 1960, and a member of the Institutional Revolutionary Party since 1963. He has

collaborated with the Institute of Economic and Social Studies, and with the District Committee of the Federal District.

In addition, he is a member of the Ibero-American Institute of Constitutional Law, the Mexican Planning Association, A.C., and the Institute of Public Administration.

Concerning Miguel de la Madrid, "The Magic Country", the detailed study made of the presidential succession by journalists Neftali Celis and Javier Lozada, tells us that his relationship with President Jose Lopez Portillo has been optimal for many years.

The book notes: "He is a prototype of a style similar to that of the current president, and was the only cabinet member to witness the wedding of the chief executive's son, who collaborates with him in the Secretariat of Planning and Budget."

The journalist authors of the study claim that De la Madrid "is unquestionably suited for the modernization that the country needs and the new features of our economy."

In the magazine SIEMPRE, in the very issue which started circulating a few hours before the nomination was made public, Miguel de la Madrid is described as follows:

"He likes to read Morris West in order to forget planning and budget; he is concerned about dressing well and the exact truth; he draws well; he is more than slightly familiar with French cuisine. The gray hairs at his temple make him seem interesting in a mature way; and the haughty expression and talking about 'intersectorial crossings' show a Miguel de la Madrid who is full of contrasts, mature and willing to comply with destiny."

The one who is still head of the Secretariat of Planning and Budget will be 47 years old on 12 December, and is one of the four youngest men nominated by the PRI for the presidency.

He is a descendant of a family prolific from the standpoint of men with a vocation for public service: governors, mayors and members of the military who have dedicated their lives to the country.

In fact, he received his first schooling from his mother, Mrs Alicia Hurtado de De la Madrid, because his father, Miguel de la Madrid Castro, who had practiced law in his native area, died when Miguel was only 2 years old.

And as an odd note, there is an account of what happened on 12 November 1980, during a meal that the current precandidate had with the members of the Front Page Club.

At dessert time, the newsmen presented to the one still serving as secretary of planning and budget a "hood" which the latter accepted laughingly, although of course he refused to put it on.

On that occasion Miguel de la Madrid showed another facet of his personality, the sense of humor mentioned by those who have known him apart from his function in the public sector, wherein his policy has remained unchangeable: work, integrity and efficiency.

PRI Precandidate Miguel de la Madrid

Candidate's Wife Interviewed

Mexico City EL SOL DE MEXICO in Spanish 28 Sep 81 Sec B p 10

[Interview with Paloma Cordero de De la Madrid, wife of PRI precandidate Miguel de la Madrid; date and place not given]

[Text] It is impossible to dissociate Miguel de la Madrid the official from Miguel de la Madrid the husband and father.

Paloma Cordero de De la Madrid, born in Mexico City, is his wife and the one with whom the PRI's precandidate for the presidency of the republic has shared the past 24 years, and by whom he has had five children: Margarita, Miguel, Enrique, Federico and Gerardo.

And we remarked that it is impossible to talk about De la Madrid only as an official or only as a parent, because the brilliant professional has managed to combine the two functions.

We are told by those who have associated with him that, in his home, there is reflected the strict discipline with which the politician has always discharged his functions in the government and in his public life; while on the other hand he often gives evidence of the understanding with which he treats his family.

Actually, the one who can discuss the family life of the man chosen by the PRI as its precandidate for the presidency of the nation is his wife; and therefore we are reprinting the interview granted by Mrs Paloma Cordero de De la Madrid to a magazine, a few days before the PRI's decision became known.

This was the dialog:

[Question] What problems does the wife of a state secretary confront?

[Answer] I believe that, in order to enable a man to perform any work successfully, he needs a loyal, understanding family at his side. As a wife, I have had to engage in this effort throughout my husband's career as a public servant, and the family has also been gradually trained for this type of problem. My children and I are concerned about knowing what my husband is doing, understanding the problems that he faces and supporting him. He often chats with us about his activities, especially with me and my three older children; and we give him our opinions frankly. But I believe that the family not only bears a burden to support the official, but also benefits from the experience, the solidarity and the effect that the head of the family conveys. A family in our times cannot be passive regarding either the effort or the gratification entailed by the activities of the head of the family.

[Question] Are you from Colima also?

[Answer] No, I am a native of the Federal District. So was my father, Luis Cordero Bustamante; and my mother, Delia Tapia Labardini de Cordero, was born in Puebla, although of parents who were from Orizaba. On my father's side, we are descended from a Chihuahua family: the Bustamante Siqueiros family.

I like Colima very much, but I also like the Federal District very much. I am proud of being a native of the capital.

[Question] Where did you meet your husband?

[Answer] Here in Mexico City. We were neighbors of the same housing complex, the Hipodromo Condesa, in the direction of the Lido movie theater. I was introduced to him by my brother, Luis, who was my husband's companion in military service.

[Question] Did you marry young?

[Answer] Yes, I met Miguel when he was a law student. Our courtship underwent a crisis during exam time. We were married in 1957; I was 22, and he 24. We are very glad to have married young, because now we see our children already grown up. We are also better equipped to understand the problems of the younger generation, and this benefits their education. My husband is greatly concerned about understanding the worries of the youth, and his children are good commentators and critics regarding the problems.

[Question] Are you from a wealthy family?

[Answer] My father gave us a good standard of living, but we are not a wealthy family. Upon the death of my father, who practiced law in a very personal way, he left an inheritance which just sufficed to give my mother a decent living.

[Question] What are your favorite activities?

[Answer] I am very fond of sports. I practice tennis, swimming and gymnastics regularly. We also like traveling very much. Every time my children have vacations we learn about new places. We have visited virtually the entire republic. During the last vacations, we made a tour by rail of the route from Chihuahua to the Pacific. My husband cannot always accompany us, but sometimes he catches up with us somewhere along the journey.

[Question] What kind of reading do you prefer?

[Answer] I like novels, and I spend time reading about Mexican history and art. I have taken some isolated courses on those subjects. I also often read books on education and child psychology. Every day I read one or two newspapers, and I read weekly magazines. I like to be informed about the problems of the country and the world, so as to hold discussions with my husband and children, and be properly informed.

[Question] What kind of social work do you do?

[Answer] Basically, work related to the social activities of the institutions for which my husband has worked. I have been a member of the national volunteers of the Secretariat of Finance and at Mexican Petroleum, and now at Planning and Budget. We have community development programs in urban and rural centers; we oversee the social benefits granted by the secretariat to its employees and their children; and we participate in fostering cultural activities: concerts, lectures, visits to museums and historical monuments, Mexican folklore events, etc.

[Question] Who are your women friends?

[Answer] My best friends are my mother and my daughter. I also get along well with my sisters, my mother-in-law and my sister-in-law, Alicia; and I have always tried to have a good friendship with the wives of my husband's colleagues at work.

[Question] Do you cook?

[Answer] When I was very young, my mother taught me to make pastry. My mother has always made very good pies. But when I was married, I realized that I had to learn to cook beans, rice and soup. I took cooking lessons, and I like to prepare my family's meals, especially when my husband eats at home, or when we have visitors. But I still make good pies.

[Question] What performances do you attend?

[Answer] I am very fond of the movies, theater and symphony concerts, and the opera as well. I like all music: classic and modern; and I am very fond of boleros and country songs. I like to dance very much. My husband jokes with me, telling me that I dance too much at parties.

[Question] Where do you buy your clothes?

[Answer] In Mexico City, both in shops and from my dressmaker. Foreign clothes are very pretty, but every day we are obtaining a better quality and supply in Mexico City.

[Question] Which of your children is pampered?

[Answer] I don't have a pampered one. I love all the children very much; I have just one daughter, Margarita, who is studying tourism. Then we have four boys: Miguel, Enrique, Federico and Gerardo. I get along very well with them, and try to be their friend. I try to treat all of them alike, but when one has a problem, I give him priority.

As wife of the PRI's precandidate for the presidency of the republic, Mrs De la Madrid has reiterated the fact that her husband is a man completely dedicated to the work entrusted to him, but one who has always maintained very close ties with his family.

The woman who could be the first lady of the nation during the next 6 years received with great aplomb the news that her husband had been selected by the three sectors of the PRI as its candidate for the presidency during the term 1982-88.

Her initial statement was simply: "It is an honor for me;" although, a few hours later, when she was in the company of husband and children, she spoke more at length about how the inhabitans of house No 421 on Francisco Sosa Avenue, in Coyoacan, had lived until last Friday.

Paloma Cordero de De la Madrid

The De la Madrid family

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CSO: 3010/63

BRIEFS

BRITISH COMMONWEALTH POSITION REJECTED--Caracas, 7 Oct (EFE)--Venezuela today rejected the communique agreed on in Melbourne, Australia, at a meeting of chiefs of government of the British Commonwealth countries in connection with the Venezuelan-Guyanese conflict over the so-called Essequibo territory. A Venezuelan Foreign Ministry declaration endorsed a communique released by the Venezuelan Embassy in Australia, which was delivered to all participants in the British Commonwealth meeting. This document explains the historical reasons which support Venezuela's claim. The document also denies that Venezuela's claim constitutes a specific threat against Guyana and stresses that at the Melbourne meeting the presidency fell to the Guyanese representative. [sentence as received] As a former colony, Guyana is a member of the British Commonwealth. [Text] [PA101337 Madrid EFE in Spanish 0330 GMT 8 Oct 81]

F-16 PURCHASE OFFICIALLY ANNOUNCED--Caracas, 16 Oct (AFP)--It was officially reported here today that Venezuela will organize its air power on the basis of the sophisticated U.S. F-16 planes and getting rid of the French Mirage planes and other older planes. It was added that as a result of the Venezuelan decision, this petroleum nation will have air supremacy in Latin America during the next few years. (?The decision in favor) of the U.S. airplanes will demand an investment of $560 million for the purchase of 24 planes and all their equipment. The two main political parties, the ruling COPEI (Christian Democrat) and the opposition Democratic Action (Social Democratic) support the purchase of the airplanes. [Text] [PA182216 Paris AFP in Spanish 1924 GMT 16 Oct 81]

CSO: 3010/91 END

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No. 2392

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GUATEMALA REJECTS MEXICAN PROPOSAL ON HYDROELECTRIC PLANT

Mexico City EXCELSIOR in Spanish 5 Oct 81 pp 4-A, 34-A

[Article by Carlos A. Medina]

[Text] Boca del Cerro, Tabasco, 4 Oct--The Mexican Government has made an offer to the Government of Guatemala to provide it with all the electricity it needs for an indefinite period of time free of charge, in exchange for permission to inundate 100,000 hectares of land in Peten which will permit construction of a dam in Tabasco state to harness the Usumacinta River. This would benefit at least 1 million hectares in Mexican territory and would double the national hydroelectric capacity.

The Guatemalan authorities have rejected the Mexican offer with the argument that in the Peten region, which is useless, unpopulated, virgin jungle adjacent to the states of Tabasco and Chiapas, there are large oil deposits and that if the harnessing of the Usumacinta--a river which originates in the neighboring country--is permitted this would give rise to a Mexican "geographic invasion" of Guatemalan land.

"As governor of Tabasco state, said Eng Leandro Rovirosa Wade, "I consider this project of the utmost importance to Mexico and Guatemala; however, problems of an international kind are preventing its implementation."

According to Mexican technical studies, the reservoir of the dam, in Guatemalan-Mexican territory, would cover an area of 180,000 hectares; i.e., an area 10 times larger than Lake Chapala in Jalisco.

The dam would be located at a point known as Boca del Cerro, about 15 kilometers from Tenosique. It would inundate 100,000 hectares of Guatemalan land and an additional 80,000 hectares of land in Chiapas state and would have a storage capacity of 60 billion cubic meters of water.

The harnessing of the Usumacinta River would permit the construction of a series of hydroelectric plants to develop at least 1 million hectares of Mexican land; i.e., 500,000 hectares in Tabasco state and an equal number of hectares in Campeche state; and the generation of electric power would be sufficient to double the present installed capacity of the southeast at the Chicoasen dam.

In exchange for permission to inundate a broad region of Peten, Mexico is offering Guatemala free of charge and for an indefinite period of time all the electric power it needs for industrial and household use within its territory. The cost of the project would also be borne by the government of our country.

Engineers Juan Wiley Cardenas, technical adviser on hydraulic infrastructure and human settlements of the Tabasco government, and German Velazquez Villegas, director of studies and projects of the Grijalva River Commission, gave their viewpoints on this project.

"No harnessing work has been done on the Usumacinta River, even though studies have been completed. The dam at Boca del Cerro, which by storing 60 billion cubic meters of water would control the flow of that river, cannot be built because of its sociopolitical costs. The opposition of the Guatemalan Government to the construction of this dam," he said, "whose waters would inundate a little over 100,000 hectares of its territory, as well as 80,000 hectares in Chiapas state, has prevented its construction."

During the interview, Wiley Cardenas added, "Mexico has presented a series of projects to be carried out in building this dam; however, unfortunately, none of them appears to satisfy Guatemalan interests. Neither they nor we have been able to make full use of the waters of the Usumacinta River; and it seems to me that there should be a point of accommodation between both nations to permit their optimum utilization."

Every year, during the rainy season, the waters of the Usumacinta River cause great damage to the agriculture and livestock of Tabasco and Campeche states. Many months of the year, large expanses--about 1 million hectares--are under water for lack of control over the flood waters of the Usumacinta.

Rovirosa Wade explained, "The project would be extraordinarily advantageous; however, unfortunately, there are insurmountable obstacles on the part of Guatemala which is unable to measure the benefits of the dam."

As for Engineer Velazquez Villegas, he said, "The dam could be installed on the Usumacinta River 1 kilometer upstream of the existing gauging stations, that is, 1.5 kilometers upstream of the southeast railway bridge over this river, opposite the town of Tenosique," based on an existing study of this subject.

He added that the Secretariat of Agriculture and Water Resources has prepared three plans on this subject.

In 1956, there was a plan for a 120-meter high dam with a reservoir capacity of 45.243 billion cubic meters of water which would have permitted the harnessing of the entire watershed of the river which is 55.7 billion cubic meters representing a basin of 57,400 square kilometers of which a little over 40,000 kilometers are in Guatemala and the rest in our country. At the time, it was estimated that the project would cost $500 million.

The second plan which was studied in 1970 provided for the inundation of Mexican land only to avoid problems with Guatemala, with construction of a dam and a reservoir of lesser capacity; however, the economic studies demonstrated that the

project would not be profitable for Mexico, as it would give control over 50 percent of the river.

Velazquez Villegas explained the third and final plan which consisted of "a 110-meter-high dam with a reservoir at the 130 elevation which would permit the storage of 29 billion cubic meters, if the geological problems observed in the mouth and the reservoir can be resolved."

"This," added Velazquez Villegas, would have inundated 215,000 hectares, and the cost of the dam was calculated at 3 billion pesos. Some 50,000 hectares would have been inundated which, although less than the area of the first plan, would have been accomplished in a way that would have made it difficult to reach an agreement with Guatemala."

He added, "If in addition we build the Lacantum dam downstream we would have total storage of 45 billion cubic meters which would permit control and utilization of the river's entire watershed within Mexican territory calculated at 55.2 billion cubic meters."

Velazquez Villegas added an explanation: "The lands which would be inundated by the two dams--Boca del Cerro and Lacantum--are practically uninhabited and unutilized; therefore, we hope that at present there will be no great problems in the signing of an agreement with Guatemala nor should there difficulties in Mexican territory."

And then he warned, "However, if we allow another 8 or 10 years to go by without starting on the dam, the situation could be quite different and Mexico, a country which is poor in water resources, would be in a position of being unable to fully control and utilize the largest river we have and also of condemning the Grijalva-Usumacinta lower basin to continual threats of flooding."

"We assure you that it is feasible at this time, that there is no well based reason for objection. The biggest job is to reach appropriate agreements with Guatemala," Velazquez Villegas pointed out.

"Later, on its own and without foreign intervention, Mexico could build other dams in its territory which would provide us with benefits additional to those obtained from Boca del Cerro."

8143
CSO: 3010/72

PETROBRAS BREAKS DRILLING RECORD IN AUGUST; NORTHEAST EXPLORATION

Drilling Record

Rio de Janeiro O GLOBO in Portuguese 19 Sep 81 p 18

[Text] PETROBRAS [Brazilian Petroleum Co] announced yesterday that a record number of meters were drilled in August with its own equipment and rigs operating under contract in onshore sedimentary basins and on the continental shelf. Some 96,784 meters were drilled--a record in the history of PETROBRAS and a 24.6 percent increase over the same month last year.

According to the PETROBRAS communique, from January to August the largest number of meters were drilled since the beginning of oil exploitation in the country; 657,928 meters were drilled in search of oil or gas. By the end of the year the figure should reach 959,478 meters, 17.8 percent more than in 1980, when the figure was 814,494 meters.

Greater Mobilization

PETROBRAS also reported that the record drilling levels are owing to greater mobilization of the drilling rigs and better productivity from the exploratory equipment. There are now 70 drilling units in operation (43 onshore and 27 offshore), whose average for the January-July period was 1,233 meters, 7 percent higher than estimated.

Wells

The largest number of producing wells was recorded last week, according to PETROBRAS. For the first time, they exceeded 2,000, with 2,011 producing wells, 1,984 of which are producing oil and 27 are extracting natural gas. This represents a growth of about 11.7 percent in relation to last August, when there were 1,780 producing oil wells and 20 gas wells.

From January to July of this year, PETROBRAS completed 288 wells, either exploratory or in development; 147 of these were oil producers and 3 produced gas. The others are "injection" wells, which means they did not turn out to be productive.

Northeast Drilling

Rio de Janeiro GAZETA MERCANTIL in Portuguese 17 Sep 81 p 11

[Text] PETROBRAS will intensify oil prospecting on the continental shelf of Ceara (an area where production increased by 247.6 percent for the first 8 months of

this year in relation to the same period last year) and in the land area of Alagoas.

According to the note released yesterday by the company, the purpose is to delimit areas where petroleum and natural gas have already been discovered. The company has just released five locations for drilling extension wells off the coast of Ceara and four in the land area of Alagoas.

On the Ceara coast, PETROBRAS will delimit two areas where a reserve of 1,533 million barrels of oil has already been identified by means of two wells (Ceara Underwater 33 A and 27, located 58 and 92 kilometers, respectively, north-northeast of Fortaleza.

The company will drill two wells in the area of Ceara Underwater 33 A and three in the area of Ceara Underwater 27, at a total estimated investment of 1.1 billion cruzeiros.

Last month the Ceara coast produced 7,428 barrels per day [b/d], and in the first half of 1982 production will be expanded by 1,800 b/d when the Espada field, 68 kilometers north-northeast of Fortaleza, goes into operation.

Espada's oil will be extracted using a fixed platform and will be piped 6 kilometers to the Curima field by underwater pipeline. From there it will go by tanker to the land terminals.

Other areas have also been freed by PETROBRAS for drilling exploratory wells in the onshore area of Alagoas, where the company recently discovered natural gas at Pilar Well No 1, 30 kilometers from Maceio.

The four wells will be budgeted at 280 million cruzeiros and are between 700 meters and 2.1 kilometers from Pilar Well No 1. When the operation is completed, it will be possible to determine the area's potential more precisely.

Pilar Well No 1 will soon be tested to ascertain the quality of the existing gas, and then it will be deepened from 3,264 meters to 5,000 meters to ascertain if there is also petroleum.

6363
CSO: 3001/4

ENERGY CONSUMPTION DROPS 0.9 PERCENT IN SOUTHEAST; RATES RISE

Consumption Declines

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 25 Sep 81 p 26

[Text] Energy consumption in the southeast declined by 0.9 percent in August. This has not occurred for several years and is indicative of the economic crisis the country is experiencing, according to indices released yesterday in Rio by ELETROBRAS [Brazilian Electric Power Co, Inc] in its Market Bulletin. Consumption rose 5.1 percent in the last 12 months, a much smaller increase than the 10.8 percent recorded in the previous 12 months.

According to the bulletin, production in the industries that consume the most energy showed negative results in the first half of 1981 in relation to the same period last year, except for food products. Even so, the growth rates in this industrial sector are declining--from 10.9 percent in June to 8.0 percent in July and 5.8 percent in August. Energy specialists attribute this constant reduction to the conclusion of the harvest in the major southeastern states.

Nationwide, the ELETROBRAS bulletin says, the estimated increase in power consumption was 5 percent in the first half of this year, as compared with 11.4 percent in the same period last year. Studies conducted by the DNAEE [National Water and Electric Power Department] - ELETROBRAS group concluded that power consumption in the first 8 months of 1981 should be 81,107.1 gigawatt-hours, but actual consumption did not exceed 77,034.5 gigawatt-hours, or 5 percent less.

Troubling Rates

Preliminary figures for growth rates nationwide indicate a drop of 5.6 percent in the last 12 months. The rate for August of this year was 6.2 percent, whereas in July 1980 it was 11.8 percent. Technicians in the sector yesterday admitted that by the end of the year the rates could be "cause for concern." They noted that the estimated growth in consumption for 1981 is 11.2 percent. (ELETROBRAS bulletin).

They pointed out that the growth in the first 8 months (5 percent) and the expected growth for the year (11.2 percent) already indicate a negative difference of 6.2 percent. The decline in domestic consumption continues apace: 7.8 percent in June, and 7.3 percent in July. (As published).

For a more realistic measure of the country, according to the specialists, one need only note that industrial consumption in the southeast (which accounts for 70 percent of the energy consumed in Brazil) rose by 2.8 percent in the first 7 months of this year, a much lower figure than the 9.6 percent registered in same period last year. In the area served by ELETROPAULO, the growth from January to July was 0.9 percent, whereas in the previous year it was 6.2 percent.

Comparison of Present, Prior Growth Rates: ELETROPAULO, CPFL (Sao Paulo Power and Light Co) and CESP (Sao Paulo Power Plants)

Growth in the last 12 Month Period:

	1979-1980	1980-1981	Predicted Growth for 1981*
ELETROPAULO	8.2	3.2	10.4
CPFL	11.3	10.4	10.0
CESP	13.4	11.6	9.8

Growth to August of Year:

	Verified 1979-1980	Preliminary 1980-1981	Predicted Growth* 1980-1981
ELETROPAULO	7.7	1.7	9.7
CPFL	11.8	10.8	9.3
CESP	14.1	8.4	11.8

Growth in Month of August:

	1979-1980	1980-1981 (Preliminary)
ELETROPAULO	12.4	-2.3
CPFL	20.3	0.1
CESP	14.2	4.2

* Values forecast by DNAEE-ELETROBRAS, July 1980

Rates Rise

Rio de Janeiro JORNAL DO BRASIL in Portuguese 23 Sep 81 p 8

[Text] Brasilia--The final electric power rate readjustment of the year, which should be 20 to 23 percent, will go into effect on Monday. Unlike previous adjustments, which were differentiated by class of consumer, this adjustment will be applied uniformly to residential, industrial and commercial consumers.

Hence the increase will be the same for all household rates and for industrial and commercial rates. The percentage of the readjustment will be determined today by the DNAEE (National Water and Electric Power Department) and the Ministry of Planning. The more probable figure is 23 percent.

Distortions

The adoption of an across-the-board rate hike for the final readjustment of the year (unlike the differentiated increase by class of consumer, adopted since February) is justified by the fact that some of the distortions in consumption, mainly in residential consumption, have now been corrected--large consumers were not penalized with higher rates.

The other reason for the uniform rate readjustment is to generate more revenues for the power companies as this year ends, although the amount obtained with the linear increase of 20 percent or 23 percent has not yet been estimated, since it depends on the behavior of energy demand from now to December.

Consumption in the first half of September has been at the same level as in August, an indication that there will be no further decline, since economic activity tends to be more accentuated in the last quarter.

If the option is for a 23 percent readjustment, the cumulative increase in energy rates in 1981 will be 112.4 percent, representing a real increase higher than the rate of inflation. Three average increases have been authorized this year to date: 17 percent, 20 percent and 23 percent.

For 1982, the rate policy for the electric energy sector will be an average annual increase of 3 percent above the INPE (National Consumer Price Index), in accordance with an agreement with the World Bank, as a way of gradually arriving at repayment of 10 percent of the investments in the sector, as required by law.

6362
CSO: 3001/4

DIESEL OIL IMPORTED TO BALANCE DOMESTIC DERIVATIVE SUPPLY

Rio de Janeiro O GLOBO in Portuguese 27 Sep 81 p 36

[Text] Brasilia (O GLOBO)--Brazil is importing diesel oil to balance the domestic supply of derivatives without increasing petroleum imports overall, it was reported by Gen Oziel Almeida Costa, president of the CNP [National Petroleum Council]. He did not wish to divulge the amounts being imported.

If PETROBRAS [Brazilian Petroleum Corporation] imported enough petroleum to meet the demand for diesel oil, it would substantially increase the surplus of gasoline and fuel oil, two derivatives which PETROBRAS is having difficulty exporting.

General Oziel explained that when the foreign market for light derivatives like gasoline is favorable, it is suitable to import enough petroleum to meet the entire demand for the derivative that is dictating the import--in this case, diesel oil--but when the market for light derivatives is slow, it is preferable to import a certain quantity of diesel oil to balance the domestic supply, instead of importing crude oil for refining and ending up with a surplus of other derivatives.

He confirmed that fuel oil reserves are high, but assured that, in the case of gasoline, "the data available to the CNP indicate that the stocks are not out of normal range."

The slowdown of industrial growth and the large increases in the price of fuel oil in the last year are causing a sharper reduction than the government anticipated in consumption of this petroleum derivative, producing a large surplus. According to General Oziel, it is impossible to export this surplus because there is a worldwide glut of fuel oil.

The ministry of Mines and Energy expected a general reduction of 7 percent in consumption of derivatives this year. In the specific case of fuel oil, however, consumption dropped 16.3 percent from January to August.

Fuel oil consumption has been declining since 1980, when it reached 14.2 million tons, 4.7 percent less than the 14.9 million tons consumed the previous year. In 1980 the price of fuel oil rose 404 percent, from 2.40 to 12.10 cruzeiros per kg.

Sources in the sector feel this price increase was the main reason for the reduction in consumption, which had been rising by an average of 7 percent annually in the previous years.

Diesel

Diesel oil consumption rose an average 8 percent per year between 1977 and 1980 and is only now showing the first signs of a decline. Again, some technicians in the sector comment, the practice of "realistic pricing" caused the reduced demand.

Now determining the size of the country's oil imports, diesel oil was not subjected to the same price increases as the other oil derivatives in the first 2 years of the Figueiredo administration, on the theory that large increases could prejudice the [policy of] priority to agriculture.

In 1979, the price of diesel went up by 160 percent and in 1980 by 66.6 percent, whereas, in the same 2 years, gasoline went up by 169 and 125 percent, respectively.

This year the price of diesel has already been increased by 110 percent, from 20 to 42 cruzeiros per liter, while gasoline has gone up 47 percent, from 51 to 75 cruzeiros per liter. From January to August, diesel consumption was down 1.8 percent in relation to the same period last year.

6362
CSO: 3001/4

DE OTEYZA ANNOUNCES NEW EXPORT OIL DEALS

Mexico City EL DIA in Spanish 19 Sep 81 p 8

[Text] Mexico is consolidating its position on the world oil market with the signing of new contracts and pacts for the supply of crude oil , in government-to-government operations and within the norms established by the hydrocarbon export policy of the National Energy Plan.

Mexican Secretary of Patrimony and Industrial Development Jose Andres de Oteyza, and Colombian Minister of Mines and Energy Carlos Rodado Noriega signed an Agreement of Intention in which they reaffirm the desire of the state enterprises PEMEX and ECOPETROL to sign a purchase contract for Mexican crude.

Representatives of PEMEX and ECOPETROL are holding talks in order to sign the necessary contract.

Furthermore, PEMEX will export 10,000 barrels per day of Isthmian and Mayan crude to the Republic of Uruguay. That contract will take effect next 1 October, and was signed by PEMEX Manager of Foreign Trade Juan Aizpuru Viesca and Luis C. Neirotti, representing the Uruguayan state enterprise, the National Fuels, Alcohol and Cement Administration (ANCAP).

With these two agreements and the contract signed yesterday between PEMEX and the South Korean Ministry of Energy and Resources (retroactive to 1 July), Mexico will be able to sell an additional 60,000 barrels of crude per day to foreign countries.

Thus, not only has PEMEX recovered its oil export position, as it announced recently, but it has also strengthened its presence on the international petroleum market. Now it has a list of more stable and reliable customers, which will enable it to carry on with its plans to expand the industry and the national economy.

In addition, as is well known, PEMEX has a contract with the Republic of Honduras to supply 6,000 barrels of crude a day. Honduras is one of the countries that are benefiting from the agreement signed by the Mexican and Venezuelan Governments in San Jose, Costa Rica.

Now, because of operational problems, the Honduran Government has requested Mexican aid in the form of oil and financing, to ease the shortage of petroleum products there.

In order to handle that request, next week a group of PEMEX officials and experts will travel to Tegucigalpa, capital of Honduras.

8926
CSO: 3010/67

NEW OIL FINDS EXPECTED OFF GULF COAST

Mexico City EL SOL DE MEXICO in Spanish 28 Sep 81 p 1-A, 15-A

[Article by Roberto Noriega G.]

[Text] Isla de Lobos, Veracruz, 27 September--All along the continental shelf of the Gulf of Mexico there is enormous potential for finding hydrocarbons, and new deposits are about to be discovered and exploited, according to PEMEX Assistant Director for Exploitation Miguel Angel Centeno in his report to President Lopez Portillo.

The official, in an explanation he presented to the president during his stay on this island, also stated that research is being carried out in the Gulf of Mexico to determine the extent of the land and sea energy deposits. Thus, this island territory could provide confirmation that the new "gold belt" extends into the sea.

At the same time, Centeno explained to the president and his entourage (which included PEMEX Director Julio Rodolfo Moctezuma): "The northern part of Yucatan is of great interest; seismological testing has already been done, with linear details 10 kilometers apart, and the first results are already in, indicating that there are significant petroleum structures in the northern part."

He also pointed out that in this northern area of the peninsula "not only are they on the edge of the shelf, but they are beginning to go into the Yucatan shelf. These are low-relief structures, but we should do some exploratory drilling there because this is a large area, around 50,000 square kilometers," stated the engineer.

The official also said in his presentation, which he illustrated with graphical information, that in the provinces of the Gulf of California, where dry gas is already being produced, "we have a drilling platform which is making exploratory wells at this time." In the province of Mazatlan, also in the tertiary and quaternary structures, although hydrocarbons have not been found there is much interest.

As for the province of Veracruz, he indicated that work is currently being done on land. Seismological studies have revealed already that there are structures up to 30 kilometers long. The Coatzacoalcos marine area is also of interest.

In the same basin of the Gulf of Mexico, across from the Burgos Basin, he stated that seismological studies have been conducted "and have revealed to us potential

accumulations of hydrocarbons. There will also be gas development there, and the wells have a potential of 5 million cubic feet per day, provided we have enough equipment available to perform test drilling in the formation."

As for the future of oil, Centeno stressed the province of Veracruz, "where we are already drilling in the tested areas of Resplandor and Rio Manso. The deposits are between 6,500 and 7,000 meters deep. However, the length of the structures, around 30 to 40 kilometers, gives reason to consider this province one of the most promising for the future," he stated.

Concerning Isla Lobos, it was stated that seismic tests were done in 1959; the first well was drilled in 1962; and this was the first producer PEMEX had in the sea. Initial production amounted to 5,000 barrels per day; it still produces a total of 1,200 barrels.

8926
CSO: 3010/67

REFINING INCREASED 54 PERCENT IN FIVE YEARS

Mexico City EL DIA in Spanish 14 Sep 81 p 9

[Text] PEMEX currently refines 1.476 million barrels of crude oil per day, which represents a 52.4 percent increase over the 968,500 barrels per day that were refined in 1976.

This was reported in the publication CINCO ANOS DE REALIZACIONES EN LA INDUSTRIA PETROLERA, put out by PEMEX. It adds that the refining sector has been modernized and now meets national demand for liquefied gas, gasoline, diesel, lubricants, paraffin, grease, asphalt, fuel oil and raw materials for the basic petrochemical industry.

This has made possible the opening of refineries in Cadereyta, Nuevo Leon and Salina Cruz, Oaxaca. Together with previously existing refineries, these facilities put the country in eleventh place among the world's refining countries, adds PEMEX.

One important aspect of PEMEX as a refining enterprise is that in all the new refining facilities in-house engineers and technology are used. The total volume of refining production in the country, the text goes on to say, comes from 10 installations, which cover the specific requirements of their respective zones of influence.

To meet the increasing demand in the highlands, there are refineries in Azcapotzalco (with a capacity of 105,000 barrels per day of processed crude), Tula (150,000), and Salamanca (200,000).

On the Gulf Plains, the publication goes on, the demand of the entire coastal area is met, and the Pacific and Highlands regions' supplies are reinforced by the facilities of Ciudad Madero (with a crude processing capacity of 185,000 barrels per day), Minatitlan (200,000 crude and 90,000 liquid natural gas), Poza Rica (16,000 crude and 22,000 liquid natural gas), and Cactus (82,500 barrels per day of liquid natural gas).

The Northern Zone, according to PEMEX, is supplied by the new refinery in Cadereyta, Nuevo Leon, which is the largest of the system; it has a total capacity of 235,000 barrels of crude per day. In this region, the refinery at Reynosa, Tamaulipas contributes to supplies with a capacity of 9,000 barrels of crude and 11,500 barrels of liquid natural gas.

To cover the Pacific Coast region's needs, a refinery was built in Salina Cruz, Oaxaca with a capacity of 170,000 barrels of crude per day, concludes the text.

8926
CSO: 3010/67

BRIEFS

PEMEX OIL SALE TO GREAT BRITAIN--Mexico will sell 70,000 barrels of crude oil per day to Great Britain beginning tomorrow, 1 October, according to a contract signed in London yesterday by Julio Rodolfo Moctezuma Cid, general director of Mexican Petroleum (PEMEX). This will be the first time our country has exported oil to England. Thus, it will expand its foreign markets and not be dependent on a few buyers. The pact was signed with the company Shell International Ltd., and is a long-term agreement for the sale of 50,000 barrels a day. The document specifies that in 1982 PEMEX will step up its exports to that company to a total of 100,000 barrels of crude a day. Moctezuma Cid and representatives of British Petroleum also signed a contract for the sale of 20,000 barrels of crude a day for the remaining 3 months of this year. Beginning in 1982, sales will total 40,000 barrels a day. [Text] [Mexico City EXCELSIOR in Spanish 30 Sep 81 p 4-A] 8926

GEOTHERMAL INVESTMENTS--Guadalajara, Jalisco, 4 October--The chief of the Geothermal Department of the Federal Electricity Commission, Arturo Gonzalez, announced that with a 9 billion peso investment, several geothermal plants will be built in this country to generate 20 billion kilowatts. The official explained that at present five geothermal fields are in operation in Jalisco, Michoacan, Puebla, Guanajuato and Guerrero. He added that with the increase in geothermal energy production, the country will no longer be dependent on hydroelectricity, which is subject to fluctuations in precipitation. The new geothermal plants will produce one-third of the country's electrical power. Gonzalez Salazar indicated that the nation already has the technological capability necessary to develop that energy source, and denied allegations that research in this field would be costly and unnecessary. [Text] [Mexico City EXCELSIOR in Spanish 5 Oct 81 p 36-A] 8926

CSO: 3010/67

CUBA, PANAMA DISCUSS CERRO COLORADO PROJECT

PA201932 Panama City STAR & HERALD in English 20 Oct 81 pp A-1, A-6

[Article by Luis Espinosa Castillo]

[Text] Havana, Cuba--Technicians from Cuba's Ministry of Industries yesterday branded as "exaggerated" the costs of a pilot plant projected for the exploitation of the Cerro Colorado copper mine, and recommended that Panama obtain other studies or counsel in countries such as Finland and Belgium where there are very good technicians.

The Cuban technicians, who admitted they were more adept in the exploitation of nickel than copper, offered the recommendation during a meeting between Panama's Minister of Commerce and Industries Arturo Melo and Cuban Vice President and Minister of Industries Joel Domenech.

"The little experience we have is at the disposal of Panama," Domenech said. Speaking with simplicity, he admitted that his government had some failures and certain opposition to mine exploitations, because of concern over environmental contamination.

He said there exist methods and technology that permit industrial development with environmental protection, and that a copper mine can be exploited in the open air, like Cuba does with nickel, because of proper technology.

"No country develops by exporting land," Domenech said in bringing to mind an expression by Fidel's brother Raul, in response to opposition by several sectors to mine exploitation.

With reference to the low content of the ore at Cerro Colorado, Domenech said "this should not cause too much concern because the current world trend leans on the use of low content ore."

He pointed to the fact that copper exploited in Czechoslovakia, for example, is rated at 0.3 much less than that at Cerro Colorado, "and is commercial."

The Cuban technicians consider Rio Tinto zinc, contracted for the Cerro Colorado project, as "competent, professional and serious" but said they were "hungry for profits" and had a tendency to impose gigantic conditions. They recommended that

the Panamanian Government negotiate with other possible exploiters aimed at arriving at an investment that would be truly beneficial.

"We are not as bad as they paint us, nor as good as we would like," Domenech told Minister Arturo Melo, on reiterating Cuba's disposal to collaborate in arriving at a final decision by Panama on whether or not to exploit the Cerro Colorado mine.

CSO: 3020/9

CIVILIAN AURELIANO CHAVES ASSUMES PRESIDENCY

Rio de Janeiro MANCHETE in Portuguese 3 Oct 81 pp 8-9

[Text] At 2230 hours Saturday a discreet convoy of three black automobiles drove through the Brasilia night from the air base to Jaburu Palace. The middle vehicle, a Galaxie, carried the yellow pennant with the 24-blue-star cross of the vice presidency of the republic. It was Aureliano Chaves de Mendonca arriving at the capital of the republic already in the capacity of president of the republic. The so-called installation was, thus, merely a formality, a public record made before the cabinet. Because the passing of power had in fact occurred late Saturday afternoon in Suite 2715 of the Rio Othon Palace Hotel. What happened in that suite left the man who would return to Brasilia a few hours later tranquil about the maturity of the democratization process conducted by the president he is replacing.

Article 77 of the constitution ("The vice president will replace the president in the case of impediment and succeed him in the case of vacancy") was followed to the letter without hesitation as soon as a medical verdict stated that the president would have to rest for 2 months. Aureliano was informed about everything as of 1700 hours Friday. In Suite 2715 were the four military ministers in civilian clothes: Army Minister General Valter Pires, Navy Minister Admiral Maximiano da Fonseca, Air Minister Brigadier General Delio Jardim de Mattos, and the chief of staff of the armed forces, General Alacyr Frederico Werner. In addition to them, there were two other military ministers: the chief ot he Military Household, General Danilo Venturini, and the chief of the National Intelligence Service (SNI), General Octavio Medeiros. Also present at the meeting were the minister-chief of the Civilian Household, Professor Leitao de Abreu.

They all spoke in an informal tone but one of extreme respect for the constitutional substitute of the president of the republic. They expressed the need for the nation to be informed, as it has been, of all details of the president's illness. And they reaffirmed a point of honor: the constitution is the course by which all acts must be guided. The military men said more or less the following:

"As those responsible for the security of the country, we need to calm the nation, Doctor Aureliano. We are faced with a fact: the president's illness and this medical verdict which recommends 2 months of rest. Thank God, his condition is not grave but the fact exists. And the other fact that exists is that everything that will be done must be in accord with the constitution. You are the vice president; therefore, you assume the office."

Those who attended the meeting became convinced: "The country has changed. It is mature. Figueiredo's democratization is for real." What each one told Aureliano demonstrated the constitutional and personal esteem that the vice president enjoys among the military leaders. And the cordiality that prevailed at the meeting left it clear that at no time was any possibility other than strict observance of the constitution contemplated.

Regrets the Reason for the Replacement

Aureliano Chaves assumes the presidency regretting the fact that gave rise to the replacement. At the meeting, he said that would like to replace Figueiredo for as short a period as possible. He said that he will not deviate a millimeter from the line laid down by Figueiredo and made a request that reveals how uncomfortable he is replacing his friend Joao. Without any hurry about assuming office, he requested that he not begin working as president until this Wednesday, after fulfilling commitments on Sunday and Monday that he had assumed earlier in the capacity of vice president.

On Sunday, he went to a livestock fair in Guaratingueta. On Monday, while Minister Leitao de Abreu reported the constitutional replacement to congress and the Supreme Court, Aureliano was on a reviewing stand in Itajuba. Even though he may have preferred to postpone his installation, he was in reality the acting president, who was returning to his adopted city. He was born in Tres Pontas 52 years ago but Aureliano grew up in Itajuba, was married and graduated as an engineer there.

Little is going to change in Planalto Palace. Aureliano will take with him only three aides, considered personal assistants. He will not promote any change, following Figueiredo's line to the letter. The only difference is inevitable: at the head of the work table at the palace will be Aureliano Chaves and not Joao Figueiredo. That means that there will be an Aureliano style, a subtlety that changes the form but not the content.

This man who does not drink, does not smoke, exercises daily and is bursting with health, is also very conscious of the institution of authority. As vice president, he told me: "In the presidentialist system, command is one and indivisible and that command belongs to the president of the republic. That is the way I seek to exercise the mission that was delegated to me. Of course, when I need to exercise my authority, I do because I am not a man to abdicate the exercise of authority."

Anyone who knew Aureliano as governor of Minas Gerais knows that he never ceded or permitted his authority to be divided. Very well, that same man now makes it a point of being regarded as the vice president acting as president, because the president continues to be Joao Figueiredo. Aureliano, who replaced the president for 28 days during Figueiredo's eight trips abroad, has never interfered with matters that he regards as the prerogative of the president. By temperament, however, the discretion he has assumed has never obscured the politician or the man who is capable of maintaining his views. Nor has he been expecting to fill the vacancy. He prepares himself constantly, that is true, keeping abreast of the government's actions, which he has done also through the documents that are sent to him from Planalto Palace.

In the talks we have had numerous times, Aureliano expressed his opinion on the liberalization process: "I believe we are all solidly behind President Figueiredo, in that course of his. I am completely behind him. But it is necessary for everyone to understand that although he leads the process, he cannot do it alone. It is necessary to have the contribution of everyone, ever more present, more intense and more sincere."

On those occasions, Aureliano has said that his relationship with the president is that of a vice president with his president but "with the characteristic that we are both engaged in a common objective and of a friendship that is becoming stronger and stronger." His relations with the ministers are generally very good.

In tune with President Joao Figueiredo, Aureliano Chaves is going to exercise the presidency in such a way as to leave the president in a state of tranquility that will favor a rapid recovery--that is his intention. But the way the replacement was made also left the nation in a state of tranquillity. Aureliano left the Othon Palace already the acting president: "Everyone is already vaccinated against solutions outside of the little book."

Joao Figueiredo himself involuntarily presented the test of the democratization he has been conducting, a test which Brazilian institutions passed.

8711
CSO: 3001/3

CABINET MINISTER CITES SOCIAL EFFECTS OF ECONOMIC POLICY

Sao Paulo FOLHA DE SAO PAULO in Portuguese 20 Sep 81 p 43

[Interview with Camilo Pena, minister of industry and commerce, by Haroldo Cerqueira Lima, Aloisio Santos and Guiomar Campelo Nunes, in Brasilia: "Camilo Pena Says Economic Policy Maintains Social Peace"; date not given]

[Text] Brasilia--Direct election of governors next year, which will enable those elected to feel competent and strong enough to promote decentralization of power from the federal government to the states and municipalities; deconcentration of income through the current wage policy; and agricultural policy that achieves proper distribution of the resources allocated to the sector. These are the banners that President Joao Batista Figueiredo chose as the principal objectives of his government to maintain social peace. They will be fulfilled even if the president has to abandon other priorities to do so.

That is the assertion of Industry and Commerce Minister Camilo Pena in an interview given FOLHA DE SAO PAULO in Brasilia in which he says the government is tolerating high inflation precisely to keep social peace, maintaining an acceptable level of employment, because "if the government were willing to disrupt social peace, it would already have strangled inflation, by doing away with indexation."

The minister says the government has a large mass of subsidies in the economy. It is sacrificing the objective of combating inflation and is borrowing more abroad than it would like, even with trade deficits, for this reason. And it is also for this same reason that it did not bar certain imports. But to yield on these objectives, the minister remarked, does not mean the government will sacrifice discipline and order, "because it would disrupt the social peace."

Camilo Pena also spoke about the economic problems Brazil faces and predicted that from now on the country will grow again, although not at a very satisfying rate, but adequate for a period in which "several problems arose along the way that the government had really not expected." One of these problems, he said, was President Ronald Reagan's monetary policy: "His election was not a foregone conclusion

and even after being elected, it was not known exactly what his policy would be."

The cabinet minister hopes, however, that, with the visit to Brazil of Federal Reserve Board Chairman Paul Volcker, the U.S. Government has become aware of the repercussions of its policy and, without changing it, "will give Brazil and countries in a similar situation some compensating measures." For Brazil, he hopes the United States will give more favorable treatment to the International Coffee Agreement which is being discussed in London.

The industry and commerce minister contends that industry is already starting to grow again and he has no doubts that the same thing will happen with exports of manufactured goods. "And if we are going to export $14 billion to $15 billion of manufactured goods this year, next year we should export $20 billion." In aggregate terms, he said, this means "the country is already coming up out of the bottom of the well."

Average Growth of 3% in 2 Years Is Not All That Bad

FOLHA DE SAO PAULO: The latest report by the IBGE [Brazilian Institute of Geography and Statistics] about industrial growth this year shows a drop of 4.6 percent. How do you analyze this situation?

Camilo Pena: I don't believe the nation should be judged over the course of 1 year. The country has different circumstances each year. Industrial performance in 1980 had a growth rate of about 8.5 percent, resulting from production for inventory, as interest-rate policy at the time led to inventory accumulation. So production was under strong pressure from the effort to buy merchandise for inventories. The growth of 1980 was abnormal. In 1981 the opposite occurred. High interest rates in the international and domestic markets led to inventory liquidation which is now ending. This is one of the reasons for the low level of industrial production this year. So far as we know, this inventory liquidation is now completed.

FOLHA DE SAO PAULO: Then you believe growth will resume?

Camilo Pena: From now on, in this respect, a resumption of production should be expected. In any event, if last year industrial production increased 8 or 8.5 percent and had no increase this year, we would still have an average result of 4 percent, which would not be bad. But with the figures available now, which are tentative, it looks like growth will be negative. Even so, an average of 3 percent growth in 2 years is not bad either.

It is well known, moreover, that "difficulties along the way" emerged which the government had not really expected and that led to less growth. The most important of these was the monetary policy of the U.S. Government, the interest-rate policy of President Reagan's administration. His election was not a foregone conclusion and his policy was yet unknown, even after election. As you know, the Reagan administration adopted a monetary policy that had very serious consequences for Brazil. First, high interest rates in themselves caused a very high interest cost in the

balance of payments. Second, European currency losses in relation to the U.S. dollar--they lost 20, 25, even 30 percent against the dollar--made it very difficult for Brazil to export to Europe, because the prices of Brazilian goods denominated in dollars rose. Coffee, for example, rose 30 percent in terms of the German mark. And many manufactured products thus lost their possibility of being exported to Europe. The third consequence was inventory liquidation. European operators said, as did Americans, that no one is going to carry inventories at interest rates of 20 or 30 percent. So the prices of goods that Brazil was exporting there--coffee, coal [sic; cocoa?], sugar, soybeans, iron ore, and so forth--fell. The fourth consequence is reduction of the flow of risk capital to Brazil. And the fifth is the need for domestic interest rates in Brazil to keep up with foreign interest rates in order to attract foreign loans.

FOLHA DE SAO PAULO: The Brazilian Government explained all this to Federal Reserve Chairman Volcker and, before that, to Mr Thomas Enders. What was the result?

Camilo Pena: Mr Paul Volcker came to Brazil at the invitation of the Brazilian Government to examine the consequences of this, to get an idea of the externalities of a domestic U.S. policy that led to these consequences. The U.S. Government is certainly not going to change its policy for the sake of a country that is $60 billion in debt and needs a trade surplus. But at least he felt its consequences here. The subject had already been discussed with Mr Thomas Enders and may result in the United States eventually understanding this and, without changing its policy, give Brazil and countries in a similar situation some compensating measures. For example, we should like the International Coffee Agreement to be treated favorably in London. It seems to me the U.S. Government is now aware of this.

This was the first difficulty. The second, which had not been expected and which certainly caused a clear imbalance between supply and demand, was the consequence of the wage law tied to inflation, much higher than expected, leading to very rapid redistribution of income among classes. The wage laws provide an adjustment of 1.1 times the change in INPC [National Consumer Price Index] for those earning up to 3 times the minimum wage, and 0.8 and 0.5 times the rate of inflation for higher salaries. In other words, the transfer of income between classes is across-the-board and directly tied to inflation. Hence, if inflation were zero, there would be no transfer of income between classes. If inflation were 45 percent, as was expected, there would be a transfer of income between classes within 1 year. If the inflation is 100 percent, as it is now, this transfer is very rapid. This led to a very rapid loss for the middle and upper classes, for whom a large part of the Brazilian durable consumer goods industry works, as the redistribution planned for 2 years was carried out in only 1 year.

FOLHA DE SAO PAULO: You frequently mention priorities adopted by the government that President Figueiredo intends to fulfill. Could you go into more detail about these priorities?

Camilo Pena: If you go back to the beginning of the Figueiredo government--and now I am going to say something very serious--you will recall that Brazilian society at that time was insisting that certain objectives be achieved: a deconcentration of income in personal terms. All society was aware of the high concentration of income. Meanwhile, although not as forcefully, but quite clearly, there was a

consensus that Brazilian society was very concentrated in regional terms. Regional deconcentration was also being sought and, furthermore, decentralization of power in political terms.

President Figueiredo chose these banners, all quite consistent with each other, to be his government's primary objectives. Now, decentralization of political power--political liberalization--implies transfer of power from the executive branch to the legislative branch and to society in general, decentralizing from a central body to the body of society; a transfer of power from the federal government to the states and municipalities. So there are two paths for decentralizing power: one from the executive to the legislative and to society; the other, from the federal government to the states and municipalities. This objective will be successful only with economic deconcentration, decentralizing also economic power, through better distribution of regional and personal income and through less presence of the state in the economic process, returning power to the enterprise.

Along with this, the president was greatly concerned about reducing red tape, with precisely the idea of returning power to structures close to where the phenomena occur. Hence, "debureaucratization" is a government program whose spirit is quite consistent with decentralization and deconcentration.

Society Was Not Ready For a Profound Change

FOLHA DE SAO PAULO: What about political deconcentration?

Camilo Pena: Within this consistent context, to achieve his objectives, he has already accomplished the political phase through opening of direct elections. Through direct elections, state governors with a direct mandate will feel sufficiently authoritative and strong to accomplish decentralization of power from the federal government to the states and from the latter to the municipalities. In social and regional decentralization the Figueiredo government, although everyone has not been aware of it, created the two most powerful instruments in Brazilian history: social deconcentration and the new wage law. Brazil has 40 million wage-earners and 1 million employers.

At the beginning of the Figueiredo government industry represented from 38 to 40 percent of Gross Domestic Product and agriculture, something like 10 or 12 percent. That is clearly unbalanced and it was already quite evident that this imbalance was creating unsustainable urban tensions and increasing social tensions, due to this process of adopting a very advanced industry in relation to Brazil, to the Brazilian situation and to the production of foodstuffs.

At that time, with petroleum costing $2 or $3 a barrel, an economy without fiscal barriers was constructed in Brazil, specializing in large-scale production. Now, with petroleum costing $36 a barrel, the cost of investment for transportation, construction and highways increased almost as much as petroleum in real terms and the cost of operating these highways grew enormously. So, once again there was a need for a different spatial structure and thus the priority for agriculture sought not only to change this flagrant disequilibrium of 40 percent to 10 percent but also, in a deconcentration of economic growth, a better distribution of savings throughout the territory and reduction of the Brazilian life style to one consistent with petroleum costing $46 [sic; $36?] a barrel.

These two priorities are very significant and very powerful and Brazilian society, although warned many times, including by me, that these two things were taking place, was not greatly prepared for this and did not perceive the consequences of these profound changes in Brazilian life.

FOLHA DE SAO PAULO: What are you referring to when you speak of "accidents along the way"?

Camilo Pena: These 2 years were years of launching programs and putting them into process and they are now beginning to create an impact: the wage law will have been in effect 2 years in October; agriculture has been a priority for 1 and 1/2 years. With the wage law there was and there continues to be a clear change in the profile of Brazilian income, consequently in the profile of consumption, which requires changes in the profile of production. The priority to agriculture, which is creating employment, development, new economic frontiers within the country, is certainly upsetting the process of economic growth in the large metropolitan centers.

This is not an accident along the way; it is a planned program. It is occurring and will continue because President Figueiredo will not back down from these premises of development. If accidents along the way do not prevent, and the process can continue, in 5 years we will have greatly changed the face of Brazil, toward a more realistic Brazil, because we contended that Brazil until then was living with certain illusions, with certain dreams, somewhat disconnected from its reality.

High Salaries in This Country Are Losing Real Income

FOLHA DE SAO PAULO: And the accidents...?

Camilo Pena: Current U.S. financial policy, for example, if it goes on for a long time, will certainly be a heavy brake on the process. Another example would be social classes that were strongly advocating personal and regional income deconcentration, but who might not now accept the process, because it threatens their personal or regional elites.

FOLHA DE SAO PAULO: Are you referring to the events in Salvador [Bahia], land trespassing by squatters?

Camilo Pena: What I am getting at is that from now on the big cities will certainly not have the growth--the bloated growth, really--that they have had in the past. The highest salaries in this country are losing income, in real terms. Hence, if these elites do not accept the process they could cause class conflict and controversy. But President Figueiredo is very clear about this: the first objective is social peace. He would sacrifice other objectives to favor this one. But he will not sacrifice discipline and order because this would disturb social peace. That position is very important, because social peace at any cost must not be confused with the idea that the government will not maintain discipline and combat disorder if the social peace is disrupted.

FOLHA DE SAO PAULO: Mr Minister, internationally, in comparison with other countries, what is the position of Brazil?

Camilo Pena: Well, although we are in last place in income per capita among the 10 largest developed nations, that position is not correct because, if we include

the whole world, we are in 50th place. In that club, we are first in population growth. But we are also the biggest debtor, with a foreign debt of $60 billion, the largest foreign debt. Although we are last in income per capita, we are first in population growth, which calls for a new attitude, no longer that of consumption, but one of saving to invest in order to take care of that population. To meet its needs not only through employment, but also through producing goods for it. We must make large investments, not only to create employment for these 15 million who arrived during the 1960 decade, but to produce goods for them to consume.

It is a dilemma that society tried to solve by seeking foreign savings, building up the world's biggest debt, $60 billion, which could go on increasing with continuing trade deficits. But, by a policy decision, the Figueiredo government does not want the debt to continue growing. What we want today is a trade-balance equilibrium so that the debt no longer grows through a series of trade deficits.

8834
CSO: 3001/5

GOLBERY: LIBERALIZATION CONSOLIDATED BUT SUBJECT TO CHANGE

Political Consultations

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 25 Sep 81 p 5

[Text] The Brazilian political opening "is consolidated" but it consists of a "process that like all processes is ongoing, and it can even be expanded more or curtailed more." That comment was made in Sao Paulo yesterday by the former minister of the Civilian Household of the Presidency of the Republic, General Golbery do Couto e Silva, in his first political statement after leaving that position.

Goldbery came to Sao Paulo with the delegation of directors of the National Bank of Paris, the largest banking establishment in France and one of the largest in the world, which has become associated with the Bank of the City of Sao Paulo--the former minister is currently an adviser to the [bank] president. The general is the official guest of Governor Paulo Maluf in Bandeirantes Palace, where he will stay until Saturday morning.

The former minister had a very busy day yesterday, with numerous political contacts that began in the morning in the bank headquarters on Dom Jose Gaspar Square, where he received Federal Deputy Rafael Baldacci (still with no party affiliation) and had a lengthy talk. According to the deputy, in that talk, Golbery was given an interpretation of the present political situation in Sao Paulo. Baldacci said also that he explained to Golbery why he supports the position that Janio Quadros should join the Brazilian Democratic Movement Party (PMDB).

In the afternoon, the former minister remained in the bank headquarters, to which no reporters had access and, according to information from employees, he held numerous consultation meetings.

At 1830 hours, he arrived at the National Club to participate in a reception of the Bank of the City of Sao Paulo for the directors of the National Bank of Paris and, after walking through the hall, greeting all those present, he went to a private room where he met with former Minister Alfredo Buzaid; the former secretary and businessman Jose Mindlin; businessman Jose Papa Junior; the former chief of the Civilian Household of Governor Paulo Egydio, Afranio de Oliveira; the governor's brother, Roberto Maluf; the Paulo Maluf's son-in-law and private secretary, Mario Antonio Michaluate; and the economist Flavio Pecora.

Sought out by reporters, Golbery tried to avoid interviews but he ended up agreeing to answer one question from each one. He was quite good humored in all contacts and at one point he even asked the captain who works as his aide to "Take it easy," when he tried to push reporters away.

With Quadros

At around 2000 hours, Golbery left the club for, as he himself admitted, a private meeting with former President Janio Quadros. The meeting was held in the home of the president of the Bank of the City of Sao Paulo, Edmundo Safdie, on 212 Rio de Janeiro Street, according to politicians connected with the former president who were still in the club.

In the meantime, at Safdie's house, all the employees were duly instructed to keep the press away from the premises, systematically denying the existence of the meeting. It was also denied that a buffet dinner had been ordered and it was asserted that the owner of the house was not even home.

However, the holding of the meeting was finally confirmed by a chauffeur who inadvertently had not been advised of the precautions "against the press."

Interview With Golbery

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 25 Sep 81 p 5

[Interview with General Golbery do Couto e Silva; given in Sao Paulo, 24 September 1981]

[Text] This the full text of the press interview with former Minister Golbery do Couto e Silva:

[Question] Mr Minister, did you come to Sao Paulo on a political mission? What is that mission?

[Answer] I cannot answer that I have a mission because I absolutely do not have any. So there is nothing to explain. I am here on a private trip in my capacity as adviser to the president of the Bank of the City of Sao Paulo, accompanying the president and several important officials of the National Bank of Paris who are in Brazil. So there is no political mission. Therefore, there is nothing to explain.

[Question] You met in Rio de Janeiro for about 4 hours with former Governor Paulo Egydio. Today you heard Deputy Rafael Baldacci give a report on the Sao Paulo political situation. How do you analyze the succession problem in Sao Paul?

[Answer] I believe that the problem is not yet very clear. Which is natural, because the rules of the electoral game have not even been defined yet.

[Question] When will they be?

[Answer] Everybody knows, when congress decides on the bill submitted by the government. If we consider that there are various bills and that, according to

the information from accredited members of the congress, the bill pertaining to the sub-slates [sub-legenda]--probably the most controversial of all-perhaps may only pass due to expiration of the time limit, as I believe congressional leader Cantidio Sampaio said, there is a definite time frame. The time limit is going to expire in October.

[Question] You met in Rio de Janeiro with General Geisel, Minister Delio Jardim de Mattos and former Minister Costa Cavalcanti. What did you deal with?

[Answer] Obviously matters pertaining to friends, who have had close relations for a long time, who exchange ideas. About what? About Brazilian problems, about the current Brazilian situation, especially the recent problem of the circulatory problem that affected President Figueiredo, unfortunately, although it is, as we all wished, a slight thing, a not very serious thing, with a very favorable prognosis. And also about his replacement by the vice president, naturally.

[Question] How do you view the opposition truce during the administration period of Aureliano Chaves?

[Answer] If there is a truce, I can only applaud it.

[Question] With the installation of the vice president, is the opening [liberalization process] definitely consolidated?

[Answer] I am optimistic. The answer, I will say, depends on the feeling of each one. I am optimistic and believe that it is consolidated. Whoever is pessimistic perhaps may not be convinced even at the end of the opening process.

[Question] In your opinion, has the opening run out or are there other stages to go forward.

[Answer] No. I believe that the opening is a process and like every process it is going on, and it can even be expanded more or can be curtailed more.

[Question] How do you view the election reform plan? Do you agree with it?

[Answer] More or less; I have already spoken about that. The election reform plan, at least the part that everybody knows, is comprised of amendments, bills and perhaps, as I said a little while ago, it may be the sub-slate bill that will set the final time period.

[Question] Do you agree with the reform proposed.

[Answer] Of course we want to make a reform. And the reform [proposed] has something for every taste.

[Question] Can you tell us why you left the ministry?

[Answer] Obviously, I cannot say why I left the ministry. You must understand that there is an ethical limit to any statement I may make. My departure from the ministry, as was said and expressed many times, was for reasons of a private nature about which the president knows. Therefore, only President Figueiredo can make them public. For ethical reasons, I cannot enter into details on that matter.

[Question] Wasn't the election reform plan one of the reasons?

[Answer] No. Absolutely not. I even think it is very good. Perhaps we could have had additional reform but the election reform is a very varied dish and each one likes a certain kind of spice.

[Question] What alternative points would you have, to add to the political reform?

[Answer] That is a very difficult question to answer. If you want to know exactly wait a little to see the amendments that will be presented in congress, because those amendments will reflect very many alternatives to the taste of proponents of amendments.

[Question] What has changed in the office of chief of the Civilian Household with the installation of Leitao de Abreu?

[Answer] Obviously, any office whatever it may be, and especially in an office such as the Civilian Household, changes with the personality of its chief. That is a natural thing. I do not know Minister Leitao very well but he will have his personal way of handling problems. I am certain that he will be better than I.

--Shortly before granting this interview, the former minister had already answered some questions while he walked through the National Club hall greeting the guests of the Bank of the City of Sao Paulo at the reception given for the directors of the National Bank of Paris.

--These were the questions and their answers:

[Question] How did you view the illness of the president and the installation of the vice president?

[Answer] It is the most natural thing possible.

[Question] Was there any compromising of the political process?

[Answer] None. I believe that everything is very well. The matter of the president's illness was regrettable. As for the rest, we are in a state of full normalcy, thank God. And the infarct also is very weak.

[Question] Mr Minister, what is your friendship with former President Janio Quadros?

[Answer] I worked with him for a long time, at least at the time he was in the government.

[Question] And what will be the subject today?

[Answer] That is something very difficult to know.

[Question] Do you consider the entry of Janio into the Social Democratic Party (PDS) possible?

[Answer] Everything is possible. Possible, everything is.

[Question] Would you consider that entry of his favorable?

[Answer] Obviously yes.

[Question] Why?

[Answer] Because it would be a great contribution. He is a candidate, a politician with a great public following.

[Question] As a candidate for the state governorship?

[Answer] It is very difficult, it is very difficult. Couldn't I have a small whisky now. Don't you think that's enough?

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CSO: 3001/3

PCB HEAD VIEWS ACTING PRESIDENT, CONCLAT, LEGALIZATION

Sao Paulo VOZ DA UNIDADE in Portuguese 25 Sep-2 Oct 81 p 3

[Interview with Giocondo Dias, secretary general of the Brazilian Communist Party [PCB]: "Liberalization Will Take Its Course"; date, place and name of interviewer not given]

[Text] VOZ DA UNIDADE: How do the communists view the temporary replacement, for health reasons, of President Joao Figueiredo by Vice President Aureliano Chaves as head of government?

Giocondo Dias: As a normal thing. It is what should have been done in 1968. The vice president taking office is the constitutional solution from the viewpoint of existing legislation. Anything else would be a coup. This does not mean that I put my hope in Aureliano Chaves. I do hope, however, that he helps the country move toward a situation where the rights of the citizens are respected.

VOZ DA UNIDADE: As in the case of replacing Golberi by Leitao de Abreu, does this mean that political liberalization continues and the process of liberalizing the regime is still on course?

Giocondo Dias: I believe the tendency toward liberalization will continue because the power relationships existing in the country today tend toward achieving political liberalization. The major obstacle to this liberalization's being more democratic is the lack of greater unity among the opposition forces.

VOZ DA UNIDADE: In the current political context, what do the CONCLAT [National Conference of the Working Classes] and its resolutions represent for the democratic movement?

Giocondo Dias: They are positive elements. The main thing now is to work for implementing the CONCLAT resolutions, which inevitably will lead to successful unity of the workers. We must all make sure that the demonstrations to be held 1 October express the opinion of the workers and are an event of national scope.

VOZ DA UNIDADE: What about the emerging movement of the people, including the street riot in Bahia and the occupation of land by squatters in Sao Paulo?

Giocondo Dias: They are demonstrations that express, although in a spontaneous manner, the discontent of the people. The major thing is for the opposition forces

to know how to make these movements effective, proper and dignified. To see these demonstrations as the exclusive action of agitators from the Right or the Left is to fail to see and to feel the nation's current situation, where living conditions are made worse by increasing unemployment and by high prices and there is discontent and disappointment with the action of the politicians running the government.

VOZ DA UNIDADE: What is the significance of the recent proposal for a political agreement submitted by the communists to the opposition forces? Are there possibilities of negotiations between the latter and the government? On the basis of what premises?

Giocondo Dias: The communists believe the opposition forces should be able to unite and formulate a common platform. Once the opposition's proposals are established, negotiations between it and the government have some possibility of success. Naturally, the opposition forces are not going to negotiate continuation of current economic and financial policy, nor of the current political status quo. Negotiations of this type will necessarily include convening of a National Constituent Assembly. As one of the opposition forces and in keeping with our traditional behavior, we are ready to exercise the greatest effort and collaboration for the unity of opposition forces and negotiations leading to democratization of the nation and reorientation of the economy. It is not a matter of the interests of any one political force, but of the interests of the Brazilian people.

VOZ DA UNIDADE: What is the communist reaction to recent statements by the Brazilian Government about the international situation?

Giocondo Dias: Generally it is favorable, expecially in regard to the situation in Angola.

VOZ DA UNIDADE: Is it possible to prevent continuation of the cold-war policy outlined by Reagan?

Giocondo Gias: We think so, because this policy represents a threat to world peace. The outcry of public opinion against this policy is growing throughout the world, mainly against making the neutron bomb and the blackmail resulting from it. The positions of the Soviet Union, other socialist countries and all supporters of peace have been well received and supported by world opinion. We Brazilians are interested in peace and not the war policy pursued by Reagan and his associates.

VOZ DA UNIDADE: What about the situation in Poland?

Giocondo Dias: The Polish situation is undeniably difficult. However, there is a growing possibility of defeating the forces interested in destabilizing the life of that nation. We think the problems Poland is having are being overcome by the working class and by the Polish people themselves, who have the support of the forces of progress, mainly the Soviet Union. The forces of reaction will not be able to set back the march of the Polish people toward improving their regime and strengthening the socialist system.

VOZ DA UNDADE: What are the objectives of the National Meeting of Communists for Legalization of the PCB that is now being planned?

Giocondo Dias: One of them, and perhaps the most important, is to achieve legality for the party. The second is to settle and resolve democratically the differences and contradictions that exist among communists and thus contribute to strengthening the process of unity among us. Because anyone trying to divide the communists is serving the purposes of national and international forces of reaction. We also hope the meeting will lead to greater participation by thousands of young Brazilian men and women in the nation's political life. The discussion now underway will undoubtedly be a very important factor in formulating the political and programmatic objectives of Brazilian communists.

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ANTARCTIC STUDIES HEAD RAISES FUNDS, LAMENTS DISINTEREST

Suggests Privately Funded Expedition

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 1 Oct 81 p 12

[Text] Porto Alegre--For the purpose of raising funds so Brazil can participate by the end of next year in an expedition to Antarctica, Joao Aristides Wiltgen, president of the Brazilian Institute for Antarctic Studies [IBEA], intends to hold a series of meetings with businessmen throughout the country, beginning in Porto Alegre, where he met with a group from the Federation of Industries.

Funds for this expedition can be deducted from the income tax as soon as the IBEA becomes a foundation, through the application now being processed by the Ministry of Justice, and can receive donations. In speaking to Rio Grande do Sul businessmen about Antarctica, Wiltgen said that, whereas the Brazilian Government is not showing interest in helping the expedition--although the Navy Ministry has expressed an interest in providing logistic support--other countries, including the FRG and the United States, are making large investments.

According to Wiltgen, the solution for the IBEA is to try organizing a private expedition without the government's participation, "as was the case with most of the 13 member countries of the Treaty for Antarctic Exploration." The treaty was one of the subjects discussed during a seminar held in Porto Alegre, where experts in the field met for 3 days. Wiltgen presented a timetable along with his paper: 1990 is the deadline for Brazil to join the treaty, as there will be another meeting among the nations who are already members and those who would like to enter.

Before that, however, Brazil must make some scientific studies after having sent scientists on an expedition to Antarctica. But for Brazil to be able to participate in the meeting in 1990, it must define and approve the expedition in 1981, determine its goals in 1982 and complete the logistics studies and instruction courses for participants in 1983. In his study, Wiltgen analyzes the steps through 1989, the final date for including Brazil among the treaty's signatory nations, provided it has been recognized by the International Committee for Antarctic Studies.

At the outset of the seminar, the IBEA president expressed pessimism about being able to accomplish all the necessary steps by 1990. He later said that, with the help of private capital, "it may be possible" to do so.

Deplores Government Disinterest

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 26 Sep 81 p 13

[Text] Porto Alegre--In Porto Alegre yesterday, Joao Aristides Wiltgen, president of the Brazilian Institute for Antarctic Studies (IBEA), with headquarters in Rio de Janeiro, criticized the Brazilian Government "for not showing any interest in joining the Antarctic Treaty, which could enable it to exploit tremendous natural resources in the future." Wiltgen says the IBEA was created largely "to make the government aware of the importance of making a voyage to Antarctica" before 1991, which is the deadline for the first treaty, made in 1958 and from which Brazil was excluded for not having made studies on the subject.

For Brazil to be able to participate in the treaty, it must, before 1991, make an expedition to Antarctica and then make a scientific study of any subject related to that continent. This is the requirement for any country interested in joining the treaty along with the 13 that are already signers.

Making a voyage that would carry Brazilian scientists depends essentially upon financial help, "which does not necessarily have to come from the government," asserts Wiltgen. He reports that there are several private entities--such as federations of trade and industry--that are willing to provide money so the expedition can be made. Donations, however, will not be of any interest to business unless they can deduct the amount from their income tax: "For that purpose, the government must declare IBEA a public-service entity."

Wiltgen submitted an application to the Justice Ministry this week, but said he does not expect it to be approved immediately. In his opinion, for the government to become interested in Antarctic studies and really want to participate in the treaty that in the future will give it rights over a certain area of the temperate zone (simlar to that of Brazil), there would have to be a greater interest shown by the Merchant Marine itself in the subject. Navy representatives say the idea is good, but go no further than that.

The IBEA president said he is surprised at the lack of knowledge in Brazil, "and especially among authorities," about the neighboring continent. He believes the government's lack of interest in the treaty "is largely due to its lack of knowledge, as many people do not know that there are about 15 million square kilometers there, available to all countries."

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NAVY SUPPORTS ANTARCTIC EXPLORATION PROJECT

Navy Minister's Views

Rio de Janeiro O GLOBO in Portuguese 27 Sep 81 p 9

[Text] Brasilia--Navy Minister Admiral Maximiano Eduardo Fonseca, in an exclusive interview with O GLOBO yesterday supported a Brazilian project for the Antarctic which, in his view, must be developed in cooperation with other countries, such as Argentina, which has already proposed an exchange in that area to Brazil.

"For Brazil to have a voice in the Consultative Council of the Antarctic Treaty," the minister argued, "it is necessary for it to do something there, and several countries already have scientific bases in the Antarctic."

Admiral Maximiano declared that "for Brazil to have the right to Antarctic exploration, it is necessary for it to have a scientific project to carry out there.

"It is necessary for Brazil to produce scientific work in the Antarctic," he said, "so that later it may have the right to have other types of projects. If, like all the other nations, it has an interest in the Antarctic, it can and must develop a project. Various countries are carrying out cooperative projects.

Expedition

Porto Alegre--Rio Grande do Sul scientists and professors, supported by the Brazilian Bar Association (OAB), have been sponsoring an Antarctic Studies Seminar in Porto Alegre since yesterday aimed at raising the awareness of the people regarding the importance of that continent and to pressure the government to adopt a position with a view to making Brazil a regular member of the Antarctic Treaty.

Professor Jane Pereyron Mocelin, of the Federal University of Rio Grande do Sul (UFRS), one of the organizers of the meeting, said that to become a regular member, Brazil should send a scientific expedition to the Antarctic, recalling that that mission was supposed to have been organized in 1975 but was cancelled.

The professor spoke about the dangers of using the frozen continent as a "garbage dump," pointing out that the cold currents carry up north everything that is thrown down there. She also pointed out the influence of the cold masses that come from that continent on the climate of the southern part of the country.

In Jane Mocelyn's opinion, Brazil's interest in the Antarctic should not be viewed as a "territorial claim [posse] but only as economic and scientific interest."

"Brazil cannot relinquish the rights it has over the frozen continent," she declared.

Use of Naval Vessel

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 29 Sep 81 p 16

[Text] Porto Alegre--The navy will furnish at least the vessel needed to take the expedition of Brazilian scientists to the Antarctic next year, Vice Admiral Orlando Affonso, vice chief of staff of the navy, pledged yesterday. He participated in Porto Alegre in the Antarctic Studies Seminar sponsored by the Rio Grande do Sul section of the Brazilian Bar Association and he gave assurance that there is "interest in getting that vessel in a short time." Orlando Affonso declared that his participation in the seminar was at the "express order of Minister Maximiano da Fonseca, which is a demonstration of how the navy, like all the other sectors of the country, is very closely following everything that pertains to the interests of Brazil in that continent." According to him, the ship will be acquired shortly, equipped in such a way that "the Brazilian scientists may carry out substantial scientific activity in the Antarctic, both on the continent and in its waters."

Pleased with the participation of the navy, Professor Pericles Azambuja, who heads the advance group of the Brazilian Antarctic Studies Institute (IBEA) in Rio Grande do Sul, announced that he is preparing the administrative, scientific and logistic infrastructure for implementing the trip. Now he is hoping that the vice admiral will also fulfill the promise to intervene with the Ministry of Justice so that the IBEA may become a public service organization as quickly as possible, enabling it to receive funds from private companies and organizations which would be tax-deductible.

Original Interests

Based on these contacts, the next step will be to register the institute with the International Scientif Committee with headquarters in Great Britain and to prepare the work that will permit the actual implementation of the expedition. That registration and another with the organization of the Washington Treaty, which deals with exploration of that continent, could make Brazil the most important member associated with the 13 countries that comprise the treaty [organization] because it will present original interests, according to Professor Julio Musso of the National University of Montevideo, a member of the Uruguayan Antarctic Institute and connected with the Scientific Investigation Committee on the Antarctic, who participated in the meeting.

Musso explained that, for the first time, scientific studies will be conducted that compare the glacial and tropical climates, which will be the keynote of the Brazilian work. Thus far, the 13 countries had only been comparing the glacial climates of the Antarctic with the temperate climates, even being redundant. The original aspect of the Brazilian work, which has not yet begun and is more in the form of an idea, will give greater priority to all the Brazilian projects on the Antarctic, whether economic or not.

The Uruguayan professor, who is a glaciologist and specialist in geobiology, said that Brazil is the country that has the greatest future in the Antarctic because of the similarity of certain biologic regions. He explained that Mato Grosso is the best example of a comparison because it has biologic areas similar to those in the Antarctic, with the difference that the areas in Brazil are temperate and those there are covered with ice. This will facilitate for Brazil the occupation ["posse," which also means "claim"] of the area of the continent that has geologic similarities, he asserted.

Musso, who has already participated in three independent expeditions to the continent, has also come to Brazil to help prepare the agenda of scientific work that is beginning to be discussed on a theoretical level in the IBEA. During the seminar, he presented one of his theses on Antarctic biogeography, food resources and the possibility of human settlement, in which he concluded that that is limited by the availability of sufficient energy resources to obtain drinking water and heating.

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INDUSTRIAL EMPLOYMENT DOWN IN SAO PAULO, OTHER AREAS

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 25 Sep 81 p 26

[Text] The level of industrial employment in the state of Sao Paulo from November 1980 to September of this year dropped 14 percent, which represents a reduction of almost 280,000 jobs in that sector. That is what is revealed by a survey conducted by the Federation of Industries of the State of Sao Paulo (FIESP) and released yesterday by the director of the statistics department of that organization, Paulo Francini. According to the survey, the negative variation in the third week of this month was 0.23 percent, raising to less than 1.01 percent the accumulated index for the first 21 days of September.

The variation measured during the week (-0.23 percent), according to Francini, reveals a decreasing trend in the rate of decline of the level of employment. Although he cannot quantify it statistically, he observed, the appeal made by FIESP at the beginning of September for the industries not to make any dismissals for a period of 30 days, it certainly contributed to that result.

Stabilization

The study also revealed that despite the penalty (payment of an extra month's notice [severance pay]) stipulated by law for the companies that dismiss employees in the month preceding the wage readjustment month for that category, the metallurgical, mechanical and electric material sector was the one that showed the greatest decline.

Paulo Francini said he believed there would be a slight recovery of industrial activity in the second half of the year. "We are possibly witnessing the beginning of a period of stabilization of industrial activity to be followed by a certain recovery of the sector," he added. "Certainly, the index of variation of industrial employment this month will not reach the figure of 2 percent less reached in August, when the decline for the third week was 0.57 percent and the accumulated index for the first 20 days was 1.4 percent," he concluded.

Large Regions

The overall supply of jobs declined in the first half of this year in 5 of the country's 10 metropolitan regions, representing 111,755 dismissals. The largest

number of dismissals occurred in Greater Rio (61,339), followed by Sao Paulo (35,603), Curitiba (6,613), Belo Horizonte (5,790) and Fortaleza (2,410). In the other five regions, there was a small increase in the overall number of jobs (23,589), 8,060 being in the Recife metropolitan area, 6,830 in Porto Alegre, 3,251 in the Federal District, 2,410 in Salvador and 1,410 in Belem [figures as published].

Those figures are part of the monthly statistics of the National Employment System (SINE) on the behavior of the labor market in industry, commerce, civil construction and services compared with the Annual Report of Social Information (RAIS), which reports on the number of workers with signed job cards in those four sectors of the economy.

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CFP ESTIMATES 1980-1981 HARVEST AT 53.7 MILLION TONS

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 25 Sep 81 p 2 Special Supplement

[Text] Despite the frosts and the chronic drought that constantly threatened the yield of the Brazilian agricultural-livestock industry, especially in the South and the Northeast, the 1980-81 harvest managed to surpass the previous one. The Production Financing Commission (CFP) of the Ministry of Agriculture indicates a harvest of 53,713,500 tons compared to 51.7 million tons produced last year. It represents an increase of 3.8 percent but is not enough to reach the target of 60 million tons aimed at by the government.

Peanuts, rice and wheat are the three products in this harvest the production of which declined compared to the last harvest--the largest decline was wheat; in 1979-80, 2.7 million tons were harvested and this year a total of 1.5 to 1.6 million tons are expected. Peanuts will decline 37 percent, dropping from 524.6 million tons to 328.9 million tons. The drop for rice is smaller, about 5.4 percent: this year the producers will harvest 9.1 million tons, 520,000 less than last year. The harvest of beans, a product that has been imported for several years, will be 30 percent higher this year, increasing from 1.8 to 2.4 million tons. The government has reported that it will not make additional imports of that product even if the increase is not sufficient to take care of the supply needs of the domestic market.

Although the frosts in the Center-South region affected the winter crop of beans, especially in the Sao Paulo municipalities of Presidente Prudente and Ribeirao Preto and northern Parana, the CFP guarantees that the domestic supply will not be compromised because the 70,000 to 100,000 tons of the winter crop had not been included in the forecasts. The price of the product should also remain stable, according to the CFP, based on the small variation that occurred last year, when a 60-kg bag went from 5,000 cruzeiros to 6,500 cruzeiros.

Soybean production should increase 4 percent compared to the last harvest, going from 14.8 million tons to 15.4 million tons, while cotton managed to react and an increase of 5 to 8 percent is expected in this harvest, namely, from 577,400 to 625,800 tons. The production of corn may also increase this year, it should reach 22.5 million tons in 1980-81, representing a 12-percent increase over the 1979-80 harvest, which was 20.2 million tons.

According to the Ministry of Agriculture, such winter grains as oats, rye and barley (which were not affected by the frosts) may show the highest production increases this harvest, that is, if weather conditions are favorable for the development of

those crops up to the end of the harvest. So much so that the prediction for the rye harvest is that it will be 117 percent larger (from 10,500 to 28,500 tons) while the harvests of oats and barley should increase by 56 and 61 percent, respectively.

The Minister of Agriculture figures for the first harvest of this decade also indicate two important trends for the coming years. Rape, a winter oleaginous product, shows the greatest crop increase (9,185 percent), yielding 27,500 tons this year which will be transformed into the seeds of a possible new agricultural "explosion." Rapeseed has 40 percent oil content compared to 18 percent for soybean and could become an alternative to end the idleness of the soy oil industries.

Coffee, which will have a harvest of 32.5 million sacks this year (last year it did not reach 17.4 million) will not reach more than 19 million sacks next year because of the frost, and that figure could drop to 16 million if the drought in the producing centers continues. In the state of Sao Paulo, the frost in the coffee plantations also served to tighten the ring around that crop, with many farmers opting for sugarcane, following the new incentive from PROALCOHOL, as well as cocoa and rubber trees.

The 1980-1981 Brazilian Harvest

Product	1979-1980 (1,000 tons)	1980-1981 (1,000 tons)	Percent
Cotton			
N/NE (1)	136.0	148.4	8.9
C-S (2)	441.4	477.4	8.1
Total	577.4	625.8	8.3
Peanuts			
Wet	429.4	249.4	-42.0
Dry	95.2	79.5	-16.5
Total	524.6	328.9	-37.4
Rice			
N/NE	1,891.0	1,657.7	-12.4
C-S	7,746.7	7,461.2	-4.0
Total	9,637.7	9,118.9	-5.4
Oats	75.5	117.7	55.8
Coffee (sacks)	17.4 million	32.3 million	85.6
Rye	10.5	28.5	171.4
Barley	85.0	144.0	69.4
Rape	2.7	27.5	9,185.0

Beans (wet)			
N/NE	208.2	118.0	-43.4
C-S	791.8	1,156.0	45.9
Total	1,000.0	1,274.0	27.4
Beans (dry)			
N/NE	334.1	517.0	54.7
C-S	561.1	664.0	18.3
Total	895.2	1,181.0	31.9
Beans (total)			
N/NE	542.3	635.0	17.0
C-S	1,352.9	1,820.0	34.5
Total	1,895.2	2,455.0	29.5
Sunflower	23.3	41.3	77.2
Jute/Mallow	74.8	105.3	40.7
Castorbean			
N/NE	157.9	186.0	17.7
C-S	144.4	120.4	-16.2
Total	302.3	306.4	1.0
Corn			
N/NE	1,172.6	885.5	-24.5
C-S	19,039.9	21,669.0	13.8
Total	20,212.5	22,554.5	11.5
Sisal	197.0	203.0	3.0
Soybean	14,887.4	15,484.8	4.0
Wheat	2,742.7	1,634.0	-41.5

Source: Ministry of Agriculture

Key: N/NE North/Northeast
C-S Center-South

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BRIEFS

FRENCH PRIESTS AWAIT EXPULSION DECREE--Brasilia, 9 Oct (AFP)--Religious sources have stated that the two French missionaries who have been detained since 31 August 1981 in Para State were transferred today to the federal police headquarters in this capital. Fathers Aristides Camio and Francois Gouriou, who arrived aboard a military plane, will be interrogated next Tuesday within the framework of the expulsion procedure conducted against them. Two French diplomats held a meeting with them here today, and a diplomatic source stated that they are in perfect state of health and in good spirit. In order to be expelled, the Brazilian president must sign a decree, the observers stated. The two priests are charged with having incited peasants to prepare an ambush of officials due to a conflict with large landowners. The two priests were also visited by Dom Luciano Mendes de Almeida, secretary general of the National Conference of Brazilian Bishops, and by a lawyer. Church sources are now asking themselves whether acting President Aureliano Chaves will agree to sign the expulsion decree. Justice Minister Ibrahim Abi-Ackel will present his report to him on the expulsion within 15 days. [Excerpts] [PY120118 Paris AFP in Spanish 0243 GMT 10 Oct 81]

ATTACKS ON DANISH, UK CONSULATES--Rio de Janeiro, 6 Oct (AFP)--Tonight, an explosive device that caused material damage but no casualties was thrown against the door of a building in the Flamengo neighborhood where the consulates of Denmark and Great Britain are located. The attack, which was not claimed by any extremist organization, was carried out--according to a witness--by an individual who managed to escape. The explosion of the Molotov cocktail started a fire that was immediately brought under control by the building's service personnel. Last Friday, another attack with a Molotov cocktail was carried out against the U.S. Consulate. The attack, which did not cause any casualties or material damage, was not claimed by any extremist organization. [Text] [PY071730 Paris AFP in Spanish 0427 GMT 7 Oct 81]

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PABLO RODRIGUEZ VIEWS EIGHT YEARS OF MILITARY GOVERNMENT

Santiago LA TERCERA DE LA HORA in Spanish 6 Sep 81 p 3

[Article by Pablo Rodriguez Grez; passages enclosed in slantlines printed in boldface]

[Text] Next Friday we will celebrate the eighth anniversary of the military coup. This is a good opportunity to reflect on the factors that threw Chile into the worst political, social, economic and moral crisis of its history. Nations have short memories. This is easy to understand if we bear in mind that neither individually nor collectively could the nation bear to go on being reminded of a disgrace. Furthermore, the new generations did not even suffer the consequences of that collapse, and as someone said, man is the only animal who will stumble twice on the same stone.

Remembering tends to be invigorating if as a result one learns lessons that help overcome the obstacles of the present. This is even more true when people try to minimize the errors of the past, to the extent that they present these mistakes as the work of uncontrollable fate. What happened in Chile after 1964 (to pick a date that is not arbitrary) was unfortunately the culmination of a process that was caused by people who now wish to hide their faces or shift the blame. It is not pleasant to remember this, but it is necessary. I do not think it is acceptable to omit, under the pretext of advocating a national reconciliation, any reference to the leaders whose political misconduct led to very severe consequences for the entire populace. Of course there is dissent, but only among small groups that lack representation. Furthermore, it would be useful to look into the past to the extent that Chileans would be able to understand and repudiate the factors that led to the poisoning and later destruction of our civil coexistence.

Throughout the years I have shown countless times that the political system set forth in the Constitution of 1925 inevitably compelled Chile toward communist domination. That event could have been avoided if the leaders and parties who were in power before the misnamed Popular Unity Party, had introduced substantial reforms to the constitution. But that was impossible because personal ambition and sectarism prevailed above all. /In the liberal democratic system/ (which is not the only kind of democratic system) /the higher authorities of government stem from universal suffrage, which is channeled through the political parties. Herein lies the fundamental flaw. This mechanism did not function adequately among us in the past, nor will it in the future./ Irrefutable proof of what I am saying can be seen in the excesses of the candidates who try to win votes. None of them could demand with the remotest possibility of personal success that obligations be fulfilled, that the population be deprived of privileges or that the voters make sacrifices. On the contrary, it is easier to promise and assure spectacular benefits,

winning the sympathy of the majority by stripping the minority of its legacy or coming up with magic schemes for multiplying resources and goods. /This deviation is impossible to overcome, at least until our political culture undergoes a radical change, and that will only happen over a period of many generations./

Moreover, it is undeniable that the political parties do not attract their members and sympathizers through the philosophical virtues of the ideologies they hide behind. In modern societies citizens join different parties according to how well their economic interests are defended by those parties. /Thus, in Latin countries, parties are preferably instruments of the class struggle/ (France, Italy, Spain). /The same thing happened in Chile. The vast majority of our compatriots inclined toward one candidate or another depending on how he was identified with their particular interests and expectations. The democratic game, thus conceived, exacerbates social tensions and exclusively serves Marxism, which feeds upon the "class struggle" that Karl Marx in his materialist approach called the "engine of history."/

In short, electoral battles and the political party system irremediably destroy liberal democracy and facilitate imperceptibly totalitarian communism's access to power.

From 1964 on, the country slid down a tragic decline. Demagogic excess was encouraged rather than combatted as the government was placed at the service of a party that falsely believed it had found an alternative to communism in Hispanic America. Remember the bombastic and strident challenge the president of Chile made to the dictator of Cuba.

/Popular promotion, agrarian reform, the nationalization of copper and the breakdown of the classic structures in the university, were the most powerful incentive for the electoral success of communism, and the obstacle that prevented any understanding among democratic groups. The subversive mobilization, the expropriation of farmlands, confiscations and the destruction of academic faculties, all arose out of those policies. And what about the Frei Administration's neglect of the Armed Forces, the Forces of Order and the Judicial Branch? And what about the tolerance and impunity granted the extremists who had just begun to emerge? And what about the systematic erosion of the principle of authority?/

/That is how the way was paved toward communism. The responsible parties should acknowledge their historic role. They should stop calling plaintively for a dialog, a reconciliation with Marxism and the reconstruction of an inept democracy which they themselves perverted./

The last 8 years have been the most fruitful in decades; we have managed to bring Chile out of the morass created by politicians, and we can now look to the future with optimism.

8926
CSO: 3010/56

MILITARY JUDGE VIEWS COURT MARTIAL, TERRORISM, INSTITUTIONALIZED VIOLENCE

Santiago EL MERCURIO in Spanish 20 Sep 81 p D3

[Interview with Military Judge Brig Gen Osvaldo Hernandez, by Raquel Correa, date, time and place not given]

[Text] He is a soldier's soldier. From a distance one can see the marks left by his 38 years in the Army. Although he is a simple, polite and friendly man, one cannot overlook his harsh way of speaking, so common in those who are used to being in command. He says he knows no fear; he didn't even feel it on 11 September 1973 when he advanced "alongside my General Canessa" amid the hail of bullets toward the Plaza Bulnes, as his Sig rifle was shattered.

[Question] Don't you fear anything?

[Answer] No. Absolutely not.

Nor does he fear the responsibility he has now as a military judge who must pass sentence on those accused of murdering a member of the National Information Center (CNI), for which purpose a Court Martial has been convened. What does upset him is the uproar over that news.

"We are simply enforcing a law. I don't think this should be exploited," he asserted curtly before agreeing to grant me "the only interview I am going to give."

Brig Gen Osvaldo Hernandez Pedreros (55 years old, married to Maria Elena Cambiasso, four children and one grandchild) is completely happy with his military career. Before becoming commander in chief of the Second Division, he was stationed everywhere from Antofagasta to Patagonia. And he makes no effort to hide his preference for the Non-commissioned Officers School, "the best military institution," in his words, where he served as assistant to "my General Canessa."

In his orderly office located in rural Lo Curro, testimonials of his personal and military life can be seen together: pictures of his parents, his wife, his children (one of whom is a lieutenant), and his grandson; and many batons, medals and trophies. There is no doubt about it: Hernandez is not only very military; he is a very happy soldier.

Crime and Punishment

On his neat desk lies the hefty Code of Military Justice, with his initials embossed on the cover. The fact that he became a judge without having been a lawyer does not bother him a bit. That is why he has advisers. Since his youth, he says, he has been accustomed to administering discipline.

[Question] Do you favor or oppose the death penalty?

[Answer] That is sort of a tough issue (he evades the question). You know, I had never stopped to think about it. . . I think the death penalty should be applied to people who have absolutely no redeeming value for society. And I think there are irremediable cases, people who do not commit just one crime, but five, ten, twenty or thirty crimes that have been sanctioned and reproved by society.

[Question] Do you think that those who commit crimes like that are normal?

[Answer] That is an abnormality that they have basically chosen as a way of life.

I mention cases of vicious criminals who, by the time they were executed, had become completely transformed. He listens attentively, and reflects out loud:

[Answer] These criminals become national cult heroes. . . As time passes between the crime and the punishment, people begin to forgive them. I think justice should take place more quickly.

[Question] To prevent rehabilitation, or commiseration?

[Answer] Mercy stems from the precedent set by the press; the wife begins to beg for clemency, the children beg for clemency. . .

[Question] But do you think there are people who are impossible to rehabilitate?

[Answer] Yes, I do. What is happening today shows that there is evil in mankind: very recent events such as what happened to the Pope, to Reagan. These people are not sick; they are trained to commit this kind of act. . .

[Question] With regard to the death penalty, General, are you one of those who believe that God is the master of life?

[Answer] Yes. If I had to hand down a death sentence, I would not enjoy it. I would do so because the legal precedents of a given case dictated that legal solution.

[Question] If that were to happen, would you lose any sleep over it?

[Answer] If I had to hand down a death sentence, I would not lose any sleep. Any judge of a regular court has to do the same thing at one time or another.

Terrorism

[Question] As a man, a soldier and a human being, what do you think is the most repugnant crime?

[Answer] Terrorism is the most perverse crime; perhaps the most serious. . . The terrorist is trained, indoctrinated in certain schools, whether in Cuba, East Germany or somewhere else. He is taught and trained to commit all kinds of crimes. The terrorist is a man who has lost all compassion, even all faith; he has no other orientation, no other raison d'etre than to be part of terrorism. It is very cruel and, in general, very cowardly to attack innocent victims without exposing oneself. . . The truth is that I don't know how to describe people who are capable of planting bombs in schools, in places where there are crowds. . .

[Question] You were military attache in Argentina, where the Triple A, an extreme rightist organization, was operating. Do you feel that there is only leftist terrorism in Chile?

[Answer] I think so.

[Question] Who do you think is really responsible for terrorism?

[Answer] It is hard to answer that question. . .

[Question] Don't you feel, General, that violence breeds violence?

[Answer] Yes, of course.

[Question] In the Chilean case, there has been repression, as you yourself have said.

[Answer] There was severe repression, as there had to be, at the beginning. We know that there has been violence, especially during the days following 11 September. But right away we should all thank the security services for behaving in this manner. Their vigilance and sacrifice can only be understood by the families of those who are in the security services. Thanks to them, there is peace at this time. No Chilean can deny that; if anyone did so, I would have another name for him.

[Question] Perhaps a Chilean who was the victim of those services could deny it. . .

[Answer] If he has been it is because he has gotten involved in some way. The security services do not arrest someone just because; usually they do it because there is just cause. Proof can be seen in the fact that when someone has been arrested by mistake, he has been released immediately and the necessary explanations have been given.

[Question] And what about cases such as COVEMA [expansion unknown], which is still. . .

[Answer] We must accept that margin of error, or cases which happen and are turned over to the legal system.

Abuses of Power

[Question] There have been repeated accusations of abuses of power.

[Answer] I am convinced that those abuses are not committed.

[Question] That no illegal search and seizure or false arrest ever took place, without agents identifying themselves? That there has been no torture?

[Answer] In the days immediately following 11 September, that probably did happen. But once the security services stabilized the situation, acquiring more experience in this work, those events were not repeated.

[Question] That is not what the Vicariate of Solidarity claims. . .

[Answer] The Vicariate credits any testimony, and it is surprising to note how extraordinarily similar all the accusations by that organization are.

[Question] Vicar Juan de Castro asserted on these very pages that "there are still deaths because of abuses of power. . . Peace cannot be attained in a society if it is not on the basis of respect, justice, liberty, truth and brotherhood, and those are the things that are being trampled. Now all the decrees that permit repression have been institutionalized, with constitutional rank, thanks to the notorious Transitory Article 24."

[Answer] I think a terrible mistake is being made. I believe that those values are indeed being respected, and deaths from abuses of power are not taking place. I am convinced that these things are no longer happening.

[Question] Do you agree with the amnesty granted to those who, as in the case of Lonquen, committed those abuses in the past?

[Answer] The amnesty law favored Moors and Christians alike. In general, people on both sides were given amnesty. Laws regulate certain activities in society, and they should give equal treatment. The amnesty law was passed in an effort to promote reconciliation.

[Question] Do you think that reconciliation was achieved?

[Answer] I believe so. There are still some cold-blooded types who are still causing violence. Or people who refuse to understand the government's position. My general (referring to Pinochet) has said on many occasions that he seeks reconciliation.

[Question] As chief of the Second Division, do you think there is peace in Chile?

[Answer] Absolute tranquility.

[Question] How do you justify, then, the State of Danger we have been in for 6 months, and the Martial Law that has been in effect for 8 years?

[Answer] Unfortunately, there are still outbreaks of terrorism. Until they are wiped out. . . In addition, no part of the world has managed to eliminate terrorism completely, but in fact we are calm here in Chile.

Final Objective

[Question] You have said that "the only final objective that justice pursues is to totally clarify the facts."

[Answer] Exactly.

[Question] In case 192-78, in which you had to pass sentence (the case involved passport forgeries, and the implication of officers of the former National Intelligence Department [DINA] in the assassination of Orlando Letelier) were all the facts clarified?

[Answer] In my opinion, everything was made perfectly clear.

[Question] Does that mean that retired General Contreras and Officers Espinoza and Fernandez Larios were innocent?

[Answer] Their cases were all dismissed.

[Question] Because they were innocent?

[Answer] Because there was nothing to link them with the events that U.S. justice officials are investigating.

[Question] Public opinion, in general, has noted that every time a violent person is killed in a confrontation or is arrested, all terrorist acts are attributed to him. . .

[Answer] Normally, that is the product of speculation in the press. When some security agency turns over information like that it is because the facts have been completely proved.

[Question] In the case of those who were court martialed, they were accused of 40 crimes. . .

[Answer] That is not an accusation; they were linked with those events in their entirety (he corrected immediately). That is something tangible, real, that has been proven by the security agencies and by the very prosecutor who brought the indictment.

[Question] Don't you feel that it would have been better, even for Chile's international image, for those accusations to have been proven in a regular court, and not in a Court Martial During a State of War?

[Answer] Some of those crimes will continue to be investigated in the regular system of justice; others in the military system.

[Question] There are those who believe that the Interior Ministry made a bad political decision when it asked that the cases be tried in Courts Martial During a State of War, just when the regime was beginning its constitutional stage. . .

[Answer] Decree Law 3,655 of 10 March 1981 stipulated that in all crimes involving victims of a certain category because they belonged to that category (court judges, clergymen, military personnel, etc.), the cases shall be heard by Courts Martial During a State of War. That was publicized beforehand, moreover.

[Question] Why, when a CNI agent is murdered, is a court martial convened when the same thing does not happen if the CNI agents are the perpetrators, as in the case of Calama?

[Answer] That happened before Decree Law 3,655 was passed, and the victims did not fit into the categories set forth in that law.

Guarantees in Dispute

[Question] You asserted that the defendants in the Court Martial "would have all the guarantees accorded any defendant. . ."

[Answer] The law says that it should be that way; they should have defense attorneys.

[Question] However, General, the guarantees for defendants in Courts Martial During a State of War are considerably less than those in the regular courts. To begin with, the judges that make up the court are not lawyers, with the sole exception of the judge advocate.

[Answer] That's true. But basically, this case is being directed in the Court Martial by the prosecuting attorney (the one who brought the indictment) and the defense attorneys, practically speaking. The people who make up the jury have a lot of experience and knowledge of the Code of Military Justice because of their rank.

[Question] The attorneys can only read their defense, and they have a very short time to prepare it. . .

[Answer] They will have several days. From the time the Court Martial is convened, they can learn all about the case. They will have between 6 and 10 days to become completely informed. Here, using a somewhat military expression, there will be no surprises.

[Question] But at a Court Martial During a State of War the defense attorneys cannot cross-examine the witnesses. . .

[Answer] Both the defense attorneys and the members of the Court Martial can ask whatever questions they want through the chief judge of the Court Martial.

[Question] And is the burden of proof as stringent as it is in the regular courts?

[Answer] Yes. The same burden of proof. The only difference between the two systems is that in one the indictment is much quicker. The prosecutor was devoted to it exclusively.

[Question] Another difference is that the evidence is evaluated "by conscience."

[Answer] Yes.

[Question] Does that mean moral conscience or legal conscience?

[Answer] Both.

Guilty?

[Question] Have you determined the verdict yet?

[Answer] No, no. Impossible. I have only read the indictment.

[Question] But you consider them guilty, don't you?

[Answer] The investigation conducted by the prosecutor found them guilty. Proof of that is that this Court Martial has been convened.

[Question] But you were the one who agreed to convene the Court Martial, and according to press reports, you did so before reading the indictment.

[Answer] No. That is false. Absurd. Impossible. The Interior Ministry asked that they be tried under Decree Law 3,655. As a military judge, I ordered that the trial take place. The prosecutor felt there was sufficient evidence, according to all the procedures he had followed; then he asked the military judge to convene a Court Martial. No matter how insistently the Interior Ministry requested it, I would not have agreed if the evidence compiled had not made me absolutely certain. In that case, there is no room for doubt; I would not have convened the Court Martial.

[Question] So that means that you consider them guilty before the trial.

[Answer] Well, to a certain extent. . . Or at least the facts I have at my disposal admit of a trial in a Court Martial.

[Question] And finally, there will be no appeal of your verdict, since this is a Court Martial During a State of War. This is another disadvantage for the accused: If they had been tried during peacetime they could appeal the conviction to the Court Martial and go to the Supreme Court to appeal for a reversal on procedural or legal grounds.

[Answer] Certainly. In these cases the military judge serves at the same level as the chief justice of the Supreme Court. All the facts compiled during the investigation of the case by the prosecutor, and the analyses by the Court Martial will be in hand, so that when the case is finally handed over to me, I will be able to make a well-founded ruling.

[Question] Upon whom will you rely, General, to ensure that justice is done?

[Answer] I will review all the facts with my legal adviser. The ruling will be completely backed up by the legal facts. I will take the time I feel is necessary to resolve the issue on solid legal grounds.

[Question] And will your conscience be clear?

[Answer] Absolutely clear. . . I will render a verdict of conscience based on the facts. If I had to state it in terms of percentages, I would say that conscience will account for 1, 3 or 5 percent; the rest will correspond to the legal facts that are presented.

[Question] I think that if a public opinion poll were conducted concerning this trial, the vast majority would state that there will be a guilty verdict and a death sentence.

[Answer] And if you had taken that poll 15 minutes after the murder was committed, the public would have demanded that they be lynched. Lynching them would mean going back to the stone age.

[Question] I was not referring to what people want, but what they believe. Some think that this trial is. . .

[Answer] Rigged? (He finished the question.)

[Question] Yes, General.

[Answer] That is not so. The sentences have not been determined.

[Question] Won't you hand down the death sentence?

[Answer] No. There is no death sentence.

[Question] I am recording this, General.

[Answer] For me to hand down a death sentence there would have to be many aggravating circumstances. But the truth is, I don't know, I can't tell you now what my verdict will be, if the Court Martial has not yet begun its work. The only thing I want to do is ensure maximum justice.

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DEMOCRATIC CHILE GROUP VIEWS INVASION OF ANGOLA, ANTI-PINOCHET FACTIONS

Maputo NOTICIAS in Portuguese 12 Sep 81 p 9

[Text] A delegation from Democratic Chile, now in Maputo as part of a trip to southern Africa, forcefully condemned the racist South African attack against Angola and noted that the Angolan people were capable of countering this invasion, which "threatens world peace."

In their message to President Eduardo dos Santos, brought to Maputo in the name of the Chilean people in struggle against the Pinochet dictatorship, Luciano Valle and Louis Godoy expressed their "firm solidarity in the face of the dastardly South African aggression.

"The Chilean people denounce the Pretoria-Santiago alliance and abhor the invasion, which threatens world peace," adds the message, and urges the Angolan people to close ranks behind the MPLA-Labor Party.

The delivery of the message to the people and government of Angola in this difficult phase was reported by Valle and Godoy in a press conference yesterday in Maputo.

The two militants in the struggle against the Pinochet regime said it was important to exchange information with southern African countries, because in this area, as in Chile, it is necessary to be on the alert against imperialist pacts and alliances.

Referring further to the southern African question, the Democratic Chile delegates affirmed that there had been reports that Pinochet's mercenaries are fighting beside the racist forces against the people of Namibia. According to them, the Pinochet forces are training Salvadoran and Honduran troops in Chile for repressive action.

The two speakers gave many examples of the danger of the Pretoria-Santiago axis, such as the decoration of military chiefs in both Chile and South Africa, proving their close military collaboration.

Creation of SATO (South Atlantic Treaty Organization) was also named as a goal of the governments of the United States, South Africa and Chile, and particularly of the Reagan administration.

Again regarding current relations between the United States and Chile, it was said that Reagan is demonstrating full support for the fascist junta, and specifically ordered an end to the arms embargo decreed by James Carter.

Moreover, the United States very recently granted two loans totaling almost $400 million to Pinochet.

Opposition Inside Chile

The delegation from Democratic Chile referred to various tactics used by the Chilean opposition to weaken the Augusto Pinochet regime, adding that the goal now is to radicalize the struggle, because those now in power have absolutely no base of popular support.

The union activity, the strikes, the rebuilding of political parties and the student movement were noted as various forms of struggle to overthrow the regime.

In the face of the ever more repressive government policy (an example of this is that, according to the new constitution, Pinochet can assume all powers), the opposition is putting together a new form of struggle, such as civil disobedience, rebellion and union action.

The Chilean worker is not struggling simply for economic demands; he is engaged in a political struggle. This is occurring even as several union leaders are being arrested, which is ineffective because the regime is incapable of exercising real control over the union movement.

The opposition is also resorting to sabotage. The struggle is being radicalized, which is necessary to give it the sense of a rebellion and to mobilize the people, as the delegation pointed out.

Repression Intensifies

Repression is intensifying in Chile and there is no improvement with regard to human rights, the delegates stressed, noting that they are going to bring pressure in the next UN General Assembly to keep the internal situation in Chile a target for analysis.

The delegation noted that in the next General Assembly it will be argued that there has been improvement with respect to human rights in Chile, which is absolutely false.

With the new constitution of 11 March, Pinochet, described as the Latin American Bokassa, assumed all the powers of an absolute monarch. He has the right to detain individuals without trial, to move his opponents on national territory, to deport citizens he considers "subversive" and to prohibit the return of exiled citizens.

Very recently, four important opposition figures were deported from Chile for having supported the demands of the National Union Coordination. They are Senator Alberto Jerez, attorney and professor; Carlos Briones, former minister of the interior in the Salvador Allende government; Orlando Cantuarias, director of the Chilean Radical Party and minister of mines in the Government of Popular Unity; and

Jaime Castello Velasco, vice president of the Christian Democratic Party. The last is an author, and in his books he has even written against communism and Marxism. The regime showed him the door because some weeks ago he chaired the Chilean Commission on Human Rights on behalf of those arrested and tortured in Chile.

It is also noted that the fascist junta cannot have a social base of support because the economic model on which it rests can only benefit a very tiny majority [sic], which creates a potential for crisis.

Because of the economic system in force, companies have been forced to close and Chile now has to import a number of products. At the same time, unemployment is rising and one in four Chilean workers is out of work.

Democratic Chile comprises six Chilean political party organizations: Communist Party, Socialist Party, MAPU [Single Popular Action Movement], Christian Left, MAPU Worker-Peasant, and Movement of the Revolutionary Left.

6362
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SNTCFAR LEADER DISCUSSES UNION'S ACHIEVEMENTS, TASKS

Havana VERDE OLIVO in Spanish 20 Sep 81 pp 52-53

[Interview with Jose A. Roque, chairman of the Organizing Committee for the Fourth National SNTCFAR Congress, by Roberto Casin; date and place not given]

[Text] The National Union of FAR [Revolutionary Armed Forces] Civilian Workers (SNTCFAR) is celebrating its 10th anniversary. In itself significant, this date acquires greater relevance because of the time the celebration is being held: This year is also the 25th anniversary of the landing at the "Granma" and the founding of our FAR; and in the months to come the union will be making preparations for its next congress, more than enough reason for VERDE OLIVO to have decided to interview Jose A. Roque, the chairman of the Organizing Committee for the Fourth National SNTCFAR Congress.

[Question] How does this 10th anniversary of the founding of the union particularly affect its efforts?

[Answer] Without a doubt this is an event of great importance to us because during these past 10 years our efforts have been steadily improving. And now in the context of this celebration we are especially promoting all the tasks we have been entrusted with. That is, on the one hand, this anniversary makes us feel proud of what has been accomplished up to now and, on the other, inspires us to make an extra effort to successfully tackle the tasks the union is faced with.

At this time we are engaged in seeing to it that our organization is capable of carrying out the missions the FAR have been entrusted with. The fact, for example, that on the 19th of this month — the day the union will be celebrating its founding 10 years before — the Medal in Commemoration of the 20th Anniversary of the FAR will be awarded during the main ceremony, which is to be held in El Cacahual for that purpose, to a group of 120 civilian workers representing the 1,275 who are to receive this honorable decoration is very exciting for us.

On a recent rour of various military projects now under construction, CTC [Central Organization of Cuban Trade Unions] secretary general, comrade Roberto Veiga, said: "We think that during these 10 years of effort FAR civilian workers have offered eloquent proof of their self-denial, fighting spirit and political and revolutionary awareness. This is why we feel that they have been equal to [the tasks set by] our glorious FAR."

These words of comrade Veiga oblige us to make a supreme effort in future and at the same time constitute a valuable incentive for all our workers who daily pledge themselves to performing their jobs with dignity under the watchword of /production and defense/ [in boldface].

[Question] What has the union done and is it doing to celebrate the FAR's 25th anniversary?

[Answer] I would say that all our work, effort and determination have been especially devoted to rendering homage to the FAR's 25th anniversary, and for a very simple reason: Without the glorious FAR, which we today rely on, our very existence as a union would not have been possible. Hence this year's effort has right from the start been wholly devoted to offering the FAR the tribute they deserve.

At the present time we are holding Moncada to Granma Emulation Day, as a salute to the FAR's 25th anniversary and for the purpose of promoting different union effort objectives in the context of the emulation of historic dates, an event which has this year been wholly dedicated by the union movement to celebration of the WFTU 10th Congress. In connection with this we have set up competitions between centers and at the end of the day we will select those local unions and provinces that have made a more positive and comprehensive effort.

[Question] What does this year's balance sheet for the union effort look like?

[Answer] We are satisfied with it, although this does not mean that we shouldn't improve on our effort a good deal more. I think that one of the best homages paid to the FAR's 25th anniversary is constituted by the fact that we were the first union in the nation to carry out its commitment to collect funds for the Territorial Troop Militias. We filled our quota by 102 percent.

As far as finances are concerned too, we have made an outstanding effort. To date we have collected 83 percent of our potential for the year, whereas only 5 months ago we were far behind. Now we are working to collect as much of the remaining 17 percent as possible in September, as a salute to our 10th anniversary.

The emulation program shows a favorable balance: During the first half of the year 93.4 percent of the workers met their commitments. During that period of time 30 centers were selected as Promoters of Socialist Emulation. And during the present period 93 percent of our members, 90 percent of whom have already met their commitments, are engaged in the emulation program.

Ninety-five percent of our units fill their production or service quotas and the absenteeism rate has been notably reduced, dropping to a figure that remains below 3.5 percent.

We have also made progress as regards the organization of the work and wages. During the first half of the year 62.4 percent of the program for putting into effect the year's quotas, amounting to 20,867, was already realized and the number of workers whose wages are based on performance is 55 percent more than the number anticipated. We have applied the general wage reform to 75 percent of our workers as against an initial goal of 70 percent which we had planned for 26 July.

Job safety and hygiene is also an area in which we have made improvements. We have already applied 89 percent of the measures prescribed for that purpose this year. We have graduated many union inspectors in this field and the First National Safety and Hygiene Conference, held in July, established very solid bases for an effective development of the effort in connection with this.

In view of the fact that 57.7 percent of our members are women, women's meetings have been held to discuss all those problems that might affect their tenure and stability in the different kinds of jobs they hold.

[Question] Where has the union run into its greatest difficulties?

[Answer] We have to especially step up our efforts as concerns our attention to the rank-and-file organizations with regard to the local unions and provinces. We must also expand the emulation and microemulation programs, to do so relying on the experience accumulated by the Industrial Military Enterprises.

Another proof of the fact that we must improve our union effort is the 88-percent enrollment rate we have in the ninth grade. The fact that we did not attain 100 percent during this last period demonstrates that we have not worked at it as hard as we should have and our entire effort ought to be aimed at equalizing this deficiency for the next enrollment, in addition to seeing to it that those workers who are enrolled stick to their studies in the classrooms and are promoted. This must be a basic task for us.

[Question] When will the union's fourth congress be held?

[Answer] Essentially, we think that it ought to be during the first quarter of 1982. Most of the delegates have already been chosen and the union is at the present time working to arrive at its congress with a plan that is really aimed at solving basic problems and is furthermore aimed at achieving a closer and more systematic bond between it and our rank-and-file organizations.

We are very much interested in the development of the Representative Assemblies in the armies and the different branches of the Armed Forces since these important meetings favor the solution of many problems through close coordination of all the tribunals with the participation of the high command, administrative bureaus, leaders of the political and union organizations and the workers.

Because up to now there has been a tendency to let things pile up so that we can look for solutions at the congress, but our feeling — and we are applying it — is that we should be capable of solving problems before attending the congress so that the latter really achieves its purpose: that of tackling fundamental tasks, general problems and establishing the bases for future efforts.

This must be a congress of victory, of prospective efforts, one in which issues as important as: the stepping up of union efforts, the effective achievement of production, productivity and the providing of services, improvement of the emulation program, verification of the agreements reached at the Second Party Congress and the 14th CTC Congress, which directly affect us, and determination of the basic tasks to be handled during the later phase of the congress will be discussed.

[Question] On the occasion of the union's 10th anniversary, do you want to convey some message to FAR civilian workers?

[Answer] I would like to take advantage of this opportunity to convey to all our workers, via VERDE OLIVO, our most sincere gratitude, respect and admiration for the job they have been doing these past 10 years and to say to them that we are proud to have in our ranks such extraordinarily competent representatives of the working class.

We also wish to convey our gratitude and recognition to the high command, the leaders and officers of our FAR who have lent their aid and support to the union administration and particularly to FAR Minister and Army General Raul Castro, who through his support and encouragement has significantly contributed to the union, enabling it to increasingly play the role befitting it in our society.

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WORK OF UJC IN ARMED FORCES DISCUSSED AT SEMINAR

Havana VERDE OLIVO in Spanish 20 Sep 81 p 56

[Article by Pablo Noa: "The UJC in the FAR: for a Better Effort"]

[Text] Marked by the depth of analysis of the issues that were discussed and by the quality of the appraisals, the Seminar of Instructors for the UJC [Union of Young Communists] Effort in the FAR constituted an occasion favorable to an exchange of knowledge and experiences in the practical work of the political youth organization in the interests of asserting the tasks of the units.

Activity preliminary to the Fourth UJC Congress was the subject of meticulous analysis. The carrying out of the tasks anticipated in the organizing process as well as the execution of the propaganda and agitation plan the FAR has been conducting in support of the event were reported on. The appraisals of comrades on the National Committee and from the Propaganda and Agitation Directorate of the Central Political Directorate of the FAR were useful.

The task of safety and mass cultural events occupied the attention of the participants, who expressed their opinions and offered suggestions.

The talks on union activity and young workers were also outstanding.

The Directorate of Military Tribunals delivered a detailed lecture on the state of the political, moral and disciplinary effort in the FAR. The directions in which the UJC organizations should direct their efforts were underlined.

Main Report

The Main Report, which evaluated the effort made in 1980-1981, was markedly critical and self-critical. This document is truly a basis for the performance of fut re tasks.

With reference to the recently concluded year of instruction, it notes that "the immense majority of our members actively participated in the various and complex tasks the FAR have undertaken to improve the combat and mobilization readiness of their units, the carrying out of combat and political training programs, the improvement of the quality of maintenance, preservation and exploitation of techniques and weaponry, the improvement of the troops' living and working conditions and the elevation of political, moral and disciplinary attitudes, among others."

Points such as those having to do with growth, the education of members and the planning of the work are exhaustively dealt with in the report, the conclusions of which constitute an appeal to continue to strengthen the internal life [of the FAR], the ideological effort and participation in the most effective and dynamic way in the promotion of the chief tasks involved in training and combat readiness and in political activities.

Visits to Units

One factor which, in the course of the seminar, contributed fresh experiences was the participants' visit to two units. At one of them, the DAAFAR [Antiaircraft Defense and Revolutionary Air Force], they could evaluate the work of a UJC committee designed to guarantee the performance of the Combat Guard. Then too, at a Western Army mechanized infantry regiment they became familiar with the work of a committee responsible for seeing to it that target practice exercises are carried out.

Conclusions

Before the seminar came to a close, Capt Juan Chavez Arteaga of the UJC Section of the FAR Central Political Directorate spoke about several jobs which youths in all units would have to tackle soon.

Among them he mentioned those concerning the Fourth Congress and its relation to the basic activities of the units. He reiterated the importance of achieving greater effectiveness in the rank-and-file committees in the planning of the work and laid emphasis on the raising of the exemplariness of the members and the quality of growth.

Col Santiago Hernandez Caceres, chief of the Directorate for the Organization of Party Work of the FAR Central Political Directorate, was charged with summing up the proceedings of the seminar. He described the meeting as fruitful because of the features inherent in it.

He indicated issues to be taken into account by UJC leaders in order to guide the mass of members and turn it into a powerful force which the party and the high command need, one capable of promoting and competently carrying out the major tasks that confront the FAR.

And lastly, Colonel Hernandez emphasized: "Now it is up to us to make an effort to practically apply the positive experiences that have been acquired and respond to the appeal made to you to work to eliminate the shortcomings that are still evident and to constantly increase the effectiveness of the work performed by our organizations and UJC members in the interests of the important tasks the party's Central Committee, the commander-in-chief and the minister of the FAR have entrusted the FAR with."

11,466
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SOCIALIST ENTERPRISE SHOULD NOT DECEIVE CONSUMERS

Havana GRANMA in Spanish 12 Sep 81 p 5

[Article by Jose M. Morniella]

[Text] Recently that segment of the public that relies on the restaurant network has been repeatedly complaining that the portions that are served are smaller than before but the prices are the same.

A few days ago we overheard a conversation in that much-frequented Havana pizzeria, L y 21, where a customer sat looking at the scanty serving of spaghetti he was cutting up for his little boy and visibly annoyed commented: "They serve smaller portions with every passing day and, although they don't say so, this amounts to an increase in price for the public."

And there is no doubt about this situation. In many places for some time now servings of some dishes prepared in the restaurants have been visibly trimmed while prices remain the same.

If the weight or size of a serving is reduced and the price that is charged for it does not change, what we really have is /an increase/ [in boldface] in price. Because we have to pay more than before to eat the same amount.

Why are they doing this? Is it because the enterprises are trying to achieve greater economic efficiency at the expense of obtaining more income by illegally reducing the size of the servings they offer the public?

It is symptomatic of the situation that these cases began to occur after the enterprises gradually went over to the cost accounting system. It is true that the cost accounting system increases demand by reducing costs and increasing income. And it is also true that the cost accounting system forces enterprises to be more efficient, not by acquiring higher income while serving smaller portions for the same price (or what amounts to the same thing, by raising prices), but by reducing costs through more sensible use of resources and increased productivity.

This practice is improper and it must cease, since it run counter to the principles of the Economic Management and Planning System (SDPE).

It is no secret that the prices of many products offered the public are below production cost and should be revised and updated. But when that happens, it will not be in this underhanded way in which some enterprises have been doing so without any basis therefor.

And we ask: What are the managers of the enterprises there for? Some think that they are there to run around from one place to another "resolving" matters of no importance. No, that is not what they are there for, rather to see to it that the financial and commercial operations of their enterprises are properly conducted in terms of the strictest socialist legality, with neither fraud nor subterfuge against the government and much less so against the public.

The managers are there to analyze the real economic situation in their enterprises and to work to reduce their production costs, saving through avoidance of superfluous expenses and making optimal use of the resources available to them. They are there to succeed in increasing income through the sale of their products or services, raising the quality of what they have to offer through greater productivity and never giving less for the same price, because that means cheating the consumer.

There is a moral principle that governs the entire concept of our SPDE: /A socialist enterprise should not deceive consumers/. [in boldface]

Such changes in the size of the servings of some dishes offered by the restaurants must be eliminated. To do so we must systematically supervise them through a corps of inspectors who penalize violators of socialist laws.

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YUGOSLAV CRITICISM OF CUBAN PRESENCE IN AFRICA SCORED

Havana BOHEMIA in Spanish 11 Sep 81 pp 58-59

[Article by Carlos Mora Herman: "Et Tu, Popovic?"]

[Text] Last 17 July in an article in this magazine, we said that there had been periodic attacks against Cuba in different Yugoslav publications. They have used every type of falsehood, slander and distortion just like our most virulent enemies do.

At that time, we referred to an article by Janez Stanic in the magazine START, a very modern publication that alternates pages of beautiful naked women with political rhetoric of the most diverse type.

Now another citizen, Petor Popovic, appears on the scene. He wrote an article in the magazine NIN last 30 August entitled: "The Cubans in Africa--the Latin American Connection."

We must make a digression here to make sure that the following is well understood. We Cuban revolutionaries are always open to fraternal discussions with our comrades and to ideological confrontations if they respect the basic principles and corrections.

However, we are especially sensitive to attacks by those who use hypocrisy to mask reactionary ideas, deceit, slander and lies which are similar (and at times identical) to those that U.S. imperialism, reactionaries of every type and the pro-Yankee Beijing gang use to attack the Cuban revolution.

We will not give quarter to those enemies and we will not let them slander or attack us.

In this case, it hurts us that these are things published in a friendly country, the fatherland of a people who fought courageously and heroically to free themselves from Nazi fascist oppression.

This new member of the team of Yugoslav journalists who are taking turns insulting and slandering Cuba used the magazine NIN which has printed several attacks of that type.

Petor Popovic, the author of the article, described a meeting in the Cuban Embassy in Zimbabwe where a Cuban musical group performed. He referred to a television

interview with our ambassador, Teofilo Acosta, in which the ambassador expressed his joy in the triumph of the Zimbabwean people who won their independence.

Based on that, Popovic went into a string of ideas about what he called the "Cuban presence in Africa." He recalled Fidel Castro's words that our people are not only Latin American but Latin African and reached his basic point--our arrival in Africa "to defend a foreign revolution: the Angolan revolution."

The coincidence between Popovic and Stanic is striking. The latter, in his article in START, spoke of "the agreement between Cuban and Soviet interests in Africa," comparing Cuban aid to the Angolan people with South African intervention in that country.

Stanic even said that Agostinho Neto's MPLA [Popular Movement for the Liberation of Angola] was a concurrent force in Angola with the groups represented by Jonas Savimbi and Holden Roberto.

Popovic said that the Cubans went to Angola to fight against the South African forces and against "the opposition movements," UNITA [National Union for the Total Independence of Angola] and FNLA [National Front for the Liberation of Angola]. (The first is Savimbi's and the second is Roberto's. They are both CIA agents and the first was named an "adviser" to President Ronald Reagan a little while ago.)

There is something very strange about all this.

Popovic's article published by NIN appeared in the 30 August edition.

On 24 August, a communique from the Angolan Ministry of Defense on South African aggression in that country was made public.

That same day the Angolan president, Jose Eduardo dos Santos, denounced that aggression in a letter to UN Secretary General Kurt Waldheim. On 27 August, he sent a message to the president of the Movement of Nonaligned Countries, Fidel Castro, informing him of the aggression and asking the movement to act to put an end to those criminal actions.

Popovic was not interested in talking about the continued South African aggression in Angola, inspired by the United States and actively supported by the CIA.

The objective of the article in NIN was to present a curious thesis about socialist internationalism which Stanic already cited in START.

Popovic said that the alliance of the socialist countries produces internationalist obligations. According to him, this leads to the predomination of the socialist bloc, especially the USSR, which continues to grow among the peoples of the so-called Third World. They see the socialist community as a faithful soldier in the fight against colonialism, racism and imperialism.

Cuban internationalism--still paraphrasing Popovic--was suddenly revealed when Castro reached power.

Along this winding road about internationalism, this collaborator for NIN reached the infamous artifice, the insidious attack, of questioning where Cuba got so much material strength to be able to finance its mission of internationalist aid.

He then cited the London weekly THE ECONOMIST which considers the reputation on the black continent which has placed a small country on the level of world powers "unusual." He repeated what the worst enemies of the Cuban revolution say: that Cuba imports guns and exports people.

He did not leave the conclusion that his fallacious arguments lead to for the imagination of the reader. He stated it: the source of financial power to pay for that international revolutionary mission is the USSR.

A journalist who should be well schooled in international affairs, Popovic never mentioned the economic, political, diplomatic and military support that the African racists receive from the United States nor the meeting between President Reagan and Mr Roelof F. Botha in Washington last 15 May.

Neither did he mention in his article U.S. plans to destabilize Angola and other countries on the Front Line and to support internal counterrevolutionary groups.

In relation to Angola which is the focus of Popovic's article we are discussing, it should be recalled that the final declaration of the Colombo, Sri Lanka, summit meeting congratulated the Angolan Government and people for their victory over Portuguese colonialism and praised Cuba and the other countries that helped the Angolan people frustrate the expansionist and colonialist strategy of the racist regime of South Africa and its allies.

Using his London "source" as a screen, Popovic echoed the threats and bravado of U.S. Secretary of State Alexander Haig when he stated that there has been an increase in Soviet arms to Cuba this year and that those arms are not only for Cuba but for Angola, Ethiopia and, in Latin America, Nicaragua and "perhaps" El Salvador.

To answer Popovic, it would only be necessary to cite the declaration of the revolutionary government of Cuba which was made public on 3 September.

On that occasion, the Cuban Government stated that the distribution of arms by Cuba to Central American countries as well as the alleged presence of Cuban "advisers" in El Salvador is a Goebbels-like lie fabricated and spread by the United States—an absolute, total lie.

"Haig and the U.S. Government do not have nor can they have any proof for their statements," according to the Cuban declaration.

It is also curious that, in the NIN article, the author echoed the shameless lie invented by Reagan, Haig and their henchmen.

Popovic continued with his rhetoric and said that Washington would solve what he called "the complete package of southern Africa" with the demand that the Cubans return to their island.

In his reactionary dementia, he concluded that, with that pressure, Havana will sacrifice or temporarily neglect its internationalist obligations.

Apart from being poorly informed, Popovic is completely ignorant about Cuba and its revolution.

The Second Party Congress resolution on foreign policy states that "Cuban internationalist policy does not serve as the instrument of any other interest than the defense of the freedom and self-determination of the peoples, arises from universally recognized international principles, does not threaten the sovereignty of any other state and constitutes effective aid to the economic, cultural and social development of the poorest and neediest countries of the world. The Cuban people are proud to practice it, risking their lives and making the daily scarifice of separation from their fatherland and their families and acceptance of difficult living conditions."

This could never be understood by Mr Popovic or anyone in Yugoslavia who thinks like him and sees the world under the prism of very peculiar ideas that curiously agree with those of the worst enemies of social progress.

Popovic recognized that it is thankless to be a prophet, especially because Cuba tries to coordinate its steps with the procedures of the socialist community to which it is loyal. His loyalties are to other places and answer to other interests which Popovic is not going to confess to us.

He closed his article in NIN by saying that an African diplomat said that the Cubans give the world the chance to bet on what its next step will be. He concluded, stating that there is not enough to bet on at this time.

This again shows Popovic's ignorance. The poor man does not know that betting was banned in Cuba in 1959 with the triumph of the revolution, almost at the same time that the Cubans began to practice proletarian, Marxist-Leninist internationalism.

Under Batista's dictatorship, Mr Popovic, internationalism was not practiced but crime, thievery and the betrayal of the country to the United States.

Our ambassador in Zimbabwe and the performers of the musical group cited by Popovic were very happy that the Zimbabwean people won their independence. All the people of Cuba celebrate the victory of any people on the earth as their own and feel the fight for liberation carried out in any part of the world is their fight.

The Cubans did not go to Angola to defend "a foreign revolution." To them, the cause of the Angolan people is theirs just like the cause of the Ethiopian people and the peoples of Namibia, South Africa, Nicaragua, El Salvador, Guatemala, Grenada, all Central America and the Caribbean and the rest of this underdeveloped continent exploited by the U.S. empire.

Popovic and those who follow his line are infected by anticommunism and anti-Sovietism and, without realizing it, have become the best allies of U.S. imperialism.

The same thing is gradually happening to them as happened to the Chinese clique that abandoned its principles and became traitors to the cause of the proletariat and the peoples. They joined the ranks of the international reactionaries as common puppets of the darkest forces of history.

Angola seems to greatly affect Popovic (perhaps because, deep down, he admires the South African racists). Let us end this response to the slander and deceit of this collaborator for NIN by citing the final part of the declaration of the revolutionary government of Cuba published in GRANMA last 28 August.

"If the invading South African columns approach the lines defended by the Cuban internationalist soldiers, our troops will go into action using every means, fulfilling our fatherland's duties of solidarity with the fraternal republic of Angola.

"The Cuban Government and people will unhesitatingly be with the heroic people of Angola again, facing the racist and fascist aggression and defending its independence and national integrity."

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PEREZ HERRERO PRESENTS AWARD TO NEWSPAPER 'GRANMA'

Havana TRIBUNA DE LA HABANA in Spanish 10 Sep 81 p 1

[Article by Francisco Garcia Eloseguis]

[Text] Alternate member of the Politburo and member of the Party Central Committee Secretariat Antonio Perez Herrero has presented the Flag of the Second Congress of the Cuban Communist Party, the highest award for the special emulation program for historic dates, to the collective of the newspaper GRANMA, one of the seven enterprises in this country that have been honored as promoters of this emulation system during the past 5 years.

National labor hero Juan Varela Perez, representing his comrades, received the flag. National cultural sector leader Rene de la Nuez also received a bronze plaque from Orestes Gispert, member of the Party Executive Bureau in Havana.

Another national labor hero, Isaac Fernandez Vila, in the name of the collective also received the diploma of recognition, which he presented to Roberto Pavon Tamayo, member of the Party Provincial Committee and director of TRIBUNA DE LA HABANA.

In one of the clauses of the Politburo resolution, in accordance with which the above-mentioned incentives were awarded this enterprise, it is specified that the newspaper filled its commercial production quota to the extent of 108 percent, its labor productivity quota to 121.51 percent and its average wage quota to 104.02 percent, facts which show a positive relation between both indicators.

The wage fund declined by 6.78 percent. The profit that was realized exceeded the quota by 17.82 percent. Furthermore, they succeeded in saving 68,068.72 pesos by means of innovations that were practically applied and economies in materials and raw materials.

The absenteeism rate dropped to an all-time record low of 1.47 percent as against an acceptable figure of 3 percent.

The frequency and seriousness of accidents also dropped considerably.

This is the second time workers of the Party Central Committee organ have been highly honored. The previous occasion was during the emulation period dedicated to the First Congress.

Nestor Lima Guerrero, first secretary of the party in the town of Plaza de la Revolucion, made the concluding statements at the formal ceremony. In his speech he referred to the historic importance of the party congresses and set forth the reasons why the country's worker movement channels the entire burden of production activities that are dedicated to these party events through a powerful emulation movement.

Speaking of the merits of the GRANMA workers, he said:

"This collective is one big communist family in which everyone works in united fashion with everyone else and is aware of the big responsibility he has, constituting as you do the official organ of the Cuban Communist Party. You can proudly proclaim that there has not been a mission or a task entrusted to you that you have not successfully carried out, which is why you have won the confidence and prestige that you today enjoy in the eyes of the party and the entire nation."

Also chairing the ceremony were: Jorge Enrique Mendoza, member of the Central Committee and director of GRANMA; Orlando Fundora, alternate member of the Central Committee and head of the DOR [Revolutionary Orientation Department] in that party administrative agency; Jacinto Vizmontes, secretary general of the Culture Union; Oscar Domenech and Victor Gonzalez, vice chiefs of the DOR; and Lazara Rodriguez Aleman, DOR printed press chief.

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AIRLINE WORKERS DISCUSS PROBLEMS IN SERVICE

Havana GRANMA in Spanish 12 Sep 81 p 3

[Article by Alexis Shelton and Ariel Garcia Suarez]

[Text] Camaguey's Ignacio Agramonte Airport has been chosen as the best in the country for the fifth consecutive 6-month period. Alfredo Suarez summed up the emulation plenary session held in the Agramonte capital. This year 22 aviation projects amounting to 4.5 million pesos will be completed.

Camaguey—The industry's main problems, the need for adequately informing users as to delayed flights and the systematic decline in misplacements and improper handling of equipment, were among the other points discussed at the Cuban Airline Enterprise's national emulation plenary session held in this city.

During the past 6 months the accumulated production total of assets that come under the heading of services came to over 56 million pesos, or 106 percent of the quota, to which the volumes obtained in the transportation of international passengers significantly contributed.

Cuaban Airlines director Armando Interian, who read the report on economic management for the 6-month period, announced these results. The proceedings of the meeting, held in the office of the People's Provincial Government, were summed up by Alfredo Suarez, member of the Party Central Committee and secretary general of the National Transport Union.

The report covers the chief achievements and shortcomings of the period and responds to criticisms and concerns expressed during the previous plenary session and starts with those that have been resolved and others that are being resolved or are subject to the decisions of higher agencies.

During the discussions points involving supplies and investments, which include a total of 22 aviation projects throughout the country, amounting to almost 4.5 million pesos this year, were taken up. Also dealt with were matters concerning application of the General Wage Reform Law and they succeeded in getting 2,400 Cuban Airlines workers to work in connection with the bonus program for economic efficiency that has been in effect in that enterprise since 1 September.

Representatives of the over 4,500 Cuban Airlines workers throughout the country brought up their concerns and the problems that had been discussed at meetings previously held by the rank and file for proper evaluation during the time to come before the next meeting of this kind.

Ignacio Agramonte Airport of Camaguey was for the fifth consecutive 6-month period chosen as the best in the country.

Also cited as the best subunit and unit as well as promoting enterprises for the emulation program now in progress were Frank Pais Airport of Holguin and Inland Technical Services of Havana respectively.

Jorge Valdes Melechon, Gilberto Garcia Castellanos, Joaquin Huerta, Rafael Carbonell, Luis Carrera Gonzalez, Israel Sirut Morales, Concepcion Cutie, Amarilys Valdes, Calixto Sanchez Gonzalez and Rafael E. Martinez figured on the list of best workers in different Cuban Airlines positions throughout the country.

In his summary statement Alfredo Suarez said that the level of demand in the field of commercial aviation has risen and that we must continue to hammer away at the difficulties until we overcome them.

"The 6-month period that recently ended was the most productive one for the revolutionary government," he said, "and we have to go on consolidating and improving on our efforts, despite the problems and limitations involved. We must fight without let-up for the Transport Union to attain the status of quota-filler in 1981."

Serving as chairmen were, among others, Ladislao Baranda, alternate member of the Central Committee and vice minister for aviation of MITRANS [Ministry of Transportation], Enrique Roque, vice chief of the Central Committee Transportation Department, Wilfredo Leon, member of the Party Provincial Committee of Camaguey, outstanding Cuban Airlines workers and national leaders.

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CAMPAIGN OF SOLIDARITY WITH PUERTO RICO BEGINS

Puerto Rican Official

Havana GRANMA in Spanish 12 Sep 81 p 3

[Article by Diana Sosa]

[Text] Felipe Cirino denounces the fraudulent nature of the Dialogue and Decolonization Commission created in his country at the desire of the Yankee imperialists.

The Campaign of Solidarity with Puerto Rico will be conducted in our country from today, the 12th, until the 23d of September as an expression of the Cuban revolutionary government's unflagging support for our brother nation's just struggle for independence.

Felipe Cirino, member of the Central Committee of the Puerto Rican Socialist Party and delegate of its permanent mission in Cuba, held a press conference in La Habana during which he explained aspects of the current situation in his country and the importance of world support to put an end to the disgraceful colonial situation his people are in. He also announced the varied program that will be conducted in Cuba as part of the campaign.

He denounced the fraudulent nature of the Dialogue and Decolonization Commission, created by the governor of the island at the desire of the Yankee imperialists with the objective of keeping the case of Puerto Rico from being discussed in the UN General Assembly planned for next year.

In Cuba the events of the Solidarity Campaign will begin with the inauguration of a photo exhibition in the San Jose de las Lajas Museum. Conferences and discussions will be held in Holguin, La Habana, Havana, Santiago de Cuba and Guantanamo.

Tomorrow, the 13th, a production work day will be held at the 19 April Farm in Quivican and on the following days there will be many friendly get-togethers between Puerto Ricans and Cuban workers and students. Solidarity events will be held at the Puerto Rico Libre Sugar Mill in Matanzas and the AALAPSO office, among others. The campaign will be concluded on the 23d at the Cuban Institute for Friendship with Peoples.

Cirino emphasized the fact that on the 23d, the day on which the World Campaign of Solidarity with Puerto Rico will be held, in his country there will be a pilgrimage to Lares, where the first Puerto Rican republic was proclaimed. Today the people of Puerto Rico will honor the memory of patriot Pedro Albizu Campos on the 90th anniversary of his birth.

Colonial Policy Scored

Havana GRANMA in Spanish 12 Sep 81 p 8

[Article by Oscar Ferrer: "Campaign of Solidarity with Puerto Rico: to Promote Support for the Puerto Rican Cause"]

[Text] The just cause of the people of Puerto Rico — the Caribbean island colonized by the United States since 1898 — continues to gain ground in international circles despite the stubborn intention of the imperialist American Government to maintain its dominion over Puerto Rican soil.

This Yankee policy, oriented toward the retention of American colonial control over Puerto Rico — raised on high despite international public opinion's support of the demands of the Puerto Rican people and notwithstanding the UN Committee for Decolonization's approval during successive years of resolutions that recognize the island's inalienable right to free determination and independence — is precisely the fundamental reason that obliges us to redouble our efforts to see to it that world support for the Puerto Rican cause does not lessen, that in the search for final victory the firmest solidarity with the Puerto Ricans' aspirations for freedom is intensified.

The Yankee policy of trying to conceal the colonial status Puerto Rico is suffering under and of refusing UN jurisdiction in the island's colonial case recently again met with failure when last 20 August the UN Committee for Decolonization approved a resolution that not only recognizes Puerto Rico's right to self-determination and independence, but also for the first time recommended that the UN General Assembly examine the question of this colonized island as a separate item on the agenda of its 37th series of sessions.

The afore-mentioned resolution, which also again urged Washington to transfer all powers to the Puerto Rican people as an indispensable preliminary step to any decolonizing process, was rightly described by Juan Mari Bras, secretary general of the Puerto Rican Socialist Party as the Reagan government's first important diplomatic defeat.

Recommending that the General Assembly examine the Puerto Rican colonial case makes it possible for it to become a subject of detailed analysis on the broadest and most representative stage of that highest of international organizations.

Discussion of this case in that forum is a harsh blow to Yankee foreign policy, which for years has blocked every proposal in the United Nations that the colonial status the Caribbean island is subjected to be exposed, alleging that that would constitute "interference in the internal affairs of the United States."

A few days after the American defeat in the United Nations, the colonial governor of Puerto Rico, annexationist and pro-Yankee Carlos Romero Barcelo, announced a new farce that cannot conceal his intention of serving U.S. colonial interests and of trying to keep the UN General Assembly from examining the island's colonial case as a separate item during its next series of sessions.

Romero Barcelo's "idea" — which may well have originated in Washington, not in San Juan — proposes the creation of a sort of "special committee" on decolonization in which — the Puerto Rican Socialist Party would be excluded in advance — the People's Democratic (autonomous), New People's (annexationist) and Puerto Rican Independence Parties would determine the formulas that would be presented on an as yet not specified date.

The proposal cannot conceal their intentions of blocking a true national dialogue on decolonization since the exclusion of the Puerto Rican Socialist Party is an attempt to isolate a people's organization that has arduously struggled against Puerto Rico's colonial status these past few years.

Independently of this, little faith can be placed in Romero Barcelo's "idea" and his supposed intention of initiating a decolonizing process when the governor himself is dedicated to defending the annexation of the island by the United States, which would constitute the formal culmination of the colonizing process initiated by Washington in Puerto Rico 83 years ago.

Today, when American objectives are still aimed at maintaining colonial dominion over Puerto Rico and when Romero Barcelo is laboriously working out new maneuvers, solidarity with the Caribbean island assumes far-reaching importance and demands renewed vigor.

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COSMONAUT TAMAYO DISCUSSES SPACE PROGRAM WITH USSR

Havana OLIVO VERDE in Spanish 20 Sep 81 pp 4-6

[Article by Elsa Blaquier]

[Text] For the Cuban people, the launching of Soyuz 38 was an unforgettable event. On 18 September 1980, the pictures of scientist cosmonaut Col Arnaldo Tamayo, from the Republic of Cuba, and of the ship commander, Col Yuriy Romanenko, were transmitted all over the world.

Day by day, our people followed every stage of the flight. Millions of hearts beat in unison with the hearts of these heroes who were engaged in the difficult task of conquering outer space for the good of mankind.

During those days, we were proud of having such marvellous comrades and were again grateful to the Soviet Union for placing its scientific progress at the service of our nation.

That exploit really proves what man is capable of doing and the correct policy followed to carry out the greatest exploit of this century which Soviet scientist Konstantin Tsiolkovskiy had the foresight of describing as "a very difficult undertaking requiring unusual efforts and exceptional talents."

A year after such memorable date, Col Arnaldo Tamayo has become a well-known and beloved figure throughout Cuba. With his usual smiling and friendly manner, he agreed today to recount for us his difficult task and to answer questions put to him by the local press.

"The first joint Soviet-Cuban space flight has been entered in the records of the history of our revolution as one of the top events in the scientific and technical cooperation between our two countries. We can state that the eternal friendship forged on earth was sealed in outer space," Colonel Tamayo said at the beginning of his talk.

He went on to review how the Intercosmos Program was establihsed by the USSR as the means to bring the most advanced science and technology within the reach of the socialist community.

"From the early years and under the guidance of the Cuban Academy of Sciences, the necessary means were acquired and special experts in various fields started

their training to establish the initial basis for that work in our country. The signing of an agreement in 1976 was the point of departure for the following stage of the research work through manned flights.

"This vast program included experiments in the fields of medicine, biology, technology, remote sensing and others. In this new phase, we were assigned to participate in an expedition to outer space. For that expedition, Cuban scientists, in cooperation with their Soviet colleagues, prepared more than 20 studies, a fact that can be said to be a success from the viewpoint of their value and high quality."

After pointing out how useful that research is for our national economy and for the progress of astronautics, the hero of the Soviet Union and of Cuba emphasized that no military program was carried out during his flight, which was intended to obtain a better knowledge of outer space and turn it to use for mankind.

He announced that many of the experiments have already been completed and will soon be put to practical use on earth as well as in future orbiting stations. Due to their complicated nature, other experiments are still in progress and are being analyzed or will be continued by other space crews.

"For instance, most of the medical and biological experiments, about 15 of them, have been completed but more time is required to draw conclusions from experiments in which technology and remote control are involved.

"The geologists are studying pictures and visual data about the faults of the earth's crust where the possibility exists of finding mineral deposits."

He also mentioned that there is another series of experiments scheduled to be carried out during unmanned flights in which modern techniques can be developed.

Difference Between the Two Programs

"In the next few years," he said, "it is expected to carry out a vast program which will help to expand the utilization of outer space for peaceful purposes in contrast to the U.S. policy which pursues warmongering aims. This was proved when that country launched the 'Columbia' spacecraft where the technological value of the experiment was overshadowed by its military character.

"The designers of that ship have openly revealed that it could be used to launch weapons of mass extermination by means of a laser beam and destroy flying objects in the atmosphere and in outer space.

"Thus, the development of astronautics by the United States and its allies is aimed at stepping up the arms race, an attitude which has been rejected by every peace-loving nation."

He also pointed out the vast difference between the two programs from a political viewpoint. "While the United States monopolizes its studies," he said, "the Intercosmos Program has internationalized outer space. Ten of the program members have already performed an important phase of the work."

The first cosmonaut from Cuba and Latin America announced that a group of Soviet women is now being trained in Star City and, in coming years, another woman is expected to make a new sortie into space. "There must also be equality in this interesting future work."

Review of the Year

Next, he talked about what he had been doing over the past year and made special mention of his visits to the 14 provinces and to the special municipality of the Isle of Youth, his meetings with representatives of the entire population. "I will never forget," he said, "the joy and love shown to me by workers, peasants and students and particularly by the children who demonstrated such a great trust."

Then he talked about how he took part in the International Astronautics Symposium held in Moscow and attended by every socialist country and by representatives of some capitalist countries. "During that meeting, we were able to exchange our experiences, a fact that will enable us to increase our knowledge," he noted.

The alternate member of the Central Committee also mentioned his visits to Grenada and Angola, at the invitation of their respective governments and parties. "In both these countries, we could see the admiration felt by their people for the internationalist assistance given to them by Cuba in the building of social projects and in the spheres of education and health. There we found genuine fraternal and revolutionary affection."

He condemned the aggression of the South African Government against the People's Republic of Angola and pointed out: "Cuba will offer any aid which that country may require to build a new life and to end the poverty which is a legacy of the years under colonial rule."

From the scientific viewpoint, Colonel Tamayo said that he will continue studying to prepare further research programs in the Cuban Academy of Sciences and with Soviet experts. "I am ready to take part in other joint flights if necessary," he said.

"These further studies help to keep up with new technologies and new experiments. Without studying, one falls behind in the acquired knowledge. One also has to get flying time to keep in good physical shape; it does not have to be a program as intensive as the one required for airline pilots, just enough so as not to lose the touch."

Asked what were the chances of another Cuban going into space in the near future, Tamayo replied: "Our crew was the first but it will not be the last."

"Future plans envisage much more complicated flights with even more difficult experiments."

When he was asked what Maj Jose Armando Lopez, his standby, was doing, Tamayo said that he had recently completed his degree in electromechanical engineering and was currently in Moscow working on his thesis in that specialty at the Institute of Space Research.

"Will he fly?" a woman journalist asked him. "He stands a good chance of doing so," the Cuban cosmonaut replied.

"The possibility of a Cuban woman going into space should not be dismissed, right?" another journalist asked.

"True. Our women are very able and they also have a chance. They represent an important element in society and that opportunity cannot be closed to them. Since they are heroes of labor in the various spheres of the economy, why should they not become cosmonauts?"

As for countries with different social regimes participating in the Intercosmos Program, Colonel Tamayo noted that for years India has been involved in projects of scientific cooperation in that sphere. An Indian artificial satellite was launched into space by a Soviet booster rocket and an agreement is now being prepared for a joint flight.

"In the case of France, two officers from the French armed forces are now in Star City and they are expected to go into space next year.

"The USSR has not rejected the participation of capitalist countries which want to cooperate for scientific reasons and in the interest of peace. This is something that contributes to detente and to the progress of nations."

The Future of Astronautics

Col Arnaldo Tamayo went on to speak about the future of space research.

"A few months ago, we marked the 20 anniversary of the first manned space flight by Yuriy Gagarin. If we look at the great achievements of Soviet science in the course of those 20 years, we see that it has made great progress. The scientific foundations have been laid and we can foresee that great events will take place in future decades.

"There is already a new and much more modern transport spacecraft, 'Soyuz T,' which offers vast possibilities of traveling far away from our planet. One can also expect the launching of orbit stations which will be something like factories intended to produce materials that cannot be found or are difficult to obtain on earth.

"A possible solution for the energy problem can also be found in outer space. Projects are underway to place in orbit stations to collect solar energy beyond the earth's atmosphere where the rays are stronger and transform it into electromagnetic energy that will be sent back to earth where it can be reconverted into heat-producing energy or into energy of any other kind to supply the increasing demand for energy.

"Scientists and experts working in that field also mention the possibility of sending man even farther into space. The day is not far when a citizen of the earth will set foot on another planet."

These words concluded the press conference given by the first Latin American cosmonaut, who also took this opportunity to pay tribute to the press.

8796
CSO: 3010/39

MODERNIZATION PROGRAM UNDERWAY AT SUGAR MILL

Havana GRANMA in Spanish 12 Sep 81 p 1

[Article by Juan Varela Perez]

[Text] Mariel—Optimism, confidence and assuredness of the results of the next cane harvest and those that follow it is what is exuded and can be observed at the Orlando Rodarse Sugar Mill. The 100-year-old mill, one of the two established in this town, is launching a new phase in its modernization program.

"While we have not yet finished everything we planned to do, we have gotten off to a very favorable start in terms of the chief efficiency indices and this keynote will prevail throughout the cane harvest we are now organizing and those that follow it," said Juan Martinez, veteran union leader and secretary of the enterprise bureau, to GRANMA.

Who does not remember those critical years at Orlando Rodarse? It was very painful for this collective to see its cherished mill take last place on the efficiency scale. There are more than enough experienced workers here who have a deep affection for their mill, but operating conditions were the worst possible and there was little they could do in the face of the difficulties they were tormented with.

There is joy at seeing how the old, the outdated is giving way to the new and the age of modernization is being consolidated and, without immobilizing the milling during any of the harvest seasons, they have practically built one mill inside another.

Martinez told us that even the nature of the man has been transformed. There is good reason for us to take a look at the comparative figures for two indicators.

In 1978 the absolute recovery figure was only 84.74 and in 1981 this measure of efficiency in production management rose to 87.01. And those who are familiar with these matters know what this increase in the volume of sugar extracted from the cane means. But their aspirations do not stop at this. They feel that the conditions have been created which will place Orlando Rodarse among the top mills in terms of recovery.

There has been a considerable reduction in expenditures for oil. In the 1978 season 4.2 gallons were needed to process a ton of cane and this last season the outlay came to 0.32 gallons. And the men and women of this mill do not think

twice about asserting that in 1982 they will be included in the select and applauded group of mills that do not consume industrial oil.

Added to these two significant achievements is the effective utilization of expanded capabilities, which was 89 percent in accordance with the potential norm.

But this is indeed a brilliant demonstration of the quality of the repairs and investments that preceded the 1980 cane harvest. In 132 days of operations only 14 hours were lost due to breakdowns in the processing areas.

Martinez noted that the visit our commander-in-chief made to this enterprise on 22 April 1979 meant a great deal in terms of the regeneration of efficiency. At that time comrade Fidel spoke to them of the need for modernizing, for gradually replacing old and obsolete equipment. The funds began to arrive and, as always, the workers promptly and quickly responded.

The investments were made in a thorough manner and the opinions of the workers were taken into account.

"We will be perfectly happy the day we can demonstrate that the whole operation here, including the mill, is one of the best in La Habana and the country in terms of efficiency," Martinez, who has been involved in union affairs for 22 years, emphasized.

"Each day we set ourselves the goal of advancing, progressing as much as possible and we think," he underlined, "that during the coming cane harvest we will leave behind another group of problems and the leap forward will be in all ways even bigger than it was in 1981."

We could talk of the over 1 million pesos that are being invested in modernization of the Orlando Nodarse Mill, of the industrial electrification that should be completed during this 5-year period, of the installation of the gear train that will replace the old one, of the new steam generating system, of the tandem, also new, and finally of that quick and complex coming and going that has taken hold of the workers of this mill with an enthusiasm that really makes one sit up and take note.

All these distinguish the presence of the group of licensed engineers and mid-echelon technicians who are providing a solid basis for the Orlando Nodarse Mill's prospects and seeing to it that it has a really promising future. We have a few notes left over for another occasion.

11,466
CSO: 3010/50

SEMINAR ON MAINTENANCE OF SUGAR EQUIPMENT PLANNED

Havana BOHEMIA in Spanish 11 Sep 81 p 48

[Article by Andres Rodriguez]

[Text] Maintenance and repairs cost the sugar industry more than $1 billion annually but the technology used is still traditional with visual inspections, dismantling of the equipment and the use of instruments which are frequently inadequate.

Jorge Lodos, director of ICINAZ [Cuban Sugar Research Institute] in Quivican south of Havana, told us that, because of this situation, it was decided to convoke an international seminar to find new maintenance techniques and to outline a way to end the obvious backwardness of our industry in comparison to others.

Because of the international nature of the seminar, there are several sponsors: the Cuban Ministry of the Sugar Industry through the production-research institute that Lodos heads; GEPLACEA [Group of Latin American and Caribbean Sugar Exporting Countries]; and UNIDO. Thanks to them, about 150 people involved in industrial maintenance and repair will meet in the Palacio de las Convenciones in Havana on 7, 8 and 9 October.

What will this seminar that seeks to implement modern technology be like?

The director of ICINAZ answered: "It will consist of three basic activities. First, 12 lectures will be given by specialists from different parts of the world. Second, there will be a consultation bureau that will devote a session to concrete consultations with the participants. Third, there will be a demonstration of modern techniques to protect and recover parts and new methods to detect problems in equipment and protect them from corrosion."

Since lectures run the risk of being on very theoretical levels, it is appropriate to ask what those 12 lectures will be on.

Lodos immediately answered: "Very concrete and necessary topics. Examples are the use of computers, the selection of lubricants, the application of X-rays, techniques for recovering parts, selection of paints for anticorrosive protection and possible application in the sugar industry of maintenance that the oil and mechanical industries use."

There was a reference to the approximately 150 people who will participate in the seminar. Who are they?

"We already mentioned lecturers from different parts of the world (Mexico, Brazil, Sweden, France, Netherlands, United Kingdom and Cuba). Also officials from the sponsoring organizations, specialists and researchers from Latin America, the Caribbean and different commercial firms throughout the world and observers from three Asian countries (Vietnam, Iraq and the Philippines) and three African countries (Mozambique, Ethiopia and Mauritius) will attend."

There was a final statement that Lodos wanted to stress.

"In addition to ICINAZ, the Maintenance Office of our ministry is collaborating in the organization of this international seminar. It will also give one of the 12 lectures."

7717
CSO: 3010/41

BRIEFS

HAVANA DRAFT BUDGET—During a special session last night the Havana People's Government Provincial Assembly approved the 1982 draft budget with expenditures amounting to 788.2 million pesos, representing an increase of 21 percent over those of the current year. The report on the document, which was read to the delegates by Benito Besada, chairman of the Planning and Finance Committee, explains that, as concerns revenue, increases in almost all items are contemplated, particularly as regards provincial participation in the traffic tax, which will bring in 568.4 million pesos, 214.9 million more than planned in the 1981 budget. In the fields of education and public health appropriations will be increased by 6 and 9.7 percent respectively and the unit standard for expenditures, figures calculated beforehand by the given administrative departments applying the levels indicated by the Central Planning Board, will for the first time be used. Expenditures earmarked for other sectors were set in the draft budget taking into consideration the historic and growth indices of the different industries. The document makes it clear that no provision is made for expenditures that will be incurred next year in the campaign against the Aedes aegypti mosquito or by the Military Committee, Civil Defense and Territorial Militias. The special session, which was held in the auditorium of the Fine Arts Palace, was presided over by Oscar Fernandez Mell, Luis Mendez Morejon and Dario Esterellas, chairman, vice chairman and secretary respectively. Vice President of the Council of Ministers Jose R. Fernandez also attended the session. [Text] [Havana GRANMA in Spanish 12 Sep 81 p 3] 11466

SPANISH AMBASSADOR—Yesterday morning Revolutionary Commander Juan Almeida, vice president of the Council of State, at a formal audience received his excellency, Mr Enrique Larroque de la Cruz, who presented his credentials, accrediting him as special and plenipotentiary ambassador of the Kingdom of Spain in our country. Minister of Foreign Relations Isidoro Malmierca participated in the presentation ceremony. [Text] [Havana GRANMA in Spanish 12 Sep 81 p 1] 11466

CSO: 3010/50

EVANGELICAL INDIAN GROUP ASKS TO REPLACE ILV

PA100141 Quito VOZ DE LOS ANDES in Spanish 1230 GMT 8 Oct 81

[Excerpt] Hundreds of Indians who filled the congressional halls to overflowing were received by the legislature during a general session on Wednesday.

(Pedro Huanoco), secretary general of the Ecuadorean Federation of Evangelical Indians, said:

[Begin recording] The Ecuadorean Federation of Evangelical Indians represents 11 provinces: Imbabura [applause, shouts of "present"], Pichincha [applause, shouts of "present"], Cotopaxi [shouts of "present"], Tungurahua [shouts of "present"]. [end recording]

Enthusiastically and in an orderly manner, the Indians applauded, noting, before the representatives of all Ecuador's provinces, that they were present.

[Begin (Huanoco) recording] We more than (240) Evangelical Indians have become aware of events that will seriously affect us. Having a clear understanding of our constitutional rights, we hereby state, in this honorable chamber, the following to you, our representatives and to the national government and to the public:

We are the objects of discrimination and neglect by high government authorities simply because our freedoms are guaranteed by the Ecuadorean Constitution, [applause] that is, freedom of expression, freedom of religion and education [applause]. Public statements by the deputy minister of education himself are proof of this. The deputy minister scornfully described us as imposters [as heard], treating us as if we were criminals in our communities. [end recording]

After pointing out several instances of discrimination against the Evangelical Indians by the authorities, the Indian representative presented a proposed law asking that the government sign an agreement with the Ecuadorean Federation of Evangelical Indians, which has capable, professional Indians within its ranks, to have the federation continue the work of the summer Institute of Linguistics [ILV] which, by executive decree, must leave the country. In addition, the proposal suggests that the ILV be given a reasonable period of time to transfer its entire infrastructure.

The Indians base their request on the premise that the government, which has a large budget deficit, will be unable to carry out the linguistic and community development works that have benefited several communities: (Sepoya), (Laurano), Cayapas, Colorado, (Schuar), and so forth. They asked that the Evangelical Indians themselves be allowed to do this job.

Several legislators from the concentration of popular forces, the followers of Roldos, the Conservative Party and the democratic left spoke in reply. They unanimously urged that since the government neglects the Indians from the Amazon, they should at least be permitted to keep what they now have. They even asked that the executive branch revoke the decree ending the activities of the ILV. They described the decree as a great mistake made by the government.

CSO: 3010/107

SALVADORAN REPRESENTATIVES HOLD PRESS CONFERENCE IN HAVANA

Havana GRANMA WEEKLY REVIEW in English 4 Oct 81 p 3

[Article by Jose Gabriel Guma: "The Revolutionary Forces of El Salvador Already Constitute a Real Power"]

[Text]

● REPRESENTATIVES of several Salvadoran organizations held a press conference at the Palace of Conventions in Havana, scene of the 68th Conference of the Inter-Parliamentary Union, in which they said that the long struggle of the Salvadoran people is reaching its final stage.

The press conference was conducted by engineer Héctor Dada, founder of the Christian Democratic Party which he headed for 20 years, deputy for two terms of office and foreign minister of the junta until he was exiled; and engineer Hugo Navarrete, founder of the National Revolutionary Movement (MNR), member of the Socialist International, former deputy of the Legislative Assembly and former minister of housing and urban development.

Also present were Mario Aguiñada, Front commander and member of the leadership of the Farabundo Martí National Liberation Front (FMLN) and general secretary of the Nationalist Democratic Union; Dr. Miguel Sáenz, general secretary of the University until the military intervention in 1972, member of the commission for international affairs of the Democratic Revolutionary Front (FDR) and of the FMLN; and Juan José Martell, former leader of the youth organization and of the leadership of the Christian Democratic Party, present assistant general secretary of the People's Social Christian Movement — which split off from the Christian Democratic Party — and member of the Executive Committee of the FDR.

OUR STRUGGLE IS KNOWN ON EVERY CONTINENT

Speaking on behalf of the Salvadoran revolutionary fighters, Sáenz said that he was very happy to be with the reporters and that he hoped the press conference would be characterized by a feeling of cordiality and brotherhood. "We Salvadoran revolutionaries are very frank," he said, "and we don't evade any questions."

Commander Aguiñada gave a general rundown on the political and military situation in El Salvador and he conveyed the greetings of the United Revolutionary Leadership of the FMLN which, along with the FDR, constitutes the Salvadoran people's means for liberation.

"The people's long struggle is coming to an end," he said. "Every day we draw closer to the decisive battles. Our revolutionary alternative, our struggle for liberation, is known throughout the world and enjoys the solidarity of governments, parties and peoples."

He granted special importance to the fact that the Salvadoran issue was discussed at the Inter-Parliamentary Conference, adding that imperialist rapaciousness had made the situation in his country an international issue.

A REAL POWER

He said that El Salvador is not a rich country and has neither oil nor uranium, but the imperialists are interested in it because it is an example of what happens when a small country raises the banner of liberation.

"We are nearing victory," he said. "We're now a real power; we have a program, a revolutionary army and international recognition, which is reflected by the joint declaration issued by Mexico and France."

Delving further into the topic, he said that recognition had also been expressed by Costa Rica, Panama and Ecuador in their own way by welcoming revolutionary delegations and signing joint communiqués.

He emphasized that even though the revolutionary forces are not a state or government they constitute a real power and that without them there'll be no solution to the situation in El Salvador, a country with a land area of 21 000 square kilometers and a population of five million.

OUR MOUNTAINS ARE THE PEOPLE

"We have no big mountains in our country. Our mountains are the people," he said as he pointed out once more that the international community and governments with a realistic view of things have recognized that the Salvadoran revolutionary forces are a significant force.

Further on he said, "Our Revolution is the product of our people's struggle and international solidarity. This is why the case of El Salvador is being discussed at the Inter-Parliamentary Conference.

"The people of El Salvador deserve to be free and to live in a climate of peace, harmony and social justice, which constitute the principles that inspire the FMLN and the FDR."

NEGOTIATED SETTLEMENT

As to the possibilities for a peaceful solution to the present situation, Martell said, "There has been a possibility for a political solution, and we've always been disposed to negotiate." Since December last year when the FMLN issued an appeal to the world and especially to the United States — "because," he said, "we're convinced that Washington's support is the only thing that makes possible the existence of the junta and the reactionary army" — the popular forces have been subjected to even greater repression. "However," he added, "we're still willing to negotiate."

He went on to say that last February, in a meeting that took place in Panama, they had agreed to have the Socialist International act as mediator and that they had also met with representatives of Christian Democratic parties. He added that both the government junta and U.S. imperialism had opposed this arrangement, and he charged that the people of El Salvador have to contend with an interventionist policy that is expressed in all kinds of aid including political and military.

PEOPLE'S WAR: ONLY ALTERNATIVE

Asked specifically why he resigned from the junta, Héctor Dada replied it would be a good idea to ask why he joined it in the first place. He explained that "the military were the ones that offered the only alternative for a democratic and peaceful process," and that his party, the Christian Democrats, "agreed with the young military on a program with the participation of the people."

He added that when it proved impossible to control the army's repressive forces and set up an adequate government, various members of his organization stepped down from the government last May.

"People's war is the only alternative available," he said.

SOURCE OF WEAPONS

As to the composition of the two Fronts, Miguel Sáenz said that the FMLN brings together five political-military organizations and the FDR is a coalition of various parties and other forces.

Also replying to the French news agency AFP, he said that the origin of the weapons used by the Salvadoran revolutionaries "is no secret," since, "provided one has the economic means, weapons of every nature, from pistols to A-bombs, can be purchased on the black market."

"We're making use of the legitimate right of all peoples to find the military means to defend their sacred interests," he warned.

He added that the bourgeoisie, which has historically strangled the people, has made important, albeit involuntary, contributions toward the purchase of weapons.

"We were forced to take up arms because all peaceful means have been exhausted and the will of the people has not been respected by the exploiting classes."

After mentioning how complex the struggle has become as a consequence of U.S. imperialism's growing support for the junta, he remarked that "when the people choose to fight no force on earth can defeat them."

He added that "we are entitled to lawfully exercise the will of the people and to accept solidarity and help from peoples all over the world."

ELECTIONS NO SOLUTION

Concerning the possibility of an electoral solution, Martell repeated what the Christian Democratic Party stated some years ago in a public manifesto addressed to dictator Romero that "elections are not the solution."

Going further into this, he said that elections are not in themselves the solution, "but we do not discard them altogether because we recognize that this is one way for the people to express their will."

He insisted on certain objective conditions which would be necessary in order for elections to be a solution, including the freedom of the people to express their will and for that will to be respected.

He recalled that a state of siege now exists in El Salvador, that there's no freedom of speech, that the country is completely militarized and the people are being massacred daily. For these reasons the necessary conditions for elections do not exist.

Martell reiterated that, nevertheless, "elections can be part of a solution to the Salvadoran crisis," and that "we do not reject the idea that elections can be discussed in the framework of an international solution."

TWO TRENDS AMONG CHRISTIAN DEMOCRATS

Concerning the support that the junta receives from a portion of the Christian Democrats, Dada pointed out that certain Christian Democrats in Venezuela "have become a conveyor belt for the United States." He said that Christian Democrats are split into two tendencies: one paternalistic, messianic and ardently anti-communist — whose spokesman in Venezuela is Dr. Calvani — and another with a Christian perspective that works in the interest of the people.

He added that the former trend, which advocates "outmoded anticommunism" and "serves to justify Napoleón Duarte's crimes," is a sort of "false but new crusade against atheists."

His last remarks on this subject were that Luis Herrera Campíns, the current president of Venezuela, "let down many progressive Christian Democrats like myself."

DUARTE'S NEW TRICK

Another topic discussed at the press conference was Napoleón Duarte's tour of Costa Rica, Panama and the United States. The revolutionary leaders explained that the situation of the top brass of the Salvadoran so-called Christian Democrats has become unmanageable and they viewed the trip as a means of saving themselves.

They said that President Carazo of Costa Rica and President Royo of Panama have taken a firm stand in line with the French-Mexican declaration. In their opinion, "Duarte's isolation is an irreversible process."

In Dada's opinion, Duarte's trip "is aimed at making people think that he wants peace," and that "he is trying to fool the people of the United States." At the same time, he charged that "El Salvador is nothing but a U.S. colony," where "a colonial, not national, government is in power."

As to the possibility that elections may cause splits in the revolutionary ranks, Navarrete said that in his country all political parties are being persecuted — his own, the MNR, has had its main office raided and many of its leaders have been arrested. "The existence of terrible repressive measures, like Decree 507 which legalizes torture to make people talk, make elections impossible," he asserted.

As to the role played by the young people in the revolutionary struggle, Martell said that "men and women under 27 make up 70 percent of our organizations," and that "over 60 percent of all the people murdered, missing or captured are young people." "In El Salvador," he went on, "the mere fact of being young is a crime in the eyes of the repressive agencies which view them as potentially dangerous elements."

THE ENEMY CANNOT DEFEAT US

As the press conference was coming to a close, Commander Aguiñada underlined that some 80 or 100 U.S. military advisers, the equivalent of 12 percent of all Salvadoran army officers, are serving in that Central American country, and that they are stationed in key sections of the army, such as the General Staff, communications, military intelligence, helicopter transportation, etc. "They're the ones," he charged, "who are really directing the war."

According to this revolutionary leader, genocide has reached unparalleled heights, with the beheading of men, women and children, whose bodies are cut up as if with a guillotine, as part of the "psychological terror" unleashed by imperialism against the Salvadoran people.

Finally, he reiterated that "the enemy cannot defeat us," and that all new military campaigns, the so-called "pacification," the phony elections and any other maneuvers aimed to hold up the fascist junta are to no avail.

CSO: 3020/8

MINISTER'S KIDNAPPERS DEMAND RELEASE OF GUERRILLAS

Guerrilla Statement Published

Guatemala City PRENSA LIBRE in Spanish 23 Sep 81 p 31

[Text] For humanitarian reasons and at the request of the family of Dr Roquelino Recinos Mendez, minister of public health and social assistance, we publish below the following text demanded by the kidnappers of the above-mentioned functionary, in order to safeguard his life:

Press Bulletin

No life is worth more than another, but the lives of the humble are more useful than those of the powerful

Since Monday, 31 August, a member of our organization (which for reasons of security and tactical benefits we do not wish to identify) captured the corrupt minister of health, Roquelino Recinos, for the purpose of exchanging him for four esteemed comrades; two soldiers from our movement and two militants, among them three peasants, one of whom is an old man of 65.

The reasons for the abduction of Recinos were made known that very day to Lucas and Mendoza Palomo as the ones ultimately responsible for the lives of our sequestered comrades, three in Baja Verapaz and one in Quezaltenango and transferred to the military zones of Zacapa and Xela, respectively, where, according to inside sources, they have been continually submitted to cruel tortures during which they remain steadfast in dignity and revolutionary integrity, since their capture, our organization has not suffered negative repercussions.

The profuse protests emanating from the murderous government to plead for the release of Recinos--who is portrayed as an apostle of social welfare--are in vain and fallacious. Recinos Mendez is nothing more than a white-collar criminal who takes part in the villainies and venalities of corruption of the upper political and governmental levels, for which participation he should be punished. By means of first-hand confessions we have sufficient proof of his participation in several of the many state business deals which have been perpetrated during the last two governments of Laugerud and Lucas, in which he has been deputy and minister, respectively. These offenses are true crimes in the face of the monstrous poverty in which our people live, and cannot be paid for with hypocritical practices such as giving free consultations to so many patients per week. Recinos Mendez is not

an innocent victim of the cruelty, of the violence, which was not started by our people, but rather by their enemies, the rich, the powerful, which took it upon themselves to snuff out lives, in a merciless, inhuman and bestial manner which has cost the unbelievable number of thousands upon thousands of countrymen sacrificed with impunity. People with true humanitarian and Christian values cannot but look with horror and revulsion at the sorrow of our humble and working class people. Only those, impure of heart, those with a corrupt conscience are participants or co-participants in such an abuse of the sacred rights of labor, life and true health of the humble and poor. Recinos Mendez never rejected the insane acts of the assasins and exploiters of the people; on more than one occasion he joined the chorus and applauded, celebrating their atrocities, not as an executioner, but certainly as a clown who dances on the corpses of his own brothers, according to what is said of his social origin.

To us, he is not innocent and is subject to the people's justice which will be inexorable when the time comes in which his life and that of our comrades whose liberty we demand are put on the scale. All life should be respected, for according to divine and natural laws, no one has the right to take it away; no charity, no discriminatory morality, can wash away the blood of the innocents. We want our comrades alive just as they were when the demand was made; in this context we shall not take a backward step nor will we compromise. We do not pursue political aims with this revolutionary act which is a gesture of justice for the example of four of the best sons of our people, who deserve a future of labor and struggle until the total victory of our cause.

Government Denies Holding Guerrillas

Guatemala City PRENSA LIBRE in Spanish 11 Sep 81 p 1

[Text] At a press conference yesterday, President Lucas Garcia stated that the four culprits whose liberty the kidnappers of Dr Roquelino Recinos Mendez, minister of public health, are demanding, are not in custody.

The chief executive declared that as far as the would-be kidnappers were concerned, he classifies them as common rogues, since the messages sent to carry out the negotiations did not have any authentication whatever.

General Lucas added that he was able to establish that none of the four terrorists mentioned was in detention, as a result he cannot accede to the demands of the kidnappers.

"I get the impression," he stated, "that those who kidnapped Doctor Recinos are common criminals, who wish to free some of their companions.

Collaboration with the University of San Carlos

On another subject, President Lucas stated that there are good relations between his government and the University of San Carlos, and that together they will try to resolve the problems because this is as it should be.

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AGRICULTURAL COOPERATIVES LAW PUBLISHED 11 OCTOBER

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[Passages within slantlines denote boldface as published]

[Text] /Chapter I/

/Section 1. Objective of the Law/

Article 1. This law is aimed at regulating the promotion, formation, organization, operation, relations and dissolution of the agricultural cooperatives in order to encourage their development as an effective tool of peasant participation in the tasks of the revolution.

/Section 2. Nature and General Objectives of the Cooperatives/

Article 2. The agricultural cooperative is a superior way of organizing work. It promotes the spirit of solidarity and cooperation in overcoming competitive and exploitative relations among people. The agricultural cooperative consists of small- and medium-sized producers voluntarily joining together to carry out activities related to the agricultural and livestock sector and thus meeting the following goals:

a. Fomenting the active and organized participation of Nicaraguan peasants in the agrarian reform process, in the national plans for the development of the agricultural and livestock sector and in the development of other sectors of the country's economic, political and social life;

b. Increasing the organizational, economic and social level of the members and promoting a spirit of solidarity among them;

c. Increasing production and productivity by creating the necessary conditions for the use of irrigation, mechanization, and modern technology and by making available services such as credit facilities, technical assistance, the purchase and storage of crops and the supply of staples;

d. Encouraging the participation of the members in activities which complement the main productive activity as well as in educational, health, housing and cultural programs which allow them to improve their standard of living;

e. Fomenting the technical training and economic improvement of the members through their participation in the cooperative;

f. Encouraging the active participation of women through their integration in the economic and social activities of the cooperative.

/Section 3. Kinds of Agricultural Cooperatives/

Article 3. According to the provisions of this law the following cooperatives can be organized:

a. Service cooperatives: These are formed when small- and medium-sized producers join voluntarily to promote, carry out, receive and use the following in an organized and efficient way: technical assistance, material and financial resources, supplies, staples, marketing and other services, keeping the property, ownership or individual enjoyment of their land or other means of production;

b. Production cooperatives: These are the cooperatives that collectively produce and distribute their surpluses. Their formation is based on the voluntary association of small- and medium-sized producers who join their own means of production, their labor force and/or the means given by the state.

/Chapter II. From the Constitution and Authorization/

Article 4. The General Directorate of Procampo [Directorate for Peasant Promotion] of the Ministry of Agricultural Development and Agrarian Reform [MIDINRA], will be the organization responsible for the promotion, training, technical assistance, registry and authorization of the cooperatives. Procampo will also oversee their operation.

Article 5. Each agricultural cooperative, including those established before this law was issued, will hold a general assembly to approve its statutes based on the provisions of this law and will elect the members of their board of directors.

The minutes of the meeting will include the statutes and will be the provisional charter of the cooperatives.

Article 6. Once these cooperatives are formed provisionally, they will ask MIDINRA to register them, through the General Directorate of Procampo, in the National Registry of Agricultural Cooperatives that Procampo will keep. This registration will give legal status to the cooperatives and will entitle them to receive the services that the state gives.

Article 7. The general regulations of this law will enumerate the pertinent requirements and procedures for the provisional charter, the approval and modification of the statutes, the registration, promotion and training and other actions concerning the organization and operations of the agricultural cooperatives.

/Chapter III. The Members/

Article 8. To be a member of a cooperative, the requirements are:

a. Must be a Nicaraguan over 18 years of age, meeting all other requirements for legal status, except in the cases of minors who as an exception are authorized by the regulations of this law and of duly authorized foreigners. No cooperative can be organized with more than 25 percent foreign members;

b. Must meet the other requirements demanded by the corresponding regulations and statutes.

Article 9. No person can belong simultaneously to more than one agricultural cooperative.

Article 10. The rights and obligations of the members will be established by the cooperative's statutes in accordance with the rules established in this law and its regulations.

Article 11. The membership can be lost:

a. By voluntary withdrawal;

b. By disciplinary removal;

c. By death, in which case the heirs can apply for the same rights as the original member, assuming his obligations.

Article 12. The withdrawal and cancellation of members will be brought about in accordance with the terms, conditions and deadlines indicated in the regulations of this law.

/Chapter IV. The Management System/

Article 13. The general assembly of members will be the cooperative's top authority for the purpose of analysis, planning, distribution, administration and other basic activities carried out by the cooperative.

Article 14. The board of directors is the cooperative's executive and administrative body and is answerable to the general assembly for the organizational, productive, financial, educational and cultural activities it directs.

Article 15. The president of the board of directors will act as the cooperative's legal representative, except in those cases when the general assembly decides something else.

Article 16. The vigilance board is the body in charge of supervising the board of directors' activities and of seeing to it that the members of the cooperative fulfill the statutes and regulations. The regulations of this law will determine its specific functions and composition.

Article 17. The general assembly of members and the board of directors must see to it that the purposes established in Article 2, as well as the provisions established in this law, its regulations and the cooperative's statute are duly fulfilled.

Article 18. The regulations of this law will determine the form of convocation, quorum, voting and other requisites that must be met in order for the meetings and agreements of the general assembly to be valid, as well as the purview and attributions of the general assembly, the board of directors and the vigilance board.

/Chapter V. The Economic System/

Article 19. The assets of the agricultural cooperatives is comprised of:

a. Installations, machinery and equipment, means of transportation and other goods acquired collectively by the cooperative;

b. Land and other means of production ceded to the cooperative by the state;

c. Cooperative fund, which is made up from the members' labor as well as from cash and other goods;

d. Surpluses accumulated collectively by the members of the cooperative.

Article 20. The right to determine the correct disposition of the goods which comprise the assets is the exclusive right of the general assembly of members of the cooperative.

Article 21. The cooperative will be liable only for its assets.

Article 22. The resources and any other goods owned by the cooperative should be used only by the body authorized by the general assembly exclusively to fulfill its purposes.

Article 23. The cooperatives must plan their activities in such a way so as to insure economic profitability in accordance with the country's agricultural development plans.

Article 24. The general assembly will determine the percentage of and the terms under which the net surpluses obtained from the annual production will be allocated, in such a way as to allow economic growth of the cooperative, to satisfy the members' social needs, such as housing, health, education and others, and the increase of family revenues for the purpose of increasing their savings and purchasing power. For this purpose, the general assembly will make adjustments to the existing regulations of the present law and its statutes.

Article 25. The regulations of this law will complement the provisions concerned with the economic system, which are specific to each kind of cooperative.

/Chapter VI. The Economic Stimuli and Special System/

Article 26. It is declared that the development and consolidation of the agricultural cooperatives organized and functioning in accordance with the present law is of priority interest for the Sandinist people's revolution. For this reason, it will be regarded as a public benefit and social interest and as an irreplaceable instrument for the promotion of the agrarian reform and agricultural development.

Article 27. In keeping with the previous article, the state institution will accord priority and preferential treatment to the agricultural cooperatives in matters of financing, sale of supplies, technical aid, training, marketing and other services demanded by the agricultural activity.

Article 28. The agricultural cooperatives will be completely exempt from the payment of yearly taxes; and taxes on the machinery, tools, useful equipment, spare parts, improved seeds, fertilizers, pesticides, animals for breeding and, in general, the means of production imported through the corresponding state institutions, so long as those means are either not manufactured in the country or their availability is insufficient to satisfy the domestic market's needs.

Article 29. Under no circumstances will the agricultural cooperatives enjoy lesser franchises, exemptions or privileges than those enjoyed by enterprises, societies or associations with similar economic purposes and goals.

/Chapter VII. The Merging and Integration of the Cooperatives/

Article 30. The merging and integration of the agricultural cooperatives will be promoted to make their economies more efficient and rational and reduce the cost of services provided by the state.

Article 31. The merging is understood to be the combining of two or more cooperatives, and by virtue of this act, the cooperatives completely lose their economic independence and become a single organization, either under a new name or under the name of one of the merging cooperatives.

Article 32. Integration is understood to be the association of two or more cooperatives that join efforts to channel one or more services (credit, technical assistance, supplies, mechanization, and so forth), carry out marketing activities or agricultural production, agroindustrial changes or community development.

Article 33. The merging or integration will be made preferably between two or more cooperatives that are located close to each other.

Article 34. The procedures concerning the merge and integration among cooperatives will be subject to the dispositions of this law.

/Chapter VIII. Dissolution and Liquidation/

Article 35. Cooperatives will be dissolved by agreement of the general assembly when it is so requested, in writing, by at least two-thirds of the members. The

resolution will then have to be ratified by the General Directorate of the Directorate for Peasant Promotion [Procampo].

Article 36. Cooperatives will be dissolved by any of the following reasons:

a. If after 3 months membership drops below the minimum allowed by the disposition of this law;

b. If it has gone bankrupt;

c. For serious reasons that affect national economic interests or for violating this law and its dispositions;

d. If it has merged with one or more cooperatives;

e. If its property has decreased to less than one-third of its original.

Article 37. The dispositions of this law establish the requirements, terms and procedures to be followed in the effect of dissolutions.

Article 38. The dissolution of a cooperative must be registered in the National Registrar of Agricultural Cooperatives.

Article 39. The National Directorate of Procampo will be empowered to establish penalties or corrective measures, and, if necessary, cancel the authorization for merging the agricultural cooperatives in any of the following cases:

a. When the legal personality [personeria juridica] of the cooperative or the dispositions granted by this law are unduly used;

b. When the means used to meet the goals are contrary to the law, public order or the interests of the majority of its members;

c. When they refuse to supply information or knowingly supply false information or reports as requested by the dispositions of this law or by the Procampo General Directorate;

d. When they carry out activities other than those included in the provisions of its statutes;

e. When they carry out activities that affect the interests of the revolution and the Nicaraguan people;

f. When they violate this law and its dispositions.

/Chapter IX. Promotion and Training Campaign for the Agricultural Cooperatives/

Article 40. The promotion and training campaign for the agricultural cooperatives is the responsibility of the peasant organizations themselves and of priority interest for the revolutionary state.

Article 41. The training campaign for the agricultural cooperatives will be carried out according to the plans and programs to be designed by the Procampo General Directorate.

Article 42. The organizations who wish to participate in the promotion and training campaign for agricultural cooperatives will have to do it in strict accordance to the present law and its dispositions.

Those organizations will have to request its registration at the Procampo General Directorate and meet the following requirements:

a. Present a list of its members, experts, work plan, goals and financing sources;

b. If it is a legally established company, it must also present the documents that register the company as such;

c. If it is a foundation or other type of association, it must also present its authorization to operate in the country and register its representative with the Justice Ministry.

Registration will be revalidated annually, according to the stipulations of this law.

Article 43. The organizations that are responsible for the actions or omission contrary to the stipulations of this law and its dispositions. The Procampo General Directorate will be empowered to suspend or withdraw authorization for operating in any of the following cases:

a. When activities contrary to the principles or objectives of the Sandinist people's revolution are encouraged or promoted through the promotion and training campaign;

b. When the means used for meeting goals are contrary to the law and public order;

c. When they refuse to allow inspection of their functions by the Procampo General Directorate;

d. When they refuse to supply information or supply false information on the reports and requirements that are indicated by this law and its dispositions.

/Chapter X. Credit to the Agricultural Cooperatives/

Article 44. The revolutionary state will grant the agricultural cooperatives special financial support through programs that will offer preferential interest rates.

Article 45. Credit to the agricultural cooperatives will be channeled through the national financing system by the special programs referred to in the previous article and according to the regulations established by the Central Bank of Nicaragua. Without special authorization, no person or legal entity will be able

to grant directly any credit or any other financing to the agricultural cooperatives.

/Chapter XI. Registration/

Article 46. The National Registrar of Agricultural Cooperatives [Registro Nacional de Cooperativas Agropecuarias] is hereby created and will be entrusted to the MIDINRA through the Procampo National Directorate, that will implement the operation of the same.

/Chapter XII. Final Dispositions/

Article 47. MIDINRA is hereby empowered to issue the regulations pertaining to this law.

Article 48. The Procampo General Directorate will be responsible for authorizing any technical or financial assistance or any assistance from international cooperation organizations to the cooperatives or organizations working on the campaign.

Article 49. Any agricultural cooperative registered according to the General Law on Cooperatives of 1971 will have to reorganize its legal situation under the terms provided for in the present law and its dispositions.

Article 50. Any cooperative organized prior to this law will have all of the benefits granted by the state as of its registration. To this effect, they are granted a registration deadline of 120 days from the date of the present law.

Article 51. The organizations which carry out the agricultural cooperatives' planning and training activities will have to register no later than 60 days after the issuance of this law.

Article 52. The cooperatives and organizations in this activity that by the end of the deadlines specified in Articles 50 and 51, respectively, have not been duly registered will be penalized according to the stipulations of the present law.

Article 53. As of the issuance of this law, the cooperatives or other associations which provide services to the small and medium-sized agricultural production enterprises will have to request authorization for their legal operation from the Procampo General Directorate.

MIDINRA is empowered to take any measures it deems necessary for reorganizing the credit activities and other services aimed at agricultural production activities, that will develop cooperatives and other associations not contemplated under the present law.

Article 54. The cooperatives and other associations contemplated under the present law will be governed by this law over any other law or legal disposition.

Article 55. The present law will be in effect as of the date it is published in LA GACETA, the official publication.

This is hereby considered a law of the republic and is to be published and implemented.

Issued in the city of Managua, on 17 September 1981, Year of Defense and Production.

CSO: 3010/103

INVESTIGATION OF TORRIJOS' DEATH STILL UNDERWAY

Attorney General's Comments

PA152022 Panama City Televisora Nacional in Spanish 2245 GMT 13 Oct 81

[Text] Attorney General Olmedo Miranda has asked newsman Moises Torrijos Herrera to go to the attorney general's office to explain the reasons for or to submit the proof to support his statement that General Torrijos' death was provoked and not the result of an accident. Here is Attorney General Miranda on the reports that must be issued to the community on the death of Gen Omar Torrijos:

[Begin Miranda recording] The investigation to establish the causes of the accident that killed General Torrijos and his companions is almost completed. I am waiting for two final reports. One is that of the commission appointed by the attorney general's office. It comprises five members, who should be submitting their report at any moment. The other report I'm waiting for is from experts at a technical laboratory in the United States and deals with the airplane's altimeters. Once these reports are included in the investigation, we will be able to make the results known.

However, there is a new ingredient in this investigation. Yesterday I read in the newspaper LA REPUBLICA a report indicating that Moises Torrijos, General Torrijos' brother, said that the CIA was involved in this accident. This has led me to send him a letter, because I don't want any doubts about the cause of the accident and because I don't want the people to have the least doubt that I am able to investigate the event thoroughly and discover the truth. [end recording]

U.S. Embassy Communique Questioned

PA190302 Panama City LA REPUBLICA in Spanish 18 Oct 81 p 7A

[Joaquin Beleno column: "The Embassy's Communique"]

[Text] Everyone who knows about the activities of the countries involved in World War II must know that days before Pearl Harbor when the Japanese launched their offensive against the United States, they had a diplomat negotiating in Washington who was the first to be surprised by the 7 December attack. Why didn't he know about it? It is obvious: in diplomacy and so that the high-level plans of countries will be achieved, the right hand must not know what the left hand is doing.

We have seen the communique of the U.S. Embassy regarding the very delicate statements of newsman Moises Torrijos H., brother of the late Gen Omar Torrijos. We fully identify with His Excellency Ambassador Ambler Moss who deserves all our respect and regard because he has been one of the most clearly sincere figures who has worked for the fulfillment of the Torrijos-Carter treaties in Panama. We could even say that he is the last or one of the last officials of the Carter team who has remained in Panama since the inauguration of Reagan as president of the United States. Despite this, we believe that the communique of the U.S. Embassy doesn't clear up the doubts about General Torrijos' death. These doubts demand a more in-depth investigation.

We are sure that if there had been the least insinuation of an attempt against the life of the late Torrijos involving the embassy in Panama, the first one who would have been opposed, due to all the reasons stated by Ambassador Moss in his communique, would have been the ambassador. This is clear, very clear. The Panamanians have doubts precisely because we know or intuition tells us that the CIA constitutes a real power that can or might not operate or plot at the diplomatic levels in accordance with the case or the circumstances.

When the general's brother says that it is true that it can't be proven that it was a plot, it is also logical that it can't be proven that it was an accident. It seems, however, that in Panama there is a hidden fear of the opinions that are promoting an investigation. There seems to be an obvious interest in covering with a veil all that has occurred.

There is no more worthy or high example than that of Ambassador Ambler Moss who came out in defense of his country above political considerations. However, we Panamanians, independent of being relatives, friends or followers of Gen Omar Torrijos, are interested in learning and getting to the truth in order to have peace of mind. In this same column we have published various pieces of evidence taken from very serious documents on U.S. foreign policy and we have noted similar cases which in these years of terrorism, uncertainty and plots place us in a state of alert.

Anyone who knows a little about the handling of diplomatic affairs and public relations knows well that what one knows cannot be hidden because the human being has an endless number of gestures, expressions, insinuations, phrases, silences, pauses and eye movements which are revealing and place others in a state of alert. That is why it has been a general practice since the beginning of mankind for diplomats many times to be completely unaware of what has been planned at other levels which openly contradict their sincere and clear actions.

We think that Gen Omar Torrijos wasn't a nobody who died on a highway but the greatest man that has lived in our republic and that just as there are many reasons to mourn his death, so too were there many reasons to cause his death.

CSO: 3010/104

FRANCO-MEXICAN DECLARATION TERMED 'INTERVENTION'

PA152223 Panama City LA ESTRELLA DE PANAMA in Spanish 13 Oct 81 p A-4

[Editorial: "Interventionism in El Salvador"]

[Text] When we commented on French foreign policy in an editorial after the victory of socialist candidate Francois Mitterrand, we said that many of his positions coincided with those of the Reagan administration, but that the greatest discrepancies between Paris and Washington would come with respect to several problems affecting the Latin American area, among other things, because of the influence of new presidential counselor Regis Debray.

Proof of this has been the joint Mexican-French declaration on El Salvador, recently signed by Foreign Ministers Castaneda and Cheysson. The declaration was immediately criticized by the United States, the Salvadoran Government and by other nations of the hemisphere, in view of the fact that it represents an intervention in the internal affairs of that suffering Central American state.

It is true that there are countries like Cuba and apparently Libya which are intervening more directly in El Salvador. Yet there are several ways of doing the same thing, despite attempts made in the declaration to confuse the international public by mentioning that "only the people of El Salvador have the right to search for a just and lasting solution to the profound crisis they face, thus putting an end to the dramatic situation the Salvadoran people are experiencing."

There are parts of the document which nobody can deny are goals set up by the current government junta. These include the part in which El Salvador's need for fundamental changes in the social, economic and political spheres is mentioned, or another part in which a request is made for the creation of conditions necessary to respect the popular will, as expressed through authentically free elections and other mechanisms inherent to a democratic system.

Nevertheless, to recognize the FMLN and the Revolutionary Democratic Front [FDR], as a representative political force that is "willing to assume the obligations and exercise the rights inherent thereto" is a clear intervention in Salvadoran internal affairs and a way of complicating the situation, because if there is real concern over what happens in that brother country, and if any government wishes to mediate in the search for some type of peaceful and negotiated solution, the best thing to do is to refrain from making such announcements and to wait for that drama to be resolved by the Salvadorans themselves, without any foreign intervention, no matter where that intervention comes from.

CSO: 3010/105

BRIEFS

U.S. COMMITMENT TO BUILD ROAD--Yesterday afternoon, Panamanian President Aristides Royo signed a letter from Panama and Colombia that will be sent to U.S. President Ronald Reagan. In the letter, the sender-countries remind the U.S. President of his international commitment with Panama and Colombia as a result of the agreement signed on 6 May 1971. That agreement establishes that the United States will pay two-thirds of the cost of the Tapon del Darien road. It must be noted that the United States has not been complying with this commitment for several years. This situation is affecting Colombia and Panama because of the continuous increases in the material they have to use in construction works. The letter will be delivered during the visit the U.S. vice president will make to Colombia on 13 October. The following persons were present at the ceremony for the signing of the letter by President Royo: Hugo Maya Botero, chief of the Darien office of the Public Works and Transport Ministry of Colombia; Luis E. Castillo, Colombia's ambassador to Panama; Adsinar Cajar, vice minister of public works; and Jorge A. Lore, director of the inspections office of the Public Works Ministry. [Text] [PA101938 Panama City MATUTINO in Spanish 8 Oct 81 p 1]

FLOREZ COMMENTS ON PROMOTION BILL--Col Florencio Florez, commander in chief of the National Guard, today ratified the National Guard disposition to maintain the closest ties with and support for the people's power, describing it as a noble and representative institution which was especially promoted by the main creator of the October revolution--referring to Gen Omar Torrijos Herrera. In offering this support on behalf of the National Guard, Colonel Florez said that he was pleased the Assembly of Corregimiento Representatives had defeated a motion recommending to the executive branch his promotion to major general. Florez said that this decision evidences an attachment to the letter and spirit of the national constitution, which confers this power to the executive branch. A note sent to Luis de Leon Arias, president of the Assembly of Corregimiento Representatives, explains that neither Colonel Florez nor the other members of the General Staff of the National Guard are moved by any privileges or personal sinecures, under the premise that is also attributed to General Torrijos, who said that the organization comes first before any personal rank. [Text] [PA160230 Panama City Televisora Nacional in Spanish 2245 GMT 15 Oct 81]

CSO: 3010/105

INTERNATIONAL ORGANIZATION ASKS FOR GUARANTEES

PY191823 Paris AFP in Spanish 1134 GMT 17 Oct 81

[Text] Paris, 17 Oct (AFP)--Guarantees for the life of a Uruguayan political prisoner, Rita Ibarburu de Suarez, 66 years of age, recently hospitalized in very serious condition in the military hospital in Montevideo, were requested in a communique released by the International Jurists Secretariat for Amnesty in Uruguay [Secretariado Internacional de Juristas por la Amnistia en Uruguay—SIJAU] here today.

According to the SIJAU communique, Rita Ibarburu de Suarez has been under arrest since October 1975. She was tortured in the 13th Infantry Regiment, then transferred to the 15th Artillery Regiment and finally sent to the Punta de Rieles Women's Military Prison (EMR-2).

The communique adds that she suffered a heart attack in 1978 while doing forced labor.

SIJAU also indicates that Rita Ibarburu, journalist, was director of the ESTUDIOS magazine of the Uruguayan Communist Party (PCU).

According to SIJAU, the tragic balance of the Uruguayan military penitentiary system is 74 dead in military establishments or just after their release. They include 38 who died under torture and committed suicide; 10 who died from lack of adequate medical attention; and 10 others as the result of tortures and the direct effect of prison conditions.

CSO: 3010/101

MILITARY COURT OFFICIAL ON DETAINEES

PY151138 Paris AFP in Spanish 1517 GMT 14 Oct 81

[Text] Montevideo, 14 Oct (AFP)--Col Federico Silva Ledesma, chairman of the High Military Court, has stated that if the former Blanco Party presidential candidate, Wilson Ferreira Aldunate, returns to Uruguay he will be arrested since military justice is looking for him.

He also noted that Tupamaro leader Raul Sendic is in good physical and psychological condition.

Colonel Silva Ledesma said that Ferreira Aldunate is being sought by the military court and that, therefore, if he is found in Uruguayan territory "he will be detained."

He noted, moreover, that there is no possibility of extraditing him since he is being sought for military crimes and these are not subject to that measure.

Former Sen Wilson Ferreira Aldunate lost the Uruguayan presidential elections in 1972 by a slight margin of votes to Colorado Party candidate Juan Maria Bordaberry. After the establishment of the civilian-military process he went into exile and the military court issued a summons against him on charges of cooperating with subversion.

Regarding the situation of Tupamaro leader Raul Sendic, Colonel Silva Ledesma said that at present he is physically and psychologically well. He noted: "At the time of his arrest in 1972 he was wounded but he underwent surgery on his face and is now much better. He is, therefore, in perfect physical and psychological condition."

Colonel Silva Ledesma also noted that at present the number of persons who are under arrest on charges of subversion total 1,060.

He added that 480 detainees had been put on probation but that they had fled the country.

He noted that there are only 46 cases which will be tried in 1982 and that of the 1,060 detainees 924 are men and 136 women.

CSO: 3010/101

MEDIA PERMITTED IN COUNCIL OF STATE MEETINGS

Montevideo EL DIA in Spanish 8 Oct 81 p 10

[Editorial: "Thirteen Votes Against"]

[Text] Finally, the Council of State has decided to allow journalists from various news media to attend its meetings.

Thus, after an 8-year ban, there will be a return to a healthy practice which will allow people to be fully informed about everything that goes on at the former Senate whenever the subjects discussed are of national interest, namely, those which can and must be discussed in that forum.

However, 13 council members voted against this decision. Thirteen is a bad number at least for those who, even in our computerized world, still believe in evil attached to this number.

It seems that the discussion of this issue has taken place "off the record" which means that we will never know the opinions of the opponents of the plan to reopen the doors of this forum to accredited journalists. But we certainly would have liked to know what their reasons were!

CSO: 3010/101

BRIEFS

ARMY APPOINTMENTS, RETIREMENT--Gen Julio Cesar Bonelli has been appointed commander of the 2d Army Division. Gen German de la Fuente has been designated director of the Information and Defense Service. Lt Gen Luis Vicente Queirolo has resumed his position of army commander in chief after a sick leave. [Montevideo LA MANANA in Spanish 17 Sep 81 p 2 PY] Montevideo, 7 Oct (AFP)--Gen Ivan Paulos, chief of the Information and Defense Service, has voluntarily retired. [Paris AFP in Spanish 2324 GMT 7 Oct 81 PY]

SOCIAL SECURITY DIRECTOR--Gen (Ret) Hugo Linares Brum has been sworn in as Social Security Board director. He replaces Gen Julio Cesar Bonelli. [Montevideo EL DIA in Spanish 29 Sep 81 PY]

STATE COUNCIL VICE PRESIDENTS--Federico Garcia Capurro will be the first vice president of the Council of State and Adolfo Gutierrez will be the second vice president. Their term will end on 15 March 1983. [Montevideo EL DIA in Spanish 16 Sep 81 p 6 PY]

BALANCE OF TRADE--Montevideo, 1 Oct (AFP)--Officials from the Bank of the Republic have reported that in the first half of 1981 imports amounted to $750,678,000 and exports amounted to $624,323,000, thus reducing the trade deficit for the first time in 6 years. Fuel purchases in the first half of 1981 amounted to $201,422,000. Brazil was the main buyer and supplier in this period. [Paris AFP in Spanish 1102 GMT 1 Oct 81 PY]

LEATHER PRODUCTS EXPORTS--In the first half of 1981 Uruguayan exports of leather and leather goods reached $61,170,729, slightly less than in the same period of 1980. The main buyer of Uruguayan leather products in 1980 was the European Economic Community, which purchased goods for $81,358,594. [Montevideo EL DIA in Spanish 2 Oct 81 p 6 PY]

TRADE AGREEMENT WITH GDR--A trade agreement has been signed between Uruguay and the GDR implementing the sale of Uruguayan citrus products, textiles, leather products, rice, grains and frozen meat to the GDR. In turn the GDR will sell equipment for ports to Uruguay. It is estimated that this exchange will surpass $7 million. [Montevideo EL DIA in Spanish 11 Oct 81 p 4 PY]

CSO: 3010/101 END

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SPANISH NEWSPAPER INTERVIEWS PRESIDENT VIOLA

PM220849 Madrid YA in Spanish 6 Oct 81 p 9

[Interview with Argentina's President Viola by Manuel Calvo Hernando in Buenos Aires: "Our Task Is Not Confined To Eradicating Subversion"; date not specified]

[Excerpt] [Question] Could you describe the current situation in Argentina for us?

[Answer] The political, economic and social situation in Argentina currently displays the vicissitudes inherent in the thorough transformation which the PRN [presumably, National Recovery Plan] was intended to achieve. In fact our task is not confined to eradicating subversion but is aimed at removing all those factors which since 1930 have prevented political life from proceeding within those parameters of stability which are a prerequisite for the genuine development of our potential. In order to achieve that aim it is necessary not only to adjust political institutions--government and social and party--as a whole to the times in which we are living, but also to transform our production structures in such a way that the Argentine people's creative work will not prove unproductive but, on the contrary, enable us to join vigorously the group of the world's most advanced nations. Although the cost we must fact involves criticism from those sectors which cannot fully understand the magnitude of the task, I am quite certain that when this transformation begins to produce its results they will end up by accepting and even applauding the efforts which have been made.

[Question] What are the country's prospects?

[Answer] I believe that the long-term prospects are promising, and I will explain to you that, because of a personal mental predisposition, I always attach greater importance to what our great aspirations--which sometimes may seem rather renite in time--constitute than to the difficulties which we encounter on our way. Argentina possesses great resources, a first-rate population, hard working and prepared to make sacrifices for the country, and the material means to be able through their effort to transform those resources into a greater and better quality of life for everybody. That is why I tell you this is our task, and although short-term problems certainly receive my attention, I do not forget that it is this new, powerful and vigorous Argentina which must act as the center of gravity of our actions.

[Question] Have you considered any date for the normalization of the political process?

[Answer] I have said, and I reiterate this, that the normalization of the political process involves attaining the aims, part of which I listed to you in my previous answer. I am not prepared to hurry any timetable of this kind of my conviction tells me that it is not the right time to do so. The task with which the armed forces have entrusted me and which many of the people share is to establish an extremely strong foundation, a democracy which can serve to enable the Argentine people, not only of this generation but of others to come, to channel their political life through institutions which will really satisfy the needs of a progressive and plural society such as ours. We wish to build a democracy which will be a source of pride for the Argentine people of the year 2000. As you can see, a task of such magnitude cannot be confined to a mere timetable.

This Is No Crisis

[Question] What measures are being adopted to resolve the economic crisis?

[Answer] I have said previously that we should be careful about the use of the word "crisis." As [Spanish philosopher and statesman] Ortega said, any crisis is the gravest for its contemporaries. Moreover, there are different kinds of crisis. Such as, for instance, that of adolescence or growth. But, beyond this digression, I would not describe the current economic situation as a "crisis." And I will explain to you why: Using military reasoning, a crisis implies a situation characterized, among other factors, by an absence of reserves. However, Argentina has reserves, and very abundant reserves, of every kind--moral, social and economic. By drawing on them I am certain that we will rapidly surmount the current short-term situation. As regards specific measures, I can tell you that we have begun by giving the peso an appropriate exchange rate. We have also achieved rapidly a quite appreciable reduction in interest rates. Our foreign currency reserves are increasing steadily each month. We are studying a set of measures to make possible a higher level of activity for the industrial sector. We are expecting a record harvest. But beyond that we are continuing to bear in mind that Argentina of the future which is the aim of our efforts. In this connection I can tell you that, together with a vigorous reduction of the importance of the public sector in the economy as a whole, we are determined to promote full exploitation of many reserves in the fields of energy, fisheries, the agricultural industries and many other fields of economic activity.

[Question] Do these measures represent any substantial change in relation to the previous government's economic policy?

[Answer] These measures represent the continuation of an economic philosophy which was opportunely explained by the armed forces in 1976. As for implementation, this is being adjusted to the current situation which we are experiencing, since actual conditions, as you know, are fluid, uncertain and dynamic. Moreover, unintended or unwanted effects can often occur in the course of implementing an economic policy. That is why it is necessary constantly to monitor the evolution of the situation and adopt the measures which circumstances render advisable.

The "Missing Persons"

[Question] Has the so-called "missing persons problem" finally been resolved?

[Answer] The antisubversion war which we have waged has left behind--like all wars--unwanted consequences which the government, as far as possible, is attempting to rectify. It is more than obvious to point out that this issue about which you ask is especially delicate. The national executive power is following its progress with the utmost caution, and is aware that time, everybody's understanding and the desire for peaceful coexistence will gradually resolve it adequately. But I also wish to point out to you that when we speak of the "missing persons problem" we must be very discriminating with respect to the fact that different kinds of case which do not fit the same circumstances are being lumped together. How many individuals who figure as missing persons are operating throughout the world as part of the international of terror? I assure you that there are not a few of them.

Cortizar, French

[Question] Do you have any comment to make about the acquisition of French citizenship by writer Julio Cortazar?

[Answer] The acquisition of French citizenship by the writer Julio Cortazar is a private action on the part of that gentleman on which I do not wish to comment. On the other hand, our people, and especially our young people, are increasingly proud of their nationality, are deeply moved when signing the verses of our national anthem, travel tirelessly to the furthest corners of our fatherland, study its history eagerly, are prepared to defend it to the extent of giving their lives for it and thank God our Lord for the magnificent legacy which they have received and in whose spiritual aspect Spain--the motherland--played such an important part.

Relations With Spain

[Question] What is the current state of relations with Spain in the political, economic and cultural fields?

[Answer] Relations with Spain in the economic, political and cultural fields are experiencing a particularly fruitful time in all spheres. This is not surprising, since we Argentinians have always felt part--and I say this with pride--of everything represented by Spanishness. Moreover, it is natural that this should be so, since we never forget that the ties which bind us to Spain are--far more than economic--emotional ones, since they are the most direct ties--the ties of kinship. In the last analysis, Spain has given us our being, since it handed down to us our language, with all the rich treasure house represented by the Spanish language. It taught us to worship God and to thank Him constantly for life's gifts. And it handed down to us that profound, deep-seated love of the fatherland, which is so much a characteristic of yours. That is why on the occasion of the visit with which their majesties King Juan Carlos and Queen Sofia honored us, the entire Argentine people turned out onto the streets to demonstrate to them in that way all the affection which we feel for them and for what they represent. The transition to a democratic system in Spain has been observed with great interest in Argentina, and since that is also the intention of the armed forces government, it has served and continues to serve us as a guide and as an experience for carrying out skillfully the course on which we have decided. I believe that exchanges in this respect will continue to increase. I am certain that the coming visit to your country by commander in chief of the army and member of the Argentine military Junta Lt Gen Leopoldo Fortunato Galtieri will be a clear demonstration of our desire for mutual communication.

[Question] Is any improvement or perfecting of Spanish-Argentine relations in any of these three aspects envisaged?

[Answer] Yes, of course, our ties are lively, and that is exactly the opposite of stagnation. Argentina knows that it still has much more to give or receive from Spain in all spheres of human activity. There are currently excellent prospects in our country for investors in yours, for instance. In the fields of science and technology, manufacture and education, there is a whole range of options for interchange which we do not wish, nor should we, to fail to take advantage of. Believe me that we firmly intend to improve and perfect our relations and wish (and we are certain that this will be so) to be reciprocated by your government.

CSO: 3010/131

BRIEFS

REVISION OF FINANCIAL SYSTEM--Buenos Aires, 20 Oct (NA)--The Argentine Industrial Union [UIA] today officially released a document in which it requests "the revision of the financial system." Denounces the "unfulfillment of the objective of reorganizing the state," and adds that "13 percent of the economically active population were underemployed or unemployed by June 1981." The UIA also reported that during a press conference to be held tomorrow at 1730 at the UIA building, it will release the results of a technical study on the factory situation. The document released today was prepared by the UIA in the beginning of October during a meeting of 130 entrepreneurs held in the city of Cordoba. The report states that the real salaries of factory workers dropped 20 percent during the first 7 months of the year and states that "between October 1980 and April 1981, the unemployment rate doubled." The UIA maintains that between January 1980 and August 1981 the "transfer of revenues of the financial system debtors to the suppliers of funds amounts to 18 percent of the gross domestic product, excluding 12 percent in real interests annually." [Excerpts] [PY211911 Buenos Aires Noticias Argentinas in Spanish 0057 GMT 21 Oct 81]

CSO: 3010/131

PAPER QUESTIONS PREMIER PRICE'S REPORT ON ECONOMY

Belize City THE REPORTER in English 13 Sep 81 p 5

[Text] Premier George Price in his State of the Nation address earlier this week struck an upbeat note, reporting that although the development of Belize was not an easy task, the government had worked hard and had accomplished much during 31 years of peaceful, constructive Belizean revolution.

The Premier cited the democratic process, a mixed economy and laws of social justice as achievements to the credit of his government. On the economic side he cited a balanced budget and capital spending amounting to $16.6 million financed from Belize's own revenue resources.

But on closer scrutiny the [word indistinct] are more revealing:

3 million from recurrent revenue.

1.3 million from capital revenue to make a total income of 77.6 million.

From this income the government was able to spend:

62.8 million on recurrent expenditure, and

16.6 million on capital (part 11), and still have a surplus of 1.4 million, a mathematical impossibility.

79.4 million.

The Premier claimed that there had been an improvement of 3.5 per-cent in the real gross domestic produce of the country during the fiscal period ending March 31, 1981 which he attributed to good world prices of sugar, citrus and bananas, but neglected to say that these favourable gains of a year ago have been more than wiped out by the drastic plunges of sugar prices this year which are causing severe problems in the north.

In marked contrast to the State of the Nation's optimistic note is the report, just released, of the Monetary Authority which on its section on public financing on page 11 shows the extent of government borrowings on the local market to keep its nose above the water.

"The first half of the new fiscal year (for which official data are available) revealed a deficit on Central Government operations of about $8.5 million. Revenue collection during this period was $38.2 million while total expenditure was $46.7 million. This was in sharp contrast to a surplus of $2.9 million witnessed during the corresponding period of 1979. There was considerable delay in reimbursement of expenditure on projects funded by foreign governments and institutions. Capital receipts during this period were only 7.2 per-cent of the anticipated collections for the year.

"Financing of the overall deficit was made possible largely through increased borrowings from the domestic system. Public Sector's local borrowing rose throughout the year and accounted for nearly 56 per-cent of the total expansion in gross domestic credit of about 14.8 million. Direct (net) borrowings of Government from the commercial banks progressively increased from $4.0 million in 1977 to $5.2 million in 1978 to $8.7 million in 1979. In 1980 it showed a slight decline to $8.6 million.

"Thus, over a period of four years (1977 to 1980) direct (net) borrowings of Government from the commercial banks rose by over 117 per-cent."

CSO: 3020/11

BRIEFS

MEXICAN AMBASSADOR--Mexico has been the first off the mark in appointing an Ambassador to Belize. He is Lic. Pedro Gonzalez Rubio S. (for Sanchez), a career diplomat and former Head of the Department of the Americas. Last Wednesday His Excellency the Ambassador called on Her Excellency the Governor-General Dr. Minita Gordon in Belmopan to present his credentials. Dr. Gordon welcomed the new Ambassador, Belize's first, and expressed the hope that he would enjoy his stay in Belize. Ambassador Gonzalez Rubio is a career diplomat who joined the Foreign Service in 1970. He comes to Belize from Mexico City where he has been serving since 1979 as Deputy Director for Latin America and the Caribbean in the Political Division st the Mexican Foreign Office. He has served in India, Israel and Belgium and at the Foreign Office has held the following posts: Head of the Department of Treaties, Head of the Department of Europe, Asia, Africa and the Oceanic Countries, Head of the Department of the Americas. He was also at one time Deputy Director of the Diplomatic Service and Deputy Director of Protocol. Ambassador Gonzalez Rubio came to the diplomatic service from a teaching background. At the Engineering School of the University of the Americas in Mexico he was Co-ordinator of the Department of the Humanities and is an expert on the Sociology of Mexico. He is 41. [Text] [Belize City THE REPORTER in English 4 Oct 81 p 1]

CSO: 3020/11

'HOY' SCORES GOVERNMENT ECONOMIC POLICIES

PY202333 Santiago HOY in Spanish 7-13 Oct 81 pp 7-9

[Article by Ignacio Gonzalez Camus]

[Excerpts] Through its political speech the current government has ended up by proclaiming itself the supreme arbiter of the free market and anti-Marxism. The compendium of its speeches has termed it as the light in the darkness of a misguided, decadent and accommodating world. There have been other lights which burned out (such as that of General Francisco Franco) but that of Chile has continued to shine in the same way.

But what have we come to now? We have reached a certain mistrust among the supporters of the regime, who undermine the foundation of the ideological pillars--especially the economic ones. Journalist Silvia Pinto in COSAS magazine pointed out that among the junta supporters "there has been a consensus on the government's mistakes" and that there is a "common language" in this regard. The atmosphere of unrest surfaces in many conversations.

So now, it seems that the class of the "heretical" has appeared, who wonder about those undoubtable, untouchable and immutable truths which conform to the dogma of the plan. The pro-government criticizers do not question the essence of the economic institutionality, but various of its important aspects. EL MERCURIO, for example, had strongly supported the fixed rate of exchange. At present it considers this fixed rate a component of the whole.

According to some economists of the opposition, this generalized phenomenon probably is due to the fact that many have been harmed in the short term by the results of those policies.

Therefore, the looks are directed toward the cornerstone of that system: the chief of state, Gen Augusto Pinochet. He says that his faith is the source of his energy and wishes no one to doubt it. This is why he reiterated that the economic pattern and finance minister will not be changed.

He also emphasized that it is not true that the economic team takes one path and he another. Everything is approved. He told the incredulous: No sirs, you are wrong. Not a single leaf moves in this country unless it is me who is shaking it."

This emphasis on his centralizing power as a virtual force of nature is accompanied by the belief of some of his partisans in destiny and fate. One frequently finds among them absolute confidence in the intuition and capacity Pinochet supposedly has to overcome adverse situations. Journalist Alexis once said that the chief of state "was lucky."

Edgardo Boeninger, former rector of the University of Chile, holds that at present it can be asserted--without any doubt--that the Chilean economic miracle no longer exists. Any insignificant crisis has its impact on the whole system. And when that happens, the two or three economic groups with most power and resources try to get those emergencies resolved.

He added that the supposed "automaticness" which the economic pattern has to solve the crisis and the belief that state intervention is harmful are other questionable myths. In view of the current problems, several formulas to solve the crisis are proposed; and as a consequence there is no agreement on points of view.

From his point of view, this somehow brings a certain degree of political discredit on those responsible for the dogma.

There are other proofs of the apparent weakening of the "infallibility" attributed to the system. EL MERCURIO has pointed out that "adverse international economic situations have uncovered the frailness of many undertakings and enterprises" and advocated corrections which will prevent "indiscriminate permissiveness."

Former economy minister Pablo Baraona's warning on the future was very clear: the economic groups must not forget that "it is not only a question of making the maximum profit but, very especially, of taking care of the system." He requested the groups to behave. Otherwise, he continued to be markedly antistate: We must continue to do away with the areas of enterprises and businesses maintained by the state in order to allow the entry of private capital. The groups are short of fields to invest in.

In this regard, Maximiano Errazuriz in his column in LA TERCERA also voiced his concern over the future. He sustained that time is running out: There are not 8 years left but only 4 or 5, at the most, for a "relatively easy" integration of the Chileans.

Within the atmosphere of distrust regarding the dogma, the "hardliners" were not very merciful. Gaston Acuna accused the dogmatists ("place-hunting charlatans" ["chicharras exitistas"]) of trying to link the regime's political destiny to mere economic success and of trying to create a materialistic morality. But "now they tremble and hesitate with the first shower of rain.... What has become of that insolent security they used to have?"

Other "hardliners" point out that there already is a relative change and that the necessary adjustments to maintain the global policy are being made: larger state investments in infrastructure; larger expenses in the social sector; and the banks' superintendency law which granted the organization powers to strongly interfere in the system.

Regarding this latter measure, attributed in the first place to the pressure of the "hardliners," it is claimed in well-informed circles that the most effective force for its approval came from the international financing organizations, somewhat shaken by the bankruptcy of CRAV [Vina Del Mar Sugar Refining Company].

Other sources are speculating on Pinochet's warning that he is studying a law to investigate the origin of the great fortunes (the "multimillions" of the multimillionaires). It is believed that this has been promoted by the "hardliners." According to the chief of state, it is a project which might or might not become a reality. But some economists wonder whether the current process of absorption of the bankrupt companies by the groups could be considered as one of "enrichment"; and whether the inheritance tax, which had disappeared, should be revived in order to investigate the great fortunes.

The tangible distrust regarding the dogma resulted in a stream of rumors on the fate of the finance minister and his team. There was talk about his possible dismissal, but Pinochet stopped these rumors with his statements.

But there are pro-junta circles--the "hardliners"--who insist that, inexorably, there will be adjustments in the economic policy. Others have even said that at some time we could be faced with an unusual situation: one where the groups will end up requesting adjustments to be able to survive because their businesses will probably end up aggravating the current conditions. One of the reasons for this would probably be the untenable increase of the volume of the irrecoverable debts of the banks.

Anyway, every applause which was heard for the reaffirmation of the current economic policy made by Pinochet last week was followed by a "however."

CSO: 3010/109

CARDINAL MEETS POPE, TO MEET MITTERRAND

PY212035 Buenos Aires LATIN in Spanish 1830 GMT 20 Oct 81

[Excerpts] Santiago, Chile, 20 Oct (LATIN-REUTER)--According to a statement made here today by the Santiago archbishop, Pope John Paul II said today that if Argentina and Chile do not arrive at an understanding over the southern border dispute, it will have fatal consequences in Latin America.

Cardinal Raul Silva Henriquez, chief of the Chilean Catholic Church, this morning held a 30-minute meeting with the Pope in his private office in the Vatican.

During a telephone call to a local radio, Msgr Silva Henriquez said that during the meeting with the Pope they discussed the Argentine-Chilean border dispute, which is under the Pope's mediation.

Cardinal Silva added: "The Pope expressed his hope that the mediation will be successful since he believes that if Chile and Argentina do not arrive at an understanding it will be fatal not only for the two countries involved but also for all Latin America."

He noted that the Pope had said that this was the main reason why he agreed in 1979 to mediate in the border dispute at the request of the Chilean and Argentine governments.

Msgr Silva Henriquez also said that the Pope had requested him to pray for the success of the mediation and expressed his hope that the mediation will be successful.

Silva Henriquez also said that he had been invited by French President Francois Mitterrand to visit France after the Vatican negotiations to draft a new Canon Law end.

The cardinal did not disclose, however, the exact date of his visit to France, but he did say that the French President had already established a date for their meeting.

CSO: 3010/109

EXPLOSION IN VALPARAISO MARITIME CHAMBER DISCUSSED

PY161953 Santiago Chile Domestic Service in Spanish 1630 GMT 16 Oct 81

[Text] A violent explosion occurred today at 0818 in the basement of the premises of the maritime chamber of Valparaiso. Three persons were injured, including a sub-lieutenant of carabineros.

According to the version given by (Manuel Velasquez Gimenez), the building's guard, an unknown youth handed him a cylindrical package. The package was obviously meant for the chamber's chairman, but the guard became suspicious and took the package to the basement, leaving it in a trash can.

The guard then called the carabineros. Sub-lieutenant (Luis Cornejo Rojas), of the fourth district, and carabinero (Eduardo Guerrero Aguirre) arrived quickly at the chamber's premises. After being informed of the incident, the officers went to the basement where they joined (Jorge Jensen), an administrative employee of the chamber. While the four persons were next to the trash can in the basement of the building, located on Blanco Street, two blocks from (Sotomayor) Plaza, the artifact exploded.

As a consequence of the explosion (Cornejo) suffered leg wounds, the building's guard multiple cuts and (Jensen) cuts from the shrapnel. The carabinero was not injured. (Cornejo) was admitted to the port's naval hospital while the other two were taken to a public medical post.

(Rodolfo Garcia), the general manager of the maritime chamber, told Radio Nacional that he did not believe the crime was committed by former maritime workers. He indicated that the crime was planned and carried out by individuals who have nothing to do with the chamber and who are taking advantage of the discontent over the modifications carried out within the labor system.

According to a medical report, the three injured persons have been attended to and their injuries are not serious.

CSO: 3010/109

GOVERNMENT STUDY ON COMPENSATORY TRADE MEASURES

PY212112 Buenos Aires LATIN in Spanish 0209 GMT 20 Oct 81

[Excerpt] Santiago, Chile, 20 Oct (LATIN-REUTER)--The Finance Ministry disclosed that the Chilean Government today agreed to study compensatory measures to counteract the subsidies granted by some countries on products imported by Chile.

According to the current foreign trade opening, all imported goods have to pay a 10 percent import tax, which is something the industrial sectors are complaining about.

A communique issued by Finance Minister Sergio de Castro states that the Central Bank will analyze and investigate charges of unfair competition as a result of the subsidies granted by other countries on products to be sold to Chile.

The communique states that these investigations will be carried out as soon as it becomes obvious that the national producers are seriously affected. Otherwise they will have to continue competing in the internal market with the established 10 percent import tariff.

It adds that "the government will proceed to study the implementation of compensatory measures which will counteract the subsidies through an added tax on the subsidized goods," should this abnormal situation prove to exist.

This is the first time that President Augusto Pinochet's government has agreed to interfere in order to modify the regulations of foreign trade, which are ruled by free competition within the domestic market.

So far, the government has answered the requests made by the industrial sectors by stating that the local manufacturing sectors should adjust to the regulations of foreign competition by updating their production system.

It has also maintained the dollar exchange rate at 30 pesos to the dollar for 2 years despite the fact that some exporters have sustained that this is harmful for the sales abroad.

CSO: 3010/109

BRIEFS

JOINT PEACE EFFORTS--San Jose, 6 Oct (AFP)--Oliver Tambo, president of the African National Congress (ANC), and Guillermo Ungo, foremost leader of the Revolutionary Democratic Front (FDR) of El Salvador, have agreed to cooperate permanently "toward the common objective of peace, justice and liberation of their peoples." In a communique released here today, the FDR states that Ungo and Tambo met to discuss the situation of South Africa and Latin America and agreed on the necessity of cooperation between the two revolutionary political organizations. According to the communique, the ANC president stressed "total support for the struggle of the Salvadoran people for a democratic-revolutionary government." Tambo also underscored "the necessity of an all-encompassing political solution to the conflict, based on recognition of the popular forces represented by the alliance of the FDR and its armed branch, the FMLN, as the political representatives of the Salvadoran people." According to the communique, disclosed here by the Agencia Independiente de Prensa (AIP), linked with the Salvadoran opposition, Ungo "condemned the inhuman policy of apartheid of the ignominous regime of South Africa and called on the international community to implement the UN resolution demanding sanctions against this regime." [Text] [PA071609 Paris AFP in Spanish 0122 GMT 7 Oct 81]

BANANA WORKERS' STRIKE--After 18 hours of negotiations in which the labor ministry served as mediator, the Banana Development Company, BANDECO, reached an agreement with its workers, ending their 2-week strike through the signing of a second collective bargaining agreement. The two sides agreed on a 40-percent wage increase for the workers, including the minimum wage increase to be established for 1 January 1982, by the National Wages Council. The workers will also receive different housing and various economic, labor and union benefits. [PA081508 San Jose Radio Reloj in Spanish 1130 GMT 7 Oct 81]

NEW DEPUTY ECONOMY MINISTER--(Manuel Guevara) was sworn in this afternoon as the new deputy economy, industry and commerce minister. He replaces (Jorge Cespedes) who resigned last week to dedicate himself to private activities. [PA021344 San Jose Reloj in Spanish 0100 GMT 2 Oct 81]

COFFEE REGULATION COMMISSION--The government has created a commission to regulate coffee marketing. The decree creating it has been published in the official GAZETTE. The commission will exert control over all mechanisms connected with coffee marketing because there is poor coordination among bodies connected with this function. [PA021344 San Jose Radio Reloj in Spanish 0100 GMT 1 Oct 81]

CSO: 3010/128

HAVANA PESSIMISTIC ON OUTCOME OF CANCUN SUMMIT

PA201404 Havana International Service in Spanish 0000 GMT 20 Oct 81

["World Events" commentary]

[Text] The speech made last Thursday in Philadelphia by U.S. President Ronald Reagan has triggered deep concern across the entire world regarding the possibilities on the north-south dialogue to be held this week on the Mexican Island of Cancun.

Of course, not even the most naive think the Cancun talks will resolve in a satisfactory way the negative economic situation of the developing countries which is a consequence of the unfair rate of exchange imposed by the industrialized capitalist countries.

But it could be expected that the meeting on this Mexican island will not result in a simple dialogue among the deaf. And this is precisely what is presaged by Reagan's speech in Philadelphia.

The U.S. president clearly said in Philadelphia, just 1 week before the Cancun dialogue, that the United States is not willing to improve its economic and commercial relations with the developing countries. Referring to this issue, Reagan said that among the fundamental measures to be adopted by his government regarding the nations of the so-called third world, is the improvement of the climate that prevails in those countries regarding the investment of the transnational enterprises.

The words of the White House chief cannot be more discouraging since these investments are one of the basic causes of the poverty, imbalances and deformations of the economies of the developing countries, which will be represented at Cancun by 14 states from all the continents.

This simple piece of information reveals the magnitude of the problem. Within the 1970 to 1978 period, U.S. transnational corporations invested $8.7 billion in the underdeveloped countries and obtained profits of $39 billion. That is, for every dollar they invested, they got $2.40. And, as Ronald Reagan says, the United States wants these already intolerable conditions to become even more profitable in the future.

During his peeech last Thursday at the world affairs council in Philadelphia, Ronald Reagan also cautioned that his government will propose at Cancun the expansion of the system of generalized preferences. Through this medium, the industrialized capitalist countries unilaterally modify, and only for their advantage. The customs

for importations from developing countries which depend economically on their supply of raw materials. In other words, Reagan announces that the United States will continue to pay the prices it deems appropriate for the products it imports from the underdeveloped countries, prices which are increasingly lower and which cause the extraordinary imbalances in the third world's commercial exchange and, consequently, its unbearable foreign debt.

It is a death blow by imperialist exploitation to the just aspirations of the impoverished countries which clamor for a new international economic order.

President Reagan says no to the mass transfer of capital to the developing nations and, at the same time, fosters the increase of private investments, which would mean an even greater sacking of these countries' natural resources.

As the saying goes, you cannot grow pears on an oak tree, but President Reagan must bear in mind that the situation of over 100 underdeveloped countries needs urgent solutions. Closing one's eyes to this truth would not only be political myopia, but also in defiance of humankind and a new threat to world peace.

The responsibility for these crimes would fall on the Washington government.

CSO: 3010/135

HAVANA COMENTS ON BUSH'S LATIN AMERICAN TOUR

PA191255 Havana International Service in Spanish 0000 GMT 19 Oct 81

["Our America" commentary]

[Text] We have been receiving extensive and detailed information on the recent visit by George Gush, U.S. vice president and former chief of the sinister U.S. Central Intelligence Agency, CIA, to the Dominican Republic and Colombia. The truth is that the imperialist representative did not actually visit these two countries, but their pro-Yankee regimes.

George Bush arrived in the Dominican Republic on 11 October. A week before his arrival, however, Santo Domingo and other cities of that country were the scene of popular meetings and demonstrations in protest of the visit by a genuine representative of the aggressive and interventionist policy currently displayed by the U.S. Government, which is directed particularly against the Central American and Caribbean countries.

Naturally, Silvestre Antonio Guzman, the obedient Dominican servant of Washington, ordered the repression of the demonstrators, the arrest of the rebels and the display of a spectacular security system, by which members of the armed forces and the police, together with a large number of CIA agents, practically militarized the city of Santo Domingo. The Dominican people's rejection of Bush's presence in a country so often violated by Yankee marines was so intense that the visit to Santiago de Los Caballeros planned by the U.S. vice president had to be cancelled and the universities and other schools were ordered closed, to avoid massive student demonstrations and demands that the unwanted visitor get out of the country, that the United States keep its hands off El Salvador, along with other anti-imperialist sentiments.

The unpopular Dominican Government, naturally, prevented these demonstrations as Bush and his group were transferred from the Las Americas Airport to the city of Santo Domingo, protected by a heavy cordon of repressive agents, which blocked traffic and dispersed the crowds.

During his visit George Bush praised the democracy existing in that Caribbean country, the very democracy that permits Silvestre Antonio Guzman to brutally repress any anti-imperialist protest by his people, forces him to become an accomplice to the bloody Haitian dictator, Jean Claude Duvalier, and encourages him to repeatedly adopt anti-Cuban attitudes, such as refusing visas to Cuban athletes,

trainers and officials, thus preventing them from attending sports events or international meetings in Santo Domingo and other Dominican cities.

No less severe, and indeed rather strict, were the security measures established to protect the U.S. vice president during his 22-hour stay in Colombia, where not even reporters were able to approach him. Bush arrived at a militarized Bogota on 13 October. Once again for security reasons--which we would describe as fear of the Colombian people's indignation--his plane did not land at the capital's international airport but at an air force base, from which he was taken to the government palace by helicopter. There he met with another Latin American servant of Washington, President Julio Cesar Turbay Ayala.

Although the topics discussed by Bush and his servile host were not officially revealed, it was learned that, just as in the Dominican Republic, the two engaged in an exchange of all kinds of lies and slanders against Cuba and the USSR, while the Washington spokesman tried to justify his government's aggression against Nicaragua and Grenada and its shameless intervention in El Salvador.

During Bush's visit to the governments of the Dominican Republic and Colombia, U.S. imperialist policy was again supported by Guzman and Turbay Ayala, while the peoples of the two countries clearly expressed their rejection of the representative of that brutal and repressive power of the north that scorns them.

CSO: 3010/137

U.S. 'AGGRESSIVE' LATIN AMERICAN POLICY VIEWED

PA200355 Havana International Service in Spanish 2310 GMT 19 Oct 81

["Our America" commentary]

[Text] The hawk view military maneuvers from 7 to 9 October by U.S. and Honduran forces. Close to the Nicaraguan shores, are part of Washington's plans to reactivate the ailing Central American Defense Council [CONDECA] and to involve the reactionary Honduran, Salvadoran and Guatemalan armed forces in the Pentagon's aggressive plans against the Nicaraguan revolution.

Besides holding these hostile maneuvers, there are other unmistakable indications that the United States is intensifying its preparations to attack Nicaragua.

Imperialism is intensifying its propaganda campaign against the Sandinist Government, counterrevolutionary activities of the former Somozist guards stationed in Honduras are increasing and Washington is increasing the shipment of modern weapons to Central American dictatorial regimes.

While implementing these aggressive plans, U.S. imperialism is not resting in its vast campaign to destabilize the Nicaraguan revolutionary process as was recently revealed in Managua by former CIA agent Philip Agee, well aware of the criminal, subversive and terrorist activities of this U.S. intelligence organization which he served for over a decade.

As long as Reagan does not get the crazy idea of invading Nicaragua, Agee said in a news conference, the CIA will continue promoting internal counterrevolution in the country and will do all in its power to destabilize the Sandinist Government. Among these plans, the former CIA agent mentioned the intensive international slander campaign waged by the United States so that the socialist international will withdraw its support of Nicaragua and so that credit organizations will refuse it any loan.

The U.S. CIA, Philip Agee added, will continue promoting border provocations by former Somozist guards stationed in Honduras. It will try as it has unsuccessfully done so far, to divide the FSLN leaders and even try to murder them and other government officials.

Agee also said that another CIA method used in destabilizing regimes was the penetration of the country's information media. As far as I am concerned, he emphasized, I would be greatly surprised if Managua's la Prensa had not been infiltrated already by the CIA.

Finally Philip Agee emphasized that peoples must be familiar with the details of this espionage organization, discover its agents and be on the alert, so that the White House, Pentagon and U.S. people realize that a military intervention against Nicaragua or another Central American nation would have a high cost in lives of U.S. citizens.

In regards to the hawk view maneuvers, an obvious rehearsal of a U.S. invasion of Nicaragua, we must remember that some weeks ago during the Caribbean part of the ocean enterprise 81 military maneuvers the Pentagon carried out in Puerto Rican waters a rehearsal of invasion of Grenada and a massive landing of marines at the Guantanamo Naval Base located in a territory occupied by the United States against the will of the Cuban people and government.

What Washington seems to forget, in spite of its not too distant debacle in Vietnam, is that in Cuba, Nicaragua and Grenada there are invincible revolutionary people who would rather die 1,000 times than to return to shameful pasts.

CSO: 3010/137

COMMENTARY SCORES REAGAN'S VIEWS ON NUCLEAR WAR

FL221552 Havana Domestic Television Service in Spanish 1310 GMT 22 Oct 81

[Unattributed commentary]

[Text] In a desperate effort to calm the unanimous condemnation elicited by his remarks on a limited war in Europe, the U.S. president has said--shortly before leaving for Cancun--that a nuclear threat against Europe would be considered as a threat against the United States.

Aside from the fact that no one has threatened NATO member countries and that, instead, it is the NATO countries themselves that have been going along with the U.S. game of indulging in an unbridled arms race, Reagan's clarification has obviously come a little late.

The entire U.S. Government propaganda apparatus has now undertaken the task of denying what hundreds of journalists heard, claiming that the newsmen have misinterpreted President Reagan. To contradict itself seems to be the norm of the discredited imperialist power. What is true--and the NATO member countries are well aware of this--is that the United States will sacrifice its allies if necessary.

Furthermore, what is the objective of the uncontrolled arms race undertaken by the current U.S. administration? Retractions and explanations are to no avail. Not even the meeting of NATO defense ministers held in Scotland was free from the doubts sowed in the minds of all Europeans by the remarks of the U.S. president. To serve as cannon fodder to benefit others is a rather sad role and, despite Caspar Weinberger's efforts to minimize President Reagan's remarks, Reagan's words hang like a sword over the heads of the European peoples. Could Reagan possible believe that he might be unharmed by a nuclear war? He must be crazy to believe that.

CSO: 3010/137

'OUR AMERICA' SCORES REPRESSION OF COLOMBIAN STRIKE

PA211440 Havana International Service in Spanish 2310 GMT 20 Oct 81

["Our America" commentary]

[Text] The national civic strike called for this Wednesday in Colombia has permitted us, among other things, to confirm that the government headed by President Julio Cesar Turbay Ayala is moving more toward Fascism every day.

Reports from Bogota, the Colombian capital, reveal that on the eve of the great labor mobilization over 100 labor leaders were arrested by the repressive forces. Simultaneously, there has been an intensification across this South American nation of threatening military measures to frighten the workers struggling to improve their economic and social situation.

The repressive measures are especially intense in Bogota, which in the past few days gives the impression of a city that has been militarily occupied. Soldiers equipped with rifles and teargas grenades and escorted by armored and armed vehicles are patrolling the streets of the Colombian capital, raiding homes and capriciously arresting citizens considered to be suspicious.

It is true that for the past three decades, there has existed in Colombia an almost uninterrupted state of siege imposed by the ruling governments trying to stem the struggle of the people in defense of their most elemental citizen rights.

But since 1978, when President Turbay Ayala assumed power, this situation has become worse, especially after the government issued the so-called security statute, which fosters greater intervention by the military commands in the state apparatus.

Under the protection of this extreme repressive measure, the Colombian military forces have arrested in the past 3 years thousands of popular fighters, many of whom have been savagely tortured and murdered. Killing those who oppose the government has become a daily practice that is expanding constantly.

Recently, the Communist Party of Colombia revealed in a document that groups organized by the high military commands of Colombia have assassinated over 60 members of this political organization in the past 8 months. The document gives the names of the victims and the way in which they were assassinated. The procedures used to kill these persons in no way differs from the practices used by the repressive forces of El Salvador, Guatemala, Uruguay, Chile and other nations of Latin America which have been universally condemned for their brutal and permanent violation of human rights.

It is very significant that the increasing repression and crime in Colombia has been accompanied by the increasingly aggressive, threatening and criminal guidelines of the policy of U.S. imperialism.

The government of Colombia has quickly been converted into an unconditional satellite of the Washington government, both in its domestic and foreign policy. Using the same pretexts traditionally employed by the United States to try to isolate the Cuban Revolution from the rest of the continent, Julio Cesar Turbay Ayala's government severed diplomatic relations with Cuba after shamefully lending itself to the imperialist maneuver to block the legitimate right of the Cuban delegation to a seat on the UN Security Council.

Totally submissive to the directions of Washington, the present Colombian Government is increasing its repression against the people, who demand solution of their gravest economic and social problems. This is the path being taken by Turbay Ayala toward Fascist positions, a route already taken many times in history by treacherous, incapable and irresponsible rulers which has always led them to defeat.

CSO: 3010/136

U.S. PLANS FOR RADIO FREE CUBA DENOUNCED

Havana VERDE OLIVO in Spanish 13 Sep 81 pp 14-15

[Article by Elpidio Valdivia]

[Text] On 1 September, official delegations representing Cuba and the United States issued statements in Washington expressing their satisfaction with the outcome of talks held concerning mutual radio interference.

That same day, also in the American capital, a spokesman for the State Department admitted that they were working feverishly to construct a powerful radio station that would be used to harass Cuba.

Reporting on this unusal incident, the French news agency AFP said that the announcement came "at a time when the two countries are discussing technical solutions to avoid radio interference."

The dispatch went on to say that the Cuban delegation had analyzed the problem with Federal Communications Commission officials, and a spokesman for the Cuban interest section in Washington declared that the talks may continue here or in Havana.

A spokesman for the International Communication Agency of the same State Department--AFP said further--termed the technical talks "good and fruitful" and added, "Both parties were happy with the progress made toward identification of possible options."

At the same time, a dispatch by the U.S. agency AP reported that Dean Fischer, spokesman for the State Department, "officially confirmed that the United States is actively considering the possibility of beaming special radio transmissions toward Cuba as one of the measures designed to increase American pressure on the regime of President Fidel Castro."

Five days earlier, the Spanish agency EFE had warned from Washington that the White House was considering the creation of a radio station directed toward Cuba that would primarily broadcast news of the internal affairs of that Caribbean archipelago.

"This plan to invade Cuba by the airwaves," the dispatch said, would be the same as that operating in Eastern Europe through Radio Free Europe and in the Soviet Union with Radio Liberty; and "it is one of the Reagan administration's highest-priority projects."

EFE then pointed out that those two radio transmitters directed toward the USSR and the other European socialist countries "were initially financed by the American Central Intelligence Agency" (CIA).

Moreover, the Soviet agency TASS reported from New York that the well-known American columnist Jack Anderson had written that, since May, the director of the CIA had drawn up a list of countries that are to be the object of "special attention" from that organization, and Cuba is one of the first nations appearing on that blacklist.

Nearly 3 months ago, on 17 June, the American Senate approved an amendment by member Jesse Helms--notorious for his ultraright stance--to the bill concerning State Department appropriations, empowering the United States Government to create the "Free Cuba" station.

Furthermore, Helms proposed to the senators that all the programing by the White House broadcasting station, the Voice of America, be incorporated with that of the so-called Radio Free Cuba.

At the same time, an interdepartmental group was created composed of representatives of the Board for International Broadcasting, International Communication Agency, and the National Security Council, and it was studying the organizational structure and the programing for its broadcasts to Cuba.

"After all, the Cuban people deserve more complete information about conditions in that country and about the activities of the Castro regime," a State Department official was quoted by the AP as saying on 31 August.

Other news agencies added that an amendment similar to the one approved by the Senate in June is being discussed now by the House of Representatives and that, if the bill is approved, the anti-Cuban broadcasting station would be located in the American state of Florida or on one of the Caribbean islands.

Recently, the bulletin WEST WATCH, published by the right-wing Council for Inter-American Security, reported that for a long time "pirate" radio stations run by the Cuban terrorist organizations Alpha 66 and Abdala have been triumphantly operating on United States territory.

In the opinion of some analysts, the radio project now being promoted by Helms and other prominent ultrarightists in the Republican administration is a part of the "short-term" measures against Cuba referred to in the past by the American secretary of state, Alexander Haig.

According to Haig, those steps have already been approved, and henceforth they will shift to consideration of "long-term" measures, from which military confrontation is not being excluded, according to the NEW YORK TIMES.

In an effort to justify the drawing up of this policy, Haig stated that it was necessary to "adopt measures against the source of instability in the region."

Shortly thereafter, on 1 September, the State Department asserted that American intelligence agencies had detected the presence of "at least some" Cuban advisers in El Salvador, where they were operating with the guerrilla fighters.

Both assertions were soundly refuted . . . in the first case, by the president of Mexico, Jose Lopez Portillos, and in the second, by a clear, unqualified statement by the Revolutionary Government of Cuba.

Lopez Portillo said on 31 August, when addressing his country's Congress, that "there can be no stability, democracy, and reduction of tension without attacking the economic and social causes of the problems oppressing the region," words that exposed the /true source/ [in boldface] bandied about so often by Haig and his acolytes.

Regarding the alleged presence of Cuban advisers among the Salvadoran guerrillas, the statement by the Cuban Government referred to above said in part:

"We have caught Haig and the United States Government in a flagrant lie. We call upon Mr Haig and his government, before the eyes of the world and of the United States itself, to provide the least bit of proof of these statements."

Fifteen months ago, a group of advisers of the so-called Santa Fe Committee for the United States Inter-American Security Council drew up a plan concerning what the country's Latin-American policy should be.

In one part, that document said:

"Among other measures, Radio Free Cuba will be created under the open responsibility of the United States Government. It will broadcast objective information to the Cuban people which, among other things, points out the costs of Havana's sacrilegious alliance with Moscow."

The proposal then recommended: "If propaganda fails, a war of liberation should be launched against Castro."

Significantly, some of the members of this group of advisers became prominent members of the country's new administration following the Republican victory in November of that year.

The Santa Fe Committee's plan, now duplicated as a government plan in Washington, constitutes a virtual act of aggression.

Moreover, as lawyers versed in international law have indicated, it constitutes a gross violation of the UN Charter and of the 1965 Declaration Concerning the Unacceptability of Intervention in the Internal Affairs of States and Protection of their Independence and Sovereignty, as well as the Statement of Principles of International Law, of 1970, the latter two also having been approved by the United Nations.

Assessing this shameless behavior by White House officials, the American newspaper the CHRISTIAN SCIENCE MONITOR concluded in August that, despite requests by Mexico and other countries that the United States seek an understanding with the Cuban regime, Washington is apparently determined to continue pursuing a "hard line" with Havana.

The aforementioned statement by the Cuban Government regarding Washington's latest steps notes, "Among other objectives, there is a clear intention to re-escalate its aggressive actions and its cowardly threats against our homeland."

This assessment finds support when psychological warfare against our country through the radio is announced, linked with the latest American military provocations along the Libyan coast and near the Democratic People's Republic of Korea, while they spread their protective mantle over the clumsy aggression by the South African racists against Angola.

The old dream of the team of Santa Fe cave-dwellers, now become a project blessed by the American Senate, constitutes a dangerous, unacceptable plan, a provocation.

We have a new chapter in a history of over 20 years of economic blockade, threats, and criminal aggression, with the added aggravating circumstance of their being carried out now by a group of leaders that boasts of advancing along a line that increases the possibilities of creation of areas of confrontation at various points in the world.

However, we are not afraid of them; we have defeated them thus far on all fields, and we have the spirit and the means necessary to resist and overcome.

9085
CSO: 3010/37

TASKS FOR 1981-82 TRAINING YEAR IN FAR EXPLAINED

Havana VERDE OLIVO in Spanish 6 Sep 81 pp 54-55

[Article by Lesmes La Rosa]

[Text] With the stimulus of celebration of the 25th anniversary of the landing of "Granma," and in fulfillment of the resolutions adopted at the Second Party Congress, the units of the Revolutionary Armed Forces [FAR] have given a jubilant welcome to the 1981-82 Training Year.

The Revolution has taught us that, in general, what has been accomplished always seems little to us in comparison with what we want and need to do. However, it should be noted that during the training year just concluded, the FAR carried out, with honor, dedication, and skill, numerous tasks intended to improve their combat preparedness.

It was clear that the leaders and different levels of staff as well as the party organizations and the UJC [Union of Young Communists] worked effectively to carry out the missions given our military institution by the party, the commander in chief, and the minister of the Revolutionary Armed Forces.

The maneuvers held at various levels demonstrated once more the skill acquired by the command organs and officers in the carrying out of the complex missions arising from the needs of modern combat. The ideological work also was more extensive and was strengthened; and its prospects for the future are magnificent.

The work of the FAR in the organization and training of the Territorial Militia has been significant. The latter constitute the essential complement to the country's defense system.

It can be asserted that the 1980-81 Training Year proved fruitful for our Revolutionary Armed Forces. The year's achievements have created a solid foundation for still further improvement of combat and political preparedness and of field training of the units during the new period that has begun.

On 2 December, the FAR will mark 25 years of existence. Concerning their ongoing improvement, our commander in chief has said:

"Today we possess armed forces equipped with the most modern armaments, endowed with iron discipline. And something else still more important, if possible: They have a true revolutionary culture; they have a political ideology: the

ideology of the exploited and oppressed classes; Marxism-Leninism and internationalism."

At present, more favorable conditions exist for the strategic deployment of the defense of national territory. As a result, the FAR are being given new, more complex missions in this training year.

The chief effort is being focused on fulfilling what was approved in the Primary Report to the Second Party Congress with respect to "continuing to improve mobilization and combat preparedness, completing and consolidating its structure at all levels, and devoting special attention to total facility with the armaments and existing technology as well as the technology received in the future. At the same time, the training of leaders and staff members should continue to improve, in keeping with advances in modern military science, as should improved combat preparedness."

Fulfillment of these tasks is especially relevant this year, for the Revolutionary Armed Forces are marking a quarter of a century of defense of the homeland and of socialism.

A section of the party mandate to the FAR emphasizes the devoting of "special attention to total facility with the armaments and technology. . . ." That is in keeping with the needs of modern combat.

That element is essential for improvement of our combat preparedness, for only thus does each member of the military study and become familiar with improvement of his weapon and become trained in use of technology in order to have them always ready to carry out any mission.

It must also be borne in mind that the FAR are equipped with new weaponry characterized by its high firepower, maneuverability, and the complexity of its components.

In this training year, preparation of leaders, staffs, and officers in general is being stepped up. Their professional military level is an important part of the units' capability and combat preparedness. This is expecially true if we consider that under present combat conditions victory goes to the party possessing superior military and moral qualities, the party best and most quickly organizing and directing combat maneuvers and knowing how to effectively use war materiel and weaponry.

Equally important are the holding of maneuvers and field training for units. Given their similarity to actual combat, these activities constitute true schools that improve the preparation and combat skill of the personnel in every specialty.

An ongoing task for the FAR is training of the Territorial Militia, which with the regular and reserve units "are to make up our Revolution's great people's army."

Owing to its broad prospects, ideological work is moving into greater undertakings because, as was noted at the National Seminar on Propaganda, Agitation, and Mass Cultural Work, its institutions "have been functioning for 20 years or nearly that, and because during that period the cadres in charge and the political workers have accumulated broad experience and have achieved results that can be seen in the growth of the FAR and in the carrying out of all tasks."

In the context of the present-day world, the imperialists have expanded their policy of threats and aggression. Consequently, we have an ongoing mission of increasing our defensive capacity and being prepared not only for action by regular troops but also for battle involving all the people. Regarding this, Commander in Chief Fidel Castro has said:

"Our homeland has to be a bone that is very hard for the Yankee imperialists' teeth to gnaw, and a fishbone that sticks in their throat if they try to swallow us."

In every military unit, there is feverish activity aimed at carrying out programs. Will, tenacity, and hard work are combined so that our combat and political preparation and combat preparedness in this 1981-82 Training Year are worthy of the 25th anniversary of the landing of "Granma" and of Revolutionary Armed Forces Day.

9085
CSO: 3010/37

DOMESTIC TRADE MINISTRY OFFICIAL DISCUSSES SERVICES

Havana BOHEMIA in Spanish 4 Sep 81 p 32

[Interview with Isidro Contreras, Vice Minister for services, Ministry of Domestic Trade, by Alberto Pozo; date and place not given]

[Text] The repair of electrical home appliances, laundry and dry-cleaning establishments, refrigerators, barbershops, hairdressers, photographic supplies, watches--in short, that multi-faceted world of services, that direct and constant confrontation with the consumer, that sensitive, one-to-one familiarity repeated thousands of times a day.

From such a kaleidoscope, friends, we present a summarized view taken from an exchange of ideas with Comrade Isidro Contreras Perez, vice minister of domestic trade for services and local industries.

"That services have not been offered efficiently enough," Contreras told us at the outset, "can be concluded from the call for improvement by the Eighth Plenum of the Central Committee. Our most critical point, particularly in the city of Havana, is repair services for electrical home appliances. This is partly due to the large number of television sets districuted in recent years. We can say that there are approximately 8 sets to every 10 electrical repair centers. The breakdown index shows an average of 60 percent per year--almost 60 sets out of every 100 break down each year. The shops were not supplying services. Service is improving with the current expansion of the material base of the shops, the leveling off of purchases of television sets throughout the year because of the exemption of this product, the injection of trained young people, a greater supply of spare parts and in general with the development of the entire country."

[Question] And how about the heart of the home: the refrigerator?

[Answer] (He smiles with satisfaction.) I have some good news for you: every problem, except for the outside of the body is practically solved, even in the city of Havana. The pressure of having 300,000 old American-manufactured refrigerators still in use, as well as the lack of trained personnel in some provinces, was preventing us from getting on top of this problem. In addition, the consumer is now asking for a change of gas or of gaskets, a new machine--in short, the refrigerators are already becoming less of a problem.

[Question] We have noted the proliferation of minor watch-repair centers...

[Answer] More than 12 repair booths have been established in the city of Havana, where the service is harder to obtain. Each center performs 50 to 60 minor watch repairs daily. They have helped to alleviate pressure on the shops and therefore will be extended gradually to all the provinces. In any case, although the service is improving, the situation is not easy: we sell 800,000 new watches annually. We are strengthening the material base and adding trained workers constantly. We are working on these two premises to improve service by the end of the year, since at present it is deficient. The people are always going to demand a greater effort from us, and they have a perfect right to do so: it is our job to understand it that way and to act upon it.

[Question] And other areas?

[Answer] There are no great problems in other areas. On the contrary it is interesting to note the reduced demand for hairdressing services. This is due to competition from other options: the peasant market, the farm market, exempt clothing. We are entering a phase of necessary sales effort. However, we must also note that there is some shortage of products in our hairdressing shops, and therefore the country is making an effort to improve this situation.

[Question] Local industries are making an impact....

[Answer] In 1980 they produced 140 million pesos worth of merchandise, more than double that of 1977. They have made a response to work in the home. Production, which for an entire phase was lagging, has been recuperating: graters, fry-pans, flit-guns...This production is supported and encouraged by a line of shops--already more than 50--throughout the country. In addition, export sales, exchange and tourism are adding millions of pesos.

[Question] It is your job also to encourage secondary production....

[Answer] I must confess that little has been done to date. But we do have the front open. We are beginning to follow a broad and promising path. Most of the large, medium and small factories can and must develop secondary production, not only as an economic necessity, but for the direct benefit of the people. We must help immediately to create better incentives for this production, to assure and hasten its commercialization and, finally, to make it better understood. I believe that by the end of the 5-year period this production will have reached an appreciable volume.

8735
CSO: 3010/1867

FACTORY PRODUCING BOILERS FOR SUGAR INDUSTRY

Havana BOHEMIA in Spanish 4 Sep 81 pp 38-40

[Text] Manufacture of the first Cuban steam boiler, with a capacity of 25 tons per hour at 18 atmospheres of pressure per square centimeter, is already a tangible reality in the factory being built for this type of equipment in the city of Sagua la Grande, in Villa Clara.

That industry is part of the package of measures needed to further the modernization and expansion of existing sugar mills and to produce almost all the parts for the assembly of mills which are completely Cuban, in accordance with plans for economic development.

This is in line with the very complex program of economic integration of the CEMA countries, an organization which decided to grant Cuba the status of chief supplier of sugar for the community of socialist countries.

Work has already started in the various shops of the factory on the production of domes and other highly complex elements for the boilers, which will be 16.6 meters tall (a height equal to that of a five-story building), 10.6 meters wide and 5.7 meters deep.

The Sagua la Grande plant employs 361 workers, 16 percent of them mid-level technicians and university-trained professionals. The work force will virtually double in the 5-year period, with a view to producing a maximum of 30 boilers per year.

On the production line, work is being done on the CV-25-19 boiler, and later others will be manufactured with a top capacity of 45 tons of steam per hour and 18 or 28 atmospheres, while plans are being made for a 90-ton unit, which is also feasible to construct with the same instrumentation.

At this stage, which includes investments of more than 20 million pesos, they will produce all the most complex elements, as well as some of the more simple ones. The project is being completed with some imported instruments, electrical elements, special bricks and other materials.

This means that 85 percent of the boiler parts will be cast or machined here in Cuba, and the remaining 15 percent will be imported from the convertible exchange area for an investment of some $60,000 per boiler.

During the second stage, which is expected to be completed within the 5-year period, progress will be made gradually toward production of most of the elements we now need to import, such as suction and forced air fans and other, less important components.

The upper and lower domes of the boilers will be produced in Cuba for the first time in these shops, as well as the air heaters, columns, conduits, air vents and other parts for the completion of that complex equipment, which weighs almost 300 tons.

According to information supplied by Luis Delmas Perez, director of the Mechanical Construction Enterprise, Boiler Factory, a steam-generating machine like the CV-25-18 costs about 1 million pesos in the foreign market, which gives an idea of the substantial savings for the country in foreign exchange.

Four principle wings are being constructed in the 140,000-square-meter area: for production, the power system, warehouses, social and administrative buildings and an open storage area and green areas, among other things.

Delmas Perez explained that the Soviet Union produced a prototype of this boiler which was tested at the Amancio Rodriquez Sugar Mill in Las Tunas and proved to be highly efficient and to have possibilities for the automation of all its processes without any loss in yield.

These include devices for mechanical extraction of the ash; the feeding system is highly satisfactory, and the furnace utilizes well the heat radiated in its interior, according to the tests.

This type of generating unit delivers from 2.4 to 2.6 tons of steam from 1 ton of bagasse, raising its efficiency to 80 percent, while other types of boilers in the country give only 2 tons of steam per unit of bagasse consumed.

Thus, this boiler, planned by Cuban specialists with the advice of Soviet technicians, is of great value in the development of the sugar industry, inasmuch as it is the heart of the production plant.

This complex power generator, starting with the vaporization of water, has its own characteristics, such as its great durability, and it is taking its place among much older technological media, since it is reported that there are in this country boilers which have been working continuously for a century or more.

Its manufacture in Cuba opens the doors to its export, since its qualities can compete with those of similar boilers from highly developed industrial countries.

8735
CSO: 3010/1867

BRIEFS

MESSAGE SENT TO LOPEZ PORTILLO--Carlos Rafael Rodriguez, vice president of Cuba's councils of state and ministers, has met with Mexican President Jose Lopez Portillo, to whom he delivered a message from Cuban President Fidel Castro. Carlos Rafael Rodriquez arrived in Mexico City Monday night and shortly after his arrival he visited the headquarters of the Institutional Revolutionary Party [PRI], where PRI presidential candidate Miguel de La Madrid Hurtado has his office. Approached by reporters at the end of his visit there, the Cuban leader said that during his talks, Miguel de La Madrid defined his presidential plans in two words: continuity and consistency. The Cuban vice president said he was pleased with de La Madrid's plans, evident in the candidate's statements on Central America and the Caribbean as variously quoted by the Mexican reporters in their conversation with Rodriguez. [Text] [FL141135 Havana Domestic Service in Spanish 1100 GMT 14 Oct 81]

EXISTENCE OF CASTRO MESSAGE DENIED--Cancun, Mexico, 21 Oct (AFP)--A high Mexican official denied the existence of a message from Cuban President Fidel Castro to his Mexican counterpart Jose Lopez Portillo on the subject of the north-south summit to begin here tomorrow Thursday. According to reports from Havana, the Cuban leader had asked Lopez Portello to include that alleged message as a working document of the summit meeting of leaders of state and government that will meet on Thursday and Friday. The ranking officer of the Mexican Government, who asked not to be identified, asserted that he is not aware of the existence of the message attributed to President Castro. The Mexican official discarded any possibility of "including any document other than those agreed upon for this summit meeting." The report from Havana stated that Castro's message to Lopez Portillo had been personally hand-carried last week to Mexico by the Cuban Vice President Carlos Rafael Rodriguez. The message reportedly defined the Cuban Government's position on the North-South Summit Meeting. [Text] [PA221240 Paris AFP in Spanish 2333 GMT 21 Oct 81]

CANCUN MESSAGE TO LOPEZ PORTILLO--Havana, 21 Oct (AFP)--Cuban Chief of State Fidel Castro sent a message to Mexican President Jose Lopez Portillo to explain his country's position on the North-South Summit which begins tomorrow, Thursday, in Cancun, Mexico, it was reported here today in diplomatic sources. The message was conveyed last week to Lopez Portillo during an official visit to Mexico by Cuban Vice President Carlos Rafael Rodriguez, the same source indicated. Cuba will not be present at the Cancun summit and apparently wants the message from Castro to his Mexican counterpart to constitute a working document for the participants at the meeting, the diplomatic source added. [Text] [PA211744 Paris AFP in Spanish 1656 GMT 21 Oct 81]

PCC, FRELIMO SIGN COOPERATION AGREEMENT--Antonio Perez Herrero, alternate member of the Politburo and member of the secretariat of the Communist Party of Cuba [PCC] Central Committee, received (Jorge Rebelo) and his delegation this afternoon. (Rebelo) is a member of the Permanent Committee of the Mozambique Liberation Front, FRELIMO, and secretary for ideological work. The two leaders signed an agreement on cooperation in the area of ideological work between the PCC and FRELIMO. Also participating in the fraternal meeting were Jose Felipe Carneado, a member of the Central Committee and chief of the Education, Culture and Science Department, and Orlando Fundora, alternate member of the Central Committee and head of the Department of Revolutionary Orientation. [Text] [FL210210 Havana Domestic Television Service in Spanish 0100 GMT 21 Oct 81]

CENSURE OF BIOLOGICAL WEAPONS SUPPORTED--Pham Van Dong, chairman of Vietnam's council of ministers, has asserted that his country supports the denunciations of our commander in chief on Yankee imperialism's use of bacteriological weapons against Cuba. In a letter recently sent to Fidel Castro, president of the councils of state and ministers, the Vietnamese leader stated that his people, as victims of U.S. aggression over several decades, understand the brutal nature of the imperialist leader. The message underlines that the use of bacteriological weapons is a barbarous crime, not only against Cuba but against all mankind. In his message to Fidel, Pham Van Dong expressed the Vietnamese people's conviction that no aggression by Yankee imperialism will be able to check the advance of building socialism in our country. [Text] [FL211558 Havana Domestic Service in Spanish 1503 GMT 21 Oct 81]

IOJ CONGRESS IN MOSCOW ADDRESSED--Ernesto Vera, secretary general of the Union of Cuban Journalists, UPEC, has ratified the commitment of all Cuban journalists with the revolution, socialism and internationalism. The UPEC leader made a speech at the meeting of the first committee of the congress of the Internatioal Organization of Journalists [IOJ], which is discussing in Moscow the problems of the international situation and the role of media workers in it. Other important statements at the last session of the IOJ congress were made by Paul Monzon, a leader of Salvadoran journalists, who stated that the Salvadoran regime controls the country's entire information system but that this has not impeded the people from learning about the international solidarity with their struggle. He added that the official press has neither published the Mexican-French joint declaration which granted political representation to the Salvadoran revolutionary organizations, nor announced the peace proposal made by the Farabundo Marti and revolutionary democratic fronts, which was submitted at the United Nations by Nicaraguan leader Daniel Ortega. [Text] [FL221350 Havana Domestic Service in Spanish 1200 GMT 22 Oct 81]

PERMANENT MISSION IN TURKEY--Our country's charge d'affaires in Turkey, Leonel Martinez Estevez, has been received by the secretary general for political affairs at the Turkish foreign ministry. The two officials exchanged views on the present and future development of bilateral relations and highlighted the importance of the permanent Cuban diplomatic mission opening shortly in the Turkish capital. [Text] [FL232130 Havana Domestic Service in Spanish 2113 GMT 23 Oct 81]

BERLINGUER MEETS WITH RODRIGUEZ--Enrico Berlinguer, secretary general of the Italian Communist Party, made a stopover of nearly 2 hours at Jose Marti International Airport en route from Nicaragua to Italy. During his stopover, Berlinguer met with Politburo member Carlos Rafael Rodriguez, alternate Politburo member Jesus Montane and Central Committee member Jorge Enrique Mendoza. A friendly exchange took place between the Italian and Cuban leaders concerning Berlinguer's trip to America which began in Cuba on the 9th and included both Mexico and Nicaragua. [Text] [FL232321 Havana Domestic Service in Spanish 2230 GMT 23 Oct 81]

TV AGREEMENT WITH CZECHOSLOVAKIA--Nivaldo Herrera, president of the Cuban Radio and Television Institute, and Jan Zelenka, director general of Czechoslovak television, signed a cooperation protocol in Havana today for the 1982-83 period. [Excerpt] [FL240223 Havana Domestic Service in Spanish 2230 GMT 23 Oct 81]

MOURNING PERIOD FOR AL-SADAT--Taking into consideration protocolar norms and the existence of diplomatic relations between the State of Cuba and the State of Egypt, the council of state of the Republic of Cuba has decreed a 3-day period of official mourning, beginning today Wednesday, for the death of Egypt's President Anwar al-Sadat. [Text] [FL071619 Havana Domestic Service in Spanish 1600 GMT 7 Oct 81]

ST LUCIA YOUTHS IN CUBA--A new group of 10 youths from St Lucia, the Caribbean Island, has departed for Havana where they will attend university courses of study. This is the second group of students from St Lucia who benefit from higher education scholarships in our country. Another group of 10 came last year and are still here. They are part of the total of 300 students from the Eastern Caribbean who are attending university studies in our fatherland. Prensa Latina reports that the antillean youths are registered in the schools of medicine, dentistry, agronomy, veterinary medicine and engineering. [Text] [FL071519 Havana Domestic Service in Spanish 1100 GMT 7 Oct 81]

FMLN RADIO REPRESENTATIVE--The arrival of Lucrecia Albizu, representative of the Salvadoran FMLN Radio Venceremos, was announced during yesterday's session of the second radio festival of nonaligned countries which is being held at the palace of conventions in this capital. [F1080037/Havana Domestic Service in Spanish 1400 GMT 7 Oct 81]

RADIO STATION AT UN DENOUNCED--Cuba has reiterated its denunciation of Washington's intentions to install a radio broadcasting station aimed at the ideological penetration of the island. The Cuban delegation to the committee on special policy, a body of the United Nations, [stated that] it can be expected that a government which is based on bellicoseness, arms race and neutron bomb blackmailing would adopt extreme and abusive measures such as the installation of that radio station. The delegation recalled that such intentions had also been denounced by the second radio festival of the nonalighed countries movement held in Havana. It added that ignorance and hypocrisy lead the United States to commit not only a gross violation of Cuba's sovereignty, but also a violation which could only increase the rejection and ire of the Cuban people. [Text] [FL231436 Havana Domestic Service in Spanish 1100 GMT 23 Oct 81]

EXILES' RETURN FROM U.S. BANNED--There is no room for them here, Cuban Interior Minister Ramiro Valdes said referring to hoodlums who willingly left Cuba and who now want to return after clashing with the U.S. way of life. He also said that the Cuban revolution will continue its inexorable way in spite of U.S. imperialist aggressions and threats. Ramiro Valdes also emphasized the constant and unselfish role played by Cuban Committees for the Defense of the Revolution in the prevention of criminal and counterrevolutionary activities. [Text] [PA240347 Havana International Service in Spanish 0000 GMT 24 Oct 81]

WATCH AGAINST CIA PLOTS NOTED--Havana, 23 Oct (AFP)--Cuban Interior Minister Ramiro Valdes announced here today that "the national security organizations are on the alert for indications of any CIA attempts to carry out new subversion, sabotage or espionage plans and attacks against the life of the country's top leaders." In a speech at the second congress of the Committees for the Defense of the Revolution (CDR), Valdes reaffirmed that Washington "is using biological weapons to affect Cuba's stock farming, agriculture and population" and is "trying to maximize the economic embargo on this island." The interior minister recalled that "the infil-

tration of six antisocial elements who were recruited, armed, trained and sent to Cuba from U.S. territory, with a plan that included the probable assassination of President Fidel Castro, took place several months ago." He added that "the entry of five additional counterrevolutionaries took place later." "Without exception, all were captured and exemplarily punished," Valdes said, without elaborating. Valdes said in conclusion that "there is no place" here for the hundreds of "individuals who voluntarily left Cuba (through Mariel) and are now trying to return and abandon 'the Yankee paradise' after clashing with the reality of U.S. society." [Text] [PA241545 Paris AFP in Spanish 2055 GMT 23 Oct 81]

REMAINS OF SLAIN TEACHERS--The remains of the Cuban internationalist teachers who were murdered in Nicaragua by a gang of Somozist counterrevolutionaries arrived in Cuba a few minutes ago. Henry Ruiz, member of the FSLN national directorate, and Rafael Cordova Rivas, member of the government Junta of national reconstruction, accompanied the remains from Nicaragua. Thousands of Cubans waited for the arrival of the plane that carried the bodies of the two internationalist teachers. Also present were Communist Party of Cuba Politburo member Julio Comacho Aguilera, alternate Politburo members Antonio Perez Herrero, Jesus Montane Oropesa and Roberto Veiga, and Central Committee member Jose Ramon Fernandez, vice president of the Council of Ministers and Minister of Education. [Text] [FL230223 Havana Domestic Television Service in Spanish 0100 GMT 23 Oct 81]

CUBAN'S MURDER--Rafael Cordova Rivas, member of the Nicaraguan Government Junta of national reconstruction said in Havana. [Begin recording] The killing of the Cuban teachers is a regrettable incident caused by the counterrevolution and the encouragement given at home and abroad to armed gangs which roam northern Nicaraguan territory. They committed this terrible crime, in which two Cuban teachers and two Nicaraguan peasants were killed. This shows that the revolution must be constantly alert and ready because it is evident that counterrevolutionary activities continue in our country. [End recording] [Text] [PA240349 Havana International Service in Spanish 0000 GMT 24 Oct 81]

INTERVIEW TO NICARAGUAN TV--In Managua, Arnaldo Milian Castro, member of Cuba's Communist Party Politburo and minister of agriculture, has asserted that Nicaragua has all the conditions needed to make rapid progress in the various agricultural branches. In 3 days, we have toured enterprises producing rice, sorghum and cotton. We have been impressed by what we have seen, the Cuban leader told a local television station newsman. Milian stated that in the agricultural branch of Nicaragua there are good managers, good crops and good technology within the country's normal limitations. We are sure, he added, that with these people, managing cadres, climate, quality of the soil and adequate rainfall, together with its revolutionary leadership, Nicaragua will make rapid progress. Closing, the Cuban minister stated that he had chatted with some workers, men of great consciousness and knowledgeable of their work who greatly love and appreciate the revolution. [Text] [FL241644 Havana Domestic Service in Spanish 1200 GMT 24 Oct 81]

DOMINICAN VISA DENIAL--In Havana City, the Federation of University Students [FEU] has energetically responded to the attitude adopted by the Dominican regime which denied visas to the Cuban delegation to the second Central American and Caribbean

University games. The event was taking place in Santo Domingo from 22 to 25 October, coinciding with the 4430 anniversary of Santo Domingo's autonomous university. The FEU notes that this is one more maneuver of the Dominican regime and its policy of playing into the hands of Yankee imperialism and obstructing Cuba's participation in international events. The student organization stresses that despite that servile attitude, university sports in the Caribbean and Central American area will not be checked and will continue to advance with firm steps toward new gains. [Text] [FL241748 Havana Domestic Service in Spanish 1509 GMT 24 Oct 81]

NICARAGUA'S RAMIREZ AT FESTIVAL--Armando Hart Davalos, member of the Cuban Communist Party's Politburo and Cuban minister of culture, and Sergio Ramirez, member of the Nicaraguan junta of national reconstruction, attended a festival held yesterday in Bayamo on the occasion of the day of Cuban culture which is commemorated today. [Text] [FL201414 Havana Domestic Television Service in Spanish 1230 GMT 20 Oct 81]

SOLIDARITY WITH GUATEMALA--A rally of solidarity with the Guatemalan people has been held at the Guatemala sugar mill, located in Mayari, Holguin Province, Lucrecia (Amamaktar), a representative of the united political and military revolutionary organizations of Guatemals in Cuba, explained the conditions her people live in and the means used to face the genocidal regime of Gen Romeo Lucas, which is supported by the U.S. Government. [Excerpt] [FL240223 Havana Domestic Service in Spanish 1917 GMT 23 Oct 81]

SALVADORAN FRONT--The U.S. Government today endorsed the tacit refusal of the Christian democratic-military junta to negotiate with the Salvadoran revolutionary movement by excluding the FLN from an eventual dialogue. A high-ranking State Department official insisted on the maneuver to try to split the revolutionary democratic front from the FMLN and to condition negotiations to the acceptance of the elections organized by the Salvadoran regime. The official refused to comment on the Salvadoran revolutionaries' proposal made on Wednesday at the UN General Assembly through the coordinator of the Nicaraguan Government junta, Cmdr Daniel Ortega. [Text] [FL090003 Havana Domestic Service in Spanish 2300 GMT 8 Oct 81]

CSO: 3010

PDC AGAINST USE OF BUSINESS GROUPS FOR POLITICS

PA031420 San Salvador LA PRENSA GRAFICA in Spanish 2 Oct 81 p 27

[Paid advertisement of the Christian Democratic Party, PDC: "The Political Event of the Productive Unity"]

[Excerpts] The PDC believes that the country has entered a new phase which should be one of great political activity and which should culminate in next year's electoral process. This situation must be observed with great attention and calls for correct political orientation so that the meaning and scope of this process will be understood in relation with what has been called "the political solution to the national crisis."

As a result of the initiatives to promote this type of solution and the participation of the various sectors, we now observe various expressions which are indicative of a new attitude in the area of political action. These have been evident in the past few days. Within those expressions, it is worthwhile to comment on the event organized by the debut, at least in name, of the "productive unity [unidad productiva]." During the event, the business leaders again gathered with the ideologists of the oligarchic society and as usual they dedicated themselves to expressing their feelings against the current process. For tactical reasons, they unleashed all their fury against our party and its leaders, exuding hatred and venom. For tactical reasons, they also made the oft-repeated adulations of the military sector which they hypocritically praised. With this they hope to increase differences and to sow distrust.

The first conclusion to be drawn from such a showy and unsuccessful attempt is that the people did not let themselves be deceived. The people turned their backs on those who have always based their strategies on the alleged ignorance and lack of political capacity of the popular sectors.

However, this is not what we want to stress at this time. Instead, we want to warn the people about the future consequences for the country of the event sponsored by the "productive unity" which was attended by the most prominent private sector organizations and the country's most discredited and harmful politicians with the excuse of allegedly defending private enterprise.

In view of all this, we believe that consciousness-raising is valuable. The decision to organize parties and actively participate in national politics is also valuable.

The PDC and the government have always drawn a very clear and precise dividing line between real business interests, real needs of industry, agriculture, commerce and production and political objectives, which are almost always visible in the activities and demands, particularly of some "gentlemen of industry" who, having infiltrated the board of directors of such organizations, have not only personally benefited from such "great contacts" but have sponsored the dirtiest maneuvers against popular parties and organizations. These "gentlemen of industry" try to confuse the members of the armed forces with their flattery and their insidious campaigns.

For the good of the country, the people and the business organizations, it is time that boundaries be delimited. It is time that those who want to carry out political activities regardless of their ideology fully assume their responsibility as citizens. It is time that the business organizations be left to fulfill their specific function without being used for objectives that are alien to their nature and to the legitimate aspirations of their members.

This warning is based on the observation that the most active political forces are all representative of the past and constitute unyielding resistance to the changes underway. Therefore, the people must be aware of their activities and campaigns since those changes will be the central topic of discussion in the electoral debate.

[Signed] PDC, San Salvador, 2 October 1981.

CSO: 3010/125

PRODUCTIVE UNITY DENOUNCES PDC'S MANEUVERS

PA070334 San Salvador EL DIARIO DE HOY in Spanish 6 Oct 81 pp 22, 23

[Paid advertisement by the productive unity entitled: "Productive Unity Versus the Official Party"]

[Summary] When political forces start acting individually or as groups against individual rights, against the republican and representative democracy and against man's sacred right to improve himself, it is a patriotic duty to denounce these maneuvers so that the people can be aware of the danger and take adequate political measures to defend themselves.

During the July symposium and the national convention, the productive unity obtained a consensus from businessmen and workers on actions and ideas. The country's political, social and economic situations were analyzed for a better understanding of the situation and of the Salvadoran problem, including ideological aspects and the future plans of the Christian Democratic Party, PDC.

The country's social and political forces have banded into two groups:

One is a large sector which supports and defends democracy's established principles without trying to change its meaning. This is not the case of the other group which advocates a communitarian democracy. This large sector, which sees man as a fundamental element of society, maintains a number of principles which are against an arrogant, abusive and totalitarian state. The majority of Salvadorans belong to this sector and so do the nation's productive groups.

"The other sector is represented by groups with a socialist and populist orientation, which apart from slight insignificant differences, have a common denominator that hold them together and makes them alike that is: the suppression of man's freedom and fundamental rights according to an ominipotent and totalitarian state.

"One of these groups is Marxist-Leninist. It advocates the ideological structure of communist parties and of the so-called national liberation movements, which in our midsts is represented by the revolutionary democratic front, FDR, and its armed branch, the FMLN.

"We must not overlook the fact that the leadership of these subversive, terrorist and guerrilla organizations is exercised by the most prominent figures of the national revolutionary movement, MNR, of the nationalist democratic union, UDN, and some leaders of what used to be the PDC's directorate."

Another orientation within this sector is the communitarian achristian democracy, promoted by such men as Jaime Castillo and Radomiro Tomic, ideologists of the Chilean Christian Democratic Party, which led Chile to a disaster during the Eduardo Frei Montalva's Administration and afterwards contributed to the Marxist chaos of Salvador Allende.

"Communitarianism, a new interpretation of democracy, as Jose Napoleon Duarte refers to it in his little known book entitled: 'Communitarianism for a More Human World,' despite what it says about planning a democratic, pluralist, egalitarian and participative society, socially it is nothing but a new version of a middle ages organization; economically, the destruction of man's creative and enterprising spriti, which cannot be developed under a system that binds and subdues man; and politically, it is contrary to a democratic, republican and representative form of government, because it creates an ominipotent feudal regime which cannot be controlled by legal means and in which power is exercised by a leader called the executor of the communitarian process."

The communitarian structure of society which, according to its ideologists, falls within the socialist field, clearly explains the similarity and ideological relations that exists among the PDC, the MNR and the UDN, which were partners in previous electoral campaigns. They were not political adversaries in the past and they are not now.

"The bloody struggle unleashed in the country once the PDC started to share the power with the armed forces can only be interpreted as a brief and temporary strategic and tactical difference. The PDC is acting according to what Duarte says in his book page 138: if the political structure does not function properly because of a new social structure and an economic crisis, then it is the imperative duty of those who have in their hands the means to begin a communitarian process, to seize power.

"The PDC's opportunist strategy was a betrayal to the strategy planned by its former members. The burden of this conflict, which international communism has taken full advantage of, has fallen on the Salvadorans and their armed forces.

"Now that the electoral process has been suggested as a political formula to solve the conflict, the PDC is skillfully trying to implement locally and abroad a fake program which it is exploiting and will exploit to the maximum such as: to make itself appear as a centrist political force and labeling all the nationalist parties as rightist which are not international and whose programs are aimed at establishing a regime which fundamentally democratic, republican and representative with political, social and economic institutions. In order for its plan to work, it needs to have international parties of socialist and communist affiliation participating and which it will label as leftists.

"This explains the PDC's desperate appeals to the MNR, the UDN, the FDR and the FMLN; the constant propaganda trips abroad and the maneuvers already in progress, which seems preplanned, because the old comrades of the national opposition union, UNO, are progressively participating in the dialogue in which the future of the fatherland is being negotiated and in which they are granting favorable concessions to one another.

"Salvadorans and their organizations must know and understand this maneuver. Salvadorans must realize that the next electoral campaign will be struggle between freedom and oppression. Freedom represented by the nationalist parties which believe and defend republican and representative democracy and oppression represented by international organizations following foreign orders and interests, which in this case will be represented by MNR, UDN, FDR, FMLN and PDC.

"In view of this obvious situation and productive unity's strong denunciation, the PDC has responded in the only way it knows: with the best and most varied repertory of insults and lies."

San Salvador, 5 October 1981

Unity of the productive sector: our objective is to save the fatherland.

CSO: 3010/125

PAPER WARNS AGAINST FMLN PROPAGANDA EFFORT

PA090003 San Salvador THE NEWS GAZETTE in English 4-10 Oct 81 p 4

[Editorial: "Negotiations, A Mistake"]

[Text] The fact that the Revolutionary Democratic Front [FDR]-FMLN Front in the United States has offered to dialogue even without putting down their arms is an encouraging sign that at least those gentlement in Washington and New York have given up any hope of a military victory. What the rebels in Guazapa, San Vicente and on the Honduran border think is yet to be seen.

It is impressive--and to us sad--that this group in the United States should be able to capture the international wire services and have their promotions datelined in the United Nations which gives them a degree of legitimacy to which they have no right to claim.

While we are completely in favor of a succession of dialogues, obviously the offer to dialogue is not in response to Junta President Duarte's invitation to the left-wing rebels to put down their arms and incorporate themselves into the democratic processes of the nation.

It is, in our opinion, a brazen attempt by the leftwing terrorist to gain recognition as a legitimate political force while keeping their arms. It is communist strategy at its best.

Stalin himself could not have made a more masterful stroke in applying this strategy of making impossible demands that are known beforehand to be acceptable.

The men in New York and Washington who call themselves the representatives of the leftwing guerrillas in El Salvador have nothing to lose and everything to win. Their strategy was excellent and they have at least achieved a propaganda victory. If the matter is not handled correctly, they may achieve a tactical victory.

Nevertheless, the move could also backfire and damage the left. What will happen if the leftwing terrorists in the mountains and forests of El Salvador refuse to stop shooting at the bidding of their "spokesmen" in New York and Washington? At least the acknowledged commander of the armed faction, Cayetano Carpio, has emphatically stated that he will not negotiate under any circumstances.

That is the only danger for the left and since the FDR "spokesmen" of the leftwing rebels know that it is highly unlikely that the offer to dialogue with an armed group will be accepted, it is minimal.

However, for the Junta Revolucionaria de Gobierno [published in Spanish] there are multiple pitfalls.

1. By refusing to dialogue, the sincerity of the desire for a political settlement will be put in doubt. This is a propaganda tool that will be exploited to the hilt if it is not countered intelligently.

2. Entering into a dialogue with representatives of armed groups gives them letigimacy which they have been seeking. It would be almost the equivalent of capturing and holding a piece of Salvadoran territory which they have never been able to do.

3. Any dialogue with the leftwing would inevitably be represented as a "negotiation" and the Junta Revolucionaria de Gobierno has repeatedly said that it will never negotiate a government with the rebels.

4. Should there be talks with the leftwing rebels, if satisfactory arrangements for a cease-fire could be concluded and if the cease-fire were to become a fact throughout the nation, these talks would drag out and be prolonged in exactly the same manner in which the United States was drawn into protracted talks with the North Vietnamese and North Korean Communists.

5. Should the leftwing terrorists actually be willing to accept a cease-fire, it could only be for the single reason that they are weakening and have given up hope of a military victory. Under such circumstances, talking instead of fighting is to their advantage.

We trust that the reply of the Junta Revolucionaria de Gobierno will be clear and unequivocal, once again urging the armed leftwing rebels to lay down their arms and give up the illusion that one man plus one machinegun is the equivalent of 1,000 votes and 1,000 men with machineguns the equivalent of 1 million votes and that for this reason, they "represent" the people of El Salvador.

As we have said beofre, they should be urged to accept the role of ordinary everyday peaceful citizens participating in an electoral process like everybody else.

CSO: 3010/125

LAWYER CRITICIZES JUNTA AT TRADE CONGRESS IN PANAMA

PA122232 Panama City MATUTINO in Spanish 10 Oct 81 pp 1, 8-A

[By Adalberto Zamora]

[Text] In an important preinauguration event of the congress of the federation of chambers of commerce, industry and agriculture of Central America and Panama [Federacion de Camaras de Comercio, Industria y Agricultura de Centroamerica y Panama] which is being held in Panama City, one of the Salvadoran delegates, distinguished lawyer Jose A. Rodriguez Porth, former presidential candidate of a nationalist party in 1971 and former law school dean of the now closed autonomous university of El Salvador, participated in an outstanding manner in the open session in which the six presidents of the chambers of commerce were introduced. In a brief, documented and dramatic manner, he recounted the situation being experienced by the sister Republic of El Salvador.

He bravely pointed out that Napoleon Duarte, who heads a small group of Christian democrats supported by the U.S. and Venezuelan Governments, has since the beginning of this year brought about even greater bloodshed to the Salvadoran people due to his mistakes. He recounted with facts the failure of the agrarian reform and the nationalization of private banks and foreign trade in the coffee, sugar cane and cotton sectors.

In the introduction to his calm but firm denunciation, he gave interesting figures and statistics on El Salvador's social problems. He said that the Salvadoran private enterprise has faith that there will be a solution to the civil war very soon, but that if the conditions necessary for free elections don't exist in the next few months, the Salvadoran drama will deteriorate into an even more serious and unpredictable situation.

Among the many questions from the participating businessmen, Rodriguez Porth was asked about the "death squads" which are allegedly sponsored by a very powerful sector of Salvadoran private enterprise.

Rodriguez Porth replied: "The Salvadoran authorities have arrested six policemen involved in the death of the four U.S. nuns; they constantly kill or capture guerrilla chiefs and subversive combatants but they have never captured any member of those squads. Proof has not been presented in the only case in which two industrialists were charged with the killing of an Agrarian leader and two U.S. advisers. One of the suspects who was arrested in Miami has already been released, while the other continues inexplicably under arrest in San Salvador." Risking his life, Rodriguez Porth will return to San Salvador this weekend to continue the struggle for the business sector which has been excluded by the government ever since Duarte presides over the military-Christian Democratic Junta.

CSO: 3010/125

ARCHBISHOP CONCERNED OVER INCREASED VIOLENCE

Possible Increase, Guerrilla Activities

PA112138 Paris AFP in Spanish 1958 GMT 11 Oct 81

[Text] San Salvador, 11 Oct (AFP)--The acting archbishop of San Salvador, Msgr Arturo Rivera y Damas, today expressed his concern over the possible increase of guerrilla activities in the next few days, while the army proclaimed itself ready for the "homestretch" campaign in its struggle against subversion.

"The most humane and Christian thing to do is to humanize and rationalize the conflict by searching for a peaceful solution," Monsignor Rivera y Damas said before referring to the "new styles" in the dynamite attacks and to the army's increased military operations.

The prelate regretted the present violence's toll of dead among the conflicting sides, "but above all, in the civilian population" as in Achichilco and Las Pozas where, according to the information, 2 old men, 8 women and 30 children were massacred a month ago.

Elsewhere, Rivera y Damas said that he had confirmed this week that some statements--made in Guatemala by Guatemalan Priest Luis Eduardo Pellecer implicating the society of Jesus in subversive activities--had been tried to be used against the church.

The archbishop reiterated his solidarity with that religious order and deplored the publicity given by the Salvadoran armed forces to this "unfortunate incident" which involves "many doubts." On the other hand, he said that the Salvadoran armed forces "are making praiseworthy efforts to resotre their image in the people's eyes."

He also denounced a number of "slanders" through leaflets openly attacking the church and its members as well as some "paid advertisements which appear to be related" as to style and content.

He wonders whether all this is the beginning of an electoral campaign with the church "being used as scapegoat" or new attempts against religious persons and institutions.

Meanwhile, Rivera noted the commemmoration this week of the first anniversary of the murder of Father Juan Antonio Reyes, "A crime which, like many others, has been forgotten by the judicial investigators."

He expressed his disagreement in misinterpreting the death of a priest on his anniversary or in using it for political purposes.

The chief of the Salvadoran Catholic Church "strongly" protested the recent bomb attack on the divine providence school managed by nuns.

Following the attack, the Mexican teachers working in the school were also threatened and given 72 hours to leave the country.

Rivera y Damas expressed his moral support for the religious teachers "who have offered valuable pastoral cooperation in the educational field" and who in due time also protested and condemned the abuse to which they were subjected.

Elections Not 'Panacea'

PA042330 Paris AFP in Spanish 1947 GMT 4 Oct 81

[Text] San Salvador, 4 Oct (AFP)--Elections "are a part of the integral solution of a country's process of democratization. They are not, however, the only, formula or much less a panacea or cure-all for our ills," the acting Archbishop of San Salvador, Msgr Arturo Rivera y Damas, said today as he called for an alternative "mediated dialogue."

"Before undertaking this solution (meaning the elections)," Rivera y Damas went on, "it is necessary to create favorable conditions under which the elections can be viable. These conditions would include respect for the most elemental human rights and guarantees not only for the candidates but for the voters as well."

According to Rivera y Damas, the first alternative in solving the Salvadoran conflict is a mediated dialogue. He ranked elections second, indicating that this would lead to an end of the Fratricidal War.

The possibility of holding a mediated dialogue was accepted by the Salvadoran opposition's political-military duo, the Revolutionary Democratic Front-FMLN (FDR-FMLN), after Panamanian President Aristides Royo offered to mediate in search of a solution.

The archbishop also reiterated the need to suspend the state of siege (extended only yesterday for another 30 days) and the curfew, both of which have been in effect since March last year. He also asked again that media censorship be brought to an end.

According to Rivera y Damas, the elections would not be conclusive, but would merely complement the alternative of holding a dialogue between the government and the opposition.

Rivera y Damas noted that the climate is being prepared for the elections and that the political parties have begun airing their views.

The priest expressed his fear, however, that the various parties' ideological positions "will harden further and that instead of making free elections with broad pluralist participation viable, efforts will be made to make a single line prevail."

Aside from the Christian Democratic Party, currently sharing power with the military sector, all the parties registered so far or in the process of registering the rightist.

Rivera y Damas recalled that El Salvador has always been the object of "constant mockery during previous elections." For this reason, and "on behalf of our people's peace," he asked parties not to harden their ideological positions to the point of excluding other political organizations.

He insisted that security must be guaranteed to the people before any "attempt is made at holding elections." He also stressed that elections must not be viewed as a panacea against the country's ills, ills which are much older and deeper and which necessitate a more general solution."

The archbishop asked that the alternative of a mediated dialogue as a measure prior to any other effort be "well evaluated."

According to Rivera y Damas, "Junta President Jose Napoleon Duarte's last-minute call, which included speeches and interviews during his lengthy and difficult tour through the United States, constitutes a glimpse of the two alternatives of solution for our country: elections and dialogue with at least a part of the leftist sector."

Regarding the offer of Panamanian territory for the mediation and the oppositions's apparent willingness to accept dialogue under certain conditions, Rivera y Damas said that "it is not a matter of negotiating a democracy. It is a matter of finding a political and peaceful solution that is viable and of preventing further bloodshed."

Finally, the archbishop commented on the case of Father Luis Eduardo Pellecer, who reappeared after having been missing in Guatemala for more than 100 days. Father Pellecer made a statement that compromises certain religious orders.

Rivera y Damas said he had heard testimony which casts doubt on the media reports. He mentioned, for instance, that Father Pellecer seemed to have been drugged and beaten.

The Salvadoran archbishop expressed his solidarity with the Guatemalan church, which is suffering under "this wave of slander and repression." He also expressed his solidarity with the society of Jesus, "which after these terrible words put in Father Pellecer's mouth, runs the risk of being even more persecuted."

CSO: 3010/130

EXTREMISTS GIVE NUNS 72 HOURS TO LEAVE COUNTRY

PA081948 Paris AFP in Spanish 1832 GMT 8 Oct 81

[Text] San Salvador, 8 Oct (AFP)--Through a communique, an extremist group has given the Mexican teachers of the divine providence school in San Salvador 72 hours to leave the country, the nuns of the school have reported.

At the same time, the extremist group, whose name and political affiliation is unknown, has taken credit for Monday's dynamite attack on the school as a "warning" to the Mexican teachers.

The nuns said that the attack only damaged the building and equipment of the school.

The nuns indicated that in the communique the extremists accused Sister Angelica Moctezuma Gutierrez, whom they believe to be director of the school, of being a "traitor to the people's interests."

However, the nuns said that "individual is not the director of the school."

Regarding the Mexican teachers, the communique said "they must definitely leave the country because they are not worthy of trust and support." It also indicated that Monday's attack "was the first warning."

The nuns indicated that their educational community is "exclusively dedicated to the overall education of the students" and that this is the first threat of this type that they have received.

The nuns condemned the "brutal and criminal" attack and the threats against the teachers. They demanded the "respect of the physical and moral integrity" of those who work in the school "regardless of their nationality."

CSO: 3010/129

ESCALATION OF REPRESSION AGAINST CHURCH SCORED

PA101742 (Clandestine) Radio Venceremos in Spanish to El Salvador 1200 GMT 10 Oct 81

[Text] Yesterday, the repressive corps and the somber paramilitary gangs headed by Maj Roberto D'Aubuisson and other wicked colonels embedded in the armed forces' high command ordered the indiscriminate killing of hundreds of humble cathechists, the dynamiting and machinegunning of religious institutions and the murder of priests and nuns, including the cowardly killing of Msgr Oscar Arnulfo Romero.

Again their genocidal plan is targeted at the church. The archbishopric's legal aid offices were raided and explosives were placed at the divine providence school. The nuns in charge of the school were given 72 hours to leave the country.

It appears that this new fascist repression against the religious sectors is in answer to Monsignor Rivera y Damas' statement on the impossibility of holding elections without the proper democratic climate to guarantee them.

We want to alert the international public on these actions, particularly at this time when the military Junta is calling for elections and claiming that this is the only way to solve the problems affecting our people.

How can anyone believe, we ask, in an electoral solution when repression, rather than decreasing, is increasing? How can anyone believe in the so-called inter-partisan dialogue mentioned by Duarte when those participating in it will be no less than D'Abuisson Chele Medrano and others of the same brand. To conduct a dialogue with D'Abuisson is to talk with the death squads and with the murderers of Monsignor Romero. To talk with Medrano is to talk with the founder of the somber Paramilitary National Democratic Organization, ORDEN.

Under such conditions, any electoral recommendation is nothing but a bloody masquerade which our people are not going to accept. We have been quite clear on our position concerning the elections and we have submitted a specific proposal to find a political and peaceful solution to the conflict. We have shown our sincere concern for the bloodshed. The reply of the Christian Democratic Military Junta, however, has also been clear. It wants to extend the war, the sorrow and sacrifice of our people.

Its intransigence has already been observed by the whole world; its determination to extend the genocide is known and rejected internationally. Companero Ungo, however, has already declared before the UN member-nations that if the Junta wants war, our people shall continue resisting and advancing in their irreversible road to final victory.

CSO: 3010/129

POP LEADER MEDRANO EXPLAINS PARTY'S VIEWS

PA030224 San Salvador DIARIO LATINO in Spanish 30 Sep 81 pp 2, 14

[Excerpts] Gen Jose Alberto Medrano, secretary general of the Popular Orientation Party (POP), said yesterday that the violence won't end until the country returns to its legal path--that is to say, to a de jure system.

General Medrano held a press conference in which he was accompanied by several members of the POP National Executive Council. These included Col Oscar Gutierrez, Col Jorge Rovira, Dr Armando Pena Quezada, Juan Dono Altamirano, Carlos Octavio Tenorio, Carlos Edmundo Nevoa and Jose Leopoldo Rivera.

The press conference was held to announce the principles and objectives of the POP, which plans to participate in the next elections for a national constituent assembly.

General Medrano said that one of the main concerns of his party is the wave of violence in the country and the lack of a popular government.

General Medrano said his party condemns all types of violence, from whatever source. He said that there are three types of violence in our country: that caused by the extreme left, that caused by the extreme right and that of common criminals.

According to General Medrano, the most persistent violence is that committed by gangs of common criminals without political ideology, who take advantage of the moment of confusion in the country.

General Medrano referred to the Nationalist Democratic Organization (ORDEN), which he founded, as an organization that genuinely defended democratic rights.

It is now disbanded, he said. It is possible that some of its members might give him some support with the POP, given that it follows his ideological line.

General Medrano commented on ORDEN in response to newsmen's questions. He said that ORDEN was never a front of support for the National Conciliation Party, PCN, and that its only objective was to be a democratic school that would point out the differences between democratic and totalitarian systems.

CSO: 3010/126

IMMIGRATION LENIENCY ASKED FOR SALVADORANS

PA052320 San Salvador EL DIARIO DE HOY in Spanish 5 Oct 81 p 13, 19

[Commentary by Maximiliano Rodriguez Mojica: "In Mr Reagan's Ear"]

[Excerpts] Some 5 years ago, people who left our country for the United States by any means, "legal and illegal," were very few and they did so calmly, without haste or desperation. They left not because they were forced to leave the country at any cost, but because they wanted to explore new horizons and earn money, or because they had relatives there who asked them to come.

However, things have changed completely since last year. People flee the country compelled by the existing circumstances: terror, unemployment, hunger and the lack of legal, moral and material security. To a great extent, these people have left without documents....

However, these people include a number of youths and adults who are useful because they have a skill, profession, art or decent ways of making a living. They represent an efficient and trained part of our labor sector which have left their country because it has nothing to offer them, because, as we all know, the government has frozen employment and the private sector, harassed by almost constant bombings, has closed down innumerable work centers where thousands of Salvadorans earned a living.

This is why, based on these facts, which we present with all frankness to the ears of Uncle Sam, our plea that President Ronald Reagan's administration cooperate with the Salvadoran people, giving legal status to Salvadorans who have left their country, fleeing the fratricidal violence which wracks our small nation. If these Salvadorans are persecuted and deported because they have sought refuge in that land where they believed there is "total freedom," then all the efforts which you claim to be making to save us from a total decable will have been in vain.

CSO: 3010/125

BRIEFS

CLANDESTINE CELLS--Our message is addressed to your soldiers who are in the garrisons. Dozens of your companeros have already joined our people's army. Soldiers, you are members of the people. Organize with your people, form clandestine cells in your garrisons, sabotage the enemy's ammunition, sabotage the enemy's airplanes and cannons. Soldiers, form clandestine cells of two or three companeros and organize your incorporation along with your rifle into the revolutionary army. Your parents, your brothers are with us. Your place is here in the fight for peace and freedom. Salvadoran soldier, united and organized we will win. [Text] [PA121504 (Clandestine) Radio Venceremos in Spanish to El Salvador 1200 GMT 12 Oct 81]

NEWSMEN HOLD CONGRESS IN MEXICO--In a meeting held recently in Mexico City, the first congress of Salvadoran newsmen in exile agreed to give its decided support to the Franco-Mexican declaration and to urge the newsmen of the world to support it. The national union of newsmen of El Salvador also decided to repudiate the military-Christian Democratic Junta because it is illegitimate, is not representative and exercises power based on the constant violation of human rights. The newsmen also condemned the U.S. intervention. [Text] [PA031636 (Clandistine) Radio Venceremos in Spanish to El Salvador 1200 GMT 3 Oct 81]

CSO: 3010/126

THREE DEPARTMENTS ISSUE STATEMENTS OF SUPPORT FOR REGIME

[Editorial Report] PA022231 Tegucigalpa Domestic Service in Spanish at 1130 GMT on 2 October 1981 broadcases three communiques, issued by the mayors and municipal secretaries of the Departments of Copan, Ocotepeque and Lempira respectively.

The announcer first says that the mayors and municipal secretaries of the 23 municipalities of the Department of Copan, after analyzing the country's problems, have issued a communique pointing out that the country is facing difficult times due to constant pressures from neighboring countries; that Hondurans love peace, order and work and wish to continue enjoying peace; that strange groups are trying to disturb this peace; and that therefore, they "have agreed to voice their total support for the government and the armed forces of the country and to condemn the acts of violence that are causing uneasiness." They also invite business organizations, professional and student groups, labor unions and all institutions to condemn the acts of terrorism by informing the legal authorities of terrorist groups' activities. The announcer says the communique is datelined Santa Rosa de Copan, 26 September 1981.

Later in the newscast the announcer reads another communique, issued by the mayors and municipal secretaries of the 16 municipalities of the Department of Ocotepeque, who say that they are "deeply worried about the latest events in the country, including terrorism, attacks, thefts, murders, kidnappings and other incidents intended to disturb the security, tranquillity and peace being enjoyed"; and that they therefore want to inform the people, government, and government institutions of Honduras of their denunciation of these acts of violence and of their support for the government in its struggle to put down these subversive groups. The announcer says that this communique is datelined Octoepeque Department, 25 September 1981.

The announcer then reads a communique from the mayors and municipal secretaries of the Department of Lempira, in which they agree that due to the constant threats of kidnappings, bombings, bank holdups and many other similar crimes that are upsetting the people, they wish to voice "solidarity with the Honduran armed forces and pledge to give them all our material and moral support, to halt this wave of terrorism in our country." According to the announcer, the communique ends: "We want a respected, healthy and strife-free Honduras, so that we can live in peace and free of fear." The announcer says that this communique is datelined gracias, Lempira, 28 September 1981.

CSO: 3010/127

BRIEFS

NEWSMEN'S UNION CRITICIZES HONDURAN NEWSPAPERS--The Union of Honduran Newsmen, UPH, accused the main newspapers in Honduras of ignoring the people's protest and demonstrations against the hawk view maneuvers. The UPH says that these newspapers have not reported anything about how the people feel about these maneuvers which violate Honduras' self-determination, sovereignty and constitution. Instead the papers are taking orders and following the instructions given to them by (Crescencio Arcos), U.S. Embassy public relations office director in Tegucigalpa. Meanwhile, the People's Revolutionary Union, URP, said that the U.S.-Honduran hawk view maneuvers are proof of the U.S. government's intention to assign the Honduran army the police role in Central America. The URP also accuses a well-known group of colonels of the Honduran armed forces supreme council of betraying the fatherland and of being enemies of the people of Central America, when they authorized the presence of U.S. troops, air force and navy in the land and waters of Francisco Morazan. [Text] [PA112351 Havana International Service in Spanish 1800 GMT 11 Oct 81]

CSO: 3010/127

INDUSTRY MINISTER GIVES VIEWS ON ECONOMY

PY162055 Asuncion ABC COLOR in Spanish 16 Oct 81 p 13

[Text] Industry and Commerce Minister Delfin Ugarte Centurion allowed himself to be questioned by reporters yesterday during a visit he made to the Molinos Harineros Del Paraguay Plant just before noon. He spoke about aspects related to the notable contraction in industrial activities, to smuggling and to the prospects for economic recovery which, according to him, will be achieved in the short term.

Here are the results of the interview.

[Question] Has the economy entered a process of recession or is it a contraction that is due to current issues? What is your opinion regarding the current phenomenon and its outcome?

[Answer] The current difficulties some business sectors are facing are due exclusively to a situation that I term as due to current issues. It is temporary and can be overcome in the short term. Various factors have accumulated which have led to the current situation, such as the large devaluations of the currencies of the two neighboring countries with which we have our most important economic ties.

This has had two negative effects: One concerns the export of Paraguayan products and the other is an increase in irregular trade, which has been very prominent, which has strongly affected the country's productive and commercial systems. The low flow of tourists has to be taken into account also. There is the situation at Itaipu, where they are coming to the end and thus laying off more workers. Many construction enterprises are not obtaining the high income they were getting some months ago. And the delay in starting up Yacyreta is another negative factor that has had its snowballing effects which have greatly harmed the interdependent sectors.

The U.S. decision to increase interest rates for fixed-term deposits above the normal market rates is another of the many factors that have unleashed the current economic situation. All these elements have created the phenomenon that is affecting our economy.

[Question] The world's economic recession now is not something that is due to current problems. Mr Minister, what would allow one to believe in a quick recovery of our economy?

[Answer] Well, the phenomena that are greatly affecting our economy do not have their origin in the world's problems, they originate in neighboring countries, border countries. Our problems are mostly due to localized regional matters. But, we are related to and dependent on the world framework in the matter of the prices of our exportable products, a sector in which, in my opinion, we can expect better prospects.

[Question] Although in economic behavior it is difficult to establish time frames, and taking into account that you consider that the current contraction is temporary, when do you believe we will observe the symptoms of recovery? What measures will have to be taken to implement that recovery?

[Answer] I believe that if we have luck (and luck plays a large role in this, he stressed) we will have better prices next year for soybeans, cotton and tobacco. This will increase the volume of foreign exchange, which in turn will give a greater liquidity to the country's economy, which is based on the agricultural sector.

That is how we see an easy way to break the current lack of liquidity and thus have a reactivation. One must also take into account Yacyreta and other public works, such as the construction of airports, highways and bridges, which will generate economic activities and mobilize various economic sectors.

In this way the phenomenon of contraction affecting some sectors will be balanced. Border trade will also be corrected, because devaluations (he was referring to the peso and the cruceiro) lead to totally fictious situations, the cheap prices disappear and in a short time they return to their normal levels. We have thus observed a reduction in the excessive inflow of merchandise, which is due exclusively to the effects of monetary and exchange measures.

[Question] You mention that the local economic problems that are due to a contraction have their origin in regional problems. In Buenos Aires it has just been announced within the framework of the ALADI [Latin American Integration Association--LAIA] that special measures have been granted for Paraguayan products within the region's markets. What is the proportional stimulus that these measures can give to our economy?

[Answer] Many exportable Paraguayan products, and others that have not yet entered the export sector, have been granted tariff advantages. However, they have been neutralized by other types of measures, specifically of a monetary, exchange and administrative nature. At the last meeting in Buenos Aires our delegation proposed that the obstacles placed in the way of the advantages that have been agreed to within the framework of LAFTA and LAIA be dismantled.

Thus we can export textiles, clothes and a series of manufactured products. The clothing sector is very important for us because it processes national raw materials. There is an economic link there and if it is cut at any level then it is a stumbling block for the system.

[Question] Mr Minister, you have mentioned that economic revitalization can be achieved through better international prices for agricultural products. But that is an eventual factor that escapes internal control. What internal measures could be implemented for strengthening our economy?

[Answer] Well, I mentioned the international price for agricultural products as only one factor. In order to answer you I am going to speak to you as an economist. When an economy suffers a contraction, it must be given a tonic. It must be strengthened and the state, the important agent, the important factor can supply it.

How? By carrying out important works. Public works mobilize businessmen, they place financial resources in the hands of individuals and they increase purchasing power. This moves commerce and commerce moves industry. A positive spiral is entered. Somebody has to break the situation and the state has a series of very important projects. ACEPAR [Aceros Paraguayos S.A.] is already underway. Vallemi [site of the national cement industry] is also underway. And there are also the highway projects. All of them are going to mobilize resources. Itaipu contributed with a tonic for the economy, the state will now enter the field as a replacement.

It is very important that the state carry out its undertakings. When there is an economic recession, and I make it clear that this is not our case, the situation is different, because the state does not have its own resources and it then resorts to the Central Bank and this only adds wood to the fire.

In our case it must be taken into account that the economic structure is healthy and strong. I insist, we are faced with a situation based on current issues that is affecting some economic sectors, nothing else.

[Question] But does not the policy of monetary contraction, that is being used to stop inflation, affect the current economic situation?

[Answer] That contraction has now loosened. The monetary authorities have implemented and continue to implement measures, customs duties have been reduced and deposit accounts are being favored with an increase in interest rates. Contributions are being made to give larger financial resources to enterprises.

CSO 3010/117

NEWSPAPER JUSTIFIES NEUTRON BOMB PRODUCTION

PY221955 Asuncion PATRIA in Spanish 22 Oct 81 p 24

[Commentary by Poncho Pyta: "The Neutron Bomb"; words between slantlines published in boldface type]

[Text] The most remarkable change carried out in the "spirit" of the U.S. administration is reflected in the simple decision of President Reagan to order the go ahead with the neutron bomb. This decision has immediately raised innumerous comments throughout the world.

Experts have described the hair-raising characteristics of the new "dissuasive device" whose fundamental objective, according to the experts, is to destroy human life in the world. The Soviet press, which is the compulsory voice of the Soviet Government, has accepted the challenge and has promised all the necessary efforts to the effect that very soon this tremendous power will be in the hands of the Soviet Union, /if they do not already hold such power/.

It is appropriate to say this because the information passed to the people of the United States by its own government is quite in contrast to the black curtain which covers all the positions and strategic efforts of Moscow.

Several times we have stated through this same column that in this field of activities, the democratic system and the unrestricted freedom of the press of the great northern country are a disadvantage before the communist power. Has anybody ever had the possibility in Moscow of publishing in the press papers considered top secret by Soviet security and intelligence organizations? Never! Could there exist, in the Soviet Union, a private organization with the exclusive mission of revealing the names of secret agents of the United States [as published] throughout the world? No Russian has ever even thought of such a thing. And this organization does exist in Washington. With public cooperation, this organization for years has been engaged in the task of undermining the strength of the leading power in the democratic world.

To my opinion, President Reagan's decision, which has awakened some fears among his West European allies, has the tremendous importance of establishing a position: the reestablishment of the U.S. combative spirit before the permanent Soviet aggression. And if yesterday this aggression took place in Afghanistan or in

some African country, now it is taking place in Central America, under the very nose of the United States, through the support of the Soviet client state: Cuba and some small states in the Caribbean.

The world for a long time has been sitting on a powder keg which could lead mankind to extinction. Such a large number of atomic and hydrogen bombs are stockpiled that an explosion could kill /all life on the planet/.

Reagan's challenge means that /detente/ has changed its face and the agreements on the control of strategic weapons have changed as well. The Soviet Union has been warned very clearly through this decision that it will no longer be able to continue doing what it wants to do in any geographical point it is interested in. What matters is the decision to stand upright before the Soviet socioimperialist aggression, as called by the Chinese of Deng Xiaoping.

CSO: 3010/117

BRIEFS

OPEC AGRICULTURAL FUNDS--Vienna, 14 Oct (OPECNA)--A 10 million US dollar loan agreement was signed Wednesday between the OPEC Fund for International Development and Paraguay. Paraguay will extend the loan to El Fondo Ganadero, the country's principal source of long-term credit for livestock. The loan is also expected to help develop the country's crop production, especially cotton and soya bean. Paraguay has benefited from two previous loans. The agreement was signed at the fund's headquarters here by Dr Ibrahim Shihata, director general of the OPEC fund and Manuel Godoy, Paraguay's ambassador to West Germany. The loan carries a 4-percent interest rate, with a service charge of 0.75 percent per annum, a 5-year grace period and a 20-year maturity. Dr Shihata said at the signing ceremony that previous loans to Paraguay had been for infrastructural projects. He hoped the present loan would strengthen the country's livestock production. The ambassador spoke about the importance of OPEC fund assistance to developing countries. He described cattle-raising and small farms as "the more important fields" of his country's economy, adding that Paraguay had six million head of cattle and exported livestock products to Brazil, Europe and the United States. He said that the loan could help small farmers to improve the quality of their products with impact being made on the lowest rung of the country's economy. [Text] [LD161200 Vienna OPECNA in English 1617 GMT 16 Oct 81]

CSO: 3010/117

CALDERA SEEN AS STRONG CANDIDATE FOR PRESIDENT

Caracas EL NACIONAL in Spanish 5 Oct 81 p C-1

[Interview with Senator Edecio La Riva Araujo, member of the National Committee of COPEI, by Alfredo Pena: "Caldera Has No Competitor At This Historic Moment"; date and place of interview not given]

[Text] Edecio La Riva is one of the founders of COPEI [Social Christian Party]. He has always been considered a man of the Right, and he himself has so proclaimed it.

La Riva Araujo is being considered as a candidate for the governorship of Merida. In the National Committee, he has been a strong critic of the government's policies, principally in the economic sphere. He now reiterates them and asserts that in that position, at the head of his native state, or in any other position in public administration, he will place his personal imprint.

COPEI is living a moment without precedent in its history. Rafael Caldera, its top leader and founder, is today being challenged by the charismatic Pepi Montes de Oca.

La Riva recognizes Pepi's virtues but says he still has a long way to go before he can arm wrestle with Caldera. Every era has its seasons and Pepi is only now in a sowing season.

COPEI's leaders believe they will win the elections. They are counting on a turnabout in the government's performance. La Riva says that, turnabout or no turnabout, Caldera will win, because his leadership is well entrenched throughout the country.

Edecio calls for a unified effort within the National Committee and says that if he were the candidate, that is, if he were Caldera, he would make Montes de Oca his campaign manager.

Here below, Senator La Riva tells a story in which he implicates Fidel Castro in the capture of Ernesto Guevara.

[Question] Today's COPEI is living in other times. For the first time, its founder and head is being challenged for the party's candidacy.

[Answer] That is a common occurrence in all institutions. It occurred in England when Benjamin Disraeli, being very young, challenged William Pitt. But Disraeli had the tremendous sense of timing to do it when the established leadership was in its decadence.

[Question] How do you see the timing for Pepi?

[Answer] This is not the best of moments for him. Caldera is at the height of his leadership. Our founder is living his moment of greatest glory. He is today a figure and a hope not only for the party but for the entire country. Whoever challenges Caldera is doing it as a political strategy for an early start...

[Question] Where is Pepi's strategy leading?

[Answer] To an early start in the fight to qualify in the near future.

[Question] Do you think Pepi is throwing his hat into the ring as of now for the 1988 classic?

[Answer] Pepi, like myself, is very ambitious. He knows that by challenging Caldera he gains standing. Even if he loses, he gains.

[Question] The Herreraists are counting on a turnabout in government. They calculate that Pepi could latch on to that turnabout (the one they are hoping for) and succeed in overriding Caldera's popularity.

[Answer] I hope Pepi's hoped-for turnabout does come about. But a turnabout in government would favor not only Pepi but the entire party and Caldera as well.

[Question] Pepi, having gone from undersecretary general to Herrera's campaign manager to Foreign Relations, is beginning to emerge as a national leader. This native of Lara has proven, as few others have, exceptionally charismatic and efficient in the fulfillment of his functions.

[Answer] As a founder of the party, I am happy with the success Pepi has had in carrying out his government responsibilities. Thus, with the thrust being provided by other generations, our nation is assured of another 40 to 100 years of existence. But at this precise moment, as highly as I indeed regard Pepi, I cannot see him as being of the same stature and magnificence as a Rafael Caldera from a candidatorial standpoint. When Pepi shall have traversed the same historic trajectory as Rafael Caldera, he will be an extraordinary leader of this nation.

[Question] And has the stellar moment for COPEI's new generations not yet arrived?

[Answer] One must recall the Bible. There is a time for everything, a time to sow and a time to harvest. Pepi is now in his time to sow; he must await his time to harvest. I would advise Pepi to have a little patience... He is in a party

that more than any other one in Venezuela has known how to promote its young cadres. Montes de Oca himself, a member of the new-guard generation, occupies a position of top political power as head of the Ministry of Interior; Eduardo Fernandez, another of our younger leaders, is nothing less than secretary general of the party; Vivas Teran, Curiel, Cardozo and many others are fundamental Christian democratic leaders. From the standpoint of the promotion of a new leadership, no party has done what COPEI has done.

An Integrated Leadership

[Question] The Herreraists are concerned over their future in the party. They can imagine what a Caldera as head of the government and of the party as well would mean. This is why they are trying--while they are still in power--to position themselves in such a way as to guarantee their future.

[Answer] Even though factions are a reality, I do not like to consecrate them. There is in COPEI a consensus in favor of integration of the party as a whole by way of a new National Committee. It is indispensable that there be figures in the party management who are today in government and who for whatever reason may cease to be so.

[Question] Like whom?

[Answer] Like Luciano Valero, Gonzalo Garcia Bustillos, Jose Luis Zapata, Pepi Montes de Oca himself...

[Question] You assert that the COPEI candidate will be Caldera. I ask: How should the campaign management staff be made up?

[Answer] That is a very personal question that will have to be decided by Caldera himself. If I were Caldera, that is, the candidate, I would not have a Calderaist management. That would go against the unity of the party. I would put top-drawer people in it--without regard for factions--men like Luciano Valero; I would bring Montes de Oca himself into my campaign management staff. Obviously, Caldera would also have to bring in his intimate friends: Alvarez Paz, Curiel...

[Question] In Lorenzo Fernandez's management staff, the Herreraists felt passed over; nevertheless, Luis Herrera brought several Calderaists into his. He made Eduardo Fernandez head of the Federal District, the most important position...

[Answer] A very intelligent decision by Luis Herrera. That is what I want Caldera to do. The return of a courtesy is not a trap.

Caldera, Lusinchi, Morales

[Question] You see Caldera being president for the 1984-1989 term. The AD [Democratic Action] leadership have other ideas and will run Jaime Lusinchi or Morales Bello against him.

[Answer] The next elections will be crucial to Venezuelan democracy. The political parties are in crisis. Despite my high esteem for Jaime Lusinchi, I do not believe he can tip the balance in his favor at a time when the nation is seeking a man equal to the task of overcoming its difficulties and capable of dealing with the situation. The people are knowledgeable; they have ways of castigating governments... The magnitude of the crisis and of the emergency demands a Rafael Caldera. Lusinchi is not the man for this hour. There is no one who can compete against Caldera's historic impact and against the sense of trustworthiness he inspires.

[Question] The people are indeed politically knowledgeable and do know how to castigate governments. They have done so on three occasions. Why should they not do it now?

[Answer] It is not a matter here of pursuing the routine of the last 20 years of democracy. It is not a matter of seeking a man who will castigate the government, but rather one who will safeguard our democracy. Caldera has proven himself a great leader of the nation. Lusinchi has only now begun to lead a mere party.

[Question] And as against Morales Bello?

[Answer] Victory would be even easier. Betancourtists would not vote for Morales Bello; they would vote for someone else...

[Question] How could your party win with a government that stands so low in the popularity polls?

[Answer] Many politicians think ours is a leftist people, but it is really a rightist people. A switch to Penalver or Lusinchi would bring them under the rule of laboristic notions--self-management or comanagement--which the nation rejects because of their leftist leanings. Petkoff and Rangel, each unto himself, also do not represent what Venezuela wants. This is a people who voted for the AD and for COPEI because they believed these parties to be rightist.

[Question] Then Caldera is a man of the Right?

[Answer] He is not a man of the Right, but against a Jaime Lusinchi who will represent self-management, and against a more obvious Left such as that of Petkoff and Rangel, the people will vote for Caldera--not as a rightist, but to avoid the dangers of the leftist unionism of AD and the Marxist Left.

[Question] The first to talk of comanagement were the members of your party, and those who are now talking of self-management are again those of your party. Vivas Teran, the FTC [Social Christian Workers Front], and the Herrera government platform are those talking of self-management.

[Answer] But there is no danger that those notions of certain individual COPEI leaders will be those of a Rafael Caldera government. In AD, where trade unionism is predominant, the self-management danger and that of extreme leftism are to be

taken seriously. The union leaders have already made it clear that if Lusinchi were to become president he would be authorized to govern only in international and military matters. Insofar as concerns all others, the union leaders would have the say and would call the tune.

[Question] You say that AD's self-management and comanagement propositions are indeed to be taken seriously. Does this mean then that when President Herrera's platform speaks of a basis for comanagement and when Vivas Teran and others speak of self-management, cooperativism and the new forms of ownership, they are not talking seriously?

[Answer] Yes, they are talking seriously, but in terms of trial balloons and nothing more... This is not a plank in the party platform.

The Government of the Poor

[Question] Last year, the government of the poor broke the record with an inflation rate of 23 percent.

[Answer] True, the inflation rate has been a source of concern to the government. Inflation is not resolved overnight. The government has made mistakes from the economic standpoint. I don't know who the man was in the COPEI social Christian government who invented the accursed idea of price decontrol. The nation was thrown into total confusion. The speculators immediately went into action. That idea, accursed aborning at a fateful moment, had disastrous effects.

[Question] Was there any other failure in the economic sphere?

[Answer] There was an inordinate delay in putting together a properly unified team headed by an economic mind that would not have allowed the various mistakes of that policy. A one and only channel of command was lacking, and this gave rise to a number of problems.

[Question] Why has the president not wanted to make any change whatsoever in the members of his economic advisory staff?

[Answer] President Herrera has placed a great deal of confidence in the ability of that staff to shape up little by little and to be by now more unified.

[Question] Had you been president, what would you have done with that staff?

[Answer] Several of the ministers would by now have left the Cabinet.

[Question] Your appointment as governor of Merida is being taken for granted. There you will have a chance to put into practice many of the ideas you have proposed and to reform many of the things you have criticized...

[Answer] An offer to become governor of Merida is indeed a great temptation to me. Let there be not the least doubt in your mind that if I finally accept the post of governor of that state or any other position in public administration, I shall imprint upon it the stamp of my personal concepts of policy.

The Discrediting of Leadership As a Whole

[Question] The Venezuelan political leadership brings discredit upon itself. The most conspicuous among the party leaders accuse each other of being thieves, embezzlers, bank robbers, front men, bribees, and so forth. Yet no political chief is behind bars.

[Answer] This is why I speak of a crisis in the political parties. These attacks take place not only among the parties but within the parties themselves. Debate becomes lost in accusations that are often unimportant to it. And the failure lies in the fact that no punishment is imposed in those cases where the accusation may be true. This is how democracy falls into crisis. There are men capable of being bribed and others who have acted in violation of administrative ethics and morals. Democracy has failed when it has neglected to put those men behind bars who have, beyond any shadow of doubt, committed illegitimate acts.

[Question] That kind of show in which the crime is denounced but not the criminal can only be seen as an absolutely sham performance suggestive of political complicity.

[Answer] That is explained by the lack of moral values. It takes courage to denounce a person by name and surname. But we in Venezuela are lacking in moral values. Everyone knows the bribees and knows who has become rich in his governmental functions. We are in such a small country. Everyone has a friend or a relative who can pull a certain string and get the delinquent off scot-free. We do not even have moral censure. Here, we see the delinquents of the sector of public administration, the bribees the five-percenters constantly in attendance at all the festivals and social functions and being embraced and bussed by everyone, politicians as well as nonpoliticians.

[Question] Have you ever embraced any of those delinquents?

[Answer] Heavens yes! And during those embraces I could feel those wallets bulging with money...

Castro and the Death of Che

[Question] You promised us a very revealing story about the death of Che Guevara.

[Answer] Many people accuse me of being a morbid anti-Fidelist. That is not true. I have reasons for not wanting anything to do with that gentleman head of the Cuban overnment. I know everything of which he is capable and I am familiar with his moral makeup. In the shelter of my own country, which has endured this gentleman's savage attacks upon it, I do not shirk my responsibility, and I fight Castroism.

[Question] What is the revelation?

[Answer] Che Guevara went to join the Bolivian guerrillas with Fidel Castro's blessing... While I was Venezuelan ambassador in France (Paris) in 1974, I became

a very good friend of the Bolivian ambassador, General Anaya, the official who had headed all the operations involved in the encircling and capture of Guevara. He told me that Fidel Castro had been deeply involved in Che's capture. To me it had always been a strange thing that Regis Debray had gone to take part in the guerrilla activities in that South American country. Che suspected him and made him leave the guerrillas. Fidel Castro knew that the Frenchman was a blabbermouth but sent him nevertheless to join Che in his guerrilla operations. One must not forget the death of Camilo Cienfuegos. General Anaya told me that Castro and Debray were working together. The Frenchman purposely created the conditions that made Che throw him out and to have the Army capture him. This was all certainly planned together with Castro. Che became aware that the talkative Debray had revealed the exact location of the guerrillas and pinpointed the site of the guerrilla headquarters. In his diary is inscribed this stark sentence implicating Debray's plan: "This Frenchman has blabbed everything..." The Bolivian ambassador knew the whole story and, undoubtedly because he did, was assassinated shortly thereafter. He knew the secret and had to die; and he died riddled by bullets in the streets of Paris. He knew of the hushed-up plot to eliminate Guevara. This is why I cannot believe anything Fidel Castro says. Debray was subsequently freed.

[Question] Are you saying he was freed in exchange for his having betrayed commander Guevara?

[Answer] There is nothing rare about that probably having been the pact. I sincerely believe that is why he was pardoned and allowed to leave Bolivia. He then went to France. Subsequently, Mitterrand appointed him his adviser on Latin American affairs. Fidel, in another bold stroke, appoints Alfredo Guevara, intimate friend of Regis, Cuban ambassador to the UN. And between them they are certain to have drawn up the communique in which France announced her solidarity with the guerrillas.

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END

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Latin America Report

No. 2394

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BRIEFS

FUEL PRICE INCREASES--According to the price regulation office, the government has decided to increase the price of gasoline and diesel by 6 cents, kerosene by 1 cent and liquid gas by 24 cents. Beginning tomorrow, super gasoline will cost 2.32 balboas a gallon, regular gasoline will be 2.18 balboas a gallon, diesel will cost 1.40 balboas a gallon, kerosene will be 1.30 balboas a gallon and the 25-pound tank of liquid gas will cost 5.54 cents. [PA160618 Panama City Televisora Nacional in Spanish 2245 GMT 13 Oct 81]

CSO: 3010/143

NICARAGUAN JOURNALIST CHAMORRO INTERVIEWED IN ARGENTINA

PY232029 Buenos Aires LA PRENSA in Spanish 20 Oct 81 p 6

[Article by Baltasar de Rosa]

[Excerpts] The Nicaraguan daily LA PRENSA for many decades struggled against Anastasio Somoza's dictatorship. Its editor, Pedro Chamorro, paid for this with his life. During its last days the regime set fire to and destroyed the premises of the newspaper.

What does LA PRENSA support which bothers some people? Pedro Joaquin Chamorro, son of the murdered journalist answered: "We defend the right to inform the people on what is going on with every detail."

Chamorro and his mother Violeta, a former member of the Nicaraguan government junta, are visiting our country after participating in the Inter-American Press Association (IAPA) meeting in Rio de Janeiro.

During an interview granted to this daily, Pedro Chamorro expanded on statements made in Rio regarding the media's situation in his country and especially the situation of the newspaper owned by his family, which is managed by his uncle at present.

He said that "the government, even disregarding ideologies, does not like us publishing opinions which differ from those officially approved and promoted by the media sector which is loyal to it."

Chamorro said that "it does not like criticism or commentaries on issues which it considers delicate, such as the economic problem, for example. It does not allow criticism of cases of mismanagement."

According to Chamorro the "revolution" is above all as a supreme value, thus acquiring special, magic and marvelous shapes. "Those who do not understand that special magic will have to face the reaction of those people."

He stated that "supposedly a revolution is a process of changes aimed at social development. If this is what revolutions are about, I do not like them."

According to Chamorro, the Nicaraguan government rejects all criticism as a "confrontation" and desires the entire media to follow an "orientation" in its favor. "But LA PRENSA is independent and loyal to its opposition to totalitarism," he added.

He pointed out that in Nicaragua the two television stations, 90 percent of the radio stations and two-thirds of the newspapers directly or indirectly toe the Sandinist line. Chamorro stated: "However, the government draws our attention to it if we omit publishing any official information."

According to Chamorro's description, the most outstanding characteristics of the current process in his country are the lack of separation between the army, party and state (whose leadership is exercised by the same person), the lack of political pluralism, the concept of elitism in society, and the lack of a true nonalignment.

But Chamorro says that these characteristics were obvious from the very first day the new government took power. He noted: "I am proud to have been the first one who criticized this process but this does not mean that I have not praised its good deeds."

He noted that the government does not fear the Somoza movement as much as imperialism or the return of the bourgeoisie. But he added: "They are wrong in believing this since the opposition is not identified by classes but by political issues and it also includes those who struggled in support of the Sandinist front."

He admitted, however, that the reappearance of the old Somoza national guard is still a danger and that according to government officials it has the support of Honduras, Guatemala, El Salvador and even Argentina.

Chamorro believes that more than anything else these activities against the government pose a threat to Nicaraguan democrats. He noted: "The Sandinist government has warned that the heads of those who criticize the government will roll as soon as a foreign invasion is detected. And I may be at the top of that list."

According to Chamorro the United States was "very patient" with Nicaragua in view of the verbal attacks issued by Nicaraguan leaders. But he added: "Bilateral relations deteriorated after charges were issued that Nicaragua was allegedly supplying arms to Salvadorn guerrillas, and there has been no evidence on this."

He added that at the United National Nicaragua had not voted in keeping its status as a nonaligned country and that it maintained fluent relations with socialist countries.

Chamorro said: "There is an important technical cooperation program with Cuba. Sandinist leaders have traveled throughout the Soviet bloc requesting aid, particularly to help an economy that is not doing well, and a negative balance of payments."

"The economy cannot improve because the business sectors do not invest. Money is what is most scarce. Our newspaper is one of the few enterprises which has undertaken its reconstruction seriously. We have gotten our offset rotary working again and are building new premises."

Chamorro pointed out: "It is clear that our purpose is not to make money, we value other things. LA PRENSA is what is left of pluralism in Nicaragua."

"The current leaders claim to represent the people because they won the revolution and undoubtedly are capable of getting the people's support. But they do not admit any competition," he pointed out.

"Their declared purpose is to improve the people's situation and for that they justify any means, including the wrong one chosen which will not yield the results they expect."

"Their tool is the complete politization of society and the achievement of massive support. One of the mottos promoted by the government which we have criticized most says: 'National directorate, give your orders.' But only slaves ask to be ordered," stated Chamorro.

CSO: 3010/119

FSLN YOUTH OFFICIAL ON REGIONAL SOLIDARITY EVENTS

PA102255 Managua Radio Sandino in Spanish 1800 GMT 10 Oct 81

[Text] The revolutionary youth of Central America and Panama have been expressing their solidarity with our process and remain in a state of alert in the face of any intervention by Yankee imperialism in Sandino's land. The youth organizations in Central America and Panama have held several events of solidarity with our people's revolutionary cause. Through these events they have repudiated Yankee imperialism's militaristic actions, as represented by the recent hawk view maneuvers.

The Central American students have declared themselves in a state of alert against any armed intervention in Sandino's land and against any effort to neutralize the liberation movement currently underway in El Salvador. The above was announced by companero Fabio Tablada Vanegas, who is in charge of the Sandinist youth movement's international solidarity department and is a delegate to the CNSP [Nicaraguan Committee of Solidarity with the Peoples].

Tablada will not provide additional details:

[Begin recording] In Honduras, the Honduran youth and popular organizations staged marches in Tegucigalpa and San Pedro Sula to repudiate the military maneuvers. The youth and the people there are willing to defend the Sandinist People's Revolution as if it were their own cause. They are also willing to defend the Salvadoran Revolution.

A similar event was held in Costa Rica, where Costa Rican youth held a political event at the National University of that fraternal country to repudiate the hawk view maneuvers. They also expressed their militant solidarity with the Sandinist people's and the Salvadoran revolutions.

Representatives of all of Panama's student movements also held a march in Panama City. The march proceeded through the main streets and ended in front of the U.S. Embassy in Panama, where the students delivered a document to the Yankee ambassador. He in turn was to deliver this document to the warring Ronald Reagan. The ambassador, however, rejected the document, alleging that both the march and the contents of the document were of a communist nature. In the end, the ambassador did not receive the letter. The students then headed for the Nicaraguan Embassy, where they held a political event and delivered a document to the ambassador. The students' document expressed their solidarity with our struggle and with the Sandinist cause and stated that they would be willing to defend this revolution as if it were their own. [End recording]

CSO: 3010/155

INTERNATIONAL DEMOCRATIC FORUM HELD IN COSTA RICA

Nicaraguan Situation Discussed

PA052154 San Jose Radio Reloj in Spanish 1730 GMT 5 Oct 81

[Text] An international democratic forum on the Nicaraguan revolution was held in San Jose, Costa Rica, during the past 3 days with the participation of Central American delegations and political leaders of the social democratic and liberal parties. The Nicaraguan democratic organizations exchanged views and analyzed Nicaraguan democratic organizations exchanged views and anlayzed Nicaragua's internal situation. They also discussed general matters concerning the government and influence of the revolutionary process on the country's political, cultural, social and economic life.

The following resolutions were approved during the international democratic forum: to recommend the establishment of the international democratic forum with the participation of representative sectors which opposed the Somoza regime and which should be representative of the people's free will; respect for human rights of all Nicaraguans; free elections as soon as possible, in order to establish a genuinelly democratic government that will guarantee peace, freedom and justice. Finally, it was agreed to continue holding these forums.

'LA PRENSA' Report

PA120202 Managua LA PRENSA in Spanish 4 Oct 81 p 8A

[Text] One of the main conclusions reached at the regional forum on Nicaragua, which enede last night in San Jose, Costa Rica, was that the process of changes that is taking place in Nicaragua is neither an isolated nor a local phenomenon, but an action which involves Central America's democratic interests.

The forum, which was attended by representatives of the region's democratic parties, is the first of its kind, since for the first time democratic parties with different ideologies, agree on the need to establish democracy in the region.

Also present were labor leaders of independent and democratic views, of national and regional organizations.

The participants in the forum at all times showed special interest in the Nicaraguan situation which was discussed by the Nicaraguan delegates.

The participants in the forum said that it has been very positive because it allowed them a deeper knowledge of the Nicaraguan situation and particularly of the most recent developments.

One of the speeches to which they were the most attentive was the one by Alfonso Robelo, of the Nicaraguan Democratic Movement, MDN, who at the end called for a Central American Democratic unity.

One of the most interesting moments of the forum was the discussion referring to the ideological leadership of the Nicaraguan Revolution. They mentioned a speech by Commander Humberto Ortega in which he says that Sandinism is moving alongside Marxism-Leninism.

"We are extremely worried by this clear statement by Commander Ortega, because in Costa Rica we always thought of Sandino as a nationalist and not as a Marxist-Leninist," Alfonso Carro Zuniga, of the National Liberation Party of Costa Rica and former president of legislative assembly, said.

Toward the end of the forum several delegates said that this meeting was the first step toward the establishment of a Central American Democratic Front, which would offer the suffering people a political alternative in overcoming poverty and oppression so that they do not fall for a totalitarian system.

They also agreed that in the same manner that this first forum had dealt primarily with Nicaragua, other forms will be held in the near future to discuss and learn more about the needs of other countries of the region.

Observers from Venezuelan political organizations and from aid institutions and development funds were also present.

CSO: 3010/155

BRIEFS

PROTOCOL WITH MEXICO--Nicaragua and Mexico will participate in a project aimed at boosting food production in this country. The general board of the national evaluation system of the Mexican presidency reported in Mexico City today that representatives of the two government signed the initial protocol for the creation of a mixed company based on experiences gathered from the Mexican nutrition system. Nicaragua will benefit from the establishment of this firm because it will help increase the production of basic food for its people and will help produce an excess for export, Mexican sources reported. The amount of the investment involved have not been determined yet, the sources added, but it has been established that Mexico will furnish 49 percent of the capital and Nicaragua will hold the rest of the shares thereby controlling the enterprise. [Text] [PA060330 Managua International Service in Spanish 0030 GMT 6 Oct 81]

CSO: 3010/155

THAI FOREIGN MINISTER SIGNS AGREEMENT, DEPARTS

PY281435 Buenos Aires LA PRENSA in Spanish 22 Oct 81 p 5

[Excerpts] The Thai foreign minister, airforce Marshall Sitthi Sawetsila, departed yesterday for Chile, where he will visit before returning to his own country. Argentine Foreign Minister Oscar Camilion had said good bye to the Thai foreign minister at the hotel in which the latter was lodged.

During his stay in this capital, the government's guest talked with President Roberto Viola, with Commerce Minister Carlos Garcia Martinez and he also held work meetings with Camilion and other San Martin palace officials. He also signed a scientific and technological cooperation agreement.

He also gave a lecture entitled: "Thailand and the Situation in Southeast Asia" at the Argentine Council of International Relations. The night-before last he gave a reception for Camilion and decorated him in the name of his government.

The document that the two foreign ministers signed states that the two countries will promote, in accordance with their respective laws and regulations, reciprocal scientific and technical cooperation, through which they will exchange information pertaining to those sectors and they will exchange technical personnel in order to transfer knowledge and experience, plans, projects or any other type of scientific and technical cooperation.

The implementation of these activities and the details of each of the programs that are to be undertaken will be subject to specific agreements implemented through diplomatic channels, including the participation of private organizations or institutions of the two countries and that of a third country when the two nations deem it necessary.

The expense for sending personnel, equipment and materiel will be undertaken by the sending country, while local expenses will be undertaken by the other.

It is made clear that the personal effects of those who reside in one or another country will be reciprocally exempt from paying customs tariffs and it is established that the two foreign ministries will be the organizations charged with the implementation of the agreement that has been signed, in addition to creating a joint committee that will meet twice a year and special work groups for studying problems that have been determined by the parties. The agreement will go into effect as soon as the two countries have notified each other in writing and it will be extended every 5 years, unless one of the parties decides not to with a 1-year prior notification.

CSO: 3010/132

PRESIDENT OUTLINES 3-YEAR GOVERNMENT PLAN

PY222132 La Paz Radio Illimani Network in Spanish 1130 GMT 22 Oct 81

[Text] The 3-year government plan implemented as of today is comprised of 10 chapters which include: foreign policy, domestic policy, military policy and the role of the armed forces, institutional policy of the Bolivian police force, economic policy, sectorial policy, social policy, cultural policy, regional policy and subregional integration policy.

The plan which was extensively outlined by the president during his speech delivered last night was released to the media later on.

Due to its importance we will refer to the economic policy chapter which establishes:

State finances:

A. To substantially broaden the tax base by including all urban and rural sectors which do not pay taxes in the revenue system, based on principles of equity and universality regarding contributive capacity and in applying tax laws.

B. Drastically reduce tax evasion in the private and public sector through a radical improvement of the control system, and by eliminating franchises, exemptions and privileges.

C. Rationalize and update the systems for tax collection and control, eliminate corruption at the administrative level.

D. Turn the specific taxes into ad valorem taxes in order to make them simultaneously flexible according to the increase of prices.

E. Reorganize the customs policy so that it will be preferably aimed at the following objectives: 1. [word indistinct] substitution of imports; 2. penalization of the import of luxury and nonessential goods; 3. encourage exports, especially nontraditional goods; 4. subject the national industry to competition by reducing customs duties in order to channel industry to produce goods with comparative advantages.

F. Order the implementation of a new budget policy which should be obligatory and realistic so that government expenditures should strictly adjust to the available financial means. The income policy should be based on an equitable distribution of government expenditures and the expenditure policy will be aimed at maintaining employment and will be equitably channeled according to the economic sectors and the geographic areas.

G. Rationalize public investments aimed at priority projects which will yield results in a short term, which will be highly profitable and favorable for the country regarding production, jobs, and in generating foreign currency.

H. Do away with subsidies and unreal prices.

I. Balance the budget and do away with the Central Bank's financial deficit.

J. Renegotiate the foreign debt in terms and conditions compatible with the country's situation.

Financial policy:

A. Encourage foreign investments through a new realistic and objective investments law provided with simple rules, clearly established and easily applied.

B. Reorient domestic investment to direct it preferably toward increasing the value of domestic production.

C. Establish a centralized and strict control mechanism of the foreign debt; channel those resources exclusively for investment purposes and preferably in projects which will yield results in a short term.

D. Order the full functioning of the stock market.

E. Create an economic-financial stabilization council as the main tool for the control and continuation of the economic reactivation process.

Monetary policy:

A. Establish a realistic exchange policy based on the market behavior.

B. Use the monetary tools of legal reserve, selective rediscount and bank interest rates so that it will tend to maintain aggregate demand at levels compatible with the offer of goods and services.

Productive sector policy:

Due to the financial and institutional weakness of the public sector which constitutes a limiting factor and which has its impact on the development of new investments it has been decided to:

A. Restructure the public business sector through the expansion of the private sector.

B. Rationalize jobs and salaries in the public sector seeking an increase of production and reduction of costs.

C. Promote the participation of the private sector in state-owned enterprises as well as their possible ownership.

D. Reduce the state's participation in future productive activities.

E. Transfer or allow the participation of the private sector in those productive projects currently underway which would be advisable due to the aforementioned financial and institutional weakness of the public sector.

F. Establish a new compensatory regime of rights and concessions for the exploitation of natural resources both for the public and private sector enterprises.

G. Eliminate the Central Bank's endorsement system for the acquirement of loans for the private sector and a substantial reduction of similar endorsements to the public sector up to its complete elimination.

H. Eliminate the transfer of capital granted by the Central Bank to private enterprises as well as suppress subsidies and aid to the public sector in general.

I. Approve the law which will promote the export of nontraditional goods which are carried out under the warrant system and other types of financing systems, avoiding all types of subsidies by the state.

J. Create the institute for foreign trade.

CSO: 3010/119

GOVERNMENT'S RIGHTS VIOLATIONS CITED

PY202044 Paris AFP in Spanish 1532 GMT 18 Oct 81

[Text] La Paz, 18 Oct (AFP)--An open letter published here today and addressed to Bolivian President Gen Celso Torrelio Villa by this city's permanent human rights assembly indicates that his government even today continues to violate basic freedom, which is guaranteed by the constitution.

The letter states that these violations will be verified by a delegation from the UN Human Rights Commission. This delegation is expected to arrive in the country next Tuesday.

The letter warns that its assertions are backed up by concrete facts, such as the ban on labor and professional activities; the violation of university autonomy; and the house raids, detentions, kidnappings and murders.

In this respect, it recalls that during the past few days Special Security Service (SES) agents cold-bloodedly killed driver Felix Filberto Ribera and that on a previous occasion miners Humberto Victoria and Julio Cossio also lost their lives.

It adds that labor leaders are persecuted just because they sign declarations and it cites the case of Guido Arce, a leader of the Santa Cruz Department labor central, who was detained and is now missing.

The La Paz Human Rights Assembly also refers to recent statements made by Education Minister Col Juan Vera Antezana, who directly threatened any teacher who dares to sign a declaration.

It also notes that university students are severely controlled, threatened and in many cases arrested for reasons that would never be considered criminal by governments that respect legal order.

It stresses that the continuing curfew, the enforcement of the state radio network, the impounding of equipment belonging to radio stations of the mining sector and the threats against the media must be added to the above mentioned.

The assembly reminds Torrelio that in one of his first speeches he promised to govern with the law in his hands, and then indicates that this promise is not being carried out, although there is still the hope that his words will cause a change in the situation that has been reigning in the country since the 17 July 1980 coup.

CSO: 3010/132

BRIEFS

COMIBOL DEFICIT--Armando de Urioste, general manager of COMIBOL (Mining Corporation of Bolivia), has reported that as of August 1981 COMIBOL's deficit amounts to $91 million, of which $47.9 million have already been paid. He blamed this situation on COMIBOL's critical lack of supplies. [PY162345 La Paz EL DIARIO in Spanish 9 Oct 81 p 3 PY]

MONETARY GROWTH, RESERVES--The Central Bank has released its 1980 annual statement which indicates that the monetary growth during that year amounted to 68.6 percent, the equivalent to 6,470,900,000 Bolivian pesos. This growth was influenced by the distortions caused by the private and public sectors. During the same year there was also a contraction of the monetary reserves, they decreased by 428 million Bolivian pesos to 3,142,000,000 Bolivian pesos. This decrease in the reserves was due to the payments that had to be made to amortize the external debt.[La Paz Radio Illimani Network in Spanish 0100 GMT 16 Oct 81 PY]

COMMUNICATIONS UNDERSECRETARY--Transport and Communications Minister Hector Caballero Cardozo has sworn in Eng Edmundo Arauz Rea as the new communications undersecretary of his ministry. [La Paz Radio Illimani Network in Spanish 1700 GMT 23 Oct 81 PY]

RIVER PLATE BASIN LOAN--The Bolivian Finance Ministry and the river plate basin fund today signed an agreement by which the latter will supply a $7.5 million loan to build the Potosi-[name indistinct] highway which will be part of the Panamerican Highway which will link Peru and Argentina. [La Paz Radio Illimani Network in Spanish 0100 GMT 81 PY [as printed]]

ANTIMONY PRODUCERS MEETING--Producers of antimony from different countries will meet for the first time to consider aspects of interest in this sector, especially regarding defense of prices on the international market. The Bolivian committee for antimony producers is charged with organizing this international meeting which is to take place in La Paz from 27-30 October in the auditorium of a downtown hotel. (Alberto Barrios), representative of small mine producers of antimony, told us that the meeting will have the following objectives: [begin (Barrios) recording] The first objective, according to initial contacts, is to create an international antimony commission. [end recording] The meeting will discuss five main points: general consideration of production of raw [primario] antimony; mineral-metallurgical information in general; exchange of

opinions on new types of uses for raw antimony; various issues, and conclusions. The meeting of antimony producers is very important for the future of this sector, because this is the first meeting to be held on this issue. [Excerpt] [PY231619 La Paz Radio Illimani Network in Spanish 1130 GMT 23 Oct 81]

STATE INCOMES--The treasury of the nation has reported that government incomes in 1980 were only 81 percent of those of 1979. The mining sector increased its share of those incomes, through royalties and export taxes, from 25 percent in 1979 to 27 percent in 1980. [PY191701 La Paz Radio Illimani Network in Spanish 1130 GMT 19 Oct 81 PY]

INFORMATION MINISTRY--The general information secretariat of the presidency has been elevated to the category of ministry, according to a decree approved by the cabinet. [La Paz Radio Illimani Network in Spanish 1130 GMT 19 Oct 81 PY]

CSO: 3010/119

MINISTER CABRISAS INTERVIEWED ON COUNTRY'S FOREIGN TRADE

Havana VERDE OLIVO in Spanish 20 Sep 81 pp 28-33

[Report on interview with Minister of Foreign Trade Ricardo Cabrisas Ruiz, by Roberto Casin Medina; date and place not given]

[Text] While dozens of ships crisscross the oceans and teletype machines in the principal capitals of the globe announce the conclusion of new commercial transactions, a veritable swarm of officials and experts arises each morning, has breakfast and reads the most important newspapers before entering the complex world of international markets.

The tireless work of these men is absorbing and meticulous, because modern-day trade is much more than buying and selling. One needs a very fine nose, extreme tact and complete mastery of a vast flow of technical information. One must foresee and evaluate ad infinitum because as time passes, the simplest step taken in this business has become as professional an act as building an impressive bridge or rooting out the innermost secrets of nature.

These are the presupposed practices of our time. They enable us to cross geographic distances and language barriers so that goods purchased in the most dissimilar nations will arrive at their destination on time and so that shipments of products sold to other countries will complete their export route successfully. However, in the best of cases, this is already a fact.

Foundations

Any stroller on La Rampa in Havana and happens to glance up at the two rectangular buildings rising above the sea wall where Calle 23 ends -- or begins -- will be looking at, however unwittingly, the heart of Cuban commercial operations. For many years, this has been the home of the Ministry of Foreign Trade, 18 import-export firms and other offices where over 3,500 employees work.

The vast network which Cuban foreign trade has constructed around the world starts here and extends over four continents. Cuba now trades with over 100 countries and this whole universe of borders, customs controls and constant commercial comings and goings can be reproduced, step by step, on the chart papering one of the walls in the office of the minister of foreign trade. Each one of our 35 commercial offices abroad is properly marked thereon.

Pausing in his work, Ricardo Cabrisas has agreed to talk about the expansion of Cuba's foreign trade. Rather than an interview, the dialog with the minister takes on the shape of a long account in which facts and figures are complemented with the necessary definitions.

[Question] What is our foreign trade based upon?

[Answer] "In our country, foreign trade is an essential element of the relations of socialist production. It is a state monopoly and its planned nature determines the role it plays in the development of the national economy, as an indispensable complement to production, accumulation and consumption in the country.

"But foreign trade does not merely play a passive, complementary role. The structure of imports and exports and the amount of foreign trade are also results of taking advantage of the international division of labor and the attempt to increase the efficiency of the national economy through specialization in types of production that are much more profitable for the country, the replacement of imports and the concentration of imports on items and raw materials we do not possess and products of more advanced technology.

"The increase in our foreign trade is obvious. During the 1976-1980 period, it rose 9.8 percent and last year alone, it amounted to 8,525,800,000 pesos, 45 percent over the 1976 figure and six times the amount of all commercial trade in 1959."

Judging by the information that the minister offers, without any possible doubt, Cuba today has a dynamic foreign trade sector that operates on planned, solid foundations. Our markets are becoming more diversified and we are gradually eliminating the barriers of our internal limitations and the lack of products and equipment that we cannot manufacture. Our growing integration into socialist economies is a solid guarantee for the coordinated growth of commerce and development in general.

Generally speaking, no country -- much less Cuba, with its open economy -- is free from the problems which the big capitalist nations impose on the course of commercial trade. The search for bigger profits, attempts to dominate through control over and marketing of natural resources and manufactured products are objective factors of the commercial policy of developed capitalist nations, and the unequal, anarchistic and spontaneous exchanges that they generate has not been successfully regulated, despite all the efforts made by international organizations.

Great Changes

Over the last 20 years, changes in geographic distribution have had great influence on Cuban foreign trade. In 1959, trade with capitalist countries represented 99 percent of all our operations and of these, four-fifths were with the United States. And yet, last year, trade with the socialist camp made up 73 percent of the total amount. Markets are diversifying and today we trade with all the developed capitalist nations except the United States. At the same time, our commercial relations are rapidly expanding with the so-called Third World countries.

We now have new types of exports, although sugar retains its supremacy as our basic product. While in the past, the majority of our imports included consumer goods, luxury items and a number of canned foods, over the past 5 years, machinery and equipment, fuels and lubricants have made up more and more of the total volume of imports. "Consequently, we are ensuring the country's agricultural and industrial advancement," I was told by Cabrisas, as his hands gave greater expressiveness to his arguments.

Imports 1980

Main Suppliers	Percent of Total
USSR	62
German Democratic Republic	4
Japan	4
Bulgaria	3
Spain	3
France	3
Canada	2
People's Republic of China	2
Czechoslovakia	2
Federal Republic of Germany	2

Exports 1980

Main Buyers	Percent of Total
USSR	57
Mexico	5
German Democratic Republic	3
Bulgaria	3
People's Republic of China	3
Canada	3
Iraq	3
Japan	3
Algeria	2
Czechoslovakia	2

The following question came after a pause in his remarks

[Question] How is your balance of trade?

[Answer] "The Cuban balance of trade has been affected by three basic factors: first of all, the accelerated growth in import needs, resulting from the improved standard of living and the investment program carried out by the Revolution.

"Second, the development of our exports, which in many cases have been affected by the inefficiency of agricultural production -- which is subject to climatic factors -- the long period of maturation required by certain investments aimed at creating exportable funds, and also, the blockade to which our country is subjected

by the United States. Third, we have the variations in sugar prices on the world market, which has created an instability in income from our exports, although to some extent, this is compensated for by the stable income from our sales of sugar and nickel to socialist countries at favorable prices.

"In current prices, our trade balance has shown a deficit except for certain years when the price of sugar has made it possible to make up for our increasing imports, made worse by world inflation and the extraordinary rise in prices. Nevertheless, Cuban trade policy has been aimed at maintaining a balance making it possible to meet our financial commitments to the capitalist area. Despite campaigns waged against us, Cuba enjoys well-earned prestige thanks to the faithful fulfillment of its obligations.

"With respect to the socialist area, there is generally a commercial deficit, mainly with the Soviet Union, as a result of the aid given to us in making major investments such as the program to develop the sugar industry, the energy infrastructure, roads and irrigation, and support in other important fields: nickel and oil refining, among others. These deficits are made up for through credits offered to us by the socialist countries, mainly the Soviet Union, with advantageous conditions."

Trade With Socialist Countries

"Commercial trade with the socialist countries will increase over the 1981-1985 period over 30 percent, compared with the preceding 5-year period," Cabrisas told me. He then went on to enumerate the factors making that trade mutually favorable:

Medium-range coordination of commercial plans and agreements: Medium-term planning of trade resulting from the coordination of the national economic plans of countries belonging to CEMA creates stable conditions for mutual trade. It makes it possible to expand the list of products in a planned fashion and ensures that the countries will have their supplies, without being subject to the contingencies of the anarchistic capitalist market.

Credit facilities: In order to finance the purchase of complete plants, these countries grant us "soft credits" -- that is, long-term payment periods at low interest rates, substantially under those governing international markets.

Special price conditions: Correct and remunerative prices have been set for Cuban exports of sugar, nickel and citrus fruits, of a preferential nature in keeping with the decisions of the 30th CEMA session. Cuban imports are covered by a price formula making it possible to attenuate abrupt variations in prices on the world market.

No deterioration in terms of trade: Our terms of trade remain proportionate to price increases for imports and exports. This is a very important factor, which is accompanied by the broad economic, financial and technical cooperation offered to us by the socialist camp.

Europe: Main Supplier

Geographically speaking, most of our imports come from the European continent. Last year, we purchased 89 percent of our imported goods and products from that part of the world.

Among the main suppliers in 1980 were: the USSR, the German Democratic Republic, Japan, Spain, France, Canada, the People's Republic of Chian, Czechoslovakia and the Federal Republic of Germany.

Our imports are following a rising trend. Will they continue to do so in the future?

The minister replied: "They should increase, although the guideline will be to obtain the greatest possible number of products now coming from markets in convertible currency, if they can supply them, which implies a continuous increase in trade with CEMA nations. In addition, we shall move toward the replacement of imports by national production.

"During this 5-year period, one of the main lines of work for foreign trade is to guarantee the importation of consumer goods and food products, as well as to achieve an increase in durable goods. We foresee an average annual increase in imports that will be lower than the overall growth in the economy (the latter is set at 5 percent annually). For exports, the trend will be toward greater volume, which will improve the country's trade balance."

[Question] Can we speak of preferential markets for our exports?

[Answer] "At the present time, the largest share of our exports goes to the socialist area. In 1980, the value exported to those countries rose to 68 percent of the total, although our trade, as we have said, has diversified greatly in recent years. For example, the ten major importers of Cuban products last year were the USSR, Mexico, the German Democratic Republic, the People's Republic of China, Canada, Iraq, Japan, Bulgaria, Argentina and Czechoslovakia.

"Prospects for Cuban exports are promising."

[Question] In addition to traditional products, what do we export?

[Answer] "Over the past 5 years, we have incorporated more than 100 new products into our exports, mainly as a result of the country's industrial development. In 1980, these categories represented approximately 6 percent of the total exported value. That is low, but it is not a negligible figure because this is an activity that is just beginning and viewed in the proper perspective, it carries decisive weight, especially when, despite the control exercised by the transnational firms and the rigorous competition, our products are well accepted on the world market.

"We are exporting certain industrial articles mainly to the developing countries: cement, textiles -- woven goods and ready-to-wear garments -- batteries, detergents, electric cables, pressure cookers, spare parts for the sugar industry, and

other products. This year, for example, we shall have some chlorine available. We intend to gradually introduce certain products in our trade with the socialist countries. The opening of these markets has a political meaning for us, since it is the result of the country's economic and industrial progress."

[Question] Are we truly prepared to embark on the path of these exports?

[Answer] "That is not an easy task. It requires the coordination of a large number of factors and the market is demanding. There are many links in the chain. The success of exports is somewhat similar to what happens in a marriage: If the producer does not understand the problems of the exporter, it will be very difficult to try to adjust the features of his production to the interests demanded by the market. In turn, if the exporter tries to market only what the customer asks for, without considering the limitations that industry might have, the product will not be sold. There has to be a complete identification of interests.

"An export forum was held last year in order to seek out this necessary identification of producers and marketers. The results were very good and this year, we intend to have another one. We can follow this path to the extent that it is generally a question of products planned for in our development and that usually have exportable surpluses.

"There is also another possibility: the circumstances existing on the market. That is where foreign trade must play an ever increasing role, especially with respect to the linking of industry to international markets. It is very likely that we shall have idle capacities in a given industry and that we shall be able to find customers interested in that type of production, while in turn ensuring that others will supply us with the raw materials needed to make that product which is in great demand on the market."

Big World

The policy of increasing our imports from the socialist area and replacing some of them through development of national production tends to reduce trade with capitalist countries in relative terms, but only proportionately, because the projected overall growth of our trade will mean that in absolute terms, it will also increase.

To date, the basic lines of exports to those nations have been sugar, nickel, tobacco, fish and seafood and cement. Imports include grain, medicines and pharmaceutical raw materials, insecticides and weedkillers, textiles, machinery for different branches of industry, accessories for agricultural equipment and automotive transport vehicles, buses, and so on.

The most important commercial transactions in this area have been in 1980 with Canada, Spain, France, Switzerland, the Federal Republic of Germany, the United Kingdom, Italy, Holland, Sweden, Belgium, Finland and Austria, in that order.

With respect to underdeveloped countries, our trade last year amounted to some 748 million pesos, representing 9 percent of all trade. We export much more than we import and the operations included nations in Latin America, Africa and Asia.

"In the trade structure with this group of countries -- with which trade is in convertible currency -- our growing ability to export industrial products is important," Cabrisas specified, "as are our limited possibilities of importing the goods offered to us by those nations.

"From the standpoint of our commercial policy," he added, "we are interesting in increasing trade between developing nations because the principle behind it fits in with the spirit of cooperation and mutual benefit and a strengthening of the independence of nations vis-a-vis the monopoly exercised by capitalist companies on the markets of nearly all countries in the so-called Third World."

Cuban Expansion: Work of Years

It is not by any accident that one-third of the employees of the Ministry of Foreign Trade are young technicians. This rejuvenating trend is also part of the qualitative changes occurring in Cuban commercial expansion of recent years.

"Since the beginning of the monopoly over foreign trade in 1961," the minister recalled, "one of the first steps taken was the creation of a school to train upper-level personnel. From that school, which is now the Institute of Foreign Trade, over 3,000 comrades have graduated. It is a requirement for all technical workers in the ministry to take the courses offered there. In addition, it trains intermediate-level personnel in foreign trade. These are students who have graduated from the basic secondary schools and who can thus continue their university studies."

In addition to the technical instruction of personnel, ever more qualified, a substantial portion of the ministry's workers remain in that activity, synonymous with experience. Figures confirm the fact: Some 37 percent have been in the sector over 37 years and another 29 percent have been there over 5.

As I reviewed the statistics, Cabrisas smiled, euphoric and even somewhat surprised by data and proportions which, although he was familiar with them, are encouraging every time they are reviewed and mentioned. "Over half of our workers are women," he pointed out, "and not only that: They also make up one-third of our managerial personnel: directors, deputy directors, department heads, specialists...."

Along with the men, women are also finding a place for their work outside the country, in our main world markets, where the commercial offices are the agencies of all the activity as a great driving force. Since 1978 alone, seven new offices have been opened up: in Angola, Finland, Ecuador, Nicaragua, Iraq, Libya and Syria. The total number: 35, is considerable and not exaggerated. The minister explained the reasons:

"In addition to the commercial offices, we also have representatives of government enterprises in some countries. This structure was imposed on us by the blockade since very often, even with money in hand, we could not solve the problem of

imports. Consequently, it was not only necessary, in many cases, to sign a contract, but also, to have a man on the spot to oversee execution of the contract.

"Basically, it was beginning in 1972-1973 that we began to have difficulties as the volume of our trade grew. We needed more personnel to carry out the administrative supervision of contracts, at the expense of their real function as representatives of enterprises: finding and guaranteeing the best options for trade.

"Since that time, we have worked out the scheme of joint ventures or clearly Cuban firms occupied with exports and imports. There are many advantages because in this way, many resources are rationalized. We appoint a good, competent director and for all operations, we use native traders of the host country who have naturally mastered the language and marketing channels. We have permanent, specialized personnel there.

"Another factor is that international trade has gradually ceased being contained within borders, and while commercial offices operate by country, the firms are involved in the specific product markets."

The story is a long one, sprinkled with anecdotes and obstacles overcome through great effort. The figures and data that tell of difficult times or origins of Cuban foreign trade must go back to the peace of the archives, but they remain alive in the personal memories of those who lived them. Time goes on, however; trade does not stop and perhaps some very important matter is awaiting the minister on his desk even now. For two hours, we had traveled a large part of the world and reviewed its events in an itinerary that had actually required two decades to be completed.

What We Exported Last Year

Raw and refined sugar, processed honey, natural alcohol, nickel oxide plus cobalt, nickel sinter plus cobalt, nickel sulfide plus cobalt, copper concentrate, refractory chrome, bentonite, fresh and frozen fish, lobster, shrimp, canned fish, twisted and leaf tobacco, cigarettes, oranges, tangarines, grapefruit, lemons, pimentos, potatoes, fruit in syrup, fruit juices and nectars, fruit creams, concentrated fruit juices, ketchup, tomato juice, natural and artificial flavorings, forest seed, horses, fresh eggs, beeswax, bulk honey, bottled honey, yeast, coffee, processed tripe, caramel, cocoa butter, ground antlers and hoofs, bottled and bulk rum, creams and cordials, artificial wood boards, grey cement, cut and bulk marble, glazed color tile, grooved tile, thermos bottles for artificial insemination, pressure cookers, aluminum household items, coffee pots, paper and cardboard by-products, by-products of other materials, human protective gear, electric wire and cable, stoves, refrigerators for home use, underwear, clothing and ready-to-wear, henequen cord, woven goods of cotton and mixed fibers, ambary (kenaf) bags, newsprint, detergent, egg trays, typical handicrafts, sporting goods, notebooks, plastic toys, dry batteries, radio receivers, corrugated steel bars, steel wire, scrap iron and other scrap metals, semi-trailers, tires and innertubes for transport vehicles, medicines, medicines for veterinary uses, pharmaceutical raw materials, ampoules, bottles, electrical equipment, fishing boats, film, television programs, machinery and equipment for the sugar industry, magnetic tapes, phonograph records, printed music, art plates and reproductions, books, magazines, newspapers, cultural items, postage stamps, machetes and knives, glycerine, carbide, and light cardboard for corrugated cardboard.

11,464
CSO: 3010/38

SPEECHES AT CANCUN SUMMIT REVIEWED

French President Speaks

PA231515 Paris AFP in Spanish 2206 GMT 22 Oct 81

[Text] Cancun, Mexico, 22 Oct (AFP)--President Francois Mitterrand said today in Cancun in front of the other 21 chiefs of state and government attending the north-south conference that, to France "the most essential thing is to contribute to the unity of the world which is also ours, with the greatest respect to its differences."

"We have come to this conference in Cancun with the intention to contribute to its success which will be assured if everybody here contributes with an open spirit and greater care in the definition of its methods," the French President added.

Referring to methods, the French President asked three questions: What is the meaning of global negotiations? What is the definition of an energy program? Must we chose between the spontaneous development of trade and the organized expansion of aid?

Regarding the first point Mitterrand said: "I want to say now, that I believe that nothing will be achieved if things are not brought completely out into the open. These include the needs of the south and north, the permanent structural factors as well as passing circumstances. However, he said that it would be unwise to attempt to multiply bureaucratic instruments and create new services before we have taken full advantage of the existing services, reforming them if necessary." [quotation marks as received]

Regarding the energy program, the French President recalled that the World Bank had proposed five solutions: creation of an energy branch, financing, lines of credit, trusteeship fund and classic loans, all without excluding other measures.

Mitterrand said that he would give his opinion on the matter, "if we accept that we are in agreements on the creation of such a program. Let us avoid restrictions on the extent and quantity, without limiting ourselves to a preestablished formula. This is our opinion on the matter."

Finally, considering the alternative of choosing between spontaneous development of trade and the organized expansion of aid, Mitterrand said:

"Wouldn't it be better to work out an agreement so that we can replace an imposed relationship, between forces, which has brought no solutions, with an intelligent and organized approach?"

The French President added: "We shall achieve nothing unless we frankly consider the extremely precarious situation of the countries which produce raw materials. Some of these countries depend on the production of a single raw material and are subject to speculation and not to the laws of a free market. They are pushed here and there by the fluctuations in the exchange rates. Because of this situation they are unable to commit themselves in lasting codevelopment contracts. We believe that this is one of the main problems."

Britain's Lord Carrington Comments

FL231034 Bridgetown CANA in English 1938 GMT 22 Oct 81

[Report by Harvey Morris]

[Text] Cancun, Mexico, 22 Oct (CANA-REUTER)--Britain's Foreign Secretary Lord Carrington has said here that the world community had a moral obligation to close the gap between rich and poor. Speaking yesterday at a press conference, which foreign aid experts said marked a big step forward in Britain's commitment to Third World development, Lord Carrington declared: "We've got to redress the disparity between rich and poor." He was outlining Britain's position at the 22-nation north-south summit on world cooperation and development which opened here today.

Lord Carrington said there were three reasons why the poverty gap must be closed--"one, because it is morally right ... two, because it is in our interests ... three, because its necessary, because we are one world." He defended the record of Britain's conservative government which has been criticized by its partners in the industrialized world this year for cutting aid in the face of a domestic recession. He said that Britain was the fifth largest aid donor in the Organization for Economic Cooperation and Development (OECD), which groups the rich, northern hemisphere countries.

Lord Carrington will act at the summit as chief adviser to Prime Minister Margaret Thatcher, a close ally of U.S. President Ronald Reagan on many foreign policy issues. He said today that Britain endorsed Mr Reagan's appeals for increased world trade to help Third World development. But he added that Britain still appreciated the necessity for direct foreign aid. "The British view is that it is essential for some of the poorest countries of the world. They have no other sources of borrowing," he said.

Lord Carrington also expressed British backing for two proposals on which the White House has been lukewarm--the establishment of an energy affiliate of the World Bank to finance the Third World's energy resources and the concept of global negotiations within the United Nations on alleviating the plight of the poor "south." He said the non-oil producing Third World now had great difficulty in financing energy production. The Cancun summit would provide an opportunity for discussing ways of changing this situation and of defining the scope of global negotiations on energy and other topics.

Lord Carrington said Britain opposed pressures towards protectionism in world trade, but he added that it had to balance the benefits to the poor of cutting tariffs on imports with the need to protect its own recession-hit industry.

Commenting on the absence of the Soviet Union from the summit, he said: "It is rather sad that one enormous bloc in the world is not concerned with what's happening in the developing world." The Soviet view that Third World poverty was the responsibility of the former colonial powers was wearing a bit thin, he said. British aid to the Third World amounted to more than the contribution of the entire Soviet bloc.

Venezuela Urges UN Role

PA232340 Paris AFP in Spanish 1755 GMT 23 Oct 81

[Text] Cancun, Mexico, 23 Oct (AFP)--Official sources at this conference have reported that at the north-south summit Venezuela has proposed the strengthening and use of the United Nations as a forum for general negotiations on economic matters between the Third World and industrialized nations.

This proposal was made in a document entitled "Problems of the Developing Countries From a General Point of View." The document was given to the delegates of the 8 industrialized countries and of the 13 Third World countries, meeting here since last Thursday to exchange points of view in an effort to create conditions favorable to the adoption of specific measures to pull the north-south dialogue out of stagnation.

Venezuela cautioned the developing countries that general negotiations in the United Nations must be accompanied by a more broad and profound cooperation. This cooperation, in the opinion of the Government of Venezuela, will back efforts aimed at diminishing the vulnerability of the Third World countries in the international economic crisis, to establish better balanced relations among developing nations and to replace dependency with authentic interdependence.

Venezuela believes that the problems of the least developed countries "are chronic and more serious because of the unfavorable evolution of the world's economy" and they require special solutions.

The Venezuelan document states that the slow growth of the countries of the OECD of Europe, "has resulted in protectionism, and in the blocking of Third World markets that have been in the past a most dynamic, although uncertain and insufficient, source of growth."

The document also states that the oil price increase has further aggravated the problems of the Third World countries that import crude oil and "depend on expanded markets in the industrialized countries and on the possibility of having access to them and to the aid and credit institutions of those countries."

Venezuela believes that given the present world economic situation and that which will prevail in the foreseeable future, developing countries, to reach their objectives of long-term development, must increase their investments in the industrial sector, in food production and in replacing obsolete capital assets.

Venezuela also noted that the inability of the developing countries, especially those with a medium-level of income, to finance a balance of payments deficit, would result in a diminishing of purchases of manufactured products from the industrialized countries.

Venezuela noted that maintaining the level of exports to the developing countries by increasing imports of resources, would contribute to the stabilization of a growing demand thus contributing to growth.

The document states that to support the development of the world's productive base, the bases of the north-south economic relations must be changed. The document believes that changes and a restructuring in industrial production are necessary for a national evolution of the international division of work and the continued expansion of productivity.

Venezuela believes that the energy problem is closely related to the international financial and monetary situation and to the radical disparity that exists between the developed and the developing countries.

In conclusion, the document states that in order to reach social and economic objectives, it is essential to establish an adequate and secure food supply in the world that should include fast production in the developing countries.

The Venezuelan document states that general negotiations must be carried out in the United Nations, which must be strengthened as the most adequate forum for that purpose.

Venezuelan President Speaks

PA231644 Madrid EFE in Spanish 0128 GMT 23 Oct 81

[Text] Cancun (Mexico), 22 Oct (EFE)--Venezuelan President Luis Herrera Campins has said that he is in favor of a "comprehensive negotiations to build a more stable, harmonious, just, participatory world, that is, a world of peace."

He made this statement during his speech at the first session of the international cooperation and development (north-south) conference that began today in Cancun on the Mexican Caribbean.

On another subject the Venezuelan chief of state defended the position of the OPEC whose actions, according to Herrera Campins, are directed toward creating stability in the world economy.

Herrera Campins also spoke of the indebtedness "that burdens the developing countries, a problem that requires an urgent solution, not only for the developing countries but also for the well-being of the world economy."

Herrera Campins pointed out that, for many countries, debt servicing absorbs up to one-fourth of their income from foreign exchange to the detriment of their development plans. Therefore, any contribution toward easing the debt "is more important than any other contribution to world peace."

The Venezuelan chief of state sais that he does not have very many expectations regarding the Cancun summit because the length of the meeting does not allow time to deal with all the problems. He added that the challenge to those attending this meeting is to take the first step toward a comprehensive and coordinated dialogue.

The president concluded by pointing out strongly that Venezuela has been granting financial aid to many southern countries, aid equivalent to six or eight times the average disbursement of the developed countries.

PRC Premier Addresses Summit

FL232050 Mexico City NOTIMEX in Spanish 0305 GMT 23 Oct 81

[Report by Enrique Alvarez Manilla]

[Text] Cancun, Quintana Roo, 22 Oct (NOTIMEX)--Speaking at a plenary session of the north-south summit which is being held here, PRC Premier Zhou Ziyang said that it would be very difficult to ease tensions between the north and the south if the developed countries persist in maintaining unjust, unfair relations with developing countries and if cooperation is not based on a reorganized international economic order.

He said that the world is now confronted with two major problems: first, to preserve peace; and secondly, to foster development. These two are inseparable, interrelated factors. He noted that should the meeting that began today result in a reorganization of the international system of economic cooperation, it would have made a basic contribution to promoting world peace.

He noted that most developing countries are experiencing a serious financial crisis as a result of the external obstacles of all kinds they have to face. He said that oil exporting countries themselves face difficulties in implementing their industrialization programs due to monopolistic practices prevailing in the areas of technology, trade, and financing and to maneuvers on international markets.

He added that most of these nations have been the victims of a long colonialist, imperialist domination which forced them into the present unjust, unfair system of international economic relations.

The PRC premier also said that the developed countries have been enduring recesssion and inflation--which have a social impact on their domestic sectors--because the prosperity of the rich countries was based on the poverty of the poor countries.

He proposed a plan designed to promote cooperation for development based on five principles which the assembly agreed to discuss later. First, he proposed that effective support be given to developing countries to reactivate their economies, to strengthen their independence, to promote their self-support [retroalimentacion] and that the present international economic order be reorganized taking into account the most urgent problems.

He also proposed that the developing countries adopt development strategies which are in keeping with their own realities, based on respect for their sovereignty and self-determination. Finally he expressed the need to maintain the growth of the world economy and to discuss and to start global negotiations within the United Nations as soon as possible.

FRG's Genscher Speaks

FL231455 Bridgetown CANA in English 1337 GMT 23 Oct 81

[Text] Cancun, Mexico, 23 Oct (CANA-REUTER)--West Germany urged the United States and other industrial nations today to open global negotiations on economic problems with the Third World to avoid political tensions that could be exploited by the Soviet Union. West German Foreign Minister Hans-Dietrich Genscher told the north-south summit that industrial nations must avoid letting East-West tensions spill over into north-south relations.

He said developed and developing countries must agree to reform trade relations and avoid protectionism. The industrial countries had to help the Third World by reducing inflation and restoring growth in their own economies in order to be able to import more, he said. Both developed and developing nations had to join forces to end famine and the rich should help the poor to develop new energy resources instead of oil, he said.

The scope for energy development is enormous, West Germany's Economic Cooperation Minister Rainer Offergeld told reporters. According to some estimates, African countries have only tapped 3 percent of potential hydroelectric resources, he said.

Report on Energy Topics

FL241730 Mexico City NOTIMEX in Spanish 0107 GMT 24 Oct 81

[Excerpts] Cancun, Quintana Roo, 23 Oct (NOTIMEX)--During the third plenary session of the north-south summit held today, the participating chiefs of state agreed in noting the need for establishing a system of cooperation among states to face up to the energy problems, summing up what had taken place this morning during the third plenary session, the spokesman for the copresidency, Mexican ambassador to France Horacio Flores De La Pena and patrimony secretary Jose Andres Oteyza, reported that the topics discussed were financing and energy.

They explained that it had been agreed to create cooperation schemes which would help to lessen the impact that the payment of large sums of money for the purchase of petroleum has on developing countries having no hydrocarbons.

They reported that the general opinion of the chiefs of state was that an attempt should be made to strengthen international monetary and financial institutions now in existence and to provide them with greater resources so that they may be able to optimize their operations.

The chiefs of state also opined that the high cost of financing is the culprit of world recession, both in rich and poor countries. Within the scope of this problem, it was noted as inadmissible the imposition of conditions of behavior on countries requesting loans, because it would constitute a transgression of their sovereignty and would affect their economic, political and social structures.

The majority of the chiefs of state agreed to examine the possibility of creating, within the framework of the World Bank, a subsidiary which would handle the financing for the purchase of energy by developing countries.

JLP: Summit 'Highly Positive'

PA252159 Madrid EFE in Spanish 0254 GMT 25 Oct 81

[Text] Cancun, Mexico, 24 Oct (EFE)--Because of its very nature, the international meeting on cooperation for development was "highly positive," Mexican President Jose Lopez Portillo commented here today.

During an impromptu news conference held at Cancun's international airport, where he bade farewell to the "summit" attendents, the Mexican president said that the meeting had been "the resumption of something previously interrupted."

"Communication between the industrialized and the developing countries" was established, he added. According to him, prior to the meeting, "there was no awareness that we have a common problem, a problem which had to be attended to by everyone."

Lopez Portillo said that there were some who had expected that at the end of the Cancun meeting, "sandwiches" would be distributed "among all the hungry." He explained, however, that that is not the way to evaluate things. Instead, he noted, the existence of a general problem has been acknowledged in principle.

By the end of the meeting, he added, "the groundwork has been laid and steps will be taken this year so that international negotiations"--to be held at the international organizations, specifically at the United Nations--"will begin to be revised." This "in itself" he felt, "constitutes a great victory."

The president, who cosponsored and copresided over the Cancun meeting, admitted that the analysis of the international negotiations will take a long time. He also admitted that "the developing countries hold one position, while the United States and the developed countries hold another."

Lopez Portillo felt that, in any event, these are methodological and procedural problems for which "we fortunately found a very broad formula that unites the knot."

Regarding the moral commitments that Mexico might acquire as seat of the conference, the president stressed: "When we called this meeting at which to express our political will." [sentence as printed]

However, he said that Mexico is willing to participate in global negotiations and to assume its responsibilities, particularly in the energy field.

Regarding the energy field, Lopez Portillo said that Mexico, as an oil producing nation, is willing to abide by the discipline of rationalization entailed in the world energy plan by the parties which join this plan. [as received]

He also said that Mexico promises to participate in all the commitments established in all the pertinent forums on food, financing of trade, energy and others. "Mexico," he noted, "is willing to do its share."

On another topic, Lopez Portillo commented that the bilateral meetings he held with various chiefs of state who attended the "summit" were conducted to discuss matters specifically related to the north and the south.

Lopez Portillo added that "the spirit of Cancun" was of conciliation and understanding which resulted in a political will that will cause events to unfold."

"This political will," he concluded, "what does it mean? What are we willing to do to solve this problem that has been identified? What are we willing to do? Through whom are we going to act? This is the spirit of Cancun and I am very pleased."

CSO: 3010/124

GOVERNMENT SEEKS CLOSER TIES WITH CARIBBEAN

FL222053 Bridgetown CANA in English 1655 GMT 22 Oct 81

[Article by Reudon Eversley]

[Excerpts] Bridgetown, Barbados, 22 Oct (CANA)--Nicaragua is stepping up its efforts to forge closer ties with Caribbean community countries and might, in the future give consideration to applying for status within the regional integration movement--CARICOM.

According to the country's alternative permanent representative to the United Nations, Senor Alejandro Bendana Rodriguez, these efforts are in keeping with Nicaragua's international thrust as fashioned by its new foreign policy.

Senor Bendana is now here on the third leg of a four-nation regional tour having already visited Guyana and Suriname. Today he moves on to Jamaica.

Speaking to the CARIBBEAN NEWS AGENCY (CANA), the top Nicaraguan envoy said the main purpose of his trip was to communicate his government's desire to come closer to the region and also to discuss the possibility of establishing diplomatic relations with Guyana, Suriname and Barbados. Nicaragua already has such relations with Jamaica. "Although we have talked together in the various international forums, we never had diplomatic relations with these countries," he said. "We also wish to learn more about the political and economic development of the countries in the region."

Speaking on developments in strife-torn Central America where his homeland is located, Senor Bendana said the United States was seeking to give the impression internationally that the popular insurrections in Guatemala and particularly in El Salvador, were the result of "a great international communist conspiracy."

He dismissed as "fabrication" allegations that his country was exporting its revolution by delivering arms to the freedom fighters in the warring states. "What we have imported," he declared, "is the example of our revolution because when other neighboring peoples see the improvement in the conditions in Nicaragua, they want them also for themselves." Senor Bendana said the only foreign involvement and interference in the area was coming from Washington in the form of arms shipments and military attaches to prop up and give advice to the beleaguered governments. He referred too to the recent joint military exercises between the United States and Honduras which his government had strongly condemned.

He went on to warn that if a peaceful and just solution was not found to end the conflict, there was a danger of the conflict escalating into a regional war, most likely involving the United States and Cuba.

On the proposed elections to be held next year in El Salvador, Senor Bendana said present conditions in the country were not favorable for such an undertaking, noting that they could not be free and fair when people could be intimidated by guns.

He expressed his government's solidarity with the people of Belize, another Central American neighbor, in their border dispute with Guatemala and declared that his country was one of the most vociferous in the region during Belize's independence struggle. He said his government would contribute economically to the former British colony, if it were asked and were in a position to do so.

"We repudiate and condemn all threats against that nation's independence," the Nicaraguan diplomat declared. He hoped that the conflict would be solved peacefully and amicably through bilateral discussions. "It is when countries don't show a willingness for dialogue that danger arises," Senor Bendana stressed, adding that this was his government's position on how all border disputes in the area should be resolved.

Speaking on the developments in his homeland following the revolution 2 years ago which toppled the dictatorial Anastasio Somoza regime, he said his government was making great strides in the areas of health, education and employment generation. But he said the greatest achievement of the revolution was the fact that the Sandinista government was able to survive after 2 years, despite beliefs in some circles that it would have collapsed and the open hostility towards it by the U.S. Government.

CSO: 3020/12

'LACK OF UNITY' SEEN IN U.S. AREA POLICY

PA180430 Managua International Service in Spanish 0030 GMT 18 Oct 81

[Station commentary]

[Text] One of the commitments made by Ronald Reagan before he was elected to the U.S. presidency was that his administration would speak with a single voice, especially in connection with foreign policy matters. This promise constituted an implicit criticism of the Carter Administration, which was inclined to saying one thing from the White House and another from the State Department, thus creating confusion not only domestically but in the international arena as well.

Nonetheless, the 8 months which have elapsed since Reagan's inauguration, have been characterized by a diversity of opinions, which show a notable lack of unity even though, from the very beginning, the administration issued an order forbidding public statements of any kind by members of the National Security Council.

Even more recently, the State Department has stopped sending envoys to either open forums or conferences where topics such as that of the Salvadoran crisis are discussed. Mainly, this ban seeks to prevent confrontations involving hostile situations. In truth, this is not achieved in the practice.

The different opinions, particularly in connection with the policy to be implemented in the Central American and Caribbean areas, have precipitated a number of questions. First of all, who is responsible for this policy? Second, is this policy outlined by Secretary of State Alexander Haig or by Thomas Enders, the State Department's Assistant Secretary of State for Latin American Affairs? Are these decisions made in the White House or in the Pentagon? Is there, in fact, a regional policy or is this policy geared individually toward each of the countries? Is this only a stard, whose specific implementation depends on the ideological persuasion of whomever is in the dominant position at a given moment?

These questions emerge because, as we said earlier, it is often easy to detect various criteria under which U.S. officials--including, or particularly, those in high-level posts--explain their opinions.

Although there is a common element, which in some way unifies the imperialist will against countries in the Central American and Caribbean areas, observers feel it is very important to establish the orientation, the criterion or the intentions behind the Yankee officials' statements. This should be done in order to determine the exact direction of the empire's general policy.

Observers hold no illusions that some official might disapprove of this policy. A dichotomy is noticeable, however, since there is a certain irrationality, which makes it difficult to understand the true intentions of the United States. In short, high-level U.S. politicians seem to be at odds over the policy they ought to implement toward Central America and the Caribbean. This makes the empire all the more dangerous for our area.

CSO: 3010/154

RAMIREZ ON DIPLOMATIC MISSION, PEACE PROPOSAL

PA082240 Managua Radio Sandino in Spanish 0300 GMT 8 Oct 81

[Text] Sergio Ramirez, member of the junta of the Government of National Reconstruction, said that the position taken by Nicaragua at the United Nations represents a very significant diplomatic action in the region and that it was aimed at putting an end to the Salvadoran conflict. The revolutionary leader who arrived in Nicaragua from Panama and Venezuela explained at a news conference the reasons for his trip which he considered was a success. He also referred to speech delivered at the United Nations by Commander Daniel Ortega Saavedra, the coordinator of the junta of the government of national reconstruction.

Ramirez said that the junta of the government of national reconstruction considered it necessary to inform the governments of Panama, Mexico, Venezuela, Honduras and Costa Rica of the content of the letter sent to us by the Salvadoran revolutionary forces, which was submitted today to the United Nations by Commander Ortega. Ramirez added that, starting from this proposal, which we hope the Salvadoran Government will consider and which coincides with the position assumed by Panamanian President Aristides Royo at the United Nations and the Franco-Mexican resolution, the Central American region could have more peace and security. Ramirez announced Nicaragua's willingness to promote all political and diplomatic resources at all levels for a negotiated solution in El Salvador. At the same time he appealed to all the governments of the area to realize that it is definitely necessary to have a dialogue in order to have peace in El Salvador.

When asked about the reason of his trip to Panama and Venezuela, Ramirez said that the Nicaraguan Diplomatic Mission held talks with President Aristides Royo and President Luis Herrera Campins with whom they analyzed the current situation in Central America and the solution to the Salvadoran problem as a main factor for detente in the region. They also talked to former President Carlos Andres Perez on the same subjects.

We must be optimistic at this moment and stop thinking that the peace proposal made by the Salvadoran revolutionaries will not be listened to, because the solution to the problem will be beneficial to the stability in the whole region, Ramirez concluded.

CSO: 3010/154

CONSERVATIVE LEADER COMMENTS ON ORTEGA SPEECH

PA101357 Managua Radio Sandino in Spanish 1800 GMT 9 Oct 81

[Text] Enrique Sotelo Borgen, a top-ranking leader of the Democratic Conservative Party, the only party remaining of the two historic (?parties)--the other was the Somozist Liberal Party--has said that in general he agrees with the statement made by Commander Daniel Ortega, coordinator of the government junta, in his speech at the UN General Assembly.

Sotelo Borgen especially approves of the proposals by the Salvadoran revolutionary organizations to provide a prompt solution to the serious political, economic and social conflicts existing in El Salvador. However--the rightist leaders always find exceptions when analyzing a position taken by the Sandinist Revolution--Sotelo feels that Commander Ortega was guilty of anti-Americanism. He confuses the term with anti-imperialism, which is a feeling that is deeply rooted in our people and cannot be disregarded.

There is every indication that his subconscious betrays him. Let us listen to conservative leader Enrique Sotelo Borgen:

[Begin recording] Perhaps the only unwise portion of the speech was the constant anti-American stance. I think he should play down or reduce this attitude of open hostility toward the U.S. Government and its policies, since it does not contribute to a lessening of tension. The government should do this, not only because we are countries on the same continent, but also because of economic convenience. The U.S. Government can provide us with large amounts of aid to overcome the deep economic crisis afflicting our nation and these constant anti-American postures, that leave us open to criticism, will not help create opportunities for us.

I think the call for peace and the proposal for a political solution in El Salvador, is very positive and I hope that it will bear fruit. This proposal should allow our brother country to find a path which will truly lead to peace and concord within the Salvadoran family, and will be of benefit for the five central American nations. Peace will provide stability and lead to better relations and a future of cooperation among the five central American nations. [End recording]

CSO: 3010/154

SOCIALIST COUNTRIES EXTEND LINES OF CREDIT

PA150446 Managua Radio Sandino in Spanish 0300 GMT 14 Oct 81

[Text] The Nicaraguan Government will shortly sign lines of credit agreements for the importation of goods, raw materials and industrial machinery totaling $60 million. The credits will be granted by Hungary, Bulgaria and Czechoslovakia.

A Czechoslovakia Government delegation arrived in Managua Friday to sign a $20 million line of credit for industrial textiles and knitting machinery. According to reports, the machinery will arrive in Nicaragua by the end of this year and should be fully operational by 1983. These factories will employ some 400 to 500 persons each. It was reported that the spinning mill will be capable of producing 10 million pounds of yarn a year. Since Nicaragua is a cotton-producing country it will become an exporter instead of importer of this semi-processed raw material.

Nicaragua buys 1.2 million pounds of yarn every year to supply its national textile industry. Sources say that each pound of yarn that Nicaragua buys abroad costs $2; in other words, we spend over $2 million to purchase 1.2 million pounds of yarn from abroad.

The lines of credit obtained by Nicaragua from these countries will cover the cost of goods, raw materials and industrial machinery. The agreements will be very advantageous--payable in 1 or 2 years at 8 percent interest.

It was explained that Hungary is granting credits for the importation of raw materials and goods for $5 million, Bulgaria for $10 million and Czechoslovakia for $10 million.

In addition to the lines of credit for machinery and equipment, Hungary and Bulgaria have agreed to each contribute $5 million and Czechoslovakia $10 million.

The lines of credit granted for complete industrial plants, will be $10 million from Bulgaria and $20 million from Czechoslovakia. Czechoslovakia will provide spinning mills, hosiery factories, finished textiles and tubular knitting machines.

These plants, the source added, will be constructed northwest of Managua near Tipitapa. The agreements also cover the introduction into the socialist community of Nicaraguan manufactured products. It was also learned that a reciprocal goods exchange between Nicaragua and the socialist countries will be implemented. The agreements also include technical-scientific cooperation in order to study the re-

organization of the industrial sector, the rationalization of various branches and the survey of industrial plants.

In other words the existing manufacturing facilities, the integration of industrial systems, the technological level of workers and training of factory workers at home and abroad will be thoroughly studied.

Hungary will assist in the industrialization of the chemico-pharmaceutical industry, Bulgaria in the chemico-plastics and metal-working industries, as well as small industries and Czechoslovakia in the textile and footwear industries.

CSO: 3010/152

ENVOY AT UNITED NATIONS REPLIES TO U.S. DELEGATE

PA101618 Managua Radio Sandino in Spanish 1200 GMT 10 Oct 81

[Agencia Nueva Nicaragua report]

[Text] Revolutions aren't exported but are born and develop under the conditions of exploitation and injustice which exist in each country, Javier Chamorro Mora, Nicaraguan ambassador to the United Nations, has said in reply to the U.S. delegate's speech yesterday.

U.S. delegate Kenneth Aldeman not only repeated the groundless charges that Nicaragua is exporting violence to Central America but in a frank interventionist attitude, gave opinions on the country's domestic situation, defending the former Somozist guardsmen who, he said, are suffering inhuman prison conditions. At the same time, he tried to show that his government has sought to establish a dialogue with Nicaragua and that they continue to have hopes about achieving this.

The Nicaraguan diplomat replied, saying that delegate (Aldeman) was trying to disregard the times that Nicaragua has tried to establish this dialogue in a serious, honorable and high-level manner. Is it that in the scale of values of the current U.S. administration, dialogue means the search for the political and economic isolation of those countries which, like Nicaragua, want to be truly independent? Must we understand by dialogue the economic destabilization policies which include the use of food as a weapon of political pressure? Is it that by dialogue the Reagan Administration means to permit the training in the United States, specifically Florida, of counterrevolutionaries, most of whom were members of the criminal Somozist guard, a creation of previous U.S. administrations? Is it that dialogue means accusing our country of intervening in the domestic affairs of other states by permitting, according to the United States, the traffic of weapons to El Salvador as was charged in the so-called white paper which the U.S. press exhaustively refuted?

The Nicaraguan official then referred to the irony of the U.S. delegation which asked who is threatened in Central America, trying to implicate Nicaragua in possible invasions of its neighbors and sidestepping the subject of U.S. support of the Salvadoran Government. How is it possible that a country which is at war and in which more than 20,000 people have been killed so far this year, is being armed to the teeth and being supplied with military adversers? How can it be said that this isn't intervention? How is it possible that in an explosive situation such as the one that exists in the region there is a renewal of the supply of weapons to Guatemala and Honduras with whom military maneuvers are carried out near our coasts and weapons are offered to Costa Rica, as the permanent U.S. representative to

this organization did and which led to an eloquent reply from President Rodrigo Carazo who said that wasn't the kind of aid that Costa Rica needed or wanted?

Chamorro Mora added: How is it possible that, although they have the means and capacity to detect the alleged shipments of weapons from Nicaragua to El Salvador, with whom we don't have borders, the United States can't detect the Somozist bands which constantly enter from Honduran territory and which have killed more than 200 Nicaraguans, including literacy workers, peasants, militiamen and members of our army? Is it that they don't want to or aren't interested in detecting them as they should if they really want peace in the area? Is it that they are encouraging them and arming them to prevent the consolidation of a government that they don't like because of the mere fact that it demands respect and just treatment in mutual relations?

Chamorro Mora referred to the sudden concern of the United States about human rights and elections in Nicaragua, a concern that it never seriously had during the 45 years of the Somozist dynasty which it sponsored. Nicaragua, faithful to its policy of nonintervention in the domestic affairs of other states will not comment on the situation of the minorities in the United States which are treated like second class citizens; or will we refer to the effects of the new administration's military build-up on the social programs, thus harming millions of U.S. workers; or will we speak of the practically military measures applied on the air traffic controllers, leaving thousands of citizens without jobs; and we will not speak of the undeclared war against the U.S. labor movement.

Concluding his speech, the ambassador denied that Nicaragua is a factor of destabilization in Central America. He added that on the contrary, new factors of instability are being introduced in the area such as the hawk view maneuvers, while the Nicaraguan Government works for peace. Nicaragua, a country which has been historically exploited by imperialism, is being forced to prepare for defense in the face of the constant aggression and threats of invasion, thus restraining our economic development efforts by diverting human resources to defend our sovereignty and territorial integrity which are now seriously threatened. Nicaragua, Mr President, has not only an army but also armed citizens ready to fight to the end to preserve the freedom they achieved at such a high cost.

CSO: 3010/154

'LA PRENSA' REAFFIRMS POSITION, PATRIOTIC INTENT

PA110408 Managua LA PRENSA in Spanish 3 Oct 81 pp 1, 2

[Editorial]

[Text] We have talked to the Sandinist Front and to the government junta about the suspensions of this newspaper in order to thoroughly explain our situation as an independent newspaper.

In order to respect or guarantee this newspaper's existence, the Sandinist Front and the junta demand from us certain conditions of solidarity with the revolutionary process, but they leave us free to criticize. When explained in an abstract manner, these conditions do not contradict this paper's line. However, in view of the existing antecedents, in view of the way our reports, commentaries and criticisms are generally interpreted, in view of the prejudice that exists in official circles against our newspaper--which even when moved by the best of intentions meets suspicion or closed doors--in view of the possibility of making errors or mistakes inherent in any human enterprise, especially if it is a journalistic enterprise; we are not optimistic about LA PRENSA's future in the present siutation and under the emergency and press laws which have such ambiguous censorship guidelines that they leave no room for explanations, rectifications or defense.

Our line will not change. LA PRENSA follows a path outlined by the thoughts and ideals of its martyred director, Pedro Joaquin Chamorro. In the present revolutionary situation, we could define this path as democratic, pluralistic, fully in favor of a profound social change that benefits the people but based on Christian principles, respectful of the freedom and dignity of man and brought about with Nicaraguan originality rather than in accordance with Marxist-Leninist schemes. In the international arena, we favor a real, honorable and nationalistic nonalignment.

In other words: We defend and consider ours the revolution proclaimed and defined--with the consent and commitment of all free Nicaraguans--in the fundamental statute which still rules us.

If this firm position is accepted, if LA PRENSA"s criterion is accepted as the basis for constant dialogue in which criticism is regarded as an essential element of our revolutionary journalistic position, LA PRENSA will continue at the service of truth and justice, in accordance with its motto.

If the submission of our conscience or the relinquishment of our ideals is desired, both the government and the front hold the power....

All we have is our dignity and our loyalty to principles which we regard as essential to our nationality and its destiny.

[Signed] Pablo Antonio Cuadra

Pedro J. Chamorro Barrios

CSO: 3010/153

HENRY RUIZ TERMS NICARAGUAN SITUATION 'DELICATE'

PA241839 Paris AFP in Spanish 1855 GMT 23 Oct 81

[By Alfredo Munoz-Unsain]

[Text] Havana, 23 Oct (AFP)--The situation in Nicaragua is currently "delicate" and the government will fulfill its pluralist commitment to democratic expansion "only to the point where the revolutionary power is not endangered," Henry Ruiz, Nicaraguan Sandinist commander and planning minister, warned here.

In an exclusive statement to AFP last night upon his arrival at Havana Airport, the FSLN directorate member announced that the Nicaraguan leaders know that "they seek to take us to the extreme level of provocation, to justify their plans a posteriori."

He explained that he was speaking "of imperialism," whose anti-Sandinist plans are "objectively aiding the ultraleft and ultraright."

He then referred to the arrest in Managua of several leaders of the Communist Party of Nicaragua and of the higher council of private enterprise, COSEP, which includes important Nicaraguan industrial sectors.

With their campaigns, both sectors, which are at the extreme limits of the political spectrum, have created "the danger of discrediting all branches of power in the country and give the impression of absolute destabilization," he said.

"In this manner, they seek to favor the latest imperialist strategy, which is intervention," he charged.

However, the Sandinist leader reiterated that his government "sincerely" wants to establish "serious and responsible, but respectable relations" with the United States, "because we are a free, sovereign and independent nation."

"It is we who demand seriousness in a dialogue that can be conducive to such relations," he said.

He indicated that in the opinion of Sandinism, the industrialists who are hostile to the government policy of development maintain "an attitude of incomprehension" and noted that this is "a deliberately benevolent understatement."

Upon reaching power we found ourselves without either internal or external resources with which to begin the revolutionary program of development, as we estimated that in the last 2 years of the anti-Somozist War the country lost $1.25 billion between the depletion of capital and the destruction of productive mechanisms, Commander Ruiz stated.

We also found ourselves at the time with 250,000 unemployed, which was one-fourth of the economically active population of Nicaragua, he added.

Despite this, we have been able to increase production to a level that meets the basic consumer demands at least, he stated.

The existing industrial structure was basically one of processing, of industrial goods that were very costly, because merely to maintain them it was necessary to invest three to produce one, he noted.

In addition, the economic crisis is not exclusively Nicaraguan; in truth, it is relatively less severe in Nicaragua that in other Central American countries, the Sandinist leader stated.

According to IDB figures, the situation is far more dramatic in Costa Rica, Honduras and Guatemala, not to mention El Salvador. And the industrialists who oppose us obviously fail to understand all of this, he concluded.

Ruiz, planning minister of the junta of the government of national reconstruction and FSLN directorate member, arrived in Havana accompanying the bodies of the two Cuban teachers, who were killed together with two Nicaraguans in whose house they were staying while conducting their literacy work in a rural mining region.

CSO: 3010/153

COMMANDER ARCE CRITICIZES COMMUNIST PARTY

PA130218 Paris AFP in Spanish 2220 GMT 12 Oct 81

[Excerpt] Managua, 12 Oct (AFP)--A serious clash between the FSLN and the Communist Party of Nicaragua, PCN, was confirmed here today by commander of the revolution Bayardo Arce, who called the PCN a "pseudorevolutionary group of the left."

At the same time that he accused the PCN of being "disloyal to the people's interests," he analyzed the situation in Central America, which he termed as somber, characterized by "the United States refusal to support a political solution to the Salvadoran War."

During a rally to protest the hawk view military operation, recently carried out by the United States and Honduras along the Caribbean Coast of Central America, ARCE referred to a number of publications by the labor action and unity federation, CAUS, the labor branch of the PCN, in which it says that "the FSLN has altered the political and ideological objectives of the Nicaraguan Revolution."

The CAUS said in its publications that the Nicaraguan process "has taken a turn toward capitalism."

The CAUS also accused the government of promoting a "bourgeois solution" to the current crisis by leading the Sandinist Revolution along the path of capitalist development, especially through direct private investments of Latin American and U.S. businessmen.

According to the CAUS, this alleged distortion of the revolutionary process was advised by Thomas Enders, U.S. assistant secretary of state for Inter-American Affairs, during a recent visit to Managua.

The CAUS said in its publications that "the state of economic and social emergency decreed by the Sandinist Government is aimed at guaranteeing to foreign investors the social peace necessary to favor their acitvities in Nicaragua."

Meanwhile, Bayardo Arce today said in the Rigoberto Lopez neighborhood in Managua that CAUS accusations are nothing but "actions of sabotage in the rearguard and of disloyalty to the people's interests."

The enemies are not only in the United States and in the rightist regimes of Central America, Arce said, but also in the pseudorevolutionary groups of the left as the CAUS.

CSO: 3010/153

COMMENTATOR CRITICIZES ROLE OF IAPA, LA PRENSA

PA190406 Managua International Service in Spanish 0030 GMT 19 Oct 81

[Ignacio Briones Torres commentary]

[Excerpts] The 37th assembly of the so-called Inter-American Press Association, IAPA, has just ended in Brazil.

The history of the IAPA, the close ties of its officials with the U.S. Central Intelligence Agency, CIA, the important role it plays in favor of tyrannies and the imperialistic policy it carries out in our countries are well known. No one who is aware of the actions of the IAPA disregards its role. Everyday more people are discovering the pro-imperialistic and anti-popular character of that press which fills the bank accounts of its owners from the advertisement of the transnational companies.

It is not surprising or strange then that the 37th assembly of the IAPA launched attacks against several countries of the continent, countries which work and struggle to change society, to guarantee a life of dignity and to apply sovereign and independent policies. For the IAPA and its officials, dictators are allies in the defense of their interests. One must be aware of this. In the same way, the governments that defend their people from the destructive work of the transnational companies and imperialism are the latter's adversaries, they are also adversaries of the so-called freedom of press in accordance with the commercial model of the IAPA.

We Nicaraguans don't find it surprising that young Pedro Joaquin Chamorro Barrios, codirector of LA PRENSA of Managua, went to the 37th assembly of the IAPA to play the unfortunate role of asking for sanctions against the Nicaraguan Revolutionary Government. In Nicaragua we know the mission that the national and foreign enemies of the revolution have assigned to LA PRENSA and young Chamorro Barrios. However, there might be some listener who could be deceived by the position allegedly in defense of freedom of press which was held by the codirector of the newspaper which here in Nicaragua has become the bulwark of the reactionaries, the voice of the imperialists and tacit ally of the Somozists who want to return the past to the country.

The peoples of Latin America should know that the two biggest and most legitimate organizations of world journalism, the International Organization of Jouranlists, with 180,000 members, and the Latin American Journalists Federation, with 60,000, give all their support and backing to the Nicaraguan Revolution. This support is the result of a clear and firm position in favor of the people's interests and real freedom for which legitimate newsmen have fought the IAPA for many years.

CSO: 3010/153

PCD'S GUIDO ON NATIONAL PROBLEMS

PA111956 Managua LA PRENSA in Spanish 5 Oct 81 p 5

[Text] Clemente Guido, political orientation secretary of the Democratic Conservative Party [PCD], discussed different aspects of national problems on the "conservatism on the March" program broadcast every Sunday over radio Corporacion.

In an interview granted to Jose Castillo Osejo, PCD coordinator and co-owner of radio Corporacion, Guido discussed the country's domestic and foreign policies.

Maneuvers in the Caribbean

Discussing international politics, Guido referred to the military maneuvers to be held in October in the Caribbean off the coast of Honduras by Honduran, U.S. and Venezuelan forces. He said:

"There are several factors that must be analyzed in this respect. The first is the concept of sovereignty that other countries may have, and which we naturally have to respect."

"Honduras is a sovereign country and, as such, can offer its territory for any type of maneuvers."

"The United States is sovereign and has been conducting this type of operation in the Caribbean, Latin America, and in Europe. Therefore, these maneuvers are not surprising because the USSR conducts similar maneuvers in the areas it controls."

"The USSR recently conducted such maneuvers near Poland, and said that more maneuvers will be held along the Polish border. However, no one in Nicaragua, neither the democratic nor the government parties criticized these maneuvers. I therefore believe that criticism should be bilateral."

True Nonalignment

Guido said, "In this respect, I want to express my opinion on bilaterality, which is the basis for being truly nonaligned and not opt for unilateral criticism."

"Furthermore, the United States has said that it will conduct maneuvers, not only in Honduran areas but also in South America, which means that these operations will not be the only ones."

"Therefore, I believe that these maneuvers are not a threat to any nation, unless we claim that the Soviet maneuvers in Eastern Europe are also a threat to Poland or to any other country in the area."

"If I were president, I would not allow any country to conduct maneuvers in our country, because this is my idea of sovereignty. However, we should leave it up to each person's sense of responsibility whether or not to criticize other countries' or peoples' concept of sovereignty when they allow these maneuvers to take place."

The Other Imperialism

Guidi said, "I want to stress that in order to be truly nonaligned, we must maintain clear and definite positions. We must criticize both sides and not just one of the sides."

"It is very common and fashionable here to criticize U.S. imperialism, to condemn it for the Vietnam War, the invasion of Korea, or for this or that reason, but Soviet imperialism is not being criticized for invading Afghanistan. Neither is it being condemned for trying to exert pressure on Poland so that it won't make any changes, or to at least allow some strong sectors like Walesa's 'solidarity' movement to adopt the measures best suited for the people."

"We must condemn both imperialisms and let's not have any talk about one of them not being imperialism."

"They both tend to be the same."

The CIA and the KGB

Guidi discussed the CIA, which has been in the limelight lately. He said:

"Something else that I have noticed and which is very singular is that here and in other countries in the area, everything that happens is blamed on the CIA."

"It was even said that the CIA introduced the dengue fever virus into Cuba. This is absurd. How could the United States possibly dump virus on an island only 80 to 90 miles away from their own mainland?"

"How could the United States have done this, knowing that the virus might return like a boomerang to Miami, or any other area along the U.S. Atlantic Coast?"
"This is completely absurd. It is ridiculous, as ridiculous as if we were to blame the KGB for everything that happens here and say that like the CIA, it is to blame for this or that, or for the democrats not having elections. It is like saying that the KGB is coming to kill the independent opposition leaders, or that the KGB is trying to kill people in other countries because they do not follow the Soviet line."

Politics and Economy

Guido made the following comments on politics and economy:

"The biggest mistake, or one of the many mistakes that the Nicaraguan Government has made is having tackled Nicaragua's problems from a strictly economic viewpoint."

"According to the government, if the economy is saved, the whole country is saved. This line of thought might prevail if we were a nation of shopkeepers and industrialists, or if everything in this country depended on economy, but this is not the case."

"In every nation in the world, not only in Nciaragua, there are two main factors that form the base of the tripod that allows surveyors to examine all areas. Two of these factors are the social and political, the other is economic."

"The economic aspect is only one of the Tirpod's legs."

The Health Area

Clemente Guido said that the health situation is critical.

"Providing health care for the people is the government's main duty, because if the government does not, health will continue to be a privilege for those who have money to pay for it."

"In education there has been complete neglect in the area of what we could frankly call the formation of the youngsters from the viewpoint of professional education."

"Therefore, the youngsters use most of their class time on political education and not in the basic formation of the student. Consequently, in the next generation we will have graduates who will be good sectarian politicians but very poor and bad professionals."

"We know that the youngsters are even instructed to analyze the Spanish language in literary compositions, speeches or news which we as opponents make against the FSLN, but 80 percent of their professional education is neglected, which should be the real purpose of their studies."

"They are also influenced to use as examples the speeches and proposals of the commanders which are published in the official papers, while the primary bases of every education are neglected."

"Meanwhile, we have no textbooks because the bookstores cannot import them for lack of foreign currency. However, they are bringing in a series of cheap books from the Soviet Union, which in fact create a defined orientation in ideological education to try to raise the consciousness of the student."

"It is also necessary that we once and for all begin to define the rules of the electoral game and to have a clearly defined election law."

"Let it be said clearly what the process will be. If they want popular democracy, then let's have a political party law like they have in systems of people's democracy, but let's have something defined so we can play."

The Indecisions and Pressures

We cannot continue with the indecisions, said Guido. When an independent political party wants to have a meeting, the mobs are sent against it and the CDS' hold demonstrations 3 or 4 days earlier to intimidate the people to stay away.

"That is no way to govern."

"Governing by force, governing by threats is no way to govern. This is only a way to increase social unrest in this country and to create discontent."

CSO: 3010/153

VICE PRESIDENT BUSH'S STATEMENTS CRITICIZED

PA142245 Managua International Service in Spanish 0030 GMT 14 Oct 81

[Ignacio Briones Torres commentary]

[Text] International news media reported today on statements made by U.S. Vice President George Bush on the Central American situation. As everybody knows, Bush is currently touring Latin America. This tour includes the Dominican Republic, Colombia and Brazil.

As we all know, Bush was for years director of the notorious CIA. Without deviating one inch from the characteristic line of the present U.S. Administration, Bush blamed the Soviet Union and Cuba for the tensions in Central America and the Caribbean in an effort to hide the capitalist exploitation of our people.

Bush commenting on Nicaragua, urged our enemies and those opposed to the progress taking place in our country, to act quickly to secure so-called liberation. In other words, Bush, the vice president of the United States, has practically called upon the enemies of Nicaragua to carry out armed action, that is, to invade, or attack, our territory.

If there is anyone left in our countries who still does not believe that the Yankees do not have plans to thwart the Nicaraguan revolution, Bush's statement should now put an end to all doubts. When a man of his position mades this type of statement, there is not doubt that he is doing it officially. In other words he is making public his government's anti-Nicaraguan stand, or more precisely, the stand of the Reagan Administration against Nicaragua.

It must be pointed out that this meddling and these anti-Nicaraguan statements were made in the congress of the Dominican Republic, that is, in the midst of that country's parliament--a country with which we have friendly diplomatic relations. This leads us to say that the former CIA director and present vice president of the empire has shown a lack of respect for the Dominicans by attacking a nation that is a friend of his host country.

This lack of respect should surprise no one. Arbitrariness, arrogance and political blackmail are basic characteristics--they have always been the characteristics--of U.S. imperialism.

The Dominican people are aware of the policies of U.S. imperialism and this is what motivated them to demonstrate en masse against the presence of Bush in their country. According to international reports, the Dominican police had to use force to halt the protest demonstrations against Bush. The Dominican people went on the streets not only to demonstrate their solidarity with Nicaragua, but they still clearly remember the attacks on their fatherland in 1965, under the Nixon Administration.

The Dominicans still clearly remember past aggressions which our people have had to endure throughout our history. We point out these two facts to illustrate that there is a real threat of an imperialist aggression in Nicaragua. The vice president of the United States has clearly stated this. There has also been a quick response from the Latin American people to these threats. The Dominican response is an example of this since it took place at the very moment the U.S. politician made the threat.

Bush's statements in Santo Domingo, which confirm the imperialist threat against revolutionary Nicaragua, have found a firm and strong response in the great people's rally that took place this afternoon in the Carlos Fonseca Plaaza in Managua. Thousands of Nicaraguans, stating the will of the people, reinforced there the decision to fight in defense of their country--a decision that prevails throughout Nicaragua.

Today, as the people of Nicaragua have been doing throughout their history, the children of Sandino take a step forward to defend the fatherland.

We did it in 1912, in 1926, and in 1979. No one should doubt that this beautiful hisotry of struggle will not be continued in 1981.

CSO: 3010/154

OPPOSITION ATTACKED FOR POSITION ON 'HAWK VIEW'

PA151807 Managua EL NUEVO DIARIO in Spanish 8 Oct 81 pp 1, 10

[Editorial: "The Incredible 'Malinchism'"]

[Text] From Malinche, the Aztec who was conquistador Cortes' mistress and who served the interests of the conquistadores against her own people, we have obtained the concept of "Malinchism" to describe the conduct of those who serve foreign interests against their own fatherland.

It is a synonym for "Herodism" which comes from Herod, who as a Jew served the Roman Empire and acted as a Roman.

We are mentioning this in view of the statements of some leaders of rightwing parties recarding the "hawk view" military maneuvers and the exemplary speech of Commander Daniel Ortega at the United Nations.

In one case they minimize the significance and danger of the "hawk view" operations. The energetic and concise argument of Commander Ortega, "Because we have an historical right to believe that we can again be attacked," an argument based on the tragic and undeniable history of more than 40 direct U.S. interventions in Central America, slips through their minds and hearts as water over fish.

They also try to use to the advantage of their small parties the specific, just, reasonable and moral proposal for peace in El Salvador, and therefore of peace in the region and Nicaragua, [in upper case] which Commander Ortega made known. They try to link it to their internal political demands with an incredibly selfish spirit.

At a time when Nicaragua, [in upper case] through the coordinator of the government junta, assumes before the world a distinguished international role of leadership for peace, and when peoples of all races and beliefs applaud us, the "opposition" political leaders try to minimize the value of this initiative, linking it to internal political problems which from their viewpoint are reduced to haggling over power.

The political selfishness of those sectors in the face of the revolutionary government's international initiative and their minimizing of the threat of intervention--better read as war--can only be described as "malinchism."

Only in this way can one understand their refusal to support the national reconstruction government's peace initiative and their minimizing of the U.S. threats, two things which encourage the aggression.

Just as Malinche was against her people due to her personal love, they, for their small party interests, place themselves at the service of imperialism.

CSO: 3010/153

'HAWK VIEW' INCONSISTENT WITH ENDERS VISIT

PA090232 Managua Radio Sandino in Spanish 1800 GMT 8 Oct 81

[Text] The recent visit made to Nicaragua by Thomas Enders, assistant U.S. secretary of state for Inter-American Affairs, was considered here a reflection of an opening by the Ronald Reagan Administration in its relations with the Sandinist people's revolution in Nicaragua. However, acting Foreign Minister Victor Hugo Tinoco told Radio Sandino today that the hawk view military maneuvers by the armies of the United States and Honduras off the coast near Nicaragua detract from what was considered to be a first step toward the improvement of relations between the two countries.

Victor Hugo Tinoco said that the Reagan Administration has not given a positive response to the proposal of a high-level dialogue made by Nicaragua as its contribution toward improving the relations that are tense at present.

Here are some of the statements made by the acting foreign ministers:

[Begin recording] [Tinoco] We stated from the very beginning in various documents sent to the U.S. Government that those maneuvers were in direct contrast to the spirit that was being promoted through Mr Enders' visit to Nicaragua.

Since the Reagan Administration came to power, Nicaragua noted the need for communication with the U.S. administration. That administration flatly refused to establish high-level contacts. However, Enders' visit had been the first step that presaged an improvement of relations. The problems and our viewpoints regarding the Central American area were discussed in depth. The conditions that were created as a result of that dialogue were highly positive in comparison with the impasse that existed beforehand.

Yet, only a few days after Mr Enders departed, we were informed of the risky maneuvers which are obviously, if not a threat, at least a threatening warning from the United States to the Sandinist People's Revolution. These maneuvers, therefore, are at variance with the spirit that had begun to emerge from the talks. There is absolutely no consistency. A situation is being created in which, on one hand, the U.S. administration seeks to establish contacts with the Sandinist revolution and on the other hand, it is doing exactly the opposite. Obviously, this worries us. We have informed the U.S. administration of this concern.

[Question] Can these maneuvers be considered a (?threat) to Nicaragua?

[Answer] We believe that these maneuvers are threatening and we believe that the significance of these maneuvers will be revealed in the coming weeks as other maneuvers or quote, military exercises, unquote, are carried out as planned. The continuation of maneuvers of this kind would be indicative of aggressiveness on the part of the United States toward Nicaragua. [End recording]

CSO: 3010/154

CENTRAL BANK PRESIDENT URGES ECONOMIC AUSTERITY

PA102156 Managua Radio Sandino in Spanish 1800 GMT 10 Oct 81

[Text] According to the president of the Central Bank, it is necessary to reduce consumption and increase production in order to confront our current economic problems. The huge burden that the foreign debt places on our economy can be confronted only by reducing consumption and determinedly increasing production. This is the conclusion reached from the detailed report on our country's foreign debt made yesterday by Alfredo Cesar, minister president of the Central Bank.

According to Cesar, this year we will have to pay about $196 million in interest and amortization on our debts to international private banks. Of this amount, $148 million is part of the debt inherited from Somozism. The remaining $48 million represents debts contracted by the revolutionary government.

An idea of the burden that this debt places on our economy is given by the percentage it represents as compared to Nicaraguan exports. The debt service to be paid this year amounts to approximately 40 percent of our exportable todal. When added to our oil purchases, 80 percent of our total sales abroad--which have been estimated at about $500 million--is consumed. It is clear that the only way to successfully resolve this situation is to reduce our consumption of foreign products markedly and to decisively increase production in order to obtain greater revenue.

As for the current shortage of currency for imports, Cesar indicated that this situation is closely connected with the country's current state of economic and social emergency. This means that the importation of those products that are not essential to the function of the national economy must be reduced as much as possible. Efforts must be made to replace these imports with products manufactured here. He added that businessmen will have to adjust to the new situation and will have to dedicate themselves to the marketing of local products. Until now, many of them marketed only imports.

CSO: 3010/152

TIRADO LOPEZ URGES PEASANTS TO JOIN COOPERATIVES

PA172029 Managua Radio Sandino in Spanish 1800 GMT 17 Oct 81

[Text] Commander of the revolution Victor Tirado Lopez has urged peasants to work the land in cooperatives. Collective exploitation of the land benefits the peasants, Commander Tirado Lopez told the peasants of Wiwili who attended a ceremony to hand out land titles as part of the beginning of the revolutionary agrarian reform program.

Commander Tirado Lopez said that the system of agricultural cooperatives is superior as far as productivity is concerned. He added that joining the cooperatives is voluntary and that the Sandinist peasants must set the example. He also said that the strengthening of the national union of farmers and cattlement must be one of the priority tasks of the agricultural workers who belong to the cooperatives. Here are the words of the Commander of the Revolution Victor Tirado when he addressed the large number of agricultural workers who received their land titles as part of the beginning of the agrarian reform program:

[Begin recording] You are going to work the land collectively as that slogan over there states. This will be done in all the places where agricultural cooperatives have been established. However, it has been difficult to keep the members of the cooperatives united. It is not easy to eliminate from the minds of many companero peasants the established system of individually working the land. We must all fight against that system. We have to eliminate from our minds the individualistic ideas because it has been proven that collective exploitation of land favors peasants more than individual work in a plot which perhaps will never get him out of misery and backwardness. Those who work large areas have the possibility of earning more, of producing more and of applying modern technology. Why? Because it is easier to obtain a tractor or harvester for an agricultural cooperative made up of 20 or 30 companero peasants than to obtain 20 or 30 tractors or harvesters for each peasant. Through the cooperatives we can save technical, human and financial resources. In this way we are applying the Sandinist People's Revolution's policy of austerity and efficiency. [End recording]

CSO: 3010/152

BRIEFS

GUIDELINE GIVEN TO MEMBERS EXPLAINED--Hermogenes Rodriguez, delegate of the National Union of Farmers and Cattlemen [UNAG], has explained that the guideline given to all UNAG members, organized in more than 2,000 cooperatives, is to plant while shouldering a rifle. He said this is their slogan in the face of the call by the fatherland and that they are with a fighting spirit amid their productive tasks. Rodriguez was interviewed by this station yesterday at the state council offices. He said that they have proposed three goals which must be carried out amid the productive activity: sowing of late crops as well as picking coffee in the regions where it has ripened early. He stressed that UNAG ever since it was founded on 14 December 1980, had requested weapons for self-defense. Rodriguez said: In this call for the general mobilization to defend the fatherland, we can say that most of our members are militiamen and we have many companeros in reserve battalions. We want to point out, he added, that our Sandinist People's Militias [MPS] are well organized in the north. Since the planting of late crops can't be delayed, we must plant shouldering our rifles. We hope that all our militiamen will get their weapons as soon as possible. Rodriguez admitted that there are small sectors in Jinotega and northern Leon where UNAG members have not yet received the military training needed as members of the MPS. This is how our people remain on the alert. UNAG is sowing fields and also ready to defend the fatherland. [Text] [PA062345 Managua Radio Sandino in Spanish 1200 GMT 6 Oct 81]

PRISONERS RELEASED--Managua, 11 Oct (ACAN-EFE)--Three persons who have been under arrest since the beginning of this year charged with plotting against the Sandinist Government were released over the week ending 10 October. The Supreme Court ordered a stay of proceedings in their behalf after finding them innocent of charges. Those released are: Dora Maria Lau Lacayo, Leonardo Somarriba Gonzalez and Alejandro Salazar Elizondo. The court ruling also favored Gabriel Lacayo Benard and Luis Adolfo Valle Lau who were released previously. [Panama City Acan in Spanish 1825 GMT 11 Oct 81 PA]

UNION COMMITTEE PRESIDENT--Eng Alfonso Robelo has been elected president of the Coordinating Committee of the Independent Political and Trade Union Sectors, to replace the late Ramiro Sacasa Guerrero. [Managua, Radio Corporacion in Spanish 1200 GMT 14 Oct 81 PA]

PCD LEADERS ELECTED--Jose Castillo Osejo was elected national coordinator of the Democratic Conservative Party of Nicaragua in democratic elections yesterday. The other officers elected were Dr Enrique Sotelo Borgen, deputy national coordinator and secretary of international relations; Dr Clemente Guido, secretary of political training; Dr Donald Lacayo, secretary of legal affairs; Alejo Mendieta, press and propaganda officer; and Felix Pedro Espinoza Briones, secretary of agrarian and peasant affairs. [Managua LA PRENSA in Spanish 25 Sep 81 p 6 PA]

FSLN LEADERS' LANGUAGE, PRESSURES OPPOSED--The Social Christians are against the aggressive language used lately by revolutionary leaders. The Social Christian Party [PSC] released a communique today referring to the language used lately by some revolutionary leaders, describing it as inappropriate in the current moments of crisis affecting the country. The PSC notes that the pressure brought against the independent democratic sectors taints the image of the revolution abroad and does not resolve any problems. The communique indicates that there are dissident sectors who blame the country's sociopolitical and economic crisis on parties and labor unions when they are not at fault. The PCS states that the campaign against the hawk view maneuvers, which were condemned by the country's democratic sectors, also served to harshly attack these parties, which struggle for a climate of peace and liberty in our country. The national unity we are intent on achieving is always the best enemy of interventionism and history is the master, the PSC concludes. [Text] [PA131620 Managua Radio Corporacion in Spanish 2300 GMT 12 Oct 81]

CSO: 3010/153

'LA PRENSA' OFFICE ATTACKED; PRD YOUTHS RESPONSIBLE

Editorial on Freedom of Press

PA260044 Panama City LA PRENSA in Spanish 21 Oct 81 p 1A

[Editorial: The Risks of Freedom of the Press]

[Excerpts] Using phrases that we believed were limited to the arrogant manner in which the military usually refer to matters which their training prevents them from understanding or respecting, the minister of government and justice has referred to the "behavior of the social communications media," and "quite specifically to the newspaper LA PRENSA," accusing us of publishing false reports which could bring about "the confusion that begets violence."

It is unfortunate that Minister Ritter--who should be aware of the correct constitutional and legal meaning of freedom of speech because of his education and the post he holds--considers that this sacred right is subject to the "tolerance" of the rulers. This is not so. The current constitution, just like the ones that preceded it, does not permit a priori controls on the freedom to express one's thoughts, nor does it empower the authorities to impose administrative penalties because of what Minister Ritter, or his government, might consider "false reports." If such a thing were to occur, guilt could only be established after the fact, and only by due legal process.

One cannot attempt to simulate the existence of a democratic opening if the government refuses to accept the limitations that democracy demands. Foremost among these limitations is freedom of the press. If respect for freedom of the press is as uncertain as Minister Ritter's words suggest, the exercise of the right to freedom of speech entails risks that are as dangerous as they are indefinite. Today, like yesterday, we are willing to run these risks.

Director Reports Attack

PA222356 Panama City Radio MIA Network in Spanish 2125 GMT 22 Oct 81

[Live telephone report by teporter (Joaquin Maison) on 22 October in Panama City]

[Text] This is (Joaquin Maison) reporting on the attack against the newspaper LA PRENSA at approximately 1600 this afternoon. We have Ricardo Arias Calderon, one of the LA PRENSA'S directors, on the telephone, who will give you the details of the attack.

[Arias Calderon] at approximately 1530 this afternoon, nine young men forced their way into the building. They were armed with iron bars, at least one of them carried a gun, another brass knuckle and another a machete. Once they were inside the building they proceeded to destroy the entrance to the offices, the door, the receptionist's cage and all the office equipment. The man with the gun aimed it at (Jose de Los Santos Chen Barria), director of the Central American Institute of Business Administration, Incae, who was in our office to place an advertisement. The man fired the gun, but it did not have regular bullets, the ones that explode. (Chen Barria) was forced to face the wall and he was then hit on the head with the brass knuckles and started bleeding. The receptionist was also injured by a piece of glass when the front glass was broken. She will need medical care. I am trying to be as accurate in my description as I can be under the circumstances.

I consider this an attack on the freedom of the press, on man's fundamental civic rights and on the human rights of the personnel working in this newspaper and who every day wage a struggle on behalf of the freedom of expression without fear in Panama. It is really hard to believe that such an act of violence could occur. But it has taken place only 2 days after the government minister publicly threatened the newspaper LA PRENSA on television. It is hard to believe that those who should maintain order and enforce the law should be making threats against the news media. What are we to think if 2 days after his threat, our newspaper is attacked. I am sure the peoples will reach their own conclusions. Do you wish to ask anything else?

[Question] Yes, Dr Ricardo Arias Calderon, in first place let me thank you for answering our call. Dr Arias Calderon, do you think there is any connection between the government minister's threat and today's attack?

[Answer] I am basing my suppositions on facts. Just 2 days ago the government minister publicly threatened the newspaper LA PRENSA on television. The entire nation was witness to his threat and 2 days later our paper is attacked. The television, photographers and friends of the newspaper are here to see with their own eyes the destruction caused by the attacks and also to express us their sympathy. It is too much of a coincidence that just 2 days ago we receive a threat and today we are the victims of a brutal and vandalic attack, not only against our installations but against a client and one of our workers, the receptionist.

[Question] Could any of the attacks be identified?

[Answer] We captured one of the attackers. We handed him over to a national guard partol unit. (Alfredo Jimenez), LA PRENSA assistant director, and chief editor Migadalia Fuentes, followed the patrol car to make sure that he was turned over to the police authorities.

[Question] Do you have any idea or estimate on the amount of the damage caused by the attackers?

[Answer] For the time being we are not worrying about this. Our main concern at this moment is to see that the persons injured received medical care, to denounce to the people this attack so that they can take the proper stance in defense of the freedom of the press. Later on, we will make a report on the damage caused to the property. But anyone who passes in front of our building can see the destruction caused to our building and office.

[Question] Dr Arias Calderon, Radio MIa wishes to offer you its facilities in case you have anything else to report on behalf of all the free men of Panama.

[Answer] I thank you very much. I know that Radio Mia has always been in the frontline in defense of the freedom of the press in Panama. I knew we could count with Radio Mia. We will let you know any additional information. Thanks.

PRD Youth Claim Credit

PA230403 Paris AFP in Spanish 0236 GMT 23 Oct 81

[Text] Panama, 22 Oct (AFP)--A group of youths this afternoon broke into the building of the Panamanian newspaper LA PRENSA, attacked its personnel and caused material damage estimated at several thousand dollars, according to the directors of the enterprise.

Three newspaper employees were injured by slivers of glass during the attack and one of the attackers was arrested.

The seven [as received] attackers ranged from 18 to 24 years of age, according to eyewitnesses.

Minutes after the attack a signed communique was released by a yough group of the ruling Democratic Revolutionary Party (PRD) in which they claimed credit for the attack on the newspaper.

The PRD youths assert in their note that this newspaper "has been distorting and slandering the real political facts in the country," and also accuse it of "being at the service of the sell-outs of the country."

One of the newspaper directors, Carlos Gonzalez, termed the attack "cowardly" and said that it was because "LA PRENSA publishes reports with the objectivity that Panamanians want."

The attack on the newspaper, which is linked with the opposition groups, occurred only 48 hours after government and justice Minister Jorge Ritter criticized reports published by that newspaper, saying that they distort the true situation in the country.

The newspaper LA PRENSA, which has a modern installation and equipment, began printing in August of last year.

PRD Issues Communique

PA232008 Panama City LA PRENSA in Spanish 23 Oct 81 p 2A

[Communique issued by the Democratic Revolutionary Party on 23 October; signed by Gerardo Gonzalez Vernaza, Party Secretary General]

[Text] An incident which our party deeply deplores occurred today. However, we must explain the following to the country:

1. For many months, the newspaper LA PRENSA has been conducting a campaign characterized by the defamation, slander and distortion of political facts and aimed at destabilizing our country and at creating chaos.

2. The newspaper LA PRENSA has become the spokesman of the darkest, most traitorous and submissive interest in Panama, which are connected with international vested interests anxious to bring about a bloodbath in our fatherland. This is why they fabricate and invent news which is later spread locally, such as the lie they published about the alleged existence of guerrillas in this country. They have been provoking the youth, professionals, politicians and rank and file cadres of the Democratic Revolutionary Party, PRD, the huge organization of the majority of the Panamaian people.

3. On 21 October 1981, the newspaper LA PRENSA published a caricature which filled our party's entire rank and file with indignation. The rank and file demanded firm action on our part in the face of this situation. The caricature was disrespectful to the memory of Brig Omar Torrijos Herrera, who was, is and will continue to be a great leader of our people.

4. A group of our party's rank and file attacked that newspaper today. LA PRENSA itself and what it represents, engendered this violence; they are responsible for it. We will respond firmly and without hesitation to any attack on the process. We are on our feet.

5. The popular support group, GRAPO, which carried out this action, has always received the moral support of our party's general secretariat. Today, however, GRAPO's rank and file was filled with indignation over LA PRENSA's insults to the tombs of Omar Torrijos, former PRD leader Ascanio Villalaz and Yepez [not further identified] which are sacred to our party. GRAPO overflowed the bounds of that group's directorate.

We ask all companeros to act with the utmost prudence. From our adversaries we demand respect for the peace of tombs held sacred by both the PRD and the Panamanian people.

Spokesman's Statement

PA240224 Panama City Televisora Nacional in Spanish 2245 GMT 23 Oct 81

[Text] An authorized spokesman of the Democratic Revolutionary Party [PRD], who asked not to be identified, told this station this afternoon that the PRD is preparing a communique of total support for the communique on the attack on the newspaper LA PRENSA yesterday which was signed by PRD Secretary General Gerardo Gonzalez.

According to the spokesman, the political committee, the secretariat and the executive committee of the party met from early this morning to late in the afternoon to evaluate the situation as a result of yesterday afternoon's events. He said that a call was issued to remain levelheaded and calm in the face of the pressures by the party's rank and file for energetic actions against what they described as the disrespect of the PRD figures and members.

Reprisal Attack on PRD

PA241734 Panama City MATUTINO in Spanish 24 Oct 81 pp 1-A, 8-A

["Communique to the Citizenry"]

[Text] On Friday morning, 23 October, gangs of paid thugs attacked the offices of the Democratic Revolutionary Party [PRD] youth located between 50th Street and Justo Arosemena Avenue, causing damage and endangering the physical safety of a humble mother who is the secretary in this office.

The perpetrators of these violent actions are cheered on by the leadership of the Christian Democratic Party, in reprisal for the actions of a rank-and-file PRD group that expressed in this manner their indignation at the disrespect shown the memory of our guide and leader, Gen Omar Torrijos H., by the newspaper LA PRENSA.

Our party and our peoples have been silently tolerating the slanderous attacks and subversion by the newspaper LA PRENSA and the parties that finance it. But today we state that this patience has reached its limit; no one can tolerate having mud thrown on the figure of our spiritual guide, Commander Omar. No PRD militant can tolerate having the memory of companeros Ascanio and Yepes' stained.

Those who sow hate and violence in our country are the same people who twice this have attacked the headquarters of the glorious Federation of Panamanian Students (FEP) and who attacked the offices of the National Council of Organized Workers, CONATO, and of the Pacific Banana Corporation, COBAPA.

We warn that we are not responsible for any actions that our people may take after this. We respect and defend with all our might the social peace that has prevailed in our country in the past few years, but don't mistake this for cowardice, because we are 1,000 times more worthy than those who promote violence.

We make a patriotic appeal to all of the bases, all of the militants of our PRD to redouble, today more than ever, their militancy for the peace that we need in this country, both for the sake of our parents, brothers and children and in order to defend the process bequeathed us by Commander Torrijos.

/No to those who confuse liberty with abuse of liberty and tolerance with disrespect. For the national secretariat/ [words within slantlines published in boldface].

[Signed] Raul Gomez, 8-161-610; Luis C. Cabezas, 8-162-2741.

National Guard Communique

PA240308 Panama City Televisora Nacional in Spanish 2245 GMT 23 Oct 81

[Panamanian National Guard communique concerning 22 October attack on the opposition newspaper LA PRENSA, signed by Lt Col Roberto Diaz Herrera--date and place not given]

[Text] In view of the concern expressed to the national guard headquarters by various sectors of the people, the command of our armed institute states the following:

The commander in chief and his staff are seriously concerned about the physical acts of aggression against the installations of the newspaper LA PRENSA yesterday. Our armed institute hopes that these events, their origins and consequences will be fully clarified by the proper authorities.

The national guard deplores all types of violence, both physical such as the one perpetrated as well as verbal and written violence. A product of a low ethical and professional standards which incite violent actions in any direction.

Panama has a great social peace that is the heritage of all Panamanians without class distinctions. The national guard will not permit irresponsible actions, regardless of their origin, to harm this status of tranquillity, creating instability and unrest.

President Royo's Statement

PA240100 Panama City Televisora Nacional in Spanish 1715 GMT 23 Oct 81

[Text] President Aristides Royo Sanchez this morning deplored the vandalism that occurred yesterday at the opposition newspaper, LA PRENSA, and termed the action of the popular support group [Grupo de Apoyo Popular--GRAPO], the so-called armed branch of the Democratic Revolutionary Party, PRD, a shameful act.

Panamanians cannot be asked to remain neutral, the president said, in reference to publications that distort the truth. Royo, however, emphasized that no type of violence should be employed against any communications media, and that opposition papers can exist in Panama.

Esteemed viewers, here is the statement made by the president of the republic on the much-commented incident that took place yesterday.

[Begin recording] I will say that I sincerely deplore the fact that any kind of violence should have been employed against a newspaper. An English politician is known to have said to his opponent: I do not agree with anything you say, but I would give half my life for your right to say it. [Quotation as heard]

We feel that there must be an opposition paper in Panama to say all the things that need to be said, that freedom of expression must be respected and newspapers must be allowed to exercise that freedom of expression. Therefore, no type of violence should be used against a media.

When we have felt certain that our honor was being attacked, we have turned to the legitimate means available to all citizens to demand their rights. We have filed, as all Panamanians know, a suit for slander against LA PRENSA. At present, there is a case pending against Carlos Ernesto Gonzalez de la Lastra, as the publisher of the newspaper.

We believe that is what the law and the courts are for. One should not try to bring about his own justice. In this regard, we feel that the incidents yesterday were shameful, given the tranquillity, stability and domestic security that exists in the country.

We have reiterated on various occasions that violence begets violence. When we said in our speech on 11 October that there is a limit to patience, we meant that when journalism is practiced improperly and attacks the honor of individuals, it is necessary to turn to the proper avenues of redress: a judicial sentence by the courts.

I would also like to state the following, because I cannot remain silent in the face of such actions. Independent of the acts which, I repeat must be condemned, it is also necessary to call attention, as I have done on various occasions, to the exercise of freedom of expression. We must state that it is a responsibility that should not be abused. I hope that this could also cause people to stop attacking the honor of people or the memory of the dead. Panama is a Latin American country, a religious, Catholic country in which the dead are traditionally respected. I do not think that I, or the newspapers that support this process, have ever been guilty of caricatures or positions directed against the dead of other parties.

[Former] President Roberto F. Chiari died a few months ago and I do not believe you have seen any caricature by CHICO or PETROLON that constitutes an offense to the memory of that illustrious president, or against Max Del Valle or against any other president, despite the fact that they were members of parties that today are opposition parties, or parties that oppose my government.

I believe that the memories of people should be respected. Yesterday, I personally had to restrain some of General Torrijos' relatives, 2 days ago, that is, who wanted to take some action against the person who had published the caricature against the memory of a man who was a leader. Even if they opposed him politically, I do not believe there was any reason to offend his memory in this way.

I have no personal ill feelings against Mr Wilfi [the caricaturist], despite the fact that on several occasions he has picked on my wife. On the contrary, on a couple of occasions I sent him a book of caricatures signed in my own hand, with a little card. In fact, he did not even believe that I had sent it, but I had. Let him irritate the living, but respect the dead.

Over 10 years ago, a distinguished lawyer, a highly educated person who today also opposes my government, shot a newsman several times. That was also a deplorable action that should never be repeated.

On the other hand, one cannot ask Panamanians to remain neutral. Some people have hot blood. I do not believe that either the PRD, or our government or myself as a president, a citizen or an individual, could promote acts of this kind. Let us hope, however, that also our journalists on both sides--those of the opposition as well as those of the government--will say everything that needs to be said, but that they will do so with respect and with dignity.

[Question] Mr President, the communique in which the PRD takes responsibility for the vandalism that took place yesterday seemed to indicate that the party would continue to take responsibility for any acts of this kind and that they might even continue to occur. What measures will the government take to try to keep the government party from repeating such acts?

[Answer] The actions yesterday definitely took everyone by surprise, but this is what the courts are for. I feel that precautions will have to be taken to see that acts of this kind are not repeated. However, I do not believe that the communique indicates that the PRD will continue to carry out activities of this kind. We truly hope that this does not happen again and I believe that the communique, as I read it this morning, states that those responsible were from a splinter group, a group that had disregarded the instructions or orders to refrain from activities of this kind.

I do not believe that the PRD or any other party in this country should sponsor acts of violence. We also greatly deplored, for example, the acts of violence that were committed against the electoral tribunal. Whether they are actions by the opposition against government offices or actions by parties that support the government against opposition establishments, such acts are deplorable and I believe they are repudiated by all Panamanians.

Let us hope, on the other hand, that there will also be more reflection on the exercise of freedom of expression in this country, that there is caution regarding the memory of the dead and that there will be more respect for the dignity of individuals because, although the courts exist, on occasion a person may fly into a rage and do something that he may later regret, as would his friends and everyone in this country. These things must be avoided. We want peace in this country, peace in the hearts of all Panamanians and in the souls of all those who earn their daily living with the pen. [End recording]

'LA PRENSA' Blames Royo, Ritter

PA232323 Panama City LA PRENSA in Spanish 23 Oct 81 p 1 A

[Editorial: "Our Response"]

[Text] Our paper's premises were violently attacked yesterday by a group of thugs armed with machetes, bars and pistols. They destroyed glass windows and office equipment and injured two persons; a member of the administrative personnel and the director of INCAE [Central American Institute of Business Administration], who happened to be in the building on an errand connected with his duties. A few hours later, the PRD [Democratic Revolutionary Party], the government's party, publicly claimed credit for this vandalic action which shames its material and intellectual perpetrators. With unprecedented shameless PRD Secretary General Gonzalez attributed the attack to "the rank and file," who were indignant over an alleged offense to the memory of their dead leaders.

It is impossible, however, to believe those who committed this crime acted spontaneously. The PRD communique seeks only one goal: to divert the attention of all conscientious Panamanians, who accuse those truly responsible morally and politically--none others than President Royo and Government and Justice Minister Ritter--toward crude instruments and coarse henchmen. As is already known, in his speech at the National Assembly of Corregimiento representatives, the president openly threatened those media which published news against his government's administrative corruption. Against all evidence Royo unsuccessfully tried to deny the existence of such corruption. As if this were necessary, a few days later, the government and justice minister explained the scope and meaning of the president's

threats, specifically mentioning LA PRENSA in connection with the novel crime of having published a dispatch from one of the agencies to which we subscribe, a routine procedure for all newspapers in all civilized countries in the world. Afterward, the minister warned that "measures would be adopted," leaving the task of guessing what these measures would consist of to each person's imagination. The guesswork unexpectedly ended yesterday with the attack on our installations, thus giving his statement a sinister meaning.

It might be good to point out that all the charges published in LA PRENSA have been backed by evidence that no official spokesman has been able to refute so far. Royo is not bothered by the corruption that has poisoned the entire public sector, but by the fact that the Panamanian citizens--who have every right to know--are told how the funds supplied in the form of taxes--which should revert to them in the form of investments for the country's development or for public services currently denied to them because of the corruption that prevails at all levels of the current administration--are being used. Ritter is concerned over the publication of a foreign paper's editorial, which denounces the training of guerrillas in our territory. He did not worry, however, about the fact that the fatherland was being used as continental center for the profitable smuggling of weapons and war materiel aimed at stirring the fire of fratricidal struggles in fraternal countries. Nor was he worried over the fact that our country was being used--for similarly profitable purposes--as a base from which to arm and ship off guerrilla expeditions to Colombia.

A lesson can be derived for our people from all these developments: the men who, rather than ruling Panama, are fleecing it, will not stop at any excess in order to satiate their unlimited greed for power and the illicit acquisition of wealth. In spite of all the threats, we will continue to denounce them.

'LA PRENSA' Director Comments

PA240301 Panama City Televisora Nacional in Spanish 2245 GMT 23 Oct 81

[Interview with Ricardo Arias Calderon, a director of the newspaper LA PRENSA, on 23 October; place not specified]

[Text] [Question] What is your opinion of the communique issued by the national guard this afternoon and President Royo's statement this morning?

[Answer] It is true that the national guard communique and the president's statement have a different tone from the communique of the secretary general of the Democratic Revolutionary Party, PRD. The latter took credit for the vandalic violence. In an indirect way, he confirmed the threats. This tone is not found in the two other statements.

However, some things still need to be explained. The president has not explained why he issued threats on 11 October or why his government minister expressed those threats in concrete terms only 2 or 3 days ago. It would also be well that he emphatically deny the rumors that he held a meeting with some ministers and members of the PRD 2 days ago to plan yesterday's actions. Those rumors are spreading and the president owes the country an emphatic denial.

We are glad that the national guard has condemned this act of violence because this shows that it will be more diligent in preventing such actions in the future.

[Question] As member of the LA PRENSA board of directors, once charges have been filed, will LA PRENSA ask for indemnification from the PRD or someone for the damages?

[Answer] This will have to be decided by the board of directors but in my view, the logic of the situation leads one to claim damages and certainly establish responsibilities.

'FRAMPO' Condemns Attack

PA240421 Panama City Televisora Nacional in Spanish 2245 GMT 23 Oct 81

[Communique issued by the Popular Broad Front, FRAMPO--date and place not given; read by announcer]

[Text] The attack on LA PRENSA is repugnant. It is contemptible and is a low blow to the democratization process that Gen Omar Torrijos Herrera began. The general vigorously defended freedom and pluralism as principles of the social peace existing in Panama. That is why it is improper to invoke General Torrijos' memory to justify the barbarous attack on the newspaper LA PRENSA.

The attack on LA PRENSA should be interpreted as an attack on all democratic freedoms and as a gross instigation to violence by those who deep down have not accepted the democratization process and are filled with panic in the face of the need to politically fight the political parties which oppose the democratic and progressive ideas promoted by that great patriot, Gen Omar Torrijos Herrera, inspirator of FRAMPO.

We firmly believe that President Royo, a man with an unquestionable education, rejects the acts of violence perpetrated against LA PRENSA.

Minister Ritter Condemns Attack

PA261752 Panama City LA ESTRELLA DE PANAMA in Spanish 26 Oct 81 pp A-1, A-10

[Text] In opening the second seminar on journalism at the Bambito Hotel in Chiriqui Province, Government and Justice Minister Jorge Eduardo Ritter said: "We condemn the violent attack on the daily LA PRENSA. We cannot condone, much less approve of, acts of violence against a news media source."

The prime minister added: "Violence is not part of our activities. It is not part of life in Panama. Violence, the few times it has appeared, has always been repudiated and rejected by us, regardless of its source."

Minister Ritter noted: "It is true that when events such as this take place, political banners are raised and much is said about persons and situations, but often this is the result of political and circumstantial passions, which must not be used to pass judgment on events as notorious and significant as the recent ones."

"Every time there is an act of violence," Ritter said, "we forfeit some of the peace and quiet we want to safeguard."

The minister also noted: "The president, the armed forces and all of the authorities, all those who have anything to do with security and social peace, reject and deplore the events involving the daily LA PRENSA."

He added: "We have to point out some things that, regardless of what happened a few days ago, must serve as normal and guidelines for journalism, for the exercise of this activity by the news media. I am referring to the problem of political passions taking the media to diatribe, insults, offenses, slander and the publication of reports that have nothing to do with the true situation."

Jorge Eduardo Ritter said that when the people read a newspaper, listen to the radio or watch television, they expect to find the truth, objectivity and respect in the journalists or in the particular news media.

The journalists seminar was attended by more than 125 national newsmen. It was organized by the Association of Journalists of Chiriqui. The speakers included well-known press, radio and television personalities and professionals in the fields of public relations, literature and diplomacy of Panama.

The seminar, which took place from 24 to 25 October, included conferences on freedom of expression, television production techniques, the importance of sports in modern journalism, public relations in Panama and new tendencies and literature in journalistic style.

'LA PRENSA' Comments

PA261724 Panama City LA PRENSA in Spanish 26 Oct 81 P 1A

["As of Today" column]

[Text] For many sad years, the Panamanians have silently suffered repeated official and semi-official violations of freedom of the press. This is what happened when the editora Panama-America was attached, "QUIUBO" was closed, "LA OPINION" was banned and radio Impacto was destroyed and subsequently closed. This is also what happened when cabinet decree 343 of 1969 was implemented and the licenses of radio commentators were cancelled, just to mention a few cases.

The vigorous statements condemning the attack against LA PRENSA installations and the strong national support offered to our newspaper clearly indicate that the Panamanians have not lost their civic awareness and are unwilling to tolerate any more abuses and violations of rights and liberties that are ours by justice, tradition and history. Fortunately, the conspiracy of silence that made the world ignore the sad fate of freedom in Panama for so long has now been broken outside the country.

We are also pleased to see that the U.S. ambassador, who seemed more committed to the dictatorship than to democracy in the past, has warned that economic development--he should also have said the development of human dignity--can only be achieved in countries where "democratic principles guarantee that no group can oppress others and where these principles guarantee that all voices will be heard." So many clear voices reaffirm our conviction that there is still room for hope.

CSO: 3010/146

U.S. AMBASSADOR MOSS' STATEMENTS CRITICIZED

PA271443 Panama City Televisora Nacional in Spanish 2245 GMT 26 Oct 81

[Interview with Ovigildo Herrera, National Organization Secretary of the Democratic Revolution Party [PRD], on 26 October; place not given--recorded]

[Text] [Question] At a coordination council meeting in Colon on Saturday, you said that Thursday's statement by U.S. Ambassador Ambler Moss was a violation of the neutrality treaty. What is the basis for your statement?

[Answer] We were greatly surprised to see Ambassador Moss expressing an attitude we had never seen before, especially during the time of the Carter regime. We believe the neutrality treaty has been violated, because in our country one can't make the statement that they are going to eliminate the enemies of the United States and that they will take necessary measures. We believe that this implies a threat to other countries which cannot be made in our territory, if we have a neutrality treaty which places our country outside any provocation that may be interpreted as a hostile statement.

We believe that if there is a war between the two powers, our country may be destroyed. Their military bases are still here, this endangers us and we must be very careful about statements made in our territory.

Our country's sovereignty must be respected and we believe in the principle of respect for the country where a statement is made, regardless of who invites these declarations.

[Question] Don't you think that this reaction to Ambassador Moss' statement could be understood as a reaction which is ideologically opposed to what he said in his speech at the Rotary Club?

[Answer] Well, I have already said it. The Moss we saw on television was a different person. We do not know what instructions he has received from President Reagan who has made hostile statement. He has made them and we don't know what instructions Ambassador Moss has received. However, we must say that we do not intend to have our country used for threatening anyone. We signed a neutrality pact which says that we are not aggressors and will never be.

We respect the self-determination of peoples and we also want to be respected. The respect that we have for other countries will be the measure of the respect we

will demand, and the neutrality treaty, which many countries are signing must be respected. This is part of the Torrijos-Carter treaties and this is why we are concerned about this type of statement to an audience which invited him to make this type of statement.

[Question] Do you think that what you consider a serious statement by Ambassador Moss will give rise to protests from some local organization?

[Answer] I think that protests are being made. I think that many people do not realize the seriousness of it. As I said, we are a target. Why should we suffer a nuclear attack? We will not be asked if we are Panamanians. Forget about it. We are the target of any attack. We do not have nonaggression pacts with other countries. We have a neutrality pact in which we are respectful of other countries. All countries will pass through this canal which we will operate in the future.

We will operate it fully in the future and we cannot have our territory used for making this type of statement.

[Question] One last question. Don't you think that this Ambassador Moss' statement was an exercise in dialectics or rhetoric in relation to U.S. defense policy?

[Answer] I don't know if this was an exercise in rhetoric. The law violating the canal agreements is not rhetoric and it is being violated. This is part of the Torrijos-Carter treaties.

CSO: 3010/144

EDITORIAL FLAYS REAGAN STANCE IN CANCUN

PA262248 Panama City MATUTINO in Spanish 26 Oct 81 p 4-A

[Editorial: "The Cancun Summit and our Predictions"]

[Text] In an editorial recently published by this newspaper we gave our opinion as to the probable cause of collapse of the north-south dialogue in Cancun, the beach resort in Mexico. As we predicted, the cause of its colapse would be nothing more than Mr Reagan's unwillingness to make what he regarded as concessions to the developing countries' ideas.

The truth is that later on, when news reports referred to the talks between the U.S. and French presidents as possible reasons for a change in attitude by Mr Reagan, we thought that our assessment was completely mistaken. We were happy because our mistake meant a victory for reason over obstinacy and for good sense and understanding over stubborness and ill will.

Unfortunately, events have proved that our prediction was right. Reagan, [as published]. The plan outlined by the former cowboy in western movies of the first half of this century was like a door slammed in a neighbor's face. The gesture was so rude that countries outside our continent, like Britain, which has been a traditional U.S. ally, had to leave the United States alone with its openly selfish attitude.

In a nutshell, the U.S. president has refused to participate in global negotiations for changes in the international financial and trade systems if the talks include the creation of an international supervisory body. He also opposed [the creation of] an energy affiliate to promote oil production in the poor countries and virtually turned a deaf ear on plans for the international stockpiling of foodstuffs.

As expected, the attitude of the U.S. president has placed his country in a position of supremacy which is typical of those who think they have everything and will never need anything from anybody. This false premise makes him reach equally false conclusions, such as supposing that for the time being, and only for the time being, his close friendship with Saudi Arabia will open for him the doors to the huge current of oil flowing in the Middle East. Reagan also maintains his usual dual attitude of suggesting to 'Arafat through Saudi Arabia that he recognize the state of Israel in exchange for U.S. approval of 'Arafat's aspirations and actions to obtain the recognition of his people as one more nation in the world. In plain language, this means never, no time, nowhere. This cowboy crossword pubble leaves the third world with one foot out of the stirrup while the horse continues bucking to throw them overhead and make them crash against the harsh reality of the ground.

CSO: 3010/144

PANAMENISTA LEADER WOUNDED BY GUARD CAPTAIN

PA261237 Panama City LA ESTRELLA DE PANAMA in Spanish 24 Oct 81 pp 1A, 18A

[Text] Gaspar "Tot" Suarez, a well-known Panamenista political leader, was the victim of an attack by a National Guard captain, which did not result in more tragic incident due to Suarez' military training and presence of mind.

Accompanied by Alonso "Bucho" Pinzon and three other friends, Suarez came to this paper to report the armed attack by an unidentified National Guard officer, who was accompanied by Nathaniel Castillo, a noncommissioned officer, who was driving the captain's automobile.

According to Suarez, the incident took place at approximately 0100 Saturday in front of an entertainment spot at the Torremolinos Building. Prior to their arrival, the group had noticed that they were being followed by a blue automobile, "the same used by the frustrated assassin to make his escape," the Panamenista leader said.

"We were talking with Lawyer Emilio Royo Linares when this man appeared, and without saying a word, pushed Linares aside and lunged at me, asking: Are you Toty Suarez, the (expletive deleted) Panamenista? I was surprised when he drew his regulation weapon and aimed it at my chest.

"An instinctive reflex prompted me to push the gun aside, but he was able to fire twice wounding me in the right foot and in the left calf," Suarez said. He added that the officer remained in front of the vehicle about 10 more minutes aiming his gun and threatening the three persons in my group. Sargeant Castillo also drew his gun and posted himself behind the car of the "aggressive officer."

"Later three patrol cars arrived and the occupants did not even bother to ask what was going on, probably because of the rank of the frustrated criminal. In fact, they escorted him, helping him escape," Suarez noted.

"I publicly demand that the National Guard command conduct an investigation so that this man will be tried and punished as a frustrated criminal, because he constitutes a menace to the citizenry," Suarez said.

"I do not want to believe that the attack was a result of my firm position as a Panamenista leader, but rather because this man, who is doing great harm to the National Guard, may have tried to adopt a stupid political stand due to his ignorance," Suarez added.

Mr "Toty" Suarez assured this paper that he had refused to take care of his wounds until filing formal criminal charges against the officer. "We trust in the good judgment of the National Guard command and expect that this man will be discharged and placed in custody of the courts. It would be a good example for the people," he said.

While still in our office, Suarez displayed two empty .38-cal shells, the right shoe he was wearing when wounded and his wounded foot and calf.

Panamanian Foreign Minister Jorge Illueca said this afternoon that it is anachronistic that Panama does not have diplomatic relations with the USSR or the PRC. Here is the statement of the foreign minister regarding the forthcoming election of the UN Secretary General:

[Begin recording] [Question] International News Agency reports 2 weeks ago on the possibility of your candidacy, indicated that since Panama doesn't have relations with the USSR and the PRC, this might hurt Panama's chances. What are your feelings about this?

[Answer] It is evident that the subject of relations with the Soviet Union and the PRC is something which I have occasionally described as an anachronism. However, for domestic reasons, it is logical that a step of this nature will not be taken without first consulting with the political and economic elements in Panama. I think we should think about this. I personally think, as President Royo said, that this is not an issue which should be decided hastily. This, of course, must be taken into account, but I don't think it would be an obstacle if the opportunity presented itself and if the other candidates do not get enough votes.

Panama is not going to push the point and it has not presented a candidate. Panama is a member of the security council. Panama has been calling for a Latin American role in the election of the secretary general and for the election of a third world man. We think that Salim will have the support of the nonaligned countries and logically the support of many Latin American countries. Including Panama, however, if Salim is not elected and neither is Waldheim [changes thought]...regarding Waldheim we must state that we feel great respect and admiration for him. He was in Panama in 1973 during the security council meeting and he played a very decisive and substantial role which helped a great deal in the development of the treaty negotiations. If there is such an impasse, Panama thinks that the decision should turn to Latin America. Panama would be very pleased if (Ortiz de Rosa), (Soper de Cuellar), Castaneda or [name indistinct] obtained enough votes.

[Question] Turning to another subject, International News Agency reports and the local press today indicate that the board of directors of the Panamanian National Council of private enterprise [CONEP] will ask President Royo today to mediate in behalf of the release of the Nicaraguan businessmen who were imprisoned yesterday by the Sandinist Government. Has there been some request by the concept?

[Answer] This morning I had the opportunity of talking with Nicaraguan Foreign Minister Miguel D'Escoto. It was not regarding that matter but in regard to an FAO election to beheld in Rome. During the discussion on that problem I had the opportunity of talking with him about those arrested and the reasons for their arrest.

Foreign Minister D'Escoto told me that six members of the higher Council of Private Enterprise [COSEP] and 24 members of the Communist Party, including the national directorate, had been arrested. He said that these people were accused of violating a law they call an economic security law. The Nicaraguan foreign minister told me that these people are accused of making false statements to harm the country's economic recovery process and of undertaking illegal efforts to stage a national strike. He said that the government thought that these types of actions were unacceptable in the state of emergency that exists in Nicaragua.

I asked him whether these people were going to be turned over to the courts and what authorities were going to try them. He said they were going to be turned over to the ordinary courts for their trial. He said that there is a 1977 law which establishes a penalty of about 3 years but that there is a more recent law which establishes sentences of less than 1 year. However, he said that it was up to the courts to decide if these people were guilty of the charges.

I told the president of the republic about these things. President Royo's reaction as I have said before is well known in this regard. The Panamanian Government's policy is one of not only respecting but defending the right of self-determination of peoples, including those of Nicaragua, to have the government they desire. At the same time, Panama has always expressed its interest in the respect of basic human rights.

I'm unaware that the CONEP has presented a request to the president. However, President Royo's position in these affairs is very clear. Although Panama maintains a policy of respect toward the Nicaraguan Government, its internal regime and its laws, I'm sure that President Royo will always be very receptive to any efforts, which are many times carried out without the public's knowledge, in favor of people whose human rights are or might be affected.

CSO: 3010/143

MELO SUGGESTS MINING CONSULTATION WITH CUBA

Suggests Mining Consultations

PA261648 Panama City CRITICA in Spanish 22 Oct 81 p 2

[By CRITICA special correspondent Carlos J. Nunez L.]

[Text] Havana--Arturo Melo, industries and commerce minister, has toured an antibiotics processing plant on Havana's outskirts. The plant has 150 employees and employs technology from an Italian transnational company.

The plant has not only helped solve the problem of high cost of medicines by marketing antibiotics without middlemen but has also helped the Cuban Government and people meet the demand for this type of medicine which is widely used.

Melo told CRITICA that he is convinced of the need to reopen a constructive, realistic and impartial debate for the gradual establishment of the Institute of Medicines [in Panama] because the delay in its establishment is to the detriment of thousands of consumers and mars the government's progressive image.

The working tour headed by Melo is near conclusion. Efforts have been centered on learning about the operation of industries like the fishing, the construction of medium-sized boats for use in small-scale fishing, fruit processing and especially Cuba's experience in mining.

Melo also showed interest in the salt industry. Regarding this last topic, a delegation of Panamanians specialized in mining, and most particularly in copper, will leave for Havana in the next few days to visit the nickel and copper mining areas. Even though copper is extracted in Cuba at great depths and therefore with a different technology from that used in Cerro, Colorado, Melo believes that it would be advisable to establish a sort of consulting service with Cuban experts in order to obtain information on this business, which is just beginning in Panama.

Cuban Trade Mission To Visit

PA232204 Panama City LA REPUBLICA in Spanish 22 Oct 81 pp 1, 10

[By Pablo Castrejon Jr.]

[Text] Commerce and Industries Minister Arturo Melo, who yesterday returned from Cuba with a very good impression, has said that a Cuban trade trade mission will visit Panama to study the possibility of large-scale commercial and industrial relations with our country.

Melo made this announcement during a breakfast he gave for representatives of the National Assembly of Corregimiento Representatives in the Interchina restaurant.

During his visit to Cuba, Minister Melo personally saw several industries and how they operate.

Minister Melo said that when he speaks to the assembly on 27 October, he will report on his activities in the ministry and will answer questions from the 505 representatives.

The minister left the meeting because he had to participate in a cabinet meeting and he had to report to the president of the national about his trip to Cuba.

Abelardo Carles, vice minister of commerce and industries, remained and continued to talk with the Corregimiento representatives.

Melo Statement on Trip

PA280251 Panama City Televisora Nacional in Spanish 2245 GMT 27 Oct 81

[Interview given by Commerce and Industries Minister Arturo Melo on 27 October, place not given--recorded]

[Text] [Question] Much to our surprise, we read in today's press that Panama will import bananas from Cuba. Could you expand on this report?

[Answer] This news item is not only mistaken, but is completely absurd. I think that it serves to clearly illustrate the need to insure that the press publishes true reports and not falsehoods such as this. This would help to avoid problems such as we have recently had.

The truth is that Panama cannot import bananas from Cuba. Because Cuba has no bananas to export and because we in fact produce bananas for export. However, when we do this we discard secondclass fruit, because we export only firstclass fruit. The utilization of this secondclass fruit was what we discussed in Cuba. We spoke about finding ways to use this secondclass fruit. They have a process by which they produce juice, nectars and baby food. We discussed the possibility of making a feasibility study on the use of secondclass fruit to produce processed banana products, to supply our own country first place and then for export to Cuba and other countries.

Thus the news item in today's press is completely false and is in fact the opposite of the truth. We hope that this trip to Cuba will not cause the publication of false reports, that information will be analyzed objectively and that it will be amply published and discussed, but only within the realm of truth.

We made a trip to Cuba. I went as minister of commerce and industry on a trip that is similar to other trips to Venezuela, Mexico and Costa Rica. We have gone on official missions to Japan and the Chinese Republic--the Cuban trip is similar to all of the others; we accepted an invitation from the Cuban Government. Just as we have accepted invitations from other governments and as we will continue to accept all serious invitations that will serve to promote trade with other countries.

[Question] Mr Minister, when you left for Cuba the National Council of Private Enterprise [CONEP] issued a communique about your trip. This communique was especially harsh. What can you tell us about it?

[Answer] Well, this communique was apparently similar to the news item in today's La Prensa. It lacks veracity and objectivity. In addition, it was issued without sufficient knowledge, stating an opinion without knowledge of what is being done and what can be done. I would like to have the opportunity for dialogue. We believe that we, as a sovereign nation, should have relations with all of the world's countries--any country that can buy from us and from whom we can buy.

[Question] One last question. How true is it that Cuban technicians will come to participate in the Cerro, Colorado Mining project as a result of your trip?

[Answer] This is another lie. The truth is to the contrary. There will not be a Cuban penetration in Chiriqui as a result of my visit, there will be a Panamanian presence in Cuba. Panamanians will go to Cuba to study stripmining as practiced in Cuban nickel mines, which are similar to the one we are planning to dig in Cerro, Colorado. We want to take advantage of this opportunity to study the ecological implications of stripmining under tropical conditions, which exist in both Cuba and Panama.

CSO: 3010/145

BRIEFS

COLUMNIST CRITICIZES U.S. AMBASSADOR'S ATTITUDE--We have always appreciated the just, courteous and intelligent attitude of U.S. Ambassador Ambler Moss. For this reason, we reject his attitude of placing our country in the vortex of the new "cold war" between the superpowers. This is in contrast [as published] to his reaction to the violations of the Torrijos-Carter treaties, when he said: "Oh, I know nothing; this is unimportant; I will leave for Washington soon." It is apity that this has happened now, following positive and intelligent work as head of the diplomatic mission. It makes one lose faith in "good neighbors." [From "From the Coffee Shop" column by Luis Castilla Bravo] [Text] [PA241712 Panama City CRITICA in Spanish 24 Oct 81 p 31]

U.S. LABOR JURISDICTION DENOUNCED--The U.S. federal authority of labor relations, openly challenging the Panamanian position against the application of U.S. labor jurisdiction in the U.S. agencies in the canal area, has certified the "legality" of the election of the canal workers' labor representative. "This is an action that constitutes disrespect to the Panamanian Government and is in contradiction to President Ronald Reagan's statements that the Torrijos-Carter treaties would be respected." A Panamanian labor leader in the canal zone remarked indignantly. The certification authorized a coalition of the National Maritime Union Metal Trades Council master mates and pilots to represent the workers of the canal commission in the eventual collective bargaining to be negotiated with this agency. The attempt of the federal authority of labor relations to impose defense jurisdiction in Panama has been repeatedly denounced by the government. The Panamanian representative to the board of directors of the canal commission clearly explained this during the past period of sessions held in this capital in August. "What is proper, in accordance with the Panama Canal Treaty, is labor legislation that responds to the letter and spirit of the canal treaty and does not attempt to exercise U.S. labor jurisdiction in U.S. agencies that operate in Panamanian sovereign territory," the labor spokesman added. The labor leader demanded energetic and courageous action by the Panamanian Government to prevent the absurd application of U.S. labor jurisdiction in Panamanian territory. [Text] [PA241926 Panama City CRITICA in Spanish 24 Oct 81 pp 1, 29]

JOURNALISTS' SECRETARY GENERAL--Norma Nunez Montoto has been reelected secretary general of the Journalists Union of Panama for a 1-year period. [PA160618 Panama City LA ESTRELLA DE PANAMA in Spanish 12 Oct 81 pp A-1, A-14]

MOLIRENA AUTHORIZED TO REGISTER MEMBERS--The Nationalist Liberal Republican Movement, Molirena, today picked up the documents from the electoral tribunal recognizing it as a political party in formation and authorizing it to begin the registration of members in January. Molirena President Cesar Arrocha Graell picked up the documents from the electoral tribunal. He was accompanied by distinguished members of the party such as Jorge Rosas, Abraham Pretto, Gilberto Arias, Alfredo Ramirez and Manuel Solis Palma. The Molirena's symbol is a rooster and its flag is red and yellow. [Text] [PA240251 Panama City Televisora Nacional in Spanish 2245 GMT 21 Oct 81]

CSO: 3010/143

EDITORIAL FEARS ECONOMIC EFFECTS OF U.S. DEFENSE BUILDUP

PY150137 Lima EL COMERCIO in Spanish 6 Oct 81 p A2

[Editorial: "The Dissuasive Nuclear Force"]

[Text] The announcement made by U.S. President Ronald Reagan regarding the largest nuclear modernization plan ever implemented, which will become the "most stable and secure dissuasive force" against what Reagan termed the Soviet "nuclear extortion" will undoubtedly cause great concern throughout the world. The gigantic project, which will cost the astronomic sum of $180 billion (approximately 81 trillion soles), obviously is the logical answer to close the U.S. "window of strategic vulnerability" in view of the speedy growth of the communist empire's war potential. Reagan has sustained that "the project is balanced and has been thoroughly analyzed in order to strengthen our hope for peace and freedom, which is threatened at present." This phrase evokes Foster Dulles' pathetic proposal to defend peace: "To go to the brink of war."

With concern we see in our future a panorama threatened with outbreaks of war of vast proportions, of a disturbance of the horizon which for a long time has barely been altered by local conflicts. This is the only explanation of the war preparations being carried out by the two colossuses, although they are at the expense of postponing solutions to the problems of food, health and education of their suffering peoples and of cutting down the resources destined for aiding the poor countries.

It is no secret that projects of this nature force the states which are involved in them to mark enormous sums of money to support the military establishment, thus distorting the behaviour of the international economic structure by eroding the budgets, making changes in the industrial programs and adding to the market a new regulator of trade. Naturally, the most affected by these changes are the poor countries because the relationship which they maintain with the leading economies becomes more crucial and it subjects them to new regulations both as sellers of raw material and as buyers of manufactured goods. The prevailing international economic order, as has been pointed out, is characterized by a two-way exaction. On one hand, greater limitations on the introduction of our products into the industrialized market at lower prices decrease our income. On the other hand, our expenditures speedily increase by acquiring, at high prices, the manufacturing equipment we require to maintain the productive apparatus.

Other depressing factors add to these injustices. For a start, the poor countries were warned during the meeting of the International Monetary Fund and the World Bank that the rich countries have decided to be more restrictive with financial aid. Therefore, we should understand, probably with excessive sensitivity, that the worldwide chronic inflation problems, the high interest rates and unemployment are not the only decisive factors causing this. Also, the requirements to maintain the fabulous defense programs such as that which President Reagan has announced to a large extent will be to blame for this. We will not be able to rely on a better treatment than that at present--quite unfair and unjust--as long as the two greatest world powers, and those which follow their respective paths, have the excuse of their increasing defense budgets.

However, we cherish the hope that eventually it will be understood that the main strategic aspect lies within what has been called the defense of the internal borders, since the most effective dissuasive arm against the communist threat and the interference of the Soviet Union within the free world, is that the people should have peace and that their needs be attended to properly. The communists' war plans will thus meet the flat answer of the peoples who love freedom. Poland is a good example.

CSO: 3010/140

CONGRESSMEN ACCUSED OF INTERFERING WITH COURTS

PY211216 Lima OIGA in Spanish 5 Oct 81 p 21

[From the "Monday to Monday" column: "The Possible Consequences of Minister Elias' Accusation" by Luis Ricardo Gandolfo]

[Excerpts] Two deputies and one senator from the minority blocs have been involved in a case of putting pressure on and interfering with the activities of three members of the Huancayo Supreme Court, according to the extensive report that the justice minister submitted last Thursday to the Chamber of Deputies. According to the documentation submitted by the Supreme Court judges, the incident took place on 7 September when Congressmen Hugo Blanco [Popular Student, Peasant and Worker Front]; Alejandro Olivera [Peruvian Communist Party] and Edmundo Murrugarra headed a demonstration that ended up at the premises of the court with the intention of forcing the release of a person who had been arrested for alleged participation in terrorist actions and of other people who are involved in a homicide case.

As is known, the right to inform has no type of limitation and it is exercised through congressional initiative--such as on this occasion--or through ministerial initiative. In addition, the justice minister has indicated that the testimony of the court's members is already in the hands of the attorney general. The justice minister has only informed the Chamber of Deputies of a series of events that are closely linked to his ministry and that, in conclusion, must be studied by the deputies to decide whether a special investigation is needed to clarify their seriousness.

Within this framework a special committee of five deputies is created, which, after listening to their fellow members, hands down a decision. This decision is then debated by the chamber and a resolution is handed down as to whether an accusation will be made. If the answer is yes, Article 183 of the constitution is then applied; thus the Chamber of Deputies formally accuses the congressmen before the Senate. In its turn, the Senate has to state whether there is cause for a case, if so, the accused have their rights suspended and they are subject to trial, in accordance with Article 184 of the Constitution.

In accordance with the law, the case is then submitted to the Supreme Court which, in this case, divides itself in to two chambers. The second chamber acts as a trial court, while the first chamber acts as a magistrates court [tribunal correccional], with the object of ensuring the primary and appellate

levels--that all trials require. It is a special procedure that is acknowledged and contemplated in universal legislation in the defense of high officials, who having violated the constitution or having committed a crime in the ordinary course of their functions cannot be arrested or tried without the pertinent procedure.

Maybe it is because the congressmen are surrounded by these guarantees that they are using and abusing their immunity. It must also be recalled that the justice minister's accusation is to be added to similar accusations that have been formulated by various sectors during the past few weeks. Within this context the accusation made by the director general of the Peruvian Investigative Police merits special attention. He had warned about the interference with threats that certain congressmen are making regarding certain people under arrest in police precincts and in other departments under his charge.

CSO: 3010/140

UNITED STATES' DECISION ON SILVER SALES CRITICIZED

PY201903 Lima EL COMERCIO in Spanish 11 Oct 81 p A-2

[Editorial: "A Decision Harmful to the Peruvian Economy"]

[Text] The U.S. Government is about to put a large volume of its strategic silver reserves (about 105 million ounces in the next 3 years) on the market. This decision will inflict a harsh blow to the economies of Peru, Mexico and Canada, the main silver-producing countries. Moreover, these countries are already faced with fall in silver prices. An important New York newspaper has stated: "It seems that Mexico, Peru and Canada will have to pay for their friendship with the United States."

Through a law the U.S. Congress has authorized the sale of this large silver stock. The claims submitted at the proper time by the silver-producing countries--mainly by Peru--led the U.S. Congress to establish that it will be up to the U.S. executive branch to gradually disburse the strategic silver reserve, which according to a recent announcement, will start in October.

It is a paradox that this U.S. decision will benefit the Soviet Union which is the largest silver importer. The price upset in the international market caused by this increase in supply will result in a fabulous deal for the USSR but it will harm the already undermined economies of silver-producing countries.

This is a bewildering decision mainly because right now there is a surplus of silver on the market. This surplus has resulted from an increase in production caused by a hike in silver prices. But later prices underwent a contraction because of financial, political and economic factors. Among these were international conflicts, the recession affecting industrialized economies, the inflation rate in the United States, the high cost of investments needed to exploit silver mines, the rise of the dollar, the restriction of the money supply, the hike in the U.S. differential interest rates, the industrial process of replacing silver and particularly, an increase in supply, all of which affected prices. From a rate of $50 per ounce, at the beginning of the "boom," the silver rate decreased to its present rate of $9.2 per ounce.

It is obvious, therefore, that to increase the supply of silver in the market will have catastrophic results for silver-producing countries among which is Peru. Last year Peru sold 43 million ounces of its 45 million annual

production generating an income of $800 million. In 1981 in addition to the fall in prices, there was also a decrease in the marketing process thus causing serious troubles for the production sector. It is easy, therefore, to predict what will happen when the announced U.S. decision is implemented. Peru has warned U.S. officials and those who attended the IMF conference in Washington about the serious situation that will result from putting more silver on the market.

There is no question that the United States has the right to enforce those measures that it believes to be more suitable to its own interests. But it is also necessary to keep in mind the fate of poor countries when adopting certain measures that are not in keeping with the interests of those nations--like ours--that also contribute to the development of other important economies and to the international order; that is when priority is given to domestic needs of industrialized countries at the expense of the overall structure of the Western economic system.

It is necessary, therefore, for U.S. Government leaders to reflect on the negative strategic consequences of such a measure and to repeal this decision which will deteriorate even more our precarious economic situation. It is, moreover, necessary to enforce measures that are in keeping with the promises that have been made. Otherwise our nations will be less receptive to the demands of the free world and will support the play of the hegemonic powers of the communist world.

CSO: 3010/140

STUDENT DIES AS CONSEQUENCE OF CLASH; OTHER ATTACKS REPORTED

PY262326 Paris AFP in Spanish 1711 GMT 25 Oct 81

[Text] Lima, 25 Oct (AFP)--It was disclosed in this capital today that yesterday a university student died in Cusco, southeastern Peru, as a consequence of a clash with police forces while other outbreaks of violence were registered in various areas of the country.

Antonio Ayerbe Flores, 19-year-old university student, died yesterday in a hospital in Cusco, 1,000 km southeast of Lima, 5-hours after having been arrested by the police due to serious riots which started 3 days ago to protest the increase of the public transit fares.

The students, who yesterday returned to the streets to continue their protest charged that the police were responsible for the death of their university colleague who, according to the autopsy, died due to brain damage and multiple bruises.

As a result of these events Luis Rosasco, prefect of the department (political authority), resigned his post while the students yesterday stoned vehicles in the downtown area demanding the body of their classmate which was not handed over by the police.

In this same city an unidentified group hurled a dynamite stick against the home of the parents of governing-party Deputy Gilberto Muniz causing significant damage to the house building.

Meanwhile, yesterday, Saturday, a group of presumed terrorists tried to dynamite the antenna of a radio station in Huancayo, 311 km due east but their attempt was frustrated due to the timely intervention of guards on duty.

It was also disclosed that dynamite attacks were carried out in the Oroya and Morococha mining centers against a store and private house respectively causing minor damage.

It was reported from Iquitos, Amazonia, that two students were arrested on suspicion of trying to kill Peruvian President Fernando Belaunde who yesterday travelled to the Selva accompanied by a large group of people.

The arrested persons, identified as 24-year-old Alberto Hugo Torres and Alberto Vasquez, were caught carrying a modern German-made submachinegun and great quanti-

ties of ammunition, precisely on the highway which the president was going to take. They were hidden among the bushes by the Ucayali River, near Pucallpa.

Upon return from his trip the chief of state reiterated that he condemned terrorism and stated that those who light the fuse without caring who will be the victim of the explosion are cowards.

It was reported in the city of Pucallpa that a few hours before President Belaunde's arrival a dynamite stick exploded in the local airport without causing any damage but that as a consequence a great number of policemen were mobilized.

CSO: 3010/151

GOVERNMENT OFFICIALS REPORTEDLY INVOLVED IN SCANDALS

PY221632 Paris AFP in Spanish 2026 GMT 21 Oct 81

[Text] Lima, 21 Oct (AFP)--Javier Arias Stella, Peruvian foreign minister and secretary general of the government party Popular Action [AP], has stated that all those who are found guilty of a number of financial scandals in the state sector will be rigorously punished.

Since the defrauding actions are estimated at billions of soles, the appropriate investigations--involving members of the government party--are being carried out by congress and the judicial branch.

One of the main scandals has to do with the purchase--reportedly over-rated--of a number of shares of the pharmaceutical concern Sanita of this capital using the fishermen's social security funds. The transaction, carried out toward the end of July 1981, was made for 1,372,000,000 soles ($2,765,000), to which several millions more were added for the purchase of the remaining shares.

The persons involved, mostly leaders of the government party, have been detained, but congress is also investigating the possible participation of a government senator in that operation. The judicial branch has filed suit against other officials from the economy ministry public credit department board on charges of fraud which, according to some reports, amounts to 4 billion soles ($8,695,000) and according to other reports, 63 million soles ($137,000).

Two of the persons involved--one is still at large--have stated that the modus operandi was very simple: upon receiving the foreign debt and public credit checks, they okayed them and passed them on to an accomplice who cashed them.

Congress is also investigating a number of irregularities in the social security sector, while the judicial branch is investigating one of them: the sale of [word indistinct] large amount of scrap iron among which there was a large number of automobiles and refrigerators that were in good condition.

The congressional committee is also investigating the purchase by the social security system of glass and aluminium for many millions of soles and also the purchase of two buildings and the construction of a housing project.

The purchase of uniforms, helmets and other implements at extermely high prices by the Lima prisons board, whose officials have reportedly received important donations for such operations, is also under investigation.

Finally, congressional committees have been designated to investigate complaints about huge embezzlements in decentralized organizations from the interior, while a judicial investigation about a contract signed between the previous regime and the Italian firm Svires is about to conclude. The contract provides for the construction of hospitals, which were not built, although $40 million [figure as received] has been paid.

CSO: 3010/151

BRIEFS

SENATE TO PROTEST SILVER SALES--Lima, 22 Oct (AFP)--The Peruvian Senate tonight unanimously approved a motion of protest against the government of the United States because it is selling its silver reserves. The White House has already held two silver auctions and the Peruvian authorities fear that the price of silver, which is already very low, will continue to decrease and thus cause serious economic difficulties in the country. The motion will be sent to the foreign ministry so that it, after the text has been reviewed, can be sent to the U.S. Government and Senate. Peru and Mexico have been carrying out negotiations with the White House in order to get the latter to desist from its intent and the only thing they have achieved is that the sales will go ahead in such a way that they do not depress prices. [Text] [PY230033 Paris AFP in Spanish 2332 GMT 22 Oct 81]

TERRORISTS KNOCK OUT HIGHTENSION PYLON--Hunacayo, Peru, 23 Oct (TELAM)--A high tension pylon was knocked out with a powerful explosive charge placed by terrorists. It left the city of Cerro de Pasco, northeast of Lima, without electricity and water. The approximately 32 meter high pylon fell with a lot of noise after the explosion. The incident occurred yesterday afternoon and to date there have been no arrests. [Text] [PY232034 Buenos Aires TELAM in Spanish 1837 GMT 23 Oct 81]

POLICE CHIEF'S HOUSE DYNAMITED--Huaraz--The second dynamite attack of the week was perpetrated on Wednesday at 2100 against the house of PIP [Peruvian Investigative Police] Col [Cesar Lebano Nappa]. The explosion caused damage to all the windows of the house and the main door. It also injured the commander's 20-year-old daughter. Interviewed by reporters Ancachs prefect (Antonio Tamariz) noted that terrorist are trying to distract police attention so as to create other terrorist fronts. He added that the shining path movement perpetrated the attack against the PIP commander's house since [words indistinct] similar to that used in the other 31 terrorist attacks that have been perpetrated in the department. The people of Huaraz expressed concern over this series of attacks and some institutions have requested a reinforcement of police activity and for the government to declare a state of emergency in Ancachs Department. [Text] [PY231726 Lima Domestic Service in Spanish 1200 GMT 23 Oct 81]

STRIKE TERMED 'COMPLETE FAILURE'--The Minero-Peru Mining Corporation Public Relations Department has reported that the 24-hour and 48-hour strikes called by the Minero-Peru workers union at the main mining plant and at the zinc plant at Cajamarquilla respectively have been a complete failure. The strikes were supported by small groups of workers whose absence did not alter the normal activity of the plants. [Excerpt] [PY231556 Lima Domestic Service in Spanish 1200 GMT 23 Oct 81]

DETAILS ON PLOT TO KILL PRESIDENT--Lima, 26 Oct (TELAM)--President Fernando Belaunde asserted that he does not believe there were plans to kill him during his recent visit to Pucallpa, in the northeastern jungle, as had been reported by a local daily. According to reports from Pucallpa, the civilian guard seized an Israeli-made Uzi submachinegun with the acronym and emblem of the Peruvian army engraved on it. Reports also state that the civilian guard is carrying out investigations to find out the intentions of the owners of the submachinegun. The police also dismissed the possibility of a plot against the president being organized. In the meantime the daily LA PRENSA today reports that it has been observed that as of last night vigilance at government palace has been increased and that nobody is allowed near the building after 2200. In addition to the submachinegun the police seized a launch with a powerful outboard engine and bullet proof windshields. The arrested persons, whose names were not revealed, are students of the National University of the Amazon Universidad Nacional de la Amazonia] who are seemingly involved with a ring of drug traffickers. [Text] [PY261951 Buenos Aires TELAM in Spanish 1625 GMT 26 Oct 81]

FRENCH LOAN--Lima, 2 Oct (AFP)--The French Government today granted a soft loan of approximately $80 million to Peru for financing seven projects in the areas of agriculture, energy, communications and health. [PY160047 Paris AFP in Spanish 0351 GMT 3 Oct 81 PY]

GOVERNMENT LABELS STRIKE ILLEGAL--Lima, 26 Oct (TELAM)--The Labor Ministry has declared illegal the 6-day strike of about 500 workers of the Raura mine in the Lima Department where strikers are holding as hostages three officials of the company and took over the only radio station that communicates with Huacho. The ministry says that most of the workers' claims have been satisfied and that it has authorized a salary increase of about $3.25 daily as opposed to $6 demanded by the miners. [Text] [PY261956 Buenos Aires TELAM in Spanish 1630 GMT 26 Oct 81]

CSO: 3010/140

END

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EXPLOITATION OF ALTERNATIVE ENERGY RESOURCES ADVOCATED

Caracas EL UNIVERSAL in Spanish 28 Sep 81 p 1-30

[Text] In recent years the energy supply problem has become one of the greatest concerns of the world, prompting nations to formulate policies and plans to ensure the diversification of those supplies to include all non-hydrocarbon energy sources so as to increase their share in the total consumption of energy.

This was stated by Dr Angel Alvarado in his paper, "Supply of Energy Resources Other than Hydrocarbons." Dr Alvarado stressed that these resources range from non-renewable sources such as coal and radioactive minerals, to renewable ones such as hydroelectricity, solar, wind, biomass and geothermal energy. Thanks to the geographical position of this country, and the great rivers that run through it, renewable sources play a major role in this country's energy picture. To date these resources have not been used to the utmost, so we must quantify them in order to utilize them as rationally as possible, bearing in mind the interests of the Venezuelan people as well as the need to diversify national sources of energy and thereby reduce dependence on hydrocarbons.

"In Venezuela," he stated, "this problem has not yet arisen. As an oil producer, Venezuela has been able to meet national energy demands with no problem. But this situation has meant that 95 percent of our energy needs are met with hydrocarbons, leading to a marked dependency on that source. This is cause for reflection, since petroleum plays such an important role in this country, being our principal source of revenues. Without our oil income, it would have been impossible for us to develop the other activities of our economy. If the trend of meeting our increasing demand for energy with petroleum continues, we will see an erosion of our national income unless the input productivity of each barrel of oil consumed in the country equals or exceeds the product of each barrel exported."

Dr Angel Alvarado went on to stress that the country has abundant non-hydrocarbon resources, and once they have been developed and incorporated into the national energy supply, they can reverse the situation outlined earlier and enable us to use our resources more rationally.

He also pointed out that Venezuela has abundant and varied energy resources other than hydrocarbons. In order of importance, they are: hydroelectricity, coal, geothermal energy, biomass or bioenergy, solar energy, radioactive minerals and energy, considered to be another source of fuel. The evaluation of these resources

and the planning of their rational exploitation must be done without delay. For this purpose, policies have been formulated through the Sixth National Plan and through the official agencies and energy enterprises that are trying to incorporate these resources into the nation's energy supply as soon as possible.

"With reference to hydroelectricity," he stated, "it is estimated that this source has a potential generating capacity of about 36,000 electrical megawatts, equivalent to 11 x 10^9 barrels of oil, assuming that the projects have a 30-year life. The potential of small waterfalls is not included, because it has not been assessed. At present a National Hydroelectric Inventory is taking place to determine technical and economic feasibility. It is being coordinated by the Ministry of Environment and Renewable Natural Resources (MARNR). A maximum potential of 50 electrical megawatts was considered for the Guayana region, and a 10 electrical megawatt potential was considered for the Andean Piedmont and Sierra de Perija regions.

"The nation's coal resources," indicated Dr Angel Alvarado, "have been estimated at approximately 15 x 10^9 metric tons, equivalent to 51 x 10^9 barrels of oil. They are distributed throughout the country's sedimentary basins. Of these resources, 165 x 10^6 tons of coal are proven reserves, and they lie in the deposits of Naricual (Anzoategui), Guasare (Zulia) and Lobatera (Tachira). The rest of the potential resources are in the eastern sedimentary basin, at depths of 400 to 1,000 meters. They have been classified as potential reserves."

With regard to geothermal energy, there are 60 locations in the country that have the superficial manifestations that characterize hydrothermal activities in the subsoil. To date, however, the electrical potential of geothermal energy has not been quantified. The areas of greatest interest are the western zone, ranging from the Andes to the state of Lara; the central zone, including the states of Guarico, Yaracuy, Carabobo and Aragua, and the western part of the state of Miranda and the department of Vargas; and the eastern zone, which covers the states of Sucre, northern Monagas and Anzoategui.

Referring to Energy Conservation, Dr Alvarado stated, "The conservation of energy is an energy resource in and of itself, since it allows us to economize on energy from limited sources, especially non-renewable ones. We must also consider that within certain limits, the costs of reducing the consumption of a unit of energy are actually lower than the costs of producing it. Today Venezuela is designing an overall energy conservation policy aimed at developing new sources of energy, particularly renewable ones; improving procedures for processing energy; minimizing the loss of energy along the fuel chain; cutting and limiting wasteful consumption of energy; incorporating new technology in manufacturing processes to save energy; and making the energy pricing levels and structure more realistic."

"Furthermore," he stated, "there are abundant and diverse energy resources other than hydrocarbons in this country, and the majority of them have the advantage of being renewable and non-polluting. The ones with the highest short- and medium-term development potential are hydroelectricity and coal, because they are the most abundant and relatively less costly to exploit. Although the presence of these resources is well known, they have not been quantified in detail and there are no plans for their short- and medium-term use. The assessment of these energy resources has become an urgent need and a primary task for the agencies involved in defining the national energy policy.

8926
CSO: 3010/76

BRIEF

OIL PRODUCTION UP--National oil production rose by 101,000 barrels per day the week that ended last 30 September. According to the Weekly Letter of the Ministry of Energy and Mines, the figure was 2.018 million barrels per day, higher by 101,000 barrels than the figure for the week ending 9-23-81, which was 1.917 million b/d. The letter also points out that the target for this year is an average of 2.2 million barrels per day, while the average has actually been 2.082 million b/d up to 9-30-81. This is 86,000 barrels (3.97 percent) less than the 1980 average of 2.168 million b/d. With regard to production by enterprise, Lagoven continued to hold the lead in bringing crude oil out of the ground, with 772,000 b/d (38.26 percent); it was followed by Maraven with 572,000 b/d (28.34 percent). Corpoven and Meneven extracted 337,000 b/d each (16.7 percent). As for exports of crude oil and petroleum products, the goal for this year was set at an average of 1.895 million b/d. As of 23 September, the average was 1.695 million b/d, 141,000 barrels less than the 1980 export average of 1.836 million barrels. [Text] [Caracas EL UNIVERSAL in Spanish 4 Oct 81 p 2-34] 8926

CSO: 3010/76

PERMISSION GRANTED TO REINCORPORATE PRD INTO COALITION

San Jose LA REPUBLICA in Spanish 24 Sep 81 p 4

/Text/ Jose Francisco Peralta, director of the Registry Office, issued a resolution yesterday granting the Unity party a change in its coalition agreement whereby that organization is being permitted to reincorporate the Democratic Renewal Party /PRD/ in the coalition.

The resolution will become firm within 3 days if not appealed by any political party; if such an appeal is received, the resolution will be handed over to the judges of the Supreme Electoral Court.

The director of the Registry Office decided that it is within the law to grant the change requested by the officials of the four parties whereby the PRD will again be considered a part of the Unity coalition.

However, Rodrigo Madrigal Montealegre, of PRD's dissident group, said that the Supreme Electoral Court magistrates who handed down the majority judgment accepting the PRD's incorporation into Unity will be asked to clarify certain important points which the dissident group considers obscure.

"The country must understand," Madrigal Montealegre said, "the reasons why the Registry Office director's decision was accepted as satisfactory when it was full of errors and contradictions; this shows how lightly and superficially a subject was treated in which the interests of a party are not at stake but rather the fate of the democratic system."

On the other hand, Rafael A. Chinchilla, comptroller general of the republic, said yesterday that he is studying the resolutions relating to the PRD and that, perhaps, when the resolution of the Registry Office becomes firm, payment of the Unity coalition's share of the political debt will be made.

8568
CSO: 3010/55

NEGATIVE INDUSTRIAL GROWTH REPORTED DURING FIRST 6 MONTHS

San Jose LA REPUBLICA in Spanish 25 Sep 81 p 17

/Text/ The industrial growth rate for the first 6 months of 1981 showed a negative value of 1 percent.

The diagnosis of the country's productive situation is based on a study made by the University of Costa Rica's Institute for Economic Research led by Juan Manuel Villasuso.

The results of the study were published last week. A total of 190 firms were consulted which had also taken part in previous surveys.

The report says that a recession began in the industrial sector in 1978 and that, although from that year on the showdown was more pronounced, until 1980 the industrial product growthrates were on the positive side, even showing a slight recovery at the end of that 4-year period.

"The results of the first half of 1981 are indicative of the most difficult period the industrial sector has faced in recent years," the report says.

It adds that "particularly since the Industrial Situation Survey was initiated in 1976, this is the first time that the growth rate has shown a negative value of 1 percent."

The report then notes that the persistent slowdown in overall industrial growth has not reflected a slowdown in all activities.

"A broad picture of the sector shows that the areas involving food, beverages, tobacco, nonmetallic minerals and metal mechanics are the ones which experienced the biggest slowdown in the production growth rate. In fact, during the period from 1978 to 1980 physical production in these areas showed increasingly slower growth rates and in the first half of 1981 these were the areas most affected," the report says.

It adds that, without losing sight of the difficulties which plagued the entire industrial sector, it is to be noted that activities such as paper, printing, publishing, chemicals, rubber and plastics--despite certain ups and downs--continued to show positive growth rates and the most favorable performance during the first 6 months.

First Half of 1981

The institute's report indicates that the results obtained for the first half of 1981 confirm the forecasts it had made with regard to developments in the industrial sector.

"During the first 6 months of this year there was a negative growth rate, and this exemplifies only too well the recession our country is now experiencing," it says.

For industry as a whole the recession was worse in the second quarter than in the first, which indicates that the industrial crisis might get still worse during the rest of the year.

It then points out that the sectors most affected have been food, beverages, tobacco, nonmetallic minerals and the metal-mechanic industry.

Textiles, clothing and leather, which showed a marked recovery last year compared with 1979, are again experiencing negative values in the growth rate during the second quarter of this year.

Wood products and furniture show a negative performance in the first quarter and a slight improvement in the second.

Chemicals, rubber and plastics are continuing to show growth, although some slowdown has begun to appear in the past 3 months due to negative variations in three activities which make up the sector.

"The only sector which is still showing substantial growth is that involving paper, printing and pubishing," the report asserts.

8568
CSO: 3010/55

HALF OF EXPORT FOREIGN EXCHANGE ILLEGALLY RETAINED

San Jose LA NACION in Spanish 7 Sep 81 p 2A

/Text/ Approximately 50 percent of the foreign exchange the country obtains for its exports is illegally retained, according to Otto Kikut, head of the Central Bank's department of international transactions.

This procedure is one of the government's major concerns and has forced Rodrigo Carazo, president of the republic, to demand the implementation of severe legal action against exporters who do not reintegrate the foreign currency they obtain.

Until last July, Costa Rica had exported various products at an overall value of $425 million. According to this figure and estimates made by the financial institution, the foreign currency illegally retained could exceed $200 million.

A few days ago, Economy Minister Jose Miguel Alfaro said that in August alone the foreign currency illegally withheld could amount to more than $30 million.

Otto Kikut said that certain industrialists have not liquidated the foreign currency they were to receive because they made sales abroad on the basis of 3 or more months credit and some of the payments have been delayed.

However, he pointed out that the percentage of foreign currency being retained is so high that it is obvious that some exporters have deliberately withheld them.

Sanctions

The Central Bank announced last Friday that it will request legal action against five companies which, as a group, have not liquidated almost $1 million they received from sales abroad.

This action was taken shortly after President Carazo announced that strict control will be taken to see that foreign currency derived from sales abroad is to be liquidated within the time limit specified in the export license granted.

It was also stated that, when any natural person or legal entity does not comply with that obligation within the specified period, the Central Bank's department of international transactions will verify the circumstances and then refer the matter to the legal department requesting that proper sanctions be taken.

In accordance with Article 100 of the Central Bank's bylaws, fines will be levied amounting to not less than 25 or more than 50 percent of the sum retained.

Moreover, steps may be taken to decree the personal arrest of the exporter who does not make the respective liquidation.

It was also announced that the bank is carrying out a broad study of the export firm sector to determine which firms have withheld foreign currency and take legal action against the owners of firms which insist on that type of behavior.

It was said that in previous years 98 percent of the foreign currency obtained by exporters was liquidated normally but that the same did not hold true for this year, possibly because of the increase in the rate of exchange.

It is estimated that the country's total exports this year could reach $1.1 billion and that, if the high percentage of persons who do not release the foreign currency persists, the amount retained could reach about $500 million.

8568
CSO: 3010/55

BRIEFS

MONGE INTOLERANT TOWARD COMMUNISM--Luis Alberto Monge, presidential candidate of the National Liberation Party, said that during his upcoming government he will have no tolerance for communism. He added that he accepts as a challenge the excesses in which the communists have been increasingly indulging in various activities in which they have been interfering, trying to placate their disgruntled members. He went on to say, "Our government will be one of progress, social justice, peace and freedom, but the communists will have no more tolerance than that granted by our laws in exercising their right to vote; they need not try to go any further, for we shall keep a strong hand on them." Furthermore, "we shall never permit them through any of their acts or disturbances to impede our emergency programs aimed at redeeming Costa Rica from its present state of chaos, for we shall use the full weight of the law." /Text/ /San Jose LA REPUBLICA in Spanish 23 Sep 81 p 6/ 8568

CSO: 3010/55

GARCIA SAYS ARMY ABLE TO RESPOND TO FOREIGN MEDDLING

San Salvador EL MUNDO in Spanish 4 Sep 81 p 2

[Text] Col Jose Guillermo Garcia, minister of defense, said at a press conference yesterday that if Nicaragua gives direct support to any action by Salvadoran guerrillas in the eastern part of our country "the Armed Forces have the ability to respond immediately to that interference."

He made this statement when a foreign correspondent asked what would be the Salvadoran Army's response to a guerilla offensive which would attempt to carry out an operation to take or destroy the bridges on the Lempa River in order to isolate the Eastern Area and to create there, with direct assistance from Nicaragua, "an independent territory and install a revolutionary government."

They asked whether the Treaty of Mutual Assistance would be invoked.

Colonel Garcia, who was accompanied by Col Francisco Adolfo Castillo and Col Rafael Flores Lima, deputy secretary of defense and chief of staff of the armed forces, respectively, stated that "if this situation were to come up it would be studied at the Foreign Affairs level," but, he added, "the Armed Forces, with all of its technical capability could think up a more appropriate response to that interference."

The minister reported that extremist organizations have been trying to isolate the Eastern Area from the rest of the national territory. One of those attempts, he pointed out, was when they attempted to blow up the Oro Bridge on the coastal highway in the jurisdiction of San Nicolas Lempa. He stated that intervention by Nicaragua could cause the Armed Forces to consider more seriously, if necessary, the assistance offered by the armed forces of friendly nations. "We have not requested this up to now," he added.

Colonel Garcia replied to other questions by foreign correspondents that "the Armed Forces condemn all actions by terrorists, regardless of who they may be, and for that reason, the Army maintains itself in a constant state of vigilance to counteract vandalism." He pointed out that the instances of people being decapitated have been exploited to condemn the events themselves, and this does not in any way serve the government's or the Armed Forces' interest in investigating them and punishing the guilty." "I regret," he said, "that you are disseminating that news on the basis of speculation."

On another subject, Minister Garcia denied that the Army had raided a farm at Chaparrastique Volcano and he pointed out that "that is a product of the imagination of a clandestine radio broadcast." He also stated that the raids in the metropolitan area of San Salvador and in other cities in the country are yielding positive results in the disbanding and control of extremist cells.

Foreign Mercenaries

Col Rafael Flores Lima, chief of staff of the Armed Forces, in answer to a question as to whether there were Cuban advisers among the guerrillas said, "The Perquin case provided concrete information on this point. During the occupation of the town there were people in Perquin who spoke English with a Nicaraguan or Cuban accent."

He said that recently in one part of Chalatenango the presence of foreign mercenaries had been confirmed and not from Cuba alone, and that military intelligence is studying and investigating this situation in greater depth.

Finally, Col Flores Lima, as well and Minister Garcia, stated that although vandalism and terrorism are very difficult to control, the Armed Forces are combating them with much success. "At this time we are carrying out a number of actions in different parts of the country," they said in conclusion.

9204
CSO: 3010/54

BRIEFS

HELICOPTER LANDING; GUERRILLA MOVEMENTS--The presence of mercenary aircraft which have been providing supplies for the guerrilla groups at dawn in the Suchitoto and Jiquilisco areas has been reported by the peasants in both areas who have informed the Armed Forces that in addition to the package being dropped there is also a movement of well-armed people. Of the most recent cases made known by military sources the most striking is that of a helicopter which according to reports lands at dawn on the slopes of Cerro Comatape near Valle El Coyote, jurisdiction of La Bermuda, Canton Suchitoto. It has been noted that the movement of armed groups is often observed there. They transport packages and boxes, presumably containing arms for the guerrillas, on the backs of animals. It has also been reported that in addition to the dawn appearances of the helicopter, movements of extremists in large numbers have been observed. They cross the Cerron Grande (Lake Suchitlan) dam from Chalatenango and assemble at Caserio El Cerezal in Platanares Canton. It has also been reported that another very large group of guerrillas was observed in a place known as El Pepestenango, in Suchitoto. It has been reported that in the Nancuchiname area, Jiquilisco, an unidentified light plane has also been observed landing at dawn to unload packages which, it is assumed, contain arms for the guerrillas in the south central area. The military source reported that another plane has been seen which also lands on Nancuchiname Island from which armed men, who may be mercenaries from a neighboring country, disembark. [Text] [San Salvador EL MUNDO in Spanish 4 Sep 81 p 3] 9204

CSO: 3010/54

MMH VIEWS ON VARIOUS SUBJECTS QUOTED

Demands Strengthened Foreign Policy

Mexico City EL DIA in Spanish 1 Oct 81 p 3

[Article by Manuel Alfonso Cabanas: "Policy Made Firm by Solidarity With the Peoples of Cuba, Nicaragua and El Salvador"]

[Text] Miguel de la Madrid Hurtado, PRI [Institutional Revolutionary Party] candidate for president of the republic, came out yesterday in favor of strengthening Mexico's foreign policy under a new administration, in which it would have to be given a new meaning.

Receiving members of the national senate in his offices at San Angel, De la Madrid added that President Jose Lopez-Portillo has given Mexican foreign policy a vigorous maaning which has permitted the evolution of a new, defensive and declarative phase, a dynamic, positive phase reflected in specific events.

He pointed out that it is the policy of the World Energy Plan, the policy of defending self-determination of peoples, the policy which has been made firm by solidarity with the peoples of Cuba, Nicaragua and El Salvador.

The candidate said that this new tone must be given our foreign policy because we believe in the self-determination of peoples, in the political solution of controversies and because, he emphasized, "we want for our brothers the same things we want for ourselves."

At the same time, he said that this tone must be supported and maintained by our party, which also requires a new attitude of solidarity from the PRI with the chief executive's foreign policy, and he said that the senate of the republic has been a living example of that attitude.

Further on, De la Madrid exhorted members of the PRI to work hard to combat absenteeism in the upcoming elections, in which, he said, we must open the doors of the party equally for those who want to participate in the campaign and defend the interests of this political institution.

He added that the PRI is an alliance of popular classes, and at the same time he urged the maintenance of such alliances as the foundation of the party, which is what guarantees the unity of Mexico.

He said that in the forthcoming campaign we must achieve a vote unprecedented in history to combat absenteeism; we must win the elections for the presidency of the republic, the governorships, the senate and the municipal presidencies, through hard work by PRI members and by the people in general, so that we may continue on the road to revolution.

De la Madrid said we are not afraid of the opposition, and then he called on all sectors of the Institutional Revolutionary Party to participate in the next presidential campaign.

Joaquin Gamboa Pascoe, chairman of the Overall Committee, spoke on behalf of the senators, saying that the Mexican Revolution has found a suitable candidate in Miguel de la Madrid, and he said in conclusion that the senators want to participate in the approaching electoral contest.

View on Petroleum, Other Subjects

Mexico City EXCELSIOR in Spanish 3 Oct 81 pp 1-A, 18A, 34-A

[Article by Roberto Gonzales Perez]

[Text] Mexico does not share nor will it share with any foreigner the petroleum which is one of its most precious treasures, it was asserted yesterday by Miguel de la Madrid Hurtado, PRI [Institutional Revolutionary Party] candidate for president of the republic, and he added that that is what nationalism means in practice.

He also said that politics and social life "must be subject to the law," since "We Mexicans do not accept either dictatorships or authoritarianism," and he said that in seeking solutions to problems, he will do so on the basis of truth and adhering to the Mexican political system, adding that "we revolutionaries act with ideology, without opportunism, without demagoguery, and we pay no attention to liars or reactionaries."

De la Madrid Hurtado, who yesterday completed his first week as PRI candidate for the office of chief executive of the nation for the 6-year term 1982-1988, mentioned that the Institutional Revolutionary Party "continues to be the party of progress in Mexico" and that "we do not make revolution with words." "We use words," he said, "because words permit us to communicate, and communication permits us to find harmony."

After asserting that we Mexicans "own the petroleum," in his address to a group representing Tabasco which demonstrated its support for his candidacy, De la Madrid Hurtado said that "Mexicans cannot conceive of life without political, economic and cultural independence, and Tabasco is witness to what nationalism means in practice thanks to the patriotic and manly attitude of Lazaro Cardenas." He also asked that the political principles of our revolution be carried on, that they not be abandoned, and that betrayals not be permitted, and he made a permanent call for justice to narrow the gap between wealth and poverty, emphasizing the need to strengthen and preserve economic and cultural nationalism. In one of his 10 speeches in the Sala de Armas of the Magdalena Mixhuca, where groups from several states in the country came to offer him their support, the candidate said that Mexico "has rejected

forever any foreign intervention which seeks to meddle in the definition of our political system and our form of government."

He also stated that he will not permit marginal groups to be left behind in the general progress and that therefore a persevering and vigorous struggle must be maintained to sustain and nourish the Mexican people's basic political value: national independence.

He told the representatives from Tabasco that that state is guardian of that national treasure, petroleum, but that the people of Tabasco must share the benefits and confront equally the results of an exploitation which is being done for Mexico's benefit.

"You have done this; you have defended it with manliness and pride," he indicated. He mentioned the fact that revolution is the historical and political synthesis assumed by the Mexican people throughout their history, and that that revolution has endowed Mexico with a democratic, liberal and just system.

"We have made much progress; we have modernized the country, but we have not yet achieved that democratic, liberal and just system. Freedom we have; we are improving democracy, but social justice is still far off, and that is the challenge of today's revolutionaries."

Revolution Will Continue To Do More

The Institutional Revolutionary Party will continue building a modern Mexico, to achieve for the country's majorities the minimal well-being to which everyone has a right: housing, education, food and health. "That is what the revolution has been doing. It will do more and more for the majority," the candidate told the Hidalgo delegation, the largest so far, headed by Gov Guillermo Rossell de la Lama.

It will do more for the peasants, with whom we have not yet settled the bloody debt of the revolution. It will do more for the workers, distributing their efforts more equitably and bringing them into the productive processes, he said, adding:

The revolution will do more for the people's classes, bringing them more education and health services. The revolution will do more for youth; it will continue to provide education, which is the basis of justice, the preparation for work and access to culture.

No Abandonment of Principles

Addressing the Sonora group, headed by Gov Samuel Ocana, De la Madrid Hurtado said that the national majorities will continue to struggle "to carry forward the political principles of our revolution and to prevent betrayals or abandonment of principles."

He emphasized that there is unity, but that "it is not an imposed or artificial unity; it is a free and real unity, because unity among peoples--national unity--is only achieved around ideas and men who work for the benefit of the majority. The candidate asserted that the campaign will be a ratification of our ideology.

"We revolutionaries act with ideology, without opportunism, without demagoguery." This demonstrates that "if we Mexicans have been capable of this deed of freedom, justice, independence and development, we are also capable of facing the challenges of the end of the 20th century and the beginning of the 21st century."

To Plan Working Programs

"The revolution's campaign must be fully participatory," asserted Miguel de la Madrid Hurtado, speaking to the delegation from Yucatan headed by Gov Francisco Luna Kan.

Referring to the capaign, which will start on 12 October, he said that with the decision to confirm the ideology, to discuss problems and establish working programs, we will win the PRI elections in Yucatan with Graciliano Alpuche Pinzon; we will not lose the governorship."

He said that "we are going to test our strength," in those elections; "here we are going to test the support of the majorities, and here Miguel de la Madrid will be supporting Graciliano Alpuche."

Mexico Does Not Accept Dictatorships

Speaking to the group from Michoacan, the candidate emphasized that from Jose Maria Morelos "we also learned that politics and social life must be subject to the law; that we Mexicans do not accept dictatorships for authoritarianism," and that that leader's thought continues to be "a permanent call to justice, a permanent call to moderate wealth and poverty."

"We n[illegible] as Lazaro Cardenas did," he pointed out, "to strengthen, to conquer daily, to pr[illegible] our nationalism and the nationalism of our culture."

He also said that he solemnly promised to defend the ideals of Morelos and Lazaro Cardenas and to continue to strengthen economic as well as cultural nationalism, because only in that way can we defend political nationalism.

He said, finally, that he will carry on his political campaign in alliance with the popular classes, who have been the indestructible foundation of the PRI.

"No" to Foreign Intervention

Attending the reception given by the State of Queretaro, the politician from Colima recalled that it was that state which, faithful to the principles of freedom and democracy, consolidated the victory of the republic, the victory of progress, and rejected forever any foreign intervention which might seek to meddle in the definition of our political system or our form of government. "With the Queretaro charter the Mexican Revolution continues to govern and to direct the national destiny," the candidate told the group headed by Gov Rafael Camacho Guzman.

He emphasized that during the campaign formulas will be sought to overcome the problems, so that we Mexicans will continue to be united, but "united in democracy, in freedom and in justice. That is how we will launch this campaign of the Mexican Revolution."

Revolution Not One of Words

After referring to the fact that Chiapas is now contributing petroleum, water resources, and agricultural and livestock resources, Miguel de la Madrid asserted that the treasure which is beneath and above that state "is one of the most precious in Mexico," but that "it is well guarded," and for that reason the Chiapanecos deserve the active, open and complete support of all the Mexican people.

"We revolutionaries," he said, "do not make revolution with words; but we use words, because the spoken word is what permits us to communicate with each other, and in communicating we are able to find harmony."

Finally he told Gov Juan Sabines that "our national plan has come a long way, the way of the governments of the revolution, and for that reason it is going to be preserved."

More Jobs in BCN [Baja California del Norte]

The candidate said that "we need to make a great effort to create jobs in Baja California for the people of that state, for those Mexicans who want to become Californians again, because Mexicans on your soil have a unique privilege in that because of your generosity, all Mexicans are Baja Californians."

He mentioned to the group from Northern Baja California, headed by Roberto de la Madrid, that "we are going to show that we know how to work for the ideals of the revolution, and the opposition is going to see that we know how to work for votes in an election."

He asked for a sensible, serious and well-understood nationalism in the economy and culture of Baja California and remarked that in that state the Mexicans who seek new horizons, who give up land, family and homes must know that they are building Mexico.

To the Chihuahua group--the most discreet and least ostentatious of all--De la Madrid asserted that "we are going to keep up a persevering and vigorous struggle to maintain and increase the basic political value of the Mexican people: the value of national independence.

He emphasized that the campaign's work system will permit the discussion of realities, the fixing of objectives and goals and the elaboration and execution of programs.

Miguel de la Madrid Hurtado has no meetings scheduled today and will spend the day in private interviews at his offices at Arturo No 2 in San Angel, in accordance with the work schedule announced.

8735
CSO: 3010/68

ARUBA'S CROES GIVES VIEWS ON INDEPENDENCE

Rotterdam HET VRIJE VOLK in Dutch 30 Sep 81 p 7

/Excerpt/ Betico Croes says later in his hotel room: "We are stuck with the policy of Caracas and Washington." The conflict in the central government of the Antilles about the distribution of the oil profits has confused the question of the independence of Aruba. At the same time it has seen to it that all the Aruban parties now have the same policy about that.

Still Betico Croes wants to proceed with extreme caution. "We want independence without risks," according to the former teacher educated in Hilversum. He emphasizes that his party MEP /People's Electoral Movement/ has tried to cooperate as much as possible with the Netherlands and the other islands after the referendum on independence. "You must realize that we are not a separatist movement, but an independence movement," according to the leader of the Aruban majority party.

Cabinet Crisis

In spite of the cabinet crisis of the beginning of September, Croes says his party's cooperation in a government coalition is not excluded. But it will especially depend on the willingness of others to make agreements about independence, so Croes believes.

Croes thinks that 3 to 5 years are necessary to achieve independence. He will gladly determine that time with the Netherlands.

Aruba wants to cooperate with the other islands in the Antilles after independence. A sort of commonwealth relation would be established with the Netherlands, such as England has with a country like Australia. "With the present statute we are only sitting under an umbrella. Let the commonwealth be a parasol. Later perhaps all the islands could come under that parasol. We do not think, as the Netherlands that all the islands must obtain independence at the same time," according to Croes.

As possibilities for cooperation with other Antilles Islands, the MEP leader mentions a unified currency, defense, development cooperation, meteorological services and aviation. He does not expect any difficulties about boundary treaties between the Netherlands and Venezuela located a stone's throw away from Aruba, once Aruba is independent.

"Our experts and also the Venezuelan and Dutch experts think that the treaties can even remain in force after independence. The most difficult point, and still unacceptable to the Netherlands, are the guarantees which Croes wants in the field of defense and foreign relations.

"Aruba will determine foreign policy, but because of our desires in the field of defense we must coordinate our foreign policy with that of the Netherlands," says Croes. The Aruban leader would only want representations in the United Nations, Venezuela, Columbia and The Hague. In other countries, the Netherlands' government would look after Aruba's interests.

"As regards defense, Croes thinks in terms of a group of countries. An idea which--only then for all the Antilles--was suggested by the royal working group, which was set up to investigate new forms of cooperation.

"However, we do not want to force things, everything must take place in good order. But we cannot wait 10 years to be independent," according to Croes.

8490
CSO: 3105/11

CUBAN TEACHERS ARRIVE TO RESUME EDUCATIONAL DUTIES

Managua BARRICADA in Spanish 17 Sep 81 p 5

[Text] The Augusto C. Sandino teachers group, consisting of 130 Cuban internationalist teachers arrived yesterday in Managua to resume once again the educational work of the revolution.

The Nicaraguan National Educators Association (ANDEN) held a political-cultural ceremony for them in its headquarters. The Cuban teachers were joyfully received.

Francisco Guzman, deputy minister of education, welcomed the internationalist teachers and expressed great pleasure at having them once again in the land of Sandino.

"We are convinced," he said, "that the task you have come to carry out is of great benefit to the people, especially to the peasants who have made great efforts to better themselves."

During the National Literacy Crusade the Cuban teachers taught 16,000 Nicaraguan brothers to read and write. In the 79-80 school year they were responsible for the advancement of 19,000 elementary school students.

In 1980-81 they taught at 2,500 Popular Education Collectives (CEP) consisting of 16,000 students. In addition they had the responsibility of giving basic instruction to 65,000 students.

Vice Minister Guzman praised the Cuban teachers' determination to educate our people under difficult conditions without requesting or demanding anything. "You represent the historic continuity of the Cuban educational presence in Nicaragua," he said.

Milena Nunez, president of ANDEN, said that the Cuban teachers are an example of international solidarity, an example for the Nicaraguan educators. They have gone to teach in remote areas of the mountains where Nicaraguan teachers have not gone.

Evelio Hernandez spoke as a representative of the Augusto Cesar Sandino educational group. He said with fervor, "We are grateful for the warm welcome you are giving us. We reaffirm our mission of working in Sandino's country."

Carlos Carrion, member of the national secretariat of the FSLN, greeted the Augusto Cesar Sandino educational group and expressed the great affection our vanguard and the revolution feel for the Cuban teachers.

Finally, after reviewing the difficulties we are going through, he assured them that while they are in Nicaragua, they will enjoy the protection of the people formed into mass organizations, of the armed forces and of the Sandinist Front.

9204
CSO: 3010/54

BRIEFS

GDR DONATES MEDICINES, EQUIPMENT--The German Democratic Republic [GDR] made a 10-million-cordoba gift to the National Reconstruction government as a token of solidarity and support for the Nicaraguan people. The GDR donation consists of 4 tons of medical supplies and surgical apparatus for the Ministry of Health, sports equipment, typewriters and sewing machines for the Sandinist Workers Federation and medical supplies for orphans. This token of solidarity was presented to Lea Guido, minister of public health, and to companera Olga Aviles, who is responsible for the area of solidarity and party affairs of the FSLN, by Gerard Mockel, ambassador of the GDR to our country. They gratefully accepted this donation in the name of the Nicaraguan people. It is worth pointing out that the altruistic aid given up to now by the people and the government of the GDR amounts to $80 million, including the timely donation of wheat, the arrival of which alleviated the scarcity of a few months ago. [Text] [Managua EL NUEVO DIARIO in Spanish 13 81 p 9] 9204

CSO: 3010/54

FOREIGN MINISTER SEES MORE CONTACT WITH SOCIALIST LANDS

Paramaribo DE WARE TIJD in Dutch 14 Sep 81 p 1, 2

[Article: Minister Naarendorp's Foreign Policy Concept]

[Text] More contact with socialist countries is our goal.

"If we declare ourselves nonaligned that should not be taken for neutrality. We are not neutral as regards decolonization, nonintervention in internal affairs, or racism. Of course we follow our principles. We should break our strong ties with the West, and to arrive at a better balance in our contacts and relations we are concentrating more on contracts with socialist nations; regional ties are in this respect of course terribly important," as Minister of Foreign Affairs Harvey Naarendorp explained his concept in a briefing for the press. He took a very forceful position on some points: he called it scandalous that it is presently necessary to fight for a new economic order while everybody is paying lip service to democracy at large official gatherings. "It is a shame that the United States can still veto request for loans. Although known as the champion of democracy, the United States does not follow democratic principles at all in international relations."

Salvadorian People Fight for Justice

Minister Naarendorp explained that the Ministry of Foreign Affairs will concentrate on South-South relations. It divided the world in five spheres of interest, as the minister defined them. The border countries Guyana, French Guyana, Brazil, and also Venezuela; the Caribbean and Central America form the second sphere; Latin America, Canada, and the United States form the third sphere, and the Third World and what is happening in the world at large form the fourth and fifth spheres of interest of this ministry.

Its structure has been adapted to the situation and has various bureaus dealing with the territorial aspects.

Minister Naarendorp also talked about the war in El Salvador and opposed the view that there is communist intervention. "If the people of a nation are fighting for the just distribution of its wealth and resources, they are suddenly under suspicion of communist manipulation. The truth is that a handful of persons, 14 families in all, control everything. Making it part of the cold war will not contribute to a fundamental national solution."

Caribbean Relations Very Important

Suriname's admission to CARICOM is not based primarily on economic reasons, but on political principles: this Carabbean organization is recognized by, for instance, the OAS, the United Nations, and the World Bank; participation is necessary for Suriname because local developments are in progress which our country cannot and may not ignore. Suriname will receive associated membership, rather than full membership, but will be admitted to discussions.

The economic aspect of this Caribbean market is also attractive to Suriname because smaller quantities are involved and the circumstances are less complex when compared with the large Western markets.

Minister Naarendorp also stressed contacts with Mexico which, according to him, is playing an important role economically as well as politically in establishing the balance of power in the region.

Regarding the confusion created during and subsequent to the visit of Minister Whiteman of Grenada, and the various statements made on this subject, Minister Naarendorp said that there are ties on several levels. For instance, a brotherly relation between Commander Bouterse and the New Jewel movement came into existence since the Socialist International. In its founding declaration the Front could therefore say that it upholds political solidarity with the revolution in Grenada. With reference to the Grenada affair Minister Naarendorp said: Our government is concerned about the spread of militarism in our region."

10319
CSO: 3105/5

MIR ADDS MOISES MOLEIRO TO LIST OF PRESIDENTIAL CANDIDATES

Caracas EL NACIONAL in Spanish 5 Oct 81 p D-2

[Article by Hector Becerra]

[Text] Moises Moleiro will be the fourth man to try for the presidential candidacy of the Left in the primary elections to be held next year.

The nomination of Moleiro, principal leader of one of the branches of the Movement of the Revolutionary Left [MIR], was made public on Saturday.

His name joins those of Jose Vicente Rangel (New Alternative), Teodoro Petkoff (MAS) [Movement for Socialism] and Salom Mesa Espinoza (MEP) [People's Electoral Movement]. All will participate in the primaries to determine the choice of a single candidate of the Venezuelan Left for the 1983 presidential elections. Leaders of that political sector all agree that this new candidacy, rather than causing difficulties to the unity process, will help strengthen it, and they indicated that Moleiro's participation in the 1982 electoral contest was well-deserved.

Simultaneously, leaders of Unitary Vanguard announced their support for Jose Vicente Rangel, but cited as a condition of their party's participation in the internal process the search for a broader alliance which would go beyond the borders of the Left.

Moleiro affirmed that "MIR promises to respect the result of the primary elections, whoever wins.

He said his candidacy comes at a time when the country is in a situation of "national disaster."

He accused the COPEI [Social Christian Party] government of being bent on supporting a "criminal junta which is destroying the Salvadoran people bit by bit." He said also that he had proof that the Venezuelan Government is intervening directly in the conflict in that Central American nation.

"Venezuela has sent weapons and soldiers to El Salvador. I can cite, among them, two colonels named Murillo and Landino. The chief of the Air Department of the Caracas Metropolitan Police is also in El Salvador, giving helicopter training to the Junta's soldiers. Several members of DISIP [Directorate of Intelligence and

Prevention Services] are also in that country, among them Angel Hernandez, Modesto Rivero, Angel Remigion Perez and Morris Blanco," the MIR candidate revealed.

Moleiro indicated that his candidacy represents the true Left, "in favor of the Cuban Revolution, against FEDECAMARAS [Association of the Chambers of Commerce and Industry] and with the firm intention of exchanging this society for a better one."

Commenting on Romul Betancourt's funeral, he said that "MIR did not desire this death, nor was it necessary, but that does not mean it was obliged to attend the ceremonies."

To Strengthen Unity

After Moleiro's speech several leftists leaders were questioned about the new candidate:

Jesus Angel Paz Galarraga said that Moleiro's nomination in no way weakens the unity process, but rather strengthens it. "It will be submitted to the verdict of the people. I do not see anything negative about this candidacy," the MEP leader indicated.

Hector Mujica, former PCV [Communist Party of Venezuela] presidential candidate, said that "this does not affect the unity process, because there is a commitment to respect the result of the primaries. The Communist Party of Venezuela will support Jose Vicente Rangel, but the MIR has a legitimate right to put Moleiro up as their candidate; he is a man of many talents and virtues."

German Lairet, head of MAS, said that "rather than being a factor for division, this candidacy will contribute to strengthen the process. We are sure of the unitary vocation of this party."

Broader Base Needed

The Central Committee of Unitary Vanguare, headed by Guillermo Garcia Ponce and Eduardo Machado, announced that party's support for the New Alternative and the candidacy of Jose Vicente Rangel.

However, they linked their participation in the internal process to a series of conditions formuluted by Guillermo Ponce.

"We do not believe that a narrow base is sufficient for the Left," he explained. "Rather we must group all the sectors which can offer the country a victory against AD and COPEI."

According to Garcia Ponce, this means working for a broader alliance in which the center tendencies and the great independent and progressive majorities of the country may participate. "Jose Vicente Rangel is our first choice because he can best carry off the national candidacy," he added.

8735
CSO: 3010/65

MIR CANDIDATE LEAVES FOR EUROPE

Caracas EL NACIONAL in Spanish 5 Oct 81 p D-2

[Text] The former presidential candidate and now candidate of the New Alternative for the leftist primaries, Jose Vicente Rangel, is at present on a tour of several European countries.

The political leader's visit to the old continent was confirmed by his family in Caracas. They said that Rangel went to Europe a little over a week ago to enjoy a short vacation before giving his full attention to the fight for the unitary presidential nomination.

In the leftist primaries Rangel will face Teodoro Petkoff (MAS) [Movement for Socialism], Salom Mesa Espinoza (MPE) [People's Electoral Movement] and Moises Moleiro (MIR) [Movement of the Revolutionary Left], whose candidacy has just been announced by that party.

It was indicated in political circles that Rangel may possibly use his trip to seek moral and financial support for his movement.

The New Alternative candidate will return to this country in the next few days. During his absence Unitary Vanguard announced it will support him in the leftist internal elections.

8735
CSO: 3010/65

FIV FINANCIAL CAPABILITY ESTIMATED AT 87 BILLION

Caracas EL UNIVERSAL in Spanish 29 Sep 81 p 2-33

[Text] Washington, 28 September--The Venezuelan Investment Fund (FIV) will have a financial capability of 87 billion bolivars for the purpose of developing the nation's basic industries during the 1981-1985 5-year period, reported Minister of State and FIV President Herman Luis Soriano.

Soriano explained the role of the FIV and its participation in the Sixth National Plan, in his speech at the seminar on Venezuela's development potential that was held here today.

The FIV is the Venezuelan Government's financial institution that is responsible for "damming up" a significant part of oil revenues, and channeling them toward the financing of the external components of the country's large public and private projects, he said.

He specified that these large projects are in the areas of hydrocarbons, energy, chemicals, petrochemicals, iron and steel, metallurgy, mining, the shipping industry and international transport.

He stressed FIV's presence abroad, and stated that in the process of "recycling the surplus income from petroleum to contribute to the world balance of trade, the FIV has cooperated genuinely and effectively with the countries of the so-called Third World, especially those of Latin America."

Soriano emphasized that "the FIV has facilitated the financing of prestigious international agencies such as the World Bank, the Inter-American Development Bank and the Central American and Caribbean Bank."

The Fund has participated actively in the financing of large investment projects in this country and abroad, through different means, he indicated.

In this context, he pointed out that in the next 5 years, the FIV will play a pivotal role in the attainment of the goals and objectives of the development plan, which is expected to help raise the average interannual growth rate of the gross domestic product to at least 3.5 percent.

It is within this context that the programs and projects of the 5-year period will be executed, and the FIV will play an important role in their financing.

The projects under consideration for FIV financing for the 5-year period come to an estimated total of 70 billion bolivars, of which the Fund will finance approximately 55 billion; the rest will come from other national and foreign sources.

In his opinion, these investments "guarantee the dynamism of the Venezuelan economy, and will make a significant contribution to the achievement of the gross domestic product growth rate that has been projected for the 1981-1985 period."

The above-mentioned program "will enable us to establish a productive structure based on a solid footing, and with greater potential for the rest of the decade," he indicated.

The minister emphasized that the Fund's financial capacity to respond adequately to projected financing needs is based on the institute's assets, which total 52 billion bolivars, and on the contributions to the FIV by the National Executive, estimated at some 35 billion bolivars for that period.

"During the 5-year period," he went on, "the FIV will devote 'special attention' to the electrical sector, the iron and steel industry, the aluminum industry and some other lesser sectors in the investment program."

In the electrical sector, he stressed that the Financing Act of the investment program for this area envisions investments of about 40 billion bolivars, with an indebtedness of 16.4 billion bolivars.

Soriano reported that 50 percent of this figure is made up of loans from the Fund, and some 21 billion will be in the form of capital stock; the rest will be generated internally by the businesses in the sector.

Concerning the iron and steel industry, the FIV and the state iron and steel enterprises have developed a master plan for national iron and steel development which will permit the sector to realize its potential.

He revealed that in "the iron and steel development master plan" investments totaling about 10.6 billion bolivars are envisioned for the 1981-1985 5-year period, and of that amount some 8.2 billion will come from the FIV. The rest will come from other financing sources.

Among other projects, he mentioned the primary aluminum production capacity of the Caroni and Venezolana de Aluminios plants, Alcasa and Venalum, respectively. He predicted that in the second half of the decade, Venezuela will have an aluminum industry "integrated to an extent rarely seen in the world."

The consolidation of this industry will require investments amounting to some 7.3 billion bolivars, of which 3.1 billion will come from capital stock and the rest from long-term loans.

He stressed that the electrical, iron and steel, and aluminum sectors will absorb about 80 percent of the financial resources foreseen by the FIV in the 5-year investment program.

He went on to say that the Fund will devote its efforts to the development of other sectors through specific programs and projects. In this context, he mentioned the construction of the Paraguana shipyard and a cement plant.

The minister added to these programs the project to develop the Guasare coal basin, the implementation of a forestry-industrial development plan, and the projects to expand the capacity to produce salt for human consumption, and the processing of gold.

The FIV will also complement the financing required by the agriculture sector, and by small and medium industry. It will implement "a broad program" to finance non-traditional exports, to stimulate businesses with an export capability, he concluded.

8926
CSO: 3010/76

AD FACES RISING INTERNAL PROBLEMS AFTER BETANCOURT'S DEATH

Caracas EL NACIONAL in Spanish 5 Oct 81 p D-1

[Article by Olmedo Lugo]

[Text] After a long week of tension, sadness and uncertainty caused by the death of its leader, Romulo Betancourt, AD [Democratic Action] will resume its customary activities today amid a climate of justifiable concern for the future disentanglement of its internal difficulties.

A meeting of the National Executive Committee is scheduled for tomorrow. It is possible that in that session a preliminary evaluation will be made of the effects on the party of the death of the former president and top leaders and that those present will examine formulas oriented toward channeling the internal dispute along lines which will guarantee the preservation of AD's unity.

It was being said within that party that the National Governing Committee, the organism which approves mechanisms for choosing the presidential candidate, will be held over for an undetermined period. There is a majority opinion which apparently leans toward the need to postpone for now any action which might sharpen the internal controveriies, until the organization has recovered from the severe blow caused by the death of its founder.

It is no secret to anyone that there are differences among the tendencies which are fighting within the AD as to the method and time for choosing the candidate. There are those who insist that the formula represented by Jaime Lusinchi and Manuel Penalver and validated shortly before his death by Betnacourt himself would have a greater chance of success if the time period for selection were shortened. Others believe that the candidacy of David Morales Bello would turn the tide notably, given the present circumstances, if that process is prolonged. The leader from Guayana has continued to emphasize in public that his hope would be to win at mid-level leadership and in the AD membership.

In AD they appear to be looking at the possible conduct in the near future of former president Carlos Andres Perez. In comments gathered by newsmen from informal conversations with party leaders at all levels, the name of the former chief executive is mentioned constantly. Some with marked enthusiasm and others with ill-concealed reluctance say of the undisputed leader that in future events he will be the main charismatic political leader. The most varied and at times even improbable speculation is being woven around his person, but few doubt that from now on

a large part of AD life will be closely linked to the actions and appearances of former president Carlos Andres Perez.

For many analysts with AD, new correlations will arise, because of the circumstances, which could change the party spectrum. They affirm that very important sectors of the organization, among them the powerful National Union Bureau, are beginning now to feel the effects of the absence of the natural leadership that Romulo Betancourt represented for them.

There are others who deny the possibility that such changes will come about. They feel that the Lusinchi-Penalver formula is almost sacred. They tell how it was accepted by the party's sector organizations and by the sectionals from all over the country. In addition they argue that its acceptance by AD would simply mean compliance with part of Betencourt's political legacy.

There are those who feel that former President Perez would not insist on changing the formula presented by the National Union Bureau, but that he would be able to influence strongly the forthcoming political events in which the party must play a role. There are those who are thinking about the possibility that the former chief executive will demand leadership of the electoral campaign for himself, but with very broad powers. This would permit him to influence decisively the future conduct of the organization.

However, AD leaders very close to former president Perez believe that he would not at this time take an intransigent position toward the Union Bureau's formula. On the contrary, he would, in a way, become a factor for unity, clearing the way for coexistence with internal sectors which traditionally have opposed him. In addition, recent statements by former presidential candidate Luis Pinerua Ordaz, hinting that he is assuming the political legacy of the founding leader, have introduced strong elements of controversy within AD as well as in sectors which have always subscribed to "Betancourtism," as it has been called. Newsmen have heard sharp words of reproach to Pinerua's signals from leaders who were very close to the party's founder.

Some say that the former candidate, a man with undeniable internal strength in the AD because of his gifts as an organizer, would be absolutely resolved to pursue the internal struggle against what he considers were and still are forces contrary to the thought and work of AD's founder. Already on one previous occasion he has stated that in his party's next administration there would be no "Diegos" or "Gumersindos," in a clear allusion to Diego Arria and Gumersindo Rodriguez, close collaborators with then-President Carlos Andres Perez. Nobody knows at this point where Pinerua Ordaz's effort might lead, nor whether all the sectors which before Betancourt's death accepted his views will help him along in his efforts. Nor can one predict at this time the final attitude to be taken in the near future, as events develop, toward one of the emerging figures of that organization, its present secretary general, Jaime Lusinchi.

But it is certain that AD, following the death of its top leader, still appears to be very far from seeing its internal conflicts resolved.

8735
CSO: 3010/65

INTERNAL MARKET TO UNDERTAKE FOREIGN DEBT REDUCTION

Caracas EL UNIVERSAL in Spanish 29 Sep 81 p 1-18

[Article by Alan Lugo G.]

[Text] Venezuela has decided to modify its financing strategy, and thus has agreed upon a series of measures designed to reduce its dependence on foreign credit and orient its credit applications to the country's internal market.

In this regard, a program has been devised to refinance in 7 months 20 percent of the short-term debt on the Venezuelan internal market.

It was also agreed to invest some 2 billion bolivars in the Caracas Stock Exchange for the purpose of stimulating that sector, which will be relied upon much more in the future.

It was decided furthermore to centralize the debt of some state institutions so that in the future credit applications will be funneled through a single channel as a better way to control the growth of the debt. Consequently, an agreement was made to centralize the debt of the state banks and some institutions such as the National Coffee Fund and the Cacao Fund. This does not mean, however, that the decentralized state entities cannot obtain the resources they require on their own; those which enjoy a stable position and international prestige will have no difficulty going to the foreign market to seek credit.

In short, the new orientation of public financing dictates that a greater proportion of resources will be obtained on the domestic market, while the international market will be the source of small amounts of credit, up to $500 million.

This announcement was made by Finance Minister Luis Ugueto, who has just returned from a tour of the United States. There he explained Venezuela's new public financing policy to U.S. bankers.

Dr Luis Ugueto met with representatives of American banks to explain the new policy and the legal implications of the new Public Credit Act that was recently approved by the Congress of the Republic.

Ugueto stated that these explanations were quite well received, given the importance of the new provisions in governing Venezuela's public financing.

The minister explained that the decision to rely on the internal market is of great significance, because there is a large volume of credit that can be obtained in the country, and that could result in a stronger development of the internal market.

Another important factor mentioned by Ugueto is the centralization of the debt of some decentralized agencies, such that it will no longer be the debt of an agency but that of the Venezuelan Government.

The finance minister pointed out that the decision to resort more often to the external market, but for lesser amounts (up to $500 million), has the advantage that in this manner the institutional investor can become familiarized with the country. Since this decision will result in the development of other markets, dependence on the U.S. market will thus be diminished.

"We can obtain resources on the Japanese market in their own currency," he stated.

The finance minister feels that this program will bring about a very reasonable equilibrium in public financing, and will also avoid excessive indebtedness by some decentralized agencies that previously obtained resources abroad on their own, and later realized that their payment capacity had been exceeded.

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END

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ENERGY PROBLEMS SPOTLIGHTED IN GOVERNMENT ACTIONS

Conservation Program

Bridgetown ADVOCATE-NEWS in English 16 Sep 81 p 2

[Text]

The Barbados Government is to implement an energy conservation programme with possible assistance from the World Bank.

Parliamentary Secretary, Energy and Natural Resources, Senator Clyde Griffith said on Monday that Government was looking at a combination of factors given the fact that the island was experiencing severe balance of payments problems exacerbated by increased cost of imported energy.

"We are looking at a conservation programme, alternative energy systems, and an emphasis on our own domestic production which has fallen off somewhat," Senator Griffith said.

He also stated that a report had also been submitted to the World Bank which was very much interested in giving the island assistance in the conservation programme.

He explained that Government was in the process of trying to bring together a number of experts in energy delivery systems, to get their advice, and from there, devise the programme for the benefit of Barbados.

Senator Griffith said that along with the programme, Government would be making conditions to the Barbados Light and Power Company that some type of conservation methods should be implemented.

He added that a public relations programme aimed at educating the public about the need to save energy, will be undertaken.

Editorial on Mobil Issue

Bridgetown ADVOCATE-NEWS in English 16 Sep 81 p 4

[Editorial: "Maximize the Oil Potential"]

[Text]

PARLIAMENTARY Secretary in the Ministry of Finance and Planning with special responsibility for energy and natural resources, Senator Clyde Griffith, has revealed a tough line that the Government will take with Mobil Oil Company in the drive to maximise Barbados' economic benefits from its crude oil resources.

Senator Griffith toured the Barbados Light and Power Company's generating complex at Spring Garden, Black Rock, to familiarise himself with

their operation and projections for future electricity supplies. His remarks were made after the tour.

He commented on a United Nations report that Barbados could expect to extract only a third of its oil potential because of poor production methods by the American corporation Mobil Oil which is conducting exploration on the island.

The report said that regardless of how much oil was found in Barbados, the island would save the purchase of more than US$200 milllion worth of imported oil through improvements in oil production at Woodbourne, the country's main oilfield. The researchers concluded that because of poor production methods and a lack of sufficient government control, Barbados could expect to produce only between two and three million barrels of oil from Woodbourne although there was a projected potential of nine million barrels in the area.

Senator Griffith said that Mobil was embarking on a deep drilling programme which had gone on at the expense of the shallow drilling programme which could bring Barbados to a level of production which it previously had or even higher. The Government's aim is to bring Barbados as near as possible to self sufficiency from domestic oil production, and the Senator emphasised that the Government will not countenance any situation where Barbados is placed at a disadvantage.

The constantly escalating price of petroleum products is a dominant factor in the current inflationary turmoil that is affecting the entire world today. Thus there is no question that Barbados must seek to realise the maximum benefits it can from its limited petroleum resources. The drastic decision taken by the Organisation of Petroleum Exporting Countries (OPEC) to take control of the petroleum reserves of its member countries and exploit them to their own benefit rather than allow them to be siphoned off to profit the giant oil companies and fuel the economies of the rich countries, has meant that even marginal reserves of crude oil are now economically attractive.

In the early 1950s oil exploration was put in train in Barbados, but the operation was declared economically non-viable because the reserves found were small. No one knows how many million cubic metres of natural gas were "flared off" — that is burned and wasted — during the operation which was strictly concerned with finding "marketable" sources of oil.

After the oil crisis of 1973 and in the light of the constantly rising prices the little oil known to be present in Barbados assumed a new importance and so did the considerable reserves of natural gas.

Ironically, the OPEC decision, designed to benefit the countries which own the oil reserves have also resulted in fatter profits for the oil companies, whose marketing structures are such that the increased cost passes on to consumers even as the crude price rises. Oil companies can be among the most exploitative of transnationals, as history has so dramatically demonstrated.

Senator Griffith said that Mobil wants the deep drilling programme to recoup their investment. On the other hand, Barbados needs higher production now, which appears possible from a concerted shallow drilling programme. Right now, Barbados is in the throes of an economic crisis. Only last week, Prime Minister and Minister of Finance, Tom Adams, introduced a "mini budget" with a number of restrictions and price increases which the people of Barbados must bear to try to pull the economy around.

There can be no doubt which priority must be served — that of Barbados. But this does not mean that a solution cannot be sought where Barbados can have the immediate increase in production she needs, and Mobil also get the long term profit from a deep drilling programme. Of course, if there is one choice, then that must go the way Barbados wants it.

CSO: 3025/21

PROGRAM INITIATED TO CUT DEPENDENCE ON IMPORTED OIL

Kingston THE DAILY GLEANER in English 22 Sep 81 p 1

[Text]

Jamaica is putting into effect an energy programme, aimed at reducing dependence on imported oil from the present 97 per cent to about 64 per cent by 1990.

The programme is based primarily on conservation, expected to save 15 per cent of the current imported energy bill, and on the development of new sources of energy, including hydro, solar, geothermal (energy from heat within the earth), and bio-mass (generation of gas from plant or animal waste.

This was outlined by the Director of Energy in the Ministry of Mining and Energy, Dr. Henry Lowe, when he opened a Caribbean Energy Symposium, sponsored by the West Indies Jaycees, at the New Kingston Hotel Knutsford Boulevard, yesterday morning.

Dr. Lowe said that in the short term, conservation offered the greatest opportunity for reducing dependence on imported fuel. A saving of 15 per cent on the import bill could be realistically attained. And by 1990, other sources of energy could provide for about a further 15 per cent of the island's energy requirements.

He said that while it was of the utmost importance to develop renewable energy, it was not realistic to expect that these would make any substantial contribution to the energy mix before eight to ten years.

ANOTHER FEATURE of Jamaica's energy programme, Dr. Lowe said, was adequate stockpiling as a hedge against disruption in imported supplies.

He said that a national energy accounting system was being developed, and should be completed by the end of this year. This would mean that the country could reliably project its energy needs and consumption growth pattern over several years in advance, and he added that Jamaica would be the first country to develop such a system.

Dr. Lowe said a proper conservation programme would in addition to lessening the bill for imported energy, result in reduced production cost.

HE ASKED HIS AUDIENCE to see conservation as being of high savings potential, as a component of the sustainable energy economy; helping to see the world situation through the next 20 to 25 years; and globally to help in achieving a more just distribution of available energy resources.

CSO: 3025/21

$5 MILLION FUND TO BE USED TO ADVANCE SOLAR ENERGY USE

Kingston THE DAILY GLEANER in English 23 Sep 81 p 1

[Text] Prime Minister Edward Seaga has announced plans for establishing a $5-million fund which will be used to provide solar heating systems for hospitals, clinics, hotels, and major public institutions throughout the country.

The programme, which is expected to come on stream some time next year, is a major aspect of the Government's energy action plan and will be effected through the assistance of the US Agency for International Development programme, according to the Prime Minister.

The announcement was made yesterday at the dedication and presentation ceremony of a solar heater system which has been installed at the Cornwall Regional Hospital in Montego Bay. The system was installed at a cost of $195,000, under the instruction and funding of Citizen's Energy Corporation--an American nonprofit organization--and presented as a gift to Jamaica.

Solar water heating, Prime Minister Seaga said, had proven to be very cost effective not only in the public sector but in the private sector as well. He said there was a potential market for some 30,000 solar heaters to be produced and developed in Jamaica, for residential purposes, and he challenged investors to examine the market.

The Prime Minister also repeated his call for the establishment of an international resource centre to carry out research into alternate energy. This call was made in Nairobi, Kenya in August, in an address to the UN conference on New and Renewable Sources of Energy at the Kenyatta International Conference Centre. He said the proposal had not received favourable consideration, and it was in light of the unfavourable response that he was renewing his call in asking the President of Citizen Energy Corporation, Mr Joseph Kennedy II to consider supporting such a programme.

Mr Seaga, appealed to the scientific and industrialized nations to remember the poorer nations in their plans to develop alternate sources of energy.

CSO: 3025/21

FNM HITS UNEMPLOYMENT AS SOURCE OF DRUG INVOLVEMENT

Nassau THE TRIBUNE in English 12 Sep 81 p 1

[Text] As merchants complained of the growing number of young people pushing drugs on Bay Street, a branch of the FNM deplored unemployment that has caused "serious social and economic problems" for Bahamian youth.

Some young people, said a release from the Torchbearers Assocation of the Free National Movement, "have turned to pushing drugs to make money and, of course, using drugs themselves. As Bahamians and tourists walk Bay Street they are continuously solicited to 'buy a joint.'"

The Association said its members were deeply concerned about the "chronic unemployment" among the youth and the fact "that the PLP Government has no immediate plans for solving this number one problem of the nation."

It was estimated that about 15,000 young people are unemployed. "We have heard Government talk mostly about 1,000 new jobs at the Cable Beach Hotel. Where are the other 14,000 jobs coming from? Further more where are jobs coming from for the additional thousands leaving school each year?" the Torchbearers asked.

"The integrity of Bahamian youth," said the release, "their pride and dignity are being destroyed because of lack of employment. Before, most young Bahamians would have been ashamed to indulge in such things, but today many see it as their survival. It should not be so. We need opportunities to earn a respectable living otherwise we will be destroyed as a nation. We will lose our dignity, our integrity, our pride and our culture.

"With unemployment so high, the employers are able to pick, choose and refuse potential employees and pay them little or nothing. This is exploitation of the youth of this nation and the PLP seems incapable of doing anything about it.

"The less privileged youth, under the PLP Government have been promised, but denied a proper education and this is their country.

"The youth are not a minority group in another country, this is theirs," said the release. "The reason so many have been deprived of a proper education is because the PLP did not plan for us." The Torchbearers said it was time for the Bahamian youth to become aware of what is going on, to get involved, "to stand up and be counted."

CSO: 3025/22

BRIEFS

SUPPORT FOR BELIZE--The Barbados Government welcomed the emergence of Belize yesterday as a fully independent state and a member of the Commonwealth. In a statement issued by the Ministry of Foreign Affairs however, the Government of Barbados declared that in the event of an armed attack against Belize, externally organised or supported, or the threat of such an attack, it would consult with the Governments of the Bahamas, Canada, Guyana, Jamaica Trinidad and Tobago and the United Kingdom to consider what measures should be taken in relation to such an attack. The stand, the Government says, is in the spirit of support for Belizean sovereignty and territorial integrity, repeatedly expressed at Commonwealth meetings and in the United Nations. [Text] [Bridgetown ADVOCATE-NEWS in English 22 Sep 81 p 1]

POLITICIANS IN COURT--Four politicians were brought before the High Court by the Electoral Office yesterday. They were Speaker of the House, Burton Hinds; Minister of Parliamentary Affairs, Lionel Craig; Da Costa Edwards, an unsuccessful, independent candidate; and unsuccessful Barbados Labour Party candidate, Ezra Alleyne. The four had failed to comply with the Representation of the Peoples Act which states that the Chief Electoral Officer must receive a copy of the election expenses of all candidates and their election agents by a certain date. Before the High Court, which was presided over by Chief Justice, Sir William Douglas, the four requested permission to submit these expenses outside of the required time. Permission for this was granted to Hinds, Craig, Edwards and to their agents, as well as to Mr A. Shepherd, the election agent for Ezra Alleyne on the grounds that their misdemeanour was inadvertent. Yet Sir William was not satisfied with Alleyne's excuse, and refused to give him an extended period. Further action is expected to be taken against Alleyne by the Electoral Office. Action is also pending against two unsuccessful independent candidates Anthony Wiggins and Joseph Piles. [Text] [Bridgetown THE NATION in English 24 Sep 81 p 1]

TRADE WITH GUYANA--The Barbados Government is concerned about a trade imbalance in Guyana's favour of over $2 million for the first half of this year. And the word from Trade Minister, Mr Bernard St. John is that he has directed a mission from the Export Promotion Corporation (EPC) to pay an official visit to Guyana towards sorting out this "irregular trading pattern." Mr St. John said that the imbalance is due to "quantitative restrictions on imports," imposed by the Guyana Government in an effort to ease that country's balance of payments difficulties. He noted that whereas Barbados' exports to Guyana had declined

from $4.7 million in 1976 to $1.2 million in 1980, imports from the South American Republic had reached $8.8 million last year. The Trade Minister observed that while the Barbados Government appreciates the right of a member country of the Caribbean Community (CARICOM), in balance of payments difficulties to introduce quantitative restrictions on imports to safeguard its balance payments, the Council of Ministers has the right and perhaps duty to review these measures if the problem persists for more than 18 months and the measures taken are seriously disturbing the operation of the Common Market. Mr St John said that the irregular trading pattern with Guyana had not lasted well over the 18-month period, and he supported the view taken by many Barbadian exporters that the time has come to seek clarification from the Guyanese authorities. The Minister said that he had directed the EPC officials, when they visit Guyana, to meet with the licensing and other trading authorities at the highest levels and to report their findings to him as a matter of urgency. [Text] [Bridgetown ADVOCATE-NEWS in English 25 Sep 81 p 1]

CSO: 3025/27

BRIEFS

NEW WAGE CONTRACTS--Last night's ratification of two new contracts for 1,500 hospital workers and civil servants has opened up a new era in management and worker negotiations, Chairman of the Bermuda Hospitals Board Mr Ward Young said last night. His comments came only hours after more than 300 Bermuda Public Services Association members voted to unanimously accept the two-year contracts that will increase wages by a total of 28 percent. "The agreement has opened up a new era in negotiations between management and workers," said Mr Young. "It will pave the way for future responsible negotiations." The two separate agreements for 900 civil servants and 600 hospital workers call for an immediate increase of 16 percent in wages for all workers, plus a 12 percent increase in the second year of the contract. The second year pay rise also includes a cost of living adjustment clause to protect the workers from inflation. However, it is not triggered until the inflation rate hits 18 percent, and has a ceiling of a four percent wage increase. The previous two-year contract expired yesterday. [Excerpt] [Hamilton THE ROYAL GAZETTE in English 1 Oct 81 p 1]

CSO: 3025/27

RAUL CASTRO MAKES SPEECH AT MOSCOW AWARD CEREMONY

Havana JUVENTUD REBELDE 15 Sep 81 p 3

[Speech by Raul Castro, Second Secretary of the Communist Party and Minister of the Revolutionary Armed Forces of Cuba]

> [Text] Moscow, 15 September--Below is the text of the remarks by Raul Castro, Second Secretary of the Communist Party and Minister of the Revolutionary Armed Forces of Cuba, during the ceremony awarding the Order of the October Revolution held today in the Kremlin.

Dear Comrade Leonid Ilyich Brezhnev,

Dear comrades and friends,

I want to thank the CPSU Central Committee and the Presidium of the Supreme Soviet USSR with all my heart for the high honor you have given me in decorating me with the prestigious Order of the October Revolution. Allow me to express my gratitude especially to you, Dear Leonid Ilyich, for your warm and stimulating words.

I want to emphasize that this award constitutes renewed testimony of the brotherhood that links the peoples of the Soviet Union and Cuba, as well as the identity of the basic positions of our parties and states in building socialism and in the struggle for social progress and peace.

The bonds of brotherhood and solidarity which have been forged between the party and the state founded by Lenin and the Cuban revolution are already part of contemporary history. As emphasized by Comrade Fidel Castro, these are exemplary relations which prove the character of our time and the irreversible course of the revolutionary processes as we observe with firmness and loyalty the principles of Marxism-Leninism and socialist internationalism.

The recent maneuvers of the Soviet Armed Forces, which we had a fortunate opportunity to observe, once again show the mastery of the Soviet fighting men, the power and effectiveness of modern equipment and weapons which safeguard the peaceful work of the Soviet people and represent a solid shield for the peoples of the socialist community and all humanity against the adventurous and warmongering circles of imperialism.

We are proud of our arms comradeship with the armed forces of the USSR whose collaboration enables us today to have the means necessary to defend the sovereignty of our fatherland and to preserve the gains of the revolution.

Comrades, you may always be sure that the Cuban people, the Communist Party of Cuba and our Revolutionary Armed Forces will be worthy of that solidarity and will with honor, as they have done until now, discharge their patriotic and internationalist duties.

Many thanks.

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CSO:3010/48

HIGHER EDUCATION MINISTER DISCUSSES UNIVERSITY WORK

Havana JUVENTUD REBELDE 15 Sep 81 p 6

[Interview with Higher Eduation Minister Engineer Fernando Vecino Alegret by Angel Rodriguez Hernandez: "Toward Higher Eduation"]

> [Text] The academic failure of many first-year students, due to the fact that they have to study harder--how scholarship students could improve their skills--text book situation--responsibility of teaching institutions in view of the worries of students--and other interesting topics.

University education which, prior to the dawn of 1959, accommodated barely 15,000 students, is one of those sectors which have kept growing constantly in Cuba.

Since the new academic year has just started, we think that this might be a good opportunity to learn more about the way in which this academic year is beginning and how the Higher Education Ministry is coping with some difficulties detected during the prior term. Nobody is better to answer these questions than Engineer Fernando Vecino Alegret, Party Central Committee member and Minister of Higher Education.

One warm afternoon in September, we met in his office with a tape recorder, several cassettes, and a long list of questions.

We started of course with the first question. It had to do with the conditions created for the format of this interview in which we dispensed with formalities in order to have a frank conversation.

First of all, he told us that his ministry--which has just celebrated its fifth anniversary--methodically takes care of everything in the field of higher education and administratively runs a portion of the centers operating throughout the nation.

"We are beginning this term," he said, "with more than 200,000 students. This figure, which represents more than 2 percent of the population, is a high indicator, in international terms.

"The material base including building structures improved the living conditions in most of the centers; and as far as laboratories are concerned--something which directly influences the quality of education--we have also made progress since

during the prior 5-year term, we made some purchases which, combined with those which we are beginning to make now, will improve an as yet weak aspect in some centers.

"The institutions also have been working hard in training new teaching personnel, fundamentally within the Student Aid Movement. We also had successes in giving our professors advanced instruction. We are very satisfied with them because they are self-sacrificing and they have acquired pedagogic mastery while further developing their knowledge in their particular special fields."

If you study hard you will be successful.

There is one topic which is of special interest to the minister and it has to do with the way the students put in their hours of individual study; this is the touchstone, as he called it, for attaining ever higher levels in human knowledge. This is the purpose behind the effort to get more than 85.1 percent graduation during the preceding academic year, compared to the initial registration, but there is also an even greater improvement in quality here.

"In higher education," he told us, "you have to study consistently every day from the first week of classes. That is not astonishing since we gave the students at some centers guidance as to how to divide their time among the various subjects.

"There is now doubt that if you study hard, you will be successful. You have to devote yourself to this activity no less than 20 hours per week and there are special fields which, because of their complexity, require even more attention.

"We have seen students who arrived at our centers with 95, 96, and 97 points, on the average, in other words, an excellent report card; nevertheless, they do not study sufficiently from the very beginning and they drop out during the first year. The secret is to study--and if you do so, you will be able to handle your programs.

"The first thing of importance here is the student's individual attitude and the actions of the group in making him understand that studying is his social duty.

"The institution is also responsible and in the center the important thing is to help the student so that he will have the necessary initial impetus which he needs to devote himself consistently to study from the very first moment on and so that he will not be taken by surprise when the tests come; his advisor must guide the student toward the correct distribution of the various tests and, from the political view point, he must emphasize his role as educator."

Everybody at Work

The topic is interesting and, in continuing its coverage, we asked about the ways of influencing the students so that they will devote more time to the textbooks during their spare time. At that point he told us that provision has been made for the lecturers to ask control questions during each classroom session to grade the answers right away. The student gets this daily evaluation in front of his fellow students and classroom work is also checked out.

"But when it comes to graduation," he added, "we must cooperate, all of us, including the parents, because there are families that bring habits to higher education which spring from high school or college preparatory school, where the boy goes home each week.

"There are thousands of scholarship students who go home over the weekend and who lose many hours seeking transportation. The university student does not manage to get all the time he needs to study from Monday to Friday and he has to use a major portion of the weekend to prepare himself.

"We know that you study less at home and this is harmful because it interfers with his development as a professional man.

"Right now we are conducting a survey which will last several years; but the results will tell us that there is no difference between the academic performance of the scholarship students and that of the day students even though you may theoretically assume that the scholarship student is studying under better conditions. The problem is that the day students to a great extent go home on Saturday and Sunday.

"It also has to be pointed out that, on certain occasions, the centers have not created better conditions so that the student will be able to spend a pleasant weekend. There have been problems with the dining halls; there are no recreation facilities, etc. We have taken steps and we know that the institutions are working on this and, in some cases, complete programs are being worked out with the involvement of the UJC [Union of Young Communists] and the FEU [Federation of University Students] so that the scholarship student, in addition to studying over the weekend at the center, may also get food and recreation."

Special Attention during First Years

The Achilles' heel in university education has been the insufficient utilization of our teaching potential and on top of that we have the academic dropouts involving first-year students. For example, promotion from the first year in all special fields only came to 70 percent during the last academic year while the figure was 83 percent for the second year.

This is a matter of the utmost concern for the entire Higher Education Ministry and it seems to us that the words of the interviewee sound very forceful when he says:

"In spite of the work which was done in recent years to improve the quality of education and the educational process, we still have 30 percent dropouts during the first year in the daytime sessions and 14 percent in the second year, compared to those who began the first year. This is a very high figure. We have to reduce it but this has to be done through more study because there are work requirements which we cannot drop because advancement must be achieved on the basis of knowledge, so that a professional man, in addition to being loyal to the working people, will have the capacity demanded of a university graduate nowadays.

"We are devoting a large portion of our efforts to working with the students during the first years. During the third, fourth, and fifth years there are some dropouts but they are less significant and they are more connected with problems of health or other types of problems, not specifically with academic output.

"We have to see to it that the students will, from the very first year onward, develop their capacities, their habits, that they will learn to love the special field which they have gotten into because of its merits. A student may study a special field which he voluntarily agreed to go into or which he wanted to go into but there are times when he no longer likes the subject and we have to let him know the importance of that particular profession to the country's growth.

"Promotion from the first year must also raise him to a qualitatively higher base. The students must devote attention to that from the very first day of classes on so that they will not flunk. That takes much individual study, much self-discipline."

Solution: Textbook Situation

We think that academic performance can be decisively influenced by some material difficulties, such as the insufficient completion of text books. Questioned on that score, Vecino Alegret answered: "There is no doubt that the lack of books plays a role but that is not fundamental. The main factor involves the student, first of all, and the professor, next.

"Regarding books as such, we have the largest number we have ever had in higher education in Cuba; even so, we have shortages, especially during the final years.

"But, for example, during the first and second years, book requirements have been meet 90 percent; that is much higher than the percentage during the other years of study and the books that are not available during those years for the most part involve subjects that are not fundamental.

"In this case, the low promotion rate is not due to the lack of textbooks. Here, the decisive factor is the student. The institutions have made a major effort in pedagogic work so that the student may get the maximum amount of learning; however, not everybody can adjust to the rigors of that type of teaching; that is something they would achieve if they would study hard from the very first day of classes on.

"During the fifth year we have approximately 50 percent of the necessary books; that is the most critical situation because during that course we already begin to note an improvement.

"Recently we opened a booklet printing plant under the Ministry of Culture. This unit was set up to meet the higher education needs and is putting out an enormous number of titles in short form, adapted to our necessities. It is specifically designed for this purpose, it is profitable, economical, and we can already feel its existence by virtue of the books it has printed. Conditions are better and will continue to improve.

Graduate Placement

During some student meetings, which we attended, we heard about the concerns of some of the youngsters concerning the academic evaluation system because on some occasions graduates, who did not have the best attitude during the course of study, were placed in important jobs and they did not have the best qualifications either, while the most responsible and hard-working graduates were assigned to work places of lesser professional interest.

"In the ministry and the other organizations involved," the minister replied, "we are trying to find out the fairest way to place the graduates. We know that in some cases there has been discontent and they are not entirely without justification; but this is a very complex phenomenon which has to do with the changes that arise in the country regarding employment.

"When somebody who does not deserve it has been given a better job, that is a problem that has to be corrected. Our ministry participates in the solution of this phenomenon and we think that we will soon be able to come up with a definite answer to that question."

Links to Students

Another point of interest to us was the ministry's policy regarding the handling of concerns and suggestions from the student mass. Here is what Vecino Alegret had to say on that:

"The institutions have an obligation to respond to the concerns of the students and to come up with the necessary explanations.

"The capable student management familiarizes itself with the problems through its direct contact with the students, during the meetings of the UJC and the FEU, and during the student dormitory meetings.

"It has been directed that the institutional managers, the university presidents and deans, maintain periodic contact with the students, by schools or groups, in accordance with the size of the center. It might happen that, in some places, this relationship is accomplished through the student leaders; this is an important link but it must not be the only one since there must also be direct and systematic contacts with the mass of students."

The product supply situation concerning personal items going to the student dormitories is also a topic of concern to the scholarship students because there have been shortages here.

"As for those articles," he says, "the decisions that were made by the supply organizations is that those items are to be distributed only among foreign scholarship students. Our own Cuban scholarship students will have to get them through the country's commercial network.

"In spite of that, looking at each individual case, depending upon the distance that separates some of the students from their homes, we have given support to the idea

of selling those products in certain centers, in coordination with the people's government."

We asked him about the operation of the dining rooms, which is not always satisfactory. He emphasized the following in this connection: "This supply situation tends to improve. For example, this is what is happening in the ISPJAE [Jose Antonio Echeverria Higher Polytechnic Institute]. However, there are places where this is not true and that has to be resolved directly through the institutions with the help of the people's government and the agencies to whom the centers are directly subordinated. We are giving maximum support to the institutions managements in this task because, when the dining room does not work properly, the students are becoming disgusted and that is especially true of the day students because dining room capacity is taken up with all these many scholarship students."

Work-Study Programs

We next moved on to the practice of production which also has revealed deficiencies in terms of application and objective attainment. The minister stressed the importance of this task because this is the way of expressing the pedagogic and revolutionary concept of work-study.

He told us that registration has gone up tremendously and each student must do work related with his major field of study for 4, 6, or 8 weeks; this is a complex process which requires the full support of the local organizations of the party, the people's government, and the work centers.

He noted that this activity is improving and that it will improve even more as soon as a legal instrument, a decree-law, provides standards regarding the responsibilities of each and every one. He also alerted us to the fact that sometimes students are assigned to work centers to perform activities which go beyond their professional profile because, although these are isolated cases, they constitute deficiencies and, where this sort of thing happens, it has to be reported.

Significant Achievement

There is one task which undoubtedly constitutes an achievement in the education of future specialists and that involves the link between them, during the last years of their studies, with the sugar mills. Once they have graduated, they go back there to practice.

"The general evaluation is good because, among other questions, the country's first industry has received more than 1,300 university students and more than 500 of them have already graduated and are working there.

"This is a big help to the economy and, besides, their diploma studies, in most cases, have an important content in terms of the technical work that has to be done in the industry, the kind of work which they do there. This has been high-quality training and the results have been so positive that we are planning to expand this experience to the basic and steel industries as well as the machine-building industry.

"There had been shortcomings regarding the guidance effort pertaining to some work in the past academic year; but we know the causes and we will take the necessary measures to correct the situation during this academic year and to perfect this beautiful plan."

Many aspects remained to be covered but more than 2 hours had passed and time was getting short. We had taken many notes, the cassettes had been filled with recordings, and we are now convinced that we are advancing to ever better university education with sure steps and steady hand.

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CSO:3010/48

PRESS STATEMENT ISSUED ON SDAR FOREIGN MINISTER'S VISIT

Havana GRANMA in Spanish 20 Sep 81 p 5

[Communique on the visit of Saharan Democratic Arab Republic Minister of Foreign Relations Hakim Brahim, issued in Havana on 17 September 1981]

[Text] From 10 through 16 September comrade Hakim Brahim, minister of foreign relations of the Saharan Democratic Arab Republic (SDAR), made an official visit to Cuba following an invitation by comrade Isidoro Malmierca, member of the Central Committee of the Cuban Communist Party and minister of foreign relations.

In the course of this visit comrade Hakim was received by Commander-in-Chief Fidel Castro, president of the Councils of State and Ministers, a meeting that took place in a fraternal atmosphere during which the Cuban people's solidarity with the Saharan people's heroic struggle was reiterated. Comrades Jesus Montane, alternate member of the Politburo and member of the party Central Committee Secretariat, and Isidoro Malmierca, member of the Central Committee and minister of foreign relations, participated in the meeting.

During his stay in Cuba comrade Hakim engaged in conversations at the Foreign Office in which many issues concerning international developments having to do with peoples' struggles against colonialism and imperialism and the growing dangers that threaten world peace in the face of the provocations and aggressions of imperialism and its agents.

The Saharan minister of foreign relations expressed his firm support of Cuba during a period of renewed imperialist attacks against the Cuban Revolutionary Government.

Cuba once again reiterated its unfailing support of the SDAR's heroic struggle for self-determination and independence. The conversations that were held furthermore served to make public the high level of bilateral relations. The SDAR was represented by Minister of Foreign Relations Hakim Brahim and Bulabe Mohamed Fadel, member of the Political Bureau of the POLISARIO [Popular Front for the Liberation of Sagui el Hamra and Rio de Oro (Western Sahara)] Front and ambassador in Cuba.

Comrades Isidoro Malmierca, member of the Central Committee and minister of foreign relations, MINREX [Ministry of Foreign Relations] Vice Minister Giraldo Mazola, Arturo Barber, director for North Africa and the Middle East, and Raul Barraga, Cuban ambassador in the SDAR, participated on behalf of Cuba.

During his visit comrade Hakim Brahim held a fraternal meeting with comrade Jesus Montane, alternate member of the Cuban Communist Party Politburo and head of the Central Committee's General Department of Foreign Relations.

He also met with Dr Julio Teja, alternate member of the Central Committee and interim minister of public health, who gave him a full explanation of the development and state of public health in Cuba.

Minister Hakim Brahim visited the Isle of Youth, where he toured various sites of historical, economic and cultural interest, as well as the Valles de Picadura Genetic Plan where he was attended by comrade Ramon Castro.

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WORK OF CAMILO CIENFUEGOS ARTILLERY SCHOOL DESCRIBED

Havana JUVENTUD REBELDE in Spanish 24 Sep 81 p 2

[Article by Ada Mendez]

[Text] Northeast of Havana, scarcely 5 minutes from the heart of the capital, the FAR [Revolutionary Armed Forces] Comandante Camilo Cienfuegos Artillery School stands erect. Twenty Aprils of existence speak volumes for its accomplishments: the training of high-level operations, technical and political cadres for the safeguarding of our soil.

What was once an old fortress in La Cabana is today a modern school for revolutionary cadets, a true forge for young officers.

Within its three big faculties new specialized fields are taught: four of them dealing with ground artillery, two with antiaircraft artillery and three with weapons and equipment maintenance.

Any young man with a higher than average educational background who is between 17 and 20 years of age, physically fit and has the moral values necessary for being a member of the FAR cadre can apply for enrollment.

There he will take courses in mathematics, physics, chemistry, theoretical mechanics, resistance of materials, applied radioelectronics and other subjects that will provide him with the basis for an understanding of military subjects properly speaking.

On Completion

On completion of his studies, every graduate will receive the rank of first lieutenant, having reached an intermediate level of military training and, simultaneously, a level of general and advanced technical training which, as far as operational study programs are concerned, guarantee his classification as an engineer qualified to operate equipment or technical radio devices and facilities.

Programs for the training of operational cadre (engineers in the operation of equipment) and political experts (with degrees in the social sciences) are for a period of 4 years and those that produce engineers specialized in specific techniques or equipment 5 years, but their training does not end with this. The graduate must go on improving his skills on the basis of his personal experience and individual study, which will also enable him to take courses at the Gen Maximo Gomez FAR Academy and through them acquire the highest level of military training.

Those who would like to concentrate on research can do so, either by going into the subjects they have graduated in more deeply or through systematization and invention, whereby they create the conditions that permit them to opt to become candidates for the degree of Doctor of Military Sciences with a higher level of scientific development.

The future cadets come from preuniversity and technological institutes that may or may not be associated with the specialized fields they study in them.

At the present time the facilities are being renovated through modernization of laboratories and workshops with high-quality and precision equipment which will permit cadets to perform tasks and scientific research and practice teaching methods.

Six hours of daily classes, independent study, physical training, sports, political, educational and recreational activities and leisure time make up the lives of the future officers during their stay at the academy. They are issued passes every weekend and those who are taking course in the final years of their study programs are authorized leave during the week. There are also passes earned through merit or issued as incentives.

There are two vacations a year: one in February, lasting 10 days, and the other in July and August at the end of the academic year.

Each cadet receives a scholarship from the time he is enrolled and, as he progresses with the years and assumes responsibilities, his financial allowance is increased.

Director As an Example

The director of the school, Col Adan Hernandez, may serve as an example of the degree of advancement a student at the Comandante Camilo Cienfuegos FAR Artillery School can attain. He is the founder of this institution, which he knows down to his fingertips because he has passed through all its levels of education and has become its third director.

He lovingly relates the history of this school that is already part of his life. Needed by the revolutionary government to train more competent artillery cadres, it was founded on 11 September 1961 through a merger of what was then a training center enclosed in Barbacoa, a school called Eduardo Garcia located in La Coronela and the military training institution then operating in La Cabana.

At first it was called the Artillery College and retained that designation for 2 years. In 1963 regular long-term programs for cadets were introduced and it was then that the name, Camilo Cienfuegos, was adopted. Since then, year after year hundreds of young men who today serve as ground and antiaircraft artillery operations cadres have passed through its classrooms.

Naturally, the level of sophistication has been rising, with regard to the requirements as well as the institution itself, as the revolutionary government has itself become more mature and the country has raised its own level.

And as a result of the scientific and technical development of the FAR and the incorporation of more modern military techniques, it is becoming more and more

necessary to find better-trained officers. This is why, in accordance with Decree No 14 of the Executive Committee of the Council of Ministers, it was in 1977 decided to assign the school to the category of institution of higher learning which it today boasts of and which enabled it to graduate cadets with 16 intermediate-level promotions and the first college-level officer training program to its cre it in July of this year.

With all the excellence and merit it has earned, the Comandante Camilo Cienfuegos FAR Artillery School is proud of being a pillar of defense of the revolutionary government. Its graduates are to be found all over Cuba sowing their example.

11,466
CSO: 3010/71

OFFICIAL GIVES DETAILS ON CENSUS PROCEDURES

Havana BOHEMIA in Spanish 11 Sep 81 pp 42-43

[Interview with Fidel Vascos Gonzalez, minister-chairman of the State Committee for Statistics, by Raul Lazo: "At the Doorway to the Census"]

[Text] Although through the title of this interview, "At the Doorway to the Census," with Fidel Vascos Gonzalez, minister-chairman of the State Committee for Statistics, the reporter tried to emphasize the imminent beginning of activities involved in the population and housing census, we might also have called it -- perhaps more appropriately -- "The Census Knocks at Your Door," because beginning on 11 September and continuing until the 20th, a contingent of some 70,000 census takers will knock at the doors of approximately 2.2 million homes in the country to speak with residents and fill out the questionnaires. Once processed, the data they collect will be used to complete studies and make important decisions for the economic and social development of the country.

But this time it was not the door of a home that was opened to greet the census taker, but rather, that of the very State Committee for Statistics to receive the reporter, who submitted a questionnaire to the head of that organization, Fidel Vascos Gonzalez, a questionnaire which, while it is not precisely the census form, is nevertheless directly related to the population and housing census.

[Question] Mr Minister, we know that you have practically just completed a visit to all the provinces in the country to learn how preparations are going for the census-taking task. We should therefore like to know what impressions you had during your tour.

[Answer] In meetings held on the eve of the census, all participants in the work were present: members of the provincial coordinating committees, chairmen and deputy chairmen of the municipal coordinating committees, heads of the census offices and party and government officials from the different levels. The meetings were presided over by the second party secretaries in the provinces and even, in the case of Havana City, First Secretary Julio Camacho Aguilera, member of the party's Politburo, participated.

The purpose of the meetings was for every municipality to report on its situation and on preparations for the census. We can say that all the provinces are very well prepared in general for the census taking. Some small details still had to be

worked out, as in the case of Santiago de Cuba Province, for example, where, at the time the meeting was held, certain aspects relating to the supervisors had to be spelled out. In Las Tunas also, it was necessary to work out certain details having to do with recruiting the entire staff of census takers and supervisors, that is, to complete 20 percent of the reserves. One aspect that greatly concerned the provinces and us as well was the situation of means of transport required by the provinces and municipalities in order to complete the census, since it is unthinkable that the country's means of transport would be idle during the mobilization for the census. It is therefore necessary to achieve very close coordination so that, without affecting the country's economy, we can use those means.

Concerning the plan of communications, great emphasis was placed on the organization of communications. One must emphasize the contribution made by the Ministry of Communications and all the factors involved in it. A very good system was set to communicate with all census areas. There are 1,140 offices open throughout the country, which must communicate with the municipalities and these in turn with the provinces. The provinces must then communicate with the nation in order to maintain a daily report on the count so that we can keep track of progress in all areas and give any instructions or make any kind of consultation. In short, since the census is completed in only 10 days, communication must be very fast. The system has been set up and is operating.

We also reviewed the quality of the seminars held for counters, supervisors and area office workers. They last 5 days and in them we explain the census methodology and organization and train census takers so that they will know how to introduce themselves, what documents they must take. Briefly, they must master the census-taking methods in order to help the people provide the correct information and thereby obtain optimum quality. At the end of the seminars, the census taker knows precisely what 40 or 50 homes make up the segment where he will work. Although the census organization is adjusted to the political-administrative division on the national, provincial and municipal level, each of the latter is subdivided into various census areas totaling 1,140. Every area is subdivided into several districts (14,117) and every district in turn is subdivided into segments, of which there are 55,577. A census taker covers a segment including 40 to 50 homes in that area. At the conclusion of the seminar, every supervisor is given a portfolio defining the number of segments under his responsibility and every census taker is given a guide with the list of the 40 or 50 homes he is to visit, including the address of each one, the number of residents in each one and the name of the head of that household.

The vast majority of the census takers are residents of the very zone or segment in which they work, meaning that they know the area well. Once the seminar is over, the census takers must make a tour of their areas and visit all homes in order to correct the list and even speak with residents, clearing up any doubts they might have.

[Question] This does not mean that the questionnaire could be filled out at that very moment?

[Answer] No, the time of the census, the moment to which census data refer, is midnight on 10 September, although the counting will begin at 0800 hours on the

morning of 11 September. The census taker cannot make his survey before that time. However, anything done to prepare for and facilitate responses to the census questionnaire is to be welcomed. In this sense, practically all the provinces have done something we consider very appropriate: We are referring to the reproduction of the census questionnaire in order to familiarize the people with it. Census takers will give residents of the homes they are to visit that reproduction of the questionnaire to be used as a draft. Hundreds of thousands, millions, of these forms have been printed. Havana City alone printed 600,000. This means that in the days preceding the census, the people have been given a seminar, since when the census taker passes out the form, he talks with residents and explains how they answer the questions that require a certain degree or preparation or any searching for the information.

[Question] What might those questions be?

[Answer] These are not questions that are difficult to answer or that are so complex that they are complicated. Rather, they are simply questions that might require some preparation or consultation between the members of the census group. For example, regarding the time when the housing was built, it may be necessary to ask a neighbor who has lived longer in the area than the actual resident of the house. It should be clarified that this period of construction refers precisely to broad periods including several years, for example, if it was built before 1920 or between 1920 and 1933, and so on. In addition, the person answering the questionnaire may need to have previously consulted with members of the census nucleus before the visit of the census taker in order to determine the birth date of each one of them, the place of residence previous to 10 October 1976, the highest grade of schooling successfully completed, the highest level of schooling totally completed, what was done the week before the day of the census: All these questions should be answered for the persons falling into the category referring to each one of them. Finally, the member of the census group answering the questionnaire must have in his possession the economic data card for residents in that housing unit that they received from their work center.

We stated at the meetings to which we were referring at the beginning of the interview that we were aiming for optimum quality in the census.

[Question] And how can we measure the optimum quality of the population and housing census?

[Answer] We could say that it means an absence of errors commonly made, such as omissions or completely missing homes or residents. We must do our utmost to see that this does not happen or, if possible, see that such omissions do not occur, although that is very difficult to do. We hope that the census will have less than 1 percent errors, no more than .5 percent errors, which would mean a high-quality census.

[Question] Internationally speaking, what percentage of errors is admissible in a census?

[Answer] About 1.5 percent. The socialist countries nearly all have under 1 percent. According to the official results given by the United States, the census completed in April 1980 had 2.5 percent errors and some Latin American countries

have nearly 3 percent. The counting period will run from 11 to 20 September and the surveys that will be made to determine quality will be from 25 September to 5 October. We shall revisit 40,000 homes out of the over 2 million that exist. Another aspect of quality has to do with the fact that the responses gathered in the census have to do with the characteristics of the homes and the population. Since the questions are known ahead of time, the people answer with an X. For example, for the type of housing, what we want is for the X to be placed in the box opposite the the place visited, that is, if it is a house, apartment, a room in a dormitory or home, an improvised hut. Errors made here are called "content errors." This will also be evaluated through the survey.

[Question] And have you made demonstrations to avoid these errors?

[Answer] Yes, we have. But when the census taker is given his guide, he visits the homes and that is when the list is completed — that is, the list is completed practically 24 hours before 10 September. The date of 9 September is when the municipalities close the lists of homes that have to be visited and on that basis, we see how the count is going.

We must emphasize the support we have received from the party and government organs at all levels, as well as from the mass organizations such as the CDR [Committees for the Defense of the Revolution], the FMC [Cuban Women's Federation], ANAP [Association of Small Farmers], the CTC [Central Organization of Cuban Workers], and in general, from the entire population. In addition, we have had the broad publicity given to the population census. The latter is particularly important because we must do our utmost to see that the people cooperate in being included in the census. In cases in which family groups must move between 11 and 20 September, it is necessary for them to inform the census areas, which have been open since 5 August, in order to explain their case and make sure that all measures are taken to guarantee that they will be included in the census. Telephone numbers have been published so that the people may call to explain their case when they have some problem. The people must make every effort to be counted and to become an element through which we can correct any error.

[Question] Will daily reports be given on the census and is there any emulation in order to reward the best workers?

[Answer] Every day, reports will be received from the municipalities of how many homes have been completed out of those that must be counted. This report will be made public every day at 2200 hours. This must not be interpreted to mean that we want the census to be over with in a hurry. There are 10 days allotted and we do not want it to be completed in 72 hours. We are essentially interested in quality and on that basis, we are setting up the principles of the emulation. To give a hypothetical case, a province that finishes the census in 5 days, but with poorer quality than one taking 10, will lose the competition with the latter.

In speaking about the publication of the census results, the minister-chairman of the State Committee for Statistics pointed out that the first results will be made known on 30 October, including all homes in Cuba, in every province and municipality, as well as the type of home. The total population of the country will be given, divided by provinces and municipalities, sex and age groups. These data will be

compared with those from the previous census. The information supplied by 30 October is called preliminary data and that given in May 1982 is advance data. This will be much broader than the other, although it is not yet considered definitive. Beginning in the first quarter of 1982, we shall provide the data by province, which is the way in which the information will be processed. As it is processed, on a provisional basis, the data will be released to the public. The first province will be Cienfuegos. The processing of the data by province will last approximately one month for each one. A volume will be published for each province, 15 in all, including the special municipality of Isle of Youth. When the provinces are done, the nation will be processed and a volume will be published for all of Cuba, in addition to another on methodological questions. The census volumes will number 17 in all. By October 1983, we shall have all the information processed. But that is not all. Starting at that time, we shall have programmed a whole series of studies and analytical publications based on these basic materials. The census is an invaluable source of data to be used, not only by the State Committee for Statistics, but also by other organizations.

Finally, responding to a question put to him by the reporter concerning the participation of international organizations in the census, the minister-chairman of the State Committee for Statistics emphasized that both CEMA and the United Nations promote what is called the World Census Program for the 1980's. "We received technical aid and we have in the State Committee for Statistics a group of Soviet advisors and experts from other countries to help us. Coming as temporary advisers and observers will be representatives of the UN Office of Statistics and ECLA [Economic Commission for Latin America]. We shall also have representatives of statistical organs of other countries such as Nicaragua, Panama, Angola and Mexico, in order to learn of our experience."

11,464
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CUBAN-AFRICAN FRIENDSHIP ASSOCIATION ELECTS NEW LEADERS

Havana GRANMA in Spanish 18 Sep 81 p 1

[Text] The presentation of members of the Cuban-African Friendship Association, which was attended by the African delegations to the 68th Interparliamentary Conference, representatives of the diplomatic offices of African countries accredited in Cuba and our country's organizations and agencies, was held at Cuban Institute for Friendship with Peoples (ICAP) headquarters.

Armando Acosta, alternate member of the party Politburo and president of the association, was charged with the presentation speech.

Martha Depres, Brigade General Gustavo Chui and Jose Arias were confirmed as vice presidents. Rosario Fernandez, Rene Leon, Maria Ruiz Bravo, Alipio Zorilla, Adolfo Valdivia and Armando Entralgo were named as new vice presidents.

Rolando Oliva, Manuel Moreno Fraginals, Jose Prado, Jose Luciano Franco, Pedro Deschamps Chapeaux, Jose A. Benitez, Juan Marrero, Benito Marey Ramos, Jesus Cos Causse, Felipe Suarez, Argelier Leon, Juan Pardo, Elena Perez Marbona and Raul Aguilera were confirmed as members. Iosuani Garcia and Rafael Mayo are new members and Augusto Veranes Vedey was confirmed as executive secretary.

After the presentation ceremony, Armando Acosta referred to the significance of the reorganization of the association at a time when imperialists and reactionaries are stepping up their criminal activities against the progressive African countries and more especially against the Front Line countries.

Referring to the South African attack on Angola, he reiterated "our vigorous condemnation of this loathsome crime committed by the apartheid regime, the most repudiated and shameless one on earth."

Acosta greeted the African delegations to the 68th Interparliamentary Conference and reaffirmed the Cuban people's solidarity with the peoples of Africa, who are struggling for a better life and equality among men. And lastly he said that we are a Latin-African people and, just as African blood flows through our veins, we are ready to shed it for our brothers who are fighting.

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VEIGA, MIRET ATTEND FIFTH SNTM CONGRESS IN HAVANA

Meeting Begins

Havana TRABAJADORES in Spanish 16 Sep 81 p 1

[Article by Evelio Telleria and Rebeca Antunez]

[Text] "We have to play our role as counterbalance, not fear anything and defend what is just and beneficial for the revolution. We must make everyone see this. We must educate our working class in the best fighting traditions of the sector. Everyone must recognize the leading role of the union movement and fight to solve all the problems, no matter how big, like our unforgettable captain of the working class, teacher of union cadres, our beloved comrade /Lazaro Pena/ [in boldface]."

This was part of the Main Report presented to the Fifth SNTM [National Union of Metalworkers] Congress which is being held in the Lazaro Pena auditorium of the CTC [Central Organization of Cuban Trade Unions]. The opening session was presided over by Pedro Miret, member of the Political Bureau, and by Roberto Veiga, secretary general of the CTC and alternate member of the Political Bureau.

Unquestionably, this labor organization has a great task in front of it. The most important is to improve its poor ties with the base since this hinders union work.

According to what was indicated, the union has not been aggressive about finding and proposing solutions to the most pressing problems of the workers.

The main report presented by Angel Villarreal, chairman of the organizing committee for the congress, boldly discussed this situation and enlarged on it. The document stated: "The SNTM has not been able to exercise its most important function: that of counterbalance."

It can be stated that many of the problems of the workers in this sector, even the economic ones, have had to do with the poor tie of the union with the base, its attitude of "let the administration do it" and its failure to exercise its role as counterbalance in production leadership.

Now, facing this awakening of the metalworkers where concrete results like the fulfillment by the national union of its visiting program to the base and meetings with bureaus, secretariats and provincial committees can already be seen, it is up to the administrations to offer maximum support.

An example of the effort of the workers in the sector to eliminate the problems is that they have come to this great event "with a union movement that has been strengthened from the base to the national level, capable of confronting the great tasks that the development of the steelworking branch demands," according to the report.

Main Report

According to the main report read during the morning session, the technical-economic plans for 1980 totaled 561,562,100 pesos but only reached 546,273,500 pesos.

The effort made by all the workers, especially in the second half of the year, was pointed out. At the end of the first half, they were behind about 30 million pesos but it was possible to recover 26 million.

It should be stated that this sector was seriously hurt last year by a shortage of basic raw materials for production. This situation stabilized to some degree last June.

In the first half of this year, positive results have already been achieved. The plan was overfulfilled by about 3 percent and the planned cost was reduced from 90 centavos to 77; also productivity rose to 4,831 pesos.

The document also presents the work done by innovators and efficiency experts who have made significant contributions through their pertinacity.

It should be pointed out that 489 innovations provided economic results of more than 15 million pesos.

Also this year, in salute to the 10th WFTU Congress, the union will celebrate the Foundry of Friendship and established a special mini-emulation saluting "Metalworker's Day" which will be held on 3 November.

Special Speech

Roberto Veiga, secretary general of the CTC and alternate member of the Political Bureau of the CC [Central Committee] of the party, gave a special speech on the anticipated collection of union dues.

Veiga revealed that payment of union dues is a thermometer that measures the work that the union sections are developing in each work center.

According to Veiga, the workers react by not paying their union dues when an arbitrary measure or a measure that has not been explained to them is applied. They feel that their union has not defended their cause as well as it could which has led to their dissatisfaction.

Finally, he suggested to the congress that it propose to the CTC leadership that the concern in this group about the anticipated collection of union dues be examined.

Afternoon Session

During the afternoon session, the delegates gave many suggestions about the main report--which was unanimously approved--and about other subjects. One was that

the elected SNTM committee supervise, implement and control everything related to the movement and the stability of the cadres, the adoption of measures for control and demand in the fulfillment of Decree Law 13 on safety and hygiene, analysis of the problems Resolution 236 on production norms faces in the sector and attention to the young workers to make them stay in the sector.

Other recommendations approved were the improvement of environmental working conditions for female comrades, the strengthening of the mini-emulation of the socialist brigades and of union activism and coordination with the appropriate organizations to solve the problems of work shoes.

Support Fidel's Speech to 68th Interparliamentary Conference

The delegates to the Fifth SNTM Congress unanimously approved the statement of the CTC executive secretariat in support of Commander in Chief Fidel Castro's speech at the opening of the 68th World Conference of the Interparliamentary Union.

The document indicated that the metalworkers, in their fifth congress, summon all the workers of the country to completely endorse comrade Fidel's masterly speech. It clearly established the firm position of our revolution facing the constant threats and aggression that the fascist team installed in the White House directs against mankind today.

This labor group that so decidedly accepted Fidel's statements has been discussing the most urgent problems of the metalworking sector during this first workday of the congress.

Meeting Continues

Havana TRABAJADORES in Spanish 17 Sep 81 p 1

[Article by Rebeca Antunez and Telleria Alfaro]

[Text] "This congress can be a dividing line between a stage of mistakes and problems, caused basically by the use of incorrect work methods, and a new stage characterized by unity, collective work, a critical and self-critical spirit, a close tie between the top level of the union, the intermediate leadership organizations and the working masses and, in short, the application of correct work methods."

These words spoken by Roberto Veiga, secretary general of the CTC and alternate member of the Political Bureau of the CC of the party, during the closing ceremony of the Fifth SNTM Congress served to evaluate the past activity of this union which is now reestablished to work at an accelerated pace.

Veiga indicated that the intermediate and top leadership organizations of the national unions are more efficient and work stability is increasing. Nevertheless, this progress in the whole union movement has not been seen in the SNTM.

The immediate prospects in that branch are now determined by the new national committee elected. According to Veiga, it is a good committee headed as of today by Angel Villarreal Bravo, a metalworker of experience and maturity who has won the affection and respect of all.

During the final session of the congress, it was reported that Havana Province will be the site of the national celebration of Metalworker's Day by winning the place of honor in the special emulation. Pinar del Rio came in second and Guantanamo was third.

The ceremony which was attended by thousands of metalworkers from the Havana provinces was presided over by: Pedro Miret, member of the Political Bureau of the party; members of the CC; Agapito Figueroa, second secretary of the CTC; Marcos Lage, minister of the steelworking industry; other leaders; and foreign guests.

Morning Session

The second and last workday began with a special speech by Marcos Lage, minister of the steelworking industry. He referred to the need to reinforce the work of the administration and the union concerning safety and hygiene and the improvement of working conditions for different jobs.

Lage listed the economic achievements of the first half of the year when production grew by more than 30 percent compared to the same period in 1980. He pointed out the efforts that have been made in the manufacture of spare parts; the plan was fulfilled by 86 percent. He indicated that this sector has been hurt by the inadequate supply of tool boxes and cutting tools.

The minister summarized some lines of production where there is already improvement or it is planned. These include the manufacture of automotive equipment, agricultural machinery, color televisions and transistors.

Resolutions Approved

The delegates approved the final resolution of the congress which emphasizes the willingness of the metalworkers to continue joining the MTT [Territorial Militia], achieve greater participation in production assemblies and assemblies of representatives and discuss guideline figures.

It was also agreed "to suggest to the CTC and the CETSS [State Committee for Labor and Social Security] possible modifications to Resolution 236 on the revision of norms since it was felt that the established indices actually hinder increased productivity by the workers, thus limiting the development of the organizations in this sector."

Other aspects covered in the document refer to continued progress in the 10th WFTU Congress Emulation and in the mini-emulation between enterprises and branches, development of technical qualification courses and the continued fight for the correct application of Decrees 32 and 36.

The resolution on the manufacture and recovery of spare parts emphasizes that the administration report fulfillment of plans for those components in the production assemblies and that a special emulation between enterprises, shops, departments and brigades be established.

The resolution on work safety and hygiene includes union demand and control of accident investigations and systematic inspections of the hygienic condition of bathrooms and lockers.

A resolution on affiliation and finances was also approved.

Veiga Speech

Havana TRABAJADORES in Spanish 17 Sep 81 p 3

[Text] The obvious progress in the whole union movement has not been seen in the SNTM, according to Roberto Veiga Menendez, secretary general of the CTC and alternate member of the Political Bureau of the party, when he summarized the Fifth SNTM Congress.

Veiga added that the union has not functioned properly in the last few years and the work of its main leadership organizations has been unsatisfactory.

Veiga said: "In our opinion, the basic problem has been that the national union leadership has not stabilized the appropriate work methods to provide the results that the CTC and the party expected from this union organization."

Veiga recognized that the mass of workers can be admired and on innumerable occasions has given proof of its enthusiasm, its selflessness in work, its combativeness and its political, revolutionary and communist awareness.

"For that reason, it is not idealistic to hope that this union will become one of the best in the country and become the pride of the entire union movement."

Good National Committee Elected

Veiga stressed that this congress can be the dividing line between a stage of mistakes and problems, caused basically by the use of incorrect work methods, and a new stage characterized by unity. He added: "There must be group work on this task, a self-critical and critical spirit and a close tie between the top level of the union and the intermediate leadership organizations."

The congress has elected a good national committee, according to the secretary general of the CTC. From it has come the national secretariat announced today. The members of this secretariat are, in general, relatively young union leaders who have the necessary experience and who, through their distinguished work on the preparatory committee for the congress and in all union leadership work, have earned your confidence to assume the great responsibility of leading the organization during the next few years.

Veiga added that a metalworker who, as provincial union leader had acquired maturity and earned the affection and respect of all his followers, had been elected head of the union. He said: "We are referring to comrade Angel Villarreal."

Importance of Union Section, Bureau

Veiga explained that the obvious problems in the union these years explain why almost three-fourths of its leaders were changed during the preparatory process for the congress. Therefore, the majority of its cadres are new in the union responsibility that they hold.

He explained some indispensable principles for the internal life of the union in order to carry out the work of the cadre. These included knowing and consistently applying the guidelines that must govern the internal life of the organization. Referring to this, Veiga said: "In this union--much more than in any other--this is an urgent need whose observance must be a priority and constant concern of all its leaders."

Veiga said that the union section and the bureau are the direct, daily and principal means for the realization of our tasks among the workers. He added: "If each one of the committees of these base organizations does not meet periodically as set forth, complete passiveness, authoritarianism and nonconformity will reign. Confusion will be created to the point that many of the members will be isolated because they do not know what to do or do not feel responsible for the decisions made."

The union leader emphasized that the meetings of the leadership committees of these organizations serve to present the problems and the tasks to their members. He said that the meeting is a living school for ideas and awareness of indispensable leadership for our base cadres.

He added: "We would like to repeat that if this is important for all the unions, it is much more important for this one where the overwhelming majority of base leaders lack leadership experience." He emphasized: "To this inexperience, it is necessary to add that these new union leaders must act so that the members do not see them as economists or demagogues who refuse to call them to their duties and necessary sacrifices that our economy demands. They must not see them either as insensitive, passive and irresponsible, tolerating the ignorance of the rights of the workers."

Achieve Equilibrium Between Duties, Rights

Veiga covered the subject of duties and rights and the union position on these. He explained: "If there is a demand for an alleged right and the union leaders run to wave it in front of the administration without analyzing it or thinking about it as they should, those union leaders lose authority facing the workers and the administration itself."

He explained that the opposite case is union leaders who react negatively to any demand by the workers without studying it, stating that it is time to produce and work, not to make demands. He stressed: "Those who act this way, of course, lose all authority and give all the workers the idea that the union is worthless."

"The best union section is not only the one where all the members of the leadership committee work but the one where each one, in order to help his work, is capable of gathering around him a large group of members through his simple and concrete work content."

Improvement of Cadres Is Vital Task

In another part, he stated: "Improvement of our cadres, especially those at the base, is a vitally important task. Those who have some union experience say that an efficient way to orient, supervise and educate base union leaders was and is frequent plenary meetings with the leaders of the union bureaus and sections where each one reports on how he does the tasks and all discuss the guidelines together."

Expanding on this, Veiga added: "If they asked us what the union is, we would answer: The union is the assembly, the union is the plenary meeting, the union is criticism and self-criticism, the union is the challenge, the union is the masses in action, the union is emulation, the union is the mass of work. That is the union. Those are the things that correctly make us proud and inspire all of us who feel the honor and the privilege of putting into union work our concerns, our efforts, our aspirations and our most fervent desires as revolutionaries and as communists."

Unions Cannot Hide Behind Exclusive Criteria

He discussed the ties between the unions and the masses. He said that the unions cannot hide behind exclusive criteria or measure the readiness of only the vanguard. He stressed that to make these ties strong, we must be tied to all the masses in order to be able to correctly understand their state of mind, needs and aspirations.

"A good union leader is one who aspires to have the achievements of his union not only respond to the extraordinary effort of a large part of the workers but one who aspires to have the achievements of the unions respond to the efforts of all, one who, in addition to stimulating the efforts of the most conscientious workers, increases his work with those who show some indifference toward the tasks of the union."

Socialist Emulation

The alternate member of the Political Bureau covered socialist emulation and its organization and development in the union. He indicated that, in spite of the efforts made, it does not yet respond to aspirations and needs.

"Emulation has to be alive, generate enthusiasm and initiatives and promote the participation of all the workers. Emulation must be free of all red tape. All the work centers must sign collective and individual commitments so that all the workers know them and constantly fight, consciously and enthusiastically, to materialize them. It is very important that reviews of fulfillment of these commitments be free from anything mechanistic, promote discussion that arouses everyone's interest, help stimulate the fulfillers and accumulate the best experiences and initiatives."

Fight for Spare Parts

He analyzed the work of the innovators and the need for this union to promote participation in the fight for spare parts. He also discussed some problems in labor discipline and the fast turnover of young workers in the sector.

Concerning this last aspect, he stated: "It is the union's duty to analyze the causes for this situation and work systematically to overcome them. Everything

seems to indicate that the problems that affect labor discipline are expressed more strongly among the young workers." He asked: "Why don't the youths want to remain in this branch?" He added that this is a question to which the union must find an answer.

Safety and hygiene was then discussed and he explained some existing problems with safety devices.

A good part of Veiga's speech was devoted to examining the fulfillment of work norms and some irregularities in that sense. He said: "There is usually a very particular situation based on individual characteristics; the norms are not national norms. Generally they are limited to activities done in certain jobs and establishments. This leads to the application among metalworkers of thousands of different norms corresponding to thousands of different operations."

"It seems to us that this reality imposes on the union the need to encourage an examination with the administration of the existing payment systems and to propose the introduction of piece-work payment as well as bonuses that promote and stimulate quality and use all the possibilities offered by the General Wage Reform."

Veiga spoke further about the need to encourage the battle for ninth grade which is not doing well in this union.

"Not to fulfill the enrollment plan at this stage will force you to make a supreme effort to incorporate all those enrolled into the classrooms, promote class attendance, advocate their continuation and, finally, guarantee their promotion," he said.

Finally the secretary general of the CTC referred to Fidel's brilliant speech:

"We end the congress still under the influence of the brilliant and energetic speech given by Fidel at the opening ceremony of the 68th Meeting of the Interparliamentary Conference." He added:

"The threats of our enemies can never deter us; on the contrary, they deepen our convictions."

"We must fight to include all the metalworkers in the country in the fulfillment of these tasks. We must fight to raise this union to the height of the example and the memory of our beloved and unforgettable comrade, Lazaro Pena."

7717
CSO: 3010/75

IMPLEMENTATION OF ANTI-DENGUE CAMPAIGN DESCRIBED

Havana BOHEMIA in Spanish 11 Sep 81 pp 45-46

[Article by Frank Hechavarria: "The Fight Against the Aedes"]

[Text] Near the conclusion of the intensive phase of the campaign against the Aedes aegypti mosquito and aimed at eradication of dengue, it becomes necessary to look 2 or 3 months back in order to analyze whether the work has yielded positive fruit.

First of all, we observe that there is a real drop in the number of cases reported every day on a national basis, and in the past 2 weeks, supervisors and inspectors report little infestation of mosquitoes or deposits of larvae. This alone tells us that the work has been good and efficient, although logically speaking, a great deal remains to be done and the aid of everyone is necessary. We must all remember that this is a fight of the people and the Aedes must be eradicated, deprived of Cuban citizenship!

In order to have a clearer view of the volume of work done, let us see how focal and perifocal treatment was handled (Abate and Baytex [insecticides]) since the beginning of the campaign on 3 September: 2,417,430 sites or housing units have been visited.

At the same time, intradomiciliary fumigation using Malathion (automatic sprayers), in 10-day cycles, was a day behind in the first phase and instead of finishing on 12 August as planned, it was completed on 13 August. This delay continued into the second phase and it was during the third that the time lost was made up and the plan was completed, for a 300 percent rating by 3 September. It should be recalled that this type of spraying is only done in urban areas with over 100 inhabitants, meaning that in each cycle, 2,007,141 housing units and sites are treated.

By 30 August, the four phases of outside spraying had been completed (except in Havana City, with five phases) and 58,825 blocks had been covered. This type of spraying initially encountered serious problems due to the lack of equipment. Our country had to build its outside spraying equipment (LECOS) on its own and use agricultural planes to support the task. It was the Soviet aid with the mobile TDA spraying equipment that made it possible to give the final boost to the work and complete the program on time.

The enormous amount of work done in the intensive phase, joined with the continuing cleanup task done by our people, under the watchful eye of the CDR [Committees for the Defense of the Revolution], along with the UJC [Union of Young Communists], the CTC [Central Organization of Cuban Workers] and ANAP [Association of Small Farmers], has made it possible to reduce the number of dengue cases greatly. We can see this if we compare how, from Monday, 8 June, when 458 cases were reported, the incidence gradually increased, reaching the peak of 11,721 cases by 6 July, the date when every Cuban was involved in the battle against dengue and the carrier: the Aedes aegypti.

Our people are witnesses to the true sacrifices and humane labor done, mainly by personnel in the pediatric and general hospitals, in an open fight against death, but the effort was not in vain, and from that peak date, the national index began to drop.

If we observe the picture province by province, we see that on 3 September, Holguin had the highest incidence, with .3 per 10,000 inhabitants. In absolute numbers, Las Tunas came next with 14 cases. In the municipalities, those with the most cases on that date were Victoria de las Tunas with .7; Manati and Benes with .6, all for every 10,000 inhabitants.

At the end of the week, the National Operations Group considered calling upon the territories still behind in certain tasks of the final period of the intensive phase, such as:

Spraying with Abate (focal): Isle of Youth, Sancti Spiritus and Las Tunas, have not completed their plans.

Perifocal treatment (Baytex): All provinces have completed their plans, with the exception of the special municipality of Isle of Youth.

Intradomiciliary treatment (automatic sprayers): To date, the fourth cycle has been completed throughout the nation.

Outside spraying (LECO and TDA): Santiago de Cuba, Villa Clara, Havana City and Camaguey were the most behind at the close of the fifth weekly cycle.

It should be pointed out that in the mobilizational cleanup tasks, as in the volunteer day on Sunday, the pickup of accumulated waste took a week, violating instructions. It is useless to mobilize the masses for such necessary and important work as cleanup if this is not done effectively. The objective of eradicating any place that might serve as a breeding ground for the Aedes aegypti mosquito must continue permanently.

In the over 2 months of the campaign, our people have been aware of the essential need to eliminate the dangerous carrier of dengue, yellow fever and other diseases once and for all, and we must not allow our guard to be lowered by the progress made. The fight continues and there are still enemies to be defeated!

11,464
CSO: 3010/42

SUGAR INDUSTRY SAVED MORE THAN 13 MILLION GALLONS OF OIL

Havana JUVENTUD REBELDE in Spanish 24 Sep 81 p 1

[Article by Luis Hernandez Serrano]

[Text] Nevertheless, the National Sugar-Mill Workers Union (SNTA) is of the opinion that there are still great subjective and objective reserves by means of which more can be saved during the next milling seasons. The Third National Meeting of Sugar Mills That Consume the Most [Oil], at which conservation of wood and electricity will also be discussed, is to be held during the second half of November at the Bolivia Mill in Ciego de Avila.

The amount of oil saved by the sugar industry during the 1981 harvest season in comparison with that of 1980 came to 13.389 million gallons, according to information received by JUVENTUD REBELDE from the industry's national union.

The spokesman for the SNTA, Antonio Jorge Mendoza, explained that during the 1980 milling season all of our sugar mills, for both raw and refined sugar, consumed 59.724 million gallons, while during this past season they consumed 46.335 million.

"Notwithstanding this favorable situation, we still have enormous subjective and objective reserves to work to reduce our consumption of this precious fuel and also do so as concerns the firewood used and the electrical energy," Antonio Jorge asserted.

"And this is why," he added, "the union is getting ready for the Third National Meeting, which is to be held during the second half of November at the Bolivia Mill in Ciego de Avila, for the purpose of reducing as much as possible expenditures for these three resources."

The meeting will be held there because that mill is one of the about 25 mills throughout the country that consumed the largest amounts of oil during the previous harvest season and representatives of these high-consumption mills and also of some of those that have as yet barely scratched the surface of consumption of the precious fuel, as well as members from mills that for several years now have not wasted even a single gallon, will be participating in it.

It is, however, important to point out that in the specific case of the Bolivia Mill, despite the fact that it figures on the list of top consumers, this is due to technical problems and operational mishaps that are not attributable to its workers.

At the present time the MINAZ [Ministry of the Sugar Industry] is making a serious investment there designed to improve the mill's steam generation which, combined with the interests of its workers, technicians and managers, will no doubt result in a notable step forward in connection with this.

The MINAZ is making a similar effort at the remaining mills where fuel consumption is high and it is the task of the industry's union to see to it that consumption figures are constantly reduced, for those of firewood and electricity as well.

During the last harvest seasons the provinces of Cienfuegos, Villa Clara and Sancti Spiritus headed the list of the best mills in the country as regards fuel consumption.

The first meeting of this kind the SNTA organized was held in 1979 at the Nicaragua Mill in Holguin and the second was held in 1980 at the Espartaco Mill in Cienfuegos. At the next one emphasis will be laid on following the guidelines set by our commander-in-chief at the 16th Sugar-Industry Congress in October 1980.

11,466
CSO: 3010/73

SUGAR AGROINDUSTRIAL PLANTS TO BEGIN OPERATING

Havana JUVENTUD REBELDE in Spanish 21 Sep 81 p 1

[Article by Luis Hernandez Serrano: "Another 13 Sugar Agroindustrial Plants Will Begin Operating in January"]

[Text] This will bring the number of plants in operation throughout the nation up to 17, since the first four went into operation during the last harvest season.

While supervising the first inspection of repairs made at the mills, Luis Martell Rosa, member of the party Central Committee and secretary general of the industry's union, announced that another 13 agroindustrial complexes will go into operation as of 1 January 1982.

He said that, during the already approaching milling season, 17 complexes of this kind will thus be operating throughout the country, since the nation's first four were put together and began operating in 1981. These were the Gregorio Arlee Manalich (La Habana), Panchito Gomez Toro (Villa Clara), Argentina (Camaguey) and Urbano Noris (Holguin) complexes.

"At the present time," Martell explained, "the conditions for organizing them are being created through a process of adjustment, studies and coordinated efforts so that, while working together, the cane and sugar-milling enterprises are not plagued with operational difficulties."

The 13 new complexes are distributed as follows, by provinces: 30 de Noviembre (Pinar del Rio), Camilo Cienfuegos (La Habana), Australia (Matanzas), Chiquitico Fabregat (Villa Clara) and Ramon Balboa (Cienfuegos).

And in addition: Uruguay (Sancti Spiritus), Patria (Ciego de Avila), Carlos Manuel de Cespedes (Camaguey), Antonio Guiteras (Las Tunas), Cristino Naranjo (Holguin), Roberto Ramirez (Granma), America Libre (Santiago de Cuba) and El Salvador (Guantanamo).

Of these complexes the America Libre of Santiago de Cuba is of particular historical interest, since our Commander-in-Chief Fidel Castro was in this mill — formerly the America — on the night of 31 December 1958, the eve of the victory of the Cuban revolution, nearly 23 years ago.

A large number of agroindustrial workers notably weighted in favor of sugar production, as can, for example, be seen in the case of the Antonio Guiteras of Las Tunas, which has over 10,000 workers, will be concentrated in them.

"With the formation of these complexes an old dream of our sugar workers is being realized: the unification of the industry with cane growing in Jesus Menendez' beloved union," Martell said.

11,466
CSO: 3010/73

NEW GROUP OF MOTORIZED INSPECTORS CREATED TO CHECK TRAFFIC

Havana TRABAJADORES in Spanish 5 Sep 81 p 1

[Article by R. Vallori]

[Text] At a press conference presided over by Vice Minister of Transportation Amador del Valle, Omelio Alonso, director of the State Transportation Inspection Department, announced that a Corps of Motorized Highway Inspectors would begin to operate in the different provinces of the country as of October.

The basic objectives in forming this group will be to achieve better utilization of freight capacity and to check on traffic safety.

The inspectors will be assistants to the PNR [National Revolutionary Police], subject to an agreement soon to be signed with that agency, and will have the authority to lift the registration and license plate of the vehicle, send the rig back to its base of operations, impose traffic fines and take violators to police stations if necessary.

Inspections will be made at fixed points along highways, in sweeps through towns and cities and at transport bases. Every freight-carrying motor transport of MITRANS [Ministry of Transportation] and other agencies, including those of the agencies of the People's Government and of individuals, could be inspected. MININT [Ministry of Interior] and FAR [Revolutionary Armed Forces] vehicles are excluded from these inspections.

This team of uniformed inspectors on motorcycles will begin to operate in November in the provinces of Las Tunas, Guantanamo, Holguin and Granma, and their number will be governed by the characteristics of each area.

At the present time a group of about 70 inspectors are completing their studies, in which they are being taught, among other subjects: traffic, feasibility, motor transport safety and operational standards and regulations. The members of this team have an approximate high school education.

Enterprise managers will be informed of the results of these inspections so that they can decide on those disciplinary measures they feel to be appropriate.

The constitution of this new work team is covered by Law 1323 governing the State Central Administration, which empowers MITRANS with the function of state control over transportation.

With motorized inspection better control will be achieved over the provisions and standards established by MITRANS, which must be observed by enterprises as well as motor vehicle operators. This operation will take into consideration routing, bill of lading, conveyance, loading of freight and crew discipline as well as mechanical defects of the vehicles.

11,466
CSO: 3010/73

BRIEFS

FRENCH CP YOUTH DELEGATION--This morning, Jesus Montane Oropesa, alternate member, Party Political Bureau, and member of the Central Committee Secretariat, received the delegation of the MJCF (Communist Youth Movement of France), headed by its Secretary-General Pierre Zarka who is also a member of the French Communist Party's Central Committee and a deputy in that country's National Assembly. The delegation, further made up of Gerald Souville and Ana Maria Amaibile, members of the MJCF executive committee, has been in Cuba since 6 September in response to an invitation from the Union of Young Communists. The interview was held in a friendly and brotherly climate and opinions were exchanged in the course of it regarding the work of the communist youth organizations of France and Cuba, the current international situation, and other topics of mutual interest. Also present during the meeting were Luis O. Dominguez, member, Party Central Committee, and first secretary of the UJC [Union of Young Communists]; Angel Fernandez and Javier Ardizones, section chiefs in the Party Central Committee; as well as Ramon Ajon, an official from the general department of foreign relations of the Central Committee, and Luis A. Castro, member of the UJC national bureau. [Text] [Havana JUVENTUD REBELDE 10 Sep 81 p 1] 5058

AGRICULTURAL COOPERATIVES--A total of 1,909 agricultural producer cooperatives have been established as of 31 August throughout the country; they cover 22,100 caballerias and include 35,782 members; this was announced in the course of the central report to the Tenth Plenum of the ANAP [National Association of Small Farmers] which is meeting in the headquarters of the peasant association in the capital. The meeting is chaired by Jose Ramirez Cruz and Julian Rizo Alvarez, alternate member, Political Bureau, and member, Central Committee Secretariat, respectively. This is the time for checking on the pledges for the prior plan, the work done during the first half, and the work accomplished so far, with a view to the Sixth Congress of the ANAP, to be held in May of next year. The upswing in the cooperative movement is also being analyzed, including the units in the mountains; this also covers the competition plan in honor of historical dates, the 17 May competition project, and the general outlines for the organization of the harvest in this sector. [Text] [Havana JUVENTUD REBELDE 16 Sep 81 p 1] 5058

GDR MILITARY DELEGATION—A delegation from the People's Army of the German Democratic Republic, headed by Gen [General Oberst] Horst Stechbarth, minister for national defense and chief of the Ground Forces, arrived in our country yesterday, having accepted an invitation from Army Gen Raul Castro, second secretary of the party and minister of the Revolutionary Armed Forces (FAR). The first vice ministers of the FAR, Division Generals Abelardo Salome and Senen Casas, the latter chief of the General Staff, Div Gen Sixto Batista, chief of the Central Political Directorate, all alternate members of the Politburo, and other FAR generals, chiefs and officers went to Jose Marti International Airport to welcome the visitors. The delegation is here on a visit of friendship and business and during its stay in Cuba will make a tour of military units and headquarters of economic, historical and cultural interest. [Text] [Havana GRANMA in Spanish 20 Sep 81 p 4] 11466

CSO: 3010/71

SERAPHIN, DOUGLAS CONTEST DEMOCRATIC LABOR LEADERSHIP

Roseau THE NEW CHRONICLE in English 26 Sep 81 p 3

[Text] Douglas declared that he was now the new political leader of the Dem-Lab party.

Seraphin accused the Douglases of having collected funds on behalf of the party and not turning them in to party headquarters.

A bitter fight between former confidants is about to be introduced on the political scene in Dominica.

In one corner stands Oliver Seraphin, Party Leader of the Democratic Labour Party; the challenger is Michael Douglas (Rep. - Portsmouth).

This week, Seraphin and Douglas issued statements declaring their positions.

Douglas declared that he was now the new Political Leader of the Dem-Lab party after he ' was elected unopposed at a duly constituted meeting of the Central Committee of the party. ' The Douglas statement said that Rosie Douglas was elected General Secretary whilePortsmouth Mayor Renwick Jean-Pierre and Julien Giraud were elected Trustees.

' The meeting condemned the shameful attempts by O. J. Seraphin and other discredited politicans to divide and confuse the labour movement. Seraphin's press statements coming 13 months after being rejected as Prime Minister and representative of Salisbury defeats political or moral logic and common sense In particular, Seraphin's. . . decision to expel Rosie Douglas. . . was rejected as baseless, cowardly and unconstitutional, ' continued the statement.

Douglas ended by accusing his former Prime Minister and party colleague of ' total ineptitude of . . . leadership and his puerile and mischievous attempts to selfishly divide the labour movement'.

Oliver Seraphin's salvo opened with a confirmation that Rosie had been ejected from the party. Said Seraphin:

' The ongoing consultation with the constituencies in preparation for the national convention demonstrated endorsement of the dismissal of Rosie Douglas. '

Seraphin accused the Douglases of having collected funds on behalf of the party and not turning them in to party headquarters.

He ridiculed Douglas' Glanvilla meeting of a CentralCommittee as ' the unholy nervous haste in last Sunday's picnic of persons called up by the Douglas brothers. . . to avoid embarassments in the matter of party funds, to give Rosie Douglas a mandate as General Secretary in order to solicit more funds. . . and to install Mike Douglas as a pretender to the leadership in order to facilitate the basis for a merger and takeover of Patrick John's party' .

' The history of Mike Douglas as leader of the defunct and non-starter Dominica Democratic Alliance and Rosie Douglas as leader of the so-called popular Independence Committee needs being recalled'.

' Mike was fired by P. J. pursued a hate campaign culminating in his being overthrown in May 1979 for which Mike claimed particular credit. Later Mike and Rosie former members of the Alliance were fired by that Organization. Four months prior to the General Election in 1980 Mike then politically homeless sought and received membership in Dem-Lab, his brother after much debate finally received the NOD for Membership in Dem-Lab just two (2) months before the General Elections'.

' In characteristic parasitic fashion the Douglas Brothers have sought to take over Dem-Lab as Mike attempted with the Shoe Party in 1978 and the Alliance in 1980'.

' Clearly the unprincipled conduct of advertising a complete take over of O. J. Seraphin's brainchild - the Democratic Labour Party after being rescued by him from the dustbins of political oblivion without the fullest possible consensus of the Members of the Party is a despicable act that will surely confirm Mike and Rosie Douglas as political opportunists who will have to justify their conduct to the rank and file members and supporter of the Democratic Labour Party".

' The conclusions of last Sunday' s Meeting is of no effect and must be disregarded by the Public at large. '

' The Democratic Labour Party headed by O. J. Seraphin lives on and will hold an early delegates Convention to confirm the Party' s Business without the ' negative' influence and presence of Douglas and Douglas," the statement continued.

CSO: 3025

BRIEFS

PROTEST TO CUBA--The Dominica Government has accused Cuba of interfering in the internal affairs of the country. A message was despatched this week to the Cuban Embassy in Grenada, deploring the granting of scholarships in Cuba to Dominicans after the government had rejected the offer. The protest note called the Cuban interference an "unfriendly act" and reiterated the position of the Dominica government on the matter. [Text] [Roseau THE NEW CHRONICLE in English 26 Sep 81 p 2]

CURRENCY DEAL TAX--Roseau, Dominica, Tuesday, (CANA)--Hurricane-battered Dominica yesterday reimposed a levy of one percent on some foreign currency dealings to raise EC$800 000 (EC$1 - 37 cents US) in additional revenue. Under a bill passed in the House of Assembly yesterday, the tax would be charged on the gross value of all foreign exchange dealings or purchases involving more than $100. Prime Minister Eugenia Charles, who tabled the measure, said government needed the money urgently to continue its developmental drive. However, Miss Charles promised to remove the tax first put into effect last August 1--as soon as government was satisfied that there had been an improvement in the country's revenue position. The five opposition parliamentarians present during the debate voted against the bill. One in fact accused government of introducing "cosmetic legislation" which he claimed would bring further economic woes to the country. The act stipulates that the tax will relate to the East Caribbean currency which is used in Dominica and other Eastern Caribbean states. According to the legislation it is an offence for anyone to fail to pay or account for tax imposed. Conviction would render such a person liable to a fine not exceeding $2 500 or a jail term of not more than one year. [Text] [Bridgetown ADVOCATE-NEWS in English 16 Sep 81 p 3]

CSO: 3025/22

TRINIDAD AND TOBAGO GROUPS FLAY U.S. DESIGNS ON GRENADA

St Georges FREE WEST INDIAN in English 26 Sep 81 p

[Text] In response to the nefarious role the Trinidad and Tobago media are playing, as willing accomplices of United States' imperialism's drive to discredit the Grenada Revolution, the people of Trinidad have formed a Committee Against US Aggression (CAUSA).

CAUSA has so far mounted pickets against the US Embassy in Port of Spain, to protest US plans to invade Grenada; and against the EXPRESS newspaper, to protest its propaganda onslaught, that tries to create grounds to justify overthrow of the PRG.

This was the second picket against the EXPRESS on Grenada's behalf.

Several political and cultural organisations participated in the pickets and the public's sympathetic response "suggests much working class support for the Grenadian Revolution, despite the propaganda barriage," said a CAUSA member.

Statements distributed at the pickets included those from the Council of Progressive Trade Unions (CPTU), the Workers' Revolutionary League (WRL) and Concerned Women for Progress (CWP).

"The US administration has opened up a campaign of lies and slanders aimed at destabilising the PRG and isolating Grenada from its natural allies, the people of the Caribbean," said the CPTU.

And, "despite its pious declarations on democratic liberties, press freedom, the virtues of free and fair elections, it is all too clear," CPTU said, that the TT media have "flagrantly denied the people here their right to be told the truth about the struggles" which the Grenadian people and the PRG are waging, "in their determination to transform the backward economic and political structures which they inherited from the neocolonial Gairy dictatorship."

The CPTU statement, signed by general secretary Michael Als, said the TT media have "invested a tremendous amount of energy and space to painting a picture of Grenada as seen through the US State Department and its regional supporters," noting that news of significance reforms in Grenada, of mass participation in production and defence, like news of US-backed atrocities against the people of Angola, El Salvador, Guatemala, and Honduras go unreported.

And it asked, in whose interest do the TT media operate--that of "the minority of exploiters in Grenada who are no longer free to plunder the state coffers with impunity," or of the majority of Grenadians "who for the first time in their history are accorded their right to proper health care, education and work?"

The WRL said the Reagan administration is seeking to halt the decline of US capitalism "by whipping up a new and dangerous cold war," which involves "greater austerity measures against the working class at home, increased militarisation, military aid and arms agreements with the most reactionary governments, and foreign intervention against oppressed and struggling people of the Third World."

In the Caribbean, as part of its military offensive, WRL said, "US imperialism is giving support, military and otherwise, to its most faithful yardfowls, while attempting to prevent international solidarity and aid going to the struggling Caribbean people."

The CWP said that as an organisation "whose primary struggle is for the full equality and human dignity of women," it recognises that women in Grenada "have made more significant gains in two years of revolution," than TT women have achieved "in 19 years of Independence."

And, it added, the present threat posed to Grenada's sovereignty "by US aggression--economic political and military--demands that Caribbean peoples take a firm and resolute stand against foreign, and especially US, interference in the region."

CWP also urged the public to examine the recent US military manoeuvres in the Caribbean "in the light of the implications of the US decisions to build the neutron bomb--a decision which constitutes another step in the escalation of the arms race promoted by the US, and which endangered world security and peace."

CSO: 3025/23

EEC GRANTS $6 MILLION FOR WORK ON NEW AIRPORT

St Georges FREE WEST INDIAN in English 19 Sep 81 pp 1, 7

[Text] The European Economic Community (EEC) this week granted $6 million to Grenada for the international airport, under the Lome II convention, an agreement between African, Caribbean and Pacific (ACP) countries and member countries of the EEC.

Civil engineer and project manager, Ron Smith, said the sum, given for infrastructure development and equipment supply, will be used to purchase some of the navigational equipment needed for the control tower.

He believes the money was directed to the airport as a result of last April's EEC-sponsored co-financing conference in Brussels, which sought assistance for the project, from EEC member countries and international financial institutions.

In its bid to block funds for the airport, the United States attempted to wreck the conference. However, this crude attempt by imperialism, sparked loud protest, from local and international organizations, including the ACP grouping, who strongly condemned it in their solidarity statements.

Finance Minister Bernard Coard, who attended the conference, said it was highly successful and supportive of Grenada's case.

Hence, this latest aid is seen as a defeat for imperialism's intrigues.

According to a recent EEC statement, the PRG is preparing a proposal for expenditure of the grant, for early submission to the European Development Fund.

Minister of National Mobilization Selwyn Strachan, under whose former portfolio of Communications and Work, the airport project fell, said that, on behalf of Grenadian people, he is "grateful and happy" about the EEC's grant, which is of "tremendous assistance."

He said the PRG is pleased with this offer, and despite US pressure, EEC member countries have maintained their independence and refused to be bullied. "This is a victory for the Grenadian people over US imperialism," he said.

On the project itself, dredging of all unstable material from Hardy Bay has been completed, according to Bro. Smith. Back filling or the dumping in of

solid material into dredged area will begin in about two weeks." The large US dredge doing the job, is now docked in St. George's harbour, awaiting additional pipes for this next stage.

Meanwhile, under the EEC's 1981 Food Aid Programme, a shipment of 100 tons of powdered milk and 30 tons of butter oil is due to arrive soon. Another 300 tons of milk is expected.

Since the Revolution, Grenada has received a total of 800 tons of such milk, and the EEC disclosed that the PRG's request for further food aid in 1982, has already been submitted to its headquarters in Brussels.

One of Grenada's reliable sources of external aid, the EEC has helped in building community centres throughout the island, and is today jointly financing the Eastern Main Road project.

CSO: 3025/23

CUBA PROMISES ADDITIONAL TECHNICAL SUPPORT FOR AIRPORT

St Georges FREE WEST INDIAN in English 26 Sep 81 p 3

[Text] At a time when the multi-billion-dollar budgets of nations such as the United States are diverted into warfare, Cuba, with all its own development problems, once again demonstrates that revolutionary commitment can produce the resources to help other struggling peoples.

The technical and economic cooperation agreement, which deals with 1982, covers health, housing, fisheries, education, road construction, agriculture and agro-industries, and the international airport.

Deputy Prime Minister Bernard Coard returned from Cuba this week, after concluding successful talks which extend and broaden Cuba's technical assistance to Grenada.

The renewal of the technical assistance agreement between the two countries is significant, he said, "because it not only pledges continuation of aid in the form of scholarships and providing the trained manpower to make massive projects like our new international airport a reality, but it also includes commitments to expand trade and aid us in developing the infrastructure required to improve the quality of direct production in all areas of our economy."

For example, Bro. Coard continued, "within the next year we will witness delivery of a prefabricated cement plant from Cuba with the capacity to construct the equivalent of 500 houses each year for our people.

"This new plant will allow us to train Grenadian workers in new methods of housing construction, increase the availability of low-cost, sturdy homes for our people, and construct many other types of buildings such as community centres, schools, and health facilities to improve the overall quality of life here in Grenada."

Similarly in trade, Bro. Coard noted, the new agreement calls for expansion of the number of consumer goods imported from Cuba. This was particularly important, he said, because "it will hold down the costs to consumers, who now pay inflated prices for the same goods produced in Europe and the US."

Commenting on the agreement's overall budgetary impact, Bro. Coard, who is also Minister of Finance, Trade and Planning, said: "This new agreement will save the Grenadian people millions of dollars. It will eliminate the need for us to spend money to send our youths away to school, it will provide new machinery and equipment directly, again saving us much-needed foreign exchange; and, most important, it will launch over 120 projects designed to fit into Grenada's long-term development plans."

CSO: 3025/23

EXPORT CROPS DOING POORLY, BRINGING IN FEWER DOLLARS

St Georges FREE WEST INDIAN in English 19 Sep 81 p 10

[Article by Vivian Philbert]

[Text] Affected by the world economic recession, diseases, and a recent freak storm, three of Grenada's major foreign exchange earners--banana, cocoa, and nutmeg--are losing millions of dollars.

Worse affected so far is the banana industry, which just over two weeks ago, suffered a battering from an unusual freak storm that left thousands of fallen banana trees, amounting to a loss of over $1 million.

The industry is at present suffering from the destructive moko disease. A moko eradication campaign by the PRG and the Banana Society is currently taking place in a last bid to save the vital industry.

One affected plantation of over 116 acres had to be completely destroyed recently, to prevent the disease spreading to other fields.

Commenting on the industry's present state, chief technical officer in the Ministry of Agriculture, Dennis Noel, said it is surviving because an alternative to bananas has not yet been identified.

He explained that of the three main crops, banana is the only one that brings farmers a weekly income and it employs the most labourers. Moreover, he said, it serves as a shade for cocoa.

The PRG is borrowing money to pay farmers for their bananas which are being subsidised to the tune of four cents a pound, he said. It therefore means that production cost is more than what the buyers pay a pound.

A further drop in price is expected this November, aggravated by a 30 percent drop in the pound sterling which has fallen from more than $6 (EC) to just over $4.

Bro Noel said the Ministry is seeking assistance abroad for farmers but emphasised they should improve the quality of their fruits.

The PRG, he said, is aware of the bad roads which have severely hindered transportation and consequently production, but it is now undertaking a $4 million feeder road project, together with the current Caribbean Development Bank loan for repairing feeder roads.

On the state of the industry, Lionel Alexis, a farmer of Preference, St. Andrew's and author of the book "Agricola," said Grenada's bananas are higher in quality than South American bananas, which the British housewives prefer.

Education is vital for farmers, he said, if they are to improve quality and fruit production.

Another farmer of La Alexis has 21 acres of land under nutmeg, cocoa, banana, and coconut production. He taught agriculture for a number of years and believes that youths must be stimulated to work the land. [as published]

Jim Lessey, a small farmer of La Digue with over 13 acres, most of which are in Mt. St. John, says the industry's future looks gloomy. "I lost over 100 trees in the storm and I am plagued with leaf spot, moko and nematodes diseases. I am going to give up bananas gradually and concentrate on cocoa and nutmegs."

Bro. Jim, who has been a farmer for over 40 years, advised other farmers that "we can't give up."

[Another farmer of La] Digue, Edwin Lessey, said he lost about 400 trees in the storm. However his enthusiasm has not dampened for he has already begun to rehabilitate his field.

The Bellevue state farm was also hit by the storm. Farm supervisor Glenus Joseph said more than 100 banana and 50 plantain trees were lost. He is, however, optimistic about the industry's future and has started to rehabilitate the fields. "Farmers must improve the quality of their fruits if they want to ensure better prices," he said.

Nutmegs, another major foreign exchange earner, is going through a difficult period. Some seven million pounds are stockpiled in pools all over the island awaiting shipment. Shipments for the spice have been coming occasionally but in small and insignificant proportions.

According to a small farmer nutmegs bore "like peas" this year.

Said Gregory Charles, manager of the Grenville pool: "We just don't know where to stock. We are thinking of renting a building for stocking. This year has been a bumper crop."

He said the industry was seriously affected by the world economic recession and pointed out that every industry goes through peaks and troughs. He is optimistic about its future though, predicting recovery by early next year.

CSO: 3025/23

ESTATE FARM WORKERS CONTINUE STRIKE, CRITICIZE OWNERS

St Georges FREE WEST INDIAN in English 26 Sep 81 pp 1, 4

[Article by Vivian Philbert]

[Text] As the strike by agricultural workers of the Bagatelle and Lesterre estates in St. Andrew's reached its fifth day yesterday, workers at Bagatelle refused management's offer of pay for public holidays, on the grounds that their demand was for full pay for the days they were on strike too.

On the other hand, however, workers at Lesterre have accepted the offer but have not yet returned to work. Dissatisfied with the offer by the estates' owner L. L. Ramdhanny, and by the Lesterre workers' acceptance, the Agricultural and General Workers Union (AGWU) to which the workers belong has called two meetings with them for Monday to decide on further action.

According to an AGWU spokesman, the union gave management a week to pay the money, about $3,000, retroactive from January 1, this year. But despite getting a further week of grace, management bluntly refused to pay the workers, who were then advised to strike by AGWU.

Before yielding to part of the workers' demand, Ramdhanny was basing his refusal to pay for public holidays on the grounds that the workers do not work on those days. It is reported that he was jeered at while trying to pacify workers on the issue.

AGWU officials say that Ramdhanny has given orders to shoot on spot any workers who trespass his estates and had ordered more catridges for his watchmen. In addition he threatened to get policemen to guard his estate.

Ramdhanny has a notorious record with workers. They complain of late hours of work, drop in wages for pension-qualifying workers, and poor worker-management relation because of management's attitude towards the workers.

Said Edwin Lewis, a worker of the Lesterre estate. "This is my last year with Ramdhanny. The man's not treating workers good at all."

Another worker Daphnie Beggs, said one or two of the workers are "crooks." "But I playing mas' and I 'ent fraid powder. We're not being treated good at all. Lesterre workers getting better treatment than Bagatelle workers."

Both Bro. Lewis and Sis Beggs think that workers should also stand up for a share in the estates' profits said Sis Beggs: "It is we who are making the profits, not Ramdhanny." However, she also pointed out that all workers should give an honest day's work for an honest day's pay.

Other workers complained that they have to fight for insurance money when they get injured and that they do not get paid while on sick leave.

The Ramdhanny estates have also strongly opposed the grant of maternity pay, especially for unmarried workers following PRG legislation making it compulsory.

Agricultural workers of the La Pastora estate in St. David's, owned by Raymond Rush, went back to work after a one-day strike, after which their demands were met.

In a meeting with Bagatelle workers last Thursday AGWU president Fitzroy Bain said the workers' historic actions showed their consciousness; they now realize that they have a right to enjoy the same benefits as the estate owners.

"Without the workers there can be no profit for the owners. It is you who produce the wealth," he said.

Pointing out that Ramdhanny's actions is a violation of industrial relations, he said AGWU is going to stand up with workers until their demands are met.

CSO: 3025/23

TRADE UNION CONGRESS HOLDS ANNUAL CONFERENCE

President's Address

Georgetown GUYANA CHRONICLE in English 26 Sep 81 p 20

[Text] The Guyana Trades Union Congress (TUC), moving into the third day of its four-day 28th Annual Delegates' Conference today, has pledged to continue dialogue, and not confrontation, with the Guyana Government on ways and means of improving the lot of workers.

The assurance was given by President Samuel Walker Thursday night, when he presented his first presidential address at the opening session of the conference.

Speaking to a capacity audience at the Pollydore auditorium, including delegates, government ministers, members of the diplomatic corps and special invitees, Cde Walker said the TUC feels consultation is a very effective tool.

He declared that the Guyana Trades Union Congress had accepted the challenge to work along with the government by way of continuous meetings and other forms of discussions to further the interests of workers and of the country as a whole.

The TUC, he said, will continue dialogue with public corporations and other state agencies to work out effective mechanisms for increases in the take-home pay of workers, and to accelerate the introduction and development of the concept of workers' participation in management.

Disagreements between government and the TUC on government-proposed guidelines for production incentive schemes are also to be resolved through discussions, Cde Walker said.

He also committed the TUC to government's thrust for increased production and productivity, necessary to improving living standards and providing better conditions of work for the masses.

The TUC conference opened with live and recorded messages of greetings from trade union organisations in 14 countries, including the United States, the Soviet Union, Britain, West Germany, the People's Republic of China, Suriname, Yugoslavia, Cuba and several other Caribbean states.

The opening session was also coloured with the presentation of gifts and the announcement of citations to several veteran trade unionists.

The TUC President, chairman at Thursday night's proceedings, said current international pressures and the state of the national economy pose a challenge to affiliates of the organisation "to be concerned and to strive to play their part for improvements."

He also referred to Venezuela's threat to 70 percent of Guyana's territory, and he urged trade unionists to be conscious of the implications of that threat.

On the functions of trade unions, Cde Walker said they have a right to defend workers they represent for all or any just cause.

In closing, he called on all Guyanese to pay away their differences and to help pull Guyana out of its present adverse economic state.

The theme of the conference is "Towards Trade Union and Working Class Unity for Development."

Condemnation of U.S.

Georgetown GUYANA CHRONICLE in English 28 Sep 81 p 1

[Text] The Guyana Trades Union Congress [TUC] has called for a halt to plans by the United States to produce and deploy the neutron bomb.

The TUC, in a motion unanimously passed on the final day of its 28th annual Delegates Conference yesterday, strongly condemned the US Government for its decision to go ahead with production of the Neutron bomb.

The motion was tabled by the Guyana Agricultural and General Workers' Union (GAWU).

This year's conference, described by the TUC leadership as an historic occasion, was attended by delegates from trade union organisations in the United States, Britain, West Germany, and Cuba, and from the Caribbean Congress of Labour.

In its motion dealing with the neutron bomb, the TUC said the decision of the Reagan Administration to begin production of the bomb and to deploy it in North Atlantic Treaty Organisation (NATO) member-countries, constituted a sharpening of international tension and an acceleration of the arms race.

The move "will enhance the danger of military confrontation. It constitutes a threat to world peace and will have disastrous, economic and social consequences for all people," the TUC observed. The motion called on the other hand, for greater efforts towards peace and detente, and for the reutilisation of funds earmarked for military arsenal to aid the exploited and oppressed nations and peoples in the world. The TUC also passed a motion demanding an end to the arms race, which it said was a threat "to the common destiny of all peoples."

CSO: 3025/25

BRIEFS

CANEFIELD STRIKES, ARSON--Guysuco's estates last week produced 9,315 tons of sugar, the highest weekly production to date as there was a marked improvement in the weather. But the maximisation of production was affected in other areas. A total of 9,315 tons was produced out of an estimate of 10,760 or 86.6 per cent of the estimate. This brings the second crop total to 83,975 tons of sugar, an achievement of 82.6 percent of the target of 101,645 tons. For the year, the Industry has made 193,695 tons of sugar. Uitvlugt estate for the third straight week made its target, producing 900 tons which is a 100 per cent achievement and once again goes on the Honours Roll. Honourable mention goes to Albion Estate which produced 1,775 tons, 25 tons short of its target, or 98.6 per cent; Rose Hall estate produced 90.1 per cent of its target when making 1,175 tons of sugar out of an estimate of 1,300 tons. Enmore made 1,005 tons out of 1,090 or 92.2 per cent; and Wales produced 1,045 tons of sugar out of an estimate of 1,150 tons a 90.9 per cent of its target. Creditable performance was achieved by Blairmont when making 890 tons of sugar or 89.5 per cent of its estimate of 990 tons of sugar. While there was an improvement in the weather in juice quality, work stoppages once again affected production, particularly at Albion which could have achieved its estimate. At the same time, arsonists were at work at Uitvlugt, Diamond, LBI, Houston and Leonora, burning approximately 310 acres of canes, and this is affecting reaping patterns. [Text] [Georgetown SUNDAY CHRONICLE in English 27 Sep 81 p 48] Georgetown, Guyana Tuesday (CANA)--More than 678 acres canes have been burnt by arsonists in the state-owned sugar industry, resulting in 'substantial and adverse effects on the level of production' this year. This was stated by chairman of the Guyana Sugar Corporation (GUYSUCO), Harold Davis at a ceremony for the signing of an annual production incentive agreement. Davis told the representatives of the three unions operating in the industry that it was distressing that the acts of arson continued without a word of condemnation except from one union. The GUYSUCO chairman noted that there was a high incidence of strikes and two weeks ago 129 hours were lost as a result of industrial action. [Excerpts] [Bridgetown ADVOCATE-NEWS in English 16 Sep 81 p 3]

CSO: 3025/27

EDITORIAL SUPPORTS SEAGA DECISION ON RELATIONS WITH CUBA

Kingston THE DAILY GLEANER in English 24 Sep 81 p 8

[Editorial: "Relations With Cuba"]

[Text] The Prime Minister, Mr Seaga, has announced recently that he will not upgrade diplomatic relations with Cuba at the moment. This means that there will be no exchange of ambassadors as was the case in the previous government and that the diplomatic mission in each country will be headed by a Charge d'Affaires. This should cause no surprise to Cuba or any one else since it is understandable and necessary.

It is understandable since the present government which in opposition took strong exception to the behaviour of Mr Ulises Estrada, the then Cuban ambassador, and which as one of its first acts as the new government sent him packing, could hardly so soon, want to exchange ambassadors. For it was not that Mr Estrada as head of the Cuban mission here was declared persona non grata for some isolated act on his part which was offensive to the people of the country. It was rather that his sustained attitude of near contempt for everyone, except those in the government of the Peoples National Party, and some of his actions which amounted to an interference in the affairs of the country, must have had the approval of his government.

The decision is necessary since it will indicate to the government of Cuba that the Jamaica government is aware that the outlandish behaviour of the former ambassador was no mere personal eccentricity but derived from the official policy of a government that did not understand the democratic spirit of this country.

The fact that the complaisance of the previous government contributed largely to Mr Estrada's appalling behaviour while he was here, is no more relevant in this context than the fact that Cuba signalled its willingness to upgrade its relations with Jamaica while the Leader of the Opposition was in Cuba.

The present government has given every indication that it accepts pluralism in the region. Indeed it was this government which resisted all pressures to break off relations with Cuba as a condition of its membership in the Organisation of American States in 1969. So the decision is not just a sterile act of anti-communism. It is more the imposition of a period of penitence justified

by the improprieties committed by the former Ambassador and Cuba's deteriorating relations with most of the countries in the region.

Nonetheless there have been talks on trade relations with Cuba and just last week a line of credit extended to the Bank of Jamaica by the Banco Nacional de Cuba in July 1980 was renewed by mutual agreement. While all is not as cosy as it was before normal civilities remain intact.

CSO: 3025/24

SURVEY OF ECONOMIC INDICATORS SHOWS DECLINE HAS HALTED

Kingston THE DAILY GLEANER in English 23 Sep 81 p 1

[Text]

The main indicators of economic performance show that the decline in the economy, which persisted up to the end of 1980, has now been halted and the basis has been established for substantially improved economic performance, according to the first half-yearly Economic and Social Survey of Jamaica to be published by the Government.

The survey which covers the period January to June 1981, was tabled in the House of Representative yesterday. It is the first time such a survey had been issued during the year under review.

In the preface to the survey, the Chief Technical Director of the National Planning Agency Dr. Headley Brown, pointed out that the Economic and Social Survey, which provides an evaluation of economic performance in Jamaica during each calendar year and records achievements or otherwise in the country's social life, is usually published at the time of the presentation of the annual budget.

HE SAID THAT THIS WAS THE FIRST issue of the survey during the year under review and that beginning with this edition, the survey would be published twice annually.

Dr. Brown said: "This innovation is part of the effort to facilitate economic development inasmuch as it assists planning and monitoring at all levels, by providing and analysing current data, and hopefully, facilitates structured discussion on the economy."

The survey said that the main indicators of the economic performance show that the decline in the economy which persisted up to the end of 1980 has now been halted and the basis has been established for substantially improved economic performance.

INDICATORS

The indicators listed by the Survey were: Gross Domestic Product (constant prices); Per Capita G.D.P.; the rate of inflation; the level of employment; and, investment activity.

The survey said that an increase of approximately one per cent in Gross Domestic Product (in constant price terms) is projected for 1981. This compares very favourably with the decline of 5.4 per cent during 1980 and an overall decline of 18.5 per cent during the period 1978-1980.

Gross Domestic Product per capita (constant prices) is projected at approximately $852 in 1981 — a marginal increase over the 1980 level. There was a 6.5% decline in 1980. There was a marked deceleration in the rate of increase of the general price level, the survey said, as indicated by movement in the consumer price index.

THE INDEX SHOWED an increase of 0.6% during the first six months of 1981, compared with an increase of 12.4% during the corresponding period of 1980. This represents a reversal of the trend sustained and severely high rates of inflation which has been a characteristic feature of the economy since the early 1970s.

JOB SITUATION

There were 39,900 more persons in jobs in April 1981 than in April 1980, the survey said. In addition, the rate of unemployment declined from 27.9% in April 1980 to 26.2% in April 1981 or from 26.8% in November 1980 to 26.2% in April 1981.

There has also been a marked improvement in the local investment climate, the Survey said. This is evidenced by the fact that 352 proposals related to new investment and involving a total capital outlay of approximately $1.1 billion were presented to Jamaica National Investment Promotions Limited up to July 1981.

The survey said that a positive GDP growth is projected, notwithstanding current indications that the mining sector which had a GDP growth rate of 10.5% in 1980 has a projected decline of one per cent in 1981.

The main contributors to the growth in GDP (constant prices) in 1981 will be agriculture (mainly domestic agriculture and livestock), manufacturing, construction and installation, other services and electricity and water, the Survey said.

CSO: 3025/24

SPAULDING: TERRORISTS MAKING CONCERTED DISRUPTION EFFORT

Kingston THE DAILY GLEANER in English 24 Sep 81 pp 1, 14

[Text] The Minister of National Security and Justice, the Hon. Winston Spaulding told Parliament yesterday that despite the significant gains made by the security forces in the fight against crime and terrorism, there was a hard core of dedicated terrorists led by highly educated but evil men determined to frustrate the efforts of the Government.

Mr Spaulding said that there was a large volume of information which indicates a concerted effort to disrupt the plans of the Government regarding economic recovery and national security.

"What I have read about the type of documents recovered, the training, the nature of the methods being used, will convince people inside this Parliament and outside of this Parliament that this is not a situation in respect of which we can be complacent...it is going to require the national will of the patriotic, law-abiding people of Jamaica to come to grips with this menace once and for all."

Mr Spaulding was making his presentation in the second sectoral debate on Government action and policies which started in the House of Representatives on Tuesday.

The Minister said: "I would like to assure the country that my ministry and the security forces are fully aware of many of the plans of these disruptive elements in the society. Steps have been taken and will continue to be taken to equip the security forces to identify and deal effectively with these problems."

"This government was given a mandate to restore the society to a position where all law-abiding citizens will feel free to pursue their legitimate endeavours. I make an earnest appeal to all law-abiding citizens to cooperate with the security forces in providing information on criminal and terrorist activities in their communities," he said.

Mr Spaulding said that the Government was dealing with what could be called a "crime school and a crime factory" which has ideological and political motivations, which created a problem which in the richest countries with more highly developed security operations created grave problems.

He said that copies of certain disturbing articles which appeared inflammatory and inciting and to promote criminal disorder had been sent to the Director of Public Prosecutions. He said that articles were the written counterpart of destructive planning and action in the society.

One of the articles appeared in a newspaper published by a communist organization the Revolutionary Marxist League-giving the name and number of a policeman whom it accused of murder and went on to call for the arming of communities and the using of roadblocks to obstruct police activities.

Insanity

"What I wish to know is what kind of society are we that when publications like these are distributed in the society the same person who wishes protection for his home, the same person who wishes protection for his life and that of his family, the same person who wishes protection against rape, the same person who wishes safety and security in anyway is indifferent about this kind of political extremist activity in the society which apart from the conventional criminal activity we have in the society, has the effect of having a deliberate systematic build-up to promote criminal, terrorist and guerrilla disorder in the country.

The Minister said that the problem was coming from the time of "alliance of insanity" in the country, between the P.N.P. and the W.P.J. which is where the security problem which he had inherited began.

"I have documents here which at the appropriate time will explain why Winston Spaulding has been silent." He said that for over a period of time, the security have been finding communist and left-wing forces all around trained as insurgents, or terrorists or guerrillas: "I want the country to understand, because I state here before this Parliament, before my government and before this nation, that I am not going to take basket to carry water and people might understand what it is we are fighting."

For some time now the security forces have been finding equipment like detonators, fuses, guns, cartridges, manuals with Soviet literature, manuals on urban guerrilla warfare.

"If I am going to be charged with the very serious and difficult, awesome and serious responsibility of dealing with national security in this context, people had better listen and understand why this administration is saying that we have inherited a legacy and a burden which is unprecedented in the history of modern Jamaica."

Mr Spaulding said that the country must decide whether it wanted to continue playing "cat and mouse" games with the situation or whether it was going to seek to redress the situation. He warned that the Government would not accept any areas as the "fiefdom" of gunmen. People were sprung from the prisons to take part in criminal and terrorist activities, but the security forces were aware of this and enquiries were being made. He warned gunmen that attacks on the security forces with M16 rifles would trigger severe retaliation. "If they bring the M16 they are going to get lick," the Minister said.

CSO: 3025/24

VALUE OF EXPORTS, FOREIGN EXCHANGE INFLOW INCREASE

Kingston THE DAILY GLEANER in English 25 Sep 81 p 1

[Text] Traditional and nontraditional exports increased in value by J$55 million during the eight months January to August this year over the same period last year.

During this eight-month period, foreign exchange inflows increased by $214 million. At the same time, however, imports have risen by J$219 million for the same period, over last year.

These were the high points of an address by Deputy Prime Minister and Minister of Foreign Trade, Hugh Shearer, delivered to the annual Staff Appreciation Awards Function of the Bank of Jamaica, in the Bank's auditorium yesterday afternoon.

Mr Shearer who gave these figures in describing the bank's functions as a compiler of trade and financial statistics, said that not only did recent statistics prepared by the Bank show these latest trends in export and import activities, they also indicated developments in local financial affairs.

"Commercial bank loans to the private sector which stood at a total of $869.5 million in December 1980 increased to $1,012 million in June 1981. The Cost of Living Index showed increase of 5.4 points January to August this year as against 21-1/2 points for the same period last year. Most of the $100 million trade credit which had dried up during 1979-80 period have been restored. These are some of the positive indicators that the economic down-turn has halted and we are ready to move upwards."

"Special Interest

He repeated that the arrears of foreign debts had been reduced from US$75.53 million in December 1980 to US$49.5 million in September 1981.

In addition to all this, said Mr Shearer, it must be of special interest to the staff of the Bank, as to the whole country, that the jobs of 10,000 workers in the public sector had been preserved: and that, instead of a wage freeze, provision had been made for an amount for wage increase for employees in the Public Sector in each of the three years of the economic recovery programme.

Mr Shearer said that in the settlement of wages and salaries in the public sector just negotiated, it had been provided that unskilled workers in Central and Local Government will be earning $5,044 per annum basic wage as from 1st April next year; that vacation had increased by 40 percent, by counting seven days entitlement as seven working days instead of calendar days previously, which included Saturday and Sunday and meant only five working days.

The Deputy Prime Minister, who earlier paid tribute to the bank for the efforts it had made and projects undertaken to assist members of the community in sports and community activities, said that appreciation was also due to the Bank's staff for its work in keeping accurate account of the nation's vital financial activities.

There was need for more sectors of the economy to pay attention and to make use of the publications of the Bank of Jamaica and the Department of Statistics about the country's business--its revenue, expenditure, cost of living, population distribution, production, exports, wage levels, etcetera. "Not only do they furnish relevant statistics, but they provide the basis for analysing and determining important trends in the national economy."

Were it possible, said the Deputy Prime Minister, there should be a special award to the Bank for its performance in keeping Jamaica afloat "in the very difficult years before 1980."

CSO: 3025/24

EDITORIAL CHARGES PUBLIC UTILITIES IN STATE OF CHAOS

Kingston THE DAILY GLEANER in English 22 Sep 81 p 6

[Editorial: "Utilities in Chaos"]

[Text] The continuing perilous financial state of Jamaica's public utility companies--the Jamaica Public Service Company (JPSCo), the Jamaica Omnibus Company (JOS), the Jamaica Telephone Company and the National airline, Air Jamaica--is like a plague on the country. The standard of service being provided by these companies is a source of monumental frustration to consumers and the travelling public and, according to the Minister of Public Utilities and Transport, Mr Ross, there appears to be no semblance of ease in the problems which have afflicted the companies.

The problems listed by Mr Ross range from managerial and administrative, escalating cost of capital equipment and energy to the endless industrial unrest which has characterised the utility services, in particular. In the case of the JPSCo., the island's only electricity service appears to have become more and more unreliable while operational costs have increased, resulting in the accumulation of major losses. To consumers, the situation has been aggravated by an iniquitous method of computing energy charge which results in higher bills to households even where energy conservation has been actively pursued. The proposal for a shift to diesel units offers no relief until 1984.

Of the group of utility companies the transport services are undoubtedly the worst. The JOS, in its unmitigated state of decline, is a serious blot on a service which before its transformation to a publicly owned company had been providing a reasonably good service in the capital city. Of the company's fleet of buses less than half are roadworthy, consequently commuters have been deprived of a service on which the overwhelming majority of ordinary citizens depend. The presence of some 470 unlicensed mini-buses on the streets of the Corporate Area is an untenable situation, but is a direct upshot of the unsatisfactory service being performed by the JOS. Not only must the Government move swiftly to correct the now chaotic situation on the Corporate Area streets, partly the result of the numerous unlicensed mini-buses on the road, but a sense of order must also be injected into the operation of the licensed mini-buses.

Commenting on the problems of the national airline, Air Jamaica, whose liabilities exceed $64 million, not to mention its long-term debts, Mr Ross attributed these largely to an aging fleet of aircraft, unprofitable routes and poor management. Overextending itself, the airline has obviously felt the effects of international competiton on certain routes from which it has been forced to withdraw.

A rehabilitation of these public companies to efficiency levels to allow them to provide the monopolistic service, and cope with the increasing demands, will require substantial capital injection. Expensive though are the prospects this is a course which Government cannot avoid. The capital cannot be obtained by pricing at this stage for where prices are increased consumers should be entitled to a corresponding improvement in the quality of the service. The country knows that it does not follow. What seems certain is that while there is the need to rid the fiscal budget of the burden of financing the public utility companies this ideal appears no where in sight, at least in the short to medium term. This is the dilemma. The inefficiency of the services poses a serious threat to economic stability.

CSO: 3025/24

EXCERPTS FROM LABOR PARTY MEETING EXPOSE VIOLENT INTENT

Basseterre THE DEMOCRAT in English 26 Sep 81 p 10

[Text] The Opposition Labour Party held a public meeting at George Street, Newtown, last Sunday, September 20.

Since the recent exposure by the Honourable Michael O. Powell, concerning the Labour's fishy relationship with an American gunman imported into the State as a "tourist," it is more important than ever for the public at large to follow the trend of Labour's public utterances dealing with the planned use of violence by themselves.

When a fish stinks, it starts from the head, and so with Labour's stench of destructive intentions, Opposition Leader Lee Moore first voiced a threat to "destroy Dr Simmonds utterly and completely" last year February. His subsequent denials ("It is not so I meant it") have totally failed to convince anyone.

Now again, just weeks after seeking to deny their pledges of violence in a "declaration" signed by the whole gang of them, including Stogumber, here are some excerpts from this meeting:

Browne

Simmonds had better not misunderstand our patience to be anything but patience for we have resolved to kill--let me say it again, we in Labour--we in the Leadership of Labour have resolved to kill to live and we shall take whatever defensive measures are necessary for the protecting of our own person and property--let it be understood.

Moore

Simmonds' end is near--Don't take it light, it is no joke--it is no political joke when I say that Simmonds' end is near--his end is near and it is very near and Simmonds had better know it. The writings are on the wall already Mene, Mene, Tekel, Upharsin (See Daniel Chapter 5 Verses 25 & 30).

Moore Covering for Browne

We are not proposing to start ourselves any violence in this country but what Comrade/Browne was saying is this--it is not intelligent for any human being to stand while another human being destroys him and we are therefore not proposing to allow anybody to destroy us while we stand with our hands to our side--So what we are talking about are measures to defend and protect ourselves, our families, our property and our organisation.

CSO: 3025/23

EDITORIAL EYES OPPOSITION UNITY AGAINST LABOR PARTY

Kingston THE VINCENTIAN in English 4 Sep 81 p 4

[Editorial: "Seeking Opposition Unity"]

[Text] At its recent Congress the United People's Movement decided that there are two paramount considerations which must be placed over and above all other matters in respect of St Vincent and the Grenadines. The two are Preservation of Democracy and economic Survival.

The Political Leader of the UPM, Ralph Gonsalves, told THE VINCENTIAN that these matters are so urgent that his party felt that the "principled" elements in the opposition groups should open dialogue with each other. He declared unreservedly however that there are certain people with whom he personally would never be prepared to consort, even to overthrow the Labour Party.

THE VINCENTIAN approached the leader of the National Democratic Party, James "Son" Mitchell, for his views. He also feels the need for detente among opposition parties in the common cause of the good of St Vincent and the Grenadines. But he also made it clear that as far as he is concerned those people who had betrayed the NDP could have no part in any detente in which he was involved. He noted that in any case his Party would have to be consulted and agree to any sort of unified approach. He would not take action on his own.

The decision for the UPM to play down ideologic ferences [as published] in the interest of a united effort for the good of the country already has party approval since the matter was the subject of a Congress resolution.

Mitchell agreed with THE VINCENTIAN that the appropriate attitude for local politicians to take was support of the right and condemnation of the wrong, regardless of the superpower from which the action came. He described himself as "a member of the radical centre." He feels that West Indians including Vincentians, have demonstrated their dislike of communism, at the polls in no uncertain terms. Mitchell express distate at some of the things currently going on in Grenada and ascribed them in part to Maurice Bishop's political inexperience. However with Reagan at the head of affairs in the U.S. he does not regard the invasion threat reported by Bishop as beyond the realm of possibility. We ourselves are extremely doubtful if even Reagan's fascist tendencies would stretch to the invasion of a minute island in the Caribbean.

The repercussions on the international front would certainly be gigantic! If Reagan wants to make a physical attack on communism in the Caribbean, why not Cuba? We have however to admit that in a previous difference of opinion over Grenada (when THE VINCENTIAN came out so strongly in support of Bishop at the time of the coup) Mitchell was right.

We believe that international politics is the issue on which unity between UPM and NDP would flounder.

In our opinion it is high time that the people of St. Vincent and the Grenadines were offered a viable alternative to the St. Vincent Labour Party at the polls. Such a party would have to accept the definition of freedom as understood by Vincentians. In the last two general elections a lot of people have stayed away from the polls. The logical explanation would seem to be that in their view the Labour Party no longer measures up to expectations, and there was no acceptable alternative. Further we are convinced that whatever party is in power a strong opposition is needed to keep it on its toes.

There is something else. The word "principled" must be interpreted according to fact not according to politics. Let us offer a few examples from our thinking on the matter. Britain acts in an unprincipled way when racial connotations are allowed to infringe on the rights of its citizens.

The United States acts in an unprincipled way when it fails to condemn unreservedly the entry of South African troops in Angola.

Cuba acts in an unprincipled way when it attempts to masquerade as a nonaligned nation.

Bishop is unprincipled when he reneges on his promise to Grenadians and the world that free and fair elections would be an early priority for his Revolutionary Government, and that the freedom of press will be preserved.

CSO: 3025/25

NEW PARTY EXPOUNDS ON ITS GUIDING PRINCIPLES, RATIONALE

Kingstown THE VINCENTIAN in English 11 Sep 81 p 1

[Text] A new party has been formed in St. Vincent and the Grenadines: "Progressive Democratic Party."

The executive body includes Dr Gideon Cordice, Hon. R.B. Russell, Hon. G.C.H. Thomas and Calvert Samuel (General Secretary).

THE VINCENTIAN had an interview with the executive and heard the reason for the formation of the new party. The founders feel that the nation cannot afford to tolerate the St. Vincent Labour Party in the 1980's. There seems to be a lack of control in all its public affairs and there are indications that its leadership is not able to discipline its members of Cabinet.

According to the views expressed to THE VINCENTIAN, in St Vincent, there is a lamentable lack of perspective in the political leadership. Unimportant issues are exalted to the position of issues and very important issues are lost sight of or neglected. People are not motivated. The emphasis of the Labour Party is on money and taxation and not on people and development. The Labour Party is an "Inhuman Government' a spokesman claimed.

The nation said the executive body is calling for an alternative to the Labour Party, but not a communist alternative that has ties with Cuba, and Russia like the U.P.M. What is needed is an alternative that is for democracy--not merely in words, as claimed by the present government, but one whose principles are based on democratic principles. "This alternative is the Progressive Democratic Party!" The absence of this alternative ties the people's hands, restricts their choice and tends to keep the island in backwardness and stagnation.

In the past said the executive, especially between the years 1967-72 Vincentians saw a vibrant Labour Party that was concerned with the problems and perplexities of the country. Since then there has been disturbing evidence that the same party though in power has lost the support, interest and concern of the people.

The P.D.P. it is claimed is a party that understands the needs of Vincentians and one that is competent to deal with the many problems facing the youths in particular.

The formation of this party, the executive explained, has gained the support of the people of this state. This they said has been proven in tours to the Windward and Leeward sides of the island by the reaction of residents who showed undoubted support. At the moment the party's committee is at work preparing their constitution which will be distributed to the people at a later date.

CSO: 3025/25

BRIEFS

ADVANCES IN AGRICULTURE--Kingstown, St. Vincent, Monday (CANA)--Agriculture Minister Vincent Beache says that farming here has made tremendous strides since the ravages of Hurricane Allen last year. Mr Beache who also holds the trade portfolio said that of all the sectors, banana production has made the most dramatic recovery. "This seems to be a common trend in the Windward Islands," he said. He lauded the efforts of farmers whom he said, contributed greatly to the resuscitation of the various agricultural sectors. The Agriculture Minister said that St. Vincent was now working with the Caribbean Agricultural Research and Development Institute (CARDI) to solve a serious pest problem affecting the island's carrot production. Research work is being carried out on onion and garlic production and the growing of ginger for canning. Besides expansion in acreage under sugar cane and arrowroot, Mr Beache said there was "a new thrust in beef production." "This is one area that we have been pushing very hard because our cattle production has decreased considerably especially since the (1979) volcanic eruptions where farmers sold out their breeding stocks and there was also a lot of theft," the minister said. "It takes a long time for cattle to develop, so right now we are short of beef," he added. Mr Beache said that as a result of government's recent mission to Taiwan, experts from that country are now here exploring areas of potential agricultural development. [Text] [Bridgetown ADVOCATE-NEWS in English 22 Sep 81 p 3]

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END

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LATIN AMERICA REPORT

No. 2397

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FORMER AMBASSADOR TO U.S. SPECULATES ON CANCUN SUMMIT OUTCOME

Buenos Aires LA NACION in Spanish 17 Oct 81 p 9

[Article by Jorge A. Aja Espil: "New North-South Dialog in Mexico"]

[Text] Many conflicting expectations have arisen concerning the imminent summit meeting which will take place in the Mexican resort town of Cancun. On 22-23 October, the leaders of 22 nations (the Federal Republic of Germany, Saudi Arabia, Algeria, Austria, Bangladesh, Brazil, Canada, the Ivory Coast, China, the United States, the Philippines, France, Great Britain, Guyana, India, Japan, Mexico, Nigeria, Sweden, Tanzania, Venezuela and Yugoslavia) will discuss difficult socioeconomic issues on the highest political level, in the long-standing search for better and more effective international cooperation between the so-called industrialized or developed countries and the countries of the underdeveloped or developing world. This is what is commonly known in international parlance as a North-South dialog.

It is easy to be skeptical about the results that can be accrued at a summit conference which is simultaneously restricted and heavily attended, such as the one that will take place in Cancun; but the proverb that whoever does not hold dialog will not progress seems to vouch for the advantages of an international operative dimension.

North-South Dialog

The underdeveloped world accounts for approximately three quarters of the world population, including countries which are very different from one another, but which show common traits, such as lack of food, a high birthrate, minimal income, an energy shortage, backward social structures, etc.

Geographically, the vast majority of the underdeveloped countries are located in Africa, Asia and Latin America, and hence are distributed in both hemispheres. How, then, can we talk about North-South relations with reference to the developed world and the underdeveloped world?

At the beginning of the 1970 s, the abundance of oil in countries with little or no development, such as Saudi Arabia, Kuwait, the Arab Emirates, Qatar, Libya, Iraq, Iran, Algeria, Nigeria, Indonesia and Venezuela, marked the start of great speculation in world trade. The prices of raw materials skyrocketed, and also caused another underdeveloped sector, consisting of the countries exporting tropical products, to achieve unheard of prosperity. There was every indication that we were reaching the end of a cycle in the old international economic order, and that the heretofore rich countries would have to begin their Way of the Cross.

Beginning in 1973, when the oil market was in a state of upheaval with the sudden takeoff in prices, the industrialized countries, particularly the European nations dependent upon imported oil, attempted to reconcile their economic policies with the increasing demands from the crude exporting countries. So, in February 1975, the European Community, which imports 81 percent of its required oil, concluded the Lome Accord, beginning a new phase of economic cooperation with its former colonies in Africa, the Pacific and the West Indies. Thereupon there began the so-called North-South dialog, transferring a geographical concept to the socioeconomic area (unlike the East-West dialog, concentrated on the politicomilitary area); the key idea of which is precisely that the industrialized countries and the underdeveloped or developing countries are dependent on one another. Neither Europe nor Japan can survive without raw materials, nor can the countries supplying primary products survive without the market and technology of the former.

The 'Brandt Report'

During 1977, with the 1973 oil crisis over, there appeared a marked tendency among the industrialized countries to reduce the assistance that was being channeled through the International Bank for Reconstruction and Development, better known as the World Bank, to support the poor countries. At the time, Robert McNamara was starting his third term as president of that financial institution, and his reaction was to create a "Commission for International Development Problems" headed by Willy Brandt, former chancellor of the Federal Republic of Germany and Nobel Prize winner. We might add that, for the first time in history, this type of commission included representatives from both the developed world and the underdeveloped world.

The Brandt Commission Report, as it is commonly called, was released in December 1979, and published with the title "North-South: a Program for Survival." This study not only proposes immediate recommendations for dealing with the urgent problems in key areas such as energy, raw materials and financing needs, but also brings up the long-term problems the solution to which appears to lie in changes that would restructure the world economy.

The essential point in the "Brandt Report", following McNamara's inspiration, is the reform of the international monetary system, especially attaching value to and using the so-called Special Drawing Rights (SDRs). It is well known that as of 1970, for the purpose of increasing international liquidity, the International Monetary Fund put the Special Drawing Rights into effect, constituting reserve assets the unit value of which is now the average for a market basket in five currencies: the American dollar, the German mark, the French franc, the Japanese yen and the British pound sterling.

The "Brandt Report" stresses the relationship between the Monetary Fund's paper money and the financial assistance to the underdeveloped or developing countries, for which it eliminates many of the obstacles and restrictions limiting its use. In this regard, the "Brandt Report" is in agreement with the Monetary Fund and the Third World countries which want to convert the SDRs into international reserve currency.

To be sure, the international bureaucracy would have its reward as well: A new institution located halfway between the World Bank and the Monetary Fund, would

serve as a bank for the Third World,financing the trade among the underdeveloped or developing countries, and granting soft loans for domestic projects.

Global Negotiations

The aforementioned proposal contained in the "Brandt Report" is nothing new and, generally speaking, is the same one which the representatives of the developing countries combined in the so-called Group of 77 put forth on the occasion of the Fourth and Fifth UN Conferences on Trade and Development (UNCTAD) in Nairobi and Manila, respectively. Again, at the 11th Special Session of the UN General Assembly which took place in August-September 1980, an effort was made to progress in the search for new formulas. In order to reduce the differences, it was attempted to coordinate procedures which would give an impetus to the North-South dialog through "global negotiations" the purpose of which was "to reach concrete agreements that would contribute to the solution of the international economic problems within the context of world economic relations" (R.s. 34/138 of the UN General Assembly).

The disagreement between the industrialized countries and the Group of 77 froze the global negotiations "ab-initio" [from the outset].

The Summit Meeting at Cancun

In March 1980, there was advanced the notion of a summit meeting limited, in principle, to 20 countries, which was adopted by the prime minister of Austria, Bruno Kreisky, and the president of Mexico, Jose Lopez Portillo. Since both statesmen were convinced that the North-South dialog had not progressed because of a lack of political backing on the highest level, they put forth the proposal with an intensity which puzzled more veteran diplomats.

At its beginnings, this plan was received with apprehension by the majority of European leaders, who chose to assume a wait-and-see attitude before declining to attend. However, Brandt himself and those adhering to the North-South dialog created an international atmosphere wherein any refusal to consider the commission's report appeared to the international community as a total lack of sensitivity toward the poverty of the countries with less or no development. Thus, the foreign ministries of the industrialized countries began to appear more inclined toward the convocation, doubtless so as not to become estranged from the Third World nations; while the ministries of economy remained unwilling to participate, fearing an unproductive confrontation.

Insofar as the United States was concerned, the Carter administration (at the height of an election campaign at the time, and not having very good relations with the host country) cited its opposing position, arguing that it would be necessary to await the results of the 11th Special Session of the UN, relating to the same issues.

In November 1980, in Vienna, the first preparatory meeting for Cancun took place, with 11 countries attending, including the two sponsors, Austria and Mexico. It was there that the selection was made of the 20 participating countries, allowing for an increase to 22, in the hope that both the United States and the Soviet Union would eventually decide to attend. By January of this year, there occurred the meeting of the then President-elect Reagan and President Lopez Portillo. It should

be recalled that the former had emphasized in his campaign the need to intensify the bonds of friendship with the neighbors, Mexico and Canada, even proposing the conclusion of an accord for North America. The cooling of relations that took place during the Carter administration was to be followed by rapprochement with the new Republican administration. That presidential embrace at the border resulted in Reagan's conditioned agreement to attend the summit meeting, which has now been proposed for October, instead of June, as originally planned.

The next step for the organizers of the international event was to obtain the presence of the Soviet leader, Leonid Brezhnev; and that is the reason for the travel of the Mexican foreign minister to Moscow, as well as for that of Willy Brandt himself. Nevertheless, the Soviet Union's decision is irrevocable: it will not be in attendance at Cancun.

Prediction on the Conference

What can result from a meeting of 22 heads of state and heads of government in the course of 48 hours?

At the time of the planning of the summit conference of industrialized countries in Ottawa, which convened in July of this year, the U.S. State Department favored greater backing for the underdeveloped countries through the North-South dialog. There immediately arose a strong opposition from the Treasury Department, fearful that the "global negotiations" demanded by the Third World would lead to a massive, inflationary issue of international currency; in other words, of the Special Drawing Rights (SDRs). A confidential document produced in that department made severe criticism of the policy of the World Bank, because of its uncontrollable tendency toward becoming a welfare organization for the Third World countries, instead of stimulating foreign investment and allowing the market economy to act.

On the occasion of the recent annual assembly of the World Bank and the Monetary fund, President Reagan put forth the United States' position at the imminent Cancun meeting, when he warned the representatives of the underdeveloped countries that, "unless the economies and finances of those countries are put in order, no aid will produce progress;" adding that, "It is necessary to put an end to the rhetoric that divides the North from the South."

The new American policy has its legal justification in the very policy of austerity and cuts in budgetary spending that Reagan is carrying out. But it also reflects a new ideological position of the Republican Party's right wing, which has unquestionably had favorable repercussions on the new World Bank president, A.W. Clausen, who until recently was director of the Bank of America.

One can also foresee the line to be adopted by eight of the countries that are members of the British Commonwealth of Nations, scheduled to attend Cancun. At the summit meeting of the Commonwealth, held in Melbourne, Australia, during the first week of October, Canada, Australia, Bangladesh, Guyana, India, Nigeria and Tanzania strongly supported "global negotiations" on food, energy and financing. Only Margaret Thatcher, who is being increasingly besieged by foes and supporters alike, agreed with Reagan's policy, noting that, "The solution to our problems does not lie in the redistribution of the existing wealth, which is insufficient, but rather

in the creation of new wealth." Upon Margaret Thatcher's return, Edward Heath, the former British conservative prime minister and coauthor of the "Brandt Report", met her heading a genuine rebellion within the party, nurtured by the differences with her regarding the forthcoming North-South dialog in Mexico.

As for the German "premier", Helmut Schmidt, threatened by the left wing of the Social Democratic Party, he nevertheless does not seem willing to make concessions to his fellow countryman and fellow party member, Willy Brandt. Hence the position assumed by his finance minister, Hans Matthoefer, in agreement with his American counterpart, Donald R. Reagan, at the last meeting of the Monetary Fund, to the effect that the financial agencies should impose stricter requirements in granting loans to developing countries.

As is obvious, the United States, Great Britain and the Federal Republic of Germany do not appear willing for the North-South dialog at Cancun to progress beyond a profusion of diplomatic courtesy for the host country.

2909
CSO: 3010/97

BRIEFS

ARGENTINE-BRAZILIAN EXPORT POLICIES--At a meeting of Argentine and Brazilian meat-packing plant owners to establish an agreed upon policy to stimulate the consumer markets for canned meat, the dissimilar pattern of exports from both countries, resulting from an internal treatment which is also different, was disclosed. During 1980, Argentina lost 35 percent of the volume of corned beef exported to the United States, when the figures are compared with those of 1978; while Brazil increased its exports to that market by 61 percent, in the case of the same years. Also between 1978 and 1980, on the United Kingdom market, whereas our country lost 40 percent of the volume exported, Brazil's exports declined only a little over 20 percent. These statistics were reported during the course of the meeting held last weekend in Sao Paulo by Argentine manufacturers and Brazilian producers of canned meat, at which the status of the world market was reviewed. The report emanating from the meeting states that whereas, in Brazil, the meat packing industry receives differential reimbursements of 15 percent of the FOB value of its exports and prefinancing credit backing of 40 percent of its production at an annual rate of 40 percent (with an internal inflation of about 80 percent), and the government is now preparing to award it half the price between 30 and 50 percent of the 260,000 tons estimated as the supply for its intervention, in Argentina the meat-packing sector has unsuccessfully demanded equivalent treatment from the national authorities. This request has been based not only on the status of the market in general and the aggressive competition from its Brazilian counterparts, but also on the considerable debt (estimated by industrial sources at approximately $270 million) in which its companies find themselves, causing a financial burden that is "impossible to withstand." It is noteworthy that, in 1978, Argentina sold the United States 20,782 tons of corned beef, while Brazil sold a volume of 12,503 tons. In 1980, our country exported 13,498 tons to that market, as compared with 20,135 sold by Brazil. [Text] [Buenos Aires CLARIN in Spanish 1 Oct 81 p 14] 2909

ARGENTINE CARS TO PERU--The commander-in-chief of the Army, Lt Gen Leopoldo Galtieri, will pay an official visit to Peru before the end of this year, only a few days after Foreign Minister Oscar Camilion also travels to that country, according to an announcement made by the Argentine ambassador to Lima, Luis Sanchez Moreno. Moreover, the diplomat claimed that the negotiations to allow Argentine business owners to make sales of railroad material, automobiles and equipment for factories to Peru, as well as to export some 1,000 cars to be used as taxicabs, and approximately 150 trucks from the Mercedes Benz firm, are "very well under way." Sanchez Moreno, who made statements upon arriving at the Ezeiza airport, announced that he had returned to the country in order to analyze with Foreign Minister Camilion the details of the forthcoming visit to Peru, among other topics. Although he explained that the date

of that trip has not yet been determined, he emphasized that it would most likely take place at the beginning or in the middle of next month. He also disclosed that Galtieri had arranged with high-ranking Peruvian Army officials, when he was in that country for a brief stop while enroute to his recent visit to the United States, to pay an official visit to Lima. Sanchez Moreno remarked: "He will probably take that trip at the end of November or in December." Furthermore, the ambassador announced that, on 26 October, the commanding general of the Peruvian Air Force would be arriving in Buenos Aires at the invitation of the Argentine Air Force; while, a few days thereafter, at the end of this month or early next month, the minister of energy and mines, Pablo Cuchinski, would arrive here for the purpose of holding meetings with authorities from the National Atomic Energy Commission. In that connection, he stressed that the plan for nuclear cooperation between the two countries is following "its timetable quite well." [Text] [Buenos Aires LA PRENSA in Spanish 14 Oct 81 p 6] 2909

CENTRAL BANKS MEETING--The Nicaraguan and Salvadoran delegates to the meeting of economy ministers and presidents of Central American central banks which was held in San Jose, Cost Rica, admitted that their countries cannot pay their debts to the region. Oscar Melgar and Bernardo Chamorro, economy ministers of El Salvador and of Nicaragua respectively, blamed the siutation on political and economic problems and other domestic problems. Jose Miguel Alfaro, who is vice president of Costa Rica and currently the acting president while President Carazo is in the Far East, said that so far this year commerce in the region has dropped 25 percent. In the meantime, an agreement for an alternative for a solution to the problem was reached at the meeting. The agreement specifies capitalizing the Central American economic stabilization fund and asking the Inter-American Development Bank for more aid. [Text] [PA180430 Panama City Televisora Nacional in Spanish 2245 GMT 17 Oct 81]

HONDURAN-COSTA RICAN POSITION--Honduras and Costa Rica have said no to a fascist alliance. Honduras' defense secretary, Mario Flores, and Costa Rican Vice President Jose Miguel Alfaro have said they will take no part in the fascist idea of [Guatemalan president] Romeo Lucas Garcia and [Salvadoran Government junta president] Duarte on creating a regional army to crush the liberation movement of the Central American people and to destabilize the revolutionary process in Nicaragua. Commenting on this, the Honduran defense minister said: My government and the armed forces of Honduras maintain the policy of neutrality and respect for the right of self-determination of neighboring states. The Costa Rican vice president commented on the call from Guatemala's dictator for the isolation of Nicaragua, saying: It would be a mistake to isolate Nicaragua from the community of nations. Alfaro added: Everybody has the right to organize according to their own principles. The proposal of the dictatorships in Guatemala and in our own country for the formation of the northern triangle, which is the name that the fascist alliance has taken, has been rejected internationally since it is seen as a maneuver of U.S. imperialism to regionalize the war, thus putting world peace in danger. [Text] [PA171712 (Clandestine) Radio Venceremos in Spanish to El Salvador 1200 GMT 17 Oct 81]

USSR TOURISTS VISIT NICARAGUA--San Jose, 15 Oct (ACAN-EFE)--A group of Russian tourists is visiting Costa Rica, making effective an agreement signed between the government of Costa Rica and a USSR travel agency. The purpose of the agreement is to attract USSR tourists to Costa Rica and to propitiate a new source of foreign exchange. The visiting group, made up by 22 people, was met at the international airport by foreign ministry and tourist institute employees. The USSR tourists will also visit some cities located in the southern part of Nicaragua, official spokesmen disclosed. [Text] [PA160603 Panama City ACAN in Spanish 0035 GMT 16 Oct 81]

SUGAR EXPORTING NATIONS MEET--Quito--The 15th meeting of the group of Latin American and Caribbean Sugar Exporting Countries, GEPLACEA, met in Quito Monday, with the participation of about 100 official delegates from around the hemisphere. During this 15th session, the organization will pay special attention to the international sugar market, the production and marketing of sugar, technological cooperation, matters pertaining to the International Sugar Agreement, statistics technology and administrative matters. [By Vicente Vega] [Excerpt] [PA192027 Quito Voz de los Andes in Spanish 1730 GMT 19 Oct 81]

CSO: 3010/178

NATIONAL LEADERS COMMENT ON VIOLA'S PERFORMANCE TO DATE

Buenos Aires SOMOS in Spanish 9 Oct 81 pp 4-7

[Article: "Viola: Who Is He and What Does He Want?"]

[Text] Seven questions asked by SOMOS of leaders from all areas attempt to profile the president in the difficult current situation and upon the completion of his first 6 months in government.

1. Is he, in fact, a statist or a liberal? Why?

2. Some claim that he is "hemmed in" by the Military Junta; while others claim that he is to blame for the government's immobility. What do you think?

3. His silence, is it a virtue or a fault? Why?

4. It is said that he is a great "political schemer". Under the present circumstances, is that a virtue or a fault? Why?

5. It is said that he is a "populist general". Is that true or false? Why?

6. He is accused of not producing what is necessary, and his defenders claim that his style is "not spectacular". What do you think?

7. In view of the contradictory views expressed by ministers and advisers from his staff, many claim that he "has no consistent government plan." Is that true or false? Why?

Emilio Hardoy (leader of the National Center Party)

1. and 2. What both President Viola and the Military Junta, and what we might term the entire "national reorganization process" propose is to correct and adjust (reorganize, organize over again) the system inherited from Peronism; and this is precisely what has proven to be impossible, because we are witnessing its inevitable disintegration. The "moderation" of President Viola (Sigaut) is merely a repetition of the "gradualism" of President Videla (Martinez de Hoz). Both express the fundamental desire to leave everything as it was.

3. and 4. I do not share the view that General Viola is a ruler who practices silence, because he has voiced his opinions at length on several occasions. As for whether

or not he is a great "political schemer", I would point out that such a quality does not assume significance when what is needed are categorical decisions. For example, not to issue any more money, to eliminate the treasury deficit, to balance the economy, to close the state enterprises, to reduce public spending substantially, to eliminate the single trade union and the nationalized social projects.

5. What is obvious is the intention of General Viola's government not to annoy the Peronists and the Radicals. In that sense, his concern for not condemning Peron and what the latter represented may be judged as a gesture of "populism".

6. I have already mentioned the "moderation" that General Viola has proclaimed as a standard for his government. It may be agreed that his style is "not spectacular" because that style reflects the intention of not changing the existing conditions nor damaging the vested interests nor abolishing the political and social structures that have been inherited.

7. There is a consistent goal in the "national reorganization process": to maintain the essence of the Peronist regime. Both the action of President Videla and that of Viola have consistently aimed at attaining this goal, limiting themselves to getting rid of those who are "corrupt" and "subversive", without realizing that the system will inevitably produce them.

Eduardo Althabe (president of CARBAP [Confederation of Buenos Aires and the Pampa Rural Associations])

1. Any ruler who has had to manage in a government structure marked by statism for 30 years cannot help but seem like a statist.

2. The present economic crisis makes any government action slow.

3. There is no silence.

4. I don't like the term "political schemer". It does not apply to a president, but obviously he has more interest in politics than have other military presidents.

5. We would have to define the term "populist", but in any case he is a general of the nation, with all the responsibilities which that implies. I don't think that those who are currently unemployed can claim that he is a populist, and I should explain that he is not to blame for which is occurring in that connection at present.

6. There is no doubt that his style is not spectacular.

7. The views of his advisers or ministers are those of each individual, and they cannot coincide. In fact, they do not.

Raul Matera (neurosurgeon, Peronist leader)

1. It is my personal opinion, from his action, that we are witnessing a personage of marked pragmatism and political flexibility, but one who, in the economic realm, continues to maintain a liberal type economic leadership, reflecting a "gray cat" quality that is quite clearly evident.

2. We have often remarked that the Armed Forces government is paying a high price in its effort to prevent the "personalization" of power. For this purpose, it had to create a neoconstitutional system which, because of trying to maintain proper balance in the exercise of political power, has ended up becoming more deeply entrenched, owing to the lack of a solution for the major national problems, the crisis in confidence and the indifference of the citizenry. That high price consists of great difficulty in governing, a slowdown in the government's progress, and even an immobility which could become suicidal from a political standpoint.

3. I assume that the question refers to General Viola's brevity, because I do not consider him silent at all. His statements are numerous. This ostensible lack of loquacity is merely circumspection in his remarks considering the nation's serious problems.

4. I have heard that description of General Viola. I do not have sufficient personal experience to judge it. If it were accurate, he should be careful not to become "entangled in the packthreads."

5. Thus far, there is no evidence of solutions in the socioeconomic area; which is not conducive to popularity.

6. I gave my opinion in this regard in the second response to this list of questions.

7. There are, in fact, a great many contradictions in his ministerial cabinet, most particularly in his political adviser, General Harguindeguy, who shows an inconsistency between what the president says or attempts to do, and the personal views expressed by the former minister of interior. Therefore, the inconsistency is real.

Rafael Sarmiento (former judge, leader of the National Center Party)

1. He is not liberal. Because of professional deformation, he has ended up not understanding nor liking the political philosophical system of the liberal National Constitution of 1853.

2. The government is a single one, with a president and a Junta. There can be no president without a Military Junta, just as there can be no Military Junta without a president. Both the Military Junta and the president are "hemmed in."

3. Silence is a fault when one should speak clearly and on time. Beyond silence and statements: actions, when?

4. Moreno, Alberdi, Sarmiento, Avellaneda, Rivadavia and Carlos Pellegrini were great "political schemers". Under the present circumstances, "scheming" seems to consist of "enduring". To govern is not to endure. If a constitutional mission is not pursued (Law on Professional Associations, Electoral Law, Statute of the Political Parties), "scheming" and "unscheming" are of no use; they are not a virtue, but rather a fault.

5. General Viola is a man of honor, and he has denied bing a "populist". It should not be thought that a "populist" is the same as a "demagog".

6. Neither the president nor the Military Junta has produced what is necessary. Therefore, Viola does not bear all the blame. The blame lies with the authoritarian system which has reached its end after parading about for over 40 years, from military control to majority political parties dissociated from the liberal system.

7. There is a consistent government plan and it is being implemented: both things. Sometimes it is preferable that it not exist beforehand, but rather emerge from events. If the process has a plan (and a consistent one as well) to reestablish the federal and republican government system (which is efficient as well), it is something that we certainly do not know. The facts indicate the contrary.

Armando Braun (businessman, chairman of the Inter-American Council of Commerce and Production [IACCP])

1. I do not believe that General Viola has liberal convictions. Furthermore, he is not a humanist, a philosopher or an expert on political science, but rather a man who has pursued a military career with great success and who is now confronting responsibilities and problems alien to his professional training.

2. The style of this government is the exclusive responsibility of General Viola.

3. I do not believe that such a silence exists. On the contrary, I think that, in general, those responsible for the process have abused words in an inverse relationship to the number of constructive deeds accomplished.

4. "Political scheming" is not, in itself, a virtue or a fault. It depends on the goals that one is attempting to achieve, and the means used.

5. I do not think that General Viola can be described as a populist president. On the contrary, I think that he does not have popularity, nor does he want to obtain it from the masses using ignoble means.

6. If the necessary things mentioned in the question have a liberal inspiration, it is most likely that they are not being produced. It doesn't matter whether or not the style is spectacular, simply because there are no convictions in that regard.

7. Differing opinions between the ministers and advisers are fitting when they do not share a set of clear, consistent ideas leading to a single, indisputable goal. If one judges the present government from these contradictions, it is possible to reach the conclusion that a consistent leadership is lacking.

Jorge L. Garcia Venturini (philosopher)

1. A statist. There are no signs of the contrary.

2. Every person is responsible for what he does, and even for what he does not do.

3. When it is necessary to be silent, silence is a virtue. When it is necessary to speak, it is a serious omission.

4. Every politician is a "schemer" by trade. What matters is that he scheme not only well, but for a good purpose.

5. It is a matter of taste.

6. To govern is not a spectacle. One must be cautious of "spectacular" governments.

7. There are too many opinions, too many spokesmen, too many advisers and too much bad government propaganda. The natural language of governments should be actions.

Maria Cristina Guzman (leader of FUFEPO [Popular Federalist Forces])

1. The president himself has described himself as a moderate. He is, and has proven to be an enemy of extreme or manichaean positions.

2. I don't believe either one or the other. Since he came into being, the president has been one of the great protagonists of the process which began in March 1976.

3. Silence is neither a virtue nor a fault. The moral judgment lies in the cause underlying the silence. Furthermore, I don't know what silence is being mentioned, because virtually every week the press reports interviews with the president.

4. When a man reaches the position in which General Viola is at present, and under the conditions wherein he reached it, he obviously has the virtue and the "special quality" of the ideal politician.

5. I don't know whether it is because of his unassuming nature or because of some of the president's popular tastes (such as soccer, and gathering with friends to eat at barbecues) that he has been described as a populist, a term which (as it is applied currently) contains a somewhat reprehensible, pejorative sense. What is essential is that the government is in each instance adopting the measure which the country requires, whether popular or not; never antipopular.

6. There is obviously a need for more dynamic and efficient action in the government. As for the "lack of a spectacular quality", I don't think that it is always a good thing to require that connotation.

7. It is public knowledge that the president will soon be explaining to the Military Junta the complete government plan; hence I infer that there is a plan. With regard to the contradictions among ministers and advisers, it is indispensable that they be corrected (immediately), because this does no good to the government's image or to the people's confidence.

Jesus Iglesias Rouco (reporter from LA PRENSA)

1. In the area of facts, nothing can be said; simply because there are no facts. The only thing that one observes are some insinuations.

2. There is no proof whatsoever that General Viola wears a "corset"; nor is there any that the members of the Military Junta wear one either. In fact, no one here wears a "corset", much less public spending. Only liberalism is hemmed in in Argentina.

3. What silence? No, the president's remarks do not wear a "corset" either.

4. It is possible; but, if so, he is certainly an "undoer of schemes,"like Penelope who, as everyone knows, engaged in waiting.

5. Generals are, above all, generals. Then, the circumstances make the additions.

6. He has also been accused of producing what is unnecessary. I would say that he is accused of what is unnecessary and that, on the other hand, what is necessary is usually omitted.

7. There is no consistent plan. I don't believe that there is a plan. That is precisely what explains the contradictions.

Gerardo Ancarola (politician, secretary general of the Christian Democratic Union)

1. 2. and 3. The 6 months that have elapsed since General Viola took office do not afford sufficient leeway for depicting his profile as a ruler. In any event, this system of power (which appears to be heavily contingent on the Military Junta) was already known, especially by one who, like General Viola, was one of the inspirers and top-ranking executors of the process. The fact is that perhaps now more than during the previous administration, the true maneuvering area that it has is becoming apparent. And, in that regard, his silence may be interpreted equally as an individual style and as a means of differentiating himself from other high-ranking officials whose remarks are often light and at times sterile. Personally, I prefer presidents who are temperate, but effective.

6. and 7. In many areas, the present government is considered to be slow in its actions. In this regard, one would have to observe that President Viola introduced a Law on Ministries which, upon breaking up the former Ministry of Economy (many of the problems of the present time involve the economic realm), actually hampered the speed of the decision-making. But what has most fed the criticism is the fact that in the strictly political area (and this has had an effect on the process) the immobility that is evident is alarming.

And if the political, economic, social and cultural systems which led us to the dilemma from 1973 to 1976 are maintained, regardless of how much good will is shown, we shall succumb again to our cycles of crisis.

Juan Alemann (economist, former secretary of finance)

1. From an ideological standpoint he is undefined, but he tends more toward liberalism. In essence, it is the ideology of the average Argentine.

2. In Argentina, the position of the president of the nation is so important that, even with a Military Junta, it determines the style of a government.

3. It is a fault. The president, who is the "government's voice" to the entire country, should express ideas which determine his action and give an impetus to deeds. The president's silence tends to put the government on the defensive, with a loss of political power.

4. Every president should have a certain political skill. But when the political action is concentrated on contacts with individuals and loyalties, real in some

instances and based on expediency in others, and not on strong ideas and dynamics that are visible in actions and results, one ends up subtlely transferring power to politicians and union leaders. Since the latter have little power of their own, there is the risk that they may become dominated by the Marxist left, which has a particular ability to dominate organizations that are outwardly large but weak in their real internal structure. Note the multiparty entity.

5. That is not a correct definition. He is not attempting to obtain the people's favor with demagogy, like Peron. But he is attempting to interpret the different social groups, with a tendency toward being overly permissive.

6. There is no doubt that his style is quite the opposite of spectacular. But that has nothing to do with a certain slowness in decision-making and insufficient capacity for conveying a political notion of government.

7. There is a basic ideology in the process which is still in effect. What one notes is a certain amount of vacillation and contradiction in the implementation of this phase, which is objectively difficult. At the same time, the government's structure itself conveys an idea of inconsistency and lack of direction.

Fernando de la Rua (leader of the unionist sector of UCR [Radical Civic Union])

In all sincerity, I refuse to discuss the issue following questions which, in my opinion, do not deal with the fundamental matter. What is important here are not the possible personal descriptions of the president, but rather the serious disappointments at present because of the mistakes that have been made, and the urgent need to return to the Constitution. The deepseated nature of the crisis leaves no room for options such as those proposed, which lack interest in a national emergency such as this, and a system of power to which presidential leadership is alien. Peace, the supreme asset, has been restored. The only necessity is to return to the Constitution: Its design and its ideology are what must be implemented.

Bernardo Neustadt (journalist)

1. Viola is actually a gradualist, and as pragmatic as anyone. He is a liberal by conviction and a realist by nature. He would do nothing to aggrandize the state. But what can he do to diminish it? His soul is liberal.

2. A general recently whispered in my ear: "This is the first military government that has a parliament against it: the CAL [Legislative Advisory Commission]." Why do I start off with an anecdote? Because the "hemming in" goes back and forth; rather than immobility, there is an exasperating slowness. It also happened to Videla and Martinez de Hoz. They chose a military method for governing a civilian society.

3. What silence are they talking about? The one that he kept before assuming power? Viola is not a silent type; he is a good listener, but he also voices his thoughts. Furthermore, what Viola thought about the Martinez de Hoz program was known to his close associates and to half of Buenos Aires. He never agreed with it. And what Viola wants, to proceed toward a republican, democratic society, is no secret.

4. With the process where it stands, experiencing its disappointments more than its undeniable successes, it is good to have a president with a political scent, one capable of observing rumors and taking the temperature on the street, not living within four walls in solitude. The time of "what I do" has gone, and we are in the time of "what we do." "All or no one" should be the slogan. Viola removed the "do not disturb" sign that the process had hung up.

5. That is a label which they attached to him once so that he would not be president. It might be so, but he has not finished removing it.

6. The system is slow, and the president "chews" the decisions a great deal. He does not like being called hasty. It is true: he has an allergy toward what is spectacular.

7. Military presidents, as a rule, are the object and not the subject of the economic instrumentation. They indicate where they want to go ("to revive the productive apparatus" in the case of Viola), and wait for their operators to accomplish it. In the 'meanwhile" they have as much obscurity and uncertainty as you and I do.

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VIOLA'S RECENT PRESS STATEMENTS REFLECT COHERENT POSITION

Buenos Aires LA PRENSA in Spanish 9 Oct 81 p 16

[Article: "Three Statements From President Viola. Is Peronism Being Democratized?"]

[Text] The chief executive, Lt General Viola, has just made statements to three foreign press organs in which, it is assumed, he has summarized the most current view of the process toward the various aspects of the Argentine situation. Both the complete text of the interview that he gave the Mexican magazine VISION, and the accounts of the interviews which Viola held with correspondents from the Brazilian newspaper, O GLOBO, and the Spanish paper YA, were disseminated by the Secretariat of Public Information of the Presidency. With the questions aimed at more or less the same topics, the head of the Casa Rosada gave in his replies a coherent picture, possibly aided by the very short time that elapsed between the three articles, published here on 5 and 7 October. It would be difficult for any government to contradict itself overtly from one day to the next, and when the questions coincided, President Viola had an opportunity to state the same basic concepts to the three reporters. For example, the one to the effect that hastily calling for elections "is by no means a guarantee that the strong, stable democracy to which we aspire will be able to operate" (O GLOBO); and, therefore, insofar as normalizing the nation's institutional life is concerned, "I am not willing to hasten any timetable of that type if my convictions indicate to me that it is not the proper time to do so" (YA).

To VISION and YA, he also denied that the current economic policy entails changes in the system applied under the former presidency, because the new measures "presuppose the continuity of an economic philosophy which was explained in a timely manner by the Armed Forces in 1976" (YA). In these respects, President Viola's statements unquestionably do not differ much from those which any other high-ranking representative of the process could have made.

Wedge Between Civilians and Military

However, from one interview to the other, there was what we might term a certain implicit coincidence in condemning the civilians and exalting the military, through views which in those instances were perhaps more personal. Lt General Viola told VISION that, if the political parties admit their past "mistakes" they will be able to teach the younger generations how they should act. He said: "They will be responsible for describing to the youth how, at a given time, international subversion

threatened the very existence of the nation, at the same time uncovering certain failings in our democracy, and what their role was during that period." For lack of greater accuracy, we assume that this comment about "their role" refers to that of the parties or that of democracy, or that of the latter's failings. In any of the three instances, it is impossible to forget that it was not the parties, nor democracy, with all its failings, which was in power during the years in which the subversion was hatched and broke out. It was some of the military who occupied the Casa Rosada during those very years, or those who caused all kinds of difficulties for the civilian authority, that culminated in June 1966, with the outbreak of the "Argentine Revolution", the preeminent events of which were, after all, the assassination of Aramburu and the return of Peron. There is no reason to doubt that the "politicians" will, in fact, pass on that lesson left by the high military circles to the youth.

Strange Details

On the other hand, when talking to O GLOBO about the Beagle issue and its prompt, although still hypothetical solution, the president noted that, in this way, Argentina and Chile "will begin an era of cooperation and friendship that will be an example to all America."

These notions might also have been underwritten by another high-ranking military commander. But Lt General Viola considered it pertinent to add: "Notice a strange detail: it will be two military governments which will have made this contribution to the rise of a new attitude attaching value to peaceful solutions again in international relations."

Another "strange" detail (added by the reader of the official account of the statements himself) is the following: Argentina and Chile were never so close to the brink of fratricidal madness as under their respective military governments. Without going into considerations about the distribution of blame between the military and civilians for having arrived at the present situation after decades, it is obvious now that the latter reached its extreme state in recent years, during which the arms race between the two countries has been accelerated, with an inevitable decline in resources urgently needed for other purposes.

This will be another of the lessons that the "politicians" will leave to the coming generations.

Reorganization of Peronism.

Regarding the future margin for action of the Justicialist movement, Lt General Viola said that it will depend on the latter's adjustment to the democratic and republic groundrules (O GLOBO). The same view was expressed a few days ago by the Cordoban minister of government, Mr Uanini, who maintained that Peronism must "gear its operation to that of a political party" and give up its "self-proclaimed status as a movement;" and earlier, former Senator Italo Luder had proclaimed the need for democratizing Peronism.

Generally speaking, one assumes that this involves forgetting the finger-pointing leadership and giving the rank and file an actual share in the major party decisions.

This, of course, brings up directly both the principle of verticality and the leadership exercised by Mrs Maria Estela Martinez de Peron, whom secretary Bittel reaffirmed less than a month ago, claiming that, "To the majority of Peronists, she is still the leader of the movement and of the party." However, apart from any commitments that she may already have made to Admiral Massera, is she herself interested in returning? At the request of one of her defenders, Federal Judge Marquardt has just extended the permission for "Isabel" to remain abroad until 9 January 1982.

In any event, the restructuring of the Justicialist movement does not depend at present on the internal movement of wills, but rather on the Casa Rosada's issuance of the statute on the parties. Until such time, not only that one, but any other sector of opinion, will not know what to be guided by.

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MULTIPARTY FORMS COMMISSIONS TO DEVISE POLITICAL PROPOSAL

Buenos Aires LA NACION in Spanish 13 Oct 81 p 12

[Text] Last night, the multiparty officially set up the commissions which will begin this very week the consultation of the various sectors of national activity, and which will be required to devise a proposal to be submitted to the country within a period of time not to exceed 40 days.

The groups will have advisers to be proposed by each party, and they will be required to come up with decisions which will be submitted to the permanent secretariat, whose political board was also established yesterday.

With the exception of the international one, the commissions will start working today.

According to disclosures made by sources close to the Radical national committee, its head, Dr Carlos Contin, invited Dr Cesar Garcia Puente to join the commission that deals with social matters; but the latter did not accept.

The permanent political board is comprised of Juan Carlos Pugliese, Rodolfo Garcia Leyenda and Luis Leon, of UCR [Radical Civic Union]; Nestor Carrasco, Torcuato Fino and Herminio Iglesias, of PJ [Justicialist Party]; Americo Garcia, Marcos Merchensky and Carlos Zaffore, of MID [Integration and Development Movement]; Juan C. Manes, Marcelo Arabolaza and Raul Rabanaque Caballero, from PI [Intransigent Party]; and Martin Dip, Carlos Auyero and Hugo Conza, representing the Christian Democrats.

The Commissions

The commissions which will hold the consultations with the various sectors of national activity were made up as follows:

Institutional policy: Carlos Perett, Raul Alfonsin and Eduardo Angeloz, representing UCR; Torcuato Fino, Herminio Iglesias and Ruben Sarboli, representing the Justicialists; Americo Garcia, Marcos Merchensky and Carlos Zaffore, representing MID; Juan Carlos Manes, Rafael Marino and Marcelo Arabolaza, representing the Intransigent party; and Salvador Busacca, Augusto Comte and Arturo Ponzatti, representing the Christian Democrats. It will operate at Peronist headquarters.

The economic commission will carry out its activities on the MID's premises, and consists of Antonio Troccoli (UCR), Bernardo Montenegro (PJ), Carlos Zaffore (MID), Miguel Monserrat (PI) and Martin Dip (DC).

The culture and education commission consists of: Fernando de la Rua (UCR), Fino (PJ), Antonio Salonia (MID), Mariano Lorences (PI) and Carlos Auyero (DC). It will operate on the Christian Democratic premises.

The social commission is comprised of: Juan Trilla (Radical), Sarboli (PJ), Garcia (MID), Raul Rabanaque Caballero (PI) and Eduardo Traboulsi (DC). It will engage in its activities at PI central headquarters.

The international commission is made up of: Ricardo Colombo (UCR), Nestor Carrasco (PJ), Merchensky (MID), Fayis Sago (PI) and Hugo Conza (DC). It will operate on the premises of the Radical National Committee.

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LAMI DOZO VIEWED GROWING IN STATURE AS GRAFFIGNA'S SUCCESSOR

Buenos Aires LA NACION in Spanish 11 Oct 81 p 8

[Article: "The Graffigna Succession"]

[Excerpt] This weekend, Brig Maj Basilio Lami Dozo appeared to be establishing himself as a leading candidate to succeed the commander-in-chief of the Air Force, and hence the next member of the Military Junta. Only a month ago, Admiral Anaya occupied the position left by Admiral Lambruschini in the corps that has been making the basic decisions of the state since 1976.

Most political observers believe that they perceive a tacit message in the decision made by Brig Gen Graffigna, the nation's highest ranking aviation authority, to lend an extraordinary display to the air attack and defense maneuvers held this week under Lami Dozo's direct leadership. Completely reliable Air Force sources proved to be very cautious in this regard when questioned by LA NACION. In fact, they stated that, at the first meeting of brigadiers in March, it had been decided to give the order to undertake those maneuvers and, as a result, the latter should not be connected with the course of action being followed by Graffigna to fill his own vacant slot. On the other hand, however, those sources let it be known that they considered the observers to be on the right track concerning the likely name of the future commander-in-chief.

Graffigna is the one who must decide in an entirely personal manner on the appointment of the superior officer who will replace him by 25 January 1982, at the latest. It is understood that he will not, like his predecessor, Brig General Agosti, wait until January to make an official decision. The regulations in effect stipulate that the members of the Military Junta will serve as such for a term not to exceed 3 years. In the case of Graffigna, that term expires on 25 January.

A War Game

Meanwhile, there has not been a single explicit reference thus far from Graffigna to the direction in which his decision will be aimed. As is only natural, the commanders-in-chief always attempt to decide such critical matters with the utmost secrecy, a careful sense of timeliness and special deference to all the individuals who might in one way or another feel involved in the direction of their vote. Without going any further, surely no one could at this point obtain a comment from Lt General Galtieri about who his chief of staff will be next January, or who the commander of

the First Corps will be; because both matters will carry a considerable amount of significance in relation to his succession, which will be opened up at the end of 1982.

But, clues are clues. In spite of everything, it has been very telling to political observers that, close to the time when Graffigna must make a decision, there has occurred an event which enabled Brigadier Lami Dozo to stand out as commander of Air Operations; that is, in the aeronautical war games with a magnitude unprecedented for many years (and in a certain sense, unique), which were held this week under the title Blason I.

This is how the military stature of that Santiago native, whose abilities, subjected to the greatest public testing in recent years, had been of a political nature, came into prominence. In fact, Lami Dozo served for several years as secretary general, in other words, political secretary, of the Air Force. In the comparison of the personages who have held such positions in the Army, Navy and Air Force, he has been given particular consideration by those who follow the Argentine military scene attentively. He is regarded as a man with moderate ideas, equipped to deal with difficult political negotiations, interested in the modernization of the state and sincerely bound to the disputable notion that the Armed Forces in March 1976 could not have decided upon a more appropriate institutional system for the path they they were about to traverse. We are still on that path.

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LABOR PUSH WITHIN PERONIST PARTY RALLIES FORCES BEHIND BITTEL

Buenos Aires LA NACION in Spanish 16 Oct 81 p 20

[Text] The national government's refusal of the request submitted by the Justicialist Party to celebrate another anniversary of 17 October 1945 with a public ceremony attested once again to the lack of intelligence that exists among the members of the party's national council.

While secretary Deolindo Bittel declared in Resistencia that the Justicialist Party would abide by the government's decision, which in his view is mistaken, to avoid in this way the arrest of the members, the trade union council members backed the resolution of the CGT [General Labor Confederation] and the 62 Organizations to summon the citizenry to gather in front of the former's headquarters for the ceremony that was to be held today, the only speaker at which will be Saul Ubaldini.

Although the confrontation among the members of the trade union branch who comprise the council with the first vice-president has been under way since a certain amount of flexibility occurred in the political ban, there was evidence of a hardening on the part of the trade unionists after the reinstatement of the 62 Organizations.

Apart from the disputes that might be termed "domestic" there had already been a serious discrepancy with respect to the invitation of the trade union sectors into the multiparty. On that occasion, and after secretary Bittel agreed with the heads of the other four forces that the convocation should be made without exclusions, the trade union council members insisted on their proposal of exclusive status for the CGT; which caused a brief delay in the progress of the multiparty. Before that reconsideration, the trade unionists questioned the action taken by the first vice-president at an agitated council meeting.

As was commented in party circles, the trade unionists' ambition to gain space within the party caused many leaders of the political branch to back Bittel, despite the differences separating them from him, as a means of preventing "the preeminence of the trade union branch."

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CARBAP CONCERNED OVER COUNTRY'S POSITION BEFORE GATT

Buenos Aires LA NACION in Spanish 10 Oct 81 p 8

[Text] Developments in international economic relations and the course that has been chosen for the country's economic liberalization program are sources of constant concern for all productive sectors of the country, even those that consider the latter process irreversible.

Last Monday a note sent by the Confederation of Buenos Aires and the Pampa Rural Associations (CARBAP) to Minister of Agriculture and Livestock Jorge Aguado was made public. The note requested the minister's intervention to clarify the nation's position on the General Agreement on Trade and Tariffs (GATT). This request was prompted by the announcement by Minister of Industry and Mining Livio G. Kuhl on 2 September concerning the decision by the national government to postpone until 1 January 1986 the fulfillment of the commitments stemming from the adoption of the protocol of Article VII of the General Agreement on Trade and Tariffs, an agreement entered into with that international organization.

The note, signed by the president and secretary of the rural organization, Eduardo Althabe and Alberto Paronetto, respectively, points out that they would like a clarification "in order to maintain, if necessary, a position consistent with the national interest." It refers to the problems that could result from the postponement in terms of "placing our agricultural surpluses on foreign markets."

The rural officials' fears, shared by other businessmen of the sector (who voiced the same concern to authorities in a less public manner), are based on the possible erosion of the country's position that attitude could cause if the country ever decided to complain to GATT about the protectionist practices of other signatory nations.

They make specific reference to the European Common Market, which on the one hand has prevented meat from being sold in the Community through a particular tariff policy, and on the other hand is invading other markets with subsidized sales. They also point out that not fulfilling the contracted commitments is "not very serious."

Minimum Prices

From the industrial standpoint, on the other hand, the decision is essential for setting the official CIF minimum import prices. Without trying to eliminate

foreign competition, industrialists feel nevertheless that the opportunity to put the domestic market in order should not be passed up. They interpret the measure as an ideal mechanism for preventing the "floating international supply" from flooding unhindered into the market and wreaking havoc on national production.

Given that the decision was made last July and was communicated to the director general of GATT through our permanent representative to the international agencies headquartered in Geneva in early August, the rural producers' reaction may seem tardy. But their slow response can be explained by the secrecy with which this case was handled. Indeed, even some foreign trade officials admit that they did not find out about the presentation until after it was channeled through the Foreign Ministry.

This manner of handling such an important matter is not unheard of, however. Industrial leaders claim that they learned of the extent of Argentina's participation in GATT only when they requested that former Minister Oxenford set the above-mentioned index prices. Then it became impossible to carry out the project because of the commitment made by the previous economic administration in the last quarter of 1980.

They also feel that this step is not as significant as other groups claim.

"A delay," they assert, "is not an annulment. This is simply a question of utilizing a period set forth in the additional protocol of the General Agreement so that developing countries can adjust their administrative structures to the international standards they are agreeing to observe."

Nor do they agree that this implies a risk for Argentina's position in future relations with the organization. They explain that in this case a legal provision was used, which is much more acceptable than resorting to the mechanisms that other nations use to make a mockery of the principles they promised to adhere to.

Amid the comments sparked by the government's decision, it might be interesting for some to know that this is not the first time the country has requested this kind of delay. In principle, the agreement was to become effective on 31 December of this year, but the need to accomodate customs regulations to world trade practices led to a request for a new date for the system's full implementation. That was set at 31 March 1982.

This new postponement will provide sufficient time to establish the necessary mechanisms, including the reference prices demanded by the industrial sector. These prices will lose all value when the agreement takes effect, that is, in 4 years. This does not seem like too long a period when viewed from a position of relative stability. However, during the same period the systems of internal production will also have to be adjusted if we are to prevent similar situations from occurring at the end of that time.

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UIA REFUTES ADEBA REPORT ON INDUSTRIAL SECTOR DEBT

Buenos Aires CONVICCION in Spanish 4 Oct 81 p 13

[Passages enclosed in slantlines printed in boldface]

[Text] The Argentine Industrial Union (UIA) has expressed its opinion on the paper put out by the Association of Argentine Banks (ADEBA) on the refinancing of business debts, called "Analysis of the Indebtedness of Some Industries and the Construction Sector."

In its comments, divided into four points, the following ideas are put forth: In the opinion of the UIA, the ADEBA report /basically considered the businesses that suffered the least decapitalization impact; if the sectors were separated, certain manufacturing industries would turn out to have a much larger debt than acknowledged by ADEBA; the situation would also appear more serious if the reference point were June 1977, when interest rates began to rise as a result of the financial reform./

Here is the complete text of the UIA's opinion on the ADEBA report:

1. /The report is based on December 1978, a period when industrial firms were already heavily in debt/ as a result of the high interest rates that predominated after the financial reform of June 1977. If the base period were the latter month instead, the level of indebtedness would certainly be less, and thus a comparison with December 1980 and March 1981 would reveal /an increase in business indebtedness/ much greater than the already significant average mentioned by the ADEBA report.

2. The value of the net book assets /does not reflect the loss in market value of the assets acquired before the date when the interest rate rose sharply (June 1977)/ since it is not recorded in the accounting which indexes the purchase price according to the wholesale price indices. This loss stems from the market's anticipation of the real interest rate of the future and the future profit margins of businesses, which is reflected on the books only when the firm liquidates its assets. This is why industrialists who are trying to sell their factories or transfer all or part of their stock portfolios /cannot find buyers at the prices shown on their books, but must sell at ridiculously low prices./ The result is a /clear loss of net assets/ which, if taken into consideration in the financial liability-net asset quotient in the report in question, /would raise the variation in the level of indebtedness./

3. The survey points out that the firms analyzed would account for 45 percent of the industrial sector's debt in national currency with the financial system, while on the other hand the firms analyzed plus the construction firms would account for 69 percent of the entire private sector's debt in foreign currency. Although it is difficult to make an exact comparison, these percentages would indicate that the 'firms analyzed by the survey were the ones that had the most access to loans in foreign currency./ It is obvious that those which had such access during the period included in the survey have had a cheap source of financing. This leads to the conclusion that the /companies analyzed are precisely those that suffered the least from decapitalization/ because of the high real interest rates paid by those with debts in national currency.

4. By way of summary, it can be commented in general that the resulting survey reflects /a situation of serious decapitalization even in the firms surveyed, and even in any other country of the world./ Thus, it can be concluded that these firms suffered the least deterioration of their net assets. It is also very clear that the problem lies, precisely, in /the remaining businesses./ Even without these observations it is important to undertake a separate analysis of the ADEBA report, as it suggests itself. Thus, without a doubt, /some industrial sectors would end up with a very high level of indebtedness,/ regardless of the growth of the financial liabilities of the rest. All this indicates and effectively demonstrates /the deterioration of industry,/ in which the excessively high cost of credit has affected the yield of productive assets and /explains the critical situation the nation's economy is undergoing./

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GALLINO ANNOUNCES HOUSING PROJECT TO ERADICATE SLUMS

Buenos Aires CONVICCION in Spanish 1 Oct 81 p 10

[Article: "Gallino Has Announced a Plan for 100,000 Dwellings"]

[Text] Yesterday, the governor of Buenos Aires, Gen Oscar Bartolome Gallino, said that a housing plan for 100,000 dwellings would be carried out in the province, adding: "This will make it possible to offer the slum dwellers an alternative for living in more comfortable, more wholesome and legally more secure housing."

He made this statement during the ceremony for the agreement to renovate schools and revamp health programs in slum areas, signed at the General Sarmiento superintendent's headquarters.

He added that, during the first week in December of this year, "the socioeconomic census ordered by the government of Buenos Aires Province will be taken in the sections of Greater Buenos Aires, Greater La Plata, Mar del Plata, San Nicolas and Bahia Blanca."

He then remarked that this census "also represents a realistic, decisive attitude on the part of the authorities of the province and the municipalities involved, who have agreed to cope with the reality, however alarming it may be, so as to engage in battle planning on firm, secure ground."

He explained: "Since the completion of these 100,000 dwellings will take a moderate amount of time, we shall concurrently attempt to improve some aspects of the slums, basically involving health conditions."

He subsequently added that, more than any other Argentine federal state, "Buenos Aires Province has suffered the consequences of an industrialization process which at times has taken place in a disorderly and improvised manner. Among many other effects, some positive and others negative, this process brought about the advent of slums, the persistence of which has been established owing to a deficit in construction which is by now a chronic phenomenon."

He added that the government cannot prevent the establishment of slums, because it has no alternatives. "When we can tell the residents thereof that there is this possibility, then we can indeed insist that they move to the new housing groups and leave them."

Upon being asked about the status of the negotiations for certain Arab companies to take charge of various priority jobs that the province requires, he declared: "They took place quite recently, and the negotiations on the international level have been very slow. " He concluded by saying: "I expect to have some news in the near future."

The minister of government of Buenos Aires Province, Guillermo Fernandez Gil, for his part, upon being asked about future political dialogs, said: "We intend to hold them with all the parties recognized by the Electoral Court, and within a very few days we shall announce the organizational chart prepared by the governor for October."

He added that, despite this, talks have already been held with the different political groups. "We have always done this, since we have been in the government. We have held an informal dialog, but a dialog after all."

In response to another query, he said that, in his seventh month of administration in Buenos Aires Province, he views the situation in that state "with enormous optimism," noting that, "The ceremony that we have held today (meaning yesterday) represents a highly important fact: the inexorable intention of Governor Gallino to carry ahead what he promised upon assuming office."

In commenting on the superintendents of the province who will soon be replaced because they have had over 6 years' service, he said, "There are 39 who must submit their resignations before March," but that no selection had been made yet in this regard.

He explained that the qualifications for the selection of the new communal heads are based on "ability, suitability, a great desire to hold dialog with the community and, if we can add the youth factor, all the better;" adding, however, that "this is not an indispensable condition."

The agreement for the renovation of schools and revamping of health programs in the slums was signed by Gen Oscar Gallino; the minister of public health, Dr Julio Nardelli; and the undersecretary of social action, Col Rodolfo Elizagaray.

2909
CSO: 3010/95

'CLARIN' SURVEYS COLLAPSE OF AUTO INDUSTRY

Buenos Aires CLARIN in Spanish 7 Oct 81 p 16

[Text] The automotive industry is experiencing a total debacle as a result of domestic market restrictions and the loss of the foreign market. Inevitably, the entire community is suffering the consequences of this crisis. Large numbers of workers have lost their jobs or are seeing their income plummet, while the sector's suppliers are suffering because of reduced demand.

This scene is nothing new in today's Argentina, of course; the full impact of the anti-industrialist program implemented as of March 1976 is still being felt. However, the impact on the auto industry has been particularly bad because of the multiplier effect, which is now operating in reverse due to the number of jobs that depend on this sector and the important subsectors that have grown up around it. In many areas, automotive plants are vital for the survival of the communities that have been established there, and have a drastic effect on the social thermometer.

The decline of this industry became obvious during the second quarter of 1980, when monthly sales were not enough to cover the average values of earlier years. The slump became even more abrupt early this year, when production levels dropped month after month: September sales were 70 percent less than those of the same month last year. Inventories swelled to 40,000 units. As a consequence, the industry is now working with 60 percent of its capacity idled.

Three fundamental variables have played a role in this process. On the one hand, the population's income has dropped, thereby eroding buying power. This led not only to a fall in sales but also a reordering of those sales; thus, the share of small cars was cut severely. In this manner, small cars went from a share of 20 percent of the market on the average between 1959 and 1980, to one of 2.5 percent during the first 8 months of this year.

The stimulation of imports through the devaluation also played a key role here, as it did in the rest of the economy. Imported cars captured 30 percent of the local market during the short time since the economy was opened up. The Japanese manufacturers must be very pleased with this development, given that the other markets of the world have erected barriers to protect local products. Of course, they are also suffering from some of the effects of the law, and inventories of foreign units have grown to 20,000. There have also been problems with the liquidation of importers' debts.

Exports, which used to hold a significant position in the sales structure, have practically disappeared because of the exchange rate deterrent. Now factories are trying to regain their markets, supported by the updating of the exchange rate, but it is well known that to retake a lost market requires considerable effort and time. Exports do not appear to be a solution to the problems, which demand immediate solutions in view of their consequences.

The magnitude of these figures makes any comment unnecessary. The numbers reflect an ongoing process of destruction in one of the local economy's key industries. This does not keep the competent authorities from waxing optimistic about the configuration of the productive structure in the present and immediate future, however. The market has already been abandoned by two large firms, and no one discounts the possibility that this exodus may continue, thus creating a further drain on capital and sources of employment. Another company has just revealed that its investments will be conditioned on an improved domestic market and better export potential.

For now, the immediate future does not appear to hold any improvements in store; businesses have scheduled new cut-backs in activity, and consequently there will be work suspensions of several weeks, along with social assistance agreements and lay-offs.

This is another alarming facet of the situation. The remodeling--or rather the reduction--of the industry proposed by the economic leaders will result in higher unemployment. While that prospect does not alarm the minister of economics, treasury and finance (he even considers it a positive development), it is undoubtedly a critical fact.

No community can enjoy stability and progress if large contingents of workers are out of work or do not earn enough to support themselves. From the economic standpoint, this situation does not attract productive investments, which are drawn to places where activity and growth are a likely possibility.

In short, we are taking steps backward in national life, creating situations that until a few years ago would have been considered offensive or inadmissible, in view of our potential for development. Furthermore, these situations are a time bomb in many parts of the country.

8926
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BRIEFS

NATIONAL DEBT--The national debt of the Bahamas up to the second quarter of this year is $280.1 million, according to the Central Bank report. And, the fall in current revenue and the growth in current expenditure for the quarter reduced government's current surplus to $8.3 million from a year earlier when the surplus was $19.7 million, the bank stated. [Excerpt] [FL222018 Nassau THE TRIBUNE in English 17 Oct 81 p 1]

INFLATION RATE--The rate of inflation for the first 6 months of this year, as measured by changes in the retail price index for New Providence, was 12.9 percent. This is an increase of 1.5 percent over the same period last year, the latest quarterly review of the Central Bank stated. For the year ending June 1981, the rate of inflation rose by 12.5 percent and for the second quarter of this year the inflation rate moved up by 2.9 percent. [Excerpt] [FL222018 Nassau THE TRIBUNE in English 17 Oct 81 p 1]

CSO: 3025/1003

BRIEFS

LOAN AGREEMENT--The Prime Minister and Minister of Finance and Planning Mr Tom Adams, yesterday signed on behalf of the Government of Barbados a U.S. $30 million loan (BDS $60 million) to be used to finance capital projects in Barbados. The loan has been arranged and is being managed by Orion Royal Bank limited and has a tenure of eight years. [Excerpt] [FL222018 Bridgetown ADVOCATE-NEWS in English 17 Oct 81 p 1]

CSO: 3025/1003

BRIEFS

FOOD EXPORTS INCREASE--Rio de Janeiro (DAILY POST)--Food exports had a $2 billion increase this year, summing up to ($9) billion, coffee sales excluded. CACEX (External Commerce Board) reported that best results were soybeans, almost a 50 percent increase, from $2.2 to $3.2, and orange juice, also 50 percent, from $400 to $600 million. Chicken meat will produce $300 million--$100 million more than last year, and frozen and canned meat $300 million total. Eggs will earn $150 million. Fruits and vegetables will bring more than $100 million. Cashew nuts, $90 million and Brazil nuts, $30 million. Chocolates varies from $20 to $25 million. Black pepper and other condiments may net $70 million. Pig and ox tripe reached $10 million, fish and shell fish, from $150 to $200 million. [PY220209 Rio de Janeiro LATIN AMERICA DAILY POST in English 21 Oct 81 p 7]

STEEL CONSORTIUM FORMED--Fourteen companies that produce steel products have formed a consortium to export to Latin American countries. The companies are located in Sao Paulo, Brasilia and Belo Horizonte and will receive financial support from the Sao Paulo government. [Text] [PY220209 Rio de Janeiro LATIN AMERICA DAILY POST in English 21 Oct 81 p 7]

SHIP PURCHASES--Rio de Janeiro (DAILY POST)--Transportation Minister Eliseu Rezende declared that the government will approve the purchase of 15 ships instead of the 21 which had been requested during the RIOMAR (International Maritime Fair of Rio de Janeiro). Rezende mentioned 2 basic reasons for these imports: The shipyards contacted in the exterior are currently building ships other than the ones Brazil would import, therefore the delivery of the ships would take too long. The other reason is that SUNAMAN (Superintendency of the Merchant Marine) has an external debt of $1.8 billion and needs to pay $400 million this year. Imports offer credits with low interest rates which help the payments of this debt. Some 470,000 tons have already been ordered internally. New contracts, approved in RIOMAR, will sum up to 680,000 tons. [Excerpt] [PY220209 Rio de Janeiro LATIN AMERICA DAILY POST in English 21 Oct 81]

CSO: 3020/13

PLN, FSLN DELEGATIONS CLASH AT COPPAL MEETING

PA170315 San Jose Radio Reloj in Spanish 1730 GMT 16 Oct 81

[Text] The National Liberation Party [PLN] and the Sandinist delegation had a bitter argument at the permanent conference of Latin American political parties, Copppal, in Mexico City.

The National Liberation Party issued an official communique in which it says that it voted against a Copppal resolution in support of the Sandinist Revolution, because the Costa Rican democrats are against Marxist-Leninist regimes. The National Liberation Party negative vote precipitated a verbal clash between the National Liberation Party delegation and Sandinist delegate Commander Tomas Borge. The Nicaraguan press has fully covered Borge's defamatory remarks against the brave and democratic position assumed by the National Liberation Party.

The situation created at Copppal as result of the National Liberation Party stand, led to the resignation of Copppal's president, who is also the secretary of Mexico's Institutional Revolutionary Party, PRI. By the way, the PRI is Copppal's political backbone. The fact that the National Liberation Party does not approve of Marxism-Leninism taking over the Nicaraguan revolution has been played up by ill-intentioned politicians in Costa Rica, who are trying to undermine the National Liberation Party by lying, altering and distorting its real attitude regarding the defense of democracy and the verbal clash it held with the Sandinist delegation at Copppal in Mexico City.

The National Liberation Party did not accept a motion of solidarity and of unconditional support to the Nicaraguan revolution which is under the control of Marxism-Leninism, (Enrique Obregon), a National Liberation Party delegate to the Copppal, said. Especially when the main leaders of the Nicaraguan revolution claim that the revolution is Marxist-Leninist and that it follows the USSR's leadership. This has been said by Commander Humberto Ortega Saavedra in statements that the Costa Rican press has fully covered. The National Liberation Party says in its communique.

CSO: 3010/174

U.S. FOREIGN POLICY ACTIONS SCORED IN COMMENTARIES

Biological Warfare Condemned

Havana GRANMA WEEKLY REVIEW in English 27 Sep 81 p 6

[Text] U.S. imperialism recognizes no boundaries when it comes to acts of aggression and hostility against Cuba. Ever since the people of Cuba decided to put an end to neocolonial dependency and exercise their right to sovereignty, the United States, a big power with the greatest material and technical resources, has pursued a policy in regard to this small Caribbean island that represents a shameful blot on contemporary history, a dishonor to the U.S. Government and one more example of the imperialist system's inhuman nature.

For the last 22 years the Government of the United States and the CIA have been engaged in a diversionary campaign to discredit the Cuban Revolution and to obstruct the support it receives from progressive sectors. The slander campaign has been accompanied by all sorts of hostile actions: pressure, invasions, infiltration of counterrevolutionary elements, blackmail, attempts to assassinate leaders of the Revolution, sabotage, economic blockade and attempts to isolate the island from the rest of the world.

Now the list of U.S. attacks against the homeland of Jose Marti includes the possibility (which Cubans are convinced of) of the use of bacteriological weapons in the "secret war" against the Cuban people.

In the last two years Cuba has been hit by five epidemics that have affected people, animals and plants: African swine fever, sugarcane smut, tobacco blue mold, hemorrhagic dengue and, more recently, hemorrhagic conjunctivitis.

The African swine fever epidemic and the blights that hit sugarcane and tobacco (sugar and tobacco are two major export items) caused incalculable damage to the country's economy.

More deplorable and more alarming still was the dengue epidemic with its thousands upon thousands of victims, most of them children, and the over 100 deaths resulting from it, and then the hemorrhagic conjunctivitis epidemic.

The quick and effective action taken by the Cuban Government which has spared neither efforts nor economic resources; the dedication of scientists and technicians, doctors and nurses; and the coolheadedness and discipline of the Cuban

people have made it possible to deal successfully with this new form of aggression whose scope cannot be foretold.

It is known that the United States has shown an interest in and poured money into developing bacteriological weapons. This is recognized in an official report submitted to a U.S. Senate subcommittee, which draws attention to the purported advantages of a biological weapons system. The report reads in part as follows:

"Biological warfare is the deliberate introduction of disease-producing organisms into populations of persons, animals or plants. The organisms are the same as those found in nature, but can be selected and cultivated so that they will be more virulent and resistant than those in nature. Some can become resistant to drugs and antibiotics."

Further on the report states:

"It is difficult to prove culpability for an attack under certain circumstances, for the agents exist in nature in any case and if these are sent clandestinely, it could be argued that the situation is the result of a spontaneous epidemic. The effectiveness of large-scale biological attacks against unprotected populations can be compared with the effect of nuclear weapons. Crops are vulnerable to biological attacks.

"Biological weapons are extremely suitable for covert use, such as sabotage. They function by means of delayed reactions, are difficult to detect and require only a small quantity; moreover, given that the biological agents are invisible, odorless, tasteless and that they generally produce no immediate physiological harm, their early detection would probably be nearly impossible."

It is common knowledge that in the Vietnam War the United States made extensive use of highly toxic chemical agents in attacks against civilians and animals, as well as plant killers that devastated crops, plantations and forests.

It is also known that there are secret bases in the United States where chemical and biological weapons are developed. Serious studies have been made there on the use of insects as disease carriers. For example, mosquitoes infected with yellow fever, malaria and dengue; fleas infected with plague; ticks with tularemia, relapsing fever and Colorado fever; houseflies with cholera, anthrax and dysentery. The U.S. army and other institutions carry out regular experiments with such disease carriers for military purposes, and they do so even in populated areas, as was denounced not long ago by India.

The idea of employing biological weapons against Cuba has been mentioned on several occasions by the U.S. press itself. Official documents, for example, the report submitted by a U.S. Senate special committee in 1975, also refer to plans for chemical warfare against Cuba.

This month the U.S. press announced the publication of a book containing evidence that the United States has used biological weapons against Cuba and that Washington was responsible for the African swine fever epidemic in Cuba. The book was written by a former FBI agent and a U.S. journalist.

The strange, suspicious and unexplainable forms in which these blights and diseases have appeared in Cuba; the United States' consistently hostile policy toward the Cuban people; the presence in the U.S. Government of unscrupulous, cynical and warmongering elements, and their persistent threats of naval blockade and new attacks against Cuba; the U.S. administration's insistence on creating all kinds of problems for the Cuban people; the confessions made by the imperialists themselves; and the U.S. administration's irresponsible policy that has brought humanity to the brink of a new, catastrophic world war serve to confirm the suspicion that the imperialist Government of the United States is using bacteriological weapons against the Cuban people, their environment and resources.

World public opinion must be alerted against this new sinister escalation in the United States' aggressive plans against Cuba. Honest people the world over must raise their voices to condemn these criminal and fascist practices and to help put an end to the insane policy of the dealers in death.

Guantanamo Base Worker 'Tortured'

Havana GRANMA WEEKLY REVIEW in English 27 Sep 81 p 8

[Article by Josefina Ortega]

[Text] "I thought they had finished with me after the violent interrogation sessions, the beatings, the torture and threats. But they still weren't satisfied. They took me to where the prisoners wash their clothes and there, when I was nearly dead, they started the accusations again: 'You're a Castro agent; tell us who the G-2 people here are. Tell us or you'll pay for it, you son of a bitch!'

"I swore by all the saints that it was false, that I was a revolutionary but not an agent or any thing like that. I was desperate. I even swore by Eisenhower. That really made them mad and they gave me a hell of a beating.

"I practically crawled back into my cell. Then they came to tell me that if I decided to talk there was a phone in the hall."

Everybody in Caimanera knows Manuel Prieto, who is now a member of the Party. After only a short time in the area we had heard so many people talk about him that we decided to interview him about the time 20 years ago when the enemy had tried in vain to break him down.

In Occupied Territory

Prieto started working at the Guantanamo base in the 1940s and became a welder's assistant.

"The pay wasn't very good, as you can imagine! We got a quarter of what people from the United States were paid for doing the same job.

"We had a job, sure, but we had to swallow plenty of bitter pills there with part of our territory seized from us--not to mention in Caimanera itself! The whole

place was run by marines who were always high on drugs and booze. Prostitution, gambling and vice were the order of the day.

"So everyone in Caimanera was overjoyed when victory was won. Caimanera was the first free town in Cuba; it was never retaken.

"But from the very start the Yankees tried to do harm from the base. Every Batista thug who took refuge there was welcomed with open arms. But my comrades and I were put on their files because we had participated in the revolutionary struggle. They kept telling me to stay in the base—and that was just the start."

The Interrogation

Prieto was arrested by the police at the base on January 5, 1961. It was midnight, and he had just finished his shift. He was accused of being an agent of the Cuban Government.

"They spent a lot of time questioning me with a light shining in my face. It was the police chief and a lieutenant commander, armed to the teeth. And there was a guy called Calzadilla, a thug they had there to spy on the Cubans. I was beaten and threatened.

"Another interrogation session lasted until 11:30 the next morning. That was in the office of the intelligence service in the old hospital. This time it was an officer called Faney and his bloodhound Walsh, but they used the same methods: beatings, threats and abuse. They even tried to scare me with a lie detector and some kind of paralyzing injections. Then they tried offering me money and saying they'd get me and my family out of the country if I'd work against Cuba.

"When they realized they wouldn't get me to renounce my principles either way, they took me to the Carabela Point jail, to a dungeon where there's no light at all. At nightfall they moved me to a cell near the road where I could hear them saying things like 'All Communists should have their heads chopped off!'"

Not Just an Aspirin

Prieto spent two or three days in the cell with no food. He was in very bad physical condition. Then Faney and Walsh returned mercilessly to the attack. That was when he was badly beaten for having sworn by Eisenhower.

He decided to get sent to the hospital to see if he could escape.

"I got the idea of sticking a splinter into my gum. When it was bleeding profusely, I called the marine on guard. I coughed and spat, but it didn't work.

"Then I stuck my thumb in my throat and rubbed hard until I'd done some damage. I called the guard again. He got rather nervous this time and went for the doctor.

"They loaded me into a truck like a sack of potatoes. The truck seemed to go round in circles for miles. I was really feeling bad; when they saw the shape

I was in Faney started up the blandishments again. Since they didn't get an answer out of me I was taken to the office of the intelligence service.

"The doctor gave me two pills; according to him they were to cure my cold. One was aspirin and the other a drug. I'm sure that's what it was because after I swallowed it I felt very strange, my body felt heavy as lead and I couldn't move my tongue. They acted as if nothing unusual were happening and they started asking again: 'Are you with the G-2? Who do you work with?'—on and on....

"When they brought pills again I took the aspirin, but when they weren't watching I crushed the drug under my foot. I didn't eat anything for fear of being drugged; the questions, beatings and threats kept up for five or six days. I never thought I'd get out alive.

"Then they told me, 'Your wife and your eight children are here: it's up to you. We can get them out of the country right away and you can work anywhere you want.' I didn't believe my wife could be there because she was pregnant and due to give birth soon. When I heard her voice over the phone I just collapsed."

The Rescue

"From all the comings and goings my wife found out where I was being held and in a flash she pushed the policeman away from the door and got in. It was sheer chaos. I was on the ground beaten to a pulp. The children were screaming and kicking, throwing papers and ink.... One of the Yankee officers took off his belt and whipped them.

"But the scandal had occurred. My wife screamed at the top of her lungs: 'I'm not leaving here until he comes with me!' If it hadn't been for that they would have killed me—afterwards they did kill one of the workers, Lopez Sabariego, and a fisherman, Rodolfo Rosell.

"The whole affair backfired. They were forced to release me. At the dock they read out some papers which I think were the charges against me, I don't really know. I was virtually unconscious, I couldn't even stand. It was January 11."

The Reward

Back in Cuban territory, Prieto was taken to the hospital, where he spent a month in the emergency ward. He had some broken bones and was in a terrible condition. When he regained consciousness he was told that he had two more sons: Fidel and Raul. Both are now soldiers.

What better reward for a man who refused to betray the country his sons now defend?

Colombian U.S. Support Decried

Havana GRANMA WEEKLY REVIEW in English 11 Oct 81 p 14

[Article by Juan Marrero]

[Text]

● THE COLOMBIAN Government's efforts to win favor with U.S. imperialism are really pathetic. First, it joined in U.S. maneuvers to prevent Cuba from being elected to a seat on the UN Security Council. Then it severed diplomatic relations with Cuba in order to contribute to the U.S. policy of stepping up the blockade and isolation of Cuba. And more recently it announced that it was sending troops to the Sinai Peninsula to back up the Camp David agreements against the Arab peoples, particularly against the Palestinian people.

The Colombian Government is also known for its opposition to the joint declaration issued by France and Mexico which recognizes the representativity of the Salvadoran patriots and offers a political solution via negotiation to the tragic situation in El Salvador. Thus the government of Turbay Ayala — which tries to pass itself off as democratic — is demonstrating that it's a staunch defender, along with U.S. imperialism, of those who murder and torture the Salvadoran people.

Colombian Foreign Minister Carlos Lemos Simmons has just visited Peking, where he met with Deng Xiaoping, Zhao Ziyan, Huang Hua and other leaders. According to the news dispatches, they talked at length about Cuba ("against Cuba" would be more accurate) and the results of these talks were so satisfactory for both sides that at the conclusion of every meeting there were enthusiastic comments about the "cordiality," "heartfelt friendship" and "identical points of view" that characterized the visit.

However, what really aroused our curiosity was the Colombian foreign minister's sudden inclination to employ the pseudorevolutionary rhetoric of the Peking regime. Is he trying to make people forget his servile attitude toward imperialism? That would be quite a feat, since the Chinese themselves keep trying day after day and they haven't gotten anywhere. Lemos Simmonds said, "We hope that the Caribbean Sea will cease to be the scene of clashes between superpowers and become a sea of peace."

It's bad enough for China to say this, but it's even worse for Colombia to repeat it, considering that it took part in the Ocean Venture 81 military maneuvers — which began in the Caribbean and are still in progress in the Atlantic — and will participate in the UNITAS maneuvers. Both of these operations are conducted by the United States, the superpower that considers the Caribbean its own backyard. All we can say is that that's a hell of a way for Colombia to contribute to turning the Caribbean into a sea of peace.

Everybody in the Caribbean wants peace, but nobody can ignore the fact that what's really a threat to peace in the Caribbean is the presence of 16,000 U.S. soldiers stationed on bases in Puerto Rico, the Virgin Islands, Guantánamo and the Canal Zone, the endless patrolling by U.S. warships, the frequent air and naval maneuvers that constitute acts of provocation and the threats of intervention by the United States. And the Colombian foreign minister is well aware of this. All this Chinese-style talk about "superpowers in the Caribbean" is a feeble excuse, and the Colombian foreign minister should be ashamed of himself.

CSO: 3020/15

COSTA RICA'S MORA VALVERDE HONORED BY STATE COUNCIL

Rafael Rodriguez' Address

Havana GRANMA WEEKLY REVIEW in English 11 Oct 81 p 3

[Text]

Speech given by Carlos Rafael Rodriguez, member of the Political Bureau of the Central Committee of the Communist Party of Cuba and vice-president of the Councils of State and of Ministers, at the presentation of the Playa Girón Order to Manuel Mora Valverde, general secretary of the People's Vanguard Party of Costa Rica

Dear Comrade Fidel Castro;
Dear Comrade Manuel Mora Valverde;
Comrades:

TWENTY YEARS ago, when the dust mingled with the heroic blood of our people fighting against imperialist aggression had barely settled after our great battle, the Cuban Revolution decided to create the Playa Girón Order commemorating that great feat, to express special recognition of those who had especially distinguished themselves in the struggle against imperialism and for the peoples' liberation, and in the exercise of international solidarity.

Tonight, it is our great pleasure to comply with the resolution issued by our Council of State conferring this Order on a ceaseless fighter for the freedom and sovereignty of his people and of all the peoples of what José Martí called Our America; a proven militant of proletarian internationalism; and a loyal, staunch friend of our Revolution and our people; our dear comrade, Manuel Mora Valverde, general secretary of the Central Committee of the People's Vanguard Party of Costa Rica.

By presenting Comrade Manuel Mora with this decoration, which symbolizes a great defeat for imperialism in the Americas and the irreversible consolidation of socialism in our country, the Party, the Revolutionary Government and all the people of Cuba are paying tribute to a man who for 50 years — since he founded the Party which groups the Costa Rican Communists in 1931 — has led the workers and progressive forces of his country in the struggle against the oligarchy, the false apostles of representative democracy and U.S. domination both in his own land and the rest of Latin America.

Manuel Mora's loyalty to the cause he embraced when he was a student has been confirmed on a host of different occasions. We are well aware of how difficult and fraught with danger the life of a Communist is in countries subjected to U.S. neocolonialism. As a young man, Manuel Mora fought his first battles against the United Fruit banana monopoly, that Mamita Yunai whose sinister presence in Costa Rica was masterfully depicted by a man who was Manuel Mora's companion for long years until his premature death: Carlos Luis Fallas. Mora and his Party were in the vanguard of the big strikes and people's actions that shook Costa Rica in the '30s; and since then his actions have always responded to the demands of the struggle: speaking in public at times, in Parliament in others, and later, when the time came, fighting weapon in hand. After that came prison and exile. Amidst persecution and repression, enduring the difficult conditions imposed by clandestinity, always confronting the systematic slander campaign that the reactionaries, with their superior material resources, launched — though always in vain — against him and his organization, Manuel Mora has remained an exemplary communist leader, an authentic patriot, an unyielding internationalist and a living example of honesty, moral strength, ability and courage.

The only politics with a future, Lenin said, are politics based on principles. Under the leadership of Manuel Mora, the People's Vanguard Party of Costa Rica has always been a defender of Marxism-Leninism and has always demonstrated its loyalty to the principles of revolutionary internationalism by concrete deeds. It has remained adamant in the face of every attempt at revisionism, opportunism and anti-Sovietism. Manuel Mora, in particular, as the representative of these principles in the international arena, has become one of the most outstanding and prestigious figures of the international workers' and communist movement.

During all these years of Revolution and often in very complicated circumstances, we have had the opportunity to appreciate the fine and militant role played by the Costa Rican Communists and their leader. That is why this is a good moment to express the high regard and the well-deserved recognition we accord to Manuel Mora's firm stand

and to say, as revolutionaries and as Latin Americans, that at this time, full of hopes and perils for our peoples of Central America and the Caribbean, we are proud of the presence among us of such wise and experienced leaders as Comrade Manuel Mora.

The Costa Rican Communists defended the extraordinary Sandinista struggle against Somoza's dictatorship with the same ardor that they defended the Spanish Republic more than 40 years ago. Members of the People's Vanguard Party and its youth organization mustered an internationalist fighters' brigade to support the Nicaraguan people's struggle in the last stage of the war, thus writing one more glorious page in the history of their Party. That gesture, however, is not past history, for it remains alive in solidarity with Nicaragua, which keeps the Costa Rican Communists in a state of permanent mobilization, condemning and denouncing the Government of the United States for its plans of aggression against Nicaragua. The Costa Rican Communists have also embraced the cause of the heroic peoples of El Salvador and Guatemala, and are struggling against the criminal interference by U.S. imperialism which shamelessly supports, arms and advises those genocidal regimes. And in this struggle — the most important and decisive in the present Latin American political arena and one of the world's most pressing and critical issues — the People's Vanguard Party and its general secretary, Comrade Mora, occupy a position in the front-line.

But the Costa Rican Communists have not neglected the complexities or the dangers implicit in their own country's economic and political crisis. They are fighting in their own land, too, and preparing themselves for any eventuality, demonstrating the truth in the words of that great socialist, Jean Jaurès: "A little internationalism separates us from our country, but a great deal of internationalism draws us closer to it." The Costa Rican Communists, as full-fledged internationalists, are once again demonstrating that only those who are capable of defending other peoples and fighting for other peoples will be willing, when the time comes, to give everything for their own people.

Today we must also say how deeply indebted Cuba is to the Costa Rican people and their vanguard organizations, particularly the People's Vanguard Party and Comrade Manuel Mora, for their friendship and solidarity. In a deeply moving gesture of loyalty, they have embraced our country's cause as if it were their own. It can be said with certainty that in every moment of danger or aggression, in every revolutionary battle, Cuba has always had the immediate, determined and open-handed support of our Costa Rican comrades. The malicious slander campaign against the Cuban Revolution and socialism that reactionaries and imperialists put into effect in Costa Rica was of no avail. Our reality, our brotherhood and the justness of our cause were always stronger than all their maneuvers and all their lies.

Dear Comrade Mora, our people have dedicated this year to the 20th anniversary of the victory at Playa Girón. We know that that victory does not belong to us alone. It also belongs, as it belongs to many other Latin Americans, to peoples near and far throughout the world, to your Party, to your people, and to all those who in those stirring days went out on the streets to fight for Cuba, enrolled to fight in our country or contributed with their protest to raise the mighty wave of international public opinion. Girón was a feat in which all participated, a victory for socialism and a dawn of hope for all our exploited and scorned countries.

In keeping with the resolution issued by our Council of State, Comrade Fidel Castro will now present you with the medal of the Playa Girón Order. It symbolizes the gratitude, recognition and respect of our people, our Party and thousands of Latin American fighters. It also represents Cuba's friendship and the unbreakable ties of solidarity that unite us.

Thank you very much.

Mora Valverde's Response

Havana GRANMA WEEKLY REVIEW in English 11 Oct 81 p 3

[Text]

Speech by Manuel Mora Valverde, general secretary of the People's Vanguard Party of Costa Rica, at the ceremony where Commander in Chief Fidel Castro pinned on him the Playa Girón Order

Comrade Commander Fidel Castro;

Comrade Members of the Council of State;

Comrade Members of the Political Bureau and the Secretariat;

Comrades All:

A DECORATION conferred by the top and most capable revolutionary leaders of the Cuban people and awarded by Fidel Castro is one of the greatest honors to which a Latin American Communist can aspire.

Upon receiving the Playa Girón Order tonight, I necessarily think of my Party with pride and love, the Costa Rican Communists' Party with which my life is fused forever. We Costa Rican Communists have been and will continue to be strongly united in both times of joy and bitterness, in militant solidarity with

peoples fighting for their liberation and especially in the struggle against the social regime prevailing in our country and against imperialism.

The Playa Girón Order symbolizes an unparalleled struggle in the history of Latin America. The Cuban people, inspired and led by Fidel Castro, engaged in bloody battle and were able to defeat the leading imperialist power on earth to defend the first socialist Revolution in the Americas. It was a demonstration of heroism, but it was also a demonstration of revolutionary awareness, of revolutionary will, of undying, exemplary determination. That victory definitively marked a new course in the history of this continent: the course of socialism, which is the course of true democracy, of full realization and human happiness.

The democratic and anti-imperialist revolution, which can pave the way for socialist society, has already matured in all of Latin America. The Cuban people were the first to break the chains of imperialism, and, while they began the transformation of their own social system, they also created and continue to create conditions which facilitate the liberation of the rest of the peoples of Latin America. The liberation of Nicaragua and Grenada, two serious blows to U.S. imperialism's plans to dominate our continent, was not due to some dark maneuver by Cuba, as the CIA's hired propagandists claim. It was the outcome of those peoples' struggles and of the ripening of conditions taking place all over the continent. However, had there not been a Cuban Revolution and had its leaders not acted with their customary degree of audacity and wisdom, the imperialists would have been able to act more effectively in their effort to prevent the liberation of Grenada and Nicaragua.

Regardless of the affection and admiration which have always made us feel very close to the Cuban people, their labor movement, their heroes, their writers and artists, the Costa Rican Communists have always been fully aware of the fact that the Cuban Revolution is not an isolated one, it is part of the continental revolution. That is why we regard it and love it as our own revolution. We have defended it with all our might, with all the means available to us and regardless of the sacrifices. In the face of all the infamy heaped on it by imperialism with a view to isolating it from our peoples, we feel sure that we have been able to make it part of the hearts and minds of our people. They have been given an understanding of the great humanism which characterizes Cuban society today. We will continue along this line. We realize that our best contribution is to develop our own revolutionary process and constantly struggle against the imperialist monster, which is trying to deepen and consolidate its domination throughout the Caribbean. But if one day the fascist clique which now controls the Government of the United States tries to make real its threats against Cuba by attacking it, for us it would be a very great honor to share the fate of the Cuban people. The watchword Fidel issued at the last Congress of the Communist Party of Cuba, when he warned the aggressors that to take over Cuba they would first have to reduce it to ashes, is also our watchword and we are certain it is shared by the entire revolutionary movement in Central America. If they unleash their brutality on Cuba or if they decide to occupy El Salvador, Guatemala or Nicaragua militarily, it is very likely, as the Cuban Government once said, that a new Vietnam will be born in the heart of Latin America.

As everyone knows, the United States has declared that the Caribbean is of vital importance to its interests and security. In line with this statement, they claim the right to occupy it completely or partially whenever they feel like it. Now they are planning to turn Costa Rica into a breeding ground of intrigue and possible springboard of aggression against Nicaragua. They're maneuvering to install an ultraright, even fascist, government in our country to immobilize the revolutionary forces there. They will fail! The Costa Rican labor movement is taking action to block such a scheme. In the spirit of democratic and anti-imperialist unity, the People's Vanguard and Socialist Parties and the People's Revolutionary Movement, grouped in the United People's coalition, plan to mobilize the broadest sectors of the people to foil the imperialist scheme and to give the greatest solidarity possible to the Nicaraguan Revolution and the peoples of El Salvador and Guatemala.

Comrade Fidel, you can be sure that the glorious symbol you have placed in my hands today will be duly honored by the labor and revolutionary movement in Costa Rica.

I don't want to end without expressing my deep personal feelings at this solemn moment. During my long life of revolutionary struggle I have had the joy of witnessing the birth of a new world, the socialist world. I have seen the doors of revolution open in Latin America. I have seen a great man rise up from the heart of Our America; I have seen him become a teacher and a wise, courageous and honest leader. Our America needs him. Comrade Fidel Castro, allow me to wish you a long life.

CSO: 3020/16

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INTELLECTUALS MEETING ISSUES FINAL DECLARATION

Havana GRANMA WEEKLY REVIEW in English 20 Sep 81 p 8

[Text]

AS PARTICIPANTS in the 1st Meeting of Intellectuals for the Sovereignty of the Peoples of Our America, convened by Casa de las Américas and held in Havana September 4-7, 1981, we have reaffirmed the indispensable nature of our unity and defined our responsibilities in these difficult times. In order to assure continuity in our actions we have decided to set up a Standing Committee made up of representatives of our culture.

Now that the U.S. Government is threatening to use the obsolete "big stick" policy again and preparing for a new world war, the intellectuals of Our America are duty bound to heighten our commitment to our peoples, especially those facing long-standing oppression with more heroism than material resources.

Our America long ago ceased to be a territory open to the lawlessness of colonial empires. The peoples are now winning the right to speak out and it is our duty to articulate and uphold that right. The enemy is aware of this, so it has placed all the power of its repressive imagination at the service of a ruthless operation of cultural genocide. This is the reason behind the systematic campaign of distortion with which the imperialist monopolies, with the complicity of local oligarchies and their own mass media, are trying to deform the cultural identity of our peoples in order to help domination along. Faced with this conspiracy, we will uphold truth, justice and beauty, and we will do it not just in theory, but with the clear-sighted determination required by the situation and in keeping with the characteristics of our nations. Only the full exercise of sovereignty which will enable them to use their huge wealth and cultural potential for their own benefit will provide our nations with a solid foundation and valid raison d'etre.

In this spirit we salute the approaching sovereignty of Belize and pledge that the popular interests which made it possible will not be subverted by others alien to those interests. Likewise we firmly repudiate the backing which the Reagan administration gives the most barbarous regimes in the hemisphere, and indignantly denounce the fact that those responsible for the most terrible acts of terrorism being committed in the world have the gall to label as terrorists patriots fighting for the happiness of their peoples, for their identity and their culture, as in El Salvador and Guatemala, whose finest sons and daughters have set out, for once and for all, to gain the right to be themselves, no matter how great the sacrifice.

It is not an international plot, as they would have people believe, it is the darkness and poverty of many years of imperialist oppression which explain the irrepressible upsurge in the drive for

liberation now making itself felt all over Our America. The dishonest attempt to call the patriots of those countries terrorists is, among other things, aimed at legitimizing U.S. intervention and preparing the ground, by means of the most diabolical propaganda machine ever known, for an overt attack on Cuba, Nicaragua and Grenada, and even on Mexico, whose independent foreign policy we salute.

Imperialism is not something apart from or unconnected with underdevelopment. It means exploitation of our resources and of our peoples, illegal intervention in our internal affairs, enormous foreign debts which virtually mortgage national sovereignty itself, inflation, monopoly control of production, markets and the mass media, and attempts to divide us when our unity is vital in order to secure fundamental rights and see to it that they are respected. This is known from colonized Puerto Rico to Argentina, Bolivia, Chile, Paraguay, Uruguay and Haiti, countries whose peoples are subjected to genocide by tyrannical military regimes, and it is also known in the last remaining colonial enclaves in the Caribbean.

Imperialism's present aggressive policy is an indication of its weakness not its strength. The world today is not as they want it, so all their efforts to use force to prevent the liberation of peoples have failed, as shown by the wars imperialism has recently fought and lost. The people have started to open new paths and rewrite their own history. Repression and violence will not stop them.

We come from many different countries and we do not all have the same views. But these differences are not by any means antagonistic; on the contrary, they are yet another indication of our creative wealth. We have cast aside our secondary differences and put forward that which unites us on behalf of the peoples of Our America.

And not just on their behalf. From our trench of ideas, for which millions of men and women who are still without access to culture have given their flesh and blood, we resolutely condemn the terrible arms race which is reaching the heights of madness, and in our rejection we join with all the peoples of the world including, of course, the people of the United States, who displayed such admirable courage and solidarity when they opposed their government's criminal aggression against Vietnam.

The decision to manufacture the neutron bomb, which was announced on the anniversary of the bombing of Hiroshima, has increased the pessimism of many people regarding the outlook for peace and the fate of humanity as a whole. The intellectuals, writers and artists of Our America, faced with this grave risk of holocaust, choose life. We will not leave this to chance, we will struggle with all our hearts, all our might, all our spirit, so that peace may prevail as the only possible victory over death.

The neutron bomb or any other weapon of mass destruction can be set off by itself. People make the decisions for its mission of death. But although these people have the totalitarian possibility of destruction in their hands they can also be stopped by the peoples' outcry. It's now that we must strengthen the effectiveness of words and images, their powers to persuade, to recruit creative forces and in a lucid manner make everyone understand that human extermination can be prevented, and it can and should be prevented with the invincible power of the intelligence.

CSO: 3020/14

FRIENDSHIP HOSPITAL BUILT IN VIETNAM DESCRIBED

Havana GRANMA WEEKLY REVIEW in English 4 Oct 81 p 12

[Article by Fernando G. Davalos]

[Text]

THE VIETNAM-CUBA Friendship General Hospital is located in Dong Hoi, Binh Tri Tien province, and has 450 beds. It is designed to provide service for an overwhelmingly rural region of nearly 400 000 people. The population is quite dispersed, since heavy Yankee bombing forced many of the residents to leave Dong Hoi and spread out over the surrounding countryside.

The city of Dong Hoi, located only a few dozen kilometers from the 17th parallel — that "border" imposed by imperialism on the Vietnamese nation — was so devastated that it still has not been possible to reabsorb all the people who left during the war.

The hospital will care for the people in this part of the Socialist Republic of Vietnam who were especially hard hit by the Yankee genocide.

The new hospital covers an area of 37 000 square meters and is divided into six sections. The Girón prefabricated construction system was used in the project, with concrete sections cast on the job site.

The work was carried out by a Cuban brigade working alongside their Vietnamese counterparts. The construction workers were divided up according to the different components of the project: the outpatient clinic, two inpatient wards, facilities for general services, three central wings, the main body of the hospital, the lobby, maintenance section, special installations room and outside facilities.

While local aggregate was used, most of the cement, construction equipment and other materials employed in building the hospital came from Cuba.

Special mention should be made of the efforts to ensure a constant supply of water to the hospital, which made it necessary to lay pipelines from a lake two kilometers away.

The hospital has a central lab and another in the emergency room which can undertake all sorts of clinical and bacteriological tests.

It contains 12 operating rooms and six X-ray machines, along with a physiotherapy department designed for a staff of over 20.

The Dong Hoi hospital will provide neonatal, pediatric, outpatient, emergency, surgery, obstetric and burns services.

The outpatient service will function as a polyclinic and includes a dental department with six chairs and a prosthetics section.

The hospital likewise contains a fully-equipped intensive care ward with electronic monitoring devices.

It has facilities for the distribution of medicinal gases such as nitrous oxide and oxygen, two 500-kw power plants for emergency service, two turbogenerators to provide air conditioning for most of the sections, and two boilers for hot water and steam.

The center is also equipped with two electric and steam autoclaves for sterilization purposes and has two ambulances.

The new hospital is being gradually put into operation and will surely contribute to improving the health care of the people in the area.

CSO: 3020/14

FEUE LEADER ANNOUNCES ANTI-IMPERIALIST SEMINAR

PA132258 Havana International Service in Spanish 0000 GMT 10 Oct 81

[Statement by (Eugenio Jijon), first vice president of the Federation of Ecuadorean University Students, on 9 October 1981 in Havana]

[Text] The main characteristic of our people's struggle is precisely the unity against imperialism and supporting democratic and patriotic forces of national liberation. The students have an important role to play in the struggle for better living conditions, for the defense of our natural resources and to see that the democratic gains obtained after 7 years of dictatorship are respected.

The Federation of Ecuadorean University Students, FEUE, with its 200,000 members, is an important factor in this unity process. We are making contacts and increasing our relations with the Ecuadorean Federation of Politechnical Students (Federacion de Estudiantes Politecnicos del Ecuador), which recently held its first congress, and with the Ecuadorean Federation of Secondary Students, FESE, which is going to hold its third congress. These three organizations, the FEUE, the Ecuadorean Federation of Politechnical Students, and the FESE, have begun a number of talks aimed at establishing, as soon as possible, what we call the Students United Front, which together with the Workers United Front, of which the FEUE is part, will undoubtedly represent a unifying process for the people's struggles for better living conditions, better days and for happiness.

In relation to the continental seminar which will be held in Quito, this seminar is being organized by the continental organization of Latin American students, OCLAE, the International Union of Students, IUS and the FEUE, which on this occasion will be the host at the seminar.

During the seminar which will take place in October, we are going first to analyze the students' role in university reform, in the democratization of education and also the students' participation in the struggle that the peoples of Latin America and the Caribbean are waging against imperialism in Latin America.

It is our belief that the seminar will constitute an important contribution to the student organization on the continent. It will also contribute a better understanding of the objectives we are pursuing with the university reform. We are also going to make a profound analysis of the various educational structures in the universities, of the repressive laws, of the reactionary and brain-washing nature of higher education, which is most of the time aloof from the nation's reality, a higher education which in most cases neither contributes to the nation's economic development, nor transforms the economic structures and instead tries to perpetuate the domination of imperialism and its allies in our respective countries.

CSO: 3010/178

BRIEFS

TECHNICAL AGREEMENT WITH BELGIUM--The Ecuadorean and Belgium Governments have agreed to expand their technical cooperation agreement to complete the exploration of mineral deposits in the northwest. The agreement also includes the creation of a mineralogy laboratory which will also train technicians. [PA270424 Quito Cadena Ecuador Radio in Spanish 2300 GMT 23 Oct 81]

CSO: 3010/178

PDC'S SECRETARY GENERAL SPEAKS ON SIGNIFICANCE OF ELECTIONS

San Salvador EL MUNDO in Spanish 7 Oct 81 p 2

[Text] "I agree with Monsignor Rivera Damas that elections are a panacea; however, if the people legitimize the upcoming election process they will at the same time be rejecting armed struggle as the means for attaining power." This statement was made yesterday by Julio Adolfo Rey Prendes, deputy secretary general of the PDC [Christian Democratic Party] as he revealed that the principal position taken in the United States by Jose Napoleon Duarte and his entourage was that elections are the alternative which will permit the Salvadoran people to move in the direction of democracy. "We must agree that today everyone is speaking of elections, including even the FDR [Revolutionary Democratic Front] which through Dr Guillermo Manuel Ungo rejected any offer to dialogue last year. They were talking about negotiation; but, now that they feel militarily weak, they have begun to talk about dialogue," Rey Prendes said.

He added that those who have always maintained that there should be no dialogue are the very ones who believe that everything is resolved by killing. "They blindly reject dialogue and want everything to be resolved by means of monologue. "The PDC maintained last year that the only way to resolve the country's crisis is dialogue; and therefore, it convened sectors of the left and the so-called right; but no one seconded the position," he said.

Rey Prendes voiced his opinion: "This is perhaps the last opportunity the Salvadoran peeople have as regards elections, and they should not fail to take advantage of it."

On the subject of the trip to the United States, the PDC leader, in response to questions, said that there were no hostile demonstrations as some would have us believe. In San Francisco, where the greatest number of Salvadorans are to be found, he said that an anti-Duarte march was organized in which 3,000 persons participated, most of whom were Koreans, Haitians, Filipinos and persons belonging to other (U.S.) liberal and protest sectors and perhaps about 100 Salvadorans. He also said that there was another demonstrations by about 60 anticommunists.

He also revealed that with respect to the nuns assassinated last year, there were talks with the Archbishop of Washington, D. C. and officials of the Maryknoll Order of which the female missionaries were members. He said he had informed them that on the basis of investigations conducted by FBI agents six members of the National Guard were allegedly responsible. These men are now being held under detention by the

above-mentioned security organization; however, he pointed out that the Salvadoran legal system is not the same as the American legal system which could declare the accused to be guilty on the basis of a single bit of evidence. He he added, it is necessary to have witnesses and other evidence. "However," reported Col Carlos Eugenio Vides Casanova, director of the National Guard, "Junta President Duarte was requested to ask the American authorities to have lie detector tests administered to the National Guard agents. Duarte did this. Later, with the deputy secretary of justice, Dina Castro de Callejas, he received the families of the assassinated nuns and gave them explanations, which they appeared to accept," Rey Prendes said.

8143
CSO: 3010/141

FDR SPOKESMAN ASSESSES 2-YEAR RULE OF JUNTA

PA161942 Paris AFP in Spanish 2140 GMT 15 Oct 81

[Text] San Jose, 15 Oct (AFP)--In reviewing the 2-year rule of the revolutionary junta of El Salvador, Jorge Villacorta, spokesman for the opposition Revolutionary Democratic Front (FDR), announced here that the fighting will be intensified but, at the same time, efforts will continue to find a negotiated solution to the virtual civil war in El Salvador.

"Our proposal, as presented to the UN General Assembly, constitutes an overall solution to the conflict and we will continue to push it, despite the negative response from the Salvadoran Government," said Villacorta, a former Christian democratic militant who was under secretary of agriculture in his country until March, 1981, and who is now exiled in Costa Rica.

Villacorta emphasized that: "In the meantime, the war will go on. As long as the United States continues to support the Salvadoran Army, they will refuse to negotiate." He insisted that a political solution to the conflict requires a change of attitude on the part of the United States.

The FDR is now promoting peace talks with the government of El Salvador, without any conditions, but it will not accept constituent elections in March "because the country's current situation offers no guarantees for an electoral process," Villacorta said.

In analyzing the development of the struggle in his country during the last few months, the FDR leader presented a rather optimistic picture of the achievements of the opposition forces in El Salvador.

"Two years ago there was no FMLN--the armed coalition of the opposition--and no FDR; we had no areas under our political and military control, like we have now; nor was there fighting throughout the country."

Vollacorta recalled that "starting on 10 January, we began a strategic offensive that forced the army to deploy all of its men and equipment and to request U.S. support, in an attempt to wipe out our forces before the rainy season.

"That offensive is about to end and the popular army has been consolidated and controls areas that serve as a strategic rearguard for our forces, which also did not exist 2 years ago," Villacorta said.

Along with the military situation, the FDR's evaluation also focused on the country's deep economic crisis.

Figures announced by Vollacorta, based on official data, indicate a 13 percent drop in the GNP in El Salvador during the past year; the closure of more than 200 industries; the loss of more than $2 billion in foreign exchange; over 60 percent unemployment and undermeployment; and a decrease in per capita income from $315 in 1978 to $272 in 1980.

In the field of human rights, Villacorta said, the result of these 2 years is "tragic."

"A state if siege and martial law are in effect, which have legalized the arrests, disappearances and assassinations."

"The university was sacked by the army and has been occupied for more than a year, while the government junta has proven that it is incapable of offering the country a stable solution," said the opposition leader.

Villacorta denounced the government's "moves to the right" during these 2 years, along with the imposition of what he called a "fascist military leadership."

He pointed out that "today the Christian Democratic Party is an empty shell without popular support, maintained in power by the U.S. Embassy, against the will of the military and private business sectors."

Villacorta recalled that the majority of the Salvadoran Christian Democratic leaders left the party to create the Social Christian Movement, headed by Ruben Zamora, who has now joined the FDR.

The opposition leader strongly criticized the Salvadoran Government's proposal for elections. He pointed out that they will be constituent elections and not elections to appoint new officials, and that they will be held with the sole participation of ultra-rightist groups, the only ones that have heeded the call to date.

"Within what framework will that constitution be drafted?" Villacorta asked, pointing out that "under those conditions, the elections will mean nothing."

CSO: 3010/174

PRELATE LAUDS END OF MARTIAL LAW, PROTESTS FMLN ACTS

PA182246 Panama City ACAN in Spanish 2008 GMT 18 Oct 81

[Text] San Salvador, 18 Oct (ACAN-EFE)--The Salvadoran Catholic Church today praised the promise of amnesty for the rebels and the suspension of martial law by the government, but protested against the supposed unification of the armies of northern Central America and the destruction of El Salvador's principal bridge by the guerrillas.

In his Sunday homily Arturo Rivera y Damas, apostolic administrator of San Salvador, said that the country has experienced "a contrast between lights and shadows," referring to the most outstanding events during the past week.

The priest concurred with the suspension of martial law and amnesty for the guerrillas announced by the military-Christian democratic junta during the commemoration of the second anniversary of the coup d'etat which overthrew President Carlos Humberto Romero.

However, Rivera y Damas added that these measures will be positive only if they are accompanied by respect for human rights and explanations about the missing, the dead and the political prisoners. He did not mention the state of siege imposed in January 1980.

Rivera y Damas criticized the celebration of the second anniversary of the military movement which overthrew General Romero because it lacked "a sincere evaluation" of the accomplishments and mistakes of the junta.

"The destruction of the Oro bridge was an irrational act," he said during his homily, delivered at the Metropolitan Cathedral.

The bridge, which was blown up on Thursday by FMLN guerrillas--according to military reports--United Central and Eastern El Salvador.

"I fear that the union of the three armies (El Salvador, Guatemala and Honduras) could cause the internationalization of the Salvadoran conflict and extend the bloodshed to sister countries," said Rivera in reference to the supposed establishment of a military alliance between the countries of northern Central America. This alliance has been denied by spokesmen for the respective armed forces.

The apostolic administrator added that such an alliance "is not the correct path for the elections announced in the three countries, or for the search for peace in Central America."

Honduras will hold presidential, legislative and municipal elections in November 1982; Guatemala will hold elections in March 1982 and El Salvador will hold legislative elections in 1982 and presidential elections in 1983.

CSO: 3010/174

BRIEFS

ANTI-GUERRILLA SURVEILLANCE INTENSIFIED--The armed forces have ordered increased surveillance to counteract terrorist attacks against public services. It was announced yesterday that military and security forces have received instructions to operate with greater intensity and continuity and to establish special surveillance posts near electric power plants, substations, towers and generators. Consideration is being given to the urgent need to increase the number of agents, soldiers and Civil Defense personnel with the capability of facing up to terrorists engaged in causing damage to energy installations. The armed forces have also requested the collaboration of autonomous and semiautonomous state organizations to report on the situation existing in their respective districts and on the security needs of the services they offer. In particular, there are plans to intensify surveillance services at electric power plants and substations: security is also being provided to drinking water services; telecommunications; transportation in general; public and private buildings; theaters; etc. The armed forces have requested the cooperation of the public in general in the form of reports on any unusual circumstances, the presence of terrorists, common criminals or suspicious characters, etc. [Text] [San Salvador LA PRENSA GRAFICA in Spanish 6 Oct 81 p 2] 8143

CSO: 3010/141

BULGARIAN AMBASSADOR PRESENTS CREDENTIALS

Condemns U.S. Plans

FL261644 Bridgetown CANA in English 1830 GMT 25 Oct 81

[Text] St Georges, Grenada, 25 Oct (CANA)--The Bulgarian ambassador to Grenada, Boyko Dimitrov, has condemned plans by the U.S. administration of Ronald Reagan to deploy nuclear weapons in Europe. The criticism was made as several thousand persons prepared for another antinuclear protest in Brussels.

The ambassador, now on an official visit to Grenada, told reporters that any nuclear war would be suicidal because no such war can be limited geographically and said "it is the duty of every statesman to denounce the use of these weapons."

The diplomat also spoke about relations between Bulgaria and Grenada where the leftist New Jewel Movement (NJM) seized power in a March 1979 revolution ousting the Eric Gairy regime. He said that relations between the two countries are based on mutual understanding, adding that both Grenada and Bulgaria shared common goals in the promotion of peace and national liberation, as well as joint opposition to imperialism, colonialism, neocolonialism and racism.

He also said that Bulgaria is interested in closer cooperation with Grenada, particularly in the economic, cultural and educational fields and said that the two countries have already held discussions on lines of cooperation.

The diplomat was leaving here today after a one-week offiical visit in which he presented his credentials to Governor-General Sir Paul Scoon. He also held discussions with Prime Minister Maurice Bishop, Foreign Minister Unison Whiteman, as well as officials from the Ministry of Foreign Affairs.

Aid From Bulgaria in Construction

FL262011 Bridgetown CANA in English 1629 GMT 26 Oct 81

[Text] St Georges, Grenada, 25 Oct (CANA)--Bulgaria is to assist Grenada with the building of an ice plant and in the development of the island's agro-industries. This was disclosed this weekend by Boyko Dimitrov, Bulgaria's ambassador to Grenada as he concluded a week-long visit to the island. Dimitrov, who is stationed in Cuba, said negotiations for an agreement on technical cooperation will be completed within the next 2 months.

CSO: 3025/1003

BRIEFS

COMMITTEE TO DEFEND TERRITORY--Georgetown, Guyana, 11 Oct (CANA)--A committee is to be established by government to supervise a number of activities for raising funds to better prepare Guyana to defend its territorial integrity. The committee is proposed in a bill passed unanimously by parliament. The measure also authorizes the issuance of premium bonds for similar preparedness. The bill arose from Venezuela's claim to about 70 percent of Guyana--territory west of the Essequibo River. [Text] [FL121700 Bridgetown CANA in English 1456 GMT 11 Oct 81]

CSO: 3025/1003

PNH GAIN SEEN WITH FINANCE SECRETARY

PA162016 Tegucigalpa Radio America in Spanish 1145 GMT 15 Oct 81

["The Political Minute" commentary]

[Excerpts] We believe that the appointment of Benjamin Villanueva as secretary of state for finance and public credit represents a strengthening of the National Party of Honduras [PNH], since until yesterday Villanueva was personal adviser to PNH candidate Ricardo Zuniga.

The appointment of Villanueva was under consideration for several days; and the finance ministry is a post that the armed forces of Honduras maintained under their control. Thus the confirmation of Benjamin Villanueva means that the military has yielded this ministry to the PNH, and with this the PNH gains strength that could render it a possible winner in the 29 November elections.

There is something even more significant, and we will now analyze it as it is, in our opinion, of the greatest importance. In giving the finance ministry to the PNH on a silver platter, the armed forces of Honduras felt no embarrassment in demonstrating that there is complete identification between the military institution and the PNH.

This confirms an irony that will go down in history: the Liberal Party of Honduras won the 1980 elections, but paradoxically, the PNH, which lost, is the party that now controls the government that the liberals supposedly should control.

CSO: 3010/174

MORE MARXIST INDOCTRINATION MATERIALS FOUND AT UNIVERSITY

San Pedro Sula LA PRENSA in Spanish 10 Oct 81 p 2

[Text] San Pedro Sula--In the files of the secretariat general of the FEUH [Honduran University Students Federation] of the Atlantic Coast Regional University Center (CURLA), in La Ceiba, Marxist documents and indoctrination material were also found, Julio Cesar Valladares, president of the FEUH, said in this city yesterday after participating in the swearing in of the new La Ceiba student leaders.

"We have confiscated the documents we discovered, which will be taken to Tegucigalpa for analysis," Valladares said. He also reported that he had held talks with several leaders of the country's democratic organizations, including an important discussion with SITRATERCO [Union of Tela Railroad Company Workers].

The student did not provide details of the talks, although he did say that such exchanges "have one goal in common: defense of our democracy."

Comment on "His Possible Expulsion"

"That was a crazy idea of the rector of the UNAH [National Autonomous University of Honduras] who after listening to the press conference I held on the manner in which the university's autonomy was endangered by compromises with subversive sectors held a student assembly, while in reality what had been planned was a public forum," said Valladares as he commented on the threat of expulsion by Rector Almendarez.

He added, "Now he has scheduled an assembly for next Tuesday, and it is said that there he will request the expulsion of our adviser and myself, when the truth of the matter is that the person who should be removed is the rector who is fomenting a confrontation among the students, a situation which is highly dangerous but which the students will be unable to avoid.

"If this happens, it is possible that the security forces will intervene, which will justify a 'new struggle' on the part of the leftists, causing the situation we have denounced to be forgotten and involving all the leftists of the University," the student leader said.

Broad Front for the Defense of Democracy in the UNAH

Valladares explained, "We have formed a Broad Front for the Defense of Democracy in the Univerity. Up to now, we have announced establishment of two sections, the central section in the UNAH in Tegucigalpa and the CURN [Northern Regional University Center], here in San Pedro Sula."

The CURN Front has already released its first statement in which it condemns "energetically the attitude taken by elements of the left which, sheltered by university autonomy, are engaged in the indoctrination and training of subversive elements and in other acts which are not in accord with university interests."

Another resolution adopted by the Broad Front states: "Give your fullest support to Companero Julio Cesar Valladares Salinas, president of the FEUH, and to Oswaldo Ramos Soto, former dean of the UNAH Law School."

The Front is requesting the "immediate dismissal of the university rector, Juan Almendarez Bonilla, as he is promoting in an anarchic manner the division of the university student body with a clear intent to involve them in violent confrontations to justify his complicity with the agents of subversion."

The San Pedro Sula Broad Front has declared itself to be in permanent session to be ready to properly respond to any situations which may arise and which are supported by the enemies of democracy and of the people in general.

The Broad Front for the Defense of Democracy in the University is chaired by the current president of the FUUD [United University Students Democratic Front] CURN affiliate, Santos Paguada.

8143
CSO: 3010/141

BRIEFS

COMMISSIONER TO UK--Kingston, 17 Oct (CANA)--The foreign ministry announced the appointment of Bank of Jamaica Governor Herbert Walker, as the island's high commissioner to London. [Excerpt] [FL222018 Bridgetown ADVOCATE-NEWS in English 18 Oct 81 p 3]

CSO: 3025/1003

PRESIDENT COMMENTS ON INCIDENT WITH GUYANA

FL121752 Bridgetown CANA in English 1650 GMT 11 Oct 81

[Text] Paramaribo, Suriname, 11 Oct (CANA)-- Suriname's president, Dr Henk Chin A Sen, has deemed "unfortunate" an incident which resulted in the closure of the Guyana booth at a trade fair here. The Guyana Embassy in Paramaribo decided to close the booth after the Suriname Government had protested about the display of a map listing part of Suriname as Guyana territory.

President Chin A Sen, in a radio comment, said the issue of the boundary dispute between the two countries was not alive at the moment. "No one was concerned about it at the moment, but the Guyana Governments displaying of the map provoked the people of Suriname and the government had no alternative but to ask for its removal," he said.

"It is a rather unfortunate incident," the president declared. His office issued a statement on the matter. It said: "Visitors to the Suriname fair expressed indignation over the map placed in the Guyana stand, in which the dispute area is shown as Guyana territory."

It added: "This behaviour on the part of the Guyana Government is regrettable and is seen by the Suriname Government as provocative. "Regrettable as the incident is," the statement continued, "the government could not allow the map to be exhibited in the face of protest by the people of Suriname."

The incident drew a critical comment from the weekend mirror newspaper here, the paper declared: "The Guyana authorities had the nerve to demonstrate a map of Guyana in which the Suriname territory, now illegally occupied by farmer-soldiers (national service) was shown as Guyana territory.

"It is understandable that the whole nation protested this far-reaching insult and demanded from the Suriname Government that something be done to stop this insult to the nation, which is giving not only friendship, but also a new home to thousands of Guyanese."

In another section of the paper reference was made to a cultural show staged by Guyana on 28 September. The paper said the show "did more for better relations between the two countries than the lot of diplomatic regmarole by Guyana during the last few months."

CSO: 3025/1003

BRIEFS

CUBA INTERESTED IN INCREASED TRADE--Paramaribo, Suriname, 20 Oct (CANA)--Cuba is interested in buying rice from Suriname and preliminary discussions on the matter have already taken place between the two sides, Cuba's commercial attache to the Caribbean, Senor Manuel Sanchez, has disclosed here. Senor Sanchez, who was here to attend the recently held Suriname trade fair, said this was mainly in an effort to increase reciprocal trade between the two countries. He added however that the question of prices, supplies and a system of payments still had to be worked out. The Cuban official told newsmen that these discussions would be resumed at a future date, adding that as long as the prices were good and supplies were guaranteed, his country would be willing to start business with Suriname. Cuba already purchases railway sleepers from Suriname and Senor Sanchez said the purchase of rice would be another way for Cuba to demonstrate its goodwill towards the former Dutch colony. Speaking on his countrys participation in the trade fair, he said it was a further effort to strengthen existing ties between the two countries. [Excerpt] [FL202256 Bridgetown CANA in English 2126 GMT 20 Oct 81]

CSO: 3025/1003

CNR PREPARES FOR ELECTION; 16 CANDIDATES PRESENTED

Initial Line-Up

Port-of-Spain TRINIDAD GUARDIAN in English 21 Sep 81 p 1

[Text] The candidates:

Diego Martin Central--Karl Hudson Phillips, 49, Barrister-at-Law; Political Leader.

Oropouche--Surujrattan Rambachan, 32, U.W.I. Lecturer; Deputy Political Leader.

Diego Martin East--Dr Hugh Spicer, 48, Medical Practitioner.

Deigo Martin West--Theodore R. Guerra, 49, Barrister-at-Law.

Port of Spain South--Clive Pantin, 48, Teacher.

St Ann's West--Lloyd Elcock, 42, Insurance specialist.

Barataria--Dr Ramesh Deosaran, University Lecturer.

St Joseph--Mervyn Assam, Company director.

Tunapuna--Rhona Baptiste, Publisher.

Arima--Richard Saunders, Electrical Engineer.

Chaguanas--Sudesh Shivarattan, 41, Barrister-at-Law.

Couva North--Abdool Wahab, 35, Public Servant.

Tabaquite--Premchand Dass, 48, Foreign service officer.

Point Fortin--Dr Randolph Peters, 37, Teacher.

Fyzabad--Ben Brown, 46, Oilworker.

Pointe-a-Pierre--Oswald Hemley, 42, Teacher.

Hudson-Phillips Address

Port-of-Spain TRINIDAD GUARDIAN in English 21 Sep 81 pp 1,3

[Article by Clevon Raphael: "Peaceful Change Now or Never Says Karl"]

[Text] It is now or never for peaceful change in Trinidad and Tobago.

This was the rallying call sounded by the Political Leader of the Organisation for National Reconstruction (ONR), Mr Karl Hudson-Phillips, during a lengthy address at Woodford Square, Port of Spain, yesterday afternoon.

The ONR presented some of its candidates to contest the upcoming general elections.

Mr Hudson-Phillips, who renamed the largest public square in the city "Reconstruction Square," said among other things that an ONR administration would reconstruct the public service, devise rules for the participation of all public servants in active politics and overhaul the present income taxation structure.

Corruption

He told the large crowd that the last 25 years had seen a deepening of the process of corruption--in its broad and narrow sense--corruption in terms of dishonesty, lack of self-respect, indiscipline and selfishness.

Mr Hudson-Phillips, who was Attorney General in the ruling People's National Movement, emphasised:

"It is left to the ONR in 1981 to demonstrate to Trinidad and Tobago and the Caribbean and the world at large, that the face of Trinidad and Tobago does not have to be corrupt, does not have to be dishonest, does not have to be backward looking.

"To the vast majority of Trinidadians and Tobagonians it is now or never.

If we do not grasp this opportunity to change democratically, we fear how the change will come. Already there are lots of you who are saying that if it does not change, you will leave Trinidad and Tobago for good."

He interpreted this to mean that there were many people poised on the decision for change or mass exodus from their native country.

Mr Hudson-Phillips noted that "as we look around us in Trinidad and Tobago in 1981," the expressions of hopelessness pervaded the air.

Trick Slogans

The corrupting trick slogans were being brought out of the cupboards, the slogans showed the disappointment and rising anger or defeat (it depended which way you looked at it), of the people.

He elaborated:

"'Count your blessings'; 'Money is no problem'; 'What is wrong must be put right'; 'Telco poops'; 'you are a nation of complainers'; 'we like it so'; 'it is a way of life.'

"These expressions reflect dishonesty, despair and hopelessness.

"Most of all they reflect the arrogance and contempt which the present ruling party has for the people of Trinidad and Tobago. They are saying, 'you are fools, that is why you will vote for the ruling party again.'

"It reflects the violence which has been done to people's minds to the extent that a lot of us no longer feel the wrongs and injustice which are being done to us every day."

The ONR would achieve its goal of creating an industrialised society by using a particular structure of social and economic organisation the party called a "mixed economy."

So far, the system as it now operated, according to Mr Hudson-Phillips, had failed to distribute the wealth of the national equally among the citizens.

Real poverty was even more evident in Trinidad and Tobago today than it was 25 years ago, and an ONR administration would have to address the question of special programmes for the relief of poverty in this country.

A return of national planning was necessary to promote social justice, utilisation of our abundant resources, reduction of concentrations of economic power and the encouragement of public participation in the development process.

Since 1973, he recalled, Government abandoned national planning in favour "of some nebulous term called development strategies."

He explained: "Money was no problem so there was no need to plan. Any sensible government would have realised that the exact opposite is the case. When a country like Trinidad and Tobago is blessed with a sudden windfall, the necessity for national planning is even greater.

"The smallest child will tell you, 'A fool and his money are soon parted.' This is what the present government has virtually done to Trinidad and Tobago.

"With the abandonment of national planning, each Ministry became a separate economic kingdom."

Criticising the concept of a Corporation Sole, Mr Hudson-Phillips argued that there has been no clear balancing of political and economic considerations against each other, as a result a form of political opportunism had appeared.

He added:

"Immediate political and personal benefits have been given priority over social and economic goals. One suspects that several large projects were entered into

without planning on the purely personal reason of how much the particular person in charge of the project would get by way of illegal payments, bribes and from sludge funds.

"The result is that we have now been saddled with questionable projects which we will have to pay for whether or not they serve any useful social purpose.

In the absence of national planning, he continued, there was no understanding of how our national economy functioned.

Mr Hudson-Phillips said;

"There has been no concern or forethought that the rapid industrialisation of Point Lisas has seen an increase in suicides in that part of the country, greater incidents of prostitution at levels higher than the peak days of the US base construction during the last war."

The Central bank has made inflation the number one enemy of the country and has adopted a strict monetarist solution--yet, year after year the Minister of Finance ignores this topic in his Budget presentations.

Candidates' Background

Port-of-Spain TRINIDAD GUARDIAN in English 21 Sep 81 pp 1, 6

[Article by Norris Solomon: "Rest of the Team 'In a Few Days'"]

[Text] The Organisation for National Reconstruction (ONR) presented 16 of its candidates for the forthcoming General elections in Woodford Square yesterday.

Rest of the slate with which the party hopes to form the next Government will be announced in "a few days," according to the party's organiser, Mr Ferdi Ferreira.

He told the large cheering Woodford Square crowd that it was the first part of the team describing it as the front line.

Earlier, he told the party convention at Chaguaramas that political strategy demanded that "we leave some of our options open; we must be careful."

The ONR is the first of the political parties to formally announce its candidates.

Yesterday's announcement of the 16 party candidates followed a morning convention and a motorcade from Chaguaramas to the square.

Mr Karl Hudson-Phillips, the Political Leader, leader of the team is contesting the Diego Martin Central seat and is now returning to face the polls.

He contested in 1971 on the ticket of the ruling People's National Movement but did not fight in 1976.

Surprise candidate yesterday was Dr Ramesh Deosaran, university lecturer, named to fight the Barataria seat.

Dr Deosaran appeared on the ONR platform in April last year when the party was launched, but since then stated that he was not a member of the ONR but had been invited to chair that meeting.

The party's Deputy Political Leader, Mr Surujrattan Rambachan, a 32-year-old UWI lecturer, will be contesting the Oropouche seat, while Mr Clive Pantin, former Principal of Fatima College, is seeking the Port of Spain South seat, formerly held by the late Prime Minister, Dr Eric Williams.

Dr Deosaran's candidature is expected to provide an interesting fight in Barataria where the incumbent is Minister of Health and Environment, Rep Kamaluddin Mohammed, who is expected to contest again on the PNM ticket.

One woman is among the 16 named-Rhona Baptiste, a publisher and former teacher at St. Joseph's Convent in Port of Spain.

Mrs Baptiste is also an executive member of the Housewives Association of Trinidad and Tobago and a newspaper columnist.

Dr Huge Spicer is slated for Diego Martin East seat, and Barrister-at-law Theodore Guerra will contest in Diego Martin West.

An insurance specialist, Lloyd Elcock who is also a Barrister-at-law, is the ONR candidate for the St. Ann's West constituency where Prime Minister George Chambers is expected to fight for the PNM.

Named to contest Couva North...the seat currently held by Opposition Leader Basdeo Panday, is a public servant, Mr Abdool Wahab.

Former Trinidad and Tobago Manufacturers Association President, Mr Mervyn Assam, will be seeking honours in St Joseph.

The Political Leader, Mr Hudson Phillips told the Woodford Square crowd that the candidates had been through a rigorous screening process.

"Searching enquiries have been made of them to determine their qualities as good citizens and of honesty, integrity and ability," he said.

Mr Hudson-Phillips said Trinidad and Tobago was crying out for people of their calibre to come forward and serve. "Already the example of those who have made public their intentions before today has given large sections of the population that faith and hope and encouragement which we so desperately need," he added.

The candidates were presented by Mr Ferreira.

Eldest of the candidates are Mr Hudson-Phillips and Mr Guerra, both 49, while the youngest is Mr Saunders, 28.

Three of them are 48 years old overall, 11 of the candidate are in their forties.

In Chaguanas, the candidate is Sudesh Shivarattan, Barrister-at-law, while in Tabaquite a foreign service officer, Premchand Dass, will contest.

Five of the candidates have been trained as Barristers-at-law, three of them full time practitioners.

Thousands packed Woodford Square for the announcements yesterday and flag-waving and cheers greeted the announcement of the candidates.

As the announcement of Mr Pantin's candidature was made he was lifted into the bandstand by supporters.

Dr Deosaran and Mr Pantin received the loudest cheers from the mammoth crowd.

Announcement of the candidates was made against a background of the recorded calypso by King Austin, "Progress."

Describing the 16 candidates as the first part of the team, Mr Ferreira said that it was political strategy.

"The enemy is wounded and desperate, we must be careful with our timing." He said adding that in the next few days they would be presenting the rest of the team.

Mr Pantin took an oath on behalf of the candidates to uphold the constitution, the rule of law, the constitution of the ONR, and to adhere to its principles.

He pledged too, to serve with integrity, without favour, not to discriminate against anyone.

Party sources noted that while the party would be contesting all the seats in Trinidad it was not certain yet whether the ONR would field any candidates in Tobago.

Other areas for which the party still has to name candidates include the two San Fernando seats, Siparia, La Brea, Laventille, Arouca, San Juan, Toco, Manzanilla and Nariva.

CSO: 3025/27

BRIEFS

SUPPORT FOR BELIZE--The Government of Trinidad and Tobago has pledged support to independent Belize in the event of an armed attack, externally organised or supported. The pledge is made in a message on the occasion of Belizean Independence. The declaration reads: "In the spirit of support for Belizean sovereignty and territorial integrity, repeatedly expressed at Commonwealth meetings and in the United Nations, the Government of Trinidad and Tobago declares that in the event of an armed attack against Belize, externally organised or supported, or the threat of such an attack, it would consult with the Government of Bahamas, Barbados, Danada, Guyana, Jamaica and the United Kingdom to consider what measures should be taken in relation to such an attack." [Text] [Port-of-Spain TRINIDAD GUARDIAN in English 21 Sep 81 p 5]

CSO: 3025/26

END

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Latin America Report

No. 2398

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CREDIT ASSOCIATION MOVING FROM BARBADOS TO JAMAICA

Bridgetown ADVOCATE-NEWS in English 28 Sep 81 p 3

[Text]

ST. GEORGE'S, Grenada, Sunday (CANA) — The Caribbean Agricultural Credit Association (CACRA), formerly the Caribbean Agricultural Training Committee (CATCOM), has decided to shift its headquarters from Barbados to Jamaica.

The decision was taken at the annual general meeting of the organisation which ended here Friday night.

Informed sources say that the delegates expressed concern over the manner in which the Barbados National Bank was fulfilling its obligations to the organisation, and the optimism that a better deal would be given by the Jamaica Development Bank.

The sources say that the Barbados National Bank was not represented at the meeting because of the souring of relations between the Grenada and Barbados Government.

Relations between the two countries took a downward turn last November following a Barbados Government call on the left-leaning People's Revolutionary Government (PRG) here to hold promised free and fair elections in the Spice Island.

The Grenada Government reacted by accusing Barbados of interfering in the country's internal affairs and sought to link the Barbados Government with a June 1980 bomb blast which killed three people in a rally here.

The Barbados Government responded by withdrawing normal VIP courtesies to Grenada Government officials at the Adams International Airport and said it would not attend meetings of the Caribbean Community (CARICOM) in Grenada unless this country apologises for its behaviour.

The meeting also elected John Yates, managing director of the Guyana Co-operative Agricultural and Industrial Development Bank (GAIBANK), to replace Jamaican Dr. Ian Whittaker as chairman of CACRA.

CSO: 3025/28

BRIEFS

AGRICULTURAL PROJECT—St John's Antigua--The Caribbean Agricultural Research and Development Institute (CARDI), based in Trinidad, has begun a three-year research development project in Antigua under the direction of New Zealander Dr John Keoghn. The project is being developed at a rural area in Antigua at which other research projects have been conducted by other regional agricultural organisations. Antigua's division of CARDI has already earmarked a number of plots and has also chosen the experienced farmers who will be involved in the research project. Peanuts have for many decades been grown in Angitua on a small scale and it has been proven that the country possesses suitable soil for commercial development. The European Development Fund and the Caribbean Development Bank, have put up an undisclosed sum of money for the development of a peanut scheme in Antigua. Caribbean Research and Development Institute, has also launched similar projects in St. Kitts and Belize. [Text] [Bridgetown THE NATION in English 1 Oct 81 p 11]

CSO: 3025/32

EFFORTS TO UNIFY OPPOSITION SDP, FNM HIT ROADBLOCK

Bridgetown ADVOCATE-NEWS in English 2 Oct 81 p 8

[Article by Vern Darville]

[Text] NASSAU, Bahamas, Thursday (CANA) — The Bahamas official opposition, the Social Democratic Party (SDP), has run into trouble in trying to set up a wider power base.

Its proposals for unification with a small opposition party, the Free National Movement (FNM), were torpedoed, meaning that the next general elections will be a four-party fight.

At the same time, Prime Minister Lynden Pindling's Progressive Liberal Party (PLP), has made headway in improving its image. It is expected to call elections by mid-1982.

Political sources said the FNM, led by an attorney Kendal Isaacs, had found the SDP conditions for unification unpalatable.

Both parties are proponents of the free enterprise system and are staunchly opposed to any government involvement in the economy outside of the basic utilities.

Opposition politics in the Bahamas since the 1977 general elections has been characterised by an increasing number of splits among those political forces to the right of the governing party.

First there was the Bahamian Democratic Party (BDP) which emerged out of the ruins of the FNM, which was literally crushed by the PNP in the 1972 general election preceding independence. In that ballot, the people had a clear choice between independence at the time or independence later, the position of the FNM.

That party literally disintegrated and its leading members retreated into the background to lick their wounds and the BDP emerged as the country's official opposition.

After two years of opposition, there was a reunification effort between the BDP and what was left of the FNM. In that process, there occurred another split, this time over which politicians was going to lead the opposition into the 1982 general elections — and the split was over the black-white question and on who had links with the defunct United Bahamian Party (UBP) which controlled the country's minority government until 1967.

Out of that split emerged the white SDP led by MP for St. John's, Norman Solomon.

The governing party has been moving towards greater public participation in the economy. Purchase of several hotels and formation of the hotel corporation, purchase of a poultry farm on Eleuthera and formation of its agriculture corporation, ownership of Bahamasair, the country's flag carrier, purchase of extensive properties previously owned on Abaco and Andros by Owens-Illinois, which at one time operate a sugar factory on Abaco.

As its right-wing opposition seems to lose support in the country partially through its divisiveness, the government, although hamstrung by a high rate of unemployment, estimated at 15 per cent in 1979 and upwards of 30 per cent among the under-25 age bracket and an increase in poverty and its concomitant social problems, seems to be gradually making headway in its social programmes and in the problems which characterise an overly-centralised government in a nation comprised of far-flung islands.

The government in 1979 launched its so-called "social revolution" based on increased social welfare benefits aimed at the poorest sectors of the community which just this week has been expanded in a sweeping fashion so that the benefits of the US$122 million national insurance scheme now affect a wider section of the population with many of its inherent anomalies corrected.

Further, the government has made a belated move to introduce local government to the family of out islands.

This together with its social programme which includes a massive low-cost housing programme now being supplemented with 26 per cent of the national insurance fund (some US$24 million is being pumped into the housing scheme over the next few months) and the government's US$20 million urban renewal scheme in grants town is further militating towards the likelihood that the government will remain in power for some time to come.

Despite a drop in tourism

earnings this year, the Bahamian economy is still in a very healthy condition, according to the governor of the Central Bank, William C. Allen, who revealed that mark at the end of July, having reached a peak level of $234 million in May.

The government is participating in the beginnings of yet another industrialization drive through the Bahamas light industries council and its revitalized Bahamas Development Corporation with the assistance of economic advisers from the European Economic Community.

And, in the field of education, the government has taken concrete steps to counter the failures of yesteryear by doing away with the controversial social promotion system and by overhauling the rundown public school system.

CSO: 3025/28

REMARKS BY TOURISM CHIEF DEAR AROUSE VOCAL OPPOSITION

PPM Call for Resignation

Bridgetown THE NATION in English 29 Sep 81 p 1

[Text]

THE statements made earlier this week about Barbados' beaches and the vendors who use them, by chairman of the Board of Tourism, Jack Dear, have been described as racist and anti-worker.

The denouncement came from the People's Progressive Movement in a press release issued yesterday.

The release said:

"The Peoples Progressive Movement strongly condemns Mr. Jack Dear's statement and states that if this policy is pursued, we shall stand firm on the side of the working class in this island and do whatever is necessary to stop the whittling away of our rights.

"The beaches of Barbados have produced the Weekes, Worrells, Halls and Soberses of Barbados to make our black people internationally famous. The beaches are the only areas left for the masses to enjoy.

"The hotel industry has already taken all the best lands for their use and the use of the foreigners who visit our state.

"We have already lost the enjoyment of our beaches; we will not lose any more of our rights to satisfy the narrow aims of the Jack Dears of this world."

The release stated that the PPM was shocked by "scurrilous remarks" made by Dear against the ". . . honourable magistrates of Barbados".

Union Condemnation

Bridgetown ADVOCATE-NEWS in English 3 Oct 81 p 1

[Text]

The Barbados Workers Union has described as "conservative and backward looking" recent statements coming from what it considers to be some of the country's leading citizens.

In a Press release yesterday, the union expressed surprise at remarks recently made by Chairman of the Board of Tourism, Mr. Jack Dear, Q.C., describing them as "provocative and likely to evoke a negative reaction from Barbadians at the very time that attempts are being made to develop an awareness of the tourist industry amongst locals".

Mr. Dear reportedly advised those who owned beach front property to maximise the rights which ownership of such property confirms in them.

The union stated that local beaches must be open to the country's citizens and said it would not condone any attempt or suggestion about perpetuating or introducing the practice of private beaches.

It also objected to a statement made by Senator David Seale that Broad Street was the preserve of the rich, Swan Street for the foreigners and Baxters Road for Barbadians.

The union noted that there was a clear pattern when these positions were juxtaposed which should have no place in modern-day thinking.

"The point being made is that productive property in Barbados whether for buying or selling, running hotels or for commercial agriculture, is being controlled by a small group of people who are not afraid either by themselves, or through their spokesmen, to push their points of view.

"This group of persons is also capable of absorbing smaller property owners, whether small businessmen or small farmers, into their ranks".

The BWU accused these groups of tending to see their interests as representative of the interests of all Barbadians.

"When they want full control of Broad Street they say the public supports them; when they want to keep all the windfall sugar money they try to get public sympathy; when they desire to sweep Barbadians off the beaches they say it is in the public interests; and when they want to get rid of price controls and increase our level of imports to dangerous levels, it is in the interest of the consumer.

Said the union: "Anytime there is a slight problem in any sector of the economy or society, the workers, or the masses, or their industrial relations representatives must take the blame.

"When the economy is booming and the society stable, they take all the praise, with a token kudo tossed to the masses for their good management and public-spiritedness."

CSO: 3025/29

EDITORIAL COMMENTS ON U.S. POLICY OF AID TO POOR NATIONS

Bridgetown ADVOCATE-NEWS in English 2 Oct 81 p 4

[Editorial: "No Sympathy for Poor Nations"]

[Text]

The developing countries, did not receive any words of comfort from President Ronald Reagan of the United States this week. While they have been calling on the developed and industrialised nations to provide them with more aid President Reagan's advice to the poor nations is that no amount of aid will provide the required progress if they do not put their own economic houses in order. The advice is sound. The problem is that the poor nations are in already crumbling economic houses, that cannot take any more serious knocks.

The poor countries have been for many years now battling with rising fuel costs; heavy debts; inflation headaches; and when some of them have tried to diversify their economies by pushing manufacturing they have run up against protectionist policies of the richer nations. It comes as no surprise that with Mr. Reagan's warning no more aid will be forthcoming from the United States and with a number of the richer nations joining that cry, the poor nations see even gloomier days ahead for them.

Mr. Reagan is himself setting about to put his economic house in order. It is not proving an easy task. It cannot therefore be expected that those who are grateful even from the crumbs that fall their way from the U.S. table will be finding it any easier.

High interest rates in the United States and the higher rates now linked to the United States dollar have not made it any easier for the poor nations whose debts are more often than not quoted and repayable in U.S. dollars. For many, Mr. Reagan's advice will be akin to an ailing patient being told that what he needs is not more medicine, that increases in medicine will not do him any good if he is not prepared to get up and walk, not withstanding the fact that he might be too weak to walk.

It has been recorded that when such ailing bodies did manage to get up and walk it was the result of great faith in an accepted Divine source and even then it was called a miracle. Perhaps Reagan is expecting the poor nations to perform miracles at this stage.

President Reagan used this week's Joint Annual Meeting of the International Monetary Fund (IMF) and the World Bank to put over his message. Many of the poorer nations have been hoping to convince the IMF and the World Bank to give them increased assistance to help them get over this difficult period. Mr. Reagan's message comes as a death knell of any such hopes, for it was significant that the Chairman of the International Monetary Fund, Mr. Jacques de Larosiere, was quick to back Mr. Reagan's no-aid increase stand, pointing out that while what had to be done could be costly in human terms there is no other way out.

It has long been accepted that circumstances alter cases. To talk of economic policies being tough on rich nations and poor nations in one and the same breath is not to make allowances for the fact that rich nations have systems which more often than not are not to be found in the poor countries. This makes the toll of human suffering that much greater in the poor nations. The unemployed, for example, in most rich nations benefit from schemes these countries have for their unemployed. These schemes might not meet the requirements totally for day to day existence in comfort but they cannot compare with the hopelessness that millions in a similar position will face in the poor countries even with these trying to patch up their crumbling economic houses.

Mr. Forbes Burnham thousands of miles away from Washington where Mr. Reagan said his piece, in different circumstances had this to say about the poor countries this week: "The cries of the poor are not the bleatings of the mendicant. They are the reasonings of a substantial part of humanity — a part of humanity which has been dispossessed and which has only been the recipient of pieties.

"It is of little use to talk about the difference between rich and poor unless we are prepared to do something about this difference, this vast gap..."

To merely tell the poor countries at this stage that all they have to do is to put their economic houses in order is to display an insensitivity to human needs that borders on ruthlessness.

CSO: 3025/29

SUGAR CROP FALLS 21,000 TONS SHORT OF 1981 PROJECTION

Bridgetown THE NATION in English 2 Oct 81 p 1

[Text] Barbados' 1981 sugar crop has yielded only 94,065 tonnes, almost 21,000 below the projected figure; and growers are in trouble.

In making this announcement yesterday, at the annual general meeting of the Barbados Sugar Producers' Association [BSPA], president, Geoffrey Armstrong, stated the figure had come about under conditions "which all are agreed are the worst in the last 50 years."

Armstrong painted a bleak picture of the present state of the local sugar industry, and said the international sugar situation at the moment did not hold out any good prospects over the short term.

"The financial position of most estates is weak. Plantations, representing about 70 percent of all estate lands, have been unable to repay out of their crop proceeds the bank loans to finance the growing of the 1981 crop," he said.

Armstrong added that for most estates, the financing of the 1982 crop would be more costly than normal, because they would not be able to take advantage of the Central Bank facility for agriculture, because, "in order to qualify for use of the facility, previous borrowings must have been repaid."

He also stated that much damage had been done to the land, through having to harvest cane in wet conditions. Because of the prolonged crop, the growing season had been curtailed, he said.

The BSPA president said, with the 1980 crop of 135 000 tonnes, and the upward movement in world sugar prices, he had been optimistic about the recovery of the local industry from the difficult years when dry weather conditions, rising costs and low sugar prices plagued it.

He declared, however: "My optimism was very short-lived. Since our last annual general meeting, the sugar industry has experienced a series of problems, any one of which, in any year, would itself be a major problem."

Armstrong said the Barbados Workers' Union (BWU) "unreasonable demand" for $10 million in bonus payments, would have adverse effects "for a considerable time" because some estates had to borrow funds to meet the demand. Additionally, the two to three weeks' delay meant that even if all the canes were reaped, some 5,000 tonnes of sugar would have been lost.

CSO: 3025/29

BRIEFS

CROP DAMAGE--Heavy rains which affected harvesting of this year's sugar cane crop, are having a toll on food crop production in the island, the Barbados Agricultural Society (BAS) has said. The BAS announced that constant heavy rains had prevented the preparation of land for planting food crops, and it was feared that because of that, farmers might not be able to plant as many yams and sweet potatoes as in the past. BAS said that the absence of cucumbers had led to increased prices. In addition the BAS pointed out that rains had affected carrot production by what it termed "washing out," tomatoes by beating off blossoms while mild-dew had damaged vines and cabbages. "As a result, these crops have been imported with the most recent shipment arriving in Barbados on August 26. It is possible that the rains can have the same effect on yams and potatoes," said the BAS newsletter Agriculture in Action. This year's Barbados sugar crop had been severely affected by unseasoned wet weather which caused the slow delivery of canes to factories. [Excerpts][Bridgetown ADVOCATE-NEWS in English 28 Sep 81 p 2]

WARNING TO SUGAR PRODUCERS--The Barbados Workers Union has warned sugar producers that it will use the full power of collective bargaining and other industrial relations methods to defend the only major property owned by workers-wages. The union accused those who own sugar plantations of never having had a definite policy in respect of workers. Sugar workers, it said, had always been treated as "a dispensable commodity" and wages and conditions of labour, especially relating to safety and health, have always been kept in a backward state. The union was reacting to a statement by Mr Geoffrey Armstrong, president of the Sugar producers Association that 28 per cent of the sugar work-force would soon be leaving. Said the union: "This he uses as a support for mechanisation. Workers have been leaving the sugar industry at a rapid rate because of "push" elements. Owners, because of the penchant for mechanisation, have never really encouraged sugar workers to identify fully with the industry." "If workers are further attracted to opportunities in tourism, manufacturing and construction, the sugar producers must be held largely responsible. They have failed to create a climate to encourage workers to remain with them. Each negotiation is seen as a battle to inflict further indignation on the worker." The union also accused the sugar producers of claiming to be in a perilous state when they were building a multi-million dollar factory at Blowers, St. James. [Text] [Bridgetown ADVOCATE-NEWS in English 3 Oct 81 p 1]

BANK DISCOUNT RATE--The Barbados Central Bank is increasing its discount rate to commercial banks from 18 percent to 22 percent tomorrow to discourage short term borrowing from the bank, it was officially announced Friday. The discount rate is the rate payable by commercial banks for short-term borrowings from the Central Bank to meet their liquidity needs. The move was part of the Central Bank's initiatives to tighten credit and improve the balance of payments position, bank Governor Dr Courtney Blackman said. [Excerpt] [FL291902 Bridgetown ADVOCATE-NEWS in English 25 Oct 81 p 1]

CSO: 3025/1004

CONGRESS' ACTION ON SOCIAL SECURITY GOOD FOR DEMOCRACY

PY032228 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 29 Oct 81 p 3

[From the "Notes and Information" page: "Democratic Behavior"]

[Excerpts] Following the passage of the bill on social security and health care, the question should be raised as to whether the government agrees to negotiate only in cases in which the opposition holds an advantage, because strictly speaking, if those who talk about pacification were always willing to negotiate, so much energy would not have been spent coming up with a result which the government finally discovered is better and which progovernment leaders in congress recognized is best for the PDS [Social Democratic Party] affirmation as a political party. Since opposition leaders prefer to give congress, not opposition, credit for turning down the original Planalto Palace bill, this is no time for criticism of the government. It should be observed, however, that only the prospect of defeat or the prospect of bearing the blame for approving the original bill through the mechanism whereby passage is automatically ensued if congress fails to vote on it within the time allowed for its discussion prompted the government to accept a compromise that was ultimately successful.

Leaving that observation aside, it should be noted that the passage of an amended version of the social security and health care bill by a floor vote permitted congress to reassert its function as a forum for debate and decisionmaking. In fact, it cannot have any other function, much less that of a notarial office for recording bills submitted by the executive branch for rubberstamping. This change--a wholesome one for the democratization process--should be borne in mind by everyone from here on, as should the assessment of the final voting by PMDB [Brazilian Democratic Mobilization Party] and PDS leaders who said that it stood as a sign of congress' revitalization, not of defeat or victory for anyone.

Congress and the nation should keep in mind that other questions of equal, or perhaps greater, relevance will be submitted for discussion and approval in the future, if they are not already being dealt with in congressional committees. Some of these questions are the organic law of the courts, the new civil code, the special usucapion law [acquisition of ownership title over land property by uninterrupted possession of it for a definite time period] and the reform of electoral laws regarding political campaigning over radio and television.

The satisfaction of the nation over this demonstration of maturity by the government, the PDS and the opposition should not keep us from criticizing the amended bill which was approved. It will not solve the crisis of the social security and health care services--just as the original would not--because the crisis has to do with structures more than funds.

These limitations, however, cannot mar this victory of democracy, a victory represented by the performance of a congress revitalized through the opposition's serene action and the adult behavior of the Planalto Palace and the PDS. This October will in the future stand as a landmark of significant progress toward the state of law.

CSO: 3001/20

COMMENTATOR SEES U.S. DESIGNS ON SOUTHERN CONE

PY310042 Sao Paulo FOLHA DE SAO PAULO in Portuguese 18 Oct 81 p 16

[Commentary by Newton Carlos]

[Text] According to the daily CLARIN in Buenos Aires, Argentina supplies arms to Bolivia. It has also supplied arms to El Salvador and to Somoza's national guard. Within a program of military aid "to countries of the continent" Uruguay even receives Argentine fighter planes. Soon Argentine army commander General Galtieri will travel to the United States to discuss issues of "mutual interest."

Another high-ranking U.S. official is visiting the southern cone and especially Argentina. This is Robert Service, who is the director of the State Department "desk" which handles Argentine, Paraguayan and Uruguayan affairs. It was stated in Washington that with Service's mission the United States is "putting out feelers" in the southern cone. The missions continue, the pilgrimage is large. First came John Middendorf, Reagan's ambassador to the OAS, then Jeane Kirkpatrick, ambassador to the UN and author and promoter of the discrimination between the "totalitarian" regimes, which are merely communists and the "authoritarian" regimes which are managed by those who took over through a coup and could be willing for an opening--this would be the case of Pinochet, who was Kirkpatrick's most enthusiastic host. This pilgrimage also included General Meyer (U.S. army commander), Wallace Nutting (chief of the U.S. Army's southern command) and Gordon Summer, chief adviser of Thomas Enders, who is the head of the State Department Latin American Affairs office. In addition to these visits there have been the comings and goings of Vernon Walters, Reagan's traveling ambassador especially to our continent.

Also Adm Harry Train, commander of the NATO forces is visiting the southern cone. General Meyer only visited Argentina, where he officially established "mechanisms of consultation" between the U.S. and Argentine armies. Considering the southern cone a "safe" area and Argentina as a sort of pawn, the United States is trying to set up a regional "strategic consensus" (because of its need to stop the "Soviet expansionism?) which will later on be included in a global security system. The same type of setup is being tried in the Middle East with Israel, moderate Arab countries, Egypt, Saudi Arabia, Sudan and Oman. These two "consensus" would start to interpentrate each other through the "peace keeping force" which the

United States is creating for the Sinai Desert and for which it is trying to obtain an important Latin American participation. General Walters believes that if that force is established it would be easier to do the same in Latin America. It would be easier to create an inter-American force to confront the Latin-American guerrillas. The State Department and the Pentagon are interested in the Argentine "know-how" [given in English] regarding the anti-guerrilla struggle and in the Argentine officers' willingness to participate in operations of intervention such as in El Salvador for example. As is disclosed by the daily CLARIN from Buenos Aires, Argentina has its own program of military aid which has been implemented since Somoza's time and has even offered (officers talk about this) to send troops to El Salvador. Another interpenetration would be carried out through "joint maneuvers" with NATO forces, which for the first time would go beyond the European borders, crossing the Tropic of Cancer. Admiral Harry Train came to the southern cone to talk about this, about naval maneuvers entitled "Ocean Venture 81." The objective is to place NATO ships together with Latin American warships to guard the Caribbean as well as the South Atlantic.

Uruguay has agreed to send 600 soldiers to the Sinai and Uruguayan ships are taking part in the first phase of the "Ocean Venture 81" maneuvers in the Caribbean. In has been stated that the Uruguayan soldiers were seduced, in exchange for their participation, with all types of advantages, good salaries to be paid in dollars and even given the right to import new cars. Argentina's participation, which is considered as vital in Washington, will be discussed during General Galtieri's visit to the United States. At present Reagan's administration has an important success at hand. With a "commitment solution" the U.S. Senate has decided to do away with the Kennedy-Humphrey Amendment signed in 1977 which prohibited the sale of war material to Argentina. Reagan has been authorized to resume that sale with the sole condition that it should be for the "national interest." Regarding respect for human rights in Argentina, which was the reason for this amendment, the Senate has simply stated that it "hopes" that they will "develop."

CSO: 3001/20

DAILY ON U.S. SENATE'S DECISION ON AWACS SALE

PY021848 Rio de Janeiro JORNAL DO BRASIL in Portuguese 30 Oct 81 p 10

[Editorial: "Important Decision"]

[Excerpts] With a victory by a slim margin in the Senate, President Reagan has cut the "gordian knot" of the AWACS question--which concerns the radar planes, a military version of the Boeing 707, which the U.S. President is now authorized to sell to Saudi Arabia.

The question was a complex one from the strictly military and strategic standpoint: at what point could those sophisticated planes alter the balance of forces in the Middle East.

The question, however, was decided on the basis of political considerations--and it is because of this that the decision is more complex and has more implications. The argument that countries such as Saudi Arabia do not deserve confidence, for instance, can be turned around; the ambiguity of the Saudi or the Kuwaiti position is somehow related to the inability in recent years of the United States to act as a major power in the context of the Arab world. Washington seemed resigned to not having a broad policy for the region, relying on "strong men" like the shah of Iran and the president of Egypt.

That strategy came to grief with the disappearance of those two men and an urgent review became necessary. Monarchs such as King Khalid and the Amir of Kuwait did not express any special sympathy for the Soviet Union, but rather the opposite. But they may have been discouraged from preserving some degree of autonomy because they were not able to count on compensation and support from the United States.

That reality has been faced by the U.S. Senate's decision: what influence could a president have in the Middle East who could not sell defensive arms to an eventual ally?

Reversing a position which seemed unfavorable, President Reagan demonstrated a capacity for political management and for resistance to adversity. This should certainly work in his favor from here on, even considering that the result of the voting indicates that many difficulties may yet lie ahead.

CSO: 3001/20

DAILY COMMENTS ON INTRAPARTY SUBGROUP BILL FAILURE

PY280228 Rio de Janeiro JORNAL DO BRASIL in Portuguese 24 Oct 81 p 10

[Editorial: "Revelations of a Defeat"]

[Summary] The nation's president was correct in assessing as a "normal" fact the rejection of the "intraparty subgroups" [sublegendas] bill for gubernatorial elections and referring to the episode as "a defeat for the Social Democratic Party [PDS] more than a defeat for the government." Strictly speaking, this defeat did not affect the administration, nor did it compromise in any way the government's general policy. The adoption of the "intraparty subgroups" had been originally proposed by the PDS, and had been sanctioned, not really endorsed, by Planalto Palace.

The reality of the PDS--which it refused to acknowledge--has been exposed: it does not have political, moral or structural conditions so far to provide President Figueiredo with the basis he needs to maintain the pace of implementation of the institutionalization program which, the president admitted, transcends him.

Nothing new really happened this time. The frequency with which the president has been resorting to the exceptional mechanism of ensuring the passage of bills by letting the period allowed for their discussion lapse without being voted on was sufficient demonstration of the weakness of the progovernment forces both in the Chamber of Deputies and the Senate where any voting prospect raised the risk, if not the certainty, of a defeat to be avoided by resorting to the exceptional mechanism. The mechanism was of no use this time in view of a few fact: the opposition presented a solid bloc and won over as allies a considerable group of PDS congressmen.

"Because of its circumstances, the act of rejection of the 'intraparty subgroups' bill revealed mainly this: The government will have to urgently tackle the rational and patient job of reviewing its political plan. And this job should be added, as a prerequisite of greatest relevance, to all other governmental concerns stemming from the government's institutional mission. It is necessary to face the reality not of a party coming to an end, but of a majority which came apart, letting parts of it be absorbed not only by the opposition but also by predominately regional aspirations.

"Political acts must be assessed properly so as to establish a scale of values in order to avoid repeating the mistake of considering as a vital matter something really not so vital. It is now necessary to face the reality of a congress in a pre-electoral period by admitting the possibility--quite normal by the way--of constant negotiations even with the official party which is composed of men fretting about the elections."

Congressional leadership should be defined in the best sense of the word, not in the merely operational sense in which that leadership is nominally exercised by two respectable but inept men, both in the Chamber of Deputies and the Senate. The leadership the government is lacking must be directly exercised by the president of the nation as a nondelegable function--being so relevant as it is to the fate of the democratization process.

CSO: 3001/20

NAVY TO PREPARE ANTARCTIC EXPEDITION BEFORE 1991

PY021939 Rio de Janeiro O GLOBO in Portuguese 1 Nov 81 p 7

[Text] Brasilia (O GLOBO)--Foreign Minister Saraiva Guerreiro stated yesterday that Itamaraty will support the navy project to send a Brazilian expedition to the Antarctic, because he feels that it is valid to make an effort in this field. According to him, the cooperation of the navy is very important in terms of logistic support.

Saraiva Guerreiro stated that although the project is still in an initial stage, he agrees with the theory defended by navy minister, Adm Maximiano da Fonseca that Brazil must do a scientific project in the region before 1991, because if it does not do so by that date, it will lose the right to have voice in the Antarctic treaty.

In his proposal to be forwarded by President Figueiredo, Maximiano da Fonseca will ask for authorization for the purchase of a ship for this purpose.

Jose Albano de Aratanha, chief of the navy staff, considers the naval initiative of defending the expedition to be of great economic interest. He added that through a meteorological station in the Antarctic they will be able to foresee frost and other meteorological phenomena that cause damage to Brazil's economy.

He also stated that in other aspects the expedition will prevent the navy from being accused of negligence in the future.

Regarding international terms, the latest Brazilian declaration on the Antarctic was made during the visit of President Joao Figueiredo to Peru this year. One of the main points of the joint declaration referred to that region. The two countries also expressed interest in joining efforts for the development of research in the area.

Foreign geologists already admitted that the Antarctic could have the greatest coal basin in the world. In 1979, Gulf Oil admitted in Washington that the petroleum potential of the Ross and Weddel seas could total 50 billion barrels.

The problem of the cost of petroleum exploitation has always been raised when the subject of the region's potential is discussed. U.S. companies such as the Atlantic-Richfield, Gulf and Esso are members of the State Department Advisory Committee which deals with Antarctic matters.

CSO: 3001/20

BRIEFS

PROTOCOLS WITH FRANCE--Paris--Due to a delay in the negotiations between Brazilian economic authorities and French industrialists and bankers, only protocols of intention were signed at the Brazilian Embassy in Paris for the purchase of two oil-drilling platforms by Petrobras and for credits for the Corumba and Balbina hydroelectric plants. The signing of the final contracts will take place in a few days. With Planning Minister Delfim Neto, Ambassador Luiz Gonzaga do Nascimento e Silva, Goias' Governor Ari Valadao and representatives of the international financial community in attendance, a 156.8 million franc credit protocol for Corumba II was signed. This credit will be at 7.75 percent interest over a 10-year period, and it will finance 80 percent of the basic price of French-made material. [Any Bourrier] [Excerpt] [PY032107 Rio de Janeiro O GLOBO in Portuguese 31 Oct 81 p 18]

CSO: 3001/21

SERAPHIN-DOUGLAS CONTENTION FOR DLP LEADERSHIP CONTINUES

Douglas Expulsion

Bridgetown SUNDAY SUN in English 4 Oct 81 p 9

[Text] Roseau, Dominica--Oliver Seraphin, former Prime Minister and leader of the Democratic Labour Party, has announced the expulsion of his former Finance Minister and opposition Parliamentarian, Michael Douglas, from the party.

The move by Seraphin follows a claim by Douglas that he had been elected to the top post of the party.

Douglas had claimed that he was "democratically elected" to the post at a meeting the party held in the north of the island late last month.

In a press release Friday Seraphin said that the move to expel Douglas was "due to the performance of Douglas' pursuit of fractional destabilisation of the party."

Douglas won his seat in Parliament on a ticket of the party during the 1980 elections and is one of two party members on the opposition bench.

Seraphin said: "The contention by Michael Douglas that he had assumed the leadership of the Democratic Labour Party is wishful thinking."

He added: "The meeting at Portsmouth (where Douglas claimed he was elected) was a clandestine gathering of partisan supporter the Douglases with absolutely no mandate to make decisions in behalf of any constituency." [as published]

When he announced himself as head of the party, Douglas also said that his brother, political activist Rosie Douglas, who had been expelled by Seraphin, had been elected as General Secretary.(CANA)

Douglas Remarks in Barbados

Bridgetown SUNDAY ADVOCATE-NEWS in English 4 Oct 81 p 1

[Text]

FORMER Deputy Prime Minister of Dominica, Michael Douglas yesterday accused the Dominican Government of repression, oppression and mismanagement of the agriculture-based economy.

He made the charges after arriving in Barbados on a brief visit.

Mr. Douglas, stating that he was the political leader of the Opposition Democratic Labour Party (DEM-LAB), told CANA there was little marketing of produce in Dominica and the economy was at a standstill.

The price to farmers for a pound of bananas, Dominica's leading revenue earner, had declined from 19 cents a year ago to 12.5 cents because of maladministration on the part of the Dominica Banana Growers Association (DBGA) the opposition parliamentarian said.

He alleged too that there were at least six cases of persons, mainly in government, who are members of the DEM-LAB and had lost their jobs through political victimisation by the ruling Dominica Freedom Party (DFP).

Mr. Douglas also accused government of giving the police what he called a "full licence to shoot and ask questions after" and blamed the police for at least 12 known deaths since the new administration took office.

DEM-LAB, a splinter party of the Dominica Labour Party (DLP), holds two of the 21 seats in Parliament following elections in July 1980 which saw the Dominica Freedom Party (DFP) sweeping to power.

Mr. Douglas, a former Finance Minister in Oliver Seraphin's interim government prior to the elections, has been at the centre of a party political row with Mr. Seraphin over the DEM-LAB leadership.

Mr. Seraphin says Douglas was dismissed by DEM-LAB. But Mr. Douglas today again reaffirmed that he had been elected party leader on September 20 at a meeting of the party's central committee.

Mr. Douglas told CANA that Mr. Seraphin did not attend the meeting, was not eligible for elections and therefore was not in a position to dismiss anyone from DEM-LAB.

Seraphin, on the other hand, is saying that the September 20 meeting was "a clandestine gathering of partisan supporters," of Douglas and had no mandate to make decisions on behalf of the party. (CANA)

CSO: 3025/30

INDUSTRIAL DEVELOPMENT CORPORATION PROMISES JOBS INCREASE

Port-of-Spain TRINIDAD GUARDIAN in English 6 Oct 81 p 5

[Text] Roseau, Mon., (CANA)

The Industrial Development Corporation (IDC) today predicted an upsurge in job opportunities on the island within the next five years, forecasting a possible 1,000 jobs annually, at the end of five years.

Speaking at a news conference today, Chairman of the newly-revitalised corporation, Phillip Nassief, told reporters that his optimistic view was based on a sound investment and industrial climate here as well as the potentials which exist in Dominica for investment opportunities.

The IDC which was set up by an Act of Parliament in 1974, but began operation towards the end of 1979, has as its main functions to stimulate, facilitate and undertake the development of industry in Dominica.

The corporation has over the past few years been dormant, a fact which Mr Nassief emphasised when he declared "there has not been very much emphasis on industrial development in Dominica over the past years" and said that the new corporation was aiming at correcting that.

Mr Nassief told newsmen that the corporation intends providing at least 500 new jobs within the first two years of its new operation, increasing that figure yearly in order to effectively combat the unemployment situation in Dominica.

He said: "We are hoping that by the end of the second year that we can attract 500 new jobs. We see it increasing at the rate of about 100 per annum, upto the year five when we think from then on we should be able to create 1,000 jobs a year."

Investors

Mr Nassief said that such opportunities could only present themselves if Dominica is able to provide the necessary infrastructure needed for investors, adding "by year five I think we should have established a core of trained people."

He said: "We would have established a number of industrial estates with factory building, infrastructure constraints would have opened up and we see the enclave expanding into other areas."

But the chairman warned it was imperative that the trade unions, the private sector and government work together in order to present Dominica as a good country to invest in.

"We (the IDC) are meeting with the trade unions...we have expressed to the trade unions the need to assist us in our promotion, because we can do all the international promotions and if when a man comes he hears the banks and the airport are on strike...no investor will even bother to come to Dominica when they hear that," he said.

"We want to appeal to the unions to recognise that we need a period of industrial peace, that the strike weapon should not be exploited and we are also appealing to the private sector and to government," Mr Nassief said.

He said that a draft proposal submitted by government to the private sector and trade unions with recommendations for establishing a healthy industrial climate and a stable industrial relations atmosphere was currently being discussed by all parties.

CSO: 3025/30

DLMA DEPLORES GOVERNMENT ACCUSATIONS AGAINST CUBA

Port-of-Spain TRINIDAD GUARDIAN in English 3 Oct 81 p 5

[Text]

ROSEAU, Fri;(Caam): THE leftist Dominica Liberation Movement Alliance (DLMA) today deplored the accusations made by the Government that Cuba was interfering in its internal affairs by granting scholarships to Dominicans.

In a statement, the DLMA said that despite the Government's stand on aid from Havana the party would continue "and has every intention of continuing" to accept scholarships on a party-to-party basis from the Communist Party in Cuba.

In a statement earlier this week, the Dominica Government said that it considered the decision by Cuba to grant the scholarships to a third party, after governmental rejection, as being a breach of international practice.

"Notwithstanding this fact, the Cuban authorities have offered these scholarships to the DLMA in a move which could only be calculated to undermine the authority of the Government and to link up with an agency in this country to undertake acts hostile to the Government and people of Dominica" the Government said.

Today's DLMA statement referred to the allegation "as sheer irrational nonsense," a "sad misunderstanding on the basic concepts of international relations."

The DLMA added: "The statement also represents, by implication, a threat to the rights of opposition parties in the country."

The DLMA called on Dominicans who wish to study in Cuba "to pay no heed to the ideological ravings of the Government".

CSO: 3025/30

INTERNATIONAL GROUPS TO FINANCE TWO AGRICULTURAL PROJECTS

Bridgetown ADVOCATE-NEWS in English 1 Oct 81 p 8

[Text]

ROSEAU, Dominica, Wednesday (CANA) — Two international aid agencies have approved funds totalling over EC$10 million for two agricultural projects in Dominica, it has been announced.

According to Dominica's chief agricultural officer, Colin Bully, the two projects deal with the rehabilitation of the coconut industry and the development of the coffee crop.

In the case of the coconut rehabilitation project, the Canadian International Development Agency (CIDA) will be providing Can$4 million while the British Development Division has approved EC$1.2 million for the coffee project.

Under the coconut project, some 3 000 acres of trees which were destroyed by hurricane over the past two years, will be rehabilitated with farmers receiving the necessary inputs for cultivation from the government. Also, 2 500 acres will be planted with new trees.

Mr. Bully said that under a memorandum of understanding signed between Dominica and Canada, Canada will provide equipment for road building as part of the project to construct some 10 miles of road.

He said that in initial sum of Can$150 000 had already been made available to get the project started.

The coffee development project will be concerned mainly with the planting of 1000 acres of coffee over the next four years.

According to Mr. Bully, the first phase of this project will involve the planting of 200 acres of Arabica coffee which he said had "a more advantageous role on the world market." It will also include the replanting of 160 acres of the crop destroyed by the same hurricane.

The chief agricultural officer said that farmers will receive inputs in addition to just over EC$400 for every acre under cultivation for the first four years of the projects.

He added that Dominica had received the necessary seedlings of Arabica coffee from the Inter-American Institute on Co-operation for Agriculture.

CSO: 3025/30

BANANA INDUSTRY IN TROUBLE AS PRICES CONTINUE TO FALL

Port-of-Spain TRINIDAD GUARDIAN in English 29 Sep 81 p 5

[Text]

ROSEAU, Mon; (Cana):

BANANA industry officials today painted a gloomy picture of the island's main revenue earner against a continuing drop in the price to growers.

Vice president of the Dominica Banana Growers' Association (DBGA), Alvin Amatrading, addressing the annual general meeting of the association, said that the situation confronting the industry "is sufficiently critical to cause panic."

Today's annual meeting – the first since Hurricane David caused widespread destruction in August 1979 – was being held as the association announced a drop by one cent in the price paid to growers for bananas.

The association, in a statement, said that the decrease in price "was taken during an emergency meeting of the management committee" and "was necessary because of the serious financial difficulties of the association."

Banana growers now receive 12.5 cent per pound, the price falling from an all-time high of 19 cents earlier this year.

Speaking at the meeting Mr. Amatrading said that the "situation in the industry is not some thing that can be blamed on one direction", adding "all of us are responsible for what is happening now."

He accused Geest Industries, the British buyers of the Windward Islands fruit, of helping to put the industry in the position it is now by declaring that it had accepted bad quality fruit over the years without calling on growers to improve on their quality.

"Geest is also responsible for the situation we are in now," he said, noting that over the past decades when bad fruits were being sold "it should have compelled us from long time back to produce good quality fruit."

He said had Geest adopted that attitude earlier "today we would not find ourselves in that miserable position to produce fruit of top quality."

The industry here following hurricanes David and Allen, has been facing serious competition for its hold on the United Kingdom market against better quality fruit coming mainly from Latin American countries.

CSO: 3025/30

BRIEFS

DENMARK PLEDGES AID--Denmark will give 3.5 million kroner to humanitarian aid for those in need in, and refugees from, El Salvador. Foreign Minister Kjeld Olesen has requested the money from the Folketing finance committee. UN refugee commissioner Poul Hartling has requested help from a number of countries and has pointed out that developments in El Salvador have hit the country's civilian population hard. [Text] [PM151627 Copenhagen BERLINGSKE TIDENDE in Danish 13 Oct 81 p 7]

CSO: 3106/14

DELEGATE TO NASSAU MEETING EXPOUNDS ON U.S. HOSTILITY

Bridgetown ADVOCATE-NEWS in English 28 Sep 81 p 11

[Article by Vern Darville]

[Text]

NASSAU, Bahamas, Saturday, (CANA) — Grenada is convinced that Washington is pursuing a policy of hostility towards it and wants to see the removal of the People's Revolutionary Government of Prime Minister Maurice Bishop.

The conviction about an anti-Grenada attitude by the United States was expressed here by Lyden Ramdhanny, the island's Deputy Finance Minister, who headed his country's delegation to the Commonwealth Finance Ministers meeting and will do likewise at next week's sessions in Washington of the World Bank and International Monetary Fund (IMF).

Mr. Ramdhanny told CANA in an interview that his government was "concerned that such a big, powerful and mighty country as the United States should in fact be attempting to bulldoze — and apparently, militarily invade Grenada."

Referring to U.S. — military manoeuvres held on the island of Vieques, located just southeast of Puerto Rico in August, Mr. Ramdhanny said: "We have been very concerned over those manoeuvres because they seem to be earmarked for Grenada. We're concerned with the fact that the rear admiral in charge of the manoeuvres did in fact complain that Grenada, Nicaragua and Cuba are like one country."

He charged too that there have been outright U.S. attempts on at least three occasions to deprive us of aid to which we are entitled."

"When we had our financing conference in Brussels to raise funds for our international airport, Mr. Ramdhanny added, "they (the US) actually sent an envoy to all the invited countries asking them not to attend the conference and not to pledge anything.

"And likewise, the U.S. placed four million dollars with the Caribbean Development Bank in June, with a condition being that none of the funds be loaned to Grenada. The Caricom Minister rejected that on the basis that it violated the charter of the CDB. We thank our Caricom brothers and sisters for that."

"And when we had the destruction of our banana plantations from hurricane, the U.S. and British Government provided aid for all the islands, except Grenada, on the basis that Grenada did not suffer damage to our banana industry, when in fact we had 80 per cent damage.

"So, against that background, we are very concerned that such a big, powerful and mighty country should in fact be attempting to bulldoze and apparently militarily invade Grenada.

"We don't understand why they should be that anxious because we have always wanted good relations with the U.S. and we continue to say this all the time for a number of reasons.

"One, we have a number of Grenadians living in America and a number of Americans living in Grenada. Two, we believe in peaceful coexistence, we recognise that the North American market is a good market for our tourism industry and we recognise the fact that the U.S. is a country which has the potential to assist all developing countries, and we feel it's desirable to have good relations.

"At the same time, we don't accept the fact that we must be bullied into adjusting our foreign policy because they feel our foreign policy is not the kind of policy they would like to see. We feel that countries must respect our independence and our sovereignty, and the U.N. Charter in fact supports us here.

"We'll never give up our independence and our right to adopt whatever social and economic policy we may want to adopt. That is one right which the Grenadian Government and the Grenadian peoples are not prepared to give up to anybody, regardless of how powerful and how mighty they are."

Mr. Ramdhanny said that this Government was in possession of documents which back up its fear that the U.S. might be setting the stage for an eventual military invasion. The documents are to be released in the near future, he promised.

Grenada's statement follows the release of information by the U.S. Embassy's Charge d'affaires Andrew Antippas, which says that Grenada is viewed by American military strategists as an important addition to the "soviet hegemony," located within a 500-mile radius of oilfields and refineries which currently supply 50 per cent of the oil consumed on the eastern seaboard of the United States.

CSO: 3025/28

GRENADIAN-BORN UWI MAN ASSESSES PROBLEMS OF PRG

Port-of-Spain TRINIDAD GUARDIAN in English 5 Oct 81 p 5

[Text]

ST. GEORGES, Sun; (Cana):

GRENADIAN-BORN Dr Pat Emmanuel, of the Institute of Social and Economic Research, University of the West Indies, has expressed fears about the present path being pursued by the leftist People's Revolutionary Government (PRG) of Grenada.

Dr Emmanuel told Cana during an interview that he believed the path being followed by the Grenada government was dragging the country ahead of the "political consciousness" of the the people.

He felt that people who would normally have been sympathetic to the "Grenada revolution" are now being confused as regards what is happening in Grenada becuase the pace of change in the country was too fast.

"It seems to me that if the political directorate concentrated on setting an example for countries like St Vincent, St Lucia, Dominica and Trinidad and Tobago, that we would have been able to influence to a considerable extent what political developments were taking place in those neighbouring countries.

"I have the impression that the opportunity for influencing the situation there has been lost because people feel the situation is getting a little bit too frightening," he said.

Dr Emmanuel, however, dismissed suggestions that the failure of the left-leaning Grenada Government of Prime Minister Maurice Bishop to hold elections was contributing tremendously to the present state of uncertainty in the spice isle.

He said that he did not believe the question of elections in Grenada was an initial problem following the March 13, 1979, coup which brought the leftist New Jewel Movement (NJM) to power here.

Dr. Emmanuel said that he felt it would have been important if the Bishop regime had held a referendum at the time which would have given "the stamp and feel of public approval to the overthrow of the Gairy regime and set some directions for the future.

"It seems to me that the question of elections has assumed a greater importance than it would normally have.

"I think that people are now more concerned about the popularity and the demonstration of popularity of the government than they normally have been before, and that is why the question of general elections has assumed the importance that it has," he said.

Dr Emmanuel also felt that the question of elections in Grenada was being made much more complicated by the fact that it is now being tied in with people outside of the country who have been severely critical of the government, particularly the owners of the "Gleaner" newspaper.

"It is very difficult to discuss the elections without bringing these people into the argument. It is very difficult to disentangle the question of holding elections from the right-wing elements that are outside of the country promoting it.

"That is the serious dilemma, and the question is to develop an atmosphere of trust and sincerity in which the question of elections can be discussed without having it being entangled with right-wing political positions," he said.

CSO: 3025/28

COARD CRITICIZES AREA REPORTING ON GRENADA, EDITORIALS

Port-of-Spain TRINIDAD GUARDIAN in English 6 Oct 81 p 5

[Article by George Worme]

[Text]

ST GEORGE'S Mon., (Cana):

GRENADA's Deputy Prime Minister Bernard Coard has attacked the regional Press over their reporting of events in the Spice Isle.

Mr. Coard said that he felt the regional media were involved in unfair coverage of events in Grenada since the leftist New Jewel Movement (NJM) ousted the Sir Eric Gairy administration in a March, 1979 coup.

The Minister gave the opening address at a one-week ecumenical conference focusing on human rights in the Caribbean which started here last night.

Mr Coard was particularly critical of both the Trinidad "Express" and "Trinidad Guardian" newspapers over an editorial published in last weekend's editions of the papers.

The two Trinidad and Tobago dailies carried identical editorials alleging that there were human rights violations in Grenada and calling on the Government to call elections.

Mr. Coard said that he felt it rather strange that the same editorial should appear in the Trinidad "Guardiand" and Trinidad Express" newspapers which are supposed to be rivals and owned by different people.

"Never before in the history of the Caribbean have different newspapers in different countries and even within the same country carry the same editorial on the front page with the identical headline," he said.

"These conspirators involved in the editorial itself," he said, had stated "that this is a co-ordinated plot in which they are trying to mobilise, using their financial wealth and ownership of the media throughout the region, to campaign against the Grenada revolution."

The conference is being jointly sponsored by Grenada's Pope Paul Ecumenical Centre and the Puerto Rican Organization for Justice in the Caribbean.

Among the issues being looked at are the foreign policy and military offences of the United States in the Caribbean, the liberation process in the Caribbean, the independence of Puerto Rico and Guadeloupe, as well as workers struggles and Caribbean migration and the relevance of the Grenada revolution to the Caribbean.

The conference is being attended by more than 40 participants from several regional states including Puerto Rico, Venezuela, Guadeloupe, Cuba, the Dominican Republic, Grenada, St. Vincent, Dominica, Jamaica and Trinidad and Tobago.

The Grenadian deputy prime minister charged that what was so particularly interesting about the "identical editorials" was that none of the news editors and senior employees of both papers were involved in writing the article.

"That is the most fantastic development," he said, "because what has happened is that these people have gone overboard. They have gone completely overboard. They have totally exposed their hands."

"Another point to be taken into account," Coard said, "is that, even though hundreds of copies of the Trinidad "Express" newspaper were sold in Grenada, the paper refuses to publish the fact that they are selling their papers in the Spice island.

Whenever a Grenada Cabinet Minister gives a press conference in another Caribbean island, he said, the "Express" newspaper carries everything except the fact that the paper is still sold in Grenada.

Mr Coard questioned why the Trinidad "Express" and Trinidad "Guardian" newspapers were engaged in what he termed so much unfair reporting about the Bishop regime and did little or no coverage about the "repressive Eric Gairy regime and the Jean-Claude Duvalier regime."

"The fact of the matter is," he said, "that the millions of garbage that they put in these newspapers everyday is dictated and determined by the exploiter classes in the society of the Caribbean.

Mr. Coard said that while "these newspaper barons" in the region were engaged in so much unfair reporting of events in Grenada "The fact remains there to be seen that they are refusing to publish in their so-called free Press abuses of human rights and arbitrary arrests of trade union leaders in Barbados, Jamaica and Trinidad and Tobago.

He said he believed that there was no "free press" in the region because it was controlled and owned by the rich and powerful planters and merchants in the Caribbean.

"That is not a free Press," he said, "because there can only be a free press where the masses of the people are able to get their views, hopes, dreams and aspirations into the press."

CSO: 3025/28

LAND DEVELOPMENT LAW AMENDED TO AID SMALLER FARMERS

Bridgetown ADVOCATE-NEWS in English 29 Sep 81 p 3

[Text] ST GEORGES, Grenada, Monday (CANA) — Grenada's People's Revolutionary Government (PRG) says it has amended its recently-proclaimed land development and utilisation law, which is aimed at stimulating agricultural production.

An official statement here said that the law had been corrected to eliminate the difficulties and inconveniences which one section had created for small and medium farmers.

Legal Affairs Minister Kenrick Radix announced last week that the Grenada Government had discovered 'certain unintended defects' in the law and said that in light of these flaws another look would be taken at the legislation.

Mr Radix said that because a number of persons had pointed out 'certain unintended defects' in the law the Ministry of Legal Affairs will reconsider the legislation with a view to making the necessary amendments.

The law establishes a Land Development and Utilisation Commission with powers to ensure the development of farm land of 100 acres or more which is presently being left idle or under-utilised.

It also stipulates that where large estates of 100 acres or more have been left idle or under-utilised for at least two years the commission can call on the owners to prepare a plan for the development of the land.

If no such plan is presented within the time prescribed by the commission then the land can be compulsorily leased by the government for ten years to ensure that it is developed for agricultural purposes.

The statement said that owing to an error in the drafting of the law one section of the old legislations has mistakenly referred to land of any size.

'In recent weeks this had been causing difficulties for small and medium farmers in buying and selling land, obtaining mortgages and making wills,' the statement said.

It added that upon realising the error in the law, the Ministry of Legal Affairs immediately re-drafted the offending section so that it could confirm with the rest of the law which referred specifically to large land holdings of 100 acres or more.

The statement said that in Grenada at the moment there are several large estates of between 100-900 acres which are either left idle or where only a small part is being used for agriculture.

It added that some estates with land holding of between 400-900 acres were presently employing only eight, 12 and 20 workers.

'This means that thousands of acres of land are lying idle all over the country. This situation is seriously affecting our agricultural production, while at the same time more than 100 groups of young people wanting to work the land have applied to NACDA (National Co-operative Development Agency), and have been anxiously awaiting land for nearly a year now,' the statement said.

The statement said that some of the idle lands will be provided to small farmers who are interested in working the land as co-operative

It, however, warned that land leased by the government through the law would not be 'chopped' up into small units since this always destroyed agriculture.

The statement said that the law is also intended to build 'a modern agriculture' in Grenada through large productive co-operatives and said 'the PRG would also be assisting with finding markets for the new crops produced.'

CSO: 3025/28

BRIEFS

BISHOP ON U.S. POLICY--Mexico City, Sunday, (UPI)--Grenada's Prime Minister said on Friday he hopes the United States adopts a "new and realistic" attitude toward developing nations at next month's North-South economic summit at Cancun, Mexico. Prime Minister Maurice Bishop said Washington must "develop the political will to understand that unless there's a reshaping of the international economic order, there can never be peace and justice in the world." Bishop, in Mexico for five days to meet with President Jose Lopez Portillo, called the October 22-23 summit that will bring together President Reagan and 21 other heads of state, "of tremendously critical importance" to poor nations. "It's becoming more difficult for developing countries of the world to receive capital inflows, to (obtain loans) from international lending institutions and to develop trading possibilities with the developed world," said Bishop. Cancun holds "perhaps the last hope, but certainly one of the best hopes" for the rich-poor nation dialogue that would help solve Third World problems, he said. Bishop gave low marks to the United States in this area. "The United States' position on the question of North-South Dialogue, on the question of a new international economic order...has not been a good one," Bishop said. [Excerpt] [Bridgetown ADVOCATE-NEWS in English 28 Sep 81 p 3]

STUDENTS TO CUBA--An 85-member delegation of Grenadian students passed through Barbados yesterday on their way to Cuba where they will undergo training. The students, the first to leave the country for the year for Cuba, will be trained under a joint Cuba-Grenada agreement. The study areas include: fisheries, medicine, agronomy, sanitary health care as well as education and management. A spokesman for the group which was transported to Cuba by that country's national airline, Cubana Airways, said that the training programme was an indication of the close and "meaningful" ties that the two countries had built up since the March 13, 1979 revolution in Grenada. The spokesman said that the link was seen by Grenadians as a step towards Caribbean unity and the development of the masses in their country. A number of students are taking six months crash programmes but others will be staying for greater lengths of time, depending on the nature of the course. During training, the first year of the longer programmes will be devoted in part to the teaching of Spanish. It was pointed out, however, that some students already had some knowledge of the language. Students said that they were looking forward to being in Cuba and to receive tuition under the "very good" education system there. [Text] [Bridgetown ADVOCATE-NEWS in English 29 Sep 81 p 1]

CUBAN TECHNICIANS ARRIVE--St Georges, Grenada, 31 Oct (CANA)--A five-man team of technical experts from Cuba has arrived here for talks with the Grenada Government on a wide range of areas, the Cuban Embassy in Grenada announced today. A release said that the delegation will hold discussions with government officials on the location of sites for the setting up of a number of projects including an ice plant, a prefabricated cement plant, sporting facilities and a depot. The embassy said the visit is a follow-up to a technical and cooperation agreement signed between Grenada and Cuba last month. The team leaves here next week. [Bridgetown CANA in English 1409 GMT 31 Oct 81]

CSO: 3025/1004

PPP TERMS CANCUN SUMMIT 'A WASTE OF TIME'

FL261720 Bridgetown CANA in English 1628 GMT 26 Oct 81

[Text] Georgetown, Guyana, 26 Oct (CANA)—The opposition People's Progressive Party (PPP) says the Third World did not benefit from the North-South talks last week.

The Marxist group said: "The recently convened heads of state summit at Cancun in Mexico was a wate of time and energy, and financial resources by those leaders from the Third World who fervently believe that measures to help the suffering Third World economies would emerge from it."

The party added that the conference was "the summit version of the jaded North-South dialogue in which imperialism has no intention of giving up its ruthless exploitation of the Third World."

It was significant that the socialist countries did not attend the summit, partly because "of the deliberate exclusion of Cuba by U.S. pressure and partly because of the impossibility of any real workable solutions emerging from it," the party claimed.

The PPP said it felt that the way to a solution of the problems facing the nonsocialist world was for those countries to "break out of the orbit of pre-imperialist policies" for the worldwide imperialist-inspired arms race to be ended, and global security and detente to be accomplished.

"The vast sums freed thus from bloated arms budgets should be invested in economic development projects," the PPP's statement said. The opposition party said the United States has called on Third World states to rely more on their own resources and not to look outside for too much help.

"This is a lot of double-talk for the same U.S. imperialists moved viciously against (Cheddi) Jagan in Guyana, (Michael) Manley in Jamaica, and (Salvador) Allende in Chile when those leaders of the said countries tried to transform their economies to rely on their own resources," the party claimed.

The PPP said the reasons for the failure of the Cancun summit could be traced to the same reasons for the failure of the UN development decades. "The Cancun summit does not have the necessary revolutionary machinery to tackle this basic class problem. It is a summit of sharks and sardines."

CSO: 3025/1004

BRIEFS

NEW ITALIAN AMBASSADOR--Kingston, Jamaica, 28 Oct (CANA)--Italy has announced a new ambassador to Jamaica Mr Ludovico Incisa di Camerana. Ambassador Camerana, who has just ended a tour of duty in the United Kingdom, will be resident in Venezuela and serve concurrently as ambassador to Trinidad and Tobago, Barbados and the Eastern Caribbean. [Text] [FL281936 Bridgetown CANA in English 1910 GMT 28 Oct 81]

ENVOY TO FRG--Kingston, Jamaica, 28 Oct (CANA)--The Jamaica Foreign Ministry has announced the appointment of former permanent secretary in the Ministry of the Public Service, Glaister Duncan, as the country's new ambassador to the FRG. He will also be accredited to the Netherlands, Luxembourg, and Israel. [FL281936 Bridgetown CANA in English 1458 GMT 28 Oct 81]

MISSION IN ITALY--Kingston, Jamaica, 29 Oct--Jamaica and Italy may soon become significant trading partners, according to a Jamaican delegation which has just concluded a week-long visit to Italy. A press release, issued from the Jamaican consulate in Rome, said optimism about this possibility was based on Italian enterprise and technology, and interest shown in Jamaican products. The Jamaican delegation was headed by Junior Minister for Local Government Enid Bennett and included parliamentary secretary in the Ministry of Construction, Ferdinand Yap. It included private sector representatives. [Excerpt] [FL291902 Bridgetown CANA in English 0932 GMT 29 Oct 81]

CREDIT FROM SEOUL--Kingston, Jamaica--Jamaica has received a five million dollar (US) line of credit from South Korea, Industry and Commerce Minister, Douglas, Vaz, has announced. The money will be used for the importation of Korean goods such as fertilisers, textile yarns, steel and metal products as well as electrical, industrial and transportation machinery. (CANA) [Text] [Bridgetown SUNDAY SUN in English 4 Oct 81 p 9]

CSO: 3025/32

FIDEL CASTRO SENDS WARNING LETTER TO BELAUNDE

Lima CARETAS in Spanish 28 Sep 81 pp 30-33

[Text] Aside from the ever-present General Stroessner of Paraguay, the Latin American political scene has only two figures who, having come to the fore with broad popular support 20 years ago, are still viable and in power today: Fidel Castro Ruz and Fernando Belaunde Terry. There is a curious parallelism between these two quite different men, these two sides of the continent's coin. Both rose to prominence in their respective countries during the fifties; both challenged the social and economic structures of the time. The Pierolist Belaunde was beaten by police during the turmoil of 1956. Almost simultaneously, Castro was baptized with blood. Fortunately, Odria was not Batista. During the electoral campaigns of 1962 and 1963, Belaunde refused to condemn the Cuban revolution, and for that reason Hector Cornejo Chavez dubbed him a "Communophile." In practice, it was the American Revolutionary Popular Alliance (APRA) that hosted the first visit of the contingent of "barbudos" in 1960, only to repudiate them later. Afterwards, the two men's paths parted completely. Castro confessed to being a Marxist-Leninist, and eventually, Belaunde's first government suffered an outbreak of guerrilla warfare incited from Cuba. Two decades later, history has taken new turns. The letters exchanged by the two leaders reflect that.

The world repercussions of the drama and spectacle of the Cuban revolution are unquestionable. Likewise, Belaunde's return to power after 12 years of military rule, backed up by an unprecedented popularity, to take the reins from those who wrested them from him, marked a historic milestone. Thus, while Castro is still a symbol of the all-encompassing hierarchy of a communist state, Belaunde is now the most outstanding example of a leader who has placed himself at the mercy of the rigors and stimuli of representative democracy.

For years, Castro has served as a heroic example for the socialist world, worthy of massive Soviet assistance. Today Peru's constitutional government has taken office with the hope of those who believe that development can be achieved more rapidly and consistently through a demanding and progressive democracy. With Ronald Reagan's election, however, Cuba may well be threatened with an invasion, and Peruvian democracy may have to confront the indifference of ruthless capitalists.

This fact may bring Peru and Cuba a bit closer together across the ideological abyss that divides them. In the final analysis, both countries are in the South

in the North-South dialog, and in fact both are trying to normalize their diplomatic relations. But the correspondence that has just taken place between Belaunde and Castro, despite its cordial tone, points up the different approaches and concerns of the two governments.

More than 20 days ago, the constitutional president of Peru received a letter from the president of the Councils of State and Ministers of Cuba. The personal missive from Fidel Castro Ruz arrived through diplomatic channels, and was not made public. Belaunde, however, discussed its contents in private with some cabinet members. CARETAS has obtained some information in this regard from sources it considers reliable. Fidel Castro formally accused the United States of having waged bacteriological warfare against Cuba by introducing pests and epidemics on the island. It was the same accusation that Castro later reiterated at the 68th Conference of the World Inter-Parliamentary Union in Havana. A few days ago, Cuban Foreign Minister Isidoro Malmierca repeated the charge at the opening of the 30th Session of the United Nations General Assembly.

In his letter, however, the Cuban leader directly warned Belaunde of the potential risks to Peru and the continent as a whole posed by the alleged American germ warfare policy.

A message from one chief of state to another has special and more specific implications than a public declaration could have. It tacitly forces a response, and when it involves a third country as well, as in this case, the issue becomes more complicated.

Response

Although government officials have been very discreet about this case, we have learned that over a week ago Belaunde responded to Castro through a communication delivered to the Cuban Embassy in Lima.

In the same cordial tone our informants claim the Cuban leader assumed, the president notes the "hypothetical danger of bacteriological weapons" and expresses the hope that tensions will be relaxed and that harmony may be established between Cuba and the United States. More pragmatic, and answering one concern with another, Belaunde refers not to potential risks but to specific acts of sabotage that have taken place in Peru, which have caused increasing material damage. He concludes the communication with an appeal for the self-determination of peoples.

Is Belaunde suggesting in his letter that Cuba is currently promoting sedition in Peru? Despite certain statements he has made recently, there are now indications that the Peruvian president does not believe Cuba is involved in adventures here.

Perhaps his response reflects what happened during the sixties, when guerrillas trained on the island brought turmoil to this country and to his first administration. Perhaps, too, it reflects the idea that the doctrinaire cult of the rifle and the existence of insurgency training centers in many socialist nations, are spreading another germ throughout the world: that of violence, even in countries that are not included in any specific strategy.

Nevertheless, what is really happening is that the Peruvian Government does not believe the Cuban claim, and considers it alarmist. Beyond any ethical or moral consideration--and at a time when so much is known about the activities of the CIA and the KGB, no one is laboring under any illusions--the idea that someone would be willing to launch a fearsome bacteriological offensive so close to his own coastline is illogical.

Cuban spokesmen such as Foreign Minister Malmierca insist on the "intentional origin" (proven by "scientists from Cuba and other countries") of the "porcine fever, sugarcane rust, hemorrhagic dengue and chronic conjunctivitis" that have plagued the island. But they have presented no evidence.

In turn, American spokesmen have argued that the problems with the sugar and tobacco crops began in 1978, and that dengue is an African disease whose virus could well have been brought to Cuba by troops returning from Angola or Ethiopia.

Besides, "Cuba is so close to Florida," commented a Torre Tagle official, "that another contingent of clandestine refugees or perhaps even a strong wind could carry the pests and dengues to the gringos themselves."

Foreign Enemy

There are also certain historical antecedents that point to the repeatedly used strategy of a government which has consistently and successfully sought internal cohesion through foreign enemies for decades.

The trade embargo, although eventually skirted through Europe and Latin America, and partially compensated by massive Soviet aid, has been used to explain many deficiencies and errors. And the danger of invasion, even though it was conjured up after the 1962 missile crisis when the United States abstained from landing troops in Cuba in exchange for the withdrawal of Soviet missiles, continues to serve as a rallying cry for mobilization.

The failure of the 10-million ton harvest in 1970 forced Cuba to bring things into perspective and develop a harsher attitude toward discipline problems, the bureaucracy and different forms of social dissolution. This stage culminated with the famous "secret report" by Fidel at the end of 1979, in which he confessed that "we are swimming in a sea of difficulties" in economic and social affairs. This report preceded by a few months the phenomenon of the asylum-seeking masses who invaded the Peruvian Embassy.

New Crossroads

Then the Republican Ronald Reagan achieved his overwhelming victory. At the same time, to the Sandinist Revolution in Nicaragua were added the civil war in El Salvador and growing violence in Guatemala and Honduras. And in Europe, the heretical union Solidarity began to revolutionize Communist Poland. The specter of U.S. intervention arose repeatedly: If the USSR invades Poland, anything could happen in the Caribbean.

In short, Cuba could well be trying out a defensive strategy with this bacteriological war campaign. It would be relatively easy to make an international accusation and make it a "watchword for mobilization" within Cuba. Eventually, the idea would be to induce the civilized world to repudiate criminal aggression.

The problem is that a politician such as Belaunde, who 20 years ago coined the concept of "Peru as a doctrine," has a serious difference of opinion, and a certain congenital mistrust of an importer-exporter of Marxist-Leninism such as Castro. And he does not believe in the issue of bacteriological warfare.

At the same time, it is obvious that the present Peruvian administration not only values its relations with Cuba and wants to normalize them by eliminating the impasse over the "intruders" who remain in our embassy in Havana, but it would also strongly condemn any attempt to intervene in the island.

Parallel Personalities

Thus, the recent exchange of letters between Belaunde and Castro curiously reflects the relationship between two men who have emerged along parallel paths in the Latin American political scene and who have taken different routes. Belaunde Terry was a presidential candidate in 1956, was in office from 1963 to 1968, and returned to power in 1980, with the unquestionable endorsement of the people after the long military rule. Fidel Castro, meanwhile, attained power in Cuba in 1959 and has remained there to date. Neither of the two has any great illusions about the North-South Dialog that will take place in Cancun, Mexico (see later notes). In any case, as far as anyone knows, this is the first time they have written each other.

8926
CSO: 3010/100

BCR MANAGER FORECASTS 15 PERCENT INFLATION BY 1984

Lima EL COMERCIO in Spanish 21 Sep 81 p A-16

[Text] The general manager of the Central Reserve Bank (BCR) of Peru, Dr Brian Jensen Rubio, stated in the recent symposium on Financial Intermediation and its Legal System that the liberalization policy will progress as far as the growth of the gross domestic product permits. He indicated that this policy is an integral part of the economic context that the government is trying to achieve in its program.

In his speech he also presented a detailed analysis of the performance of the banking system, and its participation in that growth. He said that inflation will also depend on the development of that sector. He predicted a 6 percent growth rate in the GDP for 1981, and one of 5 percent for the remaining years. Inflation, meanwhile, should drop from 60 percent this year to 15 percent in 1984.

Commercial Banking

Referring to the role of commercial banks, he reported that their share in the system has diminished in recent years as a result of the growth of the Bank of the Nation. That growth, in turn, was due to the government's increased influence on the nation's economic life through state enterprises and public institutions. It is well known that those institutions must make their deposits in the Bank of the Nation.

He also attributed this phenomenon to the creation of the Financial Development Corporation (COFIDE), with its system of obtaining resources through bonds, a very important source of financial savings. There is also the Central Mortgage Bank, with its system of savings deposits that can be converted to certificates that pay higher interest than commercial banks.

The Central Reserve Bank general manager, in another part of his presentation, given before an audience of more than 200 businessmen and executives of banks and financial institutions, stated that cash reserves are encouraging private sector resources to be transferred to the public sector.

He asserted, however, that the government intends not only to wipe out the deficit, but also to eliminate subsidized interest rates and to gradually reduce the cash reserves by rationalizing the specialized institutions. If the situation

warrants it, new banks would be allowed to open in order to stimulate competition, depending on how fast financial assets grow along with the GDP.

Banking Law

He announced that the future Banking Law is still on the drawing board, and before it is introduced in Parliament it could be the subject of a wide-ranging public debate.

At the symposium, organized by the Peruvian Center for Applied Research, other speakers were the superintendent of banking of the Superintendency of Banking and Insurance, Ramon Rosales; the president of the Wiese Bank, Dr Guillermo Wiese; the financial manager of Mutual Peru, Eduardo Iraola; and the vice-president of Citibank, Carlos Panny.

8926
CSO: 3010/100

FORMER PM CLAIMS NO NDP-UPM MERGER

Port-of-Spain TRINIDAD GUARDIAN in English 3 Oct 81 p 5

[Text]

KINGSTON, Frl., (Cana)

FORMER Premier of St Vincent, James Mitchell, has reacted angrily to claims that his party is contemplating merging with the leftist United People's Movement (UPM) headed by Ralph Gonsalves.

In a statement, Mr Mitchell the Grenadines's representative in Parliament, said his party has opened diologue with the UPM on areas of possible co-operation, but the question of a merger has never arisen.

He said claims about talks about a merger were being spread by political opportunists.

Holding talks with any political party, Mr Mitchell added, does not necessarily mean that one will abandon one's political direction.

He said that while UPM preaches its leftist ideology, his New Democratic Party (NDP) stands firm to the "radical centre" philosophy.

Mr Mitchell asserted that his main concern is for the people, while dialogue is still being held with the UPM.

Talks between the parties are reported to have touched on the issue of corruption and on a political front against the government.

How both parties are going to tackle the issue of people in St Vincent taking bribes at election time, the Grenadines' representative reasoned, is a most formidable undertaking.

He further disclosed that both parties are deliberating on getting the masses to co-operate to get rid of "a repressive and authoritive ruling Kingston administration."

CSO: 3025/33

NEGLECT OF GRENADINES CRITICIZED

Bridgetown ADVOCATE-NEWS in English 26 Sep 81 p 3

[Text]

KINGSTOWN, St. Vincent Friday (CANA) — Former Premier James Mitchell accused the St. Vincent Government yesterday of neglecting the Grenadines, a chain of tiny islands between St. Vincent and Grenada.

Mr. Mitchell, who represents the Grenadines in the St. Vincent parliament, said in a statement issued to the Caribbean News Agency (CANA) that recent incidents in the island (those Grenadine islands linked to St. Vincent which have a total land area of 17 square miles) had again raised the question of autonomy among residents.

"High among these is the recent death of two Bequia Fishermen who died in the Grenadines waters by drowning."

The opposition parliamentarian said the two Bequita residents were returning from a trip to St. Vincent on a 13-foot, 20 horsepower vessel with 60 gallons of gasolene which is in short supply in the islands.

He accused the government of having been responsible for the deaths of the men.

"It is the duty of the government to furnish gasoline in bulk on the islands. In spite of numerous appeals in this direction, no one is yet to lend a listening ear."

"The acute shortage of gasoline on Bequia (the largest of the islands. In spite of numerous appeals in this direction, no one is yet to lend a listening ear."

"The acute shortage of gasoline on Bequia (the largest of the islands) in particular, is not only affecting the fishing industry but the entire populace," he said.

Mr. Mitchell accused the government of "vindictiveness, negligence and corruption."

It is issues like these that keep the question of autonomy alive, the former Premier added.

CSO: 3025/33

BRIEFS

CRITICISM OF GRENADA--Kingston, Fri; (CANA)--St Vincent's Opposition Leader, Randolph Russell, highly critical at a public meeting here last night of Grenada's People's Revolutionary Government, said that the "Spice Island" was being ruled by "little boys with guns." Russell, leader of a newly-formed Progressive Democratic Party, was until recently Health Minister in the administration of Prime Minister Milton Cato. He lashed out at what he referred to as "the socialist path being undertaken by the Bishop regime" in the neighbouring island. Russell accused the PRG of using "agents to indoctrinate a socialist ideology in this country." He said that while his party advocated a change in the current Kingston rule, it does not want "a Bishop Government here." "You have got a lot of paid agents here who have never put in a hard day's work and one wonders how they are living," Russell declared, adding that "these people are getting money from Grenada." [Text] [Port-of-Spain TRINIDAD GUARDIAN in English 3 Oct 81 p 5]

CSO: 3025/33

ONR LEADER CONDEMNS PNM IN ELECTION CAMPAIGN SPEECH

Port-of-Spain TRINIDAD GUARDIAN in English 3 Oct 81 p 7

[Text] San Juan: For the first time in the political history of Trinidad and Tobago the ruling People's National Movement (PNM) campaign has descended into one of vulgarity, abuse, untruths and desperation.

This observation was made Thursday night by Mr Karl Hudson-Phillips, Political Leader of the Organisation for National Reconstruction(ONR) when he addressed a meeting of the ONR at El Socorro Road, San Juan.

Mr Hudson-Phillips told the crowd that as the ONR began the final rounds of the general election campaign, the party noticed that the campaign of the other parties each had its own special characteristics.

He explained: "The campaign of the Alliance is, to say the least, low profile--a mere whisper which can hardly be heard above the cries and complaints of an oppressed population.

"The PNM has, for the first time in the political history of this country, descended into a campaign of vulgarity, abuse, untruths and desperation.

"That is what we can expect from the PNM in 1981. They have no proposals.

"They hold out no hope. They can give this population no good reasons or excuses why Trinidad and Tobago is in the confusion in which it is."

Elaborating, Mr Hudson-Phillips said that last Sunday the PNM Barataria constituency held a meeting of its elections committee. There were some 200 persons present, of whom ONR sent a good 100, to hear.

Totally Incapable

The level of discussions, he added never rose above the level of the proverbial gutter.

He continued: "It was vilification, abuse, threats and vulgarities. No proposals, no plans, no indication to the population as to what the PNM intends to do to take Trinidad and Tobago out of the mess into which they have put it.

"The invitation to the meeting, a copy of which I have here tonight, stated in part, 'Please take some time off to come and hear why we should unite to fight for saving Trinidad and Tobago falling into the hands of foreign elements...'"

Mr Hudson-Phillips argued that the PNM had the nerve to accuse others of attempting to put this country into "foreign hands," when the independence which Trinidad and Tobago gained in 1962 had been sold out lock, stock and barrel by the PNM Government in corrupt deals with foreign contractors.

He said: "Ask them why is it today in Trinidad and Tobago there are more foreigners in Trinidad and Tobago than in 1962. Ask them who brought to Trinidad and Tobago Sam P. Wallace, Tesoro, DC9, MV Tobago, Lockheed Tri-Star, and the Racing Complex.

"This Government is totally incapable of fighting any foreign elements because they are hand in glove with them.

"Perhaps the most shocking instance of importation of foreign elements into the society has been done by the Ministry of Health. Imagine granting an open-ended contract to a French firm to build a hospital in this country and permitting that firm to advertise for workers who can speak French."

CSO: 3025/31

ONR LEADER ATTACKS U.S. FOR SUPPORTING SOUTH AFRICA

Port-of-Spain TRINIDAD GUARDIAN in English 28 Sep 81 p 7

[Text] Organisation for National Reconstruction (ONR) has set the pace for Trinidad and Tobago's "voice to be heard" on international matters when the leader of the party Mr Karl Hudson-Phillips attacked the United States for giving open moral support to the racist regime in South Africa.

Mr Hudson-Phillips who blasted the Trinidad and Tobago Government for remaining silent on international topics, spoke at an ONR public meeting at Bourg Mulatresse, Santa Cruz, in the heart of the Prime Minister George Chambers's constituency, Saturday night.

The ONR chief stressed that an ONR administration would speak out on behalf of the people of this country on matters of international importance.

Also speaking Saturday night were ONR's Deputy Political Leader Mr Suruj Rambachan; Party Organiser Ferdi Ferreira, and Dr Ramesh Deosaran, the ONR candidate for Barataria in the forthcoming general elections.

Mr Hudson-Phillips contended that the government of Trinidad and Tobago was silent on the vexed question of the struggle for independence by the black people of Namibia, and attacked the South Africa regime.

He added: "While this government is silent on vital international issues the United States administration is giving open moral support to racist South Africa.

Global Scene

"An ONR Government will be vocal on the question of racism in sport. Let it be known that the ONR is condemning the recent South African rugby tour to New Zealand.

Congratulating the people of New Zealand for their "heroic" battle against, the controversial tour Mr Hudson-Phillips said:

"This invitation to the South Africans to play matches in the United States of America is a slap in the face not only of Black Americans but Black people all over the world..."

He also criticsed the arms build-up on the Asian continent and that the arming of Pakistan by the United States was an indirect threat to India.

It was also a further indication of the importation of super-power politics in South East Asia.

Mr Hudson-Phillips charged: "On important matters like these we hear nothing from our so-called government...rest assured that an ONR administration will not hesitate to make pronouncements on issues which must affect us on the global scene."

CSO: 3025/31

CHAMBERS VISITS TOBAGO, MAKES POLITICAL PRESENTATION

Charlotteville Speech

Port-of-Spain TRINIDAD GUARDIAN in English 28 Sep 81 p 1

[Article by John Babb]

[Text]

CHARLOTTEVILLE, Sun.,

"THERE is a time to talk and a time to act," says Prime Minister George Chambers. And the time to talk was noon today when the Prime Minister told the people of Charlotteville what he plans to do when the time comes to act.

Firstly, on his return to Trinidad, he said, he will begin sending more of his Ministers to Tobago, "to establish the preeminence of ministerial responsibility."

This move, he explained, was also geared to inform Tobagonians "what is really happening at the level of the Government to deal with the problems about which they complain."

After listening to a litany of complaints on behalf of the fishing village located at the far eastern end of the island, read out to him by Mrs. Cedra Lewis-Noel, secretary of the village council, Mr. Chambers noted a communication problem.

"I think we are not communicating to you sufficiently about what we are doing," he told his audience.

Then amid loud applause from the crowd at the Charlotteville Community Centre, the Prime Minister let loose with some verbal political punches.

"All the people who are masquerading in Trinidad at present," he declared, "we will deal with them appropriately in due course," he added.

"They are not doing anything; but we are doing. And if we are not careful they might steal a march on us. And everything we are doing, when they come to fruition they will take the benefits. But as I say, we will deal with them in due course," he added.

Shortly after 8 a.m. today Prime Minister Chambers and his party, which included Mrs. Chambers and seven Government Ministers, left Mt. Irvine Bay Hotel for the 30-mile drive to the Tobago fishing village of Charlotteville.

After a brief stopover at the Rest House, the party drove to the community centre to meet residents.

At the centre, the Prime Minister heard of the hardships encountered by the people — bad roads, lack of housing and jobs, lack of a proper 'bus service and telephone communications.

Even bad television and radio reception and limited sporting facilities.

PLEA FOR RELIEF

"Sometimes we feel totally cut away from the rest of the Republic," complained Mrs. Lewis-Noel, a school teacher. She also pleaded for relief from the problems.

When the Prime Minister rose to speak he was loudly cheered.

It was another of those rare moments in which he chose to speak.

He told the Tobago people: "In July of this year I visited the County of St. Patrick for ten days. That visit, by all reports — even the reports of our detractors were by all accounts a very successful visit.

"At the end I was per-

suaded to visit Caroni. I weighed the advice very carefully but I felt that the next place I should visit should be the sister island of Tobago.

"The warmth of the welcome which I have received today with my wife is ample testimony to the fact that to come here was the correct decision.

"I would be the last to deny and the first to agree, that up to about a year ago, there was a disturbing tension between the people of Tobago and the people of Trinidad.

"Now I feel particularly happy and pleased to see in Charlotteville that it has been my good fortune to reduce that tension considerable, or, I should say, eliminate that tension by extending the hand of friendship to my brothers and sisters of Tobago, and embrace you as closely as the people of Trinidad.

"On your part, you have grasped that hand. I want to ask you, the people of Charlotteville, to be in the forefront of this friendship all the time.

"Your good secretary has drawn my attention to a number of problems, including transportation, telephone, poor television and radio reception. A placard outside drew my attention to the condition of the roads and the television reception and your fishing problems.

FOLLOW-UP ACTION

"What we have to do, my friends in Charlotteville, is to take the required follow-up action to ensure that we hold hands.

"We have to begin closer and continued communication with the people of Tobago. And what I have been thinking since I came here, is that when I get back to Trinidad I would like to see a lot more of the Ministers come to Tobago.

"First to establish preeminece of ministerial responsibility and, secondly, to inform the people of Tobago what is really happening at the level of government to deal with the problems you complain about.

"Those problems are not new. In Trinidad, they also complain about the roads. But, of course in Trinidad, we are responsible for the roads, but I won't tell you who is responsible for the roads here.

"It is not to say we are not doing something about the problems. The problem, is I think, we are not communicating to you sufficiently what we are doing.

"All the people who are masquerading in Trinidad at present, we will deal with them appropriately in due course. They are not doing anything.

"But we are doing and if we are not careful they might steal a march on us. And everything we are doing when they come to fruition, they will take the benefits.

"But, as I say, we will deal with them in due course. I do not think it is my responsibility today to tell your secretary and the audience what we are doing.

"I think the Ministers have a responsibility to come to the villages of Tobago and explain directly what we are doing and I intend to undertake that exercise as soon as I get back to Trinidad.

"I am very anxious to come down in the audience to meet with you, the people, personally. I want to tell you what your chairman advised me a little earlier. He has advised me, 'Don't be afraid.' I am not afraid. Neither am I without courage.

"There is a time to talk and there is a time to act. I want to give you my word — that since March 30, when I took the oath as Prime Minister, I have already pledged to spare this country from falling into the hands of some of the most nefarious and wicked people.

"With your help and your support we shall embrace every friend and, believe me, we shall spare no foe."

Later the Prime Minister and party drove to Roxborough the home town of WBA lightweight champion Claude Noel, who was given a thunderous welcome on Saturday.

In Roxborough, the Prime Minister met the villagers and witnessed a cultural performance.

Tobago Disappointment

Port-of-Spain TRINIDAD GUARDIAN in English 29 Sep 81 p 1

[Text]

MR. A.N.R. ROBINSON, Chairman of the Tobago House of Assembly, said yesterday that he and other members were disappointed by the manner of Prime Minister George Chambers's visit and conduct on the occasion of his first visit to Tobago.

And the Assembly Chairman gave his reasons.

First, he said, the naming of the Parkway, was the Claude Noel Highway, before the Prime Minister had got to Tobago. And this was done without the Assembly being consulted.

Secondly, the timing of the Prime Minister's visit, and its effect — whether intended, or not — of obstructing, from the centre of attraction, the homecoming of a hero (meaning Claude Noel's homecoming to Tobago).

Thirdly, the Prime Minister's use of the occasion for electioneering.

"I don't mind on any other occasion," said Mr. Robinson. "His first visit," he added, "should be a significant visit, and we were prepared to regard it as such. This was the first Prime Minister paying a visit to Tobago after the establishment of the House of Assembly. And this should be accorded an appropriate reception. And correspondingly he should acquit himself in the proper manner. This is how Tobago looked at it," he added.

Robinson-Chambers Disagreement

Port-of-Spain TRINIDAD GUARDIAN in English 29 Sep 81 p 1

[Excerpt]

SCARBOROUGH, Mon: TOBAGO'S House of Assembly Chairman A.N.R. Robinson today replied to the charge made by Prime Minister George Chambers about reports of undesirable employment practices taking place in Tobago.

Mr. Chambers, who discussed the matter with Mr. Robinson when the two met privately, told a People's National Movement (PNM) rally at Shirvan Park yesterday, that reports had reached him about discrimination in employment being practised by people of Mr. Robinson's party — the Democratic Action Congress (DAC).

But replying today to the charge, Mr. Robinson told newsmen. "We found a system that was replete with undesirable practices carried on by the PNM administration.

"What we are very concerned about are two things in the system that we found. Something notorious for years. Not only discrimination on political grounds, but many complaints about the abuse of women."

The House of Assembly Chairman said the most serious problem in Tobago was female unemployment. While there was full employment for men, the situation as it related to the women had reached crisis proportion.

Tobago Senate Demand

Port-of-Spain TRINIDAD GUARDIAN in English 29 Sep 81 p 1

[Article by John Babb]

[Excerpts] Scarborough, Mon: Tobago is seeking representation in the senate. This was one of the issues discussed here today in one hour of talks between Prime Minister George Chambers, and the Chairman of the Tobago House of Assembly, Mr A.N.R. Robinson.

Following the discussions, Mr Robinson said that Tobago was seeking to have two representatives in the Senate.

"It has been accepted in principle," said the House of Assembly Chairman. But, he said, two points had to be settled on this issue. Firstly, how many representatives in the Senate, and secondly, how they are to be appointed.

"We proposed a minimum of two," he said.

The Tobago House of Assembly Chairman also said his discussions earlier in the day with Prime Minister Chambers, included the settlement of the Tobago issue.

Firstly, that the settlement can be reached in such a way that it could be publicly known what has been agreed to in all the ministerial discussions.

Secondly, it involved the question of Tobago's representation in the Senate.

The presence of National Security Minister, Senator John Donaldson at the talks, Mr Robinson said, was very significant in that he was one of two senior Ministers involved in the Ministerial discussions.

Problems

Energy and State Enterprises Minister, Mr Errol Mahabir was expected to attend, but he did not turn up.

Mr Robinson also told newsmen about the main problems being experienced by the House of Assembly--staff, and accommodation.

Insofar as staff was concerned,he said, the main problem was "that they have not yet made up their minds on the interpretation of certain provisions of the Act which provides for the transfer of staff from Government departments to the Assembly.

In his opinion, the Assembly Chairman said that there ought to be five full-time Secretaries--persons who are responsible for the running of certain departments. And this involved full-time responsibility.

These posts were the Secretary for Agriculture, Secretary responsible for Infrastructure, involving roads, the Secretary responsible for Health and Environment. Also Marketing Supplies and Tourism, and the Secretary responsible for Education, Culture and Sports.

Mr Robinson admitted that since the appointment of the new Prime Minister, Mr George Chambers, "there has been a definite improvement in the relationship between the Tobago House of Assembly and the Central Government. This relationship was augmented by the ministerial discussions.

CSO: 3025/31

DAILY COMMENTS ON CANCUN MEETING

PY042340 Montevideo LA MANANA in Spanish 28 Oct 81 p 6

[Editorial: "The Poor and the Rich in Cancun"]

[Text] Seventeen chiefs of state and five foreign ministers made an attempt some days ago to reestablish the stormy "North-South dialogue" at the Cancun meeting in an atmosphere of little enthusiasm.

Some of the participants represented the industrialized Western countries while others represented the increasingly poorer countries of the so-called "Third World." The purpose of the meeting was to find a formula that could narrow the already considerable gap which separates the rich economies from those which are still underdeveloped.

According to the reports received from Cancun, it would be inappropriate to regard the meeting as positive. Actually, very little progress was made in the hard task of shortening distances.

But the possibility for underdeveloped countries to achieve future improvement along a more advantageous path was, however, opened up.

Furthermore, despite the virtually intransigent position adopted by the U.S. delegation--and bearing in mind the significance of the U.S. opinion on this issue--we consider that some of the statements made by President Reagan are important and we will point them out later.

Ever since the Cancun meeting was called at the request of the Brandt Commission and based on a report submitted by this study group, the hopes of the underdeveloped world revived to some extent, although the experience which has been gathered thus far does not allow for overly optimistic expectations concerning the results of this type of meeting.

This is the reason for the expectations which have been raised regarding Cancun and for the interest which has been shown particularly by the Latin American participants in the meeting.

The United States was in contrast to this attitude through its assuming a "laissez faire" position and by stoically facing the barrage of criticism, which was only

to be expected, and resting on the laurels of the aid that it has granted to the underdeveloped countries so far.

This was clearly seen at the first session of the meeting, when President Reagan said that his country was ready to participate in bilateral or regional meetings with the poorer countries under certain conditions. The southern delegations, however, advocated that the problems of starvation and financing Third World development should be discusssed within the framework of "overall negotiations" and at the United Nations, that is, at an international forum where the weak and the strong are on equal terms when discussing how the world's health should be fairly distributed.

This procedure is in keeping with the present status quo of our planet in which economic interdependence is an undeniable and increasingly significant fact.

The strength of the underdeveloped countries' position finally compelled the United States to agree to overall negotiations, although it undertook no commitments regarding the date for such negotiations. The United States also reiterated that eventual talks must be subject to previously established conditions.

This situation has shown that the United States is still unwilling to approach the specific problems of the developing countries from a broad and comprehensive standpoint. It has also shown that should the United States be compelled to admit any form of this approach, it will do so with serious limitations.

However, the decision to go through the channel of overall negotiations has been a diplomatic victory for the Third World and it can be a new starting point leading to more useful cooperation formulas.

Furthermore, it should be emphasized that President Reagan has committed his government's support to the search for the means aimed at liberalizing world trade. A considerable part of the difficulties underdeveloped countries are having is caused by the obstacles their exports must face, mainly in northern countries' markets. We have repeatedly stated that for our countries the abolishment of the protectionist measures by the strong nations is perhaps more important than the financial aid granted by them.

Fair treatment in commercial issues should replace gifts so that the economies of the underdeveloped countries may be revitalized in order to let such economies achieve their development on the basis of their own worthy efforts.

CSO: 3010/208

DAILY AGAINST 'OSTRACISM' OF LEFTISTS

PY212107 Montevideo EL DIA in Spanish 7 Oct 81 p 4

[Editorial commentary: "Definitions for a Stable Democratic Future"]

[Text] A reputable noon radio newscast has tried to find some ideological deviation or perhaps confusion in our reflections on a subject which undoubtedly is polemic and thorny: the future of the misnamed "leftist groups." It does so because of the anticommunist obsession which characterizes its preaching, an obsession shared by very many people in this country, we among them, as long as it is not a question of looking back and as long as there is confidence in the defense contained in a real democracy itself. We therefore believe that it is not necessary for us to comment at length again on our enduring position regarding extremism, whatever its political origin.

No one can object to a condemnation of those who transfer their ideology to the field of action by using violence, it is something different to punish, or intend to punish, individuals for their inner, unapproachable thoughts. To think that this could be done would simply be the same as recognizing that Khomeyni is right in sacrificing hundreds of lives for thinking differently from him and saying so; or approving the brainwashings at sinister clinics through which communist leaders try to convert their staunchest opponents to their system.

Democracy--when understood as it should be, as something that is good for all rather than something that happens to be suitable--is based on liberal and humanistic feelings. Justice and right are its guildeines and these should not be subject to circumstances. The fact that an epidemic has broken out at some time cannot serve as a pretext for closing a school indefinitely.

The above is said from the point of view of the principles. Let us now look at reality from this startingpoint.

A slight examination of our last electoral plebiscite--unfortunately so remote already--will show that the intended imposition of the generalized exclusion would place one-fifth of the total of the country's registered voters outside political activity. Should all those 350,000 citizens be measured by the same standard? Did so many communists participate in our last elections? Should all of them be looked upon as terrorists or at least as open or potential enemies of the system?

There have been omissions in the protection of the traditional soundness of our democracy. We believe that the best way of preventing a repetition is to recognize those omissions.

It was, however, those same omissions which created various degrees of lack of faith. One of them was terrorism with its dispicable methods and aims. Other degrees were also wrong, but they were lawful and made use of the inalienable right of thought and believed in the possibility of other roads.

To win over this group of people--the largest in the political mosaic which formed the so-called Broad Front--for democracy is a task for the parties for the benefit of democracy. But that is achieved only through struggle. Politics is struggle, fiery and ennobling, but nevertheless a struggle. No one has ever been or will ever be able to fashion a statute of definitive subjection, and the struggle of ideas forms the stages of the systems. Democracy in Uruguay originates from a long state; and another, as long and advantageous as the former, awaits it, as long as it is a true democracy.

It is not a question, as some people wish to simplistically think, of opening or closing the door to communism, so wicked but also always so numerically unimportant in our electoral realities. It is a question of recovering for the country the freedom of thought, mistaken from our point of view but respectable and apt to be recovered, since it is not a crime to think and the great victories of democracy have been won in the field of thought.

In conclusion: The expression "plurality" which we have repeatedly used (and without which, in the end, there is no democracy) has called forth some respectfully scornful words in the commentary to which we have referred. But have we not criticized communism and fascism for their lack of pluralism?

Our message intends to shed light on that which best defines and strengthens future institutionality, using both past and present experience with a view to principles and with an open and practical mind, but without concessions or imagery.

Has there been any careful thinking about the importance those forces might have at the time of political opening? Ostracism could condemn them, but could they not, with the determination of resetnment, intervene and evne decide the future of the nation in an election?

What is best? To give them that break, which would be a veritable ideological falsification, or to find rules of mutual survival--creating rights but also defenses, as it should be--under which they would have their own identity instead of finding themselves condemned to live under camouflage?

CSO: 3010/208

URUGUAYAN DESERTER SAYS TORTURE MANUALS CAME FROM U.S.

PY021725 Buenos Aires HERALD in English 2 Nov 81 p 3

[Text] Sao Paulo, Brazil--A former Uruguayan navy intelligence officer said yesterday that U.S. manuals were used to train Uruguay's military staff in torture, including electric shock and hot towel interrogations.

Victor Paulo Laborder Baffico also said that most officers who trained him had attended courses at the School of the Americas run by U.S. military in Panama.

But Baffico, who served in the Uruguayan Navy from May 1979 until his desertion in February of this year, said in a 51-page sworn statement that he saw no evidence of United States involvement in Uruguayan intelligence work beyond the manuals that were translated into Spanish.

Baffico, who timed the release of his statement with his departure for political asylum in Denmark, said: "Our manuals all came from the United States. They were very modern. They covered physical and psychological torture."

"They were printed in Uruguay but they are of North American origin and all the techniques and their developments is American. This is written in the book itself, and there are the names of the translators. They are all North American."

Baffico said he served in the navy as a member of an intelligence unit, the Brigada de Infantes Raul Cardozo, in the old sector of Montevideo.

Three days after deserting, Baffico fled to Brazil and sought asylum in the Rio de Janeiro offices of the United Nations Acting High Commission for Refugees, which arranged his yesterday passage to Denmark.

Baffico said the instruction books listed three main methods of physical torture. The first was the "submarine," in which the prisoner had his arms tied behind his back and the rope led over a ceiling pulley. By pulling on the rope the questioner could force the captive to bend forward thrusting his head into a tank of water.

A second method was electrical shock, and the manuals listed 35 critical nerve points around the body where electrodes could be applied, Baffico said.

The third method involved placing a towel soaked in very hot water over the prisoner's head and they applying more hot water at regular intervals for a long period of time.

Baffico said he himself had never participated in torture but had seen "innumerable" torture victims. "They came to the prison at the rate of about one per day," he said.

CSO: 3020/18

BRIEFS

DEMAGOGIC PRACTICES FORBIDDEN--Paysandu, Uruguay, 24 Oct (AFP)--Uruguayan President Gregorio Alvarez said here today that the Uruguayan civilian-military government will not allow the return of past demagogic practices. Gen Gregorio Alvarez (ret) noted that he is witnessing with alarm and disdain the subtle but sophisticated actions of some persons who in the name of freedom and democracy are justifying their alliance with communists and their allies. The president asserted that the members of the civilian-military process have established rigid guidelines so that past incidents will never take place again. After noting that the present political situation is very peculiar, Alvarez said that he rejects upholding corrupt and demagogic practices of a pseudodemocracy that has been overcome. At this time the Uruguayan Government and the traditional political parties, the Blanco Party (conservative) and Colorado Party (liberal), are drafting a political party statute. Alvarez, who assumed power on 1 September 1981, will leave the presidency in 1985 after calling general elections. [Text] [PY241645 Paris AFP in Spanish 1356 GMT 24 Oct 81]

POLITICAL LEADERSHIPS ALLOWED TO MEET--Montevideo, 21 Oct (AFP)--It was officially announced today that the Uruguayan Government has abrogated the measure that establishes a maximum of 40 persons for political meetings. According to Interior Minister Gen Yamandu Trinidad, the right to associate is thus made flexible, but he added that the obligation to request the pertinent approval from the respective police headquarters remains. The minister, who is also a member of the Political Affairs Commission of the Armed Forces (COMASPO)--which is currently studying a new political parties statute with leaders from the traditional Blanco and Colorado Parties, remarked that although this measure has been abrogated, the rules of the game continue to be the same. He stated that only the leaderships of the parties can meet, so simple party meetings for campaign purposes will not be allowed. Meanwhile, Col Washington Varela, chief of the Montevideo Police, asserted that the requests for meetings must be submitted in writing and the meetings must be held in closed premises. He stressed that up to the present time 16 requests have been submitted, divided equally between the several sectors of the Blanco and Colorado Parties. [Excerpt] [PY220102 Paris AFP in Spanish 1450 GMT 21 Oct 81]

FOUR COMMUNISTS ARRESTED--Montevideo, 24 Oct (TELAM)--The Interior Ministry has reported that the Justice Department has procuessed four members of the proscribed Uruguayan Communist Party (PCU) on charges of printing and distributing Marxist pamphlets. The people sent to jail are: Jose Parmelo Faccelo Giglio, 37 years

of age; Heber Mario d'Alessandro Brena, 35 years of age; Sonia Fosatti Eguren, 32 years of age; and Ariel Casco Fischetti, 34 years of age. The activity of leftist parties in Uruguay has been prohibited since 8 years ago. [Text] [Buenos Aires TELAM in Spanish 1545 GMT 24 Oct 81]

BALANCE OF PAYMENT SITUATION--During the first half of the year there was surplus of 723.2 million new pesos while the surplus during that same period in 1980 totaled 929.7 million new pesos. During the first half of 1981 the government obtained a total income of 10,198,300,000 new pesos while expenses totaled 9,475,100,000 new pesos. Government income was mainly generated from taxes (7,371,900,000 new pesos); trade (1,663,400,000); consular fees (109.6 million new pesos); and other incomes for the national treasure (763.3 million new pesos). Expenses totaled 8,328,300,000 new pesos and investments totaled 1,146,800,000 new pesos. [Montevideo EL DIA in Spanish 22 Oct 81 p 1]

NEW BRAZILIAN AMBASSADOR--The new Brazilian ambassador to Uruguay, Raul Henrique Castro Silva de Vicenzi, yesterday presented his credentials to Uruguayan President Gregorio Alvarez in a ceremony held at Government House. [Montevideo EL DIA in Spanish 6 Oct 81 p 7]

CSO: 3010/208 END

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12 November 1981

Latin America Report

No. 2399

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No. 2399

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BRIEFS

PETROPERU TO DRILL NEW WELLS--Adding a second drilling team, Petroleos de Peru has strengthened its operations in Selva Norte, mainly in the Neuva Esperanza field, discovered at the end of last year, says a press release, disclosing it will drill six exploratory wells this year. A new pipeline, Nueva Esperanza-Capirona, 8 inches in diameter and 61 km long, will join that operation with the network of secondary pipelines in lot 8 of Selva Norte, including a battery of pumps in Neuva Esperanza, workcamps, a road and a communications system, requiring about $20 million. Neuva Esperanza is northwest of Trompeteros, Capirona and Pavayacu, now in production; its well could reach about 10,000 barrels daily in 2 years. A total of 300 PETROPERU wells abandoned in the northwest are being rehabilitated. Two international public bids were called to provide 60 surface mechanical pumps and 65 underground. The wells will open 11 September financed with part of a $32.5 million loan for 17 years, with 3 grace years, at 8.25 percent interest annually, granted by the World Bank in the first half of 1980. The bank's studies show total added production will be about 3.5 million barrels. [Lima EL COMERCIO in Spanish 21 Aug 81 p A-5] 9545

NEW OIL REFINERY--Madrid, 12 August (EFE)--The Spanish engineering company Tecplam-Ingest has started construction of an oil refinery in Peru, it was disclosed here today. Financing will be through a line of credit opened by the Spanish government for bilateral Spanish-Peruvian exchanges. The refinery, in the Amazon region, will have a treatment capacity of 10,500 barrels a day, which means about 525,000 tons of crude a year. The contract, awarded by the Peruvian state enterprise PETROPERU, includes managing purchases and construction and putting the refinery into operation. The contract signed by Tecplam-Ingest represents an investment of $25 million, of which about $10 million represents supplies from Spain. [Text] [Lima EL COMERCIO in Spanish 13 Aug 81 p A-16] 9545

LIMA'S ELECTRICAL POTENTIAL INCREASED--Less than 40 percent of Peru's population has access to electricity, that is, more than 12 million persons are living in darkness after 6 pm, Minister of Energy and Mines Pedro Pablo Kuczinski said yesterday at the inauguration of the Santa Rosa thermal power station enlargement project, which will provide Lima with 100,000 kilowatts more of installed power. Peru now has an installed power of 3,000 megawatts, two thirds of which are used in public service. Electrical demand is growing at 10 percent a year, a low figure considering that in many areas no electricity is provided, and thus no demand exists. Because demand doubles every 7 years, in 1988 about 6,000 MW will be required; in 1995 12,000 MW and soon after the year 2000 about 24,000 MW.

Each megawatt costs about $1.5 million, slightly more than 700 million sols. If we multiply electrical and financial needs, we find that in the next 10 years $500 to $600 million must be invested annually to generate electricity, without taking into account the 12 million Peruvians still not reached by electricity. [Lima EL COMERCIO in Spanish 26 Aug 81 p A-12] 9545

NEW HYDROELECTRIC POWER PLANT--On the banks of the Pativilca River a new hydroelectric power station will be built that will produce 130,000 kilowatts, at an estimated investment of $170 million, announced the president of the board of directors of Hidrandina, engineer Juan Inchaustegui. The project is slated to cover the electricity shortage Peru faces in the coming years. With the prefeasibility work done, final studies will be finished at the end of next year, so that construction can start immediately. The plant, which the World Bank is interested in financing, will be built near the outlet of the Cahua hydroelectric station, and will interconnect, through tunnels, with the Rapay River, a tributary of the Pativilca. In the future, the Pativilca, with its ideal formation, can easily provide up to 300,000 kilowatts, through the building of other power stations, as Inchaustegui said during a visit to the Juan Carasio power station in Moyopampa by the 60 participants in the First Latin American Course on Design and Construction of Small Hydroelectric Power Stations, organized by OLADE [Latin American Energy Organization]. [Lima EL COMERCIO in Spanish 20 Sep 81 p A-12] 9545

CSO: 3010/43

ARGENTINE TERRORISTS ARRESTED IN MEXICO

PY012156 Buenos Aires HERALD in English 31 Oct 81 p 9

[Text] (NA)--Four Argentines arrested by the Mexican police last Tuesday belong to the People's Revolutionary Army (ERP), a group banned in Argentina, and included the brother of Ernesto "Che" Guevara, the Argentine foreign ministry claimed yesterday.

The four formed part of a group of six which, according to the Argentine Government, had organized a terrorist cell in Mexico and had been captured after taking part in an alleged kidnapping.

A ransom of 1.7 million dollars was asked by the group after abducting the niece of the presidential candidate put up by Mexico's opposition party for national action.

In the house where the six were arrested various passports were found belonging to people connected with international terrorism. Mexican police reportedly said, and the Argentine Government claim a possible link between the captured group and terrorist operations in Costa Rica.

Among incriminating evidence allegedly found in the possession of the group were rubber seals used by the Argentine consul general in Mexico and by immigration officials in Mexico and Costa Rica.

The foreign ministry gave the names of those arrested as Julio Cesar Santucho, Susana Ruth Berlaq, Miriam Helana Berlaq de Holland, Roberto Guevara de la Serna, all of whom are Argentine, and Angela Danatella Carra and Giovanni Rosa, both Italian.

Santucho and Guevara claimed, however, through a Mexican Communist Party leader they managed to speak to from jail, that they had no connection whatsoever with the kidnapping, that they had no sympathy for political acts of this nature and that all their activity in Mexico had been strictly legal.

CSO: 3010/181

'LA PRENSA' ADVOCATES LIBYA'S EXPULSION FROM UN

Buenos Aires LA PRENSA in Spanish 14 Oct 81 p 2

[Editorial: "Qadhafi and Others"]

[Text] The news reports on the assassination of Egyptian President Anwar Sadat have highlighted the feelings of grief and outrage that his murder prompted in all of the countries of the Free World. There are no clear indications of what reactions were elsewhere in the world, if we exclude the reactions that official press agencies considered it in their interest to make known. Thus, we learned that Palestine guerrilla groups "celebrated" Sadat's death in the streets of Beirut and fired their weapons into the air as a sign of rejoicing. In Damascus, leaders of the Baathist Party of Syria allegedly put out a proclamation with triumphant overtones, while their supporters organized impromptu dances in public places. There were analagous developments in Libya.

It is no surprise that out of stupidity or mere ignorance of international political realities, groups of individuals could have turned this tragic incident into an occasion of celebration. It is not always possible to preserve a sense of human dignity where moral principles have been undermined and truth is deliberately distorted.

There is a limit, however, to justifying actions and statements when they come from the representatives of governments. The officials who invoke the loftiness of their positions, at times grandiloquently, are obliged to maintain a style and an equilibrium in keeping with them. There have been several cases in which this elementary requirement has clearly been ignored, in connection with the blood-stained episode that we commenting on. The fact that the Iranian foreign minister "congratulated" the Egyptian people "for Sadat's extermination" is in itself irrelevant, though perhaps unique in the history of world diplomatic relations. The Iranian minister's brazenness pales, however, in comparison to the terrifying statements of the Libyan chief of state, Col Muammar Qadhafi, who not only hailed the regrettable incident but also leveled serious threats at future Egyptian presidents. "Whoever follows in Sadat's footsteps," he said, "will meet the same fate."

Perhaps Qadhafi's words are in keeping with his character and track record, inasmuch as his hallmark has been a propensity for insult and abuse. But this is not the issue. As the ruler of Libya, he is speaking on behalf of a country that is supposed to be politically autonomous and that, as such, has a reserved chair at the United Nations, of which Libya is a member state. We are moved to ask how our most important international organization can tolerate the presence of an aggressor State that ignores its most elementary duties within the community of nations.

The verbal excesses, the provocative stands and the histrionic impudence of Colonel Qadhafi, an emulator and friend of ousted Ugandan President Idi Amin, are always aimed at undermining the sovereignty of other States. In late May of last year, determined to bring back to Tripoli all of the political dissidents who had sought refuge in various European capitals, Qadhafi declared publicly that those who did not return would "inevitably be liquidated." "I cannot guarantee anyone's physical immunity," he said, "because the revolutionary committees will continue their programs and will locate the dissidents and liquidate them." The so-called "death squads" claimed eight victims around that time in Europe, that is to say, outside the jurisdiction of the Libyan Government.

Such obvious abuse of authority did not prevent Qadhafi from taking part in high-level international meetings and from being received by several government leaders with all of the honors due his position. His subsequent decision to invade nearby Chad with Soviet armaments did nothing to discredit his authority either.

The latest news concerns not only his threats against future Egyptian leaders but also the Libyan Army's preparations for incursions into the Sudan, a country that maintains close relations with Cairo, in a bid to topple the current government. Some 250,000 Sudanese emigrants who had established residency in Libya have just been expelled on Qadhafi's orders for refusing to join the so-called army "of liberation."

In referring to Sadat's assassination, former U.S. Secretary of State Henry Kissinger acknowledged the possibility that the Qadhafi regime was involved in it, and the current secretary of state, Alexander Haig, has suggested likewise.

In light of the recurrent rampaging by authoritarian regimes such as Qadhafi's and Khomeyni's, not to mention others, we must ask how long they will continue to occupy seats at the United Nations, which is supposed to safeguard good relations among member states and the respect due their sovereign rights.

8743
CSO: 3010/99

ATHOS FAVA'S STATEMENTS TERMED CONTRADICTORY

Buenos Aires LA PRENSA in Spanish 2 Oct 81 Sec 2 p 1

[Editorial: "Significant Communist Stand"]

[Text] On his trip through France (he would later travel to Moscow), the secretary of the Communist Party of Argentina, Athos Fava, was given a reception by the mayor of Argenteuil, Communist Deputy Robert Montdargent. He took this opportunity to point out that there are "conflicts and differences within the Armed Forces," adding that the political choice in Argentina "is not between civilian or military rule, but between democracy and fascism." Mr Fava did not say so, but clearly, to him the communists are in the democratic band.

Statements like this are extremely noteworthy, given how approvingly the communist leaders in our country looked on as the Process begun on 24 March 1976 unfolded. Their approval was in keeping with the approach taken by Soviet diplomatic representatives at international forums, who systematically refused to vote yes on resolutions against Argentina during debate on such issues as "human rights," the ideology of the military government and the ban on political activities. The UN Human Rights Subcommission recently decided, by a vote of 15 for, 3 against (Argentina, the Soviet Union and Romania) and 3 abstentions, that cases of persons presumed missing would be regarded as corroborated when the States being consulted cease responding to the demands for investigations.

In his remarks in France, the secretary of the Communist Party of Argentina said that the aim of the people behind the March 1976 coup d'etat was "to reorganize industry to serve the Trilateral Commission," and under the pretext of combating the guerrillas, "they embarked on a fierce repression of all segments of society." Paralleling the ambivalence that marked the stand of Argentine Communists during the days of Peron, when they asserted that "there are as many good people as bad among Peronist ranks," Fava said that his party is promoting a dialogue "with all political forces, with the Church and with the democratic sectors of the Armed Forces to isolate the fascists and build a stable democracy."

Aside from an obligatory comment on the recourse to the label "fascist," applied with the utmost laxity, in the finest style of the Kremlin propagandists, to anyone who is not a communist or does not support their stands, we should ask whether the new language of Argentina's Bolsheviks does not herald a turnaround in the behavior of the Soviet Union and the countries in its orbit on the international scene. Unless it is a warning to the military government of the price it would have to pay for its rapprochement with the United States.

8743
CSO: 3010/99

INDECISION ON SINAI PEACE FORCE CRITICIZED

Buenos Aires LA PRENSA in Spanish 12 Oct 81 p 16

[Article from "Observer" column]

[Text] It would perhaps be worthwhile looking into why our foreign minister has taken a number of stands that call to mind the distant and solemn days of 18th and even 19th century diplomacy, albeit lacking the powdered wigs and traditional snuff that characterized it, of course. It was slow-motion diplomacy, necessitated by the difficulty and inadequacy of communications. Talleyrand's phrase "surtout pas de vite" (above all, not too fast) became proverbial in that bygone era; this was how the bishop of Autun and the prince of Benevent described the tactics for the international negotiations of yesteryear.

This kind of go-slow approach, which consequently delays decision-making, was understandable in the past for the aforementioned reason; it is incomprehensible nowadays, however, when the rapid course of events demands comparable urgency in taking well-defined, clear-cut and categorical stands. Otherwise, diplomacy is reduced to the rustic terms of a village in which time goes by without anyone caring about it too much, taking on importance only during the alternating periods of the planting and the harvest.

No Decision on the Sinai

Embarked on this bucolic course perhaps, our foreign relations minister has just returned from Cairo, where, as we all know, he was our official representative at the assassinated Egyptian president's funeral. This can be gathered from the statements that he made upon his arrival here when asked about the stationing of Argentine troops in the Sinai. He replied that Sadat's death "makes further analysis necessary, and moreover, other countries might consider whether it would be a good idea to review the agreements (he was talking about the Camp David accords)." "I think," he went on to say, "that this is a time for everyone, without exception, to stop and think, because there has been a new development, a very important one unquestionably."

Of course no one will question either the need for or the appropriateness of the analysis that our thoughtful foreign minister has advocated. Obviously,

there is a new element (the death of the Egyptian chief executive) that dictates a new look at the situation. We are talking only about this situation, of course, because as far as Argentina was concerned, no decision had yet been made, and therefore there was nothing to confirm or rectify.

Inaction

And this is precisely the problem: that there was nothing to rectify or confirm. It has been many long months since the Egyptian foreign minister visited Buenos Aires, carrying the late President Sadat's official proposal that our government, along with others, station a military peace-keeping force with purely policing functions in the Sinai to help return the Israeli-occupied territory under the terms of the aforementioned Camp David accords.

Since that time, our authorities, especially, we understand, our diplomatic and military authorities, have been studying the proposal and deciding whether to accept or reject it. Even if we concede that the decision is going to be a controversial one, what is not controversial and what is beyond all debate is that a decision has to be made. Furthermore, it has to be made within a reasonable amount of time.

Calm reflection on an issue of such far-reaching significance, to use the language of contemporary politics, is all well and good, and we are the first to applaud it. But it cannot serve as a pretext for postponing "sine die" a decision, which in one way or another our citizens (and even world public opinion) have been anticipating.

If we rule out inadmissible negligence or omission in addressing the issue, the only explanation for this reluctance would be a lack of agreement on it within the government. This is regrettable, in that it shows administrative weakness stemming from a process of deliberations that is incompatible with the most elementary principle of authority.

There is only word to describe this anomalous and unfortunate situation: inefficiency. And this has been the hallmark of our vacillating foreign policy, which can be attributed not only to this administration but to the immediately preceding one as well.

Relative Importance

We have said that this is an important issue, because it entails taking a clear-cut foreign policy stand. Its importance is relative, however, because this is not a crucial, life and death decision. It only means sending a peace-keeping force to help police a specific area.

In light of this relative importance, the delay in making a decision becomes truly incomprehensible. Our government has been studying the proposal with such circumspection and in so many caucuses that the man who made the proposal passed away in the meantime. By virtue of this unfortunate development, the

country now has a second opportunity to voice its view, an opportunity that should be seized with all due urgency. It is our great fear that to judge by the foreign minister's cautious remarks, we will once again plunge deep into thought, letting time go by without coming to any decision.

Perhaps it would not be too inopportune to remind ourselves that the deadline for Israel's return of the Sinai is next April, which is less than 6 months away. Perhaps, though, our contemplative government is speculating, in light of Sadat's death, that a possible reassessment of the Camp David accords could extend that deadline. If this does not turn out to be the case, we can only hope that we can make a decision for or against sending the requested contingent before next April. Otherwise, our only recourse, for which we Argentines have such a propensity, would be to request a delay on our own, so that we would have more time to decide.

The eras of the Talleyrands are gone. In spite of the modern tools at their disposal, his counterparts in our day and age do not seem to have attained his intellectual stature. It is to be hoped that they do not develop his well-known cynicism either.

With our policy of "inaction," we are deliberately shutting ourselves off from the relentless realities that surround us and that, whether we like it or not, force us to take stands lest we deny our destiny as a nation in the world concert.

Sadly, this is where we stand, although perhaps it is of no great concern to our meditative and deliberate foreign minister and to the no less meditative members of the Military Junta. Perhaps they do not care about presenting to the world the gaunt, vacillating image of a not genuinely Shakespearean "Hamlet" or of a lazy, backward-looking "rusticity" buried in the folkloric novels of 19th-century traditionalism.

8743
CSO: 3010/99

EDITORIAL ON CUBAN EXILE LEANTE'S DECLARATIONS

Buenos Aires LA NACION in Spanish 16 Oct 81 p 8

[Editorial: "Castro's Version of the 'New Man'"]

[Text] Before Fidel Castro proclaimed his support for the Moscow regime, which has become obedience today, he used to impart a prophetic tone to his voice and announce the advent of the "new man," not just in Cuba but in the rest of Latin America as well. Now, the would-be savior of his people is resorting to different language, openly in line with the kind used by his Soviet masters, to lash out at the "counterrevolution" and justify the harsh methods of repression employed wherever the slightest indication of opposition or dissidence appears.

But if the voices that used to proclaim the glad tidings of a better future from the Sierra Maestra have gone silent, elsewhere in the world, especially in the regions most worn down by totalitarian propaganda, Castro's panegyrists are still at work, striving to disseminate, as if it were revealed truth, their prediction that the seeds of a mankind freed from injustice are sprouting on the vassal island.

Because they have refused to subscribe to such auguries and to become mere spokesmen of the system, the writers who are worthy of the name by virtue of their attachment to creative freedom are languishing in prison or living in exile, if they have not, in fact, succumbed to their sufferings.

To already familiar testimony (Delfin Prats, Armando Valladares, Octavio Armand, Guillermo Cabrera Infante, Jose Lezama Lima and Oscar Hurtado) we can now add that of Cesar Leante, who in addition to having dedicated his life to literature, was an adviser in the Cuban Culture Ministry. On his way to the capital of Bulgaria, where he was to attend a book fair, Leante requested political asylum from the Spanish authorities while his plane was on a stopover at the Madrid airport. In explaining his decision at a press conference, the expatriate stated that after Batista's overthrow, he had placed his hopes in the "new man" announced by the Cuban Revolution and confessed that he was deeply disappointed by the direction that the government and the movement took to their current status of subjugation to the Soviet Union. He also stated that in such an environment and with one's creative freedom curtailed, a writer was reduced to a mere publicizer of official

slogans, inasmuch as, otherwise, he is sent to prison or subjected to implacable persecution.

This situation, which to different degrees prevails throughout Cuban society, is no surprise, of course, if we bear in mind that Article 5 of the constitution recognizes the Communist Party as the organization that runs the State and the society. Therefore, as part of a State machine whose levers are pulled from Moscow, man is little more than a robot.

In light of this current situation, which is harshly described, moreover, in Huber Matos's gripping "J'accuse," the circles that specialize in a certain type of proselytizing are making absurd prophecies about the auspicious lot that awaits the peoples who have had the good fortune to be "freed from the imperialist yoke" by the forces that take their orders from Fidel Castro under the direct supervision of the Kremlin. One does not have to be a seer to predict such a future. It is the same future that was promised in the past to Poland, Czechoslovakia, Hungary and the other nations of Eastern Europe that are presently subjugated by Soviet imperialism.

8743
CSO: 3010/99

SIGNIFICANCE OF NATION'S ABSENCE FROM CANCUN VIEWED

PY261750 Buenos Aires HERALD in English 26 Oct 81 p 8

[Editorial: "Southeast and Northwest"]

[Text] The mere presence of U.S. President Ronald Reagan at a meeting of rich and poor nations such as the recent one at Cancun, Mexico, can, in itself, be taken as something of a triumph for the needier half of the world. Mr Reagan has, in the past, taken a hard line with regard to the so-called north-south dialogue, going as far as to at least indirectly suggest that there is no real need for such a global get-together, what is being sought by the poorer nations of the world in a dialogue of this kind is what has come to be known in United Nation circles as "a new economic order" and which signifies the banding together of developing nations to put pressure on the highly industrialized nations to redistribute the world's wealth. Mr Reagan and other conservatives like himself have apparently long seen the "new economic order" as an attempt to not only make handouts respectable, but also obligatory as per some future north-south pact, and object to such a state of affairs as a political ploy aimed at sapping the strength of the major industrialized nations which have developed what they have under their own steam.

These aforementioned conservatives, however, have, in recent years and with the changing world political climate, found themselves in ever more sparse company as capitalism has gone somewhat out of fashion and socialism has become socially acceptable. Today Mr Reagan is finding that he and other northern "dinosaurs" are being assailed even by former allies who have now joined the "new economic order" fad and given up the philosophy that development should be gained through the diligence, patriotism and honesty of its leaders and through the hard work and spirit of its people, with the aid but not the charity of stronger nations. Perhaps the slight softening of Mr Reagan's stance--although, at least for the moment, it does not necessarily reflect a fundamental change in attitude--reflects fears in the United States that in an ever more "polarized" world while north is mostly western, south is leaning threateningly eastward. The bad name of capitalism has been formed through government-linked big business conspiracies designed to exploit the underdeveloped nations of the world while smothering domestic development, thus institutionalizing them in a role as the world's economic serfs. But barring such behavior on the part of the world's industrialized nations, the conservative attitude toward development is a healthy one since it involves the full growth and development of nations so that they will be able to stand on their own two feet and build their own economic power rather than being enslaved to their wealthy benefactors.

From a strictly domestic point of view, Argentina is missing the boat completely once again in the sharing out of world power. This country was not invited to the north-south summit in Cancun and this reflects the attitude on no other country or group of countries better than it does that of Argentina itself. This country has not accepted its role either as a fully western country or as a developing nation. It continues to claim neutrality while playing a fence-sitter's game with no definite foreign policy beyond issues which directly concern it and in which it tends to be inconsistent with the policies and wishes of its natural allies. In the very near future this country must take serious decisions and set its sails for the direction it proclaims to be its own (north by northwest) before it finds itself stalled forever in the doldrums of isolationism and underdevelopment.

CSO: 3020/17

FRENCH CITIZEN HELD SINCE 1975

PY301250 Paris AFP in Spanish 1756 GMT 29 Oct 81

[Text] Paris, 29 Oct (AFP)--Fr ench-Argentine citizen Floreal Canalis, who had been under arrest at the Sierra Chica Prison in Argentina since 1975 arrived here today from Buenos Aires.

Canalis--who had been condemned to 3 years in prison and was later put at the disposal of the executive branch--is the first French citizen who has been freed since French President Francois Mitterrand assumed power. Previously eight French citizens were freed during the administration of Valery Giscard D'estaing.

French lawyer Jacques Miquel, who was in charge of the Canalis case, representing the French association for missing or arrested persons in Argentina, said that Canalis' release is a gesture of good will on the part of Argentina toward France.

Miquel, who carried out two missions in Argentina as lawyer for the defense, noted the personal participation of Gerardo Schamis, the new Argentine ambassador to France, in Canalis' release.

The lawyer noted that there are still four French-Argentine citizens under arest in Argentine prisons and 15 French citizens missing, among them two nuns.

Canalis' release had been announced by Argentine Foreign Minister Oscar Camilion in an interview published last Saturday by the French newspaper LE MONDE.

When Schamis presented his credentials at the beginning of October, Mitterrand had called the attention of the Argentine Government to several well-known cases of French citizens and to the defense of human rights.

Canalis traveled with his wife and two sons and was welcomed at the airport by Jacques Miquel and a representative of the French foreign ministry department for French citizens abroad.

CSO: 3010/181

BRIEFS

FORMER PERONIST MINISTER RELEASED--Former Peronist Economy Minister Celestino Rodrigo has been released form prison by judicial order after nearly four years of imprisonment on charges of mishandling public funds while in office. Rodrigo, 67, was freed on 23 October, however his release was only announced by the government yesterday. After only serving 49 days in office, Rodrigo achieved notoriety for his "shock" economic policies in which he devalued the peso 100 percent and hiked the price of oil by 176 percent. He was jailed on 22 November 1977, by Judge Norberto Giletta, who ground him guilty on charges of mishandling public funds and for signing a resolution which awarded 10 million pesos to the flood victims in Santiago del Estero Province, form the commerce employees family fund. This check was deposited by Rodrigo in the private account of former President Maria Estela Martinez de Peron at Santander Bank, according to Giletta. [Text] [PY012201 Buenos Aires HERALD in English 1 Nov 81 p 11]

EDITORIAL RE APPROVAL OF AWACS--In the course of the battle Ronald Reagan fought against a congress reluctant to accept the initiative, Alexander Haig went so far as to say that Saudi Arabia was more interested in finding out how far the reliability of the United States--badly affected after the Shah's downfall--can be trusted than in the acquisition of the AWACS. Brezhnev certainly did not miss the opportunity afforded by Reagan's imprudence in talking about the possibility of a limited nuclear war in Europe to make apocalyptic prophesies, thus echoing the chorus of protest in NATO countries. Without being despirited by the realization that he had committed a "lapse"--which had after all been corrected by his advisers--and showing his firmness as well as his capacity to convince even fellow republicans hostile in congress to his proposal, President Reagan managed to achieve with the senate's approval of the AWACS sale a victory that is significant for his personal and presidential prestige and all-important for his foreign policy. [Editorial: "The AWACS for Saudi Arabia"] [Excerpts] [PY021819 Buenos Aires LA NACION in Spanish 31 Oct 81 p 8]

CSO: 3010/181

INTERNATIONAL ANTIMONY CONFERENCE CLOSES

PY301305 La Paz Radio Illimani Network in Spanish 1130 GMT 30 Oct 81

[Text] The first international conference of antimony producers that opened in La Paz on Tuesday closed yesterday with the approval of important resolutions of interest to the sector.

The general assembly of antimony producers approved seven resolutions, which are as follows:

1. To entrust the Bolivian Antimony Producers Committee with the drafting of a statute for the international antimony organization which must be submitted to the second international conference of antimony producers.

2. To establish an antimony center for the information, research, development, and promotion of the use of antimony. This center will be under the supervision of the Bolivian Antimony Producers Committee, until the international antimony producers organization is formally established.

3. To establish a commission that will study the inclusion of antimony in international metal exchange systems and which will also suggest strategies and specific measures leading to this objective.

The fourth point of the resolution approved by the international antimony producers organization is explained by the chairman of the Bolivian antimony producers organization, (Mario Mercado Vaca Guzman).

[Begin (Vaca Guzman) recording] To request United Nations mediation, through its commission for the defense of human and economic rights, to avoid the sale by GSA, the U.S. General Service Administration, of the antimony surplus since this causes a sharp fall in antimony prices of and, therefore, great damage to producing and developing countries.

5. The Bolivian Antimony Producers Committee has the right to undertake legal action against the GSA in compliance with U.S. laws and the GSA sales regulations which state that sales cannot take place when these may cause detriment to the economies of producing countries and cause a sharp fall in international quotations. [End recording]

6. To request all those mining companies attending the conference to propose to their respective governments through the proper national organizations to propose that the IMF to consider certain resources--particularly minerals and metals--as genuine reserves replacing the traditional monetary reserves, preferably in the case of developing countries.

The last resolution approved is hereby explained by the Bolivian Antimony Committee chairman:

[Begin (Vaca Guzman] recording] To call a new international antimony conference to be held in La Paz in October 1982. [End recording]

CSO: 3010/182

GUBERNATORIAL RIVALRIES THREATEN PDS ELECTION CHANCES

Brasilia CORREIO BRAZILIENSE in Portuguese 13 Oct 81 p 4

[Article by Silvio Leite: "Governors Worry Planalto"]

[Text] Planalto Palace is very worried about the problems created by some governors in regard to the coming elections, especially those who are trying to hinder candidacies of congressmen, such as has been happening in Bahia, where Antonio Carlos Magalhaes is sabotaging Senator Lomanto Junior in every way possible. Despite this, the PDS [Social Democratic Party] is already campaigning, much to the delight of its national officials, who have even appointed a committee to define the major campaign strategies.

Besides the serious problem of Bahia, Para, because of the quarrel between Senator Passarinho and Governor Alacid Nunes, and Goias and Pernambuco--these two more because of failure to identify good candidates--are also vexing. Nor are the situations in Piaui, Ceara, Rio Grande do Norte and Espirito Santo, caused mainly by indecisiveness, reassuring. On the same level with Bahia, Para, Goias and Pernambuco is Rio de Janeiro, which has no candidate but, because it is a traditional stronghold of the opposition, does not cause quite so much concern.

The government, of course, is also concerned about the situations in Sao Paulo, Parana, Rio Grande do Sul and Santa Catarina, to say nothing of Minas Gerais, although it hopes that dissension among the opposition parties will eventually work in its favor.

A few days before he suffered a heart attack, President Joao Figueiredo had confided in a friend his disillusionment about the problems caused by some governors, mentioning Antonio Carlos Magalhaes particularly. First had been his reaction to the rebellion against his praise of Paulo Salim Maluf, which forced Planalto Palace spokesman Carlos Atila to issue a denial, although nearly creating a new problem with other Bahian leaders in saying that "the governor is the undisputed leader of Bahia."

Lomanto Case

The other problem caused by Antonio Carlos involved the candidacy of Senator Lomanto Junior against his own preferred candidate, Cleriston Andrade, president of the Bank of the State of Bahia. The slogan used against the gubernatorial

candidate, who is a Protestant minister, shows the level of controversy to which the campaign in that state can sink: "Anyone who does not believe in Our Lord of Bonfim and the Virgin Mary cannot be governor of Bahia."

As Lomanto and many other congressmen did not become candidates until after they were encouraged to do so by Planalto Palace, which favors multicandidate slates, when Figueiredo learned about the threat of Antonio Carlos and other governors not to allow anyone who wished to do so to enter the PDS race, he added the following to his first disappointment: "If a governor such as Antonio Carlos, who is my friend, does something like this, what can I expect from those who are not close to me?"

The national PDS directors, who do not want to intervene in the states, preferring to leave the problem in the hands of the regional organization, know they must act, even if indirectly, unless they want Planalto Palace to do so. A few days ago an influential PDS deputy heard Minister Leitao de Abreu say that "this cannot go on." And the minister himself, although not mentioning names, supplemented the report to Figueiredo in the sense of doing away with these unnecessary squabbles among governors and other state leaders.

Fear of Shadow

As a matter of fact, these governors who were chosen within the confines of Planalto Palace and are to be replaced by successors elected by direct voting would never have been able to create such problems with presidential appointments.

Except for Rio de Janeiro and Goias, where there are hardly any candidates, due mostly to fear of probable defeat, the PDS is already campaigning. In Paraiba, for instance, Federal Deputy Wilson Braga has already held 36 rallies and gone almost everywhere in the state. Senator Murilo Badaro, likewise, has been to more than half the 722 municipalities in Minas Gerais.

In Maranhao, home state of the PDS chairman, Senator Jose Sarney, the campaign has fortunately been conducted on a higher plane. The three candidates, federal deputies Edson Lobao and Luiz Rocha and Senator Alexandre Costa--all friends of Sarney and without friction with Governor Joao Castello--are criscrossing the state, each hoping to be the party's only nominee, which is hardly likely, considering the influential support for all of them. In that case Maranhao would be an exception, and very much to the liking of Planalto Palace, by the way.

There are cases, as in Piaui for example, where a single candidate would be very welcome to the PDS, in view of the strength of Senator Alberto Silva, PP [Popular Party] candidate, possibly with the support of the PMDB [Brazilian Democratic Mobilization Party], currently led by former Governor and former (cassated) Federal Deputy Chagas Rodrigues. If this alliance should come to pass, which would only weaken the PMDB, there is only one person capable of confronting Alberto Silva: Federal Deputy Hugo Napoleao, 37, and the second-highest votegetter in the defunct ARENA [National Renewal Alliance].

Governor Lucidio Portella insists upon multicandidate slates but, although avoiding an open split, Napoleao says he will agree to being the candidate only if there are

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FOREIGN MINISTRY OFFICIALS COMMENT ON CANCUN

PY300131 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 28 Oct 81 p 23

[Text] Advisers to Foreign Minister Saraiva Guerreiro who participated in the Cancun north-south talks have said that no practical results to benefit developing countries over the short term should be expected, because the negotiations that will be carried out from now on at the UN General Assembly or in international agencies such as the IMF and the IBDR will be slow and difficult.

According to those advisers, the greatest result of the Cancun summit may have been to get President Ronald Reagan to recognize the importance of the north-south dialogue, since up until recently the U.S. president did not even acknowledge the existence of that economic division.

The Brazilian delegation was surprised by the favorable repercussion of the proposal to create and energy agency as an affiliate of the IBRD and with the support of oil-producing countries. The idea was approved, but no decision has been made as to how it will be implemented. There is, however, a consensus on the agency's importance and on the need for it to have its own funds of finance energy projects in developing countries.

In practice, the results of the Cancun meeting, which included 22 chiefs of state (9 from developed countries and 13 from developing countries) did not live up to the importance of the meeting. Although no great progress has been made, it cannot be said that the meeting was a failure. The meeting's success was that a confrontation with the United States was averted. The decision not to issue a final communique and the time limitation--2 days--reduced the opportunity for negotiations, particularly those of bilateral nature.

The developing or third world countries believe that they succeeded in loosening somewhat the positions of the Reagan Administration which were made public prior to the Cancun meeting in the speeches Reagan delivered first at the opening of the IMF meeting and later in Philadelphia. The Itamaraty advisers, however, prefer to wait for Reagan's next procurement.

The north-south dialogue will proceed with global negotiations at the UN. These negotiations will drag for some time. Also, no immediate result should be expected from the idea to create an autonomously funded energy agency either as an independent organ or as an affiliate of the IBRD.

CSO: 3001/17

no others, "because in Piaui there are no factions that would justify more than one candidate for the party."

In Ceara, former Governor and now Federal Deputy Adauto Bezerra, proportionately the most popular candidate in Brazil (117,282 votes), favors a multicandidate slate but Governor Virgilio Tavora believes there should be only one candidate. If it is not Adauto, he himself will be a candidate at the convention and can probably get the required 20 percent.

In Pernambuco, Governor Marco Antonio Maciel would still like a multicandidate slate, even after having lost Cid Sampaio to the PP. Former Governor Moura Cavalcanti, who would like to be the only candidate, disagrees, using the same arguments as Hugo Napoleao. In Pernambuco, no one is unaware of the strength of Senator Marcos Freire.

In Espirito Santo and Rio Grande do Norte, the governors are opposed to other candidates, preferring to support the mayors of their capital cities. Espirito Santo Governor Eurico Rezende favors Carlos Von Schielgen or Theodorico Ferraco over former Governor Elcio Alvares and the president of BANESTES [Espirito Santo State Bank], Rudy Maurer. Lavoisier Maia prefers the mayor of Natal, Jose Agripino Maia, to Federal Deputy Joao Faustino (the most popular candidate in Rio Grande do Norte, with 74,517 votes against 67,203 for previously unbeatable Henrique Alves of the MDB [Brazilian Democratic Movement] and now in the PP), Federal Deputy Carlos Alberto (elected by the MDB), university president Diogenes Cunha Lima and Federation of Industries President Fernando Bezerra.

In the southern states and Minas Gerais there are no disagreements directly involving the governors, but rather a greater caution in choosing candidates, precisely because they are opposition strongholds.

Overall Situation

Choice of PDS candidates in all states currently seems to be working out as follows:

Acre: Federal Deputy Nosser Almeida (most votes, with 8,100) is the only candidate, but Senator Jorge Kalume may decide to run. Federal Deputy Nabor Junior (7,761 votes) is the PMDB candidate.

Amazonas: Senator Raimundo Parente is a candidate, but does not want a multicandidate slate, with Federal Deputy Jose Fernandes (most ARENA votes, with 26,244) also contending. Gilberto Mestrinho (PP) and Senator Evandro Carreira (PMDB) are the opposition names.

Para: So far, Lieutenant Governor Gerson Peres (depending upon whether Alacid Nunes leaves the government to become a candidate) is the most likely name. Deputy Jader Barbalho (the best vote-getter: 78,730) should be the only opposition candidate, with support from Governor Alacid Nunes.

Maranhao: Luis Rocha (62,749 votes), Edison Lobao (56,236 votes) and Alexandre Costa (indirectly-elected senator and former federal deputy) are the three PDS names. Either Renato Archer (cassated former federal deputy) or Epitacio Cafeteria (39,740--highest number of MDB votes) could be the opposition candidate.

Piaui: If Hugo Napoleao (52,763 votes) does not accept, there are few options to confront the perennial candidacy of former Governor and now Senator Alberto Silva (PP), with PMDB support. Ary Magalhaes (finance secretary), Camilo Filho (university president), Federal Deputy Joel Ribeiro (40,270 votes) and former Lieutenant Governor Djalma Veloso appear to be only trial balloons.

Ceara: Adauto Bezerra is the only declared candidate, although the deputy mayor of Fortaleza, Aecio de Borba Vasconcelos, now appears to be the choice of Governor Virgilio Tavora. Mines and Energy Minister Cesar Cals is another option, but he would run only as the sole candidate of his party. For the opposition, Senator Mauro Benevides (PMDB) is a natural candidate, while Federal Deputy Antonio Moraes (63,988 votes, the most for the MDB, and now in the PP) is waiting for a split in the PDS to become a candidate.

Rio Grande do Norte: Federal Deputy Carlos Alberto, who supports the government so he can be the PDS candidate, is not the governor's choice. Nor is Joao Faustino, the federal deputy who had the most votes for the PDS. The governor's choice is Agripino Maia, mayor of Natal. Former Governor Aluisio Alves (PP) and, as of now, Senator Agenor Maria (PMDB) are the opposition candidates.

Paraiba: Wilson Braga, always the most popular federal deputy (84,168 votes) is a candidate, along with the mayor of Campina Grande, Enivaldo Ribeiro. For the opposition, Deputy Antonio Mariz (77,274 votes), formerly of the ARENA and now in the PP, would be the only opposition candidate unless Marcondes Gadelha (the best MDB vote-getter, with 59,046, and now in the PMDB) decides to run.

Pernambuco: Former Governor Moura Cavalcanti, who wants to be the only candidate--against the wishes of Governor Marco Maciel--if he persists, will have to share preference with Lieutenant Governor Roberto Magalhaes and the mayor of Jaboatao (within greater Recife), Geraldo Melo, who had been in the MDB. Recife Mayor Gustavo Krause, a nephew of Moura Cavalcanti, is the governor's choice, but he has not yet made up his mind.

Alagoas: Former Governor and now Federal Deputy Divaldo Suruagy (leading vote-getter, with 102,108) is the natural and only candidate, unless there is truth to reports of a falling out with Governor Guilherme Palmeiras. The other possible candidates are awaiting a decision by higher-ups. Jose Moura por Bastos, surprise victor over Lusede Cavalcanti for the Senate, is the only opposition candidate, unless Federal Deputy Jose Costa, who had the most MDB votes (54,522) decides to run. Muniz Falcao is another opposition possibility.

Sergipe: Senator Passos Porto is the name mentioned most often, but he has not yet made up his mind. Two federal deputies, Antonio Valadares (31,530 votes, the most for the ARENA), now secretary of education, and Francisco [Chico] Rolemberg (29,399 votes) are waiting for the decision of Governor Augusto Franco. The mayor of Aracaju, Heraclito Rolemberg, Chico's brother, is another option. Cassated former Governor Seixas Doria (PMDB) is a declared candidate, but he may have competition from Senator Gilvan Chaves, who has just left the PP and will probably join the PMDB.

Bahia: The most serious problem for the PDS, due to the problem created by Governor Antonio Carlos Magalhaes, is what to do about the candidacy of Senator Lomanto

Junior, who received over 1 million votes. Federal Deputy and PDS Secretary General Prisco Viana (61,599, the fifth highest number of votes) is also a candidate, but the governor only wants the president of the Bank of the State of Bahia, Cleriston Andrade, who has never run for office. Former Governor Roberto Santos, now regional chairman for the PP, and Waldir Pires (cassated), for the PMDB, are the opposition candidates.

Espirito Santo: Former Governor and former Federal Deputy Elcio Alvares launched his candidacy without the support of Governor Eurico Resende, whose choice is the mayor of Vitoria, industrialist Carlos Von Schielguen. Federal Deputy Theodomiro Ferraco (44,942 votes), the ARENA's leading vote-getter; the mayor of Serra (within Greater Vitoria). Jose Maria Feu Rosa; the former mayor of Vitoria, Antonio Crisogomo; and BANESTES President Rudy Maurer are other names mentioned. Gerson Camata (39,637 votes), elected by the ARENA and now in the PMDB, is the candidate mentioned most often to run against Federal Deputy Max Mauro (54,012 votes, the highest for the MDB) and cassated former State Deputy and OAB [Brazilian Bar Association] President Jose Inacio Ferreira.

Rio de Janeiro: The PDS does not have any declared candidate, precisely because no one wants to make the sacrifice. Cabinet ministers Mario Andreazza and Helio Beltrao simply asked not to be remembered, while Federal Deputy Rubem Medina (74,787 votes, the fourth highest in the MDB, and now in the PDS), wants to be remembered, but not as a candidate. Federal Deputy Alvaro Valle (89,561 votes), always the leading ARENA vote-getter, says he wants to remain in the Chamber of Deputies. Miro Teixeira (536,661 votes), the leading vote-getter in Brazil, ex-MDB and now PP; Senator Saturnino Braga (PMDB); and former Governor and former Federal Deputy Leonel Brizola (PDT [Democratic Labor Party]) are the main contenders for the opposition.

Minas Gerais: While no one in the PDS was talking about the election, Senator Murilo Badaro piled up a big lead. The other candidate is Federal Deputy and now Belo Horizonte Mayor Mauricio Campos (92,777 votes), the ARENA's second-best vote-getter (Magalhaes Pinto, now in the PP, was first with 139,137 votes). Fagundes Neto (34,548 votes), first alternate and secretary of science and technology, may be the third candidate on the slate. Senator Itamar Franco, for the PMDB, and Senator Tancredo Neves, for the PP, are the two opposition alternatives.

Sao Paulo: In a state where Janio Quadros has his voting residence, it is difficult to predict what will happen by 15 November. However, as matters stand now, former Governor Laudo Natel, running in his own lane; Agriculture and Supply Secretary Domingo Afif; Federal Deputy Adhemar de Barros Filho (with 191,880 votes, leading ARENA vote-getter throughout Brazil); and Sao Paulo Mayor Reynaldo de Barros are vying for the three vacancies. Lieutenant Governor Jose Maria Marim, who was to be a candidate, no longer will be, especially if Governor Salim Maluf has to become a candidate for the Chamber of Deputies or the Federal Senate.

Goias: Next to Rio, this is the state where the PDS has the biggest problems in choosing candidates. Governor Ary Valadao is trying to control the process in such a way as not to divide the party even more. With the opposition united behind the candidacy of the cassated former Goiania mayor, Iris Rezende, the PDS will have to choose the three candidates for its slate very carefully. Former Governor

Otavio Lage, Finance Secretary Ibsen de Castro and federal deputies Helio Levy (leading ARENA vote-getter with 61,522) and Brasilio Ramos Calado (55,249 votes, fourth highest in ARENA) are suggested names, but the decision is not yet made.

Mato Grosso: Senator Benedito Canellas is, as of now, the only candidate who has decided to run. Also mentioned are federal deputies Julio Campos (39,814 votes, highest in ARENA), Louremberg Nunes Rocha (second, with 23,555 votes) and the former mayor of Cuiba and now secretary of education, Helio Palma Arruda. Among the opposition, the picture is not clear and the only names being mentioned are former Governor Garcia Neto (now in the PP) and Padre Pombo, defeated candidate in the senatorial election.

Mato Grosso do Sul: No one in the PDS dares declare himself a candidate until Governor Pedro Pedrossian learns whether or not he can decide to be a candidate. The uncertainty revolves around interpretation of the constitution: because Pedrossian was appointed, he could be returned to office by direct vote. The former governor, Marcelo Miranda, who was removed so Pedrossian could take office, will probably be the candidate of the opposition.

Parana: When Raul Raiz, former mayor of Curitiba, returned to Parana to become special secretary for municipal affairs, it was already known that he was the preferred candidate of Governor Ney Braga. Within the PDS, however, former Governor Paulo Pimentel, elected federal deputy with the state's largest vote (128,267), is a candidate in any event. Jaime Lerner, mayor of Curitiba, also a candidate before the appearance of Raiz, is more discreet. Former Governor Jaime Canett (PP) and Senator Jose Richa (PMDB) are the two who are running against the government.

Santa Catarina: To compete with Senator Jaison Barreto, Governor Jorge Bornhausen knows he must work out a very special plan. And he has been trying to act without taking the side of any candidate in order to keep the PDS united behind three candidates if he cannot find one with widespread support. Former Federal Deputy and now Lieutenant Governor Henrique Cordova; Federal Deputy Esperidiao Amin (who led the ticket with 72,380 votes), now transportation secretary; Federal Deputy Victor Fontana (63,470 votes, third best), now agriculture secretary, are the three strongest candidates.

Rio Grande do Sul: There are three likely candidates: the president of the Chamber of Deputies, Nelson Marchezan, whose 90,973 votes were the second highest for the ARENA; Social Security Minister Jair Soares, in third place for federal deputy with 97,438 votes; and Lieutenant Governor Octavio Germano. However, either they are all using the same strategy or they have made an agreement, as none of them has declared himself publicly. Governor Amaral de Sousa has likewise kept a low profile and has taken special precautions not to offend anyone. For the opposition, Senator Pedro Simon (PMDB) and Federal Deputy Alceu Collares (who led the MDB ticket in the state, with 112,640 votes), now in the PDT, are the candidates.

Intervention

The truth is that, if the regional directors continue tagging behind the governors and the latter are unable to conduct the process of their succession on the basis of a policy more compatible with the interests of the party, the federal government

--there is not the slightest doubt--will intervene, using, first, the national chairman of the party and, if necessary, the justice minister, to say nothing of the face-to-face meetings in the office of the Civilian Household chief.

For reasons of ethics, and even to preserve publicly the independence of state organizations, the national directors of the PDS will continue to support this autonomy. In fact, even for Senator Jose Sarney himself and all the party's national leaders, it is much more comfortable to maintain one's distance from state problems.

However, as control of the states is at stake, especially when one considers the influence of a guberatorial election on the make-up of legislative assemblies, the Chamber of Deputies, city halls and municipal chambers, whose representatives will also influence and in some instances vote in the Electoral College for Joao Figueiredo's successor, Planalto Palace will never let a problem such as that caused by the governor of Bahia go unattended.

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GOLBERI FORMING FRONT AGAINST OPPOSITION IN RIO DE JANEIRO

Sao Paulo FOLHA DE SAO PAULO in Portuguese 4 Oct 81 p 4

[Article by Ricardo Gontijo: "Golberi Coordinates Front Against Opposition in Rio"]

[Text] Rio de Janeiro--The agreement signed between the chairperson of the PDR [Republican Democratic Party], Sandra Cavalcanti, and the chairperson of the PTB [Brazilian Labor Party], Ivete Vargas, for the purpose of combining the votes of Lacerdists and old-line laborites, in light of the statistical superiority of the former Rio de Janeiro congresswoman, may soon have a new ally, the PDS [Social Democratic Party], under the inspiration of the former chief of the president's Civilian Household, General Golberi do Couto e Silva, who has been participating directly in the state's politics.

In his efforts to influence choice of a successor to Chagas Freitas in 1982, the former cabinet officer is trying to unite the power of persons and forces which in themselves would have no electoral chances but which in combination could neutralize what he considers extremist tendencies in the PMDB [Brazilian Democratic Mobilization Party], PDT [Democratic Labor Party] and PT [Workers Party]. His efforts are also aimed at further weakening the official PP [Popular Party] candidate, Deputy Miro Teixeira, whose administrative machinery has not yet managed to reverse the apparent process of decline.

When the PMDB shut its door on the former Lacerdist leader, not many options remained for Sandra Cavalcanti to form one or more coalitions to assure the rise of her candidacy and the strengthening of her slate, the PDR, in order to function at least as a counterweight in the balance of political power in 1982. In directing her statements for the opposition at the PP on the state level and the PDS on the national level, the former Rio de Janeiro deputy had virtually no alternatives to form alliances, since her acceptance by the PDT or the PT would be even less likely than by the PMDB.

Golberi's Hand

The Sandra-Ivete agreement--with the influential figure of General Golberi in the background--would not be delayed long, as she herself told FOLHA DE SAO PAULO last week: "We had been meeting for some time, which was bound to result in an official agreement after we ascertained the feasibility of provisional registration of our respective parties. The coalition of the PDR and the PTB, however, is valid only

in Rio de Janeiro State. In the other states it could be repeated should the respective directorates deem an agreement between the two parties desirable."

Although having taken some positions opposing the federal government, the political character of Sandra Cavalcanti is clearly more trusted by the system than Saturnino Braga of the PMDB or Leonel Brizola of the PDT. With the reversal of expectations for the candidacy of Miro Teixeira, considered unbeatable until very recently, the name of the Lacerdist leader is beginning to attract the support of the PDS group around General Golberi, at the expense of the PDS chairman in Rio de Janeiro State, Senator Amaral Peixoto, who supports the idea of nominating persons from the party itself to run for Guanabara Palace.

Saturnino or Brizola

The PDR-PTB alliance, with the possible cooperation of the Rio State PDS--in whole or in part--opened the way to another combination of party forces, also among three parties: the PMDB, the PDT and the PT. For a while, Senator Saturnino Braga tried to unite the PMDB and the PDT through a series of public and private meetings with former Governor Leonel Brizola. Neither of the two, however, seemed willing to give up his ambition to be chief executive of the state in exchange for a senatorial endorsement.

Saturnino gave up on Brizola and began pursuing Ivete, drawing the PMDB into a series of meetings with the other extremity of the labor spectrum claiming to be heirs to the Vargas legacy. Meanwhile, the PDT was leaning toward the PT, where the tendency was emerging to support, not the ex-governor, but former Deputy Lisaneas Maciel as gubernatorial candidate in 1982. This tendency has not yet been completely eliminated, although it is being kept under pressure, as Lisaneas at Brizola's side is very important for the electoral survival of the PDT, and he would not break with the party and its leader to dispute a candidacy already virtually agreed within the PDT as belonging to Brizola.

The PDT, in turn, has no names capable of drawing enough votes to elect the future occupant of Guanabara Palace, but it has bases; that is, it has constantly growing numbers of voters, strengthening it as a party to the point of causing concern among other parties, including the PDS.

The party must decide, however, where or to whom it will go with its votes. An alliance is possible with Leonel Brizola's PDT or with Saturnino Braga's PMDB. There are even groups within the PT seeking to attract the former secretary general of the PCB [Brazilian Communist Party], Luis Carlos Prestes, and architect Oscar Niemeyer as party candidates: Prestes for senator or federal deputy and Niemeyer for governor or senator.

There is, finally, the possibility that the PMDB, PDT and PT will form a coalition, dividing candidates among themselves, which would give the state governor to one party, the lieutenant governor to another and senator to the third, repeating the same proportion in multicandidate slates and federal and state legislatures. It is hard to say who will get what, if neither Brizola nor Saturnino is willing to let the other succeed Governor Chagas Freitas.

On the Same Track as Petronio

[Article by Andre Gustavo Stumpf]

Brasilia--The news that former cabinet minister Golberi do Couto e Silva, at 70, continues making political plans shows that the former head of the president's Civilian Household is still an active coordinator. Behind his cover as director of a commercial bank, Golberi has been talking with political leaders without the restraints and formalities of his former duties.

There is no trace of rancor or resentment in the remarks the ex-cabinet chief makes about the Figueiredo government. To the contrary, several reports from persons who were with him speak of the favorable references he has made to the current administration and also to the proper manner in which interim President Aureliano Chaves has been conducting the political and administrative process.

In addition, at least two cabinet ministers, Delio Jardim de Matos and Ibraim Abi Ackel, have been keeping in close touch with the newest farmer of Luziania, Goias. These two cabinet ministers have talked politics with the former head of the Civilian Household within a discreet and deft posture that tries to be effective. An example of this discretion is the decision of Delio Jardim de Matos not to give interviews: he feels that as a military man he should keep a very low profile so as not to make trouble for the nation's first civilian president in 17 years.

The political work of General Golberi do Couto e Silva which he conducts behind the scenes shows that the federal government would like to recover some of the influence it has lost since the death of then-Justice Minister Petronia Portela. His loss left a gap in implementation of the liberalization process that was never filled. There has been no one to carry out this policy on the terms and to the extent of the Piaui senator's action.

Beckoning Hand

This is the gap the former Civilian Household chief has been trying to fill during recent days. He endured with grace and good humor discreet pleas from opposition parties that were subtly beckoning him for talks. Until now, so far as is known, he has not responded to the beckoning hands, but has tried to renew his earlier understanding with former President Ernesto Geisel and to get in touch again with the group of businessmen, technicians and politicians who have worked together by common accord since 1964.

Transforming himself into an instrument of political liberalization, Golberi do Couto e Silva himself is trying to fill the gap left by Petronio Portela, carefully keeping open the channels of agreement and dialogue with the Figueiredo government. The evidence shows that there is no conflict between the activities of the former chief of the Civilian Household and the express desire of the politicians who continue in the government.

His current activities show that General Golberi did not relegate the liberalization project to a lower priority, nor is he expecting the political regime to come apart. On the contrary, he is working to strengthen the PDS (in Sao Paulo he tried hard to get Janio Quadros to join the government party) and at the same time influencing the presidential succession, an activity at which he is a specialist.

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SAO PAULO POLL SHOWS SUPPORT FOR POLITICAL LIBERALIZATION

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 15 Oct 81 p 7

[Text] The great majority of those who have an opinion about political liberalization favor the process: 52 percent for and 7 percent against (41 percent have never heard of it). Among those who expressed themselves for or against liberalization, the opinions about the consequences of this political process on Brazilian life were divided rather predictably: of those who favor liberalization, 62 percent think the economic situation will improve as a result of it and 57 percent think the country will be more stable; among those who are opposed, 48 percent think liberalization will worsen the economic situation and 52 percent think the nation will be less stable. And of those who have heard of political liberalization, 34 percent were able to attribute the major efforts advancing this policy to someone, with the majority (15 percent) of these identifying that person as President Figueiredo.

These are the major results of a recent survey made in Greater Sao Paulo by the Gallup Public Opinion Institute, when 600 persons, 300 men and 300 women, representing various social classes, ages and levels of schooling were interviewed.

The percentage of those approving the liberalization policy is higher among the more privileged social classes (84 percent in Class A, 73 percent in Class B and 59 percent in Class C), declining continuously as the less-favored classes are analyzed. But the rate of disapproval is rather constant and always minimal in all classes. What increases when the replies of the poorer classes are tabulated is lack of knowledge of the existence of political liberalization: whereas only 5 percent of Class A never heard of it, this rate rises to 62 percent in Class D and 81 percent in Class E.

In regard to identifying those working for liberalization, President Figueiredo, with 15 percent, is followed by "the government and the government party," with 5 percent, "the people," with 4 percent and "opposition parties," also with 4 percent.

Economic Situation Is 'Difficult'

Besides the possible impact of political liberalization on national life, the Gallup poll analyzed opinions about the current socioeconomic situation. Replies were almost unanimous (94 percent) in calling the current economic situation "difficult," and 76 percent of those interviewed said the current social situation is "agitated."

Key:

1. Think that with political liberalization:
2. In favor of political liberalization
3. Opposed to political liberalization
4. The economic situation will improve
5. The economic situation will get worse
6. Don't know what to say
7. Totals
8. The nation will become more stable
9. The nation will become less stable
10. Don't know what to say

11. Socioeconomic Classes
12. In favor of political liberalization
13. Opposed to political liberalization
14. Never heard of political liberalization

15. Working hardest for political liberalization is:
16. President Figueiredo
17. The government and the government party
18. The people
19. Opposition parties
20. Labor unions and workers
21. Politicians in general
22. Other replies
23. No one

(1) ACHAM QUE, COM A POLÍTICA DE ABERTURA	(2) A FAVOR DA ABERTURA POLÍTICA	(3) CONTRA A POLÍTICA DE ABERTURA
A situação econômica vai melhorar (4)	62	29
A situação econômica vai ficar mais difícil (5)	23	48
NÃO SABEM DIZER (6)	15	23
TOTAIS (7)	100	100
O País vai ficar mais tranqüilo (8)	57	31
O País vai ficar mais agitado (9)	36	52
NÃO SABEM DIZER (10)	7	17

	(11) CLASSES SÓCIO-ECONÔMICAS					
	TOTAL	A	B	C	D	E
A favor da abertura política (12)	52	84	73	59	32	14
Contra (13)	7	11	6	7	6	5
NUNCA OUVIRAM FALAR DE ABERTURA POLÍTICA (14)	41	5	21	34	62	81

QUEM MAIS ESTÁ LUTANDO PELA ABERTURA POLÍTICA É: (15)	(11) CLASSES SÓCIO-ECONÔMICAS					
	TOTAL	A	B	C	D	E
	%	%	%	%	%	%
- Presidente Figueiredo (16)	15	31	25	15	5	3
- o Governo e o partido do Governo (17)	5	15	9	4	2	3
- o povo (18)	4	5	5	5	1	—
- os partidos de oposição (19)	4	15	7	1	1	—
- os sindicatos e os trabalhadores (20)	1	5	1-	—	1	—
- os políticos em geral (21)	2-	—	2	4	1	—
- outras respostas (22)	4	4	5	6	2	—
NINGUÉM (23)	2	2	4	3	1	—

The 94 percent who find the economic situation "difficult" are spread almost evenly through all social classes: 93 percent of Class A, 94 percent of Class B, C and D and 97 percent of Class E agree with this assessment. Curiously, unlike replies to other questions--when many of those questioned said they had no opinion or were undecided--only 1 percent claimed to be unable to say whether the current situation is difficult. Only 5 percent said the nation is in an economically "good" situation.

In reference to the social situation, the answers are no longer nearly unanimous and more in keeping with levels of purchasing power. The more privileged the social class, the greater the likelihood of finding the nation "peaceful," and the lower the socioeconomic level, the more people think the nation is "agitated."

Even so, the majority in each class, ranging from 55 percent in Class A to 80 percent in Class D, say Brazil is a socially "agitated" nation at present.

The survey also studied the hopes and misgivings attached to the process of political liberalization. Including only the 59 percent who had heard of liberalization (see above), the replies expressed a certain optimism. Admitting that liberalization cannot solve all problems or even a good portion of them, those interviewed said they hope liberalization can bring more stability (39 percent) than at present (20 percent), and reduce the sense of unrest (76 percent) to lower levels (46 percent).

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BRAZILIAN PAPER SEES COUNTRY IN RECESSION

PY202230 Rio de Janeiro Latin America DAILY POST in English 20 Oct 81 p 4

[Editorial: "Recession Arrives"]

[Text] Brazil's economy, it has officially been announced, has slowed down for the first time in recent history and has shown negative results compared to a year ago. In other words, we're in a recession.

The figures announced last week: industrial activity dropped 5.9 percent from January to August compared to 1980; overall industrial activity for the 12 month period ending in August was 1.1 percent down from the previous 12 months.

The fact that the nation is officially in a recession is disheartening because it means that the government's economic policies still have not resolved the underlying problems. Recession means widespread unemployment and growing social unrest, it means that the spirit of hundreds of thousands of wage earners is being crushed by the possibility of layoffs or shrinking opportunities. That hundreds of thousands of Brazilians who are entering the work force for the first time will have great difficulty in finding positions.

Yet there are some hopeful signs. As we pointed out last week when we commented on the international banking community's continued support of Brazil as expressed by the Citibank chairman when he came through this country, inflation has come down marginally (although it is still awfully, dangerously high) and export earnings apparently will exceed import spending to give a positive balance of payment picture for the first time since the oil price hikes started in 1973.

But the good news, unfortunately, is outweighed by the depressing fact of negative economic growth, Brazil's future well-being is predicated on continued growth. It need not be the world-leading indices of the early 1970s, but it must be consistently growing.

It is arguable (and Brazilian businessmen are busily so arguing) that the recession has been a direct result of specific government actions which were designed to create a severe slowdown in order to solve, among other things, the inflation, balance of payments and foreign debt problems. We can't judge the accuracy of these charges.

What is apparent, however, is the reality of the statistics. Negative economic growth has arrived, bringing with it consequences that can explode into social unrest if the economic trend continues.

The problem is clearly one that requires strong corrective measures devised by the government. These would be in the form of policies designed to stimulate productive sectors, especially those areas that do not require heavy imports and, especially, agriculture. Agribusiness is a natural and logical area for increased government assistance (non involvement).

Brazil still retains the confidence and commitment of foreign bankers and it should not destroy its industrial base in a wild ride to simply correct the balance of payments problem. The country's external credit is good. Exports are on the increase. It is time to energize the productive capacity of industry while increasing agricultural activity to a level commensurate with the potential of this gigantic nation.

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LISBON PAPER CITES BRAZIL AIDE ON TRADE TIES

PM280915 Lisbon DIARIO DE NOTICIAS in Portuguese 18 Oct 81 p 3

[Unattributed report: "Brazil and Portugal Are Not Competing in Trade With African Countries"]

[Text] Brazilian Minister of Planning Delfim Neto has stated that the idea of Portugal's functioning as an entrepot for Brazil "is absurd," and that the two countries are not competitors in their trading relations with African countries.

In an interveiw granted to ANOP, Minister Delfim Neto emphasized that it is necessary to broaden the economic and trading ties of Brazil and Portugal, irrespective of our country's entry or nonentry into the common market, since, he stressed, there is a complementary relationship between the two countries' economies which has not as yet been exploited.

Rejecting the idea of competition between the Portuguese and the Brazilians as regards trading relations with Africa, Delfim Neto emphasized that this does not apply merely to the former Portuguese colonies but is valid for the other independent countries on that continent.

"Each country takes care of its trading interests in the manner it deems most appropriate," the Brazilian minister said.

"However, bearing in mind the special relationship which we maintain with Portugal, we could possibly avail ourselves of our mutual experience to pursue some joint aim," he said.

"That is why the two countries will encourage their private enterprises to work in a cooperative spirit and unite efforts to take advantage of business opportunities wherever they arise: in Africa, in the Middle East and even in Europe," Delfi Neto stated.

Areas of Cooperation

The Brazilian minister of planning stated that it is necessary to increase the colume of trade between the two countries, citing as feasible the areas of technological cooperation in the aeronautical industry and Brazilian purchases of ships, it being proposed to sell to Portugal equipment for the iron and steel industry and transportation and to take part in the development of the Portuguese port system.

"These are feasible avenues, and for the present we should highlight these areas, where business prospects are quite objective and realistic," he emphasized.

Referring to the way in which the Brazilian economy has adjusted to the international economic crisis, Delfim Neto stated: "About 1 year ago, it was being said that Brazil had an economy with an insoluble balance of payments problem, and now it is beginning to show consecutive surpluses in its foreign trade figures, and so international bankers are now saying that Brazil should be taken as an instance of a country which is capable of resolving its problems on its own.

"It is natural that our work has been successful in this year of 1981. When I say 'work,' I mean the work of the entire Brazilian people, not the government, since the Brazilian people understood the situation, increased domestic savings to an extraordinary extent and boosted exports, and thereby the adverse trend in foreign trade was reversed and we are now beginning to have surpluses," he stressed.

"In the meantime we have not increased the foreign debt, in fact the debt has been reduced in real terms, despite the rise in U.S. interest rates," the Brazilian minister said.

CSO: 3001/17

GALVEAS ANTICIPATES $3 BILLION TRADE SURPLUS IN 1982

Rio de Janeiro O GLOBO in Portuguese 15 Oct 81 p 19

[Text] Brasilia--The government intends to get a trade surplus of "at least" $3 billion in 1982, said Finance Minister Ernane Galveas, who anticipates $28 billion in exports and $25 billion in imports.

According to Galveas, the government will probably continue establishing quantitative limits for credit expansion next year, which will be "quite similar" to 1981 in regard to the concerns of economic policy.

The government, however, will not be able to resort to selling government bonds to raise money, as it is doing now, and will have to find other income sources, which could be greater restriction of expenditures, increased tax revenue or reduced subsidies.

The need to attract foreign funds to make up for the balance-of-payments deficit, according to Galveas, should be $18 billion to $19 billion. The interest on these loans, however, should be lower because the level of investment and hence the demand for money is falling worldwide.

Agricultural Interest

Galveas said the government has not yet decided whether to raise farm-credit interest rates next year again, as it is hoping for a lower rate of inflation, which would automatically reduce the subsidy implicit in this financing. He remarked, however, that the intention is to bring this interest more into line with market rates, although no deadline has been set to complete such a process.

According to the finance minister's projections, exports of $28 billion in 1982 would represent an increase of 16.7 percent over the $24 billion to be reached this year. Imports of $25 billion would be 8.7 percent more than the $23 billion expected in 1981, which in turn was unchanged from 1980.

This increase of imports does not mean, however, that the government intends to encourage economic growth in 1982. According to Galveas, foreign purchases must continue being curtailed and the $3 billion surplus is the minimum expected for the trade balance. Oil imports, for example, should remain at $10 billion, on the assumption that there will be no price increase and the quantity will be about the same as this year.

Galveas recalled, however, that resumption of economic growth, which the government expects to happen, does not necessarily imply increased imports. He noted that from 1956 to 1961 and from 1975 to 1978 the economy grew without increasing imports.

In order to accomplish this, however, it would be necessary to channel domestic resources to sectors not very dependent upon imports, such as housing, sanitation, mining, agriculture and alcohol production.

"This is not a concern of the government, as its intervention in the economy does not reach that degree of sophistication," the finance minister asserted.

Furthermore, he added, the nation's current productive structure is such that there is an effective correlation between economic growth and increasing imports, although the government is now investing more heavily in sectors such as agriculture, livestock, mining and energy programs.

"The government is doing all it can to promote economic growth, as long as it does not increase inflation and threaten the balance of payments," Galveas asserted.

Gauchos in Japan

Porto Alegre--A Rio Grande do Sul mission led by Governor Amaral de Souza left for Japan yesterday, some members of which will later visit China and Italy. The purpose is to expand the state's commercial and industrial exchange.

The mission will begin meeting with large Japanese business firms in Tokyo on Tuesday. The gauchos are interested in agreements regarding agriculture, energy utilization and pollution control.

When the mission to Japan is finished at the end of this month, the mission, which inludes state secretaries, deputies and newsmen, will split up, with the deputies and secretaries going to China to study that nations's solutions to problems of petrochemicals, small farms, food production and alternative energy sources. The governor and the rest of the mission wil go to Italy where, besides meeting with businessmen, Amaral de Souza will have an audience with Pope John Paul II.

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INDUSTRIAL OUTPUT IN FIRST 8 MONTHS DROPS 5.9 PERCENT FROM 1980

Rio de Janeiro O GLOBO in Portuguese 15 Oct 81 p 21

[Text] The nation's industrial production in January through August fell 5.9 percent in comparison with the same period last year, according to data of the Brazilian Institute of Geography and Statistics (IBGE) released yesterday. Manufacturing industry fell 6.09 percent but minerals extraction increased 0.85 percent.

The IBGE information shows that Brazilian industry as a whole continued to contract, as the data for the first 6 months of the year showed a drop of 4.67 percent compared with the first 6 months of 1980.

In the 12 months through August, industrial production increased 1.1 percent over the 12 months ending August 1980, with minerals extraction increasing 1.54 percent and manufacturing industry falling 1.17 percent.

In regional terms, IBGE data show industrial output in Rio de Janeiro State declining 2.63 percent in the first 8 months of 1981 compared with the first 8 months of 1980. Meanwhile, it was falling 3.15 percent in Minas Gerais, rising 1.48 percent in the Northeast and rising 0.11 percent in the South. Manufacturing industry in Sao Paulo fell 2.84 percent.

Industrial output was 12.47 percent less in August 1981 than in August 1980, with manufacturing down 12.81 percent and minerals extraction dipping 0.92 percent.

Wages

Average wages in industry rose 119.76 percent from July 1980 to July 1981, while the National Consumer Price Index (INPC) rose 101.8 percent in the same period. According to the IBGE, there was thus an 8.89 percent increase in average real wages.

Against Unemployment

Sao Paulo--Employers are ready to accompany workers to Brasilia to demand reactivation of the economy and creation of new jobs, it was announced yesterday by Walter Sacca, negotiating committee coordinator for Group 14, after the second meeting with metalworkers union leaders of Sao Paulo, Osasco and Guarulhos, held at the Sao Paulo State Federation of Industries (FIESP) to discuss the union's list of demands.

The idea of going to Brasilia is that of the Sao Paulo metalworkers union president, Joaquim dos Santos Andrade, who proposes creating at least 100,000 new jobs and tenure after 1 year of employment.

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GOLD PRODUCTION EXPECTED TO REACH 24 TONS IN 1981

Sao Paulo FOLHA DE SAO PAULO in Portuguese 30 Sep 81 p 23

[Text] Brasilia--Official production of gold in Brazil this year should reach 24 tons, an increase of 60 percent over last year's production, which was 15 tons. This production will be achieved at six work sites controlled by the National Department of Mineral Production (DNPM). There is no possibility of making even an estimate of the amount of gold that will be produced and sold without government knowledge in other mining areas.

This information was given yesterday by Ivan Barreto de Carvalho, director general of the DNPM. At a press conference held at the University of Brasilia he said that expenditures to control production of gold are very high: "In Serra Pelada alone last year we spent 7 million cruzeiros to control production and assist the prospectors." And he added: "Was it worth it? It certainly was, as the return was some billions of cruzeiros."

The DNPM director also revealed that the Rio Doce Valley Company will soon assume responsibility for gold production at Serra Pelada, because "the prospector stage is ending." According to Ivan Barreto, the prospector remains in an area only so long as production enables him to make enough money to survive. "To the extent that production is declining the prospector is moving on to other areas. So the time has now arrived for mechanized mining, which makes it possible to get a higher yield," he explained.

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STABILE PREDICTS ANOTHER SUPERCROP, BARRING BAD WEATHER

Brasilia CORREIO BRAZILIENSE in Portuguese 7 Oct 81 p 7

[Text] "You can report definitely that planted area will increase 2 percent and we will reach about 56 million tons," Agriculture Minister Amaury Stabile said yesterday at a press conference called to announce the prediction that the country will have another supercrop.

That is how the agriculture minister announced yesterday the first planting intentions report of the Center-South region for six agricultural products supported by the guaranteed minimum-price policy. The figures were prepared by the Production Financing Commission [CFP] and relate to planting of cotton, peanuts, rice, beans, corn and soybeans for the 1981-82 crop year.

Stabile said that, barring bad weather or plant disease epidemics that could damage crops, "we shall have a record production of corn and beans in the Center-South region." The corn crop will permit us to meet consumption needs, rebuild reserve stocks and even provide an exportable surplus, he pointed out.

Corn production in the Center-South region, the agriculture minister stressed, should increase 6 to 10 percent, as the crop forecast is for 23,163,000 to 24,078,000 tons. Stabile added that we expect bean production of 1,450,000 to 1,481,000 tons, representing an increase of 14 to 16 percent over last year's crop.

According to the CFP survey, the rice harvest may increase up to 5 percent, as an output of 7,676,000 to 8,114,000 tons is expected, compared with 7,715,000 last year. The peanut crop (246,000 to 265,000 tons) may increase by as much as 6 percent. Estimates for soybeans and cotton are for a slight reduction, as the forecast is for between 14,951,000 tons and 15,307,000 tons for the former and between 472,000 and 495,000 tons for the latter.

Rice

Production between 7,676,000 and 8,114,000 tons is expected for the 1981-82 rice crop, representing an increase of 5 percent, assuming the higher price. Rice production will increase in at least three states: Bahia, Minas Gerais and Goias. In Bahia, the forecast of 86,000 to 99,000 tons represents an increase of 139 to 175 percent. Minas Gerais shows an increase of 20 to 26 percent, with production expected to be 900,000 to 948,000 tons. In Goias production will increase 10 to 25 percent, with a crop between 1,109,000 and 1,255,000 tons, the second largest state output in Brazil.

Peanuts

Production of peanuts in the irrigated crop of the Center-South region is estimated at between 246,000 and 265,000 tons, an increase of 6 percent, assuming the higher figure. In Sao Paulo, despite reduced planting area, the peanut harvest may be bigger than last year's by as much as 8 percent, with production forecast at 163,000 to 179,000 tons. The second-largest harvest of the Center-South region will be in Parana, where production between 51,000 and 54,000 tons is the forecast, so that the increase could be up to 6 percent.

Cotton

Cotton production in the Center-South region is estimated between 472,000 and 495,000 tons. Area planted to this crop will be between 869,000 and 911,000 hectares. Parana and Bahia may have increased area between 5 and 10 percent and up to 5 percent, respectively. Mato Grosso and Mato Grsso do Sul are likely to plant the same area as in crop year 1981-82. In the other states producers will reduce their cotton planting.

Beans

Bean production for the Center-South irrigated crop is estimated between 1,472,000 and 1,495,000 tons, an increase of 14 to 16 percent compared with last year's crop of 1,274,000 tons, with planted area increasing 8 percent. The states of Sao Paulo, Parana, Rio Grande do Sul, Santa Catarina and Minas Gerais should increase their planted area.

The major factors encouraging producers to grow this crop were market prices, considered satisfactory, and government incentives, especially the Basic Operating Cost, which will receive 100 percent financing, regardless of volume produced. Increased access to credit for the small producer, responsible for 70 percent of domestic production, also contributed to expansion of the bean crop.

Corn

Initial forecasts for the 1981-82 corn crop indicate the nation should have a record production of 23,163,000 to 24,078,000 tons in the Center-South, which represents an increase of 6 to 10 percent over the 1980-81 harvest of 21,859,000 tons, also a record. The area planted to corn should increase 4 to 8 percent over last year's, which was 10,465,000 hectares.

The corn crop will probably occupy between 10,847,000 and 11,276,000 hectares. About 45 percent of the corn-crop area is already prepared, and 6 percent is already planted in the Center-South region. If the figures now being forecast are confirmed, production in the Center-South region will be a record.

Soybeans

The soybean crop was estimated at between 14,951,000 and 15,307,000 tons, representing a reduction of 1 to 3 percent compared with the previous harvest, estimated at 15,485,000 tons. More area will be planted in Mato Grosso, Minas Gerais, Goias and

Mato Grosso do Sul. An expansion of 40 to 50 percent in planted area is reported in Mato Grosso. Although Rio Grande do Sul will have about 5 percent less area planted, it should have the largest soybean harvest, forecast at about 5,758,000 tons, followed by Parana with a harvest between 4,913,000 and 5,170,000 tons and Mato Grosso do Sul, where a crop of 1,413,000 to 1,484,000 tons is expected.

What Will Be Harvested

Comparison of 1980-81 and 1981-82 Crop Years: Center-South Region

Key:

1. Product
2. 1980-81 Crop Year
3. 1981-82 Crop Year
4. Area (thousands of hectares)
5. Production (thousands of tons)
6. Raw cotton
7. Peanuts (first crop)
8. Rice
9. Beans (first crop)
10. Corn
11. Soybeans
12. Source: CFP/DEAEC
13. *Includes Rondonia and part of Bahia

Comparison of Brazilian Production of Grains and Oilseeds, 1979-80, 1980-81 and 1981-82 Crop Years (thousands of tons)

Key:

14. Products
15. Crop Years
16. Grains
17. Rice
18. Oats
19. Rye
20. Barley
21. Beans--Total
22. First Crop
23. Second Crop
24. Corn
25. Sorghum
26. Wheat
27. Oilseeds
28. Peanuts--Total
29. Rapeseed
30. Sunflower seed
31. Caster Bean
32. Soybeans
33. Cottonseed
34. (1) IBGE
35. (2) Contibrasil

O que se vai colher

COMPARATIVO DE SAFRAS 80/81 E 81/82
REGIÃO CENTRO-SUL*

(1) PRODUTO	(2) SAFRA 80/81		(3) SAFRA 81/82	
	Área (1000 ha) (4)	Produção (1000 t) (5)	Área (1000 ha) (4)	Produção (1000 t) (5)
Algodão em pluma (6)	902	493	869/911	472/495
Amendoim (1ª Safra) (7)	145	249	150/161	246/265
Arroz (8)	5.016	7.715	4.376/4.727	7.676/8.114
Feijão (1ª Safra) (9)	2.072	1.274	2.208/2.257	1.450/1.481
Milho (10)	10.485	21.859	10.847/11.276	23.163/24.078
Soja (11)	8.785	15.485	8.495/8.673	14.951/15.387
Total	27.331	-	26.945/28.005	-

Fonte: CFP/DEAEC (12)
* Inclusive Rondônia e parte da Bahia. (13)

COMPARATIVO DA PRODUÇÃO BRASILEIRA
CEREAIS E OLEAGINOSAS
SAFRAS 79/80, 80/81 E 81/82

(1.000 t)

(14) PRODUTOS	(15) SAFRAS 79/80	80/81	%	81/82	%
CEREAIS (16)					
Arroz (17)	9.637,7	9.118,9	-5	9.395,0	3
Aveia (18)	75,8 (1)	104,4	38	104,4	-
Centeio (19)	10,2 (1)	36,9	156	36,9	-
Cevada (20)	85,0	126,3	49	126,3	-
Feijão - total (21)	1.895,2	2.455,0	30	2.624,5	7
1ª Safra (22)	1.000,0	1.276,0	27	1.465,5	15
2ª Safra (23)	895,2	1.181,0	32	1.159,0	-2
Milho (24)	30.212,5	22.554,5	12	24.634,5	9
Sorgo (25)	183,3	250,8	38	250,8	-
Trigo (26)	2.742,7	1.805,1	-34	1.805,1	-
Subtotal	34.841,4	36.441,9	5	38.967,5	7
OLEAGINOSAS (27)					
Amendoim - total (28)	424,6	320,4	-39	326,3	2
1ª Safra (22)	439,4	349,6	-42	355,5	2
2ª Safra (23)	95,2	70,8	-26	70,8	-
Colza (29)	2,7	30,0		30,0	-
Girassol (30)	33,7 (1)	40,6	76	40,6	-
Mamona (31)	302,3	260,1	-14	260,1	-
Soja (32)	14.887,4	15.484,8	4	15.129,8	-2
Caroço de Algodão (33)	1.137,8	1.233,9	8	1.256,5	-2
Subtotal	16.877,2	17.358,8	3	17.033,5	-2
TOTAL	51.718,7	53.800,7	4	56.000,0	4

Fonte: CFP/DEAEC (12)
(1) IBGE (34)
(2) Contibrasil (35)

8834
CSO: 3001/10

BRIEFS

SOCIAL SECURITY, HEALTH CARE--At the end of a hectic day of negotiations, congressmen, labor leaders and groups of retirees last night celebrated the passage of the social security and health care bill by a unanimous vote of congress. Through the interparty agreement to have the bill approved, articles number 1 and 2 of the original government bill (providing for a 10 percent reduction in readjustments of pensions paid to people retired with up to three times the minimum slaary, and a 75 percent reduction in pensions of retirees who return to work) were eliminated. In exchange, the opposition agreed to the inclusion of three items. The most important refers to a 20 percent additional tax on the sale price of so-called superfluous goods, which will be imposed through an executive branch resolution to be issued in the next few days. This formula to guarantee revenues for social security and health care services was suggested by deputy Ademar Ghisi, social democratic party deputy of Santa Catarina. [Excerpt] [PY292030 Sao Paulo FOLHA DE SAO PAULO in Portuguese 28 Oct 81 p 1]

FALCAO LAW DEBATE POSTPONED--The dialogue that was to be held with the opposition on the reformulation of the Falcao Law on the access of political candidates to radio and TV has been postponed until next year. According to Justice Minister Ibrahim Abi-Ackel, the delay has been caused by the government's defeat in congress where the intraparty subgroups bill was rejected. As a consequence of that defeat, a restructuring of the various PDS [Social Democratic Party] groups must be carried out now. The minister has given assurances that the Falcao Law will be reformulated in time to allow the candidates to make their advertising campaigns. The project will be first discussed by PDS members and then it will be debated with the opposition. Anyway, according to the minister, candidates will be granted as much radio and TV time as possible. [Text] [Sao Paulo Radio Bandeirantes in Portuguese 1000 GMT 30 Oct 81]

AIRCRAFT FACTORY TO DISMISS WORKERS--Col Ozires Silva, manager-superintnedent of Embraer [Brazilian Aronautics Enterprise], has announced that mass dismissals will take place in Embraer starting next week. He has explained that Embraer has been operating with deficit for 1 and 1/2 years, and that although an effort has been made to (?avoid) the dismissals there was no other solution. From 450 to 700 workers will be dismissed. The measure was justified on the grounds that domestic sales as well as those to the U.S., have been declining. The United States is the largest importer of Brazilian planes. [Excerpt] [PY291658 Sao Paulo Radio Bandeirantes in Portuguese 1000 GMT 29 Oct 81]

ANGOLAN FOREIGN MINISTER TO VISIT--Angolan Foreign Minister Paulo Jorge will arrive in Brazil on the 25th [presumably November] for a 3-day official visit. He will be the highest-ranking Angolan Government official to visit the country so far and he will hold talks with Foreign Minister Saraiva Guerreiro as will as meeting with ministers of the economic area to discuss mechanisms to activate bilateral trade and to launch technological cooperations programs. An Itamaraty source explained that the Brazilian Government is greatly interested in closer political and economic ties with Angola, and denied that any type of military cooperation or arms sale is contemplated. The same source observed that "Brazil has avoided exporting arms to potentially explosive areas of the world, such as Southern Africa." The most important question in the economic area is oil. Angola is already exporting 30,000 barrels per day to Brazil and there is interest in the latter's part in raising that quota. Braspertro [Petrobras International Incorporated] is prospecting for oil in Angolan territory and Brazil wants to broaden this cooperation so as to refine Angolan oil for export and to sell both equipment and technology for the oil sector. [Excerpt] [PY300135 Rio De Janeiro O GLOBO in Portuguese 29 Oct 81 p 8]

NAVY INVOLVEMENT IN ANTARCTIC EXPEDITION--Navy Minister Adm Maximiano da Fonseca has confirmed that he will submit to the nation's president a note giving reasons and asking authorization for the acquisition of a ship to be used in the first expedition to the antarctica to be made by the Brazilian Government. The navy ministry's initiative will ensure Brazil's effective participation in the antarctica treaty, because if the Brazilian Government fails to sponsor a scientific expedition by 1991, the country will have forfeited its right to participate in that treaty. [Excerpt] [PY300015 Rio de Janeiro O GLOBO in Portuguese 29 Oct 81 p 9]

AMBASSADORS PRESENT CREDENTIALS--Acting President Aureliano Chaves today received the credentials of Yugoslav Ambassador Vojislav Pekic, Rwanda Ambassador Bonventure Ubalijoro and Burundi Ambassador Simon Sabimbona. [PY300157 Brasilia Domestic Service in Portuguese 2200 GMT 27 Oct 81]

WELFARE MINISTER TO SPAIN--Yesterday Welfare and Social Security Minister Jair Soares left for Spain, where he will participate in the Latin American Welfare and Social Security Ministers' Conference in response to an invitation of the Spanish Government. [PY300157 Brasilia Domestic Service in Spanish 2200 GMT 29 Oct 81]

JAPANESE DEPUTY MINISTER--Japan's Deputy Finance Minister Watanabe Kiichi has said in Sao Paulo that Brazil will continue to be in 1982 the third best option for Japanese investments, following the United States and Indonesia. Watanabe added that it was up to the Japanese private sector to make decisions on loans and investments in Brazil. [PY300157 Rio de Janeiro JORNAL DO BRASIL in Portuguese 28 Oct 81 p 16]

CSO: 3001/17

BRIEFS

BANKS ROBBED, MARXISTS BLAMED--Santiago, Chile, 30 Oct (AFP)--The local police have reported that several heavily armed commandos today robbed two banks, getting away with approximately 2 million pesos ($50,000) and leaving four seriously wounded persons. The commandos, who were carrying rifles and submachine guns attacked swiftly and simultaneously a branch of the Banco de Chile in Northern Santiago and another branch of the same bank in the southern part of the capital. Shots were exchanged during both robberies, as a result of which two policemen, one guard and a woman who was walking near one of the attacked bank branches, were seriously wounded. Numerous police officers and members of the security services, backed up by carabinero helicopters have launched a widespread operation to locate the robbers, presumably leftist activists, who fled in different directions. All routes of access to the capital have been blocked by police patrols which are searching every vehicle trying to leave the city. [Excerpt] [PY020247 Paris AFP in Spanish 0246 GMT 31 Oct 81]

FORMER DINA AGENTS SENTENCED--Santiago, Chile, 22 Oct (AFP)--Two former agents of the Chilean Government today were sentenced to life imprisonment by a military court that found them guilty of two murders and assaults committed in this capital. The prosecutor said that the brothers Daniel and Manuel Salinas Chavez committed these crimes when they were agents of the National Intelligence Department (DINA) dissolved in 1977. The two former agents murdered two businessmen, stole money and jewelry and held up two drug stores from which they stole drugs and medicine. [Excerpt] [PY262051 Paris AFP in Spanish 2240 GMT 22 Oct 81]

RETURN OF RECOVERED MATTHEI--Gen Fernando Matthei, the Chilean Air Force [FACH] commander and member of the government junta, has stated that he is in perfect physical condition and happy to be back in Chile. The high-ranking Chilean officer arrived from the United States where he stayed for approximately 1 month recovering from surgery. As is known, General Matthei underwent surgery on 30 September at a Birmingham, Alabama cardiovascular center. Upon his arrival in Santiago he was welcomed by Foreign Minister Rene Rojas Galdames; the air force staff; and U.S. Ambassador George Walter Landau, among others. In a brief chat with journalists General Matthei noted that he is completely recovered and that he is able to do any exercise, even pilot a plane. He said that he will resume his activities as air force commander and junta member on Monday. Asked about the lifting of U.S. restrictions on selling arms to Chile, he noted that this was very good news, but he declined to make any further comments in this regard since he had just learned about the decision. He added, however, that the only one that had been affected by the embargo was the United States. [Text] [PY231802 Santiago Chile Domestic Service in Spanish 1630 GMT 23 Oct 81]

CARABINERO HEAD BACK FROM SOUTH AFRICA--Gen Cesar Mendoza, carabineros director general and member of the government junta has returned from a 2-week tour in South Africa where he had gone in response to an official invitation from the South African Government. Upon his arrival at Merino Benites Airport he said: "Relations between Chile and South Africa are getting better every day and we will improve them even more." During General Mendoza's trip, Gen Mario Machado had been acting director general of carabineros. [Text] [PY311916 Santiago Chile Domestic Service in Spanish 1630 GMT 31 Oct 81]

THAI FOREIGN MINISTER ARRIVES--Chile and Thailand share the same convictions, beliefs and ideas, said Thai Foreign Minister Sitthi Sawetsila when he arrived in Santiago yesterday. The Thai diplomat was met at the airport by Foreign Minister Rene Rojas Galdames and the commander of the Santiago air garrison, Col Raul Vargas. The Thai foreign minister said that his country and Chile have a lot in common and that our country has been a good friend. Regarding relations he said he expects to strengthen them. He also mentioned that private Thai businessmen have visited our capital to study trade possibilities. Regarding the situation created by refugees from Kampuchea and Vietnam in his country, Sawetsila said that his country can definitely deal with this problem. He also pointed out that in case this problem gets worse, he was sure a political solution could be found to solve it. Sawetsila said that this is the first time a Thai foreign minister has visited South America. He added that his country has a special interest in Chile because it has always been a good ally at the United Nations. Regarding the similarities between the two countries, he said that they have the same convictions, beliefs and ideas. He indicated that his visit will contribute to strengthening not only the political field but also trade since he is going to sign a cooperation agreement in this area. Last night the Thai foreign minister was decorated by Rene Rojas Galdames with the grand cross of merit. [Text] [PY221527 Santiago Chile Domestic Service in Spanish 1000 GMT 22 Oct 81]

STATEMENT ON TERRITORIAL CLAIM--In view of the communique issued by the Argentine foreign ministry in which it rejects a position upheld by the Chilean delegation attending the UNESCO World Cultural and Natural Patrimony Commission Meeting held in Sydney, Australia between 26 and 30 October 1981, the [Chilean Border Commission] states: 1. The joint Argentine-Chilean Border Commission has a work schedule encompassing 16 border areas in which it is placing border markers along the international border in compliance with what is established in the many treaties and protocols that are in force, 2. In fact a large area of what Argentina calls the Glaciers National Park has been left for the last stage of the work schedule in view of the technical characteristics of the area, 3. Since the Joint Argentine-Chilean Border Commission has not yet issued its position in this regard there is no basis for Argentina to claim the so-called Glaciers National Park area. Santiago, 30 Oct 1981. [Communique issued by the President of the Chilean Border Commission, Alejandro Forch Petit] [Text] [PY311638 Santiago Diplomatic Information Service in Spanish 2230 GMT 30 Oct 81]

SECURITY FORCES CAPTURE MIR LEADER--Security services have captured a leader of the banned movement of the Revolutionary Left (MIR), together with the woman, named (Cecilia Mercedes Radrigan Plaza), who is charged with being a member of the move-

ment's central board, was arrested her brother (Jorge Fernando Radrigan Plaza). According to the communique issued by DIANCOS (Government Social Communications Agency] the arrests were made in accordance with decree No 3435 dated 25 October, issued by the interior ministry. (Cecilia Radrigan) whose political aliases are (La Negra, Maria, Elisa, Lucia) has been the common law wife of (Juan Antonio Trujillo Lucero), whose political alias is (Watusi). The latter extremist, also a member of the MIR Central Board, died in a clash with carabineros on 23 April 1981 in San Miguel neighborhood. (Cecilia Radrigan) appears to have been involved in a number of terrorist attacks, including armed robbery, perpetrated by the MIR group to which she belonged together with (Trujillo Lucero) and other subversive criminals. As for (Fernando Radrigan), DINACOS reported that he is being investigated for possible complicity in his sister's activities. It has also been reported that carabineros have turned (Cecilia Radrigan's) small son over to her relatives. [Text] [PY301931 Santiago Chile Domestic Service in Spanish 1000 GMT 30 Oct 81]

COAL STRIKE SETTLED--The 1,800 miners that make up Union No 6 of the Lota Coal Mine, the only union that had not reached an agreement with the Lota Mine officials, decided to lift their strike. This decision was made by the rank-and-file after an exhaustive debate on the latest offer made by the industrialists. Union leader (Julio Salazar) said that workers decided to accept a 3 percent salary increase and that the enterprise decided to grant a 5 percent increase in ("overtime pay"). This means that workers should resume their activities today, however, the enterprise has granted workers a grace period that ends on Monday to resume work. [Text] [PY241548 Santiago Chile Domestic Service in Spanish 1000 GMT 24 Oct 81]

POLITICAL ACTIVISTS BANISHED--The four naval workers arrested in Talcahuano had been caught while throwing around "tirebusters." An official communique issued by the Government Social Communications Agency (DINACOS) explained that the four workers were arrested while engaging in political activities, that is, distributing leaflets and obstructing the normal activities of the port of Talcahuano by applying pressure on other workers and disrupting the traffic of freight vehicles. The persons involved are (Juliano Edelvino Troncoso), (Reginaldo Segundo Troncoso Rodriguez), (Domingo Angonio Bravo Valdez) and (Juan Cifuentes Gutierrez). According to DINACOS, the arrested persons have been placed in custody of Concepcion Military Garrison or of those public authorities to whom the latter may transfer the responsibility. The office of the indendant of the 8th region has reported that the four activists have been banished to northern villages. The interior ministry has decided to banish (Domingo Bravo Valdez) to (?Victoria); (Juan Difuentes Gutierrez) to Salado; (Reginaldo Troncoso Rodriguez) to (?Lomeico) and (Juliano Edelvino Troncoso Rodriguez) to Incahuasi. [Text] [PY301908 Santiago Chile Domestic Service in Spanish 1000 GMT 30 Oct 81]

EMBASSY AT VATICAN BOMBED--Rome, 23 Oct (AFP)--An international proletarian communist group has claimed responsibility for the dynamite attack perpetrated today against the Chilean Embassy to the Holy See. The blast only caused material damage. The anonymous call also claimed responsibility for two other attacks against a bank and a branch of the U.S. magazine the READERS' DIGEST which were perpetrated on Thursday evening. [Excerpts] [PY241813 Paris AFP in Spanish 2051 GMT 23 Oct 81]

CSO: 3010/183

WORKERS EXCEED ECONOMIC-TECHNICAL PLAN GOALS

Union Confederation Meeting Held

Havana TRABAJADORES in Spanish 10 Sep 81 p 1

[Article by Renato Recio]

[Text] Proclaiming that the majority of all trade unions and provinces had fulfilled their goals in the National Emulation hailing the Tenth Congress of the World Federation of Trade Unions (WFTU), the CTC [Central Organization of Cuban Trade Unions] yesterday completed its check of the first six months of this year.

This victory of the Cuban trade union movement, which reflects unprecedented accomplishments in economic activity, was recognized by Roberto Veiga, alternate member of the Politburo and general secretary of the CTC, who proudly proclaimed, with sound revolutionary pride, that Cuban workers had fulfilled their irreversible production and defense goals.

In summing up the conclusions of the inspection, the trade union leader congratulated the National Union of Light Industry Workers (SNTIL), Santiago de Cuba Province, and the municipality of Guane, for being the best in the nation in their respective categories.

Veiga paid special recognition to the health, construction, agricultural and sugar unions, which came into the inspection with noteworthy achievements.

Concluding his address, which is published in its entirely on page 4 of this edition [see below], the general secretary of the CTC expressed his confidence that the Cuban trade union movement will go on to greater accomplishments in the emulation hailing the Tenth Congress of the World Federation of Trade Unions and that all trade unions and provinces will meet their goals by the end of this year.

During the first six months of 1981, all trade unions fulfilled their emulation goals except the Merchant Marine and Ports and Fishing and that all the provinces had succeeded in theirs except for Pinar del Rio, Cienfuegos, Ciego de Avila, Guantanamo and the Isle of Youth.

However, it was emphasized that Pinar del Rio and Ciego de Avila, which lost their decoration when they failed to meet their mercantile production plan, just missed doing so, each achieving marks of over 99 percent.

It was also reported that in the case of Las Tunas Province, the evaluation was postponed because of difficulties with data having to do with work safety and hygiene.

In the report presented to the plenary session by Lazaro Dominguez, member of the CTC Secretariat, a substantial improvement in economic activity was described, both in fulfilling plans for the six-month period and in comparison with the same period of last year.

The mercantile production plan was exceeded with a mark of 102.2 percent, which demonstrates the results achieved by all sectors, most national trade unions and the organs of the CTC.

The extremely important indicator concerning the cost of mercantile production based on weight dropped by 5.2 cents and is 4.8 cents lower than what was planned for the period. This magnificent result means higher profits than expected for the six-month plan.

Regarding labor discipline, of the 21,832 existing units in the emulation, 20,684 met or reduced the planned levels of absences, representing a 95-percent grade.

With respect to aspects relating to compliance with emulation commitments, labor safety and hygiene and violations of labor legislation, moderate results were observed for the first and encouraging results were noted for the second.

There was a slight increase in the frequency of work accidents, with 1,527 more than during the same period of last year. However, fewer days were lost for that reason and there were fewer fatalities.

A total of 3.25 million violations of labor laws were eradicated in recent months, representing 91 percent of the total detected in the trade union inspection and a qualitative leap proving the successful work of the trade unions and the consistent attitude of the administration aimed at resolving these problems.

During the inspection, a special speech was given by Manuel Carvhalo, organizational secretary of the Inter-Trade Union CGT [General Labor Confederation] of Portugal, who headed a trade union delegation from that country.

Veiga Speech

Havana TRABAJADORES in Spanish 10 Sep 81 p 4

[Speech by Roberto Veiga Menendez, alternate member of the Politburo and general secretary of the CTC, at inspection meeting]

[Text] Comrades:

It is a great satisfaction to be able to proclaim that our country's trade union movement met its commitments for the first six months of the year, commitments made in salute to the Tenth Congress of the World Federation of Trade Unions which, as announced, will be held in Havana in February of next year.

We exceeded the technical-economic plan for the first six month of the year and achieved outstanding results in the fight to restore labor discipline. It must be repeated that during these first six months, by virtue of the supervision of the trade unions, we corrected over 2.35 million violations of labor and social security laws. This means that we rectified over 90 percent of all violations detected in the trade union inspection we recently held, thereby meeting one of the resolutions of the 41st meeting of the National Council of the CTC.

This has been the most productive six-month period since the triumph of the revolution. We must also realize that this achievement was made as a result of the uncommon effort on behalf of the organization and financing of the Territorial Troop Militias.

Without fear of exaggeration, we can say that during the first half of the year, our country's workers honorably completed the tasks assigned to them as a result of our irreversible production and defense goals.

Light Industry Workers

The National Union of Light Industry Workers (SNTIL) was proclaimed as the best union for the six-month period. There can be no doubt that the productive results it has exhibited for this phase justify its choice and bear witness to the extraordinary efforts made by its workers. We chose the Light Industry Workers as the best union because in our regulations, we can choose only one, but we must confess that on this occasion, it is unfortunate that it was not decided ahead of time that more than one could be chosen.

If this had been the case, we would not have hesitated to proclaim, also with satisfaction, that other unions were included here among the best, such as the Construction Workers Union. Our CTC is satisfied with the work done by our construction workers during the first six months of the year. Our worthy "white-hat" workers not only completed their plan, doing comparatively better than last year, but they achieved a noteworthy increase in work productivity and worked hard to complete tasks relating to work safety and hygiene.

It was with great joy that we received the news that for the first time in six months, our Health Union was successful in the emulation. This is the fruit of serious work, the result of a correct policy which tied the results of the emulation to efficiency in medical and hospital services.

Self-Sacrificing Work of Health Workers

Today we wish to doubly congratulate health workers, first of all, for having earned the distinction of fulfilling their goals in the emulation for this six-month period and for their extraordinary self-sacrificing, fruitful work that has been decisive in the struggle waged by all the people against the dengue epidemic.

Nor could anyone question that among the trade unions that came into this inspection with work worthy of recognition and encouragement is the Union of Sugar Workers. Their agricultural and industrial workers enabled us to honorably complete the sugar production plan. Furthermore, the magnificent work they did to victoriously carry out the enormous spring cane planting plan and their careful attention to all our sugar cane areas are a secret to no one.

Our National Union of Agricultural and Forestry Workers exceeded its production plan during these first six months of the year and set historic production records in a substantial number of areas. Our farm workers also deserve the congratulations and recognition of our trade union confederation because of its successes in this phase of the emulation to salute the Tenth Congress of the World Federation of Trade Unions.

We could also mention many other trade unions, nearly all of which came into this inspection with accomplishments worthy of praise and recognition. The same could be said of the provinces, although Santiago de Cuba receives our warmest congratulations for the greatest rate of overachievement during this six-month period.

In this second phase of the emulation ending in December, the main task consists in consolidating the accomplishments of the first six months.

Our commitment of honor is that all trade unions and provinces should be winners in our great emulation to hail the Tenth Congress of the World Federation of Trade Unions. The remaining months of the year are decisive for achieving this.

Be must continue to be consistent in every work center, with the systematic check of all emulation commitments, both in the collective and individual areas. Completing the inspections, preparing for them, encouraging those who meet their goals and spurring on those who fail to do so: These are indispensable tasks without which a successful emulation is inconceivable.

Even more encouragement must be given to the movement of the outstanding workers. There are still few unions in which sufficient attention is given to this.

We must mobilize the great production reserves we have. Movements to break the historic production records or to set new marks in agriculture, at the ports, in fishing and in the textile mills constitute valuable initiatives which in our opinion must be imitated by many trade unions that have the conditions for doing so.

The intertrade encounters staged by construction workers and those of the culinary workers sponsored by the Commerce and Culinary Union are moves that should be imitated in other sectors in the remaining months of the year.

In the previous inspection, we critically pointed out the lags manifested by some unions in choosing the "promotional centers." Today we can say that this situation has practically been corrected. We must remember that the Tenth Congress of the World Federation of Trade Unions will be held in the middle of February 1982 and that the 300 vanguard collectives in the country will be rewarded at one of its work sessions. This means that starting now, and in keeping with the schedule approved by the National Committee of the CTC, we must adopt a series of measures so that the municipalities and provinces will complete their selection in January and the national trade unions before 5 February of next year.

Our department of production and emulation will have to implement each and every one of the steps and contribute to the successful completion of the resolution.

Work Safety and Hygiene

Another task for which we must prepare sufficiently ahead of time is that relating to the holding of the Assemblies of Labor Merit and Selection of Victorious Workers in the Socialist Emulation. We must do this in such a way that the trade unions and provinces can do their work along with the selection of the successful emulation units, which selection will take place in January 1982, since in February we shall be involved in the work of the Tenth Congress of the WFTU.

We must remember that the eradication of violations of labor and social legislation and compliance with the measures of the labor safety and hygiene plan are indispensable requirements so that the trade unions and provinces may be declared successful. The latter task -- that is, the fight for labor safety and hygiene, has not yet reached the level of the results achieved in fulfilling the goals of the technical and economic plan. We must note that most of the organizations that did not meet their goals for this inspection owe their failure to deficiencies observed in connection with the frequency and seriousness of work accidents. We must emphasize this aspect heavily in the remaining months of the year. We must step up our efforts and consistently demand strict compliance with the plan of safety and hygiene measures we have agreed upon for this year.

What measures were those? How many have been carried out? What are we going to do to carry out those remaining? All these questions must have detailed answered in every work center.

At the past inspection, we made a series of commitments in order to place publicity for the emulation on the level of the Tenth Congress of the WFTU and the emulation commitments that we have made in connection with the event. We must recognize that this appeal received the vigorous response of all trade unions and mass media in the country. Consequently, we believe that our plenary session must show its recognition to everyone, in particular to workers of the written, radio and televised press because of the enthusiastic support they have given us. Throughout the week and especially yesterday, Journalist's Day, they have received well-deserved homage in recognition of their praiseworthy daily labors. For all of these reasons, from this plenary session, our comrades of the press receive our salute and most sincere congratulations.

We call on newsmen to continue to double their efforts, to inform our people of the achievements made so that the tasks we have set for ourselves will receive, as they have in the past, the conscious and enthusiastic contribution of everyone.

The Tenth Congress of the World Federation of Trade Unions has strengthened the spirit of emulation of our workers and without any doubt, is a motivation for the promotion of our principal tasks. This event represents recognition for our workers and our trade union movement and at the same time, is a great stimulus for our work.

Comrades:

On behalf of the Central Organization of Cuban Trade Unions, allow me to express our most sincere congratulations for your accomplishments and give voice to our conviction that in the future, in the time remaining before the end of the year and based

on the experience gained, your will win new laurels in our great emulation in salute to the Tenth Congress of the WFTU and once again receive the recognition of our society, because you will have succeeded in eradicating the deficiencies observed and in winning new victories for the Revolution and our nation, for all of our people.

Thank you.

SNTIL Leader Interviewed

Havana TRABAJADORES in Spanish 12 Sep 81 p 3

[Interview with Pedro Gonzalez, general secretary of the National Union of Light Industry Workers, by Iraida Calzadilla Rodriguez; date and place not given]

[Text] The National Union of Light Industry Workers adds another victory to its list in obtaining fifth place in the socialist emulation for the first six months of the year, an emulation dedicated this year to saluting the Tenth Congress of the World Federation of Trade Unions.

Winning this honor is not a task that can be summed up in a few lines, any more than the efforts of the workers during such a short period could be. In order to do so, it was necessary to develop the entire potential of the mass of workers in the branch and, using the motivation of the emulation, combine all efforts.

Pedro Gonzalez, general secretary of the SNTIL, told TRABAJADORES of the basic aspects making the victory possible.

"First of all, we were able to win the victory thanks to the efforts of all workers to improve economic efficiency. Second, the fervor of the Tenth World Federation of Trade Unions Congress Emulation motivated all workers to meet the guidelines set forth by the party, the government and the CTC during the first year of this five-year period.

"It was also made possible by the fact that raw material arrived on time, so that we could meet our production plans." This undeniably helped our workers to meet their goals.

"One example we must point out is the copy machines that for the first time made it possible to supply text books for this school year on time.

"Another contributing factor was the production of the People's Government, especially handicrafts and items for domestic use, where output was good. In the Ministry of Light Industry branch, we met nearly all plans. The only plants behind are the textile mills, essentially because of organizational problems and the instability of the labor force."

[Question] Specifically, what were the results of the socialist emulation?

[Answer] We managed to have over 90 percent of our affiliates establish their individual commitments and of them, over 74,800 had met their goals at the close of the six-month period.

Regarding enterprises, all worked out their plans and the report on completion is as follows: Ministry of Light Industry, 101.6 percent; Culture, 127.4 percent; People's Government, 107.8 percent; and other entities such as Education and Food, 103.2 percent.

The overall rate for organizations was 103.2 percent and the plan of values exceeded the planned goal by 11 million pesos.

Worker productivity attained 11.7 percent and the average wage 104.3, with a favorable ratio between the two indicators.

The cost of production based on weight was reduced by 11 cents, compared with the predicted 85, and planned profits were exceeded by 28,000 pesos.

Concerning labor discipline, absenteeism dropped to 3.9 of a permissible 5.5 and the use of time was 85.8 compared with the anticipated 84.

[Question] In a sector of such importance to the national economy, how have the Innovators and Efficiency Experts Committees (CIR) developed?

[Answer] We have over 1,838 innovators belonging to 229 CIR's. By the end of the first six months of the year, they hadpresented 207 innovations, of which 191 were accepted and 184 were applied.

The economic effect has been very positive because over 780,000 pesos were thus brought in.

[Question] In the SNTIL, how is the application of the general wage reform (RGS) to workers going?

[Answer] It is applied in 80 enterprises and 849 establishments and over 80,000 workers in the sector are enjoying its benefits.

The spearhead provinces are Pinar del Rio, Matanzas, Cienfuegos, Sancti Spiritus, Holguin and Santiago de Cuba, which have already finished.

In the application of the RGS to technicians, only Pinar del Rio and Granma completed their programs and with respect to the payment of bonuses, over 11,000 workers out of an annual plan of 14,190 have been added.

Concerning the wage linkage, we have accumulated a total of 58,000 workers, of which we exceeded the figure of 4,800 this year.

[Question] Within the framework of the education battle in which the entire country is involved, how was the commitment of the ninth grade kept during the recent registration period?

[Answer] Out of a predicted 8,630 workers to be incorporated into the ninth grade classrooms, we managed to register over 8,659 and ten provinces complied.

We must add that in this area, the union must make a serious effort in the provinces of Pinar del Rio, Havana City, Matanzas, Cienfuegos and Camaguey, which did not meet their goals. During the next school period, which is scheduled for February, we must try to correct that deficiency.

[Question] Following the Fourth Congress of the SNTIL and this triumph at the Tenth World Federation of Trade Unions Congress Emulation, what immediate tasks do you propose for the branch?

[Answer] Despite the good economic results we obtained during the first six months, the second period does not look easy, first of all, due to the lack of raw materials that is already hurting us. Independently of this fact, I believe that the basic thing is to double our efforts and grow in the face of the difficulties.

In the SNTIL, we shall continue to strengthen the socialist emulation with the goal of meeting our objectives of the technical-economic plans and improving and perfecting the quality of production.

In short, we propose to overcome deficiencies, successfully develop the emulation, strengthen the internal life of the union and in this manner, carry out the resolutions of the Fourth Congress of the SNTIL, which established guidelines and combined experiences to be used in the future.

11,464
CSO: 3010/74

PORT, TRANSPORT PROBLEMS IN COUNTRY CONTINUE

Situation in Oriente

Havana GRANMA in Spanish 12 Sep 81 p 3

[Article by Emilio del Barrio Menendez]

[Text] Santiago de Cuba--Comparing the results of the work in the first eight months of 1980 with the same period in 1981, one can reach the conclusion that in the work of the port-transportation-domestic economy network in the easternmost region of the country--Holguin, Granma, Santiago de Cuba, and Guantanamo--there has been an extraordinary leap forward.

But let us look at the figures which, backed by the sweat and fruitful work of men, are then no longer cold.

For example, in terms of delays-quick dispatch and their consequences, the favorable or negative balance in the 10 ports--importing and exporting--of the easternmost region between January and August, 1980, the balance in ship operation was negative for the country by 2,275,100 pesos, much of it in foreign exchange, while during the same period in 1981 the balance was favorable by 865,631 pesos.

Regarding delays in the loading and unloading of land transportation, the comparison also shows progress: in the first eight months of 1980 there was an average delay of 197 minutes above the norm for trucks and 58 hours on the average for railroad cars. However, by the end of August, 1981, the delays were as follows: for trucks, 31 minutes; for railroad cars, less than two hours; that is, the percentage of delay above the norm established for all equipment--automotive and railroad--has been cut from 123.57 percent in the first eight months of 1980 to 15.18 percent in the same period of 1981.

In addition to great economic advantages, this has resulted in 100,000 more tons being transported; the products have complied with the objectives for which they were acquired, expressed in the possibility of carrying out productive and service plans; and the ports are maintaining better operating conditions.

Finally, the comparison in this case is good and necessary to make it possible to observe how both the effort and dedication of the workers and the measures which

have been adopted are materializing, while checking continuously to achieve greater efficiency in the transportation network.

Now, although the results are encouraging, if we go deeper into the problems which still remain--we should not forget that a favorable balance has not been achieved in all means of transport, the goal of the men in the network, which cannot be abandoned--it is seem that there are still reserves of efficiency hidden behind the organizational and coordinating aspects of the effort.

We think that, like at the battlefronts, where the basic forces are sent to the place where victory is decided, this should also happen in the transportation network, now not only in the eastern provinces but in the whole country: directing attention and available forces to the point where at present it would be necessary to change, in an even more favorable direction, the management of the transportation net as a whole, its organization and coordination.

Slight Recovery

Havana GRANMA in Spanish 15 Sep 81 p 1

[Article by Emilio del Barrio Menendez]

[Text] During the first 10 days of September the work of the ports has been characterized by a slight improvement in unloading levels. Nevertheless, the average rate of 21,600 tons per day is below that required to reach 700,000 tons this month.

The average per day which is required to end the month with the objective achieved is 24,400 tons, a figure which is perfectly feasible to achieve, for there are ships with cargo and men with their arms, backs, and willpower.

As a positive aspect of the work in the ports at the present time, it might be pointed out that unloading operations totaled 52,000 tons more than cargo arriving on ships, which logically decreased the tonnage afloat by the same magnitude.

Nevertheless, this positive tendency was not seen in the movement of goods out of the port and into the domestic economy, since the cargo removed from the holds of the ships was 10,500 tons greater than that removed from the ports. This has resulted in larger inventories in the open areas and warehouses of the ports. By the end of 10 September the stocks of goods on hand totaled 184,500 tons.

Regarding the time spent in loading and unloading land transportation units, the country had, as of the end of 10 September, a national average of some 13.32 percent delay above the norm provided for all equipment, trucks, and railroad cars. This figure represents a 0.6 percent increase over the average for the same period of August.

As can be noted in the table of positions in the national emulation campaign for the transportation network, 12 provinces recorded averages below the national average while two provinces were above it.

It is only just to point out the efficient work of Pinar del Rio and Villa Clara provinces. For some months now they have shown a favorable balance in the operation of all means of transportation. This is also the case with Granma Province, which, with sustained effort, little by little, but with a steady step, is climbing position after position, until it is now in third place nationally and in a position to fight over first place nationally.

Loading and Unloading Situation in Land Transport Network
Up to 9 September 1981

		FERROCARRIL (2)			AUTOMOTOR (3)			
No.	Provincias (1)	Equipos recib. (5)	Días de demora (6)	Promedio por equipo (7)	Equipos recib. (8)	Horas de demora (9)	Promedio por equipo (10)	% Promedio de tiempo de demora por sobre lo establecido para todos los equipos (4)
1	Villa Clara	546	—	—	1 946	18	0,009	0,24
2	Pinar del Río	440	8	1,14	1 177	36	0,03	1,24
3	Granma	140	7	0,05	1 483	43	0,03	1,31
4	Cienfuegos	424	2	0,005	1 548	5	0,06	1,76
5	Matanzas	327	—	—	3 259	[illegible]	0,06	1,80
6	Sancti Spíritus	529	9	0,017	694	47	0,07	2,02
7	Holguín	884	84	0,10	2 011	127	0,06	4,36
8	Ciego de Avila	791	1	0,001	963	355	0,37	6,80
9	Las Tunas	128	—	—	802	276	0,34	9,89
10	Stgo. de Cuba	875	72	0,08	3 589	1 372	0,38	11,86
11	Guantánamo	171	1	0,00	494	237	0,48	12,03
12	La Habana	758	30	0,04	2 381	1 116	0,47	12,81
13	Camagüey	1 471	166	0,11	2 938	1 484	0,51	14,98
14	C. de La Hab.	2 208	225	0,10	9 783	9 879	1,01	29,34
	TOTAL	9 650	605	0,06	33 068	15 282	0,46	15,33

Key:

1. Province
2. Railroad
3. Motor transport
4. Average percent of delay above norm for all equipment
5. Cars received
6. Days delayed
7. Average per car
8. Trucks received
9. Hours delayed
10. Average per truck

Situation in Havana

Havana TRIBUNA DE LA HABANA in Spanish 9 Sep 81 p 1

[Text] Presided over by Minister of Transportation Guillermo Garcia Prias and Jorge Risquet, both members of the Politburo of the party Central Committee, a meeting was held to review the activities of the port, transportation, and domestic economy network in the city of Havana.

At the meeting it was learned that the unloading plan in the port of the capital had been 81.1 percent fulfilled and the plan for shipping cargo out of the port had been 94.7 percent fulfilled.

Among the factors which contributed the most to the failure to fulfill these plans, the following stood out: the crowding of the warehouses due to the increase in the arrival of general cargo, the difficulties that occurred with automotive and railroad transportation, and shortages in the receipt of some products.

As for the stocks of merchandise in the port warehouses, it was reported that this amounts to 82,032 tons, an increase of 26,526 tons over January, 1981, when stocks of merchandise fell to 55,506 tons.

In terms of the behavior of extra delays and prompt dispatch of merchandise, it was pointed out that there is a negative balance in payments for the first category, amounting to 490,661 pesos.

Concerning this previous point, Guillermo Garcia said: "We will send the bill for payment for extra delays to the organizations responsible for them."

During the meeting it was learned that the economic and technical plan of the port of Havana, up to 31 August, was 97.9 percent achieved, by handling 2,029,700 tons of the 2,238,700 tons programmed.

In analyzing the railroad transportation situation, it was stated that, of the 4,878 cars handled, 356 cars involved delays equivalent to 962 days of delay.

The Havana Truck Enterprise [Empresa Camiones Habana] only completed the transportation plan 76 percent. It was pointed out that there are difficulties in the rotation of trucks, which remains at the level of 1.7 trips per day.

In reviewing the results of this transportation sector, there were also underlined the difficulties experienced in terms of the coefficient of technical availability, which was 19 percent below the plan, and use of the stock of vehicles, which was 16 percent below the plan.

During the meeting, which was characterized by the critical spirit present, the minister of transportation expressed an interest in the causes for delays in the loading and unloading of merchandise, owing to shortcomings in the various organizations and he concerned himself with the measures to be taken, tending to their solution.

5170
CSO: 3010/49

FAR AWARD RECEIVED BY MILITIA, RESERVES, MININT, FAR MEMBERS

Havana GRANMA in Spanish 14 Sep 81 p 4

[Article by Roger Ricardo Luis: "FAR 'Distinguished Service' Award to Soldiers and Militia of Havana"]

[Text] The FAR [Revolutionary Armed Forces] "Distinguished Service" award was conferred, in a special way and for the first time, in a solemn ceremony on 735 militia, reserves, and members of the FAR and the Ministry of Interior of the capital, led by Julio Camacho Aguilera, member of the Politburo and first secretary of the party in Havana.

The award was made on this occasion to this numerous group of men and women in recognition of their outstanding participation in the establishment and training of the Territorial Troops Militia [MTT], which constitutes a valued contribution to the strengthening of the combat readiness of the FAR.

The ceremony, which took place in the former Fifth District, a location linked to the history of the militia, began when Maj. Gen. Ulises Rosales del Toro, member of the Central Committee and commander of the Western Army, conferred the award on Camacho Aguilera.

After this, the award was also pinned on the chests of Oscar Fernandez Mell, president of the People's Provincial Assembly; Brig. Gen. Rolando Quindelan Bles; Jorge Valdes Gonzalez, second secretary of the party in the capital; Noel Zubiaur Mir, secretary general of the CTC [Central Organization of Cuban Trade Unions] in Havana Province, all of them members of the Central Committee. Also receiving the award were other members of the Bureau and the Provincial Committee of the party and leaders of that element.

Shortly thereafter, a solemn ceremony took place involving conferring the award on 657 militia and reservists and on 77 members of the Ministry of Interior and the FAR of the 15 municipalities of the capital area.

Julio Camacho Aguilera conferred the award on each one of the recipients from the 10 October municipality, one of the most outstanding in the work of training the MTT in the capital, while other leaders conferred the award on the remaining personnel.

The award is composed of a golden medal with the image in bas relief of soldiers defending the nation, and it hangs from a ribbon of red, blue, white and olive green stripes.

Speech by Oscar Fernandez Mell

The closing speech was delivered by Oscar Fernandez Mell, who reiterated the determination of the people of Havana to defend in unyielding fashion each meter of their territory, in case of imperialist military aggression.

The president of the People's Provincial Assembly in the city of Havana went over the work involved in the establishment and training of the MTT in the capital and called this work intense and self-sacrificing, in which the people showed once again their high political and ideological level, not only by massive and enthusiastic participation, but also by the personal economic contribution, devoting part of their free time for training, among other tasks they had.

He emphasized the response of women to this new task in defense of the revolution and mentioned the thousands of women comrades who, inspired by the example of Mariana Grajales and of many other valiant, patriotic women, stepped forward to join the MTT.

He said that in the future they are waiting for other, complex missions involved in making steadily more powerful this people's force, a worthy successor of the Mambi Army and of the Rebel Army.

He urged those receiving the award to make this honor an incentive and a commitment to perform defense tasks in the face of the new and dangerous, warlike maneuvers of the United States.

5170
CSO: 3010/49

1981 CENSUS RESULTS REPORTING

Official Figures of Census

FL301637 Havana Domestic Television Service in Spanish 1255 GMT 30 Oct 81

[Interview with Maximo Gancedo, director of the Census and Surveys Office, during the "Morning Review" program--live]

[Excerpts] [Question] Comrade Maximino [as heard] Gancedo, national directors of the Census and Surveys Office, is here with us this morning to give us the final figures on the population and housing census. Comrade Maximino, in the first place the most interesting thing to know is how many people reside in our country.

[Answer] Well, preliminary figures released last night indicate that the total Cuban population as of the date of the census, that is 10 September at 12 p.m. is 9,706,369.

[Question] Thus we have not yet reached 10 million....

[Answer] No. Not yet. In accordance with population trends and if the situation remains completely unchanged, we estimate that we will reach 10 million by 1984.

[Question] And how many houses were surveyed?

[Answer] Well, there is a total of 2,364,778 houses in the country in which the above 9.7 million people are residing.

[Question] Well, Gancedo, to evaluate the census it would be good to know how many houses were not included in the survey.

[Answer] As is known, from 24 March to 5 October houses were revisited to measure and to evaluate the census. We already made a preliminary evaluation of the accuracy of the census which is estimated at 0.1 percent. To illustrate to the people and to give them an idea of the quality of the census and the meaning of this figure, we may say that from an international standpoint a census is regarded as good if its fails to include 1 percent or less houses.

[Question] Well, Gancedo, since Havana is the capital and the main city of the country, it is often said that its population is approaching 2 million. What can you tell us about the population growth in the capital and what is Havana's current population?

[Answer] Well, Havana City is the one which had the lowest growth rate. Compared to the 1970 census, Havana had a relative growth of only 7.7 percent. There were, however, other cities with higher growth rates especially Las Tunas--which had the highest growth rate. I repeat that this is in relative terms. This may be confusing for the people. In absolute terms, Havana City grew by approximately 138,000 people. This means that Havana has not yet grown at such an accelerated rate to reach 2 million people. In accordance with this census, Havana has now approximately 1,924,000 people.

[Question] That means that Havana is short of less than 100,000 people to have a total population of 2 million. How about the overall growth of the population density throughout the country.

[Answer] Well, despite having had a 1.2 percent annual growth rate in our population density due to the birthrate having declined in our country, we have 87 inhabitants per square kilometer in our country. That is, there are 10 more inhabitants per square kilometer than in 1970, when we had 77 inhabitants per square kilometer--according to the 1970 census.

[Question] The people are very interested in the man-woman ratio.

[Answer] The man-woman ratio also declined: At this time there are 1,024 men for 1,000 women. Havana City also stands out in this respect: Havana City is the only province where there are more women than men. The ratio there is 921 men for 1,000 women. I repeat that Havana City is the only province where there are more women than men. Men prevailied in the remaining provinces. For instance, in Ciego de Avila--where the highest ratio was reported--there are 1,084 men for 1,000 women.

[Question] Aside from Havana, which are the cities having the highest population?

[Answer] As is logical, Havana City is categorized as a metropolitan area since it is approaching 2 million people. We have seven cities which are regarded as first-rate cities due to their having more than 100,000 people. Santiago de Cuba, the second most important city, has more than 300,000. Then we have Camaguey, Holguin, Santa Clara, Guantanamo and, as a result of this census, Bayamo and Cienfuegos have been upgraded to first-rate cities taking into account the growth they have experienced during the past 11 years--since the 1970 census.

Additional Census Figures

FL311540 Havana Domestic Service in Spanish 1100 GMT 30 Oct 81

[Text] The population of Cuba increased by 1,157,248 people for a total population of 9,706,369, according to preliminary results of the September survey. The last census was in 1970. The recently concluded census also showed that there are 2,364,778 houses in the country, 70 percent of which are in the urban area. The last survey also confirmed that the urban population continues to grow at the expense of the rural population. The figures are 69 and 31 percent, respectively.

In 1970. there were 77 inhabitants per square kilometer in Cuba. The national average is now 87. The most densely populated province is Havana City Province with 2,658 inhabitants per square kilometer and the one with the lowest demographic density continues to be Camaguey Province with 41 inhabitants per square kilometers.

Men are slightly more numerous than women although there are more women than men in urban centers.

In terms of age, 35 percent of the population is 16 or under; 22.8 percent is between 17 and 29 years old; 19 percent of Cubans are between 30 and 44; 12.3 percent are between 45 and 59; and 10.9 percent are over 60.

CSO: 3010/170

VENEZUELAN GOVERNMENT STATEMENT ON REQUESTS REFUTED

PA240408 Havana International Service in Spanish 0000 GMT 24 Oct 81

[Text] A communique released Friday by the Cuban Foreign Relations Ministry says that it must state that, up to this day, it has not received any official request, petition, or writ from the Venezuelan Government, or any of its officials, regarding the criminal sabotage of the Cubana de Aviacion airliner near Barbados, in which 73 persons were killed. The lack of any request on the matter, the document adds, is quite well known by the Venezuelan Foreign Ministry.

The statement by the Cuban Foreign Ministry was in response to a recently published statement in Venezuela's EL NACIONAL, saying among other things that the president of that country's superior military tribunal had said that the document of over 20,000 pages, on the case of the Cuban aircraft, had been read by them but that they continue waiting for replies to requests sent to Barbados, Trinidad, Guyana and Cuba regarding this event occurring on 3 October 1976.

The Venezuelan press had previously published an alleged request by the country's national court asking Cuba for information on the criminal sabotage.

The Cuban Foreign Ministry communique said, in conclusion, that it is idle to repeat that, since the moment the sabotage was reported, Cuba has offered the proper Venezuelan officials all the information needed to investigate this criminal activity and bring its proven and confessed perpetrators to trial.

This desire that Cuba has always shown for a just trial in which the guilty parties are punished according to their crime, the Foreign Ministry document adds, contrasts with the attitude of the present Venezuelan Government which maintains a well-known attitude toward the trial that our country has already protested.

CSO: 3010/169

GUATEMALAN ELECTIONS IN 1982 ANOTHER 'FARCE'

PA301612 Havana International Service in Spanish 2310 GMT 29 Oct 81

["Our America" commentary]

[Text] In a few months, in March of 1982, another electoral farce will take place in Guatemala. It is already evident that Gen Romeo Lucas Garcia's regime will try at all costs to impose its candidate: another high military official who will make it possible for the ranking officials to keep on getting richer through administrative corruption, theft of lands, contraband, concessions to the transnationals, gangster-like methods of government and other no less immoral practices.

An analysis of the electoral fraud underway is made by the poor People's Guerrilla Army of Guatemala [EGP], in a communique which says that it is already clear that the clique of ranking military chiefs, businessmen and corrupt politicians who are part of Lucas Garcia's regime, are determined to impose Gen Anibal Guevara as president of the republic. Gen Guevara last August resigned from his post as defense minister to participate in the political game.

The EGP says that to reach its goal of having its candidate become the next president, the Guatemalan regime needs to show to all the domestic bourgeois groups and U.S. imperialism that it is capable of facing, stopping and defeating the revolutionary movement of that Central American country. The document points out that it will be very difficult for the dictatorship to be able to prove this, because so far this year, the guerrilla forces have inflicted hard blows on the oligarchic army, causing more than 2,000 casualties and forcing its to disperse throughout most of the national territory.

In an attempt to recover from this situation, at least on the surface, the Guatemalan regime launched a huge antiguerrilla offensive in July and August for which it received aid from Israeli, Argentine and Chilean advisers.

But this offensive, which only achieved partial success in the capital, more than meeting the requirements of the war itself, was part of a huge propaganda and psychological intimidation campaign, not only aimed at the revolutionary and progressive sectors of the country but also at those members of the bourgeoisie that are disputing the presidency with Gen Anibal Guevara.

The Guatemalan regime also sought with that offensive to intimidate the population, particularly the urban middle classes, to instill confidence in the demoralized army troops and to counter the image of cowardice and inability before the landlords, who know from their own experience that the soldiers do not pursue or face the guerrillas in the mountains and jungles of the country, even if they know where their capms are located.

The regime not only obtained all the possible propagandist use of the real blows it inflicted on the urban guerrillas, but also exaggerated the margin of its slim victories and invented other military successes, as occurred with every peasant massacre, whom it later identified before the press media as guerrillas slain in combat. However, all the Guatemalan people know that virtually throughout all of their national territory, particularly in the rural areas where the majority of the people live and the essential part of the wealth of the country is produced, the victorious actions of their armed vanguard continue and advance.

Just like Gen Anibal Guevara, the other three presidential candidates in Guatemala are representated of the oligarchy and are servile to the orders of the White House.

The real political opposition will not go to the elections, because as happened with the Social Democrats, almost all of their leaders have been assassinated. When the fraudulent elections are held next March in Guatemala, as usual there will be extensive absenteeism, because the people realize that in the revolutionary popular war and in the organizations that direct it lie their only true perspective of liberation.

In Guatemala, the EGP communique stresses, neither an electoral farce nor a maneuver of any kind by the tyranny or the imperialist boss in Washington, or Israeli, Chilean, or Argentine advisers can prevent the triumph of the people and the formation of a revolutionary, popular and democratic government.

CSO: 3010/169

AUSTRIAN FEDERAL SECRETARY VISIT REPORTED

Meets With Malmierca

FL281119 Havana Domestic Service in Spansih 1100 GMT 28 Oct 81

[Text] Foreign Ministry Isidoro Malmierca has received (Adolf Nussbaumer) at the Foreign Ministry. (Nussbaumer) is federal secretary of state of Austria. He two leaders discussed matters of mutual interest concerning the international situation and the development of bilateral relations.

The distinguihsed visitor also met yesterday with Hector Rodriguez Llompart, minister president of the State Committee for Economic Cooperation, and with Foreign Trade Minister Ricardo Cabrizas. Bilateral relations and prospects for their development were discussed at these meetings.

Ends Visit

FL201320 Havana Domestic Service in Spanish 1200 GMT 30 Oct 81

[Text] (Adolf Nussbaumer), federal secretary of state of Austria, has returned to his country. Hector Rodriguez Llompart, member of the Communist Party of Cuba's Central Committee and minister president of the State Committee for Economic Cooperation, was at the Jose Marti international airport to see him off.

(Nussbaumer), who arrived in Cuba on 26 October, met with Cuban Government officials with whom he discussed issues of interest for promoting relations between the two countries.

CSO: 3010/168

REPORTAGE ON CAPE VERDE OFFICIAL VISIT

Meets with Rodriguez

FL291139 Havana Domestic Service in Spanish 1100 GMT 29 Oct 81

[Text] Carlos Rafael Rodriguez, member of the Politburo and vice president of the Councils of State and Ministers, has received Abilio Duarte, member of the Cape Verde Independence Party's Politburo and president of the Cape Verde National Assembly. Matters concerning the international situation and bilateral relations were discussed at the meeting during which the Cuban leader confirmed Cuba's solidarity toward Cape Verde demonstrated in the course of the latter's independence struggle.

Meets with Castro

FL301744 Havana Domestic Service in Spanish 1700 GMT 30 Oct 81

[Text] Commander in Chief Fidel Castro, first secretary of the Communist Party of Cuba Central Committee and president of the Council of State and Government, received Abilio Duarte yesterday afternoon. Duarte is a member of the Political Commission of the African Independence Party of Cape Verde and president of the Cape Verde National Assembly. The Cape Verde leader delivered a message to Fidel from Aristides Pereira, president of the African Independence Party and of the Republic of Cape Verde. Various aspects of the development of bilateral relations, cooperation between the two countries and other matters of interest were also discused during the fraternal and friendly meeting.

Protocol Signed

FL292204 Havana Domestic Service in Spanish 2109 GMT 29 Oct 81

[Text] At the conclusion of the third Cuban-Cape Verdian intergovernmental cooperation meeting, which began last Friday in Havana, our country and Cape Verde signed a cooperation protocol for the period 1981-82 in various productive and service branches. The document was signed by Manuel Torres Muniz, vice president of Cuba's State Committee for Economic Cooperation, and Cape Verde's Housing and Public Works Minister Tito Livio Santos de Oliverira Ramos.

The protocol provides for technical assistance, training, formation of cadres and exchange of delegations and technical documentation. Torres Muniz noted that cooperation between Cuba and Cape Verde is our country's modest contribution to the development of that fraternal African nation.
CSO: 3010/168

BRIEFS

CEREMONY HONORING PUERTO RICO--Blas Roca, member of the Politburo and president of the People's Government National Assembly, has presided over a ceremony to support Fidel's speech at the Second Congress of the Committees for the Defense of the Revolution. The ceremony, held at the Frank Pais Internationalist Training Hospital in Havana, was also organized to pay tribute to Puerto Rico. In this connection, an area dedicated to friendship and solidarity with the sister Antillean island was inaugurated in the hospital's lobby to mark the 31st anniversary of the nationalist uprising led by Pedro Albizu Campos in 1950. Portraits of the Independentista leader and of the father of Puerto Rico, Ramon Emeterio Betances, were unveiled next to the Puerto Rican flag that the Puerto Rican Socialist Party delegation presented to the hospital during its visit there at the time of the second congress of our party. [Text] [FL311415 Havana Domestic Service in Spanish 1336 GMT 31 Oct 81]

TRANSPORTATION MEETING WITH MEXICO--Guillermo Garcia Frias, a member of the PCC Politburo and minister of transportation, has met with Mexican Communications and Transport Secretary Emilio Jujica Montoya in Mexico City. The Cuban leader, who is also vice president of the Council of State, is in that fraternal country at the invitation of Mujica Montoya to take part in the 15th Congress of the Panamerican Railway Association which opened Monday. [Text] [FL281615 Havana Domestic Service in Spanish 1200 GMT 28 Oct 81]

GEPLACEA DENUNCIATION OF U.S.--The Group of Latin American and Caribbean Sugar Exporting Countries [GEPLACEA] has denounced U.S. protectionist measures and the policy being maintained by the EEC. Those measures and that policy are seriously harming sugar-exporting developing countries, a document issued in Ecuador by the 15th GEPLACEA meeting stresses. The group, formed by 15 countries in the region, has reiterated its disagreement with the measures decreed by the United States, in particular those related to import tariffs which, among other aspects, abolish the general system of preferences. The protectionist measures, the document states, are contrary to the objectives and fundamental norms of the international agreement on sugar, which was also signed by the United States. [Text] [FL231453 Havana Domestic Service in Spanish 1100 GMT 23 Oct 81]

EAST BERLIN MAYOR VISIT--Erhard Krack, mayor of East Berlin and member of the Socialist Unity Party of Germany [SED], has arrived in our country at the invitation of the People's Government Executive Committee in Havana City Province. Accompanying Krack in his official visit, are Deputy Mayor Dr Wolfgang (Smahl), Horst-Joachim Grenz, deputy chief of the SED District Directorate's State and Legal Matters Department in Berlin, and others. Oscar Fernandez Mell, president of the People's Government Provincial Assembly in Havana City Province, was on hand at Jose Marti international airport to welcome the Berlin mayor and his delegation. The delegation will visit places of social, economic, cultural and historical interest. [Text] [FL291558 Havana Domestic Service in Spanish 1526 GMT 29 Oct 81]

PEREZ HERRERO AT SCHOOL CEREMONY--Antonio Perez Herrero, alternate member of Cuba's Communist Party Politburo, has attended in Cienfuegos' Health Polytechnic one of the events being held throughout the country in support of Fidel Castro's pronouncements in his speech at the closing ceremony of the Second Congress of the Committees for the Defense of the Revolution. During the ceremony, the school's students pledged to be more efficient, productive and study harder. [Text] [FL280029 Havana Domestic Service in Spanish 0000 GMT 28 Oct 81]

RED SUNDAY POSTPONEMENT--The Central Organization of Cuban Trade Unions [CTC] has announced that the Red Sunday scheduled for 8 NOvember has been postponed until 15 November because the people's government provincial assemblies are to meet on 8 November. The Red Sunday is in honor of the 64th anniversary of the Great Socialist October Revolution, the 10th Congress of the WFTU and a means to earn funds to help finance the territorial militias. [FL272210 Havana Domestic Service in Spanish 1145 GMT 27 Oct 81]

CSO: 3010/170

CONCERN OVER ECONOMY, ARMY COMMANDER APPOINTMENT SYSTEM

Lima OIGA in Spanish 28 Sep 81 pp 20-23

[Text] A power failure which caused the closing of business establishments with customers inside and persons trapped in elevators, and which lasted as long as 1 1/2 hours in some districts, was the subject of conversations at week's end. Some said, "Activists of Shining Path and Red Fatherland wanted to show that their 'work stoppages' are indeed effective, unlike CGTP [General Confederation of Workers of Peru] strikes in the past century."

This comment added fuel to other polemic matters and left more than one person perplexed. However, hours later the authorities discounted any terrorist action--they attributed the power failure to a breakdown in the relay system--and said that the blackout lasted only 30 minutes.

Other questions which were also a matter of concern during the week were the CGTP strike; the APRA [American Revolutionary Popular Alliance] meeting on its 51st anniversary, the timely intervention of the Office of the Attorney General in the "Mosca Loca" [Crazy Fly] case and the continuation of acts of violence against eight parliamentarians. (On these subjects, see our separate articles in this edition.)

However, the attention of some observers was focused on sources critical of the government's political economy--on the part of industrial sectors--on the climate of confusion created by the wave of "exposes" and denunciations of immorality in the public administration--which also caused the floating of "rumors" about a "coup," which could have had no other origin than the wishes of those who started them--and on the unrest in certain military commands in the face of retirements and reasignments which, beginning 31 December, will take place at the top of the military structure, opening the possibility that the necessary continuity of command will not be duly operable.

The 'Dynamo' Under Fire

Friday, the president of the textile committee of the Society of Industries [SI], Gian Flavio Gerbolini, reported during a press conference on the situation being experienced by the textile industry as the result of the policy implemented by the Ministry of Economy and Finance [MEF]. Using statistics and figures, Gerbolini harshly criticized the measures taken by the MEF which, he said, "Propose the complete revision of the productive structure, no matter what degree of destruction of capital this may entail."

The SI director warned that if the government does not take compensatory steps which will permit an increase in exports, the textile sector over the short-term will experience a "total collapse" which would involve the loss of jobs for over 40,000 persons. Gerbolini was particularly strident when he questioned the "Dynamo" policy "which favors the primary sectors--agriculture and mining--and the tertiary sectors--services--to the detriment of industry."

In reality, Gerbolini merely reiterated a protest which the industrial sector has been making since practically the beginning of the constitutional government. In August 1980, after Prime Minister Manuel Ulloa had addressed Congress and set forth the broad outlines of the economic policy, then-president of the SI, Ferrand, felt compelled to exclaim, "Once again industry is going to be low man on the totem pole."

Commerce Favored Over Industry

The facts of the situation not only fail to give the lie to Ferrand's remark but also confirm it. Serious organizations dedicated to the study of the economy, such as the CIEPA [Center for Action-Oriented Economic Research], have already reported that in the past year the productive sector has grown by a factor of 1 while the commercial sector, thanks to the sale of imported products, increased by a factor of 5.

A good example of the philosophy prevailing in official quarters of favoring commerce above all was provided by the recent purchase by PETROPERU [State Petroleum Agency] (see OIGA No 43) of 70 foreign automobiles for the use of its executives. The purchases were made at the beginning of September. Last week, Minister of Energy and Mines Pedro Pablo Kuczynski said that he will order an investigation.

However, there is probably little to investigate. When OIGA, No 43, published a report on the purchase of the 70 imported automobiles, the PETROPERU board of directors were distressed, feeling that they were being accused of something dishonest, and issued quick and vehement replies: the automobiles might be foreign but were purchased through a Peruvian commercial establishment.

Certain that they had violated no regulation, they failed to understand that what we were criticizing was not the support which PETROPERU was giving to a Peruvian commercial firm but the fact that the state was buying foreign automobiles, preferring to protect American or Japanese workers rather than Peruvian workers. They assumed that we were making reference to some kind of crooked deal rather than to a policy which to us seems harmful to national development. PETROPERU, quite loyally, did nothing other than follow to the letter the "Dynamo" economic policy.

A Change of Direction Is Needed

As regards the economic situation as a whole, disinterested analysts agree that it is necessary to change the course of the policy followed up to now. One economist said, "It is not a matter of the government's taking action to put in operation the proposals of the opposition. But on the other hand it should not implement economic policies of a neoliberal stripe which are not contained in the government program of Popular Action. Those who are protesting and are warning that industry could go under are not politicians interested in imposing their theories on the government but rather sectors which fear that the ship is going to sink with the entire democracy on board and that, therefore, they are seeking a healthy change in direction."

Moralizing Wave and Malaise

To the clouds in the economic sector we must add the malaise in many sectors of the populace in the face of the wave of reports of administrative corruption, poor management in development organizations and investigations of acts of violence in which even parliamentarians are said to be involved. And this resulted in a way to an exaggeration of the state of affairs and to the impression that chaos and corruption reign in the country and that it is even possible for an interruption in the democratic regime. Once again rumors of a "coup" were heard in the streets and public squares.

What those who think this way fail to see--perhaps for lack of democratic education--is that it is precisely within the framework of a constitutional government that reports of poor management in the state apparatus can be made. What is more, many of the cases now being publicized have come to light because the government itself reported them. Add to this the fact that there is an attorney general ready to pay heed to public clamor--the "Mosca Loca" case--and a press sector which can offer opinions, investigate and criticize without restriction.

The situation is quite different when a de facto government takes power. In such a situation, denunciations are not investigated and the denouncers are silenced. A good example of this is the "Svires" case that has reached an impasse in which no one knows precisely who is who because much time has passed since the incident took place. Reconstruction at this time of what happened is very difficult. The impasse would not have been produced and the proper investigation would have been conducted at the time incident occurred.

It is advisable--observers feel--to put things in their proper perspective and not to reach unjustifiable conclusions. In this context, rumors about a "coup" have no raison d'etre. This is the opinion of veteran politicians and impartial analysts, such as Javier Ortiz de Zevallo, for example (see OIGA, No 45) who said, "To speak today of a 'coup' is to demonstrate a destabilizing attitude. There will be no 'coup.'"

Military Changes

Changes--for reasons of retirement and the resulting promotions--that will take place in the Army effective 31 December 1981 are bringing various reactions in a number of military commands which are of the opinion that it is not wise to change command every 6 months.

These military sectors say that there should be continuity in command, which would not be the case if a mechanism is put in place which will make it possible for the three most important Army posts to be occupied by members of the same class--"Junin"--and for short periods which are not conducive to the running of the institution.

Who Are Leaving and Who Are Coming

On 31 December 1981, members of the "Tarapaca" class (1947-1981) will be retired. Included among the officers to be retired are: Division Generals Otto Elespuru, commanding general of the Army [CGE]; Ramon Miranda Ampuero, Army inspector general; Luis Arbulu Ibanez, national secretary of defense; and Carlos Quevedo Farfan, Rene Balarezo Vallebuona, Manuel Zegarra Ciquero and Eduardo Salhuana Mac Kee.

Also to be retired are: Brigadier Generals Teobaldo Castro, David Huaman, Jorge Matallana, Gustovo Lopez, Manfredo Solis and the former head of the OCI [Central Office of Information], Juan Estrada Bracamonte. Other retirees: Generals Cesar Iglesias Barron and Victor Mandizal Esparza.

The above-mentioned officers are to yield their posts to members of the "Junin" class (1948-1982), "Cincuentenario" class (1949-1983) and "Necochea" class (1950-1984).

Thus, Luis Cisnero Vizquerra, now chief of staff, is to be commanding general of the Army for 6 months, from 1 January to 30 June 1982. Then the post of commanding general will be filled (from 1 July to 31 December 1982) by Francisco Miranda Vargas, now head of Army Logistical Services. Next the CGE--for 1 year, from 1 January to 31 December 1983--will be Carlos Briceno who will be replaced by Julian Julia, for the period 1 January to 31 December 1984. Carlos de Vinatea is to be Army inspector general (January-July 1982) and then chief of staff (July-December 1982). De Vinatea is now commanding general of the Army's Academic Centers. One general who was passed over for career promotion to commanding general was Gen Cesar Rosas Cresto because he is married to a Brazilian.

There is comment to the effect that in view of this situation there are those who, after consulting with senior and junior officers on active duty and in retirement, are attempting to reach a consensus which does "not endanger the continuity of command." These officers suggested that Carlos Briceno Cevallos be named commanding general of the Army from 1 January 1982 to 31 December 1983 and that Julian Julia Freyre be chief of the general staff for the same period, after which he would be commanding general from 1 January to 31 December 1984.

This, they say, would give continuity to command for better implementation and control; changes would not take place so often; and a single class--"Junin"--would not be given responsibility for control over the entire Army in 1982. "The support the government needs," they feel, "should not depend upon men of the same class."

Tables of Peruvian Army Officers

Senior officers who could be commanding generals:

1. Cisneros V., Luis--Cavalry Junin Class 1948-82 (30 Jun)
2. Miranda V., Francisco--Cacalry Junin Class 1948-82 (31 Dec)
3. De Vinatea A., Carlos--Infantry Junin Class 1948-82 (31 Dec)
4. Rosas Cresto, Cesar H.--Engineers Junin Class 1948-82 (31 Dec)
5. Briceno Z., Carlos--Infantry Cincuent Class 1949-83 (31 Dec)
6. Julia Freyre, Julian--Cavalry Neochea Class 1950-84 (31 Dec)

Cisneros Vizquerra would be CGE for 6 months (1 Jan to 30 Jun 82). Although he does not have much influence in the Army, he does not hide his presidential aspirations. He studied in Argentina.

Miranda Vargas would be CGE for 6 months (1 Jul to 31 Dec 82), in spite of not having held any political position during the military government. It is said that he does not treat his subordinates well.

De Vinatea Almonte would be Army Inspector General; brother-in-law of the late Hoyos Rubio; is said to lack skill in dealing with civilians.

Rosas Cresto cannot be Commanding General because he is married to a Brazilian.

Briceno Zevallos would be CGE for 1 year (1 Jan 83 to 31 Dec 83). He has great influence in the Army.

Julia Freyre would be CGE for 1 year (1 Jan 84 to 31 Dec 84); sword of honor in his class; a very respected military man with influence.

Brigadier General to Division General Aspirants:

1. Schort Carlin, Juan (Junin)
2. La Rosa Rengifo, Jose (Cincuent.)
3. Barreda Delgado, Juan (Junin)
4. Vinatea M., Cesar (Jinin)
5. Balta Vivanco, Jose (Cincuent.)
6. Beas Piza, Tomas (Cincuent.)
7. Brush Noel, Oscar (Cincuent.)
8. Delgado V., Alberto (Cincuent.)
9. Diaz Wendorff, Hernan (Junin)
10. Orjeda Cardenas, Ramon (Junin)
11. Essewanger S., Ludwing (Jinin)
12. Benites Velez, Javier (Cincuent.)
13. Ballon S., Marcial (Cincuent.)
14. Gonzales N., Antonio (Cincuent.)
15. Gamarra P.E., Carlos (Cincuent.)
16. Ruiz F. German (San Martin)
17. Sanchez C., Christian (Cincuet.)
18. Rivas G., Humberto (Necochea)
19. Maury L., Francisco (Necochea)
20. Arenas Munoz, Luis (Necochea)
21. Jumenez R., Mario (Necochea)

Colonel to Brigadier General Aspirants:

Necochea Class:
Inf Linares Nunez, Oscar
Cav Acha Janet, Juan
Inf Montesinos Ampuero, Jaime
Eng Relayse Pancorvo, Rodolfo

San Martin Class:
Inf Barrios Velasco, Pedro
Art Menendez V. de V. Maximil
Inf Blanco Lopez, Locio

Alfonso Ugarte Class:
Inf Carbajal D'Angelo, Julio
Cav Rubina Espinar, Cesar
Inf Ramirez Martinez, Oscar
Eng Arancibia C., Abraham

Arias Araquez Class:
Comm Llanos Oliveros, Augusto
MG Hinojosa Luna, Raul
Art Aarmiento Lazo, Juan
Inf Noel y Moral, Roberto
Eng Alfaro Moreno, Jose

Ramon Zavala Class:
Inf Bocanegra Arroyo, Edmundo
Inf Lock Figueroa, Guillermo
Inf Velasquez Giacarini, Julio
Cav Rejas Mejido, Arnaldo
Inf Velarde Bellina, Max.

Belisario Suarez Class:
Inf Palomino Toledo, Artemio
Art Antunez de M., Alejandro
Eng Velarde Rodriguez, Guido

Isaac Recavarren Class:
Inf Vilela Carrillo, Felix
Art Mauricio Agurto, Carlos
Cav Zegarra Delgado, Jorge

In these tables, we show the candidates for promotion from Colonel to Brigadier General; from Brigadier General to Division General; and from Division General to the top military decision-making level.

8143
CSO: 3010/66

OPPOSITION CONGRESSMEN SUPPORT STATE OF EMERGENCY MEASURE

Lima EL COMERCIO in Spanish 14 Oct 81 p A-4

[Text] Yesterday the Senate president and congressmen from other political sectors supported the government decision to declare a state of emergency in parts of Ayacucho affected by terroristic vandalism. They agreed that the provision was appropriate for present circumstances in that part of central Peru.

Javier Alva Orlandini called the measure passed by the Executive Branch "timely and correct." He cited reasons and reports on the matter and recalled that he felt this way some weeks ago when he asked for this type of intervention in the areas most affected by terrorism.

"I believe that the government has taken the problem caused by different groups of saboteurs and terrorists in the central region seriously. By suspending some rights, it will adopt measures conducive to defeating those groups which are doing so much harm to the country," he commented.

Answering a question about the possible participation of the armed forces in these antiterrorist actions, he stated that that measure is the exclusive prerogative of the president of the republic. He personally felt that police intervention was sufficient. He asked for maximum support for them "so that they can fulfill their duty effectively."

The first vice president of the Senate, Mario Polar Ugarteche (PPC [Popular Christian Party]), said that the Executive Branch is using its constitutional prerogative to decree a state of emergency in Ayacucho.

He supported this due to "the seriousness of recent terrorist events."

Referring to the timeliness of the measure, he said that the state has acted prudently and moderately but adopted the new position "because of present circumstances."

Leftist Senator Edmundo Murrugarra (UDP [Popular Democratic Union]) said that "the seriousness of events forced the government to decree a state of emergency in Ayacucho." He asked that the government also adopt social measures "to isolate the promoters of the terrorist actions."

He pointed out that by attacking the root of the social problems, those who lead these actions "will be rejected by the people." He alluded to some agrarian reform

measures that are not being carried out in the area in question, a situation that is exploited by those who want to sow chaos through terrorism.

PAP [Aprista Party of Peru] Senator Luis Alberto Sanchez felt that the government acted based on the reports that it has received on the situation. However, he said that, in his opinion, "it should have been dictated earlier."

He remarked that "there is apparently a connection between the terrorists and drug traffickers" as some measures dictated against those scourges insinuate.

He pleaded that "there not be any excesses in the antiterrorist fight so that the just do not pay for the sinners." He showed his surprise "because the Ministry of Interior was put in charge of the corresponding actions," alluding to the constitutional provision that indicates armed forces intervention in such cases.

PPC Deputy Celso Sotomarino pointed out that the government order is correct "given the circumstances although apparently the government did not want to do this. The reality seems to have worsened so the state has taken the first strict step to stop terrorism."

He recalled that the Constitution establishes mechanisms to punish this type of vandalism and stated that the state of emergency is the first provision, followed by a state of siege--"which is the worst"--involving armed forces intervention.

"The Executive Branch has been trying to achieve moderation in different ways but since it has not succeeded, it has had to take more radical measures," he remarked.

AP [Popular Action] Senator Francisco Vasquez Gorrio called the measure necessary because "in our democratic system, there are two methods of antiterrorist fight: persuasion to stop the evil social maneuvers and, if this does not work, repression of such outrages."

He added that the need for the measure is seen in the destruction of state and private property by terrorists.

He pointed out that it was taken "at the pertinent and necessary time" since the government and the majority think that it is always necessary to give the benefit of the doubt in situations like this."

He explained that this does not mean weakness in a state of democracy and law, but order which can come to action and force if circumstances demand it.

7717
CSO: 3010/108

EDITORIAL VOICES SUPPORT FOR STATE OF EMERGENCY DECREE

Lima EL COMERCIO in Spanish 14 Oct 81 p A-2

[Editorial: "Emergency in Five Provinces of Ayacucho Department"]

[Text] With justifiable disgust and amazement, the country learned of the act of terrorism committed last Sunday night in Ayacucho Department. This new action seems to dare the constitutional regime that governs us and shows a clear desire for disorder in order to install a reign of violence and chaos.

The brutal, merciless way a small police station was attacked by a mob of about twenty hooded people is certainly alarming. After breaking in and firing their weapons indiscriminately, they freed four prisoners, two of whom were accused of drug trafficking. They killed a civil guard, a businessman and his youngest son who were at the station when it was attacked. A sergeant and a guard were seriously wounded. This occurred in the Tambo district of La Mar Province.

Without question such a criminal act is an escalation of the terrorism which shakes the country. It can be added to the recent attack blowing up a microwave antenna tower a few kilometers from the city of Huacho north of Lima. Because of this, most of that part of the country was out of communication for several hours.

On repeated occasions, the government has pointed out that it does not intend to use repression to eliminate those very serious crimes, but rather consideration. Therefore, it called for good judgment from the perpetrators of these repugnant actions that hurt the foundations themselves of the nation.

Since this repeated call met no receptiveness, the government, using its legitimate constitutional powers, felt it was urgent to declare a state of emergency for 60 days in five provinces of Ayacucho Department: Huanta, La Mar, Huamanga, Cangallo and Victor Fajardo.

As a result of the decreed situation of emergency, individual rights are suspended; these include unrestricted passage throughout the country, the inviolability of one's home and arrest without warrant. Also the right to freedom of assembly has been suspended. The political authorities of the respective districts are in charge of carrying out the decree and the police forces are in charge of its application.

The good people in the country hope that the state of emergency in five of the seven provinces of Ayacucho Department--focus of the terrorist outburst--is an effective way to end these criminals acts that attack all society, deeply disturb public order and stop national development.

7717
CSO: 3010/108

MATH PROFESSOR, SHINING PATH IDEOLOGIST ARRESTED

Lima EL COMERCIO in Spanish 7 Oct 81 p A-10

[Text] Mathematics professor Maximiliano Durand Araujo (38) of the Science Department of San Cristobal National University in Huamanga was arrested by the PIP [Peruvian Investigative Police] in Ayacucho. He is considered one of the ideologists of the Shining Path communist faction which has carried out innumerable terrorist attacks in the country.

The PIP announced this yesterday after a careful examination of all the activities of the arrested man for the past 18 months.

Durand was captured on 2 October at the Ayacucho airport when he tried to go to Lima with several members of SUTEP [Single Union of Education Workers]. He tried to escape but was arrested by members of the PIP Antiterrorist Division which was in Ayacucho investigating. The prisoner was brought to Lima last Sunday.

Mastermind

A press note from the State Security Division reported that Maximiliano Durand Araujo is the mastermind of the dynamite attacks by a group of activists against the health office of the Ayacucho police forces, the newspapers PALADIN and PANORAMA and the station "The Voice of Huamanga." The Ayacucho Court issued an arrest warrant for these deeds.

The same note reported that Durand Araujo is connected to those arrested for terrorism: Oreste Auberto Urriola Gonzalez, Claver Jacinto Cuba Delgadillo and other perpetrators of the terrorist attacks in Ayacucho in April against the microwave repeating station, Electro Peru, Orde-Ayacucho, the Tourist Hotel, the Regional Education Office and the Municipality of Huamanga.

The police said that the professor's sister, Teresa Durand de Morote (28), a secondary education teacher, was arrested last December for terrorism. She was arrested when she visited Huari jail (Ancash) where her husband, Osman Morote, is being held for terrorism. The police found a 22-caliber revolver and two dynamite caps in her possession.

The PIP said yesterday that Durand Araujo was brought to Lima 2 days ago and is being held incommunicado. All his subversive activities are being thoroughly investigated to try to find other Shining Path ideologists.

7717
CSO: 3010/108

BRIEFS

SUBVERSIVE TRAINING CAMP--A training camp for subversive activities located at Kilometer 13 of the Chamaya-Jaen Highway (Cajamarca) where people were being trained in the manufacture, handling and use of explosive devices was discovered by personnel from the PIP [Peruvian Investigative Police] Provincial Headquarters in Jaen. The existence of the terrorist training camp was confirmed by the Jaen attorney general, Jose Rogelio Gonzales Lopez. He verified the existence of broken bottles with gasoline residue and exploded dynamite caps. Nolverto Nuncevay Bardales (2) [as published], an activist in PCP-SL [Peruvian Communist Party-Shining Path], was arrested in connection with this case. He is accused of being the perpetrator of terrorist attacks in the northeast zone and promoter of the so-called "peasant patrols" in the Cutervo zone. According to the PIP, this terrorist has done collective and individual training in theoretical and practical handling and use of explosive devices (Molotov cocktails and dynamite). He chose a strategic place to do this. He received collaboration in this from members of the PCP-SL like Antonio Garate Yauri who was in charge of organizing the activist cadres to carry out terrorist attacks and to proselytize with the workers. Wilfredo Terrores Silva and Noe Carranza Collazos were instructors for the manufacture and use of Molotov cocktails and dynamite. The PIP accused Nolverto Nuncevay Bardales and his brothers Rosalio and Victor as well as Ulises Rudencio Bustamante Guevara (35) of attacking the PIP Provincial Headquarters in Jaen; agent Oscar Paez Cordova was wounded in this attack. [Text] [Lima EL COMERCIO in Spanish 7 Oct 81 p A-10] 7717

EXPLOSIVE DEVICE INVESTIGATION--Senate president Javier Alva Orlandini left the possibility of an official investigation "for the proper explanation of the facts" open if there are sufficient indications of the possibility that the explosives used against the U.S. Embassy a few days ago were made in Cuba. He said this yesterday in statements on that deed. He said that if this were true, "it would mean that there is direct foreign intervention in the internal affairs of our country." He remarked that although the reports have not yet reached the official level--they are still in the hands of the police--the Executive Branch could, with the powers that it has, adopt the most obvious decisions to clear up the case. Concerning a rumored parliamentary committee to investigate terrorism, Alva recalled that the Senate recently underestimated the demand for it, feeling that the case did not merit such a position "since it would not be a real investigation. Now it is necessary to act and the government is already doing that as shown by the declaration of a state of emergency in five provinces of Ayacucho Department." [Text] [Lima EL COMERCIO in Spanish 14 Oct 81 p A-4] 7717

CSO: 3010/108 END

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BRIEFS

PETROLEUM PRODUCTION--Bogota, 29 Oct (EFE)--Mines and Energy Minister Carlos Rodado Noriega today reported that the production of Colombian crude oil has reached 141,000 barrels a day. Three months ago, the production was 136,000 barrels a day. [PA310130 Madrid EFE in Spanish 1007 GMT 29 Oct 81 PA]

CSO: 3010/206

BRIEFS

OIL EXPLORATION--The Guatemalan Government has opened six new areas to bids for oil exploration and exploitation, amounting to approximately 200,000 hectares. Three of the new areas are located in Peten Department. Two are on the border with Mexico, one in Huehuetenango Department and another in Quiche Department. The remaining area with oil potential is in both Petan and Izabal departments, along the border with Belize. [Text] [PA071400 Guatemala City Radio-Television Guatemala in Spanish 0400 GMT 6 Oct 81]

CSO: 3010/215

JAPANESE RECOMMEND CONSTRUCTION OF REFINERY ON PACIFIC

San Pedro Sula LA PRENSA in Spanish 26 Sep 81 p 9

[Article by F. Medina Argenal]

[Text] Tegucigalpa--The Japanese Consulting Institute has recommended to the Honduran Government construction of a new refinery on the Pacific, valued at 266.2 million lempiras.

A voluminous study prepared by the Japanese organization was recently delivered to the authorities in charge of marketing fuels. This report will soon be discussed by the Economic Cabinet, which will give its technical opinion. The policy decision is in the hands of the President of the Republic in the Council of Ministers or the National Constituent Assembly, in this case.

It is Feasible

The Japanese technicians maintain that a new refinery is feasible in Puerto Cortes, where they will easily be able to mix Mexican and Venezuelan crude, 50 percent each.

The Japanese recommended two types of refineries: a conventional one and another of catalytic cracking type, which is more sophisticated and complete. The decision is in the hands of the government, taking into account the availability of resources and the future needs of Honduras.

Investment Capital

According to the preliminary study, the investment capital will be about 189.8 million lempiras for the conventional refinery and 266.2 million lempiras for the sophisticated installation.

The total capital requirements, including that for labor, amount to 230.4 million and 303 million lempiras respectively. The cost per barrel of crude that will be processed is 2 lempiras, 11 cents, for the conventional refinery and 3 lempiras, 76 cents, per barrel in the catalytic refinery.

If we compare these figures with the cost of refining imposed by Texaco on the Honduran Government, we find that the Texaco figure is higher than the others at 5 lempiras, 62 cents a barrel.

Cost of Financing

The study estimates that 30 percent of the cost of installation and operating would be financed through Honduran funds and the remaining 70 percent would be obtained from Japanese Government funds.

Useful Plans

The technical study goes further when it points out "the necessity of an economic evaluation of the new refinery. In addition, there is the possibility of expanding the plant of the present Texaco refinery that is operating in Puerto Cortes, in the event that the government decides to acquire it, which will allow substantially reducing investment and operating costs."

The strategic location of Amapala will easily allow the processing of Mexican crude, shipped at the port of Santa Cruz (Pacific zone), since it will also save a large amount in freight costs.

The Japanese think that if the government makes the policy decision to build any kind of refinery, the awarding of the contract will have to be in April, 1982, because before that date a study will have to be prepared on financing and specifications for the new refinery.

9545
CSO: 3010/92

PANAMA, COLOMBIA TO HELP 'DRASTICALLY' CONTROL ARMS SMUGGLING

PA300857 Paris AFP in Spanish 2341 GMT 29 Oct 81

[Text] Bogota, 29 Oct (AFP)--The Colombian Foreign Ministry in Bogota announced today that the Colombian and Panamanian governments will apply drastic control measures to prevent arms traffic that may exist between the two countries.

The two governments reached an agreement during meetings held in Panama by President Aristides Royo and Colombian Deputy Foreign Minister Col Julio Londono Paredes, during the past 2 days.

Londono Paredes came to Panama on a special mission for Colombian President Julio Cesar Turbay Ayala and Foreign Minister Carlos Lemos to try to determine possible support by some government authorities for Colombian guerrilla groups.

The meetings were considered vital since on Wednesday the 19 April Movement (M-19) militants hijacked a cargo plane belonging to the Colombian Aeropesca Company and after loading it with weapons at a place which they maintained was in Panama, they flew it to the Colombian jungle.

Londono Paredes, who continued on his trip today to El Salvador where he will meet with President Jose Napoleon Duarte and opposition sectors to learn of the country's political situation, made a telephone report to Foreign Minister Lemos.

Besides meeting with Royo, the Colombian envoy met with national guard commander in chief Col Florencio Flores, with government minister Jorge Ritter, with the national guard intelligence chief Colonel Morioga and with Nander Pitty, presidential adviser for international affairs.

A Colombian Foreign Ministry communique said this afternoon that "as a result of the meetings, it was established that there is no evidence to support the premise that there has been Panamanian Government participation in weapons smuggling between the two countries."

The communique added that "Colonel Londono Paredes said that the Panamanian Government is completely willing to analyze jointly with the Colombian Government, measures to control weapons traffic that may exist between the two countries."

He also said that "a delegation of Panamanian officials will visit Colombia shortly to analyze relations between the two countries at various levels, including economic relations."

The Panamanian delegation will be composed of Minister Ritter, Colonel Noriega, the agriculture minister and Ambassador Pitty, the Foreign Ministry bulletin said.

CSO: 3010/205

ARGENTINES ARRESTED IN MEXICO

Involvement in Kidnapping

PY301532 Asuncion HOY in Spanish 30 Oct 81 p 8

["Special telephone report" for HOY by EL EXCELSIOR correspondent Jaime Contreras]

[Text] Mexico--The information given here by a group that kidnapped Beatriz Madero Garza, the young niece of a presidential candidate, about its involvement with the group that assassinated Gen Anastasio Somoza in Asuncion has caused great shock. Official sources, however, have not confirmed this report.

The situation of many South American and Central American politicians--or terrorists--is an issue of concern and their connection with important [terrorist] cells have been frequently attributed. It is, therefore, quite easy to make mistakes.

The only certain thing about this report is that a frustrated operation enabled the Mexican police to arrest nine Argentine criminals who were living in Mexico as tourists, thus denying the fact that they are political refugees.

Luis Ortiz Monasterios, secretary of the committee for refugees affairs, has denied that any of those involved in the kidnapping are included in the list of political refugees. It was learned, moreover, that there is no record of their political activity in the country. Rumors of their alleged membership in the "red" faction of the Workers' Revolutionary Party [Partido Revolucionario de Trabajadores] spread very quickly, however, and it was picked up by international news agencies.

During a press conference held a few minutes ago, the Mexico City chief of police, Arturo Durazno Moreno, said that none of the members of the group had reported any connection with the terrorist group that killed Somoza in Paraguay. He said that on the contrary, they had mentioned their status as active politicians Mexico. [as published]

Observers believe, moreover, that the way the operation was conducted, which enabled the prompt action of the Mexican police, is in no way compared to the carefully-planned action of the group that killed General Somoza in Paraguay last year. What is more, the $2-million ransom was easily recovered since the group did not pose any resistance.

Right now there is a not of conflusion in Mexico in this regard since there are a lot of rumors circulating. It has caused, however, a reaction among the people who are against the presence of guerrillas in the country.

The chief of police has stated that: "We will have to enforce a more strict control over the South American population because we have reports that there has been an infiltration of many terrorists. Although until today we have had no problems in Mexico, we do not want to have any either."

Chief of police Durazno Moreno added: "But it is not up to us to stop them from entering the country this is a task that must be undertaken by the immigration officials."

Other sectors have issued similar protests in this regard but the leftist sectors allege that "they are trying to create a psychosis against political refugees, a sort of witch hunt."

Che Guevara's Brother Denial

PA012247 Madrid EFE in Spanish 2130 GMT 1 Nov 81

[Text] Mexico City, 1 Nov (EFE)--Argentine citizens Roberto Cuevara and Julio Santucho today denied having had anything to do with the kidnapping of a niece of one of Mexico's opposition candidates.

They also revealed that one of those arrested for involvement in the kidnapping, Hugo Izursum, was the intellectual author of the attack in which Nicaraguan former President Anastasio Somoza was killed last year in Asuncion.

"Che's" brother and Santucho stated in an interview published by the leftist newspaper UNO MAS UNO that "foreign interests strive to portray the Argentine Workers Revolutionary Party [PRT], as a band of robbers."

Neither of the two men denied the possibility that some of the 29 persons arrested for their alleged links with the kidnapping may be guilty, but they said that if this is the case, it was "on their own responsibility."

During the interview, Santucho said that the "Argentine secret services are behind all of this. I believe that the Argentine Government is involved in the matter."

Guevara also said that the PRT cannot be implicated just because one or more of its members participated in the crime. "To involve leftist members in the matter is to discredit the Latin American movements," he said.

Meanwhile, according to statements made by Santucho, Hugo Izursum was the author of the plans to kill Somoza in Paraguay and participated here in the kidnapping of Beatriz Madero, niece of the National Action Party candidate for the Mexican presidency. Izursum abandoned his PRT membership long ago.

The companeros who allegedly participated in the kidnapping are Angel Fortum, Ariel Moran and Ramon Bevigle, Santucho said, adding his belief that "there are sectors interested in discrediting our party."

The Mexican police have arrested almost 30 persons for involvement in the kidnapping, most of them Argentine citizens.

Meanwhile, opposition parties have expressed their alarm over the possibility that this incident may unleash a repressive campaign against exiles in Mexico.

The government replied that it is not a matter of harassment, or of a "witch hunt" against political refugees, but noted that their situation does not absolve them from abiding by the country's laws.

Beatriz Madero was freed last Monday by the police. A ransom of some $160,000 had been asked for her release.

CSO: 3010/203

BASINS INTERCONNECTION PROJECT DISCUSSED

PY302002 Paris AFP in Spanish 0306 GMT 24 Oct 81

[Text] Lima, 23 Oct (AFP)--Nine South American countries agreed here today to continue efforts aimed at the interconnection on the basins of the three largest rivers of the southern continent--the Orinoco, Amazon and River Plate--in order to create a waterway which will cross South America from south to north.

During a 5-day meeting which was closed this evening by Foreign Minister Javier Arias Stella, representatives of Argentina, Bolivia, Brazil, Colombia, Ecuador, Paraguay, Peru, Uruguay and Venezuela decided to create a secretariat in order to guarantee the organization, continuation and coordination of such efforts.

They also decided to request of the OAS and other international organizations the necessary technical support to help them continue with their tasks as well as to draw up, as soon as possible, a list of the existing transport systems or projects for the physical joining of the basins of the Orinoco, Amazon and River Plate rivers.

Peru is in charge of the secretariat which was created. Bolivia and Paraguay offered to host the future technical and work meetings aimed at continuing to develop the ambitious project.

During the closing session Ecuadorean representative Teodoro Bustamante pointed out that an important agreement had been reached on the enormous benefits which this vast enterprise will yield for the region.

He also stated: We have made advances with the drawing up of a work schedule for the progress and final achievement of the established objectives.

Foreign Minister Arias Stella stated that President Fernando Belaunde's idea which he submitted to the OAS last year has been looked upon favorably in the region.

He ended by stating that the task which we made ahead of us is long, complex and difficult but with this meeting we have taken the first step and we should continue with our decision without building castles in the air, with the conviction that we are seeking America's future.

BRIEFS

PERUVIAN COMMANDER TO ARGENTINA--Buenos Aires, 2 Nov (NA)--The Argentine Air Force commander, Gen Omar Graffigna, and the Peruvian Air Force commander, Lt Gen Hernan Boularte Ponce de Leon, have agreed that the visit which the latter made to Argentina--which ended today--had been a "positive" one. In a short statement he issued at the metropolitan airport military sector minutes before his departure, Ponce de Leon said that "several cooperation agreements have been achieved" and that "the objectives of this trip have been completely fulfilled." He added that "technological ties" between the Argentine and Peruvian air forces have been strengthened" and he noted that the Argentine Air Force "has a high degree of training for Latin America." Moreover, General Graffigna said that "personal contacts lead to results that benefit the two countries." Ponce de Leon arrived in Argentina in response to an invitation extended by his Argentine colleague. During his stay in Argentina he visited air force units throughout the country. [Text] [PY021946 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1317 GMT 2 Nov 81]

PERU-ECUADOR AIR INCIDENT--Lima, 29 Oct (AFP)--Peruvian President Fernando Belaunde and Foreign Minister Javier Arias Stella today said that the Ecuadorean claim that its airspace had been violated by Peruvian military planes will be investigated but that they do not believe that is true. Asked by the journalists concerning the protest of the Ecuadorean Foreign Ministry, President Belaunde said: "First we must check it out. I believe that the planes must have belonged to some other country because the Peruvian planes have been given strict orders against crossing the border. [Excerpt] [PY020225 Paris AFP in Spanish 0241 GMT 30 Oct 81]

ANDEAN GROUP ON PROFITS--Lima, 25 Oct (AFP)--Peruvian Industry and Integration Minister Roberto Persivale announced here today that the member countries of the Andean Pact have agreed to allow investor companies to transfer abroad up to 20 percent of their profit. Persivale, who traveled to Caracas accompanied by a delegation of 30 persons to participate in two meetings of the Economic and Social Advisory Committee (CAES), pointed out, however, that decision No 24 regarding the investment of foreign capital will not tie any country down since there are flexible points of view. He then went on to explain that decision No 103 has been (?issued) to this effect so that each country, according to its own interests, may make this 20 percent maximum flexible. This means that if an investor desires a higher percentage he will be able to increase this maximum. [Excerpt] [PY032101 Paris AFP in Spanish 1811 GMT 25 Oct 81]

ECUADOREAN PRESIDENT TO COLOMBIA--Bogota--Ecuadorean President Oswaldo Hurtado Larrea will visit Colombia from 26 to 28 November. The Ecuadorean president will meet with President Julio Cesar Turbay to discuss topics of great importance to the two nations. The Ecuadorean ambassador to Colombia, Gustavo Ruales, said that this will be a friendly visit between the two governments. The Ecuadorean president will meet with political leaders, union members, congressmen and businessmen, the Ecuadorean Embassy disclosed. [Excerpt] [PA300500 Bogota Domestic Service in Spanish 1730 GMT 29 Oct 81]

CSO: 3010/205

PERONIST LEADER FAVORS DIALOGUE WITH GOVERNMENT

PY311203 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1334 GMT 30 Oct 81

[Text] Buenos Aires, 30 Oct (NA)--The first vice president who is acting as chairman of the Justicialist National Council, Deolindo Bittel, declared today that "there are some groups" in the party who "want to drive the Peronist movement into self-proscription," and ratified his conviction that "it is necessary to have a dialogue" with the military government.

Bittel made this declaration over the phone from Resistencia. Asked about rumors that say that Peronists did not report for the dialogue thinking that that way they could destabilize the government, Bittel emphatically replied that "I have no part in that at all, but I do not speak for all those who call themselves Peronists. It may well be that there are some gentlemen involved in that sort of thing.

"I do not want any part in any plot against the government. Moreover, I will have no contact with anybody who may favor a coup."

In his declarations, which were aired over Radio Mitre, referring to the prospects of a dialogue with the Interior Ministry and who should take the initiative after yesterday's postponement, Bittel said that "the issue is open and so, to some extent, it is in our hands."

In that regard he noted the need for making "broader previous consultations," because, "as a consequence of the political recess and the extension of mandates, nobody can say that the Justicialist Council is still truly representative after 6 years. Its members are a little bit worried because nobody wants to assume the responsibility for attending or not. So there is need for a broader consultation so that those who are for this or that position can say so."

Some comments that after Balbin's death, Peronism wants "to carry the ball alone" were pointed out to Bittel and he said that "it should not be strange that the [words indistinct] in the struggle are honorable and outstanding people within the Peronist movement who would not permit that to happen."

Bittel then added: "We have joined the multiparty organization and many people feel quite comfortable in it. They came to realize that there are other Argentines just as patriotic as we are. Of course there can be in our movement or in other parties people who want the country all for themselves, without sharing it with other people."

Lastly Bittel rejected with energy former Minister Alvaro Alsogaray's assertion that there are Peronist citizens but no Peronist party. Bittel said that such an assertion is "a very serious error." After saying that "that has only been heard from Alsogaray," Bittel said that "that seems to me an exaggeration," and "I do not believe that the armed forces will listen to such a suggestion, because there should be no bans. We have to prepare a statute to which the parties must adjust their activities, but banning the Peronists just because they are Peronists seems to me to go too far."

CSO: 3010/204

MARKET DEPRESSION FORCES FIRMS TO MERGE WITH ACINDAR

Buenos Aires CLARIN in Spanish 7 Oct 81 p 12

[Text] The seriousness of the nation's economic situation, the need to implement measures designed to reconvert its productive apparatus, and the situation of the steel market were addresses during a press conference in which the merger of the ACINDAR [Argentine Steel Industries, Inc], Gurmendi, Santa Rosa and Genaro Grasso companies was announced.

The new company, which will be called ACINDAR, will have a production capacity of close to 2 million tons annually, a capital equal to $540 million, assets worth $ 1.4 billion, indebtedness totaling $750 million, and will employ 8,000 workers.

As of 30 June, its liquidity ratio was 1.27 percent and its indebtedness ratio was 1.55 percent (after absorbing the exchange differences owing to devaluation), while approximately 64 percent of its indebtedness in dollars fell due between 1983 and 1991.

The memorandum of agreement to merge was signed on 13 March and was approved by the boards of directors of the four participating companies. "The only problem that arose was with Citibank," said the president of ACINDAR, Gen Alcides Lopez Aufranc, "but our indebtedness with that organization did not exceed $6 million and we will pay that when it falls due."

As for distribution of the shares package among the 20,000 holders of securities issued by the group, it was indicated that one-third will be distributed among the erstwhile stockholders of the Gurmendi, Santa Rosa and Genaro Grasso companies, and the remaining two-thirds will be held by ACINDAR.

The General Situation

The depression in the domestic market and the competitiveness of the state--Lopez Aufranc explained--combined to bring about the redimensioning of the steel industry's structure and a shift toward exports. Sales on the foreign market, however, are not expected to be very profitable for the time being, considering that three tons must be sold on the foreign market to equal the profit made on the sale of one ton on the local market. And the 6- to 8-percent rate of return on investment

considered ideal for ACINDAR's structure will not be attained until 1985. Nevertheless, 100,000 tons were exported during the period July-September versus 26,000 tons for the same period in 1980, and it is expected that an additional 100,000 tons will be exported during the final quarter of this year representing a value of $30,000 f.o.b.

With regard to the need to reduce costs, Lopez Aufranc indicated that "to date, fixed costs have been reduced by $52 million and variable costs by $19 million."

Shrinkage in Domestic Demand

The drop in steel industry activity can be measured in terms of the drop in domestic demand for other than sheet steel, which in the second quarter of 1980 fell by 20 percent with respect to the same period in 1979; of ACINDAR's four steelworks only three are operating, with an average annual production of 1 million tons; the 8,000 workers currently employed by it represent a large drop from the employment peak reached by it (13,000 workers) in January.

"There are no signs," he said, "pointing to an early recovery such as might begin to appear during the second quarter of 1982." Cited in this regard were the negative results of the dumping policy being practiced internationally, the exchange rate guillotine, and the policy of subsidized prices being pursued by the state enterprises in the orbit of the Directorate of Military Production.

Pressure By the State

"That state participation," said Lopez Aufranc, "prevents maximum productivity by the sector." "With 41 percent of the GDP in the hands of the state," he emphasized, "Argentina has become a cooperative state and not a republic.

"In July," he cited as an example, "a $35-million modernization of a rolling mill was completed, and, simultaneously, the state inaugurated another mill, competition from which is being heavily felt by our industry in the depressed domestic market."

Referring to company liabilities disencumberment bonds, he said, "What needs to be done is to increase company returns on investment, because, fundamentally, all enterprise must be based on economic considerations rather than on financial operations."

9399
CSO: 3010/82

'CLARIN' ANALYZES EXODUS OF PROFESSIONALS

Buenos Aires CLARIN in Spanish 5 Oct 81 p 12

[Editorial: "Unemployment Among Professionals"]

[Text] As a result of the slump in economic activity, large numbers of professionals and technicians of the most diverse specialties are unemployed, underemployed, employed in jobs not related to their field of specialization, or underpaid. In this respect, several groupings have recently reported on the situation in their particular sectors, as in the case of the engineers and the architects and, more recently, the professionals in the field of economic science. A survey conducted by the college of graduates in the latter discipline found that 3 percent of those interviewed called themselves unemployed; 13 percent of those working were self-employed; half of those interviewed were underemployed; and only 20 percent said they were receiving satisfactory remuneration. As for the outlook for next year, 80 percent expressed uncertainty from a professional standpoint. It may be stated that a similar situation exists in the case of the agricultural engineers.

It is clear from the foregoing that use is not being made of capabilities developed at substantial cost to the community, and that incentives to continued professional advancement and permanent residency in this country are lacking.

True, it has been evident for several years now that there is an oversupply of professional workers and that the flow of graduates is greater than the capacity of the market to absorb them. Various factors have had an effect on this phenomenon. One of them has been the overwhelming vocational trend toward the humanities or toward the so-called "traditional" careers, in the face of which the need to alter this trend has been and generally continues to be advocated. However, although it is not possible to underestimate the importance in this respect of a cultural factor such as is the deeprootedness of certain traditions that endow certain careers with added prestige or greater employment possibilities, still the basic problem lies in the structure in which our youth must develop and decide their futures, in the stimuli they receive and in the possibilities they can foresee for future development. For, in an industrially and technologically stagnant society like ours, any attempt to alter the vocational trend will end up in a vacuum or push our youth toward failure, as is proven by the persisting exodus of engineers and technicians and the current overwhelming unemployment in those activities.

Things being as they are, our country, which is generally considered to be highly endowed with human resources because of their excellent qualifications, instead of using its resources for its own growth has ended up offering them as a form of subsidy to to nations that provide attractive opportunities for personal and professional development.

This continuing trend toward misuse of our professionals who are trained in this country must be considered an irrationality and a waste of our accrued wealth. In this respect, it should be borne in mind that, according to studies made by the specialized international organizations, in the poorer countries--because of the inefficiencies of their educational structures--the cost of training their professionals, in terms of per capita GDP [Gross Domestic Product], is much higher than in the richer countries.

In addition, the irrationality and misuse cited above are bedfellows in equal shares with the misuse of the country's vast land areas and natural resources, and of industries not only whose potential capacities are not known but also whose present capacities are being wasted.

All of this, with the added impetus of recessionary policies, is bringing about a regression to stages of growing backwardness and poverty in all orders--a regression that is affecting most of the social sectors and that is helping to destroy the vast physical and cultural riches we have accumulated through hard effort over the span of recent decades.

9399
CSO: 3010/82

KUHL TERMS ECONOMIC SITUATION 'EXTREMELY SERIOUS'

Buenos Aires CLARIN in Spanish 7 Oct 81 p 10

[Text] A number of comments on the manufacturing recession, the impact of interest rates and tax pressures came out of the talks held yesterday and day before yesterday with the Tucuman businessmen by the minister of industry, Livio G. Kuhl.

Kuhl also held a meeting with Governor Antonio Merlo and visited a bagasse works, the Tucuman Paper Plant, and the Saab Scania Factory.

Idle Capacity

Based on statements by the Tucuman businessmen, the minister of industry termed "the current situation extremely serious" and confirmed that industrial production is down to 50 percent of its normal level and burdened by a high level of indebtedness. Following is a synopsis of some of the most incisive comments made by the minister regarding the manufacturing situation during his talks in Tucuman:

On recovery: "A few isolated figures must not be taken optimistically: A swallow does not make a summer. To distinguish between the recovery of production and a possible jump in the sales of a given enterprise, we must await the entry into operation of the measures that have been passed. There will be no improvement in the current situation until the second quarter of next year. However, the recovery of the domestic market, exports and the productive system as a whole will depend on certain indispensable prerequisites that must all take place simultaneously. None of this will be possible if other changes are not made. The financial system must be modified. The tax situation also cannot continue as it is: The tax burden is distributed inequitably and the industrial sector is carrying most of the weight."

On interest rates: "The crisis of evaporation of net assets is not owing to the high level of indebtedness but rather to the soaring interest rates over the past 4 or 5 years, which no economy can possibly bear. There can be no question on this point. If there is one obsession the president has it is the problem of interest rates, and if there is one clear and precise instruction the president has issued to the ministers it is that interest rates must be reduced to neutral levels" (this means interest rates no higher than the inflation rate).

Foreign Trade

On exports: "Argentina's sole solution to the problem of reducing its foreign debt of $30 billion is by way of exports. Some 50 percent of those exports must come from the industrial sector and the balance from the farming and livestock sector. As has been seen, the solution is not indiscriminate importing. The opposite road must be taken and, while controlling imports, an export strategy, which is the key, must be implemented."

On dumping and exchange rates: "Although it may be argued that the exchange rate is or is not timely, the short-term steps taken have done away with the artificially low rate that, together with import subsidies, was one of the causes of our industrial slump. The filtering out of countries that are exporting their own domestic crises is also continuing. This is why work is being done on developing standard prices to be used as a basis for a schedule of customs tariffs on imports, which is more effective than antidumping measures. The idea is that by November the official lists should be published, so that we will have an effective means for dealing with underpricing by countries that engage in unfair practices."

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CSO: 3010/82

OXENFORD EXPLAINS CAUSES OF UNEMPLOYMENT TO PROFESSIONALS

Buenos Aires CONVICCION in Spanish 4 Oct 81 pp 8-9

[Text] A talk given by the former minister of industry and mining, engineer Eduardo V. Oxenford on "Employment and Unemployment in the Republic of Argentina" at the Argentine Institute of Engineers also became a tribute to him. In fact, in introducing the speaker to an overflowing and expectant audience of professionals, businessmen and journalists, engineer Alberto Costantini, head of the Institute referred to Oxenford as paladin in defense of Argentine industry.

Engineer Costantini began by saying, "After almost 3 months of absence from the Institute for reasons of health, I did not want to miss attending this event in which our Institute pays tribute to engineer Oxenford," who "has been a defender of our national industry while with the Industrial Union as well as while with the Ministry." He added that Oxenford "forecast and was a prophet of the disaster that was threatening our industry and that unfortunately bore out his predictions."

For these reasons--Costantini continued--the Institute of Engineers "recognizes in engineer Oxenford an outstanding defender of our national industry, in warranty of which it confers on him a diploma that so accredits him and that it hopes will serve as a stimulus. At the same time, the Institute hopes that he will continue being as he has been until now, the paladin of the defense of our industry, which must recover to ensure the growth of our nation."

Livio Kuhl, the present minister of industry and mining, was among those who enthusiastically applauded these words.

Oxenford's Remarks

After expressing his thanks to engineer Costantini for his gracious words, Oxenford indicated that what he had come to say "will satisfy very few and will frighten many." "What I have endeavored to do in defense of our country's industry," he said, "has been based on my firm conviction that industry must play a role of the utmost importance in the integration of all of our country's productive factors. This is the sole reason I have done what I have and why I shall continue doing it."

He went on to develop the theme of human resources in relation to our country's growth, "an exhilarating subject" in that "the importance of conceiving the modern enterprise as a human entity, as a sum total of talents and efforts oriented toward a common objective" makes of "the wise management of human resources, with all the responsibilities this entails, the principal virtue of those who head and who direct that enterprise."

At a subsequent point in his talk, he said, "I fully recognize that the work factor is another among the many factors involved in production. However, the dimension of the work factor is in a way more determinative, more relevant, in that it is the factor that brings about the participation of the human being in the production of goods and services for the community of which he is a part."

500 Million

Following these introductory observations that "enable us to distance ourselves from a purely statistical consideration of employment and unemployment and to address in full the human content it envelops," engineer Oxenford alluded to certain statements by Mr Francis Blanchard, director general of the ILO [International Labor Organization] that "more than 500 million people throughout the world are either jobless or are underemployed" and that "by the end of this century, 1,000 million new jobs must be created to guarantee full employment," of which "900 million must be in the developing countries, which must therefore generate 40 million jobs annually beginning in the year in which we are now at this moment."

"The employment problem," said Oxenford, "presents different characteristics in the advanced countries from those in the developing countries. In the former there are a limited demographic dynamic together with adverse short-term circumstances and a high productive potential, the fruit of a technological progress that however does not create jobs in the needed number. In those countries, around 20 million persons are unemployed and another 40 million are in a hidden-employment status although drawing social security benefits."

"It is the developing countries, however, that bring unemployment and underemployment rates up to the levels mentioned by Blanchard, by reason of spectacular demographic growth rates and a shortage of sources of work needed to absorb the increases in the work force."

To facilitate an understanding of this "alarming" problem, Oxenford summarized "the criteria used internationally to measure unemployment and underemployment."

In the first place, "the economically active population is that part of the population which works for its own account or for someone else, receives remuneration, is over the age of 18 and has not yet reached retirement age. An unemployed person, according to the international definition, is a member of the economically active population who during the week prior to the date of the survey worked less than 1 hour, having actively sought work."

"An underemployed person, on the other hand, is one who worked less than 35 hours during the prior week and is actively seeking to work more hours."

Unemployment in Argentina

Applying these definitions to our country, Oxenford pointed out that "Argentina's economically active population is 38 percent of its total population" but that "This figure represents a downtrend of long standing: The economically active population 18 years ago was 45 percent of the total population, a level close to that of countries like the United States (47), Federal Republic of Germany (46), Canada (43), Switzerland (47) and Japab (48).

"The current Argentine trend cannot be considered the result of such a level of wealth as could justify that extent of leisure on the part of its inhabitants. On the contrary, the scarce growth of its GDP [Gross Domestic Product] indicates a stagnant economy, which requires that we seek other reasons explaining this growing inefficiency in the utilization of our human resources. In my opinion, one important reason is the disproportionate increase in the passive sector of the population. Over the past 10 years, the number of beneficiaries of our National Social Security System has grown by 70 percent, while the population has grown by only 18 percent.

"It is also possible that with decreasing levels of remuneration and growing costs of transportation, clothing and food consumed away from home, significant numbers of the female population have withdrawn from the work marketplace.

"Another figure that helps to round out this analysis is one that indicates the nature of the paid work done by our men and women. The official figures reveal that 27 percent of the population are self-employed, while 73 percent work in an employee relationship. By comparison, in the United States, 9 percent are self-employed and 91 percent work in an employee relationship.

"The trend shows a shift of the work force toward self-employment or service activities. It is possible that this is the kind of trend one might expect in a postindustrial society. I think, however, that Argentina has yet to complete its industrial cycle, the development of which is now virtually paralyzed to the point where the manufacturing sector of production shows a smaller physical volume of output today than it formerly registered.

"You all know the importance of industry as an employment factor in Argentina, so that it is easy to infer the effect of its stagnancy on employment. From year to year, 200,000 new persons will be coming into the Argentine Republic's work marketplace, whose absorption by the industrial sector will require a high level of investment by job sources."

Scarcity of Capital

"Owing to the scarcity of capital from which our economy suffers, large segments of the economically active population are engaged in activities that rank very low in the productivity scale--a source of distortion of all kinds, generated by economic entities that are usually mindless of compliance with any fiscal or

employment obligations. This problem, from which the Argentine economy has been suffering, has in a certain manner been attenuated by the state, which has resulted in the correction of one distortion by the introduction of another. The rationalization and privatizing of public enterprises runs squarely into the problem of the additional unemployment it could create, with the private sectors absolutely unable to absorb the work force involved, further exacerbating the unemployment situation.

"Certain objective conclusions can be drawn from what has been said up to this point that will contribute to a better understanding of the problem.

"Strangely, some of the marked trends have taken on the characteristics of a post-industrial society, of which, unfortunately, the Argentina of our times is not a case, and to be misled in this respect in our diagnosis could lead us into committing a grave error. The atypical characteristic of our active population, which is reflected in the status and expectancies of each of the men and women who comprise it, could contribute to this error."

Speaking of the educational levels of the Argentines, which translate into "a highly qualified human resource," whether they be "laborers, technicians or professionals," Oxenford said that nevertheless "those human qualifications are not finding work opportunities," which "justifies the fact that many among the 200,000 persons that each year enter the job market give serious consideration to seeking their future abroad."

"Many tens of thousands of Argentines have already left the country, " he said, "which is all the more lamentable for the fact that essentially they are university professionals, technicians and skilled workers, whose training has cost the community as a whole a substantial amount of its resources.

"Some of the figures indicate that work alternatives are far from satisfying. The growth in the self-employed population sector shows an opposite trend to that of total employment, which when it develops in the form of economically organized units is a source of training and progress. A very different value is involved in working in an organized enterprise rather than operating a taxicab, a kiosk or a boutique; and in Argentina there are far too many persons engaged in the latter category of occupations." The reason is that "there being no other occupational alternatives, these are the ones chosen by a very large part of the population."

A Bit of History

Oxenford recalled that during the early part of this century our country occupied a privileged position in the concert of nations. "Toward 1930, our GDP per capita was higher than that of Italy and Japan and was quadruple that of Brazil," he said, adding that "Someone has said that Argentina is a case of early maturity that reached the stage of maximum consumption before undergoing technological growth," and he attributed this phenomenon to the highly distributist policy that was put into effect at that time. "In the immediate aftermath of the Second World

War," said Oxenford, "the share of salaries and wages in the national income went from 38 to 45 percent. This contributed to the evolvement of the profile of a human resource that historically had advanced along economic and cultural lines in accordance with the real possibilities of the nation, while the nation, on the other hand, began to show signs of an increasingly hypertrophied public sector, a farming and livestock sector that was insufficient to finance industrial growth, and an industrial sector whose apartness from the evolution of technologies and of world trade markets has grown day by day. Thus, the production of goods has become progressively more costly in an Argentina that is short of capital and short on technology, lacks an economy of scale, and is developing increasingly pronounced overall inefficiencies--characteristics that have defined a closed and impoverished country in which one of the principal ingredients is inflation.

"Under these conditions, it is impossible to think in terms of generating investment, basically because there is no generation of profitability. It is the prospect of profit that generates investors. This characteristic has been growing among us of late as investment in productive assets--which are those that generate employment--have become less profitable and investment in financial operations offering excellent gains with minimum risks are becoming ever more profitable."

Oxenford explained that "When I speak of profitability I do not mean that the state must ensure that profitability. In the final analysis, a business activity is an undertaking that presupposes risks, as we understand it. But the state definitely must establish and maintain conditions wherein profitability can exist." (Here, he cited as examples: interest rates and the fixing of the value of our currency in accordance with other factors.).

Lastly, he asserted that "It is imperative to reverse" the "dangerous trends" that have been mentioned herein, and in this regard he said, "I am convinced that industry is called upon to play the leading role in their reversal, within the framework of an economy that will permit Argentine industry to access international markets with a highly competitive production," for which it will be "absolutely necessary to provide energetically for private investment to be channeled in a manner that will ensure the needed levels of capitalization, organization and the incorporation of new technologies--factors that are capable of supporting an Argentine growth that, on the other hand, must spread throughout the length and breadth of the national territory to avoid the tendency toward concentration of industries in urban centers" and to avoid problems that are plaguing other countries as a result of the migration of labor to major urban centers.

"Industrial promotional systems will play a decisive role in this respect," he said.

Dialogue

Engineer Eduardo Oxenford presented his talk as part of a series of preparatory meetings for the World Congress on Human resources and Development to be held in Buenos Aires 15-22 November, concurrent with the 8th General Assembly of the World Federation of Engineering Associations.

At the conclusion of the meeting, CONVICCION managed to hold a brief, a very brief dialogue with engineer Oxenford as follows:

[Question] Engineer, what activities are you planning to engage in from now on?

[Answer] Personal activities, private ones.

[Question] Any union activities?

[Answer] Those are not sought; they are easily found... .

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BRIEFS

COMMUNIST PARTY MEMBERS CLEARED--(NA)--Two Argentine communists have been cleared of charges of engaging in party activity by federal judge Jose Nicasio Dibur who said in his decision that the government-initiated "political dialogue" with legal party groups makes the ban on politicking "absurd." Guillermo David Raffaelli and Fabian Alberto Ferrando, were arrested on May 3, 1980, by the 49th precinct police, and charged with violating a law which prohibits political activity and a law which prohibits membership in illegal or prohibited organizations. Police claimed the men were recruiting for the Communist Youth Party, although the accused were not identified with any particular wing or sector of the communist party. Judge Dibur said "the need for repression at the present time has disappeared, and with it the effectiveness of law 21323, (prohibiting political activity), which is an exceptional law. Besides, the national authorities have initiated 'the political dialogue' with legally recognized parties, which necessarily implies impunity of conduct between government and governed, which, it seems to me, both original and absurd." [Text] [PY012138 Buenos Aires HERALD in English 31 Oct 81 p 9]

GRAIN SHIPMENT TO USSR--Santa Fe--Panamanian ship (Fiesta Primero) left the local port with 4,700 tons of sorghum for the USSR. With this shipment almost 925,000 tons have been exported from Santa Fe this year. Of this total almost 800,000 tons are sorghum shipments. It was learned, moreover, that the Santa Fe Provincial Bank Board has decided to increase the loan rate per hectare for the sorghum and sunflower harvest. The official report states that in so doing the Santa Fe Bank continues to grant credit support to all provincial productive sectors. [Text] [PY291631 Buenos Aires Domestic Service in Spanish 1600 GMT 29 Oct 81]

CSO: 3010/204

BRIEFS

RELATIONS WITH TANZANIA--Bogota--The Government of Colombia today established diplomatic relations with the United Republic of Tanzania at a ceremony in Geneva. The diplomatic relations will be conducted through nonresident ambassadors. [PA291408 Bogota Cadena Radial Super in Spanish 2330 GMT [No date] Oct 81 PA]

COLOMBIAN BLACK SIGATOKA--Medellin--Today the Agriculture Ministry declared the municipality of (Apartatoa), Antioquia, under a health emergency due to the presence of black sigatoka in the bananas and plantains of the area. As a preventive measure, restrictions have been placed on transporting any of the products. [Bogota Cadena Radial Super in Spanish 2330 GMT 28 Oct 81 PA]

CSO: 3010/206

MANAGERS' ASSOCIATION HOLDS ANNUAL CONVENTION

High Quality Leadership Required

Guatemala City PRENSA LIBRE in Spanish 8 Oct 81 p 8

/Text/ "The Managers' Association has sponsored forums which, as in the 1981 annual convention, have permitted all sectors to participate, because the conditions for freedom and impartiality are present that are necessary for the expression of different viewpoints." This statement was made by Dr Rodolfo Paiz, president of the AGG /Guatemalan Managers' Association/, at the opening of this institution's important annual event.

Paiz said that the AGG has tried to avoid declaring itself in favor of or against any particular position, precisely to maintain its status as a forum for the free expression of public opinion.

"The role adopted by our organization, one which is proper for an institution that unites over 1,000 management leaders as individuals interested in their own improvement and the well-being of Guatemala," he emphasized, "is the role of a dialogue stimulator between sectors in situations pertinent to the country's interests."

Dr Paiz went on to say: "On many occasions, our forums have served as the vehicle for the discussion of management, labor, technical, banking, social, economic, etc. topics; and these forums have been attended by representatives of the various sectors of public opinion, regardless of position, belief or ideology.

"The only requirements have been that the persons best informed on the subject under discussion agree to consider the topic at the highest level," the AGG president said.

In another part of his speech, Dr Rodolfo Paiz said that the organization of which he was the president does not wish to claim for itself exclusivity in the task of discussing the important differences in our society. There are other forums and other effective mechanisms to perform this task, and the more the better.

"We are being affected by a world economic crisis of large proportions; there is increasing political mobilization in the Central American region, and in our own country, and fears of a military confrontation between the superpowers.

"The times in which we are living," Dr Paiz said, "are full of challenges and opportunities; and we can only meet the challenges and take advantage of the opportunities if we succeed in giving our country, in all sectors, the leadership required by the circumstances."

Economic Topics Discussed

Guatemala City PRENSA LIBRE in Spanish 8 Oct 81 p 8

[Text] In order to overcome its critical financial situation, Guatemala will have to commit its gold reserves, seek loans from the International Monetary Fund, raise bank interest rates and intensify oil exploitation, according to comments made yesterday by participants in the first panel forum of the 1981 convention of the Managers' Association.

Rodolfo Castellanos, president of the Guatemalan Bankers' Association: Armando Gonzalez Campo, manager of the Mercantile Agricultural Bank; Julio Vielman, manager of the International Bank; and Federico Linares, from the financial sector, spoke on various current aspects of the banking and economic sectors of the country and voiced opinions about the short- and long-term future.

The topic which most held the attention of the participants and which turned out to have the most interesting aspects was that relating to the economic liquidity and the situation of international monetary reserves.

Linares, in a speech which bordered on the dramatic, said that at the end of 1981 the level of Guatemala's gross monetary reserves could be 90 million and the level of absolute monetary reserves could be 270.

The former director of the department of economic studies added immediately thereafter that this delicate situation could be improved by selling or pledging the country's gold bullion reserves but that the decision was quite delicate.

There is also the possibility of seeking loans from the International Monetary Fund (IMF), an action which could involve the making of important decisions such as the raising of interest rates.

He revealed that initiatives already taken in this regard with the international monetary organization indicate that such a measure would be a necessary condition to the securing of IMF financing, with a view to strengthening the level of reserves.

Another option for facing up to the low level of international monetary reserves is to increase oil exploitation to obtain large sums of foreign exchange from sales of crude oil.

Optimism and Realism

The audience, consisting of over 2,500 persons who almost filled the conference room of the Camino Real Hotel, the site of the convention, to overflowing, initially had pessimistic feelings because of the picture presented.

Answers to questions on the topics covered (trends in export products, prospects for liquidity in the banking sector and the economic-financial situation in general) were given in a humorous and sarcastic tone, by means of which the panelists managed to lift the spirits of the audience. The day-long session ended on a note of realistic optimism.

A devaluation of the quetzal was rejected for reasons of domestic financial policy and because devaluations as a means of confronting financial crises are being abandoned.

The panalists acknowledged that there are other than economic factors which could impact on developments in the financial sector in the next few months, including factors of a political kind.

The conduct of the public financial sector is also important to the course of events. It was said that it is inadvisable to continue projects which do not have components of foreign financing to prevent even greater impact on the country's financial capabilities.

Control over rates of exchange which was questioned once again continues to be a measure of relative effects, in the opinion of the speakers. A second experience confirms this opinion.

Vielman emphasized the importance of personal conduct in the crisis situation of a country and exhorted those present to adopt an attitude of struggle.

He added that they hope to have persons in the future with clear guidelines as to what should be done, in the private as well as the public sector. It is possible that ignorance combined with the lack of capability to deal with national problems have contributed to the accentuation of the crisis, according to the manager of the Industrial Bank.

Personalities Present

Guatemala City PRENSA LIBRE in Spanish 8 Oct 81 p 8

/Text/ Dignitaries from the public sector of Guatemala took part yesterday in the first day of the 1981 convention of the AGG.

These dignitaries included: former president of the republic, Gen Kjell Eugenio Langerud Garcia, and the present ministers of finance and agriculture, Arnoldo Belteton Sanjose and Dr Francisco Bobadilla.

Also present were the well known business leaders and ideologues of private enterprise, Manuel Ayau and Dr Francisco Perez de Anton.

The audience also included directors of the Chambers of Industry and Commerce and trade union officials from the agricultural-livestock sector.

It was noted that most of the 2,500 persons who filled the convention hall were young people who hold supervisory positions in the most varied kinds of enterprises.

Presidential Candidates Speak

Guatemala City PRENSA LIBRE in Spanish 10 Oct pp 6, 51

/Text/ Presidential candidates Mario Sandoval Alarcon, Gustavo Anzueto Vielman, Anibal Guevara Rodriguez and Alejandro Maldonado Aguirre participated yesterday on the closing panel of the 1981 convention of the AGG which was held at the Camino Real Hotel.

The four presidential candidates first gave a brief presentation of their government programs, with emphasis on the respective problems they propose to resolve.

The candidates' participation was monitored by Dr Rodolfo Paiz, president of the association; and their order of appearance was determined by lot. A time limit was set on all speeches.

The basic topics covered were inflation and national economic problems, subversion and political violence, state intervention and administrative corruption.

These topics were dealt with by each candidate with subtopics, in accordance with a plan jointly agreed upon.

Part One: Guevara

Gen Anibal Guevara Rodriguez, presidential candidate of the Popular Democratic Front (PID /Democratic Institutional Party/, PR /Revolutionary Party/ and FUN /Nationalist United Front/, was the first to present the bases of his government policy.

He said that his policy is politically and philosophically based on nationalism and that he will give preferential treatment to the needs of the masses, "without this meaning an exclusive plan for any sector."

He said that his government program has the objectives inter alia of establishing the bases for a stable and durable peace and a guarantee of progress in the economic and social sectors.

He also announced plans for strengthening a growing middle class, stimulating the activities of the private sector and ensuring the adequate cooperation of this sector with the public sector.

Maldonado Aguirre

The second speaker was Alejandro Maldonado Aguirre, presidential candidate of the National Renovation Party, who talked about aspects of the national self-confidence program, which he had proposed at the time he launched his election campaign.

He said that his program is realistic and "is directed toward alleviation of social tensions which are considered an important cause of political violence and that his program is totally at variance with opportunistic electioneering programs."

He said that his government is going to concern itself with basic problems such as health and education and that in an integral manner he will seek to reconcile economic-social factors.

"I will also stress the proper use of the country's resources and will ensure honesty in the state's administration."

Sandoval Alarcon

The program of Mario Sandoval Alarcon, MLN /National Liberation Movement/ candidate, was presented by deputy Leonel Sisniega Otero. This was the third speech.

He announced he recognizes the interdependence of foreign policy and the policy needed for future government operations; however, he rejects any form of submission or dependence.

He announced his decision to fight against communist subversion and to support free enterprise and a humanized capitalism, from which he expects to receive many social benefits.

In another connection, he said that he will intensify oil exploitation to obtain the financial resources needed to economically strengthen the country.

Anzueto Vielman

Among the primary objectives of his government, Gustavo Anzueto Vielman, candidate of the Nationalist Authentic Central Party (CAN), mentioned reduction in state intervention in productive activity.

He proposes fiscal reform, with the certainty that by reducing and eliminating taxes it will be possible to increase the country's productive capacity, with the consequent social benefits.

Summarily, Anzueto announced the modernization of public administration and of the national economy.

Support Anti-Subversive Campaign

Guatemala City PRENSA LIBRE in Spanish 10 Oct p 6

/Text/ Political violence and subversion were the topics of greatest interest covered in-depth yesterday by candidates for the presidency of the republic, who for the first time were making an appearance at a public forum within the context of the 1981 convention of the AGG.

Gustavo Anzueto Vielman (CAN), the first to speak on the subject, said that communistic guerrilla subversion can only be combated with arms and that in this regard it is necessary to give all the support needed to the army.

Common criminality should also be considered as violence. In this respect, the candidate said that he is in favor of drastic measures to isolate the recidivist criminal from society.

Anzueto said that only by dealing with these matters firmly and decisively can an environment suitable for the country's development in various sectors be attained.

Maldonado Aguirre

The next speaker was Maldonado Aguirre who said that subversive guerrilla violence could only be combated with arms but that the generalization of repressive measures to combat violence is counterproductive.

He said that in addition to political subversion there is social subversion which can only be resolved with effective social policy measures that will deal with the causes of popular dissatisfaction.

Maldonado censured the use of violence by those who abrogate a right which reposes legitimately only in duly constituted authority and advocated the handling of common crimes through the court system.

General Guevara

The Popular Democratic Front candidate, General Guevara, also stated firmly that the army has the duty and capability of handling guerrilla subversive violence.

Guevara Rodriguez said, however, that a fight should be made against economic and social causes which create conditions that permit subversive guerrilla organizations to find sympathizers and advocated more drastic laws to combat common criminality.

Sandoval Alarcon

In his speech--which was delivered by Sisniega Otero--the MLN candidate, Maruo Sandoval Alarcon, said that subversive guerrilla violence should be confronted without seeking additional justifications of a social or economic order.

To conduct this fight, the MLN candidate cited the need for giving the army all the necessary aid and support, "because that is the institution which bears this difficult responsibility on its shoulders."

Managers Surveyed

Guatemala City PRENSA LIBRE in Spanish 10 Oct p 8

/Article by Javier Hernandez O./

/Text/ For the most part, Guatemalan managers are optimistic about the country's future; however, they do not wish to become involved in policy and have little confidence in state institutions, according to a survey whose results were presented yesterday during the 1981 convention of the AGG.

The survey covered over 400 high-level managers and executives. The survey was conducted by Dr Francisco Perez de Anton, who had the job of presenting the results.

The survey turned out to be a statement of self-confidence by the private sector, represented by its managers acting in a private capacity in response to the questions posed by a no-signature-required form.

Everything relating to private institutions was given positive answers. High marks were given to trade union chambers, private universities, banks, etc. which, in the opinion of those polled, fulfill their missions in society.

On the other hand, low marks were given to state institutions and, according to some of the comments revealed by the survey director, Dr Perez de Anton, those polled based their lack of confidence on the absence of honesty--as it was put in the answers--and on the size and the unproductivity of the state bureaucracy.

One person answered that it would be very difficult to be honest and a public or political official at the same time. This brought a laugh from those attending the convention, including several ministers and political leaders.

Some questions and the corresponding answers revealed an inadequacy in the focus of the questions; e.g., a question on the confidence of the managerial group with respect to certain national sectors.

In this question, the "people" were listed as one additional sector along with the government, private sector, communications media and others.

The result was that those polled expressed little confidence in the people and greater confidence in other sectors which, according to the question, are different from the people.

When at the end of his presentation this observation was made to Dr Perez de Anton, the latter limited his response to answering that this had been a subtlety of the survey to make certain differentiations.

There was pessimism about the economic and political future of Central America, a topic taken up in another part of the survey.

The answer given to this part of the survey was that Guatemala should do everything possible to prevent the events in El Salvador from drifting toward an outcome like that of Nicaragua.

In Perez de Anton's view, the survey reveals that the Guatemalan manager has hope in the country's future and, therefore, is ready to give his support to the solution of problems within his area of activity.

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CSO: 3010/113

RELIGIOUS PROGRAM CANCELLED DUE TO ILLEGALITIES

PA161619 Guatemala City PRENSA LIBRE in Spanish 8 Oct 81 p 13

[Excerpt] Public Education Minister Clementino Castillo Coronado told the press yesterday that the Ministry of Education is going to cancel the extracurricular program called "Operation Uspantan," which the Colegio Belga has been carrying out in El Quiche, because this activity has become involved in illegal situations.

The minister recalled that Jesuit priest Luis Eduardo Pellecer Faena, a former member of the Poor People's Guerrilla Army [EGP], said that this program provides support for communist subversion.

Pellecer also accused the nuns who run the school of taking their female students to that area so that they could get to know the Indian peasants."

Minister Castillo Coronado once again met with his chief advisers yesterday to make an in-depth analysis of the Colegio Belga situation.

He told the press that all of the problems that have cropped up there will be analyzed before a decision is made. He said that "Operation Uspantan" will be cancelled in the meantime, as he is aware that the program is still underway in the rural zones of El Quiche.

The minister of education told the press that the daughters of some ministry officials had been taken to El Quiche as part of that program.

He mentioned that the parents of these students noted a change in them. After the trip to Uspantan, the students questioned their parents about alleged social problems.

He added that this made it clear that the extracurricular activity has a negative effect on the youths and thus must be suspended.

CSO: 3010/215

ARMY, POLICE DENY IMPLICATION IN LEFTISTS' ARREST

San Pedro Sula LA PRENSA in Spanish 26 Sep 81 p 3

[Text] The Public Relations Board of the Honduran Armed Forces informs the Honduran people that as a result of news reports and accusations regarding the abduction and arrest of persons whose whereabouts are not known, and in the face of charges pronounced against the authorities responsible for national security, the leadership of the Armed Forces ordered a complete investigation of the facts and publicly makes known its findings:

1.-That in the events in question there has been no participation by units of the Armed Forces belonging to the Public Security Force and its dependent organs, the National Investigations Bureau and the Department of Intelligence of the Honduran Armed Forces General Staff, nor by any other body of the armed service.

That the arrests that have been carried out by the public security forces and the National Investigations Bureau, were made following orders issued by the courts of the republic or in fulfillment of their duties to prevent and fight crime, and, in any case, with the respective investigations having been made, the persons implicated have been freed because of lack of proof of criminal involvement, or they have been accused and turned over to the appropriate courts.

2.-That the reports attributing participation by the forces responsible for national security in committing the acts investigated are following a campaign tending to destabilize the present electoral process, with the aim of undermining the domestic peace of the republic.

It is regrettable that there are Hondurans who, mixed up with extremist foreign agents, want to promote isolation between the people and their armed branch and to create a climate of social upheaval through assaults on individuals, bomb explosions, raids and other crimes that have caused justified alarm in our society.

3.-The Honduran Armed Forces, on publicly stating that its members are not responsible for the acts investigated, repeat their commitment to guarantee the electoral process until its culmination in the practice of free and honest elections that are the faithful reflection of the sovereign will of our people.

Honduran society must maintain moderation and calm and trust that the Armed Forces will stay vigilant and ready to fulfill their duties to guarantee a peaceful coexistence within the legal system that governs us and who are prepared to fight the subversion and crime in which the enemies of our Fatherland are engaged.

Tegucigalpa, D.C., 25 September 1981

Board of Public Relations, Honduran Armed Forces

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CSO: 3010/92

COUNTRY SECURES MARKET FOR 70 PERCENT OF COFFEE PRODUCTION

San Pedro Sula LA PRENSA in Spanish 26 Sep 81 p 5

[Text] San Pedro Sula--Honduras succeeded in securing the export of 70 percent of its coffee production at the conclusion yesterday in London of the annual meeting of the International Coffee Organization (OIC), as reported here by Rodolfo Matamoros Esq., the assistant manager of the Honduran Coffee Institute (IHCAFE).

The meeting, which began at the beginning of the month, concluded yesterday at 6 am, reaching an agreement in which a total quota was granted of 56 million 60-kilo bags for the member producing countries, with Honduras, as a signatory country, receiving a quota of 960,000 bags, which represents an increase of 68.1 percent over the quota of 571,000 bags that would have been allotted to Honduras if the agreement had not been finalized. The price agreed on is from $120 to $140 per quintal.

Matamoros stated that Honduras was represented at the OIC meetings by IHCAFE manager, Fernando Montes Esq., who, during the sessions, won the vice presidency of the International Council. The Council, as well as the OIC's board of directors, meet at the end of the coffee growing year, which is between 1 October and 30 September. At these meetings quotas are fixed for the member countries, as well as the export price.

Matamoros explained that Honduras' coffee production is about 1,600,000 quintals, 8 percent of which is left as sustenance for 50,000 Honduran families.

In conclusion, Matamoros stated that the OIC agreement gives the coffee sector the security that all of its production will have a market, which will benefit it greatly.

9545
CSO: 3010/92

UNION DOCUMENT ACCUSES TEXACO OF ECONOMIC ABUSES

San Pedro Sula LA PRENSA in Spanish 1 Oct 81 p 4

[Text] Puerto Cortes--"Before the altar of our Fatherland, and when we have just commemorated another anniversary of our political liberation, we publicly denounce the Texaco Refinery for carrying out abuses that are damaging the economic sovereignty of our country," says part of Bulletin No 1, issued by the Union of Texaco Refinery Workers on 23 September and which was delivered to the communications media yesterday.

The document points out that Texaco is carrying out rationing and stoppages in its refinery, alluding to repairs to be made at this plant, but which, in reality, are actions directed toward pressuring the government to authorize new increases in petroleum by-products.

"We also want to point out that the government's policy of handing out licenses for Texaco to import fuel, that is, without charges, is detrimental to Honduras' economy, since the state ceases to collect large quantities of money as taxes, while the refinery, through this game, earns four times more, because it purchases the fuel more cheaply abroad," charges the union document.

"The union organization's protest is clear and decisive. Besides, we are tired of our members being endangered because of the constant power failures and fires in the refinery, working conditions which involve a high percentage of danger, not only for the workers but for the Puerto Cortes population," adds the bulletin.

Finally, the unionists declare: "The union will stay alert and vigilant to denounce actions such as that presently concerning us, while we ask the officials of our government to adopt an attitude of truly independent men, by applying the restrictive laws that empower the state to defend its sovereignty. Of the Honduran people in general, we ask that they speak against this economic threat that exists against our country."

The document was delivered to our editorial offices by the union's Secretary-General, Edgardo Rojas, who was asked about the possibility of the emergence of another kind of problem if the refinery ordered a cut in personnel because of the work stoppage. Rojas answered that the possibility existed but that its "execution could turn out to be dangerous."

As we spoke about the state licenses for the refinery to import already refined petroleum by-products, Rojas was asked if he did not believe that "someone" in the government was receiving "his little cut" to obtain the licenses and that in this way the company would increase its profits without having to pay production taxes; the union leader did not answer, but just smiled.

9545
CSO: 3010/92

BRIEFS

NEW AIR BASE INAUGURATED--Comayagua--General Policarpo Paz Garcia yesterday inaugurated a new base for the Honduran Air Force, as well as the Captain Roberto Raul Barahona Lagos School of Military Aviation, both located in Palmerola in this city. The president of the republic arrived in Comayagua accompanied by members of the Higher Council of the Armed Forces. Paz Garcia stated, "With the opening of these new physical facilities strategically located in the vast land and air spaces of the Comayagua Valley, progress moves forward on decentralization of the branches of the Honduran Air Force." He added that the air force has grown to such an extent that for deployment it has been necessary to establish air bases in San Pedro Sula, La Ceiba and now the one in Comayagua. An event of exceptional significance at the inauguration was the participation of technicians from the Havelange Canadian Aviation Company, who performed special demonstrations. [Excerpts] [San Pedro Sula LA PRENSA in Spanish 5 Sep 81 p 40] 9545

CSO: 3010/92

BRIEFS

NORWEGIAN OIL DELEGATION--Mexico City, 28 Oct (NOTIMEX)--(Einar Magnussen), who is heading a delegation from the Norwegian Oil Price Council, said here tonight that Norway wants to set up an exchange of ideas and information with Mexico on the uses of petroleum and to set new policy guidelines on oil prices. The delegation is scheduled to meet with patrimony and industrial development secretary Andres de Oteyza and other Mexican officials during its 2-day stay here. [FL291225 Mexico City NOTIMEX in Spanish 0553 GMT 29 Oct 81 FL]

PRI ORGANIZATION SECRETARY--Mexico City, 28 Oct (NOTIMEX)--Silvia Hernandez took over today as secretary for organization of the PRI's national executive committee. She replaces Ignacio Vazquez Torres. [Mexico City NOTIMEX in Spanish 0355 GMT 29 Oct 81 FL]

SULPHUR RESERVES--The director of the autonomous Pan-American Sulphur Enterprise said that Mexico has a sulphur reserve of 80 million tons to last for 40 years but that the country's potentials are even greater because the sulphur deposits have not been systematically explored. [PA 311306 Mexico City International Service in Spanish 0300 GMT 31 Oct 81 PA]

FINNISH PARLIAMENTARIANS--Mexico City, 24 Oct (NOTIMEX)--Finnish Deputy (Jarmo Saari), who heads a parliamentary delegation that left today for the United States after a 3-day visit to Mexico, said today that Finland could provide advice to Mexico in oil matters, especially in oil storage techniques. He added that Finnish industrialists are highly intereste in increasing technological cooperation and that in order to carry out joint projects and increase mutual cooperation programs, a commission of Mexican legislators will visit Finland at an unspecified date. [FL271835 Mexico City NOTIMEX in Spanish 0340 GMT 25 Oct 81 FL]

ECONOMIC RELATIONS WITH FRANCE--Mexico City, 26 Oct (NOTIMEX)--Mexico and France today signed an agreement to increase financial and economic relations, the finance and public credit secretariat announced. The agreement provides for credit lines for the execution of priority projects in Mexico and constitutes an additional step toward the strengthening of cooperation between the two governments. The finance and public budget secretariat reported that

three financial operations have been concluded, the first of which consists in a 250-million dollar credit granted to the Mexican Government by a group of French banks. The second involves a credit for 150 million dollars organized by the European market with the participation of French banks. Lastly, the French Foreign Trade Bank granted a 50-million franc credit to the Mexican National Foreign Trade Bank for small and medium-sized industries requiring French imports. [Mexico City NOTIMEX in Spanish 0254 GMT 27 Oct 81FL]

BALANCE OF PAYMENTS DEFICIT--Mexico City, 25 Oct (NOTIMEX)--The general deficit in Mexico's balance of payment is $4 billion, the deputy director for international economic cooperation at the secretariat of commerce, Pedro Alvarado Solis, reported today. [Mexico City NOTIMEX in Spanish 0235 GMT 26 Oct 81 FL]

CSO: 3010/207

REACTION TO COSEP LETTER ADDRESSED TO JUNTA

Letter Hostile, Threatening

PA202139 Managua Radio Sandino in Spanish 1800 GMT 20 Oct 81

[Excerpts] The reactionary bourgeoisie sent a hostile and threatening letter to the coordinator of the junta of the Government of National Reconstruction. Yesterday afternoon, the institutions that comprise the so-called private sector within the Nicaraguan Development Institute [INDE], and the Higher Council of Private Enterprise [COSEP], released a so-called letter of reflection in the face of the national situation. In the letter they refer to the specter of chaos and destruction. They mention only one positive element: let us hope that there is still time to rectify the errors, they say at the end of their letter.

On behalf of the members of INDE, COSEP President Enrique Dreyfus noted: We have warned against the dangers of the course upon which you want to lead the revolution.

As everywhere else, the traditional sectors of bourgeois capitalism have risen the discolored little flag of their anticommunism. In this, the INDE and COSEP people are no different from the previous Nicaraguan rulers. The letter goes on: They have identified our foreign policy with an unmistakable Marxist-Leninist line, totally in disagreement with what the private sector had previously approved. The spectacular thing about this COSEP letter is not the markedly hostile language, but the dramatic way in which they present what appears to be a break.

Among other things, they state that the national economy is crumbling, yet they do not want to participate in its reactivation; they hold that production shows no signs of recovery and that cases of capital depletion are still being committed by private sector elements, which are not a part of the patriotic private sector engaged in production. They complain that social peace has not materialized, that the country is acquiring debts and that the mixed economy is retreating because laws to protect the economy have been implemented.

While Nicaragua continues receiving the support of numerous friendly countries and fraternal peoples, the COSEP people said yesterday that the revolutionary government is intent on waging an ideological struggle that has practically led to total isolation. As can be appreciated, the INDE-COSEP bourgeoisie does not acknowledge the fact that here in Nicaragua there are sufficient reasons to better distribute wealth. They place their old idea--that Somoza should have left and the party should have gone on--above the path indicated by the revolutionary process.

In their communique, they resort to the psychological-emotional impact of making the following comparison: Nicaragua is no longer interested in the support of countries like Costa Rica and Venezuela, but is interested in relations with countries like Libya and Cuba. Who doesn't know about the unconditional support given our people by the fraternal Cuban people, or of Libya's solidarity with our people from the first moment that our freedom allowed us to establish relations? Nonetheless, Dreyfuss and company claim that they are being exposed to Marxist alignment and that the consequences cannot be foreseen.

As was true during the forum for the discussion of national problems, the languages spoken are different. While the vanguard's national directorates, the mass organizations and the people in general continue to give this revolutionary process an increasingly revolutionary touch, reaction insists upon giving it a clear capitalist ideological tint.

Since all explanations are over, since they exhausted the reasoning used to blame the revolutionary government for the country's situation, they are now resorting to the same old story about communism: those whom you call domestic and foreign reaction do not oppose the people but to oppose the Marxist-Leninist project, the COSEP-INDE president says. He adds that this is only a Marxist-Leninist adventure, which will result in greater bloodshed and suffering for our people.

The INDE and COSEP statements coincide almost perfectly with the statements made by Reagan's vice president, George Bush. This does not seem a mere coincidence.

Patriotic Front Indignant

PA220141 Managua Sistema Sandinista Television Network in Spanish 0200 GMT 22 Oct 81

[Text] The Patriotic Front of the Revolution [FPR], which is made up of political parties that support the revolution, today responded to the belligerent letter signed by the Higher Council of Private Enterprise, COSEP. The reply reads as follows:

The parties that make up the FPR have read with surprise and indignation the open letter dated 19 October which the members of COSEP addressed to commander of the revolution Daniel Ortega Saavedra, coordinator of the junta of the Government of National Reconstruction.

The COSEP leaders in their letter grossly and irresponsibly distort the national experience and the objective problems and difficulties that our country is facing at present, and virtually declare their opposition to the revolution, the Government of National Reconstruction, the FSLN, and the political forces that support and participate in the plan of revolutionary changes, and to all the people of Nicaragua, who are the object and the fundamental subjects of the Sandinist people's revolution.

This is the response of the politicized and reactionary sector of COSEP to the arduous efforts made by the revolutionary government to reestablish economic, social and political normalcy, carry out the socioeconomic changes that will open the path of progress and of material and spiritual wellbeing to the country and the people and strengthen the model of mixed economy in a framework of political and ideological pluralism with strict respect for human rights.

The members of COSEP have absolutely no political or moral authority to charge the government and revolutionary leadership with the difficulties and problems for which they are themselves primarily responsible. Indeed, the mixed economy model has been undermined and the process of national recovery and reconstruction has been curbed, above all, by the unpatriotic attitude of that reactionary business sector, in addition to the factors imposed from abroad and the immense burden inherited from the Somozists. Their forces have been directed solely toward destabilizing and sabotaging the revolutionary process.

This reactionary sector of COSEP has refused to invest in the productive areas of the economy, despite the fact that the revolutionary government has reorganized the sales by private enterprise on the basis of a very favorable financial policy and despite the fact that the state has financed 100 percent of the required working capital and investment of the private sector with interests rates that are lower than those of the international money market.

On the contrary, in the economic area, the reactionary, traitorous businessmen have converted loans into dollars, which they then took out of the country; diverted productive capital into the sphere of speculation; reduced invoice figures on exports and inflated invoice figures on imports to evade tax liabilities and destabilize the national economy and stopped accumulating depreciation reserves in order to bring their companies to bankruptcy rapidly.

COSEP's challenge to a confrontation suspiciously takes place, moreover, at a time when the revolution is beginning to implement the agrarian reform program, when the grace law has been approved to promote an atmosphere of national concord, when the nations and political movements of greatest prestige and authority in the world are reiterating their confidence in and support for our revolution, when the Government of National Reconstruction is proposing sensible plans at the United Nations to defend peace and ensure political stability in Central America and when the FSLN is making a patriotic appeal for prudence to join forces in national reconstruction.

Finally, it is cause for deep concern that the COSEP should take this unprecedented attitude of provoking the revolutionary state at a time when there is an increase and intensification of pressure, blackmail and threats of open aggression against our revolution and our fatherland on the part of the adventurist U.S. imperialists and the counterrevolutionary bands that are operating abroad.

The FPR emphatically rejects the provocations of COSEP. It denounces and unmasks them before our people and before the international public. It calls on patriotic and sensible businessmen to repudiate the dangerous and suspicious maneuvers of those minuscule reactionary sectors who seek only confrontation and the deterioration of the economic, social and political conditions in the country in the hope of thwarting and defeating the revolutionary process.

The FPR appeals to the patriotic and revolutionary conscience of the Nicaraguan working people, primarily the members of the organizations that make up the FPR and mass organizations, and urges them to keep up their revolutionary vigilance, strengthen the defensive capacity of the revolution, deepen the unity of all the people and block the maneuvers and aggressions of imperialism and its allies here in the country.

Managua, 21 October 1981.

FPR: Independent Liberal Party, Nicaraguan Socialist Party, People's Social Christian Party, FSLN.

CSO: 3010/216

ROBELO'S CHARGES AGAINST FSLN CRITICIZED

PA231448 Managua Radio Sandino in Spanish 1200 GMT 23 Oct 81

[Text] San Jose, Costa Rica--Brandishing the bugaboo that terror has arrived in Nicaragua, Alfonso Robelo, businessman and leader of the rightist Nicaraguan democratic movement, arrived hastily in Costa Rica yesterday.

On his arrival in San Jose, Robelo hurried to the OAS Inter-American Human Rights Commission to sew another stitch in the campaign tapestry being woven over the past few days by Jose Esteban Gonzalez in Madrid, by the staff of LA PRENSA in the southern cone as well as by the most reactionary sector of the Central America and spokesmen for the U.S. State Department, to whom the leadership of the Higher Council of Private Enterprise, COSEP, handed their provocative declaration on a silver platter.

At the Inter-American Human Rights Commission, Robelo charged that the FSLN has begun to sow terror in Nicaragua and that the Sandinists have gone from threats to action. In an attempt to impress the members of the OAS Commission, Robelo also said that the Sandinists want to create an atmosphere of horror in Nicaragua.

Along the same lines of defamation and distortion, the reactionary leader referred to the warning recently issued by Commander Humberto Ortega, minister of defense and member of the FSLN national leadership, regarding the behavior of the various sectors of the country in the event of an aggression. He sought to appear a victim of this statement.

The document presented by Robelo and signed by other reactionary groups even includes a statement to the effect that the signatories hold the FSLN national leadership and the government junta responsible for any attack that may be launched against these Nicaraguans who dare to dissent from the direction that the FSLN is imposing on the Nicaraguan process.

This absurdity only serves to point up the fact that documents of this type are intended for foreign consumption because in Nicaragua everyone knows that it is the extreme rightist sectors that are determined to bring about an imperialist and counterrevolutionary aggression.

CSO: 3010/216

SOCIALIST PARTY DOCUMENT SUPPORTS GOVERNMENT JUNTA

PA211403 Managua Radio Sandino in Spanish 0300 GMT 21 Oct 81

[Text] The Nicaraguan Socialist Party Central Committee issued a document during its second plenary session in which it gives a vote of confidence to the junta of the Government of National Reconstruction in its efforts to solve the country's political, economic and social problems.

In its document the Nicaraguan Socialist Party says that it supports the government's economic and social emergency law issued on 9 September 1981. The Nicaraguan Socialist Party document also suggests the establishment of legal means to allow the workers a genuine and effective participation in the planning, implementation and control of the nation's economy and administration. Further, the document suggests that the junta maintain and encourage the policy of making regular reports and criticisms of the vices of the bureaucracy, such as idleness, waste, corruption and abuse which are the legacy of the former regime in some economic, political and administrative circles of the revolutionary state. The Nicaraguan Socialist Party also agreed to continue cooperation positively for the complete and total unity of the workers according to truly democratic and revolutionary methods as part of the revolutionary process and strategic objectives of the workers which consists in building a socialist society in Nicaragua.

Finally, the Nicaraguan Socialist Party urges the workers to have a truly revolutionary spirit in carrying out the duties assigned to them during the critical moments which the country is experiencing. It urges the workers to make more sacrifices, to be more austere, humble and disciplined, to increase production and productivity on the job and to be vigilant in the defense of the revolution and the fatherland.

CSO: 3010/216

NUNEZ NOTES 'FIERCE' MEDIA CAMPAIGN AGAINST NATION

PA201420 Managua Radio Sandino in Spanish 0300 GMT 20 Oct 81

[Text] Commander Carlos Nunez, president of the State Council, today said that the Sandinist revolution is now facing a very fierce campaign from the international news media. Nunez, who was the main speaker at the celebration of the second anniversary of the founding of the Agencia de Noticias Nueva Nicaragua, noted that the reactionaries have oiled very well the monstrous machinery intended to cover the revolution with mud.

He said that this campaign has been observed since the Sandinist government made a peace proposal for the Salvadoran conflict at the United Nations. He added that since this peace proposal was announced the enemies of the revolution have turned their guns on Nicaragua using every means to strike countries like ours which do not obey imperialism.

He reported that there is greater information flow in the Central American region, which gives more prominence to the Salvadoran rejection to the proposal of the Salvadoran revolutionaries, which was made through Nicaragua at the United Nations instead of disseminating the news about an initiative from a country in revolution.

He added that the campaign against the Sandinist process is aimed at sowing distrust for Nicaragua abroad. Nicaragua is being presented as a threat to Central America, the commander said.

He accused LA NACION of Costa Rica of presenting deceiving analyses of the Sandinist revolution in order to confuse the Costa Rican people. Last week LA NACION reported a speech by commander of the revolution Humberto Ortega, the Nicaraguan defense minister, in which he said that the Sandinist revolution's doctrine is Marxism-Leninism. This speech, given on 25 August before specialists [especialistas] of the Sandinist people's army, had not become known to the press until LA NACION commented on it, changing its meaning.

CSO: 3010/216

CONAPRO PROPOSES PLAN TO END FLIGHT OF PROFESSIONALS

Managua LA PRENSA in Spanish 8 Oct 81 pp 1, 12

[Text] The Board of Directors of the National Confederation of Professional Associations (CONAPRO) yesterday stated its position on the massive exodus of Nicaraguan professionals, and commented on the statement made by Dr Sergio Ramirez, member of the National Reconstruction Government Junta, at an assembly of doctors last week.

This is a serious social problem whose solution lies exclusively in government hands, asserted CONAPRO Executive Secretary Erick Ramirez. Other comments on the subject were made by Directors Gilberto Cuadra, Andres Zuniga, Sofonias Cisneros and Dr Alfonso Rocha Moncada.

Ramirez added that since the triumph of the Revolution, workers and engineers have established a new relationship in which the workers practically ignore any hierarchical authority. "An independent engineer is frequently and unjustly accused of being a Somozaist and bourgeois," stated Cisneros.

"Furthermore, there is often pressure on engineers to join the militia; in such a situation, we lose a good engineer and gain a poor militiaman," explained Cisneros.

They Continue to Flee

Dr Alfonso Rocha Moncada stated that he was satisfied after hearing Dr Ramirez and Mrs Guido speak in "a cordial tone, different from what we have been hearing in recent months. Verbal radicalism has ruined the lives of professionals in Nicaragua. We have said here in CONAPRO that all professionals should not be turned into Sandinists, because a good Sandinist is not necessarily a good professional," stated Dr Rocha Moncada.

"The worst thing is not that they have fled, but that they continue to flee," he added, and predicted that even more will leave if this climate persists.

The recommendations of the CONAPRO Board of Directors to stop the flight of professionals from Nicaragua, as stated by Executive Secretary Erick Ramirez are: an earnest effort by the government to seek specific solutions to this problem; the legal recognition of the associations affiliated with CONAPRO; security of associations; reform of the Professionalization Law; participation by associations in

studies of reforms of that law; returning CONAPRO to its status with respect to the original Government Program; including professional associations in government decisions on finance, education and construction; no more pressure on independent professionals; no more displacements; and tranquility, security and respect for personal dignity.

8926
CSO: 3010/158

AGRICULTURAL PRODUCERS SAY STATE AGENCIES INEFFICIENT

Managua BARRICADA in Spanish 7 Oct 81 p 9

[Text] Leon--Faster sectorization of technical services, and compensation for losses resulting from low-quality inputs, are two of the most important agreements revealed by Guerrilla Commander Mauricio Valenzuela, director of the Ministry of Agricultural, Cattle Development and Agrarian Reform (MIDINRA) in Leon. He made this statement before 300 small and medium producers of the department at the Sunday assembly held by the National Union of Farmers and Cattlemen (UNAG).

The producers, who have organized the powerful UNAG, minced no words in telling the heads of the National Cotton Enterprise (ENAL), PROAGRO, the National Staple Foods Enterprise (ENABAS), MIDINRA and the Air Transportation and Services Enterprise (ETSA) that in those offices some employees have set up a bureaucratic maze that has somewhat hindered the smooth development of productive activities.

They cited for example the lack of technical assistance for producers in Achuapa; for some time they have been requesting that service, but so far they have received no response.

With regard to the shortcomings of AGROMEC [Agromechanization Enterprise] that entity has not provided the necessary machinery, even though 25 tractors had been earmarked for small and medium products.

Referring to PROAGRO, the UNAG members indicated that the products it has been supplying are of poor quality. They specifically mentioned fertilizer, which is one of the most important materials for the growth and maintenance of crops; it has been coming out with up to 12 percent rocks.

Moreover, sometimes they request the product from the institution but cannot get it, and must then go to private firms for it.

With regard to ETSA, they stated that the air transportation and services entity has not fulfilled its fumigation responsibilities, although they made it clear that they are aware of the shortage of aerial spraying equipment.

Another institution that prompted complaints by some producers is the ENABAS of Achuapa. According to those who spoke at the assembly, the entity has imposed a

series of requirements, such as bringing in dry corn or having at least 10 quintals in order for their products to be purchased. "That," said the UNAG members, "cannot be complied with fully, because the weather does not permit us to dry the grain."

Lack of Coordination, Says AGROMEC

Eduardo Martinez, the head of the AGROMEC regional center, explained that one of the main problems is a lack of coordination between UNAG and AGROMEC.

Martinez stated that UNAG never presented a specific plan for everything that was going to be used in production, so AGROMEC cannot determine how much equipment will be required by small and medium producers.

He went on to say that the government does not have enough machinery of this kind to solve the problems.

Spare Parts Problem, Says ETSA

Luis Osorio, in charge of ETSA, indicated that they have a problem obtaining spare parts, so much of the equipment is idle.

He explained that ETSA has to cover some 30,000 blocks of crops with only 14 planes.

Cmdr Valenzuela Responds

After hearing the interesting comments, the head of MIDINRA accepted some proposals and suggestions made by UNAG, and the following agreements were made:

1. The sectorization of technical services will be speeded up.

2. Coordination with the revolutionary unions of the state will be allowed.

3. UNAG will also be permitted to make suggestions and to designate the comrades who will assume executive positions.

4. UNAG will be allowed to have a say in the election of comrades to participate in the seminars to be given by the state.

5. There will be compensation for the losses stemming from low-quality inputs.

8926
CSO: 3010/158

PAN OFFICIAL EXPLAINS GOVERNMENT'S FOOD POLICY

Managua EL NUEVO DIARIO in Spanish 6 Oct 81 pp 1, 9

[Text] Referring to activities associated with the celebration of World Food Day next 16 October, the National Food Program (PAN) coordinator, Companero Pedro Antonio Blandon, asserted yesterday that Nicaragua is part of a great conglomerate of nations in the world where 500 million people suffer the scourge of hunger.

Although he did not specify how many Nicaraguans suffer from hunger, the official stated that the most malnourished groups in our population live in the rural areas and in the countryside.

"In Nicaragua," he added, "the percentage of malnourished people is very high, especially in the Atlantic region and in places in the agricultural frontier."

He said that the revolutionary government has made a considerable effort to change this difficult situation, and that after guaranteeing an adequate food distribution network in the urban areas, a year ago the government began concentrating its efforts on supplying rural areas and the countryside with food.

All those large nuclei of our rural population, until a year ago, had been underfed, or subsisted on a semi-basic diet when they could not obtain milk, meat, eggs, sugar, and other vital nutrients that contain carbohydrates.

Basic Food Basket

He stated that in this regard, the government has tried to set up a basic food basket of 35 products to give these undernourished sectors of the population the minimum calories they need in their daily diets.

However, he noted that this task has represented a great expense to the revolutionary government, since the products necessary to raise the nutritional levels of this sector of our population are sold in the countryside and rural areas at the same price as in the cities, so the government must subsidize them substantially.

He pointed out that there are no data yet on how much this effort has lowered the rate of malnutrition among these sectors, but he indicated that the government intends to continue its work.

He reported that in October of next year, an extensive national survey will be conducted on income and expenditures to determine which groups in our country are underfed or malnourished.

Companero Blandon asserted that the United Nations Food and Agriculture Organization (FAO) is the world leader in making people aware of the hunger problem. In that regard, 16 October of each year has been designated World Food Day.

Awareness

On that date, our government will promote through PAN a series of assemblies at which producers and labor representatives can alert people of this country to the hunger problem.

He said that there will be a major event in Wiwili, in northern Nicaragua. On 16 October agrarian reform deeds will be presented to a group of local peasants.

In all these activities concerning hunger, the Sandinist Youth, the Sandinist Defense Committees (CDS) and other mass organizations will play an active role, and PAN will coordinate all the activities.

Referring to the matter of food production, the official indicated that the intensive production of cotton that began in Nicaragua in the sixties seriously displaced the basic grain crops that are vital to our people's diet.

Thus, before the cotton boom, the North Pacific region was a major producer of corn. It accounted for 26 percent of national production, but that percentage has since dropped to 12 percent for the above reasons.

This forced basic grain cultivation to move to marginal areas, and at the same time converted the farmworkers of that area into semi-proletarian or pure proletarian workers. It also led to large-scale migration from the country to the city.

Another consequence of this phenomenon was an increase in latifundism and a more precarious subsistence for the rural working class as thousands of rural men were exiled to the agricultural frontier.

Measures

"All this," he added, "resulted in a substantial drop in national food production, and now our government is trying to overcome that problem by expanding the areas where basic grains are cultivated."

In this manner, while on the one hand the government agreed as of last May to establish a rational system for agricultural food production, on the other hand it has been forced to cut consumer goods imports to give priority to foreign purchases of raw materials and inputs that would increase our food production.

Thus, he stressed, the government will be in a position by next year to guarantee food supplies to our population as the first national priority, while offering at the same time various incentive packages to the productive sector.

He indicated that this strategy for stepping up Nicaragua's food production in an integrated fashion is matched in only 30 other countries in the world. The only Latin American countries that have such a program are Mexico, Colombia and Ecuador, and Mozambique in Africa also has one.

On this same subject, he stated that recently Mexico and Nicaragua agreed to set up in our country a mixed enterprise for large-scale food production. It will be a large production complex covering 35,000 hectares, and will produce basic grains and engage in agroindustrial activities.

Two Phases

He reported that our government is dealing with the national food problem in two phases: first, it is transferring the necessary technology to the farm sector, a task that will take several years; and second, it raising substantially the levels of agricultural production in order to ensure adequate food supplies for our population.

He stated that there is no doubt that through this effort our country will achieve self-sufficiency in food in a very short time; the most immediate goal is to attain what our government calls food insurance.

In any case, he stressed, the other non-productive sectors of Nicaragua must realize what is being done in this regard, with the agrarian reform program serving as a basis.

Companero Blandon mentioned that PAN's greatest achievement in its short history is better coordination between state and private producers through the consultative commissions of producers of rice, sorghum, sugar, etc.

On an operational level, PAN's actions have been aimed at a better distribution of inputs, improved coordination of activities with the National Staple Foods Enterprise (ENABAS), etc.

8926
CSO: 3010/158

BRIEFS

EDUCATION DELEGATION IN USSR--Moscow--Jose Pasos Marciao, secretary of the Higher Education Council, has said that one out of three Nicaraguans is currently studying. He is a member of a Nicaraguan delegation that is visiting Moscow at the invitation of the Soviet Higher Education Ministry. [Managua Radio Sandino in Spanish 1800 GMT 17 Oct 81 PA]

CSO: 3010/ 216

REACTION TO ATTACK ON 'LA PRENSA' CONTINUES

'LA PRENSA', National Guard Meeting

PA282115 Panama City LA PRENSA in Spanish 27 Oct 81 p 1

["As of Today" column]

[Text] The violent eruption of the national guard in the nation's political life destroyed republican institutions and imposed an inefficient, demagogic and irresponsible system of government by use of the overwhelming force of weapons. The 1972 constitution--approved when there was a total absence of public freedom and individual rights and when political parties were outlawed and the news media were censored--did not then and does not now represent the public will. The tepid reforms introduced in 1978 did not correct the original flaws, nor did they authorize mechanisms that would permit the autonomous development of democratic institutions. Under such circumstances LA PRENSA was born, an independent and objective voice, to make public those matters that concern the populace, which until then had been silenced because of fears and repression. In doing so, more than exercising a freedom, we were reclaiming a right that had been denied us for a very long time. The meeting between our directors and the general staff of the national guard allowed the latter to reiterate their commitment to the current political system and permitted LA PRENSA to reaffirm its unbending determination to continue its service to civic values and to the principles of freedom and democracy. In this determination, we remain loyal to our principle of accepting the risks imposed on us by circumstances.

National Guard on Meeting

PA290201 Panama City CRITICA in Spanish 28 Oct 81 p 6

[Text] In regard to the private meeting held by national guard commander Florez and his staff with directors of the newspaper, LA PRENSA, which mentioned this meeting in its 27 October issue, the national guard high command, through Lt Col Roberto Diaz Herrera, executive secretary of the national guard, has sent us the following explanation:

At the request of Commander Florez and in view of the incident that occurred at the newspaper LA PRENSA, its directors were invited to a completely informal meeting with the commander and his staff. We can describe this meeting as

positive and frank. During the meeting, the physical attack on the newspaper was again condemned. It was an action that the national guard believes was absolutely unjustified. Respect for LA PRENSA's right to maintain a line of opposition to President Royo's government was expressed, but the newspaper's directors were asked to maintain a lofty level in their natural attitude of criticism. They were specifically asked to maintain the greatest respect for the dead leaders and the opinion was expressed that although all individuals involved in politics can be the object of allusions or criticism during their life or after death, there is an understandable feeling against making them the object of mockery, ridicule or satire. Regarding a cartoon that was published, it was said that for several reasons it could be viewed as an expression of lack of respect for the memory of General Torrijos.

They were asked to restrain themselves, particularly in this aspect, when the directors of LA PRENSA include sons and grandsons of presidents, dead and alive. It was also established that it was the late Gen Omar Torrijos Herrera who, far from trying to establish a lengthy dictatorship supported by the national guard's weapons and the will of his countless political followers, clearly outlined a deep democratic access, specifically permitting the opening of the opposition newspaper, LA PRENSA, and of other media that oppose the current government. In view of the allusion of the LA PRENSA directors, the commander and his staff categorically reiterated that the national guard will enforce the current constitutional provisions, the legality of the Royo regime and the legal rules that exist in the country, which should culminate in an exemplary civic electoral process in 1984. In view of the people's desire and the will of the armed institute, the national guard will be absolutely impartial in this process, in which he who obtains the majority support of the voters will win. /"It will be won with votes and not with boots,"/ as the late commander Torrijos properly said. [passage within slantlines published in boldface]

In terms of the political institutions of the process that began in 1968, the national guard believes that they, constantly improving their faults or defects, respond to national needs and that they are the most advisable channel for popular expression. The national guard will promote a free electoral process and will work to continually increase its professionalism. However, it cannot renounce the historical role it has played since 1968, which is implicit in the constitution, in an absolutely legal sense. Therefore, even though some isolated political groups desire this, the armed institute cannot promote a coup d'etat through a new constituent assembly or via any other means. It believes that all of the country's political groups have the opportunity to settle their differences and to convince the national electorate in the 1984 elections with their respective political ideas. The national guard does not want to be used, as in the past, as a means of guaranteeing the interests of partisan groups, much less by using practices that are at odds with public ethics. In this sense, the national guard will not now or in future impose any regime by force, not even the party that General Torrijos founded, the Democratic Revolutionary Party. That political group, like other existing groups or those being created, will have to carry out their campaigns on the basis of the legal victory of their supporters.

As for freedom of expression, it was reiterated several times that the national guard wants it to be maintained, but within the framework of respect for the law and with the greatest professional ethics shown by all existing news media. In this sense, the management of the Renovacion Publishing House and the directors of the newspaper it publishes will very soon be invited to a meeting with commander Florez and his staff.

The national guard is also interested in meeting with other media.

'LA PRENSA' Comments

PA300413 Panama City LA PRENSA in Spanish 28 Oct 81 p 8-C

[From the 'In a Few Words" column]

[Text] Many things were said at a meeting held between the general staff (at its own request) and the board of directors of LA PRENSA, to discuss the process' attack on this newspaper. The meeting, termed frank, was often sour and coarse. And one of the sourest and coarsest was [Lt Col Manuel Antonio] Noriega, the revolution's flaming sword, who warned LA PRENSA representatives to stop trying to sow discontent between the gringos and the process--who are united by indissoluable links--and to stop trying to break the CIA-G-2 team. [He said] that all G-2 international operations had the blessing of the yankee imperialists and had been coordinated with them, including, as one can suppose, the arms contrabands for the guerrillas and the organization of expeditions to nurture armed conflicts in neighboring and distant countries. He did not, however, explain if they also shared the profits equally.

Noreiga added that he was head of the geopolitical section of the guard and the process. As if to say the Panamanian Karl Houshofer, with an added touch of Admiral Canaris.

An unprecedented picture emerges from his words: the G-2 receives its orders from the CIA. The Federation of Panamanian Students (FEP), whose top theoretician and leader is Noreiga, receives its orders from the G-2. Consequently, the FEP's political strategy is drawn up by Washington, which also influences, through the G-2, the people's party [Communist Party]. The latter, in turn, supplies Moscow with the criteria for the fatherland to determine its strategic, geopolitical line for Panama. Thus, the CIA determines the position to be adopted by the Soviet Union regarding Panama and who knows how many other countries. Since Noriega and the other general staff members are incapable of understanding a simple, clear and transparent cartoon; and since those of the CIA are not famous for their intelligence and ability either, one can explain why the statements of the Panamanian left are invariably and completely stupid.

PNP Communique on Attack

PA290428 Panama City LA PRENSA in Spanish 27 Oct 81 p 6C

[Text] The Popular Nationalist Party [PNP] has commented that in a communique that breaches the bounds of all political cynicism, Democratic Revolutionary Party [PRD] secretary general Gerardo Gonzalez has proclaimed with incredible brazenness that "one of our party's cells attacked that newspaper today" and that "the People's Support Group [Grupo de Apoyo Popular], which executed the action, has always had the moral support of the party's general secretariat."

The PNP, whose president is Olimpo Saez, believes that the attack on LA PRENSA is not an isolated case but part of the chain of acts of vandalism executed by the PRD's general secretariat in defense of the government. The PNP statement adds: "We recall in recent years the actions of social and political hoodlums against Radio MIA, the Chamber of Commerce, the Panamanian Business Executives Association, the Paitilla Clinic, along with other disorders, whose direct and intellectual source is the same as that which is now forced to admit, though with impunity, its evil acts, in the form of political action intended to violently suppress all civic protests or demonstrations against the military government, based on the false concept that 'the first duty of a government is to keep itself in power.'"

In addition, the PNP cautions: "The entire nation, as well as the PRD internally, must become aware of the methods of political continuity fostered and practiced by that party's general secretariat, in line with the thesis expressed by Gerardo Gonzalez. Excuses, illusions and deceits are no longer valid," it remarks. "The PRD government," it adds, "will make use of every recourse, every measure, no matter how censurable or criminal, to perpetuate itself in power, such as the falsification of electoral registers, faked [amanadas] constitutional and legal reforms, illicit use of public funds and other instruments of power, repression of political adversaries, violation of individual rights and physical attacks on properties and persons, when these persons are simply exercising their legal rights."

The PNP recalls the message it sent to the national guard in which it cautioned "that the national guard must realize that I cannot allow myself to be dragged down by the PRD."

The PNP notes that in his 11 October speech President Royo remarked that "people's power and the national guard have always walked together, as an expression of the Torrijist marriage that will never be dissolved." To this the PNP replies that there is still time for the national guard to decide to exercise either its duty as the guarantor of public order or the sad role of the armed appendage of the PRD.

Lastly, the PNP rejects manipulations and political violence from whatever source and concludes: "Now that the nation's general crisis has taken the path of electoral possibilities, our party declares that it will continue to struggle through peaceful means to stop the prolonged national disaster constantly maintained by the military government and its executive arms, the PRD."

Gonzalez: PRD Not Guilty

PA022300 Panama City LA PRENSA in Spanish 2 Nov 81 p 1 A

[Article by Alfredo Jimenez Velez; slantlines denote italics as published]

[Text] According to stories circulated yesterday in this city, before public prosecutor Chang Vega, Gerardo Gonzalez, secretary of the Democratic Revolutionary Party [PRD], retracted his previous statements made in a communique where he placed the responsibility for the attack against LA PRENSA on a PRD action group, which he identified as GRAPO [People's Support Group].

Now, appearing before the public prosecutor, the PRD secretary said that upon learning in the press that a group of persons had broken into LA PRENSA violently, "I thought GRAPO members had participated in the attack and, naturally, in view of the indignation which such an /irresponsible and undisciplined/ action aroused, I decided to make it public in order to avoid future attack here against properties and persons under protection of any political group."

Political observers told LA PRENSA that the PRD secretary's change of attitude could have resulted from the general national and international rejection of this means of freedom of expression and from the national guard announcement that the incident must be investigated and those guilty punished.

When directly asked if he could identify the assailants, Gonzalez said: "Mr Prosecutor, if you ask me who those people were, without this meaning to be disrespectful, I would have to state that in truth I do not know who perpetrated that attack."

Asked about the publication of the PRD communique, Gonzalez replied: "The communique which I sent to all the mass media is very clear. The communique established that we regretted the incidents, but /we did not accept/ responsibility for them."

He added, "Under no circumstances can I accept the distortion of my communique to imply that I ordered such an attack. Neither can I permit anyone to incriminate me or any member of my party or of the government, because we have all voiced our protest against that attack."

Finally, regarding the publication of the communique he said, "I did not previously consult anyone. I had to assume the responsibility for making the public announcement because I am the party's legal representative."

Gonzalez said, "We belong to a political generation totally different from those of the past when, aware of the lack of public support, they used violence and professional delinquents with iron pipes, as their only means to impose their will. Since its inception our party has been known for its practice of winning supporters through dialogue, dignified debate and truthfulness."

Lastly Gonzalez pointed out to the prosecutor that he "should ask his accusers (LA PRENSA) about the identity of the assailants, since "the fact that there are so many photos of the destruction and none of the assailants is suspicious."

During the Gonzalez questioning, no reference was made to Carlos Barahona, the only person arrested for the attack. Barahona has repeatedly denied participating in the action. Barahona asserts that he is not a member of GRAPO or the PRD. However, he was clearly identified, as having a rust "tailpipe" and as one of the group who armed with iron pipes, sticks and firearms, attacked and caused all the destruction in LA PRENSA.

Royo Culpability Suggested

PA012100 Panama City LA PRENSA in Spanish 28 Oct 81 p 8C

[From 'In a Few Words' column: "Anatomy of an Aggression"]

[Text] Private meeting at the presidential palace. Four R's, Gerardo [Gerardo Gonzales, secretary general of the official Democratic Revolutionary Party, PRD], [Abraham] Saied [General director, social security fund] and Blandengue [reference unknown]. (P)resident, the top R, proposed the sack of LA PRENSA to the others, (counting, as he in effect did, on the national guard's passiveness). Cast the stone, hide your hand. Bust a head, hide the brass knuckles, and so forth. No sooner said than done. However, there's many a slip twixt the cup and the lip. And the virtuoso performers were caught redhanded. Seized with panic, the president calls Gerardo in. Please assume responsibility for the attack because otherwise the government would have to bear the responsibility. And the closet is already full of skeletons that there is no room for more. Gerardo, a party man, disciplined and big-hatted, accepts. (P) suggests dumping the body on enraged and spontaneously indignant, imaginary rank and file. Picking up one of the day's newspapers, he shows Gerardo a report from Spain alluding to GRAPO [1 October Antifascist Resistance Group], the leftwing basque nationalist group. "Invent a Panamanian GRAPO and blame it for the attack." No sooner said than done.

However, there is always a hitch. The nation's indignation surpassed all foreseeable limits. What most shocked public opinion was Gerardo's communique. Already used to shocks, the PRD partygoers were not terrified, but with Talleyrand's cynicism--and not his talent--they concluded that, rather than a crime, the action was a political blunder. The political committee held an emergency meeting to straighten things out and to disavow Gerardo, the ideal scapegoat. Gerardo threatened the political committee.... "If you throw me to the dogs I will tell who gave the order." Then, the PRD, kamikaze, decides to stick its foot in it even further with the communique, which was just as idiotic as that signed by its secretary general.

When one is familiar with the details, the mystery disappears and the incomprehensible becomes intelligible. But not very.

Royo Sues for Slander

PA012212 Panama City LA ESTRELLA DE PANAMA in Spanish 31 Oct 81 pp 1, A-14

[Text] President of the republic Aristides Royo, exercising his rights as a citizen, has, in accordance with the law, presented a formal suit before

attorney general Olmedo Miranda against the newspaper LA PRENSA because of "slanderous and offensive expressions" published in the "En Pocas Palabras" column in the 28 October 1981 edition.

In his note, President Royo requests that the necessary investigation be initiated.

Meanwhile, government and Justice Minister Jorge Ritter has also sent a note to the attorney general in which he states that the LA PRENSA statement "besides involving the crimes of slander and offense, also involve the crime of offense against and insult to the president of the republic, as defined in Article 114 of the penal code.

The charges presented by President Royo and Minister Ritter's note read as follows:

Panama, 30 October 1981

Olmedo Miranda, attorney general--in his office

Mr Attorney General:

According to the rights specified in Article 18 of Law 8 of 1978, which holds that proceedings will be initiated in cases of slander or offenses that are damaging to government officials, I hereby present formal charges against whoever is responsible for the slanderous and offensive expressions published against me in the city's newspaper LA PRENSA in its 28 October 1981 edition.

These slanderous and offensive expressions were published in the column entitled "En Pocas Palabras," for the purpose of dishonoring and discrediting me, since they refer to my person and place me in a meeting that "LA PRENSA revealed," in its own words.

Article 10 of Law 11 of 1978 establishes that "all publications printed by a newspaper or broadcast by radio or television place responsibility on the director of the social communication medium in which they were printed or broadcast, except for articles containing an authentic and well-known signature."

Since I feel offended and slandered by expressions included in the text of the column, I request that the necessary investigation be initiated and that those responsible for this violation be punished.

May this note serve as a formal charge, in accordance with the law.

[Signed] Aristides Royo, president of the republic

Panama, 30 October 1981

Olmedo Miranda, attorney general--in his office

Mr Attorney General:

In the column "En Pocas Palabras," published in the newspaper LA PRENSA in its 28 October 1981 edition, statements were published in regard to the president of the republic that, besides involving the crimes of slander and offense, also involve the crime of slander against and offense to the president of the republic, as defined in Article 114 of the penal code.

Considering that investigation of violations of Article 114 of the penal code must be conducted through legal means, I hereby request that proceedings be initiated, in accordance with the norms of the existing legal system.

I am attaching a copy of the newspaper in which the offending article was published.

Respectfully,

[Signed] Jorge E Ritter, D., minister of government and justice

CSO: 3010/214

U.S. AMBASSADOR'S SPEECH TO CIVIC GROUP CRITICIZED

Speech Shows 'Arrogance'

PA291252 Panama City MATUTINO in Spanish 27 Oct 81 p 4-A

[Luis Restrepo Rosas column: "The Proconsul Spoke"]

[Text] Taking advantage of the invitation of a Panama City "civic" organization, the U.S. proconsul in Panama [referring to U.S. Ambassador Ambler Moss] spoke. He did so with the same arrogance as that of the man who was yankee proconcul when the tragic incidents known as "the slice of the watermelon" occurred. Those incidents were provoked by yankee barbarians who crossed the Panamanian isthmus on the way to the gold fields of California, the Mexican territory stolen by the U.S. imperialism.

The truth is that nothing original was said in the speech. It was used to repeat the recordings of the Pentagon to justify the aggressions against all the peoples of the world. They were justified in the name of a freedom and democracy in the style of that pirate Walker who based on "manifest destiny" devastated Central America.

For the intelligent listener there was nothing original in the proconsul's long-winded speech. We would not have commented on it if it had not been for the reply he gave to a timid or perhaps malicious question by one of the event's organizers.

Referring to a question on the U.S. violations of the Torrijos-Carter treaties, the proconsul replied that "these are alleged violations."

Since the television cameras were not focused on the audience, we do not know what its reaction was. However, there were no other questions so the falsehood of the answer was accepted. This acceptance was confirmed by the warm ovation that the proconsul was given at the end of his speech.

Law 96-70 was conceived and approved by the U.S. Congress to distort the letter and spirit of the treaty. The congress has distorted the structure of the treaty to such a point that on the basis of that law, the illegal majority of the board of directors of the Panama Canal Commission has made decisions which are not conceived in the treaty and has implemented a policy of discrimination against the Panamanian directors.

Violating the recognition of Panamanian sovereignty, that law has placed the operation and administration of the canal in the hands of the U.S. Congress. For this purpose, measures were adopted empowering the Panama Canal Commission to carry out illegal activities that not only violate the treaty but offend the dignity of the Panamanian people.

The yankee proconsul "does not know" that Law 96-70 regulates labor relations between the commission and workers; that it violates the treaty and constitutes another case of disregard for Panama's sovereignty over its territory. There is an attempt to make Panama accept decisions of the U.S. Federal Labor Relations Authority. This violation has been the cause of conflicts and charges by the Panamanian labor organizations to such a point that suits have been filed in the appropriate courts of justice. If the federal labor authority's attitude is not a violation of the treaty and a disavowal of Panamanian sovereignty over its territory, I do not know what is. Perhaps the Canal Zone still exists for the proconsul and he thinks that he is the spokesman of that hateful figure that was the "governor" of the old canal zone.

In this regard, the proconsul who does not know of violations of the canal treaties should read and study the document published in LA ESTRELLA DE PANAMA's Sunday supplement by Jose Maria Cabrera, Panamanian deputy foreign minister.

Now then, this is the question that we Panamanians ask: Will the Foreign Ministry energetically reply to the statement by the U.S. proconsul? We frankly think the moment should not be lost. That statement seeks to undermine the charges made by President Aristides Royo in the United Nations and by Panamanian officials in all international forums, by the workers of the canal area and by patriotic citizens of this country.

'Meddling' in Internal Affairs

PA010028 Panama City CRITICA in Spanish 31 Oct 81 p 6

[Article by Changmarin in "the Guest Writer" column: "False Dove and Real Hawk, or Moss and His Vacillation"--words within slantlines published in uppercase]

[Text] "/A few months ago Ambassador Moss asked me if I would purchase stock in LA PRENSA./" Dr Arnulfo Arias, in a reply to an interview by LA PRENSA on 23 October 1981.

Perhaps Ambler Moss, the U.S. ambassador to Panama, believes that the Panamanian people can be duped and that is why he engineered an invitation to a meeting of the Rotarian Club, the elitist organization with an aristocratic spirit--which defines itself as apolitical--in order to deliver a threatening, warmongering speech in Panama's sovereign territory, once again violating the treaty provisions on neutrality and meddling in our internal affairs, by proposing an affiliation with the U.S. warmongering faction rather than compliance with the orientation outlined by President Royo at the United Nations. Showing no scruples and trespassing on the bounds of protocol, he ranted against nations that are friendly to Panama, including Cuba and Nicaragua, with which we maintain friendly diplomatic relations.

What new story did the ambassador tell? The same old song of anticommunism and Hitlerian anti-Sovietism, in a bid to frighten peoples and nations with the scarecrow of the Soviet and Cuban menace. It just so happens that, overnight, the USSR has surpassed the previously almighty "great nation of the north" in all kinds of armament. What has become of the previously unbeatable and tarzan-like yankee might? Couldn't this be a trick by Reagan, to engage in an arms race? Isn't this an attempt to sedate people with this opium and to make them agree to the manufacture of the neutron bomb--according to Reagan and Moss, it is a "clean" bomb because it only kills men, and the factories would be left to /General Dynamics, Boeing, Lockheed/ and other "generals," which would appropriate the world that would be left after mankind is atomized or vaporized....

Moss' statements were intended to coincide with a mounting campaign against Cuba, Nicaragua, Grenada and the struggles of the Salvadoran and Guatemalan peoples, and come at a time when the most intense anticommunist and anti-government campaign since General Torrijos' strange death is being conducted in Panama. This campaign is designed to destroy the process by throwing in some trojan horses and mules, while shuffling plans similar to those of Pinochet in Chile or of his cronies in Uruguay.

Weren't they saying that Moss was a tame dove, a supporter of human rights and the nation's development? Didn't he win many friends with his Colgate-fashion smile? Then is it true that Moss was a Reagan agent in disguise, who now shows the true gray feathers and warmongering fangs of the enemies of Panama? Naturally, ambassadors defend the policy of their governments. But what of one's conscience? If Moss were really in disagreement with Reagan's Republican policy, did somebody bind his hands to prevent him from resigning? Or was he contaminated with the ailment of Panamanian politicians, who stick to their positions like clams to a rock, regardless of the tide's movement?

Does Moss really believe that the banana workers, either dismissed or on the Chiriqui Land Company's black list, consider the USSR or Cuba to be enemies of Panama? Or that the housewives and automobile owners, suffering from the increases in the price of gasoline and butane implemented by the Texaco yankee transnational company, believe that Fidel Castro or Brezhnev are to blame for it?

Finally, something that nobody in Panama knew, and now Arnulfo Arias--at a bad time for the ambassador--has unwillingly revealed: that Moss is also selling stock in LA PRENSA. Wasn't it said that the paper belonged to Eisenmann? Or is it that the other /company/ owns the principal stock? Isn't it intervention for an ambassador to sell stock in a newspaper that is opposed to the government? And if it is evident that Moss, as an agent, promotes confusion and division and tries to isolate us from the developing world and the socialist bloc, and also sells LA PRENSA stock, then why hesitate in linking Moss with everything LA PRENSA does? Isn't it true that the National Federation of Panamanian Workers had declared Mr A. Moss /persona non grata/?

In politics, it is very humiliating to become a weathervane and to turn with the wind, which is stirred by the wingflapping of the hawks who drafted the secret Santa Fe document, designed to combat Carter--a man for whom Moss was supposed to be a follower! And so far no man of prestige or talent has come out in defense of the ambassador! As Becquer once said: My God...how lonely are the dead!

Panama, 29 October 1981

CSO: 3010/213

DRAFT MARITIME LABOR LAW SUBMITTED TO ROYO, ILO

PA032125 Panama City Televisora Nacional in Spanish 2245 GMT 2 Nov 81

[Excerpts] The Republic of Panama submitted a draft maritime labor law to the ILO at a ceremony attended by President Aristides Royo Sanchez. The law was drafted by a tripartite commission formed by representatives of the companies, the workers and the national government, and with technical assistance from the ILO. The law will regulate the use of the Panamanian flag by merchant marine vessels.

Labor Minister Oyden Ortega gave copies of the draft law to ILO director general Francis Blanchard and to President Royo so that the executive branch may review it and submit it to the National legislation Commission. The objective of the law is to consolidate all the existing maritime labor regulations into a single law and to help our country abide by all the international agreements it has signed in this field.

To stress the importance of this law and how it will benefit the Panamanian merchant marine sector nationally and internationally Minister Ortega said:

[Begin recording] We are pleased to note that this morning our government is proving that it stands by its international commitments, particularly the international agreements sponsored by the ILO.

This agreement, which was reached by the three parties involved at the negotiating table, represents a step forward in the consolidation of the dialog and consultation process in our country.

We would like to tell Dr Francis Blanchard, the director general of the ILO, that Panama will always respect its international agreements. We might have certain discrepancies with these agreements from the viewpoint of our national laws, but we are making efforts to overcome this and to make Panamanian laws increasingly more compatible with our international agreements. [end recording]

President Aristides Royo made the closing remarks at the event, stressing the national significance of the efforts made by the business and labor sectors to produce this bill. Dr Royo said:

[Begin recording] We believe that all actions of this type that involve an understanding are praiseworthy and should be consolidated. Let this action set a precedent and be an example for the other business-labor relationships in the country.

Allow me to give a word of advise, taking advantage of the presence of representatives of the labor unions and private enterprise. I would like to mention a movie that I saw on television last night. It was a documentary film about a rebellion by inmates of a U.S. prison, in Attica. While watching this movie, from which many practical lessons can be learned, one particular thing caught my attention: if the authorities had negotiated earlier, when there were only heavy winds and the storm was just brewing, some of the problems could have been solved and a peaceful solution found for several of the prisoners' demands, which were common and run-of-the-mill demands.

We live in Central America. In Central America and in other parts of the continent we are experiencing a sort of political Attica, where everyone waited for the storms to break before attempting to negotiate. That is why any time an understanding is achieved by the businessmen and the workers in our country, while we are at peace and enjoy great tranquillity, we feel that this must be a precedent and a rule for all the relationships that must be maintained between the government and the governed, the businessmen and the workers, and between one segment and another of the Panamanian people, because in this manner we will keep the storm from breaking and always will negotiate our problems and difficulties under peaceful conditions.

The law is not all-encompassing in solving our problems. The law is but one part of the solution. The rest of the solution will depend on how far we go in strengthening our human resources. [end recording]

CSO: 3010/215

SOCIAL SECURITY DIRECTOR CRITICIZES U.S. ACTIONS

PA300148 Panama City LA PRENSA in Spanish 28 Oct 81 p 1-A

[Article by Jose Montano]

[Text] Social security director Abraham Saied, accused the United States of organizing "a group" which, from at "home and abroad," is trying to undermine the Panamanian "revolutionary process."

The director of Panama's largest autonomous institution, said yesterday in a report to the Assembly of Corregimiento representatives that the group is operating "while we are divided and disorganized."

After refuting accusations against his administration, by the opposition who, according to him, used "slander" and "lies" to report on an alleged delicate financial situation within the social security institute, Saied presented, what he called, an accusation "because it is this same group at home and abroad which tries to undermine the revolutionary process."

His accusations, broadcast throughout the country by the government's radio station, were aired soon after Saied said that "We have had great problems in getting U.S. counterparts to abide by the Panamanian laws and pay the social security dues of the workers who day and night are passing over 40 ships daily through the canal."

Saied, former health minister during Gen Omar Torrijos' administration, said that "we are living a paradox today; the richest country in the world is behind in its social security payment to Panama."

The social security director estimated the unpaid dues at a little over $1.5 million.

"Since I cannot remain silent any longer," Saied claimed that the United States intends to establish a discriminatory and "inferior" salary policy within the Panama Canal.

At the beginning of this century the United States applied a harsh racial segregation policy known as the "gold roll" and "silver roll." According to Saied, the United States wants to "implement it again" with the change that "the silver roll will be the non-North Americans, that is to say, we the Panamanians."

"It wants to give us lessons on democracy in our own country," Saied told the Panamanian representatives. Local political analysts immediately considered this a direct reference to the latest speech by U.S. ambassador to Panama Ambler Moss against the political and warmongering advances of the Soviet Union.

Meanwhile in Panama a political dispute persists between the government and the opposition. It became more acute after the Democratic Revolutionary Party assumed responsibility for an attack on the installation of LA PRENSA. Saied said, however, that Panama's achievements in the health sector had been internationally acclaimed "except by the gentlemen who write in the morning funny paper."

Saied accused LA PRENSA of being disrespectful of "the Panamanians' conscience."

CSO: 3010/213

NATIONAL GUARD COMMANDER VIEWS ARMS SMUGGLING

PA290318 Panama City LA REPUBLICA in Spanish 26 Oct 81 pp 1, 10

[Article by Pablo Castrejon, Jr]

[Text] "Panama's national guard is an institution, the armed fist of the people and of the country of all Panamanians. Our duty is to guarantee law, peace and order and to fight terrorism and crime, regardless of its source," Col Florencio Florez Aguilar told a LA REPUBLICA reporter in reply to a question about the national guard's role in the problems of terrorism and crime in general.

The interview was given yesterday afternoon in Nuevo Chorrillo, where the national guard commander was feted.

Desire for Peace

Commander Florez emphatically said that "in Panama we have a desire for peace. We are a peaceful, hardworking people. Within this content, the national guard has the obligation to guarantee the necessary peace and a working climate throughout the nation's territory."

"We realize that there are serious problems that demand solution, such as unemployment, a lack of housing, health and production problems and the high cost of living. All of these demand solutions, but they can only be solved within a climate of harmony and national unity."

Opposed to Gunrunning

When asked about reports from abroad identifying Panama as the source of smuggled armament for the Colombian guerrillas, Commander Florez said: "The national guard condemns, rejects and combats all attempts to smuggle weapons, at home or from abroad. We will not allow our country to be used for gunrunning, to arm guerrilla groups in neighboring countries with which we have fraternal relationships."

We Guarantee Peace

"As a Panamanian and as the national guard commander in chief, it is my duty to guarantee work and peace," Colonel Florez said. "This is why we are appealing

for harmony and national unity, for the good of the country. The fatherland needs each of its sons and the foreigners who live here with us if it is to emerge from the socioeconomic underdevelopment in which we find ourselves.

"All Panamanians, regardless of social class, political condition or beliefs, will find the national guard to be the guarantee that they can work with honesty and respect, so that they can help to create a great and prosperous nation.

We respect the ideas of our fellow citizens and demand respect for ours," the national guard chief said in conclusion.

CSO: 3010/213

BRIEFS

FOUNDING OF FEDACAMARAS--During the first national congress of Chambers of Commerce, Industries and Agriculture, the National Federation of Chambers of Commerce, Industries and Agriculture of Panama [Ederacion Nacional de Camaras de Comercio, Industrias Y Agricultura de Panama--FEDECAMARAS] was formally established. The national congress was attended by representatives of 13 chambers of commerce. [Panama City LA ESTRELLA DE PANAMA in Spanish 16 Oct 81 p B-4 PA]

CONTAINERS TERMINAL--The Panamanian National Port Authority has began the construction of a modern containers terminal in the ports of Cristobal, Colon Province which will be finished in the latter part of 1982 at an estimated cost of $14 million. It will include approximately 7-8 hectares of paved storage space for containers. [PA311316 Panama City Domestic Service in Spanish 1700 GMT 29 Oct 81 PA]

CSO: 3010/215

CENTRAL BANK PRESIDENT ON FOREIGN DEBT

PY031528 Asuncion ULTIMA HORA in Spanish 22 Oct 81 p 8

[Text] Dr Cesar Romeo Acosta, president of the Paraguayan Central Bank, explained this morning to the Finance and Budget Commission of the Chamber of Deputies which is studying the 1982 general budget for the nation, that the country "has experienced reduced economic activity, but the foundations have been laid and progress cannot be stopped." He said this when asked about the present economic recession affecting the finances of the country.

Among other things he said that "We have had a boom period from 1976 until last year because of the influx of foreign currency owing to Itaipu.

The reason for what is happening now is the considerable reduction in Itaipu activities. The binational enterprise, as well as small industries, businesses and companies have dismissed workers. This along with other factors now influences the economy." He further said that the situation is considered "normal" and stated that in 1983 the country will be strong thanks to the export of our energy. Summing up, he asserted that the current situation was "only a slowing down of the boom." He also asserted that "the economy will adjust itself again" later.

He also said that "the country is in good shape with regard to monetary reserves" which right now total $780 million--excluding loans already used which total $1.2 billion--giving a total $1.95 billion owed by the country now [figures as published]. He said, on the other hand, that taking into account the monetary reserve and the net foreign debt it could be said that "this country practically does not owe anything."

CSO: 3010/210

BRIEFS

CEMENT COMPLEX LOANS--The head of the national cement industry, Dr Ramon Centurion Nunez, last evening signed agreements for a loan of $76,900,000 with a French banking consortium headed by the Banque Worms de Paris. The loan is for the expansion of the Vallemi Cement Plant and the Villeta Port. Centurion Nunez will later go to London where he will sign an agreement for assistance in the replacement of the Vallemi Ovens. He will then go to Madrid to conclude various contracts and to sign documents on starting the expansion of the cement plant. [Asuncion ULTIMA HORA in Spanish 6 Oct 81 p 8 PY]

CSO: 3010/210

BRIEFS

MORALES BERMUDEZ STATEMENT QUESTIONED--Manuel Ulloa Elias, chairman of the Council of Ministers and economy and finance minister, has said that it is very hard for him to believe in a statement allegedly made by Gen Francisco Morales Bermudez who, according to a local weekly, has voiced the possibility that constitutional order could be disrupted. [Excerpt] [PY291840 Lima Domestic Service in Spanish 1200 GMT 29 Oct 81]

OFFICIALS NAMED--The army public relations office has reported that Maj Gen Ramon Miranda Apuero and Maj Gen Francisco Miranda Vargas will be sworn in as chief of the army general staff and army inspector general respectively during a strictly military ceremony that will take place today in the war ministry at 1100. The ceremony will be presided by army commander in chief Maj Gen Otto Elespuru Revoredo and it will be attended by army generals. [Excerpt] [PY301724 Lima Domestic Service in Spanish 1200 GMT 30 Oct 81]

NAVY OFFICER RETIREMENTS--It has been reported that the following navy officers will retire: Vice Adm Juan Egusquiza Babilonia, Vice Adm Francisco Mariategui Angulo, Vice Adm Jose Carvajal Pareja, Vice Adm Hernan Quiros, Vice Adm (Cesar Beltran), Rear Adm (Rafael Cabrera Rios) and Rear Adm (Alejandro Perez). [PY290253 Lima Domestic Service in Spanish 1200 GMT 28 Oct 81]

INTEREST RATE POLICY--The president of the Peruvian Central Bank has stated that the policy of this bank regarding reserves will be to maintain the present interest rates in real terms in the next few years, that is the nominal interest rates will experience a gradual decrease in keeping with a decrease in the inflation rate. He noted that the bank will try to maintain interest rates in real terms ranging from 5 to 10 percent. [Lima Domestic Service in Spanish 1200 GMT 30 Oct 81 PY]

INFLATION RATE FIGURES--The National Statistics Board has reported that the September inflation rate was 3 percent. The official report noted that the inflation rate from January to September totals 54.3 percent whereas the inflation rate for this same period in 1980 was 44.58 percent. Richard Webb, the president of the Central Reserve Bank has reported that by the end of the year the inflation rate will range from 65 to 70 percent while in 1980 it was 60.8 percent. [Buenos Aires LATIN in Spanish 1705 GMT 16 Oct 81 PY]

CSO: 3010/221 END

JPRS 79456

16 November 1981

Latin America Report

No. 2401

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JPRS 79456

16 November 1981

LATIN AMERICA REPORT

No. 2401

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GUATEMALA SAID TO OPPOSE DAM PROJECT WITH MEXICO

Floods in Peten Feared

Guatemala PRENSA LIBRE in Spanish 7 Oct 81 p 4

[Text] The Guatemalan Government firmly opposes the Mexican Government's intentions of constructing a nuclear-electric power plant on the Usumacinta River, since damming that river will flood 100,000 hectares of land in the Peten area, according to the neighboring country's newspaper, EXCELSIOR.

According to that Mexican periodical, Mexico's Secretariat of Foreign Relations advised that President Lucas gave a nagative response to a bilateral accord which was to be signed in the near future approving the Usumacinta waters for joint use.

According to EXCELSIOR, Mexico offered to supply Guatelala power at no cost for an indefinite period if our government permitted the construction of the nuclear-electric plant. The Mexican Government would bear the entire cost of the project, and Guatemala would have to agree only to the flooding of certain Peten areas needed for the operation of the plant through the construction of the dam.

The Mexican newspaper stated that the Guatemalan Government refused the offer inasmuch as the dam would flood more than 100,000 hectares of land affecting numerous Peten villages.

Agriculture Minister's Statement

Guatemala PRENSA LIBRE in Spanish 7 Oct 81 p 4

[Text] Yesterday Dr Francisco Bobadilla Palomo, Guatemalan minister of agriculture, questioned certain information released by the Mexican newspaper, EXCELSIOR, with regard to Usumacinta River inasmuch as the agreement to conduct studies relative to the construction of the hydroelectric power plant are still underway.

He said that, last year, Guatemala and Mexico signed an agreement for the purpose of conducting studies relative to the construction of this hydroelectric plant which could be of great importance to our country.

"The agreement is being carried out," he continued, "and, in this connection, Mexico has completed 80 percent of the pertinent analyses, while Guatemala is handling about 22 percent of the studies."

Flooding Not Alarming

Minister Bobadilla Palomo said that, some time in the past, joint committees were appointed, composed of Guatemalan and Mexican experts, to look after the interests of each country, particularly as to how it would be affected by the dam.

"With regard to Guatemala," he asserted, "a way is being sought to avoid any flooding which would be serious enough to damage Peten communities."

According to all indications, the area which would be flooded is located on land not used for agriculture.

"Meanwhile, the nuclear-electric plant to be constructed will give our country sufficient power to industrialize the northern area or at least permit gradual progress in that area.

"With regard to the office for which I am responsible," he concluded, "I can give my assurance that the agreement is being honored. It is not certain that the government has refused the offer, as reported by Mexico's newspaper, EXCELSIOR.

Donation

Agriculture Minister Dr Rene Bobadilla Palomo has asked the Agency for International Development (AID) for a donation of 36,200 quetzales to cover the cost of the flooding of the Sectorial Unit of Agricultural Planning, in zone 4; the money would be used specifically to continue the Marco Muestral project.

Foreign Ministry Statement

Guatemala PRENSA LIBRE in Spanish 7 Oct 81 p 4

[Text] "No formal agreement was signed between Guatemala and Mexico for bilateral use of the waters of Usumacinta River," Alfonso Alonso Lima, vice minister of foreign relations and charge d'affaires, told the press yesterday.

The official was referring to an article published in the Mexican newspaper, EXCELSIOR to the effect that "the Guatemalan Government rejected an accord with the neighboring country covering the construction of a hydroelectric power plant on the Usumacinta River."

Alonso Lima said that in 1980, recognizing the importance of the project, he had commissioned the country's Department of International Boundaries and Waters to begin a study for the purpose of evaluationg Guatemala's resources which could be jeopardized.

"The analysis of these national interests is still continuing and, after this phase is completed, the government will decide whether or not it is possible to reach a formal agreement to permit the construction of the hydroelectric plant.

"That is to say, the Guatemalan Government could not reject an agreement of this nature, considering that the river serves as a border between the two countries.

"The studies will continue for the purpose of taking advantage of the Usumacinta's energy potential in a technical manner, with emphasis placed on our national interests."

Army Statement

Guatemala PRENSA LIBRE in Spanish 7 Oct 81 p 4

[Text] "Any soverign state can accept or reject an agreement of any kind in accordance with its own interests," Col Jaime Rabanales Reyes, head of the army's department of public relations, said yesterday in commenting on the Usumacinta River affair.

The spokesman for the armed forces was being questioned by a PRENSA LIBRE reporter on the attitude the army might take if the Mexicans attempted to build the hydroelectric plant on the Usumacinta River without Guatemala's consent.

Rabanales Reyes limited his remarks to the statement that Guatemala is a sovereign state and that, for a project of that nature, it must first look after its own country's interests.

"Within this context our government will be taking the most appropriate measures to protect the country's real interests."

The Usumacinta River divides Mexican territory from that of Guatemala, especially between the border areas of Peten and Tabasco.

Peten People Relieved

Guatemala PRENSA LIBRE in Spanish 10 Oct 81 p 2

[Article by correspondent Cipriano Herrera Martinez]

[Text] Sayaxche, Peten--It was with a sigh of relief that Peten residents received the news published in several newspapers that President Lucas Garcia had rejected the Mexican project to build a hydroelectric power plant on the Usumacinta River.

At the same time, many citizens and public leaders requested permission to show their solidarity and support of President Lucas for having made, they say, a positive and patriotic decision which deserves praise from all Guatemalans.

Farmer Haroldo Requena told this correspondent that the Peten residents, particularly those who reside or have land in areas near the Pasion and Usumacinta rivers, became panic-stricken at just the thought of the construction of such a plant.

"The Mexicans," he said, "consider themselves the guardians of all Central America and at times push for some project of benefit to them whether or not it jeopardizes a large number of residents of communities near its borders.

There are at least 20,000 rural families in the area which would allegedly be inundated, mostly natives of the country's southern and northeastern coastal regions who were brought to this area during the time of Julio Cesar Mendez Montenegro's regime.

As of now, the government has supported these families, giving them parcels of fertile land which annually produces more than 1 million quintals of corn in addition to other crops.

There are more than 15 cooperative farms along the Usumacinta River and, to enable them to communicate with the central part of Peten, the government, through FYDEP [National Agency for the Economic Promotion ond Development of El Peten], is building a highway which goes from Las Cruces to Yaxchilan, at a cost of 5 million quetzales.

Requena stressed that the areas near the river bordering on Mexico are inhabited by Guatemalans who have found here an opportunity to escape from the underprivileged conditions they had experienced for years.

In its 5 October edition, the Mexican newspaper, EXCELSIOR, publishes an article under the heading: "Guatemala Has Rejected a Mexican Proposal to Build a Hydroelectric Power Plant."

In one of its most important sections the article says: "The Guatemalan authorities rejected the Mexican request with the argument that the Peten area--uninhabited, covered with virgin forest and of no practical use; bordering on the states of Tabasco and Chiapas--contains major oil deposits and that, relinquishing control of the Usumacinta, which originates in the neighboring country (Guatemala) would give rise to a Mexican geographic invasion of Guatemalan lands."

The dam would be located in a place called Boca de Cerro, about 15 km from Tenosique. It would inundate 100,000 hectares of Guatemalan land and about 80,000 of Chiapas State and would have a storage capacity of 60 million cubic meters of water.

Mexico proposes to Guatemala that, in exchange for permitting the inundation of an extensive area of Peten, it will grant Guatemala for an indefinite period and at no cost all the electric power needed for industrial and domestic use within our territory.

8568
CSO: 3010/115

NUMBER OF NATURAL GAS CONSUMERS CONTINUES TO INCREASE

Bridgetown THE NATION in English 7 Oct 81 p 3

[Text] There are now some 7,900 natural gas consumers in Barbados, and more are likely to come on line shortly as Government continues its programme of expansion.

This was revealed in the House of Assembly yesterday by Deputy Prime Minister Bernard St. John.

His remarks were made in response to criticisms by Opposition members during debate on a resolution brought by Deputy Leader of the Opposition, Erskine Sandiford, calling on Government to set up a task force to study the problems facing the country and make recommendations for their solution.

St. John said that Government needs more technical staff to continue the expansion programme. And, he urged people who wanted the natural gas service to petition the Natural Gas Corporation which would carry out a survey to determine if the consumers can be given the service.

He noted that arrangements have been made with the National Bank through which consumers could have the initial cost of installation covered.

St. John was critical of the former Democratic Labour Party (DLP) administration which he charged with "criminal wastage" of millions of cubic feet of natural gas, which he said was flared every night from the wells at Woodbourne, St. Philip.

He said the new administration brought in experts, including one from UNIDO who helped the Government to convince the Barbados Light and Power to change its techniques. He noted that under the DLP the percentage of flare gas was 60 percent while it is now three percent.

He described as "simply, not true," an allegation by Opposition Leader Errol Barrow that the single most expensive expenditure of the corporation was to provide Bayer Corporation with natural gas. The company did not have natural gas, St. John said.

St. John said that the object of having a line between Woodbourne and Newton was to back up the distribution system, which began on the coastline and went through St. George out to the Belle, where it then had to be pumped back to Christ Church.

He noted that the DLP built a transmission line but did not bury it and ran it along the old train line so that during the crop season and there was an accident, there would not have been a back up line.

This line, he said, was to "loop in" at Oistins so that in case of any damage there would be a back up.

CSO: 3025/42

MOBIL TO COMMENCE OIL EXPLORATION IN ST GEORGE PARISH

Bridgetown ADVOCATE-NEWS in English 8 Oct 81 p 1

[Article by Jewel Brathwaite]

[Text] The giant American oil company, Mobil, which is currently conducting oil exploration in Barbados, will soon be sinking a well in the parish of St. George.

During the past two weeks workmen from the company were busy installing the drilling rig at the proposed exploration site at the Farm, St. George. In addition work was also carried out on road-widening in the area to accommodate the passage of heavy equipment.

A spokesman from the Mobil said yesterday that drilling is expected to start in another eight days. He could not say whether any more wells will be sunk in the area which has been leased to the company for the exploration.

The area is one of many throughout the island where seismic surveys were carried out more than a year ago by the company.

The survey was a complex procedure with teams gathering information through waves taken on a grid. The waves were sent into the earth formation at about 25 feet intervals.

The waves bounced off different formations at different levels and the data, along with the time the wave came back to the surface, was measured.

The oil exploration thrust into the St. George area comes after a lay-off of some 15 years when the then General Crude Oil in one of its early drilling programmes had carried out searches at the Mount in that parish.

Drilling operations at the Mount had also followed closely on similar programmes at Golden Ridge, also in St. George, and Fisher Pond, and Gregg Farm in St. Thomas.

It could not be ascertained whether any exploration will be done in these areas. The well sunk at the Mount turned out to be a gas well, while oil was found at a depth of 4,800 feet at Fisherpond, and the other wells at Gregg Farm and Golden Ridge were abandoned when no oil in commercial quantities was found.

The initiatives by Mobil is a continuation of the company's determination to find oil here in commercial quantities, and so reduce drastically the island's oil import bill which is rising annually.

In addition, rising oil prices have been one of the major factors which forced Government to institute a number of revenue-raising measures to protect the island's balance of payments position.

Others are a decline in tourist arrivals, a near collapse of the sugar industry which resulted in reduced earnings, and a decline in local oil output.

Local oil production from wells at Woodbourne, St. Philip, has fallen to just over 650 barrels a day.

However, the Barbados Central Bank attributed the fall to Mobil's decision to reduce the servicing of existing wells to allow exploration to be carried out.

Mobil has been conducting drilling operations in Barbados since 1979 when it took over the oil exploration rights from General Crude Oil as part of a worldwide take-over deal. The company's lease will expire in 1984.

CSO: 3025/42

BRIEFS

WIND ENERGY STUDY--A wind energy project started in Barbados last February, has been completed. And, according to project manager, Stephen Lamming, there has been favourable success so far. Analysis of the data collected is still to be done. There are four permanent stations which will be left here for another eight months, but three mobile stations will be taken to Montserrat--the next island where operations will begin. The project, which is a regional one, was developed by the Caribbean Development Bank and is being funded by USAID. The main operation involves the collection of wind and solar radiation data over a number of areas, and exploration of solutions for wind energy in the islands. Lamming said that 45 sites were established in Barbados, and the project will be soon going to Antigua, St. Kitts, Nevis and St. Lucia. At present, all of the data from the sites worked on here are being analysed and it is expected that there will be worthwhile places for exploration. [Text] [Bridgetown THE NATION in English 6 Oct 81 p 3]

CSO: 3025/42

TWO NUCLEAR PLANTS PLANNED FOR ATLANTIC COAST

Bogota EL TIEMPO in Spanish 28 Sep 81 pp 1-A, 2-A

[Article by Ana Paez: "Two Nuclear Power Plants To Be Built on Coast for Year 2025"]

[Text] Medellin, 27 Sep.--By the end of the decade Colombia will not only have made its biggest investment in history for hydroelectric power but will also break the biological cycle of species now constituting life in the area to be flooded by the dam reservoir.

Plans call for the construction of two nuclear power plants on the Atlantic coast by the year 2025 and possibly others which will be working along the banks of the Magdalenea River.

These were some of the statements made by the experts who met in Medellin during the Second National Forum for Energy Conservation in Industry which was attended by officials from Spain, Israel, Germany, Mexico, Venezuela, and Colombia, as well as engineers from the principal industries concerned with energy worldwide.

The amount set aside for the generation of electric power is so great--$13 billion--that it is equivalent to half of all of the investments made by the government over the past 10 years.

In this way, 18 hydroelectric projects and 11 thermoelectric projects are to be completed by 1990; they will generate a total of 10,000 Megawatts throughout Colombian territory; among other things, they will block the migration of fish and the nesting and reproduction of birds and insects.

Regarding the thermoelectric power plants, installation, in addition to atmospheric contamination, implies the degradation of the water flow, the deterioration in the landscape, and low agricultural productivity in surrounding areas.

According to INDERENA [Institute for Development of Renewable Natural Resources] Engineer Luis Carlos Barrera, the seriousness of this situation depends on the way in which the soil is handled, its vegetation cover, and the water situation prior to the time the plant site is started. The ecological disaster could be slowed down through the systematic planning of forests and the establishment of fish-breeding stations, which is being done now.

The changes in the ecosystem resulting from the establishment of hydroelectric power plants will be common to the countries of the Third World, where their number will have grown considerably toward the end of the century.

Experts believe that these countries rely on their water resources to solve their energy problems. The developing nations hold two-thirds of the world's water power potential but only utilize 5 percent of it.

In Colombia, in particular, it is hoped that hydroelectric power will meet 68 percent of the energy needs in the year 2000. Coal will hold second place (28 percent), followed by such diverse sources as petroleum, solar energy, hydrogen, and nuclear energy.

According to Engineer Carlos de Greiff, head of the economy and planning department of INTERCOR, an affiliate of Exxon, the country will be so different by that time that thousands of people will be living on the Atlantic coast; that will be the growth center with the two new nuclear power plants which are currently in the planning stage, the biggest thermoelectric power plants, and the plants for the conversion of hydrogen into energy.

By that time, the economy's moving sectors will, in order of importance, be energy, agriculture, manufacturing, and mining. In the coal industry alone, the country will have to produce more than 2 billion tons per year--a volume which will make it one of the world's biggest producers.

According to INTERCOR projections the extracted mineral volume will have been increased 12 times over during the 20 years leading up to the end of the century. The coal output will grow from 51,000 tons per day in 1980 to 649,000 in 2000.

In addition to coal, hydrogen fusion will be an important energy source. Plans have been made for two nuclear power plants which will start operating in 2025 on the Atlantic coast, to be joined possibly by others along the banks of the Magdalena River. Colombia will get 17 percent of its energy from hydrogen.

Solar energy--the most ecological form of energy--will provide only 3 percent and gas will provide 18 percent.

Hydroelectric power however will continue to be the main source of energy, at least until 2025, when it will contribute 65 percent of the energy the country needs.

In the meantime, the construction of dam reservoirs will involve high costs in ecological and social terms.

Gabriel Roldan, a biologist from the University of Antioquia, says that, in addition to the problems to be caused by the dammed-up waters, changes will be noted in the social area involving economic activities and deriving from migration toward the area of the dam reservoir by personnel involved in its construction and toward the city and other townships by the former inhabitants.

"The construction of reservoirs for electric power production is an adequate solution in our environment and will generate a source of energy which causes no contamination

but dose bring with it a series of collateral social and ecological problems that must be studied very carefully by those responsible for these projects," Roldan concluded.

5058
CSO:3010/150

GEOTHERMAL ENERGY PLANS DISCUSSED

Botota EL TIEMPO in Spanish 29 Sep 81 p 18-A

[Article by German Navarrete: "Colombia Preparing To Get Energy Out of Earth"]

[Text] La Dorada, Caldas, 27 Sep.--With Italian cooperation, Colombia will shortly start the extraction of energy from the interior of the earth's crust to utilize and make available to rural and urban areas a natural resources which, in countries such as El Salvador, constitutes 45 percent of the total installed capacity for electric energy generation.

The first five drillings will be made in the "Termales Botero," 35 kilometers from Manizales, as part of the development of the "Navedo del Ruiz Geothermal Project" through an investment of 1.1 billion pesos during the initial stage; this will give Colombia a favorable outlook for starting its reduction of dependence on petroleum as an energy source. These announcements were made Minister of Mining and Energy Carlos Rodado Noriega; director of the Colombian Electrification Institute Ricardo Tribin Acosta; and the manager of the Caldas Hydroelectric Power Plant, Humberto Arango Escobar; these statements were made to civic and political leaders from various departments and representatives of communications media throughout the land.

The event, termed to be of major significance to the country's energy future, was attended by Manuel Marino, representative of the Inter-American Development Bank; Caldas Governor Carlos Fernado Giraldo Angel; and Quindio (acting) Governor Alberto Aristizabal; Pereira Mayor Roberto Arenas Mejia; Armenia Mayor Hector Agudelo Zuluaga and Manizales Mayor Luis Jose Restrepo; Pereira Public Utility Enterprise Manager Javier Ignacio Ramirez; a delegate from the office of the president of the republic, plus other high officials.

Geothermal Energy at Last

Jaime Villegas Velasquez, president of the Academy of Medicine of Caldas and an amateur volcano expert, was recognized by the minister of mining as the "pioneer in the utilization of geothermal energy in Colombia" since it was he who for the first time in 1966 launched the initiative of extracting thermal energy from the interior of the earth's crust.

Dr Villegas Velasquez was responsible for explaining that, among other uses, geothermal energy can be applied in hothouses since they can be heated with the steam

obtained from the soil. The temperature can be regulated, depending upon the type of crop desired.

This application is possible in the Ruiz geothermal project where coffee, cassava, sugar cane, and other crops from the temperate and hot regions can be grown.

Generally speaking, a steam well, such as those that will be drilled, produces 5,000 kilowatts.

The advantage of geothermal energy was demonstrated in Mexico where each geothermal kilowatt is worth 37 Mexican centavos while each kilowatt deriving from water power costs 47 centavos.

The first nation to utilize this natural resource was Italy in 1904. Since 1945, it has also been used by the United States, New Zealand, Mexico, Japan, the Soviet Union, El Salvador, Iceland, and the Philippines. Geothermal energy currently produces 2.5 billion kilowatts worldwide.

Colombia, a Privileged Nation

Ariel Cesar Echeverry, one of the most outstanding experts of the CHEC, said that Colombia enjoys "a privileged geothermal situation because of its location in the 'fire belt of the Pacific,' where most of the geothermal fields currently in operation are located."

Echeverry furthermore explained that, in view of the presence of numerous volcanoes in the "Fire Belt of the Pacific," it has been possible to detect steam-containing zones in Villamaria, Chinchina, Santa Rosa, and on the eastern slope of Nevado del Ruiz, toward the deparment of Tolima.

Islen Ramirez Giraldo, director of planning in the Ministry of Mining, in turn revealed that the drillings will go on for at least a year and he added: the plant might possibly be located in the eastern region of Villamaria since the geothermal manifestations in this area enable us to assume the existence of vast underground steam-containing deposits.

Luis Eduardo Salcedo, an advisor to Rodado Noriega, revealed the following: "Other parts of Colombia with possible geothermal deposits are the departments of Cauca and Narino." The expert said that there are external geothermal manifestations in the northern part of the country which must be taken into account such as the volcanoes Lodo de Arboletes, Maria La Baja, Galerazamba, and others.

National Benefit

Minister Rodado Noreiga said that, according to OLADE (Latin American Energy Association), which gave $30 million to contribute to that project, "we expect that, by the year 2000 17 countries will participate with at least 17,644,000,000 kilowatts installed; this means an annual growth rate of more than 10 percent, world wide," and he emphasized the "national benefit deriving from geothermal energy."

In this connection he recalled that the CHEC requested the collaboration of the ENEL (National Electric Energy Agency of Italy] to conduct a study in the region of the

volcanic massif of Ruiz and that studies were conducted later over an area of 15,000 square kilometers, covering practically the entire deparment of Caldas and part of Antioquia, Quindio and Tolima.

The ICEL [Colombian Electric Power Institute] separately launched a preliminary survey of geothermal resources in cooperation with OLADE. The project will cover 100,000 square kilometers and will cover the departments of Cauca, Narino, and Boyaca, and some areas along the Atlantic coast, specifically Galerazamba, Arboletes, and Maria La Baja.

Support from National Development Project Funds

Cecilia Lopez de Rodriguez, directrix of FONADE [National Development Projects Fund], said that, in addition to the 28, 376,000 peso loan granted in 1979, to conduct the geothermal study in the volcanic massif of Ruiz, Phase II, 60 million pesos were given for the first phase and it is expected that between $15 and $20 million will be granted in addition when the Paris consultation, early in October, approves a loan of $50 million requested by that agency.

After the drilling operations in "Termales Botero" have progressed, starting in 1982, a small pilot plant will be built to study the field and to determine its energy potential as a prior prequisite for designing the final plant and programming its assembly.

The pilot plant will make it possible to generate between 3,000 and 10,000 kilowatts for the region immediately around "Termales Botero" in 1985, approximately. It is believed that the studies for the final plant will have been completed in 1987 and that Colombia in 1990 will have started to generate electric energy from its thermal resources which it has under the earth's crust in more than eight departments.

5058
CSO:3010/150

JAPANESE LOANS FOR THERMOELECTRIC PLANTS ACCEPTED

Bogota EL TIEMPO in Spanish 21 Sep 81 p 1-F

[Text] The council of ministers has approved two international loans for the thermal power plants of El Cerrejon (Guajira) and Zipaquira (Cundinamarca) with a total value of 15,443,740,351 Japanese yen (approximately 4.8 billion Colombian pesos).

During its deliberations on these loans, the council of ministers was chaired by the chief of state, Julio Cesar Turbay Ayala.

Approval for these foreign credit operations was granted to the CORELCA [Electric Corporation of the Atlantic Coast] and to ISA [Electric Interconnection, S.A.].

The CORELCA Loan

This is a foreign loan agreement and guarantee between the nation and CORELCA with the Export Import Bank of Japan in the amount of 13,733,606,651 yen. This loan is designed to finance 85 percent of the foreign currency cost of a 150-MW thermoelectric unit for the El Cerrejon thermal power plant.

The El Cerrejon electricity project includes the design and construction of a thermal power plant with an installed capacity of 150 megawatts.

ISA

This is a foreign loan agreement and guarantee between the nation and Electric Interconnection, S.A. with the Export Import Bank of Japan and other Japanese banks, in the amount of 1,710,133,700 Japanese yen. This loan is to be used to finance 85 percent of the foreign currency cost of the design, manufacturing, factory testing, and start of operation of a 66-MW turbogenerator and auxiliary equipment needed for the fifth generating unit of the Zipaquira thermal power plant.

7679
CSO: 3010/18

NEW HYDROELECTRIC PLANTS UNDER STUDY

Bogota EL TIEMPO in Spanish 22 Sep 81 p 1-B

[Text] The construction of three hydroelectric power plants which will generate 1,230,000 kW east of Bogota is now under consideration by the Electric Power Company, following prefeasibility studies of the watersheds of the Negro-Guayuriba and Humea rivers.

In addition, another plant--the La Rosa hydroelectric power plant located downstream from the Guayabetal dam on the Guayuriba river--is also a possibility.

The La Rosa project consists of a dam 100 meters high, 6 kilometers upstream from the bridge on the road from Villavicencio to Acacias, with two tunnels 6.1 kilometers long to bring the water to a surface power plant lcoated in the piedmont plains.

The prefeasibility studies and reconnaissance of the basins of the Negro-Guayuriba, Humea, Upia, Guaviare, Guayabero, Guejar, and Ariari rivers were completed in 1980, yielding highly satisfactory results, according to the company manager, Roberto Caceres Bolanos, in the 1980-1981 annual report which has just been released.

Meanwhile, reconnaissance studies are being conducted of the Guaviare, Duda-Guayabero, Guejar, and Ariari rivers.

According to the report issued by Caceres Bolanos, the firm is also considering the possibility of building a 600-MW thermoelectric power plant located on the Tibita river in the town of Villapinzon, as the area has extensive coal reserves that could be used at the rate of 700,000 tons a year to supply the proposed power plant.

The Electric Power Company has begun discussions with CARBOCOL [Colombian Coal Company, Inc] to obtain use of the area and to begin exploration of the reserves.

A 150-MW unit for the Termozipa plant is now in the design phase; this would be the sixth unit of this plant.

Hydroelectric Power Plants in Eastern Colombia

The three hydroelectric power plants which have gone to the feasibility phase, with studies now underway, are the following:

1. Quetame Hydroelectric Power Plant

This plant uses water from the Negro river, to which is added water from the Blanco river, using a diversion tunnel 18.1 kilometers long. These waters meet in a reservoir formed by a dam 145 meters high, located at kilometer 62 of the Bogota-Villavicencio road. A pipeline 9.4 kilometers long feeds into an underground plant with an installed capacity of 300 MW, and with an average generating capacity of 1,454 gigawatts a year.

2. Guayabetal Hydroelectric Power Plant

A dam 145 meters in height, located at the Chirajara site at kilometer 82 on the Bogota-Villavicencio road contains the water of the Negro river, downstream from the Quetame power plant. This water is carried through 17.8 kilometers of tunnels to a power plant located on the right bank of the Guatiquia river, located approximately 6 kilometers north of Villavicencio. The plant has a capacity of 600 MW, and an average generating capacity of 2,733 gigawatts a year.

3. Humea Hydroelectric Power Plant

A free-flowing canal 40 kilometers in length carries water from the Guayabetal plant on the Guatiquia river to a large-capacity reservoir formed by a dam 125 meters in height on the Humea river, located near kilometer 45 of the Villavicencio-Barranca de Upia road. The plant has a capacity of 330 MW and an average generating capacity of 1,428 gigawatts a year.

In addition to these three plants, there is also the La Rosa project.

Upia

Further studies have been done for the Upia project; this is located in the vicinity of the town of Villanueva; its installed power would be approximately 1,000 MW. Also being studied are the developments of Chapasia and Campohermoso on the Lengupa river, Barranca de Upia and Matalarga on the lower part of the Upia river, and finally, Tua and Manacacias on the Meta river.

On the Guaviare river, between San Jose del Guaviare and Mapiripana, two "stairstep" projects are now under study. Together they would have a total installed capacity of 1,450 MW with low dams, and would cost just a little more than the Mapiripana hydroelectric power plant, which is being considered as an alternative.

On the Guayabero river, above the confluence of the Ariari river, 40 kilometers above San Jose del Guaviare, the Yaikiran project is now under study.

A second project on the Guayabero river is La Macarena, at the confluence with the Lozada river, at the far southeast of the Sierra de La Macarena; this project would have a dam 85 meters high, creating a reservoir with a capacity of 17,000 cubic meters.

Another project has been proposed for the Balsillas river.

There are two projects under consideration for the Guejar river: Piramides and Penas Blancas, along with the diversion of the Guape river.

On the headwaters of the Ariari river two "water's edge" projects have been considered; these are Alsacia and Palomas. Palomas is located near the town of San Luìs de Cubarral.

On the headwaters of the Guape, a tributary of the Ariari, the following projects have been considered: Las Dantas, Nevado, and Suplicio. This river will also be used for another project.

7679
CSO: 3010/18

SAN CARLOS HYDROELECTRIC PLANT DETAILED

Bogota EL SIGLO in Spanish 19 Sep 81 p 3

[Article by Amparo Segura Carvajal]

[Text] Human ingenuity seems unlimited when we think of moving 3,500,000 cubic meters of soil to build a large dam; of changing a river's course; or of using the efforts of 3,000 men to extract the utmost from the earth's resources, in an attempt to make use of these resources to avoid the chaos that could occur when the world's energy resources are depleted.

The town of San Carlos is located 150 kilometers away from the city of Medellin by mountain roads. Near this town is the huge hydroelectric plant, also named San Carlos, which will produce 1,550,000 KW of energy for Colombia.

Just 150 kilometers from Medellin, work is now in progress for the San Carlos hydroelectric power plant.

Without Fear of Danger

Amid the detonations and the deafening rumble of the "jumbo," the huge machine with five drills which is used to excavate the tunnels, the men work day and night, drilling the rocks to create tunnels which will finally interconnect all throughout this complex engineering project.

Colombians, Nicaraguans, Chileans, Spaniards, Japanese, Ecuadoreans, Guatemalans, Mexicans, and even one Englis man make up this large human team which, during 24-hour days, is at work both above and under the ground. Here they share something in common: their total dedication and commitment to what will eventually be the exciting result of the labor of each and every one of them.

The people who are at work inside the tunnels see very little or nothing of the daylight or the sun's rays in this hot region. Deep inside the tunnels, their life is at stake at every instant.

"I Learned Not to be Afraid"

Rodrigo Castano has spent 7 months under the mountain. The exact spot marked on the project's plans is called a pressure shaft. This might be one of the most dangerous areas. Deep under the ground, they can barely see the dim light of tungsten, and they breathe rarefied air.

Today this water-conducting tunnel has reached a length of 265 meters excavated. "In the beginning I felt strange here. I had never before worked on a project of such magnitude. I was quite impressed, but then I began to feel a great deal of confidence in myself. After that, I didn't think about the danger."

A Matter of Routine

And there in these catacombs where the dust-laden and fiery air covers their bodies with sweat and ashes, 23 men, defenseless against the danger, struggle without stopping against the vast rocky mass.

"We are all one family here," says Castano, the young man with the Antioquia accent, who displays his strength and courage in his work. All of them help each other and he in particular has had to lend a helping hand to others who are not as strong. At times the electricity supply is cut off, and the more nervous workers seem on the verge of collapse. On occasion, a hand can give real support in any of their lives.

The noise seems unbearable. But the workers have grown so accustomed to it that they can stand up to 120 decibels in the depths of a tunnel without using the earplugs and protective devices issued to them for this kind of work. Also, the choking air becomes tolerable without using respirators. The human body seems to develop an immunity to the unpleasant features of the strange atmosphere of these underground caverns.

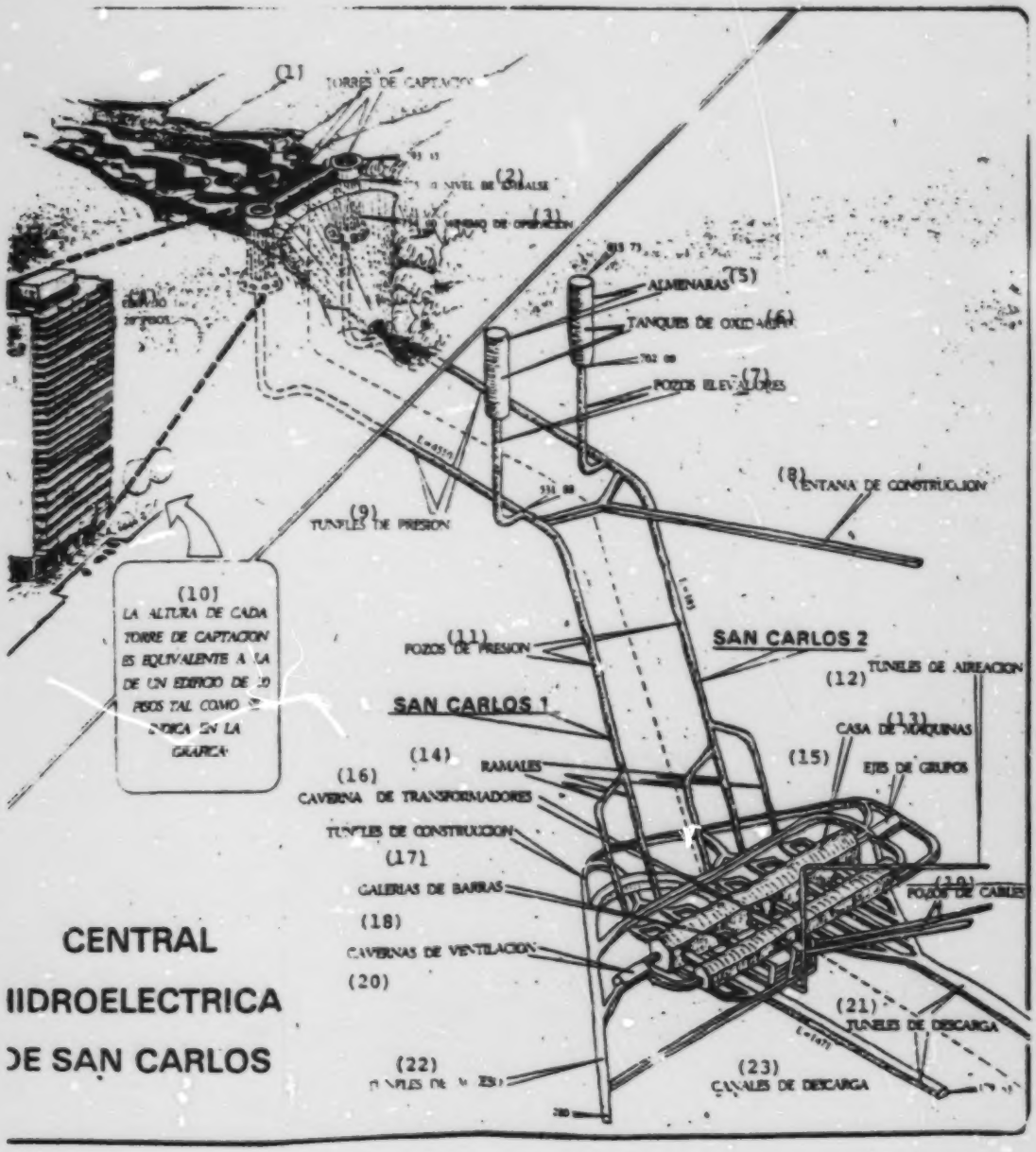
It is all a matter of routine, say the men who do this kind of work. And yet, there is danger present everywhere. Nor are the workers on the surface free from the risk of an accident. At a height of 50 meters, during the construction of a catchment tower, or during the concrete lining of any of the vertical shafts which reach a depth of 147 meters, an accident could happen.

Everything is a matter of talent, tactics, calculation, and precision, all combined to produce the amazing culmination of this vast project.

What is San Carlos?

San Carlos has a reservoir fed by the Nare, Guatape, and San Carlos rivers. At one end of this reservoir, on what will be the bed of a large lake, there are now rising two huge catchment towers whose bases go deep under the ground, connecting with two vast tunnel systems. Four kilometers from the two concrete structures and above the tunnels there are also two large cylinders--called surge tanks--which reach up to the surface. Their sole function is to maintain equilibrium by acting as connecting overflow tanks. A few meters beyond these tanks, the tunnels become narrower and at the same time acquire a 45° grade, forming two pipelines 275 meters in length. These pipes lead to the machine building cavern, where there are 10 turbines. In order for the water to reach each one of these turbines, the inclined tubing branches out into 10 tubes with a smaller diameter; these take the water to the vanes of the turbines (this is where the energy is produced). After being used, the water is discharged through another two tunnels called discharge tunnels, and it is returned to the river from which it had been drawn in the beginning.

The energy produced by the turbines is sent by cable to another underground room, where it is transformed. It is then sent through transmission lines and distributed by surfacelines all over the country.



CENTRAL
IIDROELECTRICA
DE SAN CARLOS

San Carlos Hydroelectric Power Plant

Key:

1. catchment tower
2. reservoir level
3. minimum operating level
4. 20-story building
5. surge tanks
6. oxidation tanks
7. elevator shafts
8. construction window
9. pressure tunnels
10. The height of each catchment tower is equivalent to the height of a 20-story building, as indicated here.
11. pressure shafts
12. ventilation tunnels
13. machine building
14. branches
15. group axis
16. transformer cavern
17. construction tunnels
18. bar galleries
19. cable shafts
20. ventilation caverns
21. discharge tunnels
22. access tunnels
23. discharge canals

The San Carlos Project

The San Carlos power plant will operate with a water flow of 143 cubic meters per second. The main equipment of the plant consists of the following: 10 Pelton turbines with six streams, producing 155 megawatts. Each of these will operate with a normal net head of 554 cubic meters of water and a velocity of 300 rpm. There are 10 vertical axis generators connected with the turbines, and 16 single-phase transformers with a power of 109 megawatts.

The San Carlos power plant will be connected to the national power grid via 220-KW lines through Guatape and Torca (Cundinamarca); the power plant will be the starting point of the 500-KW line which will connect the center of the nation with the Atlantic Coast area.

The physical part of the project includes:

a. Punchina dam: height, 70 meters; length, 800 meters; volume, 6,000,000 cubic meters.

b. Two catchment towers: height, 54 meters; two concrete vertical shafts, each with a depth of 147 meters.

First Phase

The most important parts of the project in this first phase which will start to operate in September 1982 with 620,000 kilowatts are:

a. a pressure tunnel. Length, 4,530 meters; diameter, 6.10 meters (lined with concrete).

b. a surge tank. Tank height, 105 meters; diameter, 13.5 meters. Concrete elevator shaft: height, 170 meters; diameter, 5.30 meters.

c. an inclined pressure shaft: inclination, 45 degrees; length, 275 meters; diameter, 5.50 meters (concrete).

d. metal pressure pipes: length, 25 meters; diameter, 5 meters.

e. two caverns: one for generators and the other for transformers.

f. an inclined shaft: length, 280 meters.

g. a ventilation shaft: height, 320 meters.

h. a discharge tunnel: length, 1,566 meters.

i. vehicular tunnel: 1-kilometer two-lane roadway.

Phase two of San CArlos will generate 930,000 KW of energy.

This second part of the work on this large power plant will be in operation in February 1984.

San Carlos Statistics

The most important statistics for the project are summarized below.

Excavation (above-ground)	3,800,000 cubic meters
Creation of embankments	6,000,000 cubic meters
Underground excavation	1,165,000 cubic meters
Reinforcing steel	18,000 tons
Total volume of concrete used underground	242,000 cubic meters
Total cement used	250,000 tons
Total cost of the construction	13,585,000,000 pesos

Personnel involved, including workmen, engineers, and technicians	3,000 men
Approximate amounts of some investments:	
construction equipment	1,320,000,000 pesos
monthly fuel costs	8,000,000 pesos
monthly power supply costs	6,000,000 pesos

7679
CSO: 3010/18

BRIEFS

MEXICAN OIL TEAM--A seven-man Mexican technical team ended a three-day visit to Grenada this week after doing geographical surveys on the island's rocks to determine whether they contain oil deposits and checking out the possibility of constructing storage facilities on the international airport's site for different types of petroleum. The visit came two weeks after Prime Minister Maurice Bishop went to Mexico for talks with President Jose Lopez Portillo. On that visit, an agreement covering technical and economic areas was signed between the Grenadian and Mexican Governments, in which the latter pledged assistance for a number of projects here, including the international airport and energy development. The team from the Mexico state-owned Pemex oil company held discussions with Deputy Prime Minister Bernard Coard, who said its visit shows the seriousness of Mexico's assistance pledge. Ambassador to Cuba and Mexico Richard Jacobs left Grenada Wednesday for Mexico to hold follow-up discussions on the agreement's implementation. Bro. Coard expressed appreciation to the team which was headed by Abundio Juarez Mendez. [Text] [St Georges FREE WEST INDIAN in English 10 Oct 81 p 2]

CSO: 3025/43

NATIONAL PETROLEUM PRODUCTS CONSUMED FOR FIRST TIME

Tests Satisfactory

Guatemala PRENSA LIBRE in Spanish 7 Oct 81 p 14

[Text] Gasoline and other fuels derived from Guatemalan petroleum were consumed in the country for the first time during the second half of September, according to a statement made to PRENSA LIBRE yesterday by Alejandro Contreras, head of the government's department of hydrocarbons [DH]

According to the information given, 78,317 barrels of oil, extracted in the north of the republic, were refined in the Texaco facilities in Escuintla Department.

Gasoline, diesel fuel, bunker and other fuels were derived from this oil and placed on the Guatemalan market at the same prices as those obtained for the derivatives of imported oil.

The 78,317 barrels, to be refined in Escuintla, were taken to the port of Santo Tomas de Castilla, on the Atlantic, on 28 August, arrived at the Escuintla refinery at the beginning of September and were refined in the middle of that month.

We do not have technical information concerning the quantities and qualities of each type of fuel derived from the Guatemalan crude.

The DH head said that only when we receive the technical details from Texaco shall we know the characteristics of the Guatemalan oil to determine its properties.

Texaco paid 2,543,672 quetzales for the 78,317 barrels of oil inasmuch as the price per barrel was set at 32 quetzales with 47 centavos.

With regard to future shipments to be refined, the informant said that we shall wait for the technical results of this first refined Guatemalan oil sample to determine the most suitable selling price.

"The most important aspect of this development," the head of the Presidency of the Republic's DH said, "is that Guatemala is assured of adequate supply."

He emphasized that, having proved that Guatemalan oil can be refined by the Escuintla refinery, Guatemala is assured of a sufficient supply for the future.

"Supply itself is the most important aspect," he said, "although it is hoped that the consumption of Guatemalan oil derivatives will result in a lowering of the country's hydrocarbon fuel prices.

"All this," he said, "depends on the quality of the oil, since having to combine Guatemalan derivatives with imported products would make the price factor less favorable than desired."

Mexican Gasoline

Guatemala PRENSA LIBRE in Spanish 7 Oct 81 p 14

[Text] "Meanwhile, Guatemala is continuing to consume gasoline derived from Mexican oil, with a different odor but the same quality as that which has always been consumed," Alejandro Contreras, head of the DH, said yesterday.

He said that, in accordance with an agreement between Venezuela and Mexico, consumption of Mexican fuels, especially gasoline, was initiated in Guatemala a few months ago.

The consumption of gasoline produced in Mexico amounts to 8,500 barrels daily, and this, according to the agreement with Venezuela, is about 50 percent of the 17,000 barrels of oil which Guatemala obtains through that agreement.

"In addition to the odor," the informant said, "it is possible that consumers have noticed that the color of Mexican gasoline is different; however," he stressed, "the quality is equal to that imported from other sources."

Call for Refinery

Guatemala PRENSA LIBRE in Spanish 8 Oct 81 p 4

[Text] "In view of the analysis of our oil confirming its quality, we must install a refinery to take advantage of all products derived from that oil," Deputy Jorge Bonilla Lopez, chairman of the Congress of the Republic, said yesterday.

"We are now a member of the oil-producing nations. The last samples analyzed have verified the positive aspect of our energy resources.

"Our oil must be exploited wisely. The official criterion in this connection has been ascertained. Our country is rich in resources and natural wealth. We must proceed with prudence, for the country's oil future depends on that kind of action.

"Now that the quality of our oil has been verified," he said, "the second step is the installation of a refinery. But we must especially train Guatemalan technicians so that they may handle this entire area with modern methods of oil exploitation."

8568
CSO: 3010/114

BRIEFS

COAL DEPOSIT FOUND--The Mining Research Institute has discovered a 15-million ton coal deposit in the San Juan de Arana area located in the eastern sector of the country. [Lima Domestic Service in Spanish 1200 GMT 31 Oct 81]

CSO: 3010/222

OFFSHORE GAS PRODUCTION SCHEME REMAINS ON SCHEDULE

Port-of-Spain TRINIDAD GUARDIAN in English 16 Oct 81 p 1

[Text] The National Gas Company's (TT) $204 million flare gas project which comprises installation of two offshore compressor platforms off the east coast of Trinidad is well on schedule and within the budget provided, Energy Minister Mr. Errol Mahabir, revealed yesterday following a tour of one of the platforms by a team of newsmen.

The platform is almost complete, and is located 12 miles off Point Galeota in water depth of 180 feet in Amoco's Poui Field. It accommodates five compressors.

A second platform, currently under construction in the Teak Field--32 miles offshore--will accommodate four compressors. Each compressor is rated at 2,700 horsepower.

At present, all the structural work on the first platform has been completed, and hook-up work is being done to bring the gas flared by Amoco into the compressors, to be pumped on shore.

Mr. Mahabir said when the project comes on stream by year's end, the amount of gas that would be collected and pumped on shore would be "more than enough" to avert any shortfall in the supply of gas to the various industries.

When completed, 100 million cubic feet of gas a day would be pumped on shore through the National Gas Company's 24-inch pipeline to Point Galeota and into the company's inland gas distribution network.

The greater portion of the facilities, such as the massive 12-storey high jackets or substructures of the platforms (structures larger than Salvatori Building), the decks, engines, compressors and utility modules were fabricated in the U.S.

Local companies, however, were awarded contracts for the fabrication of the two bridges and vent booms, as well as the hook-up and tie-in work which involves the electrical, piping and mechanical work which is now being done prior to the commissioning of the facilities.

Mr. Mahabir was full of praise yesterday for the local engineers and work personnel for putting together such a massive structure offshore in just over one month

despite the difficult work environment due to recent inclement weather and unfavourable sea conditions.

At present, Mr. Mahabir noted, daily gas production amounted to 400 million cubic feet, while gas utilised by the various industries--Trinidad and Tobago Electricity Commission (T&TEC), Iron and Steel Company (ISCOTT), the fertiliser projects, and other businesses, amounted to 300 million cubic feet.

Replying yesterday to query on the importance of the 50 per cent increase in the country's proven gas reserves, Mr. Mahabir pointed out that the increased reserves of 4.6 trillion cubic feet (tcf) were equivalent to 0.73 billion barrels of oil. Present oil reserves were 700 million barrels.

This meant, he said, that the gas reserves have doubled our oil reserves in terms of the present increase. And at (TT) $82 a barrel of oil, the increase in gas reserves meant a sum of (TT) $60 billion.

CSO: 3025/42

ECUADOREAN, PERUVIAN OFFICERS DISCUSS BORDER INCIDENT

Quito EL COMERCIO in Spanish 20 Oct 81 p A 1

[Text] The first formal meeting of military commanders of Ecuador and Peru is being held in Huaquillas. The purpose of the meeting is to seek ways of avoiding future incidents which could affect peace between both countries, according to press statements by the national secretary of public information, Ernesto Alban.

He said that the meeting was held after the most recent incident that occurred at the Ecuadorean-Peruvian border during which Vasquez Realpe, an officer of the Ecuadorean Armed Forces, was wounded.

According to information received from Huaquillas, talds took place all yesterday in such secrecy that the event was totally unknown to the civilian populace.

In the meantime, commercial activity on the border of Ecuador and Peru at Aguas Verdes is being carried on normally without any signs of military movements in connection with the above-mentioned meeting.

In Lima, Peruvian Foreign Minister Javier Arias Stella said yesterday that the border incident on 14 October 1981 between Peru and Ecuador was "happily resolved," after another meeting between military delegations of both countries.

According to the Efe Agency, Arias revealed that the meeting of military commanders of both countries signified a mechanism of "military coordination" to deal with matters relating to the border with a view to preventing the recurrence of hostilities.

He said that those contacts, one of which, presumably the last, was made yesterday in the Ecuadorean border town of Huaquillas, had confirmed the fact that "everything is resolved."

"All that remains is to continue the process of normalization of relations, to move forward with the programs of cooperation and development which are of interest to the peoples of Peru and Ecuador," Arias Stella emphasized.

The foreign minister then expressed the wish that in the future there would be no repeat of border incidents "with Ecuador or any other country."

Alban Gomez also revealed that last week preparatory talks had already been held for yesterday's meeting. It was demonstrated to the Peruvian authorities that the shot

at the officer had entered the right side of the helicopter with an angle of inclination which indicates that the aircraft was not over the Peruvian detachment, he added. It was also demonstrated that the helicopter was not armed, as it was performing only routine transport and inspection tasks, he noted.

He also reported that Colonel Vasquez Realpe is recovering satisfactorily from the wound he suffered in his right arm.

Earlier, he could not receive visitors for strictly medical reasons, he said.

Referring to the recent visit of the Peruvian minister of industry to the country, on which occasion Andean Pact activities were analyzed, Alban said that this is precisely, demonstration of national interest to salvage the programs of the subregional agreement. Failures to meet commitments were reported; and ways were sought to resolve any difference which at a given moment might arise, he commented.

"In international policy sectors," he added, "we must have a balanced attitude which is neither exaggeratedly optimistic nor pessimistic. We Ecuadoreans are very aware of the importance of the Pact and the need for saving it, in the face of the difficulties which have been experienced not only with Peru but with the other members."

In his statements, the secretary of information said that the president of the republic has declared that the country condemns all forms of violence and does not accept the fact that deeds are the only language in the search for peaceful solutions. He also revealed that the talds which started yesterday morning will be continued.

These border incidents are being handled at the military and diplomatic levels; and the national Foreign Ministry will provide information about the talks in due time, he concluded.

8143
CSO: 3010/148

MEXICO TO ALLOW GUATEMALAN WORKERS INTO CHIAPAS FARMS

Guatemala PRENSA LIBRE in Spanish 28 Sep 81 p 17

[Article by correspondent Edgar Octavio Giron Castillo]

[Text] Tapachula, Chiapas --Secretariat of Interior deputies at certain Mexican frontier stations have granted Guatemalan agricultural workers a permit to work for 6 months legally on coffee, cotton and banana plantations in Chiapas.

This arrangement protects Guatemalan workers who emigrate during the harvest season, hired by Mexican plantation owners; the arrangement began to have positive results a few days ago.

Thus, those who emigrate for a short period of time to help the neighboring country in its agricultural efforts are protected by the local authorities; this was not the case previously, and the result was merciless exploitation by Mexican plantation owners who, under pretext that the Guatemalan workers were there illegally, deprived them of normal benefits and threatened to report them to the immigration authorities.

Guatemalan men can now work with a greater feeling of security and confidence, inasmuch as they will no longer be subjected to threats and will be able to work on the cotton, coffee and banana plantations. The women will be able to perform domestic duties.

Each Guatemalan who goes to Chiapas to work must pay 200 Mexican pesos--approximately 8.7 quetzales--to the immigration authorities to obtain permission to remain on Mexican territory for 6 months.

About 100,000 Guatemalan agricultural workers are expected to arrive during the period in question, and they will furnish the necessary manpower at the critical period. Hundreds of Guatemalans are going to Chiapas every day, now protected by the temporary permit which is making their stay more tranquil as they perform their agricultural tasks, hired by Mexican and Guatemalan plantation owners and recruiters.

8568
CSO: 3010/115

MEXICAN AMBASSADOR TO GUATEMALA COMMENTS ON MISSING CONSOL

Guetemala PRENSA LIBRE in Spanish 9 Oct 81 p 23

[Excerpt] Jesus Silva Mendo, top official a the Mexican Consulate in Malacatan, San Marcos, is still missing, according to what Gen Rafael Macedo Figueroa, ambassador of the neighboring country in Guatemala, told PRENSA LIBRE yesterday.

The diplomat was being consulted with regard to information from abroad which contended a few days ago that Silva Mendo was found dead in the Malacatan area.

Another report said that Silva Mendo was safe and sound on Mexican territory, but Ambassador Macedo Figueroa denied both versions.

My Government Is Requesting Collaboration

Macedo Figueroa said that some time ago he has sent a message through the Ministry of Foreign Affairs asking the Guatemalan authorities to aid in finding Consul Silva Mendo as well as Mexican citizens Jose Luis and Jose Guadalupe Mendez Perez, also missing.

"Until now," he said, "we have received no official information about the results of the requested investigation."

He added that, according to his information, no newspaper in his country has published any news relative to the alleged reappearance of Silva Mendo, who is deputy foreign minister at the Mexican Consulate in Malacatan, San Marcos.

"I wish to stress that we have no knowledge whatever that the above persons, particularly the government official, have shown up dead.

"My country is confident that the Guatemalan authorities will continue the investigation in order to ascertain the whereabouts of Silva Mendo as well as the Mendez Perez brothers.

The Usumacinta Case

Ambassador Macedo Figueroa was also asked by the PRENSA LIBRE reporter if it was certain that the Guatemalan Government had rejected the Mexican request to build a hydroelectric power plant on the Usumacinta River.

He said that he had no official information on that subject but that it was known that joint studies were underway to determine the feasibility of that hydroelectric project.

He was also asked if a negative response by the Guatemalan Government could be triggered by Mexico's support of Belize's independence. General Macedo said there is no difference of opinion between the two governments.

8568
CSO: 3010/115

SIMILAR EDITORIALS IN AREA PAPERS CALL FOR FREEDOM IN GRENADA

Page 1 Comment

[Editorial Report] Virtually identical, word-for-word front-page editorials calling on Grenada--the PRG and its leader, Maurice Bishop--to end human rights violations appeared in the English-language Bridgetown SUNDAY ADVOCATE-NEWS of 20 September and the Kingston SUNDAY GLEANER and Port-of-Spain SUNDAY GUARDIAN of 27 September. Only the most minor and insignificant variations in wording, with the exception of the final paragraphs, differentiated the editorials.

In addition, follow-up material from the Port-of-Spain TRINIDAD GUARDIAN--items carried below under separate subheads--indicate that the Port-of-Spain SUNDAY EXPRESS in English, also on 27 September, ran the same editorial as published in the SUNDAY GUARDIAN of the same day.

The following is the text of the editorial from the SUNDAY ADVOCATE-NEWS in English of 20 September (variations in the closing paragraphs of the editorials carried by the SUNDAY GLEANER and SUNDAY GUARDIAN are given following the ADVOCATE-NEWS text):

Page 1 Editorial: Free Grenada, Mr. Bishop!

The Caribbean Press have responded with varying levels of indignation to the growing evidence of emasculation of rights and freedoms in Grenada since March 13, 1979 when Mr. Bishop and his colleagues staged a coup by unprecedented use of arms and ammunition to gain power in the Caribbean.

Some newspapers condemned Prime Minister Maurice Bishop from the outset and warned of the danger of that precedent. Others took a more sympathetic position and gave his Government the benefit of any early doubt. After a little more than two years the Bishop regime has eroded all of the support he enjoyed in the wider Caribbean including the media, as he has systematically gone about entrenching himself in office in a most dictatorial manner and, particularly, by his refusal to entertain the idea of popular elections.

The information media in Grenada has been systematically reduced so that today there is but a single voice. This can no longer be viewed as accidental. We are convinced that it is a deliberate act of policy of the Bishop Government to eliminate dissent.

Today all major newspapers, radio and television stations in the English-speaking Caribbean (with the exception of Guyana which has not been invited for obvious reasons), join in a common expression of condemnation of the behaviour of the People's Revolutionary Government.

It is no longer possible to misunderstand the pattern of events which has denied freedom of expression and the right to dissent. The more recent actions of the Bishop Government to forbid publication of the "Grenada Voice" newspaper, to harass a patriotic and widely respected Caribbean journalist and to incarcerate others whose only crime is to act within the law which then existed, must be abhorred by all who subscribe to decency and justice.

Equally unmistakable was the regime's public display of contempt for the law by use of retroactive legislation, a ploy which has emphasised the viciousness of their intent.

In one of the most incredible and iniquitous pieces of legislation to disgrace any statute, the "Newspaper Act" (People's Law No. 18 of 1981) provides that:

"Any member of the People's Revolutionary Army or of the Grenada Police Service may arrest without warrant any person whom he suspects of committing, having committed or being about to commit an offence under this law."

Mr. Bishop will most likely respond to this joint statement with his standard charge of "reactionary and CIA involvement." His only variation from this theme has been personal vilification and abuse of those who dare to criticise.

As the crudity of his ploy becomes more obvious, the list will grow. It started with the Grenadian Rastafarians, and from then it turned to the Torchlight Newspaper and its directors, then to the owners of the Coca Cola plant in St. George's, The Catholic Standard, The Express and Gleaner newspapers, Prime Minister Tom Adams of Barbados and the Caribbean Publishing and Broadcasting Association.

More recently his abuse and charges of CIA association have been levelled at a group of highly respected Grenadians headed by no less an individual than one whom Bishop had himself selected to function as his Attorney General a few short months ago.

It is perhaps a measure of the current state of his mind that he does not appear to understand how transparent and unconvincing these charges must appear to all but his sycophantic followers. Indeed the situation would be ludicrous, were it not for the grave implications for the lives of so many of his countrymen.

It is now two and a half years since Mr. Bishop's "People's Revolutionary Government" took power and imprisoned a number of Grenadians as its first act. An even larger number is now estimated to be held by the State without having had to answer charges for alleged crimes.

We call on the people and governments of the Caribbean to protest against such inhuman behaviour in the name of all that is decent and principled.

The time has come when it must be made unmistakably clear to Mr. Bishop and the PRG that if they persist in the human rights abuse now taking place in Grenada that they will be isolated from the rest of the Caribbean community. They must be reminded of their promises of early elections, wider democracy, a new constitution, observance of the rule of law and respect for human rights, and be called upon to fulfill them.

We commend the lead which has been given by Prime Minister, Eugenia Charles of Dominica, and urge other heads of Caribbean governments to support her stand that the observance of fundamental human rights must be a precondition to economic or other co-operation.

The Sunday Advocate-News joins in calling on Mr. Bishop and his colleagues to give freedom to the people of Grenada!

The final paragraph of the editorial carried on the front page of THE SUNDAY GLEANER in English on 27 September reads: The Gleaner proudly joins in calling on Mr. Bishop and his colleagues to give freedom to the people of Grenada!

In the editorial carried on page 1 of the 27 September SUNDAY GUARDIAN, the final paragraph reads: We join in calling on Mr. Bishop and his colleagues to give freedom to the people of Grenada!

Trinidad and Tobago Probe

Port-of-Spain TRINIDAD GUARDIAN in English 3 Oct 81 p 7

[Text] Journalists in Trinidad and Tobago will be sending a three-man team to Grenada to investigate reports of the abuse of freedom of the Press in that country.

At a meeting held in Port of Spain yesterday it was agreed that the three man team would compose Mr. Keith Subero of the Trinidad Express, Mr. Errol Pilgrim of the Trinidad and Tobago Review and Mr. Trevor Smith of the Challenge newspapers.

Committee appointed by the journalists yesterday expressed grave concern about reports of abuse of Press freedom in Grenada and reports of the physical abuse of journalist Mr. Allister Hughes.

At the meeting yesterday a resolution condemning the publication of similarly worded editorials on the front pages of the Sunday Guardian and Sunday Express on Sunday, September 27, was adopted with abstentions.

No decision was taken on where the money would come from for the Grenada visit.

However, at the original meeting on Wednesday this week Mr. Smith offered that his organisation would pay the passage.

Twenty-one journalists voted in favour of the resolution while nine voted against and three abstained.

Release and Resolution

Following are the news release and resolution from the local journalists:

On Tuesday, September 29th, 1981, journalists representing all the media in Trinidad and Tobago met in Port of Spain to discuss the joint editorials which appeared in the Sunday Guardian and Sunday Express Newspapers of Sunday, September 27th.

The identically-worded editorials were headlined 'Free Grenada, Mr. Bishop.'

The journalists expressed concern at what they saw as an unhealthy practice and a breach of all established journalistic practices and principles concerning the joint editorials, and to further investigate reports of abuse of Press freedom and human rights in Grenada.

The committee comprised Keith Smith, Managing Editor of the Trinidad Express, Louis Lee Sing, Editor of the Challenge newspaper, Neil Giuseppi, News Director of Trinidad and Tobago Television, Jeff Hackett, Feature Writer at the Trinidad Express, Errol Pilgrim, Editor of the Trinidad and Tobago Review, Nazam Ali, Caribbean Correspondent for Agence France Presse, and Sister Marie Therese, Feature Writer at the Catholic News.

The committee met on Wednesday night and drafted a resolution, which was presented to and adopted by the full assembly of journalists at a meeting on Friday, October 2nd.

The steering committee also expressed grave concern at reports of abuse of Press freedom in Grenada, and in particular about reports of physical abuse of independent journalist, Allister Hughes.

In the light of this, the assembly of journalists is convinced that the interests of both sides would be best served by sending a three member team of journalists to Grenada to investigate the situation in that country as it relates to freedom of the Press.

The assembly also made it clear that the appointment of the team should in no way be seen as an attempt to infringe upon the sovereignty of Grenada.

The assembly also agreed that the team, comprising Trevor Smith of the Challenge newspaper, Keith Subero of the Trinidad Express and Errol Pilgrim, Editor of the Trinidad and Tobago Review, should leave for Grenada within two weeks.

Attempts are already underway to establish contact with the Government of Grenada and with representatives of the Media Workers Union in that country.

Resolution Formulated by The Steering Committee of Journalists:

Whereas on Sunday, September 27, 1981, there appeared identically worded editorials on the front pages of both national newspapers, the Sunday Guardian and the Sunday Express.

And whereas the editorials did not emanate from the individual newspapers but were supplied by an outside organisation, to wit, the Caribbean Publishers and Broadcasters Association (CPBA).

And whereas the CPBA declined to use the conventional avenues of the issuing of a formal statement or Press release.

And whereas the CPBA has established an unusual and unhealthy precedent in projecting a collective editorial position.

And whereas this type of joint action gives credence to charges of collusion and conspiracy among the media.

And whereas this action by the CPBA is a clear violation of established journalistic practices and principles.

Be it resolved that this assembly of journalists deplores and condemns this action and calls upon the owners of the media to desist from this unacceptable practice and to give an assurance that this will not happen again.

Editorial Justification

Port-of-Spain TRINIDAD GUARDIAN in English 3 Oct 81 p 8

[Editorial: "Ethics and Freedom"]

[Text] Response from a body of Concerned Journalists of Trinidad and Tobago to an editorial bearing identical wording published on September 27, last on the front page of both the Sunday Guardian and the Sunday Express has resulted in a decision to send a team of Trinidadian journalists to Grenada to investigate the situation in Grenada concerning reports of abuse of Press freedom there.

In particular, the team would seek to investigate a report of physical abuse of Alistair Hughes, an independent journalist of Grenada.

This newspaper does not agree with the concerned journalists that there was anything unethical in the joint publication of the editorial in question by the two newspapers and the fact of publication does not constitute any precedent of an unhealthy nature.

Agreed Position

The fact is that the editorial outlined an agreed position maintained by the Caribbean Publishers and Broadcasters Association of which the newspapers concerned are members and their representatives did participate in the discussions leading to an agreed position.

The CPBA had failed to obtain any assistance from the Grenada Government on the matter of consideration of allegations of abuse of Press freedom in Grenada and of harassment of Mr. Hughes--the same two issues that now the Concerned Journalists are seeking to investigate as a result of the publication of the joint editorial.

Thus one direct result has followed from the publication of the joint editorial: both the publishers of the region and the group of journalists in Trinidad and Tobago, are shown to be concerned about the reports of abuse of Press freedom in Grenada, a delayed but welcome response.

The action of the Concerned Journalists assailed the publication of a joint editorial but two things have been proved thereby for the world to note: 1) Trinidadian Journalists have been able to meet and openly direct their criticisms at the publication of the joint editorial without having to risk any censure from anybody and 2) the journalists' resolution and other agreed conclusions are being published without any interference with their right to dissent and to criticise.

This, we think, is more than they will find Mr. Hughes and other people in Grenada are able to do in that country relative to affairs in Grenada.

Not Convinced

On the face of it the Concerned Journalists have been moved to express indignation at an unusual event but the circumstances that preceded the editorial and the criticism of it by the Journalists may need some looking into.

We refer to the publication, for example, of a circular sometime ago by an organisation with address at Laventille which threatened to stage a protest outside the office of the Express and promised that "this picket will be the first in a number of such actions against the media" in defence of what is called the truth about the existing reality in Grenada.

We are not entirely convinced that the concern of the Concerned Journalists is utterly divorced from the programme of action by this shadowy committee designed to show that the Grenada Government is not trampling underfoot freedom in Grenada, starting with Press freedom.

The Concerned Journalists, however, can rest assured that their findings will be awaited with greatest interest.

It is to be hoped that if the team is permitted to travel to Grenada that unlimited access will be given them to the numerous prisons maintained by the Grenada Government for the confinement of political dissidents. And that unlimited freedom will be permitted them to discuss with those who have endeavoured to resuscitate in Grenada a free and independent Press.

CSO: 3025/35

ANDEAN AUTOMOTIVE PROGRAM FACES DIFFICULTIES

Quito EL COMERCIO in Spanish 13 Oct 81 p A 7

[Text] The Andean Pact is having problems implementing its automotive program because of difficulties presented by the establishemnt of enterprises capable of engaging in that industry. However, an official bulletin from the Cartagena Agreement Council offers assurance that an important negotiation process is being carried out with multi-nationals which have terminal or assembly plants.

Since 1977 when the program was approved several agreements have been signed between Colombian enterprises and the Renault Company for the manufacture of vehicles up to 1,500 cc (category A 1 and A 2). In Ecuador they have selected Volkswagen and General Motors to manufacture a medium-size commercial vehicle (category B 1.2 with a gross vehicular weight (PBV) of 3 to 4.6 metric tons, the Council asserted.

The Council added that in the case of Colombia, there is a lack of even the definition of models represented by categories C or camper and for trucks in category B 3 (from 9.3 to 17 metric tons PBV).

In another section, the bulletin states that the Government of Peru is in the process of reviewing the situation of the industry and the various studies conducted by the previous government, with a view to engaging in new negotiations. The bulletin adds that by doing this Peru intends to implement its participation in the Andean program, with consideration given to its allocations in two models of automobile in category A 3 (1,500-2,000 cc) and three models of trucks: B 2.1 (from 4.6 to 6.2 metric tons of PBV), B 3 and B 4 (over 17 metric tons of PBV).

For its part, Venezuela has informed the subregional organization that it recently completed technical studies to define its basic models, namely: one in category A 3, two in category A 4 (over 2,000 cc) and two truck models: B 3 and B 4.

The bulletin notes it should be acknoledged that there is great difficulty in establishing the enterprises which will have to implement this program, with account taken of the fact that in the past 5 years there have been significant changes to promote greater fuel efficiency and improvements in productivity to maintain a competitive position.

As for Andean means of promotion for this industry, it is enough to note that beginning 31 December 1979 a gradual process to reduce national tariffs on parts and

pieces was initiated which will be applied until there is total elimination of assessments on such trade, the Council explained, adding that as of 31 December 1981, this gradual tariff reduction process will be applied to trade in the assigned subregional vehicles.

As for investments, the Council points out, the program involves the allocation of resources on the order of $2.5 billion which will generate 100,000 direct jobs, in the terminal industry alone. The size of these figures reflects the importance of the efforts of Andean countries which propose to establish an industry that will be competitive at the world level, the bulletin continues.

Finally, the bulletin reports that the basis for maintenance of the program is subregional demand for over 500,000 vehicles by 1985, the result of full expansion of a market which presents growth rates quite superior to those projected for the industrialized countries.

8143
CSO: 3010/148

SELA FISHING MINISTER'S MEETING ENDS IN QUITO

Quito EL TIEMPO in Spanish 19 Oct 81 p A 1

[Text] Guayaquil (AEP)--The second meeting of state ministers of SELA [Latin American Economic System] member countries has ended on a successful note. The ministers approved the document prepared within the context of the Fifth Ordinary Meeting of the Maritime and Fresh Water Action Committee which worked here for 4 days.

Today, state ministers and assistant observers, after signing the document, spent their time visiting the fishing complexes of Data and Posorja to obtain first-hand information and reports on the activities of the Ecuadorean fishing industry particularly on the coast and in Guayas Province.

The document signed in Guayaquil officially established the Latin American Fishing Development Organization as an instrument of cooperation and promotion which will actively contribute to the development of all facets of the fishing sector, within a promotional framework of cooperation.

The ministers and observers who attended the meeting were unanimous in their belief that the document will promote the development of the regional fishing sector, by providing incentives to countries which are blessed by maritime wealth on their borders.

The modern Hotel Oro Verde was the site of the meeting of fishing resources ministers who for the first time were meeting outside their headquarters: Lima, Peru.

As for Ecuador, its proposals were made through its minister of natural and energy resources, Dr Eduardo Ortega Gomez. The proposals were favorable received by the entire assembly.

SELA member-countries now hope to contribute to the channeling of the resources at their disposal in an effort to promote the socioeconomic development of their respective areas.

8143
CSO: 3010/148

BRIEFS

ECUADOREANS REJECT PERUVIAN DELEGATION--Yesterday, the Guayaquil Chamber of Industries refused to receive an official Peruvian delegation and rejected its offensive arguments about the border situation with that country, so long as the border problem between both countries is unresolved, according to reports from the port. The Ecuadorean Territorial Defense Front agreed with the Chamber that it is not possible to sit at the same table with those who have attacked us and have taken away our territorial heritage. The El Oro provincial prefect, Mario Minuche, said that while the delegation of Peruvian industrialists was in Ecuador, Peruvian military detachments adopted a belligerent attitude and attacked an Ecuadorean helicopter which was engaged in routine activities. Cesar Frixone, president of the Federation of Small Industrialists, congratulated the Chamber on its refusal to talk with representatives of an aggressor country. The president of the Hispano-American Institute of Cultural Relations, Efrain Camacho, said that he looked upon the Chamber's attitude with "patriotic satisfaction." Jose Maria Plaza, brother of former President Galo Plaza, expressed his total solidarity with the Chamber's exemplary decision "with respect to out traditional enemy." The organization, Pedagogical Antenna, criticized the government for receiving the official Peruvian delegation, as at the very moment it was talking about integration and friendship and Ecuadorean helicopter was being attacked in our airspace. The delegation, headed by the Peruvian minister of industry, Roberto Percivale, came to Ecuador to seek ways of settling differences arising out of failures to meet commitments of the Andean Pact. [Text] [Quito EL COMERCIO in Spanish 21 Oct 81 p A 6] 8143

CSO: 3010/148

EDITORIAL ASSESSES REAGAN POLICY ON HAITIAN REFUGEES

Bridgetown THE NATION in English 6 Oct 81 p 4

[Editorial: "Reagan and the Refugees"]

[Text] In another unorthodox step, United States president, Ronald Reagan, has moved to end illegal entry of Haitians into South Florida, by the use of coast guard boats which have instructions to intercept vessels on the high seas carrying Haitians to the Florida coast.

Last week, in an announcement from Washington, he authorised his country's coast guard to stop and return boatloads of Haitians to their homeland "as rapidly as possible."

It is estimated that over 15,000 Haitians have so far this year entered the United States illegally, and some 1,000 of them are being picked up monthly on the beaches of Florida.

No one can deny that the Haitians' trek to Florida, following upon the Cuban entry of less than two years ago, will continue to be a burden on United States taxpayers, in particular Florida taxpayers who have seen thousands of penniless people take up residence in Dade County and become a charge on their administration's social and financial resources.

In addition to interception on the high seas, the Reagan administration is proposing reduced refugee aid as part of wide-ranging cuts in federal spending which could reduce spending in that area by as much as $32 million.

Two immediate problems come to the fore. The first relates to the possibility that Reagan's action could lead to wide-scale piracy at sea (bringing back memories of more exciting days on the waters in our basin), and all that it will mean for those who traverse this area by boat, and indeed the security of the region.

Secondly, Reagan opens himself to some criticism, since among those who will be intercepted and possibly returned are "refugees" who have legitimate cause for seeking a new domicile on genuine political grounds.

We regret that more influence could not be brought to bear on the administration of President Jean-Claude Duvalier, of Haiti, from whose shores these boats leave for the Florida coast.

CSO: 3025/37

OPPOSITION LEADER CALLS FOR STUDY BY ECONOMIC TASK FORCE

Bridgetown ADVOCATE-NEWS in English 8 Oct 81 p 9

[Text] Opposition MP, Mr. Erskine Sandiford, has called on Government to establish a competent and impartial task force to study the conditions prevailing in Barbados and make recommendations for their amelioration.

In a Private Members' Resolution brought to the House of Assembly last Tuesday, Mr. Sandiford regretted that Government was still persisting in policies which were contributing to the erosion of the social, economic and political life of Barbados.

Mr. Sandiford said the purpose of his resolution was to give the House an opportunity to examine proposals made in the Throne Speech, on July 21, and to have a wide ranging discussion on the proposals.

"I am a committed parliamentarian and I wish to ensure not only that government is kept on its toes but that the Opposition ensures that Government is kept on its toes," the St Michael South MP said.

He added that Barbados was experiencing a serious crisis in its public affairs.

Mr. Sandiford said that Government could not be exempted from a measure of blame in terms of the present crisis the island was experiencing.

He said the best way to study this crisis and to understand the nature of the problem would be to establish a highly competent and impartial task force to carry out an examination of the problems.

"It is recognised generally by the populace in this country that we are in a crisis," the Opposition MP stated.

Mr. Sandiford referred to the economic proposals outlined by Prime Minister and Minister of Finance, Mr. Tom Adams, on September 8. He said Mr. Adams described the situation in Barbados as one "in which the economy is experiencing strong recessionary pressures" and he also spoke of "prevailing economic difficulties." Mr. Sandiford said these were indicators that things were bad in this country.

"We are told that these strong recessionary pressures and economic difficulties are evidenced in a fall in the growth of output, deterioration in the balance of

payments and also in the condition of public finances. Any one of these, by itself would represent a serious threat to the economic and public affairs in this country, when these things do so conjointly meet."

Mr. Sandiford urged that the situation called for examination.

The Opposition MP noted that sugar was a substantial employer in this country. It was a major user of capital and an important client of banking institutions in this country and whatever happened in this sector would have spill-over effects in the entire economy.

"If we are experiencing these difficulties it is necessary that we should examine the cause ... we are also told that tourism is down, indicators going in respect of the tourism sector are certainly not good."

Mr. Sandiford added that energy production was also down and there was a decline in the production of crude oil in this country. This, he said, was also a matter for serious concern.

The Opposition MP also said that there seemed to be a growing disorder in this country in which respect for the law, respect for the rules and conventions which hold society together, all seemed to be in some kind of crisis. He said there was also a breakdown in family relationships.

Mr. Sandiford said these things should be examined in depth.

He said a broad-based body of persons looking at the problem he outlined should include persons with qualifications in economics, sociology or social psychology. He said the task force would not derogate from the authority of Government.

CSO: 3025/37

COAST GUARD INTEGRATION WITH ST LUCIA, ST VINCENT PLANNED

Bridgetown THE NATION in English 7 Oct 81 p 24

[Text] The Barbados Coast Guard is expected to move into an integrated service with St. Vincent and St. Lucia.

According to the Chief of Staff of the Barbados Defence Force, Colonel Rudyard Lewis, this was being done in the hope of more efficient search and rescue operations throughout the region.

Lewis said that Barbados was setting up its own service first, then moving in with these two countries, and hoping that other islands would join in.

However, he was unable to state when this integrated service would start as a memorandum of understanding had to be signed first between the three countries.

The chief of staff was speaking at a Press briefing yesterday in which he explained the role of the coast guard.

Lewis said that for sometime the coast guard had come under criticism for its failure to carry out certain duties.

But he outlined the duties and explained why it was difficult for them to operate effectively.

The role of the coast guard, he said, was to enforce law at sea, to carry out surveillance of Barbados' territorial waters, to carry out air and sea rescues and to provide fishery protection.

He said that the coast guard had three craft at present: The George Fergusson, The Enterprise, and the JTC Ramsay.

CSO: 3025/37

BRIEFS

GOVERNMENT REASSIGNMENTS--Bridgetown, Wed. (CANA)--Barbados High Commissioner to Canada, Lonnie Taylor, has been recalled home to take up the post of Permanent Secretary in the Ministry of Trade, a post he held before entering the diplomatic service. Mr. Taylor replaces economist Dr. George Reid, who has been reassigned to the defence and security division of the Prime Minister's Office. Both assignments become effective tomorrow. Press reports have said that Mr. Taylor will be replaced by a political appointee in Ottawa. [Text] [Port-of-Spain TRINIDAD GUARDIAN in English 1 Oct 81 p 5]

LAND USE BILL--Owners of agricultural land who do not use this land for its natural purpose will find themselves facing penalties in the future. A Bill passed before the House of Assembly last Tuesday sought to impose penalties on persons failing to make use of agricultural land and to grant incentives to those who were working such land productively. According to Deputy Prime Minister Mr. Bernard St. John in whose name the Bill was brought, those who would be affected by the penalty system must own at least three-quarters of a hectare (one and a half acres) and this land must be valued at $2,000 per hectare or more. It must also have been in use as agricultural land before January 1, 1968. In response to Opposition criticisms about the implementation of such a penalty, Agriculture Minister Dr. Richard (Johnny) Cheltenham told the House that no single approach to the present problem would be adequate. He announced that a fiscal incentive package aimed at placing agriculture on a similar footing to industry and tourism would come before Parliament next year. He said that during the last seven years of the Democratic Labour Party regime, about 1,000 acres of land had gone out of production per year. Although Government had partially succeeded since 1976 in putting back some of this land into production, there was still a long way to go, he said. The problems facing agriculture included those of attitude and the fact that traditional farming was not profitable, Dr. Cheltenham said. He said that much of the idle land consisted of small holding comprising four to six acres of land. [Text] [Bridgetown ADVOCATE-NEWS in English 8 Oct 81 p 1]

CSO: 3025/37

EDITORIAL RAPS U.S. 'WARMONGERING,' HAILS CUBAN AID

St Georges THE NEW JEWEL in English 2 Oct 81 p 2

[Editorial: "More Assistance From Cuba"]

[Text] Here in Free and Revolutionary Grenada is the scene of over 110,000 people enthusiastically and resolutely engaged in struggles to uplift the standard of living of all of our working people; Several thousand miles to the North though, lies a big, powerful and mighty country that is prepared to use every trick in the book to secure the downfall of our People's Revolutionary Government.

Several miles to the North also there is a much smaller country, with very limited resources, but a very determined and brave people that continues to provide every possible assistance to our Government and people in the fight against under development, poverty and Imperialist domination of our natural resources.

Our People's Revolutionary Government has just successfully completed and signed yet another agreement with the Government and People of Cuba, an agreement, according to Cde Coard that "will save the Grenadian people millions of dollars".

This new agreement covers the period up to the end of 1982, and will provide technical assistance in the areas of health, housing, road, construction, fisheries, agriculture, agro-industries and the international airport project. In the coming period we will also see the expansion of trade between the two countries, on terms that will ensure cheaper sources of food for our people, thereby cutting down on the rate of imported inflation and the cost of living.

Main highlights of the recently concluded agreement on technical co-operation between Grenada and Cuba, was the fact that our friends in Cuba will be continuing to provide the international airport project with additional (technical) assistance for the next year.

Specific items included in the agreement are: an architect's design for the terminal building, bulk fuel, stand-by power generators, facilities for fire-fighting, a radio beacon, lighting and navigational equipment.

In addition, the agreement stipulates that assistance from Cuba in the form of expertise and construction workers will continue.

What all this means is that Cuba will continue to assist us in building our airport, until it is completed and ready for use.

And what it also shows, is that despite the fact that Cuba is not a rich country, and that there are rich countries in the world who can also assist us, our Cuban brothers and sisters are willing to make great sacrifices to help us.

But it is significant that while America is spending all its time, energy and money on building up its arsenal of army and ammunition that Cuba with all its economic difficulties can still find ways and means of assisting poor, third world countries like ours. Can still make it possible to provide us with a prefabricated cement plant to build houses, schools, hospitals etc. for our people.

This says a lot about the true internationalist character of the Cuban government and people.

Unlike the warmongering and dilly-dallying of the US Administration which can only mean destruction, more suffering for exploited people the world over, military invasions and International tension.

Mankind's only hope lies in the respect for each others territorial integrity, the right of a people to control their own resources and develop their own countries in their own image and likeness, to forge mutual relationships based on co-operation for the good and benefit of our countries and peoples.

We must show our appreciation for this internationalist assistance we are receiving from our Cuban comrades, and the best way we can do this is by making sure that we consolidate and build our revolution even more.

This new agreement is yet another hint to Madman Reagan, that no force on earth will ever stop this firm, principled and indissolvable friendship that binds the Revolutionary and free people of Cuba and Grenada together.

CSO: 3025/39

BRIEFS

MILITIA EXERCISE--A successful route march was held by the 4th company of the 3rd battalion of the St. Davids militia last Saturday. The route march started from 5 pm at Camp Allister, travelling along the road through La Sagesse, and ending up in Syracuse. The spirit of the comrades were very high, as they chanted such slogans as "The manoeuvre will never over", "The militia will never surrender", and "CIA--No Way". The successful route march was appreciated by the residents of St. Davids, who saw in the comrades, a manifestation of the power and will of the people to defend and protect their revolution. That successful route march was held as part of the growth of activities in the militia at a national level, proceeding from the point of view that nothing can call itself a revolution if it cannot protect itself. Many more route marches are planned by other sections of the militia for the times ahead. [Text] [St Georges THE NEW JEWEL in English 2 Oct 81 p 8]

NOEL IN JAMAICA--The Grenadian government is currently working out a media policy for that country but it will not be implemented until a new national constitution is formed. This was stated by the Secretary of National Mobilisation for that country, Mr. Vincent Noel, during a press conference at the Press Club, in Kingston on Friday. Dealing with press freedom in his country, Mr. Noel said that in addition to a workers' paper and a paper printed by the women's organisation, there were foreign newspapers which, however, were hostile to his country. He noted that editorials in the other two newspapers were printed uncensored. On the Caribbean Basin Plan, Mr. Noel said that his government was not yet ready to make a statement on it. However, they "viewed positively" the willingness of Mexico and other Latin American countries to aid the Caribbean countries. On the question of rapprochement in the United States, Mr. Noel said that his government was continually making efforts to normalise relations with the U.S. However, he noted that there have been several negative television reports on Grenada which were aimed at intimidating his country and other progressive countries in the Caribbean. His government's policy, he said, was to be friendly with all governments and did not have a confrontation policy with the U.S. [Text] [Kingston THE DAILY GLEANER in English 12 Oct 81 p 2]

CSO: 3025/39

EDITORIAL RIDICULES U.S. FOR SUPPORTING LATIN DICTATORS

Georgetown MIRROR in English 27 Sep 81 p 2

[Editorial: "Propping-up of Dictatorships"]

[Text] The US Permanent Representative to the Organisation of American States (OAS), William Middendorf, addressing that body recently said that the USA sees the Western Hemisphere as one "where shared values serve to unite us more than any differences could divide us." He went on: "We see a dedication to freedom, a tolerance and respect for differing opinions. We see a growing interest in the rights of individuals, and in the development of political institutions that sustain such rights."

And to emphasise these points, Mr. Middendorf said that his government saw, among the OAS representatives, "a profound aversion to forces which would restrict freedom, which would deny rights, would threaten the peace of others and would subjugate or undermine social and economic development...."

How those noble sentiments match up with the hard realities of the policies of the close friends of the USA and those it sustains or has propped-up in office is a problem all honest, freedom-loving people will find hard to reconcile. Take a look at these hard facts.--

There are no more US restrictions on arms sales to Chile and relations are warming up. But, since 1973, the Pinochet regime has exterminated 40,000 people!

Military aid has been resumed to Guatemala. But 80,000 people have been executed by firing squad, tortured to death or vanished without trace in Guatemala in the past 27 years. The pace of terror has not lessened at all.

Some 40,000 Haitians have been executed during the 24 years of rule by the Duvalier family, which has always had the tacit support of the US government. Thousands escaping the terrors of the regime have landed in the US--only to be turned away.

Hundreds of thousands of tons of US-made military hardware have been delivered to El Salvador, where the regime is slaughtering supporters of the revolutionary vanguard. In one week alone, 100 Salvadoreans were decapitated! Even US nuns, priests and journalists have been assassinated and yet the US-manufactured weapons pour into El Salvador to strengthen the vicious dictatorship!

This is the "dedication to freedom" enunciated by the USA!

CSO: 3025/36

CANADA OFFERS INTEREST-FREE CREDIT OF $3.5 MILLION

Georgetown GUYANA CHRONICLE in English 2 Oct 81 p 16

[Text] Guyana has been offered an interest-free loan of $3,500,000 (Canadian) by the Canadian Government for the establishment of a line of credit.

Agreement for the loan, signed between Guyana and Canada in February, was tabled in the National Assembly on Monday.

Guyana has also secured a loan of US$5,000,000 from the Caribbean Development Bank (CDB) to accelerate works on the Mahaica-Mahaicony-Abary Farm Area Development Scheme and the Tapakuma Irrigation Project.

The Canadian line of credit loan is earmarked for the procurement of raw materials, intermediate goods, construction materials and services essential to the development of Guyana's manufacturing, agricultural and construction sectors.

The CDB loan, carrying a repayment interest of four per cent, will enable government to step up its financing of local cost components for the two development projects.

The MMA and Tapakuma projects are among five major land development schemes on which government expects to spend over G$500,000,000. 400,000 hectares of arable land are expected to be made available for agricultural development and create at least 20,000 new jobs in the agricultural sector.

The CDB loan is designed to get low-income Guyanese actively involved in food and nutrition projects in the areas of agriculture, livestock and dairy farming, fisheries, forestry, marketing and credit services. Other areas will include education and human resources development, small-scale enterprises and self-employment activities.

The line of credit loan is to be financed through the Canadian International Development Agency (CIDA), while the CDB loan is being funded through the Inter-American Development Bank (IDB) and the International Bank for Reconstruction and Development.

CSO: 3025/36

OPPOSITION VIEW OF ANNUAL TUC CONFERENCE NOTES NEW TREND

Georgetown MIRROR in English 27 Sep 81 p 1

[Text] The four-day annual conference of the TUC which concludes today reveals mounting pressures from the rank and file membership for the movement to change direction in favour of organised workers.

These pressures became apparent in several of the 60 motions which called on the TUC to take cognisance of the skyrocketing cost of living in relation to the appallingly low wages in the country.

Some other unions, apart from the four-union bloc in the TUC, have thrown in their weight in the battle for a revision of wages and for the payment of the $14 minimum for 1979.

The Public Service Union (PSU) in a motion to congress called on the movement to take whatever action possible to ensure the payment of the wages due and to seek immediate implementation of a new wages pact for 1980-82.

The PSU further noted in another motion that the COL has increased tremendously, and as such government should be approached in the light of the non-payment of the $14 to allow a 25 per cent increase on salaries and wages as an immediate interim measure pending final negotiation of an agreement.

The Guyana Teachers' Association (GTA) reinforced the demand for increases in wages, noting that the recent interim relief of 7 and 12 1/2 per cent is still inadequate in view of the spiralling cost of living.

The union said that the TUC knows fully well that the freezing of increments has created a further levelling of workers salaries with those of the new recruits in the system. It urged the TUC to negotiate for the removal of the freeze so that seniority could be compensated by higher wages than those of juniors. It also called for a new wages agreement to be concluded.

Other motions assumed an anti-American, anti-imperialist note, including motions condemning the USA for the manufacturing of the dreaded neutron bomb, and its support of racist South Africa and the Peking hegemonists in their assaults on Angola and Vietnam respectively.

Conference sources said that by the end of the event today, there would have been heated debates on the wages issue and government's plan for a unified pension scheme.

But labour observers opined that not much is likely to come out of the conference, though it would have clarified the impatience of the rank and file for change and a more vibrant labour organisation.

CSO: 3025/36

BULK OF FOOD CROP PROGRAM EARMARKED FOR ESSEQUIBO

Georgetown GUYANA CHRONICLE in English 2 Oct 81 p 16

[Text] Essequibo has been earmarked to absorb 84 per cent of an $11.7 million (G) food crop production and marketing programme being implemented by government.

Of this amount, 20 per cent or G$3,138,000 will go to the soil-rich North West Region.

This was disclosed by Minister of Agriculture, Cde. Joseph Tyndall, in an address at Kumaka to mark the launching of this year's 7th annual Agriculture Month.

The food crop production and marketing programme, which is being financed by the Inter-American Development Bank (IDB), embodies the establishment of six marketing and five extension centres at a total cost of G$11,775,000.

Kumaka is to have both a marketing and an extension centre at a cost of approximately $2,692,000.

The other areas earmarked to benefit from the programme are Acquero, Charity, Supenaam, Parika, Kuru Kururu and Black Bush Polder.

Under the programme three passenger vehicles will be provided for the Kumaka/Hosororo centres to enable field officers to provide a more effective service to its farming community.

Tractors and agricultural implements will also be provided for work at extension centres and to assist farmers to accelerate and diversify food crop production.

Minister Tyndall said the launching of Agriculture Month in Kumaka this year was further proof of government's faith in the country's farmers and its recognition of the tremendous agricultural potential which Essequibo as a whole possessed.

Essequibo has "the potential not only to expand what we have traditionally produced, but to develop new crops or to re-introduce new crops that once flourished in Guyana," the Minister said.

The theme of this year's Agriculture Month is "Agriculture--For Development and Defence."

CSO: 3025/36

BORDER DISPUTE SPARKS WITHDRAWAL FROM SURINAME TRADE FAIR

Georgetown GUYANA CHRONICLE in English 3 Oct 81 pp 1, 6

[Text] Guyana Thursday closed its booth at the Suriname Trade Fair--"Surinade"--following a controversy which developed over the map of Guyana which was on display at the Guyana booth at the fair.

Reports reaching Georgetown from Paramaribo, the Suriname capital, said that Suriname officials objected to the Guyana map being displayed at the Guyana booth. The Suriname officials contended that the New River Triangle area is Suriname's territory and threatened to close the booth unless the map was withdrawn.

Guyanese officials in Suriname stoutly defended Guyana's territorial integrity and acting on instructions from Georgetown withdrew from the fair.

A senior government official yesterday strongly denied that the booth was closed by the Suriname authorities as was reported by the Suriname media.

The official explained that the Guyana map formed part of the Guyana exhibit at the fair which was officially opened on September 24. The Guyana booth, the official added, was visited on the opening day by the Suriname President and several senior officials of the Suriname Government.

The booth was also visited by several senior officials on Monday, September 28 when Guyana night was observed at the fair. Up until that time, it was explained, there was no official objection to the Guyana map being displayed. On Wednesday, September 30, however, Guyana's Charge d'Affaires (acting) in Suriname Cde John Murray was called in by the Director Permanent Secretary of the Suriname Foreign Ministry and was told that the Suriname Government objected to the map being displayed.

He was told that if the map was not withdrawn the booth would be closed.

Withdrawing the map would have meant amending the Guyana exhibit and since it was unthinkable that consideration be given to amending the Guyana map, Guyana decided to withdraw from the Trade Fair.

Guyana, the official stressed, has a legitimate right to display the Guyana map as it sees fit.

Meanwhile, reports from Suriname said that the Guyana booth has been a big success and had generated a lot of interest since it was opened last Saturday.

The reports said that special interest was shown in refrigerators displayed by Guyana Refrigerators Limited and in the fabrics displayed by the Sanata Textile Mill.

In addition to the refrigerators and textile products on display, exhibits at the Guyana booth included processed foods and pharmaceuticals from the Guyana Pharmaceutical Corporation (GPC) and engineering products.

Guyana Night at the Trade fair featured a 32-member Guyanese cultural team. It was also a big success. (GNA)

CSO: 3025/36

GOVERNMENT COMMITTEE TO STUDY DEFENSE FORCE IMPROVEMENTS

Georgetown GUYANA CHRONICLE in English 5 Oct 81 p 16

[Text] A Committee is to be established by Government to supervise a number of activities for raising funds to better prepare Guyana to defend its territorial integrity.

The Committee is proposed in a new bill passed unanimously in the National Assembly Friday. The Bill also authorises the issue of Premium Bonds for similar preparedness.

The Bill, now the Premium Bonds Act 1981, arose from Venezuela's "active" claim to about 70 per cent of Guyana's territory.

"It is now common knowledge in Guyana, and in almost every part of the world, that Guyana faces a serious threat to its very survival as a nation," Finance Minister Cde Sallahuddin said as he piloted the Bill in the Assembly.

The "Premium Bonds" Committee will consist of a Chairman, an Opposition Member of Parliament, the Deputy Accountant General and five other members representing the Bank of Guyana, the Guyana Trades Union Congress, the Guyana Consumers' Association, the Council for the Affairs and Status of Women in Guyana, and the Public Service.

The Committee will make recommendations to the Finance Minister on the holding of lotteries, determine the Bonds eligible for any lottery, supervise the actual draw of lots at the lottery, and prepare and submit to the Minister a report on the results of each lottery and the payment of lottery prizes.

Minister Sallahuddin said the new Act will enable every Guyanese to participate actively in the country's defence processes.

"The issue of premium bonds aims primarily at augmenting the defence capability of the nation," he added.

The Minister urged that minority parties in the National Assembly join with the Government to strengthen Guyana's defence mechanisms. The People's Progressive Party and the United Force did not speak on the issue, though they supported the measure.

CSO: 3025/36

MORE THAN 5,000 RESERVISTS JOIN MILITIA; TRAINING UNDERWAY

Georgetown GUYANA CHRONICLE in English 12 Oct 81 p 9

[Text] More than 5,000 persons from all walks of life have rallied to the call to prepare themselves for the defence of our motherland against external aggression.

And approximately 1,000 of these are at present undergoing a three-week exercise at Camp Seweyo, a Guyana People's Militia training base on the Linden-Soesdyke Highway. The exercise started on September 27.

The reservists are drawn from nine regions in Guyana. Region 9 is the only one not represented at the Annual Camp exercise because of transportation difficulties. They conducted a regional Annual Camp instead.

The reservists ranging from teenagers to grandparents consist of persons from all races, religions and social status in Guyana. There are housewives, farmers, students, engineers and retired persons among the group.

Guyana People's Militia Training Officer, Major Wayne McKenzie explained that the reservists attend training sessions twice weekly at camps situated in their respective regions.

A regional Annual Camp is also conducted with the primary purpose of coordinating the military skills imparted to the reservists in their various districts throughout the year. The Seweyo Annual Camp provides the opportunity for standardisation and coordination at a national level, he explained.

And Wednesday during a conducted tour by local media personnel at Camp Seweyo it was disclosed that G.P.M. Commandante Cecil Martindale will soon be leaving to take up the post of Military Attache in the Guyana embassy in Venezuela. Colonel Martindale called on all political parties in Guyana to support the efforts of the political administration in developing a nationalistic approach to the issue of the Venezuelan threat.

His successor, Colonel C.V. Bowen, who has been seconded from the Guyana Defence Force promised to improve the organisational structure of the Militia to achieve a more effective management and deployment capability. The nucleus of the plan is already in place at the various districts throughout the country in the form

of permanent staff at these locations. According to the new Commandante, the plan is to set up a G.P.M. Headquarters in every region. These will be directly answerable to the National Headquarters in Georgetown.

Meanwhile it is felt that the training received by reservists, apart from preparing them to defend the country, provides an additional benefit to the nation. This occurs when the reservists, who are drawn from various civilian productive and service areas, return to their jobs more physically fit, better disciplined, and more psychologically prepared for tackling the occasional or seemingly insurmountable problems faced by their organisations.

This year's Annual Camp ends Friday, October 16 with a passing out parade at 16:30 hours at Camp Seweyo. The reservists leave for their homes the next day.

CSO: 3025/36

EDITORIAL WEIGHS GOVERNMENT'S ANTITERRORIST ACTIONS

Kingston THE DAILY GLEANER in English 19 Oct 81 p 6

[Editorial: "This Terrorism"]

[Text] The statement on terrorism by Mr. Winston Spaulding in the House on September 23 will have confirmed many people in their suspicion that there is organised effort by extremists to promote disorder, and in view of Mr. Spaulding's character many who had previously dismissed the idea will now take it seriously. The Minister spoke from information he has carefully examined.

Mr. Spaulding appealed for co-operation from the public. We think he has obviously made some progress in dealing both with the terrorist plot and with violence in general, but that does not mean that the good citizen can afford to sit back and watch events. Now that real effort is being made to stop violence, any help the good citizen gives can be far more valuable than formerly.

As the security forces press harder on the terrorists, the latter will find some of their armed supporters slipping away and they will seek to enlist unattached gunmen, some of whom, as they also fear the increasing pressure of the security forces, will move to terrorism. So the problem remains one, and all information on violence will be of value in suppressing it. The movements of an ordinary gunman thinking of getting inside an organisation could throw light on that organisation.

The Minister's further statement to the House on Wednesday, October 7 on the "Paul Burke affair" brought Cuba into the arena as a possible hiding place for some of our terrorists. Has the Government queried Cuba over the possible involvement? That should be done, and quickly too.

CSO: 3025/39

GOVERNMENT CHIDED FOR WITHHOLDING FACTS ON SUBVERSION

Kingston THE SUNDAY GLEANER in English 11 Oct 81 p 16

[Article by Thomas Paine]

[Text] Mr. Winston Spaulding, the Minister of Security and Justice, has played into the hands of Dr. D. K. Duncan. He has played into his hands because he has allowed Dr. Duncan to say with a fair amount of truth that the charges the minister made in Parliament concerning the activities of subversives in Jamaica are baseless; and there are very few who could hope to argue successfully that what Mr. Spaulding did say was anything more than a hint that he had some damaging evidence.

The Minister might well have some evidence and I have good reasons to believe that he has more than a little evidence of the existence of subversive forces in the country. But he gave no facts. If Mr. Spaulding was not ready to give facts, as he seemed to have implied, then he should have said nothing. For in talking as vaguely as he did about the matter he has given Dr. Duncan another advantage; he has allowed Dr. Duncan to anticipate any action this government might be forced to take in the future by saying well in advance of any such action, and at a time when no facts are given to justify such actions, that the government is using the subversive story as a "red herring" to lead the people away from government's failures. And it will not matter whether the failures are real or created in the minds of the people by "progressive" propaganda.

Hector Bernard in his article "Where are the Brigadistas?" which was published in the Gleaner some months ago, insisted that the government should tell the people the full story of the "Cuban Connection." This has not been done and it was not done in Mr. Spaulding's speech to Parliament. "It is going to require," Mr. Spaulding said, "the national will of the patriotic, law abiding people of Jamaica to come to grips with this menace once and for all." Perhaps. But the national will is not going to be mobilized by mere hints of subversion or the announcement that some documents have been sent to the Director of Public Prosecutions. Another earlier and vague statement that the Brigadistas were being trained in matters incompatible with democracy is not going to help either.

Dr. Duncan, who is one of the few "progressive" voices in Parliament, knows two things: he knows how useful Parliament is in the business of propaganda since utterances in Parliament are almost sure to get attention; and he knows that this government like all other Jamaican governments, has an unhealthy attachment to

secrecy and are not likely to say very much out of a genuine but misguided belief that secrecy is its own reward. Dr. Duncan must have been delighted that the charges of subversion by the Minister were accompanied by no photographs, no exhibits or any statement (name withheld) from defecting Brigadistas. It is in the governments own interest to tell the country now, if not all it knows, certainly more than it has disclosed so far. To do otherwise is to play into the hands of the propagandists of the left.

The Missing Files

The Government should, for example, tell the country what was the precise nature of the instructions that the Brigadistas and others who studied in Cuba underwent. I have good reasons for believing that government has detailed information on this and I cannot understand why this has not been made public. Mrs. Eugenia Charles, Prime Minister of Dominica, has already disclosed that Marxist indoctrination is De Rigueur and those who reject the idea of Cuban subversion would do well to reflect upon the fact that after the Government of Dominica rejected the offer of Cuban scholarships, the Cuban government was still trying surreptitiously to get people from that island to study in Cuba. Very little has been said about the missing files on the Brigadistas or of certain structures discovered at least one of the so-called Cuban schools which had nothing to do with education. I admit that there can be information of the type that, if disclosed, would hamper the security forces. If that is the only type of information that the government has then let it remain silent.

But in all this Dr. Duncan has climbed so high that like the monkey in the Jamaican saying, he has exposed himself. According to a report of his speech to the House in the Gleaner of September 30, Dr. Duncan took issue with what the United States Secretary of State, General Haig, said at the United Nations in reference to the economic development of the Caribbean basin. What General Haig said in a nutshell was that there must be political stability in a country if development is to go forward; that fear and insecurity stifle production; that there is a close relationship between security and development and he added (if Dr. Duncan's quotation is correct) "We are therefore committed to maintain, and where possible, to increase programmes essential to deter international aggression and to provide the domestic security necessary to carry out sound economic policies."

Now these principles enunciated by General Haig are as old as the Marshall Plan which resulted in the almost miraculous reconstruction of Western Europe. The North Atlantic Treaty alliance was the security cover for the Marshall Plan. No one but the Soviets was irked by this arrangement. Dr. Duncan clearly does not like a similar arrangement for the Caribbean basin and it would be interesting to hear what he has against it. Why should not the government of Jamaica do everything possible to put down subversion of any sort, whether it is thugs with M16 rifles terrifying tourists in Montego Bay or communists who would wreck the economy to provide more of the "oppressed masses" on whose back they hope to ride to totalitarian power.

Dr. Duncan must either be saying that there is absolutely no threat of subversion in the country or, if there is, the government should do nothing about it. But

he is too shrewd a "progressive" propagandist to embrace explicitly either of these propositions. What he chose to do in his speech instead was, by a sort of verbal sleight of hand, to change the meaning of "subversive" and make it synonymous with a "plan which includes the smashing of the worker movement and the repression of the progressive forces."

It should be clear to the government that it cannot long delay the disclosure to the public of the facts on subversion, or some of them which it has in its possession. Just to hint at them and promise disclosure at "the proper time" is to put a weapon in the hands of the Leftist propagandists and the "proper time" might very well be too late. Mr. Spaulding should seriously consider calling a press conference on the whole affair very soon.

CSO: 3025/38

STATISTICS SHOW RISE IN REVENUES, DROP IN UNEMPLOYMENT

Kingston THE DAILY GLEANER in English 20 Oct 81 p 1

[Text] Some $80-million more in revenue was collected by government between January and July this year compared to the same period last year.

The unemployment rate fell from 26.8 per cent in November 1980 to 26.2 per cent in April 1981, and Jamaica's population increased by just over one per cent between June last year and June this year to 2.20 million, according to figures released by the Department of Statistics.

An API release on Wednesday said:

"Jamaica's population increased by 1.01 per cent between the end of June 1980 and the end of June 1981. The population at the end of June 1980 was 2.17 million while the June 30, 1981 figure is 2.20 million.

"These figures have been released by the Department of Statistics, in a recently compiled 'Review' designed to provide indicators to changes in the economy.

"The 'Review' shows that Government revenue collections increased by 14.5 per cent between January and July 1981 over the same period last year. Collections for January to July 1980 was $554.2 million, with $634.5 million collected for this period this year.

"Income tax collection which is the biggest contributor, rose by 27.5 per cent over 1980. There was a 3.3 per cent drop in consumption tax earnings which fell to $160.1 million from $165.6 million in 1980.

"The unemployment rate fell from 26.8 per cent in November 1980, to 26.2 per cent in April 1981.

"The 'All Item' index for August was 330.0, an increase of 0.8 per cent over the July figure of 327.5. Increases were recorded in both the 'Kingston Metropolitan Area' and 'Other Towns'.

"In the area of production, bauxite rose by 2.4 per cent to 7.1 million tonnes for January to July 1981, from 7.0 million tonnes for January to July 1981. Alumina climbed by 8.7 per cent from 1.4 million to 1.5 million for the same periods.

"There were fluctuations in the manufacturing sector, with sugar, flour and petroleum products showing declines in production, while cement output increased marginally. According to the 'Review' visitor arrivals for August 1981 was 40.2 thousand as against 39.9 thousand for July 1981."

CSO: 3025/39

SOVIET SCIENTIFIC RESEARCH VESSEL VISITS KINGSTON HARBOR

Kingston THE SUNDAY GLEANER in English 11 Oct 81 p 29

[Text] The Akademik Korolev, a Russian scientific ship, specialising in meteorological research, sailed into Kingston Harbour, on Wednesday, September 30 and October 2. Speaker of the House, the Hon. Talbert Forrest, diplomats and other dignitaries toured the vessel.

In the vessel's museum room the guests were treated to Russian wine and told of the work of the ship by Captain Yennady Sourzhenko.

Built in the East German port of Wismar in 1976, Captain Sourzhenko said the Akademik Korolev was engaged in research work aimed at improving know-how about hurricane.

Research

The ship, which has worked in the Atlantic and Pacific Oceans, was carrying out research in the Caribbean.

Research work was possible through a bi-lateral agreement between the Soviet Union and Cuba. There were 50 scientists, drawn from both countries, aboard, as well as 30 laboratories.

One hundred and twenty-four metres long and just over 70 metres wide, the vessel is powered by two main engines.

Mr. Viktor Teslenko, head of the scientific research project aboard, assisted the Captain by answering questions.

Friendship

After a short tour of the vessel the dignitaries were invited into the Officers Mess for supper, and Captain Sourzhenko declared "we come as friends." He made a plea for more friendship and peace. A warm applause greeted his speech.

With the Russian Vodka very much in evidence Spanish Ambassador, Mr. J. Cervino, displayed his talent on a piano and members of the audience, particularly some Venezuelans and Cubans, joined in with some lusty singing and a guitar.

Among the guests who toured the vessel were: the Ambassador for the Soviet Union, Mr. Dmitri Musin, the Colombian Ambassador Dr. Victor Ramirez; the Mexican Ambassador.

The Akademik Korolev sailed from Newport West on Saturday to continue its work in the Caribbean after taking on supplies.

CSO: 3025/38

MANLEY VOICES CONCERN OVER JLP TREATMENT OF UNIONISTS

Kingston THE DAILY GLEANER in English 13 Oct 81 p 14

[Text] Concern over the future of the trade union movement and workers' cause was expressed by the president of the People's National Party, Mr. Michael Manley, as he questioned what is the "hidden agenda" in the Government's policies.

Speaking to thousands of party supporters at the public session of the party's 43rd annual conference held at the National Arena on Sunday, Mr. Manley said there are things happening that give cause for concern. The government of the PNP set up an important Labour Law that set up the Industrial Disputes Tribunal, and two cases have happened there recently that he would like to warn them about, and on which he wanted to speak publicly to the government.

Referring firstly to the case where he said 13 JBC workers were fired, Mr. Manley said when they were fired, they were fired without cause. There was no reason for their dismissal.

"They were fired because the government, the political government wanted to break the newsroom and make it a tame instrument of JLP policy and plans.

Excuse

"They used as the excuse that out of the 13 people that they fired, two were members of the WPJ, so they used that as the smoke-screen and fired the 13 because they wanted to break the newsroom. They wanted to make it incapable of independent journalism, and they believed that because two WPJ members were there that everybody would be afraid to deal with the matter, because the two were avowed communists."

Mr. Manley said that the day an employer can fire one worker, not because of his work, not because his work is bad, not because he is incompetent, not because he is lazy, not because he doesn't come to work, not because he is rude, not because he is a thief, but because you don't like his politics, all working class justice in Jamaica is finished.

If they had said that all 13 workers were fired for laziness, incompetence, then "we could deal with that, but eleven first class journalists were not members of WPJ, are not communist, some have no politics at all that I know of, I think that this is the most dangerous invasion of workers' rights."

Mr. Manley said that worse had happened, because when it was reported to the new Minister of Labour he said that he did not believe it was an industrial dispute.

He spoke also about the bauxite issues where they tried to defeat the bauxite workers. They refused to use the Tribunal for the JBC case, and before the JBC case finish arguing they tried to shut up the bauxite workers' case with the Tribunal.

Mr. Manley said that the Minister was wrong. "Maybe he is inexperienced. He is wrong in a way that sets a dangerous precedent for Jamaica."

He said that as soon as the meeting was over one of the things he would do was to call the leadership of the trade union movement together, call them in his right and authority as a senior elder statesman, and adviser of the National Workers Union, and warn them if they allowed this thing to happen, you lock off one today, who tomorrow, who is right and who is wrong?"

Change

The party leader said he is going to propose changes that should be made to the law so that it could never happen again, and he was going to ask the unions to join him in other proposals for changing and improving the law so that this sort of thing can never happen again.

He said that another matter worried him even more, noting that while he was away, he heard that "another of the young and inexperienced Ministers" had made a statement that was very rash. That when the workers of Jamaica had a problem and protest that he saw it as subversion, a part of a plot to destroy economic recovery.

Mr. Manley said he viewed this as one of the most dangerous things to have been said in this country. The National Workers Union would never be a party to any attempt to use workers to subvert the economy of this country, never in any circumstances.

"And I don't believe that any union in Jamaica today, you will have to show me the evidence, to make me believe this, that any trade union in Jamaica today is trying to subvert the country for a particular reason. I don't believe any trade union is doing it, unless you show me evidence that I can believe.

"But when a Minister of Government said that if workers have to take action, that that is part of a political plot, where are we heading? What are we trying to set up?

Paul Burke Case

"Isn't it strange. The Paul Burke case, the general charge of subversion, then all of a sudden if an employer fires ten workers and the workers are vexed about it, and they go out and strike because they believe it is wrong, we hear it is subversion.

"But let him know as God is my judge, we are looking for no confrontation, but if he believes or the government believes, that by this kind of vicious, dishonest propaganda they are going to silence the trade union movement of Jamaica, let them think again."

All the years the PNP was in power all the unions, BITU, NWU knew that they all got equal justice and regard from the government of the PNP.

"And if we are going to have a kind of political terror set loose on the working class in Jamaica I say to them please stop before it is too late. Because we will not bow. We will not retreat."

The Youngsters

He said that he would not allow the workers' rights to be trampled by people who are coming so close to fascism in their outlook and they have only been there one year and nobody trouble them.

He appealed to the Deputy Prime Minister, a union man himself, to "talk to the youngsters around you, and teach them the time of day, teach them to behave themselves, teach them not to provoke this magnificent movement that stand up for 43 years of tradition.

"Let them understand that with all that we disagree with Bustamante in many things politically that even Bustamante would rise from his grave at the thought that every worker who stands for his right is now guilty of subversion. I cry shame upon those who betray the labour movement of Jamaica," Mr. Manley said.

CSO: 3025/38

JOINT VENTURE PROJECTS MAJOR EXPANSION OF BANANA INDUSTRY

Kingston THE DAILY GLEANER in English 17 Oct 81 pp 6, 7

[Text] A major expansion of the banana industry estimated to cost US$25 million and involving 5,000 additional acres, is to be undertaken under the joint ownership of the Government of Jamaica (60 per cent), the Jamaica Banana Producers Association (20 per cent) and United Brands of the United Kingdom (20 per cent).

It is estimated that along with approximately 14,000 acres of "good quality high-yield" acres now in production, the additional 5,000 acres will guarantee that Jamaica will produce the required 150,000 tons of high quality export banana.

These facts were announced by the Minister of Agriculture, Hon. Dr. Percival Broderick, during his contribution to the Sectoral Debate in the House of Representatives on Tuesday, October 6.

The Minister also told the House that the Banana Company of Jamaica and the All-Island Banana Growers Association will be provided with technical help to ensure that the existing 14,000 high-yield acres are grown under modern banana practices.

Before making these announcements, Dr. Broderick said: "The Government will insist that the Banana Company of Jamaica be re-organised to improve its efficiency and its delivery services to the industry."

The following is Dr. Broderick's statement on the expansion project.

Currently, Jamaican bananas in England are purchased exclusively by the Jamaica Banana Producers Marketing Company, a subsidiary of the Jamaica Banana Producers Association Limited and Fyffes, a subsidiary of the United Brands organisation.

The Government has held discussions with these two organisations about how best to resuscitate Jamaica's banana industry, and recently signed a Memorandum of Understanding which will allow for a major banana expansion project of up to 5,000 acres which will be owned 60 percent by the Government of Jamaica, 20 percent by United Brands and 20 percent by the Jamaica Banana Producers Assn. Ltd. Preliminary estimates are that the project will cost US$25 million.

Personnel are already in the field identifying the sites for this major new thrust in banana production and I expect the detailed negotiations on the terms and conditions to be completed in the near future.

Technical Expertise

It has been further agreed that United Brands will provide the technical expertise to manage this project and will also provide significant technical assistance to the Banana Company of Jamaica. This technical assistance will cover all aspects of banana production including field practices, the delivery of bananas from farm gate to boxing station, selection and quality control methods in the boxing station and the transportation of fruit to the docks.

The Banana Company of Jamaica will, however, remain the sole purchaser and seller of fruit in the United Kingdom through the JNES subsidiary of JAMCO. The benefits gained over the years through this marketing channel have thus been preserved for all growers.

This new project combined with our existing acreage should allow export tonnage from Jamaica to return to its pre-1972 levels with quality out-turn that will once more make the Jamaican banana a sought after product in the United Kingdom. To this end, the Banana Company has already started work on identifying by location and acreage, those lands now in banana production that are capable of producing high yields per acre of good quality export fruit.

The current estimates of the Banana Company are that there are approximately 14,000 acres of good quality high-yield acres now in production and these acres, when combined with the 5,000 acres project mentioned above, will guarantee that Jamaica will produce the 150,000 tons of high quality export fruit.

Technical Help

The Banana Company of Jamaica and the AIBGA, with the technical help that will be provided, will have to ensure that these 14,000 acres are grown under modern banana practices.

The growers will have to be persuaded through an appropriate quality incentive scheme, that sound practice means high quality yield which means higher returns. The Banana Company has already introduced the first plank in this quality incentive programme and further improvements are to be introduced this year.

Small farmers have for many years contributed significantly to the banana industry in Jamaica and in this reorganisation small farmers will still be expected to play a major role in the production of export bananas, but they will be expected to produce a quality fruit capable of meeting the requirements of the U.K. market.

The Banana Company has been instructed to carry out this reorganisation in close consultation with the All-Island Banana Growers Association.

The Government of Jamaica further recognises that the nature of banana production in Jamaica is such that a significant portion of the bananas produced in Jamaica will not find their way into the export market.

Ripening Process

The Government is therefore taking the necessary steps to develop the banana ripening and processing capacity in Jamaica. The banana, as is well known, is a very versatile product and markets exist both locally and overseas for banana chips, banana puree and banana figs. In addition, we are exploring alternative uses for the banana trunk and leaves.

Our Agreement with the Jamaica Banana Producers Association Limited and United Brands to establish 5,000 acres of pure-stand bananas is a firm one, and ground will be broken for this project early next year.

The reorganisation of the Banana Company and the upgrading of its technical services is a key requirement if the banana grower is to be given a chance to produce good bananas. The Government expects that this reorganisation and the provision of some of the technical staff will be in place before the end of this year or at the latest early next year.

The plans to develop the banana by-products and increase the ripening capacity in Jamaica are well advanced and I am optimistic that real production of the by-products will commence early next year. The provision of a finance and insurance package that will allow those growers who wish to expand to do so, is recognized as urgent. All these and a consistent flow of imputs in the desired quantities must be in place in 1982.

CSO: 3025/38

EDITORIAL CALLS FOR ACTION ON TOURISM CORRUPTION CHARGE

Kingston THE DAILY GLEANER in English 17 Oct 81 p 10

[Editorial: "Smell of Corruption"]

[Text] The Minister of Tourism Mr. Anthony Abrahams has made some serious allegations of corruption in the previous administration of tourism.

In his contribution to the sectoral debate in the House of Representatives on Wednesday, October 7, Mr. Abrahams said that judicial action will be taken in areas which have been exposed to have been corrupt in the tourism sector.

Mr. Abrahams accused the PNP regime of using the technique of 'no account, no contract' to perpetrate what he called massive fraud, corruption and sabotage on attempts to develop the industry.

Mr. Abrahams then categorised some advertising agencies used under the PNP regime in tourism as "hurry come up" and asserted that his Government had replaced them with agencies of international repute. This of course is peripheral to his main theme that the system of no contracts and no accounts was used to perpetrate excessive payments and other corrupt deals with foreign and local agencies.

To substantiate his charges, Mr. Abrahams gave examples. He said $2 million was spent on a programme to encourage travel agencies to interest their clients in coming to Jamaica but that the programme brought in 200 tourists. This by itself does not appear to be corrupt so much as gross ineffectiveness of the programme. In other words the failure of a scheme does not of itself make the scheme corrupt.

But other examples appear to be corrupt, if they turn out to be what the Minister said they were. These include the 'time sharing' scheme where $4 million generated $1.3 million business, where a family company was set up at Government expense, and in which US citizens were paid $40 each to view a film on Jamaica.

The allegation that "people who hold high office in the country" wished to buy the Time Sharing Company as a loss company is grave. Who are the people involved, the public will wish to know especially as the Minister said it was a ploy to avoid the revelations to be made from an audit.

There were examples also of skullduggery at the Government owned Martin's Travel Services including the mysterious gift of buses to a tour operator and the purchase of a yacht.

In our view it is not enough to bring these revelations to Parliament. They should be brought before a Court of Law or before a Commission of Enquiry so that a wide ranging investigation may be conducted and the guilty identified and prosecuted, with the innocent escaping the brush of culpability which is inevitable when general charges are made without names being mentioned, from the immunity of Parliament.

For the picture of corruption revealed by Mr. Abrahams is grave and should be followed up with expedition.

CSO: 3025/38

DIPLOMATIC ASSIGNMENTS TO UK, ETHIOPIA, U.S. ANNOUNCED

Kingston THE DAILY GLEANER in English 19 Oct 81 p 1

[Text] Mr. Herbert Walker, Governor of the Bank of Jamaica, has been appointed High Commissioner to London in succession to Mr. Earnest Peart. Mr. Richard Pierce has been appointed Ambassador to Ethiopia, and Mr. Lorrel Bruce, Consul General in New York. Mr. Pierce fills a vacancy which was created by the death of Mr. Aston Foreman, over three years ago, and Mr. Bruce succeeds Mrs. Myrtle Johnson-Abrahams.

Mr. Walker who has been Governor of the Bank of Jamaica since 1978 studied at McGill University, Canada and Victoria University in Manchester, England, where he gained the Bachelor of Arts in Economics and Political Science, and the Bachelor of Law degrees, respectively. On leaving university, he worked at the Development Secretariat in Guyana. He returned to Jamaica in 1957 and joined the Ministry of Finance. In 1965 he was appointed Permanent Secretary in the Ministry of Trade and Industry, during which time he was leader of Jamaica's delegation to several conferences on trade.

In 1972, he was appointed Permanent Secretary in the Ministry of Industry and Tourism, but later left to take up the post of Jamaica's Permanent Representative to the United Nations. He has also been Jamaica's representative in Austria, Italy, Yugoslavia, Hungary and Egypt.

From 1972-78 Mr. Walker served as chairman of the Latin American group; chairman of the Group of 77; and chairman and spokesman for the Group of 77 at the fourth UN Conference for Trade and Development. He also served as president of the UN Conference for the negotiation for a common fund.

Over the years, he has served as director of several statutory boards and government-owned companies.

Mr. Walker was made a Commander of the Order of Distinction for his leadership role among developing countries. He is married with two children.

Mr. Pierce is currently Charge d'Affaires ad interim in the Jamaican Embassy in Addis Ababa. He holds a Bachelor of Arts (Hons.) from the University of the West Indies, and a Master of Arts in Political Science from Colombia University. He first served in the Jamaican Embassy in Washington.

In 1973, he was appointed Counsellor in the Permanent Mission of Jamaica to the Organisation of American States, and was promoted to the level of Minister/ Counsellor in the Office of the Permanent Representative of the United Nations for Jamaica in 1974. He was appointed Charge d'Affaires in the embassy in Addis Ababa in 1978.

Mr. Bruce is a former career civil servant and holds a Bachelor of Science in Economics degree from London University, and a diploma in Public Administration from U.W.I. His first appointment in the civil service was in 1936 as an assistant in the Lands Department.

Since then he has occupied positions in the Audit Department; the Hurricane Housing Organisation, the Ministry of Trade and Industry and the Ministry of Finance where he was appointed principal assistant secretary and assigned as personal assistant to the Minister. In 1972 he was promoted to special assistant to the Prime Minister. On retirement from the service he served as special assistant to the Prime Minister for 15 months. His appointment takes effect on November 1. Mr. Bruce has been prominent in the Credit Union Movement.

CSO: 3025/38

SOVIET USE OF TOXIC GASES, BACTERIOLOGICAL WEAPONS CONDEMNED

Lima LA PRENSA in Spanish 28 Sep 81

[Editorial: "Bacteriological Warfare"]

[Text] U.S. Secretary of State Alexander Haig, during his visit to the Federal Republic of Germany, disclosed that there is reliable evidence of the use of toxic gases and other bacteriological weapons by the Soviet Union and its allies in Afghanistan and Southeast Asia.

Technical studies have revealed that there are abnormally high levels of three powerful micotoxins in certain regions of Laos, Cambodia and Afghanistan.

Micotoxins are fungi which are highly toxic to man and animals and can be diffused in the atmosphere. Their use is forbidden by the 1975 Convention on the Limitation of Bacteriological Weapons.

If the Reagan administration's accusation is confirmed, we would be facing an act of war as internationally defined by pacts and treaties. In a war situation, rights are subject to a group of elementary principles, the object of which is the preservation of civilian lives, regulation of the types of weapons used and the treatment of prisoners, among other things. Their chief characteristics indicate that the international community has agreed to eliminate the use of mass exterminating substances, such as toxic gases.

The use of such lethal substances was indiscriminate during World War I, as attested by the deaths of thousands of men at Ypres, Arras and the Marne. Because of their inhuman effects, which do not distinguish between either civilians and soldiers or actual death and frightful mutilation, the civilized countries decided to prohibit their use in war, and this was done in the Geneva Convention of 1925, ratified later by the aforementioned 1975 Convention.

The fact is that in spite of the unanimous prohibition, there are those who feel they have a right to test the effectiveness of such gases on defenseless countries which are struggling for their freedom. The Soviet Union has a dark history of imperialism in the world, a history which has respected neither the sovereignty of other countries nor the international order. Its actions have always been carried out through force, its justification always based on ideology. The free

world has historically been divided in its responses: lukewarm condemnation, energetic repudiation, and economic sanctions being among the most significant.

However, the expansionist zeal of communism today demonstrates that it will stop at nothing in its obsessive search for total power. Convertional warfare is being replaced by bacteriological warfare, more terrible, more brutal and more unjust than any weapon yet created by the destructive genius of man.

We must flatly reject the outrages committed by the Soviets in the world. The insecurity of other nations in the face of Soviet power must be ended once and for all. The consolidation of a civilized and prosperous international community is possible only through respect for international laws and when reason takes precedence over man's other appetites.

8735
CSO: 8048/0149-B

FISHING AGREEMENT WITH USSR CRITICIZED

Lima CORREO in Spanish 26 Sep 81

/Editorial/

[Text] Fishing relations between Peru and the USSR became official in September, 1971--at the height of the pro-Soviet Velasco administration--when the agreement was signed which was to bring to Peru the undoubtedly advanced technologies of that country in exchange for port facilities for Russian ships operating in the South Pacific.

Theoretically, on paper at least, the Peruvian-Soviet Fishing Agreement brought more or less equal benefits to the signatory countries. The Velasco administration had embarked on the adventure of creating a colossal fishing industry infrastructure in the service of the state, and the Soviet Government was guaranteed vital strategic support for its fishing tasks in the South Pacific. Far, very far from its own territory the USSR had, in Peru's largest port, Callao, an indispensable place for the launching and provisioning of its ships, the rotation of crews, etc.

Having become one of the chief fishing powers of the world because of its economic power and its advanced technology, the USSR has made international agreements which give its formidable fishing fleet logistic supply bases on the high seas. It has one in Callao, one in the Canary Islands, in Spain, Cuba and in other places throughout the world. Thus its fishing ships, factory ships, trawlers, tuna ships, etc, can sail anywhere on the high seas without major difficulties. The USSR has obtained all this without allowing its own arm to be twisted with respect to its flat refusal to recognize the 200-mile limit as the rightful maritime border of countries which, in their respective laws, have recognized their irrevocable right to preserve their fishing potential and their territorial sovereignty. Naturally the USSR does not recognize the 200-mile limit, because by not doing so, it has the entire ocean for the predatory work of its huge fishing fleet which plies and fishes the waters of all latitudes, from the South Pacific to the Mediterranean, from the Indian Ocean to the Carribean Sea. While it is sucking the seven seas dry, the USSR distributes crumbs to its maritime allies. Such is the case of the Peruvian-Soviet Fishing Agreement signed in 1971. By the terms of this agreement the USSR promised to cooperate, beginning in 1971, in the planning and construction of the Paita Fishing Industry Complex, which was to have a capacity of approximately 180 metric tons. Ten years after the signing

of the fishing agreement the Paita Complex is still in its initial stage. Perhaps this is directly the fault of those governing Peru at that time who did not strictly comply with each of the steps in the planned development of the fishing industry.

Whatever it was, the tangible and verifiable fact is that the private fish-meal sector of the fishing industry collapsed and has not yet recovered, and the result of state intervention in the fishing industry, in spite of the pompous plans made in the time of Velasco Alvarado, has been poor, very poor. With all the supposed technical assistance for training technicians, for advising in the construction of the Paita Complex and supporting the development of the national fishing industry, today fish is either scarce or its price is sky-high.

What has Peru really gained, then, from the agreement signed with the Soviet Union, an agreement thanks to which Russian ships sail uncontrolled very close to or even within the 200-mile limit, acting illegally, as, it is said, the sailor claims who disappeared from one of those ships and now wants to tell what is going on there?

It is very disturbing, therefore, that Peru's representatives at the meetings of the Mixed Peruvian-Soviet Commission have signed a final agreement in which they state they they are satisfied and accept the extension of the technical agreements concerning fishing, as well as other economic agreements. These meetings of the Mixed Commission took place last May, or during the present constitutional administration. The Final Act of the Mixed Commission stipulates: "Both parties expressed their satisfaction with the development of cooperation in the fishing industry on the basis of the Peruvian-Soviet Intergovernmental Agreement signed on 4 September 1971." The Peruvian representatives--and obviously the Soviet representatives--also express their satisfaction with Russian assistance with training in the fishing industry and particularly for the care Russian fishing craft are receiving in Peru's ports.

What we can indeed claim, without chauvinism, is that the fruits of the satisfaction of the Peruvian representatives on the Mixed Commission are not shared by the Peruvian people, especially by the large majorities. These Peruvian people do not get cheap fish which is within the reach of the people's pockets. These Peruvians do not enjoy the benefits of Soviet technical assistance, because fish does not often figure in their daily diet since its price makes it a luxury dish.

If Soviet aid, so highly praised and supported by the dictatorship and by the present administration, does not satisfy the social needs of the people, we do not understand what its purpose is.

8735
CSO: 8048/0149-A

RATIONALE BEHIND VENEZUELA'S BEEFED-UP AID EXPLAINED

Bridgetown ADVOCATE-NEWS in English 6 Oct 81 p 4

[Article by Guy Ellis]

[Text] Castries, St. Lucia (CANA)--Venezuela, the oil-rich South American republic, is beefing up a programme of assistance and co-operation with St. Lucia which started 10 years ago, but is only now being pursued in a meaningful way.

Venezuela's Foreign Minister, Dr. Jose Alberto Zambrano Velasco, made a two-day visit to the island earlier last month after which he announced that his country would make available US$1.5 million to the St. Lucia Government to finance low-cost housing and other projects.

It was the first package of direct government-to-government financial assistance between the two countries which first opened official contact in 1970 during the presidency of Dr. Rafael Caldera.

Venezuela has also asked the St. Lucia Government to submit other projects for possible financing during the republic's next fiscal year. These would relate to tourism, feeder roads and sewerage schemes.

At the private sector level, the progress has been even greater. A mixed commission established between the two countries during Zambrano's visit will hold its inaugural meeting in Caracas in November to discuss new areas of private sector assistance and co-operation.

In August, three Venezuelan companies were established here. The Caribbean Warehousing Corporation Limited, the St. Lucia Asphalt Corporation Limited and the St. Lucia Shipping Service were jointly set up by the Venezuela Exporters' Association (AVEX) and IBSA Caribbean Limited an affiliate company of the Workers' Bank of Venezuela.

The Venezuelan air carrier, VIASA, is now operating a weekly scheduled service to the island in an effort to increase travel between the two countries and allow St. Lucia to tap the large and lucrative Venezuelan tourist market.

And Chamber of Commerce President Ornan Monplaisir, who has just returned from Caracas, has announced that arrangements have been made for St. Lucia to export agricultural produce to the republic starting with bananas--the island's main

export crop--which will fetch a price comparable with that paid by other buyers. According to Monplaisir this trade will start in November or December.

But Venezuela-St. Lucia relations have not been totally above suspicion by those who are concerned about the motives behind the high-level interest being shown in the island, and in the English-speaking Caribbean in particular, by Venezuela.

Recently, the local Guild of (university) Graduates called on Prime Minister Winston Cenac and Foreign Minister Peter Josie to discuss the organisation's concern over what a spokesman for the guild described as "Venezuela's expansionist attitude" in the region, and more specifically, that country's involvement in St. Lucia's economy.

Cenac assured the guild that it would not be possible for Venezuela to take political control of the island, and even if it attempted to, St. Lucia would fight to maintain its political integrity.

Josie concurred, adding that while the St. Lucia Government had to ensure that Venezuela did not wield any political authority on the island, it would be unfair to scrutinise every move of the Venezuelans here as if to give the impression that the St. Lucia Government did not trust them.

Further, Josie said, Venezuelan assistance to St. Lucia would in no way influence the island's stand on the border dispute with Guyana--Venezuela claims five-eighths of Guyana--and pointed out that St. Lucia had only recently supported the Caribbean Community (CARICOM) Foreign Ministers position on that issue, in favour of Guyana.

In recent months, there has been an almost continuous trek between Venezuela and St. Lucia by government personnel, private sector officials, journalists, sportsmen, teachers and students in various disciplines. St. Lucians have benefited from a number of courses while cultural and sports exchange programmes have been undertaken.

Ten years ago, Venezuela launched its diplomatic offensive among the small territories of the Eastern Caribbean aimed at becoming involved in the development of these islands through bilateral assistance and joint ventures.

St. Lucia, strategically situated at the centre of the chain of islands, was selected as the Venezuelans' base of operations in the relationship that was destined to evolve between the republic and the islands.

In 1971, St. Lucia was selected as the site for the first co-operation initiative: a EC$5 million factory jointly financed by the Windward Islands Governments and the Venezuelan paper company, Papelera Industrial, to produce corrugated cartons for the export of the islands' bananas to Britain.

In the following year, Venezuela opened its first diplomatic office in St. Lucia, at consular level, to serve the Eastern Caribbean. In that year too a joint trade and industrial exposition between the Windwards and Venezuela was mounted here.

Although the exposition was successful and resulted in the formation of a mixed commission between the four islands and their new South American partner, the entire co-operation initiative failed to blossom in a meaningful way.

AVEX President Dr. Regulo Campos Martinez says that the main reason why the relationship floundered--although it did not come to a complete halt--was the lack of communications facilities between the islands and Venezuela.

Last year, the consular office here was upgraded to an embassy and Venezuela sent career diplomat Rudolifo Molina Duarte in a resident ambassador. This development signalled the revival of the republic's interest in St. Lucia.

In February last year, the then St. Lucia Prime Minister Allan Louisy made a state visit to Caracas which produced the first treaty of friendship and co-operation between the two states.

President Luis Herrera Campins used the occasion to underline the real motives behind the Venezuelan overtures in the region. He noted that both countries had had a similar history of colonial exploitation, an immigration from Africa and both social justice.

"...The politics of Venezuela towards the Caribbean is based on these principles. We believe that the Caribbean should no longer be the object of the strategy of the super powers and of multinational economic interests, but converted into a zone of peace, a zone of autonomy governed by its own people as insular as the continental outskirts," he said.

Last year, after Hurricane Allen devastated St. Lucia, Venezuela was among the first countries to come to the island's assistance putting into effect a programme of distribution of relief supplies that was warmly applauded by the islanders.

Although President Campins' government has now firmly entered into the co-operation act, it is to the Venezuelan private sector to which St. Lucia is looking forward most of all.

The three companies which were launched here are all located in the southern town of Vieux Fort, long earmarked as the island's future industrial capital, and where a free zone is being established.

The Caribbean Warehousing Corporation will operate in 85,000 square feet of space distributing cargo for St. Lucia and other islands.

The Asphalt Company, which represents a capital investment of some EC$6.2 million hopes to bring in crude asphalt from Venezuela for processing, and to obtain government contracts to build and maintain St. Lucia's roads and highways.

The shipping company will introduce a service linking a chain of Caribbean islands: Curacao, Porto Cabella, La Guaira, Trinidad, Grenada, St. Vincent, St. Lucia, Barbados, Martinique, Dominica and Guadeloupe.

According to Rolando Rodriguez, Managing Director of IBSA Caribbean Limited the service will later give a birth to a repair shipyard.

Explaining the rationale behind the formation of the companies, Rodriguez said: "St. Lucia is the most centrally-located of the islands and its international airport facilities (Hewanorra in Vieux Fort) have enhanced its potential. It is our aim to earn the confidence of the country. We are not here to take the blood of the people, because we intend to re-invest in St. Lucia."

Already a number of other investments by Venezuelan firms are earmarked for St. Lucia. These projects, as detailed by Rodriguez, include: a $5 million footwear factory, a $3 million biscuit factory, and a plant to manufacture farm equipment with units to be set up as well in the other three Windward Islands at a total cost of $20 million.

Also listed are another $20 million investment in the form of a trading mart for the distribution of agricultural products and a $4 million passenger transport service, an extension of the Margarita Tourist Company of Venezuela which serve the island chain.

Another investment package is likely to come out of very recent talks in Caracas between AVEX and Presidents of the Chambers of Commerce of eight Eastern Caribbean islands, including St. Lucia. The meeting was attended by Monplaisir who identified plastics, detergents and clay manufacturing among other projects which has been proposed for joint ventures between Venezuela and St. Lucia private sector interests.

According to Monplaisir, the meeting discussed details of a proposed trading arrangement between the republic and the eight islands. To promote this trade the Venezuelans were looking into the creation of shipping facilities.

He said: "In St. Lucia's case, we will be trying to get agricultural exports into Venezuela. If all goes well, sometime in November or December we will see the commencement of that trade into Venezuela from St. Lucia."

Still in the pipeline is Venezuela's promise of February 1980 to include St. Lucia in an oil facility which, with Mexico, it is directing towards certain Central American and Caribbean countries.

CSO: 3025/40

CHAMBER OF COMMERCE STATEMENT RAPS CENAC ADMINISTRATION

Bridgetown ADVOCATE-NEWS in English 6 Oct 81 p 10

[Text] Castries, St. Lucia, Monday (CANA)--The St. Lucia Chamber of Commerce, claiming that the country was entering an era similar to that in Jamaica before the Manley Government was removed last year, has accused the administration of Prime Minister Winston Cenac of financial mismanagement and inept leadership.

The Chamber's charges are contained in a lengthy statement published in this weekends Voice newspaper under the heading "can St. Lucia escape economic collapse?"

The statement, which levels a series of charges against the government, comes in the wake of a parliamentary motion of no-confidence in the Cenac Administration filed Friday by the Opposition United Workers Party of former Prime Minister John Compton.

The Chamber noted that in recent weeks there had been comments in the media on the fact that St. Lucia was facing "grave and potentially disastrous economic problems." The purpose of its statement, it added, was to bring home "the events which are overtaking St. Lucia at a galloping pace."

It said that the first indication that all was not well on the economic scene here was the tightening of credit facilities by the reluctance of the banks to lend money.

It added "over the last few months the businessman has been the first to come into contact with more restrictive bank facilities, and over the past few weeks he has seen a harsher attitude by the banks. This has affected a much wider circle of would-be borrowers which not only includes the small borrower but extends even to the government."

The Chamber, whose relations with the ruling party have been strained for almost the entire duration of the government's two and a half year rule so far, said that the position was further aggravated by the fact that there was a substantial shortfall in the estimates of government revenues causing it to borrow larger sums from the banks to meet recurrent expenses.

It added that while it was easy to claim there was recession in the developed countries which had affected the local economy, "the fact that St. Lucia is

experiencing a far more difficult situation than our nearby neighbours must be due to the lack of confidence in the ability of St. Lucia to manage its affairs."

The Chamber recalled that the government had passed legislation requiring commercial banks to deposit up to 10 per cent of their funds in the government treasury with the intention that these funds would be transferred to the nine month old National Commercial Bank to enable that institution to compete with the other established banks.

But it added, these funds were being used to meet current expenditures of the government such as salaries for civil servants. The statement said "this has therefore further reduced the monies available in the banking system for lending and is an example of financial mismanagement and inept leadership."

Noting that the economy had always depended on revenues from agriculture, tourism and industry, the Chamber said there had been decline and disorganisation in all three sectors.

Of the tourism situation it said "the woes of the tourism industry have been stated repeatedly in the media. What has not been sufficient emphasis is the bad exposure St. Lucia obtained due to the tremendous harassment of visitors especially during 1979-80. With the recession in developed countries it becomes even more necessary for tourist resorts to be more attractive. Bad news travels fast ... and where there is no evidence of any positive approach being made by all concerned--government, the police, the public--to discourage and stamp out these adverse incidents, the visitor can hardly be blamed for going elsewhere."

The Chamber said there had been an exodus of experienced and qualified St. Lucians from the island and added "let there be no mistake St. Lucia is entering an era very similar to Jamaica prior to their change of government in 1980. How can these problems be avoided? Without leadership, without confidence in the government ... will St. Lucia continue to draft until we run aground on the reefs of economic collapse?"

It accused Cenac's ministers of being "busy abroad with the affairs of the rest of the world" and forgetting that St. Lucia had grave economic problems which required their constant attention.

The statement concluded "St. Lucia has grave problems. It will take many years, even if we start now, to overcome them. The longer there is delay in facing and coming to grips with the problems, the more aggravated they will become and the longer it will be before St. Lucians can once more hold up their heads with pride in themselves and their country."

CSO: 3025/40

ONR ASKS POLICE PROTECTION FOR ELECTION CAMPAIGN MEETINGS

Bridgetown ADVOCATE-NEWS in English 7 Oct 81 p 3

[Text] Port-of-Spain, Trinidad, Tuesday (CANA)--With general elections approaching in Trinidad and Tobago the Organisation for National Reconstruction (ONR), one of the leading parties, is seeking police protection for its political meetings.

And the ONR says it would like to meet with all "legitimate" parties in an effort to establish a code of conduct aimed at preventing violence and ensuring peaceful and disciplined campaigning.

ONR's party organiser Ferdi Ferreira said: "We would like not only to have police protection, but also the enforcement of the law stated under the Representation of The People Act, section 72.

"In this section, headed 'offences relating to election campaign' any person who applies, acts or entices others to act in a disorderly way to prevent business for which the meeting has been called is guilty of a corrupt practice.

"However, the law applies only to a political meeting held in an electoral district between the date of the publication of a notice of an election and continuing until polling day," the ONR official said.

Mr. Ferreira added that the section also allowed a police officer, who suspected any person of having committed such an offence, to give his name and address and if he failed to do so, or gave a false identity, he could be arrested or charged with a summary offence.

He said the ONR had already written both the Ministry of National Security and the Commissioner of Police requesting that these measures be taken.

"A reply has been received from the Police Commissioner, but we are still awaiting response from the ministry," Mr. Ferreira stated.

He said the ONR had also written other parties seeking to formulate a code of behaviour.

He cited a meeting of the ONR at Barataria last Thursday night where he said hecklers threw eggs onto the platform and there was a scuffle in the crowd.

Mr. Ferreira said the incident "appeared to be a deliberate attempt to disrupt meetings and bring them to a premature end."

CSO: 3025/41

THREE PARTIES FORM NATIONAL ALLIANCE, ANNOUNCE CANDIDATES

Election Contests

Port-of-Spain TRINIDAD GUARDIAN in English 16 Oct 81 p 1

[Text] Tapia House Movement (THM) will contest 16 of the 36 seats in the forthcoming elections under the banner of the National Alliance. The United Labour Front, official Opposition in the last Parliament, will contest 12 seats and the Democratic Action Congress (DAC), eight.

Candidates were presented at a public meeting in Tunapuna last night and they will again be presented at Chaguanas tonight.

The three parties consolidated their forces and advanced a common policy and programme for the elections to be held on November 9.

Tapia will contest all the Port of Spain and Diego Martin seats and the majority in the East, while the ULF will be concentrating on its traditional stronghold in the sugar belt and parts of South Trinidad. The DAC is in Tobago and six other seats spread throughout Trinidad.

Opposition Leader Basdeo Panday is seeking to retain his seat in Couva North while Nizam Mohammed (ULF) has shifted from Princes Town where he won narrowly in 1976, to Tabaquite.

Making a return to the political arena is Stephen Maharaj, pharmacist, who is a former leader of the Opposition as a DLP member and last contested unsuccessfully as a Workers and Farmers Party (WFP) candidate.

Two of the Opposition Senators of the last Parliament--John Humphrey and Nuevo Diaz--will be facing the polls.

Humphrey is contesting in St. Augustine which was represented by Hafeeza Khan who has withdrawn from the field, and Diaz is fighting in Pointe-a-Pierre, a seat at present held by the ruling People's National Movement.

Overall, the ULF has named candidates for all the seats won by the party at the last elections in addition to two now held by the PNM--Pointe-a-Pierre and Ortoire Mayaro.

Tobago for DAC

The Democratic Action Congress which won the two Tobago seats in 1976, will try to retain them. It will also contest in San Fernando West with Tapia fighting in San Fernando East.

Percy Persad will again contest in San Fernando West as the DAC member of the Alliance, while in San Fernando East Lincoln Myers will be carrying the Alliance flag under the Tapia symbol.

Former County Councillor Milford Colley, who has contested national elections in the past, will be contesting as a DAC candidate in Point Fortin.

Tapia Chairman Lloyd Best who was unsuccessful in his bid for the Tunapuna seat in the 1976 elections, will again do battle in that constituency which is considered the home ground of Tapia.

In San Juan, Tapia's Lloyd Taylor will carry the flag of the Alliance.

The Alliance's representative to fight Prime Minister and Political Leader of the Ruling People's National Movement, Mr. George Chambers in the St. Ann's East Constituency is Tapia's Roland Weekes, a social worker, while coming up against Organisation for National Reconstruction Political Leader Karl Hudson-Phillips is Michael Bernard Harris, 33, a political scientist.

In Port of Spain South, the Tapia candidate is 26-year-old Peter Fung Kee Fung, a bank manager.

Overall, nine of the Tapia team faced the polls in the last elections.

The Common Policy and Programme was presented last night and was drawn up on the basis of plans set out in The Tapia Manifesto of 1976, the DAC's Development Plan for Tobago and the ULF's draft revised manifesto 1981.

The announcement of the candidates by the Alliance has so far made the election race a three cornered race throughout the country.

List of Candidates

Port-of-Spain TRINIDAD GUARDIAN in English 16 Oct 81 p 1

[Text] United Labour Front

St. Augustine: John Humphrey, 48, architect-designer.
Chaguanas: Vishnu Tikasingh, 32, real estate agent.
Couva North: Basdeo Panday, 48, Barrister-at-Law.
Couva South: Kelvin Ramnath, 32, petroleum engineer.
Caroni East: Sam Jattan, 55, accountant.
Pointe-a-Pierre: Nuevo Diaz, 46, trade unionist.
Naparima: Dr. Emmanuel Hosein, 31, medical doctor.
Siparia: Govindra Roopnarine, 29, contractor.

Tabaquite: Nizam Mohammed, 40, Barrister-at-Law.
Princes Town: Lutchman Seecharan, 50, County Councillor.
Ortoire-Mayaro: Stephen Maharaj, 65, pharmacist.
Oropouche: Trevor Sudama, 44, university lecturer.

Tapia House Movement

Arima: Neil Raynald, 32, construction technician.
Arouca: Wesley Gibbings, 23, insurance broker.
Tunapuna: Lloyd Best, 47, economist.
St. Joseph: Attin Lee, 53, small businessman.
San Juan: Lloyd Taylor, 35, economist.
Laventille: Hamlet Joseph, 45, DEWD Checker.
Port-of-Spain East: Michael Anthony Harris, 33, salesman.
Port-of-Spain North: Mickey Matthews, 31, small businessman.
Port-of-Spain South: Peter Fung Kee Fung, 26, bank manager.
Diego Martin West: Christian Lassalle, 26, computer operator.
Diego Martin Central: Michael Bernard Harris, 33, political scientist.
Diego Martin East: Ivan Laughlin, 38, land surveyor.
St. Ann's East: Roland Weekes, 36, social worker.
St. Ann's West: Arnold Hood, 31, accountant.
San Fernando East: Lincoln Myers, 35, economist.
La Brea: Michael Billy-Montague, 47 businessman.

Democratic Action Congress

Fyzabad: Dennis Nicholas, 57, oil worker.
San Fernando West: Percy Persad, proprietor.
Nariva: Bridgelal Kedar, businessman.
Toco-Manzanilla: Maurice Stewart, insurance agent.
Tobago East: Pamela Nicholson, teacher.
Tobago West: James Ivan Ogiste, Assemblyman.
Barataria: Anthony Jones.
Point Fortin: Milford Colley, proprietor.

Common Policy, Program

Port-of-Spain TRINIDAD GUARDIAN in English 16 Oct 81 pp 1, 3

[Text] Reorganisation of the agricultural sector starting with the sugar industry, tightening up of the energy sector and promotion of local manufacturing and crafts as a basis for an indigenous industrial revival, form part of a "Common policy and programme for 1981" of the Trinidad and Tobago National Alliance.

The document was delivered at a meeting of the Alliance last night in Tunapuna where the Alliance's candidates in the November 9 general elections were presented.

The 69-page document deals with a wide range of issues and is the basis by which the Alliance--Democratic Action Congress, Tapia and the United Labour Front--hopes to convince the electorate that the party of parties should be given the mandate to run Trinidad and Tobago for the next five years.

Under economic reorganisation the Alliance proposes to revamp the public finances, restore the public utilities and the public welfare services to higher efficiency; generate a huge number of jobs in small business and self-employment; place ownership and control of business more firmly in the hands of the multitude of the people.

Alliance would also mount a sustained and serious attack on the income gap between the have-nots and the haves; insist on firm measures to restrict the rising costs of living, and, by all the above, initiate a move towards an economy based on new forms of business organisation and high levels of participation by the ordinary citizens.

Dwelling on "reform of Government and State" the Alliance has promised to reform the House of Representatives to establish committees with clout, particularly with reference to integrity in public life and accountability in public life.

The Alliance would also:

--Reform the Senate to bring more voices under parliamentary protection and to expose a far wider range of pressing public questions;

--Reform the Elections and Boundaries Commission to create a more equitable distribution of influence between competing political parties and interests;

--Reform the public service to reduce undue political interference, adequate protection to the technocracy and bureaucracy which are responsible for the impartial running of the State and to give to the huge majority of the people in the civil, teaching and protective services all the rights and freedoms to which they are entitled and pay comparable with the best in the private sector;

--Reform the courts to guarantee the independence of the Judiciary and to ensure a "fairer dispensation of justice";

--Reform Local Government to bring administration and decision-making closer to the neighbourhoods and the communities, and;

--Above all, an Alliance administration would reform relations between Trinidad and Tobago to end the neglect of the sister island to provide it internal self-government within the context of an enduring unitary state.

The Alliance would also pay special attention to "rehabilitation and relief from suffering."

In this regard the party would embark on a programme to relieve the burden of suffering now borne by the population.

"The regime under which the public utilities function will be radically altered.

"Productive enterprises will be clearly separated from welfare services.

"New arrangements for efficiency will be systematically introduced.

"The impact of taxes and subsidies will be adjusted to promote more supply of basic goods, to keep prices within the reach of the housewife and consumers and to make the dollar go as far as it possibly can."

Touching on culture and sport, the Alliance said it would transform the whole framework of plant and equipment to provide a clean environment.

A greener city and town environment with parks and public buildings suitably disposed; a more practical set of amenities in the form of gymnasiums, panyards, cricket and football fields, Carnival jump-up courses; studios for film making, theatres, galleries, libraries, archives, and the "whole range of facilities needed for a higher and nobler Caribbean civilisation worthy of the hopes and dreams of the rising generations of the country's youth."

And on an "active foreign policy," an Alliance government would "pursue a policy which will make Port of Spain an active centre of Caribbean diplomacy based on recognition of the fact that we are a small country, a Caribbean country, a cosmopolitan country and a people placed by fate at the crossroads of language, culture and geography, blessed by Providence at this moment with a bonanza of petro-dollars."

CSO: 3025/41

BRIEFS

IMPORT RELAXATION--Anyone can import a television, radio, tape decks among other items without a special licence but with a general licence. Government has eased also the tough regulations governing the importation of certain foodstuffs and other home items. Minister of Industry Commerce and Consumer Affairs Mr. Patrick Manning revealed yesterday that his Ministry was determined to liberalise those measures necessary to import items into Trinidad and Tobago and as such had streamlined the procedures. A new system of licensing imports had been approved and involved two systems of general import licences, one involving 37 categories of foodstuffs and the other 17 items basic to living in Trinidad and Tobago. The goods mentioned are still on the Negative List, Mr. Manning revealed, but once they were strictly for personal use and the question of foreign exchange to own them did not arise Customs and Excise officials would allow them to be brought into the country. In respect to food items only a certain quantity would be allowed to be imported. The details are in General Import Licence No 10 of 1981, prepared by the Ministry under the Imports and Exports Control Regulations 1941. [By Peter Balroop] [Excerpt] [Port-of-Spain TRINIDAD GUARDIAN in English 16 Oct 81 p 4]

CSO: 3025/41

INFLATION EXPECTED TO EXCEED 15 PERCENT NEXT TWO YEARS

Caracas NUMERO in Spanish 4 Oct 81 p 30

[Text] After 2 years of economic stagnation, with high inflation rates, there is an atmosphere of uncertainty in the Venezuelan economy. The phenomenon of stagnation combined with inflation, or "stagflation", a disease suffered by the industrialized countries, has made its presence felt in Venezuela, and no one is sure how the economy will behave in the months to come. In this uncertain atmosphere, the floating of interest rates has been well received by the private sector, but it is not yet known whether this measure by the Central Bank will exacerbate the inflationary pressure.

According to Bob Capwell, assistant representative of the Bank of America in Venezuela, the loosening of interest rates will have little or no impact on the inflation rate.

However, in an address to the Venezuelan-American Chamber of Commerce last week, Capwell predicted that inflation in Venezuela would continue in excess of 15 percent over the next 2 years, owing to problems associated with insufficiency in the productive system and the increase in aggregate demand in 1982 and 1983.

Last year, the price index in Caracas increased by 19.6 percent, an inflation record unprecedented in the nation's recent history. This phenomenon was due to the policy of price elimination, the partial elimination of subsidies to agriculture, wage increases and the world inflation imported into the country. In other words, the inflation rate was the result of institutional and productive factors on the supply side and not the demand side; which helps to explain the paradox of high inflation in a situation of economic recession. In fact, the monetary base barely increased in real terms, because the money supply (M2) showed a 23.4 percent increase in terms of face value, similar to the annual average for the period 1974-78.

Over 15 Percent

This year, according to official figures, inflation has declined, although it still stands above the international levels. The inflation registered to date indicates an annual rate in excess of 15 percent. There was apparently a turnover in the state of the economy during 1981: declining inflationary pressure and a slow, but supposedly strong economic reactivation.

However, Capwell warned that there might be a time-lag between the movement of prices and the increase in demand, because the pressure from the aggregate demand is reflected more rapidly in the increase in production than in the inflation rate. According

to Capwell, a return to the low inflation indexes of the past is hardly likely, and he predicts a rate of over 15 percent during the next few years.

There are several reasons. In the first place, the economic recovery must be slow during the next 2 or 3 years, whereas the increase in demand, especially as elections approach, will trigger new inflationary pressure.

On the other hand, the effect of the elimination of price controls has not generated greater incentives for investment in the productive system, and the new demand will have to be met through imports. Although the inflation has declined in the industrialized countries, over the medium term it will continue to exceed 10 percent.

Thirdly, an improvement is not anticipated in the low productivity typical of the Venezuelan economy. Capwell notes that, under these circumstances, any wage hike will be highly inflationary.

Generally speaking, Capwell claimed that the government's economic policy is still valid because, he claims, it is still indispensable to use the market forces to achieve an efficient distribution of resources in the economy. According to the American banker, the price policy implemented in August 1979 was well conceived, even though it was not successful in stimulating the country's productive capacity. He attributes this to the fact that the policy of releasing prices was implemented at the same time that the executive branch was maintaining a policy of monetary restriction.

Interest Rates

The floating of interest rates has evoked a debate concerning the effect of this measure on inflation. In both theory and practice, the decisions on investment are closely linked with the cost of money. With higher interest rates, many business firms will give up investment plans, which they now regard as unprofitable. In this connection, high interest rates might reduce the inflationary pressure, because, theoretically, a drop in investments would reduce the demand.

Moreover, an increase in financing costs is reflected, sooner or later, in a rise in consumer prices. However, Capwell claims that the inflationary impact on prices will be minimal, since the financing costs account for only about 15 percent of the total production costs. The more extensive impact will be the reduction in spending which, over the medium and long term, is reflected in a reduction in inflationary pressure.

Capwell concludes that the loosening of interest rates will have very little effect on inflation, if any. On the other hand, the measure will be beneficial, because it will produce more competition and will afford a better selection of more efficient investment plans, from an economic and social standpoint, something which coincides with the government's strategy.

2909
CSO: 3010/177

MORALES BELLO AD CANDIDACY SEEN GAINING STRENGTH

Caracas RESUMEN in Spanish 25 Oct 81 pp 2-5

[Article by the Alfa Group: "Morales Bello, From Defeat to Defeat Approaching the AD Candidacy"]

[Text] He stopped the coup of the trade union bureau, he thwarted Lusinchi's proclamation at the CDN, he achieved the "Electoral Colleges", he defeated the variable of the "arbitrators" and now he has imposed the proposition of an "Electoral Authority" which cannot act before July 1982, at the express mandate of the Supreme Electoral Council. The polls show him in an upward projection, and time is on his side. The statement made by C.A. Perez, in favor of Lusinchi, far from hurting him, has benefited him, creating a serious problem for Pinerua and his anti-Arria-Gumersindo movement.

During the Spanish Civil War, censorship (which is always inevitably stupid) allowed the headline in a Republican Madrid newspaper, which read "From Defeat to Defeat the Enemy Is Approaching the Gates of Madrid", to be printed. Something similar might be said of the minor internal war in AD [Democratic Action]: From defeat to defeat, David Morales Bello is approaching the gates of the candidacy; but, each time, he comes closer to the candidacy. He appears to be defeated. To begin at the beginning, the "barter" of the candidacy for the secretary general's office made between Lusinchi and the "trade union bureau" has not yet materialized and, despite the terrific boost represented by Betancourt's support, the latter went halfway only to Penalver, and it needed to be given to Lusinchi. In any event, it was a victory for Lusinchi which, strictly speaking, would have been a defeat for Morales; but it was neither the one nor the other, but quite the opposite (as former President Echeverria is quoted as stating): Lusinchi became entangled in his own net. He could not carry out his offer to leave the secretary's office, because the trade unionists could not make good on their offer to back him either. The situation in AD is so entangled and contradictory that the overt backing given las week by C.A. Perez to Lusinchi will encounter serious obstacles as soon as Pinerua, Vargas or whoever it may be gives a reminder of the Arria and Gumersindo affair. Perez (now that Betancourt is gone) will not remain silent. What seems a "defeat" for Morales has not automatically become a "victory" for Lusinchi. This enigma is all the more obvious when one consideres the support which the "CES" gave to Lusinchi. At that time, it was viewed as a victory. But, as Perez remarked, this was an "irregular" maneuver within the party which "broke the internal legality" and, as has already happened to Mr Guillotin, who left his head at the edge of his invention, something similar will happen to Lusinchi.

Let us observe: If the "pronouncements" of the CES and other organic entities of the party did not culminate in a final pronouncement from the CDN, the only other option was to undertake an internal electoral process: rank and file elections, or the intermediate formula of the "Electoral Colleges". But, something that Lusinchi never considered, both have to be organized; they must have a kind of neutral, or at least balanced "electoral authority" with representatives of both candidates, so as not to be a farce. It is inconceivable that an internal electoral process be organized by the party's authorities, dependent on the administrative status of a secretary general who is a candidate and who, in particular, has already expressed his sympathy for one of them. While, in so doing, they proved their partiality, with the aggravating circumstance that such conduct was in violation of the internal legality (as C.A. Perez so aptly stated), they were also reduced to nothing but playing the role of arbitrators or organizers of an internal process. Therefore, when Morales succeeded in imposing his proposition (which is, moreover, orthodoxly democratic) that the selection of the candidate could not be made "from above" disregarding and ignoring the opinion of the long-suffering little rank and file AD members, he was taking a decisive step which brought him even closer to the gates of the candidacy. How? It is very simple. "Electoral Colleges" necessarily, mechanically and structurally entail an organizing entity. That entity cannot be the same as the party's political or administrative apparatus. And if it could have been, it lost its chance for being such by publicly and illegally proclaiming itself in favor of one of the candidates. As a result, Lusinchi's "victory" with the outbreak of "demonstrations" on his behalf is now a defeat, and it is essential that an electoral entity be set up in AD with individuals distinct and different from those who have assumed political positions and posts which (theoretically) are presumed to be for the benefit of all members of the party, and not in favor of some and against others.

The 'Arbitrators'

With his natural quality of mental aberration of all kinds, Lusinchi did not realize the seriousness involved in not culminating his trade union "coup" with a categorical pronouncement, and in falling into the trap of accepting Morales Bello's "democratic" challenge, showing willingness for an open electoral confrontation, of the rank and file or through "colleges", with Morales. But Pinerua, more dispassionate, and with more skill and experience, did immediately realize what it meant and, knowing that the tiger eats lightly, he accepted the formula on two conditions: one, that it be implemented immediately; and, the other, that there be an avoidance of the illegality of the immediacy insofar as the Electoral Law and the provisions of the Supreme Electoral Council were concerned. Playing dumb with regard to the organization of the event, he concentrated all his efforts on a clever snare: that of the "arbitrators" which, he claimed, solved the legal problem of the period set by the Supreme Electoral Council (June 1982). The "coup de grace" which Pinerua wanted to give to Morales was to be dealt at the CDN in October, but Romulo's death postponed it; and now, for the CDN of 28 October, his clever trap has been dismantled. The "arbitrators", a complicated scheme of one for every thousand votes received in the last elections with the small card, and another for each fraction over 500, left Morales' people out. In addition to this, Gonzalo Barrios, who is not dimwitted (as Lusinchi is) either, had realized the repulsive "coup" of the CDN, and had declared, without leaving any room for doubt, that the latter could not elect, impose, suggest or proclaim the candidate. Lusinchi became impatient at so many complications, and told Barrios: "It doesn't matter what it is: rank and file elections, colleges, or the method that

David wants, but now!" Lusinchi certainly sees this clearly. Time is running against him. His candidacy is becoming eroded with every whiskey that he drinks, with every little scandal fostered about the "Blanquita" affair and the swarm of flies revolving around that potentially rich honeycomb if his man becomes implicated in "this and that"; with every poll, every speech that he delivers, every appearance, or disappearance, on any televised program or debate, etc. But, in all this, the candidacy is also apparently eluding him, "like water between the fingers." From an organizational standpoint, it is impossible for the electoral "colleges" to do what they have to do before the end of 1981. It is essential that there be an organizing "entity", an electoral "authority", whatever it may be called. This cannot be the party's apparatus, because the latter has already made a pronouncement, has already voiced an opinion and is already "partial". As a result, an electoral authority would have to be formed with representatives of Lusinchi (an even number) and of Morales (an even number), with a decisive uneven number selected by both through mutual agreement. It would also be impossible, and even dangerous, for the CSE to pretend not to notice, with the evasion of the law and its provisions that would be entailed by the parties' selection of their candidates before the stipulated date (June 1982).

C.A. Perez Goes With Lusinchi

Last week, after telling his close (and not so close) associates that "Lusinchi is making a sweep," C.A. Perez decided to give him support, taking him to Tachira... to a burial. But rather than burying Morales thereby, he may have buried Lusinchi and himself. While, on the one hand, he won a dubious "friend", there is no doubt that he lost a loyal one. And his legal troubles have not yet ended! "Sierra Nevada" could emerge again. Last week, rumors were circulating that a pronouncement was imminent in the Auditor's Office concerning the notorious case of the "floating docks" to which "Sierra Nevada" is tied. Celestino Armas, head of Lusinchi's campaign, is also in serious difficulties. His request for "reconsideration" of the ruling which cited him as administratively liable for the 90 million taken by him was declared "denied" by the auditor. As a result, Armas is administratively guilty of the misappropriation of 90 million from the public treasury. This is nothing for the striped tiger of the kleptocracy; but it is a great deal for AD's internal conflicts. On the side of Celestino is Pinerua; and Morales (attorney Morales, who saved Perez from being behind bars) is on the other side. The contradictions do not end there. Manuelito Penalver's assignment to the party's secretary general position seems to be more or less certain. But what is the burning issue is Penavler's replacement in the trade union secretariat. Perez wants it to be Federico Ramirez Leon who occupies that post. Vargas and Penalver say no; they want Antonio Rios. But Perez objects to Antonio Rios, not because he is Antonio Rios, but because the latter would leave the CEN's political secretariat vacant; and if it were left vacant, it might be filled by no more and no less than Renee Hartman, Betancourt's widow. The latter, armed or backed by the dread and to be dreaded "records" of Romulo, is becoming a big headache for Perez and Lusinchi (and half a dozen others). Supported by Pinerua, but opposed by Barrios ("this must be considered carefully"), Mrs Betancourt was the one who actually said what the New York correspondent for RESUMEN attributed to Virginia (see letters page with its explanation) when, in the corridor of Doctors Hospital, the possibility of Perez' presence there was brought up. She remarked: "We, his relatives and friends are here, and that gentleman is neither one nor the other." Moroever, it is obvious that behind Mrs Betancourt there is Alfredito Coronil who, in 1963, put on a green beret and wrote an article in EL NACIONAL

entitled "Why I Shall Vote for Lorenzo Fernandez"; and who has now put on a trade union helmet and has declared himself a foster brother of Juan Herrera and Jose Vargas, and a raving advocate of Lusinchi.

No one understands the AD mess. What is beginning to appear clear is that Lusinchi's candidacy is uncertain; that it is not and cannot legally be imminent; that if it takes place by way of "finger pointing" the crisis could be very serious, and there might be very grave implications, ranging from a cancellation thereof by the CSE or by a judge called by the latter, to more serious things. That the Electoral Colleges system, from the standpoint of time, could not be created before May 1982, at the earliest; and that for this an electoral entity is required that would be dissociated or different from the political apparatus which has already expressed sympathy for Lusinchi. Therefore, it is not a mistake to repeat that, from defeat to defeat, Morales is approaching the AD candidacy.

The Datos [Data] Poll

La encuesta de Datos

	(1) ... POBLACION-ESTRATO ...					(2)	(3)	(4)	(5)
	Total	Caracas	Maracaibo	Valencia	Barquisimeto	Ciudades más 100000	Ciudades más 25000	Pueblos más 2500	Rural menos 2500
(6) Respondan	2000	515	182	117	93	576	358	362	696
(7) 16 Candidatos									
Rafael Caldera	27	24	40	37	26	26	24	26	22
Jaime Lusinchi	30	23	26	20	24	29	29	33	37
Teodoro Petkoff	5	5	3	7	6	7	8	5	3
Rangel	15	14	11	17	17	16	15	12	13
(8) Ninguno de Estos	24	29	20	20	25	22	25	23	24
(9) 16A Candidatos									
Rafael Caldera	28	29	46	37	28	27	26	28	24
David Morales Bello	18	11	21	16	14	22	18	20	20
Teodoro Petkoff	6	5	3	15	6	7	8	6	4
Rangel	18	18	13	19	24	17	17	17	18
(9) Ninguno de Estos	31	37	24	19	28	27	31	30	33
(10) 16B Candidatos									
Montes de Oca	14	13	25	15	29	14	12	17	13
Jaime Lusinchi	30	24	26	21	24	31	29	35	38
Rangel	17	16	16	22	16	19	19	14	15
Teodoro Petkoff	6	5	2	9	10	8	8	5	3
(8) Ninguno de Estos	33	41	36	32	22	28	32	30	31

Key:

1. Population-Stratum
2. Cities with over 100,000
3. Cities with over 25,000
4. Towns with over 2,500
5. Rural with under 2,500
6. Answer
7. 16 candidates
8. None of these
9. 16A candidates
10. 16B candidates

An Explanation of This Poll:

As the readers can note, there are three "variables", 16, 16A and 16B. In the first "variable" (16), the AD and COPEI [Social Christian Party] candidates are Lusinchi and Caldera. In the second (16A), the AD candidate is Morales Bello; and in the third (16B), the COPEI candidate is Montes de Oca.

In competition against Caldera, Lusinchi receives 30 points and Caldera, 27. In competition against Caldera, Morales Bello receives 18 points and Caldera, 28.

It should be noted that Morales Bellos is a "new" candidate compared with Lusinchi, who has already been a candidate in other polls. Against Montes de Oca, Lusinchi receives 30 points, while Montes de Oca receives 14 (fewer than Rangel). As for the undecided, they number a third, which is more or less customary in such instances and at this stage in the elections. It is interesting to note the rise of the two "new" candidates within the known patterns. Morales Bello shows an impressive upward pace and, although he appears as a less strong contender in comparison with Calera, when compared with other past polls, his projection is rising.

The same might be said of Petkoff, who has doubled his points, although he still appears surpassed by Jose Vicente Rangel, who shows an amazing strength in the persistence of his scoring. It should be noted that Caldera is ahead of Lusinchi in heavily populated areas (Maracaibo: Caldera 40, Lusinchi 26; Caracas: Caldera 28, Lusinchi 23; Valencia: Caldera 37, Lusinchi 20). It is in the rural and suburban areas that Lusinchi is ahead of him. Therefore, the talk of Caldera's "defeat" by Lusinchi should not be taken too literally, because this poll is a "sample" that has been extrapolated in the sections in which it was taken; and since the urban sections are more numerous than the rural ones, the final result would be parallel. The case of Petkoff is interesting, because his average of "5" is due to his low status in Maracaibo, but it is very high in other areas (Barquisimeto: Petkoff 10, Rangel 16). Furthermore, although the sums here are not necessarily correct the sums for the two leftist candidates show sizes never before matched in elections or polls by similar sums.

2909
CSO: 3010/177

SLOW GROWTH IN CATTLE RAISING, AGROINDUSTRIAL SECTORS

Caracas NUMERO in Spanish 4 Oct 81 pp 19-20

[Article: "Interrelation: Agriculture, Cattle Raising and Agroindustry"]

[Text] The link between these sectors is obvious; however, strangely enough, they do not always operate in a coordinated fashion. Transcending sectorial interests, what matters is the general interest. In a world wherein food may come to have greater significance than oil, and the viability of a nation and its independence will be closely related to the capacity for feeding its inhabitants, Venezuela must (while there is still time) make a herculean effort to attain the goal of the greatest possible domestic supply.

After 9 months of estimates, projections and advance notices, the publication of the annual report of the Central Bank of Venezuela [BCV] has made a fair copy of the country's economic situation as a whole. On occasion, the figures may be a serious disappointment, and this holds true for the agricultural-livestock industry which, in 1980, grew less than estimated by the Central Bank itself, and only half the amount anticipated by the respective ministry. Actually, the bank had assumed a growth of 3.9 percent (see NUMERO 37, p 12), and the MAC [Ministry of Agriculture and Livestock] had predicted 6.3 percent. The definitive figures indicate that the gross agricultural product grew, at constant 1968 prices, only 2.9 percent over the previous year, an increment less than that registered in 1979, namely, 3.7 percent, and also less than the average for the period 1976-79, namely, 5.9 percent.

The evidence from those figures entails a sharp setback for the ambitions to achieve greater autonomy in the food supply and to relieve the balance of payments of the burden of sizable imports. The detailed analysis of what has happened also necessitates steps to make the corrections which are in order; especially when we think that the 1981 figures will be even worse, since the entire territory has been beset by adverse weather conditions.

A Neglected Industry

Venezuelan agriculture deteriorated after the 1929 crisis, when its coffee and cacao exports declined to half of their previous volumes in a very few years. Similar circumstances confronted nearly all the Latin American economies, but they managed to recover a good level of exports when the industrialized countries normalized their purchases of agricultural products. Venezuela, on the other hand, accrued most of

its tax revenue after the crisis from the sale of oil, and agriculture became a rather unprofitable industry relatively speaking.

The sector experienced years of expansion, keeping pace with the growth of industrial activity during the 1960's. During those years, the gross agricultural product grew at a rate of 5.6 percent, the crops which could be absorbed by manufacturing industry proliferated and one might have thought that an era of meager results had ended.

During the 1970's the situation became considerably worse, proving that the results of the previous decade stemmed from a fleeting situation, and that there remained deepseated problems in agriculture which had not been solved. From 1971 to 1979 the investment rate declined to -0.9 percent per year, indicating the sector's tendency toward capital depletion. During the decade, the gross agricultural product grew at a rate of 3.56 percent, and its share in the total product declined from 6.96 percent in 1970 to 6.25 percent in 1979. However, the amount of financial aid provided by government agencies multiplied sevenfold during those years: In 1971, 540.2 million bolivares were made available, and in 1979 the amount was 3.6105 billion.

1980 Results

The decade began with slight results. The sector's gross product, still at constant 1968 prices, amounted to 4.993 billion bolivares, representing a 2.9 percent increase over the previous year. The animal subsector contributed 46.8 percent of that total, and its expansion was very poor (1.1), when compared with that in 1979 (4.4). The plant agricultural sector, for its part, grew at a rate of 4.8 percent, also less than in the previous year (5.7). The total value of the production from this subsector was 2.792 billion bolivares.

According to the Central Bank, the results are due to various factors, among which we should stress a sharp increase in prices to the producer (the average was 21.5 percent), which benefited mainly grains, coffee, cacao, tuna and milk. Last year, there was an increase in the recovery of financing made available, and problems involving a shortage in the food supply for livestock were confronted. The early arrival of the rain, which hampered the soil preparation,and in other instances damaged plants, contributed to the meager results.

Plant Agricultural Production

The results in this subsector were due primarily to the slight increase in grain production, 1.2 percent, as compared with 13.8 percent the year before. They were also affected by the loss of much of the corn crop, damaged by the rainfall in Barinas, Portuguesa and Cojedes. On the other hand, there was an increase in the sorghum (36.1 percent) and rice (8.9 percent) crops, but they could not offset the losses which occurred in the other crops.

Leguminous grain production showed a considerable expansion, increasing 17.6 percent, owing chiefly to the increase in the kidney bean (6.7 percent) and dry bean (43.8 percent) crops.

The final results of the production of root and tuber crops were also favorable, because it progressed to a rate of 7.3 percent, far in excess of the figure for the previous year (3.8).

The category of oleaginous products and textiles has been in an obvious decline for some time, but the 1980 figures might have indicated the beginning of a recovery if adverse circumstances had not intervened. Actually, the production dropped to 6.3 percent, a rate lower than the declines noted in 1979 (12.3) and 1978 (11.3). There was a definite recovery in sesame seed (10.4) and cotton production was also 6.0 percent higher than in the previous year. However, they could not offset the losses of peanuts, destroyed by the rain in Mesa de Guanipa by nearly 50 percent.

The most encouraging indexes were registered in the category of vegetables and fruit, with an overall increase of 36.2 and 8.4 percent, respectively. The coffee and cacao crops increased less than 1 percent in comparison with 1979, and sugar showed a recovery of 4.4 percent. Vegetable production increased, obviously stimulated by the expansion of the market and the high prices commanded by those products on the market; while the traditional areas devoted to coffee, cacao and sugar crops have been increasingly reduced, competing with urban development or recreational projects.

Milk Is Bad Business

The slowdown indicated for the animal subsector was due mainly to the decline in the growth of the dairy industry. That production actually contributes a quarter of the subsector's product, and the number of liters produced dropped by 3.3 percent. This has been an obvious trend since 1978, which can only be explained on the basis of the abandonment of the industry by a large number of farm owners who prefer to engage in breeding and fattening, which is more profitable and less risky. Moreover, there has been a considerable reduction in the output of native livestock since the cross-breeding with Zebu, and an increase has been noted in the proportion of females killed in the slaughterhouses. The reduced profitability was also influenced by the delay in implementing a dairy policy and by the maintenance of definitely low prices. There were also incidential circumstances, such as the putting into effect of Covenin regulations, which impeded and delayed the reception of raw milk in the plants.

The meat livestock industry is the most important category of the animal sector, to which it contributes 32.4 percent of the total. Production increased significantly, 4.4 percent, although there were differences among the various items, due mainly to the insufficient supply of concentrated feed. This was caused by the restrictions imposed by Corpomercadeo on imports of some of the agricultural raw materials required for the preparation of those products. Measures were adopted in an effort to stimulate the domestic demand for that input, but the immediate result was a 6.1 percent cut in the production of concentrated feed, further increasing the shortage estimated at a million metric tons.

The Import Statistics

The Central Bank's report indicates that the level of imports of agricultural-livestock products remained similar to that attained in 1979. A total of 2.490 billion bolivares was paid in that category.

Venezuela is self-sufficient in rice and nearly all fruits, vegetables, and root and tuber products. On the other hand, however, it has had to import 30 percent of the milk that it requires, whereas in 1979 it purchased only 20 percent abroad. Imports of edible oils have declined, although it is still necessary to purchase 78.5 percent of what is consumed internally from abroad. It must also import 62.4 percent of the corn that it needs, as well as nearly 50 percent of the sugar. In both instances, there has been an increase in the amount that it has had to import, in comparison with 1979.

(1) **Variación interanual del P.T.B. agrícola y de los índices de precios a nivel de productor**

(Porcentajes)

(2) A precios de 1968	1976	1977	1978(*)	1979(*)	(3) 1980(*)	Tasa promedio 1976/1979
(4) Producto Bruto Sector Agrícola	(3,6)	7,8	6,3	3,7	2,9	5,9
(5) Producto agrícola vegetal	(7,1)	13,8	6,8	5,1	4,8	8,5
(6) Producto agrícola animal	3,0	2,7	7,0	4,4	1,1	4,7
(7) Producto forestal	(30,4)	58,1	(8,8)	—	—	13,8
(8) Producto pesquero	(2,2)	(1,1)	12,8	(8,2)	1,1	1,5
(9) A precios corrientes						
Producto Bruto Sector Agrícola	6,8	24,5	16,5	17,4	24,9	18,7
Producto agrícola vegetal	3,8	35,8	18,1	21,5	27,4	24,2
Producto agrícola animal	10,3	14,8	12,8	14,3	24,9	13,9
Producto forestal	(25,2)	77,0	(5,1)	3,9	23,5	20,4
Producto pesquero	51,8	18,5	37,3	18,3	11,1	24,4
(10) Indice de precios a nivel de productor						
Total	10,8	19,1	5,7	14,5	21,5	13,0
(11) Agrícola vegetal	12,5	24,7	7,6	18,8	21,6	15,9
(12) Agrícola animal	7,1	13,0	3,4	11,9	21,9	9,3
(13) Forestal	28,1	5,8	4,2	6,8	20,3	5,5
(14) Pesquero	44,5	19,5	24,5	7,6	15,3	17,0

(15) FUENTE: B.C.V.

Key:

1. Interannual Variation in the Agricultural GTP and in the Producer Price Indexes (in percentages)
2. At 1968 prices
3. Average rate
4. Agricultural sector gross product
5. Plant agricultural product
6. Animal agricultural product
7. Forest product
8. Fishing product
9. At current prices
10. Producer price index
11. Plant agricultural
12. Animal agricultural
13. Forest
14. Fishing
15. Source: BCV

(1) **Consumo aparente de algunos renglones de origen agrícola**

(4) Renglones	(2) En toneladas métricas					(3) Variación porcentual			
	1976	1977	1978	1979	1980	1977/76	1978/77	1979/78	1980/79
(5) Arroz	368.421	392.476	565.015	622.326	651.004	6,5	44,0	10,1	4,6
(6) Maíz	1.057.177	1.192.897	1.134.284	1.321.310	1.594.716	12,8	(4,9)	16,5	20,7
(7) Sorgo	654.974	688.464	823.867	687.810	591.364	5,1	19,6	7,8	(22,1)
(8) Trigo	641.353	658.069	791.295	750.500	787.890	2,5	20,2	(5,2)	5,0
(10) Granos leguminosos	59.423	39.969	54.360	70.978	90.253	(32,7)	36,0	30,6	27,2
(11) Aceites vegetales comestibles	187.710	246.884	243.339	239.506	197.393	31,6	(1,5)	(1,6)	(17,6)
(12) Papa	151.662	171.675	192.736	229.044	259.907	13,3	12,1	18,8	17,6
(13) Azúcar	677.558	569.196	806.351	694.628	729.679	(1,4)	6,4	14,7	5,0
(14) Carne bovina	290.884	306.661	347.139	333.476	346.008	5,4	13,2	(3,9)	3,7
(15) Leche fluida (en miles de litros)	1.553.574	1.579.467	1.793.980	1.558.236	1.692.938	7,9	7,0	(13,1)	8,6
(16) Carne de aves	164.010	182.463	218.869	236.212	222.734	4,6	13,8	7,4	(5,3)

(16) * No incluye cambio de existencias del sector privado.
(17) Fuente: MAC, CMA, OCEI, ADAGRO, FONALI, DIVENAZ, INP y B.C.V.

Key:

1. Apparent Consumption of Some Items of Agricultural Origin
2. In metric tons
3. Percentage variation
4. Items
5. Rice
6. Corn
7. Sorghum
8. Wheat
9. Leguminous grains
10. Edible vegetable oils
11. Potatoes
12. Sugar
13. Beef
14. Liquid milk (in thousands of liters)
15. Poultry
16. Does not include exchange of stocks in the private sector
17. Sources: MAC, CMA, OCEI, ADAGRO, FONALI, DIVENAZ, INP and BCV

END

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No. 2402

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PAPAL MEDIATION OF BEAGLE CHANNEL CONFLICT CONTINUES

'Harmony' in Papal Mediation

PY310107 Santiago Chile Domestic Service in Spanish 1000 GMT 30 Oct 81

[Text] Foreign Minister Rene Rojas Galdames has stated that an atmosphere of harmony prevails toward the mediation. He also indicated that he has noticed no hardening of Argentina's position. "The reports from news media available to me indicate that they are studying the answer of his holiness through Monsignor Calabresi," Rojas Galdames said.

Regarding Argentine statements to the effect that there are no deadlines for answering the pope, Rojas Galdames said that this decision is up to them. This, together with reports of stationing of new military units along the border with Chile cannot be viewed as another hardening of Argentina's position, he said, and emphasized that there is harmony regarding the mediation.

[Begin Rojas Galdames recording] We are not aware of any fact capable of disrupting this atmosphere. This atmosphere must be preserved, because it is an essential requirement in addition to being a commitment which we undertook in Montevideo along with the decision of the two countries to submit the conflict for the mediation of the pope. [End recording]

Rojas Galdames also explained that he has no idea of what would happen in December when the pope's proposal will be 1 year old. The foreign minister said that the Chilean negotiators are working normally in Santiago de Chile.

Pope's Proposal To Become Treaty

PY221910 Paris AFP in Spanish 0314 GMT 22 Oct 81

[Text] Punta Arenas, Chile, 21 Oct (AFP)--It was reported here today that the pope's peace proposal to solve the Chilean-Argentine conflict on the Beagle Channel will have to be turned into a treaty which will include the details of the fundamental ideas he presented 10 months ago.

Col Ernesto Videla, head of the Chilean delegation to the talks on the mediation process, stated in this city that the treaty will have to be prepared with the mediator and, naturally, with the representatives of both parties.

Videla added that both parties will be present and will participate in the final preparation of the text which will solve the conflict.

The head of the Chilean delegation is in this southern city located 2,500 km south of Santiago with a group of experts who are participating in the talks in Rome.

We have been visiting the zone, although we all know the region well, but we have come to look at it basically guided by the pope's proposal, Videla stated. He arrived in Punta Arenas on Monday.

Asked whether Argentina agreed to the idea of a treaty, Videla stated: Well, the problem is that Argentina at this moment is still dealing with a previous stage. Argentina needs to accept the proposal, and once it is accepted, the logical thing is to turn it into a treaty.

On 12 December 1980 the pope presented his peace proposal to the Argentine and Chilean foreign ministers. A month later Chile accepted the proposal, while Argentina responded only on 25 March 1981 by making some observations, as reported in Buenos Aires.

The group of experts that completed the work in the southern area is also made up of Julio Philippi, Helmust Bruner, Francisco Orrego Vicuna, Patricio Pozo, Osvaldo Munoz and Patricio Prieto.

According to what was reported here, the purpose of the visit to the Beagle region was to compare the technical reports on the conflict with the geographical reality of this barren zone located south of Tierra del Fuego and approximately 3,000 km from Santiago, Chile.

Asked about the presence of this group for 3 days in this zone, lawyer Julio Philippi stated: There is some surprise that we are in the south. I do not understand this.

He added: As stated by Foreign Minister Rene Rojas Galdames, we came here because a number of things linked to the document which must be prepared for the progress of the mediation itself, must be studied in Locus, that is all.

He concluded that there is no need to make a fuss over the trip. We will come here as many times as there is a need to study the appropriate subjects.

CSO: 3010/230

SUBVERSIVE HELD BY MEXICANS ADMITS PLOT AGAINST ARGENTINA

FY071723 Buenos Aires TELAM in Spanish 1042 GMT 5 Nov 81

[Text] Mexico, 5 Nov (TELAM)--Porcu Zuca, one of the criminals who have been detained here for his involvement in the kidnapping of Beatriz Madero and the attack against the Serfin Bank, admitted today to the local police that there is a plan to overthrow the Argentine Government through violent means.

Zuca, alias Giovanni Rosa, was arrested along with four other Argentine subversives after Mexican security forces freed the niece of the conservative presidential candidate for whom a ransom of $1.7 million has been demanded. Zuca has confessed that the ransom--which they were unable to obtain--and the booty from the bank robbery were going to be used in contracting mercenaries, recruiting followers and purchasing large numbers of arms of all kinds to be used in Argentina to combat officials and take over power in our country.

In view of the present situation in which Zuca and the other subversives--among whom are the brothers of Argentina guerrilla leaders Che Gevara and Roberto M. Santucho (of the ERP) [People's Revolutionary Army] who were killed in Bolivia and Argentina respectively--find themselves, the Mexican Interior Ministry is studying whether to deport or [words indistinct].

It was learned that the accused have always denied their involvement in these incidents. The police believe, however, that by declaring he is the only one responsible for these plans Zuca is only protecting the others, giving them the opportunity to be freed. Official sources believe, moreover, that if the others are indeed freed it will leave the path open for the other leaders to continue organizing a struggle for power in Argentina.

Zuca has stated that only he, Antonio Beviglea and Ariel Italo Moran, who were detained last week, were involved in the kidnapping of Beatriz Madero and in the attack against the bank [words indistinct] a long time ago [words indistinct] Guevara and Santucho but that he left the group they led because that subversive group had revised its position and decided to abandon guerrilla warfare as a means of achieving political power in Argentina.

Mexican officials believe this statement is ridiculous in view of the evidence the present investigation is yielding. Zuca also added that Beviglea and Moran, who also left the (?PRT) group, decided to establish a guerrilla group to combat the Argentine military regime and to obtain funds needed for this operation through kidnappings and bank robberies.

A source close to the Mexican investigative police said that the plot they planned to put into effect to achieve their goals has [words indistinct]. Among other things, they were striving to infiltrate Argentine leftist political and union sectors. They also planned to spread panic through a wave of attacks involving as many innocent people as possible to incite Argentine public opinion against their authorities.

If no evidence is found against the 50-year-old Guevara de Laserna and Julio Santucho, the brother of the late ERP guerrilla leader, they may be freed by judge Albarran Montano. Zuca, Beviglea and Moran will not be released, however.

CSO: 3020/19

BRIEFS

TRANSPORTATION AGREEMENTS--La Paz--It was reported here today that Bolivia and Chile arrived at an agreement to expedite the transportation system uniting Arica and La Paz. Upon his return from a southern cone transportation ministers meeting Transportation Minister Col Hector Caballero Cardozo said that his Brazilian colleague is interested in obtaining Brazilian financing for a road linking Santa Cruz and Aiquile. This would unite the eastern and central Bolivian regions. If this project is realized Brazil will have access to the Pacific Ocean by railroad through Bolivian territory. [Paris AFP in Spanish 0251 GMT 22 Oct 81 PY]

ARGENTINA MAIN BUYER--La Paz, 26 Oct (TELAM)--According to the Bolivian Foreign Trade General Directorate, Argentina purchased goods worth $435,947,115 during the first half of this year, which represents 32 percent of total Bolivian exports thus becoming its main buyer. The United States occupies the second place with 27 percent and the rest of Bolivian exports are distributed among Latin America and the Caribbean. [Buenos Aires TELAM in Spanish 1548 GMT 26 Oct 81 PY]

ANDEAN PARLIAMENT--Quito, 1 Nov (AFP)--Raul Baca Carbo, president of the National Chamber of Representatives (legislative branch) has announced that the Andean parliament will meet here in December to strengthen the subregional integration process. He said that the date and program will be decided after a special commission on international affairs of the Ecuadorean parliament analyzes several subjects dealing with this meeting. Baca Carbo stressed that he will lend total support so that the Ecuadorean congressmen who are members of the Andean parliament can prepare for this international event which is of major importance to subregional integration. The Andean parliament includes congressmen from Venezuela, Colombia, Ecuador and Peru. Bolivia is not included. [Text] [PA021801 Madrid EFE in Spanish 1502 GMT 2 Nov 81]

CSO: 3010/240

SCHONFELD CRITICIZES VIOLA'S PERFORMANCE AS PRESIDENT

Buenos Aires LA PRENSA in Spanish 2 Oct 81 p 16

[Article by Manfred Schonfeld: "...the Results, in this Case as in Many Others, Have Been Really Meager"]

[Text] The sentence that appears as the title of this commentary was spoken yesterday by President Viola. It was part of an answer that he gave to questions (questions that were repeatedly posed) regarding the case of Hidalgo Sola, the Argentine diplomat who for the last 4 years has been on the list of the so-called "missing," even though he was, as the president himself said yesterday, "an ambassador of the Process, a man who had been appointed and approved by the military authorities."

With regard to the "many other" cases that the president referred to in the same breath, we can assume that he was talking about the other "missing persons" whose lot has gone unclarified or at least about the people whose fate has been inquired into or investigated with only "meager results," if not none at all perhaps.

The issue was raised again, tangentially, when another question at the press conference pointed out that neither the president nor any other member of the government has received a member of the families of the missing persons. General Viola replied to this, with a vagueness comparable to his remark about "meager results," that the human aspect of the issue warranted his deepest respect, pointing out, however, that he did not want the issue used for political purposes.

Since I have referred in many other commentaries and from various angles to this profound problem besetting the country's national and institutional life, I will not delve further into it today, especially because the president talked about many other matters in his meeting with newsmen.

A Symbolic Phrase

Nevertheless, I chose a fragment from one of his responses in this regard as the title for this article because the words "...the results have been really meager" have a symbolic meaning in my view.

They are symbolic not only of what the authorities have done in the Hidalgo Sola case, symbolic not only of what has been done (or rather of all that has not been done) in the case of several thousands of missing persons, who are more than likely missing for good. No, it is not only that. They are also symbolic of virtually everything else about the government's performance, and more than its performance, its "nonperformance," what it has not done, what it has destroyed, what it has squandered, what it has lost. Finally, yesterday's press conference was also symbolic of "meager results," because there are fewer and fewer journalists in this country who are willing to be demanding with the government (as befits citizens, not subjects), the reason being that it is not worthwhile because the government will either not respond (it wouldn't know what to say) or reply with vague remarks and wind up winning by default.

Eloquent Examples

Examples of what I have just pointed out? Here they are. For the moment, General Viola is, on the one hand, stressing the continuation of the "process," talking about its objectives and using the customary phraseology for them, but on the other he is behaving as if his government belonged just to the past. His administration is 6 months old, but he did indeed take over, he says, "without the benefit of an inventory," accepting the successes and difficulties carried over from the previous stage.

This is not in keeping with the facts. His administration is not just 6 months old, because President Viola co-governed the country for quite some time before, and everyone knows that. Moreover, he did, in fact, receive the "benefits of an inventory" in the personal and direct sense that no sooner had he taken over as president than he made his own contribution to this "inventory" by unjustifiably appointing a costly entourage of advisers parallel to his cabinet, like the "divan" of the Ottoman sultans or the "coterie" of the absolute monarch Ferdinand VII.

What Went Unsaid

So then, no one believes this semblance of modesty by which the current president is trying to make us believe that although he is a raw rookie and the initiator of a new era, he is, nevertheless, willing to shoulder the mortgage that his predecessor left him, but without adding to it.

He himself, however, has allowed the mortgage to keep on growing. He and the people around him are currently doing very little (not enough, in fact, not what is urgently necessary, in fact) to payoff the mortgage that is suffocating the country and stealing its future.

In this same vein, it was odd that both the president and most of the newsmen sidestepped some of the key issues. For example, instead of talking again and again about the "philosophy" of the current economic leadership (When will we in Argentina stop hearing this word, which seems to be a catchall?), why

didn't they focus on inflation and what is being done to curb it, inasmuch as it has never dropped to levels tolerably compatible with an economy that is being straightened out and is once again on the rise when it ought to be falling, which we realize is impossible in a semi-Sovietized economy as ours has been for decades now and in which, to cap it all off, we now have no financial resources other than money from the printing presses, which further fuels inflation?

And how could the press once again allow a president who has had 6 months to develop a government plan since his appointment (not to mention his prior personal involvement) to assert 1 year after he could have drafted it that 6 months in office are not enough to pursue an austerity program (assuming that there is a genuine desire to carry such a program forward)?

Was reference ever made to austerity in government, real austerity, not just an end to car purchases? Was there mention of the extremely poor and demoralizing example that the country's workers were given (and are still being given in just a slightly less offensive manner under the pressure of the circumstances) by the economically privileged officials who during the entire "process" have enjoyed double incomes and a series of other benefits? Was there mention of the truly shameful "official tourism" that this paper tirelessly but vainly spoke out against, or of the grandiose projects that cost the country countless millions of dollars, or of other public works projects whose bidding and contracting procedures have not been adequately publicized?

The Case of Yacyreta

But what can we expect from a presidential press conference when a case like Yacyreta, which this paper has clearly blown the whistle on, citing figures and names, was discussed in just a few brief sentences, such as "We are obviously behind schedule, about a year, we estimate, but I am convinced that we will exhaust every possibility trying to make up for part of this delay, if possible..."?

And if this is not possible, then we have to assume that, as with so many other public works projects, the unnecessary squandering of government funds that every such delay entails will be made up for by our affluent nation and its people, who are doing so well nowadays that they can afford to pay for these and other administrative blunders...

Shared Blame

The president's response to the widespread lack of faith that prevails in the country is a true collector's item, if people collected presidential replies (those of the current chief of state and several of his predecessors, who had no reason to envy him in this regard).

So the explanation is that we are all somewhat to blame. The government is to blame, the parties are to blame, the social sectors are to blame, and the press too.

We are being shown a touchingly maternal picture: a little for mommie, a little for the teddy bear, a little for baby...and this is how we'll finish that nasty soup.

Unfortunately, things are not that simple when the government of a country is involved. This is especially so when the government has not only arrogated (out of need imposed by circumstances) all-embracing powers but also clings to those powers beyond any justifiable circumstantial need, in other words, under obvious suspicion of doing so to satisfy personal greed or to serve vested interests. In this case, we are not "all somewhat to blame." The government is solely to blame.

In my judgment, this is what we can gather from the "really meager results" of yesterday's presidential press conference.

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PERONIST HARDLINERS PRESENT PROBLEMS FOR VIOLA, BITTEL

Buenos Aires LA PRENSA in Spanish 2 Oct 81 p 1

[Article by J. Iglesias Rouco: "Other Obstruction Machines"]

[Text] The Peronist factions that have so far been less willing to dialogue with the government seem to winning out over Mr Bittel, who, in turn, is supposedly encountering serious difficulties in the "multiparty group," especially after Mr Frondizi's "turn" against the government. The former president's MID [Integration and Development] group, which has gotten the jump on the "multiparty group" with regard to the regime's call for elections, is apparently trying to further divide not only Peronism, which is already quite divided, but Radicalism as well, which has just begun to go down this road. Oddly enough, or perhaps not so oddly, with his fresh attacks on the government, Mr Frondizi intends to achieve just what the government wants, that is to say, the atomization of the country's main parties.

Bittel Hit the Hardest

Mr Bittel, who has always endorsed the stands of Balbin and the moderate wings of the UCD [Radical Civic Union] in the "multiparty group," which have been against confrontation with the Casa Rosada and, therefore, against too clear-cut a demand for elections, is perhaps the politician who has been hurt the most by Frondizi's maneuvering, to which we must also add the current preponderance of the radical "intransigent" groups over the "pro-dialogue" factions in his party. To put it another way, in the midst of an offensive, Peronism has, because of Bittel, fallen far behind in the "multiparty group." It was precisely this fact that the "hardliners" on the Peronist council, Herminio Iglesias and Carrasco in particular, brought out against Bittel a few days ago. Both of them are surely forgetting that they too are part of the "multiparty group" and that, moreover, they have never been especially interested in the group's politics and fate, inasmuch as contrary to what the case is with Mr Bittel, they do not have their own factional maneuvering room there. Peronism's place in the alliance is of use to them only to harass Bittel.

Rapprochement With Robledo

Now then, after the beating he took at the hands of his own people, the Peronist vice president has decided to draw closer to the heads of so-called traditional Peronism, including Mr Albrieu and even Mr Robledo, who in his judgment are the only ones capable of countering what Bittel himself calls "union arrogance," as represented perfectly by the CGT [General Labor Confederation], which for some time now has been demanding to be the sole union in the "multiparty group." Of course, Mr Lorenzo Miguel is not interested in the "multiparty group" either; his demand is merely a weapon against Bittel, whose weakness makes it impossible for him to turn his back on the "intersector group."

But the offensive by Miguel and the "hardliners" on the Peronist council surpasses Bittel's potential. In this regard, Lorenzo Miguel's and Ubaldini's pilgrimage to Asuncion some days ago did not go unnoticed. This is where the former governor of Corrientes, Mr Julio Romero, has his obligatory residence. In view of his close relations with the sheiks of the "intersector group," Triaca and Guerrero, Mr Romero, who heads up major Peronist factions in the interior, has so far refrained from voicing an opinion on the "representativeness" of one or another labor union organization. But the recent assault on his son Humberto in Corrientes, as well as the "acknowledgement" of Miguel and the situation in the "multiparty group" in the wake of Balbin's death and Frondizi's maneuvers, could tilt him towards the "hardliners" and against Bittel, we are told.

Mobilization of the "Rank-and-File"

It now remains to be seen what will happen with the "mobilization of the rank-and-file" and the campaign to reopen the "basic units," which Mr Robledo conceived as a means of pressuring the party council, which, Robledo argues, has been "incapable of establishing a strategy that serves all of Peronism" and that would place it in the forefront of the opposition to the regime within the "multiparty group." It is somewhat odd that Mr Robledo, who until recently had very smooth contacts with the government and various military groups, is now talking about opposition politics. At least that is what both Lorenzo Miguel and Romero feel. It would be no less odd for Mr Romero himself to begin waving the banner of struggle against the regime, in which until a few weeks ago he had quite a few "valid dialogue partners." Nevertheless, there is a good chance that he will move in that direction. Otherwise, Mr Robledo would not have organized his "mobilization of the rank-and-file," inasmuch as the success of the initiative depends on the "apparatuses" controlled by the provincial bosses, among whom Romero shines with his own light. Peronist circles feel that the Romero-Robledo alliance is already a fact, which will become especially visible after Mrs Peron's upcoming visit to the Vatican.

Problem for Viola

These internal Peronist movements towards a steadily "harder line" against the military regime, along with Mr Frondizi's "breakoff," will heighten the

domestic dissidence within Radicalism and, what seems even more serious, will completely sap what we could strain to call the government's political program. In its "examination" on 12 October before the junta, the Casa Rosada will thus have little to offer in this regard. Parallel to this, the government has not succeeded in preventing a review of the dismissal of the case against Mrs Peron in connection with the reserved funds, with the resulting "danger" (to the government) of a guilty verdict. All of this weakens Viola's position on the "military front." To summarize, Bittel's current "loneliness" in a way reflects the president's.

Mr Konstantinovsky yesterday unveiled his "obstruction machine" in the presence of members of the former government, such as Mr Juan Alemann, and of the present administration, such as Mr Guillermo Acuna Anzorena (also there were Julio Oyhanarte, Cristina and Horacio Guzman, Rodolfo Martinez Jr, Ismael Montovio and Celestino Gelsi, among many others). Mr Martinez de Hoz partly suffered the effects of the "machine," although this far from "excuses" him, as Mr Konstantinovsky perhaps thinks. Today Viola is becoming familiar with other "obstruction machines" and not all of them, as we can see, are of military origin. But it is only fair to point out that the government itself has started up several of these "machines."

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'POLITICAL COLUMN' DISCUSSES FUTURE NATIONAL LEADERS

Buenos Aires LA NACION in Spanish 4 Oct 81 pp 8-9

/Excerpts/ Sources close to Lieutenant General Viola mentioned this week to LA NACION that the commander in chief of the army, Lieutenant General Galtieri, might be appointed president in 1983 by the Military Junta.

Up to now, this possibility had been mentioned only as vague conjecture by news dispatches from overseas, and this is the first time that government circles have lent it any credence. Ever since the Military Junta began the decisive stages of the debate on a successor to former President Videla, the present commander in chief of the army demonstrated that he was not unaware of the lofty patriotic significance that taking up residence at the Casa Rosada always carries.

Hence, the major new twist is that it is Lieutenant General Viola's loyal entourage that is saying that it would be a good idea from this point on to take seriously the hypothesis that the sitting president will not succeed himself but will, rather, be replaced by a man who will continue to be commander of the army until the end of 1982. The importance of this new development lies only in the realm of expectations, but it is telling us that as things are now going, we should not anticipate that the Military Junta will reappoint Lieutenant General Viola president. Although this is important in itself, we should not overlook either that the Military Junta has not yet even remotely begun delving into a matter that will have to be resolved in 2 years and, besides, that the country in the meantime is in quite a state of political, economic and social flux.

Current institutional regulations say that the Armed Forces superior officer to whom the functions of president of the nation fall will spend 3 years in the Casa Rosada and can be reelected only once for another 3 years.

Galtieri in Brazil

A political observer who enjoys Lieutenant General Viola's trust pointed out to LA NACION this week also that the positions of the opposition parties and the Armed Forces on the issue of elections are perhaps not as antagonistic as they seem at first glance. Basically, he said, these parties have merely

contended that the junta must cease to choose the country's leaders in 1984. And according to the prevailing view in the military, what is, in fact, theoretically scheduled is to begin the transition period during the next military presidency.

From this standpoint, Galtieri would be a leading candidate to preside over a transition from 1984 to 1987. Commenting on the tone of the statements that Galtieri made confidentially to Brazilian military officers some days ago, the weekly VEJA said that the commander of the Argentine Army showed skepticism about a potentially faster pace for the institutionalization process in Argentina. "It is his understanding," it summarized, "that the Process has already opened up too much, in light of the risks that the military sees." VEJA's interpretation of what Galtieri meant to say on his trip to Brazil has not yet been corrected, although it might be subject to some clarifications at the next press conference with the customary official spokesman of the army commander in chief's office.

Since the beginning of this year at least, practically all of Galtieri's steps have been appropriate to a military commander who is duly aware of what the junta means as a lever of real political power in the country. It remains to be seen whether there will or will not be a clear-cut change in the most visible operations of the Executive Branch next year. The fact is that no one can assert right now that Lieutenant General Galtieri will have nothing to do with the contribution that a sizable civilian movement could make to the task of building a new stage in the Process of Reorganization.

Massera Chimes In

Admiral Massera, who has openly begun engaging in practical political activity, has been hard on President Viola. If we look closely, however, he has been ever harder on Lieutenant General Galtieri. Why should Massera act this way if he were not readying his weapons for what he considers an unavoidable clash with Galtieri?

At his press conference on Thursday, the president emphasized that he was seeking a moderate stance between the two extremes, as it were, of national politics: on the one hand, those who advocate what he called an autocracy or dictatorship, and on the other, those who want to quicken the pace, as if he were in charge of winding up the process. Obviously, the public messages of the president and the army commander in chief do not always tally or in any case what do not tally are the ideas that others assume are going through their heads. Nevertheless, we must keep in mind that the army's active leaders have organized contacts with already established political forces or with groups that are prepared to merge into new movements, and therefore we should not assume that the president and the army commander in chief are going to ultimately pursue two entirely different political programs.

The relationship between the surmisable plans of Lieutenant General Galtieri and Admiral Massera is another story, however. As we see it, at this point Lieutenant General Viola has no reason to place all his bets on a civilian-military understanding from which a president will emerge in 1984, much less to wager on an open struggle for power (open in the traditional meaning of the word) in 1984 also. For his part, Galtieri is still in a position to reflect on the first of the two options and, to be sure, on a third as well: that the Military Junta will keep its electoral power intact in 1983. But because he has gone so far, Massera has only one road to follow: to hasten the attainment of his objective before he is left without a reply. He already tried to do that, unsuccessfully, some time ago, when the overall conditions were clearly adverse for his plans. The conditions are quite a bit better, looking towards 1984, if only for the simple reason that they are showing the Process in a worse light. A professionally conducted public opinion poll revealed that discontent rose sharply between late 1980 and mid-1981.

Socialists and Peronists

There is reason to believe that Massera has decided to join the struggle for a place in the Second International, the Socialist International, that is to say. Mr Jorge Selser was one of the Argentines with ties to Massera who approached the meeting of the group's political bureau in Paris some days ago. The bureau did something almost unprecedented: it came to the conclusion that the Popular Socialist Party, represented by Mr Victor Garcia Costa, is not important enough to retain Argentina's seat. The International's congress will ultimately decide the issue. With the exception of the Democratic Socialist Party, the other socialist factions are not too substantial either. This has caught the attention both of the Massera people and of a certain Peronist faction (the one that includes former Foreign Relations Undersecretary Jorge Vazquez), with an eye towards gaining a suitable vantage point (at least) to strengthen external political links.

There are contradictory considerations with respect to the movement that the former commander of the navy is trying to develop around himself. On the one hand, we know from the incontestable testimony of traditional conservative sources that a declaration of common cause with Massera, signed, among others, by former Councilwomen Dolores Ayerbe and Nelida de Miguel, contains names that are quite representative of Peronist activism in the capital. On the other hand, when a labor leader as experienced as Mr Jorge Triaca descends suddenly upon Massera, it is because he must have calculated that Massera will go no further than he has. For the time being, it would seem that Lorenzo Miguel does not want to step over a certain line in his dealings with Massera, forthcoming developments notwithstanding.

Triaca is one of the best-known heads of the National Labor Commission (CNT), in other words, one of the groups that has most carefully cultivated its relations with the army. Moreover, he is the interventor in the Peronist Party in the Federal Capital, a post in which a faction made up, among others,

by friends of Lorenzo Miguel, is trying to replace him with Mr Juan J. Minichilo. Triaca accused the latter of being part of a faction "that is trying to hand the Peronist Party over to Massera."

Meanwhile, it was no minor development when the former navy commander obtained the floor this weekend at the Light and Power Union of Rosario to deliver a speech that was strongly critical of the Videla and Viola administrations. In another speech this week, Massera advocated bringing new blood into the country's leadership. From what we have heard, this idea was also advanced a few days ago by the current commander in chief of the navy, Admiral Anaya, in a meeting with the former ambassador in Portugal, Walter Costanza, a Democratic Socialist.

For the time being, unity is unimaginable. Dramatic; for in this match, in all appearances, there is no room for a tie.

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MULTIPARTY BOARD MEETS CHURCH OFFICIALS

PY051652 Buenos Aires CLARIN in Spanish 3 Nov 81 p 8

[Excerpt] The political and institutional commission of the multiparty board met with members of the church yesterday.

The political leaders who attended the meeting in the episcopate are: Herminio Iglesias, Nestor Carrasco and Torcuato Fino of the Justicialist Party (PJ); Carlos Perette, Ruben Rabanal and Domingo Romano of the Radical Civic Union (UCR); Americo Garcia and Francisco d'Hers of the Integration and Development Movement (MID); Martin Dip, Salvador Busaca, Nestor Vicente and Augusto Conte of the Christian Democratic Party (PDC); and Juan Carlos Manes of the Intransigent Party (PI).

They were met by Msgr Domingo Castagna of the social pastoral group, Franklin O'Barrio, president of the Justice and Peace Commission; and the members of the latter organization Carlos Eroles, Miguel Woites, Roberto Caldo and Ignacio Palacios Videla.

After the meeting the episcopate released a communique indicating that the multiparty board representatives "presented a picture of the national situation, reported on the board's objectives and activities and emphasized the importance they assign to the role of the church in the search for solutions to the national problems."

Institutional aspects of the document "the church and the national community" were also discussed.

The communique also indicated that Msgr Castagna emphasized "the need to exercise humility in political activity as a condition for reconciliation and national unity within a framework of an authentic democracy."

The communique also emphasized "the existence of positive signs for coexistence in Argentina such as the esteem for dialogue and the visible attitude for agreement and unity. It also made a call for hope."

CSO: 3010/245

FACTORS BLOCKING LABOR UNITY REVIEWED

Buenos Aires LA NACION in Spanish 5 Oct 81 p 8

[Text] Obstacles to Labor Unity

What Happened in Mendoza

Labor leader Mario Zaffora's comments were sarcastic and caustic at the close of the meeting that the labor minister held with union leaders in Mendoza. He stated that it had been a "monologue" by Brigadier Porcile, not a dialogue, that the voice of the labor movement had been silenced and that he was going home "perhaps to shed a tear" for what had happened. But that is not the way it happened. The clarifications were not long in coming, and the fact is that between 10 and 15 labor union leaders outlined their views on the workers' situation, but on behalf of their own organizations, of course. This is the key to dispelling any doubts about what took place at a meeting that had brought together almost 100 leaders as spokesmen of their Mendoza worker groups.

Zaffora tried to speak on behalf of the CGT [General Labor Confederation], and Porcile interrupted him, pointing out that he could not do so in that capacity, only on behalf of his trade union, the teamsters, which Zaffora refused to do.

We should hasten to add that the minister acted as the circumstances dictated. Otherwise, it would have meant recognizing the CGT, and we should recall that ever since 24 March 1976 the government has been very careful about its relations with the labor movement and has never recognized the factions into which it has split. There were, of course, those who pointed out that the minister was indulging in a contradiction, because we know that on the national level he is talking with the CNT-20 [National Labor Commission], the intersector group. That is true, but it is no less true that the CNT-20 made such talks possible with its willingness to dialogue and moderate stand, knowing that this approach would not win it official recognition.

The national CGT, which in Mendoza encompasses 47 organizations, more than the intersector group comprises there, backed Zaffora fully and asserted in a communique that it is not renouncing the dialogue, but on the condition that it be a real dialogue, not just a government monologue.

Inter-Union Efforts

Meanwhile, the CNT and the "hard-line" faction of the CGT have very cautiously renewed contacts in a search for common ground. This issue was examined on Friday within the intersector group, and according to reports, it will obviously be difficult to surmount the complex situation that would result from a restating of positions and proposals. It is the CNT that is in the biggest hurry to achieve an understanding, because several of its leaders feel that it is indispensable to modify its strategy. Triaca is one of them. A few days ago he commented that from what we have seen so far, the dialogue "does not seem to be the ideal arrangement for resolving problems." This change of direction, so to speak, advocated by leaders such as Triaca, doubtless has to do with what they regard as the lack of suitable responses from the government to the petition drafted by the CNT-20 and the imminent sanction of the Social Benefits Act. In fact, this week its representatives will hand Porcile a note expressing their disagreement with the measures taken with regard to wages, special family allowances for laid-off and fired workers and the freezing of gas and electric rates for minimum consumption.

With respect to the Social Benefits Act, Minister Lacoste dashed any remote possibility of amendments by asserting that the "law is crystal clear as to its objectives." The feeling is that its enactment will not be delayed long enough to satisfy the CNT's desires to bridge its differences with the CGT and pursue a common program. That is their union objective, while maintaining their individuality, to which end attempts will be made to set up a "deliberative entity" on a proportional basis.

The 20 are more cautious. They agree that any efforts in this direction must be based on such individuality, but they are emphasizing the preservation of the "intersector group" and reaffirming that they recognize not the CGT but rather its leaders as another group on the union spectrum.

Very Serious Obstacles

But there are other, as yet insurmountable hurdles to achieving unity, and some of them have been mentioned in this column.

For example, while the "hard-line" faction of the CGT stresses its assertion of "unity for action," the intersector group proposes "unity for leadership" as a precondition. Moreover, the CGT wants unity around its own organization (in other words, outside groups ought to incorporate into it) and contends that the leadership should include those who lost their mandates on 24 March 1976 or afterwards by decision of the military government, while the other group upholds the idea that only persons with acknowledged mandates should serve. This is how things stand, and suffice it to say that the road ahead of them is a long one, that both are looking for advantages and that, therefore, the skeptics, the ones who at the most concede the possibility of a rapprochement, are in the majority.

Political Implications

Furthermore, the vicissitudes of Peronism will indubitably have their impact on this process or whatever we wish to call it.

In this regard, the vigorous attack by Triaca, one of the CNT's most prominent members, on Juan Jose Minichillo, the former business leader, has escaped no one. Minichillo is backed by Lorenzo Miguel in the party's internal strife. In his attack, Traica said that "a faction" of Peronism is "trying to hand over part of Peronism in the Federal Capital" to Admiral Massera and in an obvious allusion to Minichillo, he said sarcastically: "I am not going to compete for my representative post with Massera's union adviser." Minichillo will not take long to reply; he will be doing so today, in fact, in a statement. We should note here that the Augusto Vandor Peronist Metallurgical Group has come out and denied newspaper reports by categorically asserting that Lorenzo Miguel has no ties whatsoever with Admiral Massera or with the movement recently established by the former member of the Military Junta.

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FNM RAPS GOVERNMENT FOR INACTION ON HAITIAN QUESTION

Nassau THE TRIBUNE in English 1 Oct 81 p 1

[Text]

THE FREE National Movement today criticised the PLP Government for allowing an important diplomatic opportunity slip through its fingers.

Referring to the agreement between the United States and Haitian Governments to stem the flow of illegal Haitian immigrants to Florida, the FNM asked:

"Have the interests of the Bahamas in this matter been lost in the shuffle? Will there be another flood of Haitians to the Bahamas?"

The FNM said that hearing Prime Minister Lynden Pindling say what should be done in public speeches is not enough.

"We need to know that vigorous diplomatic efforts have been made to reach solutions to these problems through cooperative measures on the part of the nations concerned," said the FNM.

"With the Bahamian economy already unable to meet the needs of thousands of unemployed Bahamians, a new influx of Haitians at this time would be unmitigated disaster," said the FNM.

It has been reported that the executive order by President Reagan gives the US Coast Guard the authority "to stop and board vessels when there is reason to believe that such vessels are engaged in the irregular transportation of persons or violations of United States law or the law of a country with which the United States has an arrangement authorising such action."

The FNM wants to know if this means that the Bahamas could be included in the US plan to turn back vessels suspected of transporting illegal immigrants.

"If the door has been left open for an arrangement, has our Government taken any steps to work out such an arrangement," asked the FNM.

"It appears to the Free National Movement, in the absence of any statement from the Government, that they have again missed the boat and have allowed an important diplomatic opportunity to slip through their fingers," it said.

CSO: 3025/44

FNM LEADER ISAACS BLAMES ECONOMIC WOES WHOLLY ON PLP

Nassau THE TRIBUNE in English 28 Sep 81 p 1

[Text]

THE Progressive Liberal Party alone is responsible for the worsening economic conditions in the Bahamas today and not forces as put forth by Prime Minister Lynden Pindling during the Commonwealth Finance Ministers conference.

That was the view of Free National Movement leader Kendal G L Isaacs as he addressed a recent 'Time for a Change' rally held in the St Agnes constituency.

He referred to Prime Minister Pindling's statement that human suffering in today's Bahamas is caused by economic forces beyond the control of the Government.

"It is the PLP," Mr Isaacs said, "who have brought about the economic woes of this country that now make it necessary for the PLP to increase public spending so as to create employment and to expand the social services and social benefits so as to prevent human suffering.

"This country would have been much better off had the PLP just taken a hands-off attitude, and allowed the economy to run itself, with as little government intervention and interference as possible.

"Instead, they went to the extent of even using public funds to directly compete with private enterprise. If we had only the money that they poured down the drain in unprofitable projects, this country would have been so much better off."

Mr Isaacs said a clear example of such expenditure is the famous Cable Beach Hotel complex. The Government, he said, borrowed $150 million for it, in spite of the fact that the government's hotels have not yet made a profit. Interest alone on this money, Mr Isaacs said, will be $30 million a year.

"It therefore means that even before the hotel complex becomes operational the Government would have to find at least the first $30 million to pay the interest alone," Mr Isaacs said. "And to top it all off, the Government offered the stupid reason to the Bahamian people that this project would create about 2,000 jobs.

"The $30 million interest alone could have created that many jobs without the expenditure of the $150 million. The horrible reality is that if the Government's hotel enterprise should fail, the impact on the economy and the tax structure of the country would be catastrophic."

Another reason why blame for the present state of the economy must be laid directly at the doorstep of the PLP administration, Mr Isaacs said, is the Government's economic policies regarding the foreign investor.

"But what does this Government do? At a time when so much doubt was being openly expressed about the Bahamian economy, this Government had the idiotic brainstorm of a business tax which would change the ground rules under which many of these companies came to the Bahamas. Many foreign interests became immediately skeptical and the flow of capital was slowed even more.

The straw that broke the camel's back, Mr Isaacs said, was the Immovable Properties Act (Land Bill). Although there are some good features to the Act, he said, "it was presented in such a sea of skepticism by the foreign community, and was so sloppily presented and thought out that the discriminatory intent became immediately apparent.

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PAPER REGRETS JAMAICA BREAK WITH CUBA

FL022241 Bridgetown CANA in English 1951 GMT 2 Nov 81

[Text] Bridgetown, Barbados, 2 Nov (CANA)--The Barbados NATION newspaper today said Jamaica had taken a serious decision in ending diplomatic relations with Cuba last Thursday and the daily regretted the development. In an editorial, the paper said: "Recent developments between Jamaica and Cuba will have very serious consequences for the future of relations in that part of the Caribbean."

The Jamaican Government broke off diplomatic relations with the Cubans after charging that Havana was giving refuge to three wanted criminals in Jamaica and had refused an official request to hand over the men.

The paper noted: "On the assumption of power, the Jamaica Labor Party government in Jamaica kicked out Cuban Ambassador Ulises Estrada, giving every indication of a no-nonsense policy by the Edward Seaga administration."

"Seaga has taken a very serious step and he must surely be aware of what it will mean. We are sorry that relations have deteriorated so rapidly," the NATION newspaper said. The newspaper continued: "Cuba lies a matter of 90 miles away from Jamaica and it would seem to us that whatever the ideological differences, it would have been desirable for a fairly stable level of relations to exist.

"The Cuban Government owes the Jamaican people an explanation of the charges made by Seaga. If they claim to be unaware of the presence of Jamaican criminals in their country, then it would seem prudent to us for the Cubans to immediately seek to find such persons and if successful, to offer to return them to Jamaica."

The newspaper said thit move would be the first step to restoring "some semblance of mutual respect between governments."

CSO: 3025/1005

SUGAR REVENUES SHARPLY DOWN; WORLD PRICES AT FAULT

Bridgetown ADVOCATE-NEWS in English 17 Oct 81 p 1

[Text]

Receipts from the sale of sugar are expected to be Bds $42 million less than last year.

Deputy Prime Minister Mr. Bernard St. John in disclosing this to the House of Assembly yesterday said that he was unable to give an accurate statement as to the final estimate for sugar receipts since there was still some 17 000 tons of sugar to be shipped.

Mr. St. John intimated that this sugar was not being shipped immediately because of the low prices now being paid for sugar on the world market.

Under the terms of the European Economic Community (EEC) agreement, Government has until next June to make the shipment.

Said the Deputy Prime Minister: "It is impossible for us not to recognise the fact that the world market price for sugar is now well below the cost of production. It simply does not pay us to sell that sugar now."

He explained that Government could do nothing in respect of sugar already shipped to the EEC.

The current price is 158 pounds per ton and the pound sterling in relation to the Barbados dollar now stands at US $1.90 (or Bds $3.80).

Mr. St. John was introducing a Resolution to approve the use of US $30 million fdrom the Orion Royal Bank Limited to assist with the financing of the capital programme for the fiscal year 1981—1982.

Government's largest ever capital expenditure programme planned for this year is expected to be within Bds $165 million and this would only be financed either from current account surpluses, gifts from abroad or borrowers, Mr. St. John said.

The Deputy Prime Minister told the House that the country's per capita income placed it in the higher bracket for developing countries according to international classifications and so it could not expect the gifts which other countries might get.

In respect of concessionary loans, he said, those influential countries with a large share of the voting power in multi-lateral financial institutions were insistent that developing countries should borrow on the common market.."they have said that they are not going to allow their voting power in such institutions as the World Bank, to be used to give developing countries a better deal."

Said Mr. St. John: "We know of no international institutions that, in the circumstances of extraordinarily unfavourable conditions for sugar, we can go to for help.

"We must therefore face reality and either decide to stop our development programme and suffer the consequences when the recession is over, or continue within the limits of a well-conceived public sector deficit to carry out our capital development programme."

He said his Government had opted for the latter.

According to Mr. St. John, this low in Government finances has also come about because of salary increases for public servants granted last year; the fact that the capital development programme of Government had picked up some of the imported inflation in respect of imports from abroad; and the fact that while Government revenue for the first eight months of the year increased at a rate of 2.5 to 3 per cent, the current account expenditure increased by 16 to 17 per cent.

Mr. St. John was introducing an amendment to the Special Loans Act in order to increase the amount of money that may be raised by way of loans under the act from $100 million to $200 million.

CSO: 3025/45

GOVERNMENT SILENT ON DETAILS OF NEW SECURITY POST

Hamilton THE ROYAL GAZETTE in English 8 Oct 81 p 1

[Text] Government yesterday announced the formation of a new $30,000-plus job within the Ministry of Home Affairs, yet did not indicate why such a post had been created.

An official Government announcement yesterday advertised for applicants to the post of "Co-ordinator of Security Services."

The successful applicant will be the Principal Assistant to the Permanent Secretary of Home Affairs in helping formulate national security and defence policy.

He will be assigned to a new department being created within the Ministry of Home Affairs, and will draw a salary of between $33,721 and $36,297.

But despite the advertisement, there was no official comment forthcoming from Government. A Government spokesman would only say that a statement would be issued shortly.

The post holder will also be responsible for processing the estimates of Income and Expenditures for the Bermuda Regiment, the Fire Services and the Bermuda Police.

Member of Parliament Mr Harry Viera expressed concern last night that the post would come under the auspices of the Ministry of Home Affairs.

"When a dispute arises it is usually in the form of industrial dispute," said Mr Viera, adding that the dilemma would be having the co-ordination of the new service come under the same Ministry as the dispute itself.

Mr Viera suggested that such a post should come under a new, mini-ministry.

CSO: 3025/44

MINISTER OF WORKS UNDER FIRE FOR CONFLICT OF INTEREST

Hamilton THE ROYAL GAZETTE in English 12 Oct 81 pp 1, 2

[Excerpts] Pressure was yesterday mounting on the Hon. Ralph Marshall to either resign as a Cabinet Minister or surrender the Government contract awarded recently to his architectural firm.

The Minister of Works appears to have reneged on an undertaking he gave two years ago following similar conflict of interest claims.

After a row broke out about his firm, Marshall Bernardo Partnership being given the contract for the first phase of Stonington Beach Hotel, the Minister assured Premier the Hon. David Gibbons that it would never happen again.

But on October 1 it was announced that the firm in which Mr Marshall is a senior partner, had been appointed architects for the final construction phase at Stonington.

The Progressive Labour Party, remembering that 1979 undertaking, yesterday hit out angrily at the latest move. "The situation as I see it is that it is not above suspicion when the Government awards a contract to one of its Ministers," said Shadow Minister of Works Mr Walter Lister. "Any act of a Government Minister must be above suspicion."

It was "blatantly wrong" for Marshall Bernardo to take on the work because if there were any problems appeals would go to the Minister of Works--Mr Marshall.

Mr Lister said Mr Marshall could not wear two hats--"You just cannot do it."

He said: "It is morally wrong. I think he should have either resigned from the Cabinet to avoid a direct conflict of interest and allow his company to do the work, or not allow his company's name to be put in as one of the bidders for the contract."

Mr Marshall would only comment briefly on the matter yesterday. He said he did not remember the 1979 undertaking but added: "I do not want to make any comments on this at all. If you want any comments go to the client. Architects are not supposed to talk to the Press."

He suggested that Dr A.C. Hollis Hallett, chief executive officer of the Bermuda College, be contacted.

Mr Marshall also faced criticism over the ill-fated brewery plan for Dockyard in which his firm was involved.

In January 1979, the Premier admitted that there had "inadvertently" been a conflict because Mr Marshall's firm accepted both the brewery and Stonington first phase projects before he became Minister of Works.

Mr Marshall, who has also been under fire from conservationists and is presently under pressure over the St George's golf course scheme, has admitted himself that he had faced potential conflicts of interest.

CSO: 3025/44

UNION THREATENS RETALIATION FOR HOTELS BRINGING SUIT

Hamilton THE ROYAL GAZETTE in English 10 Oct 81 pp 1

[Text] The Bermuda Industrial Union has threatened to take "all forms of industrial action" in retaliation against hotel employers who are suing the union.

In a strongly-worded statement in the paper, the Workers' Voice, the union's general council called the hotels' writs an attempt to bust the union.

The writs issued by the Hotel Employers of Bermuda and a group of 10 hotels were inspired by right wing trouble-makers, the statement said.

"The legal action taken by the H.E.B. against the B.I.U. president (Mr Ottiwell Simmons, M.P.) and five other union officers is intended to bust the union and kill the progressive spirit of union members," the statement ran.

"We believe that the hoteliers' legal action has been motivated by a small group of radical employers who have been pushed by some extreme right wing trouble-makers.

"At this late date the B.I.U. and certainly the majority of the citizens of Bermuda were of the opinion that the May wage disputes were a part of history and that the union, the employers and the community at large were more interested in keeping Bermuda and its economy on an even, trouble free course.

"The decision to start court action against union leaders at this time, when our country is just recovering from the May disputes, is an unnecessary, dastardly act on their part and our country is surely going to be worse off because of their cowardly and malicious behaviour."

The statement went on to praise union officers who have fought unfair labour practices. "It is therefore unlikely that the more than 6,000 union members and union supporters will remain passive while a number of foreign hotel owners institute court action designed to reduce the B.I.U. to the status of a paper tiger.

"Our union does not regard this action lightly. And if the employers persist in taking such action, the union will be calling on all forms of industrial action available to counteract this handful of vicious, vindictive persons."

The statement ended with a call for the hotels to drop legal actions against the union. Hotels took out Supreme Court writs on Wednesday alleging breach of contract resulting from sympathy strikes involving hotel workers during the April and May disputes.

They brought the action because of losses incurred during the walk-outs which eventually forced most of the Island's hotels to close their doors.

CSO: 3025/44

BRIEFS

RESERVE SITUATION--The Central Bank reported today that in the first half of 1981 Bolivian exports totaled $435,947,115. The report adds that the main markets for Bolivian products are Argentina with 32 percent; the United States with 27 percent and other Latin American and Caribbean countries. LAIA [Latin American Integration Association] countries are the main market for Bolivia, followed by the EEC, and the United States. According to the report exports to the sub-Andean region totaled 3.3 percent of all Bolivian exports but this region is still the main market for nontraditional Bolivian exports which total 26.5 percent. The report notes that minerals and hydrocarbons totaled $398.594.511, [as printed] that is 91.43 of all Bolivian exports and non-traditional exports totaled 8.7 percent or $37,352,604. [La Paz PRESENCIA in Spanish 26 Oct 81 p 1 PY]

TECHNICAL ACCORD WITH SPAIN--In a ceremony held today at the Bolivian Foreign Ministry the Bolivian and Spanish governments as represented by Bolivian Foreign Minister Gonzalo Romero Alvarez Garcia and the Spanish ambassador in La Paz signed an accord by which Spain will provide technical cooperation for improving current irrigation systems and for developing several agricultural projects in various provinces of Santa Cruz Department. [La Paz Radio Illimani Network in Spanish 1700 GMT 5 Nov 81 PY]

NEW TELEX CENTER--The Bolivian minister of transport and telecommunications today dedicated the new national and international telex center of the Bolivian National Telecommunications Enterprise. The new center has been installed at a cost of $2.7 million and this price includes the purchase of approximately (?500) teleprinters. [La Paz Radio Illimani Network in Spanish 1700 GMT 5 Nov 81 PY]

COOPERATION AGREEMENT WITH FRANCE--Foreign Minister Gonzalo Romero Alvarez Garcia and French Ambassador (Raymond Cesaire) today exchanged notes and thus implemented a technical, scientific and cultural cooperation agreement with France that was signed in April 1981. The agreement includes material and French specialists for Beni and La Paz universities. The National Academy of Sciences and the San Calixto Observatory will receive similar cooperation in the scientific sector. [La Paz Radio Illimani Network in Spanish 1700 GMT 29 Oct 81 PY]

CSO: 3010/245

DAILY PRAISES U.S. SENATE'S DECISION ON ARMS

PY051657 Santiago Chile LA TERCERA DE LA HORA in Spanish 25 Oct 81 p 3

[Editorial: "The End of the Arms Embargo"]

[Text] The U.S. Senate's decision lifting the embargo of military aid to Chile was received with satisfaction not only by the government but also by the majority of the population. The decision, adopted by a vote of 86 to 0, represents the coming to an end of a situation that started in 1976 when our country was the target of a real international offensive headed by the Jimmy Carter administration.

We say the coming to an end because the question has still to be finally debated by the House of Representatives. There are, however, historical precedents that show that a favorable decision can be expected.

In fact, the Senate's decision implies a direct recognition that significant progress on human rights have been made in Chile. This decision is, however, a reparation of an unjust attitude which at one time tried to pressure and change the sovereign direction set by the government of our country and our people.

Military aid is important in today's violent world, particularly when the West is suffering an offensive aimed at subduing it on all levels as proven by the repeated reports of the last few days accompanied by records of irreversible objectivity. The United States, under the Reagan administration, has thoroughly understood this situation by providing support to friendly countries and treating its enemies as enemies as promised by the president himself during the election campaign.

This is not an isolated decision. This should be understood within the framework of improved bilateral relations which include other matters such as the end of the rejection of loans from international organizations, the renewal of the UNITAS operations and the decisive support for our position at the United Nations and other multilateral organizations.

Chile--in accordance with the principles that guide its international policies--will never use its military potential, will never be an aggressor because its armed forces have as their essential mission the defense of sovereignty. The expansionist policies, so common among other nations, is foreign to Chile.

The just decision made in Washington has already been defined as the correction of a discriminatory situation and an important step forward in the relations with our country.

CSO: 3010/230

BRIEFS

NEW DEPUTY FOREIGN MINISTER--Gen Sergio Covarrubias has been appointed deputy foreign minister. Gen Carol Urzua has been appointed to replace him as military governor of the Magallanes region and as commander of the southern military region. [PY040159 Santiago Chile EL MERCURIO in Spanish 9 Oct 81 p C 8]

ARMY PROMOTIONS--The present public works minister, Brig Gen Patricio Torres Rojas, has been promoted to major general and the army intelligence director, Col Arturo Alvarez Sgolia, has been promoted to brigadier general. [PY040159 Santiago Chile EL MERCURIO in Spanish 20 Oct 81 p C 3]

ECUADOREAN DEPUTY'S VISIT--Ecuadorean Conservative Deputy Heinz Moeller is on a private visit in Chile. Yesterday he paid a courtesy call on Chilean Foreign Minister Rene Rojas Galdames. At the end of the meeting the Ecuadorean deputy said that he held cordial meeting with the foreign minister during which they discussed issues of interest to the two countries. [PY040159 Santiago Diplomatic Information Service in Spanish 0222 GMT 21 Oct 81]

COPPER INVESTMENTS--Production--It was reported today that Chile will invest $2.2 billion to expand the nationalized copper sector in the 1982-86 period. CODELCO [Chilean Copper Corporation] noted in this regard that the objective of this program is to compensate for a decrease in mineral production. It noted that this program plans to increase production from the Chuquicamata mine from 75,000 to 95,000 tons per day to be able to maintain its annual production of fine copper at 500,000 tons. Moreover, the Andina copper mine will increase its production from 14,000 to 20,000 tons per year, while the El Salvador mine, which has already started its expansion program, will increase its production level from 80,000 to 96,000 tons of fine copper. The El Teniente mine will increase its production from 280,000 to 330,000 tons of fine copper in this 5-year period. Chile is one of the four largest copper producers with 1,068,000 annual tons of copper, of which 900,000 are produced by CODELCO. [PY040159 Paris AFP in Spanish 2001 GMT 26 Oct 81]

ARRIVAL OF BRITISH MISSION--A delegation from the Birmingham Chamber of Commerce led by its chairman, Eric Holland, arrived today in Chile to promote trade and establish new contacts. [PY040159 Santiago Chile LA TERCERA DE LA HORA in Spanish 12 Oct 81 p 5]

HABEAS CORPUS APPEAL REJECTED--The Seventh Court of Appeals has unanimously rejected a writ of habeas corpus submitted by Patricio Eduardo Weibel Navarrete who is presently living in Stockholm, Sweden. The court was informed by the Interior Ministry that Weibel had not been authorized to return to Chile through Decree No 2,892 since he is believed to be "a threat to peace." [PY040159 Santiago Chile EL MERCURIO in Spanish 9 Oct 81 p C 6]

CSO: 3010/230

BRIEFS

BUCARAMANGA'S NEW EVENING NEWSPAPER--Bucaramanga, Colombia, 11 Nov (EFE)--A new newspaper, LA TARDE LIBERAL began publication in Colombia today. LA TARDE LIBERAL is published in Bucaramanga, northeastern Colombia. The new evening paper, under the direction of Jorge Enrique Leyes, has proclaimed itself liberal and will especially promote the opinions of former President Alfonso Lopez Michelsen, presidential candidate for the 1982-86 term. Bucaramanga, capital of Santander Department, has five newspapers and Colombia has a total of 42 newspapers. [Text] [PA120152 Madrid EFE in Spanish 2013 GMT 11 Nov 81]

PANAMA SUPPLYING WEAPONS DENIED--In a recording sent to the Colombian Caracol Radio Network, the M-19 [19 April Movement] denies that the Panamanian Government is supplying weapons to that movement. The M-19 termed false the press reports according to which it hijacked a cargo plane on Wednesday in order to pick up an arsenal on the isthmus. In the recording, the aircraft's pilot, Juan Manuel Bejarano, says that four M-19 guerrillas forced him to travel to some spot in La Guajira, where they allegedly picked up a shipment of weapons which was then taken to Caqueta. He then took the plane to the Orteguaza River, where it remains. According to Bejarano, the plane was rented in Medellin for a flight to Barranquilla. The tape also includes messages for the families of the plane's copilot and two mechanics and of the regional Aeropesca manager. They and Bejarano have been captives of the M-19 since Wednesday. [Text] [PA281945 Panama City Circuito RPC Television in Spanish 1715 GMT 28 Oct 81]

HUNGARIAN FOREIGN MINISTER TO VISIT--On 19 November Hungarian Foreign Minister Frigyes Puja will begin a 3-day official visit to Colombia. He will meet with President Julio Cesar Turbay Ayala and Foreign Minister Carlos Lemos Simmonds. The Hungarian diplomat will arrive in Bogota on Thursday, 19 November at 1005. He will be accompanied by (Sivas Ceyab), director of the Latin American Department of the Foreign Ministry, (Sandor Erf), first secretary of the same department, (Mihaili Serkev), (Andes Pantel) and (Atila Seres). Foreign Minister Puja will meet with Lemos Simmonds on Thursday at 1500 [words indistinct] and with President Julio Cesar Turbay Ayala at Narino Palace. He will also meet with Senate President Gustavo Rojas Pinilla and later with the president of the Chamber (Aurelio Idargorri Armanza). At 1130 he will meet with Economic Development Minister Gabriel Melo Guevara and at 1300 he will meet with the National Coffee Federation at the Bankers Club. In the afternoon he will be present at the reading of a press communique and will have a final interview with Lemos Simmonds. In the afternoon he will visit the Gold Museum. He will be seen off at El Dorado Airport by the Colombian minister. [Text] [PA100215 Bogota Domestic Service in Spanish 1730 GMT 9 Nov 81]

CSO: 3010/253

BRIEFS

GUARDSMEN IN NORTHERN PORTS--Some 100 members of the civil and rural guard left for the northern border area, according to infomration supplied by government minister Arnulfo Carmona. The personnel will be in charge of the 24 control outposts established throughout the entire border. This should have been implemented several months ago, but due to budget limitations, it was postponed. Now, the revenues obtained from the police tax have made possible the purchase of uniforms, food and other needs required to mobilize the personnel, the minister added. [Text] [PA250350 San Jose Radio Reloj in Spanish 0100 GMT 25 Oct 81]

PLN'S MONGE SPEECH--Luis Alberto Monge, presidential candidate of the National Liberation Party [PLN], said after a visit to Limon Province that the PLN is definitely defeating communism in the country's banana areas. Monge told the banana workers that they should realize that the communist unions are tools of the popular vanguard party rather than organizations struggling for the workers. He said that the challenge is not winning the elections but maintaining democracy in the country. [PA240038 San Jose Radio Reloj in Spanish 1730 GMT 21 Oct 81]

FRG OFFER OF AID--The FRG Government has offered DM 15 million (269.52 million colones) in aid to Costa Rica to help solve our country's serious economic problems. This aid has been notified through a telegram sent by German Vice Chancellor Hans-Dietrich Genscher, who visited Costa Rica in August. A part of this financial contribution will be used by the Costa Rican Government to make some urgent purchases. The rest of the loan will be used to finance development projects. According to the note received by Costa Rican Foreign Minister Bernd Niehaus, 6 of these 15 million marks will be used to pay for goods and services. The remaining 9 million will be used to carry out one or more development projects. In addition, the German Government has explained Costa Rica's current economic situation to the EEC so that some form of aid is contemplated for this Central American country. The FRG Government has also instructed its delegate to the IMF to support any effort aimed at solving Costa Rica's current economic situation. [Text] [PA230047 San Jose Radio Reloj in Spanish 1130 GMT 22 Oct 81]

CSO: 3010/232

HAIG'S COMMENTS CRITICIZED IN VARIOUS FORA

Challenged at United Nations

FL062145 Havana Domestic Service in Spanish 2132 GMT 6 Nov 81

[Text] The Cuban ambassador to the United Nations, Raul Roa Kouri, has asked UN Secretary General Kurt Waldheim to circulate a declaration from our government as an official document. The declaration challenges U.S. Secretary of State Alexander Haig and was issued on 28 October. It challenges Haig to say without hesitation, subterfuge or stammerings--if he is able--whether Cuba landed between 500 and 600 soldiers in Nicaragua, whether it is true or not that the United States has evidence to support this claim, on what day, time and plane the men landed--as Haig claims to know--and to present his evidence.

On previous occasions the U.S. secretary of state has refused to answer the Cuban challenge. Cuba demands that he present proof of his charges.

'GRANMA' Editorial

FL091409 Havana Domestic Service in Spanish 1145 GMT 9 Nov 81

[9 November editorial in GRANMA, official organ of the Communist Party of Cuba, entitled "To Refuted Lies, They Respond With Bigger Ones"]

[Text] The Yankee imperialists continue their frenzied, irresponsible and provocative campaign of lies and threats against Cuba and Central American nations without the least regard for truth and respect for U.S. and world opinion. We have completely unmasked their lies and repeatedly challenged them to present the alleged proof that they say they possess to support their false accusations. As expected, the imperialists have been unable to answer the Cuban challenge. They could not do so because no one can prove what is false. They have been unable to present a single shred of evidence. They have been incapable of proving any of their accusations. They have not responded to any of our specific, simple and direct questions for the past 2 months. It has been proven without a shadow of a doubt that the Yankee imperialists are inveterate and unscrupulous liars and that they totally lack the slightest sense of honor, honesty and even self-respect.

Any normal liar, on being found out, would at least have had the good sense of shutting up, but not the imperialists, because they do not even have respect for

themselves. For the past few days, Yankee officials have continued to repeat their lies and have reached absolutely intolerable limits in their irresponsible and provocative language.

On 5 November, the NEW YORK TIMES front-paged an article written by a journalist who used to work for the U.S. Government in which he reveals that the State Department, the Pentagon and the CIA are currently analyzing the measures that they intend to take to step up imperialist intervention in El Salvador as well as the aggressive actions that they will reportedly take against Nicaragua and Cuba. As can be deduced from the article, the Yankee administration has reached the conclusion that the genocidal gang that daily murders dozens of Salvadorans is on the verge of collapse and that its imperialist masters have no other option than to openly intervene in that country to try to keep it in power.

Pressured by their own criminal and crazy policy, the imperialists are reportedly considering aggressive actions including a blockage of Nicaragua and several measures against Cuba, even a general blockade, as part of an act of war and an invasion by U.S. forces and, possibly, Latin American forces.

The seriousness of the NEW YORK TIMES report is evident but even more serious was what the same paper published the following day, 6 November. This time the New York newspaper interviewed Mr Haig, the U.S. secretary of state. This is the same Mr Haig who has not ceased lying since he assumed his present post, the very same Mr Haig who has been unable to answer Cuba's challenge. What did Mr Haig say this time? According to the NEW YORK TIMES, Mr Haig confirmed what was published the previous day by the newspaper. Asked whether the article published the day before exaggerated things, Mr Haig answered--hesitatingly, according to the journalist--well, I think, you know, no. And then, after a while, he added: I would not like to characterize the situation except to say that it is not very encouraging when there are leaks of any kind. It would be hard to find a more crude and shameless expression of cynicism.

Mr Haig recognized that the 5 November report was true, that the State Department, CIA and Pentagon were at that moment preparing new evil acts against El Salvador, Nicaragua and Cuba. He did not even bother to deny it. The only thing that seemed to annoy him was that someone had let it out, that the report had been leaked to the press.

Meanwhile, according to an EFE report with a Washington dateline carried on the evening of 5 November, the U.S. TV network ABC was reporting, citing Yankee military sources, that the Cuban troops in Nicaragua totaled 3,000 men and not 500 or 600 as previously indicated. And as if this were too small a lie, these same sources claimed that Vietnam was shipping 1,000 unassembled airplanes and helicopters to Nicaragua. You have to be raving mad to say this sort of thing. We are not surprised that the Yankee military are impudent enough to repeat and even inflate six-fold the clumsy lie about Cuban troops in Nicaragua.

The brainy warmongers of the empire should be asked: Have they calculated what 1,000 combat airplanes and helicopters mean? How many pilots, specialists and technicians are needed to operate them?

For an approximate idea of how absurd and crazy this report is, we would like to note the following facts in accordance with international standards of military aviation. A minimum of 1,500 pilots and approximately 7,000 to 10,000 security personnel are required to operate 1,000 airplanes and helicopters. An enormous effort and colossal expenditures would be needed to train this large number of pilots, specialists and technicians. The biggest academy of capitalist countries located in the United States for training pilots, navigators and technicians, graduates 800 in all three categories each year after 4-year courses. A well equipped aviation academy with the necessary installations and facilities could train simultaneously, according to estimates, about 100 pilots. An average of 15 academies with a capacity for 100 students each working simultaneously with hundreds of professors and instructors for a minimum of 4 years would be needed to train 1,500 pilots. Huge installations 10 times bigger than homestead base in Florida, which serves as the base for 100 airplanes and covers an area of 14.2 square kilometers, would be required. If one adds to this the construction of landing strips and other technical elements, one could have a good idea of what is needed. According to known data, 1,000 airplanes would mean that Nicaragua would have an air force amounting to half the number of airplanes of all the Arab countries combined with the exception of Egypt. It would be bigger than the air forces of France and Canada combined, double that of the FRG and much larger than England's. For Vietnam to send 1,000 airplanes and helicopters to Nicaragua, it would need approximately 55 ships carrying 15,000 tons each. It would be well to remember that to take care of an air force with half of these resources, France has more than 100,000 men, as does the FRG. Great Britain has close to this number. A small and poor country like Nicaragua would need for this feat not less than 40 years and tens of billions of dollars.

Do they really think that any one is going to believe this lie? Do they really think that there is any one so naive as to believe that the Yankees discovered this monumental naval traffic from one end of the world ot the other?

As the Nicaraguans have confirmed, this report is a lie from beginning to end. There is not a single one of those airplanes and helicopters in that country nor is there a single ship in transit carrying any. According to an AFP report, the dignified and prestigious member of Nicaragua's Government junta, Sergio Ramirez, called the report absurd and said that it was designed to lay the groundwork for a future military intervention in Nicaragua.

The big Yankee lie, an expression of an aggressive, warmongering and interventionist policy condemned by history and rejected by nations, is running over with delirium and hallucinations. Reading the recent statements by the spokesmen of Yankee imperialism, one can note, among other things, the profound change experienced by U.S. society. According to tradition, U.S. children are taught in school that George Washington never told a lie. The future U.S. generations will have to remember that thepresent Yankee leaders, although they might have at one time stepped inside a classroom, never ceased to lie. To refuted lies, they respond with bigger ones. In comparison, Goebbels is an innocent.

As concerns Cuba, we are saying it again in plain language so that there will be no misinterpretation, so that no one is deceived: We are not afraid, we are not

intimidated. Our people do not tremble in face of the threats, arrogance and dominance of the imperialists. Our people will know how to defend their revolution, independence and dignity to the last man and woman. Our people are not made of the weak and rotten stuff of those who make of lie, exploitation and crime their way of life. Our combative and hardworking people were hardened by over 100 years of struggle and will know how to resist and fight with determination and courage. Do not be mistaken. Any new imperialist attack will collide with our courage.

CSO: 3010/255

'GRANMA' RENEWS ATTACK ON HAIG

FL071815 Bridgetown CANA in English 1751 GMT 7 Nov 81

[Text] Havana, Cuba, 7 Nov (CANA)--The Cuban daily GRANMA has said that the United States is stepping up its verbal assaults on Cuba to prepare public opinion for military aggression against the island or for intervention in Central America.

"Faced with the advances of the revolutionary movement in Central America and Cuba's firm rejection of imperialist threats and pressures as well as continuous deterioration of the internal economic situation in the United States and increasing opposition to its interventionist policy in El Salvador, the Reagan administration is trying to deceive U.S. public opinion by hurling false accusations against Cuba, using unscrupulous journalists and its own official liars who refer to supposed shipments of Cuban arms, advisers and troops to Nicaragua and El Salvador."

The editorial said that almost 2 months had elapsed since Cuba "categorically denied" such charges and challenged the U.S. Government to present the evidence it claims to have in this regard. It also notes that the current anti-Cuba campaign has taken "a new and dangerous twist" as the U.S. rulers hasten to approach "important foreign governments" with their threats of launching aggressions against Cuba. This escalation of hostilities, says the editorial, "is reminiscent of the U.S. Government's actions on the eve of the invasion of our country" in 1961 at Playa Giron (Bay of Pigs). "Just as the Eisenhower and Kennedy administrations did then, the Reagan government is creating a climate for invasion," charged GRANMA.

The editorial cites the most recent verbal attack on Cuba by such Reagan administration figures as Vice President George Bush, Secretary of State Alexander Haig and UN Representative Jeanne Kirkpatrick, and refers pointedly to statements by State Department spokesman Alan Romberg when "with no respect for the norms of international law, (he) admitted that among the new U.S. moves against Cuba are the beaming of radio transmissions directed at Cuba and the measures to reinforce the blockade." The U.S. people, says GRANMA, have the right to "demand an explanation" from the rulers of their country about such an aggressive policy against Cuba and the lies it is based on.

"Lies," concludes the editorial, "are a weapon in imperialism's policies of war, intervention and aggression. They must be unmasked and defeated. The present

Yankee rulers have the right to be history's biggest liars and true disciples of Hitler and Goebbels. But no one has given them the right to play with the world's peace like their Nazi predecessors did. No matter what the price, we will resist this arrogant and fascist policy. We have already demonstrated that the empire inspires in us neither fear nor respect."

This latest commentary followed an earlier GRANMA editorial referring to Secretary of State Haig's 29 October press conference, where he indicated that the Reagan administration was about to adopt measures in response to what he termed Cuba's mounting interventionist activity in Central America. GRANMA charged that Mr Haig had failed to respond to Cuba's challenge to present proof of Cuban intervention because his accusations were "entirely false from start to finish" and only a pretext for U.S. threats of aggression against Cuba.

CSO: 3020/20

HAVANA SCORES KIRKPATRICK FOR NOTE TO NONALIGNED

PA040313 Havana International Service in Spanish 0000 GMT 4 Nov 81

[Word Events commentary]

[Excerpts] The permanent representative of the U.S. Government at the United Nations Jeane Kirkpatrick, recently sent a note to a large number of nonaligned countries in which she protested the support given by these nations to a declaration issued during a meeting of nonaligned foreign ministers and delegations chiefs on 28 September.

In her note the U.S. diplomat uses the arrogant tone, veiled threat and insolence characteristic of almost all imperialist officials. Not only does shoe advise the rulers of independent and sovereign states on how they should conduct their foreign policy, but she also cynically reminds them that the United States is a large and powerful country.

Mrs Kirkpatrick pretends to blackmail and intimidate certain nonaligned governments with the intention of dividing and destroying the movement and putting an end to the rejection of the yankee imperialist policy of armament, war and discrimination which the nonaligned countries have always criticized.

Evidently irritated, the U.S. representative protests the mention of the United States by name and its condemnation for all its abuses. According to her the United States does not invade or occupy other countries; neither does not undermine any country's independence.

Apparently this lady is ignorant of the history of abuses and annexations which yankee imperialism has practiced for 200 years. Perhaps Mrs Kirkpatrick is ignorant of the fact that the United States forcibly took over more than 2 million square km Mexican territory and supported the pirate invasion of William Walker in Central America during the past century?

Today Jean Kirkpatrick describes as machinations and vile attacks the condemnation of the U.S. attack on Libya on 19 August. She also denies that this attack represents a threat and a flagrant violation of the sovereignty, independence and territorial integrity of the nonaligned countries in the Mediterranean region as well as a danger to international peace and security.

The U.S. representative also feels offended because of the nonaligned countries' concern over Washington's economic pressures and attempts to destabilize the revolutionary governments of Grenada and Nicaragua, as well as by its hostile actions against Cuba.

Or is it not a fact that the U.S. military presence to try to prevent social changes is evident in the Pacific, Atlantic and Indean oceans, in the Mediterranean Sea and the Arabian Gulf? Washington threatens to seize Arab territories in the Middle East by means of the aggressive actions of its gendarme in this region—the Israeli regime.

Likewise, it protests and supports the Pretoria racists in their aggressions against the African peoples and intensifies its alliance with the Chinese hegemonists. How can the United States expect the peoples of the world not to condemn the abuses and aggressive maneuvers of U.S. imperialism in all the regions in the world? What is Mrs Kirkpatrick complaining about? He who sows the wind reaps the whirlwind.

CSO: 3010/225

ILLEGAL ENTRIES INTO TRINIDAD DENIED

FL070155 Havana Domestic Television Service in Spanish 0100 GMT 7 Nov 81

[Text] Last night we denied an AFP report with a Port-of-Spain dateline alleging that a number of Cubans had entered Trinidad-Tobago in violation of its laws. The agency was citing the weekly CHALLENGER of Trinidad-Tobago which said that men identified as Cubans possessed Grenadian passports. It is evident that these lies were intended to undermine Cuba's prestige and its relations with other countries in the Caribbean and to continue to create a climate of tension facilitating the U.S.' interventionist actions in the area.

We received an EFE report today at our international news desk concerning another report carried by the weekly CHALLENGER which says that the Trinidad-Tobago Immigration Department deported six Cubans carrying Grenadian passports. According to EFE, the weekly says that the Cubans' visit coincided with the discovery of arms and ammunition on Trinidad's northern coast a short distance from where the six men carrying Grenadian passports were detained.

This insidious insinuation that any Cuban is involved in armed actions in Trinidad-Tobago is very crude and it is not the first time that it is made. This is an attempt to make believe that Cuba is engaged in provoking uprisings or other actions against the governments of the Caribbean with the aim of discrediting our country and creating an atmosphere to make it easier for the neofascist government of the United States to justify its aggressive policy against Cuba.

The imperialists and their lackeys who repeat their lies should be advised that our country is not engaged in this kind of action. Our exemplary revolution and its principled stand cannot be destroyed by any fallacy regardless of its source.

CSO: 3010/255

BRIEFS

AGRICULTURE MINISTER IN NICARAGUA--Arnaldo Milian Castro, member of Cuba's Communist Party Politburo and minister of agriculture, has arrived in Nicaragua for the purpose of strengthening bilateral relations in that branch of the economy. The Cuban minister arrived last night and was received by Nicaraguan Agricultural Development and Agrarian Reform Minister Jaime Wheelock. At the airport, the two leaders granted a press conference during which Milian said Cuba offers assistance to Nicaragua in various areas of agriculture, and announced that ongoing projects will be reviewed during his visit. He also explained that the team of Cuban technicians accompanying him will tour various areas of the country looking for lands which will be used in future projects. For his part, the Nicaraguan agriculture minister announced that the two countries will establish joint enterprises for agricultural exploitation by means of agreements similar to those executed with Mexico, a nation which is participating in the development of Nicaragua's rice production. [Text] [FL211216 Havana Domestic Service in Spanish 1100 GMT 21 Oct 81]

VEIGA ADDRESSES CTC COUNCIL--The Cuban workers' full support for Fidel and the revolution has been reaffirmed at the 43d meeting of the National Council of the Central Organization of Cuban Trade Unions [CTC]. In his main report to more than 100 delegates from the 14 provinces and the special Isle of Youth municipality, Roberto Veiga, alternate member of the Communist Party of Cuba's Politburo and CTC secretary general, has said: We are determined to resist and to overcome a military blockade and even a direct imperialist aggression. Veiga called upon the workers to make the forthcoming Red Sunday, on 15 November, a successful one and added that the unforeseen difficulties that could stand in the way of the development of our economy will not discourage us in our efforts toward achieving greater efficiency. Summing up the achievements made during the first half of this year, Veiga said that high levels of productivity has been obtained, that there were increases in every production sector and that progress has been made in the rational utilization of resources. The 43d meeting of the CTC National Council will conclude today. [Text] [FL041455 Havana Domestic Television Service in Spanish 1350 GMT 4 Nov 81]

SPANISH ENVOY HAILS BILATERAL RELATIONS--The Spanish ambassador to Cuba, Enrique Larroque, told the press in Havana that Spain's relations with Cuba are excellent. Speaking to the PRENSA LATINA News Agency, Larroque said that Spain is not a fair-weather friend of Cuba but had defended Cuba in all types of situations. Larroque, who is newly-appointed to the post of ambassador to Cuba, said he will work hard to [create] even more closer diplomatic, commercial and cultural relations between the two countries. [Text] [FL071429 Havana Voice of Cuba in English to North America and the Caribbean 0500 GMT 7 Nov 81]

CONDOLENCES FROM NICARAGUA--Commander of the Sandinist Revolution, Daniel Ortega, coordinator of Nicaragua's junta of Government of National Reconstruction, has sent a message to commander in chief Fidel Castro on the occasion of the murder of the two Cuban teachers by gangs of Somozist counterrevolutionaries. The message states as follows: The Sandinist National Liberation Front, Nicaragua's government and people wish to convey to you, to the heroic Cuban people and to the families of the beloved comrade-teachers Pedro Pablo Rivera Cue and Barbaro Rodriguez Hernandez, who were murdered by gangs of Somoza followers, our most profound condolences and revolutionary indignation. The Cuban teachers fell together with Nicaraguan peasants Florentin Castellon Guzman and Jesus Castellon Guzman, members of our Sandinist people's militias, and the generous blood of all of them make still more profound the ties between our two peoples. On this hour of common pain, our people wish to reaffirm their determination to continue to advance in our struggle for a new Nicaragua, in whose building the Cuban teachers are contributing generously and with high internationalist spirit. Please accept our fraternal and revolutionary greetings with renewed expressions of our personal esteem. Signed, Daniel Ortega Saavedra. [Text] [FL231544 Havana Domestic Service in Spanish 1145 GMT 23 Oct 81]

MIRET CHAIRS METALLURGY CEREMONY--At the municipality of San Jose, Havana Province, Pedro Miret Prieto, member of Cuba's Communist Party Politburo, has chaired the national commemoration of the day of the metallurgical industry workers. Angel Villareal, secretary general of the National Metallurgical Industry Workers Union, explained that Havana was hosting the event for having won the emulation with the other provinces, and added that the Conrado Benitez cable factory had been selected as the best in the province, which is why it had been chosen as the place for the ceremony. Agapito Figueroa, second secretary of the Central Organization of Cuban Trade Unions [CTC], stated in his closing remarks that the metallurgical industry workers play a vanguard role in the movement of innovators and efficiency experts and that, because of their type of work, have a great responsibility in the manufacture of spare parts. He issued an appeal to work for avoiding accidents at work centers by conducting a strong union activism. In addition, he referred to the upcoming celebration of the 64th great October revolution anniversary and referred to the Soviet people's heroism. [Text] [FL041402 Havana Domestic Service in Spanish 1200 GMT 4 Nov 81]

CEREMONY MARKS BORDER GUARDS ANNIVERSARY--The 20th anniversary of the creation of the border guard brigades has been celebrated in Guantanamo with a formal ceremony at the city's target range. The ceremony was attended by Div Gen Sixto Batista Santana, alternate member of the Politburo and chief of the Central Political Directorate of the Revolutionary Armed Forces [FAR] and Div Gen Rogelio Acevedo Gonzalez, from the Party's Central Committee and chief of the Eastern Army. Closing the ceremony, Acevedo Gonzalez said that the border guards and the Eastern Army resolutely support Fidel's statements. A letter of greetings was read at the ceremony addressed to the border guards from the FAR minister, Army Gen Raul Castro, in behalf of the commander in chief, Fidel Castro, the revolutionary government and the people in general. The border guards were also presented with a certificate and pennant as a center promoting socialist emulation awarded by the party's Politburo. [Text] [FL101203 Havana Domestic Service in Spanish 1100 GMT 10 Nov 81]

ANILLO MEETS USSR'S KUZNETSOV--Vasiliy Kuznetsov, first deputy chairman of the Presidium of the Supreme Soviet, has reiterated in Moscow that his country will continue to do everything possible to deepen its friendship and cooperation with Cuba. The Soviet high official spoke at the ceremony held at the Kremlin during which the new Cuban ambassador, Rene Anillo, presented his credentials. Kuznetsov recalled that his country and Cuba are united by indestructible ties of friendship

and brotherhood and maintain identical views on the bilateral relations and current international problems. He referred to the meetings between the Soviet and Cuban top leaders, Leonid I. Brezhnev and Fidel Castro, and asserted they reflect the fraternal alliance existing between the respective peoples, parties and governments and determine the fundamental direction of the continued development of mutual cooperation. The two nations, Kuznetsov added, are firmly and consistently guided by the maintenance and strengthening of peace and condemn the increased militarism, political aggression and arms race unleashed by imperialism and, at the same time, express in more than one way their solidarity with the peoples struggling for their independence. The new Cuban ambassador to the Soviet Union, Rene Anillo, expressed to Kuznetsov fraternal greetings from Fidel Castro, the Cuban party, government and people. He recalled that during these days when Yankee imperialism is intensifying its threats against Cuba, the Cuban people feel once again the militant solidarity, love and irrevocable friendship of the Soviet people. [Text] [FL051349 Havana Domestic Service in Spanish 1100 GMT 5 Nov 81]

COOPERATION TALKS WITH FINLAND END--The final document of the sixth meeting of the Cuba-Finland Joint Committee for Economic and Industrial Cooperation was signed in this capital. The talks were presided over by Raul Taladrid, director of the State Committee for Economic Cooperation, and (Pauli Oppa), director for commerce of the Finnish Foreign Ministry. During the talks, it was noted that Finland is an important consumer of the Cuban sugar and that Cuba represents a growing market for the Finnish products and technology. The Finnish delegation also held talks with Hector Rodriguez Llompart, minister-president of the State Committee for Economic Cooperation, and Foreign Trade Minister Ricardo Cabrizas. [Text] [FL071601 Havana Domestic Service in Spanish 1100 GMT 7 Nov 81]

DPA INTERVIEWS MINREX' BOLANOS--Havana, 9 Nov (DPA)--The Cuban vice foreign minister, Jorge Bolanos, has called for a further expansion of relations between the Federal Republic and Cuba. In an interview with DPA, Bolanos said in Havana today that from Cuba's point of view relations are satisfactory. This is also reflected in the growing trade between the two states. As far as Cuba is concerned, the Federal Republic is one of its most important trading partners in Western Europe. His country hopes that the German foreign minister, Hans-Dietrich Genscher, will visit the island in 1982, Bolanos said. Asked about the conflict with the United States, Bolanos complained that only the version dished up by U.S. sources is heard in Europe. If Cuba says anything, on the other hand, it goes unnoticed. The U.S. hostilities began in 1959, long before any Cuban soldier was involved in Angola or Ethiopia. Cuba neither demands that the United States dissociate itself from capitalism nor that it dispense with its friends, such as the Chilean President Augosto Pinochet. It does, however, call for the economic blockade to be lifted and for the U.S. base of Guantanamo, set up in 1906, to be handed back. [Text] [LD091804 Hamburg DPA in German 1708 GMT 9 Nov 81]

NICARAGUANS MEET EDUCATION OFFICIALS--The Nicaraguan delegation visiting Cuba, headed by (Luis Danelia Talavera), chief of the preschool education department, has met with Jose Ramon Fernandez, vice president of Cuba's Council of Ministers and minister of education. During the talks, Fernandez urged the delegation members to use the positive experiences they had observed and to avoid running into those areas in which they could encounter some deficiencies. [Text] [FL031431 Havana Domestic Service in Spanish 1200 GMT 3 Nov 81]

AGRICULTURE OFFICIAL IN ANGOLA--The Cuban vice minister for agriculture, Carlos Perez Leon, is heading an economic delegation that is visiting Angola with a view to increasing bilateral cooperation. The Cuban delegation travelled over the weekend and is currently visiting the Angolan provinces of Malange and Cuanza Norte with the objective of observing in the field the existing conditions for implementing various projects that are under study. [Text] [FL091635 Havana Domestic Television Service in Spanish 1200 GMT 9 Nov 81]

MONGOLIAN AMBASSADOR--The vice-president of the Council of State, Comrade Carlos Rafael Rodriguez, today received (Gombosurengiyn Darchaban) who presented his credentials as ambassador extraordinary and pleni-potentiary of the Mongolian People's Republic. [Excerpt] [FL060220 Havana Domestic Service in Spanish 2230 GMT 5 Nov 81]

DELEGATE IN SPAIN--Cuban delegate Ernesto Diaz today took part in preliminary meetings for the first Spanish-American economic cooperation conference to be held in Madrid, Spain. [FL060220 Havana Domestic Service in Spanish 2100 GMT 5 Nov 81]

DELEGATION TO CEMA MEETING--Cuba's delegation to the CEMA's Permanent Commission for Cooperation in the Sphere of Non-ferrous Metallurgy has been named by the Ministry of Basic Industry. Antonio de Los Reyes Bermudez, the ministry's vice minister, has been named to head the delegation. [FL062305 Havana Domestic Television Service in Spanish 1800 GMT 6 Nov 81]

VICE PRESIDENTIAL ADVISER DIES--Comrade Abel Prieto Morales died suddenly yesterday and was buried this morning. He had been a vice presidential adviser in the Council of Ministers since 1980. [FL062305 Havana Domestic Service in Spanish 2230 GMT 6 Nov 81]

CSO: 3010/254

BRIEFS

NEW POLITICAL PARTY--Roseau, Dominica--A new political party including members of ex-Prime Minister Patrick John's Dominica Labour Party and a rebel faction of the Democratic Labour Party of another former Dominican leader, Oliver Seraphin has been formed here. Called the "United Dominica Labour Party" with the symbol "the shoe" used by the Dominica Labour Party during the last general election, the new party was formed at a meeting held in the town of Portsmouth, north of the capital. The Democratic Labour Party--(a splinter group of the parent Dominica Labour Party)--was formed by Seraphin during disturbances that brought down the John Government. In a statement to the Press yesterday former Finance Minister Michael Douglas said that at Monday's meeting a 15-member steering committee has been formed with himself as chairman. A Labour rally will be held on the first of November and the constitution will be ratified by a national convention on December 20, he said. The meeting heard addresses from party officials, including Mrs Desiree John, wife of Patrick John, now in custody for his alleged role in a plot to topple the government. (CANA) [Text] [Bridgetown THE NATION in English 20 Oct 81 p 1]

CSO: 3025/47

BRIEFS

OPEC LOAN--The OPEC Fund for International Development plans to lend $10 million to this country. President Antonio Guzman yesterday submitted [words indistinct] operation to congress. In a message to the president of the Chamber of Deputies, Hatuey Decamps, the president stated that the loan would help the balance of payments. He added that the loan had been granted at a preferential interest rate of 4 percent, payable in 10 years with a grace period of 3 years. In his message, President Guzman said that the country has been experiencing great pressure on its balance of payments with the price increase for oil and its byproducts. The president said: In our country's case, this increase in oil prices has coincided with a general drop in the prices of practically all basic export products. He noted that this negatively affected the balance of payments. The message also said that because of this state of things, the authorities had maintained extremely prudent fiscal and monetary policies to curb the demand for imported goods. Guzman told the president of the Chamber of Deputies that during the first half of this year, they had been able to keep the level of imports under 3.9 million pesos in comparison to the same period last year. [Text] [FL141724 Santo Domingo Radio MIL Network in Spanish 1000 GMT 14 Oct 81]

LEFTIST'S ASYLUM BY PANAMA--The charge d'affaires at the Panamanian Embassy has confirmed that the top leader of the leftist group, the Trinitarians, entered the embassy in search of political asylum. Mr Cristobal Sarmiento reported that the Panamanian Embassy had decided to grant provisional political asylum to leftist leader (Lorenzo Mejia Frias). Sarmiento said that he had contacted Dominican authorities to discuss (Mejia Frias') situation. In a document released to the press the leftist leader said he had made the painful decision to ask for asylum and leave the country because he was doomed to certain death. Mejia Frias was sought by the police for questioning concerning his alleged participation in several criminal acts. The Panamanian Embassy first denied giving asylum to the leftist leader but the charge d'affaires later confirmed that (Mejia Frias) had asked for asylum and that he had been granted provisional asylum. [Text] [FL281934 Santo Domingo Radio MIL Network in Spanish 1000 GMT 28 Oct 81]

CLOSING OF 'MI RADIO' PROTESTED--The Dominican Association of Radio-Broadcasters, ADORA, last night rejected the procedure used by the General Directorate of Telecommunications to close down the radio station "Mi Radio." ADORA argues that if there is a violation of the law, whatever its nature, there are established mechanisms to air out any problem. ADORA notes that the Dominican Government considers the rule of law as the present administration's main achievement. In the case of "Mi Radio," ADORA believes that the telecommunications director's actions contradict this claim. In a communique signed by ADORA President (Jose Eduardo Felix), the association says that it does not agree with the telecommunications director's statement that radio and television frequencies belong to the state. ADORA says that there are no laws awarding that right to the state; in accordance with international law, the sole owner of frequencies is the international community. [Excerpt] [FL111702 Santo Domingo Radio MIL Network in Spanish 1000 GMT 11 Nov 81]

CSO: 3010/257

BRIEFS

CALDERON CONSPIRATORS SENTENCED--Those implicated in the Calderon Munoz case have been sentenced. Retired Gen Bolivar Jarrin Cahuenas must serve a special maximum sentence of 12 years at the same garrison where he is now imprisoned; police [word indistinct] Jaime Hermosa (Escolo), 6 years at the Garcia Moreno penitentiary; Police Captain (Edwin Navarrete), 2 years; and 16 years each for (Guillermo Trimendez), Abel Salazar, (Osvaldo Rivera) and (Walter Leon). Two years and 11 months after the criminal attack in which political leader Abdon Calderon Munoz was killed, the president of the Supreme Court, Dr Gonzalo Zambrano Palacios, has instituted justice. [Excerpt] [PA300054 Quito VOZ DE LOS ANDES in Spanish 1230 GMT 29 Oct 81]

CSO: 3010/240

POP LEADER URGES PARTICIPATION IN ELECTIONS

PA230239 San Salvador EL DIARIO DE HOY in Spanish 22 Oct 81 pp 47, 37

[Excerpts] "It is necessary and urgent that we Salvadorans participate in the elections even under the bullets," retired Gen Jose Alberto Medrano, secretary general of the Popular Orientation Party, POP, said during the luncheon-conference of the Union of Leaders of Salvadoran Enterprises, UDES, to which he was invited.

Medrano said that we Salvadorans will have this single opportunity to establish a path to legality. Moreover, he said that the political parties don't support any kind of coup d'etat because "it is not to our advantage to have a military government because this would not be viewed well abroad and even the friendly governments would view us poorly."

He added that as a party, they don't want the present government and neither do the young contenders because it is a menace. He stressed that the current government must go but by legal means and not through a coup d'etat that will establish a military government because the communist propaganda would take advantage of this to isolate us "since we militarymen have always been described as gorillas." Medrano said that for the time being we must have the skin of the democrats like "little red riding hood." [Sentence as published] After the elections we could have a legal government and then be able to withstand the attack of socialist imperialism because we will have the moral backing that the law gives and we also have the free world's support of a legally established government.

He said that the POP issues a call to all the Salvadoran people, particularly the young contenders who have resorted to violence, so that they will reflect and accept the peaceful path of elections as the best way for the sovereign people to choose their own destiny.

Gen Jose Alberto Medrano was accompanied by Rene Segovia, Jose Leopoldo Rivera, Carlos Octavio Tenorio, ARmando Pena Quezada, Juan Dono Altamirano, Oscar Gutierrez, Jorge Rovira and Orlando Segovia.

CSO: 3010/232

VENCEREMOS URGES MIDDLE SECTORS TO JOIN STRUGGLE

PA262238 (Clandestine) Radio Venceremos in Spanish to El Salvador 1200 GMT 26 Oct 81

[Message sent by companero Fabio Castillo on behalf of the FMLN-Revolutionary Democratic Front's [FDR] political-diplomatic committee addressed to the country's democratic and progressive sectors--read by announcer]

[Text] On this occasion, our message to the Salvadoran people seeks to stimulate those sectors which are not clearly and firmly supporting the revolutionary struggle. Our message seeks to explain our reality to them as well as to explain the advisability of their joining the revolutionary process and our country's process of transformation. Therefore, on behalf of the FMLN-FDR's political-diplomatic committee, I wish to appeal to the various middle sectors of the population so that, with the utmost firmness, they may decide to support our people's revolutionary struggle. These sectors must [word indistinct] the knowledge that their economic, political and social interests are on the side of the people, and not on the side of the oligarchy. We believe those sectors must join the revolutionary process. They must join the forces of the small- and medium-sized peasants and industrialists. These groups must understand that their interests are better understood and protected by the revolution than by the current system of oppression and oligarchic and military domination. These economic sectors must support the revolutionary struggle and later the revolutionary victory. That would help end the war soon. It would help end more quickly the conflict, a conflict currently affecting all of our country's social echelons.

The economic sectors made up of these small- and medium-sized agricultural businessmen, merchants and industrialists have a place in our country's process of transformation, as long as they sincerely and honestly wish to participate in the construction of a new society. The only ones who have no place in this process are the oligarchic sectors and the high-level financial and industrial bourgeoisie, which have traditionally controlled our country and have exploited our people. They are gradually heading for total defeat and therefore will not be able to defend the illegitimate interests of the oligarchy and the bourgeoisie, much less the legitimate interests of the small- and medium-sized businessmen.

Our forces are slowly and gradually, yet firmly and surely, growing stronger, both politically and militarily. As a result of their advances in the interior, we have been able to grow stronger and we are advancing in the international

arena. Our success is not only that both France and Mexico have recognized us as representative political forces which must be taken into account in the resolution of the present conflict. Other countries as well, in Europe, Africa, Asia and Latin America, are now endorsing that declaration at the UN General Assembly. We are also noting that the Central American countries, their governments and other countries in Latin America are changing their stand, which at times has been characterized by support for the junta. They are now moving toward a neutral position, which may later become a position favorable to our forces. In truth and in the practice, this position is already becoming a favorable position. In the same manner, our cause is greater every day. Official U.S. army elements have begun to understand the Salvadoran picture [words indistinct] winning this struggle.

The U.S. Senate decided, by 52 votes to 47, to impose restrictions on the military aid given to the Christian Democratic Junta. That was a political-military defeat. It occurred even as Duarte was visiting in Washington, even as he was begging for more aid to repress the Salvadoran people.

All the Salvadoran people must thus be completely sure of the victory of our people's forces. This victory may come sooner or later, but it will come. Even though our victory is guaranteed, it still depends on increasing popular support and on having more sectors join the revolutionary cause. Our people would thus benefit, since the social cost would be reduced, the cost in lives and in economic resources. All this makes it necessary for the honest and patriotic economic and political sectors to place their efforts at the service of the people's cause and the revolutionary struggle, in the certainty that this attitude will be for their own benefit and, naturally, for the benefit of the Salvadoran people as well.

CSO: 3010/233

BRIEFS

ARENA LEADER ON ARMED FORCES--Accompanied by Miss Margarita Martinez Quehl, Col and Doctor Fernando Berrios Escobar and farmer Oscar Cerrato, Maj Roberto d'Aubuisson appeared on Television Channel 4 last night as the leader of the new political party Nationalist Republican Alliance, ARENA. After outlining ARENA's platform Maj d'Aubuisson concluded by saying that they support the armed forces, but feel that their political leadership is faltering. He said that Duarte has rejected the Franco-Mexican statement but is inviting the subversives to participate in the political process, although he knows that we are seeking a democratic regime and the Marxist-Leninist guerrillas do not support this objective. [Excerpts] [PA252315 San Salvador EL MUNDO in Spanish 23 Oct 81 p 28]

FOREIGN OBSERVERS IN ELECTIONS--San Salvador, 24 Oct (ACAN-EFE)--The Democratic Popular Unity (UPD), a labor union, asked during a news conference that the next elections include foreign observers and be held in a climate of true freedom. The UPD is not a political party, but a political labor organization made up of rural and urban workers in addition to small, medium-sized and large merchants. The labor federations that make up the UPD include the Salvadoran Peasants Union [Union de Campesinos Salvadorenos--UCS], the Salvadoran Workers Federation [Central de Trabajadores Salvadorenos--CTS] and the Federation of Construction and Related Workers. According to UPD spokesmen, this organization has more than half a million members. The UPD leaders said that it is essential that the members of international organizations witness next year's election, not only in San Salvador, but in the country's 14 departments. The Salvadoran Government Junta, presided over by Christian Democrat Jose Napoleon Duarte, has called the political parties to elections in March 1982. In this election, the Salvadoran people will elect the deputies to a constituent assembly. The UPD leaders toured Europe and the United States in late September and early October to explain their political views and the Salvadoran people's reality. In those countries which they visited they asked that all economic aid given to El Salvador "be conditioned to guarantees for the holding of free elections." [Text] [PA261653 Panama City ACAN in Spanish 1341 GMT 24 Oct 81]

CSO: 3010/233

RADIO STATION RAPS SEAGA FOR BREAK WITH CUBA

FL041121 Bridgetown CANA in English 2205 GMT 3 Nov 81

[Text] St Georges, Grenada, 3 Nov (CANA)--The government-controlled "Radio Free Grenada" has reacted critically to the decision by the Jamaican Government of Prime Minister Edward Seaga to break diplomatic relations with communist Cuba. The station said in a commentary last night that the move by the Seaga administration to cut off diplomatic relations with the Cuban Government of Fidel Castro represented the return of an old but dangerous trend in Caribbean politics.

Mr Seaga announced last Thursday that the Jamaican Government was breaking diplomatic relations with Cuba because the country was harboring three of Jamaica's top gunmen who are wanted in connection with a number of serious crimes, including murder.

The radio's was the first reaction here to the break in diplomatic relations between the two Caribbean countries. It said that many people in the region had breathed a sigh of relief and looked forward to a future of peace and mutual understanding in the Caribbean basin when the four more developed countries (MDCS) in the English-speaking region agreed in 1972 to upgrade relations with Cuba which has been isolated by the United States.

The decision by Jamaica to severe relations with Cuba posed a threat to peace and mutual understanding in the area, the radio said. It added that the Seaga administration, in breaking relations with neighboring Cuba, has ended a long history of at least consular relations between the two countries, often seen as unbreakable because of their proximity.

"The strange character of the break is further emphasized when one sees that the total evidence presented for the alleged presence of the three wanted men in Cuba is a tape recording supposedly of one of these men, in which a passing reference is made of that country. This certainly seems to be weak and inconclusive evidence, but then on that basis the government went on to give the Cubans 24 hours to return the three men they had never admitted to having," it said.

The station also attempted to defend Cuba's position of not admitting to harboring the three Jamaicans. "It is the norm in international relations that the process of extraditing criminals, when their presence in a country is established, takes months and sometimes even years while the legal avenues are exhausted," it said.

The station noted the response of the Castro regime that the action was "one more step in the aggressive anti-Cuba strategy of the United States." The development was unfortunate, given the amount of assistance Jamaica had received from Cuba, and would hinder people-to-people relations in the Caribbean.

Although every country had the right to decide with which country to establish or break relations, it had been Grenada's experience that far from interfering in a country's internal affairs, Cuba acted with principle. In the end, it would be the Jamaican people who eventually decided whether the unprecedented action by the Seaga administration was in their interest or not, the radio said.

CSO: 3025/1005

EDITORIAL WELCOMES TRINIDAD AND TOBAGO JOURNALISTS' PROBE

St Georges FREE WEST INDIAN in English 10 Oct 81 p 4

[Text] It is indeed refreshing to see working journalists in oil-rich Trinidad stand up to defend journalistic practices, principles and ethics.

Their concern over the common editorial attacking the Grenada Revolution, printed the same day in two privately-owned Trinidad daily newspapers, clearly demonstrates their distaste for collusion and conspiracy by the Caribbean press barons association, CPBA.

The fact that these few individuals own and control the major means of mass communications throughout the English-speaking Caribbean, excluding Free Grenada and Guyana gives the CPBA an unfair advantage to disseminate their views without fear of contradiction.

It means that the minority CPBA voice is the main one heard by the majority of people in these countries. Only news, views and opinions that either reflect the CPBA's position, or do not threaten its interests are allowed to be printed or aired, and thus the CPBA and the imperialist interests it serves maintains tremendous influence on the minds of the masses.

This is mainly done behind the scenes through CPBA-selected editors and decision-makers, and is generally trumpeted as "press freedom."

But now the CPBA feels so powerful, that is has blatantly showed its hand, turning its combined fire once again on Free Grenada, one of the few countries where its money and ideas have not been allowed the freedom to dominate.

Such brazenness has offended even those journalists who previously turned a blind eye to the quieter pursuit of private interests and the constant barrage of anti-Grenada propaganda masquerading as concern for the human rights of the Grenadian people.

The journalists are obviously bothered by these constant charges of "abuse of press freedom." But, like true professionals, rather than simply joining the attack, they have named a three-man team to come here and investigate.

As professionals ourselves, we welcome this desire to seek the truth, and not accept the words of others.

However, we definitely resent the bold attempt by the CPBA-controlled "Trinidad Guardian" to influence this investigative team.

In an editorial, the "Guardian" hoped "that if the team is permitted to travel to Grenada, that unlimited access will be given them to the numerous prisons maintained by the Grenada government for the confinement of political dissidents."

This is clearly pronouncing judgement before the case has been heard. It is the team, which should ascertain whether the detainees are mere "political dissidents" or whether they are being held for crimes against the Grenadian people.

Moreover, we wonder how many Trinidad journalists are given "unlimited access" to the "numerous prisons" maintained by the Trinidad government"--far more than those here.

The "Guardian" also hoped that "unlimited freedom will be permitted them to discuss with those who have endeavoured to resuscitate in Grenada a free and independent press."

And it mentions one journalists, Alister Hughes, who with 25 other share-holders, published the since-banned "Grenadian Voice."

We are sure that Hughes and his monied collaborators will make it their business to seek out the team and put their views across, as they do with nearly every foreign journalist visiting Grenada.

But we hope the investigators will decide themselves whether these individuals really speak for the masses of Grenada.

We hope that they will not follow the spirit of the "Guardian's" advice and confine themselves to talking to the few "dissidents" in our midst, the elite few who were accustomed to having their voices heard and their ideas predominate during the years of colonial and neo-colonial rule.

We hope that they will also speak to the masses of Grenadians who were denied voice in these long years--the workers, farmers, fishermen, women, youths and schoolchildren.

Let them ask these people if they really feel oppressed in Grenada today, or if they believe that the denial of the private means of mass communications to certain individuals constitutes denial of press freedom to the masses.

Like the "Guardian," we are also looking forward to the team's report "with great interest."

CSO: 3025/45

BISHOP CRITICIZES EDUCATIONAL SYSTEM, PROMISES CHANGES

Bridgetown ADVOCATE-NEWS in English 19 Oct 81 p 3

[Text]

ST. GEORGES, Grenada, Sunday, (CANA) — Grenada is moving to make major changes in its educational system to bring it more in line with the country's needs, Prime Minister Maurice Bishop has said.

Addressing Grenadian teachers, he said the educational system Grenada inherited from its colonial masters and carried into the 20th Century was woefully inadequate.

He told the teachers the Grenada Government saw education as a means to transform the country from a colonial territory to that of a liberated, self-reliant nation.

"Education must be related to production because production is the basis of any society," he said. "Education must also be related to production because the biggest problem facing our society at this time is the problem of unemployment."

The Grenada Prime Minister said that the country had to transform its educational system because it can no longer accept a situation in which students leave school obtaining certificates which make them believe that the only job for them is behind the desk.

"We can no longer tolerate an educational system where a child can pass from kintergarten to university and never see a cocoa, a nutmeg or banana tree," he said.

"Our educational system must produce the skills that can be absorbed in our economy such as the mechanics, engineers and hoteliers that are needed to help build the economy of the country."

Prime Minister Bishop made a scathing attack on the colonial education system, saying it was used to oppress the people of the region by using their sweat and labour to bring prosperity to the European powers.

The Prime Minister said that this colonial educational system inherited in the region has twisted the minds of the people while at the same time imposing institutions in the Caribbean directly from the metropolitan countries.

These institutions "scared the minds and assaulted the intelligence of our people" and made them look towards Europe for solutions to their problems, Mr. Bishop said.

Mr. Bishop said that under colonialism the educational system in the Caribbean ensured that the teacher remained isolated and often alienated from the society in which he was forced to live.

He said that such was the school curriculum expounded under the colonial system that the teacher was forced to be a "propagandist" for the European powers even though he often struggled relentlessly against this role.

The Prime Minister said that his People's Revolutionary Government (PRG) was attempting to change this "colonial educational system" forced on Grenada by building new democratic institutions closely linked to its initiatives in the areas of fisheries, agro-industries and diversified agricultural production.

He said that the Grenada Government felt that if this process was to be successfully implemented in the country then there would have to be transformation of the educational system and its curriculum.

"We need to look to ourselves, to our own land and people to be the base of that body of knowledge and activity that takes place day by day in our classroom," he suggested.

"Everything we do at school must not only reflect the actual world in which we live but must also create solutions for the problems which surround us and harrass us.

"It must be a problem-solving curriculum which zooms in on us and our world, and no more lingers after Europe or North America," he said.

Mr. Bishop said that the Grenada Government felt that education should be the right of all in the society and not for a privileged few and explained that this was why his government was taking steps to eliminate the problem inherited by his regime which came to power in a March 1979 coup.

CSO: 3025/45

TELEVISION EXPANDS PROGRAMMING

TL042215 St Georges Domestic Service in English 2300 GMT 3 Nov 81

[Text] Beginning tomorrow night, Television Free Grenada [TFG] will be broadcasting every Wednesday evening from 1800 hours. This was announced today by an official of the television studios at (Novo Royal). The standard Wednesday programming will include [words indistinct] program put together by the NJM [New Jewel Movement] pioneers. According to the official, a pioneer [words indistinct] will be participating in and conducting their programs, doing interviews, playing games and engaging in other activity.

Tomorrow night the program will also include the first in a series of programs titled "Culturama" (?to showcase) Grenada cultural artists. The first of the series will look at the life and music of "The Scorpion," one of Grenada's leading calypsonians.

Also beginning tomorrow night is a documentary entitled "Third World" looking at the problems of developing countries. The first in the series is titled "On Company Business," which is about how the American Central Intelligence Agency, CIA, invaded Brazil.

The TFG official said that this new development is part and parcel of the station's efforts to increase its broadcasting from one weekly to [words indistinct] as possible until the day when there can be nightly programming. It is also part of the station's efforts to upgrade the television services to the Grenadian viewers.

CSO: 3025/1005

AIRPORT WORKERS IN VOLUNTEER PROGRAM; PAVING BEGUN

St Georges FREE WEST INDIAN in English 10 Oct 81 p 2

[Text]

LAST Thursday, Cuban and Grenadian workers at the international airport site in Point Salines began a 21-day period of voluntary work to honour two heroes who fought for the Cuban Revolution: Che Guevara and Camilio Cienfuegas.

The two were comrades who fought side by side to liberate Cuba. Both Che and Camilio were commanders in the Rebel Army that made the final offensive to victory and both were leaders in the revolutionary government set up in 1959

Camilio disappeared on October 28, 1960, in a light aircraft over the northern coast of Cuba. Che was murdered on October 8. 1967, while fighting to liberate Bolivia.

For the three weeks, most of the workers will put in an extra hour's work and on Sundays they will work from 6 a.m. to 12 noon.

Meanwhile paving of the first phase of the runway, 5,000 feet., began Wednesday and is expected to be completed in just over six months. The first 100 metres of the runway was done with concrete.

Project manager Bob Evans disclosed that a revised contract was signed last week with the United States dredging company for more equipment to refill the dredged Hardy Bay. The equipment will arrive in two weeks and will take one week to install. The job is expected to take four to six weeks.

Also, plans to build a massive hotel complex to coincide with the completion of the airport in 1983 are

being studied by the PRG.

Deputy Prime Minister and Minister of Finance Bernard Coard disclosed earlier this week that a $167 million development and investment programme was presented by a Canadian investment company wanting to build hotels here.

The company is also seeking, jointly with the PRG an airline service which would facilitate direct links between Grenada, North America, and Europe.

The company, Bro Coard said, was not the only one seeking to invest here. Offers from companies in Sweden, Trinidad, and local businessmen had also been received.

CSO: 3025/45

BRIEFS

CUBAN AID--St Georges, Grenada, 3 Nov (CANA)--Housing Minister Norris Bain has announced that a Cuban technical team, now on an official visit to Grenada, would be assisting in the ground work for the setting up of a prefabricated housing construction plant to be used on the scheme. The plant is to be provided to Grenada by Cuba as part of a technical cooperation agreement signed by the two countries in September. The agreement, covering the period 1982, is also assisting Grenada in health, housing, education, road construction, agriculture, agro-industry and construction of the international airport at Point Saline. [FL031829 Bridgetown CANA in English 1745 GMT 3 Nov 81]

CUBAN WORKER'S DEPARTURE--St Georges, Grenada, 2 Nov (CANA)--Twenty-eight Cuban construction workers returned to their country over the weekend, after spending nearly 2 years building Grenada's new international airport. The group was the first to arrive here after Cuba committed its assistance to the airport project in 1979. In a farewell rally held at the Point Salines construction area, Prime Minister Maurice Bishop presented the men with certificates recognizing their contribution to Grenada's development. [Excerpt] [Brdigetown CANA in English 1756 GMT 2 Nov 81]

HEALTH OFFICIALS TO CUBA--St Georges, Grenada, 2 Nov (CANA)--A seven-man team of health officials has left here for Cuba on a familiarization tour, according to a Government Service (GIS) release. It is headed by permament secretary in the Ministry of Health, Dorcas Braveboy, and includes nurses, public health inspectors and a pharmacist. [Bridgetown CANA in English 1940 GMT 2 Nov 81]

OFFICIALS TO MEXICO--St Georges, Grenada, 2 Nov (CANA)--Two government officials have left here for Mexico to examine the country's methods of producing fertilizers and to see if they can be implemented here, it has been announced. Agriculture Minister George Louison said that the visit by the Grenadians came as a result of a follow-up visit he paid to Mexico in September to hold discussions on the possibility of Mexico providing Grenada with fertilizer and a number of fertilizer-mixing plants. [Excerpt] [Bridgetown CANA in English 1753 GMT 2 Nov 81]

CSO: 3025/1005

COFFEE QUOTA TO INCREASE 4.7 PERCENT THIS YEAR

Negative Price Effects Avoided

Guatemala PRENSA LIBRE in Spanish 10 Oct 81 p 4

[Text] "From the remainder of 1981 to September 1982, Guatemala alone will export 2,457,040 quintals of coffee, the equivalent of 884,000 60-kg sacks," said Rene Montes Cobar, Guatemala's ambassador to the international organizations.

According to his observation, this means an increase of 110,352 quintals over last year's quota of 2,347,040 quintals, or about 4.7 percent.

The official said that, if strict norms were applied to the quotas stipulated in the agreement, Guatemala would have had a quota of 1,621,000 60-kg sacks for 1981-1982 instead of the 884,000 sacks it was assigned, that is, the country would have been permitted to have 263,000 sacks over and above the initial figures.

He said that, among the group of producers of the so-called smooth Arabics of Latin America, Guatemala, which is a member, showed the greatest increase, with about 4.7 percent, followed by Colombia with 4.33 percent and Costa Rica with 2.33 percent.

The system of export quotas, devised by the International Coffee Organization [OIC] to regulate world coffee trade, became effective on 1 October.

Mr Ambassador Rene Montes Cobar, Guatemalan delegate before the OIC, called attention to the preceding and the implications of this decision made in London, England, in September.

According to him, quotas were assigned by the OIC and apply to the coffee period 1981-1982.

The decision applies to OIC member producing comtries and is binding on both export countries and consumer countries, so long as they are members of the OIC.

There are 43 producing countries in the OIC, and they account for 98 percent of the world's coffee exports.

Montes Cabar said that the council's decision, in addition to assigning quotas--the subject of lengthy discussion and negotiations of a bilateral and multilateral nature before ratification of the formula by the council--settled questions such as transitory measures for the first quarter of the 1981-1982 coffee period.

Other measures taken up were the establishment of a price range, the lowering or raising of quotas commensurate with price changes, the suspension and reestablishment of quotas, and a system for the distribution of export stamps.

He said that answers to these questions were prepared by a group made up of four delegates chosen by the producing sector and four by the consumer sector.

The introduction of export quotas for the 1981-1982 coffee period, which were the same as those for 1980-1981, was determined by an international coffee council to avoid the negative effects overproduction might have on prices, since the availability of exportable coffee of the OIC producing members, which represents 98 percent of world exports, is greatly in excess of the demand.

Country	1980-1981 Quota	1981-1982 Quota	Percentage Increase
Colombia	8,311,511	8,671,000	4.33
Costa Rica	1,285,285	1,314,000	2.33
Ecuador	1,113,912	1,134,000	1.80
Guatemala	1,799,397	1,884,000	4.70
Honduras	942,545	960,000	1.85
Mexico	1,885,084	1,909,000	1.27
Nicaragua	685,484	698,000	1.83
Peru	771,171	785,000	1.79

ANACAFE Statement Regarding Distribution

Guatemala PRENSA LIBRE in Spanish 13 Oct 81 p 14

[Text] Coffee growers represented by the National Coffee Association [ANACAFE] are proposing an equitable distribution of coffee export quotas based on the present crop.

ANACAFE is responsible for presenting the National Council for Coffee Planting Policy [CNPC] a proposal which will definitely decide the method of distribution of the coffee export quota for the 1981-1982 period.

According to the official figures, the export quota for that period is 2,457,040 quintals, an increase of 110,352 quintals over the quota of the previous period.

According to information obtained from some of the coffee planting sectors, it is hoped that production surpluses resulting from the establishment of that quota will be distributed equitably among the producers in accordance with the production they actually obtain from the present crop.

That method of distributing export quotas and the corresponding surplus was used for the previous coffee period and gave satisfactory results, according to all indications.

The procedure previously used permits each producer to dispose of his production surplus in the manner he considers of greatest advantage to himself, that is, placing it on the market or storing it while awaiting better market conditions.

The CNPC, which will be responsible for approving or modifying coffee export quotas assigned to producers, will consist of the ministers of economy, agriculture, foreign relations and finance, the president of the Bank of Guatemala and the chairman of the OIC.

8568
CSO: 3010/114

BURNHAM HITS 'SIMPLISTIC APPROACH' TO ISSUE OF AID

Bridgetown ADVOCATE-NEWS in English 19 Oct 81 p 3

[Text]

GEORGETOWN Guyana Sunday (CANA) — President Forbes Burnham yesterday criticised what he described as the "simplistic approach" by some world leaders towards the whole question of development assistance to the Third World.

He was speaking to local and foreign media personnel at the Presidential Office, opposite his residence, one week after returning home from the Commonwealth heads of government summit in Australia.

The President said there are some leaders in the developed world who believe the development assistance for the developing world means the disbursement of alms.

But he said "the developing world does not necessarily want to become recipients of alms, nor do developing countries look forward to massive transfers of wealth from the rich to the poor nations."

The President also criticised the view expressed in some quarters that the answer to the problems of the developing world is the opening of their economics to private investment.

Touching on his expectations from the North-South summit next week in Mexico, President Burnham said that 'Guyana does not expect the moon.' He said that he expects the Cancun meeting to address itself to three more important questions.

'Firstly an emergency programme for the world's poorest nations, the question of food, and of course, financial flows.'

But he added, that Guyana does not necessarily expect to be part of the emergency programme because the people of Guyana are not starving.

Referring to the Commonwealth summit, Mr. Burnham said the summit contributed a constructive input for Commonwealth leaders who will be in Cancun.

Mr. Burnham also expressed concern about difficulties which have arisen in efforts to draft a comprehensive convention on the law of the sea.

He expressed the hope that the timetable for the conference on the law of the sea and for the adoption of the convention would be maintained.

The President disclosed that Guyana intends to be a signatory to that convention when it is opened for signature in Caracas in 1982.

Mr. Burnham also disclosed that Guyana is to provide training in a wide range of areas for students from South Africa.

CSO: 3025/45

GOVERNMENT CALLS FOR HALT TO ARMS RACE AT FIJI MEETING

Kingston THE DAILY GLEANER in English 22 Oct 81 p 1

[Text] A one-year moratorium in the arms race was proposed by Jamaica at the 27th Commonwealth Parliamentary Association (CPA) conference in Fiji on Tuesday.

Addressing over 250 delegates from 45 countries at the Conference, the leader of Jamaica's delegation, Pearnel Charles, told delegates that the security of developing countries was being severely threatened, not only by military powers but by economic powers and the impact of ideology. He said that while developed countries were concerning themselves with planning of military defence, the developing world was finding itself in an unstable economic order, battling against hunger; unemployment; illiteracy; over-population; and the lack of proper health care, among other things.

According to a release from the Ministry of Local Government, Minister Charles called on the other Commonwealth leaders to start examining among themselves what Commonwealth countries could do for one another in the economic battle for survival rather than being over-frightened by the United States and the Soviet Union in their military battle for leadership of the nuclear world.

In doing so, he made four proposals for consideration by the group concerned:

--That a joint technical group be set up to explore and share energy saving technology among Commonwealth nations;

--That the Commonwealth countries examine seriously the imbalance of trade among themselves and make necessary adjustments to assist one another;

--That a manpower bank be established among Commonwealth nations, with special emphasis on management and technology, as such assistance is vital in the developing world;

--That Commonwealth nations get together and propose in the right forum that developed countries in the nuclear armament race be asked to declare one year in the 1980's as a year when no new capital will be put in new arms. The amount spent the previous year should be deposited into a special international fund to be used for food and health care for the world.

The Minister told delegates that world forums spent too much time talking--creating millions of volumes of speeches. He called on Commonwealth nation to act now.

CSO: 3025/46

HOUSE OF REPRESENTATIVES APPROVES GOVERNMENT POLICIES

Kingston THE DAILY GLEANER in English 23 Oct 81 p 1

[Text] The House of Representatives on Wednesday night approved the actions and policies pursued by the Government since it entered office, following the general elections of October 30, 1980, and further approved the policy projections as announced for the financial year 1981/82.

The Ministries that came under the limelight in the second sectoral debate were: National Security and Justice, Construction, Youth and Community Development, Agriculture, Tourism, Education and Industry and Commerce.

Local Government Minister Pearnel Charles opened the first debate which started on Tuesday, September 2, while Education Minister Dr Mavis Gilmour opened the second debate later in the same month. Both debates were a sequel to the main budget debate earlier in the year.

In closing the debate, Dr Gilmour made the point that, of the 52 Members on the Government Benches, only sixteen had had previous Parliamentary debating experience in the House. For all that, each one spoke "frank and openly," and each contribution may be regarded as "the individual opinion of each speaker."

Dr Gilmour invited the House to "compare how the present Minister of National Security treated the Paul Burke Affair in the House, with how a former Minister of National Security had treated a piece of paper that was found in the briefcase of one Peter Whittingham."

In a brief response to some of the points raised during the debate, Dr Gilmour said the Government believed that agriculture should receive the same sort of incentive as industry now enjoyed. In this regard, it was worthy of note that Government had removed the duty on trucks that were to be used to transport agricultural goods, she said.

Speaking on an item within her own Ministry, Dr Gilmour hoped that by the end of October more schools would have received supplies of uniforms. She said the manufacturers had disappointed her a second time, and the uniforms would not be in all the schools by the end of October. It may take as long as Christmas and maybe into January before all the uniforms were ready.

She concluded by congratulating Members on their "sense of Parliamentary practice" and later moved the motion which called on Members to approve the policy projections of the Government as outlined in the Estimates of Expenditure for the financial year 1981/82.

Dr Gilmour's congratulatory remarks were endorsed by the Speaker, the Hon. Talbert Forrest. He lauded Members for the high quality of "input into the debate" and hoped that they would continue to improve in this area.

CSO: 3025/46

BRIEFS

HIGH COMMISSIONER TO BARBADOS TRANSFERRED--Bridgetown, Barbados, 4 Nov (CANA)--Jamaica's high commissioner to Barbados, Gordon Wells, arrives in Barbados today to pay farewell calls on Governor General Sir Deighton Ward, Foreign Affairs Minister Louis Tull and the dean of the diplomatic corps, Stanley Arthur, the British high commissioner to Barbados and the Eastern Caribbean. A Government Information Service release said Mr Wells is being transferred to Kingston after more than 2 years as Jamaica's representative to Barbados and Trinadad and Tobago. [Text] [FL041441 Bridgetown CANA in English 1406 GMT 4 Nov 81]

BAUXITE TEAM IN MOSCOW--Kingston, Jamaica (CANA)--A high level Jamaican bauxite mission is in Moscow holding talks with Soviet officials on the possibility of selling the Soviets a million tonnes of ore annually, the Jamaica Daily News reported. The team comprises the Chairman of the Jamaica Bauxite Institute (JBI), Hugh Hart, Executive Director, Dr Carlton Davis and the Chairman of the state-owned Jamaica Bauxite Mining Company, Al Webb. Jamaica sells the Soviet Union 50 000 tonnes of alumina annually under a four-year deal which expires in 1983. In June, Prime Minister Edward Seaga told Parliament that the country was losing $15.8 million on the sales and Jamaica was subsidising the Soviet Union. Opposition spokesmen have denied the charge stating that Jamaica was being paid more for the alumina than what it would get on the world market. The former Michael Manley Government had a tentative agreement with Moscow for the annual sale of 250 000 tonnes of alumina starting in 1984 when the current contract expires. The alumina was to have been supplied by a refinery to be built by Jamaica, Algeria and Iraq. During his budget speech in April Mr Seaga said that he had been discussing the sale of ore rather than alumina with Soviet officials. The Jamaican team is due to return over the weekend, according to the newspapers report. [Text] [Bridgetown SUNDAY ADVOCATE NEWS in English 18 Oct 81 p 3]

CSO: 3025/46

BRIEFS

TERRORIST IDENTIFIED AS EX-ARMY SERGEANT--Arequipa--The leaders of the Shining Path Movement recruited a former army sergeant, who is an explosives expert [words indistinct] in order to carry out several terrorist attacks in Arequipa. There are several university students among the 11 detainees who made up the regional terrorist commando. The explosives expert was identified as (Inocencio) [names indistinct] alias [name in distinct]. [Text] [PY261452 Lima Domestic Service in Spanish 1200 GMT 26 Oct 81]

LITERATURE SEIZED, FOREIGNERS ARRESTED--Five Bolivian citizens from the Democratic and Popular Unity Party of the Movement of the Revolutionary Left [as heard] have been arrested together with two other foreigners by personnel from the second PIP [Peruvian Investigative Police] Lima region. They had considerable subversive literature in several languages and a (?list) of firearms of different brands and calibers. The Bolivians were identified as (Miguel Bermudez Condarco), 34, (Bernardino Fernandez Jordan), 40, (Jose Pinero Navarro) and (Luis Gonzalez Quintanillas) and a Swedish woman called (Ena Ninea Darin). [Others arrested not named] All these persons have been put at the disposal of the security bureau. [Text] [PY291801 Lima Domestic Service in Spanish 1200 GMT 29 Oct 81]

PROFIT LAW BENEFITS FOREIGN COMPANIES--Lima, 27 Oct (AFP)--The Peruvian Government has authorized the taking of profits in greater amounts than the 20 percent fixed by the Andean Pact for foreign businesses which contribute to the creation of jobs, it was reported here today. Also, businesses will be permitted to exceed the upper limit foreseen by the five Andean countries if they contribute to industrial decentralization, to the reduction of imports or to the increase of exports, it was explained. The maximum of 20 percent was set by the Andean group in October 1970, raised from the 14 percent established in Decision 24 of December 1970 [dates as received]. However, it was agreed that each member country of the Andean group (Bolivia, Colombia, Ecuador, Peru and Venezuela) could set higher rates for the remission of profits in certain cases. In a resolution of the National Commission on Foreign Investments and Technologies published today, it was also established that the rate of 20 percent will be calculated on the registered investment and after the corresponding costs and taxes have been deducted. It will be recalled, on the other hand, that the maximum is not applied to petroleum, mining or tourism enterprises, nor to those which export more than 80 percent of their production to markets other than the Andean countries. [Text] [PY281828 Paris AFP in Spanish 1057 GMT 27 Oct 81]

TRADE SURPLUS WITH JAPAN--The Japanese International Trade and Industry Ministry has reported that in 1981 bilateral trade with Peru showed a surplus of about $100 million for Peru. The report adds that in the first 6 months Japanese exports to Peru totaled $102.4 million and that for the same period in 1981 they totaled $161.3 million which means that there has been a 56-percent increase. Moreover, Japanese imports from Peru during the first 6 months of 1980 totaled $249.0 million and for the same period of 1981, they totaled $260.4 million which means that there has been 4.5 percent increase. The main Peruvian exports to Japan were minerals totaling $93.7 million; sinc totaling $22.9 million; lead totaling $20.1 million; copper totaling $12.5 million; fishmeal totaling $14.9 million and coffee totaling $11.1 million. Japanese exports to Peru range from heavy industry products to chemical industry products totaling $137.7 million in 1981. [Lima EL COMERCIO in Spanish 16 Oct 81 p 1-17]

CSO: 3010/222

BRIEFS

INDUSTRIAL DISPUTE--Kingstown, St. Vincent, Saturday, (CANA)--Another industrial dispute is threatening in St. Vincent over the question of trade union recognition, according to a senior unionist. The focus now is the country's Arrowroot Industry Association, where workers allege they are being denied trade union representation. According to Mr Cyril Roberts, President of St. Vincent's largest trade union, the Commercial, Technical and Allied Workers Union (CTAWU) a written request for recognition first went to the management at the Arrowroot Industry Association almost two years ago, but to date there has been no progress. Mr Roberts said in a statement today that the workers were "very disgruntled" and were calling on the union to step up efforts to ensure their rights. The union yesterday held a public meeting outside the association's premises to press its claims and explain the situation. The CTAWU has not said what would be its next move should management fail to meet its demand. Newly-appointed manager of Arrowroot Industry Association, Freddie Ollivierre said that he personally did not have any objection to trade union recognition. But he added that it was a matter for the board of directors to decide. Ollivierre however, expressed "total disgust" at the way in which he has been verbally abused by union officials. Among others battling for trade union recognition here are an estimated 250 employees on the largest state-owned agricultural estate Richmond Vale. They have been on strike eight months now. [Text] [Bridgetown SUNDAY ADVOCATE-NEWS in English 18 Oct 81 p 3]

CSO: 3025/47

TAPIA CHAIRMAN PREDICTS VIOLENCE AS ELECTION OUTCOME

Bridgetown THE NATION in English 16 Oct 81 p 17

[Text] Port-of-Spain, Trinidad--Tapia chairman, Lloyd Best has made the grim prediction of possible bloodshed if there was no change of government this year.

Best was addressing a TAPIA meeting at the corner of St. Francois Valley Road and Belmont Valley Road.

He told a crowd of modest size that if the people in the country were not interested "in a season of change, we will be in a season of violence and we will write our names in the annals of history in red."

Earlier, he noted that "our hand is in the lion's mouth. There is no doubt about that."

He added that "the country has found itself in such a position after 25 years of prophecy without fulfilment. In 1976, we came to the limbo pole and at the eleventh hour many of us refused to go under."

In 1981, the electorate was faced with the choice of futures but that choice did not include the struggle of "the two wings of the ruling party," Best said. He said that there were two rights he was going to put wrong.

The first was the belief by the ruling party that it had a divine right to rule and the other was the feeling in the PNM that they had a right "in 1981 to feed us and fool us."

He added that this was the first time that "two wrongs were going to make one right."

Best told the appreciative audience that the country was able to bring about significant changes in 1919, 1937 and 1956 but was unable to do so in 1970.

He warned that if the electorate made the mistake and put in a right wing party it would get a "Duvalier or Trujillo." The TAPIA chairman charged that with a budget of $7 billion, they could not do a lot of things including fixing the telephones and providing a reliable electricity service.

"Somebody said TTEC is such a specialist in darkness that somebody must put a light on them."

Best's speech was laced with witticisms, noting that as the last speaker he had come in at number 11, after the runs were scored.

Referring to Karl Hudson-Phillips, he quipped that "Karl as necessity knows no law" and nicknamed the ONR as the Organisation for National Repression."

CSO: 3025/46

END

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No. 2403

FBIS FOREIGN BROADCAST INFORMATION SERVICE

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REPLACEMENT OF OIL BY COAL, OTHER ENERGY SOURCES DISCUSSED

Rio de Janeiro JORNAL DO BRASIL in Portuguese 9 Oct 81 p 18

[Text] The advantages of energy from carboniferous sources compared to that from petroleum were presented yesterday at the seminar "Southern Routes" by experts and secretaries of state who participated in the panel "Energy Policy and the States of the South." Rio Grande do Sul Secretary of Mines and Energy Romeu Ramos made comparisons in which savings from the use of coal for energy are from 52 to 53 percent when compared to the cost of petroleum.

According to Romeu Ramos' estimates, a boiler using fuel oil costs from 24,435 to 27,693 cruzeiros per equivalent ton of petroleum measured by the energy power consumed. The same boiler fueled by coal consumes between 11,380 and 13,130 cruzeiros to generate an equivalent amount of energy.

Santa Catarina Secretary of Planning Ingo Zadrozny said that the southern region is going to produce more than 6 million tons of coal with an average ash content of 40 percent in 1981. This is the equivalent of a saving of 2 million tons of petroleum valued at $500 million at $35 per barrel.

The director of the Auxiliary Company of Brazilian Electric Power Companies [CAEEB], Danilo Montenegro, said in a lecture that savings from the substitution of coal for fuel oil in the first half of 1981 was 22 billion cruzeiros.

Rio Grande do Sul Secretary Concentrates on Demand and Eschews Imports

The production of coal in Rio Grande do Sul will reach 2,925,000 tons this year and the estimate for 1985 is 17,150,000 tons, according to Secretary of Energy, Mines and Communications of the state, Romeu Ramos who said: "Everyone must become aware that we are structured for attending to the demand for energy-producing coal without the need to import it, as has been said."

The Rio Grande do Sul secretary was one of the speakers on the panel which made an evaluation of the energy policy applied in the states of the south. He said that transportation is the "great bottleneck" in the commercialization of future production, suggesting river transportation as an alternative. Romeu Ramos declared that in 1980 Rio Grande do Sul saved 160,000 tons of fuel oil by replacing them with coal and his estimate for this year is of an even greater saving.

Coal Production

In his talk Secretary Romeu Ramos spoke of the growth and prospects of Rio Grande do Sul coal production. Last year it reached 2,528,000 tons; this year it should reach 2,925,000 tons and in 1982 it will reach 4,345,000 tons, practically doubling in 1983 and finally reaching the 17,150,000 tons forecast for 1985.

Of the mines worked by the Companhia Riograndense de Mineracao, that of Candiota in Bage is now producing 600,000 tons per year and with the expansion plan it should rise to 28.8 million tons annually. Its open pit reserves are estimated at 1.2 billion tons. The Irui mine in the same region, which produces 60,000 tons per month (720,000 per year), also in an open pit operation, should reach 1,560,000 tons per year.

The secretary also reported that the Leao II mine in Butia is in the process of being established and in 1985 should be producing nearly 2.5 million tons per year. The Leao I mine, also in Butia, produced 440,000 tons in 1980 but should extract 600,000 tons this year. In addition to the mines worked by the Companhia Riograndense de Mineracao, there is also the Recreio mine with a production this year estimated at 1,630,000 tons; that of Faxinal, which in 1983 should produce 900,000 tons; that of Carqueadas in Sao Jeronimo, which this year will produce another 350,000 tons.

Romeu Ramos also said that Rio Grande do Sul will sell 300,000 tons of coal outside the state this year, increasing those sales to 700,000 tons in 1982; 1.2 million tons in 1983; 3 million tons in 1984 and 3.7 million tons in 1985. In his opinion the "great bottleneck to the sale of coal is transportation."

He cited the example of the Candiota mine, which by the end of the decade will be producing at a rate of between 20 and 25 million tons in an open pit operation but could encounter difficulties in transporting it for sale. He said that it is necessary to "accelerate the move to river transportation."

Ideal Substitute

Pointing out that "the best substitute for oil is coal," Secretary Romeu Ramos said that it is necessary "to think of the price to be paid now and not what the price will be in the future to make its use viable as the most immediate alternate energy source for resolving the problem of dependence on imported fuel." He revealed that the cost of an equivalent ton of petroleum in a boiler using fuel oil varies from 24,435 to 27,693 cruzeiros, whereas if coal were used, the cost would be from 11,380 to 13,130 cruzeiros. In the case of furnaces, the cost of an equivalent ton of petroleum when fuel oil is used varies from 23,078 to 25,962 cruzeiros; with coal, the cost declined to from 14,225 to 17,070.

According to the Rio Grande do Sul Secretary of Energy, a typical example of saving in oil, of investments and greater returns of capital is that of INCOBRAS [expansion unknown], which replaced an oil-fueled boiler with a coal-fired boiler, spending 130 million cruzeiros. The company burned 1,200 tons of oil per month but with the coal-fired boiler it burned 3,100 tons of coal. However, since a ton of oil costs 20,500 cruzeiros and a ton of coal costs 3,528 cruzeiros, it obtained a monthly saving through this substitution of 13,6630,000 cruzeiros per month, allowing the quick recovery of the capital invested.

In a quick interview before his talk on the panel, Romeu Ramos was emphatic in stating that Rio Grande do Sul coal production is enough for attending to the demand of industries which replace equipment so as to use coal as an alternate energy source. He added that if the replacement of equipment does not yet reach desired levels it is because there is not enough financing available.

Gas Pipeline

In the talks by the panel, Secretary Romeu Ramos also expressed his opinion on the imports of gas from Bolivia and Argentina. In his opinion the importing of natural gas through Foz do Iguacu, is "an absurd undertaking because it would only be a substitute for fuel oil, something which could be done with coal." As far as he is concerned the most viable alternative as far as importing gas is concerned would be through a gas pipeline which would pass through coal-producing states because "there is the possibility that gasification plants fueled by Brazilian coal may be built."

Defending the strengthening of regional companies in the energy sector, Romeu Ramos emphasized that "In Brazil, companies such as TELEBRAS, ELETROBRAS and PETROBRAS [Brazilian Telecommunications, Inc; Brazilian Electric Power Companies, Inc; Brazilian Petroleum Corporation] began to grow and they enriched their technical and management ranks with highly trained personnel, this, however, does not mean that the states have lost their capability for handling their problems with the same skill."

He declared: "I have the conviction that companies such as Santa Catarina Electric Powerplants (CELESC) and the State Electric Power Company (CEEE) can resolve and even do a better job of identifying the problems of the regions than the far-off agencies."

Irrigation

Another speaker on the panel, the director of the CEEE of Rio Grande do Sul, Ari de Andrade, emphasized that because it has no petroleum, the primary concern of the state is conservation and the search for the maximum use of alternate energy with the aim of substituting for petroleum byproducts.

Ario de Andrade said that the CEEE is deactivating diesel fueled powerplants and seeking to completely replace diesel motors which power the equipment for rice field irrigation. Saying that coal consumption in 1985 should be 14.6 million tons, he said that 47.8 percent will be used for the production of electricity and: "It is not enough to have coal, it is necessary to know how to use it."

He warned that the Brazilian industrial park has a high degree of nationally built components but that the thermoelectric sector has not yet achieved this degree of independence. He believes the search for a transfer of technology in this sector is necessary.

COAL RESERVES IN THE SOUTH
(in millions of tons)

States	Measured	Indicated	Potential	Total	Percentage
Rio Grande do Sul	1786.46	3544.01	15437.53	20768.00	91.04
Santa Catarina	379.31	859.07	702.86	1941.24	8.51
Parana	32.04	57.74	5.00	94.00	0.41
Sao Paulo	2.00	1.00	7.02	10.02	0.04
TOTAL	2199.81	4461.82	16152.41	22814.26	100
Percentage	9.65	19.56	70.79	100.	

Substitution Yields 22 Billion Cruzeiros

The savings provided by the substitution of fuel oil by coal in the first half of this year in all the industrial areas--thermoelectric, iron and steel manufacturing, ceramics, cement, transportation, paper and cellulose--was 22 billion cruzeiros, from the 1.1 million tons of fuel oil which were not used. In that same period sales of coal to the industries were 2,330,000 tons, which forecasts that the use of coal in 1981 will be much higher than that of last year, when 3.5 million tons were sold.

That information was provided by the director of the CAEEB, Danilo Montenegro, in an opening talk by the panel on energy policy and the states of the south in the "Southern Routes" seminar.

Waste and its Destination

Danilo Montenegro made an extensive speech on the problems of Brazilian coal, explaining that the industrial areas which use the most coal in the country are those of the cement industry and thermoelectric. The cement sector alone used 875,000 tons of coal in the first half of the year and should double this consumption by the end of the year.

The CAEEB director said that 1980 coal production reached 5 million tons. However, production was actually two-thirds of that amount becuase of the wastes in mineral coal.

That problem, according to him, should become worse by 1985 when production should reach 60 million tons, of which only 20 million tons will be salable coal. The remaining 40 million tons will be waste. That is why Danilo Montenegro advocated a policy of incentives for the recovery of those wastes (sulfur contained in coal so as to avoid air, river and soil pollution and so as to have a more rational use of sulfur since Brazil still depends on sulfur imports for domestic consumption, which in that case could be reduced.

"Financing granted on the basis of the National Energy Commission (CNE) resolution, with lower interest rates, extended periods with no payments and prolonged repayment schedules for the coal program, should also be extended to those companies which have projects for waste recovery," according to the CAEEB director, who pointed out that from the processing of waste it is possible to

obtain not only sulfuric acid (Brazilian imports of it were 2 million tons in 1980) but iron pellets for the iron and steel industry.

Production and Projects

Brazilian raw coal production from January to June of this year was 8 million tons and the forecast is that by December it will reach nearly 16 million tons. Of this total, he said, a little more than 5 million tons will be salable coal, the rest being waste. As far as projects aimed at new undertakings are concerned, he said that 28 proposals were presented in the first half of the year, 11 for undertakings in Rio Grande do Sul, 16 for Santa Catarina and a new undertaking for Parana.

Requests for another six projects for the production of 14 million tons of raw coal--13 million tons of steam coal and 1.4 million tons of coking coal--will be forwarded in this second half of the year. The director of the CAEEB also reported that in 1980 446 test and research holes were drilled for a total of 40,000 meters of test bores and that the program established by the government up to 1985 foresees the drilling of 713,500 meters of test bores.

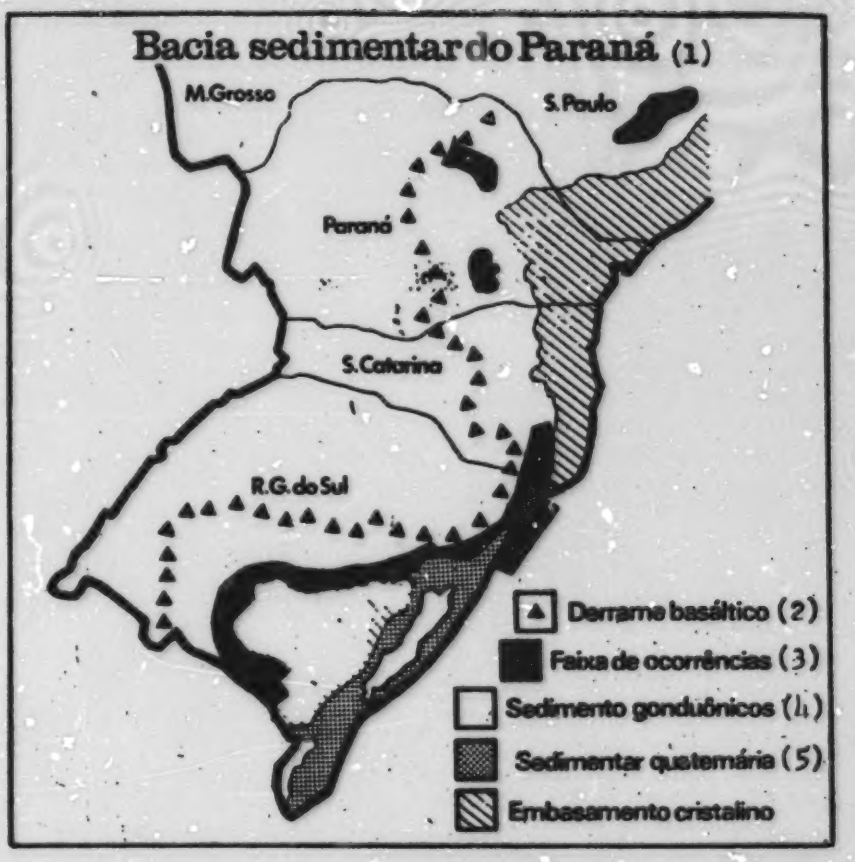
He asserted that the policy of prices will maintain an adequate rummeration for the producers and consumers with the maintenance of the price per kilo/calorie at 70 percent of the kilo/calorie of fuel oil. Coal prices in Santa Catarina in July were readjusted to 4,664 cruzeiros per ton of coal with 35 percent ash for the producers and 3,252 cruzeiros to the consumers. The cheapest coal is that of the Candiota mine in Rio Grande do Sul at 665 cruzeiros per ton for the producers and 460 cruzeiros per ton for the consumers (the difference is subsidized by the government).

Danilo Montenegro concluded by saying that the government spent more than 2.3 billion cruzeiros in transportation, insurance and other expenses related to coal subsidies in the first half of the year.

Production Receives Only Five Percent of Subsidies

Santa Catarina coal production this year will be more than 4 million tons, while the southern region all together will produce a little more than 6 million tons with a 40-percent ash content. This will allow a saving of 2 million tons of oil valued at $500 million (at $35 per barrel), according to Santa Catarina Secretary of Planning Norberto Ingo Zadrozny.

He said that the subsidy for this production is around $23 million and represents less than 5 percent of the foreign credit savings the country obtained. "It is the product which requires the least subsidy," he emphasized, pointing out the great importance of coal, not only for the state of Santa Catarina but for the entire country, since it is one of the main factors in the policy of substituting for petroleum with national energy sources.



All economically feasible coal deposits of Brazil are found in the mineral belt of the southern region

Key:

1. Parana sedimentary basin
2. Basaltic flow
3. Mineral belt
4. Gondwanic sediment
5. Quaternary sedimentary
6. Crystalline foundation

Mining Plan

To increase coal production, the state prepared a short-term mining plan which will allow an increase of 5 million tons in production. This will require the spending of $100 million in national money.

"As of the beginning of the second year, the country will be able to save $400 million per year," said Ingo Zadrozny, declaring: "In terms of Brazil there is no more profitable investment than this," calling attention to the amount the country can save as of the moment the program is put into action.

Secretary Ingo Zadrozny also participated in the panel on energy policy and when the National Gas Plan was discussed, he indicated the need for participation by the gas to be produced from Santa Cantarina and Rio Grande do Sul coal in the project which foresees the purchase of Argentine gas which will enter the country through a pipeline. He has already forwarded a plan to the Ministry of Mines and Energy in which he points out the importance for having the gas pipeline pass through Rio Grande do Sul and Santa Catarina, where the line would also be fed the gas produced in their own plants, one in each state.

"Imported gas represents no saving in foreign exchange on the basis of today's prices, the Argentines are asking for prices which are higher than those of petroleum." We would be replacing one energy source with another, which is a diversification of sources, but at the same time it is a waste of foreign credits, in the opinion of Secretary Zadrozny.

In this respect, he considers the program valid if instead of limiting itself to the purchase of Argentine gas, the gas pipeline passes through the coal regions where it will receive gas rated at 6,000 to 7,000 calories, which in addition to reducing expenditures for imports, would represent a "factor of national security."

Alternate Energy

In addition to the coal program as the main energy source for the state, due to its great reserves which are estimated at 5.7 billion tons, the secretary also pointed out the importance of several programs of lesser scope but which have shown themselves to be efficient within the framework of the national policy for the search for alternate energy sources. He cited the biogas program, aimed mainly at the rural areas, where in a little more than one year 200 biodigesters have already been installed with a unit production of up to 250 cubic meters per day, using organic wastes as raw material.

Referring to the alcohol program, Norberto Ingo Zadrozny said that although economists have not found a viable explanation for the fact that the small alcohol-producing units are producing at less than half the cost of the large distilleries, "this is a proven fact." In Santa Catarina one of them is already in production and another one is being installed, "attesting to the viability of the program, which is of great importance to the state." This process, according to him, allows alcohol to be produced at the place where it will be used, eliminating transportation costs.

The Santa Catarina Secretary of Planning also spoke on production of sulfur from coal pyrites waste "with which we can save million of dollars Brazil spends in importing that strategic raw material. The crisis is not one of energy but one of a lack of dollars."

Israeli System

In the closing talks of the panel, the former secretary of Industry and commerce of Santa Catarina, Luiz Gabriel, spoke of a new technology developed in Israel for the production of biodigesters using a minimum of water (dry biodigesters) and which produce 10 times more gas than the conventional processes used in China and India. He said that Israel has already signed agreements with England for the installation of that system and it also intends to extend it to Brazil.

Secretary Ingo Zadrozny showed an interest in the Israeli system but said the state has already signed an agreement with England for the use of the Dutch system.

A energia que vem do carvão

(1) Setores de Consumo	(2) Consumo do Setor (103 t)	(3) Participação no Total (%)
Termoelétricidade (4)	1.831	52,1
Transporte (5)	44	1,3
Cimento (6)	1.056	30,1
Papel e Celulose (7)	146	4,2
Cerâmica (8)	134	3,8
Siderurgia (9)	99	2,8
Outros (10)	201	5,7
Total	3.511	100

(11) PROJEÇÃO DO CONSUMO — 1985

Setor (12)	103 t (13)	%
Termoelétricidade (14)	8.050	47,8
Transporte (15)	50	0,3
Siderurgia (*) (16)	1.210	7,2
Cimento (17)	5.560	33,0
Papel e Celulose (18)	540	3,2
Outros (*) (19)	1.400	8,5
(*) Inclusive (20)		
Gasificação (21)		
TOTAL	17.310	100

Coal used to produce power

Key:

1. Consuming sectors
2. Consumptions by sectors in thousands of tons
3. Share of the total
4. Thermoelectricity
5. Transportation
6. Cement
7. Paper and cellulose
8. Ceramics
9. Iron and steel
10. Others
11. Consumption Projection—1985
12. Sector
13. Thousands of tons
14. Thermoelectricity
15. Transportation
16. Iron and steel *
17. Cement
18. Paper and cellulose
19. Others*
20. Inclusive
21. Gasification

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NATIONAL PETROLEUM PRODUCTION ON UPSWING

October Production Increase Possible

Rio de Janeiro GAZETA MERCANTIL in Portuguese 7 Oct 81 p 8

[Article by Jose Roberto de Alencar: "National Production Could Exceed 235,000 Barrels in October"]

[Text] The daily average of Brazilian petroleum production--if it is not reduced again by some unforeseen circumstance like that of September--could exceed the mark of 235,000 barrels per day in October, something never achieved before in the history of Brazil. The previous record was set last August when 230,200 barrels per day were produced. It was reported by PETROBRAS [Brazilian Oil Corporation] in Rio yesterday that the average of the first five days of this month did not exceed 236,000 barrels per day only because of the unfavorable circumstances of the first day which lowered it to 232,500.

Winds of 80 kilometers per hour in September halted production in the Garoupa and Namorado fields in the Campos Basin from 5 to 22 September. Almost 3[illegible],000 barrels per day came from there (now almost 40,000 have been extracted). That is why only 998,240,000 cubic meters of petroleum were produced in Brazil in September. The daily average remained at 209,300 barrels, better this year than only that of January (188,800 barrels) and that of April (208,800 barrels).

As the note distributed yesterday by PETROBRAS says, last month's production exceeded that of September 1980 despite everything. This, however, is no advantage because September last year was worse than every month except October. Production began to increase in 1980 and in July it had reached 200,000 barrels per day. On the 7 September holiday, however, winds such as those which a year later caused a new accident, split the tower which processed the oil from Garoupa and Namorado.

That tower was never replaced there. The ship "Presidente Prudente" of Moraes, which was anchored there to receive, process and transfer petroleum to ships that went there in search of it, was anchored in an area surrounded by buoys. The controls of the seven underwater wells, which formerly passed through the tower, were installed in another ship, the "Star Hercules." Brazilian production declined to 173,000 barrels per day and only exceeded 200,000 barrels in February this year: 221,000 barrels.

This September, a month which has already established a frightening tradition in Campos Basin, winds and waves eight meters high tore the "Star Hercules" from its moorings and everything in the installation and the ducts for hydraulic and electric controls were broken. Since any accident will automatically close the valves at the heads of each of the seven underwater wells (four of them in the Garoupa field and three at the Namorado field) the spigot dried up on the Prudente de Moraes until the 22nd.

PETROBRAS took advantage of this to deactivate the "Star Hercules." It placed the controls on the fixed platform which was installed there for drilling more wells in the Garoupa field, and it is also going to deactivate the Prudente de Moraes installing a processing module in the same platform, where a module which will pump 600,000 cubic meters of gas--today being burned at the Prudente de Morais--to Macae will be installed. From there, land gas pipelines will take it to the Duque de Caxias Refinery in Rio, where it will be burned as cooking gas distributed by the State Gas Company.

At any rate, the accident and the work accomplished to prevent a recurrence brought down national production from a record of 230,200 barrels per day in August to 209,300 barrels in September. Campos Basin production declined from 63,500 barrels to 40,700 barrels per day last month. (Note that Garoupa and Namorado provided two-thirds of the Campos Basin production, where others in production are Garoupa Norte and Enchova Leste; Bicudo will join the list within a month).

This October, in addition to the return to production of the seven old wells of Garoupa and Namorado with nearly 36,000 barrels per day, two new wells began to produce in the Garoupa field through the fixed platform (which places the wells it brings in into production before going on to drill new wells). Each of them has been yielding nearly 2,500 barrels per day since 26 September.

The only reason September production did not fall even further is because it was insured mainly by the land fields of Sergipe and Bahia. The former raised its production from 33,800 to 34,300 barrels per day, while the latter increased it from 68,000 to 68,800 barrels. The 118,900 barrels per day produced in August in the land fields, increased by 2,000 barrels in succeeding months. Another 1,000 barrels were produced by the underwater fields of Capixabas and Potiguar.

New Record Set

Rio de Janeiro O GLOBO in Portuguese 17 Oct 81 p 16

[Text] National petroleum production set a new record last Wednesday, reaching a volume of 242,692 barrels, it was reported yesterday by PETROBRAS. The last record was set 2 October with 236,968 barrels. The great surprise is the production of the first three wells of the final system of Garoupa, which programed for an overall production of 7,000 barrels, are providing 17,611 barrels per day. Technicians explain that when a well is activated certain pressure conditions may change the forecasts up or down.

PETROBRAS also reported that by the end of the year another 14 wells will go into production in the Campos Basin, raising national production to more than 264,000 barrels per day. In case those wells undergo some increase in pressure similar to what is happening in the Garoupa final system, production could exceed 280,000 barrels daily by December.

Filling Stations Complain

The president of the Rio de Janeiro Retailers Union, Luiz Gil Siuffo Pereira yesterday accused the distributing companies, specifically naming PETROBRAS, of establishing gasoline quotas for the filling stations, in that fashion ignoring a directive from the National Petroleum Council (CNP).

Without yet having knowledge of new gasoline prices, but having a presentiment of an imminent readjustment, Siuffo Pereira revealed that orders from the retailers in the majority of cases were reduced to 30 or even 20 percent.

The union leader said that all day yesterday there was an actual gas rationing by the distributors, although the CNP in a directive issued 20 days ago established that the stations must be supplied without any restrictions.

Siuffo said that on the eve of the last increase in June, the companies held back a large amount of gasoline which normally would have gone to the filling stations.

"It was to prevent a repetition of this that the CNP issued specific guidelines which have now been disobeyed," he emphasized.

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CSO: 3001/11

GASOLINE CONSUMPTION INCREASED IN SEPTEMBER

Rio de Janeiro O GLOBO in Portuguese 15 Oct 81 p 20

[Text] Brasilia (O GLOBO)--Consumption of gasoline increased .7 percent last month, reaching 906 million liters, compared to 900 million liters consumed in September last year. That is the second consecutive month in which gasoline consumption has increased, reversing the downward trend which up until July had shown consumption declining by up to 10 percent per month. Consumption increased 14 percent in August by comparison with a like period last year.

The reversal in the trend in the consumption of gasoline was the main argument used by the president of the National Petroleum Council (CNP), Gen Oziel Almeida Costa, who is against the opening of gasoline stations on Saturdays.

The trend in the consumption of gasoline, according to a source of the sector, does not yet worry the government because accumulated consumption from January to September showed a decline of 8.1 percent, showing 7.9 billion liters consumed compared to 8.6 billion liters consumed in a like period last year. The consumption of gasoline plus anhydrous and hydrated alcohol showed a reduction of 7.4 percent from January to September.

Unlike gasoline, diesel oil (byproduct which now determines the amount of petroleum the country imports) showed a decline of 11.8 percent last month, showing a consumption of 1.5 billion liters compared to 1.7 billion in September last year. Considering the period from January to September, diesel consumption showed a decline of 2.6 percent.

Consumption of cooking gas (liquid petroleum gas) showed a reduction of .7 percent in September but increased by 1.8 percent from January to September compared to a like period last year.

Fuel oil showed a decline in consumption of 15.5 percent from January to September showing a consumption of 10.9 billion liters compared to 13.5 liters in a like period last year. Comparing September of this year with September of last year, consumption showed a decline of 19.3 percent.

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BRIEFS

PETROLEUM SALES TO AFRICA--Sao Paulo--PETROBRAS [Brazilian Petroleum Corporation] increased its sales of petroleum byproducts to African countries. At first it began to crack petroleum for Nigeria, today processing 50,000 barrels daily. Later it began to supply Zaire and the Congo, to which it now exports nearly 10,000 barrels. Contracts signed with the African countries, according to the company's sales manager, Carlos Sant'anna, are aimed at making maximum use of the idle capacity of PETROBRAS cracking facilities. He explained that refining installations, which have a capacity for processing 1.5 million barrels per day, are now working with only 950,000 barrels daily and there is a trend toward a further reduction because of the decline in the consumption of petroleum byproducts on the domestic market. In the latter half of last year, after the war between Iran and Iraq began and the latter country had most of its refineries destroyed, PETROBRAS was asked about some form of help in supplying petroleum byproducts. The idea was to lease or even sell the entire Vale do Paraiba Refinery (Revap). However, there was no agreement and the deal was dropped, according to the director of the company. The immediate technical solution, which also yielded good diplomatic dividends as a bonus, was the exploitation of the African market. Speaking on the subject, and even acknowledging that idle refining capacity is high, Carlos Sant'anna asserted that there is no direct or indirect pressure from the World Bank to make PETROBRAS change its cracking structure as a requirement for the release of greater loans to the PROALCOOL [Alcohol Program]. [Text] [Rio de Janeiro O GLOBO in Portuguese 7 Oct 81 p 16] 8908

DRILLING OF NEW WELLS--Sao Paulo--PAULIPETRO [Sao Paulo Petroleum Company] will begin drilling two new pioneer wells this week, one in Parana and the other in Santa Catarina, "precisely over geological structures capable of containing petroleum," according to the expectations of Secretary of Industry, Commerce, Science and Technology of Sao Paulo Oswaldo Palma, which he expressed yesterday to Governor Paulo Salim Maluf. Pioneer wells will be drilled in Roncador, Parana, and in Seara, Santa Catarina. PAULIPETRO plans the drilling of another well next week, that of Esmeralda in Rio Grande do Sul. Oswaldo Palma assured Governor Maluf that PAULIPETRO will find oil in the geological basin of Parana because, according to him, "The pioneer wells will be drilled in rock containing petroleum." The secretary declared that it only remains to quantify the volumes of petroleum, something that will be possible "after the drill reaches there." He bases his expectations on the principle that "where there is gas there is petroleum," and taking into account the finding of gas by PAULIPETRO in the second exploratory well. In the opinion of Oswaldo Palma "There is no doubt that those drills are

located exactly over petroleum-bearing geological strata." [Text] [Rio de Janeiro JORNAL DO BRASIL in Portuguese 7 Oct 81 p 16] 8908

INCREASED NATURAL GAS PRODUCTION--PETROBRAS reported that natural gas and petroleum production in September was 7,912,000 barrels (a daily average of 209,297 barrels), an increase of 20 percent over production in September of last year. Accumulated production reached 58,961,698 barrels, which is an increase of 13.3 percent by comparison with the first nine months of 1980. According to PETROBRAS, in the first five days of October the average daily production is at 235,500 barrels. A new record was set on 2 October when production reached 239,968 barrels. Since then it has remained at between 236,000 and 237,000 barrels daily, levels never before reached in the 27 years PETROBRAS has been operating. With 2,666,195 barrels in September, production by the continental shelf was 44.7 percent greater than that of the same month last year. On the land basins, the increase was of 7 percent, with an extraction of 3,612,717 barrels in September. The Campos (RJ) Basin produced 13,920,302 barrels, producing more than half of production by the undersea areas and it recorded an increase of 56.8 percent over the total amount of petroleum produced in the first nine months of 1980. The land basins produced 32,619,857 barrels, an increase of 6.6 percent over the January to September 1980 period. [Text] [Rio de Janeiro O GLOBO in Portuguese 7 Oct 81 p 61] 8908

CSO: 3001/11

BRIEFS

OIL PRODUCTION FIGURES--Caracas, 24 Oct (LATIN-REUTER)--The Energy and Mines Ministry reported today that the average daily oil production for the year up to 21 October was 2,075,000 barrels. Oil production this year has been 4.29 percent lower than that of all 1980, when the average production was 2,168,000 barrels per day. This week the four government corporations which produce oil in Venezuela produced an average 2,006,000 barrels per day. LAGOVEN produced 40.28 percent, MARAVAN 27.52 percent, MENEVEN produced 16.45 percent and CORPOVEN produced 15.75 percent during this period. The four companies are branches of the Venezuelan Petroleum Company. The production goal this year is 2.2 million barrels per day. Exports as of 14 October amounted to 1,677,000 barrels per day, a decrease of 8.66 percent from 1980 when Venezuela sold 1,836,000 barrels of oil per day abroad. The export goal for this year is 1,895,000 barrels per day. [Text] [PA260131 Buenos Aires LATIN in Spanish 2237 GMT 24 Oct 81]

CSO: 3010/247

RECENT POLITICAL, LABOR ACTIVITIES REVIEWED

Buenos Aires MERCADO in Spanish 8 Oct 81 pp 3-4

[Excerpts] Politics

The past several days have been characterized, from the political viewpoint, by a series of "internal" movements in the parties, the party combinations, and even in the armed forces which, to the extent that they continue to take shape, will have great significance. A critical topic was brought up again during the multiparty meeting attended by radicals justicialists, developmentists, Christian Democrats, and intransigents, to begin with: the relationship between those five parties and the labor union headquarters. The labor union wing of justicialism insisted that the CGT [General Labor Confederation] be recognized and that it should be given more important status on a priority basis, that is to say, more important than the CNT [National Labor Commission] which is in favor of the dialogue. There are two aspects to that problem. On the one hand, it raises the question of command, power and representation within justicialism. On the other hand, it has to do with the strategy of the parties and the labor unions in dealing with the military government. Regarding the first aspect, labor union leaders do not easily accept the idea that the writter Bittel agreed, speaking for himself, with the non-Peronista leaders of the multiparty group in basically calling upon the labor union representations of "all" tendencies and not only the CGT. That decision however contains another one: the decision to determine who has the right to constitute the justicialist movement on the labor union side. In saying "yes" also to the CNT and not only to the CGT, Bittel would be acting in his capacity as first vice chairman of the Justicialist Party (Mrs Peron is the chairman), being an arbiter regarding the representative nature of the other branches of the movement. As we know, justicialism does not consider itself to be a "party," in the radical style, but rather a "movement" made up of wings or branches of which one is the party component while the other one is the labor union component, while yet others are youth, women's, and other components. Peron was the undisputed arbiter among the various branches. Saying that the labor union headquarters is the authentic labor union branch of justicialism, in case of conflict, was up to Peron. What the justicialist labor union representatives in talking to the multiparty grouping denied Bittel is his function as arbiter which Peron took along. For them, Bittel is a "peer"--a member of the other "branch." It would therefore be difficult for him to make any commitments in talking to third parties (the radicals, etc.) as to what the most representative labor union sector of justicialism is supposed to be. The crisis quite evidently points up the problems of power and authority which

come up among the top leadership of Peronism as the latter gradually gets ready to get going. Could Mrs Peron possibly perform the same kind of arbitration function that Peron left vacant? Or is Peronism facing a major transition from a "movement" to a "party" with losses and fragmentation along the way? The other aspect of the problem raised during the multiparty gathering as we said has to do with the strategy to be pursued in dealing with the administration. Recognizing only the CGT in the labor union field in this respect would be the same as selecting a strategy of frontal opposition. Recognizing the CGT and the CNT on the contrary would mean leaving two possibilities open: confrontation and dialogue. Concerning the dialogue, on the other hand, the Christian Democratic Federation, one of the associates of the multiparty grouping, was about to split. The sector led by Jose Antonio Allende is in favor of going to the Ministry of Interior, as the radicals, the developmentists, the progressive democrats and the social democrats have already done (but not Peronism: here again there is dispute between dialogue--Bittel--and not going there--as in the case of the CGT).

The sector led by Enrique de Vedia wants to abstain, starting a march toward the frontal opposition together with the hard line of Peronism and probably the intransigents of Oscar Alende. Frontal opposition to a military government, which is assumed to be in its "second phase"--a phase leading to the election--is a "classical" strategy in Argentina; it yielded its electrical fruit for example in 1958 (Frondizi) and in 1973 (Campora). The idea of talking on the other hand is in line with the strategy drafted by Ricardo Balbin before he died: for once, making sure that, when the transfer of military control to a civilian party takes place, that transfer will be cordial, in the midst of a climate of understanding and consensus, to avoid the swings of the future "pendulum." While these issues are being resolved during the multiparty conference, the "center" with growing insistence is attempting a definite approach between the FUFEPO (Popular Federalist Force, an alliance of provincial parties of conservative origin or the former UCRI [Intransigent Radical Civic Union]"), the trilogy already formed by the democratic socialists, the progressive democrats, and the Christian Democratic Union, and the Acuna Anzorena version of the Popular Line (also the former UCRI, in the political succession to Sylvestre Begnis). The nucleus which the "third election sector" of the country (neither Peronist , nor radical), with a moderate orientation, is trying to put together could present these aspects and problems: first of all, the perhaps temporary absence of Francisco Manrique who represented the center with appreciable results in 1973; second, it would try not to be semiofficial although, on the other hand, it would not go into a definite opposition; third, it could get competition from the radicals if the latter, for this purpose, were to decide to adopt a moderate line--Troccoli or De la Rua, not Alfonsin or Leon. All of these party movements finally were accompanied by the stories commented on in the various media according to which there would be a new military president in 1984, the current army commander-in-chief, Lieutenant General Galtieri. The origin of these widespread rumors for the time being is uncertain.

5058
CSO:3010/94

LABOR LEADER TRIACA SPEAKS OF DIFFERENCES WITHIN SECTOR

Buenos Aires SOMOS in Spanish 9 Oct 81 pp 32-33

[Interview with Jorge Triaca: "I Don't Try To Get Away With Anything"; date and place not given]

[Text] [Question] Are you sorry that you are in favor of a dialogue?

[Answer] No, I am not sorry and I will not change. You cannot change overnight. What I am pointing out is the tremendous effort it takes for the unions to engage in a dialogue to find the best way to restore the worrisome situation of the workers and not to find itself compensated on the other hand. I am very much preoccupied by this topic and I am reviewing my strategy.

[Question] Why did the meetings you had with the entrepreneurs and the government fail?

[Answer] We failed to believe in the possibilites which the country has when it comes to meeting all needs. On the one hand, you have the government with its contradictions:while the minister of economy says that these measures would restore the situation in medium-range terms, the minister of industry does not seem to be that optimistic. On the other hand, there are businessmen who keep asking for more and more as compensation for the losses they suffered during this process. and then you also have us, who chose different ways to express our concerns. I believe that, if we do not provide for coordination with perfectly programmed and completed plans, recovery will be very difficult. You have to take risks. You have to risk personal merit or the political projection which each one of us can have and you have to resolve the big issues.

[Question] Who is not taking any risks?

[Answer] Look, in June, when we were abroad with the entrepreneurs and the government, we tried to work out the policy lines to promote this strategy. When we returned, we found a country in worse shape than we had left it. The crisis had gotten worse. When we wanted to spell out what we had talked about abroad in specific terms, the administration did not employ its political strength to achieve this. And the business sector confined itself to defending its own interests.

[Question] Does this mean that the administration did not demand any definitions?

[Answer] Exactly. This country is accustomed to a situation where, when the various parties are summoned and when there is authority to summon them, the various sectors find it very difficult to turn out to be reluctant.

[Question] Can Triaca become a hard-line unionist?

[Answer] This thing about "hard-liners" and "soft-liners" has more to do with a specific state of mind. I say that the measures which were taken did not manage to meet the minimum necessities of the workers. I am going to redouble my efforts to make sure that they will be reconsidered in the shortest time possible. And if this does not happen, it is possible that Triaca might say that this recourse has been exhausted. In that case, the worker movement has other ways of expressing its disagreement and we will do so.

[Question] Do you have political aspirations?

[Answer] I make politics with a big P, labor union politics. I try to find my position and I try to be aware of my capacity. If tomorrow I should have some political ambitions, because circumstances so indicate, I would consult with my comrades, I would leave my post in my organization and I would devote myself to political activities, plain and simple, but without dragging the union along.

[Question] But you publicly accuse Admiral Massera of wanting to carry off a portion of Peronism.

[Answer] I did not accuse him of that. I accused those who are within Peronism. I cannot accuse Admiral Massera of trying to win over a Justicialist sector that appears orphaned at this moment. It seems logical to me because he is a politician and a politican always wants to capture an electorate.

I learned from the newspapers that he was replaced in Peronism in the capital by a colleague whose name is Juan Jose Minichilo. He is one of Admiral Massera's labor union advisors and Peronism knows that. But each is responsible for his own actions. I do not want Minichilo to become famous by engaging in a bitter argument with me. The only thing I am saying is that I have a road to follow, I began very young, and I never exploited Peronism to get anything. Some day, metropolitan Peronism will have to pick my replacement. As for Admiral Massera, I do not share his ideas but I have great respect for him. One thing is certain: he is not a Peronista and he has no possibility of capturing Peronism.

[Question] Are you a rebel Peronist?

[Answer] No. I am not trying to get away with anything. I do accept punishment when I deserve it but when they attack me, I try to defend myself. I am a labor union leader and when I engage in dialogue, I do so in my labor union capacity, without compromising the strategy the party might draft. I am not a rebel without a cause. I think that Peronism did not fall on 24 March 1976.

[Question] What does that mean?

[Answer] It means that we were left without political power which at that moment was held by Peronism and there was no response to the crisis which the country was

going through. Throughout its entire history, Peronism always had a response to come up with and this is why it was not Peronism that fell. The lack of sure and reliable leadership, perhaps our orphanhood, limited us.

[Question] But it is obvious that the hard-line sectors do not really like you and that there is a specific strategy: the trips to Paraguay to see Julio Romero.

[Answer] I have great affection for Julio Romero and I am a very great friend of his son. Besides, I feel linked to him by the unfair situation in which he is suffering now. Julio is one of the most outstanding men of Peronism and he has clear ideas. But I do not know what happens in Paraguay. They invited me but I did not have time to go. I really do not believe that Julio retains a sector of Peronism.

[Question] What do you think of Lorenzo Miguel?

[Answer] He is a comrade who has a great future in the worker movement and who is now prevented from making perhaps a greater contribution because he is barred under the institutional act.

[Question] Anybody who reads the newspapers knows that Miguel is playing politics.

[Answer] But the normal thing would be for him to do as I do.

[Question] Ideologically, are you on the same track?

[Answer] We may have some strategic differences.

[Question] Which ones?

[Answer] At best, right now, he is not inclined toward a dialogue whereas I am. He can agree with the idea of them replacing me in the party and I of course do not agree with that.

[Question] What does the alternative of the single CGT [General Labor Confederation] or a pluralist CGT suggest to you?

[Answer] I start with the idea of a single CGT because it is my understanding that labor union plurality is possible within it. The best CGT of recent years was the one of Jose Ignacio Rucci. I remember that, in 1970 or 1971, we were not all Peronistas in the executive board that went to talk to President Lanusse. Rucci said that the CGT was Peronista because the majority of the workers were that but those who were not Peronistas followed in their organizations. After Rucci died, it was said one fine day: we have to Peronize the CGT.

[Question] Is there any possibility of an understanding with the CGT?

[Answer] We are talking. It is us, the leaders, who are divided. Perhaps we will find a way for those, who do not talk, to contribute some kind of dialogue and for those of us who are tired of talking to contribute a little bit of criticism.

[Question] What would you say to Viola?

[Answer] That he should not worry about the elections and that we are not going to play the 1984 game now. This is only 1981. We have to make use of the months, the days, and the hours in order to achieve concerted planning. In this way, the country in 1984 will have its economic and social systems in a situation where a political alternative can be planned.

5058
CSO:3010/94

OBJECTIVES, STAND BEFORE GATT OUTLINED

Buenos Aires LA NACION in Spanish 25 Oct 81 p 2

[Article by Luis Mario Bello]

[Text] Paris, 24 October--After attending a GATT meeting in Geneva, Argentine Undersecretary of International Trade Relations Alfredo H. Esposito was here in this city. His brief visit enabled him to renew old ties with friends and colleagues, with distinguished French economists and others who share a common interest in the analysis of monetary problems.

We talked with Dr Esposito about the meaning and importance of the recent GATT meeting. The general public does not have a clear idea of the nature of this international organization. With the aid of an instructive explanation by our interviewee, one may conclude that GATT is a general agreement on trade and tariffs that was created in order to avoid a repetition of the trade war that took place during the thirties. After World War II, an effort was made to draw up rules to prevent measures designed to hinder trade, while at the same time guaranteeing smooth development.

Persuasive Force

What results have been obtained so far? In general, Dr Esposito thinks they have been favorable.

For example, there has been no proliferation of measures that could damage international trade. The organization itself does not have the power to impose sanctions, given the legal status of its members, but in any case the member countries have proven to be a great persuasive and moral force.

Are GATT rules applicable to the current situation?

Our interviewee describes a world that is experiencing a profound crisis. He paints this picture: inflation, business uncertainty, less investment, unemployment, rigid productive structures that are slow to adapt to technological change. It is a diabolical circle, he adds, that we Argentines know well but that the world has just come to realize.

For that reason, it appears that the ideal protective device used by GATT has lost some of its value. On the other hand, another kind of protectionist measure has

emerged: sliding taxes, "voluntary agreements," etc. As a consequence, the old rule of most favored nation has ceased to be the guiding principle of international trade relations.

Of course, today flexible protective measures are applied in specific situations. Naturally, rising oil prices have aggravated the process. International trade, recalls Dr Esposito, grew steadily between 1963 and 1973 at 8.5 percent. Between 1973 and 1980 it increased by only 4 percent, and last year the growth rate was a mere 1.5 percent.

At this point, the undersecretary reflects on the protective measures that governments have tried to impose as economies go into slumps and unemployment is on the upswing. He believes that in many cases industrial sectors are in a tight squeeze of their own making. They blame foreign competition, but one of the best examples of this situation--there are many--is Chrysler. The same thing happened with the U.S. steel industry. In reality, the Japanese were not to blame.

Ultimately, "intervention prices" came to the aid of the productive systems that had grown out of erroneous policies by governments, businesses and unions. Because of these policies, it was difficult to convert systems and adapt to new technology. If it weren't for GATT's moderating influence, protectionist measures would have gone even further.

Importance of Agriculture

Argentina had something to say at the Geneva meeting. Particularly with regard to agriculture, and in general, Argentina stressed the demand for free international trade instead of "aid" from rich countries. This point of view is very similar to that expressed recently by U.S. economic officials.

The Argentine delegation, headed by the undersecretary of international trade relations and made up of the ambassador to international organizations in Geneva, Gabriel Martinez, as well as other officials, has played a moderating role. On its initiative, a working luncheon was held, outside of the official agenda. The luncheon was attended by undersecretaries of agriculture and ambassadors accredited to GATT from the United States, Canada, Australia, New Zealand and the European Economic Community, the latter being represented by Sir Roy Denman, director of foreign relations. This was an opportunity to bridge the gap between the United States and the EEC.

Clear Description

On that occasion, there was an informal agreement on how to proceed later on with the consideration of topic three, agriculture in GATT. Undersecretary Alfredo H. Esposito clearly described Argentina's position on the matter. First of all, he emphasized that authorities in our country have always felt that there is no reason for differences in the way agricultural and industrial matters are handled by the contracting parties. Argentina believes, then, that all exceptional situations in the agricultural area can be rapidly accomodated within the framework of the general agreement.

He also pointed out that it would be a good idea to avoid new distortions in the international agriculture trade. After indicating that such distortions included special measures to favor agricultural production, he added that Argentina would also like to be able to rely on an understanding attitude by those countries that have such policies, so damaging to our interests as an agricultural exporter. After stressing that concessions and tariff reductions in agriculture have been less than those in the industrial field, he brought up the issue of agricultural subsidies, requesting that they be given priority attention.

Meat Exports

Specifically, Dr Esposito suggested that the contracting parties include agricultural issues on the agenda for the next ministerial meeting. At another meeting, the Argentine delegate insisted on the need to make important advances in the future consideration of matters related to quantitative restrictions, safeguards and the agricultural sector. As for the latter topic, Argentina maintains that the first objective is to ensure that the norms of the general agreement are applied fully to the agricultural sector.

In October 1982 there will probably be a ministerial conference, at which time the agriculture issue will be discussed. Moreover, the problem of compensation to Argentina for the situation resulting from Greece's entry into the EEC was only briefly discussed. Our meat exports to that country for processing reached 30,000 tons. This amount would have to be replaced by special cuts in an equivalent volume. The matter was considered informally between representatives of the Community and the Argentine delegates.

Positive Results

In short, positive results have been obtained for our country's agricultural production. People are aware of the difficulties. Argentina has not regained the dominant position on the world meat market that it had until the sixties. At present, or rather in 1980, world meat production stood at 25 million tons, of which 2.5 million tons were exported. During the same period, Argentina produced 2.9 million tons, exported 470,000 and did not import any meat. The United States produced 10 million tons, exported 125,000 and imported 900,000. The EEC countries, on the other hand, produced 7 million tons, exported 640,000 and imported 350,000. Australia, in turn, produced 1.5 million tons and exported 900,000. Brazil produced 2 million tons, exported 80,000 and imported 70,000 tons. Canada achieved a total production of 1 million tons, exported 110,000 and imported the same amount. New Zealand had a total production of 500,000 tons, and exported 225,000. Finally, Japanese production totaled 420,000 tons, while there were no meat exports and 180,000 tons were imported. This means that agricultural production, meat in particular, is of capital importance in all countries. Argentina should maintain its position as a major exporter. Perhaps an eventual intervention by GATT will help open doors that have been completely closed in some countries and half shut in others.

8926
CSO: 3010/202

AUTO PRICE DECREE UNSATISFACTORY TO BUSINESS SECTOR

Buenos Aires LA PRENSA in Spanish 14 Oct 81 p 9

[Text] The Federation of Associations and Chambers of the Automotive Trade of the Republic of Argentina and the Automotive Chamber of Commerce, represented by Enrique A. Viel, president of the latter organization; Dr Edgardo Giosa, adviser; and Francisco Bertellone, general manager, met yesterday with Undersecretary of Trade Alberto de las Carreras in order to discuss the sector's plight. The meeting had been called days earlier.

With reference to the agreement between automotive finishing plants and the economic minister, the marketing representatives delivered to that official two memoranda. The first one analyzed the sector's situation, while the other complemented it by presenting the sector's opinion of the agreement. "Not one single member of the sector to which our chamber belongs participated" in the formulation of that pact, states the document.

After the meeting, it was learned that Mr de las Carreras promised to inform the minister of trade and maritime interests, Dr Carlos Garcia Martinez, of the sector's concerns. The representatives of the above-mentioned entities also indicated that they will request a meeting with the minister of economics, treasury and finance, Dr Lorenzo Juan Sigaut, in order to tell him of their concern about their situation. They will also ask him to clarify some matters related to the implementation of the agreement which have given rise to doubts. They were unable to express an opinion about these issues because they did not participate in the meetings when the pact was drawn up.

Problems

With regard to the problems that plague the auto industry, the memorandum states that there is "depressed demand," attributed to the following causes:

"Regressive distribution of income, which makes it very difficult to sell new and used, small and medium units to traditional buyers, generally civil servants who have seen their real income shrink dramatically. That circumstance and uncertainty about future income prevent them from commiting their savings or taking out loans to buy a car or trade in their old one. The total absence of first-time buyers is conspicuous throughout the market.

"High rates of payable interest on the financial market, which causes potential buyers to place their money in short-term, high-liquidity investments, in view of expectations that the relative prices of automobiles will drop. The generalized depression of the market is well known, so the potential buyer holds back while marketing firms persistently offer lower prices to the public, trying to solve the most pressing budgetary problems.

"High rates of receivable interest, which far exceed the indebtedness capacity of those who would like to purchase autos through medium-term financing of part of the price (12 or 30 monthly payments)."

Another factor pointed to as causing the sector's slump is the massive build-up of inventories of units from different sources and with various financing terms; even within the same makes and models, there are differences in price that confuse the purchaser."

The document also comments on the "uncertainty of potential buyers with regard to the future resale value of the unit they are thinking of buying, the reason for the insecurity being the presence on the market of various makes with their different servicing terms, spare parts, etc.;" unemployment and underemployment and the instability of work for white-collar workers and small and medium businessmen; and the "shrinking demand for these goods in general for the above reasons, as well as the profound demoralization of the different economic units, businesses and families, the former lacking the motivation to invest and the latter having no incentive to raise their standard of living."

Delicate Situation

The memorandum stresses that the marketing firms are undergoing a "delicate situation" because the regular supplies of manufacturers and distributers who must maintain adequate inventories to "be able to balance the manufacture or importation of these goods with final demand," must be absorbed. In addition, "in the past 12 months, the high costs of financing and the significant gap between those costs and the prices of these goods to the consumer, have led to a considerable reduction of the minimum working capital of businesses. At present many of them are experiencing deficits in their working capital, and there is a serious danger that this destabilization, in many cases, will force them to pull out of the market altogether, with all the economic and social implications that follow."

In this regard, the memorandum notes that the marketing network for new and used units is made up of more than 4,000 establishments throughout the country that employ some 80,000 workers, taking into account marketing, servicing and administrative operations. Furthermore, the marketing sector's presence in the market "allows for the existence, going backward, of distributers and manufacturers (including auto parts firms), and going forward, of service centers, gas stations, garages, tire stores and body shops, all of which, in turn, are consumers in their own right of intermediate inputs, and patronize insurance firms and financial entities. Therefore, the destabilization of our businesses is transmitted to the entire economic and financial circuit; so the first priority is to stimulate our sector and provide an adequate framework for profitable ventures."

After pointing out that "we are not appealing to a paternalistic state to guarantee the success of our activities; we only want economic officials to take action in areas where our efforts and intelligence have no influence," the document lists a series of measures designed to reactivate the market.

Measures to Adopt

Among these suggestions there is a proposal "to bring down interest rates, so that payable interest rates will experience negative movement and receivable interest rates will come in line with the profit margin of investment, thereby stimulating overall demand; to define the country's industrial profile and, of course, the tariff policy; to ease tax pressures on the auto industry, in terms of both costs and later use by the consumer; to implement a suitable pricing and income policy that takes the morphology of the market into consideration, favors the growth of supply by preventing the necessary surge in demand from being translated into higher prices, and allows a progressive distribution of income in order to make better use of installed capacity and manpower."

Further on, the memorandum requests the correction of the problems encountered in the sector due to direct sales by factories and distributers to consumers, as well as payments in kind to suppliers, obviating the intervention of the marketing sector and entering into open competition with it. It also complains about firms that appear to be independent concessionaires but are actually sales outlets for distributers and factories.

Complement

In the other document presented to Mr de las Carreras, the marketing representatives assert that it is necessary to point out that the reactivation of the sector does not entail only the autonomous reactivation of the factories; the problems of the auto industry extend backward to the auto parts and service sectors, and forward to the entire marketing network of new and used cars, as well as domestic and imported ones." The document remarks that "unfortunately" the marketing sector did not participate in the meetings between factories and the Ministry of Economics.

After referring to the previous memorandum, the document adds that "demand for cars, in our opinion, has more elasticity of income than prices on the domestic market, not discounting the relevance of the latter variable. Moreover, the domestic market is conditioned by the levels of receivable and payable interest rates. While the possibilities for exports will enable us to decongest part of the market for products in factory inventories, they will not make life easier for the marketing firms we represent; the distributer of automobiles at the consumer level should take a look at the stocks of marketing firms, which have already alleviated much of the tax pressure--for example, domestic taxes and the National Freeway Fund--through the manufacturers or distributers of imported automobiles. Moreover, the economic value of their goods for sale will drop."

Questions

In addition to pointing out that the marketing sector was not consulted regarding the agreement, the memorandum states that there are still some disturbing questions about how the agreement will be implemented.

From their point of view, it is not sufficiently clear what the discount will be on prices for that sector (there is talk that factories will absorb 3.5 percent and concessionaires an equal percentage) and whether or not there will be partial price increases by the end of the year.

Furthermore, there is some doubt about used cars, and for the time being, in view of reports of lower prices, sales have ground to a halt.

"Only a Palliative," Frigerio Says

The first vice-president of the Integration and Development Movement (MID), Rogelio Frigerio, said yesterday that the government's decision to enter into an agreement with the auto industry for a 14 percent reduction of auto prices and a 24 percent cut in commercial vehicle prices "does something" to alleviate the situation, but "has no bearing on the depth and magnitude of the present crisis."

He added that more than 6 months after the government took office, "we can only see minor efforts" to try to solve "a crisis that is knocking at the door of every Argentine citizen."

"That crisis is demonstrated," he went on, "by the fact that Argentina's gross domestic product grew at an average rate of 1.9 percent during the last 10 years, while the GDP of all Latin America grew by 101 percent during that same period."

"We must point out," he stressed, "that both growth rates are on a basis of underdevelopment, but ours was accentuated in the last 5 years by the liberalization policy of Martinez de Hoz. The economic circumstances he left us have still not changed substantially."

When asked on a radio show what was the correct way, in his opinion, to solve the crisis, he said, "We must do exactly the opposite of what has been done in the last 5 years," because reaching agreements such as the one with the auto industry "is just covering up the huge holes in the industry that cause massive unemployment and bankruptcies."

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DROUGHT THREATENS WHEAT CROP

Wheat Losses Up, Fears for Corn

Buenos Aires LA NACION in Spanish 23 Oct 81 p 1

[Text] The drought that is now plaguing much of the plains of La Pampa has already caused serious damage to the fine grain harvest, and the losses are mounting as the rainless days continue. In Villarino and Coronel Dorrego, losses were estimated at 70 percent yesterday. The drought is now threatening the coarse grain harvest as well.

"Corn producers in northern La Pampa who have not been able to plant their crops within the next 10 days should forget about that crop and look for another alternative," said an Agriculture and Livestock Ministry official yesterday. He added that some farmers are already switching from corn to sorghum, sunflowers or soybeans because those crops have a longer planting season.

The crisis in the fields is affecting livestock as well as agriculture: In the southern Buenos Aires districts livestock is being turned loose in the wheat fields, and female breeders are being sold off increasingly because there is not enough food in the pastures. The United States, the world's foremost grain exporter, is following this situation with great interest.

"Argentine Harvest on Verge of Disaster, Claims USDA" is the headline of a story transmitted over the wires yesterday from Washington by the Reuters news agency. The report quotes the agricultural adviser of the U.S. Department of Agriculture in Buenos Aires, who says that with good rains in the next 2 weeks, 8 million tons of wheat could be harvested; without rain, 7 million tons. "If the drought is accompanied by several days of high temperatures, the results could be catastrophic," he adds.

The present production estimate by the American official coincides with the prediction made yesterday in Misiones by the Argentine minister of agriculture and livestock. Jorge Aguado did not give any figures, but he said that despite the drought, a volume similar to last year's could be expected, so there would be no problem meeting international commitments. The harvest last year was just under 8 million tons. Official sources are more pessimistic, however, estimating a harvest of just over 7 million tons.

The drought, which is widespread, continues to wreak havoc in the south of Buenos Aires, one of the principal wheat regions of the country. The minister of economics of that province will go today to the districts of Villarino and Coronel Dorrego to deal with the emergency. The mayor of Villarino stated yesterday that losses have already reached 70 percent, while the mayor of Coronel Dorrego asserted that if heavy rains come immediately, there will be a total loss in his district of 70 percent. In Coronel Suarez, considered until now to be a "green island" in the drought, producers estimate that if there is no significant rainfall before 2 November, the current harvest will be lost.

Recalling a statement by Minister Aguado, a grower commented several days ago that "this year it looks like we will not be blessed with the irreplaceable technology of God." Is that true?

Officials Express Concern

Buenos Aires LA NACION in Spanish 23 Oct 81 p 6

[Text] In a recent meeting with the presidents of the country's major agricultural enterprises, Minister Aguado has acknowledged for the first time that there has been a loss in the wheat harvest. He explained that no definitive estimate can be made of the magnitude of that loss. This lack of data is probably the reason it has taken so long for officials to admit that this situation exists, when it has been concerning growers for such a long time and has been the subject of numerous detailed reports and comments. We must accept that even today it is impossible to formulate a precise evaluation of the loss, because in the final analysis that will depend on unforeseeable weather conditions. Unfortunately, however, there is already irrefutable evidence that the loss will be between 30 and 50 percent of the fine grain harvest in southwestern Buenos Aires, large areas of La Pampa, eastern Cordoba and southern Santa Fe. The U.S. Department of Agriculture, moreover, estimates that from a total of 9 million tons of wheat, according to last month's calculations 200,000 tons must be subtracted.

The area planted in that crop, some 5.5 million hectares, is greater than it was last season, which will make up for the drought in a way. The drought has been so persistent in some areas, such as Bahia Blanca, that except for some light rains over a long period of time, it can be affirmed that there has been no rain in 15 months. In general, the rain that fell in some parts of southern Buenos Aires in late September (after going without precipitation since July) rather than alleviating the situation, merely raised hopes--soon to be dashed--that the drought would be over once and for all.

The situation is serious, as attested by some irrefutable figures presented in the report by the Bahia Blanca chapter of the Association of Argentine Cooperatives, as well as the conclusions of the Regional Advisory Council of that association, and the statements made by the undersecretary of agrarian affairs of the Province of Buenos Aires. Furthermore, the Agricultural Emergency Commission will meet on 29 October to study the requests submitted by several districts to declare a state of emergency, without discounting the possibility that states of emergency that already exist will be extended, as in the case of Carmen de Patagones.

The above-mentioned figures regarding the percentage of the losses (which vary from one district to another) may go even higher if it does not rain in the next few days.

To make matters worse, some wheat crops have been damaged, although still only slightly, by an infestation of green plant lice. In addition, the pernicious effects of the lack of water are extending into pastureland, which poses a clear risk to livestock production.

The Confederation of Buenos Aires and the Pampa Rural Associations (CARBAP) hac called a meeting of growers, agricultural officials and mayors of the damaged districts for tomorrow in Bahia Blanca, to study this gloomy picture and discuss the possibility of adopting some measures.

It goes without saying that the drought is the main cause for concern in this area, but there is an underlying criticism by some groups of certain aspects of the policy being pursued in the agriculture and livestock sector.

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GALVEAS TERMS SITUATION MOST DIFFICULT OF LAST 40 YEARS

Rio de Janeiro O GLOBO in Portuguese 22 Oct 81 p 20

[Text] Brasilia--Finance Minister Ernane Galveas said yesterday he has never seen a situation so difficult for the nation as the present one. But he believes Brazil will overcome its problems and 1982 will be a better year for the economy.

"In my 40 years in government service, I have never seen a political, social and economic situation as difficult as this one, combined with an international situation that is also difficult. But in a country with the natural resources Brazil has, all we need is an honest, intelligent and competent government for problems to be solved," asserted Galveas.

Speaking at a luncheon sponsored by the Brasilia Association of Economic Journalists (AJOEB), Galveas said the economies of the United States and Europe should recover next year, which will be reflected favorably in the performance of the Brazilian economy. Moreover, international interest rates should not be as high as they are this year, according to him.

Next year should also be better from the standpoint of economic growth, according to the finance minister, as "when the inflation rate is declining new investment opportunities are opened up." Galveas, however, did not wish to make projections about what the growth rate may be, noting only that 16 percent of the Gross Domestic Product (PIB) would have to be invested for the economy to grow 4 percent. He further admitted that PIB growth will be greatly diminished this year, but in this case also refused to project figures.

The finance minister deplored the existence of "a false impression that the government is causing the recession," saying that the main concern of the government is, in fact, to promote the most economic growth possible. He pointed out, however, that this growth cannot be encouraged indiscriminately in view of an inflationary situation and balance-of-payments problems.

By the same token, Galveas added, the government is also doing all it can to increase the number of jobs in Brazil, "but it cannot renounce its restriction of public investment and monetary policy; otherwise, it would simply be ratifying the current rate of inflation."

According to him, if exports continue growing at an annual rate of 15 percent and imports remain flat or increase no more than 10 percent, the balance-of-payments problem will be overcome by about 1985 or 1986. He reiterated his prediction that the trade balance could show a surplus of $3 billion next year, adding that the surplus could reach $8 billion by 1985.

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LANGONI SAYS ECONOMIC POLICY WILL REMAIN SAME IN 1982

Sao Paulo FOLHA DE SAO PAULO in Portuguese 8 Oct 81 p 20

[Text] Brasilia and Sao Paulo--Carlos Geraldo Langoni, president of the Central Bank, said in Brasilia yesterday that next year the government will seek only to maintain present economic policy, without looking to new restrictions. According to him, this should permit some improvement of production growth, as the inflation rate is already falling. He also explained that the initiatives of the United States to reduce Brazil's borrowing from the World Bank are the result of the nation's good performance in entering new markets and creating strong competition for industrialized nations.

After stressing that in September foreign borrowing, mainly through Resolution 63, doubled over that of August, Langoni said this shows that the policies in effect are producing the desired results, especially restriction of bank loans. Although admitting that limiting credit expansion creates to some extent a "money cartel," to use the expression of former cabinet minister Mario Henrique Simonsen, Langoni said that, because it is a temporary measure, for the present it has provided good results.

Foreign Funds

Langoni asserted there is no intention to make any changes in exchange policy but admitted that, in regard to obtaining foreign funds, the Central Bank is always studying improvement of these mechanisms. For example, he reported that it is currently studying a formula to give more flexibility to the credit limitation on private banks, creating an incentive for domestic lending in proportion to the volume of foreign loans recycled. Langoni emphasized several times, however, that this is a "subject under study, without any decision as yet," adding that, in any event, this new system would not be compulsory for banks.

This Central Bank study was confirmed in Sao Paulo by the chief executive of BRADESCO [Brazilian Discount Bank], Lazaro de Melo Brandao, who had talked with Langoni. This credit proposal, which could go into effect in 1982, would allow institutions to exceed the limit established for domestic loans provided that they lend an amount corresponding to foreign loans obtained through Resolution 63.

Brandao explained that in this system only banks that wanted to increase their cruzeiro lending while maintaining the same proportion of credit in dollars could

participate in the program, which would not be a compulsory requirement for financial institutions. "Hence, it is a much more flexible plan, which provides ample freedom of choice for each bank," Brandao commented.

Announcement of this formula that the Central Bank is analyzing also put an end to a number of uncertainties raised in regard to the subject. That is because at first the idea of credit quotas presupposed a hybrid system in which the bank would have to lend half its money in cruzeiros and the other half in dollars: "A completely unworkable arrangement, because you cannot force foreign money on a client who does not want it," said Brandao.

In keeping with this new voluntary concept of the quota, the BRADESCO president believes there will be a much healthier competitive spirit in the sector, besides responding to the aspirations of the banks.

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AEB HEAD SAYS 1981 EXPORTS WILL NOT MEET $26 BILLION GOAL

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 23 Oct 81 p 28

[Text] Porto Alegre--Laerte Setubal, president of the Brazilian Exporters Association (AEB), asserted in Estrela, Rio Grande do Sul, yesterday that Brazil will not meet the goal of $26 billion originally set for this year's exports. Brazil's foreign sales are more likely to close the year with a total of only $24 billion, while imports will amount to a little more than $24 billion.

He does not believe, however, that zero growth in the Gross Domestic Product (PIB) next year will jeopardize the 1982 trade balance, because low domestic demand forces business to find foreign markets for their surplus production.

This will also, Setubal says, be a way of reactivating the economy. When credit was easy and interest rates low, he asserted, many businessmen built up speculative inventories. It was advantageous to produce for inventory, waiting for prices to rise, because the cost of carrying inventories was always less than the rate of inflation. When interest rates rose, this became impossible: financing costs became prohibitive for this type of operation.

Meanwhile, demand began falling off. At the same time that production was being reduced to liquidate inventories, consumption was also falling. Both inventories and demand fell. It now appears that demand has flattened out, the AEB president said, although invetories will have to fall a little more, "but the time will come when they must be rebuilt." It will then be possible to reactivate the economy.

Inventories

Growth of agriculture, forecast at 6 to 7 percent, and a sizable increase in the service sector should offset the negative growth of industry of about 4 percent. The result is that the economy will probably have about a zero growth rate. But, in the case of industry, business will not be able to continue producing in proportion to demand, which Laerte Setubal feels is not sufficient in aggregate terms. "And," he said, "for one reason: reducing production raises unit costs, It is a basic rule of the economies of scale."

Thus, when it comes time to rebuild inventories, business will have to find additional markets so as not to make consumption of its products unfeasible at the domestic level, as is already presaged in the automobile sector. The government is

predicting a 20 to 25 percent increase of exports annually through 1985. Imports, according to Setubal, cannot be reduced further, so as not to jeopardize the rest of the economy, and the government itself concedes they will grow at an average rate of 17 percent annually.

The AEB has suggested to the government an "extra effort" so that next year Brazil will export not just the $28.8 billion forecast but, rather, over $31 billion. Petrobras expects to export about $1.2 billion of petroleum derivatives in 1982. ENGESA [Specialized Engineers, Inc]--a private ordnance firm--should export another $1.2 billion, while IMBEL [Ordnance Industry]--a state enterprise in the same sector--will export an estimated $1 billion. Right there, according to Setubal, there is already additional revenue of $3.4 billion.

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PENNA ATTRIBUTES DROP IN OUTPUT TO REDUCTION OF WASTEFUL CONSUMPTION

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 23 Oct 81 p 28

[Text] Rio de Janeiro--Industry and Commerce Minister Camilo Penna yesterday offered a new explanation for the decline in the Brazilian economy this year: reduction of waste in consumption. Addressing the Second Annual National Symposium on Welfare and Benefits, he said this factor accounts for much of the reduction in Gross Domestic Product (PIB) without lowering the living standard of the Brazilian people. He added that the PIB "does not represent benefits, but rather the cost of these benefits.

"Producing or consuming at lower cost or not throwing something away," asserted the cabinet minister, "are factors reducing the PIB. This happened in 1981 and I believe a certain percentage of the PIB reduction indicates, to the contrary of what one might think at first glance, merely a national victory, a rational increase in productivity and a reduction of waste." Penna said he was almost sure, moreover, that part of the composition of the PIB was an increase in domestic savings, "still small, but essential to the current exporting and investment effort."

Wage Law

In Penna's opinion, the current wage law and priority to agriculture are the most powerful instruments adopted in the history of Brazil for social and spatial deconcentration. "So powerful," he stressed, "that, in my view, they speeded up the process more than the government itself wanted." He added that the law has an original and seldom-discussed concept, which is direct linkage of income redistribution to the rate of inflation, whereas [monetary] correction [on capital investments] is not [directly] linked to inflation. Hence, he says, the higher the rate of inflation, the greater the income redistribution.

Penna explained that, with a high rate of inflation, there is a loss of [real] income during the 6-month interval [between wage adjustments] by all classes, whether their salaries are high or low, but the effect of redistribution remains. "It is necessary to redistribute income; it is necessary to protect the remuneration of labor from inflation. The wage law was, is and will be an act of courage and justice." He said, however, that when its provisions were being studied an inflation rate of 45 percent a year was assumed but, with an inflation rate of 100 to 120 percent, "the pace of redistribution or of correction of the peaks on the dates of revision was or is two or two and one-half times what was expected."

The cabinet minister stressed that two unforeseen aspects arose. Although in private industry the middle class may have received wage increases exceeding those required by law, employees do not know whether this will occur again on the next round and they fear loss of future income or loss of employment. And in the state enterprises this loss of income has already occurred, a very great loss during the 2 years the law has been in force.

According to the cabinet minister, the official or skilled worker in a government enterprise, due to family needs or market competition, transfers to a private company or remains in an unequal situation, with negative effects on administration of the state enterprise, which in Brazil accounts for a large part of basic production. "The wage law has profound effects indeed. The objective is all right; what I am talking about is the amount and rapidity [of its effects]."

Abuse

At a press conference, the cabinet minister admitted that bankers are taking advantage of interest rates in the domestic market, but did not say whether there is financial speculation. Regarding debts of some state enterprises accountable to the MIC [Ministry of Industry and Commerce], he mentioned those of SIDERBRAS [Brazilian Iron and Steel Corporation], which owes more than 30 billion cruzeiros on overdue accounts because of the Treasury's money shortage and the 17 percent drop in steel sales in the domestic market during January to October of this year compared with the same period last year.

He added, however, that the domestic price of the product had been 20 percent below the international price and today it is 15 percent less. As for the BNDE [National Economic Development Bank], he asserted that it is receiving 94 billion cruzeiros less as a result of the difference in monetary correction, set at 20 percent, and is thus having trouble providing capital.

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ALGERIA SEEKS LICENSE TO MAKE CASCAVEL; OTHER MILITARY NEGOTIATIONS

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 23 Oct 81 p 6

[Article by Roberto Godoy: "Algeria Negotiates License to Make Cascavel Armored Vehicle"]

[Text] The government of Algeria would like to be licensed to make the Brazilian Cascavel EE-9 armored cars produced in Sao Paulo by ENGESA (Specialized Engineers, Inc) and widely used in the Middle East, Africa and South America. The subject is considered confidential within the company, but it is known that the negotiations, initiated recently between trade representatives of the two countries, have evolved from a simple and routine selling process to a more ambitious program for installing an assembly line in Algiers.

The Cascavel EE-9 is a light assault vehicle on wheels, tested under actual fire in the Libya-Egypt (it equips the Tripoli land forces), Iran-Iraq (in the Bagdad army) and Libya-Chad conflicts, as well as having had tactical use in the military movements of Bolivia, for example. Considered by specialists as one of the best combat vehicles of its category in the world, it continues to lead ENGESA exports, together with the multipurpose Urutu EE-11 amphibious vehicle.

The project of reequipping the Algerian armored infantry and light cavalry began in 1980 by sending technical missions of government officials and experts to major supply centers.

Specifically, the Algerian interest in the Cascavel is based upon its need to assemble a "family" of combat vehicles, especially of light and fast models. At present Algeria uses 600 Soviet tanks that represent nearly 30 years of Russian production, from the T-54 to the modern T-62 and T-72. Its armed forces also have 50 French AMX tracked units; 200 AML, BRIDM and BRP units for the mechanized infantry; 500 Frog-4 land-to-land rocket launchers; and, in the line closest to the Brazilian EE-9, 830 BTR of the 40, 50, 60 and 152 types intended for varied use in personnel transport, reconnaissance and attack.

The ENGESA armored car of this category has the heaviest weapon, a 90-mm cannon (made in Bahia), 8 rounds to the minute, and also has the greatest range: 750 km. It moves at 100 km per hour and overcomes obstacles of all sorts with high-curvature "boomerang" suspension. Equipped with a low-profile tower, the EE-9 may have, as an extra resource, a 7.62 NATO antiaircraft machinegun, a system for

active-passive night vision, special radio and intercommunication sets, laser telemeter and extra ammunition storage for 21 projectiles inside the vehicle. The 90-mm piece fires five types of projectiles: training, smoke-generating, explosive (HE), antitank explosive (Heat) and crushing explosive (Hesh). Each vehicle costs about $450,000 (50.4 million cruzeiros), although the price varies with the model chosen by the operator.

In the case of Algeria, the version to be produced under license is still one of the points being studied, a spokesman for the Algerian Government told newsmen yesterday.

Negotiations

This, however, is not the only Brazilian deal for military materiel being negotiated in Africa. Nigeria, which is spending $6 billion on defense materiel, would like to acquire the production rights for the FAL automatic rifle, standard for the Brazilian armed forces. Iraq also, which has already bought more than $800 million of military equipment from the Sao Paulo ordnance complex between 1975 and 1980, is signing new contracts amounting to $400 million.

Other contracts are with Ecuador, for about $170 million, and with Colombia--only partly concluded--for $89 million. In a stage of preliminary negotiations there are proposals for transactions with Saudi Arabia, Jordan, Malaysia, Libya (one of the first international clients of the Brazilian ordnance industry) and China. The prediction of sources at the Foreign Affairs Ministry is that in 2 years the sector will be the second-largest category, in economic terms, among Brazilian exports, reaching in the 1984-85 period a level immediately ahead of coffee: $2.5 billion.

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TECHNOLOGY IMPORTS COST $400 MILLION IN 1981; POLICY SCORED

Rio de Janeiro O GLOBO in Portuguese 22 Oct 81 p 24

[Text] Sao Paulo--Technology imports will cost $400 million this year, according to the industrial technology secretary of the Industry and Commerce Ministry, Jose Israel Vargas, who said the public sector accounted for 62 percent of these imports.

He participated in the second session of the Seminar on Science and Technology in Industrial Development, where he revealed that foreign companies with branches in Brazil account for 18 percent of technology imports and the remaining 20 percent are paid for by private domestic enterprise.

Israel Vargas said that, if one were to take into account the fact that in many cases the private sector imports technology to fill orders from state enterprises, the public sector becomes responsible for 80 percent of expenditures.

Industrial Espionage

Plinio Assman, president of the Sao Paulo Iron and Steel Company (COSIPA), invited industrialists to visit his steel mill in Cubatao and copy from it all the foreign technology existing there.

"Our doors are open to the industrialist who wants to do so," he said, recalling that the company has been carrying out a program to stimulate domestic technology jointly with the Funding Authority for Studies and Projects (FINEP).

Assman lamented the fact that "although COSIPA has opened its doors for copying imported technology for a long time, there has not yet been interest expressed by any Brazilian businessman.

"Don't ask me why this is; ask the businessmen," he said.

The COSIPA president said the company's position is "delicate" but, with a foreign loan of $200 million by the end of the year, the mill will have its financial affairs "under control." According to Assman, COSIPA's debts now total 10 billion cruzeiros.

Seminar Criticizes Technology Policy

Sao Paulo--Brazilian legislation for foreign capital is among the most liberal in the world. For several decades this has been harming genuinely domestic enterprises, especially in regard to technological development. This development is being carried out in an increasingly inappropriate manner, through imports of "closed packages." Even establishing a joint venture does not guarantee creation of Brazilian technology, because even in this case the foreign partner does not pass along his knowledge.

That is a summary of comments by several participants in the Seminar on Science and Technology in Industrial Development, commemorating the 30th year of the National Scientific and Technological Development Council (CNPq), being held in the theater of the BANESPA [Sao Paulo State Bank] Sport Club.

Waldimir Pirro e Longo, director of technological development for the Industrial Technology Foundation, made the sharpest criticism, concluding that technological dependence is causing, among other things, increased unemployment of specialized personnel (engineers, programmers, mathematicians, administrators, etc.) and complete lack of motivation in science and research.

Without Compensation

One of the discussion participants, Jose Mindlin, president of Metal Leve, said that legislation for foreign capital in Brazil is so liberal that a point has been reached where nothing more is asked of the multinationals in compensation.

"Why not pass a law that requires multinationals to train technicians here?" Mindlin asked, explaining that the formula would contribute partially toward développing a domestic technology here.

"If we don't demand it, they won't give us anything," he added.

Dilson Funaro, president of Troi, also complained about "the lack of an effective policy that leads to the nation's technological development." According to him, when a domestic businessman who has access to a certain technology sets up a joint venture it is because he is forced to do so to assure his very survival.

"It is a case of forming a partnership or dying," Funaro asserted, "because by that time another multinational will already have obtained authorization to become established in Brazil, even if it will compete directly with the domestic business in question, with all the favors of the government. This always happens at times of crisis--and nothing indicates that the same thing is not occurring at this very moment."

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PVP MORA VALVERDE INTERVIEW: 'COUNTRY RULED BY U.S.'

Havana VERDE OLIVO in Spanish 11 Oct 81 pp 12-14

[Article by Roberto Morejon on interview with Manuel Mora Valverde, secretary general of the Central Committee of the Popular Vanguard Party (PVP)]

[Text] "Amid persecution and repression, under harsh conditions in the underground, always faced with the vile slander that reactionaries, taking advantage of their superior material resources, have futilely hurled at him and his organization, Manuel Mora always showed himself to be a model communist leader, genuine patriot and uncorruptable internationalist, as well as a living example of honesty, moral toughness, talent and courage" (The words of Carlos Rafael Rodriguez at the "Playa Giron" Order presentation ceremony).

Showing obvious resolve and energy, he leans over the tape recorder as if to make sure his comments get across:

"We will continue striving to defend the existing democratic system in Costa Rica, in spite of all its limitations, for the purpose of safeguarding peace. We will also prevent the establishment of a fascist regime and the transformation of our country into a base of operations against Nicaragua, El Salvador, Guatemala and Cuba. We will fulfill this pledge to the best of our ability."

Manuel Mora Valverde is regaining the vitality he displayed back in the 1930's when he headed up strikes and meetings, or the resolve he has stored up over the past 50 years, which is as long as the Costa Rican PVP, of whose Central Committee he is secretary general, has been around. Danger threatens his country.

"My country's politics is run by the United States. With presidential elections scheduled to be held in February 1982, Washington is getting involved to the point of playing a domestic role that could decide the destinies of a people.

"Behind this lies the imperialist interest in recovering Nicaragua. The conditions are not right for intervention there, although they have not ruled it out. In the meantime, they are trying to economically suffocate Sandino's homeland, encouraging Somozist infiltration and fomenting local subversion."

After underscoring the CIA's active role in the region, the leader of Costa Rica's communists clearly explains why the United States has to have a docile regime in San Jose.

"The administration of the current president, Rodrigo Carazo, has a lot of shortcomings; it has made enough blunders to be repudiated by the people. Nevertheless, for one reason or another, it has not satisfied the Reagan administration by giving it opportunities to engage in machinations against the Sandinists.

"With elections on the horizon in Costa Rica, imperialism is thus after a coup d'etat, showing that it does not have enough faith in the declared candidates. Heading off this threat is a vital objective of the PVP. The people's democratic traditions must be respected."

Manuel Mora Valverde then brings out numerous newspaper clippings about the rumored reactionary move. Each paper has assessed the possibility from its own ideological vantage point. If it were to materialize, the "model democracy" image that the United States ascribes to Costa Rica could be tarnished. We put it that way to Mora Valverde.

"Yes, but they are making propaganda attributing the coup to supposed communist intervention. They are trying to confuse things by concealing the origin of the actual instigators. In any case, the masses are going to answer the challenge."

The secretary general of the PVP sees the imperialist actions as an indirect unifying element for the foreign and domestic policies of the nations of Central America. In this regard, we can no longer talk about independent action within one's own borders, he asserts.

"Central America and the Caribbean have been declared zones of vital importance for American security. The United States has even defined the Caribbean as its future 'lake,' because it is the key to the two oceans and to the United States's territorial waters. Thus, over the years it has manuevered to turn the five republics into just one.

"Since it encountered obstacles, it created puppet armies in El Salvador, Guatemala, Honduras and Nicaragua. It wasn't able to in Costa Rica because of strong popular opposition."

Over the past 50 years the involvement of the PVP has been a decisive factor in the Yankees' unsuccessful attempts to establish Costa Rican Armed Forces modeled after those in its neighbors. This is one of the communist organization's momentous accomplishments.

"Former President Calderon Garcia told me once that a Gringo ambassador had commented years ago: 'Well, Costa Rica is still a somewhat difficult country, but we no longer need to have an army here because there's a very good one called the Nicaraguan National Guard.'"

The Sandinist victory, the consolidation of the Cuban Revolution and the emergence of major guerrilla movements in El Salvador and Guatemala have put the need for a servile regime in San Jose back on the front burner, Valverde says.

In light of the aforementioned ideas, we attach even greater significance to the ongoing struggle of Costa Rica's communists, grouped together in the PVP and guided by Manuel Mora from his seat in Congress, in the battlefield or addressing an enthusiastic workers meeting. We can also see the work of activists in these areas.

"Costa Rica has a great many social problems. Right now there are two major strikes going on, one against Standard Fruit and another on BANDECO land. Both of these transnationals pay low wages, especially after the devaluation of our currency ($1 dollar=30 colones).

"Staple foods have gotten more expensive; the price of milk, for example, jumped from 3.5 to 7 colones a liter. They are trying to enrage the people and then justify extreme measures."

Mora Valverde explains an emerging solution that his party has proposed to the worsening economic situation.

"We have neither dollars nor oil, but we do have rich, uncultivated land. There is our source of food, because with such fertile lands we could be gathering in rice, beans, corn, sorghum, meat, milk, butter in a few months time...

He stresses that in order to carry out such a project, funds must be earmarked for the development of farm production, without waiting for dollar loans from banks to pay for luxury imports for the wealthy.

"We are fighting for a law to ban food exports unless the country can guarantee local supplies. There is no oil now, and the people are buying the worst meat at high prices. Nevertheless, much of our output goes overseas under the pretext of earning foreign exchange, and we know to whose benefit."

In addition to the PVP's efforts, the United People is doing an outstanding job in Costa Rica. Working together under this banner, the Popular Vanguard, Costa Rican Socialist and People's Revolutionary Movement parties intend to put the masses on a combat footing.

"We have a common program with an eye towards the February elections. We are backing a single candidate: Dr Rodrigo Gutierrez.

"Our three parties pursue substantially the same political line. We are anti-imperialists, we support the liberation of the peoples of El Salvador and Guatemala, we offer solidarity to Cuba and Nicaragua vis-a-vis any situation, we sympathize with the positions of the USSR, we reject war and we encourage peace. In addition, we are coordinating stands in light of a possible coup d'etat. For the sake of preserving peace, the PVP would like to further expand this alliance."

In conclusion, we asked the communist leader, who at various times has been a victim of persecution, forced into the underground and exile and a target of slander, about his personal impressions on receiving the "Playa Giron" Order from the Cuban Council of State.

"They conferred on me the highest honor that a Latin American communist can aspire to. I deeply appreciated the decision by the leadership bodies of the Cuban party and government, which are made up of revolutionaries of great moral and intellectual valor, in other words, true revolutionaries.

"Their decision was, first and foremost, an acknowledgment of my loyalty to revolution for 52 years, which is the most important thing in my judgment.

"When Fidel bestowed the order on me, I recalled how he brilliantly absorbed the principles of Marxism-Leninism, his reliance on collective leadership, his permanent contacts with the people, in a word, his integrity. I then realized how great an incentive had been awarded me and the PVP too."

"Under the leadership of Manuel Mora Valverde, the Popular Vanguard Party of Costa Rica has always defended Marxism-Leninism and remained faithful in its actions to the principles of revolutionary internationalism. It has been uncompromising in the face of every revisionist and opportunist folly. It has not yielded to any anti-Soviet demand. Manuel Mora...has become one of the most prominent and prestigious figures in the communist and labor movement" (Carlos Rafael Rodriguez at the "Playa Giron" Order presentation ceremony).

8743
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COMPARISON OF BASIC ASPECTS OF PARTIES ECONOMIC POLICIES

San Jose LA NACION in Spanish 18 Oct 81 p 4A

[Article by Lidiette Brenes de Charpentier]

[Text] The economic problems besetting Costa Rica are the most severe in its history. The four largest political parties have acknowledged as much by focusing their government blueprint for the 1982-1986 term on this area.

National Liberation, National Movement, United People Coalition and Unity Coalition have drafted their programs in accordance with the philosophical principles they espouse.

National Liberation, headed by Mr Luis Alberto Monge, bases its economic program on the four points contained in its overall program, dubbed "Let's return to the land." Its commitment is to production, because "there can be no peace without food," and to justice, because "there can be no tranquility under poverty."

It also stresses ethical values among public officeholders, "because there is no trust among the people without good example from their leaders." Lastly, it has a responsibility to democracy "because there can be no progress without freedom." Social democracy is the source of its principles.

The National Movement, which supports Mario Echandi, espouses the "republican democratic principles" that have inspired Costa Ricans since their independence, without labels.

Its program, called an "economic recovery plan," calls for cutting the rise in government spending, as well as taxes, amending or eliminating unnecessary or counterproductive regulation and promoting a sound monetary policy to maintain the value of our currency.

United People is made up of the Costa Rican Socialist, Popular Vanguard and People's Revolutionary Movement parties. They are all Marxist but say that setting up a socialist society here in the near term is not feasible.

Therefore, their program calls for a struggle against the oligarchy and the interests of foreign capital. Their candidate is Dr Rodrigo Gutierrez.

The Unity Coalition comprises Democratic Renewal, the Calderon Republicans, Popular Union and Christian Democracy. They assert that their principles are those of Christian Socialism.

The main element in their government program is the National Economy Protection Law, which they propose to make an economic guarantees section of the Political Constitution. Their hope is that it will restore confidence among production sectors and guarantee the value of our currency.

The Unity Coalition is backing the candidacy of Rafael Angel Calderon Fournier.

LA NACION has done a comparison of the basic facets of the four parties' platforms. To this end, we made use of documents from each of them, as well as interviews with Dr Eduardo Lizano Fait, from National Liberation; Mr Ernesto Lara, from the National Movement; Dr Alvaro Montero Mejia and Alberto Salom, from United People, and Dr Miguel Angel Rodriguez and Carlos Aguilar from Unity.

Issue: Origin of the Crisis

National Liberation: The government did not take the necessary precautions even though it knew that coffee prices would drop on the world market. The main cause of the crisis is poor management of the economy, plus a decisive psychological factor: lack of confidence in the government, both at home and abroad.

National Movement: Continual budget deficits are to blame; we cannot always spend more than we have. For more than 10 years the budget deficit has been financed by printing money without backing and by taking credit away from private enterprise. The blunders of this government and of National Liberation have led to disaster.

United People: Our economy's dependence on the world capitalist system, especially the United States, which has cornered domestic output, inasmuch as it sells to us at high prices and buys from us at low prices. Costa Rica's big millionaires, who have links to outside capital, are also to blame, as they have surrendered a good portion of our natural resources.

Unity: There are both outside causes, such as worldwide inflation, the energy problem and the drop in coffee prices, and a domestic cause, the economic model that has been applied over the past 20 years, which has promoted output for consumption, not export. An unrealistic exchange rate and budget deficits have also been factors.

Issue: Goals

National Liberation: The real solution to our economic problems is an appreciable and sustained boost in production. The public sector is mainly responsible for stabilizing the economy, but an increase in output depends on the decisions of the private sector. We will give a strong boost to farming, marine resources, agroindustry, mining and tourism.

National Movement: Now is the time to create new jobs and to establish and reestablish industry. We will provide business and industry with the capital they need to modernize. Since the current system of depreciation is obsolete and counterproductive, we are calling for a much shorter amortization term than is currently allowed: 3 years for vehicles and 10 years for plant. An investment fund will thus be developed.

United People: The "imperialist" companies will be nationalized. Suitable legislation will safeguard foreign investment that contributes to our economic and social development and respects our national sovereignty, and domestic investment in keeping with programs to meet the people's needs will be promoted. Control over the marketing of basic commodities and farm inputs.

Unity: The country will get ahead only by producing. Incentives will be given to the export sector and suspended for small-scale industrialists who work with imported raw materials. We will put great emphasis on farming, in a bid to provide timely credit, suitable technical assistance, a guaranteed market and fair prices for farmers.

Issue: Monetary and Credit Policy

National Liberation: In the current situation the country requires a cautious monetary and credit policy because prices and the exchange rate are closely linked to the amount of colones that the Central Bank issues and puts into circulation. The main problem is that the public sector is "hogging" available credit. The public sector must not finance its expenditures by having the Central Bank print money, and the private sector cannot finance its undertakings exclusively with bank credit. The Central Bank will not be an appendage of the presidency.

National Movement: Our program calls for a monetary policy that does not allow the money supply to grow at a continually faster pace than goods and services. In order to curb inflation, we will restrain the growth of the nonproductive money supply. Credit, which the government has used to excess to finance its budget deficits, will be channeled towards the private sector. We recognize the independence of the Central Bank but will consult regularly with it on the economic program. Budgetary measures will be taken to reduce money supply growth.

United People: Excessive growth of the money supply and the resulting inflation are symptoms of the real problem, lack of production. Domestic credit, controlled by the big capitalists and state-run banks, has been of use mostly to domestic and foreign big business, as well as in financing the government. Medium and small producers in the city and countryside have been left without credit. The Central Bank, the monetary policy-maker, cannot accomodate the interests of a small group.

Unity: The government will guarantee the private sector that it will not use all available credit to finance its outlays, thus crowding out the production sector. The money supply should increase at the same rate as inflation in the countries from which we buy. The growth of monetary reserves will be regulated.

The Central Bank must monitor state-run and private commercial banks; there should be only one minister on its Board of Directors, so that the other members can act as they see fit.

Issue: Exchange Policy

National Liberation: The exchange rate has to be stabilized, but this does not mean returning to the fetish of a fixed, unchangeable exchange rate. It should be modified as needs dictate.

National Movement: An exchange rate of no more than 18 colones to the dollar should be established; this can be maintained with absolute control of foreign currency. A free foreign exchange market should be banned.

United People: A fixed exchange rate of no more than 15 to the dollar. Nationalization of foreign trade and control of foreign exchange movements and the prices of imported items.

Unity: A true fluctuating rate for the colon so that it can stabilize (It has not floated until now). The Central Bank should not be in the business of maintaining parity.

Issue: International Monetary Fund

National Liberation: The agreement will facilitate the procurement of foreign financing and impose a minimum degree of order in monetary and public finance matters.

National Movement: Relations with the IMF are necessary. We must instill confidence in them, not try to deceive them, and let them know, in a dignified manner, that there has been a change in economic policy.

United People: We should dispense with the pact because it is unconstitutional and violates our sovereignty. We ought to pursue our own economic policy, free from outside demands.

Unity: We back the agreement and will do everything possible to comply with it. We cannot roll over our foreign debt and obtain international aid if we do not have an agreement with the IMF.

Issue: Government Spending and Taxes

National Liberation: There will be cutbacks in spending that will necessarily affect public investment. This will be done selectively, in order to achieve greater effectiveness with less spending. Taxes, which are necessary, have to be heavier on owners and shareholders and lighter on business.

National Movement: We would reduce public sector spending by 3.2 billion colones in 1982. Social security programs will not be affected. Any new tax that is not designed to rectify the current situation should be avoided. Tax rates should be cut.

United People: The problem is not the size of the public sector, but rather the unproductive bureaucracy that it feeds. Spending will not be curtailed; it will be channeled to those who need it the most. No more taxes on the people. Heavier taxes on the millionaires. No more exemptions for big business.

Unity: Aims at a cut of 2 billion colones in public spending in 1982. The country should, in general, pay 1 billion colones in taxes to the central government. Some public sector jobs should be cut when private enterprise can absorb them. Would boost revenues by 1 billion colones.

Issue: Common Market

National Liberation: Necessary steps will be taken to insure growing regional trade that benefits all members of the integration program. There is also a potential for markets outside the region.

National Movement: Will define Costa Rica's position in the Common Market, which is going through difficult times. If this arrangement eventually breaks up, there is always the possibility of bilateral treaties.

United People: Is convinced that the integration process is over; nothing can be done about it. The subsidiaries of the transnationals flourished under it.

Unity: Will maintain relations with the countries of the region. Its ambition is to win new markets for traditional and nontraditional products.

Issue: Landownership

National Liberation: The Institute of Lands and Settlement (ITCO) has enough land in reserve to transfer to peasant farmers and thus create more rural landowners in an eminently democratic fashion.

National Movement: The ITCO Law is adequate, but what we also have to do is set up an organization comprising ITCO, the National Production Council and a bank so that the entire production process can be guaranteed for peasant farmers.

United People: Transfer of lands to peasant farmers who have none or very little. Spurring the formation of cooperatives on the basis of each individual's free choice. Technical assistance, soft loans, just prices.

Unity: Parcel out or utilize the lands that the ITCO already owns; provide technical assistance and credit. The best way to pursue agrarian reform is with a tax system that hits idle land.

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CARAZO: INVESTMENT FROM ORIENT TO INCREASE

San Jose LA REPUBLICA in Spanish 18 Oct 81 p 3

[Excerpt] The Republic of China has decided to become a distributor of Costa Rican products for its neighbors in the Orient and to buy $3 million worth of Costa Rican goods. It is also giving the University for Peace $100,000.

These were the major points on which agreement was reached in recent days during President Rodrigo Carazo Odio's visit to China to take part in the celebration of the 70th anniversary of its independence.

The president, who arrived at Juan Santamaria International Airport yesterday at noon, took advantage of the trip to visit South Korea and Japan too, where he outlined the country's situation, indicated our receptiveness to their investments and met with Mexican President Jose Lopez-Portillo during a stopover there Friday night on the way back to Costa Rica.

Carazo said that in addition to taking part in the commemoration ceremonies, he had work sessions in both Taipei, Seoul and Tokyo, the capitals of the three countries, adding that China had decided to purchase $3 million worth of our industrial goods, foodstuffs and medicines in particular, in addition to meat and coffee. China is also going to give the University Council of the University for Peace $100,000 when it opens up next month.

In South Korea, Carazo and local officials analyzed the possibility of increased trade between the two countries, and both Carazo and First Lady Mrs Estrella Zeledon de Carazo received personal decorations. The president was also awarded a doctorate from Seoul University.

Carazo also described his tour of the "demilitarized zone" that has divided Korea in two since July 1953 and that is policed by the UN. The president referred to this situation in commenting on the country's willingness to aid the University for Peace.

In Japan, the chief executive heard Japanese firms say they would boost investment in Costa Rica. He outlined the impact of the region's economic problems to the Japanese Diet and to members of the Chamber of Businessmen and Industrialists.

With regard to his meeting with Lopez-Portillo, Carazo said that as a result of it Mexico would be earmarking $180 million for Costa Rican farming and industry. He met with the Mexican president to express to him Costa Rica's gratitude for the policy of cooperation that Mexico has pursued and to outline the government's views on the upcoming conference among presidents of rich and poor nations in Cancun, where Lopez-Portillo will represent the countries of the region.

The president was welcomed home by ministers and executive presidents of autonomous institutions, and as a security measure high-level police officials were stationed both at the airport and along General Canas Highway, which leads to San Jose.

The chief executive also met with the ministers who were in the Diplomatic Lounge at the airport.

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BRIEFS

MONGE STRESSES COUNTRY'S NEUTRALITY--"Under no circumstances will Costa Rica establish an army again," asserted Luis Alberto Monge. "Costa Rica," he added, "will be absolutely neutral in the event of an armed conflict in Central America." The National Liberation Party candidate made the statement to American Congressman Thomas E. Petri. Monge went on to say that he disagrees with the rumors going around about a possible armed confrontation among the nations of Central America, a reference to the friction between the Sandinists and the countries in the northern part of the isthmus. He concluded his comments in this regard by asserting: "But I do know how Costa Rica would react to an outbreak of war in the region." Monge expanded on this statement and explained that he would ask the Organization of American States to send a large enough force "to guarantee the neutrality of Costa Rican territory, a peacekeeping force all along the country's border." Monge stressed that "Costa Rica will remain absolutely neutral at all costs." [Text] [San Jose LA NACION in Spanish 17 Oct 81 p 8A] 8743

CSO: 3010/198

ATTITUDE OF COMMUNIST UNIONS CRITICIZED

Banana Union Statement

Managua EL NUEVO DIARIO in Spanish 13 Oct 81 pp 1, 10

[Text] The stance taken by the leaders of MORE [Workers' Revolutionary Movement] and the Labor-Union Action and Unification Confederation (CAUS) at banana plantation, is suspicious and threantens workers' interest.

This opinion was expressed yesterday noon by members of the board of directors of the Union of Workers and Employees of the Western Banana Union, affiliated with the Sandinist Workers Federation (CST).

MORE and CAUS are worker organizations that receive political guidance from the Communist Party of Nicaragua. In recent weeks, MORE and CAUS members have devoted themselves to stirring up dissent among banana plantation workers.

Rafael Palacio, a director of the Western Banana Guild, stated that the MORE and CAUS leaders are trying to put the workers in a confusing position by provoking stoppages and strikes, thus countermanding revolutionary laws such as the Economic and Social Emergency Decree.

He also noted that there have always been differences with them, but that they were overcome with dialog. Now, however, those leaders, who claim to be revolutionaries, have put their differences into practice.

Victorino Espinales, secretary general of the Western Banana Union, said that the workers will not permit MORE and CAUS to continue engaging in the same activities as the reactionary parties and the imperialists, all of which are aimed at destabilizing the Revolutionary Government.

Other Activities

The directors pointed out that members of the Sandinist Peoples Army are patriotically dedicated to defending our borders, while MORE and CAUS, encouraged by the Communist Party, are publishing leaflets criticizing the revolutionary process.

While in all cities of the country the people are mobilizing to be on guard against any imperialist aggression, these organizations did not publish a single communique to protest "Halcon Vista," they commented.

Furthermore, some even tried to get banana plantation workers to stop working. They also referred to a CAUS leaflet which maliciously implied that Sandinism is not the solution for Nicaragua.

"This is very serious," said Espinales, "because they are playing around with something very important and delicate, the Revolution, which is the same thing as the bright future of Nicaraguan workers."

Hands Off

Anyone who lifts a hand to strike down the Revolution will see that hand cut off, he stressed.

He indicated that MORE and CAUS took advantage of a destabilizing maneuver by the transnational company Standard Fruit to get workers to engage in a stoppage.

To top it all off, said Espinales, in these activities they have formed an alliance with the Nicaraguan Workers Federation (CTN) and the CUS [Labor Unity Federation].

Labor legislation provides that anyone working on 14 and 15 September must receive double pay. The Standard Fruit Company, through its representative Carlos Abarca, tried to manipulate the situation by offering to pay triple for those days.

Later it made sure the workers learned that Abarca had asked about how 14 and 15 September were to be paid. The Departmental Labor Inspector's Office said that it would be double pay, of course, and then the transnational's representative said, "I wanted to pay triple but the Labor Inspector's Office and the CST said no."

After that dirty trick, MORE and CAUS, in league with the rightist groups CTN and CUS, began agitating, claimed Espinales.

Juan Gonzalez, former secretary general of the CST, stated yesterday regarding the events of Chinandega that the CST will issue a clarifying statement about the attitude of CAUS, which from a supposedly leftist position is attacking the Sandinist Peoples Revolution. These attacks coincide with the positions taken by the Nicaraguan reactionaries and the imperialists.

Refusing to follow the revolutionary leaders seriously harms the workers' interests, said Gonzalez. The document will be released in mid-week.

CAUS Document Discussed

Managua BARRICADA in Spanish 16 Oct 81 p 3

[Commentary by Onofre Guevara L.]

[Text] Between political naivete and ideological dogmatism there is enough room to launch any antirevolutionary activity with minimal risks, without discounting the possibility that it will degenerate into overtly counterrevolutionary attitudes. Because both causes are potentially threatening to the stability of the process, neither of them deserves the benefit of tolerance.

We are referring to the "notes on the serious economic crisis in the country and the about-face of the Sandinist Revolution," an insult raised to the level of a document with the endorsement of the Labor Union Action and Unification Confederation (CAUS), a workers' group that has plunged into the ideological thicket of "innocent" socialism, which is equally hemmed in by dogmatic rigidity. This is not the first criticism, and there will surely be more resulting from the internal squabbling in the labor movement; because although the leading group that is involved in these problems is not very significant, from an ideological standpoint it poses a great danger because of its Pegasean simplism. The sane and correct interpretation of the historical moment we are living in should not be clouded for the working class, which includes rank-and-file members of CAUS. To permit such distortion would be tantamount to helping deprive the working class of its principal tool: a clear concept of reality.

The crudity of the arguments set forth in the "notes" is no reason to ignore them; nor should the partial "rectifications" invite conformity.

Beginning with the capricious use--and abuse--of objective economic data about the country (supplied by the revolutionary leaders in an unprecedented show of honesty and confidence), CAUS makes an abstraction of the external causes of the crisis, thus joining forces with the reactionaries; it accuses the Sandinist National Liberation Front (FSLN) of "paving the way" for the restoration of imperialist economic domination; it blames the FSLN for the development of a policy of "blatant disregard for the labor movement. . . ;" and as a consequence of all these absurdities, it denies that the FSLN is in the vanguard, that it is anti-imperialist and revolutionary, to a ridiculous degree: the magic solution to everything lies in ". . . proceeding to the full implementation of the immediate program of the Nicaraguan Communist Party" (?).

Perhaps at this point we should thank the CAUS leaders for having granted the FSLN the favor of returning its right to use its anti-imperialist nature. After all, their cretinism does not preclude generosity. But since this favor does not alter "the validity of the contents" of the document, as they have asserted, we shall see what wisdom that "validity" imparts to that defective document whose idiocy does not detract from its importance as an example of what could be an anthology of lessons in how not to interpret reality.

Let us look at point 6: "Everything indicates that the private investment 'plan' was proposed by one Mr Enders during his stay in Nicaragua last August. And it is obvious that the National Reconstruction Government (GRN) and the FSLN are working in that direction. Here is proof: a) After Enders, a group of Latin American businessmen arrived, and at a meeting with the Higher Council of Private Enterprise (COSEP), INDE [Nicaraguan Institute for Development], the GRN and the FSLN, they agreed to make direct investments in Nicaragua in a partnership with Nicaraguan capitalists. Days later that agreement was confirmed from Mexico. A recent visit by representatives of Canadian 'private enterprise' had the same results. b) The Economic and Social Emergency Decree of 9 September was transformed from a just measure awaited by our revolutionary proletariat into a kind of 'State of Siege' for all urban and rural workers, who were ruined by the suspension of the 'right to strike', and the establishment of a maximum sentence of 3 years in prison in

'summary judgments' for those who engage in work stoppages and take over land. Apparently, the goal was to guarantee foreign investors the 'social peace' mentioned in the decrees, through government repression."

Never has anyone so justly been hanged with his own rope!

It doesn't take much effort to realize that. We might only point out that: 1) with reckless audacity, they accuse the leaders of the process of having sold out to 'one Mr Enders' the sovereignty won by several generations of heroic combat at the cost of precious lives, who will never meet their match among opportunists of any stripe; 2) they have shown incredible stupidity in confusing the free play of group interests (which cannot disappear by fiat) as part of a policy that has not been invented but rather responds to a reality that cannot be capriciously evaded, unless (as "everything indicates," in CAUS' case) an unconsciously provocative policy is pursued through an inability to grasp the importance of the Revolution as a historical project and its international ramifications; 3) they are completely disoriented and ignorant of history, because they are unaware that this Revolution is a class phenomenon, and is thus supported by the workers, and should impose laws that guarantee its principal conquest (the Revolution itself), putting off immediate satisfaction in order to clear the way for more profound conquests; and 4) the labor movement is short-sightedly ignoring the political value of the takeover, which gave the workers' struggle an added dimension, in which all action that paralyzes economic reconstruction threatens their stability for the sake of the dubious right to strike against the strategic interests of the working class.

The right to strike is a historic conquest of workers here and everywhere, but a strike (besides being an unpleasant recourse) is limited to an unjust, paternalistic social order and is of little or no use in a society that is striving to create an economy in which political power will give us the ultimate conquest, a society without exploitation or injustice.

CAUS Leader Replies

Managua LA PRENSA in Spanish 14 Oct 81 p 14

[Text] Alan Zambrana, secretary general of the Labor Union Action and Unification Confederation (CAUS), in an interview with LA PRENSA this Tuesday 13 October, rejected the assertions made by Cmdr Bayardo Arce in different media to the effect that that organization was sabotaging the revolutionary process.

"This conflict derives from the publication of a document in which CAUS informed the workers of a series of statistics on the economic crisis in this country. This document was backed up by our labor organization and the Communist Party," stated Zambrana.

However, Zambrana did point out what he called an error in interpretation in point 6 of the document, which states "that the private investment plan was proposed by one Mr Enders during his stay in Nicaragua last August. And it is obvious that the GRN and the FSLN are working in that direction."

"That was an incorrect interpretation, because it calls into question the anti-imperialist attitude of the FSLN," added Zambrana.

"Thus," Zambrana went on to say, "we corrected that error, but in no way did we detract from the validity of the document's contents or of the analysis it makes of the country's economic crisis."

The labor leader indicated that the above-mentioned slip was largely due to the fact that "the government does not inform the people about its actions or about meetings with people such as Enders who come to this country. The president of the Inter-American Defense Board of the OAS also came here, and no one knows what was discussed with him. Capitalists from Europe, Latin America, etc. have come here and arrangements have been made, but no one knows about them. There have also been commitments through loans, and the people don't know what those loans entail. Thus, the very lack of information from FSLN leaders and the National Reconstruction Government causes us politicians to come to erroneous conclusions about some problems that our revolution faces," Zambrana stressed.

When asked about the repercussions this matter will have at the level of the Labor Union Coordinator, he indicated that an ideological struggle is being waged in this country to deal with the economic crisis.

"At the level of the Labor Union Coordinator," he said, "CAUS has participated in discussions about the State of Emergency measures, such as the suspension of the right to strike and the ban on taking over companies and land, for which a prison sentence of 1 to 3 years was established."

"That aspect of the State of Emergency was criticized within the CSN [Nicaraguan Union Coordinator] by CAUS, by the General Labor Confederation-independent (CGT-i) and the Workers Front (FO)," he explained, pointing out that this has also meant that the Labor Union Coordinator has been unable to take a specific stand as such on the measures because of the lack of agreement.

In another part of the interview Zambrana maintained that one of the main problems in our country is the fact that we are being decapitalized, "in the sense that just the interest payments on the old foreign debt which we inherited from Somoza amount to 50 percent of our export earnings this year, and by next year we will be paying out 82 percent of our export earnings."

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SANDINIST UNION OFFICIAL DESCRIBES CST'S TASKS

Managua BARRICADA in Spanish 1 Oct 81 p 16

[Text] Nathan Sevilla, member, National Executive Committee, CST (Sandinist Workers Federation), said yesterday that defense is the priority line to be implemented in that organization while one must also concentrate very much on the production tasks within the national emergency plan.

Going into further detail regarding the specific tasks that were presented by way of guidance to the rank and file of the CST in order to cope with the economic and social crisis, Sevilla noted that the integration of the labor unions into the Sandinist People's Militia is an urgent necessity because there is a direct threat of aggression against which one must be mobilized.

"However, the production tasks cannot be neglected this is why the defense of the production centers, through the local militia units, is very important, as is the integration of the workers into the reserve battalions and, when the situation demands, they must be ready to join the Mobile People's Militia," the worker leader said.

Production Goals

Although Sevilla pointed out that defense is a priority mission, production must not be relegated to a secondary position. Along with the tasks of integration into the militia units, the CST must also protect jobs.

What are the mechanisms the workers will implement to control this task? Sevilla's answer was that this implies revolutionary vigilance against economic crimes, capital flight, and at the same time the Ministry of Justice must be told to be more energetic in cases of decapitalization.

The leader pointed out that the ministry on various occasions did not give much credence to the evidence supplied by the workers and that gave some business operators enough leeway to turn over the shell of an enterprise and to take the money out of the country.

Watch the Thieves--Will There Be Denunciations

The CST specifically also wants to make sure that its members will be alert in watching out against any acts of theft. This means that the working class cannot allow a situation where in many workplaces two or three individuals, who steal, cause a place of employment to be closed down.

"We are not going to defend individuals who do damage and we will also fight against alternate workers who try to get in on jobs," said Sevilla.

He mentioned the fact that cases have been discovered where certain managers in some enterprises and even workers have been manipulating the very existence of jobs.

"In the fight over the alternate workers," he pointed out, "we will implement mechanisms not only in the government but also in the enterprises that turn out capital goods. Many of them are showing rising production costs because they are having expenditures greater than the capacity the industry can handle."

"This is why," he emphasized, "it is the responsibility of the revolutionary labor union movement to report these cases to the government; at the same time it is hoped that, through the implementation of the emergency laws, it will be possible to exercise stricter control especially in the area of people's property."

Putting an End to Inefficiency and Low Productivity

"The alternate workers," he added, "and the reduction of work norms have caused inefficiency and low productivity. These indicators have declined 25 percent in some cases; that is bad because, instead of educating the working class in the traditions of creative work and of the vanguard, it causes damage, such as paternalist, populist, petty-bourgeois attitudes; it also foments loafing, as well as an easy-going attitude among the workers of Nicaragua who traditionally had a high production capacity.

"The problem is that we have lost sight of the fact that an increase in output in a revolutionary system is a conscious act aimed at a noble goal, designed to satisfy the material and spiritual needs of the people without regard as to the scarifice of the working masses," said Sevilla.

Along with defending jobs, the CST is also trying to develop the creative capacities of the workers. At Fabritex, for example, a small group of Sandinist workers has been making spare parts to replace others which would have to be imported.

But this is not only a matter of innovating and creating. Saving resources, shop materials, keeping inventories up to date, correctly planning the acceptance of investments, not permitting the flight of materials of any kind, especially in the APP [Area of People's Property]--these should be the tasks assumed by the enterprise production committees in which the management and the workers would participate in a coordinated fashion.

Sevilla said that the labor union management board would demand action on their proposals for the elimination of shortcomings, provided the steps are within the context of the national economy.

Coordination with Planning Ministry

How is one to tackle the problem of unemployment which springs from the closing of enterprises for an indefinite period of time? "The CST," said the leader, "is seeking coordination with the Planning Ministry (MIPLAN) to work toward our real alternatives to unemployment. Among these the labor union leaders are thinking of tasks of coffee-cutting, as well as the example of the workers set by 'The 3 F's', who decided to institute a shift system to provide job opportunities for 47 comrades who were temporarily suspended, while the raw material problem is being solved."

However, Sevilla believes that coordination with the government will make it possible to broaden the view with other alternatives without however creating false expectations that cannot be made to work; in this way one can prevent anarchy through the cajolery of right-wing and extreme left-wing sectors because "it is easy to criticize in an emergency but that kind of opportunism must be fought by conscientious workers," added Sevilla.

Is There a Political Price To Be Paid for Right-Wing and Extreme Left-Wing Positions?

When questioned on the political price which the CST had to pay for the revolutionary positions of the right and the extreme left in the labor union field, he noted that, so far, these positions have not affected the cohesion and unity of the worker movement directed by the CST and there have been meetings with workers who believe that it is a good thing that they are given a realistic picture of the situation.

He pointed out that the tasks designed to transmit the emergency measures consisted in general labor union meetings with the commanders of the revolution, meetings at work places, along with plans for a series of visits to the country's most important enterprises with the participation of members of the national directorate of the FSLN and the national secretariat of the vanguard organization.

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LABOR INDISCIPLINE IN STATE INSTITUTIONS SCORED

Managua EL NUEVO DIARIO in Spanish 11 Oct 81 p 2

[Article by Mirna Tenorio: "Death to Labor Discipline Breaches!"]

[Text] Some days ago, going through some government agencies, we were able to discover to our great discomfort that labor discipline leaves much to be desired in spite of the efforts that are being made and the campaigns that are being undertaken to fight against breaches of labor discipline; and we hasten to assure that this situation is mushrooming.

However, it would be dishonest on our part not to admit that, in other institutions we visited, the understanding and consistent attitude of many employees is highly effective and, what is more important, they know that they are consolidating this revolutionary process through their devotion and efficiency.

It might perhaps be very ambitious on our part to hope that every employee in the service of the people would understand during only 26 months of revolution that certain attitudes, which in earlier times were normal and even necessary, today no longer are reasonable and that, on the contrary, arriving late for work, making unnecessary telephone calls, petty theft, chatting in the corridors, and thousands of details which, together, add up to mountains of inefficiency, are the cancer which consumes the government machinery that no longer manages to be what it must be within a real revolution.

It is probable that the short duration of this process might be the factor that determines what we just described; but it is also true that some persons hope that this situation will improve and that this way of goofing off among those individuals will gradually disappear.

Our hope therefore is based on the youth who, with its drive and growth, will develop entirely different and highly qualitative values for itself and we do not doubt that, as on other occasions, the youth of Nicaragua will know how to respond with firmness and resolution, as it has in the past.

We present our words of incentive to the comrades who in a revolutionary form, day after day and in silence do their job to the fullest extent and who know that we, the citizens of Nicaragua, feel that we are represented and protected by their sincere actions.

To those individuals who still do not understand their real situation in this new order of things we issue an appeal to think deeply, to discard their antipopular attitudes and, united in one group, to advance this undertaking in which there is no turning back even though there may be barriers and obstacles on the way.

Breaches of labor discipline constitute an endemic disease which can be found in many bodies and which must be fought until it has been totally exterminated.

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ULTRALEFTISTS TRYING TO DIVIDE LABOR MOVEMENT

Managua BARRICADA in Spanish 10 Oct 81 p 3

[Editorial from TRABAJADORES, of CST: "The Emergency: Another Fighting Weapon of the Workers"]

[Text] The worker movement within the revolution holds a position as the leading social class, as the chief moving force; its historical role is the role of a class which holds the initiative in order to lead not only its own force--which must be united in an iron fashion through revolutionary thinking--but also all the workers and strata of the people.

During the state of emergency, some individuals on the side of anarchy and ultraleftism are trying to corrupt that united vision of the worker movement. They start with a false situation estimate in which they put, on the one side, the leadership of the state and the vanguard, the FSLN [Sandinist National Liberation Front] and, on the other side, the working class; this separation shows that they do not see in the FSLN and in the national reconstruction government a single line but that they try to create doubt about the democratic and revolutionary character of the government junta.

Those who suggest this idea include in their immediate political program a demand for transforming the government junta while at the same time they say that they support the FSLN; the fact is that they are in this way playing into the hands of the right-wing reactionaries because it is precisely imperialism and the Spanish-American bourgeoisie who have the greatest interest in destabilizing the democratic and revolutionary state which is gradually promoting the changes during the period of transition in an ever clearer and more precise struggle against the individuals who want to distort the facts and turn the clock back, individuals who hinder the efficient management of the government machine.

These ultraleftist individuals, who are active in certain unionized sectors, assume positions of open confrontation with the revolutionary government and maintain a dual attitude in the national labor movement's coordinating bodies. Among their rank and file, they develop essentially anarchist attitudes, attitudes of opposition to the government, concealed behind left-wing radicalism.

Looking at their position statements, we find that they coincide with identical arguments used by the right. For example, they try to show that mistakes in the management of the economy are the main cause for the economic crisis and that this must be blamed on the Sandinist government. To them, the general crisis of capitalism, which is shaking all countries and which has caused Costa Rica to go bankrupt,

or which has plunged Honduras into severe austerity measures, has little or no importance. They forget--although a short time ago they criticized the right for forgetting the same thing--the phenomena of earthquake, war, plunder, capital loss, class struggle, and Yankee financial blockade.

Political and ideological inconsistency is quite clearly here. Just a short time ago, we were united in fighting the right which was using those arguments against the revolutionary power; but now they vacillate and they adopt those same positions in this swamp of demagogy.

Certain comrades in our allied labor union headquarters seem to have little consequence in the revolutionary spirit of the working masses. They believe, for example, that the working class is neither sensitive to nor capable of hearing the call of the revolution in an emergency situation; they focus on the military defense of the government as the main task and they think they can save the economy by making ever greater sacrifices, going even so far as to say that the working class must set the example because it is most interested in making sure that the revolution will not run aground, that it will survive the crisis and aggression.

It would seem that there are some who are even happy that some worker sectors do not understand their revolutionary role and feel into the nets of confusion and confrontation with their own revolutionary government. We frankly believe that those leaders must change their attitude or that the labor union rank and file must make them seriously think about the negative consequences of their actions which resemble more a bad play in the midst of the life-and-death drama of the revolution.

On the other hand, we do have broad agreement on the need of making clear how the worker movement must respond to the crisis, how the Ministry of Labor must handle the problems raised by the working class, and how the decapitalizers, who present themselves in disguise in asking that enterprises be closed down, must be investigated thoroughly. It is only fair for the labor union movement to be consulted on every measure that will affect the workers; and it must be persuasion and thorough explanations that must assure the total support of the working class, otherwise we will have to stop the enemies or the irresponsible anarchists who confuse our rank and file with the noise they make.

We must turn the new laws on the state of emergency into weapons in the struggle of the working class against the enemies of the revolution and our economy. Our efforts must not be wasted through empty discussions but must be concentrated on the tasks of defense and production. This is the only way for the revolutionary worker movement. The other ways--which divert attention toward the easy life, toward economism, or "normalcy"--only deceive the people and generate false expectations.

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SELECTED PRESS ITEMS ON BASINS' INTERCONNECTION PROJECT

Belaunde Supports Project

Lima LA CRONICA in Spanish 21 Oct 81 p 5

[Excerpts] In opening the meeting of the countries on the basins of the Orinoco, the Amazon River, and the River Plate in Lima, President Pernando Belaunde Terry outlined the features and the achievements of the South American river connection project, presenting a historical review of the continental integration process.

He referred to the pre-Colombian epoch as "the era of mystery" in relation to these basins, in spite of their importance deriving from major forest products. But the area's boundaries were rather vague at a time when only nature was at work here. He then talked about what he called "the era of discovery" with Orellana and his successors who had the visionary restlessness of anticipating the vast river horizon known until then. Next, especially during the 19th century, came Von Humboldt, Castelnau, Herndon, Gibbon, Maury, and Raimondi, ushering in the "era of explorers" and of statesmen with vision, such as Sarmiento. Later came the "era of exploitation" with men such as Fitzcarrald, Arana, and Suarez and the action of the Brazilian pioneers which in part was aimed at rubber exploitation. Finally, in our age, began what we can call the "era of scientific penetration" with the detection of natural resources by satellite which, among other things, permit a massive evaluation of the forest inventory and a geological study that facilitates petroleum exploration. The Brazilian Furtado Portugal proposed the seven variations of the Amazon--River Plate connection and the Venezuelan Jose Curiel proposed the same thing for the Orinoco.

Computers made it possible to discover the mysteries of the Pantanal [vast swamp area] with its 200,000 kilometers of flooded land that can be the key to river control in the Southern Horn. The Argentinian Gabriel del Mazo perhaps was clear-sighted advocate of the thesis of river integration.

During our technological age, we are studying and building the Bolivarian "Forest Edge" Highway at the foot of the Andean Mountains and in the forest highlands the ambitious Brazilian highway construction plan is under way around the Trans-Amazon Highway and the perimeter roads.

Guarantee of Prosperity and Peace

With the completion of South American river integration, the Orinoco--River Plate axis would be comparable to the New Orleans--Quebec axis made up primarily of the

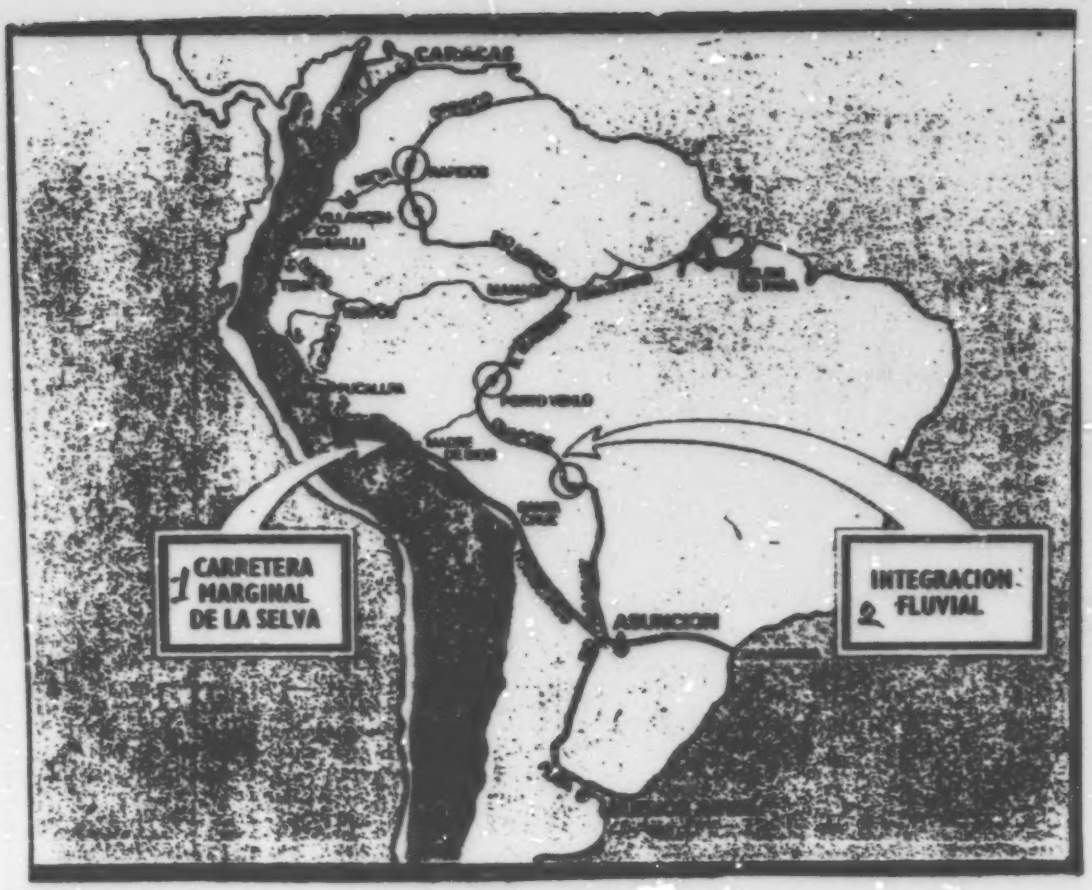
Mississippi and San Lorenzo Rivers through which continuity was provided for the system linking the Gulf of Mexico with the North Atlantic. The ocean link between the two river systems would be relatively short, through the Caribbean, on the level of the Island of Trinidad and the Gulf of Mexico.

President Belaunde believes that the Quebec--Buenos Aires hemispheric water axis is of fundamental economic and strategic importance. Waterways are distinguished by their capacity to facilitate the transportation of voluminous and heavy freight at the lowest possible rates. Off the ocean leg, they offer the advantage of not being threatened by hypothetical submarine warfare. Their antiaircraft protection, from land, is relatively easy. Along both shores it is possible to set up industries for easy access to raw material and energy. The system in North America is predominantly industrial while the system in South America is generously endowed with natural resources; they would supplement each other, constituting the backbone of hemispheric supply and defense. Self-sufficient and invulnerable, the Hemisphere of Peace would be able, by virtue of its power and resources, to prevent a new world conflagration.

Hemispheric Projection as Water Axis

After the completion of South American river integration, the Orinoco--River Plate axis would be comparable to the New Orleans--Quebec axis made up primarily of the Mississippi River and the San Lorenzo River, supplemented by major engineering structures through which it was possible to provide for the continuity of the system linking the Gulf of Mexico and the North Atlantic. The ocean link between the two river systems would be relatively short, running through the Caribbean, past the Island of Trinidad and through the Gulf of Mexico.

President Belaunde believes that the Quebec--Buenos Aires hemispheric water axis is of fundamental economic and strategic importance. Waterways are distinguished by their capacity to facilitate the transportation of voluminous and heavy freight at the lowest possible rates. Outside the ocean segment, they offer the advantage of not being threatened by hypothetical submarine attacks. Their antiaircraft protection, from land, is relatively easy. Along both shores it would be possible to establish industries for easy access to raw materials and energy. The system in North America is predominantly industrial and the system in South America is generously endowed with natural resources; they would complement each other, constituting the backbone of hemispheric supply and defense. Self-sufficient and invulnerable, the Hemisphere of Peace would be in a position, by virtue of its power and resources, to prevent a new worldwide conflagration.



Key: 1--Jungle Edge Highway; 2--River integration.

Hemisphere river integration

Belaunde Opens Meeting

Lima LA CRONICA in Spanish 19 Oct 81 p 2

[Text] A meeting of delegates from the countries along the basins of the Orinoco and the Amazon rivers and the River Plate began today in the baronial setting of Goyeneche House, opposite the Foreign Office; the purpose was to take up the vital problem of linking those rivers, along with their relationship with major projects involving road construction, with special emphasis on the Bolivarian Forest Edge Highway which would cross the grandiose water axis at Asuncion and which would touch navigable points in its basins in the Arauca, Meta, Putumayo, Napo, Huallaga, Ucayali, Madre de Dios, Beni, Yapacani, and other rivers.

President Fernando Belaunde Terry, whose support for the idea of continental physical integration is well known, as indicated in both of his constitutional administrations, will open the meeting and will maintain contact throughout the week with delegations from governments and international organizations present.

Participating, among others, will be the outstanding Venezuelan specialist Jose Curiel, a big promoter of development for Amazonia, and famous experts, such as Antonio Bustos, of Colombia; Teodoro Bustamante Munoz, of Ecuador; Vanda Lage Magalaes, of Brazil; Guillermo del Bosco, of Argentina; Rodney Acevedo, of Paraguay; and delegations from Bolivia and Uruguay which are being accredited.

The Romanian-Venezuelan explorer Georgescu, one of those who represents an important university in Caracas, made a river journey along the 10,000 kilometers separating the Orinoco delta from the mouth of the River Plate. Only on 7 percent of the distance and at three separate points on Venezuelan and Brazilian territory did they have to move their boat, the "Miculina," by highway, since the boat has a draft of 3.5 feet. Later on, on a supplementary exploratory journey, they reached Pucallpa, in Peru, and the confluence of the Napo and Coca rivers in Ecuador. This journey was made during vacation time.

The engineering structures required are rather considerable but would not present any major difficulties, nor would they call for any excessive investments, keeping in mind the incalculable benefits accruing to the continent.

Outstanding Peruvian specialists will participate in this historical technical gathering which marks a bright beginning for this combined development effort.

International Organizations' Participation

Lima LA CRONICA in Spanish 18 Oct 81 p 2

[Text] The first technical meeting specializing in the connection of the basins of the Orinoco and Amazon rivers and the River Plate will be opened tomorrow by President Fernando Belaunde Terry at 1200 in Goyeneche House.

This event is in line with an initiative taken by the president of the republic who, in keeping with the country's integrationist pursuits, suggested at the start of his constitutional administration that it would be advisable to concentrate on the development of the South American continent within an overall perspective, linking the basins mentioned through a multimodal transportation system in which the Bolivarian Forest Edge Highway would be the main link between the three basins.

According to press dispatches from the Ministry of Foreign Relations, this gathering will be attended by delegations from the Republics of Argentina, Bolivia, Brazil, Colombia, Ecuador, Paraguay, Peru, Uruguay, and Venezuela.

Some international and Latin American economic cooperation organizations will also send delegations, as will the UN, the OAS, the World Bank, and the Inter-American Development Bank.

President Belaunde's initiative aimed at connecting the three hydrographic basins is considered by experts to be the key in the physical interconnection of 11 countries.

During the meeting, Latin American engineers will, on the spot, examine the planning and scope of the Peruvian proposal and President Belaunde, on Saturday, 24 October, will invite the delegations to visit the section of the Forest Edge Highway in Pucallpa.

An economic publication prepared by the Andean Group asserts that the Forest Edge Highway will become the backbone of a physical integration plan which will practically cover the entire territory of South America.

The integration project proposed by Peru covers Bolivia, Colombia, Ecuador, Venezuela, Brazil, Argentina, Uruguay, Paraguay, Guyana, and Surinam.

It will consequently permit the highway integration of three areas, that is, the Andean Group, the Amazon Pact, and the River Plate Basin.

The countries of the Cartagena Agreement--Bolivia, Colombia, Ecuador, Peru, and Venezuela--have common interests and joint programs for physical integration with a projection in terms of lines of communication toward other nations on the continent.

The members of the Amazon Pact--Brazil, Surinam, and Guyana--in addition to the five Andean countries, have, as their priority objective, spelled out in the Amazon cooperation treaty, transportation and communications in the vast and unexplored Amazon basin.

The River Plate Treaty consists of the following: Bolivia, Brazil, Argentina, Uruguay, and Paraguay; the primary objective is to make optimum use of the water power resources in that basin.

Finally, the Forest Edge Highway will link the basins of the Orinoco and the Amazon rivers and the River Plate, thus boosting the integration process promoted by the Cartagena Agreement with a view to promoting and expanding trade.

Among the countries of the Andean Group, the Forest Edge Highway accounts for more than 6,000 kilometers in that gigantic highway net; Peru has 2,460 kilometers; Colombia has 1,320 kilometers; Ecuador has 860 kilometers; and Bolivia has about 1,000 kilometers.

Proposal Deadline Set for April

Lima LA CRONICA in Spanish 23 Oct 81 p 3

[Text] The project for the interconnection of the Orinoco and Amazon river basins and the River Plate basin will be completed within 6 months and this will make it possible to complete the waterway and highway interconnection of nine South American countries.

For this purpose, the representatives of the countries involved in this ambitious undertaking will meet again next April, this time in Bolivia, to put the finishing touches on the project and immediately to start construction on this colossal project.

This announcement was made yesterday by Venezuelan deputy Jose Curiel Rodriguez during a briefing given in Government Palace, indicating that 70 percent of the 10,218 kilometers included in the main axis of these basins, already consist of river waterways fashioned by nature.

Of the remaining 30 percent, approximately 3,065 kilometers, dredging work is required in 26 percent and connection work is required in 4 percent, the member of parliament from Venezuela added.

Curiel Rodriguez is in Lima representing his country at the first special technical meeting on the interconnection of these basins, an event which is also attended by delegates from the other eight South American countries plus delegates from ten international development agencies.

The waterway and highway interconnection of the South American countries will permit not only better internal communication but will also make it possible to utilize the vast energy, agricultural and livestock, and tourist resources of these regions through which these basins extend.

It will also make it possible to populate vast areas in the interior of the South American continent, preventing the current tendency of over population along the coast. The interconnection of the basins will on the other hand also have strategic military value.

After stressing the efforts made by President Belaunde in materializing this project, the Venezuelan deputy expressed the need for its prompt execution because, at this time, due to the absence of an internal interconnection, only 14 percent of the trade volume is handled between South American countries.

The remaining 86 percent of the trade volume involves areas outside this part of the world, so that these countries cannot avail themselves of the vast resources that could help them put an end to their status as developing nations.

Curiel Rodriguez was minister of public works in Venezuela from 1969 until 1974; he said that the investments made in the project would be recovered only by exploiting the energy resources of the regions in these basins.

He concluded by saying that South America in this respect has been privileged by nature since it has the world's biggest natural canal with a total of 50,000 kilometers of river network.

Foreign Trade Expectations

Lima LA CRONICA in Spanish 19 Oct 81 p 2

[Text] The hemisphere will be practically invincible upon completion of the world's biggest waterway between Quebec, Canada and Buenos Aires, Argentina, to which will be connected the South American basins of the Orinoco and Amazon rivers and the River Plate, President Fernando Belaunde Terry said yesterday.

During his usual press conference in Government Palace he said that the planned Quebec--Buenos Aires axis is of worldwide significance; it will only be interrupted in the Gulf of Mexico and the Caribbean Sea.

Belaunde Terry confirmed that the first specialized technical meeting on the connection of these basins will start today, Monday, 19 October, in the capital, and will last throughout the week, until 24 October; the conference will be attended by all countries interested in the South American basins.

Talking about river and waterway integration for the basins of the Orinoco and Amazon rivers and the River Plate, the statesman said that this would provide continuity between Buenos Aires and the Orinoco delta.

This continuity is of great importance because all countries can thus exchange their raw materials by water, and this at the same time signifies the opening of new markets, he noted.

Trade

For example, Peruvian products could be shipped all the way from Buenos Aires by water and we would have a very direct connection from Madre de Dios via river, he noted.

We are ready to receive the delegations with the utmost enthusiasm and we are going to work throughout the week on this water axis and also on the land axis which of course is the Forest Edge Highway, he announced.

Engineering work is required in Venezuela, in Puerto Bello, along with connection and canal projects on the navigable section of the river from Huapore and along the Paraguay river, for the purpose of river and waterway integration in this part of the continent. These are relatively simple projects, he said, since their financing should not exceed $1 billion. This is something on the scale of the IDB and the World Bank, he pointed out.

Great Project for the Future

He announced that the section from the Orinoco (Venezuela) to Buenos Aires is 10,000 kilometers long, indicating that it has already been covered by a pair of Romanian-Venezuelan sailors, the Gorjeseu [as published] brothers on board a boat with a draft of 0.5 feet.

The work should not last more than 5 years or perhaps up to a decade, he said, noting that this is a big project for the future.

Concerning the specialized technical aspects, he announced that Peru expects to propose that the feasibility studies be prepared, although at another meeting another country turned out to be interested in getting the plans completed and deciding to carry the project out.

The work as such will be done on the territories of Colombia, Venezuela, and Brazil but the benefits would come to all countries, he added.

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EDITORIAL SCORES GOVERNMENT REPRESSION

PY060219 Lima MARKA in Spanish 22 Oct 81 p 11

[Editorial: "Along the Military Course"]

[Text] Armed struggle as an expression of anger by the oppressed masses is a long-standing tradition in our country. Popular revolutionary violence has always been by definition a reaction to oppression to which ruling classes have subjected the national majority. This is a just and optimistic reaction even though it has never succeeded so far. Manco Inca II and Tupac Amaru were able to lead their well-known rebellions because their peoples had been oppressed unbearably.

The workers of La Protesta [not further identified] would have been unable to launch the struggle for the 8-hour workday had there not been intolerable abuses against the workers of Peru's incipient industry at the beginning of the century. Had there not been an oppressive system of land ownership incompatible with human dignity, there would not have been hundreds of peasant uprisings and land occupations responsible for the bloodshed during the latest decades of our history. In sum, had we lived in a state of social justice, of rational and democratic distribution of socially produced wealth, had there been an equally shared freedom and equal opportunities, it is certain that there would have been no popular revolutionary violence. The reason for this is a simple one: social justice and democracy imply that the oppressive violence of the ruling classes has been eliminated and this oppressive violence is the source of every other kind of social violence.

However, here in Peru we are not even close to any revolutionary option to armed struggle, and anyone who does not wish to stray from reason is bound to admit that here we are witnessing a process of exacerbation of social violence. Every kind of violence. There are actions carried out by people prompted by impatience and idealism, these actions are haphazard and lacking in modern means and techniques. There is also violence from the enemies of the people and of progress in general, more sophisticated and destructive actions where the terrorist is a mere cog in the political machine. We are convinced that reactionary violence is stronger and more widespread than revolutionary violence. We also sincerely believe that anti-terrorist operations, far from suppressing social violence, will fan it, with the historically aggravating circumstance that these operations have increased the weight of oppressive violence.

Armed struggle, advocated by slogans painted on walls and by leaflets, is the expression of a reaction to the prevailing hunger and impoverishment. It is a bad reaction today, to be sure, but the role it plays in the overall violence which reigns in the country is far from a leading one.

The government has tried to confuse the people by blaming terrorism on revolutionary violence. The decision to oppose social violence with more oppressive and legalized violence presupposes the acceptance of two premises which clearly reveal the nature of the current government: one is that hunger and oppression cannot be dealt with by the rules, and the other is that an attempt will be made to defeat terror and violence with more terror and violence. Belaunde is steering democracy along the military course.

CSO: 3010/249

BRIEFS

PERUVIAN SUGAR EXPORT QUOTA--The chief of the Peruvian delegation to the GEPLACEA (Group of Latin America and Caribbean Sugar Exporting Countries) conference has reported that Peru obtained the support of GEPLACEA countries to maintain its export quota which is estimated at 330,000 tons per year. Maria Jesus Hume added that Peru obtained this support despite the fact that it has not made any sugar exports in the last 2 years because of the drought affecting the coast region which yields most of the national sugar production. Peruvian sugar production should total 500,000 tons this year. [Buenos Aires LATIN in Spanish 2244 GMT 23 Oct 81 PY]

CSO: 3010/249

BRIEFS

PRC DELEGATION--A People's Republic of China education group headed by Vice Education Minister Zhou Lin arrived in the country to continue the cooperation projects in the field of intelligence development. They will meet with the Venezuelan education minister and with the minister of state for intelligence development and with the rectors of two universities. [PA311258 Caracas Radio Continente Network in Spanish 2100 GMT 30 Oct 81]

LUSINCHI TO SEEK AD'S NOMINATION--Caracas, 30 Oct (LATIN-REUTER)--Dr Jaime Lusinchi today launched his campaign for the presidential nomination by the opposition party Democratic Action (AD) after his resignation last night as secretary general of the party. Lusinchi, 62, faces David Morales Bello, party leader who also seeks his nomination for the 1983 elections. Lusinchi's decision was announced during a meeting of AD's national leadership committee, which appointed Manuel Penalver as the new secretary general of the party. Democratic Action, of social democratic tendency, ruled the country with President Carlos Andres Perez between 1973 and 1979, and is one of the two most important political organizations in the country. The other party, COPEI, of social Christian tendency, is currently in power with the government of President Luis Herrera Campins. [Text] [PA310405 Buenos Aires LATIN in Spanish 0040 GMT 31 Oct 81]

AL-QADHDHAFI'S SPEECH VIA SATELLITE--Caracas, 4 Nov (EFE)--Mu'ammar al-Qadhdhafi, the controversial head of the Libyan revolution and author of "the Green Revolution," will talk with Venezuelans via satellite. Al-Qadhdhafi will answer questions posed by the participants in a conference about the Third International theory proposed in his book. Al-Qadhdhafi will be seen on a huge screen which will be installed in the auditorium of the Central University of Venezuela. Advanced audi-visual techniques will make it possible for the 350 persons who have been invited to the event to talk with the Libyan leader as if he were present in the conference room. This is the third meeting in Third World countries to discuss "the Green Revolution." The first one was in Benghazi in 1979 and the second was held in Madrid, in 1980. The basic philosophy of "the Green Revolution" is that the government should be in the people's hands. This is a new approach involving withdrawal of the leaders or presidents, giving the people total responsibility for decisionmaking. Al-Qadhdhafi's book covers three aspects of democracy: the ideological, economic and social. The differences and similarities between Arab and Western civilizations will be analyzed at this conference in Caracas from 12-15 November. Delegates from Eruope, Asia, Latin America and United States will participate in this meeting. [Text] [PA051634 Madrid EFE in Spanish 2304 GMT 4 Nov 81]

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USUMACINTA PROJECT BEING STUDIED, CAUSES CONTROVERSY

Technicians Conducting Studies

Guatemala PRENSA LIBRE in Spanish 16 Oct 81 p 2

[Text] The country's engineers continue to conduct studies to estimate the potential of the Usumacinta River with a view to using that important resource to generate energy, Guatemalan Foreign Relations Minister Engineer Rafael Castillo Valdez said yesterday.

He noted that, as a result of the meeting of the two presidents, Gen Lucas Garcia, of Guatemala, and Jose Lopez Portillo, of Mexico, in 1979, a joint announcement was issued to the effect that investigations of the resources of the Usumacinta river along the border would be investigated.

He added that this river is considered the most important from Mexico to Colombia because its flow rate is many times greater than that of any other river in Central America.

He indicated that this resource is highly important and that the least one can do is conduct an analytical study to survey the resources available here. He emphasized that there are bilateral commissions (from Mexico and Guatemala) working on these studies.

"They include Guatemalan engineers specializing in hydrology, agriculture, and electric power; they will evaluate the potential of these resources."

The Guatemalan foreign minister said that the results of the studies will be disclosed to the public within several weeks.

Other unofficial sources indicated that the flow rate of the Usumacinta will produce six times the total energy that the Chixoy project will turn out.

It was learned that the water power potential of this river is 1,500 cubic meters per second and that, if the hydroelectric power plant is built, a large part of the Department of Peten would be flooded, in an area equivalent to Escuintla and Retalhuleu.

The people of Peten are frightened by the project since the banks of the Usumacinta river are populated by more than 50,000 Guatemalans--all peasants who belong to cooperatives. Besides, there are 250 archeological sites in this area which will be flooded if the hydroelectric power plant is built.

It was learned that the administration has invested 5 million quetzales in the project studies.

Guevara Rodriguez Statement

Gautemala PRENSA LIBRE in Spanish 20 Oct 81 p 14

[Text] "If the construction of a hydroelectric power plant on the Usumacinta River damages the territory of Peten, we will oppose that project and if, by chance, we are pressured by our neighbors, we are going to come to blows, if necessary."

This remark was made the day before yesterday by Gen Angel Anibal Guevara Rodriguez, the presidential candidate of the FDP (Popular Democratic Front) during a working session held last Saturday with residents and government officials in that department.

The presidential candidate arrived in Peten , accompanied by Ramiro Ponce Monroy, the vice presidential candidate; Jorge Garcia Granados, leader of the PR [Revolutionary Party]; Gabriel Giron Ortiz, secretary-general of the FUN [Nationalist United Front]; Engineer Jose Miguel Barrios, founder of the Guevarista National Coordinating Group; Dr Jose Trinidad Ucles, member of the executive committee of the PID [Democratic Institutional Party]; as well as other political leaders.

Highway and Floods in Peten

General Guevara was received in the Marco Antonio Fion stadium where he held a meeting offering to make a decisive contribution to the solution of the problems in the area.

He talked about the floods caused by the rise in Lake Peten Itza, affecting hundreds of families. He revealed that engineers from the UN are currently conducting studies to determine the causes of the rise in the water level in order later on to draft a study with recommendations as to how to resolve this emergency.

"Rest assured," he continued, "that, if those engineers recommend a project to put an end to these rising waters, and if I should win the election next March, that project will be carried out promptly to prevent greater problems in the region."

Later he talked about communications between Guatemala and Peten which continue to present difficulties due to the lack of a black-top highway. He promised that he would take care of this great need by building a surface highway.

Support for Cooperative Members Along Usumacinta

On another matter, General Guevara talked about the thousands of peasant families living in cooperatives who have settled along the banks of the Pasion and Usumacinta rivers.

He said that he was familiar with the basic problems faced in that area, such as, for example, the lack of year-round roads which prevents the people from bringing their agricultural products to the country's markets.

"I know," he emphasized, "that the thousands of quintals of corn produced there cannot be brought out in time. If I win next March, I will make sure that the cooperative peasants along the Pasion and Usumacinta rivers will get the support necessary so that these needs can be properly met."

Usumacinta River Project

As part of the meeting which the FDP candidate held with various government officials in the department, one of the mayors raised the problem of the Usumacinta where the Mexican Government is planning to build a hydroelectric power plant which, as we know, will flood more than 16,000 square kilometers in Peten.

The housing chief expressed his worry and reported that the peasants in the area, numbering more than 50,000, are frightened by the negative consequences deriving from the above-mentioned power plant.

The same mayor emphasized that the current administration has been supporting the cooperatives and persons settling along the Usumacinta and portions of the Salinas and Pasion rivers.

"Do not try to explain to me," the district chief said, "why they are giving land and support to those cooperative peasants if they are going to try to flood the area, especially since the Mexicans insist on building the hydroelectric power plant."

In responding to the mayor's statements, General Guevara declared that, when he was defense minister, he was familiarized with some of the studies connected with the hydroelectric power project on the Usumacinta.

"The preliminary studies," he continued, "indicate that the floods are not going to be as disastrous as has been believed. However, the people of Peten can be sure that, if that project damages the department, and if I win the elections, I will oppose it roundly. We will not allow the dam to be built and if we are pressured, we are ready to come to blows if necessary."

General Guevara's position in this respect was applauded by the people of Peten who offered him support for his victory in the coming general election.

Government Press Conference

Guatemala PRENSA LIBRE in Spanish 23 Oct 81 p 6

[Text] In yesterday's press conference, the government disclosed preliminary studies dealing with the construction of a hydroelectric power plant on the Usumacinta River which will cost approximately 4 billion quetzales and which, in Peten, will cover an extensive area which has not as yet been determined exactly.

Several deputies and newsmen raised various doubts on that project and it was even suggested that it is presently not a good idea to carry that project out, not only because of the difficult economic situation facing Guatemala but also because of the dangers deriving for Guatemala through the possible loss of territory, archeological sites, and forestry, agricultural, and human resources.

The conference was held in one of the rooms of the Presidential Guard. It was attended by the following: President Lucas Garcia; Jorge Bonilla Lopez, president of the legislative body; ministers of state, officials from the various branches of government, as well as invited newsmen.

Initially, the audience was addressed by Foreign Relations Minister Engineer Rafael Castillo Valdez who said that the purpose of the conference was to brief the deputies, as representatives of the people, and the mass media on the various aspects relating to the possible construction of a hydroelectric power plant on the Usumacinta River.

He said that it was a good idea for people to express any doubts they might have on this matter. He also disclosed the names of the Guatemalan engineers who are participating in the studies connected with the above-mentioned hydroelectric power project.

Guatemala was represented in these studies by Engineers Juan Luis Lizarralde, chairman of the international boundary and water commission; Marco Antonio Curley Garcia, of the Ministry of Agriculture; Gonzalo Sagastume Guerra and Col Rene Aguiluz Morales, director of the IGN (National Geographic Institute); Haroldo Duarte Villela, deputy director of the IGN; engineers Roland Castillo Contoux and Rolando Yon Siu, from the INDE [National Electrification Institute], a commission appointed by the government.

Mexico was represented by Fernando Gonzalez Villarreal, Humberto Luna Nunez, Jose Alberto Villasana, Carlos S Galindo, Joaquin Carreon, and Antonio Capella Vizcaino.

Later, the gathering was addressed by engineer Lizarralde who broadly outlined the various efforts which have been made to study the resources which the Usumacinta might generate.

He noted that Mexico during the sixties was very much interested in speeding up these studies and that, when he recommended that this be done, he detected fear because of negative speculation on this score, above all regarding the flooding which might result and the devastating damage deriving from that.

"However," he continued, "the preliminary studies which were conducted, thanks to the decision by President Lucas Garcia, reveal that this would not cause the kind of floods that people have been afraid of."

He said that the Usumacinta River has a significant potential concerning energy and that, if the project is carried out, it would considerably benefit Guatemala.

He emphasized that the studies are in a preliminary stage and that they are being conducted without any harm to national sovereignty. The commission appointed for this purpose is working in a context of patriotism and love of Guatemala.

Energy Potential

Later, engineer Castillo Contoux, who is in charge of the hydroelectric study for the Usumacinta, revealed details on that project. He said that this hydroelectric power plant will generate 8,920 kilowatts.

He added that the project could be built in a place called "Boca de cerro," where the resultant flooding would cover approximately 100 square kilometers or 10,000 hectares.

He stressed that the flooded area would greatly affect the region since it would include 37 square kilometers for the dam reservoir in the Usumacinta canyon.

Geological Studies

Engineer Marco Antonio Curley Garcia, from the Ministry of Agriculture, covered aspects dealing with fertile areas and possible tourist centers which might be built in the basin of the Usumacinta River.

He emphasized that the population density is very low in that area and that therefore not many families would be affected, contrary to what had been speculated.

He mentioned three possible places where the dam reservoir could be built, places where there would be areas for tourist activities, fishing, irrigation, etc.

"The potential of the Usumacinta is considerable," he noted, "and we believe it to be a good idea to carry out the studies so as to implement the project within a period of 15 years, approximately."

Elevation 100 Indicated

Col Aguiluz Morales, of the National Geographic Institute, mentioned the differences in the level found in the Usumacinta basin.

He added that until a short time ago there were no reliable data since the studies conducted on the basis of air photos only indicated the elevation differences on the basis of the tree tops.

"We have done a very difficult job," he continued, "and we have been able to figure out that, in view of the elevation differences we have here, the elevation of 100 is the best to build the dam. At that elevation, there will be little flooding and this will not cause any major damage, as people have been saying for several years."

Deputies Express Doubts

Several deputies and newsmen asked the following questions:

Why is the project not going to be carried out in the future, when Guatemala's economy is more solvent?

Castillo Valdez replied: "We are conducting the studies for the construction of this project which undoubtedly will take place between 10 and 15 years. We now ask ourselves why this was not done earlier. If we do not launch the project within 5 years, its cost will be 8 billion quetzales and if we start it between 12 and 15 years, the cost will go up to 12 billion quetzales."

A newsman indicated that the centenary of the Mexican grab from Guatemala, in the Province of Chiapas, will be celebrated within a year. He suggested that it was not a good idea to enter into any negotiations with the Mexicans and that, before any treaties, it would be necessary to study all of the negative factors which could give rise to problems with the government of the neighboring countries and which could affect Guatemala's sovereignty.

Some members of congress indicated their disapproval of the project since the banks of the Usumacinta produce more than 1 million quintals of corn annually; thousands of cooperative farmers have been settled there and, besides, more than 200 archeological sites are located there and they constitute the basis of Guatemalan identity.

5058
CSO: 3010/220

BRIEFS

OIL EXPLORATION REGULATIONS--The Secretariat of Mining, Hydrocarbons, and Nuclear Energy has issued invitations to submit bids for the award of contracts in the areas set aside for hydrocarbons exploration and exploitation in the country. In the first article of the invitation, domestic and foreign enterprises, interested in hydrocarbons exploration and exploitation, are urged to submit offers for petroleum operation contracts based on the model approved in the government resolution of 29 September, including six selected areas. The obligations in terms of drilling during the 3 first years, the minimum depth of each well, and the minimum investment for each area are given in detail; the lowest investment during the first year is 1.5 million quetzales and the highest is 3 million and the amounts will go up as the years pass. There are also provisions for minimum government participation in crude petroleum for an output of up to 30,000 barrels per day, from 55 percent in area CC up to 60 percent in area L. When the output is between 30,000 and 50,000 barrels per day, the government's percentage goes up from 60 to 65 percent; when it is between 50,000 and 100,000 barrels per day, it goes up to 70 percent and when the output exceeds 100,000 barrels per day, the figure is 75 percent. The companies for each contract area will have to invest, in road construction, during the first year, 1 quetzal per hectare; during the second year, 2 quetzales; during the third year, 3 quetzales; during the fourth year, 6 quetzales; during the fifth year, 10 quetzales; and during the sixth year, 20 quetzales per hectare. They are also obligated to build a school and a hospital for each contract area in the amount of 450,000.00 quetzales. [Text] [Guatemala EL IMPARCIAL in Spanish 14 Oct 81 p 5] 5058

ELECTRICITY INTERCONNECTION--The National Electrification Institute has launched a program aimed at Central American interconnection of electric energy and has taken the first step together with El Salvador with whom preliminary treaties were signed for the energy link. Engineer Otto Arnoldo Block Kauffmann, chairman of the board of INDE [National Electrification Institute], told PRENSA LIBRE that interconnection of electric energy systems will be achieved with El Salvador in no more than 3 years. The corresponding agreements have already been signed for that purpose. "Guatemala," he said, "will sell electric energy to El Salvador. The original idea was to have Guatemala purchase energy from El Salvador. However, our neighboring country has already exhausted its generating capacity and Guatemala will have a surplus electricity output starting next year. After El Salvador, we are planning a link-up with Honduras whom we are also thinking of selling electric energy. The area will wind up interconnected since Nicaragua and Costa Rica are already tied in. This is a very ambitious project which will link Central America through electric energy interconnection." [Text] [Guatemala PRENSA LIBRE in Spanish 15 Oct 81 p 2] 5058

CHIXOY HYDROELECTRIC PROJECT--The Chixoy hydroelectric project will be completed before the end of the current presidential term; its cost comes to a total of 600 million quetzales and is the biggest in the country; it will produce 300 Megawatts and that will lead to a surplus output of electric energy in the republic. This information was given to PRENSA LIBRE by engineer Otto Arnoldo Block Kauffmann who added that this impressive hydroelectric project will be completed before the end of June of next year and it will be opened during that month. This project was financed by the International Reconstruction and Development Bank, the IDB, the Central American Bank, and the FIV (Investment Fund of Venezuela). The 26 kilometers of tunnels in the project were opened recently and the project as a whole is completed to the extent of 70 percent. With the start of the Chixoy project, the country's energy problem will be solved and there will be a surplus of electric energy output. The president of INDE [National Electrification Institute] said that, before the end of this year, it is expected that the Santa Maria II hydroelectric project in Quezaltenango will be completed at a cost of 80 million quetzales. The civil engineering phase will be financed by the Central American Integration Bank and the electromechanical phase will be taken care of through supplier funds. The facility will have a 900-meter tunnel to supply the hydroelectric power plant with water from the Samala river. Engineer Block said that the old generating plant at Santa Maria is turning out 10 Megawatts. The new project will produce 68 Megawatts. Engineer Block Kauffmann also said that the INDE is working on the Zunil geothermal project in Quezaltenango. "As of now," he said, six wells have been drilled with a production capacity of 20 Megawatts. We are about to procure a small plant for generating energy from the six wells at a cost of 8 million quetzales. [Text] Guatemala PRENSA LIBRE in Spanish 15 Oct 81 p 2]
5058

CSO: 3010/217

CHILE SIGNS JUDICIAL AGREEMENTS WITH URUGUAY

Santiago EL MERCURIO in Spanish 16 Oct 81 p A-10

[Text] Montevideo, 15 Oct (ANSA)--Uruguay and Chile signed three agreements for judicial cooperation here today. They represent their decision to expedite judicial transactions and improve the law for citizens of the two countries who settle in the other country.

The documents were signed by the Chilean minister of justice, Monica Madariaga, who arrived on an official visit here yesterday and the Uruguayan foreign minister, Estanislao Valdes Otero.

The treaties refer to the return of minors, exchange of criminal records and the quality of court treatment and letters rogatory.

Uruguay has already signed similar agreements with Argentina and plans to sign one with Paraguay. Minister Madariaga stated that that country "is a pioneer in this field."

She indicated to journalists: "Uruguay is demonstrating to America and the world that judicial integration is a very significant step so that the regions will prosper and develop."

She maintained that agreements like those signed between Uruguay and Chile today must have multilateral characteristics, especially among the countries of the southern cone of America, since she considers them "indispensable" for the proper application of law across the borders.

The treaty on criminal records commits the countries to send each other data on citizens sentenced or tried by the courts in each country. Return of minors has the objective of returning minors residing in either of the two countries to their place of origin if they do not have appropriate authorization from their guardians.

With Alvarez

Shortly before signing the bilateral agreements, Minister Madariaga met with the president of Uruguay, Ret Lt Gen Gregorio Alvarez, for 30 minutes. She called the meeting open and favorable for the exchange of experiences in fields where the two countries "advance in the same way."

She told the journalists that she had heard President Alvarez' concern for the problems of the minority; she said there was equal interest in Chile.

The Chilean minister who will remain in Uruguay until Saturday will also meet today with other government officials like her colleague, Julio Cesar Espinola, and the president of the Council of State (a legislative organ), Hamlet Reyes.

Madariaga invited Espinola to visit Chile but a date had not yet been set.

The Chilean minister is in Montevideo accompanied by Bernardita Segura Tejeda, head of the cabinet, and the legal adviser, Fernando Dougnac Rodriguez.

In response to a question from a journalist, the Chilean minister said that justice in her country "has complete autonomy and independence without hurting the necessary balance that must exist between the judicial and executive branches."

7717
CSO: 3010/134

DROUGHT CAUSES FIFTY PERCENT LOSS OF WHEAT CROP

Buenos Aires LA PRENSA in Spanish 15 Oct 81 p 8

[Text] Santa Fe (NA)—The prolonged drought caused losses in Santa Fe Province of up to 50 percent of the wheat harvest, according to estimates by local farming circles.

The lack of rain that has been endured here for 2 months and the low temperatures for this time of the year prevent the planting of corn, sorghum and flax, all of which presents a not very encouraging outlook for the Santa Fe farmers, who this year also had to cope with the results of a big flood.

In order to remedy this situation, the Federation of Rural Associations of the Center and the West Coast (CARCLO) negotiated before the national organizations to renew the emergency credits of the recent floods under the same terms for the present drought, which will cause greater indebtedness because of the poor harvest that is foreseen.

In Armstrong

Armstrong, Sante Fe—Plainly this region has experienced a lack of heavy rains. According to the farmers, this lack of precipitation and the relatively cold days are greatly damaging the planting of wheat, to such an extent, they say, that if another 15 days go by without rain, the loss will be almost total.

It is now also the season for corn planting, and almost all the tenant farmers already have the land prepared and the seed ready, but they do not dare to plant until it rains, mainly because at the present time most of them are planting seed of inspected quality, which is expensive. In the same way, the scarcity of pasturage is apparent in the grazing fields, and what there is, is yellowish because of the recent frost.

In the South of Buenos Aires

Bahia Blanca, Buenos Aires (NA)--The Agricultural, Livestock and Industrial Cooperative of Medanos requested a declaration of an agricultural state of emergency in the Buenos Aires district of Villarino, affected by the lack of rain for the fifth consecutive month, which has caused the loss of 50 percent of the select harvest with the risk that the whole production will be lost if there is no rainfall "in a very short time."

The Medanos cooperative, together with the Argentine Federation of Land Cooperatives (FACA), sent a note to the municipal intendant of Villarino, Jorge Bermejo, in which they request the state of emergency and moreover describe the region's agricultural and livestock situation.

The Medanos cooperative describes in detail that "the agricultural and livestock producer in our area has been living in an emergency since the previous agricultural cycle because of the more than 50 percent crop failure from drought and late frost, with the added difficulty of several sectors that suffered a total loss of the select harvest.

The cooperative's note to Bermejo also mentions the "meager harvest of 1980-81" that was marketed at giveaway prices, which did not allow the farmers to meet obligations contracted and who in many cases had to resort to selling their cattle to partially remedy the precarious situation that they are experiencing.

The Medanos cooperative points out in its note that many farmers "have renewed their spirit by planting their properties before selling them and emigrating" and also emphasizes that the state of cattleraising "is deteriorating at an alarming rate because the reserves of forage are being depleted and mortality is noted."

The rainfall lately recorded in the region and in the center of the province, because of its low volume, did not succeed in alleviating the lack of moisture in the countryside either in the seasonally planted fields or in the grazing fields.

9545
CSO: 3010/118

EDITORIAL VIEWS DROUGHT EFFECTS ON ECONOMY

Buenos Aires LA PRENSA in Spanish 15 Oct 81 sec 2 p 1

[Editorial]

[Text] The meteorological changes in recent days do not foretell an optimistic outlook for Argentina's most important farming region. The charts that we publish every day and their interpretation through the information that accompanies them proves this, regrettably, for grain production. If any unexpected upset were to change this unlucky forecast, the agricultural situation would remain the same. Now the rains will always be overdue. The large wheat harvest that was expected, as a result of a planting increased by about 10 percent above the area tilled in 1979-80, is decreased by a proportion that has still not been calculated, because of a persistent drought, which was barely somewhat relieved by the low rainfall of a delayed storm in Santa Rosa, which was timely when it occurred.

Extensive wheat regions in Argentina's center and river coast are still suffering the ruin of a failure impossible to avoid. In more southern latitudes--east and southwest of La Pampa, west, southwest and south central of the Province of Buenos Area--the damage caused by insufficient or zero rainfall could be reduced if it would rain soon. At any rate, the yields of the planting will decrease by a large proportion. This far south of the moist pampa, center of the select harvest, at the present time is suffering the results of the scanty rain levels recorded in September, which, if they had been plentiful, would have then impelled the vegetative cycle of wheat and other grains toward their normal foliation and clusters up to the multiple flowering that promises good yields. At the present time, except for some areas where it rained sufficiently and others where leaving land fallow, ploughing with a chisel and other suitable practices contributed toward maintaining the moisture of the subsoil, the rest of the Buenos Aires region will see its select harvest decimated.

This is a natural misfortune that will have consequences in the agricultural economy and in that of the whole country. This will be added to a situation of serious deterioration in rural enterprises. Their decapitalization, indebtedness and outmoded equipment are proven by the well-known official credit efforts, which are genuine although they are thought to be inadequate or unfair. The cattle liquidation that is now culminating also confirms the economic and financial precariousness of agricultural and livestock production, hounded

by bank, tax and municipal obligations and by the agricultural labor itself, which, moreover, are evidently causing moratoriums, foreclosures and other situations indicative of the farmers' increasingly large financial loss.

The present drought will influence the planting of coarse grains--corn, sorghum, sunflower and soya--due to the lack of suitable soil conditions and problems with the necessary reinvestment. These would probably be connected misfortunes, that do not have to be considered severe, but that must be anticipated, because they are part of the nature of things.

Along with this idea of forecasting and warning about the agricultural process in its present difficult development, we also have to point out, besides the conditions that we have tried to explain without dramatizing them, the subsequent prospects of a smaller grain production. To a decrease in the exportable remainder will be added a loss of tax returns, problems with loan repayments by municipal services and other results of the small contribution from the harvests.

It seems to us it will be advisable to take into account from now on these future consequences of the drought, which at this time are inconcealable.

9545
CSO: 3010/118

'SOMOS' INTERVIEWS FUTURE POLITICAL LEADERS

Buenos Aires SOMOS in Spanish 16 Oct 81 pp 92-95

[Round table with 11 young politicians from 11 different parties, at the Atlantida Publishing House; date not specified]

[Text] In a spirited round table, young politicians discuss old politicians, the country, Peronism, the errors of the past, bossism, a feeble democracy, the absence of women in politics and what has to be changed.

It is a household issue. Many people are saying that Argentina's poiticians are old, that they have worn themselves out and are not allowing young figures to emerge to update party ideas and structures. What truth is there to this, however? What do those who have apparently been held back think? SOMOS brought together 11 young politicians from 11 different parties representing most of the Argentine political spectrum to discuss this issue: the old politicians, the old politics. Voicing their views around an oval table at Atlantida Publishing House were Hugo Linares (Centrist, Constantini line), Carlos Andicoechea (Intransigent), Victor Lorefice (Peronist), Rafael Pascual (Radical), Eduardo Jose Alonso (Christian Democrat), Juan Carlos Raffo (Liberal, from Corrientes), Mario Justo Lopez (Democratic Socialist), Juan Guillermo Bello (Progressive Democrat), Federico Pinedo (Centrist), Carlos Balter (Democrat, from Mendoza) and Alejo Parizano (MID [Integration and Development Movement]). The youngest, Pinedo, is 25, and oldest is Bello, 34. This is what they had to say:

SOMOS: Do we have to speak here in Argentina about the old politicians of the old politics or about the age of our leaders?

Linares: The problem involves the parties and their platforms. And there are not many choices here: Either they are good or they are bad, and therefore the politicians who endorse and defend such platforms are going to be either good or bad too, regardless of whether they are young or old.

Lorefice: The generation problem is not exclusive to politics, and therefore the equilibrium that men with experience can provide in difficult times is important. As young politicians we can see what the new needs are more clearly, without the prejudices of the past, but we have to gain our political education from the old boys.

Alonso: It is not a question of age. The people who do not have a clear notion of their ideology, who lack authenticity are old. The young are always the ones who have left their mark on democracy. We can now see these differences between the people who are doing things and the people who are trying to be opportunists and get into the news a great deal.

Raffo: As a young man I find it hard to be objective because, as the saying goes, when you're young, you're a trouble-maker and when you're old, you're a trouble-shooter. But I think that what we can call the old political leadership has stayed around too long and has probably not had a chance to rejuvenate its spirit because of the political situations that have arisen one after another in the country in the wake of institutional breakdowns.

Lopez: It is clear to me that the problem between old and young politicians is not one of age. I would put it differently: What distinguishes the two approaches (the young and the old) is the understanding that there is a serious problem in Argentina and that that serious problem is an ailing, but not moribund representative democratic system. It is often said that Argentina is ailing because the military is in power. I would put it the opposite way: The military is in power because Argentina is ailing.

SOMOS: Didn't the old politicians have anything to do with this ailing Argentina? What treatment do you youngsters suggest?

Farizano: What underwent a crisis was the old, pro forma politics without substance, the struggle for just a way out or an election. The old is represented by our country in crisis, with political leaders who at a given point failed to grasp the basic problem. And the new is represented by the manifestations that we are seeing today.

Linares: Such as?

Farizano: The multiparty group, which has shown that the national leadership has put aside the old and sat down to talk over the problems that are really plaguing the country.

Balter: I have my doubts. Many of us here do back the multiparty group. Those of us who were ever members of a forum know that we all agree on fundamental, declamatory principles. A search for national unity is important, but it is not enough. We all agree on calling for fair wages or on education for all. But we are surely not going to agree on the means for achieving this.

Raffo: Furthermore, Bittel, Frondizi and Alende are leaders of parties that for years now have not had those millions of votes to say: Let's all unite now. I think that they're like the wolf, who always thinks that Little Red Riding Hood is going to confuse him with her grandmother. I am saying this because I do not see any difference between the Hour of the People and the multiparty group.

Lorefice: The historical situation is different. I think that to lump them together is, to a certain extent, ill-intentioned.

Raffo: I didn't lump them together. I was posing a question.

Linares: Although seven million votes is a big number, it would be a good thing for us in Argentina to begin debating ideas, not just vote totals.

SOMOS: But the old boys are the ones proposing change, if in fact it exists. Might it not be that for, say, sentimental reasons the country has been unable to clear the hurdle of the bosses?

Lopez: I don't agree. I think that the phenomenon of a leadership taking shape occurs in every group, regardless of how democratic it is. This is a sociological phenomenon. In order to function properly, every group needs people who are practically professional, who can assume leadership posts and who can spend their lives in the group. And it takes many years for this to happen.

SOMOS: We do not see this sociological phenomenon in England or the United States, where the ongoing turnover of leaders assures the continuity of the democratic system, do we ?

Pascual: In recent years Ricardo Balbin was the only reelected officer in the Radical Civic Union (UCR). At the most recent internal elections new leaders, such as Eduardo Angeloz in Cordoba and Juan Carlos Pugliese in Buenos Aires, emerged. Nevertheless, the problem of bossism in Argentina is a real one. These are the men who over time have shown that they have the most support on their side of the political spectrum. I will not make a value judgment as to whether the bosses are necessary or not, but a look at the facts shows us that they exist.

Raffo: I think that it's all because our structure is paternalistic, and the proof is that at the moment the State controls 40 percent of the country's production machinery. Moreover, a boss is not the same in the city as in the country, which is reached by neither the mass media nor social benefits. A boss there is a sympathetic ear for many Argentines who have no one to listen to them, and this has made bosses irreplaceable.

Balter: If I have to speak for my party, I will say that in 1971 Eduardo Vichi and Amadeo Frugoli, both of whom were 41, vied for the presidency of the Democratic Party. If, as the authorities have promised, the Statute of the Political Parties is in effect next year, the candidates for our presidency will once again be young.

Bello: As far as I am concerned, leadership turnovers mean nothing in themselves. A turnover is good when what is in place does not work, but if it does work, replacing it is bad.

SOMOS: Many young politicians have complained that they are being stymied in their parties by infighting [trenzas],point men [punteros] and cronyism. What do you think?

Pascual: I think this question is for me, and I'm going to answer it. I don't think this is the case. People have been saying for a long time now that the old politicians control party structures through infighting and point men. I think that if party structures were controlled through fraud, it would be a bad thing. If control comes through an election, it is not a bad thing and revitalizes the party. This was the case of the successive internal electoral struggles between Alfonsin and Balbin.

Balter: I think that what they're saying here applies to the parties that do not have a democratic organization, Peronism in particular, in whose last election almost all of the candidates were hand-picked.

Lorefice: Peronism in no way lacks or lacked a democratic structure. I have to clarify that Peronism is a mass movement that, when Peron was alive, was guided and directed by a leader. Nevertheless, all of the leaders of the previous stage emerged from internal elections, under a system peculiar to our party.

Pinedo: Were Lastiri, Lopez Rega and Sanchez Sorondo elected by Peronist affiliates?

Lorefice: Lopez Rega has no party post. Peron appointed him as a minister. Lastiri was, in fact, elected by the National Congress of the Peronist Party...

Balter: I would point out that this was not the case with Peronist internal elections in Mendoza.

SOMOS: From the standpoint of democracy, did Peronism help or harm the country?

Raffo: I think that Peronism accidentally harmed our democracy. It allowed completely different ideologies, even right- and left-wing extremisms, to coexist within its structure.

Farizano: Peronism is a phenomenon in Argentine history. One of its very important virtues was having nationalized the labor leadership. Until Peron appeared, it had been subject to Marxist, socialist or anarchist ideologies that immigrants had imported.

Balter: I would say that Peronism did not help. It did not respond to those of us who support and hope for a democratic and republican system of government.

Pinedo: In the past Peronism had its share of intolerance, which impeded the unfettered workings of democracy. This development, which was prompted by Peronism and anti-Peronism, cannot be denied. Now, however, we have to think about the future and not dwell too much on the sins of the past, because if that's where we remain, we will probably not be able to set up a democratic system of coexistence.

Bello: It harmed democracy because it did not operate within it, because it abused power and because it persecuted its opponents. Despite all this, however, it is still an organized movement that deep down has important values that ought to be assimilated into democratic life.

Linares: It was damaging to democracy. But if we want to analyze this, we have to start with the figure of Peron. Peronism is Peron, not something else. That is why we are now looking at a different situation: Replacing the group of people who united around Peron so that they can form a party or a democratic movement.

Alonso: The thing about Peronism that might have hurt democracy were a few leaders who said they were Peronists but in reality were not. The bottom line is positive for democracy.

Pascual: No one can be democracy's judge, because various sectors of politics in our country have harmed democracy a great deal. Peronism hurt formal democracy through practices that Radicalism denounced in the past.

Lopez: The question refers to the past. I think a value judgment on the past is a bad idea. Democracy is not just electioneering; it is a philosophy of life. If that is how we understand democracy and if we accept that respect for individual guarantees and rights is part of democracy and that there is no political freedom without economic freedom, I feel that Peronism's past performance has run counter to the democratic values of our society.

Andicoechea: The question seems loaded to me, because you're asking whether a system or movement that came to power each time by an overwhelming majority is democratic.

Pinedo: Hitler won an election by an overwhleming majority, and we wouldn't say that he was democratic...

Andicoechea: I want to add something else though. The people who say that it harmed democracy have been the first ones, ever since the 1930's, to knock on the barracks doors as the only way of getting to power. And that worries me.

Lopez: Those of us who got fewer votes have, in any case, been the opposition and we did not get into government. And those of us who were in the opposition know that Peronism is undemocratic because it has never respected the minority.

Raffo: We have to put this business of knocking on barracks doors in context, because let's not forget that when the former government was on the way down, there were a lot of legislators (who initially were sympathetic to Peronism) who didn't move a finger against the military taking power. I personally never knocked on a barracks door, but in any case I don't think they would have opened for me because I am not an important person...

Lorefice: Peronism caused a revolution that demanded immediate responses, and there are often no models or methods for this. This led to mistakes, ill will and attacks from both sides. This was what happened, and certain minorities were unable to grasp it, which led them to engage in confrontation. Then, of course, Peronism made its own mistakes in conducting the revolution. But I want to make this point: Ours was the first party to suffer subversive infiltration (and we were hit the hardest), and it jolted the movement.

Balter: I want to clarify something. If my memory serves me well, EL DESCAMISADO printed a letter in which Peron encouraged the Montoneros and applauded the assassination of Aramburu. So we would have to begin detailing...

Lorefice: But was the letter authentic?

Balter: He never disclaimed it...

Lorefice: He never acknowledged it either...

Balter: Well, when something like this happens, a clarification is in order. I couldn't allow myself to be associated with a letter like that without coming out and clarifying where things stood...

SOMOS: What mistakes, for example, did Peronism make?

Lorefice: Mistakes involving an inability to get along with the opposition and not developing a dialogue among political forces.

SOMOS: It is generally accepted in Argentina that political parties can be put in three ideological categories: center, right and left. There are 11 parties represented here, however. Do you think that in the future the parties will organize more on the basis of ideological affinities than different labels?

Raffo: That's a matter of sitting down and talking things over, but I do not think we will see this while we are young. Within a few years, if something major happens, a Liberal might extend his hand to a Peronist, or vice versa, if the Peronist discovers, for example, that he was following a banner or a boss rather than an idea. In order for the parties to align, there have to be serious unifying ideas, and one of them could be the subsidiary role of the State.

Pascual: This is difficult, and let's try not to get off the track. Although defining the major political movements is important, the main thing is to establish constitutional continuity. Furthermore, we have to be clear on this: If Argentina fails to achieve a series of presidential terms that put every pressure group and segment of society in its place, the major opinion trends are never going to exist.

Farizano: It seems here that everyone is sidestepping the basic issue, the all-embracing crisis that the country is experiencing and that has a lot to do with democracy and the attitudes of political parties. I then ask myself: What solutions would a legitimate election tomorrow or the day after tomorrow provide for the country's specific problems? Moreover, in recent years society seems to have sidestepped the political parties in channeling its protests. There is a man from Mendoza here who knows what happened in the Uco Valley and with fruit-growers in Cuyo.

Balter: We've strayed from the topic or confused the questions. Farizano's remarks seem to show that the political parties are not echoing the people's economic demands. I do not share that opinion. All of the political parties in Mendoza made themselves heard in defense of the Uco growers. The thing is that we have to analyze the strongarm methods of the growers, such as taking their tractors out on the roads, from another angle. Is this the kind of protest the parties should engage in?

Pinedo: Since our topic is still political overhaul, I would like to again raise an issue that was discussed here: national unity. I think that we all agree on this point. But unity must mean coexistence, because it is legitimate for some people to have ideas that run counter to mine to achieve certain ends, but always on the basis of coexistence. Once we have established this groundwork and once people respect the opinions of others without saying that those who think differently work for the Trilateral Commission or are traitors, we will move towards a stable democracy, which is based on a pluralism of ideas.

SOMOS: It seems that women are going to be absent from this pluralism. We say this because your parties did not designate any women in response to our invitations. What's the matter?

Lopez: There are few women in my party. There are women in the centers (which would be the Radical Party's committees), but they do not hold high-level posts. There are generally few women among our youth.

Alonso: By working at home, women allow men to engage in politics. Even if they wanted to get involved, they don't have the time.

Raffo: To the extent that women have a place in party structures, they will arrange their time, because politics is a vocation that goes beyond taking care of the kids and the house or getting dinner ready. Proof of this is that there were 40 women among the 246 deputies in the last Congress.

SOMOS: The president also made an appeal for participation. What is the response of our young political leaders?

Pinedo: That we cannot participate except through political parties. It's a little bit ridiculous for the president to say that young people have to get involved in politics, must not be indifferent and must take a stand, when you cannot get involved because that same president forbids it.

Lorefice: There can be no involvement without first removing the obstacles. You cannot talk about involvement and keep the parties on ice.

Balter: I think that this Process has to straighten itself out. If a dialogue is called later, I am sure that all political forces would participate.

SOMOS: How must the Process straighten itself out?

Balter: By acknowledging things. For example, that politicians are not thinking about elections tomorrow.

SOMOS: The multiparty group has called for them.

Balter: It called for them in 1984, and that's 3 years away.

SOMOS: If participation is opened up, will there be changes in the approaches of our young leaders?

Lorefice: There will inevitably be. We Peronists are obliged to change. We are children of an internal process whereby Peronism was based on a leader.

8743
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DISAGREEMENT WITH GOVERNMENT'S ACTIONS UNIFIES LABOR

Buenos Aires LA PRENSA in Spanish 14 Oct 81 p 13

[Article by "Observer": Discontent and Concern in the Pro-Dialogue Sector. The Political Details]

[Text] Once the immediate guidelines were established for government relations with the pro-dialogue faction of the labor movement, via the announcement of wage boosts and other measures, the reactions of the entire labor movement followed a parallel course. They all regarded the boosts as inadequate and already offset by the increases in utility rates and the prices of fuels and staple foodstuffs.

The Intersector Commission, as represented by Alberto Jorge Triaca's report, was quite eloquent: "Either the government's team alters its philosophy with respect to its treatment of labor or we will consider that the conditions for sustaining the dialogue no longer exist." Triaca is one of the authors of the "dialogue thesis" back in the days of the National Labor Commission, and in that undertaking he had a number of violent confrontations with the labor movement's Peronist vertical-rule line, to the extreme that he lost his status as one of the three leaders of the movement, thus giving rise to a new facet of the confusing labyrinth in which this political group now finds itself. Triaca appeared very nervous and worried when the minister said: "That is all that the government can give." It so happens that the job situation is rapidly worsening, as layoffs, early vacations and business closures keep coming one after the other.

A Very Special Time-Out

The meeting of the labor leaders of the Intersector Commission was of no major consequence because no promises or satisfactory explanations were offered. To many, it was as if it had never been held. In contrast, it did have an impact on the status of the sectors, and one of the major trade unions of the sector, the Insurance Union, even withdrew, deciding "to remain outside any faction but still part of all the efforts exerted towards unity."

The Insurance Union's stand might be emulated by other trade unions, as we have already advised in these pages, and it would all have to do with the negative outcome of the Intersector Commission's efforts with the authorities,

together with the fact that what the leaders of the Intersector Commission have done so far in terms of labor unity is regarded as inoperative.

All of this will not mean "more grist for the CGT's [General Labor Confederation] mill," but rather the possibility that there will be more trade unions watching "the performance from the audience, since being on stage is not worth it," as several of the labor leaders with whom we spoke put it.

We should point out that such a situation is not alien to the CGT, some of whose trade unions have taken practically the same approach, disagreeing totally with what has been done so far. This is the case with the workers in the tobacco and other trade unions, whose leaders have not shown up for CGT meetings for some time now.

Political Colors

With another anniversary of 17 October upcoming, the CGT plans to take an active part in commemorating the date, thus taking a clearly partisan stand. In other words, the entire group will repeat the vertical-rule slogans from the era of the 25 Trade Unions and the so-called Peronist Labor Movement. But there is this additional detail. The CGT has not forgotten its lesson and is keeping its index finger pointed straight at the mistakes (in its opinion) that the official leadership is constantly making in the labor sector, with an eye towards the very remote possibility of a normalization of the intervened entities.

It bears noting here that the "critiques of the waiting period" contain very harsh warnings, such as with regard to the differing treatment accorded workers and business in dealing with the problems of weak sales, overstocking, layoffs and loss of jobs. This is an issue on which the CGT and the Intersector Commission agree (as has happened so often), and one of the comments (right after the meeting with Porcile) was quite graphic: "There are rollovers, there are bonds, there are agreements and rebates, but we don't even have 15 days to catch our breath and take advantage of a boost, not even a tiny one, as was recently ordered. The bills arrive first."

Acts and Contacts

So then, both political and inter-union stands will be taken over the next few days, though for the time being no thought has been given to other fields. On Friday at 1700 hours at the Argentine Boxing Federation, Castro Barros 75, a ceremony commemorating 17 October 1945 will be held, according to sources close to the union. Once again according to these sources, it has been organized by the National Board of the 62 Organizations, the Board of Directors of the CGT (which has just overhauled the 62's board at a clearly political meeting) and the Peronist Party. There will be only two speakers: Saul Ubaldini, from the CGT, and Deolindo Bittel, representing Peronism.

Something that has become quite common lately in CGT press releases happened in connection with the announcement of the ceremony and the overhaul of the

board. It was reported in mid-afternoon that a statement was ready to be released to the media; a phrase here and there of the statement was even leaked. After a lengthy wait, it was reported that "the statement required a few last-minute corrections and would not be released until tomorrow" (today).

Meanwhile, aside from the hardening of the Intersector Commission's position vis-a-vis the government, it was learned that unity talks have once again resumed between the sector of the CNT and the CGT and that both the metallurgical and light and power unions are intensifying their efforts to achieve, first, real unity among all of the factions in these trade unions and, then, CNT-CGT unity. And what about the 20? many will ask. But that is another chapter in this same story.

8743
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IMPACT OF BALBIN'S ABSENCE FELT IN RECENT EVENTS

Buenos Aires SOMOS in Spanish 16 Oct 81 p 12

[Text] Political Key

Two news items marked the beginning of post-Balbin Argentina: the reestablishment of the 62 Organizations and the first Radical altercation.

The announcement jolted political circles: The 62 Organizations were coming back. As we will remember, prior to 1976, the Peronist labor movement was made up of two structures. One, the CGT [General Labor Confederation], had a specifically union aim. The other, the 62, was the movement's labor union arm. Peronism has always had a corporative organization. It is not a party; it is a movement, whose branches are the Peronist Party, the 62, the women's branch, the (semi-defunct) CGE [General Economic Confederation], the JP [Peronist Youth]...In 1976, however, the military government banned the 62. Ever since the ultimate aim of the National Reorganization Process has been to found a democratic republic, the understanding has been that it would operate with parties, not bodies or movements that would include a party as one of their subordinate branches.

Peronism's decision at this precise moment to revive the 62 carries great significance. It means, for the time being, that it is shifting to a more active opposition. The people who made the decision to disinter the 62 were the representatives of the CGT (the union hardliners vis-a-vis the soft-liners of the CNT [National Labor Commission] and the Intersector group) and factions linked to Lorenzo Miguel. At the same time, they announced the public celebration of 17 October, something that has not happened in recent years. This poses a challenge, a challenge to the government's ban on the 62, which is still in effect, a challenge to official policy. In a deeper sense, however, it is a challenge to the republican blueprints and, if we look closely, to the Radical affiliates of the Multiparty group.

The fact is that the UCR [Radical Civic Union] could get along with another "party" like it. The rapprochement between Peronism and the UCR in the Multiparty group was the outcome of contacts between two specific men: Bittel and Balbin. Two party men. Two politicians. That is what the Multiparty group is: a multiparty group, in other words, an association of similar

structures, parties, to hasten the process of setting up a republic. But to the extent that Peronism energetically takes on its former character as a movement, in light of the revival of the 62, it injects a new element. Is this type of structure compatible with a traditional democracy? Could we function as a democracy if one of the competitors incorporated the labor movement? In any case, such a competitor could not have a democratic internal structure, because since it consists of mutually incompatible pieces (the party, the 62, youth...), it would once again have to resort to arbitration at the top, to the vertical rule of a new monarch. It would be inevitable. The revival of the 62 is clearly an initial step towards the reestablishment of the same old Peronism. Only Isabel and Lopez Rega are missing.

The First Radical Quarrel

Balbin's absence is, in a way, palpable. There can be no doubt that the Radical boss moderated Peronism's push for exclusivity and induced it to draw closer to the rest of Argentina's parties. Now that Balbin is dead, the 62 are reemerging amid a return by Peronism to what it always was: corporate structure, vertical rule and a populist impulse that is not in keeping with the ideals of the republic.

Balbin's absence can also be felt within Radicalism itself. We have witnessed here the first public quarrel among its leaders. Lieutenant General Galtieri had lunch a few days ago with a few Radical leaders: Messrs Pugliese, De la Rua, Trilla and Facundo Suarez. In one way or another, these names reflect a trend towards moderation and dialogue in the UCR. The obvious aim here was to open up the party to kindred groups and perhaps eventually to turn it into the natural vehicle for all that is republican, not populist, in Argentina. But when the luncheon was made public, other Radicals protested. Heading up the list, Luis Leon asserted that democracy cannot dance the minuet with despotism, arguing that Galtieri ceased to be a dialogue partner for the party when he asserted that he was holding back the ballot boxes. Taking an equidistant stand, Antonio Troccoli clarified, nevertheless, that the four UCR men conversed with the commander in chief of the army on their own, not as party representatives. He hence absolved and limited them at the same time. Thus did the three Radical factions make their stands known, ready to pursue the inevitable struggle of succession: a moderate wing, a left wing and the center, which wants to carry on just like under Balbin.

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GDP FORECAST FOR 1981: FROM MIRACLE TO NIGHTMARE

Sao Paulo VEJA in Portuguese 21 Oct 81 pp 116-117

[Text] The thing that was most feared by businessmen and workers and thoroughly denied by the government has finally happened: the lights illuminating the Brazilian economy are beginning to go out. Last week, for the first time since 1976, when the IBGE [Brazilian Institute of Geography and Statistics] began publishing its statistics on the performance of Brazilian industry, Brazilian industrial production showed a negative annual growth rate. For the 12 months ending in August, accumulated production fell by 1.1 percent, while through July it had still shown a small increase of 0.41 percent. From January to August, industry's plunge in comparison with the same period last year was even deeper: 5.9 percent. And in August alone, compared to August 1980, production toppled by 12.47 percent--a slump never before seen in the economy and one that is reflected in a sharp drop in sales, increased unemployment, and greater difficulties for the fragile financial organization of most national firms.

With just under 3 months left in the year, the consensus is growing among both supporters and critics of the government's economic-financial strategy that the index measuring the gross domestic product--the chief thermometer of the country's economic activity--will probably not come up with a performance at least great enough to offset the natural rate of population growth. According to the latest estimates by Brazil's most respected statistics labs, the most probable result by December will be a negative GDP--an inglorious achievement and one unheard of since the end of World War II. Negative growth rates have occurred only in economic sectors, never in the economy as a whole. Over the past 20 years, for example, industry showed a drop of 4.7 percent in 1965, while agriculture declined by 14.6 percent in 1966 and by 1.7 percent in 1978.

"Crazy"

"He was crazy when he said last month that the economy was going to grow by between 3 and 4 percent this year." So thundered Olavo Setubal, former mayor of Sao Paulo and chairman of the Itau Bank, with reference to the forecasts by Delfim Netto, minister-chief of the Planning Secretariat of the Presidency. According to Setubal, the Itau Bank's Economic Department has been working for over a month with an estimate showing that this year's GDP would be somewhere between zero and minus 2 percent. And Paulo Francini, deputy chairman of the Sao Paulo Federation of Industries (FIESP) and owner of Radio Frigor, fulminates: "The fact that the IBGE's industrial

indicator has entered the red makes it clear that something in the government's strategy has miscarried." And he adds: "This confirms our thesis: when everyone was talking about a 5-percent rise in the GDP, we were warning that that forecast was not real."

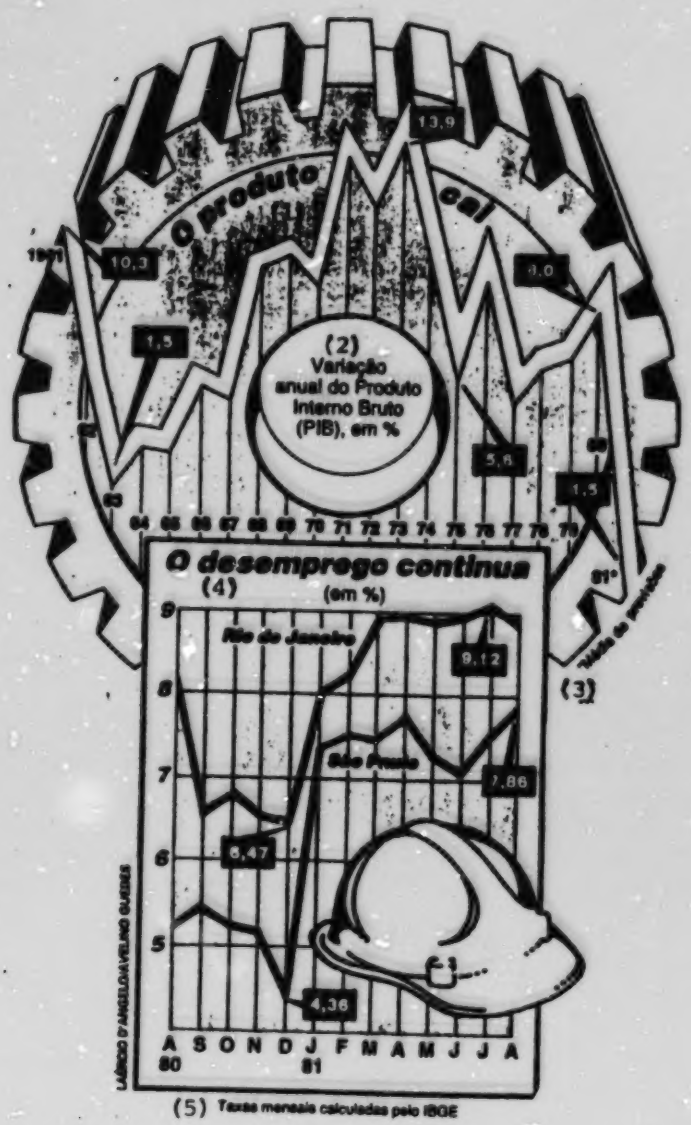
The fact is that the performance of the GDP is no longer being viewed with optimism even within the government, and more than a few people longingly recall the marvelous period from 1971 to 1973, when the economy grew at meteoric rates averaging 13 percent per year. Akihiro Ikeda, economic adviser to Delfim Netto, has now begun to concede that the figure will be between 2 and 3 percent. He explains: "Since the initial estimate, which was on the order of 5 percent, we have witnessed the rise in foreign interest rates to the 20-percent range, the drop in farm prices, the drought in the Northeast, and harvests of rice, beans, corn, and wheat that were below the forecasts." Those factors, he says, prompt a revision.

But for the time being at least, Ikeda does not accept projections saying that this year's GDP will be zero in the best of cases. Agreeing with him is Prof Antonio Carlos Lemgruber of the Getulio Vargas Foundation [FGV], who places the growth in the GDP at between zero and 1 percent. But even so, the lowest positive rate ever recorded in this country was 1.5 percent in 1963, when the economy, prostrate and disorganized, was entering a serious recession. Worried about specific problems such as the payment of government employees and compliance with the scheduling of public works, Affonso Celso Pastore, secretary of finance in Sao Paulo, is watching economic developments from a privileged observation post: the control room for the country's mightiest state budget. He estimates that because of the economic slowdown, collections of the tax on movement of merchandise will be down by about 10 billion cruzeiros by the end of the year. Pastore predicts: "This year the Brazilian economy will show a negative GDP. Something between 1 and 3 percent." Last year the GDP grew by no less than 8 percent. Julian Chacel, director of the FGV's Brazilian Economic Institute, pounds his gavel and says: "The GDP will be negative in 1981."

Question of Arithmetic

Antonio Carlos Borges, director-superintendent of the Sao Paulo Federation of Commerce, is skeptical. He feels that the government is creating an "expectation of optimism" when it reiterates that despite everything, the GDP is going to increase by the end of the year. He says: "It can't happen. It is impossible to reverse the downward trend in the economy at this point." According to him, it is all a question of arithmetic. In calculating the GDP according to the national accounts, farm production carries a weight of 11 percent, industry 36 percent, and services 53 percent (of which 28 percent represents commerce). By his organization's reckoning, industrial production will decline by 5 percent, agriculture will rise by 6 percent or even 8 percent, and services, "taking a very optimistic view," will neither rise nor decline. Carlos Borges explains: "So in order for services to make up for the decline in industry, commerce would have to rise by 16 percent from October through December, and that cannot happen."

The data from the Federation of Commerce are similar to the forecasts produced by the Economics Department of the PUC [Pontifical Catholic University] in Rio de Janeiro. Meeting last week to discuss the current economic situation, the professors from that department arrived at a shattering calculation: the GDP in August



(5) Taxas mensais calculadas pelo IBGE

Key:

1. Falling GDP
2. Annual change in GDP (percentage)
3. Average of forecasts
4. Continuing unemployment (percentage)
5. Monthly rates calculated by the IBGE

was already showing a negative annual rate of nearly 1 percent. Prof Dionisio Dias Carneiro of the PUC observes: "During the talk last year about slowing down the economy--and that is a euphemism for recession--it was not imagined that the GDP would drop. Those in charge of making up the deceleration formula went seriously wrong." The worst that can happen as a result of that policy, he adds, concerns the damage it does to the long-term adjustments that the country must make to overcome foreign-exchange asphyxia. "Immediate unemployment is tragic, but the more important thing is to build a way out of this crisis," he warns. "Those adjustments are the investments in energy, agriculture, and exports--especially minerals. All of them take a long time to reach full development and cannot be jeopardized by a recession." Several projects of that type are already facing problems, however, for lack of funds. The most significant example is the Tucurui hydroelectric plant being built in Para, on which a number of projects for promoting exports depend.

As if that were not enough, says Carneiro, the policy pursued so far has produced meager results. He says: "The economy did not need to fall so far to achieve a drop of 10 points in the inflation rate." Carlos Borges adds: "In social terms, that is a very high price to pay for such discouraging results." Since little positive expectation remains for this year, attention is now being turned to 1982 and the cosmetic effects of the election period. A promised reactivation of the economy is expected, but if it happens, it will certainly be due more to a natural rebuilding of stocks by the firms after scraping the bottom of the barrel at the end of the year than to any deliberate decision by the government.

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GUERRILLA LEADER SHOT TO DEATH IN NELTUME

Santiago EL MERCURIO in Spanish 17 Oct 81 pp A-1, A-20

[Text] Extremist Miguel Cabrera Fernandez, 30 years old, was shot and killed a few hours ago in a confrontation with Carabineros in the Neltume area in the interior of Valdivia. Using the political alias of El Paine, he commanded the group of subversives who fought security forces in a wooded area in September. Seven terrorists died then.

According to the background obtained by EL MERCURIO, Miguel Cabrera Fernandez used the false identities of Juan Carlos Miranda Torres and Tirso Rodriguez Munoz and carried forged Identity Card No. 5,248,932-6 of Santiago and No. 5,957,769-7 of Santiago. After confrontations with security forces last month, he managed to escape the dragnet, fleeing with a Belgian doctor, Pierre Charles Raoul Cardyn Dejen, who uses the nicknames Leon and Teo. He used the false identity of Michele Mandon.

Also Miguel Cabrera Fernandez' lover, known only by the political alias of Luisa, escaped with these two extremists.

The doctor studied at Catholic University in Chile. It is not known if he and the woman known as Luisa were with the leader of the guerrilla group when these events occurred in the interior of Neltume. Searches led to the capture of five other people.

Fugitives

After the encounters with security forces last September when seven subversives--who had secretly reentered the country--died, another eight terrorists who were operating in the area managed to escape. The false identity cards that they used were found on some of the bodies.

The whereabouts of these individuals is unknown. Some of those arrested by the Carabineros in the past few hours might include the student Jaime Castillo Petruzzi who used the false identities of Victor Acuna Viera and Esteban Diego Morales Diaz. The remaining six whose real names are not known used the following false identities: Juan Antonio Avila Jimenez, Tirso Antonio Rodriguez Munoz or Juan Carlos Miranda Torres who was the head of the group, Miguel Cabrera Fernandez, alias El Paine; Nelson Arturo Vidal Troncoso or Jorge Luis Araya Galleguillos or Sebastian Carlos Inostroza Astudillo; Fernando Omar Soto Perez or Jorge Antonio Rios Lemus; Jorge Alfonso Castro Sepulveda or Jorge Andres Silva Baeza; and finally Jose Luis Chavez Contreras or Antonio Andrade Padilla.

Of all these fugitives, the real identities of only two are known. This includes the head of the group who reentered the country from Argentina through a border pass in the so-called "Operation Return."

Official reports were not given yesterday on the confrontation in which El Paine was killed. However, residents in the area revealed that operations by the Carabineros and security forces had intensified in recent days.

As this issue went to press, Ignacio Astete, assistant national director of social communications, told EL MERCURIO that DINACOS [National Social Communications Division] would issue an official communique in the next few hours about these events in which the guerrilla chief died.

Official Communique

Ignacio Astete Alvarez, assistant director of the National Social Communications Division, issued an official report yesterday on the events in which the chief of the Neltume guerrilla group died.

"The National Social Communications Division reports the following to the public:

"1. As is common knowledge, the security forces have been carrying out different actions during the past few months to detect and neutralize terrorist activities in the interior of Neltume east of the city of Valdivia.

"2. Because of those actions, a vast plan to train extremists who would work in other parts of the country, attacking internal peace and security, was destroyed.

"3. The security forces have maintained strict control and vigilance in the area with the objective of capturing all the subversives involved in the mentioned plan.

"4. As a result of those actions, a new confrontation occurred at 2300 hours yesterday, Thursday, 15 October, in Choshuenco against three extremists. Terrorist Miguel Cabrera Fernandez, alias Paine, who acted as chief of the group was killed.

"5. The other extremists eluded the security forces and are now fugitives. They abandoned their civilian clothes, food and medication.

"6. A 9 mm Browning pistol of Belgian manufacture, a quantity of ammunition, a hand grenade and a curved knife were found on Cabrera Fernandez who was wearing military clothing.

"7. The facts of the event were given to the Fourth Military Court of Valdivia. The terrorist's body was taken to the Panguipulli morgue.

"8. It should be pointed out that the dead terrorist had a long subversive record. He was sentenced by a Council of War in January 1976 to 10 years imprisonment which was commuted to exile, prohibiting reentry to the country because he was considered dangerous. In May 1977, he went to the Netherlands, carrying out that sentence."

Trained at Cuban Base

Security sources said yesterday afternoon that police forces are patroling a broad sector west of Neltume, in the 10th Region, to capture the five terrorists who managed to escape after the early morning confrontation in which the chief of the extremist group, Juan Carlos Miranda Torres, also known as Miguel Cabrera Fernandez, was killed.

It was also pointed out that during the shoot-out at about 0400 hours yesterday, 6 kilometers west of Neltume, the guerrillas used machine guns but apparently had little ammunition. After firing a few rounds against the Carabineros, they withdrew into the forest and managed to escape, protected by the surrounding darkness.

According to documents seized in earlier operations in the same area, the dead extremist was the leader of a group of approximately 14 people who entered the country secretly and trained at Cuban bases where they received complete instruction for urban and rural combat.

In the confrontations between 6 September and 20 September, subversives Raul Obregon, Pedro Yanez, Prospero Guzman, Patricio Calfuquir, Jose Monsalvez, Rene Bravo and Julio Riffo died.

According to the reports of the security organizations, the operations carried out at this time in Neltume are aimed at capturing the dead terrorist's lover, known only as Luisa, the Belgian doctor, Pierre Charles Raoul Cardyn Dejen, and extremists Jorge Duran Delgado, Segundo Pezoa Lara and Juan Antonio Rios Lemus who managed to escape after the confrontation today.

Because of the characteristics of this last confrontation and the area where it occurred, the police assume that the subversives were trying to reach a group of houses in order to get supplies and obtain information on the situation in the region. After the seven members of the extremist group died, the supply lines were cut and the others lost all contact with their informants.

The extremist group that tried to install a guerrilla base in the interior zone of Valdivia failed--in the opinion of security personnel--principally because the peasants refused any type of support which makes it impossible to operate in isolated areas.

7717
CSO: 3010/120

FINANCE MINISTER, PRIVATE SECTOR AGREE ON BUSINESS RISKS

Businessmen Must Risk Losses

Santiago EL MERCURIO in Spanish 16 Oct 81 p A-1

[Text] Yesterday the minister of finance, Sergio de Castro, pointed out government efforts to increase the investment in human capital, mentioning increased resources for education, social housing, nutrition, health and child and maternal care.

Concerning private investment, he said that, in addition to human and physical capital, there is a third important factor--risk. "For businessmen to enjoy profits and deserve them, they must also be willing to absorb losses when these occur."

The minister said this during a speech given for the inauguration of the Santiago plant of the United Breweries Company in Quilicura.

Eliminate Extreme Poverty

He began his speech indicating that "the economic growth of countries is extraordinarily important because it represents the appropriate way to eliminate extreme poverty. This growth depends in turn on the investment level in human or physical capital."

He added that the investment in human capital is more important. "For this reason, the present government has made great efforts to increase real resources invested in the educational process."

Educational Expenditures

The minister said that real educational expenditures have increased almost 60 percent between 1970 and 1980, pointing out that subsidies to free education have also increased.

He stated that the transfer of the schools to the municipalities will have a very important impact on the quality of education. In general, the resources allocated to this sector are directed at basic education which, he emphasized, is the most necessary for the people.

Social Programs

The minister stated that in addition to these investments in education, the government has created programs for social housing, nutrition, health and child and maternal care.

He added that this effort can be expressed in a figure like the infant mortality rate which has decreased from 79.3 per 1,000 in 1970 to 39.1 per 1,000 in 1980. This gives Chile one of the lowest mortality rates in Latin America and a lower rate than even more developed nations than ours.

Global Investment

He also indicated that the country has advanced at an accelerated and sustained rate in the investment of physical capital. "In 1980 a level of investment of about 18 percent of the gross geographical product was reached, the highest in the history of the country."

He continued: "Consistent with the principle of subsidiariness, it is important to emphasize that, in 1970, 75 percent of national investment was public investment. In 1980, more than two-thirds of the total investment has been private investment. This process continues to advance and the general level of investment continues to increase."

Business Risk

He revealed that the different types of investment could be seen in the new industrial plant inaugurated yesterday. "We see human capital expressed in the workers, technicians and professionals who have made the adoption of this technology, one of the most advanced in the world, possible. We can also see physical capital in the 3 billion pesos that this installation cost."

He observed: "There is a third factor that is not apparent and frequently is not even known; that is risk. I want to emphasize it because I believe that risk is inherent to every investment project, every human project."

He maintained that, in the economic field, "willingness to face risk is what validates and justifies profits. Consequently, for a businessman to enjoy profits and deserve them, it is necessary that he be willing to absorb losses when they occur."

Finally, he emphasized that "the principle of subsidiariness is not, as some seem to believe, that profits are for the businessmen and losses for the state; the profits and the losses are for the businessmen."

Private Sector Supports Minister

Santiago EL MERCURIO in Spanish 17 Oct 81 pp C-1, C-6

[Text] Leaders and executives of the private sector said they fully agreed with the statements made by the minister of finance, Sergio de Castro, that businessmen can enjoy profits but must also be ready to absorb losses when these occur.

The minister made this statement last Wednesday, indicating that "the principle of subsidiariness is not, as some seem to believe, that profits are for the businessmen and losses for the state; the profits and the losses are for the businessmen."

To Eugenio Blanco, president of the Santiago Trade Exchange, the minister of finance's statements are "very appropriate for the circumstances, especially in a situation like this when corporations, enterprises that are closely tied to stock activity, are expanding."

He said that any businessman knows that he takes a risk when he starts an undertaking. Anyone who does not want to run the risk cannot be a businessman. He commented: "I believe that the minister's words corroborate the philosophy of being a businessman."

Asked about the risk of the existing protectionism in other markets which makes the entrance of Chilean exports difficult, he recalled that SOFOFA [Industrial Development Association] has stated that it is difficult for private enterprise to compete with products that come subsidized by the governments of other countries.

He suggested that the government should adopt measures that permit the industries to compete with foreign enterprises on equal terms.

National Chamber of Commerce

Luis Correa Prieto, president of the National Chamber of Commerce, indicated: "The minister's statements are consistent with his past position. He knows how to speak clearly and directly which is a requirement for a person in government because it lets the country know what to follow."

He maintained that "it is logical that if a businessman has profits, he must also face losses when they occur. However, we say that the state takes too high a percentage of the profits."

As to risk as an inherent factor in economic activity, he revealed: "The businessman must naturally face this. When a businessman suffers a serious loss, he loses everything, even the name."

Rolf Luders

Economist Rolf Luders said: "I cannot agree more with the minister. What he said is part of the philosophy of the system."

Asked about whether the minister of finance's statements were a response to some sectors, he said: "They possibly correspond to certain pressures from some sectors that are losing special treatment."

SNA

In the opinion of German Riesco, president of the SNA [National Agricultural Society], "more than a warning, I believe that the minister's statements are already

known by all the businessmen in the sense that there is a risk and that risk is precisely what legitimizes profits."

"I believe that, at this stage of the game, there is no businessman in Chile who can say that he is not aware that he runs a risk and that if perhaps his investment does not have results, he will suffer the consequences."

Businessman

Juan Elgueta, general manager of BHC [Mortgage Bank of Chile] International, felt that businessmen in every activity must be well aware of the risk.

He observed: "In Chile, for various historical reasons, we were not accustomed to this risk factor because many times it was the state who solved the problems. I believe that the rules of the game are very clear now and the businessmen must be well aware of the risk that they run in all their transactions."

7717
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COPPER PRICES DOWN BUT NEW REFINING TECHNOLOGY PROMISING

Copper Production Remains Same

Santiago EL MERCURIO in Spanish 17 Oct 81 p C-5

[Text] Copper production in the period January-August 1981 was exactly the same as during the same period last year--700,400 tons of refined copper--according to the Chilean Copper Commission yesterday.

In an analysis of the sector, it pointed out that the average price during the period January-September 1981 was $0.8022 per pound, $0.2210 less than during the same period last year.

It pointed out that the price of copper remained at the low levels observed in June and July.

According to estimates, for each centavo that copper goes down in its annual average, the country loses approximately $22 million during that year.

The report said that, although at a low level, the price became stronger in the first 3 weeks, especially between 14 September and 21 September. It explained that the reasons included optimistic expectations for economic recovery in the developed countries and a possible reduction of U.S. interest rates, the increased price of gold and other precious metals, the worsening political tensions in Poland, the conflict between Angola and South Africa and, to some degree, the bullish repercussions of labor conflicts in Peruvian and Canadian mines.

It indicated that the political tension in Poland decreased in the last week of the month and, more especially, pessimism as to the future evolution of the U.S. economy increased.

The report said that the impression that the U.S. recession would persist began to predominate and it would be hard for the expected reduction of interest rates to take effect. It concluded that this lowered copper prices.

Economic experts have indicated that the international economic recession would only begin to improve in the second half of 1982.

Production

The commission said that Chilean production of marketable copper in the period January to August totaled about 700,400 metric tons of refined copper, exactly the total in the same period in 1980.

It added that large copper mining produced about 585,800 metric tons, 0.7 percent less than last year. Medium and small mining totaled 114,600 metric tons, an increase of 3.6 percent.

The commission stated that the decrease by CODELCO [Copper Corporation] occurred basically in Chuquicamata where it went down about 19,400 metric tons. This was almost totally compensated for by higher production at the El Teniente division which increased 16,400 metric tons.

The El Salvador division increased 700 metric tons and Andina decreased 1,700 tons.

New Technology Used

Santiago EL MERCURIO in Spanish 17 Oct 81 p B-2

[Text] With a production potential of only 110 tons of refined copper per month, the La Florida Electrolytic Refinery is an industrial project with enormous economic advantages over the traditional systems of refining scrap which are profitable at production of over 5,000 tons per month.

Conceived of as an industrial unit, the project also represents the possibility of continuing research on the application of the new technology to other areas of copper refining, according to its general manager, Luis Narvaez.

It cost almost $2.5 million in construction to materialize a research process of more than 5 years developed by a team of specialists led by Professor Rafael Gana, chemical engineer and director of the Chemical Sciences Institute of Catholic University.

New Technology

With a production capacity of 110 tons of refined copper per month, the refinery presents several advantages compared to the traditional systems of treatment of scrap by eliminating several phases of the production process.

Compared to conventional systems, the new methodology requires less copper per ton produced. Normally in plants of this type, between 18 and 22 percent of anodic scrap is generated in the process of refining copper with respect to the initial weight of anodes submitted to the purification process. This is avoided by this technological mechanism.

Also the elimination of the intermediate pyrometallurgical phases (foundry-ovens) avoids high fuel consumption and, consequently, the environmental pollution caused.

As to time, Narvaez indicated that the traditional processes require between 11 and 14 days while the new system requires only 7 days.

Refine Primary Copper

Planned as a "pilot" unit since it represents the possibility of continuing research, the plant was built with private capital after buying the patent for the process from Catholic University.

Narvaez indicated: "In spite of already being an important advance for the country, the projections go further."

He explained: "It is a matter of continuing studies to learn the feasibility of refining primary copper (RAF-blister, matte and even concentrate) and deriving large-scale processes to build refineries where necessary."

The intention is to continue the research initiated by the technical team headed by Rafael Gana in order to develop this technology.

Narvaez stated: "We are aware of the scope and level of investment necessary. Nevertheless, if we as an enterprise attract the interest of state or private institutions to investigate primary copper refining based on this technology, we are convinced that we would make an important contribution to the country."

He maintained that the team of researchers headed by Gana which includes engineers Manfredo Figueroa and Alejandro Parodi has top-level quality and professionalism. They have investigated and developed several other technological processes.

He explained: "If the advantages at the industrial level are verified in this refinery, Chile could easily refine a high percentage of the copper that is produced in the country. This would mean more jobs and activity for the national industry."

At present, only 45 percent of the ore that is extracted is refined domestically.

Narvaez mentioned that these projects have been tested in pilot plants at Catholic University; it remains to verify their behavior at the industrial level.

Large Copper Mining

Narvaez continued: "As owner of the licenses, we have offered in principle the possibility of testing the advantages of these new processes, even under the supervision of their own technicians, to CODELCO and Disputada de las Condes enterprise."

He stated: "We hope to have a good reception from large copper mining."

Owners

The La Florida Electrolytic Refinery is a limited corporation. It belongs to businessmen Luis Narvaez and Javier Larrain Orrego who also own Eximin Ltd., an enterprise that markets copper scrap.

About 20 people work in the enterprise. According to the general manager, they are in the process of planning the development of the industry.

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ECONOMY VICE MINISTER: COMMON MARKET IN JEOPARDY

San Jose LA NACION in Spanish 3 Oct 81 p 4A

[Text] The Central American Common Market is going through the worst period in its history, the vice minister of economy, Manuel Guevara Fallas, said yesterday.

He attributed this situation to the serious balance of payments problems facing the nations of the region and the political differences that keep the nations apart.

The cabinet official, who has a degree in economics, admitted that there have never been so many problems threatening the survival of the market at one time.

This concern is the reason why there will be another meeting of ministers of economy and the Central American Monetary Council during the next two weeks--probably in San Jose. Mr Guevara replaces Jorge Cespedes, who resigned from the position on 30 September for personal reasons, it was learned.

Problems

Mr Guevara said that Costa Rica has substantially improved its balance of trade with the other Central American nations.

He added that despite this he is not entirely satisfied because the improvement in the trade balance has not accomplished through an increase in exports but, on the contrary, through a decline in imports.

He said he had no doubt that industry and other local exporters were making a strong effort to increase our sales throughout the Central American region.

According to the official, Costa Rica is concerned over the fact that the Salvadorans have closed their borders to Costa Rican products.

However, he said, the true magnitude of this problem is not known; although once the Costa Ricans can communicate officially with the authorities of that country, its dimensions will become evident.

He added that various events have occurred in the region during the past few months that have impeded the normalization of trade.

He recalled that Nicaragua set up a series of restrictions on imports beginning 1 October, while Panama adopted a licensing system for the purchase of products from the region.

Meanwhile, Guatemala and Honduras have charged that changes in the value of Costa Rica's currency have caused great harm to the importers of those nations.

At the same time Costa Rica is facing problems with El Salvador and Nicaragua over difficulties these countries have encountered in paying for imports from this country.

Nevertheless, Guevara pointed out, some countries of the region are requesting more information on measures adopted in this country recently.

The new vice minister was born in Puntarenas on 9 October 1930; he is married and is the father of five children. He was formerly with the Central American Institute of Public Administration (ICAP).

From 1964 to 1971 he was a customs policy and administration expert with the United Nations Development Program. Shortly thereafter, he went to Equatorial Guinea to serve as an advisor of that African nation.

He has also participated in over 50 international conferences related to the development of Central American economic integration.

9015
CSO: 3010/93

SALVADORAN LABOR UNION LEADER CONDEMNS U.S.

Havana TRABAJADORES in Spanish 18 Sep 81 p 6

[Interview with Jorge Mendoza, leader of the Unified Labor Federation of El Salvador, [FUSS] in the column "World Trade Union Congress, February 1982 Cuba: News Flashes From the Trade Union World," date and place of interview not given]

[Question] Today the question of solidarity with El Salvador affects all the trade union organizations of the hemisphere and the rest of the world. What in your opinion would be the most effective aid the workers of the world could lead to your struggle?

[Answer] The Revolutionary Democratic Front, in which we workers participate as a matter of course, has issued the following appeal: send out a call for solidarity and the reinforcement of that solidarity with the object of obtaining the greatest amount of political support possible and isolate even more the criminal Christian Democratic military junta in El Salvador. In addition, help isolate the U.S. policy line, that is, tie the hands of U.S. imperialism, so that it will ponder its actions, especially those aimed at a military invasion of El Salvador, as they did in the Dominican Republic.

The best way they can help us is to continue condemning U.S. intervention in El Salvador by demanding the ouser of U.S. advisors, the green berets and the mercenaries sent by the United States and by demanding a halt in military aid, including armaments and economic aid, the only thing that is sustaining the regime.

At the same time, continue demanding respect for the self-determination of the people of El Salvador and all those peoples who, like ourselves, are fighting for their freedom. And I mean specifically, Guatemala, Chile, Uruguay, Bolivia, Haiti, and many more.

Another way to help us is to conduct a continuing campaign charging violations of human rights in El Salvador, a campaign that will give us the greatest degree of security possible by preserving the lives of all the labor and political leaders who are in prison. And finally, try to wage a financial campaign to help our cause monetarily. You know that our offices have been destroyed, along with the offices of all the political organizations, that there is persecucion, there are arrests, and the murder of our leaders. All this requires organization within the framework of repression imposed by the fascists in El Salvador--and for this we need a great deal of support.

[Question] As you know, the Tenth World Trade Union Congress will be held in Havana, 90 miles from the most imperialist nation in the world. What importance does this fact have for your struggle?

[Answer] In the first place, the most important thing may not be the war the forces of progress, the democratic and revolutionary forces, are waging in El Salvador. Of importance is the significance of the congress for the people of Latin America, who, like our own, live with the oppression and misery imposed by the traditional pro-imperialist obligarchic patterns.

The most important thing is that all of Latin America try to free itself right now from that oppression and misery.

We believe this is very basic for us specifically because the time is at hand when the best representatives of class unionism will be meeting and when we will have the opportunity of discussing amply the problems of El Salvador and those of the rest of the nations of Latin America.

At the same time it is evident that the arrival of delegates from all over the world in a Caribbean country that is very close to the customs, very close to the Latin American family, also constitutes a powerful instrument for learning the true situation of the countries of Latin America. And this is very important.

Naturally, the resolutions that emanate from this congress must focus on the necessity of insisting on disarmament, on continuing the struggle for peace, and on detente.

We think it will have a great impact on our future. Without seeming too optimistic, we could ask ourselves if we might not be attending the congress under other conditions.

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POP OPPOSES PDC'S COMMUNITARIAN IDEOLOGY

San Salvador EL MUNDO in Spanish 30 Sep 81 p 2

[Text] "The POP [Popular Orientation Party], in view of its democratic and nationalist principles, is opposed to the ideology of the Christian Democrats, who seek to impose a corporate and communitarian form of government upon the Salvadoran people, Gen Jose Alberto Medrano said yesterday at a press conference for local and foreign reporters.

He said that the political concepts of the Popular Orientation Party (POP), of which he is the secretary general, are based on the dignity of man as well as on the recognition of man's right to demand the necessary opportunities of society to schieve his most important goals. We believe," he said, "that the state, the judiciary, the economy, and in general all the objective manifestations of human culture should be at the service of the individual. As a consequence of these principles," he added, "our political position rests on three fundamental doctrinal pillars that are based on personal freedom: representative democracy, private property functioning in the social and economic spheres, and social justice in relation to the total development of society."

Saying that "the POP is convinced that the political, economic, and social problems that Salvadorans face can only be resolved by the establishment of the rule law," he remarked that the POP will participate in the election of a constitutional assembly "so that it may, with the representation of all the public sectors, rectify what the political constitution advocates in regard to the economy, showing respect for the private sector, and also that it may reconsider the decrees that resulted in the nationalization of foreign trade and the National Bank, with which we differed."

In answer to questions from reporters, General Medrano said that "in El Salvador there is a great deal of violence and the armed forces cannot be blamed because these acts are committed by people who belong to groups of delinquents who have no real social base." He said the armed forces have not been able to combat them because they are involved in countering subversion and also "because the present government has been rather hesitant in doing something." He stated that the extreme left exists "because there were abusive governments in the past, but we hope they will lay down their arms and participate in the election campaign."

He was categorical in saying that the extreme left is trying to establish a communist government "in this country, but they are a minority of intellectuals

who gained strength in recent years and whom the armed forces have forced to retreat from the urban and rural guerrilla stage to the terrorist and sabotage stage."

He charged that communist countries like Russia, Cuba, and others are helping the Salvadoran guerrillas. "They have promoted the rising up in arms of our youth, and also declared a prolonged war against us. When these countries interfere in our affairs, El Salvador has the right to request help from the countries of the free world. In view of this aggression, we had to take countermeasures; otherwise, our armed forces would have succumbed already.

With regard to seeking aid from the free world the Christian Democrats are right even though we think that they as a party are too weak to participate in the elections." He added that if the CD does not campaign cleanly, it will suffer permanently.

With regard to Mr Duarte's trip to the United States, he stated that the important thing is for the world to be aware of the situation in our country. The conditions put forth by the U.S. Senate for a possible increase in aid "are the result of misinformation there, because the Senate sees things from far away and has erroneous opinions, for which the communist apparatus is to be blamed. When they realize that the violence is caused by the communists, the situation will change."

Finally, he said there is no rightist force that is causing violence. "The left says so in order to create confusion in support of their absurd interests," he said. "I can say," he emphasized, "that there is violence on the part of both the extreme left and the extreme right, who are responsible for all kinds of terrorism; the present administration is also to blame for having brought on anarchy by annulling the constitution." Concerning the possibility that the Central American guerrillas are organizing for coordinated action, General Medrano said that El Salvador has every right to ask for military assistance and even troops from the free countries, "not just the United States."

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INDUSTRIALISTS FEAR ADDITIONAL NATIONALIZATIONS

San Salvador EL MUNDO in Spanish 25 Sep 81 p 2

The industrialists fear additional nationalizations and other reforms despite government assurances, Eduardo Menendez, president of the Salvadoran Industrialists Association [ASI] and the National Association of Private Enterprise [ANEP] said yesterday.

The business leadership was asked if their sector is fearful of certain laws favored by the Christian Democrat in the administration and specifically those providing for additional nationalizations. Mr Menendez replied rather drily, "That's it, sir. You've said it." At the same time he denied that the private sector had held talks with members of the Junta on what cooperation the government could offer to solve the crisis the country is passing through. The spokesman stated that the Junta promised to study the recommendations of the symposium held by the private sector and discuss them, but "we believe that they haven't even seen them" he said.

Another problem brought to light by the ASI leadership is "poor government policy in the banking area since in order to grant loans they demand a great amount of collateral and besides this there are the burdensome regulations that, instead of giving incentives to industry, discourage it." "The problem of foreign exchange," said Franklin Lopez "has improved a good deal, but that does not mean that our situation is good."

Mr Menendez said that if the economy continues to deteriorate, "it will be the fault of the government itself," because they have money now, and the Central Reserve Bank has a fund which it does not wish to make available to borrowers. Nevertheless it publishes notices about such and such lines of credit.

The ASI leaders said also that even though there had been no further business failures this year, there had been an increase in unemployment due to personnel reductions because of a considerable decline in production. El Salvador, for all practical purposes, is now trading only with Guatemala in the Central American Common Market, and Guatemala is saturated with merchandise. In addition, they reported that Salvadoran firms have had problems with the Central American Compensation Board, and this has been a factor in the rise in unemployment in this country. It was reported that this year 171 companies failed and there are 100,000 people classified an unemployed, according to studies done by ASI.

Because of all this, the leaders said, the economic situation must be corrected, otherwise, the other problems facing the country will not be solved.

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BRIEFS

GUERRILLAS FOSTERING ARTIFICAL EMIGRATION--Groups of extremists operating in rural areas close to the Honduran border, chiefly in Morazan Department, are gathering their families in groups of 50 and transporting them to Honduran territory as refugees "fleeing from the Salvadoran Armed Forces," military sources reported. The sources said this was a strategem of the extremist organizations "to cover up their own clandestine activities, so they could later accuse the armed forces before the world of conducting forced evictions and label the practice military persecution. It was reported that this activity had been most prevalent in El Mozote district and Guacamaya de Arambala, Morazan Department, where the guerrillas have been transporting their families and other people, mostly peasants whom they deceive, to the Honduran area known as Colomoncagua. [Excerpt] [San Salvador EL MUNDO in Spanish 26 Sep 81 p 14] 9015

CSO: 3010/93

CAN, PNR PRESIDENTIAL CANDIDATES EXPLAIN PLATFORMS

CAN's Anzueto Vielman

Guatemala City PRENSA LIBRE in Spanish 1 Oct 81 p 18

[Text] Architect Gustavo Anzueto Vielman, candidate of the CAN [National Authentic Party] called his program for government "The Road to Peaceful Prosperity" in a luncheon address to members of the Guatemalan Chamber of Commerce at the Hotel Camino Real.

That program, the presidential candidate said, seeks to achieve an efficient economy, increase the rate of capitalization and especially to create confidence in the country.

Improving the economy will be achieved through the establishment of a competitive price structure and making the tax system more equitable, as well as simplifying it, and achieving freedom in prices and foreign exchange and competitive prices in electrical energy.

The program will motivate labor recovery through universal compensation. In addition, government enterprises will be placed in private hands, either by closing them or selling them at auction and ending the monopoly.

The candidate added that he will reduce the bureaucracy and put an end to inflation by balancing the budget and freeing currency exchange.

He also promised to turn government services over to the private sector, to provide funds for students and to improve the services of the IGSS [Guatemalan Social Security Institute]. In addition, he emphasized the need of the municipalities to become economically independent.

To increase the rate of capitalization, Azueto said that during his administration he will abolish the income tax, restrictions on foreign capital and the inheritance tax, which he will replace with an indirect added value tax. "The property tax will also be replaced by a land tax."

To create confidence, he indicated, it will be a government of laws rather than of men, and that for this reason he will abolish laws and regulations which bestow arbitrary discretionary authority, which is the source of corruption. In this way productive activity will be depoliticized, corruption will be minimized and uncertainty will be diminished.

Finally, he indicated that myths about "scapegoats"--that is, oligarchs, multinationals, the wealthy, etc.--will be cleared up through a high-level education campaign. In other words, psychological war will be waged against myths. Julio Matheu, president of the Chamber of Commerce, thanked the candidate for coming, and the latter responded to the many questions and doubts expressed at the end of his speech. Among other things he indicated that he will announce his cabinet before the elections, emphasized his intention to combat crime and reiterated that Gen Carlos Arana Osorio will have no part in his government if CAN wins the 1982 elections.

PNR's Maldonado Aguirre

Guatemala City PRENSA LIBRE in Spanish 13 Oct 81 pp 14, 53

[Excerpt] Neither repressive security measures nor a simplistic economic alternative which ignores the conflicting social and political realities of the country will resolve Guatemala's crisis, Alejandro Maldonado Aguirre said yesterday in his remarks to a luncheon meeting of the Chamber of Commerce.

The presidential candidate of the National Reform Party [PNR] held the businessmen's attention for 1 and 1/2 hours, pointing out several of the country's problems and then answering questions from those present.

Presiding at the luncheon-meeting was Julio Matheu, president of the Chamber of Commerce, and among those present were the wife of the special guest, Mrs Marlene de Maldonado Aguirre; the vice president of the Salvadoran Chamber of Commerce, Ricardo Hill Arguello; and deputy Juan Jose Urrela, and industrial leader.

Overall Picture

The presidential candidate began by pointing out the national problem, criticizing the simplistic focus that other political sectors seek to apply to the national crisis.

From our point of view, Maldonado Aguirre said, this national crisis is the result of the interaction of several factors, which could be identified chiefly as economic stagnation, social underdevelopment--which especially affects the great majority of the people who suffer from a critical degree of poverty--and at the same time, growing violence and subversion.

Neither force based on power nor economic solutions alone can resolve this complex situation which, in addition, the guest emphasized, requires an institutional political system capable of inspiring confidence.

He went on to say that our national institutions will only be capable of restoring the citizens' confidence in them insofar as they are established as the result of a genuine and legitimate political expression.

He observed that while several factors of national development, among them private enterprise, have been experiencing a process of modernization, efficiency and progress, the political institutions, and especially the parties, have remained outside the progressive evolution of national development.

The traditional parties are oligarchic, but we cannot refuse a political solution to the crisis, nor can we allow the traditional groups who support its solution by force to sharpen it any further, Maldonado Aguirre commented.

Electoral Process Timely

Taking up again the idea of establishing in Guatemala a solid, politically strong and legitimate institutional system, the PNR presidential candidate said that the March 1982 elections are an important opportunity for the country to move forward in the present circumstances.

We must take advantage of this political opportunity which is offered the country in such a timely manner, Maldonado Aguirre said, to prevent our future from being defined by the use of weapons, by outside intervention or by forces which are foreign to the full responsibility of the Guatemalan people.

Security Question

Maldonado Aguirre also made some important comments concerning the implications of what is commonly called "security," in view of the tensions caused by manifestations of violence, particularly subversive violence.

In this regard he began by pointing out that armed subversion is not only a military question, since it is nourished in a social, political and economic situation which keeps broad sectors of the population unsatisfied.

He mentioned especially the youth, who, according to the candidate, join subversive movements because of the inability of the system to incorporate them into a process which would allow them to participate peacefully and positively in the solution of social problems and to contribute to progress in general.

Maldonado Aguirre advocates a security which he called "rational and intelligent." He said the repressive violence which results from an inadequate idea of national security does not affect the terrorists.

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CSO: 3010/123

BUDGET INCREASE TO CAUSE MORE INFLATION

Guatemala PRENSA LIBRE in Spanish 15 Oct 81 p 2

[Text] The president of the congress has given us the rather unpleasant news that the new general budget for national expenditures will be increased compared to the one currently in force on the grounds that it is necessary to cope with a greater demand for jobs, along with the growing requirements for public services. This is rather unpleasant news because it tells us that the inflationary trend will continue, with all of the harmful effects for the people of Guatemala who, by virtue of the current government system, are forced to keep paying for an expensive bureaucratic and administrative machinery, plus a whole series of expenditures that do not tally with available resources. But that is not all; we will also have to prepare ourselves to put up with a resumption in the price spiral and we will have to live with a currency which keeps losing purchasing power with each passing day and which may undergo devaluation. There is no need to go into any lengthy discussion on that score. These are economic realities we are all familiar with and they are being experienced by all nations which, like our nation, have fallen into the hands of governments that are stuck on already discredited theories to the effect that, by means of tremendous public investments, one can achieve a rapid increase in economic indicators and an immediate bonanza in terms of benefits for the general public. This is in total disregard of the fact that we are dealing here with a fictitious and fleeting prosperity for the simple reason that nobody can live on a deficit for any length of time, nor can we go on making up these shortages through domestic and foreign borrowing; by multiplying the circulating currency, without proper backing from real resources, this gives rise to the inflationary phenomenon and that is equivalent to a deep abyss which opens up before the unaware. Saying that the new expenditure budget will be higher than the present one, when the pernicious effects of inflation keep spreading to the desperate low-income classes, is tantamount to saying that we, the citizens, must prepare for the worst. It means that those responsible for managing our assets and taking care of our public finances have not realized the danger facing us or that they simply pretend not to see it.

The undeniable economic principle is that, when public spending goes up, it is necessary to increase the sources of supply; if the allocations go up, it is necessary to hike the revenues by the same amount. If this is not possible, then it is necessary--as we have done in recent years--to resort to domestic and foreign borrowing, to the issue of money, to the devaluation of money, until we finally

wind up in the midst of a crisis. There are many countries which have had that experience and it is therefore astonishing that nobody has learned as yet how to avoid that trap. But the most surprising thing is that peope keep citing the same weak reasons to justify this mistake. The most frequently given reason--because it is the one that can most easily impress public opinion--is that we are seeking to avoid unemployment, to prevent hunger, as we say, in certain segments of the population. And who could openly come out against such a suggestion? The truth, however, is that, to attain a plausible end, we pick a brittle and fallacious means. We give jobs to a few, possibly, in exchange for increasing prices, product shortages, and general discontent because of the drop in purchasing power of incomes earned. In a few words, if we do not put a stop to public spending above and beyond our real capacities, we are laying the groundwork for a situation that is much more dangerous than the one we are trying to correct.

Those responsible for the republic's finances have forgotten that the real economic prosperity of a nation can be achieved only when prices remain on a reasonable level, without any abrupt changes, apart from any inflationary currents; they are also unaware of the fact that, without this requirement, the sources of growth are undermined and private investments are discouraged, although the latter are the most important promoters of real development and true prosperity. The news given to us by the president of the congress, to the effect that the nation's expenditure budget will go up once again, comes at a time when we were hoping for the exact opposite; in other words, we were looking for an announcement to the effect that it has been realized that inflation is the real enemy and that we are going to try to prepare the ground so that the new administration would be able to get us out of the mess that has developed in other countries. Whether we like it or not, a budget hike implies a tax hike, be it direct, indirect, or inflationary. This is further indication that borrowing will continue and that there will be no end to this race until we find ourselves at the crossroads at which Costa Rica finds itself now for the same lack of foresight.

5058
CSO: 3010/217

FINANCE MINISTRY ANNOUNCES NEW TAX REGULATION

Guatemala City PRENSA LIBRE in Spanish 1 Oct 81 p 2

[Text] Spokesmen for the Ministry of Public Finance have announced that beginning today, all invoices, receipts and cash register slips for the sale of goods or services must include a 3 percent tax, payable by the consumer, as part of the new regulations applying to the stamp tax.

This ruling is contained in the government resolution dated 11 October and means that the consumer will know how much he has paid and that the seller will collect the tax for the state, thus facilitating control, while under the current system there is no proof that the consumer has actually paid the tax.

The stamp tax, established in 1932, has been paid by the buyer on merchandise he purchases, the seller including it in the sale price. In other words, this is not a new tax, it was explained; the sole purpose of the ruling is to have the tax clearly indicated on invoices, receipts and cash register slips for sales completed.

It was added that with this ruling the government, through its Ministry of Public Finance, aims to correct the tax injustices which exist in some sectors, and for this reason the buying public is asked to request a receipt for each purchase made as proof that the tax was paid.

Finally, it was indicated that if we all pay the established taxes correctly, it will not be necessary to create new tax burdens to pay for public services to benefit the public and for the construction of projects for national development.

8735
CSO: 3010/123

MLN DENIES ALLIANCE WITH CAN FOR PRESIDENTIAL ELECTIONS

Guatemala City PRENSA LIBRE in Spanish 7 Oct 81 p 13

[Text] "The National Liberation Movement (MLN) party will definitely go it alone in the upcoming elections, and we are already deep in the campaign," deputy Leonel Sisniega Otero, MLN's candidate for the vice presidency of the republic, said yesterday.

"Certainly there was talk about forming a political alliance with the National Authentic Central Party (CAN), but the truth is that MLN's efforts, made with the patience and humility of a St Francis, were dashed against the egoistic and individualistic reply of the CAN candidate.

"In view of the fact that we could not come to an understanding about forming the political alliance under the conditions proposed by CAN's candidate, we have come to the conclusion that everyone had better make his own way alone. "When there are different levels of thinking, it is not possible to come to an understanding, but if there is just one level, one can continue without obstacles."

Electoral Law

"With respect to reform of the electoral law, I believe it must be a concern of all deputies and government officials to find the best way to guarantee the honesty of the forthcoming elections.

"Questioning or rejecting the reforms can only be indicative of insecurity in one's own ranks, or of the possible use of dirty tricks to guarantee dubious victories.

"However," he emphasized, "we must be certain that the next government has a broad base of support from the large majorities to be able to carry out an orderly administration.

"And in addition, to sort out the numerous obstacles which become crystallized in a small war operating in a diminished economy and in a situation of low productivity, the result of the activity of groups which, encouraged from abroad, are trying to destabilize the government internally and shield the feeble structure of decadent political parties."

8735
CSO: 3010/116

ELECTORAL FRAUD CHARGED, DENIED

Electoral Law Reform Delay

Guatemala City PRENSA LIBRE in Spanish 30 Sep 81 p 4

[Text] The government commission has locked our proposal for reform of the electoral law and the political parties away in a drawer to guarantee them the election," deputy Arturo Ortiz Saenz de Tejada, head of the MLN [National Liberation Movement] congressional delegation asserted yesterday.

"We are going to demand that the commission come to a decision," he added, because we want to guarantee the people their sovereign right through the honesty of the voting process.

"The aforementioned proposal has been before the commission since August," he indicated, "and there is no way to get a decision from them. The chairman of the commission is deputy Emilio Par Gonzalez, of the PR [Revolutionary Party]. "The president of the republic, Gen Fernando Romeo Lucas Garcia," he said, "has offered and guaranteed, through the communications media, a free electoral process. When the chairman of the government commission was questioned, he said he had not reached a conclusion because he had received three earlier proposals that were being studied.

"I believe that in view of the proximity of the elections, priority should be given to reform of the election law, and so in accordance with the internal rule of the Congress we are going to give the commission a deadline for reaching a decision and presenting the matter to the plenum.

"I am sure that the deputies who are opposed to reform of that law are doing so to go along with the politicians who are saying that candidate Guevara will be the one who wins. That is why we are helping implement President Lucas Garcia's offer--to avoid violence in the country," said Ortiz Saenz.

"And if in spite of everything they try to impose somebody on us," he concluded, "we will defend the vote to guarantee the people their sovereign right to choose who will govern them."

MLN Smells Fraud

Guatemala City PRENSA LIBRE in Spanish 10 Oct 81 p 8

[Text] "We can smell the scandalous fraud that is being planned for the next general elections in the cunning actions of the deputies of the Broad Front (PR-PID) [Revolutionary Party--Democratic Institutional Party]," deputy Amilcar Gudiel Marroquin, assistant chief of the MLN deputies, said.

He made this comment after the plenary session failed to approve the petition presented by the MLN deputies calling for the Congress to designate, in Thursday's session, the representatives and their alternates for the Electoral Council.

"There is a constitutional provision, Article 36, which states that the council must be named at least 1 month before the convocation of elections, and they have not done so.

"To conform to the law," he emphasized, "we must designate the representative of Congress, but the PID and PR deputies opposed it, moving a previous question, so that the election could not be held. Only 15 of the MLN deputies present and one DC [Christian Democrat] voted in favor of it. The other representatives of the Broad Front approved the previous motion to request a report from the Electoral Council as to whether there is still time to elect the representative of Congress.

"That is why we are beginning to smell the scandalous fraud the Broad Front is planning with these sly actions, since by so doing they are contradicting and placing an interdiction on the word of the president of the republic, General Lucas Garcia, who has promised to respect the people's freedom as expressed at the polls.

"Their tricks consist in already having filled the Electoral Council with representatives who served 4 years ago. They have acted unconstitutionally, because they have not complied with what is stipulated in the Great Charter, which is to ask the political parties, the Congress of the republic and the Council of State to designate their representatives to the Electoral Council.

Electoral Fraud Denied

Guatemala City PRENSA LIBRE in Spanish 10 Oct 81 p 8

[Text] "The Congress did not act unconstitutionally yesterday in not electing its representative to the Electoral Council. We are not planning any election fraud," said deputy Raul Ovando Santiago (PID).

"It is logical that the Electoral Council be consulted as to whether, according to the constitution, another representative of the Congress to that council can still be designated. This designation must be made 1 month before the calling of elections.

"It was correct to consult, as was agreed. The director of the Electoral Council sent out circulars prior to this time, asking for the designation of representatives to the council; since this was not done, he called the council with those who had served previously.

"At no time did the PID encourage any electoral fraud," he emphasized, "because we believe, like President Lucas, that the elections must be legal and the popular will respected."

Electoral Council Members

Guatemala City PRENSA LIBRE in Spanish 10 Oct 81 p 8

[Text] "The Electoral Council which will oversee all acts and procedures concerning electoral matters for the upcoming general elections has already been named," asserted deputy Hugo Danilo Lopez Godoy, who represents the Congress of the republic on that council.

"According to the last paragraph of Article 36 of the constitution of the republic, the director of the Electoral Council is empowered, ex officio, to form the Electoral Council with the representatives who served on it during the 1978 elections.

"I do not know why any party claims it was not notified, because the council director notified the four political parties which by law make up the council." The party representatives are: deputy Oscar Vega for the PID; journalist Carlos Rodas for the PR: Vinicio Cerezo Sierra for the DC and Rudy Fuentes Sandoval for the MLN.

"If the council is already formed," he repeated, "it would have been unconstitutional for the plenum to approve the MLN deputies' motion to elect another representative from the Congress of the republic. What is unconstitutional here is the motion by the MLN deputies."

MLN Communique

Guatemala City PRENSA LIBRE in Spanish 10 Oct 81 p 12

[Text] The MLN has issued a communique censuring members of the PID and PR, Blue and White Wing, congressional delegations for their opposition to the naming of representatives and alternates of the Congress of the republic to the Electoral Council.

The communique states that the MLN, deeply concerned by this attitude of the PID, PR and Blue and White Wing--"an appendage of the PR"--deputies, raises its voice in protest against this constitutional violation of President Lucas Garcia's proposal that the forthcoming election be honest and respect the will of the Guatemalan people.

The MLN points out that the deputies in question, in opposing the substance of the last paragraph of Article 36 of our Great Charter, to the effect that members of the Electoral Council must be designated at least 1 month before the call to elections, are acting, in addition, in an abrasive and unconstitutional manner and promoting disequilibrium in the forthcoming election.

They specifically point out Dr Jose Trinidad Ecles of the PID, Roberto Alejos of the PR and Napoleon Alfaro of the Blue and White Wing as those who opposed the

naming of congressional representatives to the Electoral Council, claiming in an excessive bid to remain in power that there must first be consultation with the agency in question, which places the official sector in a highly dubious position.

The MLN, concludes the communique, was opposed in its proposal to vote on the nomination and therefore reaffirms that it will always denounce to the people of Guatemala anything that is not good for the national interest.

8735
CSO: 3010/116

BENEDICTO LUCAS INTERVIEWED ON SUBVERSION IN COUNTRY

Guatemala City PRENSA LIBRE in Spanish 13 Oct 81 p 8

[Interview with Gen Manuel Benedicto Lucas Garcia, chief of the Army General Staff: "Subversion is Reaching the End;" 12 Oct 81, Guatemala City]

[Text] Communist subversion, desperate because it is near collapse, has struck out with fury against the citizens of Guatemala, perpetrating terrorist acts in an attempt to instill fear, said Gen Manuel Benedicto Lucas Garcia, chief of the Army General Staff yesterday.

In an interview granted to PRENSA LIBRE in his office Gen Lucas condemned the bombings of Saturday night, as well as the attempt by guerillas against a bus transporting excursionists in Solola, in which a girl was killed and several persons were wounded.

Regarding the bombings on Saturday, the military chief said that the dissents may have tried to damage military installations, but these were the least affected.

The great damage, he continued, was to the homes of honest Guatemalan families from the private enterprise sector; their businesses were greatly damaged.

The Vehicles Had Been Stolen

General Lucas pointed out that the explosives were left inside vehicles which the dissidents had stolen from citizens who probably had not finished paying for them. These vehicles were completely destroyed in actions that also endangered innocent hard-working people.

It is sad he stressed, to see how the homes in Zone 13 and Zone 10, as well as the business establishments, were damaged by the terrorist explosions.

The guerrillas carryout this kind of desperate action; they cruelly attack the very people they claim to be defending. I am sure they will not instill fear among the citizens because the people realize that the subversives are trying to attack the government at the cost of Guatemalan blood.

Ten Year of Work Destroyed

The chief of the Army General Staff analyzed the reason for the desperation of the guerrilla groups.

He believes that with the dismantling of many subversive redoubts in the capital and the interior of the country 10 years of "arduous work by the dissident groups" were destroyed.

They had with great effort evaded the security forces and established themselves in these redoubts. Intelligence services of the security forces succeeded in locating them and overnight those 10 years of work came to naught.

These are the reasons why the guerrillas are desperate and today they are scraping in order to sustain themselves. It can be said that today they are biting the dust of defeat and arriving at their end.

Justice Cries Out in the Attack on the Tourists

The interviewee also stated that anyone would agree that he who is armed or has the means to defend himself may be attacked. But attacking an IRTRA bus carrying humble tourists with a Claymore mine is an act that cries out for justice among all the social levels of the country.

With this new terrorist act the subversives killed a girl and wounded 11 other persons who had done nothing to anybody. They only wanted to have a pleasure day along the shores of Lake Atitlan.

"As can be seen, nothing matters to the subversives. They kill defenseless people because they know they are lost. The people have condemned," he concluded, "both the bombings on Saturday and the attack on the IRTRA bus.

9015
CSO: 3010/111

INACOP CANCELS REGISTRATION OF 200 COOPERATIVES

Guatemala City PRENSA LIBRE in Spanish 10 Oct 81 p 12

[Text] A total of 200 cooperatives have been canceled by INACOP because they did not meet the necessary operating requirements, Col Fernando Alfonso Castillo Ramirez, president of INACOP, told PRENSA LIBRE yesterday.

The INACOP head was interviewed in relation to remarks made recently by the Jesuit priest, Luis Eduardo Pellecer Faena, who said that "several cooperatives organized by the settlements coordinating office were used to support subversion."

Colonel Castillo indicated that the cooperatives referred to by the former member of the EGP [People's Guerrilla Army] were organized by the National Settlements Movements (MONAP).

"These cooperatives failed completely because all their necessities were being provided to them, and a real cooperative cannot operate like that.

"The groups in question organized themselves and many of them that did not meet the necessary requirements were disbanded by INACOP, in accordance with the regulations of the law governing cooperatives.

INACOP is forming and supporting true cooperatives which have nationalist and patriotic ideals and where their members work hard to solve their problems.

"We are trying to organize the communities so that they will excel, so that they will contribute to national development in an eminently democratic framework.

"It must be understood," he concluded, "that the cooperatives are enterprises that are striving for success through honest and responsible work. Above all, INACOP inspires love for Guatemala in them by every means and inculcates in everyone the duty to cooperate in acquiring the basic necessities we need."

9015
CSO: 3010/111

MARXIST TEACHERS DISCOVERED IN RELIGIOUS SCHOOLS

Education Ministry Investigates

Guatemala City PRENSA LIBRE in Spanish 7 Oct 81 p 6

[Text] The minister of education, Col Clementino Castillo, met for more than 8 hours in his office yesterday with his principal aides to discuss the situation in the Belga School, which has been accused of subversive activities.

Present at the meeting were the vice minister of education, Prof Lizandro Sierra Coronado, Leopoldo Colom Molina, vice minister of culture, and all the heads of the various departments of the ministry.

After the meeting (which lasted 18 hours) the minister, Col Castillo Coronado, told the press that they had met to deal specifically with some alleged irregularities in the Belga School.

Vice Minister Sierra Coronado in turn said that one of the problems stemmed from an anonymous note sent to all the parents of the girls at the school asking them to support the school authorities.

The parents of several students, he said, protested to the ministry because they feared their daughters could lose the school year as a reprisal if they did not support the school in question.

Also discussed was the distribution of some communist Christmas carols which it is believed may have been distributed among the students of other religious schools.

The meeting was extended, Sierra Coronado stressed, because they also discussed the so-called "Operation Uspantan," which the Belga School had included in its extra-curricular activities.

The vice minister emphasized that the ministry was not trying to create problems for the Belga School, but said it will be punished severely if it is found acting unlawfully.

The meeting will continue today until a decision is reached on the institution. "We should make it clear that for the moment we cannot close it as this would be the most extreme measure we could take."

A Commission in the Belga School

Yesterday the minister of education sent Guillermo Garcia Rojas, Jose Maria Galino, Oscar Lemus Interiano, German Vasquez, and other educators to exchange points of view with the authorities of the Belga School.

The object was to establish whether the note sent to all the parents of the students had emanated from the authorities requesting their support for the nuns.

The school authorities denied knowledge of the flyer. It bore the letterhead, "Parents Association," and this was what brought about the parents' protest to the Ministry.

Extracurricular Activities

Extra-curricular activities of the private schools, especially religious schools, will be strictly monitored in order to prevent their true goals from being undermined and the youth led to commit subversive acts, according to statements made yesterday by the top authorities of the Ministry of Education.

The heads of the Education Ministry mentioned the charge made public by the Jesuit priest, Luis Eduardo Pellecer Faena, who accused some schools of supporting the subversive movement in Guatemala.

On this point the vice minister of education, Prof Lizandro Sierra Coronado, stated that extracurricular activities are outside the control of the ministry, precisely because they are undertaken away from school grounds.

The charges made by Father Pellecer Faena are of concern, he said, because these programs are used to foster subversion throughout the country.

Investigations Started

The head of the ministry, Col Castillo Coronado, in turn called attention to the fact that a special monitoring system of the private schools has been started as a result of the accusations brought by the Jesuit priest.

They will be required, he added, to follow official regulations, and if it is found that some of these schools are undermining the true goals, they will be subject to investigations, which could lead to their being closed.

We must be stern in this matter. We are not going to allow Guatemalan youth to be indoctrinated with communist philosophies. We think the cooperation of the parents is vital in watching over their children and reporting any irregularity they see.

Pellecer Faena Did Not Say Anything New

The vice minister of culture, Leopoldo Colom Molina, in turn told PRENSA LIBRE that Father Pellecer Faena did not say anything new in stating that "education needed reforms."

We have worked hard to try to encourage teaching that combines modern principles and identification with the problems of the communities in the schools.

Colom Molina also mentioned the problem of violence that is prevalent at present, and he pointed out that public entertainment has been partly responsible for this situation.

He cited television, which shows pictures with a great deal of violence, and other films that are factors in presenting a negative message to the youth.

He also spoke about pornographic theaters, which are very popular in this country today. Therefore, he concluded, we have presented a bill that seeks to reform the law concerning public entertainment and put an end to activities that project violence to the youth.

Ministry Reports Results

Guatemala City PRENSA LIBRE in Spanish 9 Oct 81 pp 12, 76

[Text] The Ministry of Education will stop several Salvadoran and Spanish teachers in the Belga School from continuing to give classes as they are no longer authorized to teach; it is supposed that they were the ones responsible for the illegal activities in that institution.

The head of the Ministry of Education, Col Clementino Castillo Coronado, told the press yesterday that the commission named to investigate the activities in the Belga School had submitted its report and discovered circumstances that obliged the ministry to take immediate action.

According to the report, the so-called Operation Uspantan has been suspended and the Salvadoran and Spanish teachers of Belga will be prevented from giving classes as they are considered responsible for the unlawful activities.

In accordance with the request made by many of the parents, the principal, Sister Maria Godoy, who is also considered responsible for some of the problems, will be dismissed from the school.

We have received complaints from several parents that the attitudes of "their children have become strange, and specifically the students of the Liceo Guatemala and other schools, which will be investigated.

"In one case I can tell you about," he said, "one parent told me that a few days ago he saw his boy trying to hide a book he was reading. He asked him what book he was reading and the boy ran so he would not have to show it to him.

"The father caught him and was puzzled to discover it was a book containing Marxist principles. The child, frightened, told his father that a brother had given it to him to read, with the warning that he should not show it to his parents."

This was a student in the Liceo Guatemala. Therefore, the authorities of the ministry will also start an investigation of that institution.

Cooperation From All Parents

The vice minister, Sierra Coronado, in turn exhorted all the parents to observe their children who study in this type of school very closely.

"It would be well for them to observe the books they study from, what they write in their notebooks, etc, so that they don't give them Marxist lectures. A child can be indoctrinated, and it is the obligation of the parents to avoid this at all costs.

She Does Not Want To Talk to Me

Minister Castillo Coronado stated that he was surprised at the attitude of Sister Maria Godoy, who said in relation to the investigations that she would "talk with all the department heads, except the minister of education, Col Castillo Coronado."

"I want to let her know," the minister stressed, "that I am a 100 percent Guatemalan and I am proud ot it. The government has named me to this post, and while I head the ministry, I intend to do it responsibly.

"We are not going to let them undermine the true principles of education or lead youth to the kind of extremism known to all."

In answer to a question from reporters, the official reiterated that it is almost certain that Sister Maria Godoy would be dismissed from the school, along with the Salvadorans and Spaniards who illegally participated in education in Guatemala without the proper license.

Liceo Guatemala Will Be Investigated

The vice minister of education, Prof Lizandro Sierra Coronado, told reporters that when the Belga investigation is concluded, there will also be detailed investigations of the various private institutes and schools functioning in Guatemala.

The Belga School Will Not Be Closed

Finally, Minister Castillo gave various reasons why it would not be right to close the Belga School; in the first place, he said, out of concern for the parents and second because of the need for educational institutions in this country.

The best way is to put it under the control of the ministry and dismiss the principal and the teachers who are not suitable and do not even have authorization to work in this country.

9015
CSO: 3010/112

EDITORIAL COMMENTS ON FATHER PELLECER'S ACCUSATIONS

Guatemala City PRENSA LIBRE in Spanish 7 Oct 81 p 10

[Editorial by Alvaro Contreras Velez: "The Accusations by Pellecer, Bombshell or Boomerang?"]

[Text] If the government did not plan to take some punitive action against the religious who, as activists and catechists of the "new Church," have put into practice the doctrine of the theology of liberation and thus may be involved in subversive and dissident activities, what was the objective of the spectacular presentation before the press, and especially the TV cameras, of the guerrilla priest, now retired, Eduardo Pellecer Faena.

This is the question that thousands of Guatemalans, whether they are confused or intrigued, are asking after witnessing the specific and documented charges made by the repentant priest. It is a question that, considering what was seen and heard, has no logical or sensible answer.

As a participant in this reaction of confusion and frustration, the editorialist of PRENSA LIBRE (3 October) stated that, "Despite the gravity of the evidence, the lack of decision is notorious. The government officials say they are involved in "an exhaustive evaluation," despite the fact that the authorities knew many days ago, since Father Pellecer surrendered, everything he said later in a public forum."

This is as clear as the light of day. Father Pellecer, according to his own confession, surrendered on 8 June. Which means that in making his charges public the night of 30 September, he had been in the hands of the authorities 115 days.

This situation makes incongruent the official report that "the government security forces have begun an investigation of the accusations made by the Jesuit priest, Eduardo Pellecer Faena, a member of the EGP [People's Guerrilla Army]" (PRENSA LIBRE, 2 October), referring to what he had said in public two days before.

No one can believe that, despite the serious charges made by the dissident priest, the authorities did not proceed immediately, from the time he surrendered, and not at the end of that stretch, as they say in police jargon, not only to investigate the accusations but to undertake the search for the accused, whether Jesuits or other religious orders.

Not even the most naive viewer or newspaper reader would ever suppose that the inquiries would not begin until Father Pellecer confessed publicly and before all the communications media.

This, we insist, has made inexplicable the purpose for detonating the bombshell which, as we said yesterday, resounded boomingly both within the outside the country, as confirmed by the quick and aggressive protests by Jesuits in Panama, Nicaragua, and other countries.

At the same time there have been assurances that the government "bears no enmity toward the Church or its representatives," which was voiced by the secretary of public relations of the presidency, journalist Carlos Toledo Vielman.

But there are also assurances that among certain representatives of the Church there is frank enmity against the government. To find indications of this state of mind it is sufficient only to note the mocking, haughty, and defiant attitudes assumed by some in the Church hierarchy in referring specifically to the government through the press and television in terms that are both sarcastic and disrespectful.

In summary, the affair is confusing and obscure, and in the worst of cases the bombshell detonated as the "mea culpa" of Father Pellecer could turn back on the government itself, like a boomerang.

9015
CSO: 3010/112

BRIEFS

ORPA MILITANTS DESERT--More than 50 members of the Organization of the People in Armes (ORPA) surrendered to the army recently in the western part of the country, according to Gen Manuel Benedicto Lucas Garcia, chief of the Army General Staff. He said these people had belonged to the subversive group for some time, and their contribution consisted in providing food, medicine, and various other items to the clandestine dissidents. Upon surrendering to the armed forces they related that they had been deceived by the subversives and that "they were now tired of wandering in the mountains without hope for peace." "Besides, they added, they decided to escape from the insurrectionists when they realized they were perpetrating terrorist actions in the western and southwestern regions of the country. [Text] [Guatemala City PRENSA LIBRE in Spanish 10 Oct 81 p 12] 9015

AIR PATROLS IN PETEN--"The air patrols in Peten will prevent in large part the theft of natural resources and the depredations that have occured at the archaeological sites in the area," the chief of public relations of the army, Col Jaime Rabanales Reyes, told PRENSA LIBRE yesterday. He said the Teniente Coronel Danilo Henry air base was recently opened in that department, and it would have the necessary installations to support its mission. He said the patrols are routine and none can be characterized as "special." It must be understood, he emphasized, that Peten has a long border with Mexico and it is proper to keep a strict watch over this region. Colonel Rabanales Reyes added that such activities, even though routine, would in large measure undoubtedly prevent groups of unidentified persons from committing robberies of natural resources and of the numerous pre-Columbian sites located in the Peten jungle. [Text] [Guatemala City PRENSA LIBRE in Spanish 29 Sep 81 pp 13, 47] 9015

NEW TRANSMITTERS--Yesterday morning there was a ceremony at the transmitting station of Radio National TGW, located in the Pavon National Farm to mark the inauguration of three new transmitters which will add a good deal of power to the national radio. Radio National also celebrated its 51st anniversary. The new equipment consists of a CSI Electronics Broadcase Transmitter, model T-10-A, which will make it possible to broadcast simultaneously at 640 and 1,000 KHz frequencies, with 10,000 kilowatts each. At the same time the short wave transmitter will broadcast in the 49 and 31 meter bands at 6180 and 9760 MHzs, which will add greater range domestically. The cost of the equipment is 120,000 quetzals, including antennas, transmission lines, and oscillator. Installation of the equipment was done by Carlos Guevara, Pedro Amaya, Candelario Rosales, and Critstobal Larabay. [Text] [Guatemala City DIARIO DE CENTRO AMERICA in Spanish 17 Sep 81 p 2] 9015

INTEREST RATES INCREASED--The monetary board last night agreed to raise the official bank interest rate and ordered a special provision so as not to affect loans on housing and for the production of basic cereals. According to the report, fully confirmed by the monetary board itself, the pertinent resolution raises the passive rates to 13 percent, in other words, the interest the bank pays to savers and the active rate to 15 percent, in other words, the interest which the bank collects on loans given to the public. The bank interest rate so far had been kept at 9 percent for the passive rate and 11 percent for the active rate. Regarding home loans, the monetary board's resolution provides for a special regulation consisting in the following. A rate of 11 percent will be applied to loans granted by banks in the system, using funds which will be supplied to them for this purpose by the Central Bank. If loans are granted on the basis of the in-house funds of private banks, the interest rate to be collected will be 15 percent. A specific regulation was also issued--as part of the same resolution--setting the interest rate at 8 and 9 percent for loans intended for the production of basic cereals. These loans will be handled in a trust manner and they will be administered by the National Bank for Agricultural Development. This resolution by the monetary board changes the passive and active interest rates in the national banking system and will take effect on the day after publication in the Official Gazette, in other words, tomorrow, Friday. [Text] [Guatemala PRENSA LIBRE in Spanish 15 Oct 81 p 75] 5058

CSO: 3010/217

CENTRAL BANK ISSUES NEW IMPORT, EXPORT REGULATIONS

Managua BARRICADA in Spanish 29 Sep 81 p 8

[Text] Communique to the Public in General

The Nicaraguan Central Benk announces that by resolution of its Board of Directors, beginning on this date the following procedures for import and export transactions enter into effect, except those included in Article 2 of the "regulation for buying and selling operations with freely negociated currency," published in Official Publication No 205, dated 10 September 1981.

A. Procedure for Effecting a Visible Import, With Either Public or Private Funds

1. The importer, whether central government, APP [People's Ownership Sector] or the private sector, must submit its import application through the commercial bank of its choice, accompanied by a pro forma invoice or quotation document, along with special permits, when these are required.

Separate applications are required for each order and for each form of payment.

2. Within 15 working days the importer will learn through the selected commercial bank whether his application has been totally or partially approved, or rejected.

3. Following approval of the application, the importer will proceed to execute the order with the supplier, and depending upon the terms of payment, the amount will be deposited in cordobas or dollars, until the opening of a letter of credit or until the commercial bank is to pay the supplier.

4. The original and customs copy of the application will be transferred to the importer by the commercial bank when the importer accepts the bill of exchange or promissory note, or when the commercial bank completes payment to the supplier. The original copy will replace bank certification of payment or acceptance of a bill of exchange.

5. In order for the merchandise to enter the country, the importer must present the original and customs copy of the import application to the appropriate customs clearance, which will allow withdrawal of the merchandise.

B. Procedures for Effecting a Visible Export

1. The exporter, whether the central government, APP [People's Ownership Sector] or the private sector, must present its export application, accompanied by a price list, pro forma invoice or buy-sell contract, and product technical specifications (if these exist), to the preferred commercial bank.

2. Within 5 working days the exporter will learn through the selected commercial bank whether his application has been totally or partially approved, or rejected.

3. The exporter will then proceed to ship the order, being obliged to present the original and customs copy of the export application to the exit customs office, and to the commercial bank it will present the bill of lading consigned to the correspondent bank indicated by the commercial bank, applicable for collections inside and outside the Central America area, except for collections originating in Central America effected directly by the supplier; in that case the value of the collections must be deposited in the commercial bank through which the original transactions were completed.

4. When the exporter makes collections directly from the Central America area, he must present a bank guaranty equal to 30 percent of the export value in national currency.

5. After the exported product has been received, the commercial bank will credit or transfer to the exporter the equivalent amount in cordobas, less expenses for commissions, stamps, etc.

6. Priority will be given to exports having a payment term of 30 days. Enterprises extending credit for longer than 30 days must provide justification to the Export Directorate of the Nicaraguan Central Bank Subdirectorate for Exchange Control.

C. Procedure for Effecting Invisible Imports

1. All applications for sale of foreign currency for airline tickets, students, health expenses, film leases, etc, must be introduced through the commercial bank preferred by the interested party, with an obligation to complete the appropriate forms.

2. The interested party will learn the decision on its application within 10 working days through the commercial bank. If the application is approved, the applicant will proceed to pay to its bank the value in cordobas, as well as the guaranty deposit if required.

D. Transition Period

1. Beginning next 1 October the banks will receive a new importa applications, and therefore the following transactions only may be handled during these days:

a.) Applications by LA PRENSA that may have been returned and must be submitted on the new forms.

b.) Applications by importers whose merchandise is in customs or in transit, which must be presented by the importer on the new forms, indicating whether the merchandise is in customs or in transit.

2. Previous deposits for applications returned to importers will not be refunded until they have been definitely refused. This procedure will be followed in the case of deposits for merchandise in customs or in transit.

3. In the case of exports, commercial banks may receive new applications beginning with this date.

E. Important Notes

1. After this date all transactions must be handled through the banks and not through the BCN [Nicaraguan Central Bank] or NICE [Foreign Trade Ministry], except for applications for services, which will be considered in the Exchange Control offices until 30 September 1981.

2. The Nicaraguan Central Bank will consider only those import applications where payment will be made using lines of credit granted to the Nicaraguan Central Bank, and where importation cannot be transferred to commercial banks.

3. In providing foreign exchange, the Nicaraguan Central Bank will give priority to those enterprises using external loans now available through the FED [Special Development Fund] or the END [National Development Bank].

4. In the case of merchandise issued in Central America and now in the country, for which importers have not presented valid documents for authorization of foreign exchange, they are required to present these documents to the vice directorate for Exchange Control of the Nicaraguan Central Bank, no later than 30 September 1981.

5. Payment for merchandise already in the country will be made in accordance with the availability of foreign exchange at the Nicaraguan Central Park.

6. Those persons, natural or legal, whose applications may not have been handled in accordance with the new procedures may direct their correspondence to the Technical Committee for Imports and Exports, General Policy Directorate for Foreign Commerce, Ministry of Foreign Commerce.

Publication Office
Nicaraguan Central Bank

Sandino Yesterday, Sandino Today, Sandino Always!

9746
CSO: 3010/156

POLITICAL LEADERS EXPRESS THEIR VIEWS ON NATIONAL ECONOMY

Asuncion ABC in Spanish 4 Oct 81 pp 4-5

[Text] Oddly enough, the dynamism and evolution of a country seems to present more and greater problems than a situation of stagnation.

In this respect, we must not forget that the political parties have written glorious pages in the nation's history and we therefore may very well assume that they will again play an important role in the future.

In an effort to contribute to this evolution and to get a better idea of the constructive opinion of the leaders of some of the major political groupings in this country, we tried to establish direct contact on the technical and political level.

The response was favorable and everyone agreed to accept a copy of the questions submitted on these pages. From the written answer to each of the questions we tried to extract an objective synthesis of the ideas stated because space limitations always constitute a rigid outline which we must accept.

The presentation was made in alphabetical order of the names of those interviewed and in all cases we tried to go into the topic with an even approach.

Before judging and comparing the answers, it is important to recall that the absence of dialogue which has prevailed throughout the country undoubtedly constitutes a burden and a high price which we must pay. But it is also important to point out that better communications today make it possible to make the various topics known with much greater facility and that the technical problems can be solved more easily.

Because of all of this, this presentation must be considered as a first approach toward a more profound determination of the prevailing economic thinking among the country's political leaders.

1. What social-economic aspect should be taken up on a priority basis?

[Dr Juan Roque Galeano]

From the public sector, infrastructure projects, which immediately benefit the various sectors of the population, such as paving the main highways throughout the country, extension of the electric power system, plus a rural development program, including housing for low-income families, and technical and vocational teaching facilities. Furthermore, a health program. From the private sector, investments in industry which will use domestic raw materials, in the hotel industry in the country's interior, and others which will replace imports.

[Dr Juan Manuel Benitez Florentin]

The effective distribution of the national product among the various classes of the people. Due to certain circumstances connected with particular situations, for example, Itaipu, we have had economic growth but that did not filter down to the majority sectors involved in the production process in the form of higher income, greater social benefits, in other words, a higher standard of living. This is why we must turn economic growth into economic and social development and for that we must start with a clear and well-defined political decision: distribute the pie in such a way that it will effectively benefit the disadvantaged sectors.

[Dr Carlos Ferreira Ibarra]

It is important to plan for harmonious development. There has been economic growth in the country but it was not reflected in the form of a higher living standard for the entire population. The government did not do everything possible in providing equal access to economic resources. Besides, we must resolve the alarming deficit in medical and welfare services--a situation which springs from the fact that the agency responsible for that area is more concerned with party politics than with taking care of the people's health.

1. What social-economic aspect should be taken up on a priority basis?

[Dr Nicasio Martinez Diaz]

To solve the problem of improper distribution of benefits deriving from the national effort in the production of wealth. Several years have gone by since the ECLA stated that "development demands the redistribution of income simultaneously with growth"; but the concept of pursuing growth first still continues to prevail here. Into that we add inflation--a factor in the regressive redistribution of income--then we can clearly see the fundamental phenomenon: the appropriation of the major portion of annual economic growth by a minority eagerly going after wealth and the growing impoverishment of the majority of the population.

[Dr Luis Maria Vega]

Correcting the structural shortcomings in our current system in order to give it greater social content which will be expressed through a fairer distribution of economic growth that is going to be achieved. The statistics show us constant economic growth, with some decline in 1975; that does not mean that the benefits of that growth are being distributed equally among the various social strata because of the ratio between prices and wages, the country's effective tax structure, and the expansion of circulation among other things.

[Dr Juan G. Granada]

Correct the rate inequalities in income distribution among the various social sectors; this means that wages must go up, that we must institute progressive income taxes and increase social welfare benefits. But I must point out certain reservations: I am not proposing new taxes and certainly not any increases in contributions to the IPS [Social Security Institute?] which is not as efficient as the European institutions when it comes to acting as an agency for social welfare benefits. Consequently, other changes must be made so that we may implement what I said earlier.

2. What is your opinion of the current tax burden and the proportion between direct and indirect taxes?

[Dr Juan Manuel Benitez Florentin]

It is unfair because not all high-income sectors contribute toward that tax and those who participate in these sectors do not do so to the required proportion. It is a structure of privilege. In theory, the personal income tax was supposed to meet the requirements of universal application, justice, and equity; but in Paraguay, it is impossible to institute that because the privileged who monopolize power are opposed to that. Legislation provides mostly for indirect taxes which hit the consumer on the lowest rung of the ladder.

[Dr Carlos Ferreira Ibarra]

We urgently need a total reform of the current taxation system because certain sectors in Paraguay carry the largest percentage of the burden. Indirect taxes predominate and they are the ones which most heavily hit the lower-income segments. Our taxation system is characterized by improvisation, incoherence, with marching and countermarching, without any well-defined scientific criterion.

[Dr Juan Roque Galeano]

Current levels could be considered adequate; in combination with other economic policy instruments, this has made it possible for us to achieve high economic growth rates. The differentiation between indirect and direct taxes is not based on any scientific criterion; this is why, to achieve equity in taxation from the viewpoint of distributing the burden, we should contemplate the tax reform as a continuous process and not as an isolated political or administrative event. Nevertheless, I am inclined toward so-called direct taxes because they constitute less of a burden on the taxpayers as a whole.

[Dr Juan G. Granada]

The approach to the overall tax burden is deceptive. First of all, because the current taxation system, in percentage terms, hits the low-income sectors in the same way as the rich or perhaps even more so. Besides, tax pressure cannot be fair because there are powerful sectors which do not have to contribute anything to the treasury. I believe that tax pressure in Paraguay is not heavy because we must cover all contributions and then we must seek to develop a fair burden for each member of society according to his income.

2. What is your opinion of the current tax burden and the proportion between direct and indirect taxes?

[Dr Nicasio Martinez Diaz]

A fundamental element in judging whether the burden is or is not proper is whether tax revenues are properly administered. Since we do not have complete statistics on this problem, we cannot express an objective opinion on it. As for the second aspect, indirect taxes still prevail and that is explained by the fact that those are paid by the majority of the people who "have no voice" (80 percent of the population who get 40 percent of the pie) while the others do have a voice to demand the elimination or reduction of taxes that hit them hardest (the direct taxes).

[Dr Luis Maria Vega]

More pernicious than the intensity of the tax burden is the defective distribution of that burden. In 1980, 60 percent of the government's budget revenues came from indirect taxes. This forces the lower-income sectors to make a greater effort when compared to those who have more money. Besides, there is a conflict here is we consider that it is the middle-income and low-income sectors which more rapidly spend their income and this is how we could expand our domestic market by benefitting them.

3. What anti-inflationary measures would you suggest in coping with the current situation?

[Dr Juan Roque Galeano]

The measures adopted by the government and the Central Bank have been the best. The maintenance of the interest rate for bank loans, the reduction of the legal cash reserve requirement for savings deposits, the improvement of exchange market control to prevent speculation, the lifting of duties on export products, among other things, are producing good results. Thus we find that the inflation rate during the first half did not exceed 9 percent.

[Dr Juan G. Granada]

In the private sector we seek ways of increasing the production output and for the public sector we must try to control the issue and expansion of money. In this connection, it makes no sense for the Central Bank--an institution charged with controlling monetary stability--to go in for pharaonic projects, such as the construction of its new home office--projects which, because of their size and characteristics, heavily contribute to more and more inflation.

3. What anti-inflationary measures would you suggest in coping with the current situation?

[Dr Nicasio Martinez Diaz]

I believe that it would do little good to propose anti-inflationary measures in the peripheral economy because it is the countries of the center which recommend or suggest such steps in line with their own interests. Nevertheless, I will mention the most effective steps: strengthening the production machinery to increase output, austerity in the government area, a monetary policy which--without failing to accomplish the pure mission of providing credit for production activities--would not abuse the power to issue money which is a disturbing and corrosive power; and watching over speculation so as to prevent or reduce any actions that cause even further confusion in the nation's economy.

[Dr Luis Maria Vega]

First of all, national agencies responsible for the country's money management must resume control of monetary policy implementation which seems to have slipped from its hands, realizing that the current rate of exchange of the country's currency as compared to the strong currencies leaves room for much speculation (in spite of the fact that one of its specific functions is precisely to avoid speculation). Second, solve the growing problem of a balance of trade which shows an ever-growing deficit.

[Dr Juan Manuel Benitez Florentin]

Provide incentives for production. Inflation is a period of generalized price rise and starts when the purchasing power that reaches the market does not find a sufficient quantity of commodities to satisfy it. The system has been reduced to withdrawing money from circulation; this has turned out to be ineffective as the only remedy for inflation. We must emphasize the other term of the equation, that is, we must provide incentives for the effectiveness of the production machinery to increase the output of goods. Besides, we must fight against superfluous spending, both public and private.

[Dr Carlos Ferreira Ibarra]

A policy which would provide incentives for greater productivity through the application of science and technology; a government policy of austerity, rationalizing public spending; supplemented by an intelligent monetary policy in which connection the Central Bank has sufficient foreign exchange reserves which are now idle.

4. Is it correct to go into foreign borrowing as a way of financing national growth?

[Dr Juan Manuel Benitez Florentin]

There are limits to that which in Paraguay have been exceeded. We have tried to win prestige and political shoring-up at the expense of future generations (the "current reconstruction projects" will be paid for by our grand-children). Besides, we resort to foreign borrowing to go into pharaonic projects, not investments for development. In this way we obviously deny the possibility of using foreign borrowing to make development-oriented investments.

[Dr Carlos Ferreira Ibarra]

Foreign financing of infrastructure projects is fundamental. But, since foreign borrowing commits several generations, we must use these funds for priority projects, not for unnecessary ornamental projects, as in the case of the luxury airport in the city of Pdte Stroessner. Besides, foreign borrowing is not the only way because government revenues can be used efficiently and the Central Bank can use its reserves also.

[Dr Juan Roque Galeano]

It is a major contributing factor for a country such as Paraguay. Public works and administrative improvements, which increase the government's service capacity and which constitute a saving for the future, cannot be disregarded; this is why we are justified in borrowing in order to finance this effort. But we must be very much aware of the country's capacity to pay when it comes to drawing the limits of borrowing because we cannot justify obligations which later on can constitute a burden that cannot be lifted.

[Dr Juan G. Granada]

Foreign borrowing is neither good, nor bad, by itself but rather as a function of an economy. I maintain that a large portion of the loans was invested in projects that were expensive for the country and that are not justified if you compare the costs and the benefits. Besides, here the loans implicitly included commission margins for middlemen and influential people who participate in these transactions. This explains why the government has become poorer while its officials have joined the new upper classes. This type of borrowing is not good for Paraguay, nor even for the most backward country in Africa.

4. Is it correct to go into foreign borrowing as a way of financing national growth?

[Dr Nicasio Martinez Diaz]

The most effective measure to finance development (defined as growth with social welfare) is the utilization of domestic savings made up of that impressive mass of money in the hands of the big financing outfits (banks, finance companies, money-exchange offices, savings and loan institutions for housing construction, insurance companies, deposits in foreign banks), orienting it to adequate measures and incentives to resume the fertile flow of the economy. We must resort to foreign borrowing when the country has no resources of its own, when money does not involve a high cost, if the amount of that money is adequate for the country's payment capacities, among other criteria.

[Dr Luis Maria Vega]

In a developing country it is difficult to achieve optimistic and satisfactory goals without foreign aid. But the problem resides in the financing conditions--the cost of financing--and the purpose for which we use those funds as well as the country's borrowing capacity. In this respect we have in recent years noticed a growing increase in the foreign debt which has not always been used for business investments of a productive or social character.

Dr. Juan G. Granada, del Partido Revolucionario Febrerista.

February Revolutionary Party

Dr. Nicasio Martinez Díaz, del Partido Demócrata Cristiano.

Christian Democratic Party

Dr. Luis María Vega, del Partido Liberal Radical.

Radical Liberal Party

Dr. Juan Manuel Benítez Florentín, del Partido Liberal Radical Auténtico.

Authentic Radical Liberal Party

Dr. Carlos Ferreira Ibarra, del Partido Liberal.

Liberal Party

Dr. Juan Roque Galeano, del Partido Colorado.

Colarado Party

END

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INCOHERENT FOREIGN POLICY FAULTED FOR NATION'S DISCREDIT

Buenos Aires LA PRENSA in Spanish 26 Oct 81 Sec 2 p 1

[Text] The so often discussed issue of our prestige abroad has assumed timeliness again on the occasion of the convening in Madrid of a meeting organized by the Parliamentary Assembly of the Council of Europe, at which the topic of human rights in Latin American was debated. Our country was, once again, placed on the international pillory when, among the conclusions reached, there was approval for the submission of the "Plaza de Mayo Mothers" as candidates for next year's Nobel Peace Prize. It was also pilloried, although in a somewhat more indirect manner, when the European authorities were urged to stop all financial and military aid to the repressive regimes in this part of the continent, as well as to establish a "special visa" for their officials, and to back the South American associations that are acting on behalf of respect for human rights. Finally, and this affects us directly, it is proposed "to intervene with the Argentine Government to have it report officially on the thousands of missing persons."

Even if we overlook the propaganda purposes which often inspire this type of statement in certain instances, there is no doubt that, in the one of concern to us, the charge assumes greater significance and seriousness, because it appears to be backed by a European government organ. This accusation, which compounds other previous charges persistently disseminated by the world press, seriously damages our prestige as a civilized nation in the context of the international community. In view of this regrettable situation, perhaps the time has come to inquire whether, as the government's rhetoric has repeatedly and monotonously proclaimed, it is due solely to an orchestrated campaign of discreditation handled from abroad; or rather, to what extent it is due to poor management or erroneous direction of our foreign relations, or to procedures and attitudes repudiated by international public opinion.

Without precluding the former entirely, because there is clear evidence that the aforementioned self-interested campaign exists, we think that much of the heretofore unfortunately appreciable results accrued by it to our detriment may be a result of the latter. In fact, there are many deviations, corrections and anomalies which the present government administration has incurred, as a negative contribution to the aspect of our image in the international realm.

The problem of the missing persons during the battle against subversion, to take the issue which has prompted this comment, has not been explained with sufficient clarity, and we have even gone so far as to officially assume contradictory positions in dealing with it. For example, whereas, until some time ago it was categorically stated that no investigation would be allowed which might involve those who had been potential agents of repression, the exact opposite was claimed later. Similarly, our

declining prestige abroad has not been helped by the prolonged maintenance of the state of siege either, with the aftermath of individuals held without judicial process at the mere whim of the executive branch, when the authorities have emphatically declared the definitive elimination of subversion and terrorism.

Nor should we have accepted, at the time, the activity of an investigating committee from the OAS, whose presence in our country represented a manifest renunciation of our sovereign rights on behalf of an international agency. But, when its entry had been permitted and a report which was not exactly flattering to us had been prepared, it was absolutely bewildering when the government described the stormy debate evoked by its discussion within the inter-American organization, and the conclusions arrived at by the latter, as a success for our diplomacy.

That same sign of weakness seems inherent in our relations with the United States, the improvement in which after a harsh period of controversy is being celebrated as a resounding victory, without noting that the desirable rapprochement is surrounded by conditions and explanations regarding the same issue of human rights, which our authorities have found it necessary to accept and to make to officials and legislators of that foreign country. Such attitudes entail an incomprehensible disregard for the features of our national self-respect and, of course, they are not the best course of action for restoring the damaged reputation that we have abroad.

The weakness that we cite has been confirmed again with the undecided, vacillating position that the government is displaying in the matter relating to the sending of troops to the Sinai, wherein, after many months, it has not decided either to accept or reject the proposal. We do not know the reason behind this reluctance, whether it is fear of antagonizing the aggressive Arab nations opposed to peace in the Middle East, including the terrorist Palestine Liberation Organization, in the event that it accepted this, or that of damaging the incipient, contingent rapprochment with the United States, if it should not. Such a position, regardless of whether it may have been caused by an erroneously conceived political calculation, only serves to highlight an obvious inefficiency and incompetence.

Our relations with the Soviet Union provide another telling example of the lack of consistency in the foreign policy implemented by this government. While the increase in our exports to that country may be acceptable in view of the current circumstances in international trade, because they do not exceed the merely mercantile realm, what is not readily explainable is that military missions are officially invited, and their members decorated; because this involves to some extent the assumption of a political-type position toward a nation whose regime is the antithesis of ours.

The squandering of money spent on sending constant missions abroad, genuine expeditions of officials with an excessive number of members, combined with expensive openings of government bank branches abroad, contrasts not only with the fundamental austerity that should prevail in the entire republic, but also with the grievous economic situation that the country is experiencing. The largest delegation to attend the last meeting of the International Monetary Fund was precisely the Argentine representative group, and the absurdity that it reflected is not lessened by the fact that not all its members were public officials or representatives of state banks and enterprises. The others realize all that has been stated, because it is no secret to anyone. And therein lie the causes of our loss of prestige which it is being futilely attempted to blame on a deliberate campaign. The latter unquestionably exists, but its successes are the work of our government.

2909
CSO: 3010/223

DAILY SEEKS CLARIFICATION OF OFFICIAL POLICY

Buenos Aires LA PRENSA in Spanish 21 Oct 81 Sec 1 p 2

[Text] Five and a half years have now elapsed since the Armed Forces assumed the nation's political power, for the stated purpose of restoring its violated republican institutions and rehabilitating the wrecked state of law to which the unfortunate disinterment of a demagogic, corrupt, totalitarian regime had led. We use the term "disinterment" deliberately, because it summarizes the notion of what we are asserting. One disinters only what is dead, and the sad memory of our decadence in both the national and international realm, to which we had been brought by the first Peronist decade, was dead in the consciousness of sound Argentines.

We had to undergo a new experience, of the same type or nature as the previous one, in order to realize, at the end of 3 long years, that we had been returning to the past. There was nothing, absolutely nothing left for us to learn. We had to become accustomed to the vicissitudes of personal insecurity, fostered from abroad by the regime which came to power and, once there, proved incapable of eliminating them, thereby proving its incompetence for controlling public order, a basic element in any government.

We had to put up with the arrogance of the trade unions, regimented in the service of the government and not, as would have been fitting, that of the legitimate interests of their members. We had to withstand the impositions of certain business corporations, which reneged on their goals for the sake of a degrading submission to the totalitarian economic structures advocated by the deposed regime.

The annoying privileges for certain sectors, the financial gains for others and the deals, difficult to prove on the judicial level, in which the leaders of the system engaged, constituted the currency of that disgraceful system. As a telling example of the public moral crisis to which we had stooped at the time, it would suffice to cite the criminal proceedings to which the former president and third wife of the one who was described on this very page as the "one mainly responsible" is still liable.

We have deliberately dwelt on the recollection of this ominous but recent past, in order to devise some concept of the government's indecision that is being noted to an increasingly marked extent with regard to projection or initiative in the political realm.

This gives the impression, first of all, that the government of the Armed Forces which has ruled us for nearly 6 years wanted to place a veil of silence over these

scars which have infected the Argentine social entity to the point of threatening its very survival. It entails a temporizing that is irreconcilable with the goals cited in the military coup of 24 March 1976, which consisted precisely of the elimination thereof. But what is even more serious is the fact that, in addition to that silence, described by those who are suspicious as concealed complacency, the administrative management of the high-ranking military has been causing unfortunately assertive events which are fostering an unquestionable maintenance of the inherited totalitarian structures.

A political system cannot perpetuate itself indefinitely with the mere reminder of the eradication of subversion and the restoration of order. Since this is fundamental, it is only a starting point. If the purpose were that exclusively, all the confused dialectics with which we are being inundated daily by the government's propaganda concerning the nation's future would be superfluous. The government has in view something more than that basic, initial goal; because, otherwise, its further stay in power would not be justified.

The criticism that we are making does not mitigate the fact that there has been a sanctioning of some legal regulations, such as the decontrol of urban leasing contracts or the repeal of the law on supply, which are associated with a genuine liberal ideology. But both the one and the other have a merely irrelevant quality when confronted with the texts of a definitely totalitarian type. At most, they show a sign of indecision and uncertainty regarding the true purposes of the "process."

However, time does not pass in vain, and as it elapses, it affords a calibration of intentions and, unfortunately, in this instance, a thwarting of legitimate expectations. The sensation caused by this proven totalitarian survival, tinged with a slight liberal concession, is only that of a vacillating lack of resolution within the government, and that of another disappointment for the citizenry's hopes and illusions.

The government's incomprehensible position can lead only to this. On the one hand, it announces the existence of a political plan which, except for the very general and ambiguous "introductory" documents of the "process", continues to be a mystery to the entire citizenry that does not appear to count for anything, either in the prior consultation or in the subsequent preparation. On the other, the one presumed responsible for that plan, namely, the minister of interior, has secretly undertaken to explain it to various audiences which are always restricted. Some time ago, those receiving such confidences were the members of the Supreme Court of Justice; and now they have been the bishops. One cannot clearly understand what intervention in this regard is incumbent on a jurisdictional authority, by definition apolitical, and on a Church sector whose specific mission is completely dissociated from the implementation thereof. Nevertheless, they have been appealed to, as have prominent individuals noted for their disagreement with the administration that has been carried out, who have been given an opportunity to devise alternative programs.

All of this has caused a sense of insecurity, vacillation and consequently, inaction, which is not in keeping with the mission of a government that came to restore the institutions which had been violated. Furthermore, one has the conviction that, with the pretext of "moderation", what is being sought is to stifle the critical voices which are becoming increasingly loud, in an attempt to content them through the handy expedient of postpoining any important decision and leaving everything for later on.

There are informal talks with political personages, at sporadic intervals there are sounds of a future plan for the country in restricted meetings, and work is being done on it with concealed advice from palace consultants. But what is not being done, as would be fitting, is to promote the great national debate of ideas, from which what should or should not be accomplished to rehabilitate a nation in crisis would result, even though possibly in a controversial manner.

Viewed from a distance of nearly 6 years, the path that has been traversed is not the proper one. So there is a pressing need for the beneficial correction that the country is awaiting from those who are, for the present, its rulers.

2909
CSO: 3010/223

ACCORD WITH THAILAND TERMED POSITIVE STEP

Buenos Aires LA NACION in Spanish 27 Oct 81 p 8

[Text] Thailand, whose foreign affairs minister has made a brief visit to our country, is a Southeast Asian nation which, despite the geographical distance, has a place in the context of world politics which coincides with that of Argentina in many respects.

The shortness of his stay did not deter the prominent visitor from attesting to his gratification over the increasing friendship between the two nations, and the good prospects for increasing the bonds of a promising trade. He also underscored the views with which both countries observe the solution to the troubled situations in that part of the world, as in the case of Kampuchea.

In a harmonious act, five nations (Singapore, Malaysia, the Philippines, Indonesia and Thailand) joined together by the so-called ASEAN agreement, set forth the reasons for a joint action in Southeast Asia, in the political and economic areas, transcending the natural, understandable differences based on national individuality. It is a part of the globe capable of offering our country opportunities for growth advantageous for all parties. If one examines the world situation, one notes that those developing countries are not so seriously affected by the recession as others, including the industrialized nations themselves. The idea of creating an economic community in the Eastern Pacific Basin is progressing and, according to the comments made here by the Thai foreign minister, it is being planned, and its concrete results would be advantageous. On other occasions, we have cited in these columns the potential advantages for Argentina.

Obviously, for the countries of Southeast Asia, the so-called Kampuchea question must be resolved urgently and as a priority, because it is a potential risk to peace, not only in the area, but also likely to spread to other areas, and even become universal.

We agree with Thailand on the formation of a commission within the scope of the United Nations, which has been proposed and is already fully under way, to obtain a means for resolving the problem.

The invasion of Kampuchean territory by forces from Vietnam and, as a corollary, the imposition of a government that caters to the aggressor's interests (and also to those of the Soviet Union, in opposition to those of the People's Republic of China) has created the issue. The deposed government had undoubtedly earned the general criticism and its repudiation because of the abuses committed against large masses

of its population, but it is certainly not tolerable to allow its overthrow by another foreign government. It is the people of Kampuchea (formerly called Cambodia), a thousand-year old nation, themselves who should decide on their destiny in free elections which are guaranteed and backed so that no one will have a right to propose and put up objections to the desires expressed in those elections, with justification. Therefore, the opposition should unify its action. It will be the only means of insuring stability and legitimacy for the authority that results. This is the view shared by Argentina and Thailand. The analysis of the situation was unquestionably one of the essential topics of conversation between the two foreign ministers.

The agreement between Argentina and Thailand has been expressed in the joint press communique following the meetings, during which an examination was made of the situations relating to the Asian area, the problems of the North-South dialog and the political confrontations in Latin America. The specific issue of Kampuchea prompted an expression of appreciation by the visiting foreign minister for Argentina's action within the commission established by the United Nations. At the same time, San Martin Palace made note of the government's gratification at Thailand's sustained backing in the Malvinas matter.

The signing of an agreement between the two countries for scientific and technical cooperation, calling for the establishment of a joint committee to foster the intensification of the mutual ties, is proof of the useful steps that were taken.

2909
CSO: 3010/223

NEWSPAPER PRAISES IMPLEMENTATION OF PRIVATIZATION POLICY

PY102147 Rio de Janeiro O GLOBO in Portuguese 6 Nov 81 p 1

[Editorial: "Cycle of Privatization"]

[Excerpts] The sale of the Companhia Americana Fabril to the Companhia Force E Luz Cataguases-Leopoldina marks the effective beginning of the state's withdrawal from the Brazilian economy which, if carried out with unswerving spirit and purpose, will over the medium term correct one of the sources of distortion of our capitalist model.

The Figueiredo government has the merit of moving this project from the phase of rhetoric to the phase of execution. The state-owned enterprises that can be transferred to the private sector have been carefully listed, the process of their transfer to the private sector has been set in motion, and now the first operation has been transacted in strict accordance with the requirements which have been established to protect all the social and economic interests involved. The purchasing company won the bidding because it offered the best terms, and it has committed itself to invest 200 million cruzeiros immediately in equipment for the factory, maintain a minimum of 750 employees for 7 years, ensure national control and administration for 20 years, etc.

This first important transfer shows that the private sector is capable of absorbing viable enterprises operated by the government. The government operates these enterprises either because it took that option or because it took them over as a last resort to ward off bankruptcy and to avoid the negative social consequences of bankruptcy. The recession the national economy is experiencing did not discourage many private enterprises from bidding for the Companhia Americana Fabril. Thus the process of privatization made possible a significant act of confidence in the economic health of the country.

CSO: 3001/25

BRIEFS

ANTARCTIC DISCUSSED--Sao Paulo, 10 Nov (AFP) -Brazilian Foreign Minister Ramiro Saraiva Guerreiro left for Santa Cruz de la Sierra, Bolivia, today where he will attend the 12th meeting of foreign ministers of the River Plate Basin countries scheduled to start tomorrow. At this meeting the Argentine, Bolivian, Brazilian and Paraguayan foreign ministers will discuss items related to the physical integration of the region. Brazilian press sources have reported that the Brazilian presence in the Antarctic will be analyzed by Saraiva Guerreiro and by Argentine Foreign Minister Oscar Camilion. The influential Rio de Janeiro's newspaper O GLOBO has reported that since Argentina has definite interest in the region, Brazil does not want its presence to raise misunderstandings with its neighboring country. Navy Minister Adm Maximiano Fonseca has confirmed that Brazil will buy a ship for transporting the members of the first Brazilian expedition to the Antarctic. Admiral Fonseca said that negotiations with Great Britain for the purchase of a poliar ship have already started. The ship is to be used by the above-mentioned expedition. [Text] [PY102016 Paris AFP in Spanish 1539 GMT 10 Nov 81]

POLICE FUNCTIONS ALTERED--The federal police will no longer deal with matters related to censorship, foreigners and passports. This comes about as a result of studies carried out by Justice Minister Ibrahim Abi-Ackel and in agreement with Col Moacir Coelho, head of the Federal Police Department [DPF]. Thus, the public entertainment censorship service will operate jointly with the national censorship council, making up a new department directly subordinate to the minister's office. Likewise, the divisions of passports and the sections that used to be in charge of the entry and the duration of stay of foreigners, subordinate up to now to the departments of maritime, air and border ports, will come under the Justice Ministry general department. Although the minister feels that these changes are "a simple reshuffle of government organizations," they will involve the withdrawal of police oversight on issues of censorship and foreigners. With this, the DPF will become restricted to its constitutional function. [Text] [PY071220 Sao Paulo FOLHA DE SAO PAULO in Portuguese 31 Oct 81 p 1]

NEW AMBASSADOR TO SYRIA--The Government of Syria has accepted the appointment of Antonio Amaral de Sampaio as Brazilian ambassador to that country. For the last year Brazil only had a charge d'affaires in Damascus. [PY110148 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 10 Nov 81 p 6]

DETAINEE TORTURED--In a report submitted to the CNBB [National Conference of Brazilian Bishops] Acre-Uru Prelacy, Bishop Moacir Grechi has criticized the detention of the community leader (Joao Martins de Menezes). The bishop reported that (Menezes) was arrested on Friday by three federal agents, who handcuffed him behind his back and submitted him to physical and psychological tortures, threatening to kill him if he reported anything to the newspapers. According to Bishop Moacir Grechi the action undertaken by the federal agents is the type of thing outlaws do. Instead of guaranteeing security this poses a threat to the community. [Text] [PY091438 Sao Paulo Radio Bandeirantes in Portuguese 100 [as printed] GMT 9 Nov 81]

CSO: 3001/25

BARCO WITHDRAWS FROM PRESIDENTIAL RACE

Bogota EL SIGLO in Spanish 25 Sep 81 pp 1, 13

[Text] Yesterday, Dr Virgilio Barco Vargas withdrew his name as a presidential candidate of the Liberal Party, and announced that he had no intention whatsoever of promoting a movement for internal strife within his party, "so as thereby to save himself from the liability assumed by those who demanded all the control levers for themselves and obtained them at the Medellin Convention, without any reservations."

However, in a statement released last night, Dr Barco, after announcing his withdrawal, remarked that he would continue to uphold the same ideas that he has been preaching in his campaign, and that he would lend his support to the leaders who had accompanied him, who will surely strive, in the March elections, to have a representation of that kind in the next congress, acting and thinking in accordance with the future Liberal policy.

In the first part of his statement, the former precandidate strongly attacked the Medellin Convention, concerning which he commented: "All the positions for controlling and directing the 1982 campaigns were left in the hands of a few, and in those of a political group specifically designated by former President Lopez Michelsen as one of the factions of a Liberal division which he tried to foster overtly and to which he was inviting and is continuing to invite, under the terms stipulated by him, but reserving for himself therein the personal right not to participate."

Dr Barco claims that the "Lopists are unequivocally seeking to have him serve as a preeminent leader, so as to transfer to the latter the responsibility for what might happen during this critical period for the party that is starting under precarious conditions, a responsibility which he obviously cannot and does not wish to assume."

Dr Barco, moreover, reiterated the criticism that has been made by what Dr Lopez terms the "great press" to the effect that the Medellin Convention responded totally to the prior plans devised for it, geared to them in such a way that it did not give the party or the country any surprise, and that, as a spectacle, it was not at all encouraging to the Liberal sectors and groups which were absent from it, and not even to those attending it.

2909
CSO: 3010/149

BUSH, TURBAY ESCAPE ATTACK AT AIRPORT

Bogota EL TIEMPO in Spanish 18 Oct 81 Sec A pp 1, 14

[Text] The abortive attempt at an explosion discovered last Friday at the Eldorado International Airport, for which the guerrilla group known as "Workers' Self-Defense" (ADO) took credit, might have cost the life of not only the vice president of the United States, George Bush, and his entourage, but also President Julio Cesar Turbay Ayala, two of his ministers, the mayor of Bogota and other high-ranking government officials.

Seven powerful dynamite charges, each weighing 10 kilograms, were buried at a depth of 25 centimeters only 3 meters away from the main runway, in the northern section thereof, opposite the terminal's radar, at the Engativa side.

The dynamite could have been activated by remote control, or through a battery, something which was relatively easy for the rebels, according to the investigators.

The fact that the device was not activated is considered odd and an enigma among the authorities. Those queried said that, if the explosion had occurred, many persons would have been killed, not only employees and travelers at the airport, but also passersby and residents of areas adjoining the terminal, especially in Engativa.

Although ADO explained in a communique that it had stopped the attempt because the plane carrying Bush did not use the main runway at Eldorado, but rather the Catam runway, Civil Aeronautics officials rejected that hypothesis.

They explained that planes do not land at the Catam military base, and that the aircraft arrive only along a so-called taxiing runway, but after having used the main one at Eldorado.

In other words, they claimed, any airplane weighing over 5,000 kilograms must land on the main runway, where the guerrillas had placed the explosive device.

The airplanes that carried both the American vice president and the Colombian chief executive and their parties weighed over 5,000 kilograms.

A Gardener

The guerrillas had succeeded in removing six of the seven dynamite charges when a gardener who was cutting the grass discovered a cable very close to the runway and,

upon attempting to remove it, found that it was very long, and began to be suspicious. The employee reported the situation to the firemen, and they subsequently informed the Tourist Police, who discovered the dynamite at a distance of 300 meters from the site where the cable ended.

The police F-2 anti-explosives group deactivated the device which, in addition to the dynamite, consisted of nuts, iron parts, screws and electric exploders.

The experts said that the deactivated bomb is a thousand times more powerful than a grenade when it explodes.

Its power was such that it could reach airplanes with its fragments while they were taking off, and could even more easily reach others parked on the boarding platform.

5 Days

The F-2 explosives experts established the fact that the bomb had been set between Sunday and last Monday, and although they confirmed that the attack had been aimed against the American vice president, they also stated that the Colombian chief executive could have been a victim, along with his entourage, on his trip to Pereira on Friday.

Turbay Ayala, two of his ministers, the mayor of Bogota and other high-ranking officials took off at 1000 hours in the morning for Pereira, and subsequently for Cartago, to open a food plant as part of the "March of Bread" program. In other words, they were traveling an hour after the device was deactivated.

Accompanying Turbay, among others, were the minister of communications, Antonio Abello Roca; the minister of agriculture, Luis Fernando Londono Capurro; the mayor of Bogota, Hernando Duran Dussan; the head of the Family Welfare Institute, Juan Jacobo Munoz; the head of the Culture and Tourism Institute, Maria Paulina Espinosa de Lopez; the president of TELECOM [National Telecommunications Enterprise], Guillermo Sagra Serrano; and their relatives.

President Turbay was recently the target of an attack when the M-19 guerrillas assaulted the Narino Palace with mortar grenades.

The devices exploded a few meters from the bedroom occupied by the head of state and his family, and two persons were injured, including an Army petty officer.

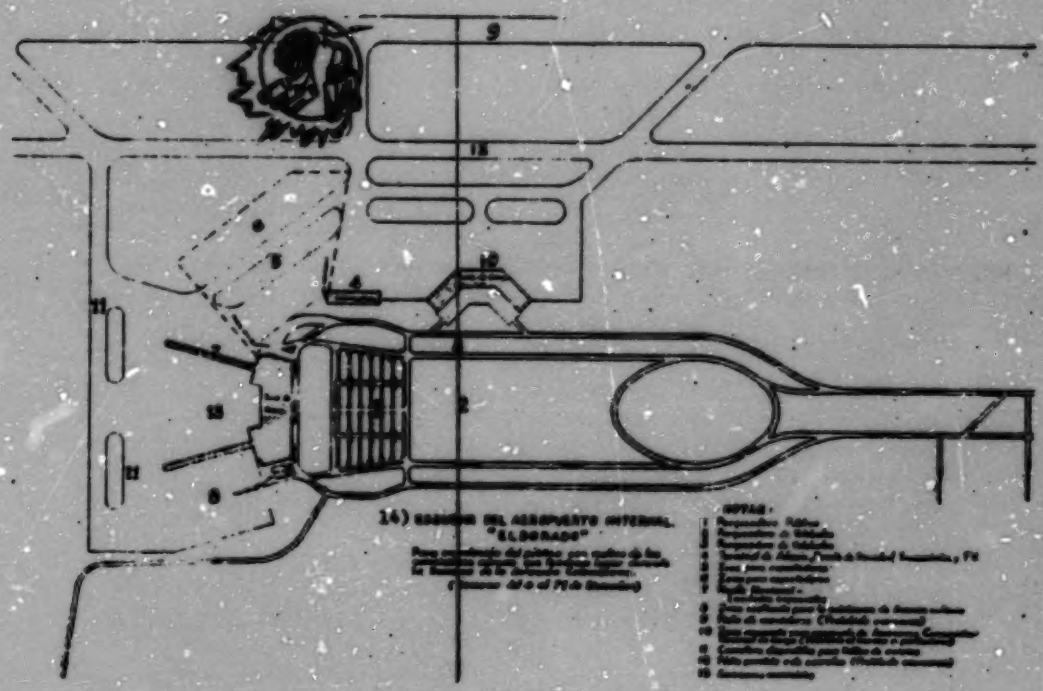
Investigation

The Army and the police, as well as DAS [Administrative Department of Security], began to investigate the abortive attack, and redoubled the military surveillance at the Eldorado Airport, to prevent incidents such as the one which occurred.

They stated that this surveillance would apply to all the air terminals in the country.

A military spokesman remarked: "We are investigating the employees of the Civil Aeronautics entity and the aiport who were on duty on the days when the ADO rebels managed to bring in the bomb easily." Although no one has yet been arrested as being responsible, the authorities stated that the complicity of at least one employee of the capital terminal has not been precluded.

Over 200 meters of cable, 10 kilograms of dynamite and electric exploders were about to cause the greatest tragedy in Colombia. The attack was aimed against the vice president of the United States, George Bush, and might also have reached the presidential party which traveled to Pereira last Friday.



The circle shows the site where the dynamite was found, at the head of the taxiway.

Key:

1. Public parking lot
2.3. Vehicle parking
4. Administration terminal, health station, baggage conveyor,TV
5.6. Spectator area
7. National platform, special guests
8. Exhibition area for aircraft on the ground
9. Taxiway (access banned)
10. Area reserved for commercial plane arrival. Freight terminal (access banned to private persons)
11. Taxiways available for air traffic
12. Parallel or taxiing runway
13. Commercial aircraft
14. Plan of the Eldorado International Airport. For guidance to the public on the occasion of aircraft exhibitions to take place during Colombian Aviation Week (week of 4-11 December)

2909
CSO: 3010/149

LLERAS CHALLENGES LOPEZ CANDIDACY

Bogota EL SIGLO in Spanish 27 Sep 81 p 3

[Text] Former President Carlos Lleras Restrepo described the victory won at the Liberal Convention by Dr Alfonso Lopez Michelsen as "pyrrhic" and declared that the latter has neither moral nor political authority to call for a blind discipline and compliance with the decision made precipitously by his friends at Medellin, nor to order the "truce" which we shall not observe.

Dr Lleras gave notice that, "Not many of us shall attend the elections under the command of the two debate leaders, the Messrs Espinosa and Santofimio. We shall not help to bring about the distribution of the gains accrued from the deal made at Sincelejo...."

After stating that there is a necessity to elect a congressional majority that will eradicate the evils of the chambers, he claims that the huge mass of those abstaining need to be reincorporated into the electorate. He added that Dr Barco has a chance of prompting a movement of that kind.

The latter was considered a tacit invitation to engineer Virgilio Barco Vargas to reconsider his position.

Following is the text of the political analysis made by former President Lleras Restrepo, which will appear tomorrow in the magazine NUEVA FRONTERA:

Last week, before the Liberal Convention was held at Medellin, I stated candidly what I thought about a possible candidacy of Mr Lopez Michelsen. I recalled my statement, made on a fitting occasion to a group of so-called "neutrals" to the effect that I could not go along with that candidacy if it were proclaimed by that body. Today, with the process which gained strength from the Sincelejo "deal" already consummated, I confirm my line of conduct: I am only one unit in the party, but I demand my right to judge freely what its leadership bodies do and, exercising that right, I repeat that I shall not go along with the Lopez candidacy, and that if the latter goes to the elections I shall not vote for it. This is the same decision that I hear expressed by a great many fellow party members. Mr Lopez may order a truce in the discussions on the party's future, after having spoken to the point of satiety in the insolent tone that is typical of him. The rest of us have no reason to heed such an overbearing order. On the contrary, we must submit for an examination by all Colombians the proposal (because the introduction of a candidacy is nothing more than that) which the Lopist group has submitted to public opinion. And we can and

should express a view concerning it. The attempt to declare the debate closed is both irritating and unacceptable.

Mr Lopez has neither moral nor political authority to call for discipline, simply because he has never subjected himself to it, and has even gone so far as to propose that the Liberal Party break solemn commitments made to consolidate public peace. After his long vacation in Mexico, he came to found a dissident movement, the "Liberal Revolution", the only revolutionary feature of which was the name, but which upset the country's political and administrative life considerably. It was easy to appeal to sectarianism when the wounds that we Liberals had suffered during a long battle wherein his only activity was to silently make a demand and then leave the national territory were still fresh. Those of us who thought that the party had an obligation to keep its commitments and, furthermore, that it was fitting for it to keep them in order to be able to keep relations with the Conservatives civilized in the difficult task of consolidating peace and reestablishing the democratic institutions had to counter a perfidious campaign. How easy it was then to encourage the outcry "Spaniard no"! These are things that I recall now and that I recalled a great deal when Lopez Michelsen mounted his "pincers". But it was the faithful, loyal fulfillment of the principles of the National Front which reestablished the Liberal Party in power, without further trauma to public peace. Those of us who, in 1961 and 1962, assumed responsibility for keeping our pledged word knew that, by so doing, we would preserve a moral base for our party and that, founded upon it, the latter could win the elections peacefully at the end of the period wherein, through an express ruling from the plebiscite, the power must be exercised in the name of the two traditional groups.

Despite the fact that a National Convention proclaimed my candidacy for the 1966-70 term, Mr Lopez Michelsen did not go along with me. Until the last minute, he attempted to contrive an odd coalition, in talks with ANAPO [National Popular Alliance] and the Laureanist wing of the Conservative Party. The plot failed, but I am certain that Mr Lopez did not vote for me. He was entitled, and I do not blame him for his abstention. Great efforts were made later to unite the party, as I had been demanding. And, despite Lopez Michelsen's very erroneous conduct during the first year of my government, I called him to the Cesar governorship and later to the Ministry of Relations. The MRL [Liberal Reintegration Movement] dissolved, but the unity on which we others were bent and which we eventually achieved benefited Lopez primarily. Now then, how did he manage to win a majority at the 1973 Convention? It is worthwhile examining the situation, to obtain a better understanding of the personage.

During the negotiation of the constitutional reform of 1968, I had striven to eliminate the absurd ruling from the plebiscite which made it compulsory, on an indefinite basis, for the president of the republic to set up his cabinet with a strict representation of all the political sectors which had congressional seats. The implementation of this rule would have led to a collective government, it would have left in the hands of any group even the opportunity to prevent the formation of the government. At a particular juncture I thought that the battle had been won and that, when the National Front's period had ended, we would return to the presidential system without trimming, with a government party and an opposition party, based on the honest implementation of the administrative profession and the opportunity for members of parties different from that of the president to cooperate in the government from a merely personal standpoint, as had been proposed by Alfonso Lopez Pumarejo in 1934. But suddenly, the Conservative group which had backed the government, the Ospinist group,

because the Laureanist or Alvarist group had always remained with the opposition, refused to vote for what my government had proposed. After an internal crisis with very serious features, the formula now so strongly criticized, of "adequate, equitable representation", was reached. It was not the best, but it was the only one found to prevent a tragic break. In any event, that represented a fundamental improvement over what had been established in the plebiscite, and it would be easy to prove this. I shall not dwell on it because what is of concern for the present is examining the line of conduct pursued by Mr Lopez Michelsen.

I interpreted, and I continue to interpret the constitutional text as stating that what is essential is that the party which follows that of the president in votes is to reach agreement with the latter on the government program that is going to be carried out. If that agreement is not reached, it is obvious that the minority should not enter the government as such a party. However, the possibility will remain of the president's appointing members of it to lend their personal cooperation, allowing their party to play the role of an opposition, as an alternative for national public opinion. This manner of conceiving the situation was what prompted me to write what has been called the "Brussels Letter". And what was said in it seems to me to be greatly preferable to the interpretation of a bureaucratic distribution chosen by Mr Lopez Michelsen, which has been implemented. But the "Brussels Letter" gave Lopez Michelsen an excuse to invoke sectarianism again. It was said that I was trying to extend the National Front, which was not true; and, with that argument, I was asked to convoke the National Convention. In fact, the letter in which this was demanded of me was signed by some of the type of ambiguous political friends whose mentality and conduct have not failed to shock me, although after all the experiences that I have had I should not be shocked by anything.

The sectarian appeal brought results, because while Mr Lopez resorted to it in order to have the Liberals defeat me, on the other hand, he made concrete bureaucratic offers to the Conservative Party. He unhesitatingly offered the latter the Ministry of Government, the Attorney General's Office and the General Auditor's Office. And, obviously, he created the pincers. Mr Lopez, who is so spiteful and aggressive with what he terms the "great liberal press", easily joins with the individuals whom he considers to blame not only for having caused the country great harm, but also for having brought unquestionable grief to his family.

If what was accepted to prevent a major political crisis and was conceived as an opportunity for agreements on programs has become a division of positions and benefits in a shared patronage system which actually eliminates the possibility of control over and criticism of the executive branch, it is Mr Lopez Michelsen who is more to blame than anyone else. We would do well to remember this now, when he is proposing a new constitutional reform that he never mentioned during his administration.

I stated previously that Mr Lopez Michelsen has no moral or political authority to call for a blind discipline and compliance with the decision made precipitously by his friends at Medellin, preceded by the "truce" which he has had the kindness to order for us, and which we do not intend to observe. Apart from the precedents that he set as head of the MRL, it should not be forgotten that, when I was out of the country, he refused to abide by the authority of a national convention; that he urged me to form a movement against what at the time was the official stance of the

party, the movement that was called "Liberal Progressivism" from which he reaped such good political dividends. He and his friends, aware that his candidacy for the presidency would divide the party irrevocably, have imposed it. They know quite well now that, when we warned that this would happen, we were right. One goes out on the street and talks with people from the most variegated social circles, from all parts of the country, and one finds the same stubborn resistance to Lopez' reelection. He and his friends, who have not succeeded in making the proposed solution evoke enthusiasm among our fellow party members, and who are not going to succeed in so doing, know that they are walking on shifting sands, and that their only hope is to arouse in our ranks a fear of the Conservatives. It is a weapon which, as we observed, has been used several times already by Mr Lopez Michelsen: to give life to the MRL, and to attack the "Brussels Letter"; not precluding the fact that he has sought alliances to oppose the majority of the party, or to form the pincers from the government. All of this has been very clever, too clever for my taste and that of many fellow party members who view the future of the nation's destiny and the role of the Liberal Party with a different criterion.

Not many of us shall attend the elections under the command of the two debate leaders, the Messrs Espinosa and Santofimio. We shall not help to bring about the distribution of the gains accrued from the deal made at Sincelejo. The vast Liberal public which does not accept that deal must be offered opportunities to go to the polls with prospects other than those of reproducing a past which left unpleasant memories among so many sectors. One proposal would be national renewal, backed by forces not necessarily linked from now on to names of potential presidential candidates. We need to elect a congressional majority that will eradicate the evilswhich have been painfully making the position of the chambers decline in the eyes of the public. We need to reincorporate the huge mass of those abstaining into the electorate. Dr Virgilio Barco has a chance of prompting a movement of that kind. So do other movements with similar aspirations, which are paving the way because they embody something far different from the political decadence of the party symbolized by the reelection. Everyone can work with a magnanimous spirit, realizing that they cannot make the party anarchic, but must attempt to unite it, giving satisfaction to the public's sentiments which were overtly contradicted at the Medellin Convention, converted into a mere appendage of the meeting at Sincelejo; and deliberately contradicted, because it is already clear that many of those who voted for Lopez at Medellin are wondering what they are going to do with that pyrrhic victory.

2909
CSO: 3010/149

GUERRILLA TRAINING SCHOOL DISCOVERED

Bogota EL TIEMPO in Spanish 8 Oct 81 Sec A p 12

[Text] Pereira, 7 October--Gen Hernando Diaz Sanmiguel disclosed that the Eighth Brigade, with headquarters in Armenia, dismantled in this area a school for subversion with which students who are minors and instructors the majority of which are being held by the Army were associated.

Diaz Sanmiguel said: "In the custody of the Eighth Brigade, with a warrant for his arrest, is the instructor German Toro, who was arrested last week when he was leaving the Atanasio Girardot School, because he is implicated in subversive activities."

He added: "We are conducting investigations and operations for the purpose of detecting these subversive groups. Several youths, between 15 and 16 years old, who were taken from their homes by this very organization to be sent to form guerrilla groups in Cordoba and Antioquia, are being held by the Army and are at the disposal of the Military Penal Court."

The high-ranking Army officer declared that this situation coincides with the claims made by Gen Bernardo Lema Henao, to the effect that one of the greatest threats to Colombia, and " the most serious dangers to the country's democratic institutions is the infiltration into education by subversive elements who are disturbing the minds of all Colombian youth."

He maintained that the most serious aspect of all is that "these people" (the subversives) are paid as teachers for the state, because the legal provisions preclude taking any direct action against them.

2909
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BAUXITE FIND IN CAUCA AREAS ANNOUNCED

Bogota EL TIEMPO in Spanish 26 Sep 81 Sec A p 7

[Text] Cali--The Colombian Mining Enterprise (ECOMINAS) disclosed that vast reserves of bauxite clay have been discovered in the southern part of Valle del Cauca and in northern Cauca, and are being studied in laboratories.

According to the preliminary analyses, probable reserves of 90 million tons have been found in the form of dry base, which will afford the Cales del Valle enterprise a production of 240,000 tons of metallic aluminum per year.

The manager of the Colombian Mining Enterprise (ECOMINAS), Pedro Pablo Morcillo, said that, on the basis of the studies made, it has been noted that the proportion of aluminum oxide found in the bauxite clay will probably make it possible to progress to industrial development involving the reduction of aluminum oxide to aluminum.

Contribution in Kilowatts

Morcillo said that this project may be worth about $600 million, "but it will demand (and this is a challenge that I want to mention) the construction of the hydroelectric powerplant on the San Juan River, which is required as an essential supplement to this aluminum project."

He explained that there is an electrical ingredient in aluminum oxide production which is quite sizable, requiring a contribution of kilowatts which in this case totals nearly 500,000. "Since the San Juan River hydroelectric powerplant can produce about 700,000 kilowatts, the enterprise would supplement this great aluminum production project in Valle de Cauca, the economic repercussions of which would be of extraordinary benefit, not only because of the production, but also the indirect results that it would have with the generation of employment and the promotion of the major aluminum industrial complex."

Morcillo came to Cali to take part in the signing of a contract whereby ECOMINAS is making a loan of 14 million pesos available to Cales del Valle for the modernization and expansion of the firm, in order to insure a future production of 30,000 tons of lime per year.

According to technical studies, Cales del Valle will produce quicklime for industrial use with a calcium oxide content exceeding 92 percent, and will be able to hydrate it when requested to do so. As a by-product, it will be introduced to the agricultural market as a corrective agent for acid soils, and as limestone for the production of "impalpable" substances. For the future, consideration has been given to the possibility of producing calcareous aggregates for use in concrete.

2909
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PINAR DEL RIO WORK DIRECTOR REVIEWS DIRECT HIRING SYSTEM

Havana BOHEMIA in Spanish 25 Sep 81 pp 29-31

[Report on interview with Pedro Lourdes Camacho, director of the People's Government Directorate of Labor in Pinar del Rio, by Raul Lazo; date and place not given]

[Text] About 3 years ago, when direct hiring of the labor force — and considering the obvious advantages that might be derived from such a system — was initiated in Pinar del Rio, chosen as a pilot province, some people began to show concern over certain negative effects this experiment could have on the economy, both on the enterprises and nationally.

First of all, these doubts had to do with the negative repercussion this new way of hiring the labor force, this employee-employer relation, could have on labor stability. Or more simply stated: There were some who thought that this way of hiring would give rise to a wave, a veritable tide, of changes of places of employment and occupations that would endanger the necessary stability of labor.

It is only fair to admit that, from a conceptual point of view, such concerns are fully justified since labor stability not only permits the enterprises — to cite merely one example — to qualitatively and quantitatively assure themselves the labor force needed to carry out their technical and economic production plans, but is also a decisive element in the development of job productivity, since one of the factors that helps raise the latter has to do with the skill, the know-how, workers continue to acquire in the course of their job tenure. There was complete unanimity of opinion on these repercussions on labor stability, the only remaining question being whether it would be secured through direct hiring.

Three years after the start of the "experiment" in our westernmost province, this unknown may finally be explicated and we may get an answer to the question as to whether this concern on the part of those who feel that way about it is confirmed or, on the contrary, whether their doubts are unfounded.

And nothing could better answer the question of those who initially demonstrated their concern than the words of Pedro Lourdes Camacho Velasco, labor director of the People's Government of Pinar del Rio Province.

"At first, this fear that an uncontrollable exodus of the labor force would be produced was not only exhibited at the level of the enterprises, but was also expressed by some sectors and branches of the economy and also began to acquire a certain

amount of "national" currency; some towns "thought" that they would be left without qualified workers. Despite these natural concerns, it is only fair to point out that in general, right from the start, direct hiring of the labor force was widely accepted in our province and that everyone did their best to see to it that this assignment would be successfully carried out," Pedro L. Camacho noted.

"Actually, in the course of the experiment such fears proved to be unjustified and, after it was concluded, in the report that covered all cases of direct hiring we showed that fluctuation had increased very slightly. As time has gone by, this fluctuation has become stabilized and there are fundamentally three reasons behind it: wages, distance from the place of employment and cancellation of contract by mutual agreement of the parties involved. In short, these are reasons we consider to be normal, ones that have always taken this form. Eighty percent of the transfers or exchanges are concentrated among 5 of the 35 reasons for labor fluctuations. We can say to you that direct hiring did not give rise to nor has it given rise to a new occurrence of fluctuation and, much less so, to a wave of mass migrations."

Farther on, our interviewee said that, since we had talked about the groundless arguments for a labor exodus which may have been brought on by direct hiring, other factors should also be pointed out which stood for security, even before they were introduced, which would contribute to or be factors in the retention of labor stability. "First of all," he said to us, "the very fact that both employees and employers establish their contract relations without intercession in terms of an "administrative assignment" guarantees both the opportunity to choose the appropriate labor option, one that is compatible with their mutual interests.

"In the course of this interview the fact has emerged that, in today tackling the problems of labor stability, it cannot be viewed as being solely influenced by direct hiring, but rather within the context of the aggregate of economic mechanisms that have been evolving through the Economic Planning and Management System, such as material incentives and the gradual introduction of the Wage Reform Program as well as the increase in the supply of goods through the parallel market, all of which tend to strengthen labor stability.

"The Wage Reform Program, for example, constitutes an economic mechanism that influences job tenure. A worker can change jobs much more easily than with the old system, but he must realize that, when he joins the new enterprise he is assigned to, he will occupy the bottom rung of the wage scale and lose his former wage."

Women's Labor Force

At times the fear that direct hiring of the labor force might limit women's opportunities for employment has also been exhibited. We need not give the reasons for this here: the false idea some people have who consider working women to be "problematic." "When we started the Pinar del Rio direct hiring experiment," Camacho noted, "32 percent of the province's labor force consisted of women; today that figure has risen to 34.5 percent and we have gone beyond the national average. Not only has the level of stability in jobs held by women increased, but also the percentage of women who quit their jobs has dropped. The additional fact we are about to give you may surprise you: Women's place of employment stability is greater than that of men. Of the 4.5-percent fluctuation rate evinced by the labor force as a whole, men are responsible for 5.4 percent and women 2.8 percent. I

repeat that all this must be viewed within the context of the aggregate of economic mechanisms that have been created these past few years and not be unilaterally regarded as the exclusive result of direct hiring, but the latter is a factor which plays an important role in terms of these favorable tendencies in the behavior of the labor force."

Paradoxes of Centralization

Excessive centralization and administrative controls turn themselves into hindrances to enterprise operations.

"With the old system of hiring," Camacho noted, "the labor force for an enterprise had to be requisitioned from the municipal directorate of labor through a system of applications, beginning with the FT25, the so-called "Job Application," requesting the directorate of labor to in centralized fashion assign the labor force; that is, the enterprise could not directly hire members of the reserve labor force. But now, the worker registers as a member of the labor reserve with the municipal labor directorates and is then free to hire on with any budgeted enterprise or unit."

Referring to the negative repercussion that such a system [the old one] had on enterprise operations, Camacho said that this centralized way of assigning the labor force caused enterprise applications to run up against many difficulties, on occasion serving as a justification for the failure to meet production quotas.

Farther on, Camacho pointed out that such obstacles not only had negative repercussions on the enterprises, but also on the normal and proper employment of the labor force at the national level.

"Before, the admission of workers from one town into another could, incorrectly so, be stopped. This interfered with more sensible and efficient utilization of labor resources seen as a whole, from a provincial point of view, which is the level we deal with...."

Then we said to Camacho that, contrary to what one might think, this centralized system of hiring the labor force represented an obstacle to a national distribution of labor resources with a policy of greater economic efficiency.

"Actually," he added, "due to existing natural conditions in the area, the 30 de Noviembre Sugar Mill had to be built at a location with a scanty labor force, especially as regards skilled labor, but an intensive campaign was conducted and medical technicians and university graduates were attracted to work on it. We are doing the same thing now for the Batalla de Cacarajicara Mill, which is in a practically uninhabited area. The very rigidity of the old system for hiring the labor force was a factor that somewhat dampened these possibilities. At times, when workers have been offered the option of transferring to another town, they have not done so. Some of them living in towns where the labor supply could not fully meet the demand have not transferred to others because they felt that, if they wanted to return to their places of employment at a later time, there would be obstacles to doing so. With the new system of direct hiring, the regulations establish specific periods of time, much shorter than before, for workers to be permitted to terminate the labor relation at their places of employment following notice of resignation. The enterprises also have the right to terminate the relation due to incompetence."

In answer to a question of the reporter's on the laws governing direct hiring of the labor force, Camacho replied that at the beginning of the Pinar del Rio "experiment" the available laws did not cover all aspects of the new system "and could not do so simply because we had no practical experience in the matter. One might say that laws were being made as the system required them."

"At first," the labor director added, "a very broadly-based series of meetings was conducted and at each place of employment the new hiring system was discussed and radio broadcasts were used to present round table discussions through which workers could get answers to their questions. We feel that this effort to inform the workers was one of the factors that contributed to the success of the direct hiring system. No one was taken by suprise with this new method of hiring. We feel that everything that was done in the way of providing public information on it was necessary and straightforward and that it would have been better if we had done much more."

Another point covered in the course of the interview had to do with the different methods of hiring the new system makes it possible to put into practice.

"Economic efficiency in the employment of the labor force is another distinctive feature of the direct hiring system. With the old system, many enterprises felt obliged to maintain a large complement of permanent personnel throughout the year. Enterprises engaged in the storing and processing of tobacco went so far as to maintain a complement of permanent personnel of about 15,000 workers throughout most of the year, whereas in reality that big a labor force is only needed for 6 or 7 months of the year. Over a period of 2 or 3 years now, these enterprises have been cutting down their complement of permanent personnel to approximately half of what it was. When the "peak" production period occurs, they hire their labor force for a specific period of time. I needn't tell you that this has resulted in more economic operation of these enterprises. But better yet, once this labor force is freed of its duties at a time when it is not needed for tobacco storage and processing operations, it can be used to perform other tasks, for example, in the cane-growing or food industries, in short, anywhere it is needed and when it is needed. Also, for seasonal jobs involving a very short and active period of time, a verbal contract without any kind of written agreement may be employed. One interesting feature of this method of hiring is that through it entire families: father and sons, etc., occasionally set up this kind of hiring arrangement to do a job involving these characteristics."

Perhaps one of the indices that best demonstrates the successes of direct hiring of the labor force is to be found in the statistics on labor litigation. In the first half of this year the percentage of cases of dismissal due to labor sanctions amounted to 8.3 percent in the province of Pinar del Rio, while during the same period last year they in general amounted to 10.7 percent. Grounds for dismissal under this indicator have been constantly dropping since the application of the direct hiring system. We may also take the letters received by the People's Government Directorate of Labor as an index of this assertion. Before, many of them dealt with labor cases, applications for transfers which budgeted enterprises or units refused to grant, etc. Today, the percentage of correspondence that has to do with this problem has greatly diminished and most of the letters concern other matters: social security, etc.

"The degree of centralization was really disproportionate," Camacho noted. "There were sectors of the economy in which transfers were centralized at the ministerial level; that is, to authorize the transfer of a worker the papers had to be signed by the official head of the sector. With direct hiring of the labor force, the very form of "transfer" disappears and the shift from one place of employment to another is achieved through hiring and discharging at the enterprises themselves."

"We don't want to offend you with cutting remarks," we said to the director of the People's Government Directorate of Labor, "but is it typical of the direct hiring of the labor force system to be possessed only of virtues or, on the contrary, has some problem arisen due to it?"

"Actually," Camacho replied, "we do have a problem which I would attribute to the lack of compatibility between the two systems rather than to something caused by direct hiring of the labor force. I am referring to the difficulties we are currently facing in terms of the system for handling workers' records and control over our labor reserve."

Expanding his explanation, the labor director noted that the system for handling workers' records has been made more cumbersome. "Before, workers' records were handled by transferring them from one enterprise to another; they went from enterprise to enterprise. With direct hiring of the labor force, all workers' records are routed through the Directorate of Labor; that is, if a worker is discharged at an enterprise, his record has to be sent to the Directorate of Labor. There it is filed and, when the worker hires on with another enterprise, it requisitions his record and it is sent to it."

Farther on, Camacho emphasized that this has considerably increased the work load of the municipal administrations and, since they do not have enough personnel to handle these matters, workers' records pile up. The time specified for these transactions is 5 days, but in fact this schedule is not being met. The labor director concluded that, in view of these difficulties, this procedure is being studied by the Central Agency and everything seems to point to the fact that the solution to the problem is to be found in the elimination of this intermediate step by seeing to it that workers' records are transmitted from enterprise to enterprise.

Camacho added that, in addition to the delay in handling workers' records, the current procedure also tends to inflate the labor reserve, somewhat as a result of these delays. This is due to the fact that, from the moment the municipal administration receives notice of a dismissal, it begins to check on or register the worker as a member of the labor reserve. At best, the worker starts working the day after submission of the dismissal notice, but, since the enterprises have a month to requisition records from the municipal administrations, during that month the labor reserve is artificially inflated in view of the fact that workers who are in fact working are listed as unemployed. Days lost through delays due to the abovementioned reasons must be added to this month's time the enterprises have to requisition records.

At this point in the conversation Rene Cueto Hernandez, chief of the Labor Resources Department of the Directorate of Labor and Social Security, intervened, pointing out that, "in two or three samplings that have been made, it was determined that

in 48 percent of the cases investigated it could be shown that those workers listed in the labor reserve were actually working. No one keeps tabs on the labor reserve as we do in Cuba, where we want to know the man's name, where he is, etc., but in every country this determination of and control over the labor reserve is achieved through samplings. I think we ought to do something like this, because it is practically impossible to keep tabs on the labor reserve with the degree of detail with which we do so."

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COOPERATION WITH YEMEN DISCUSSED BY CIVIL ENGINEER

Havana BOHEMIA in Spanish 25 Sep 81 pp 66-67

[Report on interview with Daniel Iglesias, chief of the Cuban Civilian Cooperation Mission in the People's Democratic Republic of Yemen (NPDY), by special reporter Pedro Rioseco, in Aden; date not given]

[Text] In the city district of Khor Madsar, almost in the center of the scattered urban conglomerates which, as an aggregate, make up the city of Aden, the headquarters of the Cuban Civilian Cooperation Mission is located in a modest two-story house that is an office on the ground floor and our interviewee's living quarters on the upper floor. Restless of temperament and with a frank way of speaking, among his collaborators in this distant country Daniel Iglesias feels as he did when he was managing an enterprise in La Habana and, in this important struggle taking place thousands of miles from his homeland, his closest assistant is Carmita, who combines her duties as his wife with those of his secretary.

When Iglesias describes Cuban cooperation in the NPDY as "an important factor in this country's economic development," he does not do so thinking only of the number of specialists working here, but also of the function they are performing in the training and advancement of Yemeni technicians and specialists.

"Cuban cooperation has been of particular importance in the creation of the School of Medicine, in which 23 professors from the Victoria de Giron Higher Institute of Medical Sciences are with their knowledge contributing to the training of the first 52 Yemeni doctors, who will graduate next year and have completed their entire course of study in this country with the aid of tens of Cuban professors who have conducted the different courses. Other important fields are: poultry farming, which has made it possible to create a gene pool adapted to the characteristics of the country and in which field several comrades are working in the provinces of Aden and Abian; the medical service brigade, which is responsible for the basic operation of the Lajeh Provincial Hospital; artificial insemination, which is being introduced into the country's cattle-raising industry through the efforts of Cuban technicians who work on cattle ranches at Nuevo Lajeh and Abian. In addition, other comrades serve as advisers on tobacco plantations at Abian, work at organizing transportation in Aden and through their experience help capital city builders.

"The attitude of the collaborators," Iglesias went on, "has been excellent. They are simultaneously advisers and performers and they face the country's difficulties in a spirit of resolving problems despite limited resources."

Answering a question of ours on the assimilation of advisory staff members into the Yemeni community, the head of the cooperative mission with visible enthusiasm told us that "our partners are very receptive and both experts and workers and the people in general have real affection for the Cubans. Utilization of this collaboration has not yet reached the degree we would like it to, but the achievements of these 9 years of cooperation are tangible and we can see how utilization of our specialists and technicians is improving day by day."

Aware of the Third Conference of the Cuban-Yemeni Intergovernmental Commission, recently held in Aden, during which the new agreement that governs cooperation for next year was signed, we asked Iglesias about the results of the conference. "They were extremely positive," he replied, "characterized by a strong revolutionary spirit on the part of both parties, by our country's solidary interest in aiding the RPDY and they fell within the framework of the close ties of brotherhood that link both governments and parties.

"In this agreement, in several fields we substituted an increase in the number of scholarships for the training of Yemeni technicians in Cuba for from 3 to 6 months, which was not the most productive way of doing it due to language difficulties, such scholarships being much more useful inasmuch as they provide for the training of high-level specialists who on their return can better help in the development of the country.

"Prospects? A continuation of the effort expended over these 9 years and increased activity in some areas."

The answer to the question as to what would be the biggest achievement of Cuban cooperation came before we could finish asking the question: "The School of Medicine. It is a scientific, political and economic achievement. The graduation of the first Yemeni doctors in this small, underdeveloped country will be an event for the whole Arab world, in which this project was viewed with much scepticism. The RPDY Government and Party wanted to have highly-trained doctors and they are going to succeed in training them fully in this country. Furthermore, as of this year there will be graduations every year and more each year than the year before."

As for the language barrier, which people in many places described to us as the major difficulty in adapting themselves to the new effort, our interviewee said that "it will be overcome here, first, because of the enormous interest displayed by the internationalists who come here and the Yemenis who teach them the indispensable rudiments of the Arabic language so that they can walk down the street and establish basic communication with the local population and, second, because a course in English, which is attended by all coworkers and in which those comrades who master the language become teachers, is systematically taught here. The attendance and utilization of these courses is also a job for the party and the brigade leaders, since English is our operational language and in view of the fact that this was a British colony, most of the population speaks English.

"One point worth stressing is the role competition has played and is playing," Iglesias added. Among our brigades there is an internal competition in which, just as in Cuba, the best technician, rank-and-file worker and assistant of the month, quarter and year are chosen. There is also a collective competition in

which execution of the brigade work plan, attendance and punctuality, Cuban collaborators' inventiveness and the initiatives they have put into practice as well as volunteer work are considered.

"Last year the best brigade was the teaching brigade (medicine) headed by Prof Sandalio Duran, which was also the winner for the first quarter of this year. In the second quarter top place went to the medical service brigade at Lajeh."

"And what do they do with their leisure time?" we asked, as we enjoyed a cup of coffee.

"There are recreational activities in the houses the aid personnel live in; they have celebrated the anniversaries of the collectives and the most important dates of our revolution and that of the Yemenis; they are given money to go to the movies once a week and, each week that we receive Cuban films or others are lent to us by socialist embassies, showings are organized at the embassy. Oh! One item that is very important is that every Friday — which in the Arab world is equivalent to our Sunday — all aid personnel meet at the Club Siboney, which the Cubans control at Bureika Beach on the outskirts of Adem and which was rebuilt and rejuvenated with the volunteer labor of all our comrades and is run each week by one of the aid brigades, which makes the necessary preparations for spending a pleasant day at the beach.

"Moreover, we occasionally hold competitive sporting events among the Cubans, in which the Yemenis also participate. We engage in handball, basic gymnastics, ping pong, chess, dominoes and, of course, recreational swimming at the beach."

Notwithstanding our experiences during frequent visits to the houses Cuban aid personnel live in, we decided to ask their chief representative about our fellow Cubans' living and working conditions. There was no delay in answering the expected question.

"As a matter of fact, we wanted to talk about that. The Yemeni revolutionary government is making a great effort to see to it that the conditions under which the Cuban internationalists live in the six big houses available to us are good, and they really are. All the houses have television sets, refrigerators, air conditioning in each apartment and tape recorders as well as help from Yemeni employees in the preparation of meals — which are very good — laundry service for bed linen and facilities for maintaining personal cleanliness. In addition, every brigade has transportation available to it, assigned to it by the Yemenis, and the country pays each collaborator a small salary for his personal expenses, independently of the Cuban supplies the cooperation office provides them with. Actually, considering the fact that this is a country engaged in a tough struggle to free itself of poverty and underdevelopment, we must say that the Yemeni Government is taking care of and extending priority to the Cuban aid workers' living and working conditions and that it is doing everything in its power to make them feel at home."

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PRESIDENTIAL CANDIDATES EXPECT ARMY TO GUARANTEE ELECTIONS

Suazo Cordova's Statement

San Pedro Sula LA PRENSA in Spanish 13 Oct 81 p 2

[Text] Tegucigalpa--Presidential candidate Roberto Suazo Cordova said that he was satisfied with the talk that he had had with the Honduran president and head of the armed forces as well as with some members of the armed forces' higher council.

He made these statements to a broadcasting station in the capital without going into great detail on the nature of what had been discussed at the meeting, the subject of so much speculation in political circles. Rather, Roberto Suazo Cordova limited himself to stating that the talk had been about the national problem.

"I feel gratified with this dialogue and I believe that from now on such talks must become a permanent feature since we have barely 50 days left before the Honduran people will exercise their wishes at the ballot box," the Liberal Party candidate noted.

Suazo Cordova added that the armed forces have reiterated their decision to guarantee the elections of 29 November 1981, as mandated by the Electoral and Political Organizations Law.

He expressed his faith and confidence in the Honduran president who is also head of the armed forces as well as in the chiefs and officers of the Honduran Army who will know how to abide by the trilogy of honor, loyalty, and sacrifice "so that the Honduran people may peacefully proceed to cast their ballots for the candidate of their choice on election day," he added.

Finally, Suazo Cordova invited the backers of the Liberal Party to a rally at the Villa de La Lima in the next few days so that they may approve 29 November as the election date.

Padilla on Army Commitment

San Pedro Sula LA PRENSA in Spanish 13 Oct 81 p 5

[Text] Tegucigalpa, D.C.--The presidential candidate of the Honduran [Christian] Democratic Party [PDC], Dr Hernan Corrales Padilla, issued an energetic appeal in this capital to the civic and democratic conscience of the Honduran Army, reminding it of its pledge to be the guarantor of the democratic process which will move Honduras to a constitutional order.

The political leader, alluding to the significance of the army as a responsible institution, rejected any possibility of a coup d'etat before or after the elections.

He also used the argument that only on very rare occasions could one accept that the armed forces should intervene in a country's constitutional life, as has been evident in some Latin American countries.

Corrales Padilla said specifically that "this happens exclusively in cases where really significant abuses occur."

"At this time," he added, "the armed forces must guarantee that the principles of justice, liberty, and democracy will be met so that the electoral process may be successful."

He reaffirmed that the above "involves the best desires and expression of the loftiest patriotic sentiment in the sense that it is not a matter of seeking negative situations to justify the intervention that may break with the constitutional order but rather of correcting errors in time."

He stated that he was unable to find any justification for a coup d'etat considering that the elections are to be held as soon as possible, and that no one should strive to undermine the process to justify negative acts "when I say that only in the most extreme circumstances should the armed forces intervene in the political life of countries, something we do not seek for Honduras. Rather, we desire to follow a positive path and we must all work for the good of the nation."

Electoral Outlook

The PDC leader noted that the electoral outlook "depends essentially on the level of diligence and patriotism used in the solution of problems inherent in the honesty of the national elections."

"The entire nation knows 'ad nauseam' that balloting cannot be completely honest except in the very long run," he said.

He added that changes must occur in the country to make possible a modification in the existing situation and for that reason the PDC stresses that the important goal that must be realized is the greatest possible honesty in the balloting.

Criticizing electoral fraud, Corrales Padilla also said that "no one must believe that honesty in the balloting is total or extensive honesty that satisfied everyone but that this is the share of the sacrifice which the young parties make in the new electoral process."

He noted that he believed like all Hondurans that the only valid way to maintain peace is through the elections scheduled for 29 November.

Army Confirms Support

San Pedro Sula LA PRENSA in Spanish 12 Oct 81 p 4

[Text] Tegucigalpa--The Public Relations Directorate of the Armed Forces communicates the following to the Honduran people:

1. That the chief of the armed forces and members of the armed forces' higher council are holding meetings with the leaders of the registered political parties taking part in the present electoral process to communicate to them their concern about some irregularities reported in the national press and which, if they are not rectified in time, could frustrate the aspirations of the citizens to participate in a free and honest election without maneuvers or attitudes that frustrate the popular will.

2. That the armed forces reiterate before the Honduran people their determination to guarantee the development of the electoral process within the framework established by the Constitution and the Electoral and Political Organizations Law, in keeping with the schedule already drawn up and the provisions emanating from the national elections court.

3. That as has already been stated on repeated occasions, responsibility for the success or failure of the present electoral process is the business of the competing party executives and that the armed forces will support the result of same so long as it is held freely and honestly and conforms to the law.

4. In regard to the reports relating to changes or restructuring of the government exectutive, the armed forces as an institution are not involved in it given that the former is an individual prerogative of the constitutional Honduran president.

Tegucigalpa, D.C., 10 October 1981

Commander Avila

San Pedro Sula LA PRENSA in Spanish 12 Oct 81 p 9

[Text] La Ceiba--"There is a perfectly synchronized campaign technically organized by international communism to discredit the security setup and the armed forces in the eyes of the citizenry," Col Roberto Martinez Avila, commander of the 4th Infantry Battalion, said in his official speech at the celebration activities connected with the 18th anniversary of FUSEP [Public Security Force] in this port.

Martinez Avila went on to state--"with equal energy"--that "FUSEP is not a repressive organ but must act with energy in the struggle against crime, misdeeds, violations of the law, social misfits, and against the extreme left which receives orders to execute international tasks.

"When FUSEP is not active, the citizenry demands its presence and accuses it of ineptness and inefficiency. However, when it acts, generally it is criticized by some sectors. However, the police must act because its immediate duty, let us repeat, is connected with the safety of individuals."

After making a conscientious analysis of the protective effort made by the police across the country in an attempt to halt crimes for the good of the people, the colonel came down hard on the enemies of law and order and national tranquility when he stated that "it is now fashionable for the extremists of the left to accuse and point to the police as a repressive organ and it is charged with responsibility in the kidnapping of citizens. Whenever one of them disappears the DNI [National Investigations Directorate] or the police commandant is directly mentioned."

Subsequently, Martinez Avila vigorously leveled his guns against all the social misfits when he said that "it is necessary to know that for a long time now youths and grown men have disappeared from our cities and towns and these activists of international Marxism, without saying anything to their relatives out of fear or for the sake of safety, cross our borders into neighboring countries, at times to join the guerrilla movement and specialize in sabotage and terrorism and to train in organized and professional crime.

"And when these men and youths are missing from among their families, the communists themselves organize street demonstrations accusing FUSEP and the DNI of being responsible for the disappearance of their comrades. They thereby strive to deceive public opinion, to generate a smokescreen for their colleagues who are training abroad and to make their relatives believe that they have lost their brothers, sons, or close kin because of police brutality."

They Arrange Their Own Kidnappings

At the close of his presentation the head of the 4th Infantry Battalion went even further in his statements when he said that "there are wives, mothers, and sisters who scream and accuse FUSEP of causing the disappearance of their relatives. Some of them do it because they are certainly unaware of the fact that their kin have joined the international guerrilla movement or because, knowing the truth, they conceal it and, cooperating in subversion, also cast a veil of mystery which does not exist but with which they try to fool domestic and international public opinion, winning for themselves the sympathy and sorrow of the people.

"In Honduras we see the communists arranging their own kidnappings in order to discredit the Public Security Force which avoids these tactics. The people who are not used to such gimmicks come to believe that there is undoubtedly repression in the country and that human rights are violated."

The comments of the distinguished officer, member of the Armed Forces' Higher Council, are obviously a clarion call for all of Honduras' democratic sectors which still continue to believe that we are sitting on beds of roses.

Martinez Avila also made evident the tactics of the enemies of law and order and social peace when he accused them of arranging their own kidnappings and of joining the guerrilla groups of the area and moving to other countries to receive guerrilla training which, without having to be wise men or prophets, we know they will put into practice in our beloved homeland.

2662
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ATTITUDES IN CURACAO ON INDEPENDENCE QUESTION

Amsterdam ELSEVIERS WEEKBLAD in Dutch 10 Oct 81 p 19

[Article by Armand Costes: "In Curacao, it Is Hoped that the Delay Will Lead to Abandonment"]

> [Text] When it became clear that Vice Prime Minister and Minister of Social Affairs and Employment Den Uyl would also be in charge of Antillean affairs in the new Van Agt administration, a slight panic broke out in Curacao. People well remembered his party colleague Franssen who, during the Den Uyl administration, threatened to send the date for independence by registered mail. While the people in Curacao are not too worried about the withdrawal of Aruba from the Antillean association, the fear of a speedy independence is widespread. This initial inhibition prevents the community from preparing itself or even from daring to venture into a "broad social discussion" on the subject.

For years, the island of Curacao has been on the brink of bankruptcy, but nobody seems to be particularly worried about this. The question of the independence of the Netherlands Antilles, with or without Aruba, did not seem to appreciably trouble the people I met either. However, they were noticeably relieved about the position of the new Dutch government, to the effect that independence cannot be imposed and could quite well wait another 10 years.

Antilleans do not start talking about the question of independence of their own accord. But if a Dutch visitor, if need be, wants to broach the subject, then he is quickly told that the imposition of independence is a colonial phenomenon. The inhabitants of Curacao believe that delay will lead to abandonment, and as long as that threshold is not in sight there is no need to talk about it, there is no need to make preparations or to worry about it either.

PvdA [Labor Party] House member Franssen may well have been the Dutch politician most hated in the Antilles. During the Den Uyl administration he announced that, if the Antillean government could not set a date itself by which independence was to be achieved, then the Netherlands would send it the date of independence by registered mail. The people in Curacao consider this real colonialist behavior, even though it can be assumed that Franssen was actually aiming for decolonization. But even in decolonization, one may reason in a colonialist manner.

When it became known that Den Uyl would be dealing with Antillean affairs within the new Van Agt administration, some people in Curacao did become nervous. But the statement from the PvdA, to the effect that a systematic process toward independence would not have to be completed before 1990, once again calmed them down.

Initial Inhibition

The initial inhibition concerning independence prevails in all political, economic and social ranks in Curacao. Employers, trade unions, left wing and right wing parties, all of them are saturated with this fear. If Aruba wants so much to be separate, then nobody in Curacao would want to prevent this as long as Curacao, and possibly the other four islands, can maintain the ties with the Netherlands.

In the past, progressive individuals were sometimes still willing to proclaim their support for independence, while nobody actually dares to oppose it openly. A good example is current Prime Minister Don Martina. In 1974, this leader of the MAN [New Antilles Movement], in the opposition, said: "As far as the date by which we want to become independent goes, it must be immediately and clearly said that we do not agree with the view of the Antillean government, to the effect that if possible this should be postponed until the year 2000. Such a position does not motivate our people to become aware of the responsibility awaiting us in the near future and the efforts they will have to make. There is no objection to setting a date, in the short or the long term, provided that we know where we stand. This stimulates self-industry and provides opportunities for our population to prepare itself in a purposeful way."

Come Around

Meanwhile, as prime minister, Don Martina has come around considerably and now sees 1990 as the earliest possible date for achieving independence. Personally, Don Martina would still like to start a preparation process, but he lacks the support of other political parties and of employers and trade unions to this effect. Even a so-called "broad social discussion" about independence is not possible in Curacao because people do not dare to tackle the problem.

This should not, however, lead us to conclude that the politicians in Curacao and their rank and file are all that happy with the ties with the Netherlands via the Statute. In 1974, Don Martina already said: "We want independence in any case, because when we carefully read and study the current statute, we find that our own development is tied hand and foot to the Netherlands. And the interests of the kingdom are the interests of the Netherlands." Today, Don Martina will no longer express himself this radically, but criticism of the Netherlands remains a major line in Antillean politics. Consequently, nobody dares to present himself as an opponent in principle of independence, whereas the rare proponents of quick independence also die a rapid political death on this island, which sets the tone for the politics of the Netherlands Antilles minus Aruba.

During my visit, there was a storm of protest against the measure taken by the Van Agt/Wiegel administration to freeze the Dutch development monies. It is true that for years the Antilles have not been able to come up with a sufficient number of projects to completely use up the available funds, but as soon as the budget is reduced they raise a hue-and-cry. The conflicts between the KLM [Royal Dutch Airlines] and the ALM [Antillean Airlines] are not seen as a result of Dutch colonial policy either.

What would actually be the difference between full independence and the current autonomy under the Statute? In the socio-economic area, the Antilles have had administrative autonomy since 1954, while Dutch financial aid is limited to projects which are approved by the Netherlands according to fixed criteria. In terms of domestic policy, the Antilles are completely independent, so that actually only defense and foreign policy are directly dependent of the Netherlands.

Primarily defense will remain a ticklish issue in the discussions on future independence. Barely 60 kilometers away from the coast of Venezuela, the inhabitants of Curacao, as well as those of Aruba as a matter of fact, believe that the Netherlands cannot simply give up its responsibility for their defense.

In spite of the fact that, since its independence, Venezuela has experienced more interference in its domestic affairs from the Netherlands Antilles than the other way round, there is the fear that the oil rich neighbor country will engage in strong power politics as soon as the Antilles (or Aruba) become independent and no longer receive Dutch military support. This fear is fed further by the plans to introduce participation by the Venezuelan state oil company into the very important Shell refinery in Curacao.

Prosperity

The relatively high prosperity in Curacao is largely derived from this refinery, which produces more than 50 percent of the island's income, while Aruba is equally dependent on the large Esso refinery in Sint Nicolaas. Esso also has plans for Venezuelan participation, in order to guarantee the viability of the refinery.

The current malaise on the free market for oil products and the small margins for the refineries could directly affect the results of both large plants and have a strong influence on jobs and on the national income. In a certain sense, the Antilles have a kind of windfall economy, whereby ample profits are made during periods of growth in international trade and industry, but whereby recessions are felt with extra force. For years they have been striving for a reduced dependency on oil refining. In terms of the development of tourism, this has succeeded reasonably well, although more successfully in Aruba and Sint Maarten than in Curacao.

In the early seventies, it appeared that electronic assembly would become another pillar of the Antillean economy. Texas instruments and Rockwell established large plants in Curacao, but departed as quickly as they had come. As a matter of fact, wage costs are not particularly low in the Netherlands Antilles, at least not when compared with other conquered countries in the Third World. The membership in the EC and the tax holiday, which had been going on for 10 years, were attractive incentives for establishment, but the recession in the electronics industry resulted in those marginal industries being the very first ones to be rejected.

Next to traditional international trade and contraband, there was a development of the registration of "off-shore companies," related to the avoidance of Dutch profit taxes. Hundreds of paper enterprises are on file at the Smeets notary public office and at a few other registrars' offices. This administrative activity produces large revenues for the Antilles, even though it involves only a few jobs. And yet, the oil refining remains the most important pillar of the economy, partly due also to indirect activities such as ship repair in the large dry dock. This is why the influence of Venezuela as large supplier of crude oil, could be of decisive significance, even with future independence.

Unavoidable

In the end, financial participation of Venezuela in the oil refinery of Curacao seems unavoidable in order to safeguard the future of this plant and of the related jobs. In spite of the fact that the Antillean government wants to act as a third partner -- next to Shell and the Venezuelan state oil company --, many inhabitants of Curacao are worriedly wondering what guarantees there are against possible political influence by Venezuela. They are afraid that irregularities in Curacao, such as for example a lengthy strike at the refinery, could serve as an excuse for military intervention by Venezuela to safeguard its interests. What scares many inhabitants of Curacao is the possibility that Venezuela might extend its continuing protection to the island and that the black population would have to live like second class citizens in Venezuela, where the whites have always remained in charge.

Having been autonomous for 21 years, it is practically too late for the Antilles to become integral territory of the Netherlands, as Cayenne, Guadeloupe and Martinique are of France. And yet, there are Antilleans who would prefer this to independence, if only because of the applicability of the social legislation. Indeed, the inhabitants of these French territories do not have to emigrate to France in order to be eligible for support.

From an economic point of view, it might even be cheaper to declare the Dutch social legislation applicable to the 250,000 Antilleans, rather than to risk a large scale emigration to the Netherlands. But it is already too late for this alternative of full integration with the Netherlands, without administrative autonomy. The Statute does not seem to be a lasting solution either. What then? Independence without military support and without broad financial guarantees cannot be achieved. Then maybe maintain the Statute after all, but without Aruba? This seems to be the preference of most of the inhabitants of Curacao I talked to. In their culture, delays usually lead to abandonment, and this is precisely what they are hoping for.

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FINANCE MINISTER DISCUSSES TAX REFORMS PLANNED

Managua EL NUEVO DIARIO in Spanish 14 Oct 81 p 10

[Text] The minister of finance, Joaquin Cuadra Chamorro, yesterday reported that the JGRN [Junta of the Government of National Reconstruction] is studying a tax reform package.

Among these proposals is one that would favor citizens with personal incomes under 250,000 cordobas a year (approximately 20,000 cordobas a month). The tax rate for these people would be lower than the present rate, but the minister did not give the percentage of the reduction.

Technicians, professionals, and some levels of employees would benefit from this reform.

The Minister Cuadra reported that starting at this amount, the tax rate on personal income will rise progressively, reaching 65 percent for the highest income levels.

He added that taxes on business and industry will be maintained at 40 percent in order to stimulate their activities, and also because that level has produced results which the government deems acceptable.

The minister of finance also said that it is estimated that this year the inflation rate will reach 20 percent, a level considered acceptable in comparison with worldwide inflation rates.

According to Cuadra, Nicaragua will have one of the lowest inflation rates in Latin America. He emphasized that the policy of providing state subsidies for important services such as transport, energy, and water, and for basic foodstuffs, will help to keep the inflation rate down. This is not done in many countries.

He further reported that the income tax collections until September exceeded the goals set by 50 million cordobas.

Asked about the conditions in which private enterprise is operating, Mr Cuadra said that if the income tax revenues are used as an index or reference, "private enterprise is doing very well," because if incomes have risen, this means that their profits are higher. "If private businessmen are complaining, it is because they want to complain," he said.

He announced that it is believed that the expected tax revenues for 1981 will be exceeded, as they were last year, because a record coffee harvest is expected, along with an increase in exports of various items.

7679
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MARENCO DESCRIBES DOMESTIC TRADE MINISTRY'S TASKS

Managua EL NUEVO DIARIO in Spanish 18 Oct 81 pp 1, 10

[Text] We have had to rebuild our nation under the most difficult economic, political, and military conditions in Central America and in the world, but despite the present state of emergency, our economic situation is qualitatively and quantitatively superior to that of the other countries of Central America. This was made clear in the remarks made today by the minister of domestic trade, Dioniso Marenco, in speaking to almost all of the workers of his agency, who met together at the Altamira movie theater in a general assembly.

For the first time in 2 years, we can say that we have a sufficient quantity of beans, corn, wheat flour, and rice to meet the needs of Nicaraguan consumers, and few countries in the world can now make the same claim, added Marenco.

This assembly was named in honor of Pedro Arauz Palacios, and was held on the fourth anniversary of his glorious death. Its purpose was to inform the workers about the present situation of the nation and about the strategic role that the national food distribution program will play in the days to come.

The minister said that the greatest pressure of this state of emergency is falling on MICOIN [Domestic Trade Ministry] and on its subsidiary agencies, ENABAS [National Staple Foods Enterprise] and CORCOP [People's Commerce Corporation]. For this reason, these agencies will only have room for those workers who are in agreement with the current process of transformation toward a more developed and more just society, and who are also prepared to work efficiently and with a spirit of self-sacrifice in order to move forward.

"This is the situation: either we will be efficient or we will not be able to overcome the crisis. That is why we will not tolerate laziness, fear, or lack of cooperation."

"Any worker unwilling to shoulder his historic responsibilities will probably be better off working somewhere else," said the minister.

At another point in his speech, Marenco outlined the characteristics of our industry, concluding that though we are barely an "economic speck" on a world scale, we have the aspirations of a giant.

Countering Dishonesty

Because of the mental distortions induced by propaganda and the frenzied debt spiral, this country has in the past lived well beyond its means, "but now we are going to face reality," he said.

We must go back, as he said, "to the bottom line," and learn to live well with what we have, while trying to improve through work and production: this is the only way we can move forward while other countries are sinking under the weight of misguided economic policies.

He assured the workers that shopwindows will not be left empty before Christmas, because many merchants had arranged for their imports before the severe currency restrictions went into effect.

There is a full-scale program underway to stimulate the production of toys and gifts made in Nicaragua, and there is also a government program to import Christmas goods in the amount of $15 million.

Against the Bureaucracy

Mr Marenco recognized the harsh struggle that is being fought against the evils of the bureaucracy, and the fact that little success has yet been achieved in this campaign.

He did say, though, that at least in the area of domestic trade, "we can no longer continue to face the crisis with words alone; we must take realistic action."

"We must go as far as necessary to help to resolve our problems," he pointed out.

In this regard he announced that starting now MICOIN's greatest emphasis will be placed on the development and good operation of the regionals, with the highest priority being assigned to those in the border area.

"Our best workers and technical cadres will be used to fill in the gaps that are found in ENABAS, in CORCOP, and in the regionals; MICOIN itself will remain small, as a sort of nucleus of thought, guidance, and analysis," he explained.

In closing, we must mention the announcement he made that next month, according to present calculations, our own toothpaste factory will be in operation.

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NATIONAL BUDGET FOR 1979, 1981 COMPARED

Managua LA PRENSA in Spanish 19 Oct 81 pp 1, 14

[Text] An interesting comparison between the national budgets for 1981 and for 1979 was made yesterday at the MDN [Nicaraguan Democratic Movement] program by Mr Anibal Arana and other party leaders.

Despite inflation, which must be taken into consideration in dealing with this type of analysis, the conclusions shed a great deal of light, enabling the Nicaraguan people to evaluate the efficiency of their current government administration.

Overall Figures

Mr Arana began by comparing the overall budget for 1979, which he called "yesterday's (Somozist) budget" with today's budget, the 1981 budget, which is under the responsibility of the FSLN [Sandinist National Liberation Front] and the JGRN [Junta of the Government of National Reconstruction].

Yesterday's budget for 1979 came to a total figure of 3.409 billion cordobas, while today's budget is 8.793 billion; this is a 160 percent increase, or 2.6 times more.

Health

The Somozist budget allocated barely 196 million cordobas to health, while the current budget lists a figure of 1.052 billion, a 440 percent increase.

When we consider that over 5 times more is being spent on health than in the past, it is to be expected that if efficiency were maintained, health services should now be 5 times better than before. "In this matter, the people are the ones who should know the correct answer," said the MDN officials.

Education

For education, the present government has earmarked almost 3 times the amount of what the Somozist dictatorship spent. In the past, they spent 383 million cordobas, compared with 1.075 billion now being spent on education.

Nonetheless, we would have to see if this increase of 180 percent for education has truly been translated into increased opportunities for the people, one of the MDN leaders said. "And above all, if this is the type of education the Nicaraguan people want."

Construction

In the days of Somozism, the construction budget was 340 million cordobas; it is now 1.055 billion. This is an increase of 210 percent, and over 3 times the absolute amount.

If we add in to this the budget of the ministry of transportation, which in the Somozist period was combined with construction, we have a total of 1.498 billion cordobas, or 340 percent more than in the past.

"Really," said the MDN officials, "perhaps more jobs have been generated, but without efficiency, perhaps this has just meant more bureaucracy."

Defense

The ministry of defense of the Somozist government had a budget of 375 million cordobas, while now defense has 945 million, 2.5 times more, an increase of 150 percent.

The former ministry of the interior, which was then called the ministry of government, spent 108 million cordobas annually, while now the MININT [Ministry of the Interior] spends 756 million. This is 7 times more, and a percentage increase of 600 percent.

The JGRN

The JGRN, which is the equivalent of what the national governing council was in the past, spends 149 million cordobas a year, compared with 47 million spent during the Somozist administration.

"In addition," said Arana, "there is a budget item called 'incidental expenses' for the JGRN which comes to 249 million cordobas; we assume this is in the hands of the junta, since there is no specific destination indicated for it."

Justice

The administration of justice in yesterday's budget cost 17 million cordobas, while today the supreme court is allocated 36 million, and another 21 million goes to the ministry of justice.

This means a percentage increase for the administration of justice of 230 percent, and an absolute increase in monetary resources of 3.3 times.

State Council

An admirable exception to this increased spending is in the State Council which, according to the information presented by the MDN staff, now spends 4.9 million cordobas, while the Somozist congress spent 31 million a year.

The State Council has slashed spending from the days of its Somozist counterpart organization by 670 percent, almost 8 times less. As we know, the council members are not paid salaries, nor are there other benefits as in the days of the dictatorship.

Source of This Information

This comparative analysis between the 1979 and 1981 budgets was based on the two budgets.

Mr Arana did point out, however, that it is not easy to obtain information about the present budget. He indicated that this information was supplied to the MDN by a source whose efforts they greatly appreciate.

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STATE COUNCIL APPROVES PARDON, AMNESTY LAW

Managua BARRICADA in Spanish 15 Oct 81 pp 1, 5

[Text] The state council yesterday agreed to approve the pardon law. This measure is considered exemplary on an international basis, and is almost unprecedented in Latin America. This law establishes a process for obtaining pardons, commutations, and reductions of sentences for war prisoners and other offenders.

Requests for pardons, commutations, or reductions of sentences must be filed with the CPPDH [Commission for the Promotion and Protection of Human Rights] which, once the cases have been investigated, will send its opinion to the JGRN [Junta of the Government of National Reconstruction], which will then send its findings on to the state council, so that the representatives of the people may decide.

The certification of the minutes of the state council session in which the pardon, commutation, or reduction of sentence or any other resolution in this regard is decided will be considered sufficient for the judicial authorities to take action.

Council Prepares Regulation

The legal regulation will soon be drafted by the justice commission and the first secretary of the state council, who will be assisted by the JGRN, the supreme court, the CPPDH, and the ministry of justice.

Although the application of the pardon law is the exclusive right of the state council, whenever the council is in recess the JGRN will be empowered to exercise this authority. Article four of the law further provides that if a request for pardon, commutation, or reduction of sentence is denied, the request may only be renewed during the next legislative session.

Originally the bill presented to parliament by the JGRN was entitled "General Amnesty Law," but as this bill grants the state council the power to decide on commutations or reductions of sentences as well, Commander Dora Maria Tellez proposed the name of "Pardon Law," which was in the end approved by the members of the council.

Nunez: Generosity Has Been Written Into the Law

Guillermo Selva of the PLI [Independent Liberal Party], Thelma Uriarte of ANDEN [National Association of Nicaraguan Teachers], Pedro Perez of the ATC [Rural Workers Association], Filemon Hernandez of the CDS [Sandinista Defense Committees], Rafael Solis of the FFAA [Armed Forces], Domingo Sanchez of the PSN [Nicaraguan Socialist Party], Jose Maria Ruiz of the Ecumenical Axis, and other representatives emphasized the humanitarian nature of this law and spoke of the international impact it will have as the ratification of the FSLN's [Sandinist National Liberation Front] policy of generosity.

"Generosity has been written into our laws and regulations," said the president of the state council, Revolutionary Commander Carlos Nunez Tellez, who termed it historic and of vital significance, not only for the Nicaraguan people but for all Latin Americans.

Nonetheless he told the council members that the law requires that they have a more direct relationship with the masses, for in the final instance, it is the masses who will decide about amnesties, commutations, or reductions of sentences. He also said that in the past, many of the persons who were pardoned were later implicated in the activities of counterrevolutionary gangs.

Worldwide Admiration for Revolutionary Generosity

Leonte Canales, Allan Zambrana, and Federico Lopez also took part in the debates; Lopez proposed that the regulation for the application of the law be prepared by the state council; this proposal was approved by the full session.

The head of the CPPDH, Leonte Herdocia--who was present at the session--expressed his appreciation for the decision by the state council, and termed the session historic.

He said that Nicaragua has aroused the world's admiration for its generosity which has been recognized at the United Nations, by the International Commission of Jurists, by Amnesty International, and the CIDH [Inter-American Commission on Human Rights].

Finally, speaking in the name of the CPPDH, Herdocia pledged to take the most appropriate action on requests for pardons, commutations, or reductions of sentences handled by this institution, as provided by article two of the law, so that they will be sent rapidly to the JGRN and to the state council, along with all the information needed for making just and humanitarian decisions.
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ARISMENDI VIEWS APPOINTMENT OF NEW PRESIDENT

East Berlin HORIZONT in German Vol 14 No 41, 1981 pp 25-26

[Interview with Rodney Arismendi, first secretary of the Central Committee of the Communist Party in Uruguay, published in INFORMACIONES URUGUAYAS, 2 September 1981]

> [Text] On 1 September 1981 Lieutenant General Gregorio Alvarez, who was appointed the new head of state by the military government in Uruguay, assumed his office. On this occasion Rodney Arismendi, first secretary of the Central Committee of the Communist Party in Uruguay, granted an interview in Moscow to Soviet journalists and representatives of the international press. A slightly abridged version of the interview is published below.

[Question] What was the political situation when the change of presidents took place in Uruguay?

R. Arismendi: This change took place at a time of increasing political mobilization as a consequence of the plebiscite of November 1980 (on 30 November approximately 54 percent of the voters expressed their opposition to a constitutional draft submitted by the military--HORIZONT), which was an indication of the opinion of the nation and represented a climax of the work that had been done by oppositional forces during the last few years. Simultaneously new political processes were set in motion which demonstrate the people's aspirations for changes. The result of the plebiscite was proof of the defeat of the dictatorship, of abhorrence for their brutal repression and their economic policy, for their internal isolation and worldwide condemnation. The decision by the people shattered the timetable of the institutionalization of the regime. Resistance and protest continued: it was agreed that a minimal program of opposition was necessary. The realization became more and more apparent that without a real democratic opening there would be no way out of the crisis. All these things had an effect on the military, they increased conflicts and the result was the removal of high military officers, who definitely represented fascist and corrupt attitudes.

The protest increased, the political latitude became larger--particularly for the most important circles of the traditional parties--and new press organs were formed to reflect the opinion of these circles against the background of the consistent struggle by the working class and the people.

[Question] Opinions were expressed that there were no fundamental changes.

R. Arismendi: In my opinion it is wrong to say that nothing is happening or that we are only dealing with a maneuver or a variation of the timetable. Certainly, the military is there--the most reactionary segment--and circles that have come to power through criminal channels or legally and who resist any kind of progress. At the most they are willing to make small concessions. Consequently, we are still a long way from a real opening, and it will continue in this manner as long as the president is appointed by the military and for a long period, as long as the cabinet is made up of ministers like the minister of economy and finance, whose policies benefit only banks and foreign capital and who is responsible for the economic and social drama, as long as there are people in the Council of State who are not representative and some of whom have a sordid past. Nevertheless, it is wrong to believe that nothing is happening. The fact is that the concessions are limited and inadequate which the regime had to make in view of the struggle and the sacrifices by the working class and the attitudes evident in other circles of the population. Still, whoever thinks that nothing is happening denies the enormous power of the people and their struggle through all these years. It is the decisive factor for the political mobilization and also for the fact that the regime has to make compromises.

[Question] What is the significance of Gregorio Alverez' appointment and what are the measures that will provide a real opening?

R. Arismendi: The appointment of Lieutenant Alvarez is already a significant event in itself. It is not an appointment of a puppet but of a man who possesses a certain authority and who is able to make compromises. On the other hand, one must not have any illusions but wait and see how the regime handles matters.

Essentially, the political process will continue to be marked by large oppositional movements from the working class, from students, parties--the National Party, the Colorado Party, the parties of the Frente Amplio. The focal point is the unity and the joint action of all these forces. Special significance is accorded those who had to operate illegally, particularly our party. How large the opening is, will essentially be determined through measures such as: the release of political prisoners, the repeal of bans on political activities, unimpeded work by political parties, no restrictions on labor unions and people's organizations, the return of Uruguayans living in exile, the restoration of democratic rights and freedoms for all, i.e. the opposite of these things that have been practiced during the last few years by the dictatorship.

[Question] Proposals were announced for the democratization....

R. Arismendi: The measures are limited that have to date been introduced within this framework. To be sure, the political rights of a few persons have been restored, but they were not the most representative persons, the true leaders of the traditional parties. Approximately 8,000 citizens are still without political rights. The process of democratization cannot consist of words or long-term promises. In his speech President Alvarez did indeed express his desire for opening up the political process and for dialog. He advocated the independence of the Justice Department, the right to vote and the recognition of the results of the

plebiscite. When references are made to regulations dealing with the right to strike, one could even interpret this as normal labor union activities; but, naturally, only when this regulation is not used as a means to force the labor union movement into a strait jacket and not without considering the demands of the working people and the OIT (Organizational Internacional del Trabajo--International Labor Organization).

The presidential address also contained a statement emphasizing the necessity of a new constitution. One can understand that the development which failed in November must not be repeated and the fascist institutional regulations must not be maintained either. The way to open up society is to call a rruly democratic constitutional convention, but one should not believe as some do that this function could be performed by the insignificant Council of State. It is true, it was expanded by admitting political personalities, but they dad not been elected by the parties or the people. But we cannot wait until 1985 to have this done.

[Question] The new president expressed his opposition to Marxism-Leninism and to the work of the Marxists.

R. Arismendi: Of course, he represents the opinion of the circles who occupy important positions. One knows that all democrats, whether they are Marxists or not, are attacked in the name of these interests. If one states, however, that one is speaking in the name of the nation, one cannot simultaneously carry on an ideological crusade against trends which are rooted in the national reality, originate from within the nation and are a component of the democratic tradition. One cannot push aside communists, socialists and others without renouncing simultaneously the proclaimed democratic plans. This was expressed, for instance, by the National Party, by leading personalities of the Colorado Party, like Jorge Batlle, Flores Mora, the leader of the Herrera fraction (of the National Party--HORIZONT), Silveira Zabala, and the weekly newspapers OPINAR and LA DEMOCRACIA as well as many others. To be a Marxist or not is a question of the struggle for ideas, and it cannot be manipulated through decrees or repression. And the ideological struggle is one of the best democratic traditions in Uruguay.

When one looks at all these statements, it becomes apparent that they reflect the realities, the struggle, the abuses, the position of parties, of labor unions and other circles. But they have their limits. Nevertheless, we would like to emphasize that the facts constitute the measure of all things. They will be instrumental as far as providing a real opening or, essentially, maintain present policies, which cover the country with blood and isolate it internationally. There will be no real opening without releasing prisoners, without lifting the bans on political activities, without permitting parties and organizations. All repressive intentions are doomed to failure.

We communists are closely tied to the life in Uruguay and its democratic traditions. Nobody must underestimate the working class and the ideas of the progressive forces. The future depends on the actions of the people, on the unity and agreement as well as international activities of all those who are demanding a real democratization in Uruguay. For the reasons mentioned above it would be wrong to say that everything stays the same. The structure of the dictatorship is developing cracks. The struggle by the people has produced the first results of general significance. The intensification of this struggle, the unity and the agreement of the entire people provide the fundamental guarantees for the restoration of democracy.

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CSO: 3103/43

BRIEFS

REFUGEES IN BRAZIL--Porto Alegre--Jair Krischke, vice president of the justice and human rights movement in Rio Grande do Sul State, reported yesterday that 160 Uruguayans kidnapped by military and security organizations during the past 25 days are missing from Montevideo. He said that frightened by the sudden hardening of the regime, many Uruguayans "are already beginning to escape to Brazil, entering as tourists, but that they are really trying to run away from repression." He added that 2 weeks ago 45 students from the Montevideo University of Medicine and 37 bank employees were detained and tortured. Of these students, four are still missing. The leader of the Rio Grande do Sul justice movement added: "Not even in the toughest years of repression by the Uruguayan military regime (1973-1974) were there so many missing persons or such intense persecutions." [Text] [PY062019 Rio de Janeiro JORNAL DO BRASIL in Portuguese 5 Nov 81 p 8]

CSO: 3001/26 END

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24 November 1981

Latin America Report

No. 2406

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24 November 1981

LATIN AMERICA REPORT

No. 2406

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CONSTRUCTION ON HYDROELECTRIC COMPLEX DISCUSSED

Santiago EL MERCURIO in Spanish 17 Oct 81 p C13

[Article by Eliecer Villarroel Medina]

[Text] Talca--"I have been amazed at the progress of the work being done on the Colbun Machicura hydroelectric complex." So said Col Sergio Perez Hormazabal, intendant of El Maule, on making his first official visit to the construction work underway in Linares Province.

While emphasizing the series of present and future results deriving from the project, the official also praised the national engineers, technicians, and workers who, in addition to facing up to the technological challenge and cooperating with the Chilean-American, French, Spanish, and Brazilian consortiums, are helping, through their experience, skill, and initiative, to deal with difficulties that turn up in the daily work.

The current pace of the work, which is underway on several fronts, requires the participation of 478 clerical employees and 2,470 workers. At the beginning of 1982, over 5,000 people will be working there.

During a chat with workers at the outlet of the diversion tunnels from the Maule River--whose construction is almost finished--Colonel Perez said that Gen Augusto Pinochet Ugarte, president of the republic, will be invited to visit the worksite during the first half of November.

The intendant's first contact with the construction site was by air as his helicopter took him over the area where the main dam for the future reservoir and the diversion tunnels are being built and where the Machicura and Chiburgo power stations will be located. He then went to the area where the Pencahue power station will be started in 1987. He was accompanied on his tour by Luis Court, project manager for ENDESA [National Electric Power, Inc], and Mario Campero, head of the Colbun-Machicura project.

The visit was concentrated on the diversion tunnels from the Maule River, which are necessary for forming the Colbun reservoir. There are two parallel structures, one 875 meters and the other 800 meters long. Their construction, which is the responsibility of the Chilean-Brazilian consortium, will require the use of 80,000 cubic meters of concrete.

Damsite

Colonel Perez later inspected the work that has been started by Gordo-Atkinson, the Chilean-American consortium, to build the main dam for creating the reservoir--the basic structure in the project. Its waters will cover an area of 46.6 square kilometers, mainly river bottoms and poor-quality farming areas.

In addition to the dam, it will also be necessary to build a spillway and the following dikes: Norte, El Colorado, Centinela, Centenario, and Sur. They will enclose the site that will be covered by water.

Although the Colbun-Machicura project comprises many structures, a large number of which are under construction, the sites visited by the intendant of El Maule were sufficient to enable him to see exactly what is being done.

Creation of the artificial lake on the Maule River will regularize a drainage area of 5,710 square kilometers and permit the use of its resources for hydroelectric and irrigation purposes.

The Colbun reservoir will store a volume of 1.49 billion cubic meters of water.

11798
CSO: 3010/121

BRIEFS

ANTUCO POWER PLANT CAPACITY--The Antuco hydroelectric plant, which is situated in the foothills of the Andes Mountain range in the eighth region, has an annual average production of 1.8 billion kilowatt hours which represents approximately 25 percent of the electricity which the National Electric Power, Inc (ENDESA) will produce this year. [PY042206 Santiago EL MERCURIO in Spanish 23 Oct 81 p 5]

CSO: 3010/267

COMMITTEE OF LATIN AMERICA NEWS SERVICE OPENS MEETING

PA262320 Panama City LA ESTRELLA DE PANAMA in Spanish 26 Oct 81 pp A-1, A-10

[Text] The Action Committee of the Latin American Special Information Service Agency [ALASEI] will open its first ordinary meeting this morning in Panama City.

The deliberations of the organization, which is a branch of the Latin American Economic System [SELA], will open today and close 29 October. The delegates of the nine member-countries will discuss the committee's schedule of activities and annual budget during the sessions.

The participants in this important regional meeting are: Presidential adviser Julio Croscors, representing Costa Rica; Enrique Gonzalez Manet, a Foreign Ministry official, representing Cuba; Courtney Gibson, chief editor of GUYANA NEWS, representing Guyana; Luis Javier Solanilla, general coordinator of social communications of the presidency, and Fernando Fasano, presidential adviser, representing Mexico; Guillermo Rothschuh Villanueva, general coordinator of social communications of the Interior Ministry, representing Nicaragua; Alejandro Alfonzo, general sectorial director of planning and budget of the Information Ministry; Josefina Guevara, of the Foreign Trade Institute, and Jose Adrian, Information Ministry adviser, on behalf of Venezuela; and Boris Moreno, private secretary of the president of the republic; Pablo Azael Tsimogianis, vice minister of the presidency; Victor A. Mirones Jr, general coordinator of information of the presidency of the republic, and presidential adviser Eduardo Stein, on behalf of Panama. Haiti's confirmation is pending.

The SELA's and UNESCO's permanent secretariates will be represented by Luis Alberto Chocano, chief of projects of the Directorate of Regional Cooperation, and German Carnero Roque, regional UNESCO adviser, respectively.

Peru has accredited His Excellency Luis Solaris Tudela, its ambassador to Panama.

There is great expectation in connection with this meeting because it will discuss and approve the guidelines for the creation of the first Latin American News Agency, which will help report accurately on and interpret the most important regional events, in their just and real dimension and exactly as they occur in our Spanish-speaking region and in the Caribbean.

CSO: 3010/259

BELIZE, COSTA RICA SIGN HEALTH AGREEMENT

FL280236 Belize City Domestic Service in English 0100 GMT 28 Oct 81

[Text] Minister of Health, Housing and Cooperatives Mr Assad Shoman has held a press conference to explain the terms and details of an agreement on cooperation in the field of health which has been signed between Belize and Costa Rica. The agreement was signed last week in Costa Rica between Minister Shoman and Costa Rica's Minister of Health Dr Carmelo Calvosa Chacon.

At the press conference this afternoon in Belmopan, Mr Shoman explained that the bilateral agreement covered seven basic areas. These are malaria control, rural and community health, maternal and child health, (?elders) health, environmental control, health education and control of (?contagious) diseases.

Under the agreement, Costa Rica will send to Belize specialists who will offer professional advice covering these areas. Belizean patients who require highly specialized medical care can now be treated in Costa Rica. Speaking on this, Minister Shoman explained that this will be of great benefit in that the patients will now receive emergency treatment much faster due to direct airline connections, and the cost will be lower as Belizean patients will be charged the same as Costa Rican nationals. The medical bill will be at cost price.

The agreement also covers training for Belizean doctors in Costa Rican hospitals in specailized fields of medicine and calls for efforts to conclude agreements to promote the training of Belizeans in the fields of nursing, medicine, paramedical personnel and graduate studies.

Referring to other matters, Mr Shoman answered a question concerning the proposed new hospital for Belize City. Mr Shoman reported that there had been some problems in locating funding for the new hospital, but he said that now as an independent country other possibilities now are open and very shortly he hopes to have a final word on the funding for the hospital. And he added that it is certainly his intention to go ahead with the project.

CSO: 3020/21

BRIEFS

PERUVIAN-ECUADOREAN FOREIGN MINISTERS' MEETING--Foreign Minister Javier Arias Stella reported that he will travel to Panama to attend the conference of the Latin American Economic System [SELA]. He made this statement on opening the conference of plenipotentiaries on the plan of action for the protection of the marine environment and coastal areas of the South Pacific. [Begin recorded interview with Arias Stella] [Question] Do the Peruvian and Ecuadorean foreign ministers have any meetings scheduled to definitely solve this conflict (?between the two countries)? [Answer] The presence of Ecuadorean Foreign Minister Valencia [as heard] will give us an opportunity to meet in the near future and will open the path for a continuing dialogue and coordination to put an end to this conflict. [Question] When will this meeting take place? [Answer] I think that in Panama we will have the opportunity to exchange ideas, and I will be pleased to do so. [Question] Will this take place this year or next? [Answer] This year. [End recording] [Excerpts] [PY101722 Lima Domestic Service in Spanish 1200 GMT 10 Nov 81]

REGIONAL PRESS COORDINATOR--Juan Molina, president of the Union of Nicaraguan Journalists, said that representatives of the Central American and Panamanian Journalist Associations have agreed to create a regional press coordinator. The agreement was reached by delegates of the six countries attending the ninth congress of the International Organization of Journalists (IOJ), Molina added. The Central American press coordinator will establish its offices in Managua. Its goals include the development of more intensive support for the Salvadoran and Guatemalan people's struggle and the reinforcement of Central American solidarity with the Nicaraguan revolution. [Text] [PA241741 Managua International Service in Spanish 0030 GMT 23 Oct 81]

CSO: 3010/259

BRIEFS

UDP STATEMENT ON DIALOGUE--Opposition leaders have said that they see many positive benefits and developments emerging from the dialogue between the government and the opposition agreed to in August. This was stated at a press conference held by the opposition United Democratic Party [UDP] in Belize City this morning. Present were UDP leader the Honorable Theodore Aranda and deputy UDP leader the Honorable Philip Goldson. The opposition leader expressed satisfaction with the dialogue between the government and the opposition, particularly by the fact that reports from the House of Representatives are being transmitted in their entirety. But, he said, there is still room for a more positive development of the dialogue. Opposition leader Aranda seized this opportunity to announce that the first panel discussion between government and opposition representatives is being prepared for braodcasting next week. The opposition leader also announced at this morning's press conference that the UDP will take part in the forthcoming municipal election scheduled for December. [Text] [FL211916 Belize City Domestic Service in Spanish 0115 GMT 21 Oct 81]

CSO: 3010/259

DAILY URGES GOVERNMENT RADIO NETWORK BE DISBANDED

PY060324 La Paz PRESENCIA in Spanish 3 Nov 81 p 3

[Editorial: "Radio Network"]

[Text] The president has stated several times that freedom of the press and of expression will be fully restored; that the suspension of the radio network imposed as of 17 July 1980 "is under study"; that "within a few days radios will be allowed to broadcast their own newscasts." These promises, however, have not been fulfilled.

Both the Apostolic Nunciature and the Bolivian Episcopate conference have requested guarantees and freedoms for the operation of those stations that belong to the Catholic Church--some of which are located in mining centers--that in July 1981, along with Radio Fides of La Paz, were destroyed by those paramilitary groups that caused so much damage in the country. The demands made by the church have gone unheard; however, Catholic radios, like all other radios belonging to union groups, continue to be off the air. They are not even allowed to broadcast educational or amusement programs.

The government has stated that it will act in compliance with the laws of the nation and the constitution; it has expressed its intention to improve the image of our country; expressed its aspiration to clean up institutions and government-owned enterprises; it has expressed its respect for human rights; that is, it has expressed its intention to restore all those rights that have been supressed in Bolivia for over a year. A few days ago a UN mission was in Bolivia to study the human rights situation in the country. This mission was assured by the Bolivian Government that the rights of the people are and will be respected.

We must admit nevertheless, that in the last 2 months since the new president has assumed power things have changed: citizens--although "punished" by a curfew--can enjoy a margin of freedom; there is in short a restricted freedom; there has been a decrease in persecutions and imprisonments, although the members of the Government Security Service (SES)--which now goes by another name--continue to make arbitrary arrests. Nevertheless, political problems tend to decrease because rights are beginning to be restored and perhaps by so doing the president and his government will obtain the support and understanding of the people.

But it has still not been understood that freedom of press and expression is a basic right of all peoples. Freedom of expression, a heritage of the civilized world, does not exist in Bolivia in the measure that it should be practiced. At present there is a radio network that undermines the government itself since it incites rumors, gives biased information and, therefore, does not deserve the trust of the people. Moreover, it is a government monologue in view of a fearful and silenced audience. Private radios cannot broadcast their own programs. A special law prohibiting this has been issued as if a law is not in itself a means to control all excesses.

We reassert that freedom of the press and of expression are the best means to avoid the spread of rumors. It is up to the government to support its own statement and fully restore freedom of expression. In other words, let Bolivian radios, including those belonging to mining districts and unions, exercise a right that is truly theirs. The government should suspend the network that is broadcast by the government radio.

Our country has its laws, and its citizens and institutions have always abided by them. It is not right to restore rights and freedom little by little. Laws guarantee the rights of governments and people alike.

CSO: 3010/246

BRIEFS

JAPANESE LOAN FOR HOSPITAL--The Bolivian Social Security Ministry and the Japanese ICA [expansion unknown] Company have signed an additional agreement which will allow the construction of a modern hospital in the city of Trinidad. [PY111301 La Paz Radio Illimani Network in Spanish 0100 GMT 11 Nov 81]

IMPORT FIGURES--According to information disclosed by the Economic Statistics Department of the National Statistics Institute, Bolivian imports during the first 6 months of the year amounted to $436,540,000, of which 53.23 percent was for the import of capital goods, 26.84 percent for raw material and semimanufactured goods and 19.48 percent for consumer goods. [PY111301 La Paz PRESENCIA in Spanish 1 Nov 81 p 10]

CSO: 3010/246

CALS MEETS WITH QADHDHAFI IN TRIPOLI;CPRM OPENS OFFICE

Rio de Janeiro GAZETA MERCANTIL in Portuguese 9 Oct 81 p 8

[Text] The Mineral Resources Prospecting Company (CPRM) opened a new front for selling geological services in North Africa, with a possibility of billing $20 million in exploration, planning and preparing a "Libyan minerals-prospecting model." The information was given this newspaper in Rio de Janeiro yesterday by Carlos Eugenio Farias, CPRM marketing superintendent, who spent 1 week in Tripoli for negotiations that were also participated in by Mines and Energy Minister Cesar Cals.

Direct negotiations with Col Mu'ammar Qadhdhafi, president of Libya, were "a complete success," so that at the end of this month the director of the Libyan Central Department for Mineral Resources, Mohamed Ghuma, will come to Brazil, accompanied by a team of Libyan technicians, to work out the timetable for establishing this agreement on mineral cooperation, "the first made with a country of Latin America."

According to Carlos Eugenio Farias, Libya, which now develops only petroleum, has good possibilities of extracting ferrous, nonferrous, metallic and energy minerals from its subsoil, and Brazil was able to sign this agreement "thanks to the privileged position it enjoys today in the Arab world." Because Brazil is not a colonizing nation, and with the strategic support of Itamaraty [Brazilian Foreign Affairs Ministry], the negotiations proceeded more rapidly.

Next month the CPRM will install in Tripoli the first central office for geological services in Africa, to manage the prospecting that will begin in eastern Libya using geophysical, geological and geochemical exploration methods for the purpose, according to Carlos Eugenio Farias, of learning the nation's mineral potential.

The work will be done by 15 Brazilian geologists, who are to reside in Tripoli permanently. "Besides this, the CPRM will use Libya as an operations center for all its marketing activity in Africa, currently its primary target in search of new contracts in the geological area," said Farias.

Libya will send to Brazil 10 technicians and specialists in geology for a program of training in mineral technology and mineral, geophysical and geochemical analysis. All will receive intensive training in the CPRM laboratories in Rio, visit the company's regional offices and serve internships at the Mineral Technology Center, inaugurating an extensive Brazilian program for transferring mineral technology to Libya.

Besides this initial cooperation, Eugenio Farias reveals the beginning of discussions between the CPRM and the Libyan Agriculture Secretariat to prepare a program for seeking groundwater throughout Libyan territory.

CPRM, which has 10 years of experience in drilling for groundwater, will submit to the Libyan Government a service proposal for drilling 300 wells in 1982.

According to Carlos Eugenio Farias, Libya is investing about $40 million in the water program to find a supply of drinking water for its population of 3 million.

The CPRM superintendent says his state enterprise will send before the end of this year a special mission of hydrology experts to submit a program for finding groundwater.

With the Libyan agreement for transferring mineral technology, personnel training, exploration and scientific exchange--which in the long run could produce $60 million of revenue--the CPRM is inaugurating a new trading bridge with Third World countries.

This marketing strategy was begun in 1980 by the CPRM's former director, Eliseo Visconti, who was looking for an alternative way of increasing income for the state enterprise, which at that time was devoted exclusively to rendering services to the DNPM [National Department of Mineral Production] and the DNAEE [National Water and Electrical Power Department].

The first contracts were signed with the People's Republic of Guinea, for geological exploration, and a contract for $1.3 million has just been concluded with the Republic of Somalia.

8834
CSO: 3001/15

IAE JUSTIFIES CONSTRUCTION OF SPACE CENTER IN ALCANTARA

Faces Class-Action Suit

Rio de Janeiro JORNAL DO BRASIL in Portuguese 27 Sep 81 p 24

[Text] Sao Luis--"Alcantara will return to its splendor of the past and will be prominent internationally, not only for its historic values, but also for being a city of the space age." This is one of the passages of a report from the Space Activities Institute [IAE] to justify construction of a space center in the municipality for launching missiles and tracking satellites.

The center will bring progress, increase tourist traffic, create jobs with installation of new industries and promote the architectural treasures of its preserved areas. The Air Ministry asserts that "the exceptional geographic and climatic conditions and the convenience of launching satellites in either polar or equatorial orbit," were the principal reasons for choosing an area of 500 square kilometers in Alcantara (1 and 1/2 hours from Sao Luis by boat) for the rocket base.

Tests

The report--also signed by the Department of Research and Development and the Aerospace Technology Center of the Air Ministry--also stresses that in 1965 the nation entered the space age, making its first tests for launching rockets at the Barreira do Inferno base in Natal, Rio Grande do Norte, known today as "the space capital of Brazil."

It stresses that the space program advanced with the Sonda I and so far 50 Sondas II and 10 Sondas III have been launched and by 1983 "we will be launching the first Sonda IV, in the final preparatory stage for launching the Satellite Launching Vehicle."

Due to lack of space in Barreira do Inferno, creation of a new launching base became imperative and urgent. In Alcantara, a municipality with 3,000 inhabitants in its seat and 16,000 in its rural zone, where most of them preserve the roots of their ancestors (the Tupinamba Indians), the Air Ministry promises in 6 years "a new economic thrust," as soon as the base is installed.

Lawsuit

The report does not go into detail about the strategic reasons for the base, a problem that is being questioned by the residents and by the Committee to Defend

Sao Luis Island. The committee is preparing a class-action suit against the president of the republic and the governor of the state, "for collaborating in yet another crime against the city's historic heritage," surveyed in 1948 by the National Service of Historic and Artistic Heritage.

The Air Ministry acknowledges the difficulties of "adapting a new urban policy created by the infrastructure for installing the base" to the city's present provincial system. It promises, therefore, to create new jobs in the area of the Alcantara Space Center--which is already being marked off--with innovative impact on the economy. Activities of local fishermen and craftsmen will be studied so they can be organized into fishing cooperatives and handicraft centers.

It also promises to assist the rural population through classifying land appropriated for farming and livestock, division of lots and agricultural areas for locating rural settlements and basic services such as schools, pharmacies, commerce and health stations. The project also includes a drinking-water supply system, a sewerage system for solid and liquid wastes and energy systems. Both a primary and a secondary source of energy will be installed.

Construction

Plans for the base also provide for a port, electric and telephone lines, access roads and urbanization. Hotels, hospitals and fire stations will be built with participation by the state government and the ministries of Air, Health, Labor, Transportation and Mines and Energy.

The report guarnatees that creation of the base will not harm historic relics and, with the increase of tourist demand, the government will assist in restoration and protection of historic monuments.

The Air Ministry also announces installation in the area of a fishing industry, a minerals-extraction industry for construction materials, commercialization of the babassu nut, utilization of tides for generating energy, vocational schools and an alcohol distillery.

Special construction of a strategic nature will include building an airport with paved runway, several ramps for rocket launching, service terminals, highways, radar stations and telemetry stations.

'Complete Space Mission' Delayed

Rio de Janeiro JORNAL DO BRASIL in Portuguese 4 Oct 81 p 35

[Text] Sao Paulo--The "complete space mission" has been delayed for 4 years and, as revised by COBAE (Brazilian Space Activities Commission), will have funds of about $850 million to launch the first four Brazilian satellites--two meteorological and two for remote sensing--between 1985 and 1993, with Brazilian technology.

At a commemorative service yesterday to observe the 20th anniversary of INPE (National Space Research Institute), its director, Professor Nelson de Jesus Parada, asserted that "the complete Brazilian space mission will dominate to a considerable

extent the space activities of the 1980's and will permit Brazil to take a position occupied by few nations today."

Integrated

The INPE director emphasized that the "complete space mission" is an integrated project of the institute and the IAE (Space Activities Institute), associated with the Aerospace Technology Center. The INPE will be responsible for building the satellites, the tracking system and ground data-collection stations; the IAE will take care of the rocket-launcher for the satellites: the VLS (Satellite Launching Vehicle).

He explained that the first phase, which will last until 1993 and will be completed with launching the four satellites, consists of developing and constructing satellites of 200-300 kilograms and launching them into low orbit, of up to 1,000 kilometers. These satellites will have a useful life of 2 years and will replace the existing U.S. and European satellites.

The satellites, whose construction will have domestic technology and the active participation of Brazilian industry, will weigh between 200 and 300 kilograms and are to orbit at an altitude of between 600 and 700 kilometers. The first two will be for retransmitting to a central station atmospheric data--meterological, climatological,hydrological, etc.--obtained from a network of automatic collection platforms distributed throughout the national territory.

8834
CSO: 3001/15

TRADE BALANCE SHOWS FIRST SURPLUS IN MORE THAN 3 YEARS

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 8 Oct 81 p 32

[Text] After 3 years and 9 months, Brazil's trade balance showed its first cumulative surplus, $209 million in the January-through September period, thanks to a $245 million surplus last month that more than made up for a deficit of $36 million accumulated during the first 8 months of this year. At the end of 1977, with a surplus of $97 million, the trade balance had shown its first yearly surplus since the beginning of the petroleum crisis. By the end of this year, the trade surplus may reach $1 billion.

Definitive data for the trade account through September were announced yesterday by Finance Minister Ernane Galveas and the ministry's secretary general, Carlos Viacava, accompanied by two assistant secretaries general who are responsible for trade-balance statistics. They all expressed pleasure with the results because, beyond being the first time since December 1977 that the trade balance reversed the pattern of consecutive cumulative deficits, it is the fifth and largest consecutive monthly surplus obtained this year.

Galveas predicted that, if the trend continues, with exports and imports following the current pattern, there will be a $1 billion trade surplus by the end of 1981, although Brazilian exports are not likely to reach the desired goal of $26 billion. Instead, they will be about $24 billion, while imports will be held to about the same level as last year, approximately $23 billion.

Record

Exchange receipts were $2.085 billion in September, the best monthly result in the history of Brazilian export statistics. That amount should be maintained through the end of this year, and may increase if prices for agricultural products recover as a result of lower international interest rates and stronger European currencies, according to projections by Galveas and Viacava.

Restricting imports also contributed to the $245 million surplus last month, as they remained on virtually the same plateau as previous months this year: $1.840 billion, compared with $2.201 billion in September 1980. Galveas thinks there will be a slight increase during the next 3 months, as happens at the end of every year, due to brisker economic activity. He added, however, that this increase will not be very significant.

From January through September exports were $17.003 billion, this leaving $7 billion to be obtained during the final quarter if the $24 billion goal is to be reached. In the same 9 months of last year, exports were $14.4 billion, which means there was an 18.1 percent increase this year. Had it not been for the poor performance of coffee sales, off 37.9 percent in the January-through-September period from the same 9 months of 1980, exports would probably have increased 27.9 percent (this was the aggregate increase of exports of other commodities, manufactures and processed goods). Petrobras had record exports of fuel and crude petroleum, with sales of $131 million in September, raising exports of petroleum derivatives to $894 million during the first 9 months, compared with $526 million all last year.

Imports fell 2.8 percent through September, with total purchases of $16.794 billion, compared with $17.276 billion from January through September 1980. Petroleum imports, which represented 47.2 percent of expenditures, increased 9.2 percent. From January through September last year we spent $7.257 billion for petroleum, compared with $7.927 billion this year. In September alone petroleum cost $943 million; it cost $947 million in September of last year. According to Viacava, this happened because the price of a barrel of oil in September this year is almost the same as it was in September 1980.

The Finance Ministry secretary general also stressed that obtaining a surplus was helped by the fact that the country no longer needs to import agricultural products. During the final months of last year Brazil imported enormous quantities of corn and powdered milk. Viacava mentioned once again that if it were not for higher interest rates, weak European currencies and the protectionism of rich nations Brazil could export $2 billion more.

Brazil's Foreign Trade (in millions of dollars)

Category	September 1981	September 1980	Difference in: Dollars	Difference in: Percent	January-September 1981	January-September 1980	Difference in: Dollars	Difference in: Percent
Exports:								
Total	2,085	1,802	+283	+16.0	17,003	14,400	+2,603	+18.1
Coffee	115	261	-146	-55.9	1,338	2,153	- 815	-37.9
Others	1,970	1,541	+429	+27.8	15,665	12,247	+3,418	+27.9

(Petrobras record: $13 million (petroleum) + $118 million (derivatives) =$131 million [Total for September 1981])

Imports:								
Total	1,840	2,201	-361	-16.4	16,794	17,276	-482	- 2.8
Wheat	90	64	+ 26	+38.5	620	703	- 83	-11.8
Petroleum	943	947	- 4	- 0.4	7,927	7,257	+670	+ 9.2
Others	807	1,190	-383	-32.2	8,247	9,316	-1.069	-11.5
Trade Balance	+245	-399			+209	-2,876		

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ENGESA CONTRACTS INCREASE--Sao Paulo--ENGESA [Specialized Engineers, Inc], which closed out the first 6 months of this year with export contracts of $100 million, now shows an increase of 300 percent over this total, with new contracts reaching about $400 million. The company has an association with Bell Aerospace Textron, of the United States, for furnishing technology and joint participation in bidding on U.S. armed forces contracts. The latest award the two companies participated in jointly in the United States was won by ordnance manufacturers General Motors of Canada, Alvis and Cadillac Gages. After the contract was awarded, however, it was discovered that two of the manufacturers had only prototypes and were not producing on an industrial scale, which led to another invitation to bid. ENGESA hopes to have good results in this latest effort to supply the Urutu amphibious model to the U.S. armed forces. [Text] [Rio de Janeiro JORNAL DO BRASIL in Portuguese 20 Oct 81 p 19] 8834

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ECONOMIST SAYS FOREIGN DEBT NECESSARY FOR PROGRESS

Santiago EL MERCURIO in Spanish 22 Oct 81 p A3

[Commentary by Alvaro Bardon]

[Text] Recent years have witnessed the presence of a minority group of intellectuals who definitely do not like what is going on here. Their displeasure has less to do with personal rights than with the development being experienced by the economy and the consequent well-being being enjoyed by the great majority of the people.

They are learned individuals of varying political stripes who, although declaring themselves in favor of development, progress, and the broadest freedoms, continually exhibit their concern over the invasion of consumer goods, the supposed waste of money on travel and imports, traditional dances on Sundays, flowers in the squares, weekend sports and, in short, all the forms of expenditure proper to a growing and progressive economy that is providing well-being for the vast majority, whose tastes, naturally, are different from those of our thinkers.

Those groups, who call themselves progressives but who are basically opposed to progress, are now worrying about the foreign debt and the deficit on current account in the balance of payments. They strongly criticize the current experiment and say that it cannot continue, predicting devaluations, protectionism, crisis, and ruin. This has been their custom over the past few years, during which they have consistently been wrong.

It is easy to see that the critics of foreign debt are basically supporting the idea that the country should grow more slowly. Opposing foreign debt is the same as saying that Chile must finance its growth solely with domestic savings and, therefore, that it must develop at a rate of 1 or 2 percent per year instead of the 7 or 8 percent that we have seen in recent years.

As is known, the deficit on current account in the balance of payments represents foreign savings, and that, combined with domestic savings, is what finances the investment permitting more rapid growth.

The experience of all the countries that are growing rapidly (among them some in Latin America and the Far East) shows that a sizable portion of their investment is financed with foreign savings and that as a result--and by definition--those countries must pass through several periods of high indebtedness and a continually rising

deficit on current account. Rapid development requires foreign credit for investment, and its presence means the appearance of a deficit in the trade balance and on current account. Considering those deficits undesirable is the same as saying that the country's development must be slower.

The high debt and large deficit on current account in well-structured economies--which Chile's currently is (open to the outside, no deficit spending, a fixed exchange rate, high reserves, and no price controls)--merely reflect the development that we are experiencing, and in that context, they are not in any way alarming.

Perhaps those criticizing the debt and the deficit are not doing so because they yearn for a static and socializing economy with no growth. But it is difficult to believe that that is not the reason, since they are intellectuals of note who must know that development is a function, to some extent, of foreign savings.

It is difficult to understand those progressives, at least if one is guided by their official statements. They are bothered by consumption, imports, the foreign debt, and the deficit on current account. But they say they are worried about the well-being of the people. They say they want development, but they immediately contradict that by the specific stands they take.

Is it possible that they have a new formula for improving the population's standard of living without providing it with goods and services? It is possible that they have designed a different means of development that involves no debt, little investment, and few goods and services, but a great deal of solidarity, speeches, music, words, and participation.

Everyone to his own taste. It is understandable that there should be people who want to return to the pastoral society, the medieval city isolated from the rest of the world, or a socialist Cuba with no corrupting goods and services. All right. But what is not all right is that those people claim to be intellectuals or thinkers. Although, in reality, a "thinker" is anyone who thinks, regardless of the quality of his thinking.

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CSO: 3010/162

COURT SENTENCES 11 EXTREMISTS TO EXILE

Santiago EL MERCURIO in Spanish 23 Oct 81 pp C1, C6

[Text] German Hermosilla, prosecuting judge of the Presidente Aguirre Cerda Court of Appeals, has issued a judgment in the first instance sentencing 11 members of the MIR [Movement of the Revolutionary Left] to exile (expulsion from the national territory to the place of their choice). The defendants--members of the Michimalonco Command of the banned MIR--were tried on charges of taking over churches and land, forming a proselytizing youth organization, and providing armed protection for rallies in the southern zone of the capital.

The defendants were sentenced to periods of exile ranging from 541 to 1,623 days.

Another member of the same extremist command was sentenced to banishment in the locality of Caldera.

Painter Hugo Riveros Gomez was a member of the above-mentioned Michimalonco Command. He was stabbed to death by unknown persons last 8 July, and his body turned up in a section of the Maipo Ravine.

The investigation of that case has been completed (without determining who was responsible) by the judge of the 18th Criminal Court. Concerning the Riveros Gomez case, Prosecuting Judge Hermosilla has declared a nonsuit in the case he is examining for violation of Decree-Law No 77 on illegal associations.

Under the first-instance sentences handed down by Prosecuting Judge German Hermosilla, the 11 MIR members are to be exiled for the following periods: Norma Orellana, 541 days; Victoria Gallardo, Ramon Casanellas, and Miguel Yanez, 1,082 days; Valeriano Dinamarca, Carlos Gonzalez, Kenny Sanchez, and Adolfo Abarzua, 1,200 days; Juan Rojas, 1,082 days; and Rodolfo Ahumada and Manuel Orellana, 1,623 days.

Patricia Chieppe, the 12th defendant, was sentenced to 541 days of banishment in Caldera.

The extremist organization was disbanded in three stages by members of the security services.

The first MIR member arrested was Juan Alejandro Rojas Martinez, 28. His arrest apparently occurred after authorities discovered suspected coordinated action not only

in the takeover of a church in San Miguel but also in the illegal seizure of land in the town of La Bandera in June of last year.

On 14 August 1980, another six members of the Michimalonco Command were apprehended: Rodolfo Fernando Ahumada Gonzalez, 32; Miguel Eduardo Yanez Valdes, 27; Valeriano Jorge Dinamarca Bravo, 27; Kenny Ruperto Sanchez Contreras, 19; Norma Angelica Orellana Riffo, 21; and Ramon Antonio Casanellas Leiva.

The First Military Prosecutor's Office brought action against the MIR members for "protecting subversive acts and demonstrations," but the Ministry of Interior later started proceedings before the ordinary courts of justice for violations of the Security Law and Decree-Law No 77.

Prosecuting Judge German Valenzuela of the Santiago Court of Appeals initiated the trial and drew up the original charges. He later disqualified himself, saying that the crimes had been committed in the jurisdiction of the Presidente Aguirre Cerda Court of Appeals.

The trial was then continued by Prosecuting Judge German Hermosilla, a member of the Presidente Aguirre Cerda Court of Appeals. Brought before the judge in question were MIR members Patricia Chieppe Cruz, Victoria Gallardo Casanellas, Carlos Gonzalez Guzman, Hugo Riveros Gomez, Manuel Humberto Orellana Riffo, and Adolfo Ernesto Abarzua Carrasco. They were charged with being responsible for violations of the Security Law and Decree-Law No 77 on illegal associations.

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CSO: 3010/162

NEW LAW EFFECTS CHANGES IN STOCK MARKET PRACTICES

Santiago EL MERCURIO in Spanish 22 Oct 81 pp A1, A12

[Text] Yesterday in Los Angeles, the president of the republic signed the laws on corporations and the stock market, which introduce thoroughgoing changes into existing legislation. Both laws were approved by the Ruling Junta last Tuesday night, and the texts were then taken to the president for his signature, thus clearing the way for their publication in the DIARIO OFICIAL.

The stock market law lays down simple requirements for the establishment of new exchanges (there are currently two: in Santiago and Valparaiso), prohibits transactions aimed at manipulating the stock market by fixing or altering prices, and establishes various measures for protecting stockholders through the provision of adequate information.

The law has 13 titles and 73 articles. The titles are: 1) Objectives of the Law, Supervision, and Definitions; 2) Securities Register and Information; 3) Continuous and Confidential Information; 4) Issues of Long-Term Warrants of Indebtedness; 5) Secondary Market; 6) Stock Brokers and Security Brokers; 7) Stock Exchanges; 8) Prohibited Activities; 9) Information and Control; 10) Responsibilities; 11) Sanctions; 12) Recourse against Illegal Acts; and 13) General and Temporary Provisions.

Establishment of New Exchanges

The law lays down several requirements for the establishment of stock exchanges. Exchanges have an indefinite life and require at least 15 stockholders and a minimum paid-up capital equivalent to 60,000 development units (a little more than 73 million pesos at the moment). Each stockholder will be allowed to own only one share of stock in the exchange in question. A broker can exercise his activity in more than one exchange by acquiring the corresponding share of stock in each of them.

In order to operate, every stock exchange must prove to the satisfaction of the appropriate superintendency that it is organized and capable of carrying on the functions for which it is responsible.

The original legislation (Decree with Force of Law No 251 of 1931) provided that "a single stock exchange may be established in any city with a population of more than 150,000." And to begin operating, the exchanges had to have authorization from the president of the republic, subject to a report from the superintendency.

Transparency of Market

The new law stipulates that stock exchanges must regulate their stock-exchange activity and that of the brokers and enforce strict compliance with such rules so as to insure the existence of a market that is equitable, competitive, orderly, and open and aboveboard.

Prohibited Activities

It is stipulated that it is a violation of the present law to effect securities transactions with a view to the stabilization, fixing, or artificial alteration of prices. (Activities aimed at stabilizing prices can be engaged in only in accordance with general rules established by the superintendency.)

It is also illegal to quote fictitious prices or engage in fictitious transactions in connection with any security, whether such transactions are effected on the stock market or through documents executed privately.

No person may effect transactions or attempt to persuade anyone to buy or sell securities, whether covered by this law or not, by means of any deceitful or fraudulent act, practice, mechanism, or scheme.

For the purposes of this law, "securities" are taken to mean any transferable paper, including shares of stock, options to buy or sell shares, bonds, debentures, shares in mutual funds, savings plans, commercial paper, and, in general, any type of credit and investment.

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STOCK MARKET MOST AFFECTED BY ECONOMIC SITUATION

Santiago LA TERCERA DE LA HORA in Spanish 21 Oct 81 p B1

[Text] The Chilean economy will grow faster than most of the world's leading economies, and the estimated growth rate for this year will not be above 5 percent or below 3 percent, according to Eugenio Blanco, chairman of the Stock Exchange.

The leader discussed the topic "Stock Market Conditions and Prospects" during a roundtable sponsored by the magazine ESTRATEGIA that focused on the economy's current situation and its prospects.

Blanco said that the slower growth in comparison with the same period in 1980 will be due to the sharp drop in prices for our chief export products, reflected in the fact that export shipments had already dropped by about 14.8 percent in the first 7 months of this year.

He also mentioned the high discount rates being borne by the financial market throughout 1981 and emphasized that the sector most affected by current conditions has been the stock market, which has been characterized by a general drop in stock prices and a lower level of activity than that observed last year.

As a result of lower prices and the low level of actual trading in stocks, the volume of shares traded during the first 9 months of 1981 totaled only 12,183 million pesos, while the figure for the same period in 1980 was 18,777 million pesos.

He added that a comparison of the two volumes in terms of September 1981 prices shows a drop of slightly more than 35 percent in real terms.

For his part, Maximo Honorato, chairman of the Chilean Construction Council, noted that the contributions being received by the pension fund administrators [AFP's] are intended for long-term investment and for increasing investment in the country.

In sizing up the problems in the housing market and possible ways of solving them, he pointed out that at present, 95 percent of the funds collected by the AFP's are put into short-term investments, with only 5 percent going into long-term investments, and that this is counterproductive.

Their collections represent more or less 2 billion pesos per month, and according to Honorato, that money should be invested in particular in the country's construction sector, which currently accounts for 50 percent in the employment of capital.

Lastly, he pointed out that it is necessary to change the system of housing subsidies through suitable regulation in combination with a change in the tax policy as a means of stimulating investment.

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BRIEFS

TREMOR IN CENTRAL REGION--Santiago, Chile, 7 Nov (AFP)--The police reported here today that a strong tremor was registered early this morning in the central region of Chile, but that there were no injuries or damage. According to the Chilean University Seismology Institute, the tremor, which caused panic among the people, was registered at 0030 local time (0330 GMT) and had an intensity in Santiago of 5 degrees on the scale from 1 to 12. It was noted that the epicenter was located 30 km out to sea off the city of La Ligua, located 154 km north of Santiago. In the cities of La Ligua, Illapel, Salamanca, Petorca and Quillota, all located north of Santiago, the tremor registered 7 degrees on the Richter scale. The Valparaiso police have reported that in Valparaiso, the main Chilean port, the tremor registered 6 degrees but that there were no injuries or damage. It was noted moreover that a similar tremor was registered on 15 October in the north central region but that it did not cause injuries or damage. [Text] [PY071241 Paris AFP in Spanish 1221 GMT 7 Nov 81]

BALANCE OF PAYMENTS DEFICIT--The Chilean Central Bank has reported that the balance of payment from January to September 1981 shows a deficit of $2.2 billion. During this period Chilean exports reached $3 billion while imports reached $5.2 billion. [PY060008 Santiago Chile Domestic Service in Spanish 1630 GMT 5 Nov 81]

ARMY DEPUTY COMMANDER RETURNS--Chilean Army Deput- Commander Lt Gen Washington Carrasco Fernandez has returned to Santiago. The high-ranking army officer attended the 14th inter-American army commanders meeting that was held in Washington. He was welcomed at the Merino Benitez Airport in Pudahuel by the army chief of staff, Maj Gen Julio Canessa Robert. [Text] [PY111156 Santiago Chile Domestic Service in Spanish 1000 GMT 11 Nov 81]

TREMORS IN FIFTH REGION--Since last Saturday, 16 tremors have been registered in the 5th region. The intensity of the tremors have ranged from 3 to 4 degrees [no scale specified]. According to Valparaiso and Vina Del Mar seismology experts the epicenter of these tremors is located in the sea fault located 30 km from the coast. [Text] [PY111158 Santiago Chile Domestic Service in Spanish 1000 GMT 11 Nov 81]

ARMY PROMOTIONS, APPOINTMENTS--In a ceremony at the Defense Ministry today, President Pinochet promoted the following colonels to the rank of brigadier general: Eduardo Ibanez Tilleria, appointed commander of the 1st division in

Antofagasta; Cesar Manrique Bravo, commander of the recruiting division; Belarmino Lopez Navarro, deputy commander of the 6th division in Arica, and Fernando Arancibia Reyes, commander of the 4th division in Valdivia. [PY100257 Santiago Chile Domestic Service in Spanish 1630 GMT 9 Nov 81]

ARMORED CAVALRY FORCE--According to Army Secretary General (Jorge Sentes), as of March the cavalry and armored forces will be united in order to form an armored cavalry force which will be headquartered in (Quillota). [PY100257 Santiago Chile Domestic Service in Spanish 1630 GMT 9 Nov 81]

CONSUMER PRICE INDEX INCREASE--Santiago, Chile, 2 Nov (LATIN-REUTER)--According to the Nation Statistics Institute, the consumer price index during the first 10 months of this year increased 8.8 percent; it reached 25.4 percent for the same period of time in 1980. [PY100257 Buenos Aires LATIN in Spanish 1818 GMT 2 Nov 81]

FRG UNDER SECRETARY VISIT--(Otto Schiff), under secretary for economic policy affairs of the FRG, has arrived in Chile to discuss bilateral economic relations. Yesterday he met with government junta member Fernando Matthei with whom he discussed domestic aspects and international economic issues. [PY102227 Santiago Chile Domestic Service in Spanish 1000 GMT 10 Nov 81]

CSO: 3010/267

STATION URGES EXPULSION OF FOREIGN TROUBLEMAKERS

PA022022 San Jose Radio Reloj in Spanish 1130 GMT 2 Nov 81

[Station editorial]

[Text] The government of the republic has asked El Salvador to (?extradite) the group of terrorists that hijacked a plane in our country. The mere announcement that these people in a [words indistinct] school of hatred and terror may return to Costa Rica deeply worries us.

If we often choose to infringe upon the laws for the sake of peace, justice and the atmosphere of tolerance in which we Costa Ricans traditionally live, we think that these are all the more reasons for them to be tried in absentia and not to hold them in our nation's jails so they can establish a school of terrorism for the groups of common criminals or launch a wave of terror among similar or rival groups in our country.

Leftist and rightist groups are vying for power in the world. The school of terrorism is the most nefarious one. The use of terrorism as a weapon by groups which are equally dangerous--be these leftist or rightist--is a worrisome matter. It has to be a source of concern for us Costa Ricans who are not used to it. The best evidence of this fact--which is a source of pride for us and which should be taken into account by the courts--is the attitude of the only Costa Rican in the group of terrorists. He chose to submit to our courts and to be in our jails rather than be part of an international school of terrorism and to take part in assaults and thefts.

We insist that it is necessary to expel all people who have come to this country to subvert order here and abroad. We have no need for these groups of foreigners who come here to create conflicts. After this experience, it is time to take steps to expel any leftwing or rightwing foreign guerrillas who arrive or are in our country, without any consideration.

Let President Carazo desist from his interest in bringing back these Somozists who would only come to this country to create problems. Let them be tried in El Salvador under that country's laws and not in our country, where we run the risk of [witnessing] further hijackings and robberies.

CSO: 3010/265

VEIGA CLOSES INDUSTRIAL PROJECTS REVIEW MEETING

Havana TRABAJADORES in Spanish 12 Sep 81 p 2

[Speech by Roberto Veiga Menendez, alternate member of Political Bureau of the party and secretary general of CTC, at Second Industrial Projects Emulation Review held at Wajay textile mill on 10 September 1981]

[Excerpts] Comrades:

We have the pleasant duty of closing this review, the second this year for the Special Industrial Projects Emulation saluting the 10th WFTU Congress. This great international assembly of the workers will be held for the first time in our America, here in Havana, in February 1982. Holding this event in our country acquires singular importance with the crucial situation of the world today due to the arrogant position of U.S. imperialism. With its ultrareactionary policy, it leads the world to the brink of a conflagration which would have incalculable consequences for mankind.

As you know, the revolution is carrying out an industrialization process in the country. Along with the mechanization and use of chemicals in agriculture, this is the fundamental economic basis for the construction of socialism in today's world. Large resources that come from the effort and sweat of the workers are allocated each year to carry out those plans. You as industrial builders have a very important function in the economic development of the country.

What is the significance of the industrial installations that, to a certain degree, depend on you? In addition to representing very important sources of employment for the tens of thousands of youths who reach working age each year, they are also an indispensable factor in national development. In some cases they are industries whose production will be directly consumed by the people. In other cases, they are industries that will permit us to substantially expand production of exportable goods. In others, they are industries that will replace imports. Those plans include industries that are indispensable in order to construct the above industries; we are referring to those related to the generation of electricity and the production of materials like cement. The successful achievement of that gigantic plan of the revolution will mean permanently ending the underdevelopment inherited from capitalist exploitation. Not only will we be in the position to slowly satisfy our own needs, but we will be able to continue expanding our solidarity with other fraternal peoples who are freeing themselves and trying to end their backwardness and poverty inherited from imperialist exploitation.

All this imposes the urgent need to fulfill these plans each year. A project that is not completed by its termination date or does not have the required quality means a delay on our road to development. As is known, the plan for 1981 totals 273.4 million pesos which represents 16 percent more than was actually carried out last year and 90 percent (almost double) the 1976 achievements.

It is encouraging to know that, at the end of the first half of this year, the industrial projects construction enterprises fulfilled their plan by 99 percent and, in relation to the annual plan, achieved 50 percent fulfillment.

We can also point out that if we take into consideration the constructed value of other MICONS [Ministry of Construction] enterprises, fulfillment in the first 6 months reached 100 percent and 49 percent of the annual plan. These enterprises have produced 20.9 million pesos more in the first 6 months of 1981 than in the same period last year.

Nevertheless, these important achievements in the fulfillment of the plan for constructed value are not matched by achievements in completion of projects. To give an idea, we can point out that out of 173 projects to be finished this year, only 28 projects had been completed by the end of the first 6 months.

We have been informed that the existing problems have been caused basically by shortage of complete plants, shortage of construction equipment, high rate of equipment breakdowns and shortage of skilled construction workers.

Certainly these are generally beyond the control of the workers. Nevertheless, we can and must make efforts to counterbalance or neutralize some of the effects of these problems. The workers and their union organization, together with the administration, must devote their attention to anything that helps improve and strengthen construction organization and the efficient execution of each one of the planned projects.

We think that we all agree that the Special Industrial Projects Emulation can play a decisive role in the achievement of these and all the objectives that you propose for yourselves. As is known, emulation is an instrument to mobilize the workers to achieve just aspirations, particularly in reference to the materialization of economic plans and the development of our revolutionary awareness. However, it is also a process; we cannot view it as something finished or perfected. Therefore, the union leaders in particular and the workers in general must periodically analyze not only the level of fulfillment of the commitments made during the emulation but also the work methods used to truly help fulfill the tasks that we have proposed. It permits us to discover errors that can affect it and eliminate them in time like mechanism, superficiality and lack of control. An indispensable factor in order for the emulation to play its role is to publicize the indices, requirements, commitments and degree of fulfillment achieved at each review. This can be done directly with the workers in general assemblies and department, brigade and shift assemblies and meetings. There can also be publicity using their own media as well as the mass media in the area. The emulation can and should help strengthen the conscious enthusiasm of the workers and stimulate the development of their creative initiative in order to eliminate existing problems.

In our opinion, the provincial union leadership as well as the union bureaus and sections should analyze and adopt measures to strengthen and develop emulation between crews, work objectives, departments, etc. and measures concerning publicity. What has been done and what is being done to stimulate the best workers and push those who are behind? We think that that analysis must cover technical and cultural education including the battle for ninth grade and work safety and hygiene. We believe that that broad analysis which should be done periodically will lead to valuable initiatives that will help strengthen the special emulation among industrial projects workers.

In our opinion, you, as representatives of your work comrades, could inform all the collectives--through general, brigade and department assemblies and in Leadership Councils--of the results of this second emulation review, of the agreements and suggestions derived from the fruitful discussions held last night in the committees. Of course, this is rot enough. It is necessary to formulate concrete measures that lead to the positive fulfillment of all those agreements adopted, to work for them, supervise them, evaluate them and publicize them. We trust that everyone will redouble his efforts to fulfill his commitments and, in this way, win the Ho Chi Minh Red Flag which the construction workers of the Santiago de Cuba meat-packing plant hoist with rightful pride today.

In our opinion, the results of the second review are very encouraging, not only because of the favorable results obtained and the agreements adopted, but for the valuable education it provides for all, the combative spirit and sense of responsibility shown by each one of you and the firm determination to continue forward.

Comrades:

In the name of the CTC [Central Organization of Cuban Trade Unions] and the party, I give you our warmest congratulations on your successes and your firm determination to win new victories for the fatherland and socialism.

Thank you very much.

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CSO: 3010/ 164

VEIGA ADDRESSES FAR CIVILIAN WORKERS NATIONAL PLENUM

Havana TRABAJADORES in Spanish 19 Sep 81 p 2

[Conclusions presented by Roberto Veiga, secretary general of the CTC and alternate member of the Political Bureau of the PCC, at FAR Civilian Workers National Plenum on 18 September 1981, "Year of the 20th anniversary of the Bay of Pigs"]

[Excerpts] Comrades:

This plenum takes place at a time when we are still feeling the impact of Fidel's brilliant major speech at the opening of the 68th Conference of the Interparliamentary Union. His words went directly, and in depth, to the analysis of the serious problems that dramatically and dangerously affect the world today. At the end, our commander in chief strongly denounced to the world the aggressive and adventuresome policy that the fascists that prevail in the present U.S. administration carry out against our fatherland.

The imperialists are intensifying their slander campaigns against Cuba, increasing their aggressions and concocting new plans to try to make us waver. They shamelessly threaten a military blockade and even a direct attack against our country.

The aggression and threats of our enemies strengthen our spirit of victory and reaffirm our determination to be well prepared to give a resounding and devastating answer if they try something against Cuba. This shows the importance of increasing our efforts to be more efficient economically and to strengthen our combat readiness and training.

The present situation increases the importance and the role of the FAR civilian workers. It is precisely this union that most directly links production and defense. You are a priceless force to fulfill the urgent tasks to strengthen the defensive capacity of the country.

Tomorrow the union celebrates its 10th anniversary. You FAR civilian workers and all your union leaders were sent greetings from the minister of the FAR, Army Gen Raul Castro. In the name of the party, the chiefs, officers, sergeants and soldiers, he congratulated you and recognized the important role that you play in the defense of the fatherland. He also exhorted you to continue to work with enthusiasm and responsibility to fulfill the tasks that the revolution has entrusted to you.

We are sure that you will receive that greeting very happily but you will also see it as a commitment, an urgent commitment to multiply your efforts and exercise greater influence on the common task of all our people to strengthen the defensive potential of the country.

The minister's greeting expresses the rightful satisfaction that our FAR feels in the concrete accomplishments achieved by the union during these 10 years. This is the result of the work of this young, combative and brave detachment of the Cuban union movement. It is also--as should be recognized on a day like today--the result of the high esteem and the growing support that our worker organizations have had from the military institutions, especially the minister of the FAR, Army Gen Raul Castro. This, of course, is only conceivable when the chiefs, officers, sergeants and soldiers of the FAR are fully in agreement with the ideology of the working class as in our case. The ties that unite them to our working people are ones of mutual respect, affection, admiration and unconditional loyalty.

The union has proposed to salute its next congress that will be held early next year with an unprecedented fulfillment of all its activities, increasing its influence on: the development and increased combat training and readiness; the strengthening of discipline; the stimulation of maintenance, repair and conservation of technology and armaments; the physical preparation of the land; construction; services of every type; the progressive increase in savings of all resources; the growth of productivity; the untiring fight against problems; the improvement of work organization and wages; greater cultural and technical education of its members; the commitment to respect existing labor and social legislation; and the development of the political, revolutionary and communist awareness of the workers.

These objectives will be achieved to the degree that the union, in close coordination with the administration and the commands, is capable of promoting the active, enthusiastic and conscious participation of its members. This shows the importance of organizing and stimulating the different forms of worker participation in economic activity, especially socialist emulation and production and service assemblies.

In spite of accomplishments, the union still has not consistently exploited the many and varied possibilities that socialist emulation offers us. It has been recognized that emulation functions in military and industrial enterprises; it is well organized, arouses the interest of the workers and is matched by concrete and measurable achievements. Nevertheless, that same esteem does not exist for the organization and development of emulation in the rest of the activities. What keeps us from organizing a special emulation among the construction workers where there are concrete indices and the interest of each brigade, project and enterprise is stimulated to be named "distinguished" in the reviews that are convoked periodically? Is it perhaps that we cannot stimulate from above and create the desire in all the brigades, projects and enterprises to be named "distinguished" and deserve the recognition of the union, the party and the military commands? What keeps us from periodically selecting and rewarding those workers who are most distinguished in the fulfillment of military construction plans? What keeps us from organizing similar emulation initiatives with the workers who work on hospitals, schools, hotels, laundries, presses, newspapers and other activities and services? As comrade Roque pointed out in his report, the union could make good use of the emulation experiences that other union organizations of similar workers have accumulated.

Why isn't "Construction Worker's Day" a motivation for all the military construction workers to fight to win the right to hold this commemorative ceremony? Why aren't there activities during "Construction Worker's Day" to stimulate the most distinguished construction workers within the union? Why isn't this done to commemorate "Health Worker's Day" and "Education Worker's Day"? Why isn't something done to recognize the efforts of those who work in different jobs and professions? This will never detract from "FAR Civilian Worker's Day." In our armed forces, the commemoration of "Tank Driver's Day," "Navy Day," "Aviation Day," etc. does not detract from the celebration of "FAR Day."

We must remember that fulfillment of the safety and hygiene measures is a requirement to win the awards established in our socialist emulation. This is not a mechanical reminder; we do this deliberately because it is a task to which we must give emphasis. This activity has great social, human and revolutionary significance. The union work on this front is still unsatisfactory. There are real problems and there is a lack of material resources that frequently hinders improvement of working conditions and acquisition of safety devices that are necessary. We all know that many times these real problems cover up a lack of determination and negligence in solving problems. On many occasions, inappropriate working conditions or dangerous situations persist that can be improved if there is the willingness, if there is sensitivity, if there is the determination. Lighting can be improved by installing one or two more bulbs. A little paint can be put on an area. There can be reinforcing welds at certain places. The indispensable safety gloves or boots can be acquired. Much more could be done to improve work safety and hygiene. It is the duty of the union to fight to have everything done that can be done within our limitations.

During the first 6 months of the year, the union fought to systematize and expand the organization and content of production and service assemblies. This is one of the most important forms of worker participation in economic activity. These assemblies can play an important role when there is the willingness to bring to them revolutionary criticism of poor work, self-criticism of one's own problems and mistakes and just demand that the maximum be done to solve problems. At these assemblies, the workers must learn the progress of the plan and its problems and contribute ideas to improve it. They must analyze quality and promote initiatives to improve it. They must evaluate the fulfillment of consumption norms and suggest measures to improve savings. They must adopt agreements to increase maintenance, reinforce labor discipline, improve work organization, comply with labor and social legislation, encourage fulfillment of the safety and hygiene measures and strengthen the education and skill of the workers. When these tasks are discussed at these assemblies and decisions are made to confront them, these assemblies help increase the economic efficiency and education of the workers. They help them think, assimilate, speak, suggest, believe and acquire a feeling of ownership and interest in maximum use of the workday and increased productivity.

There has been an effort to transfer the results of the production and service assemblies to the representative assemblies that you hold in different enterprises.

In order to learn, resolve or explain the main problems derived from this process, the branches of the armed forces and armies are holding what has also been called

"representative assemblies" in which representatives of the workers from different units participate. The union comrades are very happy with the results and prospects of this initiative which has received participation, understanding and support from the main FAR chiefs and political workers.

We have no doubt that when the chiefs and political workers of a branch or army meet periodically with the union and the representatives of the enterprises and the units to discuss the problems not solved at the production and service assemblies, to face and solve situations that can cause confusion, disagreement and disorientation and to learn the readiness and the state or mind of the workers and act accordingly, there will be positive repercussions on work results. In a practical and direct way, the ties that must unite the union and the administration for the great common objective will be strengthened. In this case, the objective is the consolidation and guarantee of the combat readiness of the FAR. The systematic practice of this method can be a great help in reaching the union congress with many problems solved.

With criticism and self-criticism, the plenum covered the results of the recent enrollment in the battle for ninth grade. There were places where the work was poor so the union only fulfilled the plan by 93 percent.

Nonfulfillment at this stage will force you to make a supreme effort to incorporate all those enrolled into the classrooms, promote their attendance and continuation and guarantee their graduation. Nonfulfillment at this stage will force you to increase efforts in the February 1982 enrollment in order to try to compensate for lack of fulfillment this year.

What we do in 1981 and 1982 is a decisive factor in meeting the goals for this battle. This task has greater technical and organizational complexity than the battle for sixth grade. Several years of study are needed to acquire the knowledge to graduate from ninth grade. We must fulfill this goal by 1985. If the union does not have the immense majority of the planned number of workers studying in the first 2 years of the 5-year period, that union will certainly not succeed. We cannot harbor the false illusion of making up for any delay, appealing to a final effort in the last years of the 5-year period. That is impossible. This battle will be won or lost in 1981 and 1982. We hope that the FAR Civilian Workers Union adopts the measures that the situation requires and makes it possible for our labor movement to fulfill this great new educational commitment to the party and our chief and mentor, comrade Fidel.

There is an urgent need to work to eliminate delays in several tasks and to promote initiatives to improve others. However, we must recognize that in recent months there has been a positive reaction in union work. It met the established indices for this first 6 months in our great national emulation saluting the "10th WFTU Congress" which, as is known, will be held in Havana in February 1982. There has been significant progress in work organization and the application of the General Wage Reform and in the process of self-inspections ordered by the CTC [Central Organization of Cuban Trade Unions] to detect and correct existing violations of labor and social legislation. The union received the congratulations it deserved from our CTC. Notable progress was seen in the incorporation of workers to political studies. The union was first in the country in fulfilling its annual plan to

finance the Territorial Militia. The achievements in the collection of union dues were encouraging and there were quantifiable and tangible results in the organization and development of volunteer work. An eloquent expression of this work was the Sunday for mass volunteer work celebrated in all units on 13 September saluting the 10th anniversary of the formation of the union. At the end of that fruitful day, a message was read in all the work places where the efforts of the union during these 10 years were pointed out and the conscious determination of its members to continue contributing, with renewed impetus, to the increased combat readiness and capacity of our FAR was emphasized.

Of course, if we were asked what the basic progress achieved by the union recently has been, we would state that it has been a substantial change in work methods and style which has helped improve ties between the main leaders and union locals and workers. That is very important. The union section is the root of our organization and the direct, daily and principal means for carrying out our tasks among the workers.

When we make meetings with the base leaders a systematic practice, we get to know work comrades who are united and well oriented whom we can ask for and from whom we can expect progress and achievements. However, we also see leadership committees of union sections that do not meet, that do not discuss problems together, where only the secretary general works. The secretary of education does not attend classes, losing credibility to attract the masses to the great battle for ninth grade. We get to know well oriented union leaders who are sensitive to the rights of the workers and have extraordinary influence in attracting everyone to the fight to carry out duties. However, we also see union leaders who, rather than represent the workers to the administration, represent the administration to the workers. We get to know union leaders who know how to give clear, precise and convincing responses to the doubts and concerns of the workers. However, we also see union leaders who usually answer the concerns of the workers evasively and abstractly: "What do you want me to do?" "Look, you are right but that is an order from the Command." "Look, I cannot decide that." "I am not to blame." "Well, that comes from above." "All right, but that has already been decided." We see leaders who, by responding in that way, give the workers the feeling that the union is worthless.

Only by maintaining a close tie with the work centers can we educate and forge local cadres, improve the spirit of the emulation, victoriously fulfill tasks, clear up doubts, resolve or explain possible disagreements and promote solutions that are clearly understood. Only thus will we have union leaders everywhere who never defend the unjust and are always ready to defend the just as the revolution guarantees. Only thus will we have all the leaders of our union sections persevere and triumph.

The bright future of the fatherland is safe; it rests in our workers' hands. Nothing and no one can impose exploitation, unemployment, dismissals, inflation, low wages, an attack against our unions, gambling, prostitution, poor health, lack of education, repression, racial discrimination and social inequality on us again! Nothing and no one can impose humiliation and shame on us again! This country would sink first from Punta de Maisi to Cabo de San Antonio!

Congratulations on your 10th anniversary!

Fatherland or death!

We will win!

7717
CSO: 3010/164

STATEMENT ISSUED AT END OF BERLINGUER VISIT

Havana GRANMA WEEKLY REVIEW in English 25 Oct 81 p 3

[Text] ● IN RESPONSE to an invitation from Comrade Fidel Castro Ruz, first secretary of the Central Committee of the Communist Party of Cuba, Enrico Berlinguer, general secretary of the Italian Communist Party, paid an official, friendly visit to Cuba.

Talks were held in an atmosphere of friendship and esteem, feelings which characterize the relations between the Italian Communist Party and the Communist Party of Cuba.

In addition to Fidel Castro, Cuba was represented at the talks by Carlos Rafael Rodríguez and Armando Hart Dávalos, members of the Political Bureau; Jesús Montané Oropesa, alternate member of the Political Bureau and member of the Secretariat; Jorge Enrique Mendoza, member of the Central Committee and editor of **Granma** newspaper; Javier Ardizones and Denis Guzmán, section chief and official, respectively, of the Central Committee.

The other members of the ICP delegation were Antonio Rubbi, member of the Central Committee and head of its foreign department; Renato Sandri, member of the foreign department; and Giorgio Oldrini, correspondent for **L'Unità** in Cuba.

Comrade Fidel Castro reported on the situation within Cuba, paying particular attention to the fulfillment of the main tasks resulting from the resolutions of the 2nd Congress of the Communist Party of Cuba, whose achievements are already evident in the life of the country and give added impetus to the process of socialist construction in Cuba.

Comrade Enrico Berlinguer expressed his warm gratitude for the invitation to visit Cuba and reiterated the Italian Communists' appreciation of the Cuban people's gains along the path opened up by the Revolution towards the construction of a socialist society, amidst the hostility and threats of U.S. imperialism. He called for an end to the unjust blockade imposed by U.S. imperialism on Cuba and for the return of the territory illegally occupied by the U.S. military base in Guantánamo.

The general secretary of the ICP explained the Italian situation and his Party's policy to combat the crisis Italy is going through and move towards a solution by finding a democratic alternative for the leadership of the country. Comrade Berlinguer also explained the efforts and initiatives of the ICP to open up prospects for a socialist society in Italy based on respect for and development of the democratic gains, and the ICP's moves to promote understanding and cooperation among worker and popular forces of different tendencies in Western Europe.

During their meetings, Fidel Castro and Enrico Berlinguer focused attention on the two crucial issues for the future of humanity: peace and development.

The two leaders expressed their views on some international issues and the causes of the worsening international situation. They expressed their concern over mounting political tensions, contradictions and conflicts which threaten and upset international relations, as shown by the interruption of the détente process, the escalation of the arms race and the rapid worsening of the world economic situation, which has a dramatic impact on the Third World countries.

The arms race escalation will mean spending astronomical sums totaling thousands of millions of dollars in the coming years on military equipments and this will worsen the current world economic crisis considerably, making the already terrible living conditions of the peoples even worse.

Given the real danger of nuclear war, both Parties feel that active mass mobilization is of vital importance to hamper any threat to peace and to continue along the road of dialogue and negotiations. They believe that the resumption of USSR-USA nuclear arms limitation talks is positive and feel it is necessary to start a process of general, controlled and balanced disarmament with mutual guarantees.

In order to safeguard world peace and justice, an effective struggle must begin against the abysmal inequality which

characterizes relations between industrialized countries and those which were condemned to underdevelopment by imperialism and colonialism or those still suffering from dependency and neocolonial penetration. A quarter of the world population living in the industrialized countries receives 80 percent of the world income. Meanwhile, for hundreds of millions of men, women and children, life means only hunger, illiteracy and inhuman poverty. This tragic difference has torn humanity apart and threatens its future.

Comrade Fidel Castro recalled the issues he brought up at the UN in October 1979 and during the Conference of the Inter-Parliamentary Union in September this year, stressing the proposals and commitments which the Group of 77 and the Movement of Non-Aligned Countries have made in relation to the North-South negotiations and the New International Economic Order.

The two leaders underscored the pressing need to quickly implement a real program of development aid for the underdeveloped countries which would include the required financial and technological resources.

Comrade Enrico Berlinguer said that the ICP feels that the entry of peoples liberated from imperialist domination into the world arena is one of the most important historical events of present times. He stressed the role that the working class and other democratic forces in the capitalist countries must play to obtain, starting in Western Europe, meaningful transformation of the structures of production, exchange and consumption that would be in keeping with the deepest interests of the masses and which are required to institute cooperation on an equal footing with developing countries, as part of the drive towards the common goals of justice and civilization.

Fidel Castro and Enrico Berlinguer reaffirmed their view that the Movement of Non-Aligned Countries fulfills, as an independent political force, an important role in the struggle to implement the principles upon which it is based. This was fully confirmed at the 6th Summit Meeting, held in Havana, as well as by the quest for world peace and peaceful coexistence among states and the efforts to put international economic relations on a just and equitable footing.

They examined the situation in Latin America and the Caribbean, where many countries are still suffering from the effects of dictatorships, oligarchic regimes and imperialist domination. Both leaders expressed the Cuban and Italian Communists' solidarity with the struggle of the Latin American and Caribbean peoples for liberation, independence, economic development and freedom.

They expressed their full solidarity with the Revolutions in Nicaragua and Grenada. They condemned the brutal repression used against the peoples of El Salvador and Guatemala and supported the recent FMLN-FDR proposals in the attempt to bring about peace talks and come up with a dignified and just solution to the crisis in El Salvador. They also feel that the French-Mexican declaration on El Salvador is an important step towards this end.

The two leaders advocated cooperation among peoples and nations on a new and just footing with mutual benefit.

Based on these convictions, the two Parties are convinced of the need to act to consolidate and broaden relations of cooperation and economic, political, cultural, scientific and technological exchange between Cuba and Italy.

The top leaders of the Communist Party of Cuba and the Italian Communist Party emphasized the need for this kind of frank and fruitful meeting and noted the great opportunities it provides for the development of relations of friendship and cooperation between the two Parties.

CSO: 3020/25

VARIOUS MILITARY AWARD PRESENTATIONS REPORTED

FAR Civilian Workers

Havana VERDE OLIVO in Spanish 4 Oct 81 p 54

[Text] "We are really satisfied with the work you are doing--you who today receive this medal are an expression of the hard work and revolutionary spirit of the working class and an example to be followed by all workers."

This statement was made by Brig Gen Samuel C. Rodiles Plana, alternate member, Party Central Committee, and first deputy commander, Western Army, at the end of the award ceremony for the "20th Anniversary of the FAR" commemorative medal to a group of civilian workers in that command.

He also noted that he is sure that each of the important tasks which today are being carried out by the Western Army will reveal this same revolutionary enthusiasm and dedication that enables these people to win this award.

Talking about the 10th anniversary of the founding of the National Union of Civilian Workers of the FAR, the alternate member of the Party Central Committee said that this was not an accidental result but, on the contrary, this date is a suitable time for recognizing the work done by our workers and expressing the admiration and love of the people, the state, and the Ministry of the Armed Forces to the workers who devote their efforts with true revolutionary passion to strengthening the country's defense.

In expressing thanks for the award of this high distinction, civilian worker Jorge Luis Gonzalez Alvarez spoke in the name of his comrades and said:

"Getting this award is another commitment which we undertake toward our party and our commander-in-chief because this expresses the love and admiration of our revolution for the Cuban working class, for those of us who daily give our support to the defense of the fatherland."

As part of this event, Lt Col Oscar Puig Cespedes, alternate member, Party Central Committee, and deputy commander of the Eastern Army in charge of political activities, replied in the name of that army's civilian workers to his comrades in the West, urging them to engage in brotherly competition in labor union work in honor of the Fourth Congress of the worker organization.

Jose Antonio Roque, chairman of the organizing commission for the Fourth Congress of the SNTC [National Union of Civilian Workers]-FAR congratulated the award winners and urged them to continue to work with dedication in order to accomplish the assigned task and to continue to materialize our slogan of production and defense.

Higher Institute of Military Medicine

"The medal which has been awarded to you and the pennants received are an expression of the respect, love, and admiration given to you by the party, the state, and the people to whom you have contributed in an outstanding form in connection with the consolidation, development, and perfection of the FAR," said Brig Gen Carlos Rodes Moro, deputy minister of the FAR, commander of the rear guard, during the award ceremony of the 20th Anniversary of the FAR Commemorative Medal, in addressing a group of workers at the Higher Institute of Military Medicine in the City of Havana.

The event was the proper setting for the institute to receive the pennant and diploma awarded by the political bureau of the Communist Party of Cuba to those who meet the requirements established in socialist competition dedicated to hailing the Second Party Congress.

The head table included commanders, officers, workers, and representatives of the party directorate, the government, and the mass organizations in the township of Habana del Este.

Col Guillermo Rodriguez del Pozo read the resolution of the Council of State granting this high award to the group of workers at this facility "for having maintained a consistent attitude in accomplishing the assigned tasks."

After the presentation of the pennants, Carlos Infante Suarez, secretary-general of the labor union bureau at the institute, read the resolution of the Party Political Bureau, directing the award of the pennant and diploma for special competition in honor of the Second Party Congress.

After the awards were received, outstanding worker Gilberto Prieto Perez expressed appreciation in the name of the entire work force. "We pledge," he said, "to improve every day. We are and we will be the strong bulwarks of the party, the government, and the FAR."

In concluding the ceremony, Brig Gen Rodes Moro talked about the significant role played by the civilian workers in the various stages of developing the FAR. This is why he said that "the presentation of the medal and the awards granted by the party are particularly significant."

Camilo Cienfuegos Vocational Schools

Havana VERDE OLIVO in Spanish 4 Oct 81 p 56

[Text] The successes achieved by the "Camilo Cienfuegos" military vocational school in Pinar del Rio are no surprise to anybody; for 5 consecutive years, the school has won the competition among centers of this type. From the First Party Congress to the Second--a record of hard work and dedication.

Founded in 1968, the school did not begin to win victory after victory until 1975. Always in first place which this group deserves because of the interest displayed in constantly improving all educational indicators.

At the end of the academic year, to give some statistics by way of example, the "Camilo Cienfuegos" military vocational school in Pinar del Rio achieved 100 percent advancement; the same result was achieved in the study program accomplishment; 98 percent in school retention; and 99.8 percent in teacher class attendance.

But these achievements are not confined only to percentage figures. The personnel in the principal's office, the teachers and the students are satisfied with the progress made in taking care of community property, military discipline, habits of formal education, and other aspects which, together, constitute the reason why this particular military vocational school is the best in the country.

Now, this brilliant record caused the center to be selected to celebrate the 15th anniversary of the establishment of the "Camilo Cienfuegos" military vocational schools which, over the years, have been an unequaled training ground for command cadres and officers for the FAR.

The ceremony was presided over by Jaime Crombet, member Party Central Committee, and first secretary of the party in Pinar del Rio, and by Central Committee member and CG, Western Army, Brig Gen Orlando Lugo Fonte, alternate member, Party Central Committee, and President of the Provincial Assembly of People's Government in Pinar del Rio, as well as members of the party executive bureau in that province, commanders and officers of the FAR, and other invited guests.

During the ceremony, the Council of State resolution was disclosed, awarding the "Ignacio Agramonte" Medal, first class, to Capt Julio Ferrer Ferrer, principal of the "Camilo Cienfuegos" Military Vocational School in Pinar del Rio.

This award is given to commanders of major and minor units and officers of the FAR who achieve positive results during periods of instruction and who, through their self-sacrificing, exemplary, and creative work in operational, combat, and political training, help strengthen, develop, and consolidate a high level of combat training and readiness among the troops.

The "20th Anniversary of the FAR" Commemorative Medal was also awarded to civilian worker Ermenegildo Hernandez which was presented by Div Gen Ulises Rosales del Toro.

Various awards were also presented during the ceremony to comrades who stood out by virtue of their work, as well as pennants, plaques, and diplomas at this military vocational school in recognition of the meritorious work done. Outstanding among these awards is the "Collective of Heroic Tradition" plaque conferred by the Council of State.

Capt Julio Ferrer Ferrer, the principal, spoke in the name of the military vocational school; he reviewed the history of this school and underscored the determination of all directorate personnel, teachers, and students to continue to harvest victories. such as this one.

The concluding remarks were presented by Div Gen Ulises Rosales del Toro who talked about the result of obtained by the "Camilo Cienfuegos" Military Vocational School in Pinar del Rio.

The CG of the Western Army stressed the work done by the directorate, the party, the UJC [Union of Young Communists] and the labor union section at this center in achieving important successes.

In his remarks, he praised the material study base at the school as well as the quality achieved in sports, cultural, volunteer work, and competition activities.

He said that the work of the UJC has meant a lot; its members are always in the vanguard in any task assigned.

The speaker mentioned the excellent work done by Capt Julio Ferrer Ferrer at the head of the school which is why he was decorated with the "Ignacio Agramonte" Medal, 1st class.

The CG of the Western Army also said that the "Camilo Cienfuegos" Military Vocational Schools have always attained the objectives for which they were established.

Finally, Div Gen Ulises Rosales del Toro transmitted greetings from all personnel of the Western Army to the collective at the "Camilo Cienfuegos" Military Vocational School in Pinar del Rio and urged them to continue to work with the same interest and dedication.

Later, Jaime Crombet, Div Gen Ulises Rosales del Toro, Orlando Lugo Fonte, and other party leaders, commanders, and officers of the FAR went to the firing range recently built at this school to open it officially. Amid toasts and good shooting, the visitors checked out the excellent operation of this firing range and the quality of the weapons.

In conclusion, in a simple ceremony, Jaime Crombet, member, Central Committee, and first party secretary in Pinar del Rio, received the "Distinguished Service" award in recognition of his outstanding participation in the creation and development of the Militia of Territorial Troops.

This award was also presented to Orlando Lugo Fonte, alternate member, Party Central Committee, and president of the National Assembly of People's Government in Pinar del Rio, and other members of the party executive bureau in this province.

Anniversary of Radio Engineers

Havana VERDE OLIVO in Spanish 11 Oct 81 p 57

[Text] The 20th anniversary of the radio engineering troops was marked recently by a unit of this service in the western region.

The ceremony was presided over by Col Ricardo Diaz Gonzalez, first deputy commander of the troops of the DAAFAR [Antiaircraft Defense and Revolutionary Air Force] and was a suitable occasion for once again underscoring the important and complex missions carried out by the radio engineering units.

On that occasion, diplomas were awarded to comrades with 15 and 20 years of service in this special field; their self-sacrificing effort during those years of uninterrupted work was recognized in this fashion.

As a part of this ceremony, two orders by the deputy minister and chief of the DAAFAR troops were read; these orders expressed the warmest congratulations to those who for all of these years had stoically provided for the surveillance and protection of the sky over the fatherland, congratulating the members of that unit of radio engineering troops of the western region for the results achieved in the inspection completed recently.

In concluding the ceremony, Col Fernando Tomassevich Merino emphasized the most outstanding moments in the history of this specialty.

"We view the development we have achieved with profound satisfaction," he said. "In the beginning we only had a few radar stations; now our service is made up of an entire system capable of accomplishing its missions in the most complicated situation."

Later he noted that the development achieved is no accident but rather the fruit of the hard work done by our FAR in order to perfect themselves, as a result of the effort made by our working people so that these results can be achieved and due to the aid which was given to Cuba throughout those years by our dear sister, the Soviet Union.

"Now, more than ever before," he concluded, "it is necessary to improve our training levels, to learn to handle the new weapons in the shortest time possible, and to perfect our methods and work style."

Military Enterprise Rewarded

Havana VERDE OLIVO in Spanish 11 Oct 81 p 57

[Text] The workers at the "Liberacion" military industrial enterprise received the pennant and diploma certifying them as winners in the special competition in honor of the Second Party Congress.

The resolution of the Political Bureau of the Communist Party of Cuba, awarding this decoration to this group, underscores the overfulfillment of the production plan, the low absentee rate, productivity, and cultural advancement, among other successes.

Francisco Travieso, member CTC [Central Organization of Cuban Trade Unions] Secretariat, presented the pennant to the FAR vanguard worker Felix Soulet, while civilian worker Rosa Silva received the diploma from the hands of Luis Marrero, second party secretary in the township where the enterprise is located.

During the ceremony a group of outstanding technicians in various enterprise activities also received the 20th Anniversary of the FAR Commemorative Medal. A group of commanders, officers, and civilian workers also received the "Distinguished Service" awards.

The concluding remarks were presented by Lt Col Jose Legro Sauquet who talked about the role played and still played by socialist competition in the "Liberacion" military industrial enterprise.

He said that the awards expressed the very high level of revolutionary consciousness of this collective which materializes the slogan of production and defense that came out of our party Second Congress.

He also congratulated the award winners who, with modesty and self-sacrifice, accomplished each of the tasks assigned by the party, the government, and the FAR.

5058
CSO:3010/166

BUDGET CUT DUE TO DROP IN FISCAL REVENUES

PA021837 San Salvador LA PRENSA GRAFICA in Spanish 25 Oct 81 pp 3, 20

[Text] The 40 percent decrease in the nation's fiscal revenues is the main reason for cutting the 1982 national budget, according to Eduardo Melendez Flores, under secretary of revenues.

He pointed out that the country's main sources of revenue--export and import duties--are precisely the areas in which the more drastic fiscal revenues decreases have been registered. The main cause for the decrease in exports, he said, is the drop in the price of farm products which, as in the case of coffee, fell drastically. This year the coffee export decrease was estimated at 1 billion colones.

The price of other farm products also dropped. The low cotton production also contributed to the decrease in duties. Melendez Flores noted that the restriction to import luxury items has also contributed to the drastic duties drop. Automobile imports which in the past was a high source of revenue is now frozen, causing a corresponding freeze on duties.

Unfortunately, he explained, these economic difficulties have forced a decrease in the national budget, thus, the government will neither create new jobs nor replace those employees who for some reason quit their jobs.

He added, however, that the government of the republic is confident that with the present austerity policy and the positive attitude of the Salvadoran worker, these difficulties will gradually disappear and the country will again return to a more favorable economic situation.

He said the commercial balance is presently unfavorable to El Salvador, but the revolutionary government is making efforts to recover lost ground. As in the past, the country's commercial balance was favorable with most of the countries it did business with.

Finally Melendez Flores said that saving on the part of the Salvadoran people in basic consumption products, mainly fuels, would counteract the nation's economic deficit and, when deemed appropriate some commercial restrictions could be eliminated to provide a new impulse to the nation's economy.

CSO: 3010/265

GOVERNMENT CREATES INSTITUTION TO AID REFUGEES

PA291248 San Salvador LA PRENSA GRAFICA in Spanish 28 Oct 81 pp 3, 22

[Excerpt] The revolutionary government junta issued a decree creating a new institution called the National Commission for Aid to Displaced Persons [Comision Nacional de Atencion a Los Desplazados--CONADES], which should start operation in about 15 days.

The announcement was made yesterday at a news conference by Interior Minister Jose Ovidio Hernandez Delgado and Interior Deputy Secretary Col Rodolfo Antonio Revelo. They were accompanied by Oscar Humberto Quiroz, civilian governor of San Salvador Department.

This new institution will have representatives from various ministries, among them the ministries of interior, defense, planning, education, public health and other organizations, such as the Agency for International Development, UN FAO, the European Economic Community, and other institutions like Caritas and the International Red Cross, which will contribute cash, food or medicines, so that CONADES can do a good job in taking care of displaced persons, who have taken refuge in other towns to escape violence.

This group of displaced persons, or refugees, as they are also called, are mostly from the northern zones of the departments of Chalatenango, Morazan and Cabanas. The number of displaced persons is estimated at between 140,000 and 160,000 men, women, children and old people, Interior Minister Hernandez Delgado pointed out.

The conflictive situation in these places during the current year has meant for the government, particularly for the Interior Ministry, a serious responsibility for which we were not prepared, Hernandez Delgado added. The exodus of persons who fled from their homes to seek refuge in some 120 municipalities forced us, because of elemental humanitarian feelings, to help them with funds available for other projects.

Minister Hernandez Delgado indicated that through these [aid] organizations, the government is planning that the aid given to displaced persons will become productive so that they will benefit from it in activities akin to their ability and knowledge.

CSO: 3010/265

INDIANS' NEED FOR PROTECTION FROM SUBVERSIVES CITED

PA310256 Guatemala City DIARIO DE CENTRO AMERICA in Spanish 23 Oct 81 p 2

[Editorial: "The Indians Must Be Defended From the Dangers to Which the Armed Soviet Aggression Against Our Country Has Submitted Them"]

[Text] The statement that Emeterio Toc Medrano, former leader of the Committee of Peasant Unity (CUC), made to the press yesterday constitutes one of the most eloquent appeals that have so far been made so that those who have fallen into the traps of subversion, particularly the Indians, will abandon those who have deceived them, leaving aside the small fanatical group which is mostly comprised of foreigners who carry out the aggression against our country.

The way that Mr Toc Medrano speaks shows the level of education that members of the Indian sector have achieved thanks to the development of education in Guatemala. The education of these sectors is source of satisfaction for all the Guatemalan people.

Nevertheless, Toc Medrano's disclosures about subversive infiltration in Indian organizations and groups shows the dangerous situation in which subversion has placed the educated people of this sector.

Using Marxist teachings, the organizers of subversion have directed a well-organized and carefully planned campaign toward the Indian groups. As Mr Toc Medrano's statements stress, they have used tactics of persuasion and pressure.

In view of Che Guevara's failure to obtain the support of the Bolivian Indians for a guerrilla action which he thought he could immediately and spontaneously obtain, the centers which currently direct Soviet infiltration in the Caribbean and Central American region have realized that a basic ideological infiltration is essential.

They have the idea that due to the history of exploitation since the Spanish conquest, the frustrations they have experienced in modern times and their current economic and social conditions, the Indians are the most likely to fall in the snares of a Marxist revolutionary propaganda in order to then turn them against the government of their country.

The objective is to have people who are manageable and disciplined and who can be used as cannon fodder in the armed interference that the USSR carries out in Central America as part of its plan to have strong points of support in the delicate strategic zone of the center of the continent and to have the possibility of blocking the supply of raw materials and other essential products for the defense of the United States in the case of a world war.

This newspaper believes that the statements of Indian leader Emeterio Toc Medrano shouldn't be limited to publication in the newspapers and the 45 minute television broadcast which perhaps don't reach the extensive zones where most of the Indian population lives.

It would be good if the cassette were broadcast by various institutions in the Indian regions, particularly the section in which former leader Toc Medrano speaks in Quiche to address those who speak this language.

The Indian population has been the victim of the subversive aggression directed by the Soviet Union. We must intensify efforts to defend the large Indian sector of the Guatemalan people from the danger of this foreign interference.

CSO: 3010/260

COMMENTATOR VIEWS EMERGENCY LAWS IMPLEMENTATION

PA300111 Guatemala City PRENSA LIBRE in Spanish 23 Oct 81 p 2

[National Events commentary: "Constitutional Restriction"]

[Text] The last two administrations have been reluctant to use the special measures they are empowered by law to use when situations arise which disrupt public order or endanger the nation's security. The criteria that has reigned until now is that the government can face these contingencies without resorting to restricting constitutional guarantees in any way. No one doubts, however, that this position has been influenced, not so much by domestic, but by international political considerations. We should say, in favor of this position, that until now, neither the threats to national security nor disruption of public order have attained their goal of overthrowing the constitutional regime and replacing it with a revolutionary one.

We should ask ourselves, now that this topic is being discussed, if the government's criteria that events occurring in our country do not warrant restrictive measures, is beyond reproach. First of all, we should determine whether the government's capacity to act without the use of a special public order law--being as it has been sufficient to prevent subversion from attaining its goal--has meant a greater effort. Has it meant greater attrition, an unnecessary prolonging of the conflict, or would the subversive sectors have been more speedily controlled through the use of special measures? There is an undeniable fact: During the last 6 years, 4 years of the previous administration, and 2 years of the present administration, subversive activities have increased greatly, although it seemed as if its bases and leaders had been smashed and a long period of peace had been assured. The results seem to show that the subversives took advantage of the constitutional guarantees to regroup, to establish new logistics support, and to feed on the human resources exported from the south.

It could clearly be seen that this was happening from the times of General Laugerud Garcia's administration. However, in order not to adopt dictatorial positions, no effort was made to invoke the special powers contained in the laws, to prevent it from happening. Under these conditions, the following government, which is about to end its term, received a somber legacy: a strong subversive process spread throughout the republic like never before.

The laws are strict, and the nation's security forces are sufficient to insure law and order under normal situations. They are, therefore, able to do their duty and avoid causing unnecessary trouble for the government and people. However, subversion, especially when it has international links as is the situation throughout the world, is something out of the ordinary. It is so specialized and organized that a government can fall victim to its own excess of confidence. Or, as in the Guatemalan case, of a tendency to compromise with foreign factors, such international public opinion or the never concealed animosity which the Carter regime showed at all times toward Guatemala.

To a large extent, this "Carterian" animosity--since it was not only the personal attitude of the former president, but of all the levels of his administration, inhibited the Guatemalan authorities from implementing the special measures established by the law for situations of institutional danger. They feared that this decision could tilt the balance and lead to a reaction against our country and its authorities. This negative element has partly disappeared. However, it continues to weigh on the minds of those who must make decisions when the matter of special measures is considered. A deputy explained this situation very plainly when he said that if the public order law is implemented "our international enemies will say that they have cornered the government and that we are arriving at a situation similar to El Salvador's, which is not true." Therefore what matters is not the importance of the government's decision or the existing need to act in a certain manner, what matters is what the enemy will say. This is true even though the present Washington regime is very different from the previous one and has emphasized its anticommunist stance in an emphatic and vigorous manner and has expressed its interest in putting an end to the Castroite threat in the area. Therefore, is the reason justified? Decidedly not. The matter must be decided based only on what is best for the country, the need to insure institutional security in the best manner possible and decide what serves the Guatemalans best, acting with a realistic, pragmatic and objective criteria. This has been frankly expressed by the army's chief of staff in a personal manner, without the intention of interfering in decisions which are within the realm of other government officials.

CSO: 3010/260

BRIEFS

RADIO STATION'S ANNIVERSARY--Emisoras Unidas de Guatemala, S.A., will celebrate its 17th anniversary today. Headed by Radio Fabulosa, AM and FM, this network is made up of Radio 1090 also in Guatemala City, Radio Imperial in (Las Verapazes), Radio Utatlan in El Quiche, Radio Tecun Uman, in Quezaltenango, Radio Tacana in San Marcos, La Voz Del Tripico in Coatepeque, La Voz de La Costa Sur in Retalhuleu and Radio Campesina in Escuintla. [Guatemala City PRENSA LIBRE in Spanish 15 Oct 81 p 59]

CSO: 3010/260

PINU LEADER VIEWS UPCOMING ELECTIONS

PA040446 San Pedro SULA TIEMPO in Spanish 21 Oct 81 pp 10, 32

[Statement by Miguel Andonie Fernandez, leader of the National Innovation Unity Party, PINU, broadcast on a national radio and television network on 19 October]

[Excerpts] My fellow countrymen:

Almost a month away from the elections, the national political climate is one of uncertainty and fear.

The people are concerned by a series of facts, about which PINU cannot remain silent: electoral fraud; national registry of voters; agreements among presidential candidates; the accuracy of the census; the armed forces communique; the date of the elections; and a possible national accord.

Electoral Fraud

The Honduran electoral system is obsolete and is given to considerable manipulation. It is based on a census prepared for each election.

The sources on which the census is based are essentially two:

1. The birth registries entered into the civil registry kept by municipalities; and

2. The resolutions by the courts of justice, which supply entries that do not appear in the civil registry.

It is no secret that the traditional parties have vied for the control of the municipalities and the courts with such effect that, before elections are held, victory is predicted for the political party with the greatest control over them.

In view of the urgent need to reform the Honduran electoral system, PINU assumes a serious and responsible attitude, even though this is denied by those who judge the actions of others according to their own behavior.

PINU is willing to assume its share of the efforts to participate in the democratic development of Honduras. It has done so in the past and will continue to do so.

Likewise, PINU can state with pride and honesty that it has not violated the electoral law and that it stands honestly before the Honduran people.

Agreements Among Presidential Candidates

The previously mentioned fraudulent practices have, in recent weeks, provoked the first warning by the armed forces to the presidential candidates.

The armed forces said that they were reluctant to commit their prestige to the course taken by the electoral process and wished past errors to be amended. Unfortunately their appeal came too late, when there was little that could be remedied.

In view of this situation, a meeting was held among the four parties. During the talks held by the presidential candidates and the advisory commissions, PINU strived to find formulas for amendment and understanding. These were incorporated into the recently issued Decree 82.

Decree 82, issued with the intention of continuing the census revisions during October, represented a compromise among the four parties intended to strengthen the electoral process. This decree is not all that we would have liked; nor do we believe that it represents what the other parties wanted.

The Accuracy of the Census

Regarding the accuracy of the census, PINU has fulfilled the demands of Decree 82. PINU has given its unlimited cooperation to the National Electoral Tribunal.

The Armed Forces Communique

The armed forces communique of 10 October 1981 was issued under the previously described conditions. PINU did not participate in the talks that preceded the communique, but we did analyze it in detail.

What is more, PINU is concerned about the criteria it expresses: "That the armed institution will support the results of the same if (the process) is carried out freely and honestly, in accordance with the law."

PINU believes that the armed forces' statement may endanger the fundamental principle of a democracy: that all power derives from the people.

PINU also believes that if we are interested in and committed to a process of democratic restoration, we must all, without exception, submit to the law and to the institutions it establishes.

We are about to overcome an exceptional situation. We must begin by guiding our actions by the constitutional principles that limit the power of and ordain relations among the various organs of the state.

The constitution assigns the armed forces the obligation of watching over the freedom of suffrage, which does not involve a decision on the course or results of an election. This power belongs to the National Electoral Tribunal.

Also, the armed forces cannot avoid its historical responsibilities. In April 1980, it proclaimed its intention of leading the country until it turned power over to a civilian government elected by the people. The responsibility does not reside only in the political leaders, because the kind of participation that the armed forces had and still have does not permit either them or the politicians to make a tactical withdrawal.

Yes, we do agree that the sovereignty of the people is inherent to the existence of the democratic system. Yes, we do agree that the sovereignty of the people is inherent to our condition as free men of a civilized society that wishes to live in peace.

The Date of the Elections

As for the date of the elections, we must begin by reasserting that many mistakes have been made during this electoral process.

It suffers from vices and irregularities inherent in our political underdevelopment, sectarianism, abuse and the attitude of groups or persons who want to assure themselves an advantageous political position a priority.

If we cannot reach an institutional solution deserving the unanimous approval of the sectors directly involved in the electoral process, there is no alternative but to hold elections on the established date.

Fellow Countrymen

We know that our country runs an enectoral risk because of the distortion of the census and that our party is the victim of irregularities that it has not provoked. However, our concern for Honduras is still greater and we do not want to raise our legitimate political interest over our concern for the nation's peace. Above all, we want Honduras to overcome this climate of uncertainty and fear.

Just as we have not committed any action to violate the results of the elections, PINU will not promote the postponement of the elections scheduled for 29 November.

We believe that a month away from the elections, the Honduran people need to be given assurances and confidence.

National Objectives

PINU's attitude would be meaningless if it did not seek a more important objective: the installation and development of the democratic process in Honduras.

Within this concept, we invite the armed forces, the country's productive sectors (businessmen and workers) and other political parties to also come out publicly

and state whether they are ready to begin the task of national salvation, discussing and approving a solemn commitment before the people of Honduras, which could include the following points:

1. Support for the present electoral process;

2. reform of the Honduran electoral system;

3. an emergency plan to reactivate the national economy;

4. creation of a government for national recovery;

5. adoption of an international policy based on the national interests of peace, freedom and progress;

6. rejection of violence as a means of solving political differences;

7. rejection of any totalitarian form of government;

8. creation of a pact of social understanding among the nation's productive sectors;

9. establishment of measures to insure honest government and to make public administration more responsive.

These proposals include what could be the beginning of a great national accord, in which the final say lies with the people of Honduras, expressed by their more representative organizations.

CSO: 3010/265

REORGANIZATION BEGINS IN FINANCE MINISTRY

PA300650 Tegucigalpa Domestic Service in Spanish 1130 GMT 29 Oct 81

[Text] The Public Relations Office of the Finance and Public Credit Ministry hereby announces that the first steps for the administrative reorganization of the Finance and Public Credit Ministry were taken yesterday to achieve a more effective administration of the state's fiscal resources.

To this end, Finance and Public Credit Minister Dr Benjamin Villanueva has appointed the following high-ranking officials in that ministry: (Roger Gonzalez), as senior official to replace (Armando Ayes Serna); (Maria Antonieta Dominguez), as general public credit director to replace (Angel Ordonez); (Gabriel Ordonez), to the General Tax Directorate to replace (Fausto Velez Suazo); (Jesus Rojas Caron), as legal adviser to replace lawyer (Leonel Castro Cuello); Marianela Baltodano, who will be in charge of the Central Personnel Office, to replace (Rodolfo Mauricio Matute) and (Jorge Danilo Lopez), who will be in charge of the General Administration Office, to replace (Linda Rita de Martinez).

On 2 November those appointed will begin evaluating the [word indistinct] of each of their respective units in order to speed up and improve their functioning. Other ministry directorates and units will (?continue) to be thoroughly analyzed in order to determine alternate courses of action in the future, depending on their activities during the next 2 months of administrative performance.

As is already known, fiscal receipts from income taxes from 1 to 15 October 1981 have dropped by 20.4 million lempiras, as compared to the same period during 1980. This has been partly due to the fact that the new system of installment payments was implemented last year and partly to delays in the payment of their taxes on the part of both individuals and corporations.

The Finance and Public Credit Ministry will immediately begin implementing the necessary legal and persuasive measures to speed up the collection of income taxes during November and December.

In addition, import taxes and charges have increased by 33.4 millions during the same period. These include the new taxes generated by Decree 14-54. However, there is still much room to improve these collections. The Finance and Public Credit Ministry is adopting the necessary measures in order to better supervise and speed up the collection of these taxes, which along with income taxes constitute two

of the most important areas of fiscal revenues for the state. Similar measures will be implemented for the better collection of taxes on production and exports.

In short, even though in 1981 fiscal receipts have increased by 51.7 million lempiras, there still is considerable room for better tax administration. To complement these measures and the administrative austerity measures already announced, the Finance and Public Credit Ministry will soon begin implementing a number of other measures alongside the Central Bank of Honduras. These measures will make it possible to attract more foreign exchange from abroad and to strengthen our international reserves position in order to give greater dynamism to the country's productive activity.

Tegucigalpa, D.C., October 1981
Finance and Public Credit Ministry

CSO: 3010/265

DIAZ S.: MOSCOW ASSIGNMENT IS NOT EXILE

Mexico City EXCELSIOR in Spanish 13 Oct 81 Sec A pp 1, 19

[Text] Yesterday, Jorge Diaz Serrano, former director general of PEMEX [Mexican Petroleum], denied that his appointment as Mexican ambassador to the government of the Soviet Union was political exile for him, remarking: "If this is political cannibalism, welcome."

Interviewed shortly after having visited the candidate Miguel de la Madrid in his PRI [Institutional Revolutionary Party] offices, Diaz Serrano, when asked whether there was a possibility of his returning to politics, replied: "I wish to return to politics in my country, but Miguel de la Madrid has the say."

The former official, who arrived at the candidate's offices with 12 bodyguards and press agent Francisco Galindo Ochoa, said that the purpose of his visit was to greet his friend, "who has now become my party's candidate,so as to convey my congratulations to him."

[Question] Sir, isn't giving embassies political cannibalism?

[Answer] This is a very strange question. I don't understand what connection there could be between "political cannibalism" and embassies. I have already said that the position which President Lopez Portillo gave me is a very honorable one, which is why I am quite contented and interested in performing the mission.

[Question] Sir, could it not be your political exile?

[Answer] I don't think so. To me, a political career is a great reward.

[Question] Don't you feel victimized?

[Answer] That is precisely what I am denying. I am saying that I am satisfied, that this is a major part of my political career and that it is highly constructive.

He noted that, as a Mexican, he is still interested in the issue of oil ("a pivot for the nation and the world"), but he refused to answer the question concerning the risks involved in selling Mexican oil for the United States' strategic stockpile. He declared: "I shall soon be in contact with the director of PEMEX, Julio Rodolfo Moctezuma, and I shall be receiving precise instructions from him for my action with respect to the Soviet Union."

During the talk with reporters (held in the candidate's waiting room), Diaz Serrano mentioned that the relations between Mexico and the Soviet Union are close in the social, political, economic and commercial areas, remarking that he will be leaving for Moscow on 26 October for the express purpose of attending the celebrations marking the October Revolution.

2909
CSO: 3010/243

JAPAN PLANS INCREASED INVESTMENTS

Mexico City EXCELSIOR in Spanish 29 Oct 81 Sec C and F, pp 4, 9

[Text] Tokyo, 28 October (EFE)--A large Japanese economic mission will be visiting Mexico during November, for the purpose of increasing imports of Mexican products and exploring the possibilities for transferring technology and investing in the country.

The mission, organized by the Ministry of International Trade and Industry, and headed by Bunichiro Tanabe, president of the Mitsubishi Corporation, will leave Tokyo on 6 November, and will remain in Mexico until 18 November.

It consists of 131 persons, including government officials and businessmen, and is the largest commercial mission sent by Japan thus far to any country to promote imports and investments.

According to Japanese sources, the sending of this sizable group to Mexico is a response to the request made by President Lopez Portillo's government to the Japanese minister of international trade and industry, Pokusuke Tanaka, during the vist which the latter paid to Mexico last January.

In addition to meeting with Mexican government officials and businessmen, the Japanese mission will visit 30 cities in the country, including Mexico City, Guadalajara and Veracruz.

Decline in Imports

Economic observers estimate that the current status of Japanese-Mexican trade is typified primarily by a decline in imports of Mexican products by Japan, excluding oil.

This decline is so noteworthy that, in 1980, crude accounted for 26 percent of Japan's imports from Mexico, worth $934 million, whereas, during the first 8 months of this year, oil accounted for 60 percent of those exports, valued at $1.938 billion as of 31 August.

This means that, apart from energy, Japan imported far fewer products this year from Mexico than it did last year.

In 1980, the trade balance was favorable to Japan by $289 million, while for the first 8 months of this year, the balance in Japan's favor stood at $127 million.

Although the observers think that the total deficit this year will be less than that of last year, they do not fail to note that this is due to sales of oil, and not of other products.

In addition to the crude, Mexico would like Japan to import copper, manganese, coffee, fruit, vegetables, cotton, and jewelry and glass items, among other products.

2909
CSO: 3010/243

ROMERO K.: NO SPECULATION WITH THE PESO AT ANY COST

Mexico City EL SOL DE MEXICO in Spanish 29 Oct 81 Sec A pp 1, 14

[Text] Yesterday, the manager of the Bank of Mexico depicted a strong situation for our economy at the conclusion of the 6-year period. He claimed that Mexico is a viable country with solutions, which is growing while the whole world "is on its knees;" but acknowledged that, despite the progress which has been made, "there are still many basic needs that remain to be met," and there must be a correction of pressures such as inflation and the deficit in the balance of payments, which "has nearly doubled."

Gustavo Romero Kolbeck also repeated to the skeptical the warning that no speculation with the Mexican peso will be allowed at any cost or at any price, commenting that if they want to play at buying and selling, then it will be as it is in poker, "They will have to pay in order to see."

He also had words of encouragement for the critics of the foreign debt: "You need not fear...the country has resources; its development in all areas is excellent; and, furthermore, you must not think that the strength of the United States dollar is going to last a lifetime."

As for those who see pressure from abroad, or a desire to exert it, he simply reminded them that Mexico is sovereign and will not permit any type of pressure; noting that, insofar as the International Monetary Fund or the World Bank is concerned, "It's none of their damn business what we do internally."

Romero Kolbeck spoke thusly (with his by now unique manner of "translating" the language of the economists into simple explanations) before a hundred-odd finance executives representing some of the nation's leading business firms.

In his brief remarks concerning the economic situation, the head of the Central Bank noted that, from the information for the first 9 months of the year, "we can conclude that the evolution of the economic and financial variables suggests a healthier behavior of the Mexican economy than had been expected at the beginning of the year."

He added that, in fact, the production indicators show a significantly greater increase than that observed in January and February; the investment process is advancing at a more dynamic pace than last year; the rate of increase in imports has moderated; there are signs of a recovery, albeit slight, in non-oil exports; and the rate of increase in prices (inflation) during the period in question is lower than that registered last year.

He also cited major gains in the financial area: the level of attraction of bank deposits is "remarkably high" and their composition reflects "healthy conditions" because most of the bank liabilities are medium or long term, and in national currency; and the financing granted by the private and mixed banks has increased at a similar rate, thus making it possible for the rate of investment not to be reduced.

However, Romero Kolbeck explained: "There are still many basic needs that remain to be met, and structural problems to be solved over the long term, such as inflation and the deficit in current account in the balance of payments, in order to achieve a continuous growth."

He also cautioned that the great effort for growth "has fostered the advent of some short-term pressures."

In this regard, he expanded upon his statement, commenting that "it would be a delusion" to expect domestic production to satisfy the entire dynamic demand that has been evident during the past 4 years. Another short-term challenge is the deficit in current account which, at the close of the seventh month of the year, "has nearly doubled" in comparison with a similar period in 1980. However, he said that, at the same time, it has been noted that the rate of increase in imports has been declining during the year, and hence a "relative reduction" is anticipated in the increase in this deficit for the second half of 1981, adding that "it will not pose a serious problem."

The official emphasized the fact that these problems "are far from serious," in the first place because the country's foreign debt capacity has increased consideably in recent years, and because "there is a clearcut decision on the government's part to continue adopting measures against inflation and to protect the balance of payments."

He stressed: "Growth cannot be sacrificed, because it produces jobs; but, on the other hand, inflation also has effects on some major maladjustments. So, we must find the balance between these factors, while at the same time making structural changes that will enable our economy to continue growing fast, and to depend less on foreign countries."

Later, when questioned by executives and newsmen, Romero Kolbeck remarked that, in order to discuss the Mexican economy of 1982, one would need a "very huge" crystal ball. Nevertheless, he expressed the view that 1982 would be similar to 1981. The economic variables will behave as they have this year, and "there is hope that it will be possible to curb inflation even more," because there are favorable factors.

He also said that, in 1982, "We think that the deficit in current account will be more manageable, and will undergo a sizable reduction; and we hope that the industrialized countries will improve and emerge from their recession, so that they will buy more from us, and more tourists will come."

When he heard the question as to whether the country has gone to excesses in its debt, he merely replied: "You should not be so frightened."

He emphasized that Mexico has an excellent economic viability, greater than it had many years ago, with sufficient resources and an enviable growth.

He cited the advancement of the American dollar over other hard currencies, including ours, of course, but Romero Kolbeck commented optimistically that "you must not think that the strength of that currency is going to last a lifetime."

After persistent queries as to how much the IMF or the World Bank allowed us to become indebted, he promptly retorted, "It's none of the damn business of the IMF and the World Bank what we do internally."

Another individual inquired about the "slide in the peso" and asked how long it was expected to continue.

The head of the central institution almost turned the question into a joke because, as he reiterated: "It's the same boring thing as ever."

"That question about 'how long will the slide in the peso continue' seems to me to be a kind of reprimand," he remarked, while some outbursts of laughter were heard in response. However, he gave an account of the "strait jacket" that our currency had withstood for 22 years, with a fixed parity of exchange with the dollar.

In the past, he added, any fear of devaluation "made us tremble and pray to the Virgin of Guadalupe that this country would not disappear;" but now, we do not have that "strait jacket" and we have, like many other countries, opted to leave our national currency free on the market, and "things are going well for us, the Virgin of Guadalupe has worked all the miracles for us, and will continue to do so."

So, he remarked, our currency is doing well, and "we have decided not to intervene so long as this (the slide) is a matter of cents; because, otherwise, it would be like imposing a rate of exchange."

Moreover, he repeated: "If we notice speculative moves, then we would immediately intervene and put everything in motion to end any irregularity."

However, he commented that there is now a maturity among Mexicans, and there are actually few who are frightened at the movements of the peso.

2909
CSO: 3010/243

MMH: WE MUST NOT DEPEND TOTALLY ON OIL EXPORTS

Mexico City EL SOL DE MEXICO in Spanish 29 Oct 81 Sec A pp 1, 14

[Text] Aguascalientes, Ags., 28 October (OEM)--During a planning meeting, Miguel de la Madrid remarked that one of the fundamental points in our development strategy for the coming years will be to diversify the sources of supply of foreign exchange to prevent our foreign trade from depending too much on oil exports.

He said that these goals are called for in the Basic Government Plan, a document aimed at providing the population with employment and minimal welfare, and dealing with food, education, health and housing as priorities.

Hence the importance to national development of fruit growing, a sector of industry which represents a vast potential for the establishment of programs to promote exports and thus diversify our exporting activity, bolstering the country's economic independence.

The PRI's [Institutional Revolutionary Party's]candidate for the presidency of the republic spoke at the Popular Meeting for the Planning of Fruit Growing, held in a movie theater in this capital in the presence of representatives of the public and private sectors.

In this regard, the former secretary of programing and budget commented:

"Fruit-growing can contribute to our economic growth in a larger proportion," in addition to citing its importance as a source of food for the people and as a contribution to the increase in jobs.

He stressed that we have a climate, soil and ecological conditions that enable us to attain great development in fruit-growing, but he cautioned: "We need better organization to take advantage of this natural resource."

He said that an impetus must be given to the process of planning the development of fruit-growing, and emphasized that, in his opinion, this sector should be part of a national fruit-growing program.

In this respect, he noted that the cooperative movement has prospects in the organization of fruit producers, and the candidate recommended a continuation and intensification of the family truck gardens, especially in the rural areas, without neglecting the urban sections.

Specific Proposals

Several experts on the subject participated in the Popular Meeting for the Planning of Fruit Growing, and submitted a group of suggestions for taking full advantage of fruit production.

For example, Dr Jesus Moncada de la Fuente proposed that the following areas should be considered for Mexico's fruit-growing policy:

Complete planning, education and training, production of technology, technical assistance, fruit tree propagation, backing for the development of fruit-growing infrastructure, support for the integration of agroindustry, increased and timely granting of financing, marketing, promotion of the producers' organization and intersectorial coordination of that industry.

Engineer Adolfo Perez Borja, for his part, pointed out that the supply and industrialization of fruit show some shortcomings in harvesting, reception, post-harvest processing, handling and packaging, transportation and storage, which have brought about severe regulations estimated as affecting 30 percent of the production in connection with transportation, storage and distribution alone, whereas in the countries with advanced technology the figure is about 5 percent.

Jose Luis Gudino Gonzalez gave the following statistical data: Fruit growing is currently under way on 1.2 million hectares, and is valued in excess of 40 billion pesos; it produces 84 million day's wages per year, which is equivalent to 300,000 full-time jobs in the various production areas.

However, he pointed out that, despite these highly positive figures, the real fruit growing potential is not being exploited efficiently; and hence if immediate action were taken it could double within a short time.

Dr Hector Borges, in his remarks, noted that, unlike many country where "it is a seasonal luxury," it is customary for Mexicans to have an enormous variety and abundance of fruit available throughout the year.

With regard to the features of those products, he said that fruit affords an opportunity to improve the quality of the Mexican population's diet, and this opportunity is an immediate one, because both the fruit-growing resources and the tradition of consumption already exist.

2909
CSO: 3010/243

POLITICAL LEADERS COMMENT ON FSLN PROPOSAL

PA260341 Managua LA PRENSA in Spanish 18 Oct 81 pp 1, 12

[Text] Three of the most outstanding democratic leaders of the country, conservative Dr Emilio Alvarez Montalvan, the president of the Nicaraguan Democratic Movement, MDN, and chairman of the Democratic Coordinating Board, Alfonso Robelo, and the president of the Social Christian Party, Adan Fletes, expressed their opinion on the FSLN pronouncement of 16 October in which political circles seem to find an appeal for peace and national concord.

In the opinion of Dr Alvarez Montalvan, the FSLN's official statement "is in some respects positive and encouraging. The problem lies," he noted, "in making rhetorics a reality."

"It would be useless to resort to the old tactic of two steps forward and one step back, because time is running out," he added.

Dr Alvarez then said: "It is obviously not a matter of refusing to recognize the FSLN's right to aspire to the administration of the revolutionary process. We all want a realistic and effective leadership, one that will consult both the political and production sectors."

"It must be clearly established," Alvarez Montalvan noted, "that any orientation and moves for a position outside the geopolitical context will only lead to more waste of time and to a repetition of strategies already proven unsuccessful in the area."

In relation to Commander Daniel Ortega's proposal at the United Nations in the name of the Salvadoran opposition, Dr Alvarez said: "It occurs to me that if the coordinator of the governing junta of national reconstruction can go before the United Nations to act as spokesman for a guerrilla group in a bid for peace in El Salvador, why can't he in turn act as spokesman for the democratic and business sectors of the opposition in Nicaragua before his fellow members of the FSLN's national leadership and tell them of our fears and interests and try to create the proper climate that may lead to the national negotiating table? Why if he seeks peace for El Salvador does he not seek to preserve that peace in Nicaragua?"

Dr Alvarez added that "a correction of past behaviors can only be achieved within a climate of true freedom of the press."

Alfonso Robelo, referring to the FSLN pronouncement said: "What I see is that the FSLN continues to stagger from one side to the other. First it allows itself to be swayed by emotion and then it tries to rectify it. I consider this an erratic behavior, one that evidences a lack of a clearly defined and consistent line."

He goes on to say: "These appeals are of no avail if the attitudes remain unchanged. One must be consistent in a position and show cohesion in the statements, speeches and deeds."

For example, Robelo said, they speak of dialogue and the integration of all sectors. Yet they broke up the forum with the speech of Commander Daniel Ortega on 19 July of this year. I do not know, he added, if they are again calling for a dialogue. If not so, then I see they are still staggering.

Concerning the El Salvador matter, Robelo considers the proposal submitted by the Salvadoran guerrillas through Nicaragua as mature enough, but their acts such as the recent destruction of the most important bridge in El Salvador show the opposite.

Besides, Robelo continued, the governing junta coordinator lacked pragmatism in presenting a proposal in which the United States is involved and yet making such a ferocious attack as he did on that occasion.

Further on Robelo notes that it is also important in order to settle the Central American crisis to be careful of what one says, of emotional speeches, and of a number of attitudes that only create fear.

Concerning the FSLN declaration's part which refers to the citizens' security, Robelo said: "Let us hope it means to establish control of the mobs; let us hope it means that the democratic political parties will feel more secure in our meetings; let us hope it means to stop speaking of hangings."

The MDN president concluded by stating "that despite the treatment afforded by the FSLN to the democratic forces, we are always willing from a position of respect and free of impositions to cooperate in the enhancement and welfare of our abused Nicaragua."

The president of the Social Christian Party, Adan Fletes, said that although he saw nothing in the FSLN declaration which had not been said before, it is necessary to review some points.

Concerning the Salvadoran issue, Fletes said: "When the junta coordinator submitted the proposal before the United Nations, we said it would mean the intensification of military actions, and Chalatenango and Oro Bridge today confirm our predictions. Peace in El Salvador," he continued, "can be achieved by specific acts such as a cease-fire which, besides being necessary, is urgent."

To Fletes, for the FSLN to speak of a dialogue over the Central American situation is the same as being a lantern on the street and having darkness in your own house. We need the dialogue here, he said, but a frank dialogue, not as those held by the FSLN with MISURASATA [Miskito, Sumu, Rama, Sandinist Unity] and COSEP [Higher Council of Private Enterprise], or like the forum. The people need a dialogue with more positive results, and as long as there is no testimony to back the proposals, these will end in failure, he noted.

Fletes thinks that the FSLN must hold an internal debate concerning the crisis affecting us, because "if this is not done, and a realistically possible alternative is not produced within the government party which could be put into effect by January 1982, those politically responsible will continue to drive the country into more difficult situations."

Referring to the citizens' safety offered by the FSLN in its pronouncement, the PSC president commented: "The front's leadership offers to continue guaranteeing the citizens' safety under any circumstances. But if citizens have already been subject, for political reasons, to beatings, stonings, insults and their houses being besieged, while impassive authorities looked on, we can well imagine what kind of safety guarantees will be forthcoming, unless there is now a willingness to really begin anew. This, however, has its contradictions in view of recent speeches.

"Actions speak louder than words," the president of the PSC concluded.

CSO: 3010/263

D'ESCOTO STATEMENTS IN BRAZIL, ECUADOR REPORTED

Criticizes U.S. Government

PY062036 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 5 Nov 81 p 7

[Excerpts] Nicaraguan Foreign Minister Father Miguel D'Escoto explained that as soon as the Sandinist government had taken over a law was issued aimed at strengthening the country's weakened economy and that this law "will be implemented among all groups or factions and the person who violates it, no matter who he may be, will be punished for doing so." Regarding the closing down of LA PRENSA he stated that this decision was decreed after it had published a series of reports aimed at worrying the Nicaraguans regarding the country's economic situation. The foreign minister pointed out that Nicaragua is currently the victim of a campaign aimed at discrediting it and which is being carried out on two levels: the international campaign orchestrated by the United States which is displeased at having lost political control of the country and the domestic campaign orchestrated by national groups "who were against Somozism but shudder at the idea of a true democracy where the people's rights prevail."

During a press conference held at Itamaraty at the end of his official 2-day visit Father Miguel D'Escoto made a point in emphasizing that Nicaragua is marching toward a true democracy and that at present representatives of all the political parties, from the Communist Party up to the most conservative parties, as well as representatives of all the social and religious sectors hold a seat in the Nicaraguan congress.

During a speech made at a luncheon in his honor at Itamaraty the Nicaraguan foreign minister harshly criticized the U.S. Government decision, which he termed inhuman, to cancel the sale of wheat for the total of $5 million which forced the Nicaraguans to eat corn bread. He stated that during the past few years Central America has been one of the most conflict-ridden areas of the world where institutionalized and revolutionary violence exist because it is one of the poorest regions in the world "which has been exploited without mercy for centuries." He also believes that the Central American area and the Caribbean should be given preferential treatment by the developed countries and those Latin American countries with a relatively superior development such as Mexico, Venezuela, Brazil and Argentina.

D'Escoto's speech was considered excessively harsh against the United States, especially because it was made at Itamaraty where 2 hours before the U.S. ambassador

had met with Minister Saraiva Guerreiro to discuss bilateral issues. His praise for the Brazilian foreign policy was not enough to dampen the impact caused by his criticism of a Reagan's administration.

"Ever since Reagan assumed the presidency our political relationship with the United States has deteriorated as a consequence of the intolerant U.S. intervention in our domestic affairs, U.S. tolerance and involvement with the former Somoza supporters who are training for an invasion of Nicaragua in Florida and California, as well as the systematic campaign of calumny against our revolutionary process. President Reagan does not approve of the changes which we are making in an obsolete and unjust socioeconomic policy which was maintained by Somozism for almost 50 years. Neither does he accept that our foreign policy decisions are made in Managua and not in Washington as it used to be."

Yesterday the Nicaraguan foreign minister was also received by acting President Aureliano Chavex at his office in Planalto Palace. Nicaraguan Ambassador Ernesto Gutierrez and Ronald Sardenberg, advisor to Saraiva Guerreiro, also attended the meeting with Saraiva Guerreiro. At the end of the meeting D'Escoto made a dash to the elevator in order to avoid the journalists.

U.S. Intervention 'Serious'

PA071706 Managua Radio Sandino in Spanish 1200 GMT 7 Nov 81

[Text] The Nicaraguan foreign minister has deplored in Ecuador the recent U.S. threats against Nicaragua and warned that Sandino's people will not be alone in case of aggression.

The following report has been received from Quito:

Nicaraguan Foreign Minister Miguel D'Escoto has said here in Quito that the U.S. intervention in Central America is so serious that it may easily trigger generalized conflict in the area if it is not stopped.

D'Escoto denounced Washington's lack of understanding regarding the area's problems. He said that Washington obdurately explains them as part of the East-West conflict and ignores their real roots.

D'Escoto met with Luis Valencia, his Ecuadorean counterpart, and was later received by President Oswaldo Hurtado. His visit to Ecuador and his recent visits to Brazil and Peru are part of a tour of Latin American countries to strengthen Nicaragua's friendship ties with these countries.

When referring to the situation in Central America, the foreign minister repeatedly said that it has historical roots. He said the peoples in the region have been struggling for many years to overcome poverty and have now decided to forge ahead, sparing no effort to achieve their objectives.

Regarding the U.S. threats to smother Nicaragua economically, he said that, thanks to the Lord, our country has friends all over the world.

CSO: 3010/263

WHEELOCK DISCUSSES REGIONAL SITUATION IN STATEMENT

Notes 'Militarism'

PA070214 Panama City Circuito RPC Television in Spanish 1715 GMT 6 Nov 81

[Text] Commander Jaime Wheelock, minister of agriculture of Nicaragua, made a 1 and 1/2 hour stopover in our country on his way to the UN world food conference. Commander Wheelock said that the current situation in Central America is critical and that if the peoples don't do their part, violence will increase. The Nicaraguan military officer [as heard] said that the USSR and Cuba are not a threat to Central America, but that the United States is. When asked about Cuban participation in the success of the Sandinist revolution, the commander said that the Nicaraguan people's emancipation movement is genuine and that at no time did Cuba participate in it. The commander also believes that there is an increased militarism in Central America.

Speaking of the four Nicaraguan businessmen who were arrested, the minister of agriculture said:

[Begin recording] We had to enforce the law. Nicaragua is in a state of economic and social emergency and there are extreme rightist and leftist forces who are disrupting the atmosphere of tranquillity, national reconstruction and economic stabilization that we are promoting. They defied the government by issuing a message that called for destabilization and illegitimacy and for disregard of the government during times in which many leaders of the so-called Communist Party were being arrested for calling strikes. On one hand, we struck a blow at the extreme left and, on the other, we also had to arrest the leaders of private enterprise who are, in a certain way, politicized people, for there are hundreds of citizens in the country who are working peacefully for reconstruction and who are protected and encouraged by the government. Thus these can be interpreted as actions of isolated groups; once the law has been issued and we have made our intentions of enforcing it quite clear, we will always follow a benevolent policy. [End recording]

Criticizes U.S.

PA061931 Managua Radio Sandino in Spanish 1200 GMT 6 Nov 81

[Text] The arms buildup which the Reagan administration is promoting in Central America, and most particularly in El Salvador, was criticized yesterday by Jaime Wheelock, commander of the Sandinist revolution, on his arrival in Panama while en route to Europe.

Referring to the violence ravaging Central America and Nicaragua's role in efforts to achieve peace, the Sandinist commander reiterated the position of the revolutionary government of promoting peace and stability in the area. He said that, however, the present U.S. Government is promoting a totally different policy and intensifying the political and economic difficulties which are hampering the peace talks, particularly in the case of El Salvador.

Wheelock arrived at the Omar Torrijos Airport during a technical stop while en route to Rome, Italy, where he will participate in the world meeting of the FAO, a UN organization.

CSO: 3010/264

COSEP COMMUNIQUE ON MEETING WITH SERGIO RAMIREZ

PA282343 Managua Radio Corporacion in Spanish 2300 GMT 28 Oct 81

[Communique issued by the Higher Council of Private Enterprise, COSEP, in Managua on 28 October--read by COSEP Secretary (Alejandro Burgos Romero) at COSEP headquarters--live]

[Text] The Higher Council of Private Enterprise, COSEP, hereby informs the members of the private sector, the people of Nicaragua and the free peoples and governments of the world of the following:

1. At 1900 last night, 27 October, a COSEP delegation met with Sergio Ramirez Mercado, member of the junta of the government of national reconstruction, who also acted as representative of the FSLN National Directorate.

2. Within a framework of mutual respect and honorable terms, an analysis of our country's current situation, resulting from a number of events that culminated with the arrest of four representatives of the Nicaraguan private sector and the issue of arrest warrants against others, was conducted.

3. With the calmness that the situation deserves, we expressed to Dr Ramirez Mercado the solidarity of the entire Nicaraguan private sector with their imprisoned representatives and with those threatened with arrest.

4. COSEP is confident that the national reconstruction government will understand that the intention of yesterday's meeting was to provoke national reflection, for the good of the fatherland.

COSEP, Managua, 28 October 1981.

[Signed] (Alejandro Bolanos Davis), acting president

CSO: 3010/261

REAGAN FOREIGN POLICY TERMED 'WAR OF CONQUESTS'

PA260217 Managua International Service in Spanish 0030 GMT 25 Oct 81

[Commentary by Ignacio Briones Torres]

[Text] A secret document of the Reagan policy for Central America is being circulated here in Managua. To those who ignore it, we must tell them that this document was prepared for the U.S. president by a group of American experts who are known or identified as the Santa Fe Committee. This document includes the general guidelines of what we know today as the Reagan policy for Latin America. According to the statements in this document, the basis of the U.S. foreign policy require--in order to preserve its interests and its traditional hegemony--that the United States be and act as a first class power. The lack of ability to protect our values, the Santa Fe document notes, have led to the present situation of indecision and helplessness thus endangering the existence of the United States.

Everywhere, the document stresses, the United States is on a retreat and adds: The risk of losing the oil in the Middle East and the potential loss of a maritime route in the Indian Ocean, together with the division of South African mineral-rich regions into satellites foretell of the Finlandization of West Europe and the isolation of Japan.

According to the ideologists of imperialism, the Caribbean, a martime traffic area and the center of oil refining for the United States, is even becoming a Marxist-Leninist area.

Never before, the Americans say, has our country found itself in such a risky situation regarding its southern flank. Never before, they reiterate, has U.S. foreign policy so much abused, abandoned and betrayed its allies of the south in Latin America.

These statements of the Santa Fe document are enough to understand why the Reagan policy has become warmongering, belligerent, aggressive and threatening for world peace.

It is important to analyze the morality of such policy. As the listeners may observe, the Yankees act as if the world belonged to them, as if their might gives them the right to speak and act over nations and regions of the universe as if they were their private property.

This has been the old U.S. policy throughout the years ever since James Monroe invented the doctrine that carries his name and the great expansionists of the north tried to justify their grabbing of other countries as authorized by a divine power which gave the United States the right to decide the destiny of others.

The Santa Fe document, or secret document of the Reagan policy for Latin America, or rather, its statements and recommendations, are being faithfully followed by the resident of the White House. Reagan has again taken the path of the old U.S. methods which led his country to discredit and even world hatred. With these old methods, made obsolete by a balance of forces which are increasingly contrary to imperialism, he is trying to recover the lost hegemony that the country once had.

What we want to stress in discussing the secret document of the Reagan policy for Latin America, is that on the one hand it is the United States itself, or the main leaders of its policy, who are creating the climate of world tension existing on the earth nowadays. On the other hand, all the arguments that they are using to transfer their own faults to other countries are but a cynical way to conduct foreign policy.

For example, it is not that the USSR, Cuba or Nicaragua are supporting the struggle of the Salvadoran or Guatemalan people. It is not that we have opened the doors of hope for a new society that will destroy old injustices forever. It is that the U.S. imperialism is desperate to defend its old home boundaries which to the imperialists include other countries. They claim that the oil of the Middle East is theirs and launch their submarines and their planes in a frantic race to make threatening warnings to the countries of the region. They claim that the Caribbean seas belongs to them and are increasing their interventionist aggressions against the governments and peoples who oppose, with justified rage, this U.S. presumption. To the Yankee policy, our defense of what is ours is communism and with this pretext they cover the true nature of their aggression. For this reason, the people everywhere must be on the alert. Reagan has turned U.S. foreign policy into a sort of a war of conquests which does not exclude a real possibility for a war. To defend ourselves is a sacred right that nobody should violate.

CSO: 3010/261

CHAMORRO FAMILY INTERVIEWED BY PERUVIAN MAGAZINE

PY112330 Lima CARETAS in Spanish 26 Oct 81 pp 50-53

[Exclusive undated interview with Violeta Chamorro and son Pedro Joaquin Chamorro of the Nicaraguan daily LA PRENSA at the Cesar's Hotel in Lima]

[Excerpts] [Question] Who does Chamorro's widow represent in your country?

[Answer] I represent my husband, who was murdered, and LA PRENSA.

[CARETAS explanation and summary of parts of interview] This was her most categorical political and at the same time most revealing answer. In it she expressed her anti-Somozist position and her pride over the family newspaper. She feels that the circulation of 75,000 issues of LA PRENSA per day (her son Pedro Joaquin points out "it sells more than all the other newspapers together") is the best proof of its success. The demand for it in the market shows that it is the newspaper most accepted among the people. The remaining two newspapers--BARRICADA and NUEVO DIARIO--print 15,000 and 30,000 issues per day. There are no magazines printed in Nicaragua and only 20 percent of radio broadcasting is independent.

The problem in Nicaragua "right now" is that there are many problems at once. After the withdrawal of part of the private economic sector which took place with the retirement of important businesses from the State Council, the government has had to face the hardening of U.S. policy carried out by Reagan which resulted in the suspension of the last allotment of a $75 million loan and joint maneuvers by U.S. and Honduran armed forces at the beginning of this month. At the same time Guatemala, El Salvador and the same Honduras seem to be preparing an alliance which is tacitly anti-Nicaraguan. On the internal front it has been detected that there is a sizeable flight of capital, an alarming absence of private investments and even a plot within the regime. In addition to this it was learned on Thursday of the arrest of four representatives of the superior council of the private enterprise and—curiously--of Eli Altamirano, secretary general of the pro-Soviet Communist Party, who had denounced "reformist" deviations within the revolution.

Pedro Joaquin, who is a sort of ideological delegate of his mother--30 years old and holder of university degrees in political science, sociology and business administration--does not seem to be an implacable opponent of the current situation. Rather than supporting overthrowing the government, he calls for following a social democratic line. "I believe that the front has sufficient support from the people

and that it wants to help them and establish an infrastructure, but sometimes will is not all that is needed." He also acknowledges that "during wartime the front played a clean game, not like other Latin American guerrillas which spend their time kidnapping and murdering innocent people." He then stated that in one of his editorials he supported the French-Mexican declaration on El Salvador because it leads to a free electoral process like the one desired for Nicaragua.

Regarding economic issues, he believes that the government has violated its own laws, partly because "mixed economy is a very ambiguous word." Therefore, he believes that there is a justified fear of investing in Nicaragua. He also criticizes the exaggerated growth of the government and army bureaucracy "because it reduces the labor force in order to carry out nonproductive jobs." He admits that "we are being threatened," although he states that this compels them to objectively examine the causes of this threat.

In this regard Chamorro Junior believes that the recent military maneuvers were part of "imperialism's" campaign of intimidation which resulted in an overreaction by the Nicaraguan Government. "I believe that if the United States plans to invade us it will not go around announcing its intentions with a few small ships."

It must be pointed out that Pedro Joaquin uses the word "imperialism" when he refers to the United States as well as when he refers to the USSR and that he deplores the fact that the government did not criticize the letter which the Soviet leadership addressed to the Poles. He also regrets the fact that the invasion of Afghanistan was considered as an act of "socialist internationalism."

Violeta interrupts the conversation by stating that "we want Nicaragua to be really independent." They both condemn the suspension of the U.S. aid; they recall the Carter administration favorably and regret Jeanne Kirkpatrick's preference for the Somoza regime. Pedro Joquin says he supports the aid from the Soviets, from Libya, from wherever it comes when it is "without ideological conditions."

[Question] Does Cuban aid imply intervention in internal affairs?

[CARETAS] Chamorro answers carefully:

[Answer] "There are Cuban advisors in the most important ministries and in the army. There are many Cubans in the communications sector. We do not know how much attention they are given, but their exaggerated presence has created on more than one occasion adverse reactions from Nicaraguans whose sense of nationalism has been hurt. More than a year ago the entire population of Bluefields asked for the Cubans to leave, and LA PRENSA was prohibited from reporting it."

[CARETAS] He is not surprised by the conflict between the Sandinists and the communists. He says that the communists are only interested in orthodoxy and dogma independently from the condition of the country. This is why the communists attacked a recent emergency economic legislation aimed at creating an environment of greater stability prohibiting strikes and limiting state bureaucracy. But "the communists are a small group and in this area the government has acted with more realism."

If we had to summarize the conversation with this family, it could be said that they are struggling for a democracy based on free elections. As Pedro Joaquin says "not the Sandinist type of democracy, the democracy of rallies where people shout what they want them to shout telling the people that they are going to represent them forever."

For the Chamorro family, their goal is closely linked to freedom of press represented by LA PRENSA, a newspaper which has now been reduced to 18 pages with the possibility of ending up with only eight "if we are not closed before that." This reduction is the result of the economic crisis which has an effect on advertising--advertising for consumption makes no sense in an environment of poverty--which has decreased to 30 percent of its traditional or historical level. Regarding the current provisional general law on means of communications--based on this law the newspaper has been suspended five times--the Chamorro family emphatically say that this is a dangerous step toward totalitarism. The law's ambiguity and lack of juridical precision practically allow any type of abuse. Article No 1 states that the means of communication must provide "truthful information within a coherent context, act as a true reflection of the social groups and values and strengthen the common objectives of the community." As can be observed, this is more sticky than flexible.

"We have always supported dialogue and we have even gone to the government house when we were called because of problems." When he said this, Pedro Joaquin recalls an event and smiles.

"The last time we were called for dialogue was when LA PRENSA was closed for the fifth time. We were then notified that we were carrying out a policy of confrontation, and that if this policy continued, the newspaper would be closed indefinitely."

CSO: 3010/262

SOCIAL CHRISTIAN LEADER DISCUSSES NEED FOR DIALOGUE

PA271319 Managua LA PRENSA in Spanish 22 Oct 81 pp 1, 14

[Text] A dialogue should be sought, the vice president of the People's Social Christian Party [PPSC], Guillermo Mejia Silva, stated today in commenting on recent events.

Mejia, who is PPSC delegate to the State Council, added: "We have always been against violence."

"The Sandinist Front responds to the communique of the Higher Council of Private Enterprise [COSEP] differently than we did," the PPSC vice president pointed out.

Asked how the problems could be solved, Mejia Silva replied: "I believe there should be a high-level dialogue. The panorama has to change. They must sit down and discuss the nation's problems, give answers to national problems.

"It is not a matter of offering solutions to the problems of the parties or political organizations," the PPSC leader emphasized.

Commenting on COSEP's pronouncement, Mejia noted that this document makes accusations against the government. "I believe that a document should have been issued that was more moderate regarding the government junta, the FSLN or whoever was deemed necessary to participate in the analysis of this document in order to contribute to the nation's improvement," said Mejia. "We believe the government should be criticized, because not everything it does is good, but this should be high-level criticism," he said.

In addition, Mejia commented: "We can admit that the leaders of this revolution--the nine commanders in addition to other guerrilla commanders, to be more exact--are Marxist-Leninists.

"But we also understand that this revolution is not Marxist-Leninist. This revolution is not just being propelled by the Sandinist Front and the government junta or other Marxist-inspired parties such as the Communist Party and the Socialist Party.

"The revolution does not have a seal. The revolution is not Marxist. At the moment, it is a humanist revolution," Mejia assured.

When it was pointed out that if the nine commanders are Marxist-Leninists, as he admitted, they could implement guidelines of this kind, Mejia Silva stated: "Of course they could do it, as leaders. But the problem is that the people are not Marxist-Leninist. That is, this is being injected. People are being trained, especially youth. But this does not mean that all Nicaraguans respond to this line, to this ideology.

"As Christians, we also can work for our own ideological trend, and we believe we are doing it.

"The leaders of the revolution are Marxists, it is true. But even in the FSLN, there are Christians," Mejia asserted.

CSO: 3010/261

COLUMNIST ANALYZES HISTORY OF COUNTRY'S REVOLUTION

Managua LA PRENSA in Spanish 28 Sep 81 p 2

[Article by Gustavo A. Rayo]

[Text] If we analyze the history of the Nicaraguan Revolution since 19 July, we observe that from the beginning the FSLN [Sandinist Front for National Liberation] proposed to monopolize all the political and military power. Step by step, and against all the elements, the FSLN is succeeding, for the most part, and to continue to achieve this end it will have to use whatever means will lead to the taking over, perhaps permanently, of all power.

The FSLN's road to absolute power--that is, the road which leads away from the Fundamental Statute, from freedom, from pluralism, from democracy--is the one causing the crisis. The crisis of the FSLN as the party which is to keep the power. A crisis of some of the people, which because of its importance is a national crisis.

And it is the measures which the FSLN has decided to take, particularly those of a totalitarian nature, which are causing reactions in most of thepeople. That reaction, that distrust, are producing crisis for the FSLN, crisis which are political, economic, etc. Then the FSLN's different strategies for solving its crisi appear--some of these strategies are already known in other countries. And for some, the solution mans the FSLN's almost eternal sojourn in power. But for the FSLN, the real crisis is the economic one, since production goals have not been met. This keeps the country in a chaotic economic situation which is harmful to the people. A situation which each day forces to demand more and more sacrifices from the people. A situation which is undermining the popularity of the FSLN.

The political crisis, for the FSLN, is not yet important. It has many communications media, already trained to respond to the call for the elmination of independent organizations. But those independent organizations have taken advantage of the economic crisis to hasten the political crisis which will come in 1984: Pluralism or not. And they cite reasons which indicate to us that the economic crisis is the cause of th political crisis, the political mistrust in the country and the uncertainty of what political system that FSLN intends to establish.

Different strategies have been used to solve the political crisis. The FPR [Revolutionary Patriotic Front] was created, the mass organizations have been reactivated, the union coordinating organization has been created aiming at establishing a single union organization. The forum has been established, but the persecution of political

and union organizations continues. All types of tricks are being used: They are being accused of trafficking in weapons, currency, etc; they are always linked to counterrevolution. So they are not interested in the victory of the forum. They are not interested in solving the political crisis. But whether or not attention is given to the political crisis will depend on the country's overall situation.

What is interesting is the economic crisis. If the FSLN solves the economic crisis, surely the most radical and orthodox will decide to solve the political crisis by elmin ting the independent organizations completely. There will only be single organizatins: Party, union, peasant, youth, children, women, professionals, farmers, cattlement, etc. A single communications media, loyal and responsible to the FSLN; like in the totalitarian countries.

That is why, perhaps, greater efforts are being made to solve the economic crisis. First there is a dialogue with COSEP [Higher Council of Private Enterprise], but no agreement is ever reached. Then a broad campaign was started to create official organizations and the UNAG [National Union of Farmers and Cattlemen]. But to date they have not been able to solve the economic crisis, since the results of the upcoming harvests can already be seen.

Efforts to solve the economic crisis are not over. Innumerable coordinated campaigns have been carried out by all the official organizations. However, they have not produced the desired results. The crisis continues, without any positive prospects. The FSLN is convinced that it needs the private sector: The ranchers, the small landowners, anybody who owns any means of production; the independent. And it knows also that in order to generate wealth it must also motivate these people. The present strategy, then, is to find ways to motivate the private sector to produce more. But do these measure square with its policies or will it be a question of continuing to create official producers' organizations, or of dividing COSEP? The FSLN has the floor.

The FSLN claims it cannot talk with COSEP because that organization is very politicized. At present in Nicaragua almost everything is done for political reasons. Separating the political from the economic, from the military, from decrees, from foreign policy, etc., is a complicated task. But for the FSLN, according to its present strategy, it is necessary to struggle to solve the economic problem without touching on the political or any other area. It is a difficult struggle, and for the FSLN, then, it is a struggle for trust. But the people see a big difference between what was proclaimed in the struggle and what is applied in victory. Between words and deeds.

The FSLN, then, has reached a very important point, where the political ideas which predominate in this party will have to be defined. Another dictatorship or democracy? People are waiting. The FSLN is weighing the reactions of the people. Calculations are being made...closing down LA PRENSA...the persecution of independent political organizations, etc.

The FSLN must decide what system of government to establish. If it continues to think that any solution must be based on a strategy which leads to the FSLN's entrenchment in power, Nicaragua will be the loser. The only victors will be the members of that party. Or, they can solve the crisis forever with the participation and cooperation of all the people, loyalists and independent. Dicatorship or democracy. The people must have the last word. All the people.

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CSO: 3010/161

DEMOCRATIC REVOLUTIONARY YOUTH HOLDS MEETING

Managua LA PRENSA in Spanish 1 Oct 81 p 7

[Text] The Nicaraguan Democratic Revolutionary Youth, at its first meeting yesterday in the Social Christian Party hall, passed vital resolutions condemning any kind of American or Soviet imperialism and came out in support of self-determination and independence.

The 9-point resolution includes the following:

"To join in solidarity with all people who are subject to dictatorship, whether these are obsolete leftist dictatorships like that of Cuba or of the reactionary right, like that of Chile, being consistent always in their efforts to reconquer their freedom and authentic democracy, since all dictatorships scorn the dignity of persons, annul their freedom and destroy their rights.

"To condemn the ominous activities of Soviet imperialism which today--as it did previously in Hungary, Czechoslovakia, etc.--is trying to implant its terrible influence and dictatorial and totalitarian domination in countries such as Poland, Afghansitan, etc., which are fighting for their freedom from domination by the Kremlin, we also condemn the intrusion of the U.S. Government in the internal affairs of underdeveloped countries, which along with the arms race, could cause other Koreas, Vietnams, etc."

The Case of El Salvador

"To support a just and permanent political solution for the Salvadoran people without a foreign intervention, condemning the imperialist powers of both the United States and the Soviet Union for using the territory of the Salvadoran fatherland to solve their dispute over hegemony in the world.

"To condemn the intrusions of the Cuban Government, a pretender to mini-imperialism, and its brazen intervention in Angola and Mozambique in obedience to the dictates of its Soviet masters.

"To question energetically the decisions of the Latin American anti-imperialist tribunal in condemning only intervention by American imperialism; and we regret the unwise action of the Front delegation which, forgetting the sentiments of our people, condemned only American imperialism, tacitly applauding Soviet expansionist activities."

Error Condemned

"To request that the Central American Meeting of Youth and Students and the World Democratic Youth Federation meeting in Managua, seeing the error made by the Latin American anti-imperalist tribunal, condemn American imperialism as well as Soviet imperialism for its serious and dangerous pronouncements regarding countries of the Third World.

"To request the Government of National Reconstruction, if its feels faithful to the sentiments of our people, of Augusto Cesar Sandino, of Pedro Joaquin Chamorro and all the heroes and martyrs, to condemn the intervention of the imperialist powers on the national level as well as the international level and lead us to a government of true self-determination and true nonalignment."

Support for the Polish People

"To give our support to the Polish people and to the Polish Workers Labor Union, Solidarity, and to condemn the dictatorial and anti-popular government of Poland and its masters, the Russian imperialist government, which is oppressing the Polish workers and people.

"We demand from the World Federation of Democratic Youth that, in using the name "democratic," it imitates our anti-imperialist position and condemn Soviet imperialism and expansion with the same ardor that it does gringo imperialism."

Eternal Dependence

In its in-depth statement, the Nicaraguan Democratic Revolutionary Youth affirmed the following:

"For a long time the nation of Nicaragua, like other nations of America and the world, have lived in dependence on some of the most developed nations of the era, such as the Spanish empire once was and such as the United States and the Soviet Union are today.

"This dependence, which came about in the first instance as a result of the ambitions of stronger nations, has been strengthened, not precisely because of the lack of wealth in our own lands, but rather because of the application of dishonest and unpatriotic policies which in no way benefitted or will benefit our people.

"The talk of independence began in colonial times, when the Spaniards plundered all our wealth and left death and poverty in our land in return.

"The slogan then was independence from the Spanish empire in order, according to the leaders of the time, to be free and to have the opportunity for self-development in equality."

New Slogan

"Independence from Spain was achieved on 15 September 1821, and our lands came under the dominion of the people who lived here--the Nicaraguan people."

"But the Nicaraguan people had neither the material nor the training necessary to develop their country, and this was known very well by the nascent neighboring empire, the United States."

"Then, into the plans of American imperialism came the idea of taking over our country, sometimes through its national servants and others by direct force of arms."

"During this bitter period, Nicaragua went through unmerciful forms of exploitation, and the new situation brought about by its 'independence' was not very different from the previous one.

"Actually, Nicaragua never achieved any kind of independence, and the events of 1821 were rather like a transfer of goods from one empire to the other; however, we did have an Andres Castro, who demonstrated in the battle of San Jacinto that we have a right to be independent."

History Continues

The document goes on to say:

"But history went on, and one fine day Nicaragua was shaken so deeply that it made us believe that this time surely we would achieve our independence."

"The date was 19 July 1979, and the entire nation wept with joy over its victory."

"The past finally appeared to be behind us, and the future was promising. Our people were admired, loved and respected throughout the world, and this was a solid basis for struggling for our independence in all areas, without losing sight of the fact that no country in the world can develop in isolation and that therefore it is imperative to have relations which permit us to acquire, without any kind of restriction, the political, social and economic development to which all nations aspire.

"Only by being truly independent will we be capable of our own self-determination."

"Only if there is an honest policy, truly not aligned with any bloc or empire, can we bring our people to the peace, justice and solidarity for which we all yearn and for which thousands of honest Nicaraguan youths shed their blood when, echoing the patriotism and dignity of Diriangen and Sandino, they decided to travel the road to our liberation, the road which would allow us to achieve, by our own decisions, our happiness as a free and independent people."

New Threat

"But this happiness has not been brought to them by those who, putting their own personal and even extranational interests first, are day by day delivering the country in to the tentacles of the Russian empire, which for us represents a new threat which we must eliminate rather than suffer, because we already know the bitter taste of domination."

"We were born to fight for our independence and self-determination, and our voices must be an eternal cry of the struggle for freedom, because the battle is long, and we must be alert."

"Because imperialism lies in wait and does not rest, and we must be more careful because it has become more powerful; but in ourselves there is an anti-imperialist sentiment which has also grown.

"Imperialism has diversified, but anti-imperialism has not.

"Because for us, to be anti-imperialist means confronting this contemporary reality in which capitalist imperialism and communist imperialism are locked in a merciless struggle to divide up the world.

"This overwhelming reality is upon our people, and we have no other right than to confront these policies, under the banner of anti-imperialism, which as the same meaning for all the peoples of the world."

"This confrontation is a continual and sustained struggle which weak people have been carrying on for centuries to defeat what represents the greatest obstacle to development, independence and self-determination."

Others Will Follow Us

"We must recognize imperialism as a determining factor in our Nicaraguan political reality, and this recognition is only one step in becoming aware of the anti-imperialist sentiment which must be part of our patriotic training."

"It is also timely for us to explain that we do not view imperialism as did Lenin, who lived in a situation different from our own."

"For Lenin, imperialism was synonymous with capitalism, and he could not foresee that his own country, with a socialist system, would become an imperialist, totalitarian power."

"In this regard we should like to cite, as well as our own General of Free Men, Augusto Cesar Sandino, the cas of the young Czechoslovakian student, Jan Palach, who, before setting hemself on fire in Wenceslaus Square to protest the Soviet invasion of his country, said, 'It was my duty, and others will follow me.'"

"It is attitudes like this which must move Nicaraguan youth to unite to raise once more the blue and white flag of our country and to cover Nicaragua with it so that any imperialist idea of domination will be defeated here."

8735
CSO: 3010/161

SANDINIST YOUTHS TO HOLD NATIONAL ASSEMBLY IN DECEMBER

Havana JUVENTUD REBELDE in Spanish 21 Sep 81 p 4

[Article by Sergio Colina and Ramon Brizuela]

[Text] The 19 July Sandinist Youth organization will hold its Second National Assemby on 19 and 20 December in Managua, with some 800 student members in attendence, as well as a delegation of young workers invited to participate. The announcement was made in talks with Maria Ivette Fonseca, national organizer for the Sandinist Youth; Jan Antonio Tercera, departmental secretary in Chinandega, and Yuri Cisne, member of the national organizing committee, who are visiting Cuba.

The young Nicaraguans told JUVENTUD REBELDE that at this assembly they will evaluate the results of work done during the past year and outline a plan of activities with the youth workers section, since the organization now includes only the student masses.

At present preparations are being made with young students in the 16 departments, and in salute to the meeting several tasks are being undertaken in the ideological, economic, social, cultural and sports areas.

The Sandinist youth organization has as its chief task the defense of the fatherland, and for this reason all its members are in the militias.

Another of its essential tasks is the raising of the academic level and making up for the backward state of education due to the war and the Somozist dictatorship, since most of the young people had to take up arms against the tyrant. Supporting the economy through volunteer work is an outstanding activity among the Sandinist youth, who are participating in the agricultural work planned by INRA [National Institute for Agrarian Reform], especially the coffee and cotton harvests beginning in January.

During the current work year the Sandinist youth organization held its First National Festival of Amateur Artists, with 3,000 youths participating in all its phases, and about 800 delegates taking part in the national competition. One of the chief goals of the Leonel Rugama cultural movement, names for a young poet-martyr of the FSLN [Sandinist Front for National Liberation] is the restoration of cultural traditions, for example the folkloric dance, "La Cuchara Panda," which dates from aboriginal times and was abolished by the Spanish settlers. Historical compilations are also being made to help combat the ideological penetration of our enemies in the various branches of art.

The chief achievement of the Bosco Monje sports movement, named for a martyr who died at Monimbo, is the development of the first scholastic games, in which 5,000 athletes took part at the rank-and-file level, as well as 3,000 in the national contests.

These activities were among many carried out in salute to the second anniversary of the victory of the Sandinist Revolution. Also among those activities was the First Congress of the National Nicaraguan Student Union, an organization which includes all university students, of whom 216 participated as delegates in the congress.

Outstanding in the work of the Luis Alfonso Velazquez Sandinist Children's Association, named for the 11-year-old FSLN messenger who died a few days before the revolutionary victory, are such mass activities as the "Happy Vacations," enjoyed by 600 children from each department, who visited a recreation center which was formerly a place of relaxation for the wealthy.

In addition they have implemented the "Happy Afternoons" and "Sundays in the Country," the purpose of which is to have the children enjoy recreation and to contribute to their self-formation.

One of the principal youth fronts is the ideological, in which the study of the history of the fatherland is encouraged, lectures are given, workshops and campaigns are organized and confrontation is developed with those who have done and are doing nothing for the good of the revolution and are, rather, against it. With regard to their visit to Cuba, they said that the fatherland of Marti is, for every revolutionary in Latin America, like a mirror of the future, and especially so for Nicaragua.

They agreed that the exchange of ideas, not only with UJC leaders, but also with young Cuban workers, in their visits to the UJC Municipal Committee in San Miguel del Padron, the Nico Lopez refinery, the plastics factory in Havana and at the National Camping plenary held in Pinar del Rio, places where they were able to appreciate the solidarity of the Cubans with the country of Sandino, has been very advantageous.

8735
CSO: 3010/161

TRADE UNION MEMBERS DISCUSS TRAINING IN CSSR

Prague PRACE in Czech 21 Oct 81 p 2

[Article by O. Kasina: "Youth of Nicaraguan Trade Unions"]

[Text] In September and early October a group of 21 Nicaraguan trade union members from the Sandinista Workers Center (CST) and the Agricultural Workers Center (ATC) attended a course for trade union members organized by the Czechoslovak Central Training School of the Revolutionary Trade-Union Movement (ROH). The age of most of these trade union members from the Central American country ranged from 20 to 30 years, but in spite of their youth they showed an extraordinarily conscientious approach to study--as was pointed out during presentation of diplomas and certificates--a virtual hunger for education. The course for these Nicaraguan trade union members was rated as one of the best from the tens of courses for participants from abroad organized so far by the Central Training School of the ROH. To find out how the course of trade union training was rated by the Nicaraguans themselves, we asked four of them: M. Mandieta Lacaya, J. Hernandez Ampia, A. Chacou Mata and L. Manzanares Soza. They responded collectively and mutually complemented their answers, therefore their responses are also presented in a summarized form:

Significance of Training of Trade Union Officials

"For us, participation in trade union training and passing on of progressive know-how is of extraordinary importance. The workers movement in Nicaragua originated and for a long time operated clandestinely and, consequently, it was impossible to focus the requisite attention on the training of qualified trade union officials. After the revolution gained victory in our country there clearly appeared a pressing need for professional, scientific training of officials, training centered on the well-proven theoretical basis of Marxism-Leninism. In this respect our country is receiving support from socialist countries--our comrades are undergoing training in the USSR, the GDR, Bulgaria, Cuba and in your country, Czechoslovakia. There is a trade union training school in Nicaragua already, but it is of great value to us to be able to see the actuality of socialist experience with our own eyes.

In Nicaragua the struggle between forces of progress and internal reaction still goes on, even in the area of trade unionism. The Sandinista Workers Center and the Agricultural Workers Center are forced to oppose the disruptive efforts of Christian-democratic centers supported primarily from the USA. For that reason we must be armed not only with resolve and courage, but also with all requisite arguments and knowledge to be able to work even more effectively among our people to better explain to them the current needs of our society. In our daily work we shall be passing on the experience we gained in your country so that it may reach all rank-and-file members of our trade union organizations."

Current State of Nicaraguan Trade Unions

"The progressive trade union centers, the CST and ATC, represent together some 80 percent of unionized Nicaraguan workers. The CST has approximately 200,000 members, the ATC approximately 80,000. Both organizations strive for achieving unity for trade unionism in the country. Such unity is an important prerequisite for meeting two key tasks of today's Nicaragua--increased production and defense capability. Both of these tasks are of equal importance and are mutually intertwined. Organizational efforts of progressive trade unions come to the fore now that American imperialists stepped up their provocations against Nicaragua by utilizing mercenaries of the former dictator Somoza, massing them on the border of Nicaragua with Honduras. The prime duty of workers, in addition to increasing production, is also protection of factories and all enterprises against potential provocations and sabotage attempts. For that reason they are forming militias ever deeper pervaded by the workers' spirit.

These external threats are compounded by the already mentioned disruptive activity of Christian trade unions which maintain close contacts, for example, with the American AFL-CIO known for its reactionary deeds. Uncovered documents bear witness to the fact that a number of reactionary elements are being paid directly from the USA. Found in their possession were instructions on how to proceed against the Nicaraguan Government, against the process of economic revitalization of the country. We know that representatives of reactionary organizations are corrupted and hostile people, but we are of the opinion that it will become possible in time to develop cooperation with the ordinary rank-and-file members of Christian-democratic trade unions once they realize, as they must, the need for social progress and unity of trade unions.

The CST and ATC keep solidifying their positions. The number of their members is on an increase and the activities of these trade union organizations are acquiring depth and quality. We protect on a wide front the true interests of workers and we stand ready to defend the Nicaraguan revolution even with arms in our hand against all provocations of external as well as internal reaction. We are grateful for the opportunity to prepare ourselves for our work among trade unionists in our country specifically in your country, where trade unions have a great tradition. The example of socialism provides for us an incentive to continue our efforts."

8204
CSO: 2400/46

COSEP'S DISAVOWAL OF FORUM ACCORD CRITICIZED

PA241900 Managua Radio Sandino in Spanish 1800 GMT 22 Oct 81

[Text] Tension and nervousness have led the political leaders of the Higher Council of Private Enterprise, COSEP, to disavow the document signed by the rightist parties at the recent forum on national problems.

It is true that the COSEP representatives did not attend the forum as such, but it is also true that the political parties they represent were there on that day in June, when a document containing 19 points of concurrence was signed, establishing the foundations for the path that the revolution should follow.

The actual declaration of war launched Monday by COSEP's political leadership, which resulted in the arrest of some and in asylum for others, is a flagrant disavowal of the most important points of concurrence signed before the public. In fact, point 2 of the agreement notes that the power of the revolutionary process can demand changes in the laws adopted after the overthrow of the tyranny; the pseudo-COSEP leaders now want to ignore this, dogmatically refusing to honor the agreement.

In its document, COSEP forgets that which was agreed upon in June. Thus, point 11 of the points of concurrences acknowledges that the basic causes of the nation's economic problems derive from the negative inheritance received from Somozism and from the intervention of U.S. imperialism.

It is easy to note that the arrogance of COSEP's communique contrasts with the good sense shown at the national forum, whose point 17 recognizes that active participation by both public and private workers in increasing production is fundamental in the efforts to achieve economic recovery of the country and the workers and to build the indispensable economic foundations for facing current social problems.

As can be seen, what they say and do now has nothing to do with increasing production or with recognition of the role that is to be played by the workers and the state in the reconstruction of Nicaragua.

CSO: 3010/261

SANDINIST LEADERS ADDRESS TEACHERS CONGRESS

Ramirez Statement

PA311238 Managua Radio Sandino in Spanish 0300 GMT 31 Oct 81

[Statement by Sergio Ramirez, member of the junta of the government of national reconstruction of Nicaragua, at the second national congress of the National Association of Nicaraguan Teachers, ANDEN, on 30 October in Matagalpa--recorded]

[Text] I have been commissioned to deliver to the second national congress of the National Association of Nicaraguan Teachers, ANDEN, fraternal and solidarity greetings of our revolutionary government. First of all, I wish to tell you that we are aware that this congress is being held at one of the most difficult moments in our history. When the poor, humble, working people of Nicaragua, of which the teachers are a part, obtained power, we knew that the going was not going to be easy, that it was not going to be a bed of roses. But the most difficult moments are always the most beautiful. If the people's victory was obtained by blood, sweat and tears then to keep and move ahead the people's power, to make it grow, to make it stronger, it is going to require and it is requiring more sweat, more tears, more sacrifices and more blood. What is beautiful about all this, is that the Nicaraguan people are waging this struggle for the future.

We are facing hard times on the economic front. We are facing a crisis which we have explained many times. We inherited this crisis from an unjust past, from a past of exploitations, from the Somozist destruction and pillaging. It is also this economic crisis which also shows the injustice of international relations when imperialism tries to impose a greater poverty on the poor countries and to make the rich countries richer and more powerful. This is a situation which is not only hitting our country, but all the poor countries of the world; the Central American countries and the countries which are traditionally poor and exploited.

In addition to this critical situation, we are also in the midst of a struggle to consolidate our revolutionary process internally, in the midst of two difficult [words indistinct].

Bayardo Arce Statement

PA022210 Managua Radio Sandino in Spanish 1200 GMT 2 Nov 81

[Text] Commander of the revolution Bayardo Arce Castano took the message of the FSLN National Directorate to all the Nicaraguan teachers during the closing ceremony of the second national congress of teachers, heroes and martyrs for the liberation of Nicaragua held this weekend in Matagalpa.

Commander Arce Castano emphasized the importance of the second teachers congress in Matagalpa which is the birthplace of Carlos Fonseca and of the peasant unions. He also emphasized the personality of that great teacher and Sandinist militant, Commander (Rocardo Morales Avilez), the personality of Sandinist rural teacher (Cesar Augusto Salinas Pinel) as well as the link which the FSLN always maintained with the Teachers Association in the struggle for liberation. We shall now hear an excerpt of Commander Bayardo Arce's speech during the closing ceremony of the second national congress of organized teachers held in Matagalpa:

[Begin recording in progress]...and forming the new man of the new Nicaragua from the preschool age to the university. Therefore, we cannot allow the links between the teachers and the Sandinist Front to become just history. Those links are important to us. This is true to such an extent that recently when a group of teachers--some of them militants of our organizations--visited us and said that the Sandinist Front should pay more attention to the teachers, asking us to assign more Sandinists to work with the teachers, we decided to take a very important step: we agreed to their request. Our companeros thought it wise that our companero Nathan Sevilla be transferred. The FSLN had assigned him to an undoubtedly strategic sector; the Nicaraguan working classes, which govern our revolution. In his previous position he had already established a series of extremely important links with labor leaders to facilitate our political and ideological work among the working classes. Nevertheless, we decided to reasign him to the teachers' ranks so that he could express the Sandinist Front's support for the teachers' work. [Applause] [End recording]

CSO: 3010/263

JULIO LOPEZ SEEKS SUPPORT FOR PEACE PROPOSAL

Lopez in Washington

PA302344 Managua Radio Sandino in Spanish 1800 GMT 30 Oct 81

[Text] While Nicaragua makes peace overtures, the State Department insists on lies and accusations. Here is a report from Washington.

While Julio Lopez, official in charge of the FSLN International Relations Department, is engaged in intense activities in the U.S. capital to obtain support for a political solution in El Salvador, Secretary of State Alexander Haig and his assistant for inter-American affairs, Thomas Enders, have once again begun to attack with their accusations.

Julio Lopez, who has been in Washington since last weekend, has held a number of meetings with officials of the State Department and congressional leaders, among whom is Micheal Barnes, chairman of the House of Representatives Inter-American Affairs Subcommittee.

Lopez has emphasized the urgency of a political solution to the Salvadoran conflict before the bogging down of U.S. policy in that Central American country leads Washington to take up even more dangerous positions for peace in the region.

He added that in the face of the successive failures of U.S. policy toward the regime of Jose Napoleon Duarte, the Reagan administration needs to make people believe that Nicaragua is the Central American villain, that we are warmongers and a threat to the region. He stressed that in view of this, the Nicaraguan revolutionary government once again reiterates the need to seek a modus vivendi between the United States and Nicaragua and pointed out that his trip was also to explain the events recently occurring in the nation in the face of the well-engineered slander campaign.

In the meantime, Messrs Alexander Haig and Thomas Enders of the State Department once again insisted on the alleged landing of 500 Cuban soldiers in Nicaragua and announced new measures against Cuba as well as their concern over Nicaragua.

In commenting the process followed in Nicaragua against extreme leftist and rightist groups which violated the nation's laws, Thomas Enders said: It appears as though the Sandinists are on their way toward a totalitarian and repressive system.

Enders reiterated the accusations about arms smuggling to El Salvador and voiced alarm over the great number of militias that have been formed in Nicaragua to defend the revolutionary process.

Meanwhile, Julio Lopez rejected the U.S. charges and recalled that: We carried out our war with arms from the United States, Europe and other parts of the world and we passed them through several countries without their consent. When a nation needs arms, it finds them, concluded Julio Lopez.

Lopez Mission Criticized

PA020100 Managua Radio Corporacion in Spanish 2200 GMT 1 Nov 81

[Statement by Wilfredo Montalvan, secretary general of the Nicaraguan Social Democratic Party, on the "Social Democracy in Action" program--live or recorded]

[Text] In the first place, in my name and on behalf of the other companeros in the democratic sector who, by decision of the Sandinist government, were banned from traveling abroad last Sunday, I would like to express our protest. Leaving and returning to the country is the right of every Nicaraguan, in accordance with existing international agreements and with the very laws decreed by the revolutionary government.

They forbade our travel, even though they travel every day, because they were afraid that we might tell the truth about what is currently happening here, which is very different from what they proclaim abroad. No matter, because the world already knows that there must be a reason for this, that those who, in the exercise of their power, committed such an abuse must be trying to conceal something.

As for this truth, we would like to make this comment: How can it be that in sovereign Nicaragua, in anti-imperialist Nicaragua, in honorable Nicaragua, a Sandinist government representative has gone to the U.S. State Department to explain matters that are the exclusive concern of Nicaraguans? We are referring to the mission taken to Washington by Companero Julio Lopez, the FSLN secretary of international relations. According to dispatches we have read, he has been giving explanations to the gentlemen whom they call enemies of mankind. He has been explaining the imprisonment of the members of the Higher Council of Private Enterprise and of the Communist Party. He has been explaining why our passports have been taken away and a number of other things that they have not yet explained to those whom these matters concern: the Nicaraguan people.

How is it possible that a government that has repeatedly affirmed, through its leaders, that the Nicaraguan people are the only ones to whom it must explain its actions is now sending missions to Washington to explain these matters? We, the members of the Social Democratic Party, would frankly be ashamed to go to the State Department in Washington or to the Kremlin in Moscow to explain our actions, for we would regard this attitude as anti-Nicaraguan, anti-revolutionary and anti-Sandinist.

We will not refer to the statement made in Washington by FSLN representative Companero Julio Lopez--who said that Nicaragua is the Switzerland of America--because we Nicaraguans, who know what is really happening here, would laugh at these things were they not so sad. In Switzerland, media like LA PRENSA and the independent radio stations are not suspended. Neither are the business, political or union leaders imprisoned, nor do they have any divine mobs nor the many other things that for some time now have been disappointing the vast majority of the Nicaraguan people. Thank you very much.

CSO: 3010/262

SANDINIST POLICE SET WEAPONS TURN-IN DEADLINE

PA240302 Managua Radio Corporacion in Spanish 2300 GMT 23 Oct 81

[Text] The Sandinist national police remind the people that on 12 August 1980, the Defense and Security Commission issued Resolution No 1 establishing that war weapons are the property of the revolutionary state and for the exclusive use of the country's military institutions. It also established a period of 60 to 80 days to turn in all war weapons with or without license to the Sandinist national police permits and licenses section.

Whereas, inumerable requests have been made to cotizens and institutions, that on account of their functions and for personal protection must make use of firearms, to legalize the possession of these arms;

Whereas, there are persons and institutions that still have not turned in their war weapons, whether they have licenses or not, thus violating this resolution, the Sandinist national police has resolved:

1. To give until 15 November 19[illegible] for everybody to turn in their war weapons which they can do at the Sandinist national police permits and licenses section located in Module A-18 at Nejapa's old commercial center in Managua.

2. To remind the people, state and private organizations and institutions that they must legalize the possession of firearms whether for personal protection or of property, according to existing laws.

3. Once the deadline set for 15 November is up, the Sandinist national police will proceed according to the power granted by the penal law in Article 499, paragraph a and b, and Article 558, paragraph 1 and 2, against the persons and institutions that have not complied with the resolution.

CSO: 3010/262

BERLINGUER STATES OPINIONS IN FAREWELL DOCUMENT

PA240319 Managua Sistema Sandinista Television Network in Spanish 0200 GMT 23 Oct 81

[Text] Enrico Berlinguer, secretary general of the Italian Communist Party, said farewell to Nicaragua with the conviction that the Sandinist people's revolution is a direct target of U.S. imperialism.

Before his return to Italy, Berlinguer read a document to Tomas Borge, commander of the revolution and minister of interior, in which he expressed appreciation for the FSLN's invitation for him to visit Nicaragua.

Berlinguer said in the document that during his stay in Nicaragua, he personally experienced the (?nature) of the FSLN's domestic and foreign policy. Moreover, he said that he saw evidence of the terrible conditions in which the Somoza regime left the country.

He has analyzed the consequences of imperialist interference in Central America. In light of these consequences, he said, it is now more necessary than ever to intensify support and solidarity with the reconstruction activities that the FSLN is pursuing.

Therefore, I believe the EEC must make an even greater contribution, he said. Berlinguer confirmed to the leaders of the government junta and the FSLN the commitment of Italian communists and all other democratic forces to develop more broadly all possible plans to express solidarity with Nicaragua.

The Italian communist leader was seen off by Tomas Borge, minister of interior and member of the FSLN National Directorate, who announced that a Nicaraguan Embassy will soon be opened in Italy to expand relations between the two countries.

CSO: 3010/261

BRIEFS

ARCE SUPPORT FOR CUBA--Commander Bayardo Arce Castano, coordinator of the Political Committee of the FSLN, has expressed support for the Cuban Government's recent challenge [emplazamiento] to U.S. Secretary of State Alexander Haig. Bayardo Arce said this on referring to the Cuban declaration which asks Haig to present proof that Cuba sent soldiers to Nicaragua for their subsequent transfer to El Salvador. We are concerned about the irresponsible and extremely dangerous publications that state that Cuban soldiers arrived in Nicaragua as well as about the conversations Haig has had with some governments, the Sandinist leader said. Bayardo Arce also mentioned the warnings issued by Haig about giving an energetic reply to Cuba and Nicaragua. He stressed that the Cuban Government's challenge reveals the existing preparations for aggression by high-ranking White House officials. The Sandinist leader made his statement on arriving in Managua after a tour of the GDR, Bulgaria, the Soviet Union and Cuba. He indicated that he felt very satisfied with his visit. [Text] [PA300342 Havana International Service in Spanish 0000 GMT 30 Oct 81]

SOCIAL DEMOCRATS SUPPORT ROBELO--Wilfredo Montalvan's Social Democratic group voiced solidarity with Alfonos Robelo today and told the FSLN national leadership that it must stop closing the civic doors to the solution of national problems. The political group said this in a communique signed by (Guillermo Potoy), secretary of communications of the so-called Social Democratic Party. The communique was issued with yesterday's date. In it, the Social Democrats demand passports for Wilfredo Montalvan and of other reactionary leaders. As the public knows, Montalvan and the other rightist elements who have dedicated themselves to conducting a defamatory campaign abroad against the revolution had their passports investigated, whereby it was discovered that they were no longer valid. They were on their way to Europe to continue their work of destabilization--because this is what they go out to do--and on Saturday they were unable to board their plane after the investigation to which they were submitted. Claiming that their human rights are being violated, the Social Democratic group now defends its ally Alfonso Robelo and the others who were to go on the reactionaries' trip. [Text] [PA280432 Managua Radio Sandino in Spanish 0300 GMT 27 Oct 81]

PSD STATEMENT ON VIOLATIONS--The Social Democratic Party [PSD] protests the violations of the human rights of its secretary general and democratic leader. The PSD has addressed a message to the people of Nicaragua to express its strongest protest over the attacks on the human rights of its secretary general, Wilfredo Montalvan, and of other political democratic leaders. This was disclosed by

Cuillermo Potoy, communications secretary of that political organization, to a news reporter of this station. The PSD calls on the junta of the government of national reconstruction and the National Directorate of the FSLN to stop closing the civic doors to the solution of domestic problems and asks them to seek honorable solutions with freedom and justice for the tasks of political, economical and social reconstruction. The PSD also denounces the persecution and the vandalic attack on the home of Alfonso Robelo Callejas, which endangered the lives of Robelo and his family. [Text] [PA271305 Managua Radio Corporacion in Spanish 2300 GMT 26 Oct 81]

SPANISH TRADE MISSION--A delegation of 22 executives of Spanish factories arrived at the Augusto Cesar Sandino Airport yesterday to promote the sale of agricultural and construction machinery. The delegation is led by Jose Luis Martinez Candial, president of the Chamber of Commerce and Industry of Zaragoza, who expressed the desire of offering very favorable terms to the Nicaraguan Government and businessmen in the negotiations. Nicaraguan Ambassador to Spain Orlando Castillo welcomed the delegation. He said that they will meet with members of the government junta, the planning, foreign trade and agricultural development ministers and with private businessmen. The Madrid government has granted a $25 million credit with moderate interest rates to the Nicaraguan Government. Part of the credit will be used in the purchase of agroindustrial and construction machinery. [Text] [PA021408 Managua Radio Sandino in Spanish 1200 GMT 2 Nov 81]

CIGAR PRODUCTION--During the second assembly on efficiency and austerity held by Foreign Trade Ministry employees at the Maestro Gabriel Institute yesterday, Foreign Trade Minister Alejandro Martinez Cuenca charged that the production of some 2 million cigars has accumulated because the Cubans, who had their properties in northern Nicaragua seized, took the patents with them thus making it impossible to market the product abroad. [Nicaragua EL NUEVO DIARIO in Spanish 25 Oct 81 pp 1, 9]

MEXICAN CREDIT--Managua (ACAN-EFE)--The Nicaraguan Government over the weekend ratified an agreement by which the National Bank of Foreign Trade of Mexico (BANCOMEXT) grants Nicaragua a $30 million credit. The funds will be used to purchase capital goods, manufactured raw materials and other consumer goods in Mexico. [Panama City ACAN in Spanish 1154 GMT 26 Oct 81]

RADIO STATION REOPENING--Radio Mi Preferida, which has been off the air since it was destroyed by still unidentified persons, will be reopening in November, Manuel Jiron has announced. A new antenna is being installed and work is being completed on the audio installations. The radio station will have mobile units, FM and other equipment, which is now being installed near Jiloa Lagoon. The transmitters of Radio Amor will also be installed at this location. The studios of both stations will remain at La Morita Hill. Both stations will have music, news, special reports and dynamic programming, Manuel Jiron has announced. [Managua LA PRENSA in Spanish 25 Oct 81 p 12]

NEW AUXILIARY BISHOP--Msgr Andres Lanza di Montezzemollo, apostolic nuncio in Nicaragua, confirmed the appointment of Msgr Bosco Vivas as auxiliary bishop of the Managua archdiocese. [Managua LA PRENSA in Spanish 13 Oct 81 pp 1, 12]

CSO: 3010/261

PANAMA CANAL POLICIES, DIRECTOR CRITICIZED

Letter to Gianelli

PA061600 Panama City LA ESTRELLA DE PANAMA in Spanish 6 Nov 81 pp 1, 10

[Letter to William R. Gianelli, director of the board of directors of the Panama Canal Commission, and Carroll Hubbard, Jr, chairman of the House of Representatives Subcommittee on the Panama Canal, from the Popular Nationalist Party: dated 5 November 1981 Panama--passages within slantlines published in boldface]

[Text] Honorable gentlemen:

A group of officials of the U.S. executive and legislative branches, headed by you, today begin a visit to the canal installations and the Republic of Panama during which you will meet with Panamanian authorities in order to obtain first hand knowledge of the operation of the canal.

The /Popular Nationalist Party/ [PNP] believes this is an opportune occasion to convey through you the following message to that group:

1. We have been and are opponents, as a large number of Panamanians, of the 1977 canal treaties, both in their original text as well in the version which resulted from the amendments, reservations and understandings which were unilaterally annexed to them by the U.S. Senate.

2. The /PNP/ believes that the 1977 canal treaties suffer from legal defects which nullify them. However, the U.S. and Panamanian Governments have accepted them as an integral part of the legal systems of both countries.

3. Although the 1977 canal treaties recognize very few rights of the Republic of Panama, the unilateral way in which the United States has been implementing those treaties since 1 October 1979 has not only violated those treaties in various aspects but is also harming the legitimate interests of Panama.

4. The U.S. implementation of the 1977 Panama Canal treaty diregards Panama's sovereignty in view of, among other things, the following:

a. Although Article III, paragraph 10 of the treaty eliminated the name of "Government of the Canal Zone," Public Law No 96-70 issued by the U.S. Congress

has organized the Panama Canal Commission as an agency of the U.S. Government, making the U.S. president and secretary of defense top authorities of this commission. This is equivalent to reviving the /government of the canal zone/ and of resurrecting the colonialist formula of /"a government within another government"/ which was and continues to be the most condemnable violation of the sovereignty of the Republic of Panama.

b. A large number of U.S. federal laws are being applied in the canal area, expressly violating the 1977 treaty (particularly Article IX). Certain U.S. federal authorities even fulfill governmental and jurisdictional functions in that area as in the case of the federal labor relations authority. All this violates Panama's sovereignty which the treaty recognizes and respects.

5. Thousands of Panamanian workers both in the Canal Commission as well as in the armed forces have suffered a considerable decrease in their working conditions since 1 October 1979, even though Article X, paragraph 2b of the canal treaty establishes that /"The employment terms and conditions that are established will not in general be less favorable...that the ones in effect immediately prior to that date."/ There is even the unprecedented situation that the workers who have been hired after 1 October 1979 earns wages which are quite below those earned by the same type of workers hired prior to that date. This discourages Panamanian labor which according to the treaty must be /"growing"/.

6. In contrast, the budgets of the Panama Canal Commission from 1979 to this date authorize expenditures and subsidies in favor of the U.S. Treasury and in favor of the U.S. employees. These expenditures do not have any direct relationship with the operation of the canal. These include the many millions of dollars in interest payments to the U.S. Government and the many millions of dollars spent exclusively for the U.S. employees in subsidies for housing, recreational activities and installations, trips to the United States and so forth.

7. The latest budgets of the Canal Commission have not included the necessary allocations to carry out the improvement projects that the canal needs to satisfy at the very minimum the increasing needs of international maritime traffic. Only some allocations for simple maintenance have been approved.

8. The current Panamanian Government has made various written protests against the violations of the treaty but the timid and "diplomatic" form of those protests have led the United States to haughtily ignore them.

So as not to lengthen this message with more violations of the 1977 canal treaty, we will stop listing them. What we have pointed out is sufficient for the U.S. Government to understand that the Panamanian people disagree with the current neocolonialist formulas that prevail in the operation of the canal and the areas granted to the United States for that operation.

Just as in the far and very near past the Panamanian people used both words and action to struggle even with blood against the old U.S. imperialism in Panama, the current and future generations of those same people will once again sacrifice to definitely eliminate the mask and the essence of the new imperialism without waiting until the year 2000.

The best fertilizer for that nationalist action of the Panamanian people is the humiliation, legal subjugation and economic plunder which Panama continues to be a victim of as a result of the 1977 Panama Canal treaties, Public Law No 96-70 and the political and economic injustices which are daily committed by the U.S. authorities in our territory. The accumulation of these attacks will in the short term lead the Panamanian people to continue their historic struggle to achieve the goal of freedom and full sovereignty.

As in the past, the current U.S. rulers seem bent on continuing to contribute to the accumulation of those causes. The Panamanian people will know how to give an honorable reply to them, a reply which will be the same in the case of any other imperialism.

Sincerely,

For the PNP,
Olimpo Saez, president
Roberto Arosemena Jaen, secretary general.

Commentary on Gianelli Statements

PA092255 Panama City MATUTINO in Spanish 9 Nov 81 p 4-A

[Editorial: "Expressions in Two Tones"]

[Text] William Gianelli, U.S. assistant secretary of the Army for Civil Works and president of the Panama Canal Commission, has shown himself to be cautious, sly, evasive and slippery in his statements for the news media, which have been widely published by the local press. Mr Gianelli was so cautious in his statements that he took great care to make it in two tones. One was aimed at allaying the disatisfactions of the Panamanians expressed in the questions and statements made by President Aristides Royo, who frankly said that there is a certain growing unease among the Panamanians about the implementation of the U.S. Government policies, which seem to reveal an attitude opposed to the Torrijos-Carter treaties. This opposition was expressed by Mr Reagan when the treaties were discussed and this opposition seems to persist now that he is the president. Addressing this concern Mr Gianelli said that the present U.S. Government intends to faithfully abide by what has been established by the treaties and to work more and more closely with Panama so that the joint U.S.-Panamanian administration will lead to the canal's more efficient operation, administration and defense.

However, Gianelli took great care not to specify the means by which Mr Reagan's good will is being shown. This detail would have served to eradicate the doubts of Panamanians, the rest of the continent and the world which has been watching the reluctance with which those clauses which benefit Panama have been implemented. It would also add to U.S. prestige as a nation which respects and acts responsibly toward its word given in treaties.

Mr Gianelli used another tone when he spoke with his countrymen at the American Chamber of Commerce at Panama City's golf club.

There, feeling more at home, Gianelli, asking rhetorical questions, spoke of data showing the increased activities of the great interoceanic waterway, but he gave all the credit to the North Americans, as if the positive and enthusiastic cooperation of the Panamanians had in no manner contributed. We Panamanians are aware that we are working for something that is ours and will increasingly become ours as time passes. Gianelli was very emphatic when he noted that "after all, the Panama Canal Commission is a U.S. agency."

He also spoke with emphasis when he mentioned the clause that says that "the United States of America will fulfill its responsibilities according to the clauses of the treaty and the dispositions of the laws of the United States of America." On this occasion the speaker's oily dialectic emphasized the fact that this same text gives priority, at least in order, to the treaty dispositions, and in regards to the U.S. laws, we have seen that the North Americans can change, interpret, implement or ignore them at their whim.

With all due respect, it seems to us that by this time we should be using another tone, without this changing and accommodating manner noted in the statements made by Gianelli in which, when speaking to Panamanians, he denies President Reagan's reluctance to implement the treaties, but gives no evidence of this. However, when speaking to his countrymen he uses data to convince them that it is the North Americans, alone, who are leading the canal today to the high levels of efficiency which the canal is demonstrating for the satisfaction of its users.

CSO: 3010/258

PRD REQUESTS SUPPORT FROM FRG FOUNDATION

PA071343 Panama City LA PRENSA in Spanish 5 Nov 81 p 1

[Report by Jose Montano]

[Text] The Democratic Revolutionary Party, PRD, has asked the Friedrich Ebert Political Organization of the FRG for support. The German organization is connected with the socialist international and the support requested is for the implementation of "communication mechanisms, forms and techniques in matters of political conduct" and "mass psychology."

This request was made in the form of a proposal included in the "agreement on tasks and activities" between the foundation and the PRD. This information has been provided by a reliable source connected with the PRD.

The agreement calls for the Germans to provide training in the area of political propaganda, "both at the theoretical and practical levels," and for a "broader exchange in these areas..."

The document proposes "continuing with the activities" currently being developed by the Friedrich Ebert Foundation and the PRD to support "those publications" aimed at "the dissemination of party views and doctrines in matters connected with the national and international reality."

The Friedrich Ebert Foundation began carrying out discrete operations in our country shortly after several high-ranking Panamanian Government officials persistently denied their direct participation in reaching a political agreement with the foundation.

On 11 February 1981, this paper's daily feature "In a Few Words" commented on the contacts between political leaders of the Friedrich Ebert Foundation and the PRD. This led both President Dr Aristides Royo and Labor Minister Oyden Ortega to file a suit for slander.

Throughout the legal procedures, President Royo has denied all knowledge of the organization and its political ends.

The PRD proposal to the Ebert Foundation includes the use of "the nation's historic and cultural values" as a path to "the people's education."

The six large areas stressed in the "agreement on tasks and activities between the Friedrich Ebert Foundation and the PRD" are: education and training, political propaganda, information and social communications, culture and communication, research, and school for cadres and union front.

The PRD has also suggested that the foundation "lend all its cooperation to the creation of the party's school for cadres" through the establishment of "contacts" and support for its "structure."

The PRD has also asked the German political organization for "collaboration" in order to penetrate the country's unions by developing "training, orientation and mass actions aimed at achieving unity."

CSO: 3010/258

BRIEFS

SWEDISH AMBASSADOR--During a ceremony held at Government Palace yesterday new Swedish Ambassador Lennart Birger Rydfors presented his credentials to President Alfredo Stroessner. [PY100233 Asuncion ABC COLOR in Spanish 7 Nov 81 p 12]

FRG DELEGATION--A delegation of the FRG Ludwig-Frank Foundation headed by Hans Filbinger has arrived in Asuncion where they will meet with government officials. The delegation has come to learn about Paraguay and its economic situation. [PY100233 Asuncion ABC COLOR in Spanish 1 Nov 81 p 12]

SPANISH STATE SECRETARY--Agustin Hidalgo de Quintana, Spanish state secretary, who is visiting our country yesterday started to meet with government officials by visiting Industry and Commerce Minister Delfim Ugarte Centurion. According to members of his party, Spanish investment in Paraguay last year amounted to over $900 million, which represents 2 percent of its total investments abroad. [PY100233 Asuncion ABC COLOR in Spanish 27 Oct 81 p 11]

TRADE BALANCE DEFICIT--According to the Central Bank, the trade deficit up to the month of September amounted to $105,796,600 compared to $122,241,200 for the same period in 1980. The Central Bank also disclosed that exports up to the month of September increased 5.2 percent over the total for the same period last year while imports only increased 1.5 percent. [PY100233 Asuncion HOY in Spanish 7 Nov 81 p 10]

COST OF LIVING--According to the Central Bank, the cost of living in Paraguay up to the month of October this year increased 12 percent. [PY100233 Asuncion LA TRIBUNA in Spanish 6 Nov 81 p 7]

CSO: 3010/246

MORALES BERMUDEZ DISCUSSES TERRORISM, POLITICAL PARTIES

PY081831 Lima OIGA in Spanish 26 Oct 81 pp 18-24

[Interview with former Peruvian President Gen (ret) Francisco Morales Bermudez by Uri Ben Schmuel]

[Excerpts] [Question] Let us begin this interview by talking about terrorism which is at present an issue of great concern for the majority of Peruvians. What is your view on the terrorist phenomenon?

[Answer] In the first place, there was a stage in which there were no clear definitions of what was happening in the country in this regard. Later the evidence was so clear that today no one can deny that Peru is now experiencing a terrorist escalation Nevertheless, I feel it is more interesting to discuss why there was no terrorist escalation during the military government, why are we experiencing this situation during a transition period, during a constitutional government...

[Question] What is your view on this?

[Answer] We must first make one thing very clear: There is in Peru a leftist Marxist sector very closely connected to the democratic process, but there are also other highly radical factions that believe that a class struggle is necessary to achieve power. I believe that terrorist activities are being promoted in Peru by those groups which--unlike the Marxist groups having connections with the democratic system operating in the country--believe that power cannot be conquered through peaceful means. These radical groups are the minority, but they are quite active and they are already launching the "popular struggle" as a means to conquer power. I believe this is taking place during a constitutional government precisely because these groups do not accept a power struggle within a democratic and peaceful framework and because I believe that in this democratic opening process we have been careless in coordinating our national intelligence system. The pertinent organizations must undertake closely coordinated intelligence work to detect terrorist activities. Not to repress them necessarily, but to prevent those actions that cause disorders to the detriment of the large national majorities from taking place.

[Question] This means not only identifying them but infiltrating these terrorist groups as well...

[Answer] Precisely.

[Question] It has been said that terrorist actions were also perpetrated during the military government but that they were never made public, first because the government kept quiet about it, and then because the media--which was controlled by the regime--did not report on these incidents. What can you tell us in this regard?

[Answer] I disagree. We are basically speaking about the last years of the military regime because otherwise we would have to make a very long study. The last years of the regime are those linked with the transition process and during this period there was freedom of expression, there were television programs that openly attacked the armed forces and the military government. Moreover, there were independent magazines. You can be certain that if there were terrorist activities at the time these political groups would have reported them. There was never any intention to hide anything, and I am being completely sincere about this. The truth is that there were no terrorist activities during the military regime.

[Question] Do you believe that like in other Latin American countries, terrorism can pose a threat to democracy in Peru?

[Answer] It is obvious that a terrorist escalation causes insecurity in a country, not only regarding public order but also regarding production, tourism and investments. It is obvious that it is the duty of the government to use the necessary means to eradicate terrorism as soon as possible since it is a threat to the stability of a democratic system. But these actions must be quick, effective and well coordinated. Terrorism should not be allowed to spread; it must be eradicated quickly.

[Question] In your first answer you made a distinction between leftist sectors--something very similar to what Armando Villanueva usually does. Do you agree with those who feel that the left is being deceitful and using democratic measures to destabilize the government?

[Answer] Well, when we speak of the left we must first make very clear that there is also a non-Marxist leftist sector...

[Question] The APRA [American Revolutionary Popular Alliance]?

[Answer] I would say that the Christian Democrats maintain a very clear non-Marxist leftist position, but unfortunately it has been unable to achieve an important following in Peru and is very limited from the political organization point of view. APRA is--or should be according to its origin--a non-Marxist leftist party. I would say that the APRA does not have to establish other political contacts to show the country that it is a non-Marxist leftist party.

[Question] How about the Marxist leftist sector...

[Answer] I have a clear classification for them, but I do not want to talk about their intentions or my views on them because all that is very subjective. There

is a leftist sector that thinks that it may be a political alternative for the country and that it is not a part of the "popular struggle" in the subversive sense. But I reassert that there is another leftist faction that believes that power cannot be achieved without a "popular struggle." I want to note, moreover, that if there are Marxist groups that promote the destabilization of the government, they are digging their own graves. We must have proper evidence to state whether they are being deceitful, but I do not like to be subjective. I view the overall situation of the leftist sectors.

[Question] What is your view on the Popular Action Party (AP)?

[Answer] The AP has obviously experienced a political victory. But we must also accept that in a little over a year since it assumed power there has been a notorious political drain in the government party.

[Question] How do you view the future? Do you agree with experts who say that the erosion affecting the government party, the small national projection of the PPC [Popular Christian Party] and the divisions in the APRA will favor the left in 1985?

[Answer] It is very difficult to talk about possibilities in political matters. We must, therefore, view the issue in general terms: strong and coherent institutions are indispensable for maintaining a democratic system. Since you have mentioned the APRA, I must note that it is unfortunate for a democratic system to have a traditional and historically important party in Peru that has experienced a schism. You have expressed quite clearly my views on the PPC. The leftist sectors have a tendency to unite under what is called the Leftist United Front, but I do not believe it will be a future alternative; not as things are now, they lack coherence. There may be ad hoc fronts formed, like in last year's municipal elections. But right now I do not see any possibility of a programmed front within the left. However, we cannot deny the possibility that they may unite by 1985 since we are only in 1981, although we must take into account the evolution of the other parties. The government party is experiencing a premature erosion [not further specified]. Will it take measures to avoid any future erosion? Will it enforce certain policies so that its image will improve by 1985? These are questions that can only be answered by the political groups in question.

CSO: 3010/270

EDITORIAL VIEWS LEFT, OPPOSITION'S ROLE

PY051237 Lima OIGA in Spanish 12 Oct 81 p 11

[Editorial: "Why Overthrow the Government?"]

[Text] A few days ago a friend of mine having strong ties with the Marxist leftist sector was telling me: "The left is going to give the government a hard blow in all sectors. And there will be no respite. It has to win this match now, before the system becomes stronger and before oil is found."

"Is it true that there are large oil deposits in the jungle?"

"Yes, of course. And the left knows this. This is why it is unceasingly attacking the government and it will continue to do so, each time with greater intensity, because if the revolution is to thrive, it is necessary to overthrow the bourgeois government. But this must be done now since oil may be a decisive factor for its stability."

My fried started to use the language of the ultra leftists and I started to lose my patience.

"But we must be a bit patriotic. Oil will not only be good for this government but for the entire country."

"But this is not merely my point of view. The left believes that its political possibilities will slip away if this government, if the traditional democratic system becomes stronger."

"But by doing so they are merely opening the path to another military coup and this will mean that they will also lose."

"They are aware of that. But what are their advantages with the strengthening of the present government? On the other hand the group that confronts a military dictatorship--which will be undoubtedly the left--will become stronger; moreover, it will be easier to infiltrate a replay of the first stage of the military regime. With a 'coup' the left will not lose, according to its particular point of view; on the contrary, it is part of its long-term strategy."

"I understand. The armed struggle, Nicaragua, San Salvador [as published], Colombia..."

This dialogue has been going around in my head and I believe it is interesting to pass it on to my readers and use it as a basis to make certain reflections on the present national situation. The situation is increasingly more cause for concern in view of the irresponsible action of some sectors which cannot see beyond their noses and only have their own selfish interests in mind in encouraging a "coup": in view of the escalation of terrorist activities--something this magazine has been vainly warning about for months--and in view of the lack of coherent and coordinated action not only within the government but also within the democratic opposition sector.

Just as the government seems to be grasping the problems that its economic policy has infringed upon our industry--particularly in some sectors--of its disastrous effects on our national development and that it has seriously undermined President Belaunde's objectives of creating new, stable, and well-paid jobs; just as people started to believe that significant and fruitful changes were going to take place in the economic sector, the government experiences a political crisis. Moreover, this takes place just as terrorism is becoming part of our daily bread.

It is not just the recent offense that the Foreign Ministry experienced at the hand of the Senate which refused to approve the appointment of Javier Perez de Cuellar as Belaunde's ambassador to Brazil. This is one of those foolish things senators have a right to do. Nevertheless, it is something that is unjust since others who were real members of the military government, have been approved by the same senators. Moreover, in this case the only loser is Peru since it will not have the services of a brilliant ambassador who is perhaps the most respected Latin American diplomat at the international level.

Furthermore, the normal disagreements that may exist between the many government leaders must be aired through other means and in other fields. It seems that in this case the Foreign Ministry committed the inexcusable political error of offending the Senate by refusing to negotiate with its leadership. Neither is it just the disagreements that some Popular Action Party (AP) senators--those who want to blindly lash out--may have with Interior Minister De la Jara, who insists on relying only on the police when it has been proven that the police lack both means and capacity to obtain information and to infiltrate terrorist activities, the only effective method to eradicate the most dangerous scourge of our days.

While the Marxist left is taking decisive actions with a violent precision, democracy is wavering. It is showing a lack of coordination and inconsistency at all levels. It is not even able to staunchly defend the worth of the system in those cases of corruption at the government level, since it is precisely because of the enforcement of democracy that these affairs can be discussed in public and those responsible taken to the courts.

What is more, the opposition is even less aware of how it should properly play its role. In this regard I believe it is worth mentioning something we have recently read and which describes the situation quite well: opposition parties still do not understand the role they are to play in a democratic system. The opposition is merely another alternative of power when a government comes to an end.

Meanwhile its main and irrevocable function is to watch that the executive adheres to its election programs and fulfills them precisely without any inexplicable variations and in compliance with those constitutional measures that guarantee democratic coexistence.

"The opposition is not there merely to say 'I would do this differently.' Its function is to denounce and propose. Moreover, it must openly support any government program that is in keeping with its guidelines and with national needs.

"The common objective of all, the government and the opposition alike, should be the well-being of the state and society. This is why it is morally reproachable and politically useless to obstruct government activities since, after all, the programs of the majority party deserve the approval of the people."

CSO: 3010/269

TROTSKYITE REPORTEDLY KILLED BY CIVILIAN POLICE

PY051509 Paris AFP in Spanish 1731 GMT 1 Nov 81

[Text] Lima, 1 Nov (AFP)--While the Peruvian police refrain from referring to the strange death of former Peruvian Trotskyite leader Jose Fonken Piedra, four nights ago his relatives have announced that they are gathering proof in order to charge the intelligence department of the civilian police with responsibility for his death.

Fonken's body, which was buried yesterday, according to his relatives was kept hidden by the police from the day he died, 16 October, until 23 October when it was discovered by them at the Villarreal University morgue where it had been delivered as the body of an unidentified person.

Fonken, 54 years old, who had a police record ever since his adolescence for his political and subversive activities since he also took part in the guerrilla campaigns in 1960, died when on the aforementioned date he jumped from the second story of a boarding house which the police seemingly raided. From there he was taken to the Dos De Mayo Hospital and later on delivered to the aforementioned university morgue.

However, [name indistinct], Fonken's wife stated that her husband died as a consequence of the mistreatment he had received from members of the intelligence department of the civilian police during a questioning session.

Fonken's wife wondered what reasons the police may have had for not informing his relatives of his death despite the fact that she had been investigating his whereabouts in several departments since 17 October. She said that she had learned about her husband'd death from a physician who gave her the information confidentially.

The former leader who had lately retired from all political activities has 13 children from his two marriages.

Political leaders who attended his funeral suggested that the strange circumstances of Fonken's death be investigated by the human rights commissions of the two congress chambers.

CSO: 3010/270

BRIEFS

FORMER PRESIDENT ON ECONOMIC POLICY--Former Peruvian President Francisco Morales Bermudez yesterday publicly stated his disagreement with the economic policy of President Fernando Belaunde's constitutional regime. Morales Bermudez explained that he is not in agreement with customs tax reductions decided by the current administration. He also said that he disagrees with the current system of free imports and criticized the way prices are being handled because they have been climbing too high. Bermudez also stated that he was in favor of maintaining subsidies for certain goods. These issues were briefly discussed by the former president during his visit to the Lima Justice Palace where he appeared as a witness in the much-ballyhooed "Svires affaire." During his talk with representatives of various news media, Morales Bermudez refused to make any further comments on the economic issue because, he said, it calls for an in-depth analysis. [Text] [PY101816 Lima EL COMERCIO in Spanish 30 Oct 81 p A4]

SOVIET DELEGATION--Soviet cosmonaut (Valeriy Kusnetsov) has arrived in Lima at the head of a Soviet delegation. The delegation was invited by the Peruvian Peace Committee to participate in the ceremonies commemorating the 64th anniversary of the October revolution. [PY042140 Lima Domestic Service in Spanish 1200 GMT 4 Nov 81]

CANADIAN LOAN FOR REFORESTATION--Through an agreement to be signed on 10 November, the Canadian Government will grant Peru a loan of 35 million Canadian dollars for the reforestation development program. [PY071737 Lima Domestic Service in Spanish 1200 GMT 7 Nov 81]

CUSTOMS STRIKE DECLARED ILLEGAL--Lima, 4 Nov (AFP)--It was reported here today that the 21-day strike of Peruvian customs workers, which has already caused the government a loss of 40 billion soles ($87 million), has been declared illegal. The workers of the 24 customs offices of Peru, which are filled with merchandise, are demanding salary increases which, according to officials, cannot be granted because of legal and budget reasons. Noting that the strike is causing serious damage to economic activities, the government has authorized the national customs management to enforce administrative and disciplinary actions against the workers on strike. Although the Economy and Finance Ministry issued several measures some days ago to expedite the withdrawal of stocks stored in the customs offices, these offices are still filled with merchandise. It has been noted that Bolivian trade has been affected since import and export cargoes are blocked in the Peruvian ports of Mollendo and Matarani which are used by Bolivia for this purpose. [Text] [PY071519 Paris AFP in Spanish 1641 GMT 4 Nov 81]

CSO: 3010/269 END

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FBIS FOREIGN BROADCAST INFORMATION SERVICE

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24 November 1981

LATIN AMERICA REPORT

No. 2407

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ON-SHORE OIL DRILLING TO BEGIN

FL091800 Bridgetown CANA in English 2251 GMT 7 Nov 81

[Text] Kingston, Jamaica, 7 Nov (CANA)--Jamaica began its on-shore search for oil today, sinking its first well at Hertford, a few miles in-land from the south-western coast.

Prime Minister Edward Seaga, who is also the mining and energy minister, visited the Hertford site today to initiate the drilling by the state-owned Petroleum Corporation of Jamaica (PCU).

This first well is to be sunk to about 10,000 feet and drilling is expected to continue for 60 days. At the completion of drilling at Hertford, the rig will be taken to Windsor in the north parish of St Ann and later to Ecclesdown in Portleand in the northeast.

If drilling of these first three wells proves encouraging, the program could be extended to a second phase with the putting down of more wells, oil officials here have said.

Seventy percent of the financing for the on-shore oil exploration program is coming from a 23.5 million dollar (U.S.) loan to the PCJ by the Inter-American Development Bank. The remainder is coming from the corporation's own resources.

The drilling was not scheduled to begin until next week, but PCJ sources said that greater speed in putting up the rig and other positive developments had brought the date forward.

Meantime, off-shore oil exploration on the Pedro Bank, about 50 miles to the south of Jamica, is to begin later this month.

A consortium of the American firm, Union Texas, and the Italian State Company, AGIP, have rights to two of the five blocs into which the Pedro Bank has been divided and they are to sink their first well in the Arawak bloc.

These companies have a profit-sharing arrangement with the PCJ as well as the right for the corporation to become a partner in the enterprise if oil or gas is found.

CSO: 3020/1006

BRIEFS

ENERGY COOPERATION AGREEMENT--Mexico and Nicaragua signed an important agreement on technical cooperation in the fields of geothermal and hydroelectric energy today. It was signed by Mexico's Federal Electricity Commission and the Nicaraguan Energy Institute. [Managua Radio Sandino in Spanish 0300 GMT 5 Nov 81 PA]

ELECTRICITY WITH COSTA RICA--Managua (ANN)--The Nicaraguan Government is building an electrical interconnection plant for tieing in with Costa Rica that will cost $6.24 million. The purpose is to save foreign exchange used to purchase oil. The plant will be constructed next year and will provide annual savings of $54 million in foreign exchange, Heberto Incer, assistant director of the Nicaraguan Energy Institute (INE) reported. The interconnection with Costa Rica will permit a decrease in the use of the country's thermal plants, which burn oil. With regard to the integration of Nicaraguan Petroleum (PETRONIC) with INE, Incer said it meant a qualitative step in the reorganization of the government during the present state of emergency. He explained that PETRONIC, an organization engaged in oil exploration and the acquisition of oil products from sources of supply, operates with its own funds, which come from the marketing of hydrocarbons among the refineries and oil companies of this country. PETRONIC started in November, 1979, and its commercial transactions are with Mexico and Venezuela, which supply 390,000 barrels of crude oil each month, some 4,680,000 barrels annually. For 1982, Venezuela and Mexico will supply PETRONIC with 420,000 barrels each month, over 5,000,000 per year, at a cost of $256,000 million. [Text] [Manague BARRICADA in Spanish 2 Oct 81 p 4] 9015

CSO: 3010/160

CHILEAN PAPER ACCUSES CUBA OF WORLDWIDE TERRORISM PLAN

San Jose LA REPUBLICA in Spanish 19 Sep 81 p 7

[Article: "Cuba and the Terrorist Campaign"]

[Text] The publication LAS ULTIMAS NOTICIAS of Santiago de Chile made in the past few days important denunciations regarding the form in which Cuba is developing a worldwide terrorist program, especially in Latin America. Its article entitled "Cuba and Terrorism" stated specifically:

"As a way of attacking the West without running the risk of an open declaration of war, the USSR has resorted to the creation of an army of clandestine mercenaries who practice international terrorism. For that purpose it has had the valuable help--for different reasons but identical ends--of Castro's Cuba on our continent as well as Colonel Qadhdhafi's Libya in Africa.

"In 1966 an international summit meeting was held in Havana sponsored by the Soviet Union to organize international terrorism under the control of the Soviet KGB [Committee of State Security]. The Latin American branch was designated by the acronym LASO [Latin American Solidarity Organization]. Years later, in 1974, the Junta for Revolutionary Coordination [JCR] was founded in Paris for terrorist activities in Latin America.

"At present that organization's general secretariat is located there. Its task consists principally in providing economic means, false documentation, plastic surgery, and other assistance to terrorist agents for their guerrilla activities.

"Besides the central schools operated in the Soviet Union such as the Komsomol School in Moscow, at Patrice Lumumba University, numerous guerrilla training centers exist in Syria, Iraq, Nicaragua, Bulgaria, Hungary, Algeria, Vietnam, Yemen, and some as important as the Wilhelm Pieck academy in Borgense, East Germany, or the Rostock school, also in the German Democratic Republic.

"In Cuba alone there are 10 guerrilla schools and camps where advanced courses in kidnapping tactics, the blowing up of bridges or strategic structures such as high-tension pylons or dams, the production of arms and explosives, the use of modern weapons such as missile-launchers, bazookas, and mortars, the seizure and use of radio and television stations and of power stations are given. It was determined that Cuba trained and armed hundreds of Colombian guerrillas for the purpose of organizing the M-19 Movement. At present military training is also being given to

2,000 Salvadoran guerrillas and there are plans, too, to train Salvadoran war pilots at Cuban and Nicaraguan camps.

"More than 1,000 guerrillas who are now fighting in Guatemala have received military training in Cuba and Nicaragua. In September 1980 the Iraqi Government sent via Havana $500,000 to the United Revolutionary Directorate of El Salvador, the epitome of that country's guerrilla movement unified by Fidel Castro.

"A Cuban fishing fleet based at the Panamanian port of Vacamonte has been the pivot of the arms traffic for the Central American terrorists.

"At present, Cuba is pledged to arm and unify the guerrilla fighters of Honduras in secret and to mount a subversive guerrilla campaign in the southern hemisphere, especially in Chile. In both operations the Cubans have had a fairly difficult time. Recently, the review EL SOLDADO of Montevideo published a lengthy article on terrorism entitled "Recollections of a Tupamaro" detailing his endeavors with the terrorists of the MIR [Movement of the Revolutionary Left] in Chile during Salvador Allende's government before moving to Cuba where he remained for several years as an agent of Castroism. In his "Recollections" the Tupamaro disclosed that in Mexico City his chief was a secretary at the Cuban embassy who helped Uruguayans as well as Chileans, Argentines, and Colombians with the wherewithal of daily life and training, in collusion with the Mexican authorities. There is no doubt that the Castroite adventures abroad would not be feasible without Soviet support. It is estimated that during the current year the USSR is subsidizing the Cuban economy with $8 million a day."

2662
CSO: 3010/197

BREAK-OFF OF RELATIONS BY JAMAICA WITH CUBA

Cuba's Alarcon Comments

FL102018 Bridgetown CANA in English 1509 GMT 10 Nov 81

[Text] Georgetown, Guyana, 10 Nov (CANA)--Cuban Deputy Foreign Minister Ricardo Alarcon said yesterday that Cuba, as part and parcel of the Caribbean, was committed to building relations of mutual help with the rest of the region and that the recent break-off by Jamaica of its relations with Cuba would not affect the island's friendly ties with other Caribbean nations. The deputy foreign minister, accompanied by the head of the Caribbean section of the Cuban Foreign Affairs Ministry, Nelson Restano, was addressing a press conference during a 2-day visit to Guyana, the first leg of a tour that takes him today to Suriname, then on to Trinidad and Tobago, Barbados, Grenada and Saint Lucia.

Questions about the Jamaican Government charge that Cuba was harboring three wanted criminals, Deputy Minister Alarcon said that despite the matter being aired weeks before in the Jamaican parliament, it was only the day before Jamaica broke off relations, that the first diplomatic note on the matter was received by Cuba, in which the Seaga government demanded the return of three men, allegedly in Cuba under different names but offering no proof or clues that might help in finding them. "The note said they were in Cuba and included an ultimatum that they should be back in Jamaica in 24 hours," said Alarcon. "As far as we know, the men are not in Cuba and we have never given them any status there," he added.

[?With respect to the decision] taken in Dominica that students will not be allowed to take up scholarships in Cuba, Alarcon said: "I feel sorry for the Dominican youngsters who will not be able to further their studies in Cuba, in one of the areas we can cooperate with other Caribbean countries. But if the Dominica Government will not permit this, it is their decision.

The Cuban minister also reiterated that Cuba fully supported Guyana's right to territorial integrity [break in transmission; more possible]

Jamaican Media on Alarcon

FL121315 Havana Domestic Television Service in Spanish 1235 GMT 12 Nov 81

[Text] The Jamaican press has highlighted the remarks made in Guyana by Ricardo Alarcon, Cuban vice minister for foreign affairs, who refuted the pretexts of the Kingston government regarding the breaking of relations with Cuba.

Jamaican radios and the Jamaican Broadcasting Corporation have disseminated Alarcon's remarks in which he states that Cuba will continue to maintain its relations of cooperation and mutual aid with the rest of the Caribbean nations.

The newspaper DAILY NEWS highlights the Cuban vice minister's statement and his warning regarding the U.S.' warmongering intentions in the Caribbean basin.

Alarcon has rejected the arguments of the government that is headed by Prime Minister Edward Seaga regarding the unilateral breaking off of relations. He stated that the decision was made at the instigation of Washington.

CSO: 3020/1006

WASHINGTON PRESSING ON BEAGLE ISSUE

PY132252 Paris AFP in Spanish 1739 GMT 13 Nov 81

[Report by Michel Henault]

[Excerpts] Buenos Aires, 13 Nov (AFP)--Diplomatic circles today felt that the United States was excerting pressure on the Argentine Government to lift the blockade which threatens the papal mediation in the border conflict with Chile over the Beagle Channel in order to preserve Pope John Paul II's international prestige.

For over 11 months Buenos Aires has been implementing a method of postponements, consultations and requests for explanations in order to try and hinder the process.

In view of the upcoming first anniversary of the delivery of the pontifical document to Argentina and Chile, Washington, on its part, has evidently decided to interfere so that the Vatican's efforts will not fail and thus undoubtedly harm the pope's image.

The White House has launched a diplomatic offensive into which it is trying, according to religious sources, to incorporate other western powers such as Great Britain, the FRG and France. The ambassadors of these countries to the holy see learned for the first time last week about the situation through Cardinal Antonio Samore who is in charge of the Special Commission for the Beagle issue.

Taking advantage of the visit which Gen Leopoldo Galtieri, the Argentine regime's strong man, paid to Washington, U.S. officials voiced their desire to keep the southern cone free of conflicts.

At the same time they explained to Galtieri the common interest in preparing an Argentine contingent for Central America and the peace keeping force in the Sinai in exchange for the resumption of U.S. military, materiel and technical aid which was interrupted during Jimmy Carter's administration.

Simultaneously the U.S. ambassadors in Buenos Aires and Santiago met with the foreign ministers of the respective countries. Argentine Foreign Minister Oscar Camilion announced that a new step regarding the Beagle issue would be taken soon.

However, upon return from Washington General Galtieri stated regarding the Beagle issue that "the Pope is a mediator and not an arbiter."

In addition to supporting the pope, the U.S. intervention also takes place due to Washington's concern over the sizeable USSR economic presence in Argentina.

The USSR has become Argentina's main wheat and meat buyer (it has purchased goods for almost $2 billion).

The USSR also sells Argentina generators for the important hydroelectric projects in that country--it has even been said that Argentina is illuminated by Soviet electricity--and provides heavy water for the Atucha nuclear plant.

CSO: 3010/305

BRIEFS

ATHOS FAVA DEFENDS CUBAN REVOLUTION--There is no more important task for the democratic and anti-imperialist forces of Latin America than the defense of Cuba, whose integrity is truly and seriously threatened by the aggressive madness of U.S. imperialism. This was stated by Athos Fava, secretary general of the Argentine Communist Party. He added that it is not a question of defending the Cuban revolution as such, a banner that we Argentine communists will never haul down, but as an objective that involves all the planet's men and women in placing a barrier against the adventurism of the Reagan administration, which can lead the world to a nuclear holocaust. [Text] [FL111512 Havana Domestic Television Service in Spanish 1345 GMT 11 Nov 81]

BOLIVIA-PERU TRANSPORT AGREEMENTS--The meetings of the Bolivian-Peruvian Joint Commission for Transport ended on 6 November with the approval of conclusions included in decisions Nos 141, 56 and 56a, and on air transport. Regarding decision No 141, short, medium and long-term programs have been established, including a system which provides for Bolivian transport on the highway between the Port of Matarani and Arequipa, between Puno and Desaguadero. It also provides for Bolivian transit through the Port of Matarani and Quinta Libertad. The joint commission indicated that these projects need no studies or financing since their implementation will be institutional and will be in effect within a period of 1 year. [PY071227 La Paz Radio Illimani Network in Spanish 0100 GMT 7 Nov 81]

CHILEAN SUSPECTED OF ESPIONAGE--La Paz, 9 Nov (LATIN-REUTER)--Bolivian military authorities are investigating the activities of a Chilean citizen who has been arrested on charges of alleged espionage. Defense Minister Gen Armando Reyes Villa said the army is investigating this case. Reports from Chile said that Luis Alberto Munoz, a Chilean citizen, had been arrested by Bolivian authorities and accused of espionage. Diplomatic sources told this agency that Munoz was arrested in Oruro, 200 km south of La Paz, early in March. According to newspaper reports from Oruro, it was believed at first that Munoz was involved in leftist political activities, but that authorities later concluded he was carrying out some information-gathering mission classified as espionage. Those reports added that Munoz had admitted having sent three pieces of information to Santiago, Chile, which posed no risk for Bolivia's security. Munoz is now in La Paz being investigated by military authorities to find out whether he had been acting as a spy. The Chilean citizen had been running a farm near Oruro and was acquainted with important social circles in that city, according to recent reports by the newspaper LOS TIEMPOS. [Text] [PY100034 Buenos Aires LATIN in Spanish 2028 GMT 9 Nov 81]

COSTA RICA-NICARAGUA RELATIONS CORDIAL--The Costa Rican Government maintains cordial relations with the Nicaraguan Government and has not received any communication to the effect that the other Central American countries wish to form a bloc against Nicaragua, the deputy foreign minister, Dr Mario Fernandez Silva, asserted. The official was questioned in connection with the recent declarations of some Central American countries which are reportedly ready to break their ties with Nicaragua and to isolate that country. Dr Fernandez Silva stated that the Costa Rican and Nicaraguan nations who have a common past history will maintain cordial relations as they have done and that no one has communicated anything to them regarding such a break, for which reason the Costa Rican Government does not even have to consider such a possibility. [Text] [San Jose LA REPUBLICA in Spanish 16 Oct 81 p 3] 2662

CANADIAN LOAN GRANTED--Mr Bryan R. Dare, counsellor (development) of the Canadian International Development Agency (CIDA) stated yesterday that the CIDA has granted $8.9 million for training people from the leeward and windward islands. He also announced that 90 percent of the training will take place in the Caribbean and 10 percent in Canada. [FL062110 Barbados ADVOCATE-NEWS in English 3 Nov 81 p 1]

CSO: 3020/1006

ECONOMIC CRISIS JUST BEGINNING SAYS 'HERALD'

PY122050 Buenos Aires HERALD in English 12 Nov 81 p 10

[Editorial: "Flight From the Peso"]

[Text] Once upon a time official spokesmen proudly told us that they, unlike their counterparts in other less favoured countries, felt no need to choose between inflation and a recession: they would beat back inflation without creating conditions which would make a drop in production inevitable. But, as was pointed out by "orthodox" economists at the time, their tactics would fail and the country would end up with high inflation and a deep recession. And this, needless to say, is precisely what has happened. The battle against inflation seems to have been postponed yet again but, despite the regime's efforts to pump money into the economy, a recession has come which shows no signs of getting any better. On the contrary, bad as the present situation may be there is every reason to think that before many months are out it will be even worse. Far from coming to an end, the latest stage of the endless Argentine economic crisis may be only at its beginning.

This certainly seems to be the view of the people who have been changing every peso they could put their hands on into dollars or, indeed, anything else these last few weeks. They feel that anyone who puts his faith in the national currency is a fool and, if there are enough of them, their combined efforts will ensure that they are right. Their panic is not unreasonable. The persistent rumours that the government will soon collapse have contributed to their alarm, as have fears that because Economy Minister Lorenzo Sigaut has firmly insisted that no exchange controls are in the offing these will be sprung upon us any day now. They must also take into account the spectacular increase in the money supply in the last month or so and the regime's invention of a new handout--the famous "bono"--for unsuccessful businessmen, neither of which will do much to avert the Weimar-style hyperinflation which seems to be on its ways.

Against all these harbingers of new disasters to come, about all the government can show is a moderate, by local standards, increase in the cost of living--as calculated by the authorities--during October. The behaviour of this indicator, however, probably tell us more about the reduced purchasing power of Argentines than about any lack of inflationary pressures. The government, in fact, has probably created a situation in which any improvement in real incomes will detonate an avalanche of delayed price increases that will immediately wipe out whatever is gained.

A country's inflation rate has more to do with the strength or otherwise of that country's government than with its economic arrangements: the weaker the government the higher the inflation rate because it is unable to make the difficult decisions needed to bring it down. Similarly, the astonishing reduction in the value of the peso this year, during which it has so far lost almost five-sixths of its exchange value and seems doomed to lose a good deal more before 1982 arrives, reflects the utter absence of confidence in the country's short-term future under the present regime rather than the influence of impersonal market forces. When measured against its local purchasing power the peso was considerably overvalued in January. Now, by the same criterion, it is ludicrously undervalued. Any benefits Argentines might have derived from this will, however, in all likelihood be consumed by the economic whirlpool into which the country is being sucked before they can be enjoyed.

CSO: 3020/22

ARCHBISHOP CALLS FOR 'NEW CHANNELS OF PARTICIPATION'

PY162246 Buenos Aires HERALD in English 16 Nov 81 p 9

[Text] Santa Fe (NA)--Santa Fe archbishop, Monsignor Vicente Zazpe called yesterday for "a fresh start of (the country's) social endeavour through new channels of participation" in order to "prevent Argentina from falling back into "a democracy in form only" and which is jaded."

In a radio broadcast of his Sunday sermon, the first vice-president of the Argentine conference of bishops pointed out that "if what is really sought is to recreate the country, then the reimplementation of an open and pluralistic society is in order," adding that it is also necessary "to promote those institutions which will guarantee people their freedom."

"The only alternative feasible (to this aim)" he said, "is that the individual see open before him all channels (of participation) as well as the (proper) organizations" to ensure that he gets his share of active participation on all problems which concern him.

"The other alternative would be to turn Argentina into a mass of citizenry" as in the case of societies ruled by one man, he said, "or as in the case of societies born of collectivism, where a group or a party does the thinking of the community."

Zazpe called for a democratic government other than that in office in last century's Argentina, which he described as "aristocratic and restricted as from the elections." Modern times require, he said, an active share for the entire nation made feasible through the opening of new channels of participation. He nevertheless recognized "that parties and chambers are necessary" although he considered them "insufficient."

He advocated the creation of "other basic social institutions which could, in their representation of the different sectors, "totally modify the framework of interrelations."

"Today's man is not resigned to being a passive subject; he is aware of what his rights and duties are and wishes to have them respected."

This attitude, the archbishop said, implies a form of participation which should be considered, and that is "the recognition of each person's value, listening to the problems which concern him, and to create for the use of the citizen organs for his expression and action."

"This is the only truly democratic way," he stressed, "since it is based on trusting that each man is capable of forming his own concepts and of assuming his share of the responsibility."

CSO: 3020/26

BRIEFS

COURT BUILDING BOMBED--San Miguel de Tucuman, 12 Nov (NA)--A bomb that exploded in the basement of the Justice Palace in this city greatly alarmed the public, the employees, the lawyers and the officials who were in the building, but no casualties or damage were reported. The explosion took place at noon yesterday. Following the blast some 10 persons were called to make statements, among them Mario Torres, the secretary general of the Association of Judicial Employees of Tucuman, since it was presumed that the explosion might have been related to the judicial workers' continuing demands for salary raises. Last week the activities in the local courts and in the judicial center of Concepcion had to be called off since the employees went on strike and burned gammexane [foul smelling pesticide] tablets inside the buildings, which then had to be evacuated. In view of these events the police are keeping close surveillance inside and outside the building using uniformed personnel and about 100 plainclothesmen. Outside there are also agents from the antiriot division with dogs and fire engines. Supreme Court head Horacio Povina toured the building after the explosion and talked with several employees; he also ordered the reopening of the court's doors which had been closed after the explosion. [Text] [PY130031 Buenos Aires Noticias Argentinas in Spanish 1338 GMT 12 Nov 81]

NAVY APPOINTMENTS—Buenos Aires, 6 Nov (NA)—The Argentine Navy has announced the following appointments for 1982: Capt Jose Sarcona, commander of the A.R.A. 25 de Mayo aircraft carrier; Capt Hector Bonzo, commander of the A.R.A. general Belgrano cruiser; Capt Gustavo Grunschlager, commander of the Corvette division; Capt Amaury Ricardo, commander of the A.R.A. Libertad frigate; Capt Juan Calmon, commander of the 2nd destroyer division; Capt Guillermo Estrada, commander of the support and maintenance squadron; Capt Jose Ferrer, commander of the Antarctic naval group; Capt Julio Chaluleu, commander of the 1st destroyer division; Capt Eulogio Moya Latrubesse, commander of the submarine force; Capt Raul Rivero, commander of the aeronautics force No 2; Hector Martini, commander of the aeronautics force No 1; Capt Manuel Tome, commander of the marine infantry force No 1; Capt Juan Moeremans, commander of the amphibious maintenance force; and Capt Miguel Pita, commander of marine infantry brigade No 1. [PY102224 Buenos Aires Noticias Argentinas in Spanish 2130 GMT 6 Nov 81]

CSO: 3010/305

GOLBERY ORGANIZES PDS FOR 1982, LOOKS FORWARD TO 1984

Rio de Janeiro JORNAL DO BRASIL in Portuguese 12 Oct 81 p 4

[Article by Ricardo Pedreira: "Golbery Organizes PDS for 1982 and Thinks of 1984"]

[Text] Brasilia--Every Tuesday and Friday, almost always in the afternoon, the small branch of the Sao Paulo City Bank in Brasilia ceases to be just another simple business address in the capital. It is on those two days that the former chief of the Civilian Household and now bank consultant, Gen Golbery do Couto e Silva, leaves his home in Luziania, Goias, and occupies an office on the second floor of the bank building, where he has contacts with politicians, legislators, businessmen, government officials and even military men.

Thursday, as he left the office, the former minister once more declared in ironic tones that he is no longer involved in politics. However, the virtual parade of personalities who seek him out every week is the most obvious proof that even out of the administration Gen Golbery do Couto e Silva continues to be the same organizer he was during the 6 years he occupied Planalto Palace. At this time the greatest concerns of the general are the electoral prospects of the PDS [Social Democratic Party] next year and his thoughts on the succession to President Joao Figueiredo.

Audiences

Two months after leaving the government, Gen Golbery do Couto e Silva repeats part of the routine of political contacts of the era when he worked in Planalto Palace in his new office on Tuesdays and Thursdays. He accepted the invitation of his friend Edmundo Safdie, president of the bank, to work as a consultant for the group, precisely so that he would not be isolated at Sitio de Amizade, 60 kilometers from Brasilia.

In the office of the Sao Paulo City Bank he continues to be involved in that which really interests him: politics.

To have an idea of the present activities of Gen Golbery do Couto e Silva, it is enough to list some of those who came to see him last week. On Tuesday the following were there: the president of EMBRATUR [Brazilian Tourism Company], Miguel Colasuono; businessman Joao Santos, father-in-law of the PP [Popular Party] leader

in the Chamber, Deputy Thales Ramalho, one of the channels of communication the former minister has with the opposition; the economic adviser to the National Security Council, Luiz Zottman, who worked with the general in the Geisel and Figueiredo administrations; the commander of the strategic Presidential Guard Battalion, Col Anisio Negrao, former deputy chief of the Military Household and very close to the chief of the Military Household, Gen Danilo Venturini.

Salesmen of the Sequoia Furniture Store next to the bank swear that General Venturini himself, as well as Planalto spokesman Carlos Atila, frequently visit the office of the former minister, which is somewhat improbable. Out of favor with the chief of the SNI [National Intelligence Service], Gen Octavio Aguiar de Medeiros, Gen Golbery do Couto e Silva is now the type of person who can put anyone who goes to seek him out in a bad light at Planalto. Even so, he is besieged by people linked to the government.

Thursday, for example, the former minister had a day almost entirely devoted to PDS legislators, as in the days when he was the all-powerful chief of the Civilian Household. With him were the president of the Senate, Jarbas Passarhino; the deputy leader of the PDS in the Senate, Jose Lines (CE); Senator Benedito Canelas (MS), Deputy Francisco Benjamin (BA) and Federal Supreme Court Minister and former Attorney General of the Republic, Firmino Ferreira Paz, an old friend of the general.

The Routine

For these political contacts, the former minister instituted a system he has been using for nearly a month, after a brief rest period at his Sitio da Amizade. The idea of the office at the Sao Paulo City Bank sought to preserve his life at his home. There during the week the general practically receives no outsiders. On Saturdays he meets with a select group of friends for what one of them, the president of SERPRO [Federal Data Processing Service], Jose Dion de Mello, has already described as "literary parties."

Thus, every Tuesday and Thursday the general grants audiences at the bank. His initial idea was to work only part of the afternoon but recently, as happened last week, there were so many requests for audiences that he has come to the bank at 1000 and left around 1900. When that happens, the former minister had lunch at the office, a large room soberly decorated and with a sofa and easy chairs covered with green plastic.

The habit of lunching while at work comes from the era at the Civilian Household, when General Golbery arrived at Planalto around 0700 and never left before 2000. As at Planalto, the general's lunch is frugal: lean meat and vegetables. Now the food is prepared at one of the two restaurants near the bank, the Cogumellu's and La Romanina. However, on the second floor of the bank, next to the former minister's office, is being installed a small kitchen for taking care of eventualities, such as the one that took place last Tuesday when the president of the bank, Edmundo Safdie was in Brasilia and had lunch with the former minister.

For one who so deeply dominated the life of the country for 7 years, Gen Golbery do Couto e Silva is not a man who is particularly concerned with the possibility of being the victim of some type of violence. He always arrives at the bank in a dark blue "Landau" with Sao Paulo plates and without any security agent. He comes seated on the front seat at the side of the driver, Pedro, who carries a revolver in case he has to defend his boss.

At the bank there are only the usual private guards hired by all banks. During the 40 minutes normally spent between Sitio de Amizade and the Sao Paulo City Bank branch--CLS 302, Block D, numbers 18 to 24--the general does not read newspapers or books, something which could cause a new and disastrous detachment of the retina--he is already blind in the left eye. He prefers to make small talk with the driver and to listen to soft music from his favorite radio station, "Brasilia Super Radio FM."

Upon arrival at the bank, a small building in which a medical equipment store, a furniture store and a restaurant are also located, the former minister takes the stairs located to the left of the entry which lead to the second floor. He quickly greets officials of the bank with whom he has no ties. He is directly linked to the president's office and the officials of the Brasilia branch have instructions not to give out information on the type of work the general does on the second floor of the building.

Succession

On the second floor, only one person works with the former minister: his secretary Lurdinha. However, she is not the same Lurdinha who worked for him in the Civilian Household. That one remains over there with Professor Leitao de Abreu. This one is another Lurdinha, as efficient and vigilant as the first, most anxious to prevent access to the general by the press. Last Thursday the two Lurdinhas even met when she of Planalto Palace went to visit her former boss.

Whoever seeks an interview with the former minister is told by the Lurdinha of the bank that he is very busy with his tasks as consultant to the presidency of the group and that he is no longer involved in politics. However, the ones who talk with Gen Golbery do Couto e Silva themselves say that while he may indeed perform his new tasks, his main concern continues to be the politics of the country, particularly next year's elections, which the former minister considers important for the democratization process and the succession to President Figueiredo.

"He is more and more enlightened and interested in things about the country. He now appears more willing to proceed with his analyses, since he is now free of the weight of the official bureaucracy he commanded," said EMBRATUR President Miguel Colasuaono last Tuesday. He, as well as other visitors of the general, have left the new office of the former minister impressed with his good disposition. All say that they come to see Gen Golbery do Couto e Silva only on courtesy visits. However, they conclude by agreeing that politics, not small talk, is the constant subject of the meetings. Deputy Francisco Benjamin said on Thursday the general is particularly satisfied with the way the substitution of President Figueiredo took place after his heart attack and by the way the president is recovering. The president of the Senate, Jarbas Passarinho, asserted that he talked with the former minister only about obstructions to the work of the chamber.

"He asked me several questions about the status of the PDS in the states. He seems optimistic about the work of the party," said Senator Benedito Canellas, very close to the private secretary to the president, Heitor Ferreira, disciple of Gen Golbery do Couto e Silva and at this time hidden and silent at Planalto Palace. Others who met with the former minister prefer not to reveal the subject of their talks. Senator Jose Lins, left the bank saying that he had been there "only to discount a check."

No one confirms, but no one denies that in the repeated talks in his office and on his recent trips in the Rio-Sao Paulo regions, the main objective of the movements by the former minister is to bring influence to bear in the succession to President Figueiredo. His differences with one of the strongest candidates to the position, Gen Octavio Aguiar de Medeiros, is no longer a secret and the former chief of the Civilian Household is promoting the name of the Itaipu Binational President, General Costa Cavalcanti. In that respect, the office in the Sao Paulo City Bank would be functioning today as the office of the Dow Chemical did in Rio de Janeiro in the times of the Costa e Silva Administration. It was there that Gen Golbery do Couto e Silva worked when he promoted the candidacy of President Ernesto Geisel which took him back to government.

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GALLUP POLL REVEALS RISING APPROVAL OF GOVERNMENT

Rio de Janeiro JORNAL DO BRASIL in Portuguese 22 Oct 81 p 2

[Text] The rate of approval of the way the government is operating is 40 percent and the rate of disapproval is 53 percent, according to a survey made in September by the Gallup Institute with a sampling of 2,800 interviews. Compared with the results obtained in June--39 percent approval and 55 percent disapproval--the more recent figures show that the trend is that more people support the government.

After having reached the highest rate of approval in May 1979--the total of those who answered "very well" and "well" on the work of President Figueiredo--it fell to 31 percent in November last year. The nonapproval rate--the sum of those who answered "fairly well," "poorly" and "very poorly"--at that time was 61 percent.

The Survey

"How would you describe the way in which President Figueiredo is governing the country: Very well, well, poorly or very poorly?" is the question the Gallup Institute has been asking since May 1979 in its surveys, obtaining the following results:

	1979			1980				1981		
	May	Aug	Oct	Feb	Apr	Aug	Nov	Feb	Jun	Sep
	%	%	%	%	%	%	%	%	%	%
Very well	12	18	18	10	8	6	6	8	9	8
Well	35	38	39	27	31	27	25	28	30	32
Fairly well	32	29	29	30	36	34	35	33	37	35
Poorly	5	6	5	13	10	12	14	12	9	10
Very Poorly	2	4	2	9	6	13	12	12	9	7
No opinion	14	5	7	11	9	8	8	7	6	8
Totals	100	100	100	100	100	100	100	100	100	100
Number of Interviews	2861	3172	3302	3073	2890	2745	2396	2458	2142	2830

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GALVEAS COMMENTS ON WAGE LAW, SAVINGS RATE, INFLATION

Wage Law Revision Sought

Rio de Janeiro JORNAL DO BRASIL in Portuguese 28 Oct 81 p 9

[Text] Porto Alegre--Finance Minister Ernane Galveas admitted here yesterday that wage policy will be revised, especially regarding the 10 percent additional adjustment above inflation and the productivity rate.

"We are moving in the direction of a change in wage policy, but it will depend heavily upon the initiatives of business groups, especially the National Confederation of Industries."

In regard to the 6-month adjustment interval, the finance minister said there will be no change, because it is "an urgent necessity" of wage-earners.

"If we did not believe the government would accept changes in the wage law, we would not have held this meeting," asserted FIESP [Sao Paulo State Federation of Industries] President Luis Eulalio Bueno Vidigal, in commenting on the political risk to the government of possible changes in wage policy.

Luis Eulalio, who was meeting with 19 other presidents of federations of industry at the CNI (National Confederation of Industries) headquarters, admitted that the current wage law is not responsible for the high rate of inflation, but several structural flaws in the text of the existing law are pointed out in the FIESP document.

"There are arithmetical errors. Just for example, if there were no inflation, there would be no redistribution of income, because 10 percent of zero is zero. And this is not the spirit of the law, whose purpose is to redistribute income, regardless of inflation."

Although the FIESP study makes no conclusive proposal, Luis Eulalio said that productivity must be negotiated differently than it has been, "especially in cases where there has not been an agreement, as the courts have been awarding productivity increases entirely at random, without regard to the region, product or sector under consideration."

The FIESP president also said he favors free negotiation but did not go into detail about the ideal formula for wage policy. He added that he agrees with having

frequent adjustments, "but whether it should be semiannually or every 4 months is a matter to be debated."

He then denounced interest rates, upon being asked whether wage policy is inflationary: "If interest rates would come down, maybe inflation would fall more rapidly than it would by changing wage policy." According to him, there are several components that influence inflation and wage policy is one of these. "But it alone is not responsible for the level of inflation we have today; that is obvious.

"No sooner was the wage law passed than the government wanted to change it. Business didn't want to. Now it is business that wants changes.

"I wouldn't say that everyone was unanimous in not wanting to change the law. But now the Brazilian economy is different; the timing is different. The economy is dynamic, and to change one's position is absolutely natural. If we acknowledge that there are defects in the existing law, they should be discussed. To deny that there are defects in order not to change one's position would be utter foolishness."

Albano Franco, president of the National Confederation of Industries, predicted greater mobilization of Brazilian businessmen against the wage law, should the nation's economic situation get worse. Meanwhile, he admitted, the situation allows industry to consider the matter "without undue haste," although he did not care to say how much worse conditions would have to get to mobilize employers.

The CNI president's comments reflected the conclusions of yesterday's meeting at the entity's headquarters, attended by 20 federation of industry presidents--Brasilia and Rio Grande do Sul were not represented--to discuss wage policy. It was decided to appoint a commission consisting of seven federations to make an analysis of the subject and submit it on 23 November to the confederation's Council of Representatives.

Presentation

After the CNI council's analysis, a document covering the subject will be drawn up and submitted to the president of the republic and party leaders for "ample discussion," Arthur Donato, FIRJAN [Rio de Janeiro Federation of Industries] president, announced. The commission's study will be based upon replies to questionnaires distributed to the federations by the CNI and on proposals sent to the entity. The commission will be formed by Rio de Janeiro, Sao Paulo, Rio Grande do Sul, Pernambuco, Ceara, Amazonas and Minas Gerais--eight from federations and some others from business firms.

According to Albano Franco, the confederation agreed to study wage policy, although its purpose is not "to promote major changes in the law." The CNI president further admitted that, because it is a law passed by Congress, its alteration would be "a political decision."

"We did not want to make a hasty decision, which shows our earnestness regarding the subject. It also shows that wage policy is not all that heavy a burden; we felt free to analyze it calmly. But if the situation gets worse the approach could change."

Commission

The work of the commission appointed by the CNI to study changes in wage policy will be centered on establishing a point below which the adjustment will be greater than the INPC rate of inflation, to preserve the concept of income distribution. Above that limit adjustments would result from free negotiation, according to FIRJAN President Arthur Joao Donato.

The commission is to decide how many should be benefited by adjustments exceeding the INPC inflation rate, as this is the point of disagreement among the federations. FIRJAN feels the limit should be three times the minimum wage, while other entities propose "higher limits." According to Arthur Joao Donato, "opinions vary as to the numbers, but the concept is the same.

"The law must be adapted to Brazilian reality. The shape of the pyramid must be determined by free negotiation. If the economy is rising, the pyramid could tend to rise, because employees could demand higher wages. If the economy is falling, the pyramid tends to fall, because the major concern will be to keep one's job. Under existing law, the employee gains only if there is inflation. The major concern of the businessmen who came to this meeting was not their own economic situation but labor turnover and unemployment."

Businessman Joao Fortes suggested replacing the productivity coefficient, currently negotiated between employer and employees, by a fixed coefficient based upon business profits. In addition, he proposed that for 10 to 30 times the minimum wage the adjustment should be 80 percent of the INPC, with free negotiation of salaries more than 30 times the minimum wage.

"The law is good. It came at the right time and filled a real need," asserted Fortes. He favors an adjustment of 110 percent of the INPC up to three times the minimum wage, but believes the restraint placed upon high salaries is exaggerated. He also said he is opposed to limits on tenure: "Three or four months' tenure could be given the employee who has been on the payroll for 1 year."

Domestic Savings, Inflation Rate

Rio de Janeiro O GLOBO in Portuguese 28 Oct 81 p 17

[Text] Porto Alegre--Finance Minister Ernane Galveas said yesterday, in opening the Fourth National Congress of Stockbrokers Associations, that "from now on every national effort must be guided toward raising levels of domestic savings in order to provide a suitable rate of investment without aggravating dependence upon foreign borrowing.

"Resorting to foreign loans to avoid the ill effects of the crisis was employed to the extent that the balance of payments permitted. Today, the declining trend of the share of foreign savings in our national income is an unavoidable fact," he pointed out.

Touchstone

Galveas commented that "the capital market is the touchstone through which is developed the mechanism of financial savings formation and its guidance in the direction of productive investments.

"Irprovement and evolution of the capitalist experience," the finance minister added, "are undoubtedly moving in the direction of more participation by the general public in the capital of large companies. The ideal of this course could be reached when workers may supplement wages from their work with dividends from their investments, made as a result of their savings, made feasible only through the capital market."

In closing, Ernane Galveas told those at the congress:

"That may, indeed, also be the Brazilian experience. It will depend upon the enthusiasm and strength with which we are able to build our convictions and our belief in the ideals of free initiative, social responsibility of business and predominance of the market."

Crisis

The finance minister recalled the crisis of liquidity and confidence experienced by brokers when some "less prudent and less scrupulous in their operations shook the market with the forced closing of their activities, requiring vigorous action by government authorities to rehabilitate the market." He acknowledged that this stage was "overcome and left behind in the process of consolidating institutions." The domestic financial market on that occasion showed it had reached "a sufficient degree of maturity to absorb these difficulties and mishaps with ease and gain the trust of the general public."

Minister Predicts Inflation Rate of 4.1 or 4.2 Percent

Canela, Rio Grande do Sul--October inflation will be 4.1 or 4.2 percent (the lowest monthly rate) and for the entire year will be over 95 percent, Finance Minister Ernane Galveas announced yesterday before the opening of the Fourth National Congress of Stockbrokers.

With this sharp drop in inflation, the minister said, economic policy for next year will not be changed at all, even though it is an election year.

"The decline of inflation," said Galveas, "is real and this proves the soundness of the economic policy followed. If we are able to reduce inflation, monetary correction and the National Consumer Price Index (INPS) will also diminish. There is no reason to loosen economic policy."

Deduction of Interest

Beginning next year, the finance minister announced, the ceiling for deducting interest on the income-tax return for beneficiaries of the National Housing System will increase from 30,000 cruzeiros to 100,000 cruzeiros.

In response to the major complaint of participants at the Canela congress, Ernane Galveas revealed that the government does not intend to reduce any tax currently paid by private business.

"Statistically," the finance minister explained, "we can prove that taxes on business are not really so burdensome. That is why the government is not planning, in the short run, to reduce these taxes."

Galveas also denied that the government is thinking of taxing capital gains and doing away with the 157 Fund [mutual funds eligible for income-tax credits]--rumors that circulated on the stock exchanges yesterday and caused prices of leading issues to fall.

He does not favor the Brazilian Exporters Association idea of business adopting an "export effort" and reaching $30 billion in foreign sales next year.

"I would be content with a figure of $28 billion; if we surpass that, so much the better. If we are able to export $28 billion and increase domestic savings, channeling resources into the productive system, we will have overcome the most difficult moment."

Regarding imports for 1982, the finance minister expects an increase of 5 to 10 percent, stressing that "this will depend upon the price of oil and adjustment of economic activity."

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LOWER SEPTEMBER UNEMPLOYMENT RECORDED IN SIX MAJOR CITIES

Rio de Janeiro JORNAL DO BRASIL in Portuguese 28 Oct 81 p 9

[Text] Sao Paulo--For the first month this year, unemployment rates fell in September in the six metropolitan regions (Rio de Janeiro, Sao Paulo, Belo Horizonte, Porto Alegre, Salvador and Recife) surveyed by the Brazilian Institute of Geography and Statistics [IBGE]. The average rate was 7.73 percent, compared with 8.37 percent in August.

Jesse Montello, IBGE president, said this was "good news" and predicted that the INPC [National Consumer Price Index] will increase about 95 percent this year: "This is very good, because the INPC will then have only two digits instead of three." He also said the INPC for December would be between 39 and 40 percent [as published; 3.9 and 4.0 percent?], as the estimate for wage increases this month is 4.3 percent.

Data

IBGE data reported yesterday by Jesse Montello show the following unemployment rates for September: Rio de Janeiro, 8.25 percent compared with 8.88 percent in August; Sao Paulo, 7.28 percent compared with 7.86 percent; Belo Horizonte, 8.22 percent compared with 9.03 percent; Porto Alegre, 5.89 percent compared with 6.48 percent; Salvador, 8.39 percent compared with 9.24 percent; and Recife, 8.96 percent compared with 9.72 percent.

After explaining that the IBGE data differ from those of the FIESP [Sao Paulo State Federation of Industries] "because they are collected from households rather than from business firms," Jesse Montello said he does not think the October unemployment rate will be higher than that of September "because economic conditions are improving. That is a pattern: in the second half of each year economic conditions generally get better."

The IBGE president also revealed yesterday the results of a survey made among the unemployed: on 3,588 questionnaires distributed in the six metropolitan regions, 59 percent of those consulted said they would accept another type of work at lower pay than their previous job. The survey also showed that 59 percent of the unemployed were dismissed, compared with 41 percent who quit work of their own accord.

He confirmed the report by the JORNAL DO BRASIL that the IBGE, starting at the beginning of next year, will make a complete survey of underemployment. He explained

that, "because it is a very difficult survey," the results will only be announced annually. The institute considers as underemployed persons who, among other criteria, work 40 or more hours per week and receive less than the minimum wage.

The IBGE is already making a weekly survey of this type of underemployment, although only in the six metropolitan regions. According to these surveys, in September underemployment rates also fell in comparison with those of August. In Rio de Janeiro, with a labor force of 3,500,000 persons, underemployment was 9.46 percent in September, compared with 10.17 percent in August. The region with the largest number of such underpaid persons is Recife: 17.02 percent of a labor force of 700,000 persons.

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LANGONI SAYS GOVERNMENT TO REDUCE TAX INCENTIVES IN 1982

Rio de Janeiro O GLOBO in Portuguese 28 Oct 81 p 17

[Text] Brasilia--Carlos Langoni, president of the Central Bank, yesterday termed "wasteful" the current volume of tax incentives (about 340 billion cruzeiros) and asserted that in 1982 "incentives in general, including those given to the capital market," will be reduced.

Langoni also declared that the government is not going to take any measure relative to foreign exchange to stimulate the export sector, which as of January will have its IPI [Finished Goods Tax] credit reduced from 15 percent to 9 percent. According to Langoni, the current policy of minidevaluations is providing "a significant gain for exporters."

In regard to tax incentives, the Central Bank president said it is necessary to force a reduction of the amount of funds and, at the same time, redirect regional incentives, "which could even be expanded if necessary." He stressed, however, that the main idea "is to force a reduction of incentives in general."

Carlos Langoni estimates the volume of fiscal incentives given this year will reach 344 billion cruzeiros: 138.8 billion on the Finished Goods Tax (IPI), 86.1 billion on the Income Tax (IR), 59.5 billion on the Import Tax and 59.6 billion cruzeiros in other benefits on financial charges.

Mutual Funds

Claudio Haddad, director of the Public Debt Department of the Central Bank, said yesterday that the bank is still studying the proposals of the Equity Shares Commission (CVM), the Sao Paulo Stock Exchange and the Central Bank itself in regard to creating fixed-income mutual funds.

Haddad reported that the CVM plan is almost identical to that of the Central Bank, which proposes eliminating the 60 percent limit on fixed-income investments of mutual funds.

According to him, contrary to what is asserted by some financial experts, the funds will not be aiding only financial conglomerates in placing debentures.

"Beyond the fact that these issues are not very liquid," he argued, "the funds would have to concentrate a large volume of funds in top-quality issues."

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PCB PROPOSAL SEEKS TO UNITE OPPOSITION FORCES IN RIO

Rio de Janeiro JORNAL DO BRASIL in Portuguese 28 Oct 81 p 2

[Text] The Rio de Janeiro State regional committee of the PCB [Brazilian Communist Party] sent a document yesterday to the PMDB [Brazilian Democratic Mobilization Party], the PP [Popular Party], the PDT [Democratic Labor Party], the PTB [Brazilian Labor Party] and the PT [Workers Party] in which it proposes that the opposition parties draft a minimum program of government "on the basis of and for the purpose of uniting, in support of common ideals, all democratic forces of the State of Rio de Janeiro."

At Tiradentes Palace, Giocondo Dias, PCB secretary general, explained the proposal further: "In 1982 we should like to see emerge from free voting a governor who is committed to a broad-based coalition administration in the State of Rio that does not discriminate between the winning and losing opposition parties."

Support

Giocondo Dias said that as yet the PCB has not made an agreement with any of the declared candidates to succeed Governor Chagas Freitas. But he revealed that in Sao Paulo his party has already been guided toward working to elect the PMDB candidate, Franco Montoro.

The minimum program the PCB advocates, the basic ideas of which are defined in the document it delivered yesterday to opposition parties, labor organizations and community associations, is based upon four points:

1. Opening the state government to community participation in defining, executing and controlling policies through its legitimate organizations and representatives. Establishing a simple and effective system for consulting with and reporting to the people.

2. Respect for the nonpartisanship and independence of mass organizations.

3. Relationship with state employees based upon respect for the principles of merit and seniority, founded upon decent living and working conditions.

4. Genuine opportunity for participation by all political currents and beliefs.

Struggle

In talking to newsmen in the Tiradentes Palace press room, Giocondo Dias, one of the authors of the document, replied to those who disagreed with including the PP, which is the government in the State of Rio, within the opposition:

"For us in the PCB, the great struggle is against the PDS [Social Democratic Party] and the authoritarianism that exists. Our democratic proposal is broad-based and could not exclude anyone. The PP--within a context that must be universal--is a party of the opposition."

There are no deadlines for the parties and social organizations that received the PCB document to declare themselves regarding its basic points. But Giocondo Dias said he does not think it should take long, expressing hope that some candidates would really transfer formulation of their plans and programs to community groups.

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GOVERNMENT STUDIES CREATION OF AGRARIAN COURT

Rio de Janeiro JORNAL DO BRASIL in Portuguese 22 Oct 81 p 8

[Article by Rafael Wassermann: "Government Studies Creation of Court of Agrarian Law"]

[Text] Brasilia--The creation of a special Court of Agrarian Law is being studied by the government for the purpose of speeding up cases having to do with land controversies. The information was provided by Minister of Agriculture Amaury Stabile.

He explained that contacts are being made with the Ministry of Justice to accelerate the study of the cases involving land conflicts. At any rate, explained Stabile, there is still no final position by the government on the subject.

Hearing Process

The special Court of Agrarian Law may only be created by law, which means that it is the responsibility of the government to send the draft bill to Congress suggesting the measure. The Judicial Branch has no legal authority for taking the initiative because the measure involves increases in expenditures and the Constitution does not allow the creation of any agency or independent body which increases expenses except by law.

It is probable that Minister of Debureaucratization Helio Beltrao will be asked by Minister of Justice Ibrahim Abi-Ackel to work with him in the preparation of the draft law which will propose the form of hearing processes for land cases. A clearer position by the government on the subject will be established in coming days through coordination with Chief of the Civilian Household of the Presidency Minister Leitao de Abreu.

The minister of justice explained that the Federal Police will act only to halt a possible wave of violence against homesteaders in rural areas who could benefit from the new usucapion law if an action by landowners to evict occupants from their lands became generalized in more than one state.

According to an adviser of Minister Abrahim Abi-Ackel, the Executive and Legislative Branches may only initiate laws for the common good and the Judiciary is responsible for making decisions on conflicts having to do with the rights of citizens. Therefore, the parties who believe they are prejudiced by anyone who disobeys the laws should resort to the Judicial Branch.

When he prepared the draft law which reduces the period of special usucapion to 5 years for rural areas no larger than 20 hectares, the minister of justice, following instructions from President Joao Figueiredo, sought to insure definitive ownership (tenure) for the small landholder of the land worked by him and his family. The Ministry of Justice believes that any act of violence against the homesteader must be settled by ordinary justice, which provides free legal aid to those who cannot pay the fees charged by lawyers.

According to the Civil Code, ownership can only be considered after a year and a day, at which time a homesteader may no longer be evicted by force by the owner. In this case, the owner may only remove the invader of his land by means of a process of wrongful appropriation in which the two parties have to be heard by a judge who will render the final decision.

In similar fashion, the intruder, after holding the land for a year and a day may resort to the court with a writ of "possessory action" which guarantees him the right to the area he occupies but not its tenure, which means title of ownership. This may only be requested after 5 years according to the special usucapion draft law.

The minister of justice also explained that it is not up to the Executive or Legislative Branches to seek out the persons who feel wronged so as to solve their problems. Whoever feels prejudiced should acquire a lawyer (paid an honorarium by those who can afford it or one provided gratuitously by the state) to establish his rights. Therefore, only in case of social tension is the minister of justice, who is responsible for public order, authorized to use the Federal Police.

Proof

The homesteader who wishes to transform his claim into full tenure of the land after 5 years of use, must resort to the courts of the area, and as proof of having been in the area, present witnesses, documents, tax payments (if any) or even prove through his plantings (fruit trees) how long he has been on that site.

Pursuant to the very summary procedure for the acquisition of tenure contained in the Civil Trial Code, the judge convokes the other party, setting the day and time for his appearance before the court. The two parties having been heard, the judge issues his decision on the same day. However, his decision may be appealed to the Court of Justice. Even in cases of idle state lands, the judge of the area will have the authority to decide on possession.

The president of the National Land Reform and Settlement Institute [INCRA], Paulo Yokota, considered the usucapion draft law as "very realistic," but warned: It is necessary to make it clear that the new usucapion law is only going to apply to abandoned areas (not economically improved). In other cases it will be an invasion and that is settled in the criminal sphere."

Usucapion Law Gives Hope to the National Conference of Brazilian Bishops [CNBB]

"The news that a new regulation on usucapion is under consideration was a strong reason for hope in the solution of the serious problem of land in our country," commented the CNBB in a note distributed by its secretary general Dom Luciano Mendes de Almeida.

Father Martinho Len, in charge of the social action line of the CNBB and already appointed to comment on the government plan, believes that the reduction of the period of usucapion from 10 to 5 years will not resolve the problem of land immediately and brings with it the danger of bringing a renewal of violence in the rural area, with the eviction of homesteaders who have occupied lands for almost 5 years.

Agrarian Law

Father Martinho believes that the government plan should include a clause to protect the homesteader who is about to complete 5 years on the land. In his opinion, the law should clarify what the situation of the homesteaders of Araguaia will be, for example, homesteaders who with a year and a day on the land are now eligible to claim final title. "Could it be that they will have to wait up to 5 years while remaining at the mercy of those with false titles to the land?" he asked.

As far as Father Martinho Lenz is concerned, this plan is "a palliative measure" for resolving the land problem because laws of that nature can only be complied with if they are subject to an agrarian system of justice with its own courts.

"To place that law into practice is very difficult," he said "because it clashes with the power of the landowners and those with false titles, who always manage to violate good laws such as the Land Statute which guarantees the right to ownership."

The spokesman for the CNBB social action line believes the Executive plan is "a response" to pastoral church work in the rural areas, and which appears at a moment of tension "with an eye to the 1982 election."

As for the proposal by some sectors that the Church should initiate a process of agrarian reform with its own lands "to set an example," Father Martinho Lenz described it as demagogic but accepted that the measure be taken on idle lands, as happened in the diocese of Goiania, Aracaju and Barra (Bahia). "After all," he concluded, "those who propose it are going to be disappointed because church lands in the entire country do not exceed 178,000 hectares."

CNBB Note

"The news that a new regulation on usucapion is under consideration was a strong reason for hope in the solution of the serious problem of land in our country. "It is the first move, which coming from President Joao Figueiredo and from acting President Aureliano Chaves, reveals the intention of improving the Land Statute and of attending to the many expectations of the various segments of society, including the constant appeals by the Church, which has not always been understood.

"The sacrifice of so many homesteaders and individual workers of their own land deserves the help of all, primarily the authorities, to hasten the legal adjustment of the right of ownership and an effective process that will insure the rural man conditions of stability of work and tranquility in the use and ownership of land."

The plan for reducing the period of usucapion in the rural area "allows the harboring of the hope that the land problem will have a priority in the goals of the present government," declared CNBB Secretary General Dom Luciano Mendes de Almeida. He added: "In the light of this news we better understand the situation of the French priests and of so many agents of the Pastoral who for years have been waiting for a structural solution to the land problem."

One of the participants in the meeting of the episcopal congress as the auxiliary bishop of Sao Paulo, Dom Luciano said, however, that this new provision for the good of the small farmer can only attain the desired effect in the degree that processes are created to guarantee its implementation in such a way that the delay in its application does not cause disappointment in those who need the land for the survival of their families."

Fidelity

Bishop Mathias Schmidt of the Rui Barbosa Diocese in the remote interior of Bahia, believes that the draft bill on usucapion sent to Congress by President Aureliano Chaves can greatly ease tensions in the rural area "but that will depend on the fidelity with which the law is implemented."

Dom Mathias made that statement in a recess during the assembly of the CNBB Subregional Northeast III in Rui Barbosa, Bahia, which was attended by Bishops Jose Rodrigues of Juazeiro and Jairo Matos of Senhor do Bonfim in addition to 35 priests, nuns and laymen. Areas of extreme tension and conflicts over land ownership exist in the three diocese.

The bishop of Rui Barbosa compared the new usucapion law to the Biblical parable of the trees and their fruit: Once when passing by a beautiful leafy tree, Christ commented to his apostles: "What good is such a beautiful tree without fruit?"

"Such is this new law. We are going to wait for its fruit. In itself the law seems good, but experience is what will show how it will be implemented. We have enough proof that a law is not a justification in itself, but rather is justified by its results. In this case, if it really brings good to the homesteaders, if it really makes ownership easier for the small landowners, it is a good law," said the bishop.

Assembly

The problem of urban land should become part of the discussion of the CNBB regional assembly on 4 November at the request of several bishops of Sao Paulo State and the national CNBB leadership. It will be the subject of the national assembly in February 1982.

An outline of the draft project to be discussed in the February assembly has already been approved by the CNBB Pastoral Episcopal Commission (CEP). In its introduction it states that the debate on the problem of urban land is justified because of the preferential option in favor of the poor assumed by the Church in Puebla and as a followup to the document "The Church and Land Problems" approved by the Brazilian bishops in 1980 which dealt with problems in the rural area.

Land Conflicts Involve 2 Million

Almost 2 million Brazilians are now involved in land conflicts, according to figures provided by the National Secretariat of the Land Pastoral in a survey made up to June 1981. Of those conflicts, the largest part--nearly 58.4 percent--took place in the 1979-1980 period, which indicates that they will not be resolved right after the approval of the draft law which reduces the period of usucapion.

The Land Pastoral also reports that it was not possible to delimit all the 916 areas under litigation in the country. It knows, however, that 343 of the conflicts cover an area of 37,216,698.5 hectares. Maranhao and Para lead in the statistics with 358 cases recorded by the Pastoral.

False Titles

Saying that the survey is "partial and provisional," the Pastoral reveals that the 916 conflicts in the country involve 261,891 families totaling 1,972,989 persons. In Rio de Janeiro the Pastoral recorded 53 cases (5.7 percent of the toal), the majority of them cases of eviction.

The main cause of conflict over land in the country is false titles, with 498 cases, mainly in areas where social tension is greatest: Maranhao and Para. In national terms, the major causes of conflicts are: false titles, with 56.11 percent of the cases affecting 59,630 families; expulsion, 8.8 percent of cases affecting 40,891 families, and eviction, 7.2 percent of 7,528 families.

With 13,511,865 hectares in litigation, Para leads in statistics with respect to the size of the area in conflict. It is followed by Maranhao with 7,706,075 hectares and Roraima with 6,630,000 hectares. In Roraima, despite the fact that the area under litigation is very large, the official number of cases of conflict is only two, affecting 8,500 persons.

With respect to Rio de Janeiro, the Land Pastoral figured a total of 61,272 hectares are under litigation, a smaller number than those recorded by the Farm Workers Federation [FETAG] of the state of Rio (154,000 hectares). The FETAG believes that the Bocaina National Forest, with 100,000 hectares, is under litigation, but does not include several other areas such as the 12 of the Municipality of Angra dos Reis.

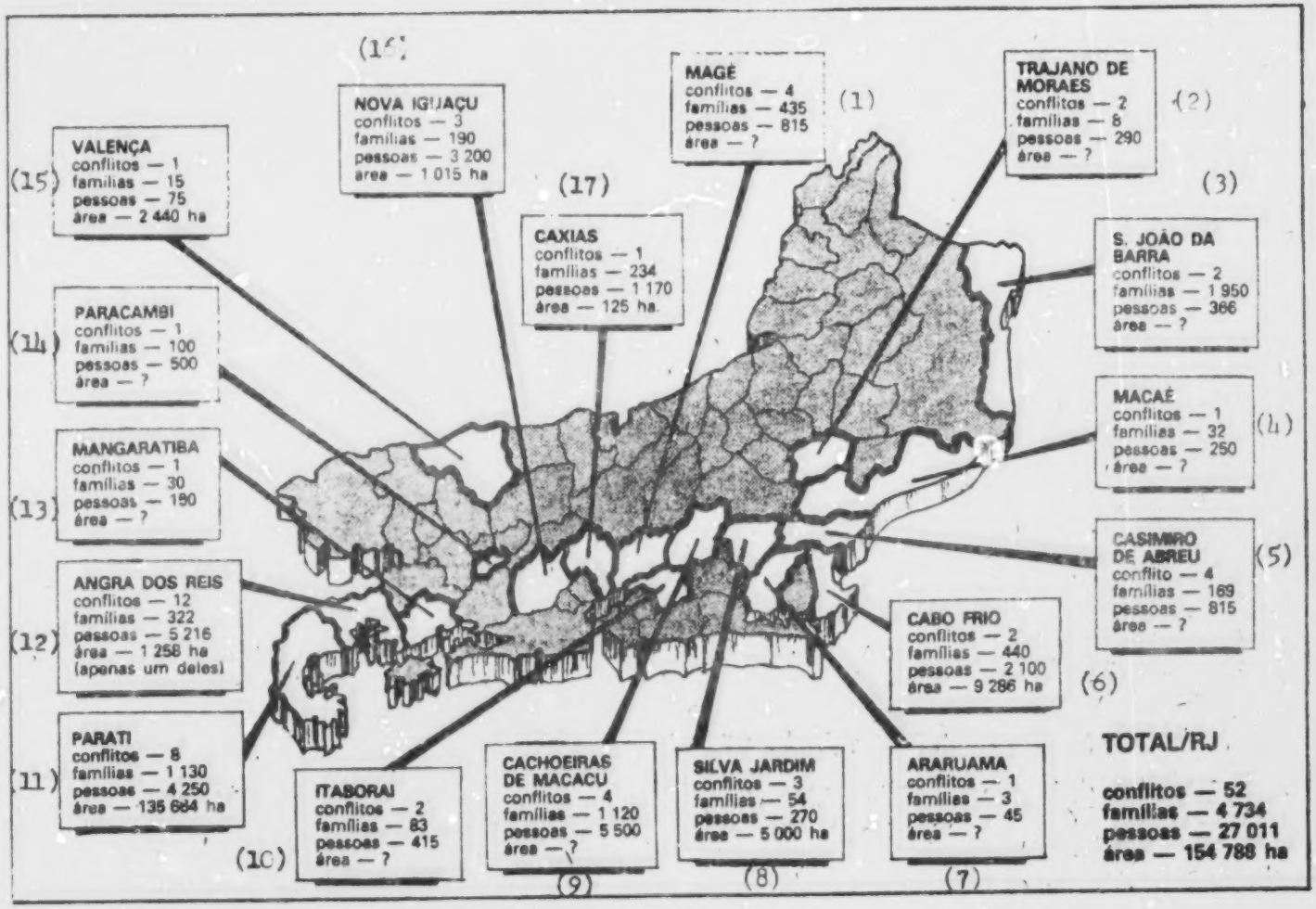
The questionnaires by the Pastoral indicate that the main cause of land conflicts resides in the government agencies themselves: INCRA itself with a total of 14 cases, followed by CODEVASF [Sao Francisco Valley Development Company] with 12 and the government (agency not identified), 11. It mentions 478 persons as responsible for initiating actions against homesteaders (68.3 percent). One hundred five cases (14.9 percent) are the responsibility of official agencies, and 15 the responsibility of multinationals (2.1 percent).

Estados (1)	Nº de Conflitos (2)	Nº de Famílias (3)	Nº de Pessoas (4)	Área em Ha (5)
Acre	21	1.180	6.390	820.712
Alagoas	15	2.081	12.200	11.549
Amapá	05	12	20	253.000
Amazonas	23	170	6.252	91.396
Bahia	94	24.201	252.957	2.906.590
Ceará	14	2.032	13.860	15.699
D. Federal	03	187	935	65.800
E. Santo	03	150	500	30.000
Goiás	53	2.776	16.378	495.266
M. Grosso	62	11.010	61.400	1.033.527
M. G. Sul	19	1.861	22.560	454.112
Maranhão	207	67.184	334.080	7.706.075
M. Gerais	33	35.383	27.456	137.524
Pará	151	37.874	208.272	13.511.865
Paraíba	14	1.934	16.220	74.013
Paraná	16	11.931	59.780	2.049.204,5
Pernambuco	26	31.635	173.898	39.168
Piauí	15	2.387	11.160	205.294
R. Janeiro	53	5.387	57.170	61.272
R.G. Norte	16	9.451	59.746	129.336
R.G. Sul	09	4.264	21.320	10.235
Rondônia	14	2.618	12.091	147.000
Roraima	02	—	8.500	6.630.000
S. Catarina	12	2.019	10.795	17.537
São Paulo	20	3.341	17.065	313.145
Sergipe	13	1.089	10.780	87.056
Total	915	261.791	1.572.989	37.216.697,5

Land conflicts in Brazil

Key:

1. States
2. Number of conflicts
3. Number of families
4. Number of persons
5. Area in hectares



The chart above was prepared from figures provided by the FETAG of Rio de Janeiro for 1980, According to the INCRA public relations coordinator (southeastern part), Antonio Ventura, FETAG figures are "partially accepted" by the agency although there are some litigations which INCRA considers as being already resolved. [key on facing page] Totals in Rio: Conflicts, 52; families, 4,734; persons, 27,011 area, 154,788 hectares.

Key:

1. Mage
   conflicts--4
   families---435
   persons----815
   area-------?

2. Trajano de Moraes
   conflicts--2
   families---8
   persons----290
   area-------?

3. S. Joao da Barra
   conflicts--2
   families---1,950
   persons----366
   area-------?

4. Macae
   conflicts--1
   families---32
   persons----250
   area-------?

5. Casimiro de Abreu
   conflicts--4
   families---169
   persons----815
   area-------?

6. Cabo Frio
   conflicts--4
   families---440
   persons----2,100
   area-------9,286 hectares

7. Araruama
   conflicts--1
   families---3
   persons----45
   area-------?

8. Silva Jardim
   conflicts--3
   families---54
   persons----270
   area-------5,000 hectares

9. Cachoeiras de Macacu
   conflicts--4
   families---1,120
   persons----5,500
   area-------?

10. Itaborai
    conflicts--2
    families---83
    persons----415
    area-------?

11. Parati
    conflicts--8
    families---1,130
    persons----4,250
    area-------135,664 hectares

12. Angra dos Reis
    conflicts--12
    families---322
    persons----5,216
    area-------1,258 (only one of them)

13. Mangaratiba
    conflicts--1
    families---30
    persons----150
    area-------?

14. Paracambi
    conflicts--1
    families---100
    persons----500
    area-------?

15. Valencia
    conflicts--1
    families---15
    persons----75
    area-------2,440 hectares

16. Nova Iguacu
    conflicts--3
    families---190
    persons----3,200
    area-------1,015 hectares

17. Caxias
    conflicts--1
    families---234
    persons----1,170
    area-------125 hectares

Rio Grande do Sul Farmers Support the Bill

Leaders of the FETAG of Rio Grande do Sul and the Rio Grande do Sul Agrarian Front (FAG), an advisory agency of the CNBB South Regional, are unanimous in praising the government plan to reduce the time for occupation of rural areas for usucapion from 10 to 5 years, believing that the government is interested in solving "the problem of neglect in the rural area."

Farmer organizations and the INCRA regional branch say that the number of those benefitted by the plan in Rio Grande do Sul is "almost unimaginable." Also with respect to the states of the north, northeast and center-west, the secretary general of FETAG, Canisio Weshenfelder, said: "It is a great advance which deserves our total support and enthusiasm."

Leaders of FETAG and FAG say that in Rio Grande do Sul "the greatest problem is not with respect to homesteaders but primarily with respect to poor land distribution which forces the small landowners to leave the rural area because of a lack of options for survival in the interior."

Border

Not even 10 percent of the 200 land conflicts in Parana will be helped by the draft law sent by President Aureliano Chaves to the Congress. According to the president of the Justice and Peace Commission of Parana, Attorney Wagner D'Angelis, the majority of the centers of tension in the state are on the border belt--a national security area--and therefore excluded from the benefits of the law.

Land conflicts in Parana involve nearly 300,000 homesteaders on 36,000 hectares divided into areas of various sizes.

Unconstitutional

The regional delegate of the Braziliian Agrarian Reform Association--ABRA--, Jorge Coelho, said he is against the new usucapion decree "because I do not see how a constitutional decree can resolve social tensions in the rural area, much less be called agrarian reform.

"The new decree not only violates Article 171 but also the Land Statute Article 98, which sets 100 hectares as the limit for receiving the benefits of usucapion. The draft law reduces the maximum limit to the average size of the holdings in the regions, which is between 35 and 40 hectares in the Northeast. It is unconstitutional," explains Jorge Coelho.

8908
CSO: 3001/12

BRIEFS

MINAS RETAINS HELIBRAS CONTROL--Belo Horizonte--The government of Minas Gerais will not sell any of its 55 percent share of HELIBRAS [Brazilian Helicopters, Inc] to its French partner, Aerospatiale. "It is not the function of the state to own stock in manufacturers of aircraft, helicopters or automobiles," declared Finance Secretary Marcio Garcia Villela in reply to apprehension expressed by the French state enterprise. The secretary added that the Minas Gerais Development Bank [BDMG] is studying the alternatives for the project and revealed that "the state will not sell its share of HELIBRAS, which would be immoral and unethical." He also said there is no reason for the French, who hold 45 percent of the company's stock, to be worried, "because we will inform them in advance of any decision we are going to make." With withdrawal of the Navy and Air ministries from ownership of HELIBRAS, located in Itajuba, southern Minas Gerais, which since January 1980 has been producing one aircraft per month, "caution is necessary in future studies to keep the project in step with the market," the finance secretary asserts. By the end of last month, HELIBRAS had paid-up capital of 224 million cruzeiros, which, by decision of the stockholders, is to be increased before the end of this year. But, according to Mario Garcia Villela, in view of the current situation, "any further increase of HELIBRAS capital will depend upon the technical analyses the BDMG is making." [Text] [Rio de Janeiro JORNAL DO BRASIL in Portuguese 9 Oct 81 p 17] 8834

CSO: 3001/19

DEVALUATION PREDICTED FOR EARLY 1982

La Paz PRESENCIA in Spanish 17 Oct 81 p 9

[Text] "The liquidity problems in our national financing can be solved only with external aid," commented the manager of the National Chamber of Commerce, Rene Candia.

Given that the great economic crisis the country is undergoing stems from the huge foreign debt, it seems logical that the principal remedy lies in solving that problem, commented Candia Navarro.

"This is a kind of wall that is blocking all other measures or hindering their effectiveness," explained the manager of the National Chamber of Commerce.

He also remarked on the system of priorities that the Central Bank has announced, with respect to the granting of foreign currency reserves to different sectors according to need.

In other aspects of the economic-financial sector, it is generally assumed that the devaluation of the Bolivian peso will be a natural requirement for receiving stand-by credit from the International Monetary Fund.

Among the speculations circulating in government and business circles, it is foreseen that the International Monetary Fund may propose that the Bolivian Government temporarily float its currency.

This measure would determine the real value of foreign currencies, and that experience could be used to arrive at a new exchange rate, to be established on the basis of a series of economic and financial factors.

After a period of a freely floating exchange rate, a fixed rate would be set to make the financial process more stable.

This hypothesis contrasts with official statements ruling out a devaluation; at the same time, it has stirred fears that if the peso is floated, even temporarily, a spiral of instability could be unleashed with consequences that are hardly soothing to economic officials.

Other sources predict that, given the proximity of the holidays, the devaluation will be postponed to January or February so that unpopular measures will not be taken at Christmas time.

The weekly letter NOTAS, on the other hand, predicts that "if the Monetary Fund authorizes stand-by credit, the devaluation is inevitable, because if the latest rate of 25 Bolivian pesos to the dollar were maintained, the cheap price of our currency would lead to its rapid disappearance."

"The devaluation of the peso," NOTAS goes on, "is necessary so that the credit the Monetary Fund will eventually grant does not dwindle away."

"It is obvious," it continues, "that the other solution would be exchange control, but the Fund prefers to maintain freedom of commerce (and therefore of exchange)."

"Moreover, that control would send the parallel market into an upward spiral, with the proliferation of dishonest practices and other calamities that are very well known to the entire country, making such exchange restrictions necessary." In addition, the government does not have adequate means available to control speculation.

8926
CSO: 3010/185

PRESIDENT OUTLINES NEW ECONOMIC POLICY

La Paz HOY in Spanish 22 Oct 81 p 9

[Text] The government will establish a realistic exchange policy, based on the forces of the market, announced the president of the republic, Gen Celso Torrelio Villa, last night. He also revealed that the new policy will contain a financial mechanism for the strict and centralized control of the foreign debt.

Chapter VI, on "Economic Policy," was explained by the chief of state. Here is the text of that chapter:

The solution of the economic crisis requires the adoption of measures and decisions based on the idea that the transformation of the current economic system is the only real alternative for reversing the cumulative deterioration of the national economy. The extent of the modifications required will be determined during the process of change that must begin as soon as possible, and whose duration is only foreseeable as a function of the results obtained during the current economic cycle. This situation is being studied by the international financial world, both public and private, in order to find a solution to the national economic and financial crisis.

The principal decisions that must be firmly taken are the following:

1. Fiscal Policy

To give top priority to the implementation of Tax Reform, with special emphasis on the following measures:

a) To substantially expand the tax base by incorporating into the tax structure all urban and rural sectors that are not subject to taxation, based on principles of equity, universal application and the ability to pay.

b) To drastically reduce private and state tax evasion through a radical improvement of auditing systems. Elimination of all exemptions and privileges.

c) To rationalize and modernize collection and auditing systems. Elimination of official corruption.

d) To transform specific taxes into ad valorem taxes so that they can move simultaneously with prices.

e) To reorganize the tariff policy, giving preference to the following objectives: I) selective substitution of imports; II) penalization of imports of dispensable and luxury goods; III) incentives for exports, particularly non-traditional ones; IV) making national industry subject to competition by reducing tariffs and orienting industry toward the production of goods that have comparative advantages.

f) To implement a new budget policy that is imperative and realistic, so that public spending may be adjusted strictly to the availability of financial resources. The income policy should be based on the equitable distribution of the tax burden; and the spending policy should be aimed at maintaining employment levels and at giving equal treatment to all economic sectors and all geographical regions.

g) To rationalize oriented public investments and high-priority, short-term projects with high yields and great benefits for the country, in terms of production, employment and the generation of foreign reserves.

h) To eliminate subsidies and artificial prices.

i) To balance the budget and eliminate the deficit financed by the Central Bank.

j) To renegotiate the foreign debt on terms and conditions compatible with the country's situation.

2. Financial Policy

a) To attract foreign investment on the basis of a new, realistic and objective Investment Law, which would contain simplified, clear and easily applied rules.

b) To reorient domestic investment in order to channel it toward the creation of internal aggregate value.

c) To establish a strict and centralized mechanism for controlling the foreign debt. Those resources would be oriented exclusively toward investment, preferably in short-term projects.

d) To put the Stock Exchange in full operation.

e) To create an Economic-Financial Stabilization Council as a fundamental tool for the control and follow-up support of the economic reactivation process.

3. Monetary Policy

a) To establish a realistic exchange policy, based on the forces of the market.

b) To manage the monetary instruments of the legal cash reserve, the selective rediscount and bank interest rates, in order to maintain aggregate demand at levels compatible with the supply of goods and services.

4. Productive Sector Policy

Given the financial and institutional weakness of the public sector, which is a limiting factor that influences the development of new investment, the following decisions have been made:

a) To readjust the public enterprise sector, based on the expansion of the private sector.

b) To rationalize employment and wages in the public sector by attempting to increase production and cut costs.

c) To promote the participation of the private sector in state enterprises, and the possible transfer of those enterprises.

d) To diminish the role of the state in future productive activities.

e) To transfer to the private sector, or provide for private participation in those productive projects which are currently being executed, as dictated by the above-mentioned financial and institutional weakness of the public sector. For the application of the above measures, the enterprises and productive projects of the public sector will be classified according to profitability and efficiency criteria, as profitable enterprises, unprofitable enterprises and enterprises with chronic deficits.

Within 1 year, steps will be taken to consolidate the profitable public enterprises, and the unprofitable and losing enterprises will be transformed, case by case, into:
--private
--mixed
--subject to administration contracts
--cooperatives
Finally, the irrecoverable enterprises will be liquidated.

f) To establish a new compensatory system of rights and concessions for the exploitation of natural resources for both public and private sector firms.

g) To eliminate the system of Central Bank loan guarantees for the private sector, and substantially reduce such concessions to the public sector, until they are totally eliminated.

h) To eliminate capital transfers granted by the Central Bank to public enterprises, and to do away with subsidies and dependence on the public sector in general.

i) To pass the Law to Promote Non-traditional Exports, which includes warrants and other methods of financing, avoiding all types of state subsidies.

j) To create the Institute of Foreign Trade.

5. Medium-Term Economic Policy

To seek a real and sustained improvement of the economy, and a higher standard of living for the population, through actions that must begin now and intensify in the medium term.

In this regard, it is imperative that a new economic development model be formulated with all its implications, based on a free-market economy, considering the objective realities of our country and the experiences of the last two decades.

The principal objectives that should be sought through this model are as follows:

1. To reactivate the economy through the adequate strengthening of the domestic market and a substantial increase in exports.

2. To provide incentives for the productive sectors that have comparative advantages.

3. To promote the fluidity of foreign capital in direct investments.

4. To cumulatively reduce current fiscal spending.

5. To substantially improve the flow of resources toward investment.

6. To provide dynamic support for the private business sector while shrinking the public enterprise sector and reducing the resultant deficits.

7. To rapidly expand production and exports.

8. To balance the budget and the balance of payments.

8926
CSO: 3010/185

MINING ENTERPRISES SEEK COMMITMENT OF FUNDS

Cochabamba LOS TIEMPOS in Spanish 18 Oct 81 p 8

[Text] Measures designed to control transactions in foreign currencies are threatening to paralyze production in tin, tungsten, antimony, lead, zinc and other mines that are being exploited by public and private sector mining enterprises.

According to a report by the Mining Chamber, the mining industry uses inputs such as explosives, chemicals, tools, equipment and machinery whose importation has now been halted. Supplies are short at the firms' deposits, and they are in the process of depleting their inventories. Every order requires considerable processing time before the product arrives at the warehouse.

The Chamber reported that the Emergency Economic Commission of the National Mining and Metallurgy Council nearly 2 months ago sent the government a memorandum explaining the serious economic and financial plight of the mining sector. It suggested, among other things, that letters of credit for the importation of inputs, equipment and machinery needed to maintain normal mining operations should be given priority in processing and in the assignment of foreign currency, for which purpose a special mechanism should be established for requesting and committing foreign currency.

According to the Mining Chamber, that request and the procedures have been approved by the Council of Ministers. The mining sector anticipates emergency measures to solve this serious problem, because otherwise productive activities will grind to a halt and there will be damaging consequences for the producers and the nation as well, it stressed.

8926
CSO: 3010/185

REACTIVATION OF MINING, AGRICULTURAL SECTORS UNDERLINED

La Paz EL DIARIO in Spanish 22 Oct 81 p 4

[Text] The productive process, according to the Government Program proposed last night by President Celso Torrelio, will be developed on the basis of three sectors: mining, agriculture and hydrocarbons, to be complemented by a policy that will deal adequately with the industrial and infrastructure sectors.

The document indicates that the stimulation of activities in the above-mentioned sectors "will be aimed at the fundamental objective of creating maximum options in the utilization and use of renewable and non-renewable resources."

Mining-Metallurgy Sector

In this field, the government will concentrate on and will give favorable consideration to the implementation of the 1981-1985 Mining-Metallurgy Policy, which is designed to reactivate and reorganize the sector as soon as possible.

The iron and steel industry will receive firm support within the retrointegrated system that will begin with the installation of a rolled products plant, followed by the correlation of a complementary study and an effort to obtain financing compatible with the country's interests.

On the international level, there will be joint negotiations with tin producing countries to find the most suitable ways to obtain remunerative and fair prices for our principal export. Agreements will be made to set forth procedures for forming a pool of mineral raw materials, with the possibility of consolidating a National Buffer Stock.

The financing capacity of the Bolivian Mining Bank will be reinforced, and private mining firms will be accorded special treatment, facilitating coordination with state-run mining enterprises "in order to achieve sufficient compatibility for the optimum benefit of the country."

Agricultural Sector

In this area, the Government Program stresses that all possible efforts will be made to invest in the future.

Regional development nuclei will be organized with horizontal and vertical agricultural production structures designed to create an agricultural industry in which farmworkers, agricultural laborers, administrative employees and agricultural technicians would work together in complexes.

The operation of this sector will be regulated within mixed structures, with private capital, financing by public institutions or international agencies, and internal savings accumulated on the basis of cooperative economic and social work.

In this sector, moreover, the following activities will be undertaken: to step up agricultural production aimed at consumer and industrial use, using high-efficiency cultivation techniques, increased productivity and competitive pricing; to promote and develop livestock production, incorporating appropriate industrial processes and channeling surpluses into the export markets; to reorient meat consumption in order to stimulate the use of white meats so that red meats can be funneled into the foreign market; to rationalize the use and development of the country's forestry resources; and to promote food production to meet national needs and send surpluses to foreign markets.

Energy Sector

The government emphasizes in the document that there is improper use of energy resources in this sector. Non-renewable resources such as liquid hydrocarbons are consumed wastefully, while available resources such as natural gas are not utilized to their full potential.

In light of these problems, an energy policy will be developed along the following lines: to make intensive use of renewable resources; to utilize natural gas reserves; to rationalize the consumption of liquid hydrocarbons; and to make gradual progress in the use of non-conventional energy sources.

Hydrocarbons

In this subsector, measures will be taken to bolster reserves, with the ultimate goal of making the country self-sufficient and generating exportable surpluses. Production will be stepped up through the accelerated development of recently discovered fields and the secondary and tertiary recovery of fields now being exploited.

Moreover, the construction of an internal network of gas pipelines will be speeded up so that liquid fuels can rapidly be replaced by natural gas.

Negotiations will continue for the exportation of surplus natural gas to Brazil, and the diversification of other possible markets will be explored.

As for petrochemicals, a nitrogen fertilizer plant will be installed to cover increasing internal demand and export surpluses. The National Fertilizer Enterprise will be created, with public and private stock ownership.

8926
CSO: 3010/185

ROA CASTIGATES 'U.S. IMPERIALISM'

PA080058 Paris AFP in Spanish 2312 GMT 7 Nov 81

[Excerpts] Managua, 7 Nov (AFP)--Raul Roa, vice president of Cuba's National Assembly, has expressed here "the Cuban people's firm determination to defend their revolution against any attack by the U.S. administration."

Roa arrived in Managua today to participate in the events marking the death of FSLN founder Carlos Fonseca Amador. Fonseca Amador died on 7 November 1976 while fighting dictator Anastasio Somoza's army in a mountainous area in the north.

In his statements to the newsmen, Roa stressed the Cuban delegation's official charge at the United Nations in protest against U.S. aid for the rebel forces in El Salvador, which he described as "slanders disseminated by U.S. imperialism." [sentence as received] Roa also described the latter as a "monstrous system."

"Haig is an imbecile; he was born in an incubator and therefore has no father or mother. He knows we are not afraid of him," Roa commented about the U.S. secretary of state and the military option he announced in connection with Cuba.

"The policy of the current Reagan administration represents a brutal and violent escalation, seeking to destroy the liberation movements and to attack the sovereignty of the free Central American and Caribbean countries," Roa added.

During a ceremony held at this capital's Central Plaza, the FSLN directors presented Roa with a document acknowledging "his special identification with the Nicaraguan struggle and his militancy in the international cause."

Professor Edelberto Torres, an old Sandinist who protected Carlos Fonseca, and priest Jose Arias Caldera, who sheltered FSLN leaders in his church during the 1979 insurrection, were decorated at this event with the National Carlos Fonseca Order.

CSO: 3010/299

VETERAN COMMUNIST RAMON NICOLAU DIES

Report of Death

FL132003 Havana Domestic Service in Spanish 1100 GMT 13 Nov 81 FL

[Text] The burial of Ramon Nicolau Gonzalez, veteran communist fighter and early leader of the Cuban Communist Movement, will take place this morning. He died here yesterday.

Funeral Ceremony Held

FL141717 Havana Domestic Service in Spanish 1145 GMT 14 Nov 81

[Excerpts] The burial of revolutionary fighter Ramon Nicolau took place yesterday morning at the FAR mausoleum in Colon cemetery. Present, to pay his respects and in tribute to his memory, was army Gen Raul Castro, second secretary of Cuba's Communist Party Central Committee and minister of the FAR. Also present were Carlos Rafael Rodriguez, member of the Politburo and president of the Councils of Ministers and State, and Vilma Espin alternate member of the Politburo and president of the Federation of Cuban Women.

Carlos Rafael Rodriguez gave the eulogy and outlined the biographical and revolutionary path of the beloved fighter. [Begin recording] Men and women with 30, 40 or 50 years of revolutionary experience--yesterday's and today's--involved in the same definite revolution, have gathered here to bid farewell to this comrade and to tell him that at a time when our fatherland and our people (?stand) once again threatened by imperialism, at a time when the unity of our combat forces is more necessary than ever, at a time when the armed forces together with the territorial troops militia and all our people, watch the horizon, his example stands before us as an admirable and permanent example. [end recording]

CSO: 3010/278

BRIEFS

SCIENTIFIC CONGRESS--Sergio del Valle, member of Cuba's Communist Party [PCC] Politburo and minister of public health, has attended the opening session of the second national congress of microbiology and parasitology at the Palace of Conventions in this capital. The congress, which is being sponsored by the Cuban Association of Microbiology and Parasitology, is being held within the framework of the centennial commemoration of the historic paper presented by Cuban scientist Carlos J. Finlay, in which he established for the first time the concept of transmission of the yellow fever by the aedes aegypti mosquito. Dr Gustavo Kouri, president of the Cuban Association of Microbiology and Parasitology, made the opening remarks. Gregorio Delgado Garcia gave a lecture titled "Centennial of Finlay's Doctine; Scientific and Historic Evaluation." During the morning session, the participants also discussed the topic dealing with education in microbiology and parasitology. Sitting at the presiding table were Wilfredo Torres, member of the PCC Central Committee and president of Cuba's Academy of Sciences, public health vice ministers and other officials. [Text] [FL122327 Havana Domestic Service in Spanish 2230 GMT 12 Nov 81]

SOVIET DELEGATION--Cuba's Communist Party [PCC] Politburo member Jorge Risquet Valdes today received at the Central Committee main office the Soviet delegation headed by Leonid S. Sarviro, member of Belorussia's Communist Party Central Committee and deputy to the USSR Supreme Soviet. The two sides discussed matters of interest for the relations between the two countries. Also present in the meeting were Pedro Ross, alternate member of the PCC Central Committee, and Vitaliy Vorotnikov, ambassador of the USSR to Cuba. [Text] [FL120218 Havana Domestic Television Service in Spanish 2100 GMT 12 Nov 81]

OFFICIAL IN ALGERIA--Armando Hart Davalos, member of the Politburo and minister of culture, met with high officials of the Algerian Government and then traveled to Oran on a tour of that province. Mohamed Cherif Messaadia, member of the Political Bureau and responsible for the permanent secretariat of the National Liberation Front Central Committee of Algeria, received Hart and his party. The occasion provided an opportunity for both officials to discuss bilateral relations, international affairs and matters of common interest. [Text] [FL131319 Havana Domestic Service in Spanish 1200 GMT 13 Nov 81]

HAIG STATEMENTS--The yankee secretary of state, Alexander Haig, flung new threats at Cuba, Nicaragua and Libya during an appearance Thursday before the House Foreign Relations Committee in Washington. Haig repeated his previous lies against Nicaragua and Cuba concerning their alleged interventions in the Salvadoran conflict and said that his government is determined to crush what he called communist expansion in the continent. The secretary of state flatly refused to give assurances to congressmen that the United States would not undertake actions to overthrow the Sandinist government. Several congressmen recriminated him for this. According to news agencies, Haig even verbally abused the congressmen who dared contradict him and acted like a general giving orders to mere soldiers. Concerning Libya, Haig repeated his previous lies against the Tripoli government which he said was behind the attack Thursday morning against the yankee charge d'affaires in France. The Libyan Government last night categorically denied Haig's accusation and said that it was part of the general line of provocations against Libya by U.S. imperialism. Western European news agencies recognized in Washington-datelined reports that the new threats hurled by Haig against Nicaragua and Cuba have contributed to further intensify tension in Central America and the Caribbean. [Text] [FL131208 Havana Domestic Service in Spanish 1100 GMT 13 Nov 81]

U.S. 'THREATS'--The WPC has reiterated its firmest solidarity and support for Cuba in view of the threats of direct aggression made by the Ronald Reagan government, a group of parliamentarians belonging to the WPC have said in Helsinki. The parliamentarians also denounce the reiterated and frequent aggressive and threatening statements against the Cuban Government by official spokesmen of the U.S. administration. They add: To this end hysterical lies have been said whose only objective is to deceive international opinion to justify a crude and direct aggression in Central America and the Caribbean. The parliamentarians conclude by noting: Cuba is not alone, (let us) actively and urgently defend the Cuban revolution and struggle for peace wherever imperialism increases its aggression and intervention. [Text] [FL101514 Havana Domestic Service in Spanish 1502 GMT 10 Nov 81]

ARMENIAN DELEGATION--Jesus Montane Oropesa, alternate member of the Politburo and member of the secretariat of the PCC Central Committee, received a Soviet delegation led by G. M. Voskanyan, secretary of the Central Committee [of the Communist Party] of the Republic of Armenia. The delegation is visiting Cuba as part of the standing agreement of exchange. During its stay in our country the delegation has visited the provinces of Cienfuegos, Villa Clara, Santiago of Cuba, Matanzas ans Havana City. [Text] [FL101430 Havana Domestic Service in Spanish 1200 GMT 10 Nov 81]

U.S. BACTERIOLOGICAL WARFARE--Cuba today denounced the bacteriological warfare being conducted by the United States against our country during which plagues have affected agriculture and epidemics the population, Dr Adolfo Valdivia, member of Cuba's Communist Party Central Committee and secretary general of the National Health Workers Union, stated in a speech at the international conference on the topic "The Struggle of the Unions Against Transnational Pharmaceutical Corporations and for a Sanitation Policy for the Well-Being of Man," which opened in Moscow. Valdivia added that only forces which love peace and social progress will be able to stop the criminal hands of U.S. imperialism in its continuing increase of the arms race, which threatens man's survival. Participating in the conference are 209 representatives from 70 countries, union leaders, physicians and scientists. [Text] [FL120146 Havana Domestic Service in Spanish 0000 GMT 12 Nov 81]

SOVIET MILITIAS ANNIVERSARY--The 64th anniversary of the Soviet militias, founded by Lenin on 10 November 1917, 3 days after the triumph of the October Revolution, has been commemorated by Cuba's National Revolutionary Police. Brig Gen Luis Felipe Denis, a member of the Communist Party of Cuba Central Committee, presided over the ceremony. [FL111736 Havana Domestic Service in Spanish 1700 GMT 11 Nov 81 FL]

MEXICAN TEXTILE TRAINING--Cubans will train as instructors in textile manufacturing at Mexico's national center for productivity and intensive training of manpower, in accordance with an agreement signed on Tuesday in Mexico City. In addition to training the Cuban instructors, Mexico will provide Cuba with audio-visual aids to teach garment manufacturing. Mexican technicians will also visit Cuba to observe work procedures in Cuba's textile industry. [FL111736 Havana Domestic Service in Spanish 1100 GMT 11 Nov 81 FL]

U.S. BILATERAL RELATIONS--Cuba has accused the United States of using bilateral relations to sow division among the Central American and Caribbean countries. The charges were raised by the vice president of the Cuban State Committee for Economic Cooperation, Manuel Torres, at the ministerial meetings for development and cooperation in the Caribbean underway in St Georges, Grenada. Torres accused some governments in the area of acting as Washington's tools. He also underscored that U.S. is endangering regional peace and stability by threatening Nicaragua, Grenada and Cuba. [Text] [FL121501 Havana Voice of Cuba in English to North America and the Caribbean 0500 GMT 12 Nov 81]

U.S. THREATS CONDEMNED--Cuban Christians have rejected U.S. Government lies and threats against Cuba. In a statement to Radio Havana Cuba, the president of the Cuban Presbyterian Church, (Orestes Gonzalez), announced that representatives from all the Cuban churches were meeting (?in Havana) Saturday to express their condemnation of U.S. threats against Cuba, Central America and the Caribbean. The Reverend Gonzalez said Washington is trying to destroy the Cuban example. He said the U.S. claim that Cuba has sent troops to Nicaragua and El Salvador is a lie. Meanwhile, Bishop (Armando Rodriguez), who heads the Methodist Church in Cuba, described the U.S. warmongering and aggressive policy against Cuba, Central America and the Caribbean as totally wrong. He said the Christians feel it is their duty to express their solidarity with the Cuban people. [Text] [FL131413 Havana Voice of Cuba in English to North America and the Caribbean 0500 GMT 13 Nov 81]

ENVOY TO PORTUGAL--The Council of State has appointed Comrade Carlos Lechuga Hevia as new Cuban ambassador to Portugal. [FL121847 Havana Domestic Service in Spanish 1100 GMT 12 Nov 81 FL]

BULGARIAN VISITOR--Lionel Soto, member of the secretariat of the Communist Party of Cuba Central Committee has received Gancho Ganev, member of the Bulgarian Communist Party Central Committee and rector of the Academy of Social Sciences and Social Management. [Excerpt] [Havana Domestic Service in Spanish 1700 GMT 12 Nov 81 FL]

CSO: 3010/278

GOVERNMENT MINISTER MEETS WITH POLITICAL PARTY HEADS

Quito EL COMERCIO in Spanish 20 Oct 81 p A 1

[Text] Government Minister Dr Galo Garcis Feraud asserted that most of the political leaders with whom he has spoken agree that there is a need to draw up concrete plans concerning the Constitution of the Republic.

He made it clear that his conversations with party leaders are aimed at ascertaining ways to establish rules for political operation in which, guaranteeing administrative action by the government and party leadership, democracy will remain strong.

"Democracy," he said, "means government by the people and a multiple concurrence of ideologies. Our posture illustrates precisely the type of pluralism the present regime proposes," he said.

"This posture is being adopted in the interest of the establishment of ideas, theses and observations, but in no way does it mean a yielding of positions by the Popular Democracy Party [DP], since the triumph of a particular party option is of no interest to the country. Ecuador," he said, "is seeking to lay the foundation for a general vocation, which is freedom and a guarantee of political and doctrinary thought. In previous meetings the government and parties have agreed on the basic aspects of harmonious national coexistence," he emphasized.

Yesterday, the minister talked with leaders of the Social Christian Party [PSC] who, in turn, said that their party's desire for rapprochement with the government can only serve to help strengthen democracy.

In this respect, Camilo Ponce Gangotena said, "It is our duty to aid in carrying out the government's policy to show that the opposition is interested only in strengthening the country's democracy. We came here with the right every political party has to talk with the government and express the concerns of broad sectors of our nation," he said.

"Our position is rational and not radical and is directed toward the attitude of the government which is aspiring to impose a Popular Democracy regime," he said.

The PSC leader also said that his party's position with regard to the government has not changed.

Minister Garcia will meet today with Concentration of Popular Forces and with the Alfarist Radical Front. Tomorrow he will meet with the Democratic Popular Movement and with the CID [Democratic Institutionalist Coalition]. The interviews will end Thursday or Friday.
8568
CSO: 3010/147

FORMER CHAIRMEN DISSATISFIED WITH COMMITTEES' PROGRESS

Quito EL COMERCIO in Spanish 13 Oct 81 p A 3

[Text] Former chairmen of permanent legislative committees of the National House of Representatives [CNR], who have finished their work, pointed out the need for each of those organizations to have a group of advisers to do better legislative work.

A feeling of frustration and dissatisfaction about what could be done and is not done resulted in certain statements being made to this newspaper by the following legislators: Julio Ayala Serra, former chairman of the welfare committee; Galo Vayas, of the budget committee; Marco Proano, of the civil and penal committee; and Eudoro Loor, vice chairman of the agriculture committee.

Ayala said that the work could be more positive but noted that adverse circumstances prevented a more outstanding performance.

He pointed out the need for each of the committees and subcommittees of these legislative bodies to have a specialized adviser, "since legislators cannot be versed in all subjects."

Proano, in turn, said that his committee worked with a sense of responsibility and dedication and that the work of that organization and of parliament itself can be reflected in the passing of the Transit and Land Transportation Law.

Vayas said that the work was difficult, since approval had to be given to a budget which was arithmetically financed but which contained unreal entries. "Despite this fact, approval was given at times to keep parliament from being disparaged."

Loor said that the work was irregular, since the committees did not face up to the real problems and basic laws. "Some legislators lacked motivation," he said.

Ayala, former chairman of the committee on welfare and labor [CSL], said he thought the work could have been 10 times more positive.

"However, I am pleased to say that we are trying to carry out our obligations with honesty and efficiency, to pass laws which are just, positive and of importance to the country; and, in short, if this has not been achieved, it is because of certain adverse circumstances," he said.

"In an underdeveloped country a shaky democracy could not be expected to obtain a high level of development from its legislative efforts," the CFP [Concentration of Popular Forces] legislator pointed out.

"This committee has spent much effort on behalf of the popular and majority sectors, even though this has not pleased other sectors; we at least have that satisfaction," he said.

"I believe that we are bound to improve this year with the experience obtained. God grant that it be so! God grant that the new committee members will have the same faith, determination and desire to serve that we tried to incorporate in all our acts!" Ayala emphasized.

"I think," Ayala said, "that one committee aspect which should change is that of personnel; committees need a specialized adviser in each of the branches for which legislators are responsible. Therefore, within the CSL we have set up five subcommittees: education, health, social security, labor and cooperatives, and housing; specialized advisers are needed for each of these branches.

"In our committee we had two advisers: one could speak on cooperatives and housing, the other on labor. We need specialized advisers in the education and social security sectors.

Engineer Eudoro Loor, former vice chairman of the committee on agriculture [CA], in turn, said that the work of the legislative committees in their 2-year period of service has achieved a result which can be considered irregular. "It was not as hoped, because we did not face up to the basic problems and fundamental laws Ecuador has in the agricultural, tax and welfare fields," he asserted.

"This was due," he pointed out, "to a lack of proper calling and willingness to change on the part of many of us who make up legislative committees, on the lack of a qualified adviser to help us carry out our tasks and, unfortunately, on a threat of committee reorganization which has been hanging over our heads for 1 year when Engineer Baca took over the presidency of the House, which did not inspire the committee members to work with tranquillity and fully dedicate themselves to the work."

He thought that another reason why work was no longer done in laws of national interest was a lack of coordination in working jointly with the executive branch to assure that any law passed would benefit all sectors of the country.

"I consider," he said, "that if our efforts are not coordinated with those of the executive branch, which is the colegislative function, we shall be wasting our efforts, losing money and frustrating the people's aspirations.

"I continue to believe," Loor said, "that no matter what national government we have, legislative committees, whose only purpose is to legislate, must work jointly with the executive branch to have those laws become a reality."

He said that we should seek the most adequate exchange of ideas possible so that laws will be passed and will obtain the approval of the executive branch.

He said that the way to get on the right track is to pass laws such as those on animal health, plant life and forest preservation, the last of which could possibly save our country's economy many years hence.

He also said he hoped there would be agreement between the executive branch and the private sector and that, through the plenum, the House would pass laws of national interest.

He said that it is not proper for this emerging democracy to continue to ratify laws which will surely be vetoed. "We shall be reliving the periods when there was a struggle for positions, which destroyed the country's economy to a certain extent, for it created an atmosphere of confusion, especially in productive sectors, and this is extremely serious for a country like ours," he said.

CDP legislator Galo Vayas, former chairman of the budget committee, said he believed it has been rather difficult to head up this committee. "During the first year, we had to deal with problems brought to us by a new Constitution of the Republic so far as the budget was concerned."

He recalled that about 10 years ago the country's budget received special treatment. The budget committee was appointed and was made up of one representative from each province and 20 experts from the Ministry of Finance; in short, 40 persons constituted the technical budget committee. This committee presented the budget to Congress, since it is that body which ratifies and puts the budget into effect for the year in question. But by virtue of provisions 70 and 71 of the present constitution, priority and private powers are given to appoint the new directorate of the state budget. According to legislative provision, the budget proposal is to be presented by 10 July and goes to the budget committee. The budget committee has the competence and power to make any practical decisions with reference to the basic proposal in keeping with the state's administrative and economic policy.

"It is the budget committee which has the power to study, evaluate, analyze and approve and, if it is not in agreement, to request a special meeting to clear up any discrepancies in a single discussion," Vayas explained.

He noted that on two occasions unfinanced budget proposals were received. "It can certainly be said that it is a balanced budget, for arithmetically the receipts and disbursements match to the cent, but this is in keeping with budget financing.

"The fundamental question," he said, "is that receipts are overestimated to match with disbursements; there are entries which cannot physically be collected; figures which are in accordance with budget form but serve only to arrive at an arithmetic balance. In my opinion," he said, "a balanced budget is one which contains realistic entries under the headings of extraordinary and ordinary receipts, fiscal taxes and rates, and loans which agree exactly with the receipts planned for a given fiscal period."

Vargas said emphatically, "With true stoicism we have had to approve underfinanced budgets to avoid calling upon Congress which could only result in a deterioration of the executive power for having presented an underfinanced budget and of the legislative branch for wanting to concoct a budget in keeping with fictitious receipts."

He pointed out that the work is difficult inasmuch as the minister of finance has prevented all budget proposals from reaching the committee, even though, according

to the Constitution, the committee is obligated to receive and approve such proposals as in the case of CEPE [Educadorean State Petroleum Corporation], INECEL [Ecuadorean Electrification Institute] and others. We have given notice," the comptroller said, "that these institutions are operating with illegally approved budgets."

He said, however, that the mere act of approving the budget had left him with the satisfaction of having done his duty; in addition to the form itself, approval was given to the budgets of state-run and self-managed institutions as well as state firms per se.

He mentioned that an income-tax bill has been prepared on the basis of a thorough analysis of all the circumstances surrounding such a bill and based on a proposal sent by the executive branch.

Dr Marco Proano, former chairman of the civil and penal committee, said that the committee's work was carried out with a sense of responsibility and that the news media as a whole had always supported this committee with information and commentaries inasmuch as they considered the committee's work exemplary and an illustration of its constant effort during its 2 years of service.

"The committee," he said, "approved about 60 bills. To show that the committee worked, we have only to consider that of 60 bills approved 40 were ratified by the plenum and 6 were vetoed by the executive branch."

He said that, as a work method, the committee enjoyed the constant participation of sectors closely related to specific laws. "Before passing any laws, we invited the opinions of individuals in those sectors and decided on the basis of a concensus," he said.

He said that, in the opinion of one newspaper, just the passage of the Transit and Land Transportation Law took 2 years of legislative effort in Congress corresponding to 2 years in legislative committee.

8568
CSO: 3010/147

BRIEFS

ATTEMPT ON ATTORNEY GENERAL--A foiled attack against the residence of attorney general Edmundo Duran Diaz was reported in Guayaquil. A bomb was mistakenly placed at the home of a resident of Guayaquil whose name is (Manichelo). Reliable sources reported that the criminals were trying to attack the residence of Jorge Duran Diaz, brother of the attorney general. A few days before, according to the report a well-dressed and very respectable-looking individual showed up at Jorge Duran Diaz' residence, trying to find out if the attorney general lived there. It seems that the individual who did the investigation made a mistake when giving the attacker the exact location of the residence that was to be attacked. The two buildings, the one belonging to Duran Diaz and that of (Mr Manichelo), are very much alike. The attack occurred at 0100 today. [Text] [PA130418 Quito Cadena Ecuador Radio in Spanish 2300 GMT 12 Nov 81]

WARNING TO PROTESTERS--After 1 week of violent street disturbances at least seven persons have been injured and approximately 100 arrested. The government denounced political manipulation in the disturbances and warned that as of today there will be stronger action to maintain order, but with respect for human lives. [Text] [PA121902 Quito Cadena Ecuador Radio in Spanish 2300 GMT 11 Nov 81]

SOCIAL SECURITY FOR PEASANTS--Ecuadorean President Oswaldo Hurtado approved the extension of the peasant social security bill presented by the national chamber of representatives. The law will incrementally extend social security protection to all members of communes, cooperatives, associations, committees and any other form of peasant organization. The law also includes benefits for illness, maternity and dental care for the whole family, as well as assistance for funerals and disability pensions. [Quito Cadena Ecuador Radio in Spanish 2300 GMT 13 Nov 81 PA]

NEW CFP LEADER--Rafael de la Cadena will serve as supreme director of the Concentration of Popular Forces [CFP] until 10 May 1982 at which time the national convention will elect the new party leaders. De la Cadena replaces the late Asaad Bucaram, who had been supreme director for approximately 17 years. [PA092139 Quito Voz de Los Andes in Spanish 1230 GMT 9 Nov 81 PA]

SUPPORT FOR NONINTERVENTION--Quito, 11 Nov (AFP)--Ecuador has reiterated its support of the principle of nonintervention and condemned the use of force or threats detrimental to the sovereignty of any country, during the visit to Quito by Thomas Enders, U.S. assistant secretary for inter-American affairs. Enders, who ended his visit to Ecuador yesterday, discussed with Ecuadorean authorities the existing critical situation in Central America. Ecuadorean Foreign Minister Luis Valencia Rodriguez pointed out to Enders the need for averting future fishing incidents between Ecuador and the United States, since these are obstacles in maintaining cordial relations between the two countries. Enders noted that competent departments of the U.S. Government are carefully studying this matter with the vest intentions. Valencia reiterated the Ecuadorean Government's acknowledgement of the peace efforts undertaken by the United States, together with other friendly countries--Chile, Brazil and Argentina--in the armed conflict with Peru and said that Ecuador will pursue the search of a just solution which will finally end this problem. [Text] [PA121659 Paris AFP in Spanish 1604 GMT 11 Nov 81]

CSO: 3010/285

D'AUBUISSON BLAMES PDC FOR COUNTRY'S ILLS

PA040250 San Salvador EL MUNDO in Spanish 2 Nov 81 p 2

[Text] When it is possible to carry out a genuine audit, it will be determined whether the nationalization of banking and foreign trade has been successful or a failure, Maj Roberto d'Aubuisson said at a supper held by his party, the Nationalist Republican Alliance (ARENA) in El Salvador's Sheraton Hotel on Friday.

The officer harshly criticized the Christian Democratic Party (PDC), accusing it of attempting to establish what it inappropriately calls freedom. He compared it to the Nationalist Democratic Union (UDN), the National Revolutionary Movement (MNR) and the FMLN.

Major d'Aubuisson noted that only now, when the Christian Democrats are in power, have they realized that their former friends and fellow travelers are communist.

He recalled that over 1 year ago, the nationalists had foreseen the worldwide threat of international communism and had alerted the people and friendly countries at the time. D'Aubuisson added that because of this, the nationalists had been subjected to an orchestrated attack: "We were called rightists, ultrarightists and coupists. Ironically, we were called coupists by members of a government that resulted from a coup d'etat."

D'Aubuisson said that never in El Salvador's history had there been an economic failure like the present one. He explained that foreign guest speakers had been invited to the supper because if Salvadorans were to express such theories on the economy and on defense against communism, they would be attacked. He was referring to the speeches made previously by U.S. Col Samuel Dickens and Guatemalan economic Juan Carlos Simmons.

The major said that his party's goal is to defend the fatherland from communism by means of a democratic and representative ideology, allowing power to remain in the hands of the people and respecting the individual. In the financial sphere, the party will promote a free-market economy. It will respect and support the armed forces and maintain freedom of religion.

D'Aubuisson rejected the PDC's disavowal of the "past 50 years," starting from the beginning of a series of military governments. He admitted that there had been defects, but noted that during that period there had been increasing prosperity. He mentioned the creation of the mortgage and central reserve banks, the loan funds as well as the development of agriculture, industry and other activities.

D'Aubuisson said that the PDC is responsible for the present political interventionism, because it is an international party. He added that the party seeks to dissociate itself, not from those "past 50 years," but from "the constitution, representative democracy and other values."

D'Aubuisson ended his speech with the phrase: "We shall triumph in life, but if not, we shall triumph even in death, because ideas cannot be killed."

The room in which the supper was held was full. The walls were adorned with red, white and blue flags. At the end of the evening the master of ceremonies said that the audience had been listening to "the future president of El Salvador."

CSO: 3010/289

MORE MILITARY AID SOUGHT AT ARMY CONFERENCE IN U.S.

PA051942 (Clandestine) Radio Venceremos in Spanish to El Salvador 1200 GMT 5 Nov 81

[Text] The 14th Conference of American Armies [CEA] opened behind closed doors at Ft McNair. Its main topic will be counterinsurgency and its main speaker will be the genocidal minister of defense of El Salvador, Col Jose Guillermo Garcia, who was specially invited to the conclave which will bring together almost all the commanders in chief of the armes of the continent, with the exception of Nicaragua. Even though Nicaragua is a member of OAS, it was not included because, according to the U.S. media, the invitations were the responsibility of the Pentagon which, as host, acts as secretariat of the conference.

The exclusion of Nicaragua, it was said, was agreed at the preparatory meetings by the heads of the military missions of the countries participating in the CEA and the meeting was organized by chiefs of the U.S. Army General Staff, among them General Meyer, to promote hemispheric cooperation to fight terrorism, subversion and armed insurgency.

The conference, which is being held in the shadow of the grave crisis in Central America and the increase of U.S. interference in the region, has given rise to rumors that the conclave will close with an agreement on sending a Central American force to pacify the region.

Rumors have gained force following the announcement that the genocidal Colonel Garcia will outline the situation of the war in El Salvador before the conference and that during his visit to Washington he will meet with Secretary of State Alexander Haig and Pentagon chief Caspar Weinberger.

According to Col Alberto (Pepe), armed forces press committee spokesman, the possibility of requesting economic and moral support or war materiel for the armed forces of the Christian-Democratic-military junta is not ruled out.

In his statement to the press (Pepe) did not rule out the possibility that after Colonel Garcia gives his reports to Haig, he will take the opportunity to secure an increase in Washington's military aid. It was also reported that the genocidal Garcia will present to the conference of armies a military report which (?could) be restricted for some military representatives who are sympathizers of the junta, that is, the friends of Duarte and the military clique, such as Pinochet, Viola and Stroessner.

In the face of the military advance of our forces, the dictatorship is still seeking more desperately the help of the Pentagon, the help of the Reagan administration, in the form of more arms for genocide. Meanwhile, our people are advancing militarily and by organizing in the rural areas and cities, are daily strengthening the people's power.

CSO: 3010/290

FLMN STATION EXPLAINS NEED FOR PEOPLE'S COMMITTEES

PA061855 (Clandestine) Radio Venceremos in Spanish to El Salvador 1200 GMT 6 Nov 81

[Text] Do you know what the people's committees are? The people's committees are groups of neighbors who organize in communities, districts, cantons or villages to defend themselves from the kidnappings and murders committed by the genocidal Military-Christian Democratic Junta and to get ready for the decisive moments of our struggle to establish a revolutionary democratic government.

Who can join the people's committees? The people's committees can be joined by all those people who want to see our fatherland free from oppression and misery which is the result of the Military-Christian Democratic Junta and imperialism. Therefore, all students, peasants, workers, professors, employees, market vendors, newspaper boys, carpenters, [word indistinct], mechanics, housewives, in sum, all the heroic Salvadoran people can join the people's committees.

What should we do to form a people's committee? In order to form a people's committee we should first of all get in touch with a companero of the people's movement so that he can help us and tell us how to form a committee. If this isn't possible, we must begin some tasks so that when we do get in touch with a companero we will be ready. Some of these tasks are the following: 1) talk with our friends in the neighborhood, community or district about the difficult situation we are experiencing and propose that we unite and organize. 2) We must find out who are the informers and members of the paramilitary groups and death squads who live in our neighborhoods. We must make a list of their names and be careful regarding their vigilance. 3) We must meet in small and clandestine groups. If we don't have the guidance of a companero of the people's movement, we should form circles of listeners of Radio Venceremos which will be constantly giving guidance and instructions to the people. When we meet remember always to be watchful. 4) Let's begin to collect material such as bottles, nails, iron bars, sulphur, chlorate, [word indistinct], gasoline, bullets and [word indistinct], and if you can, have your pistol and ammunition ready.

Let's be listening to the instructions that will be constantly given over Radio Venceremos. Let's all organize in people's committees in neighborhoods, cantons and villages. Everyone get organized to be ready to fight and to achieve the release of our companero political prisoners.

CSO: 3010/290

UPGRADING IN POWER OF POLITICAL FORUM ASKED

PA040135 Paris AFP in Spanish 2055 GMT 3 Nov 81

[Text] San Salvador, 3 Nov (AFP)--Several Salvadoran political parties "want to carry out a coup d'etat before the elections," according to Adolfo Rey Prendes, assistant secretary general of the Salvadoran Christian Democratic Party [PDC].

In statements to AFP Rey Prendes, who is also mayor of San Salvador, referred to a request made this morning by the Nationalist Republican Alliance [ARENA] to the armed forces high command to extend legislative powers to the political forum which was inaugurated here today.

During the morning the representatives of six political groups who met in the legislative assembly building presented their viewpoints on the social and political conditions for the elections slated for the first few months of 1982.

A total of 33 leaders from the PDC, the Salvadoran Popular Party, Democratic Action, the National Conciliation Party, the Popular Orientation Party and ARENA participated in the forum.

The forum will end on Thursday. It was called and is presided over by the Central Elections Council for the purpose of discussing a recently proposed election law.

Rey Prendes explained that initially all the participating organizations, including ARENA, agreed that the forum would only be deliberative and that its conclusions would be submitted to the civic and military government, which is now exercising the executive and legislative functions of government, only as "recommendations."

However, after five partisan leaders had spoken without altering their traditional positions, retired Maj Roberto d'Aubuisson, leader of ARENA, threatened to walk out with his group unless the forum immediately constituted itself as the sole director of the election process with powers to adopt resolutions.

"If this is not decided today I believe that we will submit a final protest because it would be the same to stay here and propose something that will not be adopted as it would be to walk out," said D'Aubuisson.

Both the left and the government consider D'Aubuisson one of the principal leaders of the extreme right. He justified his proposal as "the only way to dismantle a plot hatched by the PDC (now in power) and foreign agents to win the forthcoming elections or to prevent them from being held."

He accused the PDC of having caused the greatest economic chaos in the country's history in order to frustrate the election process and to hold a plebiscite instead "to perpetuate in the government the gentleman (Napoleon Duarte) who is now presiding over the government junta."

Rey Prendes emphatically denied there was any truth in the charge, labeling it "absurd." He described it as an attempt to "grant the armed forces the power to make decisions in the political situation while we (the PDC) are trying to reappraise the function of the political parties."

"Some political parties and labor sectors are trying to carry out a coup d'etat before the elections and this is why they are demanding that the PDC withdraw from the government," he insisted.

CSO: 3010/289

FMLN RADIO SEES ELECTIONS AS PLAN FOR SUBJUGATION

PA062250 (Clandestine) Radio Venceremos in Spanish to El Salvador 1200 GMT 6 Nov 81

[Excerpts] Anyone who wants to become aware of the essence, the ideology, the injustice and the [word indistinct] of the present Salvadoran dictatorship will not have to make too great an effort. The dictatorship is portrayed full-scale on the highways, where youths are found decapitated. The dictatorship takes off all of its veils and disguises between the bloody walls of its clandestine prisons. It is revealed in its full dimensions in the cantons, where the forces of evil stab and machinegun women, senior citizens and children. It loses all of its blushes when yankee bombs are dropped over the peasant landscapes of Usulutan and San Vicente, where the yankee advisors are stamping the indelible mark of foreign intervention. The dictatorship becomes shameless when the yankee ambassador speaks over the domestic radio network to issue his dictates. The dictatorship and its corrupt system are revealed in the newspaper pages that hide the truth from the people, but that nevertheless reveal the entire fascist ideology that sustains this system of exploitation and misery. These are newspaper pages in which the system is unashamed to show a photo of Guernica, where the pain of the Spanish people was caused by Nazi bombs. Yet, these Salvadoran papers extol Hitler's legion of the condor. These are newspapers that will never denounce the death squads, but carry frontpage headlines defending the Somozist criminals who escaped from Costa Rica to take refuge under Duarte's protective wing.

The history of mankind will never be able to pardon Jose Napoleon Duarte for carrying out this bloody farce, for implementing the plans of imperialism, which are designed to maintain its domination over Central America and, incidentally, to maintain the political and economic plan of the same oligarchy that for 50 years has preserved its privileges in El Salvador with blood and fire.

The imperialist maneuver is clear to our people. In the face of the revolutionary forces' military advance, in the face of the high level of our people's awareness, this macabre plan of elections, this electoral farce, has been formulated in order to maintain, under the guise of a false democracy, the same situation of exploitation, misery and subjugation that our people have endured for 50 years.

The imperialists are trying to give the impression that there is a free interplay of opinions in the country, that several alternatives and several political and economic options are open to our people, but our people have unmasked the dictatorship, the imperialists and the oligarchy once and for all. D'Aubuisson, Medrano and Duarte are one and the same thing. They represent the same bloody plan to maintain the structures that have oppressed our people for the past 50 years.

During the national forum, there was not the slightest indication of a serious plan, of an option for the country that would allow us to emerge from chaos and from the bloodshed in which imperialism maintains our people.

CSO: 3010/290

BRIEFS

SUCHITOTO SEIZURE--The army said yesterday that it has adopted strong precautionary measures in view of the clandestine organizations' plan to seize Suchitoto. A military source said that information gathered by the army indicates that these groups plan to seize Suchitoto and that, consequently, vigilance will be maintained to safeguard the tranquillity of the town's inhabitants. The army spokesman said that the plan included seizing the town and making its residents flee by means of threats and terrorist attacks against private citizens, facilities, stores and so forth. The spokesman added that the activities that these groups have been carrying out against the town, such as the bomb explosions, destruction of electric generators, machinegunnings and other actions aimed at sowing panic and confusion among Suchitoto's inhabitants are part of this plan. The source said that the town has been subjected to terrible harassment lately, adding that terrorists fired weapons of all calibers, detonated powerful bombs and cut off power and water service between 0500 and 0530 yesterday. No personal injuries were reported because the army repelled the attack. [Excerpts] [PA081955 San Salvador LA PRENSA GRAFICA in Spanish 8 Nov 81 pp 3, 5]

CHEMICAL WEAPONS--The Costa Rican Committee of Solidarity With the Salvadoran People has accused the U.S. Government of supplying the Salvadoran regime with chemical and bacteriological weapons that are used against the defenseless people of that Central American country. The committee added that the indiscriminate and brutal use of 210 kg bombs of white phosphorous, napalm and the deadly agent orange has caused hundreds of victims among the rural population of the departments of Usulutan and San Vicente where the dictatorship has recently intensified bombings. The committee said that in view of the extensive aid that Washington gives to the military-Christian Democratic regime, more than 30,000 Salvadoran civilians have been killed and there are almost 300,000 refugees. It also stressed that several diseases which have appeared in El Salvador in the past few days are the direct result of the bacteriological warfare that the Salvadoran military authorities and their U.S. advisers are carrying out in the country. [Text] [PA061956 Havana International Service in Spanish 1600 GMT 6 Nov 81]

CSO: 3010/290

MLN DEPUTIES EXPRESS SUPPORT FOR GOVERNMENT

PA042158 Guatemala City PRENSA LIBRE in Spanish 30 Oct 81 p 13

[Excerpt] Deputy of the National Liberation Movement [MLN] has issued a resolution unanimously approving the recommendation that the executive branch investigate the organized guerrilla attacks night before last at government installations in Solola, Mazatenango and Escuintla, in order to find a way to eradicate subversion.

During these incidents--the preamble of the approved resolution states--several persons were killed and many wounded, leaving many families in mourning, children orphaned and mothers impoverished widows.

Therefore, it recommends that the executive branch, through the government ministry, conduct an exhaustive investigation of these incidents.

Furthermore, the Congress of the Republic offers the government its total support in all the measures adopted concerning this problem. The executive branch will receive a copy of the resolution for its knowledge and action warranted.

Deputy Leonel Sisniega Otero, on referring to the incident said:

--We are faced with a movement that is attempting to destabilize the institutions. Guatemalans are being sacrificed, he added, and not only military installations are attacked, but they have also attacked buses and private individuals who were going to recreation sites.

--Last night's attacks were staged by rebels against military groups which have elements to impose order.

--The military sector of Mazatenango was assaulted and there are no indications that those responsible have been pursued or have sustained casualties. We ask that these incidents be investigated, otherwise one will not be able to transit on those highways.

--We must give our absolute support to the authorities, he stressed, so that they can fulfill their mission and manage to exterminate the groups that seek to destabilize Guatemala.

CSO: 3010/289

CUBAN-JAMAICAN BREAK HURTS CARIBBEAN

FL091752 Bridgetown CANA in English 15151 GMT 9 Nov 81

[Text] Georgetown, Guyana, 9 Nov (CANA)--The official opposition People's Progressive Party (PPP) in Guyana says Jamaica's decision to end diplomatic relations with Cuba was a disservice to the Caribbean and had been engineered by Washington. The move was "an infamous act hatched in Washington" and "a severe blow to the concept of Caribbean unity which at present is fragile," the leftist PPP said in a weekend statement.

The Jamica Government ended diplomatic relations with Cuba on 29 October amid charges that Cuba was giving refuge to three wanted Jamaican criminals and had refused to return the men. The Cubans have dismissed the Jamaican reasons for the step.

The PPP said that the Jamaican Government's action must be seen in the same light as the suspension of diplomatic relations with Cuba by Costa Rica, Colombia and Venezuela, and was part of the U.S. Government's plans to isolate and attack the Cuban revolution. "Once again, as in the early 1950's, Caribbean leaders are falling victom to U.S. cold war pressures and betraying the Caribbean people's aspirations for economic and social progress," the PPP statement said.

The PPP said it rejected the ruling PNC [People's National Congress] government's view "that Jamaica is a sovereign state free to take its own position" adding that "after all Jamaica is a member of the Caribbean Community and what Jamaica does can affect the whole Caribbean." The PPP also said it was important to recall that Jamaica, Guyana, Trinidad and Tobago, and Barbados had jointly opened diplomatic relations with Cuba in 1972.

The PPP called on Caribbean people's to express what it called militant solidarity with Cuba and condemn the Seaga government for "not only doing a disservice to Jamaica, but also to the Caribbean family of nations."

CSO: 3020/1606

BRIEFS

HUMAN RIGHTS COURT RECOGNITION--Honduras has recognized the jurisdiction of the Inter-American Human Rights Court through Decree No 51, a copy of which was submitted to OAS secretary general Alejandro Orfila by Honduran ambassador to the OAS Col Diego Landa Celano in Washington. [PA090031 Tegucigalpa Domestic Service in Spanish 1130 GMT 6 Nov 81 PA]

CSO: 3010/289

BAUXITE PRODUCTION DROPS, EXPORTS INCREASE

FL091946 Bridgetown CANA in English 1750 GMT 9 Nov 81

[Article by Paget Defreitas]

[Text] Kingston, Jamaica, 9 Nov (CANA)--Jamaica's bauxite production, excluding amounts stockpiled locally, fell by 100,000 tons during the third quarter of this year compared with the same period in 1980, the Jamaica Bauxite Institute (JBI) has reported. The reduced output is a reflection of the local industry's response to a soft international alumina and aluminum market. Since the second quarter, after record first quarter production, the bauxite/alumina companies here have been reducing their production targets.

The JBI said that 3 million tons of bauxite were "disposed of" (either exported or refined locally) during the January to September period, against 3.1 million tons over the same period last year. Despite the slippage, which is expected to continue to affect the industry even after the fourth quarter, bauxite output was still running 3 percent ahead of the first 9 months of last year--9.1 million tons against 8.9 million tons.

The main area affected by the slow-down on the aluminum market was ore exports, which in the third quarter fell by 8.6 percent, to 1.4 million tons, when compared with last year's third quarter. For the entire 9-month period ore shipments were 4.4 million tons, 2.7 percent down on the corresponding period in 1980.

At the same time, however, alumina shipments in the third quarter at 638,000 tons were 4.6 percent up on the amount for last year's third quarter, and for the 9 months, the shipments were 1.9 million tons or 9.1 percent better than the January to September period in 1980.

Although bauxite output for the first 9 months of this year was slightly better than for the same period in 1980, total 1981 production is expected to end below last year's figure. Jamaica last year produced 11.9 million tons of bauxite, the best since the record 15 million tons of 1974, and officials, after an encouraging start to the year, were predicting an output of 12.4 million tons. But with the series of cutbacks introduced, the firm's output is expected to be about 11.5 million tons.

CSO: 3020/1006

BRIEFS

INVESTMENT PROJECTS--The Overseas Private Investment Corporation, OPIC, has concluded arrangements for 15 projects in Jamaica. The projects, scheduled for investigation and implementation, range from (?agro)-business and food production to manufacturing and tourism and the establishment of programs to evaluate manpower capabilities and training programs and strengthening the rural farm system. This was announced this afternoon by Prime Minister Edward Seaga in a press conference at Jamaica House. [Kingston Domestic Service in English 0000 GMT 7 Nov 81 FL]

CSO: 3010/1006

PEOPLE'S SOCIAL CHRISTIANS PROPOSE NEW DIALOGUE

New Dialogue

PA050327 Paris AFP in Spanish 1907 GMT 4 Nov 81

[Text] Managua, 4 Nov (AFP)--The People's Social Christian Party [PPC] has proposed that several Nicaraguan groups hold a dialogue to discuss the country's economic and political situation.

Edgar Macias, deputy labor minister and PPC president, said that the proposal was accepted in principle by the Independent Liberal Party, the Nicaraguan Socialist Party, and the Nicaraguan Democratic Movement headed by former junta member Alfonso Robelo.

"It is a question of finding a formula so that the revolution can continue advancing at the lowest possible social, political and economic cost," said Macias when he announced that the labor federations, professional organizations and the church will also be invited to participate in the dialogue.

Macias and a group of PPC leaders will meet today with the Nicaraguan church hierarchy and later with the representatives of the Democratic Conservative Party and the Social Democratic Party.

"We believe that will also receive the approval of the FSLN, although we have not yet met with its political commission," said Macias.

The first meeting of all the sectors invited to the "national meditation," has been scheduled for 15 November. The date could change according to the proposals of the participants, it was said.

This new attempt at dialogue was defined by Macias as very different from the one which was frustrated several months ago when the so-called forum for discussion of the national problems failed.

The previous forum, which was attended by the opposition parties--the so-called dissidents--and those which support the revolutionary leadership, did not manage to reach even a minimum concensus.

The Social Christian leader said that this time an effort will be made to thoroughly analyze the country's problems in order to achieve specific decisions and measures.

According to Macias the dialogue will be held in private joint sessions and in public sessions. The latter will serve to announce minimum understandings and the measures to be adopted.

The country's laws, labor discipline and productivity will be among the subjects discussed in order to find effective ways to promote the reconstruction process and the political, economic and social development of Nicaragua, Macias said in conclusion.

CUS Supports Dialogue

PA060442 Managua Radio Corporacion in Spanish 1200 GMT 5 Nov 81

[Text] The country's various sectors continue to express their support for the national dialogue proposed by the People's Social Christian Party through its president, Edgar Macias.

The Confederation for Unity of Trade Unions [CUS] is one of the national organizations that has expressed itself in favor of the dialogue as a means of seeking solutions to the national crisis.

Following is CUS secretary general Jose Espinosa's statement in this regard:

[Begin recording] This is a need. Today more than ever before, we must act patriotically and seek points of concurrence. The patriots among us must encourage this. We don't think our problems will be solved through diatribe or ideological discussions. They will be solved if we get to the bottom of them. And this can only be done in a specific, honest and well-intentioned manner.

I think that all sectors currently in Nicaragua, all those who stayed here in Nicaragua, have proven their honesty and good intentions. So I do not think it will be difficult to reach agreement and to find points of concurrence, as well as solutions to our current national problems. [end recording]

Socialists Welcome Dialogue

PA070321 Managua Sistema Sandinista Television Network in Spanish 0200 GMT 6 Nov 81

[Text] The People's Social Christian Party's [PPSC] proposal that a new path to communication among all the political, union and business sectors be sought has been welcomed by the Nicaraguan Socialist Party [PSN]. Here is PSN secretary general companero Luis Sanchez Sancho with further details:

[Begin recording] In regard to the PPSC proposal that reflection be given to the country's political and economic problems and specific solutions be sought,

we think that this initiative should be taken into account. It can become an important contribution to the solution of our current difficult situation, both domestically and in its foreign projections.

We think, however, that a basic framework of conditions should be established before undertaking this event. This basic framework should be founded on three basic developments: firstly, all of the country's economic, social and political sectors should recognize the strategic goals and the immediate current tasks outlined by the revolution. Secondly, all sectors should become fully aware of the serious threats that exist, in terms of external aggression and counterrevolutionary actions in the interior. Thirdly, a commitment should be made to accommodate all social and political activity to the needs of the defense, the fatherland, the country and the revolution and to the limitations imposed by the current state of economic and social emergency.

As for the idea proposed by Robelo and the Nicaraguan Democratic Movement [MDN] for a political moratorium that would freeze and postpone all activity of this type until some of the fundamental reconstruction tasks are fulfilled, in order to arrive at an electoral process, we are currently studying the concept. We understand that if the dialogue is held, the MDN will make this proposal there and will explain it. In any event, we are studying and analyzing this idea. Our position, however, will be adopted in accordance with the conditions and the framework I noted at the beginning. [End recording]

PCD Unwilling to Participate

PA072012 Managua Radio Corporacion in Spanish 1200 GMT 6 Nov 81

[Text] It was officially announced last night that the Democratic Conservative Party [PCD] will not participate in the so-called reflection meeting being promoted by the People's Social Christian Party. The party's executive council did not participate in the previous dialogue to find solutions to the political, social and economic problems currently afflicting Nicaragua.

We have received an invitation to attend the meeting, said a party spokesman, but we believe it will not get us anywhere. We consider, said the Democratic Conservatives, that we already have well-defined experience in this issue and this is clearly seen with the absolute failure of the national forum. If on that occasion, we did not participate because we did not trust it, stated our sources, much less will we participate now that it has less force.

Both Jose Castillo Osejo, the national coordinator, and Dr Clemente Guido could not hide their skepticism in this regard.

Cordova Rivas Stand Criticized

PA071938 Managua Radio Sandino in Spanish 1800 GMT 6 Nov 81

[Text] Edgar Macias, president of the People's Social Christian Party [PPSC], has said that only the Democratic Conservative Party [PCD] has turned down the PPSC's call to hold a meeting for political reflection.

At the same time, Macias criticized the statements made by Rafael Cordova Rivas [member of government junta], who dismissed the PPSC's initiative. Here is what Macias said:

[Begin recording] Only one party has rejected our proposal: the PCD.

[Question] Rafael Cordova Rivas has expressed skepticism about your proposal on behalf of the PPSC. Can you tell us something about this?

[Answer] We find strange the negative position Cordova has assumed in regard to the efforts toward reflection which have been made by the organizations which are interested in looking for rational methods of understanding for the sake of the nation's unity and peace. We also feel that his position is inopportune. We would call the holders of these views prisoners of the past. He is trying to revive the political parallelism that existed in the past between Somoza's regime and the conservative party of that era. We feel that this is no longer possible because we regard the FSLN as a completely different organization. [end recording]

PSD on Meeting With PPSC

PA072122 Managua Radio Corporacion in Spanish 1200 GMT 7 Nov 81

[Text] We will now present statements by Wilfredo Montalvan, secretary general of the Nicaraguan Social Democratic Party [PSD], analyzing yesterday's meeting with a delegation from the People's Social Christian Party [PPSC], which is promoting a meeting for reflection and convergence of the nation's various sectors:

[Begin recording] The PPSC has been promoting bilateral meetings with political parties in connection with the possibility of holding a meeting for reflection and convergence.

The PPSC delegation was composed of Edgar Macias, Mr Guillermo Mejia and Cesar Delgadillo Machado. The PSD was represented by Dr Luis Rivas Leiva [name indistinct], Carlos Rappaccioli, (Mario Alfaro Alvaredo) and (Rodrigo Solorzano), in addition to myself.

We told the PPSC members that as a civic [word indistinct] party, we have always been open to dialogue. We believe that this is the best way to find solutions, without great sacrifices, to the great problems afflicting our people.

For this purpose, we agreed to their visit. In our talks we noted that we share their concern about the crisis and the dangers threatening the nation. We also expressed our skepticism, because of the [word indistinct]. It is well known to all Nicaraguans that we have previously held dialogues that produced forums at which agreements were reached, but that, unfortunately, the FSLN leadership never complied with them.

Thus, we consider it advisable and necessary to establish several foundations (?to create) the necessary environment for producing a truly national encounter, which would merit the attention of the Nicaraguan people.

Because of previous experience, the FSLN has lost quite a bit of credibility; thus they, as the government, as the true power in Nicaragua, should demonstrate in practice that they have the political will and the true intention of complying with any agreements reached. [End recording]

PSD Presents Conditions

PA090233 Managua Radio Corporacion in Spanish 2200 GMT 8 Nov 81

["Social Democracy in Action" program, with Nicaraguan Social Democratic Party [PSD] leaders Luis Rivas Leiva, Mario Alfaro Alvarado and Guillermo Potoy in a "roundtable discussion"--live]

[Excerpt] [Alfaro] Before beginning our roundtable discussion, we want to inform our listeners that there is a new attempt to try to solve the serious Nicaraguan problem. The problem is serious and complex, because it involves political, economic and social areas and because it seems to be constantly getting worse.

Previous attempts to reach some understanding and to have all democratic organizations participate with the government in solving or ameliorating, to a great extent, the various problems we are confronting have failed. They have failed--and why not say it?--simply because the FSLN has not fulfilled its commitments.

First, it met with the members of the Higher Council of Private Enterprise [COSEP]; this was last year. When COSEP spoke of elections, the reply was that there would be no elections in Nicaragua, there would be no playing at elections, any elections must be held in the way the Sandinists want and similar arguments.

Later, an agreement was reached with the MISURASATA [Miskito, Suma, Rama, Sandinist Unity]. The result was that the agreement was not honored; Fagoth, chief of the MISURASATA, was imprisoned and persecutions took place and problems arose.

Finally, we had the forum, in which political parties mobilized, but only political matters, from a more extensive program, were discussed. The whole agenda was not discussed because the Sandinist Front lost interest in it and simply suspended the discussions.

Now, the People's Social Christian Party [PPSC] has made a proposal that has been well accepted by our party. We are willing to go along with it, avoiding any possible obstacles and facilitating the process, to see if this time we can reach an understanding, or the principles of an understanding. Logically, the FSLN must participate in this, because they are in power and without them there will be no solutions.

Also logically, the evils, errors and mistakes must be blamed, to a great extent, on the government party. Therefore, if we seek a solution in which all of the country's organizations can participate, it will depend to an equal extent on the good will, patriotism, unselfishness and good faith of the incumbent party. Let us see if we reach that point.

At the outset, the bilateral talks between the PPSC and the other parties seem to be doing well. We are now going to give the microphone to Guillermo Potoy, so that he can outline the PSD's position, developed during a meeting with PPSC delegates for discussion of this matter.

[Potoy] As you have properly said, our experience in talks and forums has been negative in terms of results. The democratic parties and their adjuncts have expressed their good faith and have shown maximal cooperation in these events, all of which had negative results.

Both the COSEP dialogue and that with the MISURASATA were negative. Under these conditions and with this background, we must create a climate and a willingness to go forward to this with this meeting, seeking real solutions and the implementation of all agreements we reach. However, for this [words indistinct] the people are aware of past experiences and we want the people to have confidence in the discussions. We must have a proper climate, as is sought by all parties.

Therefore, we met yesterday with the main PPSC leaders, including Edgar Macias, Guillermo Mejia and Cesar Delgadillo. Naturally, we welcomed their invitation and agree completely that this dialogue must be held. However, to be sure that this meeting will have positive results, we need proof of the FSLN's good intentions. These can be proven only with facts and some simple things that we believe are essential to creating the necessary atmosphere and building confidence among the people. We have established five points that we believe are essential:

1. The immediate release of the prisoners belonging to the communist party, the labor action and unity federation and COSEP;

2. A repeal of all laws and decrees that limit the freedom of expression and information;

3. Suspension of the harassment by mass organizations of democratic sectors and the Catholic Church;

4. Immediate implementation of laws intended to guarantee the stability of workers in their jobs; and

5. Guarantees for the business sector, so that they can work efficiently and patriotically to increase national production.

There is also an appendix, which is the promulgation of the law for foreign investments.

These are simple points, which would benefit Nicaragua greatly and would create confidence in and a positive climate for this dialogue.

Opposition Group's Declaration

PA090001 Panama City ACAN in Spanish 2310 GMT 8 Nov 81

[Text] Managua, 8 Nov (ACAN-EFE)--Eight opposition political, labor and business groups in this country issued a declaration today of their willingness to "overcome all of the crises that afflict the country on the basis of the national reconstruction government program."

The groups state in the document that achievement of "the economic and social recovery of Nicaragua in all respects continues to be the duty of all Nicaraguans, particularly of those who make up the government."

The leaders of the Nicaraguan Workers Federation, the Confederation for Unity of Trade Unions and the Social Christian Party support the declaration.

The Nicaraguan Democratic Movement, the Social Democratic Party, the Constitutionalist Liberal Movement, the Democratic Conservative Party and the Higher Council of Private Enterprise also signed the document.

"We reaffirm our willingness to cooperate in formulating a policy designed to overcome all of the crises afflicting the nation, a policy based on the national reconstruction government program, the basic statute and the statute of rights and guarantees of Nicaraguans," the opposition states.

The opposition charges that independent labor unions, churches and political parties "have long been subject to aggression from the institutions and organizations controlled by the FSLN."

They also stated that on various occasions they have voiced "disagreement with the direction being given to the Nicaraguan revolutionary process."

The opposition states that they have asked for fulfillment of the national reconstruction government program, the basic statute and the statute of rights and guarantees of Nicaraguans, "which brought about the unity of all Nicaraguans at the outset of the revolution."

The declaration is being published at a time when preliminary meetings have been held to organize a meeting of reflection and convergence that will seek a solution to the nation's problems at the lowest political, economic and social cost and that will, at the same time, propel the revolution forward.

The People's Social Christian Party [PPSC], which initiated the plans for the meeting of reflection, has been meeting with opposition politicians.

The PPSC will announce the results of the talks tomorrow.

CSO: 3010/293

LABOR AGENCY REPORTS ON UNEMPLOYMENT PROBLEM

Managua EL NUEVO DIARIO in Spanish 12 Oct 81 p 11

[Text] The inspector general of the Labor Ministry reported that so far this year temporary layoffs have affected more than 8,000 workers all over the country in various areas of endeavor.

In this regard, Rene Cruz, head of the Inspector General's Office, stated that 6,366 workers have been affected by the layoffs in the 12 mines operating in this country; 875 in industry; 239 in construction; 20 in business; and 297 in unspecified areas.

Cruz said that 6,178 workers have been affected in the Carazo area because of the completion of the coffee renovation project under the CONARCA [National Commission for Renewal of Coffee Plantations] program. However, these workers will be incorporated in the coffee harvesting, as they have always been; thus their jobs will be secure for the coming months.

In Managua, according to the report of the Office of Inspector General of the Ministry of Labor, 869 workers have been affected by the temporary layoffs. The inspector general said these workers should show a high sense of patriotism by reinforcing the coffee harvest until they are called back by their companies. In addition, by participating in the coffee harvest they will make the economic recovery easier and hasten the normalization of the companies or industries that have had to take these measures.

Coffee Harvesters

In turn, the official in charge of assigning workers to the coffee harvest said that the reason for creating this office in the Ministry of Labor was to tabulate and record the number of workers sent to the harvest.

This office, said Ricardo Lanuza Montenegro, is in charge of receiving requests from employers and workers and arranging the corresponding assignments in the coffee-producing departments.

It should be stated that the work of compiling data on the labor force is being coordinated by the ATC [Agricultural Workers Association] and the Sandinist Workers Federation [CST] to organize the assignments of those who wish to join the harvest of the golden bean.

"To date," Lanuza said, "no employer has come to the offices of the Ministry of Labor to request harvesters in the employment and wage office."

9015
CSO: 3010/160

POPULATION STATISTICS FOR COUNTRY REPORTED

Managua EL NUEVO DIARIO in Spanish 29 Sep 81 p 9

[Text] How many inhabitants does Nicaragua have at present? Actually, except for high school students and certain professionals, very few citizens could give a rough estimate in answer to that question.

Nevertheless, the latest bulletin from the Institute of Statistics and Census undertakes to dispel this mystery by revealing that we are about to reach 3 million inhabitants.

Specifically, the report says that the number of inhabitants of Nicaragua in 1980 was 2,732,000.

Managua Close to 1 Million

Another interesting fact furnished by the report is that the capital city is coming close to 1 million inhabitants since it had 781,000 by the end of last year.

After Managua, the most densely populated departments are Leon with 243,000 inhabitants, Chinandega with 220,000, Matagalpa with 217,000, Zelaya with 193,000, Masaya with 146,000, and Jinotega with 122,000.

On the other hand, the department with the smallest population is Rio San Juan, with only 27,821 inhabitants.

With regard to age groups, it is clear why the Sandinist people's revolution was forged principally by the youth; no fewer than 81 percent of our population is 24 years of age and under.

The report reveals that by 1980 there were 368,000 persons from 0 to 3 years of age; 289,000 from 4 to 6 years; 512,000 from 7 to 12 years; 393,000 from 13 to 18 years; and 272,000 from 19 to 24 years.

However, the most numerous population group was that between 25 and 64 years of age with 813,000 persons.

Few Elderly People

The elderly, on the other hand, are the least numerous as there were only 82,795 persons in 1980.

It is also indicated that perhaps because of the use of contraceptives in the last decade the over-all birth rate declined from 53.4 percent in 1970 to 44.6 in 1980.

9015
CSO: 3010/160

ENCAFE OFFICIAL DISCUSSES COUNTRY'S COFFEE QUOTA

Managua EL NUEVO DIARIO in Spanish 2 Oct 81 p 11

[Text] Jose Angel Buitrago, head of ENCAFE [National Coffee Enterprises] reported on his return from the annual meeting of the International Coffee Organization (ICO) in London that Nicaragua succeeded in obtaining a quota of 92,400,000 pounds of coffee, which will be sold in four portions to member countries of the ICO.

Buitrago estimates production for the 1981-1982 season at 125,000,000 pounds.

The surplus coffee not sold to ICO member countries will be marketed in the countries of the communist bloc.

The Price

Buitrago said better quotas were negotiated this year, and the pricing system agreed on between producing and consuming countries ranges from $120 to $140 per hundred pounds.

If prices rise above $140 per hundred pounds the ICO will be able to grant an additional quota of 1 million sacks of coffee, and in the event prices fall, it will do the opposite, that is, reduce the quota by a million sacks.

The head of ENCAFE indicated that the Central American countries, Mexico, Peru, Ecuador, and the Dominican Republic joined together this year to fight for the privilege of selling their coffee as a group and thus obtain better prices.

Through their delegates, these countries committed themselves to maintaining unity and improving communications with each other.

$123.50 Last Year

In the 1980-1981 season Nicaragua was able to sell its estimated production of 1 million pounds at an average price of $123.50 per one hundred pounds, which is considered the best price of all the Central American countries.

Buitrago recognized that production costs are increasing each year while market prices remain static.

ENCAFE estimates that production costs per one hundred pounds of coffee come to 1,000 cordobas, and there are cases, depending on the degree of mechanization, where they rise above 1,000 cordobas.

He announced that ENCAFE will continue to pay 1,000 per one hundred pounds for export-quality coffee delivered in Corinto, and it will decide on the contribution each producer will make, subject to prices, to the Coffee Price Stabilization Fund, which has been a lifesaver to the producers.

There Is No Labor Problem

In reply to questions from reporters, Buitrago assured them that for the moment there were no serious problems in harvesting the coffee in the northern and Pacific Coast regions, where mature beans are being cut.

He issued a call to the public to be ready to join in picking coffee beans in the event it is necessary to harvest in December.

It is believed that the critical time for harvesting mature coffee beans will be in the month of December. He reiterated that coffee has been the foremost export product since July 19, 1979.

9015
CSO: 3010/160

ARCE TRIP TO GDR TERMED 'FRUITFUL, POSITIVE'

PA281432 Managua Radio Sandino in Spanish 1200 GMT 27 Oct 81

[Text] Berlin--The visit to the GDR by an official Nicaraguan delegation headed by Bayardo Arce, commander of the revolution and coordinator of the political commission of the FSLN, has been described as highly fruitful and positive.

Commander Arce, who has toured several socialist countries in Europe, ended a 5-day visit to the GDR during which he met with several of that country's leaders, such as Erich Honecker, secretary general of the Socialist Unity Party of Germany, who reaffirmed the solidarity existing between the peoples of Nicaragua and the GDR.

During their talk, the two leaders emphasized the need for the forces of progress and peace to take action to end the arms race unleashed by the present government of the United States.

Similarly, they noted the determination of their two nations to dedicate their best efforts to the attainment of world peace and stability.

Arce was also a guest at Socialist Unity Party Congress, where he outlined the dangers and the internal and external pressure to which Nicaragua in particular and the Central American countries in general are being subjected.

Arce denounced imperialist aggression even in the mining district of (?Cottbus), where he explained to workers the real situation prevailing in the country. In return, he received emphatic pronouncements of support.

During this meeting, the member of the FSLN National Directorate stated in the record book of a German workers' brigade: In every part of the GDR, we have noted firm links of fraternity and solidarity with Nicaragua, which gives us new strength with which to successfully defend the triumph achieved on 19 July 1979.

The Nicaraguan delegation headed by Commander Bayardo Arce also visited textile factories, farms and housing centers, where he clearly defined the aggressive and harmful political situation in which imperialism has placed us. He continuously received pledges of solidarity with the Nicaraguan process.

CSO: 3010/294

LA LIBERTAD MINE REOPENED AS PEOPLE'S ENTERPRISE

PA031231 Managua Radio Sandino in Spanish 1800 GMT 2 Nov 81

[Text] At the reopening of the La Libertad Mining Complex in Chontales, Rafael Cordova Rivas said that now that these mines are ours we swear that they will never again be exploited by hands that are not Nicaraguan, or for the benefit of anyone other than Nicaraguans.

With the aid of the Swedish Government, which gave $10.5 million and technological assistance, the reopening of the La Libertad mining complex in Chontales, a People's Property Area (APP) enterprise, was possible. This mining complex had been closed ever since the former owners abandoned it.

The event was covered in a simple ceremony yesterday at which Rafael Cordova Rivas, member of the government junta, and Alvaro Guzman, mines minister, spoke. The Santa Elena, (Babilonia), (La Anchura), El Mojon, San Juan and Santa Maria mines are part of the complex. The monthly production capacity of the complex is calculated at 300 ounces of gold and 450 ounces of silver. It provides work for some 100 workers.

The reopening of this complex means a possible income for our country of approximately $1.5 million per year from gold exports alone.

The workers at the complex have formed different quality control committees for the areas of geology, metallurgy, maintenance, administration and construction, all of which are subordinate to the workers general assembly.

During the brief inaugural ceremony Dr. Rafael Cordova Rivas said that these mines would never again be centers of exploitation but centers of work for the benefit of the people of Nicaragua. He reaffirmed that they will never produce for the benefit of anyone, other than the people of Nicaragua.

Mines Minister Alvaro Guzman, recalled the Sandinist heroes (Rigoberto Cruz), (Pablo Ubeda) and (Jose Ramon Gonzalez). Gonzalez was killed at the La Libertad mine.

CSO: 3010/294

JULIO LOPEZ TRIP TO WASHINGTON DEFENDED

PA041728 Managua Radio Sandino in Spanish 0300 GMT 3 Nov 81

[Station commentary: "Sandinism Is a Synonym for Dignity and Patriotism; Only Political, Eunuchs and Moral Pygmies Can Doubt This"]

[Text] Trapped in the snares of the dying regime of exploitation and oppression which suckles them, the local bourgeois reactionaries are constantly forced, due to their contradictions, to play a ridiculous role. As a result, their official and unofficial spokesmen commit abuses which unmask them as the U.S. imperialism's tools of domestic destabilization and provocation.

Our people witnessed the parade of the Robelos, Montalvans, Fletes, Gonzalez and other specimens of the reactionary fauna, among whom the associates of LA PRENSA cannot be forgotten. As an organized troupe, they have paraded through various countries of the world, spreading slander and lies against the Nicaraguan revolutionary process in order to smooth the way for intervention in Nicaragua and Central America.

For those antipopular and antifatherland spokesmen, the dirty and shameful tasks which they have been given by the enemies of peace and stability in the area cannot be criticized or condemned since they don't even know the meaning of dignity and patriotism.

However, for the Robelos, Montalvans, LA PRENSA and other antirevolutionary and anti-Sandinist sores, the fact that the Sandinist people's revolution, an example of dignity and patriotism and filled with the moral authority that its unwavering political conduct gives it, has dared to go to the bowels of the monster to explain the truth of the struggles of the peoples of the region and to insist to the various U.S. sectors about the urgent need for a political solution of the Salvadoran conflict, is antinationalist, antirevolutionary and anti-Sandinist and deserves an eight column criticism in the newspaper of infamy.

This is a natural way for the slanderers and liars to act. They are afraid of the truth of the revolution and know that the voice of the revolution has sufficient moral strength to crush with its words all the malice and slander of the campaign orchestrated by imperialism which they support. This campaign has been unleashed against the solution of the sociopolitical crisis being experienced by our peoples.

Only the political eunuchs and the moral pygmies who have never had any nationalistic, revolutionary or Sandinist conscience can question the political honesty, the revolutionary firmness of the heirs of Andres Castro, Benjamin Zeledon, Augusto Cesar Sandino and Carlos Fonseca. If anything is clear from the visit to Washington of companero Julio Lopez, in charge of the international relations department of the FSLN and a member of the FSLN National Directorate, it is the absolute desire for peace of the Nicaraguan people which has been expressed by the national directorate of our vanguard. It is the Sandinist people's revolution's decision to go to hell if necessary to carry the revolutionary truth of our peoples, to bravely struggle for stability and peace in our region. It is the search for an honorable peace, a peace with freedom and not a peace of cemeteries, not a peace of the submissive and not the peace of those who yield and surrender to imperialism.

The ridiculous eight column criticism which tries to question the moral integrity of Sandinism has become a boomerang against those criminal politicians who despite their experience, have yet to learn that the sons of Sandino don't ever surrender or sell themselves, that Nicaragua and its people, that the revolution and its vanguard are ready to exhaust all necessary efforts to strengthen and consolidate the peace that we need to build the society without exploiters or exploited which Carlos dreamed about. With this same determination, we are ready to continue onward, facing the difficulties, eating tortillas on our feet and not desserts on our knees.

CSO: 3010/292

STATION REBUTS SPANISH BUSINESSMAN'S CRITICISM

PA042130 Managua Sistema Sandinista Television Network in Spanish 0200 GMT 4 Nov 81

[Text] While a delegation of Spanish businessmen representing several of the largest industries of Spain visits Managua to discuss the sale of their products here, charges are made in Madrid about an alleged persecution campaign against Nicaraguan private businessmen.

According to the information from Madrid, the representative of the Spanish businessmen and member of the Administrative Council of the International Labor Organization [ILO], (Vicente Castellano Sabater), said that the imprisonment of four Nicaraguan businessmen who violated the emergency decree could be interpreted as the beginning of the last phase of the Sandinist revolution leading to the definite installation of Castroism in Nicaragua.

It is really incompatible for a personality like (Castellano Sabater) to make such a statement, particularly at a time when a group of his colleagues and fellow countrymen should be negotiating with a country that allegedly offers such alarming conditions to private enterprise.

(Castellano Sabater) also said his arrested Nicaraguan colleagues are incommunicado and that they may be in physical danger. For the sake of truth, it would be proper for the higher council of private enterprises, COSEP and the visiting Spanish businessmen to dispel his fears concerning the danger to the physical integrity of the four arrested businessmen. In any case, it would be best for Dr (Castellano Sabater) to worry about their moral integrity.

CSO: 3010/292

UN MISSION MEMBERS RECEIVE DEATH THREATS

PA062022 Paris AFP in Spanish 1914 GMT 5 Nov 81

[Text] Managua, 5 Nov (AFP)--Jaime Balcazar, UN representative in Nicaragua, has received death threats because of his support of the Nicaraguan antimalaria campaign.

Daniel Ortega, coordinator of the government junta reported the threats. He said that the antimalaria campaign "has been sabotaged nationally and internationally by enemies of the Sandinist government.

Ortega said that Balcazar and other members of the local UN office had received telephone calls threatening them with death because the United Nations had given technical and financial support to the antimalaria campaign.

Among other things, Ortega reported delays in London of a shipment of medicine which was to have been distributed to the Nicaraguan people, and also the mysterious disappearance of a shipment from New York to Panama.

Ortega said, "The medicine just vanished into thin air. Nobody knows its whereabouts."

Ortega said that in order to turn the people against the treatment rumors are being spread that the drugs have negative effects on pregnant women and children. Ortega said, "The enemies of the revolution, those who are not interested in eradicating malaria or illiteracy, are waging this campaign."

The campaign which started yesterday will end tomorrow, Friday. It includes free medicine distributed throughout the country. There are 85,000 volunteer health workers going from house to house, to schools and worksites.

Malaria is an endemic disease in Nicaragua. Each year it claims 75,000 victims and losses amount to almost $2 million.

CSO: 3010/292

BRIEFS

LIBERAL INTERNATIONAL DELEGATION--Junta member Rafael Cordova Rivas today received a Liberal International delegation. Led by Canadian senator (Richard Stanbury), the political delegation, which arrived here yesterday is touring Latin America to become familiar with the prevailing situation in a number of countries. The group is particularly interested in learning about developments in El Salvador and in the rest of Central America. According to Senator (Stanbury), the Liberal International is a new international tendency which is neither at the extreme left nor the extreme right. According to him, liberals have begun working jointly with the socialist and the Social Christian internationals against dictatorial governments and on behalf of democracy. The group arrives here in Nicaragua at the invitation of Nicaragua's Independent Liberal Party [PLI]. The Liberal International, which has not yet made a decision in connection with the Salvadoran conflict, is collecting information during this tour in order to adopt a position. The liberal mission, which also includes French, Netherlands and Swiss politicians, will be received today by both the State Council and the FSLN National Directorate. [Text] [PA042232 Managua Radio Sandino in Spanish 1800 GMT 4 Nov 81]

REPLACING JAILED DELEGATES--The Nicaraguan Labor Coordination Organization, CSN, which comprises 80 percent of the Nicaraguan workers, will ask militants of the Communist Labor Action and Unity Federation [CAUS] to appoint new delegates to the CSN. This information was provided by CSN leader Lucio Jimenez. New CAUS militants must fill the openings left by Allan Zambrana and Roberto Moreno who are serving sentences after calling for a national strike. They are charged with violating the economic and social emergency law and the public order and security law. Lucio Jimenez said that the CSN hopes that the CAUS members will respond positively and participate, along with the other labor unions, in an effort to consolidate the unity of all the workers and to create a single labor federation. Lucio Jimenez criticized the position of the two jailed communist labor leaders characterizing it as a divisionist stand aimed at creating confusion amid the working class and having it struggle against its own interests. [Text] [PA031541 Managua Radio Sandino in Spanish 1200 GMT 3 Nov 81]

AMBASSADOR TO UK--Attorney Francisco D'Escoto Brockman was named Nicaraguan ambassador in London, England, beginning 1 September of this year, the Foreign Ministry announced yesterday. This diplomat was also named representative of our country to the International Coffee Organization, with headquarters in Great Britain. D'Escoto Brockman replaces Hernaldo Santos Berroteran in this post. The new Nicaraguan ambassador in Great Britain will also be the Nicaraguan Government's representative to the International Sugar Organization. [Text] [Managua LA PRENSA in Spanish 7 Oct 81 p 16] 9015

HONDURAN TOWN ATTACK--The Interior Ministry has discovered that former Somozist guardsmen in the Honduran-Nicaraguan border are planning to attack a town in Honduran territory. This was charged publicly tonight by commander of the revolution Luis Carrion Cruz at auditorium 12 of the Ruben Dario University Hall during an event within the Carlos Fonseca Amador ideological rally. In their maneuvers, the genocidal Somozists seek to provoke a confrontation between the Honduran and Nicaraguan governments. Carrion said the recent hijacking of the Sansa plane in Costa Rica is an example of what the Somozists are capable of. He said that the Central American peoples would be well advised to eliminate Somozists wherever they are, because they abuse the asylum that governments grant them. At Auditorium 12 of the Rubin Dario University Hall, where the FSLN directorate member revealed the Somozist provocations and plans, homage was paid to companeros (Casimiro Sotelo Montenegro), (Hugo Medina), (Edmundo Perez) and (Rodolfo Maya Ruiz) on the 14th anniversary of their patriotic immolation during an attack by a national guard patrol against a house in the Monsenor Lezcano District. [Text] [PA052155 Managua Radio Sandino in Spanish 0300 GMT 5 Nov 81]

MORATORIUM ON POLITICKING--Outstanding members of the Democratic Conservative Party last night voiced opposition to the political moratorium suggested by Alfonso Robelo in order to achieve the adequate climate for reconstruction. Robelo maintains that during the political moratorium, all parties including the FSLN should abstain from campaigning and dedicate their efforts only to the nation's reconstruction. Dr Adolfo Calero Portocarrero, Dr Clemente Guido and others have pointed out that there is no sense to this and that, instead of encouraging political pluralism, it would favor the interests of the FSLN. These democratic conservatives stressed that we already have enough limitations to ask the government to implement yet another. Apparently, this idea would not be successful in the opinion of several democratic political parties. The conservatives continue to uphold their position. [Text] [PA071747 Managua Radio Corporacion in Spanish 1200 GMT 5 Nov 81]

MINES REOPENED--Some 300 ounces of gold and 450 of silver valued at over $130,000, as well as the creation of almost 200 new jobs, will be the result of the reopening of six mines operating starting today. These mines were abandoned in 1978 by U.S. companies which believed they had been exhausted, but new assays report the existence of recoverable precious metal. The Mines Ministry has invested some $10 million in reopening the mines. [PA040032 Managua Radio Sandino in Spanish 0300 GMT 3 Nov 81 PA]

CORINTO PORT PROJECT--The dredging of Corinto port to begin on 15 November will cost some $4 million. Port director Cesar Delgadillo said that a Netherlands company, expert on the fragmentation of submarine rocks will arrive for this purpose. The dredging will give the port a 45-foot depth, allowing its use by ships of up to 60,000 tons. The project is being financed by Netherlands Government through a long-range low-interest loan to the Nicaraguan Government. The operation should be completed in 90 days. [Managua Radio Sandino in Spanish 0300 GMT 3 Nov 81 PA]

COOPERATION AGREEMENT WITH SPAIN--Nicaragua and Spain signed a 3-year technical cooperation agreement yesterday in extension of the one they signed in 1974. Under this agreement, four Spanish technicians will come to Nicaragua to improve technical education here. [Managua Radio Sandino in Spanish 1200 GMT 6 Nov 81 PA]

AGRARIAN ATTORNEY'S OFFICE--The creation of the National Agrarian Attorney's Office [Procuraduria Nacional Agraria] has been announced. Its main purpose will be to gather and submit evidence in support of land confiscations for agrarian reform purposes. (Ligia Molina) has been appointed national agrarian attorney. [Managua Radio Sandino in Spanish 1200 GMT 7 Nov 81 PA]

CSO: 3010/292

GIANELLI'S INTERPRETATION OF CANAL TREATY SCORED

Interpretation of Treaty Scored

PA130157 Panama City MATUTINO in Spanish 12 Nov 81 p 4A

[Article by Luis Restrepo Rosas: "Gianelli's Visit"]

[Text] William R. Gianelli, U.S. under secretary of the army, is the president of the Panama Canal Commission's Board of Directors, imposed by the majority vote of the U.S. representatives on that board. The Panamanian representatives voted for Edwin Fabrega, but were defeated by five votes to four.

Mr Gianelli arrived in Panama on 6 November, meeting with President Royo on the same morning and delivering a speech at the American Chamber of Commerce that evening. The following day he returned to his own country, which shows that these two events were the only reason for his trip.

During his meeting with President Royo, Mr Gianelli affirmed that the Reagan administration will honor the Torrijos-Carter treaty, but what he did not say is that Reagan will honor the treaty only in conformity with the U.S. unilateral interpretation of the letter of the treaties.

In his address to the American Chamber of Commerce, he was more specific on the U.S. interpretation of compliance with the treaties. Following are some examples taken from his speech:

1. "The new treaty with Panama was not accepted by the U.S. Senate until that body and the U.S. people were assured that the pact would not involve additional costs to the U.S. taxpayers for the operation and maintenance of the canal..."

Mr Gianelli ignores Panama's position, which is that the United States must supply the funds required to guarantee the smooth transit of vessels through the canal, without limiting this obligation to the incomes derived from tolls. Paragraph 1 of Article III of the treaty establishes that the United States must "provide whatever is necessary for the smooth transit of vessels through the canal."

2. "It has been criticized, for example, that the commission assumes the costs of an anticipated retirement program, which is established in the treaty."

Panama's position is that the retirement equity accumulated during the period in which the employees worked for the extinct Panama Canal Company and the Panama Canal Government are not chargeable to the Panama Canal Commission's costs of operation. On the other hand, we ask Mr Gianelli where is it established in the treaty that an anticipated retirement must be paid? That was introduced in the Murphy Law, which Panama has not accepted, as it considers it illegal. The same thing applies to the interests cost and the public services cost that the United States offers to its colony in Panama, which have been objected to, since they are not related to the handling, operation and maintenance of the canal.

3. "We have been told that our salaries must not be linked to the supply and demand factors reflected in the local labor market, but that we must increase them arbitrarily, recovering the difference from the canal customers through toll increases."

Panama's objection refers to the dual wage scale, with huge differences among persons doing similar work at the same job site. We have objected to the return to the "gold roll" and "silver roll" system. We have objected to the discriminatory system in effect since 1 October 1979, which, if not corrected, will soon cause the freezing of activities in the canal, because neither the Panama Government, the Panamanian people nor the unions will accept such a reversion and arbitrariness.

4. "The canal operation by the United States in accordance with U.S. laws and regulations is another matter that has been misinterpreted. This issue, however, is specifically mentioned in Article III of the Panama Canal treaty, which, in its pertinent part, establishes that the United States shall carry out its responsibilities 'in accordance with the terms of the treaty and the provisions of U.S. laws.' Therefore, it is the treaty itself, and not the often criticized U.S. laws that puts it into effect, that establishes the existing legal structure for the enterprise."

What Mr Gianelli fails to mention is that paragraph 2 of Article I of the treaty grants only administrative rights to the United States, "to regulate transit and to manage, operate, maintain, improve, protect and defend the canal," and that paragraph 1 of Article IX indicates that "...the laws of Panama shall be applied in the areas placed at the disposal of the United States for its use in accordance with the treaty."

These examples give us a clear view of the distance between us in interpretation of the treaty and, worse yet, of the extreme position adopted by the Reagan administration, which seeks to return to the concept of the canal zone government and the existence of a government within a government, flaws of the past that were eradicated by the treaty.

Panama cannot accept the thesis exposed by Gianelli and the government must make this clear to President Reagan's government. Mr Gianelli's speech must be answered strongly, as silence would imply consent.

Workers Criticize Gianelli

PA160000 Panama City LA ESTRELLA DE PANAMA in Spanish 15 Nov 81 p B-20

[Text] The Panama Canal Workers Union, local 900, License No 42, said that remarks by William R. Gianelli, assistant secretary of the army (civil works) and president of the Panama Canal Commission board of directors, have not changed the opinion of those who complain about the many violations of the 1977 Panama Canal treaty.

What else could he say? He only confirmed his government's position and justified its violations to Panama's sovereignty, through U.S. officials and federal agencies and based on the nuclear power big stick policy.

If Panama could wield a big stick policy as the nuclear power is doing, the treaty would have been implemented in a different way.

Had Gianelli said anything different, he would have had to face a situation similar to that of David A. Stockman, director of the Office of Management and Budget, who was severely reprimanded by President Ronald W. Reagan, because he told the truth: that Reagan's economic plan was a total failure. Possibly for saying this he will be put in the street to join the long line of unemployed resulting from Reagan's economic plan.

Gianelli spoke, but he did not say anything. All he did was admit that his government is indeed violating the treaty, stealing 4 billion balboas from the workers' pockets and violating Panama's sovereignty and political jurisdiction through its federal agencies in Panama which neither respect Panama's labor laws nor the positions that Panamanian officials have taken with regard to these violations.

Quo vadis, Gianelli?

CSO: 3010/295

DEPUTY CANAL ADMINISTRATOR REFERS TO TREATIES

PA121636 Panama City Televisora Nacional in Spanish 1130 GMT 12 Nov 81

[Text] Important statements were made last night at the law school of the University of Panama in an event in which Fernando Manfredo, deputy administrator of the Panama Canal, referred to the Torrijos-Carter treaties and their violations.

Manfredo said that the 1977 Panama Canal treaty has clauses which no Panamanians like. However, this treaty places us in a better position and situation to achieve the national objectives on the canal. In this sense, the colonial enclave is rapidly disappearing since two-thirds of the area reverted back to Panama on 1 October 1979. The towns of Rainbow City, Paraiso and Pedro Miguel have been incorporated into national life.

During the past 2 years no Panamanian, Manfredo said, has had to suffer the humiliation of appearing in Panama before a foreign court, of being tried by a foreign judge with foreign laws or even being imprisoned in a foreign jail. The Panamanian police patrol the canal areas and guarantee peace and tranquillity and the protection of property.

Manfredo also said that 20 percent of the canal positions held by U.S. citizens as of 1 October 1979 are now held by Panamanians.

We have differences regarding the meaning of clauses in the treaty. These differences have been the result of the Murphy Law which is the U.S. interpretation of the treaty. I am concerned, he stressed, that neither the university's law school nor the National Bar Association have undertaken the legal studies to find the best Panamanian interpretation of the treaty. There is a need for Panamanian studies on the canal in order to establish what it is that we should receive in the year 2000 and what Panama must do starting on that date. Another task is the establishment of a program for the physical, economic, social and political integration of all that has and will revert to Panama so that it will receive maximum utilization. A Panamanian position on a sea level canal must also be established.

Manfredo said that Panama is effectively participating in the administration of the canal, guaranteeing that in the establishment of policies and in decision making, the interests of Panama and the Panamanians are duly taken into account. Up to now the canal has been an emotional subject for the Panamanians. The treaty forces us to see the canal from the technical, administrative and financial viewpoint, without forgetting to constantly watch over the fulfillment of the treaty during the transition period, Manfredo added during his statement at the law school last night.

CSO: 3010/295

BRIEFS

AMBASSADOR TO PERU--Alfredo Arango Henriquez, Panama's new ambassador to Peru, presented his credentials to President Belaunde Terry. [PA152205 Panama City LA ESTRELLA DE PANAMA in Spanish 5 Nov 81 p C-1 PA]

NEW NEWS SERVICE--The Servicio Americano de Noticias [SAN] has appointed Panamanian journalist Julio Ortega C its correspondent and representative for Central America and Panama. SAN will begin operations shortly and will be available to all media in Panama and Central America. [PA141500 Panama City LA ESTRELLA DE PANAMA in Spanish 4 Nov 81 p 28 PA]

INTELLECTUALS COMMITTEE--Rogelio Sinan, Panamanian writer and poet, has been elected president of the Panamanian Intellectuals Committee for the Sovereignty of the Peoples of America. The committee has 50 members, including Romulo Escobar Bethancourt, Luis Castilla Bravo, Diogenes Cedeno Cenci, Nils Castro, Joaquin Beleno, Jose Franco, Euclides Fuentes Arroyo, Marcos Ganadasegui, Jilma Noriega de Jurado, Griselda Lopez, Jose de Jesus Martinez, Aixa de Munoz, Alvaro Menendez Franco, Manuel Orestes Nieto, Carlos Perez Herrera, Ricaurte Soler, Moises Torrijos Herrera and Manuel F. Zarate. [Panama City CRITICA in Spanish 10 Nov 81 p 31 PA]

NEW ENGLISH LANGUAGE NEWSPAPER--A new English language weekly newspaper THE SUNDAY REPUBLIC will go on sale 21 November. The 32-page newspaper with an initial circulation of 10,000 copies, will be published by the Editora Renovacion. J. J. Harrison has been appointed the paper's director. THE SUNDAY REPUBLIC will replace the daily English section in the newspaper LA REPUBLICA. [PA131308 Panama City Circuito RPC Television in Spanish 1715 GMT 12 Nov 81 PA]

CSO: 3010/295

INDUSTRY MINISTER DENIES ECONOMIC CRISIS

PY051245 Asuncion HOY in Spanish 30 Oct 81 p 12

[Text] Industry and Commerce Minister Delfin Ugarte Centurion discussed various aspects of the national economy during a lecture at the Paraguayan-American Chamber of Commerce yesterday emphasizing that there is no crisis or economic recession in Paraguay.

Before a selective audience representing several companies the minister said that "there is no indication of recession or economic crisis." Ugarte said that an economic recession means that the country would have to experience paralysis of private and public investments, massive unemployment and a noticeable decrease in production, something which is not taking place. He also said that the continuity of expansion and strengthening of the national economy will be insured through the programs to be implemented in this decade.

He added: "Let us recall that during the last decade soy bean and cotton production increased 1,500 and 600 percent respectively and that the rate of unemployment is practicaly nonexistent, less than 2 percent."

With regard to the problems affecting many national companies, Ugarte Centurion said: "The fact that some industrial plants are having difficulties does not mean that the entire national economy is paralyzed or that there is massive unemployment."

The minister said: "Therefore, I categorically and emphatically would like to tell you and the public that our country is not in a state of economic crisis or recession; these are very serious connotations and also inappropriate for the events taking place and which are being solved with concrete measures. Only those newspapers which are normally contrary to the national interests or pessimistic can think of alarming the population with those connotations thus running the risk of discouraging investments and savings and threatening the country's monetary, financial and economic stability. We, therefore, make a call for a study of the important economic topics, both their evolution and problems, with the care they deserve since this is in the interest of everyone."

CSO: 3010/282

BRIEFS

UPM LEADER RETURNS FROM N. KOREA--Kingston, St Vincent, 6 Nov (CANA)--The youth arm of the United People's Movement (UPM) in St Vincent said today it supported recent calls for the reunification of North and South Korea. General Secretary Leroy Thomas made the statement following his return from North Korea where he was among delegates from throughout the region attending the recently concluded seventh congress of the North Korean League of Social Working Youth. Mr Thomas criticized what he termed the United States' continued colonization of South Korea "an affront to humanity." "I think the people of St Vincent and the Grenadines need to know more about the strategies implemented by the U.S. Government to divide North and South Korea." Mr Thomas also said that "Vincentians are fortunate that St Vincent and the Grenadines are united as one." [Text] [FL061700 Bridgetown CANA in English 1430 GMT 6 Nov 81]

CSO: 3020/1006

BRIEFS

TOURISM AGREEMENT WITH ARGENTINA--Montevideo, 4 Nov (TELAM)--The executive branch last night approved a tourism agreement with Argentina concerning the free passage of automobiles and the validity of driver's licenses in the two countries. [PY160225 Buenos Aires TELAM in Spanish 1739 GMT 4 Nov 81]

UNEMPLOYMENT FIGURES--Montevideo, 6 Nov (AFP)--Planning, Coordination and Information Secretary Gen Pedro Aranco reported today that the unemployment index reached 7.02 percent in the third quarter of 1981, as against 5.8 percent during the first months of the year. [PY160225 Paris AFP in Spanish 1248 GMT 6 Nov 81]

COST OF LIVING--Montevideo, 6 Nov (LATIN)--The General Statistics and Census Bureau today reported that the cost of living rose by 2.04 in October, thus setting the inflation rate for the first 10 months of 1981 at 27.27 percent. Figures for the same period in 1980 were 4.11 percent and 39.72 percent respectively. [PY160225 Buenos Aires LATIN in Spanish 1550 GMT 6 Nov 81]

TRADE MISSIONS--A Taiwanese trade mission arrived yesterday with the purpose of holding meetings with Uruguayan importers and exporters. It has also been reported that a mission from the Manchester Chamber of Industry and Commerce will arrive in Motevideo tomorrow. [PY160225 Montevideo EL DIA in Spanish 6 Nov 81 p 8]

EXCHANGE WITH TAIWAN--Taiwanese Ambassador to Uruguay Konsin C. Shah reported yesterday that his country is negotiating the purchase of 50,000 tons of Uruguayan wheat. He also said that in 1980 Taiwanese exports to Uruguay amounted to $12 million while Uruguayan exports to Taiwan reached $6 million. [PY160225 Montevideo EL DIA in Spanish 30 Oct 81 p 8]

AIR-SPACE COOPERATION AGREEMENT--Montevideo, 12 Nov (TELAM)--The government yesterday approved the draft of the agreement on air-space cooperation with Argentina; which falls under the scientific and technological cooperation agreement signed by Uruguay and Argentina on 30 June 1977. [PY160225 Buenos Aires TELAM in Spanish 1823 GMT 12 Nov 81]

STATUTE DELAYED--Reliable official spokesmen have told EL DIA that the statute of political parties will be approved in the first months of 1982 and not in the next few months as reported. They added that the laws which will regulate the activity of political parties must be prepared by a special commission made up by the Armed Forces Political Affairs Commission (COMASPO) and representatives of the political parties and then submitted to the Council of State. The same sources indicated that "it is necessary to take short but firm and secured steps to avoid the type of hastiness that can lead to nowhere." Final studies are being made to decide how many delegates of the political parties will take part in the statute project, although it is believed that it will be a reduced delegation with the purpose of "concentrating as much work as possible to avoid being distracted, a situation which may be created by a large number of participants." There is the possibility that a system of rotation of political party members who will take part in the preparation of the law may be approved. The spokesmen added: "The work will be done under the control of COMASPO, that is, this organization will clearly determine the rules of the game." [Text] [PY051946 Montevideo EL DIA in Spanish 22 Oct 81 p 1]

NEW SWEDISH AMBASSADOR--The new Swedish ambassador to Uruguay, Lars Karlstrom, presented his credentials to Uruguayan President Gregorio Alvarez during a ceremony held today at Government House. [PA111913 Montevideo Radio El Espectador Network in Spanish 1600 GMT 11 Nov 81 PY]

CSO: 3010/288 END

JPRS 79524

25 November 1981

Latin America Report

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YPFB OFFICIAL REPORTS ON OIL PRODUCTION, PROSPECTS

Santa Cruz EL MUNDO in Spanish 16 Oct 81 p 8

[Excerpt] Daily oil production in our country totals about 23,400 barrels, according to the general manager of YPFB [Bolivian Government Oil Deposits], Col Otto Lopez. He said that there will be good news for Santa Cruz soon related to the discovery of new wells.

He added that this quantity of oil takes care of national requirements. He came to this capital yesterday to view the progress of oil prospecting work in this district to make sure that the 1981 operational plan for this sector is carried out.

The 1981 operational plan includes 19 drillings. "They show already that there are good prospects for Santa Cruz," said the YPFB manager. The results are expected in about 20 days.

Recovery of Residuals

He reported that there are four enterprises interested in the recovery of oil residuals. However, first,criteria will be issued about those fields that have declined and do not have the necessary force to continue producing.

He said that about 85 percent of the work (secondary recovery) has already been done on Monteagudo Field with production estimated at almost 9 million barrels by the end of the year.

Financial Situation

Asked about the financial situation of YPFB, Colonel Lopez reported that the enterprise shows a profit of approximately 65 million Bolivian pesos for the last 7 months.

He added that, in addition, YPFB has contributed 94 million pesos to the General Treasury of the Nation since January.

Otto Lopez said that the obligations contracted in foreign loans have been met as have local obligations.

He said that the enterprise is now working at 99 percent capacity.

Sale of Gas

It is estimated that our country will receive between $600 million and $700 million a year from the sale of gas to Brazil once the pipeline is constructed.

Earlier, the YPFB manager said that the supply for the national market is assured for at least 30 years.

He added that the studies on the gas pipeline to Sao Paulo continue on schedule. The results of those studies are expected by the middle of 1982.

Also the work to quantify the gas, initiated 2 months ago, is progressing.

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CSO: 3010/193

NEW OIL WELLS TO INCREASE RESERVES SUBSTANTIALLY

La Paz PRESENCIA in Spanish 22 Oct 81 p 8

[Text] The preliminary results of the present drilling of exploratory wells show very promising prospects for the future, stated the general manager of YPFB [Bolivian Government Oil Deposits], Col Otto Lopez.

"In 20 or 25 days, very satisfactory results with the possibility of substantially increasing Bolivian oil reserves will be announced," he said in an interview with PRESENCIA.

However, he explained that it is not yet possible to quantify new oil deposits because final confirmation work is still being done, especially in the districts of Chuquisaca and Tarija.

There are plans to drill 19 exploratory wells this year, according to YPFB. Ten of them are almost finished; the rest will be drilled in the coming weeks.

Three wells are being drilled now in the regions of Santa Rosa and Yapacani north of Santa Cruz Department as part of the project to quantify national natural gas reserves.

The other seven wells are being drilled in the regions of Tacobo, Curuyaqui, San Roque, Huayco, Bermejo, Tatarenda and Carandaigua in Santa Cruz, Chuquisaca and Tarija Departments.

Wells will be drilled in the immediate future in Cucurenda, Nucupo, San Martin, Lagunillas, Cuevo, Montecristo, Remanso and two in Sanandita.

Colonel Lopez said that YPFB drilling equipment and equipment rented from private enterprises are being used.

He pointed out the efforts of YPFB technicians and workers who, in some cases, work under very difficult geographic and climatic conditions. He said: "With very few comforts and with great patriotism, the YPFB workers carry out tasks that will soon yield promising results."

He said that exploratory work will definitely increase next year because YPFB has the necessary economic resources.

With respect to the contracting enterprises, he said that they are carrying out their planned exploratory work. Tesoro Company is now drilling a well in the region of Suris (Tarija) while Occidental is exploring for oil in the regions of Maria (Santa Cruz) and Simbolar (Chuquisaca).

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IMPORTANT HYDROELECTRIC PROJECT TO BE BUILT IN MID-1982

La Paz ULTIMA HORA in Spanish 17 Oct 81 p 5

[Text] The Sakhahuaya hydroelectric plant in Sud Yungas Province in La Paz might be the largest project in the country. It should begin operations in 1985 and work on the project should begin by the middle of 1982.

Executives of ENDE [National Electricity Enterprise] and INALPRE [National Investment Feasibility Studies Institute] signed a loan contract yesterday for $1.3 million from the IDB 480/SF-BO credit line for study of the final design of the Sakhahuaya project.

Background

The prefeasibility and feasibility stages have been prepared by ENDE and the UN Development Program.

Now elaboration of the study of the final design is being done by the consulting enterprise "Hidroservice Engenharia de Proyectos Ltda" and a support team from ENDE. The study started in July 1981 and will last for 2 years.

The total cost for the study is about $2,498,255. INALPRE will finance $1.3 million, according to the contract signed yesterday.

The objective of the Sakhahuaya project is to make up for the predicted shortage of electrical energy in 1984-85 in the interconnected system of La Paz-Oruro Cochabamba-Potosi and Sucre.

It will give the country a larger hydroelectric infrastructure to promote rural development and improve the standard of living in marginal urban areas and rural areas.

Satisfaction

The minister of energy and hydrocarbons, engineer Jorge Zamora, expressed his satisfaction in the signing of that contract.

He said that they are waiting for approval of the IDB credit in order to initiate the project by the middle of next year and begin operations in 1985.

He stated: "This will be a step toward the construction of large powerplants."

Executives

The director of INALPRE, engineer Pastor Saenz, also emphasized the importance of the project and ENDE's technical participation in the study. He mentioned the scope of the project.

Engineer Jorge O'Connor D'Arlach, manager of ENDE, also stated his satisfaction in the signing of the contract.

He said that the National Electrification Plan drawn up by ENDE has a minimal cost.

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ICLA PROJECT ON UPPER PILCOMAYO UNDER STUDY

La Paz PRESENCIA in Spanish 20 Oct 81 p 4

[Text] Potosi, 19 Oct--It was learned here that the Icla hydroelectric project on the upper Pilcomayo will be analyzed this week by the southern regional development corporations.

Next Wednesday, 21 October, the presidents of the Chuquisaca and Potosi Development Corporations will meet in Sucre. Hours later, the head of Villa Imperial will go to the capital to meet with his Tarija colleague.

Col Victor Lopez Pena of CORDEPO [Development Corporation of Potosi], Gen Leon Kole Cueto of CORDECH [Development Corporation of Chuquisaca], Dr Gustavo Navarro of CODETAR [Development Corporation of Tarija], their technicians and ENDE [National Electricity Enterprise] will analyze several aspects of this project and will adopt decisions to stimulate the development of the Icla hydroelectric plant.

Several development programs in the south are closely tied to the Icla project. That is the reason for the growing interest of the Chuquisaca, Tarija and Potosi Development Corporations to find the appropriate means to complete the feasibility study and the subsequent search for foreign loans for its materialization.

After the meetings by the officials of the development corporations, more details about the project itself will be learned. Unofficially, it was learned that the national government will be asked to make an official statement on the Icla hydroelectric plant at the 10 November celebration.

Icla is on the upper Pilcomayo and can be reached from Sucre or through the Potosi region of Turuchipa. It is considered one of the best future energy sources in Bolivia.

It was repeated that Japanese and Canadian enterprises are interested not only in doing the feasibility study but also in financing this important project.

The Icla project has already been analyzed by civic officials and institutions. Chuquisaca, Tarija and Potosi journalists requested an informational trip to the region to objectively learn national opinion about the transfer of this hydroelectric plant. There was no trip to Icla by representatives of the press but it was felt that, with the renewed interest, they can travel to the upper Pilcomayo.

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BRIEFS

CORANI DAM IMPROVEMENT--Cochabamba, 19 Oct--Elevation of Corani Dam and rerouting of the Chapare interior highway to achieve a stronger water flow for the generation of electrical energy will cost $68 million, according to ENDE [National Electricity Enterprise] authorities. ENDE technicians have designed the longest tunnel in the country--13 kilometers--for this. It will cost $49 million. Construction of these projects will be financed by the IDB and ENDE. Through elevation of the dam, the capacity of Corani Lake will increase from 74 million cubic meters to more than 140 million cubic meters. The initial work on the tunnel began in September and should end in January 1984. Elevation of the dam and rerouting the highway that goes through there should be completed by the first half of next year. The traditional blessing of the project will be held next Saturday, 24 October. The ministers of energy, planning, finance, interior and labor will attend. The tunnel, divided into two sections of more than 5 kilometers each and a third section of 2 kilometers, will carry water from the Malaga River and other smaller rivers to Corani Lake. This is one of ENDE's most ambitious projects to increase the supply of electricity to all the districts in the interior of the country. [Text] [La Paz HOY in Spanish 20 Oct 81 p 9] 7717

HYDROELECTRIC SUPPLY SUFFICIENT--The surplus of hydroelectric energy in the interconnected system insures meeting the demand until 1985, the year when the new Sakhahuaya plant should begin functioning. Work on it will begin in the middle of next year. According to official reports, studies of the final design of the project began in mid-1981 under the Brazilian Hidroservice firm. They will be completed in 2 years but next year work on this ambitious project can begin. Sakhahuaya will be the most important hydroelectric plant in the country. It will permit generation of energy to the entire interconnected system of La Paz, Cochabamba, Oruro, Potosi and Sucre and will soon reach Santa Cruz and Tarija. According to reports, the installed capacity in La Paz is now 113 megawatts while consumption does not even reach 100 megawatts. According to what was stated, the surplus will be used in coming years until Sakhahuaya begins operating in 1985. It was also learned that the first sums to begin studies for the Bala project will be budgeted next year. Its implementation is planned for the end of the decade to meet the increasing energy demands of the country. There are many other multipurpose plans including San Jacinto in Tarija, Misicuni in Cochabamba and Icla and Rositas in Santa Cruz. They will also help insure energy supplies in the coming decades. It was even learned that the Bolivian Electrical Energy Company has some plans, assuming it continues operating in the country. [Text] [La Paz HOY in Spanish 18 Oct 81 pp 6-7] 7717

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UIA PRESIDENT FOCUSES ON NEGATIVE RESULTS OF OPEN ECONOMY

Buenos Aires LA PRENSA in Spanish 1 Nov 81 sec 3 pp 1-2

[Text] "The open economy model that is being tried out in Argentina will appear in the annals of economics as a model of how not to proceed to make progress in a country," claimed Dr Jacques Hirsch, president of the Argentine Industrial Union (UIA), in his speech on "The Argentine Open Economy Model" at the monthly luncheon of the Argentine Engineers Center.

When introducing the speaker, the president of the host organization, Alberto R. Costantini, stressed "his outstanding qualities" and expressed "the tremendous concern we feel about the present situation, with unemployment, recession, the paralyzing of public works, the flight of engineers from the country, and the loss of technology."

"We are worried," he added, "by the talk of a national model at a time when it seems as if a war had devastated all the sectors of the economy. Pellegrini and the National Constitution of '53 already tried enough national models."

Then he contended that if a "way to utilize manpower and our technology" is not found soon, there may be "a social stampede" of unforeseeable consequences.

He thus exhorted the representatives of entities such as the Argentine Chamber of Construction, the Federation of the Construction Industry, the Pan American Union of Engineers Associations and the Argentine Union of Engineers Associations, as well as the economists who were present, to "outline a program to mobilize the nation's economy, to be submitted in the coming months."

Virtual Civil War

After pointing out that he had originally decided to talk about the Argentine industrial profile but had changed his mind because that issue is still being discussed "in the Argentine Industrial Union and some parameters must still be clarified to formulate a coherent proposal," he explained that "for this reason I chose the topic 'The Argentine Open Economy Model,' because this matter has been and is being discussed in relation to the economic policy carried out during the 1976-1981 5-year period."

In his opening remarks on this issue, he indicated that "in March 1976 the country was immersed in a virtual civil war, in administrative and social chaos, with its

foreign currency reserves practically depleted and--it is important to note--a clear deterioration of the real income of the working class."

"Inflation had reached an annual rate of 4,670 percent or more, depending on the period you look at. The new authorities, with great sacrifice on their part--even human sacrifice--brought order to the country. They undertook and carried out a series of public works projects that, among other things, ensured energy supplies. They invested in communications and in oil development, and launched other infrastructure projects, because that sector had fallen behind. Five years later, in March 1981, the Argentine economy was in the following situation:

"Foreign currency reserves, which had initially risen to $12 billion, had dropped to $5 billion; in the foreign sector the Argentine current account, which had shown a surplus of $1.2 billion in 1977 and $1.8 billion in 1978, had a deficit of $550 million in 1979, and one of $4.7 billion in 1980; inflation, which had been brought down to an annual rate of 80 percent for retail prices in 1980, showed clear upward tendencies; the recession in the industrial sector, according to some, was the worst of the century, and according to others, the worst in Argentine history; the real effective interest rate had reached an annual rate of 26.6 percent in 1980, which is totally incompatible with any industrial activity; there is growing unemployment, at levels unheard of in this country; the Gross Industrial Product of 1980 was equal to that of 1973, and dropped sharply in 1980, as much as 11 percent in some sectors."

Fundamental Changes

Having outlined the conditions caused by the above-mentioned policy, Dr Hirsch emphasized that "it is obvious that a situation of this type would demand fundamental changes in the economic policy. It is not the UIA's function to draw up alternative economic programs, because there are very good engineers who can do that. But at this friendly meeting, I will venture to set forth some general guidelines which a new economic program should follow."

"Argentina is not exactly an underdeveloped country. We are at a high level compared to other Latin American countries. It is imperative that we reestablish our economic activity on the basis of the stimulation and encouragement of productive activity. We must create a productive economy.

"Between 1975 and 1980," he went on, "the wage costs of public administration went from $5 billion to $21 billion; that is, the wage costs of the central public administration went from 1.5 times our exports, to 3.7 times. We must create a viable system to transfer personnel from unproductive state functions to productive private functions. In the cases where private enterprise intervenes, or can intervene, fulfilling its function normally, it will be difficult to justify the state's desire to restrict or annul private activity.

"The deficit of state enterprises should be eliminated, and those enterprises should finance their own operations. The promotion of all exportable production should be given top priority in the economic policy. The agriculture sector should have the necessary investment capacity, which demands that its production be profitable. Basic industry should be promoted, and mechanisms for industrial

promotion should be streamlined. The exportation of manufactured and semi-manufactured goods should be encouraged through a suitable exchange policy and, if necessary, by utilizing other promotional incentives.

"A tariff policy should be maintained that will permit the gradual adjustment of internal prices and costs to the possibilities of competing on the international market, taking advantage of economies of scale. The overvaluation of the Argentine peso in comparison with foreign currencies should be eliminated. The guiding principle for the entire program should be this: To carry out the program it will be necessary for all sectors to engage in a joint effort, without exception. The first one to set an example should be the government itself, which should bring order to public administration and firmly control fiscal spending. Only in this manner will it have the moral authority necessary for the success of the process."

Earlier Guidelines

Later, Dr Hirsch remarked that "the diagnosis and guidelines that I have just mentioned and the final invocation are not, I must confess, my own work. With the exception of some numerical data that I brought up to date, everything I outlined was taken from the speech given by Minister of Economics Martinez de Hoz, when he formulated his economic program on 2 April 1976. Although more than 5 years have passed since he made that speech, the diagnosis continues to be correct, and the means to reverse the situation still seem coherent. This explains why the program was approved almost unanimously by the business sector and others at the time."

"The fact that his words are still pertinent," he stated, "leads us to think that the program itself was correct, but that there were serious errors in its implementation; in other words, that some things were just plain left out."

Liberalization

Further on, Dr Hirsch emphasized that the program covered different areas, such as financial reform, the tariff plan, the management of exchange parity, public spending, the fiscal deficit and the reduction of the government's role in the economy, but he preferred to analyze one factor "that has been the subject of the harshest criticism by the industrial business sector, because it led to some of the most curious flaws in our economy; specifically, I am referring to the program to liberalize our economy."

"I think we are all convinced that more international trade is a way to attain a greater collective well-being, because it leads to a greater abundance of goods at a lesser cost. The principle assumes that certain countries can produce certain goods for which they have comparative advantages, and can export other goods to other countries at a lower cost than would result if the goods were produced in the importing country. In exchange, those exporting countries would cease to produce goods which, for various reasons, would be more costly, and would buy them instead. When I say more costly, I am referring to international values.

"Of course, when I speak of the exchange of goods, I am not referring only to natural resources or raw materials, but especially to industrial goods; I feel that without industry, there can be no progress or well-being. Thus, the opening up of

the economy is a mechanism which, along with buying and allowing the entry of goods that are not produced locally, should generate the exportation of industrial goods from other sectors."

Tariff System

Still referring to the open economy, Dr Hirsch stressed that "the tariff system that was put into effect in 1978 contemplated a gradual reduction of tariffs, which had already been cut earlier, to 15 or 20 percent, with some exceptions. This reduction would take place over a period of 5 years, and would serve to increase the efficiency of industries so they could compete on the international markets. I do not want to go into the formal distortions that this program suffered through Resolution 6, or to the measure that cut tariffs on capital goods overnight; rather, I would like to discuss the fundamental error of the program. Along with the tariff reduction program, there was a pre-programed devaluations (small table) program designed to curb inflation by announcing exchange guidelines ahead of time. It was assumed that with a fixed exchange rate and wage controls, the other variables of the economy would adjust themselves, along the same lines."

"In 2 years the protection of goods that had a 40 percent tariff, which was to drop to just over 30 percent, became negative, because the modification of the exchange parity bore no relation to the increases in domestic costs. The consequences are well known to all: higher consumer goods imports, ranging from cars, cloth, and clothing to food, and a mass exodus of Argentine tourists to other countries, to return with the maximum allowable luggage."

Exports

As for Argentine exports, he indicated that they gradually lost ground, because our industry was not in a position to compete on foreign markets, and the country began to import more and more.

"Even in free market economies," he asserted, "there are certain para-tariff mechanisms, such as import quotas, indox prices, anti-dumping measures and others to protect certain sectors in emergencies. The former economic administration systematically resisted using these mechanisms, so Argentina became a market completely open to imports; the Argentine industrialist was left more and more unprotected. No open economy, not even the United States or the European Common Market, applies a system that leaves national producers defenseless, as did the Argentine system that was in effect until April 1981."

"Any exchange liberalization has the definite goal of generating more reciprocal trade, but in the case of Argentina that did not happen."

He immediately gave some figures to illustrate. He stated that exports to South Korea amounted to $1.7 million in 1976 and $7 million in 1980, while imports were $506,000 and $42.8 million, respectively; with Taiwan, they were $24 million in 1976 and $18 million in 1980, while imports were $1 million and $87 million, respectively; with Hong Kong, exports amounted to $24 million in 1976 and $22 million in 1980, while imports were $595,000 and $97 million.

Roof Caved In

Dr Hirsch stressed that "at one time I said that the opening up of the Argentine economy did not mean opening the door, but rather tearing down the walls of our industrial platform, such that we should not be surprised that the roof has caved in." He added, "It is unfortunate that the former economic leaders did not want to listen to the claims by industrialists that they did not object to the liberalization itself, but to its implementation."

He recalled that the importation of Japanese automobiles, as well as products from Korea, Hong Kong and Taiwan, did not increase Argentine exports to those regions. "In other words, we gave up a market without receiving anything in return, and that is a bad bargaining position. Any country, when it grants some benefit, must receive some compensation in return. I think that a well-managed open economy is an ideal means for achieving a more efficient and improved industry, and therefore a greater collective well-being. Hence, I regret the way a basically correct principle was handled, causing serious damage to the nation's industry that will take years to repair. I am not claiming that industry was the only sector damaged by this system, because agriculture was hurt too. But it is easier to solve agriculture's problems than industry's, because the latter is now in debt with a high idle capacity, and with a totally depressed internal market."

Finally, he asserted that it is imperative that industry be strengthened, "to make progress and emerge from the stagnation that has afflicted us for a decade." He also called for the creation of 200,000 new jobs a year to absorb the increasingly idle labor force, and contended that only the industrial and service sectors can create those jobs. Then he made the statement quoted at the beginning of this article.

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ANNOUNCED ECONOMIC MEASURES RECEIVED WITH SKEPTICISM

Buenos Aires LA PRENSA in Spanish 1 Nov 81 sec 3 p 1

[Text] This past week was rich in official explanations as to why the economic indicators are not better--although some are supposedly not so bad--from the point of view of officials who make reports and express opinions. Among the national issues that are of concern to citizens, which merit urgent attention, is the future budget. The economic minister stated that the budget had recently been balanced for 1983. Lorenzo J. Sigaut also took advantage of a great opportunity to deny--for the nth time--that he was resigning, during the banquet he attended along with the president of the nation, given by the Stock Exchange to commemorate that entity's anniversary. After the gastronomical event, the minister very specifically denounced the "overt attempts to impede the construction of the great nation we all fervently wish to create among everyone, with everyone and for everyone." Then he discussed his position as head of the economic ministry, stating, "When someone takes on this ministerial responsibility in a desire to serve, he gives up, among other things, his right to resign." Thus, Sigaut felt he had squelched the "rumors" which appeared in the daily papers.

At the same time, the minister announced that a bill is being drafted with a series of measures designed to produce a "positive effect in the desired direction." The question is, if that doesn't come about, what will happen? But we will have to wait and see about this and several other bills, although one thing was made clear. The firms that are listed on the Stock Exchange can issue negotiable, serial, prior-lien bonds upon creation of a simple and rapid decision mechanism such as a determination by the respective board of directors that such will be the case. These unilateral issues to obtain necessary capital will be guaranteed by the financial institutions that will be responsible for the repayment of the invested capital. Later, after a period of inconvertibility, these papers can be listed on stock exchanges.

Doubts

Although the mechanism is understandable, the market in general already has doubts about the effective viability of this project. The fact that the economic and financial market is unstable and even uncertain for certain transactions is underlined by the government's continued guarantees of deposits in all institutions--banks or others--that are devoted to accumulating savers' funds.

The Stock Exchange, the entities that group firms according to sector, private studies and official analyses, all have indicated in every way possible that the situation for businesses is bad for all cases in general. According to a study conducted and published by the Stock Exchange, very few companies are in a position to guarantee their own assets, and therefore the investments that may be made in them, as demonstrated daily by the erratic behavior of stock prices.

Moreover, the government knows that businessmen are not able to fulfill their tax obligations, for example, and has encouraged them by declaring a moratorium for those who may still be able to make some payment in this regard.

But, on the other hand, we have the reactivation bond. Depending on how it is implemented, it could be another legal "paper" that would resuscitate businesses as well as banks and financial institutions. Without going into further detail, it appears that the aid that is to be granted to businesses is greater than their capacity to guarantee, although in some cases there will be backing by financial institutions.

Meanwhile, the dollar moved up sharply, and while that did not surprise anyone, it caused further deterioration in the abstract relations between citizens and their government and its officials. Interest rates, despite tepid official positions, continue on their upward spiral without any lasting solution, and conspire for a better productive development.

In other news, after a meeting between Minister Sigaut and automobile industrialists an official communique was released which stated that the price "adjustments" on new autos had reactivated that market. The businessmen said later that October was worse than September, and the only thing the price reductions achieved was a greater volume of curious shoppers coming in to dealerships, without any significant increase in sales. It appears that it is very difficult to agree on interest rates, but an evaluation of the other is not so different, especially when there is only an hour between them.

Disagreements and Agreements

Economist Marina Whitman, moderator of the debate between economists Milton Friedman and Walter Heller, said, "Economists could be very effective if they did not allow politics to affect their work. If politics were separated from economics, things would be quite different. We like to have the security of someone telling us what to do." During that exchange of opinions and debate, it was stated that the monetarists recommend a course of action that could result in recession, unemployment and low inflation; while if a Keynesian were to analyze the situation, he would say that is not true, and that a 5-year recession and 20 million people unemployed are not necessary to cure inflation.

According to Friedman, the role of the government should consist of implementing a series of rules and operations, while Heller feels that there are some distinctions that should be recognized. "We can dissent," said Heller, "on facts, analyses, interpretations and values. Friedman, unlike me, believes that we should let things run their course automatically. I believe that the course of the economy should be changed if the external situation so dictates, as in the case of an increase in oil prices, a sharp rise in investments or a propensity to spend by economic agents. In the implementation of monetary and fiscal policy, someone should be willing to change the criteria if the economy has changed."

On this same issue, Friedman also stated that there are two alternatives: to limit the economy, tolerating more unemployment and less inflation, or to stimulate the economy, which would result in more inflation and more unemployment.

Inflation

Friedman also says that there can be no growth in prices for a long time without putting more money into circulation. A large number of non-economists do not believe in this theory, and when economists are called upon to govern they forget it. But according to Heller, who expressed agreement in principle with what Friedman said, inflation can be caused by factors other than increasing the money supply. There are things, he contended, that monetary policy cannot ignore, such as a series of bad harvests.

Finally, the two economists expressed agreement in defending their role against accusations that their predictions in recent years had failed, and the public had thus lost faith in them. In response to a question about his areas of agreement with Friedman, Heller stated: "We disagree on various macroeconomic matters, not not on microeconomic ones, such as tariffs, regulations and other things. We agree above all on the disciplinary basis." However, Friedman indicated that if several economists were brought together with a group of other professionals, in a few minutes the economists would form a common front against the others, because their fundamental agreement is based on the acceptance of a common scientific apparatus.

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INEFFECTIVENESS OF MINISTERIAL ECONOMIC STRUCTURE CITED

Buenos Aires LA PRENSA in Spanish 24 Oct 81 p 8

[Text] The current structure of the economic cabinet and its operative apparatus are certainly not the best tools for guaranteeing quick action in a crisis.

The division of that cabinet into five departments with equal power encourages the ministers linked to the productive sectors to take "maximum" stances, ignoring problems related to the overall equilibrium. That role is relegated to the minister of economics, treasury and finance. Thus, the natural workings of the decision making process in the economic area include a period of negotiations, debates, alliances and concessions, until the proposed measures are finally adopted or rejected.

This deliberative procedure hinders the progress of business, because those who make the decisions that will ultimately make or break the productive apparatus hold off on making those decisions until some future provision that might improve the present situation comes along.

The "stale bond," as it is called by Minister Kuhl, has delayed business decisions for most of this year, especially in the financial sphere. Announcements of moratoria led to a substantial drop in tax revenues, both nationally and in the provinces. The public status of a plan for additional reimbursements for exports has reduced shipments abroad, and the publicizing of a possible cut in prices for agricultural machinery and tractors will certainly hold down demand until the situation is entirely clear.

Unfortunately, since the public announcement of measures still not approved by the cabinet is a tool used habitually by governments to stir up hopes, obtain foreign support and finally win approval in other areas, it is unlikely that these prolonged periods of uncertainty will come to an end.

But it is important, as we have pointed out on other occasions, that officials not forget that in the touchy world of economics, indecision counts as much as decision, silence as much as outspokenness.

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PROSPECTS OF WHEAT MARKET, GRAIN BOARD DECISIONS DISCUSSED

Buenos Aires LA NACION in Spanish 24 Oct 81 sec 3 pp 1-2

[Text] Wednesday representatives of the wheat marketing, industrial and export sectors went to the Ministry of Agriculture and Livestock at the behest of the undersecretary of agriculture.

There they were informed by Undersecretary of Agriculture Victor Hugo Santirso of official concern about the critical situation that could result from the damage to wheat production caused by the drought, and the possibility that the National Grain Board may step in and become another buyer on the market in order to avoid shutting out exports and compete with the export market to obtain the wheat necessary for domestic consumption and for compliance with international agreements. That means purchasing between 4.7 million and 5 million tons.

As the undersecretary reportedly explained, the goal is to prevent wheat imports, since we would have to pay about $220 a ton, while we sell the product at $180.

In our Thursday edition, we quoted the president of the Agricultural and Livestock Intercooperative Confederation (CONINAGRO), Orlando Gilardoni, who stated that the Grain Board is participating de facto in the market. He termed the official decision positive for producers and the nation. To broaden the spectrum of opinions, we went to the president of the Buenos Aires Grain Exchange, Jose Manny Lalor, and to Guillermo A. Carracedo, member of the Grain Exporters Center. Their opinions appear below.

Consensus in Emergency

The president of the Buenos Aires Grain Exchange pointed out that he could not assure anyone that a decision had been made on the Board's participation in the market, while admitting that those present at the meeting reached a consensus supporting the ministry's opinion that exports should not be penalized and that the official marketing agency should intervene in the market as just another buyer, considering the serious nature of the drought.

"The country," he said, "is losing tonnage daily, and if this trend continues, it is conceivable that excessive exports could result in a shortfall for domestic consumption. Later on the country would have to buy at higher prices than were available earlier. Thus, given an emergency of this type--and everyone agrees that

the current situation is grave indeed--a consensus was reached. But the government did not announce that it was going to take this action; it asked for opinions so it could decide later."

Lamenting that the weather had deprived the economy of foreign currency needed to solve the nation's crisis, Mr Manny Lalor answered a question on the Exchange's position regarding the Board's intervention in the market by saying that "the marketing sector has traditionally preferred that the government not intervene. Now," he added, "we must acknowledge that with a good so essential to popular consumption like wheat, and in view of the risk that domestic demand might not be satisfied, the possibility of the state taking some sort of action was accepted by sectors that would ordinarily object. What the private sector has said in this matter," he stressed, "is that if the state decides to intervene, the smart thing would be to set down the conditions as soon as possible and with complete clarity, so that all operators would know the rules of the game ahead of time. Thus, it would not be like other times, when part of the harvest had already been sold and then changes were made such that people who sold early lost out, or vice-versa."

When asked if government intervention in domestic marketing did not mean the failure of the milling industry, which should provide for consumption, Mr Manny Lalor agreed conditionally that it was possible. He explained, however, that the product is marketed in 2 months, and is then milled throughout the year. Because of financial difficulties, "the producer cannot afford not to sell, nor can industry afford to buy the harvest in 2 months at the current financial costs."

When he was reminded that the industry is almost always backed up by the Board in its purchases, the president of the Grain Exchange agreed. But, he added, "there is also an indication of financial disruption, because in the past few years wheat sales have not been subsidized. No one has given away anything to industry, much less the Board. The government has sold wheat at its market price plus administrative costs. The government, if you will, was storing the product, and if it had not done so there would have been a serious problem for the industry as well as the producer. I believe that it would be advisable and normal to have a market in which financial instruments functioned in a manner that made state intervention unnecessary, and in which participants, both the industry and wheat consumers as well as exporters, operated freely within their financial capacities. Obviously, this is an ideal toward which we should aim, but it is not the current situation."

When asked if the prospects for wheat exports were good, he responded affirmatively, stating that there are enough contracts. "If we had had a good harvest," he added, "we would not have had any problem selling it."

Finally, concerning the decision to be made regarding the Board's intervention in the market, Mr Manny Lalor stated that no time limits were mentioned, but action must be quick. "We must bear in mind," he concluded, "that in the north the harvest is already underway, and any action of this type should be revealed right away."

"Disloyal Competition"

Mr Guillermo A. Carracedo, director of the Grain Exporters Center and a very well-known person in grain marketing circles, stated to us, with respect to the

proposal that the National Grain Board buy up all the grain needed for domestic consumption, that in a way it contradicts the frequent assertions by the minister of agriculture that this year no support price would be set for wheat. However, he added, the Board always intervenes in the wheat market, no matter what the circumstances; moreover, this is a special year.

"We know," he went on, "that the mills do not have the financial capacity to buy what they need for the whole year, but we also know that there are markets, such as Russia, that will be in a position to buy up to 1.5 million tons a month. If the mills can buy 300,000 tons a month, then, and we can export 1.5 million, there is no doubt that by April we could have the whole harvest. But everything depends on the weather and the outcome of the harvest."

"The problem, furthermore, is not whether the Board intervenes, but how it does so. Because if it goes out to buy 4 million tons in 2 months (the approximate volume of domestic consumption), it will completely distort the market. The important thing, then, would be to determine the trade policy that will govern its actions. If it makes its purchases gradually, competing with exports, whose operations are completely familiar to it because all sales are registered, and if it pays international prices, then it will be a different matter.

"At any rate, this year, what with the drought and the Board in the market, it will be very difficult to operate abroad because futures operations will involve high risks."

[Question] And what about the country's foreign commitments?

[Answer] So far those contracts have been fulfilled by the Board one way or another. It has been asked to turn those operations over to the private hands now. Furthermore, there are things Argentina cannot afford to do, especially this year, such as importing wheat, for example.

"The only thing we ask," went on Carracedo, "is that steps be taken according to marketing criteria and not government criteria. The Board is in a position to do so, I repeat, because it has all the information. It is a competitor that knows all our cards, and as such it is almost a disloyal competitor."

[Question] What do you think of the decision not to close the export registry?

[Answer] That exporters must proceed with great caution.

[Question] In your opinion, is there any alternative to the Board's intervention in the market?

[Answer] At one time we suggested to the government that, instead of having the state purchase as such, it should grant guaranteed loans to the mills so that each one could buy according to its needs. In this way, marketing criteria are followed, and no one would have to pay 150,000 for what others could buy at 130,000. That would be the same thing, because there would be a guarantee by the Board, the merchandise would be deposited in its facilities or at the mills, and there would be financial support for operations. But it would be more equitable,

because a mill could not pay just any price, knowing that its neighbor is buying at 10 to 15 percent less.

[Question] Can this system be viewed as setting a support price for wheat?

[Answer] No, because a support price is a floor below which no operation is possible; it is a price for everyone. That is not the case here; no one is saying that wheat must be sold for a certain amount, but that so many millions of tons must be bought. Then any level can be reached, and the market can be distorted.

[Question] Do you know of any similar experience in other countries?

[Answer] Going out and buying to cover a domestic need? No. At least not when there is a monopoly. Sometimes there are subsidies, but I don't know of any agency that says, "Gentlemen, I am going to buy everything." That could be a very dangerous thing. If the idea is to maintain domestic consumption, it is better to say: "Gentlemen, here is the money; manage it yourselves," as I have said, and to provide financial support for the mills with the operation guaranteed by the Board. In the end, that is the same thing, and it would allow for market-oriented action.

This year it will be very difficult to export; moreover, despite our requests, we were not allowed to present our case adequately. What is more, we proposed that if the Board wants to give some kind of subsidy, let it pay the international price and then subsidize, using the number of hectares planted, the number of tons produced or whatever parameter it chooses as a basis. Although this also would distort the market, at least the international price would be paid, and exporters would not run the risk of having no wheat because the Board pays more.

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ANTIMONY PRODUCERS MEET, RESOLUTIONS OUTLINED

Change of International Monetary System

La Paz PRESENCIA in Spanish 28 Oct 81 p 10

[Text] Bolivian antimony producers claim that it is necessary to change the structure of the international monetary system, which now benefits the industrial economies and works to the detriment of natural resource producers.

They propose a feasibility study to determine whether developing countries can use their natural resources, especially metals and minerals, to partially replace their monetary reserves.

The suggestion was presented by Mario Mercado Vaca Guzman, president of the Bolivian Antimony Committee, at the opening of the First International Meeting of Antimony Producers which began yesterday in La Paz.

Political Problem

Mercado asserted that the solution to the structural problems of the mining sector are linked to very complex political questions.

"The absence of the most important producers in the world at this forum (with the exception of the principal producer, Bolivia) is most certainly due to reasons of this nature."

He mentioned the national political problem, stating: "In view of Bolivia's internal crisis, which is becoming more and more dramatic each day, I would like to affirm that our country is greater and more permanent than the problems it faces, and that the solutions lie only in the will of men."

"It is important to note," he went on, "that it is not external recognitions or minor gifts that will get us out of this crisis. . . Not by standing by in indifference will we resume our historic course. . . Not by throwing up our hands will we find solutions."

"We feel that the time has come to make innovative changes in the structures of the international monetary system, which now benefits the industrial economies and works to the detriment of natural resource producers, who own the true wealth of the planet."

Mercado added that with a change in the monetary system, "Bolivia and Malaysia with their tin, New Caledonia and Cuba with their nickel, just to mention a few cases, would be capable not only of selling their resources, but also of using them to back up their monetary system."

"What sense is there in backing up our currency with other currencies such as the dollar, whose value fluctuates along with inflation, and depends on decisions that have nothing to do with our economic system? Isn't it more logical to base our economies and the support of our currencies on our own wealth, on our raw materials, on our minerals and metals? Wouldn't we be more secure if we diversified our reserves in a portfolio of different resources that we produce?"

"Why not take the initiative, even if we run the risk of making a mistake, instead of continuing to be the passive subjects of systems that are imposed on us?" he asked.

Problem of Antimony

Mercado discussed the world-wide problems of antimony due to the fluctuation of its prices, which in the last 3 decades have shown a dangerous downward tendency.

"The great challenge that faces this and future meetings is to provide antimony with impartial mechanisms to keep its price from being determined by subjective factors, and ensure that real market criteria are the key."

"From this standpoint, the idea of listing antimony on the international metals exchanges should not be supplanted by the current practice, which distorts the metal's real situation and therefore its objective price."

He mentioned the need to consolidate existing markets, given their deterioration, and to diversify and augment the new uses and applications of antimony.

He stated that because of world inflation, antimony does not bring a fair price.

"Suffice it to say that in 1970 it cost $28 to transport a ton of minerals from South American ports to Europe, while that same ton costs $150 in 1980."

"In contrast to that upward spiral of prices, antimony, which cost $28 per unit in 1970, now costs only $22."

He asserted that if antimony had experienced price increases in line with world inflation, a fair price today would be $60 per unit.

Bolivia

The president of the Bolivian Antimony Committee contended that the Bolivian antimony industry faces serious financial and other problems, just like the mining sector in general.

"The absence of a stock exchange, the limitations of our financial institutions, and the negative fiscal pressures on self-financing, have encouraged mining enterprises to become critically dependent on foreign banks."

As a result of these difficulties, he said, 30 antimony mining operations have closed down in the past year, and small mining production has dropped 60 percent.

Creation of International Antimony Council Proposed

La Paz HOY in Spanish 29 Oct 81 p 8

[Text] Bolivia proposed the creation of an International Antimony Council, which would help achieve the stabilization of international prices for that mineral.

The suggestion came up in one of the speeches given at the First International Meeting of Antimony Producers, the result of the uncontrollable instability that affects antimony prices, and the small margin of security producers have in carrying out production activities.

Another proposal made at the meeting was that the Bolivian Government devise an antimony mining policy aimed at developing specific incentives for mineral production.

The first speech was given by Mario Mariscal, representative of small-scale mining, who affirmed the position of the Bolivian Antimony Producers Committee in terms of establishing an international antimony council to achieve the stabilization of the mineral's prices. Those prices sometimes suffer exaggerated fluctuations.

He requested that a complete analysis be undertaken at the meeting to determine the role of the production, consumption and marketing of the mineral in the last 10 years, in order to find a solution to the unstable price problem.

He stressed that the drop in prices in many cases meant cuts in production; Bolivia, for example, saw its production drop by 4.6 percent in the last 5 years.

The second speech was given by Guido Antezana of Medium-Scale Mining. He stressed the need to form an organization joining the principal producers of antimony in the world, to defend and support the development of the antimony industry.

He claimed that Bolivia, as the first-ranking producer and exporter of the mineral, "faces a political challenge to all producing nations and enterprises, which is essential to its position at the forefront."

Carlos Murillo, another speaker, spoke about "The Geology of Antimony in Bolivia," and provided geo-mineralogical data regarding the country's deposits, determining the location of the principal centers of production.

In his talk, he emphasized that Bolivia has countless deposits of the most diverse and strategic nature, and that they are only available to aggressive industrialists, that is, to enterprises, technicians and workers who are guided by a suitable national mining policy.

Another speaker was Alberto Barrios, who provided general information about the treatment system and the type of deposits being exploited by small mining enterprises. The latter produce 30 percent of the antimony in Bolivia, and in many cases they still use rudimentary development tools such as sledge hammers and drills.

He also presented the history of efforts to install an antimony metallurgy industry, which began between 1959 and 1960 with the Garret and Urquidi firms, and culminated with the work of the National Smelting Enterprise (ENAF) in Vinto, for high-quality minerals, which, "aside from representing a small savings in foreign currency, has no other practical benefit for encouraging the production of antimony."

Bertram J. Hamilton spoke next about the technical systems used to obtain and treat antimony ores, and contended that such operations leave much to be desired in terms of efficiency and the application of modern methods and equipment.

He asserted that because of the small size of the mines and the consequent inability to mechanize exploitation and treatment, a relatively high degree of manpower is needed to develop these deposits.

He made recommendations for the application of new systems to reduce costs and achieve higher recovery percentages.

The last speaker was Oscar Davila, who stated that in antimony concentration, benefit plants can obtain recovery rates comparable to those of industrialized countries.

He said that because of the slump in prices and their overall instability, there has been a drop in world production. In Bolivia, production went from 16,000 tons in 1975 to only 13,000 in 1980. During that year, many medium-scale mines lost their classification as such or ceased production due to technical-economic difficulties.

International Antimony Group

La Paz PRESENCIA in Spanish 30 Oct 81 p 1

[Text] The First International Meeting of Antimony Producers ended yesterday in La Paz, with a recommendation that Bolivian industrialists draw up draft bylaws for the International Antimony Organization (OIA).

The new organization, which will involve only producers at first, will be officially founded in October 1982, at which time the second international meeting will take place, also in La Paz.

The document outlining the conclusions of the meeting also urges Bolivian producers to begin legal action against the General Services Administration (GSA), because its plan to sell strategic reserves of antimony will have a negative impact on the world market for that metal.

The producers decided to create a center for information and research on new uses for antimony, and supported a Bolivian initiative to engage in an international study of the partial substitution of monetary reserves with raw materials.

The meeting, which was attended by 40 Bolivian industrialists and special representatives from Peru, Thailand, South Africa and the United States, ended yesterday at 1800 hours.

"It has been a success, and commits Bolivian leaders to a struggle to improve market conditions," stated the president of the Bolivian producers and chairman of the meeting, Mario Mercado, after the closing session.

He stated that at the next meeting, representatives of consumers will be present as well, "to close the producer-marketer-smelter-user circle." He explained that the International Antimony Organization will not set prices for that product, but will undertake technical research, promote the exchange of experiences, and seek a way to stimulate demand for antimony in order to help bring up prices.

Resolutions

The resolutions approved at the international meeting yesterday are as follows:

First: To charge the Bolivian Antimony Producers Committee with drawing up draft bylaws for the International Antimony Organization, to be presented at the Second International Meeting of Antimony Producers.

Second: To establish a center for information, research, development of new uses and promotion of antimony, which will be under the auspices of the Bolivian Antimony Producers Committee as soon as the International Producers Organization is formally constituted.

This center will operate in the Battelle Memorial Institute, and the costs of its financing will be covered by contributions from producers who belong to the International Organization.

Third: To create a commission to study the incorporation of antimony into the international metals exchanges, proposing at the same time strategies and specific mechanisms for that incorporation.

Fourth: To request that the competent agencies of the United Nations, by virtue of Resolution 3281 (XXIX) on the Economic Rights and Duties of States, especially Articles 8, 24, 31 and 32, collect evidence of and sanction the discretionary conduct of the General Services Administration in the management of its strategic reserves, which has been detrimental to developing nations.

Fifth: To commission the Bolivian Antimony Producers Committee, in the name of the General Assembly of the First International Meeting of Antimony Producers, to undertake legal action against the GSA for violating not only the above-mentioned Resolution 3281 of the United Nations, but also the law HR 595 of the United States of America, concerning the administration of strategic reserves.

Sixth: To request that the mining firms represented at the meeting, through their competent national agencies, urge that their respective governments propose to the International Monetary Fund the possibility of considering certain natural resources, especially important minerals and metals, as legitimate substitutes for traditional monetary reserves, preferably those of developing nations.

Seventh: To call a Second International Meeting of Antimony Producers under the auspices of the Bolivian Antimony Producers Committee, to be held in La Paz, Bolivia in October 1982.

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NATION'S STAND BEFORE CIE TO BE REVIEWED

La Paz PRESENCIA in Spanish 28 Oct 81 p 11

[Text] The Bolivian Government will review its position concerning the Sixth International Tin Agreement and, after new consultations with all the mining sectors of the country, will decide whether or not to sign the pact.

This statement was made yesterday by Minister of Mining and Metallurgy Carlos Morales as he reported on the results of the recent international meetings on tin, which took place in Malaysia.

The Sixth CIE should become effective next July. Until now several consuming countries, including two of the main ones, Malaysia and Indonesia, have signed the new agreement. Bolivia repeatedly objected to the pact, however.

The minister of mining stated that the review of Bolivia's position will take place in accordance with current institutional mechanisms, such as the National Mining and Metallurgy Council and the Advisory Council for International Mining Affairs, in which state and private mining enterprises are represented.

"For years we have been maintaining an intransigent and extreme position. We have always sought an increase in prices, and to a certain extent we have ignored other activities prior to the meetings" of producers and consumers, asserted Morales. He pointed out that changes will be made in Bolivia's participation in the international tin market.

These changes "imply the need for a permanent contact at the government level (among producers) as well as the enterprise level, to adopt more rational positions and make a concerted effort to obtain more positive results."

The mining minister expressed confidence that the unity of producers would serve to improve the conditions of the world market, and as in the case of the recent increase in the official prices of tin, would augment exporters' revenues.

He mentioned the need to consolidate the points of agreement achieved in Malaysia, so that despite the limitations of international agreements, the terms of trade could be improved.

He explained that Bolivia's final decision on the Sixth CIE will be approved "after a deep and serious analysis." He indicated the possibility that our country might set forth some conditions for signing and ratifying the pact.

The first condition is that there be a periodic review of the official price scale. Secondly, greater freedom of action should be given for the control of exports as a means to control prices. And finally, the CIE voting system should be carefully observed so that the major consumers cannot block certain actions.

In the analysis, consideration will also be given to the U.S. decision not to participate in the Sixth CIE. Minister Morales stated in that regard that it would have been better for that country to participate in the agreement, "so that it will have to meet a series of standards and not freely market its reserves."

The Sixth CIE is to become effective on 1 July of next year. For that purpose, it must be signed and ratified by the majority of producers and consumers by next 30 April.

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BRIEFS

TIN PRODUCTION DROPS--The Mining Corporation of Bolivia (COMIBOL) reported that in 1981 its tin production will be only 19,183 fine metric tons, nearly 4,000 tons less than what was originally planned. A report delivered to PRESENCIA indicates that the original plan called for a total production of 23,050 fine metric tons, which was not achieved, basically because of the delay in installing the volatilization plant in La Palca (Potosi). "The initial schedule for the La Palca volatilization plant has been revised. As is well known, that plan was subject to proof of security and adjustments. In that sense, the original estimate of a production of 2,552 fine metric tons at La Palca has been changed to 657 fine metric tons. As a consequence, COMIBOL's overall production in 1981 has been revised downward to 19,183 tons," says the report. It adds that "despite the problems that have been faced, this year production will still be greater than that of 1980." Between January and June of this year, COMIBOL produced 9,279 tons of tin, without taking into account the preconcentrated tin sent to the volatilization plant. The latest official reports indicate that national production for the entire year will be greater than 28,000 tons. Last year COMIBOL produced 18,620 tons of tin, which was also less than had been planned. The new COMIBOL production plan was reviewed at a recent meeting of managers and technicians in charge of COMIBOL enterprises. To ensure that the new targets are met, a plan is being implemented to improve the systems for purchasing the necessary materials and equipment for exploitation, according to official reports. [Text] [La Paz PRESENCIA in Spanish 30 Oct 81 p 8] 8926

LABOR OFFICIALS IGNORED--La Paz, 24 October--The mining workers of Huanuni, a COMIBOL enterprise, refused to deal with the labor relations officials designated by the government, and elected their own representatives "by democratic means," according to a resolution containing certain proposals which was released here today after being passed at an assembly. The underground workers of Huanuni engaged in a 24-hour general work stoppage, demanding improved benefits. They have been making these demands to authorities for some time, but no solution has been reached, it was stated. Among the demands of the sector are the freedom to organize a union, official recognition of the mixed union elected through democratic means, the reinstatement of workers fired for political reasons, and the return of exiles. They also requested that a commission of the Labor Ministry and COMIBOL come to this mining district, and that the United Nations commission that is investigating human rights in the country also visit that area. The workers assert that their demands are devoid of any political overtones, thus denying allegations to the contrary by some government officials. [Text] [Santa Cruz EL MUNDO in Spanish 25 Oct 81 p 1] 8926

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COLUMNIST ON LIMITED NUCLEAR WAR IN EUROPE

PY051629 Sao Paulo FOLHA DE SAO PAULO in Portuguese 22 Oct 81 p 8

[Article by Newton Carlos: "Washington Seeks Victory"]

[Text] The United States had already adopted the doctrine of "possible" atomic war, which can be waged and won. This is what the scientists writing in the BULLETIN --a publication devoted to warning against the risks of nuclear warfare--refer to as "thinking the unthinkable." Presidential directive 57 signed by Carter refers to that, and now President Reagan "rewards" Europeans with the idea of a limited nuclear war in Europe.

Excellent service of assistance to Soviet diplomacy. In a letter to West European socialist leaders, Brezhnev denounced what Reagan confirmed: the up to now U.S. secret hope that the United States could be spared in an eventual nuclear wear, leaving the misery of such a "possibility" to the Europeans.

Not without reason, therefore, Europeans are coming out for pacificism, neutralism and other isms. The Soviet Union is exploiting all of these as much as possible. Breaking with the rule of only publicizing chiefs of state's or chiefs of government's visit to Moscow, PRAVDA played up in headlines the meeting of Brezhnev with Foot, a Laborite leader in the opposition. The letter written in June had Helmut Schmidt, FRG Government chief, as main addressee. At that point, the Soviet leader was convinced that the Europeans were determined to seriously examine what Reagan dropped in their laps so disastrously diplomatically speaking: Europe should be prepared as an effective "war theater."

Foot was received in Moscow as chief of government because his party, the Labor Party, wants Great Britain to cease being "an atomic aircraft carrier" for the United States. Studies have revealed that the Americans have their own communication system in Great Britain and that they can do whatever they think best with the atomic weapons stockpiled on the island under their direct control--and do so over the heads of the British. Schmidt is forced to adjust to pacifist campaigns and neutralist sentiments which are on the rise in the FRG where the idea of reunified and neutral Germany is gaining strength. The greater number of the 7,000 atomic missiles which have been shipped to Europe by the Americans is stockpiled on FRG territory where the Americans also intend to place a greater number of the new Pershing 2 missiles capable of hitting targets in the Soviet Union.

In his letter to European socialist leaders, Brezhnev enumerates what he defines as "the most important tasks in questions of international policy." The most urgent task, according to him, is to initiate as soon as possible negotiations on limitation of nuclear arms in Europe, a topic about which Europeans are highly sensitive. Resume talks with the United States and continue negotiations on limitation to strategic weapons. The SALTS are in second place. Soviet priorities on these questions have been altered. In the 1970's the Soviet Union was more concerned with the equilibrium of strategic weapons on intercontinental range. In a meeting with then President Ford in December 1974, Brezhnev agreed to leave out of SALT II the so-called forward-based system, the "tactical" arms deployed in European territory along the line of division between the "two worlds."

The Soviets' main concern today is with those "tactical" arms, not with the strategic missiles of intercontinental range. The new "tactical" missiles (Pershing 2 and cruise) for NATO's arsenal have highly sophisticated guidance systems and are capable of foiling Soviet radars. The Soviets are afraid that the United States might be tempted to launch a "pre-emptive" attack against the Soviet Union on the assumption that the Soviet reaction will be concentrated in Europe, leaving the United States unscathed. Brezhnev spoke of this possibility in the letter to the European socialist leaders. Now Reagan takes upon himself to say that the Soviet fear is not unfounded.

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SUBTLE RESTRICTIONS OF FREEDOM OF PRESS CONTINUE

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 25 Oct 81 p 21

[Text] The removal of two photographs of President Joao Figueiredo from the new press room of Planalto Palace, because they were not to the liking of Secretary Flavio Sapha, served to demonstrate that freedom of the press is less real than that which is heralded by the period of democratization in the country. Interference by the government in news programs is no longer accomplished through censors in the editorial offices but there still exist pressures of other types. They may manifest themselves as special privileges to reporters, who cover government sectors, at the same time that it is sought to keep them at a distance from ministers and governors or they may be manifested by difficulties in even providing the conditions so that they may have a room in which to work.

In that process, the press rooms installed in palaces and public buildings which require the presence of specialized reporters during the entire day, are under extreme pressure. There are psychological pressures from government officials, who in the name of a "friendship" resulting from daily coexistence, exert themselves to prevent the publishing of unfavorable news and there is also the need for good relationships with the sources of information. A specialized reporter who has fallen out of favor with those sectors always runs the risk of not being well informed.

The placement of 50 large photographs of the president in the new pressroom of Planalto Palace was an initiative of the press committee of the Presidency headed by photographer Adao Nascimento, who sought to honor the president and at the same time mount an exposition of the most significant photographs of the president in his daily routine and on trips. The Brazilian News Agency [EBN] printed the photographs and Secretary Carlos Atila approved the initiative, viewing the photographs before leaving for Cleveland.

When assistant secretary Flavio Sapha returned from Rio after Figueiredo's stay at Gavea Pequena, he let himself be convinced by another aide in the Secretariat that two of the photographs ridiculed the president. In one photograph General Venturini appeared behind Figueiredo and his military cap appeared to be superimposed on the head of the president, who was in civilian clothing. In the second photograph, Figueiredo is shown laughing heartily in a talk with General Pinochet while a Chilean military man fastened his holster.

Convinced of the "impropriety" of the photographs, Sapha refused to talk about it and removed them immediately, saying that they were not to his liking and that he was in charge in that room. The newsmen were also told that they could interpret his actions as censorship if they wished.

The action was considered exaggerated by General Venturini himself, who asked the Civilian Household for the normalization of the situation with the committee and the two photographs were discreetly returned to their place. The following day, however, all 50 photographs were removed and collected by Sapha at the EBN.

Reporters accredited at Bandeirantes Palace [Sao Paulo] have been provided every possible facility by the state government since the first days of the present administration. At that time they had already told Governor Paulo Maluf of their independent position and that they would not give up one iota of the privileges they had obtained during the previous administration, maintaining direct contact with sources of information.

Nothing changed with the changes made in the pressroom by the government. The number of telephones and compartments doubled, the number of desks and typewriters increased by 50 percent and two telex machines were installed. At the inauguration, however, the then secretary of information and communications, Blota Junior, could not manage to have Governor Paulo Maluf honored by having his photograph in the news room. Referring to the photograph of Paulo Egydio Martins, which remained in the room to show the gratitude of the press to the man who opened the press channels to the government of the state, he hinted that Maluf deserved similar consideration. His proposal was judged to be "an attempt at interference."

The pressroom of the Legislative Assembly manages to maintain the characteristic of a "free territory" with all the resources required by newsmen. There is no lack of access to information there. On the contrary, national and state leaders, formerly cassated persons and leaders of the most varied representative organizations parade through there seeking to achieve the greatest possible news exposure. Reporters are free to move freely in all the offices of the building, with the exception of the legislative meetings held behind closed doors at the initiative of party representations.

Those accredited to the 2nd Army are even allowed informal talks with its commander since they have managed to win the trust of the higher ranks during the day-to-day routine. Outside of that there is a general rule followed between the military and newsmen: That which is not confidential is restricted. That which is not restricted is secret. That which is not secret is top secret." Even with difficulties, coexistence between them is good since 1968, when the pressroom of the 2nd Army Headquarters was created.

In the Ministry of Justice, those accredited are barred by signs on doors saying "Entry Forbidden" "Secret Area" or "No Admittance." At the CNBB [National Conference of Brazilian Bishops] they may not wander around the building nor use the telephone. In compensation, 30 employees of the Ministry of Planning work in the press office, where installations are extensive and the only difficulty is acquiring access to Minister Delfim Netto because he is in his office for a very short time.

In the Ministry of Finance, coffee is rationed to only twice a day, but those who remain until after 1830 have the right to a cup of tea with four cookies.

Covered exclusively by feminine reporters, the Ministry of Education and Culture follows the pattern of Planalto Palace, with daily meetings intended to compensate for the difficulties in meeting with Minister Rubem Ludwig. The super facility, however, is in the Ministry of Interior with its spacious room, direct telephone, tables for meetings, with newspapers from nearly all the states and a daily bulletin with a summary of the news. All this is meant to save Minister Mario Andreazza from having contact with newsmen.

His colleague, Minister Jair Soares, adopted an even more unusual tactic: When some report against the Ministry of Social Welfare is published, he "breaks" with newsmen for weeks or even months. Ample facilities of access to the office of the minister exist only at Itamaraty and the Ministry of Air (the navy does not even have a press office in Brasilia but a public relations office still functions in Rio).

At the Recife Legislative Assembly remains what is perhaps the last pressroom of the traditional type in the state, with typewriters and telephones at the disposal of the newsmen without interference from the professionals of the building. The state and municipal governments keep 90 percent of the newsmen linked to the newspapers of Recife on their payrolls, thus compromising the impartiality of the news. The disinterest shown in providing suitable working conditions for the press is so great that at the Guararapes Airport the reporter from RADIO CLUBE DE PERNAMBUCO interviews personalities at the table used by the official in charge of luggage, who lends him the space.

The Bahia Government, on the contrary, believing that in this preelectoral period it is necessary to insure favorable reporting in the newspapers, decided to attribute more importance than ever to the press offices and by extension to the specialized reporters. That concern has not yet reached the government of Minas Gerais, where the new Forum of Belo Horizonte, planned during the administration of Aureliano Chaves and inaugurated last year, does not have a pressroom. It was necessary for the Minas Gerais section of the OAB [Brazilian Bar Association] to give up one of its rooms so that the newsmen could have a place in which to work. The greatest difficulties, however, are in the military area due to the refusal by the commander, Gen Coelho Neto, to grant interviews.

8908
CSO: 3001/18

APPLICATION OF DIGITAL TECHNOLOGY TO ORDNANCE INDUSTRY

Rio de Janeiro GAZETA MERCANTIL in Portuguese 21 Oct 81 p 1 (Supplement)

[Article by Jose Casado: "Interest of Armed Forces"]

[Text] If there are any computer users in Brazil interested in rapid development of the nation's information-processing industry, they are the armed forces. Of the 66 basic-engineering projects now underway for developing new weapons, in over 20 private and state enterprises and institutions--for the benefit and under the direct supervision of the Army, Navy and Air ministries--the great majority propose to consolidate significant advances in application of digital electronics to weapons technology. These projects, with a budget of 21 billion cruzeiros in the research stage, have the purpose of making feasible in the intermediate term domestic production of guided missiles, precision aviation equipment, fire-control systems and information systems.

This military interest in reducing the technology gap that separates Brazil from the international community of information processing is "entirely warranted," in the words of Armed Forces Chief of Staff Alacyr Frederico Werner: "Security carried to the extreme is war and all modern weapons systems are based on electronics," he says, recalling the expression that 5 years ago was the basis for direct intervention in the sector by the National Security Council, by creating the Special Secretariat for Information, today the regulatory body and executor of sectoral policy.

But General Werner explains that this interest of the armed forces is not confined to wartime application of this technology. The significance of classifying the sector as an "area of national security" is also based upon a relevant theoretical issue that the chief of staff tried to explain yesterday during his visit to the 1981 Information Fair in Sao Paulo: "Brazil is one of the countries that believe the greatest force for security is development. That is why we have a great interest in technological events that have a high degree of influence on development."

In reserving for itself the decision-making power in the area, the military sector began to grapple with one of the basic issues of Brazilian industrial policy at present: division of opportunity among the state, private domestic firms--both emerging as manufacturers--and foreign groups. General Werner says the policy position governing decisions in this field is based upon regarding the problem of multinationals "without suspicion, while still exercising caution and concern, but

certain that any jingoistic ideas will result in setbacks, because we would be like some nations that shut themselves off and are not making the advances that others have made."

Today the major restraint on development of military research in the field of information "is the shortage of funds," according to the chief of staff. Existing projects are being financed essentially by FINEP [Funding Authority for Studies and Projects], an agency under the Planning Secretariat (SEPLAN). Nearly half of them are related to the Armed Forces Missile Program.

During this year new technological processes developed within the scope of these programs are beginning to be incorporated in the regular production line of the Brazilian ordnance industry: at the end of this year Avibras Aerospacial SA begins production and export of medium-range (40 to 60 kilometers) missiles.

They will be the first of a "family" whose leading member is a missile 10 meters long that will cover distances between 300 and 600 kilometers. Guided in flight by an inertial system and in aiming by its own sensitive radar, this missile will be capable of carrying simple or multiple warheads of over 150 kilograms.

Other projects underway reflect objectively the interest of the armed forces in digital technology: the Air Ministry is sponsoring research in tracking and guidance systems; the Army, through IMBEL [Ordnance Industry], not only created a subsidiary specifically devoted to electronics (PROLOGO) but is also investing in technology of missile materiel (ATTMM and Roland) and in tracking systems; the Navy wants to build ships by computer and plans a computer for navigation and fire control.

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EMBRAER, ITALIAN FIRMS START TO BUILD AMX FIGHTER

Rio de Janeiro O GLOBO in Portuguese 26 Oct 81 p 16

[Text] Sao Paulo--Scores of engineers and technicians, coordinated by engineer Guido Fontegalante Pessotti, director of the EMBRAER (Brazilian Aeronautics Company) Technical Department, began work this week on the company's newest and most sophisticated project: building the Brazilian AMX prototype, a modern jet-propelled combat aircraft. It is a joint undertaking with the Italian firms Aeritalia and Aermacchi.

Construction has begun on two prototypes, one being built in Europe by the two Italian companies and the other in Sao Jose dos Campos, in the Paraiba Valley.

The Brazilian AMX aircraft is to fly for the first time in the second half of 1985, from the Sao Jose dos Campos airport, marking the beginning of quantity production of 100 units which will be delivered to the Brazilian Air Force [FAB], to equip the Reconnaissance and Attack Squadrons that have bases scattered throughout the national territory.

The Italian Air Force for some time had felt the need of a new aircraft to replace the G-91 and the S-1046 in the role of tactical support. In 1977, after an evaluation of possible tactical scenarios in the future, the Italian Air Command unveiled the corresponding operational specifications, which were accepted immediately by the two largest manufacturers of fixed-wing aircraft in that country, Aeritalia and Aermacchi.

In 1970 EMBRAER had begun sending its engineers and technicians to Italy for courses of familiarization with the jet aircraft produced by Aermacchi. Brazil had to manufacture its own 2-man jet aircraft to meet the specifications of the Air Ministry and, since 6 September 1971, when the EMB-326-GB Xavante made its first flight in Sao Jose dos Campos, 172 units of its type have been built. Of these, 160 were delivered to the Brazilian Air Force and are operated intensively in the EMRA (Joint Reconnaissance and Attack Squadrons) and in the CATRE (Centers for Tactical Applications and Advanced Manpower Training), carrying out missions for which they were conceived: advanced training or tactical support and ground attack. The other units produced were exported to Togo and Paraguay, where they are operating in the armed forces.

Engineer Oziris Silva, managing director of EMBRAER, during the first contacts with Aermacchi was already advocating that the Brazilian company try to reach in the

near future an advanced technological stage with the objective of being able to produce in the next decade a highly sophisticated, easily operated and economical aircraft capable of meeting the needs of the Brazilian Air Force in coming years.

It was within that concept that the first discussions were held to develop the AMX in close technological collaboration between Italian engineers and Brazilian engineers from EMBRAER.

While in Brazil EMBRAER was consolidating its production lines, which already have produced 2,652 aircraft, and its engineers and technicians were putting the country on an equal footing with the world's leading aircraft manufacturers, in Italy the two companies were doing research to consolidate the AMX project.

Later, after extensive studies of the AMX program, considered satisfactory for the FAB's future needs, EMBRAER expressed an interest in cooperating in development and production of the aircraft, contributing about 30 percent of the work. The way was opened for cooperation between Brazil and Italy. In June 1980 Aeritalia and Aermacchi signed a production agreement with EMBRAER.

Based upon the agreement, EMBRAER began to participate in the program starting with the project's development phase. Production of the major components of the aircraft is divided among the three companies and final assembly will be in Italy and in Brazil.

The major events of the AMX program include the first flight of the European prototype, with participation by Brazil, in 1983 and delivery of operational units in 1987.

The AMX is a single-seat aircraft with medium-high wings, powered by a turbine. It is intended for conventional tasks but has an advanced design, with highly sophisticated electronic and flying systems and, according to engineers working on the project, will meet all the requirements of the complex scenarios for the end of this decade and the beginning of the next.

The primary missions of the AMX are short-range interdiction, close aerial support and reconnaissance. Its secondary missions are naval attack and aerial combat.

The AMX can carry out missions under the most difficult operating conditions, at a high subsonic speed and very low altitude. It is designed for flexibility in missions, high level of efficiency and safety, and low vulnerability at a moderate operating cost.

The EMBRAER engineers believe the aircraft fully meets military requirements. Besides its primary and secondary tasks, the AMX can carry out day or night missions, even under conditions of low visibility, operating from a central base, but capable of using poorly-equipped or damaged runways.

In compliance with military requirements, the AMX program seeks, among other things, the following: excellent landing and takeoff performance, high subsonic speed with good penetration. It has an internally-mounted weapon, recesses in the wings for sidewinder missiles, pylons under the wings for outside tanks, complete electronic

system and engines already in production, many safety features and little need of modifications.

The AMX was designed especially for attack and can operate at low altitides in electronically hostile environments with a high possibility of successfully completing the mission.

The engine is a Rolls Royce MK-807 "Spey" with double-fan turbines, 0.85 ratio bypass and 16.5 compression. It has a low consumption of kerosene and high reliability in all phases of flight.

The fuselage comprises three main sections. The pilot's seat was designed to give excellent visibility and it has an ejection system that can be operated in all phases of flight.

Ordnance equipment can weigh up to 8,500 pounds. The AMX has a computer system to be operated in launching missiles and bombs in conditions of absolute safety.

Delio: It Is Not Necessary to Import

Brasilia--"There is at present in the Air Ministry no reason that would justify purchase of aircraft abroad," Air Minister Gen Delio Jardim de Mattos told O GLOBO yesterday in expressing his position opposing importation of military aircraft.

"It is the policy of the ministry," he added, "to constantly raise the precentage of domestic components in airships used by the Brazilian Air Force as a way of avoiding foreign dependency, assuring operationality in any situation and developing domestic technology through incentives to the Brazilian aircraft industry."

The current proportion of Brazilian aircraft in the FAB fleet, according to the air minister, is 66 percent.

Air Minister Delio Jardim de Mattos announced that "Brazilian aviation, including private aircraft and aviation in general, represents about 3 percent of national consumption, of which less than 1 percent is consumed by the FAB."

Difficult Year

The air minister said that "1981 was a difficult year for Brazilian aviation, but everything indicates that the worst is behind us."

He also explained the study to create differentiated rates in domestic aviation:

"Creation of differentiated classes of aircraft for domestic airlines called 'executive,' 'tourism' or 'special' (but never first or second class) is a study that is being analyzed by the Department of Civil Aviation (DAC) to offer the passenger a form of travel within reach of his circumstances."

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QUADROS, REJECTED BY PMDB, REJOINS PTB

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 5 Nov 81 p 6

[Text] Four months after leaving the Brazilian Labor Party (PTB), former President Janio Quadros announced yesterday he is rejoining that party, after the PMDB [Brazilian Democratic Mobilization Party] rejected his application for membership. Fifteen days after declaring himself a candidate for governor, the former president also asserted yesterday that the government party does not "fascinate" him, because "this is a time for ideas."

But a few minutes after reading a four-page statement at his office on Semaneiros Avenue, Janio Quadros again declared his candidacy for governor, although "not an irrevocable" candidacy. And he gave an example of what this means: "Would you like to see how objective I am? If the PDS [Social Democratic Party] were to suggest the name of Fauze Carlos, I would adopt it immediately. Nor would I reject the name of Olavo Setubal."

Janio Quadros announced that in the next few days he will try to make an appointment with the president of the Workers Party [PT], Luiz Ignacio da Silva. "If he were to lift a finger I would join the PT," declared Janio Quadros in asserting later that he would seek out Luiz Ignacio de Silva, "not as a candidate, but very cautiously, because I don't want to be made a fool of, as happened to Luiz Carlos Prestes."

The statement by Janio Quadros did not fail to mention the name of former Governor Leonel Brizola, national chairman of the PDT [Democratic Labor Party], the party Quadros would have tried to join had definite registration of the PTB not been granted by the TSE [Superior Electoral Court]. "I had a telephone conversation with Leonel Brizola a few days ago and it went very well. A very cordial, affable conversation. Such a union is definitely not out of our reach."

One detail that caught the attention of observers who received copies of the ex-president's statement: at no time, in referring to the party he was choosing, did he mention the PTB. He always spoke about a "party" in a general sense, without mentioning its name. Only after he had finished reading it did he agree to be interviewed and he then explained that his new party choice is the Brazilian Labor Party.

Accusations

"Today I am joining a political party. When I left the PTB, I said I was doing it because I did not want to be imprisoned by the casuistries that were being prepared. Everyone knows I was right. The casuistries arrived and there are others just around the corner, waiting their turn. Now, the party that welcomes me has no bosses. No men who can blackball an applicant to a closed and aristocratic club. No men who have divided up the power before the people have given it to them." This is how Janio Quadros began his statement yesterday morning, in a festive atmosphere arranged by his staff.

According to Janio Quadros, the PMDB leadership is "dreadful" and is "discredited in everyone's eyes." He charged: "The first so-and-so is one Ulysses who thinks he is going to be president of the republic. Then there is someone named Montoro who would like to be ruler of the captaincy of Sao Paulo. A nobody named Covas is to be Montoro's lieutenant. There's one left over and he's going to be senator because all the other positions have been greedily snatched up. Thus, these 'democrats'--some of them aided the revolution and even participated in AI-5 [Institutional Act No 5]--have proclaimed their own AI-6. With a national character, at that!

"They don't want party members," he continued, "or ideas, or debates. They want to head the government to get the electorate to ratify the plebiscite they have invented. They propose a dilemma: us or the others. But nothing indicates that they are better than the others. On the contrary, the others act in the open; in a regime of force they assumed a false appearance in the name of democracy, which they did not know how to achieve and which they intend to enjoy the fruits of. They talk a lot although they are responsible for the March of the Family some years after I resigned."

After announcing that he had already submitted a request yesterday to withdraw from the Superior Electoral Court the appeal he had lodged against rejection of his party membership by the National Executive Board of the PMBD, the ex-president criticized the existing parties: "What difference do party names make in our country; what do they mean? Do they have any programmatic content, any ideological or philosophical content? They were created from the top down, without the people having expressed themselves."

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PTB TO MERGE WITH PDR; PDT COLD TO REUNIFICATION

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 5 Nov 81 p 6

[Text] The TSE [Superior Electoral Court] decision to award possession of the PTB [Brazilian Labor Party] name to the group led by former Deputy Ivete Vargas had two results: merger of the PTB with Sandra Cavalcanti's PDR [Republican Democratic Party]--she will join the labor party tomorrow and run for governor of Rio de Janeiro State--and definite rejection by Leonel Brizola's PDT [Democratic Labor Party] of eventual reunification.

In Sao Paulo, PDR Regional Chairman Carlos Marcondes announced yesterday that a meeting will be held with PTB officials, "maybe yet today," to comply with the protocol signed between the two parties, with participation by the Janio Quadros Popular Movement [MPJQ]. The meeting "will also identify its membership during the next 48 hours, with emphasis on candidates for the state assembly, Chamber of Deputies and Senate. At the municipal level, in the interior alone the PDR should provide candidates for mayor, deputy mayor and councilman for the PTB in over 50 cities, which, added to the candidates the PTB already has and those of the MPJQ as well, indicates that the labor party will have candidates in almost 500 municipalities," Marcondes predicted.

Meanwhile, former Deputy Sandra Cavalcanti, in confirming in Brasilia--after meeting with Planning Minister Delfim Netto--that she will join the PTB tomorrow, denied she had asked Delfim to support her candidacy for governor of Rio de Janeiro State, which "is going very well." She tried to justify her choice of the labor party, despite her UDN [National Democratic Union] background, by recalling her participation in the Broad Front "of Carlos Lacerda, Jango [Goulart] and JK [Juscelino Kubitschek]," which "indicates a relationship" with her cause. Furthermore, she remarked, her candidacy and choice of a party follow a certain line of logic: "It is a case of a candidate without a party joining a party without a candidate."

The leader and deputy leader of Brizola's PDT in the Chamber of Deputies, Alceu Collares (Rio Grande do Sul) and Jose Mauricio (Rio de Janeiro), commented, also in Brasilia, that confirmation of Sandra's candidacy for the PTB is likely to make any agreement for reunifying the two labor parties unfeasible. According to Collares, in the hands of Brizola "the PTB would confirm its historic ideological lineage--the cause of labor. With Ivete Vargas and Sandra, not to mention Janio Quadros, the party will no longer be ideological but will be dominated by personalities."

Backing him up, Jose Mauricio added: "To say nothing of the fact that the negotiating table has been turned around, offering party membership to everyone who needs it to advance their own personal objectives, rather than political platforms." The two deputies confirmed that the PDT will probably appeal to the STF [Federal Supreme Court] the STE decision to award definite registration of the PTB to Ivete: "The party will study the best way of doing this, as reunification of the labor parties would be possible only in the hands of Brizola's group, without Sandra, a longtime enemy of the Brazilian labor movement," they commented.

Collares made it clear that, in case of reunification, Janio Quadros would not be ruled out, but admission of Sandra Cavalcanti "would be out of the question." Confirmation of Sandra's candidacy for the PTB led to more intense bargaining among the PMDB [Brazilian Democratic Mobilization Party], the PDT and the PT [Workers Party] about the Rio de Janeiro gubernatorial race: Ulysses Guimaraes, Roberto Saturnino and Marcelo Cerqueira discussed the matter yesterday and Cerqueira commented that "no one can underestimate the candidacy of Sandra Cavalcanti and the appeal of the PTB. Sandra has a strong party in Rio de Janeiro and has good relations with newspapers and with radio and television broadcasters, in addition to support from influential business sectors."

'Serves the System'

Deputy Reginaldo Valadao, PDT leader in the Sao Paulo State Assembly, in turn, commented that the TSE decision to authorize registration of Ivete's PTB "will only help the System, and is useful only to the government party to divide the opposition forces."

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LATEST POLL SHOWS PDS GROWING, PMDB DECLINING

Sao Paulo VEJA in Portuguese 28 Oct 81 p 66

[Text] The PDS [Social Democratic Party] is gaining ground on the PMDB [Brazilian Democratic Mobilization Party] among voters in 20 states. Compared with the six previous polls conducted by Gallup since March 1980, the results of the September survey indicate a sizable increase for the government party and a gradual decline for the largest opposition party. According to the sample of 2,429 persons in 258 towns and cities nationwide, in 360 sampling areas, the PDS was closing in on the PMDB and is now behind by only 1 percent. Just under 1 year ago it was losing by a mile. The poll also shows a moderate rise for the PP [Popular Party], which displaced the PTB [Brazilian Labor Party] as the nation's third choice.

The party of Ivette Vargas [the PTB] is a pale shadow of its former self--it has declined more than all the others. During the last 18 months it has lost more than one-third [sic; two-thirds?] of its following. As the PTB, so also the PT [Workers Party]--which had taken an early lead over the three largest--went into a nosedive and since February has stagnated at 6 percent. The PDT [Democratic Labor Party] never got off the ground--it is the smallest of the six existing legal parties. The available choices, for that matter, have not yet managed to win the favor of a significant portion of the electorate which represented 6 percent 1 and 1/2 years ago and has since swollen to 18 percent. The number of undecided voters, on the other hand, has been shrinking and has tended to decline constantly as next year's election nears.

Uneasy Guest

The impressive performance of the PDS is more a result of errors made by its adversaries than of its own merit. It is also explained by its picking up a large portion of previously undecided voters. The government party has benefited mainly from the weakening of the PTB--just as the PMDB between March 1980 and February 1981 attracted voters disillusioned with the PT, although it has lost some of its own to the party led by Senator Tancredo Neves [the PP]. The course followed in the polls by Ivette's party is, to say the least, dreadful. Heir to the political legacy of Getulio Vargas, the PTB shot out ahead [in the first poll], leading in voter preference in 20 states and with more than twice the number of supporters garnered by the PMDB.

Declina o PMDB e cresce o PDS

Partidos políticos (1)	(11) Evolução de preferências (em %)						
	(12) Março 1980	(13) Maio 1980	(14) Agosto 1980	(15) Novembro 1980	(16) Fevereiro 1981	(17) Junho 1981	(18) Setembro 1981
PMDB (2)	10	16	16	21	23	22	21
PDS (3)	13	15	15	12	13	17	20
PP (4)	7	6	5	5	6	7	8
PTB (5)	22	16	12	11	12	10	7
PT (6)	18	12	9	5	6	6	6
PDT (7)	—	—	4	3	2	3	3
Nenhum desses partidos (8)	6	6	8	12	20	15	18
Não têm preferência ainda (9)	24	29	31	31	18	20	14
BASES (10)	2 690	2 745	2 696	2 657	2 458	2 771	2 422

PMDB Declines and PDS Grows

Key:

1. Political Parties
2. Brazilian Democratic Mobilization Party
3. Social Democratic Party
4. Popular Party
5. Brazilian Labor Party
6. Workers Party
7. Democratic Labor Party
8. None of the above
9. No preference as yet
10. Sample size
11. Trend of preferences (by percentage)
12. March 1980
13. May 1980
14. August 1980
15. November 1980
16. February 1981
17. June 1981
18. September 1981

O PP fica mais forte nas médias cidades

Pesquisa de setembro, em %

Partidos políticos (1)	Capitais (11)	Cidades com (12)			
		(13) Mais de 50 000 eleitores	(14) 10 001 a 50 000 eleitores	(15) 5 001 a 10 000 eleitores	(16) Até 5 000 eleitores
PMDB (2)	26	23	17	17	15
PDS (3)	11	11	25	27	38
PP (4)	6	4	9	12	6
PTB (5)	8	9	9	5	5
PT (6)	9	8	5	4	1
PDT (7)	3	1	4	1	1
Nenhum desses partidos (8)	15	17	15	16	9
Não têm preferência ainda (9)	20	19	18	23	28
BASES (10)	607	388	728	384	322

PP Is Stronger in Medium-sized Towns (September Poll, in Percentages)

Key:

1. Political Parties
2. Brazilian Democratic Mobilization Party
3. Social Democratic Party
4. Popular Party
5. Brazilian Labor Party
6. Workers Party
7. Democratic Labor Party
8. None of the above
9. No preference as yet
10. Sample size
11. State capitals
12. Cities with:
13. More than 50,000 voters
14. 10,001 to 50,000 voters
15. 5,001 to 10,000 voters
16. 5,000 voters or less

Former Governor Leonel Brizola at the time was competing for possession of the party name and it began to shrivel exactly when the court awarded it in May of last year to Ivette. Entry of former President Janio Quadros in the PTB in November did not help much. During the time he was Ivette's guest, the party lost 1 percent in the polls. His departure at the end of June, however, was more harmful than his arrival. The PTB fell from 10 percent to 7 percent of the electorate's favor. The rapid fall of the PT also dates from May 1980--immediately after the unsuccessful strike of the Sao Paulo ABC [refers to industrial sections of Santo Andre, Sao Bernardo do Campo and Sao Caetano do Sul] metalworkers led by the party's president, Luis Inacio da Silva, known as Lula.

The initial attraction of the PT brought it, in the first Gallup poll, the significant portion of 18 percent of the voters sampled, lower only than that obtained by the PTB. The situation changed: today Lula's party concentrates its strength in the state capitals and the large cities. So far it has hardly any votes in small towns, where the PDS alone easily defeats all other parties combined. Cities with less than 50,000 voters continue to be solid bastions of the government party, but the PP is beginning to take votes away from the PMDB there and put down roots. Although it is an opposition party, its position is moderate and attracts more followers in the conservative countryside than does the radical message of the party of Ulysses Guimaraes [PMDB].

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OCTOBER INFLATION EXPECTED TO BE YEAR'S LOWEST

Rio de Janeiro O GLOBO in Portuguese 24 Oct 81 p 17

[Text] Special Secretary for Supplies and Prices Julio Cesar Martins yesterday forecast that the rate of inflation this month should be the lowest recorded this year, falling below the rate of 4.5 percent confirmed in June.

Despite the fact that he did not wish to estimate a percentage "some problem could appear by the end of the month," Julio Cesar reported that all available data shows that inflation will maintain its tendency to decline in October. If that happens, it will be the seventh consecutive month to show a decline compared to the rates seen in 1980.

"Our figures show that the rate this month will be very good. It is possible that it will be the lowest of the year; if nothing unforeseen happens it could be below 4.5 percent," said Julio Cesar Martins.

According to him, the Secretariat noted a significant number of declines in retail prices, particularly in the food product sector, which allows Julio Cesar to expect that by the end of the year the accumulated rate of inflation will be between 95 and 97 percent.

As far as next year is concerned, the secretary estimates the rate of accumulated inflation should be around 70 percent.

Situation is going to Improve

"The situation is going to improve in 1982. We have already overcome the most critical phase in fighting inflation and 1982 will be a better year with respect to the rate of employment, as well as for industrial demand," said Julio Cesar. However, he made it a point to declare that difficulties have not been overcome "because the year will be difficult," at least, however, the "worst phase has already passed."

Experts Foresee a 4-Percent Rate

The government is describing the inflation of this month, which should be around four percent, according to the most "conservative estimates of the experts responsible for watching over the price index in the country, as "exceptional."

If everything goes well, the experts believe that inflation could remain below four percent, however, they prefer not to reveal more optimistic forecasts, at least for the time being, since only two weeks of October have been computed. They explain that the result is due primarily to the decline in prices noted in some products with great influence in the wholesale and cost of living indexes. Such is the case, for example, of milk, whose price declined from 43 cruzeiros per liter to 40 cruzeiros, with great influence in the rates for this month.

The price of beans also showed declines, wholesale as well as retail. In the retail trade, the kilo of beans at this time is oscillating between 88 and 105 cruzeiros, while in previous months it ranged around 105 to 120 cruzeiros per kilo. The price of meat, according to the experts, is also declining in the retail trade. In the area of truck farming, potatoes rose somewhat, but their increase was compensated for by a decline in the price of tomatoes.

The last increase in the price of petroleum byproducts--averaging around 15 percent--on the 18th of the month will have only a partial effect in the October rate because it took place in the second half of the month.

Generally, the experts define the bahavior of prices in October as very positive. This means that the change in prices exerts a lesser pressure on the rate of inflation.

8908
CSO: 3001/18

PETROBRAS TO NEGOTIATE FOR MORE PRC PETROLEUM

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 27 Oct 81 p 33

[Text] PETROBRAS [Brazilian Petroleum Corporation] President Shigeaki Ueki will go to the People's Republic of China [PRC] the second half of November or no later than the first half of December, according to sources of the Ministry of Mines and Energy yesterday. He should negotiate the purchase of new shipments of petroleum from that country in exchange for Brazilian goods and services. His decision to deal with the subject personally is due to the 50-percent increase in Chinese oil deliveries between last January and September, increasing from 1 million barrels in 1980 to 1.5 million barrels at this time at a price of $37 a barrel (CIF).

Ueki should accompany Minister of Mines and Energy Cesar Cals to Saudi Arabia from 7 to 10 November, where they will make contacts to find out what the decision of that country is on continuing to provide petroleum to Brazil and at what prices. The trip to Peking should be scheduled after the return from Jiddah, according to the same sources. Also discussed on that trip should be the signing of an agreement on the transportation of petroleum between the two countries, as well as the intensification of cooperation in the energy field.

Through the mediation of INTERBRAS [PETROBRAS International Trade, Inc], PETROBRAS will try to negotiate petroleum under more favorable conditions for the country, including through the exchange of railway services or construction of hydroelectric power plants and the placement of manufactured articles.

First Vice Minister of the Ministry of Machine Building of the PRC, Yang Keng, yesterday told the secretary general of the Ministry of Mines and Energy, Arnaldo Barbalho, that it is his country's desire to increase trade between the two countries "to the maximum." He revealed that the Chinese are very much interested in learning Brazilian technology applied in hydroelectric projects and transmission lines and that China is also concerned with its future energy options, just as Brazil is. In that area, he added, "many lessons could be exchanged between the two sides." According to Yang Keng, the Chinese government uses coal on a large scale (annual production is estimated at 600 million tons) and it has considerable experience in biodigesters.

8908
CSO: 3001/18

BRIEFS

MISSION TO JAPAN--A Sao Paulo state business mission led by Sao Paulo Governor Paulo Maluf left today at 1600 for Honolulu, which is the first leg of his trip to Japan. The mission is scheduled to arrive in Tokyo on 8 November and during its 12-day stay will contact Japanese business sectors. [PY060004 Brasilia Domestic Service in Portuguese 2200 GMT 5 Nov 81]

CSO: 3001/30

VARIOUS ASPECTS OF U.S. FOREIGN POLICY VIEWED

Camp David Accords

Havana VERDE OLIVO in Spanish 4 Oct 81 pp 12-13

[Article by Elpidio Valdivia]

[Text] Inspired by Judas, Egyptian President Anwar Sadat unilaterally signed the so-called Camp David Peace Accords, thereby joining in the betrayal of the Arabs and the Palestinians.

The plundering of Arab territory occupied by Israel after the military attack of June 1967 is thus ratified, and conditions are created for representation of the struggle to liberate the region as actions against Yankee troops, who in early 1982 will be stationed in the Sinai.

By means of the /illegal reciprocal agreement/ [in boldface], Cairo receives economic, political, and military aid from the United States, and in April 1982 Israel will return to it the still /occupied Sinai Peninsula/ [in boldface]. For the first time since its creation in 1948, Tel Aviv is recognized by an Arab state; and Washington obtains new concessions for the carrying out of its strategic plans.

The propaganda orchestrated by the three countries' intelligence agencies, primarily by the Central Intelligence Agency, is designed to convince people that the treaty has two essential elements and that they will be fulfilled in stages.

First, there is the Israeli withdrawal from the Sinai, which requires suitable monitoring and security resources; second, there is Palestinian autonomy, which was to be implemented during a 5-year transition period beginning in September 1978, although the deceitfulness of those plans is increasingly clear.

It is common knowledge that last May the UN Security Council vetoed the tripartite plan, which subtly involved the international organization in the plot hatched in the American state of Maryland on 17 September 1978 .

Thus, through the proposal to send a contingent of blue-helmets to guarantee Egyptian-Israeli peace, they were using a ploy to internationalize their betrayal.

Pursuing its plans, the American Government then sponsored the creation of the "Multinational Observers' Force," also described by the words "peace" and "Sinai," for the purpose of stationing, for the first time at permanent bases in the region, troops who would act as an advance operational group aiding operations of the Pentagon's Rapid Deployment Force.

With over 200,000 troops and different bases in African and Middle-Eastern countries, this interventionist force has among its primary missions immediate response in any conflict, principally in the Middle East. Its purpose is to protect sources of, and sea lanes carrying, petroleum; and it also plays a role in strategic plans laid against the Soviet Union.

In May, after countless negotiation sessions in the capitals of the three nations involved, as well as in others, the appointed military experts drew up, in Washington, the plan for the organization, structure, makeup, and functions of the Multinational Sinai Force.

Further talks in Cairo, London, and Washington required constant travel by heads of state, foreign ministers, assisant foreign ministers, ambassadors, military leaders, and other officials, as well as the legislators who had to meet to approve what their representatives had accepted de facto.

On 17 July, 2 months before the third anniversary of the Camp David monstrosity, the official protocols formalizing the much-discussed anti-Arab, anti-Palestinian initiative were initialed at the United States Embassy in London.

The "international observers," some 2,500 men, will compose a regiment with its staff, three infantry battalions supported by helicopters and communications and logistics units, and there will be a group of civilian observers.

The expenditure for and cost of initial construction to provide for those military forces in 1982 will be some $220 million. The United States will pay 60 percent--$135 million--and Egypt and Israel will pay equal shares of the rest, $42.5 million each. According to the plans, beginning in 1983 they will spend some $100 million annually, which does not include the cost of installations needed, which will be paid for equally by the three countries.

Organization of command includes a director general--American--replaceable every 3 years, who should act in accordance with the regulations governing United Nations troops in similar cases. It also includes a civilian governor or director, replaceable annually, who will serve as a witness to his superior's administration and will coordinate his functions with the observers and other members of the regiment; and it includes a leader for each battalion and security unit, who should be relieved every 4 months.

The chief public missions of the new military organization will be to replace the Zionist units when they leave to occupy new positions on the eastern side of their territory, behind the lines existing before the 1967 war; to insure the peace; to patrol the borders, and see to it that no incidents occur between Egyptians and Israelis.

Concerning these details, Haig said, "I hope that the force has a military character and that its responsibilities include not only monitoring but also the authority to act on their findings within acceptable limits."

On another occasion, concerning that same subject he stated, "In this period of great tension and of greater Soviet intervention in the region, I want to stress the necessity for the United States to increase its presence by common accord with the nations involved and in close consultation with them, so our approach won't be counterproductive."

American interest in the formation of this new warlike institution--multinational, according to them--is not casual. It is explained by the importance of the Middle East, where Pentagon strategists are planning to carry out one of the two-and-a-half wars provided for in their new military doctrine. Moreover, this oil-rich corner of the world is characterized by its political/military upheavals and its proximity to the border of the Soviet Union.

The international character they wanted to give the organization failed thoroughly.

In July, the Egyptian foreign minister, Mr Butrus Ghali, visited nine Latin-American countries, officially "begging," in his government's name, for symbolic, cost-free participation by their armed forces in this tripartite enterprise. He reaped only negative responses and some promises to study the request.

The White House needed new maneuvering, pressure, and concessions, including the lifting of the restrictions imposed by Congress, on the grounds of violation of human rights, on Chile, Paraguay, Guatemala, Uruguay, and other regimes on the continent. It also required visits by top diplomats, military leaders, and important CIA officials to obtain meager results.

Only the governments of Colombia and Uruguay accepted and committed themselves to send a 600-man infantry battalion each until 1985, with plans to relieve them every 4 months.

According to the plans, the Multinational Sinai Force will occupy its bases 1 month before Tel Aviv withdraws its occupying troops in April 1982.

In accordance with the unilateral Camp David treaty, the Sinai desert was divided into three military zones.

The force will occupy zone number one, which, with a width of 20 to 40 kilometers, extends to the west of the Egyptian-Israeli border and the Gulf of Aqaba. According to the plans, a U.S. Army infantry battalion will occupy the Sharm el Sheik area, located at the southern end of the Sinai at the entrances to the Gulf of Aqaba and the Red Sea. The two Latin-American battalions will be stationed at another base, currently under construction, at the northern end of the peninsula. There are also plans to settle a certain number of members of the Egyptian civilian population in this zone.

In zone number two, which takes up the central region of the Sinai, Egypt may deploy up to four battalions of border guards--4,000 men in all. In the third

zone, west of the Red Sea, with a depth of up to 50 kilometers, it may station an armored division with 230 tanks and 22,000 troops.

The Egyptian Air Force has 10 bases in the Sinai desert. Of them, Rafah and Ras al Nagab, the two with the best tactical/technical characteristics--and still occupied by the Zionist Air Force--are to be returned to Egypt at the beginning of next year.

Recently, the American State Department noted that all those air bases are to be dismantled after the Israelis leave, and the Cairo Ministry of Foreign Affairs declared that they would be used only for peaceful purposes. However, American news media revealed that through a secret agreement between Israeli Premier Menahem Begin and Anwar Sadat, 2 of the 10 bases will be left intact to be used by the United States' Rapid Deployment Force. It is obvious these are Rafah and Ras al Nagab.

The foregoing is further evidence of the reason the American administration is mediating between Cairo and Tel Aviv, and it demonstrates that one of its chief objectives is to replace Zionist forces with its armed forces when the former occupy new positions beyond the border.

Palestinian autonomy in the territories occupied after the 1967 war in Gaza and West Jordan, an obscure and imprecise element of the Israeli-American-Egyptian accords, is to be resolved through negotiations among these parties.

These negotiations have been at a stalemate since early 1980, first, because of the Zionist government's policy of settling Jews in West Jordan and Gaza and its opposition to Palenstinian autonomy and, second, because of the unilateral decision to designate Jerusalem as the eternal capital of Israel.

Daily life shows that the hostile Zionists, supported by Washington, oppose all measures leading to universal recognition of the Palestine Liberation Organization; they are seeking to increase the number of illegal settlements; they plan to annex the Gaza and West Jordan territories, so that the much-discussed autonomy would embrace the population and not the lands. Also, they systematically are carrying out their aggressive policy through all sorts of indiscriminate actions against Palestinian communities in Lebanon.

Recently, following separate meetings by Sadat and Begin with Reagan in Washington, after more than 15 months of stalemate, their representatives met in Cairo to resume talks on Palestinian autonomy, but nothing has changed. Consequently, owing to the disagreements on the subject between Tel Aviv and Cairo, observers foresee "little hope" for an accord favorable to the Palestinians.

Three years after the uniting in betrayal of the Palestinians and the Arabs, the outcome cannot be more meaningful.

The United States will replace Tel Aviv's troops in the Sinai, creating favorable conditions for the use of its Rapid Deployment Force, disguising its warlike nature with the so-called Multinational Observers' Forces, created through the consent of docile governments lacking scruples, such as those of Colombia and Uruguay.

In Egypt, opposition to Anwar Sadat's regime is growing, as is repression and the imprisoning of thousands of that country's citizens.

Tel Aviv obtained letters of marque to assault Arabs and Palestinians with Reagan's help, and its policy is the pivot-point of instability continuing to endanger peace in the Middle East.

The PLO, the legitimate representative of the Palestinian people, is continuing the struggle for autonomy for its people and its territory.

Other winds are blowing across the hot desert sands. These are not the days of the pharoahs.

From this cradle of civilization, as in the rebellion of 1750 B.C., the new followers will rise up to put an end to the submissive, traitorous actions of this 20th-century Judas.

'Halcon Vista-81' Maneuvers

Havana VERDE OLIVO in Spanish 11 Oct 81 pp 12-13

[Article by Elpidio Valdivia]

[Text] Today the White House and its Honduran lackeys sent their ships and planes forth into the Caribbean Sea to begin their "Halcon Vista-81" maneuvers.

The military exercises in that series began to take place at the beginning of the 1960's, and in May 1969 the last of them occurred. They were halted owing to, among other things, the political upheaval in Central America and the Caribbean Basin.

The one launched today was planned for the end of 1980, but it was necessary to postpone it several times because the Honduran regime was not prepared.

The decision to resume them, made by the Pentagon, is further evidence of American aggressive plans and wishes to contain the region's revolutionary tumult.

The reason for it is unconditional subordination of those regimes to Washington so that they will serve as sources of raw materials for Yankee industry and so that the United States will control the area's sea routes, considered vital to it, according to statements by top American officials, because 65 percent of its petroleum, 60 percent of its bauxite, and nearly 100 percent of other strategic minerals and elements cross the Caribbean Sea.

The idea, or, speaking in military terms, "the tactical/operational background," for the carrying out of the exercise, which is to last 3 days, was developed by U.S. armed forces officers belonging to the 193d Infantry Brigade and the 3d Group of the 7th Special Forces Battalion, assigned to the Southern Command, with their bases in the occupied zone near the Panama Canal.

"Halcon Vista-81" comprises two stages based on the hypothetical infiltration into Honduran territory of a group of "insurgents"--read "revolutionaries"--opposed, naturally, to the regime.

The first consists of stepping up sea and air patrol activities in order to detect, locate, and neutralize vessels transporting the "enemy."

During the second stage, they will rehearse the location, annihilation, and capture of the groups that have succeeded in landing or entering the country.

Actions at sea will be carried out within an area of some 2,800 square kilometers lying between 40 kilometers to the north, 10 to the east, and 60 to the west of Puerto Cortes, while activities on land will cover a large area.

The "Combined Tactical Forces," the designation assigned to the units taking part for the two countries, units minimized in the information given the press, comprise several Honduran patrol boats, planes, and elements from two or three infantry battalions. They also include the LSD-30 amphibious landing craft the "Fort Snelling," especially designed for offensive operations entailing amphibious landing, a tug, three patrol vessels, two reconnaissance planes, and troops from the 193d Infantry Brigade and the 7th "Green Beret" Battalion, representing the United States.

A Honduran Ministry of Defense communique, released in mid-September, disclosed, aside from the information already discussed, that the land-based contingent for each participant contains 130 men and that the LSD-30 will remain anchored in Puerto Cortes, charged with logistic support for the maneuvers.

However, it is an open secret that this amphibious ship, equipped with modern means of communication and command, will be the headquarters from which top American and Honduran leaders will monitor and direct the alleged simulated actions.

The objective of "Halcon Vista-81" is, says the communique, to train the personnel in air and sea tactics, in communications, and in actions under joint command.

In these ideas revealed by the Honduran high command, particularly that of "joint command," it becomes clear that, with the consent of Col Policarpo Paz Garcia's regime, the Pentagon's plans include direct participation with its troops, and through shared command of the Honduran Army, in other countries' conflicts in the area, thus typifying the interfering, interventionist character of the present administration in the White House.

Nor is it an accident that the objectives and tactics allegedly chosen for rehearsal in "Halcon Vista-81" coincide with the tasks given a high priority and, according to the Pentagon and the CIA, put into effect by the Honduran, Salvadoran, and Guatemalan Armies.

It is equally symptomatic that "Halcon Vista-81" is taking place in Honduras. During the fiscal year that ended a week ago, the U.S. Congress approved military sales to that country worth some $8.5 million, the delivery by 1985 of 10 UH-1H "Huey Cobra" helicopters, and, recently, it sent them 25 advisers from the Special Forces (Green Berets).

For the new fiscal year, which began on 1 October, they are planning to increase financing of military programs to $10 million, to include additional training for some 250 Honduran officers in the specialties of intelligence, counterinsurgency, and other fields at U.S. military academies located in the Panama Canal Zone.

In this regional context, it is important to point out that Honduras is experiencing a time of marked political upheaval, of growing governmental repression, and of active democratic struggle.

The picture present by news agencies just a week ago could not be more illustrative. Selected Army troops control public buildings, the streets, and squares in downtown Tegucigalpa while tanks and armored vehicles block roads into the capital and the police carry out widespread searches and arrests.

The repressive measures were intensified after a squad attacked a group of American military advisers, two of whom were wounded; following the detonation of an explosive device on the third floor of the legislature's building, located only 25 meters from the president's residence (inside of which a similar one exploded a few months ago); and in the wake of a machine-gun attack on a government minister. All these deeds took place within a few hours of one another.

The Honduran-American maneuvers arouse concern and inspire repudiation among progressive, and other, groups in Central America and the Caribbean.

Notable among the most recent reactions are the criticism expressed even by the president of Costa Rica, Rodrigo Carazo; that country's news media; different progressive and revolutionary groups in the region; and by the Nicaraguan Government.

An editorial by the Radioperiodico Reloj, the news program with the largest audience in Costa Rica, termed the "Halcon Vista-81" maneuvers a "serious political error by President Reagan."

It also said that this "is not the most suitable time for them" and that although the commandant of the Puerto Cortes naval base asserted that "they should not alarm anyone," "they are very dangerous to us, and they are a provocation at a time of full cold war."

The Sandinist government of Nicaragua very rightly views the carrying out of this joint exercise with alarm and concern.

With only 2 years of existence, the Sandinist process has had to face various instances of political, economic, and military aggression by the United States: false accusations, statements of sympathy for Somoza by Ambassador Jeane Kirkpatrick, suspension of credits, and the training of counterrevolutionaries and former Somocistas at camps in Florida and also in Honduras itself, near the Nicaraguan border.

In both the Security Council and the UN General Assembly, as well as on many other occasions, the Sandinist Government charged that "Halcon Vista-81" "constitutes a threat to peace and international security" and should be viewed as a "particular threat to the Nicaraguan people."

In the face of that threat, Nicaragua declared a "state of general alert" as soon as the joint United States-Honduras maneuver was announced, a matter also brought up within the aforementioned international organization.

At the same time, Minister of Defense Commander Humberto Ortega called upon popular organizations to remain in readiness to demonstrate their opposition en masse while the war games last.

The rehearsed invasion "Halcon Vista-81" is in essence, directed against Nicaragua and the revolutionary forces fighting in El Salvador, Guatemala, and Honduras, primarily.

It constitutes a further example of the United States' destabilizing, interfering policy in Central America.

DOD's Weinberger

Havana VERDE OLIVO in Spanish 18 Oct 81 pp 14-15

[Article by Elpidio Valdivia]

[Text] At the beginning of this year, backed by a certificate of "friendship" with the president, a new tenant was installed at the head of the United States Department of Defense.

Who is this man, and what role does he play within the present American government?

Caspar Weinberger, a native of the city of San Francisco, California, had no difficulties with his studies, even in prominent schools, nor in earning a law degree.

He performed his military service in the Army during World War II, and when it ended he began to practice his profession of attorney. He soon entered politics in his state, joining the Republican Party.

Rising rapidly, he held various posts in that party, and thus his first ties were ultimately formed with the present American president.

There is no doubt that the close friendship forged during nearly 20 years and the two men's similarity of views carried weight when the new chief executive selected the candidate for his cabinet.

It is significant what the magazine NEWSWEEK said when describing relations between the secretary of defense and the president. The journal noted that neither Harold Brown nor James Schlesinger, secretaries of defense in previous administrations, enjoyed the access that Weinberger has to the White House.

"He's extremely close to the president and to his adviser Edwin Meese, he knows their system by heart, and he plays his role estremely well," said one of the president's aides, according to the NEWSWEEK account.

All those who have assumed charge of the Pentagon have come primarily from different firms and corporations in which they served as president, vice-president or member of the board of directors.

Weinberger is no exception. Proof of it is that until recently he was a director of Pepsi-Cola and the Quaker Oats company, both associated with the food industry.

Moreover, from 1947 until the late 1960's he held high positions in the firm Heller, Ehrman, White and McAuliffe, which is involved in legal matters.

In 1975, he carried out major responsibilities as a member of the management of the Bechtel Power Corporation, engaged in construction and engineering work, with large investments in different countries.

Attaining high posts in these capitalist enterprises enabled him to amass a personal fortune, estimated at several million dollars.

Another characteristic of these people from civilian life has generally been that they have personal contacts or previous links or experience in the military sphere.

However, what is traditional is not true of the present secretary of defense, who is widely known to be a neophyte in the sphere he is supposed to command.

Looking back over his political and professional career since the second half of the 1960's, a period during which he served as his state's director of finance, he already exhibited conservative tendencies.

While serving as head of the Office of Management and Budget for the Nixon administration, he was so eager to reduce them, remarked the American magazine U.S. NEWS AND WORLD REPORT, that he earned the nickname "Cap the Knife."

At the time, he was considered an expert on economic and planning matters.

Perhaps because of that, his appointment as secretary of defense surprised many, for "Caspar Weinberger has no military experience," the weekly NEWSWEEK, published in Washington, had said in recent months.

However, the president proposed him for the post, seeking reliability, in every sense, rather than knowledge and experience.

Despite his reputation as a cost-conscious manager, U.S. NEWS AND WORLD REPORT noted that the new head of defense "agrees with the American president that there is a need to increase the Pentagon's budgets" to meet the alleged "military buildup by the Soviets."

Moreover, a few weeks ago, when it was concluded that the Republican administration would have to make additional budget cuts to avoid exceeding the anticipated federal deficit for 1982, Weinberger violently opposed the idea that the vast sums intended for armaments should be affected in the least.

To save the increasingly questionable Reagan economic program, once more by elimination, the proposal has been made, rather than to limit cannons, to toss out other items in the already reduced allocations for education, public health, food, and other things provided for in 82 social programs.

Under these circumstances, Weinberger has been presented by various international news agencies as the most visible representative of those advocating rearmament at any cost, regardless of whether it be achieved at the expense of the standard of living of a large segment of American society.

Adhering to this stance, he expressed his agreement with the deployment of the neutron bomb in Europe and ardently defended acceleration of construction of submarines and bombers.

Moreover, he spoke in favor of expansion of his country's naval capability in the Atlantic, Pacific, and Indian Oceans, the establishment of permanent military bases in the Middle East, and an increased role for so-called conventional forces.

Following the advice of his military associates, he has also tried to impose this adventurist policy on the Western European allies, and he has criticized those wavering in the face of American demands for increased defense spending.

This was the case during the meeting last April of the NATO Nuclear Plans Group in Brussels, Belgium.

However, there has been continued pressure from Washington and its military leaders, and it involves specific issues, such as the deployment of Pershing and Cruise missiles and the neutron bomb.

Opposition by some countries, the growing pacifist mood among the people of Western Europe, and the concern expressed by legislators and leaders have been forthcoming and threaten to seriously hamper the United States' belligerent plans.

The man who during the 1950's was called a "liberal" Republican and was later deeply involved in economic problems and planning, connected in no way with the military, appears to us now, when we know him better, as secretary of defense, to be a full-fledged hawk.

He has defended military programs for the coming years, such as the construction and emplacement of MX intercontinental missiles with nuclear warheads, Trident submarines, and B-1 strategic bombers, among others.

He also favors increases in the defense budget, raised in recent years to astronomical levels, such as the present one, which is somewhat over $200 billion.

Supported by a propaganda barrage concerning the alleged "military threat from the USSR," based on "its increased power," which he asserts "breaks the balance of power" between that country and the United States, Weinberger released, a few days ago, a book drafted by his experts at the Department of Defense.

Entitled "Soviet Military Power," this product of the minds serving the Pentagon's chief is intended to justify, as a result of the alleged increase in Soviet military capability, the American arms race, for which it is essential to increase expenditures in this sphere and to prevent legislators now debating the issue in Congress from agreeing on further reductions in the budget.

Analyzing Mr Caspar's appearances before TV cameras and journalists to "sell" his book, observers and analysts from various countries believe that what he has presented publicly about the material published includes little that is new, for it was drawn from specialized publications that are not secret.

The book had the drawback, they also noted, of failing to offer a comparison of Soviet and American armed forces, which would enable any observer to verify the alleged superiority.

That very day, the TASS agency called the booklet exhibited by the defense chief "a new propagandistic trick" by Washington and said that the statements it contained did not withstand the least scrutiny because, among other things, it was presented by Caspar Weinberger, "a man unfamiliar with military matters."

Some days later, the editor of the West German magazine DER SPIEGEL, Rudolf Augstein, said that Weinberger needs to take history lessons from a private instructor.

In the statements that the defense chief made to that weekly early in the month, he said that "Russian history" abounds in examples of regimes that were "aggressive, imperialist, and repressive, like the present one."

According to Weinberger, whenever the Russian people began to show signs of restlessness, the rulers concocted a war to distract them from the repression in their own country.

Discussing that remark, the previously named FRG commentator termed the United States' secretary of defense ignorant and challenged him to provide "a single example in all the history of czarist Russia or the bolshevik Soviet Union" that demonstrated his thesis, and he then went on to refute each of his arguments with concrete examples.

The editor of the well-known weekly concluded with the thought that it is dangerous, especially when one occupies a post of major responsibility, as Weinberger does, to confuse one's own dreams and wishes with reality.

Entrusting a person who is ignorant about military matters with resources and decisions that can lead to greater international tension is another example of the present U.S. administration's irrational policy.

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CSO: 3010/167

JULIO SCHERER GARCIA INTERVIEW WITH FIDEL CASTRO

Mexico City PROCESO in Spanish 21 Sep 81 pp 6-12

[Interview with Fidel Castro by Julio Scherer Garcia, in Havana; date not given]

[Text] Havana--There is a balance between his comments and his personality, between his intellect and his fantastic history. A word machine, he surmounts any limit once he has uttered the first five sentences. He intoxicates and becomes intoxicated, enjoying his audience as much as they enjoy him.

Crows-feet, the harbingers of all the possible maps on the countenance, have not yet appeared on Fidel's face. The blazing eyes are those of his speeches. The beard is black in sunlight, and reddish in artificial light. Unaffected and unrestrained, there is a blend of gentleness and firmness in him.

He arranged the interview officially during the party given for the intellectuals attending the meeting on behalf of the sovereignty of peoples. Surrounded by a throng which followed him wherever he went, powerless, yet in control of the situation, he remarked without metaphor: "I am your prisoner."

"Will you allow the tape recorder?"

"Do whatever you wish."

He remained for hours in the stifling din of the Council of State reception room. The palace was decorated like a portion of the Sierra Maestra; even the plants of a tropical area, which must be extremely beautiful, had been brought there. The ferns were gigantic, the orchids the color of birds and the trees of soft, sweet wood. In the background, the Portocarrero mural, famous because its figures are so numerous that one's vision cannot encompass them, was dazzling.

He offered to go to the residence of the vice minister of culture, Antonio Nunez Jimenez, shortly after 2300 hours at night. He appeared at 2310 hours. A small group of close friends was awaiting him. He kissed the ladies on their cheeks, greeting their husbands with fraternal cordiality; and the look of harassment, which is a feature in his life, left his countenance.

The Cubans, used to Fidel, who stoops and looks all around when he appears in public, losing his naturalness and nervous, claim that the commander is shy. And they applaud him to the point of delirium.

In a small room, its luxury unanticipated, he removed the belt and ordered his aide to take away the pistol. He requested straight whiskey and lit the cigar with which he would toy all night. Not yet feeling at ease, he unbuttoned the collar of his jacket, crossed his legs and gazed at the shining black boots.

"What is the state of the world?" someone asked.

"A madhouse."

He in turn asked: "Who is worse, Thatcher or Reagan?"

He did not wait for a reply. He talked about the calm heroism of the Irish. They have already conquered death. They will win over the tenant at 10 Downing Street.

He told stories of astounding valor, narrated by Tito Livio. The conversation was scattered but, little by little, it assumed a direction.

He suddenly said to me: "Look, I am a person who likes challenge. But it isn't easy to give interviews, because the one questioned is forced to talk about what he wishes and often about what he doesn't wish, and even about what it is not fitting for him to discuss. This is the contradiction that exists between the reporter and the politician. The politician has his times, and for the reporter all times are suitable."

Within the context of his statements to PROCESO he comments: "I don't want you to consider this interview a special courtesy, because I value my commitment to you in the same degree that I value you and value your work alongside your colleagues. In our opinion, your writing in EXCELSIOR was fair writing."

He raised the whiskey to his lips.

[Question] On 1 January 1959 Eisenhower was President of the United States and you entered Havana heading the Rebel Army. What has happened in this country from that day to this? What was Eisenhower's world like, and what is Reagan's world like?

[Answer] I would say that, during the Eisenhower era, the United States had a halo, a certain halo as a country which had participated in the war against fascism. Eisenhower was an outstanding military chief and a hero to the American people.

But, under the relative circumstances of that war, it was not very difficult to be a victorious general. Eisenhower had a superabundance of troops and a superabundance of technical resources. He had, in particular, the price which the Soviet Union had paid in its battle against the Nazis. This is an objective, historical fact. The Soviets lost 22 million human beings. This includes troops, and it includes men, women and children who perished under the machine gun, the bombing, the assassinations, the repression and the cold.

The United States lost a relatively small number of men (about 300,000), and it did not lose any wealth. On the contrary, during the period of the war it accumulated the world's gold. It hoarded it, and ended up as a creditor of everyone, its wealth intact, its industries intact, and a population which had virtually no familiarity with the war, intact as well.

At any rate, Eisenhower was an indisputable leader; he had prestige, and was elected president at the best political, economic and military time for his country. He reaped the laurels of the war and reaped the advantages of his lucky star. His administration took place without major problems. I don't think that the general devoted much time to the problems of the state and the administration. He liked sports, golf; he liked recreation.

If Eisenhower is a hero of victory, Reagan is a hero of disappointment. It is said that he used the trauma left to the United States by the defeat in Vietnam and the national malaise that it entailed. But I wonder: what disappointment? Because the so-called disappointment over the defeat in Vietnam was the just consequence of a great historical mistake and a great crime.

The offspring of the defeat has triumphed during a period of inflation and recession, which he had also exploited for electoral purposes. But the victory has coincided with the technological development of the Western countries, which are offering increased competition with American industry and monopolies, including, of course, the colossal Japanese development, exceeding the automobile production of the United States, and the efficiency of the Federal Republic of Germany, which has forced it to give up the traditional laws of free enterprise and free trade, and to take shelter behind the shield of import quotas.

This was compounded by the energy crisis, which struck so heavily at the conscience of the United States because, although it is one of the largest producers of oil, gas and coal in the world, it was confronted with an unknown fact: In this specific case, the Third World nations had sufficient power to confront the imperialists and the entire West.

Added to this are the events in Iran, which are significant because of the humiliation that they inflicted on the pride of the Americans. The episode of the hostages eliminated Kennedy as a presidential hopeful, because the launching of his candidacy was almost simultaneous with the unification of public opinion concerning the sudden problem facing it. Kennedy would have won the elections over Reagan.

Eisenhower experienced the period of indisputable world superiority. Reagan is experiencing the period of an indisputable balance of forces. Favoring an anti-liberal platform, he dreams of upsetting that balance in his favor, without gaging the horrible consequences that it could trigger.

His domestic policy is outrageous: military spending at the expense of the poorest and most needy classes, the black population, the Hispanic population, all the underprivileged groups. His concepts are the opposite of Roosevelt's thinking, which saved capitalism with an increase in social spending and a set of measures that raised the people's purchasing power. Reagan is anti-Rooseveltian. He thinks that the more the rich have, the more they will invest. I would call that an old notion which has no place in the present-day world. Thatcher applied the same theory in England, and is suffering the consequences: 3 million unemployed workers.

There are 7.2 million jobless in the United States, and inflation has not declined. The promise to balance the budget by 1984 has no chance of success, because the pace of military spending and the cut in taxes for the rich will only increase the national deficit.

There is a final note regarding these two worlds, that of Reagan and that of Eisenhower: Today, we are far better educated politically, and more aware. Despite the monopolies in the mass media, the current society is a society with opinions, concepts and convictions, a better informed society than the one of the general's time.

Reagan will head for disaster if he does not change his conduct. He will combine his own defeat with the defeats of others, which he catalyzed remarkably.

[Question] What was Batista's world like, and what is that of Pinochet like? From Batista to Pinochet, what has happened in Latin America?

[Answer] Fulgencio Batista was also at the wide river which defeated Machado. He was only a participant in the events, but he had the good fortune to become an army chief.

Despite the success that was attained, the people's victory was not complete at that time in 1933, because the army, a tool of oppression in the tyrant's hands, remained intact. The abuses of authority had penetrated the troops, but not their commanders, who were bent on preserving the soft jobs.

However, the sergeants' group capitalized on the dissatisfaction of the troops. Batista was not on the front line, but was watching, ready for the leap. At the first opportunity, he gathered the sergeants and dealt the blow against the corrupt officers. He succeeded in carrying out the maneuver because he was a man with a certain amount of prestige in a world of illiterates. His reward speaks for itself: staff stenographer.

The false idyll with the false leader lasted 100 days. Seduced by the Americans, who had controlled him, he was smoothly driven from the outer path to the summit. He betrayed his associates and made himself complete master of the country.

He imposed his law with the few corporate ideas that he had poorly cultivated. Fascism was at its height, and he was in style. He imitated Mussolini. He looked at the mirror in the light of the idol and of his own idolatry.

He did not waver on the day when the United States became aligned and declared war on Hitler and Mussolini. Arrogant and opportunistic, he broke off from them too.

In 1942, he was succeeded in command by the same kind of ambitious, corrupt man. In Cuba, all that changed were the hands that were stealing and the tone of voice selling out to the Americans.

Nearly 8 years later, Batista introduced himself as a candidate for the presidency of the republic. He began a clean game with a tainted mind. When he realized that he had lost to his adversaries who, like he, were continuing internal plundering and subservience abroad, he seized power for the second time. Based on personal ambition and a mere desire for wealth, he had overthrown a corrupt and disreputable government.

The case of Pinochet is different: The Chilean Army retains European roots, German ones specifically. The instructors were German, the formalism was German, the

uniform was German, the salute (an electric firing) was German, the martial anthems were German and the esprit de corps was German. In addition to the Prussian formalism, it had enjoyed certain military traditions. It was the reserve of the existing social order.

This army was later instructed by the United States, which supplied it with weapons and gradually lured it to its service.

Salvador Allende won under critical conditions. Coinciding with his rise to power was the sharp decline of copper and the demand from the Americans that the Popular Unity government pay the enormous debts incurred by the Christian Democrats during the previous regimes.

The congressional majority was opposed to the president, and the news media attacked him from the outset. The army declared itself apolitical.

The conspiracy was gigantic. Everyone took part, headed by the CIA. The spectacle shown by people with self-interests and without patriotism remains as a disgrace. At the proper time, the army played the role that had been assigned it. It seized La Moneda, assassinated Allende and, to the misfortune of Chile, initiated the path against time. It had carried out the coup against one of the most noble, progressive and honorable governments on the continent.

In my opinion, these are the differences between Batista and Pinochet. The years have passed, and the political conditions prevailing today are far more tragic and dangerous than the ones of that time. The point for comparison is almost nonexistent.

The stenographer sergeant was a false leader, without any aspiration other than his own crude ambition. The betrayer of the Chilean people heads an ideological movement in the Southern Cone. Allied with fascism, he is an antirevolutionary spearhead.

What will the army, Prussian in its origin and fascist in its current status, do? Will it follow the Pinochet regime to the end? Will there be officers and troops who acquire an awareness of the crime that has been committed and who act accordingly? It is possible. But, from an historical standpoint, sooner or later that regime and that army will be eradicated by the people; as in Cuba.

[Question] What are the prospects of Argentina, Uruguay and Paraguay, to cite three examples of dictatorship?

[Answer] A new situation prevails in the Southern Cone at present. The United States Government has moved closer to the governments of Argentina, Uruguay and Paraguay. It is approaching overtly repressive regimes, and has overturned the policy of Carter, who maintained criticism against the horror of the present time: torture and missing persons.

The Cuban Government has been slandered, and they have gone so far as to claim that it tortures. I can point to the truth in unquestionable terms: The torture and disappearance of the individuals eliminated by it are like the fingers on one hand, inseparable. Who in the world could mention a missing Cuban, just one? Who, in his right mind, could compare Cuba with the countries which have made disappearances

a policy of extermination? Our conscience was formed in the battle against torture. In over 20 years, the revolution has not physically abused a single one of those in prison. The country's millions of citizens know this very well.

But let us return to the subject:

It is very difficult to predict the events in store for the Southern Cone. The economic situation in Argentina is serious. Opposition is growing, the voices of protest are growing. How will the crisis evolve? History will dictate the script.

It is a well-known fact that, in Uruguay, the regime called a plebiscite and was defeated. Now it is attempting changes to adapt itself to the situation. It is adapting itself to failure, a bad sign for the dictatorship.

The case of Paraguay is different. Stroessner's fascist oppression, backed by the imperialists, has been in power for many years. What will the denouement be? Whatever it may be, I think that the United States' extremist policy will accelerate the changes in Latin America. Regardless of how immense and dreadful the power of a clique may be, man's faith in man is irrevocable. Dictators are not familiar with historical time, but the people are.

Some of the great lies have already been dispelled. For a long time there was talk of the Switzerland of Uruguay and the Switzerland of Chile. They were well arranged showcases; nothing remains of them. The glass showcases have been replaced by the wretched dungeons in which there is torture and killing. The dust of demolition remains of the constitution, electoral processes and the multiparty system. Socialism will come sooner or later.

[Question] Is there any parallel between the Congress of the House of the Americas and that of Valencia, convoked by the writers in 1937 to battle against the fascism of Hitler, Mussolini and Franco?

[Answer] I shall make one remark: At the time of that Valencia congress I was 11 years old. I think that I was about in the fifth grade, at a Jesuit school. At that time, Nicolas Guillen and many others were organizing the international brigades. The best forces, the most wholesome and pure ones, the idealists of our nations were combined around the Spanish Republic, to fight against fascism. So I know very little about that congress.

But, if we are talking about fascism, I immediately establish an association between that time and this, between the Hitler era and that of Reagan. I cannot help but relate the German empire to the desires for world domination of the American imperialists.

Reagan declared himself a universal policeman. He bans changes, in Central America, Africa and Asia. The leaves of a tree must not move without his consent, because behind any event that he has not stipulated there is a Soviet conspiracy, or a Soviet-Cuban conspiracy.

This is the mentality of the fascist group in power, which I clearly distinguish from the people of the United States, with an entire long tradition of fighting for freedom. But, I repeat, there are many points of identification between

Hitler and Reagan. There is one main fact: Hitler attempted to change the correlation of forces in the world, and did not allow obstacles against the culmination of his obsession. Reagan is the same.

Reagan's feet are following in the footsteps of Hitler. He has begun the march. For the good of everyone, I hope that he will stop, meditate, divert himself and return to the path of the best tradition of the great country which he governs.

[Question] In the defense of the people of El Salvador, Mexico and France are confronting the policy of the United States Government in Central America. What is the political weight of this decision?

[Answer] For some time, a kind of international consensus has been forming with regard to the need to put an end to the bloodbath taking place in El Salvador. Major forces in the world have expressed themselves in this direction. It is the position of the European Social Democrats; it is the position of Canada; it is the position of many Third World countries and of the nonaligned countries.

Who is opposed? The United States, essentially. It wants a solution by force in El Salvador, crushing the revolutionaries and annihilating them. Reagan thinks that it must be proven in El Salvador that he will not permit a progressive change in the world. He is giving arms, offering military advisers, providing economic assistance and fostering a very odd marriage between the Christian Democrats and the most bloodthirsty group of military in the Hemisphere.

The Christian Democrats are lending their name and ideology to genocide. They have allies, headed by the government of Venezuela, which is also Christian Democratic. Some day, they will hear together the swan song of the unfortunate organization to which they belong.

Social Democracy is gaining prestige and Christian Democracy is gaining disrepute. Identified with the crimes in El Salvador, it has lost political authority and moral authority. The assassinations are horrifying. Batista killed and tortured, but he was not a specialist in suffering. The experts in extreme cruelty, the experts trained in Vietnam, have increased in numbers and skills. I am referring to incidents exposed and admitted in the United States.

The Gestapo committed abominable crimes. I have read many volumes about Himmler and his methods. I believed, and I speak without naivete and with complete good faith, that the human being of the second half of the 20th century could not exceed the Nazis. But he has broken the barriers and has created a weird technique for horror. He detects the invisible fibers of the person, reaches them and drives the victim mad, to the degree or with the intensity intended; or he kills him slowly, or accompanied by butchery.

In the face of this tragedy, which is a daily one in El Salvador, the government of Venezuela has the cynicism to proclaim itself Christian Democratic. It is a hypocritical regime which observes the crimes and sponsors them; and, what is even worse, with the name of Christ on its lips.

Now then, what did Mexico and France put forth? They simply proposed the search for a negotiated solution that would put an end to the Salvadoran genocide. I cannot understand how such a moderate, constructive and fair position as that can be described as interventionist.

I am a revolutionary, and I would hope for the victory of the Salvadoran revolutionaries. But I understand the positions of those advocating the peaceful formula, and I am willing to go along with that line.

It is important, beyond any other consideration, for the battling sides to find a way of putting an end to the agony of a country which is bleeding to death. The civilized world desires a political solution in El Salvador. The United States is intransigently opposed.

The decision of Mexico and France, despite the hue and cry put up by the imperialists, will represent a glorious deed for these countries.

[Question] Colombia and Costa Rica apparently do not want good relations with Cuba. What is your opinion of their presidents?

[Answer] I do not have a good opinion of Carazo nor of Turbay. I think that Carazo has allowed himself to be influenced by the United States to the point of granting it the concession of breaking even the tenuous and almost ridiculous relations that he had with us. Because the most he had dared to do was to maintain consular ties.

But not all that I have to say about him is bad. I think that he played a constructive role in the solidarity with and backing for the Nicaraguan patriots in their struggle against Somoza. This is indisputable, and the imperialists apparently refuse to forgive him. I can also tell you that he has preserved good, honorable relations with Nicaragua, and has not joined the campaign of hostility orchestrated against the Sandinist government. Finally, I believe that, at the present time, the Carazo regime is the victim of American maneuvers and plots, in an effort to discredit him and to exact paymentfor old injuries.

We are not friends, and we have complaints against him. There are no personal sympathies involved. But I refuse to become a party to the plots against him. It does not bother me to admit the positive aspects of his government, for him and for his people. He is a victim of intrigue, and the imperialists have even fostered rightwing subversion, because they would be pleased to see a Pinochet in San Jose, and the creation of an army in Costa Rica, to be added on behalf of the Reagan hegemony in Central America.

But we shall not speak about the president of Colombia in the same terms.

I met Turbay on the occasion of the hijacking of a plane on which he was traveling when he was minister of foreign affairs. He landed one afternoon in Havana, and I went to the airport, greeted him, took care of him and gave him all kinds of facilities. There was a basis for good relations already established with that nation.

But it was just after the meeting of the nonaligned that Cuba, for the first time throughout the revolution, launched its candidacy for the United Nations Security

Council. We had an overwhelming majority on our side. It was at that time that Mr Turbay, offering himself as a tool of the United States, launched Colombia's candidacy. We had over 90 votes. They caused us to lack a few to make the two thirds which would have given us the victory. Turbay's candidate, who never attained 60, did not yield. He remained with the betrayal. Never had there been 157 votes in the United Nations, and I don't believe that such a brazen maneuver had ever been so obvious.

Now he is pursuing his path and condemning the Mexican-French declaration which supports the Salvadoran people, also to cater to the United States' interests. He has also joined Uruguay and Argentina, offering Colombian troops and sending them to the Sinai, in another act of subservience aimed at establishing a peace-keeping force there that would confirm the Camp David agreements.

It is difficult to judge human beings, but I wonder what he can do as president of Colombia under the country's present circumstances. Perhaps Turbay is an estimable, even a kind person. But it is difficult for me to believe that he could have these qualities when he agrees to become a plaything of the Colombian oligarchy, the Colombian Army and the imperialists. I could call him a lackey, but the term plaything is even more impersonal.

[Question] A year ago you claimed that, in the United States, and in Reagan's high-ranking circles no less, there was being brought up again the "right" to invade Cuba if a state of conflict cropped up in another part of the world. Could Poland be "that state of conflict in another part of the world"?

We are not to blame for what might happen in another part of the world; so it is difficult for me to conceive of anything so absurd as devising a plan to attack Cuba with insane pretexts.

This theory, which I actually did claim, is irresponsible and rash. To oppose it we have only the determination to fight and die. We learned the price of our convictions many years ago; but we also know that aggression against Cuba, with whatever pretext, could lead the world to an uncontrollable war of major proportions.

[Question] Do you believe in the possibility of a total, definitive war?

[Answer] I do.

[Question] Total and definitive?

[Answer] Yes, sincerely, yes.

It would be more pleasant, romantic and idyllic for me to think that such a threat did not exist. But the real possibility has been posed for the first time in history, beyond all science fiction. The imperialists want the world for themselves at any cost, and human beings have developed a technology which exceeds their ability to control. Science has gone far, and is advancing constantly; not humanism nor politics as an art for gaining peace and prosperity.

We were very close to a nuclear war in the fall of 1962. The experience turned out to be enlightening. I had the impression that it might cause fear and even panic among the population, but that was not the case. Calmness prevailed, because we knew that right was on our side. The calmness with which the people were ready to die proved touching,and almost incredible to me.

[Question] To what do you attribute the events occurring in Poland? At the Second Congress of the Communist Party of Cuba you mentioned mistakes made by the Polish Communists. What are those mistakes?

[Answer] I spoke in general terms at the Congress, because I do not like to judge other countries, especially when there is involved a nation with which we maintain good relations of friendship and economic and diplomatic cooperation. But I think that some extremely serious mistakes have been made in Poland. For example, I can make the following observation:

All my life, ever since I acquired the use of political reason, I have known that the increasing food needs of a people cannot be met through small farms. Agricultural production depends on scientific and technical bases which the small farm rejects.

None of this was taken into account in Poland. The country has 3 million small farms, and some agricultural properties that are slightly larger. There has never been agrarian reform nor a revolution in the rural areas.

Apart from a fact of this importance, the Polish leadership itself admits that serious mistakes have been made in the country's economic development. Furthermore, principles and standards have been violated within the party and the government. What could the most serious violation be? Not taking the rank and file into consideration. If that were not enough, there have been instances of corruption within the state, within the administration and within the party.

I have not finished. Political struggle and ideological struggle have been neglected in the heart of the Polish society. Here again, the party and the state failed. It is understandable that their authority and prestige have declined, and that it is more difficult for them each day to solve the problems posed for them.

I hope that they can overcome their mistakes and save socialism, because otherwise Poland will be converted into a lighted fuse. The imperialists are attempting to influence the internal life of the country. They have not gaged the consequences of such a critical action.

The Catholic Church itself does not appear to have a counterrevolutionary position, despite the enormous weight that it carries, to the extent that it competes with the socialist world. The Church is more sensible and intelligent than the imperialists.

It is my impression that it is carrying out a moderate action and attempting to avoid at all costs the possibility of the country's becoming the beginning and perhaps the end of a catastrophe wherein we would all run the risk of succumbing.

No one should forget that Poland lies in the heart of the socialist community. All of us, the entire world, will stand to gain if the Poles are capable of surmounting their difficulties and solving their problems by themselves.

[Question] The conflict of October 1962 is involved in the reiteration of the invasion of Cuba. Who brought the missiles to Cuba, and who removed them? Is it true, as AP reported, that you learned about the final decision from a cable of the news agency?

[Answer] The possibility of setting up those missiles here arose after the Bay of Pigs. When the mercenaries' rash attempt failed, the United States Government was left with just one alternative: the undisguised invasion of Cuba.

We proposed to the Soviets the measures that should be adopted to prevent it, since the United States' direct invasion of Cuba would bring about a world crisis. The purpose was to persuade Washington that it might light the spark that would set the world afire.

This was the origin of the notion of setting up the missiles in Cuba. From my point of view, the decision benefited both the socialist camp and our country. Analyzing the matter nearly 20 years later, I am absolutely sure that our position was correct. Because the presence of the missiles on the island improved the global strategic position of the socialist world, and Cuba was protected from an invasion and a conventional war.

The crisis occurred; the world was at the brink of catastrophe. Messages were exchanged between the United States Government and the government of the Soviet Union, and the Soviets informed us regularly of their content. Now, to tell the truth, at the time when the decision was made to remove the missiles, we did not receive prior notification. That is true, I shall not deny it. Throughout the entire process of the crisis, there was, indeed, an exchange of information; but at the time of the final decision, there was not. This is the historical truth.

We protested the resolution, and we opposed the plan to have the national territory inspected. Our opposition to the agreement was logical: in exchange for the removal of the missiles, the United States pledged not to invade Cuba. The pledge was not enough. We did not trust Washington then, and we do not now.

I even think that a better agreement could have been reached, which would have entailed the end of the blockade, the return of Guantanamo to Cuba and the cessation of the subversive activities against our country.

After years have elapsed, I have analyzed the course of events. History has proven, despite everything, that the solution was constructive. It did not please us, but at the time it prevented an imminent world war and, in the end, the imperialists had to keep their pledge: to respect Cuba.

There are other facts: That unforgettable autumn led us all to a period of easing the tensions of the cold war. It was a relief and a hope.

[Question] What about now?

[Answer] The problems have returned. The cold war is brewing on all sides, like the wind in a house without doors or windows.

The excesses to which the circles of political power in the United States have gone are outrageous. Right now, I know very well, the invasion of Cuba is being proposed from a legal standpoint, and the specialists and politicians are debating whether or not the 1962 agreement expires in 20 years. All this is a kind of madness. To invade a country with the argument that an agreement lapses in 20 years? But one which is a pledge of the government of a nation, not of one president, or two or three?

In this madhouse, we are geared to a principle: The defense of Cuba is primarily an affair for Cubans. This is our philosophy and our morality. We reject the idea that our people think that the country's security depends mainly on international solidarity. Our defense depends, above all, on ourselves. We have weapons and a fighting spirit. The country produced a generation of patriots. Cuba is in their hands.

[Question] What are the evils of the real socialism, the one that is implemented? How does the Cuban state analyze the right to dissidence and the exercise of criticism? Are you satisfied with a journalism, radio and televison which are noncritical with respect to the party and the government?

[Answer] I believe that the real socialism suffers from many evils, but that they originate from its historical reality and its lack of experience. In contrast to the millenium of capitalism, it is 60 years old, years all lived in a struggle to the death not to succumb.

I can also imagine an ideal world; but as a realist and a revolutionary, I am confronted with concrete situations. Minute by minute, since 1959, we have been harassed. From the blockade to subversion, from personal attack to invasion, from slander to treason, we hava not known 24 peaceful hours.

We have always been confronted with a typically bourgeois model, that of its democracy. I do not believe in that model. Reagan is President of the United States at the desire of 26 percent of the voters; and now, without consulting anyone, absolute and all-embracing, in the center of the globe, he can initiate a catastrophe that would end the lives of 6 billion human beings.

I am not satisfied with the reality in which I live, but I am not utopian. I am critical and self-criticial, and I admit that our newspapers, our television and our radio could be far more appealing and dynamic. But I also know that to open them to our sworn enemies, to whose who have attempted to starve us, would be an irresponsible act.

I confess that the conditions have not yet arrived that would enable us to develop dissidence in the mass media. I also acknowledge that there is not the so-called freedom of the press in our system, and that this is not a fundamental problem for us. The people's cohesion is fundamental. I do not fear the gaze of the entire world upon Cuba. Here, the masses express themselves as they do not in any capitalist democracy, and here the leaders of the revolution live with the people, totally sharing their sacrifice and their destiny. We have a simple concept of solidarity: Cuba belongs to everyone.

[Question] Neither the Communist Party of Cuba nor that of Nicaragua headed the revolutions in their countries; nor are they heading those in El Salvador and Guatemala. The Communist Parties call themselves the vanguard, and they are behind in Latin America. Why has all this happened?

[Answer] It is true, it was not the Communist Party of Cuba which led the revolution. But the first Communist Party played a very important role in the workers' struggle for their demands. It formed the best student cadres, the best worker cadres, the best intellectual cadres. It did not lead the struggle as an institution, but it spread Marxism-Leninism which was to have such a powerful influence on the armed movement and on all the subsequent events.

I had two options: to enroll in the Communist Party, isolated and persecuted, without the strength to attack those in power,or to undertake my own course of action. I devised a program which was not established as a Marxist-Leninist one, but which captured the desires of a mistreated society that might be drawn into the war against Batista.

I think that we were very good tacticians. If we had been identified as a Communist Party they would have eradicated us. It was the opportunity that we did not give to the oligarchy.

The case of Allende is classic. He dreamed of the construction of socialism through the democratic system, headed a movement which included the communists, socialists and other forces and was overthrown. What would have happened with a Communist Party that launched the slogan of revolutionary armed struggle and the seizure of power? I have no doubt: it would have been left by the wayside of time.

Let us observe the case of Nicaragua. The Communist Party was small, very small. Let us imagine a perfect strategy, without a single error. Would it have been able to win power? Let us review the case of Grenada. The Communist Party did not exist on the island, but there was a revolutionary party, and it seized power.

We should not lose the perspective of history. We are living in a world that is subjugated by imperialism. They have the monopoly of the mass media, the institutions; the monopoly of the state and the army; the monopoly of the resources. They have it all. How can we ask a Communist Party to work miracles?

Furthermore, there are deviations, and tactical and strategic errors, but I shall not judge any party now. I reject the toga.

[Question] The Mexican Communist Party decided on its own dissolution, to form a new party with similar groups. Could this be the left's course of action?

[Answer] It is very difficult for me to theorize about any area related to political life in Mexico. I love the country deeply; I respect it; and I retain unchangeable gratitude toward it. There is more than sufficient evidence of this.

Briefly, I can say that, if the Mexican Communist Party was willing to dissolve itself in order to unite with other leftist forces organizationally, its step is constructive. I am against cliques and an enemy of sectarianism. There are organizations and there will always be more. They grow like grass, and their champions

reproduce like rabbits. There are more than enough enlightened ones who interpret the only truth.

I have seen groups which have proclaimed the uprightness of their principles and which have fought to the death with cadres who called for exactly the same propositions as their own. For a long time, the forces of the left have viewed one another like a cat and dog. This neurosis is gradually disappearing, and common sense is making headway. When plotting in a corner, the isolated struggle is poisonous.

For all these reasons I am inclined to eliminate details. I do not sacrifice my life for nuances, and I do not think that it degrades anyone to make honorable concessions in good faith.

But let us not discuss Mexico. I want to speak specifically about a rule that I think has universal force. Based on my experience, all unity of the left is exemplary.

Fidel glances at his watch: "Listen, don't you have any other little question there?

[Question] Yes, Commander. In what phase of development is the revolution? Is it experiencing the period of socialist transition? At the 22d Congress, Khrushchev said that communism would be established in the Soviet Union in 1980. Will the survivors of the "Granma" know a communist society?

[Answer] Our era is very far from communism. We are only in the construction of socialism. There cannot be any deceptions or illusions; and I don't believe that there are many deluded as we.

I would like to have taken a leap in time, consumed ages and lived according to the formula that I like best: "From each according to his ability; to each according to his needs." But mankind and social cycles have their laws. The "Granma" generation will not know communism; perhaps not even its grandchildren will.

Much remains to be done; primarily, to protect the human race and to prevent the world from being blown to bits.

We have resources to prevent us from diverting from the path: remember that communism is the combination of a good material base and an optimal development of personal and social consciousness. Both factors must be balanced, because the material base could grow infinitely and the consciousness could also dwindle infinitely. The material base could always be stretched a little more, and the consciousness could also always be shrunk a little more. There is no limit.

In the capitalist world which is becoming more distorted every day, this is clearly evident. What is the material base? The universe in color on the television screen, the supersonic planes, the interplanetary trips with air conditioning, or a country manor between the moon and Venus for weekends? The other window through which capitalism is viewed is death from weakness, from starvation, legions of children and old people, unemployed and sick.

We in Cuba are still laying the first bricks of socialism. We live according to the formula which stipulates: From each according to his ability, to each according to his work. We cannot escape from this principle, regardless of how much we may dream about that other one.

It so happens that there is neither time nor place for discouragement. Twenty years ago, we were living in a society with vestiges of feudalism, one with masters and servants: rights for some, and degradation for others. People were separated by what is superfluous, nearly always by the color of their skin and the money in their pocket. A pretty woman had a right to squander for the simple reason of being pretty, without regard for what was hidden in her brain and heart. A suffering woman, bent over by weariness, her eyes clouded with grief, had enough if she was allowed to live.

It is well known that there are no children here without schooling and no unemployed, that there is no hunger and that the life expectancy has increased to 72 or 73 years, close to the average attained by the countries of northern Europe. Nor is there capitalist-style freedom.

[Question] Commander, what is the ethic of the revolutionary?

[Answer] In what sense do you mean the word "revolutionary"?

[Question] As a leader and as a person.

[Answer] I shall answer you with a saying: to act in accordance with his convictions. You see, without ethics there is no coherence, and without coherence the revolutionary cannot exist.

2909
CSO: 8148/020

BISHOP CHARGES U.S. IS BLOCKING NAMIBIAN FREEDOM

FL130029 Bridgetown CANA in English 2051 GMT 12 Nov 81

[Text] St Georges, Grenada, 12 Nov (CANA)--Grenada's Prime Minister Maurice Bishop has accused the United States administration of President Ronald Reagan of attempting to thwart the independence of South West Africa (Namibia), Bishop charged that the United States was opposed to a 1978 resolution passed by the United Nations security council demanding the early independence of Namibia from South African rule, he was addressing a rally in the rural area of St Patricks to mark the sixth anniversary of the independence of Angola from Portuguese rule.

Bishop said that the United States, as part of a small group of five western countries, was attempting to rewrite the United Nations resolution in an effort to delay the independence of the people of Namibia. He also accused Washington of trying to link the independence of Namibia from the illegal strangehold of the white-minority South African regime with the withdrawal of Cuban troops from Angola.

Bishop noted that the United States had chosen to come up with this demand under a so-called policy of linkage, the Grenadian prime minister went on to give two reasons why he felt the demand by the United States to link the independence of Namibia with the withdrawal of Cuban troops from Angola were baseless. Bishop said that the two questions are in no way linked because on the one hand there is the question of a people who are still colonized against world opinion demanding their independence and all people have a right to independence.

The second factor, he said, was that on the other hand Angola had chosen to invite into its country another independent and sovereign country to give it military assistance because such assistance was necessary in helping to crush an invasion from the racist regime in South Africa. Bishop said that Angola had the right to invite the Cubans into the country just as the people of Namibia have the right to their independence. He also charged the United States with giving support to the South African Government to continue its "arrogant demand" to the colony of Namibia in defiance of the United Nations resolution. [Even though at this point it is indicated that more would be forthcoming, no further material has been received.]

CSO: 3025/1007

BRIEFS

BISHOP CONGRATULATES TRINIDAD'S CHAMBERS--St Georges, Grenada, 12 Nov (CANA)--Grenada's prime minister, Maurice Bishop, has sent a congratulatory message to his Trinidadian counterpart, George Chambers, following the overwhelming victory on Monday of his People's National Movement (PNM) at the polls. The message also said the People's Revolutionary Government (PRG) was looking forward to working with the twin-island republic in the interest of the regional integration movement for the achievement of its fullest potential. The PRM won 26 of the 36 seats contested in the elections, which was the first to be contested in the country following the death of former Prime Minister Dr Eric Williams. [Text] [FL121700 Bridgetown CANA in English 1359 GMT 12 Nov 81]

CSO: 3025/1007

MMH ADDRESSES PRI SIXTH NATIONAL CONVENTION

Mexico EL SOL DE MEXICO in Spanish 12 Oct 81 Sec A pp 16, 17

["Text" of speech by PRI candidate for the presidency of the republic Miguel de la Madrid Hurtado, at the party's Sixth National Convention, in the Sports Palace, on 11 October 1981].

[Text] Upon making his declaration this morning as candidate of the majorities for the presidency of the republic, Miguel de la Madrid extolled the assets of the political entity which nominated him by stating: "Our party is not a mere electoral machine, for winning and maintaining public power; it is an organization which wins and maintains power in order to attain the goals of transformation backed by the popular classes."

He expressed the conviction that "the party of the revolution must remain the path toward command posts in the republic," as well as his intention of keeping the Mexican revolution's ideological orientation in effect in all of the government's actions.

He also exclaimed that the people have the say, asserting that, as the Institutional Revolutionary Party's [PRI] candidate for the chief executive's position, he would devise his government plan through dialog with the people, using the PRI's Basic Plan and Electoral Platform as a foundation.

Following is the complete text of his address:

"Farmers, workers, members of the popular classes; all delegates; fellow party members:

"I assume the candidacy of the Institutional Revolutionary Party for the presidency of the republic as a supreme commitment which I make to the popular classes of Mexico.

"I assume the responsibility for obtaining demands, sentiments and hopes from our sectors, entities and groups, so as to convert them into causes that will unite us and into clearcut dictates that will bind us.

"I assume the responsibility for leading our party once again to electoral victory, in an authentically popular and exemplary democratic feat.

"This is the party in which I have been a militant all my life, because I know that the most extensive movements in our history are combined in it; because it upholds

the ideology in which I firmly believe, and because it constitutes the force that is the basis for the construction of the model of society which we ourselves have decided upon, for the fulfillment of our purposes and values. This is the party of the Mexican majorities, the party which represents the hopes of Mexico. This is my party; I profess loyalty to it, and I expect to receive inspiration and political and moral strength from it.

"Today, before this Sixth National Convention, and on the occasion of the honor that it has conferred upon me, I declare my most complete adherence to the principles which comprise the ideology of the Mexican revolution.

"I declare my democratic conviction. I interpret democracy in the terms set forth by the Constitution of the Republic, as a way of life which, in order to be real, must combine political democracy, economic democracy and social democracy. I conceive it as a living concept, which is won, constructed, extended, enhanced and perfected every day; as an appeal for coexistence which has not been given to us, but which we must form and shape through our effort. In short, I believe in the democracy which materializes in the people's participation in the political decisions, the people's participation in all areas of social life and the people's participation in the enjoyment of the national wealth.

"I declare my conviction that the liberty and dignity of the human person are essential requisites for our coexistence. Our party calls for the system of liberties that we have established to create social harmony: individual liberties and social liberties, to preserve equality and to affirm justice.

"I believe in the liberty that is fulfilled in social practice; an individual liberty that occurs in and for collective liberty; a liberty from need and insecurity; a liberty backed by material welfare, and by equitable enjoyment of goods and opportunities; liberties for everyone and liberty for each individual, in that inseparable vital unity which returns free truth to the community.

"Social, political and economic democracy, and the individual and collective liberties, are the assets which enable us to increase development for social justice, a fundamental goal of the Mexican revolution.

"This is why the Constitution which our revolution made stipulates as an unwaivable mandate regulation of the use of public wealth for its equitable distribution, the balanced development of the country and improvement in the living conditions of the rural and urban population.

"I reiterate my adherence to the mixed economy system, which our constitutional precepts prescribe for the Mexican society, in a framework which assigns to the state the direction of the national economy and which determines all the types of ownership in the public interest, but which encourages and stimulates the liberty and creativity of individuals and groups.

"I believe that Mexico's greatness must be built with the participation of all Mexicans, in the context of our fundamental law, and for the criteria of justice that it specifies quite clearly. I believe that all sectors (social, public and private) must convey their invaluable assistance, to make Mexico a free and democratic nation.

"I declare my nationalist conviction. Nationalism and revolution are inseparable concepts. The national plan that we have proposed is based on the concern for our sovereignty and on the people's awareness that we comprise a nation which must safeguard its way of life in order to protect its common destiny. Our nationalism is the decisive force for gearing development to the goals that we have freely decided upon.

"The nationalism that we profess entails the defense of our political independence, the assurance of our economic independence and the continuity and enhancement of our culture. These elements represent our permanence as an established, sovereign unit in the course of history.

"Cultural independence and economic independence are based on political independence and are, in turn, the conditions for it. This is why the Mexican revolution, from its beginnings, has considered economic independence not only as a means of preserving our resources for the benefit of Mexicans, but also as a requirement for lending the nation the necessary strength for insuring its liberty for self-determination and for making its sovereignty respected.

"I firmly believe that Mexico has in its history one of its most replete sources of inspiration and strength. We should always seek in it the examples of willingness, perseverance and heroism that the circumstances demand. It will always be useful to call to mind that, in the worst situations, in adverse situations of an internal and external nature, we have always managed to emerge stronger and better established; because we have a sense of our identity and, most of all, we are determined to preserve it. To strengthen our political action requires a strengthening of our historical awareness. We shall devote ourselves to that in the electoral activity and in the government activity.

"Being loyal to the Institutional Revolutionary Party entails loyalty to the classes that created it and comprise it. On this occasion, I express my most profound solidarity and alliance with the farmers, workers and the popular and middle classes who have given life, meaning and movement to this wonderful political organization of ours that is determining Mexico's direction.

"The farmers made the revolution, and have backed the transformation which gave rise to contemporary Mexico. For over half a century, they have provided the people's food, and have loyally supported the industrialization process. To those who deny it out of reactionary interest, we must reaffirm over and over again: agrarian reform is a success of the Mexican revolution. There are problems in the rural areas, but they are not an unfathomable matter; on the contrary, the rural areas are one of the national solutions. In them lie the vital forces for social development.

"Convincing evidence of the current potential represented by the farmer when he is provided with organization, resources and confidence is the spectacular progress made by President Lopez Portillo in his patriotic, progressive battle for production, an obvious example of the success of the Mexican Food System and the Law on Agricultural and Livestock Development.

"I firmly believe that the rural areas are a twofold priority for the revolutionary governments. They are a priority because, despite the great progress, the rural areas still suffer from one of our most serious lags in the area of justice. They

are a priority because, without the products from the rural areas, justice for the rest of the Mexican people would be jeopardized, and because affirming our autonomy with respect to food is affirming our national autonomy.

"Promoting and intensifying agrarian reform (interpreted as a means for the farmer's total self-improvement) involves not only complete adherence to the legal forms of land holding, but also the search for complementarity thereof, to increase production and to distribute it in an equitable manner. A current imperative of the revolution is to produce more so as to generate wealth and distribute it better.

"Only fulfillment of the law and the practice of the new types of association among those who legitimately toil on the land, particularly between communal land and small farm workers, will guarantee a more prosperous future in the Mexican rural areas. This requires, without delay, a strengthening and expansion of the alliance between the revolutionary state and the farmers.

"Adhering to the philosophy contained in Article 27 of the Constitution, nothing will impede us in our determination to bring production and justice to the rural areas.

"The Mexican workers, a seed and product of the revolution, are not only creators of national wealth, but also untiring promoters of the nation's political and social progress. This is so because the labor movement has not confined itself to its major function of making demands at the sources of work, but has also become, in essence, a basic organization in the overall effort to guide and transform the social structure. Labor action is basically political. Its channel is the party of the revolution.

"Since our movement was backed by the force of the people, there has been an indestructible alliance between the workers, the party and the government which they have greatly helped to elect.

"Through this alliance, we have established a state dedicated to the protection, promotion and support of the working class. This must be the guideline for every policy, every action and every intention of the revolutionary governments. This must be the most deepseated conviction of every candidate of the Institutional Revolutionary Party.

"This is the line pursued by the president of the republic, Jose Lopez Portillo, who has proven with deeds that he is a loyal ally of the working class. It was he who promoted and created the institution of the right to work with the status of a constitutional social right. His government's Complete Development Plan contains propositions of the organized labor movement, and has put at the center of its strategy the goal of giving an impetus to employment for Mexicans as a priority.

"I regard it as an unquestionable responsibility for every revolutionary government to oversee compliance with the social rights emanating from Article 123 of our Constitution, and to seek the expansion and improvement thereof; to oversee the enforcement of the remunerative wage to meet the worker's material and cultural needs; to oversee the efficacy of training for production, and to provide the

worker with the appropriate means for his personal self-improvement and development; and, of course, to maintain the unity with the labor movement in order to receive its proposals and its indispensable support for implementing them.

"I am convinced that, with the labor organizations integrated into our party, we shall win the elections for the revolution; and, with the labor organizations, we shall create the government of the revolution.

"The popular and middle classes supplement the popular alliance that has converted us into the indisputably majority force.

"Members of this stratum, which was then small, were the great organizers of the impetus of the masses who, upon the transformation of the social structure, gave rise to today's middle classes. That new social stratum is no longer the old group bound to individualism, but is comprised of large popular groups which constitute an all-important factor in the tasks involved in change and modernization.

"Our popular sector is a dynamic and diverse force, but one unified in its political conviction: tradesmen, settlers, tenants, cooperative members, teachers, students, professionals, technicians, small and medium-sized nationalist manufacturers and merchants, small agricultural property owners and livestock raisers, non-wage earners, intellectuals and public servants. Their organizations, affilated with our party, are identified with workers and farmers in the political philosophy and practice in search of a social order with liberty, equal opportunities, cultural welfare and social justice. These medium and popular classes contribute their valuable human resources to the daily tasks of the revolution, and will contribute their effort to the electoral contest that we are beginning. Their pressures and their expectations are a major part of the concern of the revolutionary governments, and the electoral victory will also be from them and for them.

"The youth and women are included in each of these great sectors of Mexican society. The strength of our alliance of groups will be increased if we give an impetus, with every means and with determination, to the most complete participation by the younger generation and women of Mexico, not only in specific activities related to their problems, but also in each and every one of the national political endeavors.

"It is this solid alliance of popular classes that the revolution has made; it is the one, integrated into our political party, which has transformed Mexico. With it, a fruitful phase has been traversed under the patriotic leadership of the president of the republic, Jose Lopez Portillo. Remarkable progress will have been attained by the nation at the conclusion of this period, which is still one of intense activity, on 1 December 1982. Its obvious gains are numerous; it would suffice to mention the consolidation of national solidarity and confidence; the reorganization and planning to extend rational organization in directing the development; the strong, steady economic growth accompanied by social development; the generation of jobs; the consolidation of energy autonomy and the discovery of reserves that will guarantee future development; the battle for the people's food; the intense struggle against alienation; the deepseated political reform; the independent international policy in solidarity with the nations seeking their self-determination; and the generous receptiveness toward the younger generations, so that we may fully assume our revolutionary responsibilities in the direction of the nation's destiny.

"On the basis of this progress, the revolution is preparing to start a new phase on the path toward its destiny of independence, democracy, liberty and justice.

"This new phase must begin as befits a popular democratic movement such as ours, on the basis of the determination of the course by the party rank and file.

"Our party is not a mere electoral machine, for winning and maintaining public power; it is an organization which wins and maintains power in order to attain the goals of transformation backed by the popular classes. Therefore, to us a political campaign must be a process wherein the electoral victory is only a tool, and the preeminent significance lies in determining with the organizations which represent the majorities the program of national goals for which the electorate must voice its opinion, so as to put it into practice with the access to power, using the instruments of the democratic government.

"Pursuing this line, the party approved, in accordance with our statutes, the Basic Plan and the Electoral Platform, documents which constitute a valuable starting point for undertaking what we consider our immediate electoral endeavor.

"We propose to compare these proposals with the national reality; we propose to visit all the organizations and communities, urban and rural popular areas, youth and women's groups, states and municipalities, in order to set forth these basic ideas, to obtain responses and to channel the national synthesis of our movement's thinking.

"We are determined to devise a program of action for the constitutional term subject to the current election process, starting with our social rank and file; a program to which we shall all be committed.

"We shall make the election campaign a popular dialog to consolidate the political base of the future government. We shall conduct an election campaign in which the revolution of today, the one which will begin for us in 1982, is determined.

"In order to plan for the future with security, we must admit that, despite the progress, the ultimate goals of our movement have not yet been fulfilled. Hence, we must also state, without question, that what we have achieved proves that the revolution is the option of the people of Mexico and therefore what is required is not a change of flags, but rather a redoubling of our determination to have the revolution reach all areas of social life.

"This election campaign must also be a means of intensifying the study of the causes for the lags, the mistakes and the deviations, of correcting and amending what so requires and of continuing our effort to achieve complete fulfillment of the original values.

"I think that all our planks should be founded upon two key ideas: independence and democracy: political, economic and cultural independence; political, economic and social democracy.

"Full independence is control over our resources and a free projection of our values and objectives. Complete democracy is social justice in liberty.

"Our conviction that the people's government can only be made with the people's participation, that progress in the democratic objectives can only be achieved with democratic means, has prompted us to establish democratic planning as the fundamental tool on which the government of the revolution should rely to lead the society to the goals of the revolution.

"Planning with and for the people is the best tool for making the social change that our movement demands of us.

"We consider as basic tasks for achieving the goals that we adopt: the renewal of the revolutionary movement and the moral renewal of the society.

"The stay of the party of the revolution in power has caused drastic, fruitful progress; but, because of the very nature of the action, the revolutionary movement has also experienced inertia, attrition and shirking responsibility, which must be confronted and corrected, so as to maintain its original strength.

"We confirm the fact that the Mexican revolution's national plan is still the model that has majority backing; our ideals are valuable and valid, and our superior public force is obvious. But, so that it may continue to be the party of the majorities and the option of the majorities, we must reaffirm and renew the revolutionary movement. It is some of the practices which require renewal; the principles have been confirmed.

"We intend to persevere in the task of enhancing the understanding of the significance and goals of the Mexican revolution among all those who are engaged in party tasks, and among all the officials and cadres of the revolutionary governments throughout the entire republic; refining the ideological training of the younger generations who are arriving at political activity through our auspices.

"We intend to reinforce further still the relations between the party and its organizations, through all the mechanisms for liaison in mutual endeavor, to back their internal strengthening and to assign to them the political function that befits them.

"We intend to strengthen the party's action so that, with a constant gearing to the new realities, it may perform its function as a synthesis of the nation's progressive sectors with increasing improvement.

"The party must be the most clearcut expression of the majority opinion; it must be present in all the centers of political and social activity; it must be heedful of the new movements of national and universal thinking; it must take the initiative in the discussion of the issues and problems of concern to the national and local classes and groups; and it must foster the advent of new proposals and new solutions. In this way, both militants and leaders will be united with the programs; in this way, we shall have a party that is stronger each day, and an updated, prepared, political group.

"We are convinced that the party of the revolution must remain the path toward command posts in the republic.

"We intend to maintain at all times the most profound fellowship between the revolutionary government and the party which has given it birth and backing. The popular base of the revolutionary movement must be renewed every day.

"We intend to keep the Mexican revolution's ideological orientation in effect in all of the government's actions, not only as an implicit substratum, but also as an explicit, conscious direction. Ideological reaffirmation is essential for maintaining the genuineness of the action and the direction of the course.

"The increasing complexity of the national problems requires clear thinking in our organizations. The density of our society requires the backbone of ideas, our ideas and those of our revolution.

"This is the task in which the different generations of militants and leaders of our party have been engaged.

"This is the task of renewal that we shall perform during the campaign, because it will strengthen our electoral capacity and will be the basis for the strengthening of the operation of the government that we are undertaking.

"We also propose as a basic task for our party's action the moral renewal of the society.

"Social morality involves the fulfillment of the ethical values of each individual with respect to the nation and the community to which he belongs. This applies to all Mexicans; it is an endeavor in which we must all participate. The moral renewal of the society means to us an intensification of political and social action. Each sector must decide on the portion that is incumbent on it in this task. It is up to the state to fulfill its responsibility, requiring morality of itself and, in accordance with our laws, averting and, if necessary correcting and punishing any immorality that is detrimental to the public interest. We must govern by example.

"We revolutionaries must be intransigent toward corruption in any of its forms or degrees, in both its public expression and in private complicity.

"We call for the moral renewal of the society because we realize that the true protection of the values of a community lies in social control. The real vigilance is the kind that we all exercise.

"Ours is not actually a corrupt society; we only claim that, when faced with phenomena of corruption that seek to corrupt, we must react on time and in depth, through action that will attack the problem at its root causes.

"It is a revolutionary responsibility to prevent the treason of some to serve our enemies in an attempt to discredit the honest work of the millions of Mexicans who have helped to construct the national assets, and to forcefully prevent deviations among our militants that would serve to discredit the social movement which is pure in its origins and pure in its intentions.

"The moral renewal that I propose is not a personal preaching; as we all know, it is a demand from the people.

"Because it has been so, and because it must be so, our main concern with respect to all policies, all programs and all action, and under all circumstances, will be the battle against inequalities. The proclamation of Morelos is still in force: to moderate affluence and indigence.

"We shall always be mindful that our revolution had injustice as a deepseated origin, and has social justice as a fundamental goal.

"Because we have transformed archaic structures, modernizing major portions of the society, and founding advanced institutions, industries, cities and infrastructure that are on a par with the best, and because under the revolutionary leadership millions of men and women have attained decent levels of prosperity, we are convinced that we shall be able to eliminate the serious inequalities that our community still shows, painful realities contrary to the ethics of our movement.

"We are well aware that not only are there still groups ancestrally separated from the national culture which have not been totally integrated despite the unquestionable efforts expended, but, in addition, the changes have brought about new inequalities and new alienation, and various movements are pressing for a more sophisticated unfair distribution of the benefits of progress.

"We are well aware that the battle against inequalities is no easy task, but we are also aware that it must be a priority, forceful, decisive one over the long term, but constant, active and effective.

"To wage this crucial battle with a greater impetus during the phase that we shall be undertaking, we shall use all instruments and attack all the factors that have an effect on social inequality.

"We shall rely on democratic planning, the uprightness of the state, the expedients for the redistribution of income and the all-important backing of popular education.

"Popular education must be a priority. We shall propose an in-depth revision of the educational system to modernize and adapt it, with the clear view that it is not only an irreplaceable element for overall development, but also one of the most efficient tools for establishing an enduring and stimulating social equality.

"We shall continue to grow so as to maintain a high, steady rate of development, and to create the jobs required by the Mexican people for becoming integrated into the benefits of progress. Remunerative wages and social rights will protect and improve the worker.

"We shall encourage the producer to participate in the national effort.

"We shall protect popular consumption with all the means at our command. We shall see to it that the production is geared mainly to meeting the basic needs of the population and we shall prevent production from being what determines consumption, diverting the people's spending toward unnecessary or unfeasible products.

"We shall sponsor the organization of consumers, and we shall give them facilities to enable them to participate and act in the defense of their interests against the state and against private entities, with modern, efficient types of vigilance to counter abuse and speculation.

"We shall combat inflation, which essentially harms those whom we are dutybound to protect, with the greatest forcefulness. To attack the high cost of living must be the main concern of a government which owes its existence to the people.

"We shall tackle with redoubled effort the problem of the alienated Mexicans, the farmers who are still in a state of mere subsistence, and the inhabitants of the cities who are living in deplorable insecurity. So long as these fellow countrymen are not incorporated into the standard of living that the rest of us enjoy, our problem of justice will continue to be critical, the harmony will not be complete and the nation will not have fulfilled what is its unavoidable responsibility.

"We shall protect the quality of life of the Mexican people, preventing the deterioration of the cities, fully humanizing services, and battling against environmental pollution and ecological deterioration. We cannot allow ourselves to lose, as we progress, the prosperity that has been gained with so much effort. We shall see to it that the state serve its people fully, because that is its only justification and meaning: that the public administration support and assist while simultaneously promoting; that there be prompt, expeditious justice for all.

"We shall make the greatest effort to progress in fulfilling the mandate to provide decent housing for the Mexican people; we shall protect the values of the family and its integration; and we shall provide for our fundamental assets, children and youth. We shall treat the older generation with the respect and consideration that it deserves.

"We shall foster in all the dimensions of the society a constant crusade for modernization. The Mexico of today is new; it has resources and prospects; it is advancing and should be modern in the revolutionary sense.

"We shall dedicate ourselves to the task of promoting national efficiency. We shall constantly call for efficiency in studying , in work, in offices, in administration, in education and in each and every task, so as to put an end, once and for all, to the malicious legend of a congenital inefficiency, a theory which only seeks our subjugation to spurious external superiority.

"In an uncertain world which, confronted with multiple crises, has lapsed into arming, violence, threats and intervention; in a world which continues to perpetuate inequalities among peoples and the hunger of millions of human beings, we shall maintain our foreign policy principles, continuing the renewed attempt to lend them reality and efficiency, so as to continue our endeavor in search of a society of free and equal nations, with mututal respect and justice.

"The challenges which the national problems represent are enormous, but Mexico is a young, strong and determined country. We have assumed the challenges, and we shall make the effort.

"As the revolutionary party that we are, we shall cite the problems with a mere statement therof, neither hastily nor lightly. We shall examine them with revolutionary seriousness, objectivity and responsibility. We reject utopianism, which does not offer courses of action, and demagogy, which upsets, to disorient the people's real effort and to distract them from the national solutions.

"We shall progress along the path of the revolution with democratic planning and the people's participation.

"Party comrades:

"It has been my intention here, before the national leaders, before over 30,000 local leaders and, through them, to the millions of men and women who have made us the majority force in the country, to explain the ideology that I profess, first, to confirm the fact that, upon accepting the candidacy for the presidency of the republic, I accept the responsibility to see to the continuation of our ideological movement; and, second, because, considering that ideas must determine actions, the explanation of the principles that are upheld represents the adoption of a clearcut political commitment.

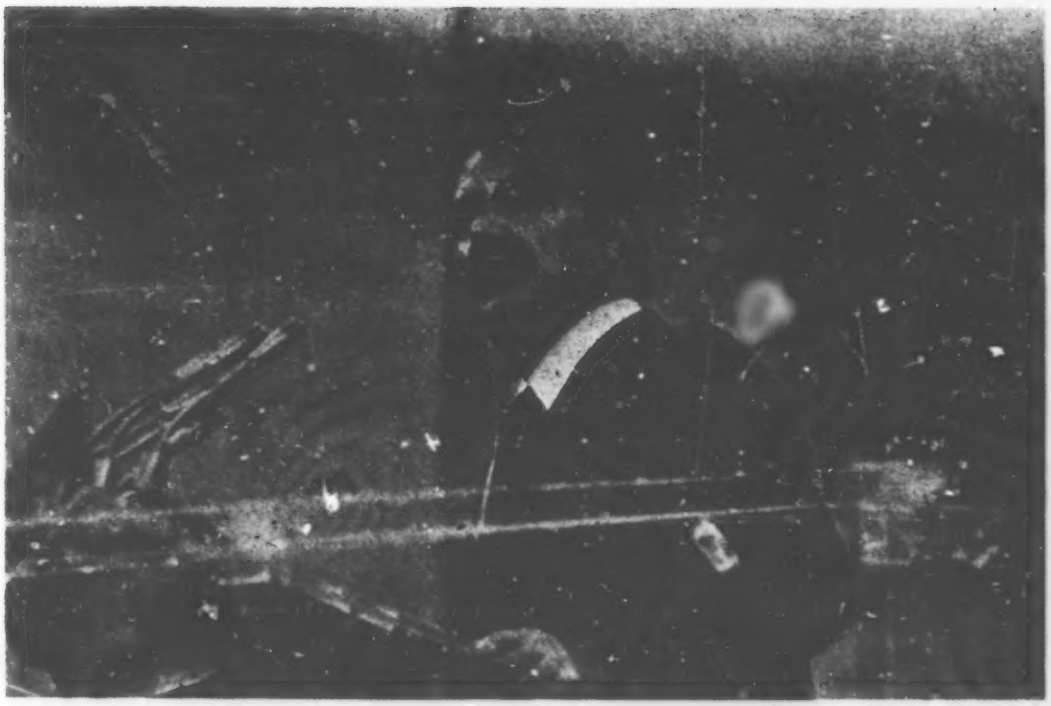
"It has also been my intention here to express, basically, my determination that, with the Basic Plan and the Electoral Platform approved at our last assembly as a foundation, it will be the popular dialog that will establish the features of the future government plan. The people have the say.

"Therefore, let us enthusiastically undertake what I have termed the new campaign of the Mexican revolution, the campaign to obtain the people's suggestions and the people's support.

"Therefore, let us undertake the campaign which will bring us to power again, so as to continue to affirm our political and economic independence, to strengthen our nationalism, to intensify the equality of the Mexican people, to expand economic, social and political democracy, to persevere in our development with social justice and to continue our endeavor to lend international force to our foreign policy principles: all of this with the most active, conscious and determined popular participation.

"For this purpose, we shall have to consolidate a social attitude dedicated to success, through realistic, revolutionary proposals. Mexico is great, and its destiny is great. We shall have to bolster, through an election campaign with progressive ideas and concrete solutions, the confidence in our ability to do what we have proposed to do. Confidence in the ability of each individual, confidence in the system, confidence in the course of action, confidence in our capacity for change, renewal and improvement; confidence in Mexico's capacity for achieving its destiny; confidence in the irrevocable victory of the social objectives of the Mexican revolution.

"Long live Mexico!"



With the typical expression that identifies men of strong character, Miguel de la Madrid Hurtado, after being nominated the PRI's official candidate for the presidency of the United Mexican States, addresses a message to the delegates who were present at the Sports Palace for the Sixth National Convention of that political institution.

2909
CSO: 3010/244

COLUMNIST REVIEWS OJEDA PAULLADA'S RELATION TO PRI

Mexico City EL DIA in Spanish 21 Oct 81 p 4

[Article by Vicente Fuentes Diaz: "Ojeda Paullada in the PRI"]

[Text] At this point, it would be idle speculation to attempt to explore the reasons that brought Pedro Ojeda Paullada to the PRI's [Institutional Revolutionary Party] top-ranking leadership. The important thing is that he is now there. Even more important is an evaluation of the circumstances under which he will direct the PRI crusade from the top echelon of his party, on whose action not only the nature of the contest in general, but also the nature of the next government, will depend to a large extent, because it is the majority and most influential instrument.

Ojeda Paullada will not find a pleasant situation. The path will not be easy nor expeditious for him. The country is suffering harshly from the implications of the international economic disorder, the effects of inflation, the ravages of shortages and abuse, the exacerbation of social problems and, among the latter, the tremendous imbalance between those who possess the material goods of life to the point of abuse and those who lack a great many of them. The state of the popular economy is certainly not one that would sufficiently dispose the majorities, or a large portion of them, to be inclined toward the party which, in the electoral realm, embodies the official guidelines that are the origin or conditioning factor in the present situation. Those who are optimists "ex officio" or out of expediency claim that there is calmness and confidence, but the fact is that the latter exist only among those who see prosperity in their future. On the other hand, vast sectors are overcome by unrest and anxiety; but they lack the means for expressing it completely.

In another area, although the political reform is under way, the participation by the majority in the major decision-making leaves much to be desired. Public opinion is being increasingly exposed to the manipulation of oligarchical interests which dominate the mass media; and this has caused political distortions which are by no means useful to the national interests.

For these and other reasons, the specter of abstentionism (which, in fact, is not at all spectral) has been projected in our electoral processes. It needs to be dispelled promptly. The next president of the republic must be elected by a real, high percentage of votes. Otherwise, he will be vulnerable to internal and external pressures which will come in the future from the opponents of any nationalist, popular policy, as stated by the PRI candidate. Furthermore, it should not be forgotten

that the official representatives of big capital have been caught since the PRI nomination. But they are remaining on the lookout, following what the candidate says and does step by step, analyzing him on the right and the reverse side; and they will always have their claws sharpened so as to deal the blow when they deem the candidate's ideology "dangerous." For the present, that is the unknown quantity in the campaign.

Hence, it will be a difficult task for Ojeda Paullada to carry out the vigorous campaign which the situation requires and which De la Madrid himself has planned, with his proposals. The candidate's theoretical declarations are only possible to implement on the basis of the most dynamic popular action, within a context in which the ratio of forces is entirely favorable to the intention for renewal. Otherwise, they could alarm the forces opposed to change, native as well as foreign; and those entrenched in the government apparatus as well as those outside of it who, sooner or later, could unleash a counteroffensive of intrigue, pressure or overt attacks, which there would be no way of repelling except by keeping the people politically in arms. De la Madrid has delineated measures of great scope which, in time, would necessarily hurt the interests of privilege and omnipotence, and of pretense and license, which are always ready to defend their privileges at all costs. Therefore, the PRI campaign must be marked, not only by the most extensive, conscious, and enthusiastic participation of the masses, as well as the formation of a favorable state of opinion, but also by its unique ideological content. Under the present circumstances, now more than ever before it must be said that, in order to win votes, it will be necessary to actually win consciences. This campaign, like no other one, will be one not only of practical action, but also of controversy, both because of the dissimilar participating movements and because of the problems to be debated from now on.

Ojeda Paullada's background warrants the assumption that he will surpass the by now obsolete patterns of other campaigns to attain the goals established for him by the current complex situation. It would be a very serious mistake to traverse beaten paths, to reiterate routine methods, to manipulate hackneyed statements and to lapse into shortcomings and pretense that are incompatible with political reform and new times. In only 6 years, the country has changed considerably in a quantitative and qualitative manner. It would be an unfortunate shortsightedness not to perceive this and, conceited over the success of other campaigns, to allow apathy, laziness, easy accommodation, the attitude of "that's the way it goes" and the old-fashioned procedure to replace what should be modern, dynamic, speedy and farsighted action. The election might be won according to the rules of formal democracy, but we would lose it in the long run in the realm of facts, and of actual, everyday life.

The undertaking is a difficult one for Ojeda Paullada. But if, as is anticipated, he brings into play his ability and experience, combined with an unclouded view of the present situation, he could prove to be the great author of the party crusade, because that is what it must be: a genuine crusade, in the electoral battle that has already begun.

2909
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RAMIREZ DISCUSSES PLAN TO SOLVE ECONOMIC CRISIS

Managua BARRICADA in Spanish 1 Oct 81 pp 1, 5

[Text] Dr Sergio Ramirez Mercado last night made a clear X-ray of the Somozist plunder. Ramirez explained how the unpatriotic capitalists have been carrying out decapitalization, how the crisis of international capitalism has an influence and he denounced the maneuvers of imperialism against the revolution.

Ramirez, who is a member of the Government Junta of National Reconstruction, spoke during the Fifth Assembly of the Committees of Sandinist Neighborhoods of Managua, also said that this series of accumulated problems is the reason behind the Law of a General State of Economic and Social Emergency.

Ramirez maintained that the only way to solve the economic and social problems is with efforts and sacrifices from all the workers to increase production and to keep on accumulating goods that will make it possible to answer the demands for services and jobs.

As a compensation for this perspective of economic problems, Ramirez pointed out that a series of large-scale programs will be developed with the cooperation of friendly countries ready to give us economic and technical aid.

For example, with Cuba's cooperation, work will be done on installing a sugar mill on the outskirts of Tisma.

With the help of Mexico a plant for processing cellulose and paper will be installed between Waspan and Puerto Cabezas, on the Atlantic coast. The wood there will be used for these purposes.

With the cooperation of Bulgaria and Libya risk planting projects will be developed with the aim of increasing agricultural production.

Other countries will provide support for technically improving Nicaragua's fishing industry, which will allow an increase of exports of fish products and of food for the people.

At the same time, research will be developed to increase the production of gold and other minerals with the objective of increasing the capacity to obtain currency.

Work will also be done on hydroelectric projects and to obtain geothermic energy for us in order to avoid an excess of expenditures for oil.

They will also seek ways of increasing the production capacity for essential foods for the people's consumption.

Worse Crisis in Other Countries

The assembly at which Ramirez spoke was held at the Maestro Gabriel Institute. Present at the assembly were guerrilla commander Leticia Herrera, general secretary of the CDS's (Sandinist Defense Committee); Elias Chevez of the Departmental Division and other known CDS leaders, such as Jorge Vargas, Enrique Alvarado, Marlon Lopez, William Blandon and Francisco Gaitan.

Sandinist leader Ramirez explained that the whole picture is not black as a result of the economic crisis, because the revolutionary power has strengthened itself. Just as the armed forces have done, the revolutionary state has also strengthened itself, despite problems.

The state has independence and sovereignty, and essential ideas for a planned economy are being developed.

Regarding this last point, Ramirez emphasized that for this reason the crisis in the capitalist countries is not the same as that in a revolutionary state, since the latter establishes fundamental bases so that the crisis does not affect the people.

Similar to the Chaos of 1929

In his talk, Ramirez stated that the crisis that capitalism is suffering today is similar to that of 1929, at which period many banks went bankrupt.

Today's crisis is combined with the aggressive positions of the Yankee government, which has even cancelled social and education programs to beef up the arms race.

Ramirez stated that imperialism, allied with the local capitalists of Central America, plus the development of dictatorships created by the United States, has plundered the natural and economic resources of the poor countries.

Besides their aggressive positions, they raise the rates of interest on loans and also suspend loans. Interests of 22 percent allow them to further decapitalize the poor countries and at the same time to create more unemployment.

A Blow to Poor Countries

Ramirez said that at the same time they lower the prices for the export products of the poor countries, such as gold, cotton, etc., and this strikes another blow to these countries.

They also raise the price of oil and oil by-products, as well as the products and raw materials that the poor countries import. For this reason, the crisis of capitalism strikes the weak economies of Central America.

Ramirez stated that Nicaragua is not a poor country but an impoverished one because of the systematic plundering that was practiced by imperialism, dictatorship and some capitalists.

Ramirez cited as the most recent example of one who was plundering, Alberto Mantilla, who was decapitalizing the LAMSA enterprise, and LA PRENSA called him a "hero".

Ramirez referred to the decapitalization that has been practiced since 1977, and he cited as an example that SOVIPE was dismantled, and that most of the enterprises of the Peoples Property Sector [APP] were found in the same condition.

Ramirez pointed out that the business sector had obtained 1.5 billion cordobas in profits through over and under billing.

Great Losses

Ramirez recalled the losses that occurred because of the plundering that was engaged in during the earthquake, the losses caused by the bombing in the war of liberation, the reserves that were also plundered from the country, the maneuvers for some payments to tradesmen to be deposited outside the country....

The losses that were caused by the strikes after the triumph of the Revolution, the goldbricking, absenteeism, and the lack of worker discipline....

There is also the problem of the closing of markets to our industry, such as the pottery and toilet paper industries, which also has taken away from us the capacity to obtain currency, because in Central America agreements were violated and similar industries were established.

Ramirez explained that this year the equivalent of 555 million cordobas will leave the country, of which 200 million cordobas will be paid only for oil, plus interest payments on debts.

In the meantime, private investment has not grown. In 1980 it reached only 400 million cordobas; state investment was about 3.4 billion cordobas.

On the other hand, during the dictatorship plentiful investments were made. Today it is argued that "a suitable climate does not exist".

Economic Measures and Transformations

Ramirez's explanation was clear and extensive. He said that the revolutionary state intends to save 430 million cordobas through the emergency economic and social measures.

He asked the neighborhood leaders to fully enter into the saving of energy and reducing of expenditures in all areas, to increase efficiency and austerity, worker discipline and participation in defense.

Ramirez declared that the Ministry of Housing is making a study in state offices to see where air conditioning is really necessary, with the aim of saving energy.

Ramirez made it clear that the Economic Emergency Measures are the foundation for developing stable conditions to expand the country's production, avoid inflation and massive unemployment and to be ready against the threats from Reagan.

However, Ramirez clarified that the application of these measures will not be effective without the revolutionary vigilance of the people, of the workers who he called upon for greater sacrifices to keep on resolving the economic problems.

9545
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MORE MONEY COLLECTED IN TAXES THAN EXPECTED

Managua BARRICADA in Spanish 7 Oct 81 p 12

[Text] An increase of 22 million cordobas above what was programmed was collected in taxes by the General Office of Revenue in the period that ended on 30 September, reported Silvio Vargas, director of revenue.

Of the 486 million cordobas programmed, the General Office of Revenue collected 508 million, which reflects not only efficiency in collecting, but also a greater level of awareness in the various sectors.

Last year the revenue office collected 321 million cordobas, which means that this year there was a 35-percent increase. Forty-nine percent of this year's collected taxes was income tax; 27 percent was selective tax on consumption; 9.5 percent was sales tax; 9 percent was property tax; 3.5 percent was miscellaneous and 2 percent was export tax.

This year, said Vargas, the state expects to collect 3.908 billion cordobas without including customs revenue. Up to now 2.720 billion cordobas have been collected, that is, 70 percent of what was programmed.

Extending Coverage

Vargas pointed out that with the new law on tax evasion, which besides fines, will consider prison sentences for those who break it, the citizens will have to fulfill their obligations for the benefit of the people.

Next year, Vargas added, the state will increase the number of taxpayers, by traveling to rural areas to detect persons who do not pay for various reasons. "The trend is not to increase taxes but the number of taxpayers to draw bigger revenue to the state."

Regarding the taxpayers, 350,000 are contributing on real estate and 20,000 on income. The greatest increase in the collection of taxes was for taxes on sales and services, based on the greater purchasing power of one sector of the citizenry, said Vargas.

Vargas also disclosed that in the days ahead a law will be announced on the establishment of the Single Card for the Taxpayer, which the General Office of Revenue will issue. These cards will be numbered, and the taxpayers will have to acquire them in the first 6 months after the law is announced.

The card will try putting tax contributions in order. Every citizen will have a type of file card that will correspond to the number of his taxpayer's card, with which information is facilitated.

Those who do not get their card within the designated period -- and they will be able to obtain the card without any cost -- will be fined 500 cordobas a month. State workers will have to get the card regardless of their wages, assured Vargas.

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INDUSTRIES MINISTRY IMPLEMENTING EMERGENCY PLAN

Managua BARRICADA in Spanish 1 Oct 81 pp 1, 5

[Text] An emergency economic plan to confront the results of the world capitalist crisis and especially within the socioeconomic emergency in Nicaragua is being put into effect by the Ministry of Industry, Vice Minister Gilberto Guzman informed BARRICADA.

Guzman, who is also the director of COIP [People's Industrial Corporation], explained that the plan is considering more efficient use of material and selection of priority industrial enterprises. This selection takes into account the capacity of factories to generate foreign currency and the number of workers that are employed.

At the same time, the National Finance System has guaranteed the financing for the industrial development included in the present economic plan, that is, that the programmed investments will go forward.

Central Bank Insures Currency

For its part, the Central Bank has insured the necessary currency for almost all the industries. Guzman asserted in this regard that by mid-October raw material will arrive for the "Las 3 F" factory, for which enterprises the Ministry of Labor recently authorized the temporary suspension of several workers, specifically because of the lack of raw material.

The financial trimming that the present state of the socioeconomic emergency has imposed on the industrial sector will not affect the state industries, said Guzman, pointing out "that the large majority of these enterprises are duly paying their outstanding loans with the Finance System."

However, Guzman said that 40 decapitalized enterprises that went over to the COIP with combined debts of 300 million cordobas, are renegotiating their payments with the National Finance System. A proposal in this regard is being examined by the Government Junta for National Reconstruction and the Ministry of Planning.

On the other hand, Guzman disclosed that the revolutionary government has obtained new lines of credit to import raw material. This credit comes from the socialist countries, Spain, other nations of the EEC and Mexico.

Toothpaste Factory

Guzman also revealed that the possibility is being considered of installing a toothpaste factory, as well as the reactivation of another factory in Granada. The Assistant Director of COIP, David Callejas, is negotiating in this regard in the socialist countries. In his recent visit to the socialist community, Minister of Industry Emilio Baltodano speeded up these steps.

In the meantime, work is being continued on the forthcoming installation of three industries: a sock factory that will be located between Tipitapa and Managua, a yarn factory in Leon and an aluminum factory in the Free Zone.

Next February 80 machines will arrive from Czechoslovakia for the sock factory at a cost of $1,200,000, as well as the machinery for the thread factory. At the present time Nicaragua imports 200,000 cordobas worth of thread monthly.

New Factories Will Save Currency

Despite the fact that we produce and export cotton, Nicaragua has always imported thread because it lacked the technology to manufacture it. The factory that will be installed, with $800,000 worth of machinery, will save us about 2,500,000 cordobas yearly.

The machines for the aluminum factory are already installed in the Free Zone. The factory will open when the raw material, which will possibly come from Costa Rica, is contracted.

At the present time Nicaragua imports 500,000 cordobas monthly in aluminum dishes, which equals a monthly production of 8 tons of finished products. The factory that will operate in the Free Zone will produce 20 tons monthly of finished products worth 25,000,000 cordobas yearly.

Trimming Expenditures

Guzman clarified that all unprofitable investments are frozen. Several remodeling, expansion and construction projects for offices and expenses that are not strictly necessary are suspended.

Finally, Guzman confirmed that Nicaraguan industry will receive, despite the socioeconomic emergency, all the support that within existing limits the revolutionary state can give.

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DEFENSE MINISTER ON FOREIGN MILITARY, POLITICAL RELATIONS

Amsterdam ELSEVIERS MAGAZINE in Dutch 24 Oct 81 pp 22-23

[Interview with Suriname Minister of Defense Laurens Neede by Sig. W. Wolf]

> [Text] The Netherlands is again going to help Suriname in the build-up of its armed forces, after the help has been set at a trifling figure for some time. "Emotional arguments have given way to rational considerations," Laurens Neede, the Suriname minister of army and police, says with satisfaction. He will not rule out in advance support from the United States, or from Cuba either. Meanwhile he is not thinking of putting a stop to the hunt for politicians of the old Suriname régime, in spite of the stubborn demand in his country for declaring an end to the "special administration of justice."

The political calm between the Netherlands and Suriname is over. The suspicion that the two countries felt against each other has given way to reassuring political contacts. In the Netherlands there is a willingness to cooperate in a fruitful way with the government in Paramaribo. Minister Laurens Neede, the Suriname minister of army and police, finds that one of the most important things for his country.

As the official directly responsible for the actions of the Suriname armed forces, which have actually been running the show since the coup d'état of 21 February of last year, he knows with what distrust the actions of the military are followed by the Netherlands. He understands that fully: "It had not been expected that there would ever be an uprising against the rule of former prime minister Arron. The reports that reached The Hague were false. They took it all for the gospel. It was more laughing over a glass of champagne. But we can assure you that the Netherlands is now convinced of the policy that we have in view. Today a dialog as between equals is possible. Emotional arguments have given way to rational considerations."

Laurens Neede, a few years ago still scrambling over the obstacles of the military training fields in Arnhem, is firmly convinced that the Netherlands will be cooperative about the further build-up of the armed forces and police apparatus of Suriname. Six months ago the outlook for Suriname-Netherlands cooperation was still gloomy. But last week Minister of Defense Hans van Mierlo received his

Suriname colleague for the very purpose of jacking up the military cooperation. Minister Neede has high expectations of that: "The cooperation of the Netherlands in the building up of our armed forces and police is highly valued. The departure of the Netherlands military mission a short time ago had in fact little to do with the cooling of relations between Paramaribo and The Hague. The head of the military mission fell short in his contactual characteristics. His meddling with our army went too far for us. But the military cooperation treaty with the Netherlands has not been renounced. We are still buying materiel in the Netherlands. We expect that the training of our personnel in the Netherlands armed forces will run more smoothly. If the rapprochement remains positive, the little problems that are causing the carrying out of the military treaty to stagnate will be gotten out of the way."

Minister Neede emphasizes that Suriname does not feel bound in any respect to call on the Netherlands exclusively in the building up of its military apparatus. Overtures are being made to other states, regardless of those countries' ideological course. The only criterion is that they not interfere in any way in the internal affairs of Suriname. Various countries--including Cuba, Brazil, and the United States--have offered military support to Suriname. Minister Neede does not mean to reject this help in advance.

The preference for a socialistic course, which is being advocated strongly, especially in Suriname army circles, does not mean, according to the Suriname minister, that help will be sought for only from countries with a leftist course. "If Cuba is willing to supply us with weapons at competitive prices without attaching political conditions, we will get weapons from Havana. The same applies to the United States. We have not yet made any decisive choice."

Moreover, the Suriname minister denies that his country has definitively chosen a socialistic course.

[Question] Does Minister Neede see the function of the Suriname army primarily as that of a military technical apparatus for maintaining order?

"There is more. The emphasis is placed on an active participation of the army in the economic and political development of our country. The army must give aid to the people. Our men should help in the construction of housing, in the development of agriculture and industry. But we must not neglect the preventive and defensive tasks of the army. We will not sit with our arms folded if a country invades Suriname to make good on feigned claims to a part of our territory, or because our political course is not agreeable. We do not want a political system on a Dutch, American, or Cuban model. And hence not an army that is a reflection of the armed forces of those countries. We are striving for a typical Suriname army. We expect of our people discipline, willingness to work hard, honesty, and a disposition to offer everybody equal rights."

Minister Neede says that the policy principles as they are to be found in the government program and in the Manifest of 1 May have been well received by the Suriname people: "Resistance is now coming only from persons and groups that are experiencing financial loss due to the new developments. Anyone who formerly made millions of guilders by shady practices can no longer do so now. As an honest Surinamer the person disadvantaged at present must concede that the further slide toward economic bankruptcy, as was the case before the coup d'état,

could no longer be tolerated. Personal and group interests must now by all means be subordinated to the interests of the people."

[Question] A praiseworthy effort, which is now being questioned. The union leader Cyril Daal declared not long ago that the favors for political friends in the time of the old régime pale beside what is now taking place in Suriname. It is chiefly adherents of the leftist intellectual group PALU [Progressive Workers and Peasants Union] that are considered for the attractive public positions.

"An unfounded and offensive remark, which I leave entirely to Mr Daal's responsibility," says an irritated Minister Neede. "We recruit all available experts. It is not important what political connections they formerly had. We consider only ability and qualifications, motivation, and the willingness to accept risks by taking part in the revolutionary process."

[Question] Does that apply to big shots from the time of former prime minister Arron?

"Members of the old régime are already being taken on. Naturally we keep an eye on them. The little Suriname society cannot afford for capable figures to continue to stand on the sidelines. You cannot punish one of Arron's adepts forever by keeping him outside the work process. We are trying to reform the supporters of the old régime and get them into the revolutionary process."

[Question] Why does he not apply these ethical and practical considerations in the everlasting trials of the leading figures from the Arron period? There is every indication that it is getting harder and harder to find the evidence.

"We set up the special court because we felt that some of the practices that had been current, when looked at from the juridical point of view, were not punishable. We knew that they were very harmful to the people. The long waiting time for adjudication has its cause in the fact that some who were seriously suspected fled immediately after the coup d'état, many of them to the Netherlands. Others, who did not succeed in that, destroyed evidence during the period of confusion shortly after the coup d'état. Compromising documents have disappeared. It will take a long time to gather the evidence."

Minister Neede rejects the demand in Suriname for putting an end to the special trials. He does not consider that proper. The "little" boys have been tried and received their punishment. The big fish must not continue to swim around free: "There is a great deal to be said for putting an end to the special trials. The investigation and the conduct of the trials cost a great deal of time and energy. We can much better devote our attention to things that are much more useful and necessary. But if you put an end to the special trials, you are fostering ill will. Those who are responsible for the disappearance of 400 million guilders in profits from the bauxite and can give no acceptable explanation for it must not be simply turned loose. That is not right."

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COPEI SUPPORT FOR EL SALVADOR CRITICIZED

Caracas EL NACIONAL in Spanish 5 Oct 81 p A-4

[Article by Francisco Alvarez Chacin: "From the Betancourt Doctrine to Collusion With the Dictatorships]

[Text] The Betancourt Doctrine, as it is known, was characterized by its illustrious creator as a sanitary cordon against dictatorships and the coups d'etat that enthrone them. Many important figures, perhaps unaware of the stratagems underlying diplomatic bustle, have accused it of having isolated Venezuela among the concert of nations and particularly among the Latin American ones. Nothing could be farther from the truth.

Well understood and as it was applied, the Betancourt Doctrine was limited to not recognizing spurious governments, not maintaining bilateral diplomatic relations with them, and condemning, as the need arose, their violations of human rights and of the freedom and dignity of human beings. Rather, from this standpoint, it constituted a time of honor and of scintillating radiance in Venezuela's foreign relations, whose beams illuminated more than one subsequent presidential period.

It was, for example, at the height of the Betancourt Doctrine's effectiveness that the then foreign minister, Marcos Falcon Briceno brought Great Britain around, amid doubts in the UN, to discussing the imperishable rights of Venezuela in [formerly] British Guiana, which, until then, Great Britain had flatly refused to talk about. It was also under the aura of this doctrine that Dr Carlos Sosa Rodriguez was, with the backing of the Latin American group, elected president of the UN General Assembly. And be it said in passing and in due recognition of his well-earned merit, he rose nobly, courageously and with unalterable serenity, making full use of the free hand that, through my intervention as interim foreign minister, President Leoni granted him in the exercise of his powers at such high hierarchical levels, to the need to confront strong pressures from a group of the biggest powers aimed at compelling him to take a biased decision against another big power with which we were not even linked by the best of relations. Guelphs and Ghibellines alike recognized Dr Sosa's conduct as having been honorable, and the attitude of our government as being one of the utmost dignity and high-mindedness.

Without false modesty, I must add that during my tenure as ambassador to the UN office in Geneva, Venezuela was, with the unanimous backing of the Latin American group--including the countries with which, by application of the Betancourt Doctrine, we did not maintain bilateral relations--elected a member of the ILO. Furthermore, except at those times when I was called upon by rotation to serve as president of the mentioned group and of the so-called "Group of 77," under the umbrella of the Betancourt Doctrine, I had the full support of Latin America. And what is more, nominated by Argentina and seconded by Ecuador--countries with which we had broken off relations--and out of regard for what I represented, I was elected, also unanimously, chairman of the Coordinating Committee of the Group of 77, as well as of the Basic Products Subcommittee of the UNCTAD, the importance can be measured by consideration of oil and iron alone.

On the other hand, in no way did the Betancourt Doctrine, properly understood and applied as it was, prevent Venezuela from bringing its weight to bear in favor of the economic, social and cultural interests of countries victimized by despotisms with which we did not have bilateral relations. Thus it was that as Ambassador to the Federal Republic of Germany I was elected to form part of the Latin American group of a committee of three member nations that took up with the Bonn government the question of allowing Argentina (which was at the time under a dictatorship and had no relations with Venezuela) to identify as an Argentine product, on the German retail market, the meat Germany was importing from that politically oppressed South American country. And more recently: Was it perhaps not from that same fountainhead that Dr Jose Maria Machin drew tenacity and firmness for his determined--bold and at times feline--stand against the dictatorship of the Somozas? No one can tell me that these things have all come about by chance, or how much Machin's perseverance in the OAS contributed to the liberation of Nicaragua, because those are uncomputable dimensions. And they fall far short of enumerating the many honorable actions taken by other representatives of Venezuela in various parts of the world, inspired by the Betancourt Doctrine, bringing honor upon the country.

Today, I have the misfortune to witness, with deep Venezuelan sorrow, that suddenly, through inconceivable blindness or perhaps through a twisted partisan fanaticism, our foreign relations have descended to deplorable levels, to the point of falling into step, elbow to elbow, with those of the most savage despotisms in America, in support of the eternal oppressors of the Salvadoran people. Confusing them with exponents of free enterprise in the modern sense of the term, which does not exist in El Salvador except under the primitive form of cruel exploiters of the peasantry, an effort is being made to favor and maintain in power, by whatever means possible, a caste of traffickers in the sweat, tears and blood of the oppressed population of that unfortunate country.

An attempt is being made, through an ostentatious publicity campaign, to have it appear as if it is the Reagan-Haig team that is bowing to that Venezuelan policy, when it actually suffices to cast a glance at the magnitude of the powers involved

and the self-confessed aims of our government leaders to realize who is inspiring whom and who is ordering whom. Behind that dissembling and with the aim of boosting the perfidious, or at best precarious, authority of the president of the Salvadoran Government Junta, an absurd diplomatic offensive is being deployed on all fronts, including the World Parliamentary Union, the church, the Socialist International, governments, peoples and democratic leaders. Millions are being misspent out of the public treasury of the Venezuelans, and there is even talk of a collective inter-American military intervention to crush the liberating forces of the little country. And although the latter has been denied, it is worth noting that the president of the Republic has the power, without even consulting the Council of Ministers, to send Venezuelan soldiers to spill their blood abroad in an intervention of that nature. To do this he would need only to be authorized by a special law of the Congress, because the case does not fall within those contemplated by the Constitution, the Organic Law of the National Armed Forces, the Mutual Defense Treaty of Rio de Janeiro, or in any way by any other pertinent legal instrument.

Therefore, although I had intended never again to become involved in matters pertaining to our Ministry of Foreign Affairs, in my retirement at 68 years of age, which I have completed today, my experience has prevailed upon me to utter my word of protest against this uncommon case of misappropriation of our national self-respect and dignity.

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POLLS FIND DISCONTENT WITH HERRERA, LUSINCHI RUNNING AHEAD

Caracas RESUMEN in Spanish 6 Oct 81 p 6

[Text] Calvani's public statement as to his "availability" as a candidate for the nomination, caught on the fly by Perdomo Giron, has unleashed a flurry of speculations regarding the doubts Rafael Caldera seems to be sowing with respect to the 1983 presidential candidacy. "Caldera cannot end his political career with a humiliating defeat at the hands of Morales or Lusinchi," one person commented last week who is one of the former president's intimate circle of friends. Another claimed to know that Caldera's decision was to win the nomination at all events, but that for him to actually accept the nomination was "a horse of a different color." What seems to have set off the wave of speculations and rumors are the results of two polls. One of these polls was conducted by the Gaither company for the AD [Democratic Action] party (whose acceptability has not been brought into question by it) in Maracaibo. Its results are devastating: Whereas in September 1979, 58 percent approved the government's program, in 1980 that same percentage disapproved it, and now in 1981, 73 percent of the population of Maracaibo disapproves it. What is more, 80 percent think "it has not achieved what it should have," and only 31 percent believe it will still manage to accomplish what it has promised. Despite this, the "polarization" still appears strong.

For example, in 1980, 73 percent preferred the COPEI [Social Christian Party], but in 1981 only 67 percent does. The same thing has occurred with respect to the AD, however: In 1980, 64 percent favored it, but in 1981 only 49 percent does. On the other hand, this has not meant a rise for the MAS [Movement for Socialism], which in 1980 had a 57-percent showing, while in 1981 it is only 36 percent. All the parties are experiencing a dip. But it is from a futurities standpoint that the poll worries the COPEI. For example, in response to the question on opinions as to the future winner, whereas in 1979, 36 percent favored the COPEI to win, 13 percent the AD, and 13 percent the MAS, in 1981, 55 percent favor the AD, 15 percent the COPEI and 15 percent the MAS.

Whereas 52 percent think that Caldera would be the COPEI's best candidate, 45 percent think Luis Herrera is the worst president Venezuela has ever had (versus CAP's [Carlos Andres Perez] 14 percent and Perez Jimenez's 10 percent). The other poll, an ultrasecret one, is even worse, in that it reveals that Caldera is below Lusinchi (Lusinchi 36 percent, Caldera 32 percent). All of this, together

with the desperation over the slowness, ineptness and deafness of the Herrera government, may have cast a shadow of doubt into Caldera's mind as to whether or or not he should launch his candidacy. And these doubts may have rekindled dormant fires among some half-dozen candidates. In any case, after the "Pepazo" disaster, which among other things has eclipsed Oscar Yanez's influence (among that of others), Caldera has no contenders in the COPEI and will undoubtedly be chosen as its candidate. The problem--and it is unquestionably a serious problem--is that of exposing him to the embarrasment of ending his public career with a defeat that, considering the stature of his contender, could be ignominious. In addition to this, there is probably very little appetite for a borderline victory that would subject him to the same frustrating blackmail of his previous presidency.

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NEW ENERGY PLAN INTRODUCES REFORMS TO RISK CONTRACTS

Buenos Aires CLARIN in Spanish 6 Oct 81 pp 12-13

[Text] Revision of the fuel plan, recently approved by the president of the Nation, Roberto E. Viola, although not released publicly, includes private investments amounting to $2 billion, state contributions amounting to $30 billion in the next 20 years, a revision of risk contracts and an increase in the participation by gas in the overall consumption of energy.

The new guidelines established, in order to achieve self-sufficiency in energy and the exportation of 2 million cubic meters of oil a year starting in 1985, take into account assumptions on the behavior of demand and of the evolution of production derived from gross domestic product rates of 3.5 and 5.5 percent a year for the period 1981-2000.

Oil Program

The modifications to be introduced in risk contracts will consist, basically, in a simplification of the formulas for adjusting the prices paid to contractors and by the introduction of permits for free availability of extracted oil once self-sufficiency has been attained.

The existence of these points in risk contract regulations "are probably limiting participation by private enterprises," in the opinion of the Ministry of Public Works and Services, "and based on the intention to generate greater incentives for investment. we proceeded to revise them."

At the same time, increases will be introduced in the prices received by Government Oil Deposits, bringing them closer to the cost of imported oil.

These adjustment will be applied during the next 9 months and will exceed the evolution of the cost of living. The increase applied last month was already between four and five points greater than the evolution--estimated at 7.5 percent--observed by retail prices during September.

During the adjustment period, it will be necessary to cover the discrepancy in the progress of prices for oil supplied to YPF--which, according to studies by the Under Secretariat for Fuels, amounted to 60 percent during the last 12 months--thus reducing the difference between the $83 and the $280 paid for a cubic meter of oil produced locally and for imported crude, respectively.

With regard to the marketeting price of gasolines, a readjustment program could also be applied, in view of the fact that--according to studies on fuels--the average price of fuels attains a level--in constant terms--35 percent below the prices prevailing in 1975.

Use of Gas

Also in the case of gas, the text of the fuel plan incorporates granting free availability of production, in a first step, for carrying out subsidiary projects.

Under this heading, an incentive to private investments is anticipated, for the purpose of intensifying participation of gas in the overall consumption of energy.

The estimates made indicate that gas should increase from 24 percent at present to 33 percent of the total demand in the next 10 years.

This means that in 1990 the amount of gas consumed will have to be tripled.

In addition to its utilization as a petrochemical raw material, the fuel plan computes a larger production of liquefied gas and a study of its application--together with compressed gas--as a substitute for gasolines for motor vehicles.

With regard to coal--the third fuel included in the plan--studies are proceeding more slowly, especially owing to the restrictions imposed on private participation by the slight difference recorded between the cost of mining and the selling prices.

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NATION SOON TO EXPORT HYDROCARBONS, SAYS OFFICIAL

Buenos Aires LA PRENSA in Spanish 16 Oct 81 p 9

[Report on the UN world conference on new and renewable energy sources, held in Nairobi, 10 to 21 August 1981, by Engineer Guillermo Wallbrecher, under secretary for fuels, and Dr Leandro Pita Romero, a newsman, to a group of technicians and industrialists, in the UN Information Center; date not given]

[Text] "Argentina will shortly become an exporter of hydrocarbons and with regard to natural gas its reserves are sufficient for 60 years." These remarks were made by the under secretary for fuels, Engineer Guillermo Wallbrecher, as he reported to a group of technicians and industrialists on the results of the United Nations world conference on new and renewable sources of energy, held in Nairobi between 10 and 21 August this year.

A newsman, Leandro Pita Romero, Jr, also summarized his impressions, gathered in the conference, on the platform set up specially in the auditorium of the United Nations Information Center. Thelma O'Con-Solorzano and the ambassador of Zaire, Murairi Mitima Kaneno, were also on the platform.

By means of a brief presentation or in response to questions put to him, Engineer Wallbrecher began by stating that Argentina participated in the conference with a large delegation "owing to the importance of the main topic of the meeting. He said that there is no longer any doubt that energy represents an unquestionable value, as well as that the United Nations are playing a catalyzing part through its events tending to raise the people's living standard.

Increase in Gas Reserves

"There are countries that have no natural sources of energy. Their situation is critical. Firewood and draft animals are the only resources that they have. Over half the world's inhabitants live in rural areas. Therefore, our country," the under secretary for fuels stated, "occupies a privileged position among all the nations in the world."

Farther on, Engineer Wallbrecher stated that, in view of the "dramatic situations presented in the Nairobi conference, we are pleased to state that Argentina has increased its natural gas reserves in the last 4 years. It can look forward," he said, "to becoming shortly an exporter of hydrocarbons, while with regard to natural gas, the reserves are sufficient for 60 years."

Oil Substitutes

In reply to other questions put to him, the under secretary for fuels admitted that the possibility of replacing oil with gas is being studied, for example in use by automobiles, as is happening in other countries. "Although this has not been gone into deeply, a Canadian delegation will visit us shortly to go more deeply into this subject, although." he emphasized, "there still are areas to be explored and surely to exploit oil on our territory."

Finally, Engineer Wallbrecher announced that the budget for energy conservation for the next 5-year period ranges between $12 million and $15 million.

Dr Pita Romero

In turn, after Dr Pita Romero made it clear that because as a journalist "he would only contribute a modest opinion," he stated that "what would have to be evaluated is what was attempted in the Nairobi conference and what its results were."

He recalled his attendance at another international conference held in 1972 "at which time the deterioration of the environment that might be caused by an increase in pollution was already foreseen and it must be said that up to now there is no legislation protecting species." When he mentioned what was brought up in Nairobi, he maintained that it was "frightful."

Need for Increasing Hydrocarbons

"It was said that, in view of the world shortage of hydrocarbons, the developed countries would have to increase their production by about 30 percent, in order to cover their needs in only 19 years remaining until 2000. But the worst thing," Dr Pita Romero added, "was when developing countries were discussed, it was estimated that the increase in production should amount to 300 percent and I wonder what is being done so far."

Next, he discussed the problem of a lack of firewood, the cutting of forests, estimated at millions of hectares a year. "This means," he said, that when a resident of rural regions moves to a big city, another problem begins there, the problem of the poverty districts observed in almost every large city."

Six Billion Inhabitants

Later, Dr Pita Romero mentioned the figure estimated for the year 2000 pertaining to world population. "It was said in the meeting that it would amount to 6 billion and this makes us reflect on beginning to take right now steps necessary for counteracting the energy shortage that may be recorded. I do not believe that we are condemned to failure," he added, "but mankind will have to make an effort to find adequate solutions."

Finally, Dr Pita Romero expressed his reservations on the possibility of finding a substitute for oil and he stated that "if what is sought is the obtention of another cheaper product, I do not believe that it is possible, because oil covers practically the entire energy spectrum in the world in which we are living."

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DETAILS ON ARA-XI OIL WELL PUBLISHED

Buenos Aires LA PRENSA in Spanish 6 Oct 81 p 1

[Text] Drilling of an offshore oil well, opposite Tierra del Fuego, was completed successfully by using the Rio Colorado 1 jackup.

The initial flow was estimated at 600,000 cubic meters of gas a day, also with 40 cubic meters of condensate a day.

According to what was reported officially by YPF [Government Oil Deposits] yesterday evening, "Drilling of Well ARA-XI, the first one drilled in Tierra del Fuego offshore Area 1, was completed successfully with an initial flow of 600,000 cubic meters a day and 40 cubic meters of condensate a day.

"The well, located 8 kilometers from the coast, is operated by the Total-Deminex-Bridas Company, which acted as contractor for YPF, a state enterprise.

"This result was achieved when a depth of 1,733 meters was reached and it was obtained in the preliminary tests made on the Springhill Formation.

"While a detailed analysis is being made of the technical data obtained at ARA-XI to evaluate the actual scope of the discovery, the Rio Colorado 1 jackup that performed the drilling will be moved to continue exploration activities at another location in the same area," YPF announced finally.

It should be pointed out that the Rio Colorado 1, which completed its activity at this well successfully, underwent an accident, fortunately without consequences, when it was taking position, on 15 July, to start operations.

As was reported at that time, when the ground on which one of its legs was supported gave way, the jackup leaned dangerously by about 9 degrees without causing accidents to persons.

A few days later, when this emergency had been overcome, it began its tasks that have ended now with this new discovery of oil in this well located between the coordinates of 52°40' and 68°23'.

[Map on next page]

Well ARA-1, located opposite the coast of Tierra del Fuego, where an oil well with a daily flow of 600,000 cubic meters of gas and 40 cubic meters of condensate, is shown on the map.

Key:

1. Strait of Magellan
2. Argentine epicontinental sea

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OFFICIAL PROPOSES INTERNATIONAL OIL PRICES FOR EXPORTS

Buenos Aires LA NACION in Spanish 14 Oct 81 p 15

[Text] The under secretary for fuels, Engineer Guillermo Wallbrecher, was of the opinion that Argentina can achieve self-sufficiency in oil and begin to export energy, but he pointed out that this would require bringing fuel prices up to international levels.

He stated, for example, that Government Oil Deposits (YPF) receives for every cubic meter of oil that it delivers to the refineries—including its own—the equivalent of $80, while the international FOB price is $220. He believed that an even partial correction of that discrepancy would make it possible to have "one of the richest oil enterprises in the world." In that way, it would be possible to cover its costs, pay private contractors and grow without additional endebtedness beyond the present debts, which he estimated at $4.5 billion. Under the present circumstances, he believed "state capitalization" inevitable, because a price increase could not compensate for the financial discrepancy.

"Argentina seems to have overlooked the fact that there was an oil crisis in the world in 1973," he added. He said that in 1981 fuels still cost, in our country, practically the same, in real terms, as in 1960.

"I should like to know of what country in the world the same can be said."

By way of example, he pointed out that Argentine prices range between 25 percent and 40 percent below prices in Great Britain, which is at the limit of self-sufficiency.

Production

YPF oil production in September this year (according to provisional figures) was 2,323,102 cubic meters, including 1,483,742 cubic meters extracted by YPF by administration and 839,360 by contract.

With these figures, total production in the first 9 months of 1981 amounts to 21,245,713 cubic meters. This includes 13,615,622 cubic meters by YPF by administration and 7,630,091 by contract. In that same period, 528 wells were completed (373 by administration).

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ENERGY OFFICIAL OUTLINES STEPS TO REDUCE YPF DEBT

Buenos Aires LA PRENSA in Spanish 14 Oct 81 p 6

[Report on press conference held by the under secretary for Fuels, Engineer Guillermo Wallbrecher, and Engineer Ruggero Scalisi, national fuel director]

[Text] The under secretary for Fuels, Guillermo Wallbrecher, stated that the liabilities of Government Oil Deposits [YPF] in August--which practically have not changed at present--amount to $4.5 billion. He said that, in his opinion, the solution for the enterprise is its capitalization by the state, together with an increase of the prices for its products, until prices consistent with international prices have been attained.

During a press conference, the official described as false the idea that an increase in fuel prices generates the same proportion of inflation, although he admitted the "sharp impact of taxes on the price of gasoline, which absorbs 50 percent of the final price."

He also stated that, at present, some 6 million cubic meters of gas are burned. This equals 20 percent of consumption. Therefore, it is necessary to adopt a series of measures like the measure on the use of gas in the petrochemical industry. He also stated that an analysis is being made of the possibility of using it to replace gasoline for motor vehicle propulsion, either in liquefied or compressed form.

The national fuel director, Ruggero Scalisi, spoke on this last point. He stated that, if gas is adopted as a substitute for gasoline, the country would save the expenditure involved in buying fuels abroad.

Devaluation

When he commented on the situation of YPF, Engineer Wallbrecher maintained that the devaluations of the Argentine peso with regard to the United States dollar increased the debt of the enterprises. This meant an increase in its financial costs.

He also pointed out the incongruency of the fact that YPF is receiving the equivalent of $80 for each cubic meter of oil, when the international FOB price for crudes is around $220.

"Even with prices," he added, "far from the international prices, but at more realistic levels, the enterprise could pay its costs and, without additional endebtedness, have the funds needed for performing its part in developing the specific oil program and for paying private contractors."

He proposed the same situation for the prices of liquid derivatives, primarily gasolines and diesel oil, "which are relatively low in comparison with the average prices prevailing in other countries, between 25 and 40 percent of the prices in England."

Taxes

When he discussed the topic of taxes, the official admitted the sharp impact caused by taxes on the price of gasoline, which absorbs 50 percent of the final price, but he admitted the legitimacy of the recourse, owing to the fact that every country in the world uses fuels as a means for obtaining fiscal revenue.

He also pointed out that "we are afraid of fuel prices, because we associate them with any increase in inflation. "And this happens," he said, "because we try to overlook the fact that we do not pay this cost directly. We pay it by means of the tax, or, what is worse, with real inflation."

Wallbrecher pointed out that the country seems to have ignored the fact that there was an oil crisis in the world in 1973 and that "not only was that situation forgotten, letting prices drop to the present level, but also subsequent increases that occurred in the price of the product, especially since June 1979 to date, were ignored."

Finally, and concerning natural gas, he was of the opinion that there is no one who can maintain sensibly that the price is high. "Of course," he added, "with this price, State Gas cannot pay its costs, is undergoing losses and is incurring endebtedness," but so that no one may think that there are problems of inefficiency, he pointed out that the purchase cost of gas, added to amortizations and to purchases of other goods and services, now exceeds the income from its sales.

The reality of the topic--he concluded--is that the established price is appreciably lower than is needed.

Gas in Motor Vehicles

In turn, Engineer Scalisi stated that the use of liquefied gas for operating motor vehicles has no technical disadvantages. He compared its use in other countries, for example in Italy where 750,000 metric tons are consumed, while in Japan over 300,000 vehicles [run on gas].

Finally, he said that the present vehicles can be adapted for the alternate use of liquefied gas or compressed gas, and also the fuel that they normally use.

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YPF DIRECTOR COMMENTS ON NEW GAS DEPOSIT

Buenos Aires CLARIN in Spanish 7 Oct 81 p 14

[Report on a radio interview with Gen Carlos G. Suarez Mason, president of Government Oil Deposits, by Bernardo Neustadt]

[Text] Discovery of a gas deposit in the area adjacent to the coast of Tierra del Fuego, in the area under concession to Total Austral as operator for its exploration and exploitation, was emphasized by the head of YPF [Government Oil Deposits], Gen Carlos G. Suarez Mason, owing to its great importance in Argentina's possibilities for exporting hydrocarbons.

"In this specific case, it is purely gas," General Suarez Mason stated during a radio interview conducted by Bernardo Neustadt, "but the finding of gas in the area of the island and the adjacent sea is very interesting, because it can be industrialized and exported from there," he added.

Suarez Mason stated that oil imports "are not excessively burdensome, if, at the same time, some byproducts are exported, because what counts in the end is the balance measured in oil equivalent tons." Then he specified that, as of the end of July this year, the annual balance "was in our favor by $120 million and in July 1980 it was unfavorable by almost the same amount. That means that in a year we progressed by $240 million."

Nevertheless, he pointed out that the larger export volume of hydrocarbons recorded in 1981 is associated with the decline in local demand. "Therefore," he added, "it was able to go up a little more than what might have happened at other times." When he was asked about the loan of $200 million obtained by the enterprise, Suarez Mason said: "YPF always has a good image abroad." He concluded by pointing out that the enterprise is "a magnificent cartel for Argentina."

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MENDOZA PROVINCE PRESSES FOR EXPEDIENCY ON DAM CONSTRUCTION

Buenos Aires LA PRENSA in Spanish 14 Oct 81 p 8

[Text] Mendoza (NA)--The governor, retired Brig Gen Rolando Jose Ghisani, will try today to convince three national ministers on the need for expediting work on the Potrerillos multiple exploitation, a hydroenergy project vital to the immediate future of Mendoza, made urgent owing to expiration tomorrow of the time limit decided on by six international consortia for maintenance of their bids.

Ghisani will meet with the minister of Interior, Gen Horacio Tomas Liendo; the minister of Economy, Treasury and Finance, Dr Lorenzo Sigaut, and the minister of Public Works, retired Gen Diego Urricariet, in a search for the necessary political support that will eliminate a certain amount of official lack of confidence concerning the real possibilities of profitability and self-financing of the construction job at a time when restraint of public spending has taken on dimensions of national priority.

Locally, it is believed that Potrerillos will be financed by funds from Mendoza Energy State Company (EMSE), obtained from the power generated by six hydroelectric plants and distribution of power to an extensive network of 244,000 users.

Gen Aniceto Perez, Argentine Army, Retired, head of EMSE, revealed that, in addition, funds derived from the "buyer credit offered by the bidding consortia themselves" will be used. If that is not sufficient to take care of the total cost of Potrerillos, "there are firm offers from those same consortia to supply the funds needed for that purpose."

At a cost estimated now at $467 million, the Potrerillos complex will be constructed 50 kilometers from Mendoza, on the bed of the Mendoza River, the only waterway in the province that is not yet controlled, in order to improve an area in which 60 percent of its total population is located and in which somewhat more than 60 percent of its gross domestic product is generated.

The hydroelectric undertaking, called "the largest construction job of the decade in Mendoza," will make it possible to attenuate the annual losses caused by perennial high water and floods in various agricultural and industrial regions. It will ensure a supply of drinking water for a vast sector. It will facilitate the organization and systematization of surface and underground water and the irrigation system. It will create a considerable tourist attraction in the middle of the mountain range and will open the way to a provincial energy policy with the placing in operation of three powerplants, which, together, will generate 800 gigawatt hours a year, a power similar to the power generated by the three El Nihuil powerplants.

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OIL REVENUE ESTIMATED AT 61 BILLION BOLIVARS

Caracas EL NACIONAL in Spanish 29 Oct 81 p D-13

[Text] "The petroleum revenue earning target for the 1982 budget has been determined with caution and realism."

This statement is made by Energy and Mining Minister Jose Ignacio Moreno Leon when he was questioned before the Finance Committee of the Chamber of Deputies at the start of the analysis of the budget draft which that permanent committee is now undertaking under the chairmanship of Luis Enrique Oberto.

Moreno Leon, who was accompanied by the PDVSA [Venezuelan Petroleum, Inc] president and advisor from his office, met behind closed doors with the committee members and stated the reasons behind the price and petroleum output figures given for the next year by the petroleum industry and the administration.

The minister said that the petroleum revenue earning levels estimated for 1982 come to 61.12 billion bolivars and that this goal can certainly be achieved but it is, if anything, a cautious and realistic figure. It is based on an output of 2,158,000 barrels of crude per day and 60,000 barrels of gas per day and an export volume of 1.79 million barrels per day with an average sales price of $30.41 per barrel.

The latter figure is arrived at by calculating the government share and export industry share at $38.71 per barrel; this, as we said before, will give us a figure of 61.12 billion bolivars for the national treasury and 12.931,000,000 bolivars for the Petroleum Industry Reserve Fund.

The above figures make it possible to guarantee a contribution to the budget on the order of 70 percent of the total regular revenues; this signifies a reduction in petroleum dependence since, for the current year, this contribution is estimated at a figure which is 6.5 percent higher than the 1982.

In emphasizing the certainty in the Energy and Mining Office as to the attainment of the proposed revenue target, the minister said that this confidence is based on the fact that the new refining standards will go into effect next year at the Amuay Refinery in El Palito. This will introduce a substantial improvement in our export package by permitting a production of a larger percentage of gasoline and a reduction in residual products.

The possible standardization of prices, which is currently being discussed during the special meeting of OPEC ministers in Geneva, to level crude prices off at $34, will also have an additional positive effect on the value of the country's petroleum exports.

As we know, once this price adjustment has been made, this will signify a net increase in light crude since Saudi Arabia will raise the price on that product from $32 to $34 and only a very small volume of crude from other countries, including Venezuela, would go down to $34 because it is above that price right now.

As for the estimated export figure, Moreno Leon concluded by saying that it is likewise conservative since, in spite of the relative shrinkage of the worldwide petroleum market, Venezuela is not having any trouble in selling its crude and byproducts in view of the competence of its trade policy and by virtue of the guarantee behind its supplies in terms of the geopolitical situation; this offers our traditional and nontraditional customers the opportunity to purchase additional petroleum.

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CALDERON BERTI DISCUSSES OPEC OIL PRICE DECREASE

Caracas EL NACIONAL in Spanish 30 Oct 81 p D-1

[Article by Cayetano Ramirez: "Price Reduction Will Not Affect Venezuela"]

[Text] Geneva, 30 Oct--Venezuela will not be affected by the OPEC decision to raise the standard petroleum price to $34 per barrel because there will be a compensatory effect on the prices for its different crude products for 1982, said Minister Calderon Berti in this city.

Venezuela will maintain the same prices as those that apply to medium crude; it will reduce the price on light crude by $1 and will increase the price for heavy crude by the equivalent of 50 cents per barrel, with the latter constituting the largest output volume.

Shortly after the end of the OPEC meeting tonight, Calderon announced that Venezuela would raise the value of its heavy and extra-heavy crude which comes to 760,000 barrels per day. Light crude accounts for a volume of 326,000 barrels and medium crude comes to 235,000 barrels per day.

In his statement, Calderon pointed out that the basic reason why Venezuela supported the OPEC decisions involved solidarity and support for the unity of the organization, in line with the market situation, and by virtue of the fact that there is a group of countries in OPEC whose members felt the very strong effects deriving from the lack of price standardization.

The decision will be beneficial both to the exporters and to the consumers of petroleum and will create a balanced situation on the market.

In raising the petroleum price of Arab Light from $32 to $34 per barrel, prices for 40 percent of OPEC output also went up. Calderon indicated that there will be a recovery of prices on refined products during the next several months and as a result of the OPEC decision.

In stressing the importance of price standardization, Calderon said that this decision cannot be viewed in isolation from the worldwide economic context. "We support it as a contribution by OPEC which must be accompanied by important decisions in other fields of the international economy, fundamentally in the area of food, agriculture, commerce, money and finance, as well as raw materials, among

other things, which would promote the entire international community and fundamentally the developing countries."

Strategy Committee Meets

The OPEC conference ended last night but the organization's long-term strategy committee will meet today at noon under the chairmanship of Minister Yamani.

The committee, which is trying to work out an action line on prices and in other sectors in long-range terms, consists of the ministers of the five founding countries; i.e. Saudi Arabia, Iran, Iraq, Kuwait, Venezuela, and Algeria.

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CENTRAL AMERICAN ANTI-IMPERIALIST FRONT TO BE CREATED

Managua EL NUEVO DIARIO in Spanish 17 Oct 81 p 5

[Text] The creation of a Central American Student Anti-imperialist Front, the presence of approximately 700 former Somoza guardsmen in El Salvador and the brutal repression being suffered by the universities of Guatemala and El Salvador were the most significant subjects discussed by student leaders during an interview for END [EL NUEVO DIARIO].

The genocidal guardsmen, who caused so many deaths and so much pain for the people of Nicaragua for several years, particularly in the final stage of the insurrection spearheaded by the FSLN [Sandinist National Liberation Front] are now sowing the seeds of terror and death among our brother Salvadorans.

Carlos Rico, head of the General Association of Salvadoran University Students (AGEUS) reported that in the eastern region of El Salvador there are about 700 former Somoza guardsmen who have received military training in camps in Honduras and Miami. These genocidal guardsmen are receiving military equipment and food by means of helicopter gunships sent by the United States.

The former Somoza guardsmen received a great combat lesson from out people, and in El Salvador the revolutionary forces have also hit them hard. Rico reported that in a military operation against a line of trains transporting these genocidal guardsmen to the eastern part of the country the latter suffered 75 casualties. Most of the genocidal guardsmen died, Rico said.

More 'Advisers'

Rico also reported that American military advisers in his country have now been increased, as the result of the most recent overwhelming defeats suffered by the military forces supporting Napoleon Duarte's Democratic Christian Junta.

Another plan being coordinated by the Governments of El Salvador and Honduras is the rounding up of the refugees on the Honduran-Salvadoran border. The refugees are charged with aiding the Salvadoran guerrilla force. Many of the refugees have been brutally assassinated.

On another subject, Rico said that university students and young progressives from Costa Rica, Honduras and Panama have carried out enormous mobilizations in their

respective countries in solidarity with Nicaragua and in repudiation of the recent military maneuver, "Halcon Vista," in Honduras.

In Panama, students protested in front of the American Embassy. Daily students are issuing communiques and statements of solidarity with Nicaragua and denouncing the military repressions being experienced by the university communities of Guatemala and El Salvador.

Mobilization Continues

The delegate of the Oliverio Castaneda University Students Association of Guatemala to the Federation of Central American University Students (FEUCA), Nestor Perez Gomez, said that the mobilization of Central American university students is continuing because the dangers of imperialist aggression still exist. "The Halcon Vista maneuver could have been an exploration of the terrain," the student leader said, "and we are going to create a Central American United Anti-Imperialist Student Front which will be responsible for coordinating and fomenting mobilizations of solidarity with the peoples of Nicaragua, El Salvador and Guatemala.

Alert 24 Hours a Day

"We Central American university students are on the alert 24 hours a day, and we are going to receive the support of the Continental Organization of Latin American Students (OCLAE) and the International Union of Students (IUS)," Perez Gomez said.

"We Central American students, like the popular and progressive students organizations of the world, are engaged in a struggle for a more just social order."

The 20th of October will be declared an international day of solidarity with the students and people of Guatemala who are struggling for their total liberation.

On 20 October 1944, there was a civilian-military uprising in Guatemala which ended 30 years of dictatorship under Gen Jorge Ubico.

The 20th of October 1978 is also a historical date which commemorates the death of student leader Oliverio Castaneda.

This student was assassinated a few meters from the National Palace by repressive military forces.

The student movement of Guatemala commemorates the death of this brave student leader, with great admiration and respect.

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CSO: 3010/188

'DRASTIC' DECREASE IN CENTRAL AMERICAN ECONOMY NOTED

Guatemala PRENSA LIBRE in Spanish 18 Oct 81 p 6

[Text] The economy of Central America has experienced a drastic decrease in the past few years, causing conflicting situations that the Ministers of Economy and the presidents of the Central Banks of the Isthmus discussed in Costa Rica last Thursday and Friday.

A report by the technical department of the Secretariat of Central American Economic Integration (SIECA) presents various aspects of the regional economic situation during the period 1978-1980.

Because of a combination of internal factors, as well as the adverse international economic situation, according to the report, in the last 3 years the region's gross domestic product (PIB), measured in 1970 constant prices, increased by an average annual rate of barely 1 percent.

This means a substantially lower growth rate than that of the Central American population, and this economic growth rate which measured average economic expansion was decisively influenced by the recessive situation in Nicaragua and El Salvador.

In those countries, the report states, the economic growth rates during the period 1978-1980 were negative [as published]: 6.1 in Nicaragua and 5.0 percent in El Salvador.

For the rest of the countries, there was also an obvious weakening of the economies, with the PIB growth rate clearly recessive but not reaching negative figures.

Beginning in 1978, a continual decrease in the rate of economic expansion was noted in Guatemala, Honduras and Costa Rica, a situation which became more acute in 1980, principally for the last two countries.

Economic activity in the area continued to depend basically upon the agricultural-livestock, industrial and commercial sectors which altogether represent approximately 64 percent of the total PIB.

In the last 3 years, these sectors experienced a significant downward trend, particularly in the agricultural-livestock sector, which dropped gradually from a growth rate of 5.4 percent in 1978 to 0.6 percent in 1979 and to 1.9 percent in 1980, with the exception of Guatemala which registered an increase of 2.5 percent in that sector.

Other Factors

During the period under consideration, the SIECA report notes, the rest of the sectors which figured or figure in the gross domestic product, with the exception of public administration and mines and quarries, experienced a slow growth rate.

With respect to the last sectors mentioned, public administration continues to experience sustained dynamism; its share of the PIB was raised from 7.4 percent in 1978 to 8.5 percent in 1980, the year in which it experienced a 12.4 percent increase, still in 1970 constant prices.

For its part, the mines and quarries sector has experienced a considerable growth rate, although it continues to be of little significance in the PIB.

This sector experienced a sustained growth rate from 22 percent in 1979 to 25.1 percent in 1980, with an increase in its share of the PIB from 0.3 to 0.5 percent from 1978 to the last year under analysis.

Guatemala's Participation

In this regard, the report states that growth in this sector is due basically to Guatemala's having registered growth rates of 87.5 percent and 57.0 percent in 1979 and 1980, respectively, which significantly raised its share of the total PIB generated by Central America in this sector, from 20.1 percent in 1977 to 39.0 percent in 1980.

TABLE

Central America

PIB Growth Rates 1978-1980

(at 1970 constant prices)

	1978	1979	1980	1978-1980
Guatemala	5.0	4.5	4.0	4.2
El Salvador	4.0	1.1	8.7	5.0
Honduras	7.0	6.7	2.0	4.4
Nicaragua	7.1	25.8	18.9	6.1
Costa Rica	6.3	3.3	1.7	2.5
Central America	3.6	0.4	2.3	1.0

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CSO: 3010/218

PRESS COMMENTS ON BUSINESSMEN'S DOCUMENT

Document Analyzes Businessmen's Policies

La Paz PRESENCIA in Spanish 27 Oct 81 p 3

[Text] At the end of a special national meeting, the Confederation of Private Businessmen released a document expressing its concern with the country's serious political, economic, and social crisis. In clear, sincere, and specific terms, it expresses viewpoints on the nation's problems regarding fundamentally the missions of the Armed Forces in the government and the specific mission which they would have to be accomplishing in accordance with the laws governing their status.

The document defends the position of civilian control and points up the need for civilians to assume broader duties and responsibilities in solving the nation's problems. It underscores the right of the civilian establishment, as the nation's majority force, to appoint its own rulers and, with patriotism, efficiency, and honesty, to tackle this phase of the crisis which, it is noted, tends completely to degrade the cement that holds the nation together.

It is further pointed out that "due to the absence of institutions" called upon to illustrate the situation of deterioration, of frustrated hopes, and defeatism among the Bolivian people, the confederation took upon itself the job to alert the nation to this situation and to do so, "knowing full well the risks" incurred. The document says: "The time has come for the civilian sector to participate increasingly in the proposals and solutions designed to extricate the country from its abysmal problems."

The private businessmen pointed up the dangers inherent in exhausting the resistance capacity of the Bolivian people which might degenerate into fundamental changes in its state of mind due to the development of an inclination toward violent change, with consequences that nobody wants.

The organization which consists of all Bolivian businessmen summarized its thinking in five points demonstrating the country's real situation and suggesting major steps to correct it; in the first three points, it describes the false impression existing in the Armed Forces regarding what the people feel with relation to the nation's problems and their possible support for governmental schemes on a military basis; in the fourth point, the document notes some possible and immediate solutions. It suggests leaving the office of the president of the republic as it is

and putting together an eminently civilian cabinet, along with the appointment of a prime minister; in other words, the demilitarization of the national administration. It underscores the convenience of having the Armed Forces concentrate on their specific mission of defending national sovereignty and law and order at home from the position assigned to them by law.

Of course, the document adds that the government scheme would be valid only up to the definition of public powers in the constitution. Finally, it agrees with the administration as to the need for a political truce and dialogue throughout the land among all Bolivians in order to restore the current situation.

The document thus is a sample of what the entire Bolivian people feels: The need to return to the road of legality by institutionalizing the powers of the state and full effectiveness of all rights spelled out in the laws. In this connection, it stresses the urgent need for the government to adopt immediate measures that would correct the current situation of deterioration which, as everybody knows, has become worse since July 1980, with a coup which at the time was said to have been intended to save the country from chaos and anarchy." That salvation did not come and, on the contrary, the situation has gotten worse, bringing us to the deepest abyss which we have ever seen.

We are sure that the administration and the Armed Forces will understand the real meaning of what the private businessmen said, without suspecting any "trend toward conspiracy" or any "extremism" or any other slogans which have been invented in the past when it came to telling the truth as it is and that we may hear some clear language which will outline positions differing from those who very often believe themselves to be the only custodians of the truth and the solutions which the nation needs.

The nation, in all of its segments, wants the best solutions but it wants them on the firm foundations of concord, dialogue, and harmony. The people are tired of promises, declarations, and plans that are not carried out and they are also tired of incitement to violence. With much patience, the people have been hoping for measures which would reconcile the interests of all--provisions which will not be simple palliatives; above all, the people are looking forward to the concrete expression of respect for their dignity and the rights spelled out in the constitution and the laws.

President's Reaction to Document

Cochabamba LOS TIEMPOS in Spanish 29 Oct 81 p 4

[Article by Samuel Mendoza: "Rupture Not Advisable"]

[Text] The reaction of the president of the republic to the document disseminated several days ago by the Confederation of Private Businessmen has caused concern in all or most of the sectors of the citizenry. It must be noted that private enterprise, profoundly worried over the country's serious economic, social, political, and moral crisis, felt that it was necessary to make its position known and to express some of its suggestions which to a certain degree might contribute

to the solutions needed for the nation's problems. Along with recalling the events of the past that led to the current state of affairs, the confederation submitted, for consideration by the government of the armed forces, a series of proposals that should be properly analyzed in order to derive from them those positive aspects that could be of service to those who today are responsible for managing the nation's destiny. We sincerely believe that--with the exception of the polemical and conflict-promoting suggestion to the effect that a civilian "prime minister" be appointed to assist the military president, a suggestion which is outside the republic's institutional and constitutional framework--the businessmen's proposals have a sincere foundation aimed at helping to extricate the country from the serious condition it finds itself in.

The immediate reaction from the president, Gen Celso Torrelio, as a matter of fact is a kind of rupture between two of the nation's main pillars: the government and private enterprise; this rupture will only make the country's ills worse, in full awareness that private enterprise must be the spearhead in the fight to obtain the objectives of development and prosperity for Bolivia and Bolivians.

It has been admitted on more than one occasion--and president Torrelio himself has done so in his speeches--that the government enterprises have not been well managed. We also know that most of them are bankrupt or are just about bankrupt. Recognizing this reality, the administration's program, approved several days ago, certainly does assign utmost importance to the development of private activities throughout the land. Moreover, this program recommends the transfer of some government enterprises to private initiative on the basis of new rules of the game and an investment law which will provide more opportunities precisely for the development of highly productive private activities.

The president of the republic apparently considered the businessmen's document from the negative viewpoint. There is no doubt that this attitude has been developing for some time now among our armed forces and their top commanders and officers as a result of charges that have been made against some of these individuals but that have not been clarified. Nevertheless, at this difficult crossroads where we are now, we must have calm and a friendly and patriotic dialogue so as to search for solutions to the nation's problems. Any break in the unity that must exist between the rulers and the governed will only lead to the further weakening of the nation which, as we know only too well, is being watched eagerly by the vultures of extremism, ready to strike at the moment at which we destroy each other.

The president said that he would no longer accept "the distortion of the truth" and he noted that "the moment has come to blend the present and the past in all of their magnitude." In this connection we would like to point out that we do not get anything out of digging up the past; it is more important for us to concern ourselves with the present in order to prepare for a better future. And both the rulers and the governed must understand that. We cannot continue to lose time by seeking out those who are responsible for the crisis; we must open up new ways to the goals desired by the people.

The president has flung a challenge at private enterprise--the challenge of "showing its real capacity, seizing new opportunities and developing techniques for the benefit of the people." The challenge will be positively accepted by private

enterprise, undoubtedly. But nothing will be possible if we do not work together and in coordination among all sectors of the nation to solve the problems of the moment before they get worse. As president Torrelio put it so well, it is necessary "to seek the foundation for solid and harmonious cooperation in the nation's economic and social development." We hope that this will be the road that will be chosen because a further rupture at this moment will only lead to even more serious situations that will jeopardize the very life of the fatherland.

Administration, Private Enterprise Relationship

Cochabamba LOS TIEMPOS in Spanish 29 Oct 81 p 5

[Article by Justo Del Rio: "Private Enterprise and Government"]

[Text] The only civilian ally of the military government that emerged after 17 July 1980 undoubtedly was private enterprise which, since 1971, has been receiving a large portion of the foreign loans given for various ambitious projects that in many cases remained nothing but caricatures of investments because various projects received considerable loans without any realistic prospects of producing anything and increasing jobs for the Bolivian people. Private enterprise in general did not manage to tackle the challenge of underdevelopment with patriotic determination and continued to be dependent on the government and on foreign supplies of raw materials and other necessary items. After wasting the loans granted by domestic banks acting as middlemen for foreign loans, many businessmen begged the government for further economic assistance and the government continued to give them money even though they were going down the drain because both debtor and creditor in the end turned out to be the debtors of foreign institutions that inevitably kept pursuing us until the moment came when we did not have a single penny to meet our obligations. We are paying off our foreign debts at the rate of $40 million per month; this means that the foreign-exchange drain going to our creditors comes to something like 480 millions per year, leaving very little to meet the most urgent necessities of the Bolivian people.

It now turns out that private enterprise has been jousting with the military government and wants a civilian administration which would replace the setup installed in July 1980. When we had a civilian administration, private enterprise was dreaming of a military government. All of this shows that the behavior of business and industry tends toward a permanent search for a regime that would fundamentally satisfy their economic interests. In crisis situations, such as the current one, the greater burden of the sacrifice should in any case fall upon business and industry, as happened in Germany or Japan after World War II, when businessmen made only 30 percent of their really possible profits, while contributing to the country's restoration with the rest and while the workers were only getting 50 percent of their wages, contributing the difference to the national economy. That is called patriotism and, obviously, under current circumstances of severe economic impoverishment for the workers and even for civil servants, it is realized that the contribution of private enterprise must be greater than that of other sectors. The new economic scheme which the administration is advancing might possibly include that particular feature which calls for distributing

economic responsibilities more rationally. The armed forces will also have to understand the situation and contribute economically to a substantial reduction in the budget to help the government which is virtually moribund because of emaciation and financial weakness.

The time has come for every soldier to produce his own food and the time has also come for every barracks to become a center for the production of wealth for the country. Some time ago we suggested that, instead of the draft, we should broaden the foundations for mandatory civilian service for all men and women who have reached the age of 19 and who do not wish to take up arms. That system is working with optimum results in Germany through civilian volunteers who work without pay although their families get allowances and who are assigned to civilian projects and public service activities. This is a considerable saving to the country and it is also a form of positive social contribution. However, it is certainly worth the effort to manage the country with the most capable men it has.

Armed Forces Urged to Help

Cochabamba LOS TIEMPOS in Spanish 29 Oct 81 p 5

[Text] At moments of profound concern and growing worry about the sequence of problems involving the country's domestic stability, at the time of the tremendous decline of its economy and frequent disturbances of the legal system, it is always a good idea to listen--unless there is a lapse in the conscience of the rulers--to those guiding voices that are inspired by the need for eliminating the negative factors that affect the nation's life.

This is true of the manifesto issued by the Confederation of Private Businessmen of Bolivia which is far from a collection of merely political and opportunist slogans and which suggests the urgent need for adopting a new style of governing on the basis of a combination of civilian and military forces, doing away with the entire monopoly of power in view of the fact that the establishment must spring from the will of the Bolivian people.

We believe that the moment has come for the armed forces of the nation--who have been shouldering the serious responsibility of managing the nation's destiny--to realize the urgent need for building true national unity through full understanding with the various public opinion sectors.

The manifesto issued by the Confederation of Private Businessmen of Bolivia--one of the key elements in the economy and the institutional system--must not be interpreted as a quick-fix, nor as an outbreak of subversion but rather as a clear and constructive expression of one of the most characteristic sectors of the national community.

No matter how well-inspired the proposals from the military establishment may have been in terms of running the government, in contrast to what happened under the stormy regime of Garcia Meza, nothing positive, nor edifying will be achieved for the nation's wellbeing if we persist in sticking to an administration which runs

the government on an exclusive basis and which reveals little permeability, if we refrain from drawing a contribution from the Bolivian civilian establishment which seems to be uprooted in the midst of the fatherland.

According to the announcement by the planning and coordination minister--to the effect that the administration will analyze the documents issued by the Confederation of Private Businessmen of Bolivia and will take into account the points that imply "good and sound advice"--we can now expect more understanding, leaving aside certain inclinations and suspicions as well as egotistical and self-serving calculations. It will be necessary to study these proposals with a clear spirit of careful consideration and patriotism and with a clear vision of the reality facing the country.

We must give the green light to the current national reconciliation on the basis of a new government team which--without disregarding current circumstances--will take up its position by the side of the military top leadership and will facilitate the opening of all ways of national recovery.

The time has come to proceed to a serious historical and contractural review of the evils and deviations which are about to plunge the country into disaster. It is necessary to implement that institutionalist tendency which is encouraged by specific sectors of the armed forces and even more so to promote that civilian-military unity which will enable us effectively to tackle the solutions of problems which beset Bolivia at home and abroad.

We must therefore entertain the hope that the proposals put out by the Confederation of Private Businessmen of Bolivia will be duly studied by the administration of Gen Torrelio Villa because they express the Bolivian people's desire for peace and prosperity and above all we hope that the government will realize the urgent need for diverting the tempestuous winds of a serious economic collapse.

Government Reform Outlined

Sta. Cruz EL MUNDO in Spanish 29 Oct 81 p 5

[Article by Luis Alvis Cuellar: "An Excellent Alternative"]

[Text] It is agreed that the doctrines of the nation's most representative political parties--the MNR [National Revolutionary Movement], the DC [Christian Democratic Party], the FSB [Bolivian Socialist Falange], and the PS [Socialist Party] --are eminently good in their respective programs leading the Bolivian people toward the goals of their progress; it is admitted however that, in recent years, their leaders have been drifting into anarchy because of the absence of reciprocal political understandings, because of personal ambitions, and, perhaps, because of the euphoria of parliamentarianism when democracy began; this enabled the armed forces to seize political power and that in turn led to the decline of the political parties so that the people now find themselves in an extremely serious economic crisis. There has been no attempt so far to restore the situation in the shortest time possible until the excellent initiative taken by the Confederation of Private Businessmen of Bolivia which suggested to the armed forces government the formation

of a civilian-military government of reconciliation as pointed out in the document which proposes and constitutes the only alternative for the fatherland's salvation, for the following reasons:

(a) Because, if we have a military president and a civilian prime minister, we would be able to bring out the best aspects of the democratic system with prospects for their total and definite restoration;

(b) Because a mixed civilian-military government with democratic features would have the overwhelming international approval needed for the restoration of diplomatic relations;

(c) Because, as a consequence of diplomatic relations with friendly nations, which are of great interest to Bolivia, we would get sufficient aid to restore the country's economy which is in extremely bad shape;

(d) Because it is assumed that a prime minister would have more than enough political power to plan an adequate economic and social policy capable of gradually and over a not very long period of time to increase the gross domestic income by 50 percent which, at this time, is no more than $1.2 million, thus giving us the ability to pay off the foreign debt of $3.5 billion;

(e) And because the citizens would have more political participation in matters of state without any need for party militancy.

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HAVANA'S MARRERO REFUTES BUSH'S LATIN AMERICA REMARKS

'Hysterical' Language

Havana GRANMA in Spanish 1 Oct 81 p 6

[Article by Juan Marrero in the column "Sin Punto y Aparte": "Bush's Hysterical Language"]

[Text] George Bush, Yankee vice president, likes to attack the Cuban revolution; he does so frequently. Any time he has a television camera, a microphone or a reporter in front of him, he does not pass up the opportunity to show his hatred for the Cuban people. He insults and offends them and knowingly and shamelessly lies. He is in the front line of the imperialist legion in blustering and threatening. None of this surprises us. After all, in 1964 Bush supported Republican presidential candidate Barry Goldwater, internationally known for his caveman-like and absurd public pronouncements. After all, he was a defender and servant of the corrupt Richard M. Nixon. After all, he was director of the sinister and repugnant CIA in 1976 and 1977 which means he planned many crimes and aggressions. From San Juan, Puerto Rico, the AP reported that Bush said that he wanted to use the occasion to tell Cuba "that we are going to defend the cause of freedom, we are going to defend our Caribbean friends, we are going to help people like Mr Seaga in Jamaica and we are going to tell those who try to export revolution that they are not going to succeed." Why such hysteria from Mr Bush? No one doubts any longer that he is an outstanding extreme rightist like Reagan, Haig or Weinberger. Does he perhaps want to win more laurels as an anticommunist and anti-Cuban spokesman? As we can see, Mr Bush dusts off the most anachronistic cliches to attack Cuba like "exporting revolution." No one in the world believes this since it has been demonstrated that the conditions of poverty, oppression, plundering and exploitation which the imperialists, oligarchs and bourgeoisie implant in the underdeveloped countries generate revolutions. This was true in Cuba, it was true in Vietnam, it was true in Ethiopia, it was true in Nicaragua and it was true in Grenada. It will be true in any country where the laws of injustice, inequality, oppression and terror reign--that is, those laws that uphold "the cause of freedom" that Bush speaks of. This is the freedom of the monopolies to continue exploiting and plundering, the freedom of Washington to install and remove governments, the freedom to trample the sovereignty of our countries, establishing military bases or landing "Marines" when necessary, and the freedom to support genocidal rulers like the imperialists do today with Duvalier, Pinochet, Romeo Lucas and the Salvadoran junta.

Views on Democracy Scored

Havana GRANMA in Spanish 14 Oct 81 p 6

[Article by Juan Marrero in the column "Sin Punto y Aparte": "Awful Lie!"]

[Text] George Bush, U.S. vice president who is touring several Latin American countries as part of the imperialist endeavor to seek support for its policy of aggression and hostility against Cuba, Nicaragua and Grenada, was even able to go to the Santo Domingo congressional palace where he gave a sugary speech. We say that he was even able to go because, according to EFE, he went "under strict security measures, black berets in camouflage uniform with automatic weapons who covered every 20 meters of the capital (Santo Domingo) from the U.S. Embassy while helicopters flew over the route and the surrounding area." Bush spoke about what the imperialist politicians, Democrats or Republicans, hawks or doves, fascists or not, always speak about: democracy, freedom and the bourgeois elections. Pure excrement, of course. The former director of the CIA said: "The cause of freedom is advancing in our hemisphere, the cause of democracy is advancing." To support his pretty words, he mentioned the elections that had taken place in the last 2 years and those that have been announced for the next year in Latin America. Of course, Bush was very consistent in not citing countries where there have been no elections for years, not even within the bourgeois framework, or where there are elections that are complete farces like Chile, Uruguay, Argentina, Paraguay, Bolivia, Haiti, Guatemala or El Salvador. Great advances for democracy and freedom, Mr Bush! Actually, a fascist like Bush does not look good dressed in a democrat's suit; he looks ridiculous. It is too big for him. Bush scattered praise "for the democratic process in the Dominican Republic." Of course, he did not allude to the brutal police repression of the student demonstrations that protested his visit nor the government decision to close the universities and public schools while he was in Santo Domingo. He certainly did not mention the "democracy" under which the servile Dominican Government blocks Cuban participation in international events held in that country. Of course, as is his habit, Bush devoted part of his speech before the Dominican Congress to attacking the Cuban revolution and saying awful lies like that Cuba "has not held elections in 22 years." Bush said this only 24 hours after 6,097,639 Cubans (97.2 percent of the adult population) voted in the elections for delegates to the people's government. With this awful, malicious lie, Bush has once more shown that he is a real liar.

Nonintervention Discounted

Havana GRANMA in Spanish 16 Oct 81 p 6

[Article by Juan Marrero in the column "Sin Punto y Aparte": "From Awful Lie to Epitome of Effrontery"]

[Text] George Bush forces us to continue talking about him. He has said so many stupid things and lies in recent days--first in Santo Domingo and then in Bogota--that we must not pass over them. Let us look at one that the AFP reported: "The vice president repeated that the United States believes in nonintervention." The fact that a Yankee imperialist said this is the most cynical, impudent and shameless thing that we could hear. It is known that the United States has trampled the

principle of nonintervention for almost a century and a half, particularly in its so-called "backyard"--Latin America. U.S. territorial expansion deprived Mexico of half of its territory, military occupation made Puerto Rico its colony and gave "protection" to Cuba (until 1959), Nicaragua (until 1979), Haiti, Colombia, Guatemala, Chile and many more (until now). They have been or will be neocolonies of the empire; Washington has picked their governors and ways of governing. Policies like the "big stick" and "gunboat diplomacy" are not erased just because Bush says that "the United States believes in nonintervention." This is especially true since it is obvious that, under the present Yankee administration, those policies are cropping up again, particularly against peoples who have liberated themselves from imperialist ties and have expressed their sovereign will to be independent. Bush said that the United States believes in the principle of nonintervention but facts show that it does not respect it at all, yesterday or today. Its policy, yesterday and today, has been military, economic, political and cultural interference, the imposition of one-sided treaties and military bases, blackmail and threats, "Marine" landings and aggressions of every type. The United States has carried out almost 800 major hostile actions against Latin American countries from 1840 until now, 100 of them in the last two decades. This includes such brutal and shameful pages of history as the Bay of Pigs, the invasion of Santo Domingo and the assassination of Allende. Today we are witnesses to the maneuvers, plans, provocations and acts of hostility against Cuba, Nicaragua and Grenada and military and political interference in El Salvador, Guatemala and other Central American and Caribbean countries to try to impede the advance of revolutionary forces. What a way to respect the principle of nonintervention, Mr Bush! Bush went from the awful, malicious lie in Santo Domingo that "there have not been elections in 22 years" in Cuba to this about nonintervention in Bogota. It is even a bigger lie. More than that, it is the epitome of cynicism and effrontery, especially since Bush was the director of the CIA, the main instrument of Yankee imperialist subversive interference.

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JOINT COMMUNIQUE ISSUED WITH VISITING PLO DELEGATION

Havana GRANMA in Spanish 9 Oct 81 p 4

[Text] A PLO delegation headed by Farouk Khaddoumi, chief of the Political Department and member of the Executive Committee of the PLO, made an official visit to Cuba from 4 October to 7 October 1981 to hold talks with the PCC [Communist Party of Cuba] and the Cuban Government.

During its stay in Cuba, this delegation headed by comrade Khaddoumi held a fraternal meeting with comrade Fidel Castro Ruz, first secretary of the CC [Central Committee] of the PCC and president of the Cuban Council of State and Council of Ministers.

The PLO delegation included: Isam Kamel Salem, PLO representative to the GDR; Hassam Abdel Rahman, PLO official in the UN Mission; and Imad Jadaa, representative to Cuba. The delegation also held talks with: Carlos Rafael Rodriguez, member of the Political Bureau of the CC of the PCC and vice president of the Cuban Council of State and Government; Jesus Montane Oropesa, alternate member of the Political Bureau and member of the Party Secretariat; Isidoro Malmierca, minister of foreign relations and member of the CC; Jose R. Viera Linares, vice minister of foreign relations; Claudio Ramos, chief of the North African and Middle Eastern Section of the General Foreign Relations Department of the CC; Arturo Barber Orozco, director for Northern Africa and the Middle East in the Ministry of Foreign Relations; and Jacinto Vazquez de la Garza, Cuban ambassador to Lebanon.

In these fraternal talks, it was happily pointed out that relations of friendship and cooperation continue to be strengthened between the PLO, only legitimate representative of its people, and Cuba on the bases of solidarity and the common fight against imperialism, colonialism, Zionism, racism and apartheid as well as for peace and social progress among all the peoples of the world.

Both parties examined the complex international situation. In the course of that examination, there was obvious agreement on the most important topics discussed. In particular, cooperation within the framework of the Movement of Nonalined Countries was discussed because of the movement's coming meetings and conferences.

During the talks, Farouk Khaddoumi reported on the situation in the Middle East and the difficult and heroic struggle that the Arab people of Palestine fight under the leadership of the PLO in defense of their inalienable national rights, including

the right to the return of their fatherland, the right to self-determination and the right to create their own independent state on their national territory under the leadership of the PLO. It was emphasized that the PLO and all the Palestinian people in occupied territory as well as outside it will defend the conquests won through enormous sacrifice in their revolutionary struggle and will firmly oppose all attempts to ignore their just and legitimate rights.

The PLO delegation expressed its admiration for the heroic people of Cuba due to their important successes in the construction of a new socialist society in spite of constant imperialist aggression and threats and the criminal economic blockade that have cropped up again with the rise of the Reagan administration to power. It even uses germ warfare.

It also repeated its support for the just demand of the Cuban people for the return of the territory that the United States illegally occupies at Guantanamo Naval Base.

The PLO delegation repeated its total support for the Cuban revolution and, at the same time, recognized the Cuban party and government for their firm stands of principle facing the just fight that the Arab peoples carry out against Zionism and imperialism.

The Cubans repeated the unchanging position of Cuba supporting the fight of the Arab peoples for the total liberation of occupied Arab territories and the recovery by the Arab people of Palestine of their full national rights, including their own independent state.

The Cubans reaffirmed their recognition of the PLO as the only legitimate representative of the Arab people of Palestine and expressed their conviction that, without complete respect for the national rights of this people, it will be impossible to achieve a just, stable and lasting peace in the Near East.

The Cubans and the PLO expressed their profound concern due to the growing threats to world peace and the warlike and aggressive course that the present U.S. administration has taken in its foreign policy, threatening mankind with the holocaust of a nuclear war.

Within this framework, both parties strongly condemned the strategic agreements made between the Zionist regime and the U.S. Government which constitute a serious threat to peace and an instrument of aggression against the Arab peoples.

Both parties condemned the traitorous Camp David agreements and those signed separately between Egypt and Israel as well as any other maneuver that tries to ignore the rights of the Arab peoples, particularly those of the heroic Palestinian fighters.

The Cubans and the PLO angrily demanded an immediate end to the criminal attacks that the Zionist forces and their agents continually perpetrate against Palestinian refugee camps and Lebanese villages as well as the recent terrorist escalation unleashed in the vain attempt to intimidate the forces of the resistance and the National Lebanese Movement. They also condemned the aggressions and provocations of

the Zionist Government against Arab countries, demonstrated recently in the terrorist attack on the Iraqi center for peaceful nuclear research and in the threats against Syria and the Arab Forces of Dissuasion in Lebanon.

Both parties extolled the great importance of the political, moral and material support of the countries in the socialist community for the fight of the Arab peoples, particularly for the fight of the Palestinian people and for a just solution to the Middle East problem.

Cuba also reaffirmed its solidarity and support to the massive efforts that Algeria, Libya, Syria, Democratic Yemen and the PLO, as members of the Front of Firmness, and other progressive countries and forces have made to impede the materialization of imperialist plans in the Arab region.

Both parties emphasized the need to confront and fight imperialist pressures through the reinforcement of unity of action among all the countries in the Nonalined Movement based on the endorsement and solidarity of the socialist countries. They proclaimed the inalienable right to use their natural resources, including oil, as a political weapon to defend their independence and sovereignty against imperialist pressures and aggressions.

The two parties saluted the tripartite cooperation agreement signed by Democratic Yemen, Ethiopia and Libya since it is an important step to confront the maneuvers of imperialism and Zionism. They also condemned the aggressive provocations against the Socialist People's Libyan Arab Jamahiriya in the Gulf of Sidra and the threats and pressures against it.

Cuba and the PLO, as members of the committee of the Movement of Nonalined Countries that is trying to end the conflict between Iraq and Iran, agreed on the need to continue developing efforts to try to find a political, peaceful, honorable, just and lasting solution to that conflict.

Both parties condemned the racist government of South Africa, an ally of the Zionist regime, which, with imperialist endorsement, commits criminal aggressions against Angola and other countries in the area. They also showed their solidarity with the fight of the Namibian people and demanded an end to the illegal occupation of its territory by racist troops, expressing complete endorsement for SWAPO [South-West African People's Organization] as the only suitable representative of its people.

Examining the Latin American situation, the two parties agreed that important political and revolutionary changes are developing on the continent as a result of the fight of the peoples against the native oligarchies and U.S. imperialism. The victory of the Nicaraguan people was very important as was the triumph won by the revolutionary forces in Grenada. The Cubans and the PLO condemned maneuvers and pressures on both countries and showed their support for the heroic fight of the Salvadoran people for their liberation from the criminal military junta that, with the support of the U.S. Government, is murdering tens of thousands of Salvadoran patriots.

The two parties expressed their solidarity with the freedom fighters in Latin America and repeated their support for the Puerto Rican people in their fight for self-determination and independence from U.S. colonial domination.

They also expressed their solidarity with the cause of the peoples of Southeast Asia for their complete independence, social progress and peace. They supported the just cause of peaceful reunification of Korea without foreign interference.

A cooperation agreement was signed between the PCC and the PLO as a result of the friendly talks and the contacts made during the delegation's visit and keeping in mind the interest in expanding relations.

7717
CSO: 3010/236

UNGO SPEAKS OF ARMY KILLINGS, PEACE EFFORTS

Managua BARRICADA in Spanish 12 Oct 81 pp 1, 5

[Interview with Guillermo Manuel Ungo, executive secretary of the Revolutionary Democratic Front of El Salvador, by Xavier Reyes Alba; date and place not specified]

[Text] With the open support of the Reagan government the Salvadoran Junta murdered over 20,000 persons since the General Assembly of the United Nations issued its resolution on human rights in this sister country at the end of last year.

This charge was made to BARRICADA reporters by Guillermo Manuel Ungo, executive secretary of the Revolutionary Democratic Front (FDR), a few hours after revolutionary commander Daniel Ortega presented his proposal for peace at the Thirty-Sixth General Assembly of the UN.

In the interview he summarized the efforts for a peaceful solution proposed by several Latin American and European governments that are included in the proposal made by Nicaragua. He also spoke of disorganization and the fascism in the army and about Reagan's policy and what it represents in El Salvador at present.

The Government's Terrorism Must Be Stopped

BARRICADA: How do you see the situation in El Salvador now?

Ungo: We have to look at the total picture of the conflict in El Salvador and the effort to seek a peaceful solution. We have seen that international opinion, political parties, politicians, and governments have had an interest in and a growing desire to find a political solution to the conflict since the beginning of last year.

The U.S. press did not show much interest in the resolution on human rights passed by the United Nations General Assembly which condemns government terrorism as practiced by the Duarte Junta.

A year has almost passed since then and over 20,000 persons have been killed and 300,000 made homeless, leaving a total of half a million people in El Salvador without housing because of the army's war of extermination--and this is without counting 300,000 refugees scattered in other countries.

BARRICADA: What peace efforts have been made to date?

Ungo: Since that time we have seen several steps taken toward a political solution which would take into account all parties involved, and in this context the Franco-Mexican resolution is very important.

The resolution calls for a political solution, which in El Salvador's case means a radical change, that is, removal of those responsible for genocide and the policy of military warfare.

Among the initiatives that have been presented, we can recall the meeting of President Lopez Portillo and President Boyo of Panama in Mexico a few months ago and the offer of assistance by their respective countries in opening up a dialogue.

Then in April of this year the Presidents of Venezuela and Mexico offered to help find a political solution. President Herrera Campins himself said that without the FDR no solution could be found to the problem.

Then Panama offered to help again. In addition, the Socialist International volunteered to mediate, and it appears that the Christian Democrats will follow their example.

We also saw an important resolution issued by the European Parliament calling for a political solution.

Therefore, taking into account all this willingness to help the parties involved in the conflict, we have, through the Revolutionary Government of Nicaragua, offered our proposal in the most important forum of the world, the United Nations.

It is not a cosmetic solution, nor do we want anything to do with a bloody election farce. We want to talk directly with the government; they talk one way and act in another, but we act the same way we talk.

The U.S. Government itself has recognized the need for basic changes in El Salvador. Former Ambassador White said that the government could not control the army and that they were responsible for the crimes.

That is the problem. There is government terrorism and we have to deal with that problem. As the foreign minister of Sweden said, El Salvador is a test and the democracies should lend their participation.

BARRICADA: What about the disorder in the Salvadoran Army?

Ungo: The armed forces are responsible for the war against the people. There are functional and organizational connections between the army, the political parties, the security services, and the calculated murders, by the paramilitary groups that claim between 25 and 50 persons each day.

This should be included in the agenda. We are not offering a magic formula, but we must stop the war.

BARRICADA: And considering all this, how are the government and the political parties doing?

Ungo: They have their own internal struggles. We believe there are sectors more inclined toward a political solution than toward war. But it is obvious that they are weak.

The Duarte government does not practice a policy of participation among its own followers but rather one of exploitation within the government itself. They have been purging the government of democratic elements for some time, purging the democrats, and strengthening the fascist elements in the economic, political, and military spheres.

They are moving more and more to the right each day, seeking fascist and military solutions to the problem.

BARRICADA: Would you say that the U.S. Ambassador's reply in the UN is an official rejection of the FDR proposal?

Ungo: I really don't know where the Duarte government is based, in El Salvador or in Washington. We know they want elections, which means they have changed their policy. I don't want to make any generalizations on that point, but there is a difference between the Carter and Reagan administrations.

We reached some agreements with Carter, and the agenda included cleaning up the armed forces and the security services; elections were not included in the agenda because it is well known that there is no possibility for free and democratic elections now.

BARRICADA: And how do you see public opinion in the United States towards El Salvador? And what is your final comment on the proposal taken to the UN?

Ungo: I think that every war has to end and the war in El Salvador will end one day. Duarte's military forces are getting weaker each day.

Only 4 days ago the government's forces failed in a big operation in the north, and this has happened 10 to 20 times this year.

We believe the United States can play an important role in the conflict which has now become a matter of worldwide concern.

I think that U.S. public opinion does not realize what is happening, that there are historical issues that go back 50 years, but on this point the U.S. public is getting a clearer picture of the problem.

And it is not only the radical and progressive sectors--as in the case of Vietnam--that are leading the fight; now it is the moderates, the conservatives, the different churches, civic and social groups and the press itself that are playing a more positive role.

We desire good relations with the U.S. people and the Reagan government, but the facts remain the best bases for making decisions.

They think that the democratic side--FDR and FMLN [Farabundo Marti National Liberation Front] could become communist one day and therefore they help the fascist army, but you can't have oligarchical armed forces as a bodyguard for democracy.

9015
CSO: 3010/195

FMLN ORGANIZATION LISTS CONDITIONS FOR PEACE TALKS

San Jose LA REPUBLICA in Spanish 10 Oct 81 p 28

[Text] A political-diplomatic delegation of the Farabundo Marti National Liberation Front and the Revolutionary Democratic Front (FMLN-FDR) yesterday revealed the conditions of these organizations for opening peace talks with the Salvadoran Junta.

Some of the conditions are as follows: the conversations should be held between delegates named by both sides. They should be conducted in the presence of governments which, acting as witnesses, can contribute to the solution of the conflict. The talks should be across-the-board and should include the basic aspects of the conflict; and they should be based on an agenda approved by both sides. They should begin without pre-conditions on the part of either side.

The FMLN-FDR also revealed the points they wish to discuss, as follows: definition of a new political, economic, and judicial system that would insure a broad, democratic participation on the part of the people and the reorganization of the armed forces with a nucleus of officers and men of the present army who have not been charged with crimes against the people, and including the integration of troops and commanders of the FMLN.

They also revealed that they feel elections now would not fulfill these conditions since the government's repressive apparatus, martial law, the state of siege, and press censorship all remain intact.

The above proposals were revealed yesterday at a press conference held by Dr Ruben Zamora and Dr Fabio Castillo, the members of the political-diplomatic delegation.

9015
CSO: 3010/195

FMLN REJECTS JUNTA REFORMS BUT NOT PEACEFUL SOLUTION

San Jose LA REPUBLICA in Spanish 3 Oct 81 p 4

[Text] El Salvador (YMA)--Theoretically, the guerrillas in El Salvador who belong to the Farabundo Marti National Liberation Front (FMLN) have curtailed their actions and have shut themselves up in their redoubts or "no man's land" along the Honduran border.

It is estimated that as of November, 1980, there were about 60 guerrilla groups or "commands" operating in the Miramundo Mountains of El Salvador, near the border pass of El Poy; in El Carrizal north of Comalapa; in the northern part of Cerro Ocotillo; between Torola and Sabanetas in the Department of Morazan; and in an area lying between El Sauce and Goascaran, which included "safe areas" in Honduran territory near Aramecina and San Antonio del Norte.

Other groups operated in the central region of El Salvador that had hideouts for lightning strikes along the slopes of San Salvador Volcano, San Francisco Gotera, Cabanas, Chalatenango, Morazan, and La Union. These included the groups of "urban guerrillas" within the capital city itself.

Today, it appears that all these groups, forced back by the army offensive, have come together to form something like an army in certain areas along the Honduran border, such as San Agustin, Jiquilisco, and Tierra Blanca, where they are more or less safe because the fear of accidental clashes between the armed forces of El Salvador and Honduras has led the armies of both countries to tacitly accept the watchword "Do not enter," in these geographical precincts.

The armed forces of El Salvador have repeatedly announced that "they are in complete control of the country," but the FMLN replies that "all that is false," and that "for the third time the so-called Operation Clean-up in San Agustin, Jiquilisco, and Tierra Blanca has failed, just like the military operation with 1,500 troops against the insurgents' lines at Chinchontepec and the lightning ambush against the guerrillas of Usulutan and Guatapa, where 100 mm soldiers were killed."

Since the agrarian reform measures and the nationalization of the banks and foreign trade, the FMLN has insisted without reservation that "these things do not constitute the radical structural change that the country needs to pave the way for a socialist government that would give the lower classes adequate means to push ahead with a total revolution."

Dr Fabio Castillo, member of the FMLN-Revolutionary Democratic Front political-diplomatic delegation and a top leader of the PRTC [Revolutionary Party of Central American Workers] (one of the five groups that make up the Farabundo Marti Front), has categorically rejected all that has been accomplished under the label of "reform," saying that "this is only a disguise that hides the obvious intention of keeping things under the same disgraceful conditions of social injustice they have always had and under the orders of the dominant imperialists."

Castillo is at present in a permanent travel status between Mexico and the countries of Latin America "seeking international support for the FMLN that Nicaragua, Cuba, France, Mexico, and the Soviet Union are helping to vitalize."

Dr Guillermo Ungo, who has been attending meetings of the Social Democrats in Stockholm and other parts of Europe and who represents the leadership of the Revolutionary Democratic Front, has emphasized that the only fully acceptable way to establish justice and peace in El Salvador is for the insurgent groups that "are capable of producing the true people's revolution" in the country to take power.

However, Ungo has been more amenable to the possibility "of a peaceful settlement of the conflict in El Salvador," as long as the Revolutionary Democratic Front and its military arm, the Farabundo Marti Front, sit down at the negotiating table."

The guerrilla leader regarded by observers to be the "most solid" leader in El Salvador, the one who stays on the firing line and usually abstains from traveling and comforts in Cdr Salvador Cayetano Carpio (Marcial), who has always been considered one of the top leaders of the Farabundo Marti Front.

Carpio is truly a legend among the guerrillas. Throughout his life he has known prison, exile, was given up for dead, was "resurrected," traveled to several countries, smuggled arms to El Salvador, and has emerged unscathed from many combats.

His position is irreducible. "The structural change in El Salvador must be from the bottom. Of the present system, not one stone should be left on another, and the monolithic presence of the army should be replaced by a people's armed organization and a special militia corps."

The voice of Carpio is sometimes heard over Radio Venceremos, which is perhaps the most powerful information medium the guerrillas of the Farabundo Marti National Liberation Front possess.

He has said repeatedly that "it is an imperialist fallacy to confuse the just struggle of the Salvadoran people with a plan to internationalize the conflict in their country, and that there is no sinister plan by Cuba and the Soviet Union to convert the peoples of Central America into satellites."

This statement has been picked up internationally by the so-called "people's network," which is supported by an investment of several million dollars to maintain newspapers, magazines, radio stations, bulletins, pamphlets, advertising agencies, and publishing houses at various points in the enormous geography of Latin America and Europe, with emphasis on Mexico and Costa Rica.

How many guerrillas are there really? Who are their commanders in the battle lines? Who directs the urban terrorist cadres? These are questions that are not easily answered.

Sometimes in the rural areas one can make contact with some guerrilla leader who almost always poses as a peasant or an ordinary citizen engaged in business or a trade. They never furnish their true names but only vaguely give a first name without a surname or a surname as their full name.

At times, when they learn that a newspaperman is wandering about in territory close to where one of their command units is operating, they try to get in touch with him. A child appears and says that "Amaya" wants to tell something important. "Amaya" turns out to be a young man of 25 who is clean-shaven, very tanned by the sun, and with callouses on the hands. You speak with him; there is talk about "how well the guerrilla band is doing," and in the end he agrees that "without the assistance of Cuba and Nicaragua" things would not be going "so well."

Concerning "Amaya's" group, which operates in the Department of Morazan, mention is made of "a quintet specializing in demolition that was trained in Cuba" and which took part in a recent operation to destroy key electrical installations that cost the government several million dollars.

When foreign reporters come to El Salvador and try to make contact with the guerrillas, everything becomes difficult. Nobody admits having connections with guerrillas or terrorists. But almost immediately, whether in the Camino Real Hotel or any other one, bulletins and proclamations and political and economic analyses of the Farabundo Marti National Liberation Front begin to appear beneath the door or in envelopes.

What the Revolutionary Government Junta calls white the Farabundists will call black and vice versa. It is a persistent ideological bombardment that comes from two primary sources and a third no less persistent: the right, which is organized in the so-called "private sector united in defense of free enterprise."

The Farabundists accuse this sector of seeking to force the Junta to assume a "reactionary" position, warning that this would be "dangerous," but in no way do they admit that the Junta may be doing "good things" in the economic, political, and social field. They call the reforms "fireworks" aimed at gaining attention and the decision to lead the country into elections an "incredible farce."

No reporter who travels to El Salvador at present can fail to note that "there is a noticeable decrease in tension, violence, terrorism, and bellicose confrontations." This is a fact that cannot be denied, a fact that is coupled with the unusual statement (unusual in the context of the events of a week ago) made yesterday in the United Nations by Fabio Castillo, member of the political-diplomatic delegation of the Farabundo Marti Front and the Revolutionary Democratic Front, that the guerrillas would be willing to open a dialogue based on the following five points:

1. Negotiations with the government "without excluding any of our forces."

2. The negotiations should "be facilitated by the presence of international mediators."

3. The discussions should be "across-the-board that would include all aspects of the Salvadoran situation on the basis of an agenda prepared by both sides."

4. Reports to the Salvadoran people on the progress of the negotiations.

5. There should be "no prior conditions of any kind of the part of either side."

9015
CSO: 3010/195

EXECUTIVE AUTHORIZED TO ISSUE MORE MONEY

Guatemala PRENSA LIBRE in Spanish 23 Oct 81 p 19

[Text] The congress of the republic has authorized the executive branch to issue, trade in and invest treasury notes in the amount of 50 million quetzals. With this issuance the state revenues and expenditures budget was increased to 1,666,560,256 quetzals.

In accordance with Decree 37-81, approved by congress, those funds are earmarked for the creation of a rotating fund in the national treasury, so that, under the supervision and strict control of the coordinating unit of the National Peripheral Highway Project, the Freeways and Highways Development Enterprise of Guatemala, S.A., the concessionaire of the project, can pay its debts on a timely basis.

The enterprise is obligated to make repayments to the fund of monies drawn from it, in conformity with the provisions of the applicable regulation.

Note issuance bill was approved by a two-thirds vote of all the deputies in the congress of the republic.

To obtain the required majority, it was necessary to have the votes of deputies of the MLN [National Liberation Movement] bloc who had made their approval conditional upon reform of the election law, which they had proposed to guarantee honest elections, they maintained.

First Reading

The plenary session of congress approved the bill after its first reading. The bill contained reforms of the election and political parties law. The bill was presented by the Government Committee which is chaired by Deputy Emilio Par Gonzalez.

Outside the congressional chamber, Deputy Par Gonzalez said that the preliminary draft presented had been modified. This preliminary draft proposed that all members of congress sign over 1,500 voting documents on the very day of the elections which, in addition to being impracticable, was unconstitutional.

He added that congress had also refused to allow publication media of the names of all citizens in the communication, as this is burdensome. The other reforms requested by the MLN were accepted.

Bill

The plenary session of congress considered the bill sent by the Minister of Government, which contains a new organic law for the National Police, and turned it over to the Government Committee for study and comment.

The purpose of the bill is to update the present law which is outdated. It also involves professionalization of the National Police and regulation of matters relating death benefits.

First Reading To Serve as Guarantee

A bill authorizing the executive branch to serve as guarantee for a loan of 10,400,000 quetzals granted by the Central American Bank of Economic Integration to the National Electrification Institute [INDE] was approved after its first reading by the congress of the republic during the Wednesday session.

Funds from this loan, the contract for which was signed on 30 April 1981, will be used by the INDE to partially finance the projects and services involved in the electrical hookup of the republics of Guatemala and El Salvador, as pertain to the former.

The term of the loan is 15 years with a 5-year grace period. The interest rate on the unpaid balance will be 8.75 percent annually, with an annual agreement commission of .75 percent on unpaid balances.

The loan will be amortized by 20 consecutive, 6-month payments of US$520,000 each. These payments will be made by the INDE out of its own funds.

8143
CSO: 3010/218

AGRICULTURAL-LIVESTOCK PRODUCTION INCREASED

Guatemala PRENSA LIBRE in Spanish 19 Oct 81 p 4

[Text] The agricultural-livestock sector of Guatemala is the only one in Central America which was able to attain a positive growth rate in the last 3 years, according to a report prepared by the technical department of the Secretariat of Central American Economic Integration (SIECA).

This part of the report begins by stating that this agricultural sector of Central America generates more jobs, revenue and foreign exchange for the economy but that it's growth has been seriously hampered by structural and situational factors.

The report by the technical department of SIECA emphasizes that the agricultural-livestock sector is one of the most seriously affected by the present Central American crisis.

In 1980, the report says that a 1.9 percent decrease in the growth rate was experienced in this sector, with Guatemala the only country presenting a positive growth rate of 2.5 percent.

Less Contribution

According to the study, the principal export crops are the basis of the Central American economy.

Five of these crops; i.e., coffee, cotton, bananas, beef and sugar, continue to contribute the area's largest share of foreign exchange revenues from exports; in 1979 the share was 63 percent.

If this figure is compared with the 1971 percentage, it will be noted that dependency on exports continues to be based on these same five products, with the aggravating circumstance that their combined share of the total is increasing.

The Countries

As regards the countries, it is noted that Honduras and Costa Rica, particularly the latter, have managed to reduce this dependency through an increasing commercialization of other agricultural products and a greater relative share of manufactured products.

In Guatemala the percentage of the five products mentioned with respect to total exports of the country has increased a little more than 2.0 percent, in spite of efforts to promote nontraditional exports.

Both El Salvador and Nicaragua are experiencing an accentuation of this commercial dependence, particularly Nicaragua, as its exports of these five products represented almost 76 percent of that country's total exports in 1979.

It is considered important to keep in mind that in the case of El Salvador and Nicaragua the percentages for last year of necessity must have been influenced by deterioration in the industrial sector which decreased by 3.3 percent in El Salvador and 28.3 percent in Nicaragua, causing a decrease in the relative importance of exports of industrial products.

The Products

Of the five products cited, coffee is the traditional crop of greatest significance. In the past 3 years, it represented over 45 percent of the agricultural production of Central America.

El Salvador is the largest producer in the region (during the period 1978-1980) with about 37 percent; next comes Guatemala with 32 percent; Costa Rica with 15 percent; Nicaragua with 10 percent; and Honduras with 6 percent of the total.

Although the land area planted with coffee trees in Central America has increased at a very conservative rate, according to the report, increasing 17 percent from 1970-1971 to 1979-1980, production has increased at a rate of 44 percent, due basically to significant improvements in productivity.

Cotton

The analysis indicates that cotton holds second place in the production of the primary sector and in the generation of foreign exchange (still in the period analyzed, 1978-1980) and in a seasonal way employs large amounts of manpower. It also provides all of the natural fiber demanded by the region's textile industry and a high proportion of the raw material needed by the countries' vegetable oil industry.

Basically because of a wide variation in the cultivated area which, for all of the five countries decreased from 417.90 [as published] hectares in 1978-1979 to 277,700 hectares in 1979-1980, regional production of cotton decreased by 33.2 percent. This resulted in a concomitant drop of 20.4 percent in exports.

As for individual countries, the study shows that Nicaragua was the country most affected by this situation. It reduced its planted area by almost 78 percent, allowing Guatemala to become the largest producer of cotton fiber in the region, Guatemala at the same time experienced the greatest unit yields.

Because of these factors, the report continues, cotton exports for the region as a whole decreased from a total of 417.1 million Central American pesos (equal to dollars) in 1979 to 332.1 million in 1980, despite the fact that the average selling price of this product rose considerably from 1,247 Central American pesos per metric ton to 1,570 pesos in the years studied.

The Banana

The banana is the third most important product on the list of exportables of the primary sector of the Central American countries, according to the SIECA; and Costa Rica and Honduras are the largest producers.

Foreign sales by Central America in 1979 produced a total of 372.9 million Central American pesos, representing a 16 percent increase in 1980, with an export volume increase of 6 percent from 247,700,000 metric tons to 257,600,000 metric tons and a 10 percent rise in sales prices.

Beef

In Central America, beef has become an increasingly important source of foreign exchange, according to another part of the SIECA report.

In the period 1978-1980 the production of beef experienced a modest increase of 1 percent, rising from 282,100 metric tons to 287,100 metric tons.

Definite increases were observed in El Salvador, Honduras and Costa Rica, with the latter moving into the number one area producer position in 1980, a position occupied by Nicaragua until 1979.

Thus, Nicaragua which was the number one Central American exporter of meat fell into third place in 1980 with 24,000 tons. Honduras was the number one supplier with 37,000 tons, followed by Costa Rica with 29,400 tons.

The region's revenues from exports increased slightly in 1980.

Despite the importance of beef to the satisfaction of domestic demand for meat, increased exports have reduced regional quantities available for local consumption.

Of the total deboned meat produced in 1979 and 1980, 52.2 percent and 49 percent, respectively, were earmarked for internal consumption.

In the past 2 years, Nicaragua and Costa Rica registered the largest per capita consumption figures, with respective averages of 9.9 kilograms and 9.4 kilograms per capita annually, followed by Guatemala with 4.8 kilograms, Honduras with 3.2 kilograms and, finally, El Salvador with 2.8 kilograms.

Sugar

Finally, the report states that sugarcane cultivation in Central America has been stimulated by increased foreign demand for sugar which has influenced world prices.

The area under cultivation has been increased greatly and totaled 232,100 hectares in the 1979-1980 season, 3.1 percent higher than the previous agricultural year.

This notwithstanding, sugar production decreased from 1,209,200 metric tons in 1979 to 1,178,100 metric tons in 1980, due to a decrease in the cultivated area in El Salvador, Nicaragua and Costa Rica and to a significant reduction in yields per hectare in the last two countries.

Thus exports for 1980 were lower, dropping from 501,500 metric tons to 460,400. However, increases in world prices permitted almost all the countries to have revenues higher than in 1979, with a regional total in 1980 of 221 million Central American pesos compared to 129.7 million in 1979.

TABLE

Central America

Relative shares of the agricultural-livestock sector of the gross domestic product. Years 1970, 1978, 1979 and 1980 (In percentages based on constant 1970 prices)

	1970 %	1978 %	1979 %	1980 %
Guatemala	27.5	26.1	25.8	25.4
El Salvador	28.4	25.1	25.9	26.0
Honduras	32.5	27.9	28.1	27.0
Nicaragua	24.9	27.0	31.3	24.4
Costa Rica	22.5	17.7	17.0	16.5
Central America	27.1	24.6	24.9	23.8

8143
CSO: 3010/218

MISKITOS RECEIVING MILITARY TRAINING IN HONDURAS

Managua EL NUEVO DIARIO in Spanish 16 Oct 81 pp 1, 9

[Text] Two miskitos who had fled to Honduras in May 1981 and returned to the country 4 days ago were presented to newsmen in the Press Office of the Ministry of Interior.

The miskitos are Cristobal Cordon and Cecilia Gostas Castro. They described in great detail how they had reached Honduras and their stay in military training camps exclusively for miskitos.

They also told about the lies of Steadman Fagoth, the participation of Honduran and Somoza military personnel in training activities and the precarious situation being experienced in the camps.

Finally, Cristobal described the difficulties they encountered in fleeing from one of the military training camps and returning to Nicaragua.

He said, "The escape was from the military camp called Mokoron, which is located 15 kilometers from Puerto Lempira, where 116 miskitos were assembled, with almost the same number taking training at camps called "Zuri" and "Mitrux."

Cristobal told how he like others who had gone to Honduras had done so because Fagoth and his henchmen had convinced them that the worst was going to happen in Nicaragua. Therefore, it was necessary to go to the neighboring country in search of work.

Cristobal said that once they had reached Honduran territory they began to suspect that they were being deceived, as from the start Honduran and Somoza military personnel were working with Steadman Fagoth.

In Hercules Airplanes

The situation worsened when Fagoth told them they were going to travel in Hercules airplanes of the Honduran Air Force to a specific location.

First, 100 men were to be selected. Hunger and other hardships such as uncertainty about the future caused the refugees to show signs of unwillingness to participate.

They protested because Fagoth had told them they had to help to "liberate" Nicaragua but that they would not have anything to do with the Somozists, and that was the first thing that was happening.

Since they had no desire in the first place to be in training camps because of the harsh manner in which they were treated, Fagoth told them and the Somozist training personnel that they were not going to fight in Nicaragua, that other countries would overthrow the revolutionary government but that it was necessary for them to know how to handle weapons well.

This was useful and important because with the fall of the National Reconstruction Government, they, the miskitos, those who knew how to handle weapons, would be "officers" in the new army and the ones who were really going to govern.

They also recounted how Fagoth had told them in Nicaragua that the United States was going to give $1 million and airplanes to abort the revolution and thus to prevent much bloodshed.

Mistreatment

Cristobal also said that the miskitos chosen for training, including several leaders, were unhappy with the Somozist instructors, some of whom were recognized torturers of the past, were mistreating them. They were told that they were lazy, too dumb to feed themselves, that they had only been born to eat bananas and drink guabule [a drink made of bananas].

"There was a shortage of food: most of us had no shoes; and they wanted us to get up early in the morning to do exercises in an area where there were many spiny plants," Cristobal emphasized.

"They punished us often by making us do 500 situps." He also said that those who had not managed to excape are like prisoners.

Cristobal, who spoke without stopping, said that in addition to the extremely bad conditions they continued to be discriminated against, always put down, alienated and in danger of being shot if captured after an escape attempt.

He also said, "We began to ask ourselves where we would go if we managed to escape, as we were told that things in Nicaragua were as bad as they could be."

More Lies

"They said that any miskito who returned to Nicaragua would be tortured to death. The least that could happen to anyone returning, they said, was that they would be sentenced to prison for 30 years, and this was a most enviable fate, they emphasized," Cristobal said.

"They also told us that our people were fighting amongs themselves, had already set fire to important buildings on the Atlantic coast, that they had killed the commander of the Fifth Region, Manuel Calderon, and that Cdr William Ramirez had been machine-gunned.

"These conditions, they pointed out, made the return of the miskitos to Nicaragua impossible. All of us," said Cristobal, "spoke in miskito and bemoaned the luck we were having, all the fault of Fagoth and his lies."

Cristobal said, "He is holding his own only in Tegucigalpa." He added that there is a large number of miskito prisoners in Puerto Lempira.

They Returned

He said that he and Celia decided to return to Nicaragua, in spite of the risks they might run. The idea had already occurred to them that the Somoza group and Fagoth were exaggerating what was happening in Nicaragua, he said.

"We said to ourselves: we are not going to die here, nor to fight at the side of the Somozists who had always ignored us. And if we die, let it be in our land." Thus it was that they fled one night, without shoes and with a great feal of being discovered.

They made stops in small towns where they worked for food until they met a woman named Tona, who told them she was a Nicaraguan and helped them cross the border over the Coco River.

Cristobal said that a Somozist partisan named Jose Benitez Bravo, who calls himself "Commander Bravo," was the commander of the camp called "Base Fenix," camp number 1.

And he said to them, "You are no longer Misurasata [Miskito, Sumos, Ramas Association], you are now legionnaires." Cristobal said that they built the camp and were forced to build for "Commander Bravo" a structure similar to the house used by Tarzan in the movies; he himself said that he wanted to live as Tarzan did.

"All this annoyed the miskitos a great deal," he said.

"There was also a commander with the last name of Pastor who identified himself by the number 03. Jose Benito Bravo, who called himself Tarzan, was number 06. Another man with the last name of Talavera, who, according to what I was told, was one of the biggest executioners during the Somoza era. He also was actively assisted by a Honduran army captain named Luky who is stationed in Puerto Lempira.

Several EEBI

"Miskitos who were in the EEBI [Basic Infantry Training School] were also with us," he said. He reported that one of the miskito leaders, Alfonso Smith, is a prisoner. He did not like Alfonso because they always wanted us to drop the name of Misurasata.

He said that miskito Arcadio Walda and one of his cousins fled from the camp one night. Shortly after the Somozist group learned of this, they took off in pursuit. Later the sound of a large grenade was heard.

When the Somozists returned and were questioned, they said that the escapees had been captured but had slipped away once again. It was then that a grenade was

thrown, but Arcadia continued running. "We do not know," he said, "whether he was killed or is elsewhere."

Infamous Man

Cristobal said that after the victory, Fagoth told them that it was time to tell everything, to demand everything. And that 165,000 cordobas were to be collected to pay Mauricio Polanco for drawing a map of our lands.

"The fact is that we began to collect money. Later we were told that we were in danger, that the revolution was going to take everything away from us, that we should not accept the Cubans, that we should not send our children to school, that we should not allow our children to be vaccinated because the vaccine would kill them in 6 months.

"That the landing strip they were building was to allow airplanes to come in from communist countries. That they were going to kill the adults and that they were going to remain only with selected children and our land."

Later he said that all the miskitos became frightened and angry. "You see, we did not understand the Revolution."

When they put Fagoth in prison, his seconds, several ministers told us that this was an injustice and that we had to fight.

When Fagoth left prison and came to Puerto Cabeza, he told us that things were going to become very nasty and that in the coming months foreign countries were going to overthrow the communists, that it was necessary to go to Honduras and to return when Sandinism was no longer in power.

Exodus and Return

"Thus a group of us traveled downstream. We were somewhat nostalgic but at the same time happy because we had made up our minds. We even had a party before reaching Honduras."

But everything changed immediately upon their arrival on the other side of the border when they received their first threat from Fagoth: "Here nobody returns to Nicaragua unless it is with me."

With respect to his return to the country, he said that he had come back with a great deal of fear. He remembered what he had been told, that a captured miskito was stretched out on the floor and that eight men danced on his body until his bones were crushed.

He changed his name; however, he ran into a friend and told him that it was all a lie and was advised to present himself to the commander of Puerto Cabezas, Manuel Calderon. This he did.

"I am happy," he said, "and I hope to get work soon. There is nothing better than to be in my country and with my family. I have been thinking about asking the commanders of the revolution to let me speak to my comrades who are in Honduras through La Voz de Nicaragua [The Voice of Nicaragua] to explain the true reality to them so that they will come back," he concluded.

8143
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CAUSES OF ECONOMIC CRISIS IN COUNTRY EXAMINED

Managua EL NUEVO DIARIO in Spanish 20, 21 Oct 81

[Article by Enrique Belli Cortes]

[20 Oct 81 p 2]

[Text] Background That Can Not be Forgotten

The emergency measures adopted by the revolutionary government as a consequence of our national crisis have been the subject of many reports published in the media, either in support of or in opposition to these measures. Also speaking out on these measures has been the organization representing the private sector, or to be more accurate, the industrial, commercial, agricultural, and financial bourgeoisie. In almost all these statements, they either consciously or unconsciously avoid any mention of the real origin of the crisis we are facing, and they attribute it to political phenomena related to the revolutionary process. This fact merits close attention, as those who are writing and publishing these accounts are self-described as the most conspicuous and learned economists of our local bourgeois class.

A person does not have to be very learned or to be adorned with extra titles to know the origin, course, and evolution of the crisis now weighing down upon us; it is sufficient to look backward to the events which began in 1976.

Everyone knows that starting in 1976 the plundering by the members of the government and their colleagues increased in a geometric progression, while resources and production did not increase, but rather contracted. In 1976 and 1977 a number of businesses in which the members of the Somozist government were partners and stockholders began to transfer outside of Nicaragua the main tools of production. We have seen how the biggest construction companies formed subsidiaries in other Central American countries and began operating there with machinery belonging to firms that were working here. This increased unemployment, removed capital from the nation,

and appropriated to their companies the tools of production which by right belonged to the working class which operated these tools and used them to produce. Similarly, a number of companies created branches in other countries, using capital produced by Nicaraguan workers, while leaving these workers in poverty and unemployment. In finance, the bourgeois banking system appropriated part of the $500 million lent by international institutions which should have been invested in production, and used it to establish banks and collateral financial groups in a number of Central American capitals, particularly in Honduras, even extending its ramifications as far as Miami. In 1977 and 1978 this theft continued to increase, both on the part of the head of the regime and his colleagues.

The Sandinist insurrection began then and the nation's political problems worsened. Most of the capital from the bourgeois agricultural, commercial, and industrial sectors was removed from Nicaragua. In early 1978 Somoza ordered Pedro Joaquin assassinated. This marked the beginning of the end of that shameful regime which, even though this may seem hard to believe, is regretted by some bourgeois sectors even today.

In February 1978 came the farce of the municipal elections for which no one turned out to vote. At the same time there continued the massive flight of capital which had been converted into dollars by the wealthy and by the government bosses. In September of that year currency exchange was regulated by the establishment of exchange controls, after the devaluation which the dictator was forced to make.

In 1979, the year of victory, in June there was an attack and massive looting of the city of Managua and its surroundings by persons incited and controled by the GN with the resulting destruction of the capital city's entire commercial system. It is probable that no one there was left untouched personally by the effects of this looting and destruction. Poultry farms, grain storage facilities, and consumer goods warehouses were destroyed. In rural areas, the sale of livestock was brought to a halt, but the part of the agricultural bourgeoisie allied to Somoza devised ways of illegally getting tens of thousands of livestock out, thus causing severe damage to the Nicaraguan livestock herds. In the area of services, GN bombing raids destroyed most of the departmental hospitals, telephone offices were burned, mass transport facilities were disrupted and half destroyed, supplies of medications and basic grains were removed and destroyed. Power generators operated with relative efficiency, as did the supply of drinking water. In the countryside not enough basic grains could be planted to meet demand within the nation. Of the export goods, the area planted in cotton did not amount to 25,000 "manzanas" [land measure], and the coffee crop was the only one that could be harvested.

The nation had reached these disastrous conditions when the revolutionary victory came. We have all known and experienced these conditions, and we can not deceive ourselves or others. In describing these conditions we have abstracted other factors such as the external debt in dollars contracted by the previous regime and we have concentrated solely on internal and national events which combined to bring about this economic crisis which we are now going through. This is what we have called the background of this crisis.

[21 Oct 81 p 2]

[Text] Incidence of External Phenomena

In their public statements published in the communications media, our Nicaraguan bourgeoisie has refrained from mentioning the phenomena we have just listed and they attribute the crisis to political causes and attitudes related to the revolutionary process. They mention the following: lack of administrative capacity of the revolutionaries in power, and lack of productive efficiency of the workers and peasants who have supported the revolution.

Concerning the first allegation, it has been fully proved that these words do not fit reality and that in similar conditions, the so highly vaunted administrative efficiency of the bourgeoisie has not yet been demonstrated. Concerning the second charge, this reveals a lack of knowledge of successful revolutionary processes during the 20th century, along with the persistence of obsolete patterns of thought. According to these concepts, a revolution is simply an exchange of power between dominant minorities, and not a total change of structures. For this reason, it may be of some use to review the mechanism and transition periods of popular revolutions in this century in order to realize that, during the period of revolutionary transformations, production of the businesses which are still operating generally declines. This is caused by the fact that the best workers join the revolutionary army and other organs of the new state. The old work discipline in production, determined by the control of the bourgeois class, collapses, and it takes time for the new revolutionary work discipline to arise. Instead of an accelerated surge in production, which is essential for the real income of the workers to increase, there may be a temporary decline. Furthermore, the productive apparatus which the bourgeoisie passes on to the workers is geared to the distribution of income to bourgeois society. In such conditions, the apparatus can not immediately produce enough additional consumer products, which are needed to raise the real standard of living of the workers. Production has to be transferred toward those items of consumption which are necessary, not to the bourgeois class, but to the proletariat. Often it is necessary to increase the installed capacity to supply the growing needs of the proletariat. All this of course takes time.

Something similar also happens in agriculture. The delivery of unused lands, confiscated from landholders, leads to an improved distribution and consumption of farm products in rural areas. Previously, the rural people did not receive these products; this does bring about a temporary decline in the supply available for urban areas. This state of affairs will last until the production of basic food products increases. This deprivational process of popular revolutionary movements, which is all too well known and has been fully studied, appears during the transition period. This is what the bourgeois rightist leaders have grasped at with the premeditated purpose of confusing and deceiving the people, charging the proletariat with inefficiency in production and the revolutionary leadership with administrative incompetence.

All these comments refer exclusively to the internal or national causes of this crisis; we have made a total abstraction of the external phenomena which also affect production, and which are: the worldwide cyclical crisis which is a characteristic feature of the capitalist system; the increasing prices of energy products; the aggressive and destructive policy of the Reagan administration toward Nicaragua; and the decline in prices for our traditional exports, manipulated by the wealthy countries. When all these factors are combined, it is easy to understand the origin of our nation's economic problems.

In such circumstances, the revolutionary government found it necessary to take steps to regulate, to the extent possible, the factors causing the crisis, by means of the economic and social emergency law. The measures have been accepted by the majority of the working people who are the ones directly affected, but not by the minority sector of the bourgeoisie, even though they are the ones who would benefit, for the following reasons. The suspension of the right to strike during the emergency period, the prohibition against occupying factories or businesses because of labor conflicts or to protest undercapitalization, as had been done, and the ban against the use of absences to demand wage increases are mechanisms which benefit the owners of the means and tools of production in the private sector. When labor can be used without any risk of a strike and without the possibility of making wage demands, the profits obtained with the added value extracted from this cheap labor force will be greater.

In the area of state goods and services, such as electric power, transportation, health, drinking water, etc., if spending is not increased because of austerity controls, this will directly benefit private capital, as these services will be cheap, and this will help to decrease the costs of production, especially the cost of the labor force. THis will amount to a subsidy for the private production system, which they will use for their own gain.

While the workers and peasants are adversely affected by the emergency law and the owners of the private means of production benefit from it, there is a sector within the state bureaucracy that is ignoring the provisions of the law. Their attitude is one of arrogance and contempt for the working people. They are not concerned about violating traffic laws, about abusing the state property for which they are responsible, about unnecessarily wasting materials and fuels which it is their duty to conserve. At higher levels, they ignore their duty to inform the people, the source of power, about the nation's economic and financial status. But such action is required to halt this crisis, of which we have given a real and objective description of its causes, a description which coincides with the description given by the ECLA [Economic Commission for Latin America] in December 1979, when it predicted for Nicaragua: "An adverse situation without precedent in the recent history of any Central American nation." We believe that looking for other mechanisms or giving greater emphasis to political phenomena is a subtle way of wasting time and trying to spread confusion.

7679
CSO: 3010/190

WORK OF 'ANN' NEWS AGENCY IN PAST 2 YEARS DESCRIBED

Managua BARRICADA in Spanish 19 Oct 81 p 7

[Text] The perforated yellow tape is placed in the transmitter. Barely 1 second later, the teletype in Moscow or in Rome receives a news report explaining our people's efforts to boost production. At the head of the news release is an abbreviation: ANN [New Nicaragua Agency].

This is just one of the dozens of news items that the ANN transmits daily through its cable network. That very day, this information with a revolutionary orientation may appear in a foreign paper, conveying a true vision of what is happening in our country.

ANN, which was established exactly 2 years ago, has moved steadily forward, based on realistic planning designed to meet our nation's limitations.

A news agency is always complex. It is essentially a network; its point of reference is its central headquarters and its branches are its correspondents and the countries which receive its reports on a regular basis.

Just 2 years after its creation, ANN is not only a concrete victory of the Sandinist popular revolution, but it is also a true strategic necessity, as it carries Nicaragua's struggle into the international field of information.

The Fight for the New Order

The decolonization of information is one of the goals which the developing countries have set for themselves, for some time now. This is of course a very difficult goal to achieve. Dependence is not only reflected in the weak economic structures of the poorer countries, but also, and in a more dangerous and more subtle way, in the manipulation of reality by means of information.

In this final quarter of the 20th century, the aggression of the imperialist countries is being conducted not only physically, but it also includes a monopoly on the news produced in the underdeveloped countries. In other words, the news multinationals give their version of our reality, arranged to suit their own interests.

ANN is now engaged in this unequal struggle. Nicaragua has joined in the battle for a new international information order with its revolutionary agency which, while it can not block the sophisticated and wealthy resources of the multinationals, does present to the world an alternative source of information.

A Qualitative Leap Forward

Based in Nicaragua, ANN has become a regional agency over the past 12 months. Correspondents in Mexico, Panama, Costa Rica, and Honduras provide a flow of news coming from those countries. These reports are then redistributed not only to the local information media, but also to other countries.

Placed in the context of the changes taking place in Central America, the agency provides the world with reportage that enables people to grasp the reality without the distortions introduced by the multinationals' point of view.

ANN's qualitative leap forward began in July. In June of this year, each day the agency transmitted about 6,000 words. In August, it was transmitting 12,000 words, and now the teletypes are sending about 18,000 words a day.

Carlos Garcia, the director of ANN, told us: "What we did was to rearrange our resources, including our human resources, and this has obviously worked well."

This reorganization led ANN to reclassify its journalists into three groups: editors or persons responsible for the final product and for the orientation of the news; the group of writers; and a third group of reporters who cover activities and events and report on them by telephone to the central office, where the stories are written.

In this way, says Garcia, we are speeding up the process by avoiding the time-consuming traditional system in which the material produced by the reporter has to be rewritten, which is a constant duplication of work.

Along with these organizational changes, ANN has begun to transmit special materials, commentaries dealing not only with Nicaraguan problems, and with our achievements, but also with world problems.

This new program has led ANN to open branch offices in France, a vital news reception center, and it is thinking of opening other offices in Spain and Sweden soon.

Vehicles for This Advance

Obviously, for a small country in the shaky economic situation ours is in, a worldwide information system is little less than unthinkable. Therefore, ANN has sought--and found--the vehicles needed to carry its reports abroad.

An agreement with the Soviet news agency TASS allows news from ANN to be distributed throughout all the socialist countries. Either published completely or used as a serious and reliable point of reference, the ANN news reports have had an impact in the socialist community.

Since July of this year, ANN has also used the channels of the IPS [Third World Inter-Press Service]. ANN is also part of the ASIN [National Integrated Systems Action], which was founded 3 years ago at the initiative of Carlos Andres Perez. The news agencies of Venezuela, Mexico, Peru, Colombia, Ecuador, Panama, Guyana, the Dominican Republic, and Nicaragua are members of this organization.

But independently of ASIN, the ANN distributes its reports through the international channels of IPS, reaching every day 40 countries of Europe, Asia, Africa, and Latin America. In this way, a selection of news reports and commentaries from ANN--approximately 3,000 words a day--reaches all the IPS terminals and is distributed by the local media.

Through Prensa Latina, the Cuban news agency, the ANN materials are distributed to the countries which make up the Non-Aligned Countries News Agencies Pool.

At present, ANN has one reporter taking a course in New York, two at the IPS office in Rome, and three studying communications techniques in the Soviet Union. This is part of a program designed to improve its organization.

Objectives of This Program

In analyzing the role of the agency in the campaign against misinformation, Carlos Garcia pointed out: "We are a factor for neutralization in the campaigns being waged abroad against the revolution by the news multinationals and by the reactionary media."

To achieve these goals, the ANN reports go not only to the news media in each country, but also to the embassies of Nicaragua abroad and to the solidarity committees supporting Nicaragua, which reproduce these reports to the extent possible, depending on the resources available to them.

Just 2 years after its founding, ANN is a powerful reality, a real element of combat in the international arena.

7679
CSO: 3010/190

DEVELOPMENTS IN COUNTRY'S AGRARIAN REFORM DESCRIBED

Leon Cooperatives

Managua BARRICADA in Spanish 16 Oct 81 pp 1, 5

[Text] Montalvan, Sacasa, and Guerrero are the names of the three most important families of Leon, owners of more than 38,000 hectares of land. Face-to-face with them are 6,211 peasant families who possess 11,175 hectares.

In other words, each of these peasant families has a maximum of 5 hectares for their farming; and to state that each animal of one of the important families has more land to move around in than the peasants is very close to the truth.

Just as in the rest of the country, Leon will be a district where agrarian reform will continue to change, within a process, unjust relations in land ownership.

Agrarian reform and other measures that are going to be adopted will contribute to ending the injustice between the peasantry and the landowners at the same time that they will help Nicaragua to surpass its production levels, especially regarding agricultural export and food products.

In contrast to what has been stated--that the agrarian reform started last 19 July or that it will be launched today in Wiwili--it can be said that Leon is the practical forerunner of this FSLN (Sandinist National Liberation Front) guideline.

Amid the din of battle, in July 1979, the national board of the FSLN had already opened the first Sandinist agricultural cooperatives, which are the foundation on which, together with the state enterprises, the program of agrarian reform will be established.

The Experience of 2 Years

Two years and 3 months later, BARRICADA reporters visited two Sandinist Agricultural Cooperatives (CAS) considered to be models in land cultivation through the efficient labor of the small and medium growers.

This collective type of work has been combined with logistic support from the state: technical assistance, markets, fumigation, machinery, credits, etc.

Present Development

Now we are going to have what we had never had--land to work and the facilities to do it. This is what we were told by Mr Jose Urbina Ruiz, a peasant from Telica and a member of the La Cottora CAS. Urbina Ruiz is a peasant by occupation, with gray hair and memories of a life of seasonal work between one ranch and another throughout the district of Leon.

A founding member of the CAS, Urbina Ruiz stood under the shade of a chilamate and, with his gaze fixed on the 43 manzanas planted with cotton that last season yielded 54 quintals each of the white speck type, he spoke to us about the advantages of collective work.

"If I planted 5 or 10 manzanas all alone," he said to us, "I would have to work with greater effort, because alone I could not do it."

Urbina Ruiz related to us his experience as an individual grower 1 year before the war. At that time, he planted 1 manzana and he harvested 35 quintals. The money for the planting had been lent to him by Octavio Zamora at 2 percent monthly.

The harvest was for Zamora, he told us; and the bother and the coming and going of the oxen was also for Zamora.

Don Jose is a member with eight other compañeros. One of them is a "plaguero." He is Elias Castro. They all have a common background. They were workers at the Gurdian enterprise, where they met one another. They did temporary jobs or worked in the harvests. Their coming and going from one ranch to another unites them, together with the population of Telica.

The CAS is organized with a board of three members, one of whom is the democratically elected coordinator and who has sufficient knowledge to manage the field tasks. Their salaries are the same. No one earns more than anyone else.

Cristobal Carrero Zapata is one of the members responsible for keeping the furrows clean, as if they were dealing with a garden and not with planting cotton.

Sure in the knowledge that the past was left behind and that it will never return, Carrero Zapata told us: "I gave my childhood to the Gurdians. At the San Jose de la Montana (Saint Joseph of the Mountain) ranch I worked for Pancho Galo."

Referring to the ranch that he farms with his compañeros, Carrero Zapata told us finally, "What we like to do is work, and here we have been given the chance. Through PROCAMPO, which held some talks with us, several of us compañeros got together and we are working here."

The Rigoberto Lopez Perez CAS

On the road that leads to the El Limon mine, we find the vegetable CAS, where 16 members rent 16 manzanas of land to plant them with tomatoes, cabbage, and chiltomas.

All of the members, who are landless peasants, are engaged in the planting of vegetables, which is unique in the whole district of Leon. The yield achieved is 1,000 boxes of tomatoes per manzana. The members from Teotecacinto, in the municipality of Jalapa, remember that the ATC (Agricultural Workers Association) organized them initially to go ahead with the cooperative.

The members' immediate prospects are for the granting of agrarian reform titles. They are the ones who make the land productive; nevertheless, they have to pay 400 cordobas per manzana.

In practice, the cooperative tends to become a school for the peasants organized in the area. Its agricultural production is attractive to the district, since it is the future source for providing vegetables to the western region.

First Titles Granted

Managua BARRICADA in Spanish 16 Oct 81 pp 1, 5

[Text] The signature of the members of the national board and of the son of Cdr German Pomares, Germancito, were stamped last night on the first title of agrarian reform, which will be delivered today to the peasants of the cooperative that will bear the name of German Pomares, the national hero who fell a few days before the victory.

That same day the Regulation of the Law of Agrarian Reform came into force, and Commander of the Revolution Jaime Wheelock, the minister of agricultural and livestock development and agrarian reform, signed the first resolutions concerning land.

Commander Wheelock signed in the presence of the vice minister for agrarian reform, Salvador Mayorga, and of the secretary general of MIDINRA [Agrarian Reform Ministry], Ruth Herrera, the historic documents that make real the desires of thousands of landless peasants.

A Cooperative Organized by Pomares

The first title of agrarian reform, once it was signed by Commander Wheelock, was brought to the other members of the national board, outstanding among whom was Commander of the Revolution Thomas Borge. This title will benefit a cooperative that was formed during the war by CDR German Pomares.

"Thus the agrarian and revolutionary dream of German Pomares is fulfilled and of all those who died so that some day our peasants would have land," emphasized Commander Berge, who described as estraordinary the value of this first title of agrarian reform, which must be preserved for future generations, according to him.

Commander of the Revolution Luis Carrion said that the delivery of the titles of agrarian reform that will be made today "is possibly one of the most important actions, is not the most important of all the actions of the revolutionary government since 19 July 1979, because it represents laying the first building block

of the fulfillment of a dream long cherished by our peasants, our laborers on the land, by our immortal general of free men, Augusto Cesar Sandino, which at the same time means the start of a profound change in the socio-economic foundations of Nicaragua."

The German Pomares Cooperative is in the municipality of Yali, district of Jinotega, and 209 manzanas were allocated to it from the Las Delicias state production unit.

At this early stage, all the lands that will be handed over to the peasants who are organized in northern Nicaragua are state lands.

The Regulation of the Law of Agrarian Reform

On signing the regulation of the law of agrarian reform, Commander Wheelock emphasized that, despite the fact that the law authorized the minister to issue an agreement on agrarian reform, without need for the regulation, it was not until the regulation came into force that the first measures were taken.

MIDINRA Minister Wheelock drew attention to article 50 of the regulation, which establishes an explanation regarding the lands allotted to cattle raising. According to article 6 of the law of agrarian reform, on the lands devoted to cattle raising in region A there should be one head for every two manzanas and, in region B, up to three manzanas for each head of cattle.

"What is happening," Wheelock explained, "is that because of a series of natural conditions, topographic factors, the quality of the soil, because of traditional practices and losses in the war, there are some resulting stockbreeders who are in a difficult situation and who could be affected by the law, it is within this context that MIDINRA will be able to make special considerations, thus leaving the application of the law even more flexible.

"Undoubtedly this is going to benefit some stockbreeders who are ready to work, and we are ready to recommend them before the National Finance System and before the various programs for the development of cattle raising," said Commander Wheelock.

The Regional Councils for Agrarian Reform

The Regional Councils for Agrarian Reform are regulated in two ways, explained Wheelock; relating to its composition and its functions.

The National Council of Agrarian Reform has only seven members. On the other hand, added Wheelock, in the Regional Councils "we have wished to leave participation slightly open because in some regions we have certain bodies that are more important than in others, and it has been established that, at least, the regional delegate of the ministry of the corresponding region must be present, along with a representative of the ATC [Rural Workers Association], one from UNAG [National Union of Farmers and Cattle Raisers] and one from the municipal juntas of the region, with the aim of giving participation to the district authorities in the process of agrarian reform."

The regional councils also have the task of assessing the agrarian reform process and finally issuing opinions on how lands will be affected and their allocation.

The Agrarian Reform Bonds

Salvador Mayorga emphasized the regulation's procedures for compensation, which establishes a mechanism for payment through bonds, stipulating classification into three types of bonds.

The bonds, which will be of A, B, and C class, will be allocated in accordance with the type of land that is affected and the reason for its inclusion. It will be the responsibility of the ministry to deliver the bonds, once the amount of compensation has been determined through various mechanisms that also are established in the regulation.

The maturities and rates of interest of the bonds would vary from 15 to 25 years and from 2 percent to 4 percent yearly.

The First Person Affected by the Law of Agrarian Reform

At the end of the session, they made known the name of the first person affected by the law of agrarian reform, who is Marcelino Galeano Salinas, who had a coffee growing and cattle raising property that was expropriated because production had been abondoned and because Galeano had joined with the bands of former Somoza guards who are operating in the Wiwili area.

"This is a landowner who was a despot in that region, and who had a completely wrong attitude toward the revolution, to the extent that he allied himself with elements of the genocidal former guard and had established on his ranch a counterrevolutionary encampment," explained Commander Wheelock.

While he signed the resolution affecting the Galeano Salinas ranch, MIDINRA Minister Wheelock stated that, "We are answering this counterrevolutionary with the law of the workers and peasants."

At the conclusion of this historic event, Commander Wheelock said that the signing of these decrees expressed a reality that could only occur thanks to the bravery of and the blood spilled by the thousands of martyrs of the revolution.

"It is up to us, who through a series of factors were able to come out alive, to carry forward the process of agrarian reform that was always included in our revolutionary program, and we feel extremely satisfied to be fulfilling this program for the martyrs, fulfilling it for Sandino, for Zeledon, for all the poor of Nicaragua and the children of the peasants," Wheelock concluded.

Agrarian Reform Tribunal

Managua BARRICADA in Spanish 21 Oct 81 p 12

[Text] The requirements anticipated in the law of agrarian reform were completed yesterday when the Secretary of the Government Junta, Rodrigo Reyes, swore in the

members of the Agrarian Tribunal in the presence of Commander of the Revolution Jaime Wheelock, who also is the minister for agricultural and livestock development and agrarian reform, and Dr Ernesto Castillo, minister of justice.

The Agrarian Tribunal, which is directly dependent on the Government Junta, will hear the appeals of the sentences that MIDINRA will pronounce against the lands affected by the agrarian reform, and the tribunal will operate initially at Government House itself.

Minister of Justice Castillo explained on this occasion that the composition of the tribunal responded to consultations that were held with the peasants and the small and medium growers since before the enactment of the agrarian reform law.

This tribunal, added Castillo, could not be a traditional body, but together with the technical capacity to conduct the proceedings, through the presence of a lawyer, there also had to be "the participation of peasants, of stockbreeders who are working for the reconstruction of Nicaragua and of persons representing those sectors who know agriculture, who know the problems of agriculture and who at the moment of pronouncing a sentence, more than adhering to a strict formalism, understand the rights of the claimant as well as the objective needs of the revolution within the agrarian reform project."

Because of the tribunal's very composition, it is trusted that it will be sufficiently dynamic so that in no way will the legal procedures delay production, concluded Castillo.

Growers Represented in Tribunal

Commander Wheelock referred to the members of the Agrarian Tribunal to point out that they are a guarantee of its functioning, and he first mentioned compañera Amada Pineda de Arauz, "who faithfully represents the peasantry," Wheelock said.

Wheelock then mentioned Alfonso Nunez, who interprets the interests of the small and medium growers; Adolfo Guerra, stockbreeder and father of Sandinist hero Xavier Guerra; and Nemesio Porras, "the first Nicaraguan who was concerned with systematizing the problem of land and its ownership in Nicaragua."

Finally, Wheelock mentioned compañero Eddy Grijalba, who until a few days ago was the vice minister of justice and who will occupy for 1 year the presidency of the tribunal, ensuring the technical aspects of the proceedings of which the tribunal will be in charge.

Tribunal Already Functioning

According to the explanation given by Commander Wheelock, the procedures established to protect all those persons who feel they have been injured started to function at the same time that the tribunal was sworn in.

"The Agrarian Tribunal is going to operate as a way of perfecting the application of justice in agrarian reform," Wheelock pointed out.

The procedure for lands that are affected starts first with finding idel and abandoned lands. It is then up to the local council for agrarian reform, through the regional director for agrarian reform, to propose to the MIDINRA minister that the land is affected, by issuing an "agreement of inclusion."

At that moment, the time limit begins and the procedure in which the Agrarian Tribunal is included starts to operate, as a resort of appeals that has in a certain sense a decided character of protection," Wheelock added.

Once the tribunal has issued its sentence by majority, the decision is firm, with the tribunal then going ahead to allocate the land that has been affected, which, depending on the case, will benefit a small grower, a landless peasant, a person in a precarious situation, a tenant farmer or will be incorporated into the state, with the respective titles of agrarian reform being granted.

MIDINRA Minister Wheelock clarified that, in the case of the titles granted in Wiwili, it was a matter of state lands given to the peasants, on which there is no appeal at all before the tribunal. The tribunal could start to take action in a case in which there has been a claim by the owners whose lands were affected by the resolutions made known on 16 October.

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CONCERN EXPRESSED OVER BALANCE OF PAYMENTS

Lima EL COMERCIO in Spanish 15 Oct 81 p A-2

[Editorial: "Behavior of the Balance of Payments Is Not Encouraging"]

[Text] According to figures provided by the Central Reserve Bank, at the end of the first 6 months of this year, our balance of payments showed a deficit of $660.3 million, which must be interpreted as a position diametrically opposite to that which was observed during the previous year, which closed with a surplus of nearly $730 million. Evidently, the contrast does not come down to a simple change of digits but has been turned into an indicator that the external sector of our economy has experienced a change, which must also be interpreted as meaning a greater vulnerability to the tendency toward recession in the international economic structure, characterized by the prevalence of the inflationary factor.

The same source analyzes the four factors stimulating the tendency toward a deficit: A drop in the prices of our export products, difficulties in selling the nontraditional products, a considerable increase in imports, and the advance payment of the refinancing arrangement reached with foreign banks in 1978.

In effect, during the period affected by the deficit sensitive changes have occurred in the prices for our export products in the industrialized market. Fish meal, coffee, copper, silver, and lead suffered that drop in price. Rice and sugar, which experienced a similar decline, turned out favoring us in the exchange because of the fact that we have changed from being a country importing those products. Only cotton, zinc, and petroleum achieved important price increases.

This situation is beyond the control of our economy. Rather, it is a consequence of the location of our country in the relationship and the exchange which is taking place with the central economies, the principal consumers of our production and, for that reason, directly responsible for the behavior of the market, which they control through the financial systems, investment, the needs of their productive machine and, of course, the advantages proper to protectionism which they practice in favor of their internal market, as can be seen--to cite only two examples--in the cases of limitations on the import sector of their market and the sale, in the form of "dumping," of their own strategic reserves. This is on the point of happening with relation to North American silver.

The other factor--the difficulty of selling the nontraditional products--was determined by the decline of the external market for some of those products and the internal reduction of quantities available for export. This last situation is derived from the lack of true stimuli to domestic industry and from the change of some treatment rules for domestic production, and not so much because of the levels of recovery of the internal consumption market, as the Instituto Emisor would appear to understand.

As for internal causes, the increase in imports is more relevant as a factor in the loss of position in the balance of payments, from which it is evident that proper controls in imports, especially those which displace domestic production or stimulate extravagant consumption, is an essential key to reach adequate levels in the relationship between exports and imports. In this respect tariff changes play an important, moderating role. Specifically, domestic industry is complaining of the lack of policies favoring industrial development. What is happening with the balance of payments could be connected, in a certain way, with this observation.

Finally, it is true that prepaying the refinancing arrangement made in 1978 has had an important part in the results shown by the balance of payments. The positive aspect of this decision lies in the savings of foreign exchange in terms of interest, besides recovering our image in terms of international banking. Nevertheless, this disbursement of foreign exchange changed the availability of our net reserves and, of course, influenced the behavior of our balance of payments.

5170
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LABOR MINISTER OBJECTS TO POLITICAL DEBATE ON STRIKE LAW

Lima EL COMERCIO in Spanish 15 Oct 81 p A-4

[Text] Minister of Labor Grados Bertorini yesterday expressed his disapproval that the bill on strikes is generating ideological and political debates in Parliament, rather than discussions concerning labor.

Grados expressed regret that there has been partisan voting on this bill and urged rather that it should be supported, "since this is one of the most advanced bills on strikes in South America," he said.

He stated that since the bill has been sent by the Tripartite Committee to Parliament, majority and miniority drafts have emrged, giving the impression that there is a descrepancy between them.

"Our bill," the minister of labor stated, "is not antistrike, nor is it antilabor. Rather, it is perfectly constitutional and is 80 percent based on the original draft which I presented to the Tripartite Committee."

The minister pointed out that even the bill supported by APRA [American Revolutionary Popular Alliance] and the left--which is the minority bill--basically is not different from the bill sent down by the executive branch, but on the other hand the opposition representatives have given priority to political and ideological interests, creating an apparent polarization in the debate.

He pointed out that, in his view, strikes must be peaceful and noted that this concept of pacifism has also provoked differing opinions in the parliamentary debate.

He announced that today the Tripartite Committee, through him, will take up the draft law on strikes sent to Parliament.

Returning Miners to Work

In another part of his statements in the Government Palace, after leaving his weekly meeting, he noted that, with the businessmen belonging to the Tripartite Committee and representatives of the Southern Peru Copper Company, he will consider the possibility of putting back to work all of the 106 workers who were fired by that company.

He recalled that, by decision of the Tripartite Committee, a group of 22 workers had already been returned to work. "If we could not return all of them to work, there would be the alternative of compensating them in some way," the minister of labor noted.

He also referred to the fact that the government is in a position to assure the workers in the silver mines that there will be no unemployment, despite the difficult situation which affects this sector, due to the crisis in the international market for that metal.

Grados Bertorini explained that the government will extend credit to small and medium-sized mining firms to maintain production and avoid a closing of the mines.

In answer to a question he said that in some sectors there is nostalgia for ministers of labor who oppressed the workers and acted arbitrarily. "These people are those who do not support the democratic dialogue to find solutions to labor and national problems," Grados concluded.

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LEFTIST INTERNAL ELECTION, PETKOFF, RANGEL'S ROLE ANALYZED

Caracas RESUMEN in Spanish 1 Nov 81 pp 4-5

[Text] RESUMEN has asked a group of poll-watchers to analyze and interpret the numbers posted by Jose Vicente Rangel (PCV [Communist Party of Venezuela]-NA [New Alternative]) and Teodoro Petkoff (MAS [Movement for Socialism]).

How is Petkoff's candidacy doing? How are things going on the Left? What's happened with the people in New Alternative? What do the polls tell us about the two hopefuls, Petkoff and Rangel? These are just some of the questions that experts, professionals and laymen are asking themselves in connection with the appearance of Jose Vicente Rangel and Teodoro Petkoff, the two leftist candidates, in the polls. RESUMEN has consulted a number of analysts, who have come to the following conclusions.

Petkoff

Contrary to appearances...the experts we consulted were unanimous in their opinion that Petkoff's emergence in all of the polls is a significant development and that his standing is almost inevitably bound to increase. Briefly put, the reasons they cite are as follows:

First, Petkoff "formalized" his candidacy, as far as MAS was concerned, on 17 July 1981. Before this, there was always the possibility that MAS would again nominate Rangel or move in the direction of Pompeyo Marquez. This is a very significant development, because Petkoff rarely made it into the polls as a "candidate," and when he did, he got very low totals, less than or slightly more than one percentage point. Technically speaking, Petkoff's first "publicity" problem was to make himself known as a candidate, even to the MAS people themselves. He seems to have achieved reasonable success in this effort, partly because of MAS' undeniable nationwide standing as a party and because of several factors that could be regarded as negative from another standpoint, such as Villalba's veiled accusation and the resulting scandal. Even if this wound up being somewhat negative for Petkoff, it did have its positive side because it tagged him once and for all as a "candidate," which was precisely his initial objective. Today, in October 1981, just 3 months later, we can state that Petkoff is indeed a candidate and that the polls cannot ignore his presence. It is in this sense that the analysts see

Petkoff's "score" as even more significant, because he is up there with such major candidates as Caldera (a four-time candidate and a former president), Lusinchi (who opposed Pinerua for the nomination and ran successfully for secretary general) and Jose Vicente Rangel (a two-time candidate). Experience shows that having been a candidate of a faction (like Rangel) or of a party (like the others) leaves a deep imprint on people's memory and has a very powerful inertia not only among those who voted for the man but also among those who became disillusioned and plan to vote "against," not "for" someone.

Second, what impresses poll-watchers most about Petkoff is that he is the candidate of a party with an unquestionably organized presence throughout the country and in very influential sectors of the mass media. Analysts point out that when the polls ask about backing for parties, not individuals or candidates, they find that there are only three political organizations in Venezuela that deserve that label: Democratic Action (AD), COPEI [Social Christian Party] and MAS. In this regard, the organizational base of Petkoff's candidacy, his vehicle, is much stronger than the other leftwing candidate's (some have virtually described him as a "bluff"), and he is running shoulder-to-shoulder with COPEI...This could mean one of two things: Either COPEI has slipped greatly or MAS is very much on the rise. Let's take a look. In a Gaither poll of party support, AD gets 42 percent, COPEI 17 percent and MAS 11 percent. In a Gallup poll AD gets 25 percent, MAS 20 percent and COPEI 17 percent. The differences between the two polls do not hide the fact that MAS has risen and COPEI fallen. As far as Petkoff's candidacy is concerned, this means, looking to the months ahead, that the tide is running Petkoff's way.

Jose Vicente Rangel

Rangel's case was examined thoroughly by the experts that RESUMEN called on. They disagreed on a number of points but agreed in principle that the last word has not been spoken on the Rangel-Petkoff faceoff. We will have to see what happens over the next few months, but it looks now as if a "scissors effect" is taking place; in other words, the trend is upward for Petkoff and downward for Rangel. Here is a summary of their explanations.

First, Rangel is unquestionably holding steady. A sign of strength? Of stagnation? It's too early to tell. The fact is that he is not moving up. On this point, there is a significant discrepancy between the figures given by DATOS and those of Gaither and Gallup. It is quite possible that there has been some doctoring here by DATOS, which likes to wave the "red flag." In any case, the factors in Rangel's favor that are helping to keep him where he stands (in third place) are as follows: a) The inertia of having been a "leftwing" and MAS candidate; b) The fact that many MAS activists and sympathizers still think he is the MAS candidate when polls are taken; c) The fact that many backers of a leftwing candidate (alone or coalition) think so too, and d) The fact that many people who are not leftists and who even opposte the Left continue to regard Rangel as the candidate of MAS and the Left. All of these factors are in Rangel's favor...but they will tend to

turn against him as the Petkoff-Rangel picture clears up. Obviously, an understanding between them (whereby one of the two would drop out and support the other) would change the picture and perhaps further the other candidate, but there is a consensus among the analysts that if this comes to pass, it will not be right away and that if it does not happen immediately, it will not have its potential "beneficial" impact if and when it takes place.

Second, the poll-watchers also agree on a series of "negative" factors for Rangel, as part of the so-called "scissors effect." These are: a) The fact that he is the candidate of the Communist Party and of so-called "sinister socialism." Rangel will be forced by events to back developments that are highly unpopular but that constitute "dogmatic truth" to orthodox communists. We have even noticed that upon his return from the USSR and Cuba, Rangel has begun addressing issues that lend themselves to prefabricated rhetoric, which has yielded the communists such poor results in every country in which they have run in elections.

B) Even more than this, though, the analysts feel that the lack of a real party machine is what will cause Rangel to slip in future polls. They feel, however, that Rangel has cultivated good relations with the media with striking skill, and they could project an image of him that is not at all in keeping with his actual ability to run a nationwide campaign. Rangel does not seem to have developed a homogeneous, efficient and, above all, nationwide team. The small groups that make up the so-called New Alternative (Revolutionary Action Groups, Movement of the Revolutionary Left, Americo, Vanguard, FREDEBO, etc) are incapable of operating outside their tiny spheres.

The Unity of the Left

Contrary to how it might seem from all of the above, the analysts agree that a strong Petkoff candidacy does not seem to have hurt Rangel that much, and vice versa. There must, of course, be some impact, but it is still undetectable. The issue of a leftwing candidate (which some polls raise) continues to favor Rangel, but the aforementioned arguments about Rangel's "static-downward" trend and Petkoff's "upward" trend still hold. The analysts feel that a spectacular withdrawal of either candidate would unquestionably benefit the other. In this regard, the talks on the so-called "leftwing primaries" are moving ahead slowly; they are not at a standstill, but there is little enthusiasm either. In point of fact, they are discussing "rules of procedure," which could be out by mid-1982, if at all.

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EDUARDO FERNANDEZ' ROLE WITHIN COPEI DISCUSSED

Caracas BOHEMIA in Spanish 1 Nov 81 pp 6-9

[Text] When tensions within COPEI got to the point that serious consequences were in the offing, a conciliatory meeting was immediately arranged at Jose Antonio Perez Diaz' house. At the get-together, veteran political leader Dr Luciano Valero commented jokingly:

"Man, this guy (he actually used another word and was referring to Eduardo Fernandez, who was listening beside him) has got us in a real fix with his 'doggie paddle.'"

"Just a minute, Luciano; explain to me what you're talking about," Eduardo interrupted.

"Well, haven't you ever seen a dog crossing a river? You can't see his legs when he's swimming, but he keeps moving forward."

This was how one of the men closest to President Herrera described one of COPEI's leading figures. But the important thing was that the meeting succeeded in calming people down, and an "entente cordiale," a traditional hallmark of the green party, made a strong comeback.

Nevertheless, tensions, arguments and ambitions were not completely done away with. We saw proof of this in the recent National Board meeting, where Dr Caldera was apparently victorious, Pedro Pablo Aguilar was virtually defeated, certain doubts arose about Montes de Oca's prospects, and Eduardo Fernandez was clearly a winner. Fernandez, like the swimming dog, became the most respected COPEI leader in recent times and thus achieved one of his goals without people noticing how he got there.

The National Board meeting that has just concluded will doubtless go down in COPEI history because it was a gage of the real strength of the various factions fighting to further their positions. The real winner of this soon-to-conclude match is the question mark that we will try to erase for our readers in this article.

Caldera: "To Administer Abundance with..."

In the wake of the National Board meeting, at which Eduardo Fernandez' proposals were passed by a wide majority, the Caldera faction has been forced

to administer its victory very carefully. Only a political newcomer, never an intelligent man like Caldera, would think of proclaiming victory at this point and in these circumstances. He knows that having the helm of government in one's hand affords great power, and that is what Montes de Oca, his main rival, has, in addition to great leadership qualities.

Nevertheless, although the government's image is rubbing off on him too, Dr Caldera is determined to compete with all of his available resources, save one: negotiation. To him, his ambition is not negotiable, even for all the gold in the world. He has very fond memories of the Misia Jacinta Palace. Therefore, he acknowledged publicly at the meeting that Abdon called at the Hotel Bruno in Sabana Grande last 3 October that he would seek his party's presidential nomination. That same evening he left for Madrid, leaving a hornet's nest behind him in COPEI.

Pedro Pablo's Chinese Tactics

The day after Caldera went to Spain, Pedro Pablo Aguilar, who had been visiting the new COPEI Mecca, Peking, returned to Caracas. Aguilar brought back new ideas from the Far East to add to his finely honed political experience. "What will Pedro Pablo's new strategy be?" "Will he beat Caldera?" asked his followers every step of the way, placing their complete confidence in him.

Pedro Pablo's first "Peking" move was to wrest control of the negotiations with Secretary General Eduardo Fernandez away from the "Pepi" faction, in order to prevent the Caldera faction's maneuver from working out. "We have to stop the party authorities from being reelected at the upcoming National Board meeting and call for a National Convention to democratically elect a new National Committee," was the nationwide rallying cry of the Pedro Pablo faction.

San Juan Has It All, San Juan Gives It All

Pedro Pablo called a national meeting of his faction for 12 October in San Juan de los Morros. The invitees ranged from President Herrera, "Pepi" Montes de Oca, several ministers and governors, to the most fanatic Pedro Pablo man in Escuque. The strength of Aguilar's following was to be gaged there. Eduardo Fernandez himself did not want to miss this show, citing the excuse that "wherever two COPEI members might meet, I will be there as secretary general on behalf of COPEI." It was a way of shielding himself from the criticism that they leveled at him for showing up at the Hotel Bruno. But in passing, Eduardo was going to count up the votes that Pedro Pablo got and check out the strength with which Aguilar was threatening him every step of the way.

The meeting began with neither President Herrera, nor Montes de Oca, nor Luciano Valero, nor Garcia Bustillos there. Also significant was the absence of ministers, party secretaries general at the regional level and many rank-and-file staff. Key people (for Pedro Pablo's strategy) from Portuguesa, Yaracuy, Barinas, Carabobo, Apure and all but five of the invited

governors failed to attend the event. Of the 14 secretaries general that the Pedro Pablo faction allegedly controlled, only 4 attended. This scant showing led a "Herrera" senator to comment: "The fact of the matter is that what makes this meeting shine is the presence of Eduardo Fernandez."

The unsuccessful summit meeting in San Juan forced the Herrera faction to alter its plans. "We can't stage a National Convention if the people who came to Guarico represent our real strength," was the comment by some of "Pepi's" strategists.

Then came the negotiations with Eduardo Fernandez. This is what Pedro Pablo proposed to him: We'll support your reelection in exchange for their (the Caldera faction) allowing the National Committee to be expanded with a good number of "Herrera-Pedro Pablo-Pepi" people.

No agreement was reached, however, though the door was not completely closed either.

Winner Take All

Uncertainty reigned at Parque Central when the National Board meeting was held. In light of the agreements that Eduardo Fernandez and Pedro Pablo had been pushing for, many of the hardline Caldera people grew frightened and immediately called their leader back from Madrid. Caldera rushed back (he took a DC-10) and showed up just in time to hear Eduardo Fernandez read his report and present his conciliatory position. Although Fernandez denies it, he met secretly with Caldera and Oswaldo Alvarez Paz, and they decided not to negotiate with the Herrera faction. "I will not accept a consensus with deals," Caldera would later tell all of the delegates.

Then they got down to brass tacks. In a fiery speech in the presence of reporters (a brand new democratic approach that COPEI is introducing in Venezuelan politics), the secretary general proposed that the party's current authorities be reelected, that no convention be staged to elect new authorities until after 1983 and that, in any case, the National Board be expanded with several individuals to be selected on their merits, not for belonging to a given faction.

Pedro Pablo was in hot water. He could not come up with anything to say and finally had to give in. Caldera had won this round. There was consolation for the Herrera people, however: There was no move to announce Caldera's candidacy without further ado, as Abdon Vivas had planned.

The "Dauphin" Becomes a Shark

One of the most significant developments in this squabbling among COPEI factions is that Caldera's so-called "dauphin," Eduardo Fernandez, has become a real "shark." Many thought that the young leader had no chance to make it up the ladder in COPEI because he had no rung of his own. But the facts have shown otherwise. Eduardo Fernandez has served as secretary general like a true modern leader. He has been able to skillfully weather hard times.

He has placed himself above party trifles and has shown himself equal to the position he holds. This is why he has attempted to reconcile the party with the administration. And this is why Luis Herrera expressed public appreciation to him. By the same token, he has tried to avoid getting involved in direct squabbling among COPEI's factions, and this is why Pepi wants him to mediate his conflicts with Caldera.

"If things continue this way, Eduardo Fernandez will consolidate himself as the political figure with the brightest future in COPEI, though we should not, of course, forget about Rafael Andres Montes de Oca, a leader of great charisma and administrative skills," Americo Martin remarked a few days ago to his colleague Etanislao Gonzalez as they were seated in Congress.

Party factions aside, the big winner at the recent COPEI caucuses was Eduardo Fernandez.

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AD, COPEI, PCV, MAS, POTENTIAL CANDIDATES VIEWED

Caracas RESUMEN in Spanish 1 Nov 81 p 36

[Article by Carlos Blanco: "Politics and Panic"]

[Text] A certain type of politics (some call it contemporary) revolves around public opinion trends and the polls that sound them out. Polls have become the oracle that modern politicians consult. A one percent rise brings smiles; a slight drop, annoyance; and a sharp fall, even if relative, a state of panic.

There are various explanations for the omnipresence of polls, among them that the prevailing politics in Venezuela today is electoral and that polls, which reflect the public's mood at a given moment, are very similar to the act of voting at a given moment. In addition, the importance of polls stems from the lack of other reference points for the parties to formulate policy, in other words, there is no intense social struggle, no rallies, no social organizations with a strong public presence. This makes opinion polls a practically irreplaceable guideline for party election machines.

Nevertheless, these significant polls are tragic in a way, above and beyond the numbers that they provide us. Their findings are generated by a correlation of given social forces, and therefore they reflect some leanings and not others, some problems and not others, some foreseeable developments and not others. Thus, engaging in politics on the basis of the polls, in a way means reproducing the social situation that they reflect. I am not, of course, trying to downplay them as indicators of public opinion; I am just trying to ascertain their scope.

Caldera and Lusinchi

The relationship between AD and COPEI, immersed in the logic of the polls and with their respective likely candidates, is plainly dramatic. In point of fact, the best card that COPEI could unquestionably play is Rafael Caldera, but he is being hounded by Lusinchi, and what is more, Lusinchi is far ahead of him in certain polls. The lead becomes huge when we consider the contest between AD and COPEI, in which the latter is falling more and more behind the former.

There are several reasons for Jaime Lusinchi's lead, some having to do with internal developments in AD and others with the political context. Within AD, Lusinchi has become a sort of compromise candidate for the party's Betancur and Perez factions, its major ones, because he is portraying himself as a leader who can dispel the frustration caused by the defeat of Pinerua, who has been principally blamed for the setback. The external factor helping the AD presidential hopeful is that because the Left has not yet managed to come up with a single platform, much of the potential electoral support for an alternative platform felt to be viable is drifting towards AD.

Perhaps the main responsibility for the gap between Caldera and Lusinchi falls to the COPEI administration of President Herrera, who in a sort of diabolical logic is seemingly going to force COPEI to run its best candidate but while pursuing policies that will make his defeat inevitable, thus making the Caldera faction pay the piper for the disaster. Nevertheless, there are some far from easy episodes that remain to be played out in the internal struggles of both AD and COPEI, and such developments will help determine whether the standings of their candidates remain the same, whether the gap widens and whether the two-party system holds up.

The Polls and the Left

There have been interesting developments on the Left that have been partially reflected in the polls; they have mainly to do with the gap between the two hubs around which leftist electoral support has mostly gathered: Jose Vicente Rangel and MAS [Movement for Socialism]. It is particularly impressive that Rangel, virtually by means of his political image and significance alone, and lacking a apparatus (as the shamefaced Stalinists say), has not only become the leading leftist candidate but in some polls and in some cities is right up there with Caldera and Lusinchi.

It bears noting that the Gaither poll gives Jose Vicente Rangel 9 percent, against 5 for Teodoro Petkoff; Gallup has Rangel at 8.9 percent, compared to 2.3 for Petkoff, while the DATOS numbers are 15 and 5 percent. MAS' prominent role as an organization is noteworthy, as it even stands well above its current candidate, but when we look at the numbers in the Gallup poll, for example, we see that 52.6 percent of MAS sympathizers back Jose Vicente Rangel. We should also take notice that New Alternative, a movement that is far from being an organization, has begun to appear in some polls, Gaither for example.

In any case, the polls show that Jose Vicente Rangel is clearly in the lead on the Left, that there is a real chance that unity would shatter the AD-COPEI two-party grip and that the forces and factions that now support Rangel have to develop a national political organization in which to crystalize the support that he elicits among vast segments of the populace.

The Left's big challenge is to develop policies that will enable it to have a strong and combative social presence, to garner close to 30 percent of the vote and to make it into government during the decisive decade of the 1980's.

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UCV STUDENTS STAGE SALVADORAN SOLIDARITY MARCH

Caracas EL NACIONAL in Spanish 30 Oct 81 p C-2

[Article by Hector Landaeta: "The University Students 'Painted Caracas'"]

[Text] About 5,000 students paraded from the UCV [Central University of Venezuela] to El Venezolano Square while crowding the walls with slogans in support of the Salvadoran people.

The walls of Caracas were talking more than ever before about El Salvador because yesterday the paintings expressed the language of a student march which, from the UCV to El Venezolano Square, spread slogans "as an expression of solidarity with the Salvadoran people."

The troublemakers were running around, looking for trouble, looking for chaos, looking for confusion which did not materialize because the forces of law and order had made themselves felt.

"Please go away, we will not have any sabotage or trouble here," a student leader shouted forcefully when they turned up. The march ended successfully with a chorus of voices singing the national anthem. All political youth groups, except for those from the Social Christian Party, were present.

The first shouting was heard at the gates of the UCV at 1100. This marked the beginning of a march which became a busy day of painting. With the flags of Venezuela and El Salvador in the lead and a rain from spray cans, they burst into the remodeled El Venezolana Square.

The signs:

"Where are the real lessons of education? They are to be found in El Salvador."

And the chorus of voices repeated; "We are a country of liberators, not interveners."

La Salle Avenue was gradually cleared out. Absence of political leaders in the lead group. Only Julio Escalona and Orlando Yajure; the rest were student leaders.

From a balcony, a man wearing a sharp business suit made a disapproving gesture. But nobody cared. The march continued and four groups of people were formed.

The walls were painted with crude and then the posters were stuck on. The people nearby were whispering. Some joined the march while others just listened. "We are not parading; we are protesting."

And the protest was planned, certainly when it came to the spray cans. Groups armed with their cans were leaving their marks. When they reached Andres Bello Avenue, they received a salute from a hand accustomed to such a gesture: Hector Mujica raised his right hand while talking to a transit inspector.

Just a few yards further on, the troublemakers turned up; two, four, six, eight, the action vanguard began to make trouble. The students were determined "not to let them bother us." We will thank them to withdraw. Down with the saboteurs. There must be no sabotage. One of the troublemakers replied by simply strutting up and down. Spirits became heated up and the first clash of violence exploded. The hoods were delighted for a moment but nothing more. The majority prevailed. "Even if we have to hit them, we will drive them away," a student shouted energetically.

The painting parade continued. "Those poor fellows were all hopped up on beauty because they do not have pistols like the police." "The UCV in the streets against intervention."

There was one sign for the political prisoners: "We demand the transfer of the 13 September Movement to the model prison"--signed by the People's Support Committee for Prisoners.

Thousands of people looked on from the balconies and someone, a rather plump lady, was displaying her legs, making as if she was washing a window. There was little interest in looking up. One demonstrator was bouncing a rubber ball as the march entered Urdaneta Avenue. Some figured that there were between 4,000 and 5,000 persons. Everything was calm. The hoods were desperate while the paintings went up on all walls.

The temperature rose as the march crossed at the corner of Beroes heading toward El Venezolano Square and everybody was looking for his assigned place. The forces of law and order on one side and the hoods on the other side.

El Salvador

The central event took shape on an improvised platform in front of Bolivar House. Before that, under the gloriously political words of the Liberator: "If nature is in opposition...," significant words began to appear on the walls.

Gonzalo Gonzalez, president of FCU [Federation of University Centers]-UCV asked for a minute of silence and said: "The young people had not until today taken up the commitment of responding to the Venezuelan position on El Salvador." He asked punishment "for the murderers of the Pro Patria students." Finally he said: "The Social Christian Party should get out of El Salvador because the force of the people and youth cannot be stopped."

He was followed on the platform by MIR [Movement of the Revolutionary Left] Deputy Makario Gonzalez: "The commitment of the young people to the country and to the people of Caracas is to continue to agree to leave the Social Christian Party alone so that they may speak in the name of the Social Christian Party and so that they may say that those dead are mine and I am sending them resources so that they may kill them."

And he recalled a dramatic situation: "Venezuelan youth is launching this supreme cause, this optimistic cry for life and liberty, at a moment when our flag is being burned in democratic countries throughout the world thanks to the actions which this administration is taking presumably in the name of the people."

He hailed the initiative aimed at urging the CTV [Confederation of Venezuelan Workers] to conduct a national strike as an expression of solidarity with El Salvador.

Domingo Alberto Rangel followed with a speech which someone tried to sabotage but he was able to finish.

"All youth groups throughout the country must unite to force the Social Christian Party to stop its support for the genocidal junta in El Salvador."

Calixto Zelaya, a member of the Farabundo Marti Front of El Salvador also spoke. He recalled the importance of the Salvadoran struggle front abroad. "The junta is getting political support through direct intervention." It is necessary to neutralize foreign aid. Everything that comes in in support of so-called education plans or housing plans is being used to purchase arms and to kill the people."

Artistobulo Isturiz, a member of the Venezuelan Teachers' Federation, repeated the support of the teachers for the struggle in solidarity with El Salvador.

Finally, Clara Herrera, sister of the student killed several days ago, spoke out to report that there had been witnesses who "saw the members of the National Guard murder my brother." She said that Dr Iraida Trias, at the office of the attorney general, told her that she was sure that "this matter involving the National Guard is out of my jurisdiction."

The hoods made one last attempt to cause trouble. But they were stopped when the shout went up "U.U.uc-V.U.U.UCV." They withdrew. This time they had lost.

The event closed with the crowd singing the national anthem. Caracas had been painted with voices of protest.

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TEACHERS' STRIKE CAUSES LOSS OF 465 CLASS HOURS

Caracas EL NACIONAL in Spanish. 30 Oct 81 p C-3

[Article by Jose Ramon Diaz: "So Far, 465 Hours Without Classes and More Than 400 Millions Lost"]

> [Text] More than 4.5 million children and teenagers are in effect suffering as a result of the trouble caused by an obvious deterioration in the education system.

Something like 45 class-hours have been lost as of now by children and teenagers attending the country's government school establishments as a result of the latest teacher conflict.

Apart from that--and this is the estimate of education officials--the material or economic losses already exceed 400 million bolivares, taking into account the fact that the budget for the education sector for the current year had been estimated at 11,627,000,000; that of course leaves 40 percent for the university institutions.

This conflict has left its mark. Those who are marked as a matter of fact are the millions of children and teenagers who attend the thousands of classrooms throughout the nation, not taking into account the social costs deriving from each confrontation between the office of education and the thousands of education workers.

Over the past 2 years, the teaching profession has suffered the most serious setbacks in its history precisely at a time when it was unable to straighten out its relations with the ministry at the corner of Salas. Minister Rafael Fernandez Heres, with his imperturbable smile, saw his image tarnished before public opinion.

In 1979, for example, the high school teachers and college professors rose up to advance their social-economic claims and since then they have been trying to get a fair collective bargaining contract. That was possible through a strike with lamentable consequences. This time, 200,000 teachers, professors, and employees went, with their eyes wide open, into the confrontation with the education office.

In the meantime, as happened today, 4.5 million students have no classes to go to.

In 1980, the educators again clashed with the Education Ministry. After the struggle had been firmly decided upon, the inter-union headquarters declared that

the education office was violating the collective bargaining agreement signed several months earlier, by 18 April of that year.

In accordance with estimates prepared by teachers' unions, 14 clauses went through a critical phase. Consequently, the teachers and professors did not retreat from the gains contained in their contract drafts. Everything exploded when it was learned in the classrooms of the schools that the education office was not going to pay the retroactive salaries of thousands of teachers.

"If the government does not pay us," Juan Medina Lugo, who at that time was president of the teachers' association, said this time, "we will go out and fight again."

And so it was--the fight broke out. This confrontation between teachers and professors, on the one side, materialized with all of its consequences.

And so, once again, 4.5 million children and teenagers do not have any classes to go to.

In the State of Zulia, the situation is lamentable. Something like 65 school days were lost to thousands of students.

Today, 15 days after the outbreak of the teacher conflict, the school situation is getting worse for thousands of students.

About 465 hours without classes in the primary and secondary schools! Education officials at the Directorate-General of Teaching, estimate that the economic losses exceed 400 million bolivares, taking into account the fact that 80 percent of the ministry budget goes for pay and salaries of educators.

The social cost, according to the people in the unions, is aimed against the same community, in other words, the people.

We must realize also that trouble at home gets worse every time there is a teacher conflict; subjects are dropped from the curriculum and the community now looks down on the teachers.

In the meantime, the disadvantaged, those who study in the low-income districts, are personally suffering from the troubles in an education system that is in an increasingly difficult situation day after day.

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YPF DIRECTOR DETAILS ECONOMIC PROBLEMS OF ENTERPRISE

Buenos Aires MERCADO in Spanish 22 Oct 81 pp 26-32

[Interview with Rear Adm Oscar Francisco Abriata, director of YPF, in Washington; date not specified]

[Text] MERCADO: Generally speaking, how would you describe the present status of Government Oil Deposits [YPF]?

Abriata: The status of YPF must be observed from two angles: from the standpoint of the company's economic and financial situation, and from the standpoint of productivity, that is, its efficiency. Insofar as the first point is concerned, I believe that it is well known, because this is a matter that the head of the company has made public on constant occasions. At the end of this year, the company will have reached a debt of approximately $5 billion. Obviously, this figure depends on the rate of exchange that is used to consider it. That debt is essentially a result of a problem stemming from the company's net withholdings in comparison with its costs.

As everyone knows, there is a gap between the cost of procuring oil, which can be quantified approximately between $110 and $120 per cubic meter, and which depends on the type of well and the area that is used. The withholding obtained by YPF, that is, the net income, is about $60; in other words, there is a difference of $50 or $60 between what it accrues and what the cost is for it. If we multiply that figure by the number of millions of cubic meters that the company produces or obtains by way of contracts with third parties, we can immediately arrive at the loss experienced by YPF in this respect. If we are talking about 28 million cubic meters per year, multiplied by $50 or $60, that gives us about $1.7 billion in losses from its oil production. To be sure, this is not the company's annual deficit, because YPF has other sources of income; but this is essentially the reason which has caused the company to have a debt from December 1977 until the end of 1981 which within 3 months will amount to approximately $5 billion. But there are also other figures which must be considered in order to gage this situation. If the company produces 28 million cubic meters, and this amount of oil is priced at the cost of that fuel through external purchase, ranging between $220 and $230, and we multiply that by the production, we would arrive at a figure far larger than the one resulting from the procedure explained previously. This is somewhat of an indication that when it is claimed that YPF is a deficient and inefficient company, it is not really such; rather, there is a problem involving the company's net withholding with respect to its costs.

MERCADO: There is no question that this problem is based fundamentally on the power that you lack, namely, to set the price of fuels....

Abriata: Of course, that is a decision which is not up to the company, and which lies in a context outside of YPF. In any event, it is important to bear in mind what was stated earlier, so that it will be clear that the company's economic status is not merely the result of inefficient management, but rather stems from an equation wherein there is net withholding on the one side, and production costs on the other.

MERCADO: Of the $5 billion debt, how could the debt be situated between short and medium term?

Abriata: A total of 65 percent of the company's debt is short term, and the remaining 35 percent is long term. As you can understand, this is a profile of an unfeasible debt. In any event, I would like to explain that we are attempting to improve the debt profile, and I trust that we shall not have major problems in achieving this. It is not an exclusive problem for our company, but rather an obstacle that has entered a general context in the country; and it is the economic authorities and those of the Central Bank who arrange the opportunity for each company to be able to obtain long term loans that will enable it to reconvert its short term debt. I can tell you that it is true, that the confidence which YPF enjoys among the international banks would enable the state company, without any great agitation, to acquire a profile in keeping with its capacity as a company.

MERCADO: During recent months the country has undergone a difficult economic situation. During that interval, YPF has had bills payable. For what term were their renewals made? Did the company have any kind of problem in this regard?

Abriata: Government Oil Deposits has not had any kind of difficulty in this regard, and we have been able to pay the debts conveniently without any problem. I repeat, this is a result of the confidence that the company enjoys among the international banking agencies.

MERCADO: Have the loans which the company obtained abroad been without the government's endorsement, merely with YPF's image?

Abriata: In all instances they have been with the government's endorsement, but I think that this is a matter of method, and not because YPF could not have procured them through its own facilities, since it has a high degree of reliability in the international area.

MERCADO: During the past 30 days, has the company been able to procure any good loan from the standpoint of terms and interest rate?

Abriata: Well, we have had some sizable offers, in a suitable amount. In any event, it must be realized that the opportunity for taking the offer is not established by the company at all, but rather comes within a general context wherein the authorities in the economic area are the ones who decide. When the opportunity arrives for YPF, we shall not have any kind of problem in procuring major long-term credit under the normal market terms.

MERCADO: Since there is a short-term debt of nearly $3.3 billion, when do you estimate as a proper time for YPF to be able to approach the international market without causing serious internal problems for the company?

Abriata: Well, it is not I nor the company that can make this kind of decision; I repeat, it is a matter inherent in the economic authorities. But I think that before the end of the year we shall have an opportunity to improve the debt profile.

MERCADO: You mentioned a production for this year of close to 28 million cubic meters. We know that the situation is nottotally good for the contracting companies which are working on drilling, or for those working on extraction. Could such a volume be maintained in this situation, or might production decline?

Abriata: I am quite confident that the extraction volumes accrued by the companies associated with YPF through operational contracts will not decline by any means. At a work meeting held on 15 September at the Government House, the chief executive issued very clearcut and precise instructions in this regard. Therefore, I am quite confident that the activity in which we are engaged to establish fair groundrules between the companies and YPF, so that both parties will have access to what belongs to them, with justice and equity, will make it possible to maintain the current production; and, furthermore, I believe that it will increase.

MERCADO: What appears important in this area is an item of information that you mentioned, namely, the $120 per cubic meter that its extraction costs YPF. To some extent this, or some other, would be the price that would have to be reflected in the contracts, but actually one higher than what it is currently....

Abriata: The contracting companies, on the average, receive an income less than $110 or $120 per cubic meter. At any rate, each company is a different problem; each one of them will have to have a price geared to the effort that it is making, the size of the deposit that it is exploiting and the potential of that deposit, which will enable it to obtain suitable profitability. I don't consider it feasible to give a definite figure now, but it is, indeed, important to stress that the factors which we have just mentioned must be considered for a future readjustment of the current average.

MERCADO: Can it be confirmed that, last month, the major exploration companies working in the country at least appeared before the competent authorities to point out the fact that they are currently at a very low point of profitability?

Abriata: The ones which have appeared before YPF and, I suppose, must also have expressed their position in other areas to some extent, are the operating comnies. Those which are under a risk contract have a different type of management.

MERCADO: We are referring specifically to Esso, Shell, Amoco and the genuinely national companies....

Abriata: Yes, these companies have made their appearances, and it is precisely on that basis that both the YPF board of directors and the chief executive himself have issued precise instructions for an analysis of the problem in depth, seeking the suitable area of rationality for considering the situation properly. Those instructions are currently being implemented in their entirety.

MERCADO: How could that implementation be specified?

Abriata: I think that it would be helpful to note that the parties are holding talks now, attempting to find a feasible formula for making the operation profitable both for the private sector and the state-owned sector.

MERCADO: Are talks being held between the companies and Government Oil Deposits?

Abriata: Yes, sir.

MERCADO: This will have to be backed in some way by the chief executive and the Ministry of Economy, will it not?

Abriata: Fundamentally by the chief executive, because the contracts which associate these companies with YPF were, in each instance, supported by a decree; so each new situation will have to be brought up through a decree from the chief executive.

MERCADO: The other problem that exists has occurred with the medium-sized Argentine companies which are the drillers, and which deliver the oil to YPF through the drilling contracts. We understand that some of these companies are in rather critical situations; at least that is what one hears in the private area. Are they also taken into consideration in this negotiating system? How does the situation stand?

Abriata: There are two substantially different problems. The drilling companies work through service contracts, and YPF pays for the work that they do; in other words, they are not contracts like the operational ones. It is true that this year, to date, the drilling contracting companies have halted a sizable portion of their equipment. This is not because we have greatly reduced the number of wells to be drilled. It so happens that, in a difficult economic context, YPF has expended the greatest effort to accrue the best yield from its own drilling capacity. In other words, it has engaged in intensive activity, causing a greater production through its own means. So, understandably, a lesser number of wells have remained to be drilled by private industry. Moreover, the lesser profitability of the areas under operational contracts has also prompted the private firms to reduce their share of the drilling.

But this is a problem of serious concern to the YPF board of directors which, following the instructions from the chief executive to maintain a sizable increase in production, has been analyzing for about a month all the existing possibilities for drilling locations, in order to reactivate the work of the companies, because the drilling equipment cannot remain idle; not only because that would cause a loss for the companies, but also because if, at some time, it were to leave the country, owing to lack of work, or reconvert to another activity, when the country needed it again it would take a very long time to reactivate it; in other words, we would be faced with a serious problem. Consequently, since oil is a critical and tremendously important area, YPF has done everything in its power and is attempting to solve the problem, so that the drilling companies may initiate their normal activity in what remains of the year, including, if possible, going ahead with next year's drilling program.

MERCADO: Don't you think that an economic and financial type of problem exists in these companies? In other words, that the cost of the drilling exceeds what YPF is paying them per meter drilled?

Abriata: YPF has made a drilling cost study, establishing the minimum and maximum efficiency level by considering typical equipment for different sections of the country. At present, we are adjusting that cost study in order to arrive at a clear element for comparison, so that the contracts will be reasonable for both sides, private industry will obtain the profitability which befits it and the services rendered to YPF will be performed at a reasonable cost that the state company can pay. That study is well under way, and it has been subjected to consecutive adjustments. Therefore, it will be on the basis of the results of that experience that we shall contract the service companies again. However, it is important to explain that there are clearcut instructions from the national chief executive for private industry to have the greatest possible participation in both the exploration and exploitation of the country's oil.

MERCADO: What is the status of the offshore and onshore risk contracts?

Abriata: The companies are operating normally in accordance with the established agreements, but there is nothing remarkable that is actually new in this sector.

MERCADO: If there is not a more or less reasonable solution for what might be termed an extraction contract, could this have any detrimental effect on these risk contracts?

Abriata: At the present time we in the company are analyzing new contracting methods which would to some extent fit into the law on risk contracts that is in effect....

MERCADO: In this case, is it true that the Colombian model would be adopted?

Abriata: A very dynamic and enthusiastic study is being made of a new type of contract known as an "association contract." Of course, it is not an invention of YPF, but we have been inspired by other contracting methods that are well known in the world. In this system, I can tell you that there is a degree of similarity with the systems used by Colombia.

MERCADO: Generally speaking what is the mechanism of the Colombian-type contracts?

Abriata: In the contracts made by the Colombian company ECOPETROL [Colombian Petroleum Enterprise] three phases are stipulated. The first is one of seismic exploration, and in this case there is freedom for requesting areas. If the ECOPETROL firm agrees, it assigns the area, and the entity receiving it promises to engage in intensive seismic activity within a certain period of time. Now then, if that seismic activity shows that there is a potential deposit with favorable features for continuing, the company requests that the exploration process be completed by means of a second phase, through drilling. If, at the end of this second phase, the company finds that the deposit is commercially suitable, under these circumstances the state company's authorities decide whether or not to become associated in order to proceed to the third phase, which is that of the operation. In the event of an association, the contribution is made equally by both the private firms and the state company. Starting then, of all the oil that is obtained the state receives 20 percent of the production from the deposit as a royalty, and the rest is divided in equal portions among each of the partners. The private partner can dispose of it freely, either by selling it to other countries or selling it to the domestic market. This type of

contract has make it possible to give Colombia an amazing impetus in the oil industry, essentially in the areas of exploration and operation. Venezuela has other similar contracting methods. Argentina, for its part, is studying the measures that it deems most feasible, so as to achieve the greatest benefit, both for the private sector and for YPF and, eventually, for the country.

MERCADO: What other elements could be added to what you have just explained about YPF's future activity?

Abriata: I think that the most important point is that the president of the republic has made the decision to convert Argentina into an energy exporting country. To talk about exporting energy means, fundamentally, talking about hydrocarbons and, within this category, gas and oil. The country's vast gas-bearing reserves make Argentina important and significant from the standpoint of the presence of gas reserves. During our attendance at the Monetary Fund meeting, we talked not only with financiers but also with representatives of international oil companies, and all expressed an increased interest in participating in investment and development programs for procuring gas, and processing and exporting it. It is already being clearly proven that Argentina is starting to be, insofar as gas is concerned, a country of significance beyond its borders. Similarly, I can tell you that President Viola has ordered that the oil self-sufficiency be consolidated by 1983. What does consolidating mean? It means that we are already in a period of self-sufficiency which will have to be maintained in 1982, and which we shall have to consolidate in 1983; in other words, be in a position to maintain that situation. The president has also ordered an analysis to be made of all the possible options for initiating the process of exporting oil, whether crude or by-products, starting in 1984. That is to say, the decision to convert Argentina into an energy exporting country has been made in the area of hydrocarbons with great clarity. Gas has priority, but there is also an intention to have the country converted into an exporter of liquid hydrocarbons. I would like to point out to you that, this year, the balance of trade viewed from the standpoint of oil will be favorable for the country; in other words, not only have we become self-sufficient to some extent, but we have also exported more than we have imported.

MERCADO: What has been exported?

Abriata: As of now, we have exported mainly fuel oil, gas oil and coke. By the end of the year, we shall probably have exceeded 2.5 million equivalent tons of oil. Although the prices of the by-products have seasonal variations and depend on the international market, it is interesting to note that this will represent an approximate income of $550 million for the country.

MERCADO: Regarding the future of the company, what other major prospect is offered for YPF?

Abriata: One interesting aspect is the implementation of the program for reconversion of the La Plata and Lujan de Cuyo refineries. Recently, a loan for $200 million was signed with the World Bank, with which the financing of this major project will begin. The idea is to start the work simultaneously; but, in any case, that will be subject to the holding of the bidding. If everything is done with the precision that has been accomplished thus far, it is to be expected that by 1985 our modernized refineries will be in operation.

MERCADO: In what way will the financial plan be supplemented with private backing?

Abriata: This has been virtually discussed, and therefore we do not expect to have an type of problem in carrying out the plan. Furthermore, I can assure you that we shall obtain the funds required for accomplishing this work without any kind of worry. This work will mean a major increase in the efficiency of the refineries, which will afford us better utilization of the oil. It should be made clear that this reconversion of the refineries will not bring about a greater refining capacity, but rather greater efficiency in the refining, which will make it possible to respond better to the profile of the market demand.

MERCADO: There have been comments to the effect that if the problems in the sector, for which you said an effort is being made to seek solutions, are not settled in the next few months, there may possibly be a drop in production during 1982. What is your view in this respect?

Abriata: By no means. The decision of the chief executive is clear, and the company will not reduce its production levels. Furthermore, YPF is determined to make every effort necessary to increase its production capacity; and it should increase it, because we are quite confident that the country will grow, and hence a response should be given to the country.

MERCADO: What is a logical increment for 1982 over the 28 million cubic meters this year?

Abriata: An increment of between 2 and 3 percent in production might be considered a logical figure, because, in oil, the increases in production are not obtained through leaps, but rather gradually. The YPF board of directors is determined to make the necessary efforts during 1982 to be able to have a suitable response by next year and thereafter. There is an exploration process that must be carried out here; then there is the drilling to be accomplished; and from then on the production process starts. We cannot skip stages, but I am certain that we shall increase the present production level. Moreover, we are studying the necessary programs so that, during 1982, we may lay the groundwork required to afford a rather sizable increase starting in 1983.

MERCADO: How much new drilling is entailed in a production increase of 2 or 3 percent?

Abriata: To date, YPF has drilled approximately 650-700 wells, to which must be added another 200 wells drilled by the private companies in their operational and exploration areas. For the increase that you mention, taking into account the risks that are present in this industry, we would have to talk about an increase from 200 to 300 wells.

MERCADO: We know that you are a very ardent defender of private ownership. In this regard, what is your notion, even though it may be personal, of the possibility of making YPF private, and through what means?

Abriata: The company has already gone a long way in the direction of private ownership. I think that virtually all the YPF peripheral activity has been made private. The private entities also have extensive participation in all phases of the production process. In this regard, the exploration is not being done by YPF alone, but

the private firms also have a major role in the activity. As for the drilling, YPF's drilling equipment is quite similar to that of the private firms; which indicates that there is major private participation. In production, I can tell you that the private participation is about 35 percent. In the area of marketing, this activity is virtually in private hands, because from the storage plants to the sales outlets, nearly everything is in private hands. The only thing that YPF does is to oversee the activity, but the sales outlets are private, and the transportation is also.

Now then, there is something that I would like to explain, namely, the fact that I may be a person who definitely supports the participation of private entities in the oil business; but this does not mean that I am in any way seeking the diminishment of YPF. The company has reached a level and should maintain it with a high degree of efficiency; and here is where I think private industry can help us greatly in increasing that level of efficiency. But I also think that the private participation in general activity should increase so that what varies are the proportions, but not at the expense of diminishing YPF. In this connection, I think that the new contract methods that we are studying, or others that may be incorporated, will be the proper course of action to make the participation of the private entities in the company and in the sector viable.

2909
CSO: 3010/284

UNREALISTIC OIL PRICES BLAMED FOR INCREASED YPF DEBT

Buenos Aires MERCADO in Spanish 22 Oct 81 pp 20-25

[Article: "Oil, the Cost of the Supply"]

[Text] Within a few days, the authorities will have to make some very important decisions in the energy field that will of necessity cause heavy impacts on the rest of the economy. They will have to cope with a situation that is already tragic, realistically and with a large amount of political courage: The country is running the risk of losing its current degree of self-sufficiency and the potential for exporting energy during the 5-year period that will begin in 1985, if there is not a rapid increase in the prices of oil and fuel by-products. The present lag in those prices is destroying the finances of the companies, whether state or private, and whether engaged in producing oil as contractors or making the complete cycle of exploration, production, industrialization and marketing. The security of the energy supply achieved over the past 5 years is about to disappear. The indications in this regard are plentiful. The rate of increase in oil production during 1981 in comparison with last year is increasingly low, and is tending to be negative. If the estimate of the Ministry of Economy, Treasury and Finance to the effect that, in 1982, the country will grow at a rate of from 6 to 8 percent, gaged by the GDP, is correct, perhaps it will be necessary to import no fewer than a million cubic meters over the 1981 level. Thus far, the recession has masked the seriousness of the situation, but it is no solution for a problem which could mortgage the nation's future. Of 42 drilling rigs in private industry, 80 percent are inactive, awaiting the renegotiation of the contracts between YPF [Government Oil Deposits] and its contractors. Whereas international oil is priced at $220 FOB, in Argentina the price is only something over $60. So it is not strange that many companies have plans to transfer their rigs abroad, where the opportunities for profit are greater.

Without a profitable price, there are no opportunities to make gains, accumulate financial surpluses, obtain access to credit or make the necessary investments to progress in the self-sufficiency coefficient and reach the point of exporting energy surpluses. And there can be no economic growth in the modern world without energy. Today's profits are tomorrow's investments, and the new opportunities for jobs and greater economic activity beyond tomorrow.

And although this principle of profits, investments and economic development has been assimilated to perfection by the top-ranking policy decision making authorities in the country, the delays are commonplace. In spite of the obstacles on the

part of some officials, it seems that there will be solutions after a series of meetings held by President Viola with the Chamber of Industry and Oil and the Chamber of Argentine Oil Companies.

The lag in prices, the extraordinary rise in the financial cost which has a major effect on intensive capital activities, and the growing dollar debt based on the official policy suggested by the authorities between 1979 and 1980 have brought about a serious breakdown in the finances of the leading enterprise in the sector, namely, Government Oil Deposits. Its high level of indebtedness indicates either that realistic prices must be set, or that capital must be obtained through a subsidy from the Treasury. A higher price would be the most logical response, because experience indicates that government subsidies or supports are always insufficient, arriving too late and poorly. But a realistic price would also be an incentive to develop greater reserves and alternate sources of energy to replace oil, many of them renewable; and, on the other hand, to reduce a consumption which may be bordering on waste due to the low price levels.

The importance of realistic rates and companies with sound finances was emphasized by the minister of public works and services, Gen (ret) Diego Urricariet. He explained: "The country does not yet have an adequate infrastructure, and the major efforts that have been made in recent years must be continued for many more years, in order to endow the country with the services which its development and the aspirations of its people demand. But it is nevertheless true that this development can be achieved only if it is attained through solidly established borrowing companies in a stable economic and financial position. And, in order to accomplish this, three preeminent conditions are required:

In the first place, the rates must recognize the real cost of rendering the services. Failing to do this means a lack of funds for the borrowing company but, essentially, from a general economic standpoint, it distorts the allocation of meager funds; because, upon subsidizing them, there is a fostering of their consumption in a position which is the reverse of the one that should logically be assumed.

Secondly, these companies need to be run efficiently, and their plans must include only the most profitable projects; and there must also be a constant improvement in their operating methods.

Thirdly, the satisfactory development of the infrastructure also requires a capital market and a financial market that will provide it with sufficient funds over the long term, in accordance with the nature of the projects being financed."

According to Minister Urricariet, together with economic rates, the need to manage the companies efficiently must be borne in mind. He remarked: "Efficiency is required for two reasons. In the first place, owing to an ethical imperative to the effect that there cannot be an improper use of funds that have been contributed by the community so that the best possible service will be rendered to it. In the second place, for an economic reason: Any inefficient use of funds, whatever its nature may be, is a cause of delay in the nation's growth, and hence it would hamper the population's prosperity. "

In this regard, he stressed that the rate instability during the recent 5-year intervals has proven negative for planning any significant development, explaining that the increase in rates during the past year originated in taxes, as in the case of the VAT, and not in income for business owners. He ventured to say that the average level reached in 1978 was the one most suited for affording a relatively strong economic and financial position, but emphasized that, at the present time, the level is similar to that of 1980, and equal to that 21 years ago, at constant values.

General Urricariet noted that a new rate system is being designed, which will take into consideration the differences in transportation costs, and the greater or lesser cost of providing services, depending on their varied seasonality. It will recognize the true costs of production, and will include the marginal costs that are entailed in expansions of capacity. The new system will also have to make the policies on subsidies that are desired to be applied explicit. Just as it is realized what must be done, there is also a clear understanding of what must not be carried out, and what the bad projects are. He claimed: "The worst inefficiency consists of bad projects, because the waste involved in them is irreversible for many years, as many as their very useful life."

The need to have realistic approaches may stem from the analysis of the present price structure. The production factors receive less than 50 percent of the sales price to the public, and with that amount activities ranging from exploration to taking the fuels to the public must be accomplished. It would suffice merely to compare that amount with the price of other products, in order to have two immediate impressions: the small compensation that is given to production and the extraordinary portion taken by the state through taxes which account for the other 50 percent of the price. It is not strange that, more seriously than in jest, the president of YPF, Gen (ret) Guillermo Suarez Mason, said that the company is selling taxes with a little gasoline. And one can hardly talk about efficiency in a company such as YPF, when it not only sets its prices, but 50 percent consists of taxes.

Moreover, the reserves are a function of the prices. During the entire 1960's and virtually until 1976, the proven natural gas reserves fluctuated around 200 billion cubic meters, moving from 224 billion in 1961 to 200 billion in 1976. But, owing to the incentive of the price that occurred for hydrocarbons, the reserves increased to 432 billion in 1977 and to 641 billion cubic meters in 1980. There are actually serious expectations that deposits exist with an additional 250 billion more cubic meters.

These discoveries are the ones which brought about the possibility of exporting energy. One of the projects under study indicates the feasibility of building a gas pipeline from Rosario to the city of Sao Paulo, in Brazil, 2,200 kilometers in length, to carry 10 million cubic meters per day. The investment would be no less than $2 billion, and each country would be responsible for financing the project in its own territory: 1,300 kilometers in Argentina and 900 kilometers in Brazil. To finance this project, two things are necessary: realistic rates and showing the banks a sound balance.

"In order to progress still further in self-sufficiency, and to reach the point of exporting energy, Argentina must have the courage to face the problem of fuel

prices." The remarks were made by the undersecretary of fuels in the Ministry of Public Works and Services, engineer Guillermo Wallbrecher, who commented that if the country attaches priority to self-sufficiency and is willing to sell surpluses of energy abroad, it will be necessary for Government Oil Deposits, State Gas and Government Coal Deposits to receive prices consistent with the international values for the oil, natural gas and coal that they produce. Wallbrecher stressed the inconsistency of YPF's receiving the equivalent of $80 for each cubic meter of oil when the international FOB price of similar products is about $220. And, of course, the low prices received by the entire group of companies, whether they be oil extractors or refiners, is also an inconsistency.

According to the undersecretary of fuels, it must be realized that one of the features of the nation is the availability of a varied supply of different conventional energy sources, and the potential for abundant sources of unconventional energy. He added that the country has large hydroelectric resources, abundant natural gas reserves, abundant uranium reserves, moderate oil reserves and major coal reserves. But, in addition, the development of new types of technology makes it possible to count on new intrinsic opportunities for utilizing new sources, such as solar and geothermal energy, biomass development and eolic development.

On the basis of this situation, Wallbrecher explained that there are four conditions for the national energy program:

The greatest possible use of renewable sources.

The greatest use of the most abundant perishable sources.

A more rational and efficient use of energy.

Technological support for the development of new sources.

The official asked: "If we have this potential situation, why should we be unable to use these energy resources to supply ourselves, to become exporters of surplus energy, to create new job sources, to help improve the level of income, to promote and develop technology and to give abundant work to the makers of capital goods?" He replied: "Simply because we lack sufficient courage to face the problems and set about working to surmount them as is proper." He added: "The main problems are the prices of crude oil and its fuel by-products, natural gas and coal, and, along with this, the false notion that a fuel price hike will produce an equal proportion of inflation. We are afraid of price hikes, because we immediately associate any increase with a future inflation; and this occurs because we attempt to disregard the fact that the cost which we do not pay directly with the respective price will be paid by us, whether we like it or not, by way of the tax or, what is worse, with genuine inflation."

Wallbrecher claimed that, for every cubic meter that it delivers to the refineries, including its own, YPF receives the equivalent of $80; whereas the international FOB price of similar oils in the world is about $220. The official asked: "How many products are there in Argentina which cost not only three times less than they do abroad, but even lower than that? Can the cost of exploration and development to extract the crude be ignored, whether it be done by YPF or a private company?"

According to the head of the Oil Industry Chamber, engineer Ruben D. Puentedura, energy is a world challenge which up until now has had an acceptable response from many standpoints, such as improved use of oil, its more rational use and the appearance of alternate sources. But, despite this progress, Puentedura indicates that certain data concerning the actual situation, both local and international, cannot be overlooked. One item is that, based on an annual energy consumption in Argentina estimated at about 42 equivalent tons of oil, 82 percent of that demand is met by oil and natural gas. For example, water power contributes only 10 percent, solid vegetal fuels contribute 4.5 percent and nuclear energy contributes slightly over 1 percent. This means that, regardless of how much emphasis the country places on converting its energy supply, for many years the basic portion will be provided by oil and natural gas. It means that, although it is proper to seek to replace non-renewable sources such as oil with other renewable ones such as water power, many years will elapse before significant changes can take place.

On the other hand, it must be realized that, although the worldwide projection indicates that the energy demand will have a far slighter increase than in the past, the world will continue to call for more and more energy. One estimate indicates that the world will require 65 percent more energy by the year 2000. And although it is a fact that the percentage of participation of coal, nuclear power and water power will increase, it is likewise a fact that there will be a greater demand for oil.

The world, which demanded 66 million barrels per day, will consume 70 million barrels per day by 1990, and 77 million barrels per day by 2000. While the consumption in the United States, Japan, Europe and other industrialized areas will not rise greatly, there will be a major increase in the developing countries.

According to Puentedura, the important aspect of this situation is that there will always be a heavy demand for oil, and the countries will be willing to pay its price; something that represents many job opportunities for the companies in precisely those countries which know how to value the security of the supply. In this context, Argentina should accept the reality: The era of cheap, plentiful energy is over. The oil priced at $15 per cubic meter of the year 1973 is over, but there is the oil at $220, which is the international price.

He adds that it must also be recognized that the wells are becoming increasingly deep and are located in more uncultivated areas, the technology is more expensive, the interest rate is higher and the wages must be larger. In addition, based on the shortage, many oil exporting countries have heightened the value of the product, and there is just one result: The era of cheap energy has ended.

He thinks that the discouragement of the sector could bring many negative consequences for the country, because a drilling rate of about 900 wells per year is needed, owing to the low productivity of this natural resource in Argentina. In order to produce 28 million cubic meters per year, with a productivity of 11 million cubic meters per year, and a productivity of 11 cubic meters per well per day, Argentina needs 6,822 wells, of which number only 500 are surging, while the other 6,322 require pumps and engines. This means that if Argentina had the productivity that Saudi Arabia has, for example, instead of 6,822 wells it would need only 35 wells, and the prices would be low. But the real situation is quite different.

Associated with that real situation is the fact that, in order to maintain the current production, the investment in well construction would amount to nearly $1 billion; and then there must be added what is required for transportation, refining and marketing. A low price, if it should be maintained as it is at present, would only result in a lower rate of drilling, less production and more imports; however, there is of course one aggravating factor: the country has oil, but at a price level higher than the present one. The alternative does not seem very reasonable: because of not paying a more realistic price, to import at the strictly international price owing to a decline in production.

The price structure actually affects all those participating in the industry. During the first 8 months of 1981 (from 1 January to 31 August 1981), the sales prices of fuels increased 103.6 percent, but the levies increased 111.8 percent and the raw material, that is, the crude oil, increased 117.5 percent in price. The withholdings, in other words, the portion remaining to the companies which process the fuels, rose 96.4 percent. If all those increments are deflated by the wholesale price index on the general level, we find that the increments in constant terms were 1 percent for the sales prices, 5 percent for the levies, and 7.9 percent for the value of the crude oil; whereas the withholdings declined 2.6 percent and the gross margin for the oil companies fell 20 percent.

Puentedura claimed that this situation brought about a sizable transfer of funds from the sector of the state and private oil industry engaged in transportation, refining and marketing to the end consumer who, although he is paying approximately the same price for energy that he was paying at the beginning of the year, is now paying a price that is 8 percent less when the comparison is made with the January 1978 price. And this situation is incompatible with a policy of conservation and rational use of non-renewable natural resources, as well as with the maximum impetus that should be given to the exploitation of energy resources.

An increase in prices is necessary, not only to give proper compensation to the factors of production and to spur on the discovery of new reserves, but also so as to make it possible to carry out a series of reconversions required by the structure of the energy supply. At the present time, there is a slight shortage of gasoline, but there is, simultaneously, a surplus of fuel oil, which will become increasingly large owing to the replacement of this fuel by natural gas. Therefore, it is quite logical to install equipment for conversion of that surplus heavy fuel so as to turn it into lighter fuel with a greater unit value and a better chance of replacing imports, and even of being exported. But, Puentedura adds, we must not forget that the reconversions of refineries are expensive, and there must be funds to pay for them; and it all begins with a good price.

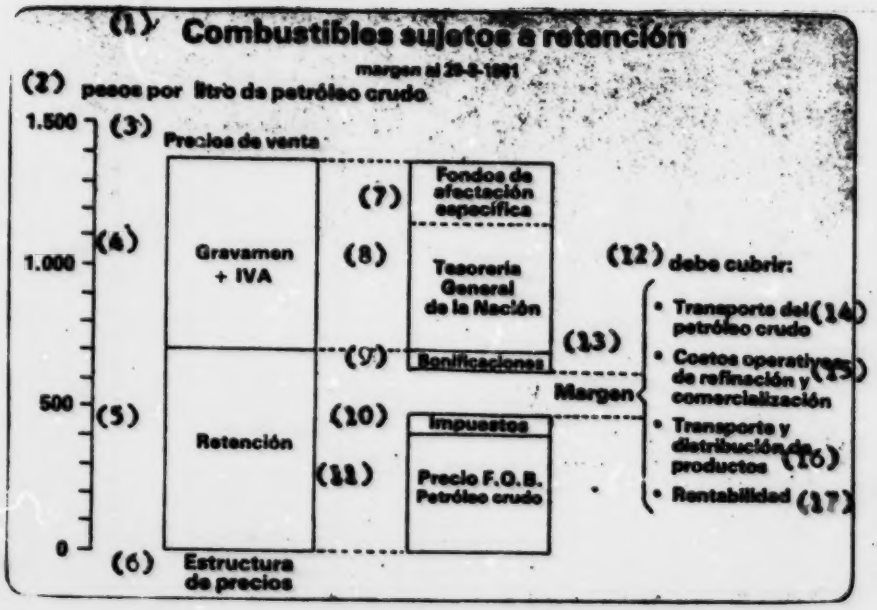
With regard to the essential problem, of course, Wallbrecher admits that a price adjustment between $80 and $220 per cubic meter could prove to be very upsetting over the short term, but he stresses that such a large gap cannot be maintained. One alternative would be to seek an intermediate price that would make it possible to improve production, make new income available, and multiply the job opportunities for engineers, technicians and workers, and the activities for the companies producing goods and services.

With regard to the price of fuels, primarily gasoline and gas oil which are the ones with the most sales, the undersecretary is of the opinion that it is rather

far removed from the average prices in the countries with a certain degree of industrial development. The Argentine price is between 25 and 40 percent lower than the price in other countries, such as Great Britain, which are at the brink of self-sufficiency and which are receiving oil, rather expensive oil to be sure, from their offshore development in the North Sea.

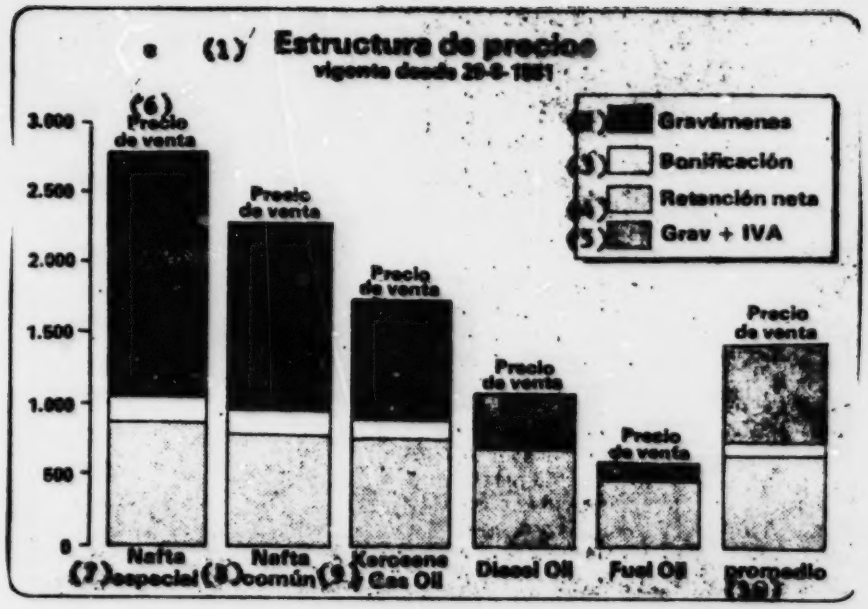
According to the undersecretary, an analysis of the evolution of prices in Argentina shows one of the oddest situations in the modern world. On the graphs one can observe the variation in sales prices and the percentage which went to the industry (withholding), adjusted according to the wholesale price index, with a conclusion which strikes the observer: In 1981, fuels continued to cost virtually the same, in real terms, as in 1960. And this means that the oil price hikes of 1973-74, and the second onslaught in 1979, were ignored in the country's price structure. Wallbrecher commented: "There is nothing good about this, because since the relative value of these goods has declined, their indiscriminate consumption has been fostered, and it has become difficult to implement sound policies for rational use of energy with which no sensible person could disagree." The highest rates for fuels were registered in 1974 and 1975; and they fell below the base in mid-1977, gaining ground at the end of that year. From the beginning of 1978 to date, the withholding prices, that is, what remains to industrial and commercial activity, have been below the 1960 index price.

The undersecretary said that the situation is actually worse. When companies such as YPF and State Gas do not have profitable prices, by means of the Treasury subsidy the only thing that can be done, at best, is to restore the operating cost. Once the possibility of indebtedness has been exhausted, the facilities come to a standstill, the programs are not implemented and the desire for self-sufficiency and for converting the country into an energy exporter becomes a mere dream. "I believe that all Argentines are tired of unfulfilled dreams, and of hearing that this is a rich country. We cannot fail to realize that, in order to be rich, one must strive, work, save and pay for goods and services what they are worth and what is required for their expansion to take place. Anything else is a dream."



Key:

1. Fuels Subject to Withholding (margin up to 29 August 1981)
2. Pesos per liter of crude oil
3. Sales prices
4. Levy + VAT
5. Withholding
6. Price structure
7. Funds with specific appropriation
8. General Treasury of the Nation
9. Discounts
10. Taxes
11. FOB price of crude oil
12. Must cover
13. Margin
14. Transportation of crude oil
15. Operating costs for refining and marketing
16. Transportation and distribution of products
17. Income return



Key:

1. Price Structure (in effect since 29 August 1981)
2. Levies
3. Discount
4. Net withholding
5. Levy + VAT
6. Sales price
7. Special gasoline
8. Regular gasoline
9. Kerosene and gas oil
10. Average

2909
CSO: 3010/284

MIDDLE PARANA PROJECT RECEIVES PRIORITY

Buenos Aires LA PRENSA in Spanish 22 Oct 81 p 13

[Text] The undersecretary of energy, Bernardo Bronstein, disclosed in advance the possibility that the Middle Parana project "would continue ahead" in the event that "any of the other (hydrolectric) projects could not be accomplished on time."

He remarked: "If any of those national or binational projects (he gave as examples Piedra del Aguila, Corpus and Garabi) should encounter difficulties, or be impossible to complete on time, there would obviously have to be a change in the sequence of the work, and it is possible that the Middle Parana project would be stepped up slightly in time."

Bronstein made statements at Ezeiza shortly after arriving from the Soviet Union, heading an Argentine technical-economic mission the purpose of which was to make purchases in that country "for the shortest period" and "to ascertain the intensification of the trade for the next few years."

He noted that "the first objective has been met satisfactorily," adding that "certain elements for YPF, Argentine Railroads and State Gas have been included in a memorandum" which will be analyzed later by those companies, "abiding by the terms relating to quality, price and delivery time."

He was emphatic in stating that, in all these negotiations, "a suitable participation has been retained for the national industry in the process associated with the state companies."

He said that Argentina "had moderately committed itself" to making $50 million in purchases, but explained that "we have not reached even half that figure;" adding that the total is "slightly under that sum."

Bronstein said that the Soviet enterprises had been requested to increase "the supply of information to our companies," so that, starting then, steps might be taken to intensify the trade over the medium term.

With regard to the Soviet interest in participating in the construction of hydroelectric complexes, he commented that "the desire to continue the discussions was consolidated, if the Argentine Government should so decide;" and announced that new missions would be traveling to Moscow during the next few months to consolidate the commercial agreement.

The visit paid by this mission took place within the context of the Soviet desire to increase its sales to Argentina, a country which has a highly favorable trade balance amounting to $1.9 billion.

2909
CSO: 3010/284

BRIEFS

NEW OIL WELL--Bogota, 17 Nov (AFP)--Carlos Rodado, Colombian minister of mines and energy, today announced that a new oil well that could produce up to 10,000 daily barrels of crude oil has been discovered in the eastern plains of Colombia, near the border with Venezuela, in the area of Apiay. The minister added that the government will soon be making important announcements regarding oil matters. Colombia is trying to regain its oil export capacity by 1990 which it lost in 1975. [PA190118 Paris AFP in Spanish 1456 GMT 17 Nov 81 PA]

CSO: 3010/315

PERUVIAN INDUSTRY MINISTER VISITS ECUADOR

Lima EL COMERCIO in Spanish 15 Oct 81 p B-4

[Text] Quito, 14 Oct (AFP)--Peruvian Minister of Industry, Tourism, and Integration Roberto Persivale admitted that there was excessive government absorption of his country's economy during the rule by the Armed Forces, and he defended the flexibility of Decision 24 which regulates foreign capital in the Andean Group.

Persivale heads a committee made up of Peruvian government and economic and private sector officials which is holding talks in Quito with the government and business sectors of Ecuador to resolve problems which have arisen in the Cartagena agreement on trade between the two countries.

The Peruvian mission had meetings in Guayaquil yesterday, and beginning this morning there is a working session with the Ecuadorean Ministry of Industry, Trade, and Integration.

In a press release, the Peruvian minister stated that the previous government was a "statist" one and encouraged a businessman's government, which caused the Peruvian economy serious problems.

He affirmed that the current government of President Belaunde is different and encourages a "smaller government" in terms of its involvement in the nation's economy.

Persivale stressed that the current Peruvian government leans toward a promoter-type of government, which is not so much concerned with the microeconomy as with the macroeconomy.

He recalled that during the previous administration there were highly developed industries in Peru which, after the government's intervention, became businesses operating at a loss.

"Now we are going to put all our efforts into encouraging Peru's economic growth, but in the hands of the private sector," he said.

The minister stressed that the Peruvian Government is now seeking to have many fewer companies in government hands, leaving the running of the economy to private companies, so that the government can use its meager resources to

finance education, public works, and other projects of real benefit to the public.

Commenting on Decision 24 which regulates foreign investment in the Andean area, the Peruvian minister defended its flexibility.

He recalled that in Decision 24, the Andean Group stipulates a term of 15 years in which 51 percent of all businesses must be transferred to Peruvian hands.

He noted that there is enough time in that period for the investor to recover his investment and begin to make a reasonable profit.

8587
CSO: 3010/110

GEOPOLITICAL SIGNIFICANCE OF RIVER PLATE BASIN REVIEWED

Buenos Aires ESTRATEGIA in Spanish No 69 pp 67-72

[Article by retired Col Florentino Diaz Loza: "Geopolitics of the River Plate Basin, the Argentine Parana"]

[Text] 1. Policy and Strategy

Geographic integration is one of the main elements of national integration, and it requires a policy and a strategy based on a sound and far-reaching approach.

The National River Plate Basin, a vital geohistorical region, must be developed on the basis of a comprehensive approach that meets the requirements mentioned in the previous paragraph.

Our worst mistakes in this area have been to consistently rank international issues over national ones, to break down and divide up problems, to negotiate hastily and improperly and to surrender spheres of influence in various fields and areas.

All of these mistakes stem from an erroneous geopolitical approach and the lack of a guiding policy and a national strategy to safeguard our interests from the ongoing and planned actions pursued in time and space by interests contrary to the Argentine nation.

In general a policy for the National River Plate Basin must view it as a pivotal hub for unifying the republic and integrating it into the Southern Cone. To this end, our strategy must comprise three maneuvers: the internal maneuver, the external maneuver and the psychological maneuver.

The internal maneuver will doubtless be fundamental and will include three courses of action:

1. NEA [northeastern Argentina] Operation
2. South-North Operation
3. NOA [northwestern Argentina] Operation

I will not go into detail on these operations because this is not the issue at hand. I have referred to policy and strategy to point out that no project or undertaking should be considered in isolation from a comprehensive, unifying approach to our national territory.

The so-called Middle Parana I and II Project (the Argentine Parana would be more accurate) is a basic tool in the internal maneuver, South-North Operation, along the center line of the Parana River.

2. Multiple Uses

The Argentine Parana (Middle Parana Project) consists basically of two projects: a northern dam at kilometer 980 (Reconquista) and a southern dam at kilometer 680 (Curtiembre), which are called "Pati" and "Chapeton," respectively (See Map 1).

The nation's water and power agency is supervising the technical studies and has contracted a Soviet enterprise to develop a project blueprint.

The two dams are being built for the following purposes:

2.1 Navigation: Barranqueras and Corrientes will have a depth of 21 feet. This is the most important facet of the project.

2.2 Energy: an installed capacity of 4,000 megawatts, generating capacity of 29,000 gigawatt/hours a year. This is roughly equivalent to the power that Argentina will obtain from the Yacyreta-Apipe, Corpus and Salto Grande bilateral projects.

2.3 Protection from the heavy overflows of the Parana River (flood damage).

2.4 Reclamation of land for farming (500,000 hectares).

2.5 Irrigation in certain areas to make optimum use of lands.

2.6 Communications, by means of the dam crests, by road and by rail.

2.7 Consumption uses.

In light of these objectives, we must examine the true nature and significance of the problems involved. In other words, we must focus geopolitically on the entire River Plate Basin region in our country, in particular as regards the integration and development of the various districts there.

3. Geopolitical Significance

The Argentine Parana has a role of major consequence and is interdependent with the rest of the projects under way and under study. This undertaking will be vitally important in optimizing the other projects, which, in turn, will help to optimize its operations. I am talking especially about the Bermejo River Project (See Map 2).

The project will make navigation possible up to Corrientes-Barranqueras, with sufficient depth to make this hub an ocean port for regional products and a port of transshipment for future navigation on the Bermejo River and on an enhanced Paraguay River.

This will enable the basin's focal area to extend into the NEA, thus facilitating the development of this region, of the Republic of Paraguay and of the NOA.

When its power output links up with the national electricity grid, it will supply about as much power as two Yacyretas, but it will be exclusively domestic.

The series of projects will regulate river flows and thus appreciably cut down on devastating floods and provide an irrigation system in certain areas. Lands will thus be systematically brought into production.

The sediment and erosion problem will be resolved when the dams are complemented with the flood control, flow hookup, etc projects to be undertaken in the Upper Basin of the Bermejo River.

Thus, the Argentine Parana will geopolitically link the NEA and NOA by promoting the comprehensive and integrated development of these regions. This has a direct bearing on national security, because territories will be occupied, the population there will increase, the economy will be enhanced and the entire region will be transformed into a springboard for geographic links with the Southern Cone.

The Argentine Parana projects will thus act as "geographic solder"; will create development hubs and poles; will be a springboard for expansion by shifting the weight of the basin's focal point to the interior of our country; will shore up critical areas; will expand and round out our system of communications; will support the development of large empty spaces; will incorporate new lands; will expand irrigation; will control flooding; will facilitate integration with our neighbors and offset over time the impact of Itaipu.

Argentina does not have a single dam on its side of the basin, compared to at least 45 projects in Brazil's basin. Argentina has not yet responded appropriately to its neighbor's policy of rapid development and continental expansion. And Argentina has not yet employed its most suitable and decisive tools in the necessary task of unifying and integrating its territory in the basin.

The Argentine Parana is of major strategic importance in meeting the challenge that faces us. The Argentine Parana is a fundamental part of the strategic plan for the National River Plate Basin territory, with its geopolitical implications.

This is not an economic and financial problem. It is basically a political problem. Therefore, the decision is up to the politicians, not the technocrats.

Key:

1. Navigation
2. Energy
3. Flood control
4. Land reclamation
5. Irrigation
6. Communications
7. Consumption uses
8. Uses
9. North-South axis

Key:

1. Seam area
2. Geopolitical significance
3. South-North projection
4. Northwest and northeast projection
5. Navigation countermaneuver
6. Development

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STRONGER RELATIONS WITH AFRICAN NATIONS URGED

Buenos Aires ESTRATEGIA in Spanish No 69 pp 82-91

[Article by Gladys Lechini: "An Argentine Policy Towards Africa"]

[Text] The world scene today is marked by sweeping changes in the correlation of forces in the international political system. New political forces are taking shape beside the superpowers, and the emergence of new power centers is giving rise to a multipolar system.

At a juncture marked by the rapid erosion of the semblance of world order imposed by the summit agreements between the superpowers, so-called "detente," Argentina and Latin America, as well as the revolutionary Islamic-Arab world and the African continent, jolted by internal problems or developments prompted indirectly by outside powers, are in pivotal positions to try and seek a new world panorama.

Thus, this new international order could be achieved through coordinated political and/or economic action by the countries of the southern hemisphere.

As the poles of political, economic, scientific and technological power multiply in the developed and in certain intermediate countries, there are sufficient opportunities for successfully developing policies of autonomous development and for achieving input in the system's decision-making. To this end, the intermediate and minor actors must formulate joint policies and pursue individual and collective courses of action.

In this context, Argentina will have to reassess and modify its international role, by helping to create a Latin American cooperative structure and by initiating and intensifying a rapprochement with "Afro-Asia," in order to gradually develop solid and mutually beneficial political and economic ties.

Argentina has to boost horizontal cooperative relations, consolidate existing markets and win over new ones, and develop an industrial, scientific and technological potential that will meet internal and external needs and enable us to take part in a process of worldwide innovations.

We have to keep in mind here the kinds of ties we want with other actors, as well as the capabilities and limitations of technological progress, while

selecting the sectors and spheres on which we should focus our attention. In this regard, Latin America is our top priority, followed by Africa, with which we trade minimally (in 1979 Argentina imported $272,132,000 worth of goods from Africa out of a worldwide total of $6,683,195,000 and exported to Africa goods valued at $295,951,000 out of a total of $7,810,764,000) and about whose economies, politics and cultures we know very little, inasmuch as it was always considered a marginal area for Argentine foreign policy.

How then should we approach a policy towards Africa?

First of all, we should acquire in-depth knowledge of the continent in general and of its regions, while focusing on certain countries whose geographic, political and economic situation makes them ideal candidates for stronger ties with us.

The states of Africa are, in general, politically unstable, and their ruling elites often represent a given ethnic group that has perpetuated itself in power by shifting tribal strife to the field of politics and economics.

The links that these elites maintain with the former mother countries are quite strong, even though they are politically independent nations, and we can note marked economic dependence on the former colonial power (read, the transnational corporations of the former colonial power, in particular). Foreign investments represent a majority in key sectors of the economy, and next to each power center in these new countries there are foreign experts who will obviously influence decision-making to their own countries' benefit, thus impeding potential rapprochements with intermediate countries.

Foreign investment tends to go into extractive industries and exports rather than the manufacture of capital goods and heavy industry. These countries thus remain essentially raw materials exporters and suffer chronic balance of payments deficits due to unfavorable terms of trade and the outflow of capital.

The transfer of technology, which is necessary to any industrialization process, is expensive and poorly suited to actual conditions in Africa.

Although these countries possess sizable resources (97 percent of the world's chromium reserves, 85 percent of its platinum, 64 percent of its gold, 50 percent of its manganese, 25 percent of its uranium, 13 percent of its copper, 20 percent of the world's hydroelectric potential, 70 percent of its cacao output, 33 percent of world coffee production, 50 percent of palmetto production, etc), with the exception of the oil-producing countries (Libya, Algeria, Nigeria and Gabon), there are more poor countries in Africa than on any other continent (according to the UN, 18 of the world's 25 poorest nations are in Africa). It accounts for only 2.7 percent of the world's gross national product.

These countries' vertical (bilateral) or multilateral (Lome I and II) relations with the former colonial powers and with certain developed countries

have forced them to consider boosting horizontal relations as a way of overcoming this subordination.

African integration processes (which certainly have their critics and shortcomings) would seem to be one of the only possibilities open to the African continent. They can join efforts in cooperative undertakings, save on the wasted effort involved in individual initiatives and thus expand their markets by properly locating industries and soundly regulating investment.

However, coordinated political decision-making among governments and power elites is a sine qua non to this end, and such political agreement is quite hard to achieve given the instability of the regimes, tribal squabbling and the alliance of certain interest groups with the former colonial powers.

Another possibility worth considering is boosting horizontal links with countries in the southern hemisphere (Argentina and Latin America) both economically and politically, with an eye towards the creation of producer associations that could function effectively by taking advantage of given world developments.

As we have seen, both Argentina and Africa are in subordinate positions in the current world hierarchy, and therefore every effort should be made to create and consolidate political, economic, scientific and cultural ties of a bilateral or multilateral nature with African countries.

Until the 1950's, Argentina's relations with the African colonies were triangular, that is to say, through the colonial powers (Europe). When most of these countries gained independence in the 1960's, our country set forth its anticolonialist stand at the United Nations, recognized the new states and established diplomatic relations with them. Moreover, it began efforts at coordination at the meetings that the Group of 77, which comprises the countries of the southern hemisphere, held in preparation for UNCTAD.

Ties were strengthened in the 1970's with the opening of embassies in African countries and vice-versa. The Argentine Embassy in Zaire opened its doors in 1972; the embassy in Tunis reopened the following year, and embassies were then set up in Libya, Liberia, Kenya and the Ivory Coast, with their respective consular sections. The embassy in Liberia was closed in 1977 and combined with the one in the Ivory Coast, while a new embassy was opened in Gabon in light of expanded relations. In turn, the African countries that have diplomatic representations in Argentina are: the United Arab Republic, Algeria, Gabon, Libya, South Africa, Zaire and Nigeria (Ghana and the Ivory Coast have embassies in Brazil that cover Argentina, and the other African countries have embassies in the United States that serve all of the Americas). In addition, Argentina has economic consulates in Algeria, Ivory Coast, Egypt, Kenya, Libya, Nigeria, Morocco and South Africa and embassies in Algeria, Ethiopia, Libya, Morocco, South Africa, Tunisia, Egypt, Ivory Coast, Kenya, Gabon, Nigeria, Senegal and Zaire.

Argentina has complemented the opening of embassies and consulates with diplomatic and trade missions. In 1962, the Llamazares mission visited

Morocco, Senegal, Ghana, Guinea, Nigeria, South Africa, Tanzania and Egypt. In 1974, the Arias-Potente trade mission from the Economy Ministry included the following countries: Senegal, Zaire, Nigeria, Tunisia, Sierra Leone, Morocco, Liberia, Guinea, Egypt, the Ivory Coast and Algeria. We submitted proposals for trade and economic cooperation agreements with almost all of these countries. Two Argentine missions swung through several countries on the continent in 1978. In March, Foreign Ministry officials met in Dakar (Senegal) with Argentina's ambassadors to black Africa (Zaire, Nigeria, Ivory Coast, Kenya, Ethiopia and Senegal) to exchange in-depth information on the domestic situation in each country and to consider the possibility of boosting economic relations. Another similar meeting was held in Morocco with Argentina's ambassadors to Arab Africa (Morocco, Algeria and Libya). Towards the close of the same year, another mission, headed by the national director of trade development and including private business and bank representatives, was in Senegal, Cameroon, Gabon and the Ivory Coast.

In early 1979 a trade mission headed for the Sudan and from there to Egypt and Saudi Arabia to secure an active presence for Argentina in these countries. In addition, members of the Foreign Ministry visited countries in Western Africa in 1980, and a trade mission to French-speaking Africa achieved commendable results in Cameroon, Gabon, Senegal and the Ivory Coast.

A Political Approach to Africa

It is quite difficult for Argentina to formulate a policy towards Africa that serves the interests of both parties, particularly because of the diversity of national situations and the complex stratification of current relations.

It is easier and more advisable, however, for Argentina to develop common ground in international forums, with mutual backing on such issues as decolonization (the Falkland Islands, South Africa and Namibia), disarmament and arms control, food (FAO), defense of raw materials and quotas, coordinated policies of raw materials production to safeguard these resources and potentially use them as a political weapon by forming producer associations, monetary and financial reorganization, the criteria that will govern the use and protection of natural resources, a stand on technology transfers and the regulation of foreign investment.

Argentina has points of agreement with African countries on all these issues in the North-South confrontation.

Stronger Commercial Ties

The area of economic cooperation and stronger commercial ties is where Argentina really has the best chance to pursue specific action leading to expanded relations of all kinds. By pursuing a pragmatic policy, our country has outstanding opportunities to sell its products on African markets and to purchase a number of raw materials.

a) With respect to the oil-producing countries, the ones with the most income, Argentina has found them to be good suppliers of this important fuel. We are running a trade deficit with them, however, which could be balanced by sales of foodstuffs and technology for their industrialization processes.

b) As far as the countries at intermediate stages of development are concerned, we can see that as African imports increase, the African countries gradually become aware of the need to expand their exports as well. To do this, they have to develop their industrial potential, which generates mounting demand for the capital goods, services and technology that we can provide them. Here lies one of our biggest opportunities, inasmuch as the machinery designed for our use (and the machinery adapted from highly sophisticated technologies) can be used in Africa to better advantage than European, Japanese or American equipment.

c) With regard to the small countries, while acknowledging their small size, their economic nonviability, lack of international influence and minimal significance to Argentine trade, we can still show what Argentine can do for their development.

All of this does not imply that our objective is to consolidate a new economic dependence (in other words, getting the African countries to exchange their subordination to the former colonial powers, the United States and Japan for subordination to an intermediate-level country). Rather, our goal is to develop a partnership for joint production and cooperation through contractual ties between two or more states, between companies or between companies and states to negotiate and safeguard mutual interests and to make joint contributions under specific circumstances.

Such exchanges have taken place up to now somewhat sporadically, and it would therefore be productive to intensify them through contractual cooperation, by signing standard government-to-government agreements to pave the way for private activity.

Courses of Action

The following are specific courses of action to expand trade relations with the countries of Africa:

--Exchange of trade and/or private missions;

--Development of an export awareness in Argentina, with government and business becoming familiar with the African mentality, culture and way of life and with the maneuvers of ruling elites and pressure groups and gaining a clear idea of who really wields bargaining power there;

--Taking part in the competitive biddings staged by the African Development Fund and the African Development Bank; we should note Argentina's contribution

to the African Development Fund, as approved by Law 21,787 of May 1978 (participation in the African Development Bank is under study);

--Establishing relations with the secretaries general of the African Economic Communities to examine the possibilities of undertaking joint efforts and taking advantage of the expanded market that integration would provide;

--Making use of the advisory services of Argentina's and Africa's economic consulates and embassies;

--Taking advantage of the services of the embassies of African countries in our country that are willing to boost cooperation and trade with our nation;

--Referring to the Bulletin of Trade Opportunities and the Argentine Economic Information Magazine, as well as the Argentine-African Chambers of Commerce that advise exporters;

--Taking advantage of the benefits in the agreements reached by UNCTAD-GATT;

--Taking part in African fairs and extending invitations to fairs held in Argentina, as well as organizing fairs in Africa with suitable publicity by consulates and embassies and by advertising these events in specialized African journals, many of which are published in London or Paris;

--Granting loans to African countries to purchase our products;

--Expanding regular transportation lines to the African continent.

Africa needs the foodstuffs and farm products that Argentina can provide it, but it also needs industrial goods of all kinds, and we are in a position to furnish a significant percentage of them.

Moreover, Africa does not have its own technology and it needs alternate sources of imports, technology and services. In this regard, the Africans are interested in acquiring turn-key industrial plants or undertaking joint ventures, for which our country could provide capital, technology and services (One example is the Abidjan Hospital in the Ivory Coast. The contract for it, signed by the Ivory Coast Government and the Argentine consortium Hospitar, encompasses the design, construction work and outfitting. This is the first operation of its kind for Argentina).

The issue here is to support these countries in their attempts to lessen their dependency on the major powers by offering alternate markets for important sectors of their economies and by furnishing educational, scientific and technological know-how better tailored to developing countries.

Cultural Relations

Africans are very sensitive to an acknowledgement of their cultural values and traditions. In this regard, we could stress our similar colonial past (albeit separated by a century) and raise the possibility of enhancing cultural relations by publicizing the history and culture of the two peoples, signing cultural accords, exchanging students, teachers and researchers and creating an awareness of the closeness of the two continents.

The Brazilian Offensive

Thus, it is of basic importance to pursue a consistent course of action with respect to Africa if we do not want to lag behind other Latin American countries. Mexico has been pursuing an African policy for some time now; Colombia has announced a "major diplomatic opening up" to the vital centers of Africa; Chile is engaged in setting up embassies in Morocco, Zaire, Nigeria and the Ivory Coast, while Brazil holds the lead in boosting ties between Latin America and Africa.

From its traditional automatic alignment in the 1960's Brazil shifted to a policy of marked pragmatism because of its domestic economic difficulties, regarding the dark continent as "an overseas border."

The objective of this move was to win over new markets, guarantee oil supplies and secure loans and financing, because good relations with black Africa would mean a rapprochement with the Arab countries, which are potential consumers and a source of loans and investments.

Politically speaking, the new strategy was to firmly support decolonization, campaign against apartheid and acknowledge major ethnic and cultural affinities (read, Afro-Portuguese-Brazilian community). Brazil felt that by supporting liberation movements in Africa it would in no way align itself with the ideological stands underlying them, thus reaffirming its loyalty to the West. It conversed with the leaders of the liberation movements and was one of the first countries to recognize the newly independent Portuguese colonies. Relations were enhanced through visits to Africa by Brazilian authorities and by receiving African presidents and ministers who traveled to Brazil to establish bilateral contacts and trade.

In the economic sphere, Brazil sought to take advantage of climatic similarities and the possibility of offering noncomplex intermediate technology tailored to African needs. The one constant in Brazil's approach was to always present its own profile and never refer to the colonial legacy of the powers that used to dominate the continent.

It has pursued this policy in various ways. It set up embassies, sent missions to key countries (whether due to cultural influence in regional subsystems, the existence of world mineral reserves or "to put markets in order" in the case of shared products such as cacao or coffee), organized traveling expositions, attended all international fairs and gave financial backing. The Bank of Brazil formed a partnership with the Union of Swiss Banks and bought

48 percent of the shares in the International Bank for West Africa (BIAO), one of the oldest and strongest banks in West Africa with more than 130 branches in 13 countries in the region. A private group, Banco Real, set up shop in the Ivory Coast under the name of Banque Real de Cote d'Ivoire, to boost Brazilian foreign trade.

Conclusions

Africa, with a population of about 450 million, could represent a major export market for Argentina and yield good returns from a diplomatic standopint as well. We must, however, hasten the strengthening of ties with the continent.

When we realize that 78 percent of Africa's imports are foodstuffs, transportation equipment and manufactured goods, we see that Argentina's potential is enormous.

Several of these African countries stand out because of their political and economic stability, their geographic proximity (the ones on the west coast of Africa) or because they are promising markets for our products. Moreover, they belong to various economic communities, which means that as soon as Argentine goods and technology enter one country, they can spread to the other members of the community.

A look at our overall trade numbers shows that transactions with Africa are minimal. There was a sharp rise from 1961 to 1978, however, and our country does need suppliers of oil, metal ores, etc. Argentina has a worldwide reputation as a producer of foodstuffs, and many African countries buy these goods. Grains are the leading item, followed by meats of all kinds and meat products. These two categories accounted for 75 percent of Argentina's exports to Africa in 1977. A major change is taking place, however. Argentina is not only selling foodstuffs now; it is also supplying the techniques and cooperation to grow them, by boosting shipments of cold-storage vaults, mechanical breadmakers, dairy products plants, hospitals, etc.

Thus, Argentina has major opportunities to heighten horizontal cooperation with the countries of black Africa in the sociocultural, political and economic spheres, thus forging mutually beneficial ties.

In this way, intermediate and minor actors can formulate joint policies and pursue joint action in a bid to alter the current correlation of world forces, enhance their international bargaining power and play a more active role in the world community's decision-making.

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CAMILION DISCUSSES STRATEGY, OBJECTIVES OF FOREIGN POLICY

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[Interview with Foreign Minister Dr Oscar Camilion by Enrique Alonso on 16 June 1981, place not specified; topic: Argentine foreign policy 1981]

[Text] Mr Foreign Minister: This is an interview for the journal ESTRATEGIA. In its first issue ESTRATEGIA published a major essay of yours in which you examined the structure of today's world as a preparatory step for establishing an Argentine foreign policy. Now that you head up the Foreign Ministry, how do you see the world? What significant changes have there been since 1969 and what should Argentina's strategy be in 1981 to achieve its national goals?

Dr Camilion: If I remember correctly, I said basically the following in 1969:

Nation States

First, the main actor in international politics continued to be the nation state. In 1981, I feel that this premise is still fully valid. The main actor in international politics is still the nation state. In other words, the state that continues along the path forged by the modern territorial states of absolutism and along the path of territorial states, attempts to integrate the populace through the community arrangement of the nation. I think that the nation state is still fully current, even though there might be new types of states for which the nation is still a goal, as well as other more integrated, more advanced and more consolidated types of states moving towards regional arrangements, like the European Economic Community, which have not yet become independent, however, of the interests of a national community as expressed through the nation state.

Military Bipolarity

If I remember correctly, in that article I outlined very briefly the political and economic picture in which nation states were pursuing their activities.

With regard to politics, I pointed to military bipolarity as the number one element, in other words, the element that involves what we could call the architectural backbone of the international system, which is always based on the ultimate sources of security, or, if we wish to put it differently, the

countries that in accordance with the technology of the times, possess the ultimate decision-making monopoly on peace and war.

Since in our day and age the decision-making power as to war and peace is very closely tied to the use of nuclear power, it would seem that 12 years later the same situation still holds. In other words, as far as security is concerned, the contemporary world is still, essentially, a bipolar world, given the insurmountable superiority of the United States and the Soviet Union vis-a-vis any other power, even those that have joined the nuclear club.

Bipolarity in the field of security is the ultimate backdrop against which the problems of security in our times are played out. This bipolarity has seemingly tended to intensify, rather than diminish, given the cumulative capabilities that the technology concentrated in the two major power centers has given rise to in recent years. Developments such as the latest Soviet submarines or the U.S. space shuttle have highlighted at the outset of this decade the qualitative gap between the two superpowers and the other powers.

The fact that a number of diplomatic efforts, such as the SALT talks, have been exerted in the interim to provide a legal framework for this bipolarity has merely confirmed it, and the setback that the U.S. Congress dealt SALT II is merely a detail in a process that, in any case, confirms the superpowers' decision to maintain strategic parity, in the worst case hypothesis.

All of the obstacles that world disarmament bargaining is now encountering; the crisis in the UN Disarmament Commission, the very need for whose existence was questioned at its latest meeting; the difficulties encountered in all fields (control of military spending, nuclear disarmament, conventional weapons disarmament); and the various stands that the United States and the Soviet Union have taken in each case, have merely caused previous diplomatic efforts to be repeated.

We could say that the situation has not changed ever since, in 1957, with the testing of the first intercontinental missiles, the United States and the Soviet Union embarked on a plan of strategic parity and mutual vulnerability. So, I feel that the first point of my previous analysis is still valid.

Coexistence

The second corollary was the fact that as a function of the equilibrium created by military parity, the two superpowers were destined to coexist or to live together (the nuance depends on the angle from which we view these words). It would seem that in 1981, in spite of the decisions and requests by the Reagan administration, the basic idea that the United States and the Soviet Union ought to find ways to live together in a world that has the capacity to destroy itself has not changed either with respect to the initial processes, which go back, say, to 1954 in Geneva.

It would also seem that the basic fact ultimately defining this type of coexistence has not changed either, to wit, not only the de facto situation

but also a sort of mutual legitimacy that the two superpowers have accorded each other. Today, we could not regard as defensible the theory of the inevitable collapse of capitalist powers that Soviet leaders used to propound (in his last book in 1953, shortly before he died, even Stalin defended the old theory of an inevitable war among the Western industrial countries), nor would the strategy of containment be valid today, insofar as it was based on the premise that fencing in the Soviet system was essentially aimed at toppling it (as George Kennan said in his famous telegram) as a result of its internal contradictions.

So then, we could say that the second premise, coexistence between the superpowers, still holds.

Breakup of Blocs

If I remember correctly, the third element that I mentioned in the article, as a corollary of the previous point, was the crisis in the blocs. By crisis in the blocs I mean the phenomenon that began to unfold in the 1950's in both the socialist countries and the industrial powers.

At the time, the centrifugal tendencies that the Gaullist opposition represented took hold as of 1958 when General de Gaulle returned to power and France began questioning certain basic elements of solidarity in the Atlantic community. Moreover, France also began pursuing a series of initiatives, even in the nuclear sphere, to set up a system of its own deterrents. On top of this we had the mounting world economic confrontations that accompanied the trend towards diminished unity in the blocs that had emerged in the postwar period.

In the socialist world, things proceeded in step from the first signs of unrest in Germany in 1953, Poland in 1956, Hungary in 1956 and the major explosion caused by Khrushchev's speech at the 20th Congress of the CPSU, which was the unquestionable starting point of China's secession.

China's breakoff began to develop from that point on, was consolidated under the policy of the "leap forward" and became obvious once and for all during the next decade, with the violent exchanges of notes between the two Central Committees of the Communist parties, culminating with the famous ninth note of the Central Committee of the Chinese Communist Party in 1963. We could say that the ultimate confirmation of this process came last year when the telegram of greetings from the Central Committee of the Chinese Communist Party to the Soviet Communist Party described relations between the two countries as marked by peaceful coexistence, which means in everyday language that China has ceased to regard the Soviet Union as a socialist country.

I certainly do not think that we can say today that there is a Chinese-Soviet monolith, as was stated at the beginning of the 1960's. Nor could we assert that the Western alliance is as dissent-free as it was when Eisenhower was president of the United States and Adenauer was chancellor of Germany. The

relationship between Schmidt and Carter, for example, illustrates how much the alliance has changed since its outset, especially when the alliance reached its peak when the FRG joined NATO in 1955.

Political Multipolarity

The fourth point I made was political multipolarity. If I remember correctly, I defined it as the status of a growing number of countries in a position to make significant decisions in pursuing their foreign policies, decisions that could even influence the course of action of the major powers.

This element seems to have intensified with respect to 1969. In recent years we have seen a multiplication of the phenomena that Nehru's India, Nasser's Egypt, Sukarno's Indonesia, Castro's Cuba or de Gaulle's France represented in their day.

The world in 1981 seems to have broken up into a truly complex series of power centers. Poland in Eastern Europe, El Salvador in Central America, Nicaragua in Central America, and especially Iran and Iraq, the foes in a war that broke out by surprise despite the precautions of the two superpowers, are equally significant examples of the reality of political multipolarity.

We can say that the trends have intensified in many areas in 1981, even close by the superpowers. In 1981 Romania has approved and legitimized a course of international action that on such critical issues as recognition of Israel, implied a stand that the Soviet Union long hesitated to take up but which it ultimately did. From its strong position as an oil exporter, Mexico, which also borders a superpower, has become a force in 1981 that has not only demonstrated its ability to pursue independent courses of action that can influence the policies of the superpowers, but also, as President Lopez-Portillo's recent visit to the United States and his meeting with Reagan show, has gotten the United States to legitimize their differences as issues that they can begin discussing from their respective stands in a friendly manner.

New Forms of War

I think that my fifth point was the new forms of war. By 1969 we had seen quite clearly that subversion and the techniques of antisubversive warfare were the new forms of combat that could arise within the framework of bipolarity and peaceful coexistence. In other words, the theory and practice of subversive warfare could be countered by the theory and practice of counterinsurgency.

What I was trying to say in a nutshell at the time was that we were in a process in which subversion was going to tend to internationalize its operational mechanisms and countersubversion was also going to tend to internationalize its defensive mechanisms.

It would seem that the 1970's repeatedly demonstrated that this trend was a clear-cut fact, and it would seem that we are still in this situation in 1981.

Crisis of Ideologies

I added another element, the relative crisis of ideologies, in the sense that countries in general were unwilling to base their foreign policies on superposed ideological values.

In other words, in their international conduct countries tended to emphasize their own interests, incorporated certain ideological values only as they had a bearing on their national interests but in general refused to subordinate foreign policy to ideological frameworks normally furnished from the outside.

It would also seem that there have been many international actions in recent years that have even violated dogmas that seemed inviolable for certain sectors of world thought. For example, it would have been very difficult to foresee in the 1970's that national interest, regardless of the country (and I am not qualifying here; this is an objective fact) could have moved a communist country like Vietnam to declare war on other states with the same system or could have caused an armed conflict between China and Vietnam over circumstances that obviously had nothing to do with ideologies and that, in contrast, were closely related to the general notions of what is commonly called a Bismarckian policy, which is based on a state's specific interests.

Internationalization of Economy

Complementing these political facts, I defined the major hallmark of the economic framework as the existence in the world of worldwide production forces, in other words, production forces that had the ability to produce goods and services for a market that by nature tended to be worldwide. In other words, we are talking about the ability of the production machine that industrial societies have developed and that necessarily encompasses the entire world and that, therefore, raises the issue of solvency all over the world and the need to find enough markets throughout the world to be suitably responsive to the development of the production forces that have arisen in both the capitalist and socialist markets.

I pointed out that there were two basic obstacles to the internationalization of the economy as a result of these world production forces. In the first place there was the obstacle posed by the division of systems. The fact that there was a capitalist industrial economy and a socialist industrial economy placed political limits on potential contacts in the normal expansion of trade, finance and monetary transactions.

The second major curb on the expansion of these world production forces was the second major international division, between development and underdevelopment.

Now then, I think that it became perfectly obvious in the 1970's that just as there was an East-West conflict, which was basically political in nature, there was also a North-South conflict, which was more structural, in other words, marked by the fact that the forces of production that had expanded mainly in the North could not find sufficiently reliable markets in the South.

Dissuasion from Development

The other factor that I noted and that is perhaps not worth reviewing in detail here, even though it still applies, was the approach offered the underdeveloped countries for achieving industrial development, normally by complying with certain prerequisites such as social development; such as purely mercantile solutions, in the sense of expanding traditional exports; such as birth control and regional integration. This issue warrants separate treatment because during the 1970's new prescriptions appeared that tried to dissuade developing states from making the leap to industrialization, such as the entire Club of Rome program or all of the ideologies having to do with ecology and zero growth, in other words, the entire philosophy that economic growth was bad in itself.

In previous decades, theories had, in contrast, been excuses for industrial development, whereas in the 1970's there was a direct assault on development, and the major centers instead tried to dissuade the developing countries from achieving the "unfortunate" status of the highly polluted powers.

Corporations

Finally, another basic element of world politics that I mentioned at the time was big corporations.

They are a basic element because worldwide corporations approach the problem of their growth on a worldwide scale and the problem posed by the world on the basis of the model that they regard as best suited to a proper allocation of resources and to a more harmonious development of all sectors. This argument is not essentially different from the one advanced by the first major theoreticians of modern economics and not basically different from Ricardo's argument, only updated to what was later called the "technotronic era."

I pointed out at the time that the idea of a world growth model made up of major corporations ran counter to the "irrational" aims of the nation state, which introduced a factor at variance with the idea of ordered world growth, inasmuch as a nation state does not have a more orderly allocation of resources as its basic, unshakable goal. It has other concerns, such as, for example, income security or redistribution, which run counter to the basic idea of the major international corporations, in the sense that as far as the corporations are concerned, the most even-handed justice could ultimately be attained through a more efficient allocation of resources on a worldwide scale.

In the article I made note of a term that has since gone somewhat out of fashion, the term "world corporations," the corporations that called themselves world. The president of one of them gave a definition that impressed me greatly, but I don't remember whether I included it in the article or not. He said that his was a "world corporation whose headquarters happened to be in the United States."

This categorical illustration of a world-encompassing philosophy seemed, at the close of the 1960's, to be a factor that warranted inclusion in analyzing the international problems of countries like Argentina or, in general, any other kind of country. Everything that has come to pass in recent years in connection with increasing sophistication in this field, both because of the further development of major multinational businesses; the debate that their activities have prompted in all forums, even international forums; the spread of their activities to the socialist world; the increasing efficiency that they have shown in accumulating financial and technological resources, and the efforts at coordination that several major groups have ultimately made to heighten their efficiency, all suggest that it was a good idea, at the close of the 1960's, to feed this piece of information into the computer.

Therefore, it would seem that there have not been substantive changes in the world over the past 12 years in terms of basic structure, although there have, of course, been additional significant developments.

ESTRATEGIA: I would like you to comment on the impact that the areas of unrest that have emerged in recent years, from the oil crisis to events in Afghanistan and Poland and the arms race, have had on this world panorama.

Foreign Minister: I think that the oil crisis has had the biggest impact of all these developments. The reason, of course, is that an analysis at the close of the 1960's was conditioned (it could not have been otherwise) by the phenomenal growth of mainly capitalist but also socialist industrial societies during that decade.

The 1950's had been more of a decade of major growth for socialist industrial societies, which began to evince symptoms of sluggishness in their previous pace during the 1960's, which in turn was a decade of great growth for European industrial societies.

In 1961, at the 21st Congress of the Soviet Communist Party, Mr Khrushchev asserted that his country would pull even with the United States by the end of the decade, based on a simple straight-line projection of the growth rates of the two countries' gross national products.

That did not, of course, come to pass. On the other hand, in 1957, after the Treaty of Rome and as Khrushchev was delivering that speech, the European Common Market was in the midst of expansion. The impact of its economic growth was among the most significant in the 20th century, as the countries of the European Community became and still are the world's leading commercial power.

Oil Crisis

These developments in the 1960's were important for an analysis in 1969. Of course, such an analysis influenced practically no far-sighted political observer, although some oil experts probably did have a notion of the major crisis that the Yom Kippur War would trigger by drastically boosting oil prices.

By the close of the 1970's it was obvious that the rise in oil prices was the single most important development affecting the destinies of all countries.

Bretton Woods Collapses

There are several reasons for this. First, because it severely upset or at least substantially altered the international monetary system and the international financial system. It shattered what remained of the old order of Bretton Woods, which had already been jolted by the United States early in the decade when Nixon decided in 1971 to sever the dollar's links with gold. But the oil crisis greatly intensified this trend, and today we are faced with a situation in which the major financial development is the increasing ability of a small number of countries, and even of a small number of individuals within those countries, to accumulate capital, which they are having mounting difficulties recycling in spheres of suitable investment, both in the industrialized and the developing countries.

Another piece of information for our analysis is the fact that this process has been accompanied by a recessionary trend in the economies of the industrialized countries, particularly in Europe.

A third element to consider is that the impact on the economies of the socialist countries has been as sharp or sharper than on the economies of Western Europe, because all their economies are completely dependent on imported oil, except Romania, which is partially dependent.

Agricultural Development

I think that the 1970's have seen another particularly significant economic development for all nations, especially countries like Argentina, to wit: the impressive rise in the agricultural potential of capitalist industrial societies. The United States has become the world's leading exporter in terms of both quantity and efficiency, and the countries in the temperate zone of Europe are increasingly becoming major food exporters, though they still lag in efficiency.

The industrialized countries are apparently responding to the mounting crisis posed by the challenge of limits by boosting their food production capacity, which has a particularly adverse impact on countries like Argentina and Australia, which are at obvious intermediate levels of development (lower levels in some sectors) and which basically lived comfortably off their exports to European countries.

Both Australia and Argentina (and it is no accident that the deputy prime minister of Australia was recently in Argentina) have been squeezed out of their traditional markets, and their traditional clients have become their most aggressive competitors on other markets that had remained outside the process of integration of the Mediterranean world [sic].

The Middle East

These are factors that must, of course, be included in our analysis. A number of world crises have not produced major changes since 1969. The situation in the Middle East is substantially the same as after the Six Day War. And the ultimate problem is still being addressed in practically the same terms as when the Palestinian issue was brought up for world debate at the United Nations some time ago.

The major development in the region has, of course, been Iran's shift from a key country for Western policy in the Middle East to a question mark that has both superpowers worried. It also introduces a factor of major unpredictability in an analysis of power relations in the region. The only certainty is that regardless of how reversible the process in Iran might be, it will never return to the status that it had under the shah.

All of this has been accompanied by other, equally significant "reversals of alliances." It would certainly not have been easy in 1969 to foresee the evolution of events in Egypt, which has been one of American diplomacy's most important and successful moves during the decade, regardless of the question marks still hanging over Camp David.

Camp David

In point of fact, the Camp David accords defused the most critical relationship in the region. As of now, it seems highly unlikely that hostilities will break out again between Israel and Egypt, which had always been the two main protagonists because Egypt posed a real strategic threat to Israel.

Nevertheless, we should acknowledge that the basic features of the conflict are the same as at the end of the 1960's (in the wake of the Six Day War), above all because the rest of the Arab world has failed to legitimize this process. Along with the rise in the relative power of the Arab world, this has somewhat offset the shift in alliances, as far as the Middle East conflict proper is concerned.

A number of new developments have taken place, for example the course charted by Libya within the Arab world, though its leanings are not, of course, shared by most of the other countries that make up the so-called Arab nation, if this term at all accurately describes a sociological fact. Significant new developments have also taken place in Africa in the wake of the collapse of Portugal's colonial empire, developments that have, of course, given the Soviet Union bargaining chips that it did not have the previous decade.

Vietnam and China

A significant but not unpredictable development took place in international politics in the 1970's: the end of the Vietnam war. The outcome of the war is not at odds with my previous political blueprint because I merely stated the fact that the United States had not correctly assessed what Vietnam represented to its national security.

The war in Vietnam ended when the Americans reached the conclusion that China was not a threat to its national security and that it did not have to pursue a policy of containment against China. As soon as Kissinger traveled to Peking, the Vietnam war ceased to have meaning and later faded away as a logical consequence of the new American security strategy.

One result of this, of course, was that a new state, Vietnam, and later other states of Indochina joined the group of nations controlled by communism. This did not, however, alter the system of the socialist countries. It merely introduced a new complicating element: a wayward power, Vietnam, wayward in the sense that it has always pursued objectives that go back centuries, now had to be dealt with.

The case of China merely confirmed the breakup of the original monolithic image or the monolithic reality of the socialist bloc. I think that all of these developments ultimately indicate that the process of political multipolarity is consolidating.

Africa

It remains to be seen to what extent developments in all African countries are ultimately related to nationalism, regardless of what kind of production system has been chosen by the various territorial states in Africa that hope to become nation states by integrating their tribes.

ESTRATEGIA: Given this framework, what is Argentina's policy towards the two superpowers?

Foreign Minister: Argentina-United States: If we leave aside the temporary disturbance caused by the Carter administration's human rights policy, or rather the application of the policy to Argentina, Argentina's strategic outlook vis-a-vis the United States obviously presents only minor areas of disagreement. First of all, Argentina is obviously a country of the Americas and we belong to the world of Western culture. This objective reaffirmation becomes increasingly important as the basis of our specific place in today's world. Thus, the attempts to deny Argentina's personality as a part of Western Civilization become more and more obviously anachronistic and alien.

This means that it is in the specific interest of the Argentine Republic to defend a series of ideas that are inherent to Western Civilization. The rights of the individual, the goal of freedom, democratic political objectives, and forms of economic growth ultimately linked to a private enterprise model

are all values that more and more Argentine political leaders are upholding as the 1980's unfold, at a time when there is an essentially alien ideological temptation to question these values.

This, of course, provides a candid starting point for Argentina's relationship with the United States. At the same time, there is no doubt either that Argentina and the United States have always had fields in which they could not agree. We might say that Argentina's status as a Western nation necessarily means that it does not fall automatically in line with any foreign policy directive charted from the outside. A Western country can and must have a policy based essentially on its national interest.

Nuclear Policy

On occasion, Argentina's national interests do not necessarily coincide with the United States'. Nuclear policy is a good example. Because of the United States' very understandable objectives in the field of world nuclear policy, including the issue of nonproliferation, Argentina finds it difficult to be in full agreement with the directives of the various U.S. administrations.

The United States would like Argentina to sign the Nuclear Nonproliferation Treaty, to ratify Tlatelolco and basically to agree to a system of comprehensive safeguards, like the one that the International Atomic Energy Agency somewhat surreptitiously tried to put forward recently in Vienna. Argentina is really determined to continue with its nuclear program, without accepting safeguards other than the ones that correspond individually to each of the processes that it acquires or to the items and products of a critical nuclear nature that it brings onto its territory.

Here we have a really clear case in which our position does not coincide with the United States', nor with any other industrialized country, including, no doubt, the Soviet Union.

The nuclear powers would of course like Argentina to join this global system of safeguards because ultimately they are not all that keen on technological transfers in this field, which can be considered among those best suited to a more or less oligopolistic concentration of science, industry and technology.

Different Priorities

It is also clear that there is no reason for Argentina to support certain U.S. stands and proposals on the Middle East, just as it would be hard to get the United States to make support of Argentina's rights over the Falkland Islands a priority of American foreign policy.

This kind of Argentine stand on the Middle East is understandable because the Middle East is actually somewhat outside its immediate security area. And a U.S. position like that on the Falkland Islands is understandable because of the ties that the United States has had, still has and surely will continue to have with the United Kingdom as its most significant, important and valuable ally.

So then, just as it would be naive to expect that the United States would mechanically support interests that are as clear-cut as Argentina's claim to part of its territory, it would be just as unreasonable to ask Argentina to automatically endorse initiatives that are not strictly relevant to its national interest or that fall outside its area of security.

Central America

There is one issue now on which we strongly agree: the situation in Central America. Argentina has really come to the conclusion about the situation in Central America that it is in our national interest to maintain the current stability, first of all, of course, based on the principle of nonintervention, but fundamentally in keeping with the premise that a jolt to stability among the countries of Central America would send shock waves through the continent that would have an adverse impact by radicalizing forces of every persuasion in the Americas and in the long run (or the short run) would also have an adverse impact on the national program currently under way in Argentina.

That is to say, leaving aside military action, which is strictly up to the countries in the region, Argentina is willing to give political, moral and economic support to the countries whose stability is currently being threatened, such as El Salvador.

Nonintervention

Furthermore, in this regard Argentina feels that the principle of non-intervention in the region must be reaffirmed more vigorously than ever, because experience has shown us that all of the forms of intervention undertaken in Latin America over the past 20 years have without fail wound up poorly and led to processes exactly the opposite of the ones initially proposed by the people attempting the intervention.

Human Rights

In a nutshell, Argentina now has to wipe the table clean of the crumbs that still remain with regard to the issue of human rights, in connection with its relations with the United States. There has been a particularly unpleasant development recently with regard to the human rights issue, as our country was portrayed, in a particularly crude account, as a center of world anti-Semitism. This is absolutely untrue, but it has made it hard for Argentina to defend itself because a country can defend itself if people tell it that it has prisoners who have not been given due legal process, since it can say: "We're really to blame for this" or, on the contrary, "We had to do it because of national security requirements," or "We're going to correct the situation when the time comes..." It is very difficult, however, to defend oneself against a negative. Demonstrating that Argentina is not a Fourth Reich overtaxes the ability of any country's diplomacy.

The Humphrey-Kennedy Amendment

Therefore, we have to wipe the human rights slate clean, and of course in this regard the Reagan administration has shown excellent goodwill. We have to realize, of course, that the political decision-making process in the United States is highly complex, which we will surely verify when Congress debates the revocation of the Humphrey-Kennedy amendment.

In conclusion, I would like to say that Argentina's natural, number one priority at the moment is to smooth out relations with the United States as much as possible. In my opinion, this is the number one priority as far as economic ties are concerned, especially investments.

Argentina-Soviet Union

With regard to the Soviet Union, we are having a commercial rapprochement that can in no way be regarded as short-term; rather, it has structural characteristics or overtones, in my opinion.

This development is partly due to what I said previously about the agricultural expansion of Western industrial countries, of the EEC, i.e. that Argentina lost its customers in capitalist Europe because of the development of technology and the green revolution in Europe.

At the same time, since our industrial development is not particularly strong at the moment and since our capacity as an industrial exporter has diminished, Argentina has come to depend on its farm product exports more heavily than before.

The Soviet Union emerged overnight as a major client, no doubt partly because of Carter's embargo and the correct decision by General Videla's government not to support it. But this political development merely brought an economic reality out into the open, to wit, that the most promising customers nowadays for a country like Argentina are not, to be sure, the countries of the Third World, which need food but cannot afford it, but rather the countries of the socialist industrial bloc, which have a highly inefficient agriculture or at least an agriculture to which they have not currently earmarked as many technological resources as Western Europe or the United States. At the same time, these countries are solvent.

Since it would seem that in the short run the socialist countries are not in a position to introduce dramatic changes in their agriculture, it would also seem that the Soviet Union and probably a number of other Eastern European countries will become natural clients of Argentine agricultural and livestock output in the immediate and intermediate future.

Meat Sales

Perhaps even more important than this expansion of agriculture is the agreement recently signed in Moscow that provides for increased Soviet purchases of

meat, which could be around 140,000 or 150,000 tons next year. The discovery of this new market for Argentine meat is a significant and, of course, very important development.

I think, naturally, that these trade developments are going to represent the hub of Argentina's relations with the socialist countries over the next few years, and they do raise a number of questions, for example, whether they could lead to a type of economic dependence similar to Argentina's ties to Great Britain at one point. The problems seems to lie more in the area of political vulnerability than economic dependence, because Argentina's traditional relationship entailed the sale of farm products to a market that exported industrial goods, the traditional British model.

Three-Sided Trade

This is obviously not the case with the Soviet Union, whose industrial export capacity is relatively limited, at least for a country with Argentina's economic structure. What we obviously have is a three-sided trade, because as I once said jokingly, we are paying off our dollar trade deficit with the Americans with the rubles that the Russians are sending us. Last year, the formula worked out perfectly: our deficit with the United States equaled our surplus with the Soviet Union.

But what we do have to keep in mind is that trade under such conditions could possibly lead to vulnerability, to the extent that there are certain world security problems that we are in no position to control.

Under present circumstances Argentina has shown itself to be a reliable supplier, and I think that this is the major reason why it now has the chance to be a priority supplier of the Soviet Union, above and beyond the narrow guidelines of the pact signed last year.

But certain international developments could doubtless take place that would make subsequent events unpredictable, even with regard to our currently smooth and surplus-yielding trade with the Soviet Union and potentially with other socialist countries.

So then, we entered the 1980's with a quite dramatic new twist in Argentine foreign trade: an accelerated loss of ground in the EEC, which has not been offset because of the lack of industrial exports (this is currently Brazil's major recourse vis-a-vis the Community) and the emergence of the Soviet Union as a major purchaser of our raw materials.

Trade Balance with U.S.

Our trade relations with the United States currently seem liable to undergo a significant change in terms of the current imbalance, which is much higher than the historic imbalance. This historic imbalance really started in the late 1950's, from 1958 on, when the United States suddenly became one of our

suppliers. However, the deficits were more manageable then than they are now, as the current imbalance stands at six to one.

There are apparently relative possibilities of a substantial improvement in this regard, though a good part of the efforts of our commercial diplomacy ought to aim at securing better treatment on the U.S. market, just as I assume that a good part of the efforts of the Soviet Union's commercial diplomacy will aim at convincing Argentine state-run enterprises to buy Soviet-made industrial goods.

Balance of Power

Now then, in general with regard to an assessment of the relationship between the two superpowers, Argentina of course stands on the premise that, notwithstanding its basic cultural affinities with the United States, the world panorama is marked by a balance of power and, therefore, by superpower coexistence and, therefore as well, by the ability that intermediate and even minor countries have in times of tension if you wish, but ultimately in times of peace, to pursue courses of action to achieve their national goals.

ESTRATEGIA: What are the possibilities for establishing a military body to monitor the South Atlantic?

Foreign Minister: The South Atlantic: This issue appears more in the papers than it does in diplomatic initiatives. There could, of course, be certain groups in various areas, various places that are looking at this as a working hypothesis, but so far no diplomatic initiative has taken shape in this regard.

Therefore, it would seem that analyzing a "South Atlantic Pact" as an issue on which several countries in the region and even outside the region, such as the United States, might disagree, is akin to talking about an entelechy.

Argentina unquestionably has, first of all, viewpoints and, second, specific interests with regard to the South Atlantic.

The South Atlantic is of interest to Argentina for the obvious reason that it has a coastline on the South Atlantic. The South Atlantic is our sea. Hence, we are much more interested in the South Atlantic than we are in the Caribbean, the North Atlantic or the China Sea.

There are, thus, a great many obvious conclusions in this regard. The South Atlantic is a zone of Argentine security, for reasons having to do with our relations with Chile as well. First and foremost, Argentina wants a monopoly on security maintenance in the South Atlantic, from the parallel that corresponds to the shore of the River Plate to the extension of the Cape Horn meridian in the Antarctic. This view seems clear-cut.

But I would like to make very particular reference to the South Atlantic because in addition to being an area that is of interest to Argentina, it is an area

in which Argentina has specific, concrete grievances. A South Atlantic policy for Argentina should primarily focus on recovering the Falklands. To Argentina, the South Atlantic is the Falklands, the South Sandwich and the South Georgia Islands. This is the hub of Argentine policy in the South Atlantic. It would, of course, be most erroneous to make such a basic grievance an incidental issue in a South Atlantic policy.

Natural Resources

Needless to say, part of Argentina's interest in the South Atlantic is the very definite possibility of developing the resources there, first of all the resources in Argentina's waters, that is to say, Argentina's continental shelf, the oil, gas and fishing resources, and outside our platform in the South Atlantic, mainly krill. As we know, the krill zone is located in the large banks between the islands and the Antarctic, eastwards. This is an example of Argentina's interests in the South Atlantic, even though part of the krill banks lie outside our territorial waters.

Antarctic Extension

Furthermore, Argentina has an Antarctic extension, which adds to the importance of the South Atlantic or the waters in which specific national interests are increasingly at stake. The map on the cover of ESTRATEGIA's first issue would have been quite fanciful in 1960, and if I remember correctly, it was presented in a high-quality offprint. Today, in 1981, however, that map, with its center in Buenos Aires and extending towards the Antarctic, has become a geopolitical and geo-economic fact. Australia is considerably closer by transpolar flight than Northern Europe. We can get to New Zealand much faster than to Madrid, and we could reach Sidney by direct flight sooner than Berlin or Bonn.

So then, there are many reasons why Argentina's interests to the south are an essential element of our presence in the world, of our place in the world. The Pacific is no longer all that important because we can have direct contacts with Asia along much more direct routes, especially the airways, and this vindicates the people who argued for many long decades that the Argentine Republic's priority area of development was Patagonia.

Falkland Islands 1981

ESTRATEGIA: Doesn't this concern over the Falklands arise, moreover, at a time when the talks with the United Kingdom over the islands have come to an impasse, according to some observers?

Foreign Minister: I wouldn't go that far exactly, but I don't want to make any additional remarks at this time. I think that the players are simply getting ready for another bargaining round. I would call your attention to this: Some journalists have recently visited Argentina and published articles in the British press that in a way "jibe" with facets of the policy that the British Government is now pursuing, facets that Argentina cannot but analyze with interest.

The Thatcher administration resolved a very complex problem, the problem of Rhodesia-Zimbabwe; in other words, it did away with the problem of Rhodesia and initiated independent life for Zimbabwe. The Belize issue was settled in an agreement, complex to be sure and with uncertainties marking its prospects. Therefore, it would seem that the time has come for issues such as the Falkland Islands or Gibraltar, which are the last unresolved issues in the Foreign Office, to be analyzed with a somewhat more active approach. I think that as 1981 unfolds, Argentina will have to see whether there is or is not movement, and if there is no movement in 1981, it will have to review its strategy towards the Falklands.

ESTRATEGIA: Is it a significant development that the Falklands Company has come under the control of an oil company?

Foreign Minister: It might or might not be. The transfer could obviously be regarded as suggestive, although the fact is that the company does not produce oil. We also have to see how things unfold with the east Magellan bidding, which was, shall we say, "questioned" by the United Kingdom because the area up for bids abuts the waters that the United Kingdom considers an extension of the Falkland Islands, of its occupied land. It will be interesting to see how the bidding unfolds in the days to come.

Beagle

ESTRATEGIA: I would also like to ask you about the status of the Beagle problem.

Foreign Minister: We have just now taken care of a procedural incident, so to speak, but one that had a number of valuable, serious connotations. It had to do strictly with our border. An incident that had serious repercussions cannot be considered a minor incident. It is, in fact, major cause for reflection, because it once again brings up not just our handling of the Beagle issue, a specific border dispute between Argentina and Chile, but also what I would call the overall style of relations that should exist between Argentina and its neighbor.

The way I see it, our two countries have not yet fulfilled their responsibility. That is to say, Argentina and Chile have to formulate a very clear, very sober, very organized, very formal definition of what they represent to each other. Argentina and Chile have one of the longest borders in the world, the third longest. As long as our two countries have not developed a, shall we say, philosophical approach based on our irreversible geography, it is going to be quite difficult to deal with legal problems.

I think that border issues essentially have to do with the kind of coexistence that one wishes to have with one's neighbor, but they are ultimately political problems, though this does not, of course, rule out their major legal facets.

These are political problems not only because of the repercussions on the home front of everything having to do with a single square inch of land or a single drop of water that belongs to Argentina, but also because it is along a border that the framework of coexistence between two states is fashioned.

I feel that with an issue like the Beagle we have to stop and realize that it is just part of a lengthy border between Argentina and Chile that has other spots that involve question marks. Above all, however, it is part of a relationship in which two neighbors have to make very serious efforts to formulate an overall strategy for their ties aimed at the kind of coexistence that they want.

I think that this is the groundwork for resolving the problem. With regard to the problem itself, the specific, concrete border problem, I am going to repeat to you a comment that, though it might seem trite, I think is quite true and that I have quoted on other occasions: Countries can coexist with problems but they cannot coexist with poor, inappropriate or premature solutions.

The world is full of border problems, which are always thorny. What we can say about international experience through the ages is that an agreement to coexist with the problem until a solution can be found can lead to a solution if at the same time a philosophy of relations between the two countries is spelled out. In contrast, promoting a solution, even one that is imposed by force of arms, when a philosophy of the relationship has not been spelled out, inevitably leads to a reassessment of the situation, even if legitimized by treaty.

Borders are ultimately decided by treaties, and experience shows that treaties signed after wars that entailed absolute victories and crushing defeats were later reassessed, when the time came, because the countries in question had not defined the nature of their coexistence.

This has happened between the largest countries in the world; the examples are too well-known to recall here. So then, in light of the recent serious incident, I think that we now need to pause so that we can resist the temptation to seek solutions that might seem satisfactory from certain legal angles (and not so satisfactory from other legal angles) but that could be extremely fragile politically.

Brazil

ESTRATEGIA: As you know, the journal ESTRATEGIA has spoken out against the compromise with Brazil on our dam projects, arguing that under it Argentina would become a sort of junior partner of Brazil. Could you comment on this view?*

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*The journalist is referring in particular to the article by our editor, Gen J.E. Guglialmelli, "Corpus-Itaipu: Three Battles Lost by Argentina and Now a Dangerous Prospect, the Role as Brazil's 'Junior Partner,'" ESTRATEGIA, No 61/62, November-December 1979, January-February 1980. (Editorial note)

Foreign Minister: I am familiar with ESTRATEGIA's position, and although, strangely enough, I disagree with the premise, I agree with the conclusion. In other words, the way I see it, the settlement of the Parana hydroelectric dispute was a strategic success for Argentina. I think that it was a strategic success for the three parties, one of those instances that clearly demonstrate that an international settlement works when all parties, in the final accounting, endorse it.

Corpus-Itaipu

At this point in time it would seem that both Argentina and Brazil, and of course Paraguay, which has a major interest in this regard, have backed the tripartite agreement, and barring certain small groups in both Argentina and Brazil, no one feels that any basic interests have been sacrificed. I personally think that the Itaipu-Corpus settlement was a typical case of a political approach to a problem that could not be resolved judicially. When they tried to resolve it in the courts, two judicially incompatible positions met head on, because there was no way to reconcile the theory of absolute sovereignty over the natural resources of a river having a continuous course with the theory of prior consultation. If it had eventually been brought before an international tribunal, Argentina would have perhaps discovered once again that its love affair with juridical stands that are not that clearly defended and that are poorly supported at international forums would have dealt it a serious setback in the field of law.

The Itaipu-Corpus problem was, moreover, political, because it ultimately entailed a border problem: a river border and a border in the sense that the Parana is in itself a border and that the harnessing of the river could cause upheavals for both sides. Furthermore, however, this is an area of vital interest to the country, because this is obviously the most active of Argentina's borders and one with major geo-economic pressures.

A compromise was reached on Corpus-Itaipu under which the basic point for Argentina was the guarantee that the powerplant would be constructed, though there were groups (on the other side as well) that felt that the most important thing was for Argentina not to build the plant.

That fundamental goal was thus achieved. Moreover, there was obviously a problem of national dignity, so to speak, involved. That is to say, it would have impaired our national self-respect if a decision like that had been made without any Argentine input and if Brazil and Paraguay had ultimately completed a dam the size of Itaipu without Argentina being able to recover most of its hydroelectric rights on the river, without this having even come up for discussion and without furnishing even passably relevant information.

It would take too long here to go into the technical details to demonstrate that Argentina hardly made a diplomatic slipup by guaranteeing the construction of a dam that will have an output capacity of around 20,000 gigawatt-hours and that could eventually be boosted to 7 million kilowatts

of firm power by virtue of the additional equipment that can be installed at Corpus with Yacyreta as a natural regulator. Moreover, the problems of navigation in the Argentine area of the Parana were basically resolved under the Itaipu operations compromise. This enabled Argentina and Brazil to impart a constructive turn to their relations, basically the nuclear pacts, the significance of which I should now comment on briefly.

Nuclear Pacts

These nuclear agreements initially provided an opportunity to dispel the uncertainties about the two countries' respective developments in this field and to deflect the customary international complaint that the two nations were engaged in a nuclear arms race. This argument has now been completely invalidated by the facts and is no longer even put forward. Above all, however, the pacts made trade possible, which to Argentina has meant high-priced exports.

For example, fuel elements can now be exported for Brazil's power reactors. This is, of course, a transaction in which Argentina is indisputably interested, and so, ultimately, is Brazil, which is getting an item, free from the inconveniences of international safeguards, from a country that is not hostile to technology transfer but that will, of course, demand safeguards (because each one of these elements entails compliance with safeguards).

So then, Itaipu is an important project if for no other reason than because it made a nuclear agreement possible, as well as the hydroelectric development of the Uruguay River, which would not have been feasible otherwise and which represents more than 12 percent of Argentina's hydroelectric reserves.

Politics and Economics

With regard to ESTRATEGIA's concern that Argentina might become a sort of junior partner of Brazilian development, in my way of looking at this, it has nothing to do with the Itaipu-Corpus agreement; rather, it is related to Argentina's overall economic policy, which by charting a given course would have, in fact, brought us face to face with this extraordinarily dangerous prospect. We would not only have become junior partners of Brazil but we would also have ceased to be an industrialized country. In that event, we would also have become a junior trading partner with Korea, Singapore or any other industrialized country that could export to an Argentina whose industry had been laid waste.

Balanced Trade

But this did not come to pass. As a result of our constructive political relationship, our economic talks reached a high enough level of sophistication and efficiency so that at the recent presidential meeting it was the Brazilians who proposed an arrangement to guarantee a qualitative balance of trade,

because Brazil realized perfectly well too that Argentina, which had suddenly become one of its leading trade partners, was a promising market to the extent that it could export industrial goods, because trade cannot expand with a country that exports only raw materials.

The possibility of completely unbalanced trade between Argentina and Brazil entailed the risk for Brazil that the potentially important Argentine market would become a closed, not an open market. This would probably have been the final outcome if certain courses of action had been continued, whether for exchange reasons, because purchases were impossible, or, understandably, for national defense reasons or for nationalistic reasons on the part of producers.

Rational Diplomacy

So I think that the real progress in relations with Brazil was the attempt to seek a rational solution to problems, not to complicate them, even when upsetting factors arise, such as happened recently with the side effects that the incident with Chile had on Brazilian trucking. All indications are that a diplomacy of rational dialogue and smooth consultations between Argentina and Brazil represents at the moment a diplomatic asset for consolidating international policies properly geared towards the national interests of both Argentina and Brazil.

Needless to say, it is no secret that because Argentine diplomacy is defending Argentina's own viewpoints, Brazilian diplomacy is encouraged to defend Brazil's own viewpoints too.

Moreover, I think that this has helped, in general, to rationalize courses of conduct in Latin America by providing a valuable example, above and beyond our bilateral relations, and has had a beneficial impact on the rest of the countries on the continent, which concluded, in point of fact, that the Itaipu-Corpus agreements and subsequent events represented promising progress, not a regression, in continental diplomatic relations.

ESTRATEGIA: The question marks arise because as soon as Brazil took care of its problem relating to dam projects with Argentina, it very actively succeeded in setting up the Amazon Treaty, which although a promise for the future, is a major element in Brazil's relations with South America. In turn and at a given point, all facets of its relationship with Argentina seemed favorable to Brazil. Let's take a look. Trade, because while we have posted a striking decline in industry, Brazil has continued, albeit with difficulties, its development. And then there is the construction of dams on the Uruguay River, because although they will provide the same amount of power to each partner, they will favor the one that is at the most advanced level of industrialization. This will widen the population gap on the two sides of the border. There is also the fact that the Argentine-Paraguayan dam projects are still not under way or moving forward slowly. Yacyreta has problems, and

is still on the drawing board. Finally, Corpus has created strong economic ties that boil down to closer links between Brazil and Paraguay. So it looks like there is no reasonable parallel for Argentina in this picture.

Foreign Minister: Itaipu, development pole: Very well. I'm going to address each of these points. First of all, Itaipu obviously had the effect that you mentioned; aside from being a vital project for Brazil's energy development, it represents a development pole for Paraguay as a construction project.

It prompted heavy demand for Paraguayan goods and services and has been a training school for high-level technicians, which has had a truly constructive impact on Paraguay's manpower. It is also a fact that Brazil's active presence in eastern Paraguay brought an offsetting Paraguayan influence in the east too, which used to be deserted and now has at least 300,000 residents.

So then, Paraguay marched eastward, which has been very promising for Paraguay. It is a fact that Paraguayan-Brazilian relations have moved ahead in recent times at a very rapid pace. But this obviously took place with Itaipu alone and had nothing to do with the possible construction of Corpus.

We have to remember that the Corpus-Itaipu negotiations were based on the fact that Itaipu was well under way. They really started under the following conditions: Itaipu was 1 year into construction, and neither Corpus nor Yacyreta were included in the Argentine Secretariat of Energy and Fuels' programs. These were not, of course, ideal conditions, because our partner, Paraguay, was perfectly aware of the difference in approaches.

Dams on Uruguay River

Secondly, with regard to the issue of dams on the Uruguay River, the notion is quite widespread that dams on the Uruguay River are of more interest to Brazil than to Argentina. I think that this means assuming that Argentine growth is impossible or that we have renounced such growth. I think that dams that generate power for both sides are necessarily conducive to the development of both sides, and when you talk about dams on the Uruguay River, the basic premise is Argentina's development, because we're obviously not going to build them out of altruism. There is not the slightest doubt that from Argentina's standpoint the dams on the Uruguay River are projects by which an extremely unpopulated zone can be occupied. Even as construction projects, the three dams, the two upriver in particular, constitute enclaves for Argentina to march towards and occupy its eastern region.

Thirdly, people generally think that the dams on the Uruguay River are vital to Brazil. They are, of course, important to Brazil, but they represent a much smaller percentage of Brazil's energy reserves than of Argentina's energy reserves. And people at times forget that aside from the three joint projects, Brazil has six other developments planned on its side of the Uruguay River.

So it would be going a bit too far to say that the Brazilians are banking on these three dams, although it is true that they are very interested in them. But they can develop first what is still available to them on the Iguazu, some 6 million kilowatts, and they have two major dams they can still build on the Upper Parana (Porto Primavera and Ilha Grande), aside from the six on the Uruguay River that I mentioned.

Yacyreta and Corpus

With regard to the work pace at Yacyreta and Corpus, Yacyreta is obviously lagging behind (Corpus, on the contrary, is on schedule), but it is also obvious that if Yacyreta does not get under way, the Corpus project is going to be postponed. This is due essentially to delays on the Argentine side, not to any sore points or lack of reciprocity in Argentine-Brazilian relations. If Argentina does not get Yacyreta under way, well, it will have a national and international contrast of colossal dimensions.

Yacyreta is a major Argentine commitment to itself, to Paraguay, to international companies and to its name in the world's eyes. I am certain that Yacyreta will get under way this year. The startup of Yacyreta is going to cause such a great upheaval in Argentina that the country still does not realize the repercussions of a project of this magnitude and how it is going to condition our entire policy of future investments, because work on these powerplants has to proceed on schedule.

Amazon Pact

Lastly, with regard to the Amazon Pact, you know that the Amazon Pact is at this point essentially a political decision geared towards a long-run integration goal. The major difficulty, of course, is that it is hard to integrate deserted areas.

The Amazon Pact involves the least populated zones of the South American countries, the unpopulated heart of the Americas. But I would say that the Amazon Pact had a significant side effect that we, as South Americans, should not belittle; it gave certain countries in northern South America an interest in the rest of the continent that could eventually be capitalized on throughout the region. Countries that looked basically to the Caribbean or the United States saw that it was telling them that they belonged to South America too, and Argentina ought to give this some thought and come up with imaginative initiatives.

Diplomacy and Development

So then, we ultimately come to the following conclusion: There is no abstract international diplomacy, and there are no foreign policy prescriptions that are not in keeping with national development capabilities, national development policies and actions that confirm, from within, a nation's interests.

The Corpus-Itaipu Treaty will be a very nice treaty as a precedent in the field of international law pertaining to river basins, but the important thing is to build Corpus. If Corpus is not built during the time frame anticipated when these negotiations began, it will mean two things: first, that Argentina's energy expansion lagged behind, or Argentine demand lagged behind and thus Argentina did not grow sufficiently, or else the negotiations with Paraguay for starting up the powerplant were handled incompetently.

If, on the contrary, we assume that Argentina grows at its normal, rapid pace, I feel that the projects will inevitably be constructed. I will cite you this fact: At the outset of the Corpus negotiations, with Corpus already figured into Argentina's energy timetable and with a quite modest forecast of demand growth, 8.8 percent (Brazil's is regularly 13 or 14 percent), estimates were that a turbine would have to be installed before the year 2000 on every last Argentine river that could accomodate one because projected demand would exhaust our hydroelectric and water resources by that time.

So if Argentina decides to expand at a slightly quicker pace, we might get a pleasant surprise from this.

8743
CSO: 3010/280

BRIEFS

MILITARY REPRESENTATIVE ON WASHINGTON CONFERENCE--Santiago, Chile, 11 Nov (AFP)--Chilean Army Gen Rigoberto Rubio disclosed here today that launching a joint action against terrorism was recently discussed in Washington. General Rubio, who participated in the 14th conference of American Armies added that all that remains to be done now is to plan the work to be carried out. This is a phase which could take a while because all the member states must participate in it. General Rubio, head of the Chilean military delegation to Washington, pointed out that all the delegates attending the conference (Nicaragua and Cuba were absent) agreed to the idea of struggling against terrorism. He said all the proposals in this regard were unanimously approved. When asked whether communist action represents a threat to continental security, General Rubio stated that the current situation was laid bare at the meeting. He added that each government will have to react according to the situation in its country and in keeping with its own interests. Military sources pointed out that the subjects discussed during the meeting held in Washington from 2-5 November also included the struggle against extreme leftist subversion, the means and way in which underground insurgency is carried out and alleged Cuban activity in some Central American countries. [Text] [PY121112 Paris AFP in Spanish 1551 GMT 11 Nov 81]

END TO VIOLENCE URGED--Santiago, Chile, 12 Nov (AFP)--The Chilean human rights commission issued an appeal today to the government and the community in general to make every effort to stop the wave of violence that has been registered in the last few days in Santiago. The Chilean human rights commission, which is usually highly critical of the government headed by Gen Augusto Pinochet, made this appeal after the attack against Supreme Court Chief Israel Borquez and the killing of four alleged terrorists in a clash with security agents that took place 4 days later. Regarding the attack against the Supreme Court chief, the Chilean human rights organization said that this incident is another in a series of human rights violations that have been taking place in the country and which they had denounced several times. The commission added that they appeal to the government, to national officials and to all citizens to make every effort to stop all human rights violations. The leaders of the commission, headed by Maximo Pacheco, visited judge Israel Borquez who is recovering from injuries in a Santiago hospital and expressed their repudiation of the attack against him. The Chilean human rights commission was established 3 years ago by Christian democratic lawyer Jaime Castillo who last August was expelled from Chile and who now lives in exile in Venezuela. [Text] [PY132223 Paris AFP in Spanish 1830 GMT 12 Nov 81]

EXPELLED PERSONS RETURN REJECTED--During an informal talk with the press, Interior Minister Sergio Fernandez reconfirmed this morning that the government has rejected the request for the return to the country of (Jaime Castillo) and (Alberto Quiroz), who had been expelled. [Relayed report from government palace by (Graciela Contreras)] [Excerpt] [PY122333 Santiago Chile Domestic Service in Spanish 1630 GMT 12 Nov 81]

EARTHQUAKE HITS NORTHERN CHILE--A tremor of 5 to 6 degrees which lasted 35 seconds hit the El Salvador copper mine early this morning. The tremor was felt in the northern area of Antofagasta. It also affected Copiapo and lasted 60 seconds with an intensity of 3 to 4 degrees. Carabineros reported that there were no personal injuries or material damage. The earthquake created alarm among the population in Northern Chile the tremor was felt at 0411; its epicenter was located in Taltal. The tremor registered 2 degrees in Antofagasta but was not felt by the population. [Montevideo Radio El Espectador at 1600 GMT reports the earthquake in Northern Chile registered between 5 and 6 degrees on the one to twelve scale] [Text] [PY171922 Santiago Chile Domestic Service in Spanish 1630 GMT 17 Nov 81]

COMMUNICATIONS AGREEMENT WITH SWEDEN--An agreement will be signed today between the Chilean National Telecommunications Company and the Swedish Company Ericson. Through this agreement, all Chileans will be able to dial directly from any telephone in the country to any country in the world incorporated to the system. [Text] [PY161111 Santiago Chile Domestic Service in Spanish 1000 GMT 13 Nov 81]

LABOR MINISTER TO LONDON--Labor Minister Miguel Kast left today for London where he will attend a seminar on Chilean economic and labor policies sponsored by the Latin American trade advisory group. [PY161111 Santiago Chile Domestic Service in Spanish 2300 GMT 13 Nov 81]

CSO: 3010/313

BRIEFS

JAPANESE AMBASSADOR'S CREDENTIALS--Bogota--Hiroshi Nagasaki, the new Japanese ambassador to Colombia, today presented his credentials to President Julio Cesar Turbay. [PA172149 Bogota Domestic Service in Spanish 1730 GMT 17 Nov 81 PA]

MINISTER IDENTIFIES WEAPONS--Bogota, 16 Nov (AFP)--General Luis Carlos Camacho Leyva, minister of national defense, said today that the weapons that were brought into the country recently in a hijacked Aeropesca plane were made in Belgium. These weapons were for a subversive group that operates in southern Colombia. The weapons, which were sent from an area bordering Panama, are in the hands of the subversive 19 April Movement [M-19]. They were used in the most recent guerrilla actions in the Caqueta region, in southern Colombia, where the guerrillas have been fighting the Colombian Army. The minister said that even though no official report has been issued on this, "the only thing we know is that they are Belgian-made rifles." On the situation in the Caqueta region, the minister said that "the Colombian Armed Forces expect to continue defeating the guerrillas because they are firmly resolved to subject the guerrillas to the law." During the army's latest incursion into the guerrilla zone, 14 members of the M-19 were killed and the army recovered an arsenal consisting of 202 rifles, 22 submachineguns and 36,000 bullets. This latest attack, which used helicopters and airborne commandoes, was launched with the help of the Colombian Air Force. [Text] [PA170427 Paris AFP in Spanish 2250 GMT 16 Nov 81]

CSO: 3010/314

BRIEFS

INTERCOSMOS MEETING--The 14th meeting of the National Organs of the Intercosmos program opened this morning at the Cuban Academy of Sciences [ACC] and will continue until 22 November. The opening of the event was presided by Jesus Montane, alternate member of the Politburo. Also presiding were Wilfredo Torres, member of the Central Committee and president of the ACC, Cosmonaut Col Arnaldo Tamayo and delegation chiefs of the GDR and Hungary, Klaus (Jot) and Bela (Kosak) respectively. [Text] [FL162119 Havana Domestic Television Service in Spanish 1800 GMT 16 Nov 81]

HART INTERVIEWED ON LEAVING ALGERIA--In Algiers, Armando Hart Davalos, member of Cuba's Communist Party Politburo and minister of culture, has accused the United States of disseminating false information for the purpose of mentally preparing the U.S. population for an agression against Cuba. In an interview granted to the IPS news agency prior to his departure from Algeria, Hart explained that if the international penal code were observed, the present U.S. administration would have to be tried for threatening, for announcing that it could drop a nuclear bomb over the Soviet Union and other countries. [Text] [FL171456 Havana Domestic Service in Spanish 1200 GMT 17 Nov 81]

SEMINAR CHAIRED BY MONTANE--The seminar on the situation of the Chicano, Cuban, Indian, Puerto Rican and black communities in the United States opened today at Casa de Las Americas. Chairing the opening session were Jesus Montane Oropesa, alternate member of the Politburo; Nicolas Guillen, member of the Central Committee; and Santiago Diaz, director of the Center for American Studies. Mariano Rodriguez, president of Casa de Las Americas, made the opening remarks. [Text] [FL180027 Havana Domestic Service in Spanish 0000 GMT 18 Nov 81]

NEW PINAR FEU OFFICIAL--More than 100 delegates attended a meeting of the Federation of University Students [FEU] in Pinar Del Rio at which the new members of the provincial council were introduced. (Reinaldo Menendez) is the new president. [FL172141 Havana Domestic Service in Spanish 2106 GMT 17 Nov 81]

BENIN VISITOR--Oscar Fernandez Mell, member of the Central Committee and President of Havana City's Provincial Assembly, received (Maliki Tousiki), member of the Central Committee of the Benin People's Revolutionary Party, in his office. Fernandez explained to (Tousiki) the structure of Havana city's government. (Tousiki) explained the current situation in Benin and thanked his host for the attention he has received during his visit, which demonstrates the strong ties between the peoples and governments of the two countries. [FL172141 Havana Domestic Service in Spanish 1500 GMT 17 Nov 81]

BULGARIAN CULTURAL DELEGATION--The 1st vice chairman of the Bulgarian Committee for Culture, Pavel (Pisiarev), who is heading a visiting artistic and cultural delegation, has given a press conference at the national theater on the occasion of the week of Bulgarian culture that is being held in this capital. The Cuban vice minister for culture, Maria Ruiz Bravo, attended the press conference. (Pisiarev) said that this second week of Bulgarian culture will serve to make more popular the conquests of Bulgarian culture, the successes of socialism and to strengthen internationalism, he then went on to report on the events that are to take place during the week of Bulgarian culture. [FL172141 Havana Domestic Service in Spanish 1500 GMT 17 Nov 81]

CSO: 3010/317

CIENFUEGOS: FMLN IS FOR PEACE, IMMEDIATE POLITICAL SOLUTION

Algiers REVOLUTION NATIONALE in French No 915, 4-10 Sep 81 pp 29-31

/Interview with Fernan Cienfuegos, member of the military command of the Salvadoran National Liberation Front, by B. Rouabhia; date and place not specified/

> /Text/ On an official visit to our country, Fernan Cienfuegos, a member of the command of the Farabundo Marti National Liberation Front (FMLN), granted us an interview in which he takes stock of the general situation in El Salvador and central America, and the international impact of, and support for, the Salvadoran revolutionary movement. We note that Mr. Cienfuegos was received by Mohamed Cherif Messaadia, political bureau member and head of the permanent secretariat of the FLN central committee.

/Question/ The FMLN has launched what is called the second general offensive against the forces of the junta in power. Can you update us on the situation?

/Answer/ At the time of our previous meetings with the Algerian press, we stressed the character of this general offensive, which has been in progress for months. The offensive has permitted consolidation of the popular foundations of the FMLN, which controls, directs, and organizes a large part of the Salvadoran masses. Our enemy is cornered in his bases, and his defensive capabilities are dwindling day by day,despite the great resources available to him. The fascist junta wished to wage a war of extermination against us, using air forces and artillery as well as bacteriological and chemical weapons. But that has not undermined our forces of resistance. The army is massively repressing the civilian population, but the latter is increasingly mobilizing around the FMLN.

The aid given by American imperialism to the fascist junta is proving totally ineffective against the popular will. Today we control the major road nets, and the enemy is completely paralyzed.

In July we launched a general offensive by harassing the armed forces at all levels. Formerly, we attacked the fascist troops in rural areas and in certain of their bases. But since that time, we have been waging total war against them. That is, we destroy all their logistical facilities--communications, supply bases, etc.

Faced by these new demands of the struggle, the masses of the people accept great sacrifices and approve our methods of action. In short, this generalized offensive is marked by our hitting the enemy on the move, and no longer only within his military bases.

/Question/ The FMLN's struggle certainly overflows the Salvadoran frontiers. Faced by the rise of the national revolutionary movement in central America, a coalition of the military regimes in the region is forming. How do you assess that aspect of your struggle?

/Answer/ It is clear that the United States is pursuing a policy of destabilization in America. Thus in Panama, after the accident--in our view it was in fact an assassination--which cost his life to former president Omar Torrijos, the Americans are considering a coup d'etat against President Royo.

In Costa Rica, imperialism wishes to impose creation of an army patterned after those existing in the other countries, that is, a fascist army. The Costa Rican people fundamentally opposes creation of such an army, for they are a people with old democratic and pacific traditions. Costa Rica has never had an army.

The Reagan administration maintains over 5,000 mercenaries on the Nicaraguan border. Provocations against the Sandinist revolution are without number. It is also pushing the Honduran regime to intervene against our revolution, as it is doing against Nicaragua.

The aim of American imperialism is to create a fascist coalition in the region to suppress all popular movements.

In the face of such a danger, it is clear that our movement should fit into the pattern of popular struggles throughout the region. How could it be otherwise when fascist regimes intervene in other states? The United States and Guatemala wish to prevent the accession of Belize to independence.

We maintain firm relations with all revolutionary and democratic movements in central America and throughout the American continent. Those relations go far back in history, and are based on militant solidarity and coordination of political action. Whether it be with Costa Rica, Honduras, Panama, Guatemala, or Chile, our relations with democratic movements are inspired by our will to independence, peace, and progress.

The FMLN supports the establishment of peace, and is for a global political solution meeting the democratic aspirations of our popular masses.

/Question/ A propos of political solutions, certain endeavors have been made, but have remained without result. What is the FMLN position in this regard?

/Answer/ From the first, we declared our support for a global political solution. We have not refused negotiation and mediation. But any political solution must take into account the aims of our struggle. Our platform to negotiate a political solution is based on the following points:

Formation of a government of national union with participation of all revolutionary and democratic forces struggling against the fascistregime. It is a question of forming a government authentically national, revolutionary, and democratic;

Elaboration of a policy of economic development and social reforms to meet needs of the masses;

Establishment of a democratic regime and institutionalization of peoples' organizations through which the masses can express themselves freely and democratically;

Creation of a new army composed of FMLN forces and the patriotic portion of the present army;

Adoption of a policy of nonalignment and political independence, with the right of self-determination in its broadest sense, and respect for sovereignty;

Freedom of religious and cultural association.

Only that platform can permit a negotiated comprehensive political solution. The junta proposes elections under certain conditions. That is in fact nothing but a diversion.

The FMLN categorically rejects the false proposals of the junta. In fact, it offers us only what the Moroccan regime offers the Polisario. That is a kind of disguised surrender.

/Question/ Does not your struggle benefit from a broad international echo?

/Answer/ Yes, for the simple reason that our struggle, those of the peoples of Latin and central America, make common cause with the struggle of the African peoples. We have the same enemy, the same final goals: anti-imperialist struggle and national liberation. The forces which maintain tension in central America are also those which do so, in like manner, in the Mediterranean and Africa. We consider that we have the same enemy; that is why we must make common cause. We know and support the struggles of the people of the Sahara, Palestine, Namibia, and Angola. They are also our struggles.

It is Reagan's adventurist policy that is behind all acts of aggression wherever they occur. The only means of defeating that policy is through unity of revolutionary progressive forces and national liberation movements throughout the world, by constituting a broad anti-imperialist, anti-interventionist front.

That adventurist policy is doomed to failure because history teaches us that peoples are invincible. Peoples execrate wars, but imperialism imposes them by zionism, racism, and apartheid. We condemn all those forms of oppression engendered by imperialism.

We fight for peace, which is an important weapon for defeat of the aggressive imperialist policy.

FMLN calls for solidarity of all peoples, all revolutionary forces, all democratic governments in the world.

/Question/ You have just had a series of talks with Algerian officials. Can you tell us the essence of those talks?

/Answer/ The Algerian revolution is for us an example to follow. Political, economic, and social achievements must serve as guides for all revolutionary movements. The Algerian revolution is exemplary because it relies only on its own forces and its own means. Our admiration for your country is very great. We do not say that to please.

We have had talks with Algerian officials whom we particularly wished to inform concerning the situation in El Salvador and in central America. We explained to them our positions on international problems. Our policy is identical to that of Algeria, particularly as regards nonalighment and national independence. That is why our talks were very positive, constructive, and convergent.

FLN solidarity is assured to us, and continuously grows, for Algeria has always been on the side of just causes.

We hope further to expand our relations with Algeria. The Salvadoran revolution will not forget the Algerian example. When we are in power and must face the battle for national development, the Algerian example and experience will be very useful to us.

6145
CSO: 3100/27

BRIEFS

UNCONDITIONAL NUCLEAR TECHNOLOGY--Mazatlan, Sinaloa, 17 Nov (NOTIMEX)--Claude Charland, Canadian ambassador to Mexico, has affirmed that Canada will grant Mexico unconditional nuclear technology. Charland spoke here at the installation ceremony of engineer Norberth Gibson as the Canadian consul for the state of Sinaloa. He added that the important technological program will be established in the Mexican republic whose uranium needs no enrichment for processing in nuclear plants. He mentioned the well-known system known as "Candu," which is of proven efficiency and advanced safety, in particular for Mexico. It should be pointed out that engineer Norberth Gibson, who was installed as the Canadian consul here in the presence of civil and military authorities of this port, was in charge of an important post with Mexican Petroleum (PEMEX) during the administration of President Adolfo Lopez Mateos. Claude Charland spoke about the tourism aspect of both countries. He said he had spoken with the Mazatlan municipal president and had concluded that more Canadian visitors would be coming here, especially during the winter. [Text] [FL171926 Mexico City NOTIMEX in Spanish 1644 GMT 17 Nov 81]

IMPLEMENTING PROPOSALS—Mexican President Jose Lopez Portillo has urged the chiefs of state who attended the recent Cancun summit meeting to implement their proposals. The Mexican chief of state remarked that wealth cannot go hand in hand with exploitation and misery. Lopez Portillo spoke to more than 100 representatives of the foreign banking sector, headed by the Bank of America, who are holding a meeting in Mexico City. The Mexican president added that although it is the responsibility of humanity as a whole to prevent exploitation and misery, it is the governments of the so-called North, in other words the developed countries, that have to understand that progress is only obtained when there is overall health among societies and peoples. [Text] [FL111410 Havana Domestic Television Service in Spanish 1206 GMT 11 Nov 81]

AUSTRALIAN, INDIAN TRADE MISSION--Mexico City, 17 Nov (NOTIMEX)--A Mexican trade mission organized by the Mexican Foreign Trade Institute (IMCE) and the Mexican Business Council for International Affairs [Consejo Empresarial Mexicano Para Asuntos Internacionales--CEMAI], is visiting New Zealand, Australia, Singapore and India to increase exports and open up new markets. As an exporter country, these other countries represent for Mexico, among other things, a highly developed market (?within) the general system of preferences suitable to the needs and trade agreements that have already been

established at the government level. The trade mission began its trip on 20 October and will end it in India on 20 November. Among the products these countries show most interest in are citric acid and sodium nitrate, heterocyclic compounds, varnish, cash registers, oranges, fruits and vegetables, liquor, garments and textiles, general handicrafts, silver and others. Presently, Mexico's balance of trade with New Zealand has favored the latter. Australian trade with Mexico has been scant but there are possibilities for increased trade. Mexico's trade balance with Singapore has been unfavorable for Mexico, since in 1980 our country's sales amounted to 8.5 million dollars and purchases amounted to 10,223,000 dollars. Prospects for increased trade are interesting. [India's] balance of trade with Mexico has favored the latter. [Excerpts] [FL182214 Mexico City NOTIMEX in Spanish 2150 GMT 17 Nov 81]

CSO: 3010/316

ULLOA FORECASTS 40 PERCENT INFLATION IN 1982

Lima EL COMERCIO in Spanish 15 Oct 81 p A-4

[Text] While denying that the government is going to sanction any more economic "packages," Minister of Economy, Finance and Trade Manuel Ulloa Elias reiterated yesterday that the goal for next year is to lower the rate of inflation to the 40-45-percent level.

He also announced that next week he will begin selecting government enterprises which will be returned to the private sector or turned into mixed companies through public bidding.

Speaking during his weekly meeting in the Palace of Government, Minister Ulloa stated that, with the exception of rice, most foods are no longer subsidized, in accordance with the government decision on differentiated subsidies which favors the poorest classes in the country.

Speaking about inflation, he said that the measures being taken are effective and permit a prediction for 1982 of 45 percent inflation, which he considered a high figure.

"In the face of worldwide inflation, recession, protectionism, and urgent social needs, I think it will be hard to bring it down to that level; to reduce it below 40 percent would be a real success," the economy minister remarked.

Referring to the cost of living, he stressed that periodic price adjustments with relation to the cost of living will continue. He added that a policy of periodic readjustments in the price of controlled products, "of which there are few," will prevent a situation of indiscriminate subsidies for foods. He categorically stated that the goal is elimination of general subsidies.

Public Companies

Regarding the reduction of government, Ulloa indicated that results will be noticeable in the middle term and not short term, because the measure will be carefully studied to be sure that the companies can be transferred profitably through bidding, while bearing in mind the protection of the public interest.

"Next week we will select the companies having government participation in which we believe we will have to take some measures," he said.

Unfair Trade

On another matter, he said that President Fernando Belaunde Terry had just remarked during a press conference with foreign journalists that he considered the terms of international trade still unfair for developing countries, and while the situation continues, the minister stressed, we cannot consider ourselves part of an order based on justice and solidarity.

Ulloa referred to the Peruvian position on the international problem of silver, which is affected by the sale of North American stock.

"If there is no meaningful dialogue on the international level, cartels of nations producing raw materials will begin forming in defense of their rights, as already occurred with the oil-producing nations, with unfortunate results for the developing nations," Minister Ulloa said.

He added that Peru trusts that its relations with the United States will be expressed in deeds and not just in words. "We must review our policy toward all countries, judging acts and not just statements," he emphasized.

Petroleum

When he was asked about our balance of trade, which he called poor because of the low prices for export products, he noted that the recession in industrialized countries indicates that prices for our exports will not rise within the next 6 months.

"In view of that situation, we are forced to increase our petroleum production in order for Peru to keep her position as an exporting nation," Ulloa said, adding that judging by the signs of increased oil production, the government is not talking about either overconfidence or new oil booms.

"In 1971, there was talk of an oil boom, and what happened was that most of the companies left and some contracts had to be revised because of overconfidence," Ulloa concluded.

8587
CSO: 3010/110

BRIEFS

MISSING PERSONS IN URUGUAY RELEASED--Porto Alegre--Based on denunciations made by relatives of missing persons, the movement of justice and human rights of Porto Alegre released yesterday the first list with 14 names of persons kidnapped in Uruguay by security organizations during the past 2 months. Jair Jrischke, vice president of that movement, stated that the complete list of approximately 150 names will be released by the end of this month. According to him, these persons disappeared recently. Krischke stated that the Montevideo newspaper EL PAIS published a denial last week by Uruguayan officials concerning denunciations about an offensive by repressive organizations against alleged leftist militants. Then he stated: "The denial is groundless, because we are going to prove all our accusations." Through appeals and denunciations made by relatives of missing persons, the movement of justice and human rights of this capital is trying to prepare a complete survey of persons who have been missing or kidnapped in Uruguay during the past few weeks. Krischke has confirmed his previous report that "the Uruguayan Government is unleashing a wave of repression much worse than the events following the 1973 military coup." The names included in the first list are: Alejandro Jorge Vasovich, Ariel Casco, Antonio Omar Pauta Cardozo, Alberico Rodolfo Barreto, Ana Maria Varella, Fernando Borsani Gatto, Omar Perez, Felix Ortiz, Iolanda Esponda Vaz, Nestor Alfredo Morin, Sabino Perez Medio, Gonzalo Fernando Mujica de Noit and the students known only as Labanin and Arce. In almost all cases they are liberal professionals allegedly involved in subversive movements. [Text] [PY182135 Rio de Janeiro JORNAL DO BRASIL in Portuguese 17 Nov 81]

CSO: 3001/35 END

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BRIEFS

OIL PRODUCTION--According to information released by the National Petroleum Enterprise [ENAP] Chile is currently producing 50 percent of the 100,000 barrels per day of oil it consumes. According to ENAP estimates this year's production will total 15 million barrels. It is expected that this figure will be increased in 1982. [PY161111 Santiago Domestic Service in Spanish 1000 GMT 12 Nov 81]

CSO: 3010/313

PEMEX IMPROVES SHIPPING CAPABILITIES

Mexico City EL SOL DE MEXICO in Spanish 21 Oct 81 p 4-B

[Article by Nestor Gil Garcia]

[Text] If PEMEX [Mexican Petroleum] did not have its own transport system, a number of wells would have to be closed because of the lack of overland transport facilities suitable for our national development requirements.

The engineer Antonio Montes de Oca, deputy director of projects, and construction and rehabilitation of port facilities, said that a coastal shipping system is used instead of overland transport.

At present PEMEX has a 17,000-ton barge, 30 flat tugboats of 7,000, 6,000, and 1,200 hp, along with two flatboats with cranes, of 150 tons each. The barge can transport up to 10 flatboats at a time.

This system will also have 113 cranes and hoists with a capacity ranging from 5 to 60 tons, he reported.

In addition, the program calls for the construction or rehabilitation of port facilities in Arbol Grande, Tampamachoco, the port of Veracruz, Punta Pichos, Chiltepec, Santa Ana, El Bajio, Jose Colono, and Lerma.

All these facilities are considered very simple and some are located inland. The terminals will have a dock, a storage yard, and in some cases, a warehouse.

Through the rehabilitation and construction program, loading and unloading points will be fully diversified. This will help to bring operations closer to working areas and will shift traffic away from the traditional loading areas.

Virtual Container Concept

He reported that in the first phase 27 ships were used with a dead weight of 33,200 tons. The plans call for a total of 77 ships with a weight of 74,000 tons.

The flatboats mounted on the deck of the barge fit the concept of containers, and their cargo consists of a variety of equipment used in refineries. Upon arrival at its destination, the barge is submerged so that the flatboats can be detached and begin to float by themselves.

Later, he said, a 1,200-hp tugboat brings the flatboats to the coast where an unloading crane places them under the Mack trucks which will take the equipment to the refinery.

In the meantime, other flatboats take the place of those that were unloaded. The barge resurfaces and resumes its course.

It was also reported that by air and by a complete microwave network, constant communications are maintained with all the points where PEMEX installations are located.

7679
CSO: 3010/242

INCREASED OIL DEALS WITH SPAIN SIGNED

Mexico City EL SOL DE MEXICO in Spanish 6 Oct 81 p 5-B

[Article by Arturo de Aquino]

[Text] Today Mexico and Spain are to sign two oil agreements. One of these provides for daily exports of 20,000 barrels of crude to Spain, and the other calls for the sale of 8,000 tons of petroleum, which will be refined in Spain and then returned to Mexico to be consumed.

The agreements will be signed by the director of PEMEX [Mexican Petroleum], Julio Rodolfo Moctezuma, and by the director of the INHIE [National Hydrocarbons Institute of Spain], Claudio Boada.

Agreement Reached During Prime Minister's Visit

PEMEX reported that this agreement was arranged during the visit which the prime minister of Spain, Leopoldo Calvo Sotelo, made to Mexico last July.

According to the terms of the agreement, Spain will receive an additional supply of Mexican petroleum amounting to 20,000 barrels a day (180,000 tons a day are already being exported); this is the equivalent of 1 million tons a year.

The document also includes an agreement that PEMEX will supply to the Spanish firm EMPETROL 8,000 barrels a day (400,000 tons of petroleum) which EMPETROL will later return to Mexico under the form of ethylene, butadiene, and propylene.

It was explained that during the arrangements for this agreement, which is to be signed today, Prime Minister Calvo Sotelo confirmed in Mexico that Mexico is to supply an additional amount of 30,000 barrels a day of crude for products to be processed in Spanish refineries.

4.5 Million Tons Purchased in 6 Months

It was then reported that during the first 6 months of this year, Spain purchased from Mexico a total of 27.7 million barrels (about 4.5 million tons); this represents 15.6 percent of the total of Spain's purchases of crude, and places Mexico as the second leading supplier of Spain.

The agreement provides that the INHIE will receive an additional supply of Mexican petroleum, equivalent to 1 million tons a year.

This agreement was arranged during the visit which the Spanish prime minister, Leopoldo Calvo Sotelo, made to Mexico last July.

7679
CSO: 3010/242

BRIEFS

ALLEGED MONTONERO GRANTED SAFE CONDUCT--The national government has granted a safe conduct for Argentine citizen Roberto Eguia to leave the country. Eguia, who had sought asylum in the Mexican Embassy in this capital, traveled to Mexico City on Thursday on a regular Braniff flight after obtaining the corresponding authorization. Eguia had sought asylum in the Mexican Embassy in September because, according to his statements, he was being sought by the police. Once Mexican Ambassador Col Guillermo Albert Robles was able to prove the identity of the Argentine citizen (he is 24 years old) and after having requested the necessary information, he granted him political asylum and started the necessary paperwork for Paraguayan authorities to obtain a safe conduct for Eguia. According to information gathered in police circles, the charges against him state that at some time he belonged to the extremist "Montonero" group in Argentina and that he had specialized in frogman techniques. He allegedly fled to Brazil carrying forged identity documents and was then able to enter Paraguay under the name of Pedro Roberto Jacobi. He also allegedly obtained a document issued by the Bella Vista Register Office (Amambay Department) in January 1979. He became well known in some business and sports circles in our capital because he was a member of the Curda Rugby team. Eguia did not deny that he had belonged to a sector of the Peronist youth which specialized in labor union issues. He said that he had abandoned Argentina once Maria Estela Peron's Government had been ousted because many leaders of this sector of the Justicialist Party were being arrested. According to information obtained at the Mexican Embassy, Eguia had not participated in extremist activities, contrary to what is contained in the police records. [Text] [PY171351 Asuncion ABC COLOR in Spanish 14 Nov 81 p 13]

YACYRETA PROJECT COST--Zoilo Rodas Ortiz, deputy executive director of the Yacyreta Binational Organization, arrived yesterday from the United States. He revealed that the updated cost of the project undertaken by the Paraguayan and the Argentine Governments amounts to $10 billion. This is the first time that so large an amount has been mentioned. Moreover, he reiterated that there has been no formal awarding of the contract for the main civil works, although he admitted that a preliminary and unofficial document has been submitted to the World Bank. The document was jointly prepared by the Harza-Lahmeyer Consulting Company and by Yacyreta. It refers to the project's largest contract. Rodas Ortiz also said that Impregilo and Dumez are the two enterprises which are still in the running in the bidding. He said that he could not make any prediction about which one will be the winner. He added that the process will not be delayed and that a final decision will probably be made by the middle of next month. [Excerpts] [PY162232 Asuncion ABC COLOR in Spanish 11 Nov 81 p 12]

CSO: 3010/306

BRIEFS

EXPLOITATION OF PRECIOUS STONES DENIED--The government has not granted any authorization to exploit precious stones in the so-called (Gaiba) region. Those who are involved in this are flagrantly violating the enforced law and must, therefore, suffer the consequences of their crime. This warning is included in a communique issued yesterday evening by the information ministry which states: There have been some press reports on the exploitation of precious stones in the so-called (La Gaiba) region thus implying that the measures stipulated in this case have not been enforced. The armed forces government has gathered the proper information and it has submitted its findings to the national comptroller's office which will draft a final report on the matter. The government has not granted any authorization to exploit these resources. Those who may be involved in this activity are violating the established laws and must, therefore, suffer the consequences of their crime. While the national comptroller's office is drafting a final report on this issue, the armed forces through garrisons in the area, and air patrols, will fulfill its firm decision to defend our sovereignty and protect our nonrenewable resources. If the press reports are confirmed and it is indeed found that small foreign planes are violating Bolivian air space and that there are both Bolivians and foreigners involved in exploiting precious stones in (La Gaiba), they will be severly punished. Moreover, those who are seeking to discredit the armed forces through rumors or biased pamphlets will be charged with slander and brought to trial. [Text] [PY141738 La Paz Radio Illimani Network in Spanish 1130 GMT 14 Nov 81]

ARMED FORCES COMMANDER IN CHIEF--Santa Cruz, 8 Nov (SAPORITI)--The Bolivian armed forces will be led as of today by a commander in chief, a post which has been officially reintroduced and is held by Gen Ruben Rocha Patino on an interim basis. The news has been confirmed to SAPORITI by General Rocha Patino himself. Today, in his capacity as commander in chief, he welcomed the members of the inter-American defense board who arrived in this city. The post of commander in chief was abolished after the coup d'etat which carried Gen Luis Garcia Meza to the presidency. [Excerpt] [PY161250 La Paz EL DIARIO in Spanish 9 Nov 81 p 1]

CSO: 3010/306

ELECTION LAW AMENDMENT DEFEAT SPARKS STRATEGY REVISION

Government To Revise 1982 Strategy

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 24 Oct 81 p 4

[Text] The government has decided to revise its election strategy for 1982 after the defeat it suffered in congress when the amendment that would have instituted the sub-slate [sublegenda] for gubernatorial elections was rejected. That information was given by Justice Minister Abi-Ackel, who considers the rejection of the measure, achieved by the opposition with the support of Social Democratic Party (PDS) dissidents, a "Pyrrhic victory." President Joao Figueiredo, on leave, who was informed yesterday morning about the result of the vote the day before yesterday, also did not express disappointment over the government's defeat and, according to spokesman Carlos Atila, did not make any comment on the matter. The side said that it is a new fact to be analyzed after Figueiredo informs himself through contacts with administration party leaders and with acting President Aureliano Chaves. Atila added that he could not say whether the government will send another bill to congress on the gubernatorial sub-slate. For his part, the justice minister asserted that there will not be any attempt to present the measure again although the government is certain that it will not lose the majority in congress because, according to him, some dissidents voted with the opposition for personal reasons. Although the president of the senate, Jarbas Passarinho admits that resubmittal of the bill is technically possible, he does not believe in that possibility. It is agreed among the opposition and even among administration congressmen, however, that the government will try to impose new devices, such as the total linkage of votes, the prohibition of coalitions and establishment of the enlarged district [distritao]. In any case, the government defeat was received with apparent calmness by government quarters while the opposition stressed that the congress had acted in a sovereign manner and reappraised the possibilities of victory in 1982.

A Threat: the Resumption of Devices

The government is going to propose the sub-slate for gubernatorial elections again, the total linkage of votes and the prohibition of party coalitions next year as soon as it has reconstituted its parliamentary majority in order to prevent the defeat of the PDS in next year's election. That is the prediction of PDS deputies and senators, who consider that defeat of the sub-slate measure has dismantled the whole official arrangement for confronting the elections.

In order to make success feasible, the PDS would have to resort again to the devices that had been abandoned under the pressure of the Popular Party (PP), whose leaders have reportedly threatened, in that eventuality, to again join with the Brazilian Democratic Movement Party (PMDB) in congress and in the election campaign. Opposition parliamentarians such as Senator Epitacio Cafeteira (PMDB for Maranhao) voiced their fear of an electoral reform package to their leader, Odacir Klein.

Yesterday, while bemoaning the defeat of the sub-slate measure, the leaders of the PDS reiterated that the party had abandoned any idea of devices, restricting itself to proposing the sub-slate in order to accommodate the various political lines that make up the party. The proposal had been interpreted as intimation that the recourse to devices might prevail. Prisco Viana, the secretary general of the party declared: "The PDS and the government abandoned all other measures considered to be devices and concentrated on the sub-slate as a minimum. It was a mechanism capable of facilitating internal arrangements. The defeat of the sub-slate measure was not good for the PDS for the PDS, from the political point of view."

Pther PDS circles pointed out that, without the sub-slate, the PDS becomes thwarted in the majority of the states, while the opposition enjoys practically the same device owing to its division into various parties. And that fact is occurring less than 20 days before 15 November, by which date all those who plan to run in next year's elections must be affiliated with parties.

New Items

In Belem, Senator Jarbas Passarinho confirmed yesterday that the rejection of the sub-slate for the election of governors does not represent a "definitive situation" because the government can still submit another bill to reestablish it. The technical possibility exists, declared Passarinho. "It would suffice for the new bill not to repeat the previous one, stipulating, for example, that the candidate receiving the second largest number of votes from the among tickets would be elected vice governor, and not the running mate of the person receiving the largest number of votes, as was provided in the bill which the congress rejected."

Submittal of that new bill could not be made until next year, but in time to modify the election law. The president of the senate himself, however, does not believe in the practical workability of the measure" because the sub-slate could not go into effect until April "when it is unlikely that a candidate would appear prepared to make the sacrifice."

According to Passarinho, what the government is going to do now is to make a "realistic appraisal" of the consequences of the nonadoption of the sub-slate on the selection of state governors. He believes that the situation in at least two states--Minas and Bahia--"is quite complicated," but he believes that there will also be problems for the PMDB "because many of those who voted in the opposition rejected the bill only because it was a closed issues. They themselves said that."

The appraisal will show that the situation "is not as catastrophic as they say," he observed. He believes that the government has already absorbed the defeat but denies that that absorption has been easier with Aureliano Chaves in power. He said that General Figueiredo also would accept it calmly. "While Aureliano is a congressman and knows the decision-reaching judgments of congress, the fact that he was a civilian placed in a position that in recent years has been occupied by military men weighed against him. So it was a civilian defeated by the civil power," he observed. He also denied that the absence of the chief of the Military Household of the Presidency, Danilo Venturini, and of the chief of the National Intelligence Service (SNI), Octavio Medeiros, had contributed to making acceptance of the defeat more peaceful. "We are living in new times and there is no longer that type of reaction in the military area, as we have tried to point out."

"Party Duty"

Although he was led to defend the sub-slate measure "by party duty," Passarinho believes that it causes more harm than good "because it divides the party and nurtures hatreds." A good reappraisal, he said, may lead the government to prepare itself better for the elections. He believes that even in Para, the rejection of the sub-slate will not hurt him inasmuch as it will force the opposition parties to present their own candidates "dividing the cake with the PMDB candidate," regarded as the favorite.

Abi-Ackel Says There Was a "Pyrrhic Victory"

Justice Minister Ibrahim Abi-Ackel declared yesterday that the government's defeat on the sub-slate measure will call for a new strategy by the PDS for the 1982 elections, with a view to uniting the conflicting and even opposing political lines that exist in the party. He stressed, however, that the opposition parties will have the same difficulties and if the inability to use sub-slates is going to hurt the government party, it will cause the same harm to the oppositions, especially the larger parties which won a "Pyrrhic victory."

The victory of the opposition, Abi-Ackel stressed, does not mean in any way that the government has lost its parliamentary majority inasmuch as the PDS deputies who went along with the opposition did not express themselves against the policies of President Figueiredo or showed any determination to leave the party. He explained that they only voted against the sub-slate because of political positions and regional political difficulties which the provision would bring them.

The justice minister pointed out that the sub-slate proposal by the government was decided upon considering the express position of the PDS which, in preparing the report on the election reform, made the sub-slate one of the only points with which it was decidedly in favor, unlike what happened with regard to the countless controversial points studied.

At the present time, continued Abi-Ackel, the government has no intention of again trying to get approval of the sub-slate by submitting a new presidential message in that regard. It remains for the party, he said, to change its strategy and adapt itself to the situation. Abi-Ackel stressed that the whole party, especially the leadership, was committed to getting approval of the bill but reiterated that the defeat did not mean the end of the government's parliamentary majority in congress.

Commenting on the behavior of the opposition, Abi-Ackel said that all the parties concentrated exclusively on the objective of gaining a victory over the government without taking into account the fact that among the opposition parties, especially the large ones, there are the same problems of accommodation of conflicting political lines as those faced by the PDS.

Reprisal

Deputies and senators also reported in Brasilia yesterday that the government and the PDS leadership are going to conduct an appraisal of the results of the voting on the sub-slate in order to identify the formulas capable of rebuilding their parliamentary political base. Only then will it decide whether to press for the sub-slate measure or propose other measures in order to win the elections.

One of the problems to be studied by the government is the arrangement between the congressmen and the top levels of the federal administration. Senator Alexandre Machado (PDS for Maranhao) voted against the policy of the leadership because he had requested an audience from the minister-chief of the Civilian Household, Leitao de Abreu, and the latter advised him that he could not see him until 47 days after his request. Deputy Jose Machado (PDS for Maranhao), who followed his example, had requested an audience with the interim planning minister, Flavio Pecora, whose informed him that he could not see him until the end of November. The Maranhao deputy replied: "I too will not give the government my vote until the end of November." Deputy Joao Paulo Arruda (who changed from the MDB to the PDS) disagreed with the party leader because he felt neglected by the executive branch, which did not mention his bill on usucaption in the presidential message on the subject forwarded to congress. However, the PDS does not understand the negative note by Antonio Fontes. ("It was a matter of principle: I am against the sub-slate," he explained) because he is a congressman thought highly of by the governor of his territory (Amapa), Anibal Barcelos, and by the federal government.

The position assumed by Deputies Feu Rosa, Teodorico Ferraco and Cristiano Lopes, which until the last stage of voting the day before yesterday, were against the policy of the leadership, is explained as service rendered to the governor of Espirito Santo, Eurico Resende, who does not want to be replaced by his predecessor, Elcio Alvares. Deputy Vicente Guabiroba, who is very close to the governor of Minas, Francelino Pereira, also helped to defeat the government, as did Deputies Haroldo Sanford, Claudio Philomeno and Leorne Belem, connected with the leadership of Governor Virgilio Tavora of Ceara.

PDS Hurt in 50 States

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 24 Oct 81 p 5

[Text] The government is right: the sub-slate is a PDS problem. It is and will continue to be, as shown by interviews held yesterday with state sources of the various parties by the network of branches and correspondents of O ESTADO. The PDS had counted on the sub-slate in 15 states to harmonize the multiple interests encompassed under its party label. Now is those 15 states the PSD canddidates' chances of victory in the gubernatorial elections of those states will diminish greatly because, whoever might be nominated, there will be a number of would-be candidates who may simply not be interested in the election campaign or, even in extreme cases of revenge, may join with the opposition forces.

As a counterpoint to those PDS crises, the rejection of the sub-slate brought greater hope to the opposition, especially the two largest opposition parties: the PMDB and the Popular Party (PP). In 10 states, the PMDB improved its situation with the absence of the sub-slate, while in another five states, the PP sees its chances of winning the governorship improved.

In a few places, that situation has been reversed, with the PDS benefiting from the absence of the sub-slate in two states and the PMDB being hurt in three of them. The Democratic Labor Party (PDT) and the Workers Party (PT) may each profit in one state, while some independent candidates were almost irretrievably hurt.

One of those candidacies is that of Sandra Cavalcanti, former deputy who, until now, is the absolute leader in all popularity polls in Rio although she does not have a party. Her party, the PDR [expansion unknown], does not yet exist legally and the provisional registration of its ally, the Brazilian Labor Party (PTB), was rescinded. Sandra Cavalcanti's hope was to get on a sub-slate under Chagas' PP or in the PMDB where, despite having been rejected, she was finally accepted owing to the electoral weakness of Saturnino Braga. Now the only political solution for the former deputy seems to be to return to the government party.

The hope of the Rio PDS was to present three candidates from different parts of the state with the hope of achieving something as a result of adding the votes together. Without the sub-slate, the party will have to completely revise its strategy. Saturnino Braga, the PMDB candidate, has also been hurt without the sub-slate. Despite the fact that he is the party candidate, Saturnino faces a delicate election situation because it is well known that he is not a "good vote-getter," and cannot very well do without at least a "party coattail vote-getter" such as, for example, Senator Nelson Carneiro, to help him get the necessary votes.

Up to now, the only ones who have really come out ahead are Celio Borja, Leonel Brizola and Lisaneas Maciel. Celio Borja because, when he was sounded out by the president of the PDS he said that he would agree to run as the only party candidate. Brizola of the PDT and Lisaneas of the PT, because if they decide to run--which many doubt--they do not have anyone in their parties who can challenge them. As for Miro Teixeira of the PP, the sub-slate would not have changed his situation at all since he is the only heir of the Chagas machine.

The differences between the [former] National Democratic Union (UDN) and the [former] Social Democratic Party (PSD) continue to be the biggest problem in Minas Gerais. There, the PDS, which has not succeeded in resolving its internal divisions between the former UDN and PSD members, sees its situation very complicated: there are many contenders for the candidate spot and minimum chances of agreement around a single candidate.

On the one hand, the Minas PP, which has succeeded in reducing rivalries between its former UDN and PSD members to a minimum, has already reached agreement on the name of Senator Tancredo Neves as the single candidate. The only advantage for the PP stemming from rejection of the sub-slate is that now the party will need less votes to defeat the PDS, which, if it had had three candidates, could have threatened it with the total vote.

Like Minas, in Rio Grande do Sul, the absence of the sub-slate creates problems for the PDS while not changing the plans of the oppositions. In the PDT, the candidate to be nominated will be Alceu Collares and in the PMDB, it will be Pedro Simon; the PP and the PT, without a strong organization, are going to seek coalitions. It will remain for the PDS to accommodate its three would-be candidates, Jair Soares, Nelson Marchezan and Vice Governor Octavio Germano.

In Pernambuco, the influence of the sub-slate has been diluted since former Governor Cid Sampaio decided last month to join the PP. Now the dispute will be between Cid Sampaio on one side and Marcos Freire of the PMDB on the other. Cid Sampaio may even get the semiofficial support of Governor Marco Maciel, who may withdraw the support of the state administrative machine if his political rival, Moura Cavalcanti, is nominated as candidate by the PDS.

In Bahia, the sub-slate was also expected to accommodate the various interests represented by the PDS. While the PMDB and the PP are formally committed to presenting a single candidate--Waldir Pires and Roberto Santos, respectively--Governor Antonio Carlos Magalhaes will certainly face problems in determining on a single individual to be supported by the PDS.

Another governor with problems is Ney Braga of Parana. Before the disapproval of the sub-slate, there were three contenders for the three possible candidacies for the PDS. The difficulty of picking three candidates from among five names has now been increased to picking only one name from among the same five. The pressures are so great that a split within the Parana PDS is even considered possible, depending on who is picked.

Senator Jarbas Passarinho's political plans in Para have also been hurt by the disapproval of the sub-slate. Passarinho had expected to present three candidates for the Para PDS in the hope that they would add up to enough votes to overcome the votes of Federal Deputy Jader Barbalho, the PMDB candidate, who has the support of Governor Alacid Nunes. Jader Barbalho, who was already the favorite, now sees his chances increased even more with the end of the sub-slates.

Another opposition leader who saw his situation improve was the former governor of Amazonas, Gilberto Mestrinho, of the PP. As the single candidate, Mestrinho will now witness the dispute among the three candidates of the PDS for the nomination of the government party. The PMDB, which was counting on the PDS sub-slate to weaken Mestrinho's candidacy is also seeing the chances of its candidate, Senator Evandro Carreira, diminish.

Unlike the Amazonas PMDB, the Ceara PMDB is euphoric. According to the party leader in the Ceara assembly, Depaty Castelo de Castro, "the candidacy of Senator Mauro Benevides to the governorship of the state has become strengthened" without the sub-slate. The one hurt the most was Adauto Bezerra, who was vying for a sub-slate under the PDS and who now will have to vie for the nomination with the wing of former Governor Virgilio Tavora and with the supporters of Minister Cesar Cals.

In Alagoas, it was the PMDB that anxiously awaited approval of the sub-slate. There, the strongest candidate electorally is Federal Deputy Divaldo Suruagy of the PDS, and the PMDB's hope was to secure three candidates for its sub-slates, which would represent the various opposition forces. Now, the PMDB will have to decide in such a manner as to cause the least discontent.

Two candidacies in Espirito Santo, one for the PDS and other for the PMDB, were affected by the termination of the sub-slate. Former governor of Espirito Santo, Elcio Alvares, considered the PDS politician with the best chances of being elected, will not get the nomination because of the animosity existing between him and Governor Eurico Rezende, who is now in a position to impose his own candidate. In the PMDB, Federal Deputy Max Mauro, though very popular, has upset segments within the party and is unlikely to be nominated as the candidate.

The effect of the absence of the sub-slate will also be great in Santa Catarina, where no less than 10 candidates are contending for the PDS nomination and two are fighting within the PMDB. Many in the PDS say that it is going to be very difficult for the party leadership to avoid dissension.

In Rio Grande do Norte, there is also a large number of PDS candidates seeking the nomination. The PDS, which is the only party with more than one candidate, will have to accommodate seven contenders to the state governorship.

In Maranhao, the difference among the members of the PDS is similarly serious. With three candidates already presented by the party, few believe that Governor Joao Castelo will have any success in pacifying the party by selecting one of them. Only one person is capable of uniting the PDS, they say in Sao Luis: Senator Jose Sarney.

In the meantime, in Paraiba, the defeat of the sub-slate will benefit mainly the PDS. Federal Deputy Wilson Braga will be confirmed peacefully at the party convention while the oppositions continue to depend on the possiblity of coalition as the only way to face the PDS.

In Mato Grosso, the decision against the sub-slate ended up strengthening Senator Benedito Canelas, who controls the convention and will nominate somebody from his group, bypassing Federal Deputy Julio Campos, until now the strongest candidate of the party. There will not be any change in the opposition; the PMDB will nominate Father Raimundo Pompo, and the PP will nominate former Governor Jose Garcia Neto.

In two states where the candidacies have not yet been determined, Mato Grosso do Sul and Sergipe, the opinion was unanimous to the effect that without the sub-slate, everyone will be venefited. According to political leaders in those states, the fact that there is no sub-slate will bring about within the party a natural rallying around the person nominated.

In Acre, the PT may swing the balance. Although the PMDB is the favorite, and the PDS may not succeed in reconciling its internal differences, the PT could influence the outcome if it decides to present its own candidate, thereby drawing votes away from the PMDB. The government party is trusting in that possibility.

And in Rondonia, if the territory is raised to the status of a state and thus there is an election, the PDS does not have any chance without the sub-slate to defeat the PMDB candidate, Deputy Jeronimo Santana.

8711
CSO: 3001/15A

IMPACT OF ECONOMIC DEVELOPMENTS VIEWED

Growth Slowed

Santiago EL MERCURIO in Spanish 2 Nov 81 p B 1

[Text] The lowering of the real exchange rate, the entry of foreign goods into the market, and the rise of real wages, while the economy is growing very slowly, seem to be three important elements that are having a negative impact--if only temporarily--on different aspects of economic activity.

In addition, high interest rates, increasing indebtedness and lower prices can be taken into consideration.

Not all of these phenomena are having the same influence on each economic activity, because markets and cost structures are different.

Best Known Cases

Agriculture, financing and housing are the three sectors where the difficulties are clearest.

The first of these sectors has been plagued with a high degree of indebtedness and rising interest rates. Its domestic markets are characterized by strong competition from imported goods that cost less to consumers, both because of lower prices on the international market and because of the drop in the real exchange rate.

On foreign markets, on the other hand, particularly with regard to fruit and forestry products, the results have not been good for various reasons. The financial sector, which maintains ties with all economic activities through credit, faces the risk of the insolvency of each of its clients, so it is indirectly affected by all the elements that influence the different branches of economic activity.

Finally, in the case of housing, the problem seems to stem from a high growth rate in the last 18 months. The upshot was supply levels that could not easily be absorbed by the market under normal conditions. The increase in interest rates and the shortage of funds for financing long-term investments have aggravated the situation of construction firms, which are having trouble selling houses at current prices.

Along with these well-known situations, however, are the plights of the other sectors of the economy. In addition to some of the problems mentioned above, these sectors must deal with the fall in the real exchange rate, rising imports and the growth of real wages.

Effects of Exchange Rate

The drop in the real exchange rate has made exports less profitable, while enhancing profits on imports.

One indication of each sector's situation is the net portion of production earmarked for the external market, that is, subtracting from total exports the value of raw materials imports.

An examination of the situation in those terms reveals that of 65 economic sectors into which national production can be classified, only 26 are net exporters; that is, they export a greater value than they import. These activities could be impaired by the fixed nominal exchange rate policy.

The other 41 sectors are net importers, and will therefore benefit from this policy.

The graph that appears here shows the four industrial activities that have been most seriously affected by the exchange policy.

Effects of Foreign Competition

The lowering of tariff barriers has meant that the domestic market has been supplied increasingly by imports. The larger that proportion, the more competition national producers must face, and therefore the greater effort they must make to stay in the market.

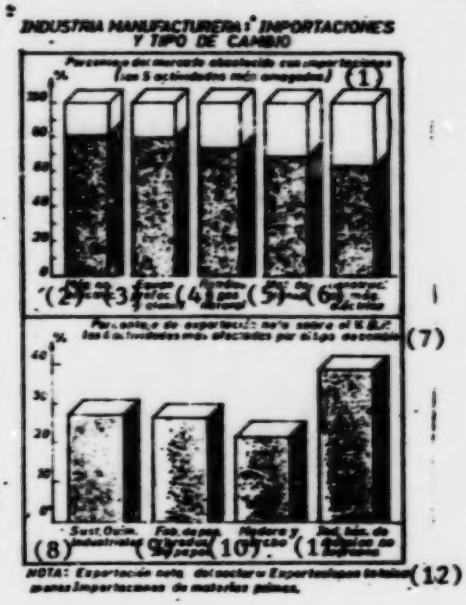
An analysis of the sectorial situation leads to the conclusion that the businesses in the metal machining sector have suffered the most damage. Among them we should mention those which produce machinery, both electrical and non-electrical, those which produce transportation equipment--which exist in this country solely due to the special protection they receive--and those which produce metal goods.

The graph shows the percentages of the domestic market supplied with imports in the five cases where this phenomenon is most important.

Effect of Wages

The increase in remunerations due to legal adjustments or to collective bargaining agreements, under circumstances in which prices can rise very little or must even fall in some cases, means that the most labor-intensive activities have suffered more damage than those that are not.

In this regard, the service sector is in the worst position. On the other hand, in the manufacturing sector the share of labor costs in total costs is relatively minor.



Manufacturing Industry: Imports and Exchange Rate

Key:

1. Percentage of market supplied with imports (the five most threatened activities)
2. Non-electrical machinery
3. Professional and scientific equipment
4. Petroleum and natural gas
5. Transportation equipment
6. Construction of electrical machinery
7. Percentage of net exports in terms of VBP [expansion unknown]; the four activities most damaged by the exchange rate
8. Industrial chemicals
9. Paper and paper products manufacturing
10. Wood and cork
11. Basic non-iron metals industry
12. Note: Net exports of sector = total exports less imports of raw materials

Salaries Up 14.8 Percent

Santiago EL MERCURIO in Spanish 3 Nov 81 p C 1

[Text] The Index of Wages and Salaries experienced a real increase of 14.8 percent between August 1980 and August of this year, according to the director of the National Statistics Institute, Sergio Chaparro.

He explained that the change in the index over the 12-month period amounted to 35.6 percent, and when the inflation rate of that period, 18 percent, is deducted from the figure, a real increase of 14.8 percent is obtained.

Building

He also reported that construction starts in the country between January and August of this year, compared to the same period of 1980, rose by 54.7 percent in terms of the total area under construction.

The number of housing starts increased from 24,160 between January and August 1980, to 39,507 during the first 8 months of this year, a 63.5 percent rise.

Industrial Production

Industrial production, meanwhile, grew by 5.3 percent during the first 8 months of this year, compared to the same period last year. There were declines in six of the 20 groups included in this index.

The groups registering negative growth were: machinery construction (except for electrical machinery), -39.3 percent; textile products, -6.3 percent; tobacco, -9 percent; basic metal industries, -1 percent; food products, -0.4 percent; and leather and leather products, except for shoes, -0.2 percent.

Unemployment

The unemployment rate in Greater Santiago dropped from 10.9 percent to 8.2 percent, on the average, between the August-October quarter of last year and the same period of 1981.

This information was released yesterday by the director of the National Statistics Institute, Sergio Chaparro.

The figure, which represents a total of 111,600 unemployed persons, out of a total work force of 1.353 million people, breaks down into 6.4 percent compulsorily retired and 1.8 percent first-time job seekers.

The number of employed rose during the above-mentioned period, from 1.191 million to 1.241 million, a 4.27 percent increase, according to the survey by the state institution.

The information does not contain details about the sectors where unemployment is highest.

In the earlier quarter, July-September of this year, unemployment went from 8.1 percent to 8.2 percent.

According to the tables preserted, the total population of Greater Santiago is 3.965 million people, of whom 1.352 million make up the labor force. The others are under 12 years of age, students, housewives or retired.

8926
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PRESIDENT INSPECTS, PRAISES IQUIQUE FREE TRADE ZONE

Santiago LA TERCERA DE LA HORA in Spanish 5 Nov 81 p 7

[Article by Raul Rojas]

[Text] Iquique--President Augusto Pinochet spent 2 hours and 41 minutes visting the facilities of the Iquique Free Trade Zone (ZOFRI) and saw that 6 years after its creation it has become the greatest merchandising center in the Southern Cone of the Americas, and is an important international trading center as well.

The chief of state expressed his great pleasure at ZOFRI's role in regional and national development.

The president of the Administration and Control Board, Maj Gen Juan Guilermo Toro Davila, and General Manager Patricio Pina were the main participants in the presentation on the achievements and plans of the zone.

Among the most important figures cited by the president was a truly spectacular statistic: At this time ZOFRI is investing $269 million in a program that will be completed by the end of 1982. It involves the expansion of the walled area for sheds and industrial plants, sewerage and paving in the industrial area, the construction of an administration building, the purchase of a computer, the maintenance of structures, supplies for projects, and improved water and electricity services.

Automobiles

With the expansion of the walled area, there will be 128 warehouses for storage and industrial processing; furthermore, a new parking lot for 10,500 automobiles is already in service. A service area will also be built in that place for banking, insurance and transportation offices, as well as offices for foreign trade-related activities.

The construction of new warehouses will also require the expansion of the area devoted to retail sales.

The investment program, which will end in 1982, as the chief of state learned, will have the following results: 1) 2,000 new direct jobs; 2) 46,000 additional square meters of private sector storage space; 3) 307 million pesos of private

investment in construction; 4) the installation of 50 new businesses; 5) the incorporation of 24 hectares of urbanized property into ZOFRI's assets; 6) the connection of the free trade zone to the railroad network; and 7) the stimulation of regional economic activity.

Objectives

In their presentation to the president, the ZOFRI executives recalled that the zone was created in order to streamline foreign trade, provide timely supplies at lower costs to the national market, and establish a market for economic integration with the countries of the area, particularly Peru, Bolivia and Northwest Argentina.

Then they cited statistics to illustrate the degree of development attained. They pointed out, for example, that the purchases and sales of goods by ZOFRI increased from $249 million to $984 million between 1977 and 1980, a 300 percent jump.

Furthermore, in the first 2 weeks of October this year, the total amount of purchases and sales for all of 1980 was exceeded. By the end of December a total of $1.3 billion is expected. The directors predicted that by 1983 the transactions will total $2 billion.

ZOFRI transactions amounted to 5.4 percent of Chile's foreign trade in 1977, compared to 9.2 percent today. Inventories soared from $37 million to $191 million between 1977 and 1980.

Sales abroad grew from $1.3 million to $60.2 million, a clear indication that ZOFRI has become a real center for the reexportation of goods.

Economic Development

The regional intendent and president of the Administration and Control Board, along with the general manager of ZOFRI, stated that 5 years after the zone was created, its operations have succeeded not only in doing away with the economic depression of this region, but have also promoted sustained economic development, even beyond the limits of Tarapaca.

The chief of state was more than pleased when he learned that in the past 4 years, ZOFRI activities have resulted in 4,950 new jobs, of which 2,777 correspond to direct absorption of manpower. In addition, the 37 businesses that existed in 1977 have multiplied sixfold, totaling 224 today.

In 1980, Iquique was the fastest growing port in the nation. The total tonnage unloaded from ships went from 61,075 to 190,592 tons; 10,180 containers were unloaded, compared to only 1,030 in 1977. The number of ships coming into the port jumped from 235 to 390. In the last 4 years, the consumption of electricity has grown 41 percent, while that of gasoline grew by 48 percent. According to the ZOFRI executives, these indicators clearly show the widespread progress in Iquique.

Tourism also benefited from these advances. The number of hotels went from 4 to 23, with beds rising from 280 to 1,346 in number. The number of passengers using the Iquique Airport surged by 68 percent between 1977 and 1980, surpassing 75,000 people already.

Investments

President Pinochet was informed that the Administration and Control Board invested $274.6 million between 1976 and 1980. Between 1981 and 1982, however, investments will total $289 million. This means that in 2 years it will invest much more than in the 4 previous years.

During his visit, the chief of state examined panels, posters, statistical tables and photographs. He was also presented with a beautiful color photograph depicting ZOFRI at night with the port of Iquique in the background.

Later, he went to the outbuildings, where an exhibition displayed products of the industries that are already functioning here.

Four Projects

In the final part of the tour, the president was informed that ZOFRI has four projects on the drawing board. The first one is to build an electricity plant capable of producing electricity at international rates, since power is very expensive in this region now, and it is essential for industrial development.

Another interesting initiative was the construction of a wharf for ZOFRI's foreign trade across from the industrial area, to prevent overcrowding of existing facilities at the port of Iquique.

Finally, the president learned that a study is being done on the construction of a large refrigerated warehouse for the storage and exportation of perishable goods, and another or improvements to the infrastructure of the Diego Aracena Airport to permit it to operate as an international airport.

At the end of his visit, the president of the republic congratulated the ZOFRI executives and left the following message as he made the first entry in the book for visiting dignitaries: "With best wishes for the progress and prosperity of the Iquique Free Trade Zone, Augusto Pinochet Ugarte."

8926
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ACC'S TORRES DISCUSSES SCIENTIFIC RESEARCH

Havana JUVENTUD TECNICA in Spanish Jul 81 pp 16-19

[Report on interview with Dr Wilfredo Torres, member of the Central Committee of the PCC and president of the Academy of Sciences of Cuba, by Jose Ramon Garcia; date and place not given]

[Text] In recent years and especially in 1980, the scientific and technical activity visible in the country points to the existence of even greater potential, as required by the circumstances of our development.

Many of the results obtained by the institutions, experts and scientists of the Academy of Sciences of Cuba and other scientific institutions in the country, such as those pointed out in the report by Comrade Fidel Castro to the Second Congress, are recognized for their interest and value to the national economy, even those promoting the conservation and improvement of the material resources that the people create to improve their standard of living.

On these and other aspects, Dr Wilfredo Torres, member of the Central Committee of the party and president of the Academy of Sciences, reports to the readers of JUVENTUD TECNICA.

"During the 5-year period from 1976 to 1980, an effort was made to plan and organize scientific and technical activity and there was an increase in the efficiency of a large number of research centers.

"Several institutions," Torres pointed out, "have joined the network of scientific and technical units, particularly in 1980. We are witnessing the opening of the National Animal Health Center and the Jorge Dimitrov Agricultural Research Institute, the first in the country ever opened outside of Havana.

"Activities have gone forth in over 100 research units and nearly 23,000 workers are participating.

"Applied research and development work represent over 80 percent of all research."

More Significant Results

On this matter, the president of the Academy of Sciences of Cuba explained:

"In drawing up the balance sheet of work completed during the 5-year period and especially this past year, we see that the most important results include, in the field of agriculture, the obtention of new varieties of sugar cane, rice, tubers, vegetables and citrus fruits.

"In fishing, a specific technique and more efficient equipment were recommended for bonito. In addition, regulations were handed down for shrimp and lobster fishing, along with other scientific and technical advice.

"Our main source of foreign currency," Torres pointed out, "had the development and introduction into the sugar cane industry of the DTC-600 clarifier, which halves the time it takes to purify juices. Continuous crystallization equipment was also introduced, which helps to increase industrial recovery.

"At the same time, technologies have been developed in the nickel industry making greater recovery of nickel and cobalt possible.

"Outstanding among all the tasks taken up in recent years and especially in 1980 is one far-reaching achievement of Cuban science: the joint Soviet-Cuban space flight as part of the Intercosmos Program. Work on the design and planning of the program of experiments and research conducted during the flight took nearly 3 years. Despite the difficulty of the task, the flight took place with the required scientific and technical quality and precision."

In speaking about cooperation between Cuba and the socialist countries, the president of the Academy of Sciences said:

"The most important work has been the final preparation and signing of the General Agreement on the Plan for the Accelerated Development of Science and Technology in the Republic of Cuba until 1990, subscribed during the 34th session of CEMA, and the drafting and discussion of the bilateral agreements that were signed before the end of the first quarter of 1981.

"Another important aspect is the beginning of cooperation with Nicaragua and the continuation of work with the Bureau of Overseas Scientific and Technical Research (ORSTOM) and the National Center for Scientific Research (CNRS) of France, among other international organizations."

Training

Concerning advanced training for our scientific personnel, Torres emphasized that the 5-year period came to a close with 80 qualified scientists. The work of the rank committee was intensified on an organizational level and committees were set up based on sections of science. In addition, 14 postgraduate courses were given, along with a special study with an initial registration of 300 graduate students.

"At the present time, we can see moderate progress in certain fields of scientific and technical activity, as well as a certain accumulation of experience and knowledge that enable us to see the real scope of work done and the limitations facing us.

"Over 100 scientific institutions and centers of higher learning are doing research or work in scientific and technical development, constiting a network that covers

a whole range of activity such as the sugar industry, agriculture, health, mining and metallurgy, chemistry, mechanics, electronics, food and others. However, our work is notably inadequate in areas such as construction, energy, light industry, transport, natural resources and the environment.

"As our Commander in Chief Fidel Castro pointed out in his speech at the official opening of the Animal Health Center in September (1980), 'research will naturally not be the field of everyone, but it will be the field of those with the greatest dedication, the greatest vocation, the greatest discipline and the greatest ability.' He continued: 'The research scientist must have the vocation, the clear consciousness of serving his country and at the same time, logically enough, the need for improvement, progress and success of any human being.'

"Guided by the points and resolutions of the First Congress of the party and the resolutions of the Second Congress, as well as specific directives emanating from our higher organs, we have tried to put together, continuing the experience that we consider to be positive from all of these years, a whole series of fundamental guidelines for the work of the organization during the coming year, by means of a document that will synthesize the main tasks that must be accomplished by the different organizational units, with the aim that the document will help channel the year's work and at the same time, serve as a control tool for Academy officials."

New Period

There are many complex tasks in the institutional and organizational fields that must still be performed so that science and technology may develop under more rational conditions and improve their efficiency, based on their connection with the economic objectives stemming from the construction of socialism in Cuba.

"Our first fundamental guideline for 1980," the president of the Academy of Sciences said, in referring to work underway and the future activity of the organization, "is aimed at compliance with the matters under the responsibility of the Academy, emphasizing the achievement of objectives set forth and a critical analysis of deficiencies detected.

"Based on the principle of concentrating our efforts on those matters that are vital to the economy, we have approved 49 principal government problems for this 5-year period, while other matters remain under study and may give rise to new proposals of main government problems, which would in turn provide greater coverage of the objectives of scientific and technical progress.

"In activities that are the responsibility of the organizations, we must carry out and enforce provisions guaranteeing the maintenance and strengthening of the principles of socialist law, and ensure and oversee the execution and completion of tasks related to the Science and Technology Plan for the 5-year period now beginning."

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COOPERATION, SOLIDARITY WITH MOZAMBIQUE DESCRIBED

Havana CUBA INTERNACIONAL in Spanish Aug-Sep 81 pp 10-11

[Article by Miguel Rivero, special correspondent of CUBA INTERNACIONAL]

[Text] Maputo--The cooperation and solidarity of the people of Cuba with the people of Mozambique date back to the harsh, difficult years of the war waged by the African nation against the Portuguese colonialists.

The first bilateral contacts to apply Cuban assistance to the immediate tasks of national reconstruction took place following the proclamation of independence in 1975. As early as 1976 the first group of Cuban internationalists was in Mozambique; it consisted of 10 specialists in livestock raising.

In mid-1977 the two countries signed the first basic agreement for cooperation, together with various complementary agreements between individual governmental entities. This made it possible for cooperation quickly to be broadened and diversified to include a substantial number of Mozambican economic sectors.

The First Cuban-Mozambican Intergovernmental Conference, held in Maputo from 13 to 23 October 1978, agreed to institutionalize the Joint Commission for Cooperation, while new agreements were signed that substantially increased the already existing ties.

The second meeting of the Joint Commission was held in Maputo from 22 to 29 October 1980, by which time the bilateral trade already consisted of cooperation with, or assistance to, a total of 15 ministries and governmental entities relating to the economy, public health, education and the public services.

Better than any chronological history or mere enumeration of meetings and conferences, however, is the story that the protagonists themselves can tell.

Advisers Tell Their Story

The interview with the Cuban internationalists took place in the "estate" (apartment house) in Maputo in which a number of technicians and specialists reside.

Eduardo Sanchez Blanco is 30 years of age. A veterinarian, he has worked for 2 consecutive years in Mozambique and is carrying out his first internationalist assignment.

Sanchez explained that his basic task has been to advise the Mozambican side concerning measures that should be adopted to maintain health inspection on Mozambique's borders.

He stated that the internationalists have simultaneously assisted in founding a school in Zambezi Province for the training of intermediate-level technicians.

At this center the Cubans are teaching classes in stock raising and animal health. The specialists in veterinary science and stock raising have also cooperated in drafting the comprehensive development plan for the decade 1981-1990.

After almost 2 and one-half years in Mozambique Dr Esperanza Figueroa Silva, specialist in psychiatry, has become one of the best-known Cuban women in the field of medicine. She is working in three hospitals in Greater Maputo; serves as clinical director in two of these hospitals; and offers her services in the outpatient clinic of the Central Hospital in this city.

Last year Esperanza also taught classes in psychiatry at Eduardo Mondlane University. "The majority of cases I took care of during that period," she said, "reflected the traumas of the colonial war or the exploitation to which this country was subjected by the Portuguese. These traumas, and their consequences, have left lasting scars among the population."

To have an idea of what the colonial period was like, suffice it to say that when the war ended only one specialist in psychiatry (a Portuguese national) was left in Maputo, because in more than 4 centuries of rule not a single Mozambican had been trained in that branch of medicine.

Dean of the Cubans

Adalberto Diaz Gonzalez, a specialist in the art of fishing, is regarded as the "dean" of the Cubans who work in Mozambique. He has been in this country since August 1977 and is currently serving as adviser to the Secretariat of State for Fishing.

"When I arrived in Mozambique," Diaz said, "there were four other Cubans working here; today we have 59 technicians in the fishing sector alone. A new group will join us very soon, moreover, and we believe the number of specialists in this sector will total more than 100."

The "dean" also disclosed that a center for training boat captains, technologists and drivers is already in operation; financed by the FAO, it offers intensive courses taught by Cuban teachers.

Here too, however, the grievous heritage left by colonialism is having an impact with its sequel of illiteracy and low level of culture, which have the effect of limiting the work of the specialists.

"We have students who from the practical standpoint can already be regarded as boat captains," Diaz said, "but they have difficulty in assimilating the theory of navigation in a short time, inasmuch as a specific cultural base is a prerequisite."

The school offers a 1-year course in which the students receive 6 months of classes in the theory and 6 months of practice. A total of 92 young people have graduated at this center to date.

The Cubans also impart instruction in the techniques for canning shrimp, and seven advisers serve as brigade leaders in the maintenance and repair of the fishing fleet.

In only 10 months on the job, Ubaldo Acuna Despaigne has already toured all the country's provinces in his capacity as national adviser for agricultural mechanization.

Cuban cooperation has also made itself felt in the agricultural sector. The mechanization technicians are based in seven of the 10 provinces; they have assisted in the creation of an agricultural management unit together with other units charged with working in the livestock, copra and tea sectors. At the same time, nine Cuban advisers are working in the headquarters section of the agricultural administration.

"We have prepared 10 projects for Mozambique's agricultural development that are already in process of implementation," Ubaldo said.

The Cubans have also assisted in the organization of a national seminar on mechanization; it was held in Manica Province with the participation of representatives of all the nation's enterprises.

Teachers from the Caribbean island are also working in a school for tractor drivers, intermediate-level technicians and mechanics; it is located in Tete Province.

The last Cuban to be interviewed was Isidro Diez, likewise a "veteran," who since 1977 has served as economic adviser in the Cuban Embassy in Maputo.

Isidro stated that more than 4,000 Mozambicans have been trained to date as technicians or skilled workers under the direction of personnel from his country who are working in Mozambique, while other Mozambicans have traveled to the Caribbean island as students, on scholarships awarded by the Cuban Government.

He explained that at the present time this cooperation extends to 25 sectors of the Mozambican economy, and that during 1981 it will be broadened to include the specialty of geodesy and cartography. Moreover, contacts were initiated this year with the State Committee for Prices of Cuba.

This Cuban cooperation, which began in 1976 with the aforementioned 10 livestock technicians, is today being provided on an infinitely broader scale. Hundreds of experts are working in the sectors of agriculture, fishing, the sugar industry, education and public health as an expression of a friendship that has been strengthened, and as an expression of the ties that exist between the Cuban Revolution and the process of national liberation which in Mozambique is directed by Samora Machel.

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CSO: 3010/163

U.S. PLANS FOR CARIBBEAN REGION SCORED

Havana CUBA INTERNACIONAL in Spanish Aug-Sep 81 p 12

[Article by Jose Bodes Gomez: "New Plan Concerning the Caribbean"]

[Text] Preparations have begun in Washington for creation of a new "Alliance for Progress" which would be similar in its objectives to the one that failed in the 1960's but would this time be restricted to the Caribbean region.

The publicity campaign for this incipient program was timed to coincide with the visit to the U.S. capital by Venezuelan Minister of the Interior Rafael Andres Montes de Oca, who has thereby been transformed into the official spokesman for the plan.

Montes de Oca met recently with U.S. Vice President George Bush, Secretary of Defense Caspar Weinberger and high officials of the State Department, following which he spoke with the press to report on the projected new "Alliance."

The publicity campaign presents this initiative as a joint action by the governments of the United States and Venezuela whereas in reality it is the United States' idea, the weekly NEWSWEEK has disclosed.

According to the NEWSWEEK report, the administration of President Ronald Reagan has proposed to consult with various governments of the region with a view to supporting Washington in its new "Alliance for Progress."

The objective of the program (according to the U.S. magazine and also the Venezuelan cabinet minister) is to contain the "advance of communism" in the Caribbean by encouraging economic development.

The previous "Alliance"--which pursued the same objective--was launched shortly after the victory of the Cuban Revolution.

In the present case, the "Alliance" proposal surfaced following the people's victories in Nicaragua and Grenada and also the consolidation of the Cuban revolutionary process.

Although there were various reasons for the failure of the first program, two of the principal causes were the lack of funds (because Washington never provided financial assistance in the amount promised) and the inability of many of the governments of the region to introduce the partial reforms proposed by the "Alliance."

Washington's preoccupation with the changes which are occurring in the Caribbean region and Central America is not a new development; the previous administration had already attempted to counteract this situation by means of a series of measures ranging from the economic to the military.

The creation of a special force in Florida for possible intervention in the Caribbean--together with the holding of large-scale military maneuvers such as "Solid Shield 80"--were among these measures.

The Carter administration promised to increase financial assistance in the economic sphere, and during his term in office there was created--under the aegis of the World Bank--a so-called "cooperation group" for the economic development of the Caribbean.

The results yielded by these measures have not satisfied the present U.S. rulers, and a new campaign is now being planned to support those governments of the region which Washington regards as its allies.

One of the plan's more vulnerable points is the fact that it cannot be presented as a comprehensive program intended to cope with the problem of underdevelopment in the region, for Washington's decision to suspend all forms of aid for the reconstruction of Nicaragua is still of very recent date.

Nor can this plan be presented as one based on the economic needs of the countries of the Caribbean, because there are an equal number of other countries in Latin America that are in the same situation, as is proved by the statistics on illiteracy, malnutrition and poverty in Paraguay, Bolivia, Colombia, Peru and so on.

The U.S. administration is currently in the midst of a delicate situation with respect to its domestic economy and has already invited its allies in Western Europe to share the burden of the future loans, as for example on the occasion of the visit of West German Chancellor Helmut Schmidt.

These negotiations serve to confirm that in addition to its operations of harassment and destabilization against the democratic governments of the region, Washington would also like to commit other Western powers to its policy toward the Caribbean.

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CSO: 3010/163

RIZO NOTES REASONS FOR HIGHER AGRICULTURAL PRODUCTIVITY

Havana TRABAJADORES in Spanish 7 Oct 81 p 4

[Speech by Julian Rizo Alvarez, member of the Secretariat of the Central Committee of the PCC, at Agricultural Workers Day at Bay of Pigs Victory Citrus Fruit Enterprise in Jaguey Grande; date not given]

[Text] Comrades, fellow speakers, comrade agricultural workers:

Today we commemorate Agricultural Workers Day, the day of those who work the land and raise livestock, the day of the most important producers of food for the people.

We have arrived at this day with encouraging achievements and truly promising productive and economic results.

The rate of achievement for commercial production was 102 percent, costs were reduced to 86 percent of what had been planned, productivity attained 105 percent and the average wage attained 104 percent.

Thanks to the dedicated efforts of all our workers, who day after day learn the secrets of the soil and extract its best fruits, we produced over 5.7 million quintals of potatoes, an increase of over 750,000 quintals, making a national record yield of 5,940 quintals per caballeria [1 caballeria = 33.2 acres]. In this great effort, Matanzas was the real champion, with 6,910 quintals per caballeria, while Ciego de Avila, Pinar del Rio and Sancti Spiritus also exceeded the 6,000 mark. Particular mention should be made of Havana, which obtained 5,949 quintals per caballeria on the respectable figure of 559 caballerias planted, by far the highest in the country.

Many other achievements could be noted during this period, all contributing to this commemoration of Agricultural Workers Day and helping it to reach a high level of recognition.

The achievements for other tubers and types of produce were 108 and 127 percent respectively. Vegetable yields in Matanzas were over 5,500 quintals per caballeria; in Havana, over 4,900; and in Villa Clara and the Isle of Youth, over 4,000 quintals.

We are also producing more rice: From the figure of 700 quintals that we obtained in 1975, we managed yields of 1,366 quintals per caballeria. In rice growing, we

must emphasize the yields achieved by Granma, which exceeded 1,400 quintals per caballeria, with the Fernando Echenique Enterprise leading the way with 1,868 quintals per caballeria. Citrus fruits continued their ascent, with a plan completion rate of 118 percent. During this 5-year period, we shall reach the figure of 1 million tons, with over 500,000 for export.

Milk Production

In the cattle raising field, we should point out a number of results: Milk production is 13 million liters higher than last year, despite the drought early in the year that caused the plan to fall below its projected figure by some 9 million liters. One should mention the results of the Havana provinces, which in peak months months obtained daily figures of some 1.2 million liters, and Camaguey, which produced 500,000 liters a day. Swine workers have also made progress. Far from discouraging workers, the underhanded practices of the imperialists, consisting of waging bacteriological war on us by introducing various viruses into our country, including the African swine fever virus, strengthened them. All the swine enterprises completed their plan for this phase of the year, with national results of 107 percent. Fowl raising continued its progress, with a completion rate of 109 percent for meat and 102 percent for eggs. Our chicken farmers are steadily moving toward the figure of 100,000 tons of meat.

Beekeepers are also marching in the vanguard of the agricultural army and their plan completion rate was 127 percent. Their brigades are working hard to be in the vanguard and to produce 100 tons of honey. In this enumeration of meritorious production achievements, we have left tobacco for the last. Our most recent harvest achieved a historic record, with the production of over 1.16 million quintals. Pinar del Rio Province achieved a special record with over 800,000 quintals.

Here also, the imperialist maliciousness receiving a resounding reply. The previous year, they decimated tobacco plantations with rust and this year, tobacco growers achieved the highest record of all time.

Within the context of so many production achievements, so many successes, I believe it is proper to render homage to the farmers of Matanzas Province.

I must add that this year, seven provinces vied to host this magnificent event: Matanzas, Havana, Havana City, Ciego de Avila, Santiago de Cuba, Villa Clara and Cienfuegos. Camaguey and Holguin could not stay with them to the end. Unfortunately, the results of the rest of the provinces were far lower.

The Havana farmers were even somewhat unhappy at not being able to host this event. They made a great effort and obtained meritorious results given the largest area planted in the country. That is true and we must recognize it publicly. But we had established the principle that results must be rewarded over efforts and preferably, quality results.

Here, the Matanzas farmers were unquestionably in the lead, being the most efficient. Matanzas completed its commercial production plan with a rate of 110 percent, the average wage of 103 percent. To produce 1 peso, it cost them 81 cents and their earnings were over 10 million pesos.

This was a true manifestation of economic efficiency. In this respect, we believe that all the provinces have the conditions for reaching such levels of efficiency and even for overcoming Matanzas, which has won the right to host the Agricultural Workers Day event 3 years in a row. We believe that we would all ask the same question: What is the reason for the success of Matanzas, which has once again won the right to host this event? I believe that the first achievement of the Matanzas farmers was to bring about an identification between the workers and their plans, their enterprises.

In that province, they talk about potato families, tuber families, other families, and this is not a mere phrase, a pretty play on words lacking in meaning. Here, saying "productive family" means unity, cooperation, the contribution of everyone and a fight for the same production objective, a production objective that begins to be won in the discussion of the plan, in which all enterprises, all lots, all mechanics, all irrigators, technicians and officials participate. It is a production objective for which specific figures are set in every place, figures that the workers themselves establish, figures that everyone applauds because everyone feels a part of them, because they see in them the reflection of their ideas, experiences, intelligence and efforts. How many times have they come out of a meeting with figures far over those of the plan? These production objectives continue to be achieved in the respectful application of farming techniques, with true discipline and zeal, where shoddy work and routine practices have no place, where nothing is skipped, where superficial triumphal boasting is not accepted.

This achievement is confirmed when one sees that the enterprises objectively analyze and practice exigency as a method. Trade union sections encourage and channel the emulation of workers and party cells oversee and worry about the tiniest detail of the workers' problems. That is the secret of Matanzas. There is nothing mysterious, nothing magic about it! It simply means involving the workers in the plan, guiding them in their techniques, overseeing and meeting the needs and concerns of the workers!

Emulation

Comrades:

In every production objective, which is at the same time an ideological objective, emulation plays an essential role. On occasion, we see that emulation is viewed as a formal matter, something that is guided and that has to be put into practice, even if only bureaucratically. This is an unfortunate confusion. Emulation is an ideological problem. Emulation is a practical way of seeing that moral incentives are accompanied by material incentives. Emulation lives and grows among men; that is its environment. It is born of the ideas and enthusiasm of men and nothing is more foreign to the spirit of the agricultural workers' emulation than bureaucracy. Emulation dies when taken away from the workers collectives, when it is reduced to figures and models. Emulation must be dynamic, agile and lively among men, when they translate it into their work every day with greater productive efficiency, when each individual and the collective as a whole makes a commitment.

Emulation related to man, identified with him, is without a doubt a relationship of success, of productive and ideological successes.

A great deal could be written or said about the importance in socialism of seeing that moral and material incentives are creatively linked, but it is enough to start a real emulation to understand its scope. A man who emulates is capable of reaching all goals, of achieving the greatest quality. A man who emulates is capable of generating valuable ideas, of making discipline a normal activity. Emulation is an inseparable weapon in the building of socialism. That is why the party recognizes with such great satisfaction the different emulative movements being developed by the agricultural union. To a great extent, they have been the boost given to the productive desire we mentioned a short while ago. The movement of model units was an injection of enthusiasm into livestock breeding. The movement of socialist work units is a new force in the fowl and swine branches. The movement for efficiency in machinery, the emulation in breeding, the silo campaign, the individual and collective emulation in all branches of the sector are the driving forces that will carry production and the productivity of agricultural workers very far.

We have great tasks ahead. We commented only a moment ago that already this year, seven provinces fought to host this event. We can imagine what will happen next year. What will the other six provinces do that fought with Matanzas until the last minute? How will the productive shame of the other provinces that were left behind and the special Isle of Youth municipality react? How will the hard-working, fighting Havana farmers or those of courageous Santiago, which is taking giant steps, react? What will Camaguey and Holguin do to avoid remaining among the least efficient?

I am sure that next year, many of the figures mentioned will be erased. I am sure that it will even be hard for the Matanzas farmers to maintain their position as the vanguard leaders.

We are awaiting the development of a new, strong phase involving hard work, a phase in which there will be great enthusiasm and interest in becoming more efficient daily.

Not Efficient Enough

Comrades:

We appreciate the progress that has been made by agriculture in many places. We congratulate you for it and recognize it with great satisfaction. However, we must honestly say that we still have a long way to go to achieve the parameters of efficiency to which we aspire and which we can obtain. Our production is still below what we need for socialism. It is enough to compare these figures in order to realize the amount of agricultural yield we must still discover. Yields in tubers and root plants for the period analyzed were 2,700 quintals per caballeria, while Matanzas achieved 5,100 and Havana 4,900. In other words, these provinces obtained nearly double the country's yields.

If we analyze the difference in potato yields in the different provinces, the difference in vegetable yields, the difference in rice yields of the Fernando Echenique Enterprise in Granma and other enterprises, we realize the productive potential that is not being used, how many poor techniques are used, how much better management must be in certain places. We must say that the very enterprises that are now successful, those that are now outstanding, still have great reserves to develop.

This means that that important production movement, the "Revolution for High Yields" of which we have talked so much and of whose importance we are so convinced, is scarcely beginning. It has a great future ahead and must be built on the basis of the principle of combining all efforts and wills to turn our agriculture into a veritable emporium of riches.

We must emphasize the optimum use of the agricultural land we have available. Our island cannot grow. This is the land we have, but the population does grow and we need food.

Furthermore, every day there will be more highways, more buildings, more towns, because development requires this, but we shall always have the same land area and there will perhaps be less land to cultivate. Consequently, it is indispensable to get the most out of our land, make it produce more, not think about crops covering vast areas, but crops that produce high yields. At the present time, studies are being made of the productive potential of the different farm areas, chemical soil studies that will enable us to learn what our potential yield is, which are the best areas for certain crops. We shall then have to make our enterprises efficient because along with technical and scientific knowledge, discipline and determination are decisive, irreplaceable, for making the soil produce. In making soil produce, we must pay attention to the way the land is divided. It may appear that this is not very important, but because of a lack of population, because of many fences, roads or unnecessary paths, we are wasting hundreds of caballerias.

We referred to the importance of observing the proper growing techniques for each crop as a means of achieving productivity, but I believe that we have to go a little further back. Good results for every crop are, in addition to knowledge and proper care of the soil, planting and the development of plantations, closely related to another principal element: seed. With poor quality seed that is a mixture and not healthy, we will never obtain high productivity. This seems basic since everyone understands in practice how much it is hurting us.

There are places where we are thinking of a large plan, of volumes of planting, of the mobilization of huge amounts of resources, but we think little about seed, in the amount that will be required, in the preparation of seedbeds, the purity of seed, its development or conservation. The large plan may be planted, but few plants will grow, they will be unhealthy and spindly and from the very beginning, we are ruining the high yield to which we aspire. Paying attention to the quality of seed is a basic factor in agriculture. Another problem that we must face now is broadening the range of tubers and vegetables and extending the harvesting period.

These products are the basis of our diet. The people like and need them, but we cannot only offer sweet potatoes and yams to the people because they reject them and they are wasted. We must offer a wide variety of tubers and produce that will satisfy the wants of the people and permit us to aspire to better prices and less waste.

In this matter of the range of tubers and the extension of the harvesting period, the banana is a product that plays a vital role, but we have not yet achieved substantial results. The Revolution for High Yields has a vast field of work in

the promotion and stabilization of banana crops. One of the best ways to intensify production in agriculture is irrigation.

To a great extent, development of rice growing, promotion of citrus crops, improved productivity of tubers and produce and the expansion of harvesting periods, as well as the development of pasture, depend on better and greater dissemination of irrigation systems.

A constant concern of every enterprise must be attention to plant and animal health.

Nor must we forget that in addition to the natural contingencies of insects and diseases that a tropical country must face, we have the perversity of the neighboring imperialist enemy which, powerless to defeat us militarily and economically, now tries to make us yield by means of hunger and the exportation of insects and viruses. Whence the additional importance of plant and animal health under the current circumstances, although its role has always been decisive.

Milk Producers

Comrade agricultural workers:

At this important meeting of agricultural producers, we cannot fail to mention, however briefly, agricultural machinery. We have over 30,000 tractors in agriculture. It is an indicator of the efforts of the revolution to improve work productivity and free man from hard physical labor. But in 1980, those tractors worked only 4.6 hours a day in agriculture and 5.6 hours in livestock raising. Some 20 percent of those tractors' time was used for unproductive labor. How much productivity was lost in that manner? How much economic inefficiency does this signify? We are confident that the movement for efficiency in machinery being promoted by the union will be a decisive factor in the correction of this situation.

Comrades:

A few moments ago, we were praising the movement of model units in livestock raising, saying how it had contributed to progress in livestock raising. We mentioned achievements in the production of milk, the advances that some provinces have made in some areas. It was interesting to learn how "Ubre Banca," a product of the work of the revolution in the genetic improvement of our cattle, led to a world milk production record. This example not only serves as an inspiration, but also constitutes one more boost for our livestock raising.

We are convinced that the day will come when there will be hundreds and thousands of large milk producers. We still have many tasks ahead of us in order to make our livestock raising operation efficient. We must devote great attention and efforts to that endeavor. In periods of drought, our animals still go hungry. Despite the progress in the production of hay and silage, we are still not keeping all the grass that grows abundantly in the spring and we sometimes preserve it poorly. Industrial by-products are wasted that would be ideal for livestock feed.

The birth rate continues to be low and the mortality rate high, meaning that the size of our herd remains stagnant.

These are the problems that must be faced by livestock breeders and although our future in this area looks brighter thanks to the enthusiasm and zeal that are being converted into a tradition at every enterprise, on every ranch, in every cattleman, we cannot rest or be overconfident until we manage to have a highly productive herd for both meat and milk.

Organization

Finally, comrades, in speaking about the tasks of the 5-year period, we must emphasize the importance of consolidating the status of the enterprise as the organizational unit capable of adequately planning and overseeing work.

The socialist principle of "from each according to his ability, to each according to his work" must govern our administrative and trade union work. We must work every day to find new forms helping to improve the ability of workers.

Promoting the obtention of the ninth grade and improving our technical level, backing greater mastery of every activity and, at the same time, using forms of pay based on output, relating the individual to his work, paying for the amount of land finished and developing integrated brigades: These are new forms of organizing work in keeping with the transformation of forms of agricultural production. The activity of the Ministry of Agriculture and the Union of Agricultural and Forestry Workers is aimed in this direction: in the fight for efficiency, for higher production figures each day, based on the proper use of management and inspection methods in keeping with our economic policy and our revolutionary principles. On this happy day, a day on which we have the satisfaction and honor of paying homage to agricultural workers, we want to extend warm congratulations to the 119 national vanguard workers and the 17 Lazaro Pena medal winners, along with the representatives of the 45 national vanguard enterprises who are honoring this event with their presence. What an example of productivity, of the correct care of machinery, inventions and innovations, of efficiency at work, we find in this group of workers and vanguard enterprises! May we express to all of you the recognition and homage of the party and all the revolutionary people!

To all the agricultural workers, who on this day receive the stimulus and recognition of the people for the services they render to their nation, go the congratulations of the party in well-deserved recognition from all society, which knows well that it has in you a powerful bulwark and army of revolutionaries. Congratulations, my beloved agricultural workers and thank you!

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DEVELOPMENT, USE OF NEW CANE VARIETIES NOTED

Havana JUVENTUD TECNICA in Spanish Jul 81 pp 20-21

[Article by Lucy Gispert]

[Text] In the past 5 years, the country's scientific institutions related to the study of sugar cane have arrived at surprising results, both with respect to the search for new varieties as well as innovative concepts about growing techniques.

The possibility of having technical personnel capable of undertaking the development of sugar cane agriculture and industrialization has enabled us to begin recovery programs in areas affected by insects and diseases and to have more ambitious objectives such as the search for varieties more resistant to drought. This goal is aimed at balancing growth and development in the conditions of our tropical climate, whose rainfall is so varied and unpredictable.

Many factors gave rise to the discovery or creation of more resistant varieties. This required hard work lasting months, years and even decades. To be more precise, we would say that it is a continuing task that combines the experience of research workers of other phases.

Research was channeled along different paths. In Havana City, for example, the Academy of Sciences Sugar Cane Research Center is located.

In addition, the Institute for Basic Research in Tropical Agriculture (INIFAT) is also conducting important studies on the subject, relating its work to meteorological factors resulting from Cuba's geographic position on the globe.

From a broader, national standpoint, the Academy of Sciences is heading up experimental geographic work in the different provinces. The latter are conducting laboratory studies in the field of climatic and ecological conditions of every region, which means that the laboratory is taken to the very scene of events.

By these means, it has been possible to provide answers to phenomena of great scientific interest such as the environmental genotype -- that is, the influence of the environment on organic nature and on the behavior of plants.

At the Second Exhibition of Achievements in Science and Technology, interesting subjects were presented with respect to varieties of cane. For example, the

Matanzas Experimental Station showed studies on the inhibition of flowering on the variety Mayari 5464 through gamma rays. It also exhibited other research on sources of resistance to rust bacteria.

Holguin Province developed valuable research on varieties to be substituted for the Barbados 4362, which has caused such great damage because of its susceptibility to rust.

Results of the variety Mayari 5465 on the Guatemala Cane Enterprise constituted another serious study done by technicians within the framework of the Second Exhibition.

Others, such as the Jaronu 60-5, B. 42231 and My 54129 and their application in the eastern provinces, were seen and discussed in studies of varieties.

It should be pointed out that in the field of the practical application of research results, the success of the studies is obvious.

The recommendations of varieties for the different provinces include:

C 16-68	Las Tunas and Holguin (all)
My 5715	All provinces except Havana
My 54 129	All provinces
C 3 2368	All provinces
Ja 6419	All provinces
Ja 6411	Havana, Matanzas, Villa Clara, Tunas and Holguin
C 88967	Havana and Holguin
C 147 66	Ciego de Avila, Camaguey and Las Tunas
C 334 64	Matanzas, Camaguey and Holguin
C 166 67	Havana Province

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SUGAR INDUSTRY ACCIDENTS SEEN AS AVOIDABLE

Havana JUVENTUD TECNICA in Spanish Jul 81 pp 62-64

[Article by Jose R. Garcia Gonzalez]

[Text] Unfavorable microclimatic conditions exceeding acceptable limits are the most frequent cause of accidents in the sugar industry.

Five work posts have been labeled as so-called "hot spots," based on research done: oven cleaners and helpers, boiler operators, *puntistas* [translation unknown] and boiler helpers.

In these areas, the heat of the environment, combined with that produced by the process of producing sugar, the old equipment that is inadequately insulated, and the poorly designed and ventilated premises cause high temperatures that result in discomfort and changes in physiological parameters.

Consequently, in most cases, workers involved in the processes refuse to wear or use individual protective gear, arguing that it gets in the way of their work. Over half fail to use helmets, boots, aprons or gloves, which results in an unfortunate number of easily avoided incidents.

It has also been found that in some cases, the safety violation is not committed directly by the workers. Rather, the risk of accident stems from the failure to comply with Resolution 35 of the Ministry of the Sugar Industry as a result of the lack of safety equipment in warehouses, late delivery and the fact that workers not not accustomed to following safety measures.

How To Be Safe

Studies made by specialists and experts from the Work Safety Institute in several sugar enterprises where a large number of accidents had occurred in the so-called "hot spots" led to the following recommendations: using safety goggles NS-627B and asbestos aprons during the cleaning of ovens; improving the microclimate in the hot spots (ventilating systems and better insulation) so as to promote the use of individual safety gear; paying special attention to the promotion of work safety habits; improving the training of industrial safety officials and improving environmental hygiene in sugar enterprises.

The life of the individual is a basic aspect of our society. The correct and constant use of safety equipment is not only a duty, but an obligation.

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AMBASSADOR DISCUSSES TRADE RELATIONS WITH SPAIN

Managua EL NUEVO DIARIO in Spanish 31 Oct 81 p 9

[Text] Nicaragua's ambassador to Spain Orlando Castillo considers trade relations, which the revolutionary government is developing with the private and government sectors in Spain, to be of great significance to Nicaragua.

The ambassador said that a mixed company has already been established, made up of Spanish businessmen and the government of Nicaragua, through the Ministry of Foreign Trade.

In addition to Ambassador Castillo, Alejandro Castillo Martinez, commercial counsellor of the Nicaraguan Embassy in Madrid, also attended the interview.

Alejandro noted that this company will try to enlarge the area of negotiations. He said that it is hoped that 8 percent of the coffee output will be exported to Spain this year; on the other hand, consumer products will be purchased and this is now being worked out through the line of credit granted by the Spanish Foreign Trade Bank.

The line of credit runs up to the sum of $25 million which will be given at a moderate interest rate, such 7.5 and 8.25 percent, according to the items involved.

He said that the line of credit will be used for the purchase of agricultural machinery, construction equipment, and consumer goods.

The latter will include items worth $5 million and a portion of these purchases will be sold approximately on 15 November, consisting of toys and other products for Christmas trade.

Twenty-Two Businessmen Coming

Ambassador Orlando Castillo Estrada announced that 22 businessmen would arrive in the country in November from the province of Saragoza, headed by Jose Luis Martinez Cardial, president of the Chamber of Commerce and Industry.

He said that they represent 20 industrial enterprises producing all kinds of agricultural machinery and construction machinery. This, said Ambassador Castillo, reflects the work that is being done along these lines by the embassy.

During his stay, he added, he will talk to Dr Sergio Ramirez Mercado, member of the National Reconstruction Government Junta.

Some of the businessmen have been in the country before and are fully aware of the effort that is being made to promote economic development; this is why they have expressed their desire to negotiate on a level favorable to our people.

The ambassador indicated that they also talked to officials from the Planning Ministry, including Dr Edmundo Jarquin who explained the country's economic situation to them in further detail.

They also talked to Foreign Trade Minister Alejandro Martinez Cuenca and members of the board of directors of enterprises under that ministry.

They likewise conferred with the vice ministers of the MIDINRA, transportation, and construction. The program includes visits to the agricultural center and the geothermal projects.

He said that the Spanish-Nicaraguan chamber might be established by the end of the year; it will be an organization that will try to broaden trade relations. Its headquarters will be in Madrid.

Jose Esteban

Questioned as to the participation of Jose Esteban Gonzalez in the seminar on human rights, sponsored by the Council of Europe, to be held in Spain, he explained that the Council of Europe is made up of parliamentary representatives from the European countries and that a commission of members of parliament in the Christian Democratic delegation invited them.

In his remarks, Jose Esteban Gonzalez--said the ambassador--asked that a commission be appointed to visit Nicaragua to analyze the situation regarding the implementation of human rights for the purpose of getting the European economic community to suspend aid to Nicaragua.

This reproachable step was rejected by the delegates from Amnesty International of Jurists and the Inter-American Human Rights Council as well as by other European personalities invited to attend the seminar.

This is why the remarks by Jose Esteban Gonzalez had no repercussions whatsoever.

The representatives from Amnesty International of Jurists and from the Inter-American Human Rights Council recalled the resolutions passed 2 months ago on the case of Nicaragua which are entirely contrary to the statements made by Gonzalez.

An example of Jose Esteban's failure is that the seminar's resolutions do not mention Nicaragua but rather El Salvador, Guatemala, and South American countries that systematically violate human rights.

Ambassador Castillo noted that it was well known that Gonzalez was always seen together with the delegate from El Salvador.

The ambassador also noted that the mission from the FSLN [Sandinist National Liberation Front] stressed that the human rights violations, of which the Nicaraguan people is a victim, come from outside the country, involving some bad sons of Nicaragua.

On the other hand, Ambassador Orlando Castillo Estrada said that it was quite logical for the delegation, headed by Commander of the Revolution Carlos Nunez Tellez was very useful; one of the purposes was directly to inform the government, European political personalities, and the Spanish people about the true situation in Nicaragua.

The ambassador repeated that publications manipulated by the transnational news agencies are still being put out in Spain but that the media publish comments and analyses favorable to the Sandinist People's Revolution.

The Spanish people continues to be optimistic and sympathetic toward the people of Nicaragua and the solidarity houses are growing with each passing day.

He said that there was a great eagerness to learn more about the progress of the Central American peoples, a phenomenon which springs from the triumph of the Nicaraguan revolution.

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COSEP UNABLE TO ACCEPT LOSS OF ECONOMIC POWER

Managua BARRICADA in Spanish 29 Oct 81 pp 3, 5

[Article by Sergio Lopez: "What the COSEP Top Leadership Does Not Understand"]

[Text] It is difficult for some big business operators to get used to the idea that they once and for all have lost the control they used to exercise over the government's economic and legal administration and they are now trying to create a climate which will enable them to recover the power they have lost.

There is no other way to explain the attitude of big capitalists who, from the top leadership of the COSEP, launched a challenge against the people's government, knowing full well that the country is going through serious economic difficulties and that there are forces which are preparing the conditions for military aggression against Nicaragua, not to mention the counterrevolutionary gangs which frequently invade national territory, leaving a trail of blood and suffering behind.

And while economic difficulties exist primarily because of the seriousness of the crisis of the economic model which world capitalism imposed upon us Central Americans, the threats of aggression--and the leaders of the COSEP know that only too well--spring from the fact that what we have here is a revolutionary transformation process which is radically altering our society's economic and political relationships and which allows no return to the past.

They must thus realize that it is necessary to teach new forms of coexistence, very different from those that prevailed in the past and that they are having so much trouble forgetting.

The statistics disclosed by Central Bank President Alfredo Cesar and Finance Corporation General Manager Fernando Guzman show that the Sandinist revolution not only speaks of coexistence between the private and public sector, within the context of a people's government, but turns that expressed political determination into reality through the administration of the financial resources--and they are certainly in short supply--which the revolutionary state has.

Here are the statistics that tell us the private sector got more than 60 percent of the loans granted to the production and commerce sector. Of course, the beneficiaries of today are not exclusively those who in the past were the only ones to get their hands on the financial resources available to the bank, although they, too, received a significant share of the loans granted by the revolution.

Now the small and medium agricultural producers, the small cattle ranchers, the craftsmen can get loans and, in spite of the difficulties they are experiencing, these are not the major problems that have caused the nationalized banking industry to fail to meet its obligations. It is precisely the big operators, the richest, who owe most and who discharge their obligations toward the banks under the National Finance System least of all.

We must also remind them that while private investments in 1980 amounted to the insignificant sum of 400 million cordobas, the profits of the commercial sector came to 1.5 billion cordobas.

It would be better for the country if, instead of rejecting the historical responsibility they have for the economic crisis experienced in Nicaragua, instead of causing a confrontation with the revolutionary government, instead of destabilizing the revolution, they were precisely to seek a way of helping the process of national reconstruction by carrying out a policy of unity around the great tasks which are being planned within the economy and defense.

A patriotic attitude necessarily means realizing that power has changed hands and that power is now being held by the people, the people who gives them the opportunity to be useful to the fatherland and who will be implacable against those who want to destroy what costs so much to achieve.

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PRINCIPLES OF SANDINIST REVOLUTION EXPLAINED

Managua EL NUEVO DIARIO in Spanish 22 Oct 81 p 2

[Article by Adolfo Miranda Saenz: "Sandinism and Marxism-Leninism"]

> [Text] Our revolution combines all of the universal principles of political science which are valuable and useful. The recalcitrant anticommunists do not agree that we are a "New Nicaragua" with an autochthonous revolution. Our revolution is a Christian revolution and cannot ignore the Marxist-Leninist doctrinaire values. There is no incompatibility with the Sandinist blueprint for a mixed economy and political pluralism. What happens to COSEP [Higher Council of Private Enterprise] is not a matter for Marxism-Leninism but a matter of having to live under new rules.

For the Nicaraguan people, who for many years suffered Somoza, capitalist, and imperialist oppression, preventing it from studying and learning political theories and doctrines that were not that the United States and its Spanish-American vassals wanted to teach it, the words "Marxism-Leninism" could be interpreted as a synonym of the denial of its values. COSEP knows that only too well and is manipulating that concept for the purpose of striking down our revolution and at the same time seeking internationally to damage Nicaragua as part of an attitude which, along with the position adopted by the right-wing parties, can be called "treason to the fatherland." Our revolution is led by a responsible and conscious vanguard and as such cannot ignore Marxist-Leninist doctrine and can recognize its values. But to say, as COSEP has said, that this revolution is Marxist-Leninist, in the sense and with the tone of voice they said it, is only designed to confuse the people and damage the country as part of a plan certainly conceived by the Yankees or their bosses.

We must remember that the Sandinist Front publicly and in a very clear manner maintains its position as an eminently revolutionary movement; by revolutionary we mean its antiimperialist and popular character, inspired at the same time by the historical and nationalist traditions of Nicaragua, side by side with the internationalist struggle of the peoples in support of their liberation. The Sandinist Front has always maintained that the Sandinist people's revolution is being made for the benefit of the neediest, the workers and the peasants who have been exploited for centuries and that one of its main goals is to put an end to the exploitation of one social class by another.

In numerous public statements, the top leaders of our revolution said very clearly that the revolution combines all those universal principles of political science which are valuable and useful, including the scientific principles of Marxism-Leninism, which is something which any revolution needs nowadays in order to be authentic. We cannot ignore such postulates precisely because their scientific character necessitates our considering them.

Our leaders often have said that this revolution features the values of authentic Christianity whose support has been decisive and valuable. The same is true of the autochthonous values of the history of our people's struggle and our nationalism, our traditions and our own idiosyncrasies. Even more so, our leaders have said that this revolution is also inspired by the authentic values of other revolutions, by the struggle of other peoples including the independence war of the United States and the humanist principles of the French Revolution.

Why so much weeping and moaning? What is happening is that the recalcitrant anti-communists want to challenge the fact that the revolutionary and scientific values of Marxism-Leninism are clashing with Christian feelings and other values and the nationalist sense of the Nicaraguan people. In an absurdly oversimplified statement they say: "If the revolution has Marxist-Leninist influence or orientation, Christianity will be excluded from it or will be wiped out; national values will be swept away and we will begin to live and think entirely as they do in other countries." In other words, they say: "Either we become another Costa Rica or we become another Cuba." They do not agree that we are a "New Nicaragua" with an autochthonous revolution, in which we cannot in a doctrinaire fashion ignore the Marxist-Leninist scientific principles, inspired by a profoundly liberating, evangelical, and authentic Christianity and based on our own historical tradition.

We must emphasize that, in generalizing things in such an oversimplified manner in all of their statements, they simple overlook the great achievements of modern revolutions, such as the Cuban revolution, which has been so slandered and which has been so maliciously described in a manner very different from reality in order "to scare us" (it would not be bad to become another Cuba but this is impossible historically).

Our revolution is Sandinist because it is inspired by the most beautiful tradition of our people and it is Christian because the supreme postulates of the Gospel are the main postulates of the revolution and the authentic disciples of Christ in Nicaragua are identified with the poor (images of Christ) collaborating in and exerting influence from within the process. This latter feature did not turn up in other revolutions because the Christian religion at that time was not witness to its principles and was in truth "the opium of the people." There was so much "bad odor" within the Catholic Church that Pope John XXIII said that the windows of the Church would have to be opened in order to let a little fresh air in, leading precisely to Vatican II whose updating for Latin America consists of the Medellin and Puebla conferences and whose fruits can be seen in the participation of Christians committed to their God and their people and in support of the liberation struggles of the oppressed on this continent. This "updating" of the Church did not take place at the time of the Cuban revolution, for example, and this historical circumstance cannot be overlooked. A pre-Council Christianity committed to the support of the exploiter class, with reactionary hierarchy and clergy, have no place

in a revolutionary process, nor could the false god, whom those misnamed Christians presented, be accepted by a younger generation aware of the realities of a people expressed by those who preach a god of the exploiters. That category of distorted Christianity was not eliminated from the revolutionary process by Marxism-Leninism. It eliminated itself. Today, circumstances are different.

Our people's revolution is Sandinist, it is original and it is autochthonous, it is Christian and it cannot overlook the Marxist-Leninist doctrinaire values, in addition to which it also combines and is enriched by many other values. And this must be so because "Marxism-Leninism is a science; it is a revolutionary theory which is based on dialectics. It offers the theoretical and methodological base for the scientific analysis of the past and the present. It is a science in the midst of creative development which ceaselessly is enriched with new conclusions and with new fruits of the revolutionary work of the masses" ("Why History Develops According to Lenin," Vadim Zagladin, "Socialism, Theory and Practice," April 1981).

Those who present an oversimplified panorama (day or night, white or black, Cuba or Costa Rica) do not take into account the versatility of Marxist-Leninist doctrine; they forget that there is a period of transition from capitalism to socialism where one decides the place which will be occupied by each sector according to its attitudes in line with the revolutionary process and they do not realize that there is therefore no incompatibility with the Sandinist blueprint for a mixed economy and for political pluralism in support of the construction of the revolution and they do not realize that Marxist-Leninist doctrine can at the same time be used as a valid scientific instrument which must be taken into account so that our vanguard can lead us toward the formation of a new, just and humane society. All sectors are invited to participate in the construction of the new society. Within this pluralism there is unrestricted freedom of the press, provided it is not used to try to destroy the revolution itself. Lenin wrote: "The objective is to build socialism, to eliminate the division of society into classes, to turn all members of society into workers, to destroy the base on which rests all exploitation of man by man. This objective cannot be achieved all at once; it requires a rather long period of transition from capitalism to socialism" (V. I. Lenin, "Complete Works," Fifth Edition, Vol 38, p 385). Within a purely Marxist-Leninist doctrinaire concept, all honest and patriotic sectors would have their historical opportunity to contribute to the construction of the revolution and to occupy a worthy place in the future according to their consistent participation.

But the Sandinist blueprint for a pluralist revolution with a mixed economy, which we are experiencing in Nicaragua, harms the millionaires of the COSEP and the gentlemen of reaction, in general, in terms of their political interests. What happens to them is not a matter of whether or not we have Marxism-Leninism. What they do not like is that in Nicaragua people must now live under new rules oriented toward benefiting the vast majority of Nicaraguans who are workers and peasants; this is not in line with their illusory concept of making a "bourgeois" revolution but rather an authentic socialist revolution, because if it stopped being socialist it would cease to be authentic and it would cease to be a revolution, as Che Guevara said.

Finally I might quote from the book "Economia Politica-Socialismo": "The political economy of socialism is a living science which is in a process of continuing

development. It has perfected itself as a science along with the progress of society. It is not something petrified and immutable. It is in a process of constant development. Its subjective and general laws cover all fundamental aspects of society during each epoch: politics, the economy, and the spiritual life of society. At the proper time, in each country committed to the construction of socialism, these laws become reality in different ways, depending upon the concrete historical conditions of the country" (G. Kazlov, Academy of Sciences, USSR, et al., Progress Publishers, Moscow, 1977).

5058
CSO:3010/297

OFFICIAL REPORTS SUGAR PRODUCTION EXPECTED TO INCREASE

Managua EL NUEVO DIARIO in Spanish 31 Oct 81 p 9

[Text] It was announced officially yesterday that sugar output for 1981-1982 will go up 900,000 quintals as part of one of the biggest challenges to national production.

Eduardo Jerez, General Manager of Sugar Industries in the MIDINRA, informed BARRICADA that the five mills of the APP will increase their output by 39 percent over the output of the last harvest. It will be necessary to make a major effort in the labor area above all in order to be able to increase the output and to attain the targets.

The people's mills harvested 1.73 million quintals last year and it is hoped that we will reach a figure of 2.73 million quintals this year.

Harvest Details

Sugar output at the San Antonio Mill is expected to go up by 200,000 quintals; the approximate output will be 2.73 million quintals this year.

It is expected that the sugar output in the APP [People's Property Area] will lead to the processing of 1.6 million quintals of white sugar while the San Antonio Mill is trying to turn out 1.6 million quintals of refined sugar, with the rest being raw sugar.

The director of sugar industries pointed out that the sugar mills are trying to achieve optimum production through measures such as the separation of excess personnel, the enlargement of the agricultural area, and the improvement of industrial machinery.

On that score he said that the Julio Buitrago Mill has almost 2,000 employees who can be considered surplus and that a way will have to be found to solve that problem. There are other mills which have enough personnel, such as the Benjamin Zeledon Mill.

The Javier Guerra Mill will resume operations this year; it had been closed down for 3 years and the necessary repairs are now being made. As for the rest of the mills, preparations are being completed and the harvest will be started as planned by the administration in November and December of this year.

The APP "will mill" 27,600 manzanas [1 manzana = 1.75 acres] of sugar cane while the San Antonio Mill will come up with 25,450 manzanas, in other words, less than the APP, but with a greater sugar output. On that score, Jerez pointed out that the San Antonio Mill has managed to reach the limits of efficiency because of its long experience.

The sugar quota fixed by the International Sugar Organization for Nicaragua comes to 127,000 quintals and it will be easily filled; the domestic quota will benefit from an increase in output, said Jerez.

5058
CSO:3010/297

EXPERT EXPLAINS VALUE OF EXPORTED COTTON SEEDS

PY182310 Asuncion ULTIMA HORA in Spanish 12 Nov 81 p 8

[Text] A technical source at the agriculture and livestock ministry told ULTIMA HORA this morning that "even though they claim that the 800 [as published] tons of seeds sold to Argentina are of the industrial kind, the fact is that they are of the Reba Paraguay 279 variety because that is the variety which our factories have been receiving."

The source explained that the cotton and tobacco controlling office (OFAT) has been selling its surplus seeds to industrial plants which used them to produce oil, pulp and other byproducts. OFAT Director Jose Dario Radice said that "we sell a large portion of surplus seeds used for sowing to industrial plants to cover our administrative costs."

At this point OFAT has a large stock of seeds. It has 11,000 tons of seeds, enough to sow 440,000 hectares. However, only 300,000 hectares will be planted this year which means that only 7,500 tons of seeds will be used. There will be a surplus of 3,500 tons, enough to sow 140,000 hectares.

Our technical source indicated that "even though the seeds have not been properly certified or treated with fungicides and pesticides, they are of the Reba P-279 variety produced by 'nursery experts' and belong to the 'foundation' [fundacion], 'registered,' and 'certified' type. This type of seed can germinate easily just the same."

The technician said that the Reba P-279 had been produced exclusively in our country after considerable sacrifice, agricultural research, various breeding efforts and experiments. "That is why it has been given the name it bears. Reba means 'resistance to bacteria' 'P' stands for 'Paraguay' and the number 279 is that of the most successful culture specimen. It has remarkable resistance to diseases and greater fiber yield."

He also explained that "it is the type of cotton fiber which is much sought after throughout the world because of its quality, and its price is always the highest. That is why it is considered strategic material and now that Argentina, where production costs are lower, also has it, we are bound to face some unfavorable competition."

CSO: 3010/305

DAILY CRITICIZES SALE OF COTTON SEEDS

PY182057 Asuncion HOY in Spanish 11 Nov 81 p 11

[Editorial: "Besmirched Purity"]

[Text] It is a truly sad paradox to have cotton, the flowers of which are a well-known symbol of purity, mixed up in something which, according to the evidence on hand, is nothing but a shady export operation involving (as we have been compelled to point out) an objectionable "sale of development." This is because the 1,500 tons of seeds sold by a private enterprise to the provincial cotton board of the Argentine Province of Formosa belonged to that much sought-after variety the Reba PA-279. This variety is the result of almost 10 years of patient, painstaking and expensive efforts in selecting genetic material, beginning with the original Reba 279, which had been brought from Thailand.

As is well known, the operation was carried out through the Banco de Los Trabajadores [workers bank], and a reliable source indicated to our newspaper that the deal involved the illegal sale of 1,500 tons of seeds sent out in small shipments for obvious reasons of concealment. Thus the first shipment of 500 tons left the port of Varadero on 1 October. It was followed by three more shipments, one of 300 tons on 9 october, another of 200 tons from the same port on 19 October and a third shipment of 500 tons a few days later. These exports, which did not have the approval of the agriculture and livestock ministry, had been authorized by the finance minister as proven by the signatures of Rafael S. Santacruz and Brigido Rodriguez Baez, technical assistant and technical secretary to this ministry, respectively. Furthermore, the source certificate was signed by the director of the foreign trade department of the industry and commerce ministry, whose name had not been typed in under the appropriate seal, only his signature was there. We must also bear in mind that it is a general belief that these illegal exports were the motive for the unexpected resignation of customs Director General Saul Alcaraz and his replacement by Salvador Bogado.

To further add to the confusion with which the people, lacking an official explanation of the facts, are faced, the head of the "Exporinter Ltd" Company signed an open letter, published yesterday by a morning and an evening daily of this capital in which, among other things, he stated that "the exporting operation was carried out in a totally legal manner after paying all taxes stipulated by law and in compliance with the Lafta (now Aladi) treaties." He further clarified that the operation went through "without any type of concealment, without need for favors from anyone because it was in keeping with international treaties with which Paraguay complies in an acknowledged and faithful manner." The lengthy open letter includes curious remarks

about the fact that most of the cotton farmers of this Argentine Province are Paraguayans from which one is supposed to deduce that in the final analysis it has just been a sale of Paraguayan cotton seeds to...Paraguayans. In addition to all this the open letter points out that even if the seeds were strategic material (something which the signer of the letter refutes)...the resulting cotton would never compete with that produced in Paraguay because the characteristics of our cotton production, which account for its great market value, are very special (family-level farming and picking by hand), all of which result in the high average quality of the product due to its exceptional cleanliness," something which could not occur in Argentina where the use of machinery for picking cotton reduces its quality.

These are, in general terms, the explanation of Walter A. Gwynn Oddone, head of "Exporinter Ltd" and signer of the open letter which he has deemed appropriate to release to the people.

In the light of this information the government should provide complete information concerning what has happened, a report which should duly clear up every one of the factors which have a bearing on this important aspect of the nation's economic activities.

CSO: 3010/305

CHRISTIAN DEMOCRATIC LEADER ON HUMAN RIGHTS

PY172302 Paris AFP in Spanish 1253 GMT 16 Nov 81

[Text] Paris, 16 Nov (AFP)--Luis Antonio Resck, a Paraguayan Christian Democratic leader here today called upon the people of Western Europe to increase their awareness of the dramatic status of human rights in Paraguay. The chairman of the Paraguayan Christian Democratic Party, who is touring Western Europe, told AFP that he wants to draw the attention of the people and their government to the fact that not only the United States but also Western Europe and the multinational companies are cooperating with a regime which is refusing to acknowledge any human rights at all and is exploiting its people.

Resck, who has been arrested 10 times by the Paraguayan Government and who is now living in Brazil, held talks with various French political sectors, especially with Antoine Blanca, adviser for Latin American affairs of the French premier, and with Bernard Stasi, a deputy for the opposition.

Resck also met with representatives of the Paraguayan colony in France and with members of the National Accord--which is made up of the Authentic Radical Liberal Party, the Christian Democratic Party, the Febrerista Party and the Colorado Popular Movement--a political opposition front which puports to be the only valid option for a democratic opening.

Opposed to President Alfredo Stroessner's regime, the National Accord visited Washington in 1978 and 1980 and La Paz in 1979. This year its members signed the so-called letter of Brasilia and have been seeking to disseminate its contents through contacts with democratic groups in the Southern Cone of the continent. In Paris the National Accord is being represented by Ruben Bareiro Saguier.

The Christian Democratic leader had participated in a conference on human rights sponsored by the European Council and held in Madrid. He met in the Vatican with John Paul II, who expressed interest in the Paraguayan situation and the role of the church in that country. In Rome, Resck conveyed his concerns to Mariano Rumor, chairman of the World Christian Democratic Union and to Giulio Andreotti, former prime minister. After his stay in France, Professor Resck will continue his tour in Belgium.

CSO: 3010/305

BRIEFS

UNIVERSITY SUPPORTS STUDENT--In a press communique released today the University Pastoral Service [SPU] denounced "the unfair situation of fellow university student Perla Yore, charged with possession of subversive books." The communique stressed the right of the students "to have access to every kind of cultural material which could allow them to make in-depth research of whatever nature to improve their intellectual level." This statement draws support from the transcription of a paragraph of the "Gaudium et Sees" Ordinance No 59 of the 2d. Vatican Council which states that "man must be free to conduct research and disseminate his own opinion. Culture must not be placed at the service of political or economic powers." Further on, the communique discussed the hunger strike which the prisoner has been on for 17 days by saying that "through this attitude she has undertaken the defense of the entire university community." In another paragraph, the communique pointed out that "we share with her the anxiety stemming from the lack of respect shown toward her dignity as a human being, made in the image and likeness of God our Lord and toward her inalienable rights as a child of the Lord." (Cfr. Puebla 40) The communique concluded by stating: "Therefore, the SPU believes in the imperative need to assume a firm and Christian attitude advocating the urgent task of improving the moral standards of the nation." [Text] [PY180331 Asuncion ULTIMA HORA in Spanish 17 Nov 81 p 8]

CSO: 3010/305 END

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BRIEFS

SECONDARY OIL RECOVERY--The inevitable decline in oil production in the old Talara field (where of a total of 1,200 wells in 1979 only 953 were producing just 6,000 barrels daily and the rest had been abandoned due to exhaustion of production) is now in a recovery period. Occidental Peruana Inc and Argentina Bridas are in charge of the project requiring an investment of hundreds of millions of dollars, which defies the most modern technology. OXY and Bridas drilling in Los Organos has in the last 3 years increased production to a present level of about 20,000 barrels daily. Secondary recovery is stimulating oil production when the wells reach the "primary exhaustion" stage by injecting water into the dry wells or into especially built ones. OXY and Bridas recently built a plant to treat sea water, the largest in South America and able to produce more than 79,000 cubic meters daily of deoxygenated and treated water. About 1,000 wells will be drilled, half injectors and half producers. So far there are about 750 wells, evenly divided. Present production is substantially contributing to return Peru to oil exporting and to generate work in the region. [Text] [Lima OIGA in Spanish 19 Oct 81 p 67] 9545

CSO: 3010/187

ENERGY MINISTER DISCUSSES ALUMINUM, GAS PROJECT PLANS

Port-of-Spain TRINIDAD GUARDIAN in English 9 Oct 81 p 4

[Text]

AN ALUMINIUM foil plant — a downstream project of the proposed aluminium smelter — is to be established at Waller field.

It will be a joint venture in which a major international firm is involved. Energy Minister, Mr. Errol Mahabir, did not reveal the name of the firm yesterday.

However, it is believed that the US firm — Kaiser International — is involved.

Kaiser was one of the many US corporations with whom the late Prime Minister Dr. Eric Williams, held talks during his 1974 visit to the U.S.

Mr. Mahabir, speaking at yesterday's formal opening of gas price negotiations between the National Energy Corporation (NEC) and the companies that comprise the Southeast Coast Consortium, said that although a final investment decision had not yet been taken on the smelter project, the NEC staff was given the green light to proceed with the foil project.

GAS LINE

Cabinet, he explained, had given a mandate to the NEC, that it would consider a final investment on the smelter, but that it wanted to see at least two important downstream projects that would emanate from the smelter project.

The NEC, the Minister said, has been working on the downstream projects, and had in fact, received a number of proposals. Among them was one firm proposal for a foil plant, which is expected to utilise some 10 per cent of production from the smelter.

Taking into account also, the need to diversify establishment of industries, Mr. Mahabir revealed, it has been decided that once agreed upon, the proposed foil plant would be located at Waller field.

MAHAICA GAS

He said the Government was doing all that was expected, to ensure that the natural gas was utilised, and secondly, that the gas itself was available to the industries which will utilise it.

He also cited the present laying of the Trintoc gas line which will bring gas from the north Mahaica field. The line which is due to come on stream by the end of the month will satisfy the needs of small users in the northern areas and all industrial estates of the Industrial Development Corporation (IDC) in the north.

Also, because Trintoc itself wished to have available for its own use some nine million cubic feet per day to satisfy the needs of two gas turbines which were being installed at its refinery.

It would also be utilised in updating Trintoc's electricity facilities--from 50 to 60 cycles.

CSO: 3025/55

$43 MILLION TO BE SPENT ON OFF-SHORE OIL EXPLORATION

Port-of-Spain TRINIDAD GUARDIAN in English 19 Oct 81 p 7

[Text]

SAN FERNANDO:

AMOCO Trinidad Oil Company will spend approximately (TT) $43,000,000 on two exploratory wells from this month to December in the continuing hunt for oil off the east coast.

Mr. Robert N. Powers, President and General Manager of the Company, gave this information about the exploratory programme, which was announced in the daily Press in July.

Since the announcement, however, there have been changes in the programme.

The new jack-up rig, Dixylin Field, originally scheduled to drill the first well was not available for the east coast drilling programme (the Dixylin Field has being diverted from Gabon, West Africa, for the Trinidad assignment).

Drilling therefore, could not begin in early September as originally scheduled but started instead at the beginning of October.

The first well in this programme will now be drilled with the Lexington which is doing exploratory drilling south-east of Trinidad for Mobil Exploration Trinidad Limited.

The Lexington will drill for Amoco approximately 35 miles north-east of Galeota Point, which is also approximately nine miles north-east of the Samaan Field.

Arrangements are being made for the second rig to drill the other exploratory well in one of the two locations under consideration.

One location is just east of the Poui Field and the other is approximately six miles north-east of Galeota Point.

Mr. Powers said that the second exploratory vessel, Bluewater III, was scheduled to arrive off the east coast around November 1, to begin work on the second well.

CSO: 3025/55

ASPECTS SURROUNDING BEAGLE MEDIATION REVEALED

Buenos Aires LA NACION in Spanish 29 Oct 81 p 8

[Text] The present Argentine policy with regard to the Beagle affair is that you can't pull the tooth until the abscess goes down.

In terms appropriate to the negotiations, Argentina maintains that it is indispensable that an inventory be taken of all the questions pending between it and Chile, including all questions of mutual interest, so that His Holiness's proposal may find the proper context in which to flourish.

That, in effect, is what Foreign Minister Camilion argued in Rome in September when he met with Cardinal Casaroli, the Vatican secretary of state; Cardinal Silvestrini, secretary of the Church's Council for Public Affairs--the equivalent, in the Holy See, of the portfolio of minister of foreign relations--and Cardinal Samore, papal delegate in the mediation. The highlight of Camilion's trip to Rome was his meeting with John Paul II.

Chile has accepted, although with numerous reservations, the proposal made by Wojtyla to the parties on 12 December 1980. Argentina let 3 months elapse and in March limited itself to requesting the mediator to make a series of clarifications and explanations of his proposal. The Vatican answered some time later. Some of its statements on that occasion, such as the one concerning navigation through Tierra del Fuego channels, could be very useful should the papal proposal be the final solution to the South Atlantic dispute, Argentine sources have told LA NACION.

Three Premises

However, the "ideas" carried by Doctor Camilion to the Vatican surely meant a restatement of our country's position in the face of what must have been considered a crucial stumbling-block in the negotiations. Obviously Camilion did not speak to the pope and his cardinals on behalf of the Palacio San Martin or the president of the nation. He spoke--and this is important, considering the complexity of the current legal system--on behalf of the Military Committee, which is made up of the commanders in chief and the president.

At this stage in the Beagle negotiations, Argentine diplomacy appears to be acting on the basis of three premises:

1. There must not be a war;

2. The proposal, as edited in December 1980, cannot be accepted; and

3. The mediation must not fail.

Last week, all Buenos Aires was talking about the fact that an answer to the opinions expressed by Doctor Camilion in Rome had been received here from His Holiness, through the nuncio, Monsignor Calabressi. Actually, it was not quite like that. The contents of the sealed envelope delivered by the nuncio to the Foreign Ministry was a document from the Vatican office for the mediation, initialed by Cardinal Samore and containing no indication of the kind which usually means, unequivocally and deliberately, direct intervention by the pope.

As is understandable, Cardinal Samore is a little impatient to see the political matter placed in his hands by providence at the end of 1978 crowned as soon as possible. Called by our ambassador to the Vatican, Jose M. Alvarez de Toledo, to have lunch today with him and Cardinal Primatesta, the elderly cardinal very courteously declined the invitation because, among other reasons, he is totally engrossed in the task commended to his care by His Holiness nearly 3 years ago.

Samore Insists

From the little that is known, the latest correspondence from Samore to the Argentine Government insists that the proposal offers a formula for a just understanding for both parties. It does not reject the "ideas" expressed in Rome by the Argentine foreign minister, but it emphasizes the good points of the December 1980 proposal and the possibilities that it offers in itself.

The impression here is that the Vatican prefers that there be no more procrastination in the negotiations. Argentina, in turn, seems to be trying to have it understood that a peace treaty founded on an agreement concerning the South Atlantic dispute would make no sense if all the other latent points of conflict with its neighbor are not solved at the same time. That is: peace only in the south?

From the La Julia mine on the northern border to the mouth of the Strait of Magellan, and even further south, along the wire fence on Isla Grande, there are disputed border points between Argentina and Chile. Only a few hours ago our country awoke to a new claim by the Chileans. Its brief history follows: South of Desert Lake there is an extraordinary reservoir of drinking water: the deposit of continental ice which Argentina, without renouncing its sovereign rights over the same, invited a special forum of the United Nations to consider among the precious possessions of humanity. Now then, without any serious warning precedent, the Chilean delegation to the UN forum meeting at Canberra, Australia, to study these matters, has just made a reservation on that deposit of continental ice.

The "Boil Theory"

The new Argentine policy regarding the Beagle negotiations may, in our opinion, have a vulnerable spot. Argentina has resolved, in effect, after the experience of the 1970's, never again to submit any dispute with Chile to arbitration. Although the pope, as the commander in chief of the army said this week, is not an arbiter, but a mediator, and for that reason could not very well force compliance on the parties, it is certain that politically he is close to being the former because of the weight his voice carries among peoples which include a strong Catholic majority. So only with much care could Argentina place all its current disputes with Chile on a negotiating table presided over by Wojtyla.

We agree, however, that on the other hand, the "boil theory" has its advantage. No one, not even the most impatient of negotiators, could be unaware of the fact that the papal proposal being unacceptable in principle to the Argentine Military Government, only an overall restatement of the mediation, which might ease tensions, will save it from failure.

At this stage it is unthinkable that the high-ranking Argentine military leadership will resist the papal proposal because of the fact that Nueva, Picton and Lennox, which were the substance of the arbitration compromise in 1972, remain in Chilean hands. The Argentine military are not unaware of what recognition of Cape Horn meridian by the pope as an imaginary line dividing the ocean waters between Argentina and Chile would mean; but they hope, meanwhile, to count on firm land in the very far south on which to base that line.

Status Quo?

While the negotiations are bogged down on that and other points, the way has been opened, then, in the Argentine Government, for the current thesis: that is, to create a new context by virtue of which it might be easier later on to make some progress on the subject of the South Atlantic. The 1941 Border Commission, after 40 years, achieved total agreement on only one of the 16 sections into which their work was divided. The Beagle Channel and its related problems are only a part of one of the remaining 15 sections.

It would be a serious mistake, however, for anyone to believe that there are no fixed borders between Argentina and Chile; but it would also be a mistake to interpret the South Atlantic border dispute as the last of the open geographical questions between the two countries.

The Argentine Government has received reports that the chairman of the bishops, Cardinal Primatesta, took to the Vatican an exaggerated view of the current situation and its prospects. That view would give the impression that Argentina cannot sensibly be expected to hasten its steps very much in the negotiations. Official sources have indicated to LA NACION that the Argentine position does not consist in merely maintaining the "status quo," although that may eventually be the outcome of such a stalemate as we have been watching for several months. The sources emphasized that the Argentine position, on the contrary, is one of active search for a solution. This, they observed, is advisable because of our interest in preserving our relations with the Vatican as well as with Chile and, certainly, our ties with a church whose word has had a moderate beneficial influence for everyone here, unlike other countries in the Southern Cone.

Hope for Success

For the rest, the Argentine Government has gathered more than sufficient proof of extensive concern in the west to avoid risks which might lead to political failure on Wojtyla's part. We know that among the three points mentioned by Gen Alexander Haig as being of concern to bilateral relations between Argentina and the United States in his recent visit with Foreign Minister Camilion was, in spite of geographical distances, the Beagle question. In addition, Ambassador Keller Sarmiento, chief of the Western Europe Department at the Palacio San Martin, in a recent tour of areas under his jurisdiction, discovered--in such unlikely countries as Switzerland,

Austria and West Germany--the existence of a sharp government interest in seeing the pope's efforts as mediator between Argentina and Chile crowned with success. Obviously in those countries they are not particularly concerned with which way the wind is blowing in the South Atlantic; but they are indeed very alert to the lively political and spiritual breezes of a pope who has demonstrated in the very heart of Eastern Europe, that communism contains internal contradictions which may change the course of its history.

8735
CSO: 3010/212

BEAGLE PROPOSAL SAID TO BE IN CONFLICT WITH OIL INTERESTS

Buenos Aires LA NACION in Spanish 24 Oct 81 p 11

[Text] Rosario--Dr Adolfo Silenzi de Stagni talked with the press about the petroleum policy, which he characterized as the systematic draining of Government Oil Deposits [YPF].

He indicated that that drain is based on the reduction of the real income of YPF chiefly through the cession of domestic interests to firms such as Shell and Esso, He pointed out that since 1976, losses in the lubricants sector have reached 15 percent, and he emphasized that each point represents "several tens of millions of dollars."

Then he said that self-sufficiency could have been achieved a long time ago if a coherent policy had been followed which took the country's interests into consideration. He added that one of the factors preventing this at this time is that the foreign firms are not fulfilling their contracts, since they are all below established production. "The deficit," he emphasized, "is 1.2 million cubic meters."

"Most Expensive in the World"

He then pointed to the domestic price of petroleum, which is set, he said, in line with national and international fluctuations, causing Argentine crude to be the most expensive in the world. "In January," he said, for example, "Shell received $143.83 per cubic meter, when the international price was $230. But it must be borne in mind that of that $230,85 percent is reserved to the conceding government, while here at home it is all retained by the oil company. In addition, the domestic price of almost $144 is the wellhead price. To this we must add freight costs and bonuses paid by YPF to the provinces." Then he asserted, as proof of the "lucrative business," that for the foreign oil companies, oil means that in 1980, "20 firms sold 628 billion dollars' worth."

"Proposal Must Be Rejected"

At another point, Silenzi de Stagni said that if the papal proposal for the so-called "zone of peace" becomes a reality and maps are changed accordingly, it must be rejected, because the region is of interest to the petroleum industry. He added that such a proposal is more serious than the decision of the British crown, since

the Strait of Magellan was not in question, "in spite of the fact that General Videla signed the Puerto Montt Act, which has a clause establishing the agreement to study the boundaries in the Strait of Magellan."

After recalling that the sedimentary basin of the Strait is one of the largest in the world--"five times greater than the one in the North Sea"--, he compared it to the Malvinas Islands and the contracts signed with Shell under the Economic Cooperation Program. Then he expressed his fear of what might be, he concluded, a smokescreen for England's giving up the islands, but not the petroleum.

8735
CSO: 3010/212

CARIBBEAN CONGRESS OF LABOR WARNS BARBADOS WORKERS

Bridgetown THE NATION in English 1 Sep 81 p 10

[Text]

SECRETARY of the Caribbean Congress of Labour, Burns Bonadie has called on Barbadian workers to look for moves by Government to enforce legislation which will take away their rights.

He made this call, while addressing the closing session of a labour legislation seminar at the National Union of Public Workers (NUPW) headquarters last Friday evening.

The CCL secretary/treasurer described such signs as: Government's disclosure earlier this month that foreign reserves had fallen by $45 million, the failure of the sugar industry to create the expected revenue, and the many conditions stipulated by the International Monetary Fund (IMF) when giving loans.

Bonadie stated that when these were hinted at by governments, the next move would be to create wage restraints and pass legislation which would prevent the trade unions from opposing these restraints.

The labour official said that at present in Barbados, "essential services" covered water, gas and electricity services, and that because the Caribbean governments were "copy cats", the introduction of essential services legislation in Barbados would be used to cover many other services, and relieve workers of the right to strike.

Concerning the general Caribbean region, Bonadie said that most of the Caribbean governments were trying to implement essential services legislation and that this would be resisted by the region's trade unions.

He also said that because most people were aligned to one political party or another in their country, when ever there were decisions to be made concerning trade union matters the workers decided party wise, rather than in their best interest or in the interest of the trade union.

Concerning a current trend in the region, Bonadie said that governments were making many amendments to legislation which would affect workers, but were not consulting with the trade unions. He said also that one of the reasons for this was because they were trying to facilitate outside businessmen who wanted certain guarantees before setting up there businesses.

"All these moves," he said; "are aimed at making the trade union movement disappear of rendering it harmless." Bonadie warned all workers to be on their toes and not allow the local movement to lose much of its force, as has been the case with the Guyana Trade Union movement, which was the strongest in the region up until the second world war, but which today has lost much of its bargaining ability.

The NUPW's labour legislation seminar was held over a one week period and involved over 25 shop stewards of the union. Resource persons included, Dr. Neville Duncan, Maurice King, Joseph Goddard, Ulric Denny, James Williams, Oswald Simmonds and personnel of the Labour Department.

CSO: 3025/48

BRIEFS

FEDECAMARAS CRITICIZES AID TO NICARAGUA--Barcelona, 27 Oct--As a way of protesting the detainment of a group of businessmen in Nicaragua, FEDECAMARA's [Association of the Chambers of Commerce and Industry] president, Dr Carlos Sequera Yepez, announced that this body will request that the Venezuelan Government suspend the oil and technical aid it had been offering to that Central American nation. Sequera Yepez, who was attending the homage given in Puerto Cruz by the region's economic sectors to the former FEDECAMARAS president, Dr Cero Anez Fonseca, called it unusual "that the current government in Nicaragua would resort to the detainment of competent business leaders, because they had expressed in a document their opinion of the economic problems of that country. "This clearly demonstrates that the Nicaraguan nation went from an extreme rightist dictatorial government to an extreme leftist totalitarian regime which, just as was commonplace in the former, will also not accept criticism nor permit any type of opposition," he claimed. He later added that "in the first place we are initiating a campaign in order to obtain the full release of those detained, and will see that international pressure mechanisms are implemented to bring about a democratic regime of government in Nicaragua." Sequera Yepez said that Venezuela should not continue to offer oil and financial aid to "a government that attempts to put into effect the same methods imposed in Cuba to put an end to private enterprise." [Text] [Caracas EL NACIONAL in Spanish 28 Oct 81 p D-8] 9730

CSO: 3010/252

IMPORTANCE OF RADICAL PARTY NOTED

PY211433 Buenos Aires HERALD in English 20 Nov 81 p 10

[Editorial: "One Silver Lining"]

[Text] The days when the country's senior politicians could be reduced to a respectful silence by some crisp orders delivered by a military chief clearly belong to the past. The attempt by the Third Army Corps commander to make the radicals moderate their criticism of the status quo has completely backfired. Far from inducing them to shut their mouths it has provoked a strong counterattack. This counterattack, moreover, is being aimed not merely against the Third Army Corps chief but at the regime as a whole. The incident has also encouraged speculation about possible power plays within the regime. Making the situation even more uneasy than would otherwise have been the case is the illness of President Roberto Viola. He would appear to be suffering from rather more than a mild case of high blood pressure and his continuing absence from the Casa Rosada is a significant factor in the sultry political climate that hangs over the country.

The prevailing mood was succinctly summed up by a leading radical, Dr Antonio Troccoli, during a party meeting he said: "We are going through a stage in which the regime installed in 1978 is in its death throes and different sectors are fighting for a share of the spoils of the country they brought to bankruptcy." He also went on to warn the military to resist the temptation to transform themselves into "an army of occupation in their own country." Although Dr Troccoli's words were clearer and harsher than most, he was expressing the belief of a large number of people who fear that the nation may be drifting toward a new period of conflict.

The outlook may be gloomy, but it is not entirely black. One of the most hopeful phenomena of the last year or so is the emergence of the radical movement as the driving force behind the opposition to the regime. The party had already staked out for itself a place at the centre of events by creating the "multiparty convocation," which includes the representatives of parties which in the most recent elections represented an overwhelming majority of the Argentine population. Its prominence has been increased by the quarrel with the Third Army Corps commander. The Peronists, still immersed in the problems that followed the death of Juan Domingo Peron, have not been able to make a comparable impact on public opinion, although whether or not they have lost ground among the electorate is something nobody will really know until elections have actually been held.

This creates a situation which is very different from the one that prevailed in the early seventies. Then the country was being plagued by leftwing terrorists associated with some Peronist factions, and the Peronists provided the cutting edge of the more peaceful political opposition as well. In consequence, voters saw in them the most convincing alternative to a military regime they resented and provided them with the support they needed at the polls. Today, despite the warnings of some military chiefs, there is very little sign of leftwing terrorism while the most visible civilian opposition to the military regime comes from a party whose democratic credentials are as good as those of anyone else in the country and far better than many. Thus, while the present situation is certainly fraught with danger, it is in some important ways far more promising than was the situation before the country's last attempt to effect a reentry into the turbulent but invigorating atmosphere of democracy.

CSO: 3020/28

BRIEFS

MRS PERON CLEARED OF CHARGES--(NA)--Former President Maria Estela Martinez de Peron has been cleared by a court of appeals of misuse of presidential funds. Mrs Peron, removed from power by the armed forces in March 1976 had previously been absolved by Judge Pedro Narvaiz. The charges of misuse of funds had been made by Prospero German Alvarino, who questioned her handling of 150 million pesos which formed part of the reserved presidential funds. Although the court cleared Mrs Peron of these charges, she may still be summoned to testify before the courts on the same matter. However, this aspect of the case continues to be pending and Mrs Peron is entitled to be absent from Argentina in accordance with a legal permit granted her several months ago. Mrs Peron is still being charged with alleged mismanagement of funds concerning the Solidarity Crusade, an entity formed during the last Peronist regime. [Text] [PY231654 Buenos Aires HERALD in English 21 Nov 81 p 9]

CSO: 3020/28

OPPOSITION FORCES SUSPECT PLP OF PLOTTING 'SNAP' ELECTION

Nassau THE TRIBUNE in English 19 Oct 81 p 1

[Article by Gladstone Thurston]

[Text] OPPOSITION forces are gearing for a snap election as reports persist that the ruling Progressive Liberal Party may present their candidates for ratification during next week's convention.

Indications from inside sources are that Prime Minister Lynden Pindling might dissolve Parliament shortly after the Convention.

"Based on the information received," one Opposition official said, "there are indications that the PLP is planning to hold a snap election which is designed to take the Free National Movement by surprise."

FNM spokesman Arthur Foulkes agreed that something is in the wind. "We realise that Mr Pindling alone has this card to play and we have no doubt that he will play it to his best advantage as he sees that to be. Our party is going ahead steadily with its plans for the next elections and if a snap election is called our party machinery will move into high gear very quickly."

The opposition official, who asked not to be named, said the PLP's National General Council has ratified most of its candidates. Ratification of candidates in previous years came a few weeks before the election was called. In addition to that, PLP Members of Parliament have been conducting voters registration drives for the past month.

"Taking into consideration these activities and the fact that there has been, over the last couple of months ceremony after ceremony, the last being the cornerstone laying at the agricultural research station, and the topping off of the Market Plaza, which was not necessary at this time, and the sudden withdrawal of Bruce Braynen from St Agnes, one must come to the conclusion that something is in the wind," he said.

Also, it is understood that Fox Hill incumbent Frank Edgecombe will be replaced by Gladys Manuel. The candidates to represent Grand Bahama are to be selected this weekend.

PLP Members of Parliament, especially those who represent New Providence constituencies, have on many occasions been severely criticised by their constituents for ignoring the needs of the people.

The young people, especially, have been vocal in criticizing those MPs who rarely visit their constituencies. Older constituents too have criticized PLP MPs who only come around during election time.

Bruce Braynen was never popular in St Agnes with the young people. He hardly ever visited, according to the constituents. Young people in St Michael's had the same to say about George Mackey. Some areas have not seen Mackey since 1977, according to residents. Although Alfred Maycock is seen in Fort Fincastle, the complaint there is that he visits only certain people. Sir Clifford Darling, it is said, is "afraid of the young people" of his constituency. Sinclair Outten would not venture anywhere near certain areas in his constituency of St Barnabas, it is claimed.

"The PLP representatives have isolated themselves from the people," one young man shouted during a recent political meeting. "We don't want them."

"We would like the Prime Minister to know that under no circumstances he will catch us off guard," the Opposition official said. "We are ready to do battle and as a matter of fact challenge the Prime Minister to go through with his plans next week. We are ready and we know the people are ready to send that happy band of mal-administrators home for good."

It is significant, the official said, that the Deputy Prime Minister and not the Prime Minister will be delivering the keynote address during next week's convention.

"By doing so," the official said, "the Prime Minister is relieving himself of the responsibility of having to answer too many serious questions and give an account of the many broken promises. He is now passing the buck to his deputy who, over the years has had no responsibility for the total administration."

CSO: 3025/52

WORKERS PARTY PLANS TO REORGANIZE, SEEK OPPOSITION ROLE

Nassau THE TRIBUNE in English 8 Oct 81 p 1

[Article by Anthony Forbes]

[Text]

TIRED OF the "hustling and jostling" of the Bahamas' three opposition parties, the Workers Party today announced it had reorganized and would now campaign to become the official opposition to whatever government was elected in the next general elections.

Workers Party chairman Rodney Moncur, at a press conference today, said College of the Bahamas lecturer Philip Miller will be the party's new leader, while he will remain its chairman.

He gave notice that those officers of the party who are either unable, or who cannot find time to deal with party affairs, will have to take on an advisory role to those who were willing to take over and lead the party to victory.

He appealed to the traditional 45 percent opposition voters to support the Workers Party and he declared "war" on the other three opposition parties – the Free National Movement, the Social Democratic Party and the Vanguard.

Other party officers are Necolia Jacques, first vice-chairman; Marilyn Barrett, second vice-chairman; Donovan Dorsette, secretary-general and Gus Fountain, assistant secretary-general.

He said the party has set up a research committee to study the history of all the political movements in the country to see how they functioned, survived and came to an end.

"We have called forward our best grassroot and intellectual leadership to the forefront of the party," the chairman of the three-year-old Workers Party said.

"We have said to the present leadership, the party must grow and there must be a series of forceful, yet peaceful protests that the country has never seen since 1967," Mr Moncur said.

Before today's announcement, Moncur, as chairman of the Workers Party, led and represented the party at panel discussions and demonstrations.

He said the party had demonstrated against capital punishment, unemployment, crime, high prices and many other issues affecting the nation in its three-year history.

"So the Workers Party has established a genuine record of struggle for, and on behalf of the people of the country and will continue that struggle," he said.

He said the party will not fight the 1982 general election to become the next government.

"It is our sincere intention to become the official opposition," he said.

"The Workers Party, by virtue of its youthful leadership and membership, feels it is too premature at the moment as a sincere political movement, to take over the

government," he said.

Begging the 45 per cent of opposition voters to vote for the party, Mr Moncur said his party is prepared to go by the rules and regulations and present the best opposition since 1967.

"When given that opportunity, the Workers Party has the ability, knowledge and grassroot know-how," he ssaid. "War is declared on all inefficient opposition parties which lack the know-how to oppose the administration."

He said the party was reorganized to give the maximum effectiveness in the opposition ranks to the PLP Government, and in the past few months, the party's membership has grown tremendously.

Charging the FNM, SDP and Vanguard with being unworthy of forming the next government, Mr Miller said they are organized for "political hustling and jostling and nothing more."

He said the FNM bosses were a part of the PLP

Also, he said, the FNM had left the PLP unchecked, causing it to degenerate into a bad government. He claimed the FNM was also guilty of "questionable acts" of which the PLP had "always been guilty."

The Workers Party leader said the SDP, the official opposition, had tried half-heartedly to take the business of parliamentary opposition seriously, but did not seem to understand the highly responsible duties of the official opposition.

He said the Vanguard had not opposed well and there was no proof that it was capable of governing.

"None of these opposition parties has taken seriously the concept of a Shadow Cabinet," he said. "As a result, none of them has a detailed and relevant programme of government."

Mr Miller said that though marginal in terms of wealth and organization, the Workers Party appeared to be the only opposition group that opposed in the traditional Bahamian way, where national peace and security was not threatened.

"SDP and FNM members of Parliament are paid to oppose the government," he said. "Yet the Workers Party, which has no seat in the House, gives more opposition than those two parties combined."

CSO: 3025/52

CENTRAL BANK: NATIONAL DEBT AT $280 MILLION; SURPLUS DOWN

Nassau THE TRIBUNE in English 17 Oct 81 pp 1, 13

[Text]

THE NATIONAL debt of the Bahamas up to the second quarter of this year is $280.1 million, according to the Central Bank report.

And, the fall in current revenue and the growth in current expenditure for the quarter reduced Government's current surplus to $8.5 million from a year earlier when the surplus was $19.7 million, the Bank stated.

The overall budgetary position showed a deficit of $13.3 million because of the sharp rise in net lending to $12.1 million and increased capital outlays of $9.7 million. This deficit was financed by a drawdown of cash balances, the Bank said.

Debt repayment for the quarter ending June amounted to $4.5 million, an increase of $2.3 million over the corresponding period of 1980.

External debt repayment was unchanged from last year at $1 million, while internal debt repayment increased by $2.3 million to $3.5 million.

Repayment on the Bahamian dollar portion of the domestic debt increased by $2.8 million to $3.2 million, while the foreign currency portion decreased by $0.4 million to $0.3 million, the Bank stated.

The total direct charge on Government for the second quarter of 1981, the Bank said, stood at $233.4 million, a decrease of $3.9 million from the first quarter of this year and an increase of 3 percent above the second quarter of 1980.

"Contingent liabilities of the public corporation at $46.8 million brought the total national debt outstanding to $280.1 million," the Bank's quarterly review stated.

Current revenue for the second quarter of 1981 totalled $64.6 million, down $5.8 million from a year earlier. Tax revenue amounted to $49.6 million, a loss of $2.7 million from the same period in 1980, while non-tax revenue fell by $3.1 million to $15 million.

"The decline in current revenue from the quarter under review may be attributed in part to a general slowdown in economic activity," the Central Bank stated.

The business and professional licence fees yielded $3.4 million, a rise of $2 million. Export taxes

brought in 0.9 million, again of 0.1 million. Stamp taxes rose by $1.4 million to $4.6 million. All other categories of tax revenue registered declines.

"Taxes on goods and services fell sharply as the slackening of the economy inevitably led to a lower demand for imports," the Bank stated. "Consequently, import duties fell by $3.2 million to $31.7 million."

Selective taxes on services similarly declined by $2.6 million to yield $5.1 million. Property taxes fell by $0.3 million to $1 million, while departure taxes and motor vehicle taxes declined by a marginal $0.2 million and $0.1 million to $1.9 million and $1.4 million respectively.

In the non-tax revenue category, the most significant decline was in income from other sources, which fell by $3.5 million to $0.4 million. This decline from the 1980 level was due in a large part to the fact that Government did not receive its share of the Central Bank's profits in the quarter under review as it did in the corresponding quarter last year.

Fines forfeits and administrative fees dropped by $2 million to $12 million, while income from public enterprise and other miscellaneous receipts showed no substantial change. Sales of government property yielded $2.5 million for the quarter under review.

Increased outlays on social and economic services accounted in part for the growth in total expenditure, which amounted to $65.8 million for the review quarter, a rise of $9.7 million over the comparable period of 1980.

Current expediture totalled $56.1 million, a gain of $5.4 million, while capital expenditure at $9.7 million rose by $4.3 million over the same period of 1980.

During the second quarter of 1981, the balance of payments position as measured by changes in the official international reserves, posted a surplus of $12.9 million, $2.3 million above the level obtaining in the comparable period of 1980.

According to the Central Bank, the current account deficit widened by $24.1 million, up $10.9 million over the $13.2 million recorded in the second quarter of 1980 and $17.9 million greater than that experienced during the first quarter of 1981.

"The deterioration in the current account was the result of a decrease in the net invisible earning which fell to $119.6 million from a level of $146.3 million a year earlier," the Bank stated.

The trade deficit contracted by $17.7 million to $147.3 million from a year-earlier level of $159.9 million "owing to an appreciable drop in both oil and non-oil merchandise imports reflecting the slowdown in tourism," the Bank stated.

CSO: 3025/52

FNM HITS PLP FOR WITHDRAWAL FROM AGREEMENT WITH TUC

Nassau THE TRIBUNE in English 19 Oct 81 pp 1, 8

[Text]

THE OPPOSITION Free National Movement has called the PLP withdrawal from the Memorandum of Understanding with the Trade Union Congress "a victory" for the FNM and "an admission of defeat" for Government.

"Prime Minister Pindling's withdrawal from the Memorandum of Understanding is an admission of defeat and a clear statement that the PLP has now lost the base of support that has kept it in power for the past 14 years," the FNM said in a press statement today.

FNM leader Kendal Isaacs said it is clear that Prime Minister Pindling is "running away from a situation that was turning out to be a big embarrassment to his Government."

The party welcomed the "liberation" of the member unions of the TUC and reaffirmed its belief that the true purpose of trade unionism is best served when the trade union serves only one master .... its members and their interests.

In June, Mr Isaacs called on trade unions to withdraw from the Memorandum of Understanding and return to the concept of free trade unionism, unfettered by the political considerations of the past.

In a statement today, Mr Isaacs said it is obvious that Mr Pindling, the PLP and certain trade union leaders have used the hard-working people of this country for selfish aims "and now that the workers of the nation are no longer prepared to be used the PLP has seen fit to abrogate the Memorandum."

"It is a pity that certain union executives, who showed such promise in the pursuit of worker rights in this country, could have allowed themselves to become so consumed by personal ambition and selfishness as to betray the best interests of the trade union movement and the workers," Mr Isaacs said.

Mr Isaacs also asked the Bahamas Hotel and Catering Workers Union to "take note" that the stranglehold on the TUC by the PLP has been broken. The hotel union pulled out from the TUC in July after its president, David Knowles, MP for Salem, was defeated as head of the TUC.

"The resolution of abrogation indicates that the PLP will now try to pick off individual unions and further fragment the union," Mr Isaacs said, noting that the PLP suspended the memorandum until individual unions indicate their willingness to be guided by the memorandum's principles.

"Individual unions would do well to avoid this new web of trickery which the PLP have spun," Mr Isaacs said. "The breaking of the memorandum is a victory for the FNM and bodes well for our success in the upcoming general elections."

CSO: 3025/52

FNM OFFICIAL HITS PINDLING ON SOCIAL, ECONOMIC PLAN

Nassau THE TRIBUNE in English 6 Oct 81 pp 1, 10

[Text] For the second time in less than a week, Prime Minister Lynden Pindling has been challenged to tell the Bahamian public what became of the $2 billion, 10-year social and economic plan for the Bahamas, which he announced in an address before the Chamber of Commerce in June, 1976.

Free National Movement Councillor Arthur Foulkes, Minister in the fifth of a series of rallies last Thursday, again brought up the issue in a press statement today.

Mr Foulkes pointed out that Mr Pindling had unveiled his big plan for the country just a year before the last election.

"Since the last election, what have you heard about this master plan?" he asked. "What has been done about it?"

Mr Foulkes suggested that nothing had been done about the plan because it was just another election promise "designed to fool the people."

"It's just like all the other false promises they have used in the past and just like the ones they will try to fool you with again this time," he claimed.

Mr Foulkes said that if the $2 billion plan had been put into effect, it would have been near the half-way mark by now with at least $1 billion in development. He said Mr Pindling should have known when he unveiled his plan that his Government was not capable of attracting the huge sums of private capital necessary to activate such a scheme.

"It was just another empty promise, just as ridiculous and insulting as the one he made when he promised full employment by 1980," Mr Foulkes said.

"Instead of achieving full employment, we are rapidly headed for full unemployment and the young people of the country are bearing the full brunt of this tragedy."

Mr Foulkes said the PLP Government had demonstrated their inability to restore confidence and bring about the economic expansion necessary to put thousands of unemployed Bahamians to work. He charged that instead, they "come with one bad policy after another including the so-called land policy which only made a bad situation worse." Mr Foulkes said the next phase of the FNM's plans calls for Family Island visits to be led by party leader Kendal [name illegible].

CSO: 3025/52

PAPER DEPLORES U.S. 'GUNBOAT JUSTICE' AGAINST HAITIANS

Bridgetown THE NATION in English 22 Oct 81 p 4

[Editorial: "Gunboat Justice"]

[Text]

MANY people are shaking their heads in dismay, if not disbelief, and ours are among them.

We are dismayed because we consider the recent decision of the Ronald Reagan administration to introduce gunboat justice in order to keep out thousands of poverty-stricken Haitians from the United States to be a harsh and inconsistent approach.

When it was first reported more than two months ago that the United States Justice Department was contemplating interdicting boats on the high seas and turning them back if the Haitians on board could not prove that they were political refugees, we agreed with one of America's newspapers, the Washington Post, when it characterised the proposed plan as "an extreme remedy".

Somehow we were hoping that the Reagan administration would change its mind.

But it recently instructed its coast guard to intercept boats with "undocumented" people from the Caribbean on board on the grounds that the "entry of undocumented aliens arriving at the borders . . . from the high seas is detrimental to the United States".

According to a Justice Department spokesman, the coast guard has been given authority to fire weapons if such vessels did not respond to a call to halt for inspection. In addition, the coast guard was authorised to request persons on board these boats to produce documents so that their status as political refugees or persons fleeing their homeland because of economic conditions could be determined.

If the coast guard is satisfied that the persons on board are economic refugees the boats in which they are travelling are to be returned to the country from which they came.

The process of interdicting boats on the high seas, giving the coast guard authority to use its guns and requiring people to produce documents to show they are political refugees, is nauseating.

In any case, what kind of documents must a person carry to prove that he or she is a political refugee?

The Reagan decision is indeed harsh.

CSO: 3025/53

FARMERS CONSIDER SECURITY MEASURES TO HALT RISING THEFTS

Bridgetown THE NATION in English 23 Oct 81 p 32

[Text]

FOOD crop farmers in Barbados are contemplating the introduction of private security measures in an effort to stem the rise of praedial larceny on the island.

This has come in the wake of a reported loss of more than $100 000 from crops stolen so far this year and indications that the figure could rise steadily if the practice is not stamped out.

The incidence of praedial larceny is expected to be one of the priority matters down for discussion tomorrow when the Barbados Agricultural Society holds its annual general meeting at The Grotto, Beckles Road.

BAS general manager, Haynesley Benn, pointing to the seriousness of the situation, noted that within a six-day period after the initial losses were reported in another section of the Press earlier this month, thieves made off with some $6 000 in produce; 2 500 pounds of carrots and 1 000 pounds of cabbage.

Benn said the security measures were likely to include private patrols around farms between the hours believed to be the time the thieves struck. The use of guard dogs is also a measure to be used.

Last year, farmers reported losses in the vicinity of nearly $60 000, but so far this year, the reported losses have climbed way past the $100 000 figure.

Benn said that the practice was very rampant in Barbados and needed to be dealt with quickly since it did not offer farmers an incentive to produce food.

He said it was unfair to ask farmers to assist in reducing the country's high food import bill and then have others reap their crops after the farmers had suffered as a result of adverse weather conditions, which stopped them from meeting their projections.

Praedial larceny, he added, was one of the reasons for the increase in the cost to consumers for vegetables, since a farmer had to make a reasonable return on his investment. He noted that the price would further increase if the farmers resorted to the introduction of private security measures.

Benn said that the thieves appeared to be well organised, and from the quantities of produce stolen, must have some use of vehicles.

CSO: 3025/53

HAITIAN REFUGEES IN U.S. THREATEN BARBADIAN FARM WORKERS

Bridgetown THE NATION in English 9 Oct 81 p 1

[Text]

BARBADOS' 40-year-old United States Farm Labour Programme could soon be in trouble.

For, according to Minister of Labour, Mr. Vic Johnson, the jobs traditionally offered Barbadians were now under threat of being taken away by Haitians living in Florida.

Barbadians have been cutting sugar cane and picking fruits in the United States since the early 1940s, an activity which last year alone saw families here benefiting by some $700 000 in remittances.

Johnson said yesterday that because of the influx of Haitians into that country, and because they were being given special status, they now had a number of very legitimate claims to the places on the programme.

The minister also said that the Haitians had formed themselves into a pressure group and had joined a trade union, making some very strong claims.

Johnson said:

"Already they are making some serious inroads into apples, and I believe that they are going to make some inroads into sugar cane as well."

VALID CLAIMS

He also agreed that at this time their claims were very valid, and this made it even more difficult for the local Labour Department to handle.

He added:

"They have a pressure group formed to give legal advice. They have trade union status, and are putting pressure on the Labour Department which is going to affect the offshore programme."

Concerning the Canadian Farm Labour Programme, Johnson said that a group of workers had recently returned home and all the reports which he had received were favourable.

He added that there was high praise for the women involved, and, as a result, it was expected that an even larger number of women might be going next year.

CSO: 3025/48

INDUSTRIAL EXPORTS IN 1980 WORTH (BDS) $151 MILLION

Bridgetown ADVOCATE-NEWS in English 9 Oct 81 p 9

[Text]

Industrial exports from Barbados totalled some Bds$151 million last year, accounting for 55.7 per cent of the total export from the country.

This according to Chairman of the Industrial Development Corporation (IDC) Mr. Fred Gollop, underlies the importance of the sector to the economy of Barbados. Success of this sector, he added, is critical to the economy because hundreds of jobs are created, and lots of foreign exchange brought to the country.

Mr. Gollop was speaking at the official opening of Elias Industries Limited, at the Wildey Industrial Park, last Tuesday.

He said further that some 4 000 full-time jobs were provided by the garment industry. This accounts for about 40 per cent of the jobs provided in plants provided and assisted by the IDC.

Elias Industries is a garment factory which at present specialises in the production of shirts for local and Caricom markets. Indeed, some 75 per cent of the shirts produced are exported to Caricom, with the remainder being sold locally.

The company has been in operation for about 13 months, and now has a staff of 50. By next year, that number is expected to reach 150, with tee-shirts and slacks for men and boys being produced as well.

Mr. Gollop said that there was significant opportunities for investment in Barbados at this time, a theme which was reiterated by Mr. Peter Miller, Chairman of the Barbados Manufacturers Association (BMA).

Mr. Miller paid tribute to managing director of the company, Mr. Odil Elias. He pointed out that Mr. Elias started out as a retail store proprietor, and was now involved in manufacturing on a large scale.

The BMA Chairman said that more local businessmen should get involved in manufacturing because the present economic situation demanded such a move. The benefits, he pointed out were reduced foreign expenditure for the country, and production for import substitutions.

CSO: 3025/48

HEAD OF BARBADOS PEACE COMMITTEE OUTLINES OBJECTIVES

Bridgetown THE NATION in English 1 Sep 81 p 10

[Text]

"WE are seeking a state of relations where Caribbean states with different political systems will see the urgency to settle their differences peacefully to ensure happy co-existence."

This profound and idealistic aspiration is that of the Barbados Peace Committee and was expressed by its president Ricky Parris.

Amidst political turmoil and war stricken times, the Committee's work offers a small ray of hope for a turn of tide.

The Barbados Peace Committee forms part of the World Peace Council and though it still operates at a community level, and has a small membership, its work is varied and extensive.

The committee whose members include people from different political and religious persuasions, is primarily interested in motivating Barbadians to consider problems in maintaining peace as important in their own situation and not as an isolated European/Asian problem.

The committee sees the Cubana airplane crash of 1978 as the most significant evidence in recent years which indicates that serious political tension exists in the region.

At present, the committee holds monthly meetings to review both regional and world problems to which members from various associations and members of the public who have interests in preserving world peace, are invited.

In addition to these meetings the committee circulates literature, organises poster displays and presents film shows for the general education of the public.

Although the members of the Barbados Peace Committee are not daunted by the financial pressures involved in the organisation's work, they find their most serious obstacle to be the attitude of certain elements of society who regard the Committee as "subversive".

CSO: 3025/48

BAN ON MULTIPLE CANDIDACIES ALTERS COMPLEXION OF ELECTIONS

Rio de Janeiro JORNAL DO BRASIL in Portuguese 25 Oct 81 p 22

[Text] The rejection of the bill which extended the system of multiple candidacies from the same party for the same office [sublegenda] to direct elections for governor scheduled for 1982, will cause profound changes in the picture of successions in the states. Once the surprise caused by the decision of the Congress passed, there appeared the first changes in the evaluations of the stock of the candidates, many of whom lost their status as favorites.

Introduced in 1966 by the then Senator Daniel Krieger, who copied the formula adopted in Uruguay by the Blanco and Colorado Parties, the sublegenda was the casuistic expedient to which the 1964 regime resorted to bring the adversary state factions who made up the extinct ARENA [National Renewal Alliance] under one party.

With the abolishment of the sublegenda for governors, the PDS [Social Democratic Party] emerges as the most prejudiced in an overall computation in the country. The question its members ask themselves today is how will it be possible to extract a single candidate in Minas Gerais where there are 14 PDS hopefuls for the office of governor or in Sao Paulo, where there is no chance for an understanding between Governor Paulo Maluf and former Governor Laudo Natel; or in Ceara where Deputy Adauto Bezerra does not accept supporting the candidate appointed by Governor Virgilio Tavora?

Although it celebrates as a victory the defeat of the sublegenda, the opposition in the times of the extinct MDB [Brazilian Democratic Movement] was its greatest beneficiary, with the exception of Pernambuco, where casuism insured the victory of the present leader of the PDS, Senator Nilo Coelho, in 1978. Present Senators of the opposition Tancredo Neves, Jose Richa, Jaison Barreto, Humberto Lucena and Henrique Santillo owe their positions to the sublegenda.

The Opposition Was Helped in 1978

Brasilia--The present leader of the PDS in the Senate, Nilo Coelho, owes his election to the sublegenda in which his colleague in the extinct ARENA, Cid Sampaio, today in the PP [Popular Party], also ran. In the 1978 elections both of them together obtained 693,497 votes against 654,592 votes of the MDB candidate, former Deputy Jarbas Casconcelos. By himself Nilo Coelho would have lost badly because he only obtained 367,720 votes.

The present president of the PP, Senator Tancredo Neves, is another who owes his election to the sublegenda. As the only MDB candidate, he would have lost by 26,382 votes to the two ARENA candidates, Fagundes Neto and Israel Pinheiro Filho, who together obtained 1,668,297 votes. With Alfredo Jose de Campos Melo in the sublegenda, Tancredo Neves obtained another 95,162 votes, which added to the 1,641,915 votes he obtained by himself, gave him the victory.

Senator Jose Richa of Parana would have lost as the MDB candidate by a difference of 188,560 votes to the ARENA candidate, Tulio Vargas, who obtained 1,083,573 votes. By adding his 895,013 votes to the other 254,520 votes obtained by sublegenda candidate, Eneas Farias, he won by a difference of 65,960 votes.

Jaison Barreto, candidate of the extinct MDB in Santa Catarina, obtained 465,930 of the 626,185 votes given to his party in the elections for the Senate. If the ARENA candidate, Wilmar Dallanhoi, had run by himself, Jaison Barreto would also have won as an only candidate. However, since ARENA had Aroldo de Carvalho in the sublegenda, the MDB also took the votes won by Djandir Dal Pasquale in the sublegenda. The results: the opposition won by 19,756 votes. In Goias, Henrique Santillo and Juarez Bernardes together won 536,113 votes against 444,170 votes by the three ARENA candidates: Jarmund Nasser, Osires Teixeira (he ran for reelection) and Jonas Duarte. The MDB senator also owes his position to the sublegenda.

Bezerra Does Not Agree with Virgilio

Fortaleza--The PMDB [Brazilian Democratic Movement Party], now that the threat of the sublegenda has been eliminated, has all the chances of winning the governorship of Ceara. The PDS leaders themselves admit this, believing that only a miracle will unite the factions of Governor Virgilio Tavares and Deputy Adauto Bezerra. Faced with the possibility of defeat, those of the PDS hang on to the hope that the two factions will accept the prefect of Fortaleza, Lucio Alcantara,as a compromise candidate.

Virgilio's followers make up the majority in the PDS convention. Those who follow Bezerra as a minority could deal for an agreement which would present the candidacy of Lucio Alcantara, who is well accepted in both factions. The agreement would be completed with the appointment of the candidate to the Lieutenant Governorship by Adauto Bezerra, and Virgilio Tavares would pick the candidate to the Senate. Minister of Mines and Energy Cesar Cals would receive the prefecture of Fortaleza and the guarantee of reelection of his group of state and federal legislators. "That is a hypothesis we have not even studied,"said a prominent adviser of Governor Virgilio Tavora. "If we are a majority at the convention we have the right to appoint the candidate for governor," he concluded.

The candidate of the Virgilio group, Aecio de Borba, is involved completely in his campaign and this Sunday will have a rally in Aracati. It is admitted, however, that Virgilio Tavora, fearing the negative effects which the defeat of the PDS in Ceara could cause in Brasilia, is willing to review positions and discuss a solution which represents a party consensus.

In the last two days, the story circulated in Fortaleza that Adauto Bezerra will be a candidate on some sublegenda to the Senate. He would be seeking a victory with a triple objective: defeat his adversary Virgilio Tavora at the polls, increase the number of his federal and state deputies and prevent some follower of Virgilio from being elected governor. To attain the final objective, he would instruct the four federal deputies, 12 state deputies, 52 prefects and almost 500 councilmen who support him to abstain from the election for governor.

"Then we could cry victory ahead of time," commented the deputy leader of the PMDB in the Legislative Assembly, Deputy Jose Humberto.

The PDS of Minas Gerais has 14 Candidates

Belo Horizonte--Although no one in Minas Gerais dares to analyze the picture of succession after the defeat of the sublegenda, difficulties became greater, at least for the PDS, since the party has 14 hopefuls who want to succeed Governor Francelino Pereira.

Francelino Pereira warns that no one can now have the vanity of wanting to pick the candidate. "It is necessary to seek the one who has the party consensus and this consensus can only be achieved by one who has the conditions for winning next year's elections."

Although surprised by the defeat of the sublegenda, Senator Murilo Badaro continued to tour the interior in a campaign to win the support of the PDS rank and file in the Party Convention. Belo Horizonte Prefect Mauricio Campos issued an official note declaring that the result of the voting for the National Congress does not change the position he assumed by placing his name for consideration by the party.

The PP considers the candidacy of Senator Tancredo Neves, who was going to the convention as an only candidate anyway, has been strengthened. In the PMDB, former Prefect Jorge Carone loses the opportunity of becoming a candidate although he announces that he will compete at the convention with Senator Itamar Franco. The other parties, without the conditions for presenting candidates, are waiting to enter into agreements.

Montoro Already Claims Victory

Sao Paulo--The PDS and opposition parties declare that they will come out the winners because of the rejection of the sublegenda in the elections for governor. PMDB president, former Deputy Mario Covas, heralded the victory of the opposition and Senator Franco Montoro reacted as if he had already been elected governor. More than a month ago, however, Deputy Armando Pinheiro, president of the Sao Paulo PDS, had doubts about the sublegenda bill being passed by the Congress and according to him, its rejection was of interest to Governor Paulo Maluf.

It is believed that Senator Montoro will benefit the most from the congressional decision, but the followers of Janio Quadros guarantee that if the former president were to join the PTB [Brazilian Labor Party] "He will win the 1982 elections." The last poll by the Gallup Institute indicates Montoro is in the lead by nearly 10 points over Janio Quadros, who is in second place. With respect to the survey made nearly three months ago, Montoro increased his lead a bit and Janio lost two points.

In the PDS, although he fought for the sublegenda, former Governor Laudo Natel continues to work the conventioneers and believes that he can win in the convention and become the party candidate to the governorship. However, other names are mentioned: Reinaldo de Barros (prefect of the capital), Guilherme Afif Domingos (secretary of agriculture and the favorite of Maluf) and Deputy Adhemar de Barros Filho.

Rank and File Pressure Jair and Marchezan

Porto Alegre--In Rio Grande do Sul, the rejection of the sublegenda will force the two PDS candidates--still undeclared--Minister of Social Welfare Jair Soares and Deputy Nelson Marchezan to hasten their decision. Both have already begun to receive pressure from their support base to begin competing for convention votes. Deputy Governor Otavio Germano, the only declared PDS candidate, guaranteed that he is going to compete in the convention to be nominated by the party. Deputy Adilson Motta, campaign manager for Jair Soares, went to Rio Friday in an attempt to convince the minister to release his support base for an immediate initiation of a campaign.

Advisers to Nelson Marchezan are pressuring him the same way. Some deputies such as Rospide Neto (PMDB), Carlos de Souza (PDT) and Enrico Pegoraro (PDS) think that the election has been made more difficult for the PDS by the rejection of the sublegenda, since the three PDS candidates could more effectively confront the opposition.

Without depending on the sublegenda, the PMDB and PDT in extraordinary conventions have already nominated their candidates: Senator Pedro Simon and Deputy Alceu Collares, respectively. The same was done by the PP with former Governor Sinval Guazelli. The PT has not decided whether it will nominate its own candidate, but if it did, the nomination should be that of its national vice president, Olivio Dutra. On 9 November, the PDS will bring its three candidates together with Governor Amaral de Souza and the state and federal congressmen for a decision on the candidate and the political campaign.

Maciel Plans Dashed

Recife--Governor Marco Maciel will have to completely reformulate his plans with respect to the gubernatorial succession in Pernambuco, plans which up to now have been based on the sublegenda. A first obstacle has been created: former Governor Moura Cavalcanti, who always wanted to be the lone candidate from the PDS or wanted his candidate nominated at the party convention.

Recife Prefect Gustavo Krause, indicated as the candidate chosen by Governor Marco Maciel, is in a good position. A nephew of Moura Cavalcanti, who introduced him to politics, he will not be sacrificed and have to compete against the former governor or only be a name on the government slate on some sublegenda. If Maciel intends to support him as a candidate, he will have some hard work before him in rallying the PDS around Kraus.

With the possibility of the sublegenda eliminated, the candidacy of Senator Francos Freire of the PMDB became even stronger. The polarization between the government and the oppositions is great and it benefits Francos Freire.

Former Governor Cid Sampaio, who recently joined the PP, wins with the elimination of the sublegenda. In the PDS he certainly would not have the conditions to become a candidate unless it were a sublegenda. Possibly Cid Sampiao could be a candidate to governor of the state with the support of the group which left the PDT. However, without the sublegenda, the candidacy of Marcos Freire grows stronger and has broad possibilities of emerging victorious with the support of an opposition front which would include the PP.

Only Planalto Saves Alvares

Vitoria--Without the sublegenda, the candidacy of former Governor Elcio Alvares to the governorship of the state can only be saved by an interference by Planalto Palace in the process of succession in the PDS in Espirito Santo if it were to declare him to have the best chances of defeating the PMDB in the election.

If it were to depend on social contingencies, according to the president of the Legislative Assembly, Deputy Vicente Silveira (PDS), Governor Eurico Rezende, an adversary of Elcio and the leader of the other factions of the party, would choose the candidate from among less well-known names but who are more loyal to him. Among them are the former prefect of Vitoria, Crisogono Teixeira Cruz, the favorite; Carlos Von Schilgen, now prefect of the capital, Jose Maria Feu Rosa, prefect of Serra and Federal Deputy Teodorico Ferraco.

In the PMDB, the dispute is restricted to Federal Deputies Gerson Camata and Max Mauro. While the former appears frequently in public opinion polls as the great challenger to the favorite status of Elcio Alvares, the latter has his base strictly among the urban sectors of the left.

Dinarte Does Not Accept the Official Nomination

Natal--The opposition celebrated the defeat of the sublegenda until early morning and received in the expressions of happiness the solidarity of a dissident group of the PDS, which is opposing the candidacy to the governorship of the prefect of the capital, Jose Agripino Maia.

Dinarte was unequivocal in describing the political picture without the sublegenda: "Now we are indeed on the road of democracy." He once more accused the candidacy of Jose Agripino Maia of being divisionist and he cited names of politicians who could unite the PDS in Rio Grande do Norte: Lt Governor Geraldo Meio, industrialist Fernando Bezerra, Deputy Carlos Augusto Rosado and Rector Diogenes da Cunha Lima.

Jose Agripino Maia defends himself from the accusations of Dinarte, who considers him to be part of a family oligarchy which has ruled the state for 8 years. He explains that he is not a candidate only because he is a Maia--he is the 5th cousin of the present governor, Lavoisier Maia--but because of the administration he is accomplishing in Natal.

PMDB Loses Duo in Mato Grosso

Campo Grande--The opposition was the victim of the decision of the Congress which rejected the extension of the sublegenda to the election for governors. The PMDB was left without the duo of the brothers Plinio and Wilson Barbosa Martins, with which the PMDB intended to win the governorship of the state.

The PP will also have to remake its plans because it had counted on the sublegenda for presenting its three senators as candidates: Saldanha Derzi, Mendes Canale and Jose Fragelli; now it will have to choose just one of them.

The defeat of the sublegenda was well received by Governor Pedro Pedrossian, who now feels he has a chance to assume control of the PDS and command the process of succession.

A. Carlos Seeks to Attract Lomanto

Salvador--Despite having considered the rejection of the sublegenda an error, Governor Antonio Carlos Magalhaes is the most obvious winner within the PDS of Bahia after the decision by Congress this week. The biggest winner in the parties of opposition is Waldir Pires, consultant to the republic during the Joao Goulart administration, who is the first to have his candidacy to the governorship formally accepted in conventions.

Among the losers, the greatest loser is undoubtedly Senator Lomanto Junior, who initiated an internal dissidence within the PDS when he announced his candidacy to the governorship against the wishes of Antonio Carlos Magalhaes. The one who benefits the most, however, is the president of the Bahia State Bank (BANEB), Cleriston Andrade, considered the favorite candidate of the governor.

In the limbo of the PDS are the groups led by Senator Luis Viana Filho and Senator Jutahy Magalhaes, who continued to advocate the need for a consensus in nominating a PDS candidate.

The picture of succession for the opposition does not change much, unless it is because of the fact that now the regional president of the PP, former Governor Roberto Santos is going to step up the beat in attempting to overcome Waldir Pires of the PMDB.

Ney prefers Saul Raiz

Curitiba--In Parana, the rejection of the sublegenda favored the PMDB candidate to the governorship, Senator Jose Richa. Because of the five present PDS hopefuls, Secretary Saul Raiz, the favorite of Governor Ney Braga, should emerge the candidate and he is a novice at elections.

Saul Raiz himself admits that he needed the sublegenda in order to be elected with the help of other candidates because he will have to fight for votes in the same area as his personal friend and PP candidate, former Governor Jaime Canet.

Within the PDS, the hopes of Jaime Lerner, the prefect of Curitiba, who counted on a sublegenda, have been dashed. Londrina Prefect Antonio Belinati also gave up his hopes. Formerly of the extinct MDB, he was accepted by the PDS as the political solution for creating a sublegenda in the northern region of Parana, the traditional redoubt of the opposition.

The chief of the Civilian Household, Fabiano Braga Cortes, is considered a family solution, which his cousin Ney Braga can accept.

The biggest loser is former Governor Paulo Pimentel, who surely will not go beyond the convention despite the good relationship he has with Planalto Palace.

Seixas Now Has Hope

Aracaju--The sublegenda was the guarantee that Governor Augusto Franco Faria would name his successor without any great problems. With the rejection of the sublegenda by Congress, the picture of the PDS of Sergipe changed radically and the situation changed to favor the opposition which has such strong candidates as Senator Gilvan Rocha and former Governor Seixas Dorea. In the PDS there is difficulty in finding one candidate who will rally the dissident groups of the party.

Seixas Dorea, who two weeks ago granted an interview in which he acknowledged the victory of the PDS, is now euphoric and believes that the opposition has a chance to elect the governor.

The previous selections made within the PDS with respect to the names which would be included in the sublegendas are considered as "no good" by PDS and opposition politicians. Present Secretary of Education, Federal Deputy Antonio Carlos Valadares, was discarded. The most likely hopeful now is Senator Passos Porto.

Acre Turns to the President

Rio Branco--Acre Governor Joaquim Falcao Macedo declared that without the sublegenda it will be difficult to rally the different factions within the PDS and he expected that he will be forced to turn to the President of the Republic to lead the electoral process in the state.

He pointed out that the sublegenda was vital to the PDS and he had been working with the assurance that it would be approved. "Now," he said, "we have to do a work of arousing the awareness of party members to prevent the party from being harmed by internal differences."

Up to now the PDS has two gubernatorial candidates, who do not show any willingness to give up their aspirations: former Governor Geraldo Gurgel de Mesquita and Federal Deputy Amilcar Alves de Queiroz, inflexible adversaries.

Governor Joaquim Macedo made it clear that he prefers Geraldo Mesquita but he acknowledged that the candidacy of the former Governor would encounter strong resistance within the party.

According to the Acre governor, the defeat of the sublegenda strengthens the PT [Workers Party], which is already the third electoral force in the state. "The PT will be the indicator on the scales," he forecast, "and can decide the election for governor."

An already defined candidate accepted by all sectors of the party, Deputy Raimundo Herminio de Melo, said that the defeat of the sublegenda was "very beneficial" for the PMDB in Acre. "There could not have been anything better," he added.

Alacid Remains a Prisoner of Barbalho

Belem--The rejection of the sublegenda bill created difficulties in Para for the PMDB and the PDS equally, although opinions are divided in the official party. For the leader of the PDS legislators in the Legislative Assembly, Deputy Zeno Veloso, the defeat of the sublegenda strengthened the position of the party, which in his opinion will have better chances of winning the election with a single candidate.

In the opinion of Federal Deputy Oswaldo Melo (PDS), however, the party would have greater chances if it were to compete with three candidates. For Senator Jarbas Passarinho, the absence of the sublegenda makes no difference because he believes that the PDS will win in any event.

As far as the PMDB is concerned, the absence of the sublegenda apparently improved the situation of its candidate to governor, Deputy Jader Barbalho, who had been resisting the attempts of Governor Alacid Nunes to present a candidate from his group. On the other hand, without the sublegenda the PMDB runs the risk of not obtaining the vote of the Alacid rank and file supporters, who up to now have not assimilated the agreement which joined them with the governor. It will also face the problem of the division of opposition votes because it will no longer be able to count on former Deputy Benedito Monteiro in the sublegenda. Monteiro, at this time a PDT candidate for state governor, had been developing understandings for transferring to the PMDB and running on a sublegenda.

Valadao Does Not Change Plans

Goiania--Valteno Cunha, Secretary of Interior and Justice and political coordinator for the government, declares that the rejection of the sublegenda does not change any plans because Governor Ary Valadao was not against the sublegenda. He only announced the decision not to use it if it were introduced.

Secretary Valteno Cunha, does not believe in the existence of irreconcilable groups within the PDS and asserts that the PDS will march united around the candidate chosen by the convention. There are three candidates in the PDS:

Ibsen de Castro, the secretary of finance who has already placed himself "at the disposal of the party," Otavio Lage, former governor and Prefect of Goiana Indio Artiaga.

The PMDB has only one candidate to the governorship, former Prefect Iris Rezende. Senator Henrique Santillo withdrew his candidacy and agreed to appoint the vice governor from the PMDB slate, choosing businessman Onofre Quinam.

The PT is an unknown quantity in the picture of the opposition. Up to now the president of the party, Athos Magno Costa e Silva, advocates the position of "presenting candidates at all levels." This week the leadership of the PT was invited to a meeting with the advisers of Iris Rezende. The reply to the invitation by the PMDB will be made next week.

PDS Recovers Unity in Piaui

Teresina--The PDS is the biggest beneficiary of the rejection of the sublegenda for the gubernatorial elections in Piaui. With the decision by Congress, the government party has rid itself of the possibility of an internal dispute which threatened its unity.

The abolishment of bipartisanism allowed the government party in Piaui to eliminate its basic differences: Senator Alberto Silva left for the PP and what remained in the PDS placed itself under the unified command put together by deceased Minister Petronio Portela.

To prevent the advances of the candidacy of Senator Alberto Silva, launched after the results of the 1978 elections were announced, the PDS encouraged the emergence of hopefuls for the candidacy to governor of the state. It was the means for motivating the rank and file to prevent the occupation of their spaces by Alberto Silva. In the passage of time, the candidacies achieved consistency, making the selection by Governor Lucidio Portela difficult. He seeks to acquire the political inheritance of his brother Petronio and assume control of the succession.

The pressure by those hopeful of succeeding him in office was so great that Governor Lucidio Portela could not make up his mind because if he did he could cause constraints and defections. With the rejection of the sublegenda, he declared: "Now I will roll up my sleeves and I am going to work for the candidate who is approved by the convention."

According to the manifestations of the great majority of the party, the PDS of Piaui will opt for the candidacy of Deputy Hugo Napoleao, who placed first in the survey ordered by Governor Lucidio Portela.

A Uruguayan Formula

The sublegenda is an invention of Uruguay, which appeared for conciliating the various factions concentrated in the Blanco Party, on one hand, and the Colorado Party on the other, during a climate of political radicalization which almost led the country to a civil war.

In Brazil, the sublegenda was created at the suggestion of the then Senator Daniel Krieger at the time of the creation of the ARENA and the MDB in 1966. At that time the agglutinization of political forces in only two parties made a legal mechanism necessary, pursuant to which all antagonistic factions could coexist in the same party and add up their votes for the dominant faction. The sublegenda appeared only for the Senate, a casuistic expedient whose purpose was to prevent the desertion of powerful political chiefs to the opposition. In 1968 the sublegendas were extended to municipal elections. The 1969 Constitution abolished the sublegenda for the Senate but the April Package of 1977 restored it.

With party reform at the end of 1979, the government proposed the maintenance of the sublegenda. Using his veto power, President Figueiredo restored the sublegenda for candidates to the Senate and prefectures. Last Thursday, the extension of the sublegenda to the elections for governor attempted by the government was rejected by Congress.

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CSO: 3001/22

PLANNING MINISTER TO VISIT U.S., JAPAN, FRG

PY232339 Buenos Aires TELAM in Spanish 1228 GMT 22 Nov 81

[Text] Brasilia, 22 Nov (TELAM)--The press information office of the Brazilian Planning Ministry announced today that Planning Minister Antonio Delfim Netto will make a 16-day trip to the United States, Japan and Germany in December.

It reports that in the United States Delfim Netto will sign a loan contract with the World Bank for $320 million for the development of Brazil's northeastern region, and in Japan he will obtain another $250 million for projects in the field of transport.

In Germany the planning minister and the president of the Brazilian Nuclear Corporations (NUCLEBRAS) will seek an understanding to regulate the schedule of the existing nuclear agreement between the two countries in order to adjust it to the Brazilian regulations on restraint of public expenditures in 1982.

Official sources clarified this by stating that this understanding would not be aimed at renegotiating the existing nuclear agreement, but at placing it within a realistic framework of Brazil's economic possibilities.

In Japan Minister Delfim Netto will start making contacts so that Japan can take part in the financing of the exploitation of the Carajas mineral deposits, considered to have the largest reserves in the world.

Experts estimate that Japan's Government and private enterprises are ready to contribute $500 million in order to participate in the exploitation of mines in the Carajas areas, located in the State of Para in central Brazil.

CSO: 3001/37

SENATOR REPORTS ON LEGISLATOR'S VISIT TO CUBA

Brazilia CORREIO BRAZILIENSE in Portuguese 25 Oct 81 p 10

[Text] Returning from Cuba, where he was a member of a delegation of the Parliamentary Union consisting of 15 federal deputies and five senators headed by Minas Gerais Senator Murilo Badoro, Senator Calmon of Espirito Santo granted a collective interview to the press yesterday morning in which he reported on his impressions of Cuba after the rise of Fidel Castro to government.

The meeting of the members of the Parliamentary Union took place from 15 to 23 September in Havana and more than 1100 delegates of 100 parliaments of capitalist countries were present, including two which do not yet have diplomatic relations with the government of the Cuban dictator: Brazil and the United States. The meeting took place in the Palace of Congress which was recently inaugurated and whose construction cost $30 million.

During the course of the work, several speeches were made, among which was that of former Venezuelan President Raphael Caldera, who now heads the Interparliamentarian Council. Fidel Castro was presented to the parliamentarians as the commander in chief and president of the Council of State. At that time he made an explosive speech, whose duration was exactly two hours. On other occasions, the communist leader, wearing a flamboyant general's uniform, has been less "brief," talking for as long as six or seven hours.

In his speech to the visitors, recalled Calmon, he violated the rules of protocol by attacking countries participating in the assembly of the Parliamentary Union with extreme violence, particularly the United States and Great Britain.

This was not proper because Cuba was the host country and its highest leader could not offend the legislators who were his guests, primarily those of the United States, which was accused of being governed by a fascist group and of having waged a bacteriological war against Cuba.

According to him, in less than 3 years five serious epidemics have assailed cattle, crops and even the health of the Cuban people. He even indulged in a little bit of black humor, emphasized Senator Calmon, by declaring that as delegates to the Interparliamentarian Union Conference they could be infected with one of those diseases: hemorrhagic conjunctivitis, which was allegedly introduced criminally into his country by the North American Government. Obviously

those accusations were not taken seriously because Fidel Castro was using them to prepare the permanently mobilized people to face the threat of an invasion by U.S. forces. Some of the U.S. delegates left the building and all refrained from attending a reception held that night for the parliamentarians by Fidel Castro in the sumptuous Palace of the Revolution at which a varied menu was served, prominent in which were immense platters of lobster and shrimp, aways replenished, and a great variety of imported beverages.

The Brazilian delegation, continued the Espirito Santos senator, as was said before, consisted of six members of the Senate of the Republic and 15 deputies from the PMDB [Brazilian Democratic Movement Party], PDS [Social Democratic Party] and PP [Popular Party] and was headed by Senator Murilo Badaro, who is also president of the Brazilian section of the Interparliamentary Union. They arrived in Havana on the 15th, a Tuesday shortly after the beginning of the solemn session of installation of the meeting. On the 18th, Friday, at exactly 2000, they received the news of President Joao Figueiredo's heart attack. The following morning the president of the Brazilian delegation decided to leave Havana, leaving it up to the decision of each legislator, however, whether or not to remain in Cuba until the 23rd, on which date the closing of the 68th assembly of the Union was scheduled. Only four PMDB legislators remained in Havana, however, other legislators of the PMDB itself and of the PP left Cuba on Saturday night. The curtailment of the stay by the Brazilian delegation did not allow completion of the entire program. Instead of eight days, it only remained four entire days.

The most important event of the visit to Cuba by the Brazilian delegation was undoubtedly the meeting with Fidel Castro, something which took place at the exclusive initiative of the chief of the Cuban Government. On the 18th the Brazilian legislators were informed at the Hotel Habana Libre (formerly Hotel Hilton, seized after the rise of Castro to power) that a high official of the revolution would receive them at 1730 at the Palace of Congress. The identity of that leader was not revealed at that time nor had the delegation asked for an audience with Fidel Castro.

At 1700 they were all directed to a large office where the smiling--uniformed as usual and smoking a cigar--commander in chief waited for them.

Fidel Castro devoted an hour and a half to the legislators and even expressed his regret at not being able to spend more time with them, said Senator Calmon, because he had to attend three receptions that night.

Several questions were asked of Fidel, who did not hide his desire to reestablish diplomatic relations with Brazil as soon as possible.

Our country and Cuba are the two greatest producers and exporters of sugar in the world, therefore, it is up to us and the Cuban nation to establish better prices for the product on the world market. What has prevented the reestablishment of diplomatic relations is the obstinacy of Fidel Castro in trying to export not only sugar but also communist ideology, seeking to support the armed struggle of subversive groups in other countries.

Even guerrillas were trained in Cuba after the revolution of 64. Recently, however, the Havana government has modified its attitude toward the Brazilian Government. Its representatives no longer attack our political system in international congresses and they have also ceased to boycott the election of Brazilian representatives in world organizations.

Communications

The press, radio and television are stated-owned in Cuba and they have not criticized Brazil after the beginning of the democratic opening. During his speech at the inauguration of the parliamentary assembly, Fidel Castro made a statement of praise for the position of Brazil in refusing to heed a call by the United States for extending an agreement similar to NATO to the Latin American countries. Castro emphasized that the refusal by Brazil is a sign of the new times that the North American imperialists are facing.

Fidel Castro, however, appears docile to Soviet imperialism, which is now installing a nuclear powerplant in Cuba.

During the meeting with the chief of the Cuban Government, Senator Calmon asked a question on the campaign he initiated in January 1961 for the eradication of illiteracy in Cuba. He programed that by December of that same year there would no longer be any illiterates in Cuba. To reach that goal, he closed all the universities of the country. He mobilized his teachers, students and skilled workers, a total of nearly 100,000. Through this effort Cuba would be free of the plague of illiteracy. The espirito Santo legislator and member of the Senate of the Republic asked the Cuban dictator how it was possible to prevent the large-scale return of illiteracy. UNESCO estimates that rate of regression to be between 50 and 60 percent of those who learn to read, write and count in short-term courses.

Fidel Castro avoided an objective answer, since that type of mass education without lasting results is nothing more than a demagogic or propaganda weapon. Senator Calmon also asked him how continuity was provided for education after the demobilization of the contingent of 100,000 literacy teachers who worked for a year. Once more Castro evaded the question, preferring to focus on another aspect, an important one. That literacy crusade was begun 20 years ago. In that period of two decades, Castro revealed to Senator Calmon, the Cuban Government achieved a more important feat: the elimination of the source of illiteracy. Cuba guaranteed at least a 6th-grade education for 100 percent of the children of the country. By 1985, Cuban children will be assured a 9th-grade education.

During the audience Fidel Castro made a revelation to those present, which was received with great skepticism. According to him, livestock experts achieved an exceptional success in the process of crossbreeding a Cebu bull with a Dutch cow, which is now giving 10 liters of milk per day.

There were some ranch owners among the Brazilian legislators and they found that miracle of revolutionary or socialist awareness by that Cuban cow exaggerated. However, Fidel invited the unbelievers to visit a farm at which was located the world champion in milk production. Unfortunately the invitation could not be accepted because the delegation was leaving early the next day. In other areas, primarily in the field of sports, Cuba has broken world records.

Invasion of Poland

In his visits to the United States and Cuba, the senator gathered the impression that if the USSR were to invade Poland, the United States would immediately carry out landings by its armed forces on Cuban soil.

Reagan has already made it clear that the cases of Cuba and Nicaragua will not be repeated during his administration. At this time he is economically and militarily supporting the El Salvador junta. After the humiliations suffered in Vietnam and the episodes of the unsuccessful attempt to free the hostages from the U.S. embassy in Teheran, the United States is seeking to rehabilitate its image. The first demonstration of that new phase came recently with the shooting down of two Libyan jets by aircraft from the aircraft carrier Nimitz. Carter limited himself to promoting an embargo on exports at the time of the Soviet invasion of Afghanistan. As will be recalled, that embargo was a failure.

Now Reagan is preparing to fight with an entirely different policy.

Senator Calmon, closing the interview, revealed that the slogan of the Cuban Government, disseminated on posters on the streets of Havana, preaches three sources of activity to the Cuban young: education, work and rifle, an imitation of the slogan of the great Latin American leader Jose Marti, who had the pen and the plowshare as his coat of arms.

He also showed the newsmen who interviewed him a copy of one of the only newspapers (there is hardly any press in Cuba) which are published there, GRANMA, the name of the ship which took Fidel Castro, Che Guevara and other guerrillas to the Sierra Maestra where they began the battle for independence of Cuba against the shameful dictatorship of Sgt Fulgencio Batista.

After his interview, whose main objective was to inform the people of Espirito Santo of his impressions of what he had the chance to see and observe, Senator Calmon expressed surprise at the fact that no Brazilian press organ--only one newsman was present--had participated in an event as important as the meeting held in Havana by the Interparliamentary Union.

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GALLUP POLL SHOWS NATIONWIDE DECLINE OF PMDB POPULARITY

Rio de Janeiro JORNAL DO BRASIL in Portuguese 26 Oct 81 p 2

[Text] Sao Paulo--In a new poll for September being published by the magazine VEJA, which reaches newsstands today, the Gallup Institute reveals that the preferency by the country for the PMDB [Brazilian Democratic Movement Party] began to decline. At the same time, preference for the PDS [Social Democratic Party] began to increase. In June the PMDB had 22 percent of the popular preference, declining by one point. The PDS, in turn, rose from 17 percent to 20 percent.

Among the candidates for governor in the 10 states surveyed by the Institute, the stock of former Deputy Sandra Cavalcanti (PDR) [Republican Democratic Party] fell in Rio de Janeiro. Miro, the principal adversary of Sandra, climbed from 15 percent to 17 percent. In Sao Paulo, Senator Franco Montoro continued to climb: he went from 20 to 23 percent.

The Parties

In February 1981, the PMDB was the party preferred by 23 percent of the voters, the PDS being preferred by only a modest share of 13 percent. The PTB of Ivete Vargas, struggling before the Supreme Electoral Court [TSE] to obtain final registration, followed next with 12 percent. Far behind came the PT [Workers Party] and the PP [Popular Party], both with 6 percent.

With the frequent crises which threaten to make it inoperable, the PTB [Brazilian Labor Party] now has 7 percent, having been passed by the PP, which now occupies third place throughout the country (8 percent). The PT is in fourth place with 6 percent and the PDT comes in last with only 3 percent.

The Gallup Poll on the parties covered 20 of the 22 states. Those polled numbered 2,429 in 259 Brazilian cities. A year ago the rise of the PDS, which is blamed for all the unpopular measures of the government, would have been difficult to imagine, a rise which in September finds it preferred by 20 percent of the voters, only one point behind the PMDB.

To rise in the standings, the PDS benefitted primarily from the misfortune of the PTB and from the errors of its adversaries. In small cities (from 5001 to 10,000 voters) the PDS has a 27-percent popular preferential rate, the PMDB having only 17 percent, with the PP in third place with its 12 percent.

In the capitals, in compensation, the PMDB wins by 26 percent to the 11 percent of the PDS, the PT holding third place with 9 percent and the PTB with 8 percent coming in fourth. In the large urban centers, the PP has a rating of 6 percent, the PDT only 3 percent and the PDR of former Deputy Sandra Cavalcanti does not even appear.

The PDS is also the great favorite in cities of 10,001 to 50,000 voters (25 percent), with the PMDB receiving 17 percent. The PP is even with the PTB (9 percent). In those medium size cities, the PT has a 5-percent rating, while the PDT has 4 percent.

In cities of up to 5,000 voters--rural economy cities--the PDS has a 35-percent rate of preference compared to 15 percent for the PMDB, 6 percent for the PP, 5 percent for the PTB and 1 percent for the PT and PDT.

The Candidates

In Sao Paulo, in addition to the consolidation of the candidacy of Senator Franco Montoro, who rose three points, the great news of the Gallup survey was the increase in the ratings of the principal PDS candidates who seem to have the support of Governor Paulo Maluf: Adhemar de Barros Filho and Reynaldo de Barros climbed from 6 percent to 9 percent, while Laudo Natel fell from 14 percent to 12 percent.

In Rio de Janeiro, Sandra Cavalcanti fell from 38 percent to 34 percent and Miro Teixeira rose from 15 percent to 17 percent. Roberto Saturnino (PMDB) fell from 7 percent to 6 percent and Brizola from 5 percent to 4 percent. Moreira Franco of the PDS rose from 1 percent to 3 percent. The number of undecideds was 16 percent and 20 percent of the voters have no preference among the names already presented for the contest for the succession to Chagas Freitas.

In Minas, Tancredo Neves (PP) fell 3 points and the prefect of Belo Horizonte, Mauricio Campos, who is preferred by Governor Francelino Pereira, rose from 6 percent to 9 percent. In Rio Grande do Sul, Pedro Simon (PMDB) also fell 3 points, while Sinval Guazelli (PP) rose one point. In Parana, Jaime Canet (PP) remained stationary at 25 percent, while Jose Richa (PMDB) rose from 22 percent to 23 percent. Lomanto Junior in Bahia fell from 30 percent to 25 percent.

Marco Freire (PMDB) in Pernambuco fell from 39 percent to 37 percent, but his closest followers, former Governors Moura Cavalcanti (PDS) and Cid Sampaio (PP) have only 6 percent. In Santa Catarina, Espiridiao Amin (PDS) maintained a rating of 25 percent while Jailson Barreto (PMDB) fell from 16 percent to 15 percent. In Ceara, two names from the PDS are presented: Adauto Bezerra (26 percent) and Cesar Cals (20 percent). In Goias, Iris Resende (PMDB), although falling from 33 percent to 29 percent, continued well ahead of Otavio Lage (PDS), who only has 18 percent, having risen by one point.

Rio de Janeiro

Sandra Cavalcanti (PDR) 34 percent
Miro Teixeira (PP) 17 percent
Roberto Saturnino (PMDB) 6 percent
Leonel Brizola (PDT) 4 percent
Moreira Franco (PDS) 3 percent

Minas Gerais

Tancredo Neves (PP) 30 percent
Mauricio Campos (PDS) 9 percent
Abi Ackel (PDS) 6 percent
Itamar France (PMDB) 5 percent
Eliseu Rezende (PDS) 3 percent

Parana

Jaime Canet (PP) 25 percent
Jose Richa (PMDB) 23 percent
Paulo Pimentel (PDS) 21 percent
Antonio Belinatti (PDS) 8 percent
Jaime Lerner (PDS) 4 percent
Saul Raiz (PDS) 1 percent

Pernambuco

Marcos Freire (PMDB) 37 percent
Moura Cavalcanti (PDS) 6 percent
Cid Sampaio (PP) 6 percent
Nilo Coelho (PDS) 5 percent
Gustavo Krause (PDS) 5 percent

Goias

Iris Rezende (PMDB) 29 percent
Otavio Lage (PDS) 18 percent
Henrique Santillo (PMDB) 18 percent
Leonino Caiado (PDS) 6 percent
Helio Levy (PDS) 5 percent
Ibsen de Castro (PDS) 4 percent

Sao Paulo

Franco Montoro (PMDB) 23 percent
Janio Quadros (No party) 12 percent
Laudo Natel (PDS) 11 percent
Luis Inacio da Silva "Lula" (PT) 10 percent
Olavo Setubal (PP) 9 percent
Reynaldo de Barros (PDS) 9 percent

Rio Grande do Sul

Pedro Simon (PMDB) 25 percent
Sinval Guazelli (PP) 18 percent
Jair Soares (PDS) 15 percent
Nelson Marchezan (PDS) 10 percent
Alceu Collares (PDT) 7 percent

Bahia

Lomanto Junior (PDS) 25 percent
Roberto Santos (PP) 20 percent
Cleriston de Andrade (PDS) 10 percent
Mario Kertsz (PDS) 8 percent
Waldir Pires (PMDB) 7 percent
Francisco Pinto (PMDB) 4 percent
Luis Viana (PDS) 3 percent

Santa Catarina

Espiridiao Amin (PDS) 25 percent
Jaison Barreto (PMDB) 15 percent
Pedro Ivo (PMDB) 12 percent
Victor Fontana (PDS) 7 percent
Evalasio Vieira (PP) 5 percent
Henrique Cordova (PDS) 5 percent

Ceara

Adauto Bezerra (PDS) 26 percent
Cesar Cals (PDS) 20 percent
Mauro Benevides (PMDB) 15 percent
Aecio Vasconcelos (PDS) 6 percent
Jose Lins (PDS) 4 percent

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NATIONAL GROWTH DEPENDS ON INCREASED EXPORTS, SAYS MINISTER

Rio de Janeiro JORNAL DO BRASIL in Portuguese 25 Oct 81 p 39

[Text] Brasilia--Brazil could grow again beginning next year, increasing imports by up to 10 percent if it can manage to increase its exports by 15 percent. Those are the conditioning agents for the development of the country in coming years, according to Minister of Finance Ernane Galveas.

The preconditions for the so-called take-off of the economy at a rate lower than the traditional 7 percent, probably between 4 and 5 percent, were created this year with the transformation of a trade deficit of almost $3 billion in 1980 into a surplus of between $500 million and $1 billion, and the reestablishment of confidence by the international financial community in government policies.

Inflation

The gradual activation of consumption to the level necessary for the reactivation of investments in several industrial sectors could take place simultaneously with the decline of inflation, providing the government keeps the process under control. Many sectors with a privileged capability for affecting the market (cartels and oligopolies) will raise their prices this year well above the rate of inflation to compensate for the loss of profits caused by the decline in sales. In the degree that their sales increase, they can reduce the rate of increase of their prices without prejudice to their profit margins.

The great obstacle to the realization of new investments in the industrial sector in 1982 will continue to be the high rate of interest. The domestic cost of money, conditioned in great part by the high foreign rates of this second half year, which will be paid in the first half of 1982, will have to be avoided even with sacrifices. Thus, some formulas being suggested, such as the temporary permission for the reduction in a portion of the interests on income taxes and greater incentives for loans with a postfixed correction, deserve the attention of the government.

The reactivation of the economy will also allow greater entry of risk capital into the country, facilitating an improvement in the balance of payments. The reduced entry of foreign investments this year resulted in part from the retraction in the Brazilian economy, which primarily affected its most dynamic sectors, and from the high rates of interest paid on the North American market.

The government is aware that after the recession this year, with idleness spreading to almost all sectors, the increases in prices are more a result of the pressure of costs than of demand. It also knows that a large part of those pressures result from the inability to reduce the fixed costs of the companies. A more consistent activity by means of informal controls of the cartel and oligopoly sectors of the economy could greatly reduce inflationary pressures.

Balance of Payments

In 1982, the country should pay out nearly $17 billion for servicing the foreign debt, payment which this year will be nearly $16 billion. If exports exceed the $24 billion of this year and increase to $27.6 billion at a growth rate of 15 percent, and imports increase only 10 percent, reaching $25.3 billion, the trade surplus of $2.3 billion will decrease the pressures of the foreign sector on the economy considerably.

In that way the country will have to obtain a volume of loans only a little higher than that of this year. For that it will also have to counterbalance nearly $5.5 billion in the deficit in the balance of services, excluding interest, with foreign investments and supplier's credits. The government is already moving in that direction with the agreements made by Minister Delfim Netto abroad. At the same time, CACEX [Foreign Trade Department] is already entering into the sectoral agreements for exports in 1982 with the objective of not letting the end-of-the-year trade surplus being prejudiced in the following quarter by indecision. In that respect, he has already established that financing for exports will be increased by 150 percent, going from 300 billion cruzeiros set for this year to 750 billion.

Monetary Policy

Certain that the average inflation in 1982 will be at most 80 percent with the price index ending the year with a rise of nearly 70 percent, the government will still have to adopt various measures to make possible a balanced monetary program. In that respect, the interests rates of subsidized credit will have to be raised and some programs of dubious priority will have to be cut. The reduction of incentives will also allow the strengthening of the fiscal budget with resources to be transferred to the monetary budget.

The indecision by the government in processing changes in wage policies this year could soon have a very high cost. Under the present economic situation of the country, instead of earning an additional 10 percent over the net per capita income, a considerable number of workers, who receive from one to three minimum wages, are losing their jobs, while the contract income workers, who receive more than 11 minimum wages and who could guarantee an increase in consumption, are having their buying power reduced.

The combination of a wage policy, the excessive rise in interest rates and the reduction in the payment periods for credit sales, aggravated even more by the fear of unemployment and the encouragement for savings, are sufficient factors for maintaining consumption, sales and production at a very low ebb. Join to this combination a reduction of government spending and the country will continue to discuss a Gross Domestic Production of around zero next year.

Gross Domestic Product

Those who debate on the growth of the GDP should note that regardless of the fact that the result will oscillate around zero, existing unemployment is not going to change, prices could maintain an undesirable tendency to rise and companies will continue without any prospects for sales and production that will allow them to plan even in the short term. It is a matter, therefore, of changing the focus of discussion to the subject of the growth of the country in 1982 and the measures that must still be adopted at the end of this year to reverse the situation.

The country had its growth determined by the balance of payments and the foreign debt this year. Next year those restrictions will not have disappeared but certainly the sacrifice of 1981 will make possible some easing, a space in which to grow and decrease unemployment. Since in an economy a considerable time passes between the time decisions are made and their results appear, the adoption of measures that will guarantee growth next year is more important than a discussion of the recession of this year.

Exporters Will Have 750 Billion Cruzeiros in 82

Brasilia--The government has already begun to establish the main parameters of the 1982 economic policy. It is going to allocate 750 billion cruzeiros--compared to 300 billion in 1981--an increase of 150 percent, for the financing of programs advocated by Resolution No 674 (production of manufactured goods for export).

This first decision in one of the most important items of the monetary budget--whose general lines will be approved at the end of the year by the National Monetary Council--clearly indicates that once more the government will choose an increase in exports and the subsequent strengthening of the trade balance, a path which Minister of Finance Ernane Galveas believes the most suitable for resolving the balance of payments problem.

Solid Support

This past week Secretary General of the Ministry of Finance Carlos Viacava reported that next year the government will maintain the same policy maintained in 1981 of giving solid support to the sectors interested in exporting their production. In this respect the director of Cacex, Benedito Moreira, has already begun to sign export contracts for 1982.

Government experts believe that the mechanisms of Resolution No 674--exporters are "penalized" if they do not comply with their export pledge--are an important victory for the support of sales abroad next year. The reason being that credit will generally continue to be restricted in the 1982 monetary budget and sectoral contracts are a way of preventing bottlenecks in this important area.

At a lunch with newsmen last Wednesday, Minister Ernane Galvaes reaffirmed that all the strategy of the government for resolving the balance of payments problems is concentrated in the good execution and results obtained from the trade balance. In an exercise of arithmetic and optimism, he said that the problems of obtaining resources can be resolved in 1985.

According to his reasoning, if Brazil wished to resolve its problems in the foreign area in one year it would have to have a surplus of $8 billion in the trade balance. Since that is not possible, he believes that if in a period of 5 years exports grow at a rate of 15 percent and imports at around 10 percent, the amount of money to be obtained abroad to effect the "rollover" of the foreign debt can be reduced or at least maintained at the same levels.

According to Carlos Viacava, the government expects to conclude all sectoral contracts for export negotiated by CACEX by next November. The secretary general of the Finance Ministry said that the government "is working hard for that," adding that the work by Benedito Moreira began in September and that 1982 is going to begin with guidelines all ready in this area, since in 1981 the agreements were concluded during the fiscal year.

Up to now agreements with the petrochemical sector, which will go from $140 million in 1980 to $1.5 billion in 1982, after having reached $600 million this year, have been signed. An agreement was concluded with the SINDIPECAS [National Automobile Parts Industry Union] for exporting $250 million in parts and another, also for $250 million, was signed with the fishing sector.

In this area of subsidized export credits, the government favors exporters with advantages. Up to now financing under Resolution No 674--which is granted in ranges which run from 12 to 40 percent of the value of production--was given on the basis of the nature of the exports made by a certain sector in the previous fiscal year. Now, however, financing will be calculated on the basis of the commitment to export.

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BRIEFS

CRITICISM OF U.S. POLICY ON NICARAGUA--Condemning the foreign policy of the United States Deputy (Jose Freisa) criticized U.S. Government support for the junta governing El Salvador against the true interests of the Salvadoran people. The opposition deputy also condemned the U.S. policy toward Nicaragua, criticizing as ridiculous the declaration of President Ronald Reagan that Nicaragua is threatening the United States. The new colonialist orientation being imparted by Reagan to U.S. relations with the rest of the world was analyzed in depth by the opposition deputy who, at the same time, recalled that the U.S. Government never took a position against the regime of Dictator Somoza in Nicaragua. He stated that the American people do not support the Reagan foreign policy and called upon the Brazilia government to adopt well-defined and independent positions in favor of Third World countries. [Text] [Brasilia Domestic Service in Portuguese 2200 GMT 24 Nov 81]

GALVEAS ON CAR SALES TO IRAQ--Baghdad--Wolfang Sauer, president of Volkswagen do Brasil, will meet today with Iraqi Minister of Industry and Minerals Tahir al-Tawfiq in an attempt to increase the Volkswagen do Brasil's chances to be chosen to participate in the installation of an automobile industry in Iraq and also to agree on the sale of 10,000 to 20,000 automobiles next year. More optimistic, Finance Minister Ernane Galveas feels that Volkswagen will succeed in signing a contract for the sale of 40,000 vehicles for the Iraqi market. According to Bernhard Eland, director of the Brazilian company's sales and marketing department, the chances to export to Iraq are "positive" due to the good relations at government levels. Sauer will present a new proposal today for the sale of VW cars at the international bidding opened by the Iraqi Government. The Iraqi Government plans to purchase 106,000 automobiles, 5,000 taxis and 2,000 special cars for physically disabled persons, total $450 million. [Excerpt] [PA172121 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 14 Nov 81 p 28]

ANTARCTIC COMMISSION CREATED--Brasilia (O GLOBO)--Itamaraty spokesman reported yesterday that the Brazilian Government is organizing an inter-ministerial commission to coordinate Brazil's activities in the Antarctic. In addition to Itamaraty, the commission will be made up of the Navy Ministry, the National Security Council and of the Communications Ministry. Their specific mission will be to study the conditions for establishing an advanced post in the Antarctic region. They will also plan scientific expeditions and geographical, ecological and mineral research. Itamarty will be charged with preparing the Brazilian policy for the region, paying special attention to the practical activities so that they are strictly in compliance with the commitments assumed by Brazil on signing the Antarctic Treaty in 1975. [Text] [PY231139 Rio de Janeiro O GLOBO in Portuguese 20 Nov 81 p 5]

CACAO EXPORT DATA--Rio de Janeiro, 11 Nov (AFP)--The Foreign Trade Department (CACEX) reported here today that in the first 8 months of 1981 Brazil exported 155,758 tons of cacao and its byproducts for a total of $364,194,000 as compared with 132,695 tons and $415,193,000 respectively for the same period in 1980. CACEX also reported that in the first 8 months of 1981 Brazil exported 1,283,431 tons of sugar for a total of $643,870,000. [Paris AFP in Spanish 1049 GMT 11 Nov 81 PY]

TRADE WITH EEC--Rio de Janeiro, 10 Nov (AFP)--The Foreign Trade Department (CACEX) reported here today that in the first 8 months of 1981 Brazilian exports to the EEC totaled $3,746,577,000 while imports from the EEC reached $2,042,005,000, thus giving a $1,704,572,000 surplus. [Paris AFP in Spanish 1052 GMT 10 Nov 81 PY]

CSO: 3001/37

AUTOBIOGRAPHY OF CARLOS FRANQUI, CASTRO'S RIGHT-HAND MAN DURING REVOLUTION

Rome LA REPUBBLICA in Italian 28 May 81 pp 18-19

[Article by Saverio Tutino: "Good-bye, Fidel: Autobiography of Carlos Franqui, Castro's Right-hand Man During the Cuban Revolution"]

[Text] Carlos Franqui, son of the poor working class and man of the rebellious spirit, matured politically in the Cuba of the fifties. During that era the island was governed de facto by foreign powers, and amongst its inhabitants--descendants of the many races which have occupied it during the course of the centuries--the restlessness and the malcontent became ever more lively. Franqui grew up, therefore, in what were known as the years of Fidel Castro--that modern nationalist that the malcontent and the restlessness made use of, even to the point of casting him in the role of his natural vocation of leadership.

What happened first in Cuba was the attainment of full sovereignty--and Fidel succeeded in getting rid of the resident tyrant (who, among other things, was an easy pawn for foreign bureaucracies) and in installing a revolutionary government. Even right up until victory he succeeded in uniting the many diverse spirits of the rebellion--an ability, however, that Carlos Franqui, in his latest book, "My Years With Fidel" (SugarCo, Milan, 223 pp, 7500 lire) is not disposed to acknowledge because Franqui, who is a former communist, would have preferred that the coexistence among those various "spirits" be achieved only after all of the communists had abandoned it as he had done and after the USSR had retreated into isolationism.

This desire of his could not help but influence the "objectivity" of his testimonial. As he realized soon after the victorious conclusion of the struggle, the choice for Cuba was, in reality, only one--either Fidel Castro was to be successful in convincing the Americans that independence did not necessarily mean communism, or communism needed to be successful in itself and defend itself with great determination from its very close enemy. Abetted by some and assailed by others, Castro tried to pursuade the United States, either by benevolence or by resorting to blackmail, as Franqui's description of Castro's trip to New York in 1960 makes clear. But the miracle never came, and everything that came afterwords was the logical consequence of that missing miracle. To realize this it is sufficient to keep in mind the facts in question: on the one hand, Soviet policy that is intertwined with the contemporary Third World liberation movements; and, on the other, the personality of the Castro brothers.

But Franqui does not seem to want to take into account this "globality" of facts, almost afraid to reduce the story to a sort of game of chess. Like Mao, he seems to prefer ping-pong to the strategies of Capablanca (who parenthetically, was Cuban). The result is a book for the "initiated," a very personal memory of the revolution. From this point of view it is a book of profound interest.

"My Years With Fidel" is, as the title indicates, an autobiography. The characters that we meet in it are also, by chance, historical characters. This does not imply that they are always great characters, but if all of those that Franqui has portrayed had been in such an advantageous positon (i.e., near the leaders) and had lived through an event as significant as that of Cuba in the sixties, and had later described it with as much authentic sincerity and free spirit, many areas of the "socialist camp" would come out of the darkness in which they are found, and far less conflicting reports concerning the "revolutionary" governments would be born instead of the schizophrenic separateness inherent in those that exist today.

Franqui documents, without reticence, the burning issues of the new Cuban course—which is common knowledge to the history of the world. Among other things, one cannot see why we should be shocked by the horror of learning that Raul Castro has a "happy trigger finger" in a country where shortly before, Batista massacred his own opponents by torturing them whereas Fidel's brother Raul, who bursts out crying upon his first meeting with a group of victorious party leaders, was commander of the Armed Forces. In Cuba, says Franqui, among other things, there is no torture even though it tries to subdue its adversaries with psychological pressures (on individuals) and military pressure (on the masses).

The most important thing in this book is that it shows the faces of the leaders in their true personality, outside of legend and myth. The inevitable political limits of each of the individuals therefore come to light. And, above all, the author comes outside of himself much like a less-clamorous Guevara, who in his quixotic good soul, fights duels in the shade of small tropical gulags, and, at times, as in that hallucinatory instance in the palace room, when after a night of festivities he is up against the ropes with everything against him, except for Fidel. On the other hand, what does not come out because of the subjective slant of the book, is all of the suffering that the island has endured from the initial libertarianism of the revolution to its alignment on the Soviet model. Thus the reader could think of a leveling of Cuban intelligence, which is not true, as evidenced by the political battles that continue behind the scenes in Cuba while Franqui lives freely in that world that identifies itself with Western Europe and with North America. Here the former communist does not play only the role of the "unfrocked priest" like many other former communists, but takes action, and is not willing to confine himself to putting into writing the usual distant memory of the exile and produces pages that are hail and storm.

It is above all, a valuable contribution to the understanding of the personality of Fidel Castro--a complex personality, more befitting a politician who is more "Machivallian" than Leninist, more of the "loner" than godfather, more Bonapartist than socialist, a man whose astuteness recalls that of the peasant landowner squeezed between the rich landowners who seeks to eke out the most for himself

and for his large family in spite of his poor financial status, a man who is definitely the founder of a paternalistic authoritarianism that is very close to Gaullism and that resorts to Leninism only when all of the other means have been exhausted.

In this way Castro can still continue to inspire Latin American movements such as the Sandinists or the Salvadoran or Guatemalan left, and in such a way becomes a partner (not a servant) of Brezhnev in geopolitical undertakings far greater than the dimensions of the island in which he was born would have permitted.

CSO: 8028/8239

FORMER DEFENSE FORCE MEMBERS IN ANTIGOVERNMENT RALLY

Bridgetown ADVOCATE-NEWS in English 28 Aug 81 p 3

[Text]

ROSEAU, Dominica, Thursday, (CANA) — Former members of the now disbanded Dominica Defence Force demonstrated peacefully outside Government Headquarters here yesterday in an effort to force Government to pay what they claim is outstanding money owed to them.

But the Government has dismissed the claim stating that as far as it was aware, the ex-soldiers were paid all monies owed to them.

The Dominica Government disbanded the 99-strong Defence Force after local authorities had arrested and charged its commander, Major Frederick Newton and his second in command, Captain Malcolm Reid, as well as some junior officers for conspiring to topple the Eugenia Charles Administration by force of arms.

The preliminary inquiry into the charges against them is due to begin here on October 12.

The soldiers, represented by the National Workers Union, carried placards some which read "pay us our money". They claim that when the force was disbanded in April, accumulated leave, owed to them during their term of service was paid to them, but in some cases, remuneration for a number of days was held back without explanation.

They added that efforts to meet with Government officials for an explanation had so far proved fruitless.

General secretary of the union, Josephine Dublin, told reporters that the union was also protesting what she described "as a breach of contract on the part of the Government".

Miss Dublin said that upon their appointment, the soldiers had been awarded a 12-year contract with government which was breached when it disbanded the force. Therefore, the union was now asking for redundancy payment.

However, the Government said that it was not aware of any 12-year contract and pointed out that further legislation concerning the Defence Force did not make provisions for redundancy payments.

The Government Information Service (GIS) said that the administration did not know what the demonstration was about and it could not recognise the union since the soldiers, while members of the force, were not entitled to union representation.

The GIS said if there were short payments in some cases, the individuals concerned should go through the normal channels and write the appropriate authorities pointing out the discrepancy.

"There has been no direct communication from any soldier in this regard", the GIS declared.

CSO: 3025/49

PAPER RUNS EXCERPTS OF PREVIOUSLY REPORTED ANTI-PRG EDITORIAL

[Editorial Report] In Roseau THE NEW CHRONICLE in English of 3 October 1981, on pages 1 and 16, carries extensive excerpts of the editorial calling on Grenadian leader Maurice Bishop to grant freedom to the people of the island that appeared in other Caribbean sources, as reported in JPRS 79456 LATIN AMERICA REPORT No 2401 of 16 November 1981, pages 39-44. THE NEW CHRONICLE item, under the heading "Free Grenada, Maurice Bishop," is not specifically identified as an editorial; it closes with this paragraph: "The SUNDAY ADVOCATE NEWS joins in calling on Mr Bishop and his colleagues to give freedom to the people of Grenada!"

CSO: 3025/53

BRIEFS

BANANA INDUSTRY STUDY--Roseau Dominica, Thursday (CANA)--Dominica's government has appointed a nine-member Task Force to examine the operations of the Dominica Banana Growers Association (DBGA) and the performance of the banana industry. The Task Force will review all aspects of the Associations' operations from January 1, 1978 to July 31, 1981, and evaluate the performance of the banana industry over the same period. Other terms of reference given to the Task Force include a study of the Associations debts, an examination of all managerial, technical and clerical requirements of the industry, and an investigation into all other aspects which will determine the success of the industry. The Committee is expected to submit its report to government by the end of next month, and is also due to make recommendations for the improvement of the industry and the association. According to the Chairman of the Task Force, Dr Bernard Yankey of the Barbados-based Caribbean Development Bank, the Force is not a commission of enquiry but rather an exercise for the future development of the banana industry. [Text] [Bridgetown ADVOCATE-NEWS in English 28 Aug 81 p 3]

'DREAD' ROLE IN COUP ATTEMPT--A leader of the dread cult has testified that Malcolm Reid had asked him to organize a fighting force of dreads to help overthrow the Dominica Government. Algernon Maffei, at a preliminary hearing this week, said that Reid asked him to get a force to seize the Police Headquarters, local telecommunications office and all amateur radio operators as soon as a force composed of mercenaries landed in Dominica. Maffei said that his reward would be that he would become second in command of the army under Reid if the coup succeeded. Maffei was testifying at a hearing into conspiracy charges against the nine detainees. Among the twenty witnesses who have been called to give evidence are two Federal Bureau of Investigation agents who gave detailed information of the events leading to the arrest of the mercenaries in New Orleans. Immigration officers from Antigua, hand-writing experts and Dominica's Police Commissioner Oliver Phillip also gave evidence. Mr Phillip said that the intercepted notice was identified by Fred Newton, the former Defence Force Commander, as having been written by Malcolm Reid. [Text] [Roseau THE NEW CHRONICLE in English 17 Oct 81 p 1]

DOUGLAS BANANA 'FOLLY'--The Minister of Agriculture disclosed to the nation in the House of Assembly on Monday last that over 8 million dollars debts were incurred in relation to the Banana Association in 1979 alone. This was a result of a promise made by the then Minister of Finance and Agriculture Michael Douglas to help the Dominica Banana Growers Association to meet its cash shortfalls--

a promise which he did not fulfill. As a result of Michael Douglas's folly DBGA has to pay $45,000 monthly to the bank and this is the main contributor to the present critical financial situation of the DBGA. In contrast the present government has injected no less than $5,300,000 into the Banana Association but the farmers will not have to repay one cent of this amount. The debts contracted by the Association under Mr Douglas' direction was at a time when government had received funds from STABEX for injection into the industry in the tune of some 13 million dollars. This money having been frittered away the DBGA has now to pay back the debts created by Michael Douglas. [Text] [Roseau THE NEW CHRONICLE in English 17 Oct 81 p 1]

JOHN TRIAL--Patrick John has been remanded in custody pending a High Court trial scheduled for next year. John, along with Malcolm Reid, Dennis Joseph and Julian David, were ordered to stand trial by Magistrate Charles Williams on Friday at the end of a week-long Preliminary Inquiry into charges that they plotted a military take-over of the Dominica Government. Three of the accused were freed because of lack of sufficient evidence. They are former Defence Force commander Frederick Newton, Howell Piper and Ronnie Roberts. Two other men, Walton John Phillip and Hubert John Charles were freed on the coup charges but were remanded in custody on other matters. [Text] [Roseau THE NEW CHRONICLE in English 17 Oct 81 p 1]

CSO: 3025/49

MINISTER GARCIA: KILLINGS EXCEED HUMAN TOLERANCE

San Salvador EL MUNDO in Spanish 27 Aug 81 p 3

[Text] The minister of defense and chief of the general staff of the armed forces yesterday described as "a brutality" and "acts which exceed the limits of human tolerance" the assassinations of numerous civilians during the last few weeks in the Western Region of the country, particularly in Santa Ana and Sonsonate.

"We are concerned over these assassinations and we condemn them because they are acts which lie outside the limits of human tolerance, very difficult to control immediately," added the minister, Col Jose Guillermo Garcia, in a press conference. He announced that a full investigation has been ordered to punish the perpetrators. "We condemn those who promote and carry out these horrendous crimes and we will punish them, whoever they are," he added.

When he was questioned by a correspondent on a political detente which the government junta is considering, to create climate of tranquillity in the country, Col Garcia said that certainly a national detente is being considered "to carry out a dialogue with sectors such as the Church, the unions, political parties, business, etc., on condition that it be on a constructive, civic and nationalistic basis, for peace and tranquillity to return to the country." He indicated that "the armed forces consider that a dialogue is necessary to create a suitable climate for the upcoming elections" and he indicated that "for this reason, subversives are carrying out acts to prevent the elections."

He emphasized that the subversive organizations are trying desperately to keep the international news focused on the violence in our country and that in view of this situation the armed forces are favoring honest elections so that the people can choose the leaders it wants. He emphasized that the "armed forces have no commitments to anyone."

In answer to questions from the journalists, the minister of defense confirmed that the person responsible for the dynamite attack on the National Police was Sgt Jacinto Mendoza, who had infiltrated that security organization.

He said that unfortunately in a situation such as the one in El Salvador, there are bound to be many traitors to the country and the armed forces. When he was

asked again if he believed it was possible that others had infiltrated the security organization and the army, he responded that if there had been any, there were no more.

Finally, he stated that the night before last the newspaperwoman Maria Lopez Vigil, of Spanish nationality and Cuban origin, was arrested in a police search on the Colonia Jardines de Guadalupe. She is being detained for having been found in possession of subversive material, he said.

Also, he reported that in general terms the casualties of the armed forces amount to 1,300 and he concluded by affirming that in Metapan they are carrying out a sweeping antisubversive operation.

8956
CSO: 3010/1828

ARMY DISCOVERS ILLEGAL GUERRILLA ARMS

San Salvador EL MUNDO in Spanish 20 Aug 81 p 3

[Text] Great quantities of arms and other war equipment secretly introduced into the country for the use of the guerrilla organizations were discovered by special troops of the armed forces in a rural sector of Amayo canton, while the Army was carrying out a patrol between this jurisdiction and the Las Ventanas and El Jicaron cantons, in El Paisnal, department of San Salvador.

The combined troops made the discovery after sustaining a fierce battle with the extremists the day before yesterday in the morning. It was noted that after the confrontations which took place in the area of the three cantons there several subversives were found dead who could not be identified because they were not carrying any documents or other objects which would facilitate these formalities. No arms were found with the corpses.

Later, it was observed that the bulk of the guerrillas were fleeing, seeking the same route, toward Amayo canton and the army prepared to pursue them. After the troops surrounded them, they discovered arms, munitions of various calibers and other war materiel, as well as propaganda from the FPL [Popular Liberation Forces], medicine to be used in campaigns, etc; all stored in the camp.

The Armed Forces Press Committee [COPREFA] reported that the arms and other war equipment were moved to the General Staff of the Armed Forces, from whence it will be sent to be used by the army in the struggle against subversion.

COPREFA reported also that in the area of the Los Pocitos settlement, Los Aposentos canton, Tejutla jurisdiction, Chalatenango, well-armed extremist elements raided this rural community, attacking passersby, vehicles and dwellings of humble peasants. Here, they said, they attacked Jose Maria Valle Pleitez and Gilberto Hernandez, who were driving a pick-up van with license plates P-128-285, property of the Lourdes bakery, of this capital and which was distributing bread in the area. They stole from the occupants of the vehicle 500 colons in cash, 100 colons in goods, personal clothing, etc.

8956
CSO: 3010/1828

EDITORIAL SCORES CRITICISM OF GRENADA IN TRINIDAD PAPER

St Georges FREE WEST INDIAN in English 1 Aug 81 p 4

[Editorial]

[Text] As the reactionary unfree press in the region continues its unceasing, coordinated and ferocious propaganda attacks against the Grenada Revolution the latest blast comes from the TRINIDAD EXPRESS newspaper.

In an editorial earlier this week, Trinidad's largest daily which is sold in Grenada called on regional governments to isolate the PRG because of alleged human rights abuses. The identical call was made four weeks ago by the EXPRESS' reactionary ally, the notorious Jamaica GLEANER.

However, one prominent regional newspaper, the CARIBBEAN CONTACT, has refused to join this unrelenting anti-PRG propaganda campaign orchestrated by the CIA and the US State Department and we applaud our sister publication for its firm and principled stand.

The TRINIDAD GUARDIAN, another newspaper that has been consistently hostile to the Grenada Revolution, has captured the ignoble prize for editorial hypocricy and double standard in its handling of Grenadian issues.

We wish to draw our readers' attention to excerpts from two Guardian editorials: the first dated February 24, 1974, a time in recent Grenadian history when many thousands of our countrymen and women were in the streets demonstrating daily against the dictator Gairy's repressive rule, and when Grenadians and freedom-loving people outside Grenada were calling for his resignation and the other dated February 16, 1981, a time when the patriotic people of Free Grenada were again in the streets, but this time cleaning up their communities in preparation for the second festival of their popular Revolution.

[Editor's Note: Reprints of TRINIDAD and SUNDAY GUARDIAN editorials omitted.]

CSO: 3025/50

PRINCIPLE OF GOVERNMENT ACCOUNTABILITY STRESSED BY COARD

St Georges FREE WEST INDIAN in English 17 Oct 81 p 5

[Text] "The principle of accountability is fundamental in building a new people's democracy."

So said Deputy Prime Minister and Minister of Finance Bernard Coard, at last Monday's Central Zonal Council meeting at the St. George's Anglican School.

Explaining that everything which affects the people must be reported to them, so that they can have a direct say in what goes on, Bro Coard stated that nearly half the adult population attends meetings on an organised basis every week.

The tremendous growth and development of mass organisations and the rise of popular participation in the numerous meetings of the masses reflect the genuine grassroots democracy in Grenada now, Bro Coard said, and this is "terrifying those lackeys of imperialism in the region."

These meetings started as eight parish councils. They were reorganised into 18 zones to cater for the great influx of people that have been stepping forward daily to indicate their willingness to participate.

These will be soon expanded to accommodate other farmers, workers, women, youths and villagers, who want to be part and parcel of these direct forums to express themselves. "There are no bystanders, everybody is part of the Revolution," endorsed Bro Coard.

In response to the PRG's call for total participation everyone in nation-building, more and more people are becoming increasingly involved, he pointed out.

In the past four months, the National Women's Organisation (NWO), has gone from having 59 groups to 129 groups, with an increased membership of over 3,200 women.

Likewise, the National Youth Organisation (NYO), in the same four months has gone from 64 to 116 groups, with over 3,000 members while the Young Pioneers Movement now has 67 groups.

All this, Bro. Coard explained, demonstrates the interest and enthusiasm of these organisations in filling their ranks with patriotic Grenadians.

Even the farmers are now moving full speed ahead, to have their annual general meeting soon, he reminded.

"A lot of new faces are joining the People's Revolutionary Militia," Bro Coard added. Hard mobilisational work which ensured the "most incredible turnout of our people in the face of imperialists aggression in the last "Heroes of the Homeland Manoeuvres," is now ensuring that the militia is moving from strength to strength."

"Grenada is being totally transformed through infrastructural development in all areas," he added. Over the last two-and-a-half years, the PRG has raised $300 million in signed agreements geared towards development.

The Eastern Main Road rehabilitation project was supposed to have taken two years to be completed. Now it will take only one year because of the progress made.

Meanwhile, water supply to the people has increased from four million gallons per day to six million. Overall eight-and-a-half million is needed to supply the whole of Grenada.

The Central Water Commission (CWC) at the same time has in its budget, money organised to pay the Ministry of Communications and Works to repair the roads damaged during the process of laying new pipelines.

Mentioning that improvements are on the way in the telephone and electricity services, Bro Coard said assistance from the German Democratic Republic is forthcoming for the whole country, including Carriacou and Petit Martinique.

Electricity, which needs a two-phase solution, was also looked at. The first short-term solution means installing a new generator, which will take two years to implement.

The second solution will take five or six years--the developing of hydro-electricity is the system best suited to Grenada.

At present, "improvements are being made to enlarge our port to accept more boats," he stated.

"We have suffered many natural disasters, but despite many limitations, plenty benefits are being brought to our people."

CSO: 3025/50

FINANCE MINISTRY DEPUTY REVIEWS NEW JEWEL ACHIEVEMENTS

Bridgetown ADVOCATE-NEWS in English 10 Oct 81 p 3

[Article by Vern Darville: "Grenada: A Hard Road But Positive Returns"]

[Text] NASSAU, Bahamas, Friday (CANA) — It has been a hard road to travel, with numerous challenges and problems, but exciting and with positive returns which are helping to transform the political, social and economic life of the people of Grenada.

That's the assessment by Deputy Finance Minister Lyden Ramdhanny of developments in the spice island since the Opposition New Jewel Movement led by Maurice Bishop resorted to arms to topple the flamboyant dictatorial Prime Minister, Sir Eric Gairy in March 1979.

Ramdhanny painted an impressive picture of Grenada today, as seen through the eyes of the People's Revolutionary Government, during an interview while he was visiting Nassau recently.

He said that despite pressures from the United States, his country had made significant forward strides in its efforts to provide the 110 000 population with much-needed social services.

Things were still not ideal...indeed, far from what the government would like on the social and economic front..but the gains were real, he declared.

Mr. Ramdhanny, pointing to difficulties in the economy, said that the Southern Caribbean nation has found itself with falling world prices on agricultural crops such as cocoa, nutmeg and bananas, coupled with the fact that the pound sterling has weakened against the dollar.

"This has resulted in a net reduction in our foreign exchange earnings. At the same time, however, the cost of our imports from the developed countries has been increasing tremendously, as every other Caribbean country has been experiencing. So we do have a real problem."

Elaborating on inroads made into the problem of inadequate social benefit, he added — "we now have for the first time in Grenada total free secondary education, and total free health care — you only pay for health care when you go to a private doctor. Once you're attended to in our clinics or in hospitals, all of this is totally free.

"We have introduced into Grenada something like seven dental clinics. Prior to the revolution, we had one dental clinic. The number of doctors available to our people has increased by 12 since the revolution and we're still in the process of getting additional doctors.

"We're introducing a programme of primary health care to our people. This we feel is very important.

"In the area of education, in 1978 Grenada had something like three scholarships (to foreign universities for its students can now go to UWI at subsidised rates.

"We have been making a great attempt to improve the quality of our teachers and we have an in-service programme on an ongoing basis.

"We're in the process of constructing three new primary schools, and this year we've been able to put aside some $60 000 — it may sound small — to assist the poor parents who are unable to pay for school books and uniforms.

"In the area of infrastructure, there's been a massive project, the construction of our international airport. For years hoteliers and nearly everyone who has come to Grenada and who has studied the tourism potential of Grenada has said that the only way to develop the students).

In 1979 after the revolution, we had 109 scholarships for students.

"Prior to the revolution, all Grenadians had to pay the commercial cost of going to the University of the West Indies (UWI) because the previous government could not pay its

commitment to the UWI. We paid up that amount and our tourism industry is by the construction of an international airport.

"This is now underway with the assistance of friendly countries and we'll be completing the airport by 1983 with 9,000-foot runway, the international standard. However, by November, 1982, we hope to commence operations using the airport of 5,000 feet with nightlanding facilities.

He said Grenada's experience and surveys indicated that many people in North America were keen to visit Grenada, "but are not prepared to go through the hassle of having to overnight in other countries, if we can provide an international airport and have direct flights, there's no question that our foreign exchange earnings from tourism will greatly increase.

"Also the airport will assist us in exports of our agro-industry products and fresh fruits to markets in North America and the United Kingdom.

"We have been able to set up agroindustrial plants for canning juices, jellies, jams, nectars, using local fruits and we've actually started to export.

In housing there is a programme for providing low-cost units and a plant is to be established for producing prefab houses.

"We've been giving them out on a long-term repayment period. One of the ambitions of the revolution was to provide adequate housing to our people.

"When we took over, agriculture was totally disorganised. We've been able to turn that around. We're putting together a five-year agricultural plan because we see agriculture as the main part of the Grenada economy. Certainly tourism would also greatly contribute to the economy, but agriculture is the main stay."

CSO: 3025/50

REPORT ON 'COORDINATED' ANTI-GRENADA EDITORIALS

St Georges FREE WEST INDIAN in English 3 Oct 81 pp 1, 4

[Text] The coordinated media attacks against the Grenada Revolution have finally provoked response from the working journalists themselves.

In an unprecedented move, journalists from all the media houses in Trinidad, met last Tuesday to discuss the appearance of joint identical editorials published in last Sunday's editions of both daily newspapers, the TRINIDAD GUARDIAN and the EXPRESS.

The editorial, which also appeared in the SUNDAY SUN of Barbados, the GLEANER of Jamaica and throughout the Caribbean said: "Today all major newspapers, radio and television stations in the English-speaking Caribbean (with the exception of Guyana, which has not been invited for obvious reasons) join in a common expression of condemnation of the behaviour of the People's Revolutionary Government."

The journalists decided that the editorials, which called on the PRG to "hold elections," "stop human rights abuse" and "free Grenada," originated from the Caribbean Publishers and Broadcasters Association (CPBA), an offshoot of the CIA founded Inter-American Press Association (IAPA).

The Trinidad meeting, held at a Port of Spain restaurant, the first independent collective meeting of journalists there in over five years, was chaired by EXPRESS reporter Jeff Hacket.

It attracted representatives from the EXPRESS and its sister paper the SUN; the TRINIDAD GUARDIAN and its sister EVENING NEWS; NBS radio 610; Trinidad and Tobago Television (TTT); THE TRINIDAD AND TOBAGO Review; the BOMB, CHALLENGE, and CATHOLIC NEWS.

The journalists appointed a seven-man steering committee to prepare resolutions on the editorials appearance and to investigate further the reports of alleged abuse of press freedom and human rights in Grenada.

A report and pictures of the meeting were published in the EXPRESS but the GUARDIAN refused to publish those submitted by its own staff members.

This has added fuel to the fires of journalistic discontent in Trinidad and increased the feeling that news is being controlled by the directors and editors who are linked with CPBA.

CPBA is an association of the region's wealthy press barons, who have open ties with the United States' International Communications Agency (USICA), which acts as CIA propaganda conduit.

In May this year, at a USICA-sponsored conference in Washington, CPBA editors were briefed on "how to handle Grenada" in the news, while being wined and dined at US State Department expense.

Directly after this, the clearly organised propaganda onslaught against Grenada multiplied, mainly in CPBA-owned newspapers.

The Media Workers Association of Free Grenada (MWAFG), commented that "this new wave of coordinated press attacks takes place in the context of the Vieques military manoevres, which revealed clear US intentions to invade Grenada. It is not the first, and it won't be the last tactical offensive that US imperialism will mount through its operatives in the region."

MWAFG further observed that "the capitalist media owners and managers of the CPBA have a notorious record for economically exploiting and stifling the views of democratic and progressive media workers in their employ and are hardly a credible body to level judgements on human rights and press freedom."

In a telegram of solidarity with their colleages in Trinidad, MWAFG, which represents approximately 90 per cent of the practising journalists in Grenada, stated:

"As journalists and media workers freely practising our profession in Grenada, we condemn these latest coordinated Caribbean newspaper attacks as blatantly false and dishonest. They represent the narrow views and interests of the media monopolists in the region, who abandon all pretenses of objectivity, when it comes to reporting on the Grenada Revolution."

A similar statement came from the Press Association of Jamaica (PAJ), which protested the attempts by CPBA media magnates to poison the minds of the region's people.

CSO: 3025/50

BRIEFS

ISLAND COMMUNICATIONS--Saturday, (CANA)--Residents of Grenada's two wards islands--Carriacou and Petti Martinique--will soon benefit from both telephone and electricity services, Finance Minister Bernard Coard has announced. Giving details on the proposed telephone service, Mr Coard said that the People's Revolutionary Government (PRG) had negotiated with East Germany for a telephone system for both islands. He said that the government would be subsidising the telephone system to be installed in Petil Martinique because the service would be uneconomical due to the island's small population. Mr Coard also announced that a number of Grenadians had been sent to East Germany for training to install and operate the system. They are due back home shortly. The Grenadian Deputy Prime Minister said that the installation of the system on the two islands was expected to take over 18 months. He added that Grenada would also be seeking assistance from Cuba on the project. [Text] [Bridgetown SUNDAY ADVOCATE-NEWS in English 11 Oct 81 p 3]

AIRPORT EQUIPMENT--A barge with special equipment for use in filling Hardy Bay on the international airport site at Point Salines, arrived in Grenada this week. Refilling operations are now expected to start within a week, and should be completed by the end of next month. A similar piece of equipment was lost a few months ago when the barge transporting it down here capsized and sank. This cause delay in dredging operations. However, the actual pumping out of unstable material from Hardy Bay was completed early last month and the project is expected to take a big leap forward after the refilling operations are completed. [Text] [St Georges FREE WEST INDIAN in English 24 Oct 81 p 10]

CSO: 3025/56

HARNESSING OF USUMACINTA'S HYDRAULIC RESOURCES

Guatemala EL IMPARCIAL in Spanish 3 Sep 81 p 2

[Editorial]

[Text] The presidents of Mexico and Guatemala have already announced their joint decision to postpone the visit of Jose Lopez Portillo to our country, for a summit conference--as they say in the political jargon of the journalists or the journalistic jargon of the politicians--already postponed once before because the Mexican president had other things to do and brought up again recently for the purpose of concluding a treaty on the development of the Usumacinta River by building a hydroelectric plant through cooperation of both countries.

That was the only point on the agenda, apparently previously set, since, when they began to speak again of the visit of President Lopez Portillo, in January 1980, President Lucas Garcia said in Coban--according to information from Eduardo Sam Aldana--"that the utilization of the Usumacinta River to build a gigantic hydroelectric plant is the most important point we will address." A seminar of Mexican and Guatemalan engineers was also held here and the INDE [National Electrification Institute] referred to advanced studies on this project.

As early as 1979, the INDE released a small document, admitting that we cannot count on serious studies--according to our colleague LA NACION--and that when we negotiate on that point there will be no solution other than to accept the Mexican proposals. We recall on this subject the book published in 1957 by Enrique Compan Pulido, a resident of Villa Hermosa, Tabasco, entitled "The Usumacinta River Basin or Mono Sagrado," describing its source with its main tributaries the Negro or Chixoy River, in Huehuetenango and La Pasion River, in Alta Verapaz. In 1971, Virgilio Viscovich published in EL IMPARCIAL a brief "Monograph and Description of the Positive Basin of the Usumacinta River," and he refers to various studies on the location of the aquiferous resources of the region.

In November 1964, the Federal Electrification Commission of Mexico told the Mexican Commission of the International Commission on Borders and Waters with Guatemala that for the development of the program of planning and study--for the purpose of the exploitation of the hydroelectric resources which exist in the southeastern part of Mexico--they wished to begin talks with the Guatemalan experts, so as to implement the studies mentioned above with those which

Guatemala is carrying out. The talks took place in 1965, as simple preliminaries, since it was decided that the experts from both countries would proceed to study the system of hydrological and climatological stations which are indispensable for the understanding of the hydrological system, in their share of the basins of the international rivers.

Before, a national plan for irrigation and drainage in areas of San Marcos, Huehuetenango, Quiche, Baja Verapaz, Alta Verapaz and El Peten had been drawn up; it was presented by the Department of Hydraulic Resources of the Ministry of Agriculture and accepted with programs which were to begin in 1965 and be implemented within a decade, their main purpose being the production of food; bearing in mind estimates on the impact which our country's demographic growth would have around 1990. Decree-Law 354 declared as a reserve for the production of food the land adjacent to the basins formed by the Usumacinta River, entrusting the settlement and rational exploitation to several organizations, among them the INTA [National Agrarian Transformation Institute] and the FYDEP [National Agency for the Economic Promotion and Development of El Peten], this development program having been approved by the National Council for Economic Planning.

In January 1966, when he was vice president of the republic, Clemente Marroquin Rojas published in his daily newspaper LA HORA a series of articles in which he denounced the leniency on the part of Guatemala in the consideration and study of the Mexican projects, to the point of having shelved a report by engineer Bendix in the Ministry of Foreign Affairs--transcribing data from the Mexican engineer Armando Trueba--on the location of one or several dams to exploit the waters of the Usumacinta and several elevations, as well as the harmful consequences to Guatemalan territory, since the flooding would cause the loss of more than 20,000 km^2 of fertile land in El Peten and Verapaz.

EL IMPARCIAL reported the charge, that a hydroelectric plant is already being built on Mexican territory, on the banks of the Usumacinta, without there having been a previous agreement with Guatemala, as the Ministries of Foreign Affairs and Communications and Public Works reported; but there was a lack of full and explicit information from the government, especially because of the upcoming visit to Mexico--precisely when it was about to take place--by the president of Guatemala, Julio Cesar Mendez Montenegro. "The worse that could happen," said EL IMPARCIAL, "is to keep quiet, or to attribute intentions other than the defense of the national interests... the accusation must be answered in indubitable, absolute, precise terms, without leaving any room for doubt... A special executive committee could carry out the investigation in record time and give an account of its work to public opinion."

In June 1970, the journalist Clemente Marroquin Rojas insisted: "they have finally noticed what I have been saying," referring to the comments in the daily newspaper LA NACION--mentioned above--on watching out for the country's interests, seeing that in Mexico the Usumacinta project was already very advanced. More recently, in January 1980, the engineer Romeo Samayoa observed that, in return for a few kilowatts of energy, "the best agricultural land and all its resources would be flooded; Peten would lose a third of its territory"; he believed likewise that "the Mexican technicians will attempt it, without concern for the

damages incurred by Guatemala and we must be very cautious in requesting--in this case--a share of the energy which is being generated equal to the damages"; he was thinking mainly of the rural population which would be affected, aside from "other types of compensation for flooded lands."

8956
CSO: 3010/1828

SENIOR OFFICIAL COMMENTS ON CARIBBEAN BASIN INITIATIVE

Georgetown GUYANA CHRONICLE in English 21 Oct 81 pp 12-13

[Text] The Caribbean Basin Initiative [CBI] could help reactivate the Caribbean economy but its private sector orientation has some serious limitations, a senior government official said.

"Basically a Caribbean Basin Initiative based on the socio-economic aspirations and wishes of the Caribbean peoples, could be a useful contributory tool with which to activate the Caribbean economy," he explained.

But he added: "The private sector orientation of the CBI has some serious limitations inasmuch as neither the US government nor any other government of the group could direct its private sector on external investment policies."

He stressed that because the lack of adequate physical and institutional infrastructure had often proved a considerable disincentive to foreign private investment decision-making, private investemtn "could hardly be predictable or planned for with the reasonable statistical precision which the discipline of planning demands."

Referring to Guyana's own plans to attract foreign investment for its multi-million-dollar hydro power aluminium complex, he contended that foreign private investment "could be a bonus if intelligently sought and atracted, such as Guyana is now attempting to do for the complex."

Meanwhile, commenting on recent talks on the CBI in Georgetown between local officials and a US delegation led by ambassador Robert Ryan, the senior government official explained that the meeting was held in a very frank and cordial atmosphere and proceeded against the stated background of a common Caricom approach.

He said the Guyana delegation traded insights into national policies and ambitions in order to inform the opinions of the visitors.

"The need for the Group of Four (the USA, Canada, Mexico and Venezuela) to coordinate their thinking and programme was also pointed out," he explained.

The Caribbean Basin Initiative was launched in the Bahamas earlier this year. Prior to the October 13 meeting in Georgetown, there were two meetings at which common positions by the Caricom countries were hammered out.

On the first occasion--September 4-5--Caricom Foreign Ministers met in Kingston, Jamaica, and drew up a set of cardinal principles which they felt should inform any action plan for the region.

In keeping with these principles, the plan should be open to all territories of the region, it should respect the sovereignty of states and the integrity of regional institutions and it should be non-ideological and nonmilitary.

It was also agreed that private investment has an important role to play in the region. It was stressed, however, that there was need for substantial flows of government-to-government assistance to create the necessary physical and other infrastructures conducive to private capital flows.

In addition, a time table for action--including the creation of a Caricom technical group--was worked out and it is felt that in order to be effective, the regional programme should lead up to a meeting between ministers of the sponsoring Group of Four and of the Caribbean Basin.

On the second occasion--on September 8--officials of Caricom countries met with officials of the other Caribbean countries as well as with officials of the Group of Four at Santo Domingo where there was a wide exchange of views with no concrete proposals for action resulting--(GNA).

CSO: 3025/51

BRIEFS

LABOR ISSUES--The Man Power Citizens' Association has called off the go-slow at the Guyana Electricity Corporation and work is expected to return to normalcy today. The decision to discontinue the 11-day go-slow was taken at a special meeting of the executive council of the MPCA and some time after the union had formed part of a delegation which met the Minister of Energy and Mines, Cde Hubert Jack at his office. Shop stewards and other branch officials attended the special meeting of the MPCA, which took the decision. The move to meet the Minister of Energy and Mines was spearheaded by the General Secretary of the Guyana Trades Union Congress, Cde Joseph Pollydore following a meeting of the executive council of the TUC on Wednesday evening in the boardroom of the Critchlow Labour College. Cde Cleveland Charran, General Secretary of the MPCA said the go-slow at the GEC was implemented to protest against a decision taken by the corporation to charge employees the same rate for electricity as that charged members of the general public. Cde Charran said that yesterday morning the Guyana Trades Union Congress, the MPCA and officials of the GEC met Cde Jack. After the meeting Cde Charran brought his executive council up to date with the decision taken and as a result the members voted to call off the go-slow. Cde Charran said that at the meeting the minister gave the TUC and the MPCA the assurance that the matter would be taken to Cabinet and representatives of the corporation and the union would meet at a later date with a view to resolving the differences. [Text] [Georgetown GUYANA CHRONICLE in English 23 Oct 81 p 1] Workers in the Demerara Tobacco Company are expected to resume work today after a two-day strike in protest against what they claimed to be the failure of the management of the company to continue negotiations with the Guyana Labour Union. Yesterday morning officials of the company and executives of the Guyana Labour Union met at the Ministry of Public Welfare and discussed the issue which led to the strike. Talks are to resume today between executives of the GLU and officials of the company. [Excerpt] [Georgetown GUYANA CHRONICLE in English 23 Oct 81 p 3]

CSO: 3025/56

SPAULDING CHARGES WANTED MEN PLAN TERRORISM IN CUBA

Bridgetown SUNDAY ADVOCATE-NEWS in English 11 Oct 81 p 3

[Text] Kingston, Jamaica, (UPI)--National Security Forces Minister Winston Spaulding has charged that the Jamaican Police's most wanted fugitive and other gunmen may be hiding in Cuba, keeping contact with gunmen back home and planning a new wave of terror.

Gunmen of opposing political groups killed more than 500 people during Jamaica's parliamentary campaign last year.

Spaulding told Parliament on Wednesday night that police believe gunman Anthony Brown, most wanted man on the police fugitive list, and other gunmen are hiding in Cuba and keeping contact with the Opposition People's National Party, whose leadership maintains good relations with Cuban officials.

The National Security minister offered no direct proof of his charges, but said police have seized letters and tape recordings indicating the gunmen are in Cuba from the Chairman of the Opposition Party's youth organisation, Paul Burke.

"We do not want to find that any foreign country is aiding and abetting or giving cover or assistance to these subversive activities," Spaulding told Parliament.

Police said the letters and tape seized from Burke as he left an area frequented by Kingston gunmen made references to a country where the fugitives are allegedly hiding, and about a shortage of clothes for Cuban men.

Spaulding, saying the fugitives spoke about a courier service to Jamaica, said the fugitives are obviously in contact with gunmen in the island and plan to unleash violence in Jamaica.

"The letters and tape together show a design of hatred, hostility and malice aimed at this society by misguided and warped criminals who are being given comfort and assistance in Jamaica and out of Jamaica by people committed to the destruction of our system," Spaulding said.

CSO: 3025/51

'BARRICADA' WRITER VIEWS SANTA FE DOCUMENT

PA231526 Managua BARRICADA in Spanish 15, 16, 17 Nov 81

[15 Nov 81, p 3]

[Article by Guillermo Rothschuh]

[Text] The weakening of the U.S. economy and the effective loss of its hegemony are the main factors that occasioned a total reorganization of U.S. foreign policy with the intention of recovering its considerably diminished leadership.

The exhaustion of its model for the accumulation of capital is what drives the United States, in a desperate attempt to restore its domination over capitalist countries, to promote a militarist policy of open confrontation.

Under these premises we must analyze the openly interventionist policy of the Reagan administration and the direct military threats recently made against the Nicaraguan revolution. This attitude is among the new principles of the U.S. foreign policy toward Latin America.

This attitude is an updated version of the "Monroe doctrine" in which Latin America has been chosen as the region in which the United States will display its military power to the world and assume the right to impose its designs on us. They are again proclaiming the wornout slogan "America for Americans."

Latin America was the continent chosen during the simplistic analysis of the Reagan advisers. A work group composed of ideologues from the center for strategic and international studies at Georgetown University was tasked with presenting Reagan with a new design for his Latin America policy.

The group of experts was headed by Roger Fontaine and was called the Santa Fe group. This name fits them perfectly since they claim to have begun a crusade to rid the world of communism. This is why, although he is justified to a certain extent, Thomas Farer, chairman of the Inter-American Human Rights Commission (CIDH), said that the group of Reagan advisers has considered the present times, "open hunting season."

Like terrible angels, the Santa Fe group has a precise concept of power: a nation's power rests on its military force. This concept has saturated the Reagan administration to the core.

One of the most prominent members of this group of advisers is James Theberge. U.S. ambassador to Nicaragua during the last years of the Somozist dictatorship, Theberge is an enthusiastic supporter of solving problems from a military point of view and a man whose sleep is disturbed by the specter of communism.

The common dominator among the Santa Fe group experts is their firm support for the use of force and zealous militancy characteristic of the "geopolitical" school which gathers to its bosom the most conservative social scientists in the United States.

One of the outstanding characteristics of the present U.S. policy is its pragmatic character, expressed in its preference for action, as a suitable formula to solve the various problems which now confront the United States. In this respect current U.S. policy is faithful to the tradition and style of the Republican Party's exercise of power, which has always favored hard and prompt solutions rather than the general political solutions favored by the Democratic Party.

In fact, the Santa Fe document (May 1980) is notable because it contains a series of political proposals most of which have been already implemented by the Reagan administration. Since its contents were revealed, most specialists in U.S. foreign policy have said that it was a guideline, similar to the Linowitz report of the Carter administration.

If we read the document critically, we can see that it has really served as an outline on which the Reagan administration has based its foreign policy for Latin America. The document is divided in five parts and has an introduction and a final summary.

The introduction, which is attributed to Ronald F. Docksai, contains a new defense of the Monroe doctrine and criticism of the Carter policy toward Latin America. It refers directly to Guyana, Jamaica (prior to Seaga's coming to power), Grenada and Panama, saying that these countries are aligned with Soviet expansionism. It gives a slanted view of U.S. interventions in Latin America and concludes with brief quotations of two Latin American personalities to support, evaluate and justify their policy toward our continent.

[16 Nov 81 p 3]

The first part of the Santa Fe document refers to a foreign military threat (from the USSR through Cuba) and it has four basic proposals, through which they try to face it successfully. The four proposals give priority to specific military actions. Some of these military actions have already been carried out and others are in the process of being implemented.

The first proposal demands that "the hemisphere security system be reactivated through support for the Inter-American Reciprocal Assistance Treaty, TIAR, and taking the leadership at the Inter-American Defense Board, LADB, in order to support the long list of resolutions aimed at increasing the hemisphere's security against external and internal threats."

This thesis reflects the geopolitical nature of U.S. strategy and establishes the urgent need to strengthen the military organization under its leadership. This proposal is already being implemented through the recent meeting of military chiefs of Latin American armies held in Washington and chaired by Gen E. C. Meyers. The main speaker at that meeting was Gen [as published] Guillermo Carcia, chief of the Salvadoran army.

The second proposal is a corollary of the first proposal. It notes the need "to encourage agreements of regional security," which immediately reminds us of the notorious Central American Defense Council, CONDECA, and the efforts to reorganize it under the euphemistic title of Northern Triangle, under which the armies of Guatemala, Honduras and El Salvador would unite to oppose the Nicaraguan revolution.

The main objective of this proposal is to involve our countries in the defense of U.S. interests, since they assert that Latin Americans would better understand having their own armed forces act in presumed defense of the hemisphere instead of the United States.

The third proposal refers to the "traditional military ties in the continent, offering military training and aid to the armed forces of the American continent, particularly to young officers and noncommissioned personnel." This is an aspect that the experts of the Santa Fe group deal with in pragmatic terms so that Latin Americans and North Americans can understand it perfectly. They try to use what they call our peoples' power and talent to stop the progressive movements. The idea is to implement a satisfactory combination of U.S. military technology with the human contingents of our continent. This is a low-cost formula for imperialism which is well known by our people. In good Castilian it means: You supply the bodies and we'll supply the bullets.

El Salvador, Honduras and Guatemala have accepted this proposal. The only problem is that with the intensification of the Salvadoran struggle, the United States has been forced to send military advisers and a large amount of financial aid to maintain a military junta which has lost international prestige because it murders its own people in cold blood.

At the end of this proposal there is a description of Panama's social democratic government led by General Torrijos, which is excluded from the military cooperation because they consider it a "brutally aggressive dictatorship of the extreme left," which they seek to reverse.

In this regard, we wish to stick strictly to what politicians from different parts of the world say: That they refuse to believe that General Torrijos's death was accidental. In Latin America, aircraft accidents have been a frequent method of getting rid of politicians who cannot be eliminated so easily or who are opposed to given interests. General Torrijos was this sort of man.

We just have to remember that in Bolivia this method was used to eliminate General Barrientos in 1968 and more recently in 1980, to try to kill the vice president-elect, Jaime Paz Zamora, who survived the attempt on his life.

The proposals are interrelated and the fourth contains advice on overcoming any eventuality. It recommends "if the present treaties fail, placing the Panama Canal under the CONDECA, to ensure that the nations of this hemisphere have free and just access to the Atlantic and to the Pacific."

Since the LADB's reactivation has been conceived so that the United States can resume the hegemony of the organization, the measure suggested in this proposal will return to U.S. hands everything that has to do with the canal, thus restoring the colonial enclave in Panama.

In order to have our countries approve and accept the measure, the use and need of the canal will be equal for all Latin America, but in principle this is not true. Anyway, it is a generous concession by the empire. In our opinion it is a formal recourse that injures Panama's sovereignty, wanting us to share in this shameful maneuver, since they skillfully suggest "the creation of a security zone under the 19 flags of CONDECA."

[17 Nov 81 p 3]

The second part, divided in five action proposals, deals with domestic subversion. The first proposal begins with admitting the integral links between domestic subversion and foreign aggression. In an open attack on Ecuadorean President Roldos (who died in similar circumstances as General Torrijos who is dealt with equally harshly in this document), the group rejects the doctrine that countries from other continents do not violate the principle of nonintervention if they act in the defense of human rights.

In a criticism made by Reagan's advisers to Carter's human rights policies, they discard the importance of human rights and are firmly in favor of supporting military dictatorships. This reasoning was explained at length by Mrs Kirkpatrick, who condemned our revolution and belatedly raised the flag of Somozism. However, she does not discount a policy of direct aggression against Nicaragua.

A characterization, in their opinion of course, of the Nicaraguan rebellion, leads them to state that something similar would happen in El Salvador (let us remember that this document was drafted in 1980), to what happened in Nicaragua in 1979. But with a historical shortsigntedness and a distortion of facts, they sustain the concept that "when Somoza left the country, the rebels had not taken Rivas yet."

They also pretend to deny the armed triumph of Sandinism, but implicitly admit that Somoza and the national guard were supplied by the United States, thereby admitting their guilt in the massive murder of Nicaraguans with the weapons they supplied the dictator.

Proposals two and three of this part, refer to the communications media and the need to counterbalance the liberation theology. Regarding to the first aspect, they have maintained an open opposition to the creation of a new international information system and included the Inter-American Press Association in this matter. Regarding the second, Nicaragua has felt the full weight of this policy. In recent months there has been an evident interest by the domestic allies of imperialism in polarizing the Nicaraguan church hierarcy against the revolution.

Their attacks on our Christian members have been constant. Some former priests have unashamedly returned to Christ, whom they had renounced, to attack the revolution. Their attitude is more political than religious. They have practically begun a witch-hunt. All their efforts make us think that this is a group that favors the holy inquisition, that is if we are to judge by the manner in which they attack the believers of a church committed to the poor.

This flank has been continually under attack, in a vain attempt to separate the Christian from their commitment to change and their desire to join a church renewed in Nicaragua. If there was no specific imperialist project and the campaigns did not have such political overtones we wouldn't have mentioned this matter in this section on the Santa Fe document.

Proposals four and five reject the human rights policy of the former democratic administration and establish the need to create alliances and support the Latin American dictatorships as has happened since Reagan assumed power. The hard democracies as Mrs Kirkpatrick likes to call the dictatorial regimes, are assured of military support in spite of the crimes they commit against their people.

Perhaps this is one of the key aspects of the logic of some of the most influential advisers of the present U.S. Administration and its executive. The world has been divided between black and white, in friends and enemies. A grotesque observation that made John Sears, former director of Reagan's campaign, say that "There is a generation gap between what Reagan thinks he knows about the world and reality. He lives in the world of 1952. He sees the world in black and white."

CSO: 3010/344

DANIEL ORTEGA INTERVIEWED ON COUNTRY'S SITUATION

PM191201 Rome LA REPUBLICA in Italian 15-16 Nov 81 p 14

[Interview with Daniel Ortega Saavedra, coordinator of the junta of the Nicaraguan Government of National Reconstruction by Marco Cantarelli in Managua, undated: "Sandinista Nicaragua Fears Reagan Line and Domestic Bouregoisie"]

[Text] Managua, 14 Nov--Where is Nicaragua going? Outside pressures and threats, together with increasing domestic economic and political difficulties, are making its future uncertain. We discussed this with Daniel Ortega Saavedra, the outstanding figure among the nine revolutionary commanders and coordinator of the junta of the government of national reconstruction.

His opinion is clear: "The existence of the revolutionary government is being put in jeopardy. Extreme rightwing and leftwing groups are taking advantage of the flexibility of the revolutionary process. Some foreign governments and reactionary sectors have not yet accepted the new situation. We are defining once and for all the existence of a revolutionary government that must not be jeopardized, revolutionary laws that must be observed. 'The blueprint for a mixed economy, political pluralism, freedom of the press and of association are guaranteed--but within the pattern being established by this revolutionary government.'"

[Question] It is 2 months since the state of emergency was announced: Where has the major resistance come from and what are the initial results?

[Answer] The economic battles promoted mainly by the small communist party have been reduced to a minimum. The state of emergency has encountered resistance also from the politicized sectors of the Nicaraguan bourgeoisie, which are concerned with weakening the revolutionary process more than with production. We have also achieved some positive results: we believed that the 5 percent spending cut would mean a saving of 440 million cordobas. We expect to save 700 million, however.

[Question] Does the resistance therefore mean that the mixed economy blueprint has no future?

[Answer] There is a fundamental problem concerning the participation of the Nicaraguan bourgeoisie: the most politicized sector identifies totally with U.S. policy. All the efforts that we have made to persuade this sector to cooperate have had no effect on its political leadership, which is expressed in the higher council of private enterprise and in parties such as the Democratic Conservative Party or Robelo's Nicaraguan Democratic Movement.

[Question] Tomas Borges said in a speech that "aggression is almost certain." What evidence does he have to justify such a claim?

[Answer] The aggression has existed ever since the Reagan administration took power. The president's first act, from his sickbed following the attack, was to suspend aid to Nicaragua. On top of this there is the tolerance toward the Somozaist training camps on his territory. Be that as it may, we will make every effort to provide no opportunities for aggression on a larger scale. But we are obliged to prepare ourselves.

[Question] Is a rupture close at hand? Which elements are to blame for this crisis?

[Answer] El Salvador and the fact that we presented the Salvadoran patriots' peace plan. This caused displeasure. I would not talk in terms of a rupture. It is a very tense situation but communications and contacts continue. Our efforts will always be directed toward seeking political formulas for resolving Central America's problems.

[Question] What would Nicaragua's position be vis-a-vis a possible future outside intervention in El Salvador?

[Answer] An intervention would have a negative influence on the whole of Central America. An invasion would mean extending the theater of war to the entire Central American area and would have a negative influence on the entire Latin American continent.

[Question] Economic and political crisis. Central American and Nicaragua. Currency shortages and foreign debt. What is the outlook for the months ahead?

[Answer] The situation is difficult. Over the next 5 years Central America needs about $20 billion to finance its development projects. We are seeking strong backing from the EEC. There is the plan for financing by the United States, Canada, Venezulea and Mexico, the so-called "mini-Marshal plan." The the United States has a discriminatory stance toward some countries, whereas Mexico pursues an open-minded policy.

[Question] How does your government justify the suspension of the right to strike? Do you not see some danger for the future?

[Answer] No. The situation is so serious that a strike would be an attack on productivity; it would be unrealistic and would endanger the past 2 years' gains.

[Question] The daily LA PRENSA has already been closed down five times. Are these restrictions of freedom of the press a prelude to a definite closure?

[Answer] Definitely not. They are a necessary measure to guarantee this freedom of the press. They are regulations which will not deny critical involvement but will not permit the sabotage of the revolutionary process.

[Question] Some bishops accuse the government of being on the Marxist-Leninist path.

[Answer] There are two positions within the church. One sector is close to the government, while the other has no confidence in it. The charge made against us is a pretext, because this sector advocates traditional conservative stances hit [toccate] by the revolutionary changes. This prompts it objectively to coincide in its policies with the bourgeoisie, which sees the religious issue as the only element of strength, because of its importance in our country.

CSO: 3104/42

INTELLECTUALS CRITICIZE AMBASSADOR MOSS' ATTITUDE

PA162343 Panama City CRITICA in Spanish 16 Nov 81 p 5

[Article by Vertalicia Peralta]

[Text] "The top U.S. representative in Panama openly interferes in our affairs in complicity with local sectors who are clearly fascist oriented. This is very apparent when this gentleman dares question our foreign policy and our right to choose our friends, while he unleashes an unfair, infamous attack on Nicaragua, Cuba and the USSR." This is stated in a recently published communique by members of the newly created "Panamanian Intellectuals Committee for the Sovereignty of the Peoples of America."

The committee includes Rogelio Sina, president; Ricaurte Soler, Jorge Arosemena, Joaquin Beleno, Austin del Rosario, Miguel Angel Candanedo, Nestor Jaen, Marcos Gandasegui, Manuel Orestes Nieto, Jose Franco, Vertalicia Peralta, Elsie Alvarado de Ricord and Esther Maria Osses, among others.

The Panamanian intellectuals proclaim that "We cannot remain indifferent and hereby announce to the world that the aggressor is our enemy, that we are anti-imperialists and anti-fascists, that we shall fight for our right to self-determination as a free nation and that we shall strive for the right to choose our friends and allies."

The tone of the charge of imperialist intervention in all parts of the world is diffused throughout the document of the Panamanian intellectuals, mainly the intervention of Ambassador Ambler Moss in our local politics which caused the indignation of all nationalist sectors. "It is not necessary for this representative,--the document states,--already declared persona non grata by our popular organizations, to try to tell us who our enemies are. We already know them."

CSO: 3010/321

COLOMBIAN NEWSMEN SAID TO BE MISLEADING PEOPLE

PA240208 Panama City MATUTINO in Spanish 23 Nov 81 p 1

[Editorial: "Colombian Press Laying Smokescreen"]

[Text] Some Colombian press media are engaged in a campaign which they believe denotes their great intelligence, without realizing that the truth, no matter how repressed, always prevails.

They are using a very simple tactic. They publish news to impress the public as a means of distraction. To achieve this goal, they have chosen two neighboring countries, Venezuela and Panama. Colombian newsmen blame the arms traffic on these two countries, thinking that by doing this the people will blame Panama and Venezuela for all the problems caused by the Colombian guerrillas.

If these newsmen carefully analyze the facts, they will realize that for many years Colombia has been experiencing a social, economic and moral crisis, which although it cannot be blamed on the people, is the cause of the profound discontent that has resulted in guerrilla warfare. We cannot regard this situation as a present-day malady, nor can we say that it is epidemic. It really is an old and serious endemic situation that has been bleeding Colombia since the days when the Casanres area was the scene of frequent clashes between rebels and the government and even until now when guerrillas have become a spreading cancer which affects the entire nation. This situation affects Colombians in Cartagena, Caqueta, Bogota, Cali, those who live in the swamps, the man in the street, as well as the chief executive.

An analysis of the facts would enable these newsmen to learn that a group of young Colombian priests met with the pope when he visited Colombia several years ago. The pope asked them what was the reason for that social upheaval represented by one man --Priest Camilo Torres. The young priests replied that there were so many social and economic imbalances that many mothers confessed that they had had "to sell two of their children in order to feed the other three."

Under these conditions, it is very difficult to govern a country, afflicted with corruption, contraband, narcotics and white slavery when high government officials are involved in these crimes.

If these newsmen, obeying vested interests, had analyzed these and other interesting details, they would not have had the ridiculous daring to lay the smokescreen as they are now doing. They are trying to accuse Venezuela and Panama of something that can be blamed only on the Colombian authorities of past and present generations.
CSO: 3010/345

LIBYAN OFFICE REJECTS U.S. ACCUSATIONS

PA221935 Panama City LA REPUBLICA in Spanish 19 Nov 81 p 7

[Declaration of the Libyan People's Office in Panama--date not given]

[Text] During the past few days, U.S. and Western government circles and media, especially rightist ones, have been accusing the Socialist People's Libyan Arab Jamahiriyah of planning to attack U.S. ambassadors and U.S. prominent people. It was said that there had been plans to attack the U.S. ambassador to Italy. Also, Libya was accused of being behind the attack to the U.S. deputy chief of mission in Paris. The People's Libyan Arab Jamahiriyah emphatically rejects these false accusations and once more states that its government is the only one that has issued laws that strongly condemn terrorism and that Libya and its leaders never go as low as is typical of U.S. policy. U.S. circles are repeating these lies to hide all the aggressions and provocations against the al-Fatah revolution and its historic leadership and to cover up the U.S. military presence and intervention in the Arab region.

The maneuvers underway on the Libyan border clearly show the U.S. terrorist policy being conducted against the independent peoples of the Third World and the plans to kill the Third World leaders among whom is Col Mu'ammar al-Qadhdhafi.

The United States has conducted several terrorist operations through its Central Intelligence Agency (CIA). Proof of this are the deaths of Patrice Lumumba in Africa, Salvador Allende in Latin America and the U.S. military interventions in Nicaragua, El Salvador, Guatemala and the U.S. imperialist occupation of Puerto Rico and part of Cuba. Also, the U.S. support to the Zionist racist enemy with its occupation of Palestinian soil and its support to the South African racist regime. All of these in addition to the U.S. terrorism and crimes in Vietnam.

The peoples of the Socialist People's Libyan Arab Jamahiriyah wish to inform the international public opinion that these false accusations are trying to harm locally and internationally the achievements of the great revolution of 1 September.

CSO: 3010/345

NEW CANAL PUBLIC RELATIONS DIRECTOR APPOINTED

Director Interviewed

PA181342 Panama City Televisora Nacional in Spanish 2145 GMT 17 Nov 81

[Excerpts] This television station spoke to the new director of the public relations office of the Panama Canal Commission immediately after his appointment was announced. During the interview, Mr Anel Beliz said that he is confident and is not concerned about future relations with the persons under him, especially Mrs Willie Friar, who currently holds the post of director of information of this office. Our colleague Diana Arosemena interviewed him, as follows:

[Begin recording] [Question] Professor Beliz, during the past 7 months, two Panamanians have been appointed to the post of director of public relations of the Panama Canal Commission. In the first case, Luis Noli's resignation was a controversial issue. There were rumors of internal difficulties because of problems with Mrs Willie Friar. What type of relations do you expect to have with Mrs Friar? How are you going to handle this situation?

[Answer] I do not expect to have problems with the personnel under me. I sincerely believe that I am assuming this post with an open mind and positive attitude, without any prejudice and with a strong desire to serve Panama and the United States in their current special relations. I believe that the personnel under me must understand that we are living in a new era and that the relations and work to be carried out in this information and public relations office are very delicate and very special, requiring their best efforts. I know Mrs Friar. I have talked to her. We have drafted a plan together. Therefore, I am not worried about anything. I have nothing to worry about, with her or with the rest of the personnel. Besides, I believe that when a person has the academic knowledge, the experience and the desire to work, and conveys this desire to others, there is no reason to worry.

[Question] Professor Beliz, how is Beliz, the Panamanian, going to handle a situation in which the feeling of nationalism may weel cause some subjectivity in dealing with the post?

[Answer] I believe that one has to be objective in this position. I am Panamanian above all else, let no one forget this, and I am going to work as a Panamanian, presenting an image to this effect. I cannot say anything about the job, because

I am in the process of getting acquainted with things I still do not know. Besides, one shouldn't cross bridges until he comes to them. This is my attitude, which I consider positive. [End recording]

Appointment Criticized

PA191238 Panama City MATUTINO in Spanish 18 Nov 81 pp 1, 8-A

[Text] Gerardo Gonzalez, Revolutionary Democratic Party [PRD] secretary general, has sent a telegram to General Dennis McAuliffe and Fernando Manfredo, administrator and deputy administrator, respectively, of the Panama Canal Commission, in which he strongly protests the appointment of Mr Anel Beliz at the Panama Canal Commission's public relations office, replacing Luis Carlos Noli.

Gonzalez points out that Beliz was a staunch enemy of the Torrijos-Carter treaties and of the Panamanian revolutionary process, which, under the leadership of Gen Omar Torrijos, achieved the decolonization of the isthmus. He adds that there are plenty of professional journalists in Panama with the necessary qualifications and patriotism for such a high honor.

Following is the text of the telegram sent by Mr Gonzalez:

Gen Dennis McAuliffe
Panama Canal Commission Administrator,
Fernando Manfredo
Deputy Administrator, Panama Canal Commission

Please receive my strongest protest at the appointment of Mr Anel Beliz in replacement of the patriot Luis Carlos Noli.

Mr Beliz was a staunch enemy of the Torrijos-Carter treaties and of the Panamanian revolutionary process, which achieved the isthmus; decolonization under the leadership of Gen Omar Torrijos.

There are more than enough professional journalists in Panama with the necessary qualifications and patriotism for such a high honor.

[Signed] Gerardo Gonzales,
PRD Secretary General

CSO: 3010/321

STUDENTS PLAN TO MOBILIZE AGAINST IMPERIALISM

PA210316 Panama City CRITICA in Spanish 19 Nov 81 p 4

[Text] Fidel Palacios, leader of the Federation of Panamanian Students (FEP), yesterday morning announced that the FEP has scheduled a national mobilization campaign for the month of December to take the offensive in response to recent actions of oligarchic and proimperialistic groups.

The announcement was made in the Los Platillos room of the national brewery during a press conference arranged by the organizers of the eighth public administrators' week.

Palacios, who represented the public administration students association and the MAN [no expansion given] emphatically pointed out that the FEP will not continue to shoulder the weight of the mistakes that the national government is making. He said that the FEP is not a government entity; neither does it represent the youth group of the REvolutionary Democratic Party (PRD).

We identify with General Torrijos' ideals and therefore we denounce the growing concubinage of the current government with the oligarchic and reactionary groups, Palacios said. He added that for the past 3 years we have been observing the continuing displacement of progressive people from our government as well as the undermining of institutions, such as the educational reform, that characterized the process led by General Torrijos' government.

Palacios said that the disorder at the university is part of a series of events that tend to create tense situations that allow the old oligarchic groups to strengthen their positions. He added that our country is part of the group of Central American nations which U.S. imperialism considers candidates for invasion.

Palacios said in conclusion that for this reason 600,000 secondary school students and 30,000 university students will mobilize with the objective of stopping the reactionary groups and the Latin American groups that are planning to invade fraternal countries.

CSO: 3010/345

UNUSUAL MILITARY MOBILIZATION IN CANAL AREA NOTED

PA172308 Panama City CRITICA in Spanish 17 Nov 81 p 3

[Article by Carlos J. Nunez L.]

[Text] Evident contradictions galore were observed yesterday between the so-called "U.S. Southern Command's," ranking spokesmen. While its commander in chief, Wallace Nutting, told UPI "That a U.S. intervention is imperative in El Salvador in order to control the bandits, referring to the 'Farabundo Marti' front guerrillas," its press officer, Mr Friedman, told CRITICA last night "that the military operations underway in the Panama Canal firing ranges had nothing to do with the invasion of El Salvador."

In fact, yesterday morning, Monday, on several firing ranges located along the canal, "Huey" helicopter and A-7D fighter plane formations machinegunned "objectives" which alarmed the civilian population of the canal area for the duration of the "exercises."

They are "simple exercises," Friedman told CRITICA, adding they were "routine." Wallace Nutting's statements to UPI, however, presumably in Mexico, showed the so-called exercises were actual training preparations for a "real major military operation," according to persons who know about these matters. Another issue that strongly attracted attention was the presence in the Panama Canal locks of the warship "USSR California 36" which, according to some circles, is a highly specialized espionage vessel.

"The USSR California is on its way home to a port on the Atlantic U.S. coast, Friedman said, denying its involvement in the Salvadoran conflict."

Strangest of all was the fact that last night, nearly all foreign correspondents working in Panama were trying to interview Nutting but, according to the press officer, "He was preparing to travel to the United States next week for a vacation."

Other correspondents, however, had information that Nutting had already left Panama "for an unknown destination."

CSO: 3010/321

BRIEFS

ANTI-IMPERIALIST INTERVENTION MARCH--An "appeal to participate actively against the interventionist attitude of the United States," is circulating widely among the various popular, democratic and progressive sectors. The appeal also announces the preparations for the peace and national sovereignty march to be held on Thursday, 26 November. The appeal says that: "The United States Government has interfered and is interfering in various ways in our countries. At this moment, according to statements made by Secretary of State Alexander Haig, the empire is readying all its forces for a direct invasion of the Central American and Caribbean area, or for an indirect invasion by means of the Honduran and Guatemalan armies. This would create a conflict of uncalculable dimensions which may affect the existence of mankind itself." The march for peace and against Yankee intervention in Central American and the Caribbean will start at Porras Plaza at 1700 on the 26th of this month. It will be supported by the members of the Panamanian Committee for Solidarity With the Salvadoran People, as well as the Panamanian-Cuban Friendship Institute, the National Intellectuals' Committee for the Sovereignty of Peoples, the Panamanian-Nicaraguan Friendship Institute, the Christian Movement for Peace and Against Intervention, the National Committee for the Defense for Sovereignty and Peace and the Cultural Workers Front. [Text] [PA211250 Panama City CRITICA in Spansih 20 Nov 81 p 23]

CANAL BLOCKAGE DENIED BY CUBA--The reports published by local newspapers about a plan prepared by Cuban Prime Minister Fidel Castro to block the Panama Canal in case of intervention in Cuba have been denied by Miguel Brugueras del Valle, Cuban ambassador to Panama. The plan was revelaed in Washington by Wilfredo Navarro, president of the United Subans' Organization, who asserted that the organization's agents in Cuba and Panama managed to learn about Fidel Castro's plan. According to Navarro, the blockage would be effected by sinking any Cuban vessles which might be transiting the canal at the time of any military action against Cuba. Although the Cuban ambassador said during a brief interview in his office that he did not know Navarro, he described him as "mad." Brugueras del Valle said Navarro is just one of those nuts who dislike Cuba. He then dismissed the charge raised in Washington. "United Cubans" groups are Cuban exile groups struggling against Castro. In conclusion, the Cuban ambassador denied that any army of Cubans is in Panama disguised as tourists. According to Navarro, Castro sent them here to carry out his plan. [Text] [PA201505 Panama City MATUTINO in Spanish 20 Nov 81 pp 1-A, 8-A]

'ILLEGAL' SAN MIGUELITO MAYOR ELECTION--The new mayor of San Miguelito, Jose Isaac Vernaza, was officially sworn in in the presence of Dr Luis de Leon Arias, president of the Assembly of Corregimiento Representatives. Meanwhile, the government and justice minister, Dr Jorge Ritter pointed out that the election of Vernaza is illegal because his name was never included on the three-candidate list, as provided by law. Another irregularity noted by experienced observers is that swearing-in of the new mayor Vernaza is also illegal because it was not done in the presence of a municipal judge. [Excerpts] [PA162323 Panama City CRITICA in Spanish 16 Nov 81 p 1]

AMBASSADOR TO FRG--Julio Cesar Royo Saucedo, Panama's ambassador to the FRG, presented his credentials to FRG President Karl Carstens. [PA161220 Panama City MATUTINO in Spanish 9 Nov 81 p 9-A]

POPULAR ACTION PARTY APPOINTMENTS--The Popular Action Party, PAPO, appointed the members of its national directorate during yesterday's convention. They are Carlos Ivan Zuniga, president; Moises Rios, first vice president; Gilberto Solis, second vice president; Alvin Widden, secretary general; Rodrigo Sanchez, assistant secretary general; Rafael Zuniga Brid, organization secretary; Octavio Mena, organization assistant secretary; Ivan Robles, political organization secretary; Jose Antonio Hernandez, political organization assistant secretary; Eusemio Contreras, labor affairs secretary; Jose Jovane, labor affairs assistant secretary; Carlos A. Morales, agrarian affairs secretary; Candelario Arrue, agrarian affairs assistant secretary; Norman Castro, youth organization secretary; Zaida Assan, youth organization assistant secretary; Teodosio Bernal, press and propaganda secretary; Alberto Urbina, press and propaganda secretary; Miguel Moreno Jr., international relations secretary; Ricardo Alfaro, international relations assistant secretary; Vilma R. de Gonzalez, finance secretary; Luis Chen, finance assistant secretary; Tomas Herrera, secretary of studies of national problems; and Edgardo Sagel, assistant secretary of studies of national problems. Winston Robles was appointed PAPO political committee president. [PA161220 Panama City LA ESTRELLA DE PANAMA in Spanish 9 Nov 81 pp A-1, A-10]

CSO: 3010/321

REAGAN PEACE PROPOSALS

Appeal to World

PY231605 Asuncion ABC COLOR in Spanish 20 Nov 81 p 12

[Editorial: "New Basis for Achieving World Peace"]

[Excerpts] President Ronald Reagan, during a speech recently delivered at the U.S. National Press Club, made a call to Soviet chairman Leonid Brezhnev to jointly search for a new peace model. Reagan made an appeal for world sentiment and recalled a letter sent to the Soviet leader emphasizing the common need for peace in the world and the hopes of people that depend a great deal on the understanding between the two countries.

Reagan's clear and precise remarks are quite timely now when Western Europe is witnessing peace demonstrations which have emerged precisely due to the not very clear remarks made by President Reagan a few weeks earlier when he said that in case of a nuclear war there was a possibility of restricting it to the old continent.

Due to the possible Greek withdrawal from NATO, the confusing situation in France on this matter and the latent possibility of Soviet presence in Poland it can be determined that there is an urgent need to search for new bases for peace and at the same time insure U.S. presence in this area. The ideologically socialist French Government itself has recently supported the deployment of the U.S. Pershing missiles as a valid alternative to the presence of the Soviet made SS-20 missiles.

It is therefore expected--after the U.S. proposals--that a new spirit for peace as the one proposed by the Reagan administration will emerge during the forthcoming Geneva negotiations.

Proposals 'Courageous'

Asuncion HOY in Spanish 23 Nov 81 p 9

[Editorial: "A Courageous Proposal"]

[Excerpts] The latest speech delivered by U.S. President Ronald Reagan at the National Press Club is a clear expression of the level to which world concern has risen in view of the increasing tension between the great powers. In fact, there are conflicts in various areas which threaten to gradually escape from their natural boundaries.

Central America is being shaken by generalized violence as never before in its history. Afghanistan, under Soviet occupation, is tirelessly fighting without being frightened by the enormous difference in military power. In the Caribbean, there are clear symptoms of decomposition which could lead the islands to a state of anarchy with unpredictable consequences. The conflict between Iran and Iraq continues without pause or truce, seriously compromising the strategic interests of the world powers.

With in this context, President Reagan's speech allows us to get close to the spirit currently animating the U.S. Government. The chief of state said that all indications lead one to believe that the Soviet Union continues to increase its military potential to a point directly threatening the world's military equilibrium.

In view of these circumstances the United States had no recourse. In view of such a critical juncture, Reagan made a dramatic proposal to overcome the factors worrying humanity.

The arms race commits resources which could have been used for science, housing, health, education and nutrition in large areas of the planet where people fervently want the support of the great powers to break the barriers obstructing progress and frustrating the best hopes of people.

In this regard, the speech delivered by the U.S. President is an example of good sense, clarity and hope and should deserve a positive answer by people who are aiming to strengthen world domination at the expense of the suffering, humiliation and misery of millions of human beings.

CSO: 3010/355

DAILY COMMENTS ON ANTI-U.S. CAMPAIGN IN EUROPE

PY241515 Asuncion PATRIA in Spanish 22 Nov 81 p 24

[Commentary by Hugo Saguier Guanes: "The Beat of our Times"]

[Text] President Reagan has proposed to Soviet Communist Party Secretary General Leonid Brezhnev that all medium-range missiles deployed in Europe be dismantled. With this significant step the U.S. Government has complied with an old West European desire, namely the establishment of the "zero option" condition, effective with the meeting on nuclear disarmament in Europe which will be held in a few days in Geneva.

The uneasiness and pacifist agitation that has arisen in the main European capitals reached their "peak" when President Reagan said that "the use of tactical weapons by both sides against troops in the European battlefield could be considered without this compelling one of the great powers to push the button." This statement, which suggested the possibility of a local war in Europe, has been exaggerated to the point of suggesting that the United States would not care about the fate of West Europe in an atomic war. This is a ridiculous idea even for the most innocent observer because no well planned strategy could conceive of the limited use of nuclear force without its leading to atomic escalation. This reinforces the concept of "nuclear deterrence" which ensures that the two superpowers will avoid the use of nuclear weapons since that would lead to a universal holocaust. The existing scheme is easy to understand. However, Europe has been shaken by a slanderous campaign aimed at depicting the United States as the supporter of a new world tactics: the use of Western Europe as an atomic buffer in order to safeguard U.S. integrity. We will continue talking about this subject.

CSO: 3010/355

DAILY ON 'INCONSISTENCY' OF MONETARY POLICY

PY241225 Asuncion ABC COLOR in Spanish 15 Nov 81 p 13

[Text] During the month of August the Central Bank had to disburse the sum of 1,436,000,000 guaranies only to cover "bills due for payment" abroad. This sum is almost twice the amount disbursed in August 1980. These bills represent purchases abroad whose payment deadlines have already expired.

According to some local experts the need to meet the commitments generated by the country's economic activities is causing ever increasing pressure on the foreign sector. This is due to the decrease in traditional foreign exchange revenues from exports coupled with growing foreign obligations.

As the facts themselves have shown, the exchange market reflects the conditions in which the foreign sector is operating. Thus, the foreign financial difficulties are causing an increase of the guarani-dollar exchange rate in the fluctuating market as well as a "pressure" on the exchange rate in the official market which has become an additional factor of imbalance, partly due to the Paraguayan Central Bank's policy in this matter.

According to data of the Paraguayan Central Bank, so far during 1981 exports have performed very poorly while imports have substantially increased. This way the deficit gap between the total foreign currency earning and expenditures has widened despite an inflow of $202 million generated by the binational enterprises during the first half of 1981 (which represents a 17 percent increase over the inflow of foreign currency generated by the binational enterprises during the first 6 months of 1980).

An external scheme entirely based on the foreign currency generated by the hydroelectric enterprises is beginning to enter a critical phase, because the financial obligations so created seem to increase more rapidly than the resources so generated.

Export prices and volumes have experienced a sizeable drop during this year. The price drop has discouraged exports while the volume drop reflects reduced activities in sectors involved in international trade.

For example, compared with 1980 there has been a drop in export volumes in the following items (the percentages given represent volume drops):

Lumber	46 percent
Tobacco	33 percent
Corn	85 percent
Yerba mate	77 percent
Coffee	61 percent
Castor seed	24 percent
Quebracho	25 percent

At the same time local prices have dropped as shown in the following list:

Soybean	10 percent
Cotton	13 percent
Soybean meal	18 percent
Cotton expeller	19 percent
Petit grain	11 percent
Coffee	38 percent

The regional market has also been seriously affected by money devaluations in Brazil and Argentina (during the first half of 1981 the cruzeiro was devalued by 35 percent and the Argentine peso by 66 percent).

The result is that the productive sector involved in exports has been discouraged by the low prices paid for national products, partly due to the "undervaluation of the dollar in the official market" (in which that sector operates). This problem is aggravated by the devaluation policy followed by neighboring countries. On the other hand, that decrease of exports exerts pressure on the official exchange market--which sticks to the rate of 126 guaranies to the dollar--by dint of a basic economic law that the scarcity of a "good" (in this case the dollar) determines the increase of its price (that is, its exchange rate). Consequently, the monetary policy now creates difficulties for both the export sector and the Central Bank (concerned with protecting the official rate of exchange).

Furthermore, the fiscal policy implemented by the Finance Ministry this year seems, from the national point of view, negative inasmuch as it encourages the substitution of domestic products by imports, thus generating a greater need for foreign exchange. This means that there will be increased pressure on the foreign trade sector and consequently on the exchange market.

Therefore, the critical situation which the exchange market is experiencing, in turn, merely reflects the problems which affect national production, whose deterioration is greatly due to the inconsistency of the various policies implemented by the public sector.

CSO: 3010/355

BRIEFS

REPORTER ARRESTED--Felix Humberto Paiva, a reporter of this newspaper and assistant editor, was arrested by police officers this morning and is being held in the police headquarters. Wanting to know the whereabouts of our reporter we went to the Interior Ministry to find out what happened. Miguel Angel Bestard, under secretary of the interior, said: "He was arrested for having distorted the meaning of the remarks made by an honorable Pilar bishop by publishing on the front page of the newspaper a phrase with a very different meaning from the real remarks made by the bishop of Pilar." This situation affecting Paiva, which we consider unjust, has caused concern and unrest among the people who work with him on this newspaper. [Text] [PY262224 Asuncion ULTIMA HORA in Spanish 26 Nov 81 p 8]

INDUSTRIAL PRODUCTION GROWTH--The National Development Bank has reported that the industrial production grew by 12 percent in 1980, as compared to 7.7 percent in 1979. [Asuncion ABC COLOR in Spanish 23 Nov 81 p 12 PY]

CSO: 3010/355

CUELLAR'S REJECTION, ARIAS STELLA'S RESIGNATION VIEWED

Details Given

Lima EQUIS X in Spanish 13 Oct 81 pp 14-16

[Text] On Tuesday, 6 October, at 11 pm, shortly before the first hour on Wednesday, the seventh, which was the birthday of President Belaunde, the president and an intimate group of friends met for dinner at the exclusive Agua Viva restaurant, at the invitation of Foreign Minister Javier Arias Stella. It was a cheerful and friendly dinner that went on until after one in the morning. That same Wednesday, after working in his office all morning, FBT [Fernando Belaunde Terry] went to relax in Mala. Arias Stella spent the whole day in his office in Torre Tagle. At 6:00 pm Arias Stella received an urgent call from Senator Oscar Trelles. To his complete surprise, that afternoon the vote had been taken to ratify the ambassadors, and Javier Perez de Cuellar had been voted down. On learning this, Arias Stella canceled all his future engagements and started to write his resignation. It was a short text in which Arias Stella essentially points out that he accepted the Foreign Ministry position to serve Peru's higher interests and that, because he considered the nonratification of Perez de Cuellar contrary to these interests, he felt obligated to resign.

Two Hour Conversation With Ulloa

With his resignation in hand, Arias Stella went to the palace at 7 pm on Wednesday, the seventh. President Belaunde had just returned from Mala, and he was resting for a few moments. Arias Stella spoke with Violeta Correa, and explained what had happened. About his resignation he said, "Please deliver my letter to the president tomorrow. I do not want to bother him on his birthday."

Violeta promised that she would do this, and she did. On the following day, very early in the morning, the President received news of the voting down and of the resignation. He immediately spoke by telephone with Ulloa, who at that moment was in the United States. Their conversation lasted more than 2 hours. Conclusion: not to accept Arias Stella's resignation and to personally inform Javier Alva Orlandini of his displeasure over the arbitrary action committed against Perez de Cuellar.

Perez de Cuellar's Statement to EQUIS X

"The Senate's failure to approve my appointment as Peruvian ambassador to Brazil did not surprise me so much because it is a denial of confidence as because it is the result of an obvious maneuver by a minority of 19 senators comfortably taking cover behind their secret vote. What this means is that I do not consider myself rejected by the Senate but by a ridiculously low fraction of its members. However, the result of this maneuver is the same as that of a genuine majority rejection. For this reason I believed it my duty to resign the post that I currently hold as legal adviser to the Foreign Ministry. It seems to me that this is the reaction that must be shown by a diplomatic official who for 41 years has rendered service to the nation and who does not believe that he has to adapt himself to any kind of partisan political maneuvers."

Voting Down With Treachery and Profit

The voting down of Perez de Cuellar was not the result of chance but of a long parliamentary "operation" that was carefully planned and calculated. Let us look at the proof. The list of ambassadors to be approved was presented to the Senate months ago and the voting on this matter was postponed time and time again, until it was decided, secretly, to have the voting on Wednesday, the seventh. Why? Because on that day many senators were going to be absent from the session, some on leave and some with permission, and several because, since Thursday was a holiday, they wanted to take advantage of the long weekend. In fact the following did not attend the session: Luis Alberto Sanchez, Jorge del Prado, Carlos Enrique Melgar, Manuel Ulloa, Genaro Ledesma, Carlos Manuel Cox, Rolando Brena, Ricardo Napuri and several more who certainly would have voted for Perez de Cuellar. Thus there would not have been any kind of voting down. Those who engaged in the maneuver to insure the success of their "operation" proclaimed to the city and to the world that the session would be devoted exclusively to the Strike Law. The approval of ambassadors was absolutely unexpected.

Explosive Letter From Bustamaente y Rivero

Before leaving for Spain, former president Jose Luis Bustamaente left a letter addressed to the president of the Senate protesting in extremely harsh terms the injustice committed against Javier Perez de Cuellar and demanding that it be corrected immediately. In view of Perez de Cuellar's resignation, however, the Senate no longer has anything to do. This resignation makes Javier Perez de Cuellar available for diplomatic service in such a way that he can be called at any moment for another important post that the government may choose "and that I might accept" Perez de Cuellar told EQUIS X. Nor does his resignation affect his candidacy to the secretary generalship of the United Nations, for which his chances are increasingly greater.

AP Leaders' Attitude Criticized

Lima CARETAS in Spanish 12 Oct 81 p 22

[Article by Manuel D'Ornellas: "The Hard Line"]

[Text] It seemed like the rerun of an old film or the repeat of a persistent nightmare: there was Javier Alva Orlandini rebelling against an initiative by the chief and founder of his party, Fernando Belaunde Terry, at the moment of voting in the Senate, together with the group of members of parliament loyal to him--the appointment of Javier Perez de Cuellar as ambassador to Brazil.

Like forgotten storm clouds, old confrontations cleaved one's memory between FBT [Fernando Belaunde Terry] and Mario Villaran Rivera, at the beginning of his previous government and with Edgardo Seoane Corrales, at the end of his first administration.

The recurrence of this phenomenon reduced the impact, last Wednesday, of the collision between the president and the senatorial bench of his party. We already know that novice emotions--in love as in politics--cannot be reproduced.

But the Perez de Cuellar "affair" is, however, different from those cases--which are well known--of populist lack of discipline. In the episodes protagonized by Villarae and Seoane one easily observed an ideological undertone that today not even the most dilligent of Diogenes' rivals would go forth, lamp in hand, to seek.

What collided on this occasion is the vision of what the government must be: the expression of a party--People's Action--or the crystallization of national unity. For Alva, the government must exclude those who did not follow, firmly, the partisan line in all spheres, which is what he said Friday in Huancayo. For Belaunde, Peru needs the cooperation of its best elements, no matter where they may have been in those 12 long years of military dictatorship. The Alva faction, in other words, is hoisting the flag of intransigence; FBT is raising the banner of tolerance and effectiveness.

It is a mistake, however, to think that only Alvaism stoned Perez de Cuellar in the upper chamber. All indications are, rather, that together with the Alva sector there were also members of parliament close to Sandro Mariategui because, truthfully, this hidden intransigence has won almost the whole partisan body. Let us remember that last year most of the populist leadership opposed the agreement with the PPC (Popular Christian Party) that Belaunde finally imposed at his own risk, and that the AP top brass tried to convince FBT--in vain--to retire the high-ranking military officers who were most active during the previous government.

In the official party, said in another way, the hard line prevails, whose greatest exponent--does anyone doubt it?--is the priestly senator from Cajamarca. In the palace, on the other hand, moderation is established.

If we strictly consider this dichotomy, we will see that it was constantly present in the relations between Belaunde and his party. The chief of state always boasted that he was the "president of all Peruvians" before bragging about his position as leader of a partisan movement. This was so in his previous administration and certainly now.

But this opposed point of view did not cause bigger problems while the partisan spokesman kept to their own sphere, respecting the presidential area. On violently entering a field that constitutionally was alien to them until the Magna Carta of 1979 was passed--the ratification of ambassadors--the first conflict between hard and soft liners occurred. And People's Action became, in fact, the opponent of the executive from its parliamentary position, with the unpredictable consequences that this brings.

9545
CSO: 3010/187

ALVISTAS' PLOT REPORTEDLY LED TO DE LA JARA'S RESIGNATION

Lima EQUIS in Spanish 13 Oct 81 p 24

[Text] It was 1715 hours on Monday 5 October when President Fernando Belaunde said to a meeting at the palace of all the AP [Popular Action] and PRC [Popular Christian Party] members of parliament, "It seems to me a very good idea for the minister of the interior, Jose Maria de la Jara, to be invited to the Chamber of Deputies to make a report on his handling of the ministry. If the chamber so wishes, I have no objection to his being invited. Well, now I must go..."

The representatives locked at each other, most with satisfaction (the Alvistas) and a few with dissatisfaction (the Ulloistas). They all recalled the threat or warning made a few days earlier by Jose Maria de la Jara: "If the party group in parliament decides to invite me to the chamber, I will resign." It was an understandable announcement. The diminutive minister knew, and knows, that the Alvistas wanted his head (according to the president of the Senate, Javier Alva, de la Jara was hiding his head like an ostrich) and that his coming to the lower chamber would not result even in a superficial resolution of his problems.

Belaunde had hardly stepped down from the small platform used at Monday meetings, leaving Luis Percovich and Javier Alva in charge, when the rumors began flying in all directions through the room: "The president has changed his mind," "The president has decided de la Jara must go." The one who was visibly upset was Deputy Pablo Antonio Calle, (He believes that every leftist is a terrorist and vice versa.) In fact it was Calle, who, after the meeting had discussed what the government's priority projects should be, stood up and said to Belaunde: "Minister de la Jara, at the last meeting in this same room, and at the palace, Minister de la Jara again, this time with General Ipinze present, explained the situation and we agreed that the minister of the interior would not be invited to parliament. But a few days later, much to my surprise, I learned that a group of deputies were collecting signatures toward a motion to invite the minister. I learned they had collected a great number of signatures. An agreement has been violated. I would like to know your opinion on this, Mr President."

Once Belaunde gave his support to the motion opposed by the Ulloista Calle, the Alvistas felt entitled to continue advancing with greater energy. A few minutes after Belaunde left the meeting, Dagoberto Laynez brought out from one of his pockets the motion, signed by a significant number of deputies, and asked for the signatures of all of them. Since the president had spoken, even friends and spirited defenders of Minister de la Jara like Elias Mendoza added their names.

No one declined to sign; there was complete unanimity. The motion was to be presented on Tuesday, 6 October, or Wednesday, 8 [sic] October.

While signatures were still being collected, however, Luis Percovich and Javier Alva had to leave and the chair devolved on Rodolfo Zamolloa, the populist leader in the Chamber of Deputies. It was he who convinced the chamber to table the motion "in order to reflect on it further" until this week, when a decision was to be made.

The Alvistas, who control the majority in the populist ranks, have already made their decision: to invite de la Jara to the chamber. This decision was to be ratified by the weekly meeting of the government parliamentarians at the palace yesterday, 12 October. So de la Jara's hours were numbered, unless at the last minute Belaunde himself were to save him.

11,989
CSO: 3010/179

CIRCUMSTANCES LEADING TO CABINET RESHUFFLE ANALYZED

Lima EQUIS in Spanish 13 Oct 81 pp 4-6

[Text] If the cabinet crisis expected throughout the national political scene for weeks had not taken place before today, that fact is due entirely to President Belaunde's conviction that one of the total of two errors he admits he committed during his first administration was that he changed ministers too much. (The other was not to appear often enough on television.) As a result, in this second administration he tries to hold on to them against winds and tides. (The only exceptions have been Eduardo Orrego, who preferred to be mayor of Lima rather than minister of transport, and Luis Felipe Alarco, who was "kicked upstairs" to UNESCO in Paris.) As for television, the chief of state is now making the opposite mistake of appearing even when he is in no condition to do so, which is much worse.

But the simultaneous and unconcealable failure of several of the present members of the cabinet led by Ulloa and Kuczynski, including the failure of the two principal figures, seems at the verge of forcing the hand of architect Belaunde and causing the first ministerial change of his second administration. The crisis should have occurred on 1 October. Only the proximity of the 13th (unlucky number!) anniversary of the Velasco revolution could have postponed the outcome.

As it happened, the minister of war, Gen (ret) Jorge Muniz Luna came within an ace of being an unexpected factor precipitating the fall of the cabinet. He is blamed for the unusual delay in this year's military promotions, which by now should have been announced and hailed with praise. General Muniz has been called responsible for the lack of an announcement. It is stated that the minister tried to influence who was to be promoted, tried, since his role is political, to change the list on political grounds, and that he collided with the resistance of the army commander, Gen Otto Elespuru, who reportedly was defending a strictly technical and military rationale. Besides, this figured in with a whole series of confrontations between the War Ministry and the High Command, one involving the exhibition of the evacuation hospital (a gift from Russia from the time of the Huaraz schism), which General Muniz opposed, because it constituted an implicit refutation of populist Senator Angeles, who had stated that the hospital had "disappeared." Another minister in a notably weak position is clearly the minister of the interior. De la Jara had announced that he would automatically resign if the populist representatives voted to invite him to report to the Deputies or to the Senate on the declarations of PIP [Peruvian Investigative Police] leader General Ipinze against leftist members of parliament falsely accused of pressuring the judiciary in favor of the terrorists. It is known that the "Alvistas" have considered this another

proof of de la Jara's "weakness" and that they intend to invite him to appear in the course of the present debate on the subject. Also there is the proposal of Javier Alva himself to establish a "mandatory term of service in the police force" in order to fight terrorism. This measure is considered one which will strengthen the Civil Guard and drive the minister of the interior to distraction: either he supports the plan of the president of the Senate or he has to go. (The idea that there are two "military services, one the army and the other the Civil Guard," has not been welcomed at all by the green party, however; they have pointed out correctly that this would lead to having two armies.)

Health Minister Uriel Garcia, in turn, has been called by his own cabinet colleagues "the zombie" or "walking corpse" after becoming a laughingstock during the medical strike. His recent attempt to "return to life" through promoting the Amauta award for the teacher Alberto Hurtado has been counterproductive, because it served to remind everyone of the need to replace him.

Whatever the president may say, it is true that Energy and Mine Minister Kuczynski presented his resignation because of the possibility that, in order to reduce the fiscal deficit, there would be a revocation of the tax exemptions for mining companies which Kuczynski had managed to put through. Kuczynski had made his move not only in order to defend middle-sized Peruvian mining companies but also because he fears the elimination of the exemptions for large foreign mining companies (Southern) and multinational oil companies (Oxy, Superior, Shell) whose interests he serves.

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EVENTS LEADING TO STATE OF EMERGENCY DECREE DISCLOSED

Lima CARETAS in Spanish 19 Oct 81 pp 15-16

[Text] It is clear the entire democratic regime--and not just the minister of the interior--would have preferred not to be forced to suspend civil liberties just 15 months after the government was formed. However, last week the Tambo massacre as well as other circumstances made necessary a decision in accord with the proponents of the hard line--and with the terrorists also. This is what they wanted, a certain kind of validation.

It was Monday, 12 October, 1000 hours, when in their weekly meeting Jose Maria de la Jara y Ureta and his assistant interior minister, Hector Lopez Martinez, posed to President Belaunde the urgent need for a state of emergency decree in the five provinces of Ayacucho.

Lopez Martinez, who is a historian as well as an attorney, cautiously termed "misguided" the persons responsible for the escalation of violence, in order to avoid contradicting the thesis supported by the president himself that there is a certain similarity between the present wave of terroism and the terrorist strategy of "other nations."

Before going to Nana to have breakfast with his coreligionists, the president had already made his decision. The constitution gives the executive a range of options for declaring a state of emergency in a district, a region or the whole nation. He can choose simply to act administratively through civil authorities or he can put a specific area under complete control of the military. The middle path is to suspend certain constitutional guarantees, to establish a curfew, and to engage in vigorous police action.

The president chose the limited, selective approach. That afternoon, at 1630 hours, the subject was discussed at the National Defense Council and shortly afterwards at a special meeting of the Council of Ministers. There was unanimous support for the adoption of extraordinary measures and a consensus that the public opinion of the nation, and not only that of Ayacucho, is in support of a show of force in order to control the violence.

Negative Aspects

However, there are negative aspects to a state of emergency. Abroad, it creates the impression of instability. At home, it pleases the partisans of authoritarianism.

The events it brings about run the risk of irritating or radicalizing fringe elements who do not practice violence but can be pushed into it.

That is, after all, one of the goals of terrorism. One could even say that last week terrorists sought actively to extend the state of emergency to the entire nation through diverse acts of provocation. For although the number of bombings diminished in the controlled zone, in Cuzco three explosions caused damage worth 200 million soles at a commercial gallery and chased the guests of two hotels from their beds. In Lima, by placing three explosive devices at installations of Radio America and Channel 4--and making timely anonymous warnings--the terrorists won their greatest propaganda victory.

The directors of the Peruvian Broadcasting Sompany, S.A., their nerves understandably on edge, finally aired an editorial which, somewhat contradictorily, shouted to the television audience, "We have been left to the mercy of the terrorists," because "we have had help only from the Republican Guard and PIP [Peruvian Investigative Police]." They added, "These agencies do not have sufficient forces," and security "will be possible only when the minister of the interior gives more priority to this issue." They continued, "To sum up, terrorism is gaining and the government is doing nothing to stop it. Enough inactivity! We demand action!"

De La Jara's Head

Thus, live and direct, Channel 4 joined a vocal group calling for the head of de la Jara, a group which at times seems orchestrated by Javier Alva Orlandini himself. The Senate president, who in turn is joining in with the brutally realistic school of journalism which seems guided by some terrorist planner, declared emphatically on 16 October that no longer is there "any doubt that there are foreign terrorists working in Peru."

When CARETAS spoke with police authorities, they responded that they would like to have the information cited by Alva, because to date they had arrested only one suspicious French woman in San Miguel.

In any case, considering the real terrorist attacks, the new bloody events, combined with crude realism from certain politicians and the magnification provided by a press prone to exaggerate any incident, this mysterious outbreak of industrious sedition was achieving its main goal, that is, to create terror.

One indication: so far this year there have been 12,000 requests for gun permits, three times the number for 1980.

Meanwhile, the actions of the joint command of the Ayacucho police operations confirmed that quite apart from speculations about a connection with Colombian drug trafficking or with schizophrenic Cuban support, it is a fact that in this ancient, beautiful and poor part of Peru we have a curious phenomenon, indigenous and extremist Andean Maoism, which, though it consists of only a few persons, has succeeded in spreading violence and attacking democracy.

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EDITORIAL LAMENTS POLITICIANS' ALIENATION FROM PEOPLE

Castries THE WEEKEND VOICE in English 17 Oct 81 p 2

[Editorial: "Political Behaviour"]

[Text] IT must be asked what it is that makes persons in political power get on in this peculiar way.

What is it that makes people, once they are ushered into office kick the ladder by which they did ascend.

The former Prime Minister Mr. Louisy was famous for reminding us soon after the 1979 election that the politician is the "servant" of the people and not the other way round. But, Mr. Louisy, when the time for him to demonstrate recognition of this fact, performed just like the other politicians. He did so by denying the people their demand for new elections following the defeat of his budget in April and during the political crisis which followed.

Successive governments in St. Lucia appear to have fallen into the same pattern of alienating themselves from the populace to the extent where they are completely out of touch, display arrogance in responding to the cries of their people and refuse to bow to popular demands.

The leadership struggle was another case in point where politicians fooled themselves in believing they were championing the cause of the people. We continue to pay the price of this folly to this day.

Acting Governor Boswell Williams was no different. In separate discussions with delegations from the Chamber of Commerce and Teachers' Union at the height of the post-budget crisis, Mr. Williams is said to have displayed complete amazement when told that there was a popular demand for new general elections.

The way spokesmen for these two delegations told it, the acting governor could not, or refused to understand why people should be protesting and calling for the dissolution of Parliament.

Now Mr. Josie, all the way in New York has followed the same trend. Mr. Josie is reported to have told North American investors that recent reports of financial mismanagement and political instability in the Government were mere ploys by the opposition to "create confusion in the minds of St. Lucians". He also said that the fact that St. Lucia's economy was in trouble did not make St. Lucia unique in that respect.

One could understand why the Minister should say these things to an overseas audience, but we fail to understand why the Minister should have such statements conveyed to the ears of St. Lucians at home who are well aware of the TRUE state of things in the country.

In saying all that, however, we must admit that we are heartened by the news relayed by Mr. Josie that investors are now returning to St. Lucia "and are beginning to take an active part in the economic life" of the island. And we hope, for St. Lucia's sake that these investors do not suffer any change of heart.

For the past two years and three months of Labour Party rule, St. Lucians have had many promises but little to show for it.

CSO: 3025/53

NATIONAL FREEDOM PARTY LISTS 20 CANDIDATES FOR ELECTION

Port-of-Spain TRINIDAD GUARDIAN in English 23 Oct 81 p 1

[Text] NATIONAL Freedom Party (NFP), one of the outsiders in the elections race, yesterday announced 20 of its proposed 34 candidates in the November 9 polls.

The presentation of the candidates at the Hotel Normandie, St Ann's indicated that so far the NFP led by barrister-at-law Ramdeo Sampat-Mehta is pinning its faith primarily on men.

Of the 20 candidates — average age 32 — five of them are women.

In an address at the ceremony which was held outdoors after an electricity outage threatened to mar proceedings Mr. Sampat-Mehta declared that the nation would wake up shocked on November 10, the day after General Elections.

FROM BEHIND

He said the People's National Movement (PNM) and the Organisation for National Reconstruction (ONR) were struggling for the votes of 30 per cent of the electorate but the NFP was aiming to capture the remaining 70 per cent.

The NFP leader pointed to his colleagues who like himself would be facing the electorate and stressed that they were representative of the grassroots of Trinidad and Tobago.

"We are coming from behind and we will win by a six-length lead. When the votes are counted the people of Trinidad and Tobago are going to wake up to one of the biggest shocks in their lives," a confident Mr Sampat-Mehta declared.

He added that NFP had criss-crossed the country with its meetings and would be coming to the rescue of dissatisfied nationals in Trinidad and Tobago like a bolt from the blue.

Earlier, Mr Sampat-Mehta had claimed that it appeared the authorities were trying to sabotage the NFP because it was the third time for the current election campaign that lack of electricity threatened to dampen a function organised by the party.

The next 14 candidates are due to presented on Sunday at a NFP ceremony scheduled to start at 1 p.m. at Charleville near to the curry factory.

The following are the candidates so far for the NFP:

FELIX GIROD, 38, auto garage proprietor ... Tunapuna;

MS BERNADETTE JOSEPH, 21, accounts supervisor ... St Augustine;

COURTNEY ROSALES 31, shipping agent ... Arouca;

AMEER ALI, 49, electronics specialist ... Siparia;

MS LORNA BAPTISTE, 23, fashion designer ... St Ann's West;

NARINE SINGH, 28, businessman ... Naparima;

NAZRUDEEN YACOOB, 26, labour consultant ... Tabaquite;

NATHANIEL FERGUSON, 31, agriculturist ... Port-of-Spain South;

SURESH LAKSHMAN, 30, engineering technician ... San Fernando West;

JOSEPH SANKAR, 41, building contractor ... Couva North;

HERBERT JOHNSON, 30, agriculturist/farmer ... Laventille;

MISS DEBRA MARIN, 19, sales trainee ... Diego Martin East;

RAMLOGAN SINGH, 56, businessman ... Couva North;

FAISAL ZAINOOL, 22, teacher/accountant ... Oropouche;

MISS PRABHUDAI RAMDHANIE, 21, catering supervisor ... Princes Town;

KENRICK CHARLES, 26, businessman ... Port of Spain;

AZIZ KHAN, 30, businessman ... Nariva;

GERALD ASSEE, 28, insecticide manufacturer ... Caroni East;

MS DULCIE JOHN, 44, businesswoman ... Arima; and

RAMDEO SAMPAT MEHTA, 43, barrister-at-law ... Chaguanas.

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CHAMBERS OUTLINES POLICIES IN PRE-ELECTION ADDRESS

Port-of-Spain TRINIDAD GUARDIAN in English 22 Oct 81 p 1

[Article by John Babb]

[Text] The Trinidad and Tobago Government has not closed its mind, or the door, on regional matters of a joint venture nature aimed at removing the English-speaking Caribbean territories from the stranglehold of the developed countries, Prime Minister George Chambers told a large audience at San Juan on Tuesday night.

Ignoring any sort of celebration and opting to speak on "Foreign Policy" on the night of his 25th wedding anniversary, he assured the cheering crowd that "Williams's policies are now Chambers's."

Mr Chambers was speaking at a public meeting organised by the People's National Movement (PNM) of which he is Political Leader. It was held in support of his candidacy in St Ann's East in the forthcoming General Election, November 9, as well as the candidacy of his party colleagues--Mr Sham Mohammed (St. Joseph), Mr Kamaluddin Mohammed (Barataria) and Mrs Muriel Donawa-McDavidson (San Juan).

The meeting was chaired by party foundation member and former Minister for Home Affairs, Mr Gerard Montano.

Mr Chambers said he was replying "to a certain political leader who is very fond of three-piece suits, and of television, who had accused the Government of surrendering leadership in the Caribbean; that the Government had erected a cold wall, and had lost contact with the outside world."

Seven Areas

He said he did not wish to deal at length with the United Nations (UN), the Organisation of American States (OAS), the Non-aligned Movement, the Third World, and the international financial community. But Mr Chambers pinpointed seven areas in foreign policy where Trinidad and Tobago made its mark.

Since the establishment of the World Bank and the International Monetary Fund (IMF), he recalled, the only country in the Caribbean which has had the distinction of having its Minister of Finance (Mr Chambers himself) elected as chairman of the Bank and the IMF was Trinidad and Tobago.

"And there was a certain irony about this," he recalled.

At the meetings at which he presided as chairman there were the Minister of Finance of France, who subsequently became President of France; the Minister of Finance of Germany, who later became Chancellor of Germany; the Minister of Finance of Nigeria, who became President of Nigeria; the Minister of Finance of Mexico, who is now President of Mexico; the Minister of Finance of Canada, who became a contestant for the leadership of the party which now controls Canada.

"And now by curious coincidence," he said, "the Minister of Finance of Trinidad and Tobago, who is now Prime Minister."

Right of Accession

Mr Chambers also recalled that soon after Trinidad and Tobago's accession to Independence, the PNM began to consider what it should do in respect of the OAS. He had the distinction of serving on the party's committee on this subject. After parliamentary approval, Trinidad and Tobago became a member of the OAS, thus also gaining automatic right of accession to the Inter-American Development Bank (IADB).

On entry into the OAS, one of this country's first directives was the question of Guyana, which, under the OAS Charter, was debarred from membership because of its border problem with Venezuela.

It was the late Prime Minister who raised the matter initially with the then President of Venezuela. Ultimately, Trinidad and Tobago began to fight at the level of the IADB, as distinct from the OAS,pressing for the admission of Guyana on the ground that there was no justification for a struggling Third World country to be debarred from accession to funds made available to Third World countries in the Hemisphere, just because that country had inherited a dispute over which it had no control.

Charter Amended

"We fought that battle in the Bank without any tremendous amount of support from Caribbean colleagues," said Mr Chambers. Eventually, the Bank's Charter was amended to permit Guyana entry.

The Prime Minister also spoke of Trinidad and Tobago's effort in relation to the Caribbean Development Bank (CDB) whose President was a distinguished Trinidad and Tobago national.

It was on the initiative of the late Prime Minister that Trinidad and Tobago established a Special Fund to provide counterpart funds for the less developed Caricom territories who wanted loans from the CDB.

He spoke also of Trinidad and Tobago's role in the decision of establishing an Interim Committee on General Development of the bank and Fund, which paved the way for current discussions on the new international economic order.

Founding Member

Mr Chambers also revealed that Trinidad and Tobago was one of the founding members of the Group of 24--a U.N. agency. "We have been so effective," he said, "that the chairmanship has now fallen to Trinidad and Tobago. And pretty soon, the chairman, Mr Victor Bruce, will be hosting the Group of 24 in Trinidad and Tobago," he said.

The Prime Minister dealt also with the Caricom Oil Facility--a facility that was set up on the initiative of the late Prime Minister to assist Caricom countries who were suffering from high energy bills.

Mr Bruce was also chairman of this facility which offered the less developed countries loans at two per cent interest, and the more developed, at three per cent, with generous moratoria.

"And if they don't have the money to pay us back, they can pay us back in products which we buy from them," explained Mr Chambers.

In respect of liquidity, Mr Chambers also told how the IADB and the CDB were permitted to raise money on the Trinidad and Tobago market to assist other countries.

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ONR RELEASES MANIFESTO ON FOREIGN POLICY, ECONOMY ISSUES

Changes in Taxation

Port-of-Spain TRINIDAD GUARDIAN in English 23 Oct 81 p 1

[Text]

ORGANISATION for National Reconstruction (ONR) plans reviewing the entire taxation structure in the country aimed at removing tax burdens on income earners and incentives to the business sector.

Proposals for the revision are contained in the party's manifesto presented at Woodford Square last night and, according to Mr. Karl Hudson-Phillips, the political leader of the party, will be in the provisions of the 1982 budget under an ONR Government.

The comprehensive 164-page manifesto is divided into 19 sections dealing with all aspects of life in Trinidad and Tobago.

On personal income tax, the party has proposed an increase in the personal allowance to $5,000 and the non-working spouse allowance to $2,500 and child allowance to $1,500.

The allowances for housekeeper and dependent is proposed at $2,400 each.

Unemployment levy will be abolished, according to the ONR, while on Corporation Tax the rate will be revised and provisions made for different rates of taxation for different types of corporate activities including the small business sector.

Citizens over 60 years will also be granted additional monthly tax free allowances of up to $1,000 under the proposals of the ONR.

DOUBLED PENSIONS

The party also had pledged to double the present pension of $100 a month for old age pensioners.

ONR according to the manifesto appreciates that the public attitudes towards the existing tax structure "are purely negative and the manifesto goes on: "Their negative attitudes are as a result of the excessively high marginal rates of taxation and the misuse of the tax revenues by the existing Government."

On Taxation, the ONR Manifesto states:

The ONR's proposals for Personal Income Tax will contain the following characteristics:

(1) The existing tax structure will be simplified

(2) There will be an annual depreciation allowance for owner-occupied property which will be deductible for tax purposes. A 100 per cent allowance will be made on the installations of guttering, water tanks and cisterns.

(3) There will be allowances for rents paid by land, residential and agricultural tenants.

(4) Provisions will be made to increase personal, child, spouse, housekeeper and dependent relatives allowances:-

(a) Personal allowance will be increased to $5,000.00

(b) Non-working spouse allowance will be increased to $2,500.00

(c) Child allowance will be increased to $1,500.00

(d) Housekeeper and dependent relatives' allowance will be increased to $2,400.00

(5) Capital Gain's Tax for individuals will be revised to encourage the individual to invest and retain investment as opposed to investing for trading purposes.

(6) Union dues paid by employees will be deductible

(7) Donations to certified charitable, cultural, social and sports bodies will be deductible.

(8) An additional monthly tax free allowance will be granted to citizens sixty (60) years and over. Receipts, whether by way of income or pension, of less than $1,000 a month will be tax free.

OVERTIME TAX

(9) A reduction of taxes

paid on overtime work. A special regime will be established for over-time payments, with a limit of twenty cents (.20°) in the dollar.

(10) Special Allowances (Maintenance Grants) will be given for secondary, technical and vocational students in Trinidad and Tobago and for those attending UWI full-time or part-time. These Allowances will also be provided for any courses of study not available at UWI.

The ONR's Tax structure recognises that the non-oil sectors of the economy do not have tax incentives which are sufficient to encourage investment in new plant and equipment, and in developing and expanding job opportunities in the nation.

The ONR is also aware that when incentives and concessions have been granted to specific sectors and groups, the private enterprises have, more often than not, failed to provide the population with goods and services in sufficient quantity, of high quality and at reasonable cost.

The ONR's proposal for Corporation Tax will contain the following characteristics:-

(1) The rate of corporate tax will be revised. Provisions will be made for different rates of taxation for different types of corporate activities, eg:

- the small business sector
- the introduction of new and improved technology
- the establishment of completely new activities which widens and deepens the country's industrial base
- the production processing of locally grown agricultural produce (including fisheries)

(2) New plant and machinery costs will be allowed to be written off within five years for taxation purposes. For the basis of costing of goods and services, plant and machinery will be allowed to be written off over the economic or technological life, whichever is shorter.

(3) All employers in the manufacturing sector will be allowed to write off the expenses incurred for each new job position enlisted after January 1st, 1982 at these rates:-

Year One - 125% of employee's wages
Year Two - 120% of employee's wages
Year Three - 115% of employee's wages
Year Four - 110% of employee's wages
Year Five - 105% of employee's wages

(4) Export allowances will be simplified so that there will be no corporate tax due on the profits from locally produced goods and services which are exported. Additionally, an Export Insurance system will be immediately implemented.

(5) To encourage corporate social responsibility, full deductions will be granted for all expenses incurred in the provision and support of charitable, cultural, social and sports bodies.

(6) A complete review will be undertaken of the negative list, the import licensing and quota systems, purchase tax, etc.

These incentives to the business sector will be supported by safeguards which will ensure that the citizens of the country and the Government will be protected from unscrupulous practices which may occur.

Commitment to Caribbean

Port-of-Spain TRINIDAD GUARDIAN in English 23 Oct 81 p 3

[Text]

THE ORGANISATION for National Reconstruction will use four principles to guide its foreign policies if elected to form the next Government.

This is contained in the manifesto of the party presented at Woodford Square last night.

Policies are:

- Opposition to racism, extremism, oppression and colonialism;
- Careful promotion of the vital interests of Trinidad and Tobago;
- A commitment to the Caribbean and its peoples; and
- Non-intervention in the domestic affairs of other countries and non-proliferation of nuclear weapons and armaments in the Caribbean and Latin American areas.

In its plans for foreign policy, the ONR has stated it will take steps to protect and advance the vital interests of the people of Trinidad and Tobago.

There will be a special place for the Caribbean in the foreign policy of an ONR Government, it was also stated.

NO COMPROMISE

The manifesto stated that the ONR was committed to the maintenance and strengthening of the democratic way of life in the Caribbean

On Foreign policy the manifesto states in part:

"The ONR will be vocal against racism in sports. While we congratulate the peoples of New Zealand for their heroic opposition to the South African Rugby Tour of their country, we condemn the fact that the United States Government has permitted the same Rugby Team, as a representative group from racist South Africa, to tour and play in that country. We will discourage sporting ties with all countries and sportsmen who encourage, by participation and otherwise, apartheid in sport.

"The ONR will not compromise on the questions of racism and oppresion of people anywhere in the world."

Promotion of the Vital Interests of Trinidad and Tobago:

"The ONR will take positive steps to protect and advance the vital interests of the people of Trinidad and Tobago. In this regard, the ONR will reappraise the cost, functioning and purpose of existing embassies, missions, consulates and offices of the Trinidad and Tobago Government and its agencies abroad.

"This re-appraisal will emphasise the usefulness of these offices in terms of the political and commercial interests of Trinidad and Tobago abroad. In addition, increased emphasis will be put on the necessity of service and information to Trinidad and Tobago nationals abroad.

"We will actively encourage our non-resident citizens, particularly those who are trained and qualified, to come back home to assist in the national reconstruction.

"The ONR is committed to the closing down of the office of the International Marketing Organisation in Geneva.

"Where on examination any mission, embassy or office is to be disbanded, personnel will be redeployed in the service.

ONR Commitment to Caribbean Peoples:

"The Caribbean must have a special place in the foreign policy of an ONR Government. This must be so because of historical, cultural and economic considerations. The present Government has no policy for the Caribbean. The ONR will increase the level of diplomatic relations with the Caribbean by direct representation or by accreditation.

PEACEFUL SOLUTIONS

"The ONR is committed to the maintenance and strengthening of the democratic way of life in the Caribbean. While we strictly adhere to the principle of non-interference in our internal affairs, or by any, in the internal affairs of Caribbean nations, we will not support racism, oppression or the violation of fundamental human rights.

"We will accept ideological pluralism but will resist any attempts to impose alien or foreign domination in any form on the Caribbean people.

"The ONR will resist the importation into the Caribbean of super power conflict and will avoid being embroiled in the time consuming international ideological debate. We are against the Caribbean becoming a theatre of conflict for the super powers and will work for the peaceful resolution of all areas of conflict within the Caribbean basin and Latin America.

"The ONR will seek to revitalise and widen the framework of the present CARICOM agreements. We reaffirm our commitment to our regional institutions while insisting that Trinidad and Tobago take its rightful place as the logical leader, economically and culturally, of the region.

"We will play a positive role in assisting in the elimination of social inequalities and injustices in the region as a necessary element in strengthening the democratic framework of our peoples.

"The ONR stands firmly committed to the preservation and maintenance of the University of the West Indies as a Caribbean Institution of international academic status and repute.

"In support of this stand, and in recognition of the very poor and inadequate student housing accommodation on the St. Augustine Campus, the ONR proposes as a matter of priority the immediate construction of adequate student residences to meet the needs of that entire student body.

Non-Intervention in the Affairs of Other Countries:

"The ONR Government will neither intervene in the domestic affairs of other countries nor will we permit interference by any country in the internal affairs of Trinidad and Tobago.

"While we see ideological pluralism as a fact of international life, we will not tolerate attempts from any quarter to destabilise Trinidad and Tobago, politically or otherwise.

"We will respect the sovereignty and territorial integrity of all States. We believe that there must be a rational and peaceful settlement, without resort to arms, of all territorial disputes. Such disputes must be settled by recognised international arbitral procedures.

"Within the limits of our resources, we will support the right of self-determination for all subject peoples. We will continue the struggle against colonialism until such a system is banished to the history books.

HIGHEST RESPECT

"We will accord respect to all nations but we will demand, on behalf of the people of Trinidad and Tobago, that we as a nation are accorded the highest respect.

The Proliferation of Nuclear Weapons and the Arms Race:

"The ONR is in favour of the peaceful uses of nuclear energy. We will be against the proliferation of nuclear

weapons and will condemn the useless build-up of armaments on the international scene. We believe that genuine peace can be achieved through mutual respect and dialogue without the necessity for massive investment in armaments and new weapons of war.

"In a related sense, the ONR is against international terrorism, hijacking and like crimes which use the lives of innocent people for international blackmail of any sort.

International Institutions:

"The present Government has failed to make use of the vast opportunity being provided for information, training and the transfer of technology provided by the various international organisations of which we are a member.

"In addition, our diplomacy has been characterised by a non-profile and non-presence in several important international forums. The ONR believes that it is time we had a voice in the world.

"The ONR will actively support the United Nations and all its specialised agencies and obtain the maximum benefit for our country and our citizens from these bodies.

"We will continue an active support of the Commonwealth and retain an active presence in the groups of the ACP countries and the OAS.

"Under the ONR, Trinidad and Tobago will be more actively involved in the North/South dialogue and will take steps to encourage the formulation of a new international development strategy with emphasis on the achievement of national self-reliance in the Third World.

The Ministry of External Affairs:

"The Ministry of External Affairs' Headquarters in Port of Spain will be restructured in order to provide the necessary direction and information to all Trinidad and Tobago missions and offices abroad. It will be made to keep in close touch with all areas of national policy and the Ministries and agencies carrying out the same.

"In this way it will be equipped to provide full back-up services and information on matters touching the vital interests of Trinidad and Tobago.

"The Ministry of External Affairs will be a separate and independent Ministry held by a Minister who will have no other portfolio. The posts of Inspectors of Missions will be reviewed as an important element in ensuring high level functioning of all overseas offices and agencies.

POSTAL BALLOT

"There will be regular rotation of diplomatic officers on due notice by specific tours of duty with proper arrangements made for disturbance allowances for officers on transfer according to comprehensive regulations to be redrafted.

"The salaries and terms and conditions of diplomatic and locally recruited staff will be reappraised in the light of local variants, inflation and other peculiar circumstances in the particular foreign country.

"Provision will be made for all diplomatic representatives of Trinidad and Tobago abroad to be permitted to vote by postal ballot

"The restructuring and reorganisation of the Ministry of External Affairs will take into account the special role which Trinidad and Tobago has to play as the economic and cultural leader of the Caribbean.

"In this regard, consideration will be given to the creation of posts of Cultural Attaches, particularly in the Caribbean and North America.

"Such Officers will be complementary to the provisions which the ONR Government will make with respect to our artistes, composers and performers.

"Commercial Attaches will be appointed, bearing in mind the specific commercial and economic interest of Trinidad and Tobago and the 'Exporting to Survive' programme which will be instituted."

CSO: 3025/54

EDITORIAL SKEPTICAL OF BISHOP'S PROMISES FOR GRENADA

Port-of-Spain TRINIDAD GUARDIAN in English 9 Oct 81 p 8

[Editorial: "Bishop's Dubious Promises"]

[Text] MR. MAURICE Bishop, the Prime Minister by coup of Grenada, is either slowly coming to his senses or he is becoming even more slippery and devious than ever.

That is why we look askance at his announcement in Melbourne, Australia, that he is likely to hold general elections in his country in answer to questions posed at a news conference towards the end of the Commonwealth Prime Ministers conference.

Mr. Bishop reportedly said, "Our own preference in terms of the timing of the election is that the election should in fact come after a new constitution has been drafted — a constitution which we would like to see submitted for popular discussion through a consultative assembly and thereafter submitted for popular approval through a national plebiscite and under this new constitution we would like to see the elections coming.

"An exact date I cannot give you at this time."

This is all too good to be true and we think Mr. Bishop's track record would make the introduction of the new constitution the longest of long shots for coming into existence. We suppose that the constitution will come into effect sometime after the promised Press policy under which he will (as promised) permit the establishment of independent newspapers in Grenada.

In our view the release of proper formal trial of those hundreds of people now so long detained by the Bishop regime would be the first sign that Mr. Bishop intends to lead his country back to democratic paths.

The unfettered re-introduction of free and independent newspapers in Grenada would be another genuine omen while the orderly preparation of the electoral procedures are undertaken.

In advance of all this, of course, we await the encouragement to other voices than those of Mr. Bishop's cronies to discuss the affairs of Grenada openly.

The silence from people like Mr. Herbert Blaize and his supporters is curious — and damning, if Mr. Bishop and his cohorts really mean what Mr. Bishop says.

CSO: 3025/54

TRADE UNION LEADER ACCUSES U.S. OF 'INTERFERENCE'

Bridgetown ADVOCATE-NEWS in English 28 Aug 81 p 1

[Text]

A Trinidad and Tobago Trade unionist has charged here that there was massive interference in the internal affairs of his country by the United States Government.

Mr. Michael Als, president of the Bank and General Workers Union, and also general secretary of the Council for Progressive Trade Unions in the twin island Republic, made the allegation at a news conference here yesterday.

He explained that the interference was manifested in what he said was the support being given to the Organisation for National Reconstruction (ONR) which is one of the parties expected to contest the upcoming general elections in that country.

Mr. Als pointed out that an American Public Relations firm which had successfully assisted candidates in the United States and Jamaica presidential campaign and general elections respectively had been giving professional advice to the ONR.

He said that the ONR was currently spending enormous sums of money in newspapers advertisements, adding that this money was being raised externally.

Mr. Als, who is also Chairman of the political organisation calling itself the People's Popular Movement (PPM), said the U.S. assistance to the ONR had prompted the Trinidad and Tobago Government to complain to the U.S. about the matter.

He said the threat from what he called the right wing forces had also prompted a number of organisations in the country to become united against the ONR. These include the National Joint Action Committee (NJAC), the official opposition, the United Labour Front (ULF), the PPM and other peoples organisations.

Mr. Als said it was in the interest of Trinidadians to block the ONR from coming close to the corridors of political power.

Mr. Als added that the ONR was getting the bulk of its support from certain sections of the business community, upper middle class, and sections of the Police, Army and Coast Guard Officials.

CSO: 3025/51

CUSTOMS, SECURITY MEN IN CRACKDOWN ON ARMS, OTHER IMPORTS

Port-of-Spain TRINIDAD GUARDIAN in English 22 Oct 81 p 3

[Text] SCORES of venders stood bewildered as they were confronted by heavily armed policemen with self-loading rifles (SLR's) in and around the Caricom Jetty, Queen's Wharf, Port-of-Spain, yesterday morning.

It was the start of a massive joint exercise involving Customs and Excise officers, members of the Trinidad and Tobago Police Service including plain-clothes men as well as seamen, soldiers with their metal detectors and Port Authority security guards.

Comptroller of Customs and Excise, Mr. Victor Cockburn, headed the Customs contingent; Asst. Commissioner (Crime) Winfield Hinds, the detachment of detectives while Asst. Supt. Desmond Prime led the uniformed policemen.

THOROUGH SEARCH

In the exercise many persons were stopped and a thorough search was made of vessels. Cargo was passed through the scanner to detect arms or ammunition, and bags and baskets were searched for narcotics and smuggled goods.

Mr. Cockburn, who had to hurry off to a meeting, left Customs Officer Neville Bridgewater and about 15 men to assist in the rummage of goods.

Information revealed that the exercise stemmed from numerous reports made by acting Sgt. Alic Prosper of Port Authority Security Guard Force with respect to the manner with which the venders were effecting sales in the area.

This, he said, conflicted with the Market Bye-laws which banned such sale of marketable produce within the one mile city limit. There were also complaints of littering in the area.

Customs Officer Bridgewater disclosed that all schooners coming to Trinidad from all Caricom countries, are to be properly checked for arms, ammunition and narcotics.

"We will be working round-the-clock in this exercise and busiest days will be between Tuesday evening to Thursday morning," he added.

Yesterday morning a number of boats were first checked by Immigration Officers at the Boarding Station, Wrightson Road, before mooring alongside the Caricom Jetty.

There crates, bags, cartons and boxes containing avocado pears, limes, corn, mangoes, dry coconuts, plantains, bananas, plums, sugar apples, chataigne and pommecythere among other commodities were opened and checked.

The M/V Gliding Star also brought in a cargo of sheep and goats which up to 1 p.m. were still on board awaiting arrival of the Port Medical Officer.

Bona Fide venders were allowed to enter the area in batches at varying intervals to avoid over-crowding. The exercise continues this morning.

CSO: 3025/54

BRIEFS

ENVOY FROM MEXICO--Mexico has assigned its first resident ambassador to Trinidad and Tobago seven months after it established the embassy. Yesterday, Mr Antonio C. Villalva Acevedo presented his credentials to President Ellis Clarke as Ambassador Extraordinary and Plenipotentiary of Mexico. The embassy was established in March to foster even more the excellent relations between both countries and to increase cooperation in the educational, scientific, technical cultural and economic fields. [Text] [Port-of-Spain TRINIDAD GUARDIAN in English 13 Oct 81 p 3]

PROTEST OF 'GUARDIAN'--Trinidadians continue to protest distorted and malicious press reports about the Grenada Revolution in their local media. Last Friday, members of the Committee Against United States Aggression (CAUSA) picketed the offices of the TRINIDAD GUARDIAN, to protest the propaganda campaign in the two daily newspapers. According to the EXPRESS of last Saturday, a CAUSA spokeswoman said CAUSA was determined to bring an end to attempts to destabilise the PRG, and to give Grenadians a chance to chart their own path of social development, "and further establish ties with any states and peoples in accordance with their rights to self-determination." CAUSA is also demanding that the Trinidad and Tobago government establish normal diplomatic and trade relations with the PRG immediately. [Text] [St Georges FREE WEST INDIAN in English 24 Oct 81 p 2]

CSO: 3025/56

SOCIALIST COUNTRIES MEET TO DISCUSS IDEOLOGICAL STRUGGLE

Caracas EL NACIONAL in Spanish 29 Oct 81 p D-12

[Article by E.B.]

[Text] "There are some minds who are able to dream and even to expound on the ways to improve socialism, who seem not to understand what to do, and that consolidating the revolution implies dealing with the consequences of reactionary activity, the aggressiveness of imperialism, and that it imposes a series of conditions that must be heeded. Cuba, blockaded more than 20 years ago and assaulted in all ways imaginable, is an example of the dramatic reality of this alternative."

This paragraph, taken from the speech by Jorge Barrata, member of the Historical Institute of the Worker's Movement from Cuba, and adjunct to the Communist Party Central Committee, reflects two concepts agreed upon by many of those attending the forum on "The Real Dimension of True Socialism".

The first of these concepts is that true socialism is what exists currently in socialist countries. It is that which strives for the material and spiritual well-being of mankind; that which does not permit inequalities between classes, which does not accept the exploitation of man by man. That which--as Miguel Acosta Saignes says--strives for peace.

The second thought refers to the obstacles to the full achievement of this "true socialism". The basic impediment can be summarized in one term: Capitalism.

The forum on "true socialism" is taking place in the Central Park in the midst of an austerity that would make President Herrera envious, with the participation of common people, workers, farmers as well as professionals, technical experts and outstanding ideologists, anthropologists, sociologists and academicians from the majority of the world's socialist countries, and in a climate of serious participation, without any conflict whatsoever.

Yesterday morning around 200 people were present. The international delegates pay all of their own expenses. The wealthier Venezuelans registered for 300 bolivares and the workers and farmers for 100. There is no display of interpreters or microphones, nor any appetizers, coffee breaks or cocktail hours. Only pamphlets, books and lofty ideological discussions are in evidence everywhere.

The absence of Poland, Rumania and Yugoslavaia was notable. They were all invited, according to Radames Larrazabal, one of the organizers of the event, but they all declined for one reason or another. Poland apparently spoke of its internal situation, which takes precedence for them at this time.

Anyway, many of the socialists present at the meeting in Central Park blame the communist party of that country for its current problems.

Yesterday the representatives of Cuba, Czechoslovakia and Venezuela spoke during the morning session.

The Soviet Union and the German Democratic Republic were scheduled to speak, but they did not arrive in Venezuela on time. They are expected to arrive today.

The objective of the forum is to hear directly from the representatives of each country the problems facing socialism. "Since the information about socialist countries that reaches Venezuela is for the most part distorted, we felt it was very worthwhile to hear from the socialist delegates themselves their statement of the difficulties they face in developing socialism within their respective nations. They have also listened to the questions posed by those attending the forum," said Miguel Acosta Saignes of the event.

Caracas has become an ideological discussion center with the realization of this forum, which constitutes a challenge by true socialism to bourgeois ideology in all of its forms," stated Radames Larrazabal.

"The reasons motivating the convening of this seminar belong to the realm of the ideological struggle. More than espousing a body of knowledge, it has to do with defending it against distortion from any source" explained the Cuban delegates.

The Czechoslovaks, through the voice of the head of their delegation, Jaroslav Kase, believe that "true socialism" is the satisfaction of the vital needs of the entire population.... Many of the opinions expressed about this ideal and the obstacles to achieving it, are, in one form or another the focus, the purpose of those participating in this forum.

9730
CSO: 3010/252

PRESIDENTIAL VISIT SEEN STRENGTHENING TIES WITH PRC

Caracas EL NACIONAL in Spanish 30 Oct 81 p A-8

[Editorial by Gregorio Montiel Cupello: "Another Goal"]

[Text] President Luis Herrera Campins' trip to China marks the highest point recorded to date in another of the foreign policy goals of the current Venezuelan administration: that of forming closer ties with Peking.

Since Venezuela and China established diplomatic relations in 1974, Caracas had not shown as much interest in relations with the People's Republic as has the Herrera Campins government and the governing COPEI [Social Christian Party] as well.

During the last 2 years Venezuelan political leaders of such prominence as Eduardo Fernandez, Rafael Caldera, Pedro Pablo Aguilar and even the minister of foreign relations himself, Jose Alberto Zambrano Velasco, have visited China.

When Caldera was in Peking together with Chinese leaders, he made an unsettling toast to the friendship between the Venezuelan and Chinese people, and the COPEI and Chinese Communist Party.

When Zambrano Velasco visited China along with the leaders of that country he announced his condemnation of Cuban and Soviet expansionism in Central America and the Caribbean, disseminated throughout the world by the international agencies. In Caracas, the minister's attitude was viewed dimly by some observers of the international scene, who interpreted it as being a form of Venezuela's meddling in the extremely delicate problem of the China-USSR conflict.

For its part, Peking, which is highly interested in expanding its relations with Latin America, has made its own overtures to ally itself with Caracas. Various delegations of the Chinese Communist Party and the Government of the People's Republic of China, among them Chancellor Huang Hua, have come recently to Venezuela.

Under Romulo Betancourt's government any relations with China were impossible due to the resolute anti-communist position of the deceased leader of Democratic Action. Also, it must be remembered that that time the only country on the American continent with which Peking maintained diplomatic relations was Cuba, whose government was one of Betancourt's prime enemies.

Because of the distancing between China and the Soviet Union, the USSR's tehnical experts left Chinese territory and the people's republic began the rough road on its own.

But the enmity with Moscow and the growing need for modern technology made it more and more imperative for China to form some new kind of alliances. Besides, the West, due to matters of international strategy, also needed to approach the communist Chinese and use the friction between the two communist giants to its advantage.

Thus China began making important changes in its foreign policy with Richard Nixon's historic visit.

With the death of Mao and the imprisoning of the ultra-leftist"Gang of Four," lead by Jiang Qing, widow of the "Great Helmsman", the rapprochement with the West as well as a series of internal modifications were strengthened.

In this way China, which previously showed sympathy for the Latin American guerrilla movement, today joins with Venezuela in supporting Napoleon Duarte's government in El Salvador.

Also, just as Peking--within the framework of its present foreign policy--has strengthened its ties with Pinochet's Chile, has warmly greeted the Turkish military dictatorship, and has even come to support the frustrated military coup in Spain, so Venezuela--for its own international ends--did not hesitate to rub elbows with the most ill-fated of the Latin American dictatorships in order to counteract Mexico's and France's statement with regard to El Salvador.

This latter is very reminiscent of the positions taken by Ronald Reagan's government in upholding its preference for authoritarian governments cast in the military mold, over those that are communist and totalitarian in nature.

It is not unfounded that the leaders of the Venezuelan Communist Party, like Radames Larrazabal, have begun to signal the existence of a new Washington-Peking-Caracas axis.

For the time being, the Venezuelan Government has insisted that President Herrera's current tour through Asia is only an attempt at greater rapprochement between Venezuela and the Far East.

Meanwhile, President Herrera is making an interested visit to a China that has introduced changes into its way of understanding communism in order to escape its extreme poverty, and which has nothing at all to do with the days of the "let one hundred blossoms'" liberalizing campaign, "the Great Leap Forward" or "the Cultural Revolution." This is another China, that may well still call itself Communist, but that had no trouble in presenting an ostentatious parade of Pierre Cardin fashions in the streets of Peking, nor in welcoming Coca-Cola.

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END

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No. 2413

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CHIVOR PLANT TO GENERATE 500,000 KW

Bogota EL TIEMPO in Spanish 20 Oct 81 Sec B p 1

[Article by special correspondent German Navarrete: "Chivor Will Generate 500,000 Kilowatts"]

[Text] Santa Maria (Boyaca), 19 October-- After 27 years of studies and projects which required investments of 20 billion pesos and gave direct and indirect employment to over 12,000 persons, the Chivor Hydroelectric Powerplant is ready to be subjected to water tests in November, and to go into service in December, thereby solving the energy crisis that confronts the country.

This announcement was made by the manager of Electric Interconnection, Inc (ISA), German Jaramillo Olano, upon the completion of an inspection, together with EL TIEMPO, of the powerplant works, attesting to how this project has benefited thousands of farmers in 30 rural areas of Boyaca adjacent to the powerplant, with waterworks, sewerage, health stations, schools, secondary schools, roads, churches and other services.

Jaramillo Olano supplemented the announcements made the day before by the minister of mines and energy, Carlos Rodado Noriega, regarding the date of the lifting of rationing for electric power, which has been in effect for a year and 20 days as of today, declaring:

"In mid-November, the Alto Anchicaya Hydroelectric Powerplant will be in operation again, contributing 340,000 kilowatts to the national interconnected system; and, in December, we shall start generating half a million more kilowatts from Chivor. This means that, by the end of this year, Colombia will be receiving an additional 840,000 kilowatts."

The ISA manager, Jaramillo Olano, and the chief of operations at Chivor, engineer Jose Rodrigo Viteri Martinez, underscored the importance for the final solution to the energy rationing represented by the starting of the second phase of Chivor; because it will guarantee that, in 1982, Colombians will be able to normalize their systems of family, commercial and industrial activity.

27 Years of Effort

Jaramillo recalled that, in 1954, mention was made for the first time of the possibility of regulating the water of the Bata River, in Boyaca, on a site that is

reached after nearly 5 hours over bare road via the Bogota-El Sisga-Guateque-Santa Maria route, which is currently under military patrol and police control because it is an area with abundant emeralds.

The exploration of the volumes of flow, the analysis of the type of soil on which the work would be done, the geological conformation of the Eastern Cordillera, where the digging of tunnels would take place, and the construction of powerhouses and additional works gave rise to the preparation of prefeasibility, feasibility and design studies on the part of the Bogota Electric Power Company which lasted for 15 years.

The construction was undertaken by ISA in two stages. The first began in 1971 and ended in 1977. The second started in 1976 and, with the exception of the conduit well and the installation of the pressure piping, the work was finished last year.

The powerhouse, the equipment and the upper tunnel will go into service upon the completion of 3 percent of the construction work that still remains to be done, but which will end within a few days.

What Is Chivor?

Chivor has a capacity to generate 1 million kilowatts. It is the first major powerplant built by Electric Interconnection, Inc, and is one of the most important projects that the present government has promoted to extricate the country from the energy dilemma that has been experienced since 1980.

For its operation, the water from the Bata River is used, with an average volume of flow of 62.3 cubic meters per second, formed by the confluence of the Somondoco and Garagoa Rivers.

The area in which a dam 237 meters high was built to contain the water from the Bata River, as well as the powerhouse in which the million kilowatts will be generated, is typified by a series of mountains with barren soil (where, according to the farmers, "one can only plant with a shotgun"), where a dwelling is found only occasionally.

The Bata River water is carried through 5,910 meters of tunnel which is 5.40 meters in diameter, and 2,444 meters of pipework which is 4 meters in diameter, to the powerhouse, located on the left bank of the Lengupa River, thus utilizing a net fall of 756 meters, according to the explanation given by Rodrigo Jaramillo Velasquez, ISA's publicity chief.

The reservoir formed by the Bata water has a volume of 758 million cubic meters, 633.5 million of which correspond to the effective reservoir.

In order to replace the section of the national highway between Guateque and Santa Maria flooded by the reservoir, a new Mondragon-Presa-Muros road was built, 27 kilometers long, 6.5 kilometers of which are in the tunnel. The route from Bogota to the powerplant is marked by 14 tunnels, which turn the trip into an adventure.

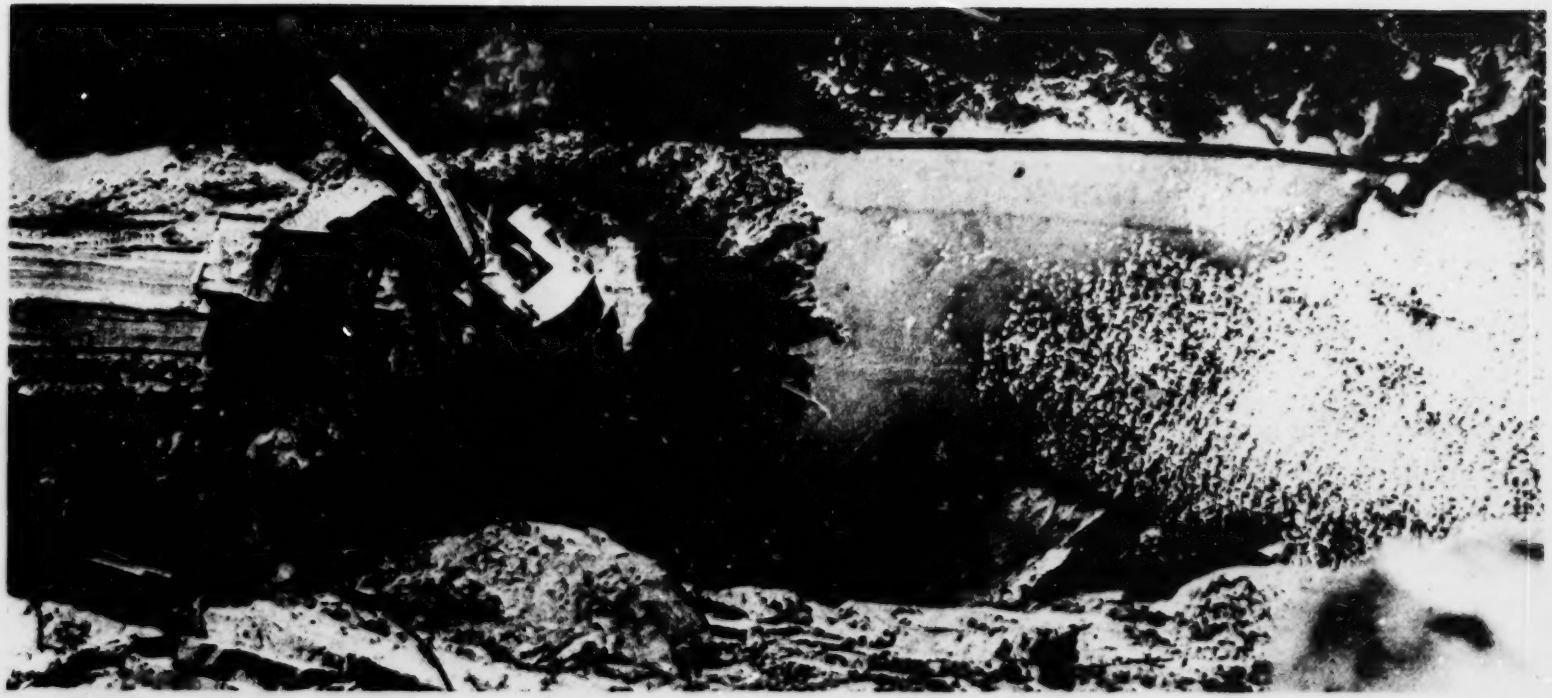
Jaramillo Olano emphasized the benefits accrued by the residents of 32 rural areas of Boyaca as a result of the construction of the hydroelectric powerplant, and said

that they include particularly the residents of Tona, Suguique, Boya I and II, Hipaquira, Los Cedros, La Vega, Volador Grande and Volador Chiquito, Pantanos, Quebradanegra, Limon, Naranjos, Media Estancia and El Guavio. A second stage of construction work will benefit San Rafael, Calichano, San Agustin, Guayabal, Azada, Chiquita, El Pino, Chivor Centro and Chivor Chiquito, Guali and Higueron.

Increase From Reservoirs

Jaramillo Olano explained that the confidence of the government and the electrical sector in the solution to the energy crisis that caused the rationing has been heightened recently by the increased volume of flow from the reservoirs as shown below, according to yesterday's records:

Reservoir	Region	Percentage
Muna	Bogota	45
Agregado (Sisga, Neusa and Guatavita)	Bogota	30
Miraflores	Antioquia	65
Troneras	Antioquia	62
El Penol	Antioquia	66
Calima	Valle	52
Alto Anchicaya	Valle	71
Chivor	Boyaca	90



The construction of the Chivor Hydroelectric Powerplant the dam of which is located in a narrow gorge of the Eastern Cordillera became a real challenge for national engineering. At the bottom of that gorge, for many years thousands of men worked day and night, withstanding water and sun, to make the facility that will provide an additional 500,000 kilowatts.

2909

CSO: 3010/309

10-YEAR ELECTRIC POWER PLANS DISCUSSED

Bogota EL ESPECTADOR in Spanish 27 Oct 81 Sec D pp 1, 4

[Text] During the next 10 years, the national electric sector will generate 10 billion watts with the hydroelectric and thermoelectric projects, the majority of which are under construction, and are expected to be in operation by the end of this decade.

According to data from the semiannual report of the National Integration Plan, there are studies for the next 10 years on 10 hydroelectric and 12 thermoelectric plants. The former will generate a total of 8,846 megawatts, and the others, 1,331, making a total of 9,817 Mw. In December of last year, the installed capacity of the hydroelectric plants was 2,903 Mw, and that of the thermoelectric plants was 1,922 Mw; which means that the increase in the generation of power for this decade will be approximately 200 percent, in comparison with the current capacity.

The Projects

During the period between this month and August of next year, the Paipa III powerplant with 66 Mw, the Chivor III plant with 500 Mw, the San Carlos I project with 620 Mw and the emergency project designed for the present crisis, consisting of several turbogas plants for generating electricity with a total potential of 199 Mw, will go into operation.

Also, before the end of this year, it is expected that the Chivor II hydroelectric plant with a capacity of 500 Mw, and the Thermo-Paipa III thermoelectric plant with 66 million watts will go into service.

The following power generating plants have been planned for next year: Ayura, with 19 Mw; Thermo-Cerrejon I, with 170 Mw; and San Carlos I, with the capacity already cited. Planned for 1983 are: Termo-Zipa V, to generate 66 Mw; and the Bogota Power Company's Paraiso La Guaca project, with 600 Mw. In 1984, the following will go into operation: San Carlos II, with 620 Mw; the Jaguas powerplant, with 170 Mw; Thermo-Tasajero, with 150 Mw; Salvajina which, in addition to producing power, will control the flooding caused by the Cauca River, with 270 Mw; and the Medellin Public Enterprises' Guadalupe IV project, with 213 Mw.

In 1985, Thermo-Cerrejon II will generate 150 Mw; and, in 1986, the Playas Powerplant (200 Mw) and ICEL's [Colombian Electric Power Institute] Betania, with 500 Mw, will go into service. There are plans for a thermal plant for CORELCA [Electric

Corporation of the Atlantic Coast], on the Atlantic Coast, with a capacity of 150 Mw, and two others to be run by the Bogota Electric Power Company and Electric Interconnection, Inc, respectively, each with 150 Mw, which have been planned in anticipation of some delay in the Guavio and Aburra powerplants. By 1987, the Rio Grande II project, with 204 Mw, and the Miel I, run by the Caldas Hydroelectric Company (CHEC), with 384 Mw, will be ready. In 1988, the Guavio hydroelectric complex, with 1,000 Mw, and that of Urra, which is the largest project on the Atlantic Coast, run by CORELCA, with the largest dam in the country, which will generate 1,050 million watts, will go into service. By 1990, it is expected that the work on the Cana Fisto powerplant, of Electric Interconnection, Inc, and the second phase of the La Miel hydroelectric plant, run by ICEL and CHEC, will be completed.

The Crisis

The energy rationing is expected to be ended throughout the country next April. This began over a year ago, as a result of the widespread drought which marked the year 1980, causing the country's main reservoirs to show the most critical levels in their history. Moreover, complications in the construction work and problems of a financial nature hampered the progress of the projects planned midway in the 1970's, which were supposedly due to start generating power between 1980 and 1983.

There is still a deficit in the installed capacity, and the reservoirs have not yet recovered; but it is anticipated that this year's winter (which has already started) will succeed in reestablishing them. For example, in Bogota, consideration is being given to stopping the rationing on 16 December, because a considerable increase in the water level has already been noted.

Financing

One of the factors which has perhaps had the greatest effect on the current rationing is that of the financing of the electrical sector. For the construction of the various powerplants, whether they be hydroelectric or thermoelectric, there are two main sources of financing, external and internal.

The deficiencies in the latter, as well as the unforeseen factors in the construction, have caused the projects to take more time than planned. But, apart from the lag caused by the procurement of external credit, there is the problem of local financing, which is the most serious one.

Energy sales are the basic resources of the companies in the electrical sector and, owing to the low rate that existed during the 1970's, the local resources were minimal. In 10 years, these rates rose only 1 centavo per kilowatt hour; in other words, during 1970 a kw/h cost 22 centavos, and in 1980 it cost 1.53 pesos which, in 1970 pesos (taking the devaluation into account), would be equivalent to 23 centavos.

This year's budget for the electrical sector was 9 billion pesos, which were appropriated for investment and payment of the foreign debt.

Special Line

A special line is being installed for an electric interconnection of the Coast with the central section of the country which, by the second half of 1983, will carry 500 kilovolts. This line is expected to go into partial operation during the first half of next year, with a capacity of 220 kilovolts which, in the event of another drought and a lower level in the reservoirs of the interior, could provide power from the thermoelectric plants in that part of the country, which operate primarily with coal or gas.

2909
CSO: 3010/309

CERREJON TO ADD 15 MILLION TONS TO COAL PRODUCTION

Bogota EL ESPECTADOR in Spanish 27 Oct 81 Sec D p 5

[Article by Gabriel Angel Ardila: "Cerrejon Reinforces by 15 Million"]

[Text] Coal production in Colombia which, in 1979, reached indexes of 3.5 million tons per year, will receive the not to be underestimated amount of 15 million tons per year that can be obtained from El Cerrejon by 1985. So, that product has become the great energy and economic hope for national production.

The foregoing does not take into account the 134.5 million tons of proven reserves in the central and northern parts of the country.

The research carried out at El Cerrejon indicated that its thermal coal is high-powered. Thus, Colombia has cokable types for the iron and steel industry that will allow for gasification and liquefaction processes in order to obtain appropriate fuels for replacing fuel oil, and even gasoline itself.

Future Coal Promise

By 1990, an annual production of 35 million tons has been estimated, according to reports from the Ministry of Mines and Energy. The consumption margins will allow for exporting by 1985.

And the future of coal exports could not be better, according to the prospects set forth by the International Energy Organization, IEO. It cites the possibility that, by the year 2000, all the European countries will be importing coal, except for the United Kingdom, which has the best chances for exploitation.

The exporters' plan for the years following 1990 is in this order: Australia, the United States, Canada, Mozambique, Indonesia, India, Colombia, South Africa and China.

But the progress of coal will require a new dimension in the management of the sector. Among other things, it will be necessary to change our port policies. There will have to be ports with a capacity for over 80,000 dead weight tons. Elsewhere in the world, such docking places are used only for the steel industry, "rather than for power plants."

Countries with very high rates of energy consumption, such as the United States, will cut their oil imports. North America will do so by about 3.2 million barrels per day by 1990, and 7.3 million barrels per day by the year 2000.

Current Energy Picture

Colombia's future in the energy field appears promising, despite the current gloomy picture, with rationing and everything. At least the economist Hernan Medina Torres, in detailed studies for ANIF [National Association of Financial Institutions], cites the national energy situation in such terms, "without any great shocks."

He notes that it is obviously impossible to emerge from rationing before April 1982, since it will intensify during the summers from January to April, and then decline in the winter from May onward. However, he cautions that, despite the new plants and watercourses that will be diverted, as well as the interconnection with the Atlantic Coast, "the entire sector will be at the mercy of the whims of the weather."

Measures for the Medium Term

Scheduled for March 1982 is the diversion of the Pajarito, Dolores, Nachi and Guadalupe Rivers, in northern Colombia, sources which will contribute 9 cubic meters of water per second to the hydroelectric system.

In April, a small plant with 19 Mw will go into service in Antioquia (Ayura), accompanied by the winter season, "which should extricate the country from rationing." There will also be results from the expansions in Guadalupe and Troneras, carried out by the Medellin Public Enterprises, which are due to start commercial operation with 126 Mw by June 1982. In Dr Medina Torres' assessment, there will be available 12.5 cubic meters per second from the Tunjita River in the Chivor reservoir; which in July will enable the country to insure the operation of Chivor II, " and with it a minimal level of energy that will make the system partially independent of the uncertainty of the rainfall."

The specialist's data claims that there will be a second half of 1982 without shocks, upon the entry into operation of the San Carlos I project, with an installed capacity of 620 Mw, in October of that year. Dr Hernan Medina Torres stressed that this powerplant is one of the largest built to date, with a capacity for 1,000 Mw.

Energy and Coal Future

There is no concealment of the government's concern with completing the projects that have been started, on which both the nation's energy development and its economic development will depend. Nor is there any concealment of the critical position assumed by the analyst Medina Torres, when in his reports, he states that Colombia's energy problems are more closely related to the rate of economic development and the financial management of the projects than to the weather factors that have been argued.

2909
CSO: 3010/309

BRIEFS

NUCLEAR ENERGY AGREEMENT--Cuba's Atomic Energy Commission and Bulgaria's Committee for the Peaceful Use of Atomic Energy have signed a bilateral cooperation agreement for the next 5-year period. The two sides viwed the document as very important for the future development of nuclear energy for peaceful ends in Cuba and Bulgaria. [Text] [FL210151 Havana Domestic Service in Spanish 0000 GMT 21 Nov 81]

CSO: 3010/332

BRIEFS

CHILE, ECUADOR TO NORMALIZE RELATIONS--Santiago, 18 Nov (AFP)--Abelardo Posso Serrano, Ecuadorean charge d'affaires in this capital, told AFP that Ecuador and Chile are very well-disposed to normalize their diplomatic relations which deteriorated 3 months ago when the Ecuadorean Government recalled its ambassador from Santiago. This afternoon the Ecuadorean diplomat met with Fabio Vio, chief of the Chilean Foreign Ministry cabinet, in what he termed a routine meeting. He stated, however, that no date has yet been fixed for the return to Santiago of Ambassador Gustavo Cordovez, who was recalled for consultation by the Ecuadorean Government in August in a reaction to statements attributed to Chilean Foreign Minister Rene Rojas Galdames. In these statements Rojas Galdames maintained that the 1942 protocol signed between Peru and Ecuador was still in force. The Ecuardorean authorities had requested a revision of the mentioned protocol after the border incident between the two countries in the Condor Mountain range in January. After these statements Ecuador requested an explanation from Chile. Chile delivered its answer through diplomatic channels, according to what was disclosed. Chile is one of the four guarantor countries of the 1942 protocol, together with Brazil, Argentina and the United States. [Text] [PY191351 Paris AFP in Spanish 0036 GMT 19 Nov 81]

CSO: 3010/346

DAILY HAILS REAGAN'S PRESS CLUB SPEECH

PY242205 Buenos Aires LA PRENSA in Spanish 23 Nov 81 Section 2 p 1

[Editorial: "A Historic Proposal"]

[Text] Recently, the world has been informed of President Reagan's speech at the National Press Club in Washington, a speech which could be termed historic. It is not that proposals of this kind have not been made before, either by U.S. statesmen or by those of other countries, but because on this occasion the proposal appeared surrounded by an aura of feelings whose sincerity and depth was made obvious by the moderation with which they were expressed. Reagan urged the Soviet Union to "take a giant step for mankind," by joining the efforts of his government and people to carry out a substantial reduction of conventional and nuclear weapons in Europe and the rest of the world. "This would be a historic step" he said, and "like the first step on the moon, would be a giant step for mankind."

President Reagan cast aside all technicalities and went unhesitatingly to the core of the problem which today plagues the minds of the people in the world by basing his plan on "equitable proposals" because "we cannot reduce arms unilaterally. Success can only come if the Soviet Union will share our commitment; if it will demonstrate that its often repeated professions of concern for peace will be matched by positive actions."

However, President Reagan did not plead for peace. His stand was the opposite of that in Munich. He said: "The more effective our forces are, the less likely it is that we will have to use them."

President Reagan's historic speech broadcast by TV to all of the United States, to Western Europe, to Poland, Romania and Hungary behind the iron curtain, and also to various African countries to Lebanon, Japan, Egypt and China [not further identified], is a significant landmark in the quest for world peace.

By hastening to answer, Moscow made its most obvious mistake. No sooner had Reagan finished his speech than Brezhnev rejected the proposal terming it "mere propaganda" and negating Soviet superiority in Europe as far as strategical weapons are concerned and accusing Washington of seeking only to gain "prestige in the eyes of international public opinion."

President Reagan asked for "openness" and "creativity", that is truth and supporting facts, from the Kremlin. It is possible that the manner of speech of the U.S. chief of state has taken the "Politburo" top echelon by surprise, since they are used to less direct statements and to attitudes and moves which the Kremlin has interpreted as a weakening of the West's defensive will.

The official White House statement--which has revealed a far-sighted attitude and strategy--has instilled vigor in the spirit of the West. It has provided arguments and strength of conviction to those all over the world who see that world control by the Soviet Union, sought as a "feat of freedom," would mean a slip-back of centuries in the progress of humanity.

CSO: 3010/356

DAILY DOUBTS SUCCESS OF REAGAN PROPOSAL

PY242204 Buenos Aires LA NACION in Spanish 22 Nov 81 p 8

[Editorial: "Nuclear Disarmament, Proposal and Answer"]

[Text] With a remarkable mass media display President Reagan has informed the entire world--particularly Europe--of his proposal to the Soviet Union on disarmament. In essence the proposal calls on the Kremlin to dismantle its nuclear missiles--SS-20, SS-4, and SS-5 rockets--while the United States commits itself to cancel the deployment of its Pershing II and cruise missiles. In sum a reciprocal disarmament that will decrease the risk of an eventual nuclear war in the European continent.

The U.S. President stated that this was a historic decision in the path to achieve human coexistence and said it was as important as man's first step on the moon.

The importance of President Reagan's decision is obvious since it is an extremely important issue in view of the forthcoming round of negotiations--to be held on 30 November in Geneva--that the two powers will hold on the reduction of nuclear arms. Moreover, there is great concern in this regard and the so-called peace and neutrality movements, which openly oppose the installation of nuclear missiles by the United States, are obtaining large number of supporters. The timing and means chosen by President Reagan have made a spectacular impact but the real intent and his chances of being successful are doubtful.

But this can also be applied to the sudden and hasty answer given by Moscow. The most blatant denial was issued through the official Soviet agency, TASS, in such terms that can only be understood as an implicit refusal to dismantle the SS-20 missiles.

In addition Brezhnev today begins a 4-day official visit to Bonn. Undoubtedly one of the main subjects to be discussed in Brezhnev's third visit to Bonn--his first to the West in 2 years--will be Soviet-U.S. relations.

Although Moscow has not hesitated to reject this proposal, European countries have given their ample support to the U.S. President's proposal. The UK, France, and Italy have been categorical in their support. Mr Spadolini expressed his support at the end of a meeting with French President Mitterrand, while the French foreign minister, Calude Cheysson, said that it was "a desired solution" to the issue of the deployment of missiles in Europe.

Since detente and disarmament have resulted in a series of disappointments for those governments determined to achieve peaceful coexistence but which at the same time do not want to dismantle their garrisons in view of the Soviet expansion, it is best not to harbor any hopes in this regard and rather follow closely the forthcoming negotiations between Haig and Gromyko scheduled to be held shortly. It is not expected, moreover, that Brezhnev--who seemed to be taken by surprise by President Reagan's tactic--will disclose his real intentions on this issue during his stay in the FRG capital.

At any rate the blatant denial given by the Soviets reveals how displeased they are at having been out flanked by the United States. Public opinion in Europe and the rest of the Western world seems to have understood--and it is hoped this has been the case--the fallacy of Moscow's arguments to justify its strong deployment of missiles and its opposition to the installation of missiles by NATO.

In view of all these things that can be appreciated by those who are outside foreign ministry circles, it is suitable for them to follow closely subsequent diplomatic negotiations with a realistic outlook.

The first step has been taken, a sort of warning to Moscow: a stop to the deployment of missiles must be reciprocal. If there is indeed a desire to achieve peaceful coexistence, it will be hard but not impossible to establish those regulations that will lead to the path of peace.

CSO: 3010/356

BRIEFS

UCR DOCUMENT AT ISSUE--Cordoba, 24 Nov (NA)--Gen Cristino Nicolaides, commander of the Third Corps has submitted to Federal Judge Manuel Gonzalez Pizarro the background information related to the communique issued by the Cordoba Radical Civic Union (UCR) Committee, in the belief that this communique has violated the national security law. The general's report tied the UCR document published by the newspaper LA VOZ DEL INTERIOR to the above mentioned law which is aimed at repressing subversive activities and the dissemination of news related to these activities. On request from the commander of the Third Corps the Cordoba UCR committee reaffirmed the contents of the questioned document which, among other things, had stated that the government has "made the country kneel before the multinationals." The conflict has shaken the political circles of the nation and the UCR has publicly stated its solidarity with the Cordoba committee. [Text] [PY241408 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1135 GMT 24 Nov 81]

SOVIET ENGINEERS--Cordoba, 24 Nov (NA)--A group of Soviet engineers who recently participated in the General Assembly of the World Federation of Engineers' Associations is visiting Cordoba. The delegation is headed by Supreme Soviet Deputy (A.Y. Yschilinskiy). [Buenos Aires NOTICIAS ARGENTINAS in Spanish 1151 GMT 24 Nov 81 PY]

CSO: 3010/356

PASSARINHO DISCUSSES CHURCH, MILITARY, VIOLENCE IN SOCIETY

Rio de Janeiro MANCHETE in Portuguese 19 Sep 81 pp 24-26

[Interview with the president of the national congress, Jarbas Passarinho, by Alexandre Garcia in Brasilia, date not given]

[Text] "Jarbas is an upright man of pure feelings," said Mrs Ruth Passarinho, with a gentle aura of old love for her husband, while we waited for the president of the national congress for lunch in his home on Peninsula Sul, in Brasilia.

Jarbas Passarinho is not only an upright man of pure feelings, he is a man with a brilliant intellect which distinguished him in his military career and is projecting him in political life. To converse with him for 3 hours around the luncheon table was an enriching experience. Dona Ruth served shrimp salad, roast beef with beans and manioc meal and white wine. Jarbas Passarinho displayed his verve, his intelligence and his erudition, seasoning our meeting with a pleasing spice that many are familiar with since his speeches in the Porto Alegre Military School and in Realengo, or from the fiery speeches in the military clubs and at the foot of the tomb of Major Vaz in August 1954.

I recall that during presidential travels in which he participated, Senator Passarinho stayed in his plane seat, when he was not in President Figueiredo's cabin, absorbed in reading some foreign book. And he read everything: political essays, philosophy, novels, economy, religion.

When he arrived for lunch he had a religious book in his hand: "Speeches of the Pope in Brazil," based on the texts distributed by the National Conference of Brazilian Bishops (CNBB). He opens the book, saying, "This is my church," and reads the words of the Pope in Morumbi Stadium: "The common good cannot be gained through violence...even when it is sought to impose the necessary changes." And further on: "The class struggle is not the road that leads to social order because it carries with it the risk of elevating the disadvantaged to the role of privileged. It is not built with hatred and the destruction of others."

He is preparing a speech which he will make within the next few days in the senate on the incitement to the invasion of land by some sectors of the Church. This charge, made in an interview with FOLHA DE SAO PAULO, has made him the target of intense criticism by the bishops.

"Just see how the Pope was clear here in Brazil about the Grassroots Ecclesial Communities":..."the grassroots to which we are referring is of a clearly ecclesial and not merely of a sociologic or other nature. I also underscore that ecclesiality because the danger of diminishing that dimension, if not letting it disappear in exchange for another, is not unreal or remote; rather, the danger of interfering in politics is always present and particularly persistent." Another form to which the Holy Father refers: "The interference, therefore, can appear in the form of the political or ideological manipulation of the communities that had been established within an ecclesial perspective." That is, they are established within an ecclesial perspective and are politically or ideologically manipulated to become instruments for that purpose. It is a warning by the Pope; he would not have said that if he had not wanted to issue a warning. He speaks about the communities that grew in Latin America, "because they knew how to maintain the ecclesial dimension without deviations or changes." His Holiness said that in Manaus, explained Passarinho, leafing through the book.

We are going to go to the table. The senator receives a quick visit from his son Jarbas Junior, who is a doctor, and kisses him affectionately. He and Dona Ruth have five children--three girls and two boys--and seven grandchildren, all living in Brasilia. Dona Ruth is still the directress of the Tiny Thumb Home, where she today houses about 100 orphan children, children of tubercular parents. "She gained 100 children and I became an orphan," kids Passarinho. We sat down and he recalls the visit he made to the church in Coruca, in the interior of Para, where banners with the slogan "Oppressed of All the Rural Countryside, Unite" filled the nave of the church, covering the statue of Christ. I cite the complaint of my mother who went to church in Porto Alegre last Sunday and all she heard was the priest talking bad about Minister Delfim Netto.

"There is a CNBB document titled "Christian Reflections on a Political Juncture." Perhaps we should write a "Political Reflection on a Christian Juncture," said the senator sarcastically.

"I Have Never Accused Any Member of the Catholic Church of Being a Communist"

[Question] According to you, the sermons have become political rallies.

[Answer] Many people are fleeing from the Church because of preaching that is not only secular but typically political. The option in favor of the poor is correct. The poor should be the greatest object of concern by the priests. But the Pope spoke about a "preferential" not "exclusive" option. So it does not mean that whoever is not poor is a bad Christian.

[Question] Some bishops responded to your interview with FOLHA DE SAO PAULO by saying that you do not have any proof that the Church is inciting invasions.

[Answer] I do not pretend to have proof that the Church is inciting invasions because I understand the Church as an institution. I have proof about facts pertaining to some members of the Church. I am going to make them public within a few days. Those two arrests of French priests in Sao Geraldo do Araguaia are the result of the testimony of the perpetrators of the ambush that killed the federal delegate and wounded government officials. They named the priests as the masterminds of the ambush. The other day, a native of Bahia, who bought land in Para with the savings

of a lifetime of work told me that his property has already had 200 invaders. He asked them who directed them and they replied: "The priests and the bishop of Maraba." The thing reached such a point that he blurted out: "I am not going to give up anything else. Either they kill me or I will kill them." Another typical example is the invasion of the campus of the Federal University of Para. I arrived there and found banners with: "The Right to Land Is a Natural Right," all well written, with the crasis and everything. I asked one of them: "Are you a university student?" "No," he replied, "I am a homesteader. I lived with an uncle of mine in Belem before invading this here." Then a highly intellectualized girl interrupted him: "Never say that you are an invader. You are a homesteader." And the university is a land-grabber. With that simplistic logic: "Every invader is a homesteader and every property-owner is a land-grabber"; it is difficult to understand.

He offers me more salad. "Do you want more Para shrimp? It's delicious."

[Question] You say that there is "an authentic socialist party in Brazil." Where is that party?

[Answer] It is in that wing of the Church, in that Christian socialist wing. It is a socialist party because it acts as such. So much so that it rejects any form of capitalism and declares that socialism is the solution. We have all already heard statements in that regard: Dom Helder, Dom Valdir Calheiros, the bishop of Joazeiro, Dom Jose. I did not see that in Populorum Progressio or in Mater et Magistra [papal encyclicals].

[Question] But isn't it a social Christianity?

[Answer] No. They call it Christian socialism. In that order of priority. They say that socialism as a political and economic system is the only one that is compatible with the doctrine of the Church. But the Pope speaks of the need to be ecclesial and not political. The CNBB says they should not be partisan but the tracts that are being published say the opposite; they attack the PDS in the harshest manner, as well as the PP. The Workers Party is the ideal party for them. The Brazilian Democratic Movement Party (PMDB) comes in as an alternative, with the Democratic Labor Party (PDT) coming in last, although today's Brizola identifies himself with social democracy.

[Question] Do you see communists in the Church?

[Answer] I never called anybody a communist, not even Dom Pedro Casaldaliga. What I say is that many are using the Marxist doctrine. I never accused anybody of belonging to the Communist Party.

Jarbas Passarinho receives the plate from Dona Ruth, who served him rice, beans and roast beef with manioc meal. "A cardinal, acting like a first-term concilman, immediately believes the story of the reporter who asks him: "What do you have to say about Senator Passarinho, who accused the Church?" He did not read what I said and immediately attacks me. Another one, whom I respect very much, who has the odor of sanctity, says from the lofty height of his 90 years that I am an overgrown boy. True, I am 61 years old. Then comes another: "I make it a point to call him

colonel." Perfect. It is an honor for me. I gained that rank in two competitive exams: first, in the Military School, where there were 3,000 candidates for 200 vacancies; then, I had to go to post-graduate school and the general staff school in another competitive exam. I do not know how many bishops were requested to attend the seminary and later were appointed by the Pope. So, between the two positions, I consider mine, that of a colonel, very honorable. Nor was I requested to be a cadet. Three sons of generals and I, the son of a machinist and merchant marine engine officer, passed, and I take great pride in that. I was not appointed a colonel by the personal preference of anybody. I was promoted by what I achieved. So I do not feel demeaned when a man, in the heat of emotion, says that. However, for my taste, he should not be a bishop but a good opposition leader (Dom Angelico Sandalo). Fragrant and angelic [literally, "angelic sandalwood"], but terrible when he opens his mouth and speaks. I admire him but he in his field and I in mine."

"The Politicians Think of Extension; the Ministry, of Elections"

[Question] On the eve of 1964 there was only one case of a shootout over a land claim, in Minas, and fires in some canefields in the Northeast. The dimensions of the confrontation today are much wider. What are the consequences of that?

[Answer] I believe that we all want to live in a free society. But that type of violence, which the Pope condemns, also leads to violence. So that to denounce that now seems to be a duty, to prevent us having to submit tomorrow to a step which would result in the taking of power by one of the extremes. And that would not be good. So, if we want democracy, we have to believe--in what pertains to the Church--in what the Pope says. He is a reformer who wants peaceful reforms. He does not preach and does not accept violence. Now, with priests of that kind... They remind one very much of the communist deputy who was the wife of Maurice Thorez, the secretary general of the French Communist Party after the war. She was speaking with extreme anger and a deputy, alarmed, said: "I have never seen so much hatred in the heart of a woman." She heard it and replied: "One cannot love the oppressed people without hating their oppressors." That is what I am seeing in those people: they all seem like Thorez' wife. But I want to praise the latest document of the CNBB, which disavows the partisan connotations in the actions of the dioceses, parishes and communities. The Church cannot refrain from being political. It is political like all of us. But not partisan. When it represents one segment, it ceases to be universal and catholic.

[Question] I see in your curriculum vitae: "profession: military." In that capacity, how do you see the position of the military today? What do the military think with regard to the economic crisis, to the elections? It is said that they think this way or that. What do they really want?

[Answer] I would translate all of that in a very short answer, which is not my style: while the military are making successive statements about the elections, saying that they will be assured, the politicians are talking about the extension of terms....They are concerned about terms. The military are not concerned about terms. They may be concerned about promotions...because to extend their assignment means to keep them in their ranks indefinitely. What is needed in this country is a greater understanding between the two societies: the civilian and the military. And both have mutual prejudices which keep reemerging.

Now see who it was that said that the military could not turn over power to some radicals it was a civilian, Minister Galveas. There are many civilians who believe that the military spend their lives going right-face, left-face--more right than left--and for that reason they are dummies. And there are military men who believe that only the military are patriotic, that every civilian is a profiteer. That exists, but I do not interpret it as general thinking. But they are segments that can complicate things. How many times have I heard, after a conversation, "Why, you don't even seem like a military man," in supposed praise.

Dona Ruth offers more dessert and her husband accepts it. "As for bitters, that clerical opposition is already enough for me."

[Question] Someone told me that you were discouraged, ready to leave politics when your term ends in 1983. Your friend Daniel Monteiro, here at our side, has just told me that it is not fair to the nation for you to do that.

[Answer] That talk, what it has caught me!

[Question] I remember that when the than President-elect Joao Figueiredo said that it would not be fair for you to go and govern Para and cease being his leader in the senate....

[Answer] The president told me: "Without any disparagement to Alacid, he cannot do what you can do for me in the senate." And he went further, using this expression, which I had never revealed: "And without any disparagement to Para, Alacid can govern the state."

[Question] You still have not answered my question.

[Answer] I was really prepared to leave. It was before the campaign for the 1974 elections. I was prepared to end my career. There were some disappointments, frustrations, some deviations of the movement that I had helped create--all of that added to the deep ingratitude of those in Para whom I had elevated to positions that they would never have achieved, as is the case of that Alacid. When I concluded my service in the Medici administration, I made a request, something that I did for the first time, inasmuch as everything I became was by invitation not by my express wish. The request was to go into the General Accounting Court. I have always been poor. Today I have an apartment in Balem through the inheritance of my wife, and a house in Lago Sul, which I bought after having sold an apartment in Rio, also gained by Ruth. I improved my situation when I left the ministry for the senate and I bought an apartment on term in Brasilia. Today I have another one which I bought after selling the first one. At that time, I saved the salary of reserve colonel (today I receive 130,000 cruzeiros) with a position in the management of the Banco Sul-Brasileiro [South Brazilian Bank]. When I purchased the apartment, it was the first time that I ceased to be the husband-of-the teacher. I wanted to go into the General Accounting Court, thinking that in retirement I would receive the salary of a four-star general. But I ended up fighting for reelection to the senate and I was one of the two senators of the National Renewal Alliance (ARENA) in the whole country who won in their capitals. But I went to Golbery and to the president and they used an expression similar to yours, very kind, saying that I was not doing the right thing, that it was too early to end

my political activity. So I suggested pacifying Para by the elimination of my presence in politics, which nobody accepted.

"I Considered Party Politics Incompatible With Military Life"

[Question] How did you get into politics? I see that I am before two of the most brilliant speakers of Realengo (Passarinho and Daniel Monteiro, also a reserve colonel and leader of the South Brazilian Group).

[Answer] Octavio Costa is not here. I was president of the student council of the Paes de Carvalho High School in Belem, and president of the academic society of the Realengo Military School. That already demonstrates a certain political vocation. Daniel Monteiro interrupts: "I was a student at the Porto Alegre Institute and during a visit to the military school I heard a speech by student Jarbas Passarinho. That speaker left a mark on me until today."

Passarinho was chosen as speaker at Realengo and unanimously elected president of the supreme council of the school—as happened when he was chosen president of the senate. As a captain, he was going to speak at an assembly in the Military Club at the side of General Juarez Tavora. Estillac Leal finally prevented the meeting. But Captain Passarinho became nationally known when he delivered a speech at the foot of the tomb of his classmate, Air Major Rubem Vaz. Later, he spoke at the Air Club. When he was preparing to speak to army officers, he received the information that the war minister was going to arrest him.

"As long as I am under arrest, then I am going to say everything," he said. The aggressiveness of his oratory helped him because instead of arresting him, the minister furnished him explanations. Tancredo Neves was minister of justice and even today he kids Passarinho: "One of the serious mistakes I committed was not ordering your arrest at that time. Perhaps the history of Brazil would have been different. I was going to my office, lamenting: "That terrible major, making speeches." And they followed him day and night, in the August 1954 conspiracy.

"In 1955, I was not plotting, but I was involved on the morning of 11 November. I got to enter Catete Palace (together with Passarinho was the now General Newton Cruz, chief of the central agency of the National Intelligence Service (SNI)), at the moment that the minister of war Fiuza de Castro, who had been appointed but had not yet assumed his post, was speaking. It was in the elevator that I first saw that famous personality who was Colonel Golbery. Mascarenhas de Moraes interrupted the speech. "Enough, general, you are under arrest." Alcides Etchegoyen, who was with his two armed sons, asked Fiuza: "General, are you going to accept the arrest order of a mutinous general?" Lima Brayner and Maurell Filho were also there. It was a tense moment. I grasped the handle of my 45. Then Mascarenhas told Etchegoyen: "You are also under arrest." "In whose name?" asked Etchegoyen. "In the name of the minister of war," informed General Mascarenhas, adding: "Very well, general, then do not consider yourself under arrest but present yourself at the ninth floor of the ministry." "I will go only if I am accompanied by only my two sons," Etchegoyen declared. Everybody was going to be arrested and I decided not to get arrested. I went out the front door inquiring loudly, "Where did Lieutenant Braga go?" And to this day, they think I am looking for 'Lieutenant Braga.'" "Nini" (Newton Cruz) was led under arrest to the Reserve Officers Training

Center (CPOR). I left, avoiding being recognized. At the corner of the Novo Mundo Hotel, a lieutenant recognized me. I asked what his mission was. "It is not to let anybody leave or enter." "Very good," I told him, "that is exactly what the marshal is concerned about. Don't let anybody leave." And I left. When I completed the Command and General Staff School, the audience broke out in applause when my name was called. Lott turned very red and pointed to the last one at the table to hand me my diploma. The applause increased even more at that point: it was General Castello Branco. I went to Belem and there the invitations began: mayor, deputy, senator. I did not run because I considered party politics incompatible with military life.

Passarinho, the organizer of the revolution in Para, was made governor of the state in June 1964, while still on active duty. When he decided to run for the senate he went into the reserve. His 18 months of good administration are paying him political dividends to this day. He was elected senator with 83 percent of the valid votes. He was Costa e Silva's minister of Labor and of Social Security, and Medici's minister of education. Reelected senator, he received the largest number of votes, even in the capital.

[Question] Every so often, your name is mentioned for the presidency of the republic and I think Medici in 1969 was one of the first to mention it.

[Answer] Medici told the officers of the Third Army that he wanted me to be president because he wanted a new man who would popularize the revolution, with the ability to communicate with the people, according to what the then Colonel Resstel told me. I was in Belo Horizonte, as minister of labor when the report came out. When Daniel Krieger told me that he had even agreed to be my vice president, my jaw dropped. But then I paid dearly for that because every person who thinks I may become a candidate for the presidency seeks to topple me, from the other side as well as from my own. Even today, to be honest, I prefer to go to the General Accounting Court.

Jarbas Passarinho looks serious and remarks:

"But if the country has to catch fire, I do not want to be in the General Accounting Court. I have to be fighting."

8711
CSO: 8142/0224

AMNESTY LAW DECLARED CONSTITUTIONAL

Bogota EL TIEMPO in Spanish 23 Oct 81 Sec A p 18

[Text] Yesterday, the Supreme Court of Justice found the Amnesty Law approved by President Julio Cesar Turbay Ayala on 23 March of this year to be constitutional; but, at the same time, it decreed that Article 11 of the same law was unconstitutional.

The Court found unconstitutional the portion of Article 11 which states: "At the termination of the period cited in Article 2, and depending upon the satisfactory progress in the restoration of peace achieved by this law, the government will order the initiation of the procedures for granting amnesty to those who have been arrested, tried and convicted, who must file their petition within the following 2 months." The entity was of the opinion that the government could not order amnesty, because this function is incumbent on the Congress alone.

The other articles in the Amnesty Law, which was approved by the Congress for the purpose of enabling the armed rebels to resort to it and to achieve the pacification of the country, were found constitutional.

The Constitutional Division of the Court defeated the motion by Magistrate Carlos J. Medellin which, it was learned, declared several articles and paragraphs of the law unexecutable.

The proceedings have been turned over to Magistrate Humberto Meza Gonzalez, so that he may write up the respective findings.

As is common knowledge, a suit was filed against the Amnesty Law, as soon as President Turbay approved it, by several lawyers, including Humberto Criales de la Rosa, Enrique Cipagauta Galvis, Alvaro Moreno Novoa, Miguel Antonio Cano and Alvaro Echeverry, who considered several of its articles and paragraphs unconstitutional.

It was learned that the Court's decision has not taken effect, inasmuch as the Amnesty Law expired on 23 July of this year.

2909
CSO: 3010/310

CONSTITUTIONAL REFORM, SUPREME COURT DECISION

Court Declares 1979 Reform Null

Bogota EL TIEMPO in Spanish 31 Oct 81 Sec A pp 1, 8

[Article by Ramiro Castellanos: "The Constitutional Reform Collapsed"]

[Text] After heated debates lasting 6 months, the Supreme Court of Justice has declared the Constitutional Reform approved by the Congress in 1979 impossible to execute in its entirety.

As a result of the decision, there has been an overthrow of, among others, the new Penal Procedure Code, which was due to go into effect next year, the Office of the Attorney General of the Nation, the Superior Council of the Judicature, the Congressional Planning Commission, the Statue on the Judicial Profession and the Congressional Reform.

President Julio Cesar Turbay Alaya's Constitutional Reform (Legislative Act No 1, of 1979) was "buried" by three votes at the end of a session of the Full Court held on Thursday night, and lasting for 5 hours.

It was learned from totally reliable sources that there were 17 votes for the total unexecutability of the Legislative Act, and 11 for its partial unexecutability, which had been proposed by Magistrate Ricardo Medina Moyano. The Court found that the Constitutional Reform had flaws in its makeup.

It was learned that the Full Court did not take a secret vote, and that there will be a drawing by lots of the associate judge who will prepare the findings, which will be approved next week.

Prominent jurists, including Horacio Gomez Aristizabal and Marino Jaramillo Echeverry, described the Court's decision as "serious and with unpredictable consequences."

A suit had been filed against the Legislative Act by the attorneys Manuel Gaona Cruz, currently magistrate of the Court, Climaco Giraldo, Oscar Alarcon, Tarcisio Roldan and Antonio Jose Cancino, who had charged that it was unconstitutional.

The fate of the reform was heatedly debated by 12 magistrates and 16 associate judges; and, finally, a motion from Magistrate Ricardo Medina Moyano, who proposed that two articles and six paragraphs of the reform be declared unconstitutional, was defeated. Authorized sources claimed that the magistrate did not back his motion.

While progress was being made in the analysis of the Medina Moyano proposal, another group of magistrates submitted a study wherein it was proposed that the entire legislative act be declared unexecutable, owing to the improper accumulation of the three proposals which were approved in the Chamber's first vote, namely, the reform of the administration and the Congress, and the creation of the Office of the Attorney General of the Nation.

Other magistrates, in turn, were in agreement that the legislative act should be declared unconstitutional, but because of the illegal formation of the First Commission of the Chamber of Representatives, based on a previous decision of the Council of State.

The 1979 Constitutional Reform had many enemies, and that opposition was such that, rather than going into effect, it was subjected to a suit before the Court. Obviously, that action was rejected, inasmuch as the entity decides only on acts which are in effect already.

Subsequently, when the reform was in effect, the action was repeated.

From the very time that the Supreme Court of Justice began making the study of the suit against the Constitutional Reform, those who disputed the act challenged the associate justices Alvaro Suarez Castro, Alvaro Tafur Galvis, Julio Cesar Uribe and Ildelfonso Mendez. The challengers alleged that the associate justices were impeded, because they had already pronounced judgment on one of the main aarguments against the reform as a whole.

In view of this situation, it was necessary to suspend the terms established by law and to deal with the incident through the auspices of Magistrate Fernando Uribe Restrepo.

Although great secrecy has been kept regarding the decision which "toppled" the Constitutional Reform, it was commented in well informed circles that the Full Court has apparently been convoked for next Thursday, in order to approve the finding.

As a result of the all-important decision, the Superior Council of the Judicature has collapsed, and from now on will not be able to send lists for the appointment of justices of the Court and magistrates for the lower courts, and so has the Disciplinary Court.

Also brought down are the defense of human rights, 10 percent of the national budget for the administration of justice and the appointment of four magistrates for the Constitutional Division of the Supreme Court of Justice, namely, Mario Latorre Rueda, Jorge Velez Garcia, Humberto Meza Gonzalez and Oscar Salazar Chavez.

The same fate has befallen the establishment of the political parties, their financing and the compulsory vote; the ban on the reelection of the comptroller general of the republic and the attorney general of the nation; the regulation which stipulated that the Congress could convoke public hearings to try state officials and private citizens; the disqualification of congressmen and the loss of investiture; the economic and social development plan; the standing commission for the plan, and the procedures for the passage of the laws; the political control of Congress; the attorney general's authority to name his representatives; and the accusatory system.

Eliminated are the lists for the appointment of judges (there is a return to the co-opting system), the terms for the magistrates, the Penal Procedure Code, the Office of the Attorney General of the Nation and the bringing of the salaries of congressmen, Court magistrates, the Council of State and the prosecutor under the UPAC [Savings Certificates with Constant Purchasing Power] system.

Some Opinions

This newspaper interviewed several jurists in order to learn their views concerning the Court's decision on the Constitutional Reform. Two of those interviewed were Horacio Gomez Aristizabal and Marino Jaramillo Echeverry, former member of Congress and head of the National Bar Association.

Gomez Aristizabal remarked: "So long as we are not thoroughly apprised of the exact terms of the judgment pronounced by the Supreme Court of Justice, it is not easy to give a clearcut opinion. In any even it is a problem with unpredictable consequences, because the Reform which is part of an organic whole has been broken down and has lost unity.

"Holy Mother Church has doctors. I have always thought that we in Colombia suffer from an explosion of laws, and any legal instrument is suitable if it has the benefit of honest, capable and wise man who, in turn, are endowed with the tools which modern technology provides. Obviously, everything that is human is dynamic and evolves. The laws, beginning with the Constitution, need to be updated.

"As for the future, there is a void that is impossible to fill so long as there is lacking a new reform that will amend and correct the stalemate which has occurred; because otherwise, there would be an incomplete, shaved and unsuitable reform."

Jaramillo Echeverry commented: "The news received today concerning the decision on the Constitutional Reform will have very serious repercussions, because all the basic aspects which reformed Congress as a constituent body and which dealt with the creation of the Office of the Attorney General of the Nation and the Public Ministry, and hence Congress itself and the Judicial Branch, have collapsed.

"The serious part of it is that, at the present time, there is no possibility of correcting procedural errors, nor of approving any constitutional reform that could surmount the legal difficulties which have cropped up with the decision; because any constitutional reform would have to be subjected to two legislatures in different years. Insofar as this year is concerned, it is impossible for the Congress to concern itself with a constitutional reform."

"Hence, we have embarked upon a serious institutional crisis, owing to a void that cannot be filled, for which only a constituent assembly can compensate.

"I was an advocate of the constituent assembly convoked by President Alfonso Lopez Michelsen, and I still advocate that the executive branch, through the Congress, convoke a constituent assembly that would be essentially concerned with the fundamental reforms required by our Constitution to put the country in progress, as it should be next year."

Brief History

The legislative act consists of 65 articles. It was issued on 1 November 1979, and went into effect on 20 December of the same year, upon being published in the Official Journal.

As an immediate effect, the reform went into operation on the incompatibility of congressmen holding certain public offices.

Some members of Congress had to resign from their public offices out of fear of losing their seats.

The then minister of justice, Hugo Escobar Sierra, repudiated the attacks against the constitutional reform and, in a public address at Neiva on 15 December 1979, described the demands as "advertising exhibitionism."

On that occasion, Escobar Sierra termed the charges against the reform "inept" and claimed that the debates regarding it had been extensive, with the participation of congressmen who were friends and foes therein; that no one had been denied the right to speak, and that during the discussion of the proposal the Congress regulations had not been disregarded.

In addition, fully reliable sources stated yesterday that the judges and other officials penalized by the Superior Council of the Judicature and the Disciplinary Court would be entitled to request reinstatement, inasmuch as these two entities have gone out of existence as a result of the decision of the Supreme Court of Justice.

President Julio Cesar Turbay Ayala, for his part, in sanctioning Legislative Act No 1 of 1979, declared on 4 December 1979 that this was an operative constitutional reform which would not attempt to compete with any of the previous ones, nor to demolish the former state structures.

He added: "Without boasting, I daresay that none of the changes made in the by now century-old Charter of 1886 has greater operative scope than the reform which I am now sanctioning in the presence of such eminent witnesses."

He reiterated that, "This reform is a decisive step to enable the country to live in full legal normality in the not too distant future, without having to address upsets in public order with the disturbing frequency that this has required in recent years."

On 4 December, former President Carlos Lleras Restrepo, in turn, commented in an editorial note in NUEVA FRONTERA that no one in Colombia should challenge President Turbay Ayala for the political paternity of the constitutional reform just approved by the Congress, which "has not moved the nation" despite the fact that the minister of government, German Zea Hernandez, considers it "one of the most important historical events of this century."

The constitutional reform was defended against all criticism by President Turbay Ayala and by his ministers, Hugo Escobar Sierra and German Zea Hernandez.

The congressmen Jaime Pinzon Lopez and Luis Villar Borda became the fiercest enemies of the reform, and they bombarded it during the process in the Chamber.

One of the major failings of the constitutional reform from the ouset was that of having converted into only one,and having approved the three proposals associated with the reform of the administration of justice and the Congress, and the one which proposed the creation of the Office of the Attorney General of the Nation.

The constitutional reform was approved by the Chamber of Representatives on 21 November 1979, amid great tension, and with the negative votes of congressmen Jaime Pinzon Lopez and Luis Villar Borda, who claimed that, when the terms were executed in the plenary session without prior approval of the records of its handling by the First Commission, the proposal was invalidated.

With the exception of Article 52 of the proposal, which provides for parity in the top-ranking judicial organs, the voting on the rest of the terms received a large majority vote from the members of the Chamber.

Government Acts to Nullify Court

Bogota EL SIGLO in Spanish 3 Nov 81 pp 1, 3

[Text] Through a decree issued last night, the National Government stipulated that the decisions handed down by the Supreme Court of Justice on legislative acts to reform the National Constitution must be voted by a three quarters majority, and not a simple majority.

The measure goes into effect immediately, and therefore the announced Court finding on the suit brought against the Constitutional Reform of 1979, currently in force, will have to be voted by that qualified majority.

The president issued the decree after the Council of Ministers, meeting last night, recommended that he take steps to use the authority conferred upon the executive branch by the Constitutional Reform of 1968 to issue regulations pertaining "to the voting system that the Court must use in studying and deciding on the matters within its jurisdiction."

The decision made last night concerning the qualified majority had already been used by several jurists, as EL SIGLO reported in its edition of last Saturday, when it announced the Court's anticipated decision to declare the Constitutional Reform of 1979 unconstitutional.

As is public knowledge, the final decision has not yet been made, because the Full Court, consisting of 12 magistrates and 16 associate justices, is due to meet next Thursday to consider a new motion. This is because, at the meeting held last week, it confined itself to a few test votes regarding the motion that had been submitted by magistrate Ricardo Medina, whose propositions were not accepted by 15 of the members of the court, whose views were opposed to the reform, but without reaching agreement on the reasons for vetoing it.

According to jurists consulted by EL SIGLO, now that the three quarters majority has been established by the decree issued last night, it may be claimed that the crisis

to which the Court might have exposed the country by overthrowing the 1979 reform has been averted.

Message From the Ministers

At the conclusion of the Council of Ministers meeting, all of them without exception signed the following message:

"The Council of Ministers, after having studied painstakingly letter C of Article 76 of Legislative Act No 1 of 1968, recommends to the President of the Republic that he take steps to implement it by issuing the regulations pertaining to the voting system that must be used by the honorable Supreme Court of Justice in instances of voting on descisions related to legislative acts to reform the National Constitution."

The Authorization

Letter C of Article 76 of the Legislative Act of 1968 cited in the ministers' message states:

"The government is authorized to adopt the necessary administrative measures for the establishment of the services of the Constitutional Division of the Supreme Court of Justice, and to issue, so long as the law does not do so, regulations relating to its operation and procedures for studying and deciding on the matters within its jurisdiction."

2909
CSO: 3010/310

CULTURE MINISTER REAFFIRMS COMBAT READINESS OF PEOPLE

FL162333 St Georges Domestic Service in English 2300 GMT 16 Nov 81

[Text] The Cuban people are prepared and ready to face any aggression that might be unleashed against them by the Reagan administration. This was stated here today by Ricardo Alarcon, Cuba's deputy minister of foreign affairs. Senor Alarcon was speaking at a press conference this morning at the Cuban Embassy in (Mon Jalou). He said that the Cuban people are in a state of combat readiness. He said that his people have already indicated to the United States' imperialist that if they attack Cuba they will be met with fierce resistance from a strong and determined people most of whom are already trained members of the country's territorial troops militia units.

Addressing himself to the increased aggressiveness of the Reagan administration in the region, Senor Alarcon said that the administration takes on extreme right-wing approaches to all issues and tries to make the genuine struggles of the peoples of the region appear as a so-called communist threat. However, the Cuban minister said this would not stop the struggles of the peoples because the realities of the region are a different matter.

The Cuban official said that it is easier to understand the Reagan administration's policies in psychiatric terms than in political terms. The administration is trying to perform magic tricks to take itself out of the present grave crisis facing U.S. imperialism, he said, and it is already faced with tremendous internal contradictions.

Senor Alarcon concluded that the administration's social policies and its foreign policy would bring about its own defeat and that in the end the American people will be on the side of Cuba.

CSO: 3020/27

FIVE YEAR REPORTS ON NEW POLITICAL DISTRICTS

Pinar del Rio Province

Havana BOHEMIA in Spanish 2 Oct 81 pp 36-41

[Article by Alberto Salazar and Julio Fumero]

[Text] Pinar del Rio, the tip of our long, narrow island, was characterized for a long time by its poor socioeconomic development.

It was only known for the famous Vueltabajo tobacco, the Matahambre copper and the beauty of Vinales. These were sources of wealth for the minority and poverty for the majority.

This "Cinderella" did not come out of its trance because of enchantment or a lost glass slipper. It was due to the creative work of a revolution which opened undreamed of horizons for this territory that now proudly shows complete transformation.

When the new administrative divisions came into effect in 1976, Pinar del Rio was not greatly changed. However, its internal structure was simplified, according to law. It went from five regions and 28 municipalities to 14 municipalities.

This westernmost province is third in the country in area (10,901 square kilometers) and seventh in population. It has more than 640,000 inhabitants for an approximate density of 60 people per square kilometer.

About 48 percent of its population is female and 52 percent is of working age; both fitures are for 1980.

The Sierra de los Organos and Sierra del Rosario have explored caves which are among the largest on the continent. These are typical of the mountainous landscape in the territory.

That rough topography and limited water resources mean that the province has poor soil in general. Nevertheless, its valleys and agricultural zones (hoyos) are famous for their fertility, especially for growing tobacco.

There are also appreciable forestry, mining and fishing resources. In addition to tobacco, there are large areas used for sugar cane, livestock, produce, vegetables, rice and citrus.

The basic direction of future development in the territory will be the growth of a diversified economy in which tobacco, sugar and mining will have priority.

Overall Economy

During the period 1976-80, gross production of all economic sectors in Pinar del Rio grew steadily. It reached its greatest volume in 1978 of more than 470 million pesos.

Then a decline began. In 1980, production was higher than in the first year of the period but less than 460 million pesos.

As to economic efficiency indicators, the cost for each 100 pesos of gross production reached its best level of 95 pesos in 1977. During the next 2 years, it was over 100 pesos but came down again in 1980 to 98 pesos.

The relationship between average wage and work productivity was generally unfavorable since only in 1978 did the latter increase more than the former.

The principle of socialist distribution based on work had serious problems at the beginning of this period in implementation, control and analysis caused by lack of priorities and levels of leadership, a situation that led to stagnation and, in some cases, regression.

In 1979, a process of frank recovery began and the next year it became stronger which meant better results.

The revision and updating of work norms also ran into difficulties, especially in quality, since the percentage of workers who went beyond the established parameters was very high. However, by the end of the period, this was being adjusted.

Implementation of the SDPE [Economic Management and Planning System] was supported by hard political work.

This meant that the efforts made translated positively into the reorganization of economic controls, making it possible to make decisions on more solid bases.

In spite of advances in the application of the SDPE, its results are still not used fully by the administrative directorates as an economic management tool.

In addition to drawing up guidelines for the 5-year period 1981-85 during this stage, there was work on future development until the year 2000. Both tasks required great effort and dedication.

Investments in the productive and nonproductive sphere were irregular. They peaked in 1979 at more than 135 million pesos.

Agricultural-Livestock Activity

Activities in the agricultural-livestock sector centered on advances in food production for the people, exportable goods and raw materials for industry with an average annual increase of 4.7 percent.

Some sectors went down each year, especially tobacco which suffered a marked decline due to objective and subjective problems which are now being solved. The plan for the 5-year period 1976-80 was 3,235,200 quintals but only 2,550,000 quintals were produced.

In the first place, as is known, virulent blue mold attacked the crop and caused real disaster in the tobacco fields, noticeably cutting production.

Other negative factors were decreases in sown area, problems in obtaining basic resources, inadequate land improvement and plant quality, poor application of agrotechnology, manpower shortage and administrative and organizational problems.

The most obvious sign of the degree to which these problems were eliminated is the 1980-81 harvest of 54,828,000 tobacco poles which is a provincial production record.

That was achieved in spite of the effects of Hurricane Jeanne at the end of 1980. It destroyed 250,000 "canteros" and 175.9 caballerias already planted.

This success was only possible due to the decisive mass participation in the tobacco harvest. At times more than 100,000 people were mobilized.

The immediate objectives in this sector include improvement of the land used for tobacco, more sown areas and cultivation in general, mechanization of feasible activities and gradual reduction of the work force to 50 percent of the present one.

The planned figures were not reached in sugar production either. The planned industrial yield was not achieved, there was underutilization of industrial capacity and a lower supply of cane. This was partially caused by rust, a disease that attacked the Barbados 4362 variety.

For example, the production plan for the sugar harvests from 1977 to 1980 was 516,440 metric tons but 90 percent or 464,800 tons were produced.

The shortage of raw materials during this period totaled 29 million arrobas of cane. A yield base 96 of 10.48 had to be obtained but it was about 10.12 so more than 16,000 tons of sugar were not processed.

Plans for this sector include production stabilization. The 30 de Noviembre mill which was in operation during the 1980-81 harvest and the Batalla de Cacarajicara mill to be constructed in the northern part of the province will help this objective.

The production of tubers and roots increased 1.3 times during this period, reaching 1.2 million quintals in 1980. That same year the highest figure in the period was reached in coffee by harvesting 17,200 quintals of coffee.

More than 440,000 quintals of citrus were harvested last year, an increase of 110 percent compared to 1975.

Also milk production increased that year about 21 percent and beef about 40 percent with 35.2 million liters and 23,300 tons respectively.

In 1980, there were also increases of 27 percent in pork with about 7,000 tons, 300 percent in poultry with more than 11,435 tons and about 16 percent in egg production with almost 244.22 million units.

During that period, there were investments that increased the productive capacity of the sector. These included 20 typical dairies for 6,400 cows, five calf-raising centers with capacity for 2,700 and 13 weaning centers for 5,200 head.

In addition, six poultry farms for 1,615,000 birds and a swine breeding center for 400 began to operate.

New dams increased the reservoir capacity to 436 million cubic meters, more than twice the amount at the beginning of the period. Therefore, more than 100,000 hectares now receive the benefits of irrigation.

In its progress toward superior forms of agricultural-livestock production, the province had 189 cooperatives with more than 6,300 peasants and 2,504 caballerias, 13 percent of the area belonging to the private sector, as of May 1981.

Most of the cooperatives--160 of them--grew tobacco; the remaining ones raised cane (8), produce and vegetables (12), coffee (6), fruit (2) and livestock (1).

Basic Industries

When mining in Pinar del Rio is mentioned, copper which has been mined in Matahambre for many years immediately comes to mind. Nevertheless, Matahambre is not the only place that produces copper and not just copper is mined in the province.

There are a number of metallic and nonmetallic minerals in the Vueltabajo territory that are the basis for different industries.

During this period, copper production was overfulfilled with good results in the extraction of iron pyrite and silica sand used in the construction materials industry.

The production of phosphoric rock which began in 1977 to help solve shortages in fertilizer production showed promising results with 99 percent of the plan.

The main investments in mining were the phosphorite processing plant that permitted mining of this deposit and projects for the Jucaro mine, first of its type built by the revolution. Copper concentrate is mined there.

Geological work is very important for the development of this branch. Advances in these 5 years increased the level of geological knowledge in the province from 6 to more than 30 percent.

Those advances led to the detection of a phosphorite deposit in Pimienta, Minas de Matahambre, and important polymetallic deposits in the municipalities of Mantua and Mina.

The electric power sector showed sustained increases in the number of consumers, about 90,000, and the energy supply which grew at an annual rate of 14 percent.

That sector also included the construction of 1,157.5 kilometers of lines at several voltages and 30 substations as well as the installation of 1,722 transformers.

There were 1,538 projects of different types by the provincial organisms including the Ministry of Basic Industry (749), the Ministry of Construction (288), the Ministry of Agriculture (129) and the people's government organs (253).

There was an important increase in the production of mixed fertilizer since it increased 25.5 times by 1980 compared to the beginning of this period.

During this period, work on two significant investments in the basic industries sector began: a typical parts plant and the electronic complex.

Construction Work

Construction dynamics in the province are reflected in the fact that projects worth more than 500 million pesos were built during this period.

Excluding housing, roads, hydraulic and hydrologic works, 308 of the 391 projects planned were built. Broken down by program, 38 were industrial, 56 agricultural-livestock, 111 educational, 7 health and 96 miscellaneous.

More than 7,600 housing units were finished, some 355 kilometers of roads graded and another 805 kilometers paved.

In the hydraulic program, more than 19,000 hectares of crops, mainly rice and citrus, were irrigated. There were 32 basic projects and reservoir capacity increased by some 117 million cubic meters. Most of this corresponded to the El Salto dam with some 66 million cubic meters.

The hydrologic program carried out projects worth more than 5.6 million pesos. These included the construction of the Bahia Honda aqueduct, conductors to several economic and social objectives, the installation of two filtration plants, sewerage for some cities and expansion of the supply source to Pinar del Rio.

Industrial projects included a food complex, a factory for small clay parts and another for acetylene, a citrus-packing plant, a poultry slaughterhouse and a prefabricated plant.

Agricultural-livestock projects included 26 dairies, 13 weaning centers, 4 development centers and 1 breeding center. In the poultry branch, three fattening units and one incubation plant were built. There were also a swine breeding center and five other installations of different types.

A large part of the construction effort in the province was aimed at educational projects which added approximately 52,000 new seats during this period.

These included 16 Giron-type ESBEC [Basic Secondary Farm School], 9 wooden ESBEC, a Camilo Cienfuegos military vocational school, a school for daycare teachers, 2 for special education, 18 urban basic secondary schools, 12 primary schools, 2 technological schools and 19 daycare centers.

In the health sector, a dental clinic and six polyclinics were finished. These extend health services to more than 100,000 people.

Other buildings finished were a 138-room hotel, a telephone central, four supermarkets, four theaters, a laundry and 17 fish stores.

During this period, there was progressive increase in the quality of the projects with provincial meetings and the constant adoption of pertinent measures.

Attention was focused on achieving optimal quality in finishing, waterproofing and prefabricated parts.

There was also a good effort to improve quality, not only in specific details of projects but in straight construction, keeping in mind the minimum areas and volumes of the plan as well as the elimination or replacement of imported materials.

Recently steps were taken to draw up the budget and plans for large housing and hydraulic projects with the cooperation of foreign technicians.

Transportation and Communications

An analysis of the economic management of the automotive and railway transportation branches indicates that the plans for each year were generally fulfilled with increases from one year to another.

More than 104 million passengers were transported by different means while trips increased more than 25 percent, all due to the replacement and increase of the vehicle pool and priority attention to that activity.

There was work to preserve the equipment. Its use was noticeably affected in 1980 by breakdowns and shortage of spare parts.

Truck and railroad freight increased more than 50 percent in physical units and value compared to before the new administrative division.

It should be pointed out that, during this period, appropriate use of buses to transport students from rural schools was organized and structured.

Omnibus Nacionales is represented in the province by an administrative unit with eight agencies in eight municipalities which carry out their program systematically.

A major step was taken in transportation service at the end of last year with the replacement of the Skoda buses on the Pinar del Rio-Marianao route with Hino buses which are more modern and comfortable.

Transportation construction included the Havana-Pinar highway which is 146.7 kilometers long; 62 kilometers are already paved.

Meanwhile, there was also notable progress in communication services. Three automatic centrals were inaugurated and 61 automatic telegraph lines were put into operation. There were also increases in the number of telephones installed and telephone lines in service and, therefore, telephone traffic.

The mail, telegraph and press distribution sector improved a lot due to increased automation and the superior work of the distribution network with the construction of newsstands everywhere in the province.

Public Health

Pinar del Rio made significant advances in the health sector during this period in indicators of vital importance for service and improvement of quality in the treatment of the people.

Six polyclinics--two of them as replacements--and a dental clinic which means an additional 19 chairs were constructed. Also an old folks home that should be completed this year was started.

There was also remodeling, expansions, adaptations and construction of minor projects in several installations like hospitals, medical offices and polyclinics.

Consultations increased about 400,000 while the rate of consultations per inhabitant increased from 3.7 to 4.1.

The number of doctors grew by 208 and dentists by 29 which meant 1 doctor for every 996 inhabitants and 1 dentist for every 4,276 inhabitants.

The total number of workers in this sector increased to about 7,800. There was a 139-percent increase in nurses, 52 percent in technicians and 57 percent in X-ray technicians.

Cooperation abroad also had its expression in Pinar del Rio since there were 453 internationalists during this period.

One of the health indices which the revolution has worked on most is the infant mortality rate.

In the Vueltabajo territory, the rate in 1976 meant that 30 children out of every 1,000 born alive died. This was reduced through constant work to 20.9 in 1980.

Education, Scientific-Technical Activity, Culture, Sports

A large part of the population in the province is studying. More than one out of every three Pinar del Rio residents is in some type of education.

The growth of advanced education stands out during this period. There were more than 7,000 students enrolled and the elevation of the general cultural level and the flow of top-level professionals to the economy and education were guaranteed.

Primary education tended to decrease; it stabilized at over 100,000. This decline was due to the lower birth rate and the effectiveness of the educational system. The average continuation and promotion rate during this period was over 98 and 94 percent respectively.

There was important progress in special education since the number of centers for students with problems grew from 2 to 11 while there were also substantial increases in the number of specialists and teachers.

There is now a diagnostic and guidance center to pinpoint the problems in those cases. There will be increased capacity with the opening of eight new schools.

Enrollment in basic secondary schools more than doubled in this period compared to 1975. Today there are more than 46,000 students which explains the need to build more than 30 schools. School continuation and promotion rates were over 93 percent.

Preuniversity education was characterized by rapid growth with an enrollment of more than 8,000 students in 1980. School continuation and promotion rates were close to 92 percent in both cases.

Enrollment in technical and professional schools remained stable in the last 3 years but there are problems in retention. There is an acceptable 94 percent promotion rate and some 6,000 intermediate technicians and skilled workers graduated during this period.

The youth movement has better results in continuation and promotion although it should be pointed out that it includes many youths from 13 to 16 years of age who are not in school.

In adult education, the province had the honor of being the first large province to complete the battle for sixth grade with more than 60,000 graduates.

The tie between study and work in primary education is carried out basically with school gardens. These students take care of parcels, miniparcels, nurseries and gardens. More than 62 percent of the enrollment and 95 percent of the schools participate.

The students in the rural schools are a valuable source of manpower. They take care of more than 2,000 caballerias of citrus, coffee, tobacco, produce, vegetables and nurseries.

The School to the Country plan has had good participation (95 percent) and positive economic results. One activity that was added is productive work by university students during their vacations; this must be gradually improved.

Training the teaching personnel was considered satisfactory with outstanding achievements like the certification of primary teachers and physical education teachers.

During this period, advancement courses for directors, teachers and methodologists in primary and intermediate education and courses in Marxist-Leninist theory

started and continue successfully. At the same time, almost 3,000 teachers began degree work in primary education.

The training of labor teachers and advancement seminars for adult education, basic objectives to win the battle for ninth grade, continued.

In the 1980-81 school year, the Educational Advancement Institute began a new stage to achieve a highly efficient system in the scientific-technical, political-ideological and pedagogic-methodological training of teaching personnel with a dialectic materialistic concept. It permits the practical merger of educational methods and a greater role in organization, planning, direction and control.

The principal successes in scientific-technical activity included the construction of meteorological stations in San Juan y Martinez and Santa Lucia, the creation of the Multisectorial Center for Scientific-Technical Information, the Museum of Natural Sciences, the Provincial Meteorological Center, the Archeology Work Group and research on the Guanahacabibes peninsula which includes drawing up a vegetation map, the study of flora and fauna and consolidation of soil data.

There is other research on erosive processes in the tobacco areas of San Juan y Martinez and on the fertilization of rice and citrus in addition to research done by the experimental stations for those crops and for tobacco and forestry.

There are more than 40 research topics connected to national development. Steps have been taken to improve the tie between the Academy of Sciences and the economic and educational units with the idea of cooperating in their activities. There is also development in the Youth Technical Brigades and the National Association of Innovators and Efficiency Experts.

The material base of culture was enriched by installations of different types like 2 libraries, 9 museums, 3 houses of culture, 1 art gallery, 1 theater, 1 exhibit hall, 11 movie theaters, 3 houses for cultural products and 1 house of song.

The amateurs groups practically tripled in this period although they must systematize their activities and continue to improve in quality.

One advance in work organization in this sector is the creation of the popular culture councils in the province and the municipalities.

In sports, the province is growing stronger in several disciplines (boxing, baseball, cycling, weights, handball and gymnastics) as well as in social and school sports in general.

Installations constructed include the provincial physical education school, an EIDE [School for Sports Beginners] with the capacity for 1,000 students and the first eight boxing gymnasiums in the territory.

Also an appreciable number of sports installations were remodeled, expanded or built in new-type schools.

In high-yield sports, the presence of 11 Pinar del Rio athletes in the delegation that represented Cuba at the Olympic Games held in Moscow was stimulating. Pugilists Bautista Hernandez and Hipolito Ramos won gold and silver medals respectively.

In recent years, recreation increased quantitatively and qualitatively, especially since the graduation of the first group of technicians in that field from EPEF [Elementary Physical Education School].

Programs in tour cycling, hiking, rally races, sports fishing and hunting, tennis, etc. are being developed now so that the youth and the people in general invest their free time wholesomely and constructively.

Tourism

Natural beauty and that created by man make Pinar del Rio an attractive place for national and international tourism.

The enterprise in charge of those services--created in 1977--did systematic work in this period which included the construction, expansion and remodeling of tourist units.

It is significant that 86,024 foreigners passed through tourist installations--including those who lodged there and those in transit--as did 51,165 people from the province and other parts of the country.

The hotel units in the territory include the modern Pinar del Rio built during this time.

Another project during this period was the installations at Laguna Grande which have comfortable cabins and other accommodations on the shore of a good place for fishing. There is also a prehistoric mural, a beautiful monument.

This includes projects carried out in Cayo Levisa whose beach has become more attractive due to improvements, the Hotel Libertad and the dance area in the Jose Miguel caves.

Remodeling, expansion or maintenance work was done in the Vueltabajo, Occidente, Los Jazmines and Rancho San Vicente hotels, the Indio, Soroa and Maspoton caves and others used for tourism.

During the first years, work in this sector was aimed basically at construction but then there was a turn toward the necessary maintenance of the units which was increasing slowly. The accumulated fulfillment in this period reached 120 percent.

An example of the quality is that, in 1980, the tourist enterprise won first place nationally at the technical-food service meeting for tourist services.

Nevertheless, there were problems due to lack of resources which negatively influenced the quality and variety of services to national and international tourism.

Increased Standard of Living of the People

The ratio between the people's income and expenditures during this period fluctuated although both continued to rise the entire time.

During the first 2 years, income was higher than expenditures but then the situation reversed which helped internal finances.

The increase in income from wages during this stage is significant since, at the beginning, it represented 73 percent of the total and last year increased to 80 percent.

At the same time, expenditures remained stable in the two most important indicators: purchase of merchandise (59 percent) and purchases at public eating places (24 percent).

One sign of how the purchasing power of the people and the concern to improve their standard of living increased is that, during this period, some 415,000 domestic appliances were sold.

These included 29,600 refrigerators, 62,500 televisions, almost 10,000 mixers, 86,000 electric irons, 46,500 radios and 24,000 washers.

There was an increase in income for retirement, pensions and subsidies between 1976 and 1980 since it was 7 percent in 1976 and 10 percent in 1980.

That increase is a clear example of the importance that the revolution gives to social security measures.

During this period, there were new possibilities for consumption and enjoyment by the people in the most diverse areas which expanded the horizon of individual development.

Prospects for the Next 5-Year Period

Pinar del Rio will not stop its rising development.

This westernmost Cuban province will continue its progress along the path of socialist construction in the economic, social, political and cultural fields.

For the 5-year period 1981-85, there are plans for investments of some 800 million pesos which will increase production for export as well as for national consumption.

Tobacco must maintain its productive rate of growth with new areas used for this crop and through the practice of doubling. This means two harvests from the same land. The first example of this will be seen in this 1981-82 harvest when 3,700 caballerias--700 more than planned before--will be harvested; 200 will come from new areas and 500 from doubling.

The main guidelines also include increased sugar production with optimal use of the 30 de Noviembre mill which began operations during the last harvest. Another

will be built in the northern part of the province which will become an extensive cane area.

Another prospect is the construction of other mills so Pinar del Rio will no longer be mainly a tobacco area but will become a sugar province also. There must be hard work in clearing, preparing land and sowing large areas, large industrial and agricultural investments and progress in the creation of cane cooperatives for more rational use of the land and resources.

As to produce and vegetables, there are plans to obtain large increases in order to liberate distribution to the people of Pinar del Rio in 1983 and begin to send surpluses to Havana City and other provinces.

The development of citrus plans will continue with new fields. There will also be rice cultivation and increased swine, cattle and poultry raising.

Irrigation will increase, especially for citrus and cane, but also for other crops like pasture, tobacco, vegetables and produce. Expansion of the irrigated areas will mean a reservoir capacity of some 200 million cubic meters.

The Havana-Pinar highway--one of the most important projects of the 5-year period in the province--will guarantee quicker and better access to the capital. Other large investments include the Castellanos mining complex, the first strip mine in Matahambre. The Santa Lucia sulfuric acid plant will be modernized and geological research of the subsoil will increase.

Many projects have been approved by JUCEPLAN [Central Planning Board]. They include: a parts plant, a plant to produce plate glass and a bottle plant, a mineral water bottling factory, a soft drink factory, a coffee processing plant, 57 typical livestock installations, a 630-bed hospital, 2 old folks homes, 5 polyclinics, 7 supermarkets and 10 minimarkets, 13,000 housing units and 7 polytechnical centers.

Matanzas Province

Havana BOHEMIA in Spanish 9 Oct 81 pp 9-14

[Article by Julio Fumero and Alberto Salazar]

[Text] Matanzas is a province with internationally famous beaches: the northern Varadero coast is internationally known for its beauty and the softness of its sand and the southern Giron coast is the symbol of the first great military defeat of imperialism on this continent.

Its territory is characterized by flat land, fertile red soil and vast water resources which are good for agricultural, livestock and industrial development.

Before the new administrative division in 1976, this province had five regions and 34 municipalities, a structure that was simplified to 14 municipalities.

It is second in the country in area--11,741 square kilometers--and its population is about 564,800 for a density of 48.1 people per square kilometer. There are 275,900 women and 180,360 people live in rural areas.

The province has one of the busiest ports in the country--Matanzas--and one of the most beautiful valleys on the island, Yumuri.

The capital city was called the Athens of Cuba due to the rise of culture there in the 19th century, a tradition that is being revived by increased activities in theaters, museums and other installations.

The future development of this territory which in 1974 was the experimental site for the establishment of people's government organs is oriented toward a diversified agroindustrial economy based on sugar production.

Overall Economy

It should be pointed out that gross production in the 5-year period showed an average annual rate of growth of 3.24 percent. It was precisely in 1980 that the best results were obtained, 693.5 million pesos.

In spite of the fact that the province is considered to have an agricultural-livestock economy, the industrial sector created more value--52 percent--mainly through the sugar branch which had the largest production volumes in the country.

Work productivity increased 10.3 percent during this period. The average wage-productivity ratio was positive since both increased but each person in Matanzas contributed more to society than he received in nominal wages.

With respect to economic efficiency, production costs increased from 86 to 94 centavos per peso between 1977 and 1979 but went down 2 centavos in 1980. Hard work is being done to continue this reduction since it is still high, principally in the agricultural-livestock, industrial and construction sectors.

Matanzas made unquestionable progress during these years in the gradual application of the SDPE in order to create mechanisms for better efficiency, better use of resources and increased economic awareness in the political and administrative cadres as well as in the workers in general.

Investments during the 5 years were directed at the development of the main productive sectors, particularly industries, with good results. For example, in 1980 about 141.8 million pesos were invested with 73 percent going to the production sector.

Agricultural-Livestock Activity

After industry, the agricultural-livestock sector is the second most important in the economy of the territory, contributing more than one-fourth of the production value in the period 1976-80.

Because of the effect that its branches have on feeding the people, creating exportable goods and supplying industry, they received priority attention and grew 42.8 percent in the 5-year period with annual average rates of 7.4.

The total amount in 1980 rose to 186 million pesos, almost 56 million more than in 1975. This result is attributable basically to increased productivity and yield per area and not greater area used.

In cane agriculture, the main efforts were directed at better use of irrigation equipment, land preparation, cleaning the fields and denser planting.

It led to higher yields year after year. For example, during the 1978 harvest, it was about 69,100 arrobas per caballeria but it totaled more than 80,000 in 1979.

Nevertheless, in 1980 it went down to 66,000 due to the rust--more than 3,000 caballerias of Barbados 4362 had to be replaced with other varieties--inadequate cleaning and unfavorable rains in July and August.

The situation is encouraging if it is considered that almost 5,000 of the 12,000 caballerias of cane planted in the province have irrigation systems. The 1981 spring campaign was the largest in the history of Matanzas with 70 percent certified seeds.

The technical personnel have a strong influence in achieving greater objectives. In the 27 cane enterprises in the territory, only four of the directors are not engineers although they have more than 15 years of experience in their jobs.

With respect to sugar production, the Yumuri people are justifiably proud of being the top producers in the country and having finished the 5-year period by processing 4,552,000 metric tons, 52,000 more than planned.

The best harvest in this period was in 1979. It was the second time in Matanzas history that more than 1 million tons were reached; the first time was in 1970.

Last year was the only year when the plan was not met--89 percent--due to the effects of rust, weeds, decreased volume of cane to grind and poor industrial efficiency.

Other successes in the agricultural-livestock sector were increased yields and increased production in branches like grains, produce, citrus, milk and meat.

It should be pointed out that potatoes increased from 15.1 tons per hectare in 1975 to 22.2 tons at the end of the 5-year period. This is the production level of developed countries for that crop. There was also a steady increase in rice, malanga and banana.

Enterprises rewarded by the revolution for high yields include the Maximo Gomez which produced 1 million quintals of produce on only 166 caballerias.

Another outstanding achievement in this sector in the province was 3 million quintals of citrus in 1980, more than seven times the 1975 production. The first step was achieving 1 million quintals in 1979 and then tripling the volume the following year. The investment process directed toward that branch will make it possible to obtain 10 million quintals by 1985.

Milk production also recorded levels that surpassed the most optimistic calculations. In 1975, the First Party Congress called for a 75-percent increase in that branch. Only about 54 million liters were produced in Matanzas.

By the Second Party Congress and in salute to this event, the people of Yumuri happily revealed production of 100 million liters. The Matanzas Livestock Genetic Enterprise contributed the largest volume (more than 50 percent).

That victory was also due to an increased number of dairy cows and the increased yield of each animal--about 7.2 liters per cow, almost 2 more than in 1975.

The production of poultry meat was very important. It rose during the 5-year period to 19,000 tons.

The same was true about beef and pork which totaled more than 21,000 tons and 6,000 tons annually. Egg production reached 240 million while the average consumption of the province is 90 million.

With regard to henequen production, it should be noted that the province was advised to stop increasing sown areas because of the market. Therefore, only 4,500 tons were produced annually, 80 percent of the national figure. Now there are prospects of reaching 6,000 tons.

Basic Industries

The production in the province of complete fertilizers, an important branch of the chemical sector, was 1.4 times greater during the 5-year period 1976-80 than it was in the preceding period in spite of the fact that the processing enterprise did not fulfill its plans during the first 4 years.

That growth was basically due to the production of 292,000 tons in 1980 which was a record.

Problems during this period included nonstabilization of production due to poor maintenance of the installations caused by lack of material resources, parts and guarantee by the mechanical industry.

As to paper and school notebooks, there were production problems that led to instability during this period.

At the end of 1979, a rising trend in the results of the enterprise began. In the following year, the plan was fulfilled and the highest number of notebooks in history (85.2 million) was produced.

The production of rayon and fabric remained below the installed capacity and at the same level as in previous periods. This was caused by limitations in the necessary resources for both products.

During the present 5-year period, there will be work to modernize and make capital repairs on the enterprise in charge of those branches since the supply of parts and raw materials from the socialist area has improved.

The electric power sector did well in construction of lines and substations, new consumers and services provided while consumption decreased at the end of this period.

In Matanzas there is an enterprise for drilling and extracting oil in central Cuba. It is involved in geological prospecting, well drilling, tests to determine their productive potential and experimental extraction of crude oil.

Construction Work

Construction work in the province during this period materialized in about 389.1 million pesos of gross production and an important number of economic and social projects.

These last include 34 ESBEC, 133 agricultural-livestock projects, 6,089 housing units, 5 polyclinics, 14 daycare centers, a sodium sulfate recovery plant, a poultry slaughterhouse, a liquid feed plant, a torula yeast factory, an ice factory and the Bellotex textile factory.

Also there is a preprocessing station and a meat-packing plant.

Most of the agricultural-livestock installations--119--were for cattle. There were five for poultry and three for swine.

Hydraulic projects completed during this period benefit more than 3,400 caballerias of cane, 1,200 of citrus, 600 of pasture and forage, 210 of rice, 76 of produce and 34 of beans.

The value of roads totaled more than 42.6 million pesos and included the grading of some 655 kilometers and the paving of 301 kilometers as well as 61 bridges.

Problems basically with supplies kept the construction sector from fulfilling its plans in any of the years of the 5-year period but there were important increases.

It is also encouraging that, as of May 1981, there had been 11 consecutive months when the province had fulfilled its construction programs.

There was progress in the finishing quality, the elaboration of projects and the production of prefabricated parts but problems still persist. The party and the pertinent organisms are working on them.

Transportation and Communications

During this period the gross production of the transportation sector grew about 46 percent in general. This was mainly due to the 40-percent increase in work productivity.

There were increases in the bus sector since the vehicle pool increased 57 percent and trips doubled. In rental cars, the number of vehicles increased 290 percent and roads increased 59 percent.

Nevertheless, one problem during this period was their limited use due to inadequate supplies and problems in operation.

Freight transportation by truck and railroad increased in gross production by 42 and 30 percent respectively while railroad passenger traffic tripled.

There was increased efficiency in the ports of the province during this period. It suffices to say that, in spite of increasing loading and unloading levels, four of the installations did not have to pay for extra lay days.

It was significant that technological development in port activity continued with the introduction of new auxiliary equipment which permitted greater productivity and considerably improved working conditions.

With respect to communications, there were increases in telephone service (63 percent) and in radio communications (tripled) but postal and telegraphic services showed a decrease caused by problems in the quality of the automatic systems.

During this period a set of satellite and matrix plants were put into use for automation and teleselection in the territories of Colon, Jaguey Grande and Limonar which included other municipalities like Los Arabos, Calimete and Perico.

Other successes in these sectors were improvements in the cable transmission system and in long distance circuits, modification of the television transmission system installing better quality and more powerful equipment and the completion of the national microwave system throughout the province.

Public Health

The increased quality in public health services and care during the last 5 years brought many benefits to the people of Matanzas.

To mention only one example, the province had the lowest infant mortality rate in the country in 1980 with 14.5 deaths for every 1,000 born alive. It was 20.1 at the end of 1976.

The network of health care installations in the territory increased with five polyclinics, dental service, an oncology office and a psychiatric teaching hospital. A hygiene and epidemiology laboratory and a health polytechnical school were also constructed.

During this period, 205 doctors, 143 specialists and 1,328 intermediate technicians graduated while the total number of beds for patients reached 2,137 or 3.7 for every 1,000 inhabitants.

Matanzas already has 917 doctors and 227 dentists which means that there are 16.1 doctors and 4 dentists for every 10,000 Yumuri residents.

The number of medical and dental consultations increased during this period. There were 15 million medical and 3.4 million dental consultations.

Education, Scientific-Technical Activity, Culture, Sports

Provincial enrollment in all levels and types of education totaled more than 205,000 students. In other words, more than one out of every three inhabitants increases his cultural or technical level.

During this 5-year period, promotion rates were always over 91 percent with the best percentage in the 1979-80 school year when it reached a formidable 96.5.

Those results led to the graduation of 4,294 intermediate technicians, 6,732 skilled workers and 1,580 advanced level professionals (not including pedagogic specialties). Thus, the economy received a healthy influx of skilled personnel.

Also the 43,000 adults who obtained their sixth grade certificates are in a better position now to contribute to the development of the territory.

Since development will demand more and more skilled manpower, the classrooms continue training personnel to satisfy this requirement. At this time, 77,000 students are enrolled in primary schools, 45,000 in secondary schools, 10,800 in preuniversity schools, 2,000 in teacher-training centers, 15,200 in technical and professional education and 8,600 in advanced schools.

In order to have room for that large number of students, 10 rural preuniversity schools, 20 ESBEC, 9 urban secondary schools, 1 vocational school, 1 EIDE, 1 pedagogic school, 1 school for daycare center teachers, 1 health polytechnical school, 3 semiboarding primary schools, 1 special education school and other installations were built during this 5-year period. They noticeably increased school capacity.

Concerning training and advancement of educational personnel, 1,780 primary school teachers graduated and all those in practice--1,711--were certified as were 75 percent of the physical education teachers.

Also 1,493 in basic secondary, 594 in the pedagogic detachment and 697 at the advanced level graduated from directed studies at the Educational Advancement Institute.

Concerning improvement of education, the application of new school programs in all general polytechnical and labor education, adult education, technological and professional education and in the pedagogic classrooms stood out.

In mentioning the main achievements in scientific-technical activity, it is necessary to refer to the work of the experimental pasture and forage stations.

The first called Indio Hatuey made six studies that will be generalized for the entire country. They should yield an annual dividend of more than 11.5 million pesos. These studies include the search for new pasture varieties and conservation techniques, agrotechnical systems and systems for milk production, meat production and raising young cattle.

The Antonio Mesa experimental station for cane did important research on cane varieties and sowing. The Victoria de Giron station for citrus had its most significant success in producing 2 million plants free of viral diseases.

Other important results in the scientific-technical sector are the creation of the multisectorial information center and expansion of the network of meteorological stations which now total seven.

The tie between the Academy of Sciences and the economic and educational units improves each day with possibilities of cooperating in their activities. The activities of the Youth Technical Brigades and the National Association of Innovators and Efficiency Experts are also stimulated.

In the cultural field, the increase of cultural installations is noticeable. During this period, 9 movie theaters, 24 libraries, 4 museums, 20 houses of culture and 7 bookstores opened. The amateurs movement experienced quantitative and qualitative improvements but better work is still possible. In that context, the work done by the 20th Anniversary Brigade and the ESBEC's in Jaguey Grande stand out.

In the sports sector, new areas opened for practicing different sports and training teaching personnel in that branch. There were also new baseball and boxing academies, the EIDE and EPEF.

It suffices to say that each of the rural schools built has a module with seven sports installations. Also the Victoria de Giron stadium and several boxing gymnasiums were built.

The progress in the province in social sports is reflected in the second and fourth places it won nationally in 1979 and 1980. Its contribution of 70 athletes to the high-yield teams was valuable.

Concerning recreational activities, Matanzas has programs for hiking, hunting, sports fishing, etc. so that the youth and the people in general invest their free time wholesomely and educationally.

Tourism

Matanzas has two enterprises in its territory devoted to national and international tourism: Varadero, the most important in Cuba, and Cienaga de Zapata.

The former has lodging for about 5,070 people. Its rate of occupancy at the end of 1980 was 71 percent, an internationally impressive figure.

There was sustained growth in the number of rooms starting in 1978; by 1980, there were 529 more. In 1981, Hotel Atabey opened with 136 rooms.

From 1977 to 1980, there was an increase of 402,911 tourist-days lodging while the total figure for those 4 years was 5,244,431.

In Cienaga de Zapata--which includes Guama, Playa Larga and Giron--the rates also rose.

With the opening of 25 more rooms in Playa Giron in 1980 (another 98 will open in 1981), the total increased during this period to 234.

It should be pointed out that neither enterprise fills its rooms for the entire year but only for 3 or 4 months, basically in the summer season.

There is work in those places for rest and recreation toward better service through worker training, increased demand of the personnel and good evaluation of criticisms and complaints from the guests.

Increased Standard of Living of the People

One of the indicators that measures the increased standard of living of the people best is the relationship between income and expenditures per capita.

It should be noted that the monetary per-capita income in Matanzas increased 129 pesos from 1975 to 1980 while each Yumuri resident spent 204 pesos more in the last year than in the first.

Until 1977, income was higher than expenditures but in that year they were the same. After 1977, expenditures were higher. In 1980, each citizen spent 35 pesos more than he received in nominal wages.

Trade circulation during this 5-year period showed uninterrupted growth. Sales to the people increased about 76.8 million pesos and sales in public eating places increased 32.4 million pesos.

One reflection of how the purchasing power of the people and concern for improving their standard of living increased is the sale of some 62,200 domestic appliances, practically double the number in 1975.

During this 5-year period, Matanzas homes received some 172,000 of these appliances including 22,800 refrigerators, 23,600 televisions, 13,500 washers, 30,200 fans, 11,100 mixers and 70,800 electric irons.

It can be stated in general that, during this period, new possibilities for consumption and enjoyment by the people opened in the most diverse fields to expand the horizon of individual development.

Prospects

Matanzas' plans for the 5-year period 1981-85 total 995.7 million pesos in gross production, 29.6 percent more than in the previous 5-year period.

Investments play a fundamental part in this growth. They include a 325-megawatt thermoelectric powerplant, a new sugar mill in Los Arabos with the capacity to grind 600,000 arrobas daily and a supertanker base.

Other projects to be constructed include a citrus complex and 3 packing plants in Jaguey Grande, a rock crushing plant in Alacranes, an IMS plant in Cardenas, 71 agricultural-livestock projects, 3 polyclinics, a medical science school, a surgical hospital with 630 beds, remodeling of tourist installations in Varadero and 12,600 housing units, 1,000 of them for agricultural-livestock cooperatives.

At the end of the next 5-year period, the province will have about 582,200 inhabitants and the prospects for their standard of living are encouraging. The number of beds for medical care, doctors, dentists and daycare centers will increase.

Enrollment in preschool, primary and intermediate education will total 181,000 students. More housing will be finished and distributed than in 1980.

Villa Clara Province

Havana BOHEMIA in Spanish 16 Oct 81 pp 8-13

[Article by Alberto Salazar and Julio Fumero]

[Text] Santa Clara was the last stronghold of the Batista tyranny during the final stage of our wars for independence.

Com Ernesto Guevara fought the historic battle there that ruined the few hopes of the reactionary military dictatorship to maintain its control over the island. Che's invading column that joined Camilo's left from there to carry out Fidel's clear order to take the main military bastions in Havana to prevent a military coup and thus consolidate the revolutionary triumph.

At that time, Santa Clara was the capital of Las Villas, a territory that increased when the administrative division went into effect in 1976. Now that city is the capital of Villa Clara Province located in central Cuba.

Its 8,782 square kilometers make Villa Clara sixth in the country in area and fourth in population with more than 776,000 inhabitants for a density of more than 88 people per square kilometer.

This territory is mainly flat although the Sierra del Escambray is in the south. Its fertile lands are good for sugar cane. With this raw material, it is one of the top provinces nationally in production.

Sustained work during these years led to economic diversification which permits the province to have important industries and a strong agricultural-livestock sector. The land is distributed almost equally between these two sectors.

Future development of this province includes increased agroindustrial growth with sugar production maintaining its main role.

Overall Economy

The balance of the overall economic results in the province during the 5-year period 1976-80 was satisfactory. Proof is the increase in gross production of more than 143.3 million pesos with an average annual rate of growth of approximately 5.4 percent.

A significant detail is the dynamic increase shown by the construction sector--third in importance--which rose to 10 percent. The best years for that sector were 1978 and 1979 which were characterized by a strong investment process.

As to economic efficiency indicators, the cost of production increased from 79 centavos per peso in 1977 to 95 centavos in 1980. There was serious work to lower that index which is so important for the production process.

Work productivity increased at an average annual rate of 5.7 percent and the average wage increased 2.5 percent.

Since 1977 the enterprises and budgeted units in the province have been working to implement the subsystems of the SDPE but the results were not always encouraging.

With respect to the materialization of the socialist principle of distribution based on work, the period showed a low level of development in payment for yield.

The reasons for that included lack of priority which meant less demand and control by the administration, a situation that is being solved.

Agricultural-Livestock Activity

The growth of the branches in this sector led to more supplies for the people and industry as well as the creation of a greater flow of exportable goods.

This can be seen in the fact that gross production was 105.6 million pesos in 1976 and rose to 131.3 million pesos in 1980.

There was steady growth in that indicator until 1978 when it peaked at 140 million pesos. It went down to 124 million in 1979--the lowest in this period--and later recovered to the level mentioned above.

In spite of this fluctuation, it should be noted that the average rate of growth for the 5-year period was 3.2 percent, basically due to an increase of almost 7 percent in productivity.

It should also be noted that this fluctuation was largely attributable to factors like rust and blue mold which noticeably affected the cane and tobacco fields. There were also organizational and subjective problems which can be improved.

During this period, cane agriculture showed steady development in its indicators with a decline in 1980 because of a considerable drop in the delivery of cane. This was due to the destruction in sown areas which had the Barbados 4362 variety --more than 40 percent of the total--which were affected by the rust.

The low agricultural and industrial yields were also a factor but they are now being improved with favorable agrotechnical work under the cane recovery policy.

In that context, it should be mentioned that cane sowing reached its peak in 1980, 57,700 hectares. More was done by the "cantero" system which means denser planting in areas with poor drainage and a considerable reduction in losses.

Raw sugar production totaled 753,000 tons in 1976. In the next 3 years, it was more than 835,000 but in 1980, due to the factors already cited, it only reached 650,300 tons.

Its rate of growth was 6.8 percent from 1976 to 1980 and the biggest harvest was in 1978, 885,000 tons.

In the production of produce and vegetables, it should be noted that, although the planned levels were not reached by the end of the 5-year period, the results in 1980 were much higher than in 1976.

Tubers and roots rose from 21,000 tons to 78,000 tons with favorable results in potatoes which went from 2,100 tons to about 16,700.

The increase in vegetables was noticeable. The 29,000 tons harvested in 1976 were more than tripled in 1980. Citrus rose from 3,900 tons to more than 10,000 tons.

There were fluctuations in the livestock branch. For example, the number of cattle went down from 518,200 in 1976 to 490,000 in 1979 because of slaughters to achieve a meat balance. There was a recovery in 1980 to 494,000 head.

The number of swine fluctuated due to adjustments in production plans by the administration of that branch. The number went down from 59,900 in 1976 to 49,000 in 1979. Nevertheless, the increase in 1980 was significant; it rose to 77,100, the highest figure during the 5-year period.

Poultry, including meat and eggs, had a steady rate of growth attributable to new capacity in the different sectors of this branch. These included two farms for laying hens, three for breeders, two for replacement of laying hens and two for incubation plants.

The increase in dairy cows and yield per animal translated into greater milk production. It went from 40.5 million liters in 1976 to 53.2 million in 1980.

Progress toward superior forms of agricultural-livestock production in the province is shown by the formation of 125 peasant cooperatives which cover 2,116 caballerias and have 4,365 members.

Of those cooperatives, 55 are devoted to cane, 53 to tobacco, 2 to livestock, 12 to produce and vegetables and 3 to coffee.

It is the intention of ANAP [National Association of Small Farmers] in Villa Clara to form 35 cooperatives in 1981 covering about 440 caballerias and 1,300 members.

Basic Industries

The economic and productive results obtained by the enterprises in the basic industries sector can be considered satisfactory.

In the Fabric Aguilar Noriega enterprise for mechanical construction--now undergoing major expansion--there was acceptable work in the fulfillment of its plans for production of equipment and spare parts, basically for the sugar industry--especially the new mills.

To cite only one example, the enterprise set a record for cast steel in 1979 with 6,100 metric tons. It had an annual rate of growth of 0.9 percent.

Another large industry in the territory is the Primero de Mayo domestic utensils plant. It had serious problems in recent years due to irregular supplies of raw materials and essential components.

The Neftali Martinez enterprise which produces spark plugs had favorable results in fulfilling its plans. It produced about 5.3 million units during this period and had an annual rate of growth of 1.3 percent.

The Elpidio Sosa electrochemical plant in Sagua la Grande met its goals during this period in spite of problems with supplies of some raw materials and other important materials.

The enterprise in charge of geological projects gave a satisfactory response to the plans. These included a geological relief map of Escambray and conclusion of its final report which will reveal the mineral wealth of that region and mining possibilities.

Work in the electric power sector in Villa Clara was done by the territorial enterprise for transmission and distribution in central Cuba. It did good work in eliminating illegal connections ("hookups") and constructing high voltage lines and substations.

As to that last aspect, the Santa Clara-Havana, Santa Clara-Cienfuegos and Santa Clara-Vicente segments (all 220-kilovolt lines) and substations in Manicaragua and Remedios (both 110 kilovolt) and Yabu (220 kilovolt) were completed.

Work by the mechanized column in the province was good since they overfulfilled their objectives during this period.

Construction Work

The construction sector created gross production values of 764.1 million pesos in the period 1976-80 with an average growth of 7 percent. This indicator went down about 15 million from 1979 to 1980.

The increase since 1976 is encouraging since it went from 108.8 million pesos to 154.2 million.

The largest amounts were for: hydraulic projects, 184.5 million pesos; industrial, 130.1 million; educational, 82.3 million; housing and urbanization, 62.8 million; and agricultural-livestock installations, 34.2 million.

Compared to 1975, industrial projects more than quintupled by 1980 even though there was a decline compared to 1979.

The 38 educational installations completed during this period provided more than 33,000 new seats. There were 15 intermediate schools, 1 advanced school and 4 daycare centers.

More than 5,200 housing units were finished which increased living space by some 248,000 square meters.

The central railroad in the province is now 116 kilometers long. Its projects increased more than six times compared to 1975. The national highway, already joined to Havana by one lane while the other is being worked on, is also an important project.

The agricultural-livestock projects included 10 typical dairies, 7 poultry units--including one totally automatic farm for layers--a swine breeding farm, a liquid feed plant, a plant protection station, a fertilizer warehouse and a poultry slaughterhouse.

Other installations completed during this period were four polyclinics, the first stage of Hotel Elguea and three business centers.

Investments totaled more than 800 million pesos with the largest amount going to the production sector, especially basic industry and construction materials.

The main projects that received investments were the Desembarco del Granma textile complex, the plants for animal meal, oxygen, sodium chloride and torula yeast at the Perucho Figueredo mill, the repair shop for capitalist motors, the concrete pipe complex, expansion of the mechanical plant and the Sagua la Grande boiler factory.

There were noticeable quantitative and qualitative improvements in these projects with the introduction into the enterprises of systems of control and the creation of teams to achieve better use of manpower.

The internationalist spirit of the construction workers in the province is reflected in the fact that more than 900 of them went to other fraternal countries.

Transportation and Communications

The transportation sector showed an average rate of growth of 10.7 percent during this 5-year period. It was characterized by a constant increase in gross production and work productivity.

The vehicle pool increased with the addition of Giron IV and Giron V buses in 1978 and 1979 for intermunicipal, rural and school service. A year later, more Giron V buses reinforced the urban, intermunicipal and rural lines. There were also reconstructed Leyland buses which were all assigned to the city of Santa Clara.

This growth meant an increased number of trips and passengers transported although there are still problems in urban service, basically in the provincial capital.

During this period, there were fluctuations in automobile transportation caused mainly by a shortage of tires for taxis and the poor condition of the equipment.

Work in the truck sector was favorable with growths in transportation, number of vehicles, capacity--mainly due to incorporation of trailers--and productivity per unit.

The greatest increases in freight were achieved in 1977 and 1978; this remained stable in the last 2 years of the 5-year period. It increased 1.7 million tons from 1976 to 1980.

As to the communications sector, gross production had an annual rate of growth of 10 percent with a constant increase throughout the period. It totaled 2.6 million pesos more in 1980 than in the first year of the period analyzed.

Growth was slow in postal service due to the nature of the service itself. This was also true for telegraph services although this was affected by the continual increase of new telephone technology inside and outside the province which sped up communications.

An increase in the radio and television relay stations with subsequent benefits for the people characterized work in that sphere. There was also increased efficiency in plant maintenance.

During these 5 years, there were large investments in the entire sector, especially in telephone activities with the installation of centrals for direct long-distance dialing without operator assistance.

Those achievements represented 65 percent of the total production value in communications with an increase of 1.7 million pesos between the first and last year of the period.

Public Health

Work in the health sector during the period 1976-80 was satisfactory.

During this period, the infant mortality rate went down. It was about 16.4 deaths for every 1,000 born alive in 1976 and went down to 15.8 in 1980.

As to health care installations, there was one new urban hospital which opened for scholarship students of the Ernesto Che Guevara vocational school. There were four new polyclinics.

The number of beds only increased by 50--in the mentioned vocational school hospital--while those for social welfare remained the same.

There was an important increase in the number of consultations per inhabitant which went from 3.9 to 5.

Villa Clara has 840 doctors and 186 dentists or 10.75 doctors and 2.38 dentists for every 10,000 persons.

There are almost 900 nurses, more than 870 nurse's aides and more than 1,610 health technicians.

For training medical and paramedical personnel, the province has an advanced medical science institute, a health polytechnical school and a technological nursing school.

Education, Scientific-Technical Activity, Culture, Sports

Some 260,000 people in the province are studying at different levels and in different types of education. This means approximately one out of every three Villa Clara inhabitants is improving his cultural or technical level.

A comparative analysis of enrollment in the 1975-76 and 1980-81 school years shows increases in almost all cases: basic secondary enrollment went from 33,000 to 55,000; preuniversity education from 4,000 to 15,000; advanced education from 9,000 to 16,000; and technical and professional education from 6,000 to 13,000.

There were declines in primary education (from 145,000 to 115,000) attributable to stability in the rate of population growth and in adult education (from 31,000 to 18,000) because of the end of the battle for sixth grade. More than 43,000 people graduated from sixth grade in the past 5 years.

There were also decreases in training educational personnel and in the youth movement caused by the certification of thousands of teachers, including all the primary teachers who did not have certification.

Another advance was the certification of about 70 percent of those who teach in secondary and preuniversity schools. There were new school programs in all the general polytechnical and labor schools, adult education, technical and professional education and pedagogic schools.

Promotion was acceptable throughout the period and constantly increased, except in primary school. There it went down from 98.1 percent in the 1975-76 school year to 91.31 in the 1979-80 school year.

The educational projects that opened during this 5-year period included 15 ESBEC, 21 urban secondary schools, 3 preuniversity schools, a polytechnical institute, an advanced medical science institute, an advanced pedagogic school and 2 Camilo Cienfuegos military vocational schools.

In scientific-technical activity, research was directed basically at solving concrete problems of economic development in the country and particularly in the province. However, there should be a better tie between the research centers and the production centers.

Work in the cultural sphere was characterized by a growth in the material base and improved quality in the different activities.

There was greater stability in the amateurs movement and 26 artistic brigades were created.

Proof of success in this sector is the 19 national awards and 8 honorable mentions won by the province as well as first prize won by the artistic group 13 de Marzo at the Burgas (Bulgaria) international festival and the large Villa Clara artistic delegation to the 11th world festival of youth and students.

Another important aspect in this sector is the development in each municipality of days and weeks of culture and evaluation of historic sites. Some were declared national monuments: Remedios urban center, La Caridad theater and the birth places of Abel Santamaria, Jesus Menendez and Manuel Ascunce.

During this period, Villa Clara reached a total of 37 libraries and opened the only industrial museum in the country at the Abel Santamaria mill. It sextupled the functions of the amateurs groups, added 13 pieces of 35-millimeter movie equipment to the 37 it had in 1976 and quintupled the number of bookstores to 20.

In sports, there was a substantial increase in participation in school and social sports. There were 359,000 people involved in 1976 and 515,166 in 1980. The technical work force during that period increased by more than 200 trainers and physical education teachers.

The province is known for its strength in some sports like baseball, soccer and sailing. A plan was put into effect to advance in others like boxing and gymnastics which are poorly developed in Villa Clara.

The sports and sports education installations opened during this period have a great responsibility in the successes achieved.

These include the training school for physical education teachers, seven boxing gymnasiums, five baseball stadiums, the remodeling of five swimming pools and the construction of others.

Recreational activities increased with programs for sports fishing and hunting, rally races, hiking and tennis.

Increased Standard of Living of the People

The ratio between the income and expenditures per capita became favorable for internal finances in 1980.

Each person in Villa Clara received more monetary income than he spent in the first 4 years while in the last he paid out 4 pesos more than he received.

Both indicators increased during this period with annual rates of increase of 2.4 for expenditures and 1.4 for income.

The greatest increase in expenditures was caused by retail trade and the average monthly wage since the former--which equals 90 percent of the total per-capita expenditures--showed an average rate of increase of 5.5 percent while income increased 2.4.

Between 1976 and 1980, that trade went from 481 pesos to 596 and wages went from 134 to 148 pesos.

Prospects

Villa Clara Province has planned an important increase in gross production in all the economic branches for the 5-year period 1981-85. According to the plans, it must increase 36 percent or about 7 percent annually.

In the basic sector--sugar production--the planned increase is almost double. By the last year of the 5-year period, 84 percent more sugar should be processed than in 1980. This requires fulfillment of the annual estimates with increased technology in industry as well as in agriculture.

Already in the last 5-year period, construction of a new mill that should begin operations in the 1983-84 harvest began. Another mill will be built during this period to open during the 1985-86 harvest.

Large industrial investments in these 5 years include the Fabric Aguilar Noriega mechanical production enterprise which, when finished--scheduled for 1984 but a year ahead of plans--will produce a major part of the equipment that the national sugar mills need.

In the middle of the 5-year period, a factory for concrete ties and elastic fasteners should be finished for the railroad sector. Two lines are functioning this year.

This group of investments includes two plants for capital repairs of automotive transportation equipment from socialist as well as capitalist countries. They should be finished in 1982 or 1983.

The most important social project to be built in the 5-year period is the provincial surgical hospital which will initially have 600 beds. The project will later add 300 more.

Some 15,230 housing units, a figure never before achieved in a 5-year period, will be built. There will be an infrastructure of installations and skilled manpower that will permit achievement of more ambitious plans.

In agriculture, increases in branches like produce, vegetables and tobacco are important for the 5-year period. There is also a major plan for coffee development in the province.

The main efforts in livestock will be focused on solving food problems in order to guarantee growths in the meat and milk production.

Ciego de Avila Province

Havana BOHEMIA in Spanish 23 Oct 81 pp 8-13

[Article by Alberto Salazar and Julio Fumero]

[Text] Ciego de Avila is known for its agricultural-livestock development which is strongly influenced by its almost level topography and fertile soil. Citrus and

pineapple make the territory first nationally in quality and production respectively.

Three-fourths of the tillable land in the province is used for cane. Its nine sugar mills--including some of the largest in the country--process approximately one-tenth of the Cuban sugar.

Given the importance of agricultural-livestock production in the Ciego de Avila economy, most of the industries are agricultural processors like pineapple processors, citrus packing, pasteurizing plants and kenaf and torula factories.

Livestock is also important in this province. In recent years, it went to modern systems of intensive exploitation. There was also development in the construction sector, basically in the construction of highways, dams, housing communities, dairies and public health and educational installations.

One thing that has always conspired against economic development in the territory is its small population. In spite of being eighth in the country in area, it is last in population.

This problem is receiving a strong response now. All the sectors are fighting to increase work productivity as a way to increase the material goods that the territory produces and, therefore, make up for its manpower shortage.

Ciego de Avila is now involved in the construction of important new projects in practically all the socioeconomic sectors including torula factories for feeding livestock and factories to make wood from sugar-cane bagasse.

The future development of the province is oriented toward the strengthening of its agricultural-livestock sector, mainly encouragement of the sugar-cane derivatives industry.

Overall Economy

The economic sectors in the province reached a gross production of 331.4 million pesos during this 5-year period, an increase of 35.4 percent compared to the previous period or 86.6 million pesos.

Work productivity and the average wage are important indicators that measure the efficiency of the labor process. They increased 29 and 20 percent respectively because of the general wage reform. In spite of this significant increase in the latter, the correlation between the two was favorable.

Concerning measures for work organization and wages, the province tied 52.5 percent of the work force in the business sector by the end of 1980; this was an overfulfillment of the plan. The plan for updating norms was also overfulfilled.

Another important task was the application of the general wage reform.

During this period, implementation of the SDPE advanced well but there are still problems being worked on. The mechanisms in the SDPE are being implemented; now they need to be perfected and expanded.

Agricultural-Livestock Activity

Since the administrative division, the sugar branch has made substantial achievements. It was significant that on only two occasions during this period were the volumes of this product below the 1970 sugar harvest. The figures reached in the basic parameters of industrial exploitation were also good.

During the period 1976-80, the average annual amount of sugar processed was about 765,000 tons, a 38-percent increase compared to the previous 5-year period. Comparing the first year of the 5-year period to the last, there was growth in the potential norm used and a decrease in oil consumption with the subsequent savings.

Cane production increased about 16 percent in 1980 compared to 1976 while the amount of cane that could be processed increased almost 17 percent.

Most of the cane cultivation activities--like fertilization, manual cleaning and application of herbicides--also increased substantially. There was a 132-percent increase in resowing which is so important in improving yields.

In noncane agriculture, there were slight increases in sowing and harvesting tubers and roots but there were considerable increases in the yields of some crops like potato, malanga and yucca. This was basically attributable to changes in varieties and technologies.

The province did not plan to expand citrus areas during the 5-year period but to limit increases to interplanting and resowing. The increase in yields meant an increase in fruit production from 870,000 quintals in 1976 to 1,461,700 in 1980. There was also a notable increase in exports.

Ciego de Avila obtained good results in its tobacco crop in the first 2 years but then the blue mold strongly affected the fields. For the 1980-81 harvest, 108 caballerias were sown under the plan for tobacco recovery which means gross production of 25,000 quintals due to the effort of the private and state sectors.

Projects for conservation of flora and fauna began in this territory in the middle of 1980. Six areas including Cayo Coco were declared protected zones. In spite of the short duration of these projects, they are being earnestly fulfilled.

There were decreases during this period in the number of cattle and milk and meat production. Nevertheless, there has been a recovery in livestock work in general since last year, stimulated mainly by the model units.

Nevertheless, pork and poultry production increased 117 and 55 percent respectively while the egg supply increased by 12 million.

Work with the peasants toward superior forms of agricultural-livestock production led to the formation of 80 cooperatives in the province; most (44) are cane cooperatives.

Those groups cover an area of 1,964 caballerias--30 percent of the land belonging to the private sector--and have 2,235 members.

Basic Industries

The mining projects were aimed at geological prospecting during these 5 years in order to determine the possible mineral and hydrocarbon reserves in the territory.

Deposits of mineral salt were found in the northern part of the province. They are under study to estimate the investments that will be needed for extraction.

There is other mineral potential in the northwest part of the territory although it has not yet been fully determined.

As to the electric power sector, a great number of economic and social objectives received electricity during this 5-year period like industrial complexes, dairies, tourist centers, polyclinics, urban and rural minidistricts, schools, agricultural-livestock plans and cooperatives.

During this period, 584 kilometers of electric lines of different voltages were constructed and 97 kilometers of the 220-kilovolt line for the province were finished.

Construction Work

During this period, all the branches of the construction sector created values of 181,031,000 pesos. The vice directorate of architecture achieved more than 53 million and the vice directorate of engineering more than 49 million. Housing totaled more than 31 million.

The 21 industrial projects completed during that period included the citrus-processing plant, two torula yeast factories, a rock crushing plant, a pasteurizing plant, a general carpentry shop and a cracker factory.

The 27 agricultural-livestock projects included 10 dairies, 5 weaning centers, 4 development centers and 3 breeding centers. There were one each for swine and poultry.

During these 5 years, 4,236 housing units, 50 social projects (including two modern hotels in the cities of Ciego de Avila and Moron) and 42 educational centers were completed. Also 406 kilometers of highway were paved.

Transportation and Communications

Passenger transportation is an activity that showed a rising trend in the province during the 5-year period. There was a 22-percent increase in the automotive branch (only decline was in automobiles) and a 2-percent increase in railroads.

As to the equipment pool, the number of regular buses increased from 199 to 350, school buses from 60 to 70 and railroad locomotives from 34 to 37.

Freight transportation increased 19 percent from the port of Jucaro and 108 percent by truck. The increase in the latter was basically attributable to work efficiency in the port-transportation-internal economy chain.

Agricultural aviation in the territory, used for fertilization and spraying herbicides and insecticides, has nine old airplanes that work thanks to the effort of the workers.

In the communications branch, the value of gross production more than doubled in the last year of the 5-year period compared to the first; it totaled 4,643,600 pesos. The cause of that growth was an increase in installed capacity and the higher level achieved in all production activities of the enterprise that directs that work.

During the 5-year period, 4,400 telephones were installed in the province, an 80-percent increase over the beginning of the period. Long-distance telephone traffic increased 191 percent. The automatic centrals increased from 5 in 1976 to 16 in 1980.

The general behavior of the mail, telegraph and press distribution sector was good during these 5 years. For example, postal service increased its value by 88 percent, telegraph went up 11 percent and press distribution increased 112 percent.

Public Health

During the past 5-year period in Ciego de Avila, public health services increased and improved. At the end of the previous period, the average life expectancy of the people was about 70 years but it rose to 75 by 1980.

The ratio of doctors for every 10,000 inhabitants increased from 6.8 in the first year of this period to 10.4 by the last year. There were also increases in the proportion of dentists (17 percent) and nurses and nurse's aides (24 percent). Medical consultations per inhabitant increased from four to five.

Another indicator that had a positive balance at the end of the 5-year period was the infant mortality rate. In 1975, it was 33.3 deaths for every 1,000 born alive but it went down to 21.4 in 1980.

During these years, there was work on the construction of a modern hospital in Moron which should be finished during this 5-year period. Its 630 beds will increase the total in the province to 1,510 and will increase the rate for every 1,000 inhabitants to 4.8.

Education, Culture, Sports, Recreation

After the application of the administrative division, 42 educational installations were built in the Ciego de Avila territory.

They included four ESBEC, one IPUEC [Preuniversity Farming and Academic Institute], two polytechnical institutes, two pedagogic schools, nine urban basic secondary schools, three primary schools and five daycare centers.

With that new capacity and the measures adopted to insure attendance to the classrooms by all the people in order to increase their general or technical level, it was possible for 101,486 people to enroll at all levels of education in the 1980-81 school year.

During these years, the plan to improve the educational system received priority attention due to its great importance for the development of technical and educational work.

In culture, there was an increase in quantity and quality in the amateurs movement. The small number of groups that existed at the beginning of the 5-year period increased to 481 by the end, including the 20th Anniversary brigade, winner of several awards at international events, and the Turiguano group.

The creation of the Ruben Martinez Villena art instructors brigade had a lot to do with that progress. It basically took care of the movement in the new-type educational centers. In 1976, Ciego de Avila only had 11 instructors but there are 53 in 1980.

Another factor that affected that growth in the amateurs sector was the work done by the houses of culture. Three opened during this period and four others are under construction.

During these years, four movie theaters were built and two were remodeled and a museum, a museum house, a theater and a house of song--the last two municipal--opened. At the same time, the Principal Theater in the Ciego de Avila capital and two libraries including the provincial library were repaired.

Referring to development in the sports sector during this 5-year period, it suffices to say that the territory contributed 23 athletes to national preselections in 1979 and 1980. At the same time, 15 entered the national ESPA [Advanced School of Athletic Improvement] and four entered the military school.

It is very impressive that six people from Ciego de Avila who were part of the Cuban delegation to the Central American and Caribbean Games held in Cali, Colombia, in 1978 won four gold and two silver medals.

During this 5-year period four boxing gymnasiums, one judo and one for weights were built and a chess academy opened. Also several baseball stadiums were remodeled and the construction of two swimming pools began.

Physical recreation has developed, not rapidly but steadily and systematically.

The plans established by the national directorate of INDER [National Institute for Sports, Physical Education and Recreation] for the use of free time by children, youths and adults were carried out. Some were well accepted by the people.

Prospects

For the 5-year period 1981-85, the Ciego de Avila Province has planned an annual rate of growth of production of 6 percent more than achieved during the previous period.

That figure is considered high for the territory but the party leadership and the state leadership feel it is possible to achieve it based on the general plans for the main productive categories, especially agriculture.

The planned levels of increase for this period are particularly high in the sugar sector, both the cane branch and the industrial branch. Other crops such as citrus, produce, fruits and vegetables should have large increases compared to the last 5-year period.

Important projects to be completed during this 5-year period include the bagasse board factory which is practically finished and the 630-bed provincial hospital that is being built in Moron.

Also included in the plans for the period are the citrus complex in Ceballos--area where there is an outstanding fruit enterprise--several meat-packing plants, factories for soft drinks, candy and industrial lighting and others that will be important for the industrial development of the territory.

Social projects to be built include polyclinics in several of the municipalities, a health polytechnical school, the Ciego de Avila university and educational installations that will reinforce the educational infrastructure.

The province is also involved in serious work to create the social conditions to retain technicians who live there or who come from other provinces to work since that skilled manpower is very necessary for the planned development of that territory.

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CSO: 3010/272, 273

BRIEFS

U.S. BLOCKADE PLANS PROTESTED--Addressing a plenary session of the International Maritime Organization today, the Cuban delegate denounced U.S. plans for a (?coordinated) total or partial blockade of our country's ports. Carlos Trejo, Cuban charge d'affaires in the United Kingdom and head of the delegation to the 12th period of sessions of this intergovernmental consultative maritime organization, said that the threat alone by the United States to curtail the freedom of navigation of our ships is evidence of the absolute lack of respect for international (?navigation) principles such as sovereign equality and territorial integrity of nations. No form of international law, the Cuban delegate added, authorizes a state to impose a maritime blockade or curtail the freedom of navigation of the ships of other states. [Text] [FL202310 Havana Domestic Service in Spanish 2202 GMT 20 Nov 81]

GDR'S HONECKER PLEDGES SOLIDARITY--Erich Honecker, secretary general of Germany's Socialist Unity Party, expressed the strongest solidarity with Cuba as it faces all the threats of aggression from the United States. Addressing the third plenary session of the Central Committee started yesterday in Berlin, capital city of the GDR, Honecker pledged unlimited solidarity between the brother nation of Cuba and the people and party of the GDR. [Text] [FL201241 Havana Domestic Service in Spanish 1200 GMT 20 Nov 81]

CHANGES IN U.S. CARIBBEAN COMMAND--U.S. Secretary of Defense Caspar Weinberger Sunday voiced the possibility of his country's direct aggression in Central America. Today, the U.S. Department of Defense decided to increase the might of the anti-Cuban vigilance base at Key West, state of Florida. Beginning December, the U.S. high command for the Caribbean region will be headquartered there. In a case of need, this command will be able to get the assistance of naval, ground or air units. Rear Adm Robert McKenzie, chief of the Key West base, will head the Caribbean high command which will operate in a vast area including the Caribbean, Gulf of Mexico and the portion of the Pacific Ocean bordering on Central America. [Text] [FL240105 Havana Domestic Service in Spanish 0000 GMT 24 Nov 81]

HART MEETS DELEGATES--On Saturday, Armando Hart Davalos, member of the Politburo of the Communist Party of Cuba and culture minister, met with the delegates who participated in the seminar on the situation of the black, Chicano, Cuban and Puerto Rican communities in the United States. This seminar took place in Havana this week. Santaigo Diaz, director of the Cuban Center for American studies, was also present at the meeting. This research center and Casa de Las Americas

sponsored the seminar that has just concluded. During the meeting it was announced that such activity will continue and that a work group will be organized to exchange points of view and to schedule the subjects to be discussed in future meetings. [Text] [PA222101 Havana International Service in Spanish 1800 GMT 22 Nov 81] Using the words of Jose Marti as a warning against the racist policies of the United States, the seminar on the situation of the black, Chicano, Cuban, Indian and Puerto Rican communities was brought to a close. Santiago Diaz, director of the Center for American Studies, in closing said that the seminar served as a positive contribution to the social sciences of our continent, so dear to the Cuban national hero. During the seminar, which began 17 November, two working committees met to study the topics "the realities of the unique communities," "existing similarities, differences and contradictions" and "the concept of the national identity." [Text] [FL201704 Havana Domestic Service in Spanish 1200 GMT 20 Nov 81]

'BARBADOS CRIME' TRIAL DELAY--Cuba's Foreign Ministry [MINREX] has reported that on 13 November it received through the Venezuelan Embassy in Havana the rogatories for the orders to furnish better proof, which had been requested by the martial court of the Republic of Venezuela. The rogatories were required for the trial of the criminal saboteurs of the Cubana Airlines plane which killed 73 persons in 1976. The MINREX communique of 22 October 1981 states: The Foreign Ministry made it known that up to that date it had not received the rogatories or official requests relative to that trial. In order to clearly fix responsibilities for the delay of that process before international public opinion, before Venezuelan public opinion and before the nations having normal relations with Cuba, it is appropriate to point out that said rogatories appear dated and filed with the martial court of Venezuela on 15 June 1981. The rogatories were certified by Venezuela's Foreign Ministry on 28 September 1981, certified by the Venezuelan Embassy in Havana on 11 November 1981 and delivered to Cuba's Foreign Ministry on 13 November 1981 and dated the previous day. [Text] [FL201616 Havana Domestic Service in Spanish 1200 GMT 20 Nov 81]

ISRAEL'S VIOLATION OF HUMAN RIGHTS--Before the UN Political Committee, Cuba has voiced indignation for the violation of human rights in Arab territories occupied by Israel and opposed maneuvers against the Palestinian people. Cuban delegate Emilio Caballero stated that the attempts to impose partial arrangements on the Arabs are directed at disregarding the rights of the Palestinians, destroying their existence and satisfying Tel Aviv's expansionism and U.S. positions in the region. He recalled that the nonaligned countries movement is seeking a just solution to the Middle East conflict and its fundamental problem, the Palestinian issue, with the unconditional withdrawal of Israel from all occupied territories as well as the materialization of the Palestinian people's rights, including the establishment of their own state. [Text] [FL211613 Havana Domestic Service in Spanish 1200 GMT 21 Nov 81]

HART ATTENDS BULGARIAN EMBASSY EVENT--Armando Hart Davalos, member of the Politburo and minister of culture, last night attended the cocktail party hosted by Boyko Dimitrov, ambassador of the People's Republic of Bulgaria to Cuba. The activity, which was given on the occasion of the days of Bulgarian culture, was also attended by Julio Camacho Aguilera, alternate member of the Politburo, and Flavio Bravo, member of the Central Committee and vice president of the Council of Ministers,

as well as other leaders and personalities. During the ceremony, poet Luis Suardiaz, director of the Central Committee Political Publishing House, presented to Dimitrov a copy of the book "On the Leninist Path in the Struggle for Socialism and Peace," written by Todor Zhivkov, the top Bulgarian leader. [Text] [FL211353 Havana Domestic Service in Spanish 1200 GMT 21 Nov 81]

TALKS WITH HUNGARIAN JUSTICE MINISTRY--Talks between the delegations of the Justice Ministries of the Hungarian People's Republic and Cuba began today at Havana's main offices of the Cuban Ministry of Justice. Hungarian Justice Minister Imre Markoja and the delegation accompanying him were received by Osvaldo Dorticos Torrado, member of Cuba's Communist Party Politburo and minister of justice. The exchange of views on mutual cooperation are being held in a friendly atmosphere, and will end with the signing of a protocol. The Hungarian delegation is also made up of (Heins Mulla) and (Istvan Tomas), chiefs of departments of the Justice Ministry, and Jeno Jakus, ambassador of that fraternal country to Cuba. Participating in the talks for the Cuban side are Hector Garcini and Mercedes Castro, vice ministers of justice. [Text] [FL240146 Havana Domestic Television Service in Spanish 0100 GMT 24 Nov 81]

NAVAL DEVELOPMENT--Engineer Teresa Alvarez made a presentation at the fourth meeting on naval and port technology in Havana where she said that a proposal has been made to build a shipyard at Bahia Honda. Ships of up to 15,000 tons would be built there. The young specialist said that construction on the new shipyard would get underway at the beginning of the next 5-year period and that the research that will be carried out for its construction has already been approved by the Central Planning Board. [FL210151 Havana Domestic Service in Spanish 1913 GMT 20 Nov 81]

VISAS NEEDED FOR ST VINCENT--Kingstown, St Vincent, 22 Nov (CANA)--Cubans may enter St Vincent and the Grenadines only if they are in possession of a visa, the immigration authorities here say. The comment comes in the wake of a recent incident in which four instransit Cubans were prohibited from remaining here. The Cubans, three men and a woman requested overnight entry at Arnons Vale Airport, but did not have the required visas. The visitors were intransit to Grenada from Barbados on a late flight and had to disembark along with other passengers at the airport, when the aircraft apparently developed problems. Reports say that the Cubans were held for 2 hours here by the immigration office and then deported. A top immigration official told CANA: "Certain people can only enter this country with visas," and Defense Minister Hudson Tannis in endorsing this said: "That's nothing unusual." [Text] [FL231850 Bridgetown CANA in English 1618 GMT 22 Nov 81]

CSO: 3020/27

CARLOS ANDRES PEREZ INTERVIEWED ON CURRENT ISSUES

Caracas EL UNIVERSAL in Spanish 6 Nov 81 p 1-12

[Interview with former President Carlos Andres Perez on the Venevision program "Impact", by Carlos Croes and Edgardo de Castro, on 5 November 1981]

[Text] At 2200 hours last night, on the Venevision (Channel 4) program "Impact", former President Carlos Andres Perez was interviewed by newsmen Carlos Croes and Edgardo de Castro.

The controversial political leader answered all the questions that were put to him: on the electoral colleges (of which he appeared to be a proponent), the precandidacies, his absence in New York when Betancourt was dying, the latter's files, the statements by his widow Renee Hartman, the presidential chances of Dr Rafael Caldera, the situation in Nicaragua, the Social Christian presence in El Salvador and also the travels of President Herrera Campins, the latest of which he thinks "has put us in a jam."

Following is a transcript of the former president's conversation with the newsmen heading the program:

Carlos Croes: Good evening. President, during the past few days there has been a series of political activities introducing to the country the beginning of the election campaign. Of the statements that have been made to me, I was struck by one from former President Caldera; and I think that you are quite concerned because he, as a former president, attempted to bring it to a successful conclusion and, as president, he will do this even more; because it appears that it will be incumbent on him to govern this country again. And I would like you, as an expert on Venezuelan politics, to make a comment for us on that optimism of Dr Caldera.

Carlos Andres Perez: Forgive my immodesty, but I have been distinguished for maintaining respectful public treatment of all my adversaries and, despite what you have recalled about the rather undignified behavior shown by former President Caldera toward me, that does not give me any right to act in that way against him. But I do say that, fortunately for the country, his chances of returning to Miraflores again are very slight. Of course he is fully entitled to be a candidate; he is highly controversial in his own party and among national public opinion. It is already obvious that the polls do not favor him as a new candidate for the presidency of the republic. Although the recollection that we have of his administration is not unpleasant, it is not pleasant either; and what have have heard him

say constantly also convinces us that Venezuela would not have much to expect from another presidency of his. But, of course, if he is a candidate, welcome! because that is our democracy; but I hope that the people of Venezuela, with the intuition which they have shown thus far, will not vote him in as president of the republic. It would be the sixth defeat that former President Caldera has received. But it also seems to me unlawful, from a political standpoint, for one person to attempt to monopolize the possibilities for being president for so many years, preventing other prominent members of his own political camp from having those same aspirations. It is on this that we Venezuelans must reflect, especially those of us who have a chance of being candidates within the political parties.

EC: Certainly. Now to discuss the AD [Democratic Action] internal politics, what do you think of the electoral colleges? There is an idea which is emerging among the people and which I shall take the liberty of conveying to you. Correct me as to whether or not the statement is true. What is claimed is that the electoral colleges will keep the votes that are cast, to open the ballot boxes when the Electoral Law so permits. Is that true?

CAP: In the first place, I want to tell you that I have always been an advocate of the electoral colleges; and I might even have been the initiator of that idea. I could not claim it but, from the outset I have been a proponent, because it seems to me to be a formula to expand the universe of voters around the presidential candidate of a political party. Now then, the electoral colleges formula has that purpose, and the name is perhaps very appropriately given for that reason. The electoral colleges are appointed so that they may vote for a candidate on a subsequent occasion. This is the theory and practice in places where there are electoral colleges, as in the case of the United States, to elect the president of the republic. The universal votes are not to elect the candidate;the universal, direct and secret votes are to elect the electoral colleges. Obviously, from the time when the general elections are held, it is already known who won. (In the United States, they elect the delegates, remarked EC). Here, the formula of delegates has not been adopted, but we have that of the electoral colleges, scoring points for the candidate. Now then, since the candidate cannot be nominated until the law so rules, in the electoral colleges the votes will not be counted until the law allows, and the candidates of the parties are elected.

CC: Which candidate do you think will win the largest number of points?

CAP: Look, I have maintained an absolutely independent position against all odds. Many people doubt this, because they see friends of mine in one candidacy or another, and they try to say that those closest to former President Carlos Andres are the ones on the side of so-and-so, and not those on the side of someone else. And this is not true.

CC: They recall and say that, while in the presidency, you backed Lusinchi and not Pinerua.

CAP: Well, I had another very great problem there. Imagine, I remained absolutely impartial , but the same claim was also made, that I was supporting this or that one; and I did not support anyone. Now it is the same thing. I am a close friend, and I use the term closeness with all its significance; I am a close friend of Jaime

Lusinchi, and I am a close friend of David Morales Bello. We are individuals who have maintained an identity in our way of thinking and within the party's lines as well as outside of them, while in the personal realm we have maintained a really very close proximity. So, what I have said and repeat is that I am happy, or would be happy to be engaged in the election campaign of either of the two precandidates. This also forces me to maintain impartiality, in addition to which the politics in which I engage inside the party is also an obligation. Hence, I would not try to have my name or my image be used on behalf of either candidate. I maintain that this is a sincere attitude. No one can get up and tell me: In a private conversation that you had with me, you told me the opposite; you told me that you were in favor of this one, and this candidate. That is my conduct, and I have no reason to conceal it. I am proud of having managed to maintain my impartiality under those circumstances.

EC: President, I have heard many people in the street claim, despite the lofty position that you hold as ex-president of the republic and life-long senator, that you should feel a more serious responsibility, namely, that resulting from the death of Romulo Betancourt. You were his disciple, you received his instruction for a long time. Don't you feel that you have a responsibility now, as the people of Venezuela do?

CAP: I sincerely believe that, for all the AD leaders, and not just me, the death of Romulo Betancourt has increased our responsibility; it has increased it toward him, who was without doubt and without any possible discussion, the supreme leader of AD, the like of which our party will not have in the future; and it also has increased it toward Venezuela, because Romulo Betancourt, by his mere presence, created expectations of equanimity and security for the Venezuelan democratic institution.

EC: President I note it with great peace of mind; I note that you feel the great responsibility.

CAP: Of course I feel it! Furthermore, not only do I feel it, but I have reflected so much on this situation that now, more than ever before, I consider myself capable of being one of the factors for unity within AD.

CC: However, there are certain considerations which have been observed from a journalistic standpoint since Betancourt's death. I was not here, but I was informed of what occurred, even the most intimate aspects of Betancourt's last days. The report reached me that President Perez was not allowed to be near at the time of Betancourt's serious state, that there were problems here later involving his participation in the tribute to Betancourt, and that this was explained as a kind of aloofness, not so much of Romulo himself, but of Romulo's widow with regard to President Perez. Subsequently, at the press conference held by Mrs Hartman de Betancourt, when they asked her why President Perez was not there, she said: "Because I wanted those who liked him to be with Romulo." So there is a contradiction between what he thinks and what Mrs Hartman, who has been closer to Romulo says; and I was certainly with Romulo once when he made that statement about 'Carlos Andres is the son that I never had.' Now, I don't know what there is in that story.

CAP: We are living in a system with the most extensive freedom of the press, wherein political matters have acquired a leading status in the news media of Venezuela. And that inevitably gives rise to a series of speculations, and one has to understand, and only demand what all of us deserve. In fact, there was a great deal of speculation of this kind afoot. Now then, I shall never embark upon quarrels, but rather discuss what the actual situation is, and what respect for oneself is. Unfortunately, I was in Europe when Romulo Betancourt's fatal accident occurred, and it was difficult for me to communicate with Gonzalo Barrios in New York, on Saturday. I had been making arrangements to go to Venezuela or New York, and I encountered a situation which is difficult for us to understand, whereby influence allows them to remove a passenger from an airplane so as to put someone on, which is not a good thing. There, people confirm and reconfirm reservations, and at VIASA they told me, in order to be able to give you a seat, you must ask the president of VIASA in Venezuela to allow us to remove a passenger who has already reconfirmed his flight, because that could bring about a court suit in any of these countries, and on Saturday and Sunday I was not going to find the president of VIASA to ask him to give me a seat for the emergency. Finally, I obtained a flight that brought me to New York on Monday. Unfortunately, I arrived 4 hours after our unforgettable Romulo Betancourt had died. This was all that happened. So, even though there might have been something of some kind, it never occurred, nor would I have allowed anyone to deny me the right to see a man who has been part of my entire life, and who has always had not only my respect, but also my admiration and, I might add, my devotion. I was never far away from Romulo Betancourt.

CC: In statements made to EL UNIVERSAL, Gonzalo Barrios has made some very important comments upon remarking: "AD was not the property of Romulo Betancourt, and it will not be that of Carlos Andres Perez." Might not Gonzalo, with that astuteness which must be read or interpreted in him, be thinking that Carlos Andres Perez intends to take over AD?

CAP: No, I think that what Gonzalo has said is the truth. If AD was not the property of its founder, why must it be my property? I believe that this was what he meant, and since so much speculation has arisen, things must be put in black and white, and the country must be told that this is not a party in which we are fighting for an inheritance. Among other things, one inherits material goods, but one never inherits spiritual assets; and Romulo Betancourt is an irreplaceable man, and no one can call himself Romulo Betancourt's heir. We must all strive to be the perpetuators of his endeavor, indeed, and the people will see which ones of us carry it ahead.

EC: But there are heirs, President; there are indeed persons who feel that they are heirs.

CAP: No, no, that is speculation also.

CC: And there are roles, too, are there not?

CAP: Well, Romulo Betancourt's records concern me, because for most of his life I was the one who managed those records. They are very replete records, and will be a fundamental factor in writing the contemporary history of Venezuela. There is nothing to be concealed in those records; that is, to be concealed in the sense

that they could blemish the memory of Romulo Betancourt; that he might have concealed something which the country should know, or which the justice system should know, or which the party should know. Nothing of the sort! But, of course, there are confidences, letters exchanged with party leaders, with personages from abroad, which could not have been published at the time, but which may be in the future, and which will enhance the greatness of Romulo Betancourt still more.

CC: Since you have seen those records, where could the papers be which, Dr Hartman claims, contain something about you?

CAP: Well, I really don't know how to interpret what Romulo's widow meant; but I don't believe that she could ever have meant to say that Romula was concealing things which should have been known to the justice system or AD.

EC: President, during your term I remember that you made several agreements with the Spanish Government, with the king and the last prime minister that Spain had, on shipyards, railroads and the automotive industry. About 2 days ago, I read in the press that DIARIO 16, one of the most important newspapers in Madrid at present, has been questioning the economic policy of President Luis Herrera. What do you think could be the basis for this? Why have all these shipyards, the automotive industry, etc., been abolished?

CAP: You ask me the question, and the answer would entail an explanation of the entire tragedy that our country is experiencing. Here, not only have the programs with Spain, which had a Latin American political significance and an economic significance essential to Venezuela been suspended; it so happens that all the others have been suspended as well. Observe the disaster that we have in Guayana with the basic industries; observe the permanent damage to Zulia caused to it every year by the continuation of the iron and steel industry, and the iron and steel-coal industry of Zulia, while the infrastructure that we began building has totally deteriorated and hundreds of millions of bolivares have been lost. Therefore, this matter of Spain is not a specific instance. We were actually going to convert Cumana into the center of Venezuela's heavy automotive industry, with assurance of success in the Andean Pact and in all of Latin America. The plant was constructed for the assembly and building of trucks and buses, and there was already the infrastructure for the engine plant, based on the distribution made in the Andean Pact. (It was the Pegaso, remarked EC). Yes, it was Pegaso. And all this was suddenly blocked, to do service to an American multinational company, Mack.

CC: President, since we are embarking on the analysis of your administration, I have always had a notion of what you represented in the last term, and it is this: When you come to power, you arrive with a reputation for energy; to be sure, we saw it in your election campaign. (Not just a reputation, said CAP). Well, you came with the reputation of energy; you are the man who is going to solve the problem of crime, the man who is going to solve the problem of transportation, the man who is going to solve the problem of corruption, the man who is going to solve everything, a kind of Messiah.

CAP: That is impossible!

CC: Well, you lose the elections because of the same problems involving public services; the country was deteriorating from the standpoint of services and, furthermore, Caldera has said that you muffled Pinerua with regard to bringing up these problems instead of undertaking a discussion of them. And the corruption was also thriving to a certain extent, to the point where, the assertion ends by saying, we have reached a tragedy that I noted in the statements made by Dr Barrios, who said that the corruption in COPEI [Social Christian Party] is so great that the corruption of the AD members is slight and, finally, when Lusinchi now claims that the AD members are chicken-thieves in comparison with what the COPEI members are. So it is a tragedy to vote for people who have run the country and who have not combated corruption; or to have to choose the course of action described by the Brazilian politician: "I steal, but I do." This seems very disillusioning to me, as a Venezuelan.

CAP: You have brought up an issue which would take about 2 hours, and which fills me with emotion. But let us take one thing at a time. In the first place, I did offer the country a program of great national proportions; my policy was a policy based on great concepts; it was not a policy of fragments. What has happened? The new government comes, no plan is specified to replace mine, but rather everything comes to a standstill, and there remains the doubt as to what will continue and what will not continue. And, meanwhile, the Venezuelan economy and, in particular, all the confidence of the country has been destroyed, because they cannot tell me here that in opposition to that concept of theirs, mine, the government has offered any other. Furthermore, a general phrase was coined to discredit my endeavor: a Pharaonic policy. I don't think that there is anything more Pharaonic than to have offered the country the construction of the bridge to Margarita; that is an entire symbol of what the present government is. But, let us put this aside; in the area of public services, I received the country in a frightful crisis involving public services, electricity, water and health services as a whole, and I dedicated myself....Hence it is a big lie when it is claimed that I did not provide for public services; one need do no more than review my accomplishment. For example (it would suffice to observe the state of the telephones, commented CC). Pardon me, but that is now; let us see what happened. In the hospital field, during my government hospitals and beds were built and put into service which were equivalent to 25 percent of the entire construction in Venezuela throughout our history. Upon the death of Parra Leon, Dr Risquez Iribarren, who cannot be regarded as a proponent of AD, speaking on behalf of the Academy of Medicine at Parra Leon's funeral, said: "This was the minister who constructed and put into service the largest number of beds in the entire constitutional history of Venezuela." Well, this can be proven. And there were hospitals completed which this government has not yet put into service, amounting to 35 or 40 percent of everything that existed in Venezuela previously in this area of health and hospital services. Now, the hospital problems went on, and appeared on the front page of the newspapers from 1977 onward. Caracas was a disaster; at the Concepcion Palacios maternity facility there were two women in childbirth per bed, and the final act of my government before turning over the presidency of the republic in Congress was to visit the Vargas Hospital to inspect the renovations that we were making there. On every 12 March, except for the final year, when it was 7 March, I went to the J.M. de Los Rios Children's Hospital to personally supervise its conversion into the major hospital center for Venezuelan children. What is happening now? The hospitals are experiencing a disaster: the budgets do not suffice, the very modern apparatus that was brought in is not in operation, that

public service has once again become just as I received it in 1974, and that is how it is now, but with the aggravating circumstance that now there is, indeed, a hospital infrastructure suitable for providing service to the entire country. The water problem in the country was tragic....

I have left for last what is perhaps the most important aspect of Carlos Croes' remark. First of all, I don't think that we should be making comparisons as to whether the corruption was worse during this period or during that one because, whether it be slight or great, corruption is a damaging thing not only for the moral health of the country, but also for the very effectiveness of the democratic institutions. I have never denied that there was corruption in my government, because I would have been a charlatan, a hypocrite. This is a problem that has been plaguing the country since the birth of the republic, and that has been increasing as the state's resources have increased as a result of our oil industry. In saying this, I am not attempting to justify the corruption, but rather to give an objective explanation for a situation. Moreover, it is essential that the democracy confront this problem with a complete desire to solve it, and that is what I did. If you study the democratic governments from 1958 to date, the first government to engage in causing a commotion over corruption was mine. It was reported to the press, arrests were made, there were charges brought and records were sent to the General Comptrollership of the Republic; because up until that time an erroneous view had predominated to the effect that interfering with corruption meant discrediting the government, whereas quite the opposite is true. The possibility that, in any human institution, there may be people lacking in ethics or with intentions of taking what does not belong to them has been present throughout the history of mankind. There is no institution, not even a religious one, that can avoid this reality. Now the important thing, the ethical aspect is that there always be among those who head the institution a desire and determination to investigate and to punish those who commit such crimes. (And now there is, commented CC). Pardon me, that was what I did, and I have said that I am the policeman who is policed, that what I did then was turned against me like a kind of Australian weapon called a "boomerang". Then it was claimed that my governmen was the most corrupt one in history. This is very serious and regrettable, but I l[illegible] withstood it taking a strong stance. I still have a great deal of life ahead [illegible] me, my life style, the resources that I have and my devotion to Venezuela. I shall die as I am today. They will never see me enjoying money which I do not have, nor will they ever see me outside of Venezuela, abandoning my commitments to the people of Venezuela. I am at ease, and therefore I can withstand that sinister conspiracy made against me at the time of the notorious "Sierra Nevada" affair. Now when people view it with perspective, they realize how ridiculous and infamous that period was in Venezuela, and how infamous those cynics were, who prepared, contrived and carried out that conspiracy against me.

My government distinguished itself in the battle against poverty, in that it was the government of full employment. For example, today, the comparison made between the Venezuela of 1974-79 and the current Venezuela is really frightening and negative for the country, to the point where pessimism seems about to ensnare the spirit of the Venezuelan people. Similarly, I was against crime; and my action was also permanent. The only democratic government which built jails was mine; the other governments were afraid to build jails, and why? if it is a tragic reality that we have, that there are some who must go to jail because, unfortunately, because of social injustice, they have become criminals.

CC: You closed El Dorado....

CAP" All right, I closed El Dorado because...you will see now what is going to happen to El Dorado, because El Dorado is of no use for that. But I ordered the creation of three penitentiary settlements where the criminals could work. Now, unfortunately, one is suffering a great deal of disappointment. You can ask my ministers how I persistently made demands of my ministers of justice, and how I offered all the resources and, in the end, the modern prison institutions which had been proposed from the outset and for which there were always funds were not created. That is inexplicable, now. My determination was never lacking, but that is what happens to presidents, and if it happens to stubborn, persistent presidents like me, what will happen to those who do not devote themselves to administration in that manner?

EC: President, you have been a very bitter foe of what are called subsidies. I remember that you tried to justify those prices. Now, for example, there are loans which have been subsidized; however, we have already seen in the press that the government is announcing the disappearance of many of those subsidies in early January, and that means that the stomach policy is going to be very expensive. What position will you, who were a foe of this, have toward this new one?

CAP: I have always been very sincere with regard to making what I say the same as what I do. I was not the foe of subsidies, pure and simple. To be sure, I said that the subsidies should be carried out so that they would serve the purpose for which they were created, because in a country such as ours, subsidies are unquestionable essential during a phase of our development; in a country such as ours subsidies for agriculture must be a constant for many years, as they have been in the entire world. For example, I have not seen any greater crime against Venezuelan agriculture than the suspension of the subsidy for fertilizers. All countries have some subsidy for fertilizers in one way or another, and the suspension thereof is extremely serious for a country wherein the sense of productivity needs to be fostered. Now this government's policy on subsidies is a rigamarole. It takes and gives, with the result that now more subsidies are owed than in the past.

CC: They claim that you did not allow yourself to be led by the party, and that you have always been outside of the party. This is one of the things that they criticized you for.

CAP: That is not true. Now, of course, the relations between a party and a government are difficult because, on the one hand, the government assumes, and the president assumes responsibility to the entire nation. There cannot be an AD government; it is a government of all Venezuelans. But, in addition, the president must maintain his ties with the party, and the first adviser of the president of the republic must be his party. And in certain matters, the party must intervene in the formulation of policies, and often in certain decisions; but it cannot be accepted, and AD would never accept the idea that it, and not the president of the republic, is the one in command; and this is important. Now, I held meetings with the party leadership during my 5 years of government. I was the AD's president of the republic who met most often with the party leadership, and every Thursday, when I was in Caracas, I met with the party's basic leadership group, with the secretary general, the secretary of organization and the congressional faction, and, of course, with the president of the party. So, I did maintain that constant relationship.

Now, of course, we do not always agree on certain aspects of policy, but we maintain cordial relations; we have never ended a meeting with bitterness. That is to say, we tried to resolve our differences in a harmonious fashion.

CC: Your party has been very critical of President Herrera's travels, but you used to travel often; you departed and held talks, and there was the problem of Nicaragua, and it was claimed that you had a pact with the guerrillas. I wonder now, after considering this, right now COPEI is involved in El Salvador too, and you are criticizing it. After all, whose side are you on?

CAP: First of all, one of the first things that I said upon assuming the presidency was that my government's international policy would be the instrument and the basis of all the national policies, because I interpreted the signs of the times. We had already emerged from a protected status, the United States was no longer speaking for us, we were speaking for ourselves, and despite the ideological differences, we have become integrated into Latin America itself, assuming our own responsibilities. And that required that the president travel, but that he travel in a useful, frugal manner, that he not consider the trips a way of enjoying himself or becoming familiar with the world. I made seven trips during my entire government (with a shower? asked CC) (General laughter). Moreover, I always tried to make maximum use of my time. For example, I went to Mexico and upon my return I was able to visit Santo Domingo and Jamaica. I made those visits at the time for Venezuela. Thus, within a very few days I visited many countries. When I went to Europe it was only once, and then I returned. I did not visit London, France or Switzerland alone, but rather visited all the countries on the same trip. That has been may way of operating. And then my international policy was not to make it immediately concur with the interests of Social Democracy, but was rather a policy for Venezuela and the Venezuelan people. And in the area of international cooperation, it was a responsible cooperation. I never offered soft loans, because Venezuela needs all its resources. (You gave weapons to the Sandinists, said CC). I didn't give weapons to anyone; no weapons were given to anyone. The weapons belong to Venezuela.

CC: There are some who distribute weapons and who distribute souls.

CAP: Well, I don't want to get into those theological issues. What I mean is that my international policy was consistent; I had the support of the country, and my international cooperation was not the squandering of this government. I was accused by the current president and by COPEI regarding international cooperation, and I gave oil facilities to Central America and long-term loans at 8 percent interest, which was the usual interest at that time. Today, with interest at 17-20 percent, Venezuela is lending its money at 2 percent, and that is irresponsible.

EC: President, do you approve of the present trip by President Herrera? (And you have not said anything about El Salvador, noted CC).

CAP: What is unfortunate is that in El Salvador there is not a Venezuelan policy, but rather a COPEI policy, and an absurd COPEI policy; because the Christian Democrats have fallen into a frightful trap, and have become responsible for the genocide being committed there; indirectly responsible, of course, as was commented by no less than Msgr Rivera y Damas, the archbishop of San Salvador. So this is what we regret. We are not advocates of the guerrillas, and we think that a guerrilla

focus in El Salvador would be very serious. We advocate an agreement between the two political forces and, in the center, the moderate leftist forces, so that such an agreement may achieve a democratic regime for El Salvador and ward off both the danger of a radical communist regime and the danger of the continuity of the military dictatorship in El Salvador. That is our position, and in this respect we differ from COPEI which, unintentionally, is playing along with the Salvadoran military dictatorship. Now, regarding Luis Herrera's trip, unfortunately, it is untimely and, furthermore, it has put us as we say in Venezuelan parlance, in a jam. This is the comment that is being made in the press.

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ALCOHOL PROGRAM TO GET $1 BILLION FOR INVESTMENT IN 1982

Rio de Janeiro JORNAL DO BRASIL in Portuguese 3 Nov 81 p 14

[Text] Brasilia--In 1982 the government will devote from $1 billion to $1.3 billion to investment in PROALCOOL (National Alcohol Program), according to an announcement by Marcos Jose Marques, executive secretary of CENAL (National Alcohol Commission). That total corresponds to the average amount invested in the program annually from its establishment at the end of 1975 until now.

It was the decision that industrialists in the sector had been calling for. One of them--Luis Lacerda Biagi, executive vice president of Ermini Heavy Equipment (of the Pedro Biagi Group)--said in Sao Paulo that the lack of a definite budget for 1982 was "discouraging new investors." At the same time, he complained that no distillery projects had been approved since last June, saying that he also regarded that as discouraging to businessmen interested in putting funds into the program.

Budget

But in announcing the 1982 budget, CENAL's executive secretary gave assurances that the government is still interested in pursuing the goal of producing 10.7 billion liters of alcohol from the 1985-1986 harvest. He announced that the investments decided on for 1982 (from $1 billion to $1.3 billion) will represent an injection of funds equivalent to between 160 billion and 200 billion cruzeiros. That is based on an average exchange rate of 160 cruzeiros to the dollar next year, as forecast by SEST (Special Secretariat for Control of State-Owned Enterprises).

A little-known feature of PROALCOOL is that its budget has been denominated in dollars since the program was established in October 1975, with annual appropriations totaling $1 billion. The situation for 1982 will be established by the Planning Secretariat of the Presidency and the Ministry of Industry and Commerce sometime in the next few weeks, when the monetary budget for 1982 is drawn up.

The secretary of CENAL has denied it, but there is already a preliminary ministerial proposal suggesting that PROALCOOL invest over 200 billion cruzeiros in 1982, having in mind the goal of producing 10.7 billion liters of alcohol in 1985.

Marcos Jose Marques feels that the production of alcohol-powered cars in 1982 will total 200,000 vehicles, thus keeping the figure at 35 percent of the total vehicles produced in the assembly plants. That total is considered adequate, now that the

craze for alcohol-powered cars--which occurred chiefly in the last quarter of 1980--has passed.

The current PROALCOOL budget will end the year at 115 billion cruzeiros, including funds intended for the establishment of new distilleries and financing for the planting of cane. The 1981 budget was not closed out until last week, when the National Monetary Council released an additional allocation of 60 billion cruzeiros for the program.

Of that total, 12 billion cruzeiros will be transferred to the BNDE (National Economic Development Bank), and 1 billion cruzeiros will go to the private banks that are financing PROALCOOL projects. Additional demand will be handled by the Bank of Brazil--by reshuffling funds--up to a limit of 48 billion cruzeiros. Because of PROALCOOL, the Bank of Brazil is going to exceed the 50-percent limit on the expansion of its loans as estimated for 1981 by the monetary budget.

Greater Incentive

The additional funds approved for the program have not yet had a favorable effect on the sector, however. Luis Lacerda Biagi explained that "the failure to approve new projects has been discouraging the businessmen," who have therefore asked Delfim Netto, minister-chief of the Planning Secretariat, to take action. The Pedro Biagi Group produces 1 million liters of alcohol daily at four alcohol factories in the interior of Sao Paulo. And it is engaged in talks with the Philippines to sell distilleries for a program similar to PROALCOOL that is being planned for that country.

Luis Biagi feels that the funds invested in Brazil to date have been inadequate, and he recalls that "the production of alcohol will reach 4 billion liters in 1981, thus saving the country more than $1.5 billion in foreign exchange."

11798
CSO: 3001/27

PETROLEUM: POOR RESULTS IN RISK CONTRACT AREA

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 11 Nov 81 p 24

[Text] PETROBRAS [Brazilian Petroleum Corporation] has announced the results obtained by PAULIPETRO and foreign companies in exploring and prospecting for petroleum under risk contracts. From April 1977 until now, 67 onshore and offshore wells have been drilled at a total cost of approximately $813.45 million. Despite those efforts, only one well--still in the testing stage--appears to have favorable prospects as far as petroleum production is concerned.

Unfortunately, the above information may reflect a lack of good judgment in relation to the policy adopted for risk contracts, which have not brought a significant increase in national petroleum production or even better knowledge concerning the potential of our reserves.

To begin with, the areas delimited by PETROBRAS can be singled out as one cause of this. They do not always appear to have been the most propitious areas for the discovery of petroleum. A few months ago, PETROBRAS itself was the target of criticism by the foreign companies which signed the contracts in question but which have since handed back 10 of the 20 blocks they were authorized to explore. The basic reason was that the risk of not finding petroleum was too high, thus threatening to make the investments unproductive.

PETROBRAS later adopted a position more in keeping with the requirements implicit in the bidding itself by offering areas with better prospects, although it made them subject to less attractive remuneration. That new orientation was apparently the right one, since despite the poor results achieved so far, the exploration companies have not been discouraged from continuing their work. In fact, the latest round of bidding sponsored by PETROBRAS resulted in 34 foreign companies being prequalified to explore all the blocks in the Parana, Amazonas, and Maranhao basins.

It should be noted that there do not appear to be any restrictions on the contract companies as far as their continuing to participate in future bidding is concerned. It is in the country's interest to maintain a certain degree of attractiveness so that the investments will produce more significant results. Although PETROBRAS has increased its allocation of funds for exploration and prospecting, it is known that they are still inadequate, considering the lack of knowledge that exists concerning Brazilian reserves. Furthermore, the supplying of suitable information for exploration presents no danger that the state will lose its monopoly on petroleum, as was argued when the contract system was being set up under the Geisel administration.

For PETROBRAS to maintain the credibility of that exploration system, it is necessary not only to make more interesting areas available to the firms, but also to provide the required information so that there will be no more failures.

The fact that only one well has so far turned out to be potentially exploitable may lead the foreign companies and even PAULIPETRO to reduce their participation in this process even further, and that would certainly result in a burden for PETROBRAS. The fact is that the firms operating in Brazil under risk contracts drilled 52,000 meters in 1980, compared to 68,000 in 1979. During the same period, the Brazilian state-owned enterprise drilled 813,000 meters, and that indicator is to be increased throughout this year. In the past 5 years, PETROBRAS has completed 1,542 exploratory wells at an investment of $7.7 billion, an amount distinctly higher than the amounts invested by the foreign firms, and plans call for investing an additional $5 billion over the next 5 years.

11798
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ELETROBRAS TO INVEST 710 BILLION CRUZEIROS IN 1982

Rio de Janeiro O GLOBO in Portuguese 5 Nov 81 p 20

[Text] Brasilia--ELETROBRAS [Brazilian Electric Power Companies, Inc] will invest 480 billion cruzeiros during the coming year, excluding the planned investments in Itaipu, which will total 230 billion cruzeiros. This was announced yesterday by General Costa Cavalcanti, chairman of ELETROBRAS, following the signing of the contract for construction of the Samuel hydroelectric plant, which will supply the state of Rondonia and Rio Branco, Acre's capital, beginning in 1987.

The 480 billion cruzeiros that ELETROBRAS will invest next year represent a nominal increase of 140 percent over the firm's budget for this year, which will total 200 billion cruzeiros. In the case of Itaipu, next year's investment will be 53 percent higher than the 150 billion cruzeiros planned by the end of 1981.

General Costa Cavalcanti is leaving today for the United States, where he will sign a contract with the Bank of America for $150 million intended for ELETRONORTE [Northtern Electric Power Plants]. He will sign another contract with the same bank for $30 million intended for Itaipu.

During the ceremony for signing the contract for construction of the Samuel power plant, Minister of Mines and Energy Cesar Cals said that beginning next year, the government will shift its construction of major hydroelectric plants to the North and Northeast, not only to foster the development of those two regions, but "also to eliminate the generation of electricity based on diesel oil."

In addition to Tucurui and Itaparica, which are already under construction, he said that work on the following will also begin during the Figueiredo administration: Xingo (Pernambuco), Balbina (Amazonas), Cotingo (Roraima), Cachoeira Porteira (Para), and Santa Izabel and Carolina, both in northern Goias.

The Samuel hydroelectric plant is budgeted at 21 billion cruzeiros (at June 1980 prices) and is to go into operation in February 1987, thus eliminating the need to generate electricity using diesel oil in two-thirds of the Territory of Rondonia and in Rio Branco, the capital of Acre.

11798
CSO: 3001/27

AGUACAPA HYDROELECTRIC PLANT INAUGURATED

Guatemala PRENSA LIBRE in Spanish 31 Oct 81 p 2

[Text] The Aguacapa hydroelectric plant was inaugurated yesterday morning by President Lucas Garcia. The project, costing a total of 171 million quetzales, will save the country a total of 2 million quetzales a month in fuel costs.

The inauguration ceremony took place at the plant, located in the southern part of the country in a region of Santa Rosa.

In addition to the president, Vice-President Oscar Humberto Azurdia, Interior Minister Donaldo Alvarez Ruiz, National Electrification Institute (INDE) President Otto Arnoldo Block, INDE Manager Luis Francisco Saenz, and diplomats and distinguished guests were also present.

According to the program, the first speaker was Pablo Garcia Barbachano, vice-president of the ICA Group. He made a technical report on the Aguacapa project.

He pointed out that the project is located in a mountainous zone, at altitudes ranging from 145 to 700 meters above sea level. The Aguacapa River's tributary is the Agua Tibia River, with an average flow of 1.7 cubic meters per second.

"The project," he stated, "consists of a dam 20 meters high with a concrete volume of 42,000 cubic meters. There is a daily control reservoir with a capacity of 300,000 cubic meters, and a pressure tunnel 12 kilometers long and 2.65 meters in interior diameter. The tunnel is lined with concrete and steel, and has been excavated simultaneously on nine different work fronts."

"Aguacapa," he went on, "will increase the production of electricity by 400 million kilowatt hours a year, with an investment of about 171 million quetzales, and will be of great socio-economic benefit for Guatemala."

The financing of the work was as follows: Q55 million from the World Bank; Q30 million from the Venezuelan Investment Fund; Q3.25 million in local currency; Q75.25 million loaned from the Central American Bank of Economic Integration (BCIE); and Q7.50 million from INDE.

The project was begun in November 1977 and was finished after 46 months, in August 1981.

Next on the agenda, representatives of the AEG-Telefunken firm of the FRG presented President Lucas Garcia with a parchment commemorating this important project inaugurated during his administration.

Project Delivered to Government

Later, INDE Manager Francisco Saenz addressed the audience, pointing out that Aguacapa will produce much more energy than other hydroelectric plants put together, such as Palin, San Luis, El Salto, Rio Hondo, El Porvenir, Santa Maria, Los Esclavos and Jurun Marinala.

"Those plants," he stated, "produce only about 300 million kilowatt hours of energy, while Aguacapa will produce more than 380 million kilowatt hours a year."

He indicated that the reliability of the electricity supply will improve considerably once there is enough available. Requests for new service that have not been met so far will be fulfilled, and there will be significant savings in the purchase of oil-based fuels.

"For this reason," he emphasized, "it is a great honor for me to turn the Aguacapa hydroelectric plant over to President Lucas Garcia."

Working for Tomorrow

Finally, President Lucas Garcia gave an informative speech. He stressed the importance of the project, "which is one of the first steps the government has taken," he said, "to attain independence from petroleum products."

He added that in the case of a profitable enterprise, projects must be undertaken. If there is no money, it pays to borrow it, he said, because all these projects will cost much more tomorrow than today.

"This hydroelectric plant," he continued, "will provide considerable savings in oil purchases. I am very satisfied to have supported the construction of this project, because I know it will benefit all Guatemalans."

Finally, the president, accompanied by ministers and diplomats, toured the installations. He cut the symbolic ribbon and put the dam's machinery into motion, declaring the Aguacapa hydroelectric plant inaugurated.

The program ended with a luncheon for guests, to the accompaniment of marimbas, electronic instruments and mariachis.

8926
CSO: 3010/326

MEXICAN OIL IMPORTS TO INCREASE IN PRICE

Guatemala EL IMPARCIAL in Spanish 5 Nov 81 pp 1, 2

[Text] One of the kinds of petroleum that Guatemala imports from neighboring Mexico will go up in price by one quetzal this month, prompting the Secretariat of Mining and Hydrocarbons to study the impact the increase will have on the consumer, according to the head of that secretariat, Jorge Luis Monzon.

The study, he said, is being done to define the consequences of this increase in the price of a barrel of Mexican crude, taking into account that approximately 25 percent of the fuel used in Guatemala is imported from the neighboring country.

He also reported that two kinds of petroleum are purchased from Mexico, but only one of them will go up in price by one quetzal per barrel. Thus, stated Monzon, it must be determined what the impact will be on the final products coming from the Escuintla refinery, which processes that oil.

He anticipated that the price change for a certain type of Mexican oil does not necessarily mean that refined products will also have their prices raised, since the secretariat controls the different prices charged at the plates where this basic fuel is obtained.

The official explained that most of the fuel consumed in Guatemala is in the form of refined products sold by the Shell and Chevron companies, which operate refineries in the Caribbean.

Instead of announcing an increase in fuel prices, Monzon said that there will probably be an adjustment of the compensatory system currently in effect.

Since 2 June

Refined petroleum products experienced their last price hike on 2 June of this year, when the Secretariat of Mining pointed out that "due to fluctuations in the consumption of oil-based fuels, which have been reflected in higher consumption of diesel and kerosene and a considerable drop in the price of bunker oil on the international market, the prices of those products must be revised in order to bring them in line with prevailing circumstances."

As a consequence, the current prices were set. Prices from dealers to the final consumer are as follows: superior gasoline, 95 octane, 2.09 quetzales per gallon; regular gasoline, 87 octane, Q2.04; diesel, Q1.24; kerosene, Q1.12; and bunker in Guatemala City, Q0.96 per gallon.

8926
CSO: 3010/326

BRIEFS

OIL WELL POTENTIAL—One of the six wells that the Elf Aquitaine company will have to drill in the next 6 years, pursuant to the contract it signed in August 1980 with the government to take over the oil operation of Rubelsanto, yielded positive results. On 20 October that company, operating in Area One, did a formation test at an interval located 6,900 feet down, in the Caribe I well. According to the Secretariat of Mining and Hydrocarbons, the result of the test was positive, in that it was determined that petroleum of 20 API degrees could be produced. The secretariat's report adds that with this positive result, it appears that there are two productive intervals in the structure bearing that name, so another interval at a depth of 6,800 feet is now being tested. This well, Caribe I, is located 6 kilometers north of Chinaja and 10 kilometers west of Yapelmech. The secretariat authorities stated that "the importance of this result will justify drilling new wells that will not only increase production capacity by incorporating a new oil field, but will also enable us to confirm the potential of the area currently being developed and those to be offered in the new bidding." In early 1981 production was estimated at about 5,050 barrels a day, of which Rubelsanto provided about 3,450 barrels and Chinaja 1,600 barrels. That oil has been sold to the United States. Nearly 50 percent of the oil has been earmarked for domestic consumption, both by the Empresa Electrica de Guatemala, S.A., and Cementos Progreso. [Text] [Guatemala EL IMPARCIAL in Spanish 31 Oct 81 pp 1, 9] 8926

OIL PRODUCTION DECREASE—Caracas, 17 Nov (LATIN-REUTER)—The Venezuelan Ministry of Energy and Mines announced that the country's crude oil production has been reduced by 77,000 barrels per day during the week ending on 11 November, bringing the average daily production down from the 2,273,000 of the previous week to the 2,196,000 recorded this past week. In comparison with the 1,836,000 barrels per day exported during the period up to 4 November 1980, this year's crude and refined oil exports during the same period average only 1,660,000 barrels per day. [PA190045 Buenos Aires LATIN in Spanish 2122 GMT 17 Nov 81 PA]

CSO: 3010/369

CHILEAN, ARGENTINE CARDINALS DISCUSS BEAGLE CONFLICT WITH POPE

Santiago LA TERCERA DE LA HORA in Spanish 27 Oct 81 p 20

[Text] Rome, 26 Oct (ANSA)—It was revealed today that during the most important summit meeting on the ecclesiastical level since the beginning of the so-called Beagle conflict, Pope John Paul II discussed the present state and the future of the mediation with Cardinals Raul Silva Henriquez of Chile, Primatesta of Argentina and Antonio Samore, his personal representative in the negotiations.

The meeting took place on Saturday and the talks were held during a luncheon with the pope, on the thir floor of the apostolic palace.

In addition to the three cardinals, the personal secretaries of the pontiff were also present.

Up to this moment it was impossible to obtain an official confirmation from any of the parties involved.

It is obvious that John Paul II decided to take advantage of the presence in Rome of Cardinals Primatesta and Silva Henriquez, who are attending the deliberations of the Canon Law Revision Commission, to evaluate the situation and determine the present prospects.

"This is a very important and serious occasion," a high-level source told ANSA. "This is the opinion of the pope himself, and it is shared by those present at the luncheon," he said.

As the head of the mediation team, Antonio Cardinal Samore probably made an extensive review of the main aspects of the negotiations.

Last Tuesday the Apostolic Nuncio in Buenos Aires, Msgr Ubaldo Calabresi, delivered to the Argentine Government the pope's reply to the "ideas" presented to the Holy See at the beginning of September by Argentine Foreign Minister Oscar Camilion, who made a surprise visit to Italy.

Camilion met with the secretary of state, Agostino Cardinal Casaroli, Cardinal Samore, Msgr Achille Silvestrini (the secretary of the Public Affairs Council of the Church) and with the pope himself, whom he met in Castelgandolfo after the general audience of Wednesday, the 9th.

It was learned that the "ideas" of Camilion consisted in proposing to include the upcoming agreement on the southern border conflict within the entire framework of Argentine-Chilean bilateral relations.

John Paul II, in his reply, allegedly indicated that the first two points of his proposal envisaged a treaty establishing the mechanism for a peaceful solution of all the differences along the border between the two countries.

What is expected now is that the Argentine Government will take initiatives that would allow to speeding up of the negotiations. The Buenos Aires authorities for several months already have had in their possession the reply of the Holy See to the request for "clarifications, appeals, and details" which the Argentine Government requested on 25 March of this year regarding the proposal for the solution that the Pontiff formulated on 12 December 1980.

Chile accepted the pope's suggestions on 8 January. Argentina is still studying the proposal and its implications.

11635
CSO: 3010/229

BRIEFS

BORDER TALKS WITH COLOMBIA--Caracas, 11 Nov (AFP)--The negotiations between Venezuela and Colombia on border problems have "definitely" been postponed until 1984, it was officially confirmed today. The report said that President Luis Herrera Campins believes that the climate is not adequate in either country now to continue the dialogue on the demarcation of the marine and submarine areas in the Gulf of Venezuela, in the northeastern part of the country. Venezuelan elections will be held in November 1983 and the new constitutional president will take office the following March, it was recalled here. The problem in question has been the object of study by both governments in the last few years but no satisfactory and definite solution has been found by the two countries, concluded the report from Caracas. [Text] [PA120048 Paris AFP in Spanish 1319 GMT 11 Nov 81]

CSO: 3010/369

POLITICAL ALLIANCES WITH PERONIST MOVEMENT DISCUSSED

Buenos Aires A FONDO in Spanish Oct 81 pp 12-13

[Text] The Peronist-Radical party system of 1946-1981, whose last caretaker was Ricardo Balbin, is being succeeded by timid probings in search of a different future. It is a party "chaos."

The Greeks, who could not conceive of nothingness (so taken with the world and nature were they) or, therefore, of the idea of creation from nothingness, which is part of the Judeo-Christian tradition, assumed that in the beginning there was..."chaos," meaning an shapeless mass of matter and energy whose subsequent development into beings, species and flesh-and-blood individuals would later constitute the world that we know.

The idea of "chaos," therefore, had nothing to do originally with its current connotation of a disintegration of a preexisting order into anarchy. Quite the opposite. Chaos is pure possibility, an as yet nebulous dawn, an under-age future.

Today, a few days after Ricardo Balbin's death and a few years after Juan Domingo Peron's death, we can speak in such terms about the "party chaos" in Argentina. For 35 years, 1946-1981, the Peron-Balbin tandem disciplined party forces around a central option. Its vicissitudes notwithstanding, the country was Peronist-Radical during this period. When Peron passed away in 1974, Balbin kept the 1946 two-party system alive by subjecting Peronism to a sort of external discipline or attraction that forced it to curb its own centrifugal tendencies and to sit down at the table of the Hour of the People or, more recently, the Interparty Commission. The day after Balbin's death, however, the centrifugal tendencies began taking strong hold both inside and outside Peronism. It is chaos, not only as the disintegration of something that used to exist (the Peronist-Radical dualism around two caudillos), but also as the search for or the dawn of the new party arrangement that Argentina will adopt in the future.

Several developments now suggest the intensity of this transition. The first is a statement by former President Frondizi in which the natural leader of the MID [Integration and Development Movement] made three main points: that the recent reconciliation between Radicalism and the MID would not be pursued to

the point of turning it into a "pan-Radical" movement; that, on the contrary, the MID's idea is to again ally itself with Peronism in a "national" front or movement (which, from the MID standpoint, symbolizes the alliance of classes); and that the Interparty Commission ought to move towards the formation of a "national movement" rather than towards a call for elections, as the government would like. To a certain degree, this excludes the Radicals. Frondizi has quickly drawn his own conclusions about Balbin's death and feels that because of it Radicalism has lost its ability to act. In his view, the initiative has passed to the MID, in a political and electoral alliance with a Peronism that, by virtue of Peron's absence, has also lost its strategic focus.

In a way, it is a battle to see who becomes the guardian of an orphan Peronism. Balbin, the first guardian, led it towards an institutional pact from which would emerge, in time, the extended "oligopolistic" competition of Peronists and Radicals, with no third force in sight. Frondizi, the second guardian, wants to lead it now towards a repeat of the 1973 electoral alliance (Justicialista National Liberation Front), although he probably feels that the MID will now command a more prominent place in the alliance, more like the leading role that Frondizi himself played in 1958 (the Peron-Frondizi pact, "national integration").

What do the Peronists say about all this? Here is the second "post-Balbin" development: the opposing statements by Bittel the notary and Dr Robledo. Bittel has said two things. First, that alliances with other members of the Interparty Commission are possible, but not, he felt, with Radicalism. The allusion to the MID is obvious. Second, that Isabel Peron is still the head of the Justicialista Movement. Robledo has said, however, that Peronism can no longer afford "heads" that can demand inflexible discipline and that Isabel Peron would have to battle, in any case, like any other leader in internal elections for a place in the party's hierarchy. While Bittel upholds a traditional view of Peronism (one-person rule, a front with the MID), Robledo is proposing an approach in keeping with Balbin's political legacy: internal democratization, an end to hand-picking for party posts and "camouflaging" Peronism with Radicalism as an orderly and internally pluralist democratic party.

Former Interior Minister Gen Albano Harguindeguy (1976-1981), who is now an adviser to President Viola, burst on to the political scene recently himself with statements that had nationwide repercussions. Aside from saying that in 1984 there would be another (a last?) military term until 1987, he pointed out the need for a third force, a moderate, neoconservative force to balance out the political system so that the military would not always have to be the one to rectify populist excesses. Harguindeguy's drive is also being helped by the vacuum that Balbin left. The old leader's moderation caught a wide spectrum of middle-of-the-road voters in Radicalism's electoral net. Today, these voters could feel the attraction of a third force's moderation if they come to see that the other radical wing, the one more to the Left, is broadening its influence thanks to the party without a head.

8743
CSO: 3010/281

POLITICAL MEETING AT CGT HEADQUARTERS RAISES QUESTIONS

Buenos Aires A FONDO in Spanish Oct 81 pp 9-10

[Text] The parties' pilgrimage to the headquarters of the CGT [General Labor Confederation] raises not at all comfortable questions about Argentina's dubious devotion to a republican form of government.

We are in "verbal" agreement: We have to build a democratic republic. The overwhelming majority of Argentines rally around this cry. Building a democratic republic requires certain conditions, however, that we are not meeting. At times it would seem that the deep-seated agreement among Argentines is "to talk about" a democratic republic while "doing" something else. A parallel can readily be made here with inflation. "We say" monetary stability. "We do" inflation.

One example, among others, of what we were talking about in the previous paragraph was furnished by this recent episode: the visit by the top leaders of the Multiparty Commission to the headquarters of the CGT. As we know, there were serious differences in the Multiparty Commission between Peronism's labor union wing there, which backs a union hard line, and party representatives, even the Peronist Bittel. While the Peronist labor wing insisted that the Multiparty Commission communicate officially only with the CGT as the sole legitimate union group representing Argentina's workers (and Peronist organized labor), the parties did not wish to be sectarian and correctly argued, in our judgment, that they ought to talk with the CGT "and" with the Intersector Commission, without prejudging which one of them was more or less representative. In the end, a compromise was reached, whereby the Multiparty Commission would meet officially with both movements, but at the urging of the Peronist labor wing that is part of it, would begin with the CGT and at CGT headquarters.

And that is the way it happened. Thus, on Friday 9 October the papers reported in their lead articles on a development that is hard to explain from the standpoint of a democratic republic, as leaders of the stature of Deolindo Bittel, Torcuato Fino, Antonio Troccoli, Raul Alfonsin, Oscar Alende, Americo Garcia, Marcos Merchensky and Carlos Auyero, among others, ultimately made the pilgrimage to the CGT to be received there by its associate secretary, Fernando Donaires, in the absence of Secretary Saul Ubaldini, who was on a trip through Italy.

The Cry and the Nest

The episode seems to us to be at odds with the logic of a democratic republic because such a republic is based on the supremacy of party structures over other organized structures. Since 1930, however, Argentina has seen the growth and expansion of major institutions such as the Armed Forces, the state-run public sector and the unions (often in opposition to each other), while the role of political parties has been severely weakened. In 1930, in fact, President Uriburu wanted to found a formally institutional state in Argentina. President Onganía had the same thought 36 years later. Both met defeat in the realm of public definitions: officially, Argentina is still a country in search of a traditional democratic republic, with parties and elections. Nevertheless, what has grown since 1930 and intensified since 1966 has been a de facto institutionalism, while the structures that carried on the republican principle, the parties, were relegated to secondary status.

Until 1930, public life was dominated by two structures: the Radical Party and the conservative alliance. Two "parties." The military came on the scene in 1930, at the request of the conservatives. In 1946, what Perón formed was not a third "party," but an essentially institutional "movement," only one of whose branches was the Justicialista Party, while the CGT constituted its main branch. We should recall that the CGE [General Economic Confederation], another institution, was also in operation and that Perón tried to incorporate the military into the system.

While the military's influence grew as the system naturally expanded, what we saw in 1966-1970 was an attempt by the Onganía government to reach an understanding with organized labor and later, from 1973 to 1976, we saw no less than a "metallurgical homeland." Certainly today what we are seeing is the further development of the "military republic" (See this issue's editorial). Nevertheless, all of us, civilians and military alike, continue to dream about a democratic republic, which by definition is run by parties, not institutions. Under such a republic groups such as the military, the bureaucracy, unions, businesses, have specific, predetermined places, while the parties are the exclusive channels of power, whose roots are the will of our citizens taken as free individuals who are valuable as such, not as members of this or that organization.

The funny thing is that whenever someone says out loud that he wants an institutional state, as Uriburu and Onganía did, the proposal is rejected practically unanimously. What do we want then? Apparently, like the tero bird, to cry in one place and have a nest somewhere else. To be ruled by institutions and to continue talking about a liberal republic.

Sinners, Never Heretics

It is noteworthy, therefore, that not even party representatives still have a clear, resolute idea about the hierarchy of values and structures that a democratic or liberal republic requires. If we are ever to have one, the parties will have to receive the unions, not vice versa. It will be the unions that will have to go and call on the parties, not vice versa. The pilgrimage

to the CGT shows us, on the one hand, the weak desire to eventually have something other than the one-person rule that exists in Peronism. It also discloses, furthermore, to what degree Radicalism, the only real party the country has, has ultimately been pushed by its members into taking stands that, instead of placing it in the vanguard of republican grievances, tend to make it look like just another satellite of the major organized labor group.

Now we know: we Catholics are sinners, but never heretics. This means that regardless of our daily religious practice, we belong to a cultural tradition that respects dogma above all else and that would rather violate that dogma a thousand times with specific lapses that can later be repented for, than to redefine doctrine in one way or another. The Protestants are heretics, not sinners. Since they do not want to or cannot sin, they do not suffer from confusion. They change dogma if they have to, in order to develop standards that will be complied with from then on. A Protestant culture would not stand for the duality of this country, which is ruled by institutions in deed but continues to be a democratic republic in principle. It would do one of two things: declare that the new dogma is rule by institutions and thence-forth establish a military-union-business-church-bureaucracy republic without parties, or bring things in line with democratic republican dogma and without further ado actually build a "party" republic by gradually moving towards municipal, provincial and national elections in a sensible transition process. We are doing neither. We continue proclaiming the dogma of a democratic republic while the people in power postpone time and again the steps aimed at founding one and while the parties burn incense at the institutional altar of the CGT. We praise democracy and pursue an institutional structure. And what happens then? "Then" doesn't matter. There's a reason why we have something that the Protestants no longer do: confession. Then we go to confession.

8743
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'LA PRENSA' COMMENTS ON SOVIET DIPLOMATIC RECOGNITION OF PLO

Buenos Aires LA PRENSA in Spanish 5 Nov 81 sec 2 p 1

[Article: "PLO Embassy in Moscow"]

[Text] The head of the Soviet Government, Leonid Brezhnev, announced last week that the Soviet Union had decided to accord diplomatic status to the delegation of the Organization for the Liberation of Palestine (PLO) in Moscow. The connections of the PLO with Moscow date back to 1956, when the former opened an office in the Soviet capital to "handle matters of common interest" between the terrorist organization and the communist state.

A short time ago, we had the opportunity to report in this column on the latest development in relations between the PLO and the Soviet Union, according to statements made by the PLO representative in Moscow during his visit to Beirut: "Relations between the PLO and Moscow could not be better as both parties maintain close political ties. The PLO has an agreement for cooperation with the Soviet Union, signed last year (1980) during Arafat's visit to Moscow, according to which a high-level Palestinian delegation will go to Moscow to coordinate on joint positions with the Soviets whenever problems arise. Hundreds of Palestinian officials with the rank of brigade commander have finished their studies in Soviet military academies, and PLO members use Soviet and Eastern European weapons in their guerrilla war against Israel. Today, some 2,000 palestinians are studying in Soviet institutions, and 300 scholarships are awarded annually to the PLO." He explained that "the PLO has special diplomatic status in the Soviet Union," by virtue of which "the PLO representative can travel freely throughout the country, in contrast to the status of other diplomatic representatives."

The recent concession of diplomatic status to the PLO by the Soviet Union is thus the consecration of the links that have been forged in recent years. These are very special links, born of a very special circumstance. Actually, the PLO is not a state, it does not own its own territory (including the territory it occupies, by force, in Lebanon); it does not trade; it does not maintain consular relations; does not constitute a regular government with constitutional powers; does not have a nationality; and carries on no productive activity. What are, then, these links that have united the PLO more and more with the Soviet Union? What kind of links are they and what is the degree of reciprocity concerning these links which have culminated in the granting of diplomatic status to the

terrorist group? It is not necessary to say it, but it is good to emphasize it once again: these links, of a unique kind—and there are no others—exist because of the terrorist acts the PLO carries out all over the world (not just in Israel or the Middle East) for the benefit and at the orders of the Soviet Union.

The role that the Soviet Union plays as the headquarters of world terrorism is no longer a secret. Everything concerning that supplementary army—making plans, establishing priorities, setting objectives—is coordinated in Moscow. It is like an advance outline of the "Third World War." Of all the guerrilla organizations operating around the world today, the PLO plays a prominent role in the development of those plans. It can be said that it is the "wholesaler" for terrorism.

In a study published in May 1980 in "MIDSTREAM MAGAZINE," Roy S. Cline revealed that the principal guerrilla training centers in the Soviet Union, located in Baqu, Odessa, and Tashkent, take "students" from the Arab states, the Middle East, Western Europe, Latin America, and Southeast Asia and, in fact, from the entire Third World. The Simperopol Military Academy offers specialized courses to the Palestinians, who make up 75 percent of those being trained there. Of course, this is not the only information of prime importance available concerning the connections of the Soviet Union with the PLO in the international terrorism scene. The book by Clara Sterling, on whose most important passages we commented on a few months ago in an editorial note, also is extremely revealing of the connections we have been referring to.

Unfortunately, Moscow is not alone. Far from denouncing and combatting its plans, other countries and organizations have vied lately in showing their "understanding" of the PLO. Brazil has just authorized the PLO to open an office in Rio de Janeiro, thus joining Cuba and Nicaragua. About 110 countries have granted recognition to the PLO to some degree or other. In Western Europe, the number of its "offices" has reached seven in as many nations. East Germany gave it diplomatic status even before Russia. In the non-Islamic African countries, the PLO maintains 10 offices, 19 in the Arab League nations, and 3 in Latin America (Cuba, Nicaragua, and Brazil). On the other hand, only 70 countries throughout the world maintain relations with Israel. In Spain, former Prime Minister Suarez received Arafat with all the honors of a chief of state, but Madrid has still not recognized Israel.

9015
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IGLESIAS ROUCO COMMENTS ON VIOLA'S UNSTABLE FUTURE

Buenos Aires LA PRENSA in Spanish 1 Nov 81 pp 1, 4

[Article by J. Iglesias Rouco: "Amid Instability"]

[Excerpts] The week has concluded with a spate of rumors about the instability of General Viola's government, in connection with the immediate future of not only the so-called economic cabinet, but also of the Casa Rosada's political sphere and even of the president himself.

Although these conjectures are in some cases self-interested, they reflect the general turmoil in the country and the erosion of the "process." According to my sources, the near-term prospects are not, however, as spectacular as we might think, though they are disturbing, nonetheless. The agreement between Generals Galtieri and Viola is still in effect, and the regime will do everything it can not to "harden up," responsible circles keep telling us. There is also a 50 percent chance that Sigaut and Liendo will continue heading up their respective ministries at least until next March, which means that Liendo's resignation is not as sure a thing as many believe. My informants also contend that the name of General Villareal, who has so far been politically linked to Viola, is being bandied about in the Libertador Building as a candidate for chief of staff. Brigadier Lami Dozo, who also has ties with the president, continues to move forward towards the command of his branch, amid uncertainty about Mariani and about a third "choice" for a successor other than Lami Dozo and Mariani, in the wake of a meeting in which Brigadiers Plessl and Hunicken (the latter could retire) allegedly told Graffigna about most of their peers' criticism of Governor Ghisani's performance in Mendoza. Except for Admiral Anaya, whose interests are thought to be more professional than "political," the "power structure," if Lami Dozo is appointed, will continue to be made up of military officers who have so far been characterized by their intensive contacts with the major parties or, if you prefer, with the "exterior" of the "process."

The Dollar and Peronism

However, because of the magnitude of the economic crisis and the "impasse" triggered in the "dialog" by Peronism's stand last Thursday, compounded by further complications in delicate international problems, such as Beagle, that have profound domestic repercussions, we cannot talk with much certainty

about any kind of "structure." We cannot rule out an upswing by the dollar over the next few days or hours, although its "ceiling" will remain at between 8,700 and 10,000 pesos (10,500-11,000 on the parallel market) until December, according to the experts. Pressures from the Church and from Chile will also intensify in the weeks to come. On the other hand, Peronism will probably once again discuss its participation in the "dialog." If this happens, it would be leaders such as Carrasco, Herminio Iglesias, Sarboli and Obeid who accompany Bittel to the Interior Ministry. As far as we know, both Robledo and Luder, and perhaps Julio Romero too, are in favor of Peronism speaking with Liendo through "organizational" representatives. In any case, the political plan of Liendo and his aides has already been dealt a harsh blow, whose effects are being felt, and will be felt, more on the military than on the civilian "front." The power struggle within Peronism, especially the struggle being waged in its union, in the wake of Mr Lorenzo Miguel's noteworthy "pro-dialog" stand, is an additional worry not only for Liendo and the "multiparty" group, whose fadeout seems irreversible, or for the "process" and its mysterious political plans in general, but also for the entire nation. At the close of this article I reveal some heretofore unpublished details of Mr Alsogaray's political "proposal." They appear in a book that the former minister is still writing and that responds to some of the questions that he posed in a document made public 10 days ago. If we go by Alsogaray's recent statements, he will very likely converse once again with General Viola at Olivos in the next few days or weeks, an opportunity that he will probably take advantage of to again stress this thorny issue of Peronism.

Alsogaray's Proposal

Meanwhile, Mr Alsogaray is taking what we might describe as a conciliatory stand towards the regime, albeit perhaps more dissenting than Manrique's with regard to Peronism. The former minister addresses precisely this issue in Chapter VII of a book entitled "Democracia de masas" [Mass Democracy], which he intends to publish in May 1982. The book sets forth a political proposal, whose main points can be summarized as follows:

1) The president for the 1984-1987 period will be a leading figure chosen by the Junta of Commanders in Chief.

2) The political parties statute should be issued as soon as possible. The parties will organize freely from that point on.

3) The statute should include a special section on Peronism.

a) The Peronist system, as we have come to know it, is excluded from the National Reorganization Process.

b) The Peronist system is made up of:

—Any party or political, union or other group that calls itself Peronist or Justicialista or that uses equivalent acronyms, in particular, the Peronist Party that existed as of 24 March 1976 and the labor union groups that so identify themselves.

—The leaders most representative of and most involved in past Peronist activities, above all, former President María E.M. de Perón.

c) The individuals referred to by name in the previous paragraph will be excluded politically from the Process for 15 years.

d) Those citizens who joined, supported or advocated the Peronist regime will be free to organize politically as they like, with the sole requirement of respecting the National Constitution, the laws of the republic and the exclusions and ineligibilities specified in the previous points. Any political leader or group that violates said restrictions will automatically become subject to them, which will be confirmed by an express pronouncement of the appropriate authority. Specifically, no group, political party or candidate that represents or receives the support of disqualified individuals can take part in the National Reorganization Process.

4) Once the political parties have been organized, elections of deputies and senators will be called in the second half of 1984. The chambers will begin functioning on 1 May 1985.

5) From 1984 to 1987, a chief executive designated by the Armed Forces and who will, in turn, appoint the governors and municipal authorities, will coexist with a Legislature elected by the people. This will be the first stage in the process of reorganizing the country politically and institutionally. A decision on the system of government subsequent to March 1987 will be made later.

Exclusion of the Peronist "System"

It is worthwhile pausing here to examine the impact that excluding Peronism from the national political scene will have. He says in his book:

"While excluding the 'Peronist system' and disqualifying its main leaders in the aforementioned manner, the program stipulates at the same time that the 'citizens' who were part of it have every right to organize political parties to represent them. We would imagine then that Peronism will find a way to organize and take power again, whereupon the country would again be exposed to the aforementioned ills. This risk does, in fact, exist, because today, 25 years after Peronism's first fall and after the failure of many of its successors, the perversions of the 'system' have been largely forgotten, and very few people have the energy, courage, understanding and moral authority to call them to our attention. But we have to run this risk. There is an offsetting element, however: the inability of Peronist leaders to replace Perón. Stripped of its mythical unifying components, Peronism becomes a shapeless 'mass' that requires leaders to guide and organize it. And these leaders have not appeared, not yet at least. It does, of course, have several leading figures, but they are of secondary status and offset each other; none of them seems capable of replacing Perón. Even the union machine, which many see as the major danger, is not the polarizing factor that some assume it is.

"Except for a few traditional, well-organized labor unions, the rest of organized labor was always a myth. Its monolithic appearance and its alleged power emanated from Peron and from the 'mission' that he assigned them as the 'backbone of the system.' Forced to rely on their own strength, battling for leadership posts and deprived of official support and the privileges secured under it, these leaders will have to fend for themselves and will lack the rallying power ascribed to them.

"This purge within freedom, which lessens the danger of a dictatorial concentration of political power, will benefit organized labor itself and enable it in the future to play its proper role in contemporary society. It will not be an influential political factor in the immediate future. Unions run from above as part of a totalitarian political structure are one thing, and freely functioning unions are something quite different. There is one qualification, however: government leaders and politicians must be able to create and preserve this framework of freedom and not feel tempted to wrongly emulate Peron and try 'to win over the unions.'

"Peronism, as represented by one or more parties, none of which can act on behalf of the 'system' and take advantage of the myth, will become just another movement on the political scene and not too distant from the problems that it presents. The program that I am discussing offers a practical way of doing this. If there are other ways, they should be outlined now. We are familiar with the Foundations of the Armed Forces, and a Political Commission is working on implementing them. The time has come to act. There are other reasons having to do with the timing of the program. The Armed Forces and the governments that they have formed have already accomplished the main goals that they set for themselves when they were forced to intervene on 24 March 1976. Now that sweeping action to reverse the country's advanced move towards collectivization is out of the question, action that was possible immediately after 24 March 1976 but that is not feasible today, there remains little for the Armed Forces to do other than maintain emergency conditions and prolong the current interregnum. They have only one far-reaching task before them: to curb inflation.

"But this task can and must be completed in the near term, while the program of rehabilitating the country politically and institutionally moves forward. To continue governing the country under the current conditions can only erode the Armed Forces prestige, and this is the worst thing that could happen to them and to the country."

8743
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GRONDONA REFERS TO FORMATION OF 'MILITARY REPUBLIC'

Buenos Aires A FONDO in Spanish Oct 81 pp 6-7

[Article by Mariano Grondona]

[Text] The papers have been commenting more or less elliptically in recent days on two unquestionably momentous reports about the military. One is that promotions and transfers in the army will allegedly take place in accordance with criteria consistent with the consolidation of the current leadership. The second is that an understanding has allegedly been reached whereby the current commander in chief of the army, whose term ends in late 1982, might be appointed president of the nation in late 1983 for the 1984-1987 period. This would mean that President Viola's prospects for reelection could fade away.

I am not interested in commenting here on the "personal" consequences of these reports or, ultimately, on their greater or lesser degree of accuracy. They are, however, significant because they square with the culmination of a lengthy process whose results have become clear in recent years: the slow, gradual, inexorable formation of a military system of government. As has already been proposed, we will call it the "military republic," inasmuch as beginning in 1976, its key date, the system abandoned the rule of individuals and presidents and shifted to a fixed-term, rotating division of powers within the military that admits advanced comparison with a civilian republic.

The following are the stages that the lengthy formation of this system went through:

1. Initially, there was just "peripheral," limited and brief military intervention. This is how we might describe the military coup d'etat of 6 September 1930. General Uriburu then assumed the "provisional" presidency of a "de facto" government, exercised very limited powers (emergency powers only), did not interfere with the Judiciary, lasted a year and a half in office (the new constitutional government took over in February 1932) and, moreover, seized power from a peripheral position: as a general who rose up against the president and the official central command of the Armed Forces. We could also say that the 1930 coup was "arbitral" inasmuch as its political impact was to "arbitrate" against the ruling party in 1930 (the UCR [Radical Civic Union]) and in favor of the opposition coalition (the conservatives, radical antipersonalists and independent socialists).

2. The 4 June 1943 revolution made no major changes. In 1955, however, there was a qualitative leap. The Liberating Revolution did not assume "limited" emergency powers. On the contrary, it called itself a "revolution" and took such action as intervening in the Judiciary (Peron had encroached on its longstanding independence in 1949, citing the approval of Congress and the Constitutional Convention) and calling a Constitutional Convention in 1957. The president continued to be "provisional," however, which meant that "permanent" power was reserved for constitutional institutions. In addition, like the 1943 coup, the 1955 military movement was peripheral: a renowned commander (Lonardi instead of Rawson) imposed himself on the "central" political and military hierarchy. In both cases, the coup "advanced on" Buenos Aires, whether from Cordoba, Puerto Belgrano or Campo de Mayo.

3. A government as limited and brief as Uriburu's was formed in 1962 (Guido's) with the overthrow of Frondizi, but in this case the qualitative leap was in the form of the overthrow. This time it was not a commander rising up against the central hierarchy in Cordoba or Campo de Mayo. It was the junta of commanders that "decided" to topple the president. Technically, the 29 March 1962 military uprising was not a military revolution. It was a "decision" by the military's central hierarchy. It was a political judgment against the head of the constitutional republic by the head of the military republic that was in the works.

4. This method of deposing a president was not to be abandoned. In 1966 (Illia), 1970 (Onganía), 1971 (Levingston) and 1976 (Isabel Peron), the junta again assumed the power to depose and acted as a political tribunal.

One further step was taken in 1966, however. For the first time a revolutionary process without time limits was started. "Objectives, not deadlines": The phrase took hold under Onganía, marking another qualitative leap. The fact is that in contrast to the usual prior periods (from 1½ to 3 years), the 7 years of government of the Argentine Revolution were clearly telling us that the military republic was taking a major step forward. In point of fact, if we look at the 1966-1973 and 1976-1981 periods, the 1973-1976 period was a constitutional exception to military rule. The tables had been turned. Constitutional rule was the exception. A military republic was the rule. Onganía called himself just "president," not "provisional" president. From 1966 to 1981 we have had 3 years of a constitutional republic and 12 years of a military republic, that is to say, 12 years of military rule with a civilian interval of 3 years.

5. But under Onganía there were still inconsistencies with the budding military republic. One was that the Armed Forces, after the uprising, continued to delegate power to a president, entrusting the entire process to him. This was not a military government proper; it was the government "of a military officer." The other was that the president of the nation still served as commander in chief of the Armed Forces. Onganía, in fact, exercised that power fully until he was deposed.

These two characteristics as yet impeded the full-fledged development of the military republic. By giving unlimited power to a man (unlimited in the degree of power and with no time limits), what the military was founding in the bud was a regime like Franco's or Pinochet's, since the military structure as such as being concentrated in a man, not in a military "republican" regime. Moreover, keeping the figure of the president posed two obstacles to the "republic." First, by virtue of the presidency an army commander exercised ultimate control over the other two branches because the president was commander in chief of the "three" Armed Services, and this threw the system out of balance. Second, each service continued to allow political supervision of itself that was ultimately beyond its control, because the president was involved in ordering the annual retirements and promotions.

6. Thus, the system was almost perfected in 1976. For the time being, terms were set for four key posts: the president and the commanders. This made concentration of power in one man impossible. The president, however, was reduced to the level of a prime minister by giving up his military power. He is the head of government, but no longer the chief of state. Thus, each branch shares total power on the junta, which did not return to its specific functions once the previous president was deposed and the new one, who remains in power, was chosen. This also insures the impenetrability of its behind-the-scenes decisions on retirements, promotions and transfers, which remain up to the commander himself. It is almost a military republic. Like a civilian republic, it has fixed terms and a division of powers: Power is shared among four ranking officers who rotate in asymmetrical 3-year terms.

I have used the word "almost" several times, however. There was one detail missing, though it has perhaps been supplied now. Neither the "real" duration of the president's term nor the nation's actual political course have been defined. Thus, General Viola started out at a pace in keeping with the plan: to move gradually towards a party system with a view to his own reelection in 1984 and anticipating that 1984-1987 would be a transition period on the way to the reestablishment of a civilian and constitutional republic, which is one of the objectives of the National Reorganization Process. The pressure of events was too much. If what some people now contend is true (that General Galtieri will succeed General Viola), the system will be complete. There will be no more "almost." After serving as commander in chief of the army, you become president. In both cases for 3 years. There will not be any chink in the military republic from that point on. Except one: that its proposed objective is to found "another" republic, a civilian and constitutional one.

8743
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NATO KGB REPORT AROUSES SUSPICION OF INCREASED SOVIET PRESENCE

Buenos Aires LA PRENSA in Spanish 3 Nov 81 sec 2 p 1

[Editorial: "The KGB, Instrument of Soviet Power"]

[Text] The report by the NATO services on the power of the Soviet KGB, measured by the number of their agents, sympathizers, and contacts throughout the world, is certainly not new. In recent years, there have been several similar studies that have received modest dissemination. What should be emphasized here is the coincidence of Moscow's intense arms buildup and the revelations of the report. The subject is something to think about because the KGB is not only a government agency, it is the basic instrument of Soviet power to the extent that nobody could ever imagine the Kremlin's continuing to exist without this formidable apparatus, whose functions tax the most vivid imagination. It is certain that today the Soviet secret police, whose origins are well known and traceable back to Czarist times, when it was called the Okhrana, has attained levels of efficiency that no Czar could ever have dreamed of.

NATO estimates that Moscow has 700,000 spies throughout the world, including agents, contacts, collaborators, and sympathizers. That figure corresponds with the best-known aspects of the Soviet state, especially the police system, which points up its nature. Strictly speaking, the KGB (Committee for State Security, Komitet Gosudarstvennoy Bezopasnosti) is a complex political-police mechanism designed to ensure the ideological homogeneity of the regime and Soviet power throughout the world at all times through the use of implacable methods.

The internal workings of the KGB, which are not entirely secret, could be described as an expression of the "scientific concept of a dictatorship" that Lenin spoke about around 1920, "which means nothing more nor less than limitless power that relies strictly upon force—force that is neither circumscribed nor restrained by any law or regulation whatever." One writer believes that "if the KGB disappeared, the basic means for controlling thought, the media, the conduct of Soviet citizens, art, science, religion, education" and even "the police and the armed forces would disappear along with it." Without the KGB, "the Soviet Union would lose its capability to conduct espionage abroad; subvert public officials; carry out sabotage and murder; foster strikes, demonstrations, and riots; support terrorism and guerrilla warfare; and contaminate public statements clandestinely with information and lies. To a great extent, it would be incapable of achieving surreptitiously what it has failed to achieve in the full light of day."

The NATO report takes the form of an expose of the methods and practices of Soviet espionage. At its highest and most dangerous level--industrial and military secrets that sometimes form part of the same objective--it has not always been an unqualified success for the Soviet Union. Occasionally, thinking they have made off with the latest high-level technical advances, they have found they had acquired only miscellaneous scraps.

However, their trickery has been more successful in the unsuspecting world of politics and trade unionism in the West, which has not yet acquired the most essential shield of all, distrust of the communists. Toward the "disinformation" campaigns of the KGB throughout the world, including Latin America, democratic society has often reacted tardily, dully, and with incredulity and confusion regarding methods and objectives.

Of course, this record is not new. Soviet espionage fills the diplomatic ranks with large complements of personnel, the great majority of whom are spies. At one time, Mexico and Uruguay had the largest Soviet and diplomatic representations in Latin America.

The publication of the NATO report raises the question of how we are doing here at home with trade with the Soviet Union rising to surprising levels and considering the frequent arrival among us of delegations of communist "technicians" concerned with a variety of matters, thus producing irritation in a country like Argentina which has suffered greatly from the ravages of the Marxist-Leninist guerrillas.

9015
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FNM NAMES FOUR ADDITIONAL GENERAL ELECTION CANDIDATES

Nassau THE TRIBUNE in English 15 Oct 81 pp 1, 10

[Text]

THE FREE National Movement has selected four more candidates to contest various constituencies in the upcoming general elections.

Bringing to eight the number of FNM candidates announced so far are Edmund Moxey for St Barnabas, Frank Watson for Carmichael, George Wilson for St Michael's, and Pierre Dupuch for Shirley.

Others previously announced are FNM leader Kendal Isaacs for Delaporte, FNM chairman Cecil Wallace Whitfield for Pinewidge (Grand Bahama), Parliamentary leader Henry Bostwick for Nicolls Town (Andros), and incumbent Maurice Moore for High Rock (Grand Bahama).

Elected to Parliament on January 10, 1967 on a Progressive Liberal Party ticket for Coconut Grove (now St Barnabas), Moxey soon became disappointed in the direction in which Prime Minister Lynden Pindling's Administration was going.

He started a struggle within the party to try to bring the administration back in line with is original philosophy.

Moxey was appointed Parliamentary Secretary in the PLP government in 1970, but resigned in December 1973 when Government refused to provide funds for a much-needed community development programme geared to the development of youth and culture. He resigned from the PLP on February 8, 1976, charging that the party had betrayed the people's cause.

Moxey is the founder of Jumbey Village and the Community Centre on Achilles Street. This centre now serves residents as far away as the Carmichael constituency.

He is now president of Home Improvement Company, servicing builders and related trades. A musician and composer, his album "Tribute To Granny" has been a success. Moxey is married to the former Sylvia Cunningham and lives in Stapledon Gardens.

The president of Bahama Divers Co Ltd, Frank Watson was the FNM's candidate for Carmichael in the 1977 general elections.

He is the past director of Kiwanis Over-The-Hill Club, a founding member and president of the Long Islanders Association and Commodore of the Bahamas Sailing Association.

An Anglican, Watson is married to the former June Wright. They have two daughters.

George Wilson, until recently, was a lecturer at the College of the Bahamas. He is a founding director of Sunshine Theatres Ltd, Golden Gates Theatre, Baswil Entertainment Ltd and Da Sun Shop Ltd.

He was a member of the youth pressure group Uniconom and was a former secretary-general of the PLP and former president of the Bahamian American Federation.

In 1979, Wilson formed the Citizens Party, which he led until it was disbanded the following year. He joined the FNM in 1980 and became party councillor.

He is also a member of the Bahamas Union of Teachers, COB Faculty Association and the National Association of Broadcasters (USA).

A Roman Catholic, Wilson has one daughter.

Pierre Dupuch, along with his brother Bernard, is the founder of Executive Printers, a leading commercial printing establishment.

He is the founder of the Eastern Equestrian Society and serves on the board. He is also founder and president of the Bahamas National Equestrian Federation and owner of Camperdown Ranch.

Dupuch was the UBP's candidate for Far East Constituency in 1962. He did not win the seat.

A Roman Catholic, he is married to the former Susan Thompson. They have one son and three daughters and live in Gleniston Gardens.

PIERRE DUPUCH
for St Ursine

EDMUND MOXEY
for St Barnabas

GEORGE WILSON
for St Michael's

FRANK WATSON
for Cornhill

CSO: 3025/52

SUPPORT FOR ANGOLA TO BE SHOWN DURING MINISTER'S VISIT

Rio de Janeiro JORNAL DO BRASIL in Portuguese 1 Nov 81 p 14

[Article by Luiz Barbosa: "Angolan Coming to Brazil"]

[Text] Brasilia—Despite financial difficulties which prevents it from assuming any new commitment of major scope, the Brazilian Government is going to try to mark the upcoming visit of Angolan Minister of Foreign Affairs Paulo Jorge with more daring understandings than the majority already made with other African countries, understandings capable of proving to the enemies of the Luanda Government, particularly South Africa, that Angola is an area of great interest for Brazil.

Paulo Jorge, a politician of European features and bearing—easily confused with the figure of a prosperous Lisbon businessman—will land in Brasilia on the 25th to carry out a visit, which because of its nature differs little from a routine visit except for one detail: He will certainly be received in a special audience by President Joao Figueiredo, perhaps as the first foreign authority of his level to receive the attention of the president after his heart attack in Rio.

Partnership on Food

Substantially, however, the visit by the Minister of Foreign Affairs of the People's Republic of Angola, an old desire of the Brazilian Government since it assumed the responsibility of supporting the MPLA [Popular Movement for the Liberation of Angola] of Agostinho Neto, even when his control in large areas of Angola territory was contested, is going to be different than that of other foreign ministers of foreign affairs. For that Brazil has a good capability for helping in the agricultural sector and in the production of food in general, areas in which Angola is admittedly deficient and has not yet been able to fill the vacuum left by the flight of former Portuguese colonizers.

The secondary sectors to be explored in an ambitious aid program are transportation and equipment, production of power, light industry and the provision of technical services.

The Brazilian presence in Angolan territory, in addition to a few other sectors, has been primarily in the area of hotels and services. A hotel service center capable of providing the offical network of hotels of the country with laundry, cleaning and food services was completely planned and executed by a Brazilian company. It has a capability for taking care of 4,000 guests.

Already underway as a result of agreements made at the beginning of 1979, is a program for the training of middle-level technical personnel supervised by the Angolan Ministry of Industry and Energy and the National Industrial Apprenticeship Service (SENAI) of Brazil.

Gas, Oil and Risk

Compensating for the lack of a visit by the Angolan minister of foreign affairs to Brazilia, Minister of Foreign Affairs Saraiva Guerreiro completed his tour of Africa in June 1980 by visiting Angola and signing economic, technical and scientific cooperation and cultural and educational agreements with the same Minister Paulo Jorge, the procedures for which will be negotiated during this visit by the representative of the Angolan Government. PETROBRAS [Brazilian Petroleum Corporation] is in advanced negotiations for gas and oil exploration under a risk system on the coast of the country. Its counterpart is SONANGOL [Expansion unknown], an Angolan state company, also represented by Ambassador Olga Lima, responsible for the most important links with Brazil, not only in the area of technical cooperation, but above all in the political field, and by Antonio Mangueira, assistant director of the SONANGOL.

During the stay by Paulo Jorge in Brazilia—a little more than 24 hours—Itamaraty is not going to spare any demonstrations of support for the cause of complete independence of Namibia and condemnation—surely the most vigorous yet heard from its officials—of the poor behavior of South Africa in that which refers, not only to the black domestic population through its official apartheid policy, but particularly with respect to its bordering neighbors, always faced with military attacks of different scopes: simple raids of commando type or large-scale invasions of the type made on Angolan territory in September.

This visit by Minister of Foreign Affairs Paulo Jorge is also going to serve as a new and valuable exercise in Brazilian diplomacy, wherein it will make its interests coexist in a close partnership with Angola in all fields despite the difficulties created by the Marxist orientation of the MPLA and the stationing of a contingent of 25,000 Cubans in Angolan territory, the majority concentrated in the urban center of Luanda itself.

Brazilian engineers and technicians, who work in Angola, have already accustomed themselves to living in their day-to-day routine with the young Cuban men, girls and children in their olive green field uniforms: doctors, nurses, dentists or simple military technicians, who travel the streets of Luanda in speedy, noisy jeeps.

8908
CSO: 3001/28

NATIONAL INTERESTS, ACTIVITIES IN ANTARCTIC SURVEYED

Sao Paulo VISAO in Portuguese 28 Oct 81 pp 33-35

[Article: "Brazil in the Antarctic; the Defense of a Right"]

[Text] What is Germany doing in the antarctic? And Poland, which despite the crisis it is traversing, invests about $3 million a year in maintaining its Antarctic base? The two countries are the newest members of the closed club of countries that participate in the Antarctic Treaty, which has been in effect since 1961. Poland entered together with the Soviet Union in 1977 and West Germany has been established in the southern icy region since March of this year, after a concentrated effort of 24 months during which it succeeded in fulfilling all the requirements of the Scientific Committee on Antarctic Research (SCAR).

What about Brazil? Thus far, Brazil has done nothing but subscribe to the treaty, in 1975. And that means that the Brazilian Government agrees with the terms of that document, which does not give the country any right over 14 million square meters of the Antarctic continent although it grants Brazilian scientists the right to conduct research there. However, the Antarctic is of interest to Brazil--greatly so. After all, the influence which the region exerts on the climate of our country, especially in that of the southern, central and western regions, with visible effects on agricultural-livestock production, is enormous. Frosts, hail, intense cold, heavy rains, gales and other unfavorable climatic conditions that befall our agricultural areas, for the most part, originate in the Antarctic. And it is in the waters around the South Pole that the marine plankton, the origin of the whole food chain of the oceans, is formed; that is why the southern coast of Brazil and of Uruguay, Argentina and Chile are so rich in fish. The fact is that part of the biologic resoursec of the Antarctic flow northward, brought by the ocean currents in a movement that is provided by the special location of the continent, which is at the confluence of three oceans, the Atlantic, Pacific and Indian Oceans, as geographer Jane Pereyron Mocellin, one of the few Brazilian researchers who have already gone to the Antarctic, points out.

Territorial Claims: However, each country has its reasons for establishing itself there. An atlas prepared by the Central Intelligence Agency (CIA) not only indicates some of those reasons but describes the problem of sovereignty in the Antarctic. According to the publication of the American agency, the good will that marked the International Geophysical Year (IGY) in 1958 and the signing of the treaty in 1959 did not annul the old territorial claims of seven of the member-states over parts of the Antarctic. Although those claims--the majority of them veritable "slices" of

the continent, cut in wedges converging at the South Pole—do not restrict research activity because they are frozen for the duration of the treaty, they attest to national interests and presage disputes, according to the CIA.

The agency also summarizes the arguments of each of the seven countries that want to take possession of part of the Antarctic: the United Kingdom was the first country to claim rights over the region, through its Falkland Islands Dependencies of 1908. Later, as a result of German submarine warfare, Australia, New Zealand, Argentina and Chile became convinced of the need to protect the southern flank. "The two Latin countries," the document explains, "are especially sensitive about their claims because they consider the Antarctic a complementary part of their territories."

According to the CIA, France aspires to the "slice" which its explorers investigated at the beginning of the century. Norway selected one of the various areas where their scientific explorers and whale fishermen have been. However, their claims do not extend to the region near the South Pole but are limited to the area more on the edge of the continent. On the other hand, the territories claimed by Britain, Argentina and Chile are practically superimposed, forming one more area of dispute in the already bitter differences between Chile and Argentina over the Beagle Channel and between Argentina and Britain over possession of the Falkland (called Malvinas by the Argentines) Islands.

The United States and the USSR have not yet made any territorial claim over Antarctic nor do they recognize the claims of those who have already made them. But the CIA notes that both powers have already stated that they have "reserved" their "rights" in the region. And at the same time that they encourage scientific research in the area, they support the position of internationalization, that is, the application there of the "no man's land" policy: whoever first occupies it, retains possession.

The seven countries that claim to have rights over the Antarctic (Argentina, Australia, Chile, France, Norway, New Zealand and the United Kingdom) carefully leave a "slice" between the meridians 90 and 150 degrees west free, at the disposal of the other countries, for internationalized use. The "slice" thesis, termed "frontage" [defrontacao], runs counter to that of "internationalization" of the Antarctic territory, supported by the powers.

Rio Grande do Sul Project—Brazil, which is so close to and so much affected by the Antarctic, has interest in the continent but it did little to implement its desire to operate in the South Pole. And the main obstacle is the geopolitical dispute with Argentine—it so happens, for example, that the Brazilian Institute of Antarctic Studies (IBEA) had to deactivate its plan for a scientific expedition to the Antarctic by official order in the first half of the last decade when Brazil was negotiating the levels of Itaipu with the neighboring country.

At that time, because it did not want to open up another area of differences with Argentina, the Geisel administration ordered the National Security Council to dissuade the IBEA from its intentions. Since then, interest in the Antarctic has remained dormant and only one or another isolated researcher has concerned himself with the subject. It was with surprise, therefore, that during the Antarctic Studies Seminar held in Porto Alegre at the end of September, the almost deactivated IBEA discovered a group of students from the University of Vale do Rio dos Sinos (in Sao Leopoldo, Rio Grande do Sul) with a plan ready to operate in the Antarctic.

It will not yet be the "Brazilian expedition" dreamed about by the IBEA; but with great chances of success, the experience of the young Rio Grande do Sul students should contribute greatly to that project. The students are part of the geologic mapping of the oceanic islands of South America. After working in the desert of Atacama in Chile (a project that replaced the original project of mapping Easter Island, abandoned for logistic reasons), they were tempted to work in the Antarctic. With that objective, on 24 June of this year, the Rio Grande do Sul students submitted a project that is now being examined by the governments of Norway, Chile and Argentina. The plan is to send the personnel of the geologic research group to serve apprenticeships in the bases which those countries maintain in the South Pole, where they will require training of extreme importance for the expedition that, it appears, the IBEA will conduct. The leaders of the institute, almost all of them members of the Engineering Club of Rio de Janeiro and former students of the War College (ESG), regarded as a "green light" the statements made by Vice Admiral Orlando Augusto Amaral Affonso, navy vice chief of staff, during the seminar. The admiral made it clear that Brazil is interested in joining the Antarctic Treaty as an active member. And that in order to do so, the navy is prepared to give the necessary support in accordance with what is decided by the government.

Implementaion of the IBEA expedition now depends exclusively on an official measure that seems to be very simple: its recognition through the Justice Ministry as a "public service organization." Once it acquires that status, the IBEA will be able to receive private donations to obtain an appropriate oceanographic ship. Perhaps it may be the Norwegian "Magadan," which is on sale for $400,000 after the company that used it to transport supplies to the polar bases gave up that business.

The "Magadan" which is currently operating in Angola, could be purchased by the IBEA, which spent $20,000 in preliminary negotiations. In any case, if the deal is not concluded, there are other ships available. The president of the institute, Rio engineer Joao Aristides Wiltgen, argues that the time available for a Brazilian expedition to go to the Antarctic is getting dangerously short. It must be implemented before 1991 when the Antarctic Treaty is going to be revised. According to Wiltgen, the ideal would be to carry out the expedition and carry out good research work in the Antarctic before 1983.

The philosophy of the IBEA is that "future generations will not be able to complain that Brazil lost the Antarctic because 'we' did not do anything" For that very reason, the watchword of all those who are excited over the Antarctic question is: "We have to go there." Not to vie for territory--the Brazilian position is already practically defined on that score. The "friends of the Antarctic," as the members of the IBEA may be called, want Brazil to have the right to conduct scientific research and to participate in the exploitation of the immense economic potential of the region where, according to some reports, there is everything from oil to atomic minerals.

The Arguments in Favor

If it should want to claim territorial rights over the Antarctic, Brazil has good ammunition for the diplomatic fight to which the position would give rise. A good argument, to begin with: Brazil is the natural heir of the provisions of the old treaties between Portugal and Spain, such as the Treaty of Tordesillas, which clearly defined the question of lands found in "seas never sailed before," which includes the Antarctic.

In addition to that, there is the "Manifest Destiny" theory of Theodore Roosevelt, and the Monroe Doctrine (that of "America for the Americans"). Brazil could, similarly, base itself on the example of the division of the North Pole among the members of the condominium comprised of the countries that are close to it: Canada, the United States and the Soviet Union. Under the principle of "frontage," Brazil can claim a slice between the meridians 34 degrees 45 minutes and 53 degrees 21 minutes west. The basis of that principle is the right to a sector delimited by the meridians that pass along the extreme points of its territory [frontage on the Antarctic].

That would produce great complications, first, with Argentina, because it coincides with the "slice" claimed by that country. Then with Chile, since the Brazilian "slice" would "encompass a small part of the territory claimed by the Chileans," explained the international law specialist, Luis Carlos Lopes Moreira. Finally, there would be a dispute with Britain, which reserves the right to the land claimed by those two countries. It is to avoid such problems that the majority of the advocates of a Brazilian presence in the Antarctic support the position of internationalization.

New Force in Rio Grande do Sul

In America, the only country that wants to participate in the Antarctic Treaty is Brazil. All the other would-be participants are European: the Netherlands, Denmark, East Germany, Romania and Czechoslovakia. The Brazilian dream gained a new impulse with the Seminar on Antarctic Studies sponsored by the Rio Grande do Sul section of the Brazilian Bar Association (OAB), which plans to include a provision on the subject in the constitutional charter draft, which the Rio Grande do Sul section of the OAB has been preparing for 2 years.

Based on one of the basic legal postulates, the lawyers believe that Brazil should not renounce any of its prerogatives. And among them, they include the Antarctic. On the other hand, the scientists only want the right of free access to the region for research and possible economic exploitation. Those who renounce territorial tenure believe that Brazil already has territory that is little known. The main concern is with the effects of the Antarctic on the national territory. For that reason, priority will be given to research in the areas of meterology, oceanology and biology.

To the surprise of the organizers of the seminar, the subject of Antarctica drew a fair-sized audience in the auditorium of the OAB: about 100 interested persons attended each of the three sessions of the meeting. Some, such as the advisers from the Brazilian Institute of Antarctic Studies, were older but here was also a large number of young people.

In fact, perhaps because proximity makes them more attentive to the subject, it is Rio Grande do Sul personnel who are giving new impetus to the idea of the Brazilian expedition to the Antarctic. Proof of that is the fact that in September the IBEA established a group in Rio Grande. With a university and an oceanographic base, that city could possible become the headquarters of the Brazilian Antarctic Base.

8711
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ANTARCTIC CLAIMS MAY CREATE CONFLICT WITH ARGENTINA

Rio de Janeiro JORNAL DO BRASIL in Portuguese 8 Nov 81 p 18

[Article by Luiz Barbosa: "Antarctic May Create Clash Between Brazil and Argentina"]

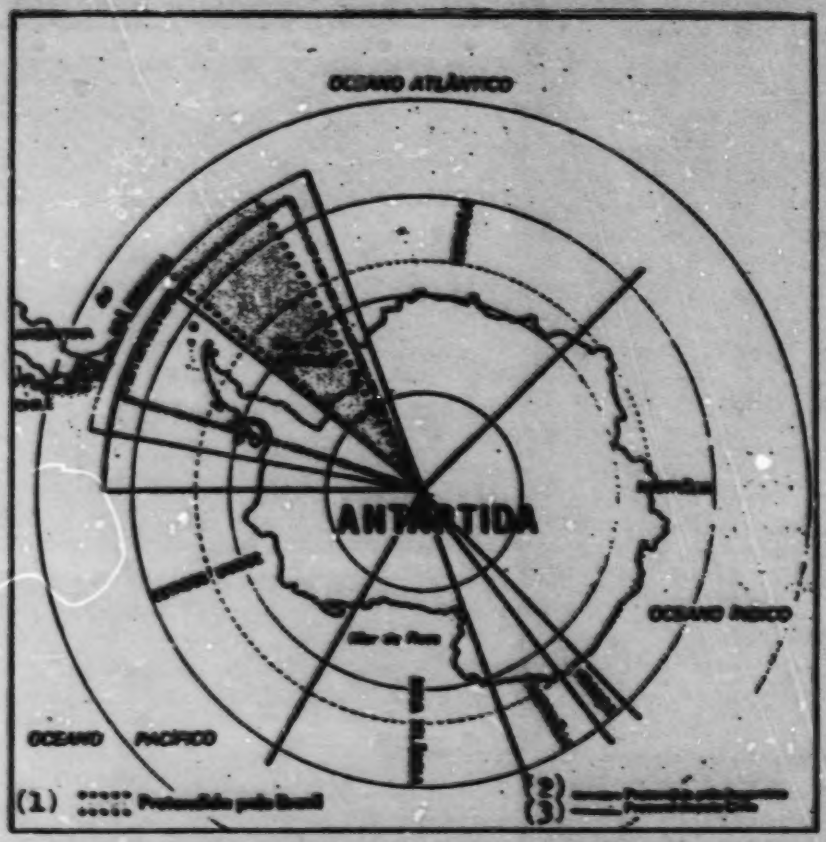
[Text] Brasilia—Unless it is willing to face a new dispute with Argentina similar to the one created by the construction of the Itaipu hydroelectric dam, Itamaraty will have to approach the project of a Brazilian presence in the Antarctic with great caution. It will have to overcome the main question: the superimposition of the section projected by the eastern part of its territory and continental sea on the zone already claimed by the Argentines: a cone which has the South Pole as its apex and its base between the South Orkney Islands and the Sandwich Island Archipelago.

Those warnings about a new element of crisis in the relations which were normalized after the beginning of the Joao Figueiredo Administration, are heard today unofficially in Itamaraty itself at a time when the Ministry of the Navy intends to actually put together the first Brazilian expedition to Antarctic territory, making an actuality of Brazilian participation in the 1959 Treaty which it joined only in May 1975.

Confidence

Questioned as to the possibility of a new polemic on future Brazilian claims on sections of the Antarctic, which are already under the jurisdiction of his country, the new Argentine ambassador in Brazilia, Hugo Caminos, refuses to speculate on the subject, speaking of his confidence that the two governments will know how to come to an understanding at the proper time.

According to Minister of Foreign Relations and Worship Oscar Camilon, the chance of the initiation of a new conflict between the interests of Buenos Aires and Brasilia is a danger for the policy of total pacification in bilateral relations, of which he himself was the principal architect at the time which ended the government of President Ernesto Geisel and Minister of Foreign Affairs Azeredo da Silveira was completing his period in office at Itamaraty.



The area Brazil wants could contain 50 billion barrels of petroleum. It is within an area claimed by Argentina which in turn is in conflict with what the British and Chileans claim.

Key:

1. Claimed by Brazil
2. Claimed by Argentina
3. Claimed by Chile

The difficulties for those first Brazilian activities in the Antarctic begin with the lack of experience and lack of national resources for making the expedition. The Brazilian naval industry does not have the know-how for building a ship suitable for the ice routes closest to the pole, dealing with the techniques which begin with the multiple layers of the hull, extend to the superstructure and the details of weather proofing, engine capabilities and interior heating. The Brazilian Armed Forces, including the Navy and Air Force, do not have any significant experience in those matters.

Therefore, the expedition project is going to have to seek support, even if only partial, abroad, with England, Argentina itself and Chile as the most probable "points of support" to which Brazil can turn. Throughout the recent history of bilateral agreements which surrounded the presidential visits to Santiago and Buenos Aires, however, there is no record of any understanding at a high level about Brazilian plans for the Antarctic. Indeed, that subject was never discussed in any great depth between the Ministries of Foreign Affairs.

Treaty Born of Cooperation

Brasilia—In its present form the Antarctic Treaty is the fruit of an effort of international cooperation during the so-called International Geophysical Year in 1958, in which Brazil did not participate. Twelve countries participated in it through scientific delegations, countries which already were carrying on activities, or claimed rights, in the Antarctic and had special interests in it.

The original participants in the Geophysical Year were the following: Argentina, Australia, Belgium, Chile, United States, France, Japan, New Zealand, Norway, Great Britain and North Ireland, the Soviet Union and South Africa, all of them, obviously, with territorial projections on the Antarctic.

Negotiations

The negotiations on the agreement, still in 1958, were opened by the U.S. Government, which suggested the signing of the agreement and inviting the 12 countries participating in the Geophysical Year to meet in Washington.

The Antarctic Treaty was signed 1 December 1959 and went into effect 23 June 1963, when the last instrument of ratification of its text was deposited in Washington.

Interest Is Obvious Since 1975

Brasilia—Brazilian intentions to lay future claims to a section of the Antarctic, even though the Ministry of Foreign Affairs has made no efforts to emphasize them, have been obvious in the items of the communique issued by Itamaraty 16 May 1975 announcing the decision of unconditionally adhering to the treaty signed in Washington 16 years ago. In that communique Itamaraty proclaimed the Brazilian position in defense of the "principles of equality among all the signing countries," which means the elimination of any idea of privilege for those countries which signed the agreement originally in 1959.

In another item of that statement, Itamaraty invokes the fact that Brazil, because it has "the longest South Atlantic coastline, overlooks that southern continent and had direct and substantial interests in the Antarctic." Such arguments may insure the Brazilian request that there be a revision of the division into sections of the areas of control over Antarctic territory based on the principle of "frontage," pursuant to which the member countries of the treaty "project" the salients of their territory over the Antarctic in cones which have their apexes at the South Pole.

In addition, in its 1975 communique, Itamaraty also invoked the fact that Brazil is directly committed to the defense of Antarctic territory through the Inter-American Reciprocal Assistance Treaty, whose new document, Article 4, extends the area of jurisdiction of that treaty to the Antarctic.

In opposition to the "territorialist" theories advocated by Great Britain (due to the projections of the Falkland Islands), Argentina and Chile, among others, the United States and the Soviet Union, followed by Poland, Austria and other European signers, maintain the need for the internationalization of the Antarctic without strict delimitations of control which have to be respected. The time is now drawing near, however, in which the countries are beginning to decide on practical plans for the exploitation of the mining and fishing resources of the Antarctic, discussion which will aggravate divisions and disputes among the "traditional" member countries, the supporters and the nonparticipants of the 1959 treaty, in which Brazil did not participate in the beginning.

Taken to the final consequences, the application of the principle of frontage as a rule for determining the limits of sovereignty in the Antarctic is also going to mean the involvement of Brazil in questions as delicate as the historical disputes between Argentina and Chile over the ownership of the Beagle Channel islands or between Argentina and Great Britian over the Malvina Islands (Falkland).

Expedition Will Be the First Step

The Brazilian Navy expedition to the Antarctic, which should take place during the summer period in the region, "is the first practical, actual and official step whereby the Brazilian Government demonstrates its interests in the Antarctic Continent," declared Theresinha de Castro yesterday. She is a retired geographer, a lecturer on geopolitics at the Naval War School and author of "Toward the Antarctic" published in 1976 by the Freitas Bastos Publishing House.

Although former Deputy Euripedes Cardoso de Menezes says there is already a Brazilian flag planted in Antarctic territory, Dona Thereziinha adds that only private Brazilian expeditions were in the Antarctic. Euripedes Cardoso de Meneses, former ARENA [National Renewal Alliance] deputy, was the one who brought the discussion on the principle of frontage, which would give Brazil the right to explore the Antarctic, to Congress in 1970.

Frontage

According to the principle of frontage, the nation having frontage is the owner of the islands and lands existing between the meridians which limit its territory. Thus, Brazil would receive the area delimited by the meridians of Martim Vaz and the Chui steam.

"The principle of frontage," says former Deputy Euripedes Cardoso de Menezes, "was considered valid, including by Russia, for the division of the Arctic. Why should it not be valid for the Antarctic? We do not advocate it only because it is the only way we would have our share of the Antarctic together with Uruguay, Argentina, Chile, Peru, Ecuador, South Africa, Australia, New Zealand and other nations which may have frontage. We have insisted on that principle

because it is the only one capable of proportionately satisfying all those interested. If that criterion is rejected, everyone will disagree with everyone. And if we recognize the rights of certain nations of the Northern Hemisphere, the fact must be remembered that once the territorial division by the system of frontage is made, there will remain another 3.5 million square kilometers of nonfrontage Antarctic area which could very well be the object of diplomatic negotiations."

The former deputy also advocates that the conference that will make the territorial division of the Antarctic scheduled for 1991 be moved up "because if the extraction of the petroleum and uranium which are known to exist there in large quantities is begun, there will explode a conflict of apocolyptic consequences. Therefore let us defend the principle of frontage and unfurl the banner of peace in the Antarctic," he added.

"However," continues Euripedes Cardoso de Menezes, "more important than the continent are the islands that Brazil will obtain with the principle of frontage. They are of very great strategic, economic and political importance."

Navy Intends to Guarantee Rights

Brasilia--Naval Chief of Staff Fleet Adm Jose Gerardo Albano Teophilo de Aratanha said the objective of the navy in seeking to send a Brazilian expedition to the South Pole is to try to have Brazil make scientific investigations in the region by 1991, the date of the end of the Antarctic Treaty, so as to have the right to express opinions and make claims at the meeting which will take place on that date.

The admiral said that with the aderence by Brazil to the Antarctic Treaty in 1975, the country relinquished its territorial claims, at least until 1981, in the example of all the other nations adhering to the agreement. As to the Brazilian expedition the navy intends to take to the Antarctic, Adm Jose Gerardo Aratanha said that if everything goes well the mission could only depart during the next southern summer which means the end of 82 and the beginning of 83.

Research

The deputy chief of staff of the navy, Vice Adm Orlando Afonso, one of those responsible for existing staff studies on the subject, emphasized that although the Antarctic Treaty ends in 1991, and even considering that scientific research can only be done during actual work performed in the summer, Brazil can manage to present in-depth research to the international community around the middle of 86/87.

That research, whose organization will be left up to the Interministerial Commission on Ocean Resources, an agency which maintains ties with the scientific community and whose secretariat is in the Ministry of the Navy, will cover the fields of meteorology, marine biology and hydrography and would be carried out by all those interested in doing research on the region so that Brazil may have a voice and a vote in the final meetings of the Antarctic Treaty.

Adm Albano Aratanha said the government has already considered the Brazilian Institute for Antarctic Studies (IBEA) with headquarters in Rio as being of public utility, clearly demonstrating the importance given to the subject.

"Since the adherence of Brazil to the Antarctic Treaty in July 1975, the navy has been making efforts to prepare to command, coordinate and supervise the maritime part of the support to expeditions to the Antarctic and adjoining seas. Considering the very special nature of the region, the need is seen for the selection and training if the crew of a Brazilian ship which will undertake a scientific or support expedition to the Antarctic.

"In view of the short time available for Brazil to obtain the right to participate in the decision-making machinery contained in the Antarctic Treaty, the navy is determined that those preparatory actions must be initiated as soon as possible."

[Question] Has the purchase of the ship for taking the Brazilian expedition to the Antarctic been settled? What ship is it?

[Answer] No, the purchase of the ship for taking the Brazilian expedition to the Antarctic has not yet been settled. What can be said is that it is the intention of the minister of the navy to obtain a ship suitable for operations in southern ocean waters soon and that there are already several ships available from different sources which have been offered to Brazil. It can also be said that the various sectors of the navy involved are making their opinions known in their respective areas of responsibility for the selection of the ship and the final decision by the navy."

8908
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NETTO SEES 5-6 PERCENT DROP IN INDUSTRY, 10 PERCENT IN AGRICULTURE

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 6 Nov 81 p 23

[Text] Brasilia--Planning Minister Delfim Netto estimated yesterday that industrial production could fall 5 or 6 percent, but agriculture will grow "some 10 percent" and the service sector will also have a good performance, "so that Gross Domestic Product will increase this year."

The trade balance will show a surplus this year of almost $1 billion, according to Delfim, which means the current-account deficit (trade balance plus services) will be less than $11 billion. Delfim reported that Brazil has already raised the $15 billion of foreign-currency loans it needed to close the balance-of-payments gap and that about the same amount will be needed next year.

In the fight against inflation, said Delfim, the gains have been few but the annual rate is falling and may end 1981 at under 100 percent. It will continue to fall in 1982 "unless it is necessary to cover the holes with bogus money"; in other words, by expanding the money supply.

Delfim Netto promised a continued tight monetary policy next year, asserting that by December the money supply (currency in circulation plus demand deposits in banks) will have grown about 60 percent.

"If you look at all the indicators together, Brazil had a quite satisfactory performance in 1981 compared with the others. Had we not had the higher interest rates, reduction of the current-account deficit would have been absolutely spectacular," he added.

According to the planning minister, although "all the agricultural credit is now in circulation, nothing significant has happened" in terms of monetary pressure. "Everything worked well. The private sector went into agricultural credit, there was some whining at the beginning, but now everything is all right."

The planning minister predicted that the 1982 trade surplus will be between $2 billion and $3 billion and that the textile sector alone will export $1.4 billion. But he declined to estimate the value of 1982 exports, saying that there are several assumptions, one of which is for exports of $28 billion and imports of $25 billion.

Delfim believes exports this year will be somewhat less than $24.7 billion and imports should not surpass $24 billion, producing a surplus of about $700 million. Through October the surplus was $601 million but, as always happens, greater pressure from imports is expected in the last 2 months of the year.

8834
CSO: 3001/32

JAPANESE RESISTANCE TO SCIENCE, TECHNOLOGY PACT AIRED

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 8 Nov 81 p 29

[Text] Brasilia--The Brazilian Government does not yet have a plausible explanation for Japanese resistance to signing a bilateral agreement at the government level for scientific and technological cooperation, such as now exists with FRG, France, Canada, the United States and the Soviet Union as well as, among others, developing countries, particularly in Africa. With Japan there is only an agreement for technical cooperation signed in 1970, more in the nature of assistance, but the Brazilian Government insists upon the need for a broader agreement.

Brazil Wants to Increase Cooperation

Itamaraty [Brazilian Foreign Affairs Ministry], which has been trying to negotiate signature of this pact for over 7 years, has not yet given up its objective, although it always hears the same reply from the Japanese side: "We are studying it." On the Brazilian side there are only theories, one of the more prominent being that the Japanese Government prefers to let individual agreements be signed between research institutes and universities because in this way it will be in a position to choose and impose the kinds of cooperation most beneficial to it. This procedure would be forgone if an all-inclusive agreement were signed between the two nations.

Foreign Affairs Minister Saraiva Guerreiro has insisted upon the need to sign an agreement for scientific and technological cooperation. The subject is no longer discussed only in confidential meetings, but has become public kinwledge, even being advocated in speeches. In August, for example, when Japan's foreign affairs minister, Sunao Sonoda, visited Brazil, Saraiva Guerreiro asserted that "relations between Japan and Brazil include development, culture and also the technological field" and concluded:

"And we are not yet satisfied."

The press communique issued at the end of Minister Sunao Sonoda's visit revealed that the two ministers "acknowledged the importance of promoting greater scientific and technological cooperation and exchanged ideas about the measures to be adopted for that objective." The subject, however, remains dormant because Japanese authorities do not appear to be greatly interested in expediting negotiations.

The Japanese have argued that such an agreement is unnecessary because there is already an agreement for technical cooperation, but this agreement does not happen to

meet Brazilian desires because it is essentially for assistance. The Brazilian Government wants to promote joint research in various areas, similar to what now occurs with other developed countries. Of the agreements for scientific and technological cooperation that have been signed by Brazil, those that have had the best results are the ones signed with FRG and France. The agreement with the United States has been at a virtual standstill since the Carter administration, while that signed with the Soviet Union has not yet gone into effect because it was signed only recently and must be approved by the National Congress.

Brazilian Government authorities explained that nothing prevents there being, besides the agreement for technical cooperation, another specifically for science and technology. The government did not accept the Japanese proposal of adding an amendment to the technical cooperation agreement because its assistance characteristics would remain. This is a word whose use is avoided, incidentally, in diplomatic circles, because it is not considered very congenial by those at whom it is directed.

Lack of an agreement at the government level for scientific and technological cooperation has not prevented Japanese research institutions from signing agreements with similar Brazilian organizations, which in practice has provided effective cooperation on an equal footing. There is an agreement of this type between the National Scientific and Technological Development Council (CNPq) and the Japan Society for Promotion of Science (JSPS). Two joint research projects are already being conducted jointly with the Industrial Technology Secretariat (STI) of the Ministry of Industry and Commerce, one regarding niobium and the other in the field of enzimes. The JSPS also has an agreement with the Brazilian Academy of Sciences. Among universities, there is an agreement for cooperation between Sao Paulo University and Taukuba University. There is an agreement between the Japanese Government and the state of Parana and one may be signed with the state of Sao Paulo.

According to Brazilian authorities, existence of such agreements is proof that Brazil is in a position to cooperate on an equal footing but also reveals, they explain, a maneuver by the Japanese Government to limit cooperation in one direction. Such Japanese behavior would be avoided if there were an agreement at the government level, as the Brazilian government would accept cooperation only when there was in fact a transfer of technology. It would also avoid a technology that is not really useful to Brazil or that is excessively sophisticated and incapable of absorption by Brazilian technicians.

In trying to account for the Japanese resistance to signing an agreement for scientific and technological cooperation, Brazilian authorities asserted that there may be internal problems in Japan. The agreement for technical cooperation is subordinated to the Japan International Cooperation Agency (JICA), which is an organ of the Foreign Affairs Ministry, the "Gaimusho." When speaking of science and technology, the subject is referred to the Ministry of Industry and Technology (ITI) and the Education Ministry. An agreement such as what Brazil wants would imply a certain loss of power by the Gaimusho.

The Brazilian Government, despite Japanese resistance, will continue to urge signing of the agreement, although it does not intend to impede or obstruct specific agreements between institutions of the two countries. Hopes for concrete results now rest in the next trip that Foreign Affairs Minister Saraiva Guerreiro makes to Japan, which should be some time next year.

8834
CSO: 3001/32

WERNER SAYS COUNTRY FAR BEHIND BIG POWERS IN ARMS SALES

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 6 Nov 81 p 6

[Text] Sao Jose dos Campos--Gen Alacyr Frederico Werner, armed forces chief of staff, said in Sao Jose dos Campos yesterday that "Brazil will have a hard struggle to catch up to the big powers in production and sale of armament." The statement was made shortly before Werner flew back to Brasilia after a 2-day visit to facilities of the CTA [Aerospace Technology Center] and EMBRAER [Brazilian Aeronautics Company], where he was accompanied by members of the EMFA [Armed Forces General Staff] and the Brazilian Space Activities Commission (COBAE), an agency affiliated with the General Staff and responsible for the nation's space policy.

In referring to Brazil's current position as one of the world's major exporters of armaments, Gen Alacyr Werner said he views the fact "with much satisfaction." According to him, every time Brazil exports any manufactured product, even if it is war materiel, "it generates foreign exchange for the nation, contributing to the well-being of the Brazilian people." In regard to the constant pressures of industrialized countries against the Brazilian presence in this sector, the general asserted that "every time we develop our own technology, manufacturing a reliable product with international acceptance, the more developed nations feel threatened and this is a natural reaction."

During their 2-day stay in Sao Jose dos Campos, the members of the EMFA and COBAE visited the EMBRAER industrial facilities day before yesterday in the morning, being briefed on the most recent projects developed by the company, such as the EMB-120 (Brasilia) and EMB-312 (Tucano). About the agreement with Italy for making the AM-X military jet fighter aircraft, General Werner pointed out that it will be another "giant step" for Brazil in pursuit of its own technology for the sector: "The AM-X project will make it unnecessary for Brazil to buy the F-5 or Mirage, although these are a better type of aircraft."

General Werner and his party took off in an FAB [Brazilian Air Force] jet at 1530 hours. Sources connected with the aircraft industry also revealed that one of the primary reasons for the EMFA delegation's visit to Sao Jose dos Campos was discussion of the proposal for standardizing an industrial program to meet the growing needs for producing war materiel in the nation, since, as the Brazilian Government itself acknowledges, it is a sector of great importance for the nation's economy.

Yesterday morning, closing out the schedule of visits, General Werner and his party were in the National Space Research Institute [INPE], an agency connected with the CNPq [National Scientific and Technological Development Council]. There they were briefed on the two major programs being developed by the INPE, the latest space technology applied to the sectors of remote sensoring and weather satellites. The armed forces chief of staff stressed the importance of these projects, commenting that "the work of the scientists and technicians at the INPE permits us to have more confidence in this country."

The delegation then visited several technological research and development departments connected with the CTA. In the Space Activities Institute (IAE) the members of the EMFA and the COBAE were told about the timetable and the current status of the Sonda project developed by the IAE and which is now in flight-control operational testing. They were also shown the first prototype of the VLS--Satellite Launching Vehicle--which is to carry the Brazilian satellite to be launched in 1988 in a geostationary orbit of 600 kilometers.

But Exports Increase

Brasilia--Armaments are now a major Brazilian export, military sources connected with ordnance policy admitted yesterday, although they thought it very difficult to make predictions about the value of exports this year and the next 4 years, which according to TIME and NEWSWEEK may reach $1.5 billion and $5 billion respectively. They explained that the arms market has many variables, the major one of these being the political factor: it is not enough simply for the buyer or prospect to have money and the supplier or exporter to have the goods available. It is, moreover, a market strongly influenced by go-betweens.

According to these sources, Brazil has entered the arms market seriously as a type of trade like any other, without abandoning its character as a peaceful nation. Its problem is to obtain funds to settle the trade balance and the balance of payments. Brazilian exports are made CIF (cost, insurance and freight), which serves as a guarantee for clients and to avoid diversion of armaments.

Ministerial Decrees

Army Minister Gen Walter Pires signed a ministerial decree approving regulations for the Military Engineering Institute [IME], agency of the Army Technological Center responsible for higher military scientific-technological education and scientific and technological research.

The IME is responsible for conducting basic and applied research of a scientific-technological nature and, ultimately, for promoting experimental development and training army personnel for scientific and technological activities through undergraduate courses and graduate programs in various fields of engineering within IME itself. The ministerial decree referring to new regulations for the PMD [translation unknown] was published in the federal DIARIO OFICIAL yesterday.

Army Minister Walter Pires, also in response to a proposal by the Army General Staff, signed a ministerial decree approving the regulations for the Land Force Accounting Directorate. In another ministerial decree, Army Minister Walter Pires approved the general instructions for using real property assigned to the Army Ministry (Army Real Estate Administration).

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PROBLEMS FACING FIGUEIREDO ON RETURN; CHAVES STRENGTHENED

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 8 Nov 81 p 7

[Text] Brasilia--President Joao Figueiredo resumes his duties Thursday, 8 weeks after his 18 September heart attack. He will be faced immediately with serious administrative and political problems, the most serious of which--and which seems nearly impossible to solve--is the task of keeping the PDS [Social Democratic Party] united until the 1982 elections. Figueiredo was hoping to use multicandidate slates in gubernatorial elections to reconcile the ambitions of several candidates in each state, but with rejection of this proposal by the National Congress he will, in many cases, have to intervene personally to avoid proven votegetters being prevented from running for governor because some governors insist upon naming their own successors. Among administrative matters, he continues to struggle with the chronic deficit in the Social Security system, which he hoped to end by cutting expenses (especially for pensioners), another intention blocked by Congress.

Although, on the one hand, Figueiredo saw two of his proposals defeated within just 1 week by Congress, on the other hand he gained, through his temporary absence from the government, an important partner who will now begin to act more closely with him in administrative and, especially, political matters. Vice President Aureliano Chaves, due to his administrative and political ability and the loyalty and discretion with which he acted during the time he functioned as president, strengthened not only his friendship but also the personal confidence of President Joao Figueiredo and beginning Friday will become one of the most important spokesmen for Planalto Palace, expanding his range of activity beyond the National Energy Commission, the only sector in which he had been given a green light to work until now.

Aureliano Chaves will probably receive from President Figueiredo the assignment of arranging or guiding the nominations for governor, in agreement with the present governors, but trying to find names with proven popular support, a mission somewhat similar to that performed by the late Senator Petronio Portella in choosing the appointed governors in 1978. Weighing decisively in his being chosen for this assignment was his poised manner when the National Congress rejected the bill for multicandidate slates and the Social Security bill requested by the president, an unprecedented occurrence in recent years, as even members of the PDS contributed to defeating the president's measures, voting against their approval.

Aureliano's discreet behavior, together with his political acumen, prevented the event from being interpreted as a defeat for the executive branch, with its

resulting weakening, causing trouble for the government itself. The solution he found for the French priests Francisco Gouriou and Aristides Camio, transferring to the courts the decision about their responsibility for inciting squatters, served to demonstrate his great skill in dealing with delicate matters, preventing possible outbreaks of tension with the progressive clergy.

As a result, President Figueiredo has expressed to visitors at his residence, Granja do Torto, complete satisfaction about the way the nation's problems are being handled and is in excellent mental as well as physical condition to resume national leadership. This is not to say that he has been completely idle since returning from the United States, where an operation on his heart was not necessary. He has since then been studying solutions for the nation's major problems and when he returns to Planalto Palace Thursday will begin applying these solutions.

The most urgent question to be faced is the effort to win next year's elections, a goal to which he gives priority because it would represent popular support for his administration. In pursuing this objective Figueiredo may change ideas or even names that no longer fit in with his strategy. "The president wants to adapt the administration and its personnel to the new rules of the game that we will have to follow since rejection of multicandidate slates. Although in some places the PDS situation became worse, in others it improved," revealed Bahia Governor Antonio Carlos Magalhaes upon leaving Granja do Torto last Monday.

This "adaptation," according to a source who frequently speaks for the president, does not include the possibility of resubmitting to Congress the bill extending multicandidate slates to gubernatorial elections, an episode the government considers closed. Nor does it include drastic changes in election rules, which should remain as they are, or withdrawal of either the bill dealing with the ineligibility law or the bill reducing the residency requirement from 2 years to 1. The order given by President Figueiredo to the three governors who have visited him so far--Paulo Maluf of São Paulo, Antonio Carlos Magalhaes of Bahia and Francelino Pereira of Minas Gerais--is that the time has come to work with what is available and face the elections trusting that the Brazilian electorate, through direct vote and secret ballot, is sufficiently discerning to recognize what its government has accomplished or, at least, the effort it has made to solve major national problems such as inflation and the balance of payments.

Figueiredo has acknowledged in conversation that, if the PDS is to have a majority in state elections, much remains to be done and inflation must fall further. It should not come as a surprise, then, that the president will announce at the beginning of next year two or three programs of great social impact: in the area of mass transportation, which has been creating increased tension in large urban centers; food supplies, to benefit especially the working class; directing public funds toward preference for lowest-income groups.

"The president was not simply resting during this time of his illness," revealed Governor Antonio Carlos after being at Granja do Torto. "These problems were constantly on his mind. He thought about them a great deal and intends to do many things in 1982 that should benefit the PDS."

Aureliano to Emerge Strengthened

Brasilia--After 2 months as acting head of the government, Vice President Aureliano Chaves should emerge stronger in his position as assistant to President Figueiredo, having strengthened the friendship and trust that bind them, and as a result will play a larger role in government plans. There was a relaxed atmosphere in Planalto Palace during this period and an undeniable effort to weaken Aureliano's interim government receded just as did the first indications of divided power when Figueiredo was convalescing in Gavea Pequena and the ministers were visiting him daily.

Advisers of Figueiredo and Aureliano agree that the 2 months of interim government were beneficial for the nation and from now on the vice president will be used more frequently to substitute for the actual president in traveling, political negotiations and especially in next year's election campaign because, despite his recovery, Figueiredo's advisers intend to spare him major efforts such as travel. One week without any cabinet meeting, appointments with two representatives of the Popular Party, cordiality with the press and a moderate solution for the problem of the French priests were some of the surprises Aureliano had in store.

In the administrative sector, he adopted substantial measures such as reducing the prescription period, signed the banking-profits tax bill and decided on reactivating the civil construction sector to create jobs and reduce the social effects of the economic crisis. He also promised businessmen to see if the government could pay off part of the state-enterprise debts to the private sector by December. Meanwhile, he met with several municipal mayors, stressing the shortage of government funds to satisfy their demands, due mainly to heavy investments in Itaipu, subway systems, Tucurui, PROALCOOL [National Alcohol Program] and the nuclear program. Few countries would undertake these initiatives simultaneously with Brazil's level of income, he admitted.

The rigid work schedule in Planalto Palace was broken by Aureliano. He went to his office on Friday and left there by noon or 1900 hours, and began to have flexible hours for appointments, something which seldom happened in the Geisel and Figueiredo periods, a reflection of military discipline. All that politicians had to do was telephone to make an appointment. Sao Paulo PMDB [Brazilian Democratic Mobilization Party] Deputy Roberto Cardoso Alves even asked to be included in the presidential party visiting Aparecida do Norte. The acting president had no objection, but the congressman eventually changed his mind about going. Without abdicating his authority but avoiding a show of power he did not really have, Aureliano spoke frankly with politicians who came to see him, reminding them that he opposed multicandidate slates but was bowing to the will of President Figueiredo, to the point of dissuading, through personal telephone calls, some PDS congressmen who would have voted against the bill. Defeat of the multicandidate slate and the compromise on Social Security reform were absorbed normally and the acting president stressed that the government was not defeated but rather the PDS, whose responsibility it was to support the proposals.

The principal support of Aureliano Chaves during this time, except for his own staff, was Civil Household Chief Leitao de Abreu, who filled in for Gen Danilo Venturini while he and SNI [National Intelligence Service] Chief Gen Otavio

Medeiros were in Rio de Janeiro and the United States. The daily 9 o'clock meeting for the government's decision-making group was held without the customary ceremony since--aside from the fact that the ministers were not there--Aureliano indicated that he did not consider it all that important. Delfim Netto, who for the first time was detained in Brasilia for a weekend on presidential business, later spent 2 weeks in Europe, but the acting president only gradually took over his duties. Just as he did not immediately take over the presidency, but waited 5 days after Figueiredo's heart attack, staying home in Minas Gerais while awaiting results of the medical tests that would indicate how long the president would be away.

Aureliano will substitute for Figueiredo in various official ceremonies and travels, such as the graduation services at the military academies this month. Political negotiations with certain sectors whose relations with the government are not smooth, such as the church, may now be entrusted to Aureliano, a fact admitted by members of both staffs. Aureliano's participation will increase with the election campaign and the need for the PDS to carry out activities in various parts of the country at the same time. A subject the vice president tries to avoid, but which was acknowledged by governors such as Augusto Franco of Sergipe, is that Aureliano's performance makes him the leading candidate to succeed Figueiredo, "with political and military support," as Deputy Herbert Levy said.

Aureliano's staff regard the vice president's greatest success to be his ability to put loyalty to Figueiredo above his own personal convictions, as happened in the case of multicandidate slates, and determination to inform him about significant political decisions, as in the case of the French priests. But it is equally true that during the first days of the interim period some sectors of the palace guard ignored the vice president while stressing his position as acting president. Aureliano, for his part, was the first to call attention to this fact, stressing that he hoped his period in office would be as short as possible.

Less than 20 congressmen attended the ceremony in which Aureliano assumed the presidency. Few governors visited him during the period and at times the palace schedule consisted of appointments with less-important entities. The palace press secretary fell silent and Aureliano, through a member of his own staff, told reporters he wanted to visit with them in the Press Room, a desire that will be fulfilled after tomorrow. The vice president often mentions his high regard for the press and was annoyed when his aide Sapha removed pictures of President Figueiredo from the Press Room.

During recent days, after some appointments with politicians, Aureliano Chaves expressed an interest in talking with them further "after the 12th," when Figueiredo will return, showing a desire to maintain the level of contact.

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TRADE BALANCE THROUGH OCTOBER SHOWS $601 MILLION SURPLUS

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 6 Nov 81 p 23

[Text] Brasilia--Brazil's trade balance showed a $601 million surplus for the first 10 months of this year and could surpass the goal of $1 billion for the entire year, it was announced yesterday by Finance Minister Ernane Galveas and the ministry's secretary general, Carlos Viacava, as they proudly reported results for the month of October. From January through October last year the trade balance showed a deficit of $2.962 billion.

October had a trade surplus of $392 million, with exports setting another all-time monthly record at $2.104 billion. Imports for the month were held to $1.712 billion, a reduction of 14 percent from the $1.994 billion imported in October last year, when the trade deficit was $86 million.

Since May the trade account has been showing consecutive monthly surpluses. For the latest 12 months, the surplus is $737 million, after having registered a deficit of $4.229 billion for the 12 months ending April 1980.

In the finance minister's view, these figures show that "there are glad tidings in store" and lead him to continue believing the trade surplus will reach $3 billion next year. "This result," said Galveas, "shows we are well along the road toward the goal we set. Furthermore, it looks like we have overcome a serious problem in the balance of payments, which was the trade deficit. The figures show we have regained our position and managed to reverse the trend in a little more than 1 year." And he added: "We are sailing on smooth seas and in sight of dry land."

From January through October Brazil sold merchandise abroad that yielded $19.107 billion, a 17.2 percent increase over the $16.308 billion sold during the first 10 months of 1980. If coffee sales--which were 36.5 percent less during the January-October period this year than last--were excluded from the total, the nation would have increased its exports 26.2 percent. Coffee sales totaled $1.486 billion, compared with $2.340 billion from January through October last year. In October, coffee revenues were $148 million, 21.3 percent less than the $188 million sold in the same month last year.

Foreign sales of other commodities and manufactured goods totaled $17.621 billion during this year's first 10 months, compared with only $13.968 billion from January through October last year. Viacava predicted that this year's coffee sales will be

between $1.8 billion and $1.9 billion. This result will be possible because coffee prices are recovering and sales in November and December "are making a less negative contribution to the trade balance." The finance ministry secretary general expects that next year "coffee will be a big help to the trade balance."

Imports

The 4 percent reduction in the nation's total January-through-October imports from those of the same 10 months of 1980 is due essentially to four factors, according to Viacava: liquidation of inventories as a result of continued high interest rates in the international as well as the domestic market; cooling-off of the economy; a more realistic exchange rate; and no imports of agricultural products during the second half of this year. From January through October imports cost the country $18.506 billion, compared with $19.270 billion spent in the first 10 months of last year.

Although showing an increase of 22.8 percent last month over October 1980, oil imports continued this year's pattern of about $800 million per month. They were $856 million in October, compared with $697 million in the same month last year. So far this year, oil imports totaled $8.783 billion, compared with $7.954 billion in the same 1980 period, an increase of 10.4 percent. Expenditures for importing other goods continued to fall. The country spent, for example, 13.9 percent less for wheat than in October [as published; January through October? See table] 1980, while the total of other products was reduced 14.1 percent.

Despite the large reduction, the Finance Ministry secretary general said "no special measure is being adopted to control imports." He does not expect monthly amounts to change greatly in November and December and is projecting imports of $1.8 billion per month.

Brazil's Foreign Trade (in millions of dollars)

Category	October 1981	October 1980	Difference in: Dollars	Difference in: Percent	January-October 1981	January-October 1980	Difference in: Dollars	Difference in: Percent
Exports:								
Total	2,104	1,908	+196	+10.3	19,107	16,308	+2,759	+17.2
Coffee	148	188	- 40	-21.3	1,486	2,340	- 854	-36.5
Others	1,956	1,720	+236	+13.7	17,621	13,968	+3,653	+26.2
Imports:								
Total	1,712	1,994	-282	-14.1	18,506	19,270	- 764	- 4.0
Wheat	47	72	- 25	-34.7	667	775	- 108	-13.9
Petroleum	856	697	+159	+22.8	8,783	7,954	+ 829	+10.4
Others	809	1,225	-416	-34.0	9,056	10,541	-1,485	-14.1
Trade Balance	+392	-81			+601	-2,962		

Variation in Trade-Balance Deficit or Surplus (in millions of dollars)

Month	Deficit or Surplus	Cumulative for Year	Cumulative for Latest 12 Months
1980:			
January	-571	-571	-3,201
February	-336	-907	-3,424
March	-459	-1,366	-3,772
April	-487	-1,853	-4,229
May	+ 7	-1,346	-4,056
June	-192	-2,038	-4,145
July	-293	-2,331	-4,208
August	-144	-2,475	-3,910
September	-399	-2,874	-4,097
October	- 83	-2,957	-3,782
November	+ 54	-2,903	-3,303
December	+ 82	-2,821	-2,821
1981(*):			
January	-110	- 110	-2,360
February	-160	- 270	-2,184
March	-156	- 426	-1,881
April	- 56	- 482	-1,450
May	+ 12	- 470	-1,445
June	+153	- 317	-1,100
July	+ 92	- 225	- 715
August	+188	- 37	- 383
September	+245	+ 209	+ 261
October	+392	+ 601	+ 737
November			
December			

(*) Provisional data

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PENNA STATES FOREIGN DEBT MUST NOT GROW MORE THAN GDP

Rio de Janeiro O GLOBO in Portuguese 8 Nov 81 p 51

[Interview with Camilo Penna, minister of industry and commerce: "Foreign Debt Must Not Grow More Than PIB [Gross Domestic Product]"; date, place and name of interviewer not given]

[Text] "The Figueiredo government decided that Brazil's foreign debt must not increase more than the Gross Domestic Product (PIB)," asserted Industry and Commerce Minister Camilo Penna in a exclusive interview with O GLOBO.

From now on, Camilo Penna explained, all borrowing will be used for interest payment and debt retirement, estimated at $18 billion annually over the next few years.

The cabinet minister expects a drop in industrial production and Gross Domestic Product this year. But he argues that this does not constitute a recession, if one takes the 1980-81 period into account.

According to Camilo Penna, the planned transition, with social, sectoral and regional deconcentration, was disrupted by the unforeseen crises of higher petroleum prices and higher international interest rates. This transition, he explained, was done at a very rapid pace, which must now be slowed down.

Despite the enormous economic difficulties, the minister of industry and commerce asserts that political liberalization will move forward with the elections to be held next year.

O GLOBO: What are the prospects for Brazilian industry, which will have to cope with 2 more years of recession, according to what some cabinet ministers are predicting? There is much idle industrial capacity, unemployment is increasing and there seems to be no measure to control the social problem this causes. How does the government view this situation?

Camilo Penna: We must think of the short, medium and long run. We cannot look only at the current situation. At the beginning of the Figueiredo government, industry represented 38 percent of Gross Domestic Product (PIB) and agriculture 12 percent.

At the time there was an obvious imbalance in the nation: socially, regionally and sectorally. And the new administration was keenly aware of this situation. President Figueiredo's view was that this structural imbalance had led to excessive concentration in the large metropolitan centers and the country was headed for disruption.

Industrial workers, crowded into big cities, were having terrible problems with the cost of living or their standard of living, bearing in mind their distance from the sources of food production. In short, there was a shortage of food for the industrial worker.

President Figueiredo decided quite firmly that he would strive for social, sectoral and regional deconcentration in future incremental growth, without disturbing existing distribution. We did not intend to take anything away from anyone to give it to another. President Figueiredo also wanted political decentralization, which implied less intervention but more coordination by the government and the return of initiative to free enterprise.

The program was significant from the viewpoint of quality rather than quantity. Until then the Brazilian Government had been more concerned with quantity. During previous periods, very much concerned with assuring Brazil its rightful place in the world--we had one of the largest territories, one of the world's largest populations--the government decided to generate a PIB consistent with these dimensions.

And it succeeded in this. At the outset of the Figueiredo government Brazil had the world's eighth largest PIB and also its eighth or ninth highest industrial output. From that point on, however, this quantity would demand not only attention to quantitative aspects but also to the qualitative aspects of regional, sectoral and social deconcentration. It was to be a planned transition, in keeping with Brazilian reality.

But, 2-1/2 years later, this planned transition is being confused with recession.

O GLOBO: Every industrial sector except manufacture of equipment for the PROALCOOL [National Alcohol Program] is declining. Wasn't this too abrupt a transition?

Camilo Penna: It must be recalled that the policies of the Figueiredo government remain in force and are the bible of the cabinet ministers.

The new government, however, was not aware of some existing difficulties and did not foresee some new ones that arose along the way. At the beginning of the Figueiredo government, it was not known that the second petroleum crisis was already being planned.

Nor had the impact of high international interest rates been foreseen during the period previous to the Figueiredo government. The previous government had decided to reduce the impact from higher oil prices by borrowing, with interest estimated at 10 percent annually, in dollars.

Until then Brazilian society had followed an import model, not an export model as is frequently thought. But in 1981 we are turning to the export model. Now Brazil will really become an exporter, which will have enormous consequences on national life.

Neither did the Figueiredo government fully realize the enormity of ongoing investments in large-scale units with inflexible timetables. They were enormous programs which, in their entirety, plus the necessary infrastructure investments, would represent for the years from 1979 on investments greater than the national product.

Brazil had entered the Club of Ten (richest countries), had been viewed within the standards of that club, but it was forgotten that in the club it was last in income per capita and first in population growth.

Population growth had reached 3 million persons a year, the largest in the Club of Ten. The dilemma the Figueiredo government faced was: to consume today or to construct for tomorrow. Within the situation that has been described, it was not possible to finish the construction in progress and maintain the consumption standards of Brazilian society.

The president, who came from the SNI (National Intelligence Service), was greatly concerned about what he called growing tensions: social, regional and sectoral. It was necessary to restrain the growth of these tensions. He then decided to establish top priority for agriculture, for economic deconcentration. He decided to approve the new Wage Law.

We had the two most powerful instruments in Brazilian history for reducing regional and social tensions.

Meanwhile, however, we had a reversal on the international scene, with a loss of exchange power in world markets, an increased spread (bankers' risk margin on loans) for Brazil and greater trade protection in other countries. This change brought us a very powerful element in limiting domestic activity, which was the external accounts.

We have reached a point where we have to generate $15 billion to $16 billion this year and $18 billion next year in the trade balance just for payment of interest and retirement of debt.

That led to the government decision that from now on we will not depend upon foreign loans or savings through a trade deficit. Brazilian society may no longer use a trade deficit to finance its consumption or investment. Even so, we must generate $18 billion annually over the next few years for payment of debt service.

With such funds, $8 billion or $9 billion is repaid, the debt grows in the same proportion, without bringing in any foreign merchandise. A debt growing $8 billion over $50 billion is an increase of 15 percent annually, which is greater than the growth of the PIB.

President Figueiredo decided that the debt must not grow more rapidly than the PIB [as a source?] for investment or saving, as this would leave Brazil without credibility in international negotiations.

Working with balanced trade or with a trade surplus is a political decision to limit growth of the debt at least to percentages equal to the PIB. Besides being

political, the decision is necessary, since due to high indebtedness and deterioration of economic indicators we are paying the highest spreads in the world, on top of very high interest rates.

That policy led to the current situation which is mistaken for recession. The pace of the transition was greatly speeded up, which, in my personal opinion, disrupted the productive process more than was planned.

O GLOBO: To all indications, the Brazilian people have not been informed about these intentions and these plans. Where is the nation's industrial sector headed?

Camilo Penna: President Figueiredo's guidelines were published and widely discussed and are being followed to the letter, being revised only in the light of new facts and emerging realities. The planned transition was disrupted by unforeseen events, some of them unforeseeable.

Due to these events, perhaps to some shortcomings of perspective or of information, the pace of the transition is greater than planned. It would thus be desirable to slow down the pace of this transition so as not to create huge imbalances of supply and demand in existing systems that should be used to the maximum of their potential.

It is necessary to stress that Brazil has now begun paying off its debt. For that reason, restrictions will continue in 1982, without any doubt.

But let no one think that industry can stop growing, especially in view of the large contribution it will have to make toward exports.

The Wage Law was designed and studied with the expectation of a 45 percent annual inflation rate. Its objective was redistribution of income in 5 years. But with inflation continuing higher than 100 percent this process is taking place in only 2 years. The Wage Law, to a great extent, created inflationary pressures.

This change has consequences for the profile of the consumer market. Industries that produce goods for the upper and middle classes became idle and those producing for [consumers] at the base of the [income] pyramid are overloaded due to excess demand.

Brazil has used imported technology intensively and extensively, much of it foreign and hence unrelated to our conditions. It is technology intended for raw materials we do not have and for consumption patterns or income-distribution profiles that are not ours.

Due to using technology from everywhere, we have an extremely varied collection of industrial norms and standards, making it difficult for business firms to interchange components, thus raising the cost of production.

From now on, Brazilian industry will have to work for two markets that require appropriate products and prices: the base of the domestic income pyramid and exports.

Under existing circumstances, both markets will require changes. Exporting is highly competitive and will have to grow without subsidies. The base of the

pyramid will have more money to spend--due to the Wage Law--but it will mean nothing if industry is unable to increase the supply of suitable goods.

O GLOBO: Wouldn't the situation you have been describing be considered a picture of recession?

Camilo Penna: Growth of Brazilian industry this year will be less than zero and Gross Domestic Product (PIB) may be about zero to 2 percent.

But no nation can be measured by the result of 1 year alone. Any economic analysis works with 3-year moving averages. If we take the Brazilian case, on a 2-year average, with 8 percent in 1980 and zero this year we have 4 percent, which is a good performance anywhere in the world.

This phenomenon is also occurring because industry in the second half of last year worked very hard to build up inventories for itself and for the market. A large part of last year's growth was thus due to accumulation of inventories that were consumed in 1981.

But here we must make a significant reservation: few people are aware that the PIB is not the sum of benefits, but rather the sum of costs. We must dethrone the PIB [as a measure] of national welfare.

It should be said further that a large part of the reduction in PIB this year was due to the increase of productivity in production and the decrease of waste in consumption, which is really a victory for Brazilian society.

O GLOBO: With all these economic problems, will there be elections in 1982?

Camilo Penna: When President Figueiredo decided to make the transition, he introduced political decentralization, carrying out political liberalization, which is an absolute reality in Brazilian life, and which many persons do not believe.

It was surprising to see the reaction to the transfer of the presidency of the republic to the vice president as a result of the president's illness. And it was hailed as something astonishing, as if no one really believed in political liberalization and in this government's respect for the laws of the land.

The very fact that the present government is carrying out political liberalization and giving the right to vote should be a reason for supporting this government and a reason for voting for the government [party]. There is no doubt that we will have elections in 1982. Let no one doubt that.

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RIGHTS TO SHARE OF ANTARCTIC EXPLAINED BY MINISTER

Rio de Janeiro JORNAL DO BRASIL in Portuguese 5 Nov 81 p 14

[Text] Brasilia—Brazil's share of the Antarctic is the Weddell region narrowing to an apex at the South Pole. The Weddell Region has a potential of petroleum estimated at 50 billion barrels. This right would be conferred on Brazil if there were to be acceptance of the Canadian doctrine of the projection of the maritime coastline toward the polar region.

The statement was made by Minister Clovis Ramalhete of the Federal Supreme Court in his status as an expert in international law with studies on the Antarctic problem, including talks in the Armed Forces Staff schools on the subject of a future Brazilian Navy expedition to that continent.

There Is Still Time

For Minister Clovis Ramalhete Brazil did not arrive late in the Antarctic.

"First," he said, "because while it is true that it was unfairly excluded from the Washington meeting from which emerged the Antarctic Treaty, Itamaraty made a protest with respect to its complete rights in time. Next, because Brazil, having already accepted the treaty, is going to make a scientific expedition to the Antarctic within the period which legitimatizes its participation in future meetings of member states.

"Finally," he added, "because I do not find anything to support the legitimacy of the jurisdiction of any of the states which preceded Brazil in making a physical landing of their nationals in any area they discovered. Norway lost Greenland to Denmark as a result of a decision by the Arbitration Court. The argument of possession, however, without the peaceful and general recognition by the other member states does not produce a sovereign title of jurisdiction pursuant to decisions by international courts and the statements of world legal authorities.

"Brazil is arriving in time. It has legitimate interests there. And while it is going to carry out scientific exploration, it will be also because it is from this region of Weddell that violent weather changes come to us, which even affect international prices such as those of coffee and soybeans."

Shares

In the opinion of Minister Clovis Ramalhete, the Antarctic should either be divided up among states by sectors or it should be internationalized.

"It has wealth in coal, petroleum and protein-rich algae. Such wealth must be considered a common inheritance of humanity for the benefit of backward or underdeveloped countries by means of suitable agencies of a supranational type with special rights for bordering states. Either that or it should be entrusted to the sovereignty of bordering states such as Brazil.

In this last hypothesis, Minister Clovis Ramalhete believes that the Canadian doctrine of dividing by sectors will deliver the Antarctic to the countries which project their maritime coasts toward it, benefitting Brazil.

"It can be seen," he concluded, "that the decision by our navy to go to the Antarctic is in response to important Brazilian interests. It shows that its chiefs have their eyes on tomorrow."

8908
CSO: 3001/28

CUBANS DENIED VISAS; DEPUTY ADVOCATES DIPLOMATIC RELATIONS

Cubans Protest Visa Refusal

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 5 Nov 81 p 7

[Text] Through the Latin American Energy Development Organization [OLADE], of which it is also a member, the Cuban Government made "its most vigorous protest" to the Government of Brazil because of the decision of Itamaraty to disapprove the entry of two delegates of that country, who were to participate together with members of other nations of the continent in a meeting promoted by the organization in Curitiba and held from 19 to 23 October. Minister of Mines and Energy Cesar Cals, who did not like the measure, according to sources linked to the energy sector and the diplomatic area, was present at the gathering.

The same sources also asserted that the Cuban delegation, which will also be present at the meeting of ministers of mines and energy of Latin America to be held in the Dominican Republic from 11 to 13 November, will make another protest, this time to Minister Cesar Cals, arguing that the ban "was an unjustified and discriminatory action in violation of the principles of international practice." In the document sent to Brazil, Cuban Minister Eugenio Latour requests that the OLADE "take the necessary actions to learn the reasons for the violation," adding that it has circulated its protest throughout all the member countries of the organization.

The Protest

With the support of COPEL [Parana Electric Company] and the Ministry of Mines and Energy, the 2nd Latin American Bioenergy Seminar was held in the capital of Parana from 19 to 23 October. It was attended by delegations from the continent designated by OLADE. The management of COPEL had already prepared badges for all the participants, including those of Cuba. Shortly before the meeting began, no one could explain the reasons for the absence of the delegation from that country. It caused surprise among the Latin American delegates, including those belonging to anticommunist governments of Latin America.

Meanwhile, to the great surprise of Itamaraty itself, the executive secretary of OLADE, Gustavo Rodriguez Elizarras, sent a telex a few days ago from the headquarters of the organization in Ecuador, reproducing the protest by the Cubans.

In it there are statements that delegates Enrique Sanchez Hernandez and Gilberto Hidalgo Gato Esquerre were authorized to enter Brazil after receiving a telex message from COPEL President Pedro Ludovido dated 13 October. According to that message, the two could receive their visas at the Brazilian embassy in Mexico.

Still according to the same sources, both went there but were surprised by the news provided by Brazilian diplomats that there were no instructions for allowing them to enter the country. Indignant, they returned to Havana. Subsequently it was learned through the document sent to the government through OLADE a few days ago, that "actually, at first, the visas had been authorized, it being subsequently decided to revoke them." The telex message says verbatim that "the action concerns us and surprises us, precisely because it comes from Brazil, who is so pragmatic in its actions in the sphere of international relations."

The Cubans say that their government had already communicated to the OLADE General Secretariat "31 days prior to the beginning of the Curitiba Conference" its intentions of sending representatives "based on the right every member state has of participating in events sponsored by OLADE." The document also says that "it is the duty of every nation hosting such meetings not to prevent or refuse attendance to the representatives of member states."

The same sources believe that the ban on the entry of the Cuban delegates could prejudice the negotiations Minister of Mines and Energy Cesar Cals is effecting with Latin American nations aimed at creating a trilateral company for petroleum prospecting in any part of the continent.

Deputy Advocates Cuban Relations

Brasilia CORREIO BRAZILIENSE in Portuguese 23 Oct 81 p 10

[Text] The reestablishment of diplomatic relations between Brazil and Cuba was advocated by Deputy Marcelo Cerqueira (PMDB-RJ) [Brazilian Democratic Movement Party-Rio de Janeiro], who was a member of the Brazilian mission to the interparliamentary conference held last month in Havana. The proposal by the deputy was made during a joint session of the Senate Education and Health Committees for analyzing the work of the Brazilian delegation in Cuba.

For Deputy Marcelo Cerqueira the break of relations with Cuba is within the framework of an already bygone diplomatic picture left behind when Itamaraty put automatic alinement with the United States to one side. In view of that, the legislator believes that as a result of his participation in the conference, the delegation should recommend the reopening of relations with Havana to the Executive Branch.

Also participating in that joint session were Senators Jaison Barreto, president of the (PMDB-SC) [Brazilian Democratic Party-Santa Catarina], Joao Calmon (PDS-ES) [Social Democratic Party-Espirito Santo], Murilo Badara (PDS-MG) [PDS-Minas Gerais], Almir Pinto (PDS-CE) [PDS-Ceara] Adalberto Sena (PMDB-AC) [PMDB-Acre]; and Deputies Rosa Flores (PMDB-SP) [PMDB-Sao Paulo], Marcelo Cerqueira (PMDB-RJ) [PMDB-Rio de Janeiro], MacDowell Leite de Castro (PP-RJ) [Popular Party-RJ] and Carlos Santana (PP-BA) [Popular Party-Bahia].

Deputy Carlos Santana indicated the lack of individual freedoms and freedom of the press in Cuba and recalled the existence of what he considered an exaggerated personality cult around Fidel Castro. However, he also noted that he considered the positive results of the Cuban Government, particularly in the social field.

Santana pointed out the low infant mortality rate of 22.3 per 1,000 saying that it means that "only congenital problems remain to be controlled." The most developed countries, said Santana, have a rate of 17 per 1,000. Deputy Rosa Flores showed that Cuba is training more doctors than it will need. Flores quoted Fidel Castro, who explained that the surplus is sent to other Socialist countries. A Cuban doctor costs Angola only $300 per month, for example, while a doctor from another country, who would go to Angola on his own, would cost seven times more. On the subject, Santana said that the doctors trained in Cuba, like other students who complete advanced studies, are sent to places selected by the government.

8908
CSO: 3001/28

ANNUAL GOLD PRODUCTION EXCEEDED 12 TONS BY 30 SEPTEMBER

Rio de Janeiro JORNAL DO BRASIL in Portuguese 2 Nov 81 p 13

[Text] Brasilia—The Central Bank reported that through September it had acquired nearly 12 tons and 375 kilos of gold on the domestic market, of which 7 tons and 668 kilos were purchased from the prospectors of Serra Pelada. Prospectors of the Itaituba region in Medio Tapajos, contributed one ton and 915 kilos. Exports of gold are forbidden by the National Monetary Council.

The so-called "gold for the good of Brazil," donated by the Brazilian population after the 1964 Revolution, according to the Central Bank, was added to the national reserves. The volume of gold collected reached 620 kilos, 130 grams and 896 milligrams. Already melted, it will be refined by the government mint and transferred to the guardianship of the Central Bank.

Gold Policy

For experts of the Central Bank, the government policy adopted for the national gold sector in the last two years, in addition to providing the addition of new amounts to the national reserve, has generated an improvement in the living conditions and remuneration of the prospectors, revitalizing several producing areas.

Annual average Brazilian gold production recorded in the period from 1968 to 1979 was five tons 950 kilos, rising to 13 tons 800 kilos last year. This increase has led mining companies to invest more in gold prospecting and processing in the country.

The following are participating in Project Gold: the Central Bank, as the buyer and depository of the national reserves; the Federal Savings Bank and Vale Doce Geologia (DOCEGEO). They intervene in the sale of gold at the source and the Government Mint is responsible for refining all gold acquired. The Federal Revenue Service maintains a strict surveillance to prevent the smuggling of gold, particularly near the producing regions.

The Federal Savings Bank [CFE], pursuant to an interministerial regulation—Ministries of Finance, Planning and Mines and Energy—dated 1980, has the exclusive right to purchase all the gold produced in the prospector areas, particularly in the Amazon Region and the Center-West, and then passes the gold on to the Central Bank.

Purchasing Process

Experts of the Central Bank explained that the gold purchasing process adopted at first resulted in high costs, since the resources of the agencies involved were used. The DOCEGEO purchased the gold directly from the prospector, paying the equivalent of 72 percent of the daily London gold price fix per troy ounce (31.33 grams).

That gold, after analysis, was resold to the CFE at the rate of 80 to 90 percent of the daily price fix. The CFE received a sum equal to .4 percent of the total as administrative expenses when it transferred that gold to the Central Bank. In that way the final cost of unrefined gold varied for the Central Bank between 80.4 and 90.04 percent of the price of gold on the London international market.

The purchasing structure today, wherein the government does not act as a buyer, is the following: The Central Bank opens a rotating line of credit to the CEF in terms of the volume of gold the latter purchases. That credit covers three or four days outlays to prevent interruption in purchase activities.

Once it has this credit, the CEF transfers money to its agencies in the prospecting regions and maintains a line of information on their daily activities. In case DOCEGEO is a buyer, the CEF maintains a current account in its name in the local agency where withdrawals made for buying gold are immediately covered.

The CEF, as well as DOCEGEO, pay the prospector the equivalent of 90 percent of the prices set by the London market, allowing a variation of 5 percent.

Gold Purchases

The National Monetary Council authorized the Central Bank in August to increase to a maximum its participation in buying the gold produced in Brazil, with a view toward adding it to the national reserves. The CEF was authorized to act as the exclusive buyer for the Central Bank.

In the same meeting, the National Monetary Council decided that no gold exports should be authorized by the Central Bank and that in such case it should present itself as the alternate buyer with the recommendation that the gold purchased should not be at a price higher than the gold price quoted in London.

According to the Central Bank, up to 30 September the amount of 12 tons, 374 kilos, 977 grams and 9 milligrams of gold had been acquired on the domestic market and distributed as to its source as follows:

Serra Pelada — 7 tons, 668 kilos, 151 grams, 17 milligrams

Itaituba — 1 ton, 914 kilos, 703 grams, 69 milligrams

Cumaru — 1 ton, 287 kilos, 284 grams, 64 milligrams

Morro Velho — 1 ton, 499 kilos, 847 grams, 59 milligrams

Federal Revenue Service — 5 kilos

The Central Bank did not report on the present size of the gold reserves in Brazil under its guardianship. In 1964, when it was appointed depository of official reserves of the country by law, the Central Bank received the amount of 38 tons, 711 kilos, 169 grams, 94 milligrams, subsequently increased by 511 kilos, 443 grams, 185 milligrams from the Government Mint and the Bahia refineries.

In addition to the gold acquired on the domestic market, the Central Bank also buys small quantities at auctions of the International Monetary Fund to add to national reserves. Up to December 1979, Brazil bought 12 tons, 775 kilos, 208 grams, 85 milligrams on the international market.

8908
CSO: 3001/28

COUNTRY TO INITIATE TITANIUM PRODUCTION ON LARGE SCALE

Rio de Janeiro JORNAL DO BRASIL in Portuguese 30 Oct 81 p 25

[Text] Belo Horizonte—Through METAMIG [Minas Gerais Metals], the Minas Gerais State Government signed an agreement with the CTA [Aerospace Technology Center] yesterday for the transfer of technology for the production of metallic titanium from the titanium tetrachloride originating from the processing of the anatase of the Araxa reserves.

Minas Gerais Secretary of Industry and Commerce Jose Romualdo Cancado Bahia said that this agreement will allow Brazil, with the employment of national technology and national companies, to enter the "closed group of metallic titanium producers at this time restricted to the Soviet Union, the United States and Japan." Governor Francelino Pereira expects Minas Gerais to make the country the fourth world producer of metallic titanium.

Project

CTA Director Maj Brig Lauro Ney Menezes reported that 20 million cruzeiros will be invested in a period of seven months for the adaption of the pilot plant of the CTA Materiel Division Reduction Plant located in Sao Jose dos Campos. This adaptation will begin next year, since the pilot plant has been deactivated since 1977. After being adapted the plant will produce one ton for the domestic market as a quality test.

He considered the project for the use of anatase "fully practical" saying that the CTA began development of the technology in 1966 and concluded it in 1975. It was patented in 1977.

The Minas Gerais secretary of industry and commerce announced that the technology to be transferred by the CTA to METAMIG will become the property of the Minas Gerais Government, which may use it for negotiations with national groups who may be interested in processing the anatase of Araxa. He explained that among interested groups are Construtora Andrade Gutierrez, Eletrometal and Acotecnica.

Until the pilot plant of the Vale do Rio Doce Company located in Tapira begins operations producing titanium tetrachloride, the CTA will obtain that product for the manufacture of titanium sponge in the markets of Europe and the United States.

For the production of titanium pigment, a group headed by Construtora Andrade Gutierrez has already sent to the BNDE [National Economic Development Bank] a plan aimed at installing a plant which will use the process of chlorinization of the anatase of Araxa in the chemical complex of the Minas Gerais Triangle in Uberaba. This project is estimated to cost $250 million.

The Matarazzo Group has also expressed an interest in installing a chloride plant in that chemical complex for the production of titanium tetrachloride.

8908
CSO: 3001/28

MINING HEAD DISCUSSES SECRET ACCORD, WORLD COPPER SITUATION

Santiago EL MERCURIO in Spanish 26 Oct 81 p C 2

[Interview with National Mining Association President Manuel Feliu; date and place not indicated]

[Text] The president of the National Mining Association (SONAMI), Manuel Feliu, revealed that a secret agreement was adopted at the last CIPEC [Intergovernmental Council of Copper Exporting Countries] meeting that "could be vitally important for mining and that will be made public very shortly."

In an interview granted to EL MERCURIO, the business leader indicated that the last meeting of the Intergovernmental Council of Copper Exporting Countries held in Paris generated a "new dynamics" for the international agency that led the Zambian representative to say "CIPEC has finally stopped barking and is trying to bite."

During the conversation Feliu referred to the general situation on the world metal market and to Chile's specific position in this area.

[Question] What is the impression in Europe on the current status and the prospects of the world economy?

[Answer] Europe like Chile is experiencing the impact of the new U.S. economic policy. The strict monetary measures applied by the Federal Reserve Board to curb inflation have, as you know, generated record high interest rates in the United States. As a result, the dollar has gained in value by about 24 or 26 percent vis-a-vis the principal European currencies such as the mark, the French franc and the pound sterling.

The revaluation of the U.S. currency has affected their international competitiveness, and thus their trade balance, particularly with regard to the European powers, whose demand has fallen significantly as a result of this phenomenon. Today, in both Europe and the United States, there is nothing more profitable in the short and medium term than interest rates, and so capital is flowing in that direction. The metal market, which is of special interest to Chile, is of course also suffering—and will for some time—the impact of this situation.

In Europe they are not discarding the possibility that the United States will adopt some adjustment measures to attenuate the domestic effects of this recessive wave.

[Question] How does this situation influence the Chilean mining industry?

[Answer] Chile is a mining country, in that it relies essentially on its exportable mineral products to improve its balance of payments, cope with its external debt and meet the development challenge.

For rapid development, the country needs foreign capital, since its domestic savings are too small to meet the economy's immediate or general needs. Foreign savings come in the form of loans or capital contributions.

Credits must be paid in hard currency and, in the second case, profits must also be returned in hard currency.

Consequently, without mineral exports we would not have any way to pursue our development, since our payment capacity as a country would be very small and uncertain. The export mining industry is what provides security to foreign banks that lend Chile money, which we are to use to generate foreign exchange to pay off those credits.

This year we are estimating a decline in mineral export proceeds of about U.S. $500 million as a result of both a reduction in mineral exports and low prices for metals, and especially copper, on the world market.

The world situation naturally affects the copper market, which is used primarily in the automobile industry, in construction, and in the electrical conductor and cable industry. The economic recession affects consumption, automobile sales are reduced, construction declines and manufacturers lose their market. If the supply remains constant in a situation of this sort, a surplus occurs and prices logically fall. According to current estimates, the surplus copper on the world market could amount to 50,000 tons by the end of the year. For 1982, it is forecast that supply and demand will be in balance and that the price will rise slightly. But estimates for 1983 and 1984 show a deficit ranging from 150,000 to 450,000 tons, depending on the estimated growth rates for the world economy during that period.

[Question] What is the attitude of copper buyers?

[Answer] Consumers are seriously concerned about the present low prices for copper. They know that the producers of that metal have costs higher than those prices and they are afraid that this will discourage investment and shut down operations—which is already happening in the private sector—or that there will be no further prospecting. This could have a critical impact on the supply and price of the product in the medium term.

[Question] What is the status of small and medium-sized national mining companies specifically?

They are in a state of crisis. Small producers shut down their copper operations some time ago and the only ones working are those that can mine copper combined with gold and silver. From the 50,000 tons of refined copper small mining companies produced in one year, today they are not even producing 20,000.

Medium-sized mining companies are continuing to work thanks to their external debt capacity, which has enabled them to absorb losses, or by not amortizing their plant and equipment, which is one way to lose. These companies export about $350 million a year and play an important role in obtaining foreign exchange for our economy. For this reason and because of the importance of this sector in the northern part of the country where it is irreplaceable as an economic agent, in terms of production and work, the country should be interested in the survival of these businesses.

[Question] Did the CIPEC meeting make an effective contribution?

[Answer] CIPEC has not achieved any concrete results in the area of prices for 14 years, or in other words since it was established. It is impossible to expect everything to be done in one meeting.

In this last meeting, however, CIPEC took on a new dynamics with the proposals of the Chilean and Peruvian mining ministers, so much so that the Zambian representative was prompted to respond to the Chilean minister's proposals by saying that CIPEC finally "had stopped barking as was trying to bite." This was in reference to a secret agreement that could be of vital importance to mining and that will be made public very soon.

Minister Pinera's proposal to seek tariff reforms in GATT was also welcomed warmly. These reforms would improve payment possibilities for copper and copper manufacturers within the producer countries, which would entail substantial benefits for Chile should they be passed.

9805
CSO: 3010/186

ADVANCED TECHNOLOGY, LASERS USED IN LUMBER INDUSTRY

Santiago EL MERCURIO in Spanish 26 Oct 81 p C 5

[Text] Nacimiento (Biobio Province)--With an investment of $268 million for industrial expansion to be completed between April of next year and the second half of 1983, the INFORSA S.A. holding company in the municipality of Biobio will form the largest lumber industry in Latin America. The President of the Republic acknowledged this program to expand the production of sawn wood, newsprint and cardboard in his recent visit to the Eighth Region.

Twenty-four dollars is the value of one idle minute in the sawmill complex established here after CORFO [Production Development Corporation] sold what was Industrias Forestales S.A. (INFORSA) in 1975. The applied technology includes the laster beam to dimension wood that is run through multiple saw boards 16 hours a day. The complex has the highest annual sawn wood production in the country, at 170,000 cubic meters, most of which goes to the international market.

CONAF [National Lumber Corporation]

According to the acting Regional Director of the National Lumber Corporation, Carlos Sepulveda, "this means that private enterprise has finally assumed its role here as a planter and producer of timber and pulp and it is shaping a lumber industry with a vitally important social and economic impact."

He went on to explain that "this impact not only mobilizes capital commercially, but also offers employment stability in rural areas which was heretofore unknown. This in turn has served as an incentive to people to settle in a series of towns, villages and hamlets whose inhabitants used to be forced constantly to leave in search of subsistence."

Later on the CONAD officer stressed the important effects of Decree Law 701 on reforestation development. It was also a factor in keeping the Eigth Region in first place in the country in new plantations and in foreign exchange proceeds from exports.

Statistics

Out of total sawn wood in the country, amounting to 2,183,033 cubic meters in 1980, the Eigth Region produced 55.1 percent (1,203,825 cubid meters), and Biobio Province 23.3 percent (280,803 cubic meters).

In the case of pulp, production in the same year was 763,095 metric tons, out of which the Eighth Region produced 74 percent as 565,317 metric tons.

Biobio Province, where the INFORSA holding company is located, leads the region in timber production, new plantings and, finally, in improved land.

During 1980, 31,305 hectares were planted in the Eighth Region, out of which 30.62 percent were in Biobio. This same province increased its plantings by 34 percent this year.

As for export statistics, the CORAF officer acknowledged the effects of the world recession that were seriously felt by the lumber industry. From $468 million sold in 1980, only $248 million were recorded in sales for the January-September period of this year.

In Nacimiento

Manuel Francisco Diaz, general manager of INFORSA, explained that "In fact the world recession has a significant effect on our product, both in the production and export stages. I told the President of the Republic this when he visited us last Wednesday. It is a situation we are confronting. But rather than dwell on problems, we explained to the head of state the work we are doing in this area.

9805
CSO: 3010/186

ALLEGED SOCIALISTS ACCUSED OF FORMING PARAMILITARY GROUPS

Santiago EL MERCURIO in Spanish 24 Oct 81 p C 9

[Text] Six persons--allegedly members of a cell of the banned Socialist Party--were accused of violations of Law of Arms and Explosives Control by the deputy military prosecutor of Concepcion, Ivan Kuzminic. They are accused of allegedly participating in the fomation of a paramilitary group.

The case was heard yesterday by the military court, which will rule on a writ of habeas corpus presented on behalf of the accused persons. The military court delayed ruling on the matter and agreed--as a measure for achieving a better solution--to request the file on the case from the military prosecutor.

The men being tried by the military court are: Raul Milton Espinoza Pena, Victor Nolberto Vogt Olivares, Jorge Enrique Pena Sepulveda, Miguel Edgardo Salgado Espinoza, Walter Abraham Jara Kessi and Luis Hernan Rodriguez Alvarez.

According to information, these persons were declared guilty of infraction of Article 8 of the Arms Control Law. This law covers those who organize, belong to, finance, endow, help, instruct, incite or induce the creation and operation of private militia, combat groups or militarily organized teams, armed with some of the elements indicated in Article 3 of that law (machine guns, submachineguns, and any weapon of greater destructive power).

11635
CSO: 3010/229

ELECTORAL COURT SUSPENDS NATIONAL MOVEMENT ADS

PA170447 San Jose Radio Reloj in Spanish 0100 GMT 17 Nov 81

[Text] The Supreme Electoral Court [Tribunal Supremo de Elecciones] this afternoon ordered the managers of the radio and television stations to immediately suspend an advertisement of the national movement which supports the presidential candidacy of former President Mario Echandi Jimenez.

One of the campaign ads of the national movement which was prohibited this afternoon states: Armed communism is already on our borders. Any mistake can open the country's doors to it. Liberation [referring to the National Liberation Party, PLN] belongs to the socialist international; the socialist international supports the Salvadoran guerrillas and communist Sandinism. It would be a mistake to vote for Monge. Echandi is the only guarantee for freedom and democracy. Echandi is the victory of all the Costa Ricans.

Another campaign ad of the national movement which was banned by the electoral court states: Carazo permitted the entrance of weapons from Cuba for communist Sandinism; Carazo comes from liberation [the PLN]; liberation belongs to the socialist international; the socialist international supports communist Sandinism; Monge also comes from liberation; what can you expect from Monge? Echandi is the only guarantee for freedom and democracy. Echandi is the victory of all the Costa Ricans.

The Supreme Electoral Court ordered the suspension of the national movement's propaganda as a result of a request filed by PLN official (Alfredo Tosi Bonilla). The PLN charged that the ads contained slanderous accusations against the PLN and its presidential candidate, Luis Alberto Monge.

The electoral court also asked for the text of the national movement propaganda which mentions the unity coalition. The unity coalition asked the electoral court to suspend an ad of Mario Echandi's party, charging that it is slanderous. The ad states: Say no to communism which Carazo helped with the aid of Calderon Fournier. Another brief ad states: Calderon Fournier deceived the international organizations.

In a note sent to the national movement, the electoral court stated that the electoral code does not establish that it must grant an audience to a party affected by a ban on its propaganda at the request of another political party.

It indicates that the party officials accredited before the court have the obligation to keep their leaders informed about the actions of other political groups which feel affected by propaganda or other acts.

National movement candidate Mario Echandi had requested an audience from the electoral court as a result of the PLN and the unity coalition's request for the suspension of his propaganda.

CSO: 3010/384

POSSIBLE COMMUNIST TAKEOVER OF WORKERS FRONT SCORED

PA092109 San Jose Radio Reloj in Spanish 1130 GMT 9 Nov 81

[Text] The workers common front is a great conquest, but it also involves great risk. There are many labor leaders who are deputies or who are running for that post in the coming elections. The labor movement is being politicized and especially by the communists who have long used the labor movement as a political weapon.

The strikes in the banana sector, for instance, have been a political activity conducted and staged by the party's political committee.

To us, it is very dangerous for the communist unions to have joined forces even though reportedly for a good purpose. It is very dangerous because the communists usually end up taking over the leadership and command of all these movements.

The struggle against speculation, against unfair prices, against money-changers must be conducted with true patriotism because in defense of social justice and the family welfare, no one must destroy the peace of the Costa Ricans. The communists seek to confuse the masses and, thus, cause the collapse of the political system. They are always trying to create chaos. We must, therefore, provide evidence that democracy is possible, that one can struggle with freedom and dignity in terms of respect and tolerance. This, obviously, cannot be understood by the communists.

We call attention to the dangers of the so-called fusion of the democratic groups and the communists. We believe in the democratic labor movement, in popular organizations based on democratic principles and justice in freedom.

The workers common front could fall into the hands of the communists and promote the collapse of the system which traditionally has been accepted by the Costa Ricans. We are now being threatened but despite this threat, we must show that we can hold elections and that the government, regardless of its poor and deficient showing, may conclude its term within a climate of absolute respect and tolerance.

CSO: 3010/384

BRIEFS

PEACE UNIVERSITY DONATION--The Taiwan Government has donated $100,000 to finance part of the installations of the university for peace to be built in our country. The donation was presented to President Rodrigo Carazo by Ambassador Wen-hui Wu. [San Jose LA NACION in Spanish 7 Nov 81 p 7A PA]

PRESIDENTIAL CANDIDATES--Civil registry director Francisco Peralta has announced that the registration requests for candidates for president, vice president, deputies and most of the municipality officials for the February elections have been received by his office. The parties registered to participate in the elections are the national movement, whose candidate is Mario Echandi Jimenez; the National Liberation Party, with Luis Alberto Monge Alvarez as its candidate; the Unity Coalition, with Rafael Angel Calderon Fournier as its candidate; and the United People's Coalition, with Dr Rodrigo Gutierrez as its candidate. Other parties are the Democratic Party, whose candidate is Edwin Retana Chavez; and the Independent Party, with Edwin Chacon Madrigal as its candidate. This last candidate will run alone on the presidential ticket, as the persons who accompanied him for the vice presidency resigned. Peralta said that should Dr Chacon Madrigal be elected president of the republic, his vice presidents would be those of the party occupying the runner-up position in the 7 February elections. [Excerpts] [PA140239 San Jose LA NACION in Spanish 7 Nov 81 p 6A]

CSO: 3010/384

'GRANMA' DESCRIBES NEW COMPOSITION OF PARTY

Havana GRANMA in Spanish 10, 14 Oct 81

[Article by Gustavo Cordova Fiandor: "Concerning the Social Composition of the Party and the Growth in Its Rank and File"]

[10 Oct 81 p 2]

[Text] The purpose of this article, which will be published in two parts, is to provide additional information for party members and prospective members. It will also be used as background for the study circle dealing with the resolution approved by the Second Congress concerning internal party life, which will be held in all cells in October.

It is aimed at political studies activists who may use the material in municipal and provincial seminars, leaders of study circles who may draw on it in the course of their debates and party members, as part of the individual preparation for the study circle.

The First and Second congresses of the Communist Party of Cuba have revealed the degree of development and organization that has gradually been achieved in the historic process of our revolution in order to create the technical and material base for the building of socialism and improve the political and ideological awareness of our people.

The aggressiveness of American imperialism and the difficult international circumstances, worsened by the deepening of the general crisis of capitalism, mean that our party will have to use all its forces and those of the people so that despite these conditions, we may move toward the objective set forth.

Within the series of topics analyzed at these party events, those relating to the strengthening of the worker composition of the party and the growth in its rank and file were of special importance because of the far-reaching nature of both aspects with respect to the uninterrupted ascent of the leadership and vanguard role of the party.

Compliance with the historic mission of the party: building socialism and communism in our country is directly related to the growth in the number of members. This growth is aimed at bringing in the most outstanding men and women, who are ideologically firm and convinced, so that they will help strengthen the authority and prestige of the party among the working class and other workers in the country.

It is of the greatest importance that every party member and prospect be an exemplary revolutionary, worker and citizen, that they be willing to guide, influence and convince their comrades at work or in school and all those with whom they have relations, of the correctness and efficacy of Marxist-Leninist ideas. That is why the acceptance and preparation of party members in the principles of Marxism-Leninism require careful attention. Likewise, the integration into the party of the best and most self-sacrificing sons of the working class, farmers, revolutionary intellectuals and other workers takes on decisive importance, given the role which the vanguard detachment must play as the leading force of all society.

Since 1962, when the building of our party began, it has given ever increasing attention to these activities. The First Congress was a decisive link in the expansion of criteria for the drafting of a proper strategy aimed at successively improving its composition and the admission of new members.

In 1975, the situation that existed, comparing the makeup of the country's working force with the composition of party members and prospects, was as follows:

	Percent of Total Working Force	Percent of Party Rank and File
Workers in industrial, agricultural production, construction and services	65	35.9
Professional workers and technicians	11.7	9.2
Administrative management and political workers	7.7	42.1
Administrative workers	4.7	4.1
Small farmers	9.7	1.8
Others	1.2	6.9

The proportion of members and prospects in the most important and decisive sectors with respect to the total number occupied in such sectors was very low.

Obviously, this composition did not help the materialization of party policy and weakened its influence and relations in those places where the progress and improvement of the socioeconomic process is decided.

Logically enough, the fact that a substantial part of our administrative and political leaders are members of our party is a positive fact contributing to the strengthening of our government. It is also indicative of the fact that in the historic process of the revolution, many workers and farmers liberated from capitalist and imperialist oppression assumed leadership responsibilities. On the other hand, the presence and influence of the party in the different branches of the economy and in important work centers were limited, meaning that it was not possible to efficiently do the political work that must be done by the party within the working class and in overseeing and supporting, economic, social, cultural and other activities.

An example illustrating this situation is the limited number of members and the insufficient worker representation in most rank-and-file organizations existing in the country's sugar mills.

The resolution on internal life approved at the First Congress states, in one of its parts, that:

"Having an organically strong party in those mills is a decisive factor for mobilizing the working class with greater intensity and effectiveness in the battle for production and productivity, culture and technology, and for achieving an ever greater revolutionary awareness."

It continues:

"That is why, in the party's composition, it is necessary to complement the necessary and positive presence of thousands of communist holding leadership responsibilities in the government and social institutions, communists who have been tested in the struggle before and after the triumph of the revolution, with the entry into our ranks of thousands of workers, who will thereby guarantee the active presence of the party in the working class, in factories, on the farms and at basic service and teaching centers."

This has been the line followed and we can see the results achieved.

[14 Oct 81 p 2]

[Text] The Central Report presented to the Second Congress by Comrade Fidel Castro, first secretary of the Central Committee, and the resolution on the position on internal life contain a profound appreciation of the progress made in facing the task of improving the social composition of the party and guaranteeing its active presence in the working class.

We can therefore see how, in 1980, 68.2 percent of the members are workers directly related to production, services or teaching, including professionals and technicians in these activities. Among them, the basic nucleus is made up of production and service workers, with 48.1 percent of the total.

The membership doubled during the same period. This was achieved by jealously preserving the principle of quality, the indispensable premise in this process.

Growth basically took place in priority sectors. Significant increases came about in the sugar industry, the rest of the industrial sector, construction, transport and education, and important progress was also made in the agricultural sector and in public health.

Of decisive influence in the achievement of these objectives was the regulatory action exercised by the party at all levels with respect to the work of recruitment and entry into its ranks.

Experienced gained over the years allows us to say that we have gradually gained in awareness with respect to the need to maintain constant vigilance so that the composition achieved, through tireless, efficient political work by our rank-and-file organizations and the rest of the leadership organs, will constitute a point of departure for perfecting the work, going the furthest with mechanisms that help our party, by virtue of its ideology and makeup, increasingly becomes the party of the working class and all the people.

The work of expanding the party requires that every rank-and-file organization and every municipal leadership organ, under the new conditions created, improves on the quality of procedures in order to achieve still higher levels in our makeup, but above all, in order to improve the quality of work done with those recruited, which is a prime factor for continuing to increase and improve this aspect of work, inasmuch as it has not yet achieved the necessary level in all places.

Likewise, it is indispensable to do far-reaching and systematic work with all those who have joined in recent years in order to teach them and educate them in the discipline and habits of party work, developing their communist training and thereby gaining their conscious and effective contribution to the completion of the different tasks of the party. Equal attention must be paid to new members.

Considering these points and looking to the future, our Second Congress worked out and formulated with great precision the list of objectives toward which we must channel our efforts. In sum, the directions are the following:

1) maintaining the fight for the quality requirement regarding new entries into party ranks, by means of the consistent application of established principles;

2) continuing the work of recruitment and expansion, maintaining or increasing worker representation in the ranks. It is necessary to continue to exercise regulatory action regarding new members so as to achieve this objective.

3) Growth of the party during this 5-year period should come about while achieving the objectives proposed with respect to the worker composition of new admissions. We must also work to achieve a reasonable rate, guaranteeing quality.

4) Growth must be aimed at guaranteeing the strengthening or presence of the party, mainly in those places of special importance for the economic development of our party. Priority attention will be required by the building of the party and its growth in new production and service centers that are set up during the 5-year period as a result of programmed investments.

5) Party growth in the coming years must also be an important element for increasing its influence in the UJC [Union of Young Communists] and among youth groups, especially for workers. For this purpose, after a casuistic analysis, the process should be initiated to bring into the party those young communists, basically workers, who, as leaders of the UJC, possess the necessary requirements and can remain remain in that organization for a fairly long time, with double membership.

We are sure that these objectives constitute a powerful weapon in the hands of rank-and-file organizations and leadership organizations of the party for channeling all the initiative, responsibility and dedication of members and cadres and for continuing to move forward in the task of improving the social composition of our party on the basis of improved quality with growth. We shall therefore make it possible for all efforts mobilized in this direction to be aimed at continuously expanding the party's role and influence in our country's economic, political and social tasks.

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CSO: 3010/301

BRIEFS

COPENHAGUEN PLAN--At the United Nations, Cuba has affirmed that the Copenhaguen action plan continues to be the cornerstone on which the UN decade for the defense of women's equality should rest. During a speech before the UN Committee for Social, Humanitarian and Cultural Affairs, Cuban delegate Diana Carmenate Perez stated that our country considers that the achievement of a just and lasting peace and the establishment of new international economic order are essential elements in carrying out the Copenhaguen action plan. [Text] [FL171445 Havana Domestic Service in Spanish 1200 GMT 17 Nov 81]

AFGHANISTAN SITUATION--At the United Nations Cuba has stated that the study on the so-called situation in Afghanistan interfers in the internal affairs of that country and that it is an attack against the express desires of the government and people of that country. On addressing the general assembly, which is debating this matter, Cuba's representative, Raul Roa Kouri, stated that the draft resolution currently being debated contains demands that violate and do not acknowledge Afghanistan's sovereignty. Roa stated that he supports Kabul's position, which favors a dialogue that will eliminate tension in the region. He indicated that the resolution in question does not compare with the report that has been submitted by UN secretary genreral, Kurt Waldheim. He recalled Afghanistan's initiative calling for bilateral or trilateral negotiations with its neighbors, Iran and Pakistan, with the inclusion of the UN secretary general or his representative. The Cuban representative to the United Nations supported the measures taken by the Kabul government that will help it defend the April revolution and resolve the economic, social and political problems that are being experienced by that country. Finally, he expressed his hope that a political definition will be achieved in the region in accordance with the UN charter and the principles and objectives of the nonaligned countries' movement. [Text] [FL181250 Havana Domestic Television Service in Spanish 1205 GMT 18 Nov 81]

SAFETY MEASURES--Safety and sanitary conditions at work centers are not what they should be, Roberto Veiga, alternate member of Cuba's Communist Party [PCC] Politburo and secretary general of the Central Organization of Cuban Trade Unions, stressed in his closing remarks at the third national meeting on that subject, whose last session was chaired by Sergio del Valle, member of the PCC Politburo and minister of public health. The meeting, which was held during the past 2 days at the Lazaro Pena Auditorium in Havana, adopted more than 200 agreements. Veiga noted the need for the unions to be more demanding and systematic in the struggle for fulfilling directives and measures aimed at guaranteeing the workers' safety. [Text] [FL191333 Havana Domestic Service in Spanish 1200 GMT 19 Nov 81]

CSO: 3010/365

BRIEFS

MONETARY OFFICIAL RESIGNS--Gonzalo Cordero Crespo, president of the monetary board, has presented his resignation due to the public disagreements with the government's economic officials. When he announced his resignation from the principal monetary policy agency, Cordero Crespo hinted that both the Central Bank manager and the finance minister had opposed the adoption of measures to solve the country's economic crisis. [PA190129 Quito Cadena Ecuador Radio in Spanish 2300 GMT 18 Nov 81 PA]

CSO: 3010/360

BRIEFS

IDB LOAN POSTPONEMENT--San Salvador, 13 Nov (AFP)--Jose Antonio Morales Ehrlich, member of the Revolutionary Junta of the Government of El Salvador, today deplored the "IDB's decision to postpone consideration of a $30 million loan to El Salvador at the request of Thierry Walrafen, the IDB director for France." "It is regrettable that the efforts of an entire people are being hindered by the assessment of certain individuals who are unfamiliar with our situation, or have only learned about it from distorted news reports," Morales Ehrlich said. The person who requested the postponement "has no idea of the damage that he is causing to our people," Morales added, when he criticized what he called "decisions made from behind a desk, based on romantic assessments." Morales also reiterated his government's position on the elections scheduled for early 1982. He said that the elections are "a political solution to the Salvadoran situation." "A solution imposed by forces other than the Salvadoran people would no longer be a political solution," he said. Morales continued by saying that "the ideal thing would be for the left to participate in the elections. In this way they could prove their true voting strength. If the left does not participate and the people do, the process will be equally valid," he said. Morales Ehrlich, who is also president of the Salvadoran Institute of Agrarian Transformation, also announced a new land distribution law today. According to his explanation, some 81,000 hectares acquired by the state will become cooperative or individual plots. [Text] [PA150002 Paris AFP in Spanish 0354 GMT 14 Nov 81]

POLITICAL FORUM--The forum of political parties has positive and negative aspects, Msgr Arturo Rivera y Damas said yesterday commenting on current domestic events in his sermon during mass at the Metropolitan Cathedral. He did not say what the negative aspects were. Regarding the positive, he said that it is good that through the forum we are learning about many government actions which were previously unknown to the public. He also said that it is good for the political parties to demand absolute neutrality from the government. In reference to violence, Monsignor Rivera y Damas, the apostolic administrator of San Salvador, said that destruction and crimes are routine in our society and that the builder, not the destroyer, should be victorious. However, he added, at this moment, the left as well as the right persist in their effort to destroy. He explained that the Catholic Church intervenes in anything that has to do with human rights, because the church is a specialist in humanity and therefore is worried about the danger of war that exists as well as the border conflicts between countries. Finally,

Monsignor Rivera y Damas said that he does not know which of the two groups is causing more destruction in the country: the left or the right. He also said that paramilitary groups, such as the death squad, are acting with absolute impunity in the crimes they commit throughout El Salvador. [Text] [PAC92229 San Salvador LA PRENSA GRAFICA in Spanish 9 Nov 81 p 57]

EXCHANGE SHORTAGE--San Salvador, 9 Nov (ACAN-EFE)--The Chamber of Commerce and Industry of El Salvador has disclosed in a press communique that the shortage of foreign exchange could mean the collapse of many economic activities. The organization said that "until recently, the authorizations to place orders were being granted, even if the corresponding foreign exchange was not sold to the importer. In that case the importer had to find it on his own. Now, not even the authorizations to place the orders are granted." For that reason, already there is a shortage of many (?products) and very soon the consumers will not be able to buy them," the merchants point out. They add: "It is believed that if this situation is not remedied, by next January we will be running out of many articles that are indispensable to the health of our people and to their economic activities." [Text] [PA100239 Panama City ACAN in Spanish 1512 GMT 9 Nov 81]

CSO: 3010/383

PRESIDENT SIGNS DECREE CONVOKING NEXT ELECTIONS

Guatemala PRENSA LIBRE in Spanish 22 Oct 81 p 2

[Text] President Lucas Garcia yesterday called for general elections which, according to a government decree, will be held on 7 March 1982 throughout the country.

Guatemalan citizens will elect a new president and vice president, 66 principal and alternate deputies, as well as mayors of several department capitals.

The government decree states:

Fernando Romeo Lucas Garcia,
President of the Republic,

WHEREAS: By constitutional mandate, the President of the Republic is empowered to convoke general elections no sooner than 4 months before the date on which said elections are to be held.

WHEREAS: The number of deputies to the National Congress is that decided in conformity with the powers vested in the Directorate of the Electoral Registry in Decree No. 1-81 of 18 September 1981, in accordance with the population census conducted this year.

THEREFORE: Bearing in mind the content of Article 186 of the Constitution of the Republic and based on Articles 44 and 45 of the Electoral and Political Parties Law,

THE COUNCIL OF MINISTERS AGREES:

ARTICLE I. The Guatemalan people are called to elect the president and the vice president of the republic; principal and alternate deputies to the congress; and principal and alternate members of municipalities in all department capitals.

ARTICLE II. The general elections referred to in the aforegoing article shall be held during a single day. Sunday, 7 March 1982 is designed for this purpose.

The persons elected will take office on the date set forth, as the case may be, by the Constitution of the Republic or by the Municipal Code.

ARTICLE III. The number of deputies which each electoral district may elect is set forth below:

GENERAL DISTRICT:	Municipality of Guatemala	7
FIRST DISTRICT:	Remaining municipalities of Guatemala	6
SECOND DISTRICT:	Sacatepequez	2
THIRD DISTRICT:	Quezaltenango	4
FOURTH DISTRICT:	San Marcos	5
FIFTH DISTRICT:	Totonicapan	2
SIXTH DISTRICT:	Solola	2
SEVENTH DISTRICT:	Chimaltenango	2
EIGHTH DISTRICT:	Suchitepequez	2
NINTH DISTRICT:	Chimula	2
TENTH DISTRICT:	Jutiapa	3
ELEVENTH DISTRICT:	Santa Rosa	2
TWELFTH DISTRICT:	Jalapa	2
THIRTEENTH DISTRICT:	Retalhuleu	2
FOURTEENTH DISTRICT:	Escuintla	3
FIFTEENTH DISTRICT:	Huehuetenango	4
SIXTEENTH DISTRICT:	Zacapa	2
SEVENTEENTH DISTRICT:	El Progreso	2
EIGHTEENTH DISTRICT:	Alta Verapaz	3
NINETEENTH DISTRICT:	Baja Verapaz	2
TWENTIETH DISTRICT:	El Quiche	3
TWENTY FIRST DISTRICT:	El Peten	2
TWENTY SECOND DISTRICT:	Izabal	2
Total Principal Deputies		66

Each district shall elect, in addition, one alternate deputy.

ARTICLE IV. The number of principal and alternate members to be elected to municipalities in the department capitals, including the ones in the Central District, shall be determined in accordance with the Municipal Code (Decree No. 1183 of the Congress with its Revisions).

ARTICLE V. The electoral process shall be carried out according to the Constitution of the Republic and the Electoral and Political Parties Law (Decree-Law No. 387 and its Revisions).

ARTICLE VI. The present decree becomes effective at once and will be published in the Official Bulletin.

LET IT BE SO ORDERED

LUCAS G.

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CSO: 3010/219

FIVE MORE DEPUTIES TO BE ELECTED NEXT YEAR

Guatemala PRENSA LIBRE in Spanish 15 Oct 81 p 18

[Text] The Directorate of the Electoral Registry has issued a decree stating that in the upcoming 1982 elections, five more deputies than the present total of representatives in the legislature will be elected due to the fact that some districts have increased in numbers of inhabitants. The Congress of the Republic, therefore, will have 66 deputies vice 61.

The decree states that "in accordance with the law, the numbers of deputies in the Congress must be determined according to the most recent population census, taking as a basis that each electoral district shall elect two deputies. But, those electoral districts whose populations exceed 200,000 inhabitants shall elect an additional deputy per 100,000 additional inhabitants, or fraction thereof exceeding 50,000, plus one alternate deputy per district.

WHEREAS: According to the report submitted by the Directorate General of Statistics regarding the results of the ninth population and the fourth housing censuses, taken in April of this year, changes should be made according to the law.

THEREFORE: Using the powers granted in Article 36, first clause of Decree 387 (Electoral and Political Parties Law).

IT IS AGREED: Article I, Principal deputies to the Congress of the Republic to be elected in the upcoming March 1982 general elections are stipulated as follows: seven for the Central District municipalities in Guatemala; six for the First District of the remaining municipalities in the Capital, or two added deputies shall be elected inasmuch as there were already four.

Quezaltenango has three representatives. Next March one more shall be elected, giving it four deputies. Totonicapan has four and in the next legislative period it shall have an additional deputy, bringing its total to five.

There are two deputies for the department of Jalapa. Beginning 15 June 1982, it shall have one additional deputy. The remaining departments shall stay as they now are.

Article II. The numbers presently established for deputies shall be communicated to the constitutional president of the republic and to the Congress.

Article III. This order takes effect at once and shall be disseminated by the appropriate news media and published in the Official Bulletin.

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CSO: 3010/219

PRELIMINARY STATISTICS OF LAST CENSUS REPORTED

Guatemala PRENSA LIBRE in Spanish 16 Oct 81 p 12

[Text] According to statistics gathered in the latest housing and population census taken last April, Guatemala has a total of 6,043,559 inhabitants of which there are 3,024,255 men and 3,029,304 women.

Dr Martin Carranza, director general of Statistics, told PRENSA LIBRE that it is unusual to observe, related to the 1973 census, that there now are 15,000 more women than men and that the increase in inhabitants during the past 8 years has been about 100,000 persons per annum.

He pointed out that the increase in inhabitants since 1973 to date has totaled 883,338. Guatemala, he emphasized, increased 200,000 in 8 years; San Marcos, 80,000; Peten, 64,000 and Esquintla, 67,000. These are regions wherein the highest percentage of growth occurred.

Regarding Peten, Doctor Carranza said that in 1973 the number of people reached 67,000, but now that number has grown to 131,000, possibly because of numerous settlements of tenant farmers who have entered the department—a number greater than the inhabitants of Belize.

Implications of Population Growth

Doctor Carranza went on to say that undoubtedly Guatemala's population growth will demand greater services, increased sources of employment and other basic needs for a developing country.

It should be pointed out that according to the technical data, 30 percent of Guatemalans remain economically active and employed. With an annual increase of 100,000 Guatemalans per year in population, a problem arises for some 250,000 citizens who have been waiting to find work since 1973.

Census Cost Government over Two Million

In another part of his statement, Doctor Carranza averred that for the census this year from 23 March to 6 April, the Directorate General of Statistics employed 15,000 persons and spent some 2.6 million quetzales.

He explained that regarding other phenomena which the statistics will reflect are data to be made public shortly inasmuch as many totals are preliminary.

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CSO: 3010/219

EGP LEADER ROLANDO MORAN EXPLAINS GROUP'S OBJECTIVES

Havana BOHEMIA in Spanish 16, 23 Oct 81

[Interview with the commander in chief of the EGP (Guerrilla Army of the Poor), Rolando Moran, by Mario Menendez Rodriguez, at the El Turo Camp in the mountains of Guatemala; date not specified; originally published in the Mexican weekly POR ESTO, of which Menendez Rodriguez is editor]

[16 Oct 81 pp 74-79]

[Text] For the first time in 9 years, Rolando Moran, the commander in chief of the politicomilitary organization EGP, speaks to the world.

BOHEMIA is pleased to reproduce this valuable piece of reporting by its fraternal Mexican colleague, whose well-known journalistic experience and daring took him to the wilds of Guatemala to offer his readers one of the most interesting pages in the people's armed struggle to win their national liberation. Sharing the guerrilla vanguard with the EGP are the FAR [Rebel Armed Forces], the ORPA [Organization of the People in Arms] and the PGT [Guatemalan Labor Party].

El Turo Camp, Los Cuchumatanes Mountain Range, Guatemala, 1981--The pages of this book are being opened for the first time in 9 years, and they are being opened precisely at one of the nerve centers of the revolutionary people's war that the EGP, the FAR, the ORPA and the PGT are promoting and waging. They open at a camp that looks exactly like the spot in the Bolivian mountains where a man who belonged to the 21st century, Ernesto "Che" Guevara, physically fought his last battle for the social liberation of oppressed peoples. That's right, the historic interview with the commander in chief of the EGP, Rolando Moran, was conducted somewhere in the untamed mountains of El Quiche.

The truth is that a better place could not have been chosen for renewing my acquaintance with the extraordinary leader

who has devoted his every effort in life to achieving a just society for the Guatemalan people. Rolando Moran is the epitome of the new man being developed in the jungles, in the mountains, in the cities, in the towns and in the villages of this heroic nation that is on the way to achieving its genuine, definitive independence.

Humble and simple, in spite of his impressive theoretical, political, military and cultural background, self-sacrificing and brave, an enthusiastic promoter of unity among revolutionary and democratic forces, Rolando Moran is a remarkable strategist and commands an in-depth knowledge of the history and customs of the Guatemalan people.

I met him 15 years ago, beside the unforgettable Augusto Turcios Lima, the founder of the historic Rebel Armed Forces, which operated in the Minas Mountains. He could have been described as the adviser to the youthful number one leader of the FAR.

I know that the words I am using today to describe Rolando Moran would offend his well-known modesty. Nevertheless, I have not exaggerated one bit. Each one of those words is an apt description of his tremendous personality, and it is only fair to end a quarter century of silence about him.

The Guerrilla Army of the Poor

[Question] What is the EGP? On what political, economic and social bases has it been established and has it developed?

[Answer] The Guerrilla Army of the Poor is a politicomilitary organization whose aim is to interpret and fulfill the revolutionary desires and aspirations of our people in the form of irreversible political gains that represent true revolutionary accomplishments vis-a-vis the ruling classes and imperialism.

The EGP is politicomilitary because since the outset of its formation we realized that in order to make a revolution, we had to take power and to do this an organization has to be designed not only as a political organization that develops personnel and a revolutionary ideology, but also and decisively, as the tool for waging this struggle: a military force. We feel, and this has been a guiding idea in developing the EGP, that a revolutionary organization that wants to be consistent with the conditions in its country must understand, develop and bring about three decisive factors: first, its theoretical strategic approach; second, its organizational instrument, and third, its tactics and methods.

The EGP is the result of the efforts of many Guatemalan revolutionaries who, after the initial defeat in 1954, when the government of Jacobo Arbenz and the democratic systemwere toppled, and later with the defeat of the guerrilla movement in the 1960's, decided to seek a new form of organization. The EGP is a synthesis of the experience, efforts, aspirations and sacrifices of many combatants; it is unquestionably one facet of them and, we could say, a current in this entire revolutionary groundswell that is within our people.

We are trying to interpret and, moreover, to be consistent with and heirs to very pure and very strong traditions such as the ones that were embodied in Edgar Ibarra, Otto Rene Castillo, Luis Turcios, Luis Trajo and other comrades who fell in battle in the 1960's and from whom we learned a great deal. We are completely certain that they were the groundwork for the impact that we are now having. So then, the EGP has tried to synthesize the teachings of the present, to systematize experiences and to develop the teachings of the present as well, to gradually try them out, guiding ourselves at all times by the Marxist-Leninist method of grasping reality, of gradually experiencing it, so that we can plan future moves and draw conclusions that will enable us to transform not only our methods but ourselves as well. That is why I once said somewhere: The EGP is not just a guerrilla column or a political party. We feel that we are, and we have tried to be to the best of our ability, a Marxist-Leninist politicomilitary organization for the struggle and the resistance against oppression and exploitation, for the taking of power and for the defeat of the enemy, of whom we know that imperialism is the main bulwark.

I said that we conceive of the EGP as a politicomilitary organization. Politicomilitary in all its aspects, and that is why we stipulated for its very structure that every branch of the EGP must have three basic facets, what we call the three legs of the bench. When we began forming the EGP, we said that every EGP branch must have a threefold character: as a military unit, a political organization and a task force. We were thus trying to interpret the three basic aspects that make up the force of power, the establishment of the society we need to oppose imperialism and to cope with the necessary class struggle in this era, and this is incorporated in the principles of the EGP. Every EGP branch must have this threefold character. Every grassroots group, every intermediate group and every leadership group must be able to carry on every sort of productive work, whether at home, in the field, in every necessary aspect of work that crops up. At the same time, it must be a political organization that can study, discuss and develop at the pertinent level, ideas that will make possible the advancement, spread and abstraction of policy and theory. It must also be a military unit that is capable not just of defending itself but at a given moment of joining the ranks of the attackers to wage a major offensive against and defeat the enemy in the sphere that we feel and have always felt is the most decisive in the class struggle: armed confrontation. That is how I would characterize the EGP.

Now then, with regard to the second point: When was it created? I would say that like any organization, the EGP was created in a process. It would be very hard to say exactly when the EGP was conceived. The fact is that the EGP began to be formed in many places at once. It is a convergence of opinion currents; if not that, an opinion that has wound up being a political and combat perception of our people. The first EGP combatants who began to operate as an organization were comrades who left our country or were already overseas in various countries. Some of them were engaged in military training and others were getting theoretical training in various places, Cuba, Europe, Mexico. They all got together at a given moment, without even having a name or a platform, but they were guided by ideas set forth in documents that were public knowledge and by the efforts of other comrades who also followed these approaches, even though they were not even familiar with them.

I could say that the EGP's development was due to centripetal force, that is to say, the force that attracts and at given times brings together kindred elements as a result of the very dynamics of events and needs. This was how the EGP started, around some documents, one of which has to be acknowledged as a fundamental step forward, the March 1967 document. It contains the strategic factors that enabled us to set forth some of the premises for establishing the kind of organization that the EGP would later become through our many individual and group efforts.

Strategy and "Che" Guevara

The EGP's strategy gradually took shape in Mexico, where all of us comrades had gathered. We initially set three basic goals for ourselves, goals that we succeeded in accomplishing during the first stage.

First: Return to Guatemala together, because we were all outside;

Second: Return all together with weapons in hand;

Third: Activate the revolutionary guerrilla struggle.

When we held the EGP's first guerrilla conference and took stock, we confirmed that we had fully accomplished the three goals. In so doing, we laid the groundwork for establishing an organization worthy of being called a revolutionary organization and, therefore, capable of taking part in our grassroots guerrilla war, in our people's war of liberation with a well-defined personality. It was then that we took the name of the Guerrilla Army of the Poor, which combined both our previous experiences and our plans for the future.

It is of the utmost importance to point out that the personality, struggle, theory and strategy of the heroic guerrilla commander Ernesto "Che" Guevara were always present in all of these developments and that it was not by chance that we took our inspiration from him and that we adopted, at the same time as the name Guerrilla Army of the Poor, the rallying cry with which

he said good-by to Fidel in his letter before setting off on his exploits of liberation in other countries, and that his image is also on our flag.

I have mentioned on occasion that as one of the revolutionary forces in the ideological struggle, we have often been attacked for being "foquistas" [policy of establishing cells for guerrilla war] and Guevaristas. I have commented that we have, in fact, been "foquistas," in the sense that we began around a necessary cell, but that we in no way thought of "foquismo" as a strategy for or an approach to war. The "cell" was the manifestation of the initial engine that ignites the great engine of the masses, because we never forgot about the participation of the masses, not only as backing for the war but as the decisive factor, as participants and leading figures in the people's revolutionary war.

With regard to being Guevaristas, we confess to being Guevaristas and we will continue to be, because we have interpreted Guevarism not only as the scattered ideas of a charismatic and heroic leader but also as the synthesis of a great many condensed experiences, which are the premises for a theory of revolution in Latin America and of the theory of Marxism-Leninism as applied to our continent. Therefore, in putting "Che's" image on our flag, we were saying that we have never rejected "Che's" proposals and that we feel obliged to pursue them in theory and in practice. We have been asked at times whether "Che's" image might not seem strange in our native villages. After lengthy experience, we can reply that exactly the opposite is the case. "Che's" image and statements must sink into and set the direction for many of our guidelines, and our new flag is accepted and welcomed.

It is almost a historic axiom: The forerunners stamp their actions, statements and ideas on the images, methods and actions of the masses when they have been able to grasp realities. That is why we have never thought that our emblem is an obstacle to contact with the masses, even though they might be the indigenous masses of our people, as long as, of course, images are accompanied by action and practical activity.

The Weak Link and the 1960's

Now then, on what bases does the EGP operate? Well, this is a bit more complicated. Although it might at times seem haphazard, the fact is that this is perhaps what we have thought about and worked on the most. The EGP's first detachments penetrated Guatemala at what we call the weakest point on the rope, perhaps after what Lenin called the weakest link of imperialism. We call it the weakest point on the rope, which means the geographic, political and social region of Guatemala in which the state machine and the imperialist penetration are the weakest, where their interests have not taken direct hold and where they do not have direct, effective control, which they have to have where their interests are more immediate. We deliberately chose the most populated regions, the most poverty-stricken regions, the regions hardest hit by unemployment, poverty and privation; above all, we deliberately chose the regions where the ethnic groups that make up the Indian minorities, which ultimately represent the majority of the Guatemalan people, have settled. In other words, as I said in a document, the regions with the majority of native Guatemalans, to put it plainly, the Indians.

This is a basic element of our strategy. Moreover, it resulted from our experience with the first guerrilla attempts in the 1960's. All of our guerrilla experiences in the 1960's took place in a zone where we were strangers, where we failed to mobilize the population because we did not understand their reality and because we tried to teach them an approach that was more in keeping with the mestizos and to inculcate in them only those laws that we were familiar with in the class struggle that was going in the capital city area. This time, however, it was we who delved into the local problems of the peoples who have been disenfranchised for centuries; it was we who understood them and offered them some ideas. However, we were also shown a great deal of rebelliousness and capacity for struggle, and when we rounded this out, we came up with that explosive mixture of rebellion that constitutes the most powerful force of the revolution in our country.

Class Struggle and National Oppression

We can say that without deviating from the general laws of revolution, the revolution in Guatemala can be conceived only in connection with two fundamental problems: the problem of the class struggle and the problem of national oppression.

No revolutionary can be successful in Guatemala if he grasps only one of these two facts. He has to combine the two, because in our country (I will reserve opinion on other countries) the phenomenon of exploitation is closely linked with the phenomenon of national oppression, and you cannot try to resolve one without touching on or involving the other. We feel that the liberation of man by his fellow man cannot be the rallying cry in Guatemala without resolving the contradiction of the nationwide ethnic and cultural oppression that exists, given the various national minorities of mestizos and indigenous groups. This might seem somewhat contradictory and shocking to some, but we must realize that unlike other Central American or Latin American countries, Guatemala does not have national unity. The struggle for independence in some countries succeeded in forging that unity. It was never forged in Guatemala. Guatemala is not a nationally constituted country, as the Vietnamese would say. Guatemala is a multinational country. This is something that the Communist Party of Vietnam has said about its country. Just 17 percent of their country is made up of national minorities, and they are wise enough to regard their country as multinational. How could we possibly think that Guatemala, whose national minorities make up 53 percent of our country, is a one-nation country. In this regard, we have to acknowledge the need of these national ethnic groups to have their own identity, because they are the ones who are going to give final shape to Guatemala's nationhood.

The EGP brought up this contradiction from the outset. What this means in other words is that when the EGP began undertaking the revolution, its goal was to resolve not just the class problem; we also wanted to resolve the problem of acknowledging and integrating these nationalities, to shape the Guatemalan of the future, to recognize each Guatemalan in accordance with his culture, his ethnic group, his cultural and ethnic, not just his class identity.

We have deliberately not taken up the issue of national minorities because we feel that theory is not yet complete in this regard, and we are primarily guerrillas. We are not going to try and come up with a scientific solution for this problem; we merely want to make it known that we are aware of these things, thus laying the groundwork so that they can be acknowledged as basic elements of our revolution.

The Foundations of the EGP

Thus, the foundations of the EGP could be summarized in these four points:

First: The Guerrilla Army of the Poor must reconcile the contradictions in the revolutionary movement itself.

Second: It must cope with circumstances that arose out of the contradictions and crises of the 1960's and 1970's.

Third: It must be responsive to the class struggle, which has become heightened in our country.

Fourth: It must respond to the national contradiction of ethnic and cultural oppression in Guatemala. This is how we see ourselves. There are a lot of things involved in all this, and we might get an argument on many of the facets of what I mentioned. But we feel that these are the basic aspects that spurred the formation of and have given life to the EGP. I would go so far as to say that it would be hard to argue with us on any of these points, because we have thought a lot about them and because we are sufficiently systematized about all these points, and our theory and practice are quite extensive and intensive as well.

That, then, would be my answer to your first question. I realize that I am leaving gaps and that there are many unanswered questions, but there is no way I could try to answer them, because only the unfolding of events can give a satisfactory reply.

Historic Responsibility

[Question] After 9 years in existence, this is the first time that the EGP has publicly unveiled itself as such, disclosed its commander in chief and other politicomilitary leaders and awarded military ranks. Why not before?

[Answer] This must be understood as part of a somewhat premeditated process. We could say that at its outset the EGP had to develop unnoticed, given the conditions at the time, so as not to trigger an enemy reaction that would have been too much for the forces that could offer resistance and also provide a margin of safety for the grassroots that supported it. It would have been unreasonable at the time our first guerrilla columns were being formed, to issue a false and demagogical proclamation about a war that we did not have sufficient mastery of. Therefore, we planned for a quite lengthy period of

secret activities, which was necessary so that the enemy would not place us geographically, socially or politically. Afterwards, we gradually began locating and measuring out our actions.

After the guerrilla conference of 1974, we decided on the actions to unleash a new stage in the guerrilla war in Guatemala, because the war had been fading out and the populace had practically forgotten about it under Arana and Laugerud. We began to rise up then, but we did so gradually and premeditatedly so that the enemy would not unleash a crackdown that could crush the guerrilla uprising when it was not in a position to resist an overwhelming repression. This has become almost a standard or law in our ranks. We have gradually undertaken the actions that we are capable of, trusting in the potential of our people, but with an awareness that this potential could be organized. On many occasions, for example, friends warned us against undertaking unorganized, irrational mass action, while other friends suggested actions that might have been too hasty at the time.

We feel that we have gotten the situation under control because we are familiar with our surroundings. We are confident about our surroundings and we know what efforts we can demand in light of them and what effects we can derive from them. Therefore, with our approach of accomplishing what is possible, we have tried to gage what we are capable of doing at a given moment and what we are capable of enduring at a given moment.

We are all too familiar with the sacrifices that have resulted from hasty, thoughtless action and a lack of systematization and organization. We have learned this both from our own experience and from the experience of others, especially the revolutionary movement in Latin America.

If there is anything that we fear, it is not living up to our national and historic responsibility. We are very careful about and would like to strongly emphasize this point. We have had very bitter experiences, because Guatemala has been a critical point. We do not want to again fail our people, the region's revolutionary movements or the worldwide revolution. We do not want to be responsible for another failure. Thus, we are gaging each one of our moves and would like this to be understood. We have the potential to widen the struggle, but our minds are burdened with the memory that in the past we widened it and were thoughtless. We realize that we must assume a historic responsibility and that we must have a revolutionary awareness and systematize our experiences, not just be impulsive. This is where we do not want to fail. In other words, we do not want to be either impetuous or too conservative. We are taking into account time, space, history and the historic responsibility that we have in our hands.

Against "Tall Stories"

Our failure to reveal ourselves publicly until now is perhaps due to an overly conservative approach. We realize we have a gap to make up, because in order to secure the solidarity and support of others at this point, we need a lot of publicity, and we will have to make up this publicity gap. We

feel, however, that we will be able to make it up with a reasonable amount of publicity because what we have managed to consolidate internally will enable us to publicize major things at a given point. Perhaps it will be just a disclosure, but this is better than publicizing "tall stories" that are not backed internally.

I am not saying that we do not acknowledge our serious shortcomings in publicizing what we have accomplished; we are just afraid of "tall stories." In the 1960's, we publicized things that did not have an iota of truth to them. I think that in that case we should have been more conservative, not so bold, because the upshot was that we suffered a trauma.

In any case, we know that internal elements must be the groundwork for subsequently developing much stronger and more widespread recognition on the outside. From the outset we aimed at consolidating our structures and internal development before revealing ourselves. In the opposite case, there are all too many international examples in which the dynamics have worked in reverse, and this has been negative, at variance with the law. We would not want that kind of international recognition if there is no basis for it on specific accomplishments, and perhaps as you have been able to see for yourself, our organization is much broader, more profound and more extensive than people are aware of. We have no reason to feel inadequate about calling for the brotherly international solidarity of all peoples, because we will be able to respond with something that really exists and that we will know how to defend and to develop to the best of our ability.

Military Ranks and Regular Troops

With respect to the awarding of military ranks, this stems from the development of the very essence of the grassroots war. It's no big shift or change. The EGP intended from the beginning to be a politicomilitary organization, and therefore, it envisages both a military and a political structure. Thus, it is neither odd nor contradictory for it to have regular troops at a given point in its development. The EGP developed so many irregular troops as part of its strategy that regular troops became necessary. In other words, we needed a regular people's army. But when I talk about a regular army, I am not just talking about numbers; I am also talking about quality, that is to say, a regular army with all of the military structures needed to wage not just a local or regional guerrilla war, but the war that has to be waged against the basic structures of the enemy army, and not just against the government's enemy army, but even against any foreign enemy's regular army that might be brought in.

This is why the regular units have now emerged, strategic mobile units that can strike a major blow against the structures of any army, not just the Guatemalan Army, any army. They are, therefore, the basic armed forces of our people and the backbone of our defense against the exploiting classes and any outside enemy. This has been our approach in establishing our regular forces. As far as strategy is concerned, we are already beginning to develop

a people's army that would support any government that replaces the tyrannical government imposed by imperialism and a few classes and that, above all, would be capable of defending revolutionary Guatemala from any other enemy, capable of resisting a military intervention, capable of halting any enemy, of resisting that enemy and of proving that ours is not a submissive people, because they are a bastion, that they can no longer be dominated merely by threats or simple maneuvers of the enemy and that they have their own national personality that can defend itself. This is the reason why we formed our revolutionary army.

[23 Oct 81 pp 74-78]

> [Text] El Yuro Camp, in the mountains of Guatemala, 1981—"The massive incorporation of Indians into the revolution has decided the course of the people's war," the commander in chief of the Guerrilla Army of the Poor told POR ESTO in this historic interview.
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> Rolando Moran also pointed out that Indian groups are today in the forefront of the process of social liberation and he underscored that their steadfast participation has made possible the development of the approaches, methods and organizational forms of the revolutionary struggles in the country's mountains and jungles.
>
> Furthermore, the extraordinary leader made the point that the maturity of the insurgency movement can be seen in its unity, which is guaranteeing the success of the revolution through collective leadership. Thus, the era of bossism, which hurt the insurgency movement so badly in the 1960's, has come to an end once and for all.

[Question] How was the phenomenon of bossism [caudillismo] overcome in the Guerrilla Army of the Poor?

[Answer] I think that it is perhaps important to make several distinctions between bossism, centralized leadership and collective leadership, although I realize why you are asking the question. It is no secret that bossism has harmed many revolutionary organizations in Latin America, starting with ours.

Now then, we also have to single out another phenomenon, centralization, which under certain specific conditions can occur in the form of a person who exercises a leadership that combines the various functions that have to be performed by the politicomilitary command of an organization and, at times, of an entire revolution.

There is another phenomenon that history has shown us, collective leadership. This involves combining the talents of several individuals in a single group that wields executive power through the mechanisms set up in each case; it is characterized, however, by a very in-depth and very constant collective approach.

We feel that a clear-cut distinction has to be made between these three categories. Bossism means the one-man leadership of a process, of a movement or a group, but a leadership that is incomplete. It arises, in general, from spontaneous movements, and although it might eventually become very powerful, it often does not round out political leadership in a more finished, overall approach. In other words, it does not perform the functions that we consider indispensable for it to be true revolutionary leadership, which we would list as political leadership, military leadership, ideological thrust and organizational action. So then, bossism is always a systematized leadership, but it often emerges and is organized spontaneously.

One-man centralized leadership is another phenomenon. It can result from very specific conditions in countries in which the talents of a certain leader really do meet the leadership requirements of a movement or organization.

Commander Marco Antonio Yon Sosa

In my assessment, because I have learned from my own experience and have myself suffered the effects of these phenomena, I would say that I have reached the conclusion that we have to view these three examples in a dialectic framework and realize that they could be necessary in certain very specific conditions or situations and that, nevertheless, they could be dialectically related. I will cite some examples:

Commander Marco Antonio Yon Sosa, whom we honor as a hero of the Guatemalan Revolution (in fact, we have given his name to one of the fronts that we have opened up), was not a complete leader, but he was a true peasant farmer caudillo who won over masses of people, often led them into battle and with them created the beginnings of a rebel awareness. Nevertheless, Marco Antonio Yon Sosa did not have the talents of a complete leader to create, organize and heighten this awareness among his own followers, to the extent of making them complete revolutionary activists. His contributions as a forerunner are unquestionable, and this is why we honor him.

There were other examples of bossism in other Latin American countries in the 1960's, examples that did a lot of harm because they did not meet the needs of the revolution in our time and in the situations that presented themselves.

Fidel Castro: Latin America

Aside from bossism, history has shown us several exceptional instances in which the talents of revolutionary leadership and understanding are centralized or combined in a single person. These are exceptions, however, and can hardly be taken as the general rule. In this connection, we can point to major historical figures such as Napoleon, Simon Bolivar and, in contemporary times, Fidel Castro, who does more than just meet the needs of the Cuban people. We could say that his combination of talents meets the needs of all Latin America. These exceptions cannot be regarded as a general rule. In other words, not all of our peoples can produce a Fidel Castro. Fidel is in a special category.

He is exceptional because he is the historical product of an era that is under way on our continent and that began specifically in Cuba with its heroic struggle. It would be a mistake, however, to assume that what happened in this case can be repeated on a smaller scale in the rest of our countries so that their political and military leadership is rounded out.

Collective Leadership in Guatemala

We feel that in our country we have to combine the capabilities of several comrades who have demonstrated throughout their struggle qualities that enable them to contribute to a collective leadership that can guide, promote and carry out the revolutionary process. We feel that this is a profoundly dialectic process, that the shifts from one category to another cannot be made mechanically and that they stem from a dialectic movement that is consistent with specific facts. We feel, therefore, that it is up to each movement and to the organization waging its struggle to select its kind of leadership and its own cadres.

Taking into account the harsh experiences that we suffered in the past, when certain bosses tried and even succeeded in taking hold of our movement, we have come to the conclusion that under present conditions in our country, given the development of the awareness and capabilities of our cadres, the best form of leadership is collective leadership. By looking into history, I have become aware that this is not the exception and that, in fact, it is almost the general rule. In other words, outstanding revolutionaries who do not have all-around abilities complement each other's talents and make truly extraordinary contributions in various spheres, contributions that are coordinated through simple mechanisms.

What I am thinking of is the historic and far-reaching example of the Bolshevik Party itself. We will recall that it had a Central Committee none of whose members had a specific post. Lenin's authority was real; it stemmed from his great political foresight, his great strategic genius, his handling of Marxism and his contribution to it, which has come to be called Leninism, in his honor. We will recall, nevertheless, that he held no formal post in its structure, but he did not have to. During the entire prerevolutionary struggle, the highest post he held was editor of ISKRA and later, when they took power, commissar of the people. But he was never, for example, secretary general of the Bolshevik Party, a position that was not instituted until after 1918.

This shows us that as great and as momentous a revolution as the Bolshevik Revolution could be directed without formal or individual positions. There was in-depth collective work, and thus collective leadership became one of the Leninist principles of operation. We feel, however, that profoundly dialectic historical laws cannot rely on just one formula; on the contrary, one category often hatches and gives rise to another. In other words, a leadership centralized in one individual because that individual is able to perform the functions of ideologue, organizer, political leader and military leader, could well give rise later to a collective leadership that not only complements him but also enables him to continue. Or the opposite could happen. A balanced collective leadership could produce among its own people and under very specific circumstances an outstanding leader in whom all these functions

could be centralized because he has developed the talents needed to coordinate the roles entailed in a task as important as revolutionary leadership.

So then, by analyzing these past exploits and our own major frustrations that resulted from mechanical formulas, we reached the conclusion that simply and mechanically inventing positions and appointing comrades to fill them was not in keeping with the realities of life, the realities of individuals, the realities of history or the realities of collective operations and contributions. This is why one of our basic principles in the EGP is collective leadership. This is the guiding principle observed at every level of EGP organization. We consider this a general principle, although we do not rule out any other approach that might arise under other circumstances.

It is important for us to uphold and, furthermore, rationalize this principle. The unity of revolutionary forces that we have just now achieved would not have been possible in Guatemala, nor would it have been in Nicaragua or El Salvador, if we had not started with the principle of collective leadership, which at least for a time eliminates the possibility of centralized, one-man rule. As history has so often shown us, time and circumstances will tell whether a centralized, one-man rule is eventually necessary. What I do want to make clear is that our principles are a safeguard for us, so that artificial positions are not mechanically assigned to an individual who does not have the abilities to perform the comprehensive, centralized functions of an organization that has very great historic responsibilities. You cannot give powers to a person who cannot perform or who might later cause distortions and deviations leading to mistakes that could cost the revolutionary movement dearly.

One of the things that I try to remember and remind others of is that a centralized, one-man command of a revolutionary movement has always yielded poor results if the person does not have the necessary abilities. As I said, such leaders have to have special qualities, and for example, no one could deny that Commander Fidel Castro possesses them. He embodies the talents of a revolutionary leader not only for his own people but, as history has shown, for all of Latin America in many ways. In other words, the exception proves the rule. So, we feel that the exception cannot be made the rule, and this is what has led us to proceed cautiously according to our principles of profoundly democratic methods and collective leadership, one of whose norms is also internal criticism and self-criticism.

The principle of collective leadership has enabled us to complement the talents and abilities of our most outstanding cadres and to develop the talents and abilities of other cadres, so that we can have more and more comrades capable of performing vital functions for the leadership of the revolution, as well as raise and heighten their revolutionary awareness.

Your question also contains an indirect reference to the past failures of our revolutionary movement. I can assure you that there is collective leadership in Guatemala because of the needs and conditions not only of the EGP but also of our sister organizations and that the leadership of revolutionary unity, which has already been established, is collective too.

Vindicating the Indians

[Question] What has been and what is the role of the Indians in the revolutionary process in Guatemala?

[Answer] This is a particularly important element, and its historic roots are also very important.

The revolution, that is to say, the revolutionary forces, did not become aware of the importance of the Indians in Guatemala until the emergence of the armed struggle, the guerrilla struggle. I can say in all good faith and with no intention of underestimating or belittling the Democratic Movement of 1944-54, that the attitude then towards the Indians was still somewhat paternalistic. It was a mestizo revolution that wanted to vindicate the rights of the Indian, but from the viewpoint of the mestizo. I think that it is necessary, just and historic for the guerrilla movement in general and for the EGP in particular to totally vindicate the involvement of the Indian in the revolution. As revolutionary forces, we naturally have some differences in viewpoint in this regard, but we all start from significant practical experiences.

No guerrilla struggle is possible in Guatemala without the involvement of the Indians. We began systematizing the ideas that have enabled us to come up with quite constructive solutions to this problem, starting with our initial attempts at a guerrilla struggle in the Sierra de Minas when we founded the Edgar Ibarra guerrilla group in 1963. Some of us guerrillas who went into the mountains were of Achi origin, and their participation was of truly decisive importance. I should add that those of us in that guerrilla group instinctively realized that the Indians had to be completely integrated into the group, not just put beside the mestizos, discriminated against and treated unfairly.

There are several documents that record this new development. From that point on, we have thought about this and come to the conclusion that the Indians must take part physically in the guerrilla struggle in growing numbers to further develop our military and political forces and reverse the power balance vis-a-vis the enemy and defeat him; they must also, however, get involved in the area of culture and the nationalities. We thus began looking into the problem of the nationalities. Our first conclusion was that Guatemala is not a nationally integrated country. It couldn't be, because indigenous groups make up more than half of its population. In other words, because of their historic roots, their traits, their numbers and their relationship with nature, these Indian groups are, in fact, the true owners of our country, and though we mestizos are unquestionably part of the population, we are, in any case, derived from them. We are not trying to idealize the Mayan-Quiche peoples who gave rise to today's Guatemalans. No, this is just a quite realistic, consistent observation.

In studying some of the problems of the nationalities, including a great deal of scientific material from various places, we have realized that the problem of a national identity is a much more significant facet than people would like

to think. The nationalities problem has not yet been completely resolved. It is not by chance that the constitution of the Socialist Republic of Vietnam clearly stipulates that Vietnam is a multinational state, even though ethnic minorities make up just 17 or 20 percent of the total population. Just imagine what it's like in Guatemala, where ethnic minorities make up more than half of the population. Guatemalans do not realize this, however. Guatemalans do not reflect this internal ethnic and cultural status, because they are being oppressed and exploited in shackles of domination by the exploiting classes and imperialism. For this reason, we have attached decisive importance to the involvement of the Indians, but no longer in just a paternalistic sense. On the contrary, we have said clearly that the revolution is impossible if the Indians are not part of it, but not just a mechanical, numerical part. They also have to be a human, cultural, ethnic part that contributes to the development of revolutionary Guatemala's physiognomy. In other words, the Indians have to be present in all aspects.

Because we are not idealists, we do not feel that the national cultures and ethnic groups that make up Guatemala are going to make contributions that are superior in many respects to those of other civilizations that have developed differently. Their contributions are undoubtedly going to be very important, however, and are going to help us resolve vital problems in forging a new and better Guatemala. Therefore, it is our feeling that the two driving forces of the Guatemalan revolution, which are often interconnected, are, on the one hand, the class struggle, the exploitation of our people, and, on the other, national integration, national identity, the ethnic problem, the contradiction that objectively exists when in a given territory there are groups that are not culturally and ethnically homogeneous and that have to have some sort of an arrangement for mutual relations, not just to coexist, but to become economically, politically, socially, militarily and culturally integrated, integrated without losing their identities.

We think that the revolution must resolve this problem, not the revolution as an abstract entity, the revolution that all of these groups undertake together, a revolution marked by and imbued with the traits of each group, in other words, a synthesis.

We can see that the countries that have taken care of national integration have done so through revolutionary processes in which they waged a war. We say this because only revolutionary war, with its accelerated, centripetal dynamics, can coordinate this process and lend it its true dimension. Any other effort, be it philosophical, academic or pedagogical, which is put forth through anthropological or cultural entities, is really futile. This process can be carried out only through much more dynamic, much more intensive, much more vital efforts, which in our case we consider to be revolution and the strategy of a revolutionary people's war.

This was the premise on which we began our rapprochement with the indigenous cultural groups in Guatemala; we also tried to distinguish between them and personalize them. We call the indigenous groups in Guatemala by their name. We respect their identity, we respect their personality. We call an Ixil an Ixil, a Cakchiquel a Cakchiquel, a Quiche a Quiche. When we refer to these

peoples, we say the Quiche people, the Achi people, the Mam people, the Kanjobal people. We do not make generalizations, we do not call them Indians, we do not call them indigenous tribes.

We are acknowledging their personality, we are respecting their identity, an identity that they have defended over hundreds of years, preserving their languages, clinging to certain customs, certain rites, certain idiosyncrasies, a certain social system, certain methods of economic organization, which are not, however, common to all the indigenous peoples. Community habits are more developed in some than in others. You cannot wipe the slate clean. This respectful attitude towards our comrades in the ethnic and cultural minorities has been the premise on which we have been able to resolve, in practice, the problems that you now see being dealt with here. You have seen with your own eyes, right here, how our regular army and our regular units are made up of comrades of Ixil, Mam, Kanjobal, Quiche, Kekchis and Chuj origin. They have come together around revolutionary ideas, the struggle against oppression and exploitation. Without losing their personalities, they have joined together to form coordinated, cohesive groups with a single purpose. We have forced no one to adopt customs or language that are simply not theirs. Instead, we have tried to bring them together, coordinate them, give them an awareness of problems and ideas that transcend their differences, but this does not necessarily imply that they have to adopt uniform customs, language, etc.

You have seen that the general language of communication is Spanish, but at the same time the Ixils speak Ixil among themselves, and the same goes for the Kanjobals, the Mam, and Quiches, and us mestizos too, who are in the minority.

Multiclass and Multinational

So then, based on the premises that we have developed from our experiences, we have succeeded in systematizing a number of ideas and putting them into practice. Thus, we have been able to form an organization that is multiclass, on the one hand, and multinational, on the other. Free from contradictions. This does not mean that such contradictions are not going to or are not showing up to a minor degree or that they might not show up to a serious degree at some future point in the revolution, but the groundwork has been laid. As far as I am concerned, this groundwork is sound; 9 years of involvement in this campaign tell me so. You've seen the solution with your own eyes and heard it with your own ears. We have managed to resolve essential contradictions about fundamental ideas and premises, foremost among which are: the revolutionary people's war, the revolution and liberation from exploitation and ethnic-national oppression.

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CSO: 3010/298

BRIEFS

HIGH UNEMPLOYMENT IN PETEN--Flores, Peten--A high unemployment index is noted in Peten Department, spurred on by several businesses which have completed their contracts and by others forced to discontinue their projects due to the closing of the border with Belize. COGEFAR Company, contracted to construct the Santa Elena airport, has let go more than 400 workers since the work was ordered and started by the president of the republic at a cost of 17 million quetzales. Another of the companies operating in Peten, MERIDIAN, has also laid off more than 200 employees. It was in charge of the construction and asphalt work on the Tikal Flores highway on which more than 9 million quetzales was spent. Lumber companies, including Buenos Aires, Maingua, and others, have been forced to lay off persons because closing the Belize border was financially hurting them. Many people, finding no work, have found it necessary to go into the heart of the Peten forest where they signed up for jobs with chicle contractors in the region. These are reasons why unemployment has been noted recently. The current situation has had repercussions on the economic status of poor families who hope the government will make further investments in this Department. [Text] [Guatemala PRENSA LIBRE in Spanish 16 Oct 81 pp 12, 82] 9908

TV CHANNEL FOR PETEN--Television Channel 10, soon to begin operations in Peten, will put an end to the systematic publicity influence of Mexican television on the citizens of the department, according to reports from authorities in the region. Channel 10 has been beaming its clear signals to Peten's central area. Its programs reportedly can be seen in Belize and in the Mexican border towns. The promoter for the National Agency for Economic Promotion and Development of El Peten (FYDEP), Col Jorge Mario Reyes Porra, said the programs to be broadcast will be limited to showing cultural and artistic richness and sports in a national context. "Our country," he indicated, "has a variety of range in these subject areas and it is fitting to make the details known to the people in El Peten. The FYDEP has accomplished the installation of this TV channel with resources obtained through savings achieved during the term of President Lucas Garcia." He said programs will be televised in color and that a link with Channel 5 will be pursued. Programming can be seen by Peten residents on Channels 4 and 10. Besides, this medium of communication will be free to put on live color programs and to transmit them at the same time. Colonel Reyes said for the time being only some Mexican TV channels, which are received blurred, can be picked up in Peten. Peten residents, he concluded, took this news in good spirit now that regular transmissions will start in a few days. [Text] [Guatemala PRENSA LIBRE in Spanish 24 Oct 81 p 6] 9908

CSO: 3010/219

ALIPO MEMBER DENIES RECEIVING CUBAN AID

San Pedro Sula LA PRENSA in Spanish 30 Oct 81 p 5

[Article by Fernandez Guzman: "It Is Not True That Fidel Castro Gave Money"]

[Text] "The report was published in the country in order to confuse international public opinion."

San Pedro Sula--Lawyer Fernandez Guzman characterized the report that was published by the Editors Press Service, Inc. and attributed to journalist Georgia Anne Geyer as "completely false" and said that its sole purpose was to confuse the citizenry and to distort the position of the People's Liberal Alliance (ALIPO) within the Liberal Party.

The report states that Cuban President Fidel Castro gave 6 million lempiras to the extreme left of the Liberal Party of Honduras in order to prevent next month's elections from taking place.

When questioned about this, Fernandez Guzman said that the report of course intended to involve the ALIPO. "I believe that the report appeared in our country for the purpose of distorting the position of our movement within the Liberal Party and to cause the citizenry to believe that we are trying to counter the electoral process, which is absurd...," he stressed.

He added that "the report is completely false for a number of reasons: in the first place because there is no extreme left within the Liberal Party; and in the second place because if we had had the amount of money that was mentioned, we could have carried out a publicity campaign that could have taken control of the party."

"We in the party cannot at any time be considered as extreme leftists, since the only thing that we advocate is the realization of a true concept of our political institution and the existence of a real democracy that will enable all of us as members to attain our rights. With respect to the economic position, the movement carries out its actions with the participation of those of us who sympathize with it," he said.

In the opinion of the political leader, it is very symptomatic that the above mentioned report appeared at the very time that the ALIPO opposed the internal elections of the party, which reaffirms his belief that this report was published in the country in order to distort and confuse public opinion.

"But in reality the opposition is only the result of the Tegucigalpa convention where the rank and file decided to express opposition for the purpose of correcting the great irregularities that occurred this past 12 July in the internal elections to fill party posts through popular election, when the principle of proportionality established by article 19 of the Electoral Law and of the Political Organizations was violated. The staff recorded by the Rodista Liberal Movement is therefore null and void and it will be up to the pertinent state organizations to handle the above mentioned legal provision," he added.

With respect to the likelihood that the interposed opposition will attain hoped for results, Fernandez Guzman said that "we trust that the National Electoral Board will construe the true meaning of the Electoral Law and that it consequently will clearly explain the manifested opposition, for the purpose of causing the leadership of the Rodista Liberal Movement to comply with the law.

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PRI 1982-1988 BASIC PLAN AND PLATFORM SUMMARIZED

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[1982-1988 Basic Plan and Electoral Platform submitted at the PRI's 11th Regular National Assembly, convened in Mexico City on 9 October 1981]

[Text] 1982-1988 Basic Plan and Electoral Platform

Summary

Introduction

The party's Basic Plan Design and the Electoral Platform derived from it include the progress made in the National Planning System, the proposals from our party's sectors and organizations, and the intense, unified, militant efforts of the members of the IEPES [Institute of Political, Economic and Social Studies] Commissions. This document is a starting point for the phase of popular consultation which is beginning. It is a political document which will provide guidance for the people's participation in basic areas of national development.

I. For Reaffirmation of the Values of the Mexican Revolution

The Institutional Revolutionary Party confirms the goals of the rulers that it has brought to power, and realizes that history is not invented every 6 years. This organization has an obligation to maintain its fundamental principles, because the people believe in them, and because they are the values of our people. And it also has to forcefulness to articulate the new demands of its sectors, and to learn the desires of the majorities.

The Basic Government Plan includes the main proposals and orientation of the Total Development Plan which was devised and directed by President Jose Lopez Portillo personally. The central propositions of the Total Plan are essentially related to the principles that the party has always upheld. It is now incumbent on this organization to reaffirm its revolutionary orientation, and to organize the popular participation with regard to the people's old and new demands.

The Basic Plan is an essentially political document. It is primarily an ideological commitment. It is a recognition of the progress of a government of the revolution. It is a starting point for learning the people's sentiments, and the sentiments of the party's militants and organized forces.

National Design

The national revolutionary design is the one guiding the party of the revolution. We do not think that any intellectual creation nor any individual or collective endeavor could surpass what the people have expressed in their social struggles, their national struggles and their experience in participation.

Revolutions have aspirations, roots, moments and dialectics which are always unique, lending them grandeur and originality. The Mexican Revolution, which ranks among the great revolutions of the 20th century, contributed its own values and made them standards; it produced a mass participation which later became institutionalized; and it destroyed an outworn political system, creating institutions geared to its reality.

The propositions of the national design of the Mexican Revolution are fully effective: economic, political and cultural nationalism. Achieving justice along the path of liberty. The vigorous state of law emerging from a society at the height of a process of transformation. Democracy as a complete life style. The mixed economy, which guarantees the direction of development for the state and upholds social rights and individual liberties. The solidary internationalism which, without hostility or exclusiveness, associates Mexico in an active way through its principles. And democratic, popular legitimacy, as a constant confirmation of the Mexican Revolution's social pact. The party will continue to be the standard-bearer of these political principles; it will remain in the ideological vanguard of Mexico. The party of the revolution will continue to head the national design, through its ideological strength, its clarity of principles, the force of the popular organizations comprising it and its capacity for social mobilization.

The Constitution contains a national design: when it establishes the philosophical orientation that retrieves the best of Mexico's history, and gleans the desires of the majority; when it lays the groundwork to form the structures of a viable government; and when it proposes the types of government relations with the society that lead to democracy. The ideological foundations, the government structures and their relations with the society are mutually consistent. From an historical standpoint, they were brought up as proposals in a situation wherein even the territorial unity was being threatened, without linguistic unity and with many cultural confluences and contrasts, without political unity, and with incipiently developing social classes which could not propose to the nation a design that would be viable and acceptable to the society as a whole. The Constitution, as a product of the people, stipulates the grounds for achieving justice, within our territory and in the face of a complex international situation, along the path of liberty, and also for coming to grips with the enormous deficiencies from the standpoint of a democracy that benefits the majority and is backed by it.

The national design is consistent because its various elements are mutually compatible and because it establishes means for reconciling the social contradictions. It is feasible because it can be accomplished by means of a constant, systematic effort that will bring about radical changes, with a constant adaptation of the means to the circumstances that crop up, including the creation of new mechanisms. It is a design of popular origin, as befits a community which, in the exercise of its sovereignty, decided to shape its destiny by itself.

The constitutional design is a legal and political synthesis of the historic desires of Mexicans. It includes the fundamental political principles which have been proposed, ratified and developed by the great movements of the Mexican people, in their journey toward integration of the nationhood, political organization and sovereign affirmation. It takes from the revolution of independence the initial desire to exercise sovereignty and to form a free nation with an anticolonialist destiny; and it takes from the reform the affirmation of civil authority in opposition to the sectors that were challenging its legitimate supremacy, the secularization of the civil society, the making of a notably broad framework of individual liberties and their constitutional protection, and the liberation of property from old colonial patterns, by eliminating its amortization.

From the revolution of 1910, the constitutional design has taken the new concept of the purposes of the state, the transformation of the doctrine of human rights in search of balance among individuals, groups and the society into a dialectical synthesis, the mandate of creating the material conditions for implementing liberty, the bases for a mixed economy and the affirmation of the national entity. This evolution has occurred in a clearcut continuity of the various intervals of a single process of affirmation and advancement on the part of the Mexican people.

The constitutional scheme is one of social change; it is a revolutionary program dedicated to the transformation of the social structure, which will bring about not only a different class composition, but also new forms for the relations between the classes, with different bases and responsibilities, fitting into a common imperative for the general interest.

The Mexican revolution started with the principle of the people's right to restructure the sociopolitical system. The revolution, as a substantial transformation of the fundamental order of the state, was an act of sovereignty. The Constitution of 1917 followed the line of Mexican political thinking, recognizing the supreme source of power in the community, in the people. The principle of the people's sovereignty is the master key of the political system. From the Charter of Apatzingan to the Constitution of 1917, the people of Mexico have sought to translate their aspirations into legal standards and acts of government.

These are the philosophical principles of the Mexican revolution; they are the guide for the efforts of the government of the revolution in recent years; they are the ones included in the 1980-1982 Total Development Plan; they are the ones which will continue to guide the efforts for development in the years to come. They constitute the fundamental political decisions to which the people continue to adhere.

Today, our democratic existence demands reinforcement of the participation of the workers, farmers, popular sector and entire population in the decision-making and in the political life of the nation. We must continue to incorporate into political life anyone who so desires, and convince everyone that they should do so.

There is a need to intensify and expand the participation of the youth and women and, with their support, to lend politics an acknowledged commitment based on ideological conviction, authenticity, faithful dedication and moral integrity.

Mexico has younger generations who are willing to test the validity and effectiveness of the revolution's political ideology. They know that the viable path toward the nation's social advancement lies in revolutionary reaffirmation.

To lead the nation, with a democracy in a constant process of improvement, is a commitment of the party. With greater participation by the people in the political decisions, in the creation and enjoyment of culture and also in the processes of production and distribution, it will be possible to achieve the popular, representative democracy established by the ideology of the Mexican revolution. The correct route is the one decided on by the people, in which the people participate and which must benefit the people of Mexico.

II. Democratic Planning

Planning is a revolutionary task, because it is an exercise of reason, liberty and will for social transformation.

From its beginnings, the party set as a goal for itself the deliberate, directed transformation of the reality to construct a new society; that is why it has always supported democratic, participatory planning. That is why it devised the 1934-1940 Six-Year Plan for its candidate Lazaro Cardenas.

The party is revolutionary because it assumed the historic commitment to make a radical transformation in Mexican society based on the interests of the majority and on the historical conditions. That is why it included the need for planning in its Statement of Principles and in its Program of Action; and that is why it backs the significant progress in the establishment of a National Planning System that has marked the government of President Jose Lopez Portillo.

Planning means clearly setting objectives and goals based on the model of country to which we aspire; it requires a determination of strategies and priorities, as well as the allocation of resources, responsibilities and execution times, the coordination of efforts and the assessment of results.

The democratic planning of development is a tool which makes it possible to direct and arrange social change; and it is therefore a preeminently political process.

History has shown that social development does not occur automatically, and it has demonstrated the need for reorienting socioeconomic activities; with an effort, under the guidance of the state and in an atmosphere of liberty, to surmount the challenges and obstacles that impede the attainment of the major national goals.

This need for acting rationally and consistently has become more pressing for the developing countries, because they face the challenge of fulfilling social goals in a limited period of time, with increasingly meager resources, in a world wherein the fulfillment of needs is far more urgently needed than in the past, and wherein the gap separating progress from underdevelopment and poverty is increasingly large.

As has been admitted, not all the goals which emerged from the planning have been attained, although some have been exceeded; but the contribution from a National Planning System has been to direct the national effort for development with reason, order and liberty.

Under the concrete circumstances, the challenge for the party is to progress toward a more egalitarian society. For the party, the ultimate goal of democratic planning is human development and not growth in material things. The basic ideals demand the attainment of justice along the path of liberty.

The commitment to the popular majorities requires that the state, consistent with the terms established in the national design, maintain and intensify its role as a director, promoter, guide and manager of development. In the mixed economy system that is in force in the country, by virtue of a constitutional mandate, the state must intervene in areas that have assumed a strategic nature for the overall economic progress, and wherein its direct participation makes it possible to fulfill the public authority's responsibility in the production and distribution processes. Hence, the degree of that participation is determined, not on the basis of the number of areas and business firms in which it intervenes, but rather in terms of its social significance and the benefit to the people that it represents.

Planning is primarily nationalist, because it will solve the problems of Mexicans with the resources and efforts of Mexicans, and for their benefit. Planning takes place in the context of respect for liberty, but there is recognition of the inadequacy of private efforts to fulfill the national desires; therefore the state, within the context of democratic planning, must be the director of social change. Moreover, democratic planning, considered as a mere tool in the service of the major national goals, is backed by social consensus, expanding the people's participation, thereby becoming a vehicle for the country's nationalist, just and democratic progress. It is such insofar as it offers an explicit definition of the course of action to be followed, and a mechanism for evalutating the efficacy of the programs and action. It approaches the citizen and the different sectors of the society regarding priorities and proposals of general benefit.

The party recognizes and requires the directing function of the state, the expansion of opportunities for participation in development by the different sectors and the existence of a vast potential in the mixed economy system, provided it is geared to the principles of political philosophy of the revolution, and the guidelines set forth in the national development policy established by the government of the republic, as the nation's constitutional representative. There is a vast potential for increasing the social sector's participation in the economy.

The action of the public sector will continue to be bound to the guidelines of democratic planning; the mechanisms for coordination will be strengthened, so that the action on the various levels of government will contribute to the attainment of the goals of the national design; the handling of the economic and social policy will continue to prompt action by the social and private sectors, so as to make it consistent with those goals; ~~and~~, when action has been agreed upon with those sectors, the fulfillment of the commitments assumed will continue, and failure to fulfill them will be punished.

There will be an intensification of the total nature of planning, so as to hasten the social transformation. In order to strengthen its participatory quality, the planning will continue to include the three levels of government and the sectors which comprise the economy, with particular stress on the participation of the three sectors comprising the party of the revolution. In this way, the democratic nature of the planning will be maintained, and it will be directed toward fulfilling the desire of the majorities, with complete respect for the minorities' right of expression.

Planning is an irreversible process. The party asserts that, in Mexico today, development is inconceivable without planning. The nation's present and future eras require an increasingly rational and organized direction of the process of social change.

The central principle guiding the formation of the National Planning System does not lie in planning for its own sake, but rather as a tool in the service of the country's fundamental political and social goals.

The proposals of the government of the revolution have now been translated into a national system for planning development, backed by the extensive process of social reform, and at the same time tending to strengthen it, because it fosters a plural society, an orderly public administration and an economy in a genuine process of advancement.

The groundwork has been laid for democratic planning that must now be given an impetus as a higher phase of national development.

The conception, preparation and implementation of the plan must progress with increased political participation by the majority groups, expanding the people's commitments in the plan and to the plan. Democratic planning must be consolidated by becoming systematized from a legal and regulatory standpoint.

In brief, the party will strive to have democratic planning avoid the improvisation, waste and inefficiency caused by the unruly action of the market forces, without diminishing individual liberties and social rights. Hence, the ideological and political commitments required by the democratic, popular, nationalist and independent development upheld by the party will be expressed in a Total Development Plan which, based on the goals of the national design, will be the standard for action of the next government.

III. The Electoral Platform: a New Phase in the Revolution (Objectives and Strategies)

Objectives

The Institutional Revolutionary Party confirms the national objectives contained in the 1980-1982 Total Development Plan: independence, popular participation, employment and minimums for prosperity, growth and a fair distribution of income. In the new phase of the revolution, it reaffirms its principles, supporting them with an electoral platform which develops the main political, economic and social elements and those associated with international relations.

Strategy

Politics

1. Political Development

The Institutional Revolutionary Party will continue to foster the expansion and improvement of our democratic system, projecting the principles of political reform through the institutionalization of the political parties, proportional

representation of the minorities, constant improvement of the electoral system, balanced cooperation among the authorities, intensification of federal and municipal political activity and complete effectiveness and regulation of the constitutional right to information.

2. Party

Since our organization is crucial to Mexico's political existence, it has proceeded to undertake an effort for reform and internal strengthening that will reaffirm the party's ideological function, expand its bases for articulating political and social demands, oversee the fulfillment of its programs, foster permanent, systematic relations with its popular representatives and members holding positions in different branches and on different levels of government, demand respect for revolutionary ethics and back the government programs. The best individuals in the republic will be selected for the positions chosen by the people and the government.

3. Popular Participation

The party will promote new types of participation for citizens in the nation's political activity, in the federated entities, the municipalities and the community. It will attempt to insure timely, concrete understanding of the social events supporting the common effort.

4. Granting Justice

It will foster the legal, administrative and cultural reforms leading to the most efficient granting of justice in its various aspects, so as to lend complete effectiveness to the individual guarantees and social rights established in the Constitution of the Republic, placing special emphasis on the principle of the equality of Mexicans before the law and the public administration.

5. Freedom of Speech

We shall continue to strive for the most complete respect for freedom of speech, as a necessary backing for the exercise of democracy, the formation of public opinion and the practice of liberty.

6. Federalism

Not only as a form of government, but also as a form of society, and a scheme for development: lending new vigor to the municipality; striving for its autonomy in all respects; strengthening its economy, giving it suitable relations with the state and federal governments and combating domination by political bosses.

Economy

7. A More Egalitarian Society

We advocate a viable economic strategy aimed at reorienting the patterns of accumulation, investment and production, for achieving total fulfillment of the demands of the majorities.

There will be continued promotion and expansion of the programs to increase productivity and training for employment. The revision of the legislation and the systems for control of monopolistic phenomena and the concentration of economic power will be fostered.

8. Intensification of the State's Capacity for Direction

Strengthening the state to meet the demands of a society at the height of its growth, and to effectively direct the social process toward the goals of national independence and justice.

Fomenting priority spending and reinforcing public enterprise, while eliminating excessive subsidies. Public spending will provide for the priorities, suitably rated and established on the basis of the objectives, and there will be an increase in the efficiency with which this is accomplished, through progress in administrative reform.

9. Democratic Planning

The party demands an intensification of democratic planning, to guide the nation's development through the National Planning System, so as to address the demands and aspirations of the majorities, and to harmonize the interests of the state, the workers and the businessmen of the nation, in order to hasten social change. Therefore, the National Planning System has been conceived in its total and sectorial aspects, so as to make it possible to guide the nation's economic and social activity as a whole, the economic activity relating to administrative sectors in particular and the activities of the parastate public administration.

The planning will be primarily nationalist, because we must solve the problems of Mexicans with our resources and our efforts, and for the benefit of Mexicans.

10. Reorienting the Productive Structure

Intensifying the production of basic goods that are socially and nationally necessary (with a particular impetus for domestic production of capital goods), as a requirement for attaining high rates of growth, with an increased generation of jobs.

Making a reality of the concept of total agrarian reform, and continuing with the Mexican Food System which is aimed at the goals of self-sufficiency in basic foods, improved nutritional levels for the people, higher employment rates, new nutritional education and the farmers' participation in the processing of agricultural products.

11. Employment and Gainful Wage

We pledge to increase the capacity for creating productive jobs that has been developed thus far, in order to implement the right to work established by the Constitution.

For this purpose, the party of the majorities will promote the incorporation into the Constitution of the gainful wage, that will allow for constant economic, social and cultural improvement of the working class, and higher levels of participation in the distribution of the national income.

12. Independence and Economic Relations With Other Countries

We shall not agree to be converted into an oil country. We shall attempt to establish an efficient association with other countries that will stimulate the modernization and efficiency of the productive apparatus, encourage non-oil exports, limit imports and gradually eliminate excessive protectionism, reduce the foreign debt, strengthen financial independence and cut the proportion of the national debt with respect to the GDP.

13. Foreign Investment

It will be subjected to the established legislation, and we shall attempt to aim it at projects with social priority. We shall avoid having its acceptance cause a substitution of already established national business firms, and we shall try to have its exporting at least equal the amount of foreign exchange that is sent abroad.

14. Financing of Development

Progressing with the strategy of new types of financing for development, by an intensification of internal savings and a reduction in the dependence on external savings. Two equally important elements are considered: the production and exporting of oil, which increases public savings by way of taxes, and PEMEX's [Mexican Petroleum's] own internal savings, and reduces the deficit in the balance of payments through foreign exchange income; and the improvement of the fiscal and financial instruments, basically the fiscal reform currently under way, the management of the public debt and the policy of public enterprises, which bolsters the national finances by means of cost-price adjustment and improvements in their productivity and administration.

15. Regional Development

By means of a decentralization of economic activity and human settlements toward the coasts and borders, the strategy is aimed at reducing the urban crowding, while at the same time attacking the excessive dispersion of small population groups.

16. Population

With complete respect for individual liberty, encouraging a reduction in population growth and rationalizing the territorial distribution of the population, through progress in the implementation of the policy on population and human settlements already devised, and support for family planning; also seeking to attain a more rational territorial distribution of the population and less rural-urban migration, achieved by greater prosperity for farmers.

17. Energy

The energy policy must be aimed at guaranteeing the supply and contributing to the overall independent development, fostering technological research and development, the efficient use of energy, and the development of new conventional and unconventional sources of energy to reduce internal dependence or that on hydrocarbons; while intensifying exploration, diversifying exports and helping to establish a new international economic order.

18. Curbing Inflation

When faced with such a complex national and international problem, we do not accept simplistic solutions. We are opposed to shock policies, and we shall strive by all means to avoid succumbing to a state of recession. We shall reduce poverty with the united attitude of the society's forces. This is a very serious political challenge which requires primarily that we continue the accelerated creation of jobs and income for the workers, and that we avert and combat speculation. We shall combat inflation with a general scheme, through participatory planning.

Society and Culture

19. Strengthening the Social Sector

Giving an impetus to training and social organization for work and the cooperative movement, as one of the most viable means for increasing the job opportunities and improving the workers' standard of living and productivity.

20. National Education and Culture

The orientation of education must abide strictly by the spirit of Article 3 of the Constitution, stressing its democratic and national nature. We shall use the news media to support a more rapid expansion of elementary and secondary education, and that for adults, as well as cultural dissemination programs in Central America, the Caribbean and border towns with a large Mexican population.

We shall attain the 10 years of basic education, and we shall improve its quality. With instruments such as the National Teacher Training University, we shall strive for the most complete gearing of education to social and production needs.

In the realm of culture, we shall espouse cultural nationalism as a requirement for political independence, as well as the development and participation of the people in the creation and enjoyment of culture. We shall retrieve cultural expression, and attach value to it through the news media.

21. Agrarian Reform

The fundamental principles of agrarian reform, stipulated in Article 27 of the Constitution, are irreversible. The types of land holding in the Constitution must be the basis for an organizational effort that will trigger the enormous potential of the rural people. We shall uphold the opportunities offered by the Law on Agricultural-Livestock Development to strengthen rural organization and to schedule action. We reject the large estate system as antisocial, and the small estate system as unproductive. The times demand organization of work to create production units as well as to protect the interests of the farmers.

22. Women and Youth

We are striving for greater participation by women in production, in our party's social organizations and in the nation's political life.

We shall continue to increase the opportunities, the numbers and the options for employment, so that the youth will find its personal and social fulfillment. With its participation, and its moral and revolutionary demands, we shall lend a greater impetus to the nation's construction.

23. Revolutionary Ethics

A renewed commitment will give politics an image marked by revolutionary ethics. Consistency with the revolutionary origins and necessities of present-day Mexico requires unchanging adherence to the law, as well as a greater dedication on the part of officials and citizens to the general welfare.

24. Concerted Action

There will be an increase in concerted action with the social and private sectors, and an intensification of the process of the people's participation in our development.

25. Quality of Life

It will be fundamental to the development strategy to meet the demands for food, health, security and housing. At the same time, an attempt will be made to create an environment that is more favorable to life, through greater attention to the ecology, clean environment, recreation, social tourism, sufficient and efficient transportation and urban safety.

Foreign Policy

26. Policy of Principles and Solidarity

Mexico assumes its political responsibility on the international and regional levels. We shall assume our responsibility in the areas with which we have the greatest proximity. With unchangeable principles, we shall uphold Mexico's moral authority and its major specific weight.

27. Respect and Unity

We demand of the highly developed countries fair treatment, respect and mutual dignity, total respect for the internal institutions and fair economic relations.

Toward the developing countries we project our consciousness of unity in defense and the proposal of common interests, which lends us a particular solidarity that we want to foster and translate into converging action and instruments.

28. World Energy Plan

We advocate the adoption of the World Energy Plan, as an expression of our principles of justice and solidarity, and as a practical means of constructing a new international order.

IV. National Development Policies

Political Development

There is no phenomenon that has had a greater effect on recent political activity than the political reform. The reform has strengthened the existence of the political parties, has encouraged the proportional representation of the minorities in Congress, had lent a new style to the cooperation among the branches of government in the union by bolstering the functions of the legislative branch and the state governments, has promoted the constitutionalization of the right to information and has been reflected in the guarantee and respect for unrestricted manifestation of freedom of speech and assembly.

Based upon the positive assessment of the political reform, it is now fitting to lend it a new impetus. Insofar as the party system is concerned, it must be admitted that sufficient social articulation has not been achieved. With a minority participation, the opposition parties have often curtailed their activity to detect and criticize the government's alleged or real mistakes. It is fitting to respect their activities but, in particular, to renew and modernize the majority party, and to pave the way for types of organization of a new variety that will address the needs of an increasingly urban society.

The party will have to engage in greater ideological activity, and will develop new types of articulation for demands and improved handling of the people's interests. Our party will have to continue its activity during the inter-electoral periods, and will be watchful regarding the administration of the officials that it has brought to power. We shall strengthen our party and modernize it, so as to continue achieving majority adherence to the principles of the revolution. Our organization will be an effective bulwark against reactionary pressure of any kind, both internal or from abroad.

As for the proportional representation in Congress, the latter will have to assume its constitutional responsibility as a representative of the national sovereignty with increasing fullness. The pertinent organic legislation must be passed to include the new methods and advances of the political reform. The responsibility of the Congress must be accompanied by advice and greater technical backing for the people's representatives.

We shall continue to give an impetus to the updating of the electoral system, so that elections will be increasingly fair, so that there will be greater participation, so that abstention will decline and so that political activity will be bolstered. Democratic life must be enhanced not only on the federal level, but also, definitely, on the local and municipal level.

To make a reality of the principle of the right to information, the state has created a National System of Statistical and Geographical Information, the law for which requires giving information to the community. There is now a need to pass the law regulating Article 6 of the Constitution, which involves the various aspects of this right, but totally upholds freedom of speech and expression of ideas.

Foreign Policy

The principles of the foreign policy are firm and unchangeable. They have a practical application. The policy based on principles, under the new conditions in Mexico and the world, has increased Mexico's specific weight in the community of nations. The moral authority has been reflected in greater respect for Mexico.

Consistent with its national philosophy, the party maintains that it is not enough to attack the external manifestations of conflicts and their instruments, but that action must be directed toward the deepseated causes of the hostility: poverty, hunger, unhealthy conditions and injustice. There must be an active peace, which is not merely the absence of war; a peace established as a requisite for eradicating injustice and attaining the advent of prosperity for all. A passive peace, based on the balance of terror, puts off the solution to the needs of the world's majorities.

Armed Forces

The party voices its recognition for the loyalty and patriotism of the Armed Forces, which have guaranteed the nation's security and backed the strengthening of the country's political and social institutions.

The loyalty of the Army and the Air Force, as well as of the Navy, to the republic and to democracy is unchangeable. This is the source of the people's respect and affection for them. The Armed Forces of Mexico have made a serious effort to modernize, placing special emphasis on military education, greater autonomy for their supplies and cordial communication between the civilian and military personnel of the Federal Government.

On the basis of the Constitution, and as an intrinsic part of the revolutionary state, the Armed Forces have taken the orientation and traditions which have exalted them and lent them a specific essence in each phase of national development. The specific functions currently associated with these institutions of the nation are established in the pertinent regulatory laws.

Granting Justice

There can be no total development nor fulfillment of the political values of the Mexican Republic without an efficient system for granting justice. This is a fundamental goal of the development strategy proposed by the party.

We claim the need for strengthening the system for granting justice, so that it may contribute to a greater extent to the implementation of the national design. Adherence to the law, and to the division of authority was conceived by the revolution as a means for guaranteeing, in addition to human rights, social rights, and mainly those of the working class in the rural and urban areas.

Social Development

As demanded by all sectors of the party, the distribution of income and employment are the basic priority for development, and are being backed by the elimination of the structural imbalances in the economy. In this way, economic development is being strengthened and consolidated with social justice.

However, the goals of justice and equality that our revolutionary leaders proclaimed have not been fully and completely attained in our country. Morelos' proclamation to reduce wealth and poverty is still fully valid. The desire and effort to achieve them have never declined. On the contrary, it is our party's intention to increase and organize our efforts to change the real social structures which have prevented us from becoming a more egalitarian society. This is the present challenge.

Therefore, we advocate a strategy which, with complete economic viability, will be aimed, as a priority, at reorienting the patterns of accumulation, investment and production, so that the results thereof will be distributed more fairly, to achieve the total fulfillment of the basic demands of the majorities, particularly in the areas of food, health, education and housing (which means a plan of extensive scope), and to lead the country toward the prompt, definitive solution of the basic shortages affecting the population, within the essential dimensions of the national design.

In a situation marked by increased employment and gainful wages, the demand for the elements of a decent life will necessarily increase, both in quantity and quality. There will be a continued promotion and implementation of programs to increase productivity and training for employment, and encouragement will be given for the revision of the legislation and systems to curb monopolistic phenomena and concentration of economic power.

The party of the majorities will strive to incorporate into the regime's Constitution the gainful wage, that will allow for the constant economic, social and cultural improvement of the working class, and higher levels of its participation in the distribution of the national income.

The Institutional Revolutionary Party backed and will continue to back the strategy of the Mexican Food System, as a totalizing program and an instrument for complete planning in the food area, that proposes goals and action in the fields of agricultural and livestock, fishing, commercial and industrial policy, and the policy on basic food consumption, as well as an improvement in the levels of organizations, especially in the cooperative area, to benefit both consumers and the small and medium-sized producers.

During the coming years, the challenge will be formidable: The growth of the population, which is still high, combined with the lag to be surmounted, demands an effort to provide each and every one of our fellow countrymen with the quantity and quality of food and essential basic products to achieve a minimally satisfactory diet, as well as to engage fully in their economic, political and social activities.

The Institutional Revolutionary Party lends its support to the program for integration of the public health services, for effective, timely provision of service to benefit the majorities. All Mexicans must have access to the health and social security systems, as a fundamental element for welfare and equality.

There must be total backing to make education available to all Mexicans. Otherwise, the integration into the benefits of the nation's development and democratic life would be hampered and the most valuable principles of our revolution would be betrayed.

The cultural policy that is proposed has a high rating. With a clear concept of what we are and what we can be, there will be an effect on the production and distribution processes, as well as on political participation.

Popular culture must be developed which will influence coexistence, work and the necessary recreation, including the enjoyment of life and its quality.

Cultural nationalism is an essential requirement for the nation's political independence. We must be alert to preserve and enhance it, and to increase the people's participation in its formulation and enjoyment.

The possession of decent housing is a fundamental element in basic human rights. The great, disorderly development of our cities, combined with high population growth rates, has brought about a considerable increase in housing needs. In order to make this aspiration of the great majorities a reality, the party demands total coordination in providing this service, as well as a concentration of action aimed at housing of social interest.

Dealing with the housing problem involves territorial organization, the use of urban land, and the provision of urban infrastructure, equipment and services; in other words, the development of a "habitat" such as is demanded by our nation's majorities.

The party claims that the economic progress is justified only when it is translated into actual improvements in the quality of life of Mexicans; hence the most pressing concern of the social policy, in its various categories, actions and goals, must be to achieve the most effective and successful mobilization that is possible of public, social and private resources, to give all Mexicans the capacity to meet their needs, converting them into demands based on the fulfillment of the social rights established in our laws.

We consider the environment our patrimony and that of future generations. Consequently, we shall strive to implement policies for a clean environment that will improve and preserve the ecological balance, reforestation in the rural areas and the expansion of green areas in the urban sections. We shall also strive for sufficient, effective transportation, that will reduce the levels of urban crowding, the smog and noise and, in general, environmental pollution, for the benefit of the urban and rural majorities.

For the Indian population, the party proposes greater participation in production and in the benefits of national development, fulfillment of the basic needs of the ethnic groups, an increase in the capacity to protect their individual and social rights and an intensification of the national consciousness, through respect for ethnic pluralism.

The solution to alienation must be one of the main concerns of the social policy, that will translate the precepts of political philosophy into action for employment, welfare and attention for neglected groups. This is not an attempt to subsidize indefinitely the consumption of the lower-income groups, but rather to produce the conditions whereby they themselves can become fully incorporated into the fruits of national development, chiefly through full-time employment.

The economic, political and social implications of a high rate of demographic growth require a curbing of the population growth by means of family planning, which has unlimited respect for the right of each couple to decide in a free and informed manner on the size of its family.

There must be a continued reinforcement of the demographic policy, so that by the year 2000 our population will have an annual growth of 1.0 percent. For this purpose, it will be necessary to intensify the action for family planning, particularly in the areas where the fertility indexes are still at rates similar to those of the 1960's.

Federalism and Regional and Urban Development

Our party will not spare any effort to enable us to gain, increasingly, the capacity to decide upon and carry out the solution to problems in the areas wherein they occur. The governments emanating from the revolution, aware that the process of federalization in turn demands a decentralization of functions, have decentralized, and will continue to decentralize the exercise of their authority, considering geographical and sectoral features, and those of other types, so that the authority will be implemented and the services rendered with greater efficacy, and in a manner more closely associated with those demanding them.

The Economy

From the most deepseated crisis of recent times, Mexico is now passing, under the accurate guidance of President Jose Lopez Portillo, through an historical threshold which brings with it the political, economic and social opportunity to fully complete the design which the Revolution of 1910 promised and which our Constitution establishes.

It should be reiterated that the economy has grown and is still growing; and the growth has been qualitatively different, generating employment and, with a sectorial reorientation, increasing the importance of the basic goods demanded by the popular majorities.

Nevertheless, we admit that the productive structure shows imbalances and inadequacies. The oil sector, that of capital goods, the production of durable goods and certain branches of the non-durable consumer goods production are evincing an accelerated dynamism, and the agricultural-livestock sector has become revitalized. However, other sectors are lagging and inadequate, such as transportation and the production of certain basic products and raw materials. These sectorial maladjustments cause distortions in productive activity that are intolerable over the medium term and incompatible with the fundamental goals to meet the basic demands of the popular majorities and to generate jobs. The party will strive, on the basis of the general features of the plan, to eliminate these distortions and to preclude monopolistic practices in the industrialization process.

The attainment of the goals of the revolution's popular, democratic, national design requires a balanced productive structure geared to meeting the real needs of the population. Therefore, the party will see to the correction of these imbalances which are real obstacles to the development with justice and liberty that we advocate.

Sectorial

Agrarian reform does not mean merely distributing land, although this is still a primary, fundamental step. Nor should it consist of the creation of small farming units, lacking all resources and types of organization which are essential for a rational, efficient and fair exploitation of the land. Agrarian reform also means a redistribution of productive resources.

The party claims that the farmers should receive, along with the land and for their collective and communal organizations, a supply of productive resources for working it; including a technological package geared to their needs, that will lay the groundwork for their progressive, autonomous capitalization. Scientific and technical professionals should go to the rural areas in higher quantity and quality.

We shall see to it that the fishing development strategy is geared to the rational exploitation of the maritime potential and aquiculture, and that there is an inducement for consumption of food from the sea and the interior waters, as a means of meeting the basic food needs of the nation's majority population.

The fishing policy must convert this industry into a major support for the diversification of food for popular consumption and for self-sufficiency in food.

We claim that, in the future, the industrial sector will continue to play a leading role in the progress of our national design, and will have great challenges. It will have to create, to a greater extent, full-time, well-paid jobs for the growing population, in addition to continuing the high rate of growth in production during a period of slow world growth.

In a very special way, it must achieve greater production of goods for popular consumption, and do so with more efficiency, so as to raise the population's level of prosperity and improve the purchasing power of wages.

The party is concerned with balancing the market structure. We shall battle against the tendency toward oligopolic concentration in the most dynamic industries, and we shall foster the association of big business with small and medium-sized business. We shall strengthen and support small industry, through a total development program that will afford it greater access to the mechanisms available for fiscal, financial and technological backing.

It is incumbent on the state enterprises to play a basic role in the qualitative change in the economy during the years to come. They will contribute to capital formation in strategic branches of industry, and to the supply of popular consumer goods that must be fostered to support the living standard of Mexicans. The programs to expand the public enterprises will encourage investment in other priority sectors by offering a greater supply of the goods which they manufacture, and will bring about a greater demand for national machinery and equipment.

The energy policy must seek: a guarantee of a timely supply of energy to meet the internal demand, and thus contribute to a high rate of steady, complete and independent economic development; an impetus for technological research and development,

so as to lay the groundwork for increased independence from other countries; the efficient use of energy; a reduction in internal dependence on the use of hydrocarbons, through the development of alternate energy sources, both conventional and unconventional; an intensification of exploration as a means of increasing the knowledge of the country's energy resources, thereby guaranteeing the constant determination of its potential; diversification of hydrocarbon exports, in order to benefit the largest possible number of economies; and demonstrating the feasibility of undertaking action aimed at establishing a new international economic order, the base of support of which will be the responsibility and commitments assumed by the entire human race.

An improvement in the standard of living of Mexicans and the nation's development will be possible if we convert commerce into an effective distribution system that will provide consumers with the necessary goods at prices within the reach of the majority; a commercial system that will spur the total effort aimed at the creation of guidelines for production and consumption geared to the potential and needs of the country's majority population.

We want a massive supply of basic products, low prices, timeliness in the popular supply and a definitive elimination of excessive middlemen, reducing to a maximum the gap between producers and consumers.

The essence of tourism must be changed, directing it primarily toward an improvement in the living standard of the working class, and making the right to recreation a reality. It is also necessary to insure that tourism becomes a leading source of income and self-improvement for the residents of the centers in which this activity takes place.

In this regard, the decisive impetus for social tourism as a means of prosperity for the lower-income social groups has emerged as a requirement of justice. For this purpose, we propose the establishment of a National Social Tourism System, with the joint participation of the state and the social sector.

In order to achieve the development that the country requires, the efficient, rapid and timely mobilization of the work force and of socially and nationally necessary goods is an indispensable operation.

For all these reasons, we shall strive to implement a total national program for the transportation system in Mexico which is consistent with the goals of development, which fosters and streamlines transportation in all its branches and which makes them complementary.

Instruments of Development

Public spending is a key factor for attaining the great national goals, because it is one of the most active and effective instruments for guiding and regulating the process of economic and social development.

With a policy directed toward such goals, in recent years satisfactory results have been accrued on the whole; however, it must be pointed out that there has not been a complete and exact adaptation to the goals which had been set.

The party indicates that the action aimed at increasing productivity and efficiency in public spending must be intensified, through the mechanisms of budget-programing and with greater attention to its follow-up and evaluation. The control of spending must be improved with a suitable regulatory and accounting system, redoubling the efforts for vigilance to eliminate corrupt practices.

The history of our social movement confirms that the public enterprises, rather than being a fortuitous accumulation of improvised acts of government, constitute the most important economic, social and political legacy that the state of the revolution has given to the people of Mexico, and are the result of a prolonged effort, a nationalist continuity and the unusual historical vision of the organized Mexican society.

The major increase in the state's participation, mainly through its sector of enterprises and agencies, has to a great extent determined the country's socioeconomic evolution.

The strategy adopted in the area of public enterprises has in recent years made it possible to improve the economizing in a large number of them, although the goals have not been met in others. The development of public enterprise must take into consideration the distribution of costs among the consumers of the goods or services, through suitable prices and rates, and the efficient, productive responsibility of the enterprises on their two levels, namely, the administrative management and their workers.

In establishing the goals in the area of public enterprises and agencies, the party stresses that a preeminent requirement is the intensification of the state's role as a guide and promoter of Mexico's socioeconomic development and, in this context, a continued assumption of responsibility for the development of the strategic sectors. The state must also provide for those areas of social interest which the private sector cannot or does not wish to cover; for which purpose it will have to develop them by itself, with the aid of other sectors of society.

There must be a strengthening of the fiscal administration, to eliminate shortcomings that cause a low tax burden, and a continued improvement in fiscal coordination with the federated entities.

We must strive for a tax reform that will restore sufficient revenue to the state which will enable it to perform its guiding function without worsening the social situation of the majority classes. There must be a tax policy to benefit the working classes. We must also avoid tax evasion and loopholes.

During the past few years major efforts have been expended to reorient the policy of tax incentives directly toward the promotion of employment. Although progress has been made, there are still problems involving dispersion, lack of precision in the priorities and contradictory goals, as well as administrative problems.

The tax incentives must be rationalized to prevent their becoming additional profits at the expense of the national treasury, without compensation to the society in terms of employment and reductions in price levels, and so that they may be used for purposes of regional development in neglected or national priority areas.

In order to give the goals and results of the tax incentives and their association with the management of the public sector greater visibility, the party proposes that an explanation be given in the public accounts rendered annually to the Congress, in greater detail, of the results of the policy of tax incentives, its costs and its benefits.

The policy on debt must be kept consistent with the needs for financing imports, avoiding an excessive accumulation of foreign exchange. Moreover, the policy for putting public finances on a sound footing should help to bolster the revenue of the public sector itself, resulting in a greater release of funds for the investment of the social and private sector, and in a gradual reduction of the increase in the public foreign debt.

The party maintains that the financial policy must promote an institutional management of the financing entities, which are merely a right granted by the state, and achieve greater balance in the structure of the system through the strengthening and backing of intermediate groups in a sound condition. There must also be an improvement in the rules aimed at decentralizing the assets of the financing entities and in the rules to prevent a concentration of credit.

There is also a need to strengthen and modernize the national credit institutions, the mixed banks and the workers' banks, and to give the popular classes greater access to the available financing.

The party is of the opinion that a more balanced structure for the system should be supported by lending greater emphasis to the insurance system and the stock market, while at the same time stimulating sources of long-term financing.

A revision should be made in the orientation of the policy of selective control of credit, and it should be adjusted so as to improve its coordination and contribution to the priorities of national planning. Furthermore, the policy on interest rates should preclude excessive profit margins and excessive differences between the active and passive rates, which only harm the majorities.

Efforts will be redoubled to oversee and control banking operations, and forceful action will be taken against bad management and fraud. There will also be an attempt to prevent the bad management of banks from having an effect on backing, thereby burdening the public treasury.

The balance of payments problem demands taking action to efficiently link the national economy with the international one, to rationalize protection and imports, to promote exports; to implement an international strategy for Mexican foreign trade; to use the public sector's purchasing power in relations with other countries, and to stimulate the commercial development of the border areas and free trade zones.

The party proposes that Mexico continue its policy of diversifying trade relations with different parts of the world, avoiding dependence on the United States, seeking to increase its relations with all countries and striving for a revaluation of raw materials and greater equity in world trade. Priority will continue to be given to the intensification of economic and commercial relations with Central America and the Caribbean, and to the pursuit of the potential for economic integration of Latin America.

The overall long-term goal of achieving self-determination in the area of science and technology should not be confused with autarchy, but rather should be interpreted as the fostering of a national capacity for generating, disseminating, selecting, adapting and applying scientific and technical knowledge, consistent with the possibilities and requirements of the aforementioned development strategy.

Foreign investment must be stringently subjected to the legal provisions and priorities for development. It can contribute to the modernization of the country's economic apparatus, once the foregoing requirements are met. Three criteria should govern the foreign investment that is subject to our laws: It must generate new sources of jobs, it must provide new technology and it must support the opening of markets for Mexican exports.

Few problems hurt the society so seriously as inflation, because it is felt primarily by the majority groups, making daily purchases of the goods and services that they require. Priority attention must continue to be given to the lines of action intended to protect and increase the prosperity of the popular classes, without entailing a setback in the economic process, and in the generation of jobs.

The party maintains that the anti-inflationary policy must seek the causes which bring about the inflationary process in the structural problems of the economy and the society; in the time-lag between a growing public and private aggregate demand and a supply of goods and services which has not progressed at the same speed as the former; in the effects of international inflation on the economy; in the burdensome nature of the commercial system; and in the current maladjustments which are reflected in speculative activities that bring wealth to a few to the detriment of the majority.

Therefore, it is impossible to solve such a difficult problem with simplistic, partial measures.

In the battle against inflation, all the tools at the state's disposal must be used, preferably the promotion of the internal supply and the modulation of the demand, and a trade policy with forceful measures to prevent and combat speculation and to correct regional and seasonal shortages in supply.

This problem very clearly points to the need for a participatory planning system, as an instrument whereby the policy to combat inflation will be carried out.

The foregoing summary of the Basic Plan Design and the Electoral Platform shows that they are political documents establishing the general guidelines for undertaking the national, popular consultation on democratic planning. These documents confirm the political principles of the Mexican revolution; they show the progress of a government of the revolution, systematized in the Total Development Plan; and they project and strengthen them for the new decade that we are already traversing.

With these principles and this platform, and with the best man of the revolution, our candidate, Miguel de la Madrid, the country's majorities, in the electoral contest which is approaching, will again confirm their adherence to the most vanguard position: that of our party, that of the Mexican revolution.

Este es un resumen del Plan Básico 1982-1988, y Plataforma Nacional. En caso de que usted desee la versión completa, llenen este cupón y envíelo a las oficinas del Instituto de Estudios Políticos, Económicos y Sociales (IEPES-PRI) División del Norte 1354, México, D. F., o si reside en interior de la República, a las oficinas de los Centros de Estudios Políticos, Económicos y Sociales (CEPES), ubicados en la ciudad capital de cada entidad federativa.

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This is a summary of the 1982-1988 Basic Plan and Electoral Platform. If you should want the complete version, please fill out this coupon and send it to the offices of the Institute of Political, Economic and Social Studies (IEPES-PRI), División del Norte 1354, Mexico City, Federal District; or, if you reside within the republic, to the offices of the Centers for Political, Economic and Social Studies (CEPES), located in the capital city of each federated state.

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2909
CSO: 3010/320

MAGAZINE WARNS ABOUT 'MILITARIZATION' OF CABINET

PY130138 Lima MARKA in Spanish 30 Oct 81 pp 12, 13

[Excerpts] The departure--a predictable one--of Minister De La Jara sounds a warning which should be listened to. In his letter of resignation the former minister stressed his democratic convictions which we, from a position opposed to the government of which he was a member, respect and extol. His convictions explain De La Jara's departure.

De La Jara clearly stated that his resignation has to do with the killing of a university student in Cuzco on 23 October, an event which "offends my democratic conscience." As others, that killing resulted from the actions of the repressive forces which are subordinated to the Interior Ministry.

An economic policy which has condemned the large majority of the people to a continuous process of impoverishment and drove thousands of Peruvians into unemployment could not but lie at the root of the social crisis which is wracking the country. And this crisis is destabilizing the government of architect Belaunde.

In the midst of this difficult situation, the interior minister has resigned and been replaced by a retired general who had been holding the post of air force minister. Furthermore, three military ministers have been replaced by three new ones, Gen Luis Cisneros Vizquerra, Vice Adm Jose Carbajal Pareja and Lt Gen (ret) Jose Garcia Calderon.

The appointment of the "gaucho" Cisneros--whose family connections with Prime Minister Manuel Ulloa were pointed out--had already been mentioned months ago. It seems quite ironic that the best interior minister of the dictatorship, the person who closed down newspapers, who arrested members of the opposition due to family connections or other less advisable connections should become the war minister of Belaunde's regime. What a country!

The arrival of the military is the answer to the anxious request for the establishment of order in the country. The saddest part of this is that this request is made precisely by those who should establish an order capable of overcoming the suffocating situation which is spreading throughout the country. Yes, we already know all about it, we have seen this skit before: together with the strong-handed military will come the strong measures and this hardening will result in a sort of dictatorial political regime handed to us in the wrappings of a democratic election.

With Da La Jara we lose an honest democrat, with Gan Cisneros a true dictator joins the cabinet. By simple deductions the results could not be clearer: democracy has lost with the government's militarization.

CSO: 3010/367

BRIEFS

LIBERAL INTERNATIONAL DELEGATION--Lima, 11 Nov (AFP)--A delegation of ten members of the Liberal International arrived in Lima today. The delegation headed by Canadian Senator Richard J. Stanbury, is visiting Latin America to get in contact with the liberal parties and gather material for an international conference to be held in London in December. During its stay in Lima the delegation will meet with President Belaunde Terry, Foreign Minister Javier Arias Stella and other government officials and various sectors of the media. [FY160251 Paris AFP in Spanish 0323 GMT 12 Nov 81 FY]

FOREIGN DEBT INCREASED--Richard Webb, president of the Central Reserve Bank states that the Peruvian foreign debt, which currently amounts to $6.3 billion, only increased by 5 percent during 1981. [Lima EXPRESO in Spanish 4 Nov 81 p 9 FY]

INTERNATIONAL RESERVES DECREASE--By the end of the third quarter of the year the country's net international reserves were approximately $584 million. At the beginning of the year international reserves amounted to $1,276,000,000 but by mid-year had dropped to $615.9 million. [Lima EL COMERCIO in Spanish 28 Oct 81 p A16 FY]

CIVILIAN GUARDS RAID--During a raid carried out in the homes of suspicious persons in the (Paiatana) neighborhood, in the (Manco District), Tungay Province, on Sunday, the 15th, the civilian guard seized 325 dynamite sticks, 65 percussion caps, 62 meters of waterproof fuse [guia de agua] and eight commando uniforms. Spokesman of the civilian guard's 5th division, headquartered in Huaraz, pointed out that these persons may have been involved in the recent terrorist attacks. [Excerpts] [FY191514 Lima Domestic Service in Spanish 1300 GMT 19 Nov 81]

ECUADOREAN PLANE PURCHASE--Lima, 18 Nov (LATIN-REUTER)--Aeronautics Minister Jose Garcia Calderon asserted here that Peru will have to compensate the balance of forces with Ecuador, should that country acquire the K-fir fighter planes which are built by Israel under a U.S. license. During his first meeting with the media 3 weeks after assuming his post he stated that it is regrettable, but it will be necessary to take that measure. The minister, who talked to journalists after a meeting with President Fernando Belaunde Terry, pointed out that the Ecuadorean purchase will force Peru to do the same, which would mean spending treasury funds which could be better used in the country's development. At the beginning of the year after mutual accusations of territorial violations there were armed clashes between Ecuador and Peru in an undemarcated border zone. [Text] [FY200222 Buenos Aires LATIN in Spanish 0131 GMT 19 Nov 81]

DEMONSTRATION BROKEN UP--Serious incidents involving some 80 municipal workers who have been on strike for 13 days took place yesterday near the municipal palace in Lima. The police were forced to use antiriot vehicles to break up the demonstration. The events took place when a large group of demonstrators arrived at the municipal palace accompanied by (?leftist) senators Jorge Del Prado and Genaro Ledesma Izquieta who offered to mediate between the workers and the municipal authorities. The senators were not allowed to enter the municipal palace and this led to a struggle between the workers and security personnel. The struggle ended in a fistfight. The police were forced to break up the demonstration by aiming streams of water at the workers. In the end senators Del Prado and Ledesma met with Lima mayor [words indistinct] who told them that he was willing to take their demands into account, that is: withdrawal of the official charges against worker (Antalio Quisana) and other workers; reinstatement of dismissed workers and resumption of talks with the leaders of municipal workers. [Text] [FY252021 Lima Domestic Service in Spanish 1200 GMT 25 Nov 81]

PRC TRADE DELEGATION--At the end of a work meeting which PRC Machine Building Vice Minister Yang Keng held with officials of the National Confederation of Merchants he stated that trade between Peru and his country this year will amount to $65 million and that the trade balance is in Peru's favor. He also said that it is expected that trade will double by the end of next year. Yang Keng arrived in Lima heading a trade delegation of 15 businessmen which will meet with government officials and private businessmen during its stay in Peru with the objective of strengthening mutual trade relations. [Text] [FY071617 Lima Domestic Service in Spanish 1200 GMT 7 Nov 81]

FORMER COLOMBIAN PRESIDENT INTERVIEWED--Lima, 15 Nov (AFP)--Former Colombian President Carlos Lleras Restrepo said here today that his country's democratic regime is firm and that it is not staggering under the growing terrorist activities. Lleras, who arrived here to attend the 19th conference of executives which opens tomorrow, said that democracy in his country has a good basis despite divisions in political parties and that the main threats to democracy in the Americas are social inequality and the complexity of current economic conditions. Regarding the purchase of airplanes by Venezuela, he said that Colombia is not concerned about it but what really concerns Colombia is when other countries try to emulate Venezuela's purchase of planes. He also denied that Colombia has taken an interventionist attitude in El Salvador but explained that his country did oppose the French-Mexican declaration regarding the internal affairs of Central America. Regarding terrorism he said that this is a difficult problem to deal with because it varies from one country to another but that as much effort as possible must be made to enforce respect for the law and human rights. He went on to say that the role of the armed forces is to maintain the constitutional order. He also denied that he has been proposed as a candidate for the presidency. This is something I do not want, he said. [Text] [FY171329 Paris AFP in Spanish 1937 GMT 15 Nov 81]

CSO: 3010/367

BRIEFS

COOPERATION WITH NETHERLANDS--Planning Minister Ricardo Martinez visited the Netherlands on 12 and 13 November and met with the ministers of economy and agriculture. They reviewed cooperation programs between the two countries. The minister reported that the Netherlands is interested in cooperating in the naval industry, in an agricultural master plan for the oil producing zone of the Orinoco and in irrigation and water and soil projects. That country has a great deal of experience in these areas which could be adapted to Venezuela's needs. Cooperation agreements between the two countries could be signed in January 1982. [Caracas Radio Continente Network in Spanish 2100 GMT 17 Nov 81 PA]

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END

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No. 2415

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BRIEFS

GAS WELL--Paulipetro [Sao Paulo oil company] has reported that gas has been found in a well being drilled in Cuiaba Paulista region and that its initial output is 90,000 cubic meters of gas per day. [PY281801 Sao Paulo Radio Bandeirantes in Portuguese 1552 GMT 28 Nov 81]

NATURAL GAS IN PARANA--Paulipetro (Sao Paulo oil enterprise) yesterday reported that signs of light hydrocarbons have been detected in the Parana Basin. [Sao Paulo FOLHA DE SAO PAULO in Portuguese 23 Oct 81 p 31]

SEA OIL WELL--Petrobras has reported that oil has been found in the Campos continental shelf, 87 km off shore. The initial yield has been 1,600 barrels per day. [Paris AFP in Spanish 1433 GMT 20 Nov 81]

CSO: 3001/43

PRISON GETS SOLAR HEATING SYSTEM

Santiago EL MERCURIO in Spanish 1 Nov 81 p C 4

[Text] A modern solar energy system, started by the French, will be responsible for providing hot water and heating to the 1,328 prisoners who will be sheltered at the Metropolitan Center for Social Rehabilitation, located along the San Martin International Highway in Colina.

The time limit of 320 days to construct the project, all of whose buildings are now ready, expires on 27 November. The investment, which comes from treasury funds, is $18 million.

EL MERCURIO yesterday made a tour of the various sections of the model prison accompanied by engineer Sergio Rivas of the Delta construction company, which is building the prison.

Small City

The Metropolitan Center for Social Rehabilitation already has the look of a real city. With its perfectly developed streets it is divided into three areas, which are defined according to their use and location. These areas are: administrative; job, education, religion and education; and a third area assigned for the prisoners' bedrooms.

Sergio Rivas pointed out the character that was imparted to the project to "effectively" achieve a center for rehabilitation. In this regard, Rivas emphasized the existence of a transparent circle that in the shape of a C surrounds 80 percent of the grounds, allowing the prisoners to see the beautiful countryside where the prison is located.

Currently the Delta company is finishing the details on each building and setting up some gardens and surfaces allotted for the prisoners' recreation.

Behind the administrative and personnel block, through which visitors will enter, we also find completed the buildings of the diagnostic and treatment unit, the hospital, the covered gymnasium, the big dining room, the kitchen and laundry, the thermal power station and warehouses, a school, the church, the industrial and crafts workshops, the six dormitory buildings and the stadium with grandstands and grassy courts.

This whole complex adds up to a constructed surface of 31,000 square meters, which was built in a record time with the participation of 700 persons plus the team of professionals who planned the project and were responsible for its execution.

Solar Energy

Despite the prisons's having various features that, according to its builders, make it one of the most modern and complete in Latin America, attention is drawn to the system of solar plates installed on the six dormitory buildings and on one of the warehouses of the prison.

The function of these solar plates is to provide hot water and heating to the prisoners, through a system that will pay for itself in a few years because of its great usefulness to the prison population, according to sources.

Security

The prison is surrounded by a mesh circle made of a "highly resistant" material. It includes two parallel lines separated by a space of 15 meters, called the "security area," where it is believed that magnetic fields and television cameras will be installed to avoid escapes.

Together with this, surveillance booths provided with a radio system are distributed throughout the perimeter of the rehabilitation center.

It is believed, moreover, that the prison will start to operate in the early months of 1982, as soon as they are finished equipping it, and as soon as the guards, who are already familiarizing themselves with the buildings' features, have finished their training period in the modern structure.

9545
CSO: 3010/138

WORK BEGINS ON COLBUN MACHICURA HYDROELECTRIC PLANT

Santiago EL MERCURIO in Spanish 6 Nov 81 p C 12

[Article by Eliecer Villarroel Medina]

[Text] Talca--Tomorrow work will be underway on the contract for ENDESA (National Electric Power Inc) by the Chilean Spanish consortium Inela-Huarte to build the structures of the Colbun-Machicura hydroelectric complex, which will return the waters of the Maule River, restoring them to irrigation.

The consortium consists of the Chilean construction company Neut Latour and the Spanish firm Huarte, and the contract is for $42 million.

As a result of the hydroelectric works, which require the building of artificial dams in Colbun and Machicura on the Maule River, irrigation of the area presently served by the North Maule and South Maule systems will be changed.

The return of the waters and the restoring of irrigation will increase the possibility of available water supply for about 200,000 hectares.

The new system will consist basically of a master canal that will receive the flow of the river from the discharge of the Machicura power station and through delivery from the Colbun dam.

The waters expelled through the Machicura power station or through the spillway of the dam will be restored to the Maule River through the return canal, whose capacity will be about 380 cubic meters per second.

The ceremony for getting the work underway, which will include the presence of the Intendant, Colonel Sergio Perez, as well as high-level personnel of the Inela-Huarte consortium, will take place tomorrow in the La Orilla district, at 17 kilometers on the road from Bobadilla to Colbun.

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CSO: 3010/138

MINISTER URGES FOREIGN INVESTMENT IN OIL EXPLORATION

Quito EL COMERCIO in Spanish 6 Nov 81 p A-1

[Text] The need to turn to foreign investments to provide incentives for the hydrocarbons industry was discussed by Minister of Natural Resources and Energy Eduardo Ortega yesterday, while he noted that if such resources cannot be found, the country is in danger of having to import crude oil by the end of this decade.

He noted that the hydrocarbons industry requires vast investments which the country does not have. By way of example he said that to explore a sector of 200,000 hectares in the Amazon region, a minimum of $25 million is needed, while to explore a similar area at sea, the sum required is $50 million. From this it can be concluded, he said, that to explore the five blocks in the eastern zone, the amount needed would be $125 million.

He reiterated that since the government of Ecuador does not have sufficient economic capacity to cover the cost requirements of the hydrocarbons industry, the need for foreign capital becomes urgent.

He said that with this in mind, it is necessary to adapt domestic legislation to the new reality. Intensive exploration and exploitation have not been achieved within the framework of the present norms, he noted. This means that something is wrong. The government has therefore proposed a series of amendments to the hydrocarbons law to the National Chamber of Representatives.

However, he went on to say, the amendments are not an end in themselves but a means of obtaining foreign investments. Therefore, the government does not insist on them, but it also wants to make it clear that there is no other suitable way of achieving this goal. Moreover, he said, there is a national consensus on the need to have recourse to foreign risk investment in the hydrocarbons sector.

The natural resources official noted that 55 percent of the export income comes from sales of hydrocarbon fuels and that this sector accounts for 90 percent of the energy sources. This is an indication of the importance of hydrocarbons and the dependence of the national economy on them.

He explained that the goals of the government policy in this connection are specifically greater production of hydrocarbons and rationalization and savings with regard to them.

He stressed that the country has, in addition to the concession blocks granted to the CEPE [Ecuadorean State Petroleum Corporation] and Texaco, 25 blocks in the Amazon region, 30 blocks on the coast and 16 offshore, all of them meriting immediate exploration.

In fact, he emphasized, the economic capacity of the country is not sufficient to undertake this great task, which can no longer be postponed. Thus the national government has determined that it is necessary to turn to private investment, be it domestic or foreign, within the limitations allowed by our legal structure.

Minister Ortega stressed that the amendments to the hydrocarbons law include a new type of agreement, a service contract for the exploration and exploitation of hydrocarbons, by means of which the state will not only promote exploratory activity in our national territory but will retain real and effective control over the resources discovered.

He added that this type of contract gives the contractor priority rights in purchasing all or part of the exportable balance. He said that according to this system, if a contractor uses his own economic and technical resources and discovers hydrocarbon substances, he is entitled to reimbursement for his investments, costs, expenditures and payments for services rendered, entirely in cash and not in oil. However, he said, the contractor has a priority right to purchase the resources found at the price prevailing on the international market. If the company does not find the resources being sought, the CEPE is not required to pay reimbursement of any kind.

He said that these amendments were submitted in due course to the National Chamber of Representatives for study and approval, but that to date no positive action has been taken. The national government has carried out its historic responsibility, because it has taken the steps necessary to encourage exploratory activities, he stressed, repeating that the amendments proposed pose no threat at all to the dignity of the state, national sovereignty or the interests of the collective, but will greatly benefit the country.

He also revealed that the CEPE has set in motion a number of investment programs, among which he mentioned the secondary recovery efforts in the Shushufindi and Sacha fields, with a view to obtaining an increase in the recoverable reserves of the country within a period of 30 months totaling about 422 million barrels of crude oil, which will make it possible to produce 10,000 additional barrels of oil per day. This program will be carried out jointly with Texaco in the partnership areas.

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CSO: 3010/286

BRIEFS

ALTERNATE ENERGY SOURCES--The National Energy Institute has developed prototypes of solar panels, low-power wind control apparatus, biodegradation mechanisms and improved stoves, the Ministry of Natural Resources has announced. It was also revealed that in accordance with the research program on new energy sources, the institute has established energy use options making it possible to utilize all the resources available, to which end it is necessary to choose the renewable technologies which will make it possible to resolve each of the problems which our country is likely to face immediately. Within this framework, the National Energy Institute and the National Polytechnical School have developed a prototype for a low-power wind plant in one project. This plant will utilize wind energy, which will be converted to electrical energy by means of a mechanical system, it was explained. The importance of prototypes based on the knowledge that sun and wind sources, among others, are free and also allow maintenance of the ecological balance, it was added. It was also stated that the initial application of wind energy uses will be in the neglected rural sectors, where it will operate grain mills, water pumps, and will provide electrical energy for craft enterprises and residences, among other things. [Text] [Quito EL COMERCIO in Spanish 29 Oct 81 p A-6] 5157

CSO: 3010/240

CERRO PRIETO TO SELL POWER TO U.S. BY 1984

Mexico City EL DIA in Spanish 11 Nov 81 p 8

[Text] By 1984, the geothermal plant in Cerro Prieto will be ready to start the flow of power that will be sold to the American companies San Diego Gas and Electric Company and Southern California Edison Company, whose representatives, E.N. Helm and R. Watking, were in Mexico to inspect some technical areas in the connection system for delivering power.

The contract was signed in November of last year between both firms and the Federal Electricity Commission [CFE], calling for the sale of 220 megawatts per day for 10 years.

Helm and Watking indicated that the infrastructure which will make the sale of power to the companies that they represent possible will be totally financed by CFE, adding that the terms of the purchase and sale include possible changes in the rates per megawatt.

The foreign exchange income involved in the sales contract, with supplies coming from the plant located in Mexicali, Baja California, amounts to $200 million per year for Mexico.

Both representatives claimed that Mexico will accrue as a benefit from this agreement the creation of jobs in the area in which the plant is located.

2909
CSO: 3010/350

PEMEX HAS PLAN TO SAVE ON DRILLING COSTS

Mexico City EL SOL DE MEXICO in Spanish 9 Nov 81 Sec B p 3

[Text] A scientist announced, on the basis of research done by the Mexican Petroleum Institute, that chemical products made from agricultural and industrial waste will make it possible to save from 3 to 5 million pesos on each well drilled by PEMEX [Mexican Petroleum].

Successful drilling of wildcat wells has already taken place in the area of Villahermosa, Tabasco, where the drilling fluids obtained through the use of waste material were employed.

Chemist Rosa de Jesus Hernandez claimed that the application of this new technique has opened new prospects for PEMEX, adding that, as a result of the processing of the fluid which, in addition to being of low cost affords a reduction in the drilling expenses, there may be a savings of from 3 to 5 million pesos per well.

She noted that an attempt is also being made to eliminate the payment made to import containers, and a study is being conducted on the possibility of making them in Mexico out of waste polyethylene, natural fibers, sheet metal and other materials.

At the present time, in drilling a well use is made of fluids made with chemical products manufactured from raw material, or also with imported finished products which are too expensive. When one considers the fact that they are used on a large scale as well, the expense increases sizably, and tends to make the activity detrimental to the economy and the balance of payments.

Those were the main reasons which prompted the Petroleum Institute to engage in a search for raw material derived from agricultural and industrial waste.

Chemist Hernandez Alvarez said that, in Mexico City alone, the industrial waste amounts to 20,000 tons per day, sufficient to meet the demand for the manufacture of chemical products with a high degree of consumption and, at the same time, to aid in solving the problem involved in discarding, burning or storing waste of this kind.

She explained that the experiment has made it possible to cut costs, not only in the drilling of oil wells, but also with respect to water and geothermal areas. At the same time, it will replace imports of the pertinent chemical products, the worldwide demand for which will rise from $23 million to $142 million worth by 1990.
2909
CSO: 3010/350

ANDEAN PACT REACTIVATION AMID INDUSTRIAL SECTOR CRITICISM

Negative Trade Balance

Caracas RESUMEN in Spanish 1 Nov 81 pp 38-39

[Text] Experience has shown that Venezuela does not need either joint programming or the Andean Pact Group for its development.

According to the experts on the subject of the Latin American economic integration process "is just at the expectations stage without anything concrete or positive in prospect, at least for the present." A great deal has been said and written about the merits of the idea but there is a wide gulf between this and the conclusion of practical agreements which would make integration, which has been so ardently yearned for as an ideal, actually workable for Venezuela. In nations of the south, it is now being said that perhaps the fate of the Andean Pact will be known in December; that means that it is beyond the "we'll see" stage.

Meanwhile, in the other Andean Pact nations a thousand and one conjectures are being made as to the Pact's advantages and disadvantages for each country. It has been reported here that the Foreign Trade Institute (ICE) is looking into a "total renegotiation of the automotive program," which means a fundamental change in one of the key programs.

The issue does not stop there. Dr Jose Raul Gonzalez Agreda, as acting president of Conindustria, recently commented on the much discussed Declaration of Caraballeda in which the industrialists demanded that "Venezuela withdraw from the Pact." Some political circles expressed their disagreement with this. Doctor Gonzalez said their disagreement was an off-the-cuff assessment, that they know nothing about and have nothing to do with the Venezuelan production apparatus. They speak about the problem as mere dilettantes, inspired by so-called "ideals" which have nothing to do with the prevailing economic reality of the subregion. The news has just come out that the Venezuelan Industrial Council "will propose a plan for modifying the Andean Pact." This report is based on a new document which presents more arguments on the need for modifying the Pact.

What will be the outcome of all of this? That is an open question. Probably a long time will go by before the many unknown aspects of this problem are clarified. No sensible perion doubts that the question is very difficult, especially because

of the great risks and losses Venezuela may incur in any integration of countries which economically are so heterogeneous. To get a general idea of this colossal problem, it is enough to know what Corindustria has said about the "structural differences between Venezuela and the other Andean Pact nations." And if this is not enough, there is a recent "Analysis of the Subregional Integration and the Situation of Venezuela in Relation to It so Far as the Metal-Mechanic Sector is Concerned." This was sent to the president of the republic on 4 August 1981 by Engineer Esteban Godayol Rovira, president of the association of Metallurgical and Mining Industries, the text of which was published recently in RESUMEN.

Critical Analysis

"...One may say that the Cartagena Agreement is logical in its theoretical concepts. However, it is precisely in the long term policy concepts that our country has characteristics totally different from the other nations," according to Drs Elena Rosenblat Mendoza and Franklin Rojas Penso who point out: "...more than 10 years after the Cartagena Agreement was signed, experience has shown the impossibility of programming everything that was planned, and difficulties have arisen in the approval of common tariff rates and basic trade regulations."

"Experience has also shown," they add, "that Venezuela does not need either joint programming or the Andean Group for its development."

In one section of the critical analysis, Drs Elena Rosenblat M and Francisco Rojas P stated the following:

Results of the Agreements

Let us analyze the consequences of the inclusion of Venezuela in these plans with regard to the flow of trade as well as specific aspects of marketing and the foreign investment system.

1) Analysis of the flow of trade

Andean Group

a) Importance of Venezuela (Table I)

During the period 1974 to 1979, Venezuela made more than 34 percent of the total exports, including fuels, of the Andean Group to third countries. The high percentage is due to the rise in petroleum prices. Later there was a drop in Venezuelan exports which again rose sharply in 1979, almost to the 1973 level.

From the point of view of Venezuelan negotiating power, as a member of the Andean Pact, with third countries it is more important to determine Venezuela's relative share of the Group's total imports.

During the period analyzed, imports were at least 51 percent of those of the Andean Pact market, having reached 63 percent in 1977 and then dropped to 52 percent in 1979.

b) Venezuelan trade with the Andean Group

Venezuelan exports to the Andean Group (see Table II) averaged about 2 percent of the total Venezuelan exports. Similarly, Venezuela buys from the Andean nations less than 3 percent of its total purchases.

c) Composition of Venezuelan export to the Andean Group

One can see in Table III that most of Venezuelan exports to the Andean nations are petroleum, more than 80 percent of the total up to 1979, although in 1980, nontraditional products rose to 25 percent of the exports.

Analyzing next the composition of the nontraditional exports (Table IV) one can see the important role of aluminum ingots which during this period constituted more than 34 percent.

Two conclusions may be reached from this analysis:

The largest percentage of Venezuelan exports to GRAN [Andean Regional Group] are of petroleum and aluminum. Therefore, although this is not the objective of the integration, Venezuela tends to duplicate, in its trade with the nations with which it is integrating, its role as an energy exporting nation.

Evidently the sales of petroleum are not due to preferential customs treatment. Those of aluminum, on the other hand, are due to the guaranteed supply which Venezuela provides to the Andean countries.

If we add to this that the other marketed products (fertilizers, steel products) are on the reserved list, we may conclude that the Andean Group has not stimulated the export of nontraditional Venezuelan products. In 1980, Venezuela's share of the Andean trade of nontraditional products is just 6 percent while the shares of Colombia and Peru together amount to 85 percent of it, according to Andean Group Information Bulletin No 109 of February 1981 issued by the Board of the Cartagena Agreement.

d. Balance of Trade

Table V, which includes data on fuels, shows that while Venezuelan exports increased only 1.78 percent during the entire period of 1974-1979, total imports from the Andean nations increased 575 percent during the same period.

Therefore the surplus in 1974 of USA $152 million became a deficit during the last 2 years: of USA $126 million in 1978 and USA $113 million in 1979. If one considers only the Venezuelan exports of non traditional products, the result is even more discouraging. While the Venezuelan exports between 1974 and 1978 increased 2.2 times; its imports increased 6.8 times. The result was that the deficit increased 11.5 times, growing from U.S. $23 million in 1974 to USA $263 million in 1979.

Tables

Sources: In general all the data was taken from "Evaluation of the 1969-1979 Integration Process," Lima 1979 issued by the Board of the Andean Pact (JUNAC), with the exception of the following:

(1) Banco Central of Venezuela, INFORME ECONOMICO 1979

(2) Banco Exterior, notes December 1980

(3) Our estimates based on data for 11 months of 1980, provided by the Foreign Trade Institute

(4) Information provided by the Statistical Unit of the Cartagena Agreement Board

(-) Not available

Table I

Venezuela's Importance Within the Andean Group (GRAN) (Millions of U.S. $) (including fuels)

Year	Total GRAN Exports	Total Venezuela Exports	2/1 %	Total GRAN Imports	Total Venezuela Imports	4/3 %
1974	19,763	15,197	77	8,458	4,279	51
1975	15,316	11,117	73	11,348	6,157	54
1976	14,265	9,418	66	12,573	7,469	59
1977	15,938	9,939	62	15,586	9,813	63
1978	17,000 (2)	9,174 (1)	54	19,363 (2)	11,234 (1)	58
1979	21,000	14,199	59	21,000 (2)	10,837 (1)	52

Table II

Year	Total Venezuela Exports Millions $USA	Exports from Venezuela to GRAN Thousands $USA	2/1 %	Total Venezuela Imports Millions $USA	Imports by Ven from GRAN Thousands $USA	4/3 %
1974	15,197	198,381	1.30	4,279	46,687	1.09
1975	11,117	134,211	1.20	6,157	95,753	1.55
1976	9,418	168,251	1.78	7,469	117,034	1.56
1977	9,939	321,328	3.23	9,813	177,956	1.81
1978	9,174 (1)	120,211 (4)	1.31	11,234 (1)	246,302 (4)	2.19
1979	14,199 (1)	201,931 (4)	1.42	10,837 (1)	315,188 (4)	1.90

Table III

Totals: Percentages of Non-Traditional Exports

Year	Venezuela Exports To GRAN Thousands $USA including fuel	Venezuela Exports To GRAN Thousands $USA without fuels	2/1 %
1974	198,381	23,798	12.0
1975	134,211	24,104	18.0
1976	168,251	25,935	15.4
1977	321,328	26,556	8.26
1978	120,210 (4)	23,290	19.4
1979	201,931 (4)	52,058 (2)	25.8
1980	(-)	73,469 (3)	(-)

Table IV

Composition of the Non-Traditional Exports to GRAN

Year	Total Non Traditional Exports Thousands $USA	Aluminum Exports Thousands $USA	1/2 %
1975-77	77,000	26,000	34
1978	23,291	8,086	35
1979	52,053	18,045	35
1980	73,469 (3)	24,727 (3)	34

Table V

Venezuelan Trade Balance with the Andean Group

Year	Exports Thousands $USA	Imports Thousands $USA	Balance Thousands $USA
1974	198,381	46,687	151,694
1975	134,211	95,753	38,456
1976	168,251	117,034	51,217
1977	321,328	177,956	143,372
1978	120,211 (4)	246,302 (4)	-126,091
1979	201,931 (4)	315,188 (4)	-113,257

Commission President Outlines Problems

Caracas EL NACIONAL in Spanish 29 Oct 81 p D-13

[Article by Agustin Beroes on president of the Cartagena Agreement Commission, Edgar Moncayo's press conference in Caracas on 28 Oct 81.]

> [Text] According to the president of the Cartagena Agreement Commission, internal problems of a political nature prevented the holding of meetings during the first 6 months of this year.
>
> In November another meeting will be held in Quito and an effort will also be made to hold another one, of an intermediate nature, before then.
>
> The Andean Pact should be adjusted to the new international economic conditions.

"The most important step needed to revitalize the Andean Pact is to carry out completely the agreements and decisions already reached before making new commitments so as to give the Cartagena Agreement respectability and reliability."

The above statement was made by Edgar Moncayo, president of the Cartagena Agreement Commission, which is at present meeting in Caracas and is attempting to arrive at formulas which will reactivate the Andean Pact and justify its existence in the present and immediate future in view of the virtual standstill at which the subregional agreement finds itself.

During a press conference held yesterday noon, Moncayo pointed out that the current crisis of the agreement, which prevented the member nations from meeting during the first half of this year, is due primarily to political problems, internal or bilateral, of each of its member nations.

He mentioned the border war between Peru and Ecuador, the negotiation of the dispute between Venezuela and Colombia and the delicate Bolivian political crisis. These problems prevented the meeting of the bodies making up the Andean Group.

He said, "After direct negotiations between the presidents of the countries and a meeting held recently in Colombia we are reconstructing the weakened union and are making an analysis of the immediate actions which could contribute to this end."

It is precisely within this framework that this meeting in Caracas is taking place. It is the second since the moments of great crisis which interfered with the holding of meetings. A date has also been set for another meeting in Quito at the end of the year. The present Caracas meeting falls within the 38th period of plenary meetings which were agreed to in Colombia.

"This series of Colombia-Venezuela-Ecuador meetings aims at incorporating government opinions into the process of revitalizing the Cartagena Agreement." He then said that the agenda prepared for Caracas, where the current meeting is being held, is "very tight."

"In these discussions priority has been given to implementation of the agreements and decisions already agreed upon by the Pact."

Moncayo also said that they will take up subjects related to the concrete results of the sectorial programming, the initiation of discussion of a timetable for implementing these programs, the joint action of the Andean Pact nations, within the framework of Aladi [Latin American Integration Association], so as to be able to negotiate internationally.

They will also discuss matters relating to the incorporation of the agriculture and livestock industry into the integration process, as well as the physical infrastructure and the participation of entrepreneurs and the labor sector. He said, "The latter has been neither active nor decisive."

When he was asked about the denunciations of the Andean Pact by the Venezuelan Industrial Council [Coindustria], Moncayo replied that this was due to very private interests of some sectors of Venezuelan entrepreneurial groups and that those denunciations are totally baseless.

Moncayo then spoke of the sectorial program which is not on the agenda. He said, "There is talk of revising industrial development programs but this problem has been very poorly handled. The Commission is not trying to cover up. It is a question of recognizing that these programs have been found hard to carry out."

Later on he said that these problems are due rather to world problems and the Cartagena Agreement is attempting to provide a new operational and functional policy for the subregional agreement.

"We see clearly a policy of expanding the free trade sector and lowering the priority of the industrial program. Probably, except for the steel industry program, no other new industrial programs are likely to be approved."

Moncayo pointed out specifically that the principles on which the Andean Pact were based have been changed from those of 12 years ago when it was created and so the priorities which were set must be changed. Along with this, there have been important political changes in each of the countries so that the political distribution of the Agreement is not the same.

Finally he said that the Andean Pact should take on a new economic dimension as a result of the current world economic situation: "This means the intensification of the Andean Pact's international relations within the framework of the southern nations' relationship with one another."

Expectations for 1982

Caracas EL NACIONAL in Spanish 30 Oct 81 p D-8

[Article by Rosa Uztariz]

[Text] Wednesday night there was an interesting meeting at Miraflores (Foreign Ministry). Government figures met with representatives of the private and in-

dustrial sectors. "We are in an excellent position to smooth out differences and create a climate of trust indispensable for making these proceedings serve an active and fundamental purpose."

Sebastian Alegrett, president of the Foreign Trade Institute, ICE, said the above on leaving the hall, where a sizable group was holding the 32d Regular Meeting of the Cartagena Agreement Commission. He stated further, "The meeting is proceeding normally. The agenda is being followed. I am especially satisfied with the participation and cooperation of the private sector in the various events."

There is an atmosphere of optimism in Conference circles at Parque Central. The common denominator of the enthusiastic participants is a cheerful greeting with an Andean accent. They agree that "1982 will be the year of the Andean Pact."

[Question] Dr Alegrett, is there any basis for all this optimism?

[Answer] I believe that this Caracas meeting has facilitated contacts between entrepreneurs and Commission members and has cleared up many of the doubts, misunderstandings and distrust harbored up to now, especially by the industrial sector.

The fact that the government listened to its proposals of the 19th of this month (October) on which there was a meeting attended by the Ministers of the Treasury, Development, Cordiplan, MAC [Ministry of Agriculture and Livestock] and ICE, on one hand, and Perez Mijares, Gonzalez Agreda, Salas Romer and other on the other hand, has made us see that by exchanging views we may come to respect each other's position and there are cordial relations between us. We have also seen that a radical solution is not necessary and that the Cartagena Agreement can solve internally the problems that arise and will provide a solution which is adequate to bring about successful integration."

Edgar Moncayo: 1982 Will Be a Crucial Year

The president of the Cartagena Agreement Commission, Edgar Moncayo, an enthusiastic and cheerful young man, stopped and said,

"The meeting is going well. The failure to keep the agreements is being analyzed exhaustively. Venezuela was 2 years late in carrying out the Free Trade Program, and the responsible chairman has agreed to put it into effect within a month. The Minimum Common Foreign tariff and the Free Trade Program will remain on schedule and in 1983 we may have entirely free trade among the large countries; and other problems, such as that of Customs Nomenclature, will have been solved.

[Question] When do you expect to see concrete results?

[Answer] This meeting is part of a series planned to reactivate and adjust Andean integration. The first meeting was at Paipa, we are now holding the Caracas meeting, in December there will be one in Quito and another in Cali. At the end we will have a full picture of the situation. We are bringing ourselves up to date.

Roberto Persivale Serrano

"We are in the transition to integration. We must cast aside any uncompromising and closed attitudes and make a long-term economic evaluation of the benefits of full integration."

Roberto Persivale, minister of industry, tourism and integration, is one of the members of the Peruvian delegation participating in the Cartagena Agreement meeting. He believes that the difficulties faced by the Pact are due to concrete and logical needs inherent in any process, and he describes the present period as a "transition to integration."

On the basis of this analysis, he believes that the attitude of the industrialists in general, should take this position.

"The successful industrialist or entrepreneur has reached his position by making large investments which he does not want to risk because he links the present with the past, because he sees that future steps may be expensive, because during the transition he may lose markets he already has and he would be forced to increase the productivity of his industry by lowering prices to the Venezuelan consumer, and other nations may take away his customers. He does not see that along with these drawbacks, he will also reap additional benefits such as selling his products to other countries which in the long run will produce greater profits for him. But this will require that he work hard, and it will take time."

Persivale, who is also deputy for the Popular Christian Party of Peru, believes that at the CAES (Economic and Social Advisory Committee) meeting, which is part of the Cartagena Agreement, a very significant procedure was followed, namely that the three representatives of the entrepreneurs and the three of labro were elected by their organizations, not by the governments as had been the custom.

"In the case of Peru, it was the Society of Industry, The Exporters Association and the Chamber of Commerce who did the electing; this is the new tonic we are giving the Andean Group."

[Question] Some days ago there was uneasiness due to the Peruvian statements regarding the limitations of Decision 24. What is the current position of your country on this matter?

[Answer] After a period of stalemate and paralysis of the Group due to political matters which we all know about, the governments have made official pronouncements. In August 1981, the president of Peru, in September that of Colombia and last Wednesday that of Venezuela, as well as President Herrera Campins at Cancun, have all stated that they are in agreement, satisfied and happy with Decision 24 which regulates foreign investments. In the case of Peru, the statement by President Belaunde Terry marked the completion of the review by the new democratic regime of the international agreements and commitments of Peru, among which the Andean Group is of the greatest importance. This was interpreted as a change, but actually it was just a study. Peru and all the partner nations believe that the rules of the game for foreign investments are really attractive.

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CSO: 3010/248

BRIEFS

PERUVIAN PROJECT SUPPORTED--Yesterday Ecuador indicated its firm determination to work with and support the Peruvian project for linking the three South American river basins--those of the Orinoco, Amazon and La Plata Rivers. The head of the Ecuadorean delegation, Teodoro Bustamante Munoz, told the press that the meeting of technical specialists on the interlinking of these basins is of special importance to his country because of its vast implications. Concerning relations between Peru and Ecuador, Bustamante said that the Lima meeting provides an opportunity to deal with problems "with courage, resolution and a spirit of compromise." He added that there is a firm determination to eliminate the causes of resentment so that the factors uniting the governments of Presidents Fernando Belaunde Terry and Oswaldo Hurtado can prevail. He stressed the generosity and hospitality of the Peruvian Government and said that the interlinking of the three basins, which would create the longest waterway in the world, linking 11 Latin American nations, offers the prospects of a promising future. This project, Bustamante went on to say, will open up new possibilities for utilizing natural resources to the benefit of millions of Latin American citizens. [Text] [Lima LA CRONICA in Spanish 22 Oct 81 p 2] 5157

CSO: 3010/240

'HERALD' SEES PUBLIC ANXIOUS OVER PRESIDENTIAL SITUATION

PY031952 Buenos Aires HERALD in English 3 Dec 81 p 8

[Editorial: "Up for Grabs?"]

[Text] The Argentine political crisis was already bad enough before President Roberto Viola was suddenly taken ill and ordered to rest for a few weeks. Since the news of his bout of high blood pressure and his heart problems was made public, however, the crisis has gotten a good deal worse. But it is not, needless to say, concern for the president's health alone that is disturbing Argentines. Doubts about the president's chances of returning to office, doubts about the motives behind the policy changes introduced by acting president Horacio Liendo, and doubts about the intentions of the army commander-in-chief General Leopoldo Galtieri have combined with the regime's taciturnity to plunge the nation into a state approaching anguish. Nobody outside a small circle of men really knows what is going on. There is, however, a widespread suspicion that the country's immediate fate will be decided by a confused power struggle now going on among several different interest groups. Argentines, in other words, strongly suspect that their country is once again up for grabs and will fall into the hands of whoever manages to mobilize most power at the appropriate time.

The feeling that minorities within an already small minority are scheming for power behind the backs of the people will do nothing to increase public confidence either in the "process" or in any other program of military rule. It is quite intolerable that the government of a country of Argentina's stature should be decided not by consultations with the representatives of the Argentine people nor even by orderly and public consultations among the ruling minority, but by obscure intrigues. This, however, is what many people obviously believe is happening right now. Unless they are proved to be utterly wrong, the result will be to destroy whatever residue of confidence in the authorities may remain and poison the already fetid atmosphere still further. This would mean that whoever turns out to be the ruler of Argentina after the present period of imprecision has passed will find himself in charge of a country whose population has no faith either in him or in his government and only wants both to depart as soon as possible.

For a short time in 1976 much of the country accepted the "process." Although many people had serious misgivings, they acquiesced to military rule and in so doing gave it as much legitimacy as it could possibly have. Since that initial period, however, the "process" has been steadily losing support. After the latest series of episodes, its chances of getting a larger share of the votes in a general election than was won by Brigadier Ezequiel Martinez in 1973 will be small. The regime's indifference to public feelings about it would be understandable, although not justifiable, if it could boast of a number of significant achievements. Unfortunately for Argentina, it cannot even do that. It is in fact hard to believe that holding elections after a reasonably short and clearly specified period would be more risky than continuing with a military government that, since defeating left-wing terrorism, has achieved none of its objectives. Nothing suggests that this alternative is even being considered by the people close to power. Whatever else happens, the government of Argentina seems certain to remain the concern of a handful of people accountable only to themselves, whose objective will simply be to cling onto power for as long as possible. Argentina, however, belongs to all Argentines, not just to a few. Any attempt to exclude the representatives of a vast majority from power forever is sure to cause the country irreparable damage and to reduce its prospects of ever becoming the prosperous democracy the military have always insisted is their overall objective.

CSO: 3020/30

POLITICAL LEADERS SEEK INFORMATION ON DISAPPEARED

PY031938 Buenos Aires HERALD in English 3 Dec 81 p 9

[Text] (NA)--Leaders of several political parties said in a statement issued yesterday that Argentine society has "the right to know the fate and whereabouts of missing people, and even more so when everything leads to conclude that the authorities have ample information on the subject."

The 60-line document starts: "The subject of human rights violations as a result of repressive action by the state is a central problem in Argentine life. The question goes beyond the pain involving thousands and thousands of families, with the drama this implies."

The statement goes on to say that one of the main causes for the appearance of violence in Argentina "was the recurrence of political crises," adding that after the 1966 overthrow of Arturo Illia's constitutional government, youth "did not find structured ways to express itself."

"Violent acts that took place later were serious, as were their human and political consequences. But even more serious was the decision of binding the state itself, and so the whole community, to a massive repression, carried out outside any legal framework," the statement says, adding: "The arrest and disappearance of thousands of persons, including pregnant women, teenagers and small children, on whose fate and whereabouts no one reports, are today the most tragic expression of this painful episode in our history."

The politicians go on to say that, in the face of this, it is impossible to explain why political leaders attend meetings at "commands and barracks, where these delicate questions are discussed while being kept hidden by both sides from the general public, which constitutes a serious (act of) complicity."

The statement adds: "The arrogance shown by high-ranking officers of the armed forces, who want to prevent the events for being reviewed now or in the future, is a poor substitute for the requirements of truth and justice (current) circumstances demand."

Saying that "...no argument is valid in the face of ethical and humane reasons," the statement adds its criticism of a government project for a political parties statute which "would try to force silence over the facts."

Among politicians signing the statement are: Vicente Saadi, Wilda Garre, Jose Serrabayrouse, Mario Campora and Jorge Vazquez (Peronists); Nestor Vicente, Guillermo Frugoni Rey, Enrique de Vedia, Angel Bruno and Augusto Conte (Christian Democrats); Alicia Moreau de Justo, Manuel Outerino, Oscar Palacito, Boris Pasik, Simon Lazara, Alfredo Bravo and Hector Polino (Socialists); Rafael Marino and Diego May Zubiria (Intransigents), Ricardo Molinas (Progressive Democrat) and Aldo Tessio (Radical).

CSO: 3020/30

COLUMNIST SEES 'IRREPARABLE' DAMAGE TO PROCESS

FY062100 Buenos Aires HERALD in English 6 Dec 81 pp 3, 13

[From the "Politics and Labor" column by James Neilson]

[Excerpts] Most disturbing of all to the old guard "process" loyalists was the sudden delivery of a new batch of economic measures that, it was agreed, ran totally counter to the "philosophy of the process," whatever that may have been. These, it seems, were cooked up by the Interior Ministry—the fief of acting president Horacio Liendo—on Saturday night and immediately issued without clearing them with the junta, let alone the hapless economy minister Lorenzo Sigaut, first. Although the "liberals" loudly lamented the backsliding these measures seemed to reflect, they were not really that heretical, consisting of partial exchange controls, indirect control of interest rates, a reserve fund for covering bad debts, and the creation of a foreign currency futures market, all of which might be considered by impeccably conservative governments in Europe without their running much risk of being accused of embracing developmentism or Bolshevism.

It was widely suspected, however, that there were far more to these measures than met the merely economic eye.

The most popular explanation was that they were part of a complicated power struggle between Liendo and those of his colleagues who want the "process" to continue on the general direction sketched out by Dr Jose Martinez de Hoz. According to this view, Liendo is throwing his weight about in a desparate attempt to shove the "process" into a new course.

One big mystery was President Roberto Viola's role in this affair. His supporters in the government did their best to convey the impression that he was the real mastermind behind the new initiatives and that when he returned to office the country would see something much more drastic. Viola's chances of coming back, however, wavered during the week and then fell sharply as it ended when it was stated that he would probably have to have by-pass surgery to put him back in working order. There was even talk about the advisability of sending him to St Luke's Hospital in Houston, Texas, so that he would have adequate treatment. Should this happen it would be in order to get him out of the country for a while, as Argentine surgeons are perfectly capable of doing the operations involved.

Viola's chances of remaining president depend less on his medical condition than on the shadowy political intrigue that is now going on in the upper reaches of the armed forces. On Wednesday it was reported that his old friend former president Jorge Rafael Videla has entered the fray as a mediator between Viola and army commander-in-chief General Leopoldo Galtieri, who is still the odds-on favorite to be Argentina's president by the time 1982 begins. Army HQ sources however, denied that Videla had seen Galtieri, thus making an already murky situation ever murkier. Viola, it would appear, refuses point-blank to throw in the sponge and his foes are unwilling to treat him as though he were a mere civilian president and simply boot him out.

Whatever happens, the last few weeks have been just as costly for the "process" as the previous year had been, and that, with the 6-month "transition" and the slow-motion Viola administration was bad enough. Were Viola to return the country would be doomed to new political crises within a week or so. If Liendo stays—an unlikely prospect, but nothing is impossible—doubts about his ability to survive would ensure a permanent state of unease. And if Galtieri takes over he will be seen as an usurper by the followers of Videla and Viola, in other words, the damage that has been inflicted on the "process" by the goings-on of the last few weeks is almost certainly irreparable and the belief that this military dictatorship was somehow different from others has been destroyed.

CSO: 3020/30

BRIEFS

UN RESOLUTION DRAWS CRITICISM--Another political show against Chile is under preparation at the United Nations. For a change it will now be staged by the Third Human Rights Commission which year after year condemns Chile for alleged violations of those rights. This year the document against Chile is sponsored by Cuba, Algeria, Mexico and Yugoslavia. These are the countries which have made a farce of legitimate democracy and human rights. But the show must go on. This year Chile was condemned by the Human Rights Commission and at the UN General Assembly for the following sins, in the opinion of the sponsors: The Chilean Government should be sanctioned for enforcing a political constitution which has been approved by 67 percent of the citizenry; Chile has also violated human rights when it tried to detain a terrorist group that commits murder and holds up banks; and finally because in the opinion of Cuba, Algeria, Mexico and Yugoslavia, Chilean courts do not fulfill their mission adequately. Naturally, Chile is the only country which is being accused. For the United Nations there are no human rights violations in the USSR where a Nobel Peace Prize winner like Andrey Sakharov is banished and on hunger strike. Neither does anything happen in Iran where popular and revolutionary courts sentence to death 100 persons every 24 hours. Nothing happens in Afghanistan either where the invading Red Army destroys entire towns with poisonous gases accusing them of being guerrillas who oppose the Soviet occupation. According to the third commission, only in Chile are human rights violated, thus deserving year after year the UN sanction. The farce is exposed once its sponsors are known: Cuba, Algeria, Mexico and Yugoslavia. [Text] [FY231447 Santiago Chile Domestic Service in Spanish 1000 GMT 25 Nov 81]

SANCTION LIFTED--Today the president ordered the lifting of the sanction imposed on four maritime workers of the eighth region [words indistinct] current regulations. The president announced his decision during a breakfast meeting with [word indistinct] leaders headed by (Martin Bustos) in the La Moneda Palace. The president indicated that this is the only time he is going to make this kind of decision. He added that this is a demonstration of his good disposition toward the workers. The maritime workers who benefitted by the president's decision are: (Juan Hector Sifuentes Gutierrez), (Reginaldo Segundo Troncoso Rodriguez), (Obduliano Bernardino Troncoso Rodriguez), and (Domingo Antonio Braga) who were banished on 29 October 1981 to various areas of the first and third regions of the country. In another report the government social communications agency, DINACOS, informed the public about the following this afternoon: Subversive

(Francisco Jose Astorga Guajardo), alias Tomas, was put today at the disposal of the first military court in Santiago. (Francisco Astorga), 37 years of age, a member of a subversive cell of the movement of the revolutionary left, MIR, was arrested on 7 November 1981. He is being accused of violating the law on control of arms and explosives, state internal security and illegal association. [Excerpt] [PY251116 Santiago Chile Domestic Service in Spanish 2300 GMT 24 Nov 81]

CUBANS ATTEND INTERNATIONAL MEETING--Cuban representatives are attending the international conference on computerized data processing which opened at the Diego Portales Building yesterday. The conference is also attended by representatives from 14 other countries. [PY010016 Santiago Chile TERCERA DE LA HORA in Spanish 24 Nov 81 p 11 PY]

POLICE OFFICIAL COMMITS SUICIDE--The prefect [chief officer] of investigations police committed suicide today. (Ulysses Barrios Castillo), 50, was the chief of this police unit. He was married and had a daughter. A communique issued by the investigations police today reported that (Barrios) killed himself over private matters while at home. [Text] [PY291653 Santiago Chile Domestic Service in Spanish 1630 GMT 28 Nov 81]

CSO: 3010/414

JOINT COMMUNIQUE ISSUED WITH LAOS DELEGATION

Havana GRANMA in Spanish 13 Oct 81 p 4

[Cuba-Laos joint communique, signed 11 October 1981 in Havana]

[Text] At the invitation of the Cuban Minister of Foreign Relations, Comrade Isidoro Malmierca, Comrade Phoun Sipaseut, minister of foreign affairs of the Lao People's Democratic Republic, paid an official and friendly visit to Cuba between 7 and 11 October 1981.

The minister of foreign affairs from the Lao People's Democratic Republic held fraternal and friendly meetings with Comrade Carlos Rafael Rodriquez, member of the Politburo of the Central Committee of the Communist Party of Cuba, vice-president of the councils of state and ministers of the Republic of Cuba; and Comrade Jesus Montane Oropesa, acting member of the Politburo of the Central Committee of the Communist Party of Cuba and head of the general foreign relations department of the Central Committee of the Communist Party of Cuba.

During this visit, the two ministers signed a collaboration plan on behalf of the Ministry of Foreign Relations of the Republic of Cuba and the Ministry of Foreign Affairs of the Lao People's Democratic Republic covering the years 1981-1985.

During the official talks, which took place in an atmosphere of friendship and mutual understanding, Ministers Isidoro Malmierca and Phoun Sipaseut engaged in a broad exchange of views on the development of socialist construction in their respective countries and bilateral relations, and opinions on the international situation, reaching full agreement on all the subjects discussed.

Both ministers indicated that the fraternal friendship and combative solidarity linking Cuba and Laos are strengthening and becoming deeper with every passing day. They voices the will of the governments of their countries to continue this strengthening and to expand bilateral cooperation.

The Cuban representative expressed his satisfaction with the successes achieved by the people of Laos in economic, social and cultural rebuilding and the defense of the nation since the founding of the Lao People's Democratic Republic, and in the application of the first five-year plan for development.

The Cuban representative also expressed satisfaction with the fact that the foreign policy of the Lao People's Democratic Republic is making an important contribution to the consolidation of peace and safety in Asia, and to the struggle for national independence, democracy and social progress. In this connection, it firmly supports

the seven principles set forth by the first deputy prime minister and minister of foreign affairs of the Lao People's Democratic Republic, Comrade Phoun Sipaseut, at the 36th Session of the UN General Assembly, and he confirmed that this position on the part of that nation, established after consultation and agreement with the People's Republic of Kampuchea and the Socialist Republic of Vietnam, demonstrated the good will of these nations and their desire to create an atmosphere of peace and stability in Southeast Asia.

The Cuban representative condemned the pressure and further threats of aggression utilized by the Chinese leaders against the people of Vietnam, Laos and Kampuchea, and denounced their policy of hegemony and expansion and the growing political and military cooperation between China and the United States, which is increasing the threat to peace endangering security in Asia and throughout the world.

The representative of Laos expressed his satisfaction at the successes achieved by the Cuban revolution in the political, economic and social aspects of building socialism and the fulfillment of the resolutions of the second congress of the PCC. He confirmed his energetic condemnation of the economic blockade and the violation of Cuban airspace by U.S. spy planes, and he denounced the seriousness of the fact of the existence of bacteriological warfare waged by the Yankees against Cuba in a vain effort to isolate and destroy the Cuban revolution.

The representative of Laos reiterated his full support of Cuba's demand that the territory illegally occupied by the naval base which the United States maintains in Guantanamo, against the will of the Cuban people, be returned to it.

The representative of Laos had high praise for the importance of the internationalist aid provided by the Republic of Cuba to the peoples struggling to win their full sovereignty and independence in Asia, Africa and Latin America, as well as its outstanding action while presiding over the Movement of Nonaligned Countries for the protection and strengthening of the unity of the movement and the maintenance of its principles.

In analyzing the international situation, the two parties agreed that the aggressive policy of the imperialist forces, in particular the new administration in the United States, has complicated the world situation, with their efforts to disturb the process of detente. They also energetically condemned the decision of the U.S. government to increase the mass production of new weapons, including the neutron bomb, for the extermination of mankind, and they issued an appeal to all peoples of the world to voice their rejection of it.

The two parties acknowledged that the successes achieved by the countries in the socialist community, the Soviet Union in particular, in building socialism and communism and in their consistent policy of peace, along with the triumphs won by the national liberation movement and the international revolutionary workers movement, contributing decisively to the change in the balance of forces on the world level in favor of peace, social progress and socialism, and giving their full support to the peace proposals of the Supreme Soviet of the USSR in its appeal to all the parliaments and peoples of the world.

The two parties voiced their determined support of the struggle of the peoples of Asia, Africa and Latin America to win full independence and sovereignty, to eliminate all forms of discrimination and exploitation, to eliminate underdevelopment and to promote the new order in international economic relations, based on principles of equality, justice and democracy.

In the light of the complex international situation, both parties reiterated the extraordinary importance and transcendent historical significance of the movement of nonaligned countries, which they regard as a particularly significant factor in the struggle against imperialism, colonialism, neocolonialism, and racism, including Zionism and apartheid, and against every form of imperialist domination and in defense of peace, international safety, detente and disarmament, as well as for the elimination of the economic and social inequality which prevails in the modern world.

Both ministers expressed their satisfaction with the positive results achieved by the Sixth Summit Conference of Heads of State and Government in the Nonaligned Countries, which was held in Havana and the ministerial conference of the movement held in New Delhi, which have had a positive influence on the international scene.

They noted that the international capitalist economic crisis is most seriously and particularly affecting the underdeveloped countries and those in the process of development, making it most urgent to contribute to the solution of the problems of these countries. In this connection, they voice their solidarity with the statements made by Comrade Fidel Castro as president of the Movement of Nonaligned Countries at the 34th General Assembly of the UN and as president of the Council of State of the Republic of Cuba at the 68th Conference of the Interparliamentary Union held in Havana recently, and his proposal on this complex of problems.

They hailed the triumphs of the people of Nicaragua under the leadership of the Sandinist National Liberation Front in the rebuilding of the country and the defense of revolutionary gains, and they reiterated their determined support of the struggle being waged against the aggression and maneuvers of the U.S. imperialists and their allies. They also manifested their militant solidarity with the people and the revolutionary government of Grenada, who are successfully confronting the imperialist threats and pressures.

The energetically condemned the aggressive policy of the U.S. imperialists toward the people of El Salvador, designed to maintain the bloody military Christian Democratic dictatorship established in that country, through direct military intervention and massive shipments of weapons. They voiced their support of the just struggle of the people of El Salvador and the forces representing them, the Farabundo Marti Front for National Liberation and the Revolutionary Democratic Front. In this connection, they hailed the statements on El Salvador contained in the joint declaration issued by Mexico and France on 28 August 1981.

The two ministers denounced the terror perpetrated against the people of Guatemala by the tyranny imposed with the support of the new U.S. administration and expressed their solidarity with the heroic struggle being waged by the revolutionary forces.

The two parties definitely supported the people and the government of Panama, struggling to require of the United States strict implementation of the new treaty on the canal and respect for Panamanian sovereignty over all of its territory.

The two ministers reiterated their support of the people of Puerto Rico in their struggle against the colonial domination maintained by the U.S. imperialists and for their self-determination and national independence, in accordance with the resolution of the Decolonization Committee of the UN.

The two delegations view the winning of independence by Belize with satisfaction, since it constitutes an important step forward toward decolonization in the area.

With regard to the situation in Africa, the two ministers warmly praised the victories won by the popular and democratic revolutionary forces Ethiopia and Mozambique as well as other liberated nations, for example the important triumph of the patriotic forces in Zimbabwe.

The two parties firmly condemned the acts of aggression on the part of the racist regime in South Africa against the People's Republic of Angola and the People's Republic of Mozambique. They demanded that the South African government immediately cease such actions and show respect for the independence, sovereignty and integrity of these nations.

They confirmed their militant solidarity with the peoples of Namibia and South Africa, and the groups which legitimately represent them, the SWAPO [South-West African People's Organization] and the ANC [African National Congress]. They condemned the maneuvers of South Africa designed to maintain its domination in Namibia and the support the regime in Pretoria has received from the imperialist powers in pursuing its plans, exemplified in particular by the recent veto by the U.S. government of the decision by the majority of the members of the UN Security Council to impose just sanctions which would contribute to forcing the apartheid regime to put an end to its illegal occupation of Namibian territory.

Consistent with the resolutions of the UN and the OAU, the two parties urged the exercise of the right of the people of the Western Sahara to self-determination.

With regard to the tense situation in the Middle East, both parties denounced the divisive policy of U.S. imperialism and reasserted their position that a peaceful and just solution can only be achieved on the basis of complete withdrawal of Israeli troops from all the Arab territories occupied in 1967 and the exercise of the inalienable right of the Arab people of Palestine to self-determination, including the right to establish their own nation.

They stressed that in order to achieve a true settlement of the situation, the PLO, the only legitimate representative of the Palestinian people, must participate.

The two delegations expressed their concern about the present armed conflict between Iraq and Iran, and urged the governments of these nations to make every effort to find a peaceful, just and honorable political solution to their differences. The two parties voiced their most energetic condemnation of the United States for the attack perpetrated against the claims of the Socialist People's Libyan Arab Jamahiriya in the Gulf of Sidra, which was an open violation of the independence and sovereignty of that nation and international law.

The two parties hailed the brilliant success achieved by the People's Republic of Kampuchea in the United Nations.

They both categorically rejected the resolutions of the so-called International Conference on Kampuchea, and urgently demanded the expulsion of the representatives of the Pol Pot-Ieng Sary-Khieu Samphan gang from the UN and the reestablishment of the legitimate rights of the People's Republic of Kampuchea in the United Nations organization.

The two parties agreed that the problems of peace and security in Southeast Asia should be resolved by the nations in the area themselves through peaceful negotiations based on the principles of equality and mutual respect, and without the imposition or interference in their domestic affairs of other nations.

The two parties expressed their full solidarity with the just cause of the Afghan people and their support of their efforts to pursue the tasks of the April Revolution successfully. They condemned the continuing maneuvers of the imperialists and their allies designed to frustrate the revolutionary process in that country. The two ministers manifested their support of the efforts to transform the Indian Ocean into a zone of peace, and they condemned the aggressive imperialist policy of establishing new military bases in the zone and strengthening those already located there.

The two parties warmly hailed the suggestion of the People's Republic of Mongolia on the signing of a treaty banning aggression and the use of force in relations among the Asian and Pacific nations.

Both parties expressed their solidarity with the Democratic People's Republic of Korea in its struggle for the peaceful reunification of its territory without foreign interference.

The two ministers expressed the belief that the fruitful results of the visit paid to the Republic of Cuba by the delegation from Laos will contribute to the future development of collaboration between the two countries.

The representative of Laos expressed his sincere thanks for the warm and fraternal hospitality accorded his delegation by the Communist Party, the government, and the people of Cuba.

The Cuban minister of foreign relations, Isidoro Malmierca, expressed his pleasure on accepting the invitation extended by Minister Phoum Sipaseut to pay an official and friendly visit to Lao People's Democratic Republic. The date of the visit will be determined at some future time.

Playa Giron

City of Havana, 11 October 1981, "Year of the 20th Anniversary of Playa Giron."

5157
CSO: 3010/302

HAVANA'S MARRERO CRITICIZES U. S. POLICIES IN LATIN AMERICA

Puerto Rico Annexation 'Plot'

Havana GRANMA in Spanish 30 Sep 81 p 6

[Article by Juan Marrero]

[Text] The Yankee imperialists are not discouraged in their intention to turn Puerto Rico into the 51st state of the United States. For several years the annexationist conspiracy has been on the march. Let us recall that the administration of Gerald Ford went so far as to present to the Congress in Washington a draft bill looking toward an eventual annexation of Puerto Rico to the United States. This produced general rejection in Latin America and the rest of the world, in addition to causing feelings of reserve and confusion among many members of the U. S. Congress itself and in important sectors of North America public opinion. Then Carter supported the plan of the colonial governor, Carlos Romero Barcelo, creating a joint commission to study the possibility of statehood for Puerto Rico. And now, in a categorical way, the Yankee vice president and former director of the CIA, George Bush, who is in Puerto Rico participating in the convention of governors of the southern states in the United States, has said: "I also share your dream (referring to Reagan) of making Puerto Rico the 51st state. Neither the President nor I am going to abandon our position. You have friends in the White House who believe that the country (the United States) would be stronger, that we would all be better, if Puerto Rico were the 51st state." Such statements by Bush are one more manifestation of the fascist, retrograde, and caveman mentality of the present tenants of the White House, who speak and act as if the world were the same as it was in the last century or 50, 40, or 30 years ago, when the imperialists were still succeeding in imposing thier decisions on a large part of the world. Such annexationist statements by Bush are an offense to the people of Puerto Rico, who are holding high the independence banner of Albizu Campos, and also to world public opinion which has been expressed in the last few years in the United Nations and in the Movement of Non-Aligned Countries in favor of the inalienable right of the Puerto Rican people to self-determination and independence- in accordance with Resolution 1514 (XV) of the UN General Assembly. A few weeks ago, in August, the Decolonization Committee of the United Nations

a resolution which recommends that the General Assembly examine the colonial question of Puerto Rico during its 37th session. In his statement the oil millionaire Bush also said that "We have begun a very ambitious program of Caribbean development." It is quite clear. The annexation of Puerto Rico goes beyond the limits of ambition, above all if we keep in mind reports published in the last few years that there are geological structures with oil-bearing potential in Camuy, Tortuguero, Dorado, and San Juan. Perhaps for that reason Bush should have said that if Puerto Rico is the 51st state, the United States would be stronger. And Bush would be richer, one should add.

Falcon Vista Exercise

Havana GRANMA in Spanish 7 Oct 81 p 6

[Article by Juan Marrero]

[Text] Today, Wednesday, the North American - Honduran warlike exercise, "Falcon Vista," begins in Caribbean waters near Nicaragua. The Yankee amphibious ship "Fort Snelling" is already in Puerto Cortes, sent there from its base in the Panama Canal Zone. According to cabled reports, it brought with it to this Honduran port a tug, 3 patrol boats, 130 "Marines" and the equipment necessary for the military maneuvers. Further, there are reports of the participation of jet warplanes in the exercises. This is what we have been able to learn, up to now, about Operation Falcon Vista. However, coinciding with the preparations for the North American - Honduran maneuvers, Col. Samuel T. Dickens, representative of the United States on the Interamerican Defense Council, which is located in Washington, has arrived in Tegucigalpa. By his presence it has been possible to see and verify what is in the background of the "Falcon Vista" exercises. After stating that in the United States "the advance of communism in Central America is causing concern" and that "international communism has seized control of Nicaragua," Colonel Dickens urged the Armies of Guatemala, El Salvador, and Honduras to revitalize the Central American Defense Council (CONDECA), an aggressive, military pact and instrument of imperialism which was seriously weakened when the Nicaraguan revolution achieved its victory. As is known, the Sandinist revolution destroyed the Samoza army, which was one of the fundamental building blocks of CONDECA, and created a new, people's army which is anti-imperialist and a defender of the interests of the people. It has become evident today that Yankee imperialism is accelerating its plans for aggression against Nicaragua. And in connection with those plans it is pressuring and inciting the direct participation of the Government of Honduran. That comes out clearly from a typically interfering statement by Colonel Dickens--and which up to now, as far as we know, has not recriticized the fact that Honduras is proclaiming "neutrality toward aggressive neighbors like the Nicaraguans...I can't understand why

are so neutral." The "Falcon Vista" maneuvers and those statements by the hawk Dickens, openly urging military aggression against Nicaragua, together with the denunciation of the training of former members of the Somoza National Guard in camps in the United States and in Central American countries, are reasons of substantial weight, and certainly are not the ones, which fully justify the defensive measures and the mobilization of the people which the Sandinist revolution has ordered in the last few days, at the same time as its leaders repeat that the revolution is irreversible and that all of the people will defend it with their lives.

5170
CSO: 3010/235

MINREX NOTE ON VENEZUELAN PLANE BOMBING INVESTIGATION

Havana GRANMA in Spanish 23 Oct 81 p 6

[Text] It has come to the attention of the Cuban Ministry of Foreign Affairs [MINREX] that a report published by the Venezuelan daily paper EL NACIONAL in its issue of Wednesday 7 October this year says in paragraphs 1 and 2 given below verbatim:

"Brig Gen Elio Antonio Gracia Barrios, present of the Martial Court, said yesterday that this high tribunal is being subjected to the various kinds of pressure brought to bear on its judges to make them come to a decision on the case of the Cuban plane.

"The president of this high military court said that they have studied the over 20,000-page long case file but are still waiting for answers to their writs to furnish better proof which were sent to Barbados, Trinidad, Guyana and Cuba asking for additional information on the events of 6 October 1976 in which 73 people died 5 years ago yesterday."

On 25 May last, the Venezuelan press published what is claimed to be a request for information issued by the Venezuelan Martial Court, and addressed to our country, requesting specific data relating to the case of criminal sabotage against the Cubana Airlines plane which took place on 6 October 1976.

For all these reasons, and in order to clearly establish the truth before world public opinion and Venezuela and before the governments of countries with whom Cuba maintains normal relations, the Cuban Ministery of Foreign Relations deems it necessary to declare that, to this date, it has not received any official "rogatory" petition or "order to furnish better proof" from the Venezuelan Government or from any other authority of that country relating to the criminal act of sabotage against the Cubana Airlines plane in which 73 peoplea lost their lives in the Barbados area. The Venezuelan Ministry of Foreign Affairs is well aware of the fact that no request of this type has been submitted.

In conclusion, it is not gratuitous to reiterate that as soon as the criminal act of sabotage became known, Coba spontaneously offered to supply the appropriate authorities in Venezuela with all the necessary information required to unravel this contemptible deed and to bring to trial its proven and confessed perpetrators, and this is an attitute which Cuba has always maintained providing that there is a just trial where those who are guilty will receive a punishment commensurate to their crimes in contrast with the attitude adopted by the COPEL [Social Christian Party] Government whose stance on the matter of the trial is very well known and has already been denounced by Cuba.

8796
CSO: 3010/275

COLOMBIA SCORED FOR SIDING WITH U.S. POLICIES

Havana GRANMA in Spanish 3 Oct 81 p 6

[Article by Juan Marrero]

[Text] By now, the Colombian Government doesn't know what to do to please Yankee imperialism and, more particulary, the present fascist tenants of the White House. Let us remember how shamelessly that government went along with the U.S. scheme to prevent Cuba from being elected to the UN Security Council. Later, it broke off relations with Cuba contributing to the Yankee policy of intensified blockade and isolation of our country. More recently, it announced that Colombian troops will be dispatched to the Sinai to uphold the Camp David agreements against the Arab countries and, specially, against the Palestinian people. Also well known is the Colombian stance against the French-Mexican declaration recognizing the Salvadoran patriots as a representative group and offering a negotiated and political solution to the Salvadoran tragedy. Thus the government of Turbay Ayala (which claims to be democratic) stands, alongside with Yankee imperialism, as the champion of those who assassinate, massacre and torture the Salvadoran people. Colombian Foreign Minister Carlos Lemos Simmonds is currently visiting Beijing where he met with Deng Xiaoping, Zhao Ziyang, Huang Hua and other Chinese leaders. The wire services mention that they had "lengthy and extensive talks dealing with Cuba" (against Cuba, of course) and these talks were so amiable that after each meeting the Chinese as well as the Colombians mentioned "a very cordial atmosphere," "close friendship," "identical views" and so on. But something which has caught our attention is the fact that Foreign Minister Lemos Simmonds resorted to the pseudo-revolutionary phrases used by the Chinese. Is he perhaps trying to blot out and make people forget his subservient behavior toward imperialism? He will find it impossible, of course, because not even the Chinese have managed to do so although they keep on trying all the time. Among other things, Lemos Simmonds said that "we hope that the Caribbean Sea can stay out of the confrontation between the superpowers and become a sea of peace." This is an outrageous statement on the part of China but it is even more outrageous coming from Colombia particularly in view of the fact that the South American country took part in this year's military exercises called 'Ocean Venture 81' which started in the Caribbean and continued in the Atlantic—exercises amounting to a provocation—and will also participate in the 'UNITAS' maneuvres with the United States, the superpower which considers the Caribbean Sea as "a zone under its ownership." Is this how Colombia will help to turn the Caribbean into a sea of peace? All the people in the Caribbean want peace but they are also aware—and this is something which the Colombian foreign minister knows perfectly well—of the fact

that what represents a serious danger to peace in the Caribbean is the presence of a 16,000-strong Yankee military force stationed in the bases of Puerto Rico, the Virgina Islands, Guantanamo and the Canal Zone as well as the constant patrols by U.S. warships, offensive air and naval manoeuvres frequently staged and the threats of Yankee intervention. Using the Chinese phraseology about the superpowers in the Caribbean is a crude tactic on the part of the Colombians. And, in fact, not even the Chinese doctor will save them.

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BRIEFS

MOZAMBIQUE-ICAP AGREEMENT—A friendship and cooperation agreement between the Cuban Institute for Friendship with Peoples [ICAP] and the Mozambique Association of Friendship and Solidarity with Peoples has been signed in Havana. Rene Rodriguez, a member of the Central Committee and ICAP president, signed the document along with (Abner Sansao Mutemba), president of the Mozambican organization. [Text] [FL271408 Havana Domestic Service in Spanish 1200 GMT 27 Nov 81]

GDR TU OFFICIAL—The arrival recently of more than 500 tourists from the GDR turned into a rally of solidarity with Cuba on board the "Friendship with Peoples," the first ship to break the blockade on Cuba in October 1962. Evaristo Baranda, a member of the Communist Party of Cuba Central Committee and secretary general of the National Merchant Marine, Port and Fishing Workers Union, and Gunther Thude, a member of the National Executive Committee of the Free German Trade Union Federation, spoke at the rally. [FL271408 Havana Domestic Service in Spanish 1200 GMT 27 Nov 81]

VISITING USSR DELEGATION—Orlando Fundora, alternate member of the Central Committee and chief of its Revolutionary Orientation Department, met today at the Central Committee's headquarters with a delegation from the department of propaganda of the CPSU's Central Committee, headed by Rein Eduardovich Ristlaan, secretary of the Central Committee of the Communist Party of Estonia. The delegation arrived last night and was met by Antonio Perez Herrero, alternate member of the Central Committee and a member of the secretariat; the Soviet ambassador to Cuba; and other members of the Central Committee. [FL271915 Havana Domestic Television Service in Spanish 1800 GMT 27 Nov 81]

VISITING FRG COMMUNIST DELEGATION—Rene Rodriguez Cruz, member of the Central Committee and president of the Cuban Institute for Friendship with Peoples, met with a delegation of the German Communist Party, DKP, headed by its chairman, Herbert Mies. The meeting took place at the institute's headquarters and the development of the movement for solidarity with Cuba and Central America in the FRG was discussed during the meeting. [FL271915 Havana Domestic Television Service in Spanish 1800 GMT 27 Nov 81]

ZAMBIAN WOMEN'S LEAGUE—Vilma Espin, alternate member of the party politburo and president of the Federation of Cuban Women, has received a delegation of the Women's League of Zambia. The Zambian representatives were led by (Bessie Chilesa Kankasa), president of the Women's League and member of the United Party

Central Committee. [Excerpt] [FL281948 Havana Domestic Service in Spanish 1200 GMT 28 Nov 81]

PORT EXPANSION--Construction workers of the western maritime works brigade number three are currently engaged in the expansion and modernization of the Osvaldo Padron Port in Mariel Municipality, Havana Province. One important project they are involved in is its construction of the general cargo dock, which will cost approximately 2 million pesos and is 86 percent completed. It is expected the dock will be ready in the first quarter of 1982. It was also learned that in the paving of the Andres Gonzalez Lines Dock, the clean-up work is finished and excavation has begun to set up the power lines that will make night work possible. [FL281948 Havana Domestic Television Service in Spanish 1800 GMT 28 Nov 81]

WESTERN ARMY HONORED--A ceremony to honor the western army on the 25th anniversary of the revolutionary armed forces was held last night by the party's executive bureau in Havana City Province. Julio Camacho Aguilera, member of the Politburo and first party secretary in the province, presided over the ceremony, which was attended by Div Gen Ulises Rosales Toro, chief of the western army; Brig Gen Rolando Kindelan Bles, Col Lino Carreras, and Jorge Valdes, second secretary in Havana City Province--all of them Central Committee members. In his closing remarks, Camacho Aguilera voiced the party's gratitude to the western army. [FL251758 Havana Domestic Service in Spanish 1100 GMT 25 Nov 81]

GARCIA AT MONGOLIAN FETE--Guillermo Garcia, a member of our party's Politburo, attended a friendly get-together last night hosted by Combosurenguin Dashdavaa, the Mongolian ambassador. Also present were Ricardo Cabrizas, minister of foreign trade; Pelegrin Torras, vice minister of foreign relations; Ernesto Melendez, first vice minister of the state committee for economic cooperation; members of the executive council of the Cuban-Mongolian Friendship Association; Central Committee officials; and other guests. [Text] [FL271742 Havana Domestic Service in Spanish 1700 GMT 27 Nov 81]

ANGOLAN MEDICAL SEMINAR--Luanda--The Angolan health minister, Agostinho Mende de Carvalho, lauded the results that were obtained at the fourth seminar on Angolan-Cuban medical sciences, which was held in that capital. In his address that closed the event, the Angolan leader highlighted the work that is being carried out in Angola by doctors, nurses and technicians from Cuba and other socialist countries. [Text] [FL301315 Havana Domestic Television Service in Spanish 1204 GMT 30 Nov 81]

CANADIAN FRIENDSHIP AGREEMENT--A cooperation agreement has been signed here by the Cuban Institute for Friendship with Peoples [ICAP] and the Canada-Cuba Friendship Organization. The document was signed by Rene Rodriguez, president of the ICAP, and by Linda (Balatine), top leader of the Canada-Cuba Friendship Association as well as representatives from Toronto and British Columbia. [Text] [FL251758 Havana Domestic Service in Spanish 1509 GMT 25 Nov 81]

UNCONDITIONAL SUPPORT FOR SWAPO--United Nations--Cuba has supported without any type of condition the position of the South-West African People's Organization [SWAPO] and of the front line countries that seek a peaceful and negotiated peace for Namibia's independence. Raul Roa, Cuba's permanent representative to the UN, stated, during the UN General Assembly debate on Namibia, that the independence of that country must be implemented without any type of restriction and without diminishing its territorial integrity and sovereignty. [Text] [FL241248 Havana Domestic Television Service in Spanish 1206 GMT 24 Nov 81]

SRV TV-RADIO AGREEMENT--Cuba and Vietnam today signed in this capital a cooperation agreement in the sphere of radio and television. Rivaldo Herrera, president of the Cuban Institute of Radio and Television, and Tran Lam, chairman of Vietnam's Central Radio and Television Commission, signed the document. [Text] [FL250041 Havana Domestic Service in Spanish 0000 GMT 25 Nov 81]

SOLIDARITY WITH GRENADA--In St Georges, Cuba has reaffirmed its solidarity with the people and revolution of Grenada, and has stated that the enemies of that country are also the enemies of Cuba and Nicaragua. In a speech at the first conference of solidarity with Grenada, Raul Garcia Pelaez, member of Cuba's Communist Party Central Committee, denounced the threats, pressures and policy of blackmail being conducted by the U.S. Government against Grenada. [Text] [FL250147 Havana Domestic Television Service in Spanish 0100 GMT 25 Nov 81]

U.S. 'AGGRESSION' SCORED--During a meeting of the Latin American Economic System, SELA, in Panama City, Cuba today denounced the aggressive policy conducted by the U.S. administrations of the past 20 years against Panama. In the face of the continued hostility of the government of President Ronald Reagan, the Cuban people and government ratify their determination to defend the country's sovereignty to the last consequences, a report submitted by the Cuban delegation to the SELA plenum points out. [Text] [FL250213 Havana Domestic Television Service in Spanish 0100 GMT 25 Nov 81]

ENVOY TO PDRY--The State Council has named Ulises Estrada Lescalles as Cuban ambassador to the People's Democratic Republic of Yemen. Up to the time of his being named ambassador, Estrada occupied the post of foreign policy advisor in the Cuban Foreign Ministry. [Text] [FL251615 Havana Domestic Service in Spanish 1500 GMT 25 Nov 81]

CSO: 3010/385

BRIEFS

LOAN CONTRACTS--Santo Domingo, 24 Nov (DOMPRESS-NOTIMEX)--The Dominican Electricity Corporation (CDE) has signed five contracts to borrow some 43 million dollars from the Venezuelan investment fund for hydroelectrical projects and to modernize its energy transmission and distribution networks. Confirming the report, CDE General Administrator Jose Florentino Rodriguez said that the loans were repayable in 20 years with an annual interest rate of 2 percent. [Text] [FL251643 Mexico City NOTIMEX in Spanish 0420 GMT 25 Nov 81]

OFFICIALS APPOINTED--President Antonio Guzman last night appointed (Manuel Alvarado Deyames), a Dominican Revolutionary Party leader, as the new deputy secretary of labor replacing the late Dr Mario Garcia Alvarado. President Guzman also named (Socrates Acared), Jr., as the new president of the Institute for the Development of the South-West [Instituto de Desarrollo del Suroeste]--[INDESUR], replacing Magr Flavio Rivas, who resigned, claiming political pressure. [FL281718 Santo Domingo Radio Mil Network in Spanish 1000 GMT 28 Nov 81]

CSO: 3010/387

LEGISLATORS CONTEMPLATE GREATER EXECUTIVE POWERS

Quito EL COMERCIO in Spanish 8 Nov 81 p A-3

[Text] The desire to grant the executive branch greater power in relation to the parliament seems to be one of the basic goals the Popular Democrats in the government party are seeking within the context of the amendments which may be proposed to the constitution now in effect.

However, both the Popular Democratic Party and the Democratic Left seem to want to defend some of the basic principles endorsed in the constitution which give it that aspect termed progressive.

Deputy Juan Manuel Real reiterated that any plebiscite or referendum should have as its purpose amendment of the constitution only if and when amendment has been rejected by the National Chamber of Representatives.

He said that during the meeting the Popular Democrats held with Minister of Goverment and Justice Galo Garcia Feraud, he told him that in his personal opinion, substantial reform should involve a return to the bicameral system because of the many shortcomings to be found in the present system.

He emphasized that the fact that there is a single chamber has not led to rapid legislation and that in the final analysis, with the mechanism in effect, much impassioned effort has been made, deflecting the import of legislation toward the political rather than the social sector.

The single chamber system has lent itself to allowing passions to come to the fore at certain times, to the point of scandalizing the country.

Thus, he said, he believes that the bicameral system with certain needed amendments could enable us to establish more sensible, fully discussed and carefully considered laws with greater social import and less political influence. This would allow political passions to abate somewhat, while a single chamber develops into a cauldron.

He said that this is the amendment which has been discussed in his party and with a number of the members of the National Chamber of Representatives.

Juan Manuel Real defended the two-chamber system, stating that his knowledge of history suggests that this mechanism has never resulted in real failure.

He acknowledged that the bicameral system has been slow and has never allowed the nation to produce laws with the necessary speed. But he noted that with a single chamber, there is the problem of legislation which is too hasty and superficial, such that within a short time the work has had to be redone, as was the case with the traffic law.

He stressed that the bicameral system has produced excellent results in many countries, and that flexible constitutional elements making it possible to avoid the errors of the past need to be introduced.

He insisted that the bicameral system does not mean a return to the past, because both this system and the single-chamber system are in effect in many countries.

The fact is that we have retained the latter system too long, and however many amendments are made, its basic shortcomings will continue to exist, the Popular Democratic legislator added.

Representative Juan Tama Marquez, also a member of the Popular Democratic Party, said for his part that the present constitution, instead of being amended, needs to be implemented, because there is a whole series of new institutions supported by the progressive political parties and approved by popular vote which have never been made a reality.

Among these he mentioned the four basic ownership sectors. No change can be effected in the country and we will never be capable of consistency with the theses of social and economic change except by altering the ownership structure. And the four ownership sectors in the constitution are a dead letter. Today, on the parliamentary level, we have not seen the promulgation of laws with a view to organizing these sectors so that all of the basic industry in this country will be in the hands of the state, and so that the new forms of ownership such as the self-management the Popular Democratic Party urges will begin to function.

If we can say this about the four ownership sectors, we could also mention other institutions, such as worker participation in enterprise management, which is set forth in the constitution now in effect, as are socialized medicine and popular consultation, both now in the same situation.

This the constitution needs to be realized in fact, instead of being amended, Tama stressed.

But when it comes to amendment of the constitution, two basic aspects have been discussed in the dialogue between the parties and the minister of government and justice. One of them is the shortening of the legislative period and the other the return to the bicameral system.

This representative added that, when it comes to the continuity for which the present constitution provides in the structure of the parliament, so as to prevent elections halfway through the period from facing the executive branch with a majority which may hinder administrative projects, it is the desire of the present government to make it possible for the government to express their views.

He said that the present government is certain that in an election of this sort, it would win the support of the people, as the results of the most recent elections showed.

On the subject of the two-chamber system, Tama said that it contributes greatly to the consolidation of leadership in the executive branch. For if we want to have a strong executive branch, we cannot also have a strong parliament.

He maintained that the country has historically sought to have a strong executive branch which can be efficient. But this kind of executive branch, if paralleled by a parliament in a similar position, would lead to constant conflict, he added.

He stressed that the present parliament is a strong one because it has a single chamber, has fewer members than the parliament of the past and is in office longer.

He explained that the bicameral system gives the executive branch greater maneuverability in the legislature, and on the basis of lengthened discussions, gives it greater power in the final analysis. He added that the expansion of the number of legislators also leads to longer discussions and that the shortening of the term of office eliminates the need of having to deal constantly with the same group of members.

He said that basically, this is at the root of the battle between the branches, because the country is witnessing the strengthening of a very strong parliament along with an executive branch which has the same characteristics.

One or the other must be the weaker if cordial relations are to prevail, he stressed.

He said that the democratic concept is prevailing over the old ideas which meant a division of authority. Now, a government is democratic when it works for the majority sector of the population, but is not democratic, even if there is a formal division of political authority, when it works for the oligarchic or elitist sectors of the population, Tama said.

Meanwhile, Democratic Left legislator Alejandro Carrion Perez said that his personal view is that the legislature needs amendment.

He said that it is urgent to amend the structure of the parliament, and that his party will probably propose a flexible, modern and efficient mechanism.

Carrion added that his party will propose that a supervisory function be established for the state, making it possible to introduce efficiency criteria in state administration.

He maintained that if amendment of the constitution in some superficial and still other basic respects is necessary, the prospect of change should never be a tool allowing the political right wing to hinder the changes which won the approval of the people in the 1978 referendum, at least from the declarative point of view.

The country must not allow any challenge to the system of ownership endorsed by the constitution, a real advance which regrettably has not been taken as seriously as it should by all branches of the state, Carrion stressed.

To revise that scheme would be a regressive action which could arouse the resistance of progressive sectors and could even cause chaos in the country, he said further.

In the realm of political rights, altering the right of illiterates to vote would also be a regressive step which could also arouse the resistance of progressive sectors, he said.

He indicated that to raise the issue of certain social gains again as the right wing wants to do would also be an error which could lead to a confrontation.

Any constitutional amendment should express what the people of Ecuador want, and not the individual viewpoints of government leaders or any other group, the legislator said in conclusion.

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ECONOMIC COOPERATION AGREEMENTS SIGNED WITH YUGOSLAVIA

Quito EL COMERCIO in Spanish 8 Nov 81 p A-7

[Text] Belgrade, 7 November (EFE)--Yugoslavia and Ecuador signed an economic cooperation protocol at the conclusion of the visit paid here by a delegation from that South American country headed by Minister of Commerce Orlando Alcibar.

In the protocol, the two countries expressed their readiness to expand their trade exchange to include new products and to encourage cooperation in the realm of bilateral production enterprises in the electrical, automobile and tractor industries.

The protocol supports the participation of Yugoslav enterprises in carrying out various energy, food industry and electrification projects in Ecuador.

Minister Alcibar told the EFE news agency that "Yugoslavia has confirmed its interest in purchasing products from Ecuador, widening the variety and increasing their volume, but because of the balance of payments problem, it has insisted on participating in infrastructure projects which are being carried out in Ecuador."

During the talks held with the Yugoslav delegation headed by Minister Metod Rotar, that European nation expressed its interest in developing purchases of traditional products such as bananas, and expanding purchases to include cocoa products, fish meal, frozen fish and shrimp and tropical fruit juices.

On the subject of Yugoslav participation in infrastructure projects to be carried out in Ecuador, Alcibar told EFE that Yugoslavia may participate in a future multiple electrical energy plant project, which, in addition to facilities for the production of electrical energy will include irrigation and drainage installations in the Guayas River basin.

Alcibar said that Yugoslavia will allocate 26 percent of its available foreign exchange in 1982 for purchases from countries in the process of development (50 percent more than this year), and that Ecuador will benefit from this decision.

New markets are opening up for products from Ecuador in Romania, and sales will be expanded in Czechoslovakia, and will be made direct, since previously such trade was channeled through the GDR.

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MONETARY SQUEEZE HITS PRIVATE SECTOR

Quito EL COMERCIO in Spanish 6 Nov 81 p A-1

[Text] The monetary shrinkage which has prevented proper financing of productive activity, among other things, has had a basic effect on the private sector and banking this year, official figures indicate.

The situation has not been rosy thus far in 1981.

Among other things, according to the statistics available from the Central Bank, international monetary reserves declined, the balance of payments deficit increased, the funds in the hands of the private sector dropped and there was a substantial decrease in the available funds of private banks.

On the other hand, the funds in the hands of the public sector and available Development Bank funds increased substantially.

The Central Bank increased currency issues by only 3 percent up to 16 October of this year. This increase is only a third of that during the comparable 9-1/2 months of last year.

The monetary shrinkage was the result in particular of the sales of foreign exchange by the Central Bank which absorbed a substantial volume of sucres.

International monetary reserves declined by 7.724 billion sucres, according to these same statistics provided by the Central Bank.

In 1981, the foreign sector of the economy saw monetary shrinkage, while in 1980 there was expansion in excess of 4.5 billion sucres.

The volume of money in the hands of the private sector dropped by 1.816 billion sucres by 8 October, as compared to the December 31 balance. Money available in banks also declined during the same period by 3.075 billion sucres.

The monetary shrinkage has prevented the adequate financing of productive activities.

Only money in the hands of the public sector increased in 1981. This figure had increased by 2.685 billion sucres by October, despite which the government is continuing to seek foreign credit to finance the budget.

Funds available in private banks had dropped by 5.976 billion sucres by 18 September of this year, and private deposits with the Central Bank were down 3.644 billion.

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NAVY ACQUIRES OCEANIC RESEARCH VESSEL

Guayaquil EL UNIVERSO in Spanish 30 Oct 81 p 9

[Text] On 21 October, the new oceanographic research vessel "Orion HI-92," built at the Ishikawajima-Harima Shipyards in Japan set sail for our country. It is the most recent purchase made by the navy of Ecuador for the scientific research departments of oceanography, meteorology, geophysics and hydrography at the Oceanographic Institute.

The oceanographic vessel "Orion HI-92" has the following characteristics:

1. Suitable laboratory distribution and adequate deck space for sampling purposes.

2. Adequate propulsion systems of the diesel and electric types, with a bow propeller to facilitate oceanographic tasks.

3. High-level noise and vibration reduction.

4. Very comfortable crew accommodations (air conditioning).

5. A cruising range of 30 days (6,000 nautical miles).

6. Extensive functional capacity at low speeds.

7. Capacity to prevent drift while on station.

Its dimensions are as follows: length—70.20 meters; gross tonnage—1,100 tons; cruising speed—12.0 knots; and cruising range of 12 knots—6,000 miles.

It carries a crew of 45, including officers, crew members and scientists.

This brand new vessel is equipped with the latest and most sophisticated scientific research laboratories, which will enable the Oceanographic Institute to carry out the tasks dictated by the scientific and technical advances in the sciences of hydrography and oceanography and urgently needed by the maritime countries which, like Ecuador, base their geopolitical aspirations on the development of maritime awareness in terms of the exploration and exploitation of the natural resources of the sea.

The purchase of this oceanographic research vessel represents an important landmark in the growth of the INOCAR, established by the hydrographic department on 2 February 1932, marking, as it does, a new stage in its advancement as the celebrations of the 50th anniversary of this institute's service to the maritime interests of Ecuador and the world begin.

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CSO: 3010/240

SUGAR PRICE HIKE SPARKS DEMONSTRATION, SPECULATION

Quito Demonstrations

Guayaquil EL UNIVERSO in Spanish 29 Oct 81 p 12

[Text] Violent student demonstrations resulting in dozens of arrests and slight injuries to three persons occurred in the early morning hours in this capital city yesterday, in reaction to the increase in sugar prices decreed by the Economic Front.

At 7:30 in the morning, students, from the Mejia National Institute and the Central University of Ecuador, in particular, blocked the main thoroughfares, such that traffic was halted, serious traffic jams occurred and many vehicles were damaged.

On 10 August and America avenues and at the Vargas Street intersection just below the Mejia Institute, students put up barricades, interfering with the passage of vehicles and pedestrians, but the students were dispersed by police.

The students arrested, including five minors from the Mejia Institute, were initially taken to the temporary detention center at the Garcia Moreno Prison, but then, on instructions from the Ministry of Government and Justice, they were released, it was announced.

The students lifted a number of vehicles bodily and placed them so as to block traffic on 10 August Avenue, opposite the Central Bank of Ecuador. Until noon, the police, proceeding cautiously, were unable to clear the street.

However, security agents used a number of tear gas grenades to scatter the demonstrators until their goal was achieved.

By 1300 hours, calm had been reestablished in the sectors where there had been disturbances and both mass transport and private vehicles could proceed without obstruction.

Meanwhile, three persons suffering minor injuries due to carelessness were treated at the infirmary of the Mejia Institute.

Amparo Vilana, 20 years of age, suffered scrapes on the right foot and leg while in transit to the Mejia Institute, and returned to his home after being treated at the school.

Marco Esteves, a third-year student at the Mejia [illegible]ute, suffered a broken little finger while hastening to get off a bus being att[illegible]d by the students.

Jaime Carcelen, 19 years of age, was struck in the head by a stone and suffered a skull fracture.

This was the first demonstration of popular protests against President Osvaldo Hurtado since he took office on 24 May of this year.

Price Gouging

Guayaquil EL UNIVERSO in Spanish 30 Oct 81 p 12

[Text] The new sugar prices established by interministerial decree No 406 promulgated by the Economic Front had not gone into effect until yesterday, since they had not yet been published in the REGISTRO OFICIAL.

This publication, the official gazette of the national government, did not appear yesterday and the issue which should have come out will be made available at 10:00 o'clock this morning.

Decree 406 provides that the new prices will become effective as of the date of their publication in the REGISTRO OFICIAL.

However, both retail and wholesale merchants began selling sugar at the new price (650 sucres per quintal) resulting in protests by the citizens.

Retail grocers were selling sugar at 8 sucres per pound, while others were charging 7.50.

Meanwhile, the chief of the General Police Administration of Pichincha, Galo Chiriboga Zambrano, dispatched four ENPROVIT [National Enterprise for Vital Products] trucks to various parts of the city to sell sugar at the prevailing government price until the decree setting the new prices goes into effect.

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BRIEFS

INTERIM PREFECT NAMED--Guayaquil, 6 November--Economist Cecilia Calderon de Castro, vice-president of the Guayas Provincial Council, has temporarily taken over the functions of the prefect of Guayas, taking charge of the inspection of the installations in which road machinery is made in the absence of Prefect Guido Chriboga Parra, who is visiting Japan as the guest of a firm in that country. One of Calderon's first actions was to tour the shed workshops and the council offices, observing the employees in their normal activities at their labor posts. Calderon stated that "during this interim period, efforts will be devoted to promoting the labor fronts to which the council has committed itself in the province, as well as obtaining the quotas assigned to the council by law from various state bodies for the financing of its projects." [Text] [Quito EL COMERCIO in Spanish 8 Nov 81 p A-7] 5157

RICE EXPORTS--At a meeting of the advisory committee on rice at the Ministry of Agriculture, the export of 10,000 tons of rice in two lots of 5,000 tons each was discussed. Approval was granted for the handling of this export venture by private enterprise, with the permission and authorization of the Ministry of Agriculture and Livestock and on the basis of the quality norms and quotas assigned to the cooperative rice associations. The resolution adopted will enable the Ministry of Agriculture to submit the proposal to the Economic Front, and the final resolution will be adopted after an exhaustive study. [Text] [Quito EL COMERCIO in Spanish 6 Nov 81 p A-8] 5157

CSO: 3010/286

SALVADORAN GUERRILLAS ENTERING COUNTRY AS REFUGEES

PA250132 Tegucigalpa Radio America in Spanish 1145 GMT 24 Nov 81

[Article by (Anaribe Calix) from San Pedro Sula]

[Text] Salvadoran guerrillas pose as refugees to enter the country. According to the newspaper LA PRENSA, it has been confirmed that Salvadoran guerrillas enter Honduran territory disguised as refugees to seek the protection offered by Honduran neutrality in the internal conflict of that neighboring country. The report, confirmed by a ranking government official, added that the situation created by these elements jeopardizes the Honduran position.

According to the report, the Salvadoran refugees enter Honduras as if it were home, which makes it difficult for the authorities to detect whether these Salvadorans truly seek protection in Honduras. The guerrillas, the report added, come and go as they please in the refugee camps without any control from the Honduran authorities. This makes it possible for the actual guerrillas to carry out their actions against Salvadoran troops, reach the Honduran border, enter the country posing as refugees without any trouble and avail themselves of the Honduran neutrality for protection.

Honduran Foreign Minister Col Cesar Elvir Sierra confirmed the information, indicating that the situation has become a very serious problem for the Honduran Government which is trying to uphold its neutrality policy. Because these elements take advantage of this neutrality to freely harass the enemy, they cause serious difficulties for the government.

According to the reports, the Honduran authorities often detect the presence of leftist elements in Salvadoran refugee camps. When they are asked to leave the country, however, and avoid causing problems to the country, they claim to be refugees and there is nothing then the authorities can do about it. This situation has placed Honduras in a very delicate predicament, the minister said.

Meanwhile, the Salvadoran army knows that groups of guerrillas leave refugee camps in Honduras to carry out acts of terrorism and when chased by the troops, they hide in the famous hollows and later appear on the lists of refugees.

The foreign minister asserted that the actions of these elements, besides jeopardizing the Honduran neutrality, constitute a very serious problem. Recently, a group of Salvadoran leftists entered Honduran territory, ambushed a Honduran patrol and killed two soldiers.

CSO: 3010/405

JLP: NOTHING WILL HOLD BACK TAX REFORM

Justice For Taxpayers, Municipalities

Mexico City EL SOL DE MEXICO in Spanish 8 Nov 81 pp 1-A, 12-A

[Article by Roberto Noriega G.]

[Text] Tuxtla Gutierrez, Chis. 7 Nov (OEM) --[Mexican Publishing Organization]). At the close of the 14th Meeting of Tax Officials, the president of Mexico said that the tax reform, launched some time ago and given further impetus under this administration, will continue during other administrations in order to attain the goal of distributing the public expenditure burden in a more equitable and proportional manner among Mexicans and fundamentally "to strengthen federalism and to give the municipalities a guarantee of decent survival."

The nation's chief executive addressed tax officials throughout the country who met in the capital and told them that this pursuit of the great ideas contained in the constitution is a continuous one. "This is not just a matter of doing justice to the taxpayers but also to the regions, to the states, and to the municipalities. This is a constant effort of education and justice which is encountering obstacles; but it overcomes these obstacles, it proposes solutions which in turn become obsolete and which must be replaced."

The meeting's closing ceremony took place today, at noon, in a modern hotel in this state capital in the southeastern part of the country; regarding the results obtained, President Lopez Portillo noted: "What we have heard here on this occasion fills us with satisfaction because it underscores the consistency and congruence of our intent to strengthen federalism.

"In this way, the government of the republic pursues justice, equity, and proportionality regarding the taxpayer and the attainment of the institutional objectives on the three levels of government. The conclusions, the results, the promotion effort, and the initiatives springing from this fill us with satisfaction," said the chief executive who on his trip was accompanied by the ministers of commerce and of agriculture and water power resources, among others.

After thanking the tax officials "for the way they have been performing their duties in the government, for their understanding and good will," the chief executive said that "a country is built in all of its parts, in all of the directions of its geography. This is what history tells us.

"I can see here the entire geography of our country, of our Mexico, and you are building it, you are making and writing history, in your areas of responsibility, you are writing the country's contemporary history," said the chief executive; he asked the treasurers of all states to be "aware of the importance of the decisions which have been adopted here and those that were adopted a year ago and even before, so that we may be aware of the continuity of the effort that identifies us and our undertaking as Mexicans."

After the end of the ceremony, the president of the republic granted audiences in the rooms of the hotel to the various sectors of this agency for half an hour, approximately, in order to resolve problems that had come up.

Shortly after 1230, the head of government departed for the airport in order to return to Mexico City.

Ibarra M. Announces Initiatives

Mexico City EL SOL DE MEXICO in Spanish 8 Nov 81 pp 1-A, 12-A

[Article by Roberto Noriega G.]

[Text] Tuxtla Gutierrez, Chis., 7 November (OEM). Finance Secretary David Ibarra announced that the executive branch will, this year, submit to the Congress of the Union a series of initiatives intended, among other things, to amend tax legislation; all of this is part of a "process of perfecting tax policy which tends to give federal, state, and city tax officials a greater ability to cope with short-term contingencies and demands for transformation in the production structure without causing discouragement in the basic processes of production, work, savings, and investments.

Ibarra Munoz, the main speaker during the closing session of the National Meeting of Tax Officials, said that we would persist in the effort to make new progress in amending income tax provisions, both from the viewpoint of better legal techniques and to extend the general nature of this tax, making it more equitable.

He asserted that this meeting managed to enrich the National Tax Coordination System which "constitutes new progress toward strengthening the economic autonomy of the federated entities. "As a matter of fact," he pointed out, "the various provisions which were agreed upon here signify the increase, by about one point, of the percentage of total federal tax collections which are transferred in the form of tax sharing to the federated entities and municipalities (10 billion pesos).

"Widening the autonomy of the province does not mean weakening federal power," said Ibarra Munoz, pointing out that, on the contrary, the strength of the Mexican state now depends more than ever before on the vigor of its federated states. "This is why strengthening the province today means giving renewed vigor to the pact which links us as a nation."

As for the initiatives which will have to be submitted to the Congress of the Union this year, he first of all singled out the draft of a Federal Law on Taxes. The new set up seeks to regulate the entire matter associated with the rendering of federal public services for which an economic reimbursement is collected.

"The initiative is based on the realization that the growing complexity of the economy and of government functions has turned taxes into an important and permanent part of the entire system of federal collections. Therefore, perfecting the system of democratic decisions within our government of laws implies that the determination of these decisions is in keeping with legislative acts and not simple administrative procedures, as has been happening so far," said the finance minister in his speech.

Furthermore, for the purpose of encouraging low-cost housing construction and to accomplish this primarily in the new development centers and in decentralized urban areas, the federal executive branch, in agreement with the federated entities, has decided to submit a bill which would amend the system of federal home purchase taxation.

"The Federation would yield all of the earnings from fees on the transfer of real estate property and its registration to the federated entities. Those who opt for the new system will, upon receiving the benefits mentioned, pledge to include in their legislation the same basis, taxes, exemptions, and incentives contained in the federal law," said Ibarra.

The official then explained: "The renewal of Mexican federalism could not be based any longer on the benevolent paternalism of the center toward the interior. Today, more than ever before, federalism does not have exclusive claim to liberty and sovereignty, ahead of the federated entities and municipalities, nor does it end simply with support for democratic participation; instead, at the same time, it contributes the necessary cohesion of efforts needed for a common undertaking of the nation which must be perfected day after day."

He also announced that, just as growing financial resources have been channeled in support of state and municipal governments, so have allocations for private activities, located in the province, also been increased considerably. And he gave two examples: loans for small and medium industry granted by FOGAIN (Guarantee and Development Fund for Medium and Small Industry) have been multiplied by 6 over the last 3 years. Credit for the agriculture and livestock sector has been increased three times during the same period of time.

"For the first time we are granting tax credits for investments in agriculture and the livestock industry which can be used to pay taxes or to pay back loans which may have been taken out with banking institutions."

The meeting, which in the beginning was addressed by Governor Sabines Gutierrez, to welcome the participants and to outline the tax measures adopted by the agency to "extend and understand the administration's economic and social policy," was also attended by CP Antonio P. Marin who talked about the results of the meeting, pointing out among other things that the share of federal funds channeled to the states in 1977 came to 27,758,000,000 pesos; in 1980, the figure was 112.53 billion , in other words, four times more; it is expected that the figure will be 156 billion in 1981, in other words, the amount has been increased six times in 5 years.

He also pointed out that, out of the total number of state taxes, 458 have been dropped and this, together with 31 federal taxes, has made it possible to modernize and reorganize the national taxation system and to simplify and mechanize the taxation system.

He also announced that the site for the 15th national meeting would be in the city of Puerto Vallarta, in Jalisco.

At this same meeting, Heriberto Galindo, director of mass communications of the Finance Secretariat, read the draft of the National Plan for Tax Education proposed by the Finance Secretariat ; the objective is to create an awareness of social solidarity regarding tax collections among current and potential tax payers in Mexico. The plan will be drafted by the finance authorities in coordination with the education authorities.

He noted that this plan is not obligatory. "This is a suggestion of an experimental nature, aimed at the design and application of a national system of tax education as a contribution to the construction of a just, united, and responsible Mexican society," said Heriberto Galindo.

Treasury: Insufficient Resources Cause Deficit

Mexico City EL SOL DE MEXICO in Spanish 8 Nov 81 pp 1-A, 12-A

[Article by Roberto Noriega G.]

[Text] Tuxtla Gutierrez, Chis., 7 November (OEM) —In view of the stories to the effect that the public expenditure deficit will come to 250 billion pesos, the undersecretary of revenue in the Finance Secretariat noted: "Tax funds certainly are not enough to cover this expenditure," and he announced at the same time that there will be a reasonable increase this year in tax collection amounting to 925 billion pesos.

Guillermo Prieto Fortun, interviewed in this city where he attended the National Meeting of Tax Officials, said that, in view of this shortage of tax funds to cover public expenditures, it is necessary to resort to domestic and foreign borrowing.

During the interview, the official from the Finance Secretariat said that this problem is getting worse because of the fact that "there are undoubtedly tax evaders against whom we are conducting a permanent struggle without truce in getting the Finance Secretariat to tackle this problem."

However, contrary to what is being said, Prieto Fortun explained: "I cannot give any figure as to the number of tax evaders and the amount of money we loose in tax revenues. It would be arbitrary to give any specific figure on that score."

The undersecretary for revenues then said that, if the tax authorities knew where those tax evaders are, "we would move directly against them."

He then noted on the other hand that there had been a considerable increase in the tax burden in recent years, without going into details. At that point he noted that there will be an increase in the collection of taxes this year so that public expenditures naturally will not show a deficit while loans will be reduced.

Prieto Fortun also talked about other topics relating to the support which the federal government gives to the states and municipalities through tax sharing—a topic which the finance secretary covered during his participation in the closing ceremony of the meeting headed by President Lopez Portillo.

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BRIEFS

MINISTER'S RESIGNATION REJECTED--Lima, 27 Nov (AFP)--The general secretariat of the presidency tonight reported that President Fernando Belaunde Terry has rejected the resignation Aeronautics Minister Lt Gen (ret) Jose Garcia Calderon submitted today. Garcia Calderon submitted the resignation because one of the promotions proposed was not approved. The minister resigned because the Senate did not approve the promotion of one officer from the list submitted by the air force command. The president reiterated his confidence in Garcia Calderon. Belaunde said that the Senate has constitutional rights whose application does not imply criticism. [Text] [PY281211 Paris AFP in Spanish 0310 GMT 28 Nov 81]

MISMANAGEMENT CHARGES--Lima, 26 Nov (TELAM)--General Francisco Morales Bermudez, a former Peruvian president, last night accused President Fernando Belaunde Terry's administration of being responsible for the heavy deficit of the national budget and for seeking excuses to justify mass sales of state-owned enterprises to private businessmen. In his statement to the press the former president said that when he left power on 28 July 1980, the country had a balanced budget and now, 15 months later there is a budget deficit of $851 million, for which he can find no explanation. Morales Bermudez was the second president of the so-called Peruvian revolution which kept power in the hands of the military from 1968 until the advent to power of the current administration last year. "I do not believe that we should be selling state enterprises to pay fiscal deficits and making it a precedent which may become a habit," Morales Bermudez said. Morales Bermudez, who relieved President Juan Velasco Alvarado in 1975, said that in his opinion there are no sensible reasons whatsoever for selling public enterprises to private businessmen at this point. The military officer concluded by saying that it is too early to talk about his possible presidential candidacy for the 1985 elections. "We can hardly tell what will happen between now and then," he said. [Excerpts] [PY271840 Buenos Aires TELAM in Spanish 1325 GMT 26 Nov 81]

FORMER PRESIDENT'S STATEMENT CRITICIZED--Senate President Javier Alva Orlandini has said that Peru was handed over to the constitutional government in a state of economic and social bankruptcy. He made this statement at a press conference during which he commented on the statement made by former president Gen (Ret) Francisco Moralea Bermudez before leaving for Caracas, Venezuela. Alva Orlandini

said that he did not know what Morales Bermudez had said, but, he added, if there are some Peruvians who do not have enough moral standing to criticize the government's economic policy, one of them is precisely general (ret) Morales Bermudez. He recalled that during the first stage of the military government Morales Bermudez performed as finance minister, bearing, therefore, responsibilities in the economic sector. Later, as president he had substantial control of the country's economic and financial policy with the results that all of us regret. He also said that the recent violent and [word indistinct] actions are executed by antisocial agents who are given instructions from abroad. [Excerpt] [PY272147 Lima Domestic Service in Spanish 1200 GMT 27 Nov 81]

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FOREIGN INVESTMENTS IN ANDEAN GROUP DISCUSSED

Caracas NUMERO 4 in Spanish Oct 81 pp 54-55

[Article by Washington Herrera: "Foreign Investments in the Andean Group"]

[Text] Since 1970, Bolivia, Colombia, Ecuador, Peru, and Venezuela have been implementing a joint system of foreign investments and technology which was modified in 1976 to adjust it to conditions prevailing on the domestic and foreign markets. Little is known in Europe about the real scope and meaning of this instrument for harmonizing the policies of the Andean group. Unjustified questions are being asked or gratuitous attacks are being made perhaps because of this lack of knowledge. For the same reason, the advantages of this common handling of foreign investments are not known.

Investments are attracted to a greater extent when a project can generate profits and when the standards are steady in medium-range and long-range terms. The permanent aspect of this procedure must spring from harmony between the attitudes and actions of the investor and the receiving country but that calls for a balanced legal framework with characteristics of certainty.

In the past, foreign investments in some Andrean countries were subjected to policies fluctuating between restriction and liberalization, between control and absence of control, between excessive advantage and stifling restriction. The rules were changed as administrations with different orientations followed each other or even when a minister was thinking in a manner different from his predecessor. This situation of uncertainty and instability no longer exists in the Andean countries because they are using a system that cannot be modified except by unanimous accord among the five countries. This feature has been justified by international enterprises and, for example, the Council of the Americas, with headquarters in New York, which consists of United States firms with investments in Latin America, has accepted these rules and has changed its critical position in favor of open understanding and coexistence.

Beneficial System

The system involved in Resolution 24 for the Andean countries has been beneficial because it has enabled them to find out what kind of foreign investments are coming into their territories and how much and when. They can do a better job in negotiating the costs of technology transfer; they involve their domestic investors in the economic and production activities of the foreign enterprises; and they know what the rate of return is as far as profits are concerned. It is not true that, as

a result of the implementation of Resolution 24, some enterprises decided to drop out or refrain from making investments. We do not know of any enterprise which, because of the implementation of this common system, decided not to participate in a good project.

During the period of 1971-1977, direct foreign investments in the Andean Group grew by 6.6% per year, a rate comparable to the general tendency in the developed countries. Here is the origin of investments: United States, 56%; Panama, 8%; United Kingdom, 3.5%; intra-Andean, 3%; remaining countries, 30%. The amount of foreign capital accumulated in the Andean Group in 1977 was $8 billion. In the manufacturing industry sector, the cumulative amount during that same year was $1.86 billion. Before Resolution 24 took effect, there were 663 branches or subsidiaries of foreign enterprises and by 1976 there were 1,228. All of these indicators show that the common system is not an obstacle to foreign investment although of course their beneficial effects will be delayed when the conversions of foreign enterprises into mixed or national enterprises begin to operate, especially in the industrial sector, which is where Resolution 24 has its greatest effect or is applied most.

Basic Rules

In response to the criticisms which are often expressed, it is important to stress the fundamental rules of this common instrument. There are four main norms:

(1) The remittance of net profits can come to 20% or more, so that there is no maximum or rigid ceiling. Here there is no reform needed other than a reform that would impose a limit.

(2) The obligation to transfer 51% of their shares to national investors within a period of 15 years for Colombia, Peru, and Venezuela and 20 years for Bolivia and Ecuador. I ask myself this: Is a foreign enterprise, which can get its capital back in 5 years or less and which refuses to sell shares after 15 or 20 years of having operated, desirable for a country? I must however remark that the following foreign companies are exempt from this obligation to become mixed enterprises:

(a) Enterprises whose output is intended to the extent of 80% or more for markets outside the subregion;

(b) Enterprises involved in the tourism sector;

(c) Enterprises engaged in exploration and exploitation activities involving liquid and gaseous hydrocarbons, construction of oil pipelines, gas pipelines, and forest operations;

(d) Enterprises in the public utility sector, such as water, sewage, energy, sanitation, and communications;

(e) Enterprises in the banking, finance, and insurance sectors;

(f) Enterprises involved in internal transportation, publicity, radio, television, daily newspapers and magazines, and domestic sales of any kind;

(g) Finally, enterprises which in Bolivia and Ecuador are involved in primary agricultural and animal husbandry activities.

Manufacturing Industry

This obligation however does apply to enterprises in the manufacturing industry to make sure that the Andean business operators and investors can gradually participate in ownership, in administrative management, and in the technological capacity. In this way, the costs of Andean integration will have benefits on Andean territory as a counterpart.

(3) The payment of royalties is worked out in an effort to provide equity and avoid abuses. This has been good for Andean business operators because they have been able to negotiate better with the suppliers of technology.

(4) We do not allow clauses here which take possible conflicts or controversies away from the national jurisdiction and authority of the receiving countries or which permit the substitution, by the states, of the rights and shares of the investors. This is a basic norm which is in line with a policy position of our countries that cannot be renounced.

The joint system of handling foreign capital has given the Andean Group an appearance of its own and a pioneering character worldwide; but it must be noted that the uniform implementation of these rules is running into some difficulties due to the absence of common regulations and insufficient relations between the national agencies of the countries that are responsible for the implementation of these provisions.

It is urgent and necessary to perfect its implementation, thus strengthening its full effectiveness and guaranteeing attainment of its main objectives. For this purpose it is indispensable to provide impetus for a process of agreements and successive stages toward the gradual adoption of common regulations. Fortunately, all countries agree with that idea and if there were any doubts at any time in Peru, they were dispelled at the right time.

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CSO: 3010/329

CONTROVERSIAL ASPECTS OF BERMEJO PROJECT DISCUSSED

Buenos Aires LA NACION in Spanish 10 Nov 81 p 9

[Article by Julio Cesar Fossati: "Bermejo River: Works or Debate"]

[Text] By agreement between the president of the nation and the governors of the provinces of Jujuy, Salta, Formosa, Chaco, Santa Fe and Santiago del Estero, a pact was signed on 2 October to create the Bermejo Regional Commision [COREBE]. The Steering Committee of this body will consist of a minister of the national government and the governors of the riparian provinces on the Bermejo river (Jujuy, Salta, Formosa and Chaco), and the provinces of Santa Fe and Santiago del Estero. The two latter provinces were included as the result of a long case history.

The body thus created will set up its own statute in which it will establish its operative mechanisms as well as the scope of its authority and functions with respect to studies, plans, construction, financing and administration of the works, especially as regards their hydraulics, with the object of achieving total regulation of the Bermejo river.

The purpose of the regulation is to smooth out the irregularity of flow arising from its natural pattern of inflow--which is excessive in summer, causing floods and erosion, and scanty or nonexistent in winter, causing water shortages and droughts--to achieve a permanent availability of water in the form of a constant --or at least manageable--flow of the total volume delivered for the various uses to which it is to be put. This regulation is achieved by storing the water in reservoirs during the season in which there is an excess, and using the accumulated water during those times when the demand exceeds the river's incoming supply.

In the Bermejo's upper basin (in Argentina, Bolivia, and sections common to both), four groups of works projects that will enable such regulation have been identified: 1. The shared Bermejo Group (Las Pavas and its equalizer); 2. The Tarija Group, with one Bolivian and one shared project (Cambari-Astilleros and equalizer); 3. The Pescado-Blanco Group, Argentine (Pescado I, Pescado II, El Portillo and Vado Hondo); 4. Zanja del Tigre and its equalizer; 5. The Navigable Canals and Connected Works Group.

Groups 1 and 3 can be undertaken irrespective of the others, from the standpoint of the main objectives to be achieved. The decision as to their ordering will depend upon technical, political and economic factors. On the other hand, the efficiency of Group 4 (Zanja del Tigre) will depend upon whether or not Groups 1 and 3 have been built.

Each of the said groups would provide guaranteed outflows of close to 70 cubic meters per second and installed hydroelectric power outputs as follows: Group 1: 147 megawatts; Group 2: 242 megawatts; Group 3: 647 megawatts; and Group 4: 463 megawatts.

Group 1 consists in its first phase of the Las Pavas dam and its equalizer. This project would have an installed power of 150,000 kilowatts and would supply a guaranteed permanent flow of some 70 cubic meters per second at Zanja del Tigre. In subsequent phases, use would have to be made of the difference in levels between Las Pavas and its equalizer located at the site named Arrazayal, which would double the installed power of the binational section of the Bermejo, that is, to some 300,000 kilowatts. The guaranteed outflow would be increased slightly.

Group 2 includes the Cambari project (Bolivian) and the Astillero and its equalizer (shared). This phase of the project would provide a guaranteed outflow exceeding 80 cubic meters per second at Zanja del Tigre and would accommodate an installed hydroelectric production of 242,000 kilowatts. A second phase under this group would call for analyzing the possible use of the level drop between Astilleros and its equalizer to achieve, through another project, probably San Telmo, a higher level of energy production.

Group 3's projects are entirely within the national territory and will contribute substantially as well to achieving a reasonable degree of control over suspended solids and sediments, this being the sector of the Bermejo basin that is most affected by this problem. The first phase would guarantee a flow of 80 cubic meters per second at Zanja del Tigre and an installed power output of 647 kilowatts. Subsequent phases would require the study and construction of the Pescado III works on the Pescado river and the Monoyo and San Jose works on the Iruya river, which would increase the installed power of this group by 100 megawatts.

Group 4 consists Zanja del Tigre and its equalizer. This project is in Argentine territory and has a strategic role from the technical standpoint: a) It is the one that will enable optimization of the hydroelectric management of the other three groups described above; b) it is the necessary and indispensable project to make river navigation possible; c) it is the group needed to complete the regulation of the Bermejo river. Optimization of its operation, however, minimization of its cost and maximization of its service life all depend upon the above three, especially the works projects of Group 3.

Group 5 consists of: I. A lateral canal off the Bermejo river emptying into the Paraguay river with a run of 728 kilometers. II. A Santiago del Estero or a Mediterraneo canal emptying into the Parana river at the level of the city of Santa Fe, with a run of 1100 kilometers. III. Connected works projects, exclusive of ports and railway links.

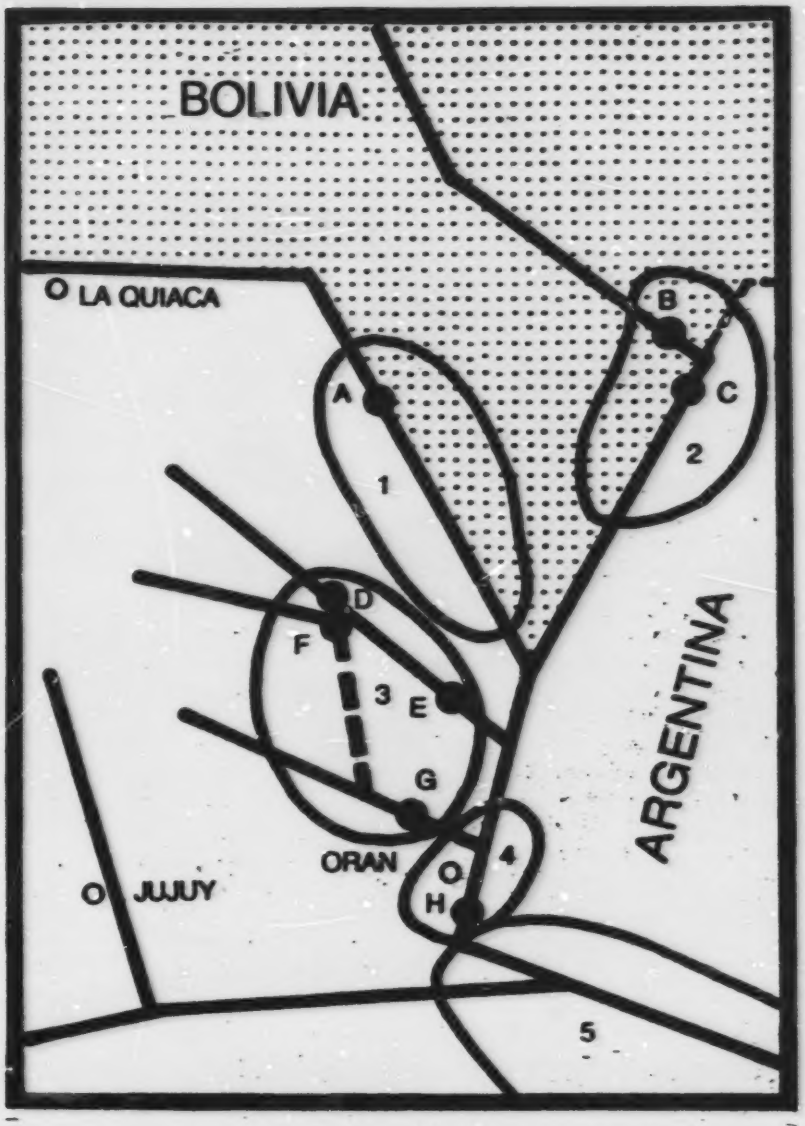
Technical and Economic Data on Bermejo Works Projects Groups

Situation	Guaranteed Flow(1)	Installed Power(2) (MW)	Average Annual Energy(3) (GWh)	Cost(4) in U.S. Dollars a/o December 1979 (in millions)
Present status(5)	24	---	---	---
Group 1 (6)	70	147	400	140
Group 2 (7)	80	242	1,117	411
Group 3 (8)	80	647	1,780	1,185
Group 4 (9)	130	463	1,170	1,480
Group 5 (10)	---	---	---	(12)
Theoretical total regulation (11)	310	---	---	---

Key:

1. Guaranteed flow at Zanja del Tigre (cubic meters per second).
2. Installed power: MW = 1,000 kW.
3. Average annual energy: GWh = 1,000,000 kWh.
4. Costs converted to present worth as of December 1979.
5. Flow is for river under natural conditions: present minimum.
6. Comprises: Las Pavas (binational) and its equalizer reservoir.
7. Comprises: Cambari (Bolivia); Astilleros (binational) and its equalizer reservoir (binational).
8. Comprises: Pescado II; Pescado I; El Portillo and Vado Hondo. Deals with the zone of intensive erosion (all are Argentine works projects).
9. Comprises: Zanja del Tigre and its equalizer reservoir.
10. Comprises: The lateral canal (parallel to the Bermejo) 728 km, and the Mediterraneo or Santiago del Estero canal (1,100 km).
11. Theoretical total regulation will provide average figures shown.
12. Present-value figures not available; cost of a navigable canal, not in-including costs of excluded works and connected works, would be some $2,000,000 per kilometer.

Construction times would be: Group 1: 5 years; Group 2: 5 years; Group 3: 7 years; Group 4: 7 years; Group 5: depending upon technology to be used.



A- Las Pavas
B- Cambarí
C- Astilleros
D- Pescado II
E- Pescado I
F- El Portillo
G.- Vado Hondo
H- Zanja del Tigre

It has been reliably estimated that the present minimum volume of flow, that is, its flow under natural conditions (some 24 cubic meters per second) at Zanja del Tigre, and without major modifications in the use that is currently being made of its waters, would be adequate only until 1990. Beginning in the next decade, unless the minimum flow is increased, the deficit will slow the present rate of development of the province of Salta and of the western parts of Formosa and Chaco. Any one of the above groups of works would result in a threefold or fourfold increase in availability beginning in 1990 to meet human, agricultural and livestock requirements.

The guaranteed flows of Groups 1 to 3 are additive, so that combinations would provide flows as follows: Groups 1 and 2: 150 cubic meters per second; Groups 1 and 3: 150 cubic meters per second; and Groups 1, 2 and 3: 230 cubic meters per second.

The reservoir at Zanja del Tigre, owing to its effective impoundment volume, would add some 130 cubic meters per second.

Regulation of the waters is the prior requisite for the definitive allocation of flows for different uses. The allocation of these flows must also take into account under planned uses the rights of the national and provincial states, which have jurisdiction over the use and management of the water. There are consumer- or partially-consumer-type uses (navigation, irrigation) and other uses that are not consumer-type (generation of energy), and still others in which the allocated volumes are partially consumed but in which their quality is modified (supply to the population and to industries, and contaminated effluents) and which therefore require inversion processing for their reuse. The national government, on the other hand, has full jurisdiction over water use for navigation, while its jurisdiction with regard to the generation of hydroelectric power is debatable. And control of a river's waters for all other uses is the right of its riparian provinces, especially their use to supply populations and industries and for irrigation, because of the social, political and economic aspects involved.

It is precisely these aspects that have produced the most heated debates on the Bermejo river since the creation of the national commission, which was headed by Admiral Portillo, because of the many proposed projects. The riparian provinces maintain that the river has flows that, even if regulated, would only limitedly supply the needs of very vast regions already suffering from a shortage of water, if flows are to be diverted to other basins, such as to those of Santiago del Estero and Santa Fe, assigning navigational and irrigational priorities to them. The provinces of Santiago del Estero and Santa Fe, for their part, maintain that the proposed navigable canal would enable the development of a region which is today effectively being retarded by the lack of an adequate, high-freight-capacity system of transportation that is more economical than the rail system. The national government, on the other hand, has, from an international standpoint (specifically with respect to Brazil), maintained its opposition on principle to the diverting of flows from one basin to another, holding that the diverting of flows from the Bermejo basin to that of Pasaje Juramento-Salado constitutes a contradiction with respect to that principled position.

The fact is that the debate is senseless at this time for various reasons: 1) The works described do not make any of their projects irreversible (neither the irrigational not the navigational ones), even after all of them have been built; 2) If regulation is not provided, none of the beneficial uses of the water will be available, and the flood-drought cycle will be prolonged indefinitely; 3) The question of the location and design of, and the decision to construct, navigable canals is exclusively the province of the national government, it being moreover useless and perturbing to demand an immediate decision when the assured and absolute technical feasibility of the projects involved depends, under the best of circumstances and for the time being, upon regulating the flows, even though only partially. This will not be possible until the year 2000, even if the plan of construction of the works and its funding were to be decided and were totally assured as of this very moment.

The creation of this interjurisdictional body of the national and six provincial governments--assuming its approved statute and functions are sufficiently ample--will make it possible to address the entire project through a joint effort among them. It will undoubtedly be welcomed enthusiastically by the Republic of Bolivia into the binational planning effort, since the regulation of the river flow will also link it to the Parana and Plate Rivers and to the Atlantic Ocean.

9399
CSO: 3010/331

REPORTAGE ON TRANSFER OF STATE-OWNED FIRMS TO PRIVATE HANDS

Presidential Announcement

La Paz PRESENCIA in Spanish 5 Nov 81 p 1

[Text] Gen Celso Torrelio Villa has announced that next year the government will begin the gradual transfer of a few state-owned firms "to a new form of ownership and management" while protecting sources of employment. He announced at the same time that the armed forces will be modernized, both to insure the security of the frontiers and so that they can participate "in the struggle for economic and social development."

Torrelio was attending yesterday's ceremony marking the 156th anniversary of the founding of the Camacho 1st Artillery Regiment, which is stationed in the city of Oruro.

He delivered a speech in which he underscored the anniversary of that military unit, whose history, he said, "is the same as the history of the fatherland," since it was organized with fighters from the war for independence.

He said that the armed forces program for government "has proclaimed the unpostponable need to improve and modernize the three branches making up our military institution, not only to insure the security of our frontiers but also so that the military can participate more fully and efficiently in the struggle for the economic and social development that will guarantee the great destiny deserved by our fatherland."

He added that "for the goals we propose to achieve in development, the action and philosophy of our military institution will be of extreme importance, especially in the establishment of active frontiers, the development of the community--mainly the rural community--and the intransigent defense of our resources, both human and natural."

He pointed out that the government is seeking to expand private enterprise's sphere of action by gradually reducing state participation, especially in those sectors where state management has been running a deficit. He said that this reorientation reverses the trend toward nationalization which has given rise to the formation of a contradictory society, but that in this reorganization of ownership, there is no thought of abandoning strategic areas or those "that symbolize our Bolivian-based will and essence."

He said: "Although we have already approved the necessary economic austerity measures aimed at reducing spending by the central government and will next year--after the appropriate studies and evaluations are completed--begin the gradual transfer of a few state-owned firms to a new form of ownership and management, we will not in any way, through these or other actions, deliver the Bolivian worker up to the fate of unemployment that would result from an irresponsible economic attitude lacking all social wisdom."

He said he was sure that the operation of a free labor market regulated by the law of supply and demand would be the final result of economic development, but never the instrument for achieving it.

Lastly, he promised that his government would pay special attention to solving the problems of Oruro and invited the inhabitants to join the "great crusade for national salvation" undertaken by the armed forces government, adding that by accepting a historic challenge, "our efforts and our persistent work toward that end will set the example that the entire country will follow."

Denationalization Denied

La Paz EL DIARIO in Spanish 6 Nov 81 p 3

[Text] Minister of Foreign Relations Gonzalo Romero denied yesterday that the government is considering the denationalization of state-owned firms.

He said that if denationalization were considered, it would have to be dealt with not only at the cabinet or government level: "I feel that public opinion would have to be consulted through the media and that the matter would also have to be closely studied by those who, as ministers in those particular areas, could make a report to the national cabinet."

He was categorical in stating that "none of that is going on" and that at least as far as the government and cabinet are concerned, nothing has been considered in that respect.

Concerning a number of publications reporting that it is the IMF which is urging a policy of denationalization, Romero said it was not obvious, since the Bolivian Government would not bow to any pressure, whether internal or external, concerning its handling of its economic and financial problem: "It is a serious problem in itself and one that would in no case be mixed in with the questions being asked of me."

Meeting of Foreign Ministers

Concerning the meeting of foreign ministers that begins next week in Santa Cruz, the minister of foreign relations said that as in previous meetings concerned with integration, experiences are being gathered through the meeting and that many of those that have been implemented have already made it possible to carry out projects.

He said that such meetings contribute to the general integration of the continent and, especially, that of the subregions.

He said that the Plata Basin holds an extraordinary future for Bolivia because it provides one means of obtaining access to the Atlantic Ocean and of linking ourselves with brother peoples, in addition to creating factors for development in what could be called territory bordering on the great rivers that flow into the basin.

Concerning the river link, he emphasized that the problem of dealing with it is a vast one, but that it represents a factor for almost subcontinental integration that is much greater in scope than any other.

The topic will receive special treatment at a conference which has already begun and in which Peru has been invited to cooperate with Bolivia in organizing the event scheduled to take place in the city of Santa Cruz.

Editorial: Far-Reaching Changes

Santa Cruz EL MUNDO in Spanish 5 Nov 81 p 5

[Editorial: "Denationalization of State-Owned Firms"]

[Text] On several occasions the president of the republic has mentioned the possibility that several firms managed by the state will be returned to the private sector. The announcement has to do with a basic change in the country's economic management, which until now has been characterized by a strong trend toward nationalization.

The transfer of state-owned firms to the private sector in some cases and the implementation of a policy favorable to private enterprise in others will give the national entity a new face that is much more compatible with its basic obligations.

Institutions such as the Bolivian Development Corporation--whose achievements in establishing several firms cannot be denied--apparently will not be affected by a change in economic policy if a place can be found for them in the field of project promotion. The funds they would gain by transferring their firms to the private sector should be allocated to the promotion of new projects.

The reason for the proposal to make a far-reaching change in the country's economic orientation is that the state-owned firms--under the influence of current political circumstances--have given rise to a flourishing bureaucracy that reduces their efficiency while also doing serious economic damage to the state.

It should be emphasized that a change in the state's economic orientation must not reflect a hasty decision on the part of the government. In the specific case of the transfer of state-owned firms to the private sector, the state's legitimate interests must be taken into account, since in the final analysis, they are also the interests of the country itself. For the private sector's part, it must adopt a responsible attitude, meaning in fact that it must make a positive contribution to the solution of national problems rather than being an additional factor for disturbance.

The denationalization of state-owned firms and the promotion of free enterprise must proceed in parallel with the modernization of those areas--such as education, health, and road communications--which have been ignored by the state as an entrepreneur.

These are really far-reaching changes that we are approaching after many long years of a nationalizing experience that is producing obviously negative results for Bolivia.

Government Control of Natural Resources

La Paz HOY in Spanish 6 Nov 81 p 6

[Text] Santa Cruz, 5 Nov--President Celso Torrelio has said here that natural resources will remain in the government's hands. He also announced that the new investment law will establish the guidelines for future activity by private enterprise, both domestic and foreign.

He also announced that the Porvenir hydrocarbon deposit, officially inaugurated today in the Department of Chuquisaca, will relieve the disturbing decline in petroleum production and mean a 35-percent increase in the current production rates of crude oil and condensate.

The president of the republic, who took part in the ceremony held at noon today at the facilities for the field discovered by the contractor, Bolivian Occidental, 325 kilometers south of this city, acknowledged the importance and significance of the deposit in question, where a total of $70 million was invested in the exploration phase and in preparing the infrastructure for exploiting, recycling, and pumping the resources discovered.

Also attending the ceremony were Jose Clemente Maurer, the Bolivian cardinal; Jorge Zamora, minister of energy and hydrocarbons; Adolfo Linares, minister of planning and coordination; Col Otto Lopez Murillo, general manager of Bolivian Government Oil Deposits [YPFB]; Chuquisaca officials, and special guests.

After the cardinal primate of the church had blessed the field, Donald R. Gladden, chairman of Bolivian Occidental, announced that the facility's capacity will permit a production and injection level of up to 100 million cubic feet of gas per day, resulting in the production, at full capacity, of approximately 8,000 barrels of petroleum daily.

He said that with this deposit having been put into operation, the company is now turning its attention to the exploration of new fields in the Chaco and Robore blocks, where Occidental also has operating zones obtained through contracts with Bolivian Government Oil Deposits.

Occidental currently has three operating fields: in the Robore block; the Tita field, where hydrocarbons have been discovered and which is currently producing 43 million cubic feet of gas and 1,300 barrels of petroleum daily; and the Chaco block in Chuquisaca, where Porvenir is located. This last-mentioned deposit--the largest discovered by Occidental--has a total of nine drilled wells, eight of which are production and/or injection wells.

The YPFB and Occidental are now negotiating a new contract for hydrocarbon exploration and exploitation.

Also speaking at the ceremony held at the Porvenir field was Robert Teistworth, Occidental's president for Latin America, who said that Occidental is indebted to YPFB personnel, whose help made the discovery and development of the field possible.

He said his company is proud of the Bolivian personnel working for Occidental (of the 301,000 technical and manual employees, 270,000 are Bolivians).

He said that production currently totals 3,000 barrels of petroleum daily, but that at the beginning of next year, it will rise to 3,000 [as published] barrels, representing 35 percent of Bolivia's production.

Lastly, he expressed his hope that the company will discover new producing fields for the benefit of both Occidental and the YPFB.

The minister of energy and hydrocarbons discussed the hydrocarbon policy established by the government, which assigns priority to the discovery of new reserves that will, basically, insure the country's self-sufficiency.

He added that for that purpose, using both its own resources in the form of deposits and private risk capital, the maximum effort is being made and will continue to be made to achieve that goal during the government's 3-year program.

He emphasized that the addition of the Porvenir field is a clear indication of how the established policy is being carried out.

He maintained that only through concerted action between our YPFB firm and risk contract firms such as Occidental, which have the necessary financial resources and access to our technologies, will we be able to move ahead with the discovery of new fields.

Lastly, he described the operating contract with Occidental that resulted in the discovery as being "favorable to the country's economic and social development."

In his short speech, the president of the republic expressed the satisfaction of the government and people at the startup of the Porvenir field, which, he said, "serves to avert from us the dangerous decline in petroleum production" that could have forced us to import hydrocarbons.

He mentioned the new policy of rapprochement between the government and private enterprise as part of the 3-year plan that was made public in October.

He emphasized the importance of the partnership between the government and private enterprise as far as insuring the rational exploitation of natural resources and improving the population's living standard are concerned.

He reaffirmed the policy of rapprochement with private capital for developing natural resources, "which will remain the property of the state," and said that the new investment law "will delineate the sphere of future activity by private capital."

He said that the country does not have adequate resources for engaging in intensive exploration for hydrocarbons, nor does it have the modern technology permitting full use of the existing resources by the inhabitants.

Reiterating his viewpoint regarding the opening of negotiations between the government and private enterprise, he said those negotiations must take place in an atmosphere of mutual respect that will help to preserve national sovereignty.

Lastly, he congratulated the YPFB and Occidental on their success in Porvenir and predicted greater successes for the benefit of the firms and the entire country.

Comparison of Public, Private Investment

Santa Cruz EL MUNDO in Spanish 1 Nov 81 p 1

[Text] La Paz, 31 Oct (ANF)--Private enterprise has carried out a better investment program over the past decade than government enterprise has.

Private enterprise fulfilled 75 percent of its approved plans, while the figure for government enterprise did not exceed 50 percent.

That official information is contained in a document published by the minister of industry and commerce in which the problems currently being faced by the productive sectors are detailed.

In the case of private enterprise, almost all of the credits intended for industry were used as working capital funds with which to build up inventories, and that was the main problem.

That characteristic was noted in the period from 1970 to 1979, and it presented a new negative feature in 1980, when the growth rate for industrial added value was less than 1 percent, while that for the GDP was 0.81 percent.

The phenomenon has its roots in the delayed startup of many projects in the public sector and the government's budget cuts.

It was also due to the weakening market encountered by some firms in the private sector due to adverse or inefficient economic, financial, and management conditions.

Another cause mentioned is the deficit position of some state-owned firms that have not been able to increase their production levels, thus spoiling their short-term possibilities, as well as the international economic blockage and political instability.

The official report adds that as industry grew through investments by the public sector, the market for the private sector was reduced.

In the last decade, the public sector fulfilled only half of its investment program, which totaled nearly 7.5 billion Bolivian pesos.

In the private sector, on the other hand, approved investments for the same period totaled 7.45 billion pesos, of which approximately 77 percent were completed, and incursions were made into nontraditional activities such as metal engineering, building materials, and chemical products.

11798
CSO: 3010/307

BRIEFS

NONINTERVENTION AT OAS MEETING--Castries, 3 Dec (AFP)--Brazilian Foreign Minister Ramiro Saraiva Guerreiro today reiterated in Saint Lucia the necessity to preserve the principles of self-determination, and non-intervention, within the OAS. Saraiva Guerreiro had a meeting this morning with the U.S. secretary of state, Alexander Haig, with whom he examined the current situation prevailing in El Salvador. The Brazilian foreign minister asserted, as had other speakers, that the OAS is passing through financial crisis which does not allow it to effectively confront the serious economic and social problems of the continent. In order to balance the growing demands of those sectors and the organization's income Saraiva Guerreiro asked for the utmost rationalization of the bureaucratic-administrative expenditures, including those for the organization's personnel. He also alluded to a projected reform of the Bogota charter, which he termed important but said that exaggerated hopes should not be placed on it. The preservation of the principles of non-interference and self-determination of peoples were considered by Saraiva Guerreiro to be indespensible in keeping Latin America immune to conflicts and from the contamination of its own dynamics by worldwide confrontations. [Text] [PY050110 Paris AFP in English 2045 GMT 3 Dec 81]

CSO: 3020/32

RAUL ROA WARNS OF U.S. 'AGGRESSION'

Managua BARRICADA in Spanish 9 Nov 81 p 12

[Text] "Central America is not going to be a picnic for them. They have to think about that carefully because they will run into compact resistance with worldwide implications. A filibusterer attack is not easy; many interests are involved."

This is the answer given by Raul Roa, president of the People's Government Assembly of Cuba and former foreign minister of his country in view of the danger of a United States military invasion of Central America.

With impressive vigor, at the age of 72—65 of which were completely devoted to the anti-imperialist cause—Roa, whom the world knows as the "foreign minister of dignity" because of his untiring defense of the Cuban revolution and his outstanding participation in hostile international forums, without hesitation answered the questions put to him by BARRICADA on the international situation in an exclusive interview which he gave yesterday morning.

Full of confidence by virtue of the strength constituted in the anti-imperialist struggle by the people's and liberation movements, the nonaligned countries, the socialist community, Roa said: "The fundamental thing is not to be afraid of their blustering. When it comes to propaganda, they can say anything; they can threaten us but it will be difficult for them to carry out their plans." The support which the Nicaraguan revolution has, he indicated, and the changes brought about in Europe—the socialist governments in France and Greece—are in favor of the anti-interventionist positions.

Lying is their favorite sport, Roa added. "We must remember that the slogan used by fascism was that a lie, repeated a thousand times over, eventually becomes the truth. That is the heritage left to them by Hitler and imperialism continues to use this slogan."

And then he added with sarcasm: "Their blustering is endless; they are addicted to swaggering. They say ha! and we say ha!"

"Every time they stumble, they respond by kicking at somebody, like donkeys that lack in mental agility." That is how he defined the tactics of imperialism.

Sevilla Sacasa, the Blusterer

During his 18 years as Cuban foreign minister, Roa on many occasions had to confront the sadly famous Savilla Sacasa in the UN. Remembering the mendacious "dean," he says: "If I had to describe him for you, I would say that he is the vicious concretion of all human excretions." A fat, big-bellied blustering fellow with little brains, infinitely cowardly.

Then he told us an anecdote.

At one time—he recalls—an admiral representing Pinochet insulted Fidel. He accused him of a series of barbarous acts. I got up—he told us and rose from the sofa to make his story more lively—and I shouted to him that he should keep quiet, that he was like a ... like a ... and then Sacasa who was just a few yards away from my seat began to say "Somebody ought to give that fellow Roa a beating."

"But Sacasa did not realize that I heard him and I approached him and told him that if anybody was to get a beating, it would be him. I did not expect him to move toward me and he ran out of the room."

But who is Raul Roa? It is not easy to describe him so we asked him to do the job for us. That is when his humility took over as he told us: "If I had to describe myself, I would tell you that I am a vanguard fighter for the entire revolutionary process."

This simple answer reminded us of the Thirties when Roa, at the age of 17, joined the fight for liberty and democracy.

"During the time of Machado, many people became rich and wound up as millionaires."

"This was quite a collection of opportunists who fought against Machado for their own interests; I remember that, after the strike in 1935, we went into exile in Miami and from there Carlos Prio (who later on was president of Cuba and who after that was ousted by Batista) said that exile would never change him. He was the same type as Batista."

How many of your generation are still fighting?

"You can count them on the fingers of my two hands."

Finally we asked Roa, who is the current president of the People's Government Assembly in Cuba, about the meaning of the renewal of the people's government during the elections to be held this month.

"The slogan is: The people elect the best," he replied. And he added: "The democratic experience began 5 years ago with respect to a representative government. A triumphant revolution is not the same as a consolidated revolution. First you have to consolidate power, then you can advance broad election mechanisms without in any way jeopardizing the power you have gained after so much blood. It is not easy but it is necessary to provide certain conditions, such as the elevation of awareness, above all, to the effect that the people is a participant in the conduct of its destiny."

5058
CSO: 3010/370

HAVANA NOTES SETBACKS IN U.S. SALVADORAN POLICY

FL041400 Havana Domestic Service in Spanish 1100 GMT 4 Dec 81

[Text] The so-called foreign minister of the genocidal Salvadoran junta, Fidel Chavez, was forced last night to acknowledge that he has never been able to prove that one Cuban or Nicaraguan citizen has, or is, participating in the guerrilla war in that country, and he has had to admit that he has no proof that either of those two countries has sent a weapon or a bullet to the guerrilla forces.

This was said by Chavez to journalists who questioned him after he had met with yankee Secretary of State Alexander Haig in Castries, capital of St Lucia, the 12th OAS general assembly is being held on that island.

The Salvadoran foreign minister's remarks coincided with another setback for the U.S. policy of military interference in El Salvador. The UN General Assembly's social commission has approved a resolution that expresses its very deep concern regarding the suffering of the Salvadoran people and which categorically asserts that the main basic causes of the situation in that country are due to internal political, economic and social factors.

And the resolution, which had 75 favorable votes and 21 against--with the United States among the latter, also deplores the killing of civilians by paramilitary groups that have been organized by the regime and the violation of the most elemental human rights, it demands that foreign interference stop and that the supply of weapons and every type of military support must also stop so that Salvadoran political forces can re-establish peace and security.

The resolution reaffirms that it is the Salvadoran people who must exercise their right to freely determine their economic, social and cultural development. They also have the right to create the necessary conditions and begin the necessary changes that will respond to their aspirations, as a people and a nation, without any type of foreign interference.

The resolution of the UN's social commission, which pictures the United States (?as an interfering power), provoked a hysterical reply from the yankee ambassador, Jean Kirpatrick, who, together with Washington's puppet regimes, tried in every way to prevent this political debacle for her government. Venezuela [words indistinct] vote together with the United States and the genocidal Salvador junta, as did other very proud democratic countries, such as Chile, Guatemala, Haiti, Israel, Morocco, Paraguay, Pakistan, Argentina, Boliva, Turkey and Uruguay.

CSO: 3010/434

COMMENTARY VIEWS LATIN AMERICAN REBELLION

PA020311 Havana International Service in Spanish 2310 GMT 1 Dec 81

[Our America Commentary]

[Text] The serious situation existing in Latin America, caused mostly by the renewed aggressiveness of North American imperialism, was analyzed during the permanent conference of Latin American Political Parties [COPPPAL] on 26 and 27 November in Panama City.

The COPPPAL expressed, in the first place, its concern over the threats and military intervention preparations by the United States against Cuba, Nicaragua and Grenada. This policy by the imperialists can only produce serious threats to peace in the region and the whole world, and the deterioration of the existing economic and political problems. This is why no organization truly concerned with the fate of humanity can remain indifferent to the great international movement of repudiation of the aggressive attitudes assumed by the present Washington Administration.

The COPPPAL meeting recently held in Panama City gave special attention to the situation existing in Central America and the Caribbean which is today, undoubtedly, one of the main areas of tension in the world.

The region's revolutionary peoples and governments are not responsible for the situation as the U.S. imperialists would like others to believe, in order to conceal their threats and interference in these nations which are continuously victimized by the most ruthless exploitation.

The explosive situation existing in Central America is the direct result of the imperialist policy which exploits these nations, denying them the slightest right to self-determination and independence.

Let there be an end to imperialist looting and there will be an end to unrest and the just rebellion of the Central American people.

The Panama conference said that the best way to find a political solution to El Salvador is to recognize the FMLN and the Revolutionary Democratic Front [FDR] as one of the parts involved in the conflict.

This conflict, it warned, will not be solved by a genocide disguised behind alleged elections in which most of the people cannot participate. A similar solution is proposed by the imperialists and their puppets for Guatemala.

The solidarity with the revolutionary process in Grenada, the rejection of the tyranny oppressing the Haitian people and the support for Panama's rights for full sovereignty were other matters analyzed by the COPPPAL meeting held in Panama City.

The COPPPAL expressed its concern over the repressive policies implemented against the people by regimes in Chile, Uruguay and other southern cone nations with which the North American imperialists maintain the closest links. The Latin American countries demand justice, a justice which has been systematically denied. They demand their right to seek their own destinies and enjoy the wealth created with their sweat and blood. They demand this right by the only means open to them, because all the others have been closed to them by the greed of imperialists and oligarchs.

The peoples cannot be blamed for the existing situation in which they are the only victims. Under the existing circumstances if they did not rebel against so much infamy, they would be blamed for not having done everything possible to free their sons and nations exploited by imperialism during their whole life.

CSO: 3010/433

NATIONAL ORGANIZATIONS EXPRESS SUPPORT FOR FIDEL

Military Units

Havana GRANMA in Spanish 31 Oct 81 p 3

[Article by Reynold Rassi: "FAR Military Units Endorse Fidel's Speech"]

[Text] FAR military units throughout the country have been endorsing Commander in Chief Fidel Castro's statements at the closing of the Second CDR [Committees for the Defense of the Revolution] Congress.

One of these meetings was held in a military unit of the Western Army yesterday. Soldiers, sergeants, warrant officers and officers of the FAR expressed their support for the revolution.

Speakers were Sgt Third Class Juan Luis Oramas for the UJC [Union of Young Communists] and First Lt Elfre Perez, secretary general of the party cell. They showed their determination to defend our people and the revolutionary conquests.

They also pointed out that, facing imperialist threats, the people and the FAR are more united to Fidel, the party and the revolution than ever and are ready--as good soldiers of the fatherland--to repel any aggression and destroy the invading enemy.

The soldiers carried signs with revolutionary slogans and denunciations of imperialist threats.

UJC Resolution

Havana GRANMA in Spanish 31 Oct 81 p 1

[Text] With Fidel's profound, suitable, firm and forceful statements at the close of the Second CDR Congress still reverberating, the 12th Plenum of the National Committee of the UJC--representing the feeling of its membership and all youth--proclaims its wholehearted support for this historic and important speech that summarizes the unwavering decision of the Cubans to defend their revolution until victory or death on the battlefield.

We feel complete solidarity with our government's denunciation of Mr Haig's tricks. Caught up in his lies, he spouts new boasts and threats that do not intimidate our

people in the least. Let them answer clearly to Cuba's denunciation! Let them stop shamelessly deceiving the people of the United States and the world!

Mankind is threatened by the insane warmongering policy of the fascist nucleus in the U.S. Government. We are living in the most dangerous times that the world has ever known. Under these dramatic circumstances, our country will live up to its history, its revolution and its principles. We youths will remain faithful to them as our glorious ancestors were to each call to arms.

We are ready to relive the feats of the Mambises, the fight for liberation during the difficult first years of the revolution.

If Cuba is attacked, the fatherland will be proud of us. We will run to fight fearlessly!

From the depths of our heart, we state with our commander in chief: Arrogant and powerful imperialists, we have absolutely no fear of you! We live with our revolution and every man and woman is ready to die for it!

Capitalism, the reaction and fascism are irremediably condemned by history. The more savage and impotent their attacks become, the firmer will be the reply of the peoples. When their aggressions were greatest against Cuba, their failure was greatest.

Facing the campaigns, sabotage and economic blockade, we became more revolutionary and anti-imperialist. The mercenary Bay of Pigs invasion turned into the first military defeat of imperialism in America. With the October Crisis, our awareness deepened and our courage and patriotism developed. The propaganda and support for the expatriate scum were answered by the unforgettable days of the March of the Fighting People.

Facing the threats and hysteria of all the fascists, their Marines and their neutron bombs, we are firmer, more communistic and more internationalistic!

Our people, our youths, our children--we are all better soldiers of the fatherland today and we are readier than ever to carry out the commands of the party and our commander in chief.

For this reason, we proclaim that this will be the most fruitful period that our organization has had until now. Our efforts to salute the Fourth UJC Congress with great successes will increase and our youth will be worthy of these significant moments in history.

We will hoist our banner of study, work and rifles higher. We will study harder and better; we will work harder and better; we will train ourselves for defense harder and better. The daily heroism that the Heroic Warrior, Com Ernesto Che Guevara, spoke of will be our guide in each task.

We will continue the work of our two UJC members and internationalist teachers who were cowardly murdered by the counterrevolution in Nicaragua. They and the two

Nicaraguan peasants who were also killed will not be forgotten. The youths who carry out tasks under fraternal skies are stronger today. Our determination to go teach, work or fight with other peoples is greater.

With a special vocation, the youth will improve their patriotic, military and internationalist education, develop their political and ideological training and be better prepared to fight the enemy who comes, whenever and however he comes.

The fighting youths of the FAR and MININT [Ministry of the Interior], reservists and militiamen--heirs of the spirit of the machete charges, the Moncada attackers, the Rebel Army, the Bay of Pigs defenders, the internationalist soldiers in Angola and Ethiopia--will increase their operational, combat and political training, will carry out orders and will have the heart of Maceo in the trenches.

We youths have the immense privilege of living during this historic time in Cuba. We do not have to beg for the fatherland that our fathers won by standing up. The revolution and the people devote their greatest efforts to us and place their greatest hopes in us. We have all the honor and all the opportunities. We are free and the future belongs to us as no other generation of Cubans ever had. We also lend our assistance to this marvelous work of all--those who died, those who fight and those who will come. We feel the obligation and the right to be in the vanguard.

In us the fatherland will have staunch and unwavering soldiers. We come from a legendary stock that left us its sacred legacy of courage, unbreakable faith in struggle and the example of fighting the enemy without letup until he eats the dust of defeat. We will never again be slaves for anyone! Steel may buckle but this land will never be occupied! Our flag will always fly free and sovereign!

Marti, our national hero, the teacher of the Cubans who taught us his patriotism and his anti-imperialism, the mastermind of Moncada, wanted a new world molded by the workers. He cast his fate with the poor of the earth. He said: This is the time of the furnaces; you only have to see the light!

In this hour of light, we youths feel prouder than ever of our admirable, heroic and invincible country of communists. We will carry out the orders of our invincible commander in chief and we will be faithful to the revolution until the last drop of blood!

Long live free, socialist and internationalist Cuba!

Long live Fidel!

Anywhere, anyway and for anything, commander in chief, command us!

Fatherland or death!

[Signed] 12th Plenum of National Committee of UJC

ANAP Statement

Havana GRANMA in Spanish 2 Nov 81 p 3

[Text] ANAP [National Association of Small Farmers] expresses its complete endorsement of Commander in Chief Fidel Castro's statements at the close of the Second CDR Congress.

Our peasantry, loyal heir of the most heroic traditions of fighting for independence and sovereignty, shows that it is ready to trade work implements for rifles facing the threats of aggression by Yankee imperialism, to fight to the death those who dare step on the sacred land of the fatherland.

In particular reference to our country, we are aware that it is necessary to be prepared to face the problems caused by the grave international economic situation and its repercussions on our fatherland.

Interpreting the feeling of our peasants and their families, ANAP also expresses its willingness to do whatever is necessary to convert the commander in chief's statements into reality.

The peasants will not stint efforts to achieve more efficiency in their work, to fulfill and overfulfill the assigned production plans, to continue the victorious march of the cooperative movement toward socialist forms of production and to achieve greater successes in production.

ANAP exhorts all the base organizations—agricultural-livestock production cooperatives, credit and service cooperatives and peasant associations—to continue their demonstrations of support to our commander in chief's statements by holding impromptu meetings and other demonstrations of support that have emanated from the enthusiasm and revolutionary fervor characteristic of the peasant masses.

The Cuban peasantry will continue to be an invincible bulwark of the revolution. From its trenches, it will continue strengthening the work of production and defense with the mottoes to be more efficient, more thrifty and more internationalist than ever. Every man and woman in our fields will follow the example and the teachings of Fidel. We will not make concessions to imperialism and we will be more faithful to the principles of Marxism-Leninism each day with the staunch determination to continue working on the construction of socialism in our fatherland.

We will continue to redouble our efforts in creative work with the slogans:

More efficient and thrifty than ever!

We are not afraid of imperialism!

Production for defense and work for victory!

Commander in chief, command us!

Fatherland or death! We will win!

[Signed] National Association of Small Farmers

Metallurgical Workers

Havana GRANMA in Spanish 4 Nov 81 p 2

[Article by Nancy Robinson Calvet: "Reaffirm Position Supporting Socialist Fatherland, Fidel"]

[Text] The national ceremony for Metallurgical Worker's Day served as an occasion to reaffirm the support of the workers of that important sector for the socialist fatherland and Fidel.

Pedro Miret, member of the Political Bureau and vice president of the Councils of State and Ministers, and Luis Alvarez de la Nuez, member of the Central Committee of the party and first secretary of the party in Havana, presided over the ceremony held at the Conrado Benitez Electric and Telephone Cable Production Enterprise in San Jose de las Lajas.

That enterprise was selected because it had the following indices at a recent review by the provincial union: mercantile production plan, 108 percent; productivity, 119 percent; average wage, 101 percent; and cost per peso produced, 4 centavos less than the plan.

Angel Villarreal, secretary general of the SNTM [National Union of Metalworkers], saluted the efforts made by the workers in that sector in the province, especially the Conrado Benitez collective.

During the ceremony awards were presented to the winners of the spare parts competition chosen among 50 participants. The winners were Jose Hernandez Paz, Juan Rodriguez Valdes, Ruben Iznaga, Sergio Garcia Garcia and Jose Vega. The winners of the Capitan Alberto Fernandez Montes de Oca SNTM literary competition were also announced.

There was a very emotional moment when octogenarian Emilio Alvarez presented the logotype of the union to Agapito Figueroa, second secretary of the CTC [Central Organization of Cuban Trade Unions], who closed the meeting. Alvarez had just received a certificate for over 25 years of work in the sector along with comrades Argelio Rivera, Antonio Torres, Alfredo Garcia and Silvano Dominguez who represented 40 workers.

CTC Declaration

Havana GRANMA in Spanish 5 Nov 81 p 3

[Final Declaration of 43rd National Council of CTC issued on 3 November 1981 at Palacio de los Trabajadores in Havana]

[Text] Today we repeat once more:

Fidel,

Your workers, your CTC, your unions will share all the battles with you and--as always--will march with you toward new victories.

Commander in Chief!

Command us!

The 43rd Meeting of the National Council of the CTC, completely agreeing with Fidel's statements and the position of the revolutionary government facing the new outbreak of imperialist threats and aggression, reaffirms its determination to be worthy of the tasks that the moment demands and that the urgent defense of the socialist fatherland imposes.

The escalation of hostility by the fascist clique in power in the United States is a dangerous and suicidal path. Our people know the consequences of that insane position. They see people in the international political scene imitate Hitler, Goebbels and other fascist extremists. They see how (lie after lie) the farce is plotted with the complicity of lackeys.

Our people know the workings of the monster. They know its hysterical power, its scorn for international opinion and its total rejection of the most basic norms of respect for the dignity and sovereignty of people. Therefore, it does not surprise us when it again invents ridiculous accusations against Cuba, designed to create a favorable climate for aggression.

As a sign of the adherence to the path chosen, we once more clean our weapons and occupy the trenches of defense and production, convinced that our land, our mills, fields, mines, hospitals, schools, work centers and our conquests will not be trampled on by the imperialist boot.

The 43rd meeting, expressing the feeling of millions of workers who have unanimously raised their voices to condemn imperialism, totally endorses the declaration of the revolutionary government announcing to the world that "we will resist the powerful, arrogant and fascist policy of the Yankee government at any price." It supports comrade Fidel's denunciations of the present Yankee administration.

The representation of the Cuban union movement, meeting at the time of such singular events, feels the urgent duty to reaffirm to our people, to the leadership of our communist party and to our beloved and invincible commander in chief our determination to be worthy continuers of the traditions of the working class and--as at the Bay of Pigs--to hold high the victorious flags of socialism and give an unforgettable moral lesson to the enemy.

Facing the aggression, we validate our right to life and to creative work. The Yankee advisers, Pentagon computers and CIA superspies should reflect before taking any false step against our people. This is a people with strong political roots. They are united morally, politically and ideologically and advance confidently on the socialist path. We warn: "This is a hard bone to chew." We are not afraid. There will be a beginning but no one can be sure how it will end.

The imperialists must not deceive themselves with the idea of exporting the nuclear war, the cold war and their policy of aggression as they do their economic crises. If they stupidly and criminally attack us, they will immediately clash with the defensive strength and the devastating response capability that the revolution has prepared.

We are sure that, in addition to moral superiority, our weapons, our experience as soldiers and our adherence to principles will support us in the confrontation. They make us invincible.

We are part of a people who stick to their ideals, their deep-rooted revolutionary awareness which has forged this union movement whose "commitment to socialism and proletarian internationalism is a living monument to the immortal ideas of Marx and Engels," as Fidel stated at the Second Party Congress.

We are filled with righteous pride to be part of a people like ours who, forcefully but calmly, prepare themselves to face any confrontation with a spirit of victory. We are a people with thousands of internationalist men and women capable of taking the places of the heroic Cuban teachers murdered, along with Nicaraguan militiamen, by gangs in the service of the CIA. Those who try in vain to destabilize Nicaragua are the same ones who aim their guns at Cuba.

The imperialists should also know that we will carry out the order that there will be no cease-fire; we will fight until the final victory.

We will continue working with the same daily and quiet heroism that grew in the fertile soil of the revolution. In all the work centers, we will fight to increase efforts with the firm determination to make up for the work of those comrades who are carrying out defense tasks for the threatened fatherland. Each day we will do our utmost to maintain production, living up to the heroism of our glorious and invincible FAR.

We will not hesitate to convert our shops and factories into impregnable trenches. Towns, cities, fields and mountains will be battlefields where the devastating defeat of the aggressor will be inscribed. The happy faces that today create wealth with their calloused hands and intelligence will march to battle as the Mambises, our rebels, the heroic soldiers at Bay of Pigs, Escambray, Angola and Ethiopia did in the past.

Men of the stature of Cespedes and Agramonte, Marti, Maceo and Gomez, Mella, Villena and Guiteras, Jesus Menendez, Frank, Camilo, Che and Lazaro gave their intelligence and their lives for the fatherland. Our glorious legion of soldiers will lead us in the final combat. Like them, we will use courage and resoluteness to reach victory. The fatherland that they forged will not fall. The fatherland will live in spite of all; it will live as an example. History will tell of a people that honors its heroes and martyrs, that fights without letup for happiness, progress and socialism and that fights heroically next to Fidel.

At its 43rd National Council, the CTC can see thousands of workers march in close ranks. Dressed as militiamen, they carry the anthem of the fatherland on their lips and the weapons ready to defend it in their arms.

The CTC can already feel the energetic deployment of the labor force carrying rifles as on that unforgettable day in April when we went to bury our dead, to denounce to the world the crimes that preluded the invasion and to swear to fight and win for the socialist fatherland.

The revolution is the daughter of the working class. All parents usually make as many sacrifices as necessary for their children.

Our front ranks are in place. The banners are hoisted and all the Cuban workers and their glorious union movement answer /present/ [in boldface] on all fronts the battle demands.

Today we repeat once more:

Fidel,

Your workers, your CTC, your unions will share all the battles with you and--as always--will march with you toward new victories.

Commander in chief, command us!

[Signed] 43rd Meeting of National Council of CTC
Havana, 3 November 1981
"Year of the 20th Anniversary of the Bay of Pigs"

7717
CSO: 3010/340,341

VALDES FAR COMMEMORATION SPEECH

FL021923 Havana Domestic Service in Spanish 1523 GMT 2 Dec 81

[Speech given by Interior Minister Ramiro Valdes at the main ceremony commemorating the 25th anniversary of the revolutionary armed forces and the landing of the Granma yacht at Playa Las Coloradas--live]

[Text] Dear comrades: During the past few days the people have, throughout the country, commemorated with extraordinary warmth and combative spirit the 25th anniversary of the Granma landing and of the creation of the glorious and exemplary Revolutionary Armed Forces [FAR]. It is proper that on this day, 2 December, we should celebrate this event here: at Las Coloradas, at the scene of that event, with the faithful and unselfish peasants, who were the first to give a helping hand to our fighters; with the young people who are emerging as the guaranteed relief of the current revolutionary generation; and with the people of Granma Province, a people who have written, and continue to write, heroic pages in the history of our fatherland ever since 10 October 1868.

We are here to render homage to our dear brothers who, 25 years ago, arrived on this coast full of hope and with a fighting spirit and who, with their blood, made a reality of the decision that Fidel announced to the Cuban people to the effect that we would either be free or martyrs in 1956.

We are here to recall what Granma means in our revolutionary process. The importance of that event, together with the insurrection of the people on 30 November in Santiago de Cuba--led by the unforgettable Frank Pais--lies in the fact that it was the starting point for continuing the Moncada battle; in the spark that started the armed struggle against the tyranny; in the dawn for a valiant rebel army; and that it certainly opened up the hard and heroic path for our people, the path that would lead us to 1 January, to the socialist revolution and to the high pedestal from which today celebrate this 25th anniversary with dignity. [Applause]

The greatness of the event that we are commemorating here cannot be envisaged through the size of the expedition, the number of men involved or through the amount of weapons that was landed here. Its most legitimate and thrilling significance lies in the humbleness of the resources with which the war was taken on against the despotic regime that was drowning our soil in blood. It must be recalled that the tyranny, even at that time, considered itself ot be all-powerful and invincible. It counted on a large and well armed army. It had at its disposal an apparatus

that imposed terror and that dominated the political scene. And, above all, it had the absolute support of yankee imperialism.

The fighters of the Granma had nothing else behind them besides the spray of the very small wake that our small yacht was leaving in the agitated waters of the Gulf. And they had no other support than the justice of the ideals that give them encouragement and the conviction that the people would support Fidel and his call for a struggle, rebellion and sacrifice. What gives Granma historical importance is precisely that action, because it represents the persistence of a just position, the will to fight and the tenacity and confidence in the moral and patriotic reserves of our people.

Granma demonstrated many things. In the first place it demonstrated the value of concrete events and the example of what a vanguard can undertake in a revolutionary process. At that time Cubans were asking for action, not words. Our people, who were tricked so many times, frustrated and tricked by political chicanery and false leaders, needed action that would show them the path they had to follow and which would give them back their faith in themselves, their strength and their right to a different future.

It was not a question of starting a public debate about the channel and conditions for the revolution. History has demonstrated that fighting is the best method for developing revolutionary conditions; to clarify confusion; to be made aware and to get a people out of their lethargy and the enervating atmosphere in which their oppressors sink them.

Many will recall the frequent comments at that time attemption to identify Cubans with vice, corruption, imperialism and the lack of ideals and patriotism. The neocolonial regime tried to instill in the people the idea that they should denigrate and despise themselves. But, the revolution smashed that pack of lies, prejudice and ideological backwardness.

The people--with the path that was pointed out by Moncada, which was then hewed out by the Granma and with the later evolution of the fighting in the rural areas and the cities--relived the times of the Mambises at Yara, Baragua and Baire, the banners of Cespedes, Agramontes, Gomes, Marti and so many other heroes once again flew over a free Cuba.

A new awareness came over our humble and working masses. They first became aware of modesty, decorum and the spirit of justice; the strength of national sentiment, which is rooted in our people, and the force of its revolutionary traditions were demonstrated.

Thus, during these past 23 years of struggle, learning from the experience gained in the countinuing confrontation against yankee imperialism, our people united forever their culture and that feeling, the more progressive part of their patriotic inheritance and the universal doctrine of the working class and socialism. In the struggle against their enemies, the Cuban people emerged from the McCarthyist and anticommunist abysm in which they had been for 25 years and massively embraced the beautiful ideas of communism and internationalism. [Applause]

The leadership of our revolutionary movement played an extraordinary role in this phase. The peoples make history, but the leaders and vanguard political organizations also have an irreplaceable and decisive function to fulfill. Marti said that it was not a matter of men making the peoples, instead the peoples, in their crucial moments, usually followed with great determination one man. With the most profound and sincere conviction, we can say we had the good fortune and privilege of having Fidel at the time, and today that fortune and privilege are not ours alone, he also belongs to all the revolutionary and progressive peoples in this continent and the world. [Applause]

No one could have imagined Fidel's political vision, organizational ability, agglutinating power, intelligence and personal audacity at the time of the Moncada assault and the Granma landing. Something that moved us to make an irrevocable decision were these words by the chief of our revolution, which we would like to recall today here. The statement was made during the days in exile in Mexico, on 10 October 1955 before Jose Marti's monument. At the time Fidel said: He who feels an ideal does not stop to think about the obstacles in front of him. There is something above all reason of the heart, the reason of the faith. It is the conviction that right and justice are on one's side. All those ideals ignite the rebellion in the people. I make known my faith in America and make it with the faith we feel in ourselves. I make it in the certainty that America is tired of, that America is disgusted with all that political jobbery, traitors and oppressors it has to endure. Marti's thought and Bolivar's sword will sparkle in America again. I have faith in America. [Applause]

With Fidel leading them, our poeple learned how to transform setbacks into victories and learned that what describes a revolutionary is his attitude of not surrendering and not tiring ever. If our combatants had become tired at the Moncada barracks, today that episode would barely be an anecdote lost in the past and the sacrifice of those who fell in that action would still be waiting for the tree to bear fruit. The revolution did not frighten in the face of the gigantic effort that reorganizing the struggle implied after the 26 July setback. It maintained alive and vigorous the flame of the rebellion behind the prison bars. There were no vacillations in the face of the immense task of recruiting, training, arming and bringing to Cuba the expedition that would set in motion the insurrectional struggle.

The fraternal Mexican people gave encouragement and aided to overcome the obstacles. In times of adversity, Cuba's cause had such friends as Gen Lazaro Cardenas. Once more Mexico's extraordinary role as a land of Latin American liberty and solidarity was demonstrated. [Applause]

A small yacht, overloaded and lacking the conditions for such a cruise, enthusiastically became the hope for fulfilling the duty and commitment made to the people. The struggle did not stop despite the new difficulties which interfered in the fulfillment of the landing plan. As is known, the fact that the Santiago uprising did not take place simultaneously with the Granma arrival, but instead 2 days before because the yacht's delay, provoked the opposite of what the organizers of that heroic action had planned. Instead of eliminating the pressure of the enemy troops on the members of the expedition, it brought about the concentration in Oriente Province of some of the best trained troops the tyranny had. In addition to that, the forced landing in this low area covered with mangrove physically affected the combatants and left many of them in such conditions that they could barely walk.

The original plan was not met. It was also impossible to contact the comrades that were waiting for the Granma. The tyranny's army detected the presence of the expedition in this area and launched its troops in pursuit of the revolutionaries. When it looked as if the worst was behind, just a short distance from the mountains, the bitter setback of Alegria del Pio occurred. The rebel column was surprised and dispersed, and our enemies' criminal brutality was unloaded on its battered remains. However, what in those difficult moments saved the Granma's revolutionary mission and projected its example into history was the fact that, even though dispersed, still surrounded, still tired and hungry as a result of deprivations, it remained determined to open the way toward land and fulfill the orders of the chief of the revolution with Fidel, Raul and Almeida commanding it.

Without that indomitable resolve, eight men and seven rifles would not have come together one day, the eight men who made Fidel shout with extraordinary optimism and absolute confidence in the future? Now, we will win the war. [Applause]

In that difficult school, our rebel army learned how to get the strength and experience from each blow. It learned how not to let difficulties beat them and to show a spirit of determined combativeness. First it was a small vanguard, but then that spirit of struggle became part of an entire people. In that manner we have been able to resist and win all these years. That is how we have been able to face up to the blockades, aggressions, threats and pressures of all types being conducted against our country by yankee imperialism. That is the way we face and will face all the risks rising in front of us as a result of the firm position of principles of the revolution in its foreign policy and the difficult economic situation being endured by the world today.

Since the assault on the Moncada barracks to date and on into the future, the strength of our revolution has depended and will depend on the people. When death and adversity decimated the ranks of the combatants, out of the entrails of our humble and working people emerged new contingents of fighters. They made up the columns of our rebel army and of the clandestine forces and became makers of the 1 January victory. They gave their blood in the Escambray mountains, at Giron and in all battles they were forced to fight to defend and consolidate our revolutionary state. Years later, they led the people beyond the seas and offered in Ethiopia and Angola one of the most emotional demonstrations of our ideals and practice of proletarian internationalism. [Applause]

On the path that the Moncada and Granma opened, which is the same path of the wars 1868 and 1895 and the people's struggle in the decade of the 30's, our people began to write their true and definitive history. Each hero that fell multiplied his example in thousands of compatriots, and our strength, unity, consciousness and spirit of sacrifice grew infinitely. From the bodies of millions of humble Cubans have emerged today's victories. With selflessness and enthusiasm, they have made a reality the tasks of production, defense, health, education and many other activities. Tens of thousands of workers and technicians of our fatherland have lent and continue to lend their valuable and unselfish contribution to the material and social development of countries in three continents.

Out of the ranks of our people and based on the most rigorous selection, our Communist Party and its hardened vanguard youth organization have been formed.

Out of the midst of the people, our powerful mass, student and social organizations have been integrated, organizations which are true bulwarks of the revolutionary feeling, combativeness and vigor of the entire nation. The working people today have the responsibility in all representative and administrative bodies of our soicalist state. The people in uniform, as our unforgettable Camilo Cienfuegos called them in a historic phrase [applause], the combatants who make up the ranks of our glorious revolutionary armed forces and interior ministry, are an historic extension of our guerrilla army and inexpugnable bastions in defense of the revolution and socialism.

The people have been and continue to be the doers and supporters of all advances and gains that today make us proud. To them, the anonymous heroes of all times, to the heroes of the battle and daily work, we owe the immense pride of having arrived at with honor and hope the emotional commemoration of this 25th anniversary.

The yankee imperialists at times speak as if the existence of a revolutionary, socialist and internationalist Cuba could depend on their policy, or on the decisions of their government, or on what they, when all is said and done, could plot against us. Our revolution, with only 23 years of existence, is already a social phenomenon, absolutely solid, stable and unyielding. Even though it would not be an easy task, we could perhaps be erased from the face of the earth. What would never be possible is that we would not yield to any type of threats, pressures, blockades, aggressions or yankee ideological campaigns. This is well known.

Today we are stronger and surer than ever. Our people have demonstrated with impressive eloquence that they cannot be frightened. Our young people show that the revolution's care and attention have not been useless efforts. We can look to the future with joy. It is true that we are still struggling and will have to struggle for many years to come against underdevelopment, backwardness and poverty. It is true that our living conditions are modest and austere. But this profound sense of justice, truly humane moral values, a life without boundaries and a superior dimension of man's freedom and rights place us at an incomparable distance from the yankee imperialist society.

The revolution has forged a nation profoundly patriotic that seeks and struggles with determination to become profoundly communist and internationalist. In our life there is no room for concessions, liberalism or opportunism. The consistent application of the principles of Marxism-Leninism, the strongest and most exemplary unity in the midst of the revolution and between the party and the masses make us invulnerable and invincible and constitute the solid guarantee of our future.

In addition, we live in a world in which no country is isolated. The experience of recent weeks has precisely demonstrated the strength of this gigantic and powerful universal movement of solidarity with Cuba. Our incorruptible policy of principles and our loyalty to international revolutionary movements explain the reason for this determined support. We will continue our direction in history practicing internationalism and at the same time receiving it. With the close brotherhood of the progressive and communist movement of socialist countries and, very especially, the Soviet Union, to which we are fraternally tied [applause]. We will continue to build and defend this advanced trench of socialism on the American continent.

We carry with us the unalterable optimism of people who know they are the absolute owners of their fatherland and future. The revolution is the dearest accomplishment of the Cuban people. They dreamed about its triumph when it was only a remote hope. They cared for it when it was just a small child taking its first steps in the midst of mortal danger. They have seen it grow and develop throughout these years, and they are ready to make for it as many sacrifices and efforts as necessary. To defend the revolution is not only to be ready to fight for it, it is also very principally the decision to work harder and better each day. It is the will to be increasingly more productive, more efficient and to save more.

That is the reason for the watchword given by Fidel to our people, which is: production and defense. Our fatherland today not only has to face up to the risks of the yankee administration's adventurous and reactionary policy, we also have to undertake the task of confronting the negative effects of the low price of sugar in the world market and the economic situation created in the world by the crisis, inflation and chaos shaking the system of capitalist exploitation. With the same serenity and spirit of victory with which we prepare for the defense of the fatherland, we have to prepare ourselves and adopt the measures needed to tackle these problems and get ahead.

Doubtlessly, that will be the most worthy, realistic and consistent tribute that we can play to the comrades who fell at Granma and other phases of the revolution. [Applause] Today's ceremony arouses emotions in all of us, towards the 82 who made the symbolic landing, to the outstanding students and workers who brought the torch of freedom to this place, to the residents of this place and historic province, to the veteran combatants of the rebel army and clandestine movement who received their medals and, in particular--I am sure of that as long as there is a need for living specially intense moments--to the comrades who made up the expeditionary force of the Granma, whose participation in this commemoration fills us with joy. [Applause]

The years elapsed teach us to reflect more profoundly on the successes of the past. On this 25th anniversary, we experience the condition of having participated in the most fruitful and extraordinary era in the history of the Cuban people. It has been a beautiful privilege to live the victories of Fidel and the socialist revolution and the gallant battle of our fatherland vis-a-vis the attacks of yankee imperialism.

That is why on this 2 December we have present in our minds more than ever the beloved brothers who fell without living this phase. Today we observe the combatants of the insurrectional struggle who received their medals and next to them the vanguard youths who relived the Granma landing and those who brought to this podium the torch of freedom. It was like a relay symbol of the revolutionary generations. It was as if Nico Lopez, Juan Manuel Marquez, Candido Gonzalez, Armando Mestre and many other comrades were embodied in the new fighters. [Applause]

If we feel the profound certainty that our revolution is indestructible and that our cause, as represented by this torch, we know it will continue to move forward eternally alive held in the strong and firm hands of our youth. May the heroic founders of our rebel army live forever! Long live our glorious and invincible revolutionary armed forces! Long live Fidel! Fatherland or death, we shall win! [Shouts of viva and prolonged applause]

CSO: 3010/436

SHORTAGES IN COUNTRY NOTED IN 'OPINA' MAGAZINE

Santo Domingo LISTIN DIARO in Spanish 4 Nov 81 p 23

[Article by Pierre Cayrol: "Cubans Protest over Poor Condition of Houses of Assignation"]

[Text] Havana, 3 November (AFP [French Press Agency])--The more or less clandestine Cuban couples are frankly annoyed: The "houses," as the houses of assignation are called here, are no longer what they used to be.

It seems that the service leaves much to be desired and the hygienic conditions are extremely bad. Even the press has taken up the matter and in its latest issue the very serious monthly magazine OPINA did not hesitate to report the discontent of many lovers.

The "houses" are nothing new. For many decades, many years before the triumph of the revolution (1959), unfaithful husbands and wives and couples with housing difficulties had found themselves obligated--as elsewhere in the world--to seek a love nest in those establishments which are authorized, which are legal, and which are even government property.

There are many such "houses" in Havana. The only thing is that for the long-suffering average citizen, the prices are too high. If there is never a shortage of customers, it is because not even the richest person can find a room in a hotel because they do not rent rooms "by the hour." Besides, in the hotels, you do not have the same discretion as you do in those "houses."

So, what better way to solve the problem than to go to the traditional houses of assignation? They can be found in almost all sections of Havana. They are downtown, they are out in the rural areas, they are on the beach. The price ranges from 5 to 7 pesos (between almost $7 and $10) and some guarantee anonymity and many advantages.

For example, there is talk about a big "house" where you are taken by car. The customers enter through the underground garage, they pay for the room, and they go up directly, without anybody seeing them. What happens is that things have been getting worse for several months now. Some customers behave badly; they act very egotistical, without realizing that, when they go, other couples will follow them in the "love nest."

"There are people who spray-paint and burn the furniture and even the ceiling," deplored the magazine OPINA. "Others rip and burn the pillows, they smash the knicknacks, they damage electrical and sanitary equipment, and in the end they leave the room looking like a pigsty."

In most of the "houses," there is absolutely no cleanliness; even the prices of the beverages have gone up and the management favors certain 'special' customers who do not have to wait in line and who can reserve the best rooms," OPINA continues.

Even worse, the "lookers" are beginning to frequent those "houses." "There are little peepholes in the doors and walls," the magazine reported, especially alerting its readers against room no 14 in the "El Recreo" house, an establishment located opposite the old Havana market.

The time has come to take severe measures, OPINA emphasized. The time has come for the houses of assignation in Havana to be "clean and pleasant" places.

"We ask that the houses be beautified, that they be cleaned up as they should be, and that food and even flowers be sold in them.

"After all, the very meaning of life is love. To make love is something as normal as it is correct to beautify the places in which love is sheltered," the magazine continued.

Finally, on top of everything, it reported that the employees who work in these houses are looked down upon and treated badly, as if they were performing some kind of denigrating job.

In this connection, the magazine mentioned a story printed by another Cuban periodical to the effect that these employees are "punished" workers who must do this job because they committed "professional violations" in other enterprises. "How long will this bad policy go on," OPINA asked. "Could it be that there are still bad jobs for individuals in our society ?"

5058
CSO: 3010/370

RESULTS OF CORTEX EXPERIMENT DESCRIBED

Havana JUVENTUD TECNICA in Spanish Aug 81 pp 14-15

[Article by Manual Hung: "'CORTEX'—A Cosmic Success"]

> [Text] The components of this equipment, put together in a short time, were designed to meet the requirements of exceptional rigidity and reliable operation under conditions of severe vibration, great acceleration, and possible problems of excessive heating due to the absence of gravity.

The "CORTEX" designed by Soviets and Cubans, made it possible to accomplish the electrophysiological exploration of the human brain during the joint space flight between the USSR and Cuba on 18 September 1980.

The objective was to determine the changes in the electric cerebral activity of the cosmonaut resulting from the accomplishment of his mission in order to judge the degree of affection [impairment] of his handling capacity during flight and his recovery after return to earth. It consists of a very light, natural-rubber helmet; the electrodes and earphones, a light and sound stimulator; cerebral electrical activity amplifiers, and a magnetic tape recorder.

The high-quality electrodes—superior to those used on the ground—were designed and made in Cuba.

The helmet was also designed and made in Cuba, specially for each cosmonaut, with fixed electrodes, always located at the same point on the skull. Here, the participation of skilled workers in the use of rubber, from the Ministry of the Light Industry, was extremely important.

The other part made in Cuba was the flashing and clicking circuit, in other words, the light-sound stimulator; the Soviets developed the control panel for the whole assembly.

The condition of weightlessness was considered in all of these equipment units.

A paste was used for the electrode contacts. Its applicator was made in such a manner that no portion of it could remain suspended within the space ship.

As for the telemetry channels, it was decided that the registrations would be recorded on magnetic tape. The cassette was sent to earth for computer processing. The fidelity of the recordings is the same as if the potential produced had materialized in a laboratory on the ground—something which is not easy in telemetry.

Electroencephalogram

As we know, the brain's activity generates currents capable of being recorded and the oscillations can be illustrated in the form of graphs. That is the essence of EEG which has made it possible to study brain functions. It is administered at rest, since any movement, even so slight a movement as blinking an eyelid causes false currents to show up in the graph illustrating the process.

It had been found that both the flashing and the clicking sounds cause a weak electrical response in the brain. It was a step forward to discover, through the EEG, that the weak potential of that current, accumulated through hundreds of stimuli, makes it possible to achieve significant values not only to establish a diagnosis regarding possible diseases but also to determine the level of human efficiency in performing certain tasks. This method is called PE (potential evoked).

CORTEX Experiment

In the Intercosmos Program, the Cuban side proposed the CORTEX Experiment which consists in seeking a practical form of performing the EEG using the PE method, something which had never been done before—out of the conviction that, if there were any results, this could be turned into a routine test during all the flights. The Soviet side liked the suggestion and their specialists and the Cuban specialists divided up the task of designing and building the equipment.

The PE method is performed on the ground, prior to the flight, during the flight in outer space, and once again upon return to the earth. In all cases, the cosmonaut make the EEG for himself in the resting state and while working. The work thus is not physical but mental and very basic in these first few tests since it consists in counting flashing lights and clicking sounds.

In spite of its simplicity, the method involves elements of major complexity.

What is the Future Application?

It may be used in the future selection of cosmonauts, for checking on the medical and psychological condition of the cosmonauts, for checking on their indirect capacity as system operators, and it could even be used to determine the influence of the medium since the latter incorporates new elements, such as weightlessness and isolation—conditions which have an effect on the cerebrum.

The PE makes it possible to judge whether the individual is in a good condition; whether training is good; whether preventive measures on board are adequate. Upon return, it makes it possible to establish the time at which the individual has recovered his full capacity.

Subjection to Resistance Test

All the equipment to be used in outer space is subjected to tests and must withstand some conditions not encountered during use on the ground. The light-sound stimulator was taken to Leningrad, along with the helmet, to a specialized center, as is done with almost all instruments that are taken into outer space.

There, the equipment was subjected to vibration tests to check its disintegration resistance. It remained intact and functioned normally.

Then the equipment was taken to a special heating chamber where it had to withstand a temperature of 50° C, to find out whether there were any toxic or irritating emanations. There were no difficulties. Moisture, cold, and other tests were also conducted. The results were satisfactory.

Seven Cuban central government agencies, more than 50 research institutions and production enterprises and some 500 technicians and workers were directly involved in the preparation of the experiments.

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SUCCESSES AT NICARO NICKEL MINING ENTERPRISE NOTED

Havana GRANMA in Spanish 31 Oct 81 p 4

[Article by Alexis Rojas Aguilera: "Nicaro Nickel Workers Show That One Can Always Advance and Win"]

[Text] Nicaro--"On 24 October we celebrated the 21st anniversary of the nationalization of our enterprise which bears the name of the valiant Maj Rene Ramos Latour and which quite appropriately and through the efforts of its workers has become a symbol and bulwark of the Cuban mining and metallurgical industry; we have come to this date with all of our tasks accomplished and over fulfilled at a moment in our production effort which is qualitatively superior and with the satisfaction of having turned over to the state the additional tonnage of nickel concentrate plus cobalt requested of us."

The above words were spoken by Diosdado Aguilera, an "A" coiler in the electric power plant of this establishment, a national vanguard member of the Chemical-Mining-Energy Union and an outstanding innovator, a miner with 32 years of experience. These words summarize the feelings and fundamental achievements of the entire work force at the Nicaro nickel plant which, with almost 5,000 workers, is achieving noteworthy successes in production and in many other areas, demonstrating for everyone to see that one can always make progress and win.

The Maj Rene Ramos Latour enterprise--the best in the Ministry of the Basic Industry and the Chemical-Mining-Energy Union in 1980--starting in 1975 has been compiling an outstanding record through the sustained over fulfillment of the production plans for nickel concentrates which last year broke the long-term output record for the revolutionary period and which at this time signifies the breaking of all production records in this industry since 1942.

Engineer Humberto Peguero Montoya, manager of the powerful mining and metallurgical industry in the township of Mayari, expressed the certainty of the entire work force he directs in hailing, by 31 December, the 23rd anniversary of the triumph of the revolution by accomplishing the annual plan to be extent of 101.5 percent, "in a year in which we grew 4 percent over the prior year and in which we also prepared ourselves to increase our 1982 output by 2.5 percent.

"We have confidence in the mass of workers at the enterprise, in their seasoned and forceful Communist militancy which comes to 33 percent of all of the workers, in the innovators who have done extraordinary things to maintain production and improve technical-operational efficiency, and in the young workers who are their reliable relief force. We are entirely convinced and determined to carry out any plans that may be assigned to us, no matter how difficult they may turn out to be," he said.

Drawing a comparison between what was accomplished until September 1980 and what was done this year, the manager of the "Maj Rene Ramos Latour" factory pointed out that it had been possible to increase the output by 5.86 percent, noting that this increase came about in spite of the energy and mechanical damage in some technological areas; this called for additional efforts to make repairs so as to correct the damage quickly and efficiently. It must also be pointed out that the metallurgical plants were well supplied with minerals coming from the mines at Marti and Pinares de Mayari, essentially regarding their grade or content of nickel and iron per ton of minerals.

Taking up aspects dealing with the enterprise's economic management, engineer Peguero Montoya said that "there is no question that the implementation of the system for the management and planning of the economy has yielded noticeable advances for the enterprise in the fields of economic efficiency and enterprise organization, in material incentives for the workers, and in other areas which, for example, are expressed in the over fulfillment of the gross output quota by September to the extent of 4 percent, the business quota by 3 percent, and the earnings by 1 percent. This is also indicated by the 103 percent of productivity obtained and 100 percent for average wages, with a favorable ratio between the average wage and the productivity, among other indicators.

The production successes of the "Maj Rene Ramos Latour" plant were also influenced by the progress made in undertakings included in the investment program for overall rehabilitation and modernization currently in its peak phase involving construction, finishing work, and stations in operation; this assures the establishment of an improvement in the technical condition of equipment, operational flexibility, and in some cases an increase in the design capacity to increase the output.

Right now there are under exploitation the slopes of the Pinares de Mayari mine, no. 22 reduction furnace of the reduction furnace plant, a new 6,000kv turbogenerator, a seventh milling unit in the drying plant, a new boiler for steam generation, and an electric filter in the driers and mills; the lengthening of the mineral conveyor belt at the Marti mine by 1 kilometer has also been completed.

At the same time progress is being made in the effort to assemble a new electrostatic precipitator for the reduction furnaces which will eliminate industrial dust escaping into the atmosphere, the construction of a new ammonia recovery plant, the assembly of new industrial cranes for the supply system for the drier plant; work is being done to start, by the end of the year, two settling tanks for leaching and washing, with a capacity of 42 meters per day; working is being continued on the completion of another two for the next year with a capacity of 31 meters per day.

Work was also done on other, no less important projects, such as the new port jetty, a modern computer center, a powerful central laboratory, a mining camp at the Marti mine, and new storage facilities.

Another aspect to be stress is the work of the more than 600 innovators at Nicaro who, during the past 5 years, contributed some 20 million pesos to the economy and who have almost equalled this figure so far this year. Outstanding in this effort is the work done by Jose Periche on the louvers of the valves in the reduction furnaces and the work done by Francisco Jimenez who developed the design for the molds and technology for the manufacture of glass container molds in the new bottle factory at Las Tunas, representing a saving of 16 million pesos for the country since the investment did not have to be made on the international market.

Outstanding in the work of the ANIR [National Association of Innovators and Efficiency Experts] are also the innovators Benjamin Velazquez, Pablo Burley, the youngsters Eulalia Lopez and Rosenda Segura, Arnaldo Alvarez, Victor Barthelemy, Allan Machado, Angel Capdesuner, Jesus Padua, Abelardo Arrebola, Armando Hernandez, Alfonso Martinez, Luis Fuentes, Juan Leal, Miguel Rodriguez, Angel Motte, Jose Lima, Alcibiades Legra and Guillermo Proenza, among others.

As an example of the work quality of the innovators at the "Maj Rene Ramos Latour" factory it suffices to mention the fact that out of 24 workers rewarded during the national competition of the ANIR in the province of Holguin, 18 came from this work force and they include some who have the highest qualifications.

After 21 years of revolutionary operation, the lawful owners of the "Maj Rene Ramos Latour" nickel plant are sure of their strength and confident of victory.

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HAVANA FISHING PORT FULFILLS 1981 PLAN AHEAD OF SCHEDULE

Havana GRANMA in Spanish 4 Nov 81 p 2

[Article by Fernando Davalos: "Fishing Port of Havana Finished 73 Days Ahead"]

[Text] The workers in the fishing port of Havana managed to attain the main goals planned for 1981 73 days ahead of the end of the year, totalling 11,752,000 pesos in repairs on ships, port operations, and other related activities.

On 19 October, the PPH [Fishing Port of Havana] reported an actual total figure of 11,762,000 pesos, basically made up of ship repairs (6,723,000 pesos for 101 percent of the annual plan), port operations (4,019,000 pesos for 105 percent), technical services (943,000 pesos for 78 percent of the annual plan which nevertheless represents 101 percent of the plan to date), and activities relating to standardization, measurement, and quality control (75,000 pesos for 123 percent annual plan accomplishment).

The accomplishment of the plan, ahead of schedule, by the PPH, in terms of physical units, regarding port operations, indicates a loading and unloading volume of 162,700 tons, coming mainly from Mambisas (182 percent of the plan).

PPH has piers and equipment capable of handling up to 300,000 tons per year; this is why it would be good to promote a larger number of operations with freight from other users, as happened this year, in order to reduce the underutilization of these facilities in the Havana roads.

The early completion of the plan was helped along by the shipping companies who are using the repair services of the fishing port, which involved delivering vessels on time along with work not previously planned, such as the quadrennial overhaul of a Soviet fishing vessel which for the first time in Cuba was repaired in a record time of 3 months.

It is significant that, for the first time in Cuba likewise, PPH started the repair of the nozzles of the Cuban fishing vessels of the "Rio" type (factory supertrawlers) which resulted in a major saving in foreign exchange since this work had always been done abroad in the past.

The floating docks also report very much improved operations, as evidenced by an 8-day reduction in the maintenance, cleaning, and painting of hulls.

Following better organization and higher requirements, these workshops managed to reduce work interruptions to about 38,000 man-hours, apart from other progress in material savings.

The technical services of the PPH, involved in equipment maintenance and repair, in spite of difficulties with spare parts, are accomplishing the plan as of now and it is predicted that they will close the year out properly.

All of the enterprise's economic indicators look favorable regarding the accomplishment of this annual plan, with special emphasis on the 33-percent increase in productivity compared to the plan and a cost reduction of 23 centavos per peso produced.

The ratio between productivity and average wage also reveals a favorable coefficient of 0.83 with reductions in the average number of workers and the wage fund.

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PORT, TRANSPORTATION WORK EFFICIENCY IMPROVES

Havana GRANMA in Spanish 4 Nov 81 p 2

[Article by Emilio del Barrio Menendez: "Port Handled 700,000 Tons of Goods"]

[Text] The port workers, as well as the workers handling the transportation of freight ashore, and the warehouse workers of the domestic economy, firmly pursuing the slogan "production and defense," turned the month of October into the most efficient month of all in the chain consisting of the port, transportation, and the domestic economy; they unloaded 700,000 metric tons of goods, they moved out 698,000 tons, and they loaded and unloaded 160,000 railroad cars and trucks, reducing the minimum time required for handling by 7.57 percent as compared to the standard time required.

The percentage for the net handling time is even less when we deduct from the gross time of 7.57 percent the time gained in the unloading of scores of thousands of railroad cars. In most provinces of the country, the ratio between extra lay days and prompt dispatching is favorable to the national economy.

The work of transporting freight, which constitutes the circulatory system of the economy, month after month reveals a tendency toward optimization whose broader objective is to achieve a positive balance in the ratio between extra lay days and prompt dispatching, in loading and unloading, both regarding vessels and land transportation means.

One eloquent figure is represented by the fact that 101,000 freight units were handled in October of last year. The 58-percent increase achieved during 12 months, with a similar rolling stock and equipment pool, is explained by the substantial reduction in the loading and unloading time which, during the same month in 1980, came to 58.76 percent.

Efficient unloading in ports, rapid transportation of goods, supplies, and equipment of all kinds, and immediate unloading at the warehouses of the domestic economy and other installations—all this has an appreciably beneficial effect to the progress of the national economy and to the strengthening of our defense against the bare threats of Yankee imperialism and the fascist clique headed by Reagan.

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BRIEFS

MISSING RELATIVES--Caracas--Relatives of political prisoners who have disappeared in Uruguay, Guatemala, Argentina and other countries in the region have reiterated, in the Venezuelan capital, their charges regarding the practices carried out by the Latin American military regimes. Delegations of the relatives of the missing are participating in Caracas in the second Latin American congress in order to seek new ways in which to organize so that they can implement a more efficient action throughout the continent and the rest of the world. [Text] [FL271315 Havana Domestic Telivision Service in Spanish 1207 GMT 27 Nov 81]

U.S. MEDDLING IN EL SALVADOR--Cuba has expressed its deep concern regarding the serious violations of human rights in El Salvador and especially regarding the death of thousands of Salvadorans due to the repressive measures that exist in that country. In an address he gave to the social, cultural and humanitarian affairs commission of the UN General Assembly, Raul Roa, our permanent representative, stated that he opposed any type of military intervention in Central Africa. He stressed that on studying the situation in El Salvador, the support that the Washington Government is giving to the genocidal Salvadoran military junta stands out clearly. Roa accused the U.S. Government of trying to deny what is really happening in El Salvador through a ridiculous propaganda campaign against several socialist and progressive nations. The United States is public enemy No 1. The Cuban ambassador to the United Nations also stated that the U.S. Government is the main violator of human rights throughout the world. He then asserted that the mantle of responsibility for the conditions in which thousands of Latin Americans, Africans and Asians live must fall upon Washington's shoulders. Roa stressed his concern regarding the constant deterioration of the human rights situation in Chile and the lack of information regarding the thousands of persons who have disappeared due to political reasons. [Text] [FL011718 Havana Domestic Service in Spanish 1525 GMT 1 Dec 18]

AIM TO LINK REGIMES--Raul Roa Kouri, Cuban ambassador to the United Nations, has denounced the aims of the United States to link South Africa with some of the most reactionary regimes of South America in an aggressive military alliance. Appearing military alliance. Appearing before the general assembly, he stated that that maneuver is aimed against the people's national liberation struggle in both continents and at strengthening yankee positions in the South Atlantic. Cuban Ambassador Luis Sola Vila, speaking before the UN Security and Political Commission, denounced the imperialist policy of threats and the U.S. aim to return to the cold-war years. He said that Washington's threats against Nicaragua, Grenada and

Cuba and its interference in El Salvador, are acts that go against international peace and security. [Text] [FL021937 Havana Domestic Service in Spanish 1526 GMT 2 Dec 81]

HAIG-RODRIGUEZ MEETING REPORTED--Madrid, 5 Dec (Latin-Reuter)--U.S. Secretary of State Alexander Haig met with Carlos Rafael Rodriguez, vice president of the Cuban council of state and ministers, on 23 November in Mexico, the Madrid newspaper EL PAIS reported today. Citing diplomatic sources, the paper said that at the meeting, the first at the ministerial level between the two countries since the 1962 missile crisis, Mexican Foreign Affairs Secretary Jorge Castaneda acted as intermediary. Questioned by EL PAIS on the report of the meeting, U.S. State Department spokesman Dean Fischer refused to comment. A Cuban diplomat confirmed that Rodriguez was in Mexico on 23 November, as was Haig, but denied that the two had met, according to the report. The paper said that the diplomatic sources could not give details of the meeting. Mexico has repeatedly said that it wished to act as intermediary between Cuba and the United States, which do not maintain diplomatic relations. Cuban-U.S. tensions have increased considerably since Ronald Reagan took office 11 months ago. [Text] [PA051754 Buenos Aires Latin in Spanish 1726 GMT 5 Dec 81]

RODRIGUEZ DECORATES ISIDORO MALMIERCA--Carlos Rafael Rodriguez, member of Cuba's Communist Party Politburo and vice president of the councils of state and ministers, today presented the "combatant of the clandestine struggle" medal to Isidoro Malmierca, member of the central committee and Cuba's foreign minister. Also present at the ceremony held at the main offices of the foreign ministry [MINREX] were Jesus Montaine Oropesa, alternate member of the Politburo and chief of the Central Committee members and alternate members and MINREX officials. The "combatant of the clandestine struggle" medals have been presented to more than 100 comrades who work at the MINREX. [Text] [FL050155 Havana Domestic Television Service in Spanish 0100 GMT 5 Dec 81]

CASTRO DECORATES PERSONALITIES IN SCIENCES--Commander in Chief Fidel Castro, first secretary of Cuba's Communist Party [PCC] Central Committee and president of the councils of state and ministers, has decorated with the Carlos J. Finlay order a group of personalities who have made valuable contributions to the development of the natural and social sciences. The ceremony took place on the centennial of the discovery of the yellow fever vector by Carlos J. Finlay at a ceremony held at Havana City's Palace of conventions. Among the intellectuals receiving the order are Angel Luis Alvarez, Abelardo Buh, Jose A. Bustamante, Pedro Canas, Francisco Fernandez, Jose Luciano Franco and Calixta Guiteras. Others receiving the award were Francisco Lancis, Julio Lopez, Julio Martinez Baez, Jose Lopez, Abelardo Moreno, Rafael Pedraza and Ciro Perez Troncoso. Others decorated were Hortensia Pichardo, Jose Antonio Portuondo, Federico Sotolongo, Ernesto Tabio, Salvador de la Torre, Eugenio Torrella and Sara (Isalgue). The agreement of the council of state, which was read by Wilfredo Torres, president of the academy of sciences, notes the significance of presenting the order during a ceremony which marks the end of 1 year of activities in honor of the centennial of Carlos J. Finlay's discovery. In his closing remarks, Sergio del Valle, member of the PCC Politburo and minister of public health, stated that every year on this date the Cuban people pay homage to all those who day after day silently struggle for everybody's health. [Text] [FL051650 Havana Domestic Service in Spanish 1502 GMT 5 Dec 81]

FIDEL'S CDR SPEECH--Sombat, Chounlamani, Laos People's Democratic Republic's ambassador to Cuba, has expressed here unreserved support for Fidel Castro's speech closing the second congress of the Committees for the Defense of the Revolution [CDR]. The diplomat spoke at a ceremony in celebration of Laos' sixth anniversary. [Text] [FL041602 Havana Domestic Television Service in Spanish 1203 GMT 4 Dec 81]

PALESTINIAN RIGHTS--Today Cuba urged the United Nations to support the inalienable rights of the Palestinian people and to work for a just and lasting peace in the Middle East despite the strategic alliance finalized by Israel and the United States. In a speech at the UN General Assembly discussion on the Palestinian issue, Cuban Ambassador Raul Roa Kouri stressed that the destiny of the Palestinian people is the crux of the Middle East problem. [Text] [FL040139 Havana Domestic Television Service in Spanish 0100 GMT 4 Dec 81]

RODRIGUEZ RECEIVES NEW EGYPTIAN AMBASSADOR--Carlos Rafael Rodriguez, vice president of the Cuban council of state, this morning received His Excellency Mr Naj'b Fakhri who presented the credentials accrediting him as ambassador extraordinary and plenipotentiary of the Arab Republic of Egypt. Participating in the ceremony was Cuba's Foreign Minister Isidoro Malmierca. At the conclusion of the ceremony, the Egyptian ambassador to Cuba and his entourage went to the Plaza de la Revolucion and laid a floral wreath at the foot of the Jose Marti monument. [Text] [FL040150 Havana Domestic Television Service in Spanish 0100 GMT 4 Dec 81]

AMBASSADOR TO PDRY--The new Cuban ambassador to the People's Democratic Republic of Yemen, Ulises Estrada, has presented his credentials in Aden to the acting foreign minister of Yemen, (Sazir Omir). [PA062152 Havana International Service in Spanish 1800 GMT 6 Dec 81]

ETHIOPIAN TRADE AGREEMENT--Cuba and Ethiopia signed a trade agreement in Havana which will serve to develop bilateral relations in the area. The document was signed by the Cuban and Ethiopian foreign trade ministers, Ricardo Cabrizas and Wollie Chekol, respectively. [PA062152 Havana International Service Spanish 1800 GMT 6 Dec 81]

CSO: 3010/434

DEVELOPMENT BANK EXHAUSTS LINES OF CREDIT

Quito EL COMERCIO in Spanish 27 Oct 81 p A1

[Text] The Development Bank has no more money available; instead, there is a deficit and at present, there are no lines of credit that have not been used, said the general manager of the National Development Bank, Marcelo Quevedo.

He stated that in recent years there has been a greater demand for credit and therefore it has been unlikely that funds of the Development Bank would remain idle. In 1980, the bank lent 4.095 billion sucres, whereas on 30 September 1981, it had awarded funds totalling 4.990 billion.

Marketing credits allocated during 1980 amounted to 188 million sucres and by 30 September of this year these credits had exceeded 185 million. The funds allocated to ENAC [National Storage and Marketing Enterprise] should also be added to the above mentioned credits. In 1980 the ENAC credits came to 900 million, and by 30 September 1981, they had amounted to 1.150 billion.

The plans for 1982 come to 6.640 billion sucres, a larger amount than in 1980 and 1981.

He emphasized that the Development Bank has no money left and that, on the contrary, there is a shortage of funds. Therefore, he reported, we proposed to the government a recapitalization of 1.2 billion sucres. Unfortunately, for reasons that are public knowledge, the government was only able to grant us 200 million. So now we have a shortage of funds especially for the mid and long-term periods.

He mentioned that the Central Bank is now awarding payments to the BNF [National Development Bank] every 2 or 3 months. In this way, he said, we do not have a definite figure for the entire year; they make payments to us every 2 or 3 months, which we then allocate to our branches. I want to repeat, he said, that we have no surplus;

I would say that we actually have a shortfall in relation to our demand for credit.

Quevedo explained that the Development Bank's lines of credits consist of financing funds; these are used to finance short-term cultivation; these funds come from the Central Bank. Then, for the mid and long-term periods, there are development bonds, which also come from the Central Bank. To date we have issued almost 800 million sucres in development bonds, he assured, while all the private banks combined have not lent the sum of 400 million sucres. Therefore, we have been fairly aggressive in terms of development bonds.

We also have international lines, for example, a line from the IDB [Inter-American Development Bank] which we have practically completed disbursing, and for smaller industries we have the German line which has now been exhausted. The bank acted quite rapidly in placing that line of credit. About 170 million sucres were placed in approximately 6 months with 500 borrowers.

Denying an account published in the journal VISTAZO, he assured that the overdue accounts in the 1970-1980 decade were not 11.037 billion sucres, as the VISTAZO account stated, but barely 1.781 billion as of 31 December 1980. He added that the accounts written off came to only 1.043 billion sucres, not 3.883, as was reported.

He said that the VISTAZO reporter had made a serious mistake by adding up the balances (which were not cumulative) remaining at the close of business for each year, both of the overdue accounts and of accounts that have been written off. This mistake produced these erroneous figures.

He added that this reporter had made the same mistake in adding together the balances of all accounts. This mistake made it seem as if this total came to 65.835 sucres, when in reality it was 12.098 billion sucres at the end of 1980.

He pointed out that this mistake in interpretation produced erroneous conclusions that led to the title displayed on the magazine cover: "Millions Lost at the Development Bank," which is not at all an accurate portrayal of the situation of our institution. This mistake, then, is not only regrettable but unforgiveable, because it uses false data to damage the image and prestige of our bank both in our country and also with the international financial institutions it deals with abroad.

Quevedo denied that there has been any leniency on the part of the Develcpment BAnk in recovering its debts.

In everyday language, he said, the word "leniency" is interpreted as meaning negligence or irresponsibility. This administration can not accept such a charge, especially as the very figures published in VISTAZO show the contrary to be true. The figures show that in 1970 the overdue accounts came to 29.2 percent, and in 1980 such accounts had declined to 14.7 percent of the total, declining even further, to 14.1 percent, at the end of September 1981.

He made it clear that having overdue accounts of 14.1 percent of the total is perfectly normal in a development bank which lends money for high-risk activities such as agriculture. And despite this, the overdue accounts at the Development Bank are less than in many private banks which require stricter loan guarantees.

Another mistake made in this article, he said, was confusing the loans that are considered to be written off with "losses of the Development Bank." The written off loans consist of loans that are over 3 years in arrears and which have been turned over to the court for collection. In fact, every day the bank receives money from these accounts, claimed the bank manager.

He said that as these accounts consist of loans that have been due for over 3 years, in 1980 these accounts represent credits issued in 1974, 1975, or 1976, which were due in 1977.

Furthermore, as the Development Bank is not legally capable of invalidating obligations from its written off accounts, the 1980 balance actually includes credits that have been in arrears since 1928.

He noted that every day a good part of the overdue accounts are recovered, but still, there are some loans that will never be recovered, either because the borrowers have disappeared, or because they are no longer involved in agriculture.

He remarked that a policy to recover accounts is closely tied to the production process. Repayments have to be based on production. If not, there is no way people could manage to pay off this credit in 15 or 20 years. But if the credit is linked to a sound production program, then we can recover these credits in a period of 5 or 6 years.

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LOCAL ELECTION RESULTS INDICATE LEFT-CENTER STRENGTH

Quito EL COMERCIO in Spanish 27 Oct 81 p A1

[Article by Cristobal Zambrano]

[Text] The voting preferences of the Ecuadorean people are holding firm with the left-center. This seems to imply a rejection of both political traditionalism and the radicals on both the left and the right. This analysis is based on the results of the elections in Pimampiro, Yanzatza, Catamayo, and Archidona. These districts were only recently established and needed to organize their local government councils.

This left-center trend, which also claims to be a populist movement, arose with the victory of the Roldos-Hurtado slate in 1978, and was then reaffirmed in 1979. Then in 1980--the year of the harvest of the struggle for power and the divisions within the CFP [Concentration of Popular Forces], until then the nation's leading political force--the FRA [Alfarist Radical Front] moved spectacularly into the lead in the nation's elections.

The earlier victory of the FRA was termed an "emotional" victory by some circles. This idea was rejected by the leaders of the FRA, who claimed to be the nation's leading political force.

At the same time, against the "logical" forecasts which were made before the 7 December elections, DP [Popular Democracy Party] came in second, ID [Democratic Left] was third, and the CFP was relegated to fourth place, by a large margin of votes.

In last Sunday's elections, which though small, were important as indicators of democratic trends in the country, Popular Democracy was first, Democratic Left was second, and CFP moved up to third.

The FRA fell back to sixth place, the conservatives were fourth, and the Democratic Party--in its first election contest--was in fifth place.

The elections in the four new districts, while they may not serve as accurate political thermometers for the entire nation, still do reflect the same political trend which has prevailed in recent years.

The ballot boxes--all over the republic--are confirming the voters' rejection of traditional political forces such as conservatism and liberalism and the extremists on the left, in this case the MPD [expansion unknown]. The voters' preferences are going toward the left center or to coalitions in which the left center predominates.

The outstanding feature of all this has always been the enthusiastic participation of the citizens in the elections. This also implies a confirmation of faith in democracy and therefore a rejection of regimes based on force.

The shift of the FRA out of first place by the voters' decision may confirm the judgment of its "emotional victory" in 1980. The fact that the first and second positions are held by Popular Democracy and by Democratic Left may indicate a strengthening of these two parties, which should now be the nation's leading political forces.

The third spot for the CFP suggests this party has recovered from its lengthy illness with its splits, divisions, and internal power struggles.

But not everyone agrees with this assessment. Yesterday Cecilia Calderon of the FRA and Francisco Huerta of the Democratic Party attributed Popular Democracy's victory to "government pressures on the voters."

"We had to fight the government party's election machine," said the economist Calderon.

Huerta also claimed that the victory of the DP was brought about by various types of pressure from the government.

But Julio Cesar Trujillo, the leader of the DP, said that his opponents have always tried to underestimate his party's successes. He denied the existence of any government pressure.

"The victory of our slate shows the people's support for the organization of Popular Democracy and at the same time for the government's good work," said Trujillo.

"Our opponents say that the people are against the government; consequently, the government's endorsement should be a handicap. But the election results have shown that the people do not oppose the government," he emphasized.

Rodrigo Boria of Democratic Left said that he is not surprised that his party is second, because the government party--Popular Democracy--has a strong election machine working for it.

He emphasized that ID is growing and that it has the merit of having been made a party from the grassroots up, and not from the leadership down.

"These elections," he said, "had great political symbolism because there was a struggle for power among the political parties to determine their relative positions. I have not the slightest doubt that these elections have helped to measure the strength of the political parties," he concluded.

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HURTADO LAUDS PROFESSIONALISM IN ARMED FORCES

Quito EL COMERCIO in Spanish 28 Oct 81 pp A1, A2

[Text] President Osvaldo Hurtado told Ecuador's civilian political leaders not to distract the armed forces from their duties in a conspiratorial quest for power. He emphasized that democracy, with all its defects and weaknesses, is still the system of government which best ensures social progress and the economic development of the nation.

In the speech he gave at the military ceremony held yesterday at the air force base on the occasion of the 60th anniversary of the founding of the FAE [Ecuadorean Air Force], the president gave a political analysis of the attitude of the military toward the return of the constitutional regime that has been functioning for 26 months.

Democracy, which was reborn in our country on 10 August 1979, said the president, was brought about not only by the struggle of the Ecuadorean people against a dictatorship that attempted to maintain its personal rule with the backing of the military, but also by the actions of the armed forces, which formed a new government responsible for reestablishing the constitutional order of the republic.

With this purpose in mind, he said, and in order to open up new channels in Ecuador's political history, they rejected traditional procedures which prevented the democratic participation of the citizens, and they called on the people to approve by plebiscite the state political constitution and to elect their leaders freely by means of a direct ballot.

He pointed out that the clearsighted way in which the military proceeded will some day be recognized by history, which will accord the military the merit of promoting a civilian-military accord preventing the politicization of the armed forces and their consequent destruction in internal fratricidal clashes. This accord

also avoided the intervention of the "committee of notables" which on previous occasions had taken upon itself to represent the people. This agreement led to the formation of new political institutions which, despite their faults, can now provide the basis for a modern democratic system, a stable and progressive system, which will meet the needs of contemporary Ecuador.

He mentioned that in both military and civilian groups, some voices were raised in an attempt to discredit this innovative method of returning to a system of law, and to prevent the referendum of 15 January 1978 from taking place, along with the first and second election rounds on 16 July 1978 and 29 April 1979, and then finally, the transfer of authority to President Jaime Roldos Aguilera, who was legitimately elected by the Ecuadorean people.

With that purpose in mind, said Hurtado, all sorts of schemes were tried; nothing, not even illegitimate tricks, was ruled out. For the good of the country, the military always remained steadfast in their defense of the democratic process, and they thwarted all the conspiracies that arose within the armed forces, or which were instigated from outside. In this internal campaign, said the president, the Ecuadorean soldiers relied on the invaluable collaboration of the people, who went to the polls in massive numbers, proudly displaying their patience and tenacity, and overcoming all the obstacles placed in their path.

Hurtado pointed out that 26 months have elapsed since the date when the armed forces turned power over to the civilians, represented by their constitutional president. Since then the government has had to overcome innumerable obstacles in order to consolidate little by little our democratic institutions, especially in this fateful year of 1981.

It is true, he said, that Ecuadorean democracy is among the oldest in the world, for over 150 years have elapsed since our first political constitution was drafted. But it is also true that the course of Ecuadorean democracy has been interrupted on many occasions, and that the economic, social, and cultural structures of the nation do not favor its full flowering here.

Furthermore, our national political life is strongly impregnated with contentious and sectarian attitudes which prevent us from reaching agreements and consensus positions, which are essential in a constitutional government.

President Hurtado took the occasion of his appearance in a favorable military environment to repeat that the future of the democratic regime also depends, and perhaps primarily depends, on what we, the

civilians do in exercising government authority, and on the proper use which the opposition makes of its rights. In a democratic system, disagreements are legitimate, but they should never be allowed to exceed constitutional and legal limits, especially when the nation is facing its current economic and political problems, which, because of their magnitude, require everyone's support.

He mentioned the inspiring commitment of our soldiers to the democratic regime, saying that if the armed forces helped to bring about the establishment of the constitutional regime, why should they now abandon it when it has so many problems to overcome and so many difficulties to resolve?

The minister of defense and top officials of the armed forces were correct, added the president, when they indignantly rejected a treacherous campaign promoted from outside the armed forces, which was designed to damage military unity and to discredit the military in the eyes of the constitutional government.

He added that civilians who seek to exercise power must do so by means of the open and honest course of free elections, and not through the devious means of conspiracies. Let us respect, he urged, the non-deliberative nature of the armed forces, and let us not distract them from their noble duties toward our nation, our constitution, and our laws.

Democracy, with all its defects and weaknesses, is still the system of government which best ensures for civilian society its social progress and economic development, along with respect for the fundamental rights and freedoms of humanity.

He said that for military society, too, democracy is the best guarantee it has that military laws and standards will be scrupulously respected. Dictatorships, he said, alter procedures and discard the legal safeguards that govern the career of arms. When a de facto government lacks legitimacy, its survival depends on the exercise of an absolute and arbitrary power. For this reason, the dictator resorts to the establishment of a personal clientele which he attempts to infiltrate with his submissive servants. As a result, this inevitably brings about the formation of factions which convert the armed forces into a camp of political wrangling with the consequent loss of command discipline and unity, so essential for military life.

But democracy, on the contrary, through its strict respect for military laws and regulations, guarantees that promotions are based on merit, demonstrated by a good service record, and that army commands are composed of the best officers.

We can take pride, he said, in the fact that even in our most remote garrisons, there are resources available to provide a decent human life for our soldiers; this is essential to maintain good morale in those who have the sacred duty of defending our nation's borders.

We must, he continued, appreciate the awareness that the armed forces have of the problems that affect our national economy, and their decision to take part in the austerity program proposed by the government. But above all, it has been a source of immense satisfaction for me, the president said, to observe the organization, discipline, and high technical qualifications of our officers and soldiers.

A small but highly professional army is probably the best solution for our nation's limited economic resources and for the new character of warfare. We saw the truth of this in the Cordillera del Condor, where numerically superior forces were unable to carry out their mission. It is true that courage still counts in battle, but we can not lose sight of the fact that in modern warfare, technology, military resources, and the scientific training of soldiers and officers are what carry more weight now. Without these, daring and valor, which were once of overwhelming importance, could do little. With this prospect in mind, he said, we must be aware of the imperious need for military service to be carried out by well prepared and highly competent citizens.

He said that the air force has probably been the branch of the armed forces that has been most affected by this process of technification and military professionalization. There is a world of difference between Telegrafo I, the rudimentary airship that Elia Liut used to cross the Andes, landing at Inaquito 61 years ago, and today's sophisticated supersonic aircraft. In the early days of aviation, aviators trusted to luck, their own courage, and to destiny, but now complex electronic ground and air instrumentation provide the pilot with all the data needed for his mission's success.

Mastering this technology, observed the president, demands many years of methodical study, daily practice, and a high level of responsibility. Pilots and aircraft technicians must be trained for this complex activity. This is the challenge that technology holds out to our Ecuadorean Air Force officers.

Not only has the air force carried out its specific mission--the defense of the nation and its borders--it also takes an active part in our socio-economic development, said the president.

He observed that the Ecuadorean Air Force has established an aviation enterprise, TAME [Ecuadorean Military Air Transport], which maintains communications with all the regions and villages of Ecuador, providing an invaluable service to our national community. It administers the Ecuadorean Aviation Enterprise, which has enabled our country to increase its participation in international air traffic. And countless flights have been made by the FAE as part of its "Wings for Health" and "Wings for Culture" programs to bring these essential services to our most remote villages.

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SERIOUS PROBLEMS FACE SUGAR, CACAO INDUSTRIES

Guayaquil VISTAZO in Spanish 23 Oct 81 pp 12-17

[Article by Mauricio Soriano S.]

[Text] The cacao products industry (cocoa butter, chocolate, and powdered cocoa), and the sugar industry, both sources of jobs of incalculable social benefit, are going through serious difficulties because of the government's economic policies; these industries are now facing the imminent risk of having to halt their activities for lack of economic backing and profits. Socially, this would mean layoffs for thousands of workers and poverty for their families.

Profiles of the Crisis

We spoke with Dr Carlos Julio Emanuel Moran, one of the most knowledgeable experts in this field, about the economic and social implications of the crisis in the sugar and cacao industries, whose greatest and most serious repercussions are in the industrial sector.

The problems facing the sugar and cacao industries are similar, though they do differ. Sugar is a product used for domestic consumption, but the cacao products industry produces export items. The crisis here is the result of a lack of suitable planning by the government. What has happened in the cacao industry is that the government has allowed a large number of cacao products industries to be established. Their installed capacity is now very, and I do mean, very, much above our national production of the raw materials used. This decline in production in relation to our installed capacity is related not only to our low agricultural production, but also to the agricultural crisis that we have experienced for quite a long time.

Now, as the industry has to produce at a level below its optimum capacity, this forces it to produce at higher costs than would be necessary if the industry were operating at a higher efficiency level. As the industry is producing at such high costs, the only way it can compete abroad is through subsidies, such as the CAT [Tax Credit Certificate], and this is the government's responsibility. We are well aware that countries which have this type of industry give them financial resources and adequate subsidies so that their industries can compete internationally. And we, as a developing country, lacking the currency generated by exports, must stimulate these exports by properly dealing with this important item in our economy.

In the case of sugar, the problem also lies in the agroindustrial sector, whose product is primarily consumed at home, and would have to be imported if these industries were closed for lack of production and profits. In this case, the consumer would have to pay very high prices for this product. The problem with sugar lies in what we call "political prices." These are fixed, rigid, inflexible prices that have no relation to reality or to any other political prices set by the government, such as wages, a very important item, the price of gasoline, or the increase in inflation.

The government has the great advantage of having a sugar industry, AZTRA [American Tropical Sugar Mill, Inc], and in this firm it has a model, the best example, of the industrial sugar crisis insofar as costs and prices are concerned.

The crisis can be summarized briefly as follows. In the case of the cacao products industry, if the government fails to take steps to solve the problem, we will soon cease to be exporters of a product which has been expanding its market, thus reducing our total exports. And if we do not solve the sugar problem, we will very soon become importers of a product which we have been exporting, at least marginally. We would then have a decline in exports, an increase in imports, and the consequent damage to our balance of payments. And added to this we have the effects of an eventual shutdown of the sugar and cacao industries on the domestic economy of thousands of Ecuadorean families.

The Sugar Industry

In Ecuador over 30,000 families are directly dependent on the sugar industry, and over 100,000 families are indirectly dependent on this industry. From this point of view, and considering this item as one of vital importance to our domestic market, a possible shutdown of this industry would affect all the Ecuadorean people and the Ecuadorean state itself.

Xavier Marcos Stagg, a businessman who is well known in the sugar industry, said that attempts have been made to resolve this crisis, which has been brewing for some time, by means of tax rebates or reductions, by granting export tax credit certificates, and most recently by price increases. As sugar has always been considered a "political" product in this country, said Xavier Marcos, its price revisions have been too little and too late. The companies have managed to survive until now by savagely increasing their debt; we can say that all the sugar companies in Ecuador are now heavily mortgaged. They have up to four mortgages and loans of all sorts. The National Securities Commission holds long-term loans for AZTRA amounting to over 750 million sucres, in addition to the capital investments that have been made, so the Commission has a financial involvement with AZTRA amounting to over 1 billion sucres. The crisis has been provoked by the increase in costs. If a businessman can not transfer the impact of his costs to a third party, that is, to the consumer, the business has no administrative, economic, or financial way of absorbing these costs. Costs which are "frozen" to the consumer are then combined with other factors, such as: the increase in production costs because of the increase in the minimum wage, along with the reduction in the workweek to 40 hours, the impact of the very just regulation on insurance for farm workers (this entails over 20 million sucres in employer payments a year just for the San Carlos sugar mill alone), the increase in the price of fuels (both residual fuels and diesel), which at San CArlos amount to an expenditure of over 25 million sucres a year, etc. When we add to this the impact of the latest minimum wage scale issued by the commission of the ministry of social welfare and labor for workers in the sugar industry, we are speaking of another expenditure of about 5 or 6 million sucres, just in that one sugar mill alone. This confirms a rather bleak and dismal outlook for the industrial sector as a whole.

To cope with this situation, explained Mr Marcos Stagg, we have been forced to borrow money. The government, looking for the alternative that would do it the least political harm, has given us special loans, lines of credit granted by the monetary board of about 50 million for each industry, which we have all used, using cane in the field as security for the loans, and advances on the export account, up to 60 percent for each mill. But all these are only palliative measures. We have a subsidy that is based on last year's costs; this is 50 or 60 sucres lower than the real cost! Therefore, even though we are exporting, we are still losing huge amounts of money. If the right political decisions are not made soon, decisions that will establish mechanisms such as annual readjustments, the sugar industry can never be saved.

San Carlos, S.A. Balance Sheet: Profits Remaining after 15 Percent Distribution to Workers and Payment of Income Taxes

In order to evaluate in economic terms the impact of the crisis in the sugar industry, we are using this model, which clearly reflects the dramatic balance of losses of over 140 million sucres.

Year	Profits	Losses
1974	52,953,903.78	
1975	11,816,851.37	
1976	3,552.257.10	
1977		89,451,961.21
1978		26,754,678.40
1979		20,742,692.63
1980	66,392,912.30	
1981 (estimated)		141,722,000.00
Totals	134,715,924.55	278,671,332.24

Summary

Profits in 1974, 1975, 1976, 1980		134,715,924.55
Losses in 1977, 1978, 1979, 1981		278,671,332.24
Difference	Deficit of	143,955,407.69

The situation we are facing now is one of absolute bankruptcy. We owe the banks billions of sucres (San Carlos alone owes over 1 million, and Valdez can say the same, as can AZTRA]. We have no ability to repay these loans because of our lack of profits. The solution lies in increasing the price of sugar, and in opening up "soft" lines of credit for the sugar industry of about 100 or 150 million sucres for each mill, in order to improve production capacity, which has not been optimized, precisely because of this lack of resources. And there is something even more serious. We have to persuade our cane growers to plant cane, because for the past 4 years they have not been planting cane, but have turned their cane fields over to other, more profitable crops. Therefore, we have to begin by offering new cane growers a fair price for their cane crops, and to do this, both the cane growers and the sugar industry need a financing fund so that they cane work under better conditions.

Because of the possibility of a virtual collapse of the sugar industry, we must turn to the alternate solution of a price increase for the product to avert such a collapse, which would

have a very high social cost in terms of unemployment and its snowballing effects. This would have a much worse impact than the increase in the cost of living given in price indices for an increase in the price of sugar.

The Cacao Industry

It is very difficult to calculate the crisis which the cacao products industry is going through. Of the 13 companies located in Ecuador, some are paralyzed and others are semi-paralyzed; they owe banks and other financial institutions about 2 billion sucres. From this we can deduce that their level of production has declined almost 70 percent, causing a strong increase in the cost of the products made, and leaving the industry with significant losses.

According to the industrialist Jorge Salcedo Salcedo, the factors which have affected the present crisis are: the decline in the international price of cacao, which began at the end of last year; the elimination of tax credits, which also happened last year; the increase in cacao bean exports, leaving the industry practically without any raw materials; and the loss of cacao toward Peru.

"Practically all the countries in the world strongly subsidize their industries which process their national raw materials," said Jorge Salcedo, "but Ecuador, whose industry processes and exports a raw material that is 100 percent of national origin, has to compete internationally on very unfavorable terms, because we do not have this state support. Peru, which has a small cacao production, is reportedly giving a subsidy between 25 and 35 percent to its industries that export products made from cacao beans. This has encouraged cacao bean smuggling from El Oro to Peru."

It is expected that by the end of this year, the cacao processing industries will show losses estimated between 400 and 600 million sucres. "I feel that given the magnitude of the damage to the industry, if the government takes immediate corrective measures, the financial situation could be turned around in not less than 2 years. You also have to realize that the industries have been an undeniable source of price supports for farmers, who are now left to the mercy of grain exporters." If perhaps our industrial capacity is too large, as is admitted by one of the newest and youngest businessmen in this industry (Gaston Cotto Baquerizo, general manager of Cacao Products of El Oro, has been involved in exporting chocolate liquor since March of this year), this was caused by the fact that about 5 or 6 years ago, the ministry of industry allowed five or six additional industries to be established here, even though their supplies of raw materials were not properly ensured.

In fact, not only was the crisis originated and worsened by government indifference, which was demonstrated in the lack of stimuli and incentives, such as export tax credits, for this sector of our national industry, but its roots also lie in agricultural production, one of the most critical aspects of the cacao agro-industry.

Cacao Bean Production Per Hectare (Average)

Brazil	between 18 and 22 quintals [hundredweight measure]
Colombia	between 15 and 17 quintals
Ecuador	between 6 and 7 quintals

"It would be good for the executive," said Gaston Cotto, "to send to parliament a new bill which, like the earlier one that was treated so casually by the legislators, would consider the situation of the cacao-processing industry and would again propose, as a solution, the granting of tax concessions for exports, so that we could compete on equal or better terms internationally. I believe it is up to the legislative branch to offer alternative solutions, if it is unwilling to approve ours, since it was parliament which rejected the bill that considered the tax credit certificate as a definite possibility for a solution."

Cacao Exports

Year	Net Kilos	US $ FOB
1975	37,822	42,284
1976	22,236	32,521
1977	18,206	58,587
1978	16,247	50,385
1979	15,009	42,280
1980	13,697	30,465

Source: Central Bank of Ecuador

The "13 Families Bill"

The bill mentioned by the cacao industrialists was sent by the executive to the legislature. Because of the tax credit featured in the bill, it was unanimously rejected by the legislators, led by the Democratic Left bloc, which questioned the alternative designed to solve or at least alleviate the crisis, "denouncing" the fact that the tax credit proposed in the bill would only benefit 13 Ecuadorean families, which in its opinion, represent the 13 cacao-processing companies in Ecuador. We interviewed the deputy Xavier Ledesma Ginatta of Democratic Left, who led the parliamentary opposition to this bill.

"I want to make it clear that Democratic Left, at my initiative, opposed the bill which in one of its articles granted a tax credit to our cacao-processing industries. Our opposition was necessary, based on the analysis made by the Interinstitutional Commission, which consisted of representatives of the Central Bank and the ministries of finance, industry, and agriculture. This was an extensive and detailed study of the status of these businesses. The matter is quite simple! These businesses, which in their vast majority are composed of family groups, invested about 2 billion sucres in an industry, and in exchange for this, they received from the state between 1974 and 1980 the astronomical sum of 6 billion sucres. But not content with that, they still want congress to allocate additional aid to them of 1.2 billion sucres a year. In 5 years, that would amount to another 6 billion sucres, as a gift from the people and state to these 13 families, in addition to the other benefits they have already received!"

"On the other hand, this industry has been receiving a tax credit, which between 1974 and 1979 came to exactly 1.3 billion sucres; in addition to this, the industry was exempt from paying the export tax, and though they should for that reason have paid the producers a better price, what they actually did was deduct from the farmers what the exporters were paying in export taxes--which in reality they were not paying--and this amounted to an additional profit of 4.622 billion sucres up to 1980, and over 5 billion sucres up to 1981. When congress, aware of the situation that the producers--not the industrialists, who are multimillionaires!--were going through, decided to eliminate the taxes, the cacao industrialists decided to ask congress, since they couldn't take away from the producers the 25 percent tax, to restore this 25 percent to industry through the tax credit."

The statements made by the legislator Ledesma Ginatta certainly do not agree at all with those made by the representatives of the industrial sector. But no matter where the truth may lie, since this is a crisis which threatens the economic stability of the nation, the problem should be discussed with the greatest possible objectivity, far removed from the obstructive factors of political interests and motivations. For both the cacao and sugar industries, this situation is one of vital social and economic significance, and immediate solutions must be found for the problems facing these industries.

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DRAFT BUDGET FOR 1982 PRESENTED TO CONGRESS

Guatemala PRENSA LIBRE in Spanish 30 Oct 81 p 12

[Text] The draft budget for the general revenues and outlays of the government for 1982 totals 1,481,431,057 quetzales, and is Q185 million less than the current budget.

The budget was delivered by Public Finance Minister Arnoldo Belteton to the president of the congress, Deputy Jorge Bonilla Lopez, in his office.

The minister was accompanied by Manuel Maza, technical budget director; Nery Paniagua, first assistant director; Edgar Ramirez, second assistant director; Francisco Velasquez, director of accounting of the state; and Milton Aguirre, chief of the department of budget programs.

Also present at the delivery were Deputies Rafael Spennemann, first vice-president, and David Vega Villela, third secretary.

Belteton stated that the government is making a great effort to maintain the budget allocations of this year, and that there will be no increase for next year.

"An effort has been made" he repeated, "to maintain wages and salaries of public employees, but next year there will be no increase in the number of jobs, because fiscal revenues are being cut."

"The budget," the minister went on, "does not have new positions for teachers and doctors as in years past. There are only overall allotments. But when schools and health centers are opened the allotments will be made for expenses, unlike what is usually done.

"Positions have not been calculated in advance. It is a policy of rationalizing spending, but the ministries should not fear that they will lack personnel, because as soon as a school opens the personnel will be appointed and the maintenance costs will be determined.

"This is how we will reduce the budget by Q185 million, in order to curb inflation."

Statement of Expenses

The finance minister also delivered to the president of the legislative body the nation's statement for fiscal year 1980.

Draft To Be Studied

Bonilla Lopez welcomed the minister of finance and his companions when he accepted the budget, and expressed his awareness of how serious a problem it is for Guatemala to keep positions. He said the minister had already stated that employees would continue in their jobs, which was something positive.

"Congress will analyze the draft budget in great detail," he stated. "We have the time to do it, until next 15 December."

"Moreover," said the minister, "if the deputies need any additional information we invite them to come explain the case to us."

Draft Budget

The operational programs have been cut by Q11.6 million as a result of the readjustment of budgetary allocations, to allow for the appropriate financing of all the programs involved in the social and economic sectors.

"Investment programs," he continued, "have been cut by Q243.9 million, derived from the termination of projects in 1981 and the fact that in 1982 there will be a minimum of new projects."

The public debt was increased to Q70.3 million in the budget, to be financed by the estimated increase in current income, since the government intends to implement administrative measures that will result in the collection of more revenues without having to change the tax law.

There will be new jobs only in the health and education sectors, due to the need to implement the infrastructure projects that are being initiated in various departments of the country.

Revenues

The amount of revenues budgeted for 1982 is Q890.9 million in current income and Q590.5 million in capital income.

Current income is based on technical calculations and statistical computations, according to the performance of the national economy. Tax revenues continue to be the principal financial source of current income.

Capital income will come from external loans, which do not entail any new indebtedness for 1982 because the loans have already been approved by the congress. Those whose approval is pending were contracted under favorable conditions to be used in covering a major portion of significant investment projects, such as electrification.

Outlays

Capital outlays for 1982 are intended for implementing programs and investment projects as part of the 1979-1982 Investment Plan, amounting to Q589,828,180.

This represents 29.81 percent of the total budgeted expenditures. It is Q43.9 million less than its counterpart in the 1981 budget.

Direct and indirect investments total Q545,259,097, which is 92.44 percent of total capital outlays, distributed among the most important programs and projects of state institutions.

For national reconstruction programs a total of Q44,569,083 has been allocated. The projects are scheduled in different branches of public administration.

To meet existing financial obligations, the draft budget contains only the amounts strictly necessary for initial capital payments, as well as interest and the servicing of the public debt.

"The payments program of the public debt," he concluded, "is financed exclusively with current revenues."

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FINANCE MINISTER DISCUSSES COUNTRY'S PUBLIC DEBT

Guatemala PRENSA LIBRE in Spanish 31 Oct 81 p 2

[Text] The nation's public debt totals 1.6 billion quetzales, Finance Minister Arnoldo Belteton Sanjose told PRENSA LIBRE yesterday.

The official was interviewed during the inauguration of the Aguacapa hydroelectric project. He stated that in the state budget for 1982 a total of Q225 million has been earmarked for paying off the public debt, including interest.

He indicated that what is owed represents investments in important projects for Guatemala--above all because they will allow the coming generations to live under better conditions--for example, hydroelectric projects such as that of Aguacapa.

Bonus Payments On Schedule

The finance minister also was asked by our reporters about recent speculation that "as a result of the difficult economic situation in the country, the payment of bonuses to civil servants may not be forthcoming at the end of the year."

Belteton stated that such is not the case, because although there are budgetary problems, government employees will indeed receive their respective bonuses.

In addition, he pointed out that in the 1982 government budget, the largest allocation is for the ministry of communications due to the various projects that must be built.

"The other ministries will continue as they were in 1981. We are doing everything possible, however, to add some positions that the ministry of education needs, particularly teaching positions."

Hiring Freeze

In another part of his statements, Belteton said that the government will continue its hiring freeze in 1982.

"It is public knowledge," he concluded, "that we face difficult problems; for that reason, next year no new positions will be authorized, except for those that are absolutely essential."

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DIFFICULT ECONOMIC SITUATION TO CONTINUE IN 1982

Guatemala PRENSA LIBRE in Spanish 3 Nov 81 p 15

[Text] "The end of this year and 1982 will be difficult for the Treasury because of some obligations stemming from large investments. But in 1983 the national economy will improve," stated the minister of public finance, Arnoldo Belteton, after delivering the draft budget for next year to the congress of the republic.

"Our economy will improve," he reiterated, "if we take into account that major projects will be inaugurated, such as the Aguacapa plant last week, and the Chixoy plant next year. This will help us economize on oil purchases."

"Furthermore," he indicated, "we hope that by 1983 there will be greater oil production, which will naturally change Guatemala's economic conditions."

"The adverse situation will continue in 1982," he pointed out, "although there is hope for improvement due to research in the petroleum sector that indicates that this is the time to invest in oil.

"Investors are enthusiastic."

National Reserves

"The country's reserves total about 220 million," stated the finance minister, "but a precise report will be given by the Bank of Guatemala. The reserves will grow with the infusion of funds lent by the International Monetary Fund (IMF)."

"Has the flight of capital abroad been prevented with the stricter measures imposed with exchange control?"

"This measure is still recent, so we have no statistics yet," he answered. "There has been a change in the policy on foreign currency in terms of travel abroad. Tourism abroad has been reduced. In general, the results cannot be quantified yet."

"Moreover," he stated, "we cannot yet evaluate the effects of higher interest rates because the increase was authorized only recently.

"This increase is an incentive for capital to return to Guatemala; we hope in this manner to encourage savings. Before, Guatemalans had no way to save, because

interest rates were too low, to counteract the higher rate of inflation at that time.

"These higher interest rates favor savings, and there will be no erosion of capital; we are confident that the measure will help bring back Guatemalan money."

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LEFTISTS SEEN AS ABSENT FROM ELECTROAL PICTURE

PA140032 Guatemala City Cadena De Emisoras Unidas 1200 GMT 13 Nov 81

[Station commentary: "The Electoral Spectrum in Guatemala; From the Center to the Rightwing"]

[Text] The alliance between the Guatemalan Christian Democracy [DCG] and the forces supporting Alejandro Maldonado Aguirre, which has presented a single presidential and vice presidential state consisting of Maldonado Aguirre and journalist Roberto Carpio Nicolle, does not substantially modify the electoral political scheme, but does broaden centrist positions.

Thus, at present the gamut of ideologies participating in the campaign ranges from the center to the extreme right, without effective participation by any leftist group. In fact, despite the confusion that prevails, whether internationally or not, both the DCG and the National Renovating Party [PNR] fit perfectly into a centrist framework, without the slightest pink tinge.

Even the United Revolutionary Front [FUR] is more responsive to social democratic postulates than to truly leftist premises. To be honest, then, it is not really possible to say that the electoral spectrum offers a complete range of ideological views. On the extreme right we find the National Liberation Movement (MLN), with its implacable anti-communism. The Nationalist Authentic Central (CAN) has typical liberal positions on economic and social issues. The official coalition of the National Integration Front (FIN), the Revolutionary Party (PR) and the National Unity Front (FUN) brings together diverse interests that obviously wish to remain in power. And there now arises, as a new alternative, the DCG-PNR alliance, with a reformist but not a revolutionary tendency. As we said before, it will broaden the centrist position creating a certain vacuum that apparently leaves the left without any electoral options.

From a completely unbiased, bird's-eye view, this would be the electoral panorama currently presented by the Guatemalan political situation: a nucleus of parties and interests ranging from the center to the right. This means that regardless of outcome, we can, in line with the most elementary political concepts, expect reforms but no structural changes.

CSO: 3010/429

CAN PRESIDENTIAL CANDIDATE DISCUSSES POLICIES

Guatemala PRENSA LIBRE in Spanish 28 Oct 81 p 4

[Press conference with Gustavo Anzueto Vielman, presidential candidate of the Nationalist Authentic Central (CAN); date and place not given]

[Text] "Never in any country of the world has the flight of capital abroad been stemmed by imposing exchange control," said architect Gustavo Anzueto Vielman, the presidential candidate of the Nationalist Authentic Central (CAN) at a press conference.

"On another occasion Guatemala already tried exchange control for the same purpose, preventing the flight of capital. Gen Carlos Arana Osorio removed those controls when he took office and capital returned gradually.

"According to economic experts," he went on, "capital accumulates or remains the same if there are security and guarantees in a country. It is clear that capital always runs some risks.

"To ensure the return of money that has left the country, a 100 percent guarantee should be given. Exchange controls should be lifted so that investors can work freely.

"When these guarantees are present, capital will return. Capital is in short supply in the world. The systems we propose to implement are designed for that purpose."

[Question] What specifically is CAN's ideology?

[Answer] CAN is a nationalist party. We believe firmly that all parties and candidates should analyze the problems of the country and suggest solutions.

The nation is mature; we propose these solutions without attacking any other candidate. At the polls it is the people who will decide what suits them best.

[Question] Is Luis Alfonso Lopez' candidacy for the vice-presidency of the republic irreversible?

[Answer] Candidacies do not belong to candidates but to the parties. They are the ones that choose the candidates; at least that is true in CAN. Given that this party has decided to go it alone, Mr Lopez' candidacy is irreversible.

[Question] Is an alliance with another party possible?

[Answer] CAN is keeping the door open to talk with other parties or groups on the basis of its existing platform, which is absolutely defined and cannot be changed.

We are absolutely convinced that there is no other alternative. Either we make the change with the challenge we have proposed, or Guatemala sinks. There is no other alternative.

We are following Costa Rica step by step. It doesn't take a genius to figure out what can happen to us if we continue the way we are now. We are convinced that the only way out for us is to have a free economy. We will achieve that; on that we stand firm.

Any party that maintains CAN's nationalism, its line and its philosophy will be welcome.

[Question] You have stated that of the 56 taxes you will leave only six. How will you obtain revenue for the nation's expenses?

[Answer] That is true. Those 56 taxes only generate 19 percent of the nation's general budget.

With the value added tax that we plan to implement--which has nothing to do with the Mexican VAT, a sales tax--we will obtain 40 percent. Since the value of land will be taxed instead of having a land tax, the income will be maintained, although the tax will be lower. This system has been tried out in other countries.

The key to the system is that it is smooth, easy to implement and nearly impossible to evade.

[Question] What is CAN's oil policy?

[Answer] We have reports that our petroleum is of good quality. We must exploit the oil and use it to the benefit of the country. We must not make the mistakes that Mexico and Venezuela did.

Mexico, which has huge petroleum reserves, has been classified by ECLA as an impoverished nation. Inflation in Mexico is due to the way oil has been managed.

We believe that with the oil we generate the cost of electricity will be lower, and the National Institute of Electrification (INDE) will also lower prices for the benefit of the populace.

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CSO: 3010/325

PSD TO GIVE FSLN ANOTHER OPPORTUNITY

PA301617 Managua Radio Corporacion in Spanish 2200 GMT 29 Nov 81

[From "Social Democracy in Action" Roundtable with Social Democratic Party members Luis Rivas Leiva, Manuel Matos, Ruddy Ibarra and Guillermo Potoy, on 29 November in Managua--live]

[Excerpts] [Rivas Leiva] Although the FSLN has on many occasions expressed specific trends regarding the process; after awhile it changes positions. We, as members of a civil organization, of a party, believe a country should solve its problems through civil means. We believe that any ideology should prevail by the people's will. We feel we are obliged, even if the FSLN has lost its credibility by acting contrary to what it says, to give it one more change to prove what it says. Particularly when they make statements to a number of parties, as Commander Tomas Borge did at the meeting of the permanent conference of Latin American political parties, COPPPAL. What he said will go down in history whether or not it is realized. I remember when Commander Fidel Castro, soon after the victory of the Cuban Revolution, expressed democratic concepts, which at the time met with the people's approval and everyone thought that the Cuban Revolution was going to develop along the lines of a true democracy. Those who read LA PRENSA had the opportunity to read not long ago on page 2, many of the concepts expressed by Commander Fidel Castro at that time. Since then we have seen what has happened to the Cuban Revolution. Everything is different from what Castro said. He used to talk about free elections, freedoms and of other things we know do not exist in Cuba. But in the case of Nicaragua, we have always said that we are different from Cuba. We are different from Cuba geographically, politically, in our idiosyncracies, religion, customs, beliefs and even geopolitically. But as I said before, it is our duty to give the FSLN another chance and to believe what Commander Borge said at the COPPPAL meeting in Panama City before a large number of Latin American democratic parties and I quote: we are neither going to support nor cover up totalitarianism in Latin America. He also said: we realize that the only way to give credence to democracy as the system that promotes man's freedom and dignity, is for us to serve as an example of what we preach and that we do not resort to methods that the totalitarian countries use to maintain their hegemony. Further on Borge said: we are not anti-U.S. We are true democrats. We do not willingly or unwillingly respond to strategies which seek to confront us with that great nation. We reject all kind of foreign intervention, from wherever it comes, against any country on earth.

Let us hope then, that Commander Borge's words are sincere. The problem is that our revolution has several leaders and one of the nine of the leaders might say something somewhere and in a week or 7 days another one is shooting off his mouth with something entirely different. For example, talking about Marxist-Leninist guidelines of the revolution, making confessions of Marxism-Leninism and implementing measures and issuing decrees, which are absolutely different to what another commander of the revolution said previously.

However, we believe Commander Tomas Borge because of his long standing struggle, his sincerity and as the senior living founder of the FSLN. We are going to give him a vote of confidence and will participate if allowed. We are all Sandinists. The majority of Nicaraguans, except the Somozists, are Sandinists. We, therefore, believe that a Sandinist democratic revolution aimed at structuring a democratic system that will issue laws and give legal status to political parties, thus establishing that it believes in political pluralism, calling for free elections to prove that it believes in the people's right to vote; and that the status it was forced to take was only circumstantial because there was no other way around the genocidal Somozist dictatorship; and that they now believe in democracy and are going to use every mechanism to implement a real democracy in Nicaragua.

Therefore, the Social Democratic Party, PSD, is going to give the FSLN another opportunity so that history does not present us as an intransigent group. If we took positions which the FSLN strongly criticized, it was because we wanted a true democratic system for our country and that is why we are going to give them another chance and we are going to try to see Nicaragua take a democratic path.

[Rivas Leiva] Maybe it is not important to assume a definite ideology, because a political movement or a revolution does not need to say that it is one thing or another. Instead, its actions should prove what it is. Its acts will speak for it. What has worried and continues to worry us is the fact that they take positions, issue decrees and carry out activities that under no circumstance we can consider part of a democratic process, even if the FSLN says so. If they assume a totalitarian attitude, it is not necessary for them to say what they are, social democrates, Marxist-Leninists, because their actions demonstrate what they are. In other words, their acts will determine if this is a genuinely democratic process.

[Potoy] You say you are glad that some of them declare themselves as social democrats. Why do you say that?

[Rivas Leiva] Yes, we are glad because we are led to believe that things are going to change. If they are true social democrats, they will have to change the course of the revolution. We hope and we would like very much for them to give the revolution the course of a social democratic revolution. However, we disapprove of them trying to appear as social democrats, while the Nicaraguan Government is totalitarian or of a totalitarian trend which we do not like and which is causing the serious political, economic and social problems in Nicaragua.

[Ibarra] Let's see if we can reach an agreement, because I have a different view regarding the invitations that the FSLN receives from different organizations with different ideologies. I think that the FSLN is free to attend any meeting of any ideological group. However, I disapprove of the confusion they create because when

they attend a communist meeting they are communists; when they attend a social democratic meeting then they claim to be social democrats; if they attend a meeting with democratic organizations, they declare themselves democrats; and when they have meetings with the communists, they are communists.

As I said they are free to meet with any organization. If the communists invite us to a congress, we will go but we will maintain our social democratic position which are well defined.

[Rivas Leiva] In conclusion I wish to comment briefly on the attacks against the church and particularly against Msg Miguel Obando Y Bravo. Recently a member of the FSLN national directorate said that these attacks were ordered from abroad. We do not share this belief. The magazine SEMANA COMICA has been criticizing Monsignor Obando Y Bravo through cartoons and other jokes for 18 months, we must say that the editors of SEMANA COMICA are Somozists. The Sandinist people's army, EPS, and the police were present during the attack on the event at the (Maria Mazzarello) church, when the mob harassed the people and Monsignor Obando Y Bravo. They were face to face with the attackers. The people who participated in the harassment were fully identified. Therefore, we must conclude that they were also Somozists. What about the mob's attack to the archbishopric offices during the problems of Father Batalla? The ringleaders were fully identified. Can we call them Somozists? We do not doubt that the Somozists would like to take advantage of the situation, but we doubt that all these attacks are ordered from abroad. Anyhow, all seems to indicate that the FSLN is seriously thinking that these attacks--against a priest, an archbishop--do not do them any good and are by all means unjust. Monsignor Obando Y Bravo has for many years maintained a position in favor of the people's interests. This was always his position during his face to face struggle with Somozism. We hope that the statement by the FSLN represents a change of attitude, because Monsignor Obando Y Bravo does not deserve to be treated this way. As a matter of fact none of the bishops do. They are all good people. They are priests dedicated to their church and who have maintained a spiritual position instead of a political one. They are spiritual guides of our people who are highly Catholic in their majority and who have been very respectful to our church leaders.

CSO: 3010/431

BRIEFS

AUSTRIAN ASSISTANCE--Austria's Christian youth have once again shown their solidarity with free Nicaragua by donating a passenger boat to the residents of Solentiname Island in Lake Nicaragua. The "Solentiname," which can carry 40 passengers and cost $60,000, will provide shuttle service between Solentiname Island and San Carlos beginning 16 November. [Managua Radio Sandino in Spanish 1200 GMT 12 Nov 81 PA]

FISH EXPORTS--Nicaragua has exported nearly 5 million pounds of fish this year, at a profit of $16 million, (Juan Gasol), official in charge of the Nicaragua Sea Products Enterprise, reported. The United States has been the primary market for those products, but the government is making efforts to diversify the market, with good possibilities for sales to Venezuela, Spain, France and several islands of the Caribbean. [Managua Radio Sandino in Spanish 1200 GMT 12 Nov 81 PA]

AUSTRIAN MEDICAL DONATION--The ministry of health has received a donation of medicine from Austria. This medicine will be used at the Carlos Roberto Huembes Hospital, which services more than 70,000 people in over 150 communities. Dr Herman Rieyler, a member of the Austrian Medical Brigade, presented the donation, comprising 635 kg of antimalarial and antiparasitical medication and vitamins. Nicaragua has received approximately $1 million in medication from Austria in the past 2 years. [PA142051 Managua EL NUEVO DIARIO in Spanish 1 Nov 81 pp 1, 10]

MEAT EXPORTS FOR 1981--(Armando Jarquin) director of the Nicaraguan meat enterprise, has reported that Nicaragua's meat exports amount to nearly 17 million pounds, which have brought $18 million in income. It is expected that another 5.6 million pounds will be exported during the remainder of the year, in order to meet the production goal of 26.7 million pounds of meat, of which 25.4 million pounds were intended for export. (Jarquin) added that because of various factors only 92 percent of the goal will be met and that negotiations are underway to broaden our market in the socialist countries. [PA142051 Managua Radio Sandino in Spanish 0300 GMT 14 Nov 81]

GOLD PRODUCTION--From November 1979 to October 1981, a total of 118,000 ounces of gold have been produced, which is equivalent to $68 million for the nation, it was reported by Ramiro Bermudez, deputy minister of the Nicaraguan Minerals and Hydro-Carbons Institute. He added that the goal of the economic plan had been met 100 percent in 1980 and that so far in 1981, production has been 10 percent of plan, especially in the Francisco Meza complex and Bonanza Mines. [PA142051 Managua Radio Sandino 0300 GMT 5 Nov 81]

NEW TEACHERS' COMMITTEE--Yesterday 253 delegates, representing the country's 18,000 teachers, elected a new national executive committee and appointed Natan Sevilla Gomez as its secretary general at the second national congress of the National Association of Nicaraguan Teachers. The teachers approved new statutes and a 1982 action plan. They also ratified the report presented by the outgoing national executive committee. [PA152005 Managua BARRICADA in Spanish 1 Nov 81 pp 1, 5]

U.S. PREPARING NAVAL BLOCKADE--Panama City, 27 Nov (ACAN-EFE)--Commander Tomas Borge, Nicaraguan interior minister, stated today in Panama that he received "a few minutes ago" information that the United States is preparing a naval blockade of Nicaragua. During a press conference in a hotel on the outskirts of this capital which began at 1500 hours (1900 GMT), Borge added that the information on "a naval blockade on both coasts" (Atlantic and Pacific) fits in with the U.S. statements and threats of aggression against Nicaragua. Referring to the date the announced blockade could become effective, the Sandinist commander noted: "It could probably be within the next 2 months." Borge, co-founder of the FSLN, is attending a meeting of the COPPPAL which opened in this capital yesterday and concludes today. In connection with the blockade plan, Borge said he had not yet revealed it to the other Latin American politicians gathered in this capital because the information he possesses must be evaluated and studied by the Nicaraguan authorities before any decision is made. [Excerpt] [PA272146 Panama City ACAN in Spanish 2121 GMT 27 Nov 81]

OFFICIALS MEET WITH CHURCH LEADERS--Representatives of the government junta and of the FSLN met today with members of the Episcopal conference. Junta members Commander Daniel Ortega and Sergio Ramirez Mercado, FSLN national secretariat member Rene Nunez and minister-secretary of the government junta Rodrigo Reyes met this morning with several representatives of the Episcopal conference, including Msgr Ruben Lopez Ardon of the Esteli Diocese, Msgr Pablo Antonio Vega of the Chontales Diocese and Msgr Julian Barni of the Matagalpa Diocese. There was an atmosphere of confidence and mutual understanding at the meeting, in which both general and specific matters, which will help us to deal with our country's present and future, were constructively discussed. Finally, it was agreed to hold periodic meetings that will help to establish points of mutual interest between the church and the government. [Text] [PA171604 Managua Radio Sandino in Spanish 0300 GMT 17 Nov 81]

CSO: 3010/431

COLUMNIST WARNS OF POSSIBLE DANGER ON U.S. BASES

PA041452 Panama City CRITICA in Spanish 2 Dec 81 p 7

["The Revolution Does Have Its Writers" column by Juan A. Bernal: "What's on the Military Bases?"]

[Text] The warlike position that President Reagan has been adopting in his foreign policy, not only regarding the USSR but also the third world, leads us to reflect upon the danger that Panama would face in a conflict involving the United States. Although the Panamanian people and government are peace-loving, we must admit that there are still four U.S. military bases on our territory. These bases will remain here until the year 2000, if the Torrijos-Carter treaties are fulfilled.

During a war, a military base is an important target. Its importance increases according to what is stored in that base.

The honorable representatives who questioned the deputy foreign minister during the recent assembly session, did not ask if the military bases remaining in the canal area contain any thermonuclear devices or any atomic missiles which might arouse the suspicions of enemies of the United States.

We Panamanians must make sure that no atomic devices which pose a danger to the security of the Panamanian people, are stored on Panamanian territory leased to the United States for its defense. Our government can obtain this assurance only through a declaration by President Reagan or by the southern command and an on-the-spot inspection by Panamanian officials in charge of our security.

According to the treaties the canal is open to ships of all nations, in peace as well as in war. However, this situation would change if there were stores of thermonuclear weapons near the canal. Instead of being part of the canal defenses, these weapons would be a military target for the enemies of the United States.

According to rumors there are at least 300 CIA informers in Panama, many of whom render these services free of charge. They report any irregularity which might affect the security of the canal area or of the United States. Although these citizens, natives as well as foreigners, render a valuable service to the U.S. Government, their service as informers is useless if they are not aware that they are sitting on a powderkeg.

In a place where there are many CIA informers, who can guarantee that they are not double agents informing both sides? This is especially true in our tropical countries where those who are engaged in this profession usually play both ends against the middle.

Until recently the American people could have safely said, "In God we trust." Now, however, with Mr Reagan in power, they don't know if God or the devil is on their side, or if Mr Reagan has earned the animosity of both of them.

CSO: 3010/428

LATIN AMERICAN UNITY SAID TO BE UNACCEPTABLE TO U.S.

PA022341 Panama City MATUTINO in Spanish 2 Dec 81 p 4-A

[Luis Restrepo Rosas article: "Panama and Santa Fe"]

[Text] During the past 15 days, Panama City has been the site of important national and international conferences. All these conferences ahve been dedicated to pointing out the need for internal unity in local affairs and for hemispheric unity in Latin American affairs.

The Panamanian association of engineers and architects has carefully analyzed the national situation and on the basis of what the participants have said, the event has had very positive results, especially regarding the issue of deriving greater benefits from our geographic position and the adequate, scientific and efficient use of our natural and human resources.

As for the international situation, or more specifically the Latin American situation, Latin American leaders have met here to study the political situation, from all angles: the crisis in central; the warlike position of President Reagan's Government and its continuous threats to the region's stability, the people's problems in the southern tip of the continent, subjected to brutal regimes that consider the disappearance of a human being as a natural thing.

Now we have dedicated the consultative meeting of the Latin American Economic System (SELA) in an effort to form a common front that may propitiate "negotiations to secure better conditions for the Latin American countries in their economic relations with the United States."

This Latin American unity is unacceptable to the country of the north. There is a document that establishes U.S. policy on Latin America. The "Sante Fe document" was prepared by Reagan's ultraconservative advisers when he was just an aspirant to the presidency of his country. For those analysts, Latin America is not an homogeneous entity. According to them, Latin America is composed by what they call "plural Americas," that is, each country is a separate entity and has no link with the others because of geographic and climatic conditions. The document even hints that there is religious and language unstability, as if wanting to take for granted that penetration efforts using those paths, would be a complete success.

This is why the Santa Fe document's economic policy recommendations to the U.S. president call for bilateral negotiations in Latin America. Cancun was the first evidence of this policy. While it is true that this policy was not definitely imposed there, it is also true that it at least, established a beachhead there. It just so happens that the Caribbean also plays an important role. President Reagan has appointed David Rockefeller as his viceroy in the Caribbean. His headquarters are in Jamaica from where economic aid to the nations of the area and the rest of Latin America is planned on the basis of acceptance of the Santa Fe postulates.

On this basis, Panama is already opposed to the Santa Fe because calls for hemispheric unity to face the giant of the north do not fit the philosophy of La Fontaine and his partners.

In urging Latin American unity to confront the United States, President Royo has become, according to the Santa Fe position, an apostate. He probably is already the target of state department officials.

The idea is to weaken our unity, our culture, religion, history and especially, "our common needs," which is what is most apparent in the Sela meeting taking place in our city.

CSO: 3010/428

EDITORIAL CRITICIZES REAGAN'S SUGAR TAX PLAN

PA261905 Panama City MATUTINO in Spanish 25 Nov 81 p 4

[Editorial: "Reagan's 'Democracy'"]

[Text] The sugar producers Panama included, are deeply concerned over President Reagan's announced intention to levy a heavy tax on U.S. sugar imports in the immediate future.

The planned $0.04 tax would markedly reduce the sugar producers' revenues for next year. This reduction, which in Panama's case would amount to 12 million balboas, can seriously affect all of our countries' economies, due to the high percentage of their small budgets this reduced figure represents.

Twelve million balboas would mean nothing to a nation that obtains huge revenues from other areas of its budget. But this sum does have great quantitative significance for a country that could use this money to resolve some of its most pressing problems--those that affect the health of its inhabitants, those connected with its road systems, its people's education, infrastructures and the social attention demanded by their ever-increasing numbers.

Whether or not implemented until it becomes a U.S. law, and due to the fact that it has emerged as an initiative of his administration, President Reagan's project has made it clear that the U.S. president has two opposing concepts of democracy. On one hand, Reagan proposes, decides upon and implements actions intended to safeguard regimes that, in his view, are based on the democratic philosophy. Apparently, Reagan's actions will not stop even in the face of the threat of limited or total war. On the other hand, however, the same gentleman drafts bills that condemn friendly nations to the whiplash of his taxes. By doing this he is limiting his poorer allies' possibilities of achieving economic recovery, while the wealth of the rich in his country is consolidated on the basis of the callousness of these selfish measures. Of course, this applies only to the wealth of the rich, because the poor there will become poorer every day, just like the poor here.

Apart from the projected negative impacts of these figures, the negative social and humane aspects of this measure should make somebody up there stop and think, in order to prevent the rising level of discontent and negative public relations that a provision of this kind can elicit, to the detriment of the already weakening image of the current U.S. administration. This image is already casting shadows on the U.S. people themselves, for they might seem to be guilty of expressing their solidarity with attitudes that, in all justice, should be attributed exclusively to the team of men currently directing their destiny.

CSO: 3010/428

BRIEFS

U.S. SPEEDING UP 'AGGRESSIVE PLANS'--Upon inaugurating the sessions of the permanent conference of Latin American Political Parties (COPPPAL), President Dr Aristides Royo warned the United States and the world that "we have indicated that fulfillment of the canal treaties is afflicted by distortions which we Panamanians cannot accept." It was a clear and timely warning connected to current developments. The warning, made at an important international forum, is in keeping with the Panamanian Government's policy of "taking to all world forums our protest over the violations of the Panama Canal treaties." We cannot let the United States use Panamanian territory to attack workers and peasants in Guatemala, El Salvador and Nicaragua, who are not willing to surrender their freedom, their rights and their hopes to the banana transnationals. They are also not willing to become pawns at the service of imperialist interests. It must be borne in mind that the United States is speeding up its aggressive plans against the region. In this context, the U.S. Government has asked U.S. private hospitals to reserve /50,000 beds, which are to be placed at the army's disposal in case of an emergency/ [passage within slantlines published in upper case]. ...It is a clear fact that that emergency will take place in Central America and Panama, for we shall not be spared the aggression. [Article by Luis Restrepo Rosas: "Timely Warning"] [Excerpts] [PA300425 Panama City MATUTINO in Spanish 28 Nov 81 p 4-A]

$100 MILLION IN LOANS--Loans for approximately $100 million were obtained by Agricultural Minister Dr Alfredo Oranges Bustos in his recent trip to Washington, New York, and Rome. Dr Oranges announced that $15 million will be made available to small-and medium-producers for small irrigation projects. A four-part agricultural plan totaling $43.5 million will benefit the peasant cooperatives and small- and medium-producers, as follows: a program to help the neediest producers, one for the agricultural and industrial sectors, and a plan for the lumber and fruit growing sectors. Oranges emphasized the importance of funds which will be used specifically for the transfering technology, improving the national marketing network and issuing land property titles. Other international funds will be distributed as follows: $15 million will be invested in fish farms, $12 million will be used to help indians in remote places and $8.5 million obtained from the agricultural development fund [Fondo Para el Desarro Agr cola] will be used exclusively for the development of the poorest regions in the country. [PA240148 Panama City MATUTINO in Spanish 19 Nov 81 pp 1, 8-A]

NEW PANAMA UNIVERSITY RECTOR--Today the General University Council elected the new rector for the University of Panama. He is professor Ceferino Sanchez, who won by 44 votes. Professor Rene Brenes obtained two votes and there were three blank votes. [PA051602 Panama City Circuito RPC Television in Spanish 1715 GMT 4 Dec 81]

NATIONAL GUARD PROMOTIONS--Col Florencio Florez, commander in chief of the National Guard, today officially announced the following promotions: Lt Col Ruben Dario Paredes, deputy chief of staff and G-1, is promoted to lieutenant colonel and chief of staff; he maintains his G-1 position. Lieutenants Hernando Munoz and Miguel Aleman Mendoza are promoted captain and Second Lieutenants Toribio J. de Lora, Carlos A. Gonzalez and Andres B. Palacios are promoted to lieutenant. [PA051602 Panama City Matutino in Spanish 4 Dec 81 pp 1A, 8A]

CSO: 3010/428

COPEI INTERNAL AFFAIRS, CANDIDATES' ROLE ANALYZED

Caracas EL UNIVERSAL in Spanish 9 Nov 81 p 1-12

[Article by Tania Vegas: "The Faces of COPEI"]

> [Text] Teams in the underground game. It is not known as yet whether "Pepi" will try for the nomination. "Herrero-Pedropablismo" hopes that Montes de Oca will withdraw from the administration in March 1982 to launch his campaign. This sector feels that a "change in the balance of forces"--which would favor it--may materialize during the next special national convention. For the former president's collaborators, there is no possibility of "negotiation" because everything has already been said.

The Social Christian Party at this time does not have anyone trying for the nomination. This was stated emphatically by all of the followers of Rafael Caldera in promoting a possible candidacy of the current foreign relations minister Rafael Andres Montes de Oca.

For them it is unnecessary to push any campaign in view of the fact that "the former president has the support of the entire party."

The "Herrero-Pedropablistas" for their part emphasized that there cannot be any internal campaign because the party has not yet decided to start it. Furthermore, they maintain that Montes de Oca cannot engage in political activities while he is still a minister in an executive office.

The party's electoral situation for the moment is very calm. Some are confident of victory and others are awaiting the course of events before planning their strategy.

For the time being, it would seem that concern is centered on what might happen at the party's special national convention which will be held early next year.

That party gathering will take up the reform of the bylaws which calls for the expansion of the management bodies. In this sense "Herrero-Pedropablismo" wants to have outstanding personalities in the sector take over some of the six new positions on the National Committee.

However, high-ranking spokesmen said that those who publicly criticize the current national leadership "will not enter the kingdom of heaven." It seems that this "kingdom" is not only the National Committee but the lists of candidates for the posts which the Social Christian Party may win in the deliberative bodies during the national elections.

"Herrero-Pedropablismo" hopes that the agreement worked out in the prior national directorate--through which the National Convention will be able to study other matters which concern subjects other than the reform of the bylaws--will enable them to plan the reorganization of the regional committees and other leadership bodies to make sure that they will reflect what they call "the party universe."

In this way they could get a stronger platform which would indicate their political clout in the party and this would make it necessary for them to be consulted in any internal decision.

This matter is closely tied to the presidential candidacy although the Caldera followers reject the idea that there could be elements for possible "negotiation" before the launching of the candidacy of Rafael Caldera.

Preparations

Regardless of currents, the Social Christian Party has in public advocated an opinion contrary to the idea of advancing the national election campaign.

It stuck to this position in the Supreme Board of Elections, indicating that both the choice of the party candidates and the presidential campaign must be scheduled for the year 1983, specifically, 8 months before the national elections.

Consistent with this position, it objected that AD [Democratic Action] is getting ready to elect its candidate before the CSE [Supreme Board of Elections] has set the legal deadline. However, since to all appearances AD will not desist from its idea and since the electoral body will probably agree that this be done, through the formula of the "threes," the Christian Social Party could reconsider the timing for its presidential congress.

In the last directorate, Eduardo Fernandez already suggested that--as ruled by the CSE--the party event could be held at the end of 1982. But they also declared themselves ready to do so at any date prior to July 1982 "if the electoral pressure of the other parties is very strong."

That would torpedo the hopes of "Herrero-Pedropablismo" to introduce some change in the special national convention since the party would decide not to do that but rather right away to go into the election of its presidential candidate.

The Caldera group only is waiting for the party's signal before launching the plans that have been worked out--but not for an internal confrontation, which they do not consider important; instead this would be for the national campaign in the certainty that Caldera will be the Christian Social Party's candidate. This is why they say that "Caldera will be nominated unanimously at the presidential congress."

The Social Christian Party has already appointed its national election commission in the past directorate. Jose Antonio Perez Diaz will be the chairman and it will consist of Lorenzo Fernandez, Felipe Montilla, Miguel Hernandez Ocanto, and Dagoberto Gonzalez.

This commission has the basic job of organizing the presidential congress. However, it has been noted that it will also look for a formula of consensus that would spring from the conversations with the various tendencies within the party.

But, in spite of everything that might be maintained to the contrary, it seems that there is just one single formula: Caldera's candidacy and the thing really involved is that this should not produce any losers.

"Calderismo"

"Caldera does not have a campaign headquarters because he does not need it; the presumed purpose of such headquarters is to assure nomination--something which the former president already has sewed up." This comment was made by close associates of the Social Christian Party leader and this is the feeling of many other leaders in his group, both in private and in public.

Caldera will appoint his headquarters but that will happen after he has been "proclaimed" as Social Christian Party candidate. To run the campaign, the name of the current Venezuelan ambassabor to the OAS--Hilarion Cardozo--has been mentioned.

Nevertheless, if there is such a thing as a team of "collaborators" of the former president, it would be made up, among others, of Jose Curiel, Andres Sucre, Oswaldo Alvarez Paz, Paciano Padron, Gustavo Tarre Briceno, Hector Turuphial, Luis Enrique Oberto, Maria de Guzman, and Luis Corona.

The people within "Calderismo" do not understand the intent behind launching a nomination drive for Montes de Oca "since the situation has already been defined."

However, they agree that Montes de Oca does have the right to do that even though he has no option.

In this sector it is hoped that Caldera will be the consensus candidate not only for the party but also for the nation; but that would not materialize if "Herrero-Pedropablismo" were to insist on going with "Pepi" until the end. That might help the followers of the current minister in negotiating some positions in exchange for the "unanimity" of the choice of Caldera. Those who support the former president do not believe in this possibility and are sure that the "consensus" will not be negotiated until the time is ripe because of the objective conditions nationwide.

They feel that their leader has already achieved that consensus and that an example of that was the national directorate in which even the regional leaders--who considered themselves to be "Herrero-Pedropablistas"--voted for the formula of "Calderismo" which calls for extending the term of office of the current officials.

They also think that Caldera will be the national consensus candidate and that this has been demonstrated in the trips which the former president has made throughout the country's interior on the basis of the invitations they got for him.

His "collaborators" say that Caldera will not reach the end of his term of office as president of the International Interparliamentary Union until September of next year at which time he will be able to devote himself fully to political activities. However, it is a part of his routine to visit some sections that invite him.

As for his administration program, there is a team which is constantly evaluating the execution of the program of President Herrera. In this way they spell out the preliminary goals for what is to be the election platform of the former president.

The final draft of the general program outline will come out of the presidental congress, as provided for in the bylaws, and this job will be done by a team which the candidate will have to appoint.

Eudoro Gonzalez, Social Christian Party leader, who is a member of Caldera's team, thinks that this program will consist of two fundamental areas. "First of all, the revival of the economy which, in what remains of the term of office of President Herrera, will receive major encouragement. Second, the activities of the public services and the housing problem which is of social interest." He noted that there is no specific study on that score since these activities are subject to the decisions which the party will have to make in connection with the issue of the candidacy.

The atmosphere in "Calderismo" is one of absolute certainty. It is not totally ruled out that "Pepi" might try to run but it is thought that, if he were to do so, he would withdraw his nomination in the presidential congress because "Herrero-Pedropablismo" will not try to run the risk of "being counted out" when it has less than 10% of the votes.

They also insist that it must be realized that Caldera is the best candidate, "the only ace the Social Christian Party has" in 1983. Among other things it is pointed out that he guarantees that the presidential campaign will not become a "plebiscite" on the record of the current administration.

The exact opposite would happen with "Pepi" who, because he belongs to the administration team and is identified with "Herrerismo," would be burdened with all of the "guilt" of the administration.

They point out that it would not be good for him to try for the nomination "because he repeatedly expressed his solidarity with the Luis Herrera administration"; Caldera is different however and is not associated with the administration's record.

The election campaign will be aimed at promoting the figure of the former president, his qualities, emphasizing primarily his administration. The fact that he had been president of the republic before "and that he had done a good job" is the aspect which "Calderismo" will stress and it is said that this idea will prevail in the confrontation with AD.

They admit that the Blanco party will try to run the campaign in such a way as to link Caldera with the present administration and will try to blame him for the "mistakes" attributed to the administration. Hence they note that the man who manages to point the campaign in one or the other direction will have a greater chance of victory.

"Herrero-Pedropablismo"

"There will be a large number of candidates at the presidential congress and Montes de Oca does have a clear option." This was noted by the "Herrero-Pedropablistas" who expect the current minister to represent them in the internal contest.

Although they deny that they are involved in a campaign, one of their leaders admitted that the trips started by Pedro Pablo Aguilar on 30 October, through the Date of Tachira, was the virtual beginning of "Pepi's" campaign.

At that time, Aguilar visited the district committees in the state and it was announced that he would make similar trips each weekend until he has covered the entire country.

The idea is to evaluate the situation of "Herrero-Pedropablismo" within the party before the national directorate meets and with a view to the next event, that is, the special national convention.

People in this sector think that, through the action taken in the San Juan de Los Morros and thereafter in the national directorate, they gave evidence of the strength of the leadership of Pedro Pablo Aguilar "who is the undisputed leader of the Christian Democrats."

"Herrero-Pedropablismo" supposedly emerged strengthened from that, something which undoubtedly means support for "Pepi" and his idea of trying for the nomination.

But in response to all this, minister Montes de Oca has not given any assurances. Only once did he confirm in public that he might leave the administration in March of next year. But he has not indicated any possible final decision as to his candidacy, not even to his close associates.

"Herrero-Pedropablismo" places a portion of his hopes in the special convention because, if the "reorganization" of the leadership bodies is proposed, not just their expansion, as provided for in the reform of the bylaws, they are confident that a change can be brought about in the "correlation of forces."

This "change"--which they feel will favor them--would influence the internal campaign because it would give them greater control over the decisions to be adopted.

They also assured us that they have a majority in the presidential congress because minister Montes de Oca represents an "ace" for the victory of the Social Christian Party in 1983.

In any case, if things do not work out as they hope, there are some leaders in Herrero-Pedropablismo" who are thinking of 1988--not with "Pepi" but with Pedro Pablo Aguilar. In spite of that, it will depend on the strength which this current can muster for that occasion because "Calderismo" is already mentioning, among others, Eduardo Fernandez as the next candidate of the Social Christian Party.

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BRIEFS

RESUMPTION OF REFINING--St Johns, Antigua, Tuesday, (CANA)--Antigua and Barbuda is to resume refining petroleum products early December it has been announced here. The West Indies Oil Company rehabilitated at a cost of some $25 million, will have a refining capacity of 18-million barrels a day, capable of supplying all the petroleum needs of the seven islands will comprise the Organisation of Eastern Caribbean States (OECS). [Text] [Bridgetown ADVOCATE-NEWS in English 11 Nov 81 p 3]

CSO: 3025/67

CONSERVATION PROGRAM EYED AS FUEL IMPORTS NEAR $80 MILLION

Bridgetown ADVOCATE-NEWS in English 3 Nov 81 p 1

[Text] Barbados energy import bill will most likely rise above the Bds$80 million mark this year with the local petroleum demand at approximatley 1.0 million barrels.

This was yesterday disclosed by Senator Clyde Griffith, Parliamentary Secretary with responsibility for Energy and Natural Resources.

He was addressing a five-day workshop on "Appropriate Technology" at the Caribbee Hotel, Christ Church.

Senator Griffith said that it is expected that by 1985, inland product demand would reach 1.6 million barrels at a cost well over Bds$100 million.

"In this context, it is vital that we take all possible action to reduce such costs," the Parliamentary Secretary said.

He added that it had been estimated that well-planned energy conservation programme, could, in the first year of implementation, realise up to 10 per cent energy savings, and up to 20 per cent within the following three years.

According to Senator Griffith, it is expected that next year, Barbados would be aided in implementing its conservation programme through technical assistance from the World Bank, which had already commissioned an energy conservation expert to look into the feasibility of initiating a conservation programme in Barbados.

He said the fact that the overwhelming part of technological research and development in the world had taken, and still was taking, place in the industrialised countries, meant that existing technology was frequently ill-suited to the conditions for the developing countries.

Senator Griffith said that modern technology invariably reflected the fact endowments of the industrialised countries which were characterised by a relative scarcity of labour and a relatively large supply of capital as well as of skilled labour.

He added: "Ideally, what is needed in the developing countries is in many cases a technolgoy which is more suited to their factor endowment, and which better reflects their supply scarcities and needs."

The Parliamentary Secretary issued a word of warning on linking the terms "appropriate" and "alternative" energy technology too closely together.

"The fact is, that most of the research and development associated with alternative energy technology will be carried out in the developed countries," he said.

The Senator said that the United Nations Conference on New and Renewable Sources of Energy endorsed the recommendation that a World Bank affiliate be established to assist developing countries to develop their indigenous sources of energy, including carrying out research into the development of alternative sources of energy.

According to Senator Griffith, that recommendation had not met with a favourable response from influential quarters.

"Countries like Barbados do not have the financial capability to become involved in original research and development, and thus, in the final analysis, may be forced to accept the alternative energy technology of the developed world," he said.

Senator Griffith added: "Our inability to provide substantial budgetary support, like most Caribbean countries, highlights the urgent necessity for the establishment of the World Bank Affiliate."

CSO: 3025/57

GOVERNMENT, MOBIL STUDY EXPANDED PETROLEUM DEVELOPMENT

Bridgetown ADVOCATE-NEWS in English 3 Nov 81 p 2

[Text] The Barbados Government is presently negotiating with Mobil Oil for further exploration and development of petroleum resources on land.

And Government Senator Clyde Griffith, said yesterday that it was anticipated that there would be a final agreement which would encompass deep drilling exploration and production.

Senator Griffith, Parliamentary Secretary in the Ministry of Finance with responsibility for Energy and Natural Resources, was delivering the feature address at a workshop on "Appropriate Technology" sponsored by the Caribbean Conference of Churches and Christian Action for Development in the Caribbean (CCC-CADEC) at the Caribbee Hotel, Christ Church.

He said that Government was also in the process of attracting bids for offshore exploration.

Senator Griffith said that consultants had been instructed to prepare packages of relevant data which had been collected from the offshore seismic survey.

According to the Parliamentary Secretary, Government also proposed to involve the National Petroleum Corporation which looks after the country's Petroleum Winning Operations.

He said that Government had been examining various forms of new and renewable sources of energy, including solar, wind, and bio-mass with a view towards future use if found technically and economically feasible.

Senator Griffith said that the major advancement in the use of renewable sources of energy to date, was in solar powered water heating appliances.

He said that a substantial start had been made in tapping the market for direct use of solar energy for water heating by three local firms which were manufacturing and marketing a variety of systems.

He said that Government had provided assistance to the firms by granting them approved enterprise status under the Fiscal Incentives Act, 1974.

In addition, Senator Griffith said, Government had also sought to promote the competitiveness of solar powered water heaters by placing a 30 per cent consumption tax on imported gas and electric water heaters. And, Government had allowed solar water heater installation costs to be fully tax deductable.

He said, however, that despite that favourable treatment to the industry, several difficulties remained, the major one being the high installation costs of solar systems.

Concerning the wind power potential in Barbados, Senator Griffith said Government had secured assistance from the Inter-American Development Bank (IDB) to install a wind turbine with a rating of about 200kw. This will help in the gaining of experience in the installation, maintenance and operation of wind turbines, and in the problem involved in feeding wind generated electricity into the national grid.

He said that actual operations were expected to begin next year, and the project is estimated to cost Bds$1.87 million.

CSO: 3025/57

GOVERNMENT ESTABLISHES NATIONAL ENERGY ADVISORY GROUP

Bridgetown ADVOCATE NEWS in English 6 Nov 81 p 2

[Text] The Barbados Government has established a National Energy Advisory Group which will broaden the scope of the input into the island's energy planning process. Suppliers, distributors and large consumers of energy comprise the group.

Following the group's first exploratory meeting a week ago, Government expressed the hope that the advisers will assist in defining major energy issues and relative priorities. The members are also expected to comment on the implications of energy planning as it relates to economic acticity, and advise on the implementation of energy options, and ensure participation and co-operation in responsibility.

This development comes against a background of a comprehensive energy assessment of Barbados carried out by the Energy Division of the Ministry of Finance and Planning, over the past several months.

The report of that study has concentrated on energy conservation because of its potential short-term impact, and it has essentially form the basis for formulating a balanced energy conservation plan.

Parliamentary Secretary to the Ministry of Finance and Planning, with special responsibility for Energy and Natural Resources, Senator Clyde Griffith, says that an efficient conservation plan will require a range of actions by many participants in Government, industry, commerce, and financial institutions and above all, the people of Barbados over a period of time.

Energy conservation has several appeals among which are: conservation combined with fuel substitution can lead to a reduction in oil imports and the island's dependence on foreign oil; efforts to conserve are typically less capital-intensive than efforts to produce an equivalent amount of energy with a new energy source; conservation provides additional time for careful study and development of alternative sources of energy and for making investment decisions with regard to future systems; conservation action can be taken more quickly than supply development action; and conservation actions are usually cumulative, having important long-termed as well as short-termed effects.

According to Senator Griffith, the report has made it clear that Government's conservation programme must take into account the following:

"The development of a set of energy conservation resource development goals for industry, commerce, tourism, government and transportation. In the area of transportation, much of the groundwork for the development of conservation has been laid by the recommendations of a Barbados Surface Transportation Study, which was commissioned in 1979 to examine Barbados' transportation problems.

"The report has enabled us to pin-point transport as the largest energy-using sector of the economy, some 32 per cent, when one considers diesel and gasoline fuel use.

"Energy use in private transportation is clearly dominant, accounting for some 49 per cent of all fuels used in transport. Government is very aware that transport constitutes an important area for energy policy.

"Implementation of a national energy efficiency programme which would include (a) publishing guidelines for energy efficiency in existing industry and buildings, for all new energy-using equipment and in new construction; and (b) developing standards for energy use in buildings and for energy-using equipment.

"Mobilisation of a public and private sector energy audit task force.

"Creation of concessionary financing mechanism and grant opportunities for energy conservation. As a frist step, the Barbados Development Bank currently has funds to provide 100 per cent financing for the hotel sector to install solar water heaters.

"Development of an energy investment plan to identify and evaluate the cost—benefits and priorities of potential energy sector planning needs and investment opportunities. This plan would form the basis for defining proposals for various donors."

Government's conservation programme will involve a massive public education campaign utilising all sections of the media.

To this end, Government is hopeful that the media managers will encourage specialisation by their reporters so that adequate and informed coverage of energy is provided, Senator Griffith said earlier this week.

It is anticipated that wherever necessary, in conjunction with the Barbados National Standards Instutution (BNSI), legislation will be brought in, to assist consumers in understanding the implications of purchasing applicances requiring the use of energy (GIS)

CSO: 3025/67

BRIEFS

SUCCESSFUL OIL WELLS--Three out of ten oil wells sunk so far this year in Barbados are proving to be good gushers. Project Manager of Mobil Exploration (Barbados) Limited, Brian Westgate, said yesterday that the three wells were at St. Philip Church in the North, Carrington Estate and the new one at Four-square. Westgate said that only one well (Searles Plantation) out of the ten sunk this year had to be completely written off. He said that at the moment he could not comment on the well which was recently sunk in St George, because they were still far from reaching the planned depth. He added, however, that they had been looking at some tests, which had looked very good. Of the other six wells, Westgate said they would give some oil, but not of the outstanding proportions of the other three. Mobil has intensified prospecting operations since buying out the oil rights from the General Crude Oil Company of Texas, which was granted a licence to prospect for oil in Barbados in 1966. The company's lease is expected to expire in 1984. Earlier this month, Mobil sunk a well at The Farm, St. George, the first to be sunk outside St. Philip. [Text] [Bridgetown THE NATION in English 26 Oct 81 p 3]

CSO: 3025/57

BRIEFS

NEW GAS DEPOSITS--The Bolivian Government oil deposits, YPFB, has reported that it has discovered gas deposits in Campo Grande, Santa Cruz department. The deposit will produce about 8 million cubic feet a day, and there will be enough gas for the next 28 years. [PY280250 La Paz Radio Illimani Network in Spanish 0100 GMT 28 Nov 81]

CSO: 3010/376

PUBLIC SERVICE COMPANY REPORTS $23.4 MILLION LOSS IN 1980

Kingston THE DAILY GLEANER in English 7 Nov 81 p 2

[Text] Jamaica Public Service Company suffered a $23.4-million loss in its operations last year and is to institute measures to cut expenditure.

The measures include rehabilitation of power stations, restrictions on new construction, improvement in revenue collecting and prohibiting the provision of service to customers where meters are not available.

A JPSCo. release yesterday said:

"Jamaica Public Service Company Limited, has instituted measures to cut expenditure in an effort to improve the financial position of the Company."

Fuel Costs

"The expenditure cuts, follow a loss of $23.4 million which the Company suffered in its 1980 operations. Of this amount, $12.6 million was due to unrecovered fuel costs resulting from the inability of the company to meet the level of efficiency of 13,500 British Thermal Units (BTUs) per kilowatt hour, governing the fuel adjustment clause.

Other contributing factors were increases in operating and maintenance expenses.

Fuel expense for the year was $125.7 million, 57.1% of the total operating expenses of $220.2 million. The cost of fuel rose by $38.4 million or 44% over 1979 and according to the annual report, "imposed a great strain on the company's cash flow."

Saving Measures

Announcement of the cost saving measures was made following a meeting between the Board of Directors and the Management of the company on October 16.

The chairman of the Board, Mr Orville Cox said, "The new Board of Directors of the Jamaica Public Service Company Limited has been faced with a situation where the company suffered serious financial losses in the year 1980. The company's financial position has been explained to and has been discussed with the Government. It is not sufficient, however, to look only to the Government for the

solution of the problem as there are crucial areas that the company must, itself address in order to minimise and contain some of the operating expenses."

Under the measures announced, top priority will continue to be given to rehabilitation of power stations to increase reliability of the system and improve the efficiency of electricity generation.

Line Losses

A programme to reduce line losses which it is felt, are exaggerated by theft of electricity, is to be immediately instituted. The Board also requested improvements in the company's revenue collections to reduce the time-lag between supply of the service and payment of the bills. It has also been decided to prohibit the provision of service to customers where meters are not available.

Restrictions have also been placed on new construction, overtime, transportation and travelling, contractor services, purchase of materials and advertising.

The chairman has called upon all sections of the company to participate in the efforts to improve the company's financial position."

CSO: 3025/67

OIL SEARCH BEGINS; SEAGA OUTLINES FUTURE DRILLING PLANS

Kingston THE SUNDAY GLEANER in English 8 Nov 81 pp 1, 2

[Text] Search for oil in Jamaica began in earnest yesterday when the Petroleum Corporation of Jamaica started drilling its first oil and gas exploratory well in Hertford, Westmoreland.

Prime Minister Edward Seaga visited the drilling site yesterday morning to initiate drilling, a news release from the Jamaica Information Service (JIS) said.

"This is the first well to be drilled in our renewed efforts to search for indigenous fuel in Jamaica," Mr Seaga said. He also said that two other wells will be drilled in this first phase of activities and said that "if results are encouraging it is possible that the drilling programme could be extended to a second phase."

Financing of the foreign exchange component of the project has been provided by a loan of U.S. $23.5 million from the Inter-American Development Bank Mr Seaga said.

All local costs are being paid from the resources of the Petroleum Corporation of Jamaica and the Government will own 100% of any found, through the Petroleum Corporation, which is a Government agency.

The Hertford well, about 4-1/2 miles northeast of Savannah-la-Mar, will be drilled to a depth of 10,000 feet, or until an economic basement is reached. Mr Seaga said selection of the Hertford site was made primarily on the basis of geophysical data acquired in 1979 by P.C.I.

Drilling is expected to last for 60 days, but may be extended depending on the type of geological formation encountered, and the engineering problems which may arise during drilling.

Mr Seaga said that when the drilling at Hertford is completed the rig would be removed to Windsor in St Ann for the second well. A third well at Ecclesdown, Portland will complete the first phase of activities.

Over 20 local and foreign companies have been contracted by P.C.J. to provide the materials and services required for the drilling operation. Management of

the drilling activities, Mr Seaga said, is being conducted by Petro-Canada, the Canadian State Oil Corporation; and the drilling contractor is Parker Drilling Company of Tulsa, Oklahoma, U.S.A.

Referring to offshore exploration, the Prime Minister said that drilling on Pedro Bank is expected to start in the third week of December when a consortium, consisting of Union Texas, of the U.S.A., and AGIP of Italy, drill their first well on the Arawak Block (Block C). This is one of five exploration blocks into which the Pedro Bank area has been divided.

Mr Seaga also said that those two companies signed a second contract in September to conduct oil and gas exploration on Bonito Block, Block D on the Pedro Bank.

In the event of a commercial discovery off shore the Prime Minister said, the government will receive 12-1/2% of the net production as royalty, in addition to normal corporate taxes payable under the Income Tax Law of Jamaica.

If a discovery is made P.C.J. can opt to become a partner in the operations with 10% equity participation for the Arawak Block and 30% for the Bonito Block.

Mr Seaga added that Union Texas, as operator is required to use Jamaican goods and services whenever these are available on a competitive basis, and skilled Jamaican nationals will be given preference over imported labour.

CSO: 3025/67

SEAGA REPORTS TO PARLIAMENT ON ENERGY DEVELOPMENTS

Kingston THE DAILY GLEANER in English 4 Nov 81 pp 1, 17

[Excerpt] On energy the Prime Minister said design and development of a plant to use bagasse for electricity production at a very low cost is being negotiated with the French Government.

"This involves a special process which has the potential of producing approximately 100 megawatts of electricity from a total bagasse production of 1.2 million tons. If the negotiations are successful, this development will be phased over a six-year period, while the sugar cane production develops."

An agreement was signed recently between Jamaica and Sweden for assistance to begin a feasibility study towards the construction of the first one-megawatt plant in the country. This project will begin in November.

JPS Diesel

The Prime Minister also announced that a more energy efficient slow or medium-speed diesel system is to be installed at the Jamaica Public Service Company within the next two years, and that special attention to the development of rural energy needs is currently being studied for implementation.

Dealing with the economy, the Prime Minister said a comprehensive public sector investment programme was at the point of completion after many months of hard work by officials here and the World Bank.

It was the first time that such a comprehensive exercise had been undertaken and the results would enable "us to manage the financing of projects and the preparation of the annual budget with far greater speed and efficiency."

He said that the private sector investment requirements was approached on the basis of determining the maximum sieze of the pool of capital which could be generated locally, foreign investment was considered necessary only to make up the difference between the capital which could be provided locally and the total required.

CSO: 3025/57

BRIEFS

OIL, GAS DEPOSITS--Caracas, 27 Nov (AFP)--State-run Meneven has discovered a new super-light oil deposit in southeastern Venezuela. The deposit is initially producing 1,800 barrels of condensed crude oil per day and 4 million cu ft of gas per day. Maraven has also announced the discovery of another hydrocarbon deposit in the Venezuelan Caribbean, capable of producing 50 million cu ft of gas and 350 barrels of oil per day. Several weeks ago, Meneven also reported the discovery of a natural gas deposit in the northeast, capable of generating 45 million cu ft of gas. Venezuela, which produces 2.2 million barrels of oil per day, implemented in 1978 a new exploration program designed to increase its reserves, exploring for hydrocarbons in old and new fields and also at sea. [PA301234 Paris AFP in Spanish 1843 GMT 27 Nov 81]

CSO: 3010/420

CDB APPROVES $2.7 MILLION FUND FOR REGIONAL GRAIN PROJECT

Georgetown GUYANA CHRONICLE in English 6 Nov 81 p 20

[Text] The Barbados-based Caribbean Development Bank (CDB) has approved a $2.7M plan for the Caricom Corn and Soya Bean Project which has been renamed the Regional Grain Project.

This disclosure was made by Mr Peter Webster, a project officer of the CDB who, together with four other participants of a project management training programme, are now in Guyana, to study and make recommendations for the improvement of the regional grain project being conducted in the Eberoabo Savannahs in Southern Guyana.

The project management training programme, which began September, is being held in Barbados, with 25 participants from CDB member countries, including Guyana.

The programme which has been arranged by the CDB's Project Administration Training Unit deals with all aspects of project implementation and management. Participants are also to do a one week stint at an on-going CDB-financed project, one of which is the regional grain project in Guyana.

Amongst the other projects which are being studied by five-member teams comprised of participants of the Barbados Project Management Training Programme are a rural electricity project in St Vincent and the Grenadines, a cocoa fermentory project in Grenada, a cotton project in Montserrat and the Belmopan Hotel Project in Belize.

The group which has come to Guyana, includes representatives from Jamaica, Grenada, Barbados and Montserrat. Its members are of the view that the feasibility of the regional grain project hinges on several factors, including the accessibility of the project site and adequate supplies of fertilisers. In addition, they have said that the development of infrastructural works in the Eberoabo Savannahs is vital to the success of the project which is being undertaken jointly by the Guyana, St Kitts-Nevis, and Trinidad and Tobago governments.

Mr Webster revealed that of the 3,000 acres identified as the project area, the maximum area cultivated in one cropping of both corn and soya bean has been only 1,800 acres. The group sees the regional grain project which involves the cultivation of corn and soya bean as an important venture, especially in the light of the high food import bill of the Caribbean Region. Corn and soya bean are almost major ingredients in the production of livestock feed, which occupies a substantial portion of Caribbean food imports. GNA

CSO: 3025/68

BRIEFS

CONDEMNATION OF U.S.--St George's Grenada, Wednesday (CANA)--Writers, artists and scholars from Latin America and the Caribbean have issued a statement here condemning the U.S. Government for "the intense propaganda campaign it has been carrying out lately...against Cuba and other peoples of Central America and the Caribbean." In apparent reference to recent pronouncements by Secretary of State Alexander Haig and other top Reagan Administration officials, the statement adds that such threatening language reveals a renewed attempt on the part of the U.S. Government to isolate Cuba and its intention to move against democratic forces in Central America and the Caribbean. Signed by the Standing Committee of Intellectuals for the Sovereignty of the Peoples of our America, which includes such figures as George Lamming of Barbados, Suzy Castor of Haiti, Juan Bosch of the Dominican Republic and Gabriel Garcia Marquez of Colombia, the declaration urges all artists and intellectuals and progressive people in general to protest "the hysteria launched by Reagan and his advisers" and to demand they cease their "aggressive provocations" against Cuba and Central America. The statement calls on the U.S. Government to respond to questions formulated by Cuban President Fidel Castro challenging the Reagan Administration to produce the evidence it claims to have concerning Cuban intervention in El Salvador. The Standing Committee's 12 members were elected by over 200 intellectuals from Latin America and the Caribbean who gathered in Havana during September at the meeting of "Intellectuals for the Sovereignty of the Peoples of our America." [Text] [Bridgetown ADVOCATE-NEWS in English 12 Nov 81 p 3]

CDB LOANS--The Caribbean Development Bank (CDB), yesterday announced conditional approval by its directors, of nearly US$13 million in loans to help accelerate the development of Barbados, St. Kitts-Nevis, St Vincent and the Turks and Caicos Islands. Approval was given at the board of directors 68th meeting, held in Barbados on Thursday and Friday. Note was taken by the board of approval previously given by bank president, William Demas, for various other projects around the region. Most of the funds from the new loans are going toward power generation, with US$6 million for Barbados, and US$3 million for St. Vincent. To date, the CDB has approved total financing of over US$357 million, for the Caribbean states in the 11 years of its operation. [Text] [Bridgetown THE NATION in English 3 Nov 81 p 20]

CSO: 3025/64

FOREIGN MINISTER ON BEAGLE, BOMB, U.S. RELATIONS

PY051512 Paris AFP in Spanish 1905 GMT 4 Dec 81

[Text] Castries, 4 Dec (AFP)--Argentina and Chile would make a gross mistake if their actions in their bilateral negotiations on the Beagle are guided by impatience, Argentine Foreign Minister Oscar Camilion today told AFP.

There is no room for impatience in these negotiations, especially taking into account the need to safeguard the figure of the mediator and his success and considering the holy father's position in the world andthe worldwide interest existing on the subject, Camilion said.

Camilion went on: I believe we will find a solution within the framework of the mediation. Yet this will demand efforts and resourcefulness.

He added: Argentina adopted a more flexible position in the course of the bilateral negotiations even before the initiation of the papal mediation, and our talks with Chile and the development of the negotiations have demonstrated that neither party has adopted an inflexible position on the subject.

He said: The papal mediation by itself confirms that the two countries have shown flexibility, in their talks, because otherwise the holy father would have found it difficult to continue to mediate in the problem.

He added: Without flexibility, the mediation would have been short-lived. The first important benefit yielded by the mediation was that of dispelling the threat of war which became quite real in 1978.

He said: I believe 1982 will be really important for expediting the pace of the Argentine-Chilean negotiations and for formulating their juridical-formal aspects. I believe this for several reasons, but above all because a bilateral treaty for the peaceful solution of conflicts which has been in force since 1972 will expire this year and we cannot let time defeat us.

Camilion also denied the charges of Argentine military participation in the Bolivian military coup of 17 July 1980 led by Gen Luis Garcia Meza.

No Argentine nuclear theory has considered, considers or will consider in the future the possibility of making a nuclear bomb, Camilion said.

The technology to make bombs is much less sophisticated than other nuclear technologies, and a country which may opt for making the bomb will automatically be put on the international blacklist and thus it will miss its chance to have access to the necessary nuclear progress, he said.

Argentina does not need a nuclear bomb. To make the bomb would be negative for the future of its nuclear program and, besides, it cannot make the bomb clandestinely, he said.

Our relations with the United States have improved to the extent that the Argentine process has improved. We are now going through a period of absolute normality, despite a few negative things which we inherited since there are still some prisoners in the country whose status is not fully in keeping with international juridical standards, Camilion said.

CSO: 3010/441

IGLESIAS ROUCO COMMENTARY ON CURRENT DEVELOPMENTS

PY280111 Buenos Aires LA PRENSA in Spanish 24 Nov 81 pp 1, 6

[Commentary by J. Iglesias Rouco]

[Text] On armed forces decisionmaking levels the conclusion has reportedly been drawn that if Gen Viola cannot resume his activities within the next 20 or 30 days, the present commander in chief of the army will have to assume the presidency. According to some of the media which have been consulted, the navy has reportedly approved the plan, although the air force has so far not pronounced itself on it. Upon becoming president, General Galtieri would retain the army command.

The plan would, however, go beyond a mere relief. According to our sources, the following would be attempted:

1) To strengthen presidential power considerably. Thus, the new ministers, governors, ambassadors, judges, directors of official banks, etc., would be appointed directly by the national executive, with the purpose of creating a system of dependencies and loyalties between president and officials, and not between the latter and the military commanders.

2) To bring about a system of gradual and ample civil participation. The commanders of the armed forces would retain only the main nucleus of authority, which in practice would be that of the executive, and they would only participate in the adoption of "momentous" decisions. However, the commanders would continue to have delegates in each of the ministries.

3) To establish the principle of "coordination of efforts." The military leaders would call on the population to achieve said "coordination of efforts" as a prior step toward a government of "national unity." Its object would be to define a long-term political and economic plan, upon which they would also form a "definitive" cabinet, or at least one to last a number of years.

For all we know they would try to carry out the major part of this plan even if General Viola were to return to the Casa Rosada.

So far the military decisionmaking levels mentioned earlier are not discarding the possibility of a "fourth man" at Casa Rosada if Viola were not capable of

resuming the presidency. This is because certain minority military sectors could, after all, object to the presidency and the post of army commander being in the same hands, and seemingly there is no intention of imposing a system that will not command a clear unanimity. Several persons are being considered for such a contingency: the most outstanding being General Delia, whose performance in the final stages of the Peronist administration facilitated the "process"--he is often referred to as the "maker" of three commanders in chief and of two presidents--and Gen Carlos Chaseing, former governor of Cordoba, who retired in 1976, the same as Delia. General Ongania is also mentioned, of course, although as a far more remote possibility. General Mallea Gil is being considered for the general secretariat of the presidency only (moreover, this officer probably remembers what happened with Levingston).

It is obvious that the army's high command is having a rather hectic time, because in additon to preparing a wide-ranging political plan, General Galtieri and his assistants are working on the future structure of command of the army.

According to our sources, the higher promotions board has reportedly established the following order for promotion to the rank of major general: 1) Calvi (cavalry); 2) Martella (infantry); 3) Varela Ortiz (artillery-engineering); 4) Guanabenz Perello (artillery); 5) Barbieri (communications). The promotion of the first four is reportedly certain; Barbieri's promotion would depend on the future military status of General Liendo, who is at present in charge of the presidency.

However, the key to the changes that will take place in this area will be the appointment of an army chief of staff, since it is very likely that General Vaquero, who has been in the rank of general for 4 years, will go into retirement. In this regard, Galtieri's alternatives have been modified substantially by Viola's illness as well as, according to suggestions made by reliable sources, by the recent confrontation of General Nicolaides with radicalism (after the president's "hypertension" Nicolaides started coming to the forefront as a possible candidate to fill the post).

According to our sources, the political plan, which is now being studied at the army command and which is based on an "ample national agreement," could place General Villareal--who is an old friend of Viola's as well as of Galtieri's--in the army's joint staff. Like Galtieri, Villareal has always belonged to the army "moderate" line, headed by Videla and Viola. However, Galtieri and Villareal are considered to act more forcefully and expeditiously than the present and former presidents. It should be borne in mind that Villareal strongly supported Galtieri as candidate for the post of army joint staff commander against Gen Suarez Mason, who is now the chairman of YPF [government oil deposits].

In the meantime, yesterday's meeting of General Liendo with the cabinet was almost entirely devoted to determining guidelines for the activity of the ministers during the "leave" of the president. According to our sources, Liendo has reportedly requested the greatest "discretion" on Viola's health, to the extent of even in their private conversations, limiting themselves to quoting medical reports. He has also reportedly recommended that they refrain from

proposing substantial initiatives but rather promote as much coordination as possible in their respective ministries. Finally, the acting president has reportedly indicated that no resignations will be considered until the "leave" ends, in other words, those ministers who wish to resign cannot do so until then. General Martella has reportedly given similar recommendations to advisers and other officers of the presidency.

The truth is that the governmental paralysis brought about--really just accentuated--by Viola's illness will not be overcome until a final decision is made on Viola's continuity or replacement, even if plans already underway--such as the elimination of indexation on building loans by the BHN [National Mortgage Bank]--are speeded up. Important projects such as Yacyreta, the derogation of circular 1050 or reform of the administrative investigations supervisory office--approved by the CAL [Legislative Advisory Commission] although allegedly with suggestions and changes which are still being kept secret--will have to wait until the situation is clear. This does not imply that there might not be developments regarding these and other matters.

As to the supervisory office, attention should be paid to a letter made public yesterday by Mr Sadi Massue in response to Mr Frugoli's letter, which was also critical of the minister. Frugoli's letter was made public a few days ago by Mr Sola, one of the assistant prosecutors who at present heads that office.

Some of the paragraphs of Massue's letter--who is a true symbol of dignity and integrity in these ill-fated days--seem to stand out, above all because those paragraphs reveal, as pointed out by Massue himself, Mr Frugoli's "inaccuracies" and perhaps a few other more disturbing things. Among those paragraphs there is one which is truly devastating.

Mr Sadi Massue says: "I do not think I am just being suspicious in noting a similarity in the two instances in which they tried to modify the prosecuting office. Its organic bylaws were reformed in 1976, when three former commanders in chief were being tried in criminal proceedings--it was mistakenly believed, the minister says, that it was done deliberately--and as a result the prosecuting office was left out of the prosecution. That office today has high-ranking officers under investigation, and the same procedure is being adopted although neutralizing it even more this time."

CSO: 3010/375

COLUMNIST VIEWS ECONOMIC IMPLICATIONS

PY030138 Buenos Aires LA PRENSA in Spanish 1 Dec 81 pp 1, 6

[Commentary by J. Iglesias Rouco: "A Challenge and Other Shadows"]

[Excerpt] Although it is true that General Galtieri supports--as has been said--a genuinely liberal economy, the five measures which were announced on Saturday posed a real government challenge to the army commander in chief. This matter, like that of the president's illness--both of which are closely related--will probably be carefully analyzed by the junta. As far as we know, these moves made by General Liendo, moves which are undoubtedly making fundamental changes to the economic structure, would be considered by several officers as a political counteroffensive designed to hamper the process aimed at General Viola's definitive relief, and also as a clear violation of the principles which have been established by the regime for the management of the economy. Everything indicates that in the next few days, or hours, important developments will occur in the crisis.

Whatever the case, the truth is that the "process" has decided to openly follow a policy of state-control, but only for a few days, by using mechanisms which are quite similar to those which were implemented by Mr Cafiero during Mrs Peron's presidency during the hours of chaos which preceded 24 March. According to our sources, even Mr Sigaut, who could hardly be regarded as an orthodox or even unorthodox liberal, has opposed as strongly as he could the measures which have been reportedly prepared by several technicians who did not even belong to the so-called economic cabinet, or at least to the Finance Ministry. But since the end of the already too relative freedom of the financial and of the exchange markets has been for some time a latent goal of some nationalistic groups of the army, the developmentists--connected, as we have said, to government political sectors--the Peronists and of the popular group of radicals, the replacement of Viola and the return to the "roots" of the "process" are becoming more complicated for the junta and for the officers who still stick to liberal formulas. In this way, a true coup is being promoted within the "process" with options which could have unexpected results in the next few days.

But there is something which is still more serious: The adopted measures open the way to gloomy economic prospects. In the first place, the eventual abolishment of the savings system through an artificially established top interest rate on savings deposits. At the same time, the almost absolute control of the

exchange market might prevent a run on banks but, in the opinion of specialists, it will not be able to avoid the creation of a financial black market that will operate on realistic rates--higher than those officially established--and that will "relieve" the institutions of their commitments to the Central Bank. It is not worth talking about the establishment of a 180-day "swaps" [given in English] system, since everybody recalls the results of the Cafiero "package." But it must be pointed out that contrary to all announcements, no contribution is being made toward the reunification of the exchange market, but an increase in the number of different levels within that market is actually being encouraged. At this moment, for example, there are not two markets as there were last week, there are four: one for commercial transactions, another one for financial loans ("swaps"-exchange insurance), a third "floating" one (tourism, currency purchases of up to $1,000 per buyer), and another parallel one on which the U.S. currency yesterday was quoted at 12,000 or 12,500 pesos instead of 10,000.

There is no possible explanation for this situation after almost 6 years of "process," although its supporters today give assurances--as Brigadier Graffigna did yesterday--that they have never had enough time to do what they would have liked to do.

CSO: 3010/375

BIOGRAPHIC DATA ON AIR FORCE COMMANDER-DESIGNATE

PY200159 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1930 GMT 17 Nov 81

[Excerpts] Buenos Aires, 17 Nov (NA)--According to official information, Maj Gen Basilio Lami Dozo was appointed today new air force commander to take effect on 17 December to replace the current air force commander, Lt Gen Omar Graffigna.

Maj Gen Basilio Lami Dozo was born on 1 February 1929 in Santiago del Estero and is married to Beatriz Margarita Maria Pozzo and the father of five children, according to the data released by the air force.

He joined the Military Aviation School on 8 April 1946 as a cadet and graduated as an ensign with a degree as a military airman on 10 December 1949. He was successively assigned to the training group, the third air force brigade and transport group No 1.

He served in the technical group No 1 and transport group No 2 with the rank of second lieutenant and first lieutenant.

In December 1956 he was promoted to captain and in 1960 joined the command and general staff college from where he graduated as assistant to the general staff and was later promoted to major on 31 December of that same year.

With his rank as major he served the 5th brigade of the air force, the presidency of the nation, the aeronautics secretariat, air force command institutes and in the United States where he was sent to be trained as general staff training officer.

He was promoted to lieutenant colonel on 31 December 1965 and was transferred to the 1st brigade of the air force. In 1969 he took the higher courses of the command and general staff college.

Later on he served at the air force headquarters and after being promoted to the rank of colonel on 31 December 1970 was appointed Argentine representative to the council of the international civil aviation organization and member of the air transport committee.

In 1975 he served as deputy director of the command and general staff college and that same year was promoted to brigadier general and appointed head of the general staff's aeronautical affairs.

From 12 May 1977 until March 1981 he served as secretary general of the air force and was promoted to brigadier general [as received] on 31 December 1979.

He was then appointed instruction commander and at the end of 1980 was appointed air force operations commander, which post which he still holds.

CSO: 3010/375

BRIEFS

DENIAL OF HABEAS CORPUS--The first criminal and correctional court of appeals has confirmed the rejection of seven habeas corpus petitions, three of them lodged by extremists under arrest and at the disposal of the PEN [National Executive Branch]. Regarding the remaining four petitions, the court ordered that a trial judge start an inquest to investigate into the petitioners' alleged illegal deprivation of freedom. In a decision drafted by Judge Fernando Mantaras and endorsed by Judge Ramon A. Montoya, the court stated that "the faculty that Section 23 of the Constitution grants the executive branch (to arrest persons during a state of siege), is of an essentially political nature and, as such, it may not be revoked by a court of law." Raul Rodriguez Anaya, dissenting in part with the other judges, was in favor of applying the doctrine on control of reasonability in the use of this faculty, a doctrine that formerly prevailed in the court. He also proposed that the rejection of the mentioned habeas corpus petitions be partially confirmed. [Excerpts] [PY021739 Buenos Aires CLARIN in Spanish 19 Nov 81 p 8]

NEW GAS PIPELINE--A 1,120 kilometer pipeline in central western Argentina will pump its first gas on December 11, Gas Del Estado announced yesterday. The pipeline, to be operated by the Cogasco consortium, will include an additional 600 kilometers of branch lines, tapping Mendoza, San Juan, San Luis, Cordoba, and Santa Fe into the new gas fields at Loma de La Lata. Joined with the northern gas pipeline, Loma de La Lata gas will reach Rosario. The Centro-oeste gasline, 76 centimeters in diametre, will move an estimated 10 million cubic meters of gas per day with a possible increase of 8 million cubic meters if additional compressor plants are installed. [Text] [PY270250 Buenos Aires HERALD in English 26 Nov 81 p 11]

AIR FORCE PROMOTIONS--Buenos Aires, 27 Nov (NA)--The air force command today reported that next year the following colonels will be promoted to the rank of brigadier general: Andres Francisco Alvarisqueta, Rodolfo Francisco Arens, Arcelio Oscar Gonzalez, Carlos Roberto Cavandoli, Cesar Augusto Ferreras, Enrique Ramon Valenzuela, Carlos Alberto Jose de Blasis, Vion Carlo Yocca, Francisco Domingo Ubaldo Arnau, Carlos Antonio Alloatti, Luis Guillermo Castellano and Alfredo Margalef. [PY010031 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1733 GMT 27 Nov 81]

CITIZENS RELEASED ON PAROLE--Buenos Aires, 26 Nov (TELAM)--The Interior Ministry this afternoon reported that 14 people who were at the disposal of the executive

branch have been released on parole. They are: Emilia Liliana Diaz, Ada Maria Frizzola de Novello, Maria Susana Bertolino, Miguel Angel Mino, Ana Maria Camara, Alberto Jose Ramon Menardi, Ricardo Enrique Strzelecki, Mirta Victoria Aromataris, Benito Guzman, Carlos Alberto Pardini, Armando Tomas Cernadas, Miguel Emiliano Costa and Augusto Victor Saro. The Interior Ministry also reported that the freedom of the following persons has been decreed: Manuel Eduardo Farias, Adriana Chamorro de Corro, Higinio Daniel Aguilar, Ada Graciela Movia, Miguel Angel Bampini, Ricardo Esteban Barone, Ruben Oscar Caviglia, Emiliano Augusto Canete Palacios, Miguel Raul di Martino, Luis Alberto Lopez, Emma Delia Lucero de Ivaldo, Daniel Silvetrone and Eduardo Julio Schiel. [PY010031 Buenos Aires TELAM in Spanish 2030 GMT 26 Nov 81]

CSO: 3010/375

PREELECTION MANEUVERING BY OPPOSITION PARTIES INTENSIFIES

SDP Alignments

Nassau THE TRIBUNE in English 5 Nov 81 p 1

[Article by Gladstone Thurston]

[Text] The official opposition Social Democratic Party will contest only six of the 38 seats in the upcoming general elections, leader Norman Solomon told a press conference this morning.

And he held out the hope that should the minority parliamentary opposition Free National Movement win fourteen or so seats, they could form a coalition Government to defeat the ruling Progressive Liberal Party.

The six seats the SDP will be contesting are Shirlea, Montagu, Marsh Harbour, Clarence Town, North End Long Island, and St John's. Contesting four of those seats will be the incumbents Keith Duncombe, Michael Lightbourn, James Knowles and Mr Solomon. No one was named for the other two seats.

Mr Solomon said he was not prepared at this time to name the candidates of the other two Montagu and North Long Island constituencies.

Overnight, the FNM announced that it will not be contesting the Marsh Harbour and St John's constituencies.

"We welcome that move," Mr Solomon said. "The move is overdue. If (FNM leader Kendal) Isaacs had sat down with us last April as we invited him to do, maybe all this could have been put behind us months ago and that would have been to the betterment of the country.

"If Mr Isaacs wishes to be regarded as a statesman and not as a politician, with respect I would commend him the thought that he might now wish, in the best interest of the Bahamas, to adopt a similar position with regard the other four constituencies. If he was to do that, I would say that the FNM has come of political maturity."

Mr Solomon went on to explain why the SDP was contesting just those six constituencies.

In the last elections held in Shirlea, Montagu, Marsh Harbour, Clarence Town and St John's, he said, the FNM candidates were all beaten by candidates from the BDP.

"It is our belief that the vast majority of BDP supporters will not have changed their views concerning the inadequacies of the Free National Movement and its leadership," Mr Solomon said, "and that they find more appealing the philosophy and the aggressive and constructive opposition politics of the SDP."

In the case of North End-Long Island, Rum Cay and San Salvador, Mr Solomon said that as matters stand today, "we see it becoming a four-man contest at the very least. In such a case, an SDP hopeful will not himself be creating any substantial degree of opposition diversity. Moreover, we visited the constituency before the FNM and our prospective candidate has already done considerable work in the area.

"By supporting us in six constituencies, voters will guarantee that the Bahamas will continue to have in Parliament a strong, vocal, and fearless opposition party."

Quoting political analysts, Mr Solomon said that as of today, the majority opinion of the supposedly politically-wise has the PLP winning the next election by a huge majority of seats. Some, he said, believe that the FNM may only win in one or two constituencies.

But, should the FNM prove the experts wrong and win 14 seats, "we would offer to form a coalition Government with Mr Isaacs. We make that commitment now."

Mr Solomon pointed out that the SDP, since its birth two years ago, has initiated and dealt with 23 separate issues in the House of Assembly. In the same period, the FNM brought up and dealt with two.

Mr Solomon further pointed out that the equal participation of two major oppositon parties splitting up the vote in every constituency would make a PLP victory virtually a foregone conclusion.

"For another," he said, "the existing and ongoing political warfare between the FNM and the SDP is bound to seriously confuse the voters' decision-making processes. Many who now wish to vote against the PLP, and who would in fact do so in a one-on-one situation, will probably not do so unless they can clearly see a greater opportunity for opposition victory than now exists. The greater opportunity can never come about as long as both SDP and FNM are operational and highly visible in every constituency."

Throughout the Bahamas, he said, citizens in ever-increasing numbers cry out for a united opposition and a change in government.

"The best economic and moral interests of our country have long demanded a united opposition and a change in Government," Mr Solomon said. "The unemployed, unmotivated, undirected, and under-educated youth of our country now demand a united opposition and a change in government. It is our earnest hope that the action of greater unification we now propose may at the very least enhance the possibility of achieving that change in Government.

"The PLP can be beaten. Indeed, were it not for opposition disunity they could have been beaten at the last general election. They can possibly be beaten at the next one. But they cannot and will not be defeated by opposition parties so gravely at odds with one another as are the SDP and the FNM."

• The Free National Movement has approved eleven candidates so far to contest the upcoming elections. They are leader Kendal Isaacs (Delaporte), chairman Cecil Wallace Whitfield (Pine Ridge), J Henry Bostwick (Nicolls Town), Maurice Moore (High Rock), Pierre Dupuch (Shirlea), Edmund Moxey (St Barnabas), George Wilson (St Michael's), Frank Watson (Carmichael), James Wood (Grant's Town), Cecil Richardson (Bain's Town), and Tennyson Wells (Bamboo Town).

FNM No-Contest Decision

Nassau THE TRIBUNE in English 5 Nov 81 pp 1, 13

[Article by Gladstone Thurston: "FNM Won't Go Against 3 SDP Seats"]

[Text] The Free National Movement may not contest three constituencies presently being represented by the official opposition Social Democratic Party.

Following a specially called council meeting last night, the FNM decided unanimously not to oppose SDP leader Norman Solomon in St John's, and Michael Lightbourn in Marsh Harbour.

THE TRIBUNE was reliably informed that the FNM is seriously considering not contesting the Clarence Town constituency, which is being represented by the SDP's James Knowles.

The decision not to contest St John's and Marsh Harbour, the FNM stated, was reached "so as not to spoil the chances of the overall opposition winning the Government from the Progressive Liberal Party."

The FNM release stated that "it is essential for the good of the nation that opposition parties take a sensible, practical approach to beat the PLP at the polls."

"Since it is obvious that FNM candidates cannot win in these (Marsh Harbour and St John's) constituencies and would only spoil the chances of other opposition contenders," the FNM release stated, "the party has decided not to contest."

Asked what motivated this move, FNM chief spokesman Arthur Foulkes said today they were "trying to clear the way and eliminate a three-way fight."

Though reticent in discussing the situation, Mr Foulkes said that he knew of no previous meeting with the SDP relative to the posting of candidates. "We are not asking them (SDP) anything," he said. "We are just going ahead with our plan."

"Obviously we don't feel the same way about Shirlea," Foulkes said. "We are confident that (FNM candidate Pierre) Dupuch will win Shirlea even in a three-way fight."

Asked whether the FNM will now be contesting 36 constituencies, Foulkes replied: "We have not decided that we are going to run 36. The Council just decided last night that in the case of those two seats (Marsh Harbour and St John's) we would not oppose. Obviously we have to consider a whole lot of things."

The Tribune was told earlier about plans by the FNM to attract to that party other members of the SDP as was done before with other SDPs, including Senators Dr David Sands and David Thompson.

"There is a chance that we may not oppose Solomon but we don't want him," a leading FNM hierarchy member said on Tuesday. "We may not oppose James Knowles and we want him. We may not oppose Mike Lightbourn either."

However, the FNM is going ahead with its intentions of contesting the Shirlea constituency which is presently held by SDP's deputy leader Keith Duncombe. The FNM has nominated publisher Pierre Dupuch for Shirlea.

"The deputy leader (of the SDP, Duncombe) must be opposed," an FNM hierarchy member said. "The deputy leader can't win. The man who caused him to be elected is in his grave. he (the late Sir Roland Symonette) had to go to every house to sell Keith. He (Duncombe) would be in serious difficulties if he runs in that district."

CSO: 3025/68

WORKERS PARTY LISTS 'REQUESTS' IN UNITY LETTER TO PLP

Shock to Party Members

Nassau THE TRIBUNE in English 27 Oct 81 p 1

[Article by Gladstone Thurston: "Village in State of Shock"]

[Text] BLACK VILLAGE is in a state of shock today following last night's move by the hierarchy of the Workers Party to become members of the ruling Progressive Liberal Party.

"We, the undersigned officers and members of the Workers Party do now make a most sincere and humble application to the Convention of the PLP to become members of the party," a letter signed by Workers Party leaders stated.

The letter, which was read to the convention last night was delivered to Prime Minister Lynden Pindling, Deputy Prime Minister Arthur Hanna, and chairman Andrew 'Dud' Maynard.

It was signed by the Workers Party's Phillip Miller, leader; Rodney Moncur, chairman and Donovan Dorsette, secretary-general.

Residents of Black Village the home of the Workers Party recalling Moncur's virulent attacks on the PLP, even to the extent of burning effigies of Prime Minister Pindling and other members of the Government, openly expressed shock at the Workers Party move.

One young man suggested that an effigy of Moncur be burnt, another said that he should be banned from the Village.

They were anxiously awaiting his return from a meeting he was to have had with PLP chairman Maynard this morning. They claim that he made that move without consulting the membership.

As Black Bahamians whose cause of racial and class oppression was taken up by the Progressive Liberal Party from the party's birth in 1953, the Workers Party letter read: "Our established vehicle for political action is the Progressive Liberal Party. All pretensions are mere pressure groups."

Despite the fact that they have "vehemently denounced the wrongs and omissions" of the PLP, the letter stated "we love and respect the party and its leaders, who are the greatest heroes in Black Bahamian history, for having given our parents a new hope and for having taken them to a new and glorious horizon.

"But we too yearn for a new hope, not only for ourselves, but for our babies as well. We too, long to reach a new frontier and see bright dawn on a glorious horizon.

"Perhaps we have been too anxious, too impatient: perhaps we have fanned the fire too vigorously. For this we humbly beg to be forgiven. At the same time, however, we ask that the PLP does not provoke the younger generation to

wrath.

"We pray that we not be like the rebellious Absolom, son of King David, for that will bring grief to both the PLP and the younger generations. We pray that we be received by the fathers of the nation, as the prodigal son was received, in love and forgiveness.

"We are prepared to work with the noble fathers of this great Bahamian family and our desire is to be a part of the march to the new frontier."

In a petition that was not read before the convention, the Workers Party made seven requests:

- that democratic processes be made accessible to younger generations by instituting local government in Nassau as well as the Family Islands;
- that a housing work force, similar to the Defence Force, be recruited from the youth to ensure that even the poorest Bahamians are provided with spacious, hurricane-proof dwellings;
- that adequate land for housing be provided for the endless young Bahamian householders;
- that a farm work force of young people, similar to the Defence Force, be established to produce basic Bahamian needs and provide hundreds of high-income jobs, by proper use of the large tracks of land capable of sustaining food crops;
- that a work force be recruited mainly from the large population of unemployed young women to produce the major items of clothing worn in this country;
- that a dangerous drug policy by national consensus be devised so as to benefit the majority of the people;
- that the PLP government cease open and underhanded intimidation and victimisation.

Solidarity Following Retraction

Nassau THE TRIBUNE in English 31 Oct 81 p 1

[Text]

WORKERS PARTY members and supporters last night marched from Black Village to the Coconut Grove Monument where they were addressed by party leader Rodney Moncur.

Last night's show of solidarity by party members and supporters followed this week's announcement that the leadership had applied for membership in the ruling PLP a party that the Workers Party had vehemently opposed. opposed.

Since then, party leader Moncur, who replaced ousted leader Philip Miller following the disclosure, delivered another letter to the PLP withdrawing the original letter of application.

Most of the women from the Workers Party's women's branch, as well as long-time party members and supporters, turned up to hear leader Moncur explain why the party tried to join the PLP. Party leaders have since called the move a "political blunder."

Also present was former leader Philip Miller, who did not speak. No hostility was shown towards him, although members had accused him of instigating the move to join the governing party.

The march left Black Village, stronghold of the Workers Party, at 8 pm and arrived at the Coconut Grove Monument about 8:45 pm.

Moncur told the over 70 persons attending that Moses never reached the Promised Land; that it was Joshua "and Prime Minister Pindling will never reach the new frontier." Attaining the "new frontier" is the theme of the PLP's week-long convention, which closes with a banquet tonight.

Moncur said there is a new frontier on the horizon and the Prime Minister sees it, but he will never reach it.

Moncur said it was important for party members to protect and defend the honesty and integrity of the leaders of the party until its leaders could give them the correct explanation for trying to join the PLP.

He said radio ZNS' announcement that the Worker's Party had submitted a letter of application to the PLP had confused radio listeners.

Although BEC failed to turn on the monument light in time for the meeting, excellent lighting was obtained from nearby homes.

Mr Moncur said the party had paid BEC $10 the day before to turn on the lights, but they did not do so.

He said that the party will ask BEC to refund the $10

CSO: 3025/59

HANNA ADDRESSES PLP CONVENTION, PLEDGES FULL EMPLOYMENT

1982 Target

Nassau THE TRIBUNE in English 27 Oct 81 p 1

[Article by Gladstone Thurston: "'Full Employment by Next Year' Says Hanna"]

[Text] THERE WOULD be "near full employment in the real sense" by the end of next year, Deputy Prime Minister Arthur Hanna told last night's session of the ruling Progressive Liberal Party's convention.

This was the second time that a PLP convention had been given a target date for full employment. The first time was in 1978 when the party celebrated its silver jubilee. Then in the keynote address that was televised Prime Minister Pindling promised full employment by October, 1980. The theme of that convention was "surviving the next 25."

"In the next few months you will have seen many of our people, especially the young men and women, finding suitable employment and this trend will continue until all are employed," Mr Hanna told delegates last night.

Addressing hundreds of delegates from the 38 constituencies throughout the Bahamas, Mr Hanna joined others in calling for party unity especially on the eve of another national elections. The theme of the convention is 'To The New Frontier.'

Mr Hanna called on delegates to be deeply conscious of the important tasks that lie ahead - to eliminate suffering, unemployment, ignorance and poverty; to rebuild roads and provide electricity and water and the normal amenities of life throughout the Bahamas.

The Government's highest and noblest duty, Mr Hanna said, is the elimination of human suffering whether that suffering is due to poverty or sickness.

"We are deeply conscious of the fact that much of this suffering is due to the persistent level of unemployment and we have made the question of full employment our number one priority," Mr Hanna said.

By full employment, Mr Hanna said he did not mean merely providing sufficient jobs for everyone no matter what those jobs are about.

"In that sense we have full employment now," he said. "We have more than enough jobs for everyone, but they are not necessarily the jobs that everyone wants or can do."

As an example, he said, there is insufficient manpower in the skilled and semi-skilled trades in the building industry; there have been attempts without success to find people to clear the streets in New Providence; there is a shortage of manpower in the fishing industry and in the agricultural sector. The Government still has to recruit accountants, doctors, lawyers, engineers, teachers and other professional skills.

"Yet, in spite of all this, there are still many people unemployed particularly the

young men and women and older women who are compelled to look after their families themselves," Mr Hanna said.

It is with these things in mind that the Government had conducted its investment and development policy and its training programme "and firmly, I believe that there would be near full employment in the real sense by the end of 1982."

In the meantime, he said, Government proposes to step up its social programme to provide reasonable relief for those who are out of work or unable to work.

"The Government has committed large sums of money to ensure that no Bahamian anywhere should ever starve or suffer unduly and will commit even more funds if ever it becomes necessary so to do," Mr Hanna said.

"Let all those who have a problem come forth as I have said over and over again, 'our ambition is to wipe every tear from every Bahamian eye'."

The Government, he said, also hopes to ensure that all Bahamians everywhere are supplied with the basic amenities of life and it proposes to ensure that proper tar roads are provided everywhere in the Bahamas whether it be in Fox Hill, Bamboo Town, South Beach, Carmichael, Montagu, Acklins, Abaco, Exuma, East Grand Bahama or Andros.

There is also the question of the provision of water and electricity, telephones, airports and docks to all the Bahamas "to which our attention is turned," Mr Hanna said.

"We have geared our education programme to compliment our overall national goals and to ensure that Bahamians are suitably trained to take their rightful places in the building of our country," Mr Hanna said.

The Government, he said, is seeking to ensure that those in the Family Islands have a more direct involvement in their own affairs and hopes to implement suitable forms of local Government during 1982.

"Our ultimate goal is to make the Bahamas the greatest little country on the face of the earth," Mr Hanna said. "That may yet be far from us and we have to march wearily along the long and winding path but no one will be able to take away from us that hope which has survived again and again and no one will be able to crush the spirit of the thousands of Bahamians which has found rebirth again and again after so many crucifixions."

At the party's silver jubilee convention in October, 1978 Mr Pindling promised Bahamians full employment by October, 1980.

Speaking at the party's 23rd national general convention in the Polaris Hall, Holiday Inn, on Monday, October 30, 1978, Mr Pindling said:

"There is already full employment in Abaco and Eleuthera. Grand Bahama and Andros should have full employment by next year this time (1979) and New Providence by October, 1980."

At that time he said there had been a significant upswing in tourist arrivals and predicted that "the spending of those visiting in our Bahamas is within the striking distance of $500 million and the goal of two million tourists by 1980 is now within both sight and range."

"Reflecting the strong rebound in tourism in the Bahamas," he said at that time, "the external reserves of our country have risen almost continuously from the December 1977 level of $67.2 million to the peak level of $94.2 million."

He also said then that the Bahamas had more than enough capital to pay off in full all of the country's foreign debt.

In the televised speech he told the 1978 delegates that the Bahamas was poised for a period of great economic expansion.

However, the second quarter report from the Central Bank this year showed a drop of $26.7 million in income derived principally from tourism.

The Central Bank reported that net invisible earnings fell to $119.6 million from a level of $146.3 million a year earlier.

For the same quarter tourist figures fell by 1.2 per cent. Air arrivals had declined by 10.4 percent, while sea arrivals had increased by 16.5 per cent.

The national debt is now $280 million and inflation 12.9 per cent.

Election Plans

Nassau THE TRIBUNE in English 27 Oct 81 p 1

[Text]

IT IS UNLIKELY that national elections will be called before next year, Deputy Prime Minister Arthur Hanna indicated last night.

"One of the principal reasons for our seeking election in 1982," he said, "will be to carry the message of our party to our people and to acquaint them with our future programme and policy, to make them realise that we not only stand for them, but we are one of them and seek to assist and co-operate with them in removing their social and economic burdens."

Mr Hanna said that in the past the party had experienced opposition from the daily newspapers and those who seek to perpetuate special privileged groups. It was that opposition that the party will have to face, he said.

But, quoting one leader, he said: "The real danger will come from our toning down our programme and policy in order to win over the hesitating and compromising groups and individuals. If we compromise on principles we shall fall and deserve our fall.

"The only right way and the only safe way is to stand four-square on our own programme and to compromise with no one particularly those who have opposed progress for our country, the social economic and educational goals of our people or those who have opposed the national struggle for a free Bahamas."

Mr Hanna joined chairman Andrew 'Dud' Maynard in stressing the importance of unity within the party.

"This party survived because its members were true and loyal to the party, the country and to each other," Mr Hanna said. "We stuck with each other through thick and thin and we survived and if we stick with our people they and us will survive.

"I am convinced that the large majority of our people do not want to let go of us, but they want us to possess more of the land they want the same prosperity that they think some of us have."

In his opening address, chairman Maynard urged delegates to "stop conniving and back-biting one another. We are going to stop believing that we can hurt Tom without hurting ourselves. Then we will close ranks and save our fight for those people who wish to take your children back."

Candidate Recommendations

Nassau THE TRIBUNE in English 29 Oct 81 pp 1, 5

[Article by Gladstone Thurston: "PLP Drop Two From Election Candidates Lineup"]

[Text]

THE NATIONAL General Council (NGC) of the Progressive Liberal Party has dropped two incumbents from its recommended list of candidates to contest the upcoming general elections.

Dropped from the slate of candidates are West Grand Bahama/Bimini Member of Parliament Henry Bowen, and St Agnes Member of Parliament Bruce Braynen. All the other incumbents were approved by the NGC.

Replacing Bowen will be lawyer Moses Hall, and taking over from Braynen will be Youth, Sports and Community Affairs Minister Kendal Nottage.

However, the list of candidates presented to the convention this morning by secretary-general Berlin Pratt will be finalised by the convention this afternoon.

According to Pratt, a member of each constituency will move for the ratification of the candidate named for his constituency. Another member of the delegation will second the motion.

The session chairman, who will be Andrew 'Dud' Maynard, will then put the motion to the convention for acceptance or rejection.

However, one important question that went unanswered came from a delegate from the Mangrove Cay constituency. "If we nominate a man and second the motion and the convention says 'no', then what happens."

The Candidates Committee of the PLP, Pratt said, held several meetings and considered applications from persons seeking the party's nomination to contest seats in the next general elections.

"The Committee made its recommendations to the National General Council at a specially called meeting on Thursday (last) night," Pratt said. "The National General Council approved the Candidates Committee's recommendation by a unanimous vote with one

abstention Henry Bowen abstained."

Approved candidates for New Providence constituencies are Arthur Hanna (Ann's Town), Norman Gay (Bain's Town), Leander Minnis (Bamboo Town), Paul Adderley (Carmichael), Perry Christie (Centerville), Valentine Grimes (Fort Charlotte), Phillip Pinder (Delaporte), Sir Clifford Darling (Englerston), Alfred Maycock (Fort Fincastle), Frank Edgecombe (Fox Hill), Shadrach Morris (Grant's Town), James Brown (Montagu), Kendal Nottage (St Agnes), Sinclair Outten (St Barnabas), George Mackey (St Michael's), Milo Butler Jr (Pinedale), David Knowles (Salem), Bradley Roberts (Shirlea), Bobby Glinton (South Beach) and Clement Maynard (Yellow Elder).

Candidates approved for the Family Islands are Wilbert Moss (Acklins, Crooked Island and Long Cay), Ervin Knowles (Cat Island), Errington Watkins (Clarence Town), Hubert Ingraham (Cooper's Town), Livingstone Coakley (George Town and Ragged Island). Philip Bethel (Governor's Harbour), Russell Franks (High Rock, Grand Bahama), J Russel Ford (Inagua and Mayaguana), Lynden Pindling (Kemp's Bay), Darrell Rolle (Mangrove Cay), Eddison Key (Marsh Harbour), Loftus Roker (Nicholls Town and the Berry Islands), Philip Smith (North Long Island, Rum Cay and San Salvador), Jeff Thompson (Pine Ridge, Grand Bahama), James Moultrie (Rock Sound), George Smith (Rolleville), Peter Bethel (St John's), Moses Hall (West Grand Bahama and Bimini).

If another seat is created in the Grand Bahama area, the National General Council has approved Wellington 'Doc' Stewart.

Referring to the party's constitution, chairman Maynard warned that anyone who is going to be nominated for an election must be a registered voter.

"We would like all candidates to produce evidence that you are in fact a registered voter this afternoon if you want your candidacy to be ratified," Maynard said. "You had better bring evidence. I would see that the convention complies with the constitution."

Opposition to Candidates

Nassau THE TRIBUNE in English 30 Oct 81 p 1

[Text]

PROGRESSIVE LIBERAL Party generals have come out strongly against the National General Council's choice of Errington Watkins as the candidate for the Clarence Town, Long Island, constituency.

"Under no circumstances whatsoever could we in good conscience sell Watkins as a PLP to the voters of this country," a leading general in the St Agnes/Grant's Town area told The Tribune. "We urge the party to call back that nomination and give it to a PLP."

Several PLP members claim that Watkins, formerly chairman of the United Bahamian Party (now defunct), was chief among those who "tried to destroy the PLP during its formative years."

They also recall that in 1970 Watkins, as chairman of "the enemy of the people," campaigned against Prime Minister Lynden Pindling in the Kemp's Bay constituency. He is on record as describing the PLP as being "inefficient and incompetent. It would appear to me that everything this government has touched went sour."

Watkins too was the leader of the Abaco delegation, which in 1973 petitioned the House of Lords in England for Abaco to remain a British Crown colony, not part of an independent Bahamas.

"He was the one who said that Abaco should not be associated with the same Prime Minister and the same party," one irate general said.

Less than a month before Independence of the Bahamas, Watkins told Parliament:

"If this is a democratic society we will be seeing the end of it on July 10. There will be weeping and wailing, and where there are no teeth the gnashing of gums."

By 1974, however, Watkins had returned to the PLP fold and openly announced his support of Prime Minister Pindling. Nevertheless, many PLP generals never accepted him as a PLP and were always wary of his moves, The Tribune was told.

"It's a good thing he is not running in Nassau. I wouldn't have campaigned for him," said another general. (Because of their position in the PLP and their business holdings, they asked that their names be not used).

It was their view that Raleigh Butler, who carried the PLP's banner in Clarence Town from the 1950's, is the person best suited for the candidacy of Clarence Town. Moreover, Butler, son of the late Governor-General Sir Milo, has for several years been the PLP's NGC member for Clarence Town.

"Raleigh was always a die-hard PLP," one general said. "It was his daddy who made the PLP win the Government. If it was left up to Watkins and them the PLP would have been broken up."

"How could I honestly go out and sell the PLP with fellows like Watkins," added another general. "It is a bad choice. No die-hard PLP could go out and campaign for Watkins."

"I don't see how the National General Council could by-pass a sincere and dedicated man like Raleigh," another general said.

"Is the memory of my party so short?" one asked. "They talk about UBP. They are putting the UBP in their bosom. They have one of Stafford Sands' men in their bosom. They have the chairman. Make sure spell that out – the chairman. Tell my party to call back that nomination and give it to a PLP."

"Look at (Henry) Bowen (who was dropped by the NGC)," noted another general. "Bowen is a man who carried the PLP banner in Cat Island during those dark early days. He has never strayed away from the party. He is a fair man. They dropped him and picked up a man like Watkins."

"Look like they're running out all the PLPs and taking in the UBPs," one general complained. "You might as well change the name of the party."

As the party prepares for the general elections, this is the first time that staunch PLP generals have spoken out against candidates nominated by the NGC. It is understood that there is ill feeling towards other PLP candidates, including Ervin Knowles (Cat Island), David Knowles (Salem) and Bobby Glinton (South Beach).

Pindling Policy Speech

Nassau THE TRIBUNE in English 31 Oct 81 p 1

[Article by Gladstone Thurston: "PM's Dream of the 'New Frontier'"]

[Text]

PRIME MINISTER Lynden Pindling last night released his blue print for development in the Family Islands and looked forward to the day when the capital of the Bahamas "will sit on the broad plains of Andros."

"New Providence will boast our financial capital, Grand Bahama will host our industrial capital and Andros will nurture our political capital with much more land to spare," he said.

Addressing delegates attending the 26th national general convention of the Progressive Liberal Party, Mr Pindling gave an insight of what to expect as they move 'To the new Frontier' -- the theme of the convention.

A capacity crowd at the Polaris Hall of the Holiday Inn Hotel, Paradise Island, heard the Prime Minister tell of how "at this moment the Government is literally swamped with applications for new direct private foreign investment..."

This investment will be in touristic developments in the northern, western, southwestern and southeastern parts of New Providence "but whether all of these will be able to get approval is problematical."

Nevertheless, he said, approval has already been given for further touristic developments on Paradise Island, Cable Beach, Coral Harbour and Lyford Cay with a combined value of some $250 million.

In addition to that, he noted, there is public investment on the order of $100 million, which is now being made in the Cable Beach area.

"The combined effect of all these will ensure the supremacy of Nassau's tourist facilities for, at least, another fifteen years," Mr Pindling said.

At the same time, he said, some banks and insurance companies have already been

given approval to either expand their existing facilities or build new ones.

"We confidently expect the banking and insurance sectors to grow significantly, particularly in view of the unsettled and unsettling situations in the Middle East and Western Europe," Mr Pindling said. "Panama and Cayman will certainly get their share of this new business, but we have no doubt that the lion's share will come to our Bahamas."

In the consideration of the future, Mr Pindling said it would be wise to take into account the development of Eastern Grand Bahama.

There, two basic tools for its future economic development already exist a deep water harbour and a jet airport, he said. The deep water harbour is currently under the management of Burmah Oil and is principally used as an oil transshipment facility.

Around the harbour the groundwork has already been laid for the establishment of an industrial estate, Mr Pindling said. This freeze zone, he said, could be the catalyst that will fuel the economic development of Eastern Grand Bahama, transforming the settlement of High Rock into a major town, and bringing Pelican Point and Maclean's Town into the mainstream of the economy.

The airport is presently under the control of the United States government. Their facility at Gold Rock Creek played a major part in the development of the American Space programme. The airport is the last one in the Bahamas still being used exclusively by the Americans.

When they withdraw from it, due to improvement in their technology, as they have progressively done from Mayaguana, San Salvador and, most recently, Governor's Harbour, Mr Pindling said, the airport will open up direct domestic and international air service to Eastern Grand Bahama, with all the benefits that such a move entails.

Between High Rock and Freeport, he said, 2,000 acres of land have already been placed under the production of limes. These limes will be exported as whole fruit and in juice form to North American and European markets.

Acreage, he said, will be extended according to demand, and arrangements have been made for the transfer of farming technology to any Bahamian who would wish to grow a citrus crop under scientific conditions in the same general area.

"Over $100 million in direct investment has already been approved for various industrial, touristic and agricultural enterprises in Grand Bahama and more than that is presently under consideration," Mr Pindling said.

When the international airport at Treasure Cay, Abaco, was officially opened last August, he said, the public suddenly became aware of the vast potential for development that north-western Abaco had.

Cooper's Town, he noted, is the fastest growing community in Abaco with a population rivalling that of Marsh Harbour. Its young men are enterprising and prosperous and its fishermen are exploiting the rich resources of the banks.

In the Norman's Castle area where, he said, the most successful Bahamian farming venture of all time is being operated, the proto-type has already been developed for the growth and export of permanent crops like citrus and avacadoes and this proto-type will be further developed and extended to other islands of the Bahamas.

Treasure Cay which has won acclaim as the foremost resort development in Abaco is to experience new direct foreign investment to the tune of about $50 million, which has already been approved.

As for Marsh Harbour, hotel, condominium and marina developments, valued at $45 million have been approved or are under consideration for that area of Abaco "and they will either be wholly Bahamian-owned or have significant Bahamian participation."

Any new frontier in Abaco, he said, must include the successful exploitation of the 25,000 to 50,000 acres of prime agricultural land which runs to the northwest, west and south of Marsh Harbour.

The key factor for the economic development of this area, Mr Pindling said, is the harbour at Snake Cay. Any agricultural, agro-commercial or agro-industrial development must of necessity include a deep water facility at Snake Cay.

"The new frontier beckons in Abaco for another 20,000 Bahamians over the next twenty-five years," Mr Pindling said.

As for the Central Bahamas, the Prime Minister said public and private investment on the order of $15 million is on the drawing boards for Exuma.

"Banks in the Bahamas have not yet permitted the Exumian to participate in the development of Exuma as they have done in assisting Abaconians to participate in the development of Abaco," said Mr Pindling. "But, over the horizon and on to the new frontier, this state of affairs must change."

The completion of the new airport to be constructed in Moss Town, he said, will enable

Exuma to be the communications hub of the central and southeast Bahamas. It will make possible better domestic and international air services not only to Exuma, but also for onward destinations in Long Island and Acklins and Inagua.

"As we look to the new frontier," Mr Pindling said, "we are forced to admit that Andros could hold the future of our country in its hands. Her rich soils will be the bread-basket of the Bahamas and her cooling waters will soothe many a dry throat.

"As Florida's frost line moves further south, as more and more farm land in Florida is eaten up by the expansion of her cities and the growth of her population, as its land becomes scarcer, the farm lands of Andros will come under economic use for the primary production of and the manufacture of food products, not only for domestic consumption, but also for export.

"From her rich banks and deep sea-troughs we will mine the gold of the sea and manufacture and process, on the spot, fish and fish products both for the local and the international market. Her conch-beds would be turned into factories of jewels producing rare cultured pearls like the Japanese did with their oyster-beds.

"I have a dream that one day, somewhere off the shores of Andros, we will at last be able to bring to the surface the oil which for many years we have been hearing about as being there."

Pindling on 'Local Government'

Nassau THE TRIBUNE in English 31 Oct 81 p 1

[Text]

PRIME MINISTER Lynden Pindling warned that local government would not mean that each island will be free to collect all the revenues that are now being collected and to expend those funds at its whim or fancy.

"The central government will maintain an overall responsibility for the oversight of local authorities together with those matters which are of national concern such as education, social security, defence and internal security," he said.

Discussions are now being undertaken by local government commissions, which have been asked to consider which areas of responsibility might effectively be administered locally.

Matters like local facilities and utilities, licensing, and other areas, which are of prime concern to the local communities will be fully addressed, Mr Pindling said.

"The Government's objective is to provide the people of each island with a direct voice in their local affairs up to clearly defined levels, and to foster the development of all our islands socially, economically and politically," Mr Pindling said.

The island best suited for local government, he said, is New Providence, but in all the discussions to date this point seems to have been overlooked.

The application of any new system of local government in any island, Mr Pindling said, will carry with it a responsibility to conduct local affairs within the local community "but there must be no illusions about the prospects of exercising power without the related responsibility of accounting to the community."

"The exercise of power without accountability will only result in chaos, and it does not represent what we have stood for over these many years.

"It should also not be overlooked that the exercise of responsibility and accountability will mean that the local government may have to raise new taxes from its own resources to defray the expenses of things it may want to do and pay for the system it operates," Mr Pindling said.

Involvement in local government will mean hard work and dedication, he said, "but as we look to a new frontier, it will enhance the ability of each of our islands to determine for themselves what the future will bring."

CSO: 3025/58

OPPOSITION FORCES ATTACK PLP CONVENTION PROCEEDINGS

Constitutional Referendum Issue

Nassau THE TRIBUNE in English 1 Nov 81 p 1

[Text] THE FAILURE of the ruling Progressive Liberal Party in convention to mention anything about the proposed referendum to amend the Constitution, came under fire from opposition parties today.

They all thought it peculiar that this major piece of legislation, which the PLP government has defended to the hilt, was not referred to once during convention.

"I think it is just being left quietly to expire in a corner or spring to life in some unexpected moment," said Social Democratic Party deputy leader Keith Duncombe.

Free National Movement leader Kendal Isaacs saw the secrecy over the referendum as "the major source of tension and uncertainty in our nation."

While the PLP's secrecy over the referendum is "more than a little peculiar," Mr Duncombe said it was not unexpected.

"I feel they are going to drop it," Mr Duncombe said. "Either that or attempt to marry the referendum with a general election which, in my view, they would do against the advice of the Attorney General (Paul Adderley). As a lawyer I think he must regard that as improper.

"A referendum must not be confused with a general election. A referendum is a separate issue. To put it on the same ballot paper as a general election is wrong," he said.

Mr Isaacs noted that the referendum has been a "troubling and burning issue since it was first raised. The Government went to the trouble to push through a Bill to amend the constitution causing a national debate which went way beyond the usual political boundaries. It involved serious moral considerations which caused Christian church leaders to make some fairly forthright statements.

"Now, after having put the nation through that trauma the governing party avoids even mentioning the referendum. This is typical of their lack of care for the sensibilities of the people they have been elected to govern."

"If they intend to pursue the referendum, they should say so and get it over with instead of leaving it hanging over the heads of the people. If they have decided not to proceed then they should say so. This would remove one of the major sources of tension and uncertainty in our nation."

Prime Minister Lynden Pindling first gave notice of the referendum during the Throne Speech in 1977. The Bill was tabled in the House of Assembly last year and passed with the required two-thirds majority vote.

Although the Prime Minister said the referendum would have been held last year, nothing happened.

What's next on the political scene? the Prime Minister was asked following the PLP's victory in the Rock Sound by-election. "Referendum and election in that order," he replied. "Both will come between now and 1982. Referendum this year; election '82."

PLP chairman Andrew 'Dud' Maynard was questioned about the referendum before the convention. His response was: "I don't know. The referendum at the moment is not something that I am concerning myself with too much. It is strictly a government decision on what happens to the referendum. The party instructed the Government to carry out certain things. So far, the government has been carrying out the wishes of the party as regards amendments to the Constitution as well."

Isaacs on Unemployment

Nassau THE TRIBUNE in English 1 Nov 81 p 1

[Article by Gladstone Thurston: "Isaacs Raps PM Over Jobs Silence"]

[Text]

THE CONVENTION of the ruling Progressive Liberal Party ended without the nation being told of "concrete plans to deal with what is perhaps the biggest problem massive, chronic and spreading unemployment."

"It is this problem of joblessness which contributes to many of the other ills which afflict us, including crime, drug abuse and the generl deterioration of our social order," Free National Movement leader Kendal Isaacs said today.

In an appraisal of the PLP convention, Mr Isaacs noted that predictions about the end of unemployment and dreams of some glorious future, have been heard before.

"The hard fact of the matter is that for the last decade we have had steadily increasing unemployment and the dream of prosperity for all has become a nightmare of poverty for many," Mr Isaacs said.

Recalling Prime Minister Lynden Pindling's promise of full employment by 1980, the Opposition leader said "we have to endure yet another promise of near full employment, this time by the end of 1982 and from Deputy Prime Minister Arthur D Hanna.

"My colleagues and I do not believe we will have to labour hard to convince the Bahamian public that Mr Hanna's promise is just as meaningless and empty as Mr Pindling's; they know it already."

"What Mr Hanna did not say," Mr Isaacs added, "is that he and his Government, through their misguided economic policies, are the ones directly and inescapably responsible for this human misery.

"What he did not say, too, is that he and his Government, through their equally misguided education policy, are the ones responsible for turning out thousands of young people who have no skills with which to earn a decent living. After all, it is they who have been managing the country's affairs for nearly 15 years."

Minister of Labour and Home Affairs Clement Maynard, he said, sought to confuse the public and escape blame by referring to the millions who are unemployed in several European industrial countries.

"What he did not say is that the rates referred to are comparatively recent while our high rate of unemployment has prevailed for a decade during heating and cooling periods in the industrial countries. This, of course is an old PLP excuse which is wearing thin," Mr Isaacs said.

He also pointed out that Mr Maynard neglected to give the percentages of the unemployment rates he referred to since they would have put his comparison in another light entirely.

In early October, Mr Isaacs said, one of the highest rates of unemployment in the industrialised west was in Britain and that was 12.4 per cent. The overall unemployment rate for the 10 European Community countries stood at 8.3 per cent.

"These rates are regarded as near-disaster by the Europeans but they are not yet in the teens," said Mr Isaacs. "In our case unemployment has been in the twenties and heading for thirty and this is a full-fledged disaster."

He implored the nation not to be misled "by the empty rhetoric, tricky arguments and insincere promises of the PLP. Only after the PLP have been removed from power will the real dreams and aspirations of the Bahamian people have a chance of coming true."

ZNS 'Toadying'

Nassau THE TRIBUNE in English 4 Nov 81 p 1

[Text]

SAYING that the radio and television stations do not belong to the PLP, the FNM today blasted ZNS TV and radio reports of the PLP's recent convention for their "toadying" to political bosses.

"Once again the ZNS radio and television have demonstrated that they have become the mere propaganda tools for the PLP," said FNM leader Kendal Isaacs.

"In the past they have refused to give adequate coverage to the national conventions of other political parties," he said. "On one occasion their coverage was limited to a single speech, yet they continue to give the PLP blanket coverage carrying all of their principal speeches."

"The radio and television stations do not belong to the PLP, who happen to be the governing party at this time, but to the people of the Bahamas.

"ZNS radio and TV should report the news on a professional basis and give the Bahamian people a balanced view of political news which they are entitled to have. Their commentaries should also be unbiased and professional, not the kind of toadying the nation was treated to by Messrs Carter, Johnson and Bethel during the recent convention," said Mr Isaacs.

Mr Isaacs said it would appear that the leaders of the PLP do not understand the concept of freedom of the Press. And gave as an example of this the attack on The Tribune by Education Minister Darrell Rolle in connection with the report of children at a government school being served spoilt lunches.

"Mr Rolle did not deny the report. In fact he confirmed it and gave an explanation as to why it happened. He did not seem to understand that it was the newspaper's duty to carry that bit of news, not to discredit the lunch programme, but merely to inform the public and leave them to be the judges."

Mr Isaacs said that Mr Rolle should have thanked the Tribune "since those responsible for the mistake would be more careful in the future."

And he added: "If ZNS was more like the two independent dailies in their coverage of national news, then we would be content and the public would be better served. To cover up the news is a disservice to the nation."

CSO: 3025/68

THREE ADDITIONAL CANDIDATES FOR ELECTION NAMED BY FNM

Nassau THE TRIBUNE in English 22 Oct 81 p 1

[Text]

THE FREE National Movement has approved three more candidates to contest the upcoming general elections.

Bringing the number of candidates nominated so far to eleven are James F Wood for Grant's Town, Tennyson R G Wells for Bamboo Town, and Cecil A Richardson for Bain's Town.

Others previously announced by the FNM are leader Kendal Isaacs (Delaporte), chairman Cecil Wallace Whitfield (Pine Ridge), Parliamentary leader J Henry Bostwick (Nicolls Town), Maurice Moore (High Rock), Pierre Dupuch (Shirlea), Edmund Moxey (St Barnabas), George Wilson (St Michael's), and Frank Watson (Carmichael).

Wood, 45, is an outstanding sportsman. He is the manager of Bahamas baseball champs Heineken St Bernard's, and is the manager and sponsor of two Little League and one Pony League teams.

He has played cricket, baseball, basketball and softball. He captained St Bernard's cricket team for the past 15 years and is himself a past president of the Bahamas Cricket Association.

Wood, who was the unsuccessful FNM candidate in St Michael's in 1977, is founder of the St Michael's Community Development Association.

He is a former lecturer at the Soldier Road Campus of the College of the Bahamas on business machine technology. He is owner and operator of Jim Wood Business Machines.

A Roman Catholic by religion, Wood is married to the former Eva Mott. They have eight sons and five daughters.

Wells, a lawyer/businessman, was the FNM's unsuccessful candidate for Clarence Town in 1977 elections. He is a partner in the law firm of Wells, Campbell and Company, and is president and director of several local companies.

An Anglican by religion, Wells is married to the former Stephanie Anne Thompson and they have three children.

Richardson, a teacher by profession, is a member of the Bahamas Union of Teachers' new Force Group which emerged last year. He attended Miami Dade Community College and Florida International University where he majored in music.

CSO: 3025/58

STRIKE FORCES TO BE FORMED TO FIGHT CRIME, ILLEGAL ALIENS

Nassau THE TRIBUNE in English 30 Oct 81 pp 1, 12

[Article by Anthony Forbes]

[Text] Labour and Home Affairs Minister Clement Maynard last night announced that the police and immigration departments will set up strike forces to fight crime and illegal aliens.

The Minister told delegates, on the fourth night of the PLP convention, that the immigration strike force, which will number 38 officers, will be coordinated by a top level official and will be established before the end of November.

Mr Maynard said the strike force will uncover the "illegal work forces" wherever they are in the Bahamas, put them and their Bahamian employers speedily before the courts, "and rid this country of them."

He listed those persons who will receive the "full attention and full force of the law" as tradesmen, labourers, live-in-maids and house maids, smugglers of drugs, guns, ammunition and human cargo.

The Minister said that 50 officers from a section of the police force will be trained and equipped as a strike force to be deployed in full strength or in three smaller units according to the nature of the operation in which they might be engaged.

He said joint operations would be undertaken with the Royal Bahamas Defence Force and that certain Family Islands and cays known for drug trafficking will receive particular attention to "disabuse" the general belief that the Bahamas is open territory.

The establishment of the two strike forces were several of the measures the Minister unveiled as part of Government's offensive against crime, unemployment and illegal immigrants.

"Tonight, I am pleased to announce that before the end of November, there will be established in the Immigration Department a strike force of 38 officers coordinated by a top level official whose function will be to uncover the illegal work forces wherever they are in the Bahamas and put them and their Bahamian employers speedily before the courts and rid this country of them," he said.

"With so many thousands of these aliens here, it makes it difficult to secure our frontiers and keep the Bahamas safe and peaceful for our own people," he said. "But this is only one area in which the security of our Bahamas is under siege."

He said the Bahamas appears to be under siege by armed criminal and international drug traffickers. The increase in crime, especially against the person, has a destructive influence on society and poses a threat to tourism, the Bahamas' number one industry, he said.

Referring to the international drug traffic, Mr Maynard said that if domestic crime was the only problem, it could be dealt with, but the fact is that "a cancer is growing in our society which threatens to engulf us."

He said that a significant part of domestic crime seems to be drug-related and participation by Bahamians in drug smuggling is a well-documented fact.

"I can tell you that these misguided brothers and sisters will be dealt with as severely as the foreigners who direct the trafficking. Of course not all of the narcotic passes through the Bahamian conduit. Some of it remains, unfortunately, and some of our young people are being corrupted by drug usage.

"But, even worse, many parents who have knowledge that their children are either using or trafficking drugs, prefer to pretend that nothing is wrong and even cover up the facts," he said.

He also noted that some Bahamians work closely with foreign drug traffickers and crooks feeling that the high pay will make up for the damage to children hooked on drugs whose lives are destroyed, and to the safety and integrity of our national boundaries.

"Beware of Bahamian wolves in sheep's clothing. Even now some of them claim to be PLP's. They have no intention of making an honest living. They undermine our confidence and our credibility by trading in the name of our party and its leaders," Mr Maynard warned.

He said sophisticated weapons are also being introduced through drug-associated sources and today, law-abiding citizens are in danger of their lives and threatened because of the greed of the few.

"This is a grave danger, which requires a concerted community effort, not only police action, but greater guidance from parents and teachers, lodges, friendly societies, service clubs, youth organizations and the leaders of our great party," he said.

He added: "The Government believes that crime has to be tackled and eradicated not so much with an abundance of motor vehicles manpower and equipment, but by the collective public will."

He told delegates that the "New Frontier,"--the theme of the convention--cannot be reached unless crime is eradicated. He said the suppression of crime is not

the sole responsibility of the police, but also the duty of every citizen to obey and support the law.

Mr Maynard said Government is aware of the occasional cry of police brutality, but he did not believe that the indiscretion of a few officers should cause the public to ignore its duty to the police, "who are prepared to protect us even with their lives."

He said the Commissioner of Police (Gerald Bertlett) has assured him that every reported case of police brutality is investigated and when wrong doing is found, the officers are speedily dealt with.

The Minister said that if he could have had one personal wish granted, he would have asked that a sense of personal security returned to everybody in the Bahamas, especially to the ladies.

"The pattern of criminal activity has changed radically over the past few years, and the standard methods of police investigation are no longer fruitful when dealing with the incursion of armed foreign criminals who violate Bahamian sovereignty in pursuit of illegal drug trafficking, he said.

He said the police could not be everywhere at the same time, but must be equipped and in a position to strike swiftly at any point in the Bahamas wherever there is a threat to public order.

"Since ordinary police methods are outmoded when dealing with armed criminals who have access to sophisticated electronic equipment, aircraft and fast motor boats, the police force must be trained and equipped to react decisively.

"It is proposed to train and equip a section of the police numbering some 50 men, as a strike force. This unit could be deployed in full strength or in three smaller units according to the nature of the operation in which they might be engaged," Mr Maynard said.

He said the element of surprise, coupled with mobility, would be a deterrent to foreign criminals and then accomplices in the Family Islands and joint operations would be undertaken with the Defence Force.

He said the strike force will also attack the onslaught of violent crime against the person in the Bahamas and starting early in December, the police will clean up Bay Street of drug pushers and other meddlesome loiterers.

CSO: 3025/59

BRIEFS

DEFENSE FORCE COMMANDER--A new commander of the Bahamas Defence Force has been named to replace Commodore William Swinley who leaves the Bahamas on December 13 upon completion of a five-year tour of duty here. His replacement, Commodore C.P.R. Belton, is scheduled to arrive on November 28. Commodore Belton will be on loan from the Royal Navy. Commodore Swinley, who holds the rank of Captain in the Royal Navy, has been on loan to the Bahamas Government by the British Government since September 30, 1976, and has the distinction of having been the first Commander of the Royal Bahamas Defence Force. Under his command, "the Defence Force has made considerable strides in curtailing poaching in Bahamian waters by foreign nationals and continues its successful pursuit of drug smugglers with a view to keeping the waters of the Bahamas trouble free," an official news release from Bahamas Information Services said today. [By Athena Damianos] [Excerpt] [Nassau THE TRIBUNE in English 5 Oct 81 p 1]

CSO: 3025/59

BWU LEADER WARNS OF REGIONAL ANTI-UNION MOVEMENT

Bridgetown SUNDAY ADVOCATE-NEWS in English 25 Oct 81 p 1

[Text]

The General Secretary of the Barbados Workers' Union (BWU), Frank Walcott has alerted union members of what he says is a plan afoot in the Caribbean to destroy the trade union movement.

Mr. Walcott told some 200 regional and local trade unionists at the Labour College on Friday evening that there is an element at large in the Caribbean which is pressing for the enactment of legislation in areas such as transport, the hospitals, among others, which they regard as essential services.

"But they don't pass legialation in those services that you, the workers, would not get dismissed," he said.

In a wide-ranging speech, Mr. Walcott cautioned the workers that the enemies of the trade union movement will use every method at their disposal to prevent the workers from using the strike weapon.

"They even use death as a means of preventing you from striking," he said

The BWU General Secretary was addressing a graduation ceremony for some 120 workers at the College between the months of July and October.

Among the workers receiving certificates were 21 students from the Dutch and English-speaking Caribbean who had just completed a one-week training seminar for monitors at the College, sponsored by the Caribbean Congress of Labour (CCC) and the Friedrich Ebert Foundation (FES), of West Germany.

The ceremony was also addressed by Senate Minority Leader, Evelyn Greaves, who is Head of the Labour College, Arp Kressin, the FES Regional Representative, Mr. George DePeana, Adviser to the Suriname Labour College and Mr. Burns Bonadie, Secretary-Treasurer of the CCL.

Addressing his remarks to the course participants, Mr. Walcott cautioned: "Those of you who will have to take on leadership roles will have to alert yourselves to what is going on. The statement, made from time to time by the employers about the trade union getting too strong is only one of the ploys to destroy us".

Mr. Walcott then made out a case for job security as a fundamental right. He argued that workers generally did not own anything, not even their jobs. Only in certain instances, in the public service, for example, were workers granted pensions. But he said that even in the service, workers could lose their pensions.

Mr. Walcott concluded by telling the workers that the trade union movement was entering "a crucial period" in its development. But he told them not to be too concerned because "when things are too easy you feel you don't have a challenge. If you are going to learn you have to have hard lessons."

CSO: 3025/60

ILLEGAL IMMIGRATION OF INDIANS, OTHERS POSING PROBLEMS

Tightened Regulations

Bridgetown SUNDAY SUN in English 8 Nov 81 p 3

[Text] BARBADOS may move through diplomatic channels in further attempts to check illegal Indian immigration in this country.

It was not clear up to yesterday, what form the diplomatic moves will take, but sources said the matter has been referred to the Ministry of Foreign Affairs, which is expected to despatch a message to the Indian Government on the Indian immigration problem here.

Sources said the existing problem was a delicate one, and that Barbados had to tread carefully to avoid cutting off New Delhi support on foreign matters.

In recent months, the Barbados Government has been tightening up on measures to curb the inflow of Indians and Pakistanis, who have been going through other than conventional channels to gain residence and citizenship here.

Government had relaxed a monitoring scheme it had introduced two years ago, after it was thought that the immigration problem was under control. But then a new racket was exposed, in which it was suspected that Indians were being smeaked into Barbados at $4 000 a head. Some Indians were also found with passports, identifying them as residents of Barbados as far back as 1972, when the stamp identifying them as such was not in use before 1975.

One Indian was deported last month, when he tried to gain citizenship under his grandfather's name, after failing to win permanent residence, using his own name.

It is known that the Minister of State, Obrien Trotman, and the Chief Immigration Officer, Kenrick Hutson, held talks on the matter two Sundays ago, to agree on a formula for stricter measures against the illegal entries.

Only the chief immigration officer can now authorise Indians to enter Barbados.

Before then, Indians were granted permission to stay on the island for two or three days, when they entered at the Airport here. They were required to report at the Immigration Department in Bridgetown for and extension of the time initially granted.

But few adhered to such requirement. The records show that more than 160 have entered Barbados since January, this year, have not left the island, but have been untraced at the given addresses.

Official Advisory Committee

Bridgetown SUNDAY SUN in English 8 Nov 81 p 3

[Text] MINISTER of State, Obrien Trotman, will on Wednesday morning, officially launch this country's first Immigration Advisory Committee, and advise on the guidelines to be followed for the issue of permits for non-nationals to work in this country.

The committee comprises representatives of the Barbados Chamber of Commerce, the Employers' Confederation, the Hotel Association, the Barbados Workers' Union, and the Ministries of Education, Health and Labour.

The Chief Immigration Officer will function as advisor to the committee.

One objective is to determine manpower requirements while another is to decide what category of persons would be granted work permits.

Wednesday's meeting will be held at the conference room of Government headquarters on Bay Street.

CSO: 3025/69

ADAMS CONGRATULATIONS TO CHAMBERS HOPES FOR CLOSER TIES

Bridgetown THE NATION in English 11 Nov 81 p 1

[Text]

PRIME Minister Tom Adams of Barbados, is looking forward to continuous close and cooperative relations between Barbados and Trinidad and Tobago.

Adams' comments came in a congratulatory message he sent to his Trinidadian counterpart George Chambers on the outcome of Monday's general election.

Chambers' incumbent People's National Movement (PNM) swept the polls, capturing 26 of the 36 seats which were at stake in the 36 member House of Representatives.

Adams said: "The government and people of Barbados join me in extending sincere congratulations to you and your party on your resounding election victory.

"We look forward to the continuation of the close and cooperative relations which existed between our countries.

"We hope that our joint effort will further ensure the economic and social progress of all the peoples of the Caribbean region."

Foreign Affairs Minister Louis Tull, in commenting on the results, said that he hoped Barbados and Trinidad could work together for the better of the entire Caribbean.

Also commenting was president of the Democratic Labour Party, Branford Taitt. He said that the PNM's victory was not surprising to the keener students of politics.

"The enormity of problems of Trinidad and Tobago cannot be gainsaid, but at the same time, a large number of people of Trinidad and Tobago obviously feel that those from the ranks of the grassroots ought to be given a chance to prove themselves."

Taitt said the highly organised constituency branches and the motivation of the party faithful created a situation where it would take a lot more than the mere ambition of a particular group to remove the PNM from office.

The Opposition MP said that people of developing countries will not knowingly support leadership which does not identify with them.

"It will be an interesting time in

CSO: 3025/69

BRIEFS

TIES WITH ST VINCENT--The Barbados Agricultural Society (BAS), has entered a cooperative with Venture the Georgetown area Farmers in St Vincent. Mr Haynesley Benn, General Manager of the BAS, has said that the venture has been in operation for a number of months. He explained that the farming group had only recently started, and that they were experiencing some "teething problems." As a result, the BAS has agreed to assist them in whatever way possible. At present, this help comes in the form of marketing services. The Vincentian farmers sent fruits to Barbados every week, and the BAS undertakes to sell the produce for them in Barbados. Last Tuesday some 50 boxes of agricultural produce were received by the BAS from the Georgetown farmers. The produce included oranges, grapefruits, plantains and anyas. They came in on the M-V Leonard T which runs a weekly service between St Vincent and Barbados. [Text] [Bridgetown SUNDAY ADVOCATE-NEWS in English 25 Oct 81 p 2]

ATTACK ON HOTEL--Police in Barbados have launched an island-wide manhunt for four men who carried out an armed attack on a south coast hotel last Friday night. The four assailants are alleged to have broken and entered San Lords Hotel, St Philip, and in the process at least one gunshot was heard. Police said no one was injured, but added that the attackers got away with more than $2 000 in cash and property. Reports further stated that it was the third consecutive night that gunshots were heard at the hotel, but this was not confirmed by the Police. A senior Police official said that the incident last Friday night was being viewed very seriously, especially since it was the first of its kind in a long time. The official said that investigations into the incident were being vigorously pursued. [Text] [Bridgetown ADVOCATE-NEWS in English 3 Nov 81 p 1]

MESSAGE TO DOMINICA--Prime Minister Mr Tom Adams has sent a congratulatory message to Prime Minister, Miss Eugenia Charles of Dominica on the third anniversary of that island's independence. The message read: "I wish to extend the warm wishes and sincere greetings of the Government and People of Barbados to the Government and People of the Commonwealth of Dominica on the anniversary of your Independence Day. I hope that our two countries will continue to work together closely in an effort to ensure the economic and social progress not only of our peoples, but of all the peoples of the region. Personal best wishes." [Text] [Bridgetown ADVOCATE-NEWS in English 4 Nov 81 p 1]

IMMIGRATION CRACKDOWN--In the 10-month period, January to October this year, Immigration authorities in Barbados have deported 122 people and asked another 392 to leave the island. According to the Minister responsible for Immigration, Senator O'Brien Trotman, in both cases, Vincentians topped the lists followed by St Lucians and Guyanese. He told the first meeting of the Immigration Advisory Committee yesterday that the crackdown on illegal immigrants was conducted in accordance with Government's immigration policy and not "on any discretion exercised as a result of personal contact or personal likes or dislikes. There is no discrimination in any form," he said. "Equal treatment for potential immigrants is germane to Barbados' immigration laws." However, Senator Trotman added, immigration authorities have recently been faced with a new form of illegal immigration--that of persons trying to settle in Barbados on faked work permits. [Excerpt] [Bridgetown ADVOCATE-NEWS in English 12 Nov 81 p 1]

CSO: 3025/73

TEXT OF GOVERNOR POSNETT'S THRONE SPEECH TO PARLIAMENT

Hamilton THE ROYAL GAZETTE in English 7 Nov 81 p 5

[Text] **Mr. President and Members of The Senate:**
Mr. Speaker and Members of the Hon. House of Assembly:

The past year has proved to be a challenging one; however through hard work and good fortune, Bermuda is now well placed to face the future with confidence.

Following real growth in the economy, and a record number of tourists arriving in 1980, Bermuda and Bermudians are now obliged to cope with a recession in the United States, keener regional and international competition for the tourist dollar, and the effects of a debilitating industrial dispute earlier this year. There is every indication that Bermuda's economic growth in the coming year will be modest.

On the positive side, Government notes that over the past twelve months the rate of local inflation has fallen considerably, unemployment is virtually non-existent and despite a decline in regular visitors, the outlook for tourism, especially when compared with resorts elsewhere, can be considered reasonable, while international business continues to play a growing role in our economy.

Bermuda's strong, stable society, a result of enlightened government and hard work by generations of Bermudians, will unquestionably ensure that the high standard of living which we enjoy will be maintained and improved, and that the quality of life in general will be enriched.

In view of the critical importance of housing, particularly to those in the lower income bracket, every effort is being made to meet this need.

With housing as our top priority, Government will commence, with all possible speed, the construction of 100 housing units at a cost of $6 million, which will be sold or made available at reasonable rents, ranging from $375 for a one-bedroom unit. This step will necessitate the deferment of some capital projects in the current year and more in the coming financial year.

In other areas of Government's housing programme, 36 new apartments at "Devon Springs" in Devonshire are nearing completion and another 84 units are under construction in Southampton. In The Glebe Lands in Pembroke, 16 new units have been built, 21 have been renovated, and 10 are under construction. In the General Improvement Areas in Pembroke, 11 new units have been built, 2 have been renovated, and work is about to start on 10 other units.

Government is also having discussions with the Canadian Government regarding the possible construction by them of 60 housing units for Canadian Forces personnel at a site yet to be chosen at the west end.

As a consequence of this activity, Government alone will have constructed 300 units over the next 24 months.

Government will assist with the financing required to complete unfinished domestic dwelling construction and to rehabilitate dwellings that are now uninhabitable. This step will provide many new homes, particularly at the lower end of the rental scale.

Negotiations are taking place with representatives of the international companies in Bermuda and with the non-resident insurance undertakings in the expectation that substantial investment in The Bermuda Housing Corporation's projects will result.

Government is investigating the possibility of encouraging a wider private sector mortgage base for home ownership by providing some form of mortgage guarantee to lenders so that they can loan a larger proportion of the value of a house, thus reducing the down payment and assisting more persons to become home owners.

In addition to the provision of land and of design services for the construction of a residence for the handicapped in Smith's Parish, Government will provide similar assistance to the Bermuda Housing Trust to allow for the construction of housing in St. George's spe-

cially designed for the elderly.

Drawings for Lefroy House should go to tender by month's end for the construction of a 30-bed extension and the conversion of part of the residence into accommodation for senior citizens who are reasonably self sufficient.

Fees paid to foster parents for the care of children placed with them have been increased and are to be reviewed each year. It is hoped that this will encourage more Bermudians to consider providing this very important service.

During the current school year, a programme will be introduced which is aimed at discouraging young people from abusing drugs and assisting teachers to deal with the subject.

To assist in combatting the drug problem, the Methadone Clinic at St. Brendan's will be strengthened so that present staffing difficulties are overcome.

Government will be asking the Legislature to consider several Environmental Conservation Area Local Plans, the prime objective of which will be to preserve the Island's natural features for the benefit of future generations.

A new Hamilton Development Plan will also be published and laid before the Legislature.

A White Paper will be presented outlining legislation designed to control air pollution and noise pollution.

A comprehensive survey of Bermuda's arable land is being undertaken, the results of which will form the basis of an Arable Land Local Plan to provide better protection of this valuable national resource. A thorough survey of Bermuda's agricultural industry will be completed by year's end and will identify options for the future of the industry for the remainder of this century.

Plans for the construction of national sports facilities in Prospect are now being discussed and Government intends to engage the services of specialist architects to assist in devising and costing final plans. Government will introduce its Sport Award Scheme next spring to recognise the contributions to sport in Bermuda by current and past athletes, coaches and administrators.

Educational authorities note that tremendous improvement has been achieved in reading, language and mathematics by students at all levels of both our primary and secondary schools and it is anticipated that this trend will continue.

The annual Manpower Survey has been completed and Government intends presenting the Report to the Legislature early in the current Session. Legislation governing industrial health and safety matters is now being drafted and will be presented to Parliament after full consultation with interested parties.

Experience earlier this year demonstrated that there is not broad acceptance of much of our current labour legislation. As carefully as our labour legislation was drawn, Government feels that constructive amendments must be considered after the broadest possible consultation among all affected parties. More importantly, Government is committed to fostering a broad consensus which will provide harmonious industrial relations in order to avoid the adverse economic consequences which flow from industrial unrest and place in jeopardy the well-being of all Bermudians.

Legislation will be introduced to deal with the all-important issue of domestic violence which Government considers to be a very serious social problem.

A Green Paper focusing on various aspects of Bermuda's road traffic will be placed before Parliament for consideration in the current Session.

A study has been commissioned to examine the feasibility of an expansion of the ferry services as a means of providing comfortable and convenient access to Hamilton from the western parishes, and in the anticipation that it would relieve both congestion on the roads and parking in the City.

While we have been successful in resolving the latest incident involving Vietnamese refugees picked up by the Nedlloyd Crystal, the future of the Bermuda Shipping Registry remains under active review.

As a further protection against marine pollution, Bermuda will, at the same time as the United Kingdom, extend its territorial waters from the present three nautical miles to twelve nautical miles.

Efforts to bolster tourism will continue in the face of economic problems being experienced in Bermuda's major tourism markets.

Next spring, Bermuda will welcome the new Home Lines cruise ship, the Atlantic, specially built for the New York/Bermuda run. With a passenger capacity of 1,100, the new ship will replace the Doric.

Earlier this year, a new sales office was opened in Atlanta, and the start of daily air service by Air Florida from White Plains, New York is expected to generate additional business from the Westchester market area and, perhaps, from the mid-western United States.

Air Florida is also on record as being committed to the inauguration of a route between Bermuda and Europe commencing in March.

The major ramp reconstruction at the Civil Air Terminal has been completed. This is the first phase of improvements recommended by the International Air Transport Association Committee representing the

airlines serving Bermuda. They have recently revised and recosted plans designed to meet demands of the foreseeable future, and to provide an improved, convenient, and efficient air terminal in keeping with Bermuda's image as a first class resort. Proposals and plans to finance them will shortly be placed before the Legislature for consideration.

The Retail Price Index continues to be the principal gauge of local inflation, and a survey of family expenditures will be conducted to ensure its continued relevance. Research will also continue to identify expenditure on items which form an essential part of the actual cost of living.

Following the passage of The Companies Act 1981, work is currently underway on the Regulations to the Act to be introduced in this Session which will enable this important Act to be brought into effect.

A Bill relating to the cost of credit has been prepared with the aim of assisting the local consumer. The Legislature will also be invited to consider amendments to The Deposit Companies Act which is designed to protect depositors.

Mr. Speaker and Members of the Hon. House of Assembly:

The estimates of revenue and expenditure for the next financial year will be laid before you.

Mr. President and Members of The Senate:

Mr. Speaker and Members of the Hon. House of Assembly:

You will be invited in the coming year to consider legislation which will include the following:

Legislation to prevent the air pollution of our environment:

A Bill to replace The Education Act 1954;

A Cost of Credit (Disclosure) Bill;

Amendments to The Stamp Duties Act; and

A Bill to modernise the practice of conveyancing.

The Police Advisory Board continues to provide valuable assistance. As a result of its recommendation, the Police Cadet Training School recently moved into the building hitherto used as a part of the Victor Scott School. This move will facilitate the expansion of the Cadet Scheme which is expected to contribute increasingly to the Bermudianisation of the Service. Police relations with the community have continued to improve.

The Bermuda Regiment has grown rapidly both in size and in public esteem during the past few years. Most of the recommendations made in 1978 by the Gilbert Committee have now been implemented and a further review of the position was therefore timely. We were fortunate that General Gilbert himself and most members of the earlier Committee were available for this purpose. Their recent Report should point the way for the next few years.

As this is the first occasion that I have had to address Parliament in Bermuda, I should like to take this opportunity to say that my wife and I were most grateful for the warm welcome with which we were received in Bermuda earlier in the year. I look forward to continuing close and cordial cooperation with Parliament and the different arms of the Government within the framework of the Constitution.

Mr. President and Members of The Senate:

Mr. Speaker and Members of the Hon. House of Assembly:

I now declare this Session open and may God guide you in your deliberations.

CSO: 3025/70

OPPOSITION PLP ASSAILS GOVERNMENT POLICY ON JOB OPENINGS

Hamilton THE ROYAL GAZETTE in English 26 Oct 81 pp 1, 5

[Text]

The P.L.P. has given short shrift to statements made by the Hon. John Swan, Minister of Home Affairs, regarding a shortage of Bermudians to fill local jobs.

In a press release delivered over the weekend, Mr. Eugene Cox, Shadow Secretary for Home Affairs, said it "is a mess of their own making."

Mr. Swan said on Thursday that Government's policy on Bermudianisation might have to change because of a drop in the number of school-leavers entering the work force. Mr. Cox says poppycock to all that.

"The Home Affairs Minister attempts to beguile the public by his failure to admit that the present dilemma is caused by Government's incapacity to promote orderly economic growth," he said.

The Minister said last week that some job categories currently closed to non-Bermudians may be opened. These include labourers, carpenters, engineers, clerks and architects.

"The Honourable Minister behaves as if he is unaware that the present state of our country is a direct result of his Government's policies," Mr. Cox added.

As a consequence, he said, "he seeks to camouflage Government's dilemma by luring the people of Bermuda into believing that we are tending toward a unique dilemma of zero population growth, low unemployment and a rapidly-expanding job market as if it were inevitable, and not a direct result of a deliberately-prescribed policy of his Government."

Mr. Swan said Thursday, "The decline in Bermuda's birthrate and the increasing difficulty in attracting young Bermudians into skilled trades and apprenticeships had long term implications for future manpower planners."

Census 1980 figures show that while the population expanded by 10,000 during the 1960's there was slow growth — only about 1,700 — during the seventies. The 1970s witnessed a net out-migration of several thousands.

But Mr. Cox says these events are not an inevitable outcome of the natural order but rather the result of the political order.

"Three facets of United Bermuda Party policy have been:

- "The adoption of an existing policy to limit the natural birth rate, while rapidly expanding the economy;
- "The Government's failure to set up an effective training programme, and;
- "Its failure to build adequate housing for the low income group."

Mr. Swan takes the view that factors such as sharply-rising expectations and the continuing and growing importance of international businesses to Bermuda's economy and well-being, cause Bermudians to opt for expanded opportunities in white collar areas.

He says Bermuda appears to be caught in a dilemma in that the Island is approaching a goal sought by many countries — zero population growth — which, coupled with zero unemployment and an expanding job market, makes Bermuda's dilemma unique.

But Mr. Cox retorts: "The Hon. Minister will recall a well orchestrated plan to limit the natural births by the provision of contraceptive devices in the local supermarkets."

Mr. Cox adds: "He must also recall the attempts of the U.B.P. Government to win votes in St. George's by developing the unsuccessful Holiday Inn Hotel, and the consummation of a deal with Mr. Ludwig to build the Southampton Princess Hotel, which resulted in an overtaxing of the labour force and an overheated economy that allowed the Government an excuse to avoid implementing an essential housing programme."

But Mr. Swan does not see his policy as a retrograde step at all. He says: "For the most part, the country's need for non-Bermudian workers could be seen as creating a pool of jobs for future Bermudians."

Mr. Cox replies: "This short-sighted policy provided foreign nationals with jobs and housing, thereby tacitly calling upon Bermudians to subsidise foreign nationals.

Mr. Cox sees Government's policy as influenced by lobbies external to elected representation, "not unlike the recent appointment of a certain doctor in St. George's and the appointment of a senior magistrate."

Mr. Cox says Mr. Swan has himself been directly involved in the decision-making process, as can be seen with the diversification of the local economy through exempt company business.

"Let me hasten to add that diversification is usually good for any economy, but to promote unbridled economic expansion without first defining the manpower needs, and to fail to provide locals with adequate training opportunities prior to the establishment of new job markets, and to infer that the size of the country is the sole reason for the limited workforce is tantamount to dishonesty, to say the least, and incompetent at best."

CSO: 3025/70

TRADE MISSION FROM AZORES DEPARTS WITH FEW RESULTS

Hamilton THE ROYAL GAZETTE in English 12 Nov 81 p 17

[Text]

THE visiting trade party from the Azores will fly home this weekend, a good deal wiser than when they arrived here last Sunday, but with little order book evidence of their trip.

Though the party's leader, Mr. Jaime Cabral, of the Azores' Department of Commerce and Industry, was quick to point out that the mission's main aim was to establish trade contacts with the Island's business community, the party was clearly hoping that its sales efforts would also achieve some on-the-spot success.

Said Mr. Cabral: "In terms of orders we have been reasonably successful. One firm contract has been signed with the Irish Linen Shop which is to be the exclusive agency for embroidery goods made in the Azores. But we were not just looking for sales in Bermuda."

Perhaps the only obstacle to trade with the Azores is the problem of transportation — a problem with which Mr. Cabral is very familiar. He said: "We know we will have to overcome this but it's a matter of building up trade to the point where shipping costs become reasonable. Air freight is far too expensive and would mean high selling prices. But there is a chance that our Government may consider subsidising exports. This is something we will have to go into."

The Azores' primary export is fish and fish products which make up about 30 percent of annual exports totalling almost $12 million. The U.S. and Canada are the country's principal trading partners accounting for 45 percent of overseas sales.

Figures for Bermuda are paltry by comparison. Last year, we imported $5,535-worth of goods made in the Azores -- and that is considerably more than the value of earlier imports. Though Mr. Cabral revealed that a Portuguese shipping line is interested in starting up a monthly service to Bermuda, trade has got some way to go before such a project would prove viable.

CSO: 3025/70

TEACHERS VOTE TO STRIKE; MORE THAN WAGES SAID AT ISSUE

Hamilton THE ROYAL GAZETTE in English 3 Nov 81 pp 1, 5

[Text] Bermuda's teachers voted overwhelmingly to strike on November 24 if wages settlement is not reached by that date. Nearly 400 of the 660 teachers in the Government school system took a show of hands vote at a meeting held yesterday at the Ruth Seaton James Auditorium. But the teachers have rejected an all-out strike in favour of a one day general strike, to be followed by a series of rotating strikes.

Membership in the Amalgamated Bermuda Union of Teachers is believed to stand at approximately 660.

Last night union officials were mum on the results of the vote.

Ms Ellen Kate Horton, head of the A.B.U.T. negotiating team, would not comment. Sources say, however, that the tight-lips policy has been taken to give the union time to inform Government of its plans as a courtesy.

It will hand Government negotiators the required 21-day strike notice in writing today.

At last report, Government had offered pay increases ranging from 16 to 20 percent, depending upon experience, with an average of 18 percent.

The teachers, who have reached agreement with Government on a 12 percent increase in the second year, are said to be holding out for 24 percent.

Source insist, however, that pay is no longer the issue. "It's not only the money," said one teacher, who did not want to be named. "We're looking towards the future of the union."

Settlement would have been reached by this time, the source explained, if the other issues had been resolved. The union wants government to give its full-time negotiator unpaid leave of absence from his classroom duties.

Government, it is believed has agreed to that, but has not promised that the negotiator will return to the same job. Seniority would not be lost.

The union believes that the post of negotiator has become so demanding that it requires someone in the job full-time.

The union also wants an increase in paid maternity leave from nine to 12 weeks. Currently, teachers must leave the classroom when they are six months pregnant. By the time the child is born, one source said, the paid maternity leave has been used up.

A major issue appears to be the five percent differential that separates each pay level. There are 22 categories in the current pay scale, depending on qualifications and experience. Each category is paid five percent less than the one immediately above.

The union wants to change the differential to 4.5 percent, while Government has offered 4.75 percent.

With the A.B.U.T.'s proposed differential, those teachers at the bottom of the pay scale stand to gain a higher percentage increase.

The union believes that what they consider to be low pay for new teachers is causing them to leave the profession.

Last year, 16 teachers resigned to take up other careers.

CSO: 3025/70

BRIEFS

WORLD BANK CREDIT--The World Bank has granted a credit of $2.5 million to the Bolivian Federation of Mining Cooperatives for the improvement of production methods and training of personnel, according to the World Bank's La Paz representative. [PY261807 La Paz Radio Illimani Network in Spanish 1700 GMT 24 Nov 81]

GEM AFFAIR BROUGHT BEFORE PROSECUTOR--Bolivian president, Gen Celso Torrelio Villa, has instructed the comptroller general to submit to the public prosecutor all information gathered on the La Gaiba affair [illegal exploitation of semiprecious stones in which members of Bolivian military junta were reportedly involved] and on the construction of the Chimore-(Capali) Highway. The chief of state has sent several notes to the comptroller general, Gen Antonio Rojas. The note dealing with the La Gaiba affair states that "in response to your suggestions I wish to point out that it would be impossible to issue a supreme decree punishing those responsible for the illegal exploitation of semiprecious stones. It would have no legal basis, because any such punishments must be decided upon by the courts." It adds: "Therefore, in addition to the appropriate audit which you will have to make of the debit memorandums, today you will submit all information available to you to the office of the public prosecutor to provide basis for the trial." The note concludes by stating that "the comptroller general is empowered to take immediate measures in order to recover the semiprecious stones or the money received for them. The comptroller can do so directly or indirectly through the organizations and institutions of the central government." [Excerpt] [PY271427 La Paz Radio Illimani Network in Spanish 1130 GMT 27 Nov 81]

SOVIET TRUCKS PURCHASED--The Mining Corporation of Bolivia--COMIBOL--has imported 40 dump-trucks from the Soviet Union. These vehicles will be used at the La Palca tin volatilization plant in Potosi. Each vehicle has cost $38,460 and 23 of them have already arrived. [PY021246 La Paz Radio Illimani Network in Spanish 0100 GMT 1 Dec 81]

FOREIGN MINISTER ON COUNTRY'S PROBLEMS--Castries, 4 Dec (AFP)--In a speech before the OAS General Assembly here today, Bolivian Foreign Minister Gonzalo Romero said that Bolivia "is experiencing a period of transition to democratic institutionalization." "The government of President Torrelio Villa daily demonstrates its respect for the rights and dignity of human beings," he added, noting that "in my country, the national government, which is a union of the armed forces and the people, is involved in an internal battle to overcome the factors that stem from dependency and to give way to development." At the end of his speech he discussed the country's land-locked problem when he said: "We must refer to our already century-old problem of our forced geographical confinement. The solution of this problem has been postponed up until now within a delaying bilateralism [dilatorio bilateralismo] which, far from representing a means of positive negotiations for my country, has resulted in frustrations when not in unilateral arbitrary actions. According to the foreign minister, Bolivia's land-locked problem "could disrupt peace and harmony in the continent," if it is not solved. "Bolivia will enter into bilateral talks (with Chile) when an honest political will that recognizes our right and makes possible a fruitful dialogue is declared and demonstrated," he noted. The OAS Assembly will study, among other things, a report on the human rights situation in Bolivia. [Text] [PA061417 Paris AFP in Spanish 2329 GMT 4 Dec 81]

CSO: 3010/441

SARAIVA WARNS ABOUT INSTABILITY IN CENTRAL AMERICA

PY021643 Buenos Aires LATIN in Spanish 1644 GMT 25 Nov 81

[Text] Brasilia, 25 Nov (LATIN-REUTER)--Brazilian Foreign Minister Ramiro Saraiva Guerreiro has warned that the situation of instability affecting Central America can create serious international tension.

Saraiva Guerreiro talked to reporters last night before leaving for Great Britain today. From Great Britain he will go to Saint Lucia to attend the OAS General Assembly.

According to local diplomatic sources, the Central American crisis--not included on the OAS agenda--will probably be the main subject for discussion by the foreign ministers of the hemisphere.

Saraiva Guerreiro believes that the Central America situation is characterized by a phase of instability with considerable risks which could create serious tension at the international level.

This is a problem emerging from structural and political factors, said Saraiva when asked about U.S. Secretary of State Alexander Haig's charges of the Cubanization of Central America.

The Brazilian foreign minister said he is not familiar with the text of a draft resolution submitted to the United Nations prohibiting the sale of arms to El Salvador.

When he explained that supplying arms with subversive purpose is a violation of the international law, he said: We believe in the rule that a sovereign state has the right to purchase and receive arms from any country.

He added: If Nicaragua wants to purchase arms from Cuba, it has the right to do so whether this is politically advisable or not is another question.

He reiterated that the Brazilian position regarding El Salvador in any case, advocates the idea that this country find a moderate, democratic and pluralist solution to its internal problems without foreign intervention of any nature.

Asked about the Argentine political situation and its affect on bilateral relations, he said that these relations will not be affected by occasional changes in the internal affairs of that country.

He added: Our relations are based on balance of interests above internal situations or changes.

He said: All I know is that President Roberto Viola is on leave and that the interior minister has temporarily become interim president.

Saraiva Guerreiro will leave this capital today to start an official visit to Great Britain tomorrow, a visit labeled as political and aimed at evaluating bilateral relations.

CSO: 3001/42

UK MAINTAINS PROTECTIONIST MEASURES

PY040228 Sao Paulo FOLHA DE SAO PAULO in Portuguese 2 Dec 81 p 5

[Article by special envoy Flavio de Almeida Salles]

[Text] London--The British were inflexible yesterday maintaining their protectionist positions toward Brazilian textile products. And thus, in his talks with Secretary of State for Trade John Biffen, Foreign Minister Saraiva Guerreiro did not get any promise of liberalisation from Great Britain on this matter for the forthcoming meeting of the EEC Council of Ministers to be held on 6 December. In 1980, Brazil exported $360 million worth of textile products to the European market, and the EEC now wants for these exports to be "frozen" at the current levels.

The talk with Biffen and the meeting with Prime Minister Margaret Thatcher in the morning marked the end of the Brazilian foreign minister's visit to London. From Thatcher Saraiva Guerreiro received an unusual request: to explain how the Brazilian Government is succeeding in curbing inflation. And the diplomats who accompanied the minister at the meeting declined, later, to reveal the minister's answer.

Also on the final day in London, the foreign minister granted a press conference to approximately 20 British journalists and Brazilian correspondents to tell them that Brazil has no intention of purchasing nuclear submarines from Great Britain.

This morning the foreign minister will sign the nuclear cooperation agreement with Great Britain and will then leave for the island of Saint Lucia to participate in the OAS General Assembly.

Under the inspiration of Great Britain and France, a real "protectionist fever" began in Europe 2 years ago against products manufactured by Brazil, especially textiles and shoes, and also sugar.

It was established at that time that the increase of these imports would be limited to 6 percent yearly. Then, in 1980, the European market restricted the imports even more, and established that specific circumstances of crisis among the EEC member countries could lead to exceptions and to limiting imports even more.

Now, according to Brazilian diplomats, "they want these exceptions to become law and try to freeze Brazilian exports at the current levels, product by product, and country by country in the EEC."

The first instructions of the EEC Council of Ministers on the renewal of the multifiber agreement, which terminates on 31 December, were "hard and protectionist, anticipating the freezing of imports of textiles at the current levels" according to diplomatic sources.

But according to Saraiva Guerreiro, Biffen has not given "any hope that the British would give up their position in the multifiber negotiations."

Biffen told Saraiva Guerreiro that Great Britain is experiencing a moment of economic and social crisis and that he cannot allow competition considered unfavorable for the British industries. This is the reason for the "hard" position in the discussion of the agreement.

Saraiva Guerreiro feels that the British Government needs to study the problem in a global manner, taking into account that Brazil is an "excellent market for textile machines manufactured in Great Britain, without mentioning that, in specific packages, the British are doing excellent business with Brazil," according to diplomatic sources. And now--it was learned--the Brazilian Government must instruct its embassies in the FRG, the Netherlands and in Denmark--countries with more flexible positions regarding multifibers and within the EEC--to explain the positions and needs of Brazil.

The nuclear cooperation agreement that will be signed this morning by Brazil and Great Britain must safeguard the positions of each country toward the nuclear nonproliferation treaty, and its implementation will be subject to the safeguards of the International Atomic Energy Agency (IAEA).

The agreement provides for, among other items, cooperation in the management of intermediate and low-level radioactive waste, and of the reactor instruments.

CSO: 3001/45

NEWSPAPER REVIEWS KIRKPATRICK'S HUMAN RIGHTS POLICY

PY020229 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 28 Nov 81 p 3

[Article from the "Notes and Information" page: "Perversion of Political Values"]

[Text] "Perversio optimi pessima," the old Latin saying reads. The worst perversion is perversion of the good. In addition, abuse of the highest ideals is the most detestable abuse.

Jeane Kirkpatrick, head of the U.S. delegation to the United Nations, has regretted the fact that the human rights issue has been "perverted by politicization." The practice adopted by persons and governments that "try to use human rights more as a political weapon than as a banner or goal" is indeed abominable. Kirkpatrick also criticized the United Nations for treating the human rights issue in a manner "very similar to the violence of selling protection" practiced by hoodlums. Within this line of thinking one can say that cynicism is abominable when the worst and most sophisticated violators of human rights--that have raised that practice to the dignity of "reason of state"--go as far as accusing others of committing that crime.

The idea or the policy of blocs does not make violation of human rights become a virtue in one case and a crime in another. What Miss Kirkpatrick means is that representatives of totalitarian governments like Hungary and the GDR, which are members of the world of Gulag concentration camps, have no right to accuse Latin American countries of violating human rights, because the Latin American countries are authoritarian or dictatorial, but not totalitarian. The U.S. ambassador regretted the fact that UN commissions had kept quiet when 3 million Cambodians were murdered by the Pot Pot regime, supported by Vietnam, and when Idi Amin Dada committed his most detestable crimes, and that they closed their eyes to the abominable abuses of Soviet psychiatric hospitals.

Obviously the Reagan administration is trying to correct the errors committed by the Carter administration, which in its human rights policy implemented a mistaken discrimination. It was severe and ruthless with abuses of our allies who were weak, and discreet regarding the systematic violations of our powerful friends and foes. And by the way, Ambassador Kirkpatrick is the author of the distinction between totalitarianism and authoritarianism, endorsed by the Reagan administration. In a press conference held before the trilateral commission in April 1981, Secretary of State Alexander Haig stated: "The United States is

opposed to violation of human rights by either allies or foes, friends or enemies. We will not adopt a selective policy." But he recognized that discrimination can exist "as far as the source of violation is concerned" and regarding the possible impact of any protest.

The totalitarian model makes use of modern technology to impose its will concerning all aspects of the citizen's behavior. The totalitarian regimes have a myth (a creed or ideology) and demand total submission of the citizens to values they consider absolute. This is the reason for the inquisitorial intolerance of the totalitarian model which results in genocide, political purges and in concentration camps, or provokes the exodus of its citizens, whether inhabitants of the so-called popular democracies, or from Cuba, from Vietnam, or more recently from Afghanistan. The authoritarian regimes normally originate from the lack of political and economic development, from the fact that for this reason democracy has not struck deep-seated roots in their societies, roots that would be resistant to social, economic and political crises. The authoritarian regimes advocate supreme and unquestioned authority for those in power. But they do not want to possess the souls of their citizens and control all the manifestations of their lives. They demand unquestioned authority only in the political field. What distinguishes totalitarian regimes from the authoritarian ones is that the former are durable; they are not destroyed by the force of internal opposition; as Hitler's case shows, they fall only by the force of a lost war. The authoritarian regimes, regardless of how repugnant they may be, are of a transitory and unnatural nature. The civilian society, when strong and organized, can defeat them either democratically or through a revolution. They are, therefore, more susceptible to a change than the totalitarian regimes.

What Kirkpatrick means is that it is a "political perversion" when a totalitarian regime--considering itself a defender of human rights for belonging to the bloc of "freedom and peace"--condemns authoritarian regimes for crimes similar to what it commits. Worse yet is to condemn and receive plaudits for doing go.

CSO: 3001/42

'KIDNAPPED' CZECHOSLOVAKS CHOOSE TO RETURN HOME

PY020206 Paris AFP in Spanish 2300 GMT 1 Dec 81

[Text] Brasilia, 1 Dec (AFP)--It has been reported that the three Czechoslovaks who were prevented from leaving Brazil by the Brazilian police today after a denunciation that the Czechoslovak vice consul in Sao Paulo had forced them to return to their country, have expressed their free desire to return to their fatherland.

Romeu Tuma, chief of the Sao Paulo Department of Political and Social Order [DOPS], explained that Stanislav Kropachova has conveyed to DOPS his desire to leave Brazil because his visa for being away from Czechoslovakia was about to expire.

Both his wife Antonia and his son Karel have confirmed that desire, although the woman has apparently expressed privately that for sentimental reasons she would have liked to have remained with her mother, Maria Beloch, who was born in Czechoslovakia but naturalized in Brazil.

It was Maria Beloch who denounced Czechoslovak Vice Consul Ludvik Nemec for kidnapping the three members of her family so as to force them to return to their country.

Asked whether the three Czechoslovaks have expressed to the policy their real desire, Tuma answered: "It is not possible to fathom the soul of the people. I base myself on their testimony."

Tuma added that the questioning was carried out through an independent and impartial interpreter, a resident of Sao Paulo. Some Czechoslovak diplomats who were present at the DOPS office at the beginning of the interrogation were invited to leave to guarantee the free expression of the three persons.

The three members of this family will leave tonight for their country aboard the Czechoslovak ship Praha, anchored in the port of Santos near Sao Paulo. The police had delayed the departure of the ship until the events were cleared up.

A Brazilian police officer who had jumped aboard the Praha to retrieve the three Czechoslovaks stated that he was received cordially and that the captain assured him the ship would not leave unless the situation of his passengers were completely cleared up.

CSO: 3001/42

BRIEFS

BOAT DESTROYED IN VITORIA--A passenger boat that provides daily services at the Vitoria Bay was practically destroyed today by a bomb. The explosion took place at 0230 at the boat station in the capital of Espirito Santo State. Only a watchman and a mechanic--who escaped unharmed--were at the station when the bomb exploded. In addition to the bomb that went off, the police found another bomb in the vicinity of the office of the president of the Municipal Assembly. In the face of this atmosphere, Governor Eurico Rezende sent telegrams to the ministers of justice, army and navy requesting operational and technical support for the investigations. Rezende also contacted Gen Otavio Medeiros, chief of the National Intelligence Service, who promised to send a team to Vitoria tomorrow to investigate the attack, the second this year in Vitoria. The first one took place approximately 3 months ago at the newspaper A TRIBUNA. [Text] [PY041301 Sao Paulo Radio Bandeirantes Network in Portuguese 0230 GMT 4 Dec 81]

FLOODS IN RIO DE JANEIRO--Rio de Janeiro, 4 Dec (AFP)--The Civil Defense Department has reported that 70 persons died, 300 were hurt and 2,000 were left homeless due to the floods and mud slides created by the torrential rains that have been falling uninterruptedly on the state of Rio de Janeiro since last Wednesday. [Paris AFP in Spanish 1840 GMT 4 Dec 81]

MINISTER IN BAHRAIN, SAUDI ARABIA--The minister of finance, Ernane Galveas, has had meetings with his Saudi counterpart in Ryadh, while he is leading a delegation of 12 government officials and 55 business leaders to the capital on a 3 day visit, on the fourth stage of a journey which has included Iraq, Kuwait and Manama. He told Shaykh Muhammad Aba al-Khayl that Brazil is disposed to increase its exports of manufactured and agricultural products and for his part, the shaykh affirmed that his government maintains a policy of an open market on imports. Galveas confirmed in Manama, an agreement by which the Arabian Emirates will grant a loan of $85 million to Eletrobras. Brazil's exports to the eastern Arab countries are about $400 million and its object is to attract investments from these countries in the areas of its mineral and agricultural possessions. [Text] [Rio de Janeiro LATIN AMERICA DAILY POST in English 2 Dec 81 p 7]

1981 AIRCRAFT EXPORTS--Sao Jose dos Campos (DAILY POST)--Despite economic hard times, especially internal sales efforts, Brazil's prime aviation manufacturer, Embraer, expects to export by the end of 1981 more airplanes than it shipped in 1978 and 1979 combined. Embraer will have exported some 50 Bandeirantes, Xingu, and Xavante aircraft for total sales of $100 million by 31 December. The United

States remains the single most important market, according to Embraer, and 1982 could see the purchase of another 30 to 35 Embraer-made aircraft, especially if U.S. bank interest rates come down, as is expected. Another major export region for Embraer continues to be neighboring Latin American countries such as Paraguay, Chile, Argentina, and Ecuador. [Rio de Janeiro LATIN AMERICA DAILY POST in English 2 Dec 81 p 7]

SENTENCING OF PP DEPUTY—The federal supreme court has sentenced Federal Deputy Genival Tourinho—Popular Party, Minas Gerais State--to a 6-month detention term. However, the sentence will be conditionally suspended during a 2-year period. While the sentence will not cause Deputy Tourinho to lose his seat, it will cause him to become automatically inelligible for reelection. Tourinho was convicted on charges of last year having accused the commanders of the 2d and 3d armies and of the 4th infantry division stations in Minas Gerais State of having perpetrated covert terrorist attacks under operation "Crystal." [Text] [PY031324 Sao Paulo Radio Bandeirantes Network in Portuguese 1000 GMT 3 Dec 81]

TWO NAMIBIANS GRANTED ASYLUM--Rio Grande--Itamaraty has made official the asylum granted to two Namibians who arrived clandestinely in Rio Grande in August aboard a Polish freighter. This report was released by Councilman (Joao Romero), leader of the movement for the permanence of (Kahaba) and (Virabay) in Brazil. According to the councilman, the Justice Ministry will soon issue the documents for the two Namibians. [Text] [PY032338 Porto Alegre Radio Guaiba in Portuguese 2150 GMT 3 Dec 81]

AERONAUTICS MINISTER TO HAVE HEART SURGERY--Air Minister Lt Gen (Ret) Delio Jardim de Mattos today delivered reporters accredited to his ministry a note confirming that he will undergo surgery. The note says that after preliminary medical examinations in Brasilia and in the Portuguesa Hospital in Sao Paulo a left arterial stenosis of the circumflex branch was detected. The medical report suggested surgical treatment, specifically the placing of a saphenous bypass to be performed in Cleveland, United States, on 14 December 1981. During the absence of Minister Jardim de Mattos, the ministry will be headed by Lt Gen Paulo de Abreu Coutinho, chief of staff of the air force. The note that clarifies the situation aims at preventing misunderstandings, offers reassurance to the air force and expresses appreciation for those who are concerned. [Text] [PY271133 Brasilia Domestic Service in Portuguese 2200 GMT 26 Nov 81]

TRADE SURPLUS--Rio de Janeiro, 31 Oct (AFP)--It was officially reported here today that in the first 9 months of 1981 the Brazilian balance of trade registered a $209 million surplus, as compared to the $2,896,000,000 deficit which was registered for the same period in 1980. In the first 9 months of 1981 Brazilian exports amounted to $17,003,000,000 while imports reached $16,794,000,000. [Paris AFP in Spanish 1240 GMT 31 Oct 81]

BALANCE OF TRADE SURPLUS--The balance of trade registered a $392 million surplus in October thus raising the surplus accumulated in 1981 to $601 million. In the first 10 months of 1981 Brazilian exports amounted to $19.1 billion while imports reached $18.5 billion. [Sao Paulo FOLHA DE SAO PAULO in Portuguese 6 Nov 81 p 27]

FOREIGN INVESTMENT--Rio de Janeiro, 31 Oct (AFP)--The Brazilian Central Bank reported here today that foreign investments in Brazil amounted to $17,495,000,000 on 30 September 1981, as compared to the $16,684,000,000 invested by the same date in 1980. The United States, which provides 30.3 percent of the overall investment figure, is the largest foreign investor in Brazil. [Paris AFP in Spanish 1228 GMT 31 Oct 81]

JAPANESE DEVELOPMENT LOANS--Brasilia, 5 Nov (AFP)--The Brazilian Foreign Ministry reported that Brazil and Japan today signed an agreement by which the latter will grant a loan of up to 22 billion yen ($95 million) to finance projects for the Brazilian ports of Praia Mole and Vila Do Conde. The loan term is 12 years, with a 5-year grace period and 5.75-percent interest. [Paris AFP in Spanish 0239 GMT 6 Nov 81]

CSO: 3001/42

BATTALION FOR SINAI PEACE FORCE ESTABLISHED

PA270222 Paris AFP in Spanish 1535 GMT 24 Nov 81

[Text] Bogota, 24 Nov (AFP)--Colombia has formed a 790-man military force that will cooperate in the maintenance of peace in the Sinai beginning in April 1982.

The Defense Ministry today reported that Lt Col Bernardo Ramirez Lozano will command the "Colombia battalion" and that Maj Ariel Roldan Matelon will be second in command.

The commando company (riflemen) is made up of 640 soldiers, 120 noncommissioned officers and 30 officers of the infantry, the artillery, the cavalry, and the engineering and service units.

Colombia battalion No 3 will travel to the Middle East in early April when Israel begins the process of returning to Egypt the vast area that has been under its control since the Sinai war.

As can be recalled that war established the late Israeli Gen Moshe Dayan as a hero.

Defense Ministry sources report that the Colombian military force will stay no less than 1 year in the Sinai, during which time the Colombian treasury will pay for its maintenance.

The military force was formed because the government of Julio Cesar Turbay desires to contribute to peace in the world. It is confident that peace will be achieved in that area where the roar of cannons has been heard in the past few years.

It is recalled that during his visit to Colombia this year, Butrus Butrus Ghali, Egyptian minister of state for foreign affairs, asked the Colombian Government to participate in the Sinai force.

CSO: 3010/404

M-19, EPL GUERRILLAS ATTACK OIL PIPELINES

PA260330 Buenos Aires LATIN in Spanish 1632 GMT 25 Nov 81

[Text] Bogota, 25 Nov (LATIN-REUTER)--Guerrillas carried out attacks on an electric powerplant and an oil pipeline some 800 kilometers southeast of Bogota, the National Defense Ministry announced today.

Twenty guerrillas from the leftist 19 April Movement (M-19) damaged the plant that supplies energy to Orito and Puerto Asis and then opened the valves of the oil pipeline that links both towns, spilling 200 barrels of crude oil, the report added.

After the attack, military patrolling of the pipeline was ordered.

On Sunday, a guerrilla command from the People's Liberation Army (EPL) detonated a bomb in one section of the pipeline that runs between the Barrancabermeja oil center and Medellin, the second largest city in the country. The explosion caused $50,000 worth of damages.

The police report that a guerrilla group from the EPL killed landowner Tomas Hazard, kidnapped near Turbo, 700 kilometers to the northeast of Bogota.

Hazard had been kidnapped early in November and $60,000 had been asked for his release.

CSO: 3010/404

BRIEFS

CONTROL OF COMMON BORDERS--Bogota, 27 Nov (LATIN-REUTER)--A communique issued by the Foreign Ministry last night reported that Colombia and Panama have agreed to create a binational commission to establish mechanisms for security and control of their common border. According to the communique, the binational commission will start its activities in Bogota on Monday in an Interior Ministry office. The Panamanian delegation will be led by Jose Manuel Cabrera, the Panamanian deputy foreign minister. The communique noted that the talks are intended to seek measures for better control of the Colombian-Panamanian border. The border between the two countries is 226 km long. [Text] [PA271827 Buenos Aires LATIN in Spanish 0642 GMT 27 Nov 81]

BETANCUR APPOINTS ADVISERS--Bogota, 29 Nov (EFE)--Conservative presidential candidate Belisario Betancur Cuartas has appointed his political campaign advisers. Political leader Augusto Ramirez Ocampo has been appointed coordinator, newsman Alberto Giraldo is to be the press chief and Fabio Valencia Cossio the campaign secretary. [PA300406 Madrid EFE in Spanish 2051 GMT 29 Nov 81]

CSO: 3010/404

PVP'S MORA VALVERDE INTERVIEWED BY CUBAN JOURNALIST

Havana TRICONTINENTAL in Spanish No 77 Jul-Aug 81 pp 66-71

[Interview with Manuel Mora Valverde, secretary general of the PVP [Popular Vanguard Party [Costa Rican Communist Party]] by Hugo Ruis: "The Ruptured Frontiers"; place and date of interview not given]

> [Text] Interviewed by TRICONTINENTAL, Manuel Mora Valverde, secretary general of the PVP of Costa Rica, discusses lucidly and in depth the political crisis that is wracking U. S. imperialism today in Central America and the Caribbean. According to the Costa Rican leader, the frontiers of the U. S. "backyard" have been ruptured by the revolutionary struggle of the peoples, and because of this a marked tendency to return to the days of the "big stick" has become evident. His observations constitute a call to strengthen vigilance in the face of imperialism's aggressive manifestations in this area of the world.

We are at this point in time in the presence of a very serious political crisis that covers not only Central America but the entire Hispanic region. As regards Central America in particular, it can be stated that an undeniable crisis of revolutionary nature is spreading throughout the isthmus, whose most notable developments are shaped by two factors: One is the economic and social crisis being traversed here; the other is the fundamental interest being displayed by American imperialism throughout the area, particularly following the revolution in Nicaragua.

To understand the Central American situation, it is necessary to analyze, even though it be in broad outline, the reason why imperialism has a fundamental interest in preventing the control of the Caribbean and Central American zone from slipping out of its hands, and why this constitutes at this time one of the United States's main concerns.

Many of that countries political leaders have said--and what is more serious, it has been repeated by the Pentagon--that Central America and the Caribbean comprise a zone of vital importance to the security of the United States and that they are prepared to defend it by all the means at their disposal. A few years

ago, the then President Nixon said that the Caribbean Sea should be transformed into a U. S. lake, and, to all intents and purposes, it was the old Roosevelt, the one of the "big stick," talking again. Throughout its history, the policy the United States has been oriented toward realizing that concept of its preeminence. It is a secret to no one that the imperialists have always, and without the least dissimulation, considered themselves something like the owners of the American continent and especially Central America and South America. And on this basis, they hold that they are obligated to defend the continent. Of course, when they talk of defending, it must be translated as ruling.

The American military argue that the Caribbean Sea is the key to the two great oceans--the Atlantic and the Pacific--that are, according to them, the maritime boundaries of the United States. Furthermore, they place an emphasis that never decreases on the importance of that narrow strip of land which is the Central American isthmus between the two great continental masses of Central America [as published] and South America. There, Panama is located, with its Canal Zone that enables passage from one ocean to the other. These, in sum, are the reasons argued for imparting a vital strategic importance to Central America and the Caribbean.

After all the defeats the United States has suffered in Vietnam, in the rest of Indochina and in Africa, and in the wake of the insecurity that unquestionably surrounds them in Europe, a pronounced tendency is evident on the part of the imperialists to consider that they must establish themselves firmly in Latin America. This is the real source of the importance the Central American and Caribbean zone has now taken on.

To control the Caribbean "lake," the chain of the Antilles must be secured above and Central America below, the two natural borders, so to speak, of that "lake." But the fact is that those Antilles, whose domination and acquisition have given rise to very long struggles in Cuba, the Dominican Republic and Jamaica that represent an entire chapter in the history of Latin America, have been put out of real reach with the existence of socialist Cuba. In the other islands, parties, movements and elements friendly to the United States may be installed, but as long a the Cuban Revolution remains in existence there can be no effective domination of the Antilles.

On the other frontier, which is Central America, the Americans have just lost Nicaragua, where the attempt to promote a solution to the Nicaraguan crisis that would conform to American interests failed. As will be recalled, Carter and the State Department collaborated on the objective of toppling Somoza and establishing in Nicaragua a more nearly liberal democratic regime that would preserve the National Guard, which was one of the favorite instruments of domination in Central America.

The result, however, was that not only did Somoza fall but the National Guard also fell, and, what was worse yet for the imperialist interests, that Guard was replaced by a people's army, arisen from the population, with an anti-imperialist and revolutionary character. And what is even more, a profound democratic

revolution got under way, the aim of which is to liberate Nicaragua from its status as a semicolony of the United States and to transform the Nicaraguan people into masters of their own destiny.

The Nicaraguan process does not present any threat whatever to the security of the United States, contrary to what is being affirmed in official circles in Washington. Basically, the fact is that this type of revolution is disadvantageous both to the Pentagon and to the monopolies. And the problem is not confined merely to having lost Nicaragua, but rather goes beyond it to the fact that concurrently with the loss of Nicaragua the revolutionary developments in El Salvador emerged, which, to be sure, were neither a chance occurrence nor a consequence of the Nicaraguan phenomenon. The fact is that already, throughout Central America, a genuine revolutionary process was developing, to achieve democratic regimes that would put an end to exploitation by the big oligarchic landowners and by the big foreign monopolies that depend for support upon the satraps installed in power. The exploiting classes closely linked to imperialism are now aware the the Central American peoples are on a footing of struggle, are confronting the tyrants, and are exposing themselves to all the risks involved, firmly determined to fight back and resist.

It is beyond any question, therefore, that the Nicaraguan Revolution is the most serious blow imperialism has suffered so far this century since the Cuban Revolution. But not for the reasons being given by the imperialists to justify their actions. They argue that the revolutions in these countries are endangering their security, when the fact is that what is being endangered is imperialism's plan for domination in Latin America, which is tied to its plans for world domination. This is the source of that entire fallacy that Central America cannot be permitted to fall into the hands of the communists, when in reality what concerns them is that Central America might fall into the hands of its respective peoples. This too is the source of all those threats by Reagan to intervene militarily in El Salvador with his assault troops, and of all those plans to recover Nicaragua; for, they cannot resign themselves to accepting the victories of peoples.

There is also another thing that concerns the United States with respect to the Caribbean, which is that this zone is one of the world's richest oil basins. To date, oil is being extracted only in Venezuela, but actually the rest of the Caribbean remains practically untapped. I know, for example, that more or less 20 years ago a drilling operation carried out in the southern part of Costa Rica, in a zone called Talamanca, yielded oil of prime quality, according to certification by the technical experts. And what happened? The American company ordered those wells plugged and paid to silence the discovery. American policy in this area has consisted of drilling, finding oil, and plugging, keeping Caribbean oil as a reserve for the day they might lose the Middle Eastern oil. As has been seen, that oil has become a serious headache to them.

The importance the United States has always accorded to the Panama Canal Zone in its scheme to dominate the American continent must also be considered. Imperialism has set up in that enclave what it calls the Southern Command, which is

a complete army, whose functions cover not only the Caribbean zone but also Central America. We know it to be a military complex equipped with rockets and nuclear submarine bases, which also has an extremely powerful and modern satellite communications system that even enables it to scan and track the Caribbean sea.

Having analyzed all the political, economic and military factors, the question is, "Would the United States go so far as to land troops in Central America?". Materially, they could do so; but the further question is, "Is it to its advantage to thus create a conflict of broader scope, that could have no other result than to unleash another Vietnam in the heart of Latin America?". It would be like touching off a revolutionary conflagration in all of Central America.

9399
CSO: 3010/196

MEASURES TAKEN TO PREVENT ILLEGAL ENTRY OF NICARAGUANS

San Jose LA NACION in Spanish 28 Oct 81 p 8A

[Text] The members of the Public Forces, who, beginning today, will guard the northern border, have received special orders to prevent the illegal entry of Nicaraguans into Costa Rican territory, according to a statement yesterday by Minister of Public Security Arnulfo Carmona B.

In this way, he said, it is hoped to exercise strict control over the age-old problem of clandestine entry of persons from Nicaragua.

The lookout plan calls for the guarding of the border by 150 members of the Public Forces, who will be stationed at 24 points.

Units of the Civil Guard will patrol the border from Salinas Bay to the locality known as Santa Cecilia.

From that point, continuing through Upala and Los Chiles, to the Atlantic coast at Barra del Colorado, patrolling of the border will be the responsibility of the Rural Guard.

The patrolling of this rugged border zone will be done on foot, on horseback and by rowboat, for the most part. Assistance as needed will be provided by government small planes and helicopters.

Overflights Being Investigated

Minister Carmona also said that alleged overflights of Costa Rican territory by Nicaraguan aircraft, reported by inhabitants, are being investigated.

The minister pointed out, however, that most people in Guanacaste are uncertain as to the exact border and may therefore think the Nicaraguan aircraft are entering our airspace when actually they are inside their own territory.

He added that there are also problems with navigation and fishing in Salinas Bay, despite the fact that treaties between the two countries actually state that its resources may be exploited jointly.

To resolve this problem, a special buoy with several beacons will be installed there shortly..

Edgar Vega, our correspondent in the northern zone, has reported that in fact yesterday, at 8:30 a m, an unidentified plane flew in from the north and circled over the city of La Cruz.

He added that the plane also overflew Puerto Soley and was seen in the vicinity of Murcielago.

He said moreover that 4 days ago inhabitants of Las Vueltas reported that another plane overflew that zone.

In addition, during the night, spokesmen for the Rural Guard's communications center confirmed that an aircraft coming from Nicaragua was detected penetrating Costa Rican territory at different times. They stated that, beginning at approximately 7:00 pm, it overflew the zone of Los Chiles and surroundings at a high altitude that made it impossible to determine whether it was a helicopter, a small plane or a large plane. They added that Juan Santamaria Airport authorities stated they had not given any plane permission to enter.

9399
CSO: 3010/196

COMMEMORATION OF 1956 UPRISING REPORTED

[Editorial Report] FL302218--Havana Domestic Television Service in Spanish at 2000 GMT on 30 November begins live color coverage from the former Moncada barracks parade grounds of the ceremony commemorating the 25th anniversary of the 30 November uprising in Santiago de Cuba. The featured speaker is Vilma Espin, alternate member of the Communist Party of Cuba Politburo.

As coverage begins, the cameras give an overall view of the crowd with the barracks in the background. A huge Cuban flag is draped across part of the facade topped by the numeral "26." Army Gen Raul Castro and Culture Minister Armando Hart as well as Vilma Espin are seen standing along with other Cuban officials near the speaker's podium while a color guard approaches. Once the guard is in place, the Cuban national anthem is played. An unidentified man reads a council of state resolution awarding the Clandestine Struggle Medal to a large number of unnamed former combatants and participants in the struggle. Raul Castro, Hart and Espin, among others, present the medals individually while recorded excerpts of old speeches, some by Fidel and Raul Castro, are heard over the loudspeakers interspersed with martial music.

At 2029 GMT the color guard marches out after which an unidentified man reports on the achievements of Santiago de Cuba Province this year in honor of the 30 November uprising anniversary.

Vilma Espin begins her speech at 2039 GMT. She relates her own feelings and experience in the uprising and eulogizes Frank Pais, who led the uprising. She praises the people of Santiago who are not only honoring those who took part in the clandestine struggle with a ceremony but also with their "ideological struggle against U.S. imperialism and the scum" during events stemming from the Peruvian Embassy takeover, their "combative attitude against the U.S. Government's threats" and their commitment to fulfill the province's economic goals for 1981 ahead of schedule. She calls on those present to renew these commitments for next year's anniversary and for the 30th anniversary of the uprising in 1986, and the crowd responds with prolonged applause and shouts of "yes." Pleased, she tells them that this is the best homage that can be paid to those who fell in Santiago. She also says that the party is proud of their achievements and attitude and knows that the people of Santiago will continue to win new victories for socialism and the fatherland. She also exhorts them to work harder to overcome the "deficiencies that still exist."

Espin conveys greetings and congratulations from Commander in Chief Fidel Castro, whom she says was sorry to miss the ceremony because of "business that could not be put off."

She goes on: "Comrades, we are all aware that we are living in tense and complex times. Our people are alert, on a war footing, determined to respond to any aggression from the enemy. The threats of the yankee rulers do not frighten us. We advance victoriously in building socialism in spite of them, in spite of their blockade, their attacks, their constant attempts to hamper and stop our process. These people who are building the future with their own hands, who are experiencing the most brilliant stage in their history, will never spare any sacrifice in the defense of their revolution. [Applause]

"The U.S. Government is frenziedly pursuing its warmongering policy. It cannot bear the triumphant march of the Salvadoran revolutionary movement; it speaks hysterically of attacking Nicaragua, liberated by the heroic struggle of Sandino's heirs; it spreads lies against our country; it threatens us with all kinds of aggressions. Let imperialism stop and reflect before attacking a nation that has written its history in the ink of generous blood and is ready to defend its sovereign soil as long as a single one of its sons is left standing. [Applause]"

She adds: "Let us repeat so that our shout will echo with the force of a hurricane in the ears of those who try to attack us: The Cuban people will live with their revolution or die to the last man and woman for their revolution. [Applause]"

Vilma Espin concludes her speech at 2117 GMT. Coverage ends at 2120 GMT with the singing of a patriotic song.

CSO: 3010/374

U.S. 'ARROGANT THREATS' AGAINST NICARAGUA SCORED

PA280311 Havana International Service in Spanish 2310 GMT 27 Nov 81

["Our America" commentary]

[Text] With shameless arrogance that exceeds all limits, high-ranking officials of Ronald Reagan's fascist government have publicly made new and more serious threats against the new Nicaragua which, linked to other facts, reveal the speed with which Washington is preparing a military aggression against the heroic land of Augusto Cesar Sandino.

In statements recently made to the ABC television network, U.S. Secretary of State Alexander Haig declared that his country is willing to act, along with the regimes of Central and South America, against the Sandinist revolution to prevent, he alleged, Nicaragua from becoming another Cuba.

Once again, Haig emphatically refused to rule out the possibility of U.S. military action against Nicaragua. Haig added that he believed it inadvisable to limit U.S. options regarding the Central American nation.

Simultaneously, and also in a statement to a U.S. television network, one of President Ronald Reagan's chief advisers, Edwin Meese, said that the possibility of a naval blockade against Nicaragua has not been ruled out. According to Meese, neither has the intervention of a third country other than the United States to overthrow the Sandinist government.

At the same time, Caspar Weinberger, the chief of the Pentagon, threatened to implement contingency plans to defend, he said, the vital interests of the United States in Central America.

Reinforcing the arrogant threats of these high-ranking officials of the U.S. Government the WASHINGTON POST revealed that President Reagan had met with his national security advisers to determine what action he will take next against Nicaragua.

Questioned on this, a White House official said that something is on the verge of being done to prevent Nicaragua from becoming another Cuba.

There are other unmistakable signs that U.S. imperialism is putting the final touches on its plans of aggression against Nicaragua. It is no coincidence that recently, provocations by the Honduran army have been intensified on the border. There is an increase of the training, in U.S. territory, of former Somozist guardsmen and counterrevolutionaries of Cuban origin, who are also preparing for an invasion of the largest of Central America's republics.

In reference to Haig's statement to the effect that the United States could act against the Sandinist revolution along with its allies in the area, it is timely to denounce that in line with the recommendations of the ultrareactionary Santa Fe committee, the Pentagon is trying to revive that defunct instrument of the cold war era, the Inter-American Reciprocal Assistance Treaty [TIAR]. To this end, members of the so-called Inter-American Defense Board, headed by U.S. Lt Gen (John McEllery), just made a trip to the countries of South America to make it known that hemispheric security is facing grave danger in Central America. Let us recall that in 1965, the United States covered its brutal aggression against the people of the Dominican Republic with the banner of the TIAR, for which action, as this time in connection with Nicaragua, Washington used the pretext that it was necessary to block the emergence of another Cuba in Latin America.

But the insolent yankee imperialists are wrong if they think they are going to frighten the heroic Nicaraguan people with these threats. These days in Managua commander of the revolution Tomas Borge has stressed that Nicaragua's defense forces, including a well-organized people's militia, are maintaining high combat morale, fraternity and discipline as well as the willingness to die for their fatherland.

In denouncing these aggressive U.S. plans at the UN Security Council, Nicaraguan Foreign Minister Miguel d'Escoto stressed that despite the gravity of these threats, Nicaragua is neither ready to let itself be blackmailed nor to beg that its rights be respected, since the slogan free fatherland or death, which encouraged the Sandinists during the war against Somozism, is very present today in all of the Nicaraguan people.

CSO: 3010/386

GDR YOUTH REPRESENTATIVE IN NUEVITAS INTERVIEWED

Havana JUVENTUD REBELDE in Spanish 6 Oct 81 p 3

[Article by Miguel Enrique]

[Text] There is a tradition of cooperation between the GDR and Cuba in various economic areas. One of the men assigned to keeping this tradition alive is Emil Krompholz, entrusted by the central committee of the German Free Youth (FDJ) with the task of coordinating the activities of the Friendship Brigades in two cement factories, the 26 July facility at Nuevitas and the Karl Marx plant at Cienfuegos.

He spoke with us about the cooperation between the FDJ and UJC [Union of Young Communists], and about his work in Cuba.

"The first Friendship Brigade arrived in Cuba in 1979 and worked in the sugar harvest in Matanzas. We maintained a permanent contingent of the Julio Antonio Mella Brigade in the WFDY and we worked on the construction of an ESBEC [Basic Secondary Farm School] and of the Che Guevara Pioneer Center.

"In 1975 an agreement was signed between the FDJ and UJC for the establishment of a brigade in Nuevitas, which worked there until 1979 maintaining and repairing the cement plant. We should note that close bonds grew between our peoples and our youth groups through this practical activity."

Krompholz made a special note of this last point by saying: "The contact with the Cuban comrades was mutually beneficial and went beyond working hours. Human relationships developed in a context of workers' fraternal life together, along with the people in general and the comrades of other brigades from socialist nations. A result of this beautiful experience was the International Friendship Club, created by the foreign experts and the UCJ comrades."

Krompholz arrived in Cuba on 1 October 1980 and immediately began working at the recently inaugurated plant in Cienfuegos. He explains: "We do not carry out our productive activities as an isolated group, but rather we form a part of the Cuban collectives. We work in eight distinct technical areas, beginning with the quarries, the ovens, the mills and finishing with the packaging of the cement. The Nuevitas brigade is named for Ernest Thaellmann, and the Cienfuegos brigade, with the approval of the UJC national committee, is named for Commander Camilo Cienfuegos."

Another important point is that the FDJ comrades participate in voluntary farm work and form part of a joint group with the Cubans, called the Second Party Congress Brigade. Also they have organized two training courses, one on welding and the other on instrumentation. Each member of the brigade trains several young people, acting as their guide and helping them improve at their work. This activity takes place not just during working hours but also at other times, and this leads to the development of wonderful human relationships.

The members of the FDJ Friendship Brigade are making visits to places of historic and cultural interest on the afternoons of 9 and 10 October and will be meeting with the Committees to Defend the Revolution in order to exchange ideas.

"Part of our mission is to gain an understanding of Cuban society, so that when we return to our country we can help others to know about Cuba," said Krompholz in concluding.

11,989
CSO: 3010/234

GUILLERMO GARCIA HONORS 'BARBADOS CRIME' DEAD

Havana GRANMA in Spanish 9 Oct 81 p 2

[Text of speech by revolutionary commander Guillermo Garcia, member of the Politburo of the party Central Committee and minister of transportation, during a ceremony commemorating the fifth anniversary of the Barbados crime, at the Jose Marti International Airport on 6 October 1981,"Year of the 20th Anniversary of Giron"]

[Text] Five years have passed since the detestable, monstrous, and infamous "Barbados crime."

We are gathered here today at the Jose Marti International Airport to remember our brothers who were cravenly assassinated. Deeply moved, we are gathered here with civil aviation workers, in this airport where they were to have arrived that 6 October.

All our people throughout the nation, each year for centuries, will eternally remember, condemn, and abhor that barbarous terrorist act committed against the Cuban Airlines plane in the area of Barbados.

We all recall that on that DC-8, Flight CU-455, there were, on their way back to Cuba, 57 humble and exemplary workers, students, and athletes who were modestly doing their duty to the country, among them two crews from Cuban Airlines; the captain of the plane who just in 1976 had received the honorable title of "National Labor Hero"; and other crew members who had completed internationalist missions; and the members of the Youth Fencing Team who were returning victorious and laden with medals after winning at the first places in the Central American and Caribbean Championship.

Returning with our young people were fishermen and other worthwhile comrades. Also aboard the plane were 11 Guyanese citizens, among them youths who were to enter our universities to begin studying medicine, and five self-sacrificing workers from the Democratic People's Republic of Korea, who were visiting the Caribbean countries on a friendship trip.

How can we imagine and describe the final minutes on that Cuban Airlines flight? And how can we imagine the last moments of those 73 helpless victims, trapped in a plane, held in by their seat belts, thousands of meters above the sea, who in a terrible moment were suddenly and cravenly hurt and shaken by two violent explosions, burned by the flames, choked by the smoke and the lack of oxygen, plunging without any possible hope toward a frightful death?

Everyone knows that these depraved international terrorists had bases in various parts of the United States and in the countries of the Caribbean basin.

Five years after the brutal "Barbados crime," the unburied bodies of the majority of our comrades, lost in the depths of the Caribbean, still cry out for justice.

Somehow the despicable murderers should pay with their lives for their crime. It is something even more important: the demand of history that the infamous crime not go unpunished.

It is indispensable that as well as the moral sanction of all our people and of mankind, the law should be applied and such brutal crimes should be punished so that they will never be repeated and so that those lives, which were snuffed out in their fullness, might save those of many other human beings who are potentially threatened by the practices of those mad agents of terrorism and international crime.

We expected every responsible government with any basic sense of justice and national honor, to know enough to put these reasons above any other considerations, whatever ideological distance might separate them from Cuba; however, 5 years have gone by, the Cuban people and all of mankind are certain of the guilt of the material and intellectual authors of the crime, and we have witnessed the disgusting machinations, tricks, delays, threats and pressures to free the authors of that revolting crime.

As Comrade Fidel has said, "There is no room for excuses or pretexts of any kind. Everyone knows that they were the saboteurs, everyone knew it from the beginning, and the evidence was irrefutable, the Venezuelan authorities know they are absolving the guilty. But we also knew months ago what Venezuela's intentions were with regard to these criminals. We knew the intention to free them. We knew and we know the measures planned to protect them once they were freed, and to what country they planned to send at least the principals and to what country they would send the one responsible for the dead: Chile, with whose government the person had and still has the best possible relations."

Graven upon our memory, we Cubans still bear the events of those October 1976 days, the work at sea to recover the bodies and parts of the Cuban Airlines plane, the meetings by representatives of Trinidad-Tobago, Guyana, Barbados, and Venezuela, investigations by experts and committees, the arrest of the guilty parties, and their transfer to Caracas.

We remember how pressure grew to protect the authors of that barbarous crime and how Carlos Andres Perez, then president of Venezuela, despite his well-known ideological differences with our revolution, acted responsibly and took the proper steps to halt and block the plans and pressures underway to protect those who committed the crime.

It is now clear that the Military Court prosecutor received instructions from higher up to ask that the murderers be found innocent; the same prosecutor who, months earlier, considering the evidence submitted by the civil court, asked for a 30-year sentence for the murderers, suddenly changed his mind and asked that charges be dismissed.

The people of Cuba and everyone know the tricks and maneuvers of the present leaders of the Venezuelan government. The military court prosecutor has been instructed to ask that charges be dropped, which makes their freedom nearly automatic.

But the fact that this crime has gone unpunished will forever be a blot on the Venezuelan armed forces, the government, and the country.

If those heartless international terrorists are really freed, our people will blame the military prosecutor, the judges, and mainly the government of Venezuela for the crime perpetrated on 6 October 1976.

It is not hard to understand the real cause of this provocation against Cuba. While the former Venezuelan government had its differences with Cuba within a framework of dignity and mutual respect, the present heads of government in Venezuela are in collusion with international reactionary forces, in order to encourage provocations, revive threats, exacerbate the blockade, and try to defame our country and to isolate it from the nations of the continent.

The Venezuelan government still has a chance to avoid the monstrosity of absolving and freeing these convicted and confessed cruel murderers.

The highest military court must still issue its decision on the crime, and a court martial must give the final verdict. We Cubans are awaiting that final decision of the court and, once and for all, of the authorities and government of Venezuela.

To free these murderers is tantamount to endangering the safety of diplomatic missions, officials, ships and planes, their crew and passengers, who might be threatened by cowardly and repulsive crimes.

This is proof for all of Latin America and the world of the shameless way that provocations and aggressions are perpetrated against our country. But that is not surprising, for, while the previous Venezuelan government had a policy of respect for the sovereignty of peoples and for Latin American solidarity, the current Christian-Democrat government of Venezuela supports the genocidal and bloodstained dictatorship of El Salvador, which has wiped out over 20,000 lives of their people in the last 2 years alone.

As Fidel has said, "We have nothing against the people of Venezuela; in their day the Venezuelan people unanimously condemned that crime, and today we are aware of their profound rejection of the monstrosity of absolving the criminals. Many political leaders, many Venezuelan public figures have strongly condemned the prosecutor's action as well as that of the court and the government. Whatever the facts and the provocations by the farsical and hypocritical Social-Christian lobby, we will always consider the Venezuelan people a noble and fraternal people."

Comrades, today at Jose Marti Airport we are commemorating the fifth anniversary of that horrible crime which cost the lives of 73 people.

We are assembled with relatives of the deceased, with their fellow athletes and sportsmen, with the students, with the fishing industry workers, with the civil aviation workers, with the comrade representatives of Democratic Korea and of Guyana,

and at the same time, with all the people of Cuba. But how to remember our martyrs and those who died with them in that nameless crime? With every passing year, international condemnation of that dreadful deed will become stronger and deeper.

Crimes like the one in Barbados come only from the sick, cowardly and desperate mind of agents and terrorists who have been trained by imperialism. Imperialism teaches them to kill, trains them to commit all sorts of crimes, teaches them the techniques of crime, supports them, moves them about, and gives them the economic and material resources to plan and carry out the most sinister crimes.

Imperialism, its followers and lackeys and its hired killers, know quite well what to expect when they dare a frontal attack on the revolution; the counterrevolutionary gangs know it when they try to attack us or infiltrate our coasts. They know what happened at Escambray, they know about the defeat at Playa Giron. They know perfectly well what to expect when they confront the men and women of Cuba, weapons in hand.

But on the Cuban Airlines plane there was no struggle against armed men. They attacked young workers and students, completely disarmed, completely unaware of the aggression awaiting them. Thus, in a mad and cowardly way, they bombed the Cuban plane in mid-flight.

The Barbados crime is written on the history of the Caribbean as one of the most atrocious and infamous aggressions against our country.

And while that happened in 1976, today in 1981, just like yesterday, everyone knows that the CIA is behind the sinister new aggressions committed against our country by the dissemination of such diseases as hog fever, cane rust, blue tobacco mold, and just this year, dengue fever and hemorrhagic conjunctivitis.

Today Yankee imperialism is increasing and intensifying its subversion and interference and the CIA has been freed of all restrictions and is again using the infamous biological weapons. Today as in the past, Yankee imperialism resorts to violence, domination, blackmail and terror as truly fascist objectives.

Our people are not afraid of Yankee imperialism's threats. We become stronger and more aware in the face of each new aggression, brave and heroic soldiers and militia members opposing crime and terror.

Our young fencers, as Central American champions who did not go on to the Olympics, our pilots and crew members, our civil aviation heroes and all the Cubans who were slaughtered in such a cowardly way that day and whose bodies rest in the depths of the sea, will live forever in the memory, the affection and the admiration of our people.

As an everlasting monument to their memory and that of all who have died and will die for our revolution, we dedicate to them our strength and our work, and a fatherland ever more revolutionary, more socialist and more internationalist.

Virile and heroic, our people wept for their murdered sons and gave them the tribute of admiration and respect that they deserved. They turned sorrow into a will to fight, and their banner became the sacrifice of those who death had prevented from forging onward and carrying out what they had begun.

"It is not weeping I hear," said Marti, "nor supplicant hands I see, nor lowered heads listening--but upraised heads!..."

For our martyrs of Barbados, the daily homage of work and defense of our fishermen, our athletes: let every captain, every sailor, every stewardess be a selfless worker, disciplined and tireless in carrying out his duties in production, and a soldier of the revolution ever ready to go to the defense in our glorious territorial militias.

The imperialists, the CIA and their lackeys thought that terror would stop our people, our fishermen, our atheletes, or crews, that it would keep us out of the world's skies. They were wrong! Today, with a stronger will than ever, they have vowed to give their all for the revolution, and their only reply to aggression is PRODUCTION AND DEFENSE.

Pausing along the road toward building socialism to commemorate this sad anniversary with you, let our most fervent tribute to their memory be the performance of our sacred duty to the fatherland every day, the purest homage to those who loved, defended and died for the revolution.

May our martyrs live eternally in our people, our creative work and in the defense of the socialist revolution!

FATHERLAND OR DEATH!

WE WILL WIN!

8587
CSO: 3010/228

CONSTRUCTION BRIGADE IN SRV COMPLETES HOSPITAL

Havana GRANMA in Spanish 9 Oct 81 p 1

[Article by Ernando Davalos]

[Text] On the same day as the inauguration of the Vietnam-Cuba Friendship Hospital in Dong Hoi, Socialist Republic of Vietnam (SRV), a group of internationalist Cuban builders met outside this modern center, which was erected with the help of Cuba.

Also present were members of the advance unit of the Cuban medical brigade which will work in the hospital and experts on electronic medicine who have come to the fraternal Vietnamese nation to put into service various items of equipment set up there. Along with the Cuban internationalists, the photograph shows Dr Sergio del Valle, member of the Politburo of our party and minister of public health, Israel Torres, executive director of the Caribe Union of Construction Enterprises (UNECA), and architect Emilio Uliaga, a UNECA official. These persons formed the Cuban delegation in attendance at the hospital inauguration ceremony.

The internationalist Cuban builders who are working in the SRV are part of the last units of the Vietnam-Cuba Friendship Group and are working with Vietnamese builders together in a brigade named for Nguyen Viet Xuan, a martyr of that fighting people. In reality, the antecedents of the presence of our builders lie in the historic Ho Chi Minh contingent which carried out a number of projects of special importance for the reconstruction of Vietnam after the war of liberation and the imperialist Yankee aggression.

The advance party of the medical brigade, which will ultimately have 26 members within a few months, are already working in Don Hoi, helping the new hospital begin slowly to offer the various services planned.

The technicians in electronic medicine, who arrived in the SRV along with the first health workers for Dong Hoi, are seven comrades who specialize in sterilization equipment, oxygen units, optics, vacuum units, machinery used in wards, stomatology, electronics and X-rays.

This is a new and beautiful expression of solidarity with the nation of our beloved Uncle Ho.

11,989
CSO: 3010/234

BRIEFS

COMMENTS ON HAIG'S MEXICAN VISIT--Hounded by constant statements against him and universal declarations that denounce his threats against Cuba and Nicaragua, yankee Secretary of State Alexander Haig received a request from Mexican Foreign Minister Jorge Castaneda in Mexico City, to tone down his pompous statements. That sound advice was given to Haig by Castaneda himself during Haig's 24-hour visit to the Mexican capital, which was characterized by extraordinary security measures to protect the yankee official from the anger of the people. Castaneda told reporters that Haig refused to promise that the United States would not take action against Cuba, Nicaragua and El Salvador, although he affirmed that [if that was the case] American soldiers would not be used. [Text] [FL251426 Havana Domestic Service in Spanish 1100 GMT 25 Nov 81]

NIGERIAN AMBASSADOR'S CREDENTIALS--In a solemn ceremony, Carlos Rafael Rodriguez, vice president of the Councils of State and Ministers, has received His Excellency (Gilbert Chokumba Desier Oakali), who presented his credentials accrediting him as ambassador extraordinary and plenipotentiary of the Federal Republic of Nigeria. Participating in the ceremony was Comrade Isidoro Malmierca Peoli, minister of foreign relations. At the conclusion of the ceremony, the ambassador and his entourage went to the Plaza de la Revolucion and laid a floral wreath at the foot of the Jose Marti Monument. [Text] [FL270023 Havana Domestic Service in Spanish 0000 GMT 27 Nov 81]

ETHIOPIA'S SUPPORT MESSAGE--Addis Ababa--Ethiopia, Libya and Democratic Yemen have reiterated their condemnation of U.S. military movements in Africa, the Middle East, Asia and Latin America, and reaffirmed their solidarity with Cuba in view of U.S. threats. The stand taken by the three countries is detailed in a message sent to Foreign Minister Isidoro Malmierca of Cuba, the country currently chairing the nonaligned movement, by Ethiopian Foreign Minister Felleke Gedle-Giorgis, who chairs the political committee of the Ethiopia-Libya-Democratic Yemen Friendship and Cooperation Treaty. The message informs the nonaligned movement chairman of the outcome of the meeting held in Addis Ababa by the foreign ministers of Ethiopia, Libya and South Yemen to discuss and adopt measures in view of the danger posed by the bright star military maneuvers. The foreign ministers carefully analyzed the situation in the Caribbean area, particularly yankee imperialism's interference, provocations and aggressions against Cuba. They strongly condemned the United States and reaffirmed their solidarity and full backing for the Cuban Government and people in their struggle against imperialism, the message adds. [Text] [FL271816 Havana Domestic Service in Spanish 1700 GMT 27 Nov 81]

FAR AWARDS JURY--The jury, which will select the works to be presented in the 2 December Military Graphics in Hall Number One, was announced on this past 9 October at a meeting held at the Central House of the Revolutionary Armed Forces (FAR). This working group will be comprised of Lt Col Eduardo Bosch Jhones, propaganda chief at the FAR Central House; Lt Col Rosendo Gutierrez Roman, deputy director of the magazine VERDE OLIVO; comrade Marcos R. Perez, from the Propaganda Grafica publishing house of the PCC Department of Revolutionary Orientation; comrade Ernesto Padron from the propaganda section of the Jose Marti Pioneer Organization and comrade Juan Ayus, deputy director of the newspaper JUVENTUD REBELDE. [Excerpt] [Havana VERDE OLIVO 22 Oct 81 p 55]

MIRET CHAIRS MEETING--Pedro Miret Prieto, member of Cuba's Communist Party Politburo, today presided at the opening session of the second national meeting on the manufacture and recovery of spare parts of the Construction Ministry [MICONS], which will last 2 days. Participating in the meeting, which is being held in Havana City, are representatives from all MICONS enterprises, who will discuss some 20 proposals of a total of 110 that have been submitted. The more than 3,000 workers working in that sector of the economy had saved more than 15 million pesos and manufactured more than 2 million spare parts by the end of September. [Text] [FL250141 Havana Domestic Television Service in Spanish 0100 GMT 25 Nov 81]

MEDICAL CONGRESS--Sergio del Valle, member of the Politburo and minister of public health, presided over the inaugural session of the third national congress on internal medicine and the first meeting on intensive care which began yesterday and will close tomorrow at the Palace of Conventions. In both events, to be attended by over 300 doctors and specialists on internal medicine, the main topic of discussion will be emergency care [medicina de urgencia], which has also been the subject for exposition and debate of (?nine) round tables and symposiums and an equal number of lectures and meetings prior to the plenary session. Dr Jose Fernandez Mirabal, chairman of the organizing committee, emphasized at the opening session that the topic of emergency care was picked because of its relevance today as our nation finds itself threatened by yankee imperialism. [Text] [FL271717 Havana Domestic Service in Spanish 1100 GMT 27 Nov 81]

ANNIVERSARY OF FAR--The Ministry of Culture put on a gala spectacle last night at the Karl Marx Theater honoring the 25th anniversary of the FAR. Armando Hart, member of the Politburo and minister of culture; and division General Sixto Batista Santana, alternate member of the Politburo and chief of the FAR's central political directorate, attended the cultural event. The opening speech for the event was given by our national poet, Nicolas Guillen, who after making reference to a poem he wrote about the Cuban soldier during the capitalistic era, then spoke about that era. [Excerpt] [FL301509 Havana Domestic Service in Spanish 1145 GMT 30 Nov 81]

CUBAN REFUGEES--Whether they are in the U.S. city of St Louis or in the district of the same name in Lima, Peru, the anti-socials of Cuban origin do not cease to create conflicts, participate in all kinds of crime and gain for themselves the hatred of the people. A group of town councilmen in the Peruvian capital have threatened to go on a hunger strike unless the Lima municipality ejects the anti-socials that are now occupying a recreational park named Tupac Amaru, where they are living in dirty and half-torn army tents. The park in the San Luis district has been turned into a source of public scandal, drug trafficking, prostitution and a place where goods stolen from the Lima metropolitan area invariably wind up. The honest and decent residents of San Luis district have, up to now, failed in their efforts to free themselves of this painful social cancer, and the hunger strike to be started by the town councilmen could spread like wildfire. In other parts, anti-socials of Cuban origin and dedicated to the trafficking of drugs in the United States could be involved in the murder of six young people, four boys and two girls, whose bodies were found Sunday morning in a luxurious Miami residence after an anonymous tip was received by the police. According to all indications, the young people were executed in the style used traditionally by the yankee mafia, who fight with flood and fire over the control of the lucrative drug traffic. [Text] [FL301800 Havana Domestic Service in Spanish 1200 GMT 30 Nov 81]

CSO: 3010/386

PARLIAMENT, CHARLES DISCUSS ISSUE OF CUBAN SCHOLARSHIPS

Bridgetown ADVOCATE-NEWS in English 7 Nov 81 p 3

[Text]

ROSEAU, Dominica, Friday, (CANA) — The Dominica Parliament yesterday gave backing to a Government decision not to accept scholarships offered by Cuba, and its condemnation of Cuban interference in the island's internal affairs.

The Cuban Government had offered the scholarships to a political party here after the government refused them on the grounds that students were compelled to study Marxism-Leninism and in some cases military arts.

Government back-bencher Meshach Linton had introduced a resolution in Parliament on October 12 calling on Parliament to support the government's stand, as well as seeking backing from other Caribbean Community (CARICOM) countries in getting Cuba to reverse what the resolution termed "this unfriendly act."

In her contribution to the debate yesterday Prime Minister Eugenia Charles, who has the Foreign Affairs portfolio, charged that the Cuban government, by granting the scholarships despite an official rejection, was attempting to destabilise the country.

She said "Cuba can say what they like....it is the Cuban party and not the Cuban Government, nobody is being fooled by that disguise, who had offered the scholarships to the left-leaning Dominica Liberation Movement after they were rejected."

"The Cuban Government, I say, insisted not on advertising the scholarships available, but on picking out the people they wanted to give these scholarships to because they intended these people to come back and destabilise the country of Dominica."

Though I cannot disclose everything here as minister who is responsible for security, I can tell you that they are a security problem when they return to Dominica. Therefore we have to spend much more money on security as a result of scholarships being given to them."

Miss Charles said that on October 7, her administration had received a letter from the Cuban authorities about the scholarship issue, but that "at no time have they referred to the fact that we object to the interference in our internal affairs and flouting our sovereignty."

Miss Charles said Cuba had claimed that it practised a policy of solidarity assistance to under-developed countries struggling to eliminate the aftermath of the colonial regimes, regardless of the ideological differences that exist.

"They say in Cuba there are dozens of thousands of scholarship holders studying from all parts of the world," she said, reading the letter in Parliament, but asked: "Do the Dominican people want them?"

Miss Charles said the Cubans had claimed that by providing the scholarships, they were contributing to the development of sister Caribbean country.

Her Government's official response to the Cuban letter, said Miss Charles, was that it wanted "the assurance that the Cuban Communist Party has been made aware by the Cuban Government of the Dominica Government interpretation of the Cuban Communist action in offering scholarships in defiance of the Cuban Government submission that Dominica has the sovereign right to refuse scholarships."

"The same way Cuba is sovereign in Cuba, Dominica is sovereign in Dominica," she declared.

Parliament voted overwhelming to denounce the Cuban scholarship offers, with three opposition Parliamentarians, including a former government Minister Michael Douglas, abstaining.

CSO: 3025/69

INDUSTRIAL DEVELOPMENT CORPORATION TO CUT UNEMPLOYMENT

Bridgetown ADVOCATE-NEWS in English 29 Oct 81 p 3

[Text]

ROSEAU, Dominica, Wednesday (CANA) — Pledging that unemployment on the island would be greatly reduced within the coming years, the Industrial Development Corporation (IDC) has embarked upon identifying specific projects with the hope of luring investors to the island.

The IDC, set up by the government toward the end of 1979, has been reorganised with prominent local businessman Phillip Nassief at its helm, in the hunt for jobs on this island, which has an agriculture-based economy.

"The idea of an IDC is to facilitate the investor so that he has a one stop office to which he can go rather than having to go to several ministries for fiscal incentives, concessions, work permits, which could be frustrating," Nassief has acknowledged.

Recommending the repatriation of a percentage of profits where there is foreign participation, and recommending industrial incentives such as income tax holidays, duty-free imports and exports are also among plans which the corporation hopes to pursue in order to stimulate industrial development here.

With industrial estates located near the islands two airstrips — at Melville Hall, north of here, and Canefield, just outside the capital — the IDC is looking into the possibility of providing factory buildings for potential investors at a cheap annual rate. It noted that factory buildings of up to 20 000 square feet are available.

The corporation, which has pledged to maintain a close relationship with the private sector has however indicated that in order to fulfil its promises of bringing investment to the country, there must be "a sound investment and industrial climate here."

The government, with the input of both the private sector and the trade unions here, is circulating a draft proposal with recommendations for establishing a healthy industrial climate, and thus affording a stable industrial relations atmosphere.

"We want to appeal to the unions to recognise that we need a period of industrial peace, that the strike weapon should not be exploited and we are also appealing to the private sector and to government," Nassief said.

He said that the corporation has been meeting with the trade unions and has expressed the wish for them to assist the corporation in providing much-needed jobs.

Mr. Nassief has noted that no type of investor would even venture to visit Dominica if he hears that such places like the banks and airport are on strike.

Mr. Nassief has noted that because of the smallness of the island, the corporation for the time being will concentrate on investments "with the greatest potential for job creation in the immediate future."

The sewing and electronic industries are the two main areas the IDC wants to promote initially.

"We have to be specific and look at clear objectives. We are a very small island with limited potential and with a number of constraints. What we have at-

tempted to do is to identify specific targets," Nassief said.

"The first (ones) we think with the greatest potential for job-creation in the immediate future are the enclave industry, labour intensive export, assembly-type operation and specifically in that area we're are looking at the sewing industry, garment, sports goods, electronic assembly operations."

Other areas which the IDC hopes to get involved in will include, agro processing, timber related projects to include furniture and low cost housing, small business and energy intensive projects.

The hydro-electric generating plant damaged by hurricane David in 1979 is expected to resume operations soon, and Mr. Nassief has indicated that after electricity is transmitted to the island "we should be able to get attractive rates for industries, so that we can attract energy intensive industries."

On agriculture, Mr. Nassief said: "We have tried to be specific and try to identify specific crops we are hoping to look at what we have, what we know, and to see how we can expand and develop those agriculture crops.

"There is also the timber-related projects, furniture, low-cost housing. There are two timber operations at present and we expect that with drying facilities of local timber we can attract investment in furniture, low-cost housing."

But these projects, as the IDC chairman has noted, "will take some time. It usually takes a time-span of up to three years between promotion and job-creation."

Together with the Ministry of Education, the IDC has embarked "on a technical and vocational training programme so that when new industries are about to start here, there would be a core of trained workers."

Mr. Nassief said: "Our principal goal in the enclave industry is to attract industry that will have 100 per cent export outside the region. On the other hand, we are also looking at attracting industries...where the whole process will be completed in Dominica."

Although it has indicated its willingness in "setting up new industries either in full ownership or under joint venture arrangements with private local or foreign investors, the IDC has said that it wants no part in being directly involved in ventures requiring a substantial financial input.

Mr. Nassief said: "This is an area we want to avoid."

CSO: 3025/60

FARMERS UNION CHIEF, IN GRENADA, HITS CHARLES' FOREIGN POLICY

Bridgetown ADVOCATE-NEWS in English 7 Nov 81 p 3

[Text]

ST GEORGE'S, Grenada, Friday (CANA) — The President of the Dominica Farmers Union (DFU) Emile Thomas, has made a bitter attack here against the foreign policy of the Government of Prime Minister Eugenia Charles and its handling of the vital banana industry. He said the administration was a "puppet" of United States President Ronald Reagan.

Mr. Thomas came to Grenada to attend a farmers meeting. He charged that the Dominican leader was showing hostility to Grenada and Cuba and not looking after the crisis facing the banana industry in Dominica.

He told the farmers that the Prime Minister had failed to reply to a letter written by the Dominica Farmers Union requesting that her government come to the assistance of the industry in the face of problems such as falling prices on the British market.

He said the letter also called on the Dominica Government to seek alternative markets in the region for bananas and also establish a plant to produce banana flour.

Mr. Thomas charged said that while failing to reply to the letter, Miss Charles always found time to criticise the leftist regimes in both Cuba and Grenada, and in trying to stop Dominicans from accepting much-needed scholarships from Havana.

The Dominica Government has warned nationals against taking up scholarships offered by the Cuban Government, and officially rejected, because it said the courses included Marxism-Leninism and military training, and that the offer to third parties amounted to interference in the country's internal affairs.

Mr. Thomas has said that his island's administration was only playing lip-service to a request by the Dominica Banana Growers' Association to help the body out of its debt of over $21 million.

He said that the association had approached the Dominica Government for special assistance towards liquidating the debts, but had not received a reply. Mr. Thomas is returning to Dominica. He has been attending the first anniversary celebrations of the Productive Farmers Union of Grenada, as well as the inaugural meeting of a Farmers' Association of the Windward Islands.

CSO: 3025/69

BRIEFS

TRINIDAD AND TOBAGO ELECTION--Roseau, Dominica, Tuesday. (CANA)--The Dominica Government said today it hoped yesterday's landslide victory of the People's National Movement (PNM) in the Trinidad and Tobago general election would result in a continued close relationship with the Caribbean region. The government's wish is contained in a congratulatory message sent by [sic] Prime Minister George Chambers after his party was endorsed for its sixth consecutive term in office. The message which was released by the Ministry of External Affairs also said Dominica was looking forward to continue close association with the oil-rich republic to the benefit of its people of the region. Miss Charles who became the Caribbean's first woman Prime Minister following her party's landslide victory at the polls here in July last year also sent "special wishes" to the women elected during the election. The full text of the message reads: "Sincere congratulations on your election win, to you personally and to PNM as a whole. To the people of Trinidad and Tobago, we extend our best wishes, we look forward to continued close association to the benefit of our people and the people of the region. To the women who have elected special wishes are sent." Late last month, Dominica announced that it had signed a $12 million loan with Trinidad and Tobago for assistance in the fields of housing and agriculture. [Text] [Bridgetown ADVOCATE-NEWS in English 11 Nov 81 p 13]

LOAN FOR CONSTRUCTION WORK--Roseau, Dominica, Wednesday (CANA)--The Dominica Government said yesterday that it had received loans totalling over US$4m in addition to a $1.75m grant for construction work on the island. Communications, Works and Tourism Minister Henry Dyer told reporters that the bulk of the money was coming from the Barbados-based Caribbean Development Bank (CDB), including a loan which had been approved since 1975. According to the minister, the money will be used for reconstruction work on the deep water harbour, destroyed by the fury of Hurricane David in August 1979, as well as the construction of a banana shed at the deep water harbour in Fond Cole, just outside Roseau. Mr Dyer said the CDB had approved a loan of US$3m to Dominica for the construction work on the deep water harbour, with the Dominica Government providing an additional US$401 000. The work will include construction of wharf fender systems, fills and slope protection as well as steel sheet pipewalls. The contract for the work was signed here last Friday between the Dominica Government and an American company, Misenier Marine Construction Incorporated of Florida. He said also that 10 feeder roads with a total coverage of 35 miles will be built from a loan of EC$3.8 million approved by the bank, and that a Puerto Rican company, Curran

Associates, will provide consultancy work for the project covering mainly the north, coastline and east sections of the island. A grant of EC$1.75 million has been made by the Canadian International Development Agency (CIDA) for the provision of steel structures to be used in the construction of the banana shed also destroyed by Hurricane David. Mr Dyer said that work on all the projects would begin very soon. [Text] [Bridgetown ADVOCATE-NEWS in English 12 Nov 81 p 3]

CSO: 3025/73

PACOREDO CALLS FOR UNITY AMONG LEFTIST GROUPS

Santo Domingo EL NACIONAL in Spanish 9 Nov 81 p 21

[Text] The Communist Party of the Dominican Republic (PACOREDO), in proposing unity among all groups which oppose "political retrogression," is not abandoning its Marxist-Leninist party spirit.

This was asserted in a communique from the secretary general of PACOREDO, Luis Pin-Montas.

The text of the statement signed by Montas is as follows:

"The unity policy of the Communist Party (PACOREDO) is based on the tasks which lie ahead for the Dominican revolution, on the correlation of forces in the struggle and even on the level of political awareness achieved among the people.

"Since that is the situation, it is not at all strange that the unity, or alliance, policy of the Communist Party (PACOREDO) should have as its highest goal the development of the struggle and not conciliation or compromise and that--in accordance with variations in the correlation of forces in the struggle and the attitudes of the various political groups which seek to take over the party's unity policy, as well as with variations in the tactical or strategic tasks of the revolution and the party--that policy is also subject to modification and change. Everything depends on the situation in general and even on the attitudes of actual or potential allies in the political field, for example.

"At this particular time, when we are proposing the task of grouping forces for the struggle against imperialism and native reaction, raising as our banner the struggle against political retrogression, we are seeking the unity or alliance of all those sectors which are interested in opposing the reactionaries and wish to avoid a return to the Yankee-Balaguerist past.

"Convinced that there are very broad sectors interested objectively in the struggle against political regression, we are aware of the popularity of the watchword coined by the party. Our duty as a political vanguard is, above all, to group those broad sectors of the people which are interested in closing the door to any attempt at political regression or backsliding.

"And it is at those sectors in the first place and above all, that our policy and our tactics in the struggle are directed.

"The popular content, in fact, is defined by the sector to which it is disseminated and by which it is received, because while the working and popular masses in general

are the first to welcome and defend democratic freedoms, while struggling to expand them, there are also political sectors and personalities who understand the need to oppose reaction and who fight against political retrogression. There is no reason, then, to underestimate the possibility of establishing certain pacts, alliances or agreements with those groups.

"This is the case with very diverse political forces, and for each one or each bloc of them, different pacts, attitudes, agreements and relations are required.

"This, in effect, is what we have been doing.

"But we must emphasize that for us these steps are not the basic or most important question: that place will continue to be occupied by the popular masses.

"It is true, for example, that we are forced to consider pacts with other political forces, but we cannot believe that this will be true of all of them, nor will it be a permanent, much less indefinite, relationship with those with whom we do achieve a certain degree of unity.

"For example, the pact or alliance we had until recently was Hector Aristy's 24 April movement and with the Democratic Union, as well, clearly, as those we have with MORENURE [New Republic Revolutionary Movement].

"The 24 April movement and the Democratic Union did not want to take the responsibility of political agreements with the party, and they tried to force their political ideas on us; those ideas were developing along the lines of the current anticommunist campaign and the campaign against democratic freedoms.

"In view of that, the most sensible course of action was to press for and to implement plans to make those ties serve the revolution, rather than cheap politicking, which was what would have happened if we had not reacted in time. That was the basis of the joint proposal made to the PRD [Dominican Revolutionary Party]. But it happens that they did not want to take responsibility for the agreements and began to act like 'crazy kids.'

"Therefore it is best to recognize under the circumstances that the wisest thing is for each group to follow its own path, and let it be the process that either unites us again or causes us to remain separate.

"In view of this one need not suppose that it is a matter of life or death, or anything like that. Because if one has a clear understanding of the matter, rather than a rightist position suitable to a democrat-bourgeois, one knows that for us the most important thing is for the masses to make our watchword their own through our independent work among them and through our tireless political labor.

"Perhaps there are people who have an interpretation which is capriciously contrary to our own, but it should be observed that they will always have to operate without the masses as their center of activity against political regression and with concepts which believe in the 'supreme' role of leaders and personalities in the political struggle.

"They confuse a united front with pacts with all the political forces, however minimal and insignificant these may be. There are also those who argue that they have their own concept of the front, different from the party's. All this is natural; that is why the ideological struggle must be permanently launched.

"Because that is, indeed, pure rubbish.

"The political hegemony of the party and the revolutionaries will be confirmed by their work among the people, the masses, who are the principle scenario of our political activity.

"Day by day we must strengthen the revolutionary idea that to establish any kind of unity, pact or alliance, the participants must want unity and must use not only words, but deeds, to comply without reservation with unanimous agreements.

"At the same time, it must remain clear that we were ready to come to an agreement with those who do not want to struggle and do not pretend to defend what has been established by common agreement, at least on the political level.

"It is most important that that be understood and that any sort of democrat-bourgeois idea in that regard be scrapped.

"In summary, we will synthesize those problems as follows:

-- "The meaning of the watchword of struggle against political retrogression is popular, democratic, anti-imperialist and antireaction.

-- "Therefore, the reason for grouping forces around the slogan of the struggle against retrogression is, above all, to group the popular masses, and not any political groups in particular, against retrogression.

"The basic meaning of the watchword is not the alliance or pact with other political forces, but the going out and working among the people, so that they become unified at the mass level, oppose the reactionaries and make an effort to deepen, broaden and expand their democratic victories.

-- "We are an independent force, tied to the masses through our independent policy.

-- "Our political line, our programmatic points of view and our tactics in the struggle are what give us prestige and effectiveness.

"Being on the side of the masses, we place them at the center of our activity on the basis of our ideological and programmatic platform.

-- "If today our ties with the masses are stronger, it is due basically and essentially to that concept, applied and carried out with correct style and methods.

-- "It is unwise to base our hope for the development of the line of the masses on the existence of a pact or alliance with other political forces rather than on our own forces, on our organization and its sound line.

-- "It is also important to clarify conditions for pacts and alliances.

-- "To establish unity it is necessary that the participants want unity and be willing to comply with agreements which are made under that unity.

"And let it not be thought that fighting for unity we have lost our party spirit or our Marxist-Leninist dignity."

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CSO: 3010/318

LEFTIST ORGANIZATIONS STATE REASON FOR NOT MERGING

Santo Domingo LISTIN DIARIO in Spanish 2 Nov 81 p 8

[Excerpts] Three leftist political organizations denied yesterday that they have agreed to merge with other parties for the upcoming elections, as was reported recently.

The statement issued by the UPA [Anti-imperialist Patriotic Union], the PTD [Dominican Workers Party] and the MPD [Dominican Popular Movement], in which the report was denied, is as follows:

"The Patriotic Union, the Dominican Popular Movement and the Dominican Workers Party, in view of the story published on page 3 of LISTIN DIARIO on the 30 of this month under the headline, "Seven Leftist Organizations Aligned for Elections," wishes to state:

1. That that report was made in a tendentious manner designed to create difficulties within the seven organizations mentioned;

2. That the meetings held by the organizations mentioned in the story (UPA, PED [PTD?], MPD, NCT [Communist Nucleus of Workers], PS [Socialist Party], MST [Socialist Workers Movement], PCT [Communist Labor Party]) do not plan any election merger;

3. That in view of this, nothing has been discussed to date with respect to candidacies;

4. That those meetings were not held on the initiative of the UPA and the PTD, but, very much to the contrary, are the result of joint unity efforts;

5. That those meetings have not taken up the matter of the PLD [Dominican Liberation Party]. We of the MPD, UPA and PTD understand that the manner of presentation of the report to which we are replying was a provocative action, and we suspect that it was ordered by sectors which are enemies of the Dominican revolution interested in keeping the revolutionary groups divided.

Finally, the UPA, MPD and PTD reiterate once again their determination to fight for unity among Dominican revolutionaries, and on that premise they will denounce all those who try to place obtacles in the way of that just aspiration of the Dominican people.

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CALL FOR FORMATION OF DEMOCRATIC PATRIOTIC FRONT

Santo Domingo LISTIN DIARIO in Spanish 7 Nov 81 p 9

[Text] The undersigned political parties and democratic organizations of the Dominican Republic, aware that in the next general elections in May, 1982 there will be no polarization between the Reform Party and the Dominican Revolutionary Party, but that rather, on the contrary, the country's voters, who have always achieved a state of law, will tend to be fragmented, endangering that democratic unity which is needed today more than ever--since the Dominican Revolutionary Party has demonstrated that it is willing to remain in power not only by electoral decision, but by any means--have decided to make the following political proposal:

CONSIDERING: That the continuance in power of the Dominican Revolutionary Party would be an economic catastrophe of enormous magnitude, in which all public and private freedoms would be destroyed and which would bring industry and trade to ruin, and that as a result of the ruin our workers and peasants would remain in a state of poverty from which there is no exit;

CONSIDERING: That the country's present plight is not auspicious for even the legitimate aspirations of the many persons who are fit to run for the highest elective offices in the nation, but that the fatherland demands, today more than ever, a renunciation of all personal ambition, because the current state of misgovernment in the republic is placing it in danger of death;

CONSIDERING: That whatever the voting power of all the democratic parties, including the Reform Party, with whose political activities our search for a state of law is being renewed, it will not, if fragmented, have any option to power; and that the Dominican Revolutionary Party has tried very skillfully to make the electorate and the democratic opposition parties believe that its 11th national convention will be divided;

CONSIDERING: That the economy is the backbone of the nation and that in the immediate past it was quite robust, while in the years of government by the PRD it has been declining dangerously because of wretched public administration and the inability to implement a government program which benefits all Dominicans;

CONSIDERING: That the Dominican Revolutionary Party is becoming ever more dangerous because its secretary general, who is trying to take over all the power in that party, has international commitments with political forces which have proven to be destabilizing for the democratic governments of our America; and that that party,

in addition to its lack of administrative ability as demonstrated in its years of misgovernment to date, proposes to turn the country's foreign policy over to the decisions of the Central Executive Committee of the PRD (in other words, to the secrtary general of the party), thus usurping the functions of the Executive Branch as granted by the provisions of the constitution;

CONSIDERING: That our economy is on the verge of total collapse because of indiscriminate loans made from an undefined economic policy, which have proved too burdensome for Dominican families and ruined the purchasing power of the country's small middle class and of the Dominican proletariat;

CONSIDERING: That the Dominican Revolutionary Party, from its position of power, has continually ignored the constitution and laws of the republic in actions of the presidency and all government agencies, and that that political conduct is endangering our state of law and our democratic institutions, which cost years of bloody struggle and a very large measure of sacrifice and patriotism;

CONSIDERING: That the country requires, on all social levels, that the government be in hands which are not only suitable and patriotic, but also capable, and that political and administrative ability has been absent from the decisions of the PRD during the years it has been in power:

BE IT RESOLVED: To request Dr Joaquin Balaguer, chairman of the Reform Party, and Francisco Augusto Lora, chairman of the Movement for Democratic Integration, to join with the undersigned parties to form a patriotic and truly democratic front, for the following reasons:

1. That democracy and the state of law in our country, which are in danger today, must not be lost for lack of patriotic resolve and democratic unity at the polls on 16 May 1982.

2. That the Democratic Patriotic Front, composed of all opposition parties for the purpose of serving, and concerned only for the essential interest of the Dominican people, constitutes an organization capable of achieving victory in the elections and thus of being able to form the most exemplary government in our history.

3. We propose this Democratic Patriotic Front because we understand that it is the only political resource which at this time can rescue the republic from economic ruin and from the ominous state of present government policy, which is casting a shadow over the destiny of every free man and over the homes of all democratic Dominicans.

4. We believe that formation of the Democratic Patriotic Front could culminate in political agreements which might encourage and facilitate the Democratic Unity candidacies of Dr Joaquin Balaguer, for president, and Francisco Augusto Lora, for vice president, since broad sectors of the people consider them the most capable political leaders today for encouraging democratic stability and improving the nation's economic health, provided the government team they select is composed of men of recognized moral integrity who are interested in the well-being of our people.

In times of great danger to our nationhood, when foreign forces occupied our national territory and our economy lay ruined, as it does today, and there was no assurance that we would continue to be a free and independent nation, with a democratic system which would ensure all citizens a state of law, Dr Joaquin Balaguer and Francisco Augusto Lora, undertaking an almost impossible task, helped to rescue our humbled national pride, encouraged public freedoms and made an effort to encourage progress for Dominican families.

In the City of Santo Domingo, National District, Dominican Republic. 5 November, Nineteeen Hundred Eighty-one (1981).

Antireelection Democratic Integration Movement (MIDA)

National Action Party (PAN)

La Romana Independent Movement

Popular Democratic Party (PDP)

Popular Justicialist Movement

National Civil Veterans Party

Progressive Christian Democrat Party

Republican Party

20 October Movement

People's Municipal Movement

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PAPER CALLS FOR OAS COMMISSION TO INVESTIGATE SALVADORAN CONFLICT

Santo Domingo EL NACIONAL in Spanish 4 Nov 81 p 8

[Editorial: "The Civil War in El Salvador"]

[Text] While every day the number of our brothers who fall victims to the most cruel and dreadful civil was in El Savador increases, one can also see a further cooling of our sensitivity to the barbarousness which has been unleashed on the martyred brother nation.

The news we receive from the theater of the tragic events sno longer awakens in us the horror and sadness we experienced when Archbishop Romero was murdered on the steps of the altar.

We have become familiar with the tragedy.

To what do we owe this growing insensitivity which is coming over us and which will eventually lead to the point where El Salvador and what is taking place there means nothing to us, a situation in which the fratricidal war no longer catches our attention?

To our way of thinking, it is because of the absence of reliable information. It is, in the final analysis, an armed confrontation of the extreme right, in the service of the landholding oligarchy, with the extreme left, under orders from the Kremlin?

Is Napoleon Duarte's government a truly popular government, or is Napoleon Duarte a tool of the armed forces disguised as a social democrat?

If on this and other similar levels we do not have all the facts, we can be even less sure that all the news we receive from Salvadoran sources is true.

The news reports are all contradictory. The armed forces of that country say that the rebels massacre the people who do not join them, while the church, on some occasions--such as yesterday--charges, through its archbishop, Arturo Rivera, that the soldiers kill innocent civilains to point them our as guerrilla fighters killed in combat.

In the midst of this confusion, of this hullabaloo of conflicting reports, we are disoriented, and we would like to find a news source which can bring us the truth, or something as near to it as possible.

The only institution, as we see it, which could create a commission to carry out a minute and exhaustive investigation into the situation, so that America and the world might be informed, is the Organization of American States.

The OAS has formed such commissions on other occasions: for example in the case of El Salvador and Honduras, and in the case of Somóza against the Sandinists. What is it waiting for now? Perhaps the Dominican foreign office could encourage, in OAS headquarters, the formation of such a commission. It would do a service to the democratic peace of America.

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CSO: 3010/319

CLOSING OF 'MI RADIO' CALLED UNJUSTIFIED

Santo Domingo EL NACIONAL in Spanish 8 Nov 81 p 8

[Editorial: "Unjustified"]

[Text] Yesterday afternoon the government ordered the closing of the local radio station, "Mi Radio."

That is a mistake, by any standards. In a way it revives an expedient we had thought was laid to rest under an authentic government of law: the closing of an electronic social communications medium by simple administrative directive. "Mi Radio" is noted for the presentation of a series of new programs and commentaries critical of the government of President Antonio Guzman and of the official party, the Dominican Revolutionary Party (PRD), Another characteristic of that radio station is its marked anticommunist stand.

One may or may not agree with the way commentaries and news are presented on "Mi Radio." EL NACIONAL itself has been the victim of bitter espressions of opinion by commentators who work for that station.

We cannot for that reason, however, identify ourselves with the simple administrative measure which has ordered the closing of "Mi Radio." EL NACIONAL believes in principles and defends them.

Do the government authorities believe that laws, especially the so-called Law of Expression and Dissemination of Thought, are being violated on "Mi Radio?" Then let those who are considered responsible be given a trial, and let it be a legally constituted court which applies the existing laws after public, oral and contradictory opinions are aired.

EL NACIONAL believes that democracy has mechanisms to defend the system. We are not among those who deny the communists, for example, the right to free expression, claiming that in leftist totalitarian regimes there is no freedom of expression. If we deny the communists the right, under penalty of law, to express themselves, how are we different from them or from their governments in various parts of the world?

During Dr Joaquin Balaguer's administration, radio stations and air waves were closed by simple administrative rulings. The PRD and its chief leaders, including its secretary general, Dr Jose Francisco Pena Gomez, were victims of arbitrary measures because of their work for the opposition, even to the extent of being forbidden,

by order of [the Ministry of] Telecommunications, the use of the electronic social communications media.

Telecommunications, on thos occasions, invoked its "organic law," which was established for questions of a technical nature and included, in a capricious manner, the power to censor the free broadcast of thought. At the beginning of Mr Guzman's administration, paradoxically, Telecommunications called upon the same arguments used by officials of the Balaguer regime to close radio stations in La Romana and Higuey, as well as "Mi Radio." Those officials forgot that they were victimizing others with the same weapons that had been unjustly applied to them. EL NACIONAL believes that all the social communications media and all citizens should respect the authorities and each other. But EL NACIONAL, faithful to its principles, cannot overlook any excess: nobody can take the law into his own hands, not even those who govern.

The Law of Expression and Dissemination of Thought is clear and precise: anyone who violates it must be brought to justice, and it is a court which must decide the punishment in the case, after proving the guilt of the accused.

President Guzman would do well, then, to review the interdict against "Mi Radio," even though some of his advisers and counsellors may be annoyed by the criticisms directed toward them or which may directed toward the chief of state or his administration by that station.

President Guzman does not miss any opportunity to tell how his constitutional government is contributing to the institutionalization of the country. The fact that a social communications medium has been closed by simple administrative dictim does poor service to that institutionalization.

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CSO: 3010/319

FINANCE MINISTER PREDICTS SLIGHT 1981 BUDGET DECREASE

San Salvador EL MUNDO in Spanish 23 Oct 81 p 3

[Text] The minister of finance, Dr Jorge Eduardo Tenorio, has informed EL MUNDO that the nation's general expenditures budget for next year will be slightly less than this year's, which totals 1.988 billion colones.

The minister said the government has tried to reduce it by a small percentage, by something less than 5 percent of the figure previously quoted, if possible. He added that this budget decrease "is in line with the general policy of austerity being pressed by the government and with the real economic situation of the country."

"That policy," he said, "is to reduce the deficit as much as possible, without prejudice, however, to the maintenance of an adequate employment level in the public sector and a sufficient flow of public investment."

He affirmed that the budget reductions will be applied without discrimination; that is, they will affect all the ministries. The policy of not creating new positions and of freezing those that for one reason or another become vacant will be enforced, Dr Tenorio explained.

He also said El Salvador's balance of payments deficit at this time totals 450 million colones, which he maintains "is low under the circumstances in which the country is now living."

As causes of this situation, he cited the flight of capital, the price drop in the products the country exports, the immoderate rise in energy raw materials prices, the internal political convulsion and other adverse circumstances.

The finance minister stated that the balance of payments deficit will be kept low "thanks to the government's policy of austerity and the Salvadoran people's spirit of sacrifice."

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CSO: 3010/196

JUNTA RESTATES DECISION NOT TO NEGOTIATE WITH GUERRILLAS

San Salvador EL MUNDO in Spanish 23 Oct 81 p 3

[Text] The Government Junta last night reaffirmed that it will not negotiate with armed groups and that it maintains its decision to hold elections next year.

In this regard, the Secretariat of Information issued the following statement:

"The Revolutionary Government Junta states to national and international public opinion:

"That during the stay of American Senator Christopher Dodd in our country last week, at no time in the talks held with him was any consideration in the least given to the possibility of negotiating a solution to the Salvadoran crisis with organized armed sectors, nor even to that of establishing a private informal dialogue with such sectors.

"In all the contacts had with Senator Dodd, it was held that the electoral process is the appropriate instrument for achieving a peaceful and democratic solution, whose fundamental requisite is interparty dialogue, in which all legally registered parties can participate, with no discrimination whatever of an ideological and political nature.

"It was also stated to Mr Dodd that the Salvadoran Revolutionary Government's position is that of neither negotiating nor proposing bases for dialogue with the armed groups of the FMLN [Farabundo Marti National Liberation Front], or with any other sector of similar nature, to reach agreements behind the people's backs.

"Therefore, any information that may be circulated the sense of which is contrary to this statement which is being issued domestically and internationally may be a willful distortion or tergiversation of the facts. The Revolutionary Government restates its unbreakable determination to deploy its utmost efforts, together with the people and their Armed Forces, to ensure the holding of free elections in El Salvador next year, in order to thus lay the groundwork for democracy and peace.

"San Salvador, 22 October 1981."

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CSO: 3010/196

ACES SEEKS JUNTA AID IN CURING COFFEE INDUSTRY'S ILLS

San Salvador EL MUNDO in Spanish 23 Oct 81 p 2

[Text] In a release issued late yesterday, the ACES [Coffee Growers Association of El Salvador] asked the authorities who have not responded to the growers' requests for assistance in resolving the problem of the coffee industry to "work for the benefit of the Salvadoran people without demagoguery."

The ACES release says:

"Once again the ACES reiterates to the governmental authorities the need to work for the benefit of the Salvadoran people without demagoguery and especially with respect to everything that can mean an improvement in the Salvadoran economy which is undergoing such buffeting in these difficult times while attempts are being made to establish systems that it is hoped will bring about immediately beneficial changes in the various aspects of national life.

"It is beyond our comprehension that in such a physically small country such as ours the communications arteries, which have cost the general collectivity so much, can be so neglected. The situation demands that we have the courage needed to recognize that the Public Works authorities are inoperative; that they seek solely, through publicity, to confuse the people, offering them hopes of something that never materializes. We have said on many occasions that all the communications arteries are in abominable condition, but the said Public Works authorities have remained indifferent to our call; and instead of getting on with the repair of at least the vicinal roads that communicate with large human settlements, and despite the fact that many of the country's schools have been shut down for lack of access, halting the process of integral development of the country, they talk of vast and costly future projects involving greater public debt.

"The coffee crop is about to be harvested and not a single communications artery has been repaired as yet. It is to be supposed that the government authorities are the representatives of the people. We understand that the situation is difficult, but the least that can be done to maintain the little that is left is to ensure that the communications arteries are in usable condition so as not to cause more anguish, and that productions costs are kept down to a minimum so as to make it possible to live resignedly through this period in our nation's history--the more so since the measures the Salvadoran people are enduring have been imposed by that very government, which must therefore mitigate their effects

through tangible efforts that enable the Salvadoran citizen to seek his own subsistence by way of productive work.

"Mr Minister of Public Works: Set all hands en masse to the job of repairing the communications arteries. Thus can the image it is being sought to convey of our country be quickly justified. If the minister of foreign trade actually said in an interview published in the magazine WORLD COFFEE & TEA on page 44 of the June issue, "In a country where the growing and processing of coffee account for 60 percent of its foreign exchange and 25 percent of its total labor force---," then more specific and responsible action is called for, toward ensuring that the forthcoming crop is harvested under the best possible conditions by improving the access roads throughout the Republic. San Salvador, 22 October 1981."

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CSO: 3010/196

PRIME MINISTER BISHOP'S COMMENTS ON MILITARY SUPPORT

U.S. Military Aid to Barbados

FL262246 Bridgetown CANA in English 2235 GMT 26 Nov 81

[Article by Alister Hughes]

[Text] St Georges, Grenada, 26 Nov (CANA)--Grenada Prime Minister Maurice Bishop says the United States expects to sell Barbados 5 million dollars (U.S.) in arms this year and another 2 million dollars worth in 1982. Bishop's statement last night came as he addressed the closing session of a week-long international conference in solidarity with the Grenada revolution of March 1979.

The Grenada leader said his information comes from a document entitled "Security Assistance Program," which is the U.S. Congressional presentation dealing with the foreign military sales financing program, the economic support fund, the military assistance program, the international military education and training program and peace-keeping operations. The prime minister said the definition of "Eastern Caribbean" in the document covers all the English-speaking islands from (?St Thomas) to St Vincent, including Barbados but excluding Grenada, and it proposes that 5.5 million dollars (U.S.) of arms be sold to these islands in 1982.

The proposal for Jamaica is sales of 1 million dollars next year with an estimate of over 1.5 million dollars in 1981. The document contains arguments as to why military and economic support should be given to some of these islands, Bishop said, and he read excerpts in this connection relative to Barbados.

According to the document read by Bishop, the United States has a major interest in assuring that the nations of Eastern Caribbean are politically stable, are free from undue outside influence and maintain their generally high standards of democratic practice and human rights performance. The document says Barbados serves as a model for the region and has supported U.S. global and regional interests, including the promotion of human rights and regional cooperation. The assistance proposed for Barbados, the document says, will promote U.S. interests in Barbados and demonstrate U.S. support for, among other things, the island's willingness to initiate, on a regional basis, a modest but solid security program in concert with and complementary to that of the United States.

The program is positive indication of our commitment to regional stability in the light of continuing Cuban support for the radical government of Grenada, the document says. Bishop said the United States was not trying to hide what its intentions were. They are coming out very openly and saying that they have this right to do what they want in our region, he said, to get in to a big arms build up in the region, to promote countries they feel will support them and to try to use those countries to isolate countries like Grenada.

Part-Time Revolutionary Militia

FL271935 Bridgetown CANA in English 1720 GMT 27 Nov 81

[Text] St Georges, Grenada, 27 Nov (CANA)--Grenadians have come to understand that it is necessary to be armed in order to defend their homeland and that a people's revolutionary militia is both a practical matter and a matter of principle. Prime Minister Maurice Bishop expressed this thought in his address which brought the solidarity with Grenada conference to a close last night.

It is a practical matter, he said, because the island could never afford a large standing army and because, "when they come for us," it will be in the thousands and, apart from the full-time standing army, what is needed is a part-time revolutionary militia. "It is also a matter of principle," Bishop said, "because we have come to understand better and better that one of the lessons we can extract from the experience of other revolutionary processes in this region is that sometimes thay have failed because their people were not armed and they had to rely on their standing armies. And the same standing armies they were relying on were the same armies which got involved in coup d'etats.

Bishop's New Jewel Movement (NJM) seized power in a revolution on 13 March 1979.

The prime minister said he has an answer for those who ask him whether the People's Revolutionary Government (PRG), is not afraid to arm the people and whether, at some point, the people might not use their arms against the government. "When, on revolution morning, 46 of us went down to the radio station, after charging the barracks and routing Gairy's 'green beast army'," he said, "our lives were on the line and the reason our people responded and came out to our call is because they trust, respect and know our party and the leadership of this country." Bishop said that what the people knew about the NJM and its leadership in 1979, they know a million times better in 1981.

Bishop said the conference reminded Grenadians of the struggle that Libyans have had to make in recent months. "Imperialism, using its twin-sister of the media, has been trying to portray over the past 3 months that the most dangerous and wanted man in the world is Mu'ammar al-Qadhdhafi," Bishop said.

Bishop said that the action by the imperialists was because Mr al-Qadhdhafi had supported national liberation struggles. "The Libyan leader now finds that his country and people are openly villified and his planes are subject to being down when they are flying over their own sovereign territory," he said.

Mr Bishop continued: "The past few days have also reminded us in a very positive and forceful way that we do have solutions (to the struggles) and that one common solution is unity, the international unity of our people and the external unity of all forces interested in peace, democracy, social progress and national liberation."

The prime minister said the conference had also brought to mind the struggles of Namibia, Vietnam, Ethiopia, Cuba and Nicaragua. He reminded the delegates, "there are solutions to these struggles."

CSO: 3025/1009

PEACE GROUP CALLS FOR U.S.-SOVIET TALKS TO END ARMS RACE

Bridgetown ADVOCATE-NEWS in English 29 Oct 81 p 7

[Text]

St. Georges, Grenada Wednesday, (CANA) — The Grenada Peace Council (GPC), has called on the super powers to bring an end to the arms race in an effort to promote world peace.

The GPC has suggested that both the United States and the Soviet Union should begin negotiations on halting the stock-piling of nuclear weapons towards a means of "total" disarmament.

The GPC made the call in a statement issued today under a programme to mark World Peace Week as designated by the World Peace Council which is being observed this week by member countries of the organisation.

The statement said that the arms race does not only increase the danger of war but the forces and funds which it consumes could save millions of children from poverty, hunger, disease and death.

"The reality and feasibility of disarmament are confirmed by the successes achieved in the past decade, the agreements signed and the talks being held on the various questions convincingly show that this is a fully attainable goal", it added.

The GPC was particularly hostile to the decision by the United States Administration of President Ronald Reagan to produce the neutron bomb.

The statement said that while millions of people throughout the world are demanding a lasting agreement on disarmament the Reagan Administration had agreed to produce the neutron bomb which destroys life but leaves behind very little or no damage to property.

"The worldwide storm of protest against this decision by the United States Administration to manufacture the neutron bomb is the only appropriate and pertinent answer to the U.S. Administrations warmongers," the Council said.

The statement went on: "The Grenada Peace Council also calls on the people of the Caribbean, and in Grenada in particular, to strongly voice their opinions against the neutron bomb and the need for disarmament.

"We are convinced that the combined efforts of not only the governments and organisations but also of all the people no matter where they live and work and will certainly assist in preparing the foundations upon which the cause of peace, justice and human dignity will superfluously triumph", it said.

CSO: 3025/61

MINISTRY OF AGRICULTURE TEAM IN MEXICO FOR FERTILIZER STUDY

St Georges FREE WEST INDIAN in English 31 Oct 81 p 7

[Text] A two-man team from the Ministry of Agriculture left for Mexico last Tuesday to examine its methods of producing fertilisers and to see if they can be implemented here.

According to Minister of Agriculture George Louison, this came as a result of a follow-up visit he paid to Mexico, having gone there earlier this month with Prime Minister Maurice Bishop.

He had discussions with his Mexican counterparts on the possibility of providing Grenada with fertilisers and fertiliser-mixing plants.

The two Lesley Cruick-shank and Lester Nelson, will spend one week in Mexico.

Another of the concrete results of the visit was the establishment of a mixed commission which will meet annually to examine cooperation on economic and social levels, and a joint working party to look at trade between the two countries.

Bro Louison viewed with the Mexicans the possibility of establishing air links, and exchanging tourists, training Grenadians in air traffic control to ensure the smooth functioning of the international airport, and Mexico's helping with the packaging of some of Grenada's fruits and vegetables.

As a result of PM Bishop's earlier visit, a team of Mexican geologists was already here, looking at the country's rock formations, to see if they contain oil.

Bro. Louison commented that these negotiations with Mexico represent an important step the Revolution has taken to develop co-operation and ties of friendship with a country that has shown its historic position in fighting on the side of poor people in the region struggling for liberation, and in showing kindness and sympathy for countries building their own processes. In particular, the discussions in agriculture, he said directly relate to the PRG's attempts to expand production and find new ways to assist farmers.

The negotiations are further linked, he said, with the PRG's pledge to expand markets and encourage countries in the region to come closer and participate in Grenada's trade.

He saw these negotiations as part of the south-to-south cooperation, where more developed countries in a better financial position, can help build the economies of less fortunate ones.

Bro. Louison while in Mexico, spoke on the initiation of the New Jewel Movement (NJM) into yet another anti-imperialist, democratic organisation--the Permanent Conference of Latin American Progressive Parties, (COPPAL).

COPPAL, an organisation fighting for the genuine development of countries, has representatives of 26 political parties in the Caribbean and Latin America. NJM and the People's National Party of Jamaica are the only members from the English-speaking Caribbean.

CSO: 3025/61

LOCAL, CUBAN WORKERS VOLUNTEER LABOR FOR AIRPORT CONSTRUCTION

St Georges FREE WEST INDIAN in English 31 Oct 81 p 5

[Text] Workers constructing the international airport at Point Salines contributed $245,000 through voluntary work, during their three-week "ideological journey of work" in memory of two fallen leaders of the Cuban Revolution, Che Guevara and Camilio Cienfuegos.

This came out at a rally to end the "journey" last Wednesday, the 21st anniversary of Camilio's disappearance in an aircraft, and to bid farewell to the first 28 Cubans who will be returning home, having worked at the airport for nearly two years.

The "journey" began on October 8, 14th anniversary of Che's murder in Bolivia, and during it, the workers put in 15,841 volunteer hours, working an extra hour every day and half-day on Sundays.

Cuban workers volunteered 14,290, hours and Grenadians 551. There are about 410 Grenadians working at the airport site, the cement storehouse in Grand Anse, the quarry in Mt. Hartman, and rebuilding the housing settlement in Calliste. Of these, 250 participated in the "journey," about 80 actively, said John Rullow, Grenadian personnel control officer.

Cuban doctors, teachers and workers in other areas such as economic collaboration, also put in 720 hours.

Under a billboard that read, "Camilio, Che their combatant example guides us," and sharing a podium with Prime Minister Maurice Bishop; Minister of Communications, Works and Labour General Hudson Austin; former Works Minister, now Minister of National Mobilisation Selwyn Strachan; and Cuban Ambassador Julian Rizo, Eduard de la Osa, chief of Cuban personnel, told the hundreds of workers present of their achievements during the "journey."

They moved 10,018 cubic metres of earth on the runway; blasted 2,437 linear metres of holes; blew up 9,105 cubic metres of earth; produced 171 cubic metres of concrete, making 21 slabs; produced and spread out 425 metric tons of asphalt mixture; produced 388 cubic metres of stone in the mill; prepared 80 covers for hardening the concrete slabs; repacked and moved cement for the batching plant and improved conditions in the dining-barracks and kitchen.

Moreover, they had no accidents.

To hand-claps and calls, the outstanding workers in each category climbed the podium to shake hands with the leaders and collect a certificate.

Five Grenadians got awards: mechanic Terrence Wilson, laboratory assistant Peter Joseph; batching plant operator Martin Hinds; tractor and drill operator George Benjamin and truck drive Enthan Joseph.

Also receiving certificates of appreciation were the 28 departing Cubans, who arrived on December 6, 1979, on the ship "Palm Islands" with 93 pieces of equipment to start the airport.

The "journey" has speeded up work on the airport, said project coordinator Bob Evans. The concrete touchdown turning area of the runway is about complete and workers have started paving the runway with asphalt.

They are now laying the mould for the parking apron, and should start casting concrete there next week.

Dredging of Hardy Bay has finished and pipes are now being laid, to start backfilling the Bay with sand, tomorrow. Three dykes have been constructed across the bay to retain the sand.

Meanwhile, a team from Plessey Electronics in England is here, to negotiate for navigation and communication aids and fire-fighting equipment.

CSO: 3025/61

FOREIGN POLICY NOT TO BLAME FOR TOURIST INDUSTRY DECLINE

Bridgetown ADVOCATE-NEWS in English 6 Nov 81 p 9

[Text] ST. GEORGE'S, Grenada, Thursday (CANA) — The state-owned "Radio Free Grenada" has supported claims by the island's leftist government that the conduct of its foreign policy was not to be blamed for the decline of the island's tourist industry.

The station said last night that the decline of the tourist trade in Grenada was not a result of the Cuban presence here, but due to economic recession in the major western industrialised countries.

It added that Grenada was not the only island in the Caribbean to have a drop in the number of cruise ship arrivals, but that other major tourist destinations such as Jamaica, Barbados, the Bahamas and Puerto Rico were also affected.

It noted that despite a decline in the tourist industry here, the island had been able to maintain a relatively balanced situation in relation to other Caribbean islands, while being faced by "the most difficult and dangerous political circumstances," under which it has ever been forced to operate.

The optimistic view of problems resulting in the decline of the island's tourism sector is in contrast with a report on the state of the tourism industry in the Spice Isle, submitted earlier in the year to government by the Grenada Chamber of Commerce and the Grenada Hotel's Association.

The report said in part that repeat visitors to Grenada had declined by 65 per cent and that the decrease in the cruise liner trade was estimated to cost the island US$1.5 million.

The report said that the decline in tourism was due to international speeches made by the island's leftist government.

It said too that the conduct of its foreign relations, its voting pattern in the United Nations and its dependence on Cuba, were equally relevent to the decline.

However, the radio said that a major factor responsible for the decline in tourism was the lack of an international airport, as shown in a recent survey conducted by the Grenada Tourist Board.

It also said that the industry had been subjected to a massive propaganda campaign which was launched by the United States against the Maurice Bishop Regime.

Bishop's Goverment came to power in a March 1979 armed uprising against the Eric Gairy Regime.

The radio reported that although the island's tourism industry had been on the decline in the past two years, the government was taking steps to improve the industry, including the establishment of an inter-line desk at Grantley Adams International Airport in Barbados.

It said too that while Grenada could not refer to any "drastic improvement" in the tourist trade during the last year, the situation could not be described as disastrous.

In spite of the drop in the number of tourists travelling to the island, the fact remained that the average length of stayover visitors to Grenada has been rising this year, it said.

Total earnings from the industry during the first nine months of the year indicated that the yearend figure would surpass that received last year.

The radio suggested that what is needed to boost tourism was increased "dynamism" among private sector hoteliers in Grenada so that the area of international marketing could be further developed.

There should be joint marketing activities between government and private hoteliers' it said.

CSO: 3025/72

BRIEFS

SOLIDARITY CONFERENCE PLANS--St Georges, Grenada, Oct 24 (From our correspondent) The People's Revolutionary Government will host an "International solidarity conference" in order to counter what has been called "pressures from United States imperialism in particular and other forces who would like to see the process in Grenada turned back." Speaking to reporters in Grenada today, Minister of Mobilisation, Selwyn Strachan, said invitations have already been issued for the conference which will take place at the Conference Centre on Grendanse Beach from November 23-25. Strachan said invitations to the conference have already been accepted by several organisations in the United States including the Black United Front and Grenada-Friendship groups which exist in Washington, Detroit, Philadelphia, New York and cities. The Minister declined to name "certain individuals" from North America who, he said, would come to the conference, but said Dr Neville Duncan of the University of the West Indies would be one of the participants. Among other representatives at the conference, Strachan said, would be personnel from the People's National Party of Jamaica, the Working People's Party of Guyana, the South West Africa Peoples' Organisation of Nambia, the African National Congress, the Patriotic Front of Zimbabwe, the Polasario Front of the Sahara Arab Democratic Republic, the Palestine Liberation Organization, the Governments of Ethiopia, Nigeria, Iran, Syria, Libya and the British Labour Party, the Socialist Party of France and other parties of Socialist International. [Text] [Kingston THE DAILY GLEANER in English 8 Nov 81 p 22]

CUBAN TECHNICAL TEAM--St George's, Grenada--A five-man team of technical experts from Cuba has arrived here for talks with the Grenada government on a wide range of areas, the Cuban embassy in Grenada has announced. A release said that the delegation will hold discussions with government officials on the location of sites for the setting up of a number of projects including an ice plant, a pre-fabricated cement plant, sporting facilities and a depot. The embassy said the visit is a follow-up to a technical and cooperation agreement signed between Grenada and Cuba last month. The agreement involves cooperation between the two countries in areas such as education, health, housing, agriculture, agro-industry, and the construction of Grenada's international airport, at Point Saline. Cuba has been providing assistance to Grenada's ruling New Jewel Movement (NJM), which came to power here in a March 1979, armed revolution, in areas such as fisheries and project construction. The team leaves during the week. (CANA) [Text] [Bridgetown SUNDAY SUN in English 1 Nov 81 p 9]

CSO: 3025/64

VICE PRESIDENT DESCRIBES NEW LABOR RECRUITMENT AGENCY

Georgetown GUYANA CHRONICLE in English 27 Oct 81 p 24

[Text]

The Government of Guyana is about to establish a Central Regional Manpower Agency to co-ordinate labour recruitment and placement in the public sector and replace the existing Labour Exchange Bureau.

This announcement was made by Vice President, Hamilton Green at the weekend when he addressed graduates of the 22nd Intake Pioneers at Kimbia Agricultural Production Centre some 120 kilometres up the Berbice River.

The occasion was witnessed by a number of special invitees including Cde Desmond Roberts former Director General and Guyana's Military Attache at the Guyana Embassy in Brazil, his wife, and senior officers of the Disciplined Services.

Cde Green explained that the new agency will be the single body to determine who goes where and what jobs are available. And in support of a commitment by Prime Minister Ptolemy Reid at a similar ceremony held last year at Papaya Training Centre, Cde Green emphasised that graduate pioneers will continue to enjoy clear priority in job opportunities. He advised them to use the training they received to help create new jobs and enterprises, make themselves self-reliant and help others. "Get on with the job," he urged, "set the example wherever you go, become leaders and help build Guyana with your own hands".

He advised them also against falling into the rut of everyday life or adopting the legacy of lack of self-confidence. Instead they should stand tall and maintain their dignity, he said.

Earlier in his address, the Vice President expressed satisfaction that one of the three platoons on parade was carried by a woman soldier -- 2Lt. Audrey Telford. He considered it of particular interest to him since, he said he has a constitutional responsibility for women.

Cde Green remarked that the display of drills reminded him of his days in the Volunteer Force. He noted that the drills were done to the tune of the Guyana National Service theme song, "I want to build," which symbolises the strength and determination of the organisation.

"I want to build" and "Not a blade of grass" have special meanings to him, he added.

Cde Green also told graduates, special invitees, GNS representatives and others present that the GNS was established to occupy an important position in the history of Guyana and the Third World, and not as an excuse to set up 'another army.' He pointed out that if the latter was necessary, the Government of Guyana would have expanded the Army instead or increase the numbers in the Police Force.

Speaking on the need for restructure the world economic order, Vice-President Green said the world is in chaos and is experiencing its worst economic recession in 40 years. "Millions are unemployed" he said, adding that the figure for England alone might reach three million mark by year-end.

The Vice-President then spoke on the need to change old ideas as a means of helping the nation move from the state of political independence to social and economic freedom and development. He however explained that while a change of attitude was necessary and urgent, some concepts handed down from the pre-Independence era could be retained and adhered to. (GNA)

CSO: 3025/60

BURNHAM AT PRESS CONFERENCE REVIEWS CANCUN CONFERENCE

Georgetown SUNDAY CHRONICLE in English 1 Nov 81 pp 1, 2

[Text] President Forbes Burnham said yesterday he feels justified in expressing the hope that one abiding result of the Cancun Summit "will be an improvement in the political climate for cooperation between North and South, and for constructive action in the years ahead."

He told a Press conference: "I think that the real achievement of Cancun was tow-fold:

"First, it provided an opportunity for some of the influential leaders of the world to come together, share ideas on the critical issues affecting the world economy and understand one another's points of view; and, second, it facilitated a consensus on the need for practical approaches to the solution of the identified problems."

In response to a question, the President added that, generally, there was a serious appreciation of the problems of the countries of the North by those of the South.

He identified countries like Japan, Austria, West Germany and Sweden which offered to write off debts as "outstanding" in this area.

But he pointed out that such appreciation did not come "out of bleeding hearts" but out of "self-interest."

"I returned last Saturday from Cancun, Mexico, where having been invited to participate, I attended the International Meeting on Cooperation and Development held on the 22nd and 23rd of this month. Altogether eight industrialised and fourteen developing States took part in the Meeting.

"Guyana was the only English-speaking Caribbean country represented at that Summit and while technically we could not speak for any other country, the concerns of the region as a whole, and of Caricom in particular, were always uppermost in our minds.

"The meeting was held against a background of a deteriorating International Economic Situation--one of deepening crisis adversely affecting both developed and developing countries. The crisis compelled recognition of the true nature of the interdependence of the world's economies and an acceptance of the need for solutions based on the principle of mutual benefit.

"Equally important was the fact that, despite the persistence of many developing and developed countries, efforts at the wider international level to launch a Global Round of Negotiations had not yet borne fruit.

"In a sense, these were old issues identified for urgent solution by the Brandt Commission of which a distinguished Guyanese, Shridath Ramphal, Secretary-General of the Commonwealth, and our former Foreign Minister, was an active and leading member.

"The Cancun Summit was, by prior agreement, to be political in character and informal in nature. Its objective was seen as providing an opportunity for leaders at the highest political level to have an exchange of views on major issues relating to development with a view to facilitating agreement with regard to the Global Round of Negotiations, and giving positive political impetus to efforts in various forums for International Economic Cooperation.

"As you know, there was no formal agenda. However, it had been agreed that the Meeting would proceed within a framework of discussions on The Future of International Cooperation for Development and the Reactivation of the World Economy including areas such as food security and agricultural development; commodities trade and industrialisation; energy; and monetary and financial issues.

"Prior to the Meeting, it had also been agreed that there would be no official communique but that the two Co-chairmen would issue a joint Press statement giving a summary of the discussions and conclusions. A copy of this has, I understand, been made available to you.

"The Summit also offered an opportunity for me to meet with a number of Heads. Apart from consultations with my Commonwealth colleagues, whom you will recall, I had the pleasure of meeting recently at Melbourne, I had discussions with the President of the United States of America, the President of France, the Prime Minister of China, the President of the Presidency of the Socialist Federal Republic of Yugoslavia, the President of Algeria, and, of course, President Portillo of Mexico.

"I also participated in a number of T.V. and Press interviews which highlighted the issues taken up at Cancun and, in a more general sense, Guyana's foreign relations.

"As you yourselves may by now appreciate, the discussions at the Cancun Summit were characterised by seriousness, candour and cordiality.

"All the leaders at Cancun whether from developed or developing states recognised that, on the question of food and energy, crisis proportions had been reached. Indeed, in the summary presented by the Co-chairmen of the conference it was stated that "Persistent and widespread manifestations of hunger are incompatible with the level of development attained by the world economy and, in particular, with existing food production capacity."

"On the opening day I spoke briefly on what Guyana saw as the essential objectives to be pursued. I understand that you all have copies of my remarks.

"During the subsequent exchanges, I spoke on other matters including one of special concern to us, namely, energy. What I said essentially was this, that the issue required immediate attention because it was seriously inhibiting the growth opportunities of many countries, especially the least developed ones, and contributing to the recessionary trend in the world economy.

"I suggested that action on this matter should include immediate intensification of oil exploration in developing countries, financial and other support for the development of new and renewable sources of energy, especially hydroelectricity, and the preparation of a World Energy Plan to promote energy production and efficient distribution and utilisation.

"As you will expect, I drew attention to our vast hydroelectric potential and our current efforts to develop this, not only because of the critical role of such energy resources for our own development, but also because of our long standing policy of making the resources of Guyana available for the development of the region.

"A most important matter discussed at Cancun was the question of the Global Round of Negotiations. You may remember that last year at the United Nations, agreement was not possible because of the positions taken then by the United States of America, Great Britain and the Federal Republic of Germany.

"In Cancun, as you will see from the summary of the Co-chairmen, all the Heads of State and Government confirmed the desirability of supporting at the United Nations, with a sense of urgency, a consensus to launch the Global Negotiations on a basis to be mutually agreed and in circumstances offering the prospect of meaningful progress. Some countries, however, insisted that the competence of the specialised agencies should not be affected.

"It is clear, therefore, that there are still differences relating to the Global Round of Negotiations; but I hope that the spirit which characterised the discussions on this issue will have a positive effect at the United Nations where, in the weeks ahead, the search will be undertaken for agreement on the early launching of the Global Round.

"You may legitimately ask whether Cancun was a success. I would answer that few international conferences succeed in an absolute sense, more particularly where as in the case of Cancun the subject involved fundamental issues and divergent points of view.

"It should also be remembered that Cancun was political in character and was not intended to negotiate solutions to the pressing problems which were discussed. Rather, its purpose was, to secure a general acknowledgement of the grave and critical nature of these problems, and to enable the participants to reach a firm political decision to promote and facilitate processes leading to the urgent solution of those problems.

"I think that the real achievement of Cancun was two-fold. First, it provided an opportunity for some of the influential leaders of the world to come together, share ideas on the critical issues affecting the world economy and understand one another's points of view; and, second, it facilitated a consensus on the need for practical approaches to the solution of the identified problems.

"Finally, I feel justified in expressing the hope that one abiding result of Cancun will be an improvement in the political climate for co-operation between North and South for constructive action in the years ahead.

CSO: 3025/60

VISITING CUBAN DEPUTY FOREIGN MINISTER AT PRESS CONFERENCE

Kingston THE DAILY GLEANER in English 12 Nov 81 p 1

[Text]

GEORGETOWN, Guyana, Nov. 10 (CANA-Reuter):

CUBAN DEPUTY FOREIGN Minister Ricardo Alarcon said yesterday that Cuba as part and parcel of the Caribbean was committed to building relations of mutual help with the rest of the region and that the recent break-off by Jamaica of its relations with Cuba would not affect the island's friendly ties with other Caribbean nations.

The Deputy Foreign Minister, accompanied by the head of the Caribbean section in the Cuban Freign Affairs Ministry Nelson Restano, was addressing a press conference du ing a two-day visit to Guyana, the first leg of a tour that takes him today to Suriname, then on to Trinidad and Tobago, Barbados, Grenada and Saint Lucia.

Questioned about the Jamaican government charge that Cuba was harbouring three wanted criminals, Deputy Minister Alarcon said that despite the matter being aired weeks before in the Jamaican parliament, it was only the day before Jamaica broke off relations, that the first diplomatic note on the matter was received by Cuba, in which the Seaga government demanded the return of three men, allegedly in Cuba under different names but off ering no proof or clues that might help in finding them.

"The note said they were in Cuba and included an ultimatum that they should be back in Jamaica in 24 hours", said Alarcon.

"As fdr as we know, the men are not in Cuba and we have never given them any status there", he added.

Minister Alarcon said that the speed with which Jamaica closed its emdassy in Havana and the tone of its diplomatic note indicated that the decision to break off relations had been taken before the matter was raised with Cuba. "The issue was only an excuse when Seaga had suggested to break relations", said Alarcon.

The Cuban Deputy Minister also charged that the United States government was behind a series of press articles in the U.S. accusing Cuba of military involvement in Central America, and threatening military action against Cuba.

On the issue of the recent decision taken in Dominica that students will not be allowed to take up scholarships in Cuba, Alarcon said, "I feel sorry for the Dominican youngsters who will not be able to further their studies in Cuba, in one of the areas we can co-operate with other Caribbean countries. Bu if the Dominica government will not prmit this, it is their decision".

The Cuban Minister also reiterated that Cuba fully supported Guyana's right to territorial integrity in the face of the Venezuelan border claim.

"We do not agree with the Venezuelan claim over a boundary that has been legally established and we oppose the recent expansionist approach of Caracas", he said.

CSO: 3025/70

ACTING PRESIDENT REID SENDS CONGRATULATIONS TO USSR

Georgetown GUYANA CHRONICLE in English 7 Nov 81 p 1

[Text]

ACTING President Cde. Ptolemy Reid has expressed the hope that the bonds of friendship and co-operation between Guyana and the Soviet Union will be strengthened as the two countries continue their struggle to build a better future for their peoples.

In a message despatched to Soviet President Leonid I. Brezhnev, to mark the 64th anniversary of the Great October Socialist Revolution, Cde. Reid also referred to the friendly ties which have developed steadily between Guyana and the Soviet Union. These relations, he said, have contributed to a fruitful and beneficial co-operation between the two countries.

In his message, Cde. Reid said:

"It is with pleasure that I send warm fraternal greetings and heartiest congratulations on my behalf, and on behalf of the party, government and people of Guyana, to you, the Communist party of the Soviet Union, the government and people of the Union of Soviet Socialist Republics on the occasion of the 64th anniversary of the Great October Socialist Revolution.

"Since the establishment of diplomatic relations between the USSR and Guyana, our two countries have steadily developed friendly ties based on sovereign equality respect and understanding. These relations have contributed to a fruitful and beneficial co-operation between the two countries.

"I wish to express the hope that these bonds of friendship and co-operation will be further strengthened as we continue our struggle to build a better future for our peoples.

"May I take this opportunity of extending to you my best wishes for your good health and for the continued prosperity and progress of the Soviet Union."

The USSR will celebrate the 64th anniversary of the Great October Socialist revolution today.

Guyana and the Soviet Union established diplomatic relations on December 17, 1970.

CSO: 3025/70

PPP CHARACTERIZES CANCUN AS 'WASTE OF TIME,' RAPS U.S.

Georgetown MIRROR in English 25 Oct 81 p 1

[Text] Describing the Cancun Summit as one of sharks and sardines, the People's Progressive Party, in a press statement, has analysed the Summit meeting and exposed its shortcomings and inadequacies. The statement reads:—

The recently convened Heads of State Summit at Cancun in Mexico is a waste of time and energy (and financial resources) by those leaders from the Third World who fervently believe that measures to help the suffering Third World economies would emerge from it. The People's Progressive Party has no illusions over the outcome. It would be negative. The conference is the summit version of the jaded "North-South Dialogue" in which imperialism has no intention of giving up its ruthless exploitation of the Third World.

It is significant that the socialist countries did not attend the Summit, partly because of the deliberate exclusion of Cuba by US pressure and partly because of the remote possibility of any real workable solutions emerging from it. As if to undeline the disparate tendencies gathered there, there is to be no communique. What the summit conference entails is an exchange of views between exploiters and exploited.

The restructuring of international relations, particularly economic relations is a current demand of the Third World and is quite natural in view of built-in imbalances. There has been significant lack of progress in the implementation of UN decisions on the establishment of a New International Economic Order, (NIEO) chiefly because of stubborn opposition from the imperialists (the North). The USA has actually demanded tougher lending terms to the Third World from the IMF and the World Bank in the interest of transnationals.

The socialist countries support the N.I.E.O, and are advocating a global approach to economic relations and not narrow meetings as exemplified by Cancun, where only 22 countries participated. There are about 120 Third World countries today represented in the United Nations. With only such a small participation Cancun can hardly be said to be logical or representative.

The PPP feels that the way to a solution of the problems facing the non-socialist world, is for those countries to break out of the ambit of old pro-imperialist policies; an end to the world-wide imperialist-inspired arms race; global security and detente; the vast sums freed thus from bloated arms budgets, should be invested in economic development projects. These very points were made in the Willy Brant Commission Report on the deeping crisis of capitalism.

BATTLE LINES DEMARCATED

The peoples of the world have to wage their own struggle against the monopolies in order to liberate themselves from capitalism, and place their countries on the road to socialist orientation. Imperialism will not concede this liberation without a fierce fight. Mere dialogue at Summit level can only serve to further demarcate battle lines.

The embattled capitalist system is currently in the throes of its worst recession since the crash of 1929 which brought to power fascist regimes in Europe and Japan and triggered world war two. Most capitalist states today experience growing huge balance of payments deficits. The Third World alone however pays US$125 billion per annum in tribute to the developed capitalist states. This type of booty would not be given up at Cancun through "dialogue". The USA alone between 1970-78 invested US$8.7 billion in the Third World (the South) but obtained a fabulous US$39.7 billion in profits.

Imperialism has also imposed a number of protectionist measures against imports from the Third World, while simultaneously seeking to batter down Third World defences by various means. Earlier in the year there was an imperialist economic Summit in Ottawa, Canada. It is also to be recalled that 31 of the world's poorest countries participated in a summit in Paris, during the deliberations

of which the USA voted down a proposal to establish a World Energy Bank. The US delegation urged the Third World states to rely more on their own resources and not to look outside for too much help.

DOUBLE TALK

As far as the PPP is concerned, this is a lot of double talk, for the same US imperialists moved viciously against Jagan in Guyana, Manley in Jamaica, and Allende in Chile when those leaders of the said countries tried to transform their economies to "rely on their own resources."

The reasons for the failure of the Cancun North-South Summit could be traced to the same reasons for the failure of the UN Development Decades. Within the capitalist-imperialist sphere, the rich states are getting richer while the poor ones are getting poorer. Within the capitalist states themselves the rich elite groups are getting richer while the impoverished masses continue to get poorer. Cancun does not have the necessary revolutionary machinery to tackle this basic class problem. It is a Summit of sharks and sardines.

CSO: 3025/60

JAGAN CRITICIZES U.S. CARIBBEAN MEDDLING

FL261920 Bridgetown CANA in English 1823 GMT 26 Nov 81

[Text] St Georges, Grenada, 26 Nov (CANA)--The leader of Guyana's opposition Peoples Progressive Party (PPP), Dr Cheddi Jagan, feels that Caribbean governments should speak out "with one voice" against the policies being pursued by the United States in the region. Dr Jagan said the Reagan administration was adopting "big-stick interventionist methods" in the Caribbean. He said that the threat of military aggression by Washington was affecting the peace and security of the Caribbean.

Dr Jagan, delegate at a solidarity-with-Grenada conference, which ended last night, also urged that mass organizations should together condemn the aggressive U.S. policies, despite their political, ideological or religious differences. Such a course of action was necessary, he said, to ensure that Caribbean states are allowed to determine their own processes free from external interference or pressure from foreign forces. The threat of U.S. military intervention was real, and being manifested in troop maneuvers in the area.

He charged the U.S. with signing an agreement with the Dominican Republic to intervene in Haiti in the event of "revolutionary struggle" by opponents of the Duvalier regime.

According to the Guyanese ex-premier, the U.S. was hysterical over certain developments taking place in the area such as the revolutionary process in Cuba, Grenada, Nicaragua, Guatemala and El Salvador. He was also critical of the U.S.-backed Caribbean basin initiative (involving Mexico, Canada and Venezuela) aimed at directing more development assistance to the region.

Dr Jagan did not believe that the United States was interested in the genuine development of the region. Washington was concerned only because of the revolutionary processes taking place.

Political instability was resulting from the poor conditions of workers in the Caribbean and Latin America which he felt would lead to an intensification of the class struggle and political struggles. The United States was to use the aid scheme with a view to stopping the process of change. "This will fail because what is being proposed is the old Puerto Rican model which advocated the free enterprise system and that the countries of the area must attract foreign capital by creating an investment climate."

"What is being proposed now in the context of the Cuban revolution, the Grenada revolution and the Nicaraguan revolution is another attempt to shore up the situation, but the medicine...has already failed, and this one will fail too," he said.

Dr Jagan was also critical of the decision of the Jamaican Government of Prime Minister Edward Seaga to break diplomatic relations with Cuba in the face of charges from Kingston that Havana was harboring three wanted Jamaican gunmen, and he said the move was instigated by the United States. Washington was trying to create a "reactionary axis" in the Caribbean involving Barbados, St Vincent, St Lucia, Dominica and Jamaica.

He also said the move by Jamaica was a setback to the report of the so-called group of wise men on a strategy for CARICOM in the decade of the 80's.

CSO: 3025/1009

BRIEFS

TIMBER IMPREGNATION PLANT--The preservation of tropical South American hardwoods for general construction purposes can now be pioneered by Guyana. This would be possible, as the country's first timber impregnation plant was commissioned on Saturday by Minister of National Development Robert Corbin. With this plant, in Kingston, Georgetown, most of the country's lesser known species of wood can be tested, allowing a great scope for research in this area. Training and commercial business will be carried out at the plant. Sawmillers will now be able to take various species of wood, affected by pests and the elements, for tests and treatment. Minister Corbin said that the plant was a significant step for the development of the timber industry in Guyana. "We are witnessing development before our eyes. This plant...will ensure that there is a greater utilisation of our natural resource...," because Government was always interested in self-reliance, Cde Corbin said. The plant will assist in the nation's housing drive and other related developmental areas, he declared. At the official ceremony were Forestry Minister, Fitz Carmichael, FAO Representative in Guyana, Dr Evan Bolle-Jones, and other officials of the Government and members of the Diplomatic Corps. [Excerpts] [Georgetown GUYANA CHRONICLE in English 2 Nov 81 p 16]

CONGRATULATIONS TO ANTIGUA--In a congratulatory message to Prime Minister, Vere Bird of Antigua-Barbuda on the occasion of that country's attainment of independence Sunday, Acting President, Cde Ptolemy Reid said: "On the occasion of the attainment of independence, I send, on behalf of the government and people of Guyana, and on my own behalf, fraternal and warmest congratulations to you and to the government and people of Antigua. Today, the people of Antigua have won a significant victory, not only for their own country, but for the rest of the Caribbean and the Third World in securing political control over their destiny. "I look forward to working with you bilaterally and in regional and multilateral fields, for the progress and advancement of the people of our two countries and our region." (GNA) [Text] [Georgetown GUYANA CHRONICLE in English 3 Nov 81 p 1]

MESSAGE TO PANAMA--President Forbes Burnham has sent a congratulatory message to his Panamanian counterpart, President Aristides Royo, on the occasion of that country's National Day. The text of the message reads: "May I extend, on this your National Day, warm congratulations to you and the Panamanian people, on my own behalf, and on behalf of the Government and people of Guyana. I have noted with admiration the steps your people have taken to achieve and safeguard their goal. May the admirable tenets of the Non-Aligned Movement, which have brought

our two countries closer together, continue to inspire our two peoples to co-operate more meaningfully for our mutual benefit. May I wish you continued good health and success in your challenging task as leader of the Panamanian people." Panama celebrates its National Day today. (GNA) [Text] [Georgetown GUYANA CHRONICLE in English 3 Nov 81 p 1]

UNION-PNC TIES--The Postal and Telecommunication Workers Union is to seek affiliation to the ruling People's National Congress party. President of the Union Cde Selwyn Felix said that the decision was taken during the four-day Fourth Biennial Conference of the union which was held at Kuru Kuru, Cooperative College, Linden Highway. The President said that the conference delegates empowered the Executive Council of the organisation to start discussions with the General Secretary of the PNC within one month. Cde Felix said that his union is to write the General Secretary of the PNC asking that a date be fixed for the first meeting. [Text] [Georgetown GUYANA CHRONICLE in English 3 Nov 81 p 3]

GREETINGS TO DOMINICA--Acting President Cde Ptolemy Reid has despatched a message to the President of the Commonwealth of Dominica, Mr Aurelius Marie on the occasion of that country's National Day which was being observed yesterday. In his message Cde Reid said: It is with great pleasure that I send warmest greetings and heartiest congratulations on behalf of the government and people of Guyana and on my own behalf to you, the government and people of the Commonwealth of Dominica on the occasion of your third anniversary of independence. He also expressed the hope that "the existing friendly relations between our two countries be further strengthened as we strive together for the realisation of the common aspirations of our peoples." Cde Reid added: "Please accept my best wishes for your excellency's good health and personal well being." Guyana and Dominica, two Caribbean Community Member states established relations on November 3, 1978, the day on which Dominica gained its independence from Britain. Guyana's High Commissioner to the Commonwealth of Dominica is Harold Sahadeo, who is also High Commissioner to the Eastern Caribbean Cde Sahadeo is resident in Georgetown. [Text] [Georgetown GUYANA CHRONICLE in English 4 Nov 81 p 1]

PPP ON JAMAICA-CUBA BREAK--Georgetown, Guyana, Nov. 9 (CANA)--The official Opposition People's Progressive Party (PPP) in Guyana says Jamaica's decision to end diplomatic relations with Cuba was a dis-service to the Caribbean and had been engineered by Washington. The move was "an infamous act hatched in Washington" and a "severe blow to the concept of Caribbean unity which at present is fragile," the leftist PPP said in a week-end statement. The Jamaica Government ended diplomatic relations with Cuba on October 29 amid charges that Cuba was giving refuge to three wanted Jamaican criminals and had refused to return the men. The Cubans have dismissed the Jamaican reasons for the step. The PPP said that the Jamaican Government's action must be seen in the same light as the suspension of diplomatic relations with Cuba by Costa Rica, Colombia and Venezuela, and was part of the United States Government's plans to isolate and attack the Cuban revolution. "Once again, as in the early 1960's, Caribbean leaders are falling victim to U.S. cold war pressures and betraying the Caribbean peoples' aspirations for economic and social progress," the PPP statement said. The PPP said it rejected the ruling PNC government's view "that Jamaica is a sovereign state free to take its own position" adding that, "after all Jamaica is a member of the Caribbean Community and what Jamaica does can affect the whole Caribbean." [Text] [Kingston THE DAILY GLEANER in English 10 Nov 81 p 1]

PNC COMMITTEE ELECTIONS--Seven top cadres of the ruling People's National Congress were last Sunday elected to the Party's Central Executive committee at the first post-Congress three-day meeting of the party's General Council. The seven, five of whom hold top government positions, are Desmond Hoyte, a Vice-President in the government, Shirley Field-Ridley, also first Vice Chairman of the WRSM, Ranji Chandsingh, a senior Government Minister, Robert Williams, Harun Rashid and Sallahuddin, all Government Ministers, and Ganesh Singh, an educator. The elections were held in accordance with the constitution of the party which requires the election of seven Central Executive members at the first General Council meeting following each Congress. The election of the seven followed those of the principal officers of the party at the Fourth Biennial Congress, held during last August. On the final day of the August 22-29 Congress, President Forbes Burnham was returned as Party Leader. Party Chairman, Cammie Ramsaroop, Senior Vice Chairman, Robert Corbin, Junior Vice Chairman Steve Naraine, Assistant General Secretary, Urmia Johnson, treasurer, Hyacinth Godette, and co-treasurer John Joaquim were all returned to office. Prime Minister Ptolemy Reid was reappointed Deputy Leader and General Secretary by Party Leader Burnham in keeping with the latter's constitutional power. [Text] [Georgetown SUNDAY CHRONICLE in English 25 Oct 81 p 48]

GROUPS TO FRANCE--Trade and economic cooperation between France and Guyana will be intensified this month when two teams of Guyanese officials visit the French Republic later this month. They will continue discussions started recently between French President Francois Mitterrand and Guyana's President Forbes Burnham at Cancun, Mexico. One team will leave on November 5 to discuss bauxite specifically with the relevant Minister in the French Cabinet. A larger team will leave during the fourth week of this month for talks on Trade and Economic Cooperation. President Burnham, who made the disclosure yesterday at his Press conference, said he and his French counterpart held in-depth discussions about economic cooperation during their meeting in Mexico. President Burnham also had a "one to one" meeting with United States President Ronald Reagan during his stay in Cancun. Reporting on these brief discussions yesterday, President Burnham said they talked about the development of Guyana, its potential for hydro-carbon and hydro-electricity, mineralogical wealth which could be exploited by increased power supply and the Venezuela question. President Burnham said he reiterated his view that the economic development and prosperity of the Caribbean has to be predicated on Guyana's prosperity. President Burnham said that because of his Government's positive policy, Guyana had gone pa the stage of self-sufficiency in food but wanted to help other Caricom countries who were importing a few billion US dollars in food. [Text] [Georgetown SUNDAY CHRONICLE in English 1 Nov 81 p 40]

FIRING OF GUYSTAC OFFICIAL--Georgetown, Guyana, Monday (CANA)--Ossie Baptist, the Executive Vice-President of the Guyana State Corporation (GUYSTAC), a major group of government-owned companies, has been dismissed by Guyanese President Forbes Burnham, an official announcement said. The weekend Official Gazette carried a notice signed by the head of the Presidential Secretariat saying that Mr Burnham had approved the dismissal of Mr Baptist with effect from September 21. When Mr Baptist did not return from a trip to Britain to recruit staff for GUYSTAC, the CATHOLIC STANDARD newspaper reported that he sent in his resignation from abroad but that it had not been accepted. The official release gave no reason for the dismissal. David Yankara, another GUYSTAC Vice-President, has been appointed Acting Executive Vice-President of the corporation. [Text] [Bridgetown ADVOCATE-NEWS in English 10 Nov 81 p 3]

BAUXITE WORKERS' VICTORY--The week of industrial action against management of the Kwakwani section of Guymine has ended with agreement to pay bauxite workers incentive money due to them since last year. The Kwakwani bauxite workers embarked on a go-slow on Friday, October 16 at the failure to meet their demands for incentive payment held back since last year and not included, as was expected, in their October 14 pay packet. The go-slow moved into a full work stoppage before final agreement was reached. It is now understood that payments will be made during early November. Another pay row is in the offing as it is understood that the 10% pay increase due to workers for the period January to June this year has not yet been paid, although sugar workers have now received this amount. Bauxite workers say that pay increases are absolutely necessary if they are to maintain their present standards of living. The high cost of living has adversely affected the purchasing power of the dollar, and they suffer, as well, from acute shortages of essential goods. Also, poor social services means that they have to dig deeper into their pockets. [Text] [Georgetown MIRROR in English 25 Oct 81 p 1]

SUGAR PRODUCTION PROBLEMS--Georgetown, Guyana, Tuesday (CANA)--Guyana's sugar production last week fell well below expectations, and management has blamed unsatisfactory turnout of sugar cane workers and work stoppages on several estates. The Guyana Sugar Corporation said production was only 8,310 tons which was 77 percent of the target set by the corporation. The year's production of sugar in Guyana now stands at 245,000 tons, chasing a target of 316,000 tons with eight weeks of production to come. By passing the 240,000 ton mark last week, the corporation said, workers became eligible for two days' extra incentive pay, but this would be paid only to workers achieving the required attendance qualification at the end of the crop. Commenting that the annual sugar target is now in jeopardy, the opposition MIRROR newspaper said that factories were not working well because of poor maintenance, which resulted in many breakdowns, affecting production. The paper suggested that at present rate of production, even a revised annual target of 300,000 tons may not be reached. [Text] [Bridgetown ADVOCATE-NEWS in English 11 Nov 81 p 3]

CSO: 3025/75

BRIEFS

UK LOAN--San Pedro Sula--Mr C. J. Sharkey, Great Britain's ambassador to Honduras, said yesterday, during his visit to this city's mayor, engineer Roland Valenzuela, that England will grant Honduras a loan of 5 million pounds sterling (approximately some 25 million lempiras) for public health programs, the improvement of coffee production, and other needs the Honduran Government may consider priorities. [Excerpt] [San Pedro Sula LA PRENSA in Spanish 7 Oct 81 p 40] 9399

CSO: 3010/196

DETAILS OF COOPERATION TALKS WITH NORWAY REPORTED

Kingston THE SUNDAY GLEANER in English 8 Nov 81 pp 1,2

[Text] Economic cooperation between Jamaica and Norway in a number of areas was further discussed in Oslo last week when a meeting of the Joint Commission for the two countries was held.

Maritime transportation, trade relations, negotiations in respect to oil, gas, cement and alumina, as well as the status of multi-lateral and bi-lateral programmes were on the agenda of the meeting.

Jamaica's Deputy Prime Minister and Minister of Foreign Affairs and Foreign Trade, the Rt. Hon. Hugh Shearer, gave the principal address at the meeting on behalf of Jamaica.

Noting that this meeting should have taken place earlier this year but "certain events" had prevented this, Mr Shearer told the Norwegian Minister of Commerce and Shipping, Mr Arne Skauge: "This fourth meeting of the Jamaica/Norway Joint Commission is the first for me, representing a new Government of Jamaica; and the first for you, representing a Government of Norway."

Mr Shearer said that against this background, he wished to discuss "the important matter of economic cooperation between our two countries, which is the prime concern of our Joint Commission."

"Our cooperation programme," he continued, "has covered mainly the fields of energy, shipping and training; we have received assistance from Norwegian experts under the Consultancy Fund arrangements; and in the field of industrial cooperation, we have had close and detailed consultations on alumina and cement.

Broad Objectives

"You will wish to know that these activities have been assigned a high priority by the present Jamaican Government.

"As I indicated earlier, the broad objectives of our economic policy are to increase our export earnings and to reduce unemployment. In order to achieve these objectives, we must restore and expand our productive capability. The sectors I have mentioned are crucial to this.

"I also wish to affirm to you that the Government which I represent attaches the highest importance to cooperation between our two countries; and I wish further to affirm that it will be our wish, and in particular it will be my wish, to see our cooperation expanded and strengthened over the years.

"The agenda for our meeting provides us with a good opportunity to work towards this, as we discuss the subjects of maritime transportation, trade, oil and gas, cement, alumina, training, status of current multi-lateral and bilateral programmes, and financial questions."

Marked Increase

Speaking for Norway, Mr Skauge said he was happy to report that bilateral trade between the two countries has shown "a marked increase" both on the export side and on the import side during the last year and a half.

"Traditionally, the trade between our two countries has been concentrated on just a few items," the Minister said.

"I feel that this situation does not reflect the full trade potential which exists between our two countries. In the case of your exports to Norway, I think that the possibilities of GSP-preference could be better exploited.

'Norimpod'

"Interested Jamaican exporters will be assisted by NORIMPOD, our office for promoting imports from developing countries, in establishing contacts with Norwegian agents and importers.

"Until now, NORIMPOD has received relatively few requests from Jamaica. This meeting of the joint Commission should provide a good opportunity to discuss the possibilities for expanding our scope of trade."

Mr Skauge said Norway appreciated the Jamaican desire to develop a national merchant marine and was willing to assist Jamaica in achieving this objective.

"Norway is very interested in participating in establishing a modern Jamaican fishing industry. We have an internationally recognised position in the field and can deliver a full range of goods and services--from fishing vessels and equipment to integrated conservation plants and training," he said.

Soft Loans

"I would also like to mention the existence of various financing schemes administered by NORAD, the Norwegian Agency for International Development.

"Under these schemes, Norwegian companies, in close cooperation with the host country, may obtain financial assistance and soft loans for feasibility studies, building of infra-structure and commercial projects.

"One of the stipulations for obtaining such aid is that the project will stimulate the development process of the receiving country."

CSO: 3025/71

SEAGA URGES PUBLIC SUPPORT FOR SECURITY FORCES

Kingston THE DAILY GLEANER in English 9 Nov 81 p 15

[Text] The government does not condone acts of brutality by members of the security Forces, but will not condemn the force as a body by the misconduct of a few, Prime Minister, the Rt. Hon. Edward Seaga, has said.

Giving a review of the performance of the government after one year in office on Tuesday in the House of Representatives the Prime Minister said: "We must continue to give the Security Forces our full co-operation while weeding out those who disgrace its performance."

"The government inherited a demoralised and under-equipped security force which has a major reason for the high crime rate last year.

Morale

Since that time, the morale of the security forces has been greatly elevated, firstly because they are no longer the subject of abuse by those in authority. The physical conditions of the police stations are being refurbished and imporved after having been left to deteriorate into unlivable conditions. The strength and training of the forces have been increased to meet the growing sophistication of the criminal element in the country.

When this government took over, almost 50% of the police fleet was immobile. To correct this, urgent repairs have been carried out and new vehicles acquired to improve mobility. Crime detecting equipment has also been provided to moderinise the force. Vehicles and radio equipment have been ordered for the Jamaica Defence Force to signficantly improve the capabilities of the Jamaica Defence Force. The first shipment of vehicles for the security forces is expected shortly with a succession of shipments to follow.

Apprehension

As a result of these immediate improvements, there has been a high incidence of apprhension of wanted criminals and subversives, as well as the recovery of large caches of weapons. violent crimes of murder and shooting have been reduced by approximately 50% between January and October in comparison with the same period last year. As a result, confidence has returned to the security forces, greater co-operation is being experienced from residents in the communities and there is a reduced climate of fear and tensio islandwide.

Nonetheless, much public concern still exists in areas where crime persists and where the security forces abuse their authority in acts of brutality. The government does not condone acts of brutality by members of the force, but will not condemn the force as a body by the misconduct of a few: We must continue to give the security forces our full co-operation while weeding out those who disgrace its performance.

Repair

To further improve the quality of justice, meaningful attention was given this year to the repair and refurbishing of the courts, the physical conditions of which could only be described as primitive. Expenditure is proceeding on 14 Resident Magistrate's and the Supreme Court building. The condition of the Resident Magistrates courts had reached crisis proportions as no funds had been provided since 1977 for this purpose.

The public will also be pleased to know that a management study has now been completed on the Registrar General's Department. The The back log of arrears in this department go back, unbelievably, to 1976. This study will be the basis of a complete reorganisation of the department.

CSO: 3025/71

PAPER CASTIGATES PNP DECISION TO SEND DELEGATION TO CUBA

Kingston THE DAILY GLEANER in English 10 Nov 81 p 6

[Editorial: "Act of Folly?"]

[Text] At the worst, the PNP decision to send a party delegation to Cuba, under Vice-President P. J. Patterson on Wednesday can be viewed as an act of treachery, and at best as an act of misguided folly.

Mr. Patterson has referred quite correctly to the unprecedented move in Jamaica's case of breaking off diplomatic relations with any country. The PNP's proposed act is also unprecedented not only in Jamaica but also in the world. For we cannot recall any Opposition Party in any democratic country which has behaved in the way the PNP proposes to do. The Government acts for the whole country and in a democracy its activities are open to questioning by all and sundry whether in Parliament, the Press or elsewhere. Indeed opposition to the decision is inevitable in a democracy, but opposition must be contained within the Jamaican process.

The PNP does not see it that way. Behaving as if it is still the Government, or at least a Government in exile, it has decided to go to Cuba to thank that country for its aid, to assure it of the PNP's solidarity, and to seek to reassure Jamaican students there. With the greatest respect for the PNP and its leadership, we must point out that the PNP now can speak only for the PNP, and not for the country; so it cannot convey Jamaica's thanks to the Cuban Government nor can it reassure Jamaican students there of anything.

We note that though the PNP had announced that Leader of the Opposition Mr. Michael Manley would have broken his lecture tour of the US and Canada in order to return to Jamaica by Sunday, November 1 Mr. Manley returned only on November 8. Perhaps he had realised that his lecture tour was better for his party's image than the proposed visit to Cuba by a PNP delegation which is of doubtful loyalty to Jamaica, and an act of folly.

We hope it is not too late for otherwise reasonable men such as Mr. Patterson to realise the shallowness of the proposed PNP visit to Cuba as well as its possibly being interpreted as an act of treachery to the Government of Jamaica and to the majority of the people. We would propose instead that the PNP should concentrate on the debate in Parliament on the matter, a debate which Mr. Spaulding's censure motion against Dr. Duncan makes highly probable today. It is through skilful handling in the debate that the PNP can point out what it obviously feels is an indefensible act by the Government.

CSO: 3025/71

EDITORIAL DISCUSSES PNP POSITION ON CONTINUED CUBA TIES

Kingston THE DAILY GLEANER in English 2 Nov 81 p 6

[Editorial: "Party Over Country"]

[Text]

In Dominica, the left leaning Dominica Liberation Movement Alliance has decided to defy the Dominican Government and to accept Cuban offers of scholarships on a party to party basis. This follows the Government's decision not to accept Cuban Scholarships because as the Government claimed whatever the field of study, students are compelled to study the doctrine of Marxism-Leninism and in some cases the military arts.

In Jamaica, the left leaning PNP has decided to defy the Government's decision to break off relations with Cuba and is to send a "top level PNP delegation to Cuba to consolidate relations" presumably between the PNP and the Cuban Communist Party which runs Cuba.

It would seem to us that the PNP would have been better advised to hew to the line of the Chairman of the Party, Mr. Dudley Thompson who questioned the procedure taken by the JLP Government in breaking off relationships. Mr. Thompson said the Government had taken a precipitous and drastic step and expressed the view that the Government should have first stated its grouses to Cuba and requested the cooperation of the Government of Cuba before handing that Government an ultimatum. And there is some merit in Mr. Thompson's complaint, though the Prime Minister had indicated in Parliament that the Cuban Embassy was more than aware of the gravity of charges against the three wanted men and also the allegations made in Parliament that they were in Cuba.

The PNP Chairman also questioned the nature of the evidence on which the Government acted, and said that the Prime Minister had not given the people any evidence to suggest that the three men were in Cuba. The evidence given to Parliament was the transcript of the tape and the word of the Prime Minister that policemen had sworn to its authenticity and to the authenticity of the voice of Anthony Brown on the tape. It seems that the Leader of the Opposition and the Chairman of the PNP should have been taken into the confidence of the Government and be permitted to share the evidence, though Dr. Duncan's hurried defence of Mr. Paul Burke and Mr. Manley's own defence of Mr. Burke once the affair became known, may have made it difficult for any such move to be made. Dif-

ficult, but not impossible in our view. For on a matter of such gravity it is necessary that bi-partisan consultation be carried out.

What has added to the difficulty in the way of consultation appears to be the conviction of the Government that some leaders of the PNP are involved in a conspiracy with Cuba to keep the three criminals in safety in Cuba, and thus thwart the ends of justice.

This is a very grave allegation, for it could involve the crime of treason to the state. Hence it must not be made lightly and without solid evidence. We believe it incumbent on the Government to explain in Parliament what is the iceberg of evidence; the tip of which the Prime Minister claimed the harbouring of the three criminals to be. We believe it incumbent also on the Government to proceed with despatch to bring charges against those deemed to be guilty of crimes against the state, so that guilt or innocence can be established in the Courts.

For it cannot be right that people who are not in Parliament continue to be accused in Parliament by innuendo rather than direct allegations.

As for the Opposition, we would advise them to see their role as the Chairman appears to see it, as questioning the actions of the Government in Jamaica, and in terms of Jamaican interests and not follow the General Secretary and allow their alliance with the Communist Party of Cuba to push them into an open act of defiance of their own Government on a matter of international affairs, the security of their country and Jamaica's national dignity.

It seemed strange to us indeed that the General Secretary on Thursday gave the Party's "condemnation" of the decision before the Party met in emergency session — presumably as it turned out to be — to rubber stamp the Secretary's very strongly worded reaction to his Government's decision in respect of a foreign State.

While the Government must always act with probity on the basis of incontrovertible evidence, and not seek to score political points cheaply, the Opposition must beware that it does not confirm any suspicion that it is prepared to put the party and the interests of a foreign state before the country's.

CSO: 3025/62

SEAGA BLASTS PNP FOR STAND ON ISSUE OF CUBA RELATIONS

Kingston THE DAILY GLEANER in English 3 Nov 81 pp 1, 12

[Text]

The Cuban authorities did not send home the three wanted criminals as they had been asked because if they had done so they would be admitting to their guilt, Prime Minister Edward Seaga charged on Sunday night.

Addressing thousands at a Jamaica Labour Party election anniversary rally at South Parade in downtown Kingston, Mr. Seaga said the Cuban authorities instead had used their "stoogies here, the PNP to offer excuses."

One member of the PNP had said that the Government's charge about the wanted criminals in Cuba who were training for political action and subversion here was not true while another member of the PNP had said that if it was true it was only criminals who were being dealt with.

Likening the PNP as "twins in bed" with the Cuban authorities, Mr. Seaga said that anything one did the other did likewise, if one sneezed the other caught cold.

Mr. Seaga charged that the Cuban Government had "knowingly, willingly and deliberately given haven to those elements (the wanted men) and allowed them to stay in Cuba out of reach of Jamaican justice. What is more they did it in defiance of Jamaican authority." Mr. Seaga wanted to know what kind of patriotism the PNP had in their heart that they could take up for a set of foreigners "against your own people."

DEROULET AFFAIR

Mr. Seaga said that when the American Ambassador (Vincent deRoulet) was made persona non grata, "I had raised no objection." The Ambassador had said something which was considered offensive and Manley had taken action.

"I gave my country at that time, the encouragement that it had to stand up to anyone who tried to abuse us and our sovereignity but these puppets now don't consider their country above the responsibilities they should have and the patriotic duty that they should perform as Jamaican."

"They consider their allegiance to some foreign Government to stand higher in the scale of priorities and order. We must ask ourselves what kind of connection exists between the PNP and the Cuban authorities."

IN THIS YEAR, ALONE, 51 PNP leaders, officials and other ranking supporters, had visited Cuba, making 61 trips and spending over 200 days there Mr. Seaga said. Asking what was going on over there and what were the PNP members up to Mr. Seaga said that whenever he went to the United States or Venezuela or Mr. Shearer went to Germany, investments were brought back. "I always go to promote Jamaica."

When anybody from the PNP visited Cuba and returned nobody knew what they had gone and done. When they returned they could not open their mouth. They could not tell the truth about their trips to Cuba, Mr. Seaga said, because if they did it would "finalise and finish their political prospects in this country."

Mr. Seaga made these comments as he reviewed the decision to give the Cuban Embassy officials marching orders in connection with the wanted men incident.

The review came as the Prime Minister drew the meeting's attention to what he termed the threat from outside. This threat and two others originating inside the country, should be recognised by the people and be guarded against, he said. The other two threats, he iden-

tified as, the attitude to work which came from inside the people, and an attitude which came from the belief that the country could continue to borrow its way out of trouble.

In reviewing the events which led to officials of the Cuban Embassy being ordered out of the country, Mr. Seaga said that he and the Government, after the elections, had done everything to maintain friendly relations with Cuba. "We did not abuse them neither did we go on record and tell the world about all the things that they were doing."

CUBAN PROGRAMMES HERE WERE ASSESSED and those not needed were terminated. "This was all done in a proper fashion and not on the basis of a Jamaican Government which had any vengeance in its heart, because when I took the oath of office I said I would not conduct a Government with malice to anyone."

For a while the Cubans conducted themselves in such a fashion "that we thought they were learning from past mistakes." As time passed, however, "we began to realise that the business of training Jamaicans for political action and subversion was beginning to occur again."

In doing this the Cuban authorities were once again establishing linkages and contact with the Opposition, and there was more than one (Opposition) party involved.

RATION CARD

Mr. Seaga said that the Government was not in a position to do anything with the information which it had been receiving until it constituted the kind of information which could be put before the people. The tape and the letters were that type of information.

Mr. Seaga said that in Cuba no man could exist for one day without the Government knowing about it. Everybody had to have a registration card, and a ration card to get food and these were issued by the Government.

Furthermore, Mr. Seaga said, the wanted criminals were not unknown but men whose faces appeared dozens of time in the papers and on television with handsome rewards for information leading to their capture. "The Cuban authorities could never have said that they don't know who they are."

Mr. Seaga then dealt with what he described as the Cuban Government's arrogance in the matter and their deliberately harbouring the men. He said that as soon as he had returned home, from the Far East he had launched investigations into the finding of the tape and letters. As a result of this and what was happening "we could no longer sit by and watch another country arrogantly displaying its defiance of our sovereignity, arrogantly treating us as if we were some colonials, arrogantly believing that we were like the PNP and Manley still in power, and arrogantly displaying the nakedness of their authority to take men that are wanted here in Jamaica for political activities of a criminal nature and hold them in safe-keeping until the day come that could unleash them on us."

Mr. Seaga then related how he gave the Cuban authorities 24 hours to return the men and how he subsequently had to order the Embassy staff to leave.

In summing up, he mentioned the point about the Cuban authorities not sending home the men because they would be admitting their guilt if they had done so.

CSO: 3025/62

SEAGA ADDRESSES JLP, WARNS ANYONE WHO TAMPERS WITH ECONOMY

Kingston THE DAILY GLEANER in English 4 Nov 81 pp 1, 17

[Text]

Prime Minister Edward Seaga said on Sunday night that if anyone dared to try and destroy the process of economic recovery, then "they are going to answer to me the way the Cubans answer."

"I am prepared to be lenient. I am prepared to operate on the basis of a relaxed regime. I am prepared to give every man his due, holding malice towards none, but if you tamper with the prospects of economic recovery of this country, you are going to find that while I may carry honey like a bee, I can sting like a wasp."

Mr. Seaga was addressing thousands of cheering Jamaica Labour Party supporters at the party's election anniversary celebrations at South Parade in downtown Kingston.

PRIOR TO THE WARNING, Mr. Seaga said that the country was poised to enter the second year of struggle after eight years of suffering and disaster to bring economic recovery to Jamaica — something which had already started.

Listing areas such as construction, tourism, agriculture, bauxite and mining, which were poised to move, Mr. Seaga said that if anybody tried to thwart this they would not only have to answer to the Government, but also the people.

In a wide-ranging speech, lasting just over an hour, Mr. Seaga defended the first year of office, outlined the incident which led to officials of the Cuban Embassy being sent home, mentioned threats to economic recovery and gave an overview of the Government's strategy over the next three years.

Dealing with 'deliverance', Mr. Seaga said that some people were saying that it had not come, while others were saying that it had come for them. Stating that this might be valid in some cases, Mr. Seaga launched into the "five acts of deliverance" which he said had rescued the country.

The first one, he said, was the return of food on shop-shelves, something which had been achieved in five weeks by the JLP Government, ending five years of the shops being without food. The situation, he said, had reached such a state that during the campaign, the one-in-three shops not closed was open only at the window because the shopkeeper was ashamed for anyone to see inside.

Mr. Seaga recalled that on taking over the reins of office, and with Christmas approaching, there was only two weeks supply of food, rice, meal and meat and there was no money to buy anymore.

However in another two weeks, four commercial banks had provided the government with $40 million worth of credit so that food, spare parts and raw materials could be purchased.

Mr. Seaga said that when he heard people talking about "not feeling deliverance", he had to say that it was a mistake. "What we should have done is let the country experience the last Christmas without food and with thousands losing their jobs, then nobody would have to take my word for it, but everyone would have the grim memory of it."

Instead, Mr. Seaga said, the JLP Government while less than two months in power, had ensured that everyone had the happiest Christmas in many years. "What would have been the position if the PNP were in power?" he asked.

IF THE PNP HAD WON man would be "nyaming man" because nobody would be lending them money, the government itself would have had to abandon large sections of the budget...all we get from Manley were debts, bad cheques, closing companies and a Government which did not have enough credibility to raise a dollar overseas."

INVESTMENTS

Turning to the second act of deliverance, Mr. Seaga said that this was the acquisition of new investments to provide new jobs. He said that under eight years of PNP rule there was hardly any new investment; and unemployment affecting mainly the young, had moved from 180,000 to 300,000.

Since the JLP Government, "something has happened beyond my wildest

expectations." There had been 470 new applications made to the Government about new investments totalling over $1,000 million, due to the confidence investors now had in the country.

Whereas the PNP Government had for five years been operating in "fits and starts" and were unable to provide things like linen for hospitals, desks for schools, and to fix the potholes, it had taken the JLP Government five months to finance a new budget which could make the economy run smoothly.

The third act of deliverance, Mr. Seaga said, was to stabilize the movement in the cost of living from a situation under the PNP where price increase were "staggering, uncontrollable and unbearable."

Last year alone, the cost of living had increased by 28 per cent compared to a four per cent movement under the JLP, an achievement which no other democratic country in the world had attained. This was done in only one year, he said.

THE FOURTH ACT OF DELIVERANCE, Mr. Seaga said, was the saving of the freedoms and rights of the country. Asking the gathering to imagine what JBC and the API would be like if the PNP had won the elections, Mr. Seaga said news in these media would have been stifled. The people would not have been able to know why they could get no work or food: they would be told instead that it was the work of wicked imperialists.

UNDER CONTROL

The GLEANER, he said, would also have been brought under control and the excuse of a shortage of foreign exchange would have been used to prevent the paper from importing newsprint. This would be so as the PNP Government, supported by others, moved to transform Jamaica into a Cuban-type society.

The final act of deliverance, Mr. Seaga said, was the bringing back of hope and the freeing of tensions in the country, which came about four hours after the JLP had triumphed at the polls.

Commenting that he did not want to give a one-sided picture and give the feeling that everything has been accomplished, Mr. Seaga said that he was aware of three areas of disappointment amongst the people: (1) there was not enough money in circulation; 2) the complaint that small businesses had been neglected, and 3) job opportunities.

Concerning the low supply of money in circulation, Mr. Seaga said that this had been done deliberately. There was less money in circulation now than last year because the Government was stabilising the cost of living.

Mr. Seaga said that at the time of the JLP coming to power, too much money was in circulation in relation to the level of production. If money supply had not been restricted, the cost of living would have increased even more. "We had to match the level of production of goods".

With production on the rise once more, the money supply would be stepped up, Mr. Seaga said and brought loud applause when he disclosed that the money supply for this Christmas would be more than for the last Christmas "All sound and sensible financing". Mr. Seaga reported also that already the Christmas Work programme was being prepared.

THE BIG MAN

Regarding the complaint of neglect of small enterprises, Mr. Seaga said that this complaint had led the PNP to say that the JLP was looking after the big man's interest, but this was not so.

He said that because the JLP took over a bankrupt economy, with no new investment coming in, the Government had to concentrate in this area in order to get the economy moving.

Mr. Seaga promised that next year the Government was going to look after small enterprises and handicrafts as well as agriculture to bring deliverance to these sectors of the economy.

Dealing with job opportunities, Mr. Seaga mentioned that it was a long process involved in getting factories going and creating employment. This was not helped by the PNP Government which had left no factories for investors to use.

"All the things involved take time," Mr. Seaga said, but by year three there should be something to hold on to. Thousands of jobs would be coming, but in the meanwhile he understood the feeling that "things hard."

He told the gathering to look next year for the boom in the construction industry as thousands and thousands of square feet of buildings had been approved for construction. "This would create impact among most of you in the towns," he said.

Regarding the rural areas, and youth who live in the hills, Mr. Seaga said that they would be involved in planting some twenty crops which studies have shown give a high yield. In the meanwhile before this programme got off the ground the Government would be going into extensive roadwork right across the island to create employment.

AGAINST THREATS

Turning to threats which he said, the people must guard against, Mr. Seaga stated that the first two originated from inside the country, "in the minds and hearts of the people".

Declaring that "there was doubt as to whether deliverance could be sustained," Mr. Seaga said that the people need to know that they had to work and earn. "The country cannot continue to borrow its way out of trouble. Brothers and sisters we did it last year, we can do it another year or two but by the time year three finishes, we had better be in a position to show that we are people who can work and earn because when that time comes, people who lend us money will say we have no good intention."

The Government, Mr. Seaga said, could only do so much. It was up to "you to do the rest when people get work and don't work you are failing our effort."

Mr. Seaga also said he was dissatisfied with the Relief Employment Programme although more effort and discipline had gone into it. The country could no longer afford to have a situation where a group of people came to work, two worked and eight did not. People would now be given specific responsibilities.

Regarding the final threat — that from outside, which was to the security of the country, Mr. Seaga referred to the "Cuban Affair", which he said was not a step which the Government had taken lightly.

After a lengthy review of the matter, Mr. Seaga said that the country was poised to have massive investment and the only thing which could prevent it was if those people who didn't want to see the country prosper do something to terrify the investors.

Mr. Seaga then detailed sectors of the economy which were poised to move and said that if anyone tried to prevent this from happening then they would have to deal with not just the Government but the people.

"I want to put these things on the record, for after a year of work for which we can be truly proud — proud that we are poised for another year to undo the eight years of suffering, the eight years of disaster, proud as we are to move into the second year of struggle in such a fashion as to bring economic recovery to Jamaica, if anyone dares to try to destroy that, they are going to answer to me the way the Cubans answered."

"I am prepared to be lenient. I am prepared to operate on a basis of a relaxed regime. I am prepared to give every man his due, holding malice towards none but if you tamper with the prospects of economic recovery of this country, you are going to find that while I may carry honey like a bee I can sting like a wasp."

The Prime Minister thanked the gathering for such a large turnout which, he said, was a vote of confidence to continue to build the economy. He thanked them and the country for the support that his Government had received and the role that everyone had played to turn around the economy. He appealed for "the prayers, the work and the effort to continue to restore the economy... and by the Almighty's will we shall succeed."

CSO: 3025/62

BRIEFS

ALUMINUM, BAUXITE EXPORTS--Alumina exports rose by 4.6 per cent, exports of unprocessed bauxite dropped 8.6 per cent and total bauxite disposed of was 100,000 tonnes less in the third quarter of this year compared to the same period last year. A Jamaica Bauxite Institute release yesterday also said that fourth quarter figures are expected to show slippage in the face of soft world demand for aluminium. The JBI release said: "Despite continued buoyancy in its alumina exports, Jamaica's bauxite production suffered a decline in the third quarter as the world recession in aluminium markets worked its way back to the local industry. Total bauxite disposed of was 3 million (metric) tonnes in the third quarter as against 3.1 million tonnes in the corresponding period of 1980. Nevertheless the cumulative figure for the year to date was still running 3 percent ahead--9.1 million tonnes as compared with 8.9 million tonnes recorded for the first nine months of last year. Exports of unprocessed bauxite (all of which goes to the United States) dropped 8.6 percent in the third quarter for the year to date, shipments amounted to 4.4 million tonnes as against 4.5 million tonnes in the first three quarters of 1980--a decline of 2.7 percent. Alumina exports were 638,000 tonnes in the third quarter, a 4.6 percent rise. The nine-month figure was 1.9 million tonnes, 9.1 per cent more than the 1.8 million tonnes shipped between January and September of 1980. Fourth quarter figures are expected to show further slippage given the continuing softness of world aluminium demand." [Text] [Kingston THE DAILY GLEANER in English 7 Nov 81 p 1]

SEAGA MESSAGE TO BREZHNEV--The following congratulatory message from the Rt Hon E.P.G. Seaga, Prime Minister of Jamaica, has been transmitted to Mr Leonid Brezhnev, Chairman of Presidium of the Supreme Soviet on November 7, the 64th anniversary of the Socialist Revolution. "The Government and people of Jamaica join me in extending warm congratulations and best wishes on the celebration of the sixty-fourth anniversary of the Great October Socialist Revolution. It is our sincere desire that you will succeed in your efforts to achieve your national objectives and we look forward to the continued friendship and cooperation between our two countries." [Text] [Kingston THE DAILY GLEANER in English 7 Nov 81 p 2]

MESSAGES TO CHAMBERS--Congratulations have been sent from around the Caribbean to Trinidad's Prime Minister George Chambers, following his runaway victory in Monday's general election. Jamaica's Prime Minister Edward Seaga said yesterday: "On behalf of the Government and people of Jamaica, please accept my warm congratulations on your overwhelming victory. Once again the people have reinforced

the strength of political modernation in the Caribbean. I look forward to working closely with you and your Government for the good of both our countries and the region as a whole." People's National Party president and Leader of the Opposition, Michael Manley, yesterday sent the following message: "Warmest congratulations on your magnificent victory. This is a resounding vote of confidence in the PNM in general and your leadership in particular. It is also a tribute to the monumental contribution of the late Dr Eric Williams to the national life of Trinidad and Tobago and to the wider Caribbean. We look forward to ever stronger bonds of friendship between Trinidad and Tobago and Jamaica within the framework of the Caribbean Integration Movement." [Excerpt] [Kingston THE DAILY GLEANER in English 11 Nov 81 p 1]

SENATE APPOINTMENT--Mr Derrick Charles Smith, 37, business executive, has been appointed a member of the Senate. The appointment completes the 13-member Government team in the Upper House. Mr Smith is the outgoing president of the West Indies Jaycees. His appointment was delayed until this time to allow him to complete his term of office to the stage of selection of his successor, an API release states. The election was held in September. Mr Smith, also a past president of the Jaycees of Jamaica, is marketing director and assistant general manager of Rapid Sheffield Company Limited. He was educated at Calabar High School and the College of Arts, Science and Technology. [Text] [Kingston THE DAILY GLEANER in English 31 Oct 81 p 1]

PNP MAGAZINE--The People's National Party (P.N.P.), in association with the National Workers Union, (N.W.U.) will be producing a monthly magazine to be distributed island wide starting the end of November. Contents of the Magazine will be geared toward the P.N.P. and to give a constant update on its role as an Opposition. Some 10,000 copies are expected to be circulated in the first issue. This was disclosed by former Information Minister in the P.N.P. Government, Mr Arnold Bertram, at a press briefing held at a private home in Montego Bay on Wednesday, October 28. The press briefing, attended by P.N.P. Executives, Dr D.K. Duncan, Mrs Beverly Manley, and Mr Ralph Brown, was one in a series of "rap sessions" to be held with the press. It is hoped that from such a session the public would be kept up to date with the party's activities, Dr Duncan said. A name was not yet decided on for the magazine, and it would no way affect the production of the Union's monthly magazine, Mr Bertram said. The monthly publication, he said, was one of the many objectives decided on by the Party in its effort to prepare itself for state power again. The alignment of the Party with the Union, he noted, was a clear demonstration of the Party's commitment to the working class. The magazine is to be financed by advertisements and sales he said. [Text] [Kingston THE DAILY GLEANER in English 4 Nov 81 p 15]

CSO: 3025/62

RELIGIOUS DIVERSIONIST CAMPAIGN ANALYZED

Managua EL NUEVO DIARIO in Spanish 4 Nov 81 p 2

[Article by the CEPA, (Center for Education and Agrarian Promotion) staff: "Religious Diversionism in the Sandinist Revolution"]

[Text] 1. A Definition

Ideological diversionism in the religious field means the distortion of the evangelical meaning of Christianity and slander about the Sandinist revolutionary plan, with the objective of putting Christian people in opposition to the revolution and allying them with the imperialist plan.

Manipulation of the religious beliefs of the Nicaraguan people has been a constant weapon of the counterrevolution since the victory of 19 July 1979 due to the great Christian faith of Nicaraguans and the power of persuasion the bishops and members of religious organizations have over the people.

2. Those Who Are Carrying It Out

First, since 1968 (Rockefeller report) Yankee imperialism has been preparing a strategy to neutralize Christian sectors committed to the struggles for liberation of the Latin American people. It has been carrying out this strategy through massive propaganda, infiltration into the churches, threats and the assassination of thousands of Christians, religious and lay.

Second, the local traitorous middle class has found a favorable spot in the churches to express its opposition to the revolutionary process, covering it with the cloak of "defense of religious beliefs."

Finally, confused sectors in the churches have lent themselves to this ideological deversionism for several reasons: a clever campaign of conversion carried out by the middle class since 1979 through its prior theological training of a traditional nature (abstract, spiritualistic, ritualistic) and also influenced by the anticommunist and anti-Sandinist preaching in which Somoza and imperialism have been engaged for decades.

3. Their Objectives

a) To eliminate international support for the Sandinist Popular Revolution [RPS] by depicting it as repressive of popular religious beliefs.

b) To diminish the people's participation in the tasks of the revolutionary process by trying to place Christianity in opposition to revolution.

c) To divide the revolutionary vanguard, the FSLN [Sandinist National Liberation Front], from the masses.

d) To attract greater support for their pro-imperialist middle-class plan.

4. Tactics Being Used

a) They are presenting the National Reconstruction Government [GRN] as a totalitarian power which does not permit freedom of expression (for example, it does not permit the establishment of a "Catholic" TV channel) and prohibits Christian teaching in the schools while permitting the reading of Marxist texts; it sends students to forest-clearing operations, to help teach illiterates and to perform other tasks without consulting their parents (division of the sacred family tradition!) and, in addition, attacks Christian peace by arming the people in militias.

b) They are depicting the FSLN as an atheist Marzist group which is subtly trying to implant atheism in Nicaragua. In their opinion, the FSLN would be a new controlling group which incites to hatred, violence and fighting among the social classes, thus dividing the Nicaraguan family as a whole. Moreover, the FSLN would allegedly be trying to divide the Catholic church through infiltrated groups seeking to create a confrontation between the people and thier bishops.

c) They are distorting the original message of Jesus by promoting a spiritualistic religious practice (liberation should be only spiritual), fatalism (only God and the saints will resolve our problems), ritualistic (merely prayers and processions), resignation (in face of exploitation, one should turn the other cheek) and beyond our earthly existence (the important thing is the afterlife). In short, they are preaching a Christianity far removed from the commitment to Nicaragua's poor. These reactionary sectors fill their mouths with the word "God," but in their daily life, in accumulating wealth from the labor of the workers, the middle class is showing that its God is the fetish of money and that they are atheists with regard to the God of the poor: Christ.

d) They are accusing the monks and priest committed to the tasks of the revolution of being part of a communist master plan of infiltration into the churches. They are trying to effect a total separation between the religious representative and the politician. They are repressing dedicated Christian sectors, forbidding their participation in mass organizations and in the tasks of the revolution, trying to prohibit their work in the Sandinist state, controlling their pastoral plans and decorations and, in the end, expelling from the country anyone who does not submissively obey their ecclesiastical authorities. In these tasks the Creation has the collaboration of the directorate of the CELAM (Latin American Bishops Council), which has unleashed a campaign throughout the continent to "save the Nicaraguan Church from the clutches of communism." Here we should mention the strong defense of the undisputed authority of the bishop by the middle class one he has won over to its plan.

5. Conclusions

We shall not go into great detail with regard to the falsity and distortion of the arguments put forth by the reactionary forces in their diversionist campaign; we shall just call attention to three basic points:

a) Concerning the revolutionary process, there are hundreds of examples of the Christian nature of the Sandinist government. Is not the crusade against illiteracy a case of love of one's neighbor? Is not the law of grace exemplified in pardon and mercy, in the exemptions and liberties decreed on many occasions? Is not the incarnation of Jesus exemplified by limitless giving to the poor, by the conduct of so many Sandinist heroes and martyrs? Is not giving life in abundance, as the Gospel asks, the objective of the health campaigns? Does not the law of agrarian reform coincide with Genesis where it says that the fruits of production are for the enjoyment of all men and not of just a few who monopolize them? Are not confession and evangelical repentance displayed in the public self-criticism the revolutionary leaders have repeatedly made in recognizing their errors? Is nothing accomplished with the norm of giving shelter to the poor in accordance with the law of intervening distribution? Thus, we could go on citing impressive proofs of the Christian inspiration of this revolution without contending that all is now perfect or, obviously, that we have now brought the Kingdom of Heaven to Nicaragua.

b) With regard to the FSLN, we should remember that Christians at all levels are serving in its ranks, that it has always recognized religious freedom as an "inalienable right of all people," that it believes "it is possible to be a believer and revolutionary at the same time," that it respects religious celebrations and is trying to attack vice and corruption inherited from the Somoza era, and that it has no intention of meddling in the internal questions of churches. (See "FSLN Declaration on Religion.") It should also be remembered that class struggle is an objective fact of reality and that the FSLN did not instigate hatred and violence but, rather, has demonstrated a spirit of exemplary prudence and patience in face of provocations mady by the reaction.

c) With regard to the Christian message, we should remember the words of Father Gaspar Garcia Laviana when he said: "My faith and adherence to the Catholic Church obligate me to take an active part in the revolutionary process with the FSLN, for the liberation of an oppressed people is an integral part of the total redemption of Christ." A Christian is defined by his concrete efforts to aid in the liberation--both material and spiritual--of the poor (Matthew 23-27). The Church should renounce temptations for material power and interpret its authority as a service to the exploited who represent Jesus historically resurrected.

8568
CSO: 3010/323

ROLE OF FAMILY IN SANDINIST REVOLUTION EXPLAINED

Managua EL NUEVO DIARIO in Spanish 4 Nov 81 p 2

[Article by Julian Grajales Duval]

[Text] Middle-class minority groups, Christians and laymen; red, purple, and green, are now showing concern over all they did not do when the reins of government were in their hands, when they were teeming with wealth and monopolizing property. And when the popular majority alone was subject to exploitation.

Anticommunists by nature, pro-imperialists be identity and community of interests, sociologists of the middle class and political schemers, especially those of LA PRENSA and Radio Del Galope, in their systematic campaign against the process of the Sandinist Popular Revolution [RPS], the FSLN [Sandinist National Liberation Front] and the forces working for change, they do not refrain from the use and abuse of freedom of expression which they say does not exist; of thriving on accusing Sandinism, the "totalitarians" and "communists" of being responsible for the dissolution and destruction of the Nicaraguan family.

First, I must warn that when there is reference to their falsehoods, middle-class people become angry and consider themselves slandered. It so happens that in Chile, when the social Christian, Dr Eduardo Frei Montalva, with the support of the monopolies, "won" election to the party represented by Dr Salvador Allende Gousen (in 1964), one of the principal "cute little tricks" with which they were frightening the Chilean people was the accusation that "the communists would destroy the family." After what happened in that country, can there be any doubt that this was part of a campaign arranged by the CIA? Compared with what is happening here, it is too much of a coincidence.

They are now accusing the popular and democratic revolution, Sandinism, of "destroying the family." I believe it must be acknowledged that the middle-class gentlemen are right to a certain extent; this cannot be denied. What is happening is that they are refusing to accept the irreversibility and dialectics of the social economic change which began on 19 July and, consequently, believe that everything will change.

Although the revolution is accused of destroying the family "model" which the middle class had formed in a very narrow and deformed way, it is not an accusation which dishonors the revolution, since, in fact, the middle-class gentlemen are recognizing that the revolution is a means of transforming the anachronism.

Now and forever the family is and will continue to be the basic and very first cell of the social structure: At the time of the triumph of the revolution in Nicaragua, the family existed as an institution, divided, hurt, psychologically damaged and uncultured. To a large extent, the family was based on a natural union and the responsibility of the wife; that family did not count on a guarantee from state institutions to assure the children's future; on the contrary, it was faced with a hostile, selfish and unjust system.

There was a historic period in the formation of our society when sexual activity was unlimited and natural, which made it possible for the area's settlers to increase in population and start families. Surely that is the way the "pure and exclusive middle-class families, civilized and Christian," got started.

The family of the middle-class "model" is based on the supremacy of the husband in relation to the wife and children. The basis of that family is the mother who brings forth life; but in the relationship of capitalist production, she was only an appendage of private property who was inherited.

The family received education or examples in the style of middle-class morals. That is to say, in the relationships of that society, what prevailed was interest, utility and payment in cash. In that environment the family paid more attention to respect from the children; veneration of the parents was hampered by selfishness, infamy, envy, hatred, misbehavior and ingratitude. These were deeply rooted moral deficiencies, which the revolution is diminishing.

Under the middle-class system the family offered no bond of human unity; the children abandoned the home; fathers left the mothers and their offspring. Thousands of mothers left or threw their children out because they did not have the necessary means to support them or a stable home, in addition to lack of education; in no way could this be considered an organized family. But, according to middle-class sociologists, that is the family which has been destroyed or is being destroyed by Sandinist revolution. It is a vile and strange accusation.

We know that the Nicaraguan family was faced with a complex gamut of social economic deficiencies, originated in the relationships of capitalist society. Most of the families did not own the home in which they lived and, our of necessity, converted the dwelling into a business. The shortage inherited by the revolution exceeded 300,000 dwellings; in the 2 years of the revolutionary government construction has amounted to 25 percent of what the Somoza regime had accomplished in 22 years. Of 15 projects realized by the revolution, 7 were carried out in the cities and 8 in the rural area; the favored families are those who are working in mines, on banana and coffee plantations, in cotton, livestock and other activities. There is no doubt that those families have found a way to become united. The decree of intervention in "clandestine real-estate developments," 90 in the country, helped more than 200,000 inhabitants, some 40,000 proletarian families organized in the ONRI [National Office of Real Estate Development]

The deficiency of the capitalist system, which defends family integrity in accordance with its "model," is extraordinary; much can be said about the inadequacies in public health, transportation and education; there was more than 60 percent illiteracy in general and the revolution has reduced this to 12 percent; similar progress has been made in labor, wages, business and other sectors.

Under the Somoza regime unemployment was more than 28 percent of the active work force which varied between 600,000 and 700,000 workers out of a national population of 2.5 million. Within a sea of destruction of the war of liberation, the plunder of tyranny, the imperialist blockade and the counterrevolutionary siege, the Sandinist revoltution has reduced unemployment to a level of 17.5 percent, and the population is more than 2.6 million. There is no question that the family has been benefited.

The unity and family integrity idealized by the middle class in one where, due to the privations and denials of democracy, sons and daughters were obliged to sell trinkets in the streets, on buses, at markets and at stadiums and could, therefore, not attend school; it is obvious that the state's superstructure did not have the necessary institutions.

Then, how could a family be integrated unicellularly and socially, if insurmountable contradictions of society force it to disintegrate? Unjust feudal relations interlaced with capitalists stifled the peasant family and forced it into a nomadic life; then the Agrarian Reform Law gave it the assurance of stability, location and the irreversible possibility of its installation and proliferation.

Of course, when the members of the middle class speak of family integrity, they begin with the subjective criterion of a privileged minority which has an abundance of the things they took from the majority; and this was done through the existence of property arrangements which served to guarantee exploitation of man by man. The middle-class concept of that family is so sublime that ideologists have sanctified and mystified it to the extreme and have enthroned it in the "Heavenly Kingdom."

That is why they accuse us of destroying the "model" of the middle-class family. Thus, this is our "crime." Let the people, those families "disintegrated" by the revolution, pass judgment on the Sandinists, revolutionary Christians, democrats, independents and Marxist-Leninists.

The family integrated under the revolutionary administration is a guarantee of the integral unity of Nicaraguan society. As a historical social category it is experiencing another phase in the ascent which will lead it to its final realization.

8568
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NONTRADITIONAL EXPORTS DECREASE BY 40 PERCENT

Managua BARRICADA in Spanish 11 Nov 81 p 7

[Text] Managua, 9 Nov (ANN)--Approximately $60 million worth of nontraditional products were exported by Nicaragua this year, according to information released today by James Zablah, director of economy of the Ministry of Foreign Trade (MICE).

Export products considered "nontraditional" are those which normally have not constituted significant categories for the country's economy but which at present are gaining importance because of the policy of diversification and markets being promoted by the National Reconstruction Government.

Zablah added that this year exports of nontraditional products experienced a decrease of 40 percent compared to the total exported in prior years, due to a series of factors which impacted negatively on the country's export capacity.

Among these factors, the director of MICE mentioned the suspension of exports of textile products, one of the strongest categories, in order to earmark them to meet the needs of the domestic market. Other factors were the large number of factories destroyed during the recent war of national liberation, the shortage of foreign exchange, the decapitalization of factories and labor problems.

What is more, Zablah also cited the problems inherent in the Central American Common Market as a factor which impacted upon the decrease in exports, particularly the political conflict in El Salvador, one of the largest buyers of Nicaraguan and Costa Rican products which took measures to decrease imports because of the economic crisis afflicting that country.

To recover the export levels, the Ministries of Foreign Trade and Industries and the Central Bank are coordinating their activities to give priority to export categories which represent the major source of revenues for Nicaragua and to find new markets, outside the Central American region.

Another measure taken was the decree issued by the National Reconstruction Government, which nationalized all exports of nontraditional products, by means of which the state is able to have greater control over foreign exchange entering the country and to earmark this exchange more effectively for the promotion of the country's export and industrialization development programs.

Among the nontraditional export products are polyvinyl chloride, oils and lubricants, toxaphene, soluble coffee and cottonseed cake and seed, all of which bring in a total of about $50 million.

Other nontraditional products are caustic soda, rums, linters, handicrafts, seafood, gold products, pottery and other articles, 90 percent of which are produced by state enterpirses.

8143
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SANDINIST, HUNGARIAN YOUTH GROUPS MEET

Managua BARRICADA in Spanish 14 Nov 81 p 5

[Text] The Government of Nicaragua should not underestimate statements made by members of the Reagan administration about possible military intervention and should take immediate, concrete steps to face up to such intervention, according to the secretary general of the Hungarian Communist Youth Union, Dr Sandor Nagy. The leader of the Hungarian youth group--who has been visiting our country for several days--said that it is no "surprise that we condemn the policy of President Ronald Reagan, who has developed "the irrational theory of a possible limited nuclear war in Europe." He also said that U.S. policy is characterized by bringing military tension to all parts of the world and gave as an example threats against Cuba and Nicaragua made by high-ranking officials on several occasions. Dr Sandor Nagy, who on behalf of the Hungarian Communist Youth Union had signed a statement with the 19 July Sandinist Youth Group in which the policy positions of both youth groups--oriented in their struggle toward peace and international disarmament--are set forth. The statement was signed on behalf of the 19 July Sandinist Youth group by Father Fernando Cardenal, member of the Executive Committee. In this statement, not only is the warmongering policy of imperialism condemned but there is also an expression of solidarity with peoples of the world who are struggling for their liberation and those struggling to consolidate the freedom they have won. Dr Sandor Nagy announced that in the next few months both youth groups will sign a cooperation agreement covering several areas. He also said that his group would publicize in his country the advances and achievements of the Sandinist Popular Revolution. The Hungarian leader had a talk with Companero Carlos Carrion, member of the National Secretariat of the FSLN [Sandinist National Liberation Front] and the Executive Committee of the 19 July Sandinist Youth group and visited several of the country's departments. He will return to his country today, together with Istvan Posta, vice secretary of the Department of International Relations, who accompanied him on his trip.

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BRIEFS

EEC AID TO GOVERNMENT--The European Economic Community (EEC) has donated to the National Reconstruction Government $30 million worth of food, technical resources and other aid, according to statements made by Plinio Palmerini, secretary of foreign relations of that international organization, at a press conference held yesterday. EEC aid during the 2 and a half years of popular revolution has been very generous and is being well handled by the government, Palmerini added and then added it is possible that aid will be greater in the future. EEC aid, apart from the agreements or bilateral aid from member countries of the EEC, is oriented toward food and agricultural programs, which are the fundamental basis of the country's development, and also toward education and literacy. At present, 10 EEC technicians are available to the Nicaraguan Government to be used as it sees fit, he said, adding that the delegates visiting Nicaragua met for 4 days to evaluate implementation of the Nicaraguan-EEC program. Present at the press conference were Michell Levante, head of the delegation; Michell Caillonnet; Sipke Broumer; the vice minister of agricultural-livestock development and agrarian reform, Salvado Mayorga, who said that work is being done on the formation of a fund for cooperatives in the amount of 60 million cordobas, which is part of the aid for the present year. He added that the government is planning to buy products in EEC countries next year and that the Carlos Fonseca project in Waslala was begun with a balancing item of 15 million cordobas which will be definitely presented to the EEC in the middle of next year. [Text] [Managua BARRICADA in Spanish 13 Nov 81 p 12] 8143

REPORT ON AID RECEIVED--Cuba, Mexico, the Soviet Union and Libya have been the foremost suppliers of aid to Nicaragua since the victory of the Sandinist Revolution, according to a UN report. The document recalls the resolution adopted by the General Assembly in December 1980 in which, recognizing the difficult economic situation in Nicaragua it once again appealed to governments and international organizations to continue and increase the aid granted to that country. A detailed account of the responses made to this appeal includes donations received in money and specie amounting to $190 million and bilateral loans of $519 million for the period 1979-1981. The United States, the wealthiest country in the West, is noteworthy for not having appeared on either of the two lists, while the European Economic Community made significant donations. Since 1981, when, in spite of a renewed appeal from the General Assembly, contributions from most of the Western countries decreased sharply, the principal donors have been Cuba, the German Democratic Republic, the Soviet Union, Argentina and Mexico. Libya contributed $100 million; the Soviet Union, $73.5 million; and Mexico, $37.5 million; followed by Venezuela, the GDR and Bulgaria. For the entire period, 1979-1981, Cuba, with

$42.5 million and Mexico with $39.5 million are at the head of the list of donor countries, while Libya, the Soviet Union, Mexico and the GDR granted the largest credits. The report also gives an account of the aid approved and programmed for the period 1979-1983 by several UN organizations for a total of $126.6 million. [Text] [Managua BARRICADA in Spanish 13 Nov 81 p 12] 8143

CSO: 3010/354

PRESIDENT REASSERTS RESPECT FOR TREATIES

PY020011 Lima EL COMERCIO in Spanish 23 Nov 81 p A1

[Text] Peruvian President Fernando Belaunde reasserted yesterday that Peru respects all international treaties and categorically stated that it opposes any arms race "since it obviously affects the economy of all nations."

Within this context he said that it is not proper for Ecuador to budget--as some press reports have stated--expenses "based on a hypothetical aggressiveness which Peru does not have."

Asked about press agency reports that state that Ecuador continues to purchase more arms for fear of an eventual conflict with Peru, he said: "Peru respects all treaties and it will not violate any border established by a treaty."

During the usual press conference he holds on Sundays, Belaunde said he had no knowledge of an incursion into Peruvian territory by armed Bolivian soldiers as has been charged by Senator Roger Caceres Velasquez (FNTC) [Peasants and Workers National Front].

He added: "Incidents of citizens lacking the proper papers who trespass on either side of the border may happen along any border, but Peruvian-Bolivian friendship is beyond any incident of this nature."

Asked about the reason for the meeting he held at 0900 at Government House with Peruvian Army Commander Otto Elespuru, he said that it was a routine meeting.

"We discussed issues of concern, but it was not an urgent meeting," said President Belaunde in another part of the press conference he held in one of the interior patios of Government House.

CSO: 3010/421

TERRORISTS ATTACK MICROWAVE STATION NEAR AYACUCHO

PY261633 Paris AFP in Spanish 1530 GMT 26 Nov 81

[Text] Lima, 26 Nov (AFP)--A group of terrorists last night attacked a microwave station of the National Telecommunications Enterprise (ENTEL-Peru) located in Ayacucho where the antenna of a local radio station was blown up the day before. This attack was part of a wave of terrorist actions throughout the nation.

The attack on the microwave station, 60 km from Ayacucho in the center-south of the country took place at 2330 local time (0130 GMT) and was heard by Gerardo Arauco, head of the station, through the radio link between the station and the town office. Arauco told a reporter for one of the local dailies that he heard screams for help and several shots.

Arauco added that after he heard the screams, communications broke down and the emergency light came on on the board. Once the events were reported to them, local government officials sent heavily armed reinforcements to the station which is located in Acci, 60 km southeast of Ayacucho. The five provinces of Ayacucho Department have been under a state of emergency for 2 months now because of successive terrorist attacks.

So far there is no information about the results of the attack on the microwave station or the fate of its guards, four civil guardsmen, and a few employees.

Neither is there information about the reinforcements sent because communications between the microwave station, the city of Ayacucho and Lima have been cut off.

CSO: 3010/421

MORE DYNAMITE ATTACKS REGISTERED IN AYACUCHO

PY222207 Paris AFP in Spanish 1943 GMT 22 Nov 81

[Text] Lima, 22 Nov (AFP)--It was disclosed here today that five new dynamite attacks took place yesterday, Saturday, in Ayacucho, located in south-central Peru. A state of emergency has been maintained there for 1 and 1/2 months to combat the outbreak of (?violence). In addition, a young physician has disappeared in this area.

The curfew in the mentioned zone, where five provinces of the department were declared in a state of emergency on 12 October due to the attack against a police station in which two civilians and one policeman died, had been reduced by 1 hour only 24 hours ago.

The dynamite attacks in Ayacucho, where a curfew was in force from 2200 until 0500 (0300 to 1000 GMT) and which had been reduced by 1 hour on Friday because tranquillity had been reestablished, were carried out in various neighborhoods at 5-minute intervals. They caused alarm among the people and some material damages.

The first dynamite stick exploded in the garden of an estate where 20 families live. It only broke several window panes. The second one exploded near Apurimac Bridge which is near the cemetery. Another dynamite stick exploded in the middle of the road of another neighborhood of this city while the other two took place in the [words indistinct] private stadium [coliseo cerrado] of Caracas City and the stadium of Cumana City.

The daily EL DIARIO reports on the disappearnace of physician Hildebrando Quintana. He was carrying out graduation training service in Vilcashuaman. He has been missing since 9 November after having been arrested on charges of being an alleged terrorist but who was later released by the police.

The police have disclosed that in Catoche Town, Cajamarca Department, 859 north of Lima, they have discovered the largest terrorist arsenal comprising 10,500 dynamite sticks, a 1,000-meter-long fuse roll and other explosive devices which had been stolen from a Transport Ministry depot. In connection with this arsenal the police have already arrested three persons whose identities have not been released.

CSO: 3010/421

BRIEFS

EXPLOSION DESTROYS MINING CENTER--Lima, 4 Dec (AFP)--The mining center of Carahuacra in La Oroya, 180 km toward the center-south of Peru [from Lima], was practically destroyed last Wednesday by the explosion of 9,700 sticks of dynamite. There were no casualties because the workers were timely evacuated, it was reported here today. The accident which totally destroyed the installations at the mining center, where 500 workers and their families live, was caused by the chain explosion of a stockpile of dynamite, apparently set off by an overheated stove. The report adds that only a few people were injured, and they have been evacuated to a nearby hospital. It was also reported that the police have begun an investigation to determine the exact causes of the accident. [Text] [PY041711 Paris AFP in Spanish 1802 GMT 4 Dec 81]

INDUSTRIALIST'S HOUSE DYNAMITED--Lima, 4 Dec (AFP)--A powerful dynamite charge early this morning caused serious damage to the residence of industrialist Karel Hartinger, located in the San Isidro District of Lima. It did not harm any of the 10 inhabitants of the house, however. The bombing, which is the first to have been carried out against private property, caused heavy damage to the lot and to furniture and to windows in homes within a one block radius. During the past 48 hours, two attacks occurred in Huarez in Ancash Department, 400 km northeast of Lima, against a high-tension tower and the regional telecommunications office, causing blackouts in that city and in Carhuaz, Recuay and Ticapampa. This brings the number of attacks against metal high-tension towers to 13. [Text] [PY042314 Paris AFP in Spanish 1805 GMT 4 Dec 81]

ARMED FORCES APPROVAL RULED OUT--Lima, 3 Dec (AFP)--The Peruvian Senate has excluded the armed forces joint command from participation in the approval of contracts for petroleum exploration and exploitation in the country. Last night the senate approved an amendment of the petroleum contracting law; the amendment does not stipulate the approval of the high military command and other state organizations as a condition for the approval of such contracts. The amendment stipulates that the state enterprise Petroperu--which controls hydrocarbons on behalf of the state--may negotiate or renegotiate petroleum contracts with the approval of the Council of Ministers after the energy and mines, economy, finance and trade, war, navy and aeronautics ministers, the Central Reserve Bank and the comptroller general of the republic have given their opinions. The former decree-law, promulgated by the past military government in 1979, demanded a favorable opinion by the consulted organizations. The participation of the joint

command in these preliminary consultations has been replaced by that of the Aeronautics Ministry. Last April a contract with the U.S. company Superior Oil was delayed because of objections made by the joint command, made up of the highest officers of the three forces. [Text] [PY031929 Paris AFP in Spanish 1419 GMT 3 Dec 81]

SOVIET DELEGATE CALLS FOR WORLD PEACE--Lima, 24 Nov (AFP)--Antanas Barkauskas, deputy chairman of the Supreme Soviet today called for all nations to prevent World War III which would wipe out mankind. Barkauskas today arrived in Lima heading an eight-member delegation of the Supreme Soviet and indicated that USSR President [as received] Leonid Brezhnev is taking effective steps toward the maintenance of peace, as evidenced by his trip to the FRG. Barkauskas pointed out that the Soviet leader will hold disarmament talks with the United States soon and pointed out that currently there is military balance between the two superpowers but the firming up of this balance would depend on the accords between the two nations. He recalled that the Nazis had unleashed the last war which killed 50 million people and stressed that new Hitlers must be prevented from causing another war, a nuclear one this time, which would wipe out mankind. The delegation, which was met by the chairmen of the Chamber of Deputies and the Senate, Luis Percovich and Javier Alva respectively, Lima Mayor Eduardo Orrego, and other officials, will stay in Peru for 5 days and will then travel to Ecuador. [Text] [PY241800 Paris AFP in Spanish 1715 GMT 24 Nov 81]

BLACKOUT CAUSED BY BOMBING--The blowing up of a tower of the Mantaro powerline caused last night's blackout. Criminal hands destroyed a high-tension tower which costs more than 40 million soles. Electroperu's production and transport manager (Oscar Miranda) has provided details of this action. [Begin (Miranda) recording] It has been established that unknown persons have been at work and that explosives have been used on the (?frame) of the tower. [End (Miranda) recording] [Excerpts] [PY261748 Lima Domestic Service in Spanish 1200 GMT 26 Nov 81]

HIGH TENSION TOWERS DESTROYED--Another act of sabotage took place at 2031 last night in Tacna. The explosion to two high-tension towers that carry electricity from (Alicota) to the (Talas) substation destroyed the towers, which are over 15 meters high. These towers carry 73,000 volts of electrical energy to supply electricity to our city. [Words indistinct] there will be no electricity in Tacna until 1700 today. This announcement was made by (Cesar Valdivia Medina), director of Electroperu in this city. He indicated that great efforts have been made since very early this morning to reestablish electrical supply to our city. [Excerpt] [PY301256 Tacna Radio Tacna in Spanish 1200 GMT 30 Nov 81]

BANKING STRIKE BEGINS--Lima, 27 Nov (AFP)--The 1,000 Peruvian banking employees began today a general 48-hour strike in support of their colleagues of the Central Reserve Bank, which issues the national currency. This strike will end on Monday afternoon. The strike is still on by the 2,500 workers of the railway line that links Lima with the center of the country. This strike began 10 days ago over salary disputes and, according to the state enterprise, it has caused losses of 500 million soles ($1 million). Likewise, no solution has been found to the strike by municipal public sanitation workers of this capital--despite its having been suspended yesterday after 11 days--for the municipal officials have refused to reinstate 450 dismissed workers. The object of the banking strike is to force

the Central Bank to revoke the posting to other public institutions--while retaining all their benefits--of 69 out of the 1,600 employees who work there. The Central Bank reported that this measure is due to a restructuring process started last February in keeping with the annual budget law. [Text] [PY011041 Paris AFP in Spanish 1744 GMT 27 Nov 81]

POLICE CAPTURE TERRORIST COMMANDO--Lima, 2 Dec (AFP)--The police of Huancayo, capital of the region, reported today the capture of a terrorist commando that perpetrated 152 attacks in the central region of the country. The police explained that the group that was detained and 200 other activists, most of whom belong to the extremist movement Shining Path, had caused damage worth 550 million soles ($1.1 million). The police also reported that Raul Juan de Dios Rojas, head of the command, had been union leader of the state mining complex Centro-Min, Ex Cerro de Pasco. The police also blamed the extremists of having killed a policeman and of blowing with dynamite high-tension power line towers, public establishments, the railroad and commercial establishments. It was also learned that the police yesterday frustrated the blowing up of the television repeating station in Cusco Department, in southeastern Peru, by deactivating in time a charge of 15 sticks of dynamite. [Text] [PY030227 Paris AFP in Spanish 2212 GMT 2 Dec 81]

RAILROAD STRIKE SETTLED--Lima, 1 Dec (LATIN-REUTER)--The National Railway Enterprise (ENAFER) reported that the 2,500 railway workers resumed their activities today after the 13-day strike which accrued a $700,000 loss. The strikers will receive a monthly salary increase equivalent to $100 instead of $120 which they claimed. A commission was created to study the possible rehiring of workers dismissed 4 years ago. [Text] [PY021649 Buenos Aires LATIN in Spanish 1901 GMT 1 Dec 81]

VIOLENCE IN LIMA DURING BLACKOUT--Lima, 25 Nov (AFP)--There was a 2-hour blackout in Lima and other cities throughout Peru last night during a wave of violence that ended early this morning with an attack against a local radio station. It was reported, moreover, that about eight molotov bombs were thrown at two banks located in the Miraflores residential neighborhood. The attacks which caused serious damage were perpetrated by a group of unknown persons. A simultaneous dynamite attack was perpetrated against the municipal building of the San Isidro residential neighborhood. The explosion destroyed the doors, windows and furniture of the municipal building. It was reported, moreover, that this morning at 0630 local time (1130 GMT) a group of unknown persons took over the Libertad radio station, which is located in Lima, to broadcast a subversive message but that they were unable to fulfill their objective since the radio personnel were able to set off an alarm. [Excerpts] [PY251558 Paris AFP in Spanish 1426 GMT 25 Nov 81]

LIMA HIGH TENSION TOWER DESTROYED--Lima, 26 Nov (LATIN-REUTER)--Three large neighborhoods in the outskirts of this capital were left without electricity for several hours today when unidentified persons blew up a high tension tower only 24 hours after another similar attack left Lima and two other cities in darkness. According to an official report, the attack took place at 0645 GMT when a group of people detonated an explosive device in a tower of the distribution line that carries electricity to southern Lima in the districts of Atocomgo, Villa Maria del Triumfo and Ciudad de Dios. Early yesterday unidentified persons blew

up a gigantic tower in Huancayo, in the Central Andes, leaving that province, this capital of 5 million people and Huaral without electricity. With this attack a total of 15 have been perpetrated since 28 July 1980 when democracy was reestablished in Peru when Fernando Belaunde Terry assumed the presidency. The material damage has been estimated at $1.2 million. [Text] [PY270136 Buenos Aires LATIN in Spanish 0005 GMT 27 Nov 81]

SOVIET DELEGATION HEAD MEETS BELAUNDE--Lima, 25 Nov (AFP)--Peruvian President Fernando Belaunde today received an elaborate and cordial message from the hands of the vice president of the Supreme Soviet, Antanas Barkauskas, sent by the Soviet chief of state, Leonid Brezhnev. It was learned that among other things, the letter confirms Moscow's decision to continue cooperating with Peru in the fields of economy, technology, culture, science and trade. President Belaunde, who offered a dinner to Barkauskas and the members of his delegation, as well as to the Soviet ambassador in Lima, said that the Soviet Union will shortly deliver the final annex of the Olmos irrigation project in northern Peru, which is planned to be carried out together with other countries. Belaunde added that during the meeting they exchanged mutual concerns on the subject of cooperation, pointing out the importance of the Olmos project, which would be the best example of [words indistinct] jointly carried out. On his part, Barkauskas expressed his gratitude for the wonderful reception given him here by the presidents of the Chamber of Deputies and the Senate and by the chief of state himself. [Text] [PY261215 Paris AFP in Spanish 0021 GMT 26 Nov 81]

SOVIET DELEGATION CHIEF ON TERRORISM--Supreme Soviet Deputy Chairman Antanas Barkauskas yesterday said that in the USSR a terrorist would be sentenced to death and the appropriate [word indistinct] would order his execution. After saying that no cases of terrorism are known in his country, he explained that as deputy chairman he is entitled to commute death sentences but that in the case of a terrorist he would not do it. The Soviet visitor made this statement at a press conference held at the Soviet Embassy in Lima. He expressed his satisfaction with the dialogue he held with President Belaunde and Foreign Minister Arias Stella, because it was a fruitful exchange of opinions over various aspects of Soviet-Peruvian relations. He said that during his talk with President Belaunde he made it clear that his country supports the curbing of the arms race and the negotiations over disarmament. He added that Belaunde told him that Peru does not want military conflicts and that it only wants to live at peace with other countries. [Text] [PY271832 Lima Domestic Service in Spanish 1200 GMT 27 Nov 81]

CSO: 3010/421

OPPOSITION LABOUR PARTY POLICIES ON SUGAR, LEADERSHIP HIT

Basseterre THE DEMOCRAT in English 31 Oct 81 p 5

[Text] According to a report published by the Opposition Labour Party here, its parent body the Labour Union at its recently held 42nd Annual Conference resolved to demand a big increase in wages for sugar workers next year.

If this is true, it must surely be regarded as the height of inconsistency and irresponsibility, and it highlights once again the fundamental and conflicting differences in the respective aims of these two strange bedfellows.

Not so long ago, the Labour Party was proclaiming that the sugar industry is on the verge of collapse. For narrow political reasons, the Party predicted a $40 million overdraft for NACO by the year 1982. Whatever the deficit may be, it is certain that the wage bill accounts for the greatest part of it.

Yet although NACO's wage bill has increased by more than 100% in the last four (4) years, the same persons who were recently warning about imminent financial collapse, now seem bent as Union leaders on pushing the sugar industry over the brink.

We understand that for the second year running Lee Moore as Labour Union President objected strenuously to a motion from one section which seeks to resolve that if the Union President were ever to become Premier he must automatically step down as Union President.

News has reached us that when this motion was rejected, a large section of young delegates walked out in disgust.

CSO: 3025/64

BRIEFS

SUITS AGAINST NEWSPAPER--Basseterre, St Kitts, Monday, (CANA)--Former St Kitts-Nevis Minister of Education Fitzroy Bryant, now a lawyer in private practice and treasurer of the St Kitts-Nevis Trades and Labour Union, has filed a writ in the High Court claiming damages for libel against the Democratic Printing Company Limited, publishers of the pro-government newspaper the DEMOCRAT. Bryant's claim has been filed by his solicitor, Lee Moore, former Premier, currently leader of the Opposition and President of the union. Bryant claims that the words of an article published in the DEMOCRAT of October 24, 1981, headed "Bryant Should Remember" were false and malicious and calculated to disparage him in his profession or calling. He alleges that in consequence of the said works, he had been gravely injured in his character and credit. Bryant is also seeking an injunction to restrain the DEMOCRAT from further publishing and printing the alleged libellous material. Another politically linked action is pending, on a writ by former high school principal, Miss Ivy Thompson, against the DEMOCRAT through her solicitor Fitzroy Bryant. Miss Thompson is complaining that in the issue of that paper dated October 18, 1981, words were published to the effect that she was 'incompetent and unsuitable for the position of principal of a high school.' They had gravely injured her character and credit, the writ said. She is also seeking an injunction to prevent further spead of the alleged defamation of her character. [Text] [Bridgetown ADVOCATE-NEWS in English 10 Nov 81 p 3]

COTTON EARNINGS--As part of their continuing programme of economic diversification the PAM/NRP Government has been making strenuous efforts to encourage the development of cash crops both in St Kitts and Nevis. It is therefore a matter for some satisfaction that Government's heavy subsidisation of the cotton industry in Nevis is visibly and speedily paying dividends for the "small men" who are engaged in cotton production. A news release out of the Agricultural Department in Nevis indicates that the sum of $170,000 has been earned this year by the 30 small farmers engaged in cotton production. The kind of cash being earned by small farmers was unheard of previously. In the year before PAM/NRP assumed office, only 37.5 acres of land were under cotton cultivation. The total yield was just 7,945 lbs. This year 202 cultivated acres produced 79,309 lbs, practically ten times the previous year's tally. The figures appear even more spectacular when one learns that the yield of clean seed per acre has actually doubled, as a result of Government's insistence on greater technical expertise for the small farmers, who now employ more modern methods of fertilizing and pest control. [Excerpt] [Basseterre THE DEMOCRAT in English 31 Oct 81 p 1]

CSO: 3025/64

CDB CLARIFIES REPORT ON WORLD BANK, ST LUCIA LOANS

Bridgetown ADVOCATE-NEWS in English 29 Oct 81 p 1

[Text]

The Caribbean Development Bank (CDB) yesterday denied that it had received an aid package of US$31 million from the World Bank for the Lesser Developed Countries of the Caribbean.

In addition, it pointed out that out of an eight million dollar soft term loan from the World Bank, St. Lucia had received US$400 000 and not EC$400 000.

The CDB was reacting to a CANA report dated October 20 out of Castries which quoted Prime Minister Winston Cenac saying that "St. Lucia had been able to receive only EC$400 000 of a 31 million aid package to the Less Developed Countries (LDC's) made through the Caribbean Development Bank.

In a release to the Caribbean News Agency (CANA), the bank said that in January 1980, the World Bank made available to it the following loans and credits amounting to US$31 million.

— A US$23 million — for inclusion in the Bank's ordinary capital resources for making loans on "hard" terms to all LDC and MDC member countries (except Trinidad and Tobago).

— US$8 million — for inclusion in the Bank's special (IDA credit and EEC action credit) funds resources for making loans on "soft" terms to those LDC member countries which are members of the ECCM. ECCM.

The release explained: "As is well known (and for obvious reasons) the bank's "hard" resources are used mainly in the MDC member countries and the "soft" resources mainly in the LDC member countries.

"Accordingly, the $23 million "hard" loan is being used entirely in the MDC's, with the exception of some loans to Belize and St. Vincent and the Grenadines.

The bulk of the $8 million of "soft" money will go to Dominica and St. Vincent, as agreed with the World Bank in early 1980 as these countries were then considered very seriously affected by disasters — hurricanes and volcanic eruption.

"CDB did not receive an aid package of US$31 million for the LDC's. CDB, however, received US$8 million on very soft terms from the World Bank (IDA) for on-lending to the ECCM LDC's, US$400 000 of which has been lent to St. Lucia (not repeat not EC$400 000).

CSO: 3025/61

VIOLENCE, VANDALISM ERUPT AS CENAC WINS NO-CONFIDENCE VOTE

Bridgetown THE NATION in English 30 Oct 81 p 18

[Text]

SMALL-SCALE sporadic incidents of violence and vandalism took place here Wednesday night shortly after Prime Minister Winston Cenac's ruling Saint Lucia Labour Party (SLP) had survived an opposition motion of no-confidence in the House of Assembly.

Police reported yesterday that a small gang of men used stones to smash the glass show-windows of three buildings, just outside the city's main commercial area.

The National Insurance Scheme (NIS) building which houses the inland revenue department and a small store, were among the places attacked.

A number of parked cars, including that of Speaker Donald Alcee, also had their windows smashed and a policeman sustained minor head injuries.

The violence ended as suddenly as it started. Policemen armed with batons patrolled outside parliament buildings and parts of the city, but no arrests were made.

It was the second time in five months that political agitation had spilled over into attacks on business places.

Last May, gangs of youths went on the rampage after an opposition protest demonstration calling for resignation of Cenac's government.

They broke through a police cordon, smashed business places and hurled stones at the police who responded with teargas.

Wednesday night the police, obviously anticipating problems, cleared away groups of persons who had gathered outside parliament buildings.

The debate failed to live up to expections, especially as most of the key political figures in the house failed to speak.

Among them were Opposition leader John Compton and Progressive Labour Party leader George Odlum, on the opposition side and Prime Minister Cenac and Foreign Minister Peter Josie on the government side.

Apart from deputy United Workers Party leader George Mallet who moved the motion, the only opposition speaker was deputy DLP leader Michael Pilgrim. The government's response came from Communications Minister Remy Lesmond and backbencher Evans Calderon. (CANA).

CSO: 3025/61

BRIEFS

CENAC ON REAGAN REMARKS--Castries, St Lucia, Saturday (CANA)--St Lucia Prime Minister Winston Cenac, has said that the capacities of small islands like St Lucia to develop their own economies are severely limited because of their traditional problems of underdevelopment. Mr Cenac was reacting to the call by the President of the United States Ronald Reagan, for Third World countries to develop free market economies, and get their economic houses in order instead of relying so much on foreign aid. This position was reiterated by the U.S. President to developing countries at the Cancun summit in Mexico. Mr Cenac expressed the view that St Lucia and most other developing states in the region are doing their best to develop their economies, adding that their efforts were impeded by problems of underdevelopment inherited over the years. The St Lucia Prime Minister said that to develop their economies, the islands needed a heavy flow of capital and investment from outside the region. "But having said all of this, I must emphasise that we believe in a free economy, in a mix between private investment and public investment. We believe that a mixed economy is about the best way in which we can develop our resources and solve unemployment," he added. The Prime Minister said he firmly believed that the private sector can do more to assist in the development of the economy. Mr Cenac added that the United States was developed to a very large extent from a flow of capital from Europe and in addition, the U.S. was always considered a rich country with its minerals and fertile soil. Therefore, Mr Cenac said, it was unfair to expect any poor developing country to prosper without capital aid and other forms of external assistance. [Text] [Bridgetown SUNDAY ADVOCATE-NEWS in English 25 Oct 81 p 3]

JOSIE IN GUYANA--Georgetown, Guyana, Oct 23 (CANA)--St Lucia's Foreign Minister Peter Josey is now in Guyana on a short visit during which he will examine the structure of the ruling Peoples National Congress. "We are reorganising our party, and in fact we have been doing so for several years, and feel that we can benefit from the organisational aspects of the ruling party here," he told CANA today. "My visit can be described as a learning process. In fact we in St Lucia can learn not only from the ruling party here, but also in Trinidad and Tobago and in Barbados." The St Lucian Foreign Minister referred to the debate in the St Lucian parliament next Tuesday of a motion of no confidence in the St Lucian government. "I have every confidence that we will survive that motion but my concern is what happens afterwards. It is a fact that the country must continue to exist and the government must continue to govern. We must think in terms of a more dynamic approach to the problems. There must be more dynamism in the government," he said. Mr Josey said the government will have to think in terms of what steps to take as it continues to rule the island. The opposition he added "continues to make noise but this is not how the masses feel." [Text] [Kingston THE DAILY GLEANER in English 29 Oct 81 p 3]

CSO: 3025/65

BRIEFS

UPM ON U.S.-CUBAN TIES--Kingston, St Vincent, Wednesday (CANA)--St Vincent's Opposition has called on Vincentians to demand to hear the Cuban case on U.S.-Cuban relations. The UPM's call follows a recent lecture-discussion here by coordinator of the Cuban desk in Washington, Nyles Frechette. Mr Frechette a week ago charged that the Havana Administration has "a remarkable capacity to create problems for the U.S. Government." The U.S. diplomat said that it was difficult for Cuba to escape the Soviets' orders even if it wanted to, in view of what he described as "Castro's heavy economic dependence on the Soviet Union." The UPM spoke of "the clap-trap put out by Mr Frechette," and questioned in what way did the University Centre intend to stimulate discussions on U.S.-Cuban relations. What fairness and democracy was there in bringing American personnel twice, when there was a reluctance to bring Cuban officials to put their side of the story? The party asked. "Must our views of Cuba and Cuban—U.S. relations continue to be shaped by the U.S. State Department and its agencies?" President of the St Vincent-Cuba Friendship Society, Vaspar London, stated that for some time the society has been endeavouring unsuccessfully to solicit the assistance of the University Centre to get the Cuban Ambassador to conduct a discussion. He added, however, that the society was still pursuing the matter. [Text] [Bridgetown ADVOCATE-NEWS in English 12 Nov 81 p 3]

CSO: 3025/75

ALLIANCE PROGRAM ON FOREIGN POLICY GETS PRE-ELECTION AIRING

Port-of-Spain TRINIDAD GUARDIAN in English 30 Oct 81 p 9

[Text] The Alliance (DAC-Tapia-ULF) has affirmed the full political, economic and cultural independence of Trinidad and Tobago as an integral part of the West Indies and the Caribbean.

This is stated in the Common Policy and Programme of the Alliance, which is contesting the November 9 general elections.

The final section of the programme, dealing with foreign policy:

A Foreign Policy Paper:

The Foreign Policy of a country is the primary vehicle through which it stakes its claim as a sovereign nation. For this reason, in the constitutional road to independence, control of foreign policy (with Defence) was usually one of the last areas to be surrendered by the colonial masters. For this reason, too, it is the dynamism and sense of purpose with which a new State pursues its foreign policy which marks it as a truly independent nation and invests it with the characteristics of political maturity.

In the years since 1962, however, the promises which were at first held out have remained unfulfilled. Trinidad and Tobago, given its historical antecedents and geographical location, seemed, at the time of independence, well-placed to become the bridge-builder between Latin America on the one hand, and the countries of Africa and Asia on the other, to interpret one part of the world to the others, and to demonstrate domestically through its collection of races and peoples the possibilities of peaceful coexistence for the world at large.

Unfortunately, none of these rich possibilities have been seized. Our foreign policy, unduly timid to begin with, quickly became stale and has remained uninspired. Today we are at a stage where we neither "recognise nor derecognise"; where our level of representation at regional and international forums is often so low as to constitute an insult in terms of protocol; and where frequently the nature of our conference participation is embarrassing in the extreme. Drift and aimlessness rather than direction and purpose have characterised our foreign policy over the years.

Clear Concept

Foreign policy, however, is not only the tangible expression of a people's self-conception, it is also a vehicle for the attainment of material objectives supportive of the productive life of the nation.

For this reason a meaningful foreign policy must properly be directly connected to domestic plans and purposes.

In the present situation such vital integration is completely absent, a condition which, no doubt, arises from the lack of any clear concept of the road to be travelled by Trinidad and Tobago as we approach the twenty-first century.

To explain the lacklustre foreign policy pursued by thi country thus far some cynics would say that we have nothing to protect for the soul of the nation is dying. No greater crime can be perpetrated, no greater indignity visited upon a people, than when those who are in authority, who through inaction, passivity, confusion or ignorance, surrender the sovereignty of their nation and stifle the soul of their people.

To remedy this situation, to provide a vision of our role in the Caribbean, the Atlantic community and the wider world, to fully participate in the brotherhood of nations to which we belong, the Alliance proposes a foreign policy which, through its various components, would consistently and resolutely secure, maintain and champion the national autonomy of our State, thus to affirm the full political, economic and cultural independence of Trinidad and Tobago as an integral part of the West Indies and the Caribbean.

Major Elements

The major elements of such a Foreign Policy are:

(a) A frank recognition of the major objective factors which frame our existence as a country. Three such factors stand out immediately. Trinidad and Tobago is first, a small country. Second, we are a Caribbean country. Third, we are a cosmopolitan country. None of these factors is subject to change and they thus serve as the basic determinants of our range of interests as well as impose outer limits on the range of policies that we can reasonably adopt.

(b) An active vigilance in defence of the principle of nonintervention and in rejection of every attempt at discrimination, economic pressure, blockade or invasion attempted by any country against another except where such actions are adopted by the international community against States whose principles and practices are repugnant to the basic concepts of human dignity. Our advocacy of such a principle must be seen in the context of a situation where the territorial integrity and even the basic sovereignty of many small post-colonial States in Central America, Africa, Asia and the Pacific are threatened by external forces. We must insist on a policy that defends the integrity of such countries if we genuinely hope to maintain our own.

(c) An active involvement in the pursuit of a new economic order. For us such a search begins with the fullest exploitation of the possibilities of Caribbean Economic integration through CARICOM, the Caribbean Development Bank and other

related institutions. In addition we will move to the strengthening of our involvement with the nations of the ACP as well as actively support all initiatives designed to redress the historical inequities of the international economic system.

(d) A commitment to bilateral and multilateral ties with other nations of the world based on their respect of our independence and self determination and a pursuit of closer ties with those countries of the world with which our people have cultural and ethnic affinities.

(e) A commitment to educate the population of Trinidad and Tobago as well as those of our partners in the Caribbean on the issues faced by the Caribbean Community as we approach the twenty-first century. To that end we shall make Port of Spain the centre of a much more active Caribbean diplomacy with the aid of:

(i) A professionally competent regional newspaper;

(ii) Appropriate shortwave radio facilities; and

(iii) Appropriate adjustments in the regional University system designed to render it an effective centre for the dissemination of information and analysis to all levels of Caribbean society.

CSO: 3025/63

CHAMBERS TAKES TOUGH LINE ON WORKERS IN CAMPAIGN SPEECH

Port-of-Spain TRINIDAD GUARDIAN in English 24 Oct 81 p 1

[Article by John Barb: "Work or Face Dismissal Warns PM"]

[Text] "From November 10 we will have to begin to think in terms of an honest day's work for an honest day's pay," Prime Minister George Chambers told thousands of PNM members and supporters at Sangre Grande on Thursday night.

He was referring to the attitudes of some people.

"When we start to keep the promise of sharing power with you, you will have to understand a few things," added Mr Chambers, who is also Political Leader of the People's National Movement (PNM).

For example, he cited that the man to operate the elevator must operate the elevator because that is what he is being paid to do.

"The long and short of it is," he said, "we would have to fire some people, and we would have to hire people who want to work for the people of Trinidad and Tobago," he added.

PNM Records

Mr Chambers also pointed to areas where he said the PNM had a record--housing, water, education, etc. But that, he explained, did not mean to say that everything was working right.

"We come to you with our housing record, but I can't say that everyone who needs a house, has a house," he declared. "When we give you a house, you have to pay the rent; you have to pay the mortgage.

"We can no longer afford a situation where some people have three houses, and lying to get another one. It is unfair to the man who does not have one," he said.

"It is not Alert (meaning Housing Minister, Carlton Alert) who steals the galvanise, you know," said Mr Chambers. "It is not Alert who steals the toilet bowls, and window frames.

"It is not Kamal who stealing the bed-sheets in the hospitals, you know; nor the cutlery, and food. And above all, is not he who stealing the drugs in the hospital," the Prime Minister added. [as published]

He pointed to the many things that belonged to the people, and said that Trinidad and Tobago was the only place in the world where a government was attacked for barking on the type of diversification it has embarked upon Port Lisas.

Unit Trust

Then he told the crowd: "At Point Lisas you now own the most modern port in the Western hemisphere, with four persons operating it. Also, the most technologically advanced steel mill, 51 per cent of two fertiliser plants and, soon, 51 per cent in a methanol plant," he added.

He hinted that establishment of the energy-based industries were far away from finishing, because in the followup there would be downstream operations from which the small man would benefit--using as a lever the Unit Trust legislation that was proclaimed on Thursday.

After pointing out areas of State-ownership in various enterprises, Mr Chambers said the people now owned the commanding heights of the economy.

He said that under the Unit Trust legislation, everyone would be able to buy units in the Trust, and that Trust would buy shares in companies.

The Unit Trust legislation, Mr Chambers said, was the final legacy of the late Prime Minister, Dr Eric Williams, to the people of Trinidad and Tobago.

He said the PNM was the first to come out with a "People's Sector." He recalled the party convention of 1970, following the disturbances, when the party amended its "People's Charter" with "Perspectives for the New Society."

"We are coming to you with a positive record of achievements," said Mr Chambers, "Nobody else has one."

Friendship

He also spoke on transportation and said that Trinidad and Tobago was probably the only place in the world where people could travel as freely and cheaply.

A few months ago, he recalled, gasoline in the United Kingdom was (TT) $9 a gallon. In Trinidad and Tobago, it was one-ninth of that.

Speaking about Tobago, Mr Chambers said he believed that the people of Tobago have recognised that Trinidad has extended a sincere hand of friendship. "And I can honestly say," he said, "that the people of Tobago have accepted that hand of friendship. I hope that they will continue to hold that hand of friendship."

The Prime Minister urged the people to check the voters' list. It was their solemn duty to check, he said.

In order to ensure that they had continued democracy in this country--a democracy that has been nurtured and cherished--they ought to vote the PNM back into power.

CSO: 3025/63

BUSINESSMEN CHARGE FIRES ARE SET BY POLITICAL ACTIVISTS

Possibility of Arson

Bridgetown ADVOCATE-NEWS in English 7 Nov 81 p 3

[Text]

PORT-OF-SPAIN, Trinidad, Friday, (CANA) — City businessmen here have claimed that two fires which wiped out 19 firms were set by political activists.

Syrian and Lebanese businessmen, who said they might be victimised if they gave their names to the press, said that at least two managers had been threatened by persons who said they held the wrong political philosophy before their business went up in smoke.

The police have made no arrests following the fires on Saturday and Tuesday, but Commissioner Randolph Burroughs admitted that arson might have been involved and said the crime-fighters would be keeping a closer eye on business premises.

A travel service, five boutiques, the Businessmen's Association, a book store and a watch repair business were among the 10 businesses destroyed last Tuesday. The damage from the fires has been unofficially tagged at more than $2 million.

Trinidad and Tobago goes to the polls on Monday to elect a new government.

The Police Commissioner has advised businessmen to make a thorough check of their premises for "any suspicious parcels or devices." He told them not to be lured into keeping parcels for persons whom they did not know.

He also suggested they demand proper identification papers from policemen before permitting a tour of their premises.

Police Dragnet

Bridgetown THE NATION in English 8 Nov 81 p 1

[Text] Five Barbadians are listed among 17 CARICOM nationals caught in a Trinidad and Tobago police dragnet in an effort to combat what has been regarded as pre-election sabotage.

They are: Roy John, 27; Anthony Brathwaite, 28; Richard Nightengale, 45; Junior Aimes, 34; and Erskine Forde, 30.

The five, who were among the group arrested for questioning, were held during a tactical police exercise, at the paddock, Queen's Park Savannah, early on Thursday morning, following an all-night vigil.

The crackdown came as police searched for clues to fires which left nine business premises on Charlotte Street, Port-of-Spain, destroyed last Saturday night. Another business house on the same street, was burnt-out following Tuesday night.

Apart from the five Barbadians held two Jamaicans, and three Grenadians formed the group of 17, all were deemed prohibited immigrants. The other seven are Trinidadians.

Trinidad and Tobago Police Chief, Randy Burrowes, has hinted that there was an organised gang causing great disorder in his country.

He mounted a strike force, comprising of the Flying and Narcotic Squad, the Special Tactical Unit, the Divisional Task Forces and Port-of-Spain detectives.

In addition to the fires, the arrested men were being questioned about the recent spate of armed robberies and other crimes in Trinidad.

CSO: 3025/72

11-MAN COMMITTEE TO DEVELOP NON-OIL SECTOR OF ECONOMY

Port-of-Spain TRINIDAD GUARDIAN in English 3 Nov 81 p 1

[Text] Cabinet has appointed an 11-member committee to consider ways of developing exports from the non-oil sector of the economy.

The committee, chaired by Mr Eldon Warner, general manager of the Industrial Development Corporation (IDC), is expected to complete the exercise within three months.

A Whitehall statement said last night Cabinet had been concerned over the dependence on the petroleum sector to provide the bulk of export earnings and the dependence appeared to be increasing.

In 1981 the petroleum sector contributed more than 40 per cent of the national output--80 percent of export earnings and 64 percent of government revenues.

The figures reflect the decline of the agricultural exports, notwithstanding the reduced output of sugar and its falling prices.

Last year the import bill was about $650 million, the statement said.

The members of the committee, apart from Mr Warner, are Mr M. Ramsaran, Economist I, (Acting Economist II), Ministry of Industry, Commerce and Consumer Affairs; Mrs L.L. Cumberbatch, Head, Political and Economic Division, Ministry of External Affairs; Mr Eon Abner, Economist, Research and Development Division, Ministry of Finance and Planning; Mr Lennox Osborne, Manager, EXCITO, (representing Trinidad and Tobago Development Finance Corporation);

Mr Clive Teelucksingh and Mr Arthur Lok Jack (representing Trinidad and Tobago Chamber of Industry and Commerce); Mr Val Rogers, also representing the Trinidad and Tobago Chamber of Industry and Commerce; Mr Ed Fung, (representing Small Business Association of Trinidad and Tobago); Mr W. Rudder, Ministry of Agriculture, Lands and Food Production, Acting Head, Economic and Planning Division; and Mr Neville Blake, member/secretary, acting Export Promotion Officer (representing the International Marketing Corporation).

The terms of reference are to identify constraints to boost exports in manufactured and processed goods from Trinidad and Tobago to the Caricom and international markets; and to recommend measures for the removal of all bottlenecks and suggest ways to beef up exports through the use of fiscal and other incentives.

CSO: 3025/63

PUBLIC SERVANTS' WAGE DEMANDS DISCUSSED; WORK STOPPED

Cost to Government

Port-of-Spain TRINIDAD GUARDIAN in English 31 Oct 81 p 1

[Excerpt] Present wage demands by the five unions representing the country's public servants would result in a bill of $2.57 billion over the 1981 to 1983 period, with $670 million in 1981 alone. This was stated by Chief Personnel Officer, Mr Hilton Cupid, during an address on television last night. Mr Cupid also said that the unions' demands continued to be "extraordinarily excessive and far removed from any reasonable area of settlement."

He added that the offer to the unions of $100 across the board plus 30 per cent in the first year and ten per cent in the next two years was a fair one which could stand up to scrutiny.

Should the unions accept the CPO's wage offer, the cost to Government would be $1.8 billion--$770 million less than was being demanded by the unions.

Halt in Operations

Port-of-Spain TRINIDAD GUARDIAN in English 6 Nov 81 p 1

[Article by Irma Rambaran]

[Excerpts] Operations in the postal services, courts, schools, and most government-run offices came to a virtual standstill as thousands of public servants heeded a call by their unions to stay far far away from their jobs yesterday.

The action code named "Operation Charlie," will gain momentum today the last working day before the general elections on Monday, as the unions have strengthened their call and public servants are expected to come out in their thousands.

The 52,000 workers in at least five branches in the public service mounted their action to get the Government's Chief Personnel Officer, Mr Hilton Cupid, to give them a 75 per cent increase over a three-year period, retroactive to January 1, 1981.

The CPO has countered with a 50 per cent (30x10x10 plus $100 across the board).

The CPO and the public servants met up to 5 a.m. yesterday, ending a 17-hour meeting--the longest so far since they started negotiation in September last year.

The 52,000 postmen, clerks, firemen, police and others want an early settlement.

The public servants were joined by teachers later in the day and one teacher who is involved in the recognition issue of the Trinidad and Tobago Unified Teachers Association (TTUTA) said that unless public servants came out in full force ("like we did") then they won't get to the "nerve of the government."

Also present at yesterday's meeting was Mr Harold Taylor, who is acting as adviser to the unions. The unions representing the public servants are the Public Services Association, PSA, the Fire Services Association Prison Officers Association, Police Association and the Postmen's Union.

CSO: 3025/63

KIDNAPPING, TORTURE IN SOUTHERN CONE REVEALED

FL041826 Havana Voice of Cuba in English to North America and the Caribbean 0500 GMT 4 Dec 81

[Text] Uruguayan labor leader (Sergio Lopez Burgos) has revealed the details of the kidnappings of Uruguayan citizens in Brazil and Argentina, giving the names of the kidnappers and torturers.

(Lopez Burgos), who is in the Brazilian city of Porto Alegre, was jailed in Libertad prison until last May. He was kidnapped in 1976 in Argentina, where he had sought exile. (Lopez Burgos) was then secretly taken to Uruguay by torturers from both countries. He accused Gen (Amauri Kant); majors (Nelson Diar), (Manuel Ferrero) and (Jose Galazzo), the current head of the Uruguayan army intelligence; captains (Eduardo Ferro) and (Mario Maurente); and two Argentine officers, (Noel Igor) and (Tatin), as those responsible for his kidnapping and torture.

(Lopez Burgos) said that labor leaders (Gerardo Gatti), (Leon Duarte) and (Ivo Mendez), who disappeared in Buenos Aires, were last seen in Argentina's naval mechanics school. He added that he was in a cell next to that of (Universindo Rodrigues Diaz), who the Uruguayans kidnapped in Porto Alegre 3 years ago, along with Lillian Celiberti. There is no news on Celiberti's whereabouts.

(Lopez Burgos) sayd that (Rodrigues Diaz) told him that Col (Calixto de Armas) is the head of the Uruguayan military commando that kidnapped him and that Major (Mendez) was one of his torturers. (Rodrigues Diaz) also told him that while a prisoner in Buenos Aires he had witnessed the torture of Roberto Santucho's sister. Santucho is the top leader of Argentina's People's Revolutionary Army.

CSO: 3020/31

ADMINISTRATION OF JUSTICE REORGANIZATION APPROVED

PY012010 Montevideo EL DIA in Spanish 11 Nov 81 p 1

[Text] Yesterday the executive branch published the approval of Constitutional Act No 12 signed by president of the republic Lt Gen (Ret) Gregorio Alvarez together with the national defense, interior and justice ministers.

In the preamble of the decree it is established that "the causes which were the reason and bases for the approval of Constitutional Act No 8 have disappeared" and that the executive branch in the present circumstances deems "indispensable the immediate reorganization of the administration of justice, not only because of the great importance which a measure of this nature represents, but mainly because it entails giving concrete form to one of the most firm purposes of the civilian-military process which guides the republic's future."

It is pointed out that with this purpose and abiding by the ruling principles of our political law, laid down by the founder of our nationality in the 5th instruction of the year XIII [as published], "the executive branch believes that it is necessary to organize the jurisdictional function so that the administration of justice will perform with the powers belonging to a state branch."

Regarding the independence of the judges--from the technical and economic points of view--the decree points out that it is "achieved through the implementation of the mechanisms which the most authorized and widespread constitutional practice on the subject suggests in this regard, this is, by making sure that the appointment, transfer, promotion and approval of judges and their secretaries and clerks are carried out with maximum guarantess within a system in which all the branches participate equitably under the constant surveillance of the public."

CSO: 3010/427

BRIEFS

POLITICAL SYSTEM--"We have reasserted several times that our main objective is to establish a political system in which all Uruguayans--not foreign groups or persons who are not in keeping with national interests--can express their ideas and interests in complete freedom and in an organized manner. This political activity will be established within the framework of the political parties statute that is being drafted. There is no democracy without strong, representative and responsible political parties that observe the true national interests." The navy commander, Vice Adm Rodolfo Invidio, made this statement in a speech he delivered yesterday at the Navy Plaza during a ceremony held to commemorate the 164th anniversary of the Uruguayan Navy. The high-ranking navy chief added that "we are going to establish a society characterized by order, a proper place in society for everyone and dignity; a society in which life is worth living and not merely the scene of a struggle caused by the selfish interests of a few irresponsible persons." He noted: [We are going to] "establish a democratic society in which all citizens can have an active and political representation in keeping with our traditional and proper lifestyle. But [we will establish] a lifestyle that will not destroy itself merely because it does not know how to cope with the real problems affecting Uruguayans." [Excerpt] [PY252140 Montevideo EL DIA in Spanish 17 Nov 81 p 1]

STREET DEMONSTRATORS REPRESSED--Montevideo, 3 Dec (TELAM)--The Interior Ministry last night announced through a communique which was released by the National Public Relations Bureau (DINARP) that the Uruguayan Government and the armed forces will strongly repress street demonstrations. The communique states that the government and the armed forces will not remain indifferent toward the slightest attempt at disrupting social peace and that they will firmly apply the law to those who engage in such actions. The communique adds that on the evening of 30 November groups of persons demonstrated along the 18 De Julio Avenue, chanting Marxist mottos and slogans. The demonstration was coincidental with the end of the school year at several schools; thus increasing the number of demonstrators, who were no more than a few hundred. According to the official communique, the demonstration had been promoted since 24 October through Radio Moscow. Finally, the communique states that the Interior Ministry advises the parents to take care of their sons in order to prevent the youth from being used once again for violent or disorderly actions. The repetition of this kind of event could hamper the normal and sustained development of the process of rechanneling of political activities. [Text] [PY040005 Buenos Aires TELAM in Spanish 1715 GMT 3 Dec 81]

SINAI PEACEKEEPING FORCE--Montevideo, 1 Dec (TELAM)--Government sources disclosed today that delegates from the Pentagon and from the U.S. State Department arrived in Montevideo last Sunday. According to these sources, the group has already contacted the Foreign Ministry and today it will contact other ministries and Gen Hugo Medina, joint chief staff (ESMACO). The visitors intend to make all the arrangements regarding the presence of Uruguayan troops among the Sinai Peacekeeping Force. It was revealed that Uruguay will initially participate with a 100-man detachment that will help supervise the observance of the Camp David treaty, which established peace between Egypt and Israel. The Uruguayan troops will reportedly travel in March and later be replaced by combat troops. [Text] [PY021525 Buenos Aires TELAM in Spanish 1605 GMT 1 Dec 81]

PARTY ELECTIONS--It has been reported that the political parties will hold internal elections in November 1982. This decision was made at a lengthy meeting which concluded early this morning at the office of the Joint Chiefs of Staff. The respective campaigns will start 3 months before the election day. This was also decided at the meeting which was attended by members of the Armed Forces Political Committee and leaders of the Blanco and Colorado parties. The elections will be held on Sunday, 28 November 1982. [Excerpt] [Montevideo Radio El Espectador Network in Spanish 1600 GMT 5 Dec 81 PY]

SOUTH KOREAN AMBASSADOR--The new South Korean ambassador to Uruguay, Yun-kol Chang presented his credentials to President Gregorio Alvarez today. [PY021725 Montevideo Radio El Espectador Network in Spanish 1600 GMT 2 Dec 81 PY]

CSO: 3010/427

BRIEFS

AD PRECANDIDATES--Today Dr David Morales Bello registered formally before the Democratic Action [AD] Party's Electoral Committee. The deadline for registering precandidates ended today so only two persons will be running for the party's nomination. They are David Morales Bello and Jaime Lusinchi. [PA020241 Caracas Radio Rumbos Network in Spanish 1530 GMT 30 Nov 81]

CSO: 3010/420 END

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MINISTER CESAR CALS DISCUSSES ENERGY PLANS, PROBLEMS

Brasilia CORREIO BRAZILIENSE in Portuguese 8 Nov 81 p 8

[Interview with Cesar Cals, minister of mines and energy, by the JORNAL DO COMERCIO; date and place not specified]

[Text] Although the government itself has admitted that the demand for electricity will not increase as rapidly over the next 20 years as it has over the past 10--at annual rates exceeding 10 percent--the timetable for the nuclear program will not be revised.

The above information, which at first glance indicates real foolishness on the government's part, was obtained by the JORNAL DO COMERCIO in an exclusive interview with Cesar Cals, minister of mines and energy. Closemouthed, the minister stood firm on the question of the timetable, reaffirming that the eight power plants will be in operation between 1995 and the year 2000. And he indicated the reason backing up the government's position: "If I say that this program is aimed at mastering the technology, then only technology can modify its pace."

Cals was vague, however, as to the reason for so much effort just to absorb the technology, since he denied any suggestion that the nuclear program has other purposes that are not purely peaceful. Speaking, as always, in the third person singular--"minister refers to the minister as an aloof person"--he emphasized that the government has no ulterior motives with nuclear technology, such as assuming a hegemonic position in Latin America. In the minister's opinion, nuclear and coal technology will be widely used in Brazil after the year 2000.

He admitted that by the end of the 20th century, Brazil may have more nuclear power plants under construction than the nine now scheduled (one bought from the United States and eight from the agreement with the FRG). At least two would be in Ceara, his home state, where by 1995 he intends to build a complex for exporting enriched uranium.

Saying that those outside the sphere of government are not competent to judge, Cals described as "pessimists" the scientists who are expressing doubt that the jet nozzle enrichment process will ever pan out on an industrial scale. According to him, the technicians at NUCLEBRAS [Brazilian Nuclear Corporations] and those from the National Energy Commission all "say that it will work, and there is no reason to doubt it."

The minister does not agree that Brazil is taking a chance by building the eight power plants before the process has been proven, since that would make the country dependent on imports of fuel for the power industry, which until now has been self-sufficient. But he does not rule out the possibility that Brazil will buy enriched uranium abroad if it becomes necessary.

Concerning the energy model prepared by his ministry, Cals underscored his conviction that by 1985 the country will be importing only 500,000 barrels of petroleum daily. Referring to the skeptics, he asks that they check out all the goals and timetables established in his ministry.

He agreed, however, that the goal of producing 120,000 equivalent barrels of petroleum in 1985 from charcoal will have to be revised, since the funds for that program have not yet been found. Cals says he sees no difficulties in heading a ministry made up of officials who are constant "minister material"--that is, the chairmen of the state-owned firms: Eliezer Batista, Shigeaki Ueki, Paulo Nogueira Batista, Costa Cavalcanti, and so on. Trained as an engineer himself, he recalls that there is a big advantage when a minister is a technician as well as a politician. Cals smilingly let slip his optimism concerning his candidacy for governor of Ceara: "Only if President Figueiredo leaves...."

Below is the exclusive interview granted by Minister Cesar Cals to the JORNAL DO COMERCIO.

[Question] Is Brazil experiencing an energy crisis or a crisis in its balance of payments?

[Answer] When we first set up President Joao Figueiredo's administration, we had a crisis that I would call a petroleum crisis, since we were producing 164,000 barrels daily and importing 960,000, and our consumption had been growing by an average of 7 percent annually for the preceding 10 years. Since production was falling and consumption was rising, there was a trend toward increasing our petroleum imports and thus leading the country into a crisis in the trade balance. President Joao Figueiredo then ordered his minister of mines and energy to draw up a new model aimed at reducing our dependence on foreign oil. To do that, we had to give thought to three things that had to be done: first, increase Brazilian production, which was declining, and that included increasing the reserves; second, take steps to reduce the growth of consumption, which was rising at a rate intolerable for the country; and third, induce the Brazilian people to prefer domestic fuels over imported petroleum. So it was a petroleum crisis that was leading to a crisis in the trade balance.

[Question] What is the specific role of the Ministry of Mines and Energy in preparing the energy policy, since the Planning Secretariat, the National Energy Commission, and other ministries are also involved?

[Answer] Our ministry is responsible for the production of fuels and their processing and distribution. Transportation is the responsibility of the Ministry of Transportation and Public Works, and consumption in the industrial area is primarily the responsibility of the Ministry of Industry and Commerce [MIC]. On the other hand, priority was being given to alcohol as a substitute for gasoline under the plan for substituting other fuels for petroleum, and since alcohol was already an MIC program, being a derivative of the sugar program, alcohol production was also made the responsibility of the MIC.

[Question] Isn't there some distortion with so many agencies being involved?

[Answer] No. At the moment I can make the following breakdown: the production of mineral fuels is assigned to our ministry; the production of fuels from plants is the responsibility of the Ministry of Agriculture, although production in the case of alcohol is assigned to the MIC, since it has traditionally been the responsibility of that ministry; and the processing and distribution of all fuels comes under the Ministry of Mines and Energy, as does electric power. The result is that many ministries are involved, and the National Energy Commission coordinates the work of all those ministries.

Overall policy is set by the government, and the commission coordinates activities concerned with liquid fuels and those aimed at reducing our dependence on foreign oil. The reason is that when the National Energy Commission was established, its specific job was to coordinate the replacement of petroleum products. For example, it has nothing to do with the nuclear program or the electric power program--Plan 2000 does not go to the commission. As for SEPLAN [Planning Secretariat], it is naturally responsible for national planning. Energy planning is a part of national planning, and since there was a need for harmonization among all those programs and the funds for the energy mobilization programs, a SEPLAN energy commission was set up.

[Question] In the mineral area, it seemed at the beginning that the MME [Ministry of Mines and Energy] would be responsible for setting up the Carajas Iron Program and the Greater Carajas Program as well. But today we see several ministries selling Carajas.

[Answer] The Carajas Iron Ore Project was a natural project for the MME, but the Greater Carajas Project is a mining-industrial and agricultural project. Thus we see that there are three ministries: the MME for mining, the MIC for the industrial portion, and the Ministry of Agriculture for the agricultural portion. The Greater Carajas Project was therefore never the sole responsibility of the MME. In that project, our ministry is concerned primarily with fuel and mineral inputs. All the industrial processing programs are analyzed by the MIC's departments, and the Ministry of Transportation and Public Works looks after the ports, railways, and so on. Coordination at the ministerial level, when several ministries are involved, has remained with the Planning Secretariat, but since Carajas also involves exports, the Ministry of Finance is concerned as well, as is the Central Bank itself.

[Question] One of the most frequent criticisms of the MME's energy model is that it is aimed solely at supply and has no major concern with altering the structure of demand in this country. Do you agree?

[Answer] In my opinion, that criticism comes from people who are not familiar with the model, because if we have succeeded in reducing demand--that is, the rising consumption of petroleum products, which used to be 7 percent annually--to 0 percent, that represents a very major and energetic influence on demand, and this year we are showing negative growth. I feel that our influence on demand has been much more rapid than it has on substitution or on the supply side.

[Question] But did that reduction in petroleum consumption come about through the MME's action or because of the recession?

[Answer] No. The reduction in consumption was brought about by the MME, because when we reached 0 percent last year, the Brazilian economy had grown by 8.5 percent, so it was not because of recession. It was because of all the activity aimed at reducing gasoline consumption, the activity in connection with diesel oil involving highway inspections--it was because of the supervision of industry, when we looked for waste and for ways of reducing it. A time limit was set for reducing that waste by improving energy efficiency in each firm, and a time limit was set for making substitutions when other fuels were available, and that included the multinationals.

[Question] How about the coal and charcoal programs? Are there misgivings about those programs?

[Answer] The energy model is flexible, and so it is updated from year to year. It is now in its second version, and later we will begin working on the third version. Since the model has such a diversity of sources, we knew from the start that not all of them would be able to perform equally--at the same speed. So there are some that are moving ahead faster and others that are slowing down, depending on circumstances. But look. The important thing as far as the general public is concerned is that the final goals should be achieved. That is the important thing, not the individual stones in the mosaic. The coal program got off to a slow start due to a lack of projects. In 1979, the reason was a lack of projects, not a lack of funds. The reason was that coal mining activity had been viewed much more from the standpoint of its social value as an employer of manpower, but then the approach changed--it came to be looked at from the economic standpoint--and we did not have any projects ready. So while coal slipped a little in the goals, hydroelectric power accelerated, as did energy conservation. So the goals are still valid--that is, by 1985 we will be importing 500,000 barrels of petroleum daily. That is the thing that is important--the model has a final goal, which is that of reducing petroleum imports. The rest is a compromise between sources.

[Question] And how is the charcoal program progressing at the moment?

[Answer] I feel that your question is justified. I must admit that the charcoal program is one that has been tied very closely to the reforestation project, and since the tax incentives for that purpose are only now being shifted to energy forests (since President Figueiredo decided that 30 percent of the incentives in the Northeast would go to that type of forest in 1980, followed by 40 percent in 1981 and 50 percent

from 1982 on), it is only now that we are shifting funds, because the incentives before this were concentrated heavily on steelmaking, charcoal for pig iron and industrial wood, cellulose, and so on. Those commitments had already been made. Charcoal has really lagged behind, and we believe that those incentives are not sufficient for the program we want to carry out. Another source of funds is needed, and the Ministry of Agriculture is already looking into a number of alternatives.

[Question] Will the goal of producing 120 equivalent barrels of petroleum in 1985 be revised?

[Answer] Like all the others, that goal is revised annually. I feel that it will be changed, considering that we have not yet found the funds we need.

[Question] The price of international petroleum is to be frozen at $34 until the end of 1982. How will that benefit Brazil?

[Answer] At their last meeting in Geneva, Saudi Arabia and a few OPEC countries reached the conclusion that they must unify the petroleum price and freeze it until 1982. It is obvious that the market also played a part in that decision. The fact is that we are currently in a buyer's market. There is an oversupply of oil in the world because, as a result of the Iran-Iraq war and since the 1979 crisis, all the countries that buy petroleum have stepped up their programs for prospecting, energy conservation, and substitution. The result is an oversupply, and the consequence of that is a natural stabilization of prices. The important thing in their decision is the unified price, but the price freeze was brought about by the market. Our intention is that by the end of 1982, we will be importing 600,000 barrels of petroleum daily.

[Question] Will the current imports of 750,000 barrels daily be reduced this year?

[Answer] We are thinking of reducing them to 700,000. Considering that the cost of importing 750,000 barrels comes to $10 billion, the reduction to 600,000 will mean a savings of about $1 billion in foreign exchange next year. We must reach the end of 1982 with a maximum petroleum account of $9 billion and daily consumption of around 900,000 barrels. So in 1982 we will already be within 20 percent of our goal for 1985. We have already achieved 80 percent.

[Question] The ministry intends to increase the nation's current production of 240,000 barrels daily to 280,000. Is that possible?

[Answer] Yes. We have the Campos basin in Espirito Santo, and we have Rio Grande do Norte and Ceara. Let us not be pessimistic. Check with me in January.

[Question] But according to PETROBRAS [Brazilian Petroleum Corporation], domestic production will not reach 280,000 barrels this year.

[Answer] Check with me in January. On other occasions, other people have doubted my goals: they doubted that imports would drop to 750,000 barrels per day, they doubted that domestic production would reach 240,000 barrels, and so on. I am convinced that we will close the year at 280,000 barrels--as a peak, not the average.

[Question] Isn't it very difficult to get along in the same ministry with such self-sufficient officials as, for example, Paulo Nogueira Batista, chairman of NUCLEBRAS, Eliezer Batista, chairman of the Rio Doce Valley Company, or Shigeaki Ueki, chairman of PETROBRAS, who frequently doubt the ministry's goals?

[Answer] I feel that they all have a lot of good will. They are all very competent in their specific sectors. But the ministry takes the overall view--it looks at the political aspect--and so I feel that there is some advantage to having a minister who is both a technician and a politician.

[Question] How are things progressing with the negotiations to form a trinational petroleum enterprise consisting of Brazil, Mexico, and Venezuela?

[Answer] The advantages are very great. It was a great decision by Presidents Figueiredo, Herrera Campins, and Lopez-Portillo. The advantages are economic, to begin with. We believe that Third World countries naturally prefer to deal with state-owned enterprises, and when three state-owned enterprises with technology in the areas of petroleum prospecting, production, and industrial exploitation join together to provide services, they will certainly find a natural preference on the part of Latin American countries and, in the future, the Third World. There is a whole market for services that will be generated for our technicians and an equipment market as well--in short, it will be quite an important market. On the other hand, our idea is that that enterprise, or transnational partnership, should keep its distance from the multinational firms, because it also wants to train personnel from the countries in which it will operate. That is a political stand of the greatest importance, because we are contributing to the development of the Third World through technology transfer. So this is a very important political advantage, and of course, it also includes the economic and political aspect of looking for petroleum reserves here in the region in an effort to make the region less dependent on petroleum from outside Latin America.

[Question] Would that enterprise be able to operate in Brazil?

[Answer] It is aimed chiefly at third countries. Brazil is ruled out, since this involves the exporting of services, and here we have PETROBRAS. Another important feature of this undertaking is that Brazil is going into partnership--with closer ties--with Latin America's two chief petroleum producers. It seems to be a partnership that in the medium term will insure a little more stability in the supplies provided to our country by those two countries.

[Question] Does Brazil have a petroleum surplus?

[Answer] No. It is maintaining only its normal stocks.

[Question] For how many months?

[Answer] For the normal number. The figure is no secret, but I am asking you to respect my decision not to mention it. I did not want to state the figure for the following reason. There are many ways of reporting the inventory. One concerns the stocks on shore, another covers those in transit, and another includes those being unloaded. So the figures are never very precise, and the result is that there may seem to be contradictions or bad faith. It makes no sense to spread panic in Brazil.

We have adequate stocks. And the important thing is that we are secure from that standpoint.

[Question] Has the MME already received Plan 2000 being drawn up by ELETROBRAS [Brazilian Electric Power Companies, Inc]?

[Answer] We had a meeting with ELETROBRAS after I returned from abroad. The main decisions have already been made. But ELETROBRAS has asked for a little time in which to reanalyze the market--not the supply, but the market. The reason is that since the market had declined very sharply in the Southeast Region, it was necessary to see how much surplus power existed. So they asked me to give them time to reanalyze the market.

[Question] Does the government admit that the reasons for signing the nuclear agreement with Germany in 1975 are no longer the same as the reasons and justifications existing today? It was said back then that our hydroelectric potential would be exhausted in the 1990's.

[Answer] I believe the reasons are the same--national sovereignty in the area of energy and the mastery of technology, which is the main reason. It is obvious that the theory of an exhaustion of hydroelectric potential can be stated in many ways. One of them concerns a market hypothesis that proved false, while another involves a comparison of economic costs. Lastly, there are various approaches that place the Brazilian nuclear program within the hydroelectric program. But the main reason is that we want to master the technology.

[Question] Isn't there any military strategic reason?

[Answer] None. Only for peaceful purposes.

[Question] In addition to mastery of the technology, wouldn't another purpose be to try to achieve sovereignty over that technology in terms of Latin America, since Argentina is ahead of us in that area?

[Answer] No. The agreement is resolutely for peaceful purposes.

[Question] Most of the developed countries adopt nuclear technology for electricity generation only after other cheaper sources have been exhausted. Why is Brazil doing the opposite?

[Answer] It is not doing the opposite. Hydroelectricity is the priority. The only thing is that we know that in the year 2000, the bulk of the plants will be nuclear or coal-fired. So we are preparing to produce equipment in Brazil--to produce the nuclear fuel cycle in Brazil--because we feel that whoever possesses energy today has great strength in the world. You can have money and still not buy energy because of problems with an embargo on petroleum or difficulties in obtaining enriched uranium. So we will have to master the technology for our fuels. We have had 25 years of hydroelectricity, so if I am convinced and the government is convinced that in the year 2000 the bulk will be nuclear and coal-fired, we have these 20 years in which to master the technology. In other words, to design, build, and operate plants, produce equipment, and produce the fuel cycle.

[Question] What is the schedule for completion of the eight nuclear power plants provided for in the agreement with Germany?

[Answer] We hope that they will all be operating between 1995 and the year 2000.

[Question] With the acceptance of Plan 2000 and the analysis of future consumption prospects, would it not be advisable to slow down work to place those eight plants in operation? You yourself said earlier that any program must be reevaluated periodically.

[Answer] But a reevaluation of this program has nothing to do with the demand for electricity. If it were reevaluated, it would be because of failure to absorb the technology. Look at it this way. If I say that this program is aimed at mastery of the technology, then technology is the only thing that can modify the pace. If it were aimed basically at supplying the market for electricity, then there would indeed be reason to reevaluate it now. We want to go through with it because we need the technology.

[Question] But some scientists say that two or perhaps three plants would be enough for absorbing the technology.

[Answer] No factory or equipment manufacturer--and I am issuing a challenge--and no businessman will make an investment in his plant to produce equipment in Brazil for three plants. I doubt it. If you find one, bring him here to my desk.

[Question] So what is the necessary number?

[Answer] It is a modular program, and we consider that the eight plants are necessary to continue getting the factories ready so that we can then sharply increase the number of nuclear power plants beginning in the year 2000.

[Question] A study made by an engineer estimates that if Brazil's GDP increased by 5 percent annually over the next 20 years, we would need an installed capacity on the order of 100,000 megawatts in the year 2000 and that, as a consequence, the hydroelectric potential will be sufficient at least until the year 2025.

[Answer] What country has ever exploited more than 70 percent of its hydroelectric potential? Ask that of an economist. Unless I am poorly informed, no country has ever managed to exploit more than 70 percent of its potential.

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AGRICULTURE MINISTER EXPRESSES INTEREST IN INDUSTRIAL GROWTH

Buenos Aires LA NACION in Spanish 20 Nov 81 p 3

[Text] Rome, 19 Nov (AFP)--"I think that the results of this FAO conference are going to be very constructive," the Argentine agriculture minister stated, "because this organization's responsibility is reaching its high point." Jorge Aguado justified his assertion by adding that "the world has now become aware that food is one of mankind's basic priorities."

"The FAO's working committees are at work right now, and I think that as of Monday, when the members of the council are elected and after the reports from the committees, the conference will obviously enter its final stage and issue the appropriate documents," he said.

Referring to the problem of secure world food supplies, he contended that they "are going to be achieved if production rises."

"The world," he went on to say, "still has a great deal of capacity to boost production. I would say that mankind's main asset is the resource called Earth and that despite his technology, man has not yet demonstrated the ability to tap its full potential for production."

"Therefore," he asserted, "I basically think that as many resources as possible should be earmarked to boost production and so that most countries can be largely self-sufficient in foodstuffs."

"We feel," he added, "that to the extent that they have the financial and storage capacity, the producing countries could establish some grains reserves, which in any case are a safeguard in stabilizing the prices of farm output."

"We feel that to the extent that this is possible, countries can have reserves within their own borders. Argentina sells practically all of its output every year; Argentina exports everything that it produces, without limitations of any kind, and it has also shown that in practice it is the only country in the world that has not utilized food as an ideological weapon."

Argentina, Aguado said, "does not want to be a food exporting country. Our aim is to be a country with integrated agricultural development and with our own industrial development. And we want to do so under competitive conditions, without protectionism."

8743
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CENTRAL BANK PRESIDENT COMMENTS ON REFINANCE BOND MEASURE

Buenos Aires CLARIN in Spanish 11 Nov 81 p 12

[Interview with Egidio Iannella, president of the Central Bank, on 10 November 1981; place not given]

[Text] "The refinancing bond is the most controversial, the most difficult and the most important law in recent times," Central Bank President Egidio Iannella told CLARIN yesterday. At age 60, Iannella has been involved in banking for 42 years. He has been with the Central Bank since 1939, when he began working there as a stenographer-typist.

The following is his interview with CLARIN:

[Question] Some people are saying that last Monday's move will bring inflation; others say that it was too late in coming, and there are still others who argue that without follow-up measures it will be of little consequence. What do you think?

[Answer] That all three are right. First of all, we will be injecting 220 billion pesos a month into the system; this is what the Central Bank will pay the institutions to refund business debts, and the sole recompense will be the general welfare. These funds will not come from an increase in taxes; they will enlarge the deficit and fuel inflation. The problem involves the degree of inflation, and we have to ask ourselves what the cost would be if the country ignored its indebtedness problems. With regard to its lateness, that's right. It is, however, a far-reaching move that will require responsibility and consultation with all sectors involved. It is also true that it is not enough by itself. This move alone will not get the economy moving again or resurrect a business that is in bad shape. It is a government measure and as such it requires other government measures to produce widespread effects.

Interest Rates

[Question] Is the bond restrictive?

[Answer] I think it was not a happy turn of phrase to say that the bond is tax-restrictive. Its conditions are realistic: Most businesses must meet their tax and social security obligations just as private individuals do. It is even less restrictive because it empowers the Central Bank to consider special cases in the planned Arbitration Commission or through other special procedures that we will be implementing, easy terms of payments, for example.

[Question] But if interest rates do not drop, what effect will the bond have?

[Answer] Interest rates will drop. This is a Central Bank goal; otherwise, there will be no economic upturn. In an open market the rate is regulated with Treasury Bills. That is what we are doing, but we do not want thundering falls because the existing system lends itself to a dangerous rebound in interest rates, as has happened in the past. And if the debt refunding is handled well, the debtors will have greater maneuvering room to reach agreement on the interest rate for their loans. So then, money managers and lending officers will have to again show their skills at the bargaining table. People say that the banks are going to mark up their new loans to compensate for the interest rate of the refinancing. I don't think so. In an decontrolled system a firm can then choose to do business with another bank.

[Question] Why didn't the refinancing include mortgage loans or personal loans?

[Answer] Because these are different situations that require their own particular measures. This is a serious social problem, and we are looking into it.

Indexing

[Question] Are you saying that due thought will be given to financial indexing? What will happen with Circular 1050?

[Answer] Indexing is employed to pay back to a bank what it pays out to savers. The root of the problem is to choose between a floating rate or a fixed rate. I, like others, am in favor of the latter. But this means that first of all we have to alter the inflation context. Another problem arises when a jump in relative prices adversely affects wages or a given activity. This happens with any index that reflects a tattered economy. The Mortgage Bank has begun to come up with answers for the problems of individual borrowers. The Central Bank is also getting ready to. This issue has been knocked around a great deal. I prefer to see what happens first.

[Question] There are those who assert that Circular A-65 will heighten the problem of the high cost of borrowing and the rise of 1050...

[Answer] The institutions with problems have at the Central Bank the rediscounts they need so that they do not have to borrow at high rates. But credit between financial institutions is not supposed to be a loan portfolio. A person who places his funds in call money does not want to be a banker.

Some 8 percent of total funds are handled as call money, but in some institutions up to 40 percent of lendable funds are call money, and at some point you have to tell them to straighten things out. We have been tossing this about for 5 months.

Mergers

[Question] What will you do to cut the cost of bank middleman operations, which make borrowing more expensive?

[Answer] The banks have already begun to gage their costs. Their loan markups are smaller than a few months ago, and if they are larger in some cases, it is because the institution or borrower risk has increased. The bond will also have an effect in this regard, and the reform of the Financial Institutions Act will revamp the market. We want a more open market without 30-day operations. We are also taking a look at how to prevent public enterprises from continually taking part in competitive bidding for funds, which makes borrowing more expensive for the private sector. We are trying to get bank groups to finance a business's overall needs in one stroke, as is done elsewhere. We cannot have financial institutions in Argentina that have 70 percent of their loans concentrated in the State while there is no money for private business.

[Question] Are you in favor of abolishing the contribution to bank social services to cut credit costs?

[Answer] Not at all. I have lived off my salary all my life and I know that the contribution is of little consequence to the banker employer but of major consequence to the employee because it is his health that is involved. Lower credit costs will not come from this. They will come from a more efficient financial system.

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TURNOVER TO PRIVATE SECTOR OPPOSED

Buenos Aires CLARIN in Spanish 11 Nov 81 p 16

[Text] "We should resort to private capital as an investment and efficiency aid," said Communications Undersecretary Gen Eduardo Corrado in rejecting the bid to privatize the National Telecommunications Enterprise (ENTEL).

The undersecretary urged that we "not waste more time trying to turn public enterprises over to private hands," indicating that "a whole sphere of economic and industrial activity in our country has taken shape around ENTEL."

"It is the only industrial activity that is doing its work, because the sector plan has not come to a halt," Corrado explained in his comments to a monthly journal. He also disclosed that the firms Ericsson, Standard Electric, Siemens and Pecom Nec "are prepared to collaborate in a peripheral, gradual privatization program but would never be willing to assume operational responsibility."

With regard to the possibility of privatizing the telecommunications company, he remarked that this "would not solve the problem of telephone installation in Argentina," adding that political, union and economic problems have adversely affected the public sector and led to a "poor telephone system."

After indicating that the State "likes" to have public enterprises because "these enterprises have at times gotten every government out of a hole," he pointed out that "in spite of the politically set rates throughout its history, the telephone company has been a good business." He commented in this regard that "it is suited to private enterprise, but the problem is to come up with enough capital to take over, not pay off, take over what currently exists without payment obligations."

"The problem," he said, "is to take over the enterprise, because from here on it will have to invest some $1 billion a year, and the enterprise itself will have to generate that $1 billion. So then, whoever takes it over knows that the investments will hinge on the funds that the enterprise actually has, and those funds are going to depend exclusively on its rates," he stated.

In Corrado's view, American Telephone and Telegraph is the company that "is in the best position to take over the telephone system in Argentina."

"Let's not waste any more time trying to turn public enterprises over to private hands," he suggested. We made the mistake back in 1974," he noted. One of the basic reasons why the country is in the shape it is has to do with the disproportionate responsibilities that the State has assumed, Corrado cautioned.

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ROLE OF EXPORTER MUST BE EXPANDED, SAYS TRADE MINISTER

Buenos Aires CONVICCION in Spanish 15 Nov 81 p 14

[Text] Trade and Maritime Interests Minister Carlos Garcia Martinez stated here that "Argentina must become a major export power."

He made this remark to some 200 businessmen at the closing session of the foreign trade seminar organized by the Commodity Exchange of Mar del Plata and sponsored by the Trade and Maritime Interests Ministry.

Addressing the session before him were the undersecretary of state for foreign trade and regional integration, a branch of the Trade and Maritime Interests Ministry, Jorge Caminotti; the director of the Argentine Chamber of Commerce, Herberto Karpgus, and the head of the Mar del Plata Commodity Exchange, Norberto Pezatti.

Garcia Martinez first off listed the great values "that Argentina must firmly cling to if it wants to safeguard its greatness, sovereignty, prosperity, freedom and justice in a turbulent and dangerous world."

He pointed out the three major objectives of Argentina's transformation into an export power. He asserted that "all of them are directly or indirectly linked to the great values I have mentioned." These objectives are: large-scale industrialization, national integration and the development of talent in Argentina.

He went on to say that "these three goals are firmly linked to Argentina's future and are themselves closely interrelated. The most sweeping and revolutionary way to promote these three goals is to transform Argentina into a major export power."

Garcia Martinez then examined these relationships, asserting that the only way to close the enormous gap between the population and the size of the market that a technological revolution requires is to have access to world markets, which is impossible unless the country gradually adapts its domestic organizational structures to the great goal of being a worldwide force. "Exports generate markets; this stimulates industrialization, which in turn promotes population growth. Thus, we have this cumulative cyclical process that is always behind the major creative transformations of history."

He then urged "closing the immense gap between the development of national talents and existing job opportunities. This an urgent need for our nation, and large-scale exports can play a preponderant role in this, not only because of the direct impact of more jobs from increased exports, but also in terms of the indirect effects, since this extraordinary transformation of our domestic production system will generate an enormous number of jobs, which contributes to efficiency and high profits."

He also asserted that "we cannot become a major exporting country by purely artificial means. The country's production structures must undergo an in-depth transformation so that our entire domestic system is gradually brought into line with making exports an especially significant element in national development."

Towards the end of his address, Minister Garcia Martinez outlined the basic points that "must be accomplished to achieve the great national goal of transforming Argentina into a major export power."

These basic points are:

Economic discipline, which always, but especially under the present circumstances, means controlling the demon of heightened inflationary expectations;

Clear-cut, stable and, therefore, reliable ground rules;

Reestablishing the preeminence of profit as the reward of risk capital;

Transforming the State into the creator and promoter of and guide for major strategies of action, as well as the emergence of businessmen who are aware of the major goals of the policies that are decided on and who are prepared to achieve these goals in a competitive framework while pursuing their own interests;

A wideranging process of transforming, overhauling and modernizing industrial, marketing and service structures.

Statements

Dr Carlos Garcia Martinez stated that "an economic program is much broader than an export promotion plan."

This was his reply to the newsmen who approached him at the close of the foreign trade seminar in Mar del Plata.

He explained with regard to the same topic that "in compliance with my obligations as minister of trade and maritime interests and in compliance with instructions from the Military Junta and the nation's president, I have drafted an export promotion plan, which is not an economic program."

He rejected the word "speculation" when asked about the exchange rate. He contended that "if you have a floating market, a financial market can simply have fluctuations that are out of step with the commercial market, but on the commercial market, which is what I am talking about, the exchange rate is realistic and is constantly being adjusted to prevent overvaluations."

8743
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PRESS ITEMS REFLECT REACTION TO EEC POLICIES

EEC Protectionism Scored

Buenos Aires LA NACION in Spanish 12 Nov 81 p 2

[Text] Rome, 11 Nov (ANSA)--The Argentine Government is very concerned about the EEC's agricultural policy, because it feels that the EEC's dumping tactics are "irrational" and seriously "detrimental," Argentine Undersecretary of Agriculture Victor Hugo Santirso told the 21st General Conference of the FAO.

"We are extremely concerned," he asserted, "about the restrictions and obstacles that seem to be spreading in agricultural trade among nations, mainly the agricultural policies that the European Common Market is pursuing through subsidies that lead to large-scale unprofitable production, from the standpoint of costs, and that represent a waste of energy that cannot be recovered. We think that they are irrational, and they cause us very serious harm. The fact is that the dumping of product surpluses by the European Common Market is seriously distorting import markets and crowding out economically viable producers such as Argentina."

"These practices," he asserted, "constitute one of the most negative manifestations of the economic policy of the developed countries, which by means of protectionist barriers and subsidies, keep domestic prices high, on the one hand, while exporting at depressed prices, on the other, which adversely affects the exports of developing countries and alters their terms of trade. Argentina rejects these discriminatory practices because we feel that they are at odds with a more just economic order."

Gains

After announcing that his government supports the FAO's work schedule and the proposed budget for 1982/83, Santirso spoke of the gains that Argentina has made in agriculture.

"My country has achieved successive record harvests over the past 6 years," he asserted. "These successes are linked to a series of policies, some of which have required a lengthy lead time while others had more immediate effects, to bolster the expectations of growers and induce them to work harder and with more advanced techniques.

"During the 1980-81 farm year, Argentina's grain harvests hit the overall figure of 3 million tons, compared to less than 31 million in the preceding year," he explained.

"Gaged differently," he added, "we have produced 1.3 metric tons per inhabitant. As we can see, this is a considerable amount, and it has enabled us to generously meet domestic consumption needs and has yielded even greater surpluses than the year before for export. Also, our country has been able to donate food to needy peoples."

Technologies and Percentages

"These ongoing and systematic gains in recent times have been due mainly to a striking increase in the advanced technologies incorporated into farm production. Thanks to them, the total volume of domestic crop and livestock output, which had been increasing at just 1.4 percent a year over the past 50 years, began growing at 3 percent a year over the past 5 years. Argentina has thus resumed the farm production growth pace that made it famous before the world trade crisis in the 1930's.

"I would cite as the groundwork for this sharp rise in surface area productivity the policies of support for agricultural research and extension work, which received a major push in Argentina as of 1958, with the creation of the INTA [National Institute of Agricultural and Livestock Technology] and the allocation of major complementary funds to universities and other study centers to conduct scientific and technological research for the same purposes.

"These gains," he asserted, "are among the most rapid in the world in recent years. In the 10 years between 1968/69 and 1977/78, the rise in the per hectare production of wheat in Argentina was 47.5 percent.

"In the case of corn," he added, "productivity rose 133 percent in Argentina. The jump was even more spectacular for sorghum, 132 percent, as against some 4 percent [sic]. The increase for soybeans was also significant, 111 percent."

Pricing Policy

"We think that the major changes introduced in 1976 in the farm sector's pricing and incomes policies were of decisive importance in bringing about this period of real innovations in farm production," he asserted. After almost five decades of keeping the relative prices of farm products low for political reasons, the government evinced a determined intention to improve these ratios. Within the framework of the country's general economic policies, we have persisted in this course, with some ups and downs. When the new government took over in March 1981, some new strides were made in exchange rate policy, which benefited the rural sector by providing incentives for more extensive plantings and additional technological investments.

"I am pleased to point out," he emphasized, "that 95 percent of Argentina's producers own the lands they farm. We are concerned, however, that in a

country like Argentina, which has a generous endowment of farmlands and grasslands, the average size of farms is rapidly shrinking and that a good many of them are now too small."

CARBAP Calls for Protests

Buenos Aires LA NACION in Spanish 19 Nov 81 p 20

[Text] CARBAP [Confederation of Buenos Aires and the Pampa Rural Associations] "feels that the appropriate Argentine authorities have a duty to lodge protests without delay with the authorities of the EEC and of the governments that belong to it, under existing international instruments, over the damage caused our country by the EEC's policies." According to CARBAP, these policies have resulted in a striking decline in our regular sales of meat to third countries that used to be traditional purchasers.

To this end, CARBAP sent a note to Mr Jorge Aguado, minister of agriculture and livestock, in which it outlines the grounds for the confederation's request for urgent action in this regard.

CARBAP reaffirms the need to guarantee overseas markets for Argentine meat, "inasmuch as the fact that cattle stocks have declined does not alter the fundamental premise of serving the national interest." On the contrary, it stresses that the country should again pursue a policy to reverse the effects of the decline in the cattle stock.

Urgent Steps

It then lists the steps that the appropriate authorities must urgently take. They include citing the dates and amounts of EEC meat shipments to Israel, Egypt, Greece and other countries at subsidized prices, and the publicizing worldwide of the protests that Argentina's representatives have filed because of them, in order "to strengthen Argentina's subsequent position."

As a precedent, it notes the publicity accorded the protests by Australia, New Zealand, Canada and the United States against EEC policy, adding that "unfortunately, we are not familiar with news reports on Argentina's protests, and this lack of worldwide public impact weakens our position."

It then makes the point that the EEC's subsidized sales "violate Article XVI of GATT, because we do not know whether the community's export subsidies were announced in advance or whether, as the article stipulates, consultations were held with the aggrieved party, Argentina."

It points out that these sales "should be considered in light of the 'Agreement on the Interpretation and Application of Articles 6, 16 and 26 of GATT,' which is known as the 'Subsidies and Countervailing Duties Code' (an outcome of the Tokyo Round). Our country must not fail to bring this code, which took effect on 1 January 1980, into play because "it enables an

exporting country that feels its protests in bilateral talks with the subsidizing country have come to naught, to demand that the contracting parties order countervailing duties for the subsidy to its detriment."

It recalls that the same code stipulated that subsidies would not be given to commodities and that to establish "the amounts for purposes of comparison" for the aforementioned agreements, a representative prior 3-year period of normal operations on the market on which the subsidized item has been sold would be taken."

Precedents

As precedents backing up the measures that CARBAP feels Argentine authorities should take, it notes that the United States has outlined the problems stemming from the subsidies applied by Australia and New Zealand and is planning to take action vis-a-vis the EEC.

It states later on that we should not have disregarded Australia's proposal for a joint protest of EEC policy and that if the proposal was not disregarded, it should have been given broader publicity so that it could serve as a precedent for our position. It feels that the change of government in France could be beneficial "in view of the projected decrease in the domestic subsidies that the French Government gives farm products." It points out that "Argentina could find that other members countries of the community" support its protests because they aim at diminishing protectionism, which would lighten their contributions to the enormous subsidies budget.

8743
CSO: 3010/358

DAILY CALLS FOR POLITICAL OPENING TO ACHIEVE STABILITY

Santa Cruz LEL MUNDO in Spanish 17 Oct 81 p 5

[Editorial: "Political Stability or Permanent Disorder?"]

[Text] The fact that Bolivia needs political stability to face its most vital problems is something no one disputes. The fact that in spite of it rumors about supposed preparations for a coup d'etat are not ceasing is also certain.

The rumors are coming forth in the face of government inertia. They fill the vacuum which official lack of decision leaves before the most urgent problems of this moment, which are expanding with astonishing speed.

In spite of this, it would be frivolous to suppose that nothing has changed, since only a few months ago Bolivia was living under a personal leadership without a new style and although it lacks a concrete program it is more receptive to what is claimed by national opinion and above all, to our own historical experiences.

The road to be traveled is full of obstacles. To begin with there is an economic recession of very serious proportions, such as to make people suppose that the solutions can be given by new coups d'etat which like many other sin the past would not go beyond a changing of the guard lacking valid answers for our most pressing economic, political and social problems.

On the edge of the inquiries which could be made about political stability and coups d'etat, if anything is obvious it is the citizens' desire for a period of normality, without meaning limitations to civil liberties, or excesses by the opposition. The most appropriate step would be a political opening su,ficiently broad to allow the most pressing national problems to be analyzed in a climate of liberty, mutual respect and toleration.

The constitutional organization of the public powers should precisely achieve a national agreement which would put out of the game the factors which disturb and obstruct the democratic life of the nation at every step.

12,116
CSO: 3010/180

PAPER FOCUSES ON PERUVIAN EFFORTS TO SAFEGUARD DEMOCRACY

La Paz EL DIARIO in Spanish 21 Oct 81 p 2

[Editorial: "The Peruvian Crisis"]

[Text] With every day that passes the political and social situation of Peru becomes more complicated. In the last few hours, the government of that country has been obliged to dictate extreme security measures because of the outbreaks of violence in some departments.

In this case we must not restrict ourselves to observing superficial events in that country, where, paradoxically, there exists a regime elected by a popular vote and whose actions, at least until now, have been based on enforcing the law. What must be analyzed here as in other regions is the very foundation where the action of extremist subversion working where liberty is and has an open field for its activities.

This is not the place to repeat sentences and concepts, but doing so turns out to be unavoidable since it seems that many people do not understand a painful reality of our time: The struggle for ideological hegemony is going on everywhere, but principally where democracy is gaining ground. That has always been and will continue to be the pattern of subversion, since it is not profitable to it for the democratic system to be consolidated anywhere. That happened, for example, in Chile, Uruguay and Argentina. In the Chilean case, the situation is much more paradoxical because there, through the democratic system, a man clearly identified with Marxism achieved power; but the forces of intolerant subversion began an intense task of undermining the regime which brought about his fall. The fact is that extremists do not profit from the consolidation of a democratic system because its leaders are partisans of tyranny who require another regime of violence to achieve power. Argentina is another typical case. Following elections and after periods of great violence, democracy was finding its channel with the achievement of power by a political force of popular origin. The forces of subversion which had perceived that fact first infiltrated that party, tried to take over its mandate, succeeded in indoctrinating the important youth movement, and kept the democratic government in a permanent dither. New agitation, the use of violence determined the fall of the system which was replaced by another one, basically useful to the subversives. Uruguay and other countries are also examples to demonstrate how extremism checkmates democratic systems up to the point of turning them over to dictatorships because their preaching is possible only in those conditions.

In the Peruvian case that is what is going on. In other words, what happened in Chile, Argentina and Uruguay is repeating itself. The Peruvian Government, which is the product of a democratic act and which has since turned into a government of

force, is the propitiatory victim of extremism which is now making demands not uttered before. It attacks the democratic government because that system does not use violence, which is precisely what subversion seeks. With what has happened in other countries, Peru has to act in another way, adjusting itself to the tactics of subversion, turning its face toward a struggle which has no ethical borders.

While this is happening in Peru, the remaining peoples of Latin America should become aware of the clumsy way in which it affects democracy.

It is time to carefully observe the work of extremism and to understand that in Peru one of the great battles for the survival of democracy is being waged. The fall of the present Peruvian system, for example, will fundamentally mean a great defeat for democracy. It is urgent then to exhibit solidarity with the Peruvian Government in this unequal struggle with a subversion which does not give quarter anywhere.

12,116
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GOVERNMENT IN EXILE AWAITING DEMOCRATIZATION, SAYS WRITER

Cochabamba LOS TIEMPOS in Spanish 5 Nov 81 p 4

[Article by Albo Romero: "Government in Exile?"]

[Text] An AP cable sent from Paris and dated 2 November reveals the existence of a "government of national unity of Bolivia in exile," of which Jaime Paz Zamora is reportedly vice president and Dr Siles Zuazo possibly president. This revelation helps one to understand why the European countries were so reluctant to recognize the military government emerging from the 17 July 1980 coup. An entire political organization is playing its cards abroad, obviously enjoying the official sympathy of the governments belonging to the European Common Market.

The People's Democratic Union (UDP) was actually openly supported by the Socialist International, headed by German postwar leader Willy Brandt, formerly mayor of Berlin and later prime minister of West Germany. The Christian Democrats also had their preference for that party. The Socialist International is not a communist movement strictly speaking, but it nevertheless gets along better with the totalitarian regimes dominated by Moscow than with Western governments. In the postwar period, Willy Brandt guided Germany's fate, sometimes walking a tightrope held by Russia and the United States between the East and the West.

Since the Socialist International is an international movement, as its name indicates, the ties and connections of the alleged "Bolivian Government in exile," whose headquarters are probably in Paris, have been many in number to channel the resistance to the government of former President Garcia Meza.

Shifting from the phase of verbal aggressiveness that characterized the group of Bolivian exiles, who used Dutch and German radios to launch tremendous diatribes against the Bolivian regime, Paz Zamora now suggests in conciliatory terms the need "to achieve a great national accord of democratic convergence in order to save the country."

One notes the obvious intention to take advantage of the apparent liberalization of the current government of President Torrelio, who has allowed the country to normalize its constitutional life within a peremptory period of 3 years. It would appear that there is an attempt to turn the current government into a bridge to a democratic regime. The worst thing is that, trying to avoid a leftist presence in government, the result was to ensure that active presence in the coming elections. In fact, the Bolivian left, which in past elections had scarcely a little over

a third of the votes out of the total cast, could command an overwhelming absolute majority in the next elections.

The date of 17 July 1980 did little to strengthen the Bolivian left politically. The same thing that happens in Bolivia will surely happen in Chile and Argentina, where the persecuted sectors continue to grow to the maximum extent. After Pinochet and Viola, the alliance of the followers of Frei and Allende and the Rio Plata guerrilla fighters will return with their hands up, shouting their resurgence.

11,464
CSO: 3010/308

POSITIVE RESULTS FROM NORMALIZATION OF RELATIONS WITH U.S. REVIEWED

Cochabamba LOS TIEMPOS in Spanish 5 Nov 81 pp 4, 13

[Article by Samuel Mendoza: "The Normalization"]

[Text] At last, after a freeze of over 15 months, it would appear that we are approaching a normalization of relations between Bolivia and the United States. At least the diplomatic moves of recent days indicate that within a few more days, or perhaps a few more hours, those relations will be normalized with the naming of an American ambassador to Bolivia and a Bolivian ambassador to the United States. Although certain indispensable steps have to be taken to achieve that objective, the announcements made on the subject in both La Paz and Washington are highly satisfactory and arouse hopes that in the future, those relations will become even closer, in hopes of an understanding between the two nations, the two governments, the two peoples that have traditionally been friends.

Confirming press reports of recent weeks, the cable from the American capital reports that the person chosen by President Reagan to represent the State Department and the United States as ambassador to the Bolivian Government is Edwin Corr, who until only recently headed the American diplomatic mission to the Republic of Peru. It is said that Corr is an expert in the fight against narcotics trafficking, which may mean that the United States is renewing its cooperation in the fight against that evil in Bolivia.

The fact that the designated American ambassador is an expert in fighting drug trafficking is highly significant and logically positive for the Bolivian Government and people. Perhaps with his knowledge, he can help to better plan a fight that authorities here have been waging to the best of their ability, but without the necessary means and instruments. Naturally, the appointment will not be welcomed equally by certain groups that view it as a serious danger to their illegal activities. The drug traffickers will have to find themselves a safe place or suspend their ill-fated action that has done so much damage to the country's dignity. We believe that the appointment of Corr will mean direct and effective support from the United States in the head-on, final struggle against drug trafficking.

While the normalization of relations between the two countries seems to be an indisputable fact that has made it possible to relieve the tension under which the Bolivian people have lived for over a year, some steps remain to be taken, as we mentioned. One of them has to do with the decision of the Foreign Relations Committee of the U.S. Senate, which is probably already considering President Reagan's

proposal. We know that it is a difficult and complicated step, but we hope that the Senate of that country will agree that one cannot isolate a poor nation such as ours any longer, subjecting it to imminent dangers that could destabilize the general situation on the continent. As never before, Bolivia has endured a cruel and brutal blockade since the 17 July 1980 uprising, which has caused the most destructive crisis in history. The isolation to which Bolivia has been subjected has not been a kind of punishment -- as may have been thought at one time -- for those in power, but rather, a flagrant attack on the Bolivian people who suffered the consequences and who continue to suffer them.

As we stated on previous occasions, we must realize that the normalization of relations with the United States will not be a magic wand that will automatically solve the crisis and bring the country out of the economic chaos in which it is plunged. But it will make it possible to reopen financing and credit channels that have been hermetically sealed for over a year, even though Bolivia will have to make enormous efforts at home and abroad.

All in all, the normalization could enable us to get the country on the right path and thereby bring it out of the dramatic situation in which it finds itself.

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REFORMS TO DOMESTIC POLICY SEEK TO REMEDY NATIONAL CRISIS

La Paz HOY in Spanish 22 Oct 81 p 8

[Text] The dmoestic policy of the Armed Forces government is seeking to resolve the current crisis by initiating fundamental reforms which are imposed by the conditions prevailing at the present historical moment.

The principal paragraphs proposed in this field advocate a national policy of respect for human rights, a response to the crisis "made more acute by political motivations on an international order," to eliminate the drug traffic, liquidate administrative corruption, smuggling, speculation and illegal accumulation of wealth, achieve national unity, revise the administrative apparatus, effect a tax reform, reorganize the physical distribution of economic activity, organize a modern national state, maintain a policy of permanent dialogue with political and social forces and in consultation with representative sectors to compose the first draft of a political constitution of the state to be submitted to the consideration of the Constituent Assembly.

The complete text of the government's domestic policy follows:

"In the context of its domestic policy, the Armed Forces government proposes to resolve the present crisis by carrying out certain fundamental reforms required by the conditions predominating at this historical moment, in accordance with the political criterion expressed in the following paragraphs:

1. To maintain in effect a national policy of respect for human rights and for the constitutional guarantees of governments and of the governed.

2. To respond to the crisis made more acute by political motivations of an international order by clarifying nationalistic convictions and the massively mobilized national will, seeking to overcome the economic crisis and seeking the construction of a solid democratic system which may overcome the limitations and the errors of the past, to the benefit of political stability and of an intransigent defense of national dignity and of the sovereign right of the Bolivian people to determine their own historical destiny against any overt or covert form of intervention.

3. To eliminate the drug traffic and to overcome moral degeneracy by applying the most drastic penalties to the manufacturers and dealers in drugs together with their accomplices and accessories without any concessions or toleration until the county's image abroad has beem improved.

4. To eliminate administrative corruption, smuggling, trade speculation and illicit acquisition of wealth.

5. To effect a genuine national unity integrating all the regions of the country and of all social sectors without any exception.

6. To begin a profound institutional transformation based on the following:

6.1 To readjust the administrative apparatus of the divisions of the state, on the level of ministries, prefectures and townships for more efficient operation.

6.2 To reorganize the decentralized institutions and public enterprises so that as soon as possible their rationalization and efficient functioning may be achieved and they may reach the highest possible levels of profitability.

This fact necessarily demands an operating decentralization on the executive level of the administration of said enterprises, most especially on the regional and managerial level, so that the general credit be recovered as rapidly as possible in efficient public administration and in self-support by the state enterprises.

6.3 To put into effect an integrating tax reform tending to establish a true social justice which will equalize rights and obligations among all citizens without distinctions or privilege whatever; by avoiding tax evasion and permitting the redistribution of income and a social capitalization at the service of the national community.

6.4 To formulate a body of lega dispositions aimed at normalizing and coordinating the functionong of stat enterprises, mixed and private enterprises and cooperatives whether in an independent or ina combined manner.

6.5 To establish the third integrated economic sector of the national economy, based on the social property of the Peasant Communities, on cooperatives of every class and the producer and consumer associations in which the system of producer and consumer participation prevails, as directly interested in the normal functioning of said enterprises.

6.6 To reorder the economic space of the country to obtain an adequate regionalization for the achievement of geopolitical objectives and political-administrative objectives.

6.7 To redirect the participation of private enterprise as a function of the objectives of national socioeconomic development by means of adequate legislation.

6.8 To organize a modern national state as a task of unavoidable historical urgency.

Within the framework of a nationalist, institutionalist and Christian ideology, where man, as a generator of national values and as an agent of development, may acquire a new preponderance and be changed into the center and the goal of government action and where the state will be defined as the instrument for the achievement of his training, development and realization.

To revise and add to the various law codes in effect according to the requirements of socioeconomic development, for the purpose of permitting the building of an institutional order adequate to the political and cultural demands of the republic.

To rationalize the functions of the modern national state in all their dimensions and administrative, judicial and legislative jurisdictions; by simplifying fiscal procedures, by making judicial independence effective as determined by the constitution, by imparting a moral attitude to the judiciary and giving a functional structure to the legislative branch.

6.9 Finally, the Armed Forces government declares its open disposition to maintain a policy of permanent dialogue with the political and social forces to achieve a proper national consensus permitting the country to achieve its economic, social, democratic and institutional goals which are proposed in this government program.

This task includes taking the following fundamental steps:

a) Concerning administration and institutions.

1. To revise and reactivate the Organic Law of Public Administration.
2. To revise and add to the codes and their dependent provisions now in effect.
3. To define mechanisms for rationalizing wages.

b) In the institutional and political aspect.

1. To prepare in consultation with representative sectors of the country the first draft of a political constitution of the state to be submitted to the consideration of the Constituent Assembly.
2. To draw up, in an act agreed upon by representative groups of opinion, the bill for the law of political parties.
3. To draw up in consultation with groups of representative opinion the reforms of the electoral law.
4. To prepare a law of municipalities.
5. An agreement of the Constituent Assembly to approve amendments to the political constitution of the state and other legal provisions referred to in this document.
6. Progressive institutionalization of public powers.

12,116
CSO: 3010/180

INVESTMENT LAW TO BE REVISED TO ALLOW PARTICIPATION OF PRIVATE INTERESTS

La Paz EL DIARIO in Spanish 6 Nov 81 p 3

[Text] Sucre, 5 Nov--The president of the country, Gen Celso Torrelio, has announced that the investment law will be revised and updated in order to permit the participation of national and foreign private capital in developing the country's vital industries. The announcement was made in a speech delivered on the occasion of the official opening of the new oilfield "Porvenir" in Luis Calvo Province in the Department of Chuquisaca.

The chief of state also emphasized the efforts of YPFB [Bolivian Government Oil Deposits] executives, technicians and workers and the work of the contracting company, Occidental Boliviana, which discovered the new field that will immediately make it possible to achieve a gradual increase in the country's oil production.

The opening ceremony was attended by departmental, regional and local authorities, along with executives and technicians from the YPFB and Occidental.

Cardinal Jose Clemente Maurer pronounced the blessing for the new production center.

In his address, Donal R. Wladden, vice president and general manager of Occidental Boliviana, said that the company has been operating in the country since 1973 on the basis of operating contracts signed with the YPFB, in order to successfully work the hydrocarbon deposits. In 1976, the company first discovered the Tita oilfield in Santa Cruz and now produces some 43 million cubic feet of natural gas and 1,300 barrels of oil a day. In 1978, it discovered the Porvenir field in Chuquisaca that was just officially opened.

That field now produces some 3,000 barrels of oil a day. Wladden said that the figure will gradually increase until it reaches 8,000 barrels a day of condensed oil. The natural gas that comes out of the field in significant volumes will be reinjected into the production wells in order to maintain the pressure required for normal production.

Wladden also announced that both he and the other Occidental executives have demonstrated their interest in investing more capitals in other northeastern areas of Bolivia in 1982, for which purpose another operating contract was signed with the YPFB.

For his part, Minister of Energy and Hydrocarbons Jorge Zamora said in his speech on the occasion that the government has outlined a national energy policy with the prime objective of discovering new reserves that will basically guarantee the country's supply.

He emphasized that the results obtained at Porvenir were made possible with the participation of risk capital and that in the future, that participation will be more active for the discovery of new oilfields in potential areas of the country. In that way, oil production could be increased.

In opening the Porvenir field, General Torrelio stressed the results achieved there through the combined efforts of both state and private capital and technology in the task of achieving a rational exploitation of natural resources and improving the living conditions of the Bolivian people.

"That is why the Armed Forces Government program has chosen the policy of increasing the participation of national and foreign private capital in the development of those those resources that will remain government-owned. They will be aided through the new investment law, which will clearly establish the rules of play specifying the fields of possible action."

He later emphasized that the country is aware that it does not have sufficient resources for prospection, localization and production, or for the importation of modern technology enabling Bolivians to benefit from their natural resources in keeping with the progress of the contemporary world, thereby justifying the participation of private capital.

11,464
CSO: 3010/308

CAUSES LEADING TO BALANCE OF PAYMENTS SITUATION ASSESSED

La Paz PRESENCIA in Spanish 6 Nov 81 p 3

[Article by Juan Carlos Calderon E.]

[Text] At a meeting of an economic and political group in the country, one high government official recently urged a reduction in imports because, he said, the country imports more than it exports, thereby causing the foreign exchange deficit.

It must be recognized that the balance [illegible]s deficit (considered to be the most important element for analyzing a co[illegible]ry's transactions in foreign currency) has increased in recent years. One must analyze the causes of the deficit so as to propose economic policies that can reverse the trend within the shortest amount of time.

It was deemed fitting to make a preliminary analysis of the behavior of the Bolivian balance of payments over the past 5 years.

From 1976 to 1980, the balance of payments showed a deficit totaling, according to information from the Central Bank of Bolivia, $481.4 million. The deficit created in the past 3 years has more than outweighed all the positive results obtained between 1976 and 1977. The causes of the deficit are varied. One of them is undeniably smuggling, which, according to a thesis submitted to the Bolivian Catholic University in 1977 for a master's degree in economics, represents nearly half of everything legally imported (Mantilla C. Julio: "Smuggling in Bolivia," Catholic University of Bolivia, 1977). According to the premises of the economic theory, it can be assumed that the "errors and omissions" heading represents smuggling and the accumulation of foreign currency in the hands of private parties. Over the past 5 years, that heading showed a deficit of $882.4 million, which in the case of Bolivia would be nearly 100-percent smuggled goods, inasmuch as during that span of time, with the fixed exchange rate and free buying, there would be no valid economic justification for assuming a strong demand for foreign currency for speculation, in addition to the existence of the clause for maintaining the value of savings deposits.

Another factor involved in the balance of payments deficit was "services and income" (shipments, other transport, travel, income from investments and other goods, services and income), which showed a negative balance of $1,314,300,000. It is interesting to note that shipments and other transport show a negative result of $576.3 million. This reveals, not only the lack of infrastructure in the country, but also the need to intensify the work of LINABOL [expansion unknown] and ENFE

[National Railway Enterprise] so as to avoid chronic dependency on freight companies. Despite a foreign balance of $651.3 million, investment income should be analyzed with great care because in addition to representing a relatively well-paid source of work, it means the transfer of technology not bought by the government and which could signify future capital savings for the public and private sectors. The deficit in other goods, services and income results from the payment of services rendered under aid programs and the maintenance of Bolivian diplomatic representation in other countries. As one can see, it does not seem possible to reduce the deficit under this heading.

The entries that in some way helped Bolivia's balance of payments were those of the capital account, which had a surplus of $1,269,000,000 during the period from 1976 to 1980. Attracting funds in foreign currency, while it did tend to lower the negative results of the balance of payments, tends to mortgage the country's rather immediate future because net income from the heading "other capital" (totaling $1,141,600,000) represents 89.96 percent of all income in the capital account and 72.73 percent of total positive income for the last 5 years ($1,569,600,000). It has been repeated that the "other capital" heading tends to mortgage the country since it represents credits granted to the country for the private and specially public sectors. Consequently, all this income must be paid back, plus interest, which is now increasing.

The other major heading that reduced the balance of payments deficit was goods (exports minus imports), which had a positive balance of $300.6 million. This contradicts the statement by the high government official who urged a reduction in imports, without considering that over 75 percent of what the country imports is raw materials and intermediate products (fuel and related items, raw materials and intermediate goods for agriculture and raw materials and intermediate goods for industry) and capital goods (building materials, capital goods for agriculture, capital goods for industry and transport equipment), things the country does not produce because of its low technological capabilities and the small market.

Based on all the foregoing, it is possible to draw a few conclusions: First of all, it seems illogical to try to implement measures banning imports because not only would this encourage what economic officials call the "cancer" -- that is, smuggling, but in addition, the direct, collateral effects would be manifested in increased unemployment and higher prices. The foreign debt policy followed with such enthusiasm in recent years must be seriously reconsidered because if it is to be continued, bankruptcy of the Bolivian Government will be imminent. Finally, one justification for this article: It results from the need to try to take the myth out of the current situation of Bolivia, for as it is continually repeated, we have but one country and we must try to see that it operates in the best way possible.

11,464
CSO: 3010/308

DETAILS PUBLISHED ON COOPERATION AGREEMENT WITH SPAIN

La Paz EL DIARIO in Spanish 6 Nov 81 p 3

[Text] In accordance with the provisions of the Technical Cooperation Pact signed by representatives of the governments of Spain and Bolivia on 3 July 1971, the minister of foreign relations of Bolivia, Dr Gonzalo Romero, and Spanish Ambassador Tomas Lozano Escribano yesterday signed a Complementary Technical Cooperation Accord.

The ceremony took place in the office of the minister of foreign relations and was also attended by the president of the Santa Cruz Regional Development Corporation (CORDECRUZ), Oscar Alfonso Echazu.

The agreement envisions an improvement in the current irrigation system, the identification and drafting of new irrigation and agricultural development projects for the mesothermic valleys in Florida, Vallegrande and Caballero provinces.

It provides that the Spanish Government will appoint the General Directorate of International Technical Cooperation of the Ministry of Foreign Affairs and the National Agrarian Reform and Development Institute, an autonomous entity of the Ministry of Culture, as responsible for compliance with the obligations of the Complementary Accord.

For its part, the Bolivian Government will appoint the Santa Cruz Regional Development Corporation as the organization responsible for execution of activities.

For this purpose, CORDECRUZ technicians will be trained in Spain and special experts will be made available to the regional development organization of the eastern region for specific advisory tasks.

The financial obligations that Spain will assume are the following: underwrite all expenditures incurred in Spain by Spanish experts helping CORDECRUZ in Bolivia; moving expenditures for the families of such technical personnel Spain-Bolivia-Spain; return traveling expenditures between Spain and Bolivia, monthly food and medical care allowance and pharmaceutical and hospital expenses for Bolivian technicians being trained in Spain.

The financial obligations and responsibilities of the Bolivian Government are: one-way tickets for CORDECRUZ technicians from Bolivia to Spain; premises, offices, personnel, secretarial and office costs; traveling expenditures inside Bolivia when on behalf of CORDECRUZ.

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TRADE MINISTER EXPLAINS SOLUTION TO SUGAR SURPLUS

Santa Cruz EL MUNDO in Spanish 30 Oct 81 p 1

[Report on interview with Minister of Industry and Commerce Lucio Paz, La Paz, 29 October]

[Text] La Paz, 29 Oct--Minister of Industry and Commerce Lucio Paz said today that sugar surpluses that will be exported by government mills were not sold on the domestic market at prices lower than those established, adding that the fate of that production will be determined in planning for 1982.

It was recently claimed that sugar mills under the Bolivian Development Corporation had sold sugar at $10 a quintal when official prices are approximately 900 Bolivian pesos.

"That sale did not take place; it did not occur," Minister Lucio Paz emphasized when questioned today by the local press.

The official repeated that "the general problems of the country's sugar industry are very difficult because we are producing more sugar than the domestic market can consume.

"At the same time, exportable surpluses cannot be immediately sold outside the country because their price is $10 a quintal. If we consider a production cost that is over $10, plus freight costs of about $7 to the port, the government would obviously be losing money," he explained.

The export quota was originally set at 1.5 million quintals. This situation forced Bolivia to ask the international sugar agreement for a reduction in the export figure, which was lowered to 800,000 quintals that must be exported so that our country will not lose its place in the international organization.

These 800,000 quintals of sugar must be exported by December of this year.

The approximately 500,000 quintals that will not be exported and that are production surpluses "will be programmed in 1982."

All of the export sugar belongs to the two government mills (Guabira and Bermejo).

"Unfortunately, the state mills are those which have to export this year when prices are the lowest," Minister Paz Rivero said.

The press asked the official whether subsidies will continue to be given to private mills, with prices higher than on the domestic market.

"I would not say they will be subsidized. What happened is that in recent years, sugar was sold at a lower price than on the international market. A correction was made but it was unfortunately greater than those on the foreign market (prices). However, this is a policy that every country in the world applies when it is a matter of promoting industry," Minister Paz said.

He announced that next week, national and foreign firms were invited to present bids for the awarding of partial sales to those offering the best prices.

Paz Rivero said that in order that the state firms not suffer great economic losses, the export sugar will be sold at a price over $10 a quintal.

In order to analyze and correct these situations that endanger the existence of the national sugar industry, consultations are being held with a view to a national meeting of the National Sugar and Cane Study Council (CNECA).

The minister of industry and commerce stated that for the time being, there is no date set for the plenary meeting of the CNECA.

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CSO: 3010/308

PRESIDENT TO RETURN TO WORK, WILL APPOINT NEW ADVISORY GROUP

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 7 Nov 8 81 p 5

[Text] One of the first acts by President Joao Figueiredo after reassuming his position as chief of the government on Thursday will be to effect a small change in the internal structure of the Presidency of the Republic, creating one more direct advisory agency, the Special Secretariat, to be occupied by Col Luis Carlos Coutinho, now trip coordinator for Vice President Aureliano Chaves.

The formal creation of the new agency is being completed by the Civilian Household and possibly the Special Secretariat will be similar to the Private Secretariat, occupied since the beginning of the administration by Heitor Aquino Ferreira. Col Luis Carlos Coutinho has been working at Planalto Palace during the time the acting president has been in office. After being personally invited by General Figueiredo, he informed Aureliano that he will assume his new duties and was released by the vice president. Before changing posts, however, Coutinho will still accompany Aureliano Chaves to Rio on the 12th, where he will be the sponsor at the wedding of a friend's daughter, and the next day he will go to Sao Paulo for the inauguration of the Automobile Hall.

The work to be performed by Col Luis Carlos Coutinho is still being kept under wraps and he himself describes it vaguely as the activities pertaining "to a special adviser." However, the most probable thing, according to statements by other advisers to the Presidency, is that Coutinho will also be used in work of political coordination, in which he acquired a certain experience from his day to day living with Aureliano Chaves and in the legislative advisory work he did for the Vice Presidency in Congress during the past two years. Coutinho is well-known in the legislative area today and will also become one of the main liaisons between the Presidency and the Vice Presidency of the Republic.

Luis Carlos Coutinho was chief of personal security for former President Medici, also a friend of Gen Joao Figueiredo, who was then chief of the Military Household. A native of Itajuba, Minas Gerais, he later worked with Aureliano Chaves in the government of Minas Gerais and his bonds of personal friendship with the vice president are very old; he will now be in a privileged position for the work he will perform as a person trusted by Figueiredo and Aureliano.

8908
CSO: 3001/34

MINISTER OF AIR SAYS 1985 PRESIDENT MUST BE YOUNG

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 7 Nov 81 p 5

[Text] Minister of Air Delio Jardim de Mattos said yesterday that the future president of the republic in 1985 must be "a young man, civilian or military," and once more discarded any possibility of being a viable name for the nomination to the presidency in 1984. The minister of air said that the democratic opening is already a fact which cannot be turned back, believing that the defeat of the bill for allowing multiple candidates from the same party for the same position (sublegenda) with respect to gubernatorial elections showed that there "exists a democratic movement."

Delio also advocated the need for the political class to wait for the results of the direct elections of 82, which according to him will dictate many standards for the future. "We have to prepare ourselves for the 82 elections," said the minister, "and then think about elections for the president of the republic. It is still too early to think about that." He said that he is not a candidate for the presidency because "that entails some requirements and being young is one of them." Minister Delio Jardim de Mattos, who granted a collective interview to the press for more than an hour at the auditorium at the Manaus Air Base, said that he does not discriminate as far as the future president of the republic being a civilian or a military man. "It could be a civilian just as well as a military man. The important thing is that we play the democratic game. To seek a civilian would be to discriminate against the military. I would not do that." He also said: "There are many young men with a mature, adult mind. There are also many old men with young minds." He did not, however, say which group he would fall into. "If I am not a candidate that does not interest me. I am very old. The post is for the young."

The minister of air believes it is normal for the PDS [Social Democratic Party] to withdraw from Congress the political programs of the government. It is part of the political game. It is a right of political parties. And if the activities of the parties were hindered in the full exercise of the Congress. then that is not democracy."

In Manaus yesterday also, the minister of air announced the creation of a new Regional Air Command in Amazonas "to take care of the development needs of the region," in the example of what the army and navy are doing, which should increase their number of men in the Amazon Region, creating new commands within the framework of a strategy for the creation of the 5th Army with its headquarters in the capital of Amazonas. Minister Delio Jardim de Mattos also reported that the Airport Commission of the Amazon Region (COMARA) should initiate the construction of a civil airport in Leticia next year, a Colombian city across the border from Benjamin Constante in Amazonas and could build others in bordering countries.

As far as the creation of the Amazonas Air Command is concerned, the minister explained that it will not require great expenditures by the ministry because there will be no need for deployments of aircraft or substantial increases in the number of personnel in the area. With respect to COMARA, he promised to equip the agency so that it can take care of local needs and that now, with the interest demonstrated by countries bordering the Amazon Region, the technology of building airports could be taken to those countries. The minister also said that the FAB [Brazilian Air Force] does not have the capability for the surveillance and identification of clandestine airports in the Amazon Region. "It is a difficult work for which we are not prepared," he explained, announcing that the air force is already studying a type of aircraft for replacing the legendary Catalinas in flights over the Amazon Region. He said that possibly a project will be developed for converting the "Bandeirante" aircraft into an amphibian or for the construction of an aircraft provided with floats so that the Amazone Region will not be served only by the airports COMARA is building.

8908
CSO: 3001/34

SOVIETS URGE GREATER EFFORT TO BALANCE TRADE WITH USSR

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 25 Nov 81 p 28

[Text] The secretary responsible for the Soviet side of the Joint Soviet-Brazil Commission, Valeri Kornyschev, said at a meeting with several Brazilian businessmen in the FIESP [Sao Paulo State Federation of Industries] yesterday that the unbalanced trade between Brazil and his country "is, to some degree, a hindrance to its further development."

In suggesting more dynamic trade relations between the two countries, Kornyschev asserted: "Although we cannot propose the task of establishing complete balance in bilateral trade, given the profile of merchandise involved, moderation of the sizable and severe imbalance would be a favorable influence on trade as a whole. In our opinion, therefore, if the Brazilian party wishes to develop trade it should devote more attention to seeking mutually advantageous ways for increasing USSR exports to Brazil."

According to businessman Jose Mindlin, the invitation to hold the discussion about trade relations between Brazil and the USSR originated with the Soviet Government itself, concerned about reducing its existing deficit. Mindlin, of Russian descent, agrees with Kornyschev in saying that "in the long run the current trade imbalance must not persist."

He said later at a press conference that the Soviets must be patient, in view of the nation's current balance-of-payments situation: "They must show some understanding and continue giving these opportunities to Brazil, because this could represent a gain in the future," he said.

Mindlin contends that in the long run the Brazilian Government will be able to help correct the present situation, even using purchase of heavy Soviet equipment as an instrument for selling Brazilian manufactured goods. With that in mind, he suggested more representation for private enterprise in the Joint Brazil-USSR Commission.

He recalled, however, that increasing purchases of Russian equipment now would involve not only reactivating the economy but also a policy change in Brazilian foreign-trade relations: "It is difficult for Brazil to buy equipment from nontraditional suppliers such as the USSR, as such business is invariably dependent upon an efficient technical structure for maintenance, which the Soviets may have, but of which Brazilians are not yet aware," he concluded.

Soviet merchandise exports reached $66.1 billion in 1980, a $9.6 billion (17 percent) increase over 1979. The Soviet Union now trades with 139 countries, responsible for 20 percent of world production; the Soviets maintain a specific ministry that is responsible for foreign trade and that controls several agencies which function as state enterprises, each of them responsible for a particular group of merchandise.

The largest USSR trading partners in South America (1980 data) are Argentina ($1.6 billion), Brazil ($370 million), Bolivia ($34 million) and Uruguay ($32 million). In its trade with Brazil, Soviet exports were about $30 million, compared with $340 million exported by Brazil last year. In 1981, the amount of merchandise traded should be the highest in the history of Soviet-Brazil relations, totaling about $700 million.

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CSO: 3001/40

JANIO QUADROS POPULARITY SUBJECT OF GALLUP POLL

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 12 Nov 81 p 5

[Text] The popularity of former President Janio Quadros is inversely proportional to the knowledge people have about his political career. His prestige is precisely greater among those who know the least about his public life. Recent surveys of public opinion in Sao Paulo by the Gallup Institute show that in terms of social classes as well as age or education, the rate of support for the former president diminishes as the social class, age or educational level of those interviewed increased.

The surveys also reveal that the majority believes the episode of resigning from the Presidency of the Republic has not been well explained and that although the general index of prestige of the former president is similar to that of other recently analyzed politicians, his reproval rate is twice as great. Questions on the recent PMDB [Brazilian Democratic Movement Party] decision to bar the entry of Quadros into the party show an almost equal proportion of those who support the former president and those who approve the PMDB position, however, in the comparative picture with other former Sao Paulo governors, the greatest number prefer Laudo Natel.

Numbers

The absolute majority of those interviewed have already heard about Janio Quadros but those who know him best criticize his behavior the most. In Class B, 90 percent of those questioned know which public offices he held as did 82 percent of Class A, 83 percent of those who are 50 years of age or older and 89 percent of those who have higher education. In those classes, the level of prestige of the former president, which theoretically can vary from +100 percent to -100 percent, is respectively -22 percent, -20.8 percent, +4.8 percent and -23.4 percent, the lowest obtained yet.

As the knowledge of his political career declines, in 74 percent of Class C, 62 percent of Class D, 77 percent of those between 30 and 49 years, 62 percent of those between 18 and 29 years, 77 percent of those who have high school education and 67 percent of those who have primary education, his prestige index increases, reaching +23 percent, +33.4 percent, +13.6 percent, +30.2 percent, +23.2 percent and +24.6 percent, respectively.

On the question of the resignation, although the majority (46 percent) says that the episode has not yet been well explained, that index rises among the older people polled, reaching 49 percent among those who are 30 to 49 years-of-age and 55 percent among those who are 50 years-of-age or older. Among the younger, those from 18 to 29 years-of-age, the greatest number (39 percent) could not say whether or not the resignation was well explained.

By comparison with other politicians on whom polls have been made, the popular prestige of Janio Quadros is characterized by being more extreme and more negative at the same time. While Quadros, as well as the other politicians obtained 22 percent rates for the highest level of approval, the average of those politicians for the lowest reproval rate was 10 percent, while the former president receives 20 percent. Opinions are divided on the question of Quadros entering the PMDB, with 35 percent of those interviewed supporting the party decision of barring the entry of the former president, 30 percent saying that his entry should have been accepted and 35 percent not answering because they did not have an opinion on the subject.

In the comparison with several former governors of Sao Paulo, Janio Quadros obtained only 17 percent of the preferences, against 24 percent by Laudo Natel--19 percent of those interviewed could not express an opinion as to their preference.

8908
CSO: 3001/34

FOREIGN DEBT REACHES $54 BILLION, RENEGOTIATION HINTED

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 3 Nov 81 p 30

[Text] Despite the favorable report Minister of Planning Delfim Netto will make to Acting President Aureliano Chaves tomorrow, telling of the willingness of European bankers to continue financing Brazil next year to take care of the need for at least $18 billion in money, pressures for renegotiation of the debt continue inside and outside the government.

The minister of planning knows of those pressures, revealed in tones of warning or concern, and he has been discussing the subject with the persons involved, always repeating that the country can go through 1982, as it did in 1981, without resorting to negotiations.

Delfim says that at the end of last year "the orchestration" around negotiating the debt was even greater and that "a veritable disaster was being forecast." Despite that the country reached November with foreign resources practically staying home, despite the fact that a major effort was made to obtain loans in money to compensate for the decline in direct investments, which had been foreseen as $2 billion but did not even reach half that much.

Actually, according to Central Bank figures, investments and reinvestments, which in December last year reached the sum of $17,480,000, grew this year to $17,498,000, a growth of only .1 percent.

There was even a drop in reinvestments from $5,846,000 in December last year to $5,211,000 in June of this year, expressing in part the effect of the increase in value of the American dollar by comparison with other money.

Polish Example

In the discussion around renegotiation of the debt--which is no longer in the newspaper pages but continues to live within the government and among businessmen--Minister Delfim Netto has a strong ally in his predecessor. Both Delfim and Simonsen, agree on one same definitive argument: renegotiation would be difficult but the worse thing would not be the slow and painful negotiations with creditors but the virtual halt in the flow of foreign resources, either in the form of loans in money or direct investments. In that hypothesis, Brazil would not have any means for proceeding with its investment program, which still require a minimum of $5 billion per year.

According to Mario Henrique Simonsen, the halt in the flow of foreign resources would be the first thing to happen as soon as the intention of Brazil to renegotiate its debt were announced officially. The flow would continue to be halted during the entire period of negotiations, exposing the country to a troublesome situation before the international financial market.

Delfim adds the example of Poland to that argument. Poland is facing serious difficulties in renegotiating its debt of $18 billion--a third of the Brazilian debt--and is being forced to reduce its program of investments drastically (which depends on resources obtained in the Western World), because the banks simply refuse to lend it more money.

Debt

In June the foreign debt had reached $56,148,000, exceeding the forecasts made by authorities at the beginning of the year, according to which it would reach $60 billion. The net debt (gross debt minus reserves), which last year amounted to $47.5 billion, should reach $54 billion by the end of this year.

For the minister of planning those amounts are perfectly compatible with the other indicators of the economy and he believes the net debt/exports and debt service/exports relationships to be in an acceptable position. At the end of the year the relationships should reach 2.04 and .56, respectively, compared to 2.36 and .64 at the end of last year.

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CSO: 3001/34

GALVEAS ASSURES ECONOMIC RECOVERY IN 1982; OTHER COMMENT

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 27 Nov 81 p 27

[Text] The government may reduce investments in all its programs except for agriculture and exports in order to divert funds to Social Security, even with an additional tax on nonessential goods (the list of 145 products reported this week is one of five being studied) that should bring in 200 billion cruzeiros unless consumption declines. This may be one of the suggestions Planning Minister Delfim Netto will submit to the president of the republic to cover the Social Security deficit of 400 billion cruzeiros, as the planning minister himself admitted in Sao Paulo yesterday at the closing session of the Third Brazilian Congress of the Electric and Electronics Industry.

In his speech to the sector's businessmen, Delfim acknowledged this year's difficulties but promised recovery in 1982. "Brazil has now reached a point where we can think about growing again. Not the glorious development of 14 percent a year but certainly 5 percent without it causing any additional pressure on the balance of payments."

Deficit

The planning minister said the Social Security deficit is so big that all programs now underway are candidates for cuts. "But we must leave out at least agriculture and exports. The rest is subject to being cut, including the energy sector," he stated in a press interview. "The arithmetic will accept any figure. If we are aiming at tax revenues of 400 billion cruzeiros all we have to do is set the rate."

He pointed out, however, that covering such a deficit is a difficult process and any solution will involve less expenditures for medical care, a solution that is already being applied by Social Security Minister Jair Soares, and the sacrifice of a few other government programs as well as taxing nonessential goods. Delfim Netto rejected, however, the possibility of increasing INPS [National Social Security Institute] contributions by employees and employers, alleging that it is necessary to comply with the law that was approved.

"A list was reported in compliance with the decision by Congress, which decided upon a mechanism for financing the INPS and it is our obligation to find a solution within that decision," he explained, pointing out, however, that the list reported is only one of five being studied to obtain tax revenues sufficient to

finance at least a part of the Social Security deficit. He said the rates varied among these lists but the goods are not very different. Thus, if the reported list should be applied and there is no reduction in demand for the goods that are listed tax revenues of about 200 billion cruzeiros would be produced and the other half of the deficit could be covered by cuts in government programs, Delfim noted.

He acknowledged, however, that raising the tax might reduce consumption, but the Social Security deficit--which in his opinion is very important--must not be financed by inflationary methods. And he explained that this lower consumption need not result in a loss of revenue. "It is not inevitable that the product of price times quantity will fall. You can have a 5 percent reduction in quantity but a price increase of 20 percent and your revenue increases 15 percent," he suggested.

The planning minister's goal is to present the problem's solution by the end of this year, which he intends to do. He explained further that in the case of the tax on nonessential goods, there will be no annual tax period to take into consideration because the IPI [Finished Goods Tax] is the instrument by which the tax will be charged.

"The law says a tax of up to 20 percent of the final price of the product may be levied. If it were decided to create a new tax mechanism it would be a tragedy. The plan is to collect this by means of the IPI. You compute how much you have to raise the IPI so it represents 20 percent of the value of the sale. As this is a matter of correcting the IPI, which is not paid on a yearly basis, this can be done at any time."

Luxury Goods and Jobs

In regard to the official note of the Brazilian Electro-Electronic Industry Association (ABINEE) which, on the basis of Paragraph 2, Article 62, Section VI of the constitution, says that a tax on luxury goods is unconstitutional, the planning minister said this is a problem for the courts: "Whether or not the law is unconstitutional is decided by the STF [Federal Supreme Court]. I am not competent to answer." After conceding that "one man's luxury is another man's employment," Delfim Netto said the statements by the CNI [National Confederation of Industries] president, Albano Franco, to the effect that the measure would cause businesses to fail astonished him: "It would appear that he was speaking against almost any solution other than this one." He then asserted that this "necessary" expense for medical care must be financed by all sectors of society.

"To provide this financing consumption must be cut somewhere else. It is a physical problem. If we must finance the deficit this will represent a sacrifice by some sectors. But we are in a position to grow 5 percent," he continued, and concluded that "making economic policy is difficult because people do not understand there are physical restrictions and no one wants to take unpopular positions."

Domestic Interest Rates Will Fall, Says Delfim

Domestic interest rates will fall in 1982 because in the monetary budget, now in the final stage of preparation, the government has decided it will borrow less money in the domestic market. That assurance is made by Planning Minister Delfim

Netto, who cited less dependence on domestic borrowing as one of the measures consistent with reduction of interest rates next year. This year, as the government had to take out many domestic loans, interest rates rose, as the planning minister explained, because "public borrowing must pay more, the more the funds are needed." But, he said, in the 1982 monetary budget there is less dependence on domestic loans.

"Certainly, domestic interest rates will fall," he added, listing additional reasons for his belief: lower foreign interest rates; reduction of the rate of inflation (which he expects to be less than 100 percent this year), with a lower rate of monetary correction and nominal interest. After acknowledging the difficulties caused by the balance of payments he said the improvements already obtained have created an opportunity for a return to growth. "We are going to do that, trying to choose sectors that mature rapidly, that produce exports and that have a low import coefficient," he continued.

At the closing ceremony of the Third Brazilian Congress of the Electric and Electronics Industry, Planning Minister Delfim Netto acknowledged that the sector went through a severe adjustment process, as the balance of payments led to a reduction of sales. He asserted, however, that this was not produced by government policy: "With the rise in interest rates, consumption of goods produced by companies associated with the ABINEE fell, but in 1982 we will have a recovery."

In his speech he said he prefers applause and so would like to be in December 1980 to celebrate a 12 percent increase in industrial production. But he asked everyone to recognise that the government was not conducting a "purge" nor did it wish to penalize industry, because its primary objective is economic development.

"I don't feel comfortable in the straitjacket of controls and I would prefer to avoid certain restrictions. But we had to settle our balance of payments. We could no longer continue depending upon foreign savings. This would lead us to bankruptcy. Courage was needed to make the necessary adjustments. You can do what you want to do only if you are able to and if you do what you are able to do you end up doing what you want. We are suffering, but we are making progress," he remarked, commenting further on the reduction in the rate of inflation, the trade surplus and the adjustment to the energy crisis.

Delfim Netto reminded them that reduction of oil imports to 700,000 barrels a day was not due to the industrial slump but rather to increased domestic production, substitution of alcohol and conservation practices of business. "The 'baron' on television showed that much could be saved and that, if invested in the financial market, could be an additional source of income," he asserted, pointing out that it is now possible to return to using a portion of imports to promote growth of the industrial sector.

He acknowledged that monetary policy has a way of making the policy unpalatable, but that the objective was to reduce the amount of imports and favor mainly agriculture and exports. In this regard, he said the electro-electronic sector must increase its exports, which it will do more easily if it is able to expand domestic demand to reduce costs. "We are going to grow again, simply by working. But we will work more happily because we will not have to restrict consumption so much. When we meet again in 1982, you will see that we will have accomplished what we plan to do: development," he concluded.

'Expansion of 5% in GDP Is Futurology'

Brasilia--Herbert Levy, federal deputy and board chairman of Itau Bank, yesterday called Planning Minister Delfim Netto's prediction of a 5 percent increase next year in Gross Domestic Product "futurology," because in the deputy's opinion the Brazilian economy this year does not reveal good prospects for 1982.

Levy termed "deplorable" the negative growth "that will be recorded in industrial production" this year and, recalling that the situation is not favorable, referred to Labor Minister Murillo Macedo's confirmation of 2.5 million unemployed in the nation, "quite aside from other problems created for producers, for example." He further said that "the social price being paid for carrying out this economic policy is exorbitant."

But Jose Carlos Moraes de Abreu, the bank's general manager and a member of the National Monetary Council [CMN], believes the economy will be reactivated in 1982, "not at a rate proper for Brazil, but that should increase gradually beginning in 1982." In his opinion, the major problem to be solved by the government next year will be reducing the unemployment rate.

Moraes de Abreu, moreover, sees the possibility of lower domestic interest rates due to lower inflation and international interest rates. But he believes reducing the domestic rate will depend essentially upon reducing government sxpenditures. "If the government must finance a very large deficit, as it did this year, it will have to offer a high rate of interest to attract funds," he argues.

Deputy Herbert Levy believes that unless interest rates are reduced "there will be widespread bankruptcies because business can no longer afford the current cost of money, which is between 120 and 150 percent."

Both Deputy Levy and CMN member Moraes de Abreu were present yesterday at the inauguration in Brasilia of the first Itau branch bank outside of Sao Paulo State, which will use the computer-assisted Itau-Tec system.

Galveas Says 1982 Growth Will Be the Greatest Possible

Rio de Janeiro--"The government's desire is that the economy grow in 1982 at the highest possible rate," Finance Minister Ernane Galveas said yesterday when asked to make his prediction for next year.

So as not to completely avoid giving figures, Galveas said that production in 1982 is very likely to improve, as the farm crop promises to be satisfactory, in view of the 3 to 5 percent increase in planted area, according to the latest data from the Agriculture Ministry in his possession.

"At times," the minister said, "it is not possible to attain the desired growth because conditions do not permit. The government," he added, "must not permit greater pressure from imports nor a decontrol of inflation and there are restraints that limit economic expansion. If it were up to the government, we would grow 10 percent every year."

But he also believes the poor performance by the industrial sector this year and high interest rates favored inventory liquidation, which created better conditions for growth in 1982. He also assumes that exports will benefit from lower international interest rates because they create a trend toward greater sales of commodities and raw materials in foreign markets.

But Gaveas asserts the government will not conduct an administrative program by CACEX [Foreign Trade Department] to increase imports to fill the gap resulting from a trade surplus this year. As far as he is concerned, imports will increase as much as economic activity permits.

Government policy in 1982 will be exactly the same as it was in 1981: to limit inflation, the issuing of currency and the money supply will increase less than the rate of inflation, the policy for monetary and exchange correction will keep pace with inflation and the exchange rate will keep pace with monetary correction.

When asked about the possibility that, with such a policy, annual monetary correction would be greater than inflation beginning in January and February, Galveas asserted that even if that happens the policy will not be changed and the difference will be absorbed in the long run. For the present, the government does not intend to deduct foreign inflation from the exchange-rate correction. It would be ideal if the 10 percent premium over the INPC [National Consumer Price Index] adjustment being paid to Social Security pensioners who receive up to three times the minimum wage had been eliminated. But as Congress did not pass this, the government must find another source of additional funds besides the increase in the IPI on nonessential goods to cope with the deficit in the Social Security system.

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CSO: 3001/40

GALVEAS ESTIMATES MIDDLE EAST TRIP TO YIELD $2.5 BILLION

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 27 Nov 81 p 27

[Text] Rio de Janeiro--Finance Minister Ernane Galveas estimated in Rio yesterday that the mission he led to Saudi Arabia, Iraq, Kuwait and Bahrain could yield sales and financing of about $2.5 billion in a period of 5 years. He further expressed much optimism regarding the opportunities that are opening up for Brazilian business in that region, especially in the sectors of engineering services, building materials, foodstuffs and mining.

According to the finance minister, the great obstacle for Brazilian exports to the [words missing]: the cost of shipping a Volkswagen from Japan [as published] to Saudi Arabia is $200, whereas it costs $800 from Brazil.

In view of the size of investments that these countries are now making for modernization and industrialization of their economies, Galveas believes there is a broad potential market for Brazilian goods, pointing to Iraq, the most populous of them (14 million inhabitants) and with a 5-year plan (1981-85) that provides for investments of $26 billion this year and $35 billion in 1985. It happens that Iraq is a socialist country in which all business firms are state enterprises and which does not permit enterprise to continue making investments in associations such as that of the Brazilian-Iraqi Bank, whose headquarters will now be here. But in the case of the automobile industrial park planned by the Iraqi government, Volkswagen of Brazil is seeking a place with good prospects of success.

As to Kuwait, the best prospects are in the nature of investments that may be made in Brazil, as it is a great financial center with a stock market considered the world's eighth largest, although the country has only 1.2 million inhabitants and little intention of becoming an industrial center. The Kuwait Government, according to the finance minister, is quite satisfied with the ABICO (association of Kuwaiti and Brazilian capital), which intends to invest $300 million in a project for raising sheep, probably in Bahia.

Saudi Arabia is the inverse of Iraq. Everything is governed by market forces and all business is conducted by private companies except for public works. Galveas said that, subject to price and quality, Brazil has ample possibilities for exporting goods and services. To give an idea of the potential, the Saudis import annually 5 million head of sheep and to take advantage of that market Brazil should be equipped with special ships to transport live goats--the traditional Arab method of importing, according to the finance minister.

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EMBRAER EXPORTS TO TOTAL $100 MILLION BY YEAR'S END

Rio de Janeiro O GLOBO in Portuguese 23 Nov 81 p 11

[Text] Sao Jose dos Campos--Despite the difficulties it has been facing, expecially in selling its products for the domestic market, the Brazilian Aeronautics Company (EMBRAER) will close out the year selling more aircraft abroad than in the years of 1978 and 1979 combined. By the end of December the company will have sold in the foreign market 50 aircraft of the Bandeirante, Xingu and Xavante types, worth a total of about $100 million. In the domestic market, however, there has been a significant decline, as sales reached a little more than half the 373 units sold in 1980 and which would indicate a billing of 4.3 billion cruzeiros.

EMBRAER marketing director engineer Ozilio Carlos da Silva thinks it would be a real achievement if domestic sales this year amount to two-thirds of what was sold last year. For the present there are no more exact figures available. The company, trying to expand sales, especially of agricultural aircraft, set up a system of direct financing that has been functioning since 2 November and will remain in effect until 31 December and that so far has not received much market response.

Abroad

Showing mainly its Bandeirantes, and now with the Brasilia, which is an elongated version of the Bandeirante that seats 30 passengers, EMBRAER was trying to expand its activities abroad by participating in several international fairs and meetings and opening several sales agencies. According to Ozilio Silva, one of the most important steps was EMBRAER participation in the meeting of regional airline operators in the Unites States during the 2d week of November. During that event EMBRAER inaugurated the office of its subsidiary company in that country, where buyers can now conduct negotiations directly with the Brazilian Aeronautics Company.

The trend in the United States market is toward standardization since for several months the air traffic controlers strike has forced U.S. regional airlines to operate at only half their capacity, deterring additional purchases of aircraft. At the present time 58 Bandeirante aircraft are operating in that country and there are many proposals for new contracts being analyzed and negotiated with U.S. financial agencies. In Europe the economic crisis and high interest rates have also hampered aircraft sales.

Meanwhile, EMBRAER is seeking to open new markets, especially in Asia, where the company participated in an Asian aerospace conference and exposition in Singapore during September, where the Bandeirante and Xingu were demonstrated to representatives of Japan, South Korea and Pakistan. "We have no doubt," said Ozilio Silva, "that as a result of this exposition EMBRAER will sell many aircraft to Japan and Australia."

Over the long term the company hopes to penetrate the market in China, which its directors visited this year. Ozilio Silva, however, believes the Chinese market is very difficult to penetrate, "where many meetings and studies and even at times some political sacrifices by the exporting country are required." He explained that China is a large market, but for manufactured personal and household goods, as the Chinese are manufacturing their own aircraft and air transport is limited, although there are several areas of application for Brazilian aircraft.

Americas

EMBRAER's marketing director reports that this year the U.S. market should absorb 30 to 35 Brazilian aircraft, with even better prospects for 1982, especially if the expected lower interest rates are confirmed. In the United States only the Xingu, an executive aircraft, and the Bandeirante, for passenger transport, are being sold. In December EMBRAER will be visited by representatives of the Canadian Ministry of Industry and Commerce and expects at that time to open negotiations with that country.

Latin America is a market almost entirely penetrated by EMBRAER. Countries such as Paraguay, Chile, Argentina and Ecuador have begun negotiations with the company. The Latin American market is more diversified, as light aircraft as well as those with civilian and military applications are being sold.

In Brazil EMBRAER expects to sell 278 light aircraft this year, which would represent a sizable decline from 1980, when 373 aircraft were sold.

"In January of this year," says the marketing director, "we lowered the forecast as a result of the country's domestic difficulties and now it looks like our performance will be even worse." To try to cope with the situation, EMBRAER set up a direct-financing plan for purchasing the aircraft, but until now does not know exactly what results have been achieved.

"The direct financing we are doing," he stresses, "is a heavy drain on the company and cannot last very long because in a short time we would have to seek money outside the company."

The most important factor at this point is definition of the system and mechanism for rural credit for next year, as that is the market that is best able to buy certain types of aircraft made by EMBRAER. According to Ozilio Silva, it is not important if rural-credit interest rates are raised, as in any event the rates will be lower than market rates and what the farmer values most is the system, operation and very existence of rural credit. If rural credit opens the possibility of buying aircraft for agricultural use, EMBRAER will recover its income in the domestic market within a short time.

In the Red

The last 3 years of economic crisis have caused EMBRAER to operate "in the red"; that is, at a loss.

Increased exports and domestic sales in some cases did not cover inflation. Moreover, in recent periods EMBRAER's foreign expansion was not enough to make up for lower domestic sales. In 1979, for example, the company sold 48 aircraft of the Bandeirante, Xingu and Xavante types, billing $70 million. The following year exports increased to $84.1 million, from the sale of 58 units of the same types.

This year, according to records as of 15 November, EMBRAER exports totaled $70.3 million for 44 aircraft. There are negotiated contracts waiting for financing covering 15 additional units, which will represent another $25 million. By the end of the year the company's exports could reach $100 million, 20 percent more than last year. Immediately after the beginning of the year EMBRAER expects to make a sale of several more airships in the United States, which could enable EMBRAER in January to reach the goal of exporting $120 million initially forecast for 1981. Total sales last year were 9.1 billion cruzeiros; this year, through 15 November, sales volume had been 13.1 billion cruzeiros, split almost evenly between the domestic and foreign markets.

Within the company it is believed that 1983 will be the year of recovery. About the middle of that year the T-27 aircraft will be making its first flight. Called the Tucano, it is a turboprop for military training that already has a contract with the Air Ministry for 170 units. According to Ozilio Silva, this will be EMBRAER's major export product, almost without competition abroad, in that those whose features are most similar to it, the Pilatus and the Beechcraft Mentor, are older.

8834
CSO: 3001/40

NATIONAL STUDENTS UNION HOLDS CONGRESS IN CABO FRIO

10,000 Students Expected

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 29 Oct 81 p 12

[Text] The 33rd Congress of the National Students Union --UNE--should gather nearly 10,000 persons, between delegates and participants, as of 12 November in the cities of Araruama and Cabo Frio, region of the Rio de Janeiro Lakes. The students have the support of the prefectures of the region, which have already provided shelters and buildings for the meetings for the four days of the gathering.

Homage to composer Vinicios de Moraes, one of the authors of the organizational hymn, will be paid during the opening of the Congress. According to the organizers, all Brazilian composers who were partnered with Vinicius in making music will be present for the presentation of a performance.

On the 12th and 13th, the groups of delegates will begin the sessions which will deal with the subjects "Situation of the Brazilian University and its Alternatives," National Political Situation," "International Situation," "Departments of the UNE" and "Statutes and Letter of Principles." On the 14th and 15th, general assemblies will be held.

Several parallel activities are also scheduled such as competitions, handicraft fairs and minishows.

The 33rd Congress will discuss the proposals for restriction of the rates of increases for private universities in 1982, increases in scholarships, also for 1981; participation by the organization in discussions by the Ministry of Education and Culture [MEC] on next year's budget; election of rectors and directors of state university schools and participation by the students by at least one-fifth in the collegiate bodies.

Criticisms

"The crisis of the student movement could become a defeat if the bureaucratic, boastful and authoritarian orientation of the UNE continues," says the president of Minas Gerais State Student Union (UEE-MG), Americo Antunes, and is the first of the subjects to be discussed at the 27th Congress of Minas Gerais Students, which should gather between 200 and 300 delegates in the Law School on 31 October and 1 and 2 November as a preparation for the UNE Congress.

On the item "Evaluation of the Student Movement," the UEE-MG will make a proposal for the innovation of "the practice of the movement with more democratic interaction," according to Americo Antunes, who argued that "the difference between the UEE-MG and the UNE is due to the fact that we consider the movement to be in crisis, with the students discrediting and disbelieving the leaders of the organizations, while the UNE boasts that the movement is victorious."

Congress Is Initiated

Rio de Janeiro O GLOBO in Portuguese 12 Nov 81 p 12

[Text] The 33rd National Student Congress sponsored by the UNE begins today with a meeting of all participants at the Hermenegildo Barcellos Stadium in Arraial do Cabo, Cabo Frio. Its subsequent meetings will be held simultaneously in Cabo Frio and Araruama with the support of the prefectures of both cities. Five thousand students will be housed in Cabo Frio and 5,000 in Araruama, with plenary sessions scheduled in both cities for discussions of the following subjects: "Free Elections," "Cost of Living," "Better Educational Conditions" and "Unemployment and Inflation."

The Congress, whose opening will be attended by the president of the Workers Party [PT], Luiz Inacio da Silva, "Lula," and the president of the PMDB (Brazilian Democratic Movement Party), Deputy Ulisses Guimaraes, will be closed Sunday in Cabo Frio at the Hermenegildo Barcellos Stadium, at which time the subjects discussed will be approved and the guest authorities will speak. The other prefects of the municipalities of the Lakes Region who support the gathering should attend.

Like the prefect of Cabo Frio, Altevir Pinto Barreto, the prefect of Araruama, placed the buildings of the municipal schools at the disposal of the sponsors of the Congress for the housing of the participants who come from all parts of the country, also granting the use of the kitchens of those establishments for the preparation of meals. The food will be supplied by several commercial enterprises who agreed to support the gathering in response to a request by the prefects.

Candidates Deny Charges

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 14 Nov 81 p 14

[Text] Arguing that it is "an advanced form of democracy such as that used in some countries, the United States, for example, the two candidates to the UNE presidency, Francisco Javier Alfaia of Bahia and Luis Alencar Furtado of Pernambuco, yesterday answered the charge that the present system for selecting new leaders for the organization is an indirect election--because it is done by delegates--which would be a contradiction with respect to the principles they defend on the political field of a free and direct selection of candidates to elected positions.

According to Alfaia and Alencar Furtado, the fact that the new slate to be voted on in a Congress such as the one being held in Cabo Frio, where 2,500 participants face problems of organization and housing, with many of them sleeping in bathrooms and overcrowded classrooms, is an example of advanced democracy because this is what happens in the United States where the president is elected by a college. "The only thing we did," intervened Aldo Rabelo, now president of the UNE, "was to make sure we impugned all the delegates who were not elected by the students of their schools and no fewer than 16 of them were impugned because the records of their elections showed fraud. Moreover," he emphasized, "an election in a Congress is more democratic because political discussions become more in depth."

The discussions promoted yesterday on the second day of the UNE assembly dealt with a subject considered the most controversial up to now by the student sector: The selection of the new leadership for the organization and the support which each candidate receives from clandestine leftist parties. Although the subject aroused general attention, the presentation and defense of points of view took place in an almost veiled manner. Francisco Javier Alfaia--virtually considered the next UNE president for the next period, who has the support of the PC do B [Communist Party of Brazil], and Luis Alencar Furtado, who is supported by the MR-8 [Revolutionary Movement-8], particularly avoided making comment on their commitment to political factions, explaining only that the election depends on the votes of the delegates of other student factions. On this UNE President Aldo Rabelo declared: "We do not question the support each candidate may have from any party, clandestine or not, because the UNE does not make any type of discrimination."

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FUTURE COURSE OF LABOR UNION MOVEMENT DEBATED IN BRASILIA

Brasilia CORREIO BRAZILIENSE in Portuguese 16 Nov 81 p 6

[Text] The three main currents of the Brazilian labor-union movement will be debating their ideas today beginning at 1900 hours in the Brasilia Cultural Center. Luis Inacio da Silva (Lula); the president of the Santos Metalworkers Union, Arnaldo Goncalves; and the president of the National Farmworkers Confederation (CONTAG), Jose Francisco da Silva, will be discussing the direction of the Brazilian labor-union movement, the Single Workers Federation [CUT], the general strike against unemployment and holding the National Congress of Workers in August 1982.

Lula, Goncalves and Jose Francisco are members of the National Commission for a Single Workers Confederation [Pro-CUT], elected at the recent National Conference of the Working Class (CONCLAT). Lula, president of the Workers Party and former president of the Sao Bernardo do Campo Metalworkers Union, is one of the leaders of the National Coordination of Popular and Labor Movements (ANAMPOS) that includes labor-union leaders connected with the PT [Workers Party], PDT [Democratic Labor Party], some from the PMDB [Brazilian Democratic Mobilization Party] and others without party ties. This labor-union current is opposed to that led by Arnaldo Goncalves known as "Labor Union Unity," which includes labor-union leaders connected with the PMDB. Jose Francisco leads the group of rural labor leaders closest to the CONTAG.

At the CONCLAT, which was held last August, the CONTAG leaders established a position equidistant from the two other currents until the moment when the National Commission for the CUT was to be elected: Goncalves and Jose Francisco are on Slate 1 ("Labor Union Unity"), whereas Lula proposed Slate 2 ("CUT for the Rank and File"). As the plenum of over 5,000 delegates was divided and it was impossible to count the votes, the two slates eventually reached a compromise.

Unity

Lula, Goncalves and Jose Francisco were important elements to assure unity of the three currents and prevent CONCLAT from ending with a split in the Brazilian labor-union movement. They are now working to remain unified in the work of the Pro-CUT commission to assure holding the National Workers Congress in 1982. The National Pro-CUT Commission met all day yesterday at the CONTAG headquarters and will have an open meeting at 1300 hours today with the caravans of labor leaders who came from several states to decide what to do about the government's failure to respond to the demands submitted to Planalto Palace on 1 October.

The demands approved at the CONCLAT were registered at Planalto Palace after Acting President Aureliano Chaves refused to admit the labor-union delegation that came to deliver the document. According to the CONCLAT resolutions, 16 November [today] is the deadline for the government to answer the demands. "On that day," according to the resolutions, "the workers will meet to decide on the procedure for calling a general strike."

At the evening's discussion, the main topic will certainly be the general strike, a proposal suggested by a group of Sao Bernardo do Campo labor unions and announced by Lula on 1 May. Lula and Goncalves have different views about the general strike and Jose Francisco has not yet expressed himself explicitly about the proposal. During the discussion, sponsored by the Pro-CUT and by the Brasilia Interunion Front, the official publication of CONCLAT will be launched: "All About CONCLAT: The Road to a Single Federation," which contains the resolutions and report of the meeting.

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HEAVY INVESTMENTS IN AEROSPACE INDUSTRY FORESEEN IN '80's

Rio de Janeiro JORNAL DO BRASIL in Portuguese 23 Oct 81 p 15

[Text] Research and development of the Brazilian aerospace complex will receive large investments in the decade of the 80's and for this purpose Minister of Air Delio Jardim de Mattos called a meeting of the Air Force High Command in Sao Jose dos Campos for a discussion of the new guidelines of the Basic Plan.

Sources of the Aerospace Technology Center--CTA--the agency responsible for the planning and execution of the research and development policy in the Ministry of Air, said the meeting was for consolidating the government policy which decided an expansion of the aerospace complex to be the first priority, since the country became self-sufficient in the sector and exports have a favorable total in the trade balance.

Imports: Zero

Thanks to the CTA, the Brazilian Air Force [FAB] has almost 70 percent nationally built components in its aircraft and equipment. According to the same sources, the growth of the sector in this decade should be even greater than that of the last decade due to the actions taken in policy in the area. In 1974, nearly 740 aircraft were imported, however, 6 years later, imports were reduced to practically zero. Only the large aircraft of the commercial companies will have to be purchased abroad in coming years, while at the same time there will be a constant modernization of the FAB equipment provided by national industries only.

CTA sources believe the consolidation of the Brazilian aerospace industry is an undeniable fact since now, despite the economic situation the country is undergoing, our technology is moving toward a definitive consolidation due to the efforts by private and government organizations. All these factors lead one to believe that constant investments in the sector will not be halted or reduced.

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GERMAN FIRMS TO HELP BUILD SUBMARINE AS OF 1984

Brasilia CORREIO BRAZILIENSE in Portuguese 29 Oct 81 p 9

[Text] As of 1984 Brazil should begin construction of 1KL 209 submarines at the Rio de Janeiro Naval Shipyard. These submarines will be built with help of Germany. This agreement will in no way interfere with, or use, the nuclear technology agreement signed in 1975, which includes the construction of a nuclear powered submarine.

The Brazilian Navy has already requested from Germany the major details on the plans for a submarine offered to this country. That submarine, however, is known to be conventional and very important points such as the national construction of equipment, financing and the question of payments will be studied.

Other countries in addition to Germany offered to produce submarines in Brazil but the decision on which of the plans to be used still depends on several questions asked of Germany.

The agreement for the construction of the submarine, which will be completely nationally built without any foreign components, involves between 30 and 40 German firms and the Brazilian Navy. The main contractors are Ferrostaal, which will transfer the concepts and the basic plan in addition to the technology for the manufacture of antimagnetic steel for preventing sonar from detecting the submarine, and the Howasdtwerk, a Kiel shipyard, which will transfer the know-how for the construction itself. The Varta Batterie A.G. transferred the technology for the manufacture of submarine batteries to its Brazilian subsidiary, Saturnia, several months ago.

8908
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STEEL PRODUCTION DROPS IN FIRST 10 MONTHS OF 1981

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 7 Nov 81 p 24

[Text] National steel production, measured in raw steel, from January to October of this year reached 11,176,000 tons, a decline of 12.2 percent by comparison with a like period last year. In October 1,022,900 tons were produced, compared to 992,800 in September and 1,351,000 in October 1980.

The numbers of the preliminary statistical report of the National Nonferrous Metals and Steel Council (CONSIDER) indicate that in the area of primary metals the overall results were also negative. From January to October, 212,900 tons of aluminum were produced, a decline of 2 percent by comparison with an identical period in 1980; 30,257 tons of lead (down 19 percent); 6,315 tons of tin (down 16.1 percent), 1,957 tons of nickel (down 7.5 percent) and 74,429 tons of zinc, the only metal which showed an increase by comparison with the first ten months of 1980 (up 17.8 percent).

The production of rolled steel by October was 9,360,600 tons, 12 percent less than during the first 10 mmonths of 1980, of which 5,019,400 tons were flat sheets and 4,341,200 tons of shaped sheets. In October alone, 865,600 tons of sheets were produced, 25.4 percent less than in October of 1980, but more than the 808,600 tons produced in September of this year.

The large mills of SIDERBRAS [Brazilian Iron and Steel Corporation], a holding company of the state iron and steel industry, had negative results from January through October by comparison with last year. COSIPA [Sao Paulo Iron and Steel Company] produced 2,081,200 tons of raw steel during the period, 15.2 percent less than in 1980, while the National Iron and Steel Company produced 1,959,500 tons (down 4.3 percent) and USIMINAS [Minas Gerais Iron and Steel Mills, Inc] produced 1,965,300 tons (down 27.2 percent).

Of the 41 iron and steel companies existing in the country, according to the CONSIDER report, only the following companies had a production higher than that of last year: Acesita, controlled by the Bank of Brazil, up 14.6 percent; Dedini, up 23.9 percent; Eletrometal, up 4.6 percent; Fi-el, up 5.1 percent; Itaunense, up 12.7 percent; Mafersa, up 2 percent; Usiba, up .9 percent; Vibasa, up 197.2 percent and Cosinor, up 248.4 percent [All expansions unknown].

8908
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STEEL COMPANY SUPPLIES MOST OF COUNTRY'S DEMAND

National Production

Santiago EL MERCURIO in Spanish 8 Nov 81 p B1

[Text] The national steel market, represented by the Pacific Steel Company (CAP), experienced an increase in the productivity of national iron and steel processes during 1980 and the first 8 months of 1981.

There was also a rise in the importation of steel products of different qualities, similar to what is produced in Chile, or high-technology products, utilized especially in the manufacture of electrical and electronic appliances.

Between January and August of this year, steel production reached 364,073 tons of finished products, which represents an increase of 5.3 percent over the same period of 1980.

In 1980 CAP activities earned profits of $26,118,000, which indicates its growth within the national economy.

CAP Operations

Basically the Pacific Steel Company engages in two activities: steel production and iron mining, with deposits in the El Romeral, El Algarrobo and Santa Fe mines.

Huachipato Steel Production

This plant, located on San Vicente Bay, northwest of Concepcion, Region VIII, has an installed capacity to produce 800,000 tons of cast steel a year.

The Huachipato factory is an "integrated plant," which means that steel is made from iron ore and is processed into finished goods that meet about 85 percent of national demand for elements such as bars, plates, shapes, pipes, etc.

In 1980 the production of steel ingots reached 694,785 tons, all of which was sent to the domestic market.

Although Huachipato operated at full capacity, the growth of internal demand for steel products, partly due to construction, was greater than the supply. Thus it was necessary to import about 16 percent of finished steel products.

On the domestic market, CAP markets basically two kinds of steel products: plates and bars.

Among the plate products are thick and thin plates; in general, whatever is used to protect a surface (for example in the manufacture of closed seam products).

The bar products include cylindrical objects such as round bars for concrete, straight or in coils, bars for structural use, thick, flat, square and angle bars. These products are also used in the manufacture of wire, nails, screws, etc.

Mining Deposits

The El Romeral deposit in Coquimbo produces an ore with an iron content of 62 to 65 percent. Most of it is exported, although it also serves as a source of iron ore for Huachipato.

The Atacama mining deposits of El Algarrobo have an iron content of 57 percent. Other deposits are the Santa Fe deposits in Atacama, and the Antofagasta deposits. Their production has dropped because the ore obtained there has a high phosphorous and sulfur content.

Treatment of Ore

In order to eliminate the phosphorous and sulfur impurities of the iron ore, CAP has built a "refining" plant in Huasco (pelletizing). This plant supplies five major Japanese steel plants.

Steel Company Investments

Santiago EL MERCURIO in Spanish 8 Nov 81 p B1

[Text] The Pacific Steel Company believes that growing demand for steel products in the next 5 years will reach a total of 1 million tons. At present it could meet 80 percent of that demand.

To increase production, the company has considered various investment projects in steel processing as well as mining.

Investment Projects

In steelmaking, the company has plans to build a coke plant with an annual production capacity of 560,000 tons. Imported coal will be used until new deposits are discovered in this country in sufficient quantities and with the required quality.

The present coke plant's production falls year after year, making it necessary to import about 40 percent of the coke needed by the Huachipato steel plant from Japan.

Another investment considered by CAP is the installation of continuous casting equipment in the Huachipato plant. In addition to raising the capacity to produce semi-finished goods, this would reduce petroleum consumption.

With regard to mining, the pellets plant and the port of Guayacan are to be expanded. Thus, larger ships will have access to the port, and freight costs, particularly to Japan, can thus be reduced.

GOVERNMENT INTERVENES IN TROUBLED FINANCIAL INSTITUTIONS

Economic Implications

Santiago EL MERCURIO in Spanish 5 Nov 81 p B1

[Text] The recent measures adopted jointly by the Central Bank and the Superintendency of Banks to intervene in the operation of eight financial institutions involve significant economic repercussions that must be analyzed carefully.

The consequences stem from the decision by economic officials to provide a government guarantee to back up all the institutions' earnings, savings and deposits. The intervention is the result of the fact that those entities, due to "deficiencies of administration," do not have enough resources to be able to return such funds to depositors. Therefore, the state will make up the difference, probably through the Central Bank or the State Bank.

The situation today is different from that of the interventions that took place 4 years ago, since at that time authorities agreed to return savings only up to a specified amount, expressed in Units of Development, in order to protect small savers.

However, in the case that concerns us today, the state guarantee seems to be unlimited, according to official statements. While the superintendent of banks indicated that "the return of savings is completely guaranteed," it was also stated that "the Central Bank of Chile will continue to lend these institutions the financial support that is necessary."

Need to Issue Currency

So far the public has not been informed of the amount of funds economic authorities must spend to cover the losses of the banks and institutions that have been the subject of intervention, and this lack of information has once again sparked many rumors about the matter.

In any case, it seems clear that the Central Bank will have to issue more currency.

The printing of more money and the consequent expansion of credit will translate in the short term into an increased liquidity in the economy. It will also help curb the upward trend in interest rates.

It is well known that in a small, open economy with a fixed exchange rate, as in Chile's case, printing more money does not result in more inflation, but in the loss of international currency reserves.

The excess liquidity cannot, in general, affect the rise of domestic prices significantly, because they basically depend on international prices. But it can mean a short-term rise in prices for those goods that are not exported or imported.

At any rate, a major part of this increased liquidity will translate into purchases of imported goods, which will erode the international reserves built up at the Central Bank.

Bank Loan Restrictions

In order to prevent the printing of more currency from having a strong influence on domestic credit, the Central Bank has decided to raise the marginal cash reserve requirement in order "to increase it in all deposits and earnings in currency, whether demand or time deposits, above the average balance that was shown in October 1981." The new reserve requirement, according to the official gazette of last Tuesday, will be 20 percent, as opposed to 10 percent earlier.

A higher cash reserve requirement tends to limit the availability of credit that would result from issuing more currency.

Similarly, the measure reduces the risk the bank runs by making financial institutions keep a higher percentage of their deposits and earnings in cash.

In any case, it should be stressed that the macroeconomic impact of this situation will depend on the amount of money that is issued. Apparently, part of it has already been issued recently, so it is not expected that the rest will represent a significant percentage of the money in circulation.

Central Bank President's Comments

Santiago EL MERCURIO in Spanish 7 Nov 81 p A1

[Text] Central Bank President Sergio de la Cuadra indicated yesterday that the purpose of the intervention in the eight financial institutions "is to place the banks in a situation of high administrative efficiency, but to end the intervention later on, as deemed necessary; if not, these banks can be sold in the future."

The president made this statement when approached by reporters after a meeting with Minister of Finance Sergio de Castro. The meeting lasted from about 1000 to 1200 hours.

When asked about the amount that the Central Bank and the State Bank have turned over to the institutions in question, he said only: "I have no figure or amount."

In answer to another question about the effect the intervention could have abroad, he said: "The effect this could have is to change a little the concept people have about the professionalism of Chilean bankers."

He claimed that the intervention is not contrary to the economic policy being followed in the country, given that "it is a matter of maintaining that economic policy. This is consistent because it is pragmatic. The economic policy here is not dogmatic; that should be made very clear," he stressed.

Regarding a possible effect on the flow of foreign credit, he stated: "That is an evaluation that foreign bankers will have to make. I am not in a position to do so."

As to whether there are other financial institutions with problems, he stated, "just these eight have provisional administrators. Otherwise, they would also be in the club."

When asked to what extent the state will finance this kind of problem, he replied that "the decision was made in eight institutions where provisional administrators were named. That is the extent to which the state has decided to go."

He added later that this was not a general policy: "It is a case that is being dealt with within the limited context of eight institutions, the ones that had administrative problems."

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PABLO RODRIGUEZ ADVOCATES EMERGENCY POWERS FOR PRESIDENT

Santiago LA TERCERA DE LA HORA in Spanish 15 Nov 81 p 3

[Article by Pablo Rodriguez Grez: "Toward a National Emergency Plan"]

[Text] Unfortunately, the historical process is not as smoothly flowing and regular as one would want it to be. Nations do not always progress at the same rate of speed nor do they cross paths free of obstacles. Almost without exception, all the countries in the world are exposed to sudden attacks, crises, disturbances and setbacks. And this is all the more the case for those peoples that have — as is now happening in Chile — set themselves economic, political and social goals.

There can be no doubt that our government is facing an increasingly more difficult situation. In the economic domain we are suffering the effects of the worldwide recession, aggravated by the rigidity of a model that is not being adapted to the new situation. The latest occurrences reveal the fact that production activities are experiencing a dangerous depression. The intervention of banks and financial institutions will be of no avail if the root of the problem lies in the lack of resources of the private sector, whose indebtedness increasingly exceeds its ability to pay. Everything seems to indicate that, if the policies that have been applied up to now are maintained, the situation will become more critical, bringing with it unsuspected social consequences.

On the other hand, the reappearance of terrorism, evidenced by the attack the chief justice of the Supreme Court was the victim of and by a frustrated attempt on the life of Foreign Relations Minister Rene Rojas Galdames, demonstrates that this regime's secular enemies will lose no opportunity to deliberately increase the magnitude of the problems and take advantage of a negative economic situation.

These facts reveal a perilous combination of circumstances that can go on complicating the situation until it is out of control.

Hence the necessity of as soon as possible implementing an emergency plan like the one that should have been put into effect at the time of the military insurrection in 1973. In this situation the president has a decisive role. He must be invested with full power — within the framework of the Constitution — to avoid subsequent difficulties that would of necessity arise if the exercise of his command is watered down or his powers diminished. Corrective measures for the economy cannot be put off, nor much less so can we allow ourselves to feel — even if we are mistaken in so doing — that there is an economic team which operates on the periphery

of presidential directives and instructions. The same thing happens in politics. Maintenance of the moratorium on party activity must be jealously guarded and more emphasis must be laid on repression of the terrorist centers that have sprung up again thanks to the laxity of the civilian population and the institutional progress experienced these past few years.

Most of the extremists involved in these adventures have reentered Chile after the sentences imposed on them by the courts were commuted to exile (expulsion from Chile). This is demonstrated by the fact that Marxist activists may not be staying out of the country as was supposed and that, well trained and supplied by the international communist movement, they may be returning to sow violence and crime among us. They regard their prospects as encouraging due to the progress we have experienced in terms of human rights, none of which, as we know, are respected by the terrorists when they eliminate or massacre their victims. A setback in such a delicate area is certainly not a favorable development, but a general awareness which facilitates the action of the security agencies, the members of which daily risk their lives to preserve public peace and quiet, is.

During the past few years some national sectors have gone through a drunken orgy of success and a lack of anxiety over politics. The million-dollar deals, the wave of import items, easy access to foreign credit, indifference to the social cost of the experiment, exaggerated consumer materialism and the displeasure with which every critical argument is viewed have been creating a complacent attitude that does not appear to be moved by anything. If necessary regulatory intervention by the government is demanded, those who propose such action are immediately accused of being covert or disguised socialists. If the disproportionate growth of "economic groups" is pointed out, they reply that there is no other alternative to statism. If concern is expressed over the influence these groups will in future exert on political power, they counter with the argument that imperialism's great resources were of no avail when the big copper mining industry was nationalized and that the money of the old landowning classes did not stop the process of agrarian reform.

But the confused propagandists of ultraliberalism do not yet comprehend that the old Chilean system of democracy was slowly eroded by all these factors which point to a common denominator: abuse and preponderance of power. Paradoxically, those chiefly responsible for the present difficulties — or the dangerous increase in the magnitude of same — advocate a political opening which, if it were carried out, would first of all result in burying themselves.

We must react to this and there is still time to do so. It will probably be too late tomorrow. Major crises lose no time in manifesting themselves in all their magnitude. We must adopt protective measures to keep them from attacking head on and openly.

Even though it may mean an institutional setback and postponement of the progressive steps that have been planned, a national emergency plan is the best way out of this threatening situation.

11,466
CSO: 3010/349

'MERCURIO' PRAISES GOVERNMENT TREASURY REFORMS

Santiago EL MERCURIO in Spanish 12 Nov 81 p A3

[Editorial]

[Text] The modernizing advance of the present government is gradually extending into all sectors. In this way it is correcting practices that burden an economy which is trying to grow by utilizing the abilities and initiative of individuals.

In the final analysis, development comes from the people, but sometimes their abilities conflict with procedures that enormously limit opportunities for growth. This was without a doubt the case with almost the entire fiscal apparatus when this government took over, particularly in the Internal Revenue Service and the Treasury Department, which have been gradually evolving with the aim of turning themselves into sufficiently more active departments that are better integrated into the foremost sector of the economy.

Two recent reforms should be added to the long list of modernizations in this domain. One is the fact that the Internal Revenue Service has authorized 18 banks and 6 finance companies to act as representatives of the Treasury Department in the collection of all types of tax liabilities and the other is the elimination of all municipal treasury offices, whose functions will in future be assumed by the municipalities.

These measures will provide a certain amount of relief for the fiscal apparatus, a cedentralization of duties in accordance with the subsidiary role of the government, an improvement of the Treasury Department's tax-collecting function and, lastly, an increase in the productivity of the economy which, in the final analysis, is the chief source of growth and development.

The collection of taxes by the banks, replacing the treasuries, is a major step forward, chiefly because it will facilitate payment for taxpayers. We cannot lose sight of the fact that the fundamental issue is serving the public. The transfer of certain Treasury functions to the municipalities and the disappearance of the municipal treasuries should be viewed in the same manner, without affecting our recognition of the fact that a special concern on the part of the officials involved is necessary, one which, moreover, is provided for in the reforms we are today commenting on.

Over the past few years the Internal Revenue Service has visibly modernized its operations and we are beginning to observe the effects of the same in the Treasury Department. Interesting advances can be seen in the latter, but we will without

a doubt have to apply much more drive. This department still seems to be somewhat exaggerated in size and it is possible that almost all its functions could, on the one hand, be performed by the commercial banks and, on the other, by the Internal Revenue Service itself, the National Bank or some other state banking agent.

We must not so easily forget what an enormous government apparatus has meant for the country and what is still important in making rapid progress. Chile has developed little and, with constant inflation and trade crises, for just this reason. The social system was completely distorted by exaggerated statism and the same thing happened with our political institutions, which little by little ceased to be free and democratic.

It will be very difficult for the country to achieve economic, social and political stability and increased revenue unless it continues to follow a policy of modernization and reduction in the size of the government apparatus, which was the chief cause of our most recent crisis. Some people, who think that the government ought to call a halt to its modernization program and the transfer of functions to the private sector, do not seem to understand this. If this were to happen, we would be mortgaging our future development for stability in addition to losing the chance to consolidate a new set of modern and progressive institutions.

The recent reforms in the collection of taxes and Treasury Department services indicate that the government is still moving in the right direction and this is their chief importance.

11,466
CSO: 3010/349

RETURN OF MARXIST TERRORISTS DENOUNCED

Santiago EL MERCURIO in Spanish 13 Nov 81 p A3

[Editorial]

[Text] Once again, the public has been shocked by acts committed by extreme-Left terrorists, the latest of which resulted in the loss of the lives of four of them when they were surprised right in the middle of preparations for an attack on the home of Foreign Relations Minister Rene Rojas Galdames.

A few days before they had shot up the car of Supreme Court Chief Justice Israel Borquez Montero, who was fortunately not too seriously wounded.

The explosion and subsequent fire that destroyed the vehicle three of those who plotted the first of those attacks were in left their bodies unrecognizable, so that it was impossible to identify them or determine their criminal and political records. But the fourth, who resisted the police from outside the destroyed car, was specifically identified as a man with a record of extremist activities who had first been sentenced to a term in prison under the arms control law and whose sentence was then commuted to exile, which enabled him to go to Belgium, a European country which, in the name of a policy of human rights supposedly ignored in Chile due to the fact that it has imposed sentences on individuals like the one referred to, gave him shelter in 1977. However, this extremist secretly returned to Chile and engaged in terrorist activities without even informing his relatives of his presence here, according to what they say.

Two facts are worth noting in connection with this. The first is that once again we are faced with individuals who have been exiled — voluntarily, because of a court judgment or due to a government decision — who return solely and exclusively to attempt to commit crimes against law and order, public safety or the lives of individuals in Chile. The second is that a member of the irregular Marxist armed forces, in existence before 1973 and referred to as either the MIR [Movement of the Revolutionary Left] or the GAP [Group of Personal Friends] or variously named communist and socialist "commands" whose objective was to prepare the armed path to socialism under Mr Allende's government with the protection and approval of the latter, has also recently been involved.

The two above-noted facts ought to provide those movements or organizations claiming to be partisans of domestic peace and harmony with food for thought, those which have adopted as their own banner the so-called "Operation Return," without realizing that through it they are placing the lives of other human beings in great danger, since those who may be called on to return left the country for good reasons

in the public interest and are in most cases dangerous terrorists or at least partisans of political violence and the search for armed solutions for Chile or those involving force. The exceptions to this rule are rarer than those organizations that criticize the practice of banishment or exile generally suppose.

The fact that terrorists captured or killed are almost invariably old hands at this kind of work shows that this is a large but fragile group of militants, since it involves the same elements trained under the egis of the ideology of violence of the extreme Left. They have no replacement generations and, to the extent that they may be neutralized or that their return may be blocked, public safety will gradually be secured until this true cancer our society has inherited from its Marxist experiment disappears.

11,466
CSO: 3010/349

BRIEFS

QUAKE HITS CENTRAL REGION--A strong and prolonged earthquake shook the area between Coquimbo and Valdivia at 12:30 AM today, causing panic among the populace. In Santiago there was minor damage such as fallen cornices or collapsed interior walls of old buildings. There were several slight injuries in Valparaiso and Los Andes. It appears that the epicenter of the quake was the marine depression opposite La Ligua, 30 miles from the coast. The temblor ranked a 7 on the seismic scale in Valparaiso. There was minor damage and great panic among residents, who filled the streets. On 15 October, also shortly after midnight, a similar quake struck the same part of the country. It was reported that there was a prolonged power failure in Los Andes. Some blackouts were reported in small sections of Santiago, but they were taken care of in a matter of minutes. The most terrified residents of Santiago were, as is to be expected, those living in tall buildings. Scantily clad people were seen running into the streets in terror, while their shouts and cries mingled with the noise of breaking glass. The Office of Emergency, in an official report submitted early this morning, listed the seismic intensities of the quake as follows: Coquimbo, 5 to 6; La Serena, 5; Valparaiso, 7; Llayllay, 6 to 7; Los Andes, 4; Santiago, 6; San Antonio, 6 to 7; Rancagua, 5 to 6; Curico, 4 to 5; Talca, 4 to 5; San Fernando, 5 to 6; Constitucion, 4 to 5; Concepcion, 2. [Text] [Santiago EL MERCURIO in Spanish 7 Nov 81 p A1] 8926

CSO: 3010/312

COMMUNIQUE ISSUED AT END OF CTC USSR VISIT

Havana TRABAJADORES in Spanish 17 Oct 81 p 6

[Text] At the invitation of the AUCCTU [All-Union Central Council of Trade Unions], a delegation from the Central Organization of Cuban Trade Unions (CTC) paid an official and friendly visit to the Soviet Union from 18 to 14 October 1981. The Cuban delegation was headed by Roberto Veiga, secretary general of the CTC and acting member of the Politburo of the Communist Party of Cuba.

During the stay of the CTC delegation in the USSR, it held talks with an AUCCTU delegation headed by its chairman, Aleksey I. Shibayev. During the talks, which took place in an atmosphere of friendship and absolute mutual understanding, the two parties exchanged information on the work of the Soviet and Cuban trade unions in mobilizing the workers for the fulfillment of the resolutions of the 26th CPSU Congress and the Second Congress of the Communist Party of Cuba. The status and the prospects for subsequent development and deepening of the fraternal links and multifaceted collaboration between the trade unions in the USSR and Cuba were studied. Current problems in the international trade union movement were discussed. The delegations stressed that the close collaboration between the communist parties of the Soviet Union and Cuba is of decisive importance for the continued strengthening of the friendship between the Soviet and Cuban peoples, based on the principles of Marxism-Leninism and socialist internationalism. This friendship is the most valuable heritage of the peoples of these two countries, who are linked by the unity of their socialist systems and their roles in the building of socialism and communism.

The view was unanimous that relations between the workers and the trade unions of the Soviet Union and Cuba are strengthening and becoming deeper with every passing year. Consistent with the Soviet-Cuban declaration, the consolidation of peace and international security are being pursued for the good of the peoples of both nations and in the interests of the cohesion and power of the countries in the socialist community.

The two trade union organizations are determined to pursue the collaboration between the trade unions of the USSR and Cuba tirelessly, doing everything necessary to strengthen the indestructible Soviet-Cuban friendship, as well as channeling their efforts toward the achievement of unity in the international trade union movement, on an anti-imperialist and class basis.

To this end, the AUCCTU and the CTC will deepen their cooperation on all levels, will hold consultations on current problems in the trade union activities in these

countries and on various aspects of the international trade union movement. They came out in favor of holding regular meetings with the participation of representatives of the trade union organizations in the two brotherly countries, of great importance to the development of bilateral and multilateral cooperation and to increasing the contribution of the trade unions to the implementation of the Complex Program for the Socialist Economic Integration of the Member Nations of the CEMA.

The AUCCTU and the CTC stressed that they will continue to contribute in every possible way to increasing the prestige and the influence of the WFTU, which has consistently spoken from class positions with regard to the current problems of the modern world and serves as the center for the consolidation of all the progressive forces in the international trade union movement. The two union organizations will make every effort to contribute to the success of the 10th World Trade Union Congress to be held in the capital of the Republic of Cuba, the first socialist country in the Western Hemisphere, and which will draft the program of action for the class trade union movement for the 1980's.

Both parties expressed their concern about the deterioration in the international situation caused by the efforts of the most reactionary imperialist circles to halt the process of detente.

The trade unions in the USSR and Cuba energetically condemned the NATO plans to place new medium-range American missiles in Western Europe, as well as the decision of the U.S. government to undertake full-scale production of neutron bombs.

The delegations voiced high praise for the peace-loving foreign policy of the Soviet Union, the Republic of Cuba and other nations in the socialist community, and expressed their absolute support of the Peace Program for the 1980's set forth by the 26th CPSU Congress, outlining a concrete path toward improving the situation in the world, limiting the armaments race, and consolidating trust, mutual understanding and cooperation among all nations.

On behalf of the workers and trade unions in their countries, the two organizations announced that they will continue to contribute to the strengthening of peace, the elimination of the threat of nuclear war, the consistent development of interaction with various detachments of the international trade union movement, on the basis of joint actions in defense of the socioeconomic interests of the workers and to unmask the propaganda campaign of slander being pursued in the West against the socialist nations in order to conceal the militaristic intentions of the imperialists.

The Soviet and Cuban trade unions firmly condemned the provocative message sent by the Polish Solidarity Congress to the peoples of Eastern Europe, based on a distortion of the facts and the desire to disorient world public opinion. The AUCCTU and the CTC hope that the workers class and other healthy and progressive forces in Poland can defend the gains of socialism and rescue the country from its crisis. The two trade unions stated that they will continue to use every means to provide support to the workers class, the branch trade unions in Poland, and their coordination commission.

The two organizations voiced their satisfaction with the increasing role of the movement of nonaligned nations in the common struggle against imperialism, colonialism, neocolonialism and racism, against the imperialist policy of aggression and interference

in the domestic affairs of nations, and for a solid peace and international security, the consolidation of national independence, and the establishment of economic relations with equal rights for all nations.

The two parties emphasized that the Soviet and Cuban trade unions stand firmly with the struggle of the workers class and all the workers in the capitalist countries for their economic and social rights, for expanded democratic freedoms, and for the limiting of the power of the monopolies.

They voiced their support of all of the revolutionary and progressive forces in Asia, Africa and Latin America which are struggling for freedom, democracy and social progress and against the imperialists and the reactionaries.

The Soviet and Cuban trade unions demanded a halt to the imperialist policy of economic blockade and interference in the domestic affairs of the Republic of Cuba, as pursued by the United States, and they demanded the elimination of the U.S. naval base established on Cuban territory against the will of the people.

The workers and the trade unions of the USSR and the Republic of Cuba hailed the victory of the peoples of Nicaragua and Grenada, who have effected revolutionary transformations in their countries. They stand with the struggling people of El Salvador, the patriots in Chile, Guatemala, Uruguay, Paraguay and the other Latin American countries who are fighting courageously against fascist and reactionary regimes.

The AUCCTU and the CTC stress the importance of developing cooperation among trade unions with different orientations in the Latin American region through conferences, seminars and talks on socioeconomic matters involving the trade unions. Both parties are determined to support the unity of action among the workers and trade unions on this continent in the struggle against the forces of reaction and oppression, in defense of national sovereignty and for the strengthening of political and economic independence. To this end they will channel their efforts toward increasing the role and influence of the Latin American Workers Permanent Conference for Trade Union Unity.

Both parties voiced their support for the struggle of the peoples of Vietnam, Laos and Kampuchea in defense of the territorial integrity of their countries against the constant provocative actions on the part of imperialists and hegemonic forces. They condemned the expansionist policy of the leaders of the People's Republic of China, allied, on the basis of anti-Sovietism, with the most aggressive world reactionary circles.

The workers and the trade unions of the USSR and Cuba consistently support the Afghan people, who are defending the conquests of the April 1978 revolution, and they demand that the undeclared war being waged by the imperialists and their allies against the Democratic Republic of Afgharistan cease immediately.

The AUCCTU and the CTC urge a just and general settlement of the Near Eastern situation, with the participation of the legitimate representatives of the Arab people of Palestine. Both parties condemned the stepped-up Israeli aggression against Lebanon and other Arab nations, pursued with the direct support of the United States.

The two trade union organizations reiterated their readiness to continue to support the self-sacrificing struggle of the people of Namibia and the aboriginal population of South Africa against racism. They indicated their solidarity with the People's Republic of Angola and the People's Republic of Mozambique, which reject the aggressive incursions by the Republic of South Africa.

The AUCCTU delegation stressed the fact that the Cuban workers, headed by the Communist Party of Cuba, have achieved major successes in the economic, social and cultural building of a socialist society.

The Cuban delegation expressed its gratitude to the AUCCTU for the solidarity and fraternal aid provided to the CTC, and highly praised the tremendous achievements of the Soviet workers in the fulfillment of the resolutions of the 26th CPSU Congress and the tasks of the 11th Five-Year Plan.

At the conclusion of the visit of the Cuban delegation, an agreement pertaining to the subsequent development of cooperation between the trade unions in the USSR and the Republic of Cuba was signed.

During its stay in the Soviet Union, the CTC delegation visited industrial and agricultural centers, learned about the living and working conditions of the Soviet workers, office employees and kolkhoz peasants, held meetings with workers and met with a trade union aktiv. The representatives of the Cuban trade unions were given a cordial welcome everywhere.

The CTC delegation placed a floral offering at the tomb of V. I. Lenin and the Tomb of the Unknown Soldier beside the Kremlin wall.

The results of the visit and the signing of the agreement provided further convincing evidence of the fraternal nature of the relations which link the workers and the trade unions of the two countries. They provided a further joint contribution to the cause of subsequent strengthening of the indestructible friendship of the Soviet and Cuban peoples and the consolidation of the unity of the international trade union movement.

5157
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HART SAYS CUBA READY TO FACE UNITED STATES

Paris LE MONDE in French 8-9 Nov 81 pp 1, 3

[Report on interview with Armando Hart, Cuban minister of culture, by Marcel Niedergang: "Havana Worried About American Intentions in Central America;" in Paris; date of interview not given]

[Text] Military representatives from 20 Latin American countries met behind closed doors in Washington on 3-5 November. U.S. Defense Secretary Caspar Weinberger attended this meeting. It appears that the main item on the agenda was the deteriorating situation in El Salvador. The United States reportedly denounced, once again, what they consider to be Cuban and Nicaraguan "illegal intervention" in that country.

There is now intense uneasiness within governmental circles in Havana and Managua where there is persistent mention of possible U.S. military steps designed to "punish" the two countries for their support of the Salvadoran insurgents. In Paris for a short stay, Armando Hart, Cuban minister of culture and one of Fidel Castro's closest aides, told LE MONDE that his country was preparing "to resist American armed intervention."

"What would you do in our position? We are being bombarded with threats. We read in the American press that U.S. leaders are coolly preparing to intervene militarily in Cuba and Central America. They boldly and openly admit this. We cannot remain insensitive and inactive. Any self-respecting nation must take concrete measures. That is what we are doing. No more. No less. We are preparing to resist American armed intervention. The Bay of Pigs failed once. There will be no second Bay of Pigs.* Furthermore, we have to alert world and American opinion because such intervention concerns the whole world. The fact is that a conflict in such a sensitive region as the Caribbean would inevitably escalate into general war."

Armando Hart, Cuban minister of culture, has been in Paris since Friday 6 November to open the "Cuban Books in France" fair to be held at the Cercle de la Librairie, 117 Boulevard Saint-Germain, Paris 6, from 10 to 17 November.

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* The Bay of Pigs, or Playa Giron, was the site of the April 1961 attempted invasion by some 1,000 anti-Castro exiles, who were assisted and then abandoned by U.S. naval and air units.

Hart is a member of the Cuban Communist Party's central committee and was one of Fidel Castro's first followers. While in Paris, he is scheduled to meet with Lionel Jospin and Jack Lang, as well as other French leaders. Hart arrived here directly from Havana where the emphasis is on mobilizing the people.

The minister said he was "very concerned." He believes that the "Santa Fe document" prepared in May 1980 by several Reagan advisers to define a new U.S. policy in Latin America, is now being implemented. This document stated that a "war of liberation would have to be launched against Cuba if propaganda were to prove insufficient."

Hart added that "the propaganda phase was already well underway. The United States is planning to begin anti-Cuban broadcasts next January from a new transmitter, designated 'Radio Marti,' with an initial budget of $10 million. Choosing Marti's name was a gross mistake. The Cuban Jose Marti was an opponent of American imperialism. Making such a choice for propaganda purposes shows complete misappreciation of the psychology of peoples."

Hart believes, however, that Havana should easily be able to jam two-thirds of that transmitter's broadcasts.

He thinks the Americans are looking for a "pretext" for their intervention. "They believe they have found one by asserting that some 500 cubans are fighting along with the Salvadoran guerrillas, after having entered El Salvador via Nicaragua. This is totally false. We have formally asked the U.S. Government to furnish proof of this allegation. We have received no reply. This is a sign that the Americans are preparing something. We are convinced of it."

Paradoxically, the present deterioration of relations between Havana and Washington has still not nullified the "small steps" taken during the Carter administration to achieve real normalization of relations. The U.S. Navy and Cuban Navy continue to cooperate in the Straits of Florida. The hijacking agreement is still in effect. The American diplomat charged with maintaining contact with Cuban leaders still has his office in Havana, "even though," the minister explained, "he has been absent from it for a very long time." Hart said that although anti-Castro commandos had not resumed operations, "such operations are now being encouraged." The only sign of the chill in relations is the sharp drop in the flow of American tourists into Cuba.

We asked the minister what he thought of Havana's recent accusations of "fascist" leveled at U.S. Government leaders. He replied that these charges should be viewed "within the context of the worsening crisis, and by realizing that the intentions and concrete actions of the Reagan administration are inadmissible." He said he was convinced that another Vietnam-type action by the United States would trigger new public protests within the United States itself. In any case, he is counting greatly on American public opinion and action by North American intellectuals opposed to any kind of intervention. "Everything must be done," he added, "to spare mankind a nuclear holocaust." But, we asked him, did he not fear that the Soviet Union would eventually abandon Cuba? A global deal between Washington and Moscow whereby Cuba would be exchanged for Afghanistan?

Our question left Hart aghast, and he exploded: "I have never even imagined such a possibility. The idea is inconceivable. In my opinion, it is utterly out of the question."

CSO: 3100/136

FRENCH EXPRESS CONCERN OVER FATE OF VALLADARES

Estier Meets Fidel

Paris LE FIGARO in French 28 Sep 81 p 2

[Article by Pierre Emmanuel]

[Text] Frenchmen were interested to learn that Fidel Castro had been invited to lunch with Claude Estier at the French Embassy. Their conversation must have turned on human rights in various Latin American countries where those rights are known to be in a very bad way. Since one must always clean his own house, Castro must have admitted that these rights were at their lowest ebb in his own country. And Claude Estier undoubtedly inquired about the health of a few persons undergoing treatment in Cuba's prisons.

Fidel Castro had made a very brilliant debut in his role as Libertador from Batista's evil regime. Some 2 years of guerrilla warfare in the Sierra Maestra mountains had made him a legendary leader whose torrential eloquence had not reached the diluvial proportions it was to assume later. This giant measured up to the problems of the Latin American subcontinent. His call for agrarian revolution resounded from Panama to Tierra del Fuego. It shook the big financial interests who had close ties with American power and the dictatorships it supported. The 1960 crisis with the United States and the failure of the Bay of Pigs invasion radicalized his regime and turned Fidel Castro into a Marxist-Leninist who was unaware of being such.

Castro's Transformation

What followed is well-known: Cuban-style Soviet totalitarianism, alignment with Moscow, militarization to the point of absurdity, exportation of praetorians to African countries where "socialism" is on the march under the spreading shadow of the USSR, and also the cult of personality on a scale rivaled only by the one which had centered on Stalin. This charismatic quality dazzled the intelligentsia who made Castro the hero of its congenital utopian dream of a socialist messianism that, through the crimes which blazed its trail, would lead mankind to the golden age. Castro the idol enabled these intellectuals to absolve themselves from their idolatry of Stalin, and also to project their dreams outside Europe which was definitely too traumatized by the varied experiences of Kremlin-style internationalism. Even though a good number of intellectuals have recovered from this ecstasy and are now among the first to denounce oppressive socialist regimes, they still distinguish between

tyrants of the left and dictators of the right, and consider it sacrilegious to mention Castro and Pinochet in the same breath.

But Claude Estier is not a leftist intellectual. He is a top-level socialist militant and does not have our naive views. He knows what to believe about the Cuban regime and could usefully inform French public opinion about the political reasons for depicting Castro as a defender of human rights.

A few months ago, under the former government, a delegation consisting of Yves Montand, Professor Cartan, Father Toulat, Attorney Jacoby, Marek Halter, Pierre Golendorf, and myself tried to meet with the Cuban ambassador to France, for the purpose of asking him to free the poet Armando Valladares who was about to begin his 21st year in prison. The ambassador referred us to an attache of sorts who tried to convince us that Valladares was not only not a poet but a fascist and an American agent. These two barefaced lies were repeated in a leftist Madrid newspaper a few days after our visit to the embassy. If Claude Estier and a few others really want to know who Valladares is and what Cuba's prison system is like, I advise them to read the poet's book "Castro's Prisoner" (published in France by Grasset) which has a lengthy preface by Leonid Plioutch. The next time Estier meets Castro, this book will give them something to talk about.

The PEN [International Association of Poets, Playwrights, Editors, Essayists, and Novelists] met recently in France. It reminded us of this poet who has been buried alive. Indeed, Valladares, imprisoned since December 1960, became disabled in 1974 as a result of the decision to stop feeding those political prisoners who refused to submit to the "rehabilitation plan." He has been in solitary confinement since 1976 for having clandestinely released poems that constitute indictments against his torturers as well as hymns of hope and joy. How can anyone create such avenging beauty with so much blood and suffering? Simply, as in "Boniato Prison: Account of a Massacre," by relating, with all the exactness of poetic language, the martyrdom of Esteban Ramos Kessel, Roberto Martin Perez, Liuva del Torro, and Pascio, or the moment of glory of Lieutenant Perez de la Rosa emptying a clip of ammunition from a Soviet rifle into the body of Gerardo, "a Bible preacher" who "always had a bit of heaven in his hands."

Death to the Absolute

If so few people read poetry today, why then are poets so frequently being thrown into prison? What does this language, which people can no longer speak and no longer understand, say that makes tyrants unable to bear hearing it? When spoken by Valladares, it says that nothing can silence man. Through the osmotic force of its melody, it conveys that feeling of invincibility which prepares man for the greatest of sacrifices. There is some of the absolute in man, and he who finds it in himself is eternal, even though he may be physically destroyed. This is something no totalitarianism can tolerate. Their watchword to all is "Death to the absolute!" As the poet's wife wrote: "Valladares, that man who can love as a child, and at the same time suffer with the stoicism of a titan," is much more important than Fidel, "a major historical figure," because he, Valladares, is a saint of our times, a witness of the absolute. Regis Debray, you who were such yourself, do you not have just cause for reminding Castro of this fact? And also that France--even for Cuban outcasts--is the fraternal land par excellence, as the minister of culture recently assured the PEN delegates?

Wife Calls for Action

Paris LE MATIN in French 19 Nov 81 p 10

[Article by Jacqueline de Linares]

[Text] The PCF [French Communist Party] is currently conducting a major campaign in favor of Cuba, the "island of liberty," according to L'HUMANITE. At the same time, Martha Valladares, wife of Armando Valladares, the Cuban poet imprisoned for the past 21 years, is traveling throughout Europe in an effort to interest international public opinion in her husband's case.

"For several months now, I have been living on a concrete slab 2.5 feet wide and 6 feet long. The remaining space is filled by a chair and a wooden drawer with a hole in it....My body has sores caused by the hardness of the slab." The man who wrote these words has been in a Cuban prison for 21 years. He is Armando Valladares, the 44-year old poet who managed to get this letter, written on 28 June this year, to his wife Martha.

The latter, who lives in Miami, is currently visiting European capitals to have people read his writings smuggled out of prison, and also to interest world opinion in her husband's plight. Her voice is firm, her language restrained. She wears a small cross-shaped pendant round her neck. Martha Valladares, 34, tirelessly relates her husband's story: "He was arrested on 27 December 1960, charged with unlawful possession of firearms and explosives, even though none were found in his possession. Some 2 weeks later, he and a few others were sentenced to 30 years in prison for 'offenses committed against state authorities.' My husband was a student at the time and made no secret of his opposition to the turn the revolution was taking." According to Cuban authorities, Valladares was "an agent of Batista."

In late 1958, Armando Valladares was a draftsman in the Cuban police department. His wife claims that at no time did the Castro regime ever question him about his activities in that department.

Martha Valladares became acquainted with her husband when visiting her father, himself a political prisoner who has since been released. She has seen him three times. Since his arrest, Valladares has experienced imprisonment, hard labor, and complete isolation. He refused the "rehabilitation" program offered by the Cuban authorities. He refused to make his autocriticism. He has been partially paralyzed since 1974 when he was deprived of food for more than a month. For the past 2 years, he has not been allowed to receive visitors or mail. He has been able to smuggle poems out of prison, and also aquarelles in which he has depicted himself, in his paralytic's chair, gathering an armful of flowers.

Acting as if a simple political prisoner was less important than a political prisoner who is also a writer, the Cuban authorities have steadily refused to recognize Armando Valladares as a poet. Martha Valladares, however, states that her husband's writings are exceptionally embarrassing for Cuban authorities because they have made him known abroad. He has become a symbol. He is proof that there are still political prisoners in Cuban prisons, even though 3,600 of them were released in 1978 and 1979, and even though it is difficult to determine how many of the latter were actually

political prisoners, because the distinction between them and common-law prisoners is quite fuzzy. For example, prior to the great exodus from the port of Mariel in 1980, common-law violators had received prison sentences for having tried to leave the island on makeshift craft.

Among the known actions being taken in behalf of Cubans in prison or prevented from leaving the island, Claude Estier, deputy chairman of the National Assembly's Foreign Affairs Committee and a close friend of Francois Mitterrand, approached Cuban officials in behalf of a few individual cases during his visit to Cuba in September.

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URUGUAYAN DEPUTY FOREIGN MINISTER SPEAKS AT OAS MEETING

PY080029 Paris AFP in Spanish 1750 GMT 5 Dec 81

[Text] Castries, 5 Dec (AFP)--Filiberto Ginzo Gil, Uruguayan deputy foreign minister, has declared that the OAS has all the instruments to preserve continental peace and security and to end hemispheric disputes or aggressions.

To that effect, Ginzo Gil mentioned the mechanism of the foreign ministers' consultative meetings, but he pointed out that his country is a staunch partisan of noninterference in the internal or external affairs of other states.

The deputy minister said that the planned special General Assembly on development cooperation is an ever more undelayable event to reorganize and review OAS procedures and methods in its area of jurisdiction.

Ginzo Gil also said that development and security are two closely linked concepts and that it can be asserted that in the application of the principles of nonintervention and self-determination there can be no sort of development without the existence of security.

He remarked that Uruguay has repeatedly expressed its aspiration to renew and revitalize the inter-American system through the strengthening of development cooperation.

He concluded that in order to achieve this it is necessary that the OAS start operating again as a permanent forum for information exchange, consultations and negotiations.

CSO: 3010/449

PERUVIAN PAPER INTERVIEWS SALVADORAN LABOR MINISTER

PY101630 Paris AFP in Spanish 0421 GMT 10 Dec 81

[Text] Lima, 9 Dec (AFP)--Julio Samayoa, the president of the Salvadoran Christian Democratic Party [PDC] and present labor minister, has asserted that the Salvadoran Government has the situation under military control and that, therefore, elections will be held in March as scheduled.

Interviewed in Caracas by the Lima leftist newspaper EL DIARIO, the politician denied that there is a civil war in his country adding that there are rebel groups that have no possibility of achieving power or of carrying out active guerrilla activity in the capital city.

He noted that the rebels have the support of foreign governments, of the international socialists, and of the Communist Party, but that in turn the civilian-military government has the support of Christian Democratic governments, of the United States, Costa Rica and the FRG, among others.

Samoyoa added that his government rejects all foreign intervention in the domestic affairs of El Salvador noting that neither the United States, the Soviet Union, Cuba or Nicaragua have the right to meddle in Salvadoran national issues.

After noting that although the victory over the rebels will be a matter of months, defeat of terrorism will take longer, the Salvadoran politician said that the government has complete control over the nation, so much so that martial law has been repealed and the state of siege will be lifted soon.

He also said the political parties have drafted an electoral law to be issued this week that will reorganize the Central Electoral Council, which will be made up of persons not involved with any political trends.

After reasserting that his government does not negotiate with rebels, who are a minority group representing only 5,000 persons, he noted that the insurgency has caused a great economic loss; 10,000 casualties in the army and 400 in the PDC militia.

CSO: 3010/479

BRIEFS

CHILE, URUGUAYAN AGREEMENT--Chilean Foreign Minister Rene Rojas Galdames and the Uruguayan charge d'affaires today exchanged notes approving the agreement on health regulations signed in Montevideo on 26 September 1981. [Santiago Chile Diplomatic Information Service in Spanish 0008 GMT 19 Nov 81]

CSO: 5400/2058

WEEKLY NEWSPAPER VIEWS ELECTIONS

PY100256 Sao Paulo VEJA in Portuguese 2 Dec 81 pp 28-30

[Text] The electoral package has caused profound changes in all of the 22 Brazilian states.

The Social Democratic Party [PDS] has in the above package the most effective, far-reaching campaigner for the 1982 election. In some states where the PDS victory is already guaranteed--for instance, in Bahia--the PDS victory will be by a far larger margin due to the package. In other states, like in Ceara, the opposition was suddenly razed from the map. As a result of the package, the PDS will have a sure victory in 11 states. Similarly, states in which the odds were clearly favorable to the opposition are now experiencing a balance of forces--and, among the large states, Minas Gerais and Pernambuco are good examples of this change. In sum, the opposition can no longer feel safe anywhere in the country because it will be confronted with a party with 3,600 organized boards and nearly 3,300 mayors throughout the country. The Brazilian electoral trends have been redesigned as follows as a result of the new rules:

Acre

The Brazilian Democratic Mobilization Party [PMDB] has lost the slight edge which, until last week, its candidate, federal deputy Nabor Junior, had enjoyed. To support the PDS candidate, Governor Joaquim Macedo will mobilize primarily the mayors of the 12 municipalities of the state, all of whom have been appointed by him.

Alagoas

Alagoas' new governor will be deputy Divaldo Suruagy, who no longer faces the threat of PDS deputies supporting the candidacy of PMDB Senator Teotonio Vilela.

Amazonas

With a good following, former governor Gilberto Mestrino continues to be the favorite but he will have to preserve the strength of his Popular Party [PP]. The PDS controls all 44 mayoral seats in the state and 90 percent of the councilmen, all of which enhances the chances of the candidate to be picked by Governor Jose Lindoso.

Bahia

The election of Cleriston Andrade, president of the State Bank, which was already guaranteed, will now become just a routine matter. Combining its good functioning and the effects of the package, the PDS of Bahia State will obtain the largest victory in the country. It could elect up to 80 percent of the federal and state deputies and 90 percent of mayors and councilmen.

Ceara

The attempt made by PMDB candidate Senator Mauro Benevides to reach an agreement with PDS Adauto Bezerra has now been foiled. Bezerra had threatened to lend to the opposition the votes of mayors and councilmen who are loyal to his group. Governor Virgilio Tavora will have no problems in having his special adviser Aecio de Borba elected. Tavora wants to become a senator.

Espirito Santo

Already shaken by the defeat of the proposal to establish "intraparty subgroups" [sublegendas], former governor Elcio Alvares, of the PDS, may now suffer a fatal drawback: without the support of Governor Eurico Rezende, Alvares has been speculating with reaching intraparty agreements if he were not elected at the convention. The PMDB will have difficulties in finding a candidate for the gubernatorial seat.

Goias

Since only two parties actually exist in the state--the PDS and the PMDB--the situation has not changed there: opposition candidate Iris Resende, a former mayor of Goiania, continues to be the favorite. The Workers Party [PT] which is just starting in Goias State, will perhaps nominate a candidate but will not have sufficient votes to pose a threat to the powerful PMDB.

Maranahao

If he wants to, Senator Jose Sarney will easily return to the government. The PP and the PT, with one federal deputy each, are confronting the risk of disappearing from the Maranhao political scene.

Mato Grosso

The PDS, which is much stronger in the interior of the state than former governor Garcia Neto's PP and Father Raimundo Pombo's PMDB, will elect federal deputy Julio Campos rather easily. Ambassador Roberto Campos has also just secured himself a senatorial seat.

MATO Grosso do Sul

Deputy Levy Dias made a good move when he left the PMDB and joined the ranks of Governor Pedro Pedrossian's PDS. If Pedrossian complies with his part of the deal and gives him his support, Levy will be supported by hundreds of campaign

workers of the interior who, despite being PDS members, were considering an agreement with the PP of senators Saldanha Derzi and Mendes Canale.

Minas Gerais

The National Democratic Union [UDN] and the Social Democratic Party [PSD] are now definitely defunct: neither will Governor Francelino Pereira now have the support of former UDN members who had joined the PP nor will Senator Tancredo Neves have the support of former PSD members who had joined the PDS. Tancredo has suffered a hard blow. In addition to losing votes to the PMDB and the PT, he will have to face a strong adversary. While the PP and the PDS have organized boards practically throughout the state, the ruling party has 642 mayors against only 70 for Tancredo's party. If the election were, in fact based on municipalities [municipalizada], as proposed by the government, Tancredo's candidacy would be destroyed.

Para

The PDS mayors linked to Governor Alacid Nunes will have to vote for the candidates appointed by Senator Jarbas Passarinho, who controls the party--to the misfortune of the "pro-Alacid" deputies who had joined the PMDB and of deputy Jader Barbalho, the opposition candidate to the government.

Paraiba

Closing ranks around the candidacy of deputy Wilson Braga, the PDS watches the embittered desolation of PP deputy Antonio Mariz, who early this week had been celebrating the conclusion of an agreement with the PMDB whereby the latter would appoint candidates for vice governor and senator.

Parana

The candidacies of former Governor Jayme Canet, of the PP; and of deputy Paulo Pimentel, of the PTB [Brazilian Labor Party] were heavily affected by the package since neither party will have sufficient time to become consolidated. The election will be decided between PMDB senator Jose Richa and PDS Governor Ney Braga, both with deeply rooted ties in the entire state. Ney has already received the go ahead to mobilize the party's machinery to promote his candidate, Saul Raiz.

Piaui

Former Governor Alberto Silva has come out a loser. His PP has only a mayor and two seats at the assembly against 110 PDS mayors and 18 deputies. Governor Lucidio Portella, who will be able to pick his candidate without fear of any eventual support of dissatisfied sectors for Alberto Silva, has come out a winner.

Pernambuco

Governor Marco Antonio Maciel now believes that it will be possible for the PDS to defeat Senator Marcos Freire, the PMDB candidate--who was until last week the head of a broad front which was dismantled by the package. Former governor Cid Sampaio, who was negotiating with Freire for a senatorial seat in exchange for the PP's support, will now have to settle for a seat in the Chamber of

Deputies. To make Freire's complications worse, Governor Maciel will run for the senatorial seat and will thus markedly reinforce the PDS slate.

Rio Grande do Norte

The chances of Natal mayor Jose Agripino Maia--who is supported by Governor Lavoisier Maia--have improved. Yet, former governor Aluizio Alves, of the PP, who enjoys great personal prestige, is still in the race. Senator Dinarte Mariz, who broke with the Maias and had been making contacts with the opposition, will have to retire to his Solidao Ranch.

Rio Grande do Sul

PMDB Senator Pedro Simon was surprised by the package as he was getting ready to negotiate an agreement with former governor Sinval Guazzelli, of the PP. Guazzelli will now have to run for a seat in the Chamber of Deputies but Simon, who dreamed of uniting the Rio Grande do Sul opposition forces, will have to contend with deputy Alceu Collares' Workers Democratic Party. The PDS of Governor Amaral de Souza is the party which will benefit from the splintering of opposition votes.

Rio de Janeiro

Governor Chagas Freitas, who controls through the PP more than 70 percent of the 63 municipalities of the state, will now be able to pick his successor at will. This could be damaging to his presumed heir, federal deputy Miro Teixeira, since the PP no longer needs a highly popular candidate to win the gubernatorial seat. Sandra Cavalcanti's PTB has also lost its chances.

Santa Catarina

After losing its chances of securing an intraparty subgroup [sublegenda] for deputy Pedro Ivo and another for Senator Jaison Barreto, the PMDB has now lost the support of PP Senator Evelasio Vieira. This is good for the PDS, which has deputy Esperidiao Amin and former governor Antonio Carlos Konder Reis, who are very strong in the state, among its possible candidates.

Sao Paulo

This is the only state where the package could have disastrous effects for the ruling party. Despite the opposition being divided, Senator Montoro's PMDB is very strong in medium-sized and large cities where a major part of the Sao Paulo electorate resides. In smaller cities which are exposed to Montoro's campaigning and driven by the expectations elicited by the promotion of his candidacy, electors may choose to vote basically for him as governor--and naturally, for the candidates who are listed on his slate. This phenomenon could markedly change the estimation in which the PDS appears with almost 500 mayors and the PMDB with nearly 100.

Sergipe

Governor Augusto Franco will pick the candidate of his choice--probably Antonio Valadares, the PMDB will nominate former governor Seixas Doria, who does not have the charisma needed to lead to victory a party with only 4 deputies and less than 10 mayors in the entire state. Augusto Franco wants a seat in the senate.

CSO: 3001/47

ATILA, ABI-ACKEL INTERVIEWED ON ELECTORAL REFORM BILL

Atila: 'Electoral Reform Nonnegotiable'

Rio de Janeiro O GLOBO in Portuguese 28 Nov 81 p 3

[Interview with Presidential Press Secretary Carlos Atila in Rio de Janeiro on 27 November: "Atila: Government Considers Electoral Reform Nonnegotiable"; name of interviewer not given]

[Text] Presidential Press Secretary Carlos Atila said yesterday in Rio de Janeiro that the electoral reform bill to be sent to Congress by President Joao Figueiredo "is not open to any negotiation.

"In essence, the decision made by the president of the republic is a closed issue. The bill that will embody these decisions is to be the result of agreements, initially within the PDS [Social Democratic Party] and possibly in Congress. But the rules established by the president will not be negotiated in any manner."

In an interview after a memorial service for victims of the 1935 Communist Revolt, Carlos Atila reiterated that the electoral reform bill has the purpose of "strengthening the multiparty system." And he added:

"Solution of major national problems must be through political means and will be possible only if there is cohesion, consistency and coherence in party life. Without strong parties that are representative of the main currents of public opinion, we will not have democracy in Brazil."

Regarding a possible obstruction of voting procedures in Congress, announced by the opposition as a reprisal against electoral reform, the president's spokesman said:

"If the opposition were indeed to cause obstruction, it would show a shortsighted point of view and adherence to their own interests, ignoring the national interest.

Interview

The interview with Carlos Atila was as follows:

[Question] Has the government decided to call Congress into special session to vote on the electoral reform bill?

[Answer] The government's first concern is to write the bill that will embody the decision made by the president about the 1982 elections. Only after the bill is written will the government decide whether to call a special session of Congress. Next week we will definitely announce when the bill will be sent to Congress.

[Question] Will merger of the opposition parties, if it occurs, contribute to political liberalization?

[Answer] I don't see why such a merger would take place. The government thinks there should be a number of parties corresponding to the major currents of public opinion. The constitution provides that a party, to be permitted to function, must have at least 5 percent of the electorate, distributed over at least nine states, and with a minimum of 3 percent of the votes in each state. Hence, under the constitutional rule, parties that really represent public opinion will be organized. The rules established by the president aim to strengthen the multiparty system.

[Question] Is it possible that there will be another measure specifically prohibiting merger among parties?

[Answer] As far as I know, this is not being considered.

[Question] Won't linked voting create restrictions for the voter?

[Answer] I don't think so. There are rules for everything. We are in a process of transforming Brazilian institutional organization in regard to election rules. We are changing from a two-party system to a multiparty system and suddenly we are faced with a situation that could completely destroy the parties. To the extent that parties are purely election-time alliances, frequently associated with regional interests, the representativeness of Congress is jeopardized.

This would make debate and discussion of major problems of national interest unfeasible. The government's major concern is to establish the minimum conditions to really strengthen the representativeness of the political parties. And note that the constitutional rules are flexible and democratic, reconciling the representativeness of the parties at the state level as well as at the federal level. We cannot return to having, as we once had, 12 or 15 parties that did not represent anything, but created tremendous confusion in alliances of candidates for elections. We have the example of other countries in which decisions about great national problems are unfeasible due to the multiplicity of parties and formation of coalitions of all types, which transform politics into a game of chess that is impossible to follow.

[Question] According to the opposition, the president's liberalization image is finished, in view of the electoral reform package. What do you think of this?

[Answer] I think it is a very hasty judgment. We have to wait for elections; these will be the real test. The comments I hear from the man on the street are that we must have a strengthened democracy, with a minimum of discipline so we can deal with the big issues of public interest. And the problem of inflation, the cost of living, projects to create employment, controlling the deficit in the balance of payments. These are the problems of Brazilian society. These matters must be settled through political solutions that will be possible only if there is cohesion, consistency and coherence in party activities, which is the basis for representative democracy.

[Question] How does the government view obstruction of procedures in the Senate, which the opposition is threatening to engage in again?

[Answer] It accomplishes nothing. If the opposition really creates such obstruction it will be demonstrating a shortsighted point of view and adherence to their own interests, ignoring the real aspirations of the nation.

[Question] The opposition agrument is that the electoral package clearly benefits the PDS.

[Answer] How can that be, when the rules are the same for everyone? Of course, the PDS is the majority party and it intends to remain so. But there are no rules that establish certain electoral rules for the PDS and others for the opposition.

[Question] But what they are saying is that these rules benefit the PDS.

[Answer] The PDS is the majority party and it intends to remain the majority party. If the rules benefit it, it is a mere coincidence, not the purpose.

[Question] Why did the government break off negotiations with the opposition?

[Answer] Because the opposition was continually trying to impose new conditions and new requirements. In fact, a bill that wasn't even under discussion, such as the one granting statehood to Rondonia, was obstructed by the opposition which created a series of obstacles in order to get further concessions.

[Question] But the justice minister reached an agreement with the opposition parties.

[Answer] Absolutely. The justice minister always established as a condition for the agreements subsequent consultation with Planalto Palace. He arrived at a preliminary understanding that will, of course, be submitted to the president for final approval. The minister was a negotiatior in constant touch with Planalto Palace.

More Details from Abi-Ackel

Rio de Janeiro O GLOBO in Portuguese 28 Nov 81 p 3

[Interview with Justice Minister Ibrahim Abi-Ackel in Manaus on 27 November by reporters at Eduardo Gomes Airport: "Abi-Ackel Rejects Alternative of Resubmitting Bill for Multicandidate Slates"]

/Text/ Manaus--Justice Minister Ibrahim Abi-Ackel said yesterday he "rejects the possibility" of the government trying to negotiate

extension of multicandidate slates to gubernatiorial elections in exchange for giving up its proposal for linked voting--an idea being studied by opposition politicians.

The justice minister explained, in an interview when he landed at Eduardo Gomes Airport, that it was he who suggested to President Joao Figueiredo the impossibility of conducting negotiations about electoral reform in view of the existing impasse.

"And it was because of the impasse that the president, in exercise of his function as head of the government and his responsibility for the liberalization process, recommended to our party the measures that by now are common knowledge," he added.

In his view, merger of opposition parties--arising as a reaction to linked voting and prohibition of coalitions--"does not depend on the government; it depends on the opposition parties." He argued, however, that the proposal of merger is "proof of the strength of the PDS," since five opposition parties intend to unite in order to oppose it.

During the afternoon Abi-Ackel received the title of citizen of Amazonas from the state legislature. He also met with Governor Jose Lindoso and, in the evening, with PDS leaders at party headquarters.

Interview

The interview with Justice Minister Abi-Ackel was as follows:

[Question] Is the president's decision to prohibit party coalitions, greatly extend linked voting and prevent election of former labor leaders part of his liberalization policy?

[Answer] Look, I want to be just as pleasant as possible with you. To a certain extent, you journalists and we politicians are colleagues. We must account to the public. But your question mixes up entirely different things, so that I will have to separate your question into what belongs in it and what does not belong. It is not at all true that the government has proposed to the opposition punishment of labor leaders. What happened was exactly the opposite: my proposal, made on behalf of the government, was to limit the time of ineligibility contained in the law, which, as it now reads, is a kind of permanent punishment. Hence, our proposal to set a time limit was a liberalizing measure intended to prevent labor leaders affected by intervention in the unions they lead remaining permanently barred from running for office. So I am correcting what seems to me is an error in the question. In respect to linked voting, it has been seen as a limitation of free movement of democratic forces. When this statement is made, it is forgotten that linked voting benefits the person directly interested in the election, the voter. With linked voting the people now have a larger number of candidates for elective offices among which to choose.

[Question] Isn't the government, by doing this, running the risk of causing elimination of what are considered small parties? And wouldn't this hamper the nation's return to democracy?

[Answer] No, just the opposite. We have a multiparty system. But that does not require existence of parties that don't express curents of public opinion with a broad national base. Provided the party reaches the size required to function as such, linked voting causes it no harm.

[Question] If the opposition should form a united front, would the government be willing to accept it or would it take other measures?

[Answer] Now, that is just a conjecture. In fact, there are several conjectures combined in one question and I would rather discuss facts.

[Question] The church says it is not concerned about the technical process, as long as the election is honest. What is your opinion?

[Answer] We want honest elections. And the government will make sure they are honest and aboveboard. Everyone wants honest elections.

[Question] Won't the president's recommendation to the PDS that it consider the matter closed be an obstacle on the road to freedom that Congress has been taking in legislative matters?

[Answer] No. The president recommended that the party consider the matter closed. Our party will have to meet--that is, the directors of our party will meet--to decide whether to close the matter, by a representative vote. Closing the question is a measure provided by law. Hence, as long as it meets legal requirements it is not an authoritarian measure or contrary to democracy.

[Question] Mr Minister, are you saying that you and the PDS were not consulted on this matter?

[Answer] I am still waiting for the question. You are confirming what I just said. Look, this is an internal problem of the government. What I can tell you is that the decision resulted from--rather, the president's recommendation to close the question resulted from--the position he was put in by the impasse reached by negotiations in Congress. The opposition, for reasons it does nor behoove me to explore, did not offer a conciliatory proposal or a counterproposal about granting statehood to Rondonia and limiting length of punishment, already provided by law, of labor-union leaders. It was I who informed the president of the impossibility of reconciling negotiations, due to the impasse. And it was because of the impasse that the president, in exercising his function as head of the government and as the person responsible for the liberalization process, recommended to our party the measures that have now become common knowledge.

[Question] Who caused the dialogue to collapse--the government, the opposition or the PDS?

[Answer] I would not say "who caused the collapse." But the opposition could not accept the government proposal and the government was not in a position to neglect

certain problems of fundamental importance, such as setting the date for elections. This is a problem of the government--the government wants to set the date. It proposed setting the date to the opposition. The government is committed to holding elections; it proposed to the opposition a date for holding the elections. It also proposed statehood for Rondonia. Statehood would not benefit the government; it would benefit the people. And, as I said, it also proposed limiting punishment of labor-union leaders. Nor is the limitation for the benefit of the government; it is for the benefit of the labor leaders. But even so the opposition was not in a position to accept the proposal. This is not a criticism; it is a statement of fact. I am in no position to inquire into what situations opposition leaders had to face tha led to the impasse at which we arrived.

[Question] In closing debate on the question, hadn't the president come to the conclusion that the party had no political leadership?

[Answer] No, he reached the conclusion that it was impossible to negotiate with the opposition. And it is so true that the party has leadership that it is the leadership of the party that will meet to close the question and lead congressional voting on the bill.

[Question] Some opposition sources would like to negotiate return of multicandidate slates in exchange for linked voting.

[Answer] I reject that possibility. Congress has already voted on multicandidate slates.

[Question] Mr Minister, would the government acquiesce to party mergers?

[Answer] Party mergers don't depend upon the government; they depend upon the opposition parties.

8834
CSO: 3001/44

PATIENCE, ORATORICAL SKILL PROPEL ABI-ACKEL TO CABINET POST

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 29 Nov 81 p 5

[Article by M.M.: "The Uncertain Future of Abi-Ackel's Career"]

[Text] Brasilia--From unknown leader to one of the politicians receiving the most attention from the press during the last 2 years, Justice Minister Ibrahim Abi-Ackel remains an ill-defined personality. By a few votes he arrived in the Chamber of Deputies for the first time through a substitution process and during his second term he was introduced to his predecessor [as justice minister], Petronio Portella, who in turn took him to the then all-powerful Minister Golbery do Couto e Silva.

An excellent orator, he got along well with Petronio during meetings in which the late justice minister encouraged brief speeches. A great admirer of oratory, Petronio grew closer to Abi-Ackel and admitted to friends his admiration for that descendent of Lebanese who, overwhelmed by his parents' difficulty in expressing themselves in Portuguese, made a strenuous effort to overcome this immigrant handicap.

Friends, they once had common enemies. One of them, formerly president of ARENA [National Renewal Alliance] and now president of the PDS [Social Democratic Party], Senator Jose Sarney, was ridiculed by Petronio and more than once had to wait longer than necessary in his reception room. Sarney was aware of the hostility behind the waiting and Petronio even said on one occasion that he felt "a physical loathing" for the senator, now immortalized by the Brazilian Academy of Letters.

Petronio, in the same way he had been "discovered" by Felinto Muller, becoming part of the most influential ARENA group, intended to back the career of Abi-Ackel, in whom he saw the character traits, political skills and speaking ability needed to be leader of the government party in the Chamber of Deputies.

This simple preference would hardly have turned Sarney against Abi-Ackel, were it not for one of the Minas Gerais deputy's rare outbursts in which he called the ARENA president and its secretary general, Prisco Viana, liars in so many words. This is because Sarney, disagreeing with Petronio Portella, spread in Congress the idea, at the time of party reform, that the majority of the government party's deputies preferred creation of two parties supporting the government.

Abi-Ackel came out in support of Petronio's idea, whose strategy included creation of a "trustworthy" opposition party, which eventually had his initials as its own: PP [Popular Party]. At the time Petronio called the multicandidate slate "superfluous" in a multiparty system and Abi-Ackel once again appeared timidly in the news as a supporter of the same viewpoint, although stressing that the transitional phase through which the nation was passing justified the anomalous use of the "superfluous" device for the 1982 elections only.

Abi-Ackel, who comes from the PSD [pre-1964 Social Democratic Party], was ready to join the PP, or at least seriously threatening to do so, because he was up against internal opposition in the Minas Gerais party, dominated by former UDN [National Democratic Union] members Francelino Pereira and Aureliano Chaves; Sarney had also belonged to the UDN.

Petronio dies. The nation's political course changes. To its surprise the political world saw on the front page for many weeks the broad smile, bald pate and discreet elegance of Abi-Ackel, transformed into minister of justice. His biggest problem at first, and one that pursues him to this day, was taking the place of the man who was considered the leading contemporary politician. Everyone saw in Petronio Portella the future first post-1964 civilian president.

Discretion, patience and a great capacity for disregarding insulting behavior that Petronio would not have permitted characterized Abi-Ackel's first phase. Petronio's political maneuvers were now in full swing and it is not known what has been left to his known heirs.

Also taken by surprise, Abi-Ackel had no plans and limited himself to complying with the decisions of Planalto Palace while he was preparing his own line of action. One of the priorities he established immediately was strengthening the legislative branch, with which he would strengthen himself and keep in constant touch with politicians of all parties.

As his statements do not have an incisive and clear style and because the first part of last year was a period of relative calm, after approval of amnesty and the end of the two-party system, Abi-Ackel was considered a puppet of Planalto Palace and the mouthpiece of Minister Golbery. His image was further marred by one of the first bills passed during his administration, the draconian Foreigners Law, and by having to cope with the ebbing of censorship, liberalized by Petronio.

A temporamental person, he had to cope with a hostile climate on the part of the press, especially the reporters covering his ministry, whom he often treated rudely, although interspersed with periods of cordiality. He made quite clear to journalists, and frequently still does, his displeasure in being compared with his predecessor.

Always consulting the old Minas Gerais PSD politician Pio Canedo, whom he considers his political "guru," he decided to project his own image and course of action through "dialogue," "negotiation" and "transaction." And by persisting in this he was able to reach an agreement in the negotiations to change the Foreigners Law. It was his big success. He conspicuously visited the major representatives of the oppostion and the Justice Ministry opened its doors for the first time to Ulysses Guimaraes, Tancredo Neves, Airton Soares and, significantly, the formerly cassated and exiled Leonel Brizola.

In the meantime, however, Abi-Ackel "forgot" to consult his own party and Sarney in protest again began to harass him and try to disrupt the agreements. Opposition leaders (Roberto Freire, Marcelo Cerqueira, Airton Soares, Alceu Collares and others) quickly rose to defend Abi-Ackel, who promoted political negotiation as the best way to conduct President Figueiredo's promised liberalization.

But Abi-Ackel's dialog was also full of charges. While showing much cordiality to the CNBB [National Conference of Brazilian Bishops], one of the key elements in negotiations about foreigners, he was setting traps for Dom Luciano Mendes, CNBB secretary general who often did not want to be seen in the Justice Ministry. Abi-Ackel's staff would even wake up newsmen in the morning to inform them of a "secret" meeting. In this way they got revenge against statements by Dom Luciano and others, against whom they also made charges, always off the record.

After this dialogue, which also had to be extended to some "hardline" elements of the government, Abi-Ackel began negotiating electoral reform, assigned to him by the president of the republic. In Figueiredo's absence the PDS president tried once again to upset the justice minister, under the watchful eye of ex-UDN Aureliano Chaves, acting president. When Figueiredo returned to the helm, Abi-Ackel was officially made the government's political coordinator. After a week of "glory," alleging the opposition's inflexibility, he announced the president's decision to suspend negotiations.

Well-informed sources within the Justice Ministry believe Abi-Ackel knew all along about the president's "long-planned" decision and gave no hint that negotiations would not reach an agreement until 2 days before the formal announcement, when he accused the opposition of not being fair, of being very hostile and, especially, having so many internal differences as to prevent a common proposal. He still tried, in a discreet meeting with Tancredo Neves, to get the latter to force a bigger concession from the opposition. He did not succeed. When he met with the opposition at the beginning of the week, Abi-Ackel probably already knew what Planalto's reply would be.

Will Abi-Ackel, a politician who considers his greatest asset to be his ability to discuss and negotiate, be able to return to the negotiating table, with whomever it may be?

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CSO: 3001/44

INFLATION DROPS BELOW 100 PERCENT FOR FIRST TIME IN 16 MONTHS

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 4 Dec 81 p 25

[Text] Rio de Janeiro--November's inflation rate was 5.3 percent, increasing the cumulative rate for this year to 88.1 percent and reducing to 99.1 percent the rate for the latest 12 months, which fell below 100 percent for the first time in 16 months. The data were reported yesterday by the Brazilian Institute of Economics of the Getulio Vargas Fundation [FGV], which pointed out that the November rate was almost 1 percentage point higher than that of October, although well below the 7.6 percent recorded in November last year.

For its part, the Consumer Price Index for the City of Rio de Janeiro--one of the components for computing inflation--was 4.6 percent in November (91.3 percent for the year and 107 percent in the latest 12 months), with the increase concentrated in the following groups: public services (6.8 percent), housing (6 percent), personal services (6 percent), health care and hygiene (5.1 percent), apparel (4.1 percent), household articles (3.1 percent) and food (3.1 percent).

Although increasing less than the average, food was responsible for about 29 percent of the higher cost of living in Rio due to its large share of household budgets. According to the FGV, the biggest increases in this group were for onions (65.5 percent), lettuce (33.3 percent), avocados (20.2 percent), pears (18.4 percent), rice pudding (17.9 percent), apples (17.5 percent), corned beef (17.1 percent) and ham (16.8 percent).

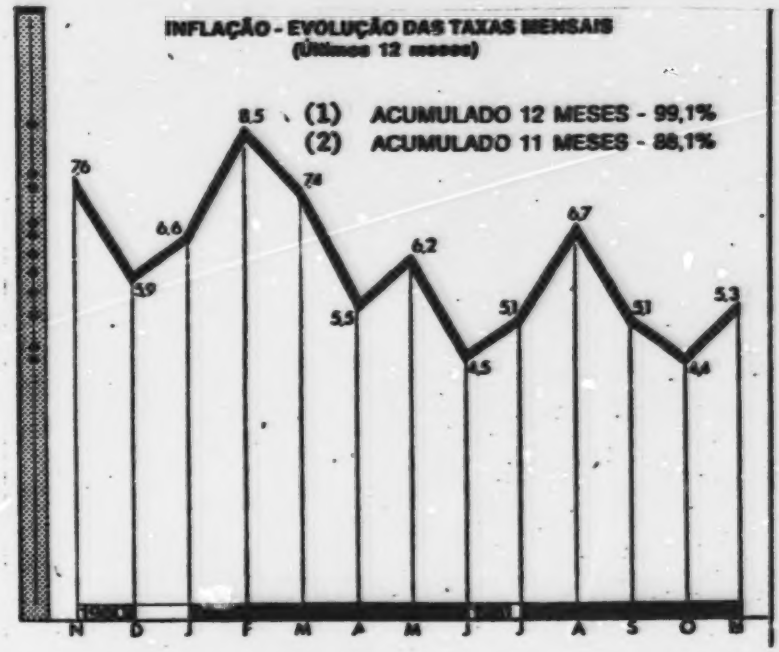
But the price increases that had the greatest influence on the index were those of "yellow" rice, responsible for 3.27 percent of the increase in the cost of living, onions (2.83 percent), "needle" rice (2.21 percent), corned beef (1.93 percent), refined sugar (1.8 percent), eggs (1.8 percent), dressed chicken (1.58 percent) and sandwiches (1.49 percent).

The Wholesale Price Index rose 5.9 percent in November--87.8 percent for the year so far and 97.4 percent for the latest 12 months--also a greater increase than that of October. The rise is explained by the increase of 5.5 percent in wholesale food prices, 5.9 percent in raw materials and 3.3 percent in building materials.

The products whose wholesale prices rose most were onions (72.7 percent), automatically-fed flat machines (37.1 percent), Brazil nuts (33.2 percent), sweet potatoes (32.1 percent), special steel bars more than 80 mm (29.7 percent), seamless steel

tubes (28.7 percent), lemons (22.9 percent) and women's stockings (20.6 percent). But the increases that had the greatest influence on the index were those for corn (13.66 percent), crude oil (7.68 percent), processed rice (4.8 percent), onions (4.01 percent), gasoline (3.77 percent), cotton cloth (3.5 percent), cloth of artificial fibers (3.35 percent) and cigarettes (2.58 percent).

The Construction Cost Index in the city of Rio de Janeiro showed a 3.3 percent increase in November--80.5 percent so far this year and 89.5 percent in the last 12 months--including, according to the FGV, a 2.7 percent increase in labor cost and a 3.8 percent increase in building materials, also rates higher than those of October.



Inflation: Change in Monthly Rates (Last 12 Months)

Key:

1. Cumulative Inflation for 12 Months: 99.1 percent
2. Cumulative Inflation for 11 Months: 88.1 percent

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LIBERALIZATION PROCESS ANALYZED

PY092219 Rio de Janeiro JORNAL DO BRASIL in Portuguese 1 Dec 81 p 2

["Castello's Column" by Carlos Castello Branco: "The Keys to Political Opening"]

[Excerpt] According to theoreticians, the key to liberalization is to keep initiatives and the process under control by the dominant group, control measures can be reduced but overall control must not be lost because, otherwise, liberalization will precipitate the transfer of the government along with the premature liquidation of the dominant system. The group in the government must make concessions, liberalize gradually, but never give the impression that it is giving in to external pressures nor that it is acquiescing to hardline internal pressures.

Liberalization is not yet democratization, but a road that may or may not lead to democratization. Liberalization is intended to create stable institutions through which government succession can occur without risking a retreat to past situations declared unsatisfactory, such as the situation prior to 1964 in Brazil. President Geisel conducted the liberalization process through pressures and counterpressures, but general Figueiredo made the objective explicit which was only implicit in the policy of his predecessor: installing a democratic regime in Brazil.

Although the objective has been made explicit, the process continues to be just a process of liberalization. It is not a democratization process yet. Some similarities can be pointed out to show the identity between the behavior of the two governments that have promoted liberalization. President Geisel held free elections in 1974, but he had to intervene in the process both in 1976 and 1978 to avert loss of control by the government. He appointed senators who became known as "bionic" senators and altered the composition of the electoral college, in addition to eliminating freedom of campaigning over radio and television. These measures came to be known as the "April package." But, on the other hand, Geisel also stood up to pressures from the hardline. In Sao Paulo the first corpse (Herzog) which was exhibited in defiance by the repressive apparatus only provoked a warning visit by the president. The second corpse (Fiel) prompted General Geisel to dismiss the commander of the second army. In the same line of action, Geisel cashiered his army minister.

The Geisel government did away with the institutional acts and abolished the two-party system to break up the opposition and improve the chances of the progovernment party. President Figueiredo took a step forward by granting anmesty and consolidating the practice of freedom of the press. But repeated warnings by the hardline which exploded a series of bombs around the country--the last one at the Riocentro--halted the impetus of the president's liberal manifestations. The government ranks lost some substance with the resignation of Gen Golbery do Couto e Silva who became a dissenter. The apparent acquiescence of President Figueiredo in the hardline brought about a compromise that is obvious by now: as of yesterday, seven months have gone by without a bomb explosion.

Extreme reactions, which imply a backtracking but no cancellation of the liberalization plan, occur every time the government finds itself under uncontrollable pressure from the opposition. In April 1977, congress turned down bills submitted by President Geisel and it became obvious that, with the two-third quorum requirement, the government had to negotiate every item of the constitutional reform it wanted to implement. The "April package" took care of the situation. It made electoral conditions more difficult and reduced to zero the possibility of interference by the Brazilian Democratic Movement [MDB] in the management of the liberalization process. In 1981, President Figueiredo lost control in congress which did not pass the bill he submitted on "intraparty subgroups" [sublegendas] for gubernatorial elections and imposed conditions for the approval of other measures he proposed. The reaction was a "new package" which revitalized the principle of party loyalty [by banning discussion on bills to PDS congressmen] and the constitutional time-limit mechanism for approving bills without congressional vote [decurso de Prazo).

The dismay the new package created was great, but not as much as that created by the shock treatment of the "April package." The opposition has not yet defined its attitude toward this new package. The merging of parties is an unviable proposal. Defeating the package, a hypothesis that cannot be discarded, involves the greater risk of provoking a more brusque reaction by the system. Negotiating a softening would be a more logical approach but this will only be possible as weeks pass by and to the extent that new spokesmen with the capacity to resume talks emerged. For the opposition and for the country, the important and essential point is to go to elections, to hold the elections, and to make possible the pronouncement of the electorate through the ballots. This pronouncement might not have all the effectiveness the opposition hopes for, but it will be a new element capable of changing the picture.

CSO: 3001/47

PCB PUBLISHES BOOK OF DOCUMENTS; PARTY SPLIT IN SAO PAULO

Public Introduction of Book

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 29 Nov 81 p 2

[Text] In Sao Paulo Tuesday evening the Brazilian Communist Party [PCB] will introduce a book containing all party documents published between 1974 and 1981. According to the invitation distributed by the Commission for Legalization of the PCB, the event will be attended by Paulo Egydio Martins, former governor of the state; Guacu Piteri, mayor of Osasco; Mario Covas, regional PMDB [Brazilian Democratic Mobilization Party] president; Ivete Vargas, PTB [Brazilian Labor Party] president; Marcos Aurelio Ribeiro, PT [Workers Party] leader in the Assembly; and Giocondo Dias, secretary general of the Brazilian Communist Party.

The book, published by Editora Ciencias Humanas, is called called "The PCB in Sao Paulo: Documents (1974-1981)" and, according to the invitation, "is a collection of documents by Sao Paulo communists referring to the period when democratic resistance advanced and the process of political liberalization was begun in Brazil." Moreover, according to the same message, the book "presents significant material for analyzing the decade of the 70's in our country, represents a source of information about the PCB's recent history and is an important step for legalizing it, the oldest political party in Brazil."

The special guests at the affair will participate in a panel discussion with the subject "Liberalization and the Sao Paulo Communists," beginning at 1900 hours on 2 December in the auditorium of the Professional Journalists Union of the State of Sao Paulo, at 530 Rego Freitas Street.

Chapters

The publication is organized and introduced by Marco Aurelio Nogueira, David Capistrano Filho and Claudio Guedes and is divided into six chapters: "Before the Declines of 1975," "Reorganization of the PCB in Sao Paulo, First Steps," "Sao Paulo Communists and the Working-Class and Labor Movement," "Sao Paulo Communists, University and Education," "Struggle for PCB Unity" and "The 1981 State Conference."

Dissidents Expelled

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 4 Dec 81 p 2

[Text] Another crisis has struck the Brazilian Communist Party in Sao Paulo, leading to expulsion of several members and an exchange of accusations between the two factions that have been formed. This split is reported in a recent document of the PCB itself titled "Communique No. 2," distributed to Sao Paulo communists.

Signed by the party's state committee, the document replies to criticism by the dissident wing at the same time it accuses members of this faction of not following the party line on various occasions. The dissident communists, the communique charges, voted against admitting Janio Quadros to PMDB membership at a meeting of that opposition party's district directors, refused to support the candidacy of Joaquim dos Santos Andrade in the Sao Paulo Metalworkers Union election and published a document opposing official PCB support for Senator Franco Montoro's candidacy for governor of Sao Paulo.

After calling upon "all party organizations of the State to be alert for a new factionalist plot that is being planned involving a certain number of comrades and some organizations," the document concludes asserting that the state committee will continue "assuring internal democracy, as it has been doing, correctly applying democratic centralism and statutory principles."

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PRESENCE IN ANTARCTIC DEFENDED; NAVY SEEKS ANOTHER SHIP

Bases for Claims

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 4 Dec 81 p 12

[Text] Rio de Janeiro--"Brazil's presence in Antarctica and the southern seas cannot be postponed." The statement was made yesterday at the Brazilian Agriculture Society in Rio de Janeiro by Col Elber de Mello Henriques during a speech attended by representatives of the armed forces and politicians of the PDS [Social Democratic Party], and supports the scientific expedition that Brazil will send to the Antarctic in 1982.

According to Colonel Mello Henriques, "Brazil only knows about the Antarctic what was told us and it has become more necessary than ever to have our own experience." China, FRG, Australia and Argentina are already advanced in their preparation for exploring the Antarctic, he reported.

"The Chinese Government will establish as soon as possible a permanent research station in the Antarctic; West Germany has just approved a budget of 385 million marks for scientific research and development of krill (crustacean species); Australia approved a budget of 20 million pounds sterling for reequipping its stations; and Argentina finished studies for building an airport for transpolar flight, which will operate throughout the year. All this is very significant," he emphasized.

According to Colonel Mello Henriques, the progress of mankind, the constantly denser population of the Southern Hemisphere and a demand for food that covers all oceans are the causes of the attention now being given the Antarctic, as well as territorial claims founded on the principles of discovery, geographic proximity, security, frontage, economic use, scientific activity and permanent occupation. "Brazil meets some of these principles and will meet others in the near future," he said in his speech.

For the principle of discovery, he cited the letter of Amerigo Vespucci to Dom Manoel revealing that he had arrived at the South Pole--"Under the terms of our independence, the Portuguese government declared us the heirs to its rights in the Western Hemisphere, so we may invoke the right of discovery." The statement that Brazil is the largest and most populous country of the Southern Hemisphere with the longest coastline facing the Antarctic Ocean justifies the principle of

geographic proximity; vital interest in South Atlantic shipping, contiguous to the Antarctic, justifies the principle of security; the southern islands of Martin Vas and Barra do Arroio Chui justify the principle of frontage which says that all the areas round about would belong to the countries whose lands face them.

In regard to the principle of economic use, Colonel Mello Henriques cites the Portuguese as the first to explore the waters of the Antarctic. In reference to permanent occupation, he says: "No nation permanently occupies the Antarctic."

Navy Seeking Suitable Ship

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 2 Dec 81 p 11

[Text] Brasilia--Navy Minister Adm Maximiano da Fonseca said yesterday he had not yet received any official communication from Great Britain about its withdrawing its offer to sell the ship "Endurance" which Brazil intended to buy to carry scientists to Antarctica. The navy minister reported that regardless of this the Navy is continuing to seek another ship and is now awaiting a reply to inquiries that have been made to the FRG and Poland, which have expressed an interest in selling vessels of this type to Brazil.

The navy minister attributed the British Government's withdrawal from selling the "Endurance" to the fact that Great Britain needs a vessel with its characteristics to provide support for its bases in the Antarctic and to the population of the Falkland Islands.

In the initial proposal to sell the ship, Great Britain offered it for $2.8 million (about 336 million cruzeiros) which the navy minister considered "a good price." He pointed out that West Germany is building a vessel, also to carry a scientific expedition to Antarctica, which will cost $90 million. The United States, he also reported, has a ship and is offering it to Brazil but the navy minister said the vessel must be thoroughly overhauled to be used in a mission to the Antarctic. Poland also has expressed an interest in selling a ship to Brazil but has not yet made a specific offer.

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CSO: 3001/44

BRIEFS

TRADE BALANCE SURPLUS--Finance Minister Ernane Galveas has reported in Brasilia that the Brazilian trade balance had a $375 million surplus in November, which brings the accrued positive balance thus far this year to $988 million. While exports amounted to $2,125,000,000, imports to $1,750,000,000 in November. [Sao Paulo Radio Bandeirantes Network in Portuguese 1000 GMT 10 Dec 81 PY]

CSO: 3001/47

COMMUNIST PARTY LEADER SCORES JUNTA'S ECONOMIC POLICY

LD042220 Budapest MTI in English 1042 GMT 4 Dec 81

[Text] Budapest, 4 Dec (MTI)--"The socio-economic crisis afflicting Chile indicates the failure of the junta's economic policy," said Manual Cantero, member of the Chilean Communist Party Political Committee, who had paid a visit to Hungary at the invitation of the Hungarian Socialist Workers' Party Central Committee and had been interviewed by an MTI correspondent.

Manuel Cantero recalled that class struggle revived in Chile in the recent past and big strikes were held in copper mines, harbours and in the light industry. "A new feature of the strikes is that people take the field not only for peace but they also reject the junta's policy too."

"A unity of action has been established by workers belonging to various parties in their workplaces while party leaders continue debates, and it has an essential influence on the fight of the Chilean opposition. The Communist Party called Chilean masses on an overall uprise in September 1980, and declared that the people had a right to use force, if necessary. Some of the parties of the former popular unity do not agree with this conception, they have doubts about the necessity of armed fight, but more and more parties agreed to the Communist Party's assessment."

"The bourgeois opposition fears radical changes, deems step by step policy advisable and hopes that it could coax changes out of the junta at the elections. It is the stand of the Chilean Christian Democratic Party, too. The Communist Party holds that, despite existing differences, the dialogue with the Christian Democratic Party should be continued and the unity established at workplaces should be realized in the parties' leaderships sooner or later.

"The policy pursued by the present U.S. administration may also contribute to establish unity. President Reagan openly took up the cause of the Pinochet junta, and stripped off the illusions of bourgeois parties condemning the fascist methods of the junta and hoping that Washington would force the junta to reinstitute certain democratic rights in Chile," said Manuel Cantero.

CSO: 3020/35

BRIEFS

AMBASSADOR TO SAUDI ARABIA--At a ceremony held in Riyadh, Chilean concurrent Ambassador Vasco Undurraga has presented his credentials to King Khalid. Undurraga, who is the Chilean ambassador to the FRG, delivered a personal letter from President Pinochet to King Khalid. [Santiago Chile Domestic Service in Spanish 1630 GMT 3 Dec 81]

INVESTMENTS IN COPPER SECTOR--The Chilean Government has authorized two U.S. consortiums made up of Utah International, a subsidiary of the General Electric Company, and Getty Mining, a subsidiary of Getty Oil Company, to invest $1.5 billion to exploit the La Escondida copper deposit located at 180 km southeast of the Antofagasta Port, about 1,300 km north of Santiago. Technical reports estimate that copper reserves total 200 million tons. The Foreign Investments Institute established that Utah-Getty has a 12-year deadline to invest the capital. [Paris AFP in Spanish 1403 GMT 10 Nov 81]

NEW NAVAL GARRISON COMMANDER--Rear Adm John Howard Balaresque has assumed the duties of commander of the Santiago Naval garrison, replacing Rear Adm Sergio Sanchez Lima who has been appointed Chilean Naval attache in Washington. [PY021249 Santiago Chile Domestic Service in Spanish 1630 GMT 1 Dec 81]

EXTREMIST KILLED IN NELTUME--Neltume, Chile, 28 Nov (LATIN-REUTER)--It has been officially reported that today one extremist was killed and another was detained during a clash with security personnel in this wooded region of the country, 890 km southeast of Santiago. A communique reported that the clash took place at 0530 (0830 GMT) when an armed group opened fire against a security patrol. The dead extremist was identified as Juan Angel Ojeda Aguayo, who was pardoned in March 1978 with the purpose of letting him travel to the Netherlands after serving a sentence imposed on him because of his participation in an attack against a police station. According to police sources, at the beginning of October the same armed group clashed with another security patrol; four extremists were killed during this incident. The communique also stated that the arrested extremist is Isaias Aguayo Marquez, and that his background is being carefully investigated. [Text] [PY022222 Buenos Aires LATIN in Spanish 1181 GMT 29 Nov 81]

NEW GREEK AMBASSADOR APPROVED--The Chilean Government has approved the appointment of Dhimitrios Manolatos as the new Greek ambassador to Chile: Manolatos has his headquarters in Buenos Aires. [PY072322 Santiago Chile Diplomatic Information Service in Spanish 2349 GMT 23 Nov 81]

COPPER PRODUCTION--It was reported today that in the first quarter of this year Chile became the second largest copper producing country in the Western world after the United States. According to a government report, Chilean copper mines yielded 506,300 metric tons of fine copper of the total 3,088,500 tons that were extracted during that period. [PY072322 Paris AFP in Spanish 1526 GMT 27 Nov 81]

BUDGET FIGURES--The government newspaper LA NACION reported today that the national budget for next year will total $9,347,000,000 and that it will be completely financed by normal income. This budget is higher than the 1981 budget by 8 percent. The newspaper adds that the Chilean foreign debt is about $16 billion, which means that its servicing will absorb $830,359,000, that is, nearly 10 percent of next year's budget. [PY072322 Paris AFP in Spanish 1515 GMT 2 Dec 81]

COPPER SALES--Santiago, Chile, 4 Dec (AFP)--The Chilean Copper Commission has reported that copper sales during the last 12 months are $400 million less than the same period last year. Copper sales from January to October 1980 reached $2.03 billion as compared to $1.63 billion in the same period this year. [PY072322 Paris AFP in Spanish 1356 GMT 4 Dec 81]

CSO: 3010/473

CFP FACES DIFFICULTIES FOLLOWING BUCARAM DEATH

Quito EL COMERCIO in Spanish 14 Nov 81 p A 2

[Article by Miguel Rivadeneira]

[Text] There can be no doubt that the reunification of the CFP [Concentration of Popular Forces] party following the sudden death of its top leader, Assad Bucaram, will be very difficult and perhaps, as things look now, practically impossible.

The split produced by the break between Bucaram and Jaime Roldos Aguilera on the heels of the latter's election as president of the Republic on 29 April 1979 was definite and irremediable.

It was definite and irremediable--despite the fact that in politics everything has not yet been written and anything can happen--because that split gave birth to a new political party, now legally recognized by the Electoral Supreme Tribunal and known as People, Change and Democracy [PCD], whose founder was the late President Jaime Roldos.

A bloc of Roldos-ist legislators also took shape--and still exists--made up of 12 representatives, of which only four are members of the CPD, while others continue being members of the CFP, since they have neither tendered their resignation nor been expelled.

Still a third group emerged, made up of former CFP members--known as independents--who presently find themselves scattered despite the leadership initially provided by one of the CFP's theorists, Marco Proano, who even went so far as to publish a the book "Yo CFP [I,CFP]."

These circumstances determined the forming of three distinct groups within the National Chamber of Representatives: the Bucaram-ist members of the CFP, the Roldos-ists--among whom there are four members of the PCD--and the independents.

The reunification of the CFP will be difficult because there is now a new party on the scene that inhibits its accomplishment.

Besides, the first statements following the death of the CFP leader, Assad Bucaram, convey a gloomy outlook as regards any possibility of a reunification of the CFP.

But why? Simply because the CFP will remain the same, with its present structures--according to some of its militants--which does not change the outlook, with Bucaram or without him.

Julio Ayala, one of the indefatigable followers of Bucaram, warned that a reunification will be difficult, because "We will not allow those who stabbed us in the back to return to the CFP as if nothing whatever had happened."

However, he left open the possibility of returning for some former CFP members who might have left the party through a misunderstanding or because of some personal set of circumstances.

Marco Proano, who initially announced that he was going into exile and would later rejoin the party, maintains that unless the current party structures are changed, reunification will be impossible.

Ayala, for his part, stated that the CFP will maintain its present structure and aims to continue being the strong party it has been and still is.

Nelson Felix Navarrete, former member of the CFP and now a member of the PCD, expressed pessimism as regards the possible reunification and stated that the death of Bucaram will not reunite the former militants of the CFP.

Of course, these preliminary predictions--purely personal expressions of views, as they were--can hardly be expected to be fulfilled, and one must await the decision first by the National Executive Committee of the CFP, and then see who is actually elected as supreme head of the party, if such is to be the proceeding.

Marco Proano said that it is fundamental to the destiny of a party, in a situation such as that now confronting the CFP, to reiterate the conviction that the new Ecuadorean policy must be based upon a strengthening of all political parties.

"For this reason," he said, "I hope the CFP, as a historical political party in our country, will be capable of overcoming the present difficult situation."

"Consequently," he added, "everything that contributes to the strengthening of this or any other political party should be backed by the entire country, since in defending the organization of political parties we defend democracy."

Regarding the future of the CFP, he said the only thing he could assert is that in the hands of the CFP lies his own destiny. "But," he emphasized, "in my opinion, the essential thing in the CFP--as in any other party--is not the vitality of its members but rather the effectiveness of its policy structures and its principles. Hence, a new man at its head will avail the CFP little or nothing if there is no change in its policy structures made up of supreme heads and matador-like dogmaticians."

He recalled that "A nationwide current of public opinion backed our initiative for a process of democratization within the CFP, which will require the institution of a profound reform of its statutes, without which any thought of a reunification is but Utopian."

Julio Ayala stated that the future of any political party, like that of any other institution, depends upon the activism deployed by those who comprise it; if this activism centers upon specific objectives and adheres to appropriate strategies, then its future will be one of self-respect, honor and dignity.

"However," he added, "if this policy is not followed, logically the institution will fall under its own weight, the weight of its errors. We, the members of the CFP, in the wake of the lamentable death of Assad Bucaram, aspire to maintaining the structure of the party, to maintaining its activism, to promoting the party's growth."

He affirmed that the CFP has been a party that has never backed down from a struggle. "I think," he said, "very few parties in our country can claim the honor and pride this brings."

He disclosed that the necessary mechanisms are being sought and the appropriate steps being taken to ensure the maintaining of the party's position, its history and its struggle.

With regard to a possible reunification of the CFP, he indicated that, in his opinion, this will be a very difficult thing to bring about, but that this is simply his personal opinion, since the party has not met yet to decide on this issue.

"We think," he explained, "that those who formed separate groups might be able to return to the CFP as groups." He said that if any person can show that he or she had to leave the party because of a misunderstanding or because of some personal set of circumstances, "We should analyze those circumstances and reconsider within the party."

"But," he added, "under no circumstances should we accept that those who stabbed us in the back, that those who betrayed the party's ideals, that those who did so much damage to the CFP, should now return to the party as if nothing whatever had happened.

"That," he said, "would be a betrayal of Bucaram's ideals, and of our policy of political struggle, and it would set a bizarre precedent in this country, since that betrayal would be being covered up under a mantle of forgive-and-forgetfulness."

Lastly, he affirmed that the CFP would have to keep itself purged, cleansed and proper, so that the Ecuadorean people as a whole "will believe in us." "It would be wrong of us to accept that unpredictable swallows of the past return to again do us damage with their presence in the CFP," he concluded.

Nelson Felix Navarrete pointed out that this situation is quite conflictual "because we human beings stand by our ideals and take shelter under our respective political banners."

"In this case," he added, "I, as a member and militant of that party, will adhere to the discipline and postulates of that party."

In contradiction with the vice president of the National Chamber of Representatives, who is also a former member of the CPF and now a militant of the PCD, Felix Navarrete affirmed that he could not say that the death of Assad Bucaram "could unify those of us who were formerly militants of the CFP."

Previously, Yanchapaxi had said that, following the death of Bucaram, there is now no obstacle to prevent those of us working associates who reached the Chamber via List 4, and who are today divided, from reuniting our views and working together."

Felix Navarrete said he does not believe Bucaram was an obstacle that caused the split within the CFP. "I believe," he stressed, "that we shall have to proceed along parallel lines within the political arena, as different parties having formed our respective groupings, and in this case, the CFP and the PCD each along its own line."

"In my opinion," said Navarrete, "to reunify the CFP will be very difficult, for the reasons cited. Of course, this is only a personal viewpoint."

Lastly, he affirmed that in his opinion the CFP will not disappear in the wake of Bucaram's sudden death, and that on the contrary it will continue its forward course in our national life.

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POLITICAL PARTY SYSTEM NOT YET REALITY

Quito EL COMERCIO in Spanish 16 Nov 81 p A 3

[Article by Fernando Proano]

[Text] It is a little sudden and even premature to say that in Ecuador we now have a political party system as laid down in Section 6 of the Constitution. In the view of observers, what we have is a corporative system.

The long period of de facto government the country was compelled to undergo has weakened even more the structures of the political parties, which because of this are having to deal with a process of fragmentation, characterized by personalisms. All of this is hindering their strengthening process and the shaping of a governmental system based on bipartism, with two clearly defined, but strong, parties.

As political observers see it, the country, after a long period of dictatorship, is now going through a transition period between de facto government and a government based on a juridical system.

It must be noted that the Constitution clearly specifies a system of political parties and that the Law on Political Parties is aimed at strengthening them, to which effect the state lends its support and requires that only those political parties recognized by law may present their candidates for a popular election. It requires that anyone intervening as a candidate in any popular election, besides meeting all the other requisites laid down by the Constitution, be associated with a political party.

But despite this backing by the state and despite the juridical norms set forth in the Constitution as well as in the Law on Political Parties, it cannot be said that the governmental system of the Ecuadorean state is a party system.

The minister of government, Galo Garcia, at the conclusion of one of the latest dialogues held with the ID [Democratic Left], spoke of the country as having a political party system of government and said that as a result of this phase the government is now talking and will continue talking with the leaders of these political groupings, forgetting, however, that social forces are also part of the political scene.

The most recent acts of agitation that have taken place in the country have disproved the statements by the minister of political affairs and have compelled the government to realign its policy and to recognize other social forces that comprise the body politic.

The government ended its dialogue with the political parties and found itself having to dialogue with the corporate bodies like the FUT [Single Workers Front] and the teaching profession.

The protests realized by these social forces or the demands put forth by them were not advanced through any political grouping as they should be in a political party system.

This fact reveals clearly that no link exists in this country between its political parties and its social forces. And these social forces, as sociologist Patricio Moncayo says, express themselves through corporativism.

On this theme, this newspaper interviewed two experts on Ecuadorean political parties: Dr Juan Cueva, former undersecretary of government, and lawyer Patricio Moncayo.

Both concur in the view that the [illegible] does not have an operative political party system and that the social fo[illegible] express themselves through their respective organizations--that a constitutional provision proclaims the existence of a party system but that, as Cueva says, "A constitutional proclamation merely states a reality to be, not an actual reality."

"In Ecuador," said Patricio Moncayo, "I would say we are going through a transition phase."

Moncayo, a university professor and author of several books on political parties, recognizes the existence of a Law on Political Parties and that the law is being complied with.

He says that a Law on Elections also exists and that it too is being complied with, but that, for a political party system truly to exist in a given country, the country's political parties must establish links with its operative social forces.

"If the social forces do not express themselves through the political parties, which must also make room for populism, the country does not operate under a party system," said Moncayo.

"What is occurring," he added, "is that production and trade organizations, for example, frequently prefer to express themselves through their own trade associations on political issues rather than through the existing political parties."

He added that the same is true with regard to the labor organizations, in that they are not expressing themselves through existing political parties, but rather

through their own unions; the same is true of the teaching profession, which expresses itself through the National Union of Educators, and of the students, who express themselves through the FEUE [Federation of Ecuadorean University Students].

Moncayo argued that "Together with populism on the political scene there exists also this phenomenon we could call corporativism, meaning that system in which the social forces express themselves through their corporative organizations, through their trade unions and associations.." He said that in this situation the political parties must concern themselves with achieving social representativeness in order to attain real existence from the sociological standpoint, since otherwise the political parties will have merely a legal existence, merely a constitutional existence. What is important, he said is that the political party must take firm root within the social groups whose interests it intends to represent.

Juan Cueva Jaramillo, for his part, said: "In accordance with our Constitution, Ecuador has a Law on Political Parties, and our Constitution says we have a party system; but not everything the Constitution says is true. The constitution says, for example that all we Ecuadoreans are equal. I ask myself, 'Are we truly equal?'."

"But we see clearly," he said, "how in the Ecuadorean sociopolitical reality the interested groups make themselves heard not through political parties but rather through other kinds of organizations."

He pointed out that the outcries in Quito are taking place through student and labor movements; when the economically strong groups of the Right want to make themselves heard, they do not go through the political parties but rather through their own organizations such as the production associations, the bulding trade associations, and so forth.

"The conclusion to be drawn from this," he stressed, "is that the constitutional ideal that our system be one of political parties is but a constitutional declaration, that is, a reality to be, but not an existing reality, since it is actually not a party system."

Cueva pointed out that the country has political parties and that these parties are duly constituted; that they even have state backing and receive a subvention from the Supreme Electoral Tribunal. "This is all to the good," he stressed, "because this strengthens the parties and they do not have to resort to other types of financing; this is very important from the democratic standpoint."

Lastly, Cueva said, "The sociological reality, the vital reality, Ecuador's day-to-day reality permit me to state frankly that our party system is nothing more than a legal-type, a constitutional-type, proclamation."

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MINISTER INVESTIGATES INCREASED TRADE WITH EASTERN EUROPE

Quito EL COMERCIO in Spanish 19 Nov 81 p A 8

[Text] Possibilities exist for increasing trade with the Eastern European countries, said the minister of Industry, Orlando Alcivar, while at the same time disclosing, however, that Yugoslavia, Czechoslovakia, Romania and the GDR [German Democratic Republic] had proposed a balanced exchange, meaning Ecuadorean products for machinery and services from those nations.

With Romania, he said, trade relations have for some time been down to zero, but it is planned to reactivate them next year. This was proposed by the authorities of that socialist nation.

He reported that the GDR is becoming one of the best buyers of our products, starting with bananas and including other products such as tuna and possibly tropical fruit juices. He announced the possibility that the GDR may buy some 75,000 tons annually of bananas over the next 5 years, which compares significantly with the export figures for each of the countries with which Ecuador presently has trade relations of this kind.

On the other hand, Alcivar Santos said that the ugoslav market for our products has been shrinking during the past 2 years, our exports of bananas to that country having dropped from 110,000 tons in 1979, to 55,000 tons in 1980, and to less than 30,000 tons so far this year.

The minister disclosed that according to information conveyed to him by the vice president of that country its 1982 import budget totals $18 million, of which 27 percent is to be from developing countries. In 1981, this percentage was barely 16 percent.

According to the secretary of state, our banana sales to that country will total 4-5,000 tons by the end of this year.

With Czechoslovakia, our trade deficit has been growing, but Alcivar said we are looking forward to transforming that deficit into a surplus.

As the minister explained, the proposal made by those countries seeks to establish an equal balance, that is, an exchange of products for machinery and services. They are interested, he said, in building infrastructural works in Ecuador.

This proposed trade and technical exchange has as its object the safeguarding of their hard currencies at a time during their current economic difficulties, he explained, adding that Ecuador should accept a balanced trade agreement because otherwise it will be difficult to sell our products.

At the same time, he emphasized that the government has laid down a policy of aggressiveness and flexibility in the effort to find more and new markets for our export goods. He pointed out that this step is being taken at a time when importing countries have adopted a policy of selective imports and when new competitors are emerging to vie for the export markets.

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AGENCY ADVOCATES CUTTING IMPORTS, RAISING INTEREST RATES

Quito EL COMERCIO in Spanish 19 Nov 81 p A 6

[Text] An effective ban on imports of luxury goods, a stimulus to export activity, and a revision of the rate interest structure are measures being recommended mended by the CEDATOS [Studies and Statistics Center] to avoid a currency devaluation.

According to this body, the drop in liquidity of the system poses the danger of a devaluation. The CEDATOS information bulletin reveals that between January and August of this year our liquidity dropped from a coefficient of 0.90 to 0.79, that is, by 11 points. This was owing essentially to the drop in our monetary reserve account to the level of 14,063 million sucres, the lowest it has been in recent years, that is, by 14.5 percent, over the same period.

The bulletin mentions that during the same months Banco Central credit rose by 22.5 percent, but this did not prevent the decrease in liquidity arising from a decrease in export revenues and the outflow of capital abroad.

CEDATOS affirms that two alternatives are available to combat the decrease in international reserves and specifically the decrease in exports: Measures that would result in receipt of more sucres by those involved in the export process, without modifying the exchange rate; or modification of the exchange rate to produce more sucres per dollar (revaluation).

CEDATOS is opposed to a devaluation and says that to eliminate this option various steps can be taken, such as an effective ban on the importing of unproductive items, luxury items and items that the country produces or is capable of producing.

It also suggests incentives to diversification of exports and the implementation of a technical and practical campaign to broaden the foreign markets for Ecuadorean products.

It points out, moreover, that investment in Ecuador is not attractive, not even for the residents of the country. Current interest rates, at 12 percent, cannot retain or attract capital that in the international financial markets can produce between 18 and 22 percent, it says.

It goes on to point out that during the 1950's and 1960's inflation reached averaged indexes of 2.2 and 3.8 percent and that during those years bank interest for periods of less than 1 year was 10 percent, whereas today, the inflation rate is over 15 percent and interest rates remain at 12 percent.

Besides, it affirms, the variety and range of legal interest rates is too broad. According to the CEDATOS, there are 19 different rates ranging from 3 percent to 14 percent, aside from commissions, rediscount rates, external loans, unearned interest collections and clearing settlements.

Concomitantly with a revision of the interest rate structure, the CEDATOS recommends enlarging the base of open market operations.

It also points out the need for the domestic component of the monetary base--domestic credit--to fulfill an eminently productive role supportive of agricultural, industrial and agroindustrial development, construction, handicrafts, fishing, etc. It further calls for increasing the volume of long-term credits and seeking ways to get the private sector, which absorbs around 25 percent of foreign credits, to channel these resources toward productive ends.

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LINKS SET BETWEEN QUITO, GUAYAQUIL STOCK EXCHANGES

Quito EL COMERCIO in Spanish 12 Nov 81 p A 7

[Text] Guayaquil--The managements of the Quito and Guayaquil stock exchanges have signed an agreement providing for the use of a "teleprocessing telephone circuit" link between the two exchanges to form a nationwide securities market.

The users of these two institutions will thus have better and more up-to-date information than is presently available throughout the country on purchases and sales of securities. The "teleprocessing telephone circuit" link will enable attendants at trading sessions at Quito and Guayaquil to hear everything that is going on at them. Thus, the Quito exchange brokers can listen in on offers and bids as they are being made by the Guayaquil brokers, and these, vice versa, will be fully aware of what is going on at the Quito session, making possible a kind of nationwide trading session, since the Quito broker can then offer and bid the securities his clients have commissioned him to sell or buy on either the Quito or the Guayaquil exchange, and the Guayaquil broker can do likewise, thus creating competition among brokers throughout the country for the best possible prices for securities on this nationwide securities market.

In attendance at the signing of this agreement were economist Modesto Correa San Andres, general manager of the National Finance Corporation and chairman of the Guayaquil Stock Exchange; engineer Jorge Abad, manager of the National Finance Corporation in Guayaquil; and Reinaldo Guerrero, director of the Guayaquil Stock Exchange.

The managements concerned said they are committed to unifying their regulations and that they are now in the process of codifying them to facilitate subsequently comparing them and eventually establishing similar regulations for the two exchanges.

They also stated they are preparing a regulation to be submitted to their boards of directors enabling any security listed on one of the exchanges to be automatically listed on the other as well, and to be traded on a nationwide level.

They indicated that for these talks to continue it is an indispensable requisite that each of the two exchanges maintain its own administrative and financial autonomy, since they are two different corporative bodies.

Lastly, they stated that the implementation of these ideas will enable businessmen, investors and the state to better obtain and invest their resources in such a way as to facilitate economic and social development within our country.

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RESTRUCTURING OF ELECTIONS COUNCIL APPROVED BY JUNTA

San Salvador EL MUNDO in Spanish 5 Nov 81 p 3

[Article by Jorge Armando Contreras]

[Excerpts] "I am not neutral; I am independent." This statement was made by Dr Jorge Bustamante, president of the Central Elections Council [CCE], who was somewhat annoyed by an adjective which had been applied to him by a PCN [National Conciliation Party] speaker during the interparty political conference being held in the Legislative Palace during which a recommendation to the government junta was approved last night to the effect that the CCE should be restructured.

Early in the evening, the conference approved another motion in which the following parties were united: PCN, PPS [Salvadoran Popular Party], POP [Popular Orientation Party] and ARENA [Nationalist Republican Alliance]. The resolution approved a PPS request to the effect that the Council should be restructured by placing a representative of every party on it.

This request prompted heated discussions. The first speech was made by Julio Adolfo Rey Prendes who pointed out the difficulties or problems which such a measure would create: "In the first place, it is unconstitutional, as the Constitution states that there are to be three members and gives the procedures for electing them."

Rey Prendes went on to say that at present there are six parties, which would require six members and six alternates. "If other parties appear tomorrow, we would have to make additional changes and add more members, approve new budgets, etc." Finally, he said that with so many members the CCE, with full powers, would at every moment be requesting the dismissal of officials whenever in its opinion they attacked the election process.

Dr Enrique Eduardo Campos, of the PPS, verbally reinforced his motion to restructure the CCE by saying, "That business of the Constitution is something the Christian Democrats are now bringing up; however, when it suits their purpose they fail to respect it, in order to strip citizens of their lands and commit other violations." Dr Juan Dono Altamirano, of the POP, said, "Here we have no political constitution; it is not respected and is violated at every turn."

Other debates took place in connection with discussion of a vote of confidence for the Central Elections Council, at the suggestion of the PDC. The PCN, PPS and POP

parties and others being formed, ARENA and AD [Democratic Action], gave their support to Dr Jorge Bustamante, saying that he was a man of integrity and confidence and that they had no objection whatever to his continuing to head the CCE.

Initially, this position was shared by the delegates of the other parties; however, in the end the ARENA delegate, Maj Roberto D'Aubuisson, said that it seemed just to him to recognize all members of the CCE but that "afterward the Christian Democrats would say that everything is approved by them." "Because of this," he added, "I will abstain from voting." Rey Prendes reacted to this and said that he was withdrawing the PDC motion; however, the president, Dr Bustamente, submitted it to a vote which produced five abstentions, indicating that the five parties are not giving their vote of confidence to any member.

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POLITICAL FORUM REJECTS AD'S MOTION TO REORGANIZE JUNTA

San Salvador EL MUNDO in Spanish 6 Nov Nov 81 p 3

[Text] A motion by a party in formation, Democratic Action [AD], with respect to the restructuring of the government junta, "to cause the Christian Democratic majority to disappear and to replace the ministers of labor, education and interior with the presidents of ISTA [Salvadoran Institute of Agrarian Transformation] and FINATA [National Financial Company of Agricultural Lands]," was finally rejected by the Interparty Political Conference.

The Christian Democratic Party, through its delegates, Dr Pablo Mauricio Alvergue, Julio Adolfo Rey Prendes and Julio Alfredo Samayoa, Jr. opposed the motion, saying: "We have come here to discuss socioeconomic conditions and to make some recommendations for handling the election process better; therefore, a request at this time for the restructuring of the junta would weaken the government and make it the toy of our enemies who are trying to destabilize this democratic process." "No one abroad is going to believe that members of the junta, ministers and other officials, out of 'patriotic zeal,' are going to resign. What they are going to think instead is that the crisis here has become more acute, that the government has become chaotic and without salvation," Dr Alvergue said.

Gen Jose Alberto Medrano, on behalf of the POP [Popular Orientation Party], said that his party supported the DC [Christian Democratic Party] because: "If the armed forces have selected them as companions in this process it is because they have confidence in them. Thus we must have confidence in the government which will not engage in election fraud as did past regimes," the general said.

Dr Enrique Eduardo Campos, from the PPS [Salvadoran Popular Party], said that he was not in agreement with General Medrano nor with what was said by the PDC [Christian Democratic Party], as the majority presence of the PDC in the government: "Is the first discouraging sign for a clean election process, since the party in power can use the state machinery in its own favor."

In turn, Dr Nelson Segovia refuted the Christian Democratic Party and said that he was not asking for the destruction of a pact nor for the complete withdrawal of the Christian Democratic Party from power. "You can continue as minister of the presidency, Dr Alvergue; the ministers of planning, foreign affairs, etc. can continue. What the AD is proposing and demanding is that there be a restructuring of the junta and of those ministries which can be used by the government for fraudulent purposes, as the people are now tired of such a farce," Dr Segovia said.

Maj Roberto D'Aubuisson, of ARENA [Nationalist Republican Alliancd], in his first speech, supported the AD motion on the restructuring of the junta and said, "We know that this is somewhat utopian; however, at least let it be established here that we made the effort." In his second speech, he requested that the recommendation for restructuring be made to the armed forces through their commander in chief, Col Jaime Abdul Gutierrez, and to the effect that another military man be included on the junta, as the spirit of the proclamation, at the time of the coup was that there would be three civilians and two military men on the junta. This, too, was not approved.

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SAMAYOA SAYS ARMY RESPONSIBLE FOR COUP, NOT PDC

San Salvador EL MUNDO in Spanish 4 Nov 81 p 2

[Text] "The PDC [Christian Democratic Party] did not effect a coup d'etat. The fact of the matter is that the 14 October 1979 insurrection was the work of military personnel, and what they intended to do was materialized in the Armed Forces Proclamation." These statements were made yesterday by Dr Julio Alfredo Samayoa, Jr., secretary general of the Christian Democratic Party who is attending the Interparty Political Conference being held in the Legislative Palace.

The PDC leader thereby rejected charges that the Christian Democratic Party is coup d'etat oriented. Recalling its coming to power, an event which is now being objected to by several political parties, Samayoa, Jr. said, "Following the 1979 coup, the first junta was installed which presented itself as pluralist, although the ultra-left was not invited into it. Not even the members of the junta itself could agree." "Thus it was that following the resignation of junta," he said, "the armed forces called upon the political parties and other sectors to join a new junta. And within the context of the scenario of violence in which it was living, the PDC consulted its rank and file, accepted the bid and set its conditions. For their part, the armed forces also entered into consultation and agreed to the conditions. Thus a government was formed in which the important decisions are reviewed first by a political-military committee for unanimous approval in the junta rather than by simple majority." "Thus," the PDC secretary general said, "it is to no avail for the Christian democratic Party to have two members on the junta."

Finally, he said, "What is certain is that there will be free elections, as promised."

Dr Pablo Mauricio Alvergue, also from the PDC, said during the conference, "The situation we are in today did not develop from one day to the next." "Social antagonism," he said, "was cultivated purposely by previous regimes. The alienation of the great majorities was encouraged, and the minorities were supported. There was always opposition to change, and cultural penetration was permitted to destroy the individuality of Salvadorans, our own identity, which they attempted to make up for with simple decrees on paternalistic symbols, etc. That is not the way to recover our identity. We have a rough road ahead of us."

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MAJOR D'AUBUISSON CRITICIZES PDC, PARTY REFORMS

San Salvador EL MUNDO in Spanish 2 Nov 81 p 2

[Text] "When we are able to conduct a real review, we will find out whether the nationalization of the banking system and foreign trade have been a success or a failure," said Maj Roberto D'Aubuisson at the dinner which his organization, the Nationalist Republican Alliance (ARENA), held Friday at the El Salvador Sheraton Hotel.

The military officer gave a severe critique of the Christian Democratic Party (PDC) which he accused of wanting to install a misnamed freedom and compared it with the Nationalist Democratic Union (UDN), the Nationalist Revolutionary Movement (MNR) and the Farabundo Marti Front.

Major D'Aubuisson drew attention to the fact that now that the Christian Democrats are in power do they recognize that their old friends and travelling companions are communists."

He recalled that over a year ago the nationalists had got a look at the world threat of international communism and at that time warned the people and friendly countries. He added that for this reason they received an orchestrated attack: "They called us rightists, ultrarightists and coup d'etatists; and the ironical part of it is that we were called coup d'etatists by those who were in a government which was produced by a coup d'etat."

The speaker said that in the history of El Salvador there had never been an economic failure like the present one. He clarified the fact that foreign speakers had been invited to the dinner because if Salvadorans had expressed those economic and defense-against-communism theories they would have been attacked. He was referring to the speech that had been made earlier by U.S. Col Samuel T. Dickens, and Guatemalan economist, Juan Carlos Simmons.

He said that his party has the objective of defending the fatherland against communism, wihh a democratic and representative ideology, allowing power to remain with the people, respecting the individual; in the financial sector, they will promote a free-market economy, will respect and support the armed forces and will maintain freedom of religion.

He refuted the Christian Democratic Party with regard to denying "50 years of the past; i.e., starting from the time when a series of military government was initiated.

He agreed that there had been abuses; however, he stressed that during this period there had been increasing prosperity and mentioned the establishment of the Mortgage Bank, Central Reserve Bank, Credit Banks and the development of agriculture, industry and other sectors.

He charged the Christion Democratic Party with being responsible for political interventionism because it is an international party. He added that this party does not wish to break with those "50 years of the past" but with the constitution, representative democracy and other values.

D'Aubuisson ended his speech with this sentence: "We will be victorious because ideas cannot be killed."

The room in which the dinner was held was crowded and red, blue and white flags adorned its walls. The master of ceremonies said at the end: "We have just heard the future president of El Salvador."

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LACK OF INCENTIVES CAUSES DECREASE IN COFFEE PRODUCTION

San Salvador EL MUNDO in Spanish 31 Oct 81 p 10

[Text] "The lack of incentives for the coffee grower is causing a serious decrease in productivity." This statement was made by members of the Governing Board of the Coffee Growers; Association of El Salvador in the face of the imminent start of coffee tree cutting "and of the prolonged silence of the government authorities to the complaints of the coffee association." In a communique issued to newsmen, the Coffee Growers' Association made the following comments:

"Once again the Governing Board of the Coffee Growers' Association of El Salvador stresses the fact that several months ago it informed the supreme government that the only way to move the country forward is on the basis of productivity and that it is necessary to put an end to the situation of injustice of having to pay taxes on losses, with an updating of the tax schedule in such a way as to permit the coffee grower to cover his costs or to transfer him to the income tax system.

"The tax schedule now in force dates back to 1952 when the cost was 37.50 colones.

"In spite of the fact that there are many organizations in the government such as the ISIC [Salvadoran Coffee Research Institute], MAG [Ministry of Agriculture], the Central Bank, the Mortgage Bank, Assembly of Governors of the INCAFE [Coffee Institute], etc. which should keep cost figures updated, the government maintains that it does not have such cost figures to work with and ignores our appeal. Guatemala, in spite of legislating through an assembly, has already updated its tax on costs.

"If this serious anomaly is not corrected, there will be no incentives to the coffee growers; and coffee production will continue to decrease in a more severe manner, to the detriment of all the Salvadoran people."

San Salvador, 30 October 1981
Coffee Association of El Salvador

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FMLN HEALTH CHIEF DISCUSSES GUERRILLA HOSPITALS

Managua EL NUEVO DIARIO in Spanish 2 Nov 81 p 9

[Article by Juan Angel Alvarez]

[Text] Chalatenango, El Salvador-- "The enemy attacks us frequently; however, our hospitals have suffered only minimal damange."

The speaker was "Tato," health chief of the northern front of the FMLN [Farabundo Marti National Liberation Front] in the Department of Chalatenango. "The general staff has assigned us eight combatants per hospital for our defense. What is more, we are the first to evacuate zones of greatest danger."

Short and sturdy, Tato studied medicine at the University of El Salvador before donning the olive drab and carrying a caliber .45 pistol along with his stethoscope and thermometer.

In the frontline hospital which we toured with Tato, 13 combatants were recovering from their wounds. Most of them were resting in bright-colored hammocks while nurses and several wounded were preparing materials for treatments.

The hospital is a wood building located on a wooded hillside concealed by branches and dry leaves. The pine trees increase the darkness of the windowless rectangular room. Close to one of the three doors, at one end of the room, a white curtain separates the operating table from the rest of the hospital.

Five Hospitals

The five hospitals which the guerrillas have in this region have had to be evacuated on occasion. "Indiscriminate shelling by the enemy principally affects the civilian population, but us, too," Tato said. A several-day-long shelling of insurgent positions and then an advance overland has been the most frequent tactic of the Christian Democratic Military Junta, which is supported by the United States. "What they want to do is isolate us from the people by terrorizing the masses. To do this, they have used napalm and toxic gases," he added.

105 Persons

"Our hospitals can handle up to 105 persons; however, because we use the recovering wounded for miscellaneous tasks, the number is a little higher," Tato said. In

this regard, he said, "Although we lack specialized personnel, we make up for it in part by using the wounded themselves who learn to prepare treatment materials and can even treat their comrades," he added. "Thus they feel that they are still serving the revolution."

Joaquin is a 23-year-old youth who writes poems in a frayed notebook while seated on his hammock. His eyes are firm and bright, in spite of his 2 months of hospitalization, after having been wounded in Arcatao on 17 June. A G-3 bullet caught him in the lung as he was engaged in an operation with the Select Special Forces of which he is a member. "I feel quite well now, but I still have a bit of a cough," he told us.

We Are Going To Win

While he was recuperating in the hospital of La Canada, a guerrilla camp on the Honduran border, the junta's army launched a large-scale "mopping-up" operation in the early days of July. "We went out while they were bombarding us, right into the middle of the shellfire. Mortar shells were dropping about 10 meters from us, and the earth was falling on top of us." Then he added animatedly: "When I get better, I will go on fighting. I am sure we are going to win."

Tato said that medicines are one of the hospitals' main problems. "It is a big problem; however, we are getting some cooperation from the people. When we do not have industrial medicines, we resort to folk medicine. For example, for malaria we use copalillo [copal] and cinchona bark boiled in water. They give very good results. The bark of the mango tree is used for coughs. Many plants and trees have curative effects which we are investigating and applying"

Male Nurses Improvise

"We have done a lot of work here training male nurses. The very conditions of war force us to do this: however, we cannot train fully-qualified doctors."

However, they have almost achieved this.

Manuel is a peasant who did not know how to read or write. He had never gone to school because of the needs of his family consisting of eight brothers and sisters. When the National Guard assassinated his parents and five of his brothers and sisters, he fled to San Antonio la Cruz, his town of birth, to join the guerrillas. In one of the camps he learned to treat wounds, to suture and to diagnose some common diseases of the region.

As a male nurse, he accompanied a group of peasants who were seeking refuge in Honduras. On the road, a pregnant woman began to have labor pains. As time went by and the baby was not born, Manuel decided to perform a cesarean section in an effort to save the lives of the mother and her child. "I had never performed one; I had only seen it done. But if I did not try to perform one, both of them would have died on me," Manuel said. "By good luck, I saved them both," he concluded, smiling.

With all the limitations and in spite of being exposed to the "invasions" of the government army, the rebel hospitals carry out their humanitarian mission in an

amazing manner. "Our death rate is really low. Only a few of the wounded who reach us in extremely serious condition die; however, we generally save them," Tato said, as he removed the cast from a combatant with a broken leg.

"Although the hospitals are supposed to be for the People's Army only, we treat civilians and militiamen where the health program is still not sufficiently developed. We also treat all our prisoners of war just as we do our own comrades."

With their hospital work, extracting teeth, giving treatments or performing major surgery, the medical and paramedical personnel on the war front make possible, as Tato puts it, "one more rearguard for our combatants. For us it is a combat trench."

8143
CSO: 3010/381

ARUBA'S CROES ON INDEPENDENCE, DUTCH GUARANTEES

Amsterdam ELSEVIERS MAGAZINE in Dutch 7 Nov 81 pp 20-22

[Interview with Betico Croes by Dr F. A. Hoogendijk: "Aruba Finds an Audience in The Hague;" date of interview not given.]

[Text] In the midst of the cabinet perils of the Dutch Government, a summit conference was held in The Hague on the independence of the Netherlands Antillean island of Aruba. The States of the Netherlands Antilles announced on 19 December 1973 that it is an inalienable right of each national community -- and thus also of each of the islands of the Netherlands Antilles -- to determine its own political future.

This pronouncement was of importance especially to Aruba because this island prefers its individual independence. The Dutch Government has never taken this striving seriously up until now. It is of the opinion that the six Antillean islands should become jointly independent and that it is somewhat irrealistic to give an island with 63,000 inhabitants an independent status.

But Betico Croes (the leader of the MEP /People's Electoral Movement/ the largest party). thinks differently. In spite of a non-stop struggle and propaganda war, he has been able to find understanding in the Dutch Government and elsewhere for the independence of "his island." When he arrived in the Netherlands last week with a delegation of 20, he said that he would go home only with concrete promises on the part of the Dutch Government. It was decided within the government of the realm that a broad recommendation should be available within 6 months on the consequences of the independence of Aruba and Curacao. The latter island has come into a difficult position through this because Curacao, for the time being, is not interested in an independent status. And certainly not without Aruba.

But in The Hague the Curacao politicians were directly confronted with this. The intention of the Dutch Government is to keep the six islands together as long as possible. The Hague questions (not unjustly) the viability of the economically vulnerable islands. But Aruba seems determined. And Aruba's independence will be seriously looked into,for the first time, by the (quickly to be established) Biesheuvel Commission.

Question to Betico Croes: Is this study concrete enough for you not to return to Aruba disappointed?

Croes: "We have achieved that within 6 months a plan will be on the table on how Aruba's independence can be realized and what the consequences will be. Guarantees will also have to be stated in it."

[Question] What guarantees are you thinking of?

[Answer] "For us it is very important that we get guarantees from the Netherlands in the area of defense."

[Question] But do you know that the Dutch government has stated that Dutch guarantees would be minimal if Aruba insists on becoming independent by itself?

[Answer] "That's right, but during the summit debate it was said that to the degree there is a solid and lasting cooperation bond between the islands, the guarantees from the Dutch side would also be greater. In other words: the Dutch Government would then be prepared to give more guarantees and support to Aruba."

[Question] What do you mean by a cooperation bond?

[Answer] "Both at the time of the task force of the realm and the round table conference, Aruba opted for independence coupled with a solid and lasting cooperation bond with the other islands, under international law, as well as a sort of commonwealth relation with the realm. By this, Aruba understands the creating of bonds between Aruba and the Netherlands which are such in form and content that the commonwealth structure desired by Aruba will have a content which goes beyond that of just international law. The Aruban delegation considers it of great importance that also after the international-law ties between Aruba and the realm have broken off, a special relation and cooperation continue to exist with the Netherlands. Although Aruba is well aware of the necessity of strengthening the regional contacts, Aruba is of the opinion that a similar special relation with the Netherlands is of great importance to it This should not be explained as weakness or lack of faith in one's own ability, but should be seen against the background of the specific situation in the Caribbean area. Aruba thus takes the view that the alliance with the Netherlands does not end when Aruba opts for its independence."

[Question] Do you want independence because you are the strongest island? Or do you say: I don't have enough faith in the other islands?

[Answer] "The latter. We have insufficient faith in the other islands and, because we are economically the strongest, we must protect ourselves from ourselves. Lately there has been considerable talk of a possible oil wealth around our island. But when we started with our striving for independence, that was not the case."

[Question] Aruba has 63,000 inhabitants. Is it realistic to make an independent state of such a small community?

[Answer] "The reality is that we do not desire a unitary state. The next question is then: Is a federation possible? We have had examples of that in the

Caribbean area. I discussed that with people from Jamaica, Puerto Rico, Granada and Santo Domingo during a meeting in Mexico. They said at the time that a federation with their islands was not possible in their view. That does not mean that we are against any type of international-law cooperation bond. In my eyes the ideal situation would be for Aruba to become sovereign; the other islands must decide for themselves whether they want to remain a unity. In that case there will be a cooperation bond between two unities: Aruba and the five."

[Question] This shows a rather self-assured political attitude. But what about the economic possibilities of Aruba? Is your island self-supporting already now?

[Answer] "We can certainly take care of our own internal affairs, but we do need a Dutch umbrella for our external protection. Our tourist industry is our most important source of income. But we also get a lot of transit goods because we are in a tax-free zone. Moreover, we also have the oil refineries. Unemployment is between 6 and 8 percent, while in Curacao, for example, one fourth of the working force is unemployed."

[Question] Do you get financial support from the Netherlands?

[Answer] "No direct support. We have to shift for ourselves. We have a balanced budget in Aruba and have to hand over a substantial part of that to the Antillean government. We do get development aid from the Netherlands, however. In the past we received it to build a hospital and also, for example, for public schools projects and the establishment of a container port. This aid consists primarily of loans, admittedly at advantageous conditions, but they do have to be paid back. In any event, Aruba has made known its feelings of solidarity with respect to the other islands on several occasions, including after independence, and it is willing to participate in a development fund benefiting the small islands. But we do take the view that the primary responsibility for the development of these islands should fall on the Netherlands."

[Question] During the discussion with the Dutch Government you pleaded for Aruba to have its own central bank in the final stage of the independence. Isn't this aiming a little too high?

[Answer] "Aruba considers its own monetary policy indispensable as a complement of the future financial and economic policy implementation although it is very well aware that its individual freedom will be relatively limited; the current system does not offer adequate space for the desired bringing in of capital. Further, in the final stage it should be avoided that one island, through an irresponsible economic and/or budget policy, eat up the foreign currency saved up by another island.

"Nevertheless, Aruba is willing to cooperate in the monetary area in such a manner that a joint coin-, gold- and currency supply can be maintained. But we cannot just stand by and watch, for example, another island harming our economy through a certain bank policy."

[Question] If you should become independent, would you want to have a seat in the United Nations?

[Answer] "Yes, very definitely. As Aruba. However, at the beginning we will be very dependent on the Netherlands for the setting up of a foreign service."

[Question] You stated recently that you want an independence without risks. That seems impossible to us in this world."

[Answer] "In any event, we want to limit the risks to a minimum. Therefore we would want to keep ties with the Netherlands."

[Question] Imagine that the study of the Biesheuvel Commission doesn't turn out the way you want it. Then would you still dare take the irrevocable step and say: I still want to continue alone, as Aruba?

[Answer] "That is a very difficult question. I do want to make it clear, however, that neither the Netherlands nor the remaining islands will be able to convince us to return to one constitutional context. But to state that Aruba dares go on alone without any guarantees is a question I cannot answer at this time."

The discussions on the possible independence of the Antilles, and in particular of Aruba, took place in the Treves hall in The Hague. The ceiling of this hall is supported and decorated in the corners by heavy wooden angels. During one of the discussions an arm fell off one of the angels and brushed passed the head of the Reverend Geurs, one of the members of the Aruban delegation. We don't know if this was a good or a bad omen, but it is remarkable that the Dutch Government, which at first was very averse to the independence of Aruba alone, now has made a 180 degree turn. Now the question remains to what extent the Netherlands is willing to give guarantees to Aruba if this island goes its way alone.

8700
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'LA PRENSA' HOLDS CONTROVERSIAL PUBLIC OPINION POLL

Results of Poll

Managua LA PRENSA in Spanish 10 Nov 81 pp 1, 12

[Text] Now that people have begun to speak widely about the possibility of elections in Nicaragua, it is interesting to point out that 70.8 percent of the Nicaraguan population favors that civic solution to the nationwide political crisis.

That figure is one of many contained in the results of a poll that LA PRENSA will publish shortly which was taken last July and August throughout the country by highly qualified people.

This is the first poll taken in this country under the revolutionary government, which plans to impose controls over surveys dealing with matters of state. A government official, Jaime Ocon, has arbitrarily attempted to halt publication of the poll, claiming that the National Statistics and Census Institute has authority to disallow it. Its incompetence in this regard, which we had asserted, was revealed when this official announced that he would submit an amendment to the original law governing the institute according to which "the institute will be authorized to approve or disapprove any statistical research and its puplication" (END [EL NUEVO DIARIO] 9 Oct 81). At present, it is not so authorized.

The opinion of Nicaraguan citizens reflected in the LA PRENSA survey is the result of 900 interviews conducted by pollsters who used thousands of pages of notes in the cities of Manauga, Masaya, Leon, Matagalpa, Esteli, Diriamba, and Juigalpa.

Without pretending to be a totally accurate or exact reflection of reality, this poll definitely and clearly projects the tendencies of the majority of Nicaraguans.

The poll, it should be added, was conducted according to the latest techniques used in obtaining public opinion.

For example, in Managua the technique of selecting 13 districts with the lowest rate of income and 8 districts with medium income was used.

In the other cities the system of interviewing in 10 houses in a row on both sides of the street, for a total of 20, was employed.

The people interviewed were between 15 and 60 years of age, selected at random among the members of the household.

The pollsters received the full cooperation of the citizens, and while some showed fear when told it was a sampling of opinion carried out by independent people, confidence was quickly established, although not in every case.

On one occasion only a military official tried to stop the poll by confiscating the questionnaire sheets.

80 Percent Catholics

The poll revealed the following interesting facts:

Eighty percent of the population said they were Catholic, and only 6.9 percent said they did not belong to any religion or were atheists.

Also noted was broad disapproval of the decision to suspend the broadcasts of Sunday Mass on television. Out of 721 persons interviewed, 549, or 76.1 percent expressed their disapproval.

Similarly, 70.9 percent of those surveyed said they favored Christian education in the schools, while 8 percent were in favor of Marxist education.

Another 17.1 percent expressed the opinion that education in the schools of this country should be both Christian and Marxist.

In the section of the questionnaire dealing with the most popular personality in the country, Archbishop Miguel Obando took first place with 38 percent, followed by Daniel Ortega with 13.5 percent.

It should be noted that this was the part of the interview where the greatest resistance to responding was met.

Asked to give their opinion on who had the most support in the leadership of the FSLN [Sandinist National Liberation Front], only 26 percent of those surveyed consented to respond, with the following results: 13.5 percent named Daniel Ortega and 11.1 percent Tomas Borge, with the remainder undecided or simply naming all 9 members of the directorate.

Twenty-eight percent said they favored the government or, more generally, the FSLN.

About 13 percent said they favored closing LA PRENSA and the figure was the same on other subjects, such as exclusive Catholic education in the schools.

Other interesting figures contained in the poll show the following:

Forty-five percent expressed some disapproval of the FSLN, in contrast to the full approval they had previously given it.

Asked further on this subject, 22.3 percent said they felt "worse now than before" toward the revolution and 41.8 percent said they were "the same as before."

Sixty-three point eight percent said they had not yet received any benefit from the revolution, and 19.5 percent stated that a "certain inability on the part of the government" could be pointed to as the cause of the economic problems of the country.

In summarizing these figures, it can be concluded that the number of those interviewed who showed a dissenting or skeptical attitude toward the present situation is about 60 percent, or perhaps between 50 and 60 percent but certainly no lower than 50 percent. Those who conducted the poll added the following comments:

Expressions of class hatred were almost imperceptible. Because of its subject matter, the survey lent itself to serious accusations against the sectors known as "bourgeoisie," the "wealthy," etc.

Nevertheless, expressions of hostility in this regard were not perceptible, even among respondents completely identified with the government and its policies. This impression was corroborated by all the members of the polling team.

Three values cherished by the Nicaraguan people were brought out strongly: religion, freedom, and private property.

Not only are the people in the majority Catholic, but they express enthusiasm and firm support for their church and their pastors. Those who approve of closing LA PRENSA are few, even among respondents who support the government. Finally, the number of persons who favor private property are in the majority; they exceed those who favor property ownership by the workers of production units, and exceed by an even greater percentage those who favor state ownership (45.3 percent for private property, 25.7 for workers' ownership, 21.5 percent for state owndership). The above stems in part from the objective fact that the greater part of the Nicaraguan population belongs either to the category of small proprietors--whether it be real property, privately owned businesses, or certain types of production assets--or is partically connected to or has close family ties with such types of production activity. Nicaragua is not a country with a large proletariat divorced from private property and the means of production. Their aspirations, therefore, correspond to what Marxist literature terms "petit bourgeoisie."

This sociological fact also is evident in the sparse evidence of class antagonism found. It is necessary to note, however, that in the true workers groups such feelings may be present in more emphatic ways, and because there was a low representation of these groups in the survey (see the reasons given in the related section of the sampling), these same feelings may have been undervalued. We do not believe, however, that it is substantial enough to invalidate the general tendency detected.

The group that can be identified as Sandinist is not a homogeneous group that agrees in the majority of its opinions. Although future statistical analysis may be needed to isolate subgroup peculiarities among those surveyed, we were

able to note that many who professed to be sympathizers of the FSLN or the government, disagreed with some measures, e.g., the suspension of the Sunday Mass program of Archbishop Obando. They oppose closing LA PRENSA, and they defend private property.

Likewise, the correlation between being progovernment and what we could call "Marxist" or similar tendencies appeared doubtful. Although the majority of those who expressed support for Fidel Castro or for Marxist education in the schools (along with Catholic education or separate from it) tended to belong to progovernment ranks, many of them repudiated Castro and voted in favor of Christian teaching.

It is easy to deduce that the majority of the respondents show, despite all the difficulties, a critical attitude toward the government and toward many of its measures.

Those who responded to the survey were overwhelmingly the poor of the Nicaraguan cities. It was interesting to discover that the degree of opposition or lack of enthusiasm for the government was greater in the poor sections than in the medium-income sections. Indications of this can be deduced if one compares the lower income districts of Managua with the medium-income districts. In addition, there is a greater degree of nongovernment sentiment among the mass of people in the interior than in Managua.

What the public perceives as positive is the tranquility that exists today compared to the past and the start of certain public works and education projects. What it perceives as negative are the economic difficulties the country is experiencing, which interfere with the satisfaction of its needs, as well as violence by the government and its instruments of mass control.

It appears to us that these are the factors, in the order given, that are contributing to the erosion of public support for the FSLN.

The degree of public participation in the mass organizations, including the CDS [Sandinist Defense Committees] is very low.

Our people, despite having suffered a war which claimed many victims, continues to be a generous people. Most people felt it was necessary to be generous toward former members of the GN [National Guard] and pardon many of them (385 persons against 283). Many of the latter, at the same time, softened their replies by adding that those who had done nothing or had committed acts of little consequence should be freed.

This has been the first survey of public opinion ever held in Nicaragua.

We hope that it will not be the last nor the best of its kind. During the course of the study our pollsters were not molested, except on one occasion, when an alleged member of State Security in Managua asked for the questionnaires. The cooperation of the primary protagonist, the People, was always excellent, independent of their political opinions.

'LA PRENSA' Poll Criticized

Managua EL NUEVO DIARIO in Spanish 11 Nov 81 pp 1, 10

[Article: "Slanted Poll Backfires]

[Text] A "poll" conducted by the LA PRENSA Newspaper Company with cleverly worded questions, analyses, and deception which was designed to show the lack of popular support for the revolution and/or the FSLN [Sandinist National Liberation Front] has, as the popular expression has it, "backfired."

Unable to cause a sensation over the FSLN's lack of popularity, they resorted to publishing it on the bottom of the first page with an obviously misleading headline, in an effort to conceal the results, which, in spite of all their planning, were very different from what they had expected. How would it have been if the poll had been really scientific?

Elections and Religion

Obviously, those polled--as the revolutionary government has always maintained--believe in elections as the source of power, and it is surprising that only 70.4 percent gave affirmative answers.

Naturally, the pollsters did not ask whether the people wanted elections in the old style (candidates with names and money) or a true election where the most able are chosen for public office from the grassroots--and without anyone having to sell his vote for Guaro [sugar-cane liquor] and tamales.

Concerning religion, it was no great feat to find that 80 percent were Catholics, and it would have been simpler and more accurate to consult baptismal records, at least regarding formal church affiliation.

Their political intent begins to become obvious when they capriciously describe those who responded that they professed no religion as atheists, which suggests absolutism that does not correspond to the spirit of the question.

The Same Manipulation

Those who persist in accusing the revolutionary government of maneuvering between capitalism and communism and ignoring their "third way," concocted the following question on education:

Do you want Christian or Marxist education in the schools?

If they really want to know what kind of education our people desire, it is absurd to present such a narrow question with the obvious intent of capitalizing on a contradiction falsely stimulated by heavy doses of propaganda in the capitalist media aimed at the people, who are kept subjugated in ignorance.

It was enough to have asked our intelligent people what kind of education they wanted, and we are certain they would have contributed a variety of replies that would in no way have been limited to the constraints of the LA PRENSA "poll."

False Premise and Besmirching the Archbishop

While it is surprising that of the 80 percent who are Catholics, 76.1 do not agree with "the prohibition against the archbishop's saying Mass on television" (it is not known why the rest of the Catholics agree), it is outrageous for them to start from a falsehood, since it is not true that the TV has prohibited the Masses.

Why didn't they ask if they wanted Mass said live on television in all the parishes and dioceses?

We are sure they would have been shocked at the replies.

At the same time we are not surprised that there was so much resistance in answering questions on the popularity of personages when they included the archbishop in a list of politicians, besmirching the evangelical mission of the ecclesiastic in a frank admission that all the publicity they give him has, as its purpose tests of partisan popularity, which we are sure the archbishop is far from approving.

Nor are we surprised at the resistance shown by those polled in giving their opinion on the popularity of the various revolutionary commanders and the admission made by the pollsters of the collective responses, since our people are aware of the unity and cooperation of the leaders of the revolution and the total absence of a desire for personal fame of any kind, a trait so common in native politicos. It is an example of the degree of responsibility and harmony that our people have acquired.

The Heart of the Matter

Reluctantly in the end, they are forced to admit that 28 percent (a LA PRENSA official said 30 percent abroad) are members of the FLSN and that 45.5 percent have "some dissatisfaction," which means that over 75 percent (sic) of their famous "sounding" is in agreement with the revolution, and that it is natural that many (we would say everyone) have some opinions that differ on specific subjects.

If they got this result with all the artfulness they put into it, what would they have obtained with honest intentions?

Naturally, the "poll" could not have omitted reaching conclusions of a classist nature or minimizing the exploitation of our people or asking in a biased and antagonistic manner what benefits the revolution has brought.

Technical Objections

At the same time this "probe" has its own story, and the LA PRENSA Company has already been warned that it was illegal and dangerous to try to influence public opinion with unreliable, unscientific methods.

But since "Mommy" was coming, the IAPA had to take advantage of the occasion and publish it.

A Technical Opinion

Attorney Jaime Ocon, director of the National Statistics and Census Institute (INEC) said last night that the poll results published by LA PRENSA Newspaper Company lacks all technical reliability and that this type of survey is known as "judgment sampling," which permits the pollster to establish "liberal" and "scientific" judgments.

Ocon asserted that the scope of the survey, barely 900 individuals in a population of 2,700,000 inhabitants--does not make it representative.

The extent of the survey does not even correspond to the urban areas of the nation, much less to the total population.

He added that those in charge of the survey did not provide INEC with the mathematical studies on the extent of reliability in their prospectus, nor could they clarify whether the scope of the poll supported the number of questions included on the form.

Ocon said that the manner of selection of people, homes, and cities participating in the survey did not follow the rules of probability, but instead it was left to the judgment of the pollster to select the persons in the house and the house in the cities without making the calculations needed for their selection and the number of persons to be interviewed.

"The choice of cities was also done without following proper scientific polling methods," he said and he added that methodical selection by means of which the entire population would be surveyed was not done, and the participating homes were not identified.

In any event we repeat: the shot backfired.

'LA PRENSA' Answers Criticism

Managua LA PRENSA in Spanish 11 Nov 81 p 2

[Article: "Speaking of Sampling and Surveys"]

> [Text] Since the objectivity of the survey conducted by LA PRENSA has been questioned in the END [EL NUEVO DIARIO] by Attorney Jaime Ocon, who asserted that the sampling was very small (900 persons polled) and that the pollsters conducted it in accordance with their own judgment by selecting the persons and homes to be surveyed, we are pleased to present the following details in refutation of the assertions of that official.

The Sampling Problem

The Scope

One problem that every social scientist faces before designing a survey is: what size? Developments in statistics allow us to determine the degree of

reliability of surveys of different magnitude. Of course, the ideal solution would be to be able to question all the competent citizens of the country on what they are thinking. However, this would involve costs that practically no one could defray.

It is known today, for example, that a small but well-organized sample can present the opinion of the entire country with only 5 percent error or deviation from the thinking of all the inhabitants. When the total group (or universe) is large, a relatively tiny group, selected by chance, is therefore sufficient for reaching conclusions.

Today, it is generally accepted among social scientists and international organizations who conduct research that a survey of a thousand persons is adequate to ascertain the overall opinions of a nation with regard to given subjects. Although it may be surprising, the size of the survey that Gallup uses in the United States to ascertain the degree of populatiry of a president is 1,500 interviews for a population of 200 million inhabitants. Such a survey carries a margin of error of 2 to 3 percent with 95 percent reliability. Which means that with 95 percent accuracy one can say that the results can differ from 2 to 3 percent above or below what would have been obtained by interviewing the entire adult population of the country. This will be true independently of whether the population is 200, 20 or 2 million.*

Random Selection

In order to be reliable, the sampling must be done completely at random, so that the probability that a citizen may respond will be the same as anyone else. For example, if we take a telephone directory and select at random 1,000 respondents the results will not be representative of the opinions of all the people but only of that stratum that has telephones.

The preparation of the survey should thus take care not to leave to the pollster the selection of those to be interviewed but should establish uniform and obligatory procecures that will guarantee selection at random.

The Sampling

In the survey taken by LA PRENSA it was decided to take a sampling of not less than 900 respondents distributed among the cities of Managua, Masaya, Leon, Diriamba, Esteli, Matagalpa, and Chontales. As is evident, the representativeness of the survey is limited to the principal cities of the country. It is thus a strictly urban sampling. Assuming that the results are in themselves valid because of its procedures, the survey would represent the opinions of the Nicaraguan urban population, which in turn constitutes 55 percent, approximately, of the total population of the country, with a margin of error of 5 to 6 percent, or 90 percent degree of reliability, approximately. This means, for example, that if the survey shows that 70.9 percent wants elections, in reality total response will be between 65 and 75 percent.

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* Facts and opinion from the Gallop Poll are taken from CHEMICAL ENGINEERING 28 August, 1978, "Understanding How Public Opinion Gets Measured," by Eric A. Weiss.

The number of samplings by city was as follows:

Managua	440
Masaya	93
Leon	66
Matagalpa	79
Esteli	76
Diriamba	59
Juigalpa	87
Total	900

The proposed goal was 80 questionnaires per city, except Managua. Transportation problems and delays of other kinds altered the results slightly.

As mentioned, the survey is valid as the expression of opinion of the urban population of Nicaragua, but not valid when speaking of any city in particular.

It enables us to know quite accurately what the cities, taken together, think but not to make well-grounded comparisons between one and the other. For that, larger samplings per city would have been required.

We would encounter a similar limitation in presenting the results of groups by age, level of education, economic activity, etc. This does not mean that comparisons based on these variables cannot be made in the present survey but that their results would not have the same degree of reliability as the overall results.

In Managua the procedure used was to select 13 districts with the lowest levels of income and 8 others with medium income. Usually, subgroups of 20 respondents were used. The selection procedure consisted in picking a central or characteristic point in the district selected, for example, a school, bus stop, or church, and from there start east or west, interviewing in one out of every 10 houses along the same street. In the other cities 10 homes in a row on both sides of the street were interviewed until 20 were completed.

The respondent had to be a person between 15 and 60 years of age. In choosing him among the members of the household two procedures were used. One was to draw lots among all those in the right age group, and to employ a specially designed board arranged in squares for holding a quick lottery that linked the number of the question with the number of the person. The other method used--with preference going to the former one--was to interview the person who opened the door or the first one of proper age who appeared on the scene.

We realize that this latter method tended to grant fewer probabilities of being selected to those persons who for one reason or another were usually in places distant from the door. However, since the majority of the homes were small, this problem was not too frequent.

The visits to homes also presented the problem of the absence of those who were working away from home at the time of the interview. In order to minimize this problem the samplings in Managua were taken, with the exception of the first day, after 5:00 pm and during weekends.

Masaya, Leon, and Diriamba were, however, done weekdays during working hours; therefore, we expect under-representation in them--to an extent difficult to determine--of those persons who work away from home. However, we note, especially in the case of Masaya, that a high percentage of these people work in their own homes.

As the reader can see, despite the opinion of government officials, the survey was carried out using correct methodology and conscious of the limitations of any scientific undertaking.

We do not pretend that our results are as scientific as is possible to be. Better surveys can always be made. We invite Attorney Ocon of the National Statistics and Census Institute to do a better one--but of course, letting us have the results. Then we will all know what the Nicaraguan people think.

9015
CSO: 3010/352, 353

ENTIRE POLITICAL SPECTRUM CONDEMNS HIJACKING

PA081517 Madrid EFE in Spanish 1407 GMT 8 Dec 81

[Text] Caracas, 8 Dec (EFE)--Impatience to see the outcome of the triple hijacking, which has already lasted 27 hours is mixed in Venezuela with generalized condemnation of the action and of the ineffectiveness of the security services.

Although it has not been officially confirmed, there is every indication that some or all of the hijackers are Venezuelans, specifically members of the extreme leftist "Red Flag" group, which is of Maoist origin.

The two Aeropostal airplanes, as well as the Avensa plane, are now in Panama.

The entire spectrum of Venezuelan politicians condemn the hijacking, each group from its own viewpoint. This ranges from the ruling Social Christians to the Movement of the Revolutionary Left (MIR).

For its part, the government does not seem disposed to negotiate with the hijackers or to meet their demands, which have unofficially been listed as the payment of $10 million, the release of political prisoners and the publication of a communique in the press and by radio and television.

Interior Minister Rafael Andres Montes de Oca has said that there will be no negotiation with the air pirates who, he said, "seek to disrupt democracy and the country."

Pompeyo Marquez, secretary general of the Movement to Socialism (MAS), the largest Venezuelan leftist party, has expressed the opinion that these actions--hijackings and terrorism in general--"work against the objectives of the perpetrators."

German Lairet, a deputy from the same party who years ago was representative of Venezuelan guerrillas in Cuba and who is himself a former guerrilla, has also rejected the terrorist action.

Moises Moleiro, a leftist candidate for the presidency of the republic and head of one of the MIR factions has just told a television station that terrorist action "is sterile and damaging to our own struggle."

Moleiro condemned terrorism, "which," he said, "is only justified in cases of war" and said that what has occurred is "a residual effect by persons who have not understood the change in society and in methods of struggle."

Carlos Andres Perez, former president of the republic and a Social Democratic leader, expressed his concern over what could be a plan to escalate terrorism in Venezuela through the triple hijacking, previous kidnappings and the attack on a national guard post which took place in November.

Paralleling these reactions and concern over the passengers and crew who remain hostages is a generalized feeling here that there is a crisis in the state security services.

Airport control services have generated feelings ranging from indignation to embarrassment and Fernando Miralles, executive vice president of Aeropostal, has lost his job for charging that security officials never get up early to check the first daily flights.

There is even a rumor, mentioned on television, that the plan was to hijack five airplanes instead of three, because the terrorists know that in the early morning there are many flights, a large influx of passengers and little vigilance.

The plan for a quintuple hijacking would explain the unusual number of participants in the operation--between 20 and 30 hijackers--who "if they wished to make the government look ridiculous, could have chosen a less contemptible way of doing so," according to a well-known television commentator.

Over 20,000 persons use the regular domestic airlines in Venezuela daily, and there are a great many airports open to passenger traffic.

CSO: 3010/478

BRIEFS

ATHLETES' SECURITY STEPPED UP--Barquisimeto, Venezuela, 7 Dec (AFP)--Venezuelan security forces today heavily reinforced vigilance at the olympic villa where athletes participating in the ninth Bolivarian games are staying. This measure is a response to the hijacking of three commercial planes in Caracas. The three airplanes were hijacked as they began flights to the interior of the country. The Barquisimeto Airport is heavily guarded and police are meticulously checking all those who arrive in that city in midwestern Venezuela. Chiefs of the investigations forces, the political police and the Military Intelligence Service arrived in Barquisimeto this morning to establish an airtight security cordon, not only at the villa but also at the locations where the various tournaments will be taking place through Saturday. Sources linked to the security forces indicated that this is an attempt to avert any incident that might mar the Bolivarian games, which are taking place in an atmosphere of absolute normalcy. [Text] [PA071851 Paris AFP in Spanish 1814 GMT 7 Dec 81]

AERIPOSTAL EXECUTIVE RESIGNS--Caracas, 8 Dec (AFP)--Fernando Miralles, vice president of the state-owned Aeropostal airline, has been dismissed from [his] post after complaining yesterday of a lack of vigilance at the Simon Bolivar International Airport at Maiquetia and the lack of metal-detector equipment. Miralles made the statement over Venezuelan television moments after it became known that an armed group presumably belonging to the ultraleftist "Red Flag" subversive organization had hijacked three planes. Miralles admitted that he resigned under pressure from Transport and Communications Minister Vinicio Carrera. However, several Caracas news media have reported that the airline executive was fired. Regarding the case--which made the front page of the leading newspapers together with the hijacking of the three planes--Miralles said "I was summoned to the Transport and Communications Ministry yesterday afternoon and the minister demanded that I update the resignation I had filed in April." According to Miralles, the minister told him that "your statement about the lack of security at the airports was inadvisable and I made my resignation effective immediately." [Text] [PA081524 Paris AFP in Spanish 1418 GMT 8 Dec 81]

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ATTEMPTS NOTED IN DECREASING MILL FUEL CONSUMPTION

Havana JUVENTUD TECNICA in Spanish Aug 81 pp 70-72

[Article by engineer Ruben Espinosa Pedraja: "Zero Additional Fuel Consumption"]

[Text] A methodology developed at the sugar chemistry technology school of the Central University of Las Villas for the purpose of calculating the thermal energy balance of a sugar mill. Consideration was given to information contained in daily and 10-day reports and some measurements made by instruments installed in the sugar refineries.

In addition to producing sugar, which is very much in demand, the sugar industry also generates a large quantity heat energy deriving from the burning of bagasse which is obtained in the refinery itself. Besides, the use of exhaust steam, which is obtained from the primary motors for use in the technological process, facilitates an efficient steam cycle with high general heat efficiency.

It is important and worthwhile from the viewpoint of using this heat energy to figure out the heat and steam expenditure of each of the equipment units consuming these substances in the production process. This can be done by establishing an integral heat-energy balance.

The accomplishment of the heat-energy balance in sugar enterprises is a complex task because of the continuous and variable character of production and due to the large number of parameters and equipment units that consume steam and heat and that are involved in the production process.

All of these equipment units, machinery, and apparatuses, including the connecting pipe system, are a part of the complex system of processing sugar cane, a process during which we fundamentally use heat energy.

The sugar mill is also a consumer of heat and electric energy and this is why it is economically efficient to produce the electrical energy in maximum quantities in each industrial unit, not only to supply the refinery's own needs, but also to produce a surplus that could be transmitted into the national grid since the cost of producing electric energy in the sugar enterprises is lower than the cost of energy produced in the electric power plants.

This is fundamentally due to the fact thatthe heat source is the bagasse itself and that the steam, which comes out of the turbogenerators (exhaust steam) is used in the production process.

Keeping in mind that petroleum is a very expensive fuel on the international market, which of course will drive up the cost of sugar production, especially when it is consumed excessively, it is of fundamental importance to perfect the energy systems in the sugar mills for the purpose of reducing the additional fuel consumption (petroleum, wood, electric energy). If we further analyze the broad development prospects for the bagasse industry, we can clearly see the need for burning the smallest quantity of that substance and at the same time reducing the petroleum consumption figures.

For all of these reasons, it is highly worthwhile to work along these lines, to study the real possibilities of attaining the objectives proposed here, in connection with which the factory's heat-energy balance is an indispensable element of analysis.

The overall character of the heat-energy balance, starting with adequate methodology, is always instructive in a sugar enterprise and turns out to be very useful. With this objective in mind, the sugar chemistry technology school at the Central University of Las Villas has worked out a general methodology for the calculation of steam and heat expenditure of the consuming and producing equipment in a sugar enterprise.

This calculation methodology was applied in a sugar enterprise where the general heat losses were on the order of 30 percent and where, moreover, on many occasions, wood was used because it was impossible to get bagasse produced to obtain energy.

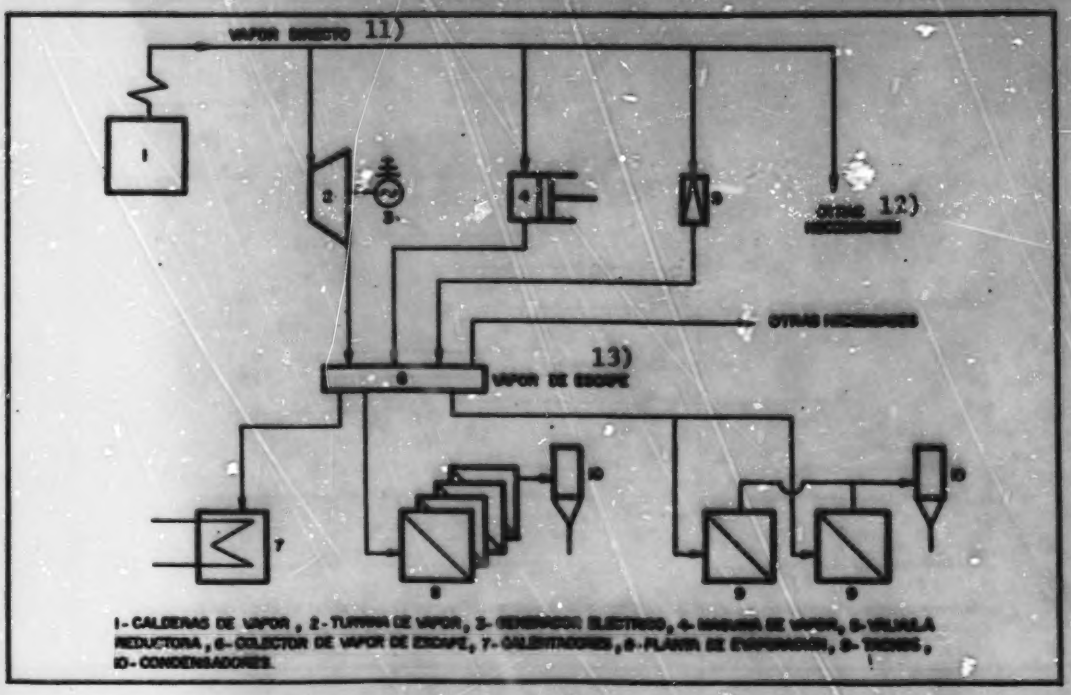
After calculating the heat-energy balance and after very rigorous analyses, the necessary long-term and short-term recommendations were submitted. During the harvest period analyzed, the unit managed to bale bagasse and now has a surplus amount which enables it to keep the additional fuel consumption index (wood) at zero, even during more or less prolonged shutdowns.

This methodology is based on simple equations through which one can calculate the consumption of heat and steam in the primary motors (steam turbines, steam engines, etc.), and the technological equipment (heaters, evaporators, pans), with real output data obtained directly or through the reports from laboratories and factories.

The analysis of the energy diagram can be accomplished weekly, every 12 days, on the basis of the average data taken from the above-mentioned reports.

Through this analysis one can figure out the adequate or inadequate use of steam and heat in the production of raw and refined sugar. This analysis can also provide the standards that must be followed in drawing up the repair or short-term or long-term investment plans, in order to make better use of heat available in the sugar enterprises.

We will continue working along these lines; this year (1981), for example, we will analyze—through the installation of the heat-energy balance calculation methodology—12 sugar enterprises in the province of Villa Clara as a modest contribution toward the implementation of the slogan of zero additional fuel consumption and to improve the general efficiency of the sugar enterprises.



Key: 1—Steam boilers; 2—Steam turbines; 3—Electric generator; 4—Steam engine; 5—Reduction valve; 6—Exhaust [Waste] steam collectors; 7—Heaters; 8—Evaporation plant; 9—Pans; 10—Concentrators; 11—Direct steam; 12—Other needs; 13—Exhaust [Waste] steam.

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PRESIDENT PROMOTES 27 ARMED FORCES GENERAL OFFICERS

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 26 Nov 81 p 7

[Text] President Joao Figueiredo yesterday filled the 27 general officer vacancies existing in the armed forces, four of them to the highest rank in their branches (three in the army and one in the navy).

As anticipated, Maj Gens Mario de Mello Mattos, Euclydes de Oliveira Figueiredo Filho and Jose Magalhaes da Silveira were promoted to general of the army. Bersange Figueiredo Prates, Diogo de Oliveira Figueiredo and Geraldo de Araujo Ferreira Braga were promoted to major general.

Ney Riopardense Rezende, Luiz Armando Franco de Azambuja, Arnaldo Bastos de Carvalho Braga, Ilson Nunes da Silva, Luiz Guilherme de Freitas Coutinho, Carlos Annibal Pacheco and Roberto Pinheiro Klein, also of the army, were promoted to brigadier general.

Vice Adm Raphael de Azevedo Branco was selected to fill the only vacancy to fleet admiral (the highest rank in the navy). Rear Adms Aymara Xavier de Souza, Dimas Lopes de Silva Coelho and Hugo Stoffel were promoted to vice admiral and Capts Heitor Alves Barreira Junior, Haroldo Bastos Cordeiro Junior, Lysias Ruland Kerr and Jorge Angelo Maia were promoted to rear admirals.

In the air force, the president promoted six new brigadier generals, but none of them to the highest rank. Brigadier Fred Dalia Hoffman of flying personnel, was promoted to major brigadier. Brig Gen Mario Bretanha Galvao of supply was promoted to major brigadier, as was Brig Gen Antonio Ismar Braga of the Medical Corps.

Col Luis Carlos Boavista Accioly was promoted to air force brigadier general (in flying personnel) and Cols Waldemar Kischinhevisky and Edson Brandao Guimaraes were promoted to medical brigadier generals.

In the same action by the ministers of the army and air force and the president for the signing of the promotion orders, Figueiredo also signed reassignment orders for general officers in the army and air force as the result of their promotions.

General of the Army Mario Mello de Mattos, for example, was appointed chief of the General Department of Personnel and in his stead Maj Gen Leonidas Pires Concalves was appointed deputy chief of the army staff. On the other hand, Euclydes de Oliveira Figueiredo Filho has not yet been assigned a new function but reports are that he should assume command of the Amazon Region Military Command in January.

Jose Magalhaes da Silveira has already been named chief of the Department of War Materiel and he should be replaced as deputy chief of the department by Maj Gen Sebastiao Jose Ramos de Castro.

Brig Gen Fred Dalia Hoffman will continue as chief of the Air Force Secretariat of Economy and Finance and Brig Gen Mario Bretanha Galvao was named chief of the supply Directorate.

Changes in Command Are First Results

President Figueiredo also signed reassignment orders for army and air force general officers as a result of their promotions. In the army, Gen Mario de Mello Mattos was appointed chief of the General Personnel Department. Maj Gen Leonidas Pires Goncalves, who was in the Amazon Region Military Command, was promoted to replace him. Gen Jose Magalhaes da Silveira was named chief of the War Materiel Department and replaced as deputy chief of the War Materiel Department by Maj Gen Sebastiao Jose Ramos de Castro, who was in command of the 3rd Army Division.

Gen Euclydes de Oliveira Figueiredo Filho has not yet been assigned new duties, although the law creating the vacancy of general of the army for the Amazon Region Military Command had already been approved by President Figueiredo, however, it is only effective beginning 1 January 1982.

Maj Gen Diogo de Oliveira Figueiredo was assigned as commander of the 3rd Army Division, being replaced as commander of the Army Command and Staff School by Brig Gen Alberto dos Santos Lima Fajardo.

Maj Gen Geraldo de Araujo Ferreira Braga was named commander of the 1st Army Division to replace Gen Euclydes Figueiredo. Brig Gen Mario Orlando Ribeiro Sampaio, who was commander of the 4th Military Region, was appointed chief of the Army Intelligence Center.

Maj Gen Bersange Figueiredo Prates, now in command of the 6th Military Region, has not yet been assigned new duties, although he was promoted yesterday.

Brig Gen Arnaldo Bastos de Carvalho Braga, Sao Paulo Military Police commander, and one of those promoted, should remain in that post as an assistant.

Brig Gen Eduardo Lucena Barbosa was named commander of the 9th School Motorized Infantry Brigade. Brig Gen Ilson Nunes da Silva was named commander of the 10th Motorized Infantry Brigade. Brig Gen Luiz Guilherme de Freitas Coutinho was named commander of the 13th Motorized Infantry Brigade. Brig Gen Angelo Baratta Filho was named commandant of the Officer Advanced Training School. Brig Gen Roberto Pinheiro Klein was named commander of the 17th Jungle Infantry Brigade. Brig Gen Brummel Couto was named director of Armaments and Munition. Brig Gen Ney Riopardense Rezende was named commander of the 1st Mechanized Cavalry Brigade.

Brig Gen Luiz Armando Franco de Azambuja was named commander of the 16th Motorized Infantry Brigade. Brig Gen Everaldo de Oliveira Reis was named commander of the 4th Military Region. Brig Gen Carlos Annibal Pacheco was named commander of 4th Army Division Artillery.

Air Force

Brig Gen Fred Dalia Hoffman, who already held the position, will be kept as chief of the Air Force Secretariat of Economy and Finances. Brig Gen Mario Bretanha Galvao, promoted yesterday, was named director of supply; Brig Gen Antonio Ismar Braga was appointed chief of the Health Directorate. Brig Gen Luis Carlos Accioly, another one of those promoted yesterday, was appointed chief of staff of the General Personnel Command.

In addition to those assignments, Brig Gen Marcio Nobrega de Ayrosa Moreira was named deputy director of Registry and Control of Personnel; Mario Accacio Alves Baptista as deputy director of administration of the Electronics and Flight Safety Directorate; Sergio Burger as technical deputy director of the Electronics and Flight Safety Directorate; Joao Fellipe Brack as commandant of the Air Force Officer Specialist School; Jose Ruy Alvares, deputy director of logistics of the Air Force Directorate of Education; Jose Souza de Figueiredo as deputy director for Budget and Payment of Personnel of the Supply Directorate; Waldemar Kischinhievski, director of the Air Force Central Hospital and Edson Brandao Guimaraes, technical deputy director of the Air Force Health Directorate. Also assigned were Colonels Eduardo de Azevedo Bastos to be temporary deputy director of logistics for the Health Directorate; Henrique de Assis de Lima, also temporarily, as deputy secretary of accounting of the Air Force Economy and Finances Secretariat in Brasilia and Francisco Ferreira Chaves Filho as deputy director of subsistence of the supply Directorate. Brig Gen Evonio Arouca, who is ill, was relieved as chief of staff of the General Personnel Command.

Mario de Mellos Mattos

The only artilleryman among the three generals promoted to the highest rank in the army, Mario de Mello Mattos is 62 years-of-age and entered the Realengo Military School in April 1938. He was appointed an officer candidate of the Artillery Branch in December 1940 and was promoted to 2nd lieutenant in August 1941, becoming a 1st lieutenant in October 1942, and captain in June 1945.

Mario de Mellos Mattos was promoted to field officer rank in the grade of major in June 1952, becoming a lieutenant colonel in December 1960 and colonel in August 1965. He became a brigadier general in November 1973 and a major general in March 1978.

Among the decorations he has received, the general has the Order of Military Merit, the Order of Aeronautic Merit, the Pacifier Medal, the Santos Dumont Medal of Merit and the Tamandare Medal of Merit.

He was commander of the 1st Howitzer Battery, student instructor of the Armored Course as part of the Army Staff Course on General Tactics and Artillery, assistant to sections of the army staff, chief of staff of the 4th Army, deputy

chief of staff of the armed forces, commander of the 3rd Army Division and at this time he is the deputy chief of staff of the army.

He also completed the artillery course according to the 1929 regulation; graduated from the Officers Advanced Training School, the Staff School and the Superior War Course of the Superior War School.

Euclydes de Oliveira Figueiredo Filho, who was promoted to general of the army yesterday, belongs to the cavalry and is brother to President Joao Figueiredo. He is 62 years-of-age and entered the old Realengo Military School in 1938 and appointed an officer candidate in 1940.

He was promoted to 2nd lieutenant in August 1941, to 1st lieutenant in June 1943 and to captain in December 1945. He attained field officer rank of major in July 1953, promoted to lieutenant colonel in April 1961 and to colonel in August 1965. He became a brigadier general in November 1973 and major general in March 1978.

In addition, the new army general has completed courses in Cavalry pursuant to the 1929 regulation; Officer Advanced Training School, Army Staff School and Specialized Training School, where he specialized in photographic intelligence and chemical warfare. He also graduated from the Techniques of Education Course.

Among other decorations, he has those of Commander of the Orders of Military Merit, Naval Merit and Air Force Merit. During his military career he has held important posts such as those of director of the Campinhas stud farm, chief of the subsection of the 2nd Section of the Army Staff and command of the Cavalry School Regiment. Eurclydes Figueiredo Filho also served in the Military Household of the Presidency of the Republic and was the Brazilian armed forces military attache in Colombia.

Jose Magalhaes da Silveira

Also from the Cavalry, Jose Magalhaes da Silveira becomes a general of the army at the age of 63. He entered the Realengo Military School in April 1938 and declared an officer candidate in the Cavalry in December 1940 and promoted to 2nd lieutenant in August 1941, to 1st lieutenant in December 1943 and to captain in June 1946.

Jose Magalhaes da Silveira attained field grade as a major in October 1953 and then promoted to lieutenant colonel in April 1961 and to colonel in August 1965. He became a brigadier general in March 1974 and a major general in November 1978.

He is a graduate of the cavalry course pursuant to the 1929 regulation, of the Officer Advanced Training School, the Army Command and Staff School and of the motor-mechanization course of the Motor Mechanization School. Among his decorations are the Gold Military Medal, Officer of the Order of Rio Branco, Pacifier Medal and the Tamandare Medal of Merit.

In addition, he has had assignments as superior officer in the Officer Advanced Training School, the Army Command and Staff School and in 4th Cavalry Division Headquarters.

He was also a student at the Superior War School, commanded the 1st Border Group, held the post of deputy director of Military Service, headed the office of the Army Staff and commanded the 6th Army Division.

Raphael de Azevedo Branco

Promoted to fleet admiral, Raphael de Azevedo Branco is now deputy chief of the navy staff. He is 57 years old. He entered the Naval School as a cadet in May 1941 and appointed a midshipman in the Navy in February 1945. He attained naval flag rank as a rear admiral in June 1972.

He held the posts of commander of the ships Benevente, Duque de Caxias, Canopus, the cruiser Barroso and the aircraft carrier Minas Gerais. He was also commander of the naval bases of Salvador and Aratu in addition to having commanded the Northeast Naval Force.

Raphael de Azevedo Branco also was chief of the Directorate of Naval Education, Directorate of Naval Personnel, director of the Admiral Wandekolk Training Center and commander in chief of the fleet. He was also chief of the office of the minister of the navy, commanded the Naval War School and performed the duties of naval attache in the Brazilian embassies in the United States and Canada.

He was awarded the War Medal with two stars, the Northeast Naval Force Medal, the Bronze Military Medal, the Silver Military Medal, the Humanitarian Medal 1st Class, Commander of the Order of Military Merit, Commander of the Order of Rio Branco, Pacifier Medal, Santos Dumont Merit Medal, Air Force Merit Medal and is an officer of the Air Force Merit Order.

Ten More from the Army

Maj Gen Bersange Figueiredo Pratea became an officer candidate in August 1945 and reached the rank of brigadier general in March 1977. He is 56 years-of-age and belongs to the Infantry Branch. In addition to the infantry course, he graduated from the Officer Advanced Training School (ESAO), the Army Command and Staff School (ECEME), and the Communications School. Among the various medals he received are the Military Gold Medal and the Order of Rio Branco. As a general he was chief of the Army Civilian Personnel Directorate and at this time commands the 6th Military Region.

Of the three major generals promoted yesterday to that rank, the youngest is Diogo de Oliveira Figueiredo, the brother of President Joao Figueiredo. Like him, he is a cavalryman. He is 55 years-of-age and he became a cadet in August 1945. He became a general in March 1977. He has completed courses of Cavalry, ESAO, ECEME, Army Equitation School, Armed Forces Command and Staff School and Superior War School. He was awarded the Marechal Hermes Medal (bronze with one crown), the Paraguayan Order of Military Merit, Paraguayan Honorary Cavalry Medal and the Military Gold Medal. At this time he is chief of the ECEME.

Maj Gen Geraldo de Araujo Ferreira Braga, now chief of the Army Intelligence Center (CIEX), belongs to the infantry and is 59 years-of-age. He became a cadet in August 1945 and became a general in March 1977. He has taken courses in infantry ESAO, ECEME, Chemical Warfare and Armed Forces Command and Staff School. Among others, he has the Campaign Medal, War Medal, Military Gold Medal, and the Order of Rio Branco. He was recently the interim chief of the office of the Ministry of the Army.

Brigadier Gen Arnaldo Bastos de Carvalho Braga is the commander of the Sao Paulo Military Police, a post in which he will remain. He is 56 years-of-age and became an officer candidate in December 1948. He has completed courses in cavalry--the branch to which he belongs--Officer Advanced Training School, Army Command and Staff School. Among others, he has the Military Gold Medal.

Carlos Anibal Pacheco, a new brigadier general, is 52 years-of-age and is from the artillery. He became an officer candidate in December 1948. He has completed courses in artillery, ESAO, ECEME and the Coast Artillery School. He holds the Military Gold Medal.

Brigadier General Ilson Nunes da Silva of the infantry is 56 years old. He became an officer candidate in December 1947. He has graduated from courses in the infantry, ESAO, ECEME, Physical Education School. He holds the Military Gold Medal.

Brig Gen Luiz Armando Franco de Azambuja is 57 years old. He became an officer candidate in December 1947. He has graduated from courses in the ESAO, ECEME and the Superior War School. He received several medals, among which is the Military Gold Medal.

Brig Gen Luiz Guilherme de Freitas Coutinho of the Infantry is 53 and became an officer candidate in December 1948. He has graduated from courses in infantry, ESAO, ECEME and Army Physical Education School. He received the Marechal Hermes Medal (bronze with one crown); the UN Emergency Force, the Military Gold Medal, the Rio Branco Medal and the Italian Order of Merit.

Ney Riopardense Rezende was promoted to brigadier general and is 57 years old. He belongs to the Cavalry Branch. He was appointed an officer candidate in December 1948 and has graduated from courses in cavalry, ESAO, ECEME and Armed Forces Staff School. He has the Military Gold Star and three other medals awarded by Paraguay.

Brig Gen Roberto Pinheiro Klein belongs to the Artillery and is 55 years old. He became an officer candidate in December 1949. He has graduated from courses in artillery, ESAO, ECEME, Organizational Maintenance and Artillery in the United States. Among other medals he has the Military Gold Medal, the Marechal Hermes Medal (bronze with one crown), the Chilean Star of Merit and the Rio Branco Order.

Air Force Names

Maj Brig Fred Dalia Hoffmann was number one on the seniority list in the Air Force and already holding the post of secretary of economy and finances of the Air Force, a position which became official yesterday. From Pernambuco, he belonged to the class of April 1943 and was declared flying officer candidate in 1948. He became a general (air brigadier general) in November 1978. He has served in the United States and in the Araripe Macedo era he served as adviser to the office of the minister in logistics at a time when the FAB [Brazilian Air Force] was preparing a reequipment plan in which several aircraft were included, among them the Xavante and the F-5.

Maj Brig Mario Bretanha Galvao is a native of Rio de Janeiro. He was carried as a supernumary on the manning table of the Air Force because he was detached last year to attend the Superior War School. He was number two in seniority. With his promotion yesterday, he leaves the post he held in the Secretariat of Economy and Finances of the Air Force in Brasilia, and goes on to occupy the only duty which calls for the grade to which he was promoted, director of Air Force Supply in Rio de Janeiro. He belongs to the class of December 1945 and was promoted to brigadier general in March 1979. He also served in the office of former Minister Araripe Macedo.

Maj Brig Antonio Ismar Braga of the Medical Corps is of the May 1951 class and was declared a medical officer candidate of the FAB that same year. From Saboeiro, Ceara, he was promoted to general in November 1977. His specialty as a doctor is gynecology and obstetrics. He has 21 individual and five group commendations in his career. He was number one on the promotion list by reason of seniority. He was appointed yesterday to hold the post of Director of Air Force Health in Rio de Janeiro, a post he had been exercising on an interim basis.

Brig Gen Luiz Carlos Boavista Accioly of flying personnel was assigned upon promotion to serve in Rio as chief of staff of the General Personnel Command. He was appointed officer candidate in December 1953. He was promoted to colonel on 31 August 1977. He has completed courses in antisubmarine warfare in the United States and was an operational pilot on navy aircraft carriers.

Medical Brig Gen Waldemar Kischinheviski is a native of Rio de Janeiro, where he was born on 5 October 1926. He became a medical officer candidate in June 1952, the year he joined the Air Force. He has 15 commendations in his record. As a colonel he held the post of director of the Galeao Air Base Hospital. Yesterday he was named director of the Air Force Hospital in Rio de Janeiro. His last promotion, to colonel, took place 31 August 1974.

Medical Brig Gen Edson Brandao Guimaraes, also promoted yesterday, is of the class of April 1953 and on that same year he was appointed Air Force medical officer of Minas Gerais, he has taken all the regulation courses for FAB doctors and was promoted to colonel on 31 August 1975. He has 14 commendations in his record and yesterday, after having been promoted to general, he was assigned to head the Technical Deputy Directorate of the Health Directorate.

Admirals' Careers

Vice Adm Aymara Xavier da Souza, present chief of staff of Naval Operations is 53 and a native of Rio de Janeiro. He was promoted to rear admiral on 31 March 1977. He commanded the destroyers Apa, Amazonas, Bauru and Piaui; he was director of Naval Aviation, the Aeronaval Training and Qualifying Center, and he commanded the Sao Paulo da Aldeia Naval Air Base.

His records also confirm that he served in the office of the minister of the navy in 1969 and 1970. From 1972 to 1974 he served as chief of staff of the 5th Naval District and the Naval Command of Brasilia.

Vice Adm Dimas Lopes da Silva Coelho, also of Rio de Janeiro, class of 1945, was appointed a midshipman in 1951. He is now 55 and has completed courses of advanced training in hydrography and navigation, specialization in hydrography in Italy, and the Superior War School. He commanded the hydrographic ship Sirius, he was secretary of the Admiralty Council in 1977 and naval assistant in the Superior War School in 1977. His promotion from naval captain to rear admiral took place on 30 June 1970.

Vice Adm Hugo Stoffel was already commander of the fleet of naval frigates, which are the most modern ships of the Brazilian Navy. He became an officer candidate in 1944 and was appointed a midshipman in the class of 1951. A native of Rio de Janeiro, he is 53 and has completed courses in Antisubmarine Tactics and in the Superior War School. He commanded the naval oceanographic pilot boat Bauru and the cruiser Tamandare.

He was promoted to naval captain in September 1970 and reached the rank of rear admiral in March 1977 (the navy did not release the biography of four naval captains promoted to rear admiral).

Mello Mattos | Euclydes | Silveira | Branco

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NEW 'PACKAGE' CHANGES PICTURE OF GUBERNATORIAL ELECTIONS

Election Prospects Changed

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 8 Nov 81 p 6

[Text] The approval of the new "package" of electoral legislation reforms by the government should reverse the forecasts being made up to yesterday morning with respect to the upcoming elections. Instead of four of the 23 state governments being disputed, in 1982 the PDS [Social Democratic Party] should elect 19 governors, increasing its prepresentation in the Legislative Assemblies, the Chamber of Deputies and the Senate.

"All we have left to do is to go home," was the statement yesterday by Senator Agenor Maria (PMDB-RN) [Brazilian Democratic Movement Party from Rio Grande do Norte], candidate to governor of his state, to Senator Mauro Benevides, candidate to the governorship of Ceara.

"Just look how Our Lady protects me. I wanted to be candidate to governor of Maranhao, came Sunday and they did not let me," joked Deputy Epitacio Cafeteira (PMDB-Mato Grosso).

"We accepted a reduction from 214 to 180 or 170 deputies but not to 120 as you wanted," said Deputy Julio Campos of the PDS National Executive Committee to Gilson de Barros (PMDB Matto Grosso).

Municipal Elections

The total linkage of votes will tend to "municipalize" the electoral campaign, which should revolve around the municipal elections. There will be no ideological debates and national issues, a change which brings an obvious advantage for the PDS because the party has an absolute majority of the prefects and councilmen in all the states,even those of an oppositionist tendency such as Sao Paulo.

Thus, the opposition has some chances in Sao Paulo, Rio Grande do Sul, Parana, Rio de Janeiro, Pernambuco, Paraiba, Piaui and Amazonas if the campaign for the state governorships arouses the enthusiasm of the rank and file around the slates of the PDT [Democratic Workers Party], PMDB or the PP [Popular Party].

The compulsory nature of the requirement that the parties present candidates to all contested positions in 1982, reinforces the power of the governors, who will be able to select the person of their preference since it makes unworkable the alliances which were already taking shape among the factions of the PDS and the opposition. In Bahia, for example, dissident Lomanto Junior cannot come to an arrangement with the PP of former Governor Roberto Santos. Lomanto will have to channel his votes to all the candidates of the PDS if he wants to reelect his son Leur Lomanto.

The proposal also eliminates agreements which were already being put together in other states such as Ceara, where the PDS supported Mauro Benevides against Governor Virgilio Tavora, who seeks to impose the candidacy of his main adviser, Aecio de Borba Vasconcelos.

Problems

Senator Franco Montoro, the favorite in Sao Paulo to replace Governor Paulo Maluf, must suffer the impact of the possible candidacies of former Prefect Olavo Setubal of the PP, Attorney Helio Bicudo of the PT, former President Janio Quadros for the PTB, speaking only of the breakup of the opposition voter monopoly. On the other hand, he must face the PDS, where he must face the government candidate, who is helped by the federal, state and municipal machinery, since the great majority of the prefects and councilmen from the interior of Sao Paulo belong to the official party.

The incomprehensible optimism of Parana Governor Ney Braga when he made his last trip to Brasilia and said that the PDS would be strengthened by the withdrawal of former Governor Paulo Pimental, who became a candidate for the governorship for the PTB, is only now being interpreted by political observers in Brasilia. He said that Senator Jose Richa of the PMDB, apparently unbeatable, would have to face not only the candidate of the government, Saul Raiz, but also Pimentel of the PTB and Jaime Canet of the PP.

In 1978 Richa managed to be elected to the Senate against Tulio Vargas of the old ARENA [National Renewal Alliance] thanks to the help of the subgroups [sublegendas], a phenomenon which Ney hopes will be repeated in the future within the framework of the multiparty system.

The rise of Senator Tancredo Neves, president of the PP, to Liberdade Palace no longer appears so easy. In Minas, the PMDB should launch Senator Itamar Franco as a candidate and the PT could resort to former cassated Deputy Edgard Mata Machado. Despite this, it is true that the PP has a strong legislative representation and a well structured party machinery in the interior. In Rio, all the government measures in favor of the PDS favor the local majority party, the PP of Chagas Freitas. The possibilities of the candidacy of Miro Teixeira increase with the need of the PMDB of Roberto Saturnino, the PDT of Leonel Brizola, the PTB of Sandra Cavalcanti and the PDS of Celio Borja to forward their own candidates for the governorship of Rio de Janeiro.

In Amazonas, where the majority of the voters are concentrated in Manaus, the electoral prospects of Gilberto Mestrinho, now in the PP, appear good against Evandro Carreira of the PMDB, which is so divided with respect to the PDS of Governor Jose Lindoso. In Para, the federal government needs to intensify support for the president of the Senate, Jarbas Passarinho, so that he may

face the machinery of Governor Alacid Nunes at the service of the PMDB of Jader Barbalho.

In Rio Grande do Norte, the PDS is once more strengthened against the PP of former Governor Aloisio Alves, while in Pernambuco, the PMDB of Marcos Freire continues to be very strong, although it can no longer count on the hope of an agreement with the PP of Thales Ramalhou or the PDT. In Bahia, any PDS candidate should win the election against Roberto Santos of the PP and Valdir Pires of the PMDB.

In the South

Even in Rio Grande do Sul, the PDS now has a chance of winning the election with Nelson Marchezan or Jair Soares because the government's electoral reform makes the fight between the PMDB of Senator Pedro Simon and the PDT of former Governor Leonel Brizola, inevitable, also preventing alliances between them and the PP of former Governor Sinval Guazzelli.

The picture is practically the same throughout the country, with a reversal of the expectations of the official party, which appeared completely without strength up to yesterday morning.

Other members of the PDS, however, such as the deputy leader of the government party, Deputy Alvaro Valle (PDS-RJ) [PDS Rio de Janeiro], think differently, "Now negotiations can begin. It was impractical before because we were trapped."

Miro Most Popular

Rio de Janeiro O GLOBO in Portuguese 22 Nov 81 p 4

[Text] The secretary general of the Popular Party [PP], Deputy Miro Teixeira, today has the preference of the Rio de Janeiro voters, according to the last poll taken by the Brazilian Institute of Technical and Statistical Analysis (IBATE) of candidates to the state governorship. The work, ordered by politicians of the PDS, is relative to the period 15 October to 15 November and represents 3,600 interviews with persons between 17 and 65 years-of-age of different socioeconomic classes.

To the question "For whom are you going to vote for governor of the state?"--the poll did not allow options--replies were 23.2 percent for Miro, 20.8 percent for Sandra Cavalcanti (PTB), 7.7 percent for Senator Saturnino Braga (PMDB); 7.3 percent for former Governor Leonel Brizola (PDT); and 4.3 percent for the prefect of Niteroi, Wellington Moreira Franco. Of those interviewed, 36.7 percent are still undecided. Among the parties, the PMDB is preferred by 16.1 percent. Next is the PTB (13.8 percent), the PP (11.6 percent), the PDS (11.2 percent), the PT (7.3 percent) and the PDT (4.5 percent). The PDR [Republican Democratic Party], still being formed, was preferred by .3 percent. As far as the parties are concerned, 35.2 percent are still undecided.

Image

According to an IBATE study, the rise of Miro in popular preference was caused by two main reasons: An abrupt fall in the popularity of Sandra Cavalcanti and the revelation which preceded the rally initiating the campaign of the PP candidate last 14 October in Madureira.

Two explanations were given for the decline in the popularity of Sandra: The first, which also justifies an increase in the number of undecideds, is that in the first half of 1980, when the former deputy had 54 percent of popular preference, the other parties had not yet indicated their candidates.

The other reason, according to the survey, was the accusation by legislators in the Legislative Assembly, accusing her of having used the National Intelligence Service (SNI) "to threaten her colleagues." The coordinators of the survey concluded that the revelation of the debate on her petition in which the former deputy mentions the SNI, harmed her popularity, primarily among the younger voters up to 32 years-of-age.

Also according to the survey, the numbers which indicate Miro as being preferred are the result "of the reappearance of the deputy, who received the most votes in 1978, at that time running for the MDB [Brazilian Democratic Movement]." The researchers point out, however, that the Miro rally, attended by large numbers of people, did not show up in the survey, which was concluded a day later.

They believe that the simple presence of Miro Teixeiro in the announcements which preceded the Madureira rally, were enough to insure the preference for the PP candidate. According to the last survey, Miro Teixeira beats all the others in the Rio de Janeiro area, as well as in the interior of the state, coming in behind Sandra Cavalcanti only in the capital, with a difference of .4 percent.

In the comparative analysis of the results of the first and second quarters of 1981, the survey concludes that "a reading of the Miro Teixeira figures reveals that there was a mobilization of the candidate with respect to the voters and his candidacy achieved greater aggressiveness in all areas, particularly in the interior of the state, where his political work took on more emphasis."

Progress of the Candidates According to IBATE

Candidates	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter
Miro Teixeira (PP)	8.9 percent	15 percent	16.9 percent	23.2 percent
Sandra Cavalcanti (PTB-PDR)	32.6 "	32 "	28.9 "	20.8 "
Roberto Saturnino (PMDB)	6.1 "	4.1 "	6.4 "	7.7 "
Leonel Brizola (PDT)	7.6 "	4.9 "	5.1 "	7.3 "
Moreira Franco (PDS)	3.2 "	4.1 "	5.2 "	4.3 "
Undecided	41.6 "	39.9 "	37.5 "	36.7 "

The IBATE surveys show a constant rise of Miro's popularity and a decline of Sandra's, which was exceeded for the first time since the beginning of the year. Also with respect to the first quarter, Saturnino and Moreira Franco had a relative increase in popular preference, but with variations: Brizola showed a small loss. The percentage of undecideds decreased.

Governors' Popularity

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 26 Nov 81 p 2

[Text] The popularity of the governors of the most populous states increased in the first nine months of 1981, particularly that of those who were previously most unpopular. Compared with the figures obtained in surveys made in 1979 and 1980, when great declines in the popularity of those same governors were recorded, the rates this year show a visible trend toward an increasing popularity, or in strictly technical terms, a reduction in their unpopularity. The only exceptions are Rio Grande do Sul and Rio de Janeiro, where Amaral de Souza and Chagas Freitas are increasingly unpopular.

The surveys made by the Gallup Institute show that the governors of Pernambuco and Parana, Marco Maciel and Ney Braga, respectively, whose rates of popularity remained stable in 1979 and 1980, continue to receive favorable marks in the first three quarters of 1981, while the governors of Bahia, Minas Gerais and Sao Paulo, in that order, Antonio Carlos Magalhaes, Francelino Pereira and Paulo Maluf, who previously recorded very low levels of popularity, showed a constant increase in 1981, without, however, reaching very great marks. The improvement by those three governors caused an almost total erasure of their negative images, without allowing, however, them to record the positive marks reached by Marco Maciel and Ney Braga.

In the most recent poll in September, the levels of prestige of those governors (obtained from the difference between the percentages of approval and reproval) were the following: Marco Maciel, +16 percent; Ney Braga, +11 percent; Antonio Carlos Magalhaes, -3 percent; Francelino Pereira, -5 percent; Paulo Maluf, -9 percent; Amaral de Souxa, -26 percent and Chagas Freitas, -33 percent.

According to the Gallup Institute report, "It has been observed that the power of transferring votes (to the candidates supported by them) by those who hold executive positions is directly proportional to the degree of popular approval of their administration." Therefore, concludes the public opinion poll institute, "It can be said that there are some possibilities of the transfer of votes in the cases of Governors Marco Maciel and Ney Braga." It adds: "It could be that such possibilities could come to exist, if the present trends continue, in the cases of Bahia, Minas Gerais and Sao Paulo," and "The present governors of Rio de Janeiro and Rio Grande do Sul tend to have no possibilities of the transfer of votes."

Opinions on the Performance of Governors in September 1981 (in percentages)

Believe the present governor is performing	Marco Maciel (PE)	Ney Braga (PR)	Antonio Carlos Magalhaes (BA)	Francelino Pereira (MG)	Paulo Maluf (SP)	Amaral de Souza (RGS)	Chagas Freitas (RJ)
Very well	18	12	15	8	8	6	3
well	39	41	30	36	36	28	22
average	31	34	29	36	35	42	35
badly	6	5	10	9	10	10	10
very badly	4	3	9	4	8	8	13
No opinion	2	5	7	7	3	6	17
Totals	100	100	100	100	100	100	100
Rate of approval							
(very well and well)	57	53	45	44	44	34	25
Disapproval							
(average, badly, very badly)	41	42	48	49	53	60	58
Rate of approval	+16	+11	-3	-5	-9	-26	-33

Chagas Freitas and Amaral de Souza are the only ones in decline.

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USSR'S USTINOV WARNS U.S. ON ANTI-CUBAN MOVES

Havana TRABAJADORES in Spanish 7 Nov 81 p 6

[Article: "'The United States Must Consider the Consequences of an Action Against Cuba,' Said Soviet Defense Minister Dmitriy Ustinov at the Solemn Ceremony Dedicated to the 64th Anniversary of the October Revolution"]

[Text] Moscow, 6 Nov (PL)—Marshal Dmitriy Ustinov today accused the U.S. Government of making widespread use of international terrorist methods and shamelessly intervening in the internal affairs of other countries.

The member of the Soviet Communist Party Politburo and Soviet minister of defense spoke at a session solemnly dedicated to the 64th anniversary of the October Socialist Revolution.

Presiding over the ceremony at the Palace of Congresses in the Kremlin were Soviet Communist Party Secretary General and chairman of the USSR Supreme Soviet Leonid Brezhnev, other top Soviet leaders and distinguished political figures from foreign countries.

In his speech Ustinov said that aggression-bent U.S. and NATO factions are persistently undermining the military strategic balance that has been created.

"Given the present balance of power in the world," he added, "this course is nothing more than political adventurism."

Farther on he reported that the United States is waging an undeclared war against the Afghan revolution and deploying its arms in the Middle East, supporting Israel's expansionist policy.

He also pointed out that American imperialism is with money and arms maintaining tyrannical and unpopular regimes like those in El Salvador and Chile while it supports the piratical acts of the South African racists.

Later on the Soviet minister of defense said that Washington is promoting the rebirth of Japanese militarism and with anti-Soviet aims favors the military strengthening of China.

Regarding Soviet-American relations, he maintained that the present administration is attempting to raise doubts about everything positive that was achieved in the way of detente in the 1970's.

The Soviet leader, whose speech was repeatedly applauded by his listeners, vehemently rejected the attempts of the U.S. Government to engage in a dialogue with the USSR from positions of strength.

In connection with this topic he emphasized that the only real basis for a dialogue, like it or not, has to be the principle of parity and equal security.

"The Soviet Union invariably starts with the premise that a nuclear war can be prevented and peace maintained," the speaker said, adding: "Soviet faith in peace also presupposes the most attentive and careful attitude toward the defense of the country."

Elsewhere in his speech the Soviet minister of defense mentioned that the United States had recently intensified its campaign of false accusations and threats against the Cuban Revolutionary Government.

He maintained that, using absolutely unfounded pretexts, the United States is increasing tensions centering about Cuba and directly threatening it with "punitive actions."

Ustinov warned that the U.S. Government must consider the consequences such actions may have.

Referring to the situation in Poland, he denounced the internal and external forces that are trying to restore the bourgeois regime in that socialist country and said that the Communists and all patriotic Poles will always have the full support of Poland's sister nations.

Ustinov dedicated another part of his speech to unmasking the campaign based on a supposed Soviet military threat and the belief, "encouraged by imperialist factions," in the capability of unleashing a decisive nuclear strike.

"Let no one doubt the capability of the socialist countries to protect their historic conquests," he affirmed.

Ustinov denied that there was any validity in the belief that a nuclear war could be won by firing the first shot and in connection with this he deplored the fact that the United States had not backed the Soviet proposal in the United Nations to renounce any such action.

In the first part of his speech he said that the Soviets have reached the 64th anniversary of the socialist revolution more closely united than ever with the Communist Party and the Central Committee, headed by their beloved leader, Leonid Brezhnev.

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CSO: 3010/390

CPUSTAL LETTER TO CTC'S VEIGA EXPRESSES SUPPORT

Havana TRABAJADORES in Spanish 6 Nov 81 p 1

[Text] (PL)—The Executive Secretariat of the Latin-American Workers Permanent Congress for Trade Union Unity (CPUSTAL) yesterday issued a statement in Mexico City condemning the Reagan administration's threats against Cuba.

The CPUSTAL also sent a cable to Roberto Veiga, secretary general of the Central Organization of Cuban Trade Unions (CTC), in which it expressed the organization's unrestricted solidarity with "the glorious island of liberty" in the face of the United States' goals of aggression.

Made "in the face of the cynical and criminal statements of the Reagan administration," which is in this way attempting "to justify an imminent attack on socialist Cuba," the CPUSTAL declaration contains the following four points:

1. It expresses its most vehement condemnation of this campaign orchestrated by Yankee imperialism and its lackeys in an attempt to diminish the prestige of the Cuban revolution and its illustrious example for the peoples of Latin America and the Caribbean's struggle for national liberation.

2. It denounces the latest statements made by Mr Reagan and his administration as a cold-blooded plan for an imminent attack on Cuba.

3. In the face of so serious a situation, it reaffirms its most unrestricted solidarity with the glorious Cuban revolution, the workers and their CTC, the people and revolutionary government of Cuba, paying homage to their worthy and firm revolutionary attitude, designed, as always, to defend our peoples' sacred principles of sovereignty and self-determination.

4. It calls on all its affiliated labor unions and friends and all the workers and peoples of Latin America and the Caribbean to denounce this criminal intention of Yankee imperialism, to step up mobilization and solidarity actions with socialist Cuba and to address themselves to the CTC, reiterating their most ardent solidarity.

The cable to Roberto Veiga reiterates the CPUSTAL's condemnation of the United States' objectives for an imminent attack on Cuba and pays homage to "the Cuban people's firm attitude in defending their revolution."

This message concludes, noting that the CPUSTAL secretary had made an appeal to the labor unions and workers of Latin America to denounce the "criminal threats of imperialism" and reaffirm their "solidarity with Cuba and its glorious revolution," expressing its solidary support to the CTC.

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CSO: 3010/390

MANAGERIAL IMPROVEMENTS AT ENC REPORTED

Havana BOHEMIA in Spanish 16 Oct 81 pp 28-31

[Article by Gregorio Hernandez: "Caribbean Navigation: Analysis of an Entrepreneurial Performance"]

[Text] The 15th anniversary of the founding of the present Caribbean Navigation Enterprise [ENC] will be celebrated this year. This activity in the field of maritime cargo and passenger transportation is of significant importance to the nation's economy. The most important enterprise in this category is the Mambisa Navigation Enterprise, which also is celebrating its 20th year of existence.

This report on the Caribbean Navigation Enterprise first will attempt to delineate--in an expository manner--the characteristics of the operations of the enterprise, the resources available to it, its principal transportation categories, the areas in which its fleet operates, and other aspects of informational interest, and subsequently to analyze--as the second part of the report--the results of the economic performance of the enterprise (at least as regards the first half of this year) as well as to state our opinion concerning certain aspects of work in this sphere of activity, based on the information at hand.

That is to say, we shall examine the problems resulting from structural changes; the operating efficiency of the fleet; the fares and rates, and their impact on the profitability of the enterprise; and a very important consideration, namely whether the formation of economic stimulation funds has been recommended, and if not why not.

Activities

For a number of years Cuba has occupied third place among the nations of Latin America in respect to commercial maritime tonnage, surpassed only by Brazil and Argentina (respectively in first place and second place). In the context of this relative position we may add that of the two Cuban shipping enterprises, the Mambisa Navigation Enterprise operates large-tonnage vessels exclusively on international routes, while the Caribbean Navigation Enterprise transports cargo and passengers in the domestic coastwise trade as well as various types of cargo in the Caribbean regional trade; it also carries occasional cargoes of fuel to Europe and the Mediterranean region. The ENC also engages in other activities in support of its principal function; these activities include any ship repairs that may be required; operation of the ports of Batabano and Nueva Gerona; the towing of vessels both

domestically and internationally; and the provision of food service in connection with the transportation of passengers. Since mid-1980, moreover, it has been in charge of short-haul coastwise shipping in the eastern coastal service, using small vessels suited to this traffic.

Existing Capacities

The ENC fleet consists of 27 vessels, most of which are specialized for the transport of specific products (fuels, bulk cement, liquefied gas and so forth); the average age of these units is 16 years.

Of this total, 12 vessels are available for the transport of 51,000 deadweight tons (DWT) and 93,730 DWT of liquid cargo. The passenger fleet, for its part, consists of 15 vessels (two transshipment vessels, two passenger vessels, and 11 "Kometa" hydrofoils. The enterprise also operates a park of tugboats, barges and motorized sailboats for the short-haul traffic.

Transportation Categories

The transportation of liquid cargo occupies a predominant position in the economic activity of the enterprise, and the principal category of this type of cargo is petroleum products. Another important category is the coastwise transport of sulfuric acid, although the quantities involved are smaller.

The dry-cargo fleet, for its part, is composed of vessels of universal type for general cargo, together with some specialized units for the bulk transport of cement. These specialized units are employed basically in transporting cargo to the Caribbean region and--in smaller volume--in the domestic coastwise service.

Areas of Relatively Heavy Traffic

With respect to the domestic service, the areas of heaviest traffic are to be found in the short-haul coastwise service between the ports of Batabano and Nueva Gerona and in the service for the eastern provinces.

The coastwise traffic, for its part, takes place among the principal ports of the nation; Havana, Santiago de Cuba and Mariel are among the more important ports of origin.

With respect to the international traffic, service is maintained to Mexico, Venezuela, Panama, Curacao, Guyana and other Caribbean countries; it consists primarily of the export of bulk cement and dry cargo and other products of Cuba's foreign trade.

Most Productive Vessels

In the context of all this activity by the ENC fleet one must emphasize the fact that the workers' effort has been unflagging, and in this connection we wish to place particular emphasis on the work of the collective of the Margarito Iglesias repair shops, whose effort is making it possible for many units completely to fulfill their transportation plans. The contribution of the movement of innovators and rationalizers in this connection is very significant; through their inventiveness the movement solves problems that find no solution even in the market of

convertible foreign exchange, in that it has succeeded in salvaging--or constructing--parts no longer offered in that market. The most productive vessels in 1980 were the tankers "10 de Octubre" and "Primero de Mayo"; the bulk cargo ship "Capitan San Luis"; and the motorship "Bahia de Nipe."

In the first half of 1981 the position of vanguard was attained by the tankers "Olo Pantoja" and "5 de Septiembre," together with the previously honored "10 de Octubre" and "Primero de Mayo" and the bulk cargo ship "Capitan San Luis."

Economic Statistics

Since 1978 the Caribbean Navigation Enterprise has been included in the economic statistics. In 1980 it fulfilled its production plan by 113 percent, and its compliance with the corresponding indicators was adjudged acceptable.

During the first half of 1981 the enterprise maintained its record of fulfillment, as shown in the following results: value of gross production, 101.8 percent; labor productivity, 111 percent; average wages, 96.9 percent; cost per peso of gross production, 98.4 percent. It is nonetheless useful to point out that although these indicators reflect a positive balance in respect to economic performance, it appears that the enterprise has problems of a financial nature. One cause of these problems is presumed to be the existing rate and fare schedules, which make it impossible to obtain the planned profit margins and compel the enterprise to operate on the basis of planned losses.

Utilization of the fleet has been hampered by the congestion of the port, primarily in respect to the time lost in waiting for docking space for loading and unloading--delays that cannot be imputed to the vessels themselves. This situation--which was particularly critical last year--has improved somewhat, although there remains much room for improvement in this respect.

Investments

The Caribbean Navigation Enterprise has drawn up a comprehensive plan for ship acquisition and construction during the current 5-year period. In the area of ship acquisition, two specialized cargo vessels for the transport of fuel and liquefied gas have been chartered in Japan, and various types of vessels for the transport of general cargo and hydrocarbons have been chartered in Rumania. Some of these units will begin operations in Cuba late this year and early next year; they will be used both in the domestic coastwise traffic and in the Caribbean region. Plans also call for the addition of new vessels for short-haul coastwise shipping; these will be designed and built in Cuban shipyards and will gradually replace the units of the coastwise fleet that require replacement, principally those employed in the eastern coastal service. Plans also call for investments to be made for tugboats, barges and other auxiliary vessels that will likewise be built in Cuban shipyards.

Also under study as part of this development plan are construction projects designed to support the activities of the merchant fleet and coastwise navigation, notably the following projects:

1. A functional marine terminal at Nueva Gerona for the reception of general cargo and passengers destined for Isla de la Juventud.

2. Modernization of the port of Batabano.

3. Initiation of design and survey work on Isla de la Juventud with a view to construction of a specialized port for the export of citrus.

Plans also call for small-scale investments to be made for the wharf at La Coloma, Pinar del Rio Province, where passenger traffic was initiated last August to and from Isla de la Juventud utilizing "Kometa" hydrofoils.

Also in Nueva Gerona, a center will be built for the preparation of food to be served to passengers who use the maritime passenger services, together with other construction projects in support of the short-haul coastwise activity.

Journalist's Opinion

The Caribbean Navigation Enterprise has clearly made progress in the 15 years since it was founded. Its activities have expanded from the national to the international field, and in particular to a region that is so naturally within its scope: the Caribbean. Its total tonnage has increased significantly, and it has added vessels of advanced technology to its fleet. Its operations have become more complex; its services have been diversified; and the volume of financial resources available to it has increased.

Not everything is going smoothly, however. The experience of recent years demonstrates the need for making structural changes that will enable the enterprise to function with greater flexibility and efficiency. The operational efficiency of its fleet should accordingly be improved and its rotation cycles expedited despite the good results reflected in the most recent statistics.

On the other hand, it is also necessary to compensate the imbalance which is the cause of the delays that are not attributable to the vessels themselves, and also of the consequences (which we have mentioned above) of these delays in terms of a slower rotation of these units, lower productivity, increased expenses, and so forth, without a corresponding fair return.

We also take this opportunity to ask: "To what extent will it be possible to change the existing rates and fares--which were based on 1978 costs--when the overall price reform has not yet taken place and these rate and fare schedules therefore do not provide margins of profit that are appropriate for an activity--such as the maritime transportation of cargo and passengers--that is based on the commercial relationships of receipts and payments?

We can of course question this latter aspect, by asking: "Instead of increasing rates and fares, would it not be a sounder policy from an economic standpoint to reduce costs?

Lastly, we wish to bring up something very important, to wit: "Why is it that having obtained favorable results in respect to the basic indicators of the economic calculations preparatory to creation of the stimulation fund within the enterprise, no recommendation was made that this benefit be received not merely in 1981 but also in 1982?

We believe that there exist behind this negative circumstance certain problems relating to control, organization and efficiency in some sectors of the management of the enterprise--problems that are demonstrably prejudicial to the efforts of the other workers of this entity whose function it is to provide maritime transportation services. We would like at the same time to extend our appreciation to those--the majority--who have been able efficiently to carry out the tasks that correspond to their respective functions.

These are the conclusions we have reached, interspersed with some questions which we raised and which--one must acknowledge--in no way becloud the favorable balance sheet presented by the Caribbean Navigation Enterprise in summing up its 15 years of existence.

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CSO: 3010/274

MONGOLIAN AMBASSADOR PRESENTS CREDENTIALS

Havana GRANMA in Spanish 10 Nov 81 p 3

[Article by Rolando Meneses]

[Text] Ambassador of the People's Republic of Mongolia Gombosurenguin Dashdavaa, who has just presented his credentials to the Cuban Government, has given his first press conference, which coincided with the 60th anniversary of the signing of the first Soviet-Mongolian friendship treaty.

He noted that that treaty, signed on 5 November 1921 between the Revolutionary Mongolian Government and Soviet Russia, has had a historic significance for the destinies of the Mongolian people and the development and reinforcement of our fraternal relations.

After speaking of the development of his country in all fields, Dashdavaa condemned the activities of Yankee imperialism and Beijing's domination of others. He mentioned the efforts of the Mongolian People's Revolutionary Party, the Great Hural and President Yumjaagiyn Tsedenbal to promote nonintervention and discourage the use of force with an eye to guaranteeing peace.

He expressed his solidarity and that of his country with Cuba at this time of Yankee imperialist threats and acts of aggression. "Our people," he said, "are informed about everything that is happening in this part of the world and they raise their voices in active solidarity with Cuba, its government and its people."

11,466
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FOURTH NATIONAL FRONT CONFERENCE HELD IN HAVANA

Havana BOHEMIA in Spanish 6 Nov 81 p 54

[Text] Broad exchanges of experiences based on the efforts being made by their respective mass organizations as well as in the development of international solidarity, the anti-imperialist struggle and peace were the final results of the Fourth Conference of National Fronts, held by the socialist countries and mass and social organizations which, with the participation of delegations from 17 nations, held sessions for 2 days in Convention Hall in Havana.

A free and victorious Cuba, ready to defend its revolution with any means that may be necessary against its powerful, threatening and demented neighbor, was once again the state for an event during which imperialist machinations against the freedom and independence of peoples were denounced, one which furthermore most usefully served the future development of bilateral and multilateral relations among these organizations, which bring together many social forces, as well as the implementation of tasks that will help in achieving the closest association among the broad masses of the people as regards vital problems in the development of those countries that have adopted an independent and socialist course to follow.

During the opening session Armando Acosta Cordero, alternate member of the Cuban Communist Party Politburo and national coordinator of the Committees for the Defense of the Revolution (CDR), reaffirmed the fact that "we are fervent lovers of peace, but we will not compromise on a single one of our principles, we will not yield to imperialism, we want peace with modesty, peace with dignity, an honorable peace that will permit us to hold our heads high, with pride, before present and future generations." These words were extensively received by the delegates who were present, from: the GDR, Afghanistan, Benin, Bulgaria, Czechoslovakia, Socialist Ethiopia, Hungary, Laos, Kampuchea, Mongolia, Mozambique, Nicaragua, Poland, the Soviet Union, Vietnam and the People's Democratic Republic of Yemen.

Present at this session were Jose Ramon Machado Ventura, member of the Politburo, and Jesus Montane Oropesa, alternate member of the party Politburo.

The opening of the session began with a greeting from Cuba, as the host country for the event, to the participants who, at the last conference had decided that this one would be held in Cuba, the foremost socialist country in the Americas. The vice coordinator of the CDR, Maria Teresa Malmierca, said that the presence of delegations from 17 countries was of great significance.

11,466
CSO: 3010/395

UNESCO REGIONAL DIRECTOR LOPEZ INTERVIEWED

Havana GRANMA in Spanish 10 Nov 81 p 4

[Report on interview with the director of the UNESCO Regional Cultural Office for Latin America and the Caribbean, Luis Lopez Alvarez, by Elvira Pelaez in Havana; date not given]

[Text] Quite rightly concerned over the current international tension, Mr Luis Lopez Alvarez, director of the UNESCO Regional Cultural Office for Latin America and the Caribbean — with headquarters in Havana — began the interview he granted GRANMA by speaking of the urgent necessity of saving mankind from a new world war.

Starting with its fundamental texts, UNCESCO declares itself for man. It is against war and the arms race and works tirelessly to see to it that peoples develop and get to know themselves and one another better. He emphasized that working in this direction is cooperating in the maintenance of peace in the world. And he added that UNESCO education, culture, science and communication programs are aimed at improving all peoples and achieving a more united mankind.

GRANMA interviewed Mr Lopez Alvarez on the occasion of UNESCO's 35th anniversary.

In his statements he reported that UNESCO will be reorienting its programs and activities from now until February 1982 to work out the medium-term plan for 1984-1989.

"Thus," he said, "it is concentrating on a limited number of major programs which do not involve single fields, but are interdisciplinary and formulated in such a way as to be understood not only by specialist, but also by the public at large."

Among the general lines of this effort UNESCO grants priority to the underdeveloped countries, reconciles thinking on programs agreed on with the kinds of action needed to successfully realize them and advances those ideas on which an international consensus can be reached in terms of treaties, agreements, etc. or which may recapitulate initiatives and requirements of the different countries.

UNESCO for Latin America and the Caribbean

The director of the UNESCO Regional Office noted that it hopes to eliminate illiteracy in Latin America and the Caribbean by the year 2000. To do so the organization is coordinating ideas and projects and promoting an exchange of aid and experiences among peoples. He added that Cuba is a country with a lot of experience.

Regarding the field of science, he pointed out that they are working on the balance sheet for the region's water resources, which includes the drawing up of a drinking water map, and on a program to slow down the process of aridity in historically arid regions like those that exist in Chile and Argentina.

He noted that UNESCO efforts are also centered on a program for the urgently needed preservation of the cultural heritages of the different countries (Peru, Guatemala, Ecuador, among others). He stressed the fact that the organization plans to cooperate with the Cuban Government on the plan to restore the old city of Havana.

The regional office is particularly involved in two major operations: cultural studies and cultural development. The first comprises the collection of works that already include classics in the universities of the region: "America Latina en su literatura" [Latin America Through Its Literature], "America Latina en su musica" [Latin America Through Its Music], "America Latina en sus artes plasticas" [Latin America Through Its Plastic Arts], "Africa en America Latina" [Africa in Latin America] and "America Latina en su arquitectura" [Latin America Through Its Architecture]. Lopez Alvarez explained that the narrators of the last two of these works are Cubans: Manuel Moreno Fraginals and Roberto Segre.

Other texts, on migratory cultures in Latin America, the Mayan and Aymara culture and other topics, are being prepared. He added that UNESCO is also getting ready to begin a work on the Iberian cultures' contribution to this continent.

He reported that UNESCO is soon to launch a major project aimed at describing the gen ral history of Latin America and the general history of the Caribbean.

Lopez Alvarez noted that, as regards the office's second operation, it is contemplating assistance so that the countries concerned can carry out their cultural policies or specific aspects of them. This will comprise cultural planning, the training of suitable personnel to perform cultural missions, education in the arts, etc.

Based in Havana for 30 years now, this UNESCO office has considerably contributed to the benefiting of our poeples. Other conferences, contacts and plans are expected through its efforts.

Taking stock of its 35 years, UNESCO can be proud of what it has achieved: helping people to prosper and realize their plans throughout the world for the good of mankind.

11,466
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MEXICAN COOPERATION IN HOUSING CONSTRUCTION NOTED

Havana GRANMA in Spanish 12 Nov 81 p 3

[Article by Jose Gabriel Guma]

[Text] Architect Francisco Covarrubias Gaitan, general director of the Urban Equipment and Housing Division of the Mexican Department of Human Settlements and Public Works, believes that broad cooperation in the field of construction of housing and public buildings on the basis of an exchange of experiences between his country and Cuba is feasible.

He added that such mutual cooperation would be facilitated due to the fact that the areas of Cuban-Mexican cooperation are already defined through both multilateral and bilateral procedures.

Covarrubias heads the Mexican delegation to the International Architecture Seminar on Construction Systems for Housing and Public Buildings which took place in Convention Hall in Havana. The other members of that sister nation's delegation are architects Gustavo Romero, assistant director of housing, and Gonzalo Lara, head of the Division of Housing Investment Programs of the same department.

In statements made to GRANMA he spoke of the efforts of President Jose Lopez Portillo's government, aimed at reducing housing costs for the benefit of broad segments of the population, and stressed the fact that during the 5-year period 1976-1981 the public sector built more units than it did during the half century covering 1925-1975.

In connection with this he reported that during the current year the public sector had planned to build a total of 223,000 housing units, but due to inflation — basically manifested in the increase in value of urban land and materials — that figure will be reduced by approximately 9 percent.

The distinguished Mexican architect, who presented an interesting paper on housing problems in Mexico and the advanced modular system established in that country, based on standardization of components and systematization of prototypes used in the construction of housing units and other buildings, was of the opinion that the novel movement represented by the Cuban microbrigades constitutes a very positive experiment and corresponds to the interests of a nation with full employment.

11,466
CSO: 3010/394

NEW MECHANIZED HERBICIDE SPRAYING METHOD DESCRIBED

Havana JUVENTUD TECNICA in Spanish Aug 81 p 31

[Article by Jose R. Garcia Gonzalez: "Time and Labor Saving"]

[Text] Creativity of BTJ [Youth Technical Brigades] member increases productivity in herbicide spraying.

The manual spraying (using the hand-held unit) of 80 cords [1 cord = 414 centiares] requires the use of eight operators and several complete working days; however, following the project of automotive mechanic Juan Hernandez and his assistant Rafael T. Garcia, the manpower has been reduced to three workers and the task now only takes 8 hours.

The innovation created by this young member of the BTJ consisted in building his own equipment unit for spraying herbicides, using as fundamental raw material certain parts declared surplus.

This device is made up of a set of wheels, two fiberglass tanks with a capacity of 55 gallons each, a hydraulic pressure pump (with wheel and bypass valves), two portable arms with three regulating nozzles, a pair of 15-m hoses and individual regulation systems for each arm. Besides, it has been equipped with a mechanism which maintains the mixture of the substances inside the tanks.

For movement on land, we need a tractor which, in addition to towing the unit, powers the pressure pump of this equipment. It must be pointed out that the work can be done with two nozzles at a time or with only one, if the features of the strip of land so require.

The equiment is now being satisfactorily used at the cane experimental station in Jovellanos, Province of Matanzas, and has proved its efficiency and productivity in practice.

5058
CSO: 3010/372

NEW CONSTRUCTION IN CIENFUEGOS PORT DESCRIBED

Havana BOHEMIA in Spanish 2 Oct 81 pp 28-31

[Article by Gregorio Hernandez: "Cienfuegos: From the Old Port to the New"]

[Text] I. Old Port

One of the busiest ports in the nation is the port of Cienfuegos Province, whose capital and port city is known as the "Pearl of the South." The renowned Jagua Bay--on whose shore the port is located--measures 16 kilometers in length and almost 6 kilometers in width and has sufficient depth to accommodate vessels of deep draft.

In the old port the revolution inherited a number of small wharves and warehouses of limited capacity, all of which had been subjected to heavy use. Large-scale investments had therefore to be made in order to prolong the useful life of these installations while construction of a new port on the north shore--a part technologically in accordance with the modern era--went forward with notable success.

The old port is operated (as the new one will also be) by the Central Mambisas Shipping Enterprise, which also manages the ports of Isabela de Sagua, Calbarien and Casilda, the first two of which are in Villa Clara Province and the third in Sancti Spiritus Province.

The most important of these is the port of Cienfuegos. It consists of five berths, three of which adjoin the platform that occupies the former site of the so-called Donestevez wharves, which were reputedly named after a personage of the former era who held a monopoly on the port concession.

Two other berths are situated on the north shore: those of the Bulk Sugar Terminal and the Grain Combine. They will become Berths 1 and 2, respectively, beginning the "great cordon" that will extend to Berth 13 of the ultramodern port now under construction on this shore.

Returning to the subject of the old port, we can say that with completion of the paving of the platform for the three "Donesteves" berths, together with the access and illumination facilities, it will be possible to handle--by mechanized means--cargo totaling in excess of 300,000 tons per year. All this is, of course, for the future--albeit the near future. Let us therefore analyze how the port has fared in recent times.

Last year the port of Cienfuegos faced a serious situation because--among other reasons--of inefficient utilization of the work day (never better than 56 percent utilization, a figure far below the national average for that year). To this must be added a number of organizational shortcomings and lax requirements on the part of the middle-level cadres.

This low productivity was also partly the result of nonfulfillment, by the entities of the domestic economy, of the schedules for withdrawal of their merchandise from the perimeter of the port. This resulted in a serious accumulation of freight in the few existing enclosed warehouses and other space available for this purpose inside the perimeter.

Another negative factor of equal importance in the campaign that has been--and is being--waged against the payment of demurrage was (and is) the failure to deliver on time the CPE-2 documents, which serve as the basis for the distribution of imported cargo to its consignees in the domestic economy. As one would assume, all this added up to the flight of foreign exchange due to the delays in unloading the foreign vessels that dock in the port of Cienfuegos. Moreover, the delay in unloading the Cuban vessels--although not resulting in the direct expenditure of foreign exchange--adversely affected the rotation of these vessels and accordingly the transportation commitments made for their services.

The party then entered the picture, and in July of last year Comrade Jorge Risquet, member of the Political Bureau of the Central Committee, met with the workers and administrators and discussed the situation, following which it was agreed that this southern port should handle a minimum of 35,000 tons per month in an effort to maximize operational efficiency. The reaction to this appeal was so positive that fulfillment of the annual plan was achieved this past week.

The year 1981 continues to be a year of great aspirations for the Cienfuegos port workers in respect to the fulfillment of economic targets. The plan for the year calls for the handling of 346,000 tons--a figure greater than that of 1980. One must take into account the fact that the insufficiency of ship arrivals is one factor that could conspire against fulfillment of the plan and that cannot be imputed either to the workers or to the port authorities. For our part, we shall be alert to the possibilities for success that we shall indicate on the pages of this section of BOHEMIA.

One situation that exists--one which we wish to underscore because of the economic and social harm it can cause--is the fact that some of the consignee organizations are rather careless about fulfilling their obligations with respect to removing the merchandise they have stored in the port. For this reason, substantial tonnages remain stored in the open air and in many instances suffer deterioration.

On our visit to the port, for example, we saw manifests and bills of lading for cargo acquired by import enterprises but bearing no markings, no attached contracts, nor any other means of identifying the consignees whether they be located in the province or any other region of the country. This cargo--which has even included complete sets of machinery--sometimes remains abandoned for months and even years without being claimed by anyone.

In summing up our visit to this old port which is so replete with history, may we say that it has a labor force--directly engaged in production--that consists of 25 brigades of which Brigade 14 is the most outstanding, having established innumerable national records and other records.

We should add a short note to the effect that the Central Mambisas Shipping Enterprise (which as we have indicated administers the ports of Cienfuegos, Isabela de Sagua, Caibarien and Casilda) was authorized to establish economic stimulation funds, to the great satisfaction of all its workers.

II. New Port

The new port being constructed on the north shore--an area of major industrial development in this southern city--is intended to respond to the requirements of the traffic that it is already generating, as well as additional future traffic. Matanzas Province, with its vast citrus-growing area of Jaguey Grande, and provinces such as Villa Clara, Sancti Spiritus, Ciego de Avila and Camaguey, will be served by the highway network from this modern port installation the construction of which is making significant progress.

It will perhaps be useful to call attention once again to industrial projects such as the nitrogenated-fertilizer plant, the Carlos Marx cement plant, the second half of the thermal electric plant, the petroleum refinery, and the new sugar mill, to which may be added the future (near future) nuclear electric power plant--a "shock project" of the youth movement.

In this connection we can reveal that some of the berths planned for the short and medium term are in the intermediate phase of construction; these comprise Berths 3 to 13, inasmuch as Berths 1 and 2 (those of the Bulk Sugar Terminal and Grain Combine) have been in use for a number of years, as we have already indicated.

The work currently in progress on five of these new berths--extending for almost 1 kilometer--involves dredging, pile driving, paving, and the installation of cranes. Each berth will have a depth of 12 meters, sufficient to accommodate vessels of large tonnage.

At the moment of writing the present article, two of these berths have been completed and plans call for a third to be completed in the first quarter of 1982. These berths will be equipped with a total of 10 Ganz gantry cranes of Hungarian manufacture, each with a capacity of up to 12 tons. According to the investment plan of the Central Mambisas Shipping Enterprise, which is executing the project, an additional two berths will be constructed during the remainder of the 5-year period.

Two packing plants are being built in conjunction with these projects, one adjoining Berth 3 and the other in the vicinity of the port; they will be used to prepare citrus for export.

Also in connection with the construction of the packing plants, a site is being graded for construction of a roofed warehouse having a capacity of 6,000 metric tons of freight and also open-air storage facilities.

The project further includes a second cordon of docking facilities which will involve the construction of three berths to be equipped with cranes having a capacity greater than that of the Ganz cranes. Access railroad tracks and roads will be built in conjunction.

Classified by zones, the berths will be specialized as follows:

Zone 1 will basically be devoted to handling cargoes of citrus for export and imported perishable cargo.

Zone 2 will handle general cargo for indoor storage and open-air storage, and cargoes of lumber.

Zone 3 is scheduled to handle roll-on/roll-off vessels and heavy cargo starting some time before the year 1990. Large-size containers will also be handled after that date.

Plans also call for the berths in this zone to handle perishable cargo imported on refrigerated ships from the Soviet Union and other member countries of the CEMA [Council for Mutual Economic Assistance].

It is believed, moreover, that the vessels which will use the new Cienfuegos port complex for the transport of citrus and perishable cargo will be of the "Kopennik" [sic] type.

General cargo will be carried in all-purpose ships of the "Leninskaya gvardia" type.

For lumber, ships of the "Sl-6" and "Sl-12" type will be used, and for Ro-Ro (roll-on/roll-off) cargo, ships of the "Magnitogorsk" type.

The fact is that during our tour we were a[illegible]serve that not everything was proceeding on schedule. Work on the hydrot[illegible]nical aspect of the project was being impeded by the fact that the Benotto pile drivers were doing their work at a very slow pace because of their poor technical condition, thereby causing significant delays in the progress of the work.

The installation of the cranes also encountered difficulties which arose primarily because of the inexperience of the work force, even though the latter has gradually improved in terms of knowledge and specialization thanks in great part to the contribution of the Hungerian advisers.

A shop for the repair of mechanical assemblies is also under construction only a few kilometers from the port installations. We were told at the site that the project had been delayed because of design problems at the outset and in particular because of construction errors.

Critique

We have described two situations--the situation at the old port (from the standpoint of its exploitation) and the situation at the new port under construction on the north shore of the bay--pointing out in each case some of the difficulties that have been encountered.

No action attains success without its ups and downs; no plan is implemented without its setbacks. We believe that both of these truisms are being borne out in practice, and that the important thing is whether every effort required to reach the

goal is made and whether--once the goal is attained--the result is worth that effort. In both cases we believe the answer is "yes" and that this answer is validated by the increased productivity of the port workers with respect to cargo handling and also by the progress of the new construction, whose modern profile is already a pleasure to see and is--taken as a whole--a partial manifestation of the overall economic development of Cienfuegos Province.

We trust that in our next journalistic effort we shall be able to reaffirm everything we have reported here concerning projects that are the goal not only of Cienfuegos but of the entire nation.

10992
CSO: 3010/274

COSEP DOCUMENT ALSO VIOLATED CRIMINAL CODE

Managua EL NUEVO DIARIO in Spanish 4 Nov 81 pp 1, 9

[Text] The directors of COSEP [Higher Council of Private Enterprise], who signed an aggressive document addressed to Cdr Daniel Ortega, coordinator of the JGRN [National Reconstruction Government Junta] not only violated the Social and Economic Emergency Law and the Law on the Maintenance of Public Security and Order but also Article 310 of the current Penal Code.

Dr Roberto Jose Ortiz Urbina, the Nicaraguan jurist, professor in the Central American University, said this in an interview he granted to EL NUEVO DIARIO.

Among his interesting, eminently judicial observations on the legal action initiated against the COSEP directors, Ortiz Urbina states that the document signed by the entrepreneurs corresponds to international ultrarightist plans. He emphasized that they have dropped the pretense of an apolitical position which they have falsely been claiming.

"In the first place," he added, "we should point out specifically that the entire contents of the letter signed by the COSEP members dated 19 October 1981 and addressed to Cdr Daniel Ortega Saavedra and published in LA PRENSA is eminently political."

He emphasizes that the mere reading of its entire contents reveals to the most uninitiated the clear and evident intention of politically questioning the direction of the revolution.

He points out that "the main concern of the signers of that document is the 'firm' tendency of the leadership toward Marxism-Leninism, a phenomenon that horrifies them and brings out their elitist preoccupation with class."

Serious Harm

"Whether or not their fears are founded or rational these men are ready to defend their convictions, their minority positions, to the death. We consider such a defense to be natural and permissible if it is carried out within the framework of an elevated and pragmatic scientific discussion, within the boundaries of a dialectic which will help us--within the limits of our historic laws and realities--to find our own road,

to find solutions consistent with our own nature, and will help us--working within the revolutionary process--toward economic moral, intellectual, physical and, in a word, human advancement. But such a defense must never be accompanied by deceit and false appearances which through ignorance or subtle perversity can, at any given moment, cause the revolution serious harm. This is the same as doing serious harm to the people."

He said that on other occasions, he had "quoted a Latin aphorism (Quotis Dubia Interpretatio Liberatatis est, secundun libertatem respondendum erit) [Sic] Whenever the interpretation of freedom is doubtful, the reply must be on the side of freedom."

"For this reason," he says, "even though in principle we recognize the right of political dissent, we affirm that such dissent can not be allowed to be so broad and limitless that it can harm the interests of the revolution, for the leaders of the revolution would be wrong if they were to countenance attacks against the sacred interests of the people and attempt to destroy or undermine its victories, achieved as they were by the blood of thousands of heroes and martyrs."

He said that it was for this reason, in order to express a truly judicial opinion, a truly scientific one on the contents of the document mentioned, it is necessary to read it, digest it and interpret it "from the point of view of its signers."

The International Ultraright

He then pointed out "the wearisome insistence with which that document states; 'we discern an unmistakable ideological line of Marxist-Leninist cut...the very speeches by members of the government in international forums, appear to follow the international Marxist-Leninist movements more than they do the principles that first inspired this revolution and should be its guide...the nationalism of a whole people is being threatened by the internationalism of a fanatical radical minority,'" He said, "This gives us reason for stating that the men from COSEP, abandoning the pretense of being apolitical, are following the dangerous path of politicking, embracing the postulates, the schemes, the principle and the tactics of the international ultraright which under the banner of the U.S. administration, are making the world experience one of the most dangerous moments of its entire existence."

The Criminal Code

He stated that based alone on the published parts of the document in question he was of the opinion that there is a justification for criminal prosecution, "not under the law on the Maintenance of Public Security and Order, which is of temporary effect, nor under the law governing the State of Social and Economic Emergency, but simply based on Article 310 of the current Penal Code."

That article states verbatim: "Any person who, inside the country or abroad, publishes or in any way makes false, exaggerated or tendentious reports which endanger the national economy or the public credit is liable to imprisonment of 1 to 6 years and a fine of 100 to 2,000 cordobas. The punishment will be doubled if the acts are committed for the benefit of foreign interests."

In the opinion of Dr Ortiz Urbina, it is easier in this case to relate the acts involved in the paragraphs quoted above to Article 310 of the Penal Code than to go about trying to "overextend the contents of clause C of Article 3 of the law on the State of Social and Economic Emergency which the Attorney General of the Republic has invoked in his petition against the members of COSEP."

When he was asked why he made this statement he said, "Simply because the most uninitiated person can realize that since Nicaragua lives in a capitalist geopolitical system with the countries of the area seeking to remain faithful to U.S. influence and with fierce pressure from the Reagan administration against the liberating and transforming efforts of our revolution, this insistence on categorizing the leadership as Marxist-Leninist, which in capitalist language is to say communist, is to invite the shutting off of all aid and all credit to the country. With this the national economy and the public credit is put in jeopardy."

He also states that this same principle is sufficient support for dealing with the other ideas expressed in the document. Departing from the political framework, it makes a direct incursion into the economic realm when it says, "The national economy is collapsing...Production does not show any signs of recovery. Social peace does not materialize and the mixed economy announced by the government recedes before the advance of the nationalization of property." Statements such as these are covered under "false or exaggerated news items that endanger the national economy."

He stressed that "these declarations by the men of COSEP can create chaos, noncompliance and fear among the people, provoking negative attitudes which could produce clear and irreparable harm to the revolution and to the people. This can be interpreted as 'Domestic attitudes which favor foreign interests,' which makes more serious the signers' position."

Dr Roberto Ortiz concluded by saying "I believe that since the judge on the case is the depositary of the law (Jura Novit Curiae), even though the proceedings have not been based on Article 310 of the Penal Code which we have cited he can apply it as his judgment and study of the case indicate. I confess that this opinion is very personal, but given in good faith, will all the impartiality that my position calls for and based on a completely professional judgment.

9204
CSO: 3010/322

POSITIONS OF REACTIONARIES, COMMUNISTS COINCIDE

Managua EL NUEVO DIARIO in Spanish 3 Nov 81 p 2

[Article by Jose Adolfo Alfaro Rodriguez]

[Text] Some of the segments of our population have been surprised by the fact that certain representatives of private enterprise and certain "leaders" of the "communist" party have been arrested, especially since one immediately thinks of how dissimilar are the positions they apparently hold: one group representing the positions of the most extreme right and the other supposedly representing the more radical sectors of the left.

However, one must define both positions and the reasons why our revolutionary government decided on the arrest of these "leaders." It is not a coincidence that in these last few months, starting with the announcements made by our Revolutionary Cdr Danial Ortega Saavedra on the 2nd anniversary of our Popular Sandinist Revolution, the international disinformation campain has become more pronounced than before and that since the proclamation of the State of Social Economic Emergency, coercive and provocative military measures have been taken in our neighboring country to the north.

Domestically, the Nicaraguan reactionary movement, personified in the COSEP directors, and in response to the announcements by our national leadership with regard to the difficult economic situation we are experiencing and the abuses and provocations our movement is receiving from all the information media which are in the hands of those same reactionary sectors, had the gall to make the accusation, in a document which was made public, that our vanguard is promoting a new genocide in our country and a lot of other nonsense which actually was for the consumption of the most reactionary international circles, and which served to inflame even more the antipopular forces which would like to invade our country in order to establish fascism of a worse variety than that sponsored by Pinochet and the CIA in long-suffering Chile.

On the other hand, the Communist Party is nothing more than a miniscule group of persons who were expelled from the Nicaraguan Socialist Party in 1967 because of their antiworker positions and who have profited unfairly from that name which is sacred to the worldwide working class. In response to the announcement by our revolutionary government regarding the imminent closing of certain industries which because of their structure, their obsolete machinery and their very high production costs had to be closed in order to strengthen our scarce foreign exchange and use it more rationally, these communist opportunists adopted demagogic, opportunistic,

"economicist" and provocative positions, attempting to create a feeling of general unease in the working class. But their malice doesn't stop there. They accused our vanguard of having come to an understanding with the imperialists. In doing this they have adopted positions which coincide with the present objective of COSEP, the international reactionary forces, the CIA and imperialism which is: to attempt to destabilize the revolution politically, socially and economically. On the one hand we have the reactionaries launching an international disinformation campaign about our situation and authorizing their affiliates within our country to continue sabotaging production, now with a mystique. On the other hand we have the opportunists of the left, attempting to incite our working class so as to bring about the social instability so necessary in order to create the subjective conditions for the counterrevolutionary armed offensive. Such provocations cannot be allowed to continue as they have up to now and the corrective measures which our revolutionary government has taken are more than just at this point. The truth is that this whole situation is intimately related to Pedrito Joaquin's antinational crusade; to the $35 million which has been approved by and made conditional by the Yankee senate; to the scintillating news stories of LA PRENSA which become more and more provocative; to the statements by the Yankee ambassadors in the area that communism and Soviet and Cuban influence have to be stopped; and to the prominence given to the news from Poland in the crisis of the labor union Solidarity and its leader Walesa (who encourages it and has declared that his dream is for Poland to return to the fold of the International Monetary Fund--read imperialism). All this is in no way coincidental but is directed so as to create more confusion in our country.

All of these positions of the extreme right are in no way different from those assumed by the leaders of the "communists" and other "causes" who advocate the adoption of opportunistic postures toward our working class and peasants. The freedom that our people attained with the triumph of our Sandinist Popular Revolution allowed those miniscule groups--who were timid and easily discouraged during the fascist-genocidal Somoza dictatorship--to assume, after we had freed ourselves, postures that are merely the product of a dogmatic-opportunistic interpretation of Marxist-Leninist revolutionary theories, applied with the vision of a mole but with the clear objective of attaining a political place within the Nicaraguan revolutionary context which on 19 July 1979 they did not have.

The labor-political alliance, so necessary and urgent at this stage because of the counterrevolutionary machinations financed and supported by imperialism, the CIA and the national and international reactionary forces, should have been strengthened and should never allow rifts from which only our class enemies benefit.

COSEP has its reasons for trying to destabilize our movement. These are reasons of class, and they understand clearly that from 19 July 1979 they lost all power. They will do everything possible--within bourgeois limits--to regain this power and they will use any sophistry and falsehood possible to achieve it. Those of the "communist" party, motivated by interests which as most detrimental to our class, are getting on good terms with the national reactionaries to try to hinder the sweeping march of the Sandinist Popular Revolution. This is aggravated by their attempt to confuse our working class and peasants by means of dogmatic and opportunistic interpretations of what the founders of scientific socialism taught. Socialism is not established by decree. It is attained through a process of awareness, of education and culture as well as through an increase in the work force, through individual and

collective productiveness and through the development of the entire infrastructure which is necessary to achieve the highest possible degree of economic independence.

We should not be surprised at the defamation campaign which both groups are going to undertake.

On the one hand, the reactionaries of COSEP will proclaim that in Nicaragua we are now living under "communist totalitarianiam" and will thus strengthen the international campaign against us. On the other hand, the opportunists, who have improperly appropriated the meaningfulness and the prestige of the term "communists" will pass themselves off as martyrs whose only crime is to prevent the revolution from falling into "accomodation" and "diversionism" and they will start to solicit popular contributions to defend themselves from the Sandinists. The positions of these people coincide even in this!

9204
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ROLE OF PEOPLE'S COMMERCIAL CORPORATION EXPLAINED

Managua LE PRENSA in Spanish 3 Nov 81 pp 1, 13

[Article by Auxiliadora Etchegoyen]

[Text] Complete details on how the People's Commercial Corporation [CORCOP] is functioning and the measures that are being taken to raise future production in this state organization were provided to LA PRENSA by CORCOP's director, Mr Uriel Cuadra.

Cuadra, who has wide experience in marketing as an official of INFONAC [National Development Institute] for 10 years and of the IDB [Inter-American Development Bank] for 6 years, started speaking about what CORCOP is in itself Cuadra said that CORCOP has 44 enterprises all of which are engaged in the buying and selling of goods and services, depending on the lines of products or commercial services that they manage.

These enterprises are classified in the following branches or groups: Hardware and electrical household appliances, automotive, textile and household, supermarkets, peoples stores, distributors and services, etc.

Cuadra added that among these enterprises there are some that are 100 percent state owned and others of mixed capital. "In some enterprises our participation is in the majority, and in others we are minority shareholders."

Having completed studies in business administration, public accounting and civil engineering, Cuadra is a very competent technician.

How has their fiscal year been? Did the enterprises gain or lose, and how efficient are they?

"As is customary in the business sector, the fiscal year for our enterprises ends on 30 June every year. According to the overall results ending on 30 June of this year, the surplus obtained increased from 31.8 million cordobas in the 1979-80 period to 49.7 million cordobas in 1980-81," said Cuadra.

Degree of Efficiency

Cuadra maintains that these results are, in general, indicative of the degree of efficiency with which our enterprises are administered and therefore of their relative reactivation and development. Cuadra further explains: "I say relative because the increase in surplus also results from the fact that last year the Ministry of justice

allocated to us some other enterprises that were totally or partially confiscated and which therefore also contributed to the increase in overall surplus."

On the other hand, Cuadra pointed out, the relativity of the reactivation and development of the enterprises is explained by the fact that individually some were more efficient than others, which is logical and normal, he noted.

But, in general, Cuadra said, the results of the fiscal year are quite acceptable if we consider the acute economic crisis that Nicaragua is undergoing and the very limited availability of currency from the government; the latter being a significant factor for the business sector.

Cuadra further explained that one aspect that is very important to emphasize is the tax contribution to the state by our enterprises. In 1979-80 taxes were paid to the treasury and to Managua Reconstruction Junta of about 37.5 million cordobas, and in 1980-81 this contribution was about 95.8 million cordobas.

"I must clarify," Cuadra emphasized, "that these figures include taxes on sales for 20 and 54.3 million cordobas respectively, which we have kept, but their significance also lies in the degree of participation that has been reached by our channels for distribution in the market, which, although it is less than the participation by the private sector, has achieved a high enough level to become a valuable source of generating revenue for the state."

How are contacts with Central American companies being kept up? Have they increased or decreased?

Cuadra answers: "Immediately after the July 1979 victory, a large number of enterprises--today confiscated and allocated to CORCOP--were plundered and abandoned by Somoza, his family and supporters. Therefore there was a transition period in which business contacts with other Central American enterprises and those outside the region were lost.

"CORCOP, aware of the importance of these relations for the development of our enterprises and basically for supplying the domestic market in the interest of the consuming public, has been carrying out this major task to such an extent that not only have we succeeded in recovering and keeping our previous business contacts, but we have increased them."

It can be said, Cuadra added, that our business relations with the enterprises of other countries, especially in Central America, are excellent, since they have succeeded in understanding our projects and that the problem of imports and exports in Nicaragua is above all economic and not political; since many times these areas are confused, thus creating unnecessary obstacles that affect Nicaragua multilaterally.

The Priorities

How do the priorities established for currency affect CORCOP?

CORCOP, said Cuadra, and the whole business sector in general are appreciably affected by the priorities for the use of currency established by the government. Moreover, Cuadra added, in this order of priorities the business sector does not have a predominating position, and this causes supplying from abroad to be directed toward the food and household products that the people consume daily.

Cuadra also said that CORCOP is aware of how correct the government is to place a priority on currency for the productive sector, since this is the only way to resolve the economic problem in the middle and long term.

Domestically, Cuadra said, the APP [Area of People's Property] enterprises are affected as much as the private ones, since 60 percent of the currency available to the business sector has been allocated to the private enterprises. This gives us an idea that the APP business enterprises are also working with the limits put forward, Cuadra said.

As an alternative, Cuadra continued, CORCOP is purchasing from abroad with its own currency that it obtains as commissions for being the exclusive representative for products, machinery and equipment in general.

Also, added Cuadra, we are partially marketing national production, as a way of aiding Nicaragua's productive development.

The Chamber of Commerce has stated that CORCOP is unfairly competing with it. What can you tell us?

Cuadra, with his characteristic affability, answers: "On various occasions there has been talk of 'unfair competition' by CORCOP toward private business enterprises, and reference has been made to the total of currency that has been allocated to us."

This word "unfair," Cuadra clarifies, is being used with very little understanding, since recently the president of the Central Bank said that private enterprise was receiving 60 percent of the currency available for the whole sector. This fact confirms the mixed economy system considered in our government's plan.

Are the businessmen saying that CORCOP is trying to take their suppliers away from them?

In the field of business activity, asserts Cuadra, the bureaucracy has no place, and aware of this we have created for ourselves a policy that is not only dynamic but aggressive, through mobilization and constant negotiations with the suppliers abroad.

This assertion by the businessmen, says Cuadra, is a mistaken evaluation, since CORCOP is only carrying out in a dynamic way the normal activities of business, where supply and demand exists.

CORCOP, says Cuadra, does not place conditions on its purchases. It simply seeks in foreign markets those suppliers who offer the lowest prices, the best quality, the most attractive conditions and who fulfill their shipments.

Cuadra adds: "I believe that the officials of CORCOP and its enterprises, as well as their level of organization and coordination have achieved a high degree of technical proficiency and efficiency. Specifically, the complaints by the private businessmen in this regard are the best proof of the good work that we are developing.

Finally, Cuadra, who is one of the founding officials of the Ministry of Foreign Trade and other enterprises assigned to Nicaragua's export sector, made known the measures that he has planned to improve CORCOP's performance even more.

The decapitalization and plundering that many enterprises now a part of CORCOP have undergone in the past are limiting factors in its process of reactivation and development, since, besides the scarcity of domestic financing for the business sector, our enterprises are often not considered credit worthy mainly because of their serious financial problems inherited from the dictatorship.

Another problem, already mentioned, Cuadra adds, is the low availability of currency for business and the restriction on certain imported products, which prevail in Nicaragua. However, some measures that CORCOP has established to achieve reactivation and development of enterprises are the following:

1. The signing of production-marketing agreements between the enterprises of the COIP [People's Industrial Corporation] and CORCOP. This will allow the functional specialization of the productive and business sectors of the state, thus avoiding duplication and inefficiency.

2. There is a plan to sign an agreement with MIDINRA [Ministry of Agricultural and Cattle Development and Agrarian Reform]; an agreement was already started with IFRUGALASA.

3. Rationing the use of our monetary resources through instituting a system of inter-enterprise financing.

4. Grouping of enterprises that handle similar lines of products or services to reduce expenditures and to obtain greater productivity through merging and the experience of technicians.

5. Austerity in expenditures by workers and the enterprise.

6. Actively participating in the domestic supplying of essential and semi-essential products through credits from friendly countries to resolve the scarcity of currency.

To conclude, said Cuadra, it was not possible to say the CORCOP enterprises would be reactivated, since some have deeper problems than others.

On the other hand, Cuadra added, their reactivation also depends on other factors such as national production levels, the volume of currency generated by our export products, and the financial help that Nicaragua will receive from abroad.

"Although it is good to point out," Cuadra said, "that we have skilled personnel and a well-recognized organizational structure as well as the firm will to forge ahead in a short time."

9545
CSO: 3010/324

AGRARIAN REFORM REGULATION PUBLISHED

Managua EL NUEVO DIARIO in Spanish 3 Nov 81 p 9

[Text] Last 31 October LA GACETA published the Regulation of the Law of Agrarian Reform, issued by the Ministry of Agricultural Development, in which it is established that the taking of possession of lands will be carried out by the regional delegation of MIDINRA [Ministry of Agricultural and Cattle Development and Agrarian Reform] not later than 3 days after the affected landowner has been notified.

The regulation states that once the landowner has been notified and even in the event that he would have made an appeal, he will have to appear within 30 days with the deeds to the affected property before the appropriate regional delegation to make a statement under oath about:

The total area of the property; the names of the persons who are working the land under the old system, if this is the case, or the name one is known by if it is a metter of cooperatives; details on the goods attached to the affected property or to the area of affected land.

The regulation points out that if the affected individual does not tell the truth in his statement under oath or if he does not appear within the established time period, he will lose the right to compensation that may correspond to him and he will be committing the crime of real estate fraud described in the Criminal Code if he withdraws goods from the affected property.

Inventory

The regulation establishes that in the event that the affected individual does not appear within the indicated time period, the MIDINRA regional delegation will make up an inventory of goods and will proceed to measure the area of the property and the area of the affected land, within 30 days, which can be extended when merited.

The regulation adds that once the minister of agricultural development has made a firm decision and if the interested party does not take recourse or after he has made an appeal the appropriate agrarian tribunal proumounces its decision, and as soon as the minister has received the inventory of goods or the statement under oath, the awarding of the goods in favor of the state will take place.

Regarding compensation, the regulation states that the land and other goods declared affected by the agrarian reform and which were the object of expropriation will be paid with state bonds of the republic, except for abandoned lands and other goods which will go the state without compensation.

Bonds

The regulation gives notice that these agrarian reform bonds will be of three types: class A bonds, redeemable in 15 years starting from the date they were issued; class B bonds, redeemable in 20 years with an annual interest of 3 percent; and class C bonds redeemable in 25 years with 2 percent annual interest.

The regulation clarifies that the class A bonds will pay for the lands given to peasants who are sharecroppers, who work on contract, who are tenant farmers and who are in a precarious situation or working under other similar conditions, as well as to cooperatives or other partnership forms and the goods attached to those lands, when the landowners have less than 500 manzanas.

Idle Land

And, finally, the class C bonds will pay for idle properties, for those lands given over to leasing, sharecropping, working on contract, tenant farming, precarious subsistence and other similar uses on behalf of peasants, individual growers or cooperatives, providing that the landowner has more than 500 manzanas in zone A and more than 1,000 manazans in zone B.

Regarding the allotting of lands, which will be made by MIDINRA, the regulation provides that the following will be essential requirements for a person to be a beneficiary:

One must be Nicaraguan, 18 years or over, although foreign persons can also be beneficiaries if MIDINRA so authorizes; one must not be an owner of land or one must have a land surface less thatn that stipulated in article 36 of the same regulation (6,4 or more than 30 manzanas according to the type of land); and in the case of cooperatives or other partnership deals, these moreover must be established provisionally or finally.

9545
CSO: 3010/324

CUBA LENDS COUNTRY 70 SOVIET TRACTORS

Managua BARRICADA in Spanish 3 Nov 81 p 12

[Text] Seventy tractors of Soviet manufacture, provided as a loan by the Government of Cuba to Nicaragua are serving in the rice and cotton growing zones of Boaco and Leon respectively.

There are 10 model LUMZ-6-AM tractors with 65 horsepower and 60 Model MTZ-80 with 80 horsepower. The first group of tractors strengthens the work done in heavy mud in the Altamira state production units and in the rest of the La Concha, Las Brisas and El Tanque cotton growing UPES [Sandinist State Production Units] between La Paz Centro and Leon.

The Soviet tractors are of a universal type, which makes them useful for various agricultural tasks, such as preparing the land, planting, etc. The machines are simple to operate and easy to repair. Up to now they have not presented any big problems, since only two of the tractors are being repaired for minor technical problems.

Since this is a loan, Nicaragua will return to Cuba an equal number and type of tractors as soon as our country has similar machinery available.

We Are Seeking Technology

Miguel Gomez, director of the Enterprise for Agromechanization (AGROMEC), said that the government's efforts are directed toward obtaining a considerable share of agricultural machinery to replace the shortage that is the result of the destruction caused by the war and the Somozist plundering.

Nicaragua recently bought 600 tractors from the Soviet Union, an investment representing $7.5 million, which is the result of a line of credit that the Soviets themselves made available to us. This transaction is verified by the importing enterprise of the Ministry of Foreign Trade.

The Soviet machinery already in Nicaragua and that which will arrive has already demonstrated its quality in various places and at various events such as the Nebraska testing in the United States.

To guarantee that the machinery will be used properly, a group of Nicaraguan workers will be trained by Soviet technicians, and at the same time there are funds available for a group of our workers to be trained in this field.

However, there is a group of workers specialized in mechanics, maintenance and repair in Cuba; therefore, there is qualified personnel to take care of the machinery.

Moreover, there is a group of companeros trained in that Caribbean island where they studied mechanics for 2 years.

Besides the Soviet tractors, Nicaragua acquired 45 combine cotton harvesters in the United States, to be used in the harvesting of the white speck cotton.

It should be pointed out that Nicaragua will take advantage of the support of friendly countries to acquire agricultural tools. In this regard, through financing Nicaragua will obtain a shipment of agricultural machinery originating from Venezuela, Mexico, Spain and Brazil.

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END

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23 December 1981

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No. 2421

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PARAGUAYAN MINISTER SPEAKS AT CASTRIES

PY100127 Asuncion HOY in Spanish 9 Dec 81 p 8

[Speech delivered by Paraguayan Foreign Minister Alberto Nogues at the 11th OAS Assembly at Castries, Saint Lucia--by special correspondent; no date given]

[Text] Mr Chairman: In Quito, in 1974, the OAS Assembly decided to replace the general speeches delivered by foreign ministers with what in the future would be called "informal talks". But that decision has not been effectively complied with, and I avail myself of this opportunity to say that I have requested authorization to speak in order to make a brief statement in the name of my country's government.

But before starting I would like to convey to you, Mr Chairman, the feelings of friendship from the Paraguayan people and government toward the people and government of Saint Lucia whose generous hospitality has been warmly shown to us during these days.

I am also pleased to cordially congratulate you on your appointment as chairman of the present OAS General Assembly.

My delegation has arrived in Castries with the same constructive spirit, with the same creative enthusiasm which Paraguay brings to these international meetings, to which we have become accustomed under the restless pace set by the various problems and expectations created by the international community.

But we also came here, to this beautiful island, attracted by the legendary name of the Caribbean, this sea where the discovery of America began and which spurred our imagination as students and now draws out attention as public men who are responsible for our peoples' future.

Mr. Chairman: We have carefully listened to the different speeches which have so far been delivered at this forum by my distinguished colleagues on various matters relevant to the future and to the life itself of our organization, now more than ever before exposed not only to the usual contingencies of an unpredictable world but--and this is highly disturbing--to the alarming limitation of an insufficient budget with distressing prospects.

We fully share the justified concern manifested over this and other matters, and we reassert our belief that the organization is moving through extremely difficult days during which predictions must be very cautious with no excessive optimism or frustrating pessimism.

The purpose of this brief speech is not to refer to those matters, all of them very important and already broadly and efficiently dealt with by heads of delegations in their previous speeches.

I just want, Mr Chairman, to take advantage of this opportunity to reaffirm and proclaim once again before the honorable representatives of the countries of our continent, the invariable and unmovable Paraguayan position regarding the strict compliance of its international commitments, beginning with those established in the Bogota charter.

I believe this declaration to be useful and necessary, especially at a time when—as I said before—all of us run the imminent risk of flagrantly failing in the enterprise started about a century ago with the purpose of reconciling the interests of the Northern and Southern political communities in our hemisphere.

The "nonintervention" principle has special validity now, when a rapacious and treacherous regime is encouraging everywhere a shameless and criminal intervention in the domestic affairs of other countries. Mr Chairman, my country has been and is still the target of the infamy of Fidel Castro's regime which has been denounced at this forum and a little over a month ago at the UN General Assembly as the promoter and sponsor of guerrillas, subversion, terror and destabilization in several regions in America. El Salvador is at this time the visible target of Castro's ambitions, supported by international communism. In this respect I want to assert categorically that my country will not yield an inch from its position in support of the above principle and that it is ready to consider and to welcome those actions which, within the system's mechanism, could be suggested in order to relieve the dangerous tension in that sister republic in Central America.

We are living on the brink of disaster and we cannot and should not tolerate it. At least Paraguay will never lend itself to betray the guiding principles that gave independence and sovereignty to the old American nations, principles which continue to be unmovable ideals and which are the only ones for which life is worth living and being sacrificed. Ideals of peace, freedom, equality and democracy, as hard to achieve as they are, can only be achieved through a slow and difficult course, with the ups and downs which are usual in our weak human nature.

Mr Chairman: The development of contemporary politics bring new countries into the community of independent nations. We now welcome Saint Vincent and the Grenadines, Antigua and Barbados to our regional system.

Paraguay, enjoying an honorable seniority in our continent, offers its cordial friendship to these new nations, along with its most fervent wishes that they successfully walk the long but rewarding road to prosperity with unresignable dignity and that they achieve legitimate wellbeing through the only means mentioned in the charter's principles; the means nurtured by the philosophy of the fathers of our continent's political thought.

Mr Chairman: As I said at the beginning, the inventory of new lands for the conqueror's ambition began in these seas. That initial motivation being overcome, let us start working out, here and now, over the seas where the light of Christianity started to illuminate, a theory that could truly strengthen what we call the "inter-American system" which, if not shaped up by us under God's guidance, could enter into a stage of unexpected shadows.

CSO: 3010/444

ARGENTINE FOREIGN MINISTER'S SPEECH AT OAS MEETING

PY071557 Buenos Aires TELAM in Spanish 1945 GMT 4 Dec 81

[By special correspondent]

[Text] Castries, 4 Dec (TELAM)--Argentine Foreign Minister Oscar Camilion today said that the Latin American countries are moving toward an economic disaster because they are unable to curb the sustained increase of their already huge foreign debt. Stop inflation and balance off their trade and payment balances. Camilion made this statement in his speech to the Ninth CAS General Assembly.

Speaking about inflation, Camilion said that it has become so critical that some of the countries in the area see their monetary systems being threatened and some even seem to have lost all hope of saving them.

Camilion also heavily scored the protectionist attitude of developed nations, an attitude which he described as a common-used tool, and pointed out that most Latin American countries are moving toward the abyss of insolvency at the foreign level. He added that integration has ceased to be a medium-term prospect.

Further on in his lengthy speech, made after that of U.S. Secretary of State Alexander Haig, Camilion discussed the armed conflicts underway in Central America and said that Argentina believes in the principle of nonintervention in domestic affairs of other nations.

The Argentine foreign minister said: We are seeing how certain countries denounce threats to their own sovereignty while encouraging, sometimes quite overtly, the activities of groups which fire the torch of subversion in neighboring countries. According to the experts, this remark referred to the Nicaraguan situation.

Camilion then spoke about the work which the OAS had been carrying out in the last 20 years and emphasized certain accomplishments. He pointed out, however, that no progress has been achieved along those paths which seemed the most appropriate for attaining continental solidarity, nor have efforts been made toward defending the principles which gave rise to the OAS.

He also requested that something be done to promote the economic recovery of Latin American countries through the so-called horizontal cooperation and explained that

within the framework of this cooperation each country must do its best within its possibilities.

He concluded by requesting a special meeting to discuss continental development so as to strengthen freedom, democracy, justice and well-being in all Latin American countries.

CSO: 3010/444

BRIEFS

GAS EXPORTS TO ARGENTINA--La Paz, 30 Nov (TELAM)--The Energy and Hydrocarbons Ministry has reported that Bolivian natural gas exports to Argentina reached 1,799,674,769 cubic meters between January and October 1981, worth a total of $273,867,764. It has also been reported that between April and September the price of the gas was of $4.34 per 1,000 cubic feet, while for the October-December quarter the price was set at $4.50 per 1,000 cubic feet. [Buenos Aires TELAM in Spanish 1445 GMT 30 Nov 81 PY]

CSO: 3010/418

COMMENTATOR ON UNDERCURRENTS IN GOVERNMENT

PY040124 Buenos Aires LA PRENSA in Spanish 2 Dec 81 pp 1, 6

[Commentary by J. Iglesias Rouco: "What Henry Saw"]

[Excerpts] Official hinters [meaning officials of the Press and Informations Secretariat] have just prevented several radio and TV stations from broadcasting the speech delivered by Education Minister Carlos Burundarena. In turn, the Interior Ministry yesterday disqualified one of its under secretaries, Mr Carvallo, from being an official spokesman. The government has started censoring itself exhibiting a vigorous self-critical attitude.

As far as we know, ever since the junta decided--"in principle"--to relieve Viola, very little or no progress at all has been made in the field of government planning and organization. In general, the names that are being mentioned do not fit too well in the national "agreement" project about which we reported in this column on Tuesday the 24th. The Army Command seems to be lacking a politically experienced group. General Saint Jean, who heads the General Secretariat of the Army Command, has only the experience that he acquired when he was assistant to General Ongania; and General Iglesias, who spent his military life in the area of communications, started dealing with politics only this year. Thus, the only thing that has been achieved so far are mere sketches.

Here are some names:

Foreign Relations: Costa Mendez, Eduardo Roca.

Education: Cantilo, Astigueta and even--even--Llerena Amadeo.

Justice: Conrado Etchebarne, who was Onagania's minister, and Roberto Durrieaux, Rodriguez Varela's under secretary. But even the continuity of Frugoli is not ruled out, which seems to be quite disturbing.

Economy: Roberto Alemann, Dagnino Pastore and, as a last resort, Carlos Garcia Martinez. Mr Krieger Vasena, who is someone the command is surely interested in, has reportedly manifested some opposition, since he recommended the reunification of the ministry and its rapprochement to or "coordination" with the Labor Ministry.

Naturally there is no shortage of candidates for the Interior Ministry, but no name has reportedly been thought of yet aside from Mallea Gil, since so far General Galtieri has been very busy with the setting up of the future Army High Command--a task which he is about to conclude or which he has already concluded. The position of the presidential general secretary could be held by General Iglesias, or by Mallea Gil, if the latter is not finally sent back to Washington or appointed interior minister.

As if all this were not enough, until yesterday no final agreement had been arrived at with General Viola either on his "resignation" or on his unlikely staying on as the head of the government, or the formulas which should be applied in either case. About this point, only the North Americans believe that they have accurate information: the latest issue of the BUSINESS WEEK magazine publishes a photograph of Galtieri with a headline stating that the army chief will "succeed" Viola. Yesterday the junta reportedly limited itself to analyzing this issue in the light of the military situation; within a few days, or hours, it will do it again, but this time based on medical reports. According to our sources, the medical team has seriously considered one recommendation: that Viola should travel to the United States to undergo treatment there with time and tranquillity. But the president and his advisers have not yet accepted this recommendation, despite the efforts made by General Videla, who is in a way acting to reconcile the interests of both sides.

CSO: 3010/416

SITUATION CALLS FOR URGENT SOLUTION, SAYS COLUMNIST

PY042034 Buenos Aires LA PRENSA in Spanish 3 Dec 81 pp 1, 6

[Commentary by J. Iglesias Rouco: "How Long?"]

[Excerpts] During the last few hours, General Viola reportedly reiterated his unwillingness to resign and stated his desire to return "soon" to the government house. Several sectors of the "process" feel that if the military junta does not make a decision on the president's relief in the next 4 days, the "institutional" situation of the regime could run into a blind alley. Argentina lives today on a kind of Goyeske merry-go-round of perhaps a rather grotesque one.

One of the more curious aspects of this matter is that, apparently, there are no substantial differences between the political projects of the junta and the Army High Command and those of General Viola. As far as known, the two sides would support a semidemocratic "outcome" in 1984 or 1985 by means of free legislative and municipal elections, and presidential elections with two or three candidates "proposed"--or at least accepted--by the armed forces. Such a circumstance would naturally favor General Viola's position. But his sickness and the close ties that most of his political assistants are said--not entirely without reason--to share with Peronism and with the Developmentist Party do not work in his favor.

One should now ask whether or not under the present circumstances a solution to the presidential problem will be forthcoming before 15 December. Several Viola assistants keep insisting that the president has gotten "noticeably better" and that he will not resign if he is not forced to do so "exclusively" because of his sickness, without pressures or considerations--they add--of any other kind. In turn, those government members who believe that Viola must step down give assurances that the junta has already made a final decision--a negative decision for the present president--on Wednesday the 25th, and even before. Nobody seems to worry--above all those who have "confidence" in Viola's return to government house--about the considerable impairment of Viola's prestige, which has been caused not only by his 7 chaotic months as head of the government but, very emphatically, by the situation in which he has now been put. Since most of his peers now almost ignore his authority, will he be able to exercise any tomorrow? Will the country or just the armed forces be able to have confidence in the continuity of a previously outlined policy after the truly traumatic experience of the latest measures which increased state control?

About this point, reliable military circles have reiterated to us that those measures have literally surprised the military junta members, who had not even been briefed on their preparation. According to this rumor, the "package" of economic measures aimed at increasing state control had begun to be put together a short time before Viola's sickness, without the direct participation of the economy minister, although some schemes which had been devised in his area during the latest months have been reportedly used. It was only at the beginning of this week that the various military organizations reportedly found out about parts of the plan, which had been submitted, however, as a "stop-gap" measure and not as an organized structure. A detailed report of their scope was reportedly submitted only to General Viola before the promulgation of the measures. Then, if this has happened during 1 week of interim presidency, what will happen in 1 or 2 months?

Whatever the case, the truth is that the nation is witnessing today, to its amazement, an inconceivable show which at times can be compared to the great plays of the Spanish golden century and at other times to the plainest "vaudeville," if not to tavern shows. What is the category, for example, of the mysterious "rumor" which circulated the night before last suggesting that Viola had been visited by Galtieri, and which was yesterday denied by the Army Command? The dollar rate hit the 15,000-pesos mark on the parallel market, and this month the interests and amortization of the foreign debt, which totals more than $1.5 billion, should be paid--with what? There are 1.5 million unemployed, the government has become "Lebanized" and the speculation on the money market and the irresponsibility--the historical one and the other one--have spread everywhere, while the international isolation of the country is becoming ever increasingly absolute. What is the purpose of all this? And until when?

CSO: 3010/416

VIDELA SEEN AS MEDIATOR IN DOMESTIC CRISIS

PY040049 Buenos Aires CLARIN in Spanish 3 Dec 81 p 4

[Commentary by Jose Ignacio Lopez: "An Approaching Outcome"]

[Excerpts] The impression that an outcome is near developed yesterday, and not only because the stage of political transition into which the military regime entered since the president became sick constitutes one of those situations which can hardly last--even though the Argentines have experience in having something extraordinary turn into something permanent.

The medical report which will be issued after the performance of the heart tests on the president will be of decisive importance.

It seems to be obvious that a medical report should not be expected to provide the solution to a political situation, but the doctors' decision is essential, above all if the military--as is being insisted upon--are trying to overcome the government crisis--the most serious one in 5 years--without breaking the "legal status," with no "traumatic" effects, as is usually said in huddles, together with a lot of guessing.

What the doctors will say will be important, but what is actually important is the political interpretation which the report will be given. It is because the same report may give rise to different political conclusions--one of them being naturally the patient's own conclusion--and because the intention is to avoid changes in the power scheme, that among the options under consideration, which are not few, has been included one foreseeing the participation of former President Jorge Rafael Videla.

Videla was Viola's predecessor as army commander in chief and as president, and the two of them are linked by a close friendship which has been put to the test during the turbulent political-military hours of the last decade. Videla, as no one else, could undertake the delicate task of analyzing the president's situation with him.

Assurances are being given that Videla shares the opinion that his successor's term is marked by dangerous signs. However, he believes that political considerations cannot deviate from or prevail over human considerations. During his term, Videla showed that he highly appreciates the political value of stability,

even if this value is measured in terms of the international effects which result from any government change.

Videla reportedly talked about these and other matters with Galtieri at the meeting they held on Tuesday, but the former reportedly set up some conditions for his eventual participation. He would only argue with Viola on the advantage of his relief if he counted on the support of the major generals who just over a year ago named the present president as the only army candidate for the job of the "fourth man."

This shows how all pending matters tend to entwine and it explains why until last night any outcome still remained necessarily subordinated to Galtieri's particular decisions in his capacity of army commander in chief.

CSO: 3010/416

COMMUNIQUE ON ARMY APPOINTMENTS

PY051547 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1330 GMT 4 Dec 81

[Text] Buenos Aires, 4 Dec (NA)--The army headquarters officially confirmed today that five major generals will go into retirement at their own request. The communique also made public the roll of promotions and postings within the army command.

The official communique says:

Notice is hereby given to the public regarding the following resolutions of Lt Gen Leopoldo Fortunato Galtieri, army commander in chief, regarding promotions, retirements and appointments among the army's higher personnel.

1) Promotions to the rank of major general of the following brigadier generals, to be effective 31 December 1981: Egardo Nestor Calvi; Luis Santiago Martella; Eugenio Guanabens Perello; Horacio Jose Varela Ortiz.

2) Promotions to the rank of brigadier general of the following command corps and professional corps colonels, effective 31 December 1981: Braulio Argentino Sanchez Avalos; Mario Leoncio Cammisa; Ricardo Gustavo Pianta; Teofilo Saa; Alberto Ramon Schollaert; Carlos Antonio Binotti; Mario Aguado Benitez; Americo Daher; Jose Victor Gutierrez; Jorge Ezequiel Suarez Nelson; Comissariat Col Jose Angel Couto; Medical Corps Col Mario Antonio Remis; Auditing Col Carlos Horacio Cerda.

3) Acceptance of voluntary retirement petitions lodged by the following generals: Maj Gen Antonio Domingo Bussi; Maj Gen Eduardo Alberto Crespi; Maj Gen Jose Rogelio Villareal; Maj Gen Reynaldo Benito A. Bignone; Maj Gen Carlos Alberto Martinez; Brig Gen Angel Alejandro Barbieri; Brig Gen Mario Ramon Lepori; Brig Gen Juan Pablo Saa; Sanitation Gen Agatino Federico di Benedetto; Justice Gen Dionisio Andres Ferreyra.

4) Appointment to higher army commands: Chief of Army General Staff: Maj Gen Jose Antonio Vaquero will continue to hold this post.

Interior Minister: Maj Gen Horacio Tomas Liendo will continue in this post.

Army I Corps Commander: Maj Gen Cristino Nicolaides.

Army II Corps Commander: Maj Gen Juan Carlos Ricardo Trimarco will continue in this post.

Army III Corps Commander: Brig Gen Eugenio Guanabens Perello.

Army IV Corps Commander: Maj Gen Llamil Reston.

Army V Corps Commander: Maj Gen Donosvaldo Jorge Garcia.

Commander of Military Institutions: Brig Gen Edgardo Nestor Calvi.

Army General Secretary: Maj Gen Alfredo Oscar Saint Jean will continue in this post.

General Secretary of the Presidency: Brig Gen Luis Santiago Martella will continue in this post.

General Director of Military Manufactures: Brig Gen Horacio Jose Varela Ortiz.

5) Appointment of the following generals and colonels:

National Gendarmerie Director: Brig Gen Raul Jose Ortiz.

Deputy Army Chief of Staff: Brig Gen Rodolfo Enrique Luis Wehner.

Deputy Commander and Chief of Staff of Military Institutes Headquarters: Brig Gen Jose Horacio Rukiz.

Deputy Commander and Chief of Staff of the Army IV Corps: Brig Gen Antonio Llamas.

Chief of Section IV-Logistics, Army General Staff: Brig Gen Eduardo Alfredo Esposito.

Deputy Commander and Chief of Staff of the Army I Corps: Brig Gen Mario Alfredo Piotti.

Deputy Commander and Chief of Staff of the Army V Corps: Brig Gen Julio Cesar Ruiz.

Chief of Section II-Intelligence of the Army General Staff: Brig Gen Alfredo Sottera.

Deputy Director of the National Military Manufactures Board: Brig Gen Jorge Alberto Marque.

Chief of Section VI of the Army General Staff: Brig Gen Carlos Maria Filips.

Director of the "Lt Gen Luis Maria Ramos" Higher School of War: Lt Gen Americo Geronimo Herrera.

Director of the Military Geographic Institute: Brig Gen Eduardo Osvaldo Garay.

Engineering Commander of Army Headquarters: Brig Gen Nestor Ruben Castelli.

Commander of the 11th Motorized Infantry Brigade: Brig Gen Oscar Enrique Guerrero.

Commander of the 7th Mountain Infantry Brigade: Brig Gen Ricardo Norberto Flouret.

Communications Commander of Army Headquarters: Col Braulio Argentino Sanchez Avalos.

Director of the TAM [expansion unknown] project: Col Mario Leoncio Cammisa.

Commander of the 12th Infantry Brigade: Col Ricardo Gustavo Pianta.

Commander of the 5th Infantry Brigade: Col Alberto Ramon Schollaert.

Commander of the 2d Armored Cavalry Brigade: Col Carlos Antonio Binotti.

Commander of the 9th Infantry Brigade: Col Americo Daher.

Chief of Section III-Operations at the Joint Staff: Col Teofilo Saa.

Legislative Advisory Committee (CAL): Col Mario Aguado Benitez.

Chief of Section I-Personnel at the Joint Staff: Col Jorge Ezequiel Suarez Nelson.

Instruction Director of the Command Corps of Military Institutes' Headquarters: Col Jose Victor Gutierrez.

General Sanitation Director: Sanitation Gen Adolfo Stel.

Director of the Military Central Hospital: Medical Corps Col Mario Antonio Remis.

Deputy Director of the Army's General Accounting Department: Comissariat Col Jose Angel Couto.

Armed Forces General Auditor: Auditing Col Carlos Horacio Cerda.

CSO: 3010/416

BRIEFS

NEW NAVY SECRETARY--Buenos Aires, 4 Dec (TELAM)--Rear Adm Joaquin H.L. Gomez has been installed as the new secretary general of the navy. [PY061924 Buenos Aires TELAM in Spanish 1530 GMT 4 Dec 81]

GRAIN ACREAGE, HARVEST--The Agriculture Ministry says that soybean plantings set a new record with 2.1 million hectares, which is 9.1 percent up on last season, 38.6 percent up on the 5-year average and 133 percent on the 10-year average. Oats harvested total 500,000 tons, an increase of 15.5 percent. Barley output is 160,000 tons of brewing barley and 40,000 tons of forrage barley. Rye, at 200,000 tons, is 29 percent up. Land sown to sunflowers is 12.2 percent greater than last season and is quoted at 1,560,000 hectares. [PY061924 Buenos Aires HERALD in English 6 Dec 81 p 2]

AIRLINE FLEET--Aerolineas Argentinas currently has 7 Boeing 747;s, 6 727's, 12 737's, 2 Fokker F-28's and 6 707's. The 707's are currently used for freight and for long-distance hops in Argentina. [Buenos Aires HERALD in English 7 Dec 81 p 3 PY]

FRENCH FIGHTER PLANES--Five French Super Etendard fighter and attack planes were delivered today to the Argentine Navy. The planes will be allotted to the aircraft carrier 25 de Mayo. [Buenos Aires Domestic Service in Spanish 2000 GMT 7 Dec 81 PY]

CSO: 3010/470

BRIEFS

COLOMBIAN AMBASSADOR TO BARBADOS--Bridgetown, Barbados, 8 Dec (CANA)--Dr Carlos Ayerbe presented his credentials as Colombia's ambassador to Barbados to Governor General Sir Deighton Ward today. During his round of official visits, Ambassador Ayerbe will pay courtesy calls on the minister of foreign affairs, Louis Tull, the head of the foreign service, Brazane Babb and the chief of protocol, Wendell Kellman. [FL091927 Bridgetown CANA in English 0939 GMT 8 Dec 81]

CSO: 3025/1010

BRIEFS

SPANISH-ENGLISH RADIO IN INTERIOR--Port-of-Spain, 6 Dec (EFE)--The high commissioner of Great Britain has announced in Trinidad and Tobago that beginning in 1982, Belize will have a radio service in Spanish and English that will reach the country's interior for the first time. The system which will cost $700,000 includes equipment for a national studio in Belize and two 10-kilowatt FM transmitters near Ladyville. When the system starts operating early in 1982, the country will be able to enjoy of a national radio coverage, the office of the commissioner reported. Belize is in the Caribbean zone that is affected by hurricanes and therefore, humid conditions and pressure changes necessitated the installation of special units to prevent condensation in the equipment. Belizean engineers will receive special training so that they can operate the radio service. [Text] [PA061542 Madrid EFE in Spanish 1324 GMT 6 Dec 81]

CSO: 3010/452

GSA MINERAL SALE PLANS OPPOSED

PY021118 Buenos Aires LATIN in Spanish 0822 GMT 2 Dec 81

[Text] La Paz, 2 Dec (LATIN-REUTER)--Bolivia has expressed its firm opposition to a plan of the U.S. General Services Administration (GSA) to sell its mineral reserves on the international markets and has urged the producer countries to take joint actions for mutual protection.

Bolivia's opposition is stated in a document released last night by the National Mining Council formed by representatives of the country's state and private mining enterprises.

The organization, presided over by Mining Minister Carlos Morales, urged the U.S. Congress and government to reject the GSA request, thus stopping the execution of its new sales policy before 7 December. Unless the U.S. Congress gives an opinion to the contrary, the GSA will place noncommercial tin, wolfram, antimony and silver reserves on the international market, the document said.

Together with Malaysia, Bolivia is one of the world's main tin producers and also produces large amounts of the other minerals.

The communique added that the mere announcement of the mineral sales by the GSA caused price distortions on the international markets. This new sales offensive will cause greater and more serious damage to the economy of the developing countries producing those minerals, it said, adding that the sales plans are a direct attack on the interests of the tin-producing countries.

Reports from London said yesterday that an unidentified tin purchaser who has accumulated 50,000 tons since May has caused a price increase for that mineral of almost 30 percent on the international markets since that time.

The Bolivian Mining Council also expressed its deep concern with the U.S. Government's and Congress' speeding up and intensifying the marketing of reserves accumulated for defense purposes, rather than suspending them.

The document urged the mineral producing countries to adopt joint measures for mutual protection to face the GSA's destabilizing actions.

CSO: 3010/418

BRIEFS

RIGHTISTS' ANTIGOVERNMENT CAMPAIGN--La Paz, 3 Dec (TELAM)--A campaign of disparagement against Bolivian military chiefs with the aim of damaging the integral image of the armed forces was denounced today in the local press. Citing responsible sources, that campaign is attributed to political groups connected to organizations of the extreme right which plan to obstruct the cleanup which is being carried out within the armed forces. It was also indicated that this campaign is intended to interrupt the institutionalization process and the gradual return to democracy, creating an atmosphere of anarchy and lack of confidence in the armed forces. According to the sources, the armed forces will continue working toward the attainment of the objectives set by the government without permitting any kind of alteration. Finally, the newspaper report adds that those responsible for this campaign which is already underway aim to cause repercussions abroad with the intent of creating an antagonistic atmosphere toward the military chiefs, and internally to generate a lack of popular confidence in the armed forces. [Text] [PY050214 Buenos Aires TELAM in Spanish 1910 GMT 3 Dec 81]

FOUR STRIKERS EXILED--La Paz, 2 Dec (AFP)--Four persons were exiled and one detained due to the mining strike that occurred last week, the Catholic Church announced here today. The church authorities made public that the leader of the Bolivian Settlers [Colonizadores de Bolivia] and of the illegal Bolivian Labor Federation (COB), Demetrio Barrientos, continues to be detained in Santa Cruz, 1,000 km east of La Paz. They added that in the past few days the couple Edwin Egues and Silvia Pena of Santa Cruz, and Luis Lopez and Eddy Ordonez of La Paz were exiled to Sweden. [Text] [PY032100 Paris AFP in Spanish 0333 GMT 3 Dec 81]

OFFICIAL NETWORK--La Paz, 6 Dec (AFP)--In a communique released here today, the Bolivian Federation of Radio and Television Workers has declared itself in state of emergency and ready to go on strike. The mass media workers made this decision to demand that the government of Gen Celso Torrelio Villa suspend the radio network which has been in force in the country since 17 July 1980. The document charges that the government's latest proposal is another lie and a clear violation of the Bolivian people's freedom of the press and expression. The communique states that more than 200 radio workers have been forced out of their jobs by the radio network which compels all radio stations to carry an official newscast three times a day. The media workers call on all Bolivians to turn off their receivers when the official newscast is on and urged all union organizations to join their protest against the government. Finally, they warn the government

that if the above restrictive measure is not lifted in 10 days, they will call a 48-hour strike which will affect all radio and television stations. [Text] [PY071124 Paris AFP in Spanish 1623 GMT 7 Dec 81]

CATTLE EXPORTS SLUMP--The National Statistics Institute has reported that cattle exports in 1980 have decreased by 48.79 percent as compared to exports in 1979. Bolivian cattle exports generated $3.16 million in 1979 and $1.31 million in 1980. [La Paz PRESENCIA in Spanish 23 Nov 81 p 3 PY]

NEW AMBASSADOR TO VATICAN--Newly appointed Bolivian Ambassador to the Vatican (Ernesto Ruiz Prada) has presented his credentials to Pope John Paul II. He replaces Juan Jose Vidaurre Pinto. [PY081813 La Paz Radio Illimani Network in Spanish 1700 GMT 7 Dec 81]

NEW OIL WELL--According to Bolivian Government oil deposits, the newly discovered "San Roque" oil well at Villamontes in Tarija Department will have a daily production of 6 million cubic feet of gas and 300 barrels of oil. [PY081813 La Paz Radio Illimani Network in Spanish 1700 GMT 7 Dec 81]

SULPHUR PRODUCTION--The Military Social Security Corporation has reported that it has plans to increase production at the country's main sulphur deposit at San Pablo de Napa. Monthly production of refined sulphur now varies between 1,000 and 2,000 tons, 90 percent of which is exported to Chile which uses it in its copper industry. [PY081813 La Paz Radio Illimani Network in Spanish 0030 GMT 8 Dec 81]

LABOR STATISTICS REPORT--The Central Statistics Office of the Labor and Labor Development Ministry has presented the labor minister a yearbook of statistics for 1980. This yearbook reportedly includes a systematic and consistent report on all human resources. According to Labor Undersecretary (Franz Rioja), the results of the study have revealed that out of a total of 1,825,000 persons in the country's labor force, 1,720,000 are employed, while 106,000 are unemployed. He said that to solve this problem, Bolivia must generate the same number of employment opportunities every year, and seek the best use of the human resources available in the country. [PY102123 La Paz Radio Illimani Network in Spanish 1100 GMT 10 Dec 81]

CSO: 3010/470

'LA NACION' RAPS NICARAGUA STATE COUNCIL INTERFERENCE

PA070409 San Jose LA NACION in Spanish 27 Nov 81 p 14-A

[Editorial: "Unusual Interference of the Nicaraguan Government"]

[Text] We are still not able to understand why, unless we have not become aware of fact, neither the Costa Rican legislative assembly, which represents the people and is the expression of national sovereignty, nor the media, nor the government offices, have reacted to the stratling and unacceptable interference of the Nicaraguan State Council in top-level government matters and decisions which are of the exclusive purview of the Republic of Costa Rica.

In a statement which has no precedent in the political history of the hemisphere, the Nicaraguan State Council "deplored" and voiced "its concern" over the moral sanction which our legislative assembly sovereignly imposed on President Carazo Odio because of certain actions and concealment of the truth during his participation in the Nicaraguan armed conflict.

If this is any indication, we Costa Ricans have been notified that the decisions made by the Costa Rican legislative assembly can be subject not only to the censorship or "concern" of the Nicaraguan Government, but also, eventually and probably in the near future, to their veto and even to a political or military intervention.

The Nicaraguan State Council has no right to meddle in our internal affairs, or to comment in any way, regardless of the intention behind it, on the sovereign decisions made by our legislative branch as this is not within their purview, much less so if it deals exclusively with Costa Rican matters having nothing to do with our neighbors.

The statement was published by the Nicaraguan Embassy in Costa Rica in their bulletin No 8, that is, by the diplomatic mission of a neighbor country, which has no right to interfere in our own matters. In any other country, this would have immediately caused a diplomatic problem and the Nicaraguan ambassador would have been declared "non grata" because of this manifest interference in the internal affairs of Costa Rica. It also would have raised a protest from the legislative assembly against what obviously constitutes a dangerous and absolutely unacceptable precedent and places dark clouds over our future relations with Nicaragua.

The first paragraph of the Nicaraguan State Council's resolution reads: "To deplore the moral sanction imposed by the Costa Rican legislative assembly on Rodrigo Carazo Odio, president of the rpeublic, because of the help he gave to the FSLN during their struggle to overthrow the Somozist dictatorship."

This flagrant and disrespectful act against our sovereignty and against our legislative assembly's top-level internal decisions regarding the actions of the chief of state should not be tolerated, even more so if the Nicaraugan State Council makes statements which distort the truth, and at the same time cynically proclaims that the help was not for the Nicaraguan people, but for the small FSLN group.

CSO: 3010/459

BRIEFS

NATIONAL BUDGET UNDER FIRE--San Jose, 1 Dec (ACAN-EFE)--The 1982 budget of the Costa Rican Government will be $500 million. After it was announced, various defects were pointed out in the national congress such as that of not including the decreed salary increases for government workers which should go into effect next year. The government must adjust the salaries of the public administration workers beginning 1 January to compensate for the loss of the purchasing power of the national currency (the colon) due to the devaluation and inflation. Another concern which was expressed today is over the small sum that is allocated for the purchase of heavy machinery and for the implementation of projects. According to political observers, with what has been budgeted, "the next government will only be able to finish the projects that the current government of Rodrigo Carazo has begun." The San Jose newspaper LA NACION indicated that the approved budget doesn't really reflect the fiscal situation since it was adjusted so that it only shows a deficit of only $100 million. A week ago the IMF reported that the official deficit will be $250 million next year. [Text] [PA021510 Panama City ACAN in Spanish 0040 GMT 2 Dec 81]

CSO: 3010/459

FIDEL CASTRO MEETS WITH JAMAICAN PNP DELEGATION

Havana GRANMA WEEKLY REVIEW 22 Nov 81 p 3

[Text]

COMMANDER IN Chief Fidel Castro, first secretary of the Communist Party of Cuba and president of the Council of State and the Council of Ministers, met on November 14 at the Palace of the Revolution with the delegation from the People's National Party (PNP) of Jamaica headed by Dr. Percival Patterson, vice-president of the PNP and former deputy prime minister and foreign minister of Jamaica.

In the course of the fraternal meeting, Dr. Patterson conveyed to the commander in chief a message from the leader of the PNP, Michael Manley, expressing his fraternal solidarity with the Cuban Revolution and the Cuban people at a time when imperialism is threatening to carry out new attacks on Cuba.

The various topics discussed in the meeting included the relations between the two parties; the international situation; the capitalist crisis and its disastrous effects on the underdeveloped countries; the Movement of Non-Aligned Countries; and the peril to world peace resulting from the policy of the new U.S. administration.

The commander in chief expressed his gratitude for the message from former Prime Minister Michael Manley and for the presence in Cuba of the PNP delegation precisely at a time when imperialism, resorting to slander and lies, is threatening to attack the Cuban Revolution and after the Jamaican Government, following Washington's dictates, broke diplomatic relations with Cuba.

Fidel sent greetings to the people of Jamaica and expressed his desires that the historical ties between the two peoples be further strengthened.

The meeting was attended by Manuel Piñeiro, member of the Central Committee of the Party and head of the Central Committee's Americas Department.

ICAP Signs Solidarity Accord with Various Groups

["Text" of the declaration signed on 11 November 1981 at the Cuban Institute of Friendship with the Peoples (ICAP) by some 250 social, scientific, religious and sports figures in Cuba]

Disarmament, détente and peace are closely tied to social progress and the legitimate aspiration of the peoples of the world to make rational use of their natural and human resources and to further the material and spiritual development of all mankind.

Peace — peace which benefits all the peoples on earth — is a pressing universal need. Mankind today faces the dangers of a nuclear holocaust as a result of the spiraling arms race and the irrational policy of the present U.S. administration, which threatens world peace.

The Cuban people face not only these dangers but also those which derive directly from U.S. imperialism's aggressive, threatening attitude toward the Cuban Revolution.

The Reagan administration has unleashed a fierce campaign of threats and slander against our people, evidently designed to pave the way for military aggression.

The Revolutionary Government of Cuba has repeatedly challenged the United States to present proof of its accusations against Cuba. Em-

naturally, the Reagan administration and its spokesmen have been unable to do so.

This campaign on the part of the reactionary group which controls the executive branch in the United States and the statements by its spokesmen and agents concerning Cuba's alleged military intervention in Nicaragua and El Salvador are unusual occurrences in a supposed state of peace, represent a return to times we had thought long gone and constitute a challenge to our people and the rest of mankind.

With the recent statements by Fidel Castro, president of the Council of State and of the Council of Ministers, and through countless rallies, the Cuban people have met the U.S. Government's challenge with resolution and revolutionary firmness.

The Cuban writers, scientists, artists, journalists, churchmen, professionals and athletes express our solidarity with the government's stand in response to the campaigns, attacks and threats by the U.S. executive. We firmly support the aims of defending our principles, first of all, with our own shield, and we're prepared to answer for our principles and for our stand with our own lives. We support the affirmation that "The Cuban people will live with their Revolution or every last man and woman will die along with it."

Under these circumstances, we call on all progressive men and women, all who cherish peace and justice and all friends of Cuba to show their solidarity and to do so publicly. We stress that this is a question not only of condemning direct aggression but of preventing it.

Our people do not want confrontations, conflicts or war; our people want peace. But, together with this truth and those desires, lie our firmness and determination to defend our right to independence and sovereignty, to build a new life, to achieve happiness, to defend our principles, to die for our country and to live.

Signed at the Cuban Institute of Friendship with the Peoples, Havana, November 11, 1981, Year of the 20th Anniversary of Girón.

CSO: 3020/33

FIDEL CASTRO INTERVIEWED ON RED SUNDAY ACTIVITIES

Havana GRANMA WEEKLY REVIEW 22 Nov 81 pp 5-6

[Text]

● ON THE morning of November 15 the commander in chief was able to see for himself the enthusiasm, joy and fighting spirit which characterized Red Sunday as he toured various construction projects, factories, agricultural areas and service centers in the provinces of Havana and City of Havana.

Starting out very early amidst a steady drizzle, when the mass mobilization itself was just getting under way, Fidel's first visit was to the hospital being built in Central Havana, which is due to be finished next year. He was accompanied by Minister of Construction José López Moreno.

Next he went on to the Central Havana children's hospital and the Cerro children's hospital, which are being expanded. The work there is quite advanced, and a polyclinic is also to be built.

After a slow progress along Rancho Boyeros Avenue, due to the heavy traffic of trucks taking people to the outskirts of the city, Fidel's jeep arrived at the welding shop belonging to the Cubana de Acero iron and steelworks, where the personnel have pledged to build 1200 Bayamo 81 suboil removers over and above the production plan in time for the coming sugar harvest. Red Sunday at Cubana de Acero was given over to manufacturing and assembling the first 30 of these removers. Fidel talked with Roberto Castro, the administrator, who reported on the work being done by the 1000 employees of the factory and 150 who had come from elsewhere.

Fidel talked with several workers about what they were doing and greeted leaders of the Party and government who were working as lathe operators and working in other sections of the factory on this Red Sunday.

It was explained to Fidel that there are two 12-hour shifts at Cubana de Acero in order to fulfill their pledge to build the 1200 machines.

Fidel was seen off by the enthusiastic workers, applauding and chanting "Fidel, Fidel."

From Cubana de Acero Fidel went on to the 19 de Abril agricultural project in Quivicán. A long detour was required because Rancho Boyeros was still loaded with trucks taking workers to the city outskirts.

Fidel visited the vegetable gardens, displaying particular interest in the planting of the Bolívar variety of tomatoes. He talked with several of the project's employees, with Agustín Montes de Oca, its director, and with chief of vegetable cultivation Agustín Hernández. Fidel noted that the Bolívar tomato has a very high yield and wanted to know how densely the plants were spaced. He was pleasantly surprised when told they were only 17 days old, commenting on their strong stems.

He expressed an interest in other vegetables grown at the 19 de Abril project, such as radishes, turnips and Swiss chard.

"It will be a good year for vegetables," Fidel said "as long as we don't have bad weather like last year."

On his way back into the city Fidel stopped off at the Vietnam Heroico spare parts factory, where administrator Antonio Sánchez and trade union general secretary Pedro Díaz reported on the Red Sunday mobilization, the work being done and the problems encountered.

Fidel was told that there were 168 workers mobilized for Red Sunday and he asked about the enlargement of the factory and the work they were doing. The workers explained they were turning out parts for the KTP cane harvester and train wheels. Enlarging the factory was one of the main topics that came up in the conversation with the workers. The number of workers will be doubled when the enlargement is completed. "We must speed this up," Fidel remarked.

It was already after 11:00 a.m. when Fidel arrived at the Palace of the Revolution and toured the offices of the Council of State, where the workers were involved in various jobs for Red Sunday.

José M. Rivar took him around the offices, and Fidel greeted the comrades. "Picking coffee is healthier but your paper work is also necessary," he said.

Finally Fidel talked to the Cuban press about Red Sunday, the tasks in agriculture, the start of the sugar harvest, and the U.S. maneuvers against Cuba.

FIDEL SPEAKS TO CUBAN PRESS

FIDEL.— I visited the Central Havana hospital, which will be ready to go into service early next year. Then I visited the children's hospital in Central Havana, and after that the children's hospital in the Cerro municipality. The polyclinic and other construction work there is going along very well. My next visit was to Cubana de Acero iron and steel works. Practically all the workers were there as well as several volunteers, among them Pedro Miret, Joel Domenech and Pepin Naranjo. They were all working hard, some operating the lathes and others doing other work.

Next we visited the 19 de Abril agricultural project. It seems as if it'll be a good year for vegetables. I mean, as long as we are not visited by bad weather, because it was bad weather that ruined the first part of the work the farmers had done. I repeat, it looks as if it'll be a good year. We also visited the Vietnam Heroico factory and then we came here to the offices of the Council of State. I see that maintenance work is being done in my office too, judging by some ladders I've seen around.

The drizzle early this morning was quite annoying, and the traffic was pretty heavy. We drove along part of Rancho Boyeros Avenue and the traffic there was really tremendous. Some of the people on their way to work got wet but some of them carried plastic raincoats to protect themselves from the persistent drizzle. It looked as if it would rain all day but it cleared up later on and in the interior of the province the weather was splendid.

There were a great many people mobilized everywhere, and traffic was really heavy. Later, when I left Cubana de Acero steelworks to go to the 19 de Abril project I first had to go by way of Marianao, then drive along the highway to San Antonio de los Baños and after that go through the town of Bejucal in order to arrive there. I had to make a real detour because there was no other way to get there on account of the heavy traffic.

JOURNALIST.— (A question on the beginning of the sugar harvest).

FIDEL.— We're beginning with one sugar mill, the América Libre. Only one. If this mobilization were to take place, say, in February we could break every grinding record. The harvest is scheduled to start today with the América Libre. Other sugar mills will also start in November, and most of the rest in December. Let's see if we can make as good a harvest as last year's. Every possible measure has been taken and great efforts have been made. But I'm not going to say how many tons of sugar we'll produce....

JOURNALIST.— One could say that this mobilization today sums up the whole recent process of mobilization.

FIDEL.— Yes, that's true. I think that it was that spirit that contributed to today's mobilization. However, in a general sense, these mobilizations are coming to be traditional, historic events. And I remember that on other occasions they've also been huge. It's very difficult to distinguish among them. One thing that is noticeable, though, is the fighting spirit.

JOURNALIST.— I meant it in the sense that the foundations for this one were already....

FIDEL.— We must be prepared to wage two battles. We must be prepared to face up to an attack and to tackle the tasks of production. We must be prepared for war and for peace! I believe that, in this sense, a great effort has been made throughout the last few weeks.

What newspaper are you from?

JOURNALIST.— I'm from the TV news. We were a bit late because....

FIDEL.—Oh, it's not your fault. It's actually our fault, because I never think of the journalists. I appreciate them very much, but I never think of them when I go on a tour. So since I left very early in the morning I forgot all about them. I feel sort of shy on a day like this and I don't like to be in the limelight. This is why I almost never let the journalists know.

It's also becoming a tradition for journalists to participate in these tours. I apologize and I promise that next year I'll call you early so you'll be on time.

I really suffer when I see those cameramen loaded with all that heavy equipment. This is a tough Red Sunday.

What other newspapers are represented here?

JOURNALIST.— Granma, Juventud Rebelde, and AIN news agency.

FIDEL.— You were at the 19 de Abril project? It's ahead of schedule. They're going to have an exceptionally good vegetable crop this year unless there's bad weather. Last year they had to go through all that bad weather and it was necessary to replant everything between November and December. That's why there was such an accumulation of potatoes and green vegetables at one moment. The ideal thing would be to plant early so as to prolong the distribution period as long as possible. But last year practically all the crops ripened at the same time.

I was quite worried by that hurricane, the way it moved along half the length of the island and then shot up to the northeast and crossed to Camagüey. It did a bit of damage over there. But there's no doubt that when those hurricanes come further westward they cause much more damage because they affect the tobacco, vegetables and bananas. Those hurricanes that we get in November, with heavy rain, cause a lot of damage to those basic crops. In Camagüey they don't have tobacco plantations, nor do they have large vegetable farms as we do here in Havana province. In Camagüey, hurricanes pass through sugarcane areas and cause some damage to the canefields. The Cándido González, Haití and Batalla de las Guásimas sugar mills were the ones hardest hit by the floods.

But those people have a tremendous fighting spirit. They're determined to meet the sugar production plan in every one of their sugar mills. I was told that the workers in Camagüey are working round the clock to make sure the start of the harvest is not delayed. They protected their motors and the mill trains as best they could and even though the water got into some of the sugar mills very little damage was done. And in some of the towns the floods were so bad that people were moving about in boats.

Those people there are making a tremendous effort because they don't want any reduction in the production plans of any of the sugar mills affected by the floods. There's no doubt that the hurricane would have caused much more damage

if it had hit this part of the country. We went through that experience in 1979, at the time of the Movement of Non-Aligned Countries' Conference when even the airport was cut off by the floods. Last year, too, remember, we had a hurricane that caused tremendous damage. It wiped out all the tobacco seedling nurseries. Every nursery had to be replanted, and yet Pinar del Río province had a record crop. It is to be expected that this year the tobacco crop and all the others will be even better than last year's. And how about the banana plantations in Havana province? Every time a hurricane hits the province that means the end of them.

This year — at least, so far — we've had no strong hurricanes or cyclones in the western part of the island. And rains haven't been abundant, either. We could even say that there was a scarcity of rain, much more so than last year, for our sugarcane fields. And yet, never before was such a great effort made in cultivation and weeding. That compensated for the lack of rain. For example, in May there wasn't any rain to speak of, except in a few places. Then July was rainless. It rained a little in September and was dry in October. Generally speaking, the rains have been below the historical average. Yet in spite of all this, the sugarcane is in very good shape. I don't think the sugar production plans will be affected in any way.

JOURNALIST.— The cultivation of the canefields....

FIDEL.— Yes. This year it was better than ever before. And next year it'll be better still. This year deep cultivation was applied in over 270 000 hectares. Next year deep cultivation will be applied to ratoon cane wherever the soil makes it possible, in other words around 950 000 hectares. The soil becomes compacted by the weight of tractors, cane wagons and cane harvesters, and whenever it's possible to do deep cultivation the yield goes up.

And for just that reason they were working hard today on the construction of the Bayamo subsoil removers at Cubana de Acero steelworks — they call them the Bayamo 81 type. The program calls for 1000 of them and 1000 of the Mayari type, and they're also making leaf killers. Everywhere green cane is cut there's a huge pile of leaves left on the ground and that makes it impossible for the subsoil removers to work. Several new strains of sugarcane were planted and it was necessary to replace the Barbados-4362 strain in an area of some 450 000 hectares. And that was done in the space of two years. No other country in the world could eliminate sugarcane smut in two years the way we did. That's why early planting this year covered some 400 000 hectares. Late planting, however, will be a little below the initial goal, since most of the land was used for early planting. There are several in the country, for example in southern Camagüey and some parts of Matanzas — to tell the truth, there are areas in nearly every province — where no soil conditioning can be done in spring on account of the rains, because the operation calls for dry weather. That's why late planting will be short of the goal. But I don't think this will have any effect on the availability of cane next year. Considering the method of cultivation that will be used with all the cane and assuming that it'll be a normal year — not like this year, which was below the average yields — by 1985 we should have all our cane according to plan. The way things look and the way the cane is being treated, I'd say that in 1985 we'll have more cane than we have planned.

The difference between last year's situation and this year's is that last year the price of sugar was three times higher than it is now. Last year we had the extra incentive of the high price, but this year it's a question of a real commitment: we can't afford to produce a single ton of sugar less than the amount we have planned. There's also an important program for saving fuel. Intensive work is being done in every branch of the economy in regard to sugarcane agriculture to cut down on fuel consumption, because it is possible to cut down even more on fuel consumption.

We must continue to advance in spite of all the difficulties, in spite of the world economic crisis and the low sugar prices. Many countries faced with these difficulties may not be able to sell their sugar. Nobody knows what'll happen. To begin with, the Yankees are unable to overcome their difficulties. On the contrary, the daily news dispatches talk about a declining economy, recession, etc., and the outlook for the Yankees doesn't seem to be too promising.

JOURNALIST.—There's no doubt, is there, that the strong solidarity with Cuba in view of the imperialists' threats against our country is really remarkable.

FIDEL.— It's been an intensive, broad and remarkable demonstration of solidarity, and I believe that it's had a very important effect. It's certain that we discovered the Yankees' plans through all the lies they were making up. I didn't want to go too far into politics today, I'd rather talk about agriculture and find Sunday. But since you've asked me, I believe that it was very important that we found out what they were planning, and we have denounced them and unmasked them and we've put them in an embarrassing position. On the 24th I mentioned that article published in the U.S. press about the alleged shipment of between 500 and 600 special troops to Nicaragua. That's a big lie, a tremendous lie from beginning to end, an absolute lie. We have never sent a single soldier from any special troops. The idea never even occurred to us.

Obviously they had been fabricating lies of this sort in order to implement their plans and to find some justification for their aggressive actions in Central America and against Cuba before U.S. public opinion and international opinion.

I denounced it all on the 24th. I said that it unquestionably amounted to a stratagem, that they hadn't dared to issue an official statement and resorted instead to using some journalists to do it for them.

However, just 72 hours later we found out that although it hadn't been an official government statement that had supposedly come from some journalists, the secretary of state had begun contacting certain governments to inform them — important governments in important countries — to inform them just that, that Cuba had sent from 500 to 600 special troops and that they would be compelled to take action, etc.

I didn't know any of this on the 24th, but you could say I guessed what they were up to on the 24th. But just 72 hours later we had confirmation that Mr. Haig had contacted

certain important governments to inform them of what journalists were saying.

In other words, the journalists didn't make anything up. It was the State Department that passed that information on to the journalists. The State Department was already behind all this.

It was then that we challenged them. Because in his contacts with these governments, Haig said he had evidence. So we said, show your evidence!

We haven't mentioned the governments involved because it is up to them to say whether it is true or false that they informed certain governments. But they haven't dared to deny it. Some of their spokesmen said they were not aware if certain governments had been notified. But we do know it and have said so clearly. What we are now waiting to hear is whether or not they informed certain governments. Naturally, they can't deny it. Nor can they prove — because it is an absolute lie — that we sent 500 to 600 special troops there, according to them in the second half of September. Our teachers were the ones who arrived in Nicaragua in the second half of September. They arrived there between September 16 and October 16, 2000 teachers all together: 1019 women and 981 men. It was a contingent of 2000 teachers that was returning there for the start of classes.

And we have recorded all the trips, the names of all the teachers, where they come from and where they are now stationed in Nicaragua. We have all this information here, ready in case they say anything.

And so our challenge has placed them in an embarrassing situation: show the evidence! Say whether or not it is true that what was published in the newspaper by these two journalists was passed on to other important governments. Well, they can't answer. They're keeping quiet. But we had already disproved some of their other lies. The lie that we sent advisers to El Salvador, the lie that the weapons sent to us here for the defense of our country, for the Territorial Troop Militia, were being redistributed in Central America. All these lies on which we had challenged them before to speak the truth. We challenged them at the Inter-Parliamentary Conference. They were cooking up their story at that time and we exposed them for what they were, we denounced them and we have completely demoralized them. They have had to shut up and have been branded as liars, as irresponsible people. Because they gave that information to certain governments and now these governments are saying: "Listen, you pulled the wool over my eyes."

They not only passed on the information, they said they had evidence. So we've asked them two things: where is the evidence? show the evidence! Secondly, is it or isn't it true that you informed certain governments, along with threats against Cuba? We've caught them red-handed. They don't know what to do.

There are a lot of people in the United States who have realized it's all a lie. So in a certain way we have frustrated their maneuver.

But they'll keep coming up with pretexts, they'll keep inventing lies. They had it all worked out, well planned. Now they don't know what to do. Apart from the fact that they've run up against solidarity with Cuba on this concrete problem and also a growing resistance in Europe and elsewhere to U.S. foreign policy. People realize that this adventurist policy can lead to war. And it's most likely — if it goes unchecked, if there is no resistance, if there is no opposition from world opinion, that it will end in war. Look at the demonstrations in Europe, the universal opposition that U.S. policy is prompting, coupled with the fact that the economic policy of this administration is a catastrophe. They've already had to give up all their promises of a balanced budget. There are some people who figure that the U.S. budget deficit will reach 100 000 million dollars in 1982. Inflation goes on, recession goes on and internal contradictions have sprung up within the administration itself.

Even the principal author of this economic policy, Budget and Planning Director Stockman, said it was all cockeyed and was going to solve absolutely nothing.

And that was just what we said at the Congress, in the Report to the Second Congress of the Party I mentioned they weren't going to solve any of those problems, but that they were dangerous. I also mentioned it later in other occasions and the events are proving that they are not going to solve those problems with their policy of fabulous arms expenditures, tax cuts for the affluent on the theory that it will encourage investments to reactivate the economy. They are caught between inflation and recession.

They thought that was an apparently easy problem. And so they're faced with inflation, recession and the arms race. That's no way to solve the economic problems, which are growing worse.

So there's disagreement within the United States itself and there's international opposition. The economic policy of this administration is being discredited not only within the United States but throughout the whole world. U.S. foreign policy is meeting with growing resistance from the peoples of the world. So things are not turning out the way they expected.

We must keep on working, as we are doing now, in two directions: strengthening defense, meeting the economic problems head-on, improving efficiency and making an all-out effort to be prepared to face both the dangers of war and the problems of peace, without any kind of illusions, without growing overconfident.

All I can say now is that we frustrated their maneuver. That much I can say. We've placed them in an embarrassing situation and they haven't answered our challenge yet. We must be on the alert to see what kind of stratagem they cook up next, what new lies they fabricate. To put it simply, we've had a big wave of international solidarity: all the progressive people, all the democratic people, all without exception, everywhere, have voiced their intention to support us. But they have renewed their threats. Appearing before Congress, Haig reiterated his threats against Central America, against Cuba. When the representatives there asked him whether or not there were plans, or if there were assurances they were not going to carry out a policy of

destabilization in Nicaragua, he said no, he could not give them that assurance.

There are some who feel they are also trying to intimidate Nicaragua, intimidate Cuba. That would be the stupidest thing in the world. After threatening us for 23 years they haven't yet succeeded in intimidating anybody here.

So they're wasting their time if they really think they can intimidate anyone.

Well, many things are now being said, but when questioned by U.S. legislators in the House — I think it was the Foreign Relations Committee in the House — Haig was forced to come clean.

JOURNALIST.— Recently the official in charge of the Cuban desk even made some statements.

FIDEL.— Yes, that official in charge of Cuban affairs spoke somewhere in Costa Rica....

JOURNALIST.— He even contradicted....

FIDEL.— Let me tell you, what each one of them says contradicts what the others say. Now, Reagan made a more moderate statement on the 10th. For the first time since he took office he changed his language, he acted less aggressively, less bellicose. That was on the 10th. He said he had no plans of sending U.S. soldiers anywhere in the world. Of course, that can be subtle, "sending soldiers." He can send warships, he can send planes, etc.

But there's no denying that Reagan's statement on the 10th was more moderate than his previous ones.

And yet on the 12th Haig said just the opposite. As far as the Caribbean, Central America, Nicaragua and Cuba are concerned, he told Congress just the opposite of what Reagan said. Meanwhile, a certain Enders — I believe he's State Department assistant secretary for Latin American Affairs — made some warmongering statements in Quito. Then Frechette spoke somewhere else. I've read them. He said some silly things, nothing else. But they also have some military delegations touring Latin America. For this whole situation coincided with a meeting of the Latin American army commanders being held in Washington. The United States has obviously been seeking the complicity of some Latin American governments and has been toying with the idea of using troops from Latin American armies — troops from the Chilean army, the Argentine army, etc. — in Central America. They have been trying to get South American army troops and bring them to Central America. This is one of the ideas these people have.

I believe they are definitely meeting with a lot of resistance, with the exception of some governments that apparently feel honored that the United States would use them to provide mercenary troops for Central America.

But what good would that do to them? They can only succeed in setting the whole region on fire. If they succeed in carrying out their plans, all they're going to do is start up a fire. They're going to create a problem that can't be solved if they decide to go out in search of South American troops to intervene in Central America. They'll be creating extremely serious problems.

I don't think any of that can solve the problems in Latin America or Central America. Unquestionably the only sensible, wise thing to do is to come out in support of the stand of many countries today, that of searching for a negotiated political solution to the problems in El Salvador and Central America. That's the stand taken by Mexico and France, the only wise, sensible solution to that situation. Intervention or war is not the way, nothing will be solved that way. They'll only make all the problems worse.

The only sensible stand they can adopt is giving their support for a negotiated solution and help find one, a negotiated political solution among all the parties. It's the only thing. Anything else is, well, like setting the whole continent on fire, no question about that.

They have been reluctant so far to support a political solution and favor instead a military solution: crushing the revolutionaries to the last man, wiping them out. But that's impossible. It has never happened nor can it ever happen.

Well, you have succeeded in making me also talk a little bit about foreign policy on this Red Sunday, while all I planned to talk about was production and agriculture. But that's okay with me.

CSO: 3020/34

'EL PAIS' ON 'SECRET' CUBAN-U.S. CONTACTS

PA101405 Madrid EL PAIS in Spanish 5 Dec 81 pp 1, 3

[Dispatch by Jesus Ceberio: "Secret Meeting in Mexico Between Haig and Cuban Vice President"]

[Text] Mexico City--U.S. Secretary of State Alexander Haig and Vice President of the Cuban Council of State Carlos Rafael Rodriguez met in Mexico City 23 November according to what completely reliable diplomatic sources have disclosed to EL PAIS.

This is the first meeting held by U.S. and Cuban officials of ministerial rank since the missiles crisis in October 1962. Moreover, it comes amid a state of maximum tension between the two governments, characterized by the U.S. threats to adopt new punitive measures against the island and by the state of general alert decreed by the Castro government. A fortnight ago Western observers residing in Havana were describing the state of Cuban-U.S. relations as the most delicate in the last 19 years.

The meeting between the two politicians took place in an office located on the third floor of the Mexican Foreign Ministry, with Mexican Foreign Minister Jorge Castaneda as host and sole witness. The news had not become known to the press until yesterday, and was also not known by most diplomatic circles in this capital, even those which are usually well informed about U.S. activities.

The preparations for this meeting were carried out in strict secrecy, with the good offices of Mexico, which during this year has reiterated its readiness to act as a mediator in the area.

One very significant fact prior to this meeting was the presence of Fidel Castro, Raul Castro and Carlos Rafael Rodriguez on 20 November at the residence of Mexican ambassador in Havana Gonzalo Martinez Corbala. The Mexican diplomat traveled to this capital 2 days later, just on the eve of Haig's arrival on an official visit. At that time the Cuban authorities were maintaining complete secrecy about thier dispute with the United States, following the violent speech delivered by Fidel Castro on 24 October.

Asked whether this silence could be the prelude to some negotiations between the Cubans and Americans, an influential ambassador in Havana replied that he could say "neither yes nor no."

Carlos Rafael Rodriguez' visit to Mexico has been kept strictly secret, despite the fact that he also met in this city with President of the Republic Jose Lopez Portillo and Mexican Secretary of Foreign Relations Jorge Castaneda.

A Cuban diplomat yesterday confirmed Carlos Rafael Rodriguez' visit to Mexico, coinciding with Haig's visit, but denied that the two had met, although he acknowledged that he had been received by the aforementioned Mexican politicans.

Carlos Rafael Rodriguez holds in addition to his capacity as vice president of the Council of State and member of the Cuban Politburo the position of director of Cuba's foreign policy, above the foreign minister.

The sources of information were unable to supply any detail concerning the contents and results of the meeting, although they deemed it very positive that the two governments have agreed to at least an initial dialogue between them to ease their tensions.

However, since the meeting between the two men, Alexander Haig has kept up his accusations against Cuba (he did so again before the OAS Assembly on the island of Saint Lucia yesterday) for exporting its revolution to Central America. For its part, the Cuban Government denies that so far this year it has sent arms and supplies of any kind or troops to El Salvador and Nicaragua.

Mexico is following the Central American situation with the utmost interest and is conducting considerable diplomatic activity to maintain its considerable influence in the region. The Mexican Government has offered to act as "messanger" between Washington and Managua.

CSO: 3010/460

CUBA DENOUNCES U.S. PANAMA CANAL TREATY VIOLATIONS

PA101335 Havana International Service in Spanish 2310 GMT 9 Dec 81

["Our America" commentary]

[Text] The history of the peoples of our America is marked in the past 1 and 1/2 century by permanent U.S. meddling in the domestic affairs of the region. Most Latin American countries have experienced the outrage of the dirty U.S. imperialist boot, trampling the soil of the fatherland, with ensuing offenses and insults—hence the anti-imperialist spirit that prevails in the countries south of the Rio Bravo and the congenital hatred aroused in them by the arrogant attitude of the U.S. Government.

One of the peoples of Latin America that has most felt the humiliating presence of the U.S. imperialists in its territory is the people of Panama, who from 1865 to 1964 were the target of 15 direct interventions by the U.S. marines and are now the victim of intervention, with 14 military bases present in the Canal area.

These installations hold more soldiers than the regular [Panamanian] national guard troops and are a logistics center against the peoples of Latin America.

Three military training centers operate in the Panama Canal Zone [as heard]--the School of the Americas, with some 40,000 graduates, the Inter-American Air Forces Academy, which groups 14,000 armed units [as heard], and the Patrol Boat Training course, in which 1,400 Latin American students are trained under the direct guidance of the Pentagon and the CIA, which gives this course not only a military but an espionage character.

It is also known that in the enclaves of the U.S. armed forces in the Canal area, Chilean and Argentine aircraft refuel and take arms and specialists in torture and repression to the genocidal regimes of El Salvador, Guatemala, and Honduras. A few months ago Pentagon specialists drafted a document in which they recommended to the government that if the Carter-Torrijos treaties on the Panama Canal failed, that interoceanic waterway be placed under the jurisdiction of the Inter-American Treaty of Reciprocal Assistance, which Washington controls directly.

Visits by ranking U.S. military personalities are frequent to those installations. In the past few months these contacts have increased in an unusual way which obliges political observers to think that the most reactionary circles of the

United States want to pave the way toward taking total control of the Canal and trampling on the bilateral treaties on this interoceanic waterway signed in 1977 and implemented 2 years later.

This would not be surprising if one considers the constant violations of the spirit and letter of these agreements committed by the United States for a long time. Proof of the interfering objectives of the U.S. troops based in the Panama Canal is a recent statement by Col Mark Richards, official spokesman of the U.S. southern command, who stated in Panama City that the armed troops there are prepared for what he termed any contingency that may occur in Latin America. Those forces, he stressed, are in charge of carrying out possible land operations in Central and South America.

But the Panamanian people have not stopped fighting a single day against the Yankee imperialist presence in their territory and firmly support the Isthmian government in its just demands that the letter of the Canal treaties be faithfully fulfilled and that the region be made a zone of peace. In this battle for the total Panamanian sovereignty of the Canal, the people of that nation have the unreserved support of the peace-loving and progressive forces.

CSO: 3010/460

HAVANA TV INTERVIEWS HIJACKED PASSENGERS, CREW

FL090201 Havana Domestic Television Service in Spanish 0100 GMT 9 Dec 81

[Statements by passengers and crewmembers of three hijacked Venezuelan airlines on arrival in Havana City's Jose Marti International Airport—names not given]

[Text] [Male passenger] The hijackers behaved very well with us. They became our friends and were our comrades. They were telling jokes. They were very friendly. In addition, they were very relaxed in our relations.

[Female crewmember] They treated us excellently. We were not mistreated in any way shape or form, physically or verbally. They are a very kind bunch of boys and treated us very nicely, with great respect. We are very grateful to them, both the crew and passengers. In fact they were very considerate. We were with them since yesterday at 0600 hours when we left Maiquetia. At the beginning the situation was very embarrassing for us and also surprising. Later on, we got used to it and got along with them. We lived dramatic moments. Thank God, everything had a good ending. We are alive and very happy.

[Male crewmember] We are very happy with the assistance given to us by the Cuban authorities and, above all, the organization we have seen here. It has been excellent.

[Iberia Airline employee in Havana] I represent Iberia Airlines and I have been trying to help these comrades. In fact, the Cuban authorities have given their greatest effort. Our presence has merely been to support them. They [crews] are very happy with the treatment they received. I would like to give my thanks on behalf of these comrades. This demonstrates the great image Cuba has abroad.

[Female crewmember] I am very well. I want to give my thanks. The authorities have treated us excellently. We are very grateful, all the crew, both Avensa and Aeropostal. We are very happy. The truth is we have been given special treatment. We are very happy to be here.

CSO: 3010/460

BRIEFS

ALLENDE'S WIDOW AT FILM FESTIVAL--Armando Hart, member of the Politburo and minister of culture, last night attended the Cuban Cinemateca in Havana, which is hosting the third national festival of the new Latin American theater, and at which various documentaries were shown. Also attending with Hart were [word indistinct] Alfredo Guevara, vice minister of culture and chairman of the event and Hostensia Allende, widow of deceased Chilean President Salvador Allende, who arrived in Havana yesterday. Of the 160 films being shown, there are 40 science fiction, 15 animated and various documentaries. [Text] [FL091253 Havana Domestic Service in Spanish 1100 GMT 9 Dec 81]

NEW BULK FREIGHTER--The Pinar del Rio, a new freighter specialized in carrying grains, has arrived in Cuba from Romania, where it was built. This vessel, which will join a fleet operating in the Empresa de Navegacion Caribe, has a capacity of 3,357 cubic meters, 2,400 deadweight tons and an overall length of 88.6 meters. With the arrival of this new bulk freighter, the specialized flotilla of the Empresa de Navegacion Caribe now has five vessels and one lighter. The Ceinfuegos, a sister ship, and three others under construction in Romania, will arrive soon. They are part of the plans to enlarge our merchant marine. [Text] [FL082151 Havana Domestic Television Service in Spanish 1800 GMT 8 Dec 81]

BUSES FROM HUNGARY--Beginning in February, a consignment of 585 buses and (?cars) will begin to arrive as part of an agreement signed in Hungary's capital, Budapest. The document, worked out in the inter-governmental agreements last September was signed yesterday by Cuban and Hungarian representatives. [Text] [FL081500 Havana Domestic Television Service in Spanish 1421 GMT 8 Dec 81]

CSO: 3010/460

BRIEFS

BISHOP RECEIVES MESSAGE FROM BREZHNEV--Soviet President Leonid Brezhnev has said that the Soviet people are in full solidarity with the Grenadian people and government in their struggle for the strengthening of their sovereignty and for Grenada's social and economic progress. President Brezhnev's remarks were contained in a response to the message sent by Prime Minister Bishop to the Soviet leader on the occasion of the 64th anniversary of the Great October Socialist Revolution. President Brezhnev said his country and people share the desire of the government and people of Grenada for the further development and strengthening relations of friendship and cooperation which exist between the peoples of the Soviet Union and Grenada. [Text] [FL042339 St Georges Domestic Service in English 2300 GMT 4 Dec 81]

CSO: 3025/1010

BRIEFS

HIGH COMMISSIONER TO TRINIDAD--Kingston, Jamaica, 7 Dec (CANA)--The head of the Foreign Trade Division in Jamaica's Foreign Affairs Ministry, Ellen Bogle, is to be the island's new high commissioner to Trinidad and Tobago, according to an official announcement. Mr Bogle is replacing Gordon Wells, who is now permanent secretary in the Public Service Ministry, the Foreign Ministry said. [Text] [FL072319 Bridgetown CANA in English 2105 GMT 7 Dec 81]

CSO: 3025/1010

POSSIBLE U.S. MILITARY INTERVENTION CRITICIZED

PA070033 Managua BARRICADA in Spanish 26 Nov 81 p 3

[Article by Carlos Fernando Chamorro: "Reagan and Military Intervention"]

[Text] Ever since Alexander Haig publicly admitted that discussions were underway regarding the "final decision" to be taken on Nicaragua and that the State Department had presented to President Reagan a number of military options for attacking Cuba, Nicaragua and El Salvador, those who devise U.S. foreign policy have entered a period of "defining" the alternatives, followed by two basic initiatives for implementing those alternatives.

These are: A diplomatic sounding out of Mexico and Venezuela at the highest levels to learn their reaction to possible U.S. actions, and the decision to convert the small base at Key West into an operational forces military command that is capable of bringing together all the naval, air and land forces that the United States has stationed in the Caribbean to take action at any time.

Previously, Reagan himself had sought to tone down Haig's warmongering rhetoric in order to reduce international scandal, by saying that he did not "intend to send combat troops to any part of the world." However, if anyone naively misinterpreted Reagan's words, seeing in them an "encouraging" sign, his own advisers Haig, Meese and Weinberger took care to thoroughly clarify the president's meaning.

Obviously, within the possible modes of military intervention, the United States is not thinking, in the first instance, of that which would involve the greatest political, material and human costs; that is, the deployment of marines to fight in Cuba and Nicaragua. Consequently, emphasis is placed on the possibilities of a naval blockade, on the use of nonland forces (bombings from the air and naval attacks) and on a joint action with the various Latin American armies, which would require justification that so far has been difficult to come by.

Proof of this is that, at the moment of "sounding" out Venezuela, Washington came up against Venezuelan President Luis Herrera Campins' firm opposition to any military intervention in the area and his demand that "Central America and the Caribbean be declared a zone of peace." With Mexico, the United States came out even worse because President Lopez Portillo not only described any U.S. intervention as "a great historical error," but also, calling a spade a spade, asked Haig to tone down his attacks on Nicaragua because of the way these attacks have worsened tension in the area.

In like fashion, Brazil, another significant force on the subcontinent, whose opposition to an intervention in Cuba and Central America is well known, robbed the United States of its alleged justification for an intervention by the Brazilian foreign minister's statement that Nicaragua, as a sovereign country, has the right to purchase weapons for the country's defense from whatever country it deems convenient. In other words, the famous pretext of the "militarization" of Nicaragua and the propaganda charges that we are not amenable to dialogue and that we are a "threat to the region" lose credibility daily, while it becomes clearly obvious that Reagan has a warlike attitude that can no longer be justified with the old song about the danger of "communist aggression against the hemisphere" or of Nicaraguan "totalitarianism."

This is, briefly, the negative balance of Washington's diplomatic initiatives, to which is added the rejection of other Latin American countries such as Colombia, Peru and Ecuador, the Socialist International, the European governments and the socialist countries that agree in their disapproval of intervention.

The question to be asked then is: To what extent will rejection of Reagan's warlike policy worldwide and in the United States itself affect or modify the alternatives that are currently being discussed within his administration?

Phrased in another way: What would be the probable course of unilateral actions that the United States would contemplate if other options are closed to it and to what point would it be prepared to go, considering the high political cost that this implies?

The question is difficult to answer because it involves a number of factors that are determined by more than just the military course of the Salvadoran revolution and the obvious failure of the option of "elections" that are scheduled to take place soon in that country. In addition, it would be necessary to consider the United States' overall perception of its foreign policy and what it perceives to be the possible effect on the rest of the world if the actions that it takes or fails to take in its immediate theater of action, which is the Caribbean.

In regards to this last matter, we remember the "advice" given by Henry Kissinger in Chile on last Tuesday when he said that "if the United States permits this (the revolution in Cuba, Nicaragua and El Salvador) it would again demonstrate U.S. impotence and that its foreign policy would inspire little confidence." Everyone knows that the more reactionary sectors of the Reagan administration, the "new right" of the "ideologists" as they are called, give a high priority to the need of making a demonstration of force in Central America, whose political cost they consider relatively small, in order to cure the U.S. people of the Vietnam trauma and to show that military power is not only feasible, in crushing revolutions, but that it is also effective in recovering the empire's "credibility" in the world, without necessarily having a "Vietnam" type conclusion. This obviously refers to a limited military aggression, (aerial bombing and naval attacks) rapid actions that would not lead to a permanent commitment of U.S. troops abroad, but would definitively try to restore credibility in unilateral action by the U.S. military.

Within this framework, the creation of the Key West military command acquires greater importance. It not only has been given an "operational" importance, since it could coordinate the actions of 9,400 marines stationed in Panama, the 3,600 in Puerto Rico and the 41 naval vessels of the Caribbean fleet, and the air force, but it

was also publicized that "the Vietnam lesson has taught us that the people must understand well the reasons for all U.S. interventions," a U.S. official said.

Also, from an administration that reminds us daily that, "No option can be discarded," it is logical to expect, after the failure of its diplomatic efforts, that it could make a desperate attempt to seek solutions by force in order to halt the revolutionary struggle in the region.

However this possibility is complicated for the United States for two reasons: First, because it is a military intervention and regardless of its shape, it will never bring a lasting solution to the structural crisis and problems existing in the region, and second because it would be met with the well-known fighting determination of the peoples of Nicaragua, Cuba and El Salvador as well as by all the democratic and revolutionary forces in the world.

The United States not only lacks feasible alternatives for solving the region's problems, but it also intends to close the doors to the search for a modus vivendi, as proposed by Nicaragua, based on the recognition of our revolution, as a historical fact, and respect for our self-determination.

The seriousness of the situation, however, will not keep us from doing everything possible to seek a dialgoue with the United States and to preserve peace, but as Commander Daniel Ortega said at the United Nations, "If they make war on us, we will resist with a people's war."

CSO: 3010/454

OPPOSITION LEADERS DISCUSS POLITICAL PARTIES BILL

PCD Official's Comments

PA070424 Managua Radio Corporacion in Spanish 1230 GMT 6 Dec 81

[Interview with Donald Lacayo Nunez, secretary of legal affairs of the Democratic Conservative Party, by Clemente Guido during the party's weekly program "Conservatism on the Move"--presumably live]

[Excerpts] [Guido] Good morning, conservaties and people of Nicaragua. Once again our national coordinator, Jose Castillo Osejo, is traveling abroad. He is currently in Venezuela responding to an invitation from the democratic political parties of that country to exchange viewpoints on the current situation of Nicaragua and on the functioning of political parties here. Therefore, since our coordinator--also creator and host of this program--is not in the country, I have been selected once again to come here to interview today's guest, who is Donald Lacayo Nunez, PCD secretary of legal affairs and one of the strongest middle-aged bulwarks--he is neither too young nor to old--of the PCD.

Good morning, Donald. We would like to ask you several questions regarding this week's national and international events. Two important events were in the forefront this week: the elections held in Honduras on Sunday and the ordinary meeting of the OAS which is currently underway--or which we could say was held last week because it is scheduled to close today--in St Lucia. My first question is: What is your opinion of the OAS meeting in St Lucia and what positive or negative results could it bring for the democratization of Nicaragua?

[Answer] Regarding the OAS' ordinary meeting that is underway or was held in St Lucia, the Nicaraguan people should bear in mind that this is a regular, not a special meeting. They should also recall that the 17th consultative meeting of OAS foreign ministers that was held on 23 June 1979--which demanded that Dictator Somoza should leave power--has not been closed, as we all know. Therefore, we believe that this regular meeting in St Lucia could take the first steps for the reopening of the 17th consultative meeting of the OAS foreign ministers so that they might study, analyze and evaluate the development and status of the Nicaraguan revolutionary process and determine if there has been compliance or noncompliance with the five famous resolutions that were approved at that 17th consultative meeting.

In truth, more than anything else this meeting at St Lucia has been the annual regular exchange of impressions by the foreign ministers of Latin America. It has come at a very difficult time, a time of unforeseen consequences because of the attitude which the Nicaraguan Government and some Sandinist leaders here have taken regarding U.S. policy on Nicaragua, which has naturally provoked a similar reaction from the United States.

We believe that this meeting could have beneficial results for Nicaragua. It already has. For example, Foreign Minister D'escoto's meeting with Alexander Haig, which we could say was sought by the leaders and the Foreign Ministry of this country. But the last word still has not been said regarding this, the OAS meeting. We believe that it could take the first steps for the reopening of the 17th OAS consultative meeting which in truth is what is needed to analyze and evaluate the case of Nicaragua.

Also, we should not lose sight of the elections in Honduras. These elections have led us to wonder if the Hondurans can resolve their problems through votes intead of bullets, since our capitals are separated by less than 500 km, why can't we also resolve our country's problems through votes like they did in Honduras? Let us hope that this example and that of Costa Rica, and those of El Salvador and Guatemala, where elections are in the offing, will help our rulers realize that the way to carry the revolutionary process forward in Nicaragua, the way to carry forward this process' conquests and achievements and advances, is through the popular, direct and secret vote; through the people's will expressed without coercion, fear or threats--through an electoral process.

Naturally, for us to be able to hold elections we must first have the much touted and demanded political parties law. The PCD has been demanding this law for more than 20 months, when it first presented a draft bill to the State Council. Today, since the Sandinists are tangled up with the gringos and in the affairs of Latin and Central America, and since they have not been able to spur the revolutionary process on into a normal takeoff, they have proposed a political parties law. They very intelligently timed it for it to coincide with the OAS' regular meeting in St Lucia to try to show that in this country there is pluralism, democracy and free political activity including all the national sectors. In truth, as we all know, if the Sandinists were indeed determined to approve such a political parties law, they would not be setting up these bothersome and time consuming formalities, and we would all be sitting down to talk at a large negotiating table to approve a law that the Nicaraguan people are interested in and [word indistinct].

But what really happened in fact? The Sandinists delayed this law. They introduced it two or three sessions before the second legislative period of the State Council was scheduled to end. Today the law has been relegated to another occasion and they tried to make it seem as if in this country we were understanding each other, as if the Democrats and Sandinists were reaching an agreement. Obviously, this is what we all desire, but let us not try to do it with tricks and deceit; let us not try to do it with subterfuges because we all know what we want and where we are going.

In any event, as of today I would term the political parties law as a clumsy law, as a deceitful law. It is a law that has not been consistent enough; a law that

has not been widely accepted because a large portion of it is punitive; it is a law with so many penal articles that what it has really done is to scare the people instead of earning the necessary confidence for the institutionalization of democracy or to make us believe that we are building a democratic regime with the use of the legal instruments that would make this process viable.

Hopefully they will rectify their error and will convoke special sessions and implement this law, and will stop harassing the political parties like they did recently in [word indistinct] where they sent out the army, the militias, the unruly crowds and all the mass organizations against us.

[Question] You have just said something, Dr Lacayo, that has caught my attention because I have talked to other political leaders about this subject and they have looked at it from another viewpoint. They feel that the introduction or presentation of this bill on a political parties law by the FSLN at the State Council is a sort of smokescreen motivated by the St Lucia meeting and is meant to portray an image of political pluralism abroad.

As a matter of fact I was talking to another political leader, who is not from our party, on the subject and he mentioned that the Sandinists do not reallyneed to have the so-called democratic parties participate in the State Council to project an image of political pluralism abroad. His reasoning was: There are eight political parties here, including the FSLN. Of these, five are in the State Council and three are not: the PCD, the Social Christian Party, and the Nicaraguan Democratic Movement, MDN. The other two parties in the country, the Communist Party and the Social Democratic Party, are on the State Council: the FSLN, the Popular Social Christian Party, the Independent Liberal Party, the Socialist Party and, I believe, another faction of the Socialists.

Summing up, this political leader says that all the FSLN has to do is present these five parties, which hold a majority on the State Council. It does not need the participation of the other 3 parties to project an image of political pluralism abroad. If someone were to ask them why the other three parties are not participating, all they would have to do is say: Because they don't want to and, after all, most of the parties are on the council. What do you think about this?

[Answer] The truth is that political pluralism in Nicaragua is not going to hinge on who is and who is not a member of the State Council. The Nicaraguan, the democratic concept of pluralism is much broader. If we belong to a State Council we should be able to [words indistinct] at the State Council; we should be able to go to the State Council to talk and to make our contribution. The facts behind the worsening of the crisis in this country basically are not due to whether or not we belong to the State Council. Logically, this has helped to create difficult and problematic situations for the Sandinists, but the extent of this grave problem in Nicaragua is much broader and encompasses a whole lot more.

To be precise, it is all of the national and international commitments which the FSLN promised to fulfill while it was still underground and before it was in power; while it was in Costa Rica, where the government platform was prepared and everyone accepted it. What has happened? The political platform is not being followed, the basic status are ignored, the [words indistinct] guarantees are not being

fulfilled, as well as all the other international documents that we do not want to enumerate here because it would take a long time and because the Nicaraguan people already know which ones they are because we have named them before on previous programs.

Therefore the problem of pluralism and democracy in Nicaragua cannot be seen as an isolated problem that has to deal exclusively with the State Council. We could go and sit on the State Council tomorrow. The problem is much larger. In this country we have to gain the trust of the people, we have to earn credibility. We have to give the people laws and get rid of a number of obstacles that are being set up. We have to get rid of the Sandinist Defense Committees, CDS, once more, as they have started to operate them again, to promote them again.

Therefore, how can we normalize the situation in this country when we have limitations and restrictions, on the one hand, and situations that lead us to believe that we are not building a democratic regime in Nicaragua, on the other.

Then, within this context, within this wide sphere of things that I have mentioned, it is not a matter of whether we participate in the State Council that hardly matters any more. In Nicaragua we are running out of a number of options and the FSLN knows it. Consequently, what they should do is open the doors to democracy so that later on we won't have to complain about any situation that might continue to provoke divisions and crises in the Nicaraguan revolutionary process.

MDN's Alvaro Jerez

PA051436 Managua Radio Corporacion in Spanish 1200 GMT 3 Dec 81

[Orion Elpidio Pastora report]

[Text] Prominent Nicaraguan Democratic Movement member Dr Alvaro Jerez, last night commented on the appointment of democratic coordinating board observers of the special committee that is preparing a report on the bill on Nicaraguan political parties. During the interview, Dr Jerez stressed that it is important that this new political development does not constitute a dirty trick. Should this be true, it would be deplorable for Nicaragua's democratic future.

The following are Dr Jerez' statements for this newscast on the committee currently studying the bill on political parties and on the presence of democratic coordinating board and independendent democratic parties delegates in it:

[Begin recording] The democratic coordinating board sent a letter to [State Council president] Commander Carlos Nunez requesting, as a coordinating body, that two or more of its members be admitted to the special committee meetings.

This means that regardless of the answer given to the coordinating board, the political parties' representatives to the State Council will have both debating and voting rights in the committee.

Today we received a note from Commander Nunez, indicating that they would accept two coordinating board observers in the committee with debating rights but without

voting rights. This, however, does not eliminate the right of those participating in the State Council sessions to join the debates conducted by the committee preparing the report on the law on political parties. This is important for a basic reason: The law on political parties, must be discussed, analyzed and drafted by the political parties. So, despite its good intentions, this committee should include representatives of the political organizations represented in the State Council so that consensus can be reached by everyone concerned.

[Question] Dr Jerez, you have talked both officially and unofficially with Commander Carlos Nunez. We would like to know if during those talks, Commander Nunez has hinted at the possibility that this law on political parties, which has created such a stir among the democratic sectors, might be approved soon either by the State Council or by the government junta, which is this country's legislative branch?

[Answer] First of all, one of the things we fear is that, due to the delay with which this law was submitted to the State Council, it may have to be passed on to some other legislative period. This could happen unless special sessions are convoked before 24 December to finish approving that law. Furthermore, one of the risks that we might be running is if this law is passed on to the government junta and it is issued as an executive decree, there would be no chance for appeals and the political parties would not have the right to dissent or at least discuss the various articles.

Now, if the Sandinist Front is playing a game for the purpose of exporting it, it seems to me that this would be a conceptual and tactical mistake at this point. Nicaragua has serious domestic and foreign problems. There are serious economic, political and social problems. It seems that the Sandinist Front would be acting irresponsibly if it were sponsoring these tactical games only as a means of diverting the political parties' attention or to make the international public believe they are trying to lay the groundwork for democracy in Nicaragua. As I have always said, now is a time for the fatherland, not the party or ideology. It seems to me that this must be a serious and honest effort by the government party's forces to lay the groundwork for democracy, a true democracy, which all Nicaraguan people need. This is the only way--listen to me carefully--this is the only way we can stop the aggressive wave that many sectors around our country are developing. Otherwise, this country will be headed for chaos and we do not want that. We are committing all our political will and all our efforts in order to take them at their word. According to them, they are revolutionaries and a revolutionary like Commander Borge never lies. Well, we take their word that this is no game. History will prove who is deceiving who.

[Question] Dr Jerez, there are two basic problems. On the one hand, we have the law on political parties, the presence of politicans in the State Council, the expectations created around this law, which will possibly be approved, and on the other hand, we have the prisoners of both the Higher Council of Private Enterprises, COSEP, and the Labor Action and Unity Federation, CAUS. We would like to know if the political parties' presence in the State Council will somehow improve the condition of those in jail, who are members of the democratic coordinating board, in this case, members of COSEP. Also will the CAUS prisoners' situation improve?

[Answer] We have never thought that freedom could be negotiated or for that matter are we going to be blackmailed. If they view our joining the State Council as a means to improving a situation which we view as a right of those currently detained, I think they are mistaken. We will not be blackmailed [words indistinct] effort, political will of the patriotic democratic organizations, which view this gesture as a means to make the Sandinist Front realize once and for all that it cannot continue playing with the country's future. So, if they created an opening by suggesting an initiative through a law on political parties as a first step, we respond to that by showing up at the State Council. Not in order to participate in a fictitious situation, but in order to see concrete facts materialize. As I said earlier, our attitude is merely patriotic. Our attitude is that of honest and upright organizations. We are not going to the State Council to get privileges or to project a revolutionary image in the Sandinist Front way. No, we are showing up at the State Council in order to give our process a big chance to reach a national agreement that may prevent a bigger disaster in future months. [End recording]

CSO: 3010/453

SOCIAL CHRISTIAN PARTY CHOOSES NEW LEADERS

PA011330 Managua Radio Sandino Network in Spanish 1200 GMT 30 Nov 81

[Text] The last session of the ninth congress of the Social Christian Party, PSC, ended yesterday in Managua. Its main objectives was the appointment of the party's new leaders. Adan Fletes was reelected as party president. Foreign representatives of Social Christian parties participated in this last session, enjoying the full freedom guaranteed by the Sandinist people revolution in the new Nicaragua.

Guillermo Yepes Boscan, former Venezuelan ambassador to Nicaragua; Eduardo Fernandez, Venezuelan Social Christian Party secretary general; and representatives of the Social Christian parties of Panama and El Salvador were among the honored guests at the congress. Also present were representatives of so-called dissident groups. Many children were also among the 250 persons attending the closing sessions; they were probably accompanying their parents.

PSC President Fletes summed up the activities carried out by the parties in the past months. He specifically referred to the support of and solidarity with the Catholic Church, with Msgr Miguel Obando y Bravo; he congratulated Monsignor (Bosco Vivas).

Fletes explained his party's position on the country's political situation and outlined his new administration's plan which include the party's reintegration in the State Council. The PSC session was full of enthusiasm for the election of the new president. It also praised Napoleon Duarte, president of the Salvadoran military-Christian Democratic Government Junta. Almost at the end of the session, a telegram from Bayardo Arce, FSLN political commission coordinator, was read. Arce congratulated Fletes and Agustin Jarquin for their appointment to the PSC's highest posts and urged them to participate more actively in the tasks of the revolutionary process.

CSO: 3010/453

ARTICLE ATTEMPTS TO EXPLAIN ARREST OF COMMUNISTS

PA020131 Managua EL NEVO DIARIO in Spanish 23 Nov 81 p 2

[Article by Julian Grajales Duval: "Of 'Journeyman' Communism"]

[Excerpts] Sandinist juridical authorities have sentenced alleged "communist" activists and leaders while others are on trial, are imprisoned or are fugitives. The reasons which motivated the trials are well known to all, since they were given wide coverage in the country's mass media.

Those accused by the revolutionary justice have been active mainly among urban proletariat sectors and in some suburban areas. Their political and labor "counseling and guidance" activities have certainly been framed within Marxist-Leninist philosophic concepts, but interpreted in their own way and adapted to the Nicaraguan reality in accordance with their own narrow, sectarian, strange and opportunistic criteria. Revolutionary theory and practice have been implemented with old-fashioned and dogmatic methods at the journeyman level, outside all current objective reality and its continuity, that is, in a deformed and aberrant manner which has damaged, instead of helping, the propaganda and real image of the Marxist-Leninist ideological concept, of what socialism and communism really are.

Events have shown that it was necessary to creatively develop and adapt Marxism-Leninism to the realities of each of the Latin American peoples; to be aware of the contents of the social structure and productive development; to objectively know its social strata and to scientifically, with communist honesty, recognize the role and importance of each one of them; to highlight the most revolutionary sector at a turning point or at the revolutionary moment; to support and give it prominence; and to not stubbornly and with misbegotten subjectivity, attempt to skip stages in the natural development.

High-Voltage Opportunists

The "communists" in question, the local breed, aren't completely guilty. Yet we must not forgive them. They are the "children" of a "school" of old and young high-voltage opportunists, of scroungers, of traffickers and adventurers dealing in the fairness and purity of Marxism-Leninism, in the prestige of the socialist, communist and workers' parties and of the national liberation movements; in the memory of millions of brothers who have enriched the peoples' struggles with their own lives.

It must be said that some opportunists of that "school" of pseudo "communists" survive embedded in revolutionary parties and organizations, dressed in Sandinist clothes, thanks to the minicry of that parasite species and to the youth of the Sandinist people's revolution. I sincerely believe that in Nicaragua there are authentic socialists, communists, Marxists-Leninist, but that they have been sidelined from all revolutionary activity by the scroungers, by the opportunists of old and those of today.

The Vicissitudes of Marxism

It is true that the natural ideology of the proletariat has encountered many changes in Nicaragua. It has subsisted in the midst of that struggle, but that is no reason to think that ideology has no room in our homeland. On the contrary, it must be understood that the earthly character of Marxist-Leninist theories, the objective laws ruling social development and the objectivity that the Sandinist popular revolution, with the FSLN at the forefront--which is democratic, pluralist and leans toward socialism--is evident in every change, act and achievement of the Nicaraguan people. And that even though Marxism-Leninism are not its basic ideologies, the revolution is neither an enemy of the ideology, nor of the system, nor of those espousing that philosophy. Yet the most important thing is its irreversible trait: anti-imperialsim. This is the essential and universal characteristic tying it to the free peoples of the world.

In conclusion, Sandinism is not basically Marxism-Leninism and neither is the latter basically the former. Thus, the fact that the Sandinist revolution has imprisoned, persecuted and tried a group of declassed impostors who toyed with the title of "communists" must not be interpreted as an anticommunist manifestation, nor as a concession to imperialism. There is a possibility that without doing away with past experience, the authentic party of the Marxists-Leninists may be formed in the future. The future of Nicaragua is socialism based on the ideology of the proletariat, without eclecticisms or parallelisms, the unique, scientific socialism of Marx, Engels, Lenin and of the modern revolutionaries and democrats.

CSO: 3010/453

PPSC PRESIDENT DISCUSSES MEETING OF REFLECTION

PA261619 Managua Radio Corporacion in Spanish 2300 GMT 25 Nov 81

[Text] The agenda to be discussed at the meeting of reflection and coexistence that supposedly is to begin on Monday, 30 November, has already been approved. This was announced by Edgard Macias, president of the People Social Christian Party [PPSC]. He said that the subjects have been divided into three areas: political, economic and social. There are plans to discuss the next elections, freedom for political parties, pluralism and private enterprise. Here is Macias' statement:

[Begin recording] During Tuesday night's meeting work was done on the meeting's agenda and on a list of special guests. The adopted agenda includes three working areas: political, economic and social.

The political area includes three subjects: national unity, the management of international relations and the consolidation and defense of the revolutionary process. The subject of national unity will include at least four subtopics: political pluralism, political parties, elections and the political language. The subject of international relations will involve Nicaragua's relations with the United States, with the socialist countries, with the Andean Pact countries, with the EEC and with international political organizations like the Social Democratic International, the Liberal International and the Christian Democratic International. The third subject of consolidation and defense of the revolutionary process will include an analysis of our country's current problems and of the best way to work for the consolidation and defense of the revolutionary process.

The economic area includes the subtopic of economic planning. This involves analysis of agrarian reform, of foreign and domestic trade and of the sectors involved in the Nicaraguan economy. The latter includes an analysis of the state sector, or the people's property area. There will also be an analysis of the private sector and its problems and an anaysis of the mixed sector of our economy. This includes all of the problems in production and productivity, the administration of enterprises and labor discipline. These are subjects that are quite interrelated.

The social area includes three subtopics. One is trade union unity, which includes union freedom, workers federations, labor legislation, workers' participation and aspects dealing with self-management and co-management projects in Nicaragua, intended to strengthen the revolution and to combat unemployment. The second subtopic involves the communications media, both state-owned and privately owned,

and the use that they are being given; an analysis of press freedom; and the communications media law. The third subtopic in the social area is an analysis of the problems of health, education and housing.

Tuesday's meeting also included work on a list of special guests for the inauguration. These include leaders of political parties and other organizations; the bishops of the Episcopal conference; the Junta of the Government of National Reconstruction; leaders of the private sector; some ambassadors who have shown, let us say, greater interest in Nicaragua's problems, such as the ambassadors of Peru, Ecuador, Venezuela, Mexico, Costa Rica, Panama, the FRG, the GDR, Bulgaria, Sweden, the Netherlands and other countries; Protestant church leaders; newsmen; and a number of special personal guests previously decided upon.

There are the subjects that were discussed at Tuesday night's meeting. [End recording]

CSO: 3010/453

PST URGES PEOPLE TO ATTEND ANTI-U.S. MARCH

PA230212 Panama City LA PRENSA in Spanish 20 Nov 81 p 2A

[Communique issued by the Workers Socialist Party of Panama; date and place not given--slantlines denote boldface as published]

[Text] For the past several months the Panamanian workers and people have been shouldering the heavy burden of constant price increases, unemployment (we poor people know how many unemployed there really are), violations of labor laws and of the constitution (Law 8, for example), and the pressuring and persecution of labor unions. All this is being done by common agreement between management and the government.

Not content with the constant increases in the prices of staples, they are now threatening to raise busfares. As further proof of violations by management, we understand that more than 240 Air Panama employees are striking over management's violations, the group's labor contract and management's persecution of the labor union. In the construction industry, the workers and Eduardo Rios, leader of the single national union of construction and related workers, are struggling to get the Panamanian construction chamber to pay them the 15-cent pay raise decreed by Law 13, and to stop persecuting and slandering union leaders. For the past 8 months, Isidoro Asprilla Marmolejo, secretary general of the Air Panama employees union, has been persecuted and threatened with dismissal by the manager of the enterprise, Tomas Paredes Royo (the president's nephew). Nine workers are struggling with the Coripsa construction company for their reinstatement and against the arbitrary acts of the Valencia family. The imperialist multimillion dollar Chiriqui land company has fired 400 workers and has threatened to fire 800 more. In the Frenos y Embragues company the workers have declared a strike in view of management's refusal to discuss a fair labor contract.

However, these are not the only problems which our people face.

Today our country runs the risk of becoming a military target, because our territory is being used as a launching site to invade--from the 14 bases legalized by Carter-Torrijos treaties--our sister countries in Central America and the Caribbean (El Salvador, Guatemala, Nicaragua, and Cuba) which are struggling for a definitive solution to the social, economic and political problems of the poor masses.

Therefore, aware of the Panamanian people's tradition of anti-imperialist struggle, the defense of sovereignty and the struggle by the martyrs against U.S. military

bases, the Workers Socialist Party (PST) calls on all the political parties (without exception), and all those who fight against imperialism, to condemn the threats of aggression and invasion that U.S. imperialism is making against the people of Central America and the Caribbean, including Panama.

Also, whereas Lt Cols [as published] Florencio Flores and Manuel Antonia Noriega have publicly stated their participation in so-called conference of the armies of the Americas which was convoked by imperialism, we call on the people of Panama to demand that the government and the national guard not commit our country in the imperialist aggressions and manuevers in El Salvador, Guatemala, Nicaragua and Cuba.

We are aware that those who sided with the Zonians in 1964 and today praise U.S. Ambassador Ambler Moss, raise prices, violate group labor contracts and trample the workers' rights will not condemn the imperialist threats of aggression and invasion of our country and sister republics.

The PST calls on the Panamanian people in general, the labor unions, federations and confederation, students, teachers, housewives, the poor peasants and all the popular organizations to /unite, struggle and participate in the March on Thursday, 26 November/ (at 5 o'clock from Plaza Porras to Santa Ana Park), /against the increase in busfares, in support of the workers and labor unions against U.S. imperialism's aggressions against our sovereignty and the sovereighty of the peoples of Cuba, Nicaragua, El Salvador, and Guatemala./

CSO: 3010/455

NEW WAGE SCALE FOR CANAL COMMISSION DRAWS PROTESTS

Acting Minister's Statement

PA091822 Panama City LA PRENSA in Spanish 9 Dec 81 p 1

[Text] Jose Maria Cabrera, deputy foreign minister who is acting as foreign minister, said yesterday that the new wage scale that the United States will put into effect for the Canal Commission "undoubtedly constitutes a violation of the canal treaties."

Cabrera said that the dual wage system which is being retained by the Panama Canal Commission is "discriminatory" and has become "a step backward toward a situation that Panama thought had been resolved."

The deputy minister of foreign relations spoke to LA PRENSA hours after Ricardo Alonso Rodriguez, spokesman for the Panamanian members of the Canal Commission board of directors, denounced the situation to the national and international press.

Cabrera said that the Foreign Ministry is working in coordination with the Panamanian members of the binational committee set up by the United States to regulate and analyze the implementation of the 1977 treaties.

"If required, the Foreign Ministry will take the appropriate actions," the deputy foreign minister said in a cautious reply to LA PRENSA's question regarding the possibility that Panama might protest through diplomatic channels.

At the last meeting of the board of directors of the Panama Canal Commission, the U.S. members voted as a bloc and approved, five to four, the new wage scale that will shortly replace the current U.S. wage regulation that are followed by the Panama Canal Commission.

Both the 1979 document and the present one, were opposed by the Panamanian government.

Citing reports from Washington where the meeting was held, the presidency of the republic said that the United States approved a document that does not solve the labor discrimination existing in the Canal area. The presidency also expressed its reservations and its fear of a possible destabilization of the labor situation within the Canal area.

Union Rejects Scale

PA091949 Panama City Televisora Nacional in Spanish 2245 GMT 7 Dec 81

[Interview with Miguel Machado, deputy secretary general of Local 900; place and date not given--recorded]

[Text] [Question] Members of Local 900 and other unions in addition to Local 907 [as heard] met this afternoon to discuss the statement by William Gianelli. What can you tell us about this, Mr Machado?

[Answer] First of all, let me tell you that in our opinion the statement by Gianelli represents another U.S. Government mockery of the Panamanian workers who began to work for U.S. agencies after 1 October 1979.

The new wage scale, which will supposedly replace what is known as Panama area wage base, is nothing more than a farce. It really is not in line with the needs of the vast majority of the Panamanian workers who began to work after the treaties were implemented.

[Question] What agreement did you reach at the union meeting?

[Answer] As on previous occasions at these meetings called by U.S. agencies, they inform us of their decisions. As on previous occasions, the decision was again unilateral. The Panamanian Government neither participated in it nor supported it. It was not a move in favor of the Panamanian people.

[Question] Why was the decision against the people?

[Answer] Because they tried to get rid of the Panama area wage base, which has caused so much anguish to so many Panamanian families of the workers that were hired after 1 October. The grades in which most of these workers are have not changed at all. In manual grades 1 to 7, they will remain in what is the Panama area wage base. In nonmanual grades 1 to 4, they will also remain in the Panama area wage base. This is where the majority of the Panamanian workers who began to work after 1 October 1979 are located.

By maintaining this large group of workers in what used to be and is the Panama area wage base, with certain modifications which do not really contain any real increase, they really have done nothing.

[Question] Would this mean the workers would retain their same status?

[Answer] Yes. They would retain their same status. No name has been assigned to this new wage scale, but the grades I have just mentioned are going to remain in what is now the Panama area wage base. Some modifications have been made in the pay system. We had a chance to examine them this afternoon. One of the increases which can be granted to the employees in this group is less than 1 cent per hour when going from one step to another. We consider this extremely ridiculous.

'LA REPUBLICA' Editorial

PA072343 Panama City LA REPUBLICA in Spanish 6 Dec 81 p 4-4

[Editorial: "The Crux of the Problem"]

[Text] A communique has been issued by the Panama Canal Commission announcing what is described as "a new wage system for the Panama Canal."

At first glance it would seem that one of the most sensitive aspects of relations between Panama and the United States, one of the most important areas of conflict in the interpretation of the Panama Canal treaty, had been corrected.

However, when this communique is carefully analyzed one can see that it includes, or better said retains, the main problem. The communique states:

"The commission will grant important benefits to those employees whose salary is paid according to the Panama area wage base."

Thefore, the double-standard wage system remains. There is one wage system for U.S. employees working for the Panama Canal Commission as well as for U.S. employees working on the U.S. military bases in Panama, while another wage scale exists for Panamanians and third-nationals employed by the commission and on the military bases.

Therefore, the "silver roll" and the "gold roll," the hated wage system established by the United States during colonial times by means of a unilateral interpretation of the 1903 treaty, still exists.

Before writing this editorial we talked with people who are completely knowledgeable about this problem. They told us that this is an attempt, because of the charges made by the Panamanian Government, to give the impression that violations of the Canal treaty are being corrected. Actually, everything that has been done merely seeks to "make less onerous the humiliation to which the Panamanian dignity has been subjected," as one of those consulted has said.

Article X of the Panama Canal treaty dealing with Panama Canal Commission employees clearly states the rights of the Panamanian workers in the areas of employment, wages, stability, promotion, social security, unions, preference to be given to the Panamanians in filling vacancies left by U.S. citizens, the thirteenth-month payment and all the labor guarantees mentioned in the Panamanian labor code.

However, all these rights have been voided in practice because the United States, through Law 96-70, has established discriminatory working conditions of which the "Panama area wage base" is the cruelest. It deprives the Panamanian worker of the right to equal pay for equal work.

The charges made by the Panamanian Government stem from this. These charges are answered with a measure that is not acceptable, because while it is true that it provides for some wage increases, these increases will never equal the salaries paid to the U.S. citizens. The double-standard wage scale has been, is and will continue to be the crux of the wage problem in the Panama Canal area.

Minister Rodriguez' Press Conference

PA081927 Panamá City Televisora Nacional in Spanish 2245 GMT 7 Dec 81

[Text] The adjustments made to the wage scale in effect in the Canal area are discriminatory, it was charged today at a news conference by Panamanian members of the Canal Commission board of directors.

The adjustments made to the Canal area wage scale imply improvements for one sector, but discriminate against another large sector, which includes the Panamanians. This causes a drop in the morale of the workers, said Minister of the Presidency Ricardo Alonso Rodriguez in a news conference otday.

In addition, Rodriguez said losses to the Canal Commission for fiscal year 1980-81 are estimated at 600,000 balboas. Rodriguez pointed out that these losses are due to increased labor costs for pilots, increased operation expenses and inflation.

In addition, the minister explained that the commission had made investment expenditures on the basis of a planned income of 307 million balboas. In reality income only amounted to 303 million balboas.

Rodriguez, who is a member of the board of directors of the Canal Commission, was accompanied by Tomas Paredes, also a Panamanian member of the commission.

Both said that to the commission's expenditures the United States adds costs that are not part of the operation of the Canal, thus aggravating the loss situation. These additional expenses correspond, among others, to the education services supplied by the armed forces to the U.S. community, amortization of early retirement for services rendered to the defunct Panama Canal Company and interest paid to the U.S. Treasury unrecovered investment in the Canal.

These services represent close to 75 million balboas absorbed by the commission.

In the face of this situation, Panama proposes a reorganization of the administration, the creation of a planning office, minimizing costs and amortizing investments over the long term.

In addition, Rodriguez pointed out that this year, a total of 12 million had been spent to idemnitize transit accidents in the Canal as compared to 6 million in the previous fiscal year.

The Canal Commission currently has 7,951 employees and a current overall budget of $430 million.

The Panamanian members of the Canal Commission board of directors also pointed to the need for short-range studies regarding the possible widening of the entrances to the Canal and Culebra Cut, thus preventing a jam in 1990 which would hinder normal operation. This widening would cost $500 million, the cost of which must be assumed by the United States. The project would have to be started as soon as possible since it would take 10 to 12 years to complete, Minister Rodriguez explained.

To the moment, the United States has recognized its responsibility in the execution of these works, the minister pointed out.

In conclusion, Rodriguez said that Panama will continue to denounce the violations of the Torrijos-Carter treaties as long as necessary to guarantee the interests of our country.

CSO: 3010/451

NEGOTIATOR GUEVARA REFERS TO TREATIES VIOLATIONS

PA042136 Panama City Circuito RPC Television in Spanish 2300 GMT 3 Dec 81

[Text] In view of the situation posed by the noncompliance of the Canal treaties, negotiator Carlos Lopez Guevara demanded that the issue be submitted to international arbitration in order to settle the differences between unilateral interpretations. Here is Lopez Guevara's statement to this station:

[Begin recording] [Question] Dr Lopez Guevara, since the treaties have been in effect for 2 years, what is your opinion on the progress in their implementation?

[Answer] Unfortunately we must say the treaties are not being complied with as agreed. We must protest and use the diplomatic channels. In fact, it is time for the Panamanian Government to present to Washington the need to submit the matter for arbitration.

Arbitration is included as one of the possibilities--I want to be very clear in this, however, as there is no obligation on the part of the United States to accept arbitration since this recourse is included in the agreements only as a possibility in the event of discrepancies. It is obvious, however, that such discrepancies exist, as I pointed out when I was the ambassador to the United States, and as President Royo pointed out in his communication with President Carter on various occasions. President Royo also brought this matter before the UN General Assembly.

It is time to start looking for the formal diplomatic channels through which to explain our differences and to find a way to solve them. The main cause of the controversy is clearly the fact that the Murphy Law, unilaterally approved by the U.S. Congress, alters the Panama Canal treaties.

[Question] Dr Lopez Guevara, when you negotiated the treaties, didn't you foresee situations such as these?

[Answer] Certainly we did; therefore we tried to negotiate a provision for arbitration, but we were unsuccessful. The negotiators may be criticized for many things; but not for any lack of effort, among other things, to establish an arbitration procedure. We simply failed.

However, arbitration is an international formula for the solution of conflicts. In fact, it has been raised as a possibility. I take this opportunity to

publically state that I recommend that the national government propose arbitration to the United States to solve a number of conflicts. Above all, I believe the violations stem from the fact that the Panama Canal Commission and the board of directors, are not complying with the provisions of the treaties.

Before applying a discriminatory wage scale established by the Canal Commission, the board of directors should have met and approved the present wage scale. I repeat, however, that the wage scale was not approved by the Canal Commission because this was done by an organization before the treaties entered into effect.

[Question] In your opinion, then, there is a flaw in procedure, with regard to making effective the Panamanian position and its members of the board of directors?

[Answer] It is a flaw of procedure that affects the substance of the treaties, because Panama and the United States agreed on a working mechanism so that Panama could acquire experience by working inside the Panama Canal Commission through the board of directors, the only executive body agreed on by the parties to handle and manage the Panama Canal.

[Question] Dr Lopez Guevara, you mentioned unilateral measures. Could such measures, in your opinion, be due to unilateral interpretations allowed by the texts of the treaties?

[Answer] It is obvious that regardless of how careful one is to try to make a legal document as clear as possible, there will always be discrepancies of opinion. What must not be allowed is the unilateral interpretation because these constitute an abuse of power. That is why if there are differences in the interpretation of an article or paragraph of the treaties, and the two parties fail to reach an agreement on the true meaning or scope of such an article or paragraph, the treaties offer a means for solving such differences, such as conciliation, mediation and arbitration. [End recording]

CSO: 3010/452

BRIEFS

'CRITICA' ON CANAL OFFICIAL--We Panamanians are used to the old tricks used by the enemies of our people. Life itself and our long struggle for our national cause have taught us how to detect and counter these tricks which are sometimes contrived directly and at other times are contrived by means of their native collaborators. One of the tricks used by the colonialists is pitting Panamanians against others, following a Machiavellian plan to "divide and conquer." Again this can be seen in the appointment of the director of the public relations office of the Panama Canal Commission. Now it turns out that after many ins and outs and after rejecting Panamanian citizens who have the proven capacity and nationalistic spirit for the position, the conspirator Anel Beliz has been given the post. Of course, the Democratic Revolutionary Party is aware of the divisionist and markedly anti-Panamanian maneuver behind his appointment, which has naturally been rejected by the national newsmen. [Text] [PA202124 Panama City CRITICA in Spanish 19 Nov 81 p 11]

'CRITICA' CRITICISM OF U.S. OFFICIAL--Dwight McKnabey is the man who is standing in the way of good management of the Canal Commission. His negative attitude has been corroborated through inquiries and investigations carried out for several months. McKnabey, one of the U.S. legal advisers to the Panama Canal Commission, is an expert in creating bureaucratic problems. He is a stickler for detail to the point that he stands in the way to a constructive relation between U.S. and Panamanian officials in charge of implementing the Torrijos-Carter treaties. What is even worse is that Dwight McKnabey is protected by diplomatic status which gives him privileges of which he constantly takes advantage. We hope that the authorities take notice of this situation which constitutes another pebble in the shoe of the inadequate relations created by U.S. interpretation of the Canal treaty. [By Carlos J. Nunez L.] [Text] [PA282200 Panama City CRITICA in Spanish 27 Nov 81 p 4]

NEW ECUADOREAN AMBASSADOR--Hernan Cueva Egiguren, the new Ecuadorean ambassador, presented his credentials to Panamian President Aristides Royo today at a ceremony at the presidency. [PA192215 Panama City Televisora Nacional in Spanish 2245 GMT 18 Nov 81]

NEW VENEZUELAN AMBASSADOR--Cesar Rondon Lovera, the new Venezuelan ambassador, delivered his credentials to President Aristides Royo today. [PA192215 Panama City Televisora Nacional in Spanish 2245 GMT 18 Nov 81]

COMMUNIQUE WITH COLOMBIA QUESTIONED--The joint communique which the Panamanian Government intends to show to the world as a certificate clearing it of any guilt in connection with the arms smuggling, issued by the aggrieved party, gives rise to more questions than it answers. The communique seems to be the result of protracted bargaining in which the Panamanian side must have undertaken serious secret commitments in exchange for a document which is not worth the paper on which it is written. In fact, it is only necessary to read the sarcastic press comments published in Bogota after the communique's release or the recent statement by the Colombian foreign minister. These leave no doubt that the government of the neighboring country never took the document seriously and had no intention of abiding by it since [Colombian Foreign Minister Carlos] Lemos explained the charges that gave rise to the communique point by point and even alluded to the five Panamanian youths being held in Colombia, directly blaming our government for their plight. Having again been caught while engaged in its shady dealings, the Panamanian Government has chosen an easy, distasteful and undignified way out that will backfire on its disastrously sooner or later. [Text] [PA071813 Panama City LA PRENSA in Spanish 9 Dec 81 p 1]

RECOGNITION OF POLITICAL PARTY--The Panamanian Electoral Tribunal has issued a resolution legally recognizing the People's Action Party [PAPO], ordering its registry in the political party book and recognizing Carlos Ivan Zuniga Guardia as party president and legal representative. [PA082323 Panama City LA ESTRELLA DE PANAMA in Spanish 2 Dec 81 pp 1, A-14]

AMBASSADOR TO BELIZE--Newsman Rafael Vargas Santos has been appointed Panamanian ambassador to Belize and has received that country's approval. [PA082323 Panama City CRITICA in Spanish 3 Dec 81 p 2]

CSO: 3010/452

DAILY ANSWERS GOVERNMENT'S CHARGES

PY082010 Asuncion ABC COLOR in Spanish 6 Dec 81 p 10

[Editorial: "Unacceptable Accusations Against the Press"]

[Text] Our colleagues LA TRIBUNA and HOY yesterday published some remarks made by "circles linked to officials charged with security and intelligence services" in connection with the detention of journalists. The above circles contend that the detention of journalists "is being used as part of an unending campaign of aggression against the national government" and charged the written and oral news media "with having devoted their spaces and pages for quite some time now to creating discontent and confusion, with distorting facts, with forging events and even with concealing positive realities" through the use of "words filled with suspicion and double meanings under the broad freedom of the press guaranteed by the legally constituted authorities in keeping with the constituion." The above circles concluded by vowing "to firmly defend public peace and the people's tranquility, the freedom of the press itself and, complying with our unavoidable responsibility, measures designed to prevent subversion and chaos will be adopted as often as it may become necessary. This can in no way empower anyone to question our state of law much less those national officials who made this state of law possible." We do not know which "circles" made these remarks because we have not received a copy of the appropriate document.

Yet since we are part of the national press--which has been accused at large--for our part, we ought to say that our action has been centered at all times on trying to show to the public, without reservations, our country's daily realities--whether good, not so good or definitely bad.

Therefore, the charge that the press has been using words filled with suspicion or with double meanings is unacceptable because we have always spoken quite clearly both to praise and to criticize. Equally unacceptable is the attempt to undermine the right to criticize acts carried out in a state of law which, like the case of the detained journalists, go against the state of law itself.

Perhaps what those "circles" do not understand or do not want to understand is that it is not the state of law which is being questioned but instead it is being defended when someone criticizes actions or omissions which are detrimental to its enforcement. It is one of the obligations of independent press to make such criticism.

CSO: 3010/444

'ULTIMA HORA' JOURNALIST, CHIEF EDITOR ARRESTED

Press Club Protests Arrest

PY011626 Asuncion ABC COLOR in Spanish 28 Nov 81 p 14

[Text] Yesterday the Press Club expressed its concern over the "evidently illegal" arrest of the member journalist Felix Humberto Paiva, deputy editor of the newspaper ULTIMA HORA. The organization invites the authorities to consider the following points:

"What is intended by acts of this nature? To frighten reporters, to subdue any of them so that the others will learn a lesson, as seems the case of our fellow newsman Paiva?" According to the communique, enough time has probably elapsed by now to prove that "a terrible mistake has been made with his arrest, since he had no responsibility whatsoever in the case that is being attributed to him."

"A reporter, as any other worker, is susceptible to making mistakes in practicing his profession. This does not mean to say that such mistakes are always made by bad intention, as thought by the police authorities. Besides, there are appropriate means to redress these mistakes, and not the brutal arrest of the allegedly responsible person; we say 'allegedly' because, as prescribed by law, the legal responsibility for what is published in the communications media falls on the persons who manage them."

Further on the communique points out that in the specific case of the headline that is depriving Paiva of his liberty, "It is possible to claim that there was no distortion despite the fact that the quotation was not literal. Father Schiavon did not say that 'Pilar is dying,' but he implied it when he asserted that the city had a vital lung and that at this moment that lung was 'a bit ill and had begun to cough.'"

The communique ends saying that for these and other reasons, the administrative committee of the Press Club requests the immediate freedom of Felix Humberto Paiva, so that he will be able to continue practicing his profession freely, as provided by the constitution and the laws.

Chief Editor Detained

PY022302 Asuncion ULTIMA HORA in Spanish 2 Dec 81 p 9

[Text] Fernando Cazenave, chief editor of this newspaper, was taken to the Central Police Department at noon today. Cazenave was picked up at the newspaper by three plainclothesmen who came looking for him and who took him to the Central Police Department.

In view of this situation, we sought information and have been able to find out that the orders to pick up Cazenave were issued by Gen Francisco Alcibiadez Britez, head of the Metropolitan Police. However, General Britez was not in his office when the journalist arrived at the Central Police Department.

Insp. Gen Faustino R. Benitez, the chief of public order, told us about the order of the police chief but was unable to say what the reasons for this order were. Cazenave's affair takes place while journalist Felix H. Paiva [also from ULTIMA HORA] is still being held incommunicado.

Journalist Released

PY031315 Asuncion ABC COLOR in Spanish 3 Dec 81 p 13

[Text] Felix Humberto Paiva, deputy editor of the newspaper ULTIMA HORA, was released yesterday after being held incommunicado in the Technical Department of the Interior Ministry. The police yesterday also arrested Fernando Cazenave, chief editor of the same newspaper, who is being held at the Central Police Headquarters.

The arrest of the two journalists is linked with a report published by this newspaper on 25 November under the title: "Pilar Is Dying," a statement attributed to Father Federico Schiavon.

"I was well treated, I have no complaints, I only felt the uncertainty of being incommunicado," said Paiva to this newspaper after his release. ULTIMA HORA yesterday reported that three civilians went to the newspaper and took the chief editor to the Central Police Headquarters. It also reported that Police Chief Francisco Alcibiades Britez ordered the arrest of Cazenave.

CSO: 3010/417

DELEGATION TO NIGERIA TO START TRADE NEGOTIATIONS

PY011555 Asuncion HOY in Spanish 29 Nov 81 p 11

[Text] A national delegation recently appointed by the government to study the possibility of selling Paraguayan agricultural products to Nigeria and buying crude for PETROPAR [Paraguayan Petroleum Company] will carry out an important task during its visit to that African country.

The mission, which will leave for Nigeria today, is comprised of: Col Victor Boettner, head of the mission; Desiderio Enciso, PETROPAR manager; Nicolas Gimenez, of the Paraguayan Central Bank; and Alberto Antebi, representative of the vegetable oils and meat products producers.

According to information received, the quality of the Nigerian petroleum is very similar to that produced by Algeria; and since the Villa Elisa refinery is only able to refine that grade of petroleum it was decided to study the possibilities of starting negotiations with the Nigerian Government. This decision was strengthened by the fact that that nation purchases from abroad almost 80 percent of its supplies of soybeans, corn and other agricultural products and meat products.

In expert circles on the matter it has been stated that there is a great possibility of establishing a favorable trade exchange for our country with Nigeria, one of the main oil producers whose oil price at present is quoted at $36 per barrel according to press reports from Lagos, capital of this nation. The national delegation will start its activities in Lagos next Tuesday and it is estimated that it will remain in the capital for 1 or 2 weeks depending on how negotiations go.

CSO: 3010/417

MOPOCO PROPOSES UNITY OF COLORADO PARTY

Document Released

PY031118 Asuncion ABC COLOR in Spanish 27 Nov 81 p 11

[Text] In a document released yesterday through the National Accord, the Colorado Popular Movement [MOPOCO] proposes the unity of the Colorado Party, and stresses the need to do away with "unfruitful past antagonisms." It also feels that party unity must be realized "without exclusions or limitations."

This political movement, which operates in exile, proposes the "opening of a transitional period toward a democratic, peaceful and orderly institutional regime."

The document states that the Colorado Party must be alert and watchful and in permanent mobilization, "ready to fill the empty spaces which may develop."

It adds: "To achieve this, it is absolutely necessary to strengthen our political organization through the consolidation of party unity, so that the party's powerful popular force and its influence in sectors of power, especially in the armed forces, may effectively focus on the decisions seeking the establishment of the democratic system which may replace the current regime."

It then adds that, "naturally, the unity we advocate must be based on the unrestricted implementation of the fundamental principles of the Colorado Party, that is, of domestic freedom, which must govern the exercise of party rights, and respect for the popular will, which must be expressed through the natural organizations of the party leadership."

It also states that MOPOCO feels that the unity of the party can be achieved "through the efforts made by men seeking to overcome unfruitful past antagonisms and it must be set up without exclusions or limitations."

Making an assessment of the national political situation, it adds that without the Colorado Party there can be no democracy in Paraguay, "but democracy will have no real effectiveness without the participation of the other political sectors that make up the civic society of the republic." The document is signed by Mario Mallorquin, Eduardo San Martin, Sandino Gil Oporto, Guido Arce Bazan, Fulgencio Aldana and others.

National Accord Disavows Document

PY031135 Asuncion LA TRIBUNA in Spanish 28 Nov 81 p 2

[Excerpt] National Accord Acting President Romulo Perina categorically denied yesterday that he is aware of any document issued by the Colorado Popular Movement [MOPOCO] on the unity of the Colorado Party.

The MOPOCO document was published yesterday by a local morning newspaper. The document states in its first paragraph that it was released through the National Accord.

Nevertheless, the president of the National Accord and acting president of the Christian Democratic Party told this newspaper that he, as head of the National Accord, is absolutely unaware of the MOPOCO document. He also denied that the document was discussed in one of the sessions that he must preside over as president.

Moreover, the National Accord has stopped its activities, even its meetings, because of the political campaign being carried out by one of the parties--the Febrerist Party--that make up the organization. The campaign is being carried out in conjunction with the Febrerist convention taking place at this moment.

The MOPOCO document was reportedly distributed by one of the parties which make up the National Accord, without the knowledge of the acting president or of the coordinating board.

Perina will be head of the National Accord until the end of this year.

CSO: 3010/417

DETAINED PSYCHOLOGY STUDENT INTERVIEWED IN JAIL

PY041134 Asuncion Radio Primero de Marzo in Spanish 1500 GMT 3 Dec 81

[Interview with inmate Perla Yore, a psychology student, at the Casa del Buen Pastor Jail in Asuncion on 3 December--recorded]

[Text] [Perla Yore] I want to clarify many things about my much-publicized trial in view of all the things that have happened. The first thing I need and want the public to know is that at no time have I refused to answer questions because I never had anything to hide. Yet at the Investigations Department, when I was warned that violence was going to be used against me, I refused to talk to Inspector Sapriza, who threatened me with skinning me, if necessary, to force me to declare that I was a communist and that I had been in Moscow. So I refused to talk to him and asked for paper and pencil and voluntarily drafted a statement on 24 legal-size sheets which I then typed. Then I asked Inspector Cantero to send that voluntarily written statement to the judge but he did not heed my request. They then questioned me and sent a biased version to the judge.

[Question] Now, what can you tell us about the charges concerning possession of books and your travels abroad. Have you been in Buenos Aires, for instance?

[Answer] Well, due to economic problems my entire family went to Buenos Aires early in 1966, where we stayed for approximately 9 years. After finishing high school, I started to work there. Naturally, to do this I had to obtain a legal Argentine document and it is not true that a subversive Argentine commando secured me that document. I told Inspector Cantero about all this and asked him to investigate into the source of my Argentine identification card as well as those of the other members of my family. Since we resided in Buenos Aires for approximately 10 years, our documents were perfectly legal.

[Question] Did you work in any Argentine enterprise?

[Answer] I worked at the Rigolo Glassware Shop for 5 years. Incidentally, 2 months ago I received my certificate of service from that company--duly legalized at the Argentine Foreign Ministry and Paraguayan Consulate--which is already at the court.

[Question] Did you at any time visit any other country?

[Answer] Yes. When I was already back in Asuncion, I went to Montevideo for 5 days on a Holy Week excursion organized by the Brujula Tourism Agency. In 1978, I went on an exclusive 12-day vacation trip to Rio de Janeiro organized by ABC Tourism. I made all these quite clear, that is, that these were my only two travels abroad.

[Question] Fine. Now regarding your activities here at the jail, we know that you are a university student and that you should carry on your studies...

[Answer] Well, I kept on studying at first because many professors such as Professor (Chinaglia) and Father (Vera Smith), who are my professors at the Catholic University, visited me regularly and offered to let me take my exams here. At first I kept on studying but then in view of my situation I no longer felt animated to keep on studying. I have been carrying out voluntary work at the canteen and other voluntary activities.

CSO: 3010/417

BRIEFS

COST OF LIVING--The Paraguayan Central Bank has reported that the cost of living from January to November 1981 rose 13.1 percent. [PY071309 Asuncion HOY in Spanish 2 Dec 81 p 9]

1982 BUDGET--The Senate has passed the law that approves the general budget for 1982. The document foresees an income of 291,898,279,422 guaranies and expenditures of 282,902,514,241 guaranies. The overall increase over the 1981 budget is of about 30 percent. [PY071309 Asuncion ABC COLOR in Spanish 27 Nov 81 p 12]

FEBRERISTA PARTY ELECTS PRESIDENT--Alarico Guinonez has been elected chairman of the executive committee of the Febrerista Revolutionary Party. He ruled out the participation of his party in national elections. [PY071309 Asuncion HOY in Spanish 29 Nov 81 p 9]

OFFICIAL MISSION TO NIGERIA--An official mission headed by Victor Boettner has traveled to Nigeria with the purpose of negotiating the exchange of Paraguayan meat for Nigerian crude oil. [PY071309 Asuncion LA TRIBUNA in Spanish 30 Nov 81 p 9]

1981 INFLATION RATE--Central Bank President Cesar Romeo Acosta Hare reported that the inflation rate will not surpass 14 percent in 1981. He also said that the rediscount rates of the banks will be raised in 1982. [PY071309 Asuncion ABC COLOR in Spanish 27 Nov 81 p 12]

PRISONERS' RELEASE DEMANDED--The release of Paraguayan political prisoners is being demanded. The FRG-Cuban Friendship Association [La Asociacion de Amistad RFA-Cuba] demanded today in Bonn, the capital of West Germany, the release of Antonio Maidana, secretary general of the Paraguayan Communist Party, and of all political prisoners in that country. The declaration urges the FRG Government and all democratic organizations to intercede asking for the release of Maidana, who was kidnapped last year in Argentina and taken to Paraguay. The document states that Maidana is currently detained at the Emboscada concentration camp, close to Asuncion, and that he has been the object of barbarous tortures. He is also kept incommunicado. The FRG-Cuban Friendship Association recalls in its declaration that Maidana had been under arrest for more than 19 years in Paraguay and that he has now been threatened with death. [Text] [FL011615 Havana Domestic Service in Spanish 1505 GMT 1 Dec 81]

CSO: 3010/417 END

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ARTICLE CALLS FOR BOLD, RADICAL REFORMS IN YPF POLICIES

Buenos Aires LA NACION in Spanish 29 Nov 81 pp 1, 5 sec 3

[Article by Jorge Eduardo Bustamante: "Courage Is Lacking"]

[Text] The Oil Output Drop

We know that YPF (Government Oil Deposits) by the end of this year should have reached a borrowing volume close to $5 billion, of which 65 percent are short-term debts.

It is also known that the productivity drop in the Argentine oil wells (11 cubic meters per well and per day) necessitates the annual drilling of 900 new wells just to maintain a level of 28 million cubic meters per year. This means about $1 billion per year.

To meet our own needs in 1983, we will need a substantial increase in drilling and investments which YPF is unable to do considering the current price level fixed by the national government.

To reduce the financial impact of the operating contracts signed with private enterprises (35 percent of the YPF output), this enterprise will seek to operate with its own equipment, through administrative procedures, since 80 percent of the total of 42 private equipment units are inactive.

In any case, the total private output based on contract is currently less than the level reached in 1961, in other words, 20 years ago.

The problem has centered around the price charged by YPF. This enterprise is currently getting the equivalent of $80 for every cubic meter of petroleum, whereas the international price is around $220.

However, the price of liquid derivatives, especially automotive gasoline, is not far from the domestic figures of countries with local production (rate of exchange).

This means that YPF shares the sum paid by the car driver at the pump with the treasury in a ratio of 50:50 (according to some people, 40:60).

This is why the president of YPF has said that this enterprise sells more taxes than gasoline.

Who Gets the Excess Petroleum Earnings?

Now, is an increase in YPF prices a real solution?

The philosophy implied in the price policy now in force has been to give YPF only the amount necessary to cover its production costs, that is to say, its costs for administration and the average of its contracts, with the rest going into general revenues or funds without specific allocation.

Since YPF is nothing more than the national government itself acting in a decentralized fashion, through a government company which operates with a resource that is a part of the government's inalienable assets, whose concession was given it through the reservations on areas spelled out according to Article 11 of Law 17.319, it cannot dissociate itself from the evaluation of the various national priorities which are to be implemented.

If petroleum prices have gone up considerably throughout the world as a result of an international crisis, is it reasonable that the entire resultant "excess value" should be taken by YPF or that it should be shared with the national treasury to take care of other important requirements, such as health, education, defense, or justice?

The policy selected was to limit the revenues of YPF to those that were considered indispensable to attain a condition of self-sufficiency while the resultant "surplus" would be turned over to the national budget through taxes on derivatives; this was also tied in with a policy of borrowing.

If YPF were to have to make more investments, it could get the necessary credit taking into account the profitability of those investments and the projected level of their earnings.

The purpose of this approach is to provide money for the national budget without having to raise taxes and subject YPF to strict cost control and project evaluation, prior to its decision to borrow.

Obviously, either the prices were really inadequate or YPF was unable to reduce its costs or its excessive borrowing; currently however it is calling for an increase which would enable it to repay the debt and to get the idle operating equipment started to the fullest extent.

As in the famous gap between earnings on paper and public spending, the idea behind limiting the growth of YPF was not accompanied by a top-level policy decision aimed at parallel return to private control, with the results pointed out.

Now, an increase in YPF revenues is bound to imply a reduction in taxes (except for a small amount on the price of gasoline and gas-oil). The reduction in taxes would signify either higher real taxes on private activities or a higher rate of inflation to compensate for the drop in national treasury resources.

This means that, when YPF calls for a higher price for crude, this really means that there will be a conflict between that government enterprise and the national budget deriving from the high real figure of the latter.

Furthermore, since the national budget is not going to feature an expenditure reduction by an amount equivalent to the tax that was not collected but that should have covered its already heavy deficit with funds from other sources, the bottom line is a clash between YPF and private activities which supply funds to the treasury.

Once again, this brings us to the crucial problem of government control.

Statism and Private Activities

The Argentine Republic does not have the vast amount of capital necessary to exploit its natural resource potential. What little capital it has, moreover, is badly allocated.

In the petroleum area, we would need investments several times higher than those planned to make Argentina a strong petroleum exporter. However, since most of the areas are in the hands of the YPF and since the concession system under Law 17.319 has not been implemented in practice, we are not getting the kind of capital influx that would supplement the rather scant available national savings volume.

In the meantime, domestic private activities in all sectors are checked by the lack of capital and by competition in the fight over domestic savings, presented by the government enterprises.

The intention of increasing YPF prices means nothing more and nothing less than shifting a major proportion of savings available in private activities toward the development of YPF. In summary, it means reducing the size of the private sector and enlarging the size of the public sector.

The idea of developing the petroleum industry through YPF implies this subtraction of capital from the private sector since YPF is the result of a legislative act, not the result of savings by those who want to invest in petroleum.

Real Courage

So long as radical changes are not introduced, the problem will remain unresolved since private enterprise, overwhelmed by the weight of numerous public enterprises now in existence, enterprises which have a similar capital base, does not have additional resources, that is to say, neither for YPF, nor for itself. This is proved by the way in which the troublesome "bond" was set up with the objective of reversing the shift of earnings produced in favor of the state. A rise in YPF prices, although necessary at this point in time, would work against that, it would be a "counter-bond." Like the example of the coat that does not simultaneously cover the feet and the body, capital available in Argentina is scarce and when the state grows, the private sector loses capital and if we want to strengthen the latter, we have to reduce the former. There is no other solution.

The real courage that is needed is not the courage to implement a rate increase which would simply strengthen the growth of the state at the expense of the private companies.

The real courage consists in "uncoupling" petroleum growth from the YPF monopoly and, consequently, from the limitations on domestic capital.

Real courage consists in seeking to bring in new capital in a massive form, with the attraction represented by exports, to increase the proven reserves so that we may become members of the club of exporters.

Real courage consists in coming to grips with the taboos inherited for the past 50 years, which permitted the unrestrained expansion of the public-enterprise sector, causing inflation, high interest rates, low economic growth, and a whole series of indicators of social prostration and breakup.

This would make it possible substantially to step up exports and tax collections without sacrificing the normal development of the rest of the private activities, as befits a country which seriously seeks development through capital and risk.

5058
CSO:3010/425

ENERGY PRODUCTION FIGURES SHOW SLIGHT INCREASE

Buenos Aires LA NACION in Spanish 28 Nov 81 p 5

[Text] There were minor increases in October in petroleum and coal output, the injection of natural gas, and the generation of electric energy, according to the latest monthly report from the undersecretariats of fuels and of hydroelectric and thermal energy.

Petroleum

In October, petroleum output came to 2,44,300 cubic meters, with an increase of 0.1 percent over the same month in 1980. During the first ten months, it totalled 24,004,800 cubic meters, in other words, 1.4 percent more than during the same period of time the year before. Petroleum imports totalled 1,221,300 cubic meters or 41.8 percent less than during the first 10 months in 1980.

Coal and Gas

The output of commercially saleable coal in October came to 35,000 tons (an increase of 2.3 percent over October 1980) and the injection of natural gas was 911.6 million cubic meters (an increase of 5.6 percent).

Trade

Allocations for fuel imports during the first 10 months came to $830.3 million (8.1 percent less than in 1980) while exports came $289,935,500 (an increase of 148.9 percent).

Electric Power

Electric power generation in October was 2,912,483 Mwh, exceeding by 5,733 Mwh the figure recorded in October of the year before. During the first 10 months, there was a decrease of 1.6 percent compared to 1980.

5058
CSO:3010/425

OIL PRODUCTION INCREASE IN STRAIT OF MAGELLAN

Santiago LA TERCERA DE LA HORA in Spanish 12 Nov 81 p 5

[Text] The highest daily oil production in the country's history was achieved on Monday, 9 November, with the startup of the Spiteful No 5 platform, located on the deposit that bears the same name in the Strait of Magellan.

The record is 7,850.7 cubic meters, which is equivalent to 49,302 barrels of oil.

With the production supplied by this new platform, it is estimated that for this year, the total production of ENAP [National Petroleum Enterprise] will reach 2.4 million cubic meters, nearly 700,000 cubic meters more than last year. This means that our country will import 600,000 cubic meters less oil, thereby achieving large savings for the national treasury and progress in our economic independence.

In addition, it was learned that for 1982, a new increase in total production is projected, amounting to at least 5 percent compared with this year.

Recent Years

According to mining sources, crude oil imports and production in recent years have gone up and down, while consumption over the past decade has been fairly steady.

In overall figures, for example, national production in 1971 was 2 million cubic meters, while imports amounted to 3.7 million, making a total consumption of 5.7 million cubic meters.

In 1975, production dropped to 1.4 million and imports also dropped to 3.4 million, with a total consumption of 5.8 million cubic meters.

In 1977, production was only 1.1 million, imports rose to 4.1 million and total consumption amounted to 5.2 million.

In 1978, production rose slightly, to 1.2 million, and imports amounted to 4.7 million. Overall consumption was 5.9 million cubic meters.

In 1980, production totaled 1.8 million, with imports of 4.1 million and consumption equal to the previous year.

For this year, with the new announced national production figure of 2.4 million cubic meters, imports of the vital liquid should drop to 3.5 million, for it is estimated that consumption will be similar to that of previous years, around 5.9 million cubic meters.

More Oil

In addition, ENAP also reported yesterday that final studies are being made to evaluate the Almejas XE-1 well, located in the northernmost portion of the first narrows of the Strait of Magellan. Commercially exploitable oil has been determined at the well, meaning the incorporation of a new deposit into future offshore operations.

11,464
CSO: 3010/348

INSTITUTE REVEALS PLANS TO MEET GROWING ELECTRICITY DEMANDS

Quito EL COMERCIO in Spanish 13 Nov 81 p A 7

[Text] In 1980 a total of 1.28 billion kWh was used in industry and in commerce, according to the Ecuadorean Electrical Institute [INECEL], which asserts that by 1984 2.2 billion kWh will be available for basic service.

The institute explained that the consumption of electrical energy for industrial purposes has grown during the last 5 years at an average annual rate of 20 percent and for commercial use at a rate of 16.5 percent.

INECEL indicates in its master plan that since 1872 a substantial part of the income from petroleum exploitation, about 17 percent, has been assigned to the development of hydroelectric projects and to the construction of a system of transmission lines which constitute the route over which electrical energy flows from our hydroelectric sources to each and every region of Ecuador.

It adds that with these funds the Pisayambo project was constructed and the Paute project is being constructed, as are the transmission lines between Pisayambo and Quito, Quito-Guayaquil, Pisayambo-Ambato and Ibarra-Quito. The institute also reports that lines are being built to Esmeraldas and Portoviejo.

INECEL says that the use of these funds and the construction of the hydroelectric projects mentioned represent for the country a great leap from a capacity of 140,000 kW, which is the sum of all the hydroelectric projects developed over a period of 80 years, to a capacity of 750,000 kW, which is five times greater. However, this capacity of 750,000 kW, it adds, is still ridiculous in comparison to the potential which flows freely in our rivers, an enormous force of 22 million kW which is fruitlessly lost.

Of that potential, 70 percent is in the rivers of the Amazon valley with the Napo at the head, followed by the Santiago which is fed by the waters of the Paute and the Zamora.

The Electrification Master Plan, INECEL explains, will be carried out over a period of 20 years and this is the first time such a program has been carried out in Ecuador. Its implementation will be the best guarantee for the future of the country's electrical energy.

INECEL also points out that the research, execution and operation of hydroelectric projects and of a national electric system require the most advanced engineering. However, all the varied and complex technical problems confronting us can be overcome. Ecuadorean professionals, INECEL explains, are carrying out all the projects with success.

It is the financial problem which is alarming and is very hard to solve. The institute says that the building of hydroelectric projects and of the complementary infrastructure require huge investments.

9204
CSO: 3010/361

CEPE HEAD DISCUSSES EXPLORATION, SALES REFINERY

Quito EL COMERCIO in Spanish 20 Nov 81 p A 1

[Text] All the exportable national petroleum is assured a market under long-term contracts.

Jorge Pareja Cucalon, manager of CEPE [Ecuadorean State Petroleum Corporation] said that CEPE has achieved its objective of selling all of its exportable petroleum under long-term contracts. At the same time he disclosed that there is a possibility that the gas reserves in the Gulf of Guayaquil may double to 100 million cubic feet per day.

He reported that the gas plant of Shushufindi, Oriente, entered into the production test stage with a payload of 5 million cubic feet per day and that the plans for the construction of the refinery on the peninsula will be received next month.

According to the CEPE manager, the work being carried out in the Gulf of Guayaquil at this time consists essentially of research on the marine floor in order to erect the self-elevating platform and later on the production platform. They are also determining the seismic lines in the land facing the Monteverde section where the petrochemical port for black and white petroleum products will be constructed.

He reported that early in December the self-elevating platform will arrive in the country and it will begin drilling the first exploratory well.

Years ago, he recalled, in the Amisted field the ADA company drilled four wells, three of which were productive. After the departure of that company CEPE reconstructed models of the wells, gathering all scientific information "which was scattered around in the garages of the former ADA officials."

He said that on the basis of this reconstruction work we know that the Amistad field will have proven reserves of about 50 million cubic feet of gas per day. With that volume a fertilizer factory can be kept supplied for about 20 years.

The seismic work carried out by Ecuadorean technicians of CEPE has also determined that in the Gulf of Guayaquil there are seven more formations which may possibly contain hydrocarbons, Pareja Cucalon added while noting that the results of the seismic study are merely within the realm of possibility and that the actual reserves of gas and petroleum of the area will only become known after the wells are drilled with the exploration tower.

On another subject, he said that CEPE will receive next month the basic engineering plans for the construction of the new refinery on Santa Elena Peninsula. Then in the following months the construction will be put up for bids. He said that according to estimates this refinery will be completed by 1985.

He also announced that the bidding for the expansion of the Esmeraldas refinery will take place at the end of the year or in early January. This expansion will allow an increase in the country's refining capacity of 20,000 barrels per day [bbl/d] and it will permit a reduction in the import of derivatives.

Referring to CEPE's petroleum sales, Pareja said that the entire exportable production of crude, 85,000 bbl/d, is spoken for. He said that several long-term contracts have been signed to this effect: one with Petroleos de Brazil, for 20,000 bbl/d; another with ANCAP [National Fuels, Alcohol and Cement Administration] of Uruguay for 10,000 bbl/d; two with Korea for 30,000 bbl/d; one with the private company Elox for 15,000 per day; and on Wednesday a contract was signed for 10,000 bbl/d with the Citizens Energy Corporation. This was negotiated through the son of Robert Kennedy who visited the country a few months ago.

The sale was for $34.25 per barrel, he said, while explaining that the other sales, according to the terms of the contracts, are subject to a price adjustment as soon as OPEC has fixed the new price of a barrel of petroleum.

He confirmed that all the crude in storage was sold at $34.25 per barrel. As a consequence, he said, all deliveries of petroleum are now made under long-term arrangements.

He also reported that CEPE is in the process of taking over the Shushufindi gas plant including a careful inspection of all of the equipment. The plant is at the testing stage, delivering between 3 and 5 million cubic feet per day, which are transported by the poliduct to Beaterio in Quito.

He said that the inauguration will take place after the technicians have approved the entire plant.

9204
CSO: 3010/361

OPEC CURRENT SITUATION, STRATEGIES ANALYZED

Caracas EL UNIVERSAL in Spanish 6 Nov 81 p 2-6

[Article by C.R. Chavez]

[Text] Analyzing the current OPEC situation, Leonardo Montiel Ortega said yesterday that the effects of the oil and petroleum products glut, which began during the last months of 1980, began to be felt on the world markets by the end of the first 6 months of 1981. He said that this was the determining factor in the OPEC countries' decision, at their first 1981 meeting in Geneva, to maintain a freeze on the prices agreed upon in Bali in 1980.

"Similarly, in this meeting in Geneva, Venezuela, together with 10 other OPEC countries, committed herself to reduce her petroleum exports by 10 percent. It appears that the objective was to counterbalance the overproduction promoted by Saudi Arabia, which for her own reasons has adopted the strategy of generating an oversupply by putting on the international markets 1.5 million barrels more than it normally exports (9 million barrels per day [bbl/d]).

"Although this measure of reducing production is not objectionable in principle, as a strategy it is evident that it will take time before its effects produce a balance of supply and demand on the world market, especially as long as Saudi Arabia does not commit herself to decrease her present production. The truth is that in order to produce an immediate effect on prices, and in order to be able to consider a normal 12 percent annual increase by the end of 1981 or the beginning of 1982--which is precisely the long-term objective set by OPEC--the signatory nations, including Saudi Arabia of course, would have to withhold at least 5 million barrels of crude per day.

In real terms, this involves a decrease in production which many of the signatory nations cannot carry out because, as in the case of Venezuela, they are committed to development programs which involve financing based on the international sale of crude and refined oil.

The more serious studies point out, however, that the present glut of crude and petroleum products is temporary and that within a short time, that is to say, within the next 18 months, the structural factors which are throwing the international supply and demand out of adjustment will establish a rhythm which within the next 10 years, and possibly until the end of the century, will show clear tendencies toward a world shortage of petroleum. The factors which support this judgment, contrary to the

present incidental oversupply, will be decisive because they are based on various conditions which will restore the growth of the world demand for energy and petroleum beyond the amount added to the conventional hydrocarbon reserves year after year on this planet Earth. Among some of these conditions are:

1. The growth in world population, now 2.2 percent per year, is mostly in the underdeveloped countries and cannot be halted in what is left of the century.

2. The increase in the worldwide gross production and in the per capita energy consumption which have been contracting in the 80-81 period are expected to begin to come out of the downward phase of the economic cycle and move decisively in the direction of expansion. This expansion, which will begin to be noticeable by the end of 1982, especially in the developed countries of the world, will inevitably be reflected in an increase in the still growing demand for energy from petroleum sources, which in many ways continues, for technical and economic reasons, to be unsupplementable by other energy sources, natural or artificial.

In any event, it is important to take into account that OPEC, structured as it is, will for a long time continue to be the most important factor in the international petroleum supply and that it is easier for the members of the organization to reach an agreement to reduce production than it is for the high energy-consuming countries to agree on a sustained reduction of their economic growth and consumption of petroleum.

In summary, at present, the Western world is continuing to produce slightly over 48 million barrels per day while it only consumes, due to energy saving programs, among other things, 46 million bbl/d. This means that there is an excess of production over consumption of more than 2 million bbl/d. If we add to this the more than 5.5 million barrels the high energy consuming petroleum importing countries have in reserve, we must arrive at the conclusion that for the present the increase in prices by OPEC is inappropriate and that it is very difficult to bring about price increases artificially through drastic reductions in production. What is therefore appropriate is to seek and maintain in operation a strategy of uniform prices even though this new uniform price level ($34 per barrel) may be nominally lower than the one established at the meeting in Bali, Indonesia, and at the first Geneva meeting. It must once more be recalled that the price for 34° API [American Petroleum Index] standard crude of $36 per barrel was not agreed to by the country from which this petroleum originated, namely, Saudi Arabia which, although alone in its position, is the largest OPEC producer and one of the members which at the present time has the greatest ability to increase production. Meanwhile, OPEC should follow a strategy of reducing production which, although it will not have immediate effects, will start a cycle which can achieve the objectives of a balance between supply and demand which in its turn will enable the organization to set periodic increases in prices to balance the continuous increases in prices of goods they import and the devaluating effects of the fluctuations of the dollar, the method of payment.

OPEC should also consider the establishment of a system of additional premiums so that the uniform fixed price level would not be a ceiling but a floor, that is, so that OPEC would not limit the business of those members who are able to charge more for their petroleum. The uniform price must be a minimum and not a maximum. The latter should be fixed only by the forces of the free competitive market. However,

so that OPEC member countries do not lose control of certain markets to developed countries which are capable of exporting petroleum and are not affiliated with the organization, the system of premiums should be flexible and it should be possible to eliminate it to the extent necessary.

It should specifically be clear that any temporary price decrease to be considered should not exclude reduced production but rather it should complement it with the key objective of achieving in the short range, with the measures taken, a uniformity of prices and an annual uniform and harmonic increase of prices, so that the purchasing power of the petroleum income of the exporting countries does not decrease.

Finally, it is essential to clarify, in relation to the 10 percent reduction in production decided upon in Geneva, that many member countries have undergone this decrease (even more than had been planned), due to the decrease in the world demand for petroleum.

In relation to this problem, Venezuela's case is highly individual. Our country has never sold petroleum in the day to day spot markets and the greatest part of our exports of crude and of petroleum products is through contracts with relatively stable clients some of which value us as reliable contract suppliers, mostly under what is known as "long-term" contracts. For this reason our exports of crude have not fallen below the reduction which was programmed by OPEC and even though there exist downward pressures in world markets on our petroleum, on production as well as on price, Venezuelan production has remained within the normal pattern and prices have remained at the level fixed by OPEC ($36 per barrel) for 34° API.

All told, the country is profiting from its position as a stable producer of petroleum, successfully riding out the contraction which the petroleum market is experiencing and will continue to experience during the coming months. This assumes that no unsettling factor such as the Arab embargo, the fall of the shah or the Iran-Iraqi war, which affects petroleum prices, will intervene.

In conclusion, in order to honor her commitment Venezuela has planned a 10 percent reduction in her exports but the country must be prepared to continue reducing its production, not only to conserve petroleum and balance supply and demand on the international markets in joint action with the other member countries of OPEC but also in order to solve the economic problem of refining which the voluminous export of residual presents. In other words, any new decrease should be made in the production of residual fuels with a high sulfur content (20 percent of the total of our exports and 70 percent of the total international sales of residuals). These residuals, in spite of being refined products, are worth less than the crude from which they are obtained and for this reason constitute one of the most serious problems of our petroleum foreign trade.

9204
CSO: 3010/330

FUEL STORAGE, SUPPLY FOR MARGARITA ISLAND

Caracas ULTIMAS NOTICIAS in Spanish 29 Oct 81 p 27

[Text] Porlamar, 28 Oct--With a storage capacity of 273 million barrels of petroleum products, the most modern fuel distribution plant in Venezuela will be inaugurated in the near future by CORPOVEN on the coast of Margarita Island.

Aware of the need for suitably meeting national demands, CORPOVEN is making important advances in the construction of infrastructure projects designed to contribute to a rational logistical plan for the distribution, transport, storage and commercialization of fuels. The Guamache Distribution plant, in Nueva Esparta state, is an example of these projects. In addition to meeting these demands, the plant will assure supplies in an efficient and reliable manner.

The site selected for the erection of this installation has a strategic location very near the highway which links Punta de Piedras with the city of Porlamar. A road 3 kilometers in length has been built to provide access to this highway.

The buildings and installations of this plant cover an area of 11 hectares on a 20-hectare piece of land. It has buildings for the administrative offices, a laboratory and a storage and testing [muestras] area. To one side is the maintenance building from which maintenance services are provided for the transport units and terminal equipment. There are rest areas for personnel from the main office and operations and for tanker drivers who will come to the installation every day to pick up fuels.

Up to the Year 2000

On the basis of projections of demand for products earmarked for this area, the Guamache plant has been given a storage capacity which will assure supplies of the various fuels it will handle up to the year 2000. To this end, Guamache has tanks for the storage of 60,000 barrels of high-octane gasoline; 80,000 barrels of medium-octane gasoline; 1,000 barrels of aviation fuel; 10,000 barrels of Jet A-1 (aviation fuel); 2,000 barrels of kerosene; 60,000 barrels of diesel fuel; 40,000 barrels of residual fuels; 15,000 barrels of liquefied gas; and 5,000 barrels of other fuels.

It should also be emphasized that in the equipping of this plant stress was placed on the installing of the advanced technology equipment required for efficient and reliable operation. Worthy of mention are the computerized systems which have been

incorporated to measure the fuel level in the tanks and to control the filling of tanker trucks, which is also computerized. In Guamache, the petroleum products loading equipment consists of pipes, filters, metering devices and lading arms for filling from the top and a new sytem for filling from the bottom. The bottom-filling system will make it possible to lade gandolas at the rate of 3,500 liters per minute, which normally means the gandola-lading process will be completed in about 12 minutes. The lading systems will permit the simultaneous filling of up to five tanker trucks. It should be stressed that in addition to speed in the lading process, this entire system is complemented by a series of measures which assure maximum safety of operations. In this regard, no product can be laded unless the gandola is in touch with land. The lading area is also equipped with a foam spray system to be used in the event there is a fire. This system can be operated from the plant's control room or directly on the lading site itself.

Marine Installation

There are marine installations in Guamache which include a platform for the discharge of tankers which arrive with products from national refineries. This platform is about 1,500 meters from the coast and will be able to handle tankers of up to 35,000 tons. A wharf for barges of up to 2,000 tons was installed at the extreme southern end, with facilities for the lading of ships' bunkers. This facility is of great importance if we take into consideration the fact that due to the existence of the Free Port, cargo ships from various regions of the world frequently arrive at Margarita.

All precautions have been taken to ensure the purity of the different products which are offloaded for subsequent distribution on the island.

On Behalf of the Environment

Precautions have been taken so that when by chance there is a spill of one or another product it will be picked up without contamination. As an example, it is enough to mention that in the tank area rainwater will be collected by means of a complex of pipes and valves which will lead to an open reservoir equipped with an oil skimmer. Water and oil products will be properly separated and used. A tree-planting and green-areas program will be implemented. CORPOVEN intends to plant vegetation adapted to the region.

The CORPOVEN distribution plant at Guamache, with a projected capability of satisfying the island's needs beyond 2000, will handle the entire gasoline retail sales market, supplies of marine fuels and lubricants for national and international flagships and will meet the requirements for aviation fuels of the Santiago Marino International Airport, as well as the demands for kerosene, diesel fuel, fuel No 6 and liquefied gas of the entire Nueva Esparta community. With a delivery capacity of about 6,600 barrels per day, the plant is designed to fully satisfy current demands and yearly increases projected to the end of this century. This means that Margarita Island has a source of fuel supplies which will meet the growth requirements of the region.

8143
CSO: 3010/412

BRIEFS

FRG TO INCREASE OIL IMPORTS--The Federal Republic of Germany is interested in Venezuela's increasing its oil exports to the FRG, according to a statement made here by the deputy minister of industry and energy of that country, Christian Otto, shortly after talking with the Venezuelan minister of energy and mines, Jose Ignacio Moreno Leon. Otto said that "Germany has great interest in buying larger amounts of Venezuelan oil." During the talk, the top energy officials reviewed various aspects of the bilateral energy relations between both countries, which are governed by the technical cooperation agreement between the Ministry of Energy and Mines and the FRG. Pursuant to the agreement, the FRG is conducting research programs into crude oil from the Orinoco oil belt in which that country has special interest. During the talk, reference was also made to the possibilities of reaching agreements in the mining sector similar to those existing in the hydrocarbons sector. Moreno Leon explained to the German official the Venezuelan pricing policy vis-a-vis the Organization of Petroleum Exporting Companies (OPEC) and emphasized that at present the most important thing is to assure a unified price policy, as a measure of this kind could benefit both the members of the organization and the consumers. The German deputy minister agreed with his Venezuelan colleague's statements and said that he concurs completely in Venezuela's position with respect to prices and in general with its oil policy and position in OPEC. [Text] [Caracas ULTIMAS NOTICIAS in Spanish 29 Oct 81 p 51] 8143

MARAVEN GAS EXPLOITATION--Maraven, a subsidiary of Venezuelan Petroleum, is planning to drill 24 exploratory wells in the Los Lanudos field, located approximately 15 km west of Maracaibo, in the State of Zulia. The exploration program contemplates the drilling of an equal number of production wells. The enterprise's teams are at the present time operating one drill at Los Lanudos field. It is expected that one additional drill will be in operation by the beginning of 1982. Maraven has just announced the discovery of a well in that area which produces 14 million cubic feet of dry gas per day from Eocene sandstone, at a depth of 1,000 meters. Maraven has initiated an exploration program for new gas reserves along with the exploration for light oil at Los Lanudos, and in its other fields in the most promising areas of the western part of the country. The most modern seismographic technology and equipment is being used in this endeavor. [Text] [Caracas EL UNIVERSAL in Spanish 1 Nov 81 p 2-7] 9204

CSO: 3010/330

PRESS, OFFICIAL REACTION TO BASIN INTERCONNECTION PROPOSAL

Bolivia Proposes Coordinated Planning

La Paz PRESENCIA in Spanish 30 Oct 81 p 9

[Report on press conference held by the Bolivian deputy secretary for Maritime, River and Lake Interests, Capt Gildo Angula Cabrera, Bolivian Navy, on the conclusions reached by the first Regular Specialized Technical Meeting on Interconnection and Hydrographic Basins, held in Lima, 19-23 October 1981]

[Text] Bolivia raised the need for exchanging experience, before deciding to construct large engineering jobs and for discussing projects bilaterally and multinationally, for the purpose of coordinating a joint study of projects and the execution of jobs in the future, in order to achieve a hydrographic interconnection on the continent. This proposal was made before the first Regular Specialized Technical Meeting on Interconnection and Hydrographic Basins, held in Lima between 19 and 23 October this year, to the delegations of Argentina, Bolivia, Brazil, Colombia, Ecuador, Paraguay, Peru, Uruguay and Venezuela.

In a press conference, the deputy secretary for Maritime, River and Lake Interests, under the Ministry of National Defense, Capt Gildo Angula Cabrera, Bolivian Navy, reported on the conclusions of the above-mentioned international meeting and on the stand taken by the Bolivian delegation. The technical meeting was concerned with the interconnection of the Orinoco, Amazon and Plata basins and, in addition to the countries represented, it was also attended by delegates from LAIA [Latin American Integration Association], IDB, World Bank, ECLA [Economic Commission for Latin America], FAO, INTAL [Institute for the Integration of Latin America], Cartagena Agreement Board, PNUMA [UN Environmental Agency] and SELA [Latin American Economic System]. The OAS advised the Peruvian National Coordinating Committee.

The delegations exchanged ideas on future action on the interconnection project. They decided to hold another meeting for which Bolivia offered to serve as the location and the functioning of a pro tempore secretariat was decided on, in order to ensure organization, continuity and coordination of the work started in that first meeting.

The basic work plan specified as objectives the general guidelines for conducting a study of the problems and probable solutions to South America's physical integration. The deputy secretary for Maritime Affairs said that a study of the subcontinent's physical interconnection within an overall points of view of

integrated development by means of a system for connecting the above-mentioned hydrographic basins was indicated as an objective.

He said that for this purpose the Orinoco, Rio Negro, Madeira, Mamore, Itenez or Guapore, Paraguay, Panana and Rio de la Plata routes will be considered, in addition to the system consisting of the large highway interconnections in a north-south direction, the Pan-American Highway, the Selva Marginal Highway, the Caracas-Brasilia-Buenos Aires Highway and the various road connections in an east-west direction. He also added that connection of these system with the ocean sailing system will be considered.

The plan includes a diagnostic study of the features of the continent's natural ecosystems and their socioeconomic characteristics, studies on existing transportation systems, their capacity and transportation flow.

Bolivian Delegation

He announced that the Bolivian delegation emphasized the positive achievements of the meeting, because it is the first step in an important subcontinental project. During his statements, he presented, by means of a document, the existing projects and the ones under development, associated with Bolivia's internal and outside interconnection.

He pointed out the hydrographic discontinuity owing to the presence of rapids in the Mamore-Madeira-Guayaramerin and Porto Belho stretch, in Brazil, as well as the discontinuity in the headwaters of the Itenez or Guapore with the nations on the Upper Paraguay River, consisting of crossing the continental divide of the basins of the Amazon and of the Rio de la Plata on the Do Parecis mountain range.

He stated that from the national point of view, the project for interconnecting the hydrographic basins is an advantageous option that would enable Bolivia to have access to the North Atlantic by means of the Mamore-Madeira-Amazon system and to the South Atlantic by way of the Paraguay and Parana Rivers.

Interconnection Proposal Praised

Santa Cruz LOS TIEMPOS in Spanish 23 Oct 81 p 4

[Editorial: "Interconnection of Hydrographic Basins"]

[Text] A specialized technical meeting has been held in Lima, at the felicitous initiative of the president of Peru, Fernando Belaunde Terry, for the purpose of putting in concrete form integration plans pertaining to the physical union of the basins of the Orinoco, Amazon and Rio de la Plata. This meeting, which is to conclude today, was attended by delegates from Argentina, Uruguay and Paraguay for the Rio de la Plata Basin, from Venezuela for the Orinoco Basin and from Bolivia, Brazil, Ecuador, Colombia and Peru for the Amazon Basin.

The Peruvian president's suggestion found favorable reception in international credit agencies including the World Bank, the Inter-American Development Bank, the Economic Commission for Latin America, the Latin American Integration Institute. the Andean Development Corporation, the Latin American Economic System and the United

Nations Food and Agriculture Organization and Environmental Organization, according to information coming from Lima.

The large presence of technical delegations and delegations from credit agencies attending that meeting to analyze the proposal of President Belaunde Terry, reveals the magnitude of that undertaking and its great plans that are to involve the determined attention and support of the governments concerned in implementing the objectives of hydrographic interconnections of the above-mentioned basins. Naturally, that international event is a step preceding another meeting of representatives of governments interested in the integration program, to be held shortly in the city of Santa Cruz.

The objectives of integration of the above-mentioned hydrographic basins are, as of now, very far-reaching, because, without interfering with the plans for river and highway connection of the countries belonging to each basin, that desire for commercial, industrial and economic cooperation between the Latin American countries can be materialized in such a way that it will bring about not only the incorporation of territories suitable for the many phases of development, but also for changing the living conditions of large sectors of the inhabitants of Latin America.

These prospects for geographic and hydrographic integration will find expression in the utilization of the huge natural resources that the territory of South America has and will facilitate river interconnection from the north to the south of the continent, by means of construction of the Selva Marginal Highway, a longstanding project of President Belaunde Terry, and of Brazil's effort to supply vast territories by means of the Trans-Amazon Highway.

These important objectives of interconnection are also consistent with the scope of the Amazon Cooperation Treaty, signed on 3 July 1978 between the governments of Brazil and Peru, within the framework of the subregional integration project.

With regard to Bolivia, in addition to the benefits of integration of the above-mentioned hydrographic basins, the projects for utilizing water of the Paraguay and Pilcomayo Rivers, with projection toward the Atlantic, will solve the problem of its landlocked status and will contribute considerably to its economic, commercial and industrial development.

Finally, implementation of the proposals for interconnecting the Latin American basins will be a materialization, as has been said, of the old dream of Bolivar the Liberator to see a strong, united America.

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CSO: 3010/238

BIOGRAPHICAL SKETCH OF NEW PRESIDENT GALTIERI

PY151613 Buenos Aires CLARIN in Spanish 12 Sep 81 p 4

[Text] The president appointed by the military junta, Lt Gen Leopoldo Fortunato Galtieri, was born 55 years ago in the Casero District of Buenos Aires Province; he is married to Lucia Noemi Gentili and is the father of three sons.

He began his career in 1943 and 2 years later he graduated from the military college as a sublieutenant of the engineering corps.

He was first assigned to the engineering school of Concepcion del Uruguay, Entre Rios Province, and throughout his career attended courses on his specialty in the United States and Panama.

Upon being promoted from colonel to brigadier general in 1972 he took over the command of the 9th Infantry Brigade headquartered in Corrientes, where he established friendly relations with the then governor of that province, Peronist Julio Rontero.

Soon thereafter he actively engaged in the antisubversive struggle and made an outspoken remark during a ceremony held late in 1974, saying that "to erradicate the disease, all the cells, even suspicious ones, must be excised to prevent the spreading of the disease throughout the (nation's) body."

Seven months after the military coup that ousted the government of Maria Estela de Peron, General Galtieri took over the command of the II Army Corps, replacing Gen Ramon Genaro Diaz Bessone.

In Rosair, General Galtieri maintained an easygoing dialogue with politicians and businessmen and supported the gradual participation of civilians in the national reorganization process.

In January 1979, Gen Roberto Viola put Galtieri in charge of the I Army Corps headquartered in the Palermo neighborhood of Buenos Aires.

He became commander in chief of the army as well as a member of the military junta in December 1979.

In that occasion he stated that an end should be put "to outmoded schemes, useless and paralyzing contradictions, preconceptions which hold back our potential, and limitations which restrict our freedom to act."

The report on human rights in Argentina which was prepared by the U.S. State Department became public in 1980.

Galtieri referred to that report as an interference in internal affairs but later, during the visit of President Carter's envoy Andrew Goodpaster, he said that the problems with the United States were only circumstantial ones, which are natural in "a big family."

When Ronald Reagan won the presidential election in November 1980, Galtieri did not conceal his optimism and a new period in bilateral relations began with the inauguration of the Republican candidate.

U.S. Commander Edward Meyer visited Buenos Aires in April 1981, and thereafter Galtieri traveled twice to Washington. During his second visit a month ago, he met with high-ranking officials in the Republican administration and with national security adviser Richard Allen, who said of Galtieri that he had "a majestic personality."

As commander in chief of the army, Galtieri has made several pronouncements about the conflict with Chile.

Although he always expressed hopes in the mediation being conducted by Pope John Paul II, Galtieri made harsh remarks whenever there were incidents with the neighboring country. In February 1981, he warned: "Chile should know how far to stretch the issue."

Regarding the request for Argentina to send troops to the Sinai to guarantee the Camp David accord, Galtieri said that it involved a political question, although the army had no problem in making its contribution.

"We can do that and much more. Argentina must come out of the shell in which it has been enclosed for many years," Galtieri said.

He always supported an alignment with the United States, raised his voice against the "Marxist offensive;" and in various meetings with Brazilian, Peruvian, Uruguayan and Bolivian colleagues, he called upon them to tread the road of Latin American integration.

Galtieri pronounced himself against "the indecision, or even the indifference tantamount to being accomplices, which we observe toward the systematic aggression experienced by our brothers in the continent at the hands of the same people who intended to submit us to a way of life foreign to our traditions."

CSO: 3010/472

CAVALLO DISCUSSES RECENT ECONOMIC MEASURES

Buenos Aires LA NACION in Spanish 4 Dec 81 pp 1, 20

[Text] "In connection with the measures announced on Saturday, there was never any intention of ordering massive wage boosts," Dr Domingo Cavallo, the technical secretary of the Interior Ministry told LA NACION.

"The interim president, General Liendo, is perfectly aware," Cavallo said, "that the government does not set the level of real wages and that such an increase would immediately be passed on to prices."

He made this statement at an informal meeting with a feature writer from this paper. Dr Cavallo has become widely known in recent days as the reputed author of the financial and exchange measures announced last Saturday. "I have played an active role in them, along with officials from the Econopmy Ministry and the Central Bank, but I am in no way the sole inspiration for them," Minister Liendo's technical undersecretary told us.

In the office where the meeting was held there is a bronze sculpture of two children, one astride the other, perched on balanced benches that are on the verge of falling. The associations of ideas came unavoidably to the feature writer's mind at this particular moment in national life.

The Little Table Had Nothing to Do with It

"The overvaluation under Minister Martinez de Hoz was due to the inflow of credit lured by the differential between the internal and external interest rates within a context of a wideranging financial open-door policy to the outside. The public sector deficit promoted this interest rate and with it the inflow of foreign capital. The increase in the foreign debt was equivalent to the aforementioned deficit," Dr Cavallo told us, adding: "The little table [tablita] had nothing to do with it, because the government does not set the real exchange rate, just as it does not set the level of real wages."

The conversation turned to the most recent measures. Cavallo, who received his doctorate in economics from Harvard University, where he returns periodically to teach, asserted that the reference rate is not a maximum interest rate. "The banks can avoid it by waiving the Central Bank's guarantee," he told us.

"But if you were a banker," the journalist replied, "you wouldn't charge a higher interest rate than that, unless you did it under the table."

"I wouldn't do that if I were honest, but of course not everyone is. But the fact is that the interest rate would have fallen in any case as a result of the influx of funds from overseas. Let's say that the reference rate merely hastened what would have happened anyway by virtue of the workings of the marketplace," Cavallo argued in reply.

Banks Can Take Down Swaps

Dr Cavallo explained to us that swap operations have evoked major interest. Moreover, for liquidity reasons, banks can be authorized to take down swaps and to lend in pesos, an arrangement that, in his judgment, will be taken advantage of.

He rejected the idea that businesses would be subject to restrictions in this regard by virtue of how they earmarked the funds. With regard to the uncertainty over the interest rate on these funds inasmuch as the reference rate is set every 30 days, Dr Cavallo commented that reference rates would be established for a longer term, up to 6 months. Thus, the banks that take down swaps will be able to coordinate foreign operations with domestic ones, thus eliminating risks.

"As you will see," he stressed, "the domestic rate cannot be far removed from the cost of the swap, say, somewhat more than one percent a month, plus the five percent a month premium for the swap, plus the bank's spread. The total is below the reference rate.

The Purpose of the Measures

The journalist commented on the disorientation among the populace because of the announcement of a virtual "little table" just a few days after the Central Bank said it was withdrawing from the financial foreign exchange market.

"The purpose," Cavallo stated, "was to eliminate or reduce the kind of uncertainty that arose during the transition period between the governments of Generals Videla and Viola. The sudden jumps in the value of the dollar and the resulting rise in the interest rate cannot happen now. These measures are in no way binding on any new authorities in the event of a change in presidents."

Economic Recovery

Dr Cavallo said that he disagreed with reducing the amount of free dollar purchases from $20,000 to $1,000. "This was a measure that the Central Bank had been studying," he said, trying to give an explanation. He confessed that he initially thought that it had to do only with the purchase of bills.

The conversation then turned to the reaction of savers to the fall in interest rates. Cavallo acknowledged that part of the deposits would be used to purchase

durable goods or real estate, adding, however, that the money would in any case remain within the financial chain.

"Yes, agreed," the journalist said, "but the amount of money in real terms will decrease because it will be rising less quickly that prices. "To an extent, but not overly so, " Dr Cavallo replied, "inasmuch as the main effect will be to boost sales more than prices, although it will push the index a bit higher."

"The ultimate solution is to shrink the deficit, and we are working on this. The interim president has given very precise instructions to the governors, and the entire public sector grasps the problem very well."

The interview concluded with the assertion quoted at the beginning of this article about the massive wage boosts. Dr Cavallo leaves this morning for Cordoba, which in light of the general conjecture of recent days could mean that we will be enjoying a calm weekend as far as the economy is concerned.

8743
CSO: 3010/424

FARM ENTITY VIEWS NEGATIVE CONSEQUENCES OF ECONOMIC MEASURES

Buenos Aires LA NACION in Spanish 2 Dec 81 pp 1, 13

[Text] The Argentine Rural Society, the Argentine Chamber of Commerce and the Confederation of Rural Associations of the Rosafe Zone (CARZOR) have issued disapproving judgments on the recently adopted economic measures.

Each of the organizations issued statements, which we are publishing herewith.

Interests Harmed

"Given the delicate situation that the country is in, the Argentine Rural Society has a duty to formulate remarks that it deems indispensable.

"We cannot and must not lose sight of the historic act represented by the Armed Forces intervention in March 1976, for the basic purposes of the National Reorganization Process: to put an end to the guerrilla war and the widespread terrorism and to bring about the sweeping changes that the nation needed to genuinely rejoin the developed world in keeping with its socioeconomic potential.

"The protectionist and nationalizing policies, based on giveaways and subsidies, that were pursued for almost four decades have brought about the formation and growth of faulty economic structures that cannot be rectified without sacrifices, which are possible only when spurred on by a very firm will and an unfaltering devotion to the homeland.

"These projected changes have adversely affected interests in all sectors, and therefore these sectors have defended in one way or another the nationalizing trend that has kept them going and have exerted pressures that have contributed greatly to departures from the spirit and letter of the initial program.

"The economic measures announced over the past few days worsen the outlook significantly and give the impression that the nation is abandoning the original guidelines of the National Reorganization Process and again taking the path of populism, whose negative repercussions on our production structure have been historically proven in practice.

"The country cannot continue to flee from reality or to suffer the degradation of inflationary solutions that give the populace false hopes.

"The cause of our ills has been perfectly and repeatedly diagnosed. It remains only to assume the responsibility and make the indispensably courageous decisions.

Inflationary Outlook

"Only the demands of the current peculiar political circumstances can explain, though not justify, the recent financial measures.

"In evaluating them, we should bear in mind that the background to them is an outlook in keeping with a series of prior inflationary measures.

"With regard to financial interest rates, we are returning to fixed rates that entail subsidies for borrowers at negative rates at the expense of depositers. The effects will be:

1) To discourage domestic savings, which is the only source of economic growth;

2) To bring about a poor allocation of resources as a result of tampering with the workings of the marketplace;

3) Credit will become a privilege, with the resulting consequences.

"The establishment of virtual inflation-adjusted exchange insurance can only be explained by a desire to narrow the gap between the financial and commercial markets, in order to pave the way for their eventual merger at an as yet undetermined time. Once again this is an attempt to rectify the consequences of a prior state intervention policy by introducing interferences with the workings of the marketplace, thus creating new links in the chain of state interventionism, which shackles the private sector of the economy.

"Combined with fixed interest rates, this measure guarantees an attractive return to foreign investors at the expense of local investors, who are condemned to sacrifice part of their savings to maintain this financial setup.

"If we bear in mind that fixed interest rates and a swap system were essential elements in the financial structure that led to the chaos in 1976, we cannot but stop and think that we will have to reassume our original policy if we want to accomplish the lofty objectives for which the Armed Forces intervened in 1976.

"In light of the latest economic measures, which clearly entail state intervention and are a repeat of similar sadly remembered policies, the Argentine Chamber of Commerce feels that the country must be told whether they represent a modification of the objectives of the National Reorganization Process or a unilateral decision."

"State-Intervention Development"

Rosario--The Confederation of Rural Associations of the Rosafe Zone (CARZOR) has described as "interventionist" the government's recent economic measures and has called for the replacement of all officials in charge "so that we can extricate ourselves from the dilemma that they are unquestionably going to get us deeper and deeper into."

CARZOR contends that "the government's recent economic measures represent an inexplicable furtherance of state-intervention development, which has an adverse impact on production sectors, especially agriculture and livestock, which continues to be punished and engulfed, with much of the full price of its output held back."

It then stresses that "government intervention is the ill that plunged us into the serious problems that we are now having, and unbelievably enough the government continues to make this extremely grave mistake, as if our experiences were not enough to learn from. Growers can endure this no longer and demand justice in the marketing of the output from their shattered activities. The latest exchange regulations are the coup de grace. Contrary to our hopes, we will have to sell another fine grain harvest at giveaway prices, made totally unrealistic by the commercial exchange rate that is unjustly fixed for us and contrary to everything that is soundly and reasonably suggested to help us contribute to the resurgence of the national economy with our production and financial support."

8743
CSO: 3010/424

'OBSERVER' COLUMN NOTES DYNAMIC BEGINNING OF LIENDO

Buenos Aires LA PRENSA in Spanish 26 Nov 81 p 16

[Text] The magnitude of the political impasse in this country has meant that the questions raised about the future have distracted attention from the surprises presented by the present interim government.

The essential question, which for now is the subject of conjecture and hypothesis, is whether the president's illness and his consequent temporary relief from power, are the real and genuine cause of the crisis, or on the contrary, if this has just been an excuse for unseating him. In other words, we are trying to elucidate whether the physical problems of Lt Gen Viola are the effective cause or merely the formal cause of the crisis. To answer this question, the mere fact that the disease exists is not sufficient, so the question remains unanswered.

The matter is of crucial importance, because the consequences will depend on which is true. If the illness is the real cause, the crisis will be resolved with the president's return to power after an obligatory period of rest and convalescence. But if that is not the case, the fact of the illness could be used for a future change in the presidency, on the pretext of his prolonged disability. It is well known that some who put forth the latter hypothesis do not discount an eventual modification of the current power structure.

Dyanamic Interim Administration

The natural interest aroused by the situation we have outlined has led to a second concern, the development of the interim administration led by the minister of the interior for the last 5 days.

However, no one has failed to notice the dynamic impulse Gen Liendo has given the government in such a short time, something the majority of political observers have been well aware of. Accustomed as we are to a lumbering administrative mechanism, which is not entirely imputable to the president in office because in large measure it appears to be the result of the very structure of the current system of government, we have no doubt that the initial impulse of mobility the new replacement is trying to give has surprised public opinion.

Formal and informal cabinet meetings, sometimes numbering as many as three a day, have an unusual tone of urgency that at first glance appear more like a definitive or permanent change than a limited, temporary replacement.

If in addition to that we consider the interim president's expressed interest in getting to know the details of government and the progress of important matters in the various ministries, as well as his categorical announcements on holding down public spending and issues as delicate and technical as the partial de-indexing of mortgage loans, we can see the incorporation of new ingredients in the government which go much further than a mere continuation of an administration.

Government Program and Interim Status

We must ask ourselves, not without a certain note of surprise, whether this vigorous shake-up of the clearly stagnant government machinery does not go far beyond the prudent limitation that might be expected of someone who has not been appointed president, but will occupy the office only temporarily during an interim period that should last no more than a few weeks, according to the most optimistic calculations.

We seriously doubt that the function of an interim president can include the formulation of government plans, even though they involve specific issues. The precarious nature of his interim status, limited to short periods of power, does not go along with projects of such great importance, which demand the support of a definitive appointment, one lasting for a longer period.

Good sense dictates that any interim chief executive limit his few actions to the signing of routine dispatches and attention to urgent matters, for the sole purpose of keeping the administration moving smoothly and avoiding delays in decisions that cannot be postponed.

Unusual Requirement

Among the innovations that have characterized the interim president's actions there have been a few very curious situations. One of them is the unusual requirement that the other members of the cabinet "report on or mention by area the most important problems at present, for the purpose of solving them."

There is no clear explanation of the meaning of this request, which comes not from a newcomer to the government but from someone who as minister has been participating in cabinet meetings for 7 months and thus must be very familiar with the most important matters his colleagues are dealing with. Such a request for reports is truly curious, in that it implies no less than a public confession of ignorance of the affairs of state that must certainly have been analyzed and debated in the administration of which the new president was a member as minister.

The impression produced by these events is that there is a desire to create an image different from that of the sick president, whose parsimonious personality and low-key style helped accentuate the obvious slow pace of the lumbering administrative machinery.

We cannot help but note that if this situation really exists, the disability that called into question the president's ability to remain in office must have been due to something more than physical illness.

But aside from these speculations, what is clear is a desire to appear to shake things up--not yet confirmed by deeds--in the paralyzed administration. The interim president's ostentatious statements in this regard have not yet yielded tangible results. It might be appropriate to quote here the comment by a soccer announcer about a player's debut on a team: "During the minutes they have been playing, so-and-so has already run several kilometers, but he has not yet touched a single ball."

8926
CSO: 3010/376

BIOGRAPHIC DATA ON INTERIM PRESIDENT PUBLISHED

Buenos Aires LA NACION in Spanish 21 Nov 81 pp 1, 6

[Text] Maj Gen Horacio Tomas Liendo, the interior minister, will be taking charge of the Executive Branch after having had a brilliant career in the military and serving as labor minister from 1976 to 1979, when he took over as chief of the Army General Staff.

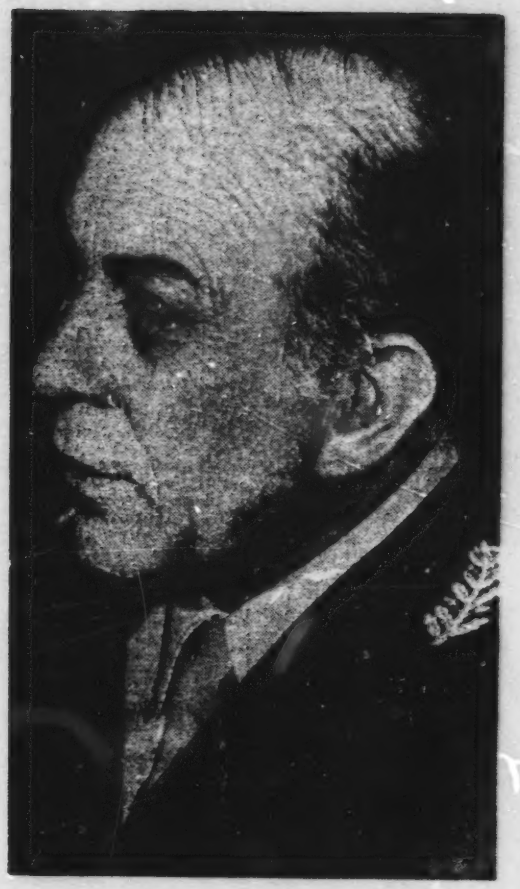
The 57-year old Liendo was born in the city of Cordoba on 17 December 1924. On 2 August 1943 he entered the Military College of the Nation as a cadet, graduating on 22 July 1947 as a second lieutenant in the communications branch.

His first post was Communications Battalion 4, where he remained very briefly, as he was assigned to Communications Battalion 6 on 24 December 1947. He was promoted to lieutenant 2 years later and in 1950 took the advanced course for communications officers. He reached the rank of first lieutenant in December 1951.

In 1954 he took the preparatory course for the Superior War School, entering there on 20 January 1955 and graduating in 1957 as a staff officer of the school and assigned to the command of the Fourth Military Region. In 1958 he held various posts in the Army Staff. On 7 December 1959 he was appointed second in command of Communications Battalion 4, where he had had his first assignment.

He was promoted to major in December 1960 and served in the Communications Command until 1962. He then headed for the United States to take the command and staff course, remaining there until August 1963. He was promoted to lieutenant colonel in December 1965 and then held various posts in the General Staff. He was promoted to colonel in December 1970. In 1971 he was named director of the Communications School, and in 1974-1975 he served as second in command and interim commander of his branch.

Liendo earned his general's stripes in December 1976 and from then until 1979 he served as labor minister. On 18 December 1979 he was appointed chief of the Joint Staff and on 31 December of the same year he was promoted to major general.



Maj Gen Horacio Tomas Liendo

8743
CSO: 3010/357

FORMER GOVERNOR SCORES MILITARY GOVERNMENT

Buenos Aires LA PRENSA in Spanish 23 Nov 81 p 2

[Text] Santa Rosa, La Pampa--The former governor of La Rioja, Carlos Menem, acknowledged that during the last Peronist government "there was a kind of excess," and asserted that Economy Minister Jose Martinez de Hoz "did more damage to the country than the former minister of social welfare, Jose Lopez Rega, who is currently a fugitive."

In statements published in the daily LA ARENA, Menem says that the Justicialist movement "is the largest and most solid movement in political Latin America," adding that its "growth upsets many who had bet on its demise."

He indicated that internally, "labor union power was never subjugated to political power."

With regard to the dialog with the government, he explained that "agreements are made or rejected depending on what the majority decides," and that his opposition to that meeting is based on the fact that "there can be no dialog with those who are responsible for the disaster in this country."

Concerning the multi-party proposal, he stated that "if there had been an attempt to resuscitate the regime it would have failed irremediably," although he stated that "so far it has met its obligations."

He pointed out that the last Peronist government "was too soft from the leaders' point of view," and that there was "a kind of excess," recalling the "many work stoppages and strikes, not only in the labor sector but also among management."

He argued that even a democratic government "must curb certain attitudes."

Mentioning the Lopez Rega case, he indicated that Justicialism committed a crass error, and added that he understood that "Martinez de Hoz did more damage to the country than Lopez Rega, but the former is still in the country. completely at ease, after having blown it."

Subversion

Later he said, "Here we have a less bloody subversion, the economic subversion that has done more damage to the country than its earlier counterpart."

He admitted, however, that "armed subversion did do us a lot of harm," recalling that "Justicialism had given the Armed forces all available means to combat it."

In this regard, he called for "the implementation of Operation Independence," and stated that a "Peronist general, Gen (Acdel) Vilas," should be in charge of it.

8926
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UCR LEADER SCORES GOVERNMENT INEFFECTIVENESS

Buenos Aires LA PRENSA in Spanish 16 Nov 81 p 7

[Text] San Pedro (Buenos Aires)--"We must delve into the crisis in order to come up with the great solutions that the country urgently needs, in light of a regime that is rapidly splintering and crumbling, undermined by its own blunders," said Dr Antonio Troccoli at a function in this city that was sponsored by the Commerce and Industry Center, the Rotary Club, the Electrical Services Cooperative, Banco de la Ribera Cooperativo and the Lions Club.

He analyzed the "debacle" of the Argentine manufaturing industry, which posted a 14 percent decline for the second half of the year. He asserted that "we are witnessing an accelerated process of liquidation and immersed in an unprecedented crisis in which the incomes of Argentines have fallen violently and inevitably, with the aftermath of dangerously high unemployment, as we are being oppressed and devoured in a vicious circle."

"They Do Not Want to Acknowledge the Grave Emergency"

He said that the military "does not want to acknowledge the grave national emergency" and he harshly criticized the performance and statements of Economy Minister Dr Lorenzo Sigaut, statements that suggest that "we Argentines will have to endure even worse times than at present."

He recalled "the great economic tragedy of the 1930's and the current crisis," clarifying that the former was largely caused "by external factors," whereas today's crisis, "aggravated by the gangs of speculators, is similar to the 1890 crisis with its hallmark of corruption," and adding that "there are $60 to $70 billion speculative dollars."

He went on to say that the crisis "will last for the next few cycles" and that "even if businessmen had all their debts canceled, they would be back in the same situation in 6 months because of the sluggishness of the domestic market. This economic policy cannot be remedied with another economic policy because the credibility of Argentina's destiny has been impaired" [sic].

Law of the Jungle Prevails

He spoke out against "the corporative assaults and the law of the jungle, which must be abandoned. If we take a couple steps more we will find ourselves beside Bolivia, which has vanished, its foundations rotted. Argentina is on the verge of falling into that abyss, after which the sectors will turn cannibalistic and fight over the remains of the republic."

He declared his "religious respect for the institutional judicial order," again criticized 6 September 1930, "which shattered 68 years of constitutional normalcy" and praised the Constitution of 1853, "which presided over the Argentine miracle." He voiced no opinion on the periods from 1943 to 1956 and from 1973 to 1976, asking "for what reason the Armed Forces want power when all they have given us is decadence" and adding that the UCD [Radical Civic Union] "backs the Church's call for reconciliation and expresses its agreement with the episcopal appeal."

He concluded by saying that "this is the devil's cauldron, and we have gotten to the point where a poorly lit match could plunge us into tragedy. The Armed Forces cannot act against Argentine society. We must found a new republic, as several enlightened men did more than a century ago, because if there is a continuing struggle between the extremes of the Right and Left, we could lose the chance for a democracy."

Press Conference

Troccoli spoke with newsmen yesterday and referred to his failure to mention the tyrannies of 1945-1955 and 1973-1976 in his speech on Friday. He said that he had considered "the Argentine political spectrum as a whole" and that "if that episode were repeated, Radicalism would once again take its political stand of constant criticism and heroic struggle, as it did until 1955."

With regard to the revolution of 1930, he said that "it led to instability in the democratic process, brought civic decadence to Argentina, which it fragmented, and marked the end of conservatism, which by 1928, in view of the ineffectiveness of Yrigoyen's second term, was set to win the election and was seen as a democratic alternative."

Government Guidelines

When asked what he thought about "the guidelines of the national government," he replied that the 1964 Illia statute and its modifications in 1970 were the only thing that ought to be kept in mind. He acknowledged the existence of the political ban but added that "we cannot be subject to the moods of the acting chief" and that "even if we break the law, we have to accomplish the task and face all risks."

He pointed out the varying positions within the Armed Forces on the Multi-party Commission, noting that some "saw it as an orderly process" and others as "a tool of unrest." He went on to say that "it was a coalition of good judgment, and we are going to follow up our move to its ultimate consequences." In conclusion, he said that he did not believe in "one-person leaderships," an obvious allusion to Admiral Massera.

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SCHONFELD DESCRIBES POLITICAL MALAISE AFFECTING NATION

Buenos Aires LA PRENSA in Spanish 17 Nov 81 p 16

[Article by Manfred Schonfeld: "The Confrontation Among Power Groups"]

[Text] The thinly veiled confrontation between the commander of the Third Army Corps, General Nicolaides, and the provincial authorities of Cordoba (over the statements that the Cordoba UCD [Radical Civic Union] made against the policies of the current regime) is something more than just an incidental development.

It is one of the many signs that have been accumulating alarmingly in recent times and that all point in the same direction, indicating to the most objective and least passion- or prejudice-blinded observer that the country plainly and simply does not have a government.

At best, or perhaps we should rather say at worst, it has power groups that at times and depending on circumstances work together or, on other occasions, are in open or behind-the-scenes confrontation, even hostile confrontation.

The "affair" among the UCR, General Nicolaides and the government of Cordoba (an odd triangle of power groups) is thus more than illustrative of the complete disarray that reigns in Argentina.

The Power Structure and How It Was Violated

According to the prevailing power structure, General Nicolaides was not supposed to have spoken out against the remarks by the Cordoba Radicals, inasmuch as it was, apparently at least, not incumbent on him to do so.

Regardless of how absurd and inexplicably complex this structure is, there is a provincial government that comes directly under the national government, though the two are neither constitutional nor popularly elected.

For its part, the national government comes under the Military Junta, which in turn rests on the logically pyramid-like upper echelons of each of the three Armed Forces branches, echelons of which the junta is the summit.

Therefore, although a major general performs an important function, commanding one of the country's army corps, not to mention his unquestionably important rank, he is still just one of many members of an upper echelon of one of the three branches.

For personal reasons he might have particularly strong influence among his comrades in arms or in rank. He might be a confidant of his commander in chief or even of the junta itself, but once again this is a personal and always unofficial matter. But even if this were true, it does not excuse him from showing en elementary respect for the established hierarchies, and not only for the established hierarchies but for the very structures of power as well.

Therefore, if he feels that a security law has been violated by whomever and if, in his judgment, the local authorities are not doing anything about it or have not reacted properly, he can avail himself of the normal channels that the current power structure provides for him (or, if he wishes to act more expeditiously, he can make use of his personal connections, to the extent that they are of help to him) in order to report the alleged omission by the provincial government.

What he can never do is talk or act publicly on his own, because this is tantamount to stating openly that he, as commander of the army corps in that region, is the real authority in the province, not the governor, its ministers or, hence, even the national government from which the provincial government in question emanates. In other words, this is tantamount to a clear-cut transgression of the power structure.

The Sad Reality

But these are just theoretical digressions, because in keeping with the sad reality in our country, which I have already described as marked by the absence of a government, General Nicolaides's approach is perfectly logical. In point of fact, he represents the real authority in Cordoba, and this in no way applies just to him.

For some time, since the very outset of the "process," the commanders of the army corps have acted in their respective zones with the force of a parallel authority, which has been curbed only when the province or provinces in question have been assigned to governors belonging to one of the other two branches, the navy or air force, in other words. Their authority has been redoubled, however, when a general has been governor, especially one ranking lower than the acting commander in the zone.

Political Absurdity

The subject of my comments represents an intrinsic institutional paradox and a political absurdity.

The comments by the Cordoba UCR are neither more nor less critical of the country's political leadership than other similar remarks that the UCR has made previously or that other political parties or movements have made.

What is more, in theory, all of these statements lack what we could describe as "official validity," in legal terms, inasmuch as the parties do not exist, and what does not exist cannot make statements (Although you cannot "dialogue" with someone who does not exist either, which has not stopped the so-called "dialogue" from being a flourishing and ongoing development amid the disarray that prevails in the country).

Be that as it may, in the case at hand it is obvious that a purely military authority has taken advantage of the opportunity that a supposedly "non-existent" political force has inadvertently given him to take a shot (out of vanity and through the provincial authorities) at what we could call the governmental authority, even though this too is of military origin, albeit obviously from another sector, another time frame and another clan.

Two Military Sectors: The Old and The New

As we can see, this is a simple confrontation between power groups: The "old," bureaucratic military sector that in light of the complete failure of its economic team's clumsy juggling act, is seeking to ally itself with the "popular" political parties and with the unions, is being attacked by the "new" military sector (which as yet lacks a bureaucratic offshoot because it has not yet come to power but which, as soon as it does, will have one before long too), which does not regard this kind of futile party-union alliance as necessary or even feasible.

If we want to attach names to these sectors, we could mention Viola and Liendo on one side and Galtieri and Nicolaides on the other. It is not hard to guess which of the two factions is in a winning position. The latter has simply undergone less wear-and-tear than the former.

The Big Loser: The Country

It is not hard either to predict that the big loser in this kind of confrontation will be the country.

As I have been stressing for some time now, the "process" has had it. It has fallen apart because of serious internal ills, because of extravagance, because of the damage done to the country's economy and to public and private finances, because of the preservation of costly and totalitarian economic structures that benefit castes that are parasitically entrenched in them, because of a crude flaunting of irksome social insensitivity, because of an irresponsible foreign policy and policy for defending our national sovereignty and for many other reasons that I would tire of listing over again.

These internal rivalries in the army are now going to administer the coup de grace to the Armed Forces' public image, an image that in times of external danger (which exists) and of a possible return of the internal danger (which will happen) ought to be spotless. But this is impossible when small power groups face off against each other to cover up the absence of a real government.

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MASSERA'S INFLUENCE AFFECTS NAVY PROMOTIONS

Buenos Aires LA PRENSA in Spanish 17 Nov 81 p 9

[Text] Bahia Blanca, Buenos Aires (NA)--The local morning paper LA NUEVA PROVINCIA devoted its Sunday political commentary ("Cronicas de la Republica") to an analysis of the year-end promotions in the Armed Forces, asserting that in the navy "there has been a drastic displacement of the people who identified themselves the most with the leadership of former Commander in Chief Adm Emilio Eduardo Massera."

Referring to the promotions and reliefs in the army, the paper contends that the pertinent decisions "will not be made until the week of 4-11 December."

LA NUEVA PROVINCIA asserts in this regard that "there are those who see a relationship between this new decision-making period and the doubts that have allegedly arisen in military circles about the scope of the commitments that Lieutenant General Galtieri might have taken up during his trip to the United States."

The paper then voices the view that "within the Armed Forces the most prominent development has been the reorganization of commands in the navy."

It underscores in this regard that "it is obvious to observers that there has been a drastic displacement of the people who identified themselves with Massera," pointing out that "at virtually the same time invitations were circulating in Buenos Aires to a dinner at which books by Admirals Massera and Armando Lambruschini are to be made public."

"The dinner will be attended by both former commanders in chief, and Dr Eugenio Pucciarelli, professor emeritus at the University of Buenos Aires, will reportedly be in charge of presenting the books." It goes on to say that the function "is being organized by the Foundation for the Study of Argentine Problems (FEPA), which operates within the framework of the political force that Massera has organized."

The Air Force

Lastly, LA NUEVA PROVINCIA analyzes the situation in the air force, contending that it will disclose its appointments "between the 20th and 25th of this month."

"All reports so far are in agreement," it states, "to the effect that Brigadier Maj Basilio Lami Doro will be taking over as commander."

The local paper says in conclusion that "there is speculation that Brigadier Juan Garcia will take over as chief of staff, that Brigadier Wehber will take up the post of operations commander and that Brigadier Rodolfo Guerra will continue as secretary general."

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IMPLICATIONS FROM REFINANCING BOND REVIEWED

Buenos Aires LA PRENSA in Spanish 26 Nov 81 p 13

[Text] The regime's sanction early this month of the refinancing of businesses, and the subsequent regulation of that refinancing, raise a number of questions about the incident concerning the future dynamics of the financial system and the effects this mechanism will have on the development of interest rates.

According to a study on the origins and distribution of the money supply by the Universidad Argentina de la Empresa, the implementation of the bond at first will temporarily eliminate some of the financial problems plaguing many economic sectors. It will also mitigate the effects that a significant number of financial institutions might feel as a result of not being able to collect their bills past due, some of which are considerable.

However, the above-mentioned refinancing system is in addition to the deposit guarantee system, a means to overcome the difficulties deposits present for bringing down the cost of money. If that mechanism had not been implemented, though, the inability to solve the financial problems of the beneficiary companies might have become a potential element of destabilization in the financial system, even though that could mean a purge of the market, eliminating factors that distorted the cost of money.

Moreover, the immobilization of nearly half the system's credit portfolio, while constituting to a certain extent a sort of increase in the cash reserve, differs from the strict concept of that reserve. In fact, while the position of the minimum cash balance that arises from the reserve requirement varies as a function of the volume of the portfolio of deposits, although it is a fixed coefficient (18 percent) the immobilization of debts constitutes a mobile reserve coefficient to a certain extent, which is implicit as a function of the "adjusted debt refinancing/-portfolio of deposits" ratio. Given that the refinanced debt is adjusted by Circular 1050, to the extent that that index increases in the same proportion as the deposit portfolio, the "implicit" reserve will remain unaltered.

The Spread

If there is an increase in the implicit reserve (growth of Circular 1050 Index greater than increase in deposits), the level of the gross spread of the businesses will be affected in an inverse proportion. The opposite (an increase in

the gross spread) will take place if the level of the implicit reserve drops, or in other words if there is an increase in the deposit portfolio higher than the adjustment of the refinanced debt due to Circular 1050.

Thus, there are two aspects of the implementation of the bond that will influence the cost of money. Given that the spread the financial institutions will receive because of the refinanced debts (9 percent a year) is considerably less than the levels currently observable on the market, the financial institutions will try to recover their total profitability through an increase in the spread of their cash and bank deposits, which will lead to an increase in the rate of assets. Nonetheless, the business refinancing system, by alleviating pressures on the loan market, under the current recessionary conditions will allow this increase in the rate of assets to be limited by the elasticity of credit demand in relation to the cost of money. However, if the demand for credit is reactivated, this policy would have fewer restrictions. Thus, the other element to be taken into consideration in the financial institutions' policy to improve their profitability would be to reduce the "implicit" cash reserve by augmenting the portfolio of deposits above the variation of the Circular 1050 Index. This circumstance would also restrict any sustained decline in interest rates, given that the desire to increase deposits would limit the reduction of the rates compatible with a drop in the rate of inflation.

Financial Situation

The situation on the financial marketplace in the first 2 weeks of November revealed a significant dispersion in the development of the two exchange markets.

This circumstance, according to the analysis by the Universidad Argentina de la Empresa, came about at the end of last month when the Central Bank of the Republic of Argentina ceased regulating the market after several months of indirect control, manifested in an infusion of dollars to meet a growing demand vis a vis a severe shortage of foreign currency even for normal requirements.

In addition, the expansion of monetary resources in early November translated into declines in nominal interest rates, which could imply a greater inclination toward the dollar market, which has become a more profitable investment.

In that sense, we must consider the effect on fixed-term investments of the acceleration of the growth rate of consumer prices (because of meats and public rate adjustments) at the end of November.

In October, moreover, there was a deceleration in the degree of liquidity. That is reflected in the bidding on Treasury Bills, in which the amount offered was much less than what the Treasury needed.

The lower bids were evident particularly in the last 2 weeks of the month, and by the end of the month the situation became so severe that cut rates were raised. This drop in liquidity also resulted in successive increases in the sample rate.

This trend was reversed around the first week of November, in view of the growth of monetary reserves. There was a large supply of funds, and cut rates on bidding for Treasury Bills dropped, while the market rates began their decline.

This greater supply of Treasury Bills could have been brought about to a certain degree with funds left over from call operations, because it would have been cheaper.

Nevertheless, by the end of the second week of November a certain slowing of the decline of rates began to be apparent, the economic authorities having arbitrated those rates in view of the pressure to buy dollars.

With regard to financial investments, furthermore, in October there was a significant recovery for External Bonds, with a yield of 13 percent more than the consumer price index, a reflection of the instability of the foreign sector. The dollar followed in order of importance, yielding a 3.9 percent profit in money-exchange offices.

The stock market also showed positive yields of about 2.5 percent, while fixed-term operations provided a positive alternative of 1 percent.

Gold investments stayed practically the same in relation to the growth of consumer prices; there were some declines on the market, while the old pound and the Elizabeth pound had positive yields.

Adjustable government obligations represented a real negative yield of -3.7 percent because of the deceleration of resources and the rise in interest rates.

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TRADE MINISTER EXPLAINS EXPORT PROMOTIONAL PLAN

Buenos Aires LA PRENSA in Spanish 26 Nov 81 p 14

[Text] The minister of foreign trade and maritime interests, Dr Carlos Garcia Martinez, confirmed that his ministry, at the request of the president of the nation, drew up a program to promote exports, based on a more permanent and organic system, and presupposing major changes in the economy.

The trade minister made these statements to the press at the end of a meeting he had with provincial economics ministers. At that meeting the constitution of the Federal Trade Council was finalized, and matters relating to external and internal trade were discussed.

When asked about the promotional program for exports drawn up by his ministry, he stressed that it is not an economic program but a plan to reactivate Argentina's foreign trade.

He acknowledged that the program was designed at the request of President Viola, and that it is included in the objectives of the Military Junta.

Furthermore, Dr Garcia Martinez pointed out that at present the program is being studied by a commission made up of undersecretaries in this area, later to be sent to the other members of the economic team for final instructions.

Program

The "Program for the Promotion of Exports and Industrial Reconversion" presented by the trade minister to the members of the Military Junta, represents an attempt to create a "great idea-force to bring the country out of its recession, to create major incentives for a significant structural change, and to project the national economy onto the world scene," according to the explanation Carlos Garcia Martinez made on presenting the plan.

The program, which envisions a maximum initial tariff reduction of 25 percent and direct subsidies to the basic industrial sectors, proposes an "adequate and realistic" exchange policy and the imposition of "monetary discipline" to complete the system that modifies the text of 33 laws and 45 decrees regulating economic activity.

The contents of the program were revealed by an official source.

Presented in its original form to President Roberto Viola and the members of the Military Junta before the president's health problems became known, the program is now being studied at the Office of the Army Commander in Chief. A month ago the commander in chief approved the general features of the plan, according to high-ranking sources at the Ministry of Trade.

The government is now undertaking a study of various secret documents numbering some 80 pages in length, the first 11 being a message from Garcia Martinez regarding the objectives of the project.

The complete text of the document was analyzed at a recent meeting of undersecretaries of the five ministries in the economic area, with the coordination of Trade Undersecretary Jorge Caminotti. At the end of that analysis, after acrimonious arguments, it was concluded that the proposal should be complemented with a monetary and fiscal strategy in order to integrate an overall coordinated economic plan.

Garcia Martinez, according to the text of the project, feels that the program he is proposing "will enable us to regain our faith and confidence in the future of the country, also preventing the nation from falling into ultraprotectionist, inflationary and statist policies."

Competitive Economy

The project, which was presented to the other members of the economic cabinet under the title of "an export promotion program," without the annex that sets forth the tariff policy, so as not to damage "susceptibilities" in the Finance Ministry and the Ministry of Industry, promotes "a change in provincial and labor legislation to place the national economy in a position to compete on the world market."

The plan has been endorsed by traditional bankers and leaders (both foreign and national) of the financial system, according to high sources at the Trade Ministry.

The introduction of the program, written by Garcia Martinez himself, sets forth 12 basic objectives, including the achievement of an expansion of exports (regional, agricultural and industrial), "such that they can become a locomotive for the economic development of the country," and "the promotion of a great process of reconversion, modernization and expansion in the so-called basic industries."

The document's declaration of principles adds that "the incorporation of foreign investments must be favored," and "strong growth in the demand for industrial products should be promoted," as well as inducing "a growth in the efficiency of state enterprises."

Garcia Martinez contends that "the massive modernization of the rest of the country's productive structure should be encouraged," to expand the scale and capacity for technological innovation; "transportation, port and communications infrastructures should be developed through stimulating demand;" and "internal economic integration should be stimulated."

The program, which repudiates "tariff barriers or other practices that totally impede growth in the productivity of the economic system," proposes, in order to ensure that the reduction of costs is effectively passed on to the economy, "a tariff reduction of a maximum of 25 percent for all non-subsidized products" from the beginning of the explicit subsidy program, granted to the basic sectors in the amount of $2.33 billion.

Exchange Rate

In addition to promoting an adequate and realistic exchange policy, the plan calls for "an exchange rate without overvaluations or undervaluations" to accompany the tariff system.

To encourage an increase in exports and promote the efficiency of the basic industrial sectors, the program includes the reimbursement of indirect taxes through 10 percent rebates to industrial manufacturers (and regional products) and one of 5 percent for agricultural products.

These tax rebates will take the form of credits on gross income taxes, the social contributions made by employers, taxes on energy and transportation, taxes on official seals and unified internal taxes.

The system, whose technical aspects were drawn up by an institute that functions within the economic cabinet and is not the Central Bank, establishes the application of direct subsidies to the iron and steel, petrochemical, paper and sugar sectors, for a total of $2.33 billion.

This direct government contribution to these sectors, like the tariff program, would be gradually cut back over a period of 5 years. At the end of that period, the direct subsidy would not be eliminated and protection would be equal to zero.

During the first year of the system, the iron and steel industry that produces plate products would receive a subsidy of $359 million, while the firms that produce non-plate products would receive some $364.8 million. Firms that produce non-ferrous materials would receive $175 million.

Inefficiency in Paper Production

The original subsidy envisioned would total $244.9 million for paper production, to which would be added $32 million in contributions to make up for the inefficiency of local newsprint production.

Finally, in the first year the petrochemical industry would receive a state contribution of 157.2 million pesos, and sugar mills would get $300 million.

These funds would be adjudicated by the state to the basic industries--and sugar producers--so that the firms could make up for their deficiencies and sell their products locally at international prices.

The initial cost of the system amounts to $1.63 billion in direct subsidies and some $540 million in tax rebates for exports, as well as $200 million in tariff reductions.

The program is to be financed through the elimination of the rest of reimbursements for exports, which would free $780 million, and through an additional gasoline tax of 40 percent, to bring in some $1.3 billion.

The system suggests the elimination of restrictions on the use of temporary admissionand the expansion of the export pre-financing system. It also proposes that there be no modification of the withholding of the price of fuel, and that there be an increase in the price of gasoline, or that of gasoline, kerosene and gasoil, to raise the Treasury's revenues to be used for financing the system, without causing any damage to Government Oil Deposits (YPF).

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DEFICIT SURPASSES 18 TRILLION PESOS

Buenos Aires LA PRENSA in Spanish 3 Dec 81 p 4

/All figures rounded off to two decimal places/

[Text] The treasury deficit over the first 10 months of the year was 18.17 trillion pesos, as revenues totaled 25.79 trillion and outlays totaled 43.18 trillion pesos. The October deficit was 2.74 trillion.

The deficit has been financed as follows: net use of domestic credit, minus 2.73 trillion; foreign credit, 6.46 trillion; net use of advances, minus 202 11 billion; Central Bank financing, 15.76 trillion; amortization of other debts, 2 42 trillion; unified fund of official accounts, 1.26 trillion; cash movements, minus 285 million; adjustment bonds [bono compensacion], 319.42 billion; debt cancelation documents, 156.84 billion; Law 22,229 advances, minus 12 billion.

Revenues

Budgetary revenue totaled 24.76 trillion pesos, of which 24.71 trillion are current account and 42.04 billion are capital account. Other revenue totaled 247 55 billion pesos

Within current revenues, tax receipts totaled 22.47 trillion pesos, while contributions to the social security system and FONAVI [National Housing Fund] totaled 8.11 trillion.

The following taxes yielded the largest amount of receipts: value added, 9.33 trillion; import duties, 5.69 trillion; fuel taxes, 4.2 trillion; unified internal taxes, 3 31 trillion; profits taxes, 3.19 trillion; business capital tax, 1 59 trillion; stamps, 1 21 trillion.

Expenditures

Of the total aforementioned expenditures, budget outlays amounted to 38.16 trillion, of which current expenditures hit 34.42 trillion while capital outlays totaled 3 74 trillion Other expenditures amounted to 5.12 trillion.

Under current expenditures, operating costs entailed 17.12 trillion; debt interest costs, 240.66 billion; transfers to finance current outlays, 11.13 trillion, and transfers to finance capital outpays, 5.92 trillion.

Allotments to Provinces

A total of 5.21 trillion pesos was distributed to the provinces over the first 10 months of the year. The following provinces received the largest amounts: Chaco, 1.1 trillion; Mendoza, 523.31 billion; San Juan, 515.43 billion; Santa Fe, 289.9 billion; Corrientes, 285.66 billion; Santiago del Estero, 277.72 billion; Formosa, 262.33 billion; Salta, 191.77 billion; Rio Negro, 182.49 billion; Jujuy, 174.12 billion.

Contributions to State-Run Enterprises

Contributions to state-run enterprises totaled 2.72 trillion pesos over the first 10 months of the year.

The largest amounts went to the following enterprises: Argentine Railways, 1.63 trillion pesos; National Mail and Telegraph Enterprise, 335.29 billion; Hierro Patagonico Sierra Grande, 275.92 billion; Argentine Shipping Lines, 268.25 billion; Government Coal Deposits, 59.65 billion; Greater Buenos Aires Electrical Services, 30.5 billion; Government Oil Deposits, 22.91 billion; Bahia Blanca Petrochemicals, 15.68 billion; Channel 7, 8.7 billion; Water and Power, 8.18 billion pesos.

Unpaid Payment Orders

As of last 30 October unpaid payment orders totaled 4.46 trillion pesos, of which 4.09 trillion are for current and capital expenditures, with 367.29 billion for operating expenses.

It bears mentioning that the above figure represents an increase of 2.11 trillion pesos over the total unpaid payment orders as of 30 December 1980.

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CSO: 3010/424

BRIEFS

LESS CORN SOWN--The corn acreage this crop year will reportedly total 3.76 million hectares, a 6 percent decline from the previous farm year. However, it is 12.6 and 1.4 percent more than the average acreages over the past 5 and 10 years respectively, according to information from the National Service of Economy and Rural Sociology of the Ministry of Agriculture and Livestock. The above figures are the result of comparing the current acreage with the 4 million, 3,338,000 and 3,708,120 hectares during the previous crop year and for the last 5 and 10 years respectively. It was also reported that of the current acreage Buenos Aires, Cordoba, Santa Fe, La Pampa, San Luis, Entre Rios and other provinces account for 1,290,000, 916,000, 531,000, 310,000, 277,000, 187,000 and 249,000 hectares respectively. These figures also indicate that the biggest drop in acreage has been in Buenos Aires, where 1.5 million hectares were planted last year. This year's figure thus represents a decline of 240,000 hectares, 6 percent. Following Buenos Aires as provinces with less acreage are Santa Fe, La Pampa and Entre Rios, with declines of 1.8, 8.3 and 24.3 percent. Cordoba and San Luis were the only provinces that boosted their acreages over the previous crop year, posting a rise of more than 61,000 and 17,600 hectares, 7.1 and 6.8 percent respectively. [Text] [Buenos Aires LA PRENSA in Spanish 27 Nov 81 p 7] 8743

CSO: 3010/424

TEIXEIRA CALLS FOR SETTING OF ELECTION DATE

Rio de Janeiro MANCHETE in Portuguese 28 Nov 81 pp 158-159

[Editorial report by Murilo Melo Filho: "The Time Has Come to Turn the Tables, by Voting"]

[Text] "The time is arriving to turn the tables. I swear to all of you that no threat, no bomb, no assault, not even this cursed community of information, none of this will stop me. I swear that I shall take all necessary risks in working for the Brazilian people."

This is how Deputy Miro Teixeira ended his speech at a rally held to launch his candidacy for governor of Rio de Janeiro at the New Brazil Stadium in Madureira. The rally was organized by Deputies Jorge Leite, Jorge Moura and Paulo Cesar and was attended by 20,000 persons in addition to various samba schools, representatives of all the municipal directorates of the PP [People's Party], a number of singers, popular artists, political leaders and the champion, Zico, who signed many autographs. Beginning early in the morning, special buses discharged PP coreligionists and members. Special transportation was supplied by the local people.

Greeted deliriously by those in attendance, Deputy Miro Teixeira, who had been preceded by a number of speakers, entered among the throng and was greatly applauded. Drums sounded in his honor and his entrance was accompanied by the refrain: "He has already won! He has already won!"

"Today the people will speak here. We are leaving behind a political regime which burdened the people with 17 years of sacrifice, 17 years of torture, death and hunger. We are now achieving democracy, and this will end up by bringing the people into power through the vote. This country does not belong to those who, in Brasilia, only take steps against the people. The PP is here to preach unity among the opposition. It is not a matter of an electoral campaign just to serve personal objectives. We are here to utter a cry of unity. From this point on, we shall begin the march which will lead us to the construction of a new country. And we are preaching unity to overcome the economic model made against the people. We want elections; we want to set a date for elections as a conquest of the people, not as a gift of the powerful. For the first time since 1965, the people of Rio will have an opportunity to choose a program of government by the people rather than one chosen by the governor. My proposal is to hold popular assemblies

like this one in all the districts of Rio, in all cities in the state, with or without rain, to hear the people declare their priorities.

"We cannot accept a situation where there are sick people without hospitals. It is not possible for 20 million abandoned children to continue to exist without aid, without food, without a roof over their head. We cannot continue to look on as workers are compressed into the trains of the Central do Brasil. It is no longer possible to deny the Brazilian the right to property, land, his own ground. It is time to turn the tables by voting. It is time to demand employment for workers. The time is arriving to turn the tables to place food in the people's pot. It is time to recognize the rights of women. The unions were sidelined because they began to show the workers what they had been suffering through exploitation."

At another point he said: "The oppressors discovered that they were very big but could not destroy the little people. For we are little; but we are many; we are united and we have the guts to fight. The assaults and bombs in central Rio will not stop our march. The moment of truth is arriving. The moment of retribution is at hand.

"In view of all that, the opposition must unite. We need a leadership movement to sew up unity at the base, convening residents' associations, unions, service clubs and student directorates so that the voice of the people may be heard, so that elitist programs will not emerge and so that power does not end up in the hands of those who are not on the side of the people.

"My candidacy stems from the people, for I am one of the people who knows the difference between hunger and loss of appetite. If I win the election, I shall provide the type of government the people need. And the people want agrarian reform, food, schools for the children, free education at all levels, equitable wages for the workers, better remuneration for public employees, freedom and bread."

Miro Teixeira's speech was frequently interrupted by the audience's applause. At the conclusion, he had great difficulty descending from the podium. Mixing with the crowd, he slowly managed to make his way among them. While the samba schools poured out their latest carnival successes, the candidate made his way to his car which he did not reach until a half hour later. He entered the car with his wife and gave the victory sign with his right hand.

8568
CSO: 8142/0393

DAILY CRITICIZES EXCESSIVE CONGRESSIONAL IMMUNITIES

PY111748 Rio de Janeiro JORNAL DO BRASIL in Portuguese 4 Dec 81 p 10

[Editorial: "A Clash of Excesses"]

[Text] Among those who value the parliamentarian institution, the feeling with which the news of the conviction of Deputy General Tourinho is received is not one of rejoicing. But it is with misgivings that this event is compared with the carefree reaction of the chamber to an earlier decision of the Supreme Federal Court to put another deputy on trial without the permission of the chamber, for the reason that the crime of which he is accused was committed at a time when he was on leave from the chamber and holding an executive post in Goias.

If these two things are placed side by side, or face to face, they become a twofold confirmation of excesses which should be avoided for the good of democracy. If it were possible to make such a regime really workable in Brazil with a minimum of guarantees of stability, they would certainly be banished from our constitutional life, both by the government and by the congress.

As far as the Supreme Federal Court is concerned, there was simply no alternative in the Tourinho case. The counsel for the defence, a prominent professional, did all he could to cover the naked truth with a cloak of fantasy. He himself, recognized by all to be competent and experienced, knows the complete lack of technical or logical consistency of the arguments used to try to convince the Supreme Court of the suitability—which he called historical—of acquitting the congressman, not because of what was found out at the trial, but because of frequent occurrence of acts of terrorism which have repeatedly occurred until the appalling Riocentro disaster, without it having been possible to trace the authors of any of them, much less to sentence anybody for the irreparable damage done. Placed before a jury, the dramatic narrative would have had effect among the laymen of that body. Before a court composed of consummate masters of law the effect had to be what it was: none.

There is no verdict, whether conviction or acquittal, without a trial.

Verdicts or arrests should take place in connection with a trial. In the cases invoked by the defense during Deputy Tourinho's trial there were no trials because of the very fact that no one was indicted in the respective inquests. In the Tourinho case, the evidence of the crime of which he was accused was there, in the prosecutor's indictment. It is a crime against national security to accuse three

high-ranking military officers of executing a terrorist plan, without the remotest possibility of proving the accusation. What the Federal Supreme Court had to do was only to apply the specific law to the reported fact. After this was done, conviction became, of course, inevitable.

This legal incident has become a historical landmark, not because of the arguments used by the lawyer for the defense, but because it has been a test of the ability of the so-called political class to defeat the current transition period so as to make it possible to set up a system within which the executive branch will no longer need tricks such as the systematic resorting to the national security law in order to obtain satisfaction demanded by the honor of the government in view of the aggressions perpetrated from the podiums of both the Chamber of Deputies and the Senate. Deputy Tourinho made the mistake of hurling slanderous accusations at three generals, protected by the accursed tradition of impunity--based on the unreasonable (and undemocratic) habit of refusing to allow the courts the right to criminally prosecute deputies or senators for whatever reason. He did not, of course, expect that the government would resort to the above-mentioned law, a remnant of the authoritarian period, to deal with the unacceptable and hateful problem.

The Tourinho affair can be considered a historical landmark because it could prompt the more enlightened parliamentarians to awaken this institution to the fact that Congress and the executive branch are living in a state of conflict. It will be impossible to set up a true stable democracy in Brazil until this antagonism is replaced by cooperation and balance between these two state branches. This is why the Tourinho affair is drawing the attention of all true supporters of the democratic system, a system which has once again been put to the test by an unrealistic approach and the lack of common sense.

Meanwhile the chamber shows--both at the level of its executive board and among some of its respectable members, unfortunately possessed by the devil of political and legal romanticism--that it is entirely unaware of the serious nature of the situation: it is preparing to voice its battle cry against the Supreme Federal Court (supreme guardian of the constitution) because it disagrees with the latter's decision to try a deputy charged with attempted murder and battery perpetrated against a bus driver while the deputy was not carrying out his duties as such but held an executive post in the government of his home state. The justice committee is stating the following romantic aberration: it is not the duty of the chamber to "assess the nature of the action viewed as criminal," but to defend the immunities which are privileges of the chamber.

This is the very same argument which has been used to support imperial and class privileges, opposed by the principle which states that all are equal before the law. As long as this exaggerated idea of parliamentary immunity subsists, it will be impossible, because it will be useless, to protest the mechanism by which the national security law is being used excessively to deal with crimes against honor. One excess leads to another and the two work with equal strength against democratic normalcy.

CSO: 3001/49

BRIEFS

GUERREIRO ON GOLAN HEIGHTS ANNEXATION--Brasilia, 15 Dec (AFP)--Foreign Minister Ramiro Saraiva Guerreiro today condemned the annexation of the Golan Heights which was approved by the Israeli congress last Monday. The Brazilian foreign minister told the press that the decision was at odds with UN resolutions, and it will increase tensions between Arabs and Israelis. He recalled that the Brazilian Government reiterated on several occasions its position favoring the return of Arab territories occupied by Israel. Finally, the minister stated that the annexation of the Golan Heights will amount to recognizing the validity of belligerent acts as a means of gaining possession of territory. [Text] [PY161346 Paris AFP in Spanish 0412 GMT 16 Dec 81]

GUERREIRO ON RELATIONS WITH ARGENTINA--Rio de Janeiro, 15 Dec (TELAM)--Brazilian Foreign Minister Ramiro Saraiva Guerreiro has stated that the presidential change in Argentina will not affect the good relations between the two countries, which are based on mutual confidence and on a mature approach to the problems. Local press reports mention today a comment by Saraiva Guerreiro, who has expressed his hope that the relations between Argentina and Brazil will continue at the same level because--he said--such relations are guided by the permanent common interests of our two countries. [Text] [PY152124 Buenos Aires TELAM in Spanish 1323 GMT 15 Dec 81]

GUERREIRO ON UN CANDIDATE--Brasilia, 9 Dec (AFP)--Foreign Minister Ramiro Saraiva Guerreiro has said that the Brazilian Government would like to see a representative of the Third World become elected UN secretary general. He said that Brazil has no specific candidates and is not participating in any campaign for this election. According to O ESTADO DE SAO PAULO, Guerreiro said that Brazil would support the Ghana candidate, around whom the African countries are uniting. For Guerreiro, the difficulty lies in getting the support of the five permanent members of the UN Security Council, since a veto by one of them will prevent the election. [Text] [Paris AFP in Spanish 2040 GMT 9 Dec 81]

GUERREIRO ON PEREZ' ELECTION--Brasilia, 11 Dec (AFP)--The Brazilian foreign minister, Ramiro Saraiva Guerreiro, tonight manifested his satisfaction at the designation of Peruvian diplomat Javier Perez de Cuellar as UN secretary general. The chief Brazilain diplomat affirmed in statements to journalists that the Brazilian delegation to the UN has received instructions to support this designation in the UN General Assembly. The Brazilian Government had recently approved the designation of Javier Perez de Cuellar as his country's ambassador to Brazil, but the Peruvian Senate vetoed him, it was recalled here. The Peruvian diplomat served in the Peruvian Embassy in Brazil during 1953-54, and 1959-60, as a secretary and as minister-counselor. [Text] [PY121645 Paris AFP in Spanish 0428 GMT 12 Dec 81]

FLOODS, LANDSLIDES DEATHS--Rio de Janeiro, 13 Dec (AFP)--Some 16 persons died in this city and in various municipalities of Rio de Janeiro State, victims of landslides caused by torrential rains which have fallen on this region during the past 24 hours, it was reported here tonight. The information divulged by the civil defense secretariat added that in the city of Petropolis, 53 km east of Rio de Janeiro, 11 people died when they were buried under the debris of houses destroyed by landslides. In townships neighboring Rio de Janeiro and in various (precarious constructions on the hills of this city) in Rio de Janeiro more than 200 people were left homeless. [Excerpt] [PY141152 Paris AFP in Spanish 0246 GMT 14 Dec 81]

FIRE AT STATE OWNED COMPANY--Rio de Janeiro, 11 Dec (AFP)--It was reported today that about 15 persons, most of them firemen, have been hurt in a fire which is destroying a 23-floor building where the state-owned mineral Rio Doce Vally Company (CVRD) has its headquarters. A spokesman of the fire department said that a fire of unknown nature started at 0500 local time (0800 GMT) in the fifth floor of the building located downtown on the Graca Aranha Avenue and then spread to the other floors. The spokesman said that the fire, despite the efforts made, has not been controlled. He added that several internal walls of the building are already collapsing. This building, in addition to being the CVRD headquarters, also serves as headquarters to several companies of the Brazilian mining sector and the cabinet of the mines and energy minister, Cesar Cals. [Text] [PY111422 Paris AFP in Spanish 1854 GMT 11 Dec 81

CSO: 3001/49

LATEST FIGURES SHOW DECREASE IN UNEMPLOYMENT

Santiago EL MERCURIO in Spanish 12 Nov 81 p B2

[Text] The most recent figures on employment and unemployment released by the National Statistics Institute (INE) show that for the last August-October period, the unemployment rate was 8.2 percent of the work force.

While the percentage is somewhat high, it does reflect an improvement over levels recorded during similar periods of recent years. The unemployment rate, which in July-September 1978 amounted to 14.6 percent — one of the highest since 1978 — steadily dropped in subsequent periods. In July-September 1979, the percentage dropped to 13, then to 10.9 in August-October 1980, and finally, to the 8.2 figure given for the same months of this year.

It should be pointed out that the current recession affecting the world economy has increased unemployment levels considerably, with rates similar to those of Chile seen in most industrialized nations. The latest figures show that the unemployment rate in August was 7.7 percent in France, 9.2 percent in Holland and 8.6 percent in Italy. In September, Canada had an unemployment rate of 8.2 percent and the United States 7.5 percent. In the United Kingdom, that rate reached 11.3 percent of the work force in October.

Growth in Unemployment

The most significant aspect behind the latest employment figures is a clear trend toward moderate growth of the work force, while the number of persons with jobs is growing at a substantially faster rate.

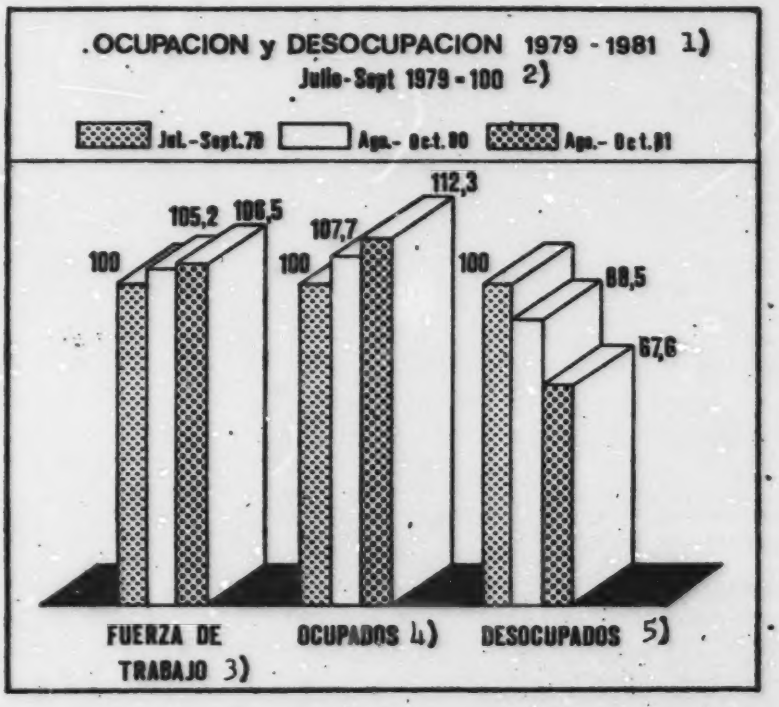
As seen in the graph below, the work force between July-September 1979 and August-October of last year grew 6.5 percent. At the same time, during the same period the number of persons with jobs rose 12.3 percent — a rate almost twice that of the work force — meaning a reduction of 32.4 percent in the number of unemployed persons.

The improvement seen in employment is partially due to the reduction in the cost of work for the employer, which has meant reductions in employers' contributions to benefits ordered in recent years.

Minimum Employment Program (PEM)

It should be noted that the drop in the unemployment rate seen this year is not due to increases in the number of persons included in the Minimum Employment Program.

In fact, the number of workers employed under the program is lower, on the average, in 1981 than in 1980. Figures indicate that in May, there were 23,565 persons included in the program in the metropolitan region, while the figure was 28,119 for the same month of 1980.



Key:

1. Employment and Unemployment 1979-1981
2. July-September 1979 = 100
3. Work Force
4. Employed
5. Unemployed

11,464
CSO: 3010/347

VALDIVIA SHIPYARDS FACE SERIOUS DIFFICULTIES

Santiago EL MERCURIO in Spanish 16 Nov 81 p C9

[Article by Nelson Salazar Monasterio]

[Text] Valdivia--Executives of local enterprises generally feel that the Valdivia shipbuilding industry, which became the most prosperous in the country, is facing the greatest crisis in its history. The current economic measures governing the development of shipbuilding activity in the country, implemented in order to expand the national fleet, and especially the tax category worked out for them, produced a negative effect on the shipyards. They have suddenly had to face a drastic choice: shut down or move into other fields.

Large shipyards in the city have shifted to activities unrelated to shipbuilding, such as the manufacture of metal warehouses, silos, structures, girders for bridges, reservoirs and even agricultural machinery. The launching slips that once sent off the huge vessels built in the yards now accommodate fishing boats or passenger boats for careening.

The Valdivia shipbuilding industry was the most active in the country and employed over 3,000 persons. It now employs a total of a little over 170. The largest vessels being built at Valdivia is a small river ferry. Of the seven shipyards that existed until 1976, there are now only two recognized as such by the Valdivia Maritime Authority.

Financing

For Eberhard Kossmann, head of ASENAV [presumably Shipbuilding Association], the crisis stems from the unequal conditions existing in Chile with respect to boats built by national industries and used vessels that are brought in.

"For the private sector, shipbuilding is now very difficult due to the high costs of financing," he said. "Since Chile has no development programs similar to those of countries such as Brazil, Argentina or Spain with respect to shipbuilding for the national fleet or for export, the possibilities are very limited and the main competitor is the used boat that enters the country with very favorable conditions. They even subsidize sales in exporter countries. They give allowances to owners who renew their fleets by selling their used boats for replacement and construction.

"Of the 45 boats that entered the country over the past 12 months and which were within the size falling within the manufacturing line of the national industry,

only six were built in Chile. All the rest entered with allowances for the price or financing," he added.

Technology

Kossmann said that only advanced technology can provide hope of activity for shipbuilding. Such a condition puts one shipyard in a better position than another. He applies this to ASENAV in pointing out that "our chance lies in the building of very specialized boats using advanced modern technology. Thanks to it, we still have a possibility of surviving. Without it, we would have closed down long ago."

Kossmann believes that the only solution to the critical problem depends directly on the president. "We hope that the measures adopted by the president against subsidized production will include the shipbuilding sector. We do not want subsidies, but rather, good financing. That is the main thing."

In addition, he says, a solution must be considered to the problem of payment of the value-added tax to outfitters for construction in the country. The latter do not pay if they import boats of a larger size.

Immar

Another of the large shipyards that existed in Valdivia was Immar. It once employed 800 persons and vessels of all sizes came from its yards. Today only the shells of its huge sheds and workshops remain. One of its sections was auctioned off to a Valdivia firm made up of Enrique Ribera, Juan Antoine and Ramon Lara, who also sold off his shipyard next to the Calle Calle River.

As Lara explained, the industry started up in April, at a time when metal-machine manufacturing was reemerging. Since that time, the situation has become depressed and the company is going through a serious crisis.

The industry, with a capacity of turning out 500 tons of steel a month, has had no activity except for careening and the repair of smaller boats and the manufacture of agricultural machinery and lumbering equipment. Of the 800 persons once employed, only 25 are now working, all of them specialized, rehired following the total paralysis of the industry.

NAVCO [presumably Shipbuilding Company] still survives, fulfilling the latest construction and repair orders, along with Ricardo Arens, which has been intervened and ordered to meet only pending orders.

11,464
CSO: 3010/347

PRIVATE ENTERPRISE SYSTEM HELPS FISHMEAL INDUSTRY

Santiago EL MERCURIO in Spanish 12 Nov 81 p C7

[Text] Vina del Mar--The economic model chosen by the government of Chile has enabled our country to assume the lead in world production of fishmeal, according to statements made by Roberto Verdugo, undersecretary of fishing, who is participating in the 21st International Conference of Fishmeal Producers being held at the Miramar Hotel.

Felipe Zaldivar, president of CORPESCA (Fish Oil and Meal Producers Corporation), had previously welcome the national and foreign participants in the conference and officials headed by RAdm Raul Lopez Silva, intendant of Region V.

The undersecretary of fishing repeated that "Chile is and will remain a country with a maritime destiny. Our interests as a nation are linked in one way or another to the sea and its resources." He then emphasized the subsidiary role of the government, which means a decrease in public spending. "Once that reduction has been achieved, the government will reduce the high tax burden, leaving more resources for the private sector, which is the sector that invests them and consumes them." He also stressed that the main function of the private sector is to encourage the productive processes that make it possible to improve the material and spiritual welfare of the Chilean people. In referring to the national economy, he defined it as decentralized and seeking effective integration with the international economy for the development of those sectors in our country that have comparative advantages.

He stated that "Chilean prices and costs are related to international prices and costs, which means a reordering of the allocation of productive resources so as to achieve growth on solid bases, without any neglect or artificial stimulation of a given sector."

Verdugo went on to say that the substantial and significant increase in fishing production in recent years fits into the framework of this economic policy that grants no type of exemption or preferential treatment falsely promoting the sector."

He also emphasized the extremely important role played by the International Association of Fishmeal Producers in the fields of production, science and technology.

Main Exporter

Carl Arnesen, president of the international group, congratulated Chilean producers for making this country the leading world exporter of fishmeal.

Through the Association, he said, producers from many countries have learned to work together and face technical and scientific difficulties with greater understanding. He said that improving production methods would be a long-term objective.

The conference is being attended by 125 delegates from 18 countries, observers from the FAO and other world organizations.

11,464
CSO: 3010/347

EDITORIAL NOTES INCREASING SOVIET ROLE IN AREA

PA150225 San Jose LA NACION in Spanish 8 Dec 81 p 14A

[Editorial: "Soviet Support for Nicaragua"]

[Excerpts] German Shlyapnikov, the Soviet ambassador in Managua, has finally broken his silence regarding the Reagan government's charges against the Sandinist junta. He does so at a dramatic moment, when the [Sandinist] commanders have exhausted all diplomatic channels with the democratic countries of the hemisphere and are floundering under an avalanche of facts and proof that condemn them as pro-Soviet and as a bridge for the supply of war materiel to the Salvadoran guerrillas. Shlyapnikov was preceded some days ago by this colleague, the Soviet ambassador to Costa Rica, who had several belligerent statements published in the pages of this very newspaper. The Soviet embassies in the Caribbean are thus taking positions to which they feel they have a right in a part of the American continent where their country has put a foot in the door and has been able to establish its first enclaves. They therefore come out in the press to debate as equals with the Central American and Caribbean people like brothers in an increasingly common destiny in which the country that they represent will have a decisive role to play.

As was to be expected, at the end of a difficult process during which Nicaraguan Marxism-Leninism was tested, Ambassador German Shlyapnikov has solemnly promised support to the Sandinist government in the event that Nicaragua is invaded by the U.S. Government. It was no longer possible to delay this tacit but eloquent recognition of the USSR's paternity of the Sandinist revulution. It is the least that the Moscow government can do: Promise support that it will most likely never deliver, just as it failed to deliver for Castro when the missile crisis with John F. Kennedy's government occurred.

The USSR begins to emerge as a "party" in the Central American and Caribbean conflict; as a power that is "interested" in the area's political problem; as an ally of Cuba and Nicaragua. The two embassies are becoming increasingly belligerent and are taking positions in the press and in political debates. They no longer refute charges of interventionism lodged against Moscow, but openly declare that their country will support Nicaragua against any invasion attempt by the United States.

If, in the light of this new international political picture in Central America and the Caribbean, no changes are made in the concepts and principles of hemispheric coexistence that are thus threatened, and if the unquestionable presence of the USSR in this part of the continent is not taken into account as a new destabilizing factor, then it is more than likely that the days of democracy in Latin America will be numbered.

CSO: 3010/482

U.S. SEEN TRYING TO WEAKEN NONALIGNED MOVEMENT

Havana GRANMA in Spanish 29 Oct 81 p 6

[Article by Joaquin Rivery]

[Text] the United States seems to have openly launched its hysterical and cynical policy of blackmail against the Nonaligned Countries Movement with an attempt to weaken the position of that serious and vigorous international organization of the so-called Third World.

For a long time the United States has been seriously disturbed by the growing influence of the Nonaligned Countries Movement on the world scene and especially in the United Nations, where it has dealt more than one important defeat to the adventurist and hegemonic aggressiveness of the Yankee imperialists.

In view of the growth of this irreversible tendency, the Ronald Reagan administration is resorting to its superiority and to dictatorial methods to try to deter, at least, the course of history.

Last 6 October, Jeane Kirkpatrick, the reactionary U.S. ambassador to the UN, sent to 61 ambassadors from the nonaligned countries to the highest world organization, an insolent letter, full of lies, in which she tried to tell their governments what position they should adopt, within the Nonaligned Countries Movement, with respect to the United States.

The Reagan-like diplomat practically demanded that the recipients of the letter explain why they supported a declaration by a meeting of the movement's foreign ministers at UN headquarters on 28 September in which they condemned Washington for its aggressive, subversive and destabilizing policy toward certain nonaligned countries.

Specifically, Mrs Kirkpatrick showed her annoyance with that part of the foreign ministers' statement censuring the American attack on Libya and its attempts to destabilize Grenada and Nicaragua, although she also complained about other criticisms of her government.

The letter characterized as "vile attacks" the simple enumeration of cases about which there is not the slightest doubt and indicated to each of the ambassadors that "in fact, Your Excellency, I believe that you do not even believe these vicious lies, just as I do not believe they are a precise reflection of your government's point of view. However, what can we think when your government supports such accusations, because that is what you have done in not separating yourself from them."

After that bit of insolence, quite openly insinuating that each of the governments should change its political position, Jeane Kirkpatrick demanded a reply to her letter: "Convinced that this communication does not represent your opinions, I would very much appreciate hearing from you with respect to the same." Of course, there was no lack of attacks on Cuba and the Soviet Union. The letter contained such stupid statements as that our country is not nonaligned and this it is too bad the USSR was not attacked, and then a gigantic falsehood: That the United States "is not invading or occupying any country, nor does it denigrate the independence of any country."

What, then, can one say about the Dominican Republic or Vietnam? Were they not cases of invasion and occupation? Does the United States not denigrate the independence of the Palestinians, Nicaraguans, Grenadans, Salvadorans, Angolans and Namibians by encouraging subversive groups, denying rights and economically attacking those peoples?

It seems as though Kirkpatrick and Reagan have not read, nor are they acquainted with, the long history of misdeeds of all kinds perpetrated by Yankee imperialism on all continents.

But the attack against the Nonaligned Countries Movement by the tactic of addressing the individual countries was not confined to the letter fromthe sinister ambassador.

On 24 October the U.S. Senate approved a resolution recommending to President Reagan that he consider, in deciding to grant aid to a nonaligned country, whether or not that country approved the 28 September statement by the foreign ministers.

This attitude cannot be seen as directed solely at blackmailing those who had something to do with a specific document; rather it is a cynical and ponderous weapon of major scope: To try to undermine the unity of the Nonaligned Countries Movement, to damage its efficacy through the purchase of one or another of the governments, and to undercut its anti-imperialist position. In the end, this is nothing more than applying the theory of using food "aid" as an instrument of Yankee foreign policy.

Both things--the letter and the resolution--are intended to try to achieve with fascist brutality what the United States has not been able to do by any other means in 20 years.

The Nonaligned Countries Movement is sticking to its principles and is a standard-bearer in the struggle for the establishment of a new, equitable and just international economic order; it is fighting tenaciously against the arms race, for peace, detente and peaceful coexistence.

Those principles are a barrier to the Yankee imperialist policy and for that reason the movement is a thorn in the side of the American fascistoids. That is the root of their hatred of the movement and of their divisive and authoritarian attitude.

8735
CSO: 3010/303

FMC EXPRESSES WILLINGNESS TO DEFEND REVOLUTION

Havana GRANMA in Spanish 29 Oct 81 p 1

[Declaration of Cuban Women's Federation]

[Text] With their decision to defend the socialist fatherland to the very end of their lives, the women of Cuba have demonstrated their support for their commander in chief's stirring remarks at the close of the Second Congress of the Committees for the Defense of the Revolution [CDR].

We are willing to confront the imperialist attacks, whatever they may be, calmly and with dignity, and to preserve the victories of our people and the present and future of our children.

We are aware of the seriousness of the international situation, of the effects of capitalism's economic crisis; we know that the fascist threat is hanging over humanity and that imperialist hatred of our people is without limits. To these realities we reiterate with deep pride our support for the brave words of our commander in chief, for each of his statements. We will never surrender any of our principles!

No matter what hardships we must accept, no matter what sacrifices we must face, nothing and no one will make us retreat a single step; we trust in our party, and under Fidel's firm leadership we will continue forward, fighting the enemy without quarter.

We stand ready to fight, in any circumstances. The warm enthusiasm of the marches of the fighting people, of the heroic history of this people which can never be defeated, beats in our hearts. Yes, we will live for our revolution, or we will die along with it.

Every Cuban woman--peasant, worker, professional, intellectual, student, housewife--every Cuban woman will make of her home, or her work or study center a trench in defense of the revolution. Like the Mambis, like the guerrilla women of the Sierra and the underground fighters, we will fight the enemy to victory. Take up your burden, women of Cuba, in saving, production and defense, cornerstones of the socialist fatherland.

Long live our revolution!
Long live our party!
Long live Fidel!
Commander in chief, give the command!

8735
CSO: 3010/303

DOMESTIC TRADE OFFICIAL DISCUSSES NEW EATING SYSTEM

Havana JUVENTUD REBELDE in Spanish 27 Oct 81 p 2

[Interview with Jorge Luis Valenzuela, director of the Department of Public Eating Facilities, by Ivon Chong; date and place not given]

[text] To respond to a question as to why all the workers' eating facilities are not placed under the Optional Eating System, JUVENTUD REBELDE interviewed Jorge Luis Valenzuela, director of the Department of Public Eating Facilities, Ministry of Domestic Trade.

"As statedin the document issued on the subject by the Cuban Communist Party [PCC] Politburo, implementation of the Optional Eating System is the priority of the following sectors of the economy: Agriculture--but not the sugarcane sector, construction, light industry, food and transportation (specifically ports), and SIME [Iron and Steelworking Industry]," the leader began.

"To date," Valenzuela continued, "there are 1,110 worker restaurants under this system, which benefits 129,700 workers throughout the country. By the end of this year, it is hoped to have 2,000 facilities, taking into consideration the program which has been set up."

As to why the system does not apply to all the restaurants involved, Valenzuela replied that "at this time the available human and material resources must be directed to the priority centers to comply with the party leadership's agreements.

"To implement the program," he said, "we must first study the establishment, evaluate whether or not it meets the required technical conditions, and then train the personnel working there with a view to good service; finally they are given the documents, recipe manual and price list, along with the necessary authorization.

"The foregoing requires the entire group to direct its attention at this time to priority activities, to satisfying the mealtime needs of the workers who are directly involved in production.

"When that team realizes its goal of 2,000 restaurants under the plan, then it will undertake to extend it to other sectors which are equally important; it is hoped that within the 5-year period, all 10,000 restaurants in the country will be under this system.

"The Departments of Public Eating Facilities in the Directorates of Restaurants in the Provincial People's Governments are responsible for this activity, and Villa Clara, Matanzas, Santiago de Cuba and Camaguey have done the best work in this area. In the City of Hanava, because of its peculiar characteristics, the process has gone more slowly."

With respect to how the plan is working, Valenzuela responded that "it is the first organization measure to be applied in the country's workers cafeterias with very positive results, since with the same resources and without any type of investment, there has been an increase in food consumption by the workers, and the rate of waste has been reduced.

"Wherever the system is sued, an obvious syaving in raw materials has been noted; thus there is better utilization of resources as the result of better planning; fewer meals are thrown out because the cooks know the day before how much food to prepare.

"The consumers select the menu they wish, according to their taste. They eat what they really want and not whatever is given to them, as was the traditional method."

Another important thing to be emphasized, Valenzuela added, is a saving of labor for the cook, who must prepare more dishes, thus getting away from the daily routine; his function again has the value and prestige it once enjoyed in society.

Asked about prospects for implementing the system in school cafeterias, he answered that pilot programs are being tried out in some centers which have their own kitchens, but this is quie difficult, since the students do not take a balanced diet into consideration, but rather choose the dishes they prefer, without hinking of the importance of eating foods from the various groups.

"For our department, the most pressing thing with regard to students is to solve the problems in the cafeterias: Chiefly, adequate transportation of those who consume the meals and particularly better utilization of available technology; to see that facilities are improved in the student sector and that the food is of better quality, so that children and youth may receive, at their centers, a more varied menu and one which is more to their taste."

8735
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COMPOSITION OF YOUTH TECHNICAL BRIGADES NOTED

Havana JUVENTUD TECNICA in Spanish Aug 81 pp 44-45

[Article by Mercedes Labrada, Department of Scientific-Technical Activities, UJC National Committee: "Organizational Forms of the BTJ"]

> [Text] The current 5-year period opens up new perspectives for work, and therefore the possibility of greater successes for the activity of the Youth Technical Brigades [BTJ]. This involves transforming some of the organizational forms to bring them into conformity with the changes that have taken place in the economic and social activities of the nation.

The Fourth National Conference of the Youth Technical Brigades, held in 1979, adopted a number of decisions concerning the need for the brigades to establish mechanisms and organizational procedures for developing their work in accordance with its specific objectives and content.

In its analysis of these problems, the conference established that the BTJ do not constitute a rank-and-file committee of the UJC [Union of Young Communists] and that their style of work must therefore be individualized.

The conference also evaluated the performance of the UJC during the most recent period, emphasizing the urgency of intensifying all their organizational activity on the basis of an enrichment of the content of specific tasks.

Labor Agreements

These agreements are established by mutual agreement between the brigades and the respective administrations, and specify the tasks that must be carried out in support of the economic activity in the fields of production, services and education; activities in respect to advanced vocational and technical training; activities in respect to publishing; utilization of foreign technical advisers; studies to be submitted to the competitions sponsored by the National Council; and other studies in which the administration participates in one form or another.

It is very important that these agreements specify in a clear and concrete manner what is going to be done; within what period of time; who is going to do it; and the periods of control and inspection. Moreover, there must be a clear definition

of the obligations of the BTJ and the administration in respect to fulfillment by each party of the agreed-upon tasks. The agreements also contain an open-end clause which will make it possible to incorporate new figures pursuant to mutual agreement.

In the course of visits made to more than 60 brigades in the provinces of Pinar del Rio, Villa Clara and Holguin it was discovered that the agreements are very general in nature and that the guidelines which should be followed are not set forth correctly. Important undertakings in support of the economic effort, however, are being carried out in the collectives visited, although in other cases these activities are not covered in the agreements.

Youth Technical Teams

To carry out the tasks agreed upon, each brigade shall organize its members into youth technical collectives, or teams, organized in such a way that they can undertake their tasks on the basis of their knowledge, experience, involvement with the problem at hand, and so forth.

These teams, or collectives, are not permanent in character and are disbanded once the task is completed.

Annual Schedule

The schedule sets forth the tasks which the brigade is to carry out and which for their execution require the presence of all the members. These tasks comprise, among others, the drafting of the agreement itself; the meetings; the competition for the "Architect of the Future" seal; the preevaluations of the individual and collective emulation; and the Annual Conference.

The agreement and the schedules jointly replace the annual and monthly plans of the brigades and by virtue of their individual characteristics have other objectives that are differentiated from those of the plan, hence the need for these characteristics to maintain their individuality.

Annual Conference

One of the basic objectives of the annual conference is to evaluate the current status of fulfillment of the tasks which the BTJ have undertaken to carry out, with emphasis on the agreements designed to enhance performance in the various sectors of their work.

The conference will also analyze the status of fulfillment of the labor agreements established with the administration, and will propose concrete measures designed to assist in carrying out these agreements efficiently and also to perfect the agreements that will be established in the future.

There will likewise be an exchange of experiences with respect to the results of the creative activity of the brigade members during the year or period in question, and an analysis of the problems relative to the practical application of these results in the corresponding center.

Also in the course of the annual conference, the president and vice president of the brigade shall be elected or confirmed in an open and public election, in both cases by a simple majority of votes cast.

"Balance Sheet" Processes Replaced

The annual conferences of the BTJ will stimulate young people to obtain positive results in their creative activity, including those who are nominated for the "Architect of the Future" seal, and will make the final evaluation for the "Standard Bearers of the Technical Revolution" collective emulation.

The new agreement will also be signed, following the "scientific-technical days" or other activities.

It is recommended that invitations be extended to the administrative entities, the PCC [Communist Party of Cuba] and CDR [Committees for the Defense of the Revolution], and also the entities that work in cooperation with the BTJ.

This activity replaces the balance sheet and election procedures that were followed previously.

Change of Structure

The administrative structure of the brigades has been changed to bring it into conformity with these changes that are taking place in the organizational activity of the BTJ. The new administrative structure is as follows:

1. A president.

2. A vice president.

3. Other members--as determined by each brigade--who shall each be responsible individually for one important task of the annual plan such as the construction of replacement parts that are in short supply; assistance to the "circles of interest" and the work of foreign technical advisers; and so forth.

10992
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NEED FOR QUALITY CONTROL IN WORK EXPLAINED

Havana JUVENTUD TECNICA in Spanish Aug 81 pp 32-33

[Article by Rosario Fernandez Jaimerena of the Publications Bureau, CEN (State Committee for Standardization): "Why Quality Control?"]

[Text] On many occasions our Revolutionary Government and our party have urged the workers to improve the quality of the performance of their services, for quality work is an indispensable condition of economic progress and the basic prerequisite for the creation of more goods to satisfy the growing needs of the population.

Our aim, with this article, is to broaden and (why not?) to clarify the current concepts of quality and its control, for the success of a product or a service depends on quality control.

We have heard a lot of talk about quality, for the subject is debated often. Sometimes--to illustrate the concept in question--we cite the good reputation of a particular brand, or the advantages we derive from a particular product. We all, in fact, know, sense and have taken to heart the concept of quality, as that feeling of satisfaction which the characteristics of a given product or service arouse in the consumers--characteristics that may relate to the appearance, durability, safety or convenience that the product is able to provide, and so forth.

Quality means all this and something more. It is "the complex of characteristics of the products or services which determine the ability of these products or services to satisfy the requirements of the use or application for which they were intended."

In order for a finished article to have the required quality we must investigate and study the process of its manufacture--a process that is composed of men, machines and materials. The fact is that in order to achieve consistent quality, good intentions and the desire to be more productive are not enough; it is also necessary to understand the definitive technical norms, those documents in which the quality of a product or service is concisely specified and planned.

It is essential that there be no variation in the characteristics of the raw materials; that there be no fluctuations in the degree of training of the personnel operating the machinery; and also, that strict vigilance be maintained, at each step of the process, over compliance with technological discipline--all of which will redound to the benefit of the final quality of the product. Do you know how this is achieved? Through quality control.

Quality control is the complex of activities that are designed to ensure the quality of products by reducing the number of irregularities that may occur in a given production process and maintaining that quality within the parameters set forth in the technical standardization documents.

This is not just a problem of modern times; it has been a continuing imperative of the production processes.

Until late in the 19th century, quality control was exercised by the worker himself. This circumstance was due to the fact that generally speaking the worker had the responsibility for the entire process of manufacturing the product.

By the dawn of the 20th century this activity was becoming more complex. The modern factories began to group their workers in accordance with the similarity of their tasks; in other words, production was becoming specialized and more complex.

The current concept of quality control embraces all the stages through which the product passes, from the design and discussion of the product to its acceptance by the consumer. The exercise of this control--which is directed toward ensuring quality in each of the links of the complex production chain--is what we call "total quality control."

In addition to the inspection of the raw materials, products in the course of production, and finished products, quality control involves--and coordinates its activity with--other production fronts such as technology; instrumentation; the supply of materials; costs; and so forth. In the process of manufacturing shoes, for example, quality control is present all the way from the strength tests of the leather and the measurement of the viscosity of the adhesive to the separation test of the soles of the finished shoe. All this is done without obviating the control which is exercised in the design stage; it is, in other words, a verification of that initial control against the technological documentation employed.

The exercise of quality control has a direct effect on productivity, in that the quantity of suitable products is increased. The degree of satisfaction of the basic necessities is increased without involving any increase in the consumption of raw materials, in the size of the labor force or in the tempo of production. Moreover, increasing the life of an article results in a better utilization of resources and social productivity.

The role of quality control is not one of counting--at the end of each production run--the defective articles and discarding them. Modern technological processes are on an extraordinarily massive scale; they consequently require a mechanism that is capable of giving a warning when something is not going right and simultaneously correcting the anomaly in question. This is the preventive aspect of quality control.

Within the framework of the steps being taken to establish in our country the National System of Standardization, Weights and Measures and Quality Control (SNNMCC), quality control is accordingly one of the basic links in this chain, inasmuch as it becomes in effect a means of strengthening the system itself; moreover, this control is the mechanism whereby the quality of the product is evaluated and certified.

It should be emphasized that standardization, and the precision measurements that are essential in each process, are also essential to the attainment of a high level of quality. In fact, these three disciplines interact simultaneously.

All that has been stated above, however, is not sufficient to enable a production process, or a provision of services, to be rated as being of good quality; it is also necessary that there be developed--in each worker, in each cadre--a broad and profound awareness of the significance of this question. Only in this way will quality be a tangible reality that will enable us to carry out economic development--the indispensable foundation for the construction of a socialist society.

10992
CSO: 3010/373

BRIEFS

BOMB EXPLOSION IN NICARAGUAN PLANE--Mexico City, 12 Dec (NOTIMEX)--An explosion occurred this morning on board a 727 jet with the following registration: YN-BXW. The jet, which belongs to the Aeronica Airlines of Nicaragua, was standing on the apron at Mexico City's international airport. Three persons suffered burns and two more were overcome by the smoke. According to the preliminary investigations carried out by the airport authorities, the National Security Directorate and the police of the Banking Sector [Policia Bancaria], the explosion was caused by an explosive device that had been placed in one of the suitcases. When the device went off it destroyed a third of the seats in the back of the aircraft. According to remarks made by the crew members, the aircraft had delayed its takeoff and that they would have been 50 minutes out of Mexico City flying over Salvadoran territory with 117 passengers on board if the plane had not been delayed. The Nicaraguan ambassador to Mexico, Also Diaz Lacayo, arrived at the airport 15 minutes after the explosion to inspect the damage caused by the explosion. Visibly angry, he refused to make any type of statement. [Excerpt] [FL141230 Mexico City NOTIMEX in Spanish 2205 GMT 12 Dec 81]

NICARAGUANS ARRIVE TO STUDY PLANE--Mexico City, 13 Dec (NOTIMEX)--It has been reported from Mexico City's international airport that high ranking officials from the Nicaraguan Transport Ministry arrived in Mexico today to study the causes of the explosion that occurred yesterday in a Nicaraguan aircraft. Aeronica, Nicaraguan Airline (Lanica) belonging to Anastasio Somoza Debayle, this new airline began operating 30 days ago with only one Boeing 727 jet. [as received] The Nicaraguan enterprises reported this morning that due to the repairs that have to be carried out, the aircraft will not be able to operate for 15 days. All passengers for Managua will have to make reservations with other airlines. The attorney general's office and the General Directorate of Civil Aeronautics will release the results of the investigation that is being made to determine the cause of the explosion. Five persons were injured and an estimate of the damage has not yet been completed. [Text] [FL141330 Mexico City NOTIMEX in Spanish 1950 GMT 13 Dec 81]

CSO: 3010/480

ECONOMIC COOPERATION WITH CENTRAL AMERICA

Caracas EL DIARIO in Spanish 23 Oct 81 p 8

[Article by Arturo Castro: "Loans Linked to Central American Conflicts"]

[Text] International cooperation among nations, be they rich or poor, is an increasingly inevitable fact of life. There are various forms of cooperation, from the ones outlined at international organizations such as the UN, OPEC and others, to the bilateral pacts that individual countries hammer out.

The world's sociopolitical and economic evolution has shown that cooperation among nations, regardless of the humanitarian motivations involved, has almost always been marked by interests that are part of what has come to be called geopolitics, whereby each country, whether large or small, tries to maintain a certain area of influence that will enable it to keep neighboring nations, especially the developing countries, at a similar political and economic level to its own, while the major powers try to preserve their influence at the hemispheric and extracontinental level.

With these considerations in mind, Venezuela over the years has broadened its influence on the continent, especially in Central America, the Caribbean and the Andean region. There are various reasons for this. On the one hand, the country's enormous energy resources have made it one of the main suppliers of oil to the region, which, in general, does not have as much energy as it needs. On the other, Venezuela's almost 25 years of democracy have given the country a continentwide prestige; therefore, the region listens seriously to what Venezuela has to say, and various nations have turned to it for economic and political aid. Venezuela has not wasted opportunities to broaden its influence.. The previous administration took an active role in Panama's struggle to win back its canal and supported the Sandinists who overthrew Anastasio Somoza in Nicaragua. Today, the situation is no different. Central America is a region in ferment. Nicaragua, El Salvador, Honduras, Guatemala and now Belize are struggling for economic and political stability, and Venezuelan cooperation has gone out to them, as well as to the rest of Central America and the Caribbean.

Venezuela provides a variety of aid to Central America, ranging from the training of nurses to energy cooperation programs and support for agriculture, livestock raising, industry and the development of social infrastructures in various countries. EL DIARIO ECONOMICO has tried to determine the extent of Venezuelan

cooperation in the area, in what fields it has been provided and how it compares with the cooperation lent to the region in the past.

Central America as an Investment Target

Guatemala is the Central American country that has requested the most Venezuelan economic assistance. In December 1974, the countries signed a cooperation agreement totaling 563,770,000 bolivars, almost all of which had been delivered by September 1980, with 449,870,000 bolivars converted into a long-term loan. In August 1981, Venezuela and Guatemala signed another cooperation agreement under which the Central American nation was furnished 124,490,000 bolivars. This brought total loans to Guatemala to 688,260,000 bolivars, and this figure is expected to rise by another 124,490,000 bolivars when a third cooperation pact is signed.

The loans were requested to move ahead with work on the Chixoy I, Aguacapa and Chixoy II hydroelectric plants, which are going to cost close to 450 million bolivars. Another hydroelectric project is the Pueblo Viejo powerplant, which the Venezuelan Trust Fund of the Inter-American Development Bank is financing to the tune of $35 million. OPEC has also concluded a $1.75 billion loan program with a payback period of 25 years. In addition, the two countries have signed cooperation agreements in connection with the oil development going on in Guatemala.

The Central American country receiving the second largest amount of Venezuelan aid is Panama, with which two cooperation agreements have been signed, with a third under study. The first agreement was signed in December 1974 in the amount of 463,390,000 bolivars, $346 million dollars of which was converted into a loan. A second cooperation agreement, totaling 193,100,000 bolivars, was signed in July 1981, and a third agreement, estimated at 197,760,000 bolivars, is on tap. With the proceeds from these loans Panama will finance the Bayamo I and II hydroelectric projects,the La Fortuna hydroelectric powerplant, the construction of the Tocumen International Airport, the Vacamonte fishing port and several agricultural and livestock development programs. In addition, the Venezuelan Trust Fund, part of the Latin American Development Bank, lent Panama $30 million to complete the La Fortuna Hydroelectric Plant.

In third place is El Salvador, which under the first cooperation agreement received 450,870,000 bolivars to finance hydroelectric and sugar projects there. A second agreement was later signed under which El Salvador received 120,540,000 bolivars, and a third pact is scheduled to be signed for a total of 131,840,000 bolivars. The Venezuelan Trust Fund, for its part, lent El Salvador $33 million for hydroelectric development.

Under bilateral agreements with El Salvador, the Venezuelan Central Bank has deposited close to $30 million there in fixed-term accounts to help resolve the nation's balance of payments deficit and liquidity problems. El Salvador also received an OPEC deposit of $1.75 billion in 1977 to offset its balance of payments deficit. As far as exports to El Salvador are concerned, in July of this year Finexpo approved a $1 million line of credit for the Salvadorans.

Nicaragua began receiving major amounts of aid for its reconstruction immediately after the conclusion of the war that brought the overthrow of the Somoza dynasty. A cooperation agreement was signed in 1981 for 108,230,000 bolivars, on top of the 306,910,000 bolivars that had been granted the country in 1974. A scheduled third cooperation agreement will provide Nicaragua a 115,360,000 bolivar loan. For its part, the Venezuelan Trust Fund has given Nicaragua $45 million in the form of industrial loans and long-term convertible deposits. In addition, under a bilateral program the Venezuelan Central Bank has provided the Sandinist republic with a total of $40 million, while OPEC has granted a $20 million loan payable in 15 years at an interest rate of 4 percent over 10 years. The cooperation being provided Nicaragua is much more extensive if we include the large-scale technical, cultural and energy advisory assistance that the nation has been receiving in recent years.

Cooperation agreements with Costa Rica have also entailed a major transfer of money. The initial agreement furnished 351,595,000 bolivars, which was used for hydroelectric, agricultural and livestock development and the construction of the Juan Santa Marta Airport, fishing ports and roads. Under a second cooperation agreement, Venezuela lent Costa Rica 115 million bolivars, and a scheduled third agreement entails an outlay of 123 million bolivars. Through the IDB Venezuela gave Costa Rica $33 million for an industrial fishing development project and the construction of the Corobici Hydroelectric Powerplant. Under a bilateral program the Venezuelan Central Bank deposited $70 million in Costa Rica and granted a $20 million loan to help Costa Rica's balance of payments. OPEC lent the country $3 million for the Siquirres highway development.

In last place is Honduras, which under the first cooperation agreement got 386,240,000 bolivars for the development of forestry programs and the construction of Puerto Castillo. Under a second agreement, Honduras received 88,760,000 bolivars, and a third pact is expected to total 99 million bolivars. Twenty-five million dollars was transferred to Honduras through the Venezuelan Trust Fund for the Olancho industrial project; $15 million for the Piedras Azules cement plant; $5 million for the development of the Plama Africana, and $500,000 for export financing. In addition, the Venezuelan Central Bank transferred $4 million to Honduras to finance the country's balance of payments, and OPEC provided $6 million for hydroelectric projects and the balance of payments.

Major Interests in Central America

Venezuela's exposure in Central America currently exceeds $8 billion, all of which is long term. Because of their major economic crisis, the countries of Central America, in spite of their current indebtedness, must continue to take out loans to meet their basic needs, and the country with the greatest lending capability is Venezuela.

The largest amounts of loans were granted in 1974, when Venezuela was in the midst of the oil boom on the energy market. In any case, the nation's interests in the area have grown considerably, and Venezuela is extremely important for the region's political and economic future, inasmuch as its loans are earmarked for a zone marked by political and social instability.

8743
CSO: 3010/438

PLANS FOR IRON, STEEL, PETROCHEMICAL INDUSTRIES DISCLOSED

Caracas EL DIARIO in Spanish 23 Oct 81 p 20

[Article by Susana Pezzano]

[Text] Goals for the iron and steel industry call for the production of 9 million tons of steel in 9 years time. Hopes are centered on the fourth plan of the state-run enterprise SIDOR [Orinoco Iron and Steelworks], which will boost output of steel billets from 1.2 to 2.8 million, according to plans for 1983.

Skepticism has taken hold of even its directors, in light of the financial crisis facing the enterprise, which is losing more than $250 million a year and looking at heavy expenses in the near term.

The Acelcar plant is also scheduled to start up in 1983. It will have a production capacity of 480,000 tons of liquid steel, which will put Venezuela in a vanguard position in the Andean Pact.

Far from the Ciudad Guayana enclave, the Zulia Development Corporation (in the northeastern corner of the country) is spurring on the Zulia coal and steel project, which is based on the development of three mines from which 4.5 million tons of coal are scheduled to be extracted within 11 years.

The ancillary iron and steel program aims at the production of 1.2 million tons of steel a year by the end of the 5-year period, making a total of 5 million tons earmarked for domestic consumption.

There have been delays in both programs, however, due to financial difficulties. Estimates are that each second of delay costs Venezuela $13.

The third pillar of the country's future development is the petrochemical industry, a sector that emerged in the mid-1950's and has just now begun to yield gratifying results after 25 years of financial losses.

Its 1980 sales were triple those of 1978, rising from $62.5 to $198 million. Industry directors attribute this to the reorganization of plants, which culminated with the creation of Pequiven as a subsidiary of the state-run holding company Petroven.

The high density polyethylene plant is scheduled to go on line in 1982; it will be able to produce 60,000 tons a year by utilizing the country's natural gas reserves and oil refining capacity.

Our hydroelectric potential ranges from 25,000 to 45,000 megawatts, according to the latest statistics from the National Energy Council.

The use of water power in the electricity industry will continue to be a priority until the end of this decade.

8743
CSO: 3010/438

MEP, MIR RECOGNIZE LEFTIST INDEPENDENT MOVEMENT

Caracas ULTIMAS NOTICIAS in Spanish 29 Oct 81 p 8

[Text] Last weekend, the Pro-Unity Leftist Independent Movement, which is coordinated by Antonio Jose Herrera Oropeza, Trino Alcides Diaz, Yolanda Jaimes, Oscar Viloria, J.R. Nunez Tenorio and Anibal Nazoa, in the family residence of Oropeza, met with the secretary general of the MEP [People's Electoral Movement], the former candidate for the presidency of the republic, Jesus Angel Paz Galarraga, and the primary presidential candidate of the MIR [Movement of the Revolutionary Left], Deputy Moises Moleiro.

The meeting was attended by a qualified representation of the group of leftist personalities without party activism, including economist and parliamentarian Domingo F. Maza Zabal; author and university professor Elio Gomez Grillo; Carmelo Chillidas, deputy rector of the Central University of Venezuela [UCV]; Ildefonso Pla Sentis, secretary of the university; sociologist and criminal lawyer Rosa del Olmo; popular singer Ali Primera; author and newsman Juan Paez Avila, present director of the UCV School of Social Communication; retired Gen Francisco Gutierrez; university professor Chela Vargas de Nunez; and attorney and former national leader of the URD [Democratic Republican Union], Narcico Romero.

The meeting began with remarks by Dr Antonio Jose Herrera who, on behalf of the independents, thanked Paz Galarraga and Moises Moleiro for the stimulating words of praise with which the political leaders referred to the Pro-Unity Leftist Independent Movement in the letter by means of which the Coordinating Committee requested a meeting with the group. Herrera said, "It was also an honor for the leftist independents to have a meeting with the top leaders of those political parties, as we were impressed by the sentiments and efforts both organizations had exhibited with respect to unity of the left." Herrera concluded by transmitting three messages addressed to the secretaries general of the MEP and MIR by Dr Rafael Pizani, author Miguel Otero Silva and Dr Joaquin Gabaldon Marquez.

Paz Galarraga

Dr Jesus Angel Paz Galarraga began his presentation by giving an account of the unification processes which had taken place within the Venezuelan left in the last 15 years. He added that in spite the relative lack of success of those processes he wanted to give warning that such processes were totally different from the one initiated in 1979 in connection with the first separate municipal elections which have been held in Venezuela since 1959. "As a matter of fact," he emphasized,

"when we entered the stage of selecting a sole candidate through the process of primary elections with prior registration, we already had had the advantage of the 1979 unification experience." The doctor from Zulia concluded by saying that total unity of the left was possible and necessary and that to accomplish this the independents had to intensify their unification efforts. "In practice," he said, "you can become more effective weapons to fight any antiunity factor which may arise in the immediate future."

Moises Moleiro

The fourth primary candidate of the left and up until a short time ago MIR secretary general began his remarks by subscribing to the positions taken by Paz Galarraga. He said, "Dr Paz was right when he said that this time the process of unification is different from all past experiences. In the first place, the unity which we are now building is the product of a popular feeling which was manifested in the municipal elections. In the second place, this time unity is being accomplished on the left; and it is unlikely that any party will be able to resort to the expedient used by Villalba to divide the New Force because if it does so it will cease being of the left. However, unity is not easy; not only must it be maintained but it must also be made more profound. Therefore, it is very important to have the active presence of the independents in the political life of the left."

The Independents

Finally, dialogue was begun with the independent representatives present during which subjects were covered such as antiunity factors, the government program of the victorious candidate in the primary elections and the sectoring of the Coordinating Committee of the Left by regional subject matter and areas. The meeting ended with a report presented by the independents on the meetings which will be held with other leftist primary candidates and parties and the activities they have programmed for November and January.

8143
CSO: 3010/412

BRIEFS

PEREZ MEETS COMANDANTE CERO--Carlos Andres Perez says that efforts are being made to isolate Nicaragua with a view to bringing it to totalitarianism and issued a warning that in the face of this circumstance the Nicaraguans should be careful not to fall into the trap. CAP said that he feels some concern over the course which the Sandinist Revolution may take in Nicaragua. "Of course, we have to express our thoughts and concern, using as the basis for our charges the harassment of which the Sandinist Revolution is being made the victim." The former president has a premonition that there is a grand plan: not permitting or contributing to the development of a pluralist government, a new democracy, in Nicaragua "but rather they propose to demonstrate that this nation is communist." According to CAP, this isolation is aimed toward the radicalization of the Sandinist movement. "Our fear is that the Nicaraguans will fall into the trap being laid for them."--"Did Eden Pastora, 'Comandante Cero,' leave Nicaragua because of differences with Sandinism? Or perhaps on the instructions of the Socialist International?"--"Never. I am a friend of Eden Pastora, I have great respect for him. I know that he is a completely honest man, a brave man who meets every test. I am not authorized to give the reasons he left Nicaragua and renounced all his duties. Yes, I have talked with Pastora; and I can assure you that he is not a traitor." [Text] [Caracas EL DIARIO in Spanish 28 Oct 81 p 3] 8143

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VOLATILIZATION PLANT WITH SOVIET TECHNOLOGY SUFFERS SETBACK

Buenos Aires LA PRENSA in Spanish 1 Dec 81 p 4

[Text] La Paz, 30 Nov (UPI)—Soviet mining technology is suffering a setback inasmuch as it has been unable to get a metallurgical plant for the recovery of tin scrap into operation. The contract to install it was signed 8 years ago and it should have gone into operation as of January this year, but due to as yet unresolved technical problems it has been announced that it will go into operation as of March 1982.

The plant is designed to recover low-grade tin from scrap metal that has been accumulating for years at the entrances to tin mines.

Mining Corporation of Bolivia (COMIBOL) experts claim that the volatilization plant at La Palca, located 17 km east of the city of Potosi, is the biggest of its kind in the world. It is located 574 km southwest of La Paz.

When it goes into operation, it will be capable of processing 400 tons of tin ore every 24 hours and will annually produce 4,000 metric tons of pure tin.

Based on tin prices these past few days, the plant would produce income in excess of $60 million a year.

The contract to install the plant was signed in 1973 between the Soviet enterprise Mashinoekspurt, and COMIBOL, subject to an original cost of approximately $42 million but, due to a series of readjustments, it has risen to $70 million.

COMIBOL spokesmen said that La Palca was subjected to readjustments in the cost of the machinery due to the oil crisis, a settling and partial collapse of the land the plant was built on and a fire that occurred at the beginning of this year.

Up to now 200 Soviet experts and technicians have worked on the construction of the plant.

The plant has been built exclusively on the basis of Soviet technology, one which does not exist in the West for the treatment and recovery of tin scrap by means of the process of volatilization.

Experimental operations were begun in July 1980 with the treatment of 240 tons of preconcentrated tin during which a degree of volatilization of from 90 to 97 percent was attained. By the end of this year they plan to produce 675 metric tons of pure tin. The plant will continue to operate on a partial basis until March.

11,466
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NEW INVESTMENT LAW TO BENEFIT FARM SECTOR

La Paz PRESENCIA in Spanish 22 Nov 81 p 10

[Text] CONEPLAN (National Economic and Planning Council) has approved a substantial part of the new law. It will also benefit the manufacturing, mining and construction industries and tourism.

The new investment law bill, in substantial measure approved by CONEPLAN, assigns priority to farming, stock raising, farm and livestock services, industrial farming, the manufacturing industry, mining, construction and tourism.

Executive director of the National Investment Institute (INI) Dr Federico Joffre told PRESENCIA that the substantive part of the new law deals with guarantees on investments for profit. CONEPLAN has postponed approval of that part of the bill relating to investments in "basic and strategic industries" until Tuesday, 24 November.

Procedures and categories for the different industries were also approved.

"The investment guarantees," he said, "are extremely solid in comparison with those granted in the 1971 law because the government recognizes these guarantees and, furthermore, reiterates its recognition of all laws now in effect [word(s) missing] the rights of Bolivian and foreign companies so that they can pursue their development in Bolivia.

The ministers who participated in the meeting on Friday, at which the fundamental sections of the above-mentioned bill were considered and approved, reached agreement on defining and specifying by next week what is to be referred to as "basic industry and which sections are to be considered strategic for the nation."

However, it is anticipated that this part of the bill — still subject to analysis — will declare the basic phases of the metallurgical, steel and petrochemical industries to be strategic industries. He said that, in the event it should coincide with the national interest, the government could authorize private, Bolivian and foreign capital, or a combination of these, to participate in the basic industries (reserved to the state) under conditions that article of the law establishes. Conditions for majority shareholding of public capital, and also for minority holding, will be specified.

"The bill," Joffre said, "goes one step beyond the 1971 law since it proposes that public enterprises, as well as private companies, can develop industrial projects — for the manufacture of finished or semifinished iron and steel products, for example — on the basis of processes not included in the phases designated as basic."

He explained, for example, that, as far as the steel and metallurgical industries are concerned, the basic phase is the conversion of ores or metal concentrates through processes involving smelting, refining or both. For the petrochemical industry, he noted that this involves the activity and process of conversion of hydrocarbons up to the production of olefins (ethylene hydrocarbons) and aromatic oils.

Industrial Farming and Stock Raising

The director of the INI explained that bigger profits are granted the farm and livestock sectors and services because, for example, in the case of farming and its private industries, they are low income-producing.

"If the Investment Law," he said, "were to open these sectors to free competition, new investments would not be made in them precisely because of their low return and slow recovery of investment. The industrial development column would only be bigger in the high income-producing sectors. In connection with this, in a few years time our country would reach the point of having to import basic foodstuffs."

He said that, if a parallel credit system is created, it will be able to cooperate with the farmer. He added that if the Cooperatives Law is modernized, it too will afford the farmer greater access to higher profits than the Investment Law provides.

Relations with Other Countries

Joffre noted that, when the bill was submitted to CONEPLAN for consideration, all articles in it were made consistent with the resolutions of the Cartagena Treaty (especially with Resolution 24).

"It so happens," he explained, "that there are many provisions for exceptions in Resolution 24 itself that were included so that the lesser-developed countries, like Bolivia and Ecuador, may comply with the organization's integration program without each of these countries' real situation being contingent on the requirements of the Cartagena Treaty."

He said that the new law allows them to respect this treaty and extends its provisions to an influx of capital from other countries which are specifically not members of the Andean Group, such as Brazil, the United States, etc.

"At the suggestion of the secretary of integration," he said, "an article has been added which clearly states that the new law is consistent with the postulates of the Cartagena Treaty."

The next CONEPLAN meeting will be held next Tuesday at 1430 hours. The Cabinet will consider the new Investment Law at its Wednesday meeting.

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AGRICULTURAL SECTOR TERMED VITAL TO NATIONAL DEVELOPMENT

La Paz PRESENCIA in Spanish 22 Nov 81 p 3

[Article by Tomas Guillermo Elio: "National Development Priorities"]

[Text] The president of Bolivia, government ministers, high officials of autonomous departments and ranking officials have reported on government programs aimed at promoting large-scale national projects such as development of the Mutun, the gas pipeline to Brazil, the interconnection of the Amazon, Orinoco and Plata Basins and other long-term projects for the development of the country.

Meanwhile, the national economy is struggling through a depression of impoverishment and capital depletion that is assuming ever more alarming characteristics. The nation not only consumes more than it produces; its export income is increasingly being reduced to daily requirements, to such an extent that the minister of finance has felt it necessary to restrict the sale of hard currency at the official exchange rate solely to some import items and public expenditures. Income from nontraditional exports is not significantly increasing, while income from traditional exports has dropped to a disturbing level. The balance of payments deficit has probably already exceeded $300 million. Nor are there any real incentives to promote investments. The foreign aid on which the country has come to depend has been reduced to insignificant programs and the national economy goes on losing blood to the extent that symptoms of general anemia are already noticeable. The hope the poor countries that participated in the Cancun discussions harbored is dissipating.

The fact of the matter is that economic growth in Latin America dropped from 6.4 percent in 1979 to 4.5 percent in 1980. In Bolivia it came to 2 percent in 1979. In 1980 the figure was less than 1 percent and it is anticipated that this year there will be minus growth. Latin America's balance of payments deficit with the United States has risen to $295 billion; that is, an increase of 23 percent has been recorded. The national debts of the Latin-American countries have increased to such an extent that servicing them requires 44 percent of export income. The remaining 56 percent is used for imports and expenditures. The Latin-American countries are not reinvesting their export income and the development of capital is insufficient when not less than nil. These signs of impoverishment of the continent offer no consolation in our country. The evil has assumed more serious characteristics.

The most serious of all that may be observed is the big conceptual gap that seems to exist between what the country's rulers consider to have priority and what the people demand for their subsistence. The rulers think in terms that are fanciful

for most of the population, which subsists in growing poverty. Which is why what the nation's leaders offer is more and more unattainable.

Production has in general dropped and productivity indices are at their very lowest. The rural masses go on producing the same things, in terms of kind, quality and volume. They have no incentives to increase or diversify their production. Seventy-one percent of the population goes on living in subsistence economies, consumes 70 percent of what it produces and only 30 percent reaches the market. The nation is ever more dependenct on imprted foods. The case of wheat is the biggest symbol of this dependency.

Growing production costs aggravated by the decline in productive activity and the poor quality of goods and services affect the consumer situation and damage the national economy, leading to the importation of substitutes.

The volume of investments channeled into the farm and livestock sector is not increasing notwithstanding the fact that food prices are getting higher all the time. This is due to: 1. the lack of necessary transport, communication and energy facilities; 2. the absence of a coherent policy of farm and livestock development and, in particular, of support for the small producer; 3. the latter's lack of access to credit sources; 4. a lack of orientation of farmers toward replacement of their primitive production techniques so that they can raise their productivity indices; 5. ignorance on the part of the biggest food producers (poor farmers) of marketing techniques, aggravated by the limitation they operate under of having to ship their products in motor vehicles, the monopoly over which is held by shipping agents who operate under the protection of union "legislation," which is closed; 6. faulty soil treatment. Bolivia is one of the most backward countries in techniques involving the use of bacteria that introduce nitrogen into arable land; 7. irrational exploitation of water resources. During the rainy season there are floods and, when they are over, drought prevails. Those areas that have irrigation systems can be counted on one's fingers; 8. not enough storage silos to preserve surpluses, which are thus lost. The list of shortages and failings can be extended, buth then it is odd that in an eminently agricultural country the various regimes have devoted so little attention to farm and livestock and agroindustrial development.

Finding ourselves farther and farther from the opportunity to implement the great programs that seem to monopolize the attention of the government, with foreign sources of financing exhausted and already chronic inflation, the need for assigning farm and livestock development top priority assumes an urgent nature. We have less and less hard currency to import food. Writing in these columns, I insist on the imperative necessity of efficiently organizing the extension of priorities within the small remaining limits in order to assign first place to investments channeled into the farm and livestock and agroindustrial industries, the importance of which lies not only in the opportunity to properly feed the people of Bolivia, but which can at the same time develop their capabilities and aptitudes.

It is time for the nation to realize that the national economy will not leap from its subsistence level directly into industrialization and, even less the case, into heavy industry, whether that may be steel or petrochemicals. Of course, we produce fine tin, but at what price? Obviously, we assemble vehicles, but with what prospects that this industry may become a national industry? We produce the best

compressors, but they are the most expensive ones, raise the cost of mine production and are prohibitive for farming.

I understand the patriotic anxiety of our rulers to lead the country toward great achievements. But history does not advance by leaps and bounds. We must train our sights on a reasonable approach. Our people are being unpardonably impoverished, underfed and undernourished. The first thing to do is to see to their food needs. In all things it is essential for our rulers to think first of meeting the basic needs of the people. Anything but that would be alienating ourselves more and more from reality.

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TAC ORGANIZATION EXPLAINED BY ONE OF ITS LEADERS

Havana GRANMA in Spanish 6 Nov 81 p 5

[Article by Orestes Valera: "Freddy Balzan States That the Liberation Struggles of the Region Support the Central American Anti-Imperialist Tribunal"]

[Text] Passing through Havana on his way back from the Ninth World Congress of the International Organization of Journalists (IOJ) in Moscow, well-known Venezuelan journalist Freddy Balzan granted an interview to GRANMA in which he touched on matters related to the establishment of the Central American Anti-Imperialist Tribunal (TAC), the present situation in Central America, and support for the statements of our commander in chief, Fidel Castro, at the closing ceremonies of the Second Congress of the Committees for the Defense of the Revolution [CDR].

Balzan said that on 23 September 1981 the Central American Anti-Imperialist Tribunal was established in Managua, capital of Nicaragua, "as an institution for the continuing denunciation of the violation of the principles of international coexistence, based on the sovereignty and self-determination of peoples, and of the abuse of fundamental human rights, carried out by imperialism in the area."

This tribunal, he added, is "made up of personalities of recognized international standing and has as its fundamental objective the denunciation of the crimes of imperialism as an important contribution to the preservation of peace, the development of mutual understanding among the peoples of the region, the support of all struggles for liberation."

The TAC is presided over by Guillermo Toriello (Guatemala) and has three vice presidents, Claribel Alegria (El Salvador), Arnoldo Mora (Costa Rica), and Rogelio Sinan (Panama). Its executive Committee is composed of Xavier Chamorro, Danilo Aguirre, Father Urien Molina, and Freddy Balzan, the latter of whom is the editor of the magazine SOBERANIA, official organ of the TAC.

At the closing session of the first meeting of the TAC, it was agreed, Balzan tells us, to denounce the seriousness of the Central American situation, as a result of the interference and intervention of North American imperialism, particularly in the specific case of El Salvador and Nicaragua.

In the case of Nicaragua all the peoples of the world know how, beginning with the very moment of the revolutionary victory on 19 July 1979, imperialism has been pressing forward its campaign of economic aggression and stimulating the establishment of counterrevolutionary groups in North American territory, which has been widely reported, including in the press of that country. Simultaneously, Balzan states, groups of Somoza supporters have been installed on the northern border of Nicaragua, who have made incursions into the country and have caused the sad total of more than 100 dead, including members of literacy brigades, the militia, farmers, and members of the Sandinist People's Army and the Ministry of Interior. "These counterrevolutionary bands," he adds, "are operating with impunity in the frontier zone and, at the same time, have the support of communications media, influenced and financed by the Yankee CIA."

The work of North American intelligence organizations has also been detected in the trade union organizations, political parties at the service of the bourgeoisie who betray their fatherland, and in certain sectors of the church, which they attempt to turn against the revolutionary government.

In pointing out the extreme gravity of the Central American situation Balzan made clear that "the advance of the revolutionary forces and of the Salvadoran people to achieve their liberty and to get out from under the military-Christian Democratic dictatorship which is oppressing them does not have the support or the sympathy of the fascist government of Ronald Reagan, who is increasing the sending of military 'advisors,' who already number about 800. It is increasing the sending of military supplies to the genocide-creating army of Jose Napoleon Duarte and Jaime Abdul Gutierrez. In addition, it is sustaining this army economically with the help of the COPEI Party [Social Christian Party] of Venezuela, in order to try by every means to prevent a popular and revolutionary victory."

Freddy Balzan repeated his support for the statements and positions presented by the Cuban Government, and in particular by its highest leader, Commander in Chief Fidel Castro, and which up to the present "have not been answered in a serious way by the North American authorities."

"It is evident that the dirty policy of Reagan," Balzan says, "not only is not limited to the lies which his high officials tell, but, at the same time, it is seeking to cover up the truth about the gravity of the world situation, which could lead to a war with unforeseeable consequences for humanity." He stated that "the North American people are the worst informed people in all of this region."

In referring to the "Julius Fucik" medal, the highest decoration which a journalist member of the IOJ can receive, Freddy Balzan pointed out that "it is a personal recognition, but I consider it an act of collective recognition for all of us journalists who share anti-imperialist, anticolonialist, and anti-Zionist ideals, and who at the same time believe in and fight for a peace with dignity for all peoples."

After announcing to us the beginning of a massive campaign for the collection of signatures of a document supporting the peace proposals of the Salvadoran

revolutionary movement, announced in the UN by Sandinist leader Daniel Ortega, which they hope that 100,000 Central Americans will sign, Balzan told us that the next meeting of the TAC will be held in Panama, possibly in February or March 1982.

Finally, he stated: "We are fully involved in our anti-imperialist struggle, which we will continue to its ultimate consequences, in defending our revolutionary principles."

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'GRANMA' REPORTS ON WORLDWIDE SOLIDARITY WITH COUNTRY

ACAL Communique

Havana GRANMA in Spanish 5 Nov 81 p 4

[Text] The Association for Latin American Culture (ACAL), headquartered in Paris, whose board of directors includes Gabriel Garcia Marquez, Julio Cortazar and Julio Le Parc, has just circulated a document supporting the Cuban Revolution and calling on the intellectuals of the world to demonstrate their solidarity with Cuba in the face of the obvious threat of aggression against our country by U.S. Government leaders, headed by President Reagan.

The text of the statement follows:

"Press dispatches the last few days have brought us disturbing news about the explosive situation in the Caribbean and Central America. Those agencies have confirmed the strategy defined by the present administration of the United States with respect to Latin America in the secret document entitled, 'The Santa Fe Report,' which was leaked to the press. In the document in question the invasion of Cuba--among other measures--is seen as a way of 'solving' the problem in the region and would lead to eventual attacks against Nicaragua, Grenada and other countries in the area.

"Along the lines indicated, President Reagan's administration is trying, by verbal escalation in statements by the President himself and by General Haig, his secretary of state, to justify the imminent invasion of Cuba.

"In his speech on 28 September, President Fidel Castro denounced the planned invasion, which is based on the alleged participation by Cuban troops in El Salvador in the conflict between the people of that country and the dictatorship of the junta. To requests for reliable proof of the incriminating allegation, American officials have only replied with new threats.

"Every day we read of new elements in the dramatic situation resulting from the escalating attacks, which give proof of the U.S. plans to attack Cuba.

"Without a doubt the unleashing of such a conflict will not be confined to the area and will necessarily lead to a conflagration of global proportions. Given the circumstances of the parties to the conflict, it is not possible to conceive of a war--nuclear or otherwise--limited to any geographic area.

"In view of the foregoing situation, the intellectuals and artists of the Association for Latin American Culture (ACAL) cannot remain indifferent. In our statement of principles we show our categorical solidarity with the sovereignty of the peoples of Cuba and Central America, who are threatened by the aggressive policy of the United States under the Reagan administration. As consistent supporters of the cause of peace in the world, we express our profound concern about this threat of general war. A conflagration such as will develop if the attack is carried out threatens not only to annihilate the potential of intellectuals, but even worse, to erase from the face of the earth all traces of humanity.

"As Latin Americans directly concerned by the foregoing problem, we urgently call on those individuals and organizations who love peace, especially the peoples and intellectuals of the United States of America, France and Latin America who share our concerns and preoccupations, to mobilize quickly to prevent this attack.

"Paris, 1 November 1981

"Board of Directors, ACAL."

Spanish Intellectuals

Havana GRANMA in Spanish 6 Nov 81 p 4

[Text] Following is the text of the statement signed by a large group of intellectuals at the Second Congress of Spanish Language Writers held recently in Caracas, expressing their condemnation of the growing aggressiveness of the administration of U.S. President Ronald Reagan against countries of Central America and the Caribbean region:

"We, writers from America and Spain, having come together for the Second Congress of Spanish Language Writers, believe it necessary to express our concern about the intervention of the present government of the United States in the internal policy of the countries of our America, particularly in the cases of Central America and the Caribbean.

"We are concerned that the Reagan administration is displaying aggressive and growing hostility toward El Salvador, Nicaragua, Grenada and Cuba, and that this might lead to a future armed intervention.

"We believe that everyone in the world must remain alert and make his voice heard in solidarity with these threatened people.

"We believe it necessary also to condemn the military interference of the United States in Guatemala and to express our solidarity with the struggle of the Latin American and Caribbean peoples for their liberation.

"Caracas, Venezuela, October 1981. Signed: Augusto Roa Bastos (Paraguay), Miguel Otero Silva (Venezuela), Rogelio Sinan (Panama), Juvencio Valle (Chile), Arturo Azuela (Mexico), Pedro Jorge Vera (Ecuador), Carlos Martinez Moreno (Uruguay), Lisandro Otero (Cuba), Jose Luis Balcarcel (Guatemala), Antonio Skarmeta (Chile), Otto Raul Gonzalez (Guatemala), Jose Agustin Goytisolo (Spain),

Margo Glantz (Mexico), Alfredo Bryce Echenique (Peru), Luis Suardiaz (Cuba), Jaime Labastida (Mexico), Denzil Romero (Venezuela), Jose Vicente Abreu (Venezuela), Alfonso Chase (Costa Rica), Isaias Pena Gutierrez (Colombia), Cintio Vitier (Cuba), Fina Garcia Marruz (Cuba), Omar Gonzalez (Cuba), Nelson Osorio (Chile), Alessandra Riccio (Italy) and others, for a total of 119 signers."

Vietnamese Foreign Minister

Havana GRANMA in Spanish 6 Nov 81 p 6

[Text] Hanoi, 5 Nov (VNA)--Nguyen Co Thach, a member of the Central Committee of the Vietnamese Communist Party and minister of foreign relations has reaffirmed his total support for the task of building socialism and the defense of their country by the people of Cuba.

In a meeting here yesterday with the Cuban ambassador to Vietnam, Faure Chomon Mediavilla, the Vietnamese foreign minister also expressed his conviction that the Revolutionary Armed Forces and the heroic Cuban people are always united and willing to repel all acts of adventurism by American imperialism and its puppets.

He added that in that struggle for the defense of their independence, sovereignty, security and territorial integrity, the Cuban people will always have the sound leadership of the Cuban Communist Party, headed by their esteemed president, Fidel Castro, and the support of the Soviet Union and other socialist countries, the Latin American people and all progressive human beings.

8735
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SOVIETS REVIEW ACCOMPLISHMENTS OF CUBA'S PAST FIVE-YEAR PLAN

Moscow KOMMUNIST VOORUZHENNYKH SIL in Russian No 20, Oct 81 (signed to press 5 Oct 81) pp 74-79

/Article by Capt 3d Rank A. Shcheglov: "Revolutionary Cuba: Advances of Creation"/

/Text/ The Republic of Cuba is a strong link of the community of socialist states. Under the leadership of their Communist Party the Cuban people under the difficult conditions of the incessant hostile actions of American imperialism are building a socialist society. The Second Congress of Cuban communists, which was held in December 1980, was impressive evidence of the gains in the building of socialism on the Isle of Freedom. In his parting words to the delegation of the CPSU, which took part in the work of the congress in Havana, Comrade L. I. Brezhnev noted: "The Second Congress of the Communist Party of Cuba is a major event for the Cuban people, for all revolutionary, progressive forces of the world. The Cuban revolutionaries have fought courageously for a truly free Cuba and have firmly established the independence of their homeland. Now under the difficult conditions they are building and are successfully building a socialist society."

In the 5 years which have passed since the First Congress of the Communist Party, the people of Cuba have made a significant contribution to the accomplishment of a historic task, which consists in the continuation of the building of socialism on the scientific basis of Marxism-Leninism.

During the completed 5-year period industrialization held a leading place in the economic development of the country. Of the total amount of capital investments 35 percent (about 4.57 billion pesos) were allocated to industry. This is threefold more than during the preceding 5-year plan.

Tens of new industrial facilities were put into operation or readied for start-up. Among them are such major enterprises as the plants for the production of cane-harvesting combines and agricultural equipment in the city of Holguin, the cement plants in Cienfuegos and Mariel, a textile combine in Santa Clara, a nitrogen fertilizer combine in Nuevitas, a printing combine in Guantanamo and others. The output of minicalculators and computers, televisions, refrigeration equipment and so on was assimilated.

During the past 5-year period the average annual increase of the generation of electric power in Cuba came to 8.7 percent, the increase of the output of products of ferrous metallurgy and machine building--6.7 percent. More than 1,000 cane-harvesting combines were produced.

The amount of construction in 5 years came to 7 billion pesos, which is approximately 2.8 billion pesos more than during 1971-1975. Intensive construction is a characteristic feature of today's life of the republic. Along with the construction of plants, factories and livestock farms apartment houses, schools, hospitals, kindergartens, stores, movie theaters and hotels are being built. Therefore much attention is being devoted to the development of the cement industry. Whereas during the First Five-Year Plan (1976-1980) 13.4 million tons of cement were produced, in 1985 the annual volume of its production alone will amount to 4.5 million tons. This will make it possible to meet completely the steadily increasing needs of the country for it, as well as to increase its export.

As in the past the sugar industry is of especially great importance in the Cuban economy. For sugar is the main export product of Cuba. The volume of its production during the past 5-year period exceeded by approximately 25 percent the level of the 5 preceding years. In 1979 7,992,000 tons of sugar were produced. The renovation of sugar refineries is continuing. In 5 years 40 refineries were completely renovated. Whereas in 1975 25 percent of the sugar cane was harvested by means of combines, in 1980 45 percent was. These and other measures made it possible to decrease the number of macheteros--cane cutters--by 75,000.

The chemical industry, first of all the production of fertilizers, is being successfully developed. Their output has reached 4.5 million tons.

Agriculture is picking up speed. In spite of the serious diseases, which affected tobacco and sugar cane and decreased the hog population in the eastern provinces, agricultural production annually increased on the average by 3.5 percent. At the same time the production of milk as compared with the preceding 5-year period increased by 1.26 million tons, pork--150,000 tons and eggs--300 million. The harvest of citrus fruits increased by 60 percent and in 1980 came to 400,000 tons, and about 200,000 tons were exported.

The fleet of vehicles in the countryside is growing. In 1975 there were 54,000 tractors (in terms of average housepower) in Cuba, while at present they already number 70,000.

The training of specialists of agricultural production is being expanded from year to year. During the past 5 years 5,600 people with a higher agricultural education and 15,000 people with a secondary agricultural education entered agriculture of the country.

In past years the health care system in Cuba improved substantially. Four large hospitals were built, which made it possible by 1980 to increase the number of hospital beds to 4.9 per 1,000 inhabitants. In all 50 polyclinics of various specializations were put into operation. Now there is 1 physician per 626 people. The average life span in Cuba is steadily increasing. Today it is 74 years for women and 71 years for men.

The public education system, which is constantly being improved, is an important achievement of the Cuban revolution. The Ministry of Higher Education, to which 39 educational institutions have been turned over, has been established in the country. The state budget for public education in 1980 came to 1.34 billion pesos, or 137 pesos per inhabitant. This is 16-fold more than was spent on public education during the year preceding the revolution.

Thousands of Cuban elementary and secondary school teachers are working in 20 countries of the world. The members of the "Che Guevara," "Frank Pais" and "Augusto Cesar Sandino" detachments are teaching in schools of Angola and Nicaragua, thereby promoting the eradication of illiteracy in these young national states.

A decisive step has been taken in Cuba in the direction of the strengthening of socialist democracy and the assurance of the extensive participation of the workers in the running of the state. The establishment of organs of popular power proceeded at the same time as the introduction of a new political and administration division of the country. In place of the 6 former provinces, 14 provinces were set up and the regional unit was eliminated. In the 4 years that have since passed the people's deputies have gained much experience. Having extensive powers, they are taking an active part in all areas of social and economic life and are successfully learning administrative skills. "What can be called a temporary period in the revolutionary process," Comrade Fidel Castro said, "is concluding with the creation of organs of popular power, our state is acquiring completed forms...."

The great gains made by the Cuban people in building a socialist society became possible owing to the leading role of the recognized vanguard of the working class and all the workers of the country--the Communist Party of Cuba.

The party of Cuban communists is tirelessly showing concern for the strengthening of contacts with the masses and the improvement of the social composition of its ranks. During the years that passed between the first and second party congresses the number of party members increased more than twofold--from 211,642 to 434,143. Upon admission to the party specific privileges are granted to the workers of industry, construction and agricultural production. Today workers employed directly in production or in services make up 47.3 percent of the party members as against 36.3 percent in 1975.

The most important factor of the successful building of a new life in Cuba is its close comprehensive cooperation with the Soviet Union and other states of the socialist community. The Republic of Cuba is taking an active part in the work of the Council for Mutual Economic Assistance. Within CEMA the programs, which are aimed at the expansion of the production in Cuba of sugar, citrus fruits, nickel, equipment for the sugar industry and computer hardware, as well as the programs of the performance of geological prospecting, the development of science and technology have undergone particular development. Cuba has become a part of the CEMA banking system and is participating in a number of multilateral programs which are being implemented in the other member countries of this organization.

The proportion of CEMA member countries in the total volume of the commodity turnover of Cuba increased from 56 percent in 1975 to 78 percent in 1979. The share of the USSR in Cuban foreign trade increased from 48 to 67 percent. The Soviet-Cuban trade turnover during the past 5-year plan was 19 billion rubles as against 7 billion rubles during 1971-1975, while the technical assistance of the Soviet Union to Cuba exceeded by 1.7-fold the amount achieved during the preceding 15 years.

As of mid-1980 more than 420 industrial enterprises and other national economic projects had been built and renovated in Cuba with Soviet assistance, of them 200 have been put into operation.

The scientific and technical cooperation of our two countries is expanding. The joint space flight of the international crew consisting of Yuriy Romanenko and Arnaldo (Tamayo) Mendez became a brilliant page in the history of Soviet-Cuban friendship.

The friendly relations of servicemen of Cuba and the Soviet Union are growing stronger and are being developed. Reciprocal trips of military delegations for the purpose of sharing experience in the organization of combat training and the ideological and political education of servicemen, as well as the exchange of literature, movies and so on have become a part of practice.

In February of this year a Soviet military delegation headed by Chief of the General Staff of the Armed Forces and USSR First Deputy Minister of Defense, Marshal of the Soviet Union N. V. Ogarkov made a friendly visit to Cuba.

The trips of the delegations and the mutual sharing of experience are promoting the international education of servicemen, their ideological tempering and the strengthening of the feelings of mutual trust and respect.

Through the fault of U.S. ruling circles the international situation in the world has been aggravated. American imperialism, not wishing to accept the democratic, social changes being accomplished by the peoples of Latin America and the Caribbean Basin during their struggle for independence, is attempting to reestablish its domination here. The subversive actions of the United States against socialist Cuba have especially been stepped up.

The American Administration is doing everything possible to hinder the building of a new life on the Isle of Freedom. U.S. ruling circles are spreading all kinds of false accusations with respect to Cuba and are making "tough" statements, or else direct threats.

The anti-Cuban campaign assumed an especially vicious nature in recent times. In August a landing of marines from the U.S. Navy helicopter carrier "Guam" was made at the Guantanamo Naval Base--the sovereign territory of Cuba, which is being held illegally by American imperialism. The landing operation at Guantanamo is a part of the largest naval maneuvers conducted by the United States and its allies under the code name "Ocean Venture-81."

Materials calling for the establishment of a naval blockade of Cuba have again appeared in the pages of the American press. THE NEW YORK TIMES, quoting officials of the U.S. Administration, wrote that the White House had already asked Congress to approve legislation which would enable American warships to detain any ships leaving Cuban ports. At the same time American authorities intend to tighten the anti-Cuban trade embargo, which was imposed 20 years ago.

The activity of terrorist bandit organizations of Cuban counterrevolutionaries, such as Cubanos Unidos, Alfa-66 and Omega-7, was stepped up sharply when the Reagan Administration took power in the United States. Their leaders openly declare their intention to expand considerably the subversive actions against Cuba.

According to reports of western information agencies, the Cuban counterrevolutionaries have brought forth plans to establish a so-called Cuban Government in Exile

on the grounds of the Guantanamo Naval Base and to use this base as a springboard for carrying out armed provocations.

In July of this year the organs of internal affairs of Cuba with the support of subunits of the Revolutionary Armed Forces detained a group of counterrevolutionary elements of Cuban origin, who came from the United States and landed secretly on the northern coast of the Isle of Freedom. This group had the mission to organize sabotage at industrial facilities and to spread hostile propaganda. Along with other groups of counterrevolutionary rabble, the landing of which was planned later, the bandits were to attempt to assassinate Fidel Castro during the national celebrations on 26 July.

American authorities not only are not putting a stop to the criminal intrigues of anti-Cuban terrorists, but are directly contributing to this. Blackguards from the Green Berets and specialists from the U.S. Central Intelligence Agency are acting as instructors at the militarized camps of Cuban counterrevolutionaries in the state of Florida.

Many facts of recent times attest that the stepping up of the anti-Cuban campaign in the United States is a component of the plan, which was drawn up in the White House and the CIA and is aimed at overthrowing the legal government of the Republic of Cuba.

Under these conditions the Communist Party and the Government of Cuba are displaying particular concern about the strengthening of the defensive capability of the country. The Revolutionary Armed Forces, which in December of this year mark their 25th anniversary, are a modern army of the socialist type. The Revolutionary Armed Forces of Cuba, making extensive use of the experience of the Soviet Armed Forces and the comprehensive assistance of the USSR, have been transformed into a well-trained and technically equipped army, the personnel of which are infinitely loyal to the Communist Party and the people and are prepared to perform their sacred duty of defending the homeland.

The Communist Party of Cuba is devoting unremitting attention to the training of all workers for the armed defense of the republic. The process of setting up territorial formations of the national volunteer corps, which men and women join voluntarily so that not one inch of national territory would be left without armed cover in case of the landing of aggressors, is concluding in the country. More than 500,000 Cubans have already joined such formations and have undergone the necessary training.

The command and political organs of the Revolutionary Armed Forces are doing everything possible for the further increase of the combat readiness of the units and subunits and the improvement of training in the field, in the air and at sea and are constantly showing concern about the thorough mastery of combat materiel and weapons by soldiers, sergeants and officers and about the development among commanders of the ability to lead units and subunits under the conditions of modern combat.

The socialist competition, which has been launched in the Revolutionary Armed Forces, is playing a beneficial role in the successful accomplishment by servicemen of the arising tasks. This year it is aimed at the implementation of the decisions

of the Second Congress of the Communist Party of Cuba and the worthy greeting of the 25th anniversary of the Revolutionary Armed Forces.

The Cuban people have to solve great and difficult problems during the commenced 5-year period. The Second Congress of the Communist Party of Cuba examined and approved the Main Directions of the Economic and Social Development of Cuba for 1981-1985. The main goals of the development of the national economy of the republic during the Second Five-Year Plan, it is noted in this document, are the further increase of the production of output and the national income, the increase of the efficiency of the economy, the further improvement of its structure with emphasis on the preferential development of the industrial sector, the proportion of which in the gross national product by the end of the 5-year plan should be about 50 percent. The average annual increase of the gross national product has been planned at 5 percent.

Sugar production will increase during the current 5-year period by 20-25 percent. Considerable capital investments are being channeled into this sector, which will make it possible to increase appreciably the volume of cane processing. It is planned to harvest more than half of the sugar cane by machines. About one-third of the fields of this crop will have an irrigation system. By 1985 sugar production will increase to 10-10.5 million tons a year.

The Communist Party of Cuba is attaching great importance to the increase of the generation of electric power. In 5 years it will be increased by nearly 50 percent. The electric power capacities will increase by 1,000-1,200 MW, the construction of a nuclear electric power station in (Hiragua) will be continued.

As is known, Cuba has large deposits of nickel. During the new 5-year plan it is planned to complete the renovation of the nickel plants in the northeastern part of the country in Moa and Nicaro and to put into operation a new mine at Punta Gorda, which will make it possible to increase considerably the output of ore concentrate.

The production of mineral fertilizers should increase by 30 percent, common salt—50 percent, paper and cardboard—more than 50 percent. The placement into operation of a glass plant in Pinar del Rio, a paper combine attached to the Uruguay Sugar Refinery and other enterprises of the chemical industry is envisaged.

The production of textiles during the 5-year plan will increase by 50-60 percent. The textile combine in Santiago de Cuba with a capacity of 80 million m of fabrics a year will be put into operation.

The considerable amounts of housing construction require the improvement of its base. For this it is planned to build in the country 50 housing construction combines, of which 35 should yield products during the current 5-year period.

The workers of agriculture have to solve responsible problems. The production of citrus fruits will increase 2.5-fold. Irrigated farming will be expanded considerably. In 5 years 33 reservoirs and other hydraulic engineering projects will be built. The production of milk will increase by 30 percent, the deliveries of meat and meat products, eggs and other products of agriculture will be expanded.

The public heath systen and public education will undergo further development in Cuba. Whereas in 1980 there were 34 students of higher educational institutions per 1,000 inhabitants, by 1985 this number will increase to 39.

A significant feature in the Main Directions is the orientation toward the maximum increase of traditional Cuban exports and the assimilation of new types of products for delivery to the world market. At the same time the task is set to decrease imports in conformity with the reorganization of the structure of the economy, which provides for the lessening of its dependence on imports.

The agreements concluded with the Soviet Union and other countries of the socialist community guarantee the increase and stability of Cuban foreign trade. A protocol on the coordination of the national economic plans of the USSR and Cuba for 1981-1985 was signed in October 1980. In conformity with it the commodity turnover between our two countries will increase during this period to 32.4 billion rubles, or by 70.5 percent.

This year the Soviet Union will continue to export to Cuba machine tools, power and materials-handling equipment, trucks, passenger cars and road construction machinery, aircraft, ships and ship equipment, petroleum and petroleum products, pig iron, ferroalloys, rolled ferrous metal products, chemical products and other goods.

The Republic of Cuba will deliver to the USSR unrefined sugar, nickeliferous raw materials, citrus fruits, tobacco goods and other commodities of traditional export.

In recent years, the Second Congress of the Communist Party of Cuba stated, the communist and international consciousness of the people has grown stronger. Great labor enthusiasm reigns in the country. At the same time the Communist Party of Cuba and its Central Committee are not shutting their eyes to the still existing difficulties and unsolved problems.

Along with the other fraternal socialist countries the Republic of Cuba is consistently pursuing a policy of the strengthening of friendship, cooperation and mutual understanding among peoples, is persistently striving for the strengthening of peace and is resolutely opposing imperialism, colonialism and racism. As a member of the nonaligned movement it is making a significant contribution to the implementation of its anti-imperialist, progressive policy.

The prestige of Cuba among the liberated countries, which are playing a more and more significant role in the struggle against imperialism and for the freedom of peoples, is great. The experience of the independent, free development of Cuba is instilling hope in the hearts of the oppressed peoples in many countries, and first of all in Latin America.

The number of states which have established diplomatic relations with the Republic of Cuba is steadily increasing. Now there are more than 100 of them. Cuba conducts mutually advantageous trade with many capitalist countries. Among them are Spain, Japan, France, Italy and others. In the Western Hemisphere, where the attempts of the United States to isolate Cuba are appearing especially visibly, more than 10 countries maintain diplomatic, trade and economic relations with it.

The Communist Party of Cuba is devoting priority attention in its foreign policy activity to the steady strengthening of friendship and cooperation with the Soviet Union and other countries of the socialist community. "Cuba is and will be a friend of the Soviet Union and all socialist states," said First Secretary of the Central Committee of the Communist Party of Cuba and Chairman of the Republic Council of State and Council of Ministers Comrade Fidel Castro. "Cuba is taking and will take the stand of internationalism."

The Cuban people are working with enormous enthusiasm and purposefulness on the accomplishment of the great and responsible tasks which were advanced by the party for the current 5-year period. "Production and Defense!"--this is the motto of the day of the workers of Cuba. The fulfillment of the plans of the Second Five-Year Plan will be a new step forward in the building of the material base of socialism, in the strengthening of the economic and defense potential of the country and in the improvement of the standard of living of the workers.

Speaking in late August in the city of Las Tunas at a mass meeting, which was devoted to the Day of the Popular Revolt--the 28th anniversary of the heroic assault on the barracks of Moncada, Comrade Fidel Castro stated that the Cuban people are fully resolved to continue the building of a socialist society, to develop the national economy and to strengthen the defensive capability of the homeland, in spite of the incessant hostile intrigues of U.S. imperialism against Cuba.

Describing the economic development of the country, Comrade F. Castro especially emphasized that in 6 months of the first year of the current 5-year plan the highest indicators for all the postrevolutionary years were achieved. The harvesting and processing of the sugar cane crop were carried out efficiently and at a high organizational level. The cane planting and field tilling campaign was completed with the exceeding of the plan. As compared with the same period last year labor productivity at industrial enterprises increased by 12 percent. The increase of the volume of industrial output was 14 percent. The production of nickel concentrate increased by nearly 5 percent. Thus, the Cuban leader stated, the results of the first 6 months are in complete keeping with the tasks of the utmost development of the economy and the increase of the level of the defensive capability of the country, which were specified by the Second Congress of the Communist Party of Cuba.

"The Soviet Union steadfastly and invariably supports and will support the fraternal Cuban people," Comrade L. I. Brezhnev stated at the 16th Congress of the Commust Party of Czechosolvakia.

The servicemen of the USSR Armed Forces and all the Soviet people wish the workers of the Isle of Freedom and its armed defenders--their true friends and comrades in arms--new gains in the consolidation of the results of the victorious revolution.

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AGEE DISCUSSES ANTI-CUBAN PROPAGANDA CAMPAIGN

Havana GRANMA in Spanish 10 Nov 81 p 2

[Interview with Philip Agee, former CIA officer, by Gabriel Molina in Havana; date not specified]

[Text] At 1400 hours, the tropical sun was shining into the large windows of the comfortable suite in Hotel Riviera, illuminating his clean-shaven face which looks younger than 46. This rather short and slim man was wearing a beige military-style jacket.

He spoke perfect Spanish in a pleasant voice. His affability made it hard to imagine that more than 20 years ago--December 1960--he arrived in Quito, Ecuador, on his first mission outside the United States as a CIA officer after 36 months of hard physical and mental training.

Recruited from a university in South Bend, Indiana, through the recommendation of a family friend, Philip Agee carried a mission to the country governed by Jose Maria Velasco Ibarra, the same mission of all CIA officers in Latin America: /to cause the rupture of diplomatic relations with Cuba through propaganda and political action operations/ [in boldface].

During the next 7 years, he became an expert in CIA dirty work against Cuba and against anyone who did not condemn that unexpected revolution in the Caribbean. His work ranged from bribing people to falsifying documents; this close contact with political corruption in order to defend the interests of multinational companies eventually disgusted him. The fascinating awakening of conscience in Philip Agee gives him a suggestive and contradictory interest. That vital experience made him an exceptional witness at a time when the U.S. Government again threatens Cuba with pretexts similar to those used 20 years ago.

This was the main topic of conversation with Philip Agee who arrived in Cuba on Tuesday, 3 November, after a visit to Nicaragua. He was en route to Hamburg where he now lives.

[Question] Does the accusation by the U.S. Government that Cuba has sent a special force to fight in El Salvador remind you of a similar operation undertaken by the CIA when you were an officer in Quito or Montevideo?

[Answer] Even when I was in the CIA in the 1950's and 1960's, it was a classic propaganda technique to use a lie to allegedly verify connections between a revolutionary movement of such and such country and Cuba or the Soviet Union. We used that technique day after day when I was in the CIA.

In my book "Inside the Company," I wrote about several cases like this one of 500 soldiers allegedly sent by Cuba to El Salvador. The CIA falsifies documents and news for the press to spread throughout Latin America. Also in the most recent book on which I collaborated ("White Paper Whitewash"), I included several cases like this since there is a similarity between the present propaganda campaign and past propaganda techniques. I mean not only the accusations and other attacks from Washington but also the way the established press--that is, the bourgeois press-throughout the area spreads the news.

[Question] Is there some concrete case that can be used as an example?

[Answer] Yes, there are several. One interesting case in which I participated in 1963 was when a new revolutionary group was organized in Ecuador. Through telephone bugs, we knew more or less what they were doing. One of the leaders of that movement went to Cuba or at least we thought he had gone to Cuba through the information that we had gathered. While he was out of the country, we falsified a document about that organization. About 80 or 90 percent of it was true but we added acknowledgements to Cuba for money, training and weapons that Cuba had offered this movement. This was false but it was the connection that we wanted to appear in the press in the form of a report from this leader to the Cuban authorities on the progress of his organization.

In order to use this document, we put it in a tube of toothpaste. We took out the paste and put in the report. I gave the report that I had written myself to the minister of finance who was a friend of mine--we played golf almost every Sunday. He gave it to his customs chief.

[Question] What was the name of this minister?

[Answer] Juan Sevilla. He gave the report to Carlos Rendon Chiriboga who was his customs chief at the airport. Rendon waited for Flores--the objective of the operation--to arrive. He intercepted him at the airport, dropped the tube that he had in his shirt into Flores' suitcase and then "discovered" the report and immediately arrested Flores.

Later the minister of finance passed the report on to President Carlos Julio Arosemena who was friendly toward Cuba. (Velasco Ibarra refused to break off relations with Cuba and was overthrown with a similar campaign.) For a long time, Arosemena refused to break with Cuba but a military rebellion, also instigated by the CIA, forced him to break off relations shortly before his overthrow although he was, to some degree, anti-imperialist. This is one of six or eight similar cases during the first few months of 1963. The minister of interior called me 3 or 4 days later. We met and he gave me the report and asked me to study it and tell him if it appeared to be authentic.

I told him I would take the report for 2 or 3 days so that all of us at the CIA office could analyze it. After a few days, I told him that we all agreed that it was authentic. I suggested that he give it to the press.

Nothing happened for 4 or 5 days. I learned through an infiltrated agent we had in the government that the report was to damaging to him since it confirmed the penetration of this movement in his own government. Arosemena did not want the report published. I then gave a copy of the report to a reporter for the main Quito newspaper, EL COMERCIO, who was on our payroll. He published the report which caused a tremendous reaction throughout the country. It was reprinted in Guayaquil and in provincial newspapers and, in less than a month, a military coup overthrew Arosemena. A junta of four soldiers was formed and Arosemena went to Panama. We achieved our objective: to get Arosemena out of office.

There are several other cases in this new book that I mentioned which I hope will be published in Cuba next year by the Ciencias Sociales publishers. We did almost the same thing in Uruguay and there is a case of falsified documents in Peru which made President Prado's government break off relations with Cuba.

[Question] What do you think about the evasions by Mr Haig and the State Department in response to the challenge from Commander in Chief Fidel Castro and the Cuban Government?

[Answer] The State Department said that the challenge was merely Cuban propaganda. It cannot be verified since the accusation itself was false. It must be understood that Evans and Novak, the two journalists who publish a column in many U.S. and foreign newspapers in several languages, have occasionally received false information and printed it. They let themselves be used for government propaganda objectives. In this case, it is clear that they first printed the lie about 500 alleged Cuban troops. Haig then picked it up and used it for propaganda as a pretext for an escalation against Cuba and also against Nicaragua. The troops allegedly went through Nicaragua as civilians and then disappeared into the jungle to go to El Salvador.

It is ridiculous to think that this happened since one of those alleged Cuban soldiers would be taken prisoner or killed. This would be very likely. It cannot be thought that Cuba would send those troops and then lie about them since then the Cuban leadership would be a liar to the world.

[Question] Could we digress to talk about Agee the man? Was some event particularly important in your awakening process, your change with respect to the CIA?

[Answer] Yes, there were several factors. There were political factors. There was the experience of living in Latin America and seeing that the people we were promoting and supporting were the most corrupt.

Of course, there were also human factors in that awakening, factors of the heart. I fell in love with a woman in Mexico who thought that Che was the most fantastic man in the world. She did not know that I was in the CIA, working under cover in Mexico as a U.S. representative to the 1967 Olympic Games. I was the Olympic attache at the embassy for 1-1/2 years since there were many people of interest to the CIA involved in the preparations for the Olympic Games: people in culture, the communications media, the government, the PRI and the professions. My job was to identify which of these people might be recruitable.

However, 6 months before the Olympics, I notified the CIA that I was going to resign to begin a new life. I had not thought about writing a book or anything. I only wanted to leave it and be with that person whom I mentioned.

[Question] What influence did Che have since you mentioned that he was admired by that Mexican woman?

[Answer] She was very important to me and still is. She is a liberal but with a very deep sensitivity to the suffering of the poor. Her field is the theater and she organized street theater groups in the poor neighborhoods of Mexico City. She was very aware of the need for the Latin American peoples to liberate themselves from imperialism. Therefore, she was a great admirer of Che and we talked about him. She was not a revolutionary militant but influenced me during that time. She opened the door to other people who also influenced me. I think there have been continual changes in me in these 25 years. People are not stopped in their political and ideological development.

[Question] Don't you think it is a case of receptive ears, as Che would say, with some romantic inspiration?

[Answer] Yes. If it were not for her, for the solidarity and the support that I found in that woman and other people in Europe and in Cuba, it is hard to say if I would have done all that I have done or if I would continue if it were not for the support of my wife. For several years, I answered that question only politically and intellectually. However, it is also necessary to recognize that a person does not become the target of that much harassment, attacks, lies and everything that has happened to me in the last 10 years merely for ideas. There must also be the solidarity of others in addition to the ideas.

[Question] To return to the present, is there any relationship between this increased aggressiveness in the Reagan government's foreign policy and the protests about the economic situation in the United States and the antipopular measures taken recently?

[Answer] Many governments have looked for outside threats to divert attention from internal problems. I believe that this is the case in the United States now since Reagan's economic policy is going to be a tremendous flop. There is going to be more unemployment and more inflation. He is not going to solve any of the economic problems. The alleged Cuban intervention in Central America with the Soviet Union behind Cuba is nothing more than a pretext, a way to create a psychological environment for the American people.

[Question] How do you evaluate the situation in Nicaragua and in Central America in general?

[Answer] During my 3-week stay in Nicaragua, I could see that the situation in Central America must be a tremendous nightmare for the CIA and the Reagan administration. They are making such a case about alleged Cuban involvement that it makes me think that the war is going from bad to worse for Reagan, Haig and Duarte. They do not want to let the revolutionary movement in El Salvador succeed and they want to escalate intervention. However, there is the reaction of the people of the United States who have not forgotten the Vietnam war.

The problems in Nicaragua have regional ties. There are efforts to isolate Nicaragua as Cuba was before; this is renewed now with Jamaica and Colombia. The most important thing that I saw in Nicaragua was that they are going to fight. The cost of intervention will be very high as it would be if they tried to intervene in Cuba. The Nicaraguans are well organized and apparently have good military training and a very combative militia.

What most impressed me is that they have a very capable leadership. They are all well-trained men who talk to the people very well. They explain the problems to the people very clearly and how they are going to confront them. It was the most encouraging part of the trip.

[Question] Did the government have any reaction to this latest book of yours published by Warner Poelchau which refutes the lies of the State Department's white paper on El Salvador?

[Answer] The latest statement was made by Bush in Brazil. He tried to paint me as anti-American, an enemy of the United States. However, when the book came out and its arguments were used by the major U.S. press, the State Department had to answer those accusations about the white paper. It made a counterstatement that was as weak as the white paper itself and then refused to answer any questions about that statement.

When we published the book a few months ago, they said that they would publish another white paper about all Central America with the same arguments of Cuban, Soviet and Vietnamese intervention but they never published it. I think the reason is that it had the same defects as the first.

I think it is very hard for Reagan and Haig to sell this propaganda campaign because it is like selling a lame horse. Everyone can see that it is lame.

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REASONS FOR HONORING FRONTIER BRIGADE NOTED

Havana VERDE OLIVO in Spanish 22 Oct 81 pp 34-37

[Article by Alberto Alvarino Atienzar]

[Text] The heroic Frontier Brigade has kept its commitment as the unit initiating the socialist emulation in the Revolutionary Armed Forces (FAR) during the 1980-1981 training year and for its efforts and results, it received the banner in proof thereof on 22 August.

One year before, a group of determined, resolute, vigilant, serene and courageous men, willing at any price to carry out the mission assigned to them, solemnly swore to take on a new commitment which in sum expressed the unanimous and irrevocable decision to raise the ideological level of the personnel: improving willingness to fight, achieving higher quality in combat training, performing the planned maintenance and repair of equipment and weapons, improving the troops' living conditions, developing an awareness of thrift, raising work productivity and carrying out the technical-economic plan.

They also pledged to double their vigilance, to obtain an attendance rate of 85 percent for training activities, as well as at least a grade of "good" in the different subjects, drills, training programs and in all the unit's areas of work.

The Frontier Brigade soldiers did more: They went beyond their commitment and once again did honor to the glorious name of their unit. Their marks in such vital aspects of military life as combat readiness, the training of leaders and officers, firing practice, technical preparation, troop service, the state of military discipline and achievements in Marxist-Leninist and political instruction, to name but a few, confirm this observation.

But following the effort made and after their high goal was achieved, one has to ask: Why did the Frontier Brigade win the banner?

They won the banner because the brigade publicized their commitment widely and mobilized all personnel in meeting it. There was great awareness that the brigade had to reach the goal that had been set and that they could not fail to live up to the trust placed in them.

The brigade won the banner because the leaders, officers, junior officers and members of the party and the Union of Young Communists (UJC) preached through their

daily work and personal example and thereby brought along all the soldiers in the many and diverse tasks and missions assigned.

They won the banner because in taking on the commitment and challenge, at a time when a broad emulative movement began, the unit worked out a detailed plan containing 370 activities, which plan was periodically analyzed. It constituted the basis for the work done.

The brigade won the banner because the staff perfected its methods and style of work and followed a policy of projecting most of the daily work toward the smaller units. For that reason, over 70 percent of its own work had to do with leadership, supervision and assistance and with solving difficulties that arose in practice.

The banner was won because the brigade worked on the meticulous preparation of all activities involved in the training of troops and the preparation of leaders, officers and command organs. Periodical analyses were made of the course of classes and other activities. Measures were adopted in order to improve efficiency and individual aid was organized for those having the most difficulty in the training process.

The brigade won the banner because the socialist emulation played the full rôle conferred on it and therefore was more outstanding than ever. The Leninist principles of its organization were applied with initiative and creativity and compliance with individual and collective commitments was an honorable goal in every brigade member. In the endeavor to achieve the best results, over 90 percent of the leaders, officers, junior officers, sergeants and troops were outstanding by the end of the year and during the second period of instruction, all squadrons and squads also won that honor. Its 22 vanguard soldiers in the army and its 8 FAR vanguard soldiers chosen that year represent what is best and exemplary and symbolize the supreme effort of the unit.

They won the banner because every month, the brigade staff made rigorous inspection and aid visits to the small units, at the conclusion of which summaries were made with the participation of a large share of the officials, officers, junior officers, sergeants, soldiers and civilian workers. In these visits, emphasis was always placed, after noting achievements, on analyzing any deficiencies noted and specific measures were outlined for overcoming them. Finally, a preinspection was made, the most outstanding men were chosen, moral and material incentives were offered and the special programs of paying homage to those who won were held.

The brigade won the banner because periodic meetings were held in units achieving the best results for the purpose of analysis and work. Leaders and officers participated in them and party and UJC leaders were invited. They enriched the discussion with their opinions and recommendations and vice versa, leaders and officers were regularly invited to meetings of the party organizations, where they gave reports and offered suggestions and proposals that were useful for later work.

The banner was won because there was greater concern for improving the living conditions of the troops, for meeting their growing material and spiritual needs and because heed was paid to individual problems that arose. The quality of food was improved and the diet became more balanced. The units were supplied in a more effective and continuous fashion, communications improved and water and electrification were better. The Lenin-Marti and recreation rooms for personnel were

restored and increased in number. Playing fields were set up and the material studies base was improved. Various construction and service projects were undertaken and completed.

The banner was won because technical means were used in a more rational and conscious manner. Maintenance was performed regularly and over 60 tons of fuel and lubricants were waved, with the resulting economy on motor resources.

The brigade won the banner because all the members of the unit resolved to overcome every deficiency noted in the different inspections and in daily activities. Solving difficulties became the task and concern of everyone.

The brigade won because as an expression of the great awareness of the members of the unit — they showed it shortly before when they were pioneers in the contribution of a day of pay in 1981 to finance the Territorial Troop Militias — many of the men, months before the end of the training year, sent letters and told their higher officers and leaders of their conscious and spontaneous decision to give up any leave until the unit had its final inspection and received the banner of the initiator of the socialist emulation, its resolute decision.

They won because the work done was subjected more than ever before to the strong influence of political-party work, carried out with determination and responsibility from the highest levels, political organization, party organizations and the Union of Young Communists. This was manifest in the two conferences of the party and the UJC held at the beginning of the year and during the second training period in order to ensure compliance with the commitment made, as well as in nearly all the meetings of the organizations. It was manifested in the quality, quantity and diversity of the forms of political and ideological work done. Political and party work was directly more effectively toward all directions of military life and primarily toward the unit's most important tasks and missions. Work with young officers, soldiers and relatives was more extensive, concrete, far-reaching and modern.

The banner was won because the political and mass organizations of the province and municipality of Guantanamo supported and encouraged the commitment made by the Frontier Brigade from the very beginning. They made plans and drew up special joint measures and gave concrete assistance on different construction projects, preparation of the firing ranges, continuous encouragement to Frontier Brigade members and in the organization and holding of various political-ideological activities.

The brigade won because the staff was constantly concerned about meeting the commitment and the plan worked out and about the needs of the unit in all aspects. Consequently, the unit was visited every month by a commission made up of all areas of specialization, which evaluated the work done, analyzed progress and helped solve difficulties.

The banner was won because the members of the Frontier Brigade, like all FAR soldiers, are men who are staunchly loyal to the socialist nation, the party and the revolution. They are the sons and genuine representatives of their fighting, seasoned, internationalist people and vanguard soldiers of the victorious, unconquered Revolutionary Armed Forces that are now approaching their 25th anniversary.

The brigade won because, as we pointed out at the beginning, the men had made a new commitment a year before. Those who can legitimately boast of belonging to the unit, which on 9 November marks its 20th anniversary in our country's firm and vigilant defense, have a great commitment made many years before, a commitment that every day spurs them on to greater efforts and better results, that of keeping the slogan proposed by Gen Raul Castro to these soldiers in officially setting up the party in the unit and in presenting them with their battle flag, a slogan that symbolizes the aspiration, summons and demands of the party and government on the men who guard the border strip now dividing the Cuban territory illegally occupied by Yankee imperialism:

"This unit must be the example of examples!"

This political, moral and military requirement was kept once more when over 40 percent of the areas inspected received a grade of "outstanding."

The unit went beyond its commitment, but not under normal conditions, as is usually done in other cases and on other occasions. It did so in the midst of tense situations, constant vigilance, continuing strengthening of its fighting capacity and dedication. It did so without neglecting another commitment: that of working to organize and train the Territorial Troop Militias in two municipalities of the province.

It was therefore no accident that the following statement should finally be in scribed in the document summing up the inpsection defining the awarding of the high honor:

"We are confident that with the same enthusiasm and dedication you have demonstrate in keeping your commitment, you will continue your achievements.... We know that in facing the imperialist enemy, the Frontier Brigade, along with the rest of our Revolutionary Armed Forces, will be, as our Commander in Chief Fidel Castro has said, 'a hard nut to crack, a bone fatally stuck in its throat'."

That is why the ever glorious Frontier Brigade won the pioneer unit banner!

11,464
CSO: 3010/396

DEVELOPMENT OF EASTERN ARMY'S SUPPLY FARM DESCRIBED

Havana VERDE OLIVO in Spanish 22 Oct 81 pp 40-43

[Article by Pablo Noa]

[Text] We had received information about the progress made by an agriculture and livestock production farm of the Eastern Army and we took advantage of the tour we were making of the region to visit it.

Surrounded by the beautiful countryside that is typical of the area, the farm has 300 caballerias [1 caballeria = 33.2 acres] distributed in keeping with the plans to develop the different types of production decided upon.

"We have been working for only a year," Marcos Campims Parra, head of the farm, told us. "When we began to set up the farm in October 1980, there was practically nothing here. A small group of comrades, armed with great enthusiasm but few resources, set out to transform facilities, adapt buildings and build a few others. This made it possible to handle the first hogs and sheep we had."

In accordance with instructions from higher authorities, supply farms are now being encouraged in different military units. Several already exist and a broad movement in the different commands is underway with respect to their establishment and startup.

On the farm we visited, the figures achieved this year reveal the significant contribution they make to the troops' diet, which is now more varied and balanced. The supply of fresh milk increases every day.

What Farms Produce

Concerning the promotion of the different production lines of the farm, Marcos explained the efforts that have been made jointly by the command and workers to improve the quality of what is produced.

"At the present time, figures for the 1982 technical-economic plan are being approved. This plan provides for the development that we propose to achieve in the different categories. Although they will be modest, we believe that there will be no difficulty achieving them. This will be an essential element for consolidating what we have already done."

These beginning months of the farm have turned out to be decisive for developing aviculture and goat, sheep, swine, cattle and horse raising. Work is also going ahead on readying the land in order to create areas for raising livestock feed and for growing tubers and vegetables.

In providing us with the most recent information by category, the head of the farm emphasized that 26 tons of poultry meat had been turned out in recent weeks. "We have an installed capacity for 27,000 birds," he said. "They arrive here 24 hours old and within 54 to 57 days, they are ready for butchering. By that time, they weigh 1.5 kilograms.

"With regard to sheep and goats, we have a herd of 1,584 and we are preparing to receive 1,200 more before the end of the year."

Regarding milk production, over 20,000 liters have been delivered since the farm began its dairy operation. The process is still rudimentary, but measures are being taken to modernize it. In addition, a confinement area is being set up and it is hoped that the herd will eventually be made up of 1,300 head.

Efforts are also being directed toward swine and horse breeding. Facilities with all the technical requirements are being built.

Who Guarantees [Farm] Operation?

The first impression we had upon our visit to the farming areas on that splendid early morning was that of a beehive of activity with everything in movement: tractors, trucks, men on horseback and on foot, women....

The pleasant morning fog, typical of the area, put us in contact with another task of the Revolution. The farm is in the midst of its takeoff and the participation of the workers is the main factor.

Management is made up of the farm manager, backed by four comrades responsible for production, construction, machinery and personnel. In addition, a veterinarian and an agronomist contribute their efforts to production. The rest of the personnel includes technicians, skilled workers, farm workers and service personnel.

"At all times, the command has given us valuable aid. We always receive responses to our proposals and requests," Campins stressed, going on to tell us about the work of the organizations.

"The farm has a party core, a rank-and-file committee from the UJC [Union of Young Communists] and the trade union sections, whose plans include specific tasks relating to our activities. Recently, in the heat of the results of the emulation inspection, we made a visit to the beach and this turned into a holiday for the workers."

Many experiences obtained from life in the military units are applied at the center. One of them is "Technology Day." This measure ensures greater attention to their respective equipment by drivers and operators. On that day, one can observe the interest in proper maintenance and in the resolution of technical questions involving vehicles.

The farm has an adequate equipment pool, basically made up of tractors, trucks and one bus that was rebuilt by the workers.

Immediate Tasks

We did not miss the opportunity to ask Campins about the tasks that are urgent.

"First of all, in salute to the 25th anniversary of the 'Granma' landing and to Armed Forces Day, we want to fulfill the technical-economic plan for the year. In the field, we have proposed to finish this month the first half unit of the hydroponic greenhouse being built and when it goes into operation, it will produce an estimated 7,000 quintals of vegetables.

"We are also working on the standardization and linkage of the work force and on improving areas and zones. The important thing is that we have made progress."

The Santiago afternoon caught us by surprise, leaving us anxious to continue the tour of the farm in order to see more of its achievements and experiences, listen to all those who came to tell us anecdotes about the early days pitted against the land, with all its joys and sacrifices.

This collective of self-sacrificing men and women is reaffirming its commitment with work that is already bearing fruit.

11,464
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TANK SQUADRON EXERCISE ACTIVITIES REPORTED

Havana VERDE OLIVO in Spanish 5 Nov 81 pp 10-13

[Article by Jorge Luis Blanco]

> [Text] The FAR, in carrying out the orders given by the Second Party Congress, are stepping up their fighting capacity, their mobilization and operational capacity during this training year of 1981-1982. Its members are aware of the real danger coming from the new fascist administration of the United States and with each passing day they are improving their training in every way. They will never catch us unprepared. We will never drop our guard. Never, no matter how great the risks may be, will our uniformed people fail to defend the gains of the first socialist country in the Western Hemisphere. It will always be in the first line of the fight when it comes to shedding blood, in the trench of dignity. And with a single voice--made up of millions of voices of workers, peasants, students, intellectuals, children, teenagers, men, women, and senior citizens--it will respond when the moment comes to the powerful neighbors to the north: "We are an unwavering and indomitable people." We will be talking in this report about the men who belong to this uniformed nation. Men who have mastered the equipment and the weapons and who know where their duty lies. Through constant military and political improvement, they are providing the best response to the fatherland which cannot be attacked with impunity.

"Where can I find the best crew," I asked an officer who received me on arrival at a tank unit which is carrying out its combat and political training plan.

"They are the men in 165," he answered right away. "They are very good fighting-men; not once did they fail to be selected as the most outstanding crew during the competition reviews. If you go to the firing range, you can watch them in a combat training class."

Without losing any time, I went to the place indicated to me by the officer. The firing range was filled with bustling activity. The modern tanks showed the tremendous advance in the power of their engines and, most important of all, the

excellent training of the crew members, the degree of combat cohesion achieved and the precision with which each of the targets was hit by the powerful guns.

It did not take us much trouble to find the tankers of 165. I ran into them as they began to dismount from their tank through the hatch. They smiled and looked happy. Their overalls were stained with sweat but they did not look tired; on the contrary, their movements were agile and precise, like those of all youngsters.

"Let me tell you: We cannot fail," the fellow who seemed to be the tank commander said euphorically.

"In what did you not fail?" I asked them, before they had a chance to recover from my unexpected presence, at a moment when they expressed their joy which they had to contain for the many minutes needed to accomplish the training assignment.

"Well, look, comrade officer," the youngest member of the crew said, "we had pledged to get a grade of 'good' during the firing exercise and, well, the problem is that this did not happen."

"No?," I said somewhat confused. "And why did you not . . . ?"

They did not let me finish my question; the same soldier who had sounded so worried at first now said: "We got 'outstanding!'"

And the four of them began to laugh together and the only thing I had to do was to go along with the joke and to join in this true concert of joy.

In demonstrating their knowledge in the field, these young tankers, revolutionaries, heart and soul, devoted their full energy to strengthening their military training, to being better trained each day to defend the gains of the people to whom they belong. That, at this moment, was my interpretation of the joy they experienced over the "outstanding" grade they had gotten. And I am sure that this is so.

Parenthetical Remarks

(These four soldiers have many things in common. One of them is their active integration in society before joining the FAR, as workers or students: Oscar Hernandez worked in the Ariguanabo textile mill as a threading machine operator; Lazaro More was and still is an excellent auto mechanic; Tomas Cutin, after finishing his studies at the "Jose Ramon Raquel" technical school, joined a repair shop as laboratory technician; and Ernesto Sanchez finished his 12th grade studies at the "Jose Marti" college preparatory school.)

Oscar (Dialogue)

Record: Pvt Oscar Hernandez, 19 years old, driver-mechanic, a militant in the ranks of the UJC [Union of Young Communists], joined the FAR through General Military Service.

"Why is your crew the best in the unit?"

"Very simple: We always do what it says on the assignment sheet, as it is called, to accomplish each of the combat and political training tasks with the proper quality; we conscientiously make sure that we have the best discipline level and when a comrade makes a mistake, no matter how little it may be, we call his attention to it and we discuss it in the group with him so that he can immediately correct the shortcoming. Mutual assistance, unity, and understanding among our crew members turned out to be a decisive factor."

"What about cohesion?"

"Yes, a tank crew must have very much cohesion, not only from the human viewpoint but--and this is fundamental--when we are out on a mission with our equipment, because our achievements in training or in combat do not come exclusively from the tank commander or the loader or the gunner or the driver-mechanic. One man alone is not enough; the four of us, like a little family, must blend and must do everything toward the same objective."

"What about competition?"

"Competition, as a mobilizing activity which enables us to accomplish each of our assigned tasks, plays an important role because brotherly competition has repercussions on the morale and conscience of the men, on their readiness to overcome all difficulties. But I would go a little further: In general, the political and party work, which we are doing in the field, is being perfected and streamlined to a great extent in terms of its forms and is assuming a high content for the benefit of this training phase and the tasks accomplished by the unit. Well, you were able to see for yourself in the area where we do our combat training whether efficient propaganda and agitation work is being done; these aspects were fundamentally aimed at the specific task we are involved in: firing practice. Here, very close to the tanks, are the charts that show the progress of competition, its content and objective; that includes the security measures to be observed and our pledge."

"What should be the constant concern of a driver-mechanic?"

"To perfect his technique in handling the tank while in column, in preliminary combat formation and in combat formation as such, at maximum possible speed, under different terrain, visibility, and weather conditions; he must always keep in mind that the driver-mechanic is a leader and that victory in combat depends on his skill to a great extent."

"Does Reagan threaten you?"

"We are not scared by threats! During the October Crisis they thought they were going to force us to our knees and they were wrong! They are going to be wrong once again. Our people does not know how to tremble. And if they dare to try anything foolish, we are ready for them with our equipment and we have trained men to use it."

Gunner

Pvt Lazaro More is the gunner and his buddies say that he simply does not know how to fail when he fires at a target because "I pay much attention and I am very much interested during each of the classes that are being taught. That is the secret of my great marksmanship. If the Yankees ever come, they are going to find out for themselves, they really are."

In the course of the accomplishment of the combat and political training program, one of the subjects he is concerned with deals with the independent destruction of the various types of targets in keeping with their degree of danger, using all existing firing methods, as well as to consolidate the knowledge and habits of the crew in getting the weapons ready, in using the armament during combat and in maintenance after combat.

"I am very sure that I would do my best shooting against a real target. Because I know that I am defending my country, because I am a son of this revolution and I am going to defend it to the very last. My tank is here, I am waiting for orders."

Lazaro not only was a gunner in a tank after he joined the FAR, he also did the same job on a howitzer.

"If they think that, at this time of danger, I should again go to the howitzers, well, I will go. I will go wherever my fatherland wants me."

When we asked him about living conditions in the field, he replied:

"They are very good. We have taken all necessary measures. Food preparation cannot be improved; we have an EM and Sergeants' Club, we have the 'Lenin-Marti' room, and other facilities. I like playing dominoes but don't call me a kid."

Although Lazaro is fully familiar with the real danger facing the fatherland as a result of the threats of the United States government, he keeps joking around.

"What do the Yankees think? Do they think that they are going to scare me with their blustering? Not me, not anybody! We continue our normal lives but we are alert and we are ready!"

"Fidel Said It Very Clearly"

Pvt Armando Tome is the tank's assistant gunner; but he can also act as driver, mechanic, or gunner.

"He is a very intelligent and hard-working soldier," I was told by 1st Lt Eliecer Goñez. "He is very familiar with his job as loader and he also contributes with great devotion to the maintenance of his combat equipment."

We were able to see that for ourselves after 165 had finished firing practice. Armando immediately helped clean the weapons, the telescopes, the radio equipment.

"All of this has to be in order. If the tank is not properly maintained, we will certainly not get good grades!"

The political training program is developing normally. This is the favored subject of this young soldier who confesses with pride that he always gets grades better than "good."

"Now," he says, "we have studied the speeches by our commander-in-chief in connection with the 28th anniversary of the assault on the Moncada barracks and during the 1968 interparliamentary conference. These undoubtedly are materials which raise our political-ideological level and which help us gain a deeper understanding of the problems besetting the world. Other topics we covered include 'the historical necessity of the party in the working class' and 'The Communist Party of Cuba.'"

"What about the speech delivered by our commander-in-chief at the end of the Second Congress of the CDR [Committees for the Defense of the Revolution]?"

"We are beginning to study it now. All of us in the unit listen and we watch on television. This is a speech of the kind we have become accustomed to from our commander-in-chief: vibrant, patriotic, mobilizing, revolutionary, always in defense of our principles, which United States imperialism will never be able to destory. And Fidel said it quite clearly: 'We will defend our principles, first of all, on our own shield and then we will respond to our principles and our attitude first of all with our own feet!' This is why we are prepared so that there will not be the slightest doubt in Mr Reagan and the entire fascist clique."

Tomas (Conversation)

Record: Sgt 1st Cl Tomas Cutin, tank commander.

"What must be the main attributes of a commander?"

"He must be demanding and humane toward his subordinates. Both of these aspects, when combined, lead to victory."

"Who among the crew is most outstanding?"

"Everybody!"

"Why are you the most outstanding?"

"It must be because we carry out all of our assignments. Nothing special. We do our job with much discipline."

"Do you consider yourselves to be good tankers?"

"It would not be good for us to think that. It might lead to complacency and besides we still have much to learn. At any rate, if the Yankees should dare to attack, they will be able to say whether we are good tankers. They are going to have to pay the bill."

"Has this unit carried out internationalist assignments?"

"Yes, and we, the youngest, who have not had an opportunity to achieve this high honor, feel stimulated by that beautiful tradition in continuing to improve our combat and political training. Perhaps someday . . . "

"You are getting ready."

"We are getting ready to accomplish any mission. That is our basic slogan. As our commander-in-chief Fidel Castro put it during the closing address to the Second Congress of the CDR: 'The country will never forgive itself if, in case of imperialist aggression, it has failed to see to its defenses.' We are fully aware of this important task which the Yankee enemy imposes upon us and this is why we spare no effort and no sweat."

"Do you have any special pledge for the current training year?"

"Of course: Among other things, to get grades of no less than 'good' in combat firing, as the best way to hail the 25th anniversary of the landing of the Granma and the founding of the FAR."

This is the pledge of the men of tank number 165, a crew of fightingmen who, with their tank, have earned the respect and admiration of all their comrades and who, in carrying out their combat and political training in the field, who that they are ready at any moment to answer the call of the fatherland.

But they are looking forward to getting more "outstanding" grades.

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FAR INDUSTRIAL ENTERPRISE AWARDED INTERNATIONALIST MEDAL

Havana VERDE OLIVO in Spanish 22 Oct 81, pp 54-55

[Text] This military industrial enterprise was today decked out in all of its glory. Shortly, a group of officers, assigned to the Armament Services Directorate, will be awarded the "Internationalist Fightingman" Medal, first and second class.

The event, which was attended by a large group from this EMI [Military Industrial Enterprise], was presided over, among others, by Cols Hector Fernandez Pons and Victor Bernal Leon, chief, directorate, Ministry of the Revolutionary Armed Forces, and chief, political section, EMI, respectively.

After receiving the flag which occupied its place in formation and after the national anthem, the Council of State Resolution was read; it noted the outstanding internationalist aid given by those fightingmen who then received the award.

Later, Col Hector Fernandez Pons summarized the event and emphasized the fact that this ceremony which had just ended constitutes an expression of the interest and concern of the Cuban government and party in recognizing the attitude of those who truly distinguish themselves in the accomplishment of their patriotic and internationalist duty.

"We cannot forget the words of our commander-in-chief when he said that 'the fatherland of the communists is humanity,'" the speaker noted and then he added:

"Today and through this activity we recognize your merit. This is an incentive for sacrifice, for work, and for following the example of Che and Camilo. We are sure that this will not be the last occasion for us to meet in front of a group of internationalists after pinning this honorable medal on them."

Wear It With Pride and Honor

"This internationalist fightingman medal," First Class which I wear today on my chest, I shall display with pride and honor," we were told by Lt Col Bernardo Savin Martinez after the end of the award ceremony.

He said that the accomplishment of his mission in the sister People's Republic of Angola is an opportunity for him to realize his old dream of modestly contributing to the just cause of other peoples.

"The ceremony which has just ended is of great importance to us because it is taking place precisely in the midst of the ideological gathering which our FAR, together with the people, are developing in just homage of the unforgettable majors Camilo Cienfuegos and Ernesto Che Guevara."

Lieutenant Colonel Savin, a fightingman of the "Mario Munoz" Third Front during the liberation war, also said: "You can be sure that the decoration conferred upon us commits us to be better and reaffirms our determination and desire to give our blood when necessary both at home and abroad."

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FRANK PAIS SECOND FRONT COMBATANTS AWARDED

Havana VERDE OLIVO in Spanish 22 Oct 81 p 54-55

[Excerpt] In a moving ceremony, held in the Cacahual, the last resting place of the mortal remains of Lt Gen Antonio Maceo Grajales and his aide, Capt Francisco Gomez Toro, the "20th Anniversary of the FAR" Commemorative Medal was awarded to a large group of fightingmen and active collaborators of the "Frank Pais" Second Eastern Front.

The solemn ceremony, which was presided over, among others, by Jose R. Machado Ventura, member, Political Bureau; Antonio Perez Herrero, alternate member, Political Bureau, and secretariat member; as well as alternate Political Bureau member and chief, Central Political Directorate, FAR, Div Gen Sixto Batista Santana, began after the call to "Attention" and after the country's flag, carried by fightingmen of the FAR, was placed in front of the awardees to occupy its place in formation.

Afterward, Brig Gen Samuel Rodiles Planas, first deputy commander, Eastern Army, and alternate member, Party Central Committee, read the Council of State Resolution awarding the medal to these fightingmen of the "Frank Pais" Second Eastern Front.

This was followed by the national anthem and after that Jose R. Machado Ventura, Antonio Perez Herrero, and other comrades presented the medals to the group of fightingmen.

5058
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EMULATION AT MOTORIZED INFANTRY DIVISION NOTED

Havana VERDE OLIVO in Spanish 6 Nov 81 pp 54-55

[Text] An AA artillery unit of a motorized infantry division in the Eastern Army received an award showing that it made good on the pledges undertaken as initiator of socialist competition during the 1980-1981 training year.

Everyone in this military unit was very happy; it has now once again been proclaimed a winner in the competition movement of the unit to which it belongs. This is reward for the effort and hard work by all commanders, officers, NCOs, sergeants, enlisted men, and civilian workers. It is just recognition of the task accomplished to the benefit of the country's defense.

This unit's history was shaped through many years of struggle and work, governed by a beautiful revolutionary and internationalist tradition, something which can be seen especially through the exemplary accomplishment of the solidarity missions in Angola and Ethiopia as well as the other high results obtained in combat readiness and combat and political training.

Going through the installations, you can understand the quality of the work done by those men who have the important mission of watching over the integrity of the country's air space.

One example here, among many others, consists of the results achieved in the construction of the major and minor study material base. Here we must mention the construction of a combined firing range, a motor pool, the parking area for the training compound, the guard training area, and others.

Another no less important effort has involved the improvement of living and working conditions for the troops. Here we must stress the remodeling of the dormitories and the construction of the premises for the staff, as well as the recreation room for sergeants and enlisted men, among others.

Simultaneously with these tasks, as is quite logical, they accomplished the combat and political training plan, as demonstrated through the grades of "good" obtained during combat firing and during the final inspection carried out by the higher command during the last training year.

It may not be much, but the unit's staff was able to win first place in the AA defense competition of the ground units of the FAR.

But the successes, no matter how great they may be, are not yet the final goals of this military unit. They start the new training year with many complex tasks which they will take up, as they have been doing so far, with the combined effort of all personnel, and with the valuable support of the organizations of the party and the UJC [Union of Young Communists].

They will continue to carry out the pledges and resolutions of the Second Party Congress, the unity pledge in honor of the 25th anniversary of the Granma landing and the Day of the FAR, combat and political training, the strengthening of socialist competition.

When these men talk about socialist competition, they know that the purpose of that competition in the FAR is to mobilize all personnel towards strengthening defensive capabilities, guaranteeing the most effective and rapid combat readiness of men and equipment to beat back any aggression which the enemy may seek to unleash against Cuba.

Among the tasks which they now propose to accomplish, as a socialist competition initiating unit in a motorized infantry division of the Eastern Army, we must mention the efficient and high-grade development of ideological work with the personnel, progressively improving the quality and content requirements of the various activities; getting the grade of "good" in the Marxist-Leninist instruction of the officers, in the political training of sergeants and enlisted men, and continuing to develop a profound patriotic and internationalist feeling, along with firm discipline, strict and complete discharge of duties and profound hatred against our class enemies.

They will continue constantly to improve the combat readiness of the troops, primarily concentrating their work on reducing the established deadlines and on consolidating the study material base.

The new pledge also calls for accomplishing the repair and maintenance of equipment and weapons with the required quality and by the required deadlines, achieving their correct operation, recording, and inspection, so that the coefficients established for combat readiness will be achieved since this contributes to eliminating any possible causes of accidents.

In expressing the firm conviction that this pledge will be accomplished, they are inspired by the traditions piled up by the unit which has always been present in the struggles fought by our entire people; this unit has turned out revolutionary and internationalist fightingmen, who stand united with the struggles of other peoples for their independence, for unlimited loyalty to the revolution, to the working people, to the Communist Party of Cuba, and to the commander-in-chief.

When Div Gen Sixto Batista Santana, alternate member, Party Political Bureau, and chief, Central Political Directorate, FAR, presented the award to the unit commander for the successful accomplishment of all pledges undertaken as initiating unit for socialist competition during 1980-1981, all fightingmen understood the importance of the new commitment they were undertaking from that moment on, an effort that was not devoid of difficulties although those difficulties would definitely be overcome through the morale and conscience of an enthusiastic and enterprising group of men.

The command, the organizations of the party and the UJC, the fightingmen and civilian workers of this AA artillery unit in a brotherly manner challenge all units of the motorized infantry division to which they belong to compete with them and to dedicate their successes to the 21st anniversary of the Granma landing and the founding of the FAR.

5058
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STUDY NOTES ISSUED ON ANALYZING CASTRO'S CDR SPEECH

Havana VERDE OLIVO in Spanish 6 Nov 81 pp 52-53

[Text] Methodological guidelines for political training class leaders. Comments on the speech by commander-in-chief Fidel Castro Ruz during the closing session of the Second Congress of the CDR [Committees for the Defense of the Revolution].

First Class

Objective: To make sure that personnel have a thorough knowledge of all fundamental aspects taken up by our commander-in-chief on the world's current problems which have repercussions on Cuba's life.

Timetable

Introduction: 5 minutes

The Cuban Revolution--Useful example for the international revolutionary movement: 10 minutes

The problem of peace in our time: 30 minutes

The economic crisis of the world: 35 minutes

Summary: 10 minutes

Review questions: 10 minutes

Introduction

In the introduction to the class, the class leader must succeed in imbuing the personnel with the tremendous significance of this important speech, of its guiding and clarifying character, its great political content, as well as the objective analysis which is presented so correctly here regarding the world's problems.

Make reference to the points made by Fidel regarding the role played by the CDR during the period covered, in the course of the construction of socialism in Cuba.

I. The Cuban Revolution--Useful Example for the International Revolutionary Movement.

On this study question, the class leader must explain the following:

The role played by the CDR in the defense of the country, the way in which this aspect follows with what Lenin said, since a revolution is good only if it is capable of defending itself. Mention the PCC [Communist Party of Cuba] as the vanguard of the working masses, the armed institutions, and the social and mass organizations.

Political focus on significance of our revolution as a useful example for the worldwide revolutionary movement.

Stress the democratic character of our revolutionary process through the participation of the people in the election of its leadership body. Establish the difference pointed out between Cuba's socialist democracy and so-called bourgeois representative democracy.

II. The Problem of Peace in Our Times

Explain that, as pointed out by Fidel, the world is living through one of the most difficult phases in recent times, even all times.

Significance of peace in our time, its difference compared to other epochs in history.

Stress the significance of peace in our day, where scientific-technological development is used for technical-military means, causing the destructive power of armaments, increase a thousand times over, to threaten the existence of humanity--hence the vital significance of the word peace.

The war policy of the imperialists leads to the failure to observe peaceful coexistence as a principle governing relations between countries with different systems. This is exemplified by the following:

Paralysis of SALT II agreement due to the unilateral decision of the United States; briefly explain what these negotiations consist of;

The rearmament policy launched by imperialism based on presumed Soviet expansionism, using as pretext the balance of power with the Soviet Union;

The way in which the imperialists twist historical reality relating to the aggression suffered by the USSR and the conditions under which it had to defend itself against its enemies.

Explain what has been and what is the policy of the capitalist powers with relation to their ideas of taking over the whole world, the natural resources of the nations, and the exploitation of their population. Argue what the position of the socialist countries on that score is.

Explain the imperialist concept of so-called Soviet expansionism;

Point out how imperialism, in dropping its mask, openly declared itself to be the world's policeman; its position with respect to Saudi Arabia, Israel, and the most repressive governments of Latin America.

Saudi Arabia was declared a Yankee protectorate.

Consideration of any social change in the world as Soviet expansionism. Declaration that it would not permit any social change, any revolutionary change in Central America, neither in the Caribbean, nor in Latin America, nor in Africa, nor in Asia, nor anywhere.

Emphasis on the explanation that the arms race undertaken by imperialism is the result of the serious crisis experienced by the world in an attempt to solve problems through force in its capacity as the world's policeman.

Show how this armament policy by the United States is being pursued at the expense of the people, fundamentally the poorest segments, leading to the following consequences:

More than 400,000 low-income families will completely lose the subsidies which they have been getting from the federal government and another 250,000 will have these allowances reduced;

875,000 families will lose the food stamps which they had been getting from the federal government and which they were using to buy food;

1.4 million families will have their allowances reduced;

22.5 million persons will be hit by a reduction in medical services and by an increase in the cost of medical services which they are getting through federal programs;

1 million unemployed civilian workers will lose their entitlement to unemployment compensation;

17.7 million children of school age will be affected in terms of their opportunity to get lunch in the schools where already 270,000 employees have lost their jobs due to the suspension of the school lunch programs.

Point out that the money taken from the people is used to step up military expenditures, giving as example the fact that, for the year 1982, the military budget comes to $225.7 billion represeting 29 percent of the total federal expenditures.

To support this explanation, prepare a table showing the costs of the various weapons which are to be produced.

Explain how this arms race has been unanimously rejected by the peoples, especially in Europe, where plans call for the installation of 572 nuclear projectiles.

Stress that this arms race forces the socialist countries to redouble their efforts in support of peaceful coexistence but at the same time it also forces them to invest enormous resources in counteracting the imperialist attempts to achieve military superiority.

III. The World's Economic Crisis

In approaching this study question, the class leader must briefly explain that economic crises are a phenomenon inherent in the capitalist system and spring from its own contradictions; these are repeated periodically in the capitalist economy. Make reference to its phases. As a result of these crises, which at any moment can lead to the end of the system, point out that imperialism seeks to resolve the situation by inventing various mechanisms in an effort to cope with the crisis and to make the system last.

Show how, after World War II, the capitalist economy experienced a prolonged period of growth, achieved fundamentally on the basis of the procurement of cheap energy, in this case, petroleum.

Point out that unequal trade has been another one of the pillars on which the growth of the capitalist countries rested. In other words, the industrialized capitalist countries sell their increasingly expensive products and get ever cheaper products from the Third World.

The monopoly of world finances by the imperialists has turned them into the predators of the Third World and these countries are going deeper and deeper into debt.

Based on the above statements, explain that these exploitation conditions led to the flowering of the worldwide capitalist economy for several decades until a kind of crisis appeared which had never been encountered before, in other words, inflation combined with economic recession.

The class leader must make sure to clarify this concept well, trying to illustrate it with examples.

Note that the current crisis also involves the capitalist world whose economic growth had never faced such problems before, with restrictions on the procurement of natural resources and raw materials from the so-called Third World, failing to get cheap energy, such as petroleum. Here it is necessary to stress the union of the petroleum producing countries which are confronting the industrialized capitalist countries and are setting their price terms.

Precisely explain the points made by our commander-in-chief in stressing the seriousness of the current situation since no immediate solution seems available to those problems, keeping in mind that these problems also and to a greater extent hit the underdeveloped countries.

Point out the examples given by Fidel concerning countries such as Great Britain and Chile where different forms have been tried to solve this situation and describe the results obtained.

The class leader must explain that, as noted in the speech, the solution of current problems is possible only through great international collaboration, through cooperation which cannot be achieved due to imperialism's aggressive policy. This aspect can be illustrated with the points made by Fidel regarding the results of the Cancun conference.

Keep in mind the attitude of the Reagan administration with respect to Cuba's participation in this conference, as well as the UNCTAD meeting which was to be held in Havana in 1983.

Cuba's position in response to this opposition from the all-powerful and unavoidable Mr Reagan has been consistent with the principle of internationalism, sacrificing our national interests for those of the majority of the underdeveloped countries interested in holding these events.

Summary

In summarizing the class session, the leader must stress the importance of the topics taken up by our commander-in-chief since it deals with fundamental aspects of world conditions today.

Stress the evaluation made by Fidel regarding the work done by the CDR during the period analyzed as well as the past 21 years since they were founded. Their great contribution to the construction of socialism in Cuba.

Point out that the fight for peace at this time is of vital importance due to the fact that the outbreak of a world conflagration can lead to the disappearance of humanity.

Stress the war-like, aggressive essence and the policy of strength of Yankee imperialism.

Emphasize the consequences of the worldwide economic crisis to the underdeveloped countries and, indirectly, to the socialist countries. Emphasize the need for finding a solution to these problems.

Review Questions

1. Describe the role played by the CDR in the construction of the new society.

2. Explain the essence of the example given by Cuba to the worldwide revolutionary movement.

3. What is the current significance of the word peace? Explain.

4. Explain how Yankee imperialism's arms policy is manifesting itself.

5. Explain the essence of the economic crisis which the world is going through now.

5058
CSO: 3010/401

GRAPEFRUIT HARVEST RESULTS, SUGAR HARVEST PREPARATIONS

Isle of Youth Grapefruit Harvest

Havana GRANMA in Spanish 4 Nov 81 p 2

[Article by Lucas Correoso Perez]

[Text] Nueva Gerona--Eighty days after the start of the grapefruit harvest on the Isle of Youth, a good tempo is being maintained, as is shown at the end of October with a total harvest of 47,721 tons of fruit, delivering 46,395 tons to packing and processing plants and shipping 35,736.8 tons. During this period, 7,776.7 tons were also supplied to the food industry for the processing of derivatives.

These figures considerably exceed those of the similar period for last year's big crop. The average rate for the present crop--considering the 80 days--comes close to 600 tons daily, while in 1980 it hardly exceeded 330 tons. The same thing is also taking place in the packing houses, completed production and shipments, which gives an idea of the effort which the students and workers involved in the production struggle are displaying here, in a forceful response to the appeal of the party and Fidel to improve working performance on all fronts, attain the maximum degree of organization and increase efficiency and productivity.

Sugar Harvest Preparations

Havana GRANMA in Spanish 5 Nov 81 p 1

[Article by Juan Varela Perez]

[Text] The table below shows little or no change in the positions of the provinces with the greatest real fulfillment of sugar mill repair and investment plans.

The inhabitants of Granma involved in a vigorous campaign held the best position in the evaluation which included up to 26 October. Although the average production dropped slightly, none of the provinces which were with them in the "vanguard platoon" of the previous study were able to take the lead from them.

Granma residents say they are outfitting their plants to deliver a large harvest with a greater efficiency than in the past when the province scored a striking advance, especially in some of its sugar mills.

Sugar production appears to be included, with preferred emphasis, in their program to deserve being the site for the national celebration of the 29th anniversary of the attack on the Moncada Barracks.

All are convinced--it is not necessary to repeat it--that the quality of repairs and investments will guarantee an efficient industrial operation and will eliminate the likelihood of a high rate of idle time.

Havana, Santiago de Cuba, Guantanamo and Cienfuegos followed Granma, as in the past. Changes in rank according to fulfillment are observed, but they are not substantial.

This time three provinces are bunched together at 102 percent: Cienfuegos, Santiago de Cuba and Guantanamo, and Havana dropped from 105 to 101.

The sugar producers in Santiago de Cuba have something important in their favor: they show the highest physical advance in fulfilling 91.57 percent of their overall plan of investments and repairs. In short, they are about to complete their operations in their eight plants.

It is right to recognize the steady tempo of the people of Santiago de Cuba. It should be mentioned that since the first study they have held favorable positions in the work which insures an uneventful start. They have been, incidentally, among the provinces which have worked hard for efficiency and in periods when the absolute recovery was very low and the average of its sugar mills approached that of Cienfuegos. It is another one of those which expect better results in 1982.

Guantanamo is operating at a successful pace. In what was actually accomplished it shows a figure of 86.42 percent and it is second after Santiago de Cuba in this classification. In spite of the obvious instability which affected some of its sugar mills in the last harvest, there are hopes for recovery and falling in step with the best in the country.

Havana appears poised, stable, convinced that the coming harvest will be a campaign for it of complete dedication in all aspects of efficiency.

Those of us who have visited a number of its sugar mills concur in this opinion. We will have to count on the natives of Havana and from the very beginning.

There is little new to be said about Cienfuegos, another one of the leaders. It is merely this: whatever the circumstances, they will defend with all human and technical resources the efficiency which has been their main recommendation, the model. They will face the coming harvest under varied conditions which will necessitate redoubling the usual demands which are met there in the entire agricultural and industrial process.

The only ones with a balance less than 90 percent were Matanzas (88), Ciego de Avila (86) and Camaguey (89).

Let us look at the situation of the leading provinces:

	Plan %	Actual %	Fulfillment %
Granma	78.74	83.14	106
Havana	69.19	72.15	104
Santiago de Cuba	89.54	91.57	102
Guantanamo	85.11	86.42	102
Cienfuegos	83.52	85.44	102
National/81	80.58	75.47	94
National/80	74.23	73.56	99

In the previous period, the one which ended on 12 October, the nation showed a drop of 2 percent. These figures furnished by the sugar industry maintenance administration's control center are useful to compare and reexamine the situation in each province.

8490
CSO: 3010/335

PFLP DELEGATION VISITS CUBA, MEETS MIRET, OTHERS

Havana GRANMA in Spanish 2 Nov 81 p 3

[Article: "Delegation of the People's Front for the Liberation of Palestine Visited Our Country"]

[Text] A delegation of the People's Front for the Liberation of Palestine, led by Taysir Kuba, member of the Politburo of that organization and in charge of foreign relations, visited our country at the invitation of the Cuban Communist Party.

Pedro Miret, member of the Politburo of the party Central Committee, had official conversations with the Palestinian delegation, in the course of which bilateral relations between both political organizations were examined.

In these conversations, on the PFLP side, Comrades Ahmed Fuad and Abou Issan, also members of the Politburo, and Abou Hassan, an official of the foreign relations department, also took part. For the Cuban Communist Party Claudio Ramos and Ernesto Gomez Abascal, respectively chief of Section and official of the General Department of Foreign Relations of the Central Committee, took part in the conversations. Also present was Comrade Jacinto Vazquez de la Garza, Cuban ambassador to Lebanon.

In the fraternal exchange of opinions the Palestinian comrades expressed their support and solidarity for the struggle of the peoples of Latin America and the Caribbean and in particular for the Cuban people, in their confrontation of the aggression and threats of Yankee imperialism.

In the name of our Party Comrade Pedro Miret reaffirmed the strong support of Cuba for the just cause of the Palestinian people for the achievement of their legitimate national rights, including the benefit of their own and independent state under the leadership of the PLO [Palestine Liberation Organization], their only and genuine representative.

The Palestinian delegation was also received by Comrade Jesus Montane Oropeso, alternate member of the Politburo and member of the Secretariat of the party Central Committee.

After visiting places of political, economic, and social interest in Havana and Holguin provinces, the delegates of the People's Front for the Liberation of Palestine left on their return journey.

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END

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29 December 1981

Latin America Report

No. 2424

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BRIEFS

POWER COMPANY LOAN--A loan agreement of £5 million (approximately Bds $19 million) was yesterday signed between the Commonwealth Development Corporation (CDC) and the Barbados Light and Power Company at the CDC's Culloden Road offices, St. Michael. Signing on behalf of the CDC was Mr Adrian Kerwood, regional controller and signing on behalf of the Barbados Light and Power was Mr Frank McConney, managing director. Mr McConney said that the money will be used to buy electrical equipment and machinery to expand the company's power system. He said that the expansion was urgently needed to supply the increasing use of electricity in the island. The Managing Director further said that part of the money would be used for the expansion programme which started earlier this year in February and construction of the new low-speed diesel unit at Spring Garden Power Station, Black Rock. St. Michael. Mr McConney said that the expansion programme would include the construction of new sub-stations and transmission lines, and a distribution programme among other areas. [Excerpt] [Bridgetown ADVOCATE-NEWS in English 18 Nov 81 p 1]

CSO: 3025/76

BRIEFS

OIL EXPORT FIGURES--Ecuadorean State Petroleum Corporation [CEPE] has exported a total of approximately 30 million oil barrels between January and October 1981. Of this total, 21 million , 71 percent, were long term sales. The spot sales only reached 8.5 million barrels during this same period. [PA082359 Quito Boz de Los Andes in Spanish 1230 GMT 1 Dec 81]

CSO: 3010/490

BRIEFS

OFF-SHORE OIL EXPLORATION--Kingston, Jamaica, 15 Dec (CANA)--Jamaica's search for oil off-shore should start tomorrow, once there are no hitches with the weather, according to prime minister and minister of mines and energy, Edward Seaga. A consortium of Union Texas, an American oil company, and the Italian state firm, AGIP, will be spudding the first off-shore well in the Arawak block on the Pedro Bank, about 50 miles off Jamaica's south coast. Under present arrangements with the consortium, if oil is found Jamaica will receive a royalty of 12.5 percent of its value in either cash or kind, while the Petroleum Corporation of Jamaica (PCJ) will get an undisclosed share of profits. The PCJ recently received a 7.5 million dollar (U.S.) loan from the World Bank to help finance the development of the fields, should oil be found. The on-shore search for petroleum started last month with the sinking of a well on the southwest coast in the parish of Westmoreland. It is the first of three wells to be sunk by the PCJ in different areas of the island over a 9-month to 1-year period. The PCJ's on-shore search is costing 32 million dollars, (U.S.) 23.5 million of which is a loan from the Inter-American Development Bank. Jamaica's total oil bill last year was 419 million dollars (U.S.) but 163 million dollars worth of that was for the bauxite/alumina industry, for which the country did not have to find the foreign exchange. Domestic oil imports accounted for 32.1 percent of the Jamaica foreign exchange budget. [Excerpts] FL151815 Bridgetown CANA in English 1740 GMT 15 Dec 81]

CSO: 3025/1012

BRIEFS

FURTHER OIL EXPLORATION--Port-of-Spain, Trinidad, 12 Dec (CANA)--The minister of energy and natural resources, Mr Patrick Manning, has said that the republic's government will give priority to further oil exploration in the new year. Mr Manning made the statement following a tour of the facilities of the Trinidad and Tobago Oil Company (TRINTOC). During the visit, Mr Manning held a meeting with senior officials of the company at the administrative building at Point Fortin, in South Trinidad. He said that most of the planned exploration will be on land, and assured that any problems which might develop at TRINTOC would be given urgent attention by the government. The objective of the 1982 action would be to stimulate and improve the level of oil production by the company. [Text] [FL121543 Bridgetown CANA in English 1525 GMT 12 Dec 81]

CSO: 3025/1012

U.S. STRATEGY IN CENTRAL AMERICA ANALYZED

Managua EL NUEVO DIARIO in Spanish 28 Oct 81 p 9

[Article by Ernesto Jonis: "The United States Counterrevolutionary Plan in Action!!"]

[Text] The heading of this essay seems to suggest that, in one way or another, the strategic concept behind the policy of United States imperialism in Central America has become known and then can be described and analyzed in a detailed, documented manner. This is not the case. There is no parallel at all to the publication of the "Pentagon Papers" by Daniel Ellsberg or the investigation by the United States Senate on interference by the CIA and the multinational ITT company in Chile. On the contrary, the frequently contradictory and scant information on United States policy in Central America seems to be too inconsistent to enable an observer to infer whether or not an imperialist strategy has been drawn up concretely for the region. This impression is strengthened by statements by government officials that no decision has been made yet concerning the options in Nicaragua and, in fact, by acceptance of these statements as true by the mass media.

Nevertheless, the impression is wrong. It is the intentionally deceptive front of a well-planned disinformation campaign whose function is to distract world public opinion from the real strategic procedures that the counterrevolution has been carrying out in the Caribbean and in Central America since 1980. If information connected with the actual policies and the speeches of the Reagan Administration are summarized with a historical knowledge of the CIA's secret operations in Latin America, then that summary strongly indicates the existence of a covert strategic plan by the United States to destroy the present revolutionary movements and states in Central America.

1. The objectives of the strategy are:

In the short term: destruction of the national liberation movements in El Salvador, Guatemala and Honduras.

Next, in the medium term, destruction of the Sandinist regime in Nicaragua by means of the political paralysis of the FSLN [Sandinist National Liberation Front] and the development of a Mexican model or, if this is not possible, the physical destruction of the movement, following the pattern of Chile in 1973 or Guatemala in 1954.

And finally, in the long term, destruction of the socialist regime in Cuba and prevention of any other revolution or success of a national liberation movement on the continent.

2. The structure of the strategy for Nicaragua is characterized by emphasis on three steps and four levels:

Phase A, which has been completely formulated and is considerably well along with regard to its implementation, consists of destabilization activities of the following nature: a. propagandistic-psychological, b. economic, c. political and d. paramilitary. Propagandistic-psychological and economic measures are principally important during this phase. Political and paramilitary action play a complementary part.

Phase B, which can be called "paramilitary," has not been developed beyond the planning and discussion stage. Its concrete final pattern depends predominantly on the outcome of phase A.

The same is true of phase C, which is essential military-political.

In general terms, the conduct and the logic of the destabilization strategy resemble, in phase A, the policy followed by the United States in Chile (against Allende) and in Ecuador (1961-1962) and, in phases B and C, the campaign against Arbenz (Guatemala).

Within the country, the strategy is supported, among others, by factions of the so-called private sector and of the "independent sectors," which are maintained "as a potent force against those who want to establish a totalitarian state[1], like middle-class political parties, "free" labor unions and mass media like the press. The Christian democrat parties in Europe and Latin American serve as the main channels for funds, diplomatic-political support and, together with the "large newspapers" and news chains, as propaganda agents.

The principal allies of imperialism on the continent are:

a. In the Southern Cone: Argentina and Chile (political pressure and military assistance).

b. In Central America and the Caribbean: Colombia (diplomatic pressure), Venezuela (political and economic pressure), Honduras (military level) and the Dominican Republic (diplomatic level).

In view of the fact that, owing to reasons of space, it is not possible to go into detail on the continental components of United States strategy, we shall limit ourselves here to reviewing the specific measures of its first phase in Nicaragua--the destabilization phase--and, especially, the psychological warfare aspect. The daily newspaper LA PRENSA is in the lead of the propagandistic war against the FSLN. It changed from a democratic, critical publication under the Somoza regime to a frank, aggressive partisan of counterrevolutionary interests, after Violeta Chamorro left the National Reconstruction Junta (in April 1980) and the subsequent departure of its editor at that time, Xavier Chamorro.

A preliminary statistical analysis of eight issues of the newspaper (September-November 1980), made by a communication scientist, Claudio Duran, reached the conclusion that LA PRENSA presents "a terrifying image of present-day Nicaragua." If the topics negative to the government are added up, then the result is that 81 percent of the supposed news is, in fact, highly sophisticated propaganda. Only 6 percent can be characterized as positive toward the present sociopolitical process and the remaining 13 percent have the function of presenting an image opposed to the present project of socioeconomic and political transformation."[2] Nevertheless, the statement by that author that the propagandistic strategy of LA PRENSA "is alarmingly similar" to the strategy employed by the CIA and Chilean reactionaries against Allende from 1970 to 1973 by means of the conservative newspaper EL MERCURIO—which played an important part in the destruction of the Popular Unity government and it is the strategy implemented by the Jamaican newspaper THE GLEANER during the election campaign against Michael Manley's Reformist Party--is, however, more threatening than these figures. Owing to the fact that in the interim it is now public knowledge that A. Edwards, editor of EL MERCURIO at that time, was an "old ally of the CIA"[3], that the psychological warfare campaign in Chile was the product of CIA strategists and, also, that its basic characteristics coincide primarily with other United States clandestine operations since World War II (from Italy in 1948 through Guatemala in 1954 to Chile in the period from 1964 to 1973), then there should be little doubt concerning who is behind LA PRENSA's policy.

Pedro J. Chamorro, Jr., the present editor of the newspaper, is cynically aware of the power and protection of his international allies. "I know that one day the Sandinists are going to shut down my newspaper. But that will be the beginning of their end."[4]

Actually, in view of the fact that up to now all the campaigns of the reactionaries--for elections, against supposed violations of human rights, and so on--have failed, it would be very useful to the counterrevolution, if the government should proceed against LA PRENSA. Up to now, the Sandinists have been too cautious to fall into the trap, but it is obvious that it is essential for the revolution to stop this offensive by the reactionaries. Even if one does not agree with the conclusions of L. Kirkpatrick, inspector general of the CIA for almost a decade, that "clandestine operations are as dangerous in their way as nuclear weapons" and that "a handful of men with a brilliant idea can do more damage than an army,"[5] the success that this kind of operations by the CIA has had in southern Europe, Indonesia and, most of all, in Latin America, is so evident that its dangerous effectiveness must not be underestimated.

Imperialism's propagandistic-psychological warfare, whose objective consists in identifying "the left, Marxism and socialism with crime and criminal violence" for the purpose of creating "anxieties and primitive panic" (neurotic)[6] in certain social classes, is supplemented by a number of economic pressures, political measures (isolation) and paramilitary activities, which (owing to lack of space) cannot be examined here. Consequently, we shall limit ourselves to a discussion of some aspects of the probable development of the strategy, as it is said to be planned by imperialism.

If the FSLN should be inclined to agree to the demands of domestic or international reactionaries--demagogically disguised as demands for a "pluralistic society," a

"mixed economy," and so on--and for the model of society and domination that is behind them, that is to say, if the FSLN were inclined to renounce its hegemony in the process of social change, then the policy of the United States would have suceeded in aborting the Sandinist revolution, just as the Socialist International achieved it in "the revolution of the carnations" in Portugal. A radicalization of the process would be impossible.

But if the FSLN maintains its hegemony, an increasing polarization between the various sociopolitical forces and a physical confrontation between the revolutionary and counterrevolutionary forces--that is to say, between the Sandinist state (and mass organizations) and the organizations and representatives of the counterrevolution--would become inevitable.

United States imperialism would respond to that kind of situation with an intensification in its policies of destabilization at the four above-mentioned levels and would probably immediately start the second phase of its strategic plan, the paramilitary phase. As has been shown by every historical experience, defense of the revolution would then be possible only by means of a policy of "war communism" or of a Jacobinic dictatorship, that is to say, with maximum centralization of the state's authority, with a strict administration controlled by the state of the national economy and with a consistent, sustained control of all domestic opponents. Nevertheless, once that policy has been imposed and is supported by a well-disciplined, armed mass movement--a people's militia with 200,000 fighters and an army with 50,000 members (because this has been planned)--then the Sandinists could not be defeated by a paramilitary force.

Thus, if the present American Government should decide to start the second phase of its strategic plan, then it would have three options left: it could accept a military defeat (as in Cuba in 1961) and cancel the entire strategic plan, it could start phase C and attempt a military victory by means of a massive use of its regular armed forces or it could start phase C and attempt to achieve a political victory by means of combined political-military actions.

Obviously, the first option can be discarded. The second one is not very likely either. Because the Reagan Administration will be unable to obtain a mandate from the OAS or from the United Nations, or, more specifically, a disguise for a mass intervention by regular troops, the invasion would have to be with United States forces. When the vastness of the "task" is considered, the invasion would entail a major war effort, with severe political implications within and outside the United States and thus its nature would be that of a final equation. The third option, however, is the one that would probably be instrumented and the following would be its operations scenario: a major paramilitary operation across the Honduran border, supplemented by a similar advance across the border with Costa Rica and an amphibious beachhead in the socioeconomically and politically backward regions in the Atlantic area (for example, in Bluefields), which have been the traditional targets of United States military interventions. These attacks might occur simultaneously or they might be staggered, but, in any case, they would be supplemented by acts of sabotage within Nicaragua by local subversive cells. Parallelly, an intensive campaign of psychological warfare and of air attacks provided by camouflaged United States war aircraft from the Panama Canal Zone, Honduras and Costa Rica would be carried out. Owing to the fact that a quick military outcome is not very likely, even with the participation of the Honduran Armed Forces, the

phase C operations would be directed toward the rapid installation of a counter-government in some remote area on the Atlantic coast. The next step would be to ask for international diplomatic recognition of this spurious government. These events would give rise to anti-American demonstrations all over the world, but especially in the neighboring countries. Attacks with bombs--in part "real," in most cases instigated by the CIA--on United States facilities in "sensitive areas" like Panama and Mexico would contribute still more to a scenario of generalized warfare andsubversion in Central America, threatening not only the "lives and property" of United States citizens in the isthmus, but also the "national interests" of the United States (the Panama Canal, for example) and "security of the western hemisphere." Then the United States Government would recognize the opposition government, just established, would protect it by a naval force and would request that the conflict be settled before a supranational agency (either the OAS or the United Nations), while it would set up a sea blockade, in order to prevent "foreign intervention." The final outcome of these operations would consist in the forced holding of general elections under international supervision. The revolution, which cost so many lives, would have to adapt itself to the procrustean bed of middle-class institutions and it would be suffocated, as the Portuguese Revolution was suffocated in 1974.

FOOTNOTES

1. Department of State Bulletin, Vol 81, No 2050, May 1981, p 70.

2. Claudio Duran, "Psychological Warfare in Nicaragua," LINKS, August 1981, Offenbach, Federal Republic of Germany.

3. T. Powers, "The Man who Kept the Secrets: Richard Helms and the CIA," Pocket Books, New York, 1981, p 291.

4. STERN, Hamburg, June 1981, Federal Republic of Germany.

5. T. Powers, idem, p 131.

6. The topics used by EL MERCURIO were: 1. need for law and order; 2. Marxist violence; 3. ineptitude of Popular Unity; 4. attacks on democracy by Popular Unity; 5. international failure of socialism; 6. distressed image of the world.

10,042
CSO: 3010/296

BRIEFS

ANDEAN COUNCIL ON CUSTOMS AFFAIRS--A Council on Customs Affairs [Consejo de Asuntos Aduaneros], to be composed of the customs directors from Bolivia, Colombia, Ecuador, Peru and Venezuela, has been created as a step toward removing obstacles to inter-Andean trade and standarizing the structure of the expanded Andean market. At the close of its 33d period of ordinary sessions, the commission of the Cartagena agreement approved resolution No 165, which creates the council which will be an advisory body to other Andean group institutions. The council will be in charge of coordinating and harmonizing national customs laws and [word indistinct] cooperation under a permanent system. [Text] [PA131429 Quito Voz de Los Andes in Spanish 1230 GMT 11 Dec 81]

CUBA-ECUADOR COFFEE AGREEMENT--The Cubaexport [Cuban Enterprise for the Export of Foodstuffs and Various Products] and the Ecuadorean exporting firm (Ontaneda), have signed an agreement in Quito by which Ecuador will export 1,510 tons or robust coffee to Cuba. Ecuadorean Commerce and Industries Minister Orlando Alcivar and (Jose Ross), Cuban charge d'affaires in Ecuador, stressed that the agreement will contribute to the consolidation of trade relations between the two countries. [Text] [PA131925 Havana International Service in Spanish 1800 GMT 13 Dec 81]

CSO: 3010/491

EDITORIAL EXPOSES CASTRO AS LIAR

Buenos Aires LA PRENSA in Spanish 3 Dec 81 sec 2 p 1

[Editorial: "New Lies From Fidel Castro"]

[Text] With his typical effrontery, Fidel Castro just denied that his government has sent 600 troops from its special forces to work with the Salvadoran guerrillas. He did it in a letter published by THE WASHINGTON POST in response to a note from last September signed by two of its columnists, describing the Havana regime's new contribution to the communist subversion in the hemisphere.

Castro did not confine himself to merely denying, but rather he took advantage of the moment to launch a gross salvo of insults at the United States, accusing the State Department of having given "false reports" to THE WASHINGTON POST columnists, while he challenged the White House to present, he said, even "one single piece of evidence supporting its slanderous accusations." In his letter Castro feigned ignorance of two facts, the first that the accusation of his meddling in El Salvador did not come from the State Department, but rather from a press agency which frequently does not spare the North American government its severe criticisms. The confusion is easily explained, since the press in Cuba is an administrative wheel of the state. The second fact is the recognized, widespread and proven Cuban military participation, not only in Central America and in the Caribbean, but in other parts of the world as well. At the end of 1979 Cuba had deployed troops, technicians and instructors--over 50,000 men--in a dozen countries in Africa and the Near East, in fulfillment of an overseas military operation fortuitously assigned by Moscow.

A little over 4 years ago, at the time of Angola's fall into the Soviet Union's sphere, the revelation that the intervention of 15,000 Cuban troops in the military operations had decided the immediate fate of the former Portuguese colony ended the disbelief of those--and they weren't few in number--who held that the presence of Cuban troops in Angola did not exist beyond the imaginations of the agents for North American imperialism.

It was necessary for Moscow to publicly congratulate Havana for its "glorious participation" in the "war for liberation of the African state" for the fact to be finally conceded. Afterward came Mozambique, Equatorial Guinea, Guinea-Bissau, Ethiopia and South Yemen, within a few years forming part of a generalized interventionist policy that not even its supporters still tried to deny.

Castro's lying is not gratuitous. With his lies and accusations he tries to obscure the painful reality of his economy and the low standard of living of the Cuban people, who, after 20 years of "liberating revolution," are subjected to permanent rationing of food, clothing and shoes. Since 1960 the gross national product "per capita" has been declining in Cuba on the average of 0.2 percent annually, despite the huge subsidy proffered by the Soviet Union. Before Castro came to power, Cuba held third place in the hemisphere for per capita GNP. As a parallel, the intrinsically military nature of the Havana regime has become firmly entrenched. The number of armed troops--around 140,000--exceeds that of all the countries in the hemisphere, with the exception of Brazil (Cuba has 10 million inhabitants and Brazil 125 million). More than 50 percent of the Cuban population is under 15 years of age, and of the remainder, two-thirds are women, elderly and infirm. The militarization of the regime fits together with the deficit in the work force.

A few months ago the Cuban Government accused the United States of having spread the dengue fever mosquito in the island. Havana hid a fact easily verified by the Pan American Health Organization, that dengue fever was introduced into Cuba by the Cuban soldiers returning from Africa. Last 17 July, the U.S. secretary of commerce processed in 1 day an application by the Pan American Health Organization for a license to export to Cuba 300 tons of "abate," a granular insecticide manufactured in the country to the north, which is being used to fight the dengue epidemic. A similar case of false denunciation was reported during the repeated failure of the sugar cane crop. Castro accused the United States of fomenting a plague of sugar cane smut, when in fact the cause of the disaster was the planting of a variety of cane that is not resistant to the action of the small parasitic fungus.

9730
CSO: 3010/419

SOLOMON, SDP RESIGN AS OFFICIAL OPPOSITION, FNM GETS NOD

Knowles Defection

Nassau THE TRIBUNE in English 12 Nov 81 p 1

[Article by Gladstone Thurston]

[Text]

THE FREE National Movement has been returned as the Bahamas' official Opposition following last night's resignation from the Social Democratic Party of Clarence Town Member of Parliament James Knowles.

SDP chief Norman Solomon this morning tendered his resignation as the official Opposition leader during a half-hour meeting with Governor-General Sir Gerald Cash at Government House.

At the same time, SDP Senator Jeanne Thompson tendered her resignation as the official Opposition leader in the Senate. SDP deputy leader Keith Duncombe was on hand "to give moral support."

"I believe that the Free National Movement under the leadership of Mr Kendal Isaacs is a party that will form the next Government of the Bahamas," Mr Knowles told reporters. "I am convinced that in the next general elections the Free National Movement can win a majority of seats in Parliament."

Up to last night, the SDP was the official Opposition by virtue of having the support of four of the seven opposition Members of Parliament in the House of Assembly. The resignation of Knowles from the SDP and his acceptance by the FNM gives the latter party the one-member majority that the former enjoyed since it broke away from the former official Opposition Bahamian Democratic Party (now defunct) in late 1979.

Knowles' decision also results in the SDP Senators -- Miss Thompson, Dr Cleveland Eneas and Basil Christie -- having to vacate their seats in that legislative body as the appointment of opposition Senators is prerogative of the official Opposition party.

The SDP earlier this year lost two of its Senators -- Dr David Sands, the candidate for Rock Sound, and lawyer David Thompson -- to the FNM. Also, an Action Committee named by the SDP has been plagued with defections to the FNM from the very start.

It had been rumoured for quite some time that Mr Knowles intended to switch to the FNM. He spent five days in his constituency last week briefing Long Islanders of his intention to join the FNM.

After "months of agonising deliberations and discussions" with scores of Bahamians inside and outside the political arena, Mr Knowles said, he wrote to the Governor-General "informing him of my decision to withdraw my support from Mr Norman Solomon as leader of the official Opposition and further informing him of my support of Mr J Henry Bostwick as leader of the Opposition in Parliament, both effective today.

"I have also written to the Social Democratic Party officially resigning from that party and have made application for membership in the Free National Movement," Mr Knowles said.

Mr Knowles said he was convinced, that the big PLP majority has enabled the PLP "without shame and fear of repercussion, to go on a dictatorial rampage designed to wreck the economic and social structure as well as the moral fibre of this country."

Despite their being outnumbered 31-4 by the PLP, Mr Knowles said he and his former colleagues in the SDP "without exception, have in every respect carried the responsibilities and discharged the duties of the official Opposition remarkably well."

He said he foresaw that the ruling Progressive Liberal Party will be at considerable advantage in the upcoming general elections if the Opposition forces remain

divided.

"It is my humble opinion that the presence of two major opposition parties in opposition to the PLP, whether they oppose each other in the various constituencies or not, is bound to give an undue advantage to the PLP," Mr Kowles said. "The only hope of defeating the PLP will rest on a one-on-one battle between the PLP and a single opposition party.

"My observation of the political climate of the country over the past six to eight months tells me that the Free National Movement and not the Social Democratic Party is the political force which is most likely to be successful in defeating the PLP."

However, he said he observed that the FNM as it presently stands, while the more formidable force than the SDP, "is not strong enough .... to defeat the PLP. I believe that the Free National Movement must be further strengthened and move of immediately to gear itself for the upcoming general elections."

Mr Knowles noted that there was no material, philosophical or ideological difference between the SDP or the FNM. In the eyes of the Bahamian people, he said, there is no distinguishing feature between the two groups except that they have different names and different leaders.

At the meetings he held throughout Clarence Town over the past weekend, Mr Knowles said, "without reservation whatsoever, my constituents expressed to me their total and complete agreement with my own views."

Speaking briefly with The Tribune this morning following his meeting with the Governor-General Sir Gerald, Mr Solomon said he felt a bit relieved that he is no longer the official Opposition leader, a job which he said took up nearly 24 hours a day.

"Personally, I sort of feel that circumstances have now relieved me of an enormous amount of work," Mr Solomon said. "Apart from that I can only say that I wish Mr Knowles and the FNM well.

"But having read his (Knowles') press statement wherein he states that it is his conviction that the FNM is going to win the next elections, which is one of the major reasons for his joining them, as a political realist I can only say that I seriously doubt that the outcome will be as he predicted.

"What the SDP intends to do is to be available, because we believe that our presence may be a very vital and necessary presence if the FNM should get, more or less, totally vanquished by the PLP. I am by no means convinced that the FNM is going to make any headway against the PLP."

Mr Solomon also criticised the FNM for making the road to Parliament difficult for Miss Thompson and Mr Duncombe.

"It continues to be my personal view that the leadership of the FNM has not responded maturely or even intelligently to the suggestions we put to them," Mr Solomon said. "Why would they oppose Mr Duncombe in Shirlea. They still can find no way to make room for Jeanne Thompson. Jeanne Thompson would have made a super candidate for Salem. I don't think that the FNM is playing fair with the people. The country needs people like Jeanne Thompson and Keith Duncombe," he said.

Solomon Reaction

Nassau THE TRIBUNE in English 12 Nov 81 p 1

[Text]

NORMAN Solomon last night told a broadcast audience over Radio Bahamas that due to the resignation of Jimmy Knowles from the SDP he would no longer be official leader of the Opposition.

And he vowed that the SDP would not fold up but would continue to give "a strong, vocal and fearless voice" of opposition both inside and outside of Parliament.

But he said the SDP would only field five candidates in the districts of St John's, Shirlea, Montagu, Marsh Harbour and North End-Long Island in the general elections next year.

However, he also held out the possibility of forming a coalition government with the Free National Movement under Mr Kendal Isaacs should that party win enough seats in the 38-member House of Assembly to oust the Progressive Liberal Party of Prime Minister Pindling.

Mr Solomon said he had appealed "time and again" for a united opposition to be formed, but had not had any success from the FNM quarter.

Said Mr Solomon: "Throughout the Bahamas our citizens in ever-increasing numbers cry out for a united opposition and a change of government. The best economic and moral interests of our country have long demanded a united opposition and a change of government. The unemployed, unmotivated, undirected and under-educated youth of our country now demand a united opposition and a change of government. We had hoped that the action of greater unification we proposed last week might at the very least have enhanced the possibility of achieving that change in government."

FNM Election Outlook

Nassau THE TRIBUNE in English 12 Nov 81 pp 1, 13

[Article by Anthony Forbes]

[Text]

FNM Parliamentary chief J Henry Bostwick, soon to be named Leader of the Official Opposition, today welcomed Clarence Town MP James Knowles' return to the party saying it reflected the growth and strengthening of the FNM at all levels of the Bahamian community.

"The return of Mr Knowles to the party is further evidence of the growth and strengthening of the party at every level of the Bahamian community both in New Providence and the Family Islands," Mr Bostwick said in a press statement.

"We can see clearly that the people are ready for a change and together with our Leader, Kendal G L Isaacs, we are aware of our grave responsibility to give them an unencumbered opportunity to effect that change," he said.

Mr Bostwick's statement follows last night's announcement by Mr Knowles that he had resigned from the Social Democratic Party and had thrown his support behind the Free National Movement making it the Official Opposition.

As Parliamentary Leader of the FNM, which under the discarded BDP-FNM lost the position of Official Opposition when four MPs, including Mr Knowles, resigned in 1979, Mr Bostwick is expected to be named soon as Leader of the Official Opposition.

FNM spokesman Arthur Foulkes said today that Mr Bostwick's expected appointment as Official Opposition Leader will not affect the position of FNM Leader Kendal Isaacs, who will

remain in the post as party leader.

In his press statement today, Mr Bostwick extended a "warm and sincere welcome" to Mr Knowles and said the party looked forward to working with him again in and out of Parliament.

"I would like also to congratulate Mr Knowles for the courage he has demonstrated in making this decision," Mr Bostwick said. "No doubt he has in the last few weeks been under considerable pressure, but he has come through doing what he thought best in the interest of the country."

Mr Bostwick said that Mr Knowles had earned greater respect than ever in the country and with his people in Clarence Town "and I believe that he will continue to represent that constituency for many years to come."

"He will, of course, fully resume his rightful place in the councils of our party," said Mr Bostwick.

He said that it was likely that Mr Knowles' decision which has been communicated to Governor-General Sir Gerald Cash will bring about a change in the parliamentary Opposition which will affect the status of the FNM in parliament.

The resignation of Mr Knowles, who won the Clarence Town seat in the 1977 elections under the now defunct Bahamian Democratic Party ticket and which later merged with the FNM, has led to the resignation of SDP chief Norman Solomon as Leader of the Official Opposition.

Mr Knowles' surprise move, (reported in yesterday's Tribune) which came three days after it was widely reported in the press, has also led to the resignation of three opposition Senators.

Before Mr Solomon's resignation following Mr Knowles' defection to the FNM, the former Opposition Leader had still one Senate seat unfilled which had been left open when attorney David Thompson resigned nearly two months ago.

It is not known when Mr Bostwick will be appointed Official Opposition Leader nor when he will name his four FNM senators, but it is believed that the appointments will be made before the next meeting of the House of Assembly on Wednesday, November 18.

It will be the second time since the founding of the FNM that the party has had a party leader and an Official Opposition Leader, the precedent having been set after the 1972 elections when the then party leader Cecil Wallace Whitfield lost his seat but held the post of party leader, while Mr Cyril Tynes became Leader of the Official Opposition.

Although no names have emerged as the top contenders for the Senate appointments, it has been speculated that former PLP House Speaker Arlington Butler, former Senators Mrs Janet Bostwick and Mr Orville Turnquest, and FNM Chairman Cecil Wallace Whitfield, may be in the running.

It is understood that FNM Leader Kendal Isaacs is not likely to be named to a Senate appointment as he is presently working in the country gathering support for the party for the next general elections scheduled for 1982.

Mr Isaacs, who led the FNM from 1973 to 1976, left the island this morning for a series of "Time-For-A-Change" rallies in the Northern Long Island constituency.

He leads a group of FNM officials including Mr E K Minnis, the party standard bearer for that area in the 1982 elections, Mr Cecil Curling, Mr Frank Watson, Mr Tennyson Wells and Mr George Wilson.

The group, which will return on Sunday, will hold rallies in Miller's, Simms, and Glintons, Long Island.

Mr Whitfield, who led the FNM in the 1972 and 1977 general elections, has not won a Parliament seat since he lost to Mr Bruce Braynen, St Agnes MP, in 1972.

As Chairman of the FNM, Mr Whitfield may well be made FNM Senate Leader. However, he earlier declined such as position.

Mr Butler joined the FNM last year after three years in the political wilderness following his rejection by the PLP in 1977.

Both Mr Turnquest, who served as Opposition Senate Leader, and Mrs Bostwick, have served in the Senate before and resigned when Mr Knowles and the three remaining SDP MPs defected in 1979 to form the SDP and become the Official Opposition.

But FNM spokesman Arthur Foulkes said today that Mr Bostwick will have to be named as Official Opposition Leader by Sir Gerald Cash before any Senate appointments can be made.

"We will have to sit down and talk about it," Mr Foulkes said, adding "it is likely that they will be made before the next meeting of the House."

He said that the most important work by the party is in the country as the party's prime objective is to gather support for the next general elections.

Mr Bostwick's expected appointment will be the second time in four years that he will have assumed the post of Official Opposition Leader.

CSO: 3025/78

NATIONAL DEBT RISES 14.5 PERCENT TO HIGHEST LEVEL RECORDED

Bridgetown ADVOCATE NEWS in English 14 Nov 81 p 2

[Text] Record increases in capital outlays pushed Government's overall fiscal deficit for the first half of this year to $88.4 million as compared with a small overall surplus in the corresponding period of 1980.

And, according to the Central Bank, borrowing by Government to finance its operations led to a significant rise in the national debt of some 14.5 per cent to reach $884.7 million — its highest level.

In its quarterly report for September, the bank said that the increase in the national debt for the previous year was only 1.3 per cent. Of the current amount, domestic obligations account for $582.9 million, an increase of 16.3 per cent, most of which arose through a large rise in short-term loans.

The bank said that project finance from the United Kingdom and international institutions led to a rise in the foreign component of almost 11 per cent, compared with a 2.3 per cent growth in the first half of last year.

It noted that large increases in current expenditure, combined with the slower growth of revenues, reduced the current surplus to $24.3 million, well below the $49.6 million achieved in the first six months of the previous year.

The report said that capital expenditure of $112 million was more than twice the amount for the first half of 1980, when it grew about three per cent. This was the largest increase ever recorded and reflected widespread cost overruns superimposed on a massive capital programme.

In some cases, the report added, bad weather caused delays and pushed up costs; in other cases, costs had been seriously underestimated from the start of the project.

For example, the total spending for the regional cultural extravaganza, CARIFESTA originally planned for $8 million, turned out to be well over $20 million, of which some $6.8 million went towards upgrading schools and other locations for the presentation of programmes.

Outlays for the Holiday Village project being built at Heywoods, St. Peter, had risen by the end of June to almost $10 million. This project is now expected to cost $67 million, instead of the budgeted $35 million.

Work on the Bridgetown Sewerage Project, which is nearing completion, was delayed by heavy rains and other factors; the total costs were $6.8 million for the six-month period, January to June. This project will now cost some $42.8 million instead of the revised estimate of $39.8 million. (The original estimate of $27.2 million was raised in February when it was realized that costs had been substantially underestimated).

The National Housing programme absorbed some $5.2 million, while $4 million went towards increasing factory space at industrial estates.

The new General Post Office accounted for $2.2 million; it may now cost $13.5 million instead of the budgeted $8 million. The Samuel Jackman Prescod Polytechnic with expenditure of $2.4 million, was the only project to stay within the budgeted cost.

A larger wage bill and rising transfer payment lifted current expenditure by 30 per cent to $220 million by the end of June; current spending rose by only 7.6 per cent in the same period of 1980. Mainly because of higher old age pensions and national insurance benefits, social security and welfare payments rose by 44.3 per cent.

In April this year, old age pension rates went up by 40 per cent and there was a general increase in national insurance benefits. Expenses related to the National Health Scheme raised spending on health by 28.4 per cent, while community and social services rose by 12.5 per cent.

CSO: 3025/77

MAJORITY OF CDB LOANS GO TO BARBADOS; BMC LOAN DROPPED

Bridgetown ADVOCATE-NEWS in English 13 Nov 81 p 1

[Text] Sixty one percent of all loans disbursed by the Caribbean Development Bank (CDB) to the private sector in the region, has been allocated to businesses in Barbados.

President of the Bridgetown-based CDB, Mr William Demas, said yesterday that this high percentage of CDB funding to Barbados was because the private sector here had put up better projects for financing than the others in the region.

Mr Demas was speaking shortly after signing an agreement on behalf of the Bank, for a Bds $6 million to the Barbados Sugar Factories Limited to assist with construction of the new Portvale sugar factory.

According to Mr Demas, "When you look at all our lending to the private sector both direct....and indirect through the National Development Banks, you will find that Barbados has got 61 per cent of all the Bank's lending to the private sector, and we are now working hard to increase lending to the private sector in the other countries so they can come nearer to the Barbados percentage."

Mr Demas said that at the end of last year, total CDB financing to Barbados amounted to Bds $41.4 million, and that a spurt of activity in relation to the financing of projects here this year, had pushed the total to Bds $70.5 million.

This is, however, expected to decline as a result of the cancellation of a CDB $4.2 million loan to the Barbados Marketing Corporation (BMC).

The CDB President explained that of the $29.4 million in loans approved this year, some $21.4 million or 73 per cent had gone to the private sector, while the remaining $8 million was in the form of a programme loan for balance of payments support under the Caribbean Development Facility.

Mr Demas also referred to the present impasse between the 61 African, Caribbean and Pacific (ACP) States and the European Economic Community (ECM) over the failure by the two to reach agreement on a price for ACP sugar exports to the Community.

Mr Demas said: We, however, are confident that an agreement will be arrived at that is acceptable to all parties concerned and which will serve to enhance the viability of the sugar industry in the Caribbean and other parts of the ACP."

VISITING ALARCON SAYS CUBA WILL REMAIN AREA GOOD NEIGHBOR

Comment on Jamaica, Dominica

Bridgetown ADVOCATE-NEWS in English 18 Nov 81 p 2

[Text]

Cuba says that despite the break in relations with Jamaica, it would continue to be a good neighbour to the Caribbean island.

Cuba's deputy Foreign Minister Mr. Ricardo Alarcon said so in Barbados yesterday. He was speaking to the press at the Accra Hotel, Christ Church.

Two weeks ago, the Edward Seaga Government in Kingston broke off relations with Cuba over what Mr. Seaga said was that country's harbouring of Jamaican criminals in Havana.

Mr. Alcaron said that Jamaica was Cuba's closest neighbour in the Caribbean, and explained that co-operation between the two countries had existed long before the two states established diplomatic ties in 1972.

He said that peoples from both countries had benefited in public health, construction, agriculture, and education among other matters.

"Unfortunately the Jamaican Prime Minister (Edward) Seaga decided to interrupt those links, and since Cuba could not see any Jamaican reason or interest for this, has concluded that something else suggested that to Seaga," the Cuban Minister said.

He went on: "However we will continue to be good neighbours, associated by our history."

Mr. Alcaron also touched on the decision of Dominica Government to refuse scholarships offered by the Cuban Communist Party for Dominicans to study in Cuba. The Dominican Government has said it would not accept the scholarships on the grounds that recipients had to study Marxism which forms part of the programme of studies.

He said the decision by the Dominican leader Miss Eugenia Charles was unfortunate, and stated he did not think it was right for anyone to deny young Caribbeans their rights to further their education.

He said he hoped the Dominica Government would be able to find alternative scholarships for those which were offered by Cuba, adding that his country has not hesistated to accept study programmes for Cuban students in capitalist countries.

Editorial Comment

Bridgetown ADVOCATE-NEWS in English 18 Nov 81 p 4

[Editorial: "Alarcon and His Confusion"]

[Text]

Cuba's Deputy Foreign Minister, Ricardo Alarcon, might have been a subject for amusement in his comments about the Caribbean Basin Initiative (CBI), if he had not been so obviously grinding his country's axe against the United States.

He had a lot to say about a plan which can include his country but for which neither Cuba nor her puppet master, the Soviet Union, has a comparable or any alternative.

Mr. Alarcon was on the Barbados leg of a swing through the Caribbean on Tuesday when he told a press conference that the CBI had received much publicity, but so far, the main initiator of the scheme, the United States, had not considered it necessary to explain the idea behind the proposed scheme.

He interpreted the intention as an attempt to avert social turmoil in the area, and that the main content of the programme was to boost private investment in the Caribbean. He continued: "This CBI matter is one of the elements which led me to refer to the fact that efforts are underway to recolonise the Caribbean." And he expressed the opinion that based on experience in the Caribbean, and in general, U.S. private investment is not something which would result in any positive gain for the Caribbean.

The CBI as explained by United States officials who visited Barbados last month intends to concentrate on increasing trade and industry in the Caribbean and Central American region, in addition to and apart from direct aid inputs.

The plan will go beyond development assistance. Such assistance from the United States to the Eastern Caribbean through the United States Agency for International Development (USAID) has since 1978 been on average US$25 million annually. This is expected to be increased to US$40 million by 1982. It is, however, felt that this is not enough to bring about an end to the economic problems now plaguing the region.

Hence the CBI scheme. The Caribbean Basin Initiative hopes to introduce an approach that is "market oriented", based on the limitless potential of free, private enterprise coupled with an approximately gauged public sector. The idea is to create more industry in the region through investments involving foreign entrepreneurs, local investment and a greater export of products.

It is expected that such an approach will create more jobs within the region. This should go a long way towards tackling unemployment, which is one of the area's main economic problems.

The U.S. officials pointed out that aid to the region would not decline nor will aid from other donor nations. Nor will private investment be substituted for official aid. The plan is for private aid to be added to official aid.

It is expected that through improved trade and investment opportunities the countries of the region will be able to make the most effective use of their productive resources and, in so doing, bring economic growth to their economies and prosperity to their people. A thriving private sector will be a vital part of such a development.

The nations involved in the plan have made a commitment to assist in the economic development of the Caribbean Basin and to consult with the nations of the region prior to developing any bilateral or multilateral programmes.

The four nations involved in the Caribbean Basin Initiative are the United States, Canada, Mexico and Venezuela.

Thus the validity of Mr. Alarcon's criticism can be assessed by the fact that his diatribe is directed solely against the United States with whom Cuba is at odds. With that illogical omission he has relegated these other three countries to the status of satellites of the United States. Perhaps his experience in his country now under dominance of the Soviet Union, conditions his arrival at this implication.

At best, Mr. Alarcon is uninformed — for the CBI has been explained in some detail. At worst he is spouting an ideological line divorced from objectivity and logic. In either case he is certainly undiplomatic.

CSO: 3025/77

VENEZUELA TO GIVE FINANCIAL AID FOR SUGAR TECHNOLOGY

Bridgetown ADVOCATE-NEWS in English 19 Nov 81 p 1

[Text]

Barbados is to receive an undisclosed sum in financial aid from Venezuela in return for the provision of technical assistance to that country's ailing sugar industry.

A four-member delegation from CENAZUCA — the state-owned corporation which owns 12 of the 17 sugar factories in Venezuela, is now in Barbados for discussions with Government officials and representatives of the Barbados Sugar Producers Association (SPA).

An agreement is expected to be signed in about a month or two, during which time a specific figure would have been worked out as well as the exact nature of the assistance which Barbados will lend the South American republic.

Speaking through an interpreter, Dr. Francisco Lozado Perdomo of CENAZUCA, indicated that the Venezuelans were especially interested in obtaining mechanical harvesters to assist with the reaping of their crop.

He said the discussions would also deal with the possibility of Venezuela buying a certain amount of brown sugar from Barbados. The amount has not yet been determined, but earlier reports had indicated that the Venezuelans wanted between 20 000 and 25 000 tonnes of sugar.

It was disclosed that the Venezuelans have been experiencing similar problems to those which obtained in Barbados, and Dr. Perdomo pointed out that there has been a decline in sugar production since the 1973-74 crop. At that time, the industry produced some 530 000 tonnes of refined sugar, but this year, the total had fallen to a mere 268 000 tonnes, while the national consumption averages some 600 000 tonnes per annum.

Among the major reasons for the decline, he said, was the cost-price squeeze, which resulted in many sugar producers turning to other crops such as rice, corn, tomatoes and potatoes. Moreover, he added, some of the technical staff, both in the fields, and the factories, went into other economic activities in an effort to earn better money.

The producers were also forced to start a pest control and reaping programme to deal with pests and cane diseases.

However Dr. Perdomo said that under a new programme which was finalised in July this year, the Government was hoping to reach a production figure of one million tonnes of sugar within the next seven years.

He disclosed that starting from September 1 this year, the Government increased the price of sugar to the equivalent of US$672 per tonne and subsidises the sugar producers.

The key elements of the new programme will be the construction of four more sugar factories, over the next three years, each with a 100 000 tonne capacity per annum, which should help the country to reach the one million tonne target.

Dr. Perdomo said the Venezuela Government was not expecting to use the Barbados harvesters for the next crop, but it was possible that the producers may use the three they already have. And, depending on the interest shown by the producers, they would be considered for the following crop, and such interest would also be the determining factor in deciding on how many would be required from Barbados.

There are some 20 000 acres of sugar cane under cultivation in Venezuela and the crop starts during the first week in November and ends in May.

Dr. Perdomo said the Venezuelans had great respect for the Barbados cane varieties, samples of which they have been receiving each year since 1947 under the agreement with the Government's Variety Testing Station, and there have been very good results.

CSO: 3025/77

BRIEFS

SUGAR FACTORY LOAN--The Barbados Sugar Factories Limited (BSFL) yesterday signed an agreement for a Bds $6 million loan with the Caribbean Development Bank (CDB), to assist with construction of the new Portvale Sugar Factory, at Blowers, St. James. The loan, which is to be repaid over a 13-year period carries an interest rate of 10 and one-half per cent, with a grace period of one and a half years. Signing on behalf of the BSFL were Mr Tom H. Wilkinson, Chairman and joint Managing Director; Mr Louis Greenidge, also joint Managing Director; and Mr Hugh Johnson, Company Secretary. CDB's President, Mr William Demas, signed on behalf of the Bank. The loan will be used to assist in purchasing Turbo Alternators, a Diesel Generator, Switchgear and cables, a five roller Fletcher Stewart Mill, and two boilers. BSFL will be supplying Bds $9.2 million in cash to finance the project whose overall cost could be about Bds $20 million. The new factory is scheduled to begin operating next year, and it will replace two others--Vaucluse in St Thomas, and Porters, in St James--which have become obsolete, and which were closed at the end of this year's crop. Portvale will be able to grind an estimated 140 tonnes of canes an hour, and its mills will be far superior to those found at any of the other factories in the Island. [Excerpt] [Bridgetown ADVOCATE-NEWS in English 13 Nov 81 p 1]

CSO: 3025/77

TEXT OF OPPOSITION REPLY IN PARLIAMENT TO THRONE SPEECH

Hamilton THE ROYAL GAZETTE in English 14 Nov 81 p 5

[Speech by Lois M. Browne Evans, leader of the Progressive Labor Party, to parliament on 13 November 1981]

[Text] MR. SPEAKER,

The Bermuda Progressive Labour Party as the duly constituted Opposition would be remiss in its duty if we omitted to identify those areas in which Government has been guilty of mismanagement to the degree that the welfare of a great segment of our population has been placed in serious jeopardy.

The most glaring area of this mismanagement is in the area of housing. Thirty-six months ago Government promised that it will no longer tolerate the existence of substandard housing in our community and they went on to state that Parliament will be asked to consider a number of proposals virtually to eliminate these intolerable and unacceptable conditions. They promised a housing programme consistent with the aspirations of Bermudians which would become a reality in the foreseeable future. This year Government claims that it is making every effort to meet what they now accept is a critical need and seeks to make us believe that they regard housing as their top priority: but those families who have been evicted, and most times separated and faced with no housing at all, know that Government's promise of one-bedroom units for $375 is still above their means and that the 200 houses being built and the 100 houses promised will not be for them as they too will be beyond their means. Government's piecemeal approach to the whole question of housing gives rise to much despair amongst its citizens.

This mood of despair has been further accelerated by Government's mismanagement of the economy. Growth in the economy has been encouraged in the area of international business. This growth has been allowed to occur at the expense of Bermudians' needs in employment, housing and mortgage financing. Growth in the international sector requires highly skilled workers, office space and first class housing.

To date Bermuda's educational institutions have failed to provide sufficient highly skilled Bermudians to fill the technical and professional jobs created by growth in the international business. This failing should not be resolved with the short-term remedy of the importation of foreign workers for the high echelon jobs this policy creates. Mr. Speaker, the Government must not abandon the policy of Bermudianisation. The United Bermuda Party Government must be charged with the responsibility of reporting back to Parliament before the next Throne Speech that several promising Bermudians are being groomed to fill more and more of the key positions created by this particular area of the economy.

While land, labour and capital was allocated to the construction of commercial premises, Bermudians were being evicted into the streets and families separated, causing more misery for the disadvantaged.

Those owners who rehabilitated their houses upon reletting were forced to charge the higher rents when reletting them. In most cases these rents were above the reach of those Bermudians most in need. Those who constructed new houses were in the same predicament. Funds available for construction were diverted into commercial developments. Would-be homeowners seeking mortgage funds either in Bermuda Dollars or U.S. Dollars discovered that there was an accute shortage and that the funds were unavailable.

In our 1980 Election Platform we said that we would have "orderly growth" in the international business sector. Further on in our Platform we said "A P.L.P. Government would encourage the orderly development of international business in

Bermuda especially in the development of the international insurance market".

Mr. Speaker, the present depressed nature of our tourist industry cannot be blamed solely on the recession in the U.S.A., stiffer competition from other resort areas but largely on Government's failure and mismanagement of their approach to industrial relations. Government's handling of the recent industrial dispute and to agree to a liveable wage without a confrontation and the closure of our major hotels obviously did not assist the plight of our major industry of Tourism.

The Opposition will await further comment on the fostering of harmonious industrial relations until the presentation before Parliament of Government's intended legislation. In the meanwhile the Opposition calls upon Government to present to us copies of the draft legislation as we, too, are affected parties.

Drug abuse in Bermuda extends beyond the cases brought to light by the Police Service and the courts, whose duty it is to prosecute the offenders. It goes further than the need for our teachers or schools to wrestle with the problems of the young victims. In fact, its growth is yet another example of mismanagement by Government over the past decade. Programme after programme has been started and abandoned. The point has been reached where the Ministry of Health and Social Services must declare in the most forthright terms their assessment of the drug problem in Bermuda. Their report on drug abuse in Bermuda should be couched in terms of prevention, detection, education and treatment. The Ministry should be prepared to give a full accounting on current programes and the rationale by which it has been structured.

The P.L.P. Platform of 1980 made a plea for the thorough review of the traffic laws. In particular, those laws which would remove the discretion of the courts in sentencing or in punishment. The Minister agrees that these laws are in need of review and promises us a Green Paper on the topic. In the meantime, many persons are being affected daily by the loss of their licence and even imprisonment in the case of driving whilst disqualified. Numerous persons have appealed to the Minister of Transport for immediate relief of the harsh law of three years' disqualification for the offence of speeding in excess of 65 kilometres. The human suffering and anguish caused to many families by these harsh laws further adds to the sense of frustration and despair in the community. We need legislation now not a Green Paper followed by a White Paper and then legislation.

Mr. Speaker, Government's promise to undertake a survey of Bermuda's arable land and to produce an Arable Land Local Plan comes at a time when most of the arable land has already been built upon by the speculators. Government's earlier policies seem to have gone by the board.

Mr. Speaker, in conclusion, we note the promise by Government of the following legislation during this session:

(a) A Cost of Credit (Disclosure) Bill;
(b) A Bill to replace The Education Act 1954;
(c) Amendments to The Stamp Duties Act; and
(d) A Bill to modernise the practice of conveyancing.

It is the hope of the Opposition that these Bills will be forthcoming for in the past years Government has used one excuse or the other to cover up their lack of a proper legislative programme for the year. One comes to Parliament with the only certainty being that the estimates of revenue and expenditure will be presented to the House in February of each year. Government's financial year ends on the 31st March and it is imperative that estimates of revenue and expenditure be passed by both Houses before that date. We, the Opposition, call upon the Premier and his Cabinet to sit down and seriously map out the legislative programme of activities that can be followed and which can ensure that the quality of life for Bermudians, in general, will be enhanced and enriched.

* * *

Delivered this Thirteenth Day of November, 1981
by
Lois M. Browne Evans, L.L.B., J.P., M.P.
Opposition Leader
For and on behalf of the Progressive Labour Party

CSO: 3025/78

VISITING AZORES PRESIDENT BACKS CLOSER TIES

Hamilton THE ROYAL GAZETTE in English 14 Nov 81 p 3

[Text]

The President of the Azores left Bermuda yesterday but not before committing himself to closer ties between the two archipelagoes.

And at a Press conference held at the Cabinet Building, President Dr. Joao Amaral said direct transportation links between Bermuda and the Azores were fundamental to any future plans.

Dr. Amaral left Bermuda yesterday to return to the Azores following a five-day official visit.

Premier the Hon. J. David Gibbons visited the Azores last year, and since then both countries have been seeking means to strengthen ties both culturally and economically.

"The relationship between Bermuda and the Azores has increased since Mr. Gibbons visited us last year," said Dr. Amaral, adding that discussions were held this week with a view to further developing the relationship.

"We considered also transportation links which are fundamental for the improvement of our relationship," Dr. Amaral said. "Both governments will try their best to get regular sea and air transportation between the two archipelagoes, which will help tourism and trade."

There are no current direct transportation links between the countries.

Dr. Amaral said that other topics discussed by the two leaders were:

- Provisions to offer Bermuda students Portuguese as an optional language in Bermuda's secondary schools. The local Portuguese population, of which most have ties with the Azores, stands at 10,000.
- The effects of the world economy and the energy crisis on small economies like Bermuda and the Azores.
- The progress of the Acorean community within Bermuda society.
- Questions relating to Acorean citizens working in Bermuda.

The Azores are historically similar to Bermuda in that it is a colonial island community attempting to develop from an agrarian society.

Dr. Amaral said there are lessons to be learned from Bermuda, especially relating to the tourism and international business industries.

"I was most impressed with the achievement of tourism in the Island," Dr. Amaral said, noting that it was of "high quality".

He added that during his visit an Acorean trade mission was in Bermuda attempting to promote Acorean export products.

"We are also a small archipelago looking for possibilities for development," said Dr. Amaral. He added that it has already been agreed Bermuda would provide technical assistance to the Azores in developing tourism.

He congratulated the local Acorean community for their achievements within Bermuda society.

Dr. Amaral left for Boston for the weekend before returning to the Azores next week.

CSO: 3025/78

PROSPECTS FOR PARTIES IN 1982 ELECTIONS EXAMINED

Brasilia CORREIO BRAZILIENSE in Portuguese 29 Nov 81 p 4

[Text] Rio de Janeiro and Sao Paulo are the only two states where all existing political parties could as of now present complete slates for the 1982 elections, complying with the new government rules contained in the proposal for linked voting and requiring a full slate of candidates for governor, lieutenant governor, senator, federal deputy, state deputy, mayor, vice mayor and city council. With some difficulty, in Mato Grosso, Parana and Maranhao all parties other than the PTB [Brazilian Labor Party] would have some chance of complying with the legislation. But a survey of prospects shows that with the new election rules the race for votes will be among the PDS [Social Democratic Party], PMDB [Brazilian Democratic Mobilization Party] and PP [Popular Party]. The PDT [Democratic Labor Party] could be a factor in, at most, 10 states. And the PT [Workers Party] and PTB are visibly damaged.

The three major parties have enough personnel (except for the PDS, which has an overabundance) to overcome any legal difficulties. In fact, just as multicandidate slates were unable to accommodate the various PDS currents, linked voting has begun to create problems: competition for nomination in some states where success until now would have been most unlikely. But the prospect of victory, which everything indicates will now be much easier for the government party, has aroused some PDS politicians to a renewed taste for candidacy they had previously viewed as either suicide or sacrifice.

In Piaui, for instance, deputy Hugo Napoleao, although being considered the most viable candidate for the PDS, continues to face competition from Finance Secretary Ari Magalhaes, university president Jose Camilo and his colleague in the Chamber of Deputies, Jose Ribeiro. In Maranhao also, where Deputy Edison Lobao insists upon running as an independent, whereas only Senator Alexandre Costa and Deputy Luiz Rocha have a chance, an agreement will be difficult. The PMDB is running former Deputy Renato Archer and the PP will have a candidate associated with Deputy Edison Vidigal.

In Sergipe the PDS has persons with the background of Senator Lourival Batista and Deputy Antonio Valadares, now secretary of education; but the president of the Bank of the Northeast, Camilo Calazans, joined the party and transferred his voter registration in time to try for the gubernatorial nomination. The PMDB will have to choose between Senator Gilvan Rocha and former Governor Seixas Doria. The major disruptions, however, continue to be in Bahia, where Governor Antonio Carlos

Magalhaes decided to make the president of the state bank, Cleriston Andrade, his successor and a faction of the party is campaigning against him. The campaign even has a slogan: "Anyone who does not believe in the Virgin Mary cannot be governor of Bahia." He belongs to a Protestant denomination, whereas the state's traditions are quite mystical. The PP is running Roberto Santos, which helps the party form a Chamber of Deputies slate. Waldir Pires, former attorney general of Brazil, is the PMDB choice.

Continuing to analyze available personnel capable of running for governor, it appears that the small parties can survive the restrictions of the new legislation in only two ways: waiting to run until 1986, which would be another form of death, or being saved through exceptions inserted in the legal text by the government itself.

Everything indicates that the latter possibility will occur, as it is in the government's interest to keep delegations from these small parties in Congress should it be able to make use of the law to improve prospects for the PDS in 1982 without obtaining popular favor. By the same token, the opposition could pull a surprise, inducing the people to vote for these parties for ideological reasons, coming to Congress with sizable representation. And there is no reason to run the risk of ruling out the small parties for possible coalitions after 1983.

The table shows the lack of names among the small parties to head the ticket at the state level. The PTB in Rio de Janeiro, for instance, has Sandra Cavalcanti, who without the intended support of the Rio de Janeiro PDS--unavailable because of linked voting--is losing the victory that was already in sight. It has Janio Quadros in Sao Paulo and Paulo Pimental in Parana, but these candidates need a rank-and-file party structure, which the PTB does not have. This will damage them because the government proposals lead one to understand that votes received in municipalites where the party does not have candidates for mayor and city council will not be valid. Of course, as party leader Jorge Curi promises, they will compete on a statewide basis although they are aware of the limitations. Even so, they named candidates in Acre, Rio Grande do Norte and Para. This is a legal formality to try getting representation.

In Goias, meanwhile, although the PDS does not have anyone able to counter the popularity of former Mayor Iris Resende, PMDB, it is counting on its statewide organization, partly because only these two parties are in the running; the PP is not ready, and neither are the PDT, PT and PTB. Even in the Chamber of Deputies these parties have no representation.

But in view of the legal restrictions, the opposition parties are trying to find candidates in states where, despite dim prospects for victory, the sacrifice is not too great. In Mato Grosso, for example, the PP will back former Governor Garcia Neto and, in Mato Grosso do Sul, Saldanha Derzi.

In Mato Grosso do Sul, the PMDB has no big-name candidate for governor. But the PDS, on the other hand, will have to reconcile conflicting interests because Pedro Pedrossian, as an appointed governor, may be ruled eligible to be returned to office by popular vote, an office also being sought by former Deputy Levy Dias, now mayor of Campo Grande. The PDT has Wilson Fadul and the PT is going with Deputy Antonio Carlos de Oliveira.

	PDS	PMDB	PP	PDT	PT	PTB
ACRE	Amílcar Queiroz Nazor Almeida	Nelson Junior	Não está sendo organizado (1)	—	—	—
AMAZONAS	José Fernandes, José Filho Raimundo Parente Mário Madal	Brandão Cavalcante Mário Frota	Gilberto Mestrinho	—	—	—
PARÁ	Manoel Ribeiro Osvaldo Melo	Jader Barbalho	Mário Viveiros	—	—	—
MARANHÃO	José Sarney Alexandre Costa Edison Lobão Luís Rocha	Renato Archer	Edson Vidigal	Neiva Moreira	Freitas Diniz	—
PIAUÍ	Hugo Napoleão José Ribeiro Ari Magalhães José Castro	Chagas Rodrigues	Alberto Silva	—	—	—
CEARÁ	Adauto Bezerra Aloísio Bezerra	Mauro Benevides	Antônio Menezes	—	—	—
RIO G. DO NORTE	José Agripino Maia Dix-Huit Cortez Alberto	Agenor Maria	Aloísio Alves	—	—	
PARAÍBA	Wilson Braga	Humberto Lucena	Antônio Mariz	—	—	—
PERNAMBUCO	Marco Cavalcanti Gustavo Krause Geraldo Coelho	Marcos Freire	Cid Sampaio	Armando Monteiro	—	—
ALAGOAS	Divaldo Suruagy	José Costa	Desorganizado (2)	—	—	—
SERGIPE	Antônio Valadares Leonível Bispo Coelho Coimbra	Gilvan Rocha Seixas Dória	Desorganizado (3)	Pires Andrade	—	—
BAHIA	Clemente Azevedo Lomanto Júnior	Waldir Pires	Roberto Santos	—	—	—
ESPÍRITO SANTO	Theodorico Ferraço Mário Álvares Cristiano B. Lopes	Gérson Camata Max Mauro	—	Mário Gurgel	—	—
RIO DE JANEIRO	Gilberto Mário Andreazza	Roberto Saturnino	Miro Teixeira	Leonel Brizola	Lindaynor Murdi	Sandra Cavalcanti
MINAS GERAIS	Mendes Campos Nas Penas Gustavo Coelho	Tancredo Neves	Tancredo Neves	—	—	—
SÃO PAULO	Reynaldo de Barros Luís Guilherme	Franco Montoro	Olavo Setúbal	Guaçu Piteli	Hélio Bicudo	Mário Quadros
GOIÁS	Onofre Lage Rubens Cubido	Iris Resende	Em organização (4)	—	—	—
MATO GROSSO	Vicente Vuolo Milo Campos Benedito Candia	—	—	—	Gerson Maso	—
MATO GROSSO DO SUL	Levi Dias	—	Rubens Bond João Pizzatti	Nilson Fadel	Antônio C. Oliveira	—
PARANÁ	Raul Bida Otávio Cardoso	José Richa	Jaime Canet	—	—	Paulo Pimentel
SANTA CATARINA	Esperidião Amin	Jaison Barreto	Esperidião Vieira João Linhares	Doutel de Andrade	—	—
RIO GRANDE DO SUL	Nelson Marchezan Jair Soares Otávio Germano	Pedro Simon	Marcel Gonzaga	Alceu Collares	Olívio Dutra	—
RONDÔNIA	Jorge Teixeira (5) (Governador)					
RORAIMA	É do Acre/Amazonas	(6) —	—	—	—	—
AMAPÁ	É do Maranhão	(7)				

(8) OBS: Antes da vinculação, o PDS pensava ganhar em 14 estados. Com ela está que não a 16.

[Chart Showing Probable Gubernatorial Candidates of the Six Existing Parties]

Key:

1. Not organized yet
2. Disorganized due to departure of Vinicius Cansancao
3. Unorganized
4. In process of organizing
5. Appointed
6. Territory administered by Air Ministry
7. Territory administered by Navy Ministry
8. Note: Before linked voting, the PDS expected to win in 14 states. With it, the total is expected to rise to 16.

An abundance of candidates does not always benefit the party, as the PDS has learned only too well by experience. Although never having less than two candidates for nomination, the PP has already practically made up its mind in all states except Espirito Santo, where the party is being organized by businessmen and nothing has been settled yet. In four other states it is not yet ready: Goias, Acre, Alagoas--due to the departure of Vinicius Cansancao--and Sergipe, where Deputies Tertuliano Azevedo and Celso Carvalho and Senator Gilvan Rocha went over to the PMDB.

The PP has a chance in four states, although without linked voting it would have had good prospects in twice as many. Miro Teixeira, in Rio de Janeiro, where even his opponents concede he will be hard to beat, drew 15,000 persons to his first rally, held in the rain at the Mangueira [Samba School] rehearsal field. He is relying so much on the fact that the Carioca likes samba and soccer that he even had Zico on the speakers' stand. Furthermore, he alone received over 500,000 votes in 1978 and, although in the state he represents the government, all these factors must be taken into consideration. The PDS, meanwhile, wants to run Deputy Celio Borja against him, although the other deputies prefer a bigger name, such as [Interior] Minister Mario Andreazza, whom they would like to see become president. The PMDB is countering with Senator Roberto Saturnino. The PDT will run Leonel Brizola, who could help his party by campaigning in squatter settlements and at least capture a few seats in the Chamber of Deputies. The PT has Lisaneas Maciel, former deputy cassated by the Revolution who is favored by Protestant groups. PTB's Sandra Cavalcanti, heiress to Carlos Lacerda's following, although a clear favorite in the straw polls, has no rank-and-file organization to provide the required linked votes.

And then there is Tancredo Neves in Minas Gerais, where the PP shares popularity with ARENA [National Renewal Alliance] in both town and country, which could mean votes for the senator, who is also party chairman. The PMDB will support Itamar Franco, whose Senate term ends in 1982 but whose hat has been in the ring for some time.and who will help the party. The small parties have no well-known names to nominate, while the PDS has Senator Murillo Badaro running as an independent without party support, which will be given to one of three persons: Mauricio Campos, federal deputy, mayor of Belo Horizonte and the governor's choice; Bias Fortes, local party chairman; and Ozanan Coelho, favored by the UDN [National Democratic Union]-PSD [old Social Democratic Party] coalition.

In Rio Grande do Sul the PDS has three names: Nelson Marchezan, Chamber of Deputies president, has local support but will have to rely upon primary elections being held, as Lieutenant Governor Otavio Germano has more strength among convention delegates and Jair Soares, although he was elected with over 100,000 votes, is badly damaged by the problems arising from the Social Security shortfall. Later they will have to oppose Pedro Simon, of the PMDB, whom the people of Rio Grande do Sul have wanted as governor for 10 years. There is Alceu Collares, of the PDT, with a labor-movement background and vast popular support throughout the state. The PT is counting on Olivio Dutra and the PTB has no one, despite this state's being the birthplace of the labor party and of Getulio Vargas, which shows how difficult it will be for it merely to survive.

In Sao Paulo, where all parties concede victory to Senator Franco Montoro, of the PMDB, the PDS is likely to run into problems. Its most viable name is that of Mayor Reynaldo de Barros, but Governor Paulo Maluf prefers Luiz Guilherme Assif and has learned from experience how to overcome resistance, besides controlling the

convention. He could, moreover, mine his adversary's field by urging PMDB Senator Orestes Quercia to oppose Montoro at the convention, to which he would entice him with some advantages over the other. His powers of persuasion are not likely to fail him, inasmuch as he began his term with minority support and now has a three-deputy majority among the state's representatives in the Chamber. As Lula is ineligible and is likely to remain so, the PT has Helio Bicudo; the PDT has Guacy Piteiri, mayor of Osasco; and the PTB has Janio Quadros.

In Para the PDS will run Deputy Manoel Ribeiro or Oswaldo Melo, or whomever Senator Jarbas Passarinho names, because he himself, despite the polls that give him a good showing, is likely to seek a Chamber of Deputies seat to strengthen the party's representation there. To then oppose Jader Barbalho of the PMDB, who is supported by the administrative apparatus of dissident Governor Alacid Nunes, represents a sacrificial role for any politician. The PP will probably back former City Councilman Julio Viveiros. In Acre, the PDS and the PMDB are likely to decide the election, the former choosing between Deputies Amilcar de Queiroz and Nosser de Almeida and the latter running Deputy Nabor Junior.

In Amazonas the PP has a chance with Gilberto Mestrinho. The PMDB will probably rely on the unselfishness of Senator Evandro Carreira or Deputy Mario Frota to head the ticket. However, the PDS has an advantage, even though it has four contenders for the nomination: Manaus Mayor Jose Fernandes, State Deputy Josue Filho, Federal Deputy Mario Haddad and Senator Raimundo Parente.

Without multicandidate slates it will be difficult to reconcile the followers of [Federal Deputy Adauto] Bezerra, [Governor] Virgilio [Tavora] and [Mines and Energy Minster Cesar] Cals in Ceara. The PDS will have to choose, however, between Aecio Borba, favored by the governor, and Bezerra, who will appeal to the convention delegates, while Deputy Flavio Marcilio is hoping for a deadlock so he can fulfill his own aspirations.

For the PDS, Rio Grande do Norte has characteristics all its own, aggravated by lack of multicandidate slates. Its candidate there will be whoever can combine the support of the lieutenant governor, the "Rosados" and Senator Dinarte Mariz, who does not accept the choice of Governor Lavoisier Maia, Natal Mayor Jose Maia. Deputies Joao Faustino, Carlos Alberto and Dix-Huit Rosado want the former's support. The PMDB has already chosen Senator Agenor Maria who, without any real possibility of being reelected, agreed to aid the party. But the PP, with the popularity of former Governor Aloisio Alves, stands a not-insignificant chance.

On the other hand, the PDS could let [Paraiba] Deputy Wilson Braga start using the governors' lane in the halls of Congress immediately, because his election is every bit as certain as that of Senator Marcos Freire in Pernambuco. In view of linked voting, the PMDB in Paraiba will be able to rely on Senator Humberto Lucena because he has just severed his connection with the PP, whose candidate is Antonio Mariz.

The PMDB also has an almost certain victory in Parana, with Senator Jose Richa. Among other reasons, because the name of the candidate favored by Governor Ney Braga, Saul Raiz, was not well received within Planalto Palace, opening prospects to Justice Secretary and former Senator Otavio Cesario of being chosen by the PDS. The PP will go with former Governor Jaime Canet and the PTB, with Paulo Pimentel, whose

popularity will be of no avail due to lack of local organization. In Santa Catarina the PDS is likely to choose Spiridiao Amin; the PMDB, Senator Jaison Barreto, with 4 years of his term remaining; the PDT, former Deputy Doutel de Andrade; and the PP, Senator Evilasio Vieira or Deputy Joao Linhares, either of whom would be sacrificing himself for the sake of the party.

Details

With linked voting, the PDS thinks it will win 16 states, two more than it expected to win without it. But on the other hand, the opposition is conceded victory in Rio de Janeiro, Sao Paulo, Rio Grande do Sul, Parana and Pernambuco, whose metropolitan regions may now be able to help these parties win even more seats at the federal level.

8834
CSO: 3001/46

CFP REDUCES GRAIN PRODUCTION FORECAST TO 55 MILLION TONS

Rio de Janeiro GAZETA MERCANTIL in Portuguese 19 Nov 81 p 11

[Text] Brasilia--The 56 million tons of grain forecast last month by Agriculture Minister Amaury Stabile were not confirmed yesterday by the Production Financing Commission (CFP) in announcing the second report of planting intentions for the 1981-82 crop year. The product-by-product data indicate a smaller forecast compared with the figures for October.

A CFP source reported that the total for grain is about 55 million tons. This figure, however, may not be confirmed, as the CFP assumes favorable climatic conditions. Any change of this nature would greatly alter the final outcome for this crop year.

In any event, after the survey in the major producing regions during the last week of October, the CFP expects bumper crops of corn and beans. In the case of corn, this month's estimates indicate an output between 22.4 million and 23.1 million tons. Last month's estimate was 24 million tons. According to the CFP, the drop was due to reduction in planted area in Minas Gerais, Goias and Santa Catarina.

Compared with last year, the next corn harvest could show a production increase of 3 to 6 percent. Since the 1979-80 crop year, corn output has been in the neighborhood of 20 million tons. The most significant drop in the last 6 years was in 1977-78, when production was 13.5 million tons.

For beans, the forecast is 1.43 million to 1.46 million tons, compared with 1.45 million to 1.48 million in October. The CFP says this reduction is caused by the September drought in some regions of the Center-South, where beans are planted. Even so, the commission expects an increase of 12 to 15 percent over last year's crop, which was 1.27 million tons.

The CFP forecast for other crops is as follows:

Rice: Despite a reduction in planted area of between 300,000 and 700,000 hectares, the government estimates for the Center-South a crop of 7.6 million to 8.1 million tons, compared with 7.7 million last year. Total production, which includes the Center-West region, should be, according to the CFP, 9.3 million tons, hence an increase of 3 percent over the previous crop, which was about 9.1 million tons. The best crop in the last 6 years continues to be that of 1975-76, which was 9.7 million tons.

Soybeans: Soybean production is estimated at 14.9 million to 15.1 million tons, a reduction of 2 to 4 percent from the previous crop of 15.4 million tons. According to the CFP, this was due to a reduction of planted area in Parana, Rio Grande do Sul and Sao Paulo of about 92,000 to 270,000 hectares. Also according to the CFP, the rainfall during the month of October in the Center-South region caused a delay in soybean planting, mainly in Parana and Sao Paulo.

Cotton: The estimate for this product is 467,000 to 491,000 tons, compared with 472,000 to 495,000 forecast 1 month ago. The 1980-81 crop was 493,000 tons. Cotton has shown a gradual increase in the last 6 years, always in the neighborhood of 500,000 tons. This year's reduction, according to the CFP, is due to less planted area: the forecast is for 852,000 to 892,000 hectares, compared with 880,000 hectares planted in the 1980-81 crop year.

Peanuts: The CFP forecasts for the Center-South a production of 241,000 to 254,000 tons, compared with 246,000 to 265,000 tons 1 month ago. Last year's crop was 249,000 tons. The biggest crop forecast is that in Sao Paulo, which, despite having reduced its planted area, is estimated at 163,000 to 179,000 tons.

Wheat: This month's estimate indicates a harvest of about 2 million tons, compared with 1.75 million expected previously. The current crop shows, according to the CFP, that the frost of June and July did not damage all production. The quality of the product harvested is considered "very good" by the government.

Estimate of Production in the Center-South(*) in Thousands of Tons

		1981-82 Planting Intentions		November Change (Percentage)	
Products	1980-81 Crop	October	November	Over 1980-81	Over October
Cotton	493.2	466/ 489	467.3/ 491.3	-5/ 0	---
Peanuts (1st Crop)	249.5	246/ 265	241/ 254	-3/+2	-2/-4
Rice	7,713.9	7,676/ 8,114	7,672/ 8,124	-1/+5	---
Beans (1st Crop)	1,274	1,450/ 1,481	1,438/ 1,468	+13/+15	-1
Corn	21,859	22,676/23,570	22,489/23,142	+3/+6	-1/-2
Soybeans	15,484.8	14,909/15,266	14,917/15,127	-4/-2	0/-1

(*) Includes Rondonia and part of Bahia
Note: Wheat, 1980 crop: 2,742,700 tons
1981 crop: 1,961,000 to 2,070,000 tons

8834
CSO: 3001/46

POTENTIAL GOLD RESERVES ESTIMATED AT 31,600 TONS

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 1 Dec 81 p 38

[Text] Belo Horizonte--Official gold reserves in Brazil are 629 tons, but potential resources from mining the metal are 31,600 tons, it was revealed yesterday in Belo Horizonte by the president of the Mineral Resources Prospecting Company (CPRM), Jose Raimundo de Andrade Ramos, in a talk at the Commercial Mining Association.

His forecast for this year is that Brazilian gold production will reach 40 tons, an increase of 5 tons over 1980, adding that his company's prospecting investment is 308 million cruzeiros, with plans to invest 789 million cruzeiros in 1982 and 856 million cruzeiros in 1983 to continue opening an average of four deposits annually.

Speaking on the subject of "Brazil's Actual and Potential Gold Resources," Andrade Ramos said the CPRM divides gold reserves into three categories for developing potential resources of the metal in the short, medium and long run. He reported that Brazil's known and defined reserves, so-called official reserves, total 629 tons of gold, representing 2 percent of the nation's potential resources.

Official reserves are one of the categories, the others being geological or estimated reserves and potential resources, resulting from preliminary surveys of the metal that can eventually be mined. Andrade Ramos stated that estimated reserves are 6,200 tons of gold, while potential resources are about 25,000 tons. Adding up the three categories, Brazil has possibilities of mining 31,600 tons of the metal.

Brazil's potential gold resources are located in 12 geological regions identified by the CPRM "gold group" of 110 geologists as economically workable primary gold deposits. The nation's major gold-bearing regions are the "ferriferous quadrilateral," responsible for 8 percent of the nation's cumulative production, Serra Jacobina, Rio Grande do Sul mines, Vila Bela (Mato Grosso), Gurupi (Para/Maranhao border), north-central Chapadas Diamantina of Goias, Ipu (Ceara) and Vale do Ribeira (Sao Paulo and Parana). As new gold regions the CPRM president cited Araci, Carajas (Serra Pelada and Camaru), Serra das Andorinhas (Para) and Barro Alto (Goias).

Serra Pelada

The Serra Pelada mining settlement will again produce about 6 tons of gold next year, with the return to the region of 4,000 prospectors who are in Serra Verde and 2,000

now dispersed in other mining camps. The report was made yesterday in Belo Horizonte by the director general of the National Department of Mineral Production (DNPM), Yvan Barreto do Carvalho, at a press conference after the close of the Commercial Mining Association and the First Minas Gerais Gold Meeting.

According to Yvan Barreto, "the superficial repairs of ground-leveling being made in Serra Pelada will permit continuation of the camp until 1983, when underground mining by a mining company will begin."

8834
CSO: 3001/46

NATO ANTIAIRCRAFT WEAPON MAY BE MANUFACTURED IN CURITIBA

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 29 Nov 81 p 10

[Text] Curitiba--The radars give the alarm: two enemy fighter-bombers are approaching a motorized column, an important military target. They are still far away, about 40 kilometers, but flying at supersonic speed and preparing to attack. Operated in conjunction with the column, however, sophisticated antiaircraft equipment is ready for its defense in a matter of seconds, After the radar connected with this equipment detected the target a small but efficient computer has calculated its speed, distance, presumed course and wind direction and knows exactly at what moment the attack should begin. When the fighter planes arrive they will be greeted by a barrage of 34 rounds per second.

The equipment that would be used to defend the motorized column in this imaginary situation is a 35-mm double-barreled Oerlikon, the most sophisticated antiaircraft weapon of its category, preferred by the NATO forces in Europe. Depending upon approval by the armed forces and international market conditions, this weapon is to be produced in Brazil at a plant built in Curitiba within a few months--probably by the end of next year. Entirely automatic, able to pursue and fire upon two moving targets simultaneously, the 35-mm double-barrel is really the most advanced of the Oerlikon cannons that will be produced in Brazil. Before it, however, the 20-mm is to be produced, in both double-barrel and single-barrel versions which, although less sophisticated, are much more versatile, easy to handle, light and, especially, cheaper.

With Swiss and Italian technology, the 20-mm and 35-mm cannons are already being produced in Italy by Oerlikon and sold mainly to member countries of the Atlantic Alliance. However, by the beginning of the year construction is to begin in Curitiba on the factory for IMS (Mechanical Systems Industry) do Brasil, a company resulting from the association of Oerlikon (75 percent of the stock) with the Brazilian firm ITS (25 percent).

As one of the Brazilian Government's requirements for authorizing this factory was that stockholder control be Brazilian, ITS President Carlos Alberto de Andrade and Oerlikon management are meeting with other Brazilian groups interested in participating in the venture, such as the Monteiro Aranha Group, According to preliminary arrangements, Oerlikon will have 45 percent of IMS shares, ITS will have 35 percent and the Monteiro Aranha Group, 20 percent. Nor is the possibility of future participation by IMBEL [Ordnance Industry] completely out of the question.

Submitted to the Brazilian Army for approval, a 20-mm double-barreled Oerlikon was tested day before yesterday at the Marechal Hermes Training Field in the municipality of Tres Barras, Santa Catarina. If it is approved by the SFIDT (Service for Control of Imports and Strategic Storage of products under control of the Army Ministry), it is almost certain that the Brazilian armed forces will act as a captive market for this weapon, because it will greatly increase their defensive capability. In Sao Paulo, a vehicle from ENGESA [Specialized Engineers, Inc], the EE-25 truck, will probably be equipped with this weapon to escort motorized columns.

The 20-mm double-barreled Oerlikon will be furnished in three versions: antiaircraft (defense of strategic areas), turret (mounted on armored cars) and naval (for use by the Navy). It has a firing rate of 2,100 rounds per minute and a firing accuracy of 2 kilometers. "It is a low-altitide defense cannon, ideal for protecting airports, refineries and hydroelectric plants," says one of the ITS directors. It consists of three main parts: the first, optic-electronic, to locate and pursue targets; the second, an electronic computer for receiving and processing data; and the third, electrohydraulic, to correct and discharge fire.

Operation of the 20-mm cannon is quite simple, despite its sophisticated technology. The operator locates the target by means of an electronic sight and after tracking it for a few seconds, feeds data to be processed in the electronic computer, such as estimated speed and distance. Immediately, in tenths of a second, all automatically, the cannon is programmed to fire at a certain point of the target's probable course. Firing is by means of a pedal that discharges eight rounds each time it is depressed. If depressed continuously, it can fire 2,100 rounds per minute (in the two barrels together). In case of error in the first firing, the cannon itself makes a comparison between the data fed initially and the margin of error and reprograms its aim. In Brazil the 20-mm Oerlikon will cost about $800,000 each and IMS intends to produce 60 cannons per year.

The 35-mm Oerlikon is completely automatic and requires almost no work by the operator if equipped with radar. It will cost about $6.5 million per unit. Its firing accuracy is 3.5 to 4 kilometers (almost twice that of the 20-mm). It is capable of anticipating an air attack when the aircraft is 40 kilometers away (if connected to a radar surveillance system such as the LPD type, made in Italy) and can follow a target moving at a speed of up to 350 meters per second. Its maximum angular velocities are 80 degrees per second horizontally and 48 degrees per second vertically. It is so sophisticated that it can fire with precision at a given target at the same time its radar system is tracking another taeget at a completely different point.

One of the main reasons for building the plant in Curitiba is to enter new markets, since Brazil, as a theoretically nonaligned nation, can export to countries with which Italy, as a NATO member, would be prevented from trading in armaments. Such is the case of Arab countries and those of the socialist bloc. IMS do Brasil is investing about $4 million in this program. The Brazilian Government sought assurance that there will be a genuine transfer of technology in producing this equipment and the expectation is that within 5 years 80 percent of the 20-mm Oerlikon's content will be produced in Brazil. Two Parana firms are participating in the project: INEPAR, which will be responsible for the electronic parts, and FAM (Metallic Devices Manufacturing), which will handle the mechanical part.

8834
CSO: 3001/46

BRIEFS

MACEDO-NETTO DISPUTE DENIED--"There's no disagreement." This is how Labor Minister Murilo Macedo denied yesterday any quarrel with Planning Minister Delfim Netto regarding the proposal to reactivate the economy and create 260,000 new jobs. According to Macedo, each of the two cabinet ministers drew up a plan; the two programs, which were submitted to President Joao Figueiredo and Vice President Aureliano Chaves, are essentially alike and differ only in detail. Murilo Macedo, who spoke yesterday at the opening of the panel discussion on employment policy, asserted that, although he is aware of the difficulties Minister Delfim Netto faces in providing funds for the program, he does not consider it rejected by the government: "Both the president and the vice president expressed their interest in the plan and in the need to create new jobs. It happens that from the beginning it was known there would be difficulties in carrying out the program, due to shortage of funds. The Labor Ministry's responsibility is to work out the plan, prepare statistics and state the problem--not to provide funds." The program submitted by Macedo to the government includes stimulating the construction industry (by building simple houses) and opening local streets and highways (using paving blocks instead of asphalt). Besides creating many jobs, this activity requires a low import coefficient and does not consume much energy, according to the labor minister. On the occasion, Macedo stated that in Rio de Janeiro, Sao Paulo and Belo Horizonte alone it would be necessary to create 600,000 new jobs every year. [Text] [Rio de Janeiro O GLOBO in Portuguese 20 Nov 81 p 21] 8834

CSO: 3001/46

BRIEFS

CIVIL SERVANTS' THREAT--Roseau Dominica Monday (CANA)--The Dominica Government said yesterday it was very concerned about a threat by the Civil Service Association (CSA) to take industrial action at the main prison, Stockfarm, because of staff problems. The CSA yesterday warned that it might be forced to call an official strike at the prison because the Permanent Secretary in the Ministry of Home Affairs had refused to meet the union and discuss staff problems. In a statement yesterday the government said it was concerned about the matter 'particularly in view of the fact that on the morning of 11th November the General Secretary of the CSA and the Minister of Home Affairs met and agreed on a date and time for a meeting to discuss matters pertaining to the prisons.' The statement said the CSA General Secretary Charles Savarin 'knows also that he need only to pick up the telephone if he wants to discuss any issue with the minister.' 'The strategy therefore of issuing a Press release particularly on sensitive areas such as the prisons is viewed by government with profound concern,' it added. The statement said Home Affairs, Minister Brian Alleyne would be meeting with the CSA on Wednesday 'when it is hoped all out-standing matters can be discussed with a view to solving them.' [Text] [Bridgetown ADVOCATE-NEWS in English 17 Nov 81 p 7]

PARTY LEADERSHIP ROW--Roseau, Mon., (CANA)--A row has apparently surfaced within the ranks of the newly-formed Dominica United Labour Party on the question of its leadership. The party, which was formed last month after a breakaway faction from Ex-Prime Minister Oliver Seraphin's Democratic Labour Party (DEMLAB), led by former Finance Minister, Michael Douglas, decided to team up with the Dominica Labour Party, led by another former Prime Minister, Patrick John, now in Police custody awaiting trial on conspiracy charges. An announcement issued after the party's formation said Douglas had been appointed chairman until a convention was held to adopt a new constitution for the party. But in a statement over the weekend, John's Labour Party declared that it still recognised Mr John as its political leader, and that its symbol still remained the shoe, and no other organisation should use it. The new party had adopted the shoe as its official symbol. Another statement issued to newsmen by the wife of Mr John, and signed by Opposition parliamentarian, Pershin Waldron, President of the Labour Party, denounced the first statement on the formation of the new party, and asked that it be disregarded. It claimed that a few persons and "their associates have absolutely no authority whatsoever to make statements on behalf of the Dominica Labour Party." The statement also acknowledged former Prime Minister John as political leader of the party, but indicated "communications via his wife, supported by his written statement and voice recorded on tape, state most emphatically that both Labour parties must come together, hold a massive convention and elect a political leader." The statement said the planned convention of the labour movement, scheduled for December 20, must be honoured. [Text] [Port-of-Spain TRINIDAD GUARDIAN in English 24 Nov 81 p 5]

BRIEFS

IMF REPRESENTATIVE NAMED--Quito--President Osvaldo Hurtado Larrea appointed Jaime Acosta Velasco as representative of the chief executive to the IMF. [PA242157 Quito Voz de Los Andes Spanish 2330 GMT 23 Nov 81]

CSO: 3010/490

PAPER CHARGES U.S. CONTINUES HOSTILITY TOWARD CARIBBEAN

Bridgetown ADVOCATE-NEWS in English 16 Nov 81 p 3

[Text]

ST GEORGE'S Grenada, Sunday (CANA) — The government-controlled "Free West Indian" newspaper today threw its support behind Cuba, Grenada and Nicaragua in the face of allegations that the United States was showing hostility towards the three countries.

The paper said in an editorial that it was gravely concerned about the threats posed to the national security of Grenada, Cuba and Nicaragua by the United States.

It said that within recent days Grenada has been viewing with increasing concern, not surprise, the escalating campaign of lies and slander against the Cuban, Nicaraguan and Grenadian revolution by United States imperialism.

Said the paper: "We are not surprised by imperialism's criminality, because we understand that when the peoples of Cuba, Nicaragua and Grenada cast aside the yokes of dictatorship and began to chart their destiny along freedom's road, they created a shining moral example for the oppressed masses of Latin America and the Caribbean, an example deemed dangerous by imperialism."

It added that these three revolutions have created popular people's democracies (as distinct from 'parliamentary hypocrisies') in a part of the world which has been under the domination of United States imperialism for generations.

The paper said that the revolutions in Cuba, Nicaragua and Grenada have begun to pose serious alternatives to the 'capitalist system of economic and social organisation' and are calling into question the most fundamental percepts of western civilisation.

It said that history has revealed that whenever a people choose their own path to development, break out of the chains of economic and cultural dependency, ideological hegemony and begin to create the conditions for social equality, justice and progress, the forces of reaction will 'rant and rave with predictable hysteria.'

The paper urged the people of Nicaragua, Grenada and Cuba to safeguard their gains by deepening their unity, to strengthen their discipline, increase production, step up their vigilance and fortify their military defences.

CSO: 3025/80

BRIEFS

TRIBUNAL SUPPORT--St Georges, Grenada, Sunday, (CANA)--Grenada said yesterday that the anti-imperialist Tribunal of Central America has come out in support of the island's leftist government in the face of hostility from the United States. An official statement here said that the support from the tribunal came in a message to Prime Minister Maurice Bishop of Grenada. It said that the organisation declared its solidarity with the Grenada revolution and the island's leftist New Jewel Movement (NJM) which it said was struggling to maintain the dignity and the right to see self-determination of its people. Prime Minister Bishop announced two weeks ago that the United States had stepped up its plans to invade Grenada with the recent staging of a massive military operation codenamed "Red X" from a base in the United States to Vieques Island, off the coast of Puerto Rico. Mr Bishop said that in the operation the United States used thousands of troops, as well as a number of ships and airplanes and said that "once more they were practising for an invasion of our country." [Text] [Bridgetown ADVOCATE-NEWS in English 16 Nov 81 p 6]

CSO: 3025/82

OAS POSITION ON EL SALVADOR SEEN AS 'INNOCUOUS'

PA140255 Guatemala City PRENSA LIBRE in Spanish 9 Dec 81 p 2

[Current Events Column: "The OAS' Aire"]

[Excerpts] A good number of the delegates to the 11th OAS General Assembly are rejoicing over the voting results that expressed the organization's support for the political-democratic process being promoted by the Government of El Salvador. It was expected that the necessary votes for approval of that motion would be obtained, but it had been feared that there would be more or less equal opposition. Surprisingly, when the votes were counted, Mexico, Nicaragua and Grenada were the only dissenters, while 22 member-states supported the Central American motion. It has been a long time since such an overwhelming show of approval has been achieved on such a controversial issue and this has led to the most varied and hyperbolic statements about the strength of the OAS, its efficiency and its important role in preserving democracy on the American continent.

Allow us to puncture this inconsistent bubble. The motion to express the organization's support for the electoral process initiated by the government junta went through almost 3 days of lobbying and negotiations, at the end of which that which was proposed as a declaration of support for the electoral solution emerged as a rather innocuous expression of good wishes and hopes, without strength or force of conviction. What was designed to be a vigorous, decisive slap on the back became a very diplomatic pat on the shoulder, given almost with the fingertips, which were encased in gloves to boot. What should have been a testimonial of solidarity became, after many deletions and euphemisms, a gesture of condescension.

The delegates believe that this vague and insubstantial declaration will resolve the internal conflict and bring about peace, justice and happiness. The vote, they say, will put an end to violence, terrorism and the guerrillas. This could be called either wishful thinking or deliberate self-deception. As things stand, it is not certain whether it will be possible to hold the elections before the terrorists wipe out the republic. Then, even if they are held, it cannot be said either that a majority or a representative number of citizens will be able to go to the polls. It is a matter of order and of reality. The pacification of a country that is beset by rebels does not depend in any way on the exercise of suffrage under the auspices of a government whose removal is being sought. It can only be brought about by military action on a sufficient scale to subdue the rebels and cut off their external logistics. Until this is achieved, the government that results from the elections will have to continue the struggle against the rebels or yield to them, if it lacks adequate means for its defense. To believe otherwise is to build castles in the air; it is to indulge in fantasy for its own sake.
CSO: 3010/495

GOVERNMENT REVENUE $80 MILLION ABOVE TARGET FOR 1981-82

Kingston THE DAILY GLEANER in English 23 Nov 81 pp 1, 15

[Text] Government's revenue collections for the 1981-82 financial year will exceed the target by some $80 million, Prime Minister Edward Seaga announced on Saturday night.

Speaking at the end-of-year ball of the Customs Brokers Association of Jamaica at the Terra Nova Hotel, he said the increased revenues, have come largely from Income Tax, which is projected to show an increase of some $64-million over the original target.

At the beginning of the year when the Budget was presented, he recalled, there was a "$35-million gap which could not be closed." This deficit the Government had decided to erase by improving the revenue flows.

"Well, it is that $35-million which the forecast show we will now not only achieve but double and exceed in the course of the financial year," he said.

Collection of revenue had exceeded the target by some $80-million, with Income Tax accounting for a large portion of the Government's earnings.

However, he warned that the extra resources would not be used up for any other purpose except to finance public utilities and other public enterprises with which the Government was "saddled."

Consumption Duty is projected to show some $15-million over the target, while Retail Sales Tax has shown a projected $11-million increase.

Mr Seaga said the Income Tax improvements were largely the result of collection of arrears, as well as improved payments. Customs duties had shown improvements not only in the collection and performance, but in the general "tightening up of the system."

New measures were being implemented to close "loopholes" in the Customs Department, such as the establishment of container stations in order to enable the stripping of containers at the ports.

Small computers are also to be established at the two international airports to record all transactions of goods, he said.

Mr Seaga also announced that the Customs Hall at Norman Manley International Airport will be expanded to ease congestion.

Referring to the announced cutbacks in the bauxite industry, the Prime Minister said these cutbacks will have a serious impact on the revenue collection and foreign exchange earnings of the country.

"There will be severe cutbacks in employment and as such the Government is attempting to devise solutions for these problems," he said, adding that the bauxite situation will be discussed in Parliament tomorrow.

Mr Seaga congratulated the Customs Brokers on their performance over the year, stating that their contribution was significant to the country's economy.

Import activities had increased by some 25 per cent over the year and this, he said, was an indication of the effort by the Government to increase the flow of goods to close the gap in the shortages which had existed in the economy.

CSO: 3025/80

SEAGA OUTLINES PLANS FOR NEW MERCHANT, COMMERCIAL BANKS

Kingston THE DAILY GLEANER in English 20 Nov 81 p 1

[Text]

A new merchant bank for the private sector is to be set up shortly with capital inputs from both local and foreign sources.

This was announced by Prime Minister Edward Seaga as he addressed the inaugural luncheon of a new development financing institution, the National Development Foundation of Jamaica (NDF). The NDF was launched yesterday at a brief ceremony at the Pegasus Hotel in New Kingston, and Mr. Seaga was made the first honorary member.

The NDF is a private non-profit voluntary organization which will provide financing and technical assistance to small enterprises who are unable to receive loans through the banking system.

SPEAKING ON GOVERNMENT'S INPUTS to bolster the small business sector, Mr. Seaga said that the new merchant bank will provide some of the needs for financing investments thus relieving resources in the commercial banking system for use in the small business sector.

In addition, the Government was in discussion with the Agency for International Development to obtain financing to the tune of US$5-10 million for small business ventures.

MR. SEAGA ALSO GAVE FURTHER DETAILS of a new commercial bank, the Bank of Credit and Commerce International Overseas Limited (BCCI) which is to begin operations here next month. Mr. Seaga said that the bank would begin its operations in Jamaica with a capital of US$1 million. It will also provide line of credit facilities of US$10 million to the Bank of Jamaica.

The new bank, he said, would play an important role in mobilising resources for equity, loan financing and trade for Jamaica as well as providing useful and direct line between Jamaica and the Middle East.

CSO: 3025/80

TRIBUNAL CONSIDERS REOPENING STALLED BAUXITE WAGE TALKS

Kingston THE DAILY GLEANER in English 20 Nov 81 p 1

[Text] The Industrial Dispute Tribunal is considering the possibility of resuming hearing on the current bauxite alumina-NWU wage dispute.

The arbitration collapsed when the Workers' Representative on the panel of the tribunal hearing the dispute, Mr Headley Alman, walked out of the meeting on Monday, after disagreeing with the ruling of the chairman, Mr K.K. Walters.

The GLEANER understands that attempts are being made to get Mr Alman to resume his position on the panel. If that fails, it is expected that the panel will be dissolved and replaced by a new panel and new hearings commenced.

The bauxite/alumina companies in a joint statement on Wednesday said that they regretted that the hearings have reached an impasse and that the Workers' Representative has brought the deliberations to a standstill.

The companies said that they had predicted more than once that it was likely to happen, given the attitude of the union.

The release continued: "Now that the Union has ensured that a settlement cannot be achieved by Christmas 1981, we await the next chapter in what has been the most unproductive set of negotiations we have ever encountered.

"One potential outcome of the present actions of the Union and the Workers' Representative is the spectre of recommencing the entire I.D.T. hearings. This would seem to show indifference to the interest of the workers, the companies and the country."

The general secretary of UTASP, Mr Reg Ennis, in a letter of solidarity with the NWU on Tuesday, called for the resignation of the tribunal's chairman, Mr Walters, from both the panel and the IDT.

The University and Allied Workers Union's president, Dr Trevor Munroe, on Tuesday, called on all trade unions, particularly those on the Joint Trade Union Research Centre, to "forget rivalry and jealousy and to unite against the conduct of the tribunal and the bauxite company management."

CSO: 3025/80

FIRST SUPPLEMENTARY 1981-82 BUDGET FIGURES SHOW SAVINGS

Kingston THE DAILY GLEANER in English 13 Nov 81 p 1

[Text] A saving of $9.5 million has been made in the 1981-82 Budget.

The Prime Minister and Minister of Finance, the Rt. Hon. Edward Seaga, yesterday tabled in Parliament the First Supplementary Estimates for the financial year 1981/82 showing a net provision of minus $9.5 million created by the agreement for re-financing of loan debts with its creditors.

The estimates showed that the Government in the original figures given in the Budget had approved the spending of $273,043,054 for the repayment of loans.

However, the agreement reached between the Government and its creditors, for re-financing of the loans resulted in net savings of $116-million in the original figures and reducing loan obligations for the year to $157,043,054.

The Supplementary Estimates tabled yesterday showed that a sum of $86,572,600 has been proposed for the Capital Vote, which when subtracted from the $116 million savings, leaves a savings of $29,427,400.

The Recurrent Expenditure has been proposed at $19,833,026 which when subtracted from the savings of $29,427,400, leaves a savings of $9,594,374.

The estimates are therefore said to be showing a net supplementary total of minus $9,594,374, which is the saving on the $116-million after satisfying both recurrent and capital expenditures in the estimates.

The Supplementary Estimates are to be studied in the Standing Finance Committee of the House next Tuesday, Wednesday and Thursday, and will be debated on Tuesday, November 24.

Other highlights of the Supplementary Estimates are: the spending of $15.5 million on banana research and development through the Banana Company of Jamaica and the Banana Resuscitation Programme; $1/2 million to fund a new project to strengthen farm production; $1.4 million for the extension of the Customs Hall at the Norman Manley Airport and repairs and overlay to the ramp and taxiway at the Sanster International Airport.

Provisions

Provisions are also proposed in the following areas: $850,000 for improvements to Government buildings, $2.5 million to meet the cost of implementation of labour intensive projects aimed at cleaning and rehabilitating the main roads and improving drainage systems; $465,000 for improving the buildings and premises at the Ministry of Education and the Caenwood compound; a $403,000 grant under the Dutch Assistance Programme towards the construction of the Port Antonio Health Centre, $1 million for renovation and improvement of Health Centres; $280,000 for repairs to the K.S.A.C. abattoir.

Other provisions include: $1.8 million is proposed as additional requirement to fund the Second Integrated Rural Development Programme's production and extension project; $1.5 million towards the construction of eight new dams, $1/2 million for construction of rural markets and a $21.4 million loan to the Urban Development Corporation as additional requirement in respect of National Hotels and Properties.

CSO: 3025/79

SHEARER MEETS FINNISH DELEGATION, HAILS TECHNICAL AID

Kingston THE DAILY GLEANER in English 13 Nov 81 p 2

[Text]

Deputy Prime Minister and Minister of Foreign Affairs and Foreign Trade, Rt. Hon. Hugh Shearer, has welcomed the "willingness" of the Government of Findland and the private sector of that country to share its technology with Jamaica and to assist the Jamaican economy.

Mr. Shearer was speaking yesterday morning, at the Ministry of Foreign Affairs where he met with a 13-man Trade Mission from Finland. The Trade Mission is led by Mr. Pauli Opas, Director of the Department for Foreign Trade and the Ministry of Foreign Affairs for Finland.

According to JIS, the Deputy Prime Minister expressed Jamaica's desire to expand the "two way" trade between Jamaica and Finland and pointed out that there were many areas in the Jamaican economy for joint venture investment activities, as well as private investment activities.

Possible areas of co-operation, Mr. Shearer said, were in agriculture, forestry, paper and pulp, mining and energy.

He told the delegation that there were an attractive package of incentives and tax reliefs available, that there was constitutional and legislative protection for foreign investments in Jamaica and that Jamaica was a participant in international and regional trade agreements such as the EEC/ACP agreement and CARICOM.

Mr. Shearer informed the group that Jamaica, by its location, was ideally situated for trade with the Central, North and South American markets, and highlighted the availability of trans-shipment facilities on the country's north and south coasts and at the freezone area in Kingston.

The existence, in Jamaica, of an adequate labour force, easily trained and willing to work was also pointed out by Mr. Shearer.

Mr. Opas said that, at present, the trading relation between Finland and Jamaica was almost non-existent and that the low level of trade between the two countries was not satisfactory.

He explained that the delegation to Jamaica was a fact-finding one and that the primary task of the mission was to establish direct contacts.

Mr. Opas expressed his pleasure at being in Jamaica and thanked Mr. Shearer for the wide range of meetings that had been organised for the mission.

The mission which arrived Wednesday will be in Jamaica for four days.

CSO: 3025/79

EDITORIAL COMMENTS ON SUGAR INDUSTRY, CLOSURE OF CO-OPS

Kingston THE DAILY GLEANER in English 14 Nov 81 p 10

[Editorial: "Last Chance for Sugar"]

[Text]

In 1966 Jamaica produced 4.9 million tons of cane while in 1980 we were able to produce only 2.8 million tons. In 8 of the 11 years since 1970 the production of sugar in Jamaica has fallen below that of the previous year. 1980 was second only to 1977 as the year over the period in which sugar production fell by the largest quantity. So far, 1981 is following that trend with a 15% estimated drop in the quantity of sugar cane milled in the first six months, as compared to last year.

The government's decision to close down the sugar co-ops has to be seen against the background of those trends and not as some have suggested as an index of the government's hostility to worker management.

As Dr. Stone has pointed out, great effort has been made by people involved in the co-ops to improve their production and financial standing. But the fact remains that if recovery is expected to take place in the island's sugar industry that recovery will not happen unless our major sugar lands at Frome, Monymusk and Bernard Lodge can be organised to produce cane more efficiently and productively.

As the Prime Minister has said, in comparison with a country like Barbados our sugar industry makes very inefficient use of land, labour and factory capacity. It should not be concluded that the sugar co-ops are the only inefficient producers. But given their track record of low performance, the co-ops clearly do not have the capacity to be an effective part of the solution to a recovery of the industry.

We can only hope that the alternative arrangements made to manage these lands will prove to be part of that solution. The mere act of closing down the co-ops and leasing the lands to National Sugar will not achieve that. For National Sugar, like the co-ops, does not have an impressive record of running our government owned factories.

When the state owned Frome Monymusk Land company ran these estates, their track record was also not distinguished by improvements in production and productivity. It would be unfortunate if the co-ops were singled out and made scape-goats for an overall pattern of decline in the industry, of which the co-op problem is only one segment.

The country awaits the plans and proposals that ought to be in the pipeline to ensure that the changes to take place at Frome, Bernard Lodge and Monymusk will improve the efficient use of labour and land. Such plans must presumably exist to improve factory efficiency.

We sympathise with the public for being somewhat confused by the implication of the closure of the co-ops. It is unfortunate that in making the announcement, it was not pointed out that continuity in employment would be guaranteed to the co-op members. The sugar co-op members appear to know that, but the Jamaican public obviously does not.

It is an illusion to believe that "people benefits" can be reaped and distributed to needy workers in the absence of efficient production, economic growth, and expansion in the productive capacity in this or any other industry. That fact has to be paramount in whatever changes are introduced to give sugar another chance to get back on its feet. For economic recovery through greater productivity lies at the base of distribution of social benefits, whatever the views of befuddled priests to the contrary.

CSO: 3025/79

MANLEY COMMENTS ON U.S. 'MINI MARSHALL PLAN' FOR REGION

Bridgetown SUNDAY SUN in English 15 Nov 81 p 6

[The Michael Manley File: "Price of Being America's Friend. The U.S. Defies Principle Even as It Ignores Commonsense"]

[Text]

I WAS fortunate recently to have someone explain to me the so-called "Mini-Marshall Plan for the Caribbean". The first thing that struck me was that the word "mini" refers to more than the size of the typical Caribbean nation.

As I understood it, the plan consists of three segments. First, there is to be a small increase in direct government to government aid as between the United States and the various islands and Caribbean Basin mainland states.

Secondly, efforts are to be made to relax somewhat existing restrictions on United States imports from the Caribbean region. Thirdly, there is to be great, repeat great, emphasis on the encouragement of direct, private investment by United States firms in the region.

This scheme is supposed to represent a new American approach to its neighbours to the south and reflects the general view of the United States administration of world development and the role of the United States in that process.

As originally conceived, the plan was to be jointly sponsored by the United States, Canada, Mexico and Venezuela working in conjunction with the expectant recipient governments.

Unresolved at the moment, however, is the vital question of principle. The Caribbean region contains a wide range of political and economic models. At one end is Cuba with its explicit Marxist/Leninist process. At the other end is Haiti with its vulgar and apparently self-perpetuating, petty tyranny. Countries like Guatemala are only distinguished from Haiti by the less personalised form of military dictatorship which runs the show.

POLITICAL EXPERIMENTS

Between the two extremes are a variety of political experiments. Grenada and Nicaragua have revolutionary regimes and are currently establishing people-based, democratic institutions while indicating that they will hold conventional, Western-type elections in due course.

Both countries are led by political parties which are affiliated to the non-communist Socialist International and both are committed to mixed economies and a form of democratic socialism.

Guyana is a cooperative republic with a traditional parliamentary system and a broadly democratic socialist philosophy although its ruling party is not a member of the Socialist International.

Thereafter, there is a medley of traditional, Western style democratic regimes mostly of the centre-right persuasion.

In short, the Caribbean is pluralist and complex.

As far as the Mexicans and the Canadians are concerned, the

wide variety of regimes involved poses no problem. Both governments see the region as a whole and, recognising the principle of self-determination, are willing to make the modest benefits of the plan available to all and sundry.

Not so with the United States. the Reagan administration has indicated that it intends to pick and choose, making its assistance available to the regime of whose politics it approves.

Needless to say, it does not approve of Cuba, Nicaragua and Grenada. It is equally unsurprising that the new United States administration appears to have no difficulty with the right-wing tyrannies of countries like Guatemala and Haiti. Guyana's position is not clear to me at the moment of writing. In the case of the other donor country, Venezuela, the position is also unclear.

I am not in a position to predict the outcome in so far as this aspect of the matter is concerned. The Mexicans, although not even vaguely socialist in their own political philosophy, have taken a strong and principled position in the matter. They will have no part in any scheme which invades the principle of self-determination.

By contrast the United States' attitude defies principle even as it ignores commonsense. The matter of principle is impatient of debate. You either believe in the right of self-determination and all that it implies or you do not.

The commonsense of the matter, however, deserves comment. In the short run, there can be a deceptive attractiveness to the idea of using economic power to reward your friends and to punish those, not because they are your enemies but merely because they will not genuflect to your every whim.

But what does this do in the long run? It increases polarisation and the tension which goes with it. It puts a premium on the political appeal of every two-bit adventurer who promises material reward in return for unquestioning support for the power which openly discriminates.

In the end it is a self-corrupting process, eroding the foundations on which a world of mutual respect between nations, large and small, can be built.

I hope that someone, perhaps the Canadians, can prevail on the Reagan administration to change its mind. I wish those of my Caribbean colleagues who now hold office would make it clear that they would not accept aid which was part of a plan contaminated by discrimination from the outset. One certainly wishes there were voices in the United States political system which would speak out and denounce this unprincipled and naked resort to the force of economic power.

As it is, there is another aspect to the Mini-Marshall Plan for the Caribbean which is objectionable and unsound. It is the insistence, as part of an international strategy, that direct aid and structural change in the world economic system are rejected by the United States which offers, instead, only to encourage an increase in private overseas investment. This represents a retrograde step of mind-boggling proportions. So much so that it demands a separate discussion. It is a subject to which I intend to return.

CSO: 3025/79

CANADA PROTESTS POLICE RAID ON COLLEGE SERVICE OFFICE

Questions in Ottawa

Kingston THE DAILY GLEANER in English 18 Nov 81 p 1

[Text] Questions were raised in the Canadian Parliament in Ottawa yesterday over a raid by Jamaican Police last week on the Kingston office of the Voluntary organization Canadian University Service Overseas (CUSO).

Canadian External Affairs Minister Mark MacGuigan told his Parliament that the Canadian High Commissioner to Jamaica had expressed "dismay" to Prime Minister Edward Seaga.

The prime minister confirmed last night that the matter had been "verbally reported" to him and was being investigated and would be dealt with by Foreign Minister Hugh Shearer.

He said the raid resulted from reports of suspicious activity reported to the authorities by people in the area.

CANA Report—A wire service report from Ottawa last night stated:

Ottawa, Nov 17, (CANA-REUTER):

Canada has protested to Jamaica over a recent police raid on the Kingston office of the Voluntary Organization Canadian University Service Overseas (CUSO), External Affairs Minister Mark MacGuigan said today.

The office was raided last Thursday and a CUSO worker was held at gunpoint while files were searched, he told Parliament.

MacGuigan said the Canadian High Commissioner to Jamaica had expressed Canada's "dismay" to Prime Minister Edward Seaga and was awaiting details of what was behind the raid.

The Government had no reason to believe that the security of Canadian or Non-Canadian Cuso workers was in danger in Jamaica, but would be prepared to seek a guarantee from Jamaican authorities if necessary, he told questioners.

CUSO sends young volunteer workers to developing countries and is similar to the United States' Peace Corps and Britain's Voluntary Service Overseas (VSO) Organizations.

Police Commissioner Bill Bowes said last night that the raid was carried out after people in the area complained about noise coming from the CUSO premises on Waterloo Road and the type of people frequenting the place.

The policemen were met on their arrival by the manager who carried them around while they searched, Mr Bowes said. The men carrying out the raid denied that they carried out the search, the Commissioner said.

Nothing was found and nobody was arrested.

Call for Probe

Kingston THE DAILY GLEANER in English 21 Nov 81 p 1

[Text] The Director in Jamaica of the Canadian University Service Overseas (CUSO), has expressed concern about the implications, for his staff and its work in Jamaica of the raid carried out on its offices of Waterloo Avenue, St Andrew on Thursday, November 12 by the police CUSO has called for a "speedy investigation into the incident."

In a release yesterday the Director Mr Carlysle McKenzie, said that they had sought to deal with the matter with restraint, but now wished to set the record straight and to correct what he said were erroneous and misleading statements made on the subject.

Mr McKenzie said that the incident had raised grave and serious concerns as it suggested that illegal and clandestine activities might be taking place at their offices. It also gave rise to questions about the integrity of their staff.

Challenge

He described the manner in which he said the raid was carried out and challenged the statement of the Commissioner of Police which was published in the GLEANER of November 18. For example in reference to the statement that noise had been coming from the CUSO premises and that the Police responded to reports about the noise from neighbours, Mr McKenzie said that "the only noise emanating from our office are those made by our typewriters as well as a small table-top radio used in the office."

In addition, CUSO denied that the police were met on arrival by the manager who carried them around while they searched. According to Mr McKenzie, the members of the squad spread throughout the premises without waiting for anyone to take them through the office. They made their search, and in the process, he said, intimidated the teenage son of the caretaker with "a weapon."

CUSO said that their activities were neither "suspicious nor illegal," and said that they found the raid on their office "entirely unjustified, even under the Suppression of Crimes Act," and described the reasons given as "spurious."

Mr McKenzie said they had been operating in Jamaica for 19 years, and had occupied the existing premises for the last 14 years. Projects for People Ltd., which

is an outgrowth of their development work and an attempt to localize and nurture development expertise, is also directed from those premises, CUSO also works with several agencies of government.

He said that they considered their activities a "proud record of achievement."

In Parliament

The matter was raised in the Canadian Parliament in Ottawa on November 17. The External Affairs Minister, Mark MacGuigan, said then that the Canadian High commissioner had expressed "dismay" concerning the matter to Prime Minister Edward Seaga. He said that the premises had been searched at "gunpoint."

CSO: 3025/79

BRIEFS

ENVOY TO GERMANY--Mr Glaister George Duncan, former Permanent Secretary in the Ministry of the Public Service and Head of the Civil Service has been appointed Ambassador Extraordinary and Plenipotentiary to the Federal Republic of Germany. Announcement of Mr Duncan's appointment was made from the Ministry of Foreign Affairs yesterday. Mr Duncan who was a former Permanent Secretary in the Ministry of Local Government under the previous administration, succeeds His Excellency Mr Keith Johnson C.D., who is now Jamaica's Ambassador to the United States. Mr Duncan's Civil Service career started in 1949 serving in the Collector General's Department and in the Ministries of Home Affairs and Labour. In 1978 he left the position of Permanent Secretary in the Ministry of Local Government to become Permanent Secretary in the Ministry of the Public Service and head of the Civil Service. Mr Duncan has done special assignments with the United Nations and had represented Jamaica on the Board of both the Latin American and Caribbean Centres for Development Administration. He was awarded the Order of Distinction (O.D.) in 1980. [Text] [Kingston THE DAILY GLEANER in English 28 Oct 81 p 1]

CSO: 3025/82

U.S. INFLUENCE AT OAS ASSEMBLY MEETING ANALYZED

PA082228 Managua Radio Sandino in Spanish 1800 GMT 8 Dec 81

[Station commentary]

[Text] It is evident that U.S. imperialism still has more than enough resources to convince most of the Latin American governments that the OAS is still the U.S. backyard. However, it is also true that it is increasingly difficult for the United States to achieve a consensus of the area's countries for its singular purposes, without having to resort to alternatives, which in some way affect its arrogance and haughty attitude.

The fact that the Reagan administration managed to get the OAS 11th General Assembly to approve its electoral solution to the Salvadoran conflict disguising it with ambiguities, presenting it through the backdoor, and through a third party, shows that U.S. imperialism is no longer in complete control of this backyard.

In the first place, the fact that aggressive and warlike Gen Alexander Haig had to postpone his main speech to the OAU General Assembly meeting in St Lucia, and that he left most of his aggressive language behind are part of that syndrome. The presentation of the motion supporting the electoral process in El Salvador, which was not listed on the assembly's agenda, was made by Argentina. This presentation was the fig leaf behind which the U.S. State Department tried to cover up the smashing defeat that its electoral solution to the Salvadoran conflict suffered at the UN General Assembly. With a vote of 66 to 31 the assembly voted for the resolution supporting the Franco-Mexican declaration of a political solution to the Salvadoran conflict. To make matters worse, Mr Haig had to resort to the trick of using El Salvador, Honduras and Costa Rica to present his twisted proposal supporting the military-Christian democratic dictatorship, and which is rejected by most democratic and revolutionary sectors in El Salvador. The tragicomic resolution which was approved expresses the hope that all Salvadorans achieve a climate of peace and harmony through a truly democratic electoral process. This resolution practically borders on cynism if we consider the antidemocratic and antipopular essence of the Salvadoran demo-fascist junta which will allegedly hold these elections.

Although the resolution rejects violence, terrorism and all actions violating the principle of nonintervention, it was presented precisely at the time when violence and terrorism of the dictatorship and U.S. Government intervention in El Salvador can be seen even by the blind. It is a time when the Salvadoran people are suffering from repressive violence, murderous terror and military interventon by Yankee imperialism.

However, it is symptomatic that this resolution did not get the vote from seven Latin American governments. What is even worse is when these governments are from the Caribbean area. The wheel of history never stops, the hour of the people is here, the twilight of imperialism cannot be reversed and the advance of social progress cannot be stopped. Yankee imperialism is not fully in control of what it calls its backyard.

CSO: 3010/495

'BARRICADA': HAIG'S THREATS MET WITH DIGNITY BY D'ESCOTO

PA090345 Managua BARRICADA in Spanish 4 Dec 81 p 3

[Article by Carlos F. Chamorro: "Haig Is in the Line of Aggression, Who Else?"]

[Excerpt] It must have been somewhat uneasy for General Haig--who is used to profer threats of strangling, blockade and invasion against Nicaragua in his monologue with U.S. news media--to have been met with answers full of dignity and sovereignty during the meeting he held on Wednesday with Foreign Minister D'Escoto.

The fact that Haig could not back out of this meeting, is in itself proof that he had to admit that the Nicaraguan Government is willing to hold a dialogue and that a recalcitrant and intransigent attitude is ineffective in this case and explains the moderation of his language, which D'Escoto termed as less boisterous.

But these subtleties of the language does not change by any means Haig's repeated threats to the representative of the Nicaraguan people and government. On this occasion Haig appealed to a strange principle of reciprocity (imperialist) by which if Nicaragua intervenes in any Central American country (an absurd supposition of which we have been accused without proof) the United States will have carte blanche to take any action against Nicaragua.

If we should use the same measuring rod on imperialism, at this moment all the governments of Latin America would have the right to take measures against the United States for its intervention in El Salvador and also to collect the debt for all the criminal aggression it has committed throughout history against Latin America. But it is just the opposite: the invader is the one threatening us and the one claiming the right to attack us, in order to justify, in one way or another, the collapse of its policy in El Salvador.

But it will not be that easy for Haig to convince the world of the need to sacrifice Cuba and Nicaragua on behalf of an alleged stability in the continent, which as a matter of fact is the United States which is blocking it with its policies.

CSO: 3010/495

'LA PRENSA' CRITICIZED FOR ITS 'ANTIPATRIOTISM'

PA150445 Managua EL NUEVO DIARIO in Spanish 11 Dec 81 pp 1, 10

[Text] With an antipatriotism that hinges on treason, LA PRENSA S.A. has continued its campaign supporting the United States' aggressive plans which, with the OAS resolution imposed on El Salvador, achieved the balance needed to "legitimize" its interventionist policy in Central America and its deprecation of Nicaraguan sovereignty.

We say imposed, because in addition to the natural pressures and affinities which the United States uses against certain governments, this time Mr Haig in his "prior consultation meetings" said that the Reagan administration would view as "an unfriendly act toward the United States a vote abstention on its proposal."

The disloyalty of LA PRENSA S.A. toward Nicaraguan interests has reached its limit. Devoid of arguments to show that the previously mentioned proposal is not an imposition by the United States which opens dangerous paths for the security of our nation, it fell yesterday into the childish argument of raising a "score" on the OAS vote and concluding that it is a shame that we lost 22 to 3 with 4 abstentions, which according to their foolish observations--as if they were a social club--adds them to the majority.

If it were as simple as that, the proposal at the United Nations, which was the opposite of what the United States obtained at the OA, was approved by 65 in favor, 21 against and 54 abstentions. If we were ignorant and demagogic we could lie and say that these were added to the majority, which is sheer nonsense.

The United Nations is more important than regional organizations. To get an idea of the seriousness and responsibility of the proposal approved, we note that those countries which voted for the UN proposal were Austria, Denmark, Finland, France, the FRG, Greece, Iceland, Italy, Norway, the Netherlands, Sweden and Mexico, which naturally does not have a mixed up policy, but a very consistent policy since it opposed at the OAS a resolution that was contrary to what it had voted for at the United Nations.

LA PRENSA S.A. would like, as in the time of Somoza, for us to align our vote with the decisions of the empire. The United States was the only country of the so-called Western bloc that voted against the UN proposal. Among its partners in Latin America were Chile, Paraguay, Haiti and a few other countries in whose company the repeaters of the originating station would like to see us.

CSO: 3010/495

OPPOSITION'S CRITICISM OF BUDGET REBUTTED

Managua EL NUEVO DIARIO in Spanish 22 Oct 81 p 6

[Text] Economists and experts in Public Administration who were consulted yesterday by this daily newspaper stated that the criticisms expressed in LA PRENSA, SA, for yesterday by the MDN [Nicaraguan Democratic Movement], Anibal Arana, on the increase in the budget of the Revolutionary Government is capricious, superficial and petty.

Our sources maintained that, in fact, that dissident criticism is reduced only to pointing out that the general budget for 1981 has a 170-percent increase in comparison with the 1979 Somoza budget.

"It is a completely superficial analysis," they added, "because it merely contents itself with a marked bad intention to emphasize the budget increase in 1981, but it does not say one word about the essence of the matter, that is to say that this increase is directly intended for meeting the demands of the people in various orders of institutional activity.

"And it is logical for no comment to be made on that vital, all-important aspect of the budgetary appropriations of the revolutionary state," they pointed out, "for the simple reason that the welfare of the working class has never interested the bourgeois parties, like the Robelista Party [MDN]."

That is precisely why, our sources went on to say, they maliciously concealed the fact that the government allocated, in the budget, no less than 2,487,000,000 cordobas (almost 50 percent of the state's expenditures) to the social area to promote, in behalf of the people, the health, education, infrastructure, housing and other programs.

Not Seeing

For example, they added, they did not notice, because it did not suit them, that 1,212,000,000 were allocated this year in the health branch, broken down as follows: 946,900,000 for hospital care and primary care programs and the investment plan, in addition to 139 million for construction of the Masaya, Rivas, Bluefields, Matagalpa and Carlos R. Huembes hospitals, as well as 22.7 million for construction of 100 health stations.

The MDN analysts also said nothing concerning the fact that in the education sector the state has allocated for this year the amount of 1,152,000,000 cordobas to handle over a million students on the three levels of education, including 32,000 [sic] to higher education.

Not Mentioning

Likewise, they did not mention a single word about the adult literacy program by means of which and in continuation of the fine National Literacy Campaign it is expected that 300,000 persons will be handled in 1981.

Certainly never before like now have the poor people been so well taken care of in those two important social branches--health and education--when today two medical consultations a year per inhabitant are offered, while under Somoza the whole rural farm population had none and when today there is a remarkable increase in primary, secondary and even university education enrollments.

In short, and with regard to the education branch, it can be stated that the coverage to be attained by education in Nicaragua in 1981 will reach limits never before imagined.

Nothing

Likewise, the MDN wise men made absolutely no reference to the fact that the government will spend almost 60 million cordobas, this year, on cultural promotion programs, among which priority given to the cultural development on the Atlantic Coast figures prominently.

And, naturally, they could not have mentioned the social welfare programs, which, of course, are not intended for the bourgeois parties or for members of COSEP [Higher Council of Private Enterprise] but rather for the masses who were exploited by them over the years and who had no right to culture.

This year, the government has allocated 70 million cordobas under that category for child welfare, psychosocial and occupational rehabilitation and for the social development of the community, including care for 5,925 children in the Child Development Centers and rural children's services.

As was to be expected, our sources pointed out, the MDN critic made no mention of the 1,684,000,000 allocated this year by the government to the infrastructure area, including 137 million as a subsidy for ENABUS [National Bus Enterprise], so that the poor people can continue to pay the fare of one cordoba, or of the subsidy for food, or of the one amounting to 58 million allocated to the Railway.

They added that the ill-intentioned criticism by the MDN gentleman did not mention, in his stupid analysis, the 320 million that the state has allocated, this year, to construction of 4,700 new dwellings in various places in the country, primarily in the centers of productions, 800 of which are already being awarded in the Batahola project in Managua.

Finally, the experts concluded, those gentlemen also made no mention of the fact that the Revolutionary Government will have to pay 760 million cordobas this year for foreign debt service inherited from Somoza, representing 16 percent of the total expenditures for 1981.

10,042
CSO: 3010/296

MEASURES TO SOFTEN IMPACT OF U.S. SILVER SALES REPORTED

Lima EL COMERCIO in Spanish 25 Oct 81 p A-29

[Text] Peru has a secret strategy for cushioning the recessionary and negative impact the world silver market will suffer as a result of the sale of 105 million troy ounces by the United States in order to reduce its inventories of that mineral.

The strategy involves commercial measures drawn up by the Peruvian State Mineral Marketing Company (MINPECO). They will be implemented along with political and diplomatic measures.

Meanwhile, the impact of those sales is already being felt in pricing. For Peru this will mean $70 million less in 1982, as contracts that have been practically completed call for sales of only $250 million, as opposed to $320 million this year.

Silver is the second most important mineral, after copper. Therefore, silver exports are essential for our balance of payments and for the foreign currency our country needs.

Despite our natural wealth, we depend on the international market. For this reason the United States' announcement of a huge sale of its silver stocks has hurt us by precipitating a drop in prices for this metal on the international market.

Due to the seriousness of this problem, EL COMERCIO interviewed high-ranking officials at MINPECO, the state metal marketing enterprise which is under the jurisdiction of the Ministry of Energy and Mines.

We talked with MINPECO about mining production in Peru, and the processing and marketing of the raw product as well as concentrated or refined silver. We also learned about MINPECO's role, national silver production, a comparison between Peru and other countries, the problems arising from the American move and the reasons behind it, measures that have been taken here, and the possible replacement of silver in industry, particularly in photography, where silver is most in demand.

The officials reported that silver is exported as a mining product, both concentrated and refined. The latter form is what is exported most, bringing in a greater aggregate value and more foreign currency.

Marketing

Until last year, MINPECO had a monopoly on marketing. But since the new constitution came into effect, that situation ended. Private firms may market their product in accordance with free competition.

Private firms, however, may only export silver in its raw form or as a concentrate, because only the Central Peruvian Mining Enterprise (CENTROMIN) has the technology to produce the high quality refined silver that Peru exports for the most part.

CENTROMIN buys 25 percent of its production from private companies, and the state concentrates half of Peruvian silver production, for refining and exporting.

MINPECO markets between 85 and 90 percent of the private firms' silver, because until now it has had the infrastructure necessary to provide better service. It boasts a level of specialization not found elsewhere in Peru. MINPECO charges a commission for marketing private silver.

Production

As for refined silver, which is exported by the state and thus brings in foreign currency, production amounts to 40 million ounces. That figure has been on the rise in recent years. Of that production, 94 percent is exported. In 1981 that has accounted for $320 million in foreign currency.

MINPECO generally signs sales contracts for 1 year, a year in advance. Therefore, 1982's sales have already been contracted, and there has been a considerable reduction: In 1982 the exportation of refined silver will yield only $250 million in foreign currency. This is due to the drop in international prices and to MINPECO's reduction of refined silver sales (less will be sold).

World Production

According to the figures for 1980 provided by J. Aron and Company, silver production in the Western world totaled 280 million ounces, while demand totaled 400 million ounces. The gap was bridged with what experts call recycling. Through this process of melting down metal, the product is recovered for reuse.

The attached figure, titled "Source and Use of Silver," shows silver production and consumption by country.

The main countries to which Peru exports silver are the United States, Brazil and Japan.

Silver has many uses, mainly industrial. The photography industry is in first place in silver use. The United States is the largest consumer of photographic silver; 42 percent of its silver consumption is in photography. Western Europe consumes 25.1 percent for that purpose, Japan 56.4 percent, and Brazil 37 percent. Only 16.8 percent of world production is used in jewelry and silverware. However, in Peru nearly 100 percent of the silver that remains is used for that purpose. In Japan, 7.3 percent of silver consumption is for jewelry.

Peru retains 1 million ounces of its total production for the domestic market.

Sales by U.S.A.

With regard to the problem arising from the United States' sales of its silver inventories, MINPECO experts feel that there will be a twofold impact. The first phase will occur when the decision to sell is made public, and it is the more important one because it will create a crisis on the market. The second phase will come when the sale is executed.

The United States has decided to sell, according to MINPECO, because of budgetary considerations. It will sell silver to buy other strategic minerals. No one knows for certain, but it is speculated that those minerals will be uranium, cadmium, lithium and others.

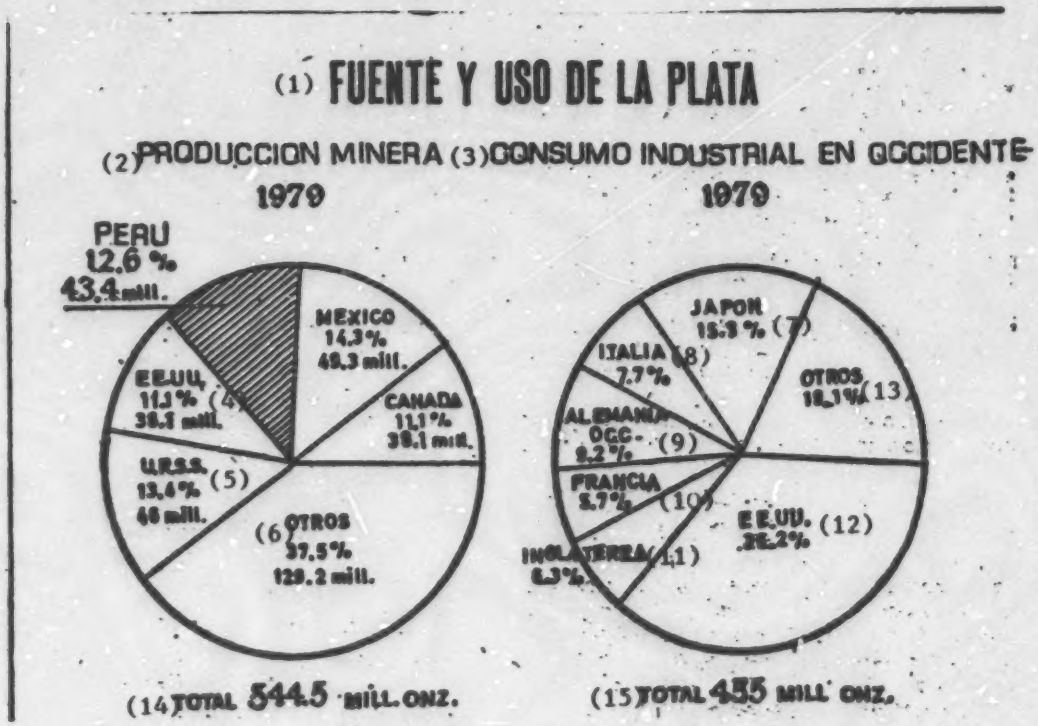
The sale of these 105 million ounces, which will definitely have a severe impact on us, will net the United States $1.05 billion. That really isn't very much for a country like the United States, but it is now undergoing a period of austerity, and selling silver to buy other metals is one way of self-financing. On the other hand, the rumor that the Americans are selling their silver because it is of low grade and costs too much to refine is just that. It is not true that it costs more to refine American silver.

With respect to the new situation on the international market, experts believe that there is cause for great concern, and action should be taken. On the political level, the minister of energy and mines is writing letters about the matter, and is seeking agreements with the affected countries. So far no one knows how effective that will be, but it appears that the United States intends to go forward with its plan.

Strategy

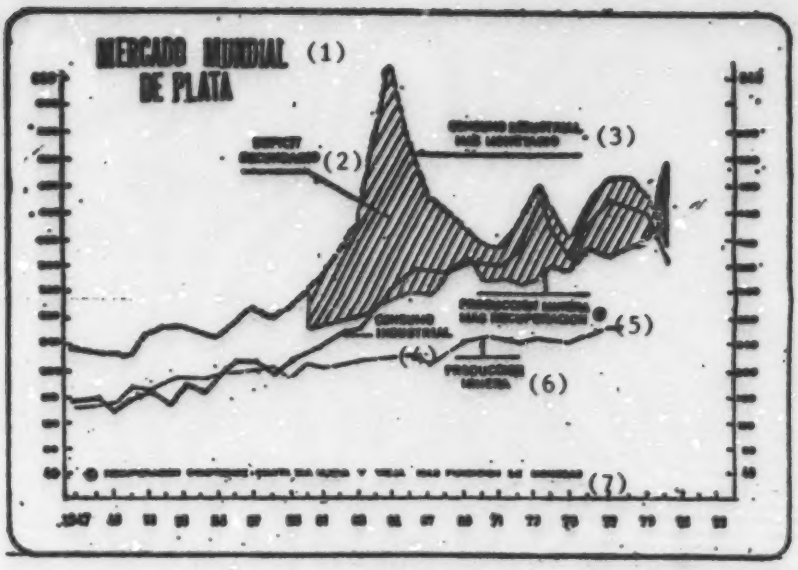
MINPECO has a strategy which for obvious reasons cannot be revealed. It is known, however, that MINPECO has taken steps to minimize the effect of the drop in prices, according to the officials we interviewed.

Advance preparations have been made for just such an emergency, and the human and technical resources are available to deal with the problem.



In this chart the difference between silver production and consumption can be observed. The one on the left shows production in the USSR, but not consumption. Even excluding it, however, one can see the gap, which is covered with the "recycling" or melting of scrap. This supply is very important. Note that Peru is in third place among the producers of the world, after Mexico and the Soviet Union, followed by the United States and Canada. In the one on the right, the United States is in the lead with respect to industrial consumption, followed by Japan and Germany.

Key
1. Source and Use of Silver
2. Mining Production
3. Industrial Consumption in the West
4. United States
5. Soviet Union
6. Others
7. Japan
8. Italy
9. West Germany
10. France
11. England
12. United States
13. Others
14. Total 344.5 million ounces
15. Total 435 million ounces



A revealing illustration of the world silver market in which the drop in industrial consumption since 1977 can be observed, as well as the most monetary industrial consumption since 1965. It appears that the use of silver for monetary purposes has been very significant since the first years after World War II. As can be observed, in 1965 the world consumed up to 640 million ounces a year, as opposed to 350 million now. This illustration also shows that the gap between production plus recovery and consumption has been shrinking since the beginning of the last decade. Note also how mining production has not increased substantially in 33 years, while consumption has risen.

Key
1. World Silver Market
2. Secondary Deficit
3. More Monetary Consumption
4. Industrial Consumption
5. Mining Production Plus Recovery (*)
6. Mining Production
7. (*) Recovery includes new and old scrap plus melted down coins

8926
CSO: 3010/388

CENTRAL RESERVE BANK REPORTS ON FOREIGN TRADE

Lima EL COMERCIO in Spanish 27 Oct 81 p A-15

[Text] Peru's foreign trade is now limited to only 10 countries, according to a report by the Central Reserve Bank.

While 75 percent of our exports, in terms of value, go to the United States, Japan, Italy, West Germany, Chile, Verezuela, Colombia, Bolivia, the United Kingdom and Mexico, 80 percent of our imports come from as many countries: the United States, Japan, West Germany, Brazil, the United Kingdom, Sweden, Italy, Argentina, France and Belgium.

Imports

The Central Reserve Bank report states that our imports come primarily from two countries, the United States and Japan. They provide 51 percent of all our imports.

Two South American nations provide 7 percent: Brazil and Argentina.

As for European nations, six of them account for 20 percent, West Germany being in the lead with 8 percent.

Exports

With regard to the structure of exports, of the total value of our market, the United States and Japan make up 50 percent; five Latin American countries account for 15 percent, including Chile's 3.6 percent with Venezuela and Colombia each contributing 2.9 percent.

Of the 10 most important European countries in the sample, three of them make up 10 percent of the market, the most prominent one being Italy with 4.3 percent, followed by West Germany's 3.6 percent.

The Central Bank report points out that the United States and Brazil have increased their relative participation in the import market this year. The United States went from 35 percent in January-June 1980 to 42 percent during the same period this year. Brazil went from 3.5 percent to 5 percent during that time.

In exports, the United States and Japan made more purchases, going from a joint total of 40 percent during the first half of 1980 to one of 50 percent during the same period of 1981.

CUADRO No.7 (1)

DISTRIBUCION GEOGRAFICA DE LAS EXPORTACIONES PERUANAS (*) (2)

(Estructura Porcentual) (3)

	1980		1981
(4)	I Semestre	II Semestre	I Semestre
1. Estados Unidos (5)	31.7	32.3	32.1
2. Japón (6)	8.7	8.3	17.6
3. Italia (7)	5.1	3.2	4.3
4. Alemania Occidental (8)	5.2	9.4	3.6
5. Chile (9)	1.3	2.0	3.6
6. Venezuela (10)	1.3	1.9	3.0
7. Colombia (11)	2.1	1.4	2.9
8. Bolivia (12)	3.2	1.4	2.6
9. Reino Unido (13)	3.8	4.0	2.4
10. México (14)	3.1	1.8	2.4
11. Resto de Países (15)	34.5	32.5	25.5
TOTAL	100.0	100.0	100.0

(*) Preliminar. (16)

COBERTURA: 1980: 91% a nivel nacional. (17)
1981: 75% Lima Metropolitana.

ELABORACION: Departamento de Balanza de Pagos, en base a la estructura de la Dirección General de Aduanas. (18)

Key
1. Table No. 7
2. Geographic Distribution of Peruvian Exports (*)
3. (Percentage Structure)
4. Semester
5. United States
6. Japan
7. Italy
8. West Germany
9. Chile
10. Venezuela

11. Colombia
12. Bolivia
13. United Kingdom
14. Mexico
15. Other Countries
16. (*) Preliminary
17. Coverage: 1980: 91 percent on the national level
1981: 75 percent Metropolitan Lima
18. Prepared by: Department of Balance of Payments, based on the structure of the General Customs Office

CUADRO No. 8 (1)

DISTRIBUCION GEOGRAFICA DE LAS IMPORTACIONES PERUANAS (*) (2)

(Estructura Porcentual) (3)

	1980		1981
	I	II	I
(4)	Semestre	Semestre	Semestre
1. Estados Unidos (5)	35.1	37.8	42.8
2. Japón (6)	9.9	10.5	9.1
3. Alemania Occidental (7)	8.2	7.8	7.8
4. Brasil (8)	3.8	3.8	5.0
5. Reino Unido (9)	3.4	4.1	3.3
6. Suecia (10)	3.7	3.4	3.0
7. Italia (11)	3.3	2.1	2.8
8. Argentina (12)	5.3	3.3	1.9
9. Francia (13)	2.2	1.7	1.8
10. Bélgica (14)	2.4	3,1	1.2
11. Resto de Países (15)	22.0	22.4	22.1
TOTAL	100.0	100.0	100.0

(*) Preliminar. (16)

COBERTURA: 1980 : 94% a nivel nacional. (17)
1981 : 75% Lima Metropolitana.

ELABORACION: Departamento de Balanza de Pagos, en base a la estructura de la Dirección General de Aduanas, excluye donaciones y defensa. (18)

Key
1. Table No. 8
2. Geographic Distribution of Peruvian Imports (*)
3. (Percentage Structure)
4. Semester
5. United States
6. Japan
7. West Germany

8. Brazil
9. United Kingdom
10. Sweden
11. Italy
12. Argentina
13. France
14. Belgium
15. Other Countries
16. (*) Preliminary
17. Coverage: 1980: 94 percent on the national level
1981: 75 percent Metropolitan Lima
18. Prepared by: Department of Balance of Payments, based on the structure of the General Customs Office, excluding donations and defense

8926
CSO: 3010/388

BRIEFS

ULLOA DISCUSSES BUDGET WITH UNIONS--All national union leaders, including those from the CCP [Peasants Confederation of Peru] are today holding a meeting with Prime Minister Ulloa. About 40 Peruvian union leaders are holding a meeting at the (Baracas) summer resort to discuss important issues concerning the 1982 budget. Labor Minister Grados Bertolini and Minister Ulloa noted yesterday the following about this meeting: [Begin unidentified voice recording] I do not know the exact name of those persons attending the meeting but they are 42 union leaders. [Question] We understand this is the first time that such a meeting has been held. [Answer] Yes, this is correct but of course we have been having similar meetings at the labor or ministry level in compliance with the practices of a democratic government but we are fulfilling a commitment we made to union leaders that we were going to meet with them and discuss all government development programs, the budget, price policies and the effects that these may have on salaries. [Excerpt] [PY091849 Tacna RADIO TACNA in Spanish 1200 GMT 9 Dec 81]

AP WINS 26 MUNICIPALITIES--According to the official confirmation given yesterday by the National Election Jury (JNE), Popular Action [AP] won 26 district mayoralties in last Sunday's complementary municipal elections. Meanwhile, AP sources asserted last night that the populist candidates have obtained 72 mayoralties. This assertion was made after they knew the election results in 106 out of the 117 districts in which complementary elections were held. Alvaro Alarco, one of the AP coordinators, pointed out that the number of mayoralties allegedly obtained by his party represents 72 percent of the votes; while the APRA [American Revolutionary Popular Alliance] obtained 15, with 15 percent of the votes. He added that the PPC [Popular Christian Party], on its part, won in five districts (5 percent), UI [United Left] in six (6 percent) and Independents in eight (8 percent). [Excerpt] [PY092249 Lima EL MERCURIO in Spanish 11 Nov 81 A-4]

RECHANNELING OF RIVERS--Lima, 8 Dec (AFP)--It was officially reported here today that the streams and rivers of the eastern slope of the Peruvian Central Andes will be rechanneled into the Pacific watershed so as to increase the supply of water and hydroelectric power to Lima. The Peruvian Government has approved a contract associating the state-owned enterprises Electro-Peru, Electro-Lima, and Lima Sanitation Corporation to make the drafts and to begin negotiations with the World Bank which has offered to finance the project. The project provides for the damming of the Mantaro River, the largest of Central Peru, in the Atacayan area, 125 km east of Lima at the altitude of 4,000 meters. From there the water will be pumped up 600 meters to Narcopamococha, on the western slope of the Andes. In order to increase the supply of electric power and water to Lima, a hydroelectric dam will be built, existing canals enlarged and new ones dug. The project is expected to be finished in 1987. [Text][PY091507 Paris AFP in Spanish 0343 GMT 9 Dec 81]

CONCERN OVER POLISH SITUATION--Lima, 14 Dec (LATIN-REUTER)--Foreign Minister Javier Arias Stella today here said that Peru is following the developments in Poland with deep concern. The minister added that the Peruvian Government wishes to voice its confidence that commonsense will prevail over force in that actions. [Text] [PY150231 Buenos Aires LATIN in Spanish 0210 GMT 15 Dec 81]

CSO: 3010/494

OPPOSITION UWP CONTINUES EFFORTS TO OUST RULING SLP

Bridgetown ADVOCATE-NEWS in English 19 Nov 81 p 12

[Article by Guy Ellis]

[Text] CASTRIES, St. Lucia Wednesday (CANA) — There seems no end in sight to attempts by opposition groups here to remove the ruling St. Lucia Labour Party (SLP) Government of Prime Minister Winston Cenac now at the halfway stage of a five-year term of office.

But it is now becoming apparent that the SLP, after a long period of internal turmoil over its leadership plans to take up the challenge and throw some punches of its own.

With the House of Assembly here having rejected an opposition motion of no confidence in the Government on October 27, the campaign to unseat the SLP is to continue through investigation, including court action.

Opposition leader John Compton has announced his intention to challenge government backbencher Evans Calderon's seat in the 17-member House of Assembly.

Compton, whose United Workers' Party (UWP) was swept out of power in July 1979, has also stated that he plans to initiate an investigation into what has become known here as "The Stamp Deal" concerning one of the many charges of alleged corruption which opposition members hurled at the Government during last month's no-confidence motion debate.

Compton is chairman of the Public Accounts Committee, a parliamentary body charged with the responsibility of reviewing the use of public funds. The committeee comprises members of both sides of the House...

The police have lodged charges against three members of the minority opposition Progressive Labour Party (PLP), whose leader, former SLP parliamentarian George Odlum, claims that the move follows threats by Attorney-General Kenneth Foster to "deal with" frontline PLP members.

Odlum, who broke away from the ruling party last May after an unsuccessful attempt to wrest leadership from former Prime Minister Allan Louisy, was one of the key architects of the SLP's landslide election victory over Compton's UWP in 1979. When the SLP assumed power, he wielded considerable authority in the cabinet.

But his insistence that Louisy honour a verbal post-election undertaking to hand over power to him even after Louisy had announced a change of heart, precipitated a political crisis in both the Government and country which ended with parliamentary defeat - of Louisy's fiscal budget and his subsequent resignation as Prime Minister last April.

Cenac, the former Attorney General who succeeded Louisy, has been under opposition pressure for a return to the polls. The no-confidence motion accused him and his administration of inept leadership, financial mismanagement, corporation and responsibility for the general decline in St. Lucia's economic situation.

It was immediately after the vote on the no-confidence measure that Compton first challenged Calderon's membership of the House. He produced documented evidence to support his claim that attorney at law Calderon had vacated his seat last August when he notarised a transaction under which the Government bought a certain piece of property, thus contravening the St. Lucia Constitution...

According to section 32 of the Constitution, to which Compton referred, "a person shall not be qualified to be an elected member of the House if he has an interest in any government contract."

The Constitution defines "contract" as "any contract made with the Government, or a department of government or with an offer of the Government contracting as such."

Calderon, who served as Attorney General for almost a year in the Louisy Administration and declined ministerial position when Cenac took over, has acknowledged making the deed for the purchase of the property in question, but added that the court would have to decide whether this could be construed as an "interest."

The British-trained barrister said he had not yet decided what counter-measures to take because he was awaiting the filing of Compton's claim in the courts.

It was during the no-confidence motion debate too that the Opposition tabled before

Parliament what it contended was evidence of corruption in the Government.

PLP deputy leader Michael Pilgrim, another former SLP Minister, produced what he said was a copy of a bank statement showing that a commission of US$10 000 had been paid to a former Minister. He said the ex-Minister had signed an agreement with an American philatelic company on behalf of the Government.

Louisy who as Prime Minister once threatened to resign if he found evidence of corruption in the Government, scrutinised the statement and called for an investigation into the opposition charge.

Compton responded to the challenge and has written to Cenac asking for the co-operation of himself and that of the relevant ministries in an inquiry which he intended to launch, in his capacity as chairman of the Public Accounts Committee.

Odlum has been plugging away at his former government colleagues using the public platforms and his weekly newspaper, the Crusader, but running foul of the law in the process.

Two PLP members are currently facing court charges of sedition, while Odlum himself is charged with publishing his newspaper without licence.

It was a PLP member who seconded the UWP's motion of no-confidence in the Government. Further, according to Odlum, there was collaboration between the two opposition groups on the wording of the motion.

Earlier this year, when Odlum accelerated his charges that there was corruption in the Government while still holding onto his ministerial position, he made it known then that he would not at all be averse to considering an accommodation with the UWP if proposals were made to him, to bring down the Government.

The PLP positions, then and now, would seem to underline the view of some political observers here that while Odlum continues to be amonng the most vocal in calling for new elections and persistently says that his party is "the least unprepared" among the three political groups for such elections, the PLP might not command that broad base of popular support that can be transformed into a victory at the polls at this particular time.

At the moment, all the signs are that the SLP having overcome the no-confidence vote, is digging itself in to serve out the balance of its five-year term and deliver the promised goods to the electorate.

Next month, the Cenac administration plays host to the General Assembly of the Organisation of American States (OAS) an event which the Government is relying on to produce the sort of results which will bolster its tattered image both at home and abroad.

But with the Opposition showing no visible signs of letting up on its pressure and the Government itself seemingly bent on using the legislative machinery to ensure much-desired stability, the odds are that St. Lucia's political problems may not be over yet.

Etoile, the SLP's paper, recently put the present and future situation into perspective. Noting that no new no-confidence motion in the Government could be brought to Parliament for another six months, the paper called for "maximum effort" from members of the Cabinet in the interim and "a period of peace and co-operation from the Opposition.

It added: "No meaningful economic programmes can be accomplished in an atmosphere of tension and mistrust....the fringe opposition element (reference to the PLP) seems determined to continue along its chaotic path and we look forward to firm and quick handling of any situation that may arise."

CSO: 3025/81

DEVELOPMENT CORPORATION SEEKS FUNDS TO START 40 ENTERPRISES

Port-of-Spain TRINIDAD GUARDIAN in English 24 Nov 81 p 13

[Article by Guy Ellis]

[Text] **CASTRIES:**

Saint Lucia's National Development Corporation is in the market for US $70 (TT$168m) to finance a new indigenous industrialisation thrust which could create some 40 new enterprises and allow for greater local participation in the sector.

The NDC is a statutory corporation of the Government, formed a decade ago to initiate, promote and execute the island's industrial programmes.

According to NDC Chairman, Julian Hunte, the proposed projects are in the fields of housing, industrial infrastructure, real estate, light industries, manufacturing, agro-industry, energy and tourism.

Mr. Hunte, who has just been re-appointed chairman after an initial two-year term, said that the projects had been floated for financing from international private funding markets and it was likely that funds would be sourced shortly for some, if not all of these ventures.

He added: "Were this to happen, the private sector in Saint Lucia would receive a considerable injection of funds of approximately TT$168m spread over a three-year disbursement and utilisation period."

During the past two years, the NDC placed nine industrial concerns on some 101,000 square feet of factory space. These have provided 600 jobs with an annual turnover of $7.2 million.

And according to Mr. Hunte's end-of-term report, these achievements have been recorded in the face of Saint Lucia's recent political instability which "did not afford an encouraging atmosphere within which the NDC could work effectively."

DEEPLY WEAKENED

Said Mr. Hunte: "The vagaries of politics, as well as the indiscriminate damage of a hurricane (Allen in August 1980) played havoc on the development thrust. The investment climate has therefore been deeply weakened. Overseas investors fear for the security of their investment, domestic entrepreneurs become disenchanted, the investment programme becomes diverted away from the mobilisation of domestic resources."

Mr. Hunte explained that it was within this context that the NDC has been operating since July 1979 when the ruling Labour Party came to power.

Despite the new ventures which have gone into operation in the past two years, Saint Lucia's efforts at industrialisation have been seriously set back by Hurricane Allen and the island's political climate resulting in the departure of some investments and the non-arrival of others which were to have come.

The NDC owns and manages four industrial estates comprising 20 industries on 230 acres of land. Total factory space at those estates is in the region of 150,000 square feet.

One of these estates, an airport free zone in the southern town of Vieux Fort — long earmarked as Saint Lucia's future industrial capital — is listed as one of the NDC's successes of the past two years. It offers 43,000 square feet of factory space, about a quarter of which will accommodate cargo from the Caribbean Air Cargo Company (CARICARGO), a joint Barbados-Trinidad and Tobago carrier.

The 40 projects in the NDC pipeline fit well into the Government's plans for greater involvement of nationals in the industrial sector.

Said Mr. Hunte: "When last November the NDC considered a programme which would be effected over a five-year period, it was clear that special emphasis would have to be placed on the development of local projects.

"The government had stated categorically that greater emphasis must be placed on making development more meaningful to the people of Saint Lucia. The NDC took up their challenge and sought to diver-

sify the industrialisation process internally. Whereas the emphasis on overseas investment promotion would remain, it would be complemented by a new indigenous industrialisation programme. By this is meant the identification of projects which reflect the economic priorities of Saint Lucia and which take advantage of opportunities to be exploited by Saint Lucians."

The industrialisation process in Saint Lucia started more than two decades ago with simple processing of raw local materials in the manufacture of, for example, copra products, bay rum, aerated drinks, clay and timber products.

Although industry is still considered to be in its infancy, Saint Lucia in recent years, has made rapid progress in developing its manufacturing sector.

The development of a sound infrastructural base and the offer of generous fiscal incentives have proved attractive to investors, and the island has seen the expansion of industries geared to the local, regional and international markets.

Today, there are more than 70 manufacturing units in operation employing 2,500 persons. Most of them are concentrated around the Castries area.

The range of products being manufactured include garments, furniture, plastics, vegetable-based snacks, tyres, vehicle batteries, mattresses, beer and malt, industrial gases, fruit juices, electronic components and cassettes for tape recorders.

In addition, refrigerators, television sets and radios are assembled.

The effort at industrialisation probably reached its peak in 1977 when the Hess Oil Corporation of the United States chose Saint Lucia to locate a transhipment terminal. Next year, work is due to start on another oil project here to be undertaken by Saudi Arabian investors.

(Cana)

CSO: 3025/81

UNION, GOVERNMENT OFFICIALS STILL AT ODDS ON LAND ISSUE

Bridgetown ADVOCATE-NEWS in English 16 Nov 81 p 3

[Text]

KINGSTOWN, St. Vincent, Sunday (CANA) — The government of St. Vincent and labour leaders are still squabbling over the fate of a state-owned plantation paralysed by strike eight months now. Government spokesmen insist that the strike by some 250 workers at the country's largest government estate, 'Richmond Vale' was totally unnecessary.

The workers took industrial action in February to back demands for trade union recognition, payment of a 1980 Christmas bonus, and a wage hike, among other things.

Despite numerous appeals by their union — the Workers and Peasants Union — and numerous trade unions, political parties and organisations, the government has not given in to the demands.

Chief Agricultural Officer Carlton Williams said that the strike action had hastened his ministry's desire to sub-divide the 3 000-acre estate among small farmers.

Mr. Williams said that the union boss, former Opposition leader, Calder Williams was being misled. He said that had Mr. Williams taken his initial advice, the estate would not have been left to go to ruin.

Acknowledging that hundreds of thousands of dollars have been lost by government through the strike-action, the Chief Agricultural Officer said that the workers would have been entitled to a double bonus this Christmas.

He stated that government was pushing ahead with the land distribution plan in view of 'the so-called strike action.'

Union officials are against sub-division of the estate and are reported to be soliciting the support of other trade unions and international agencies to bring about a settlement.

The workers and peasants union is insisting that there should be a genuine land reform policy at Richmond Vale.

General Secretary Williams said the union will continue to resist relentlessly, what he called 'these negative efforts on the part of the authorities.'

The union is of the view that there can be no genuine land reform policy without the workers' involvement, and is calling for workers' co-operative based on profit-sharing.

The union noted that at the conclusion of a recent interview with prospective lease-holders on the estate, the union was refused application forms, and the workers were not given first preference.

It also observed that 'most prospective lease-holders are, fanatics of the ruling Labour Party.'

CSO: 3025/81

'EXPRESS' TELLS NJAC NOT TO BE STIFLED BY ELECTION DEFEAT

Bridgetown ADVOCATE-NEWS in English 13 Nov 81 p 11

[Text] PORT-OF-SPAIN, Trinidad, Thursday, (CANA) — The Trinidad Express in its editorial yesterday urged that the voice of the National Joint Action Committee's (NJAC) should not be stifled following its defeat at the polls.

The editorial said in part:

"One of the casualties of Monday's General Elections which returned the PNM to power is the National Joint Action Committee whose candidates failed to win a seat, although some of them did quite better than had been anticipated.

"Yet the NJAC election campaign was one of the talking points of the last month because of its high intellectual content, its reasoned appeal to the electorate and some attractive and intelligent candidates.

"NJAC however, has a past and this no doubt played a part in the way the electorate looked at Makandal Daaga and his team.

"Those who remember those heady days of 1970 when the black power disturbances swept the country, leading to the arrest and detention of Daaga and some of his leading lieutenants will appreciate this picture.

"Daaga was regarded as a disturber of the peace, the good order and stability of the country. It was he who inspired the controversial Public Order Bill and some pieces of legislation now on the statute books which liberal-minded Trinidadians regarded as oppressive.

"Also in the run-up to the general election campaign, NJAC did nothing to reduce fears (that) its members were on a course of violent confrontation by the extreme nature of their utterances at public meetings earlier this year.

"The blood and burn" message eventually gave way to the voice of reason, NJAC seemed determined to want to be part of the system, though they pledged to change it according to their own desires.

"But the proposals mentioned in their party documents, in the newspaper advertisements, and the line taken on the public platforms would have done credit to any party and targeting on a particular section of the electorate.

"Our point is that some effort should be made to keep NJAC in the mainstream which it entered in order to take part in this election."

CSO: 3025/81

DEFENSE OFFICIAL DENIES RUMORS OF COASTAL ARMS SMUGGLING

Port-of-Spain TRINIDAD GUARDIAN in English 20 Nov 81 p 1

[Text] The Chief of Defence Staff, Commodore Mervyn Williams, said yesterday he was unaware of any arms or ammunition entering the country by way of the sea-coasts or through any other means.

Rumours being spread all over the country are that a sizeable number of arms and ammunition have entered the country resulting in soldiers having to comb the numerous beaches.

But Commodore Williams explained that checks have always been maintained by soldiers from time to time, but this had nothing to do with any report of entry of illegal arms or ammunition into the country.

A senior officer at the Ministry of National Security said it was a known fact that with the establishment of installations at Amoco and Point Lisas members of the Defence Force were based in those areas.

There was the question of airport security, both at Piarco and Crown Point in Tobago, as well as army camps at Centeno and Siparia.

Defence Force surveillance or vigilance were for security reasons and should not cause any alarm or concern by members of the public, the officer said.

A senior police officer said that for security reasons scores of seacraft entering the country from abroad, including Caricom countries, were subjected to searches in an effort to prevent possible entry of arms, ammunition or narcotics.

But the question of this latest rumour of a sizeable quantity of arms and ammunition entering the country was totally false and designed to cause panic in the country, he said.

CSO: 3025/81

STEADY DECLINE REPORTED IN NATION'S CRUDE OIL PRODUCTION

Port-of-Spain TRINIDAD GUARDIAN in English 24 Nov 81 p 4

[Text]

FROM a peak of 83 million barrels in 1978, the country's production of crude petroleum, Trinidad's major dollar earners, has been slowly and steadily declining.

After totals of 78 million and 77 million barrels in 1979 and 1980 it appears that 1981 total production may drop below 70 million barrels.

Imports, exports and refinery throughput of crude petroleum also continue their downward trend, and for the first six months of this year show similar declines as compared with 1980.

These figures are revealed in the September issue of the Monthly Statistical Digest put out by the Central Bank of Trinidad and Tobago.

Looking back for ten years at production figures it is noted that the lowest figures of 47 million barrels were in 1971, after which production went up to a peak in 1978. Since then there has been another gradual slump.

All through 1979 and 1980 monthly production of crude petroleum topped six million barrels and the monthly average for last year was 6.5 million barrels. In 1981, however, production for the first six months was 34.8 million barrels, at an average of 5.8 million per month.

For the same period last year 38.8 million barrels were produced, at an average of 6.5 million barrels.

Unless production improves by the end of the year total figures could reach just 69.6 million barrels, if one uses an average of 5.8 million barrels per month.

The import picture is none too happy either, for while in 1970, 113 million barrels were imported by 1980 it was a mere 52 million barrels. The first six months of last year 26.8 million barrels of crude were imported but this year just 20 million barrels came in. This years' total imports should go just above 40 million barrels.

MASSIVE PEAK

Exports of crude petroleum were very low ten years ago, at 6.9 million barrels, rising rapidly to 54 million in 1978 and then falling back to 44 million for 1979 and 1980.

For the first six months of 1981 exports were 18.3 million barrels, just three million short of the figure of 21.3 million barrels for the same time last year.

For refinery throughput there has also been a decline for some years now, with a massive peak of 154 million barrels in 1970, going down to 99 million in 1977 and further to 84 million barrels in 1980.

Last year for the first six months, 43 barrels were refined, while for the same period this year it was 33 million barrels, at an average of 5.5 million per month. Using that last average to project for the year one gets a total of 66 million barrels which does not compare at all well with last year's 84 million.

Because of the fall in refinery throughput there has been the expected decline in output of motor gasolene, aviation turbine fuel, gas diesel oil, fuel oil and kerosene. All of these are produced after crude oil is refined.

CSO: 3025/76

BRIEFS

'EXPRESS' ON GRENADA--Kingston, Jamaica, Monday (CANA)--The Trinidad EXPRESS newspaper is to step up efforts to pressure the People's Revolutionary Government (PRG) in Grenada to either bring to trial or release more than 100 'political detainess,' according to the managing director of the Port-of-Spain-based newspaper, Ken Gordon. Mr Gordon, who is also president of the Caribbean Publishing and Broadcasting Association (CPBA), spoke at a function among top media officials to honour the editor of the GLEANER newspaper here, Hector Wynter. The GLEANER yesterday carried a report of his speech. He said that the detainees in Grenada had been incarcerated like 'common criminals.' Mr Gordon decried the fact that there had been no protest against the Grenada Government's action from regional legal bodies 'which are expected to epitomise law and justice and to be committed to ensuring that it provides the fabric within which our societies endure and develop.' But the Caribbean would not allow the people being held in Grenada to be forgotten, he said, and the EXPRESS would publish weekly the names of those who are in detention, and would continue to do so until they are either brought to trial or released. [Text] [Bridgetown ADVOCATE-NEWS in English 17 Nov 81 p 7]

NEW HOUSE SPEAKER--Mr Matthew Ramcharan, aged 64, former High Commissioner to Canada, will be speaker of the new Parliament. He succeeds Mr Arnold Thomasos, 75, who has quit after being Speaker for the past 20 years. Mr Ramcharan will be sworn in as Speaker at the inaugural sitting of Parliament next week Friday. Apart from being a former diplomat, Mr Ramcharan, substantively, is a barrister-at-law. Mr Ramcharan, who lived at Paul Village, Arouca, was educated at the Arouca E.C. School. He then went to Arima High School, and later to Lincoln's Inn, London, to become a barrister-at-law. He entered private practice from 1946 to 1963, and was elected to the House of Representatives in 1961. Mr Ramcharan remained in the House until 1963 as the PNM member of St Joseph. During the period, he acted as Minister of Labour in 1962, and later, was High Commissioner to Jamaica from 1963 to 1965. He was a member of the Planning and Housing Commission from 1957 to 1962. He was a member of the Agricultural Credit Bank from 1961 to 1962, and Chairman of the Arima Municipal Services Commission during the same period. From 1957 to 1963, he held the post of Assistant General Secretary of the PNM. He was also a member of the Trinidad and Tobago delegation to conference of Presidents of Americas in Punta del Este in 1967, and was decorated by the Venezuelan Government with the Grand Order of Simon Bolivar. [Port-of-Spain TRINIDAD GUARDIAN in English 18 Nov 81 p 1]

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No. 2425

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EDITORIAL FOCUSES ON INTEGRATION OF BASINS PROPOSAL

Buenos Aires LA NACION in Spanish 14 Nov 81 p 8

[Text] The 12th Meeting of Foreign Ministers of the countries of the La Plata River basin--Argentina, Bolivia, Brazil, Paraguay and Uruguay--which was held at Santa Cruz de la Sierra, made clear the need to examine carefully the feasibility of the regional and subregional integration projects.

It has again become clear that the principle of promoting the "harmonious and balanced development" of the member nations--which has been heatedly discussed and interpreted ever since it was incorporated into the La Plata River Basin Treaty of 1969--has not yet been sufficiently accepted to bring about the necessary reconciliation between the wishes of some countries and the cooperation required of others, and, in the final analysis, the ability of all member nations to implement these projects. As a matter of fact, Argentina and Brazil are destined to provide the resources for carrying out any group initiative. They are now directing their attention to a general examination of La Plata River Basin matters after the long debate which for a decade distracted them in the dispute over the exploitation of the Upper Parana River which undermined any joint action within the La Plata framework. Argentina and Brazil now appear as the natural moderators of the proposals of the others which are markedly unilateral.

Argentina and Brazil have begun by not adding to the mass of reports and resolutions which have accumulated during the dozen meetings of the foreign ministers of the Basin, the minority of which are unrealistic and abound in mere pronouncements which from the beginning face the risk of ending up as dead letters. In brief, as the Argentine foreign minister said, we should not add to the list of projects nor enlarge on them out of "obstinacy" but rather "establish priorities so as to use effectively the resources available, which by definition are limited."

We have also observed that several matters of substance related to the main point of the treaty--which is the increased and rational use of the hydraulic resources for purposes such as river navigation and the purity of the water--have been put aside while pursuing the various resolutions and have failed to make any noticeable progress. Our nation has insistently called attention to this question. This is in keeping with the strong concern which we have shown since the first debates on the treaty.

In the introductory remarks at the 12th Meeting of Foreign Ministers one item which was suggested--and was perhaps capable of becoming a dominant theme--was the plan for interconnecting the basins of the Orinoco, Amazon and Plata Rivers. This was sponsored by President Belaunde Terry of Peru and gave rise to a special conference in Lima, the result of which was to demonstrate how much time and effort is involved in this proposal, which has had little success up to now.

Regardless of its commendable merits, the proposal to interconnect the great geographic basins inevitably must, as a first stage, be examined against the entire background of South American integration and the conflicts it generates, in bilateral relations as well as in the geopolitical relationship prevailing in each one of the subregional frameworks included in the great Peruvian plan: the Treaty of Cartagena (Andean Group), the Amazon Cooperation Treaty and the Plata River Basin Treaty.

When that proposal was made at the meeting at Santa Cruz de la Sierra, it set off a confrontation between Bolivian interest and Argentine support on the one hand and a Brazilian warning, on the other hand, that the project is of "low priority overall, is extremely expensive and its economic outcome doubtful."

Finally, the 12th Meeting of the Foreign Ministers of the Plata River Basin should be inspired by the pragmatism which has guided the transformation of the Latin American Free Trade Association, (LAFTA), into the Latin American Integration Association (LAIA), formally established last year, and the modification of the policies of the Andean Group in favor of the specific objectives of the Cartagena Treaty.

9204
CSO: 3010/359

TECHNICAL CONFERENCE ON BASIN INTERCONNECTION PROPOSED

La Paz EL DIARIO in Spanish 15 Nov 81 p 1

[Text] Santa Cruz, 14 Nov--The Bolivian foreign minister Dr Gonzalo Romero proposes to have the Bolivian Government sponsor a technical conference on the interconnection of the basins of the Amazon, La Plata and Orinoco Rivers to be held during March or April 1982.

According to the plan, the meeting would be held in Santa Cruz. At present, consultations are being held so as then to be able to send the invitations to the respective nations. Romero expressed to EL DIARIO's correspondent the view that the Foreign Ministry must be aggressive, that is, it must not be frightened by the magnitude of the undertaking and must confront the problems involved calmly but decisively.

The comment was made concerning the proposal to construct canals between the basins. He said that for Bolivia, the most benefitted areas would be the Beni and Pando Departments and also the south of the nation, because the canals would make possible intensive domestic trade and river communications with other nations which would result in the opening of many ports and the settlement of large numbers of people.

Conference Hall

In view of the outstanding success of the XII Meeting of the Foreign Ministers which closed last night, Romero said that in Santa Cruz we should build a Conference Hall like those in other countries so that Bolivia could hold all types of international meetings. "I trust that this idea will ripen among the people of this city who can see the big picture so that we can reach this most important goal."

He said that perhaps the city government could assume responsibility for this.

Success

Dr Romero said that the success of the XII Conference of Foreign Ministers belongs to all Bolivia. It was entirely harmonious and the differences, when they arose, were solved with the spirit of cooperation of the Basin Treaty. He said that this type of meeting makes it possible for the nations, through their representatives, to get to know each other better, discover one another's greatness and to identify problems which should be solved by common effort.

In support of this view he quoted statements by the Argentine foreign minister, Oscar Camilion who, after he saw Santa Cruz, said that he fully realized that Bolivia is an economic power. According to one of his aides, Dr Romero said to his Argentine colleague while they were having breakfast together yesterday, that Bolivia not only has enormous material wealth but it also has Santa Cruz, a city which is the cradle of many founders including Juan de Garaya, founder of Buenos Aires.

Viability

Romero also told EL DIARIO that he had discussed the problem of Caceres Bay in his conversations with the foreign minister of Brazil, Ramiro Saraiva Guerreiro, who said the problem could be solved by removing the barrier built by Brazil to divert the waters.

One should recall that 2 days ago, during a press conference, EL DIARIO brought up this diplomatic problem with Brazil. Some time ago, Brazil built a sort of dike on the Paraguay River so that the waters would run off to the left toward Corumba, leaving little water for Bahia de Caceres and to the detriment of Puerto Suarez and Puerto Quijarro which ceased to be ports.

Return

Today the foreign ministers returned to their respective countries. The foreign minister of Paraguay, Silberto Noguez, was the first to depart—at 0830 hours; an hour later the foreign minister of Argentina, followed by that of Uruguay; and the Brazilian minister. They were bidden farewell by the foreign minister of Bolivia. Romero then announced that he will return to La Paz next Monday.

9204
CSO: 3010/359

NEW PETROLEUM FIND IN LLANOS ORIENTALES

Bogota EL TIEMPO in Spanish 17 Nov 81 p 8-B

[Article by German Navarrete]

[Text] Colombia has just discovered a new oilfield with a production capacity of 2,000 barrels a day at the start of production, and with a projected capacity of 10,000 barrels a day. It is located in the vicinity of the Apiay military base in the Llanos Orientales [eastern plains].

This find was reported yesterday by the minister of mines and energy, Carlos Rodado Noriega, speaking at the Chamber of Commerce in Bogota, during a talk he gave about gasohol production in Colombia.

The minister also revealed that ECOPETROL [Colombian Petroleum Enterprise] has just demonstrated that in the Arauca I and Arauca II wells the nation has reserves of 100 billion barrels; Arauca III has reached a depth of 7,000 meters, and further information is expected on the oil reserves there.

"We are moving ahead rapidly and positively in our exploration for fuels which the nation needs to ensure its development, and every day we will obtain even more satisfactory results," the minister told experts from the OAS, from National Planning, and ECOPETROL who were present at his speech.

Mixed Enterprises for Alcohol and Sugar

Rodado Noriega said that ethanol, fuel alcohol for vehicles that is obtained in processing sugar cane, now offers an alternative for the creation of an Agricultural Price Stabilization Fund, to keep sugar growers from financial ruin when the price of sugar drops in international markets.

The government feels that when prices in the international sugar market are good, our sugar could be exported, and when international prices decline, the sugar cane could be processed to produce fuel alcohol to supply 20 percent of our gasoline demand. In both instances, sugar growers would obtain good prices for their production.

According to the minister, alcohol producers and sugar growers could establish mixed enterprises in which each sector would have a 50 percent share, in order to produce not only sugar which the nation needs, but also fuel alcohol as well, which can be obtained from the cane. "This would be the best way for the public and private sectors to work together," he said.

Rodado Noriega spoke to the Chamber of Commerce of Bogota after receiving from the economic secretary of the OAS, Diogo de Figueiredo, a study entitled "Diagnosis and Recommendations on the Possibilities of Fuel Alcohol in Colombia." The study was prepared by the OAS, the National Planning Department, and ECOPETROL.

The study points out that Colombia has about 1,150,000 hectares that are potentially suitable for producing 725 million liters of ethanol a year. (Ethanol is alcohol produced from sugar cane). This product could replace about 20 percent of the gasoline that is now consumed here, without needing to modify vehicle engines. The cost would be similar to present gasoline prices, and it could be transported through pipelines.

The document was presented by the executive director of the Chamber of Commerce of Bogota, Anibal Fernandez de Soto, in a ceremony attended by: the ambassador of Colombia to the OAS, Carlos Eduardo Bernal Tellez; the experts who prepared the report, Romulo Ferreira, Patricio Duarte, Jorge Blanco, Oscar Pretell, Guillermo Tribaldos, George T. Tsao, Edgar Lugo, and Pincas Jawete; and other government officials.

We Shall Continue to Seek Self-Sufficiency

Rodado Noriega, however, said that Colombia will continue to move forward constantly in its exploration and production of hydrocarbons, in order to achieve self-sufficiency in fuels.

"Even if we do find large quantities of hydrocarbons, we have to realize that these resources are finite, and it is never a mistake to think of developing alternate energy sources, such as fuel alcohol or ethanol. These sources make use of natural resources that the nation has in good quantities, and which are renewable resources," added Rodado Noriega.

Colombia imports 55,000 barrels of petroleum and refined products a day; this amounts to payments of over $700 million a year, observed the minister.

"This is a highly positive effort on the part of the OAS, the Planning Department, and ECOPETROL. It contains a wealth of very serious and significant information. It provides the government of Colombia with a starting point, and gives the nation reasonable optimism about being able to use our renewable natural resources to make an appropriate, logical energy transition," said Rodado Noriega.

Agricultural Revolution

The minister and Diogo de Figueiredo said that the production of fuel alcohol in Colombia would be so beneficial to the national economy that it would practically amount to a "technological revolution in Colombian agriculture."

"The OAS study can not be viewed from a very narrow viewpoint, in terms of just the cost per liter of fuel alcohol in relation to the cost per liter of gasoline; it should be considered in a general context involving social benefits such as the rehabilitation of land that is now unproductive in territories such as the Llanos Orientales and the Atlantic Coast areas, the savings of currency, and the generation of more jobs in economically depressed areas," added the minister.

De Figueiredo said that areas potentially suitable for renewable resource production have been identified in the Llanos and Costa areas; there are 250,000 hectares in Cesar, 150,000 in Magdalena, 100,000 in Cordoba, 50,000 in Atlantico, and 600,000 in Meta.

In addition to his speech at the Chamber of Commerce, the minister of mines told EL TIEMPO that "as alcohols are a state monopoly handled by the Liquor Enterprises, while sugar cane is in the hands of private citizens, one way to reconcile this discrepancy, in order to use ethanol as a factor for our national development, would be to establish mixed enterprises."

"If the alcohol producers have 50 percent and the sugar producers also hold 50 percent, this could create a mechanism for cooperation. As partners in the same enterprise, they would obtain mutual benefits," he pointed out.

In closing, the minister commented that the study requires more information and research on technological and agronomical aspects, as well as on sales and marketing.

7679
CSO: 3010/409

EL SALVADOR, HONDURAS SIGN BILATERAL TRADE AGREEMENT

San Salvador EL MUNDO in Spanish 3 Nov 81 p 13

[Text] The bilateral trade agreement between El Salvador and Honduras, which has been under negotiation since the resumption of diplomatic relations between the two countries, was signed last Friday noon in Tegucigalpa.

Present for El Salvador at the signing were the Minister of foreign relations, Dr Fidel Chavez Mena, and the Undersecretary of Economy, Oscar Raymundo Melgar; and for Honduras the Foreign Minister, Col Cesar Elvir Sierra, and the Minister of Economy, Ruben Mondragon.

The treaty provides as follows:

The Governments of El Salvador and Honduras, considering:

That the General Peace Treaty, signed in Lima, Peru, on 30 October 1980, reaffirms in Articles 40 and 41 the proposal to reorganize and strengthen the Central American Common Market by means of a Central American Economic Integration Treaty, founded on a just and equitable basis, for the purpose of creating a true economic and social community in Central America.

That until such a goal is achieved, the parties agree to regulate trade between the two nations by means of a bilateral trade treaty which will embrace the standards which historical experience and social custom show are necessary to attain the above-mentioned objective.

To that end they designate their respective ambassadors plenipotentiary, namely, the minister of foreign relations, Dr Fidel Chavez Mena, and the vice-minister of economy, Oscar Raymundo Melgar for the Government of El Salvador, and the minister of foreign relations, Col Cesar Elvir Sierra, and the minister of economy, Ruben Mondragan for the Government of Honduras, who, having exchanged their respective credentials, and these having been found to be in due and proper form, agree to subscribe to the following El Salvador-Honduras Bilateral Trade Treaty:

Concerning the regulations established in bilateral trade:

Article 1. The signatory states hereby establish bilateral trade with each other by virtue of which goods originating or produced within the territories of either nation will come under one of the following categories:

a) Free trade.
b) Special duties.
c) Quotas.

Article 2. The trade of basic grains (corn, beans, rice, and millet) will be carried on in accordance with policies determined by the contracting nations through their respective price control and grain marketing organizations for the purpose of safeguarding production programs and internal supply, as provided for in Schedule A of this treaty.

Goods that are exchanged under the free trade regulation will be exempt from the payment of duties and other import charges, including consular fees.

The exemptions contemplated in this article do not include freight rates or rights, dockage, storage, and drayage fees or any others that are legally chargeable for port services, custody, or transportation and are presented by the state.

Concerning Special Duties

Article 4. Goods originating or produced in the territory of either of the contracting parties that are included in Schedule B, which is also made a part of this treaty, will be subjected to special duties.

The special duties will consist of tariffs on imports of between 1 and 25 percent ad valorum, to be agreed on by the signatory parties product by product; but in no case can they be equal to or greater than those pertaining to the common foreign tariff. Thus, Honduran goods in general will not be subject to these duties.

The basis for computing the special duties will be the C.I.F. value (cost, insurance, and freight) of the goods.

9015
CSO: 3010/379

MULTIPARTY ECONOMIC COMMISSION RELEASES PROPOSAL

Buenos Aires CONVICCION in Spanish 2 Dec 81 p 11

[Passages enclosed in slantlines printed in boldface]

[Text] The drafting committee of the multiparty commission's secretariat has been working on the final document entitled "Proposal to the Country." The political quintet will release the document in the middle of this month at a public event which will take place at the headquarters of the Radical Civic Union National Committee.

The document will summarize the opinions of the five committees that undertook studies and consultations on social, educational and cultural, political-institutional, international and economic issues. The economic commission has just concluded its opinion, and we obtained access to it. The text of the 11-page opinion is as follows:

National Emergency Plan

Introduction

The national emergency economic plan has the immediate objective of reestablishing the production circuit as the only real way to generate employment and income in a manner that recognizes the working capacity of the Argentine man, and restores the savings and accumulation potential of the productive sectors.

There is no doubt that the standard of living of Argentines can be raised on a lasting basis only within the framework of the expansion of production, with the incorporation of technology to multiply human effort as applied to capital.

For this purpose, productive activity must be given priority over inflation-breeding speculation.

/It is agreed that inflation has led to the misappropriation of the country's vast resources, thereby penalizing businesses as well as low-income sectors./

/The economic program proposed herein presupposes the elimination of this scourge from national life as a primary goal./ The current generalized indexing plan aggravates the situation, based as it is on high nominal interest rates which have hindered the creation of wealth.

This new orientation of the economic policy demands simultaneous actions in the following areas:

1) Employment and minimum wages for salaried workers.
2) The rules of the game of finance and credit policy.
3) The recovery of the public sector and its efficiency in providing goods and services.
4) The recomposition of the foreign sector.
5) The promotion of agricultural activities and of regional economies.
6) The reindustrialization of the country, with recovery of existing resources.

During the emergency period which will result from efforts to overcome the serious crisis facing the nation, strict austerity must reign in the country.

Planning, which will be necessary for the private sector, will be a requirement for achieving the rational use of Argentina's productive resources.

Proposed Policies

Employment and Income

--/Establishment of a fixed emergency raise/ for the purpose of helping the low-income sectors of the population.

--/A minimum wage/ commensurate with the subsistence needs of the worker.

--A call for Collective Bargaining Agreements.

--The restoration of the genuine role that family allotments should play in defense of the income of the Argentine family.

--Defense of minimum pensions commensurate with the dignity of old age.

--Improvement of non-monetary income to meet the health, educational and housing needs of the low-income sectors, and the immediate extension of those services to the unemployed.

--Establishment of a registry of the unemployed to provide jobs in projects to mobilize their productive capacity.

Financial Sector

--Orient monetary and financial policy toward the fundamental goal of returning the currency to its former status as a valuable means of payment and deposit.

--Restore the public service nature of credit institutions, since as intermediate managers of the public's savings they should distribute those funds in accordance with regionally and sectorially established priorities. Therefore, this activity should be efficiently regulated, directed and supervised.

--Promote the stability of the financial system through differentiated incentives and by discouraging the concentration of very short-term operations.

--Implement a system of deposit guarantees to ensure the stability of the financial system, defend national, official, private and cooperative entities, and to prevent the concentration of resources in foreign banks.

--The credit policy will eliminate the abuses that have been committed under its auspices and that have resulted in the uncontrolled printing of money. It will be oriented toward restoring credit to its proper role in the allotment of resources in accordance with the priorities of economic development.

--Special rediscount lines will be established to rebuild the working capital of productive enterprises.

--A credit system for the medium and long terms will be implemented with preferential terms for the purpose of financing reproductive investment in priority sectors and regions.

--Development credit will be promoted through official banks.

--In order to put the production circuit back into action and to provide the country with a sound currency, the generalized de-indexing of the economy is urgently required. This means implementing the following measures as soon as the emergency plan is put into effect:

-A moratorium on benefits and taxes, with an adequate grace period, based on the new orientation of the financial policy.

-The establishment of a receivable interest rate compatible with the needs of the normal development of productive enterprise, drastically reducing the weight of current financial burdens in terms of costs resulting from high nominal interest rates. In this manner the present high level of indebtedness will not hamper the development of future production.

Public Sector

--The State is envisioned in this stage of national life as an efficient instrument of growth. The profound meaning of government leadership and its objectives involves the essential nature of the tasks taken on and not the size of the government.

--/The Argentine public sector is one of the primary causes of the lack of productivity in the economy./ The improvement of this situation is a challenge for Argentines who have seen its size and inefficiency grow tremendously during the past years. The magnitude and nature of public spending, tax pressures and the budget deficit render invalid any program that is geared toward the expansion and change of the productive structure. /As a consequence, we must proceed toward a substantial reduction and transformation of public spending and the deficit, to levels that are compatible with the normal functioning of a modern economy./

--For this purpose the budget should be restructured, and /allowances should be made for genuine private risk capital in the production of goods and services, today the responsibility of the public sector,/ except when this criterion could interfere with national sovereignty. In any case, the State should guarantee the production of indispensable goods when there is no private capital available to undertake such production.

--Only within this context can there be any relief from the tax pressures involved in this emergency plan, or any increase in the resources available for public education, housing, health care and scientific and technological research.

--The recomposition of the administrative structure and its functional restructuring are high-priority tasks that are related to the basic functions of the State as a coordinator, guide and promoter of lofty national objectives.

--Concerning the pricing policy, the general criterion is that prices respond to the costs of production of the goods and services produced by each company, subject to the needs derived from that company's investments plan and the savings that result from improved productive structures.

--A strict control of management will determine the efficiency of public services and the minimizing of costs.

--The tax policy will be guided by the principles of generality, ability to pay and support for production. The role of direct and personal taxes will be enhanced by expanding the tax base, which today is very small because of all kinds of loopholes or exemptions. Thus, the tax system will be more just, given that at present the bulk of the tax burden falls on the consuming public.

--Specific taxes will be eliminated, except for those cases in which the importance of the receiving agency or its investments plan justifies such a tax.

External Sector

--The relation between the peso and foreign currencies should be developed to a point that allows for a balance in the current account of the balance of payments. The establishment of adequate effective exchange rates will result in a steady flow of exports, /developing on the market with the intervention of the Central Bank in order to prevent speculative movements./

--The exchange policy and the policy on foreign trade in general will stimulate an effective and aggressive promotion of industrial exports, as well as the exportation of products from regional economies; new markets for national products will be conquered.

--Imports during the emergency stage will be restricted to those products which are indispensable; any postponable purchase that does not meet this criterion will be eliminated. At the same time, a new differentiated tariff structure will be implemented in order to reserve the domestic market for national products.

--/The internal monetary system will be isolated from the speculative movements of international capital,/ creating the necessary environment for resources to be used for our own development.

Modernization and Productive Expansion

Along with the adoption of emergency measures, a medium-term program will be undertaken to provide a boost for the expansion and restoration of the internal productive structure. This presupposes the re-equipment and modernization of existing industries, and the acceleration of technology in agriculture while at the same time initiating a series of investments that will become the dynamic core of the plan. The main objectives of these undertakings are the following:

--Self-sufficiency in oil
--Full utilization of gas resources
--Activation of coal development
--Development of hydroelectric resources
--Development and industrialization of heavy mining resources
--Development of petrochemical poles
--Doubling of iron and steel production capacity
--Installation of new lines to produce capital goods
--Expansion of agricultural lands and full utilization of existing areas
--Recovery and expansion of livestock inventories
--Intensive development of fishing activities and industrialization of the sector
--Implementation of a low-income housing plan
--Plans for the highway and railway infrastructure

Social Coordination

/Measures should be promoted to encourage voluntary participation on the part of all sectors of society for the full implementation of the plan./

An /Emergency Economic Council/ should be formed to suggest measures and propose solutions for the effective implementation of the recovery program and to design particular aspects such as those relating to a coordination of prices through non-obligatory formulas agreed upon between producers and consumers.

8926
CSO: 3010/471

FIDE REPORTS ON ECONOMIC SITUATION

Buenos Aires CLARIN in Spanish 30 Nov 81 pp 12-13

[Passages enclosed in slantlines printed in boldface]

[Text] Recent developments in the exchange market, the prospects for the immediate future and repercussions in other areas of the national economy are the basic issues discussed in the analysis conducted by the specialized publication FIDE-COYUNTURA Y DESARROLLO in its November issue.

The article points out that "in early October, growing uncertainty about the volume and value of exportable surpluses, /when the heavy balance of payments deficit was confirmed for this year,/ was one of the primary factors leading to the resurgence of /upward pressures on the demand for foreign currency./"

The article indicates that "unlike earlier occasions, this time the drain of international reserves and the low net position attained meant that monetary authorities /were not in a position to sustain the prices on the financial market for very long,/ and decided to withdraw from the market, only to intervene shortly thereafter with 'suggestions.' Consequently, the gap between the two exchange markets widened, /encouraging the channeling of funds toward the purchase of foreign currencies as an alternative financial investment./"

The Research and Development Foundation (FIDE) maintains that "not a little responsibility for this process corresponds to the /expansion of the exchange market,/ as dictated last 22 July. The negative impact of this kind of instrument shows up in an accumulative fashion, and is not limited only to the exchange market. If the distance between the two markets is shortened very much and the strategy of not rolling back the real price on the commercial market any further is maintained, the result will have to be /a stimulation of interest rates/ above the levels of changes in prices, in order to prevent movement toward foreign currencies. That measure in turn would keep alive one of the principal recessionary elements and would feed inflation."

"On the contrary," adds the publication, "as is happening now, if the gap between the two markets widens, various /speculative operations/ will be encouraged, such as the overbilling of imports and the underbilling of exports, which would contribute new elements of destabilization to the economy."

After recalling that "last 12 November the closing price of the U.S. dollar reached 13,500 pesos," FIDE asserts that "the subsequent decline, caused by the Central Bank's 'suggestions' to foreign currency dealers and some sales by the Banco Nacion, /did not succeed in attenuating the general atmosphere of uncertainty on the exchange market./" It notes that within this context, the "parallel dollar" reappeared, exceeding 15,000 pesos.

"This high level," it adds, "reflects the /notorious uncertainty that prevails in the economy, since the approximate parity value would be about 9,000 pesos./"

FIDE claims that "any policy attempting to resolve the problems of the foreign sector and avert pressures on the financial market must begin with a higher parity price." Then it explains, "For example, /if the value of the dollar is updated, using as a basis the value that was established on other occasions when decisions of this nature were made, in all cases a value of about 11,500 pesos is obtained./"

The publication adds that "a devaluation process such as the one indicated should /have an impact on domestic prices,/ which had already increased by some 6 percent during the first half of November, thus interrupting the deceleration that had been observed in recent months."

Prolonged Slump

In addition, the magazine points out that "the stimulation of speculative activities as well as the resurgence of inflationary pressures have as a corollary /the aggravation of recessionary conditions and the deterioration of the real income of workers and businessmen./" For FIDE, this trend "has already made necessary several changes in the official estimate of the final decline of the Gross Domestic Product for 1981. The new estimates," it warns, "indicate a /drop of more than 4 percent in the GDP/ compared to last year."

It explains that these estimates "are based on the calculation of national accounts for the third quarter, whose results (which have not yet been released) would show that /the decline in general activity levels and investments is greater than the most pessimistic predictions./"

The FIDE document concludes that "under these circumstances, where there is no evidence of reactivating elements that might reverse the recessionary trend in the second quarter of 1982, as announced repeatedly by economic authorities, /the isolated measures adopted recently are clearly insufficient./"

It indicates that "such is the case of the temporary reductions of taxes on sales of automobiles, tractors and agricultural machinery."

3926
CSO: 3010/471

FARM MACHINERY EXPORTS, DOMESTIC SALES DROP SHARPLY

Buenos Aires CLARIN in Spanish 28 Nov 81 pp 4-5

[Article by Mario P. Krasnob; passages enclosed in slantlines printed in boldface]

[Text] /The signing of the agreements to reduce the prices of tractors and agricultural machinery, between businessmen in that sector and the Ministry of Economics, Treasury and Finance, is in itself a reflection of the critical situation in rural Argentina. One of the main problems facing this sector is the obsolete state of its machinery./

Neither official agencies nor manufacturers, much less agricultural producers, are unaware that one of the statistics that most faithfully reflect the deteriorating situation in agriculture is the /low sales figures for machinery and tractors which have been observed since 1978, when the then minister of economics, treasury and finance, Alfredo Martinez de Hoz, implemented the reform of financial institutions, new guidelines for tariff matters, and the exchange "table."/

Until that point, tractor sales averaged /19,500 units per year/ during the 1973-1977 5-year period. But during 1978, sales totaled /6,309 units;/ in 1979, counting both nationally-produced and imported tractors, /8,151 units/ were sold; in 1980, /4,961 units; and it is estimated that for this year no more than 3,000 units will be sold./

The low profits of agricultural holdings during these years, and the consequent decapitalization of the producer, are seen as the clearest explanations for the scant 2,079 tractor sales that took place during the first 9 months of this year. /This figure is 78.41 percent less than the average of the last 10 years,/ for similar periods, which was 9,630 units sold.

This retraction in sales has taken place despite the fact that the ratio between the price of a tractor and the value of products has improved considerably to the benefit of the producer, as can be seen in a study conducted by the Association of Argentine Tractor Factories (AFAT).

/While between 1972 and 1981 the number of quintals of wheat necessary to buy a 75 CV tractor was an average of 2,262, in May of this year that figure was 1,485. A similar trend can be noted with corn, for which the average of the last 10 years was 2,762, while the figure for May 1981 was 2,468. The

differences are repeated for sunflowers (1,146 as opposed to 1,022 in May 1981) and sorghum (a decade average of 2,954, compared to 2,945 for the month in question)./

In addition to the lack of profits there are other reasons of a financial nature which explain why producers refuse to increase their margins of risk despite the statistically favorable conditions for machinery purchases.

Cash Only

/"At present, we can state that 90 percent of the transactions take place in cash. Although there is a great variety of credit lines, there are very few takers, and this is reasonable if we consider that the producer does not have faith in the loan as a result of the disruptions caused in the sector by different kinds of indexation."/

The emphasis placed by Dr /J. Russo/ on his reply reveals one of the principal obstacles to the marketing of the industry's product. /"This situation has caused terrible damages for us, because historical experience has shown us that there are only three ways to sell tractors. First, if there are profits in the fields, and it is well known that there have been none in recent years. That profitability can be replaced with a slightly positive or neutral loan. We are not talking about a subsidy, but in our country loans have highly positive rates, which makes Argentine money possibly the most expensive in the world."/

"Under these circumstances," he explained, "the operating capital that the producer lost during these past years cannot be replaced to allow him to make substantial investments. And we have doubly damaged ourselves due to the lack of turnover capital and lines of credit available to the producer."

For /Oscar Suarez Irigoyen,/ president of the /Argentine Chamber of Agricultural Machinery Manufacturers,/ "the farmer /does not understand Circular 1050 or any other similar mechanism./ He wants to buy his machinery the way he used to, when he knew that in 2 or 3 years he had to pay a certain amount of money that was within his means to pay. Now, however, he knows the amount of the down payment and he trembles at the thought of the final payment. It is no exaggeration to state that today 40 or 50 percent of all farmers have mortgaged their farms to banks and financial institutions, and since there is no more turnover capital for undertaking transactions, it is very difficult to develop under such conditions."

/What about the adjustable loans with the "Aguado Index"?/ "Those lines may provide some selective benefit for the producer," asserted /Juan Carlos Negrini, vice-president of the Cordoba Agricultural Machinery Chamber. "But we must bear in mind that these are simply indexed loans, and it is obvious that given our experiences in the past, no one wants to get involved in this kind of arrangement, no matter how rosy they paint it."/

Suarez Irigoyen stressed, "Unfortunately, at present /the only thing anyone can go to the banks for is to put money into a fixed-term deposit./ Sales have plummeted not only because of the price of the machinery, but also because the farmer who was able to earn a few pesos prefers to invest his money in the city before

running the risk of another crop whose profitability is questionable by buying machinery that will increase his tax burden, or getting involved in a loan that could lose him everything that has cost him so much effort."

Deterioration

The four tractor factories that have been built in the country employed 7,500 people directly, and provided work for 4,000 supply firms and 500 dealers, which in turn employed 150,000 and 100,000 people, respectively.

/Two of those factories closed down production in July, and are now limiting their work to assembling a few machines, while the other two are liquidating their inventories. If there is not a considerable reactivation, they will probably cease their activities altogether by the end of the year./

As for agricultural machinery, /Dante Gherardi, president of the Rosafe area Agricultural Machinery Chamber,/ asserted that /"during 1978 the sector cut its productive capacity by 50 percent; in 1979 by 60 percent, and in 1980 and so far this year, 70 percent."/

"It must be noted," he added, "that the situation was aggravated by the recent drought that afflicted vast areas in the country, and by the tremendous recession that is facing Argentina. We can state that despite the agreements that were signed, /1981 is already a lost cause as far as sales are concerned, and we can only hope that the situation will improve next year./"

A survey produced by the /Association of Metallurgy Industrialists of Rosario (AIM) indicates that the number of people laid off by the end of the first half of 1981 amounted to 47 percent of the total labor force as of 31 December 1980. Of the rest, between 20 and 30 percent were laid off by the end of the ninth month of this year, and 50 percent more have been suspended./

"In these cases," explained Negrini, "there are two factors that are doing severe damage to the country. On the one hand, highly specialized human resources are being let go, after many years of sacrifice to train them; it will probably cost much more to recover them."

/The study done by the AIM also reveals that 20 percent of the businesses in this sector loacted in the Rosario area consider their profits to be "so-so," while the remaining 80 percent termed them "bad."/

"We have lost practically all of our international markets," added Gherardi, "even markets that were traditional buyers, and in situations where we were competing as equals with highly industrialized countries. That is what happened with Paraguay, Uruguay, Brazil, Bolivia, Peru, Chile and in general nearly all the countries of Latin America."

What happened with imports? /"They died a natural death," explained Russo, "especially with the recent devaluations. But it should be pointed out that they never amounted to much, because if people didn't have the money to buy a nationally-produced tractor, they certainly didn't have it to buy an imported one."/

Agreements

Dr Russo described how the agreements between the manufacturers and the state were reached: "On 9 October, Minister /Lorenzo Sigaut/ made statements to the press to the effect that agreements were about to be made similar to those made with the automobile industry, that is, with a reduction by tractor manufacturers in exchange for one by the state. At that time all transactions that were about to be finalized ground to a halt, so October was practically written off, because the final decisions were made on 6 November."

/"The agreement," he added, "benefits the farm sector as well as manufacturers, the former because there will be a 26.5 percent reduction of the final price, or 15 percent of the list price, plus 50 percent of the Value Added Tax (to be cut from 20 to 10 percent); and the latter because it gives us a chance to quote reasonable prices while a logical profit margin for the producer is still maintained."/

"To those who immediately came out and said we were given a subsidy," pointed out Suarez Irigoyen, "/we must explain that we are selling at prices that are below our costs, which the day after the agreements were signed increased by 26 or 27 percent. The one being subsidized is the financial sector, which has deposits guaranteed by the state./"

The results of these agreements will not be known until the end of 1981, although as the businessmen said, "this year is already lost." At any rate, the fluctuations in machinery sales in our country depend on factors that to a certain extent are alien to the industrial sector, although—and the play on words is justified—the country may not be alien to the sector's fate.

8926
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TURBAY DENOUNCES 'VIOLENCE INSPIRED FROM ABROAD'

Bogota EL ESPECTADOR in Spanish 7 Nov 81 p 1-A, 12-A

[Article by Carlos Murcia]

[Text] Former President Carlos Lleras Restrepo said yesterday during the ceremony marking the creation of the Peace Commission that it would be a good idea to lift martial law, revoke the emergency decrees, including the so-called Security Statute, and to reestablish full judicial guarantees, because this would unquestionably enhance the country's overseas image and help to create a suitable climate for nationwide understanding among all sectors.

The president of the Episcopal Conference, Monsignor Mario Revollo Bravo, who is also a member of the Peace Commission representing the Church, proposed a wideranging dialogue that would even extend to the individuals who have taken up arms, so that all segments of society could voice their views on the objectives of the peace proposal. He stated that the commission's primary function should be to look into the fundamental reasons why the peace is being breached, so that it can reach conclusions that would not just lead to the proposal of a simple armistice.

For his part, President Turbay asserted that the government's repeated desires for peace are sincere, although it is not easy to restore peace to a country that has been under martial law for 30 or 33 years, with very brief intervals. He also stated that the violence being practiced today by the various guerrilla groups is Marxist-Leninist inspired, similar to what is going on in the Caribbean and Central America and is directed against the democratic system that prevails in Colombia, not against the individuals who represent it.

Confidential Recommendations

The Peace Commission began its work at 1100 hours in the Bolivar Room of Narino Palace. Its first act was to decide on the procedures it would follow to perform its delicate mission by means of totally private meetings and contacts at which any sort of indiscretion would be avoided at all costs. The recommendations that it will submit to the Executive Branch will be strictly confidential.

Attending the ceremony at the palace in addition to President Turbay and former President Carlos Lleras were all of the members of the commission, which was created by decree, and the members of the cabinet, except Education Minister Carlos Alban Holguin. Serving on the commission are Drs Joaquin Vallejo Arbelaez, Gerardo Molina, John Agudelo Rios, Alvaro Leal Morales and Cesar Gomez Estrada; the commander of the military forces, Gen Jose Gonzalo Forero Delgadillo; the director of police, Maj Gen Francisco Jose Naranjo; Monsignor Mario Revollo Bravo and Monsignor Rafael Gomez Hoyos; the manager of the Agrarian Bank, Guillermo Alberto Gonzalez Mosquera, and the manager of INCORA [Colombian Agrarian Reform Institute], Pedro Jose Ramirez.

M-19 Accepts

At the same time a letter was made public that the "national leadership" of the M-19 sent to each member of the Peace Commission and to the directors of the mass media, in which they state: "It is with the best of intentions that we hail the formation of a peace commission that will once and for all open the doors to progress and concord among brothers in Colombia. We want to make it clear to the country that we are not the ones thwarting peace. This administration does not want peace...What the people are experiencing every day is an undeclared war...The Colombian people do not know the commission's immediate intentions. Only the people can judge. For our part, we, as members of the M-19, will speak to whomever; we will do anything to secure what has been denied our people for decades: progress, freedom and peace."

Turbay's Speech

Speaking first at the ceremony was President Turbay Ayala, then former President Lleras Restrepo and finally the president of the Episcopal Conference, Monsignor Mario Revollo.

President Turbay voiced the government's determination to give the commission all possible cooperation "to achieve the goal of reuniting the Colombian family."

He stated that one of the government's intentions has been to lift martial law, which it has not been able to carry out because the law and order situation has precluded this. He drew a distinction between the violence that lashed the country in the past, which was triggered by guerrillas who were not out for personal gain, did not resort to kidnaping and wanted to bring their parties back to power, and the violence we are experiencing today, which is inspired from overseas by Marxist-Leninist ideology and basically directed against the system represented by the president, his ministers and his aides.

He went on to say that this is the same kind of violence that Central America and the Caribbean are experiencing today.

Dr Turbay Ayala took the opportunity to apologize to the Supreme Court justices who did not back the ruling declaring the 1979 reform unconstitutional, inasmuch as the president had previously stated that several members of thecourt "had not felt any pangs of conscience about regaining certain powers and excluding themselves from ineligibilities and disqualifications that had been established."

He indicated that the proposed constitutional reform had been designed to bolster faith and trust in the regular system of justice and to insure that during the transition to judicial normalcy there would be no reason for people to fear that the peace would be seriously breached. "We felt it would be a good idea to create a body like the Superior Council of the Judicature, which would be able to permanently monitor judges and magistrates and thus guarantee that the rulings of the regular system of justice are sound, prompt, honest and wise."

Lleras's Speech

The following are selections from the speech delivered by Dr Carlos Lleras Restrepo as chairman of the Peace Commission:

"For many long years now I have been watching the development of the problem of law and order in the country, both from within and outside government. I have had the opportunity to become familiar with its characteristics, and like the president of the republic, I know that the nature of our law and order problems has undergone an evolution, a change that we have to bear in mind. The current situation is obviously not the same as Gen Rojas Pinilla or Dr Alberto Lleras faced, and we are looking at a serious development. Whereas the amnesties that those administrations offered were substantially, though not completely successful, the amnesty that has now been offered was not accepted, and this indicates a change in atmosphere that we must study and look into. It also shows in and of itself that the nature of these movements has changed and that they are not the same, I repeat, as we have seen since 1949, the year when we could say the guerrilla movement in this country began. I do not want to get ahead of our deliberations, because I realize that we have an extremely difficult task before us, as the president has pointed out. We might not be able to do many new things, but in this regard I think no effort is excessive. Above all, the government has done the right thing by conveying the impression to the country that it is not unwilling to review all problems, to listen and to look into whatever suggestions are made to it. I would just like to dwell a bit on the characteristics of this commission, because I feel that adhering to them is of the utmost importance.

In the first place, this commission is simply going to convey its impressions and suggestions to the president of the republic on a confidential basis. We in no way wish to heighten confusion among the populace by trying to present viewpoints that for one reason or another the government does not accept or to convey a distinction between what the commission might recommend

as appropriate measures and what the government feels can and must be done. Therefore, our mission has to be based on and performed in accordance with that criterion. If the point is to give confidential recommendations to the president of the republic, then our deliberations and actions must also be confidential and distinguished by the utmost reserve and discretion. Otherwise, far from helping to create a suitable environment, we would be furnishing reasons for further discord in the country.

"I took note of something that the president of the republic said at one point, something I thought was very eloquent and meaningful. He said that we have to reach a state of affairs in which we can restore regular constitutional rights for the people who obey the law and due process for the people who break the law. I think that this is a fine and advantageous guidelines for the country. Internationally, it would be a good idea, for many reasons, for Colombia to lift martial law, which is not easy to do. Perhaps my time in government taught me that abandoning precautions is not always easy. But as a national aspiration and as a goal for enhancing the country's international image, we must gradually replace martial law and the emergency decrees with legislation that provides for the abnormal situations in today's world, because we have to keep in mind that the world is grappling with unusual conditions. Terrorism is not just our problem; it is a problem for the world as a whole. A return to normalcy would be very advantageous for the country, I repeat. And the same goes for due process. I do not want to delve into this area, which I think should be the object of very detailed analysis by the commission in its private sessions. I think that the president of the republic was quite right to caution us about the possibility of disenchantment and frustrations, because every time that a measure designed to rectify the factors of unrest is announced, people's hopes are raised more than they normally are. I do not think that we are magicians. Many administrations have had to deal with these problems and have been unable to come up with total solutions, and these problems have now become especially serious for a number of reasons."

Suggestions

Monsignor Mario Revollo Bravo spoke at the ceremony in the palace at the express request of the chief of state and said: "I think, and my colleagues see it this way too, that we cannot cling solely to distinctly political suggestions; rather, we have to considerably broaden our view of the problem and the solutions to it."

"We have to uncover and understand the latest developments that are breaching the peace. And not just the most recent developments, because we can obviously see the palpable, visible background factors that are very close to us, such as the groups that have taken up arms.

"We cannot content ourselves with proposing a sort of armistice that will leave things as they are; rather, we must change them."

8743
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TURBAY ATTACKS COURT OVER CONSTITUTIONAL DECISION

Bogota EL TIEMPO in Spanish 21 Nov 81 p 1-A, 8-A

[Speech by President Julio Cesar Turbay Ayala at commencement exercises at the Superior War School on 21 November]

[Text] President Julio Cesar Turbay Ayala asserted today that the Supreme Court's annulment of the constitutional reform makes lifting martial law difficult.

In an exhaustive analysis of the implications of the court's decision, the chief executive said that the Judiciary would return "to the chain of happiness" that had been criticized.

"When I was asked whether I felt this was a defeat for the Executive Branch, I said no, it was not a blow to the Executive Branch, because it didn't affect us," the president said, adding: "It was a blow that set the country back in many ways, that undid major strides that it had made and that made it difficult to abolish emergency regulations."

"The position I am arguing," he added, "does not, of course, mean that I have in any way altered my view that as a democrat I must obey the Supreme Court's ruling, even though I regard it as mistaken."

The chief executive referred at length to the Supreme Court's decision annulling the 1979 constitutional reform. He spoke at the commencement exercises for a course of studies by Armed Forces officers at the Superior War School.

"We have been told," the president later added, "that we wanted to halt the ruling by unconstitutional procedures. I want to demonstrate to you briefly that this is not the case, that our decree has constitutional grounds." The president was referring to the decree that he issued to set the voting procedure to be followed by the court for rulings on challenges to legislative acts.

At another point in his address the chief executive noted that, nevertheless, the administration in no way wishes to question the court's ruling; it has merely

stated that it did have reasons other than the ad hoc ones to challenge the validity of the ruling, reasons that moved it to determine the way in which the gap in previous provisions ought to be filled and to establish regulations for an area that must have standards on how to proceed.

The following is the complete text of President Turbay's address:

"It is with genuine pleasure that I am attending this ceremony, which inspires emotion and respect in me. I realize that to all those who have taken the required courses in this school of advanced studies it is a source of very great satisfaction to have earned their diplomas today after culminating a persistent intellectual effort that has undoubtedly enhanced their talents and capabilities to fulfill the responsibilities incumbent on them.

"I have the highest regard for Colombia's officers, because of the professionalism that has always motivated them and because throughout my far from short public life I have seen how it is increasingly true with each passing day that our institutions are based on the combined backing of the people and their Armed Forces.

"Naturally, in order for today's military officers to perform their functions in the various activities to which they are assigned, they require far from common capabilities, and therefore the intellectual, technical and academic upgrading that officers these days receive creates distinctions among the various generations of officers. All of these generations have always been most worthy, but I would dare say, without fear of error, that today, aside from being worthy, they are particularly competent.

"I would like to speak to you today about an issue of national interest, the constitutional reform. I made a number of very serious commitments when I was running for president, at a time when the country was anxiously exclaiming: 'We want security.' This was the priority aspiration of each and every one of my fellow countrymen, although certain regions attached precedence to projects that were essential there. Security was the anxious cry that emerged from the throats of our fellow countrymen.

"And to be sure, the raison d'etre of the State and the government is to preclude a system of immunity under which attacks can be made against our institutions or against the life, honor and possessions of our citizens.

"In offering my fellow Colombians security and the possibility of lifting the emergency regulations so that we could again live under our permanent legislation, I quite clearly expressed my view that the regular system of justice was in the midst of a very serious crisis and that a democracy's number one requirement is trustworthy judges. There were those who exclaimed with anguish that crimes against society should be dealt with in military, not regular courts. The Colombian Constitutional Congress had, of course, provided for the possibility of expanding the scope of military justice to try cases that in normal times would be heard by regular judges.

"But it would not occur to someone holding a kidnapped individual in his house to tell someone else about it, and what could I do to inform the third or fifth circuit court judge about the matter. They would immediately look to the system of military justice, which they regarded as much more forceful, effective, prompt and, therefore, fair.

"The fact that people have asked for military trials, with the exception of certain worshipers of the law who naturally feel that the Armed Forces are meddling by passing judgment on certain matters, clearly shows that people do not sufficiently trust the regular system of justice. If they did, no one would be trying to broaden the jurisdiction of the military.

The Reform

So then, what did we imperatively require? An in-depth reform of our institutions, particularly the ones having to do with the administration of justice, the jurisdictional branch. Many of our critics complained, and rightly so, that if we did not overhaul our jurisprudence, establish systems to guide people into careers in the judiciary, clean up the noblest of institutions, the courts, and establish the post of a judge of judges, it would not be easy to restore Colombians' faith in their magistrates.

"So then, Colombia's two traditional parties agreed on a reform of the constitution entailing an in-depth modification of the system of justice, as well as an in-depth modification of various aspects of the workings of Congress and of the Superior Council of the Judicature, and establishing a system of sanctions against congressional absenteeism that could lead to the loss of a member's seat if it were proven that he was not present at eight sessions at which votes were taken.

"Ineligibilities were established for the practice of law within 1 year after having served as a magistrate, inasmuch as there is a moral principle and a powerful ethical reason why a person should not plead a case before a court of which he has been part.

"Ineligibilities were also established whereby members of the Judiciary could not be appointed to any position other than in the Judiciary, as the same applies to congressmen. Congressmen can now be appointed only to certain posts, such as ministers, governors and heads of division. Any other position causes them to lose their seat in Congress.

"Under the reform the Superior Council of the Judicature would submit select lists of candidates for the Superior Courts of the departments and for judgeship appointments in general. Of course, it would also closely monitor performance, with the power to sanction and even remove ('knowing the truth and in all good faith') an official who in the judgment of the council was not performing his duties as the constitution requires.

"The country was overjoyed at the reform. The only branch not affected, or affected very tangentially, was the Executive. The reform was aimed basically at the Legislature and the Judiciary. As far as the Executive Branch was concerned, it merely shortened the ineligibility period for election to public office and made additional officials subject to the ineligibilities even if they do not exercise jurisdiction and command. A diplomat used to be able to serve in Rome, Paris or the United Nations and be elected representative or senator here. The new reform abolished this. But what I am basically interested in proving today is that the Executive Branch did not benefit, as such, from any new power. On the contrary, one of its powers, and not a minor one, was curbed: the management of savings under Section 14 of Article 22 of the constitution. The administration managed savings because of the flexibility required to deal with the major econopmic difficulties that are so common in today's world. This was abolished under the 1979 reform, and there was talk of formulating a model law, like the tariff statute, that would enable the administration to operate with some degree of flexibility. But as far as Congress was concerned, it regulated, for example, the function of planning, which since the Constitution of 1968 had been assigned to the Planning Committee, which, however, had never been set up, due to a structural error, because it required sector and bipartisan representation, representation of minorities, and there was no system to bring about that kind of representation, and no matter how many times they put it to a vote, they were unable to set up the committee in accordance with the requirements of the constitution.

"So then, no progress was made between 1968 and 1979 in setting up the Planning Committee, and the administration exercised dictatorial powers over the development plan because the Constitution of 1968 also stipulated conditions under which the program would be gradually consolidated if Congress failed to voice its judgment on it, to the extent that at a given point the chief executive could, by decree, make it fully binding, as necessary.

"With the constitutional reform abolished or declared unconstitutional, there is no longer any possibility of forming the Planning Committee, because we are in the same situation in which the 1968 reform left us, and secondly because the administration is acquiring powers that it was not calling for, since it can carry out the plan however it wishes without having to submit it to Congress for approval inasmuch as the committee in charge of looking into it vanished when the reform was annulled. We are once again in charge of savings. So then, from a practical standpoint, we could say that by decreeing Legislative Act No 1 of 1979 unconstitutional, the court has enhanced the Executive Branch's powers; specifically, it has returned to us the powers that we used to have and that many, including me, considered excessive. I think that in a democracy the president ought not to have the extraordinary power of being able to decree a plan at his whim, with the collaboration of planning, thus excluding Congress and other forces that should be consulted from having input in our ongoing social and economic plans.

Judicial Patronage

"But as you can see, from a practical standpoint, the annulment enhanced the powers of the Executive Branch. It impaired many of the things relating to the operations of Congress and above all permitted something that I feel is very serious and that we had managed to eliminate: the reelection of comptrollers at all levels, departmental, national and municipal, and of congressional committees, the members of congressional committees and of the officers of Congress. These lucky fellows used their power, which was regarded as bureaucratic, to get themselves reelected. Now that the reform has been annulled, we have returned to the system of reelection for each and every one of those posts, and we are going to see the power of the bureaucracy utilized a great deal to keep certain individuals in their posts almost indefinitely. As far as the court system is concerned, we are returning to what we might call judicial patronage. No longer will the Superior Council of the Judicature submit lists; the Supreme Court justices will appoint Superior Court magistrates as they see fit, and they, in turn, will appoint lower court judges. We will thus see the introduction of what everyone has been criticizing: that sort of 'chain of happiness' in the Judiciary. This is deplorable. Therefore, when I was asked whether I felt this was a defeat for the Executive Branch, I said no, it was not a blow to the Executive Branch, because it didn't affect us. It was really a blow that set the country back in many ways, that undid major strides that it had made and that made it difficult to abolish the emergency regulations, because as long as judges are not trusted, it is no easy thing to lift emergency regulations, because the country could be thrown into disorder.

"The position I am arguing does not, of course, mean that I have in any way altered my view that as a democrat I must obey the Supreme Court's ruling, even though I regard it as mistaken. But democracies are different from other kinds of systems in which people can reserve the right to comply with whatever legal provisions they feel like complying with. Just because a person has voted against a law does not mean that he can say that it is not binding on him, nor can he say that he will not obey a ruling because he does not agree with it. A state of law has principles, clear-cut rules that cannot be ignored, and one of them is to abide by the rulings of the Supreme Court. That is why I have abided by them, and in so doing I said that it was a victory for democracy, because at no time did I try to defend the substance of a contrary decision or to allege that the decree that we issued had to be accepted as constitutional. But obviously I would like you to clearly realize that we were defending a legislative act that in no way affected the Executive Branch, that did not benefit it and that, on the contrary, curbed some of its powers.

"Thus, we were not pleading our own case. We were not longing to recover powers that we used to possess, and from the standpoint of the other branches, it so happened that the court regained the prerogatives that made their exercise odious.

"There have been extraordinarily important courts appointed by executive decree. Speaking objectively, I would say that one of the finest courts

was perhaps appointed by Gen Rojas Pinilla, who by decree named Dr Echandia, Mr Antonio Rocha, Dr Zuleta and Tapias and the finest jurists that the country had. That court was appointed by decree.

"But the other system gradually lapses into regionalism, parochialism and cronyism, and judges are eventually chosen other than by selective criteria, which ought to be the rule so that the Supreme Court remains on the highest of levels.

"We have been told that we wanted to halt the ruling by unconstitutional procedures. I want to demonstrate to you briefly that this is not the case, that our decree has constitutional grounds and that it is pursuant to a constitutional provision. Section C of Article 76 of the Constitution of 1968 gave the Executive Branch the power to regulate the Supreme Court's voting methods by decree as long as there was no law regulating them. It was a sort of constitutional authority, an administrative act called a constitutional regulation. So then, pursuant to this authority, the government under which the Constitution of 1968 was enacted, issued a decree establishing certain voting methods in the various divisions. But since up to that point the constitution could not be challenged as having defects of form, nor could a legislative act, specifically the constitution, be declared unconstitutional, a constitutional reform was not illegal. It was always considered constitutional. So then, no such decision was made concerning the regulation that was issued pursuant to the constitutional authority granted the administration to issue one, while the law concerned itself with the methods of voting in connection with legislative acts.

"If the court had had the authority to rule on the constitutionality of legislative acts, it would not have had to grant itself such authority in Legislative Act No 2 of 1977. You cannot give a person the same power twice. If the court already had the authority, then these new authorities were superfluous.

"Moreover, however, it was not all that clear that Legislative Act No 1 of 1979, in other words, the act that was annulled, broadened those authorities. That is to say, the Supreme Court was entrusted with safeguarding the supremacy of the constitution under the terms of this article and, to this end, will perform the following functions: 'To hand down final rulings on the challenges of unconstitutionality filed against legislative acts,' but only in connection with the following defects of form, and it then lists them. We can thus see that under these two legislative reforms of 1977 and 1979, which are complementary, the court acquired that authority only as of 1977, and therefore, in issuing the provisions pursuant to the regulatory decree based on the reform of 1968, which bears a 1969 date, it could in no way refer to the voting on legislative acts. So the court found that it had to complement its powers so that it could determine what the voting method would be in the case of legislative acts. Because it is obviously not the same thing to vote on a civil cancelation case between John Doe and Peter Roe over a certain amount or on a challenge to one of the decrees issued under No 121, as to vote on the very essence of the legislative act, which also requires

a voting method different from the one used for laws. A law is passed by a simple majority in a single round of voting. The constitution requires a qualified majority [mayoria calificada] and two rounds of voting for the passage of legislative acts.

"A person must be very weak if he tries to earn praise while in government. It is far better to be opposed when you are in the right than to be praised when you are not just because people want to be accomodating.

"The honorable court took other factors into account in declaring the annulment. First of all, the First Constitutional Committee, which handled the matter, had been elected without due representation of the minority. But there is a principle here called 'presumption of law,' and such acts by any authority, the First Constitutional Committee in this case, were all valid as long as the election was not declared invalid, as the Council of State eventually did. The twist that was given to the constitution was given to it before the Council of State declared the composition of the First Committee invalid, when its actions were completely valid. If rulings of annulment or unconstitutionality were retroactive to all acts, then the Supreme Court itself would have to be dissolved, because many of the current justices were candidates whose names were submitted by the Superior Council of the Judicature pursuant to Legislative Act No 1 of 1979, and many of the rulings that have been issued have been supported by those justices. So then, we cannot really argue the view that the presumption of law applies in some cases but not in others. But in any case, what I want to tell you is that we in no way acted frivolously, that we proceeded with a view towards the common good and that this has been a setback for the country, not for my administration, because we just run the government; we do not own the country. When the country has been harmed, you cannot say that only the government has been hurt. The situation has obviously changed, altering the strategy that the administration was pursuing to eventually abolish the emergency regulations, in other words, to lift martial law and revoke the widely hated Security Statute. The fact that the administration is not being allowed to act as it would like does not directly and personally tarnish its prestige. On the contrary, these are developments that are going to make it difficult to return to a normal constitutional system. We are quite sure that there will be major public opinion movements that are going to get upset and even try to protest when they are told: From now on, all atrocities, homicide not during battle, bribery, kidnaping, extortion, the burning of villages, the poisoning of water sources, all these crimes are going to be tried by regular judges. As an ordinary citizen I would ask myself: What regular judge (because before leaving power I wanted to sign the decree decorating them) would dare order a guerrilla chieftain to prison? How would he make him appear in his office? And what kind of resistance would he and his family put up if he were told: If you sentence the leader of this or that subversive gang or movement to jail, you'll pay with your life?

"I feel that military justice is not an arbitrary or capricious move by governments or a capricious demand by the military; it is an essential public need. As long as crimes are being committed by gangs, by paramilitary forces, action by the regular system of justice is pointless, because there isn't even any way to subpoena the individuals involved, and no one would dare try to apprehend them. If even with our system of military justice we have not succeeded in capturing all of the culprits, and as there are so many defendants who have not reported for trial and since we cannot exactly say that subversion has not prospered under this situation, what would it be like if military justice were to disappear? What if you could only deal with disciplinary matters and crimes committed by the members of the Armed Forces?

"Therefore, as a democrat I deplore the fact that the penal reform has been impaired, by means of which we were going to establish a public prosecutor's office and shift from an inquisitorial to an accusatory system, modify the system of judge selection and furnish so many guarantees for the administration of justice, and that the government has thus been deprived of one of the opportunities that it had envisioned for a prompt return to a constitutional system as a whole, because in saying constitutional system, I would be wrong to exclude martial law. Martial law is provided for and safeguarded by the constitution, and moreover, the Supreme Court has declared the Security Statute constitutional.

"I have set up a peace commission, as requested by one of my predecessors as president, Dr Carlos Lleras Restrepo, and gladly agreed to have other individuals experiment with methods of pacifying the country. With a great show of patriotism and generosity they accepted my appointment of them. I am anxiously awaiting their recommendations so that I can see whether they are applicable and lead to peace, harmony and tranquility among our citizens and whether those who have taken up arms will agree to take part in elections. As a Catholic, I call on Divine Providence to help the members of the peace commission to make sound recommendations. I cannot, of course, either accept or reject their recomendations before I receive them. Without any preconceived notions, I am prepared to study them and, I hope, implement them if they lead to the calm and tranquility that the nation is demanding.

No to Violence

"Therefore, I want to demonstrate to you, as I have done today, that this administration is not losing its head, that this is not an impetuous administration. Rather, it is an administration that I would describe as serenely strong. There is no measure that we are called upon to take that could make us waver. I said this recently in a speech in Antioquia. My feeling is that I was not elected president of the republic to safeguard myself against dangers and to be the best protected Colombian in the country; I was elected, rather, to give my life, if necessary, to defend the lives of my fellow countrymen. That must be the guiding principle for those of us in authority. We must not just consider ourselves in a better situation than the rest of our countrymen. And that is why I have not hesitated to

take every necessary measure, but always in accordance with the constitution. We have not allowed people of violence to take over the country nor to create the psychological climate in which people believe that they cannot travel through the country. I travel through the country every week. I don't have to; it would be much nicer to stay in Bogota and read or engage in athletics. I like both of these activities, but I think that the country gains a great deal of confidence when it sees its president traveling all around the country without really being in danger, because when the day dawns that the person with the best protection in the country has to take refuge in his castle and not leave because he acknowledges that there are dangers that would make it inadvisable for him to travel around the country, then the government is finished, its legitimacy is finished, its authority is finished, everything is finished. It's another thing to take precautions and not do anything foolish, but in no way are we going to give the people of violence the impression that they can intimidate us, either with terrorism or any other sort of activity.

"I feel very happy about all that we have done. My administration is nearing the end of its term, and neither you as members of the Armed Forces, nor my cabinet ministers nor I should have any pangs of conscience. We have done everything that there was to do to restore calm and security to the country. We even proposed an amnesty law that clearly shows our generosity and willingness to try and resolve problems that might not been soluble in any other way. We have seen the response to that amnesty law, as the assault on the Armed Forces, on defenseless citizens and on the authorities themselves has grown more violent. But none of this has caused us to change our minds. We are not saying now that we would not comply with the amnesty law if they decided to avail themselves of it. We are not saying that we are going to deny them due process. On the contrary, we are proud of granting due process and of defending our institutions with great resolve. Very significant standards are, of course, needed to defend institutions. This constitutional reform has been a failure. I can admit this without any difficulty. We will have to keep pushing such reforms and submit them once again to a new Congress, so that one day we can have as much confidence in our regular system of justice as upstanding Colombians have in military justice.

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SENATE APPROVES 1982 BUDGET

Bogota EL TIEMPO in Spanish 18 Nov 81 p 14-A

[Text] After extensive debate Congress last night passed the national budget for fiscal year 1982, totaling 266,537,809,000 pesos.

The government's original draft budget totaled 261 billion but was adjusted upwards by 4.88 billion to include a 2.35 billion peso item earmarked for regional aid, as well as an additional 2.53 billion for government operating expenses, based on the certificate of availability issued by the Comptroller General's Office.

Some facets of the budget bill were criticized by Senators Roberto Arenas Bonilla, Rodrigo Lara Bonilla, Victor Renan Barco and Gilberto Avila Bottia, but the draft was defended by Finance Minister Eduardo Wiesner Duran.

Although he had not been summoned, Wiesner Duran attended last night's plenary session, at which legislative processing of the bill concluded, to explain the general principles that the government bore in mind in drafting it and to dispel any doubts that might have arisen as to its content. Also attending were the minister of education, Carlos Alban Holgun, and the minister of public works, Enrique Vargas Ramirez, who did not take part in the debate.

Arenas Bonilla felt that the Senate could not remain indifferent to the current legislature's most important act, and although he was reminded of the regulation restricting speeches to a maximum of 15 minutes, he appealed to the sovereign will of the senators to have this time limit extended so that he could formulate a number of objections to the budget bill before it was put to a vote.

A discussion thus arose in which the sponsor of the government bill, Humberto Pelaez Gutierrez, said that he agreed with Arenas Bonilla that it was a good idea to air any doubts that might exist concerning the budget's appropriations, though he defended the procedures that the Budget Committee and the House of Representatives followed in analyzing it.

Arenas Bonilla spoke out against odious, exclusionary privileges on the part of the Budget Committee members in allocating funds, claiming that these congressmen used the budget as a tool for assuring their reelection.

He claimed that in this way more than 100 million pesos were distributed among the lawmakers who took part in drafting the budget bill, with most of the outlays going for bureaucracy.

"The only aim is to assure victory at the polls for a group of the government's unconditional friends," Arenas Bonilla argued.

For his part, Senator Lara Bonilla noted that the attempts to hurry the budget bill through only showed that Congress was steadily losing its control over the government's purse strings.

"The government's unconditional majorities do not want to exercise the powers that the constitution and tradition have granted them," Lara Bonilla indicated.

Minister Wiesner Duran, however, defended the current administration's handling of monetary policy and pointed out that the budget had been formulated in accordance with the guidelines and recommendations of the Bird-Wiesner appeal.

In dispelling the concerns raised by the senators, the minister noted that "basically, every fiscal problem is a political problem" and that "development is a problem of policies, not resources."

He went on to say that in the area of external borrowing we have seen that financing can be obtained with "worrisome" ease, and he called attention to the risk that this could lead to a supplanting of fiscal machinery efforts to bolster receipts of regular revenues.

He also gave assurances that the Integrated Rural Development Program would continue and noted that over the coming months the government would be resorting to the mechanism of budget supplements to cover the entire fiscal year, inasmuch as it is impossible to ascertain from the outset whether each ministry or decentralized institute will have the funds it requires.

The following are some of the most important items in the budget: national defense, 147 million; homes for the elderly, 31.2 million; hospitals and health centers, 214 million, and 2.4 billion for public establishments.

The full session also approved a motion by Senators Enrique Parra and Rodrigo Lara Bonilla to summon Government Minister Jorge Mario Eastman to explain President Turbay Ayala's conduct in connection with the current election campaign..

According to the lawmakers, the chief executive has engaged in political partiality by pointing out the qualities that his successor ought to possess.

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M-19 EXECUTIONS PROVOKE STRONG REACTIONS

Bogota EL ESPECTADOR in Spanish 7 Nov 81 pp 1-A, 11-A

[Text] The Defense Ministry has made no pronouncement on the startling photographs published by EL TIEMPO and EL ESPACIO yesterday in connection with the gunning down by one of the M-19 groups in the Caqueta jungles, of a Marine and an army undercover agent whom a "revolutionary council of the people" condemned to death on charges of having infiltrated the subversive movement.

Adverse Commentary

The photographs in question (which show the two alleged soldiers being hit by the initial bullets and a subversive identified as Jairo Capera Diaz finishing them off) caused a tremendous impact among readers and gave rise to a great deal of commentary, most of which described the incident as manifestly detrimental to the image that the M-19 has tried to create in the eyes of the public.

As we know, the photographs were made possible by the kidnaping of Cesar Vallejo and John Jairo Alzate, a staff writer and photographer for EL TIEMPO, and of Eduardo Carrillo and Ricardo Gonzalez, a staff writer and pictorial reporter for EL ESPACIO. Jairo Alzate and Eduardo Carrillo were released by the guerrilla column, while the other two are still being held by the subversive organization.

Nothing was known about the fate of Vallejo and Gonzalez until yesterday, though according to Carrillo and Alzate, they were being held hostage until the guerrillas were satisfied that they actually were journalists.

After the Assault

According to the two released reporters, the slaying took place last Saturday after the guerrilla organization assaulted Puerto Solano, a town at the junction of the Orteguaza and Caqueta rivers.

The army operative and the Marine had been captured some weeks before and, as we mentioned, were tried and pathetically executed on the banks of the Caqueta River by Capera Diaz and a short woman who, according to the reporters who witnessed the execution, did not change expression even though several of her shots missed the victims.

Military Inquiry

Yesterday at 1800 hours, a spokesman for the Defense Ministry told EL ESPECTADOR that it had not yet been verified that the two slain men were members of the Armed Forces and that a statement in that regard would be made only after the necessary checks had been conducted.

Operations Continuing

It was learned, meanwhile, that antiguerrilla operations both in the Caqueta and Putumayo are continuing on an especially intensive basis in an effort to locate the active subversive enclaves that have been engaged in a series of hits, such as the attack on Puerto Solano and the kidnaping of two groups of reporters. Alvaro Castano, an EL ESPECTADOR pictorial reporter, was among the first group, along with two television cameramen who were, fortunately, released.

Radiofoto UPI

Radiofoto UPI

This sequence of photographs shows three startling scenes in the slaying of a noncommissioned officer in the Colombian Navy and of an army undercover agent who were given the death penalty by a "revolutionary council" on charges that they had infiltrated the ranks of the M-19. In the first photo, the victims, lying on the ground with the Caqueta River in the background, look in anguish at the barrels of the automatic weapons pointed at them. The second shows the positions of the two "executed criminals" when they were shot, and the third shows when an individual identified as Jairo Capera Diaz, one of the rebel leaders of the "Southern Front" of the M-19, finishes them off.

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GOVERNMENT SURVEY REVEALS UNDEREMPLOYMENT

San Jose LA NACION in Spanish 21 Nov 81 p 4A

[Article by Luis Rojas Coles]

[Text] Sixty-five percent of the country's 545,574 wage earners make less than 3,000 colones a month, according to last July's Homes, Employment and Unemployment survey conducted by the General Statistics and Census Bureau and the ministries of labor and economy.

This percentage represents almost 360,000 persons, who are engaged in professional, technical, administrative, blue-collar, personal service and miscellaneous activities.

The survey is taken every 4 months, and one of its main objectives is to determine the number of unemployed and underemployed people, working conditions and the numbers of workers in the various spheres of production.

The free market exchange rate for the dollar is 38 to 1, and thus the people who make less than 3,000 colones a month are earning less than $78.

According to the survey, 66,772 persons make less than 800 colones a month, which comes to 12.11 percent of the total wage earning population. There are 57,509 persons earning between 800 and 1,2000 colones a month, 10.4 percent.

There are 138,068, 25.32 percent, earning between 1,200 and 1,999 colones a month, and 96,583, or 17.6 percent, making between 2,000 and 2,999 colones a month.

The workers earning between 3,000 and 3,999 colones a month number 57,279, 10.4 percent, and 26,269, 4.7 percent, make between 4,000 and 5,000 a month.

Some 2.3 percent, 13,648, make between 5,000 and 6,000 a month, and about 4.1 percent earn over 6,000 colones a month. The survey points out that it did not ascertain the wages of 65,018 individuals within the aforementioned population.

The survey also reveals that 60.8 percent of the workers who make less than 2,000 colones a month are in the private sector, while 8 percent work in the public sector.

It also notes that most of the people earning less than 800 colones a month are unskilled workers and craftsmen, 34,934, while 28,418 individuals engaged in personal services are in this wage category.

Most of these people are concentrated in the central valley, which has a total population of 372,539.

Serious Situation

Taking into account the aforementioned wage levels, a study by the Nutrition Information System (SIN) underscores that about 20 percent of the population of Costa Rica spends 71 percent of its income on food.

It goes on to say that this leads to poor housing conditions and inadequate clothing and schooling.

According to statistics obtained last month during visits to shopping centers, a four-member family has to spend about 2,500 colones on basic foods. Such a family must also spend at least 1,500 colones a month on housing.

The conclusion of the SIN study is that there are segments of our population that do not earn enough to meet their basic needs, which leads to malnutrition among school-age children.

Sole Solution

In the judgment of Labor Minister German Serrano, the only way to increase personal income is to boost production.

He stressed that it is his ministry's policy to call on people to work more and harder.

Nevertheless, in the opinion of labor leaders, the number of low-income individuals is going to increase because this administration has not concerned itself with lowering the price of inputs.

They also stated that the aid being given to our neediest classes is not exactly the kind they require, inasmuch as social welfare programs alleviate only a very small part of the real problem.

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GOVERNMENT DEFICIT MAY SURPASS LAST YEAR'S

San Jose LA NACION in Spanish 16 Nov 81 p 4A

[Article by Eduardo Castro]

[Text] The public sector's total budget deficit, in other words, the gap between the revenues and expenditures of all state institutions, will surpass 8 billion colones this year, Deputy Juan Carlos Fernandez (National Liberation Party-San Jose) has asserted.

Fernandez, a member of the House Financial Affairs Committee, which has just ruled on the 1982 national budget bill, asserted that the public sector's overall deficit for 1981 totals 6 billion colones, and subtracting 400 million in transfer adjustments, the net deficit comes to 5.6 billion colones.

"This deficit does not include a series of outlays that the institutions do not budget for but that have to be made, such as the 600 million for civil servant salary adjustments in 1982 that the government has failed to include," the congressman explained.

"Not included either is all the amortization and interest on the short-, medium- and long-term foreign debt, or the exchange rate differential on the public sector's acquisition of goods and services overseas."

(The payments of overseas credit commitments were excluded because of the moratorium that the government declared as a result of the current foreign exchange crisis. The nonpayment was ordered at a time when efforts are being made to renegotiate the debt.)

Both Fernandez and the leader of the Unity congressional bloc, Herbert Wolf Fournier (Puntarenas), who spoke separately, complained that the Costa Rican Oil Refinery (RECOPE) has refused to provide detailed information on its deficit, even to the IMF mission that has been in the country since last Monday.

Wolf stated that he fears that when the information is released, RECOPE's deficit will be unbelievably large. Fernandez felt that RECOPE's deficit could considerably increase the public sector's deficit as a whole.

Appeal

Fernandez appealed to his colleagues to make every effort during debate on the national budget, which began last week, to cut the central government's deficit for 1982, as well as to come up with funds to this end.

"The cuts must come from the rest of the state's institutions," he noted.

With regard to the creation of taxes and specifically in connection with the discussion and passage of the tax reform, which has been before Congress for more than 2 years, the lawmaker asserted that "the political will does not exist" to come to grips with this issue.

In connection with these new levies, the Financial Affairs Committee has dealt only with the so-called "road" tax on cars. It has yet to amend the income, sales and so-called "territorial-land" tax.

The technical part of the job has already been completed by a group of experts that the Legislative Assembly called in.

Although the congressional committee completed its work on the budget of the three government branches last October, it has not yet fully resumed work on the tax "package," presumably because of the reluctance of the political parties, it has been asserted.

Budget

The Financial Affairs Committee has approved a national budget of 11.66 billion colones; this budget includes the central government, the Legislative Assembly, the Judiciary, the Comptrollership General of the Republic and the Supreme Electoral Court (TSE).

The administration's bill was for 12.701 billion, and thus cuts of 1.04 billion were introduced.

Current revenues total 9 billion, while bond issues total 2.464 billion, plus an estimated 196 million in overseas revenues.

Thus, the government's expenditures next year will be financed 77.2 percent with tax revenues (current revenues), 21.1 percent by bond issues without backing and 1.7 percent with overseas revenues.

The legislators made no changes in the government's figures for current revenues or overseas revenues but did cut bond issues from 3.505 to 2.464 billion.

The above figures omitted 600 million for a possible salary adjustment and 804 million in overseas revenues.

Central Government Deficit (1978-1981, Millions of Colones)

Year	Central Government Deficit	Deficit as a Percentage of Actual Spending	Deficit as a Percentage of GDP
1978	1,7599	30	06
1979	1,6068	38	08
1980	3,6777	41	09
1981 (1)	3,0000	30	05
1982 (2)	2,6601	23	04

(1) Estimate
(2) According to the national budget; does not include 600 million in salary adjustments.

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VICE PRESIDENTIAL CANDIDATE ANALYZES ECONOMIC SITUATION

San Jose LA NACION in Spanish 22 Nov 81 p 4A

[Text] The country's economic crisis can be overcome by attracting foreign savings, asserted Dr Jaime Gutierrez Gongora, the National Movement's candidate for first vice president.

Dr Gutierrez, who is on the ticket with Mario Echandi Jimenez and Joaquin Vargas Gene, granted LA NACION an interview in which he analyzed our country's economic and political situation specifically and the situation in Central America in general.

The candidate, who regards himself not as a politician but as "a concerned observer of political affairs," said that he was basically worried about three problems: first, the country's economic situation; second, the communist offensive in Central America, and third, the prospect of a fourth consecutive statist administration.

Solutions

According to Dr Gutierrez Gongora, there have been many solutions to the crisis, "if by solutions we mean financing an increase in the country's productivity by attracting foreign savings."

He said he recalled the financial district, Alcoa and the oil pipeline. He said that Panama earns $1 million from the pipeline.

"This was our most ambitious project, and the inflow of foreign exchange into Costa Rica was going to be about twice the amount from the coffee harvest. Nevertheless, the country denied itself this source of wealth," he asserted.

He stated that it was painful for him to recall how there was talk about oil leaks and how some university professors were worried about the survival of bugs and "alepatos," about multinationals and other specters that come in handy when people want to block something for unpatriotic reasons.

"In any case, I do not see how Costa Rica can emerge from its current crisis without attracting foreign savings," he remarked.

The candidate for first vice president commented that assuming that the country wants foreign investment, we now have the problem that it will have to come from the private sector, because at present it would be almost impossible for the Reagan administration, which is cutting government spending, to explain to the U.S. people that it is going to earmark money to help Costa Rica.

Confidence

According to Dr Gutierrez, only the National Movement and its candidate for president, Echandi Jimenez, have a better chance than a party belonging to the Socialist International to create the climate of confidence we need to open the doors of hope for the future even though the current situation is serious.

Central America

In Dr Gutierrez's view, the lack of progress in the area of social justice in Guatemala, El Salvador and Nicaragua made or makes it almost inevitable that the regimes responsible for perpetuating these social conditions or improving them very slowly would or will fall in one way or another.

He pointed out that though there are reasons for violence in Central America, they have been skillfully manipulated by the Soviet Union and Cuba to muster their totalitarian forces on top of grassroots rebellions, some of which are not communist but which wound up installing in power totalitarian regimes that are in many ways worse than the ones they toppled.

The vice presidential candidate expressed optimism that our country will not experience the same kind of violence, neither quantitatively or qualitatively, as the other nations in the region are experiencing.

"Nevertheless, our country has its share of crazy, irresponsible people who with a push from Cuba could create this terrible scourge for us," he acknowledged.

As of now, he went on to say, the violence in Central America has hurt Costa Rica by creating a climate of justifiable fear among all social classes.

He lashed out at President Carazo for having denied to his fellow countrymen and to international organizations that Costa Rica was involved in the Nicaraguan conflict. "His having lied to the people is probably the cause of the country's civic demoralization," he stated.

Statist Governments

Dr Gutierrez spoke out against governments that pursue statist policies. He asserted that if National Liberation wins the election, this would be the fourth consecutive statist administration.

"It has been my observation that in general the so-called entrepreneurial state is particularly inefficient," he asserted.

He added that he could give many examples of this assertion, but the most striking one is the Costa Rican Development Corporation, Inc (CODESA).

He stated that the fund [caja] could have achieved the objectives of better and more wideranging service and at an incomparably lower cost level than the one that has currently put it in such shaky condition.

He pointed out, moreover, that the CODESA enterprises have left the country with losses only. "In short, this is the internal danger that I see at the moment and that I think would worsen under another statist or socialist administration."

Figueres

Dr Gutierrez Gongora was regarded until a short time ago as a member of the National Liberation Party. He acknowledged, however, that rather than a supporter of this party, he has always been and still is an admirer and friend of former President Jose Figueres Ferrer.

"Don Pepe has a great many virtues as a thinker, and if I had to say which of his traits I admire the most, I would say that he is not a dogmatic person, and thus, as he has said, he is not a good politician."

Dr Gutierrez stated that this might be one of the reasons why the former president has been ostracized from the National Liberation Party.

He repeated that Figueres has in recent years been persecuted and vilified in the party, as have his friends.

"On more than one occasion, in small private groups Don Pepe used to complain about this bitterly and painfully. Now he prefers to say that all that doesn't matter. He must have his reasons."

In criticizing the National Liberation Party, Dr Gutierrez said that he feared that the stand that the party has taken on the violence in Central America, in the sense of supporting leftist movements or at least expressing solidarity with them, has made Costa Ricans uneasy and will give American investors serious doubts about investing in the country if the party wins the elections.

National Movement

Dr Gutierrez said that he cannot but feel that for the aforementioned reasons the National Movement offers the country the best prospects for overcoming the serious situation in which it finds itself.

"I would like to see the National Movement win the election, because I think that the country would benefit. I think that if we fail to win, it will be because we did not succeed in communicating to the people what the election is really all about, and we are trying to alert them as to the seriousness of their choice," he said in conclusion.

8743
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U.S. LEADERSHIP VIEWED AS VERY 'HAWKISH'

Havana BOHEMIA in Spanish 6 Nov 81 p 64

[Commentary by Pedro Rioseco]

[Text] "War, and not peace, is the rule that governs international affairs. To contain the USSR is not enough. Detente is death. Survival requires a new foreign policy of the United States, in which it must take the initiative or perish. . . ."

This paragraph, which appears to be the product of a demented mind after the ingestion of a large dose of marihuana, or a quotation from Adolf Hitler's "Mein Kampf" is nothing other than the introduction to a secret document that contains the political platform of the then future president, Ronald Reagan, for the 1980's. It was drafted thus--following express instructions--by a group of experts known as the Santa Fe Committee; and it was publicized recently by the Central American Anti-Imperialist Tribunal.

If we closely note the record of the elected Republican leader during the nearly 10 months he has occupied the White House, we will have to conclude that he has made full use of the time in his insane plan to take the world to the verge of war.

When he conceived his electoral platform, the leader from California drew forth the big stick that was to characterize both his domestic and foreign policies. Like the old methods of the Goebbelsian propaganda of the '30's, the main lines of his program are intended to strengthen the nationalist and chauvinist spirit of the American "superman" and the dominant world power ("To the extent that foreign policy and national strategy are based on the triad of climate, geography, and the character of the American people, it is precisely this--the nation's spirit--that will finally provide victory"). The program is also based on the creation of collective hysteria about the alleged "Soviet threat" and its oft-mentioned "strategic nuclear superiority," which they are seeking to use as grounds, as a "national need for survival," to unleash the most incredible escalation of the arms race humanity has ever known. Finally, there is the charge leveled against the previous government (Carter's) of having allowed American influence to decline in key regions of the world, such as the Middle East and Latin America, with the assertion that "the United States is in retreat everywhere" and that "the Americas are under attack. Latin America, the United States' traditional ally, is being penetrated by Soviet power. The Caribbean coasts and basin are being reached by Soviet cravings and surrounded by socialist countries. . . ." They go on to say

that "the Caribbean is becoming a Marxist-Leninist lake." All of this is nothing other than "justification" for the policy of intervention, aggression, blackmail, and pressure being implemented openly against all the revolutionary and progressive countries in the region, the chief of which include Cuba, Nicaragua, Grenada, and the liberation movements in El Salvador and Guatemala.

Along with defending the archaic Monroe Doctrine--which the abovementioned document terms "the historic cornerstone of United States policy for Latin America"--the American administration is engaging in direct confrontation on all fronts--economic, political, and even military--making extensive use of the powerful mass media serving imperialism, following the principle stated by Goebbels: If a lie repeated often does not thus become a truth, at least it is interpreted as one.

That is their game. Dangerous, but consistent within their insane point of view. That strategy underlies the American military presence at its more than 360 bases throughout the world, the increase in tension in the Middle East, the aggression against Libyan airplanes, and the preparations for direct aggression against that country by means of the U.S. flunkies Sudan and Egypt. That explains the sale of the AWACS (flying radar units) to the Saudi dynasty. In this way, it undermines the tattered Arab unity against Zionism, eliminates a powerful adversary of Israel, and creates a dangerous triangle (Egypt, Israel, Saudi Arabia) to tighten the cord intended to strangle the Palestinian cause.

In the Caribbean, Premier Seaga's regime wasted no time in giving way to pressure from Washington, and its supporters of the International Monetary Fund did not even have to raise their voice. Washington is promoting aggression against Nicaragua across the Honduran border and readying invasions designed to overthrown the victorious Sandinist Revolution. They will achieve nothing beyond serving as training for the already seasoned people's militia. They are inundating El Salvador and Guatemala with arms and ammunition, which their thousands of "advisers" try fruitlessly to have the dictatorships' demoralized military forces use against the people's insurrection, which is assuming aspects of true revolutionary warfare. In reprisals of the impotent, the reactionaries will find their victims amid the innocent civilian population.

That means nothing to Mr Reagan. It is a part of his sense of the cost of stopping the alleged expansion of the communist threat.

He is maintaining his aggressive policy toward Cuba. The lessons of history have not helped him. His campaigns of lies and his outrages are not going to intimidate anyone or confuse anyone.

The Cuba of today is much stronger than the one that inflicted its first great defeat in America on it at Giron; and it is much better prepared than when it gave it 13 sleepless nights during the October Crisis. Our organization, discipline, preparation, and combat readiness--demonstrated in each and every one of the confrontations with the imperialists and their puppets wherever our internationalist presence has been requested--and the vigor of our conscience and our principles are more than enough to make a gigantic snuffle of the arrogant huffing and puffing by those who consider themselves the true lords and masters of the world.

9085
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BUSH, U.S.-BRAZILIAN RELATIONS ANALYZED

Havana VERDE OLIVO in Spanish 22 Oct 81 pp 12-13

[Commentary by Elpidio Valdivia]

[Text] The vice president of the United States arrived in Brazil last week and within a few hours witnessed the significant differences of opinion existing between his government and this South American colossus that exceeds 8 million square kilometers in size and 120 million inhabitants.

A few days earlier, launching his new Latin-American tour in the Dominican Republic, George Bush astounded the continent's serious historians when he said that Christopher Columbus called that country the most beautiful that human eyes might see.

Some Caribbean intellectuals immediately associated this unfortunate blunder by Bush--mistaking the subject of the celebrated remark--with other public errors by President Ronald Reagan, who, for example, once said when speaking of Jamaica that it was located in the Mediterranean. Such incidents have given rise to some doubt concerning the cultural resources of the leading figures in the U.S. Government. Judging from public speeches made during his Latin-American trip, Bush was not an outstanding student in primary school, a circumstance that qualifies him to be the emissary for the present Yankee administration.

Just 48 hours before Bush's arrival in Brasilia, the American news agency AP foretold from there the reception awaiting the White House's number-two man.

"He will hear"--the dispatch said--"reproaches for his country's policy with respect to international finance and relations with the Third World."

According to the article, Brazil's present domestic policy is characterized by a slow turn toward democracy and its foreign policy, by divergence from that of the United States Government.

Going farther, the AP stated that this Brazilian conduct is termed "responsible pragmatism" in search of relations that better serve its economic growth and the solution of problems such as that of a foreign debt nearing $60 billion and an annual inflation rate of 110 percent.

Assessing relations between the countries, the article noted that "Brazil has developed an increasingly independent international policy." This is seen, among other examples, in its opposition last year to the U.S. grain embargo against the Soviet Union and Washington's boycott of the Olympic Games in Moscow, an activity to which it sent a delegation of athletes.

Early last September, the American journal FOREIGN POLICY and the daily WASHINGTON POST predicted that differences in opinion between the governments of the two countries would tend to increase owing to their different political and economic orientations.

In supporting its point of view, FOREIGN POLICY stressed the cases of Cuba and El Salvador as important issues on which opposing ideas were held by the present Republican administration of Ronald Reagan and the government headed by President Joao Figueiredo.

The WASHINGTON POST in turn noted the United States-Brazilian disagreements regarding the African situation, security in the South Atlantic, and relations with the Soviet Union.

Concerning the USSR, the POST pointed out on that occasion that Reagan cannot expect automatic support from the immense South American country for his anti-Soviet policy, and it recalled that Brazilian officials rejected the creation of a reactionary pact in the South Atlantic.

Moreover, the newspaper called attention to the fact that each time the U.S. prime rate rises a point, Brazil loses $300 million because the loans it receives from the north are tied to floating interest rates.

Recently, commenting on that disadvantageous situation and the customs policy being applied by Washington with the stated purpose of setting the American economy in order, Brazil's minister of economic planning, Antonio Delfim Netto, told reporters that the United States is trying to achieve that objective "by setting in disorder" the economies of other countries.

With that background behind him, on the 14th the former director of the CIA, become vice president of the Republican administration, arrived in the capital of Brazil.

Bush had scarcely declared at the airport that the Reagan team was committed to the "improvement of relations" with the country he was visiting when the AP took it upon itself to add that those bonds are "shot through with mistrust and misunderstandings, as diplomats from the two countries acknowledge."

Characterizing the results of official talks, another AP dispatch said that Bush encountered differences of opinion on basic economic and political issues, and that the acting president, Aureliano Chaves, stated that relations with the United States are strong "despite the issues on which they disagree."

Officials in the Brazilian Ministry of Foreign Affairs were more explicit in describing the extent of those differences, noting opposition to a Reagan administration proposal to reduce aid for development for countries like Brazil.

The subject of South Africa, the same sources disclosed, was another major point of disagreement with Bush, for, as the AP indicated, Brazil has supported the governments of new nations in the region, such as Angola, and it condemns the racist regime in South Africa, one of Washington's favorite allies.

Spokesmen for the Ministry of Foreign Affairs quoted by the AP stated that another of the differences that arose during the talks with the delegation led by the former head of the CIA involved the presence of Cuban troops in Angola.

Brazilian Minister of Foreign Affairs Ramiro Saraiva Guerreiro had recently told the daily O ESTADO DE SAO PAULO that "from the national legal point of view, and from the political point of view, you can't put the presence of Cuban troops and that of South African troops on the same plane. We don't like the situation, but we have to understand that it's the result of a request for support made by a government with which we have diplomatic relations, whose territory they were invading."

Assessing Bush's most recent visit to its country, the daily JORNAL DE BRASILIA said that the two governments are far from agreeing on foreign policy matters, for Brazil opposes intervention in El Salvador while favoring participation by all political groups in that small nation in the resolution of the national crisis.

Providing many examples of disagreement, the newspaper indicated the cases of Namibia, South African aggression against Angola, and the attitude toward the Palestine Liberation Organization (PLO), recognized by Brazil and viewed by the White House as a sinister terrorist body.

An indication of American interest in ending the divergence of stances and neutralizing the Brazilians' attitude was given in Bush's offer to sell enriched uranium to his hosts, a matter of key importance that had been at a deadlock since 1975.

"The announcement of that agreement," as the AP pointed out, "came after private meetings Bush held with Brazilian officials who had expressed disagreement with the United States concerning basic economic and political issues."

Bush was still traveling in Brazil when an incident arose to presage the next crossing of lances between the officials from the two countries.

While Brazil has adopted the well-known Third World stance of calling for a new international economic order and is preparing to take part, representing that perspective, in the forthcoming North-South Cancun conference in Mexico, last Thursday Reagan threw cold water on these peoples' hopes and confirmed the existence of extremely conservative, rigid proposals favoring the big capitalist corporations.

A dispatch by the French news agency AFP, datelined Philadelphia, said then that "an impassioned defense of the present international economic order and a virtual refusal to take the dialogue between the rich and poor countries to the political setting of the United Nations was the message for the North-South summit at Cancun put forward today by American President Ronald Reagan."

Because of all these issues, to name a few, various international observers are drawing the conclusion that the independent line Brazil is following constitutes one of the stones blocking the ultra-right road the Reagan administration is stubbornly following. It is an unquestionable symbol that adventurers, maniacs, and the insane cannot decide humanity's fate.

The pack-mule Bush, bearer of imperial designs for Latin America, will encounter further obstacles in his wanderings.

9085
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POLITICAL SITUATION, 'REPRESSION' IN COLOMBIA NOTED

Havana TRABAJADORES in Spanish 2 Nov 81 p 8

[Commentary by Hedelberto Lopez Blanch]

[Text] The recent outlawing of the Colombian Workers Trade Union Confederation (CSTC) and 13 other unions confirms the aggressive, reactionary policy that Cesar Turbay Ayala's government is carrying out against that people.

The national situation is characterized by a major economic crisis; the labor movement's struggle directly against the regime's antiworker measures; the growing power of guerrillas in mountainous areas; militarization of the chief cities and arrest, torture, and murder of progressive leaders, as the authorities' only adopted means of attempting to halt the peoples' growing unrest.

On 23 October, the respected CSTC, founded in May 1964 and with a current membership of some 500,000, called the second national strike in protest of the troubled political, economic, and social situation Colombia is experiencing.

The demands issued by the labor movement included wage increases to offset the increasingly high cost of living, employment guarantees, and the ending of mass firings.

Moreover, they demanded termination of summary courts-martial, an end to militarization of large areas and work centers in the country, halting of mass arrests of farm laborers and workers--accompanied by torture, disappearances, and deaths--protection of the right to strike, and approval of a broad general amnesty.

Before the strike began, the regime carried out a vast roundup. With tanks and heavily armed trucks, the Army guarded the streets and took over union meeting places and private homes in search of those directing the strike. During that period, over 1,200 people were arrested.

The regime's anger reached its peak when 23 October dawned with the streets nearly deserted, transportation largely paralyzed, and the factories with no one to run them. Ten buses burned in the middle of the street, and about 20 medium-sized bombs exploded.

Turbay Ayala's hosts assaulted the people. Genocidal bullets killed three people, including a child. An additional 14 were wounded, and nearly 800 were arrested.

The next measure came quickly: the outlawing of the combative Colombian Workers Trade Union Confederation, an idea concocted in advance by the regime with the United States' blessing.

Only 2 months earlier, the Colombian president had told Congress that "the labor and people's organizations were directly responsible for the retention of the state of siege in the country."

The absurdity of the charge renders comment unnecessary, for Mr Turbay Ayala is, throughout this business, a mere puppet whose strings lead out of Washington for the direction of fascist regimes such as those in Chile, Uruguay, Bolivia, or Paraguay, where union activity is forbidden.

9085
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ANAP PRESIDENT DISCUSSES COOPERATIVE DEVELOPMENT

Havana CUBA INTERNACIONAL in Spanish Oct 81 pp 38-39

[Interview with Jose Ramirez Cruz, alternate member of the Cuban Communist Party Politburo and president of ANAP (National Association of Small Farmers), by CUBA INTERNACIONAL; date and place not given]

> [Text] The important thing was to work united in the common struggle to defend the achievements that Cuban farmers too have made thanks to the revolution.

[Question] What do you consider to be the most important advances made by the organization these past 2 decades?

[Answer] First, one of the organization's most important advances was the fact that it succeeded in uniting the farm sector, which has achieved a broad political and revolutionary culture as well as developing its patriotic and internationalist awareness.

Another area in which we have made considerable advances is in the development of the cooperative movement, beginning with the holding of the First Party Congress and the Fifth ANAP Congress during which the process of cooperativization, based on the strictest respect for the voluntary nature of the integration of the rural family into socialist production methods, was launched. A palpable example of this is the fact that up until 1975 there were 43 cooperatives, known under the name of Farm and Livestock Associations, in the farm sector and at the present time we already have some 100,000 nationally established Farm and Livestock Production Cooperatives which cover a total area of over 270,000 hectares and bring together about 35,000 associated farmers.

During the past 2 decades too, there have been ups and downs in farm sector production. Recently, however, big advances have been made with most of our crops and production is gradually being stabilized despite adverse weather and pests and diseases that have attacked our basic crops, as was the case with, for example, the tobacco blue mold and sugar cane rust. In spite of these situations and the fact that in the case of cane and tobacco we had to destroy contaminated crops, high regional yields are being obtained with cane, for example. Moreover, fraternal competition, basically among the Farm and Livestock Production Cooperatives, to attain a yield of 81 tons of cane per hectare on unirrigated farm land

is evolving. With tobacco, despite the losses we had as a result of the blue mold disease during the last harvest, this year we succeeded in obtaining a big harvest, in terms of both quantity and quality.

[Question] Why can we say that ANAP has achieved its basic objectives?

[Answer] First, because ANAP presents itself as a means for incorporating small farmers and their families into the tasks of the revolution in a conscious and voluntary way and we may say that this objective has been achieved when they participate in an organized fashion in the country's general process of transformation. That is, in its economic, political, social and cultural development in addition to playing an active role in the defense of the nation against its internal and external enemies.

We may now confirm the fact that the cooperative movement is successfully evolving, in this way performing the historic task entrusted to ANAP by the party. During the past few years farmers have met their production and storage quotas for our farm sector's basic crops.

We should point out that the ideological effort we have been developing with small farmers has at the present time enabled our farmers to gain greater political sophistication and a better identification with the revolutionary process.

[Question] What role have the Federation of Cuban Women and the Committees for the Defense of the Revolution performed in the elevation of the political and cultural level of the rural population and in increasing farmers' production and productivity?

[Answer] ANAP has enjoyed the support of the Federation of Cuban Women in rural areas insofar as the incorporation of women into political and social tasks is concerned and into production in terms of the piling up of cane and harvesting of crops. In addition, this women's organization is making a valuable contribution to the incorporation of farm women into the cooperativization effort and 33 percent of our cooperative movement supporters are now women.

The Committees for the Defense of the Revolution too have supported and are supporting our organization in mobilizing people for the farm sector and, particularly in our public health campaigns, they have played a relevant role, not only from the point of view of propaganda for the preservation of people's health, but in the active participation of their members in national vaccination campaigns.

[Question] What role is played by the ANAP effort in the execution of the country's two basic tasks for the current 5-year period — production and defense — raised by Commander-in-Chief Fidel Castro at the Second Party Congress?

[Answer] At present we are very much engaged in carrying out these two basic tasks. We work intensively to increase production and, even more so, to raise our defense capacity. Cuban farmers have committed themselves to contributing over 2 million pesos as part of their contribution to the financing of the Territorial Troop Militias, over a million of which has already been collected and delivered. At the same time they are joining the Territorial Troop Militias en masse, thereby displaying their readiness to exchange their farm implements for rifles, if necessary,

to safeguard the gains of the revolution, which gave them the right to the land they work through the Agrarian Reform Proclamation, whose 23d anniversary we celebrated last 17 May and which forever ended the holding of large estates and national and foreign monopolies in our country.

In the face of a difficult international economic situation and the threats of Yankee imperialism, without losing any sleep over it and without neglecting production, Cuban farmers are preparing themselves militarily to resist any aggression, making use of their nonworking hours and days off on weekends to do so and in this way strengthening their revolutionary spirit, which is why we can today confirm the fact that the Leninist postulate of the Worker-Farmer Alliance in Cuba is a solid and indestructible fortress.

[Question] In general, from now on what will the work of the organization consist of?

[Answer] As we have already said — and I believe that now is the time to repeat it — we are working on the execution of the two basic tasks: production and defense. ANAP strives to get farmers and cooperative members to exert themselves to complete that part of the Five-Year Plan, approved by the Second Party Congress, which they are responsible for. Now various matters of relative importance will come up, on which the organization will work, is already working. Of much importance for ANAP will be the holding of its Sixth Congress in May 1982, the main theme of which will be the development and strengthening of the cooperative movement, a theme to which Fidel devoted special attention at the Second Party Congress. We have already been working in preparation for it with the participation of all our farmers the length and breadth of the country, grouped into 3,500 rank-and-file organizations.

There can be no doubt that the Sixth ANAP Congress will be an appropriate framework for the strengthening of the organization from the organizational standpoint. Among the basic operational objectives the Sixth Congress will tackle are:

To continue to gradually and voluntarily advance toward superior production methods through the channels established by the cooperatives or incorporation of government plans.

To work for the growth, reinforcement and stabilization of the Farm and Livestock Production Cooperatives that have been constituted and to go on creating new ones in addition to continuing to work for the implementation of the role of the Credit and Services Cooperatives.

Other points on which we lay special emphasis are: increasing farm production in all branches during the 5-year period; we also propose to succeed in improving farmers' material and cultural living conditions as quickly as possible, although it is worth noting that this objective is being realized in most of the Farm and Livestock Production Cooperatives since the grouping of families makes it possible to build better, regrouped housing units, facilitates construction of cultural and aid centers, etc. We must promote these tasks until we succeed in getting the differences between city and country to disappear since this objective constitutes one of the premises of socialism.

Among those tasks of vital importance to the 5-year program are: achievement of a major increase in cane, tobacco, cacao, coffee, stew vegetable and livestock production. As for sugar production, there is a plan to end the 5-year period with 268,000 hectares devoted to cane growing. On the other hand, we plan to achieve a recovery of tobacco cultivation that will stabilize production at a greater volume and gradually step up recovery of coffee cultivation because of the importance these crops have for our economy and in obtaining hard currency. During this 5-year period we will also continue to develop our political and ideological work with the farmers as a guarantee that our revolutionary process will become ever stronger and irreversible.

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CSO: 3010/437

QUALITY IMPROVEMENTS IN SUGAR PRODUCTION REPORTED

Havana JUVENTUD TECNICA in Spanish Sep 81 pp 22-23

[Article by Lucy Gispert]

[Text] The mechanization of sugarcane agriculture has led to greater productivity in the cutting of sugarcane. However, that achievement goes hand in hand with the introduction of new materials in sugar mills, which slows down the productive process by making it necessary to modify sugar technology in order to adapt the traditional system to the new conditions.

Thus, among the provinces of the country there are differences with respect to milling indicators. For example, Matanzas mills the most sugar the most consistently, but its boiler capacity is below maximum demand; and when this happens, the raw product cannot be fully processed in the pans. The result is wasted sugar and smaller than standard crystals.

Emergency Measures

In Matanzas a heroic effort was made to stabilize the milling process, in that the boiling system was changed.

Two different boiling systems prevail in this country. The first is called the "three boiled masses" system, in which sugars A, B and C are produced and mixed in the commercial sugar tanks. To implement this method it was necessary to standardize the seeding medium, which means that in the processing of the sugars the C sugar serves as a seed or a footing for the processing of B and A.

Similarly, the B sugars, instead of mixing with the A sugars to make a commercial product, are used as seed for developing the A sugars. This makes possible a more uniform product. The method was used to standardize the entire crystallization operation in the refineries. From there a similar work method was applied to make notable improvements in pan processing.

This system has not yet been implemented all over the country, but steps are being taken to introduce it gradually.

To improve quality, mills also need centrifuging equipment. There are refineries where the purgers still work with shovels and the water is still poured from jars.

This hampers quality, because the problem is not solved if after effective pan processing there is insufficient control of sugar washing or if the product is purged with very slow centrifuges. The result of such deficiencies is that it is impossible to remove all the syrup from the crystal.

For this reason, in Matanzas and Villa Clara a method was sought to improve crystal development and thereby achieve higher quality with these centrifuges.

Sugar Stored for Long Periods

When the sugar remains in storage for longer than planned, its quality is impaired because it is attacked by fermentation-causing bacteria.

An attempt was made to increase the polarization ranges of the sugar. Instead of masking up to 98 percent, up to 98.3 percent was authorized. A system of neutralization was also introduced in all mills; thus, when the cane syrup had an acid Ph, it was neutralized by adding soda ash or soda to give an alkaline Ph. The deterioration from long storage periods was reduced considerably. Another problem was increased coloration during storage. It should be noted that often high color has made it impossible to export the product.

Filter Problems

On the top of the sugarcane are ashes and starches which consist of long molecular chains. These substances cause filtering difficulties at the refinery. How does this happen?

During the refining process the raw sugar is washed and then decolorized with a preliminary wash and then a clarification stage during which 30 to 35 percent of the color is removed.

Later, the decolorization process involves the use of powdered carbon, which must then be separated through a pressure filter.

When the raw product reaches the filters with dextran, starches or other polysaccharides, the capacity of these filters is reduced to a minimum. Such is the case at the Washington mill in Villa Clara.

It should be pointed out that the tolerable norm for polysaccharide content is 100 parts per million, and at the above-mentioned mill it has reached as much as 400 to 500 parts per million. Here, of course, the pores of the filtering medium are seriously damaged.

Cutting Size and Milling

When the cane is cut or burned in large pieces, if the minimum cutting and milling size is not adhered to, a bacterium known as leuconopter forms an undesirable substance, dextran, which increases the content of reducing sugars and affects the quality of the juices. This situation was resolved thanks to the introduction of enzymes for hydrolyzing the starches.

These technological measures have been carefully observed by the Ministry of the Sugar Industry in order to achieve the basic objective: to produce more with better quality and maintain the reputation of our sweet product.

8926
CSO: 3010/462

IMPORTANCE OF QUALITY CONTROL FOR EFFICIENCY NOTED

Havana JUVENTUD TECNICA in Spanish Sep 81 pp 60-61

[Article by Rosario Fernandez Jaimanera]

[Text] One of the main objectives of the Economic Management and Planning System (SDPE) is to produce with higher quality at lower cost. But to achieve that it is necessary to develop a National System of Standardization, Weights and Measures and Quality Control (SNNMCC) that will guarantee technological discipline and production quality.

For this reason, the purpose of this article is to discuss some of the criteria that form the basis of the relationship between the SDPE and the SNNMCC, and the fact that standardization has become an indispensable link between the two systems. Through standardization, the norms that determine the quality specifications of production and services are established; that is, it objectively represents an organic element that is inseparable from the general system of management of the socialist economy. As a result, it is possible to set forth a single policy on science and technology.

Now, why are technical norms the basis of this system, and why do they permit the interrelation between standardization and the development of economic activities?

In effectively managing social production, two kinds of very closely related norms are followed: those which set down requirements and quality indices for production and services, and those which govern the consumption of material and human resources.

It is the first kind of norm that plays a key role in this system, because only after such norms are established is it possible to determine, using technical and economic criteria, the norms for the consumption of material and human resources, the prices of production and services, and all the rest of the economic indicators that are used in the Economic Management and Planning System, in economic calculations, and in economic controls, records, reports and stimuli.

Thus, the regulation of material consumption is determined by the quality specifications for a product or service, and this is conceived only in technical norms.

But there can be no discussion of standardization, much less quality, without considering the importance of metrology. This activity, as part of the SNNMCC, is an

indispensable element that interacts with the SDPE in the development of the country's economic and social activities.

Metrology and its applied form, measurement, are a sine qua non for the development of science, technology, production and services.

It can be stated that measurement has three major functions (among others) in the economy: the calculation of industrial production--undertaken on the basis of the mass, length, volume, energy, etc.--; measurements of physical magnitudes, technical parameters, the characteristics of processes, the composition of the properties of substances, undertaken in scientific research, testing and production control, in medicine, etc.; and measurements undertaken for the control and regulation of technological processes (mainly in authorized production) and to ensure the normal functioning of transportation and communications.

If we analyze some economic and social activities, we see that their result has a decisive impact on the metrological factor. For example, the state of the technique for measuring masses in exports during the process of weighing products can lead to monetary losses or damage commercial reputations if there are undetected errors in the means for mass measurement.

The same can be said for the measurement of electrical power, which can bring about monetary losses if counters have undetected flaws.

Moreover, a lack of precision or uniformity in measurements, and poorly developed metrological services and organization of measurements, can lead to serious disruptions in the case of measurements in the scientific and technical realms, as well as medicine.

The progress of any country's economy goes along with a rapid development of measuring techniques in all directions.

We have already seen how standardization and metrology interact with economic activities. Now we will look at how quality, the fundamental objective of technical standards and uniformity of measures, directly interacts with economic development.

In the first place, as we stated earlier, quality is a feature that is intimately linked to industrial production and services, so it can be considered an economic necessity.

The fact that the quality of a product or service determines how well it satisfies consumption needs, has a decisive impact on price; quality specifications constitute one of the essential elements in the price structure, since they contain the requirements that determine the identification and quality of said products and services.

It can be asserted that prices form a basic economic link in the interrelation between the System of Standardization, Weights and Measures and Quality Control and the Economic Management and Planning System, because they depend on the quality of production and service.

But how can an increase in quality-dependent economic efficiency in production be achieved?

Well, the decisive factor is the elevation of the level of quality, which is carried out through a system of incentives for attaining high-quality goods and services. That in turn provides moral and economic incentives for workers.

This direct stimulus to producers guarantees that businesses can attain quality in an economically feasible manner, not only because of the incentive in question but also because in this way the usage properties of the product can thus be enhanced, and there is no more production of morally obsolescent products which do not have the required quality and have little technical-economic efficiency.

This array of activities designed to encourage high quality, as well as planned evaluation, constitute what is known as quality certification. Through this certification process, maximum economic efficiency is obtained not only by stimulating higher levels of quality but also because of its planned and legal nature.

It should be pointed out that as a major part of economic activities, the planned elevation of quality and the achievement of quality categories comparable to the best brands in the world, lead to considerable increases in exports and constitute firm and sure steps forward in the arduous task that the construction of socialism involves: development.

From all of the above it can be inferred that the development of the SDPE is impossible without the proper implementation of the SNNMCC, which will enable us to achieve higher quality and greater economic efficiency.

In this manner, the SNNMCC is one of the technical pillars upon which the SDPE rests. Along with other activities, such as state arbitration, it will ensure the full development of the economic relations among enterprises and a greater potential for meeting the ever-growing needs of the population.

8926
CSO: 3010/462

'HIGH' QUALITY MANUFACTURED PRODUCTS FOR EXPORT NOTED

Havana BOHEMIA in Spanish 6 Nov 81 pp 28-31

[Article by Alberto Pozo]

[Text] State Quality Brand
Highest grade awarded to:
-- Corrugated steel bars
-- "Batos" baseballs
-- "Taoro" mango nectar
-- "Zun Zun" grapefruit juice

Requests for certification have been made by:
-- "Conchita" guava shells
-- "Coppelia" ice cream
-- "Cohiba" tobacco
-- Special beers
-- "Exquisito" rum

A surprise for you, dear reader: We are exporting corrugated steel bars to Mexico, Jordan, San Andres, Barbados, Algeria and other countries.

This is a surprise because it is unexpected. And naturally, the fact that Cuba is competing with iron and steel products on international markets is startling. In this sector, it is the developed countries that export products, because of the complexity of the process, the large investments required, the level of activity required of technicians and skilled workers.

We recall that Antillana de Acero, today the Jose Marti Steel Enterprise, had not yet begun to function at the beginning of the Revolution. This factory was the product of the "industrialization" policy initiated by Batista, apparently for the purpose of reducing somewhat the number of idle workers; but since the regime was corrupt to the core, the main thing was always a quick and easy deal designed to line the private pockets of those who held power in the regime.

The farse was carried out by the technocrat and political schemer Martinez Saenz, and created various entities, among them being the Bank for Economic and Social Development (BANDES). In report number 2 of the National Bank of Cuba at that time, it was revealed that in the beginning the project for building an iron foundry and manufacturing steel bars cost 12 million pesos; but later that amount grew to 16 million, with the help of Republic Steel and Kidder Peabody and Co.

The business basically consisted of buying new, modern equipment at market prices, although in reality it was second-hand machinery that had been dismantled, through moral obsolescence, by the Yankee complexes. The real difference between costs was the first and greatest remittance which filled the pockets of everyone from Batista on down to his last crony. Afterwards, through the stock system, a gradual profit was to be guaranteed.

Usually, once the show of the inauguration had been put on, the factory would lose money and the state, to "benefit" the working masses, would take over the operation. Finally, the costs would come out of Liborio's pocket.

When the Revolution came, Antillana was seen to bear the seed of the future iron and steel industry of the country. It was decided to squeeze the last possible steel bar out of it, as an immediate support for construction plans. At the same time, the remodeling, reconditioning and expansion of what was to be the present-day Jose Marti Steel Enterprise were begun.

International Credit

Competition on international markets has always been fierce. Underdeveloped countries cannot go beyond the exportation of raw materials, with a few exceptions.

In addition to the requirement of huge investments and highly qualified technicians and skilled workers, strong support is needed for the entire marketing structure in order to ward off the blows of malicious manipulations, such as the well-known dumping (lowering prices for a period) for the purpose of driving out of business those producers who lack the financial backing to enable them to sustain high losses from sales.

Bearing in mind that all these factors are involved, the final result is to appear on the markets with products that meet the buyers' quality and price needs.

Here is the classic definition of quality, to serve as a point of reference: It is the sum of all the characteristics of a product or service that determine its aptitude to satisfy the requirements set forth, according to the use or application envisioned.

Confidence Factor

However, although these two requirements--price and quality--are the basis for sales, there is another factor, a subtler and less tangible one, which at the moment of truth becomes a decisive condition. It is confidence.

In the outcome of a commercial transaction, whatever its nature, there is confidence. This is especially true in large transactions, ones involving thousands and thousands of pesos, on which other products or projects depend.

Let us go to the specific case of corrugated steel bars. They are a principal and indispensable material in any kind of building project. These projects represent large additional investments by the buyer of the bars, and to a large degree their economic or social efficiency depends on the quality of the corrugated steel bar.

We admit that the quality of a lot can be determined by the buyer; in fact, he can discover the quality of each and every lot. But the matter is not so simple. Even though he has proven the quality, the fact remains that shipments may not always be of the expected quality. Although economic redress can be obtained through lawsuits or settlements, there will be a serious disruption of the work schedule, as well as commitments to other businesses and entities, and the failure to meet obligations which will damage the buyer's own commercial credit.

When this happens to a buyer once, he is not going to run any further risks with the one who caused him such trouble, even though subsequent assurances are offered for future transactions.

How does one earn confidence on international markets? Of course, the tried and true way is through time and reliability. A seller who over the years provides consistent quality in his products will earn that indispensable credit in commercial transactions.

To confidence we could add other elements which, put together, add up to seriousness. Seriousness means not only providing the factors mentioned above, but also delivering products within the time periods specified, by appropriate means and with adequate packaging. In sum, it means fulfilling each of the requirements that make up commercial pacts on time and in the manner prescribed.

Steel Bars

How is it possible for the corrugated steel bars made by the Jose Marti Metallurgical Enterprise to have expanded so rapidly this year? How is it possible that a developing country has been able to overcome the barrier of problems discussed so frequently here, that must be overcome in order to reach the international marketplace?

In the first place, credit goes to the Revolution. Since it came to power in 1959, it was deemed an inviolable rule that all our international commitments would be honored. Specifically with regard to payments, the most difficult aspect, Cuba has distinguished itself by meeting its obligations on time.

That reputation in financial transactions has extended to all kinds of relations with other countries. Within those relations, we have guaranteed each of the products and lots that we have placed on the market. And in case of any deficiency, as happens in any human endeavor, we have backed up our word with the necessary compensations in order to avoid any loss of prestige.

As for corrugated bars, we have also put into effect other mechanisms to enhance or intensify buyer confidence in our product. One of these measures has been to homologate, that is, to submit our product to investigation institutes in other countries or to prestigious organizations so that the relevant evaluations can be done and scientific conclusions can be reached concerning the level of quality. We have done this in Mexico, Panama and France, and thus we have obtained a prior international endorsement.

In other sectors we have built up guarantees over the years. Take sports, for example. In its shadow we have developed an industry that is backed up by our medals and international achievements, especially in baseball and boxing. Now our manufacturers plan to request the state quality brand, with the highest grade, for the "Batos" baseball. This ball, acclaimed for its performance in the field, will have the a priori confidence of its buyers. But the state brand will help solidify that reputation.

We have also built up a reputation over the centuries in the tobacco and sugar sectors. When in the future our sugar byproducts enter the competition, they will have the backing of that notoriety. The "Havana Club" brand, developed from our sugarcane, is already competing on international markets. Some day we will see our bagasse panels, paper pulp, fufural, dextran and other products, all backed by our fame as the sugar producer of the world. As for tobacco, the "Cohiba" products are already waiting for the State Commission to begin procedures for granting them the quality brand.

Many may not know that our mango nectar, bearing the brand name "Taoro," so much in demand on Arab markets, has already received approval. Another product of the food industry, "Coppelia" ice cream, is awaiting certification by the State Standardization Committee, along with "Zun Zun" grapefruit juice. The steel bars were the first, but now these products are following in their footsteps. They won't stay in the lead for long!

There is no doubt that this process will be of great benefit for Cuban industry. On the one hand, the products distinguished with that brand will be compelled to fulfill the contracted responsibility. On the other hand, they will provide an incentive for other goods. All things considered, this measure will help increase quality. The periodic inspections by the State Standardization Committee (CEN) will guarantee that the products maintain their levels; otherwise, the brand will be taken away, a discredit that no producer will want to suffer.

State Quality Brand

Let us look in detail at the process required for obtaining the brand. We will continue with the example of the corrugated steel bars for reinforcing concrete, grade A-30. As of press time at BOHEMIA ECONOMICA, this is the only product that has received authorization so far.

The procedure is very rigorous; it is directed by the CEN. The first step is to form a State Certification Commission, approved by the State Standardization Committee and made up of specialists of recognized prestige in the field. A prior inspection of the product is done by the CEN, and it is determined whether or not there are claims against the product. Its parameters are compared with those of the best in the world in its class. Those results lead to conclusions. Then the certification proposal is sent to the CEN, which authorizes the use of the brand.

Last 21 July 1981 the enterprise received the license to use the quality brand. At the celebration attended by the workers, the director of the Jose Marti Metallurgical Enterprise, Comrade Juan P. Vazquez, exclaimed: "It is the workers who make quality! More and more people understand that small deficiencies can affect production. For us it is a stimulus and a responsibility. In the future, a day like this will be the date to make an accounting of our deficiencies and achievements, to award prizes to those who make quality an indispensable part of their work. Today is Quality Day for our Enterprise."

What Is Standardization?

Corrugated steel bars were the first product to be presented to request certification of quality because that product was backed up by an assurance of standards that guarantees stability of production.

Here is the classic definition of standardization: It is an activity designed to establish and implement rules for the purpose of ordering a given activity for the benefit and with the participation of all interested parties, and particularly to achieve the optimization of the economy in general, fulfilling functional conditions and safety requirements.

In other words, standardization involves creating the norms that set forth the requirements and indices of quality in production and services, as well as the norms that establish the consumption of material and human resources.

Needless to say, in the puppet republic there was practically no standardizing apparatus. In 1950 the General Office of Standards was formed within the Ministry of Trade. During its 9-year existence it did not draw up a single standard.

At the beginning of the Revolution, when the Ministry of Industries was created, Cmdr Ernesto Guevara requested membership for Cuba in the International Standardization Organization (ISO), which gave us access to valuable information.

In May 1973 the Cuban Institute of Standardization, Metrology and Quality Control was established as a central organization under the direction of the Council of Ministers. In 1976 the State Standardization Committee (CEN) was founded. It is responsible for directing, executing and controlling the application of state and government policy on standards, metrology and quality control.

Jose Marti Steel Enterprise

[Question] How did standardization come about in the former Antillana de Acero, now the Jose Marti Steel Enterprise?

[Answer] With the conditions created by the capitalists, Antillana began operations on 4 May 1959 (recalls technician Osvaldo Gonzalez, chief of quality control). At that time there was only one technical control office, made up of a chief, an assistant, four chemical analysts and a mechanical assayer. Neither sulfur nor phosphorous was controlled.

[Question] How did it develop?

[Answer] In 1961 we signed a cooperation agreement with the USSR. By 1965 the quality control apparatus was an entire section with 31 comrades. And most importantly, control of raw materials was begun.

With 17 years of experience after having graduated from a school in Poland, Osvaldo is at the head of the quality control department formed in 1971.

"We have a central laboratory with modern equipment that enables us to control the processing, that is, to guarantee the established parameters in the technological

process and to carry out all the laboratory controls that will ensure consistency of production quality."

"Although we have a tradition of standardization in the enterprise," says Director Juan P. Vazquez, "we need to fine tune the controls, not only because we are exporting corrugated steel bars, but also because there is a great potential for international sales in 1982."

[Question] What are possible new export products?

[Answer] We are already exporting wire rods, and we are also going to go into the market with balls, rods and mesh. We have sold 17,000 tons of steel ingots abroad as well.

[Question] Are these products standardized only with a view to exportation?

[Answer] Oh, no. So far we have been talking about steel bars; well, 75 percent of our production is earmarked for the domestic market. We make no distinctions when it comes to quality. That does not mean that we rest on our laurels. You know that if we do not meet the parameters, we will lose our authorization to continue using the state brand that we have tried so hard to obtain. It would be a discredit to us. But our standardization effort is among the most rigorous in the country. For example, the Soviet consultant of the CEN envisioned that activity for the entire 5-year period. And like any responsible human endeavor, we are constantly seeking higher levels.

[Question] So are you in a position to apply for quality certification for all the products of your enterprise?

[Answer] We will go step by step. We are improving our capacity; we will also increase our certifications gradually.

Stages of Development

[Question] Can we turn the conversation now to the topic of stages of development?

[Answer] The first stage corresponds to Antillana. It had two 70-ton blast furnaces capable of producing 80,000 tons of steel a year. There was a billet mill and a bar mill, both in use. The occupational safety conditions were abysmal. We nationalized the firm in 1960.

[Question] Are you still in the final part of the second stage?

[Answer] We still have a little to go; but we have begun the third stage. In the second stage we have installed one 70-ton furnace and two 140-ton ones. We rebuilt the two old ones and both mills as well. In addition, a wire rod mill, a foundry for technological parts, an oxygen plant, a scrap base, a thermoelectric plant and various auxiliary workshops, including mechanical and boilermaking shops, were all added. There was a total investment of 1.2 billion pesos.

[Question] That investment is 75 times the capitalist investment.

[Answer] With that we will achieve a production capacity of 350,000 tons of steel. However, that is not enough to meet national production demands as well as export potential.

[Question] That is why we go on to the third stage. . .

[Answer] It involves an investment of 350 million pesos. We plan to install an electrical steel plant with 50-ton furnaces, continuous casting machinery to produce billets, a 350 medium section mill, a wiredrawing plant for producing wire rod as well as steel mesh, construction wire, nails and steel cables, and other items.

[Question] We have heard talk of a firebrick plant.

[Answer] To avoid environmental pollution, we will build it some 30 kilometers from here. The reason for the plant is that we consume 20,000 tons of firebricks a year. It makes better business sense to build our own plant.

What is the best way to present as graphic a picture as possible of the Jose Marti steel plant? The chief of the General Plan Section, Comrade Ramon Valdes Pacheco, took us to a map. The first phase covered an extension of 26 hectares. The second brought the total to 68. And when the third phase is finished, there will be a total of 152 hectares. Remember that a hectare equals a manzana.

"I can give you another fact that will give you a description of the steel plant in a nutshell: To move what we produce into the yards, there are 30 kilometers of railroad tracks and 12 locomotives. There are a total of 5,000 workers. With the expansion, that figure will reach 8,500. Oh, I almost forgot! Soon we are going to apply for certification of the A-40 steel bar."

[Question] What are the A-30 and A-40?

[Answer] A-30 means that it has a guaranteed minimum yield limit* of 30 kgf/mm^2 (30 kilograms force per square milimeter). So A-40 means 40 kgf/mm^2. The latter product has greater resistance, so fewer bars are needed in construction.

Let us hope that the brand authorization is received, although the hard part will be maintaining it once it is achieved.

*Yield: the point at which, if we release tension, the bar will return to its normal state.

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PROBLEMS WITH INTUR SERVICES DESCRIBED

Havana BOHEMIA in Spanish 6 Nov 81 p 32

[Commentary by Humberto Lipez]

[Text] We will begin by acknowledging that the National Tourist Institute (INTUR) is an agency that is especially concerned with providing a number of recreational elements for the Cuban people. In particular, excursions are a fundamental part of its plans. It should also be noted that in most cases programs are carried out to the full satisfaction of consumers.

There are exceptions, however, such as the one that prompted this commentary. In this case, poor planning and some unanswered questions have placed the above-mentioned goal in doubt.

One of the most attractive excursions offered by INTUR is a 1-day visit to the Isle of Youth, using the modern Cometas for transportation between Batabano and Nueva Gerona. The modest price and the variety and novelty of the panorama--for those who have never visited the island--as well as the significance of the places visited make this one of the best-structured tours.

Unfortunately, however, the excursion of 27 September did not seem to have been well planned in terms of the comfort of those who chose it. Let us say at the outset that excursionists are to arrive at the Zoologico terminal at 0500 hours. To be there on time, those who have no car must get up 2 hours early in order to coordinate the one or two buses they must take. But that would not be so objectionable if it were not for the fact that when he arrives in Batabano 50 or 60 minutes later, at 0600 hours, the excursionist must wait until 0800 hours for the assigned Cometa to leave, without anything to amuse himself except for walking around a dark pier.

In the case in question, we had the "luck" to be assigned a guide who did not show up, and while a replacement was being found we had to wait a little over an hour before boarding our boat.

Once we reached the island, a local guide took charge of the group and informed us that lunch would be at the Rancho del Tesoro at 1300 hours. That did not follow the plan exactly (the plan called for lunch at 1230 hours), but it was accepted. Thus the visits began to the old Presidio Modelo, El Abra and finally the Playa

Bibijagua. We arrived there a little after 1100 hours. There a new hitch came up. It was a matter of a visit, not to the bathroom--which would have been impossible because the men's room was out of order--a natural thing during such a short time. But we had to stay there with nothing to do until our departure for the Rancho. Once we got there we learned that due to an error in coordination, lunch would not begin until 1400 hours. That involved another wait and the resulting waste of time. Thus, the tour had to be cut short by eliminating the visit to the Basic Secondary Farm Schools (ESBEC).

At 1600 hours we returned to the dock to wait for the Cometa to depart, scheduled for 1700 hours. Then we left for Havana, receiving top-quality service from the boat's staff, with all the trimmings including cold water brought to one's seat.

And now for the worst part. When we arrived in Batabano we found that the tour did not have a personnel vehicle for taking people to the capital. At the pier there were three buses, which were mobbed by the entire boatload of passengers from the Cometa in the middle of a downpour. At that point there was a free-for-all, in which the guide from Havana, named Hector, was forced to ride back to the city standing up, leaning against the seat taken by an exhausted excursionist.

Everyone was asking the same thing: Why the waste of time throughout the day, preventing the planned tour from being completed? Why not guarantee a bus ride back on time and as promised? The guide could not explain the latter, and blamed the bus company.

For all these reasons, INTUR must revise its schedule for excursions to the Isla del Tesoro so that without any unjustified sacrifice on the part of the person who pays for a service, these long and apparently unnecessary (or at least exaggerated) waits can be avoided.

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CONSTRUCTION OF SANCTI SPIRITUS PAPER MILL NOTED

Havana BOHEMIA in Spanish 6 Nov 81 pp 32-33

[Article by Gloria Marsan]

[Text] In the town of Jatibonico, very close to the colossal Uruguay Sugar Mill, the workers of the construction enterprises Industrial Works No 7 and Engineering Works No 13, of the province of Sancti Spiritus, are building the most modern paper processing complex in Cuba. Using French technology, the plant will cost over 130 million pesos, including some 86 million to be paid to France in kind, that is, by delivering part of the paper produced. That payment is to be made over a period of 10 years.

When the complex reaches full capacity, it will be able to produce more than 75,000 tons of high-quality white paper per year, in reams as well as rolls. It will also produce bleached paper pulp in wet sheets. This will result in significant savings in foreign currency for the country; and after 1992, when the investment is paid off, it will contribute to exports as well.

The complex will cover more than 500,000 square meters, most of which is devoted to the plant itself; the rest will become green areas. When the plant begins production it will be an extraordinary source of jobs for the province; it will employ a total of 974 workers, of whom 54 will be university graduates, 150 mid-level technicians and the rest administrative personnel, directors, service employees and direct production workers.

There are many plans for this complex, as several factories will be installed here. The two most important are a plant to process sugarcane bagasse pulp and a high-quality paper plant. Furthermore, a chlorine dioxide factory is being built, and one of its byproducts will be chlorine. There are also plans to build a toilet paper plant.

Another project underway is a power plant to generate all the current the complex will consume; it will simultaneously supply the technological steam needed for paper production. Finally, a water treatment plant is under construction, using the latest French technology.

This construction, which is a youth shock labor project, is now more than 72 percent completed in terms of the civil construction portion; more than 28 percent

of the assembly is completed as well. This means that between the two aspects of construction more than 1.5 million pesos must be spent each month to complete the project on schedule and carry out the empty and loaded testing in accordance with the sequence established for the final opening of the plant by the end of next year.

We have no doubt that the fine men in white helmets of Sancti Spiritus will fulfill their tremendous commitment, as long as they are assured of receiving the supplies needed for the volume of work they must perform in order to begin production in this vital complex by the end of 1982.

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INTER-ENTERPRISE CONTRACT DISPUTE DESCRIBED

Havana BOHEMIA in Spanish 6 Nov 81 p 33

[Article by Juan Guillermo Martinez]

[Text] The Jose Martinez Steel Enterprise has sued the Central Chemical Products Enterprise, because by the end of the period of economic contracts (31 December 1980) the contract for the supply of carbon coke had not been signed because of disagreements about product specifications.

In essence, the disagreement was based on the steel enterprise's demand for a grain size greater than that sold by the Central Enterprise, claiming that the type offered leads to much waste and therefore economic losses.

The supplier, on the other hand, claimed that the product offered is the one it has always delivered to the consumer, and furthermore it had already signed a contract with Foreign Trade.

At the hearing it was shown that the plaintiff had requested in a timely and appropriate manner carbon coke with a grain size larger than what the defendant later offered; it was also shown that the supplier, ignoring the client's request and on a date later than that of said request, had delivered to the foreign trade enterprise the carbon coke supplies without taking into consideration the specifications indicated by the plaintiff.

After examining this evidence and other considerations which we are unable to go into here for lack of space, the acting arbiter upheld the suit filed by the Jose Marti Steel Enterprise and ordered that a supply contract be signed based on a grain size half-way between that requested by the plaintiff and that offered by the defendant.

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REASONS FOR INCREASE IN MILK PRODUCTION NOTED

Havana JUVENTUD REBELDE in Spanish 3 Nov 81 p 6

[Article by Ralberto Bendoyro: "What Is the Ministry of the Food Industry Counting on to Absorb the Increase in Milk Production?"]

[Text] The public is aware of the undeniable advances that have been made in the stock raising industry throughout the country, chiefly in the production of milk during the past year when, despite the drought, over 13 million liters were obtained.

Exemplary in the collection of this precious liquid are the workers of the Habana provinces, who obtained 1.2 million liters a day during the peak season in the spring of this year, and of Camaguey with 500,000 liters.

No doubt, as the old refrain goes: Stock raising is slow but sure.... And how is the industry preparing itself to process these growing quantities and to in addition contribute to supplying the public with food through the ever greater production of milk-derived products?

To inform us about the future of this industry, which is the concern of the Ministry of the Food Industry (MINAL), Vice Minister Enrique Rodriguez, who handles it, answered JUVENTUD REBELDE's questions.

"This year two new pasteurizing plants have gone into operation, one at Sancti Spiritus and the other at Pinar del Rio. Furthermore, we have begun to operate a factory for the production of various kinds of cheeses at Granma. This year too, a technically up-to-date plant for the processing of pasteurized milk and yogurt is to go into operation in Cuba's westernmost province as well as another one with the same features, but which will include a butter-production line, in Holguin.

"Although there will indisputably be an adjustment in this programming on the basis of Fidel's words at the close of the CDR [Committees for the Defense of the Revolution] Congress, we are working on the acquisition of the equipment needed to complete the four pasteurizing plants to be built at Guantanamo, Isle of Youth, Cienfuegos and Las Tunas. To be completed next year, we are building a plant in Holguin for the manufacture of different kinds of cheeses.

"Making use of existing installations, three new lines for the production of cream cheese are in the planning and the possible acquisition of a plant for the

manufacture of powdered milk and butter are being evaluated with an eye to making use of the fresh milk surpluses that accumulate at a given time of year in Camaguey."

Vice Minister Rodriguez made public the words of MINAL Minister Alejandro Roca on the "Public Information Program" that was broadcast in October of last year when he reported that growth in the production of milk and dairy products in this 5-year period would be moderate as compared with the preceding 5-year periods. And he said: "There will be increases, for example, this year in comparison with 1980: 2 percent for liquid milk, 4 percent for yogurt and 7 percent for ice cream."

(The above is due chiefly to the fact that these increases are probably contingent on increases in stocks of fresh milk and the need for cutting down on imports.)

Concerning ice cream production, the vice minister said that, following repairs, the factories at Bayamo and the Havana Dairy Complex are already in operation and that, although the Escambray ice cream factory is undergoing the same repairs, this year it should produce a million gallons more than in 1980. Furthermore, two Soviet machines for making ice cream sandwiches are to be put into operation.

Rodriguez was emphatic: "For the ministry the first thing is the health of the people and the second is the quality of our products and dairy industry products will, moreover, continue to be one of the chief bases of their meals. We are working hard to in future achieve complete satisfaction of our needs in milk and milk products. The first alternate mid and long-term development plans, in which the fundamental objective is to achieve per capita levels comparable to the average prospects of the member nations of CEMA and of other industrialized countries, have already been worked out."

The True Face of the Prerevolutionary Period

There are no official data on dairy production during the prerevolutionary period. However, we can be sure that in most cases it was lower than in 1962 and that in many parts of the country it was hardly consumed.

Between these two dates yogurt production increased 158.3 times, ice cream 7.4, liquid milk (not including the production of the farm sector and the self-consumption farms of the state sector) 5.2, evaporated milk 3.9, butter 3.8 and cheeses 2.7.

In 1958 there were only 10 medium-sized dairies which were not run at full capacity and were concentrated basically in Havana, Sancti Spiritus, Camaguey and Bayamo.

There were about 40 pasteurizing plants in Havana, most of them small businesses whose capacity fluctuated between 500 and 5,000 liters a day. The supply of fresh milk was predominantly raw and production did not exceed 50 percent of the total consumption. In the rest of the country none was produced with the exception of small quantities in Santiago de Cuba and Holguin. Yogurt was unknown and was produced in small quantities for the exclusive consumption of the capital.

Industrial production of ice cream fluctuated around 2 million gallons and was consumed solely in the provincial capitals, since few frozen custard machines had been installed throughout the country.

It can be shown that the per capita consumption of milk and milk products was very low, a situation aggravated by the fact that the capital consumed about 90 percent of the fresh milk with a population of about 29 percent of the country.

Creation of a Real Industry

The creation of a real industry began with nationalization of the chief dairies, which was followed by a process of assimilation and reorganization of the rest of the dairies.

There were many problems to be resolved, among them: anarchy and territorial inequality in terms of distribution, very low per capita consumption, limited availability of fresh milk and other raw materials, low production capacities and a small business organizational structure in industry.

The revolutionary government did not spare resources for solutions and, within the limits of the possibilites open to it, worked on the development of dairy farming, the industry, the training of qualified personnel and the importation of milk products to complement the distribution. From the moment of victory to date, hundreds of millions of pesos and a large amount of material and human resources have been invested.

New sources of jobs ensured the household economy of families to the point where, in 1980, the industry had 13,915 workers, 19.8 percent of whom are women and the mass of workers are basically composed of young people.

The dairy industry has grown not only in the number of installations and production volume, but also in terms of the improvement of its technology through the constructionoof new dairies, extensions, remodelings and rejuvenation is being contemplated for those that still have to be modernized.

Production Quality

Regarding quality, the leader of the dairy industry summed things up: "At the present time over 90 percent of the milk distributed by the industry is pasteurized (heat treatment to rid it of pathogenic bacteria), a figure that will rise to no less than 98 percent by the end of this year.

"Furthermore, the industry has been provided with equipment and the means for controlling the quality of all existing plants. Standardization of quality and processing in all branches and/or enterprises has been introduced and steps are being taken to do so on a national scale.

"Products like Coppelia ice cream have been internationally recognized for their quality and others have been developed whose production volumes will continue to rise, such as: various lines of flavored yogurts, over 20 varieties of cheese, flavored powdered milk (with chocolate, with malt) and new varieties of ice cream.

"The production of milk and milk products for public consumption has considerably increased, amounting to no less than 400,000 liters a day for liquid milk alone. We may say that, on the whole, dairy products constitute one of the most important proteins of animal origin for public consumption and, despite so-called rationing, per capita consumption in Cuba is higher than average in Latin America and in many countries."

With a boundless physical effort, dairy industry workers intend to exceed their quotas in the plan for the year, quotas that have recently been filled. In so doing, they will in practice be backing up the announcements the commander-in-chief made at the CDR Congress.

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FORMER DIRECTOR OF BOUNDARIES INTERVIEWED

Caracas EL DIARIO DE CARACAS in Spanish 28 Oct 81 p 81

[Interview with Gen Alvaro Bracho Rios, former director of boundaries in the Minisistry of Foreign Relations, by Rafael Schwartz of the magazine AYER Y HOY; place and date of interview not given]

[Text] Gen Alvaro Bracho Rios, former director of boundaries in the Ministry of Foreign Relations, was interviewed by Rafael Schwartz of the magazine AYER Y HOY, in which he expresses interesting concepts regarding the nation's border problem.

Bracho Rios graduated as an aircraft pilot (1949) and as a second lieutenant (1951), Class of "Nestor Arias." Subsequently, he served as fighter pilot and at the same time as flight instructor.

He has served as instructor of high-level courses in the Armed Forces Officer Training institute; he has taught courses in air operations, strategic intelligence, psychological warfare, and strategic subjects linked to national security and national defense.

The Statutes of the Armed Forces

[Question] As a general officer of the Armed Forces and at this time one of the most senior, what do you think is the opinion of the officer corps with respect to the border problem with Colombia and Guyana?

[Answer] I shall try to answer that question within a succinct frame of reference commensurate with the importance of the clarity it requires of me, since it embodies two concrete problems of delimitation of structures that are different in their origins, their historical evolutions, and their solutions; but in addition, it associates a psychic sense inherent in the human being, which it desires expressed, with a summing up of opinions or a collective viewpoint within the Armed Forces, addressing a presumed knowledge of it on my part, in view of my seniority within the institution. I would like to begin with the group-feeling portion of the question as it relates to the military, to explain what in my view

could be its effect or the extent of its sensitivity to each of the problems, not, however, without making it perfectly clear that the statutes of the Armed Forces forbid initiatives that may foster collective displays of opinion or action not having their origin in obedience and subordination through the processes of the command system and subject to disciplinary regulation.

The various situations of international politics that affect the nation, with possibilities of evolving within a strategic framework to the point of requiring warlike actions, are studied in all their aspects in terms of one's real and potential substantive options and capabilities for dealing with them advantageously; and tactical and strategic guidelines are derived therefrom which are constantly reviewed, and which form a set of defense attitudes that constitute doctrines or, in other words, a unity of thought and ways of proceeding that take on substance in the carrying out of defense plans, under a collective bond which is the bond of patriotism or of war, converging toward the heroic solution of a specific problem. Recently, the major general who is minister of defense said, "The Armed Forces will share in every effort that is made to recover the Essequibo territory of which we were dispossessed in the past." Those words express a sentiment that amalgamates the individual thoughts of all active, reserve or potential soldiers of our Armed Forces, within the terms of that disciplinary or collective solidarity I have tried to explain.

The situation with respect to Guyana is different from the problem of the delimitation of ocean waters and territorial waters with Colombia. It is different because it is characterized by a territorial dispossession achieved through coercion and fraud, which it was sought to legalize through an arbitral proceeding that resulted in a judgement which, when analyzed from the standpoint of its background and conceptual evolution, cannot stand the test of ethical considerations that would preclude anything but its nullification. The reaction of one who has been injured or wronged so as to rob him is very different from that of one who must negotiate a presumed possession. Indignation in the face of outrage, assault and the abuse of power chafes one's sense of honor and incites one to demand justice or to take it with exalted responsiveness, transforming that indignation into a high state of morale and a spirit of sacrifice. Our territorial and maritime problems with Colombia have a different structural dimension and objective. In the first place, we are offspring of the same mother and have the same father, and so share the same history and even a common destiny. Besides, our territorial losses to Colombia had their origin in the attitudes of the Venezuelans who had to act in times past on the matter of boundaries--some with excessive patriotic and causal zeal, others with a high degree of political ingenuousness. For example, the Michelena-Pombo Treaty of 1833, negotiated and ratified by the respective foreign ministries and by the Granadine Congress in 1834, was on two occasions impugned by the Venezuelan Congress (1836 and 1840), the argument advanced there being that the Venezuelan jurisdiction resulting from it did not agree with the territorial reality as it existed in 1810, in that--and even though it accorded Venezuela more than half the Goajira peninsula (to Cape Chichivacoa), leaving Colombia without a coast on the Gulf of Venezuela--based on the entitlements we Venezuelans claimed, the boundary should begin at the Cape of Vela. The treaty in question accorded to Venezuela the western llanos of the

Orinoco (along both sides of the river) that today are Colombian to its thalweg, which was not objected to in Venezuela, but that, as regards San Faustino, backed by the Merida delegation, belonged until 1834 to that state, which by Pontifical decision was assigned to Pamplona with the consent of the Venezuelan Congress, despite the fact that the country affected by the dispute involved [as published].

The Uti Possidetis Juris

The Spanish Decision of 1891 contains a number of contradictions in the expository reasons it sets forth for the criteria on which its findings are based as to the boundaries between Colombia and Venezuela, and brushes to one side the principle of the "Uti Possidetis Juris of 1810," thus conveying a partiality in favor of Colombia and disavowing the royal acts of the former sovereign. Besides, it lays down indeterminate extreme boundary markers (e.g., Mogote de los Frailes, the "line" that separates Valle de Upar from the province of Maracaibo and Rio Hacha, and so forth); it omits consideration of important royal letters patent, confining itself to the authority of the Additional Protocol of Paris; it commits various errors (Centurion, commander of the new settlements, when in fact he was commander only of Guyana); use of inadequate geographical maps; only partial groundings in geographical mappings subsequent to 1810 (Codazzi and Ponce de Leon); and it turns over to Colombia the entire left bank of the Orinoco and its adjacent llanos, thus depriving us of the the immense strategic advantage that total control of the Goajira peninsula would mean to us. The consequences of the Spanish Decision are the fault of the Venezuelans of that time, who permitted us to appear before a judge obviously less prepared as we were, historically and from the standpoint of royal connections, than Colombia, which was much better situated in the required ambits: political, social and economic. In the Spain of that time, there were still echos of the "War to the Death" decree--the defeat the Venezuelans in America had handed to the Spanish armies which had in their own turn routed the armies of Napoleon Bonaparte.

Colombia and Guyana

[Question] Which do you consider the more important: The problem with Colombia or the Protocol of Puerto Espana?

[Answer] Every problem having to do with boundaries or with sovereignty is, to my mind, of equal importance. I have cited historical and structural differences between the two problems as regards their origins and outlooks for a solution; but there are other factors that lend themselves to evaluations from the strategic economic standpoints which could attach a greater importance to one of the other. Seen from this viewpoint, the problem of the Orinoco Delta is more heavily laden with significant aspects of strategic vulnerability than that of an outlet through the Gulf of Venezuela, since the problem with Guyana involves an extracontinental invader who, operating with support from Cuba, presents a permanent threat to our democratic institutions, as occurred recently in Colombia and as has occurred previously in Venezuela. The traffic that will be generated by the Orinoco Basin oil industry, together with that emanating from the steel industry, the two basic foundations of our economy, imparts to the Delta a high degree of strategic sensitivity, the intensity of which will be directly proportional to the degree of

control exercisable by Guyana (and its associates) over adjacent areas. Furthermore, the territory usurped by Great Britain (inherited by Guyana) would leave us without a direct outlet to the Atlantic, unless justice is brought to bear over the area in dispute by way of a practical and fair solution.

Freedom To Half a Continent

[Question] How does it come about that our country, with a geographical expanse of 1,500,000 square kilometers, finds itself shrunk down to an area of less than 1 million square kilometers?

[Answer] Venezuela's territorial reality is not a measure of its historical greatness, in that, the country that brought freedom to half a continent is one of the smallest, in terms of territorial expanse, in South America. Characteristically, its armies have never gone beyond its own borders to subjugate the weak; they have done so only to eliminate tyrannies and to bring to human beings the enhanced values of justice and dignity that are their birthrights. Nevertheless, our national territory has been subjected to constant shrinkage ever since it became a colony of Spain, by the extension of wars and differences among the European countries in the Caribbean. Thus, we lost Trinidad, which until 1797 belonged to the Government of Guyana and was taken by the force of British arms, almost simultaneously with what is today Guyana, in its ambition to control the mouth of the Orinoco. In a similar manner, we lost Curacao, Bomaire and Aruba, Grenada and the regions we had colonized in the northern basin of the Amazon. After the independence and the disintegration of Gran Colombia in 1830, the Spanish Decision followed, which dismembered from Venezuela a large expanse of its territory in 1891, and the Swiss arbitration (1918-1922) which in practice merely ratified the findings of the prior Decision, by actually setting the boundaries. In 1894, Venezuela proposed to Colombia a rectification of several border points that would have mitigated the effects of the Spanish Decision but which failed to materialize for lack of agreement between the parties. As a result, it was decided in 1898 to implement the Spanish Decision, against which there was no dearth of opposing juridical arguments. The implementation was subsequently instituted with the initial demarcation of boundary points such as Mogotes de los Frailes, which the joint boundary commissions were unable to find on the terrain and which were presumed to be in the area of Pie de la Hacha, as was also the case with "the limits" of Montes de Oca in the neighborhood of Valle de Upar, so that that they were unable to determine the end point of the first section of the boundary in Goajira. The Decision contained errors such as that of confusing the province of Rio Hacha and Maracaibo. Venezuela's position was stated within a fully reasoned exposition, in the following terms: "The sentiment of the Venezuelan will never resign itself to the transfer to foreign control of the coast of the Gulf of Venezuela and consequently of the Venezuelan lake, merely because of the fact that the Spanish Decision, owing to an erroneous interpretation of the boundary of Sinamaica, confused the territory of the latter establishment with the entire territory of Goajira, and because the joint commissions assumed they could substitute Castilletes for Mogotes de los Frailes, which they never actually found, a substitution it was not in their power to make.

Negotiations Favor the Stronger

Our country's territorial losses were profoundly influenced by the economic constraints and the limited national power that characterized the period between 1830 and 1900, which started with the Cosiata and proscription of the Liberator and which from that date was marked by 24 armed revolutions leading to a civil war that critically weakened the power of the nation--its instrument of coercion to enforce respect for its sovereignty and for its ability to defend the national territory. The results of territorial negotiations always favor the stronger. The dispossession of the Guyanese Essequibo was the direct consequence of the expansion of British colonialism during the Victorian era, initiated through fraudulent proceedings instituted for the purpose of negotiating other interests of the powers involved, a fact that has been thoroughly demonstrated recently by the nation's media and that it would therefore be redundant of me to dwell upon. I think I have covered the substance of the issue contained in this question, since many of the aspects inherent to it are addressed in context.

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EDITORIAL ON AD, COPEI ELECTORAL STRATEGIES

Caracas EL DIARIO DE CARACAS in Spanish 28 Oct 81 p 8

[Editorial: "Fernandez-Lusinchi"]

[Text] The two major national political parties have already defined the first phase of their electoral strategies. The National Directorate of the COPEI [Social Christian Party] was a success for Rafael Caldera and Eduardo Fernandez. In the AD [Democratic Action] party, Jaime Lusinchi will head the attack against the government's performance in office and will promise all the magic potions for resolving the nation's problems.

But neither the opposition party nor the AD's presidential candidate have as yet been able to formulate, in a coherent and convincing manner, a political platform worthy of the name. They seem to be relying on the dead weight of the scant popularity of the Herrera administration and on the momentum of polls as their principal vehicles for coming to power in 1983.

Part of the explanation could lie in having had to go through the process of selecting a presidential candidate and then in the internal realignment following the death of Romulo Betancourt. This has led the opposition party to attack the government and its inefficiency with ordinary commonplaces which, while they criticize, neither add nor offer reasonable alternatives. In fact, the AD has not to date shown that it could have any better government than that of Luis Herrera Campins. On the other hand, Eduardo Fernandez, bolstered by the results of the Directorate and aware of the weaknesses of the current administration, is engaged in a process of creation and communication that could prove in the future to have been very effective and persuasive. Fernandez's strategy is based on recognizing the weak points in the government's performance and arguing that the future will bring an improvement once certain necessary changes have been made. He affirms that the party will be united behind its candidate--Rafael Caldera or Rafael Andres Montes de Oca--and that it has a convincing platform to ensure its continuance in power. Fernandez is saying what he is supposed to say as secretary general of COPEI. But he also has some concrete accomplishments to his credit. "He has consolidated his leadership," in the words of the magazine RESUMEN, and has been able to maintain a broad following across party lines and in public opinion. This is

the basis of his call for a "joining together," later converted into a "deferred joining together," a term that must be understood as meaning an undertaking between the two major political blocs to back each other--regardless of who wins the election--in resolving the nation's major problems, the nature of and remedy for which are not matters of broad disagreement between them. This is why the COPEI and Fernandez have forged ahead despite the concrete problems involved in being the governing party. The AD, once its internal conflict is resolved, will have to hasten to put its priorities and strategies in order before it is too late--before its opponents have gained a momentum enabling them to rest on their laurels.

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PLANS FOR 2.8 BILLION DOLLAR LOAN FROM OPEC COUNTRIES

Caracas ULTIMAS NOTICIAS 27 Oct 81 p 11

[Article by Mario Szichman]

[Text] (Special to ULTIMAS NOTICIAS from New York)--"Venezuela plans to borrow $2.8 billion (12.04 billion bolivars) over the next 9 months, and spokesmen for the Banco Central say they 'will seek first to obtain them from OPEC countries before applying to Western banks.'"

The above is quoted from an article by Jean Van de Walle of the WALL STREET JOURNAL datelined in Caracas.

The money is to be used to convert short-term loans into long-term obligations, since many Venezuelan state enterprises face serious problems owing to the time gap between due dates of current obligations and the completion dates of certain projects.

For example, "The SIDOR [Orinoco Iron and Steelworks] complex," said Van de Walle, "has half of its debt of $3.5 billion (15.05 billion bolivars) in short-term obligations even though most of the money is to finance its expansion over a prolonged period of time."

Cooling the Economy

The author of the article said that President Luis Herrera Campins has approved the seeking of loans "to the extent of $4 billion (17.2 billion bolivars) since he took office in March 1979." This is a modest sum compared to "the $22 billion (94.6 billion bolivars) requested by his predecessor, Carlos Andres Perez, during his 5-year term."

The results of this austerity in borrowing plans together with the reduction in the budget "have caused a sharp drop in the economy, with a decrease of 20 percent in investments and of 1.2 percent in GDP [gross domestic product]."

Another means used by the government to reduce its borrowing needs, Van de Walle said, was "by increasing the cost to the consumer of services such as electricity, postal service, water, telephone service and air transportation, some of which had remained unchanged for decades."

The explanation for the 12.04 billion bolivars the government is planning to borrow from the Arabic nations during the next several months, according to the author of the article, is the forthcoming election.

"1983 is a presidential election year," he said, "and in genuinely Venezuelan style, government expenditures are highly likely to increase. President Herrera cannot be reelected, but observers expect him to relax somewhat his fiscal discipline to bring a lift to the economy and improve the chances of the PDC [Christian Democratic Party]."

Despite an increased debt and a faulty administration in the past, Venezuela's ability to support further indebtedness appears excellent.

In the words of one Canadian banker, "As long as we find it necessary to recycle petrodollars, Venezuela continues being the best place to do it. It has oil, a stable democracy for over 20 years, and a strong economy."

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